



APES WEEK 2019

ASIA-PACIFIC ECONOMIC STATISTICS WEEK

Integrating economic statistics in monitoring the 2030 Agenda

Estimating Equity Valuation in Indonesia Financial Accounts

Key Issues of the Paper

1. As a response of global crisis in 2008, compilation Sectoral Accounts and Balance Sheets (SAB) especially for G-20 countries is a needed to address this issue.
2. In SAB, there is Financial Account, which is the most challenging issue for compiling this is equity. 2008 SNA manuals recommend that compilation equity should record not only equity from listed companies, but also from unlisted companies.
3. Data sources for calculating listed equity using administrative data, but data sources for unlisted equity is lacked.
4. Unlisted equity has the biggest proportion in the equity of Indonesia, regarding that this country has many unlisted companies.
5. Estimating better of equity data can help the government to find out how many unlisted equities there are and help to increase development-oriented policies that support economy growth.

Main Findings/Results

1. Indonesia still eager to try calculating the best methodology for estimating equity valuation. In this time, we explore the estimate using private companies survey, own fund at book value (OFBV) methods, and tax data (from Ministry of Finance).
2. Estimate using private companies survey has been done by calculate separately of private FCs (by Financial Services Authority's data) and listed company of private NFCs (from Financial report).
3. Estimate using OFBV methods compares the value of own funds of unlisted corporations to that of listed corporations. In Indonesia, we calculate own funds of unlisted corporations from retained earnings of unlisted corporation.
4. Growth of unlisted value equity are in line with growth of listed equity. The difference range is about 0,01 – 0,27. Ratio of each institution to total market value of listed and unlisted has the same pattern.
5. Estimate using tax data has been done by entries equity data from corporate financial report that have been submitted to Ministry of Finance. But it takes much times.

Conclusion

1. Estimating unlisted equity in Indonesia is very important and challenging, as the transactions are very potential to take place in Indonesia economy, regarding that the country has many unlisted companies. With this estimation, we can support the achievement of the 8th and 17th SDGs goals to transform our world.
2. Indonesia has already done estimate using private companies survey, own fund at book value (OFBV) methods, and tax data (from Ministry of Finance).
3. Especially for OFBV methods, we can get the value of unlisted equity that has growth in line with growth of listed.
4. In this estimation, we divide the holder of unlisted equity using the same pattern as listed equity. This method is not recommended, because listed and unlisted equity have different market (who/which sector is possible to hold the equity)