

Rest of the world sector in the intersectoral flow of funds system. The Visegrad group after joining the EU

Flow of funds system is a set of accounts recording all transactions included in the System of National Accounts (transactions of products, generation and allocation of primary income, distribution of income and transactions of financial assets). The study aims at assessing the involvement of the rest of the world sector in the economies of Poland, the Czech Republic, Slovakia and Hungary by using the flow of funds model based on input-output approach. This method provides unambiguous and replicable results based on a standardized accounting system, compatible in all European countries, which enables international comparisons. The performed deterministic simulations showed the growing role of the rest of the world sector in Central European economies manifested by the short-term impact on disposable income (and other macro categories) through exports, investment grants and acquisition of financial assets.

Keywords: *flow of funds, input-output structural analysis, international economic integration*