



7

Further Presentation Tables of External Debt

Introduction

7.1 This chapter introduces presentation tables that facilitate a more detailed examination of the potential liquidity and solvency risks to the economy that might arise from the acquisition of external liabilities. These tables provide information that supplements that included in the gross external debt position presented earlier in the *Guide*. More specifically, this chapter provides presentation tables on:

- External debt by short-term remaining maturity (Table 7.1)
- Debt-service payment schedule (Tables 7.2–7.5)
- Foreign and domestic currency external debt (Tables 7.6–7.9)
- Interest rates and external debt (Tables 7.10 and 7.11)
- External debt by creditor sector (Table 7.12 and 7.13)
- Net external debt position (Table 7.14)
- Reconciliation of external debt positions and flows (Table 7.15)
- Traded debt instruments (Tables 7.16 and 7.17)
- Cross-border trade-related credit (Table 7.18)

7.2 For any individual economy, the relevance of any table in this chapter will depend upon the circumstances facing it, so the *Guide* does not provide a list of priorities for compiling the tables ahead. Indeed, the tables are provided as flexible frameworks to be used by countries in the long-term development of their external debt statistics. Nevertheless, experience suggests that data on debt-maturity profiles and currency breakdowns are essential to a comprehensive analysis of external vulnerability for any economy. For the IMF's data dissemination standards, the tables for

the debt-service payment schedule—Tables 7.2 and 7.5 (SDDS) and Table 7.3 (GDDS)—are relevant, as is the table on foreign currency and domestic currency debt, Table 7.6 (SDDS).¹

7.3 Because the concepts for its measurement remain consistent throughout the *Guide*, the gross external debt position for each institutional sector and for the total economy should be the same regardless of the presentation table employed, provided that the same approach to valuing debt securities is adopted throughout. In addition, because the concepts remain consistent, if necessary, compilers can combine different characteristics of external debt in presentations other than those set out below. In disseminating data, compilers are encouraged to provide methodological notes (metadata) explaining the concepts and methods used in compiling the data.

7.4 Throughout this chapter, except where stated otherwise, the first level of disaggregation by row is by debtor sector, followed (where relevant) by maturity on an original maturity basis. In the tables, the institutional sector presentation is provided, but the presentations can also be provided on a public sector basis, as set out in Chapter 5. Because of the particular importance of both measures, the debt-service payment schedule is presented on both an institutional (Tables 7.2 and 7.5) and a public sector basis (Tables 7.3 and 7.4).

External Debt by Short-Term Remaining Maturity

7.5 Gross external debt position data by short-term remaining maturity for the total economy is presented in memorandum Table 4.3. In addition, Table 7.1 is

¹Box 4.1 provides the precise requirements for the external debt category of the IMF's data dissemination standards.

Table 7.1 Gross External Debt Position: Short-Term Remaining Maturity—By Sector	
	End Period
General Government	
Short-term debt on an original maturity basis	
Currency and deposits ¹	
Debt securities	
Loans	
Trade credit and advances	
Other debt liabilities ^{2,3}	
Long-term debt obligations due for payment within one year or less	
Currency and deposits ¹	
Debt securities	
Loans	
Trade credit and advances	
Other debt liabilities ²	
Central Bank	
Short-term debt on an original maturity basis	
Currency and deposits ¹	
Debt securities	
Loans	
Trade credit and advances	
Other debt liabilities ^{2,3}	
Long-term debt obligations due for payment within one year or less	
Currency and deposits ¹	
Debt securities	
Loans	
Trade credit and advances	
Other debt liabilities ²	
Deposit-Taking Corporations, except the Central Bank	
Short-term debt on an original maturity basis	
Currency and deposits ¹	
Debt securities	
Loans	
Trade credit and advances	
Other debt liabilities ^{2,3}	
Long-term debt obligations due for payment within one year or less	
Currency and deposits ¹	
Debt securities	
Loans	
Trade credit and advances	
Other debt liabilities ²	
Other Sectors	
Short-term debt on an original maturity basis	
Currency and deposits ¹	
Debt securities	
Loans	
Trade credit and advances	
Other debt liabilities ^{2,3}	
Long-term debt obligations due for payment within one year or less	
Currency and deposits ¹	
Debt securities	
Loans	
Trade credit and advances	
Other debt liabilities ²	
Other financial corporations	
Short-term debt on an original maturity basis	
Currency and deposits ¹	
Debt securities	
Loans	
Trade credit and advances	
Other debt liabilities ^{2,3}	
Long-term debt obligations due for payment within one year or less	
Currency and deposits ¹	
Debt securities	
Loans	
Trade credit and advances	
Other debt liabilities ²	

Table 7.1 (Concluded)	
	End Period
Other Sectors, continued	
Nonfinancial corporations	
Short-term debt on an original maturity basis	
Currency and deposits ¹	
Debt securities	
Loans	
Trade credit and advances	
Other debt liabilities ^{2,3}	
Long-term debt obligations due for payment within one year or less	
Currency and deposits ¹	
Debt securities	
Loans	
Trade credit and advances	
Other debt liabilities ²	
Households and nonprofit institutions serving households (NPISHs)	
Short-term debt on an original maturity basis	
Currency and deposits ¹	
Debt securities	
Loans	
Trade credit and advances	
Other debt liabilities ^{2,3}	
Long-term debt obligations due for payment within one year or less	
Currency and deposits ¹	
Debt securities	
Loans	
Trade credit and advances	
Other debt liabilities ²	
Direct Investment: Intercompany Lending⁴	
Short-term on an original maturity basis	
Debt liabilities of direct investment enterprises to direct investors	
Debt liabilities of direct investors to direct investment enterprises	
Debt liabilities between fellow enterprises	
Long-term debt obligations due for payment within one year or less	
Debt liabilities of direct investment enterprises to direct investors	
Debt liabilities of direct investors to direct investment enterprises	
Debt liabilities between fellow enterprises	
Total Short-Term External Debt (remaining maturity basis)	
Memorandum Items	
Arrears: By Sector	
General government	
Central bank	
Deposit-taking corporations, except the central bank	
Other sectors	
Direct investment: Intercompany lending	
Debt securities by Sector: Short-term on a remaining maturity basis⁵	
General government	
Central bank	
Deposit-taking corporations, except the central bank	
Other sectors	
Reserve related liabilities	

¹ It is recommended that all currency and deposits be included in the short-term category unless detailed information is available to make the short-term/long-term attribution.

² Other debt liabilities comprise insurance, pension, and standardized guarantee schemes, and other accounts payable-other in the IIP statement. In the absence of information to make the short-term/long-term attribution, it is recommended that insurance, pension, and standardized guarantee schemes be classified as long term.

³ Arrears are recorded in the original debt instrument rather than in other debt liabilities, short term, and separately identified by sectors in memorandum items.

⁴ If data on intercompany lending on a short-term remaining maturity basis are available.

⁵ Debt securities are valued at market value if they are presented at nominal value in the table, or at nominal value if they are presented at market value in the table. Debt securities in the memorandum items do not include those that may be included in Direct Investment: Intercompany Lending.

Box 7.1 High-Frequency Debt-Monitoring Systems

To enable authorities to monitor developments in short-term capital flows as a source of external vulnerability, a number of countries, with the help of IMF staff, have developed monitoring systems that generate timely high-frequency data on the liabilities of domestic banks to foreign banks. This box briefly sets out the rationale for such systems, their coverage, the institutional considerations, and the use of these data.

Rationale and Design Objective

High-frequency debt-monitoring systems are intended to monitor developments in short-term financial flows, which are a major source of external vulnerability and an important factor in crisis prevention and/or resolution. Such systems are designed to obtain high-quality data within very short time intervals (typically, a day).

Coverage

Given these objectives, high-frequency debt-monitoring systems are typically limited to cover consolidated interbank transactions of domestic banks, including their offshore branches and subsidiaries, vis-à-vis foreign banks. The core set of instruments that are typically covered include short-term interbank credits, trade credit lines, payments falling due on medium- and long-term loans, and receipts and payments related to financial derivatives. Reporting institutions usually provide data on amounts due and paid in the reporting period, new lines extended, interest spreads over LIBOR, and maturities. With regard to country classification, individual banks are attributed to the country in which their headquarters is located.

Institutional Considerations

Monitoring systems have been tailored to the specific circumstances of individual countries. However, there are

certain minimum requirements—in general, a capacity to collect, process, and communicate high-quality data with short lags. Key factors in the success of such systems include close coordination between the authorities and banks, which may be facilitated by preexisting reporting requirements, and the proportion of external financial flows being channeled through the domestic banking system (and, if relevant, other reporting institutions). Although a capacity must be developed to respond promptly to questions, and to identify and approach banks about emerging problems, the authorities need to be sensitive to concerns that private sector participants might misinterpret requests for information.

Use and Interpretation of Data

The information provided permits the tracking of roll-over rates, changes in exposure, and the terms of external obligations, which help to assess changes in international capital market conditions and creditors' assessments of the borrowing country. (It may also reveal differing assessments of different institutions within the country.) Interpretation of the data involves considerable judgment, requiring analysis of supply-and-demand-side factors in order to shed more light on the agents' motivations behind the monitored transactions and, thus, the soundness of a country's external position. Supply-side considerations include factors such as shifts in creditor bank strategies, banking sector or country risk, and institutional/regulatory changes in the source country. Demand for interbank lines may be affected, e.g., by fluctuations of imports or an increase/decrease in the reliance on local financing sources, such as foreign currency time deposits.

provided for presenting gross external debt position data by short-term remaining maturity further disaggregated by institutional sector. Information on the total short-term debt of the total economy, both on an original and remaining maturity basis, as well as by sector, is of analytical interest (see Box 7.1). For compiling the data for this table, direct investment: intercompany lending should be attributed to long-term maturity, unless detailed information is available to provide data on a short-term remaining maturity basis.

7.6 Compiling such information helps in the assessment of liquidity risk by indicating that part of the gross external debt position that is expected to fall due in the coming year. Also, by separately indicating short-term debt on an original maturity basis from debt on a long-term basis falling due in the coming year, the presentation provides additional information

content, such as the extent to which high short-term remaining maturity data is due (or not) to significant debt payments expected on long-term debt (original maturity basis).

7.7 Total value of arrears (if applicable) and debt securities by sector are separately identified in memorandum items to Table 7.1. Arrears are recorded until the liability is extinguished, and are presented in nominal value in the memorandum items.² This *Guide* recommends that both nominal and market values be provided for debt securities (see paragraph 2.33). For this purpose, in memorandum items to Table 7.1, debt

²Therefore, if applicable, any debt instruments listed under short-term debt on an original maturity basis and long-term obligations due for payment within one year or less in Table 7.1 may include arrears.

securities are valued either at market value if they are presented at nominal value in the table, or at nominal value if they are presented at market value in the table.

7.8 Reserve related liabilities (on a remaining maturity basis) are also separately identified in the memorandum items to Table 7.1. This information is of analytical interest to assess reserve assets data (see paragraph 3.47).

7.9 The concept of short-term remaining maturity can also be applied to other tables in this chapter, such as those relating to foreign-currency external debt.

Debt-Service Payment Schedule

7.10 Like the short-term remaining maturity presentation table, as mentioned in the previous chapter, a debt-service payment schedule supports the assessment of liquidity risk.

7.11 Table 7.2 gives a presentation of a debt-service payment schedule. The data to be presented in this table are projected future payments of interest and principal on gross external debt outstanding on the reference date.³ The data should not cover projected future payments on external debt not yet outstanding. Direct investment: intercompany lending is separately identified, although it is recognized that sometimes the payments schedule on debt liabilities between related enterprises might not always be known with precision.

7.12 In the table, the columns are time periods of one year and less, over one year to two years, and over two years. The time frame in the table could be extended. Annual payment data for each year from two years up to five years ahead would help to identify potential significant payment amounts well in advance. Some countries provide annual data for each year out to 10 or 15 years.

7.13 Subperiods are presented within the time periods of one year or less, and over one year to two years:

in the one year or less period, quarterly subperiods are presented together with an “immediate” category (see paragraph 7.14); in the over one year to two years time period, semiannual (semester) subperiods are presented. The column “more than 0 to 3” months covers payments of up to three months (excluding those payments falling under “immediate”); the column “more than 3 to 6” months covers payments due in more than three months up to six months; the column “more than 6 to 9” months covers payments due in more than six months up to nine months; the column “more than 9 to 12” months covers payments due in more than nine months up to 12 months; the column “more than 12 to 18” months covers payments due in more than 12 months up to 18 months; the column “more than 18 to 24” months covers payments due in more than 18 months up to 24 months.

7.14 The time period of one year or less includes a subperiod of “immediate” that covers all debt that is payable on demand, e.g., certain types of bank deposits, as well as debt that is past due (arrears, including interest on arrears). Debt that is technically due immediately is different in nature from debt due in one year or less because the actual timing of payment on debt due immediately is uncertain. Without an “immediate” time period specified, there is a possibility that an analytically misleading impression could be given by the data for short-term debt—some of this debt might not be repaid for some time.

7.15 For public debt managers, the monitoring of the debt-service payment schedule for public and publicly guaranteed private sector debt is essential for debt-management strategy and to ensure that payments are made on a timely basis. Table 7.3 provides a debt-service payment schedule that presents debt-service payments on a public sector basis but is otherwise identical to Table 7.2. Table 7.4 presents a debt-service payment schedule for public and publicly guaranteed private sector external debt, with no instrument breakdown. Subperiods are presented within time periods of one year or less, over one year to two years, and over two years (each year from over two years up to five years ahead, and for two five-year groups, and data for over 15 years). The time frame of Table 7.4 can also be applied to the other tables that present a debt-service payment schedule (Tables 7.2 and 7.3).

³Debt-service payments can also be projected on the basis not only of outstanding debt on the reference date, but additionally on debt not yet, but expected to be, outstanding, e.g., loans that have been agreed but not disbursed and short-term debt that might be assumed to be renewed. This *Guide* does not provide guidance for projecting payments on expected disbursements because its focus is on outstanding, not projected, debt.

Table 7.2 Debt-Service Payment Schedule—By Sector

	For Outstanding External Debt as at End Period						
	One year or less (months)				More than one year to two years (months)		More than two years
	Immediate ¹	More than 0 to 3	More than 3 to 6	More than 6 to 9	More than 9 to 12	More than 12 to 18	
General Government							
Special drawing rights (allocations)							
Principal							
Interest							
Currency and deposits							
Principal							
Interest							
Debt securities							
Principal							
Interest							
Loans							
Principal							
Interest							
Trade credit and advances							
Principal							
Interest							
Other debt liabilities^{2,3}							
Principal							
Interest							
Central Bank							
Special drawing rights (allocations)							
Principal							
Interest							
Currency and deposits							
Principal							
Interest							
Debt securities							
Principal							
Interest							
Loans							
Principal							
Interest							
Trade credit and advances							
Principal							
Interest							
Other debt liabilities^{2,3}							
Principal							
Interest							
Deposit-Taking Corporations, except the Central Bank							
Currency and deposits							
Principal							
Interest							
Debt securities							
Principal							
Interest							
Loans							
Principal							
Interest							
Trade credit and advances							
Principal							
Interest							
Other debt liabilities^{2,3}							
Principal							
Interest							
Other Sectors							
Currency and deposits							
Principal							
Interest							
Debt securities							
Principal							
Interest							
Loans							
Principal							
Interest							
Trade credit and advances							
Principal							
Interest							
Other debt liabilities^{2,3}							
Principal							
Interest							
Other financial corporations							
Currency and deposits							
Principal							
Interest							
Debt securities							
Principal							
Interest							

(Continued)

	For Outstanding External Debt as at End Period							
	One year or less (months)					More than one year to two years (months)		More than two years
	Immediate ¹	More than 0 to 3	More than 3 to 6	More than 6 to 9	More than 9 to 12	More than 12 to 18	More than 18 to 24	
Other financial corporations, continued								
Loans								
Principal								
Interest								
Trade credit and advances								
Principal								
Interest								
Other debt liabilities^{2,3}								
Principal								
Interest								
Nonfinancial corporations								
Currency and deposits								
Principal								
Interest								
Debt securities								
Principal								
Interest								
Loans								
Principal								
Interest								
Trade credit and advances								
Principal								
Interest								
Other debt liabilities^{2,3}								
Principal								
Interest								
Households and nonprofit institutions serving households (NPISHs)								
Currency and deposits								
Principal								
Interest								
Debt securities								
Principal								
Interest								
Loans								
Principal								
Interest								
Trade credit and advances								
Principal								
Interest								
Other debt liabilities^{2,3}								
Principal								
Interest								
Direct Investment: Intercompany Lending								
Debt liabilities of direct investment enterprises to direct investors								
Principal								
Interest								
Debt liabilities of direct investors to direct investment enterprises								
Principal								
Interest								
Debt liabilities between fellow enterprises								
Principal								
Interest								
Gross External Debt Payments								
Principal								
Interest								
Memorandum Items								
Securities with Embedded Options⁴								
General Government								
Principal								
Interest								
Central Bank								
Principal								
Interest								
Deposit-Taking Corporations, except the Central Bank								
Principal								
Interest								
Other Sectors								
Principal								
Interest								

¹ Immediately available on demand and/or immediately due (including arrears and interest on arrears).

² Other debt liabilities comprise insurance, pension, and standardized guarantee schemes, and other accounts payable-other in the IIP statement.

³ Arrears are recorded in the original debt instrument rather than in other debt liabilities, short term.

⁴ Include only those securities that contain an embedded option with a date on which or after which the debt can be sold back to the debtor.

Table 7.3 Debt-Service Payment Schedule: Public and Publicly Guaranteed Private Sector Debt and Private Sector Debt Not Publicly Guaranteed

	For Outstanding External Debt as at End Period							
	One year or less (months)					More than one year to two years (months)		More than two years
	Immediate ¹	More than 0 to 3	More than 3 to 6	More than 6 to 9	More than 9 to 12	More than 12 to 18	More than 18 to 24	
Public and Publicly Guaranteed Private Sector External Debt								
Special drawing rights (allocations)								
Principal								
Interest								
Currency and deposits								
Principal								
Interest								
Debt securities								
Principal								
Interest								
Loans								
Principal								
Interest								
Trade credit and advances								
Principal								
Interest								
Other debt liabilities^{2,3}								
Principal								
Interest								
Direct Investment: Intercompany Lending								
Debt liabilities of direct investment enterprises to direct investors								
Principal								
Interest								
Debt liabilities of direct investors to direct investment enterprises								
Principal								
Interest								
Debt liabilities between fellow enterprises								
Principal								
Interest								
Private Sector External Debt Not Publicly Guaranteed								
Currency and deposits								
Principal								
Interest								
Debt securities								
Principal								
Interest								
Loans								
Principal								
Interest								
Trade credit and advances								
Principal								
Interest								
Other debt liabilities^{2,3}								
Principal								
Interest								
Direct Investment: Intercompany Lending								
Debt liabilities of direct investment enterprises to direct investors								
Principal								
Interest								
Debt liabilities of direct investors to direct investment enterprises								
Principal								
Interest								
Debt liabilities between fellow enterprises								
Principal								
Interest								

(Continued)

Table 7.3 Debt-Service Payment Schedule: Public and Publicly Guaranteed Private Sector Debt and Private Sector Debt Not Publicly Guaranteed (Concluded)

	For Outstanding External Debt as at End Period							
	One year or less (months)					More than one year to two years (months)		More than two years
	Immediate ¹	More than 0 to 3	More than 3 to 6	More than 6 to 9	More than 9 to 12	More than 12 to 18	More than 18 to 24	
Gross External Debt Payments								
Principal								
Interest								
Memorandum Items								
Securities with Embedded Options⁴								
Public and Publicly Guaranteed Private Sector External Debt								
Principal								
Interest								
Private Sector External Debt Not Publicly Guaranteed								
Principal								
Interest								

¹ Immediately available on demand and/or immediately due (including arrears and interest on arrears).

² Other debt liabilities comprise insurance, pension, and standardized guarantee schemes, and other accounts payable-other in the IIP statement.

³ Arrears are recorded in the original debt instrument rather than in other debt liabilities, short term.

⁴ Include only those securities that contain an embedded option with a date on which or after which the debt can be sold back to the debtor.

Table 7.4 Debt-Service Payment Schedule: Public and Publicly Guaranteed Private Sector Debt

	For Outstanding Public and Publicly Guaranteed Private Sector External Debt as at End Period												
	One year or less (months)					More than one year to two years (months)			More than two years				
	Immediate ¹	More than 0 to 3	More than 3 to 6	More than 6 to 9	More than 9 to 12	More than 12 to 18	More than 18 to 24	3	4	5	More than 5 to 10	More than 10 to 15	More than 15
Public Sector External Debt													
Principal													
Interest													
Publicly-Guaranteed Private Sector External Debt													
Principal													
Interest													
Total													
Principal													
Interest													

¹ Immediately available on demand and/or immediately due (including arrears and interest on arrears).

7.16 The SDR debt-service payment schedule in these tables is presented as follows: interest should include interest payments on SDR allocations. The SDR allocation reported for the most recent period in the gross external debt position data should be

included as principal in the “more than two years” column in Tables 7.2 and 7.3, and in the “more than 15” years column in Table 7.4. For the purpose of these tables, interest payments are not shown in the “more than two years” column in Tables 7.2 and 7.3,

and in the “more than 15” years column in Table 7.4. For debt sustainability analysis (DSA) purposes (see Chapter 14), the repayment of SDR allocations (principal) is excluded from the debt-service payment schedule, and interest payments on SDR allocations are included, only in the circumstance, and only to the extent (amount), that interest payments on SDR allocations exceed interest receipts on SDR holdings. SDR allocations should also be excluded for the purpose of the calculation of the average maturity of the gross external debt position because they are long-term debt liabilities, which maturity cannot be anticipated.

7.17 When securities contain an embedded option with a date on which or after which the debt can be put (sold) back to the debtor by the creditor, as explained in the previous chapter, the preference of the *Guide* is that projected payments in Tables 7.2 to 7.4 be estimated without reference to these embedded put options, but that memorandum items on projected payments be provided assuming early repayment at the option date.

7.18 If national practice is to estimate projected payments on bonds with embedded put options only until the option date, additional memorandum information could be provided on the projected payments on the bond up until the original maturity date.

7.19 Other embedded options might not include a set date, but their exercise may be dependent on certain conditions occurring, such as a credit rating downgrade, or in the instance of a convertible bond, the price of equity reaching a certain level. While no memorandum item is provided for these instruments, where significant, additional data could be compiled on the value and type of this external debt. In particular, and if significant, credit-linked note instruments should be separately identified in a memorandum item. In some economies, there may be interest in historical debt-service data, i.e., past payments of principal and interest on long-term borrowings, including prepayments of debt.

7.20 To address the analytical need for detailed data on external debt payments coming due in the next 12 months, Table 7.5 presents the principal and interest payments due in one year or less on the outstanding external debt, broken down by institutional sec-

Table 7.5 Gross External Debt Position: Principal and Interest Payments Due in One Year or Less—By Sector¹

	For Outstanding External Debt as at End Period
General Government	
Principal	
Interest	
Central Bank	
Principal	
Interest	
Deposit-Taking Corporations, except the Central Bank	
Principal	
Interest	
Other Sectors	
Principal	
Interest	
Direct Investment: Intercompany Lending²	
Principal	
Interest	
Total	
Principal	
Interest	

¹Including debt immediately available on demand and/or immediately due (including arrears and interest on arrears).

²Direct Investment: Intercompany Lending should preferably be disseminated separately from the four sectors. Alternatively, Direct Investment: Intercompany Lending should be reported under its relevant sector.

tor. This table is a simplified version of, but not a substitute for, the debt-service payment schedule presented in Table 7.2.

Foreign Currency and Domestic Currency External Debt

7.21 Experience suggests that information on the currency composition of the gross external debt position is necessary for monitoring an economy’s potential vulnerability to solvency and liquidity risk. For instance, a depreciation of the exchange rate can increase the burden of foreign currency debt liabilities in domestic currency terms for the resident debtor (although there may be beneficial effects, such as an improvement in the competitiveness of an economy’s exports of goods and services), while payments on foreign currency debt can cause downward pressure on the domestic exchange rate and/or outflows of foreign currency from the economy. Some of the impact can be offset through the use of financial derivatives and natural

Table 7.6 Gross External Debt Position: Foreign Currency and Domestic Currency Denominated Debt

	End Period
Foreign currency¹	
Short-term	
Long-term	
Domestic currency	
Short-term	
Long-term	
Unallocated	
Gross External Debt Position	

¹ Includes foreign-currency-linked debt.

hedges such as foreign currency assets and income, but, unlike the domestic currency, the domestic monetary authority cannot create additional foreign currency.

7.22 Four tables are provided to help users understand the risks to the economy of foreign currency external debt. Table 7.6 is a simple foreign currency/domestic currency split of the gross external debt position; Table 7.7 is similar to Table 7.6 but provides detailed breakdown by institutional sector, maturity, and type of debt instrument; Table 7.8 provides more information on the foreign currency external debt position; and Table 7.9 provides information on foreign currency payments.

Domestic Currency/Foreign Currency Split of the Gross External Debt Position

7.23 Table 7.6 provides information on the foreign currency and domestic currency split by currency of denomination of the gross external debt position for the total economy.⁴ The definition of foreign currency debt in this table includes both foreign currency⁵ and foreign-currency-linked debt (see paragraph 6.13). Foreign-currency-linked debt is included with foreign currency debt because a depreciation of the exchange rate can increase the burden of foreign-currency-linked debt liabilities in domestic currency terms for the resident debtor. In recognition that for some sectors, such as non-financial corporations and households, there may be difficulties in obtaining comprehensive data on the

⁴The currency of settlement may be different from the currency of denomination (see paragraph 6.13), and if significant, attribution of external debt by currency of settlement can be presented as a separate subcategory.

⁵Including external debt payable in a foreign currency, but with the amounts to be paid linked to a domestic currency.

domestic currency/foreign currency split, the table includes an “unallocated” category.

7.24 A special case arises where an economy uses as its legal tender a currency issued by a monetary authority of another economy, such as U.S. dollars, or of a common currency area to which the economy does not belong. While this currency is to be classified as a foreign currency, it has some of the attributes of a domestic currency because domestic transactions are settled in this currency. With this in mind, information could be separately provided on external debt payable in and/or linked to a foreign currency used as legal tender in the domestic economy, and other foreign currency external debt.

7.25 Table 7.6 is based on the original maturity concept; data could also be compiled on a remaining-maturity basis. If significant, the foreign currency debt could be disaggregated into external debt that is payable in foreign currency and external debt that is payable in domestic currency, but with the amounts to be paid linked to a foreign currency (foreign-currency-linked debt). Further disaggregation of the table into institutional sectors and instruments is provided in Table 7.7.⁶

Gross Foreign Currency External Debt

7.26 For those economies with significant gross foreign currency external debt, Table 7.8 presents more detailed information on the position. This table provides an attribution of foreign currency (including foreign-currency-linked external debt) by major foreign currency: U.S. dollars, euros, and Japanese yen. Further individual currencies could be added. Dissemination of this detailed information is encouraged because it provides further information on the exposure to exchange rate movements to that set out in Tables 7.6 and 7.7.

7.27 Table 7.8 could be extended to also include foreign currency and foreign-currency-linked debt owed by each resident sector to each other resident institutional sector. While such debt is beyond the definition of external debt, it can result in cross-institutional sector transfers of income when there are movements

⁶This table is similar to *BPM6* supplementary Table A9-III-2a on currency composition of debt liabilities to nonresidents by sector and instrument.

Table 7.7 Gross External Debt Position: Foreign Currency and Domestic Currency Denominated Debt by Sector

	Foreign currency	Domestic currency	Unallocated	Total
General Government				
Short-term				
Currency and deposits ¹				
Debt securities				
Loans				
Trade credit and advances				
Other debt liabilities ^{2,3}				
Long-term				
Special drawing rights (allocations)				
Currency and deposits ¹				
Debt securities				
Loans				
Trade credit and advances				
Other debt liabilities ²				
Central Bank				
Short-term				
Currency and deposits ¹				
Debt securities				
Loans				
Trade credit and advances				
Other debt liabilities ^{2,3}				
Long-term				
Special drawing rights (allocations)				
Currency and deposits ¹				
Debt securities				
Loans				
Trade credit and advances				
Other debt liabilities ²				
Deposit-Taking Corporations, except the Central Bank				
Short-term				
Currency and deposits ¹				
Debt securities				
Loans				
Trade credit and advances				
Other debt liabilities ^{2,3}				
Long-term				
Currency and deposits ¹				
Debt securities				
Loans				
Trade credit and advances				
Other debt liabilities ²				
Other Sectors				
Short-term				
Currency and deposits ¹				
Debt securities				
Loans				
Trade credit and advances				
Other debt liabilities ^{2,3}				
Long-term				
Currency and deposits ¹				
Debt securities				
Loans				
Trade credit and advances				
Other debt liabilities ²				
Direct Investment: Intercompany Lending				
Debt liabilities of direct investment enterprises to direct investors				
Debt liabilities of direct investors to direct investment enterprises				
Debt liabilities between fellow enterprises				
Gross External Debt Position				

¹ It is recommended that all currency and deposits be included in the short-term category unless detailed information is available to make the short-term/long-term attribution.

² Other debt liabilities comprise insurance, pension, and standardized guarantee schemes, and other accounts payable-other in the IIP statement. In the absence of information to make the short-term/long-term attribution, it is recommended that insurance, pension, and standardized guarantee schemes be classified as long term.

³ Arrears are recorded in the original debt instrument rather than in other debt liabilities, short term.

Table 7.8 Gross External Foreign Currency and Foreign-Currency-Linked Debt Position

	End Period				
	Total	U.S. dollar	Euro	Yen	Other
General Government					
Short-term ¹					
Long-term					
Central Bank					
Short-term ¹					
Long-term					
Deposit-Taking Corporations, except the Central Bank					
Short-term ¹					
Long-term					
Other Sectors					
Short-term ¹					
Long-term					
Other financial corporations					
Short-term ¹					
Long-term					
Nonfinancial corporations					
Short-term ¹					
Long-term					
Households and nonprofit institutions serving households (NPISHs)					
Short-term ¹					
Long-term					
Direct Investment: Intercompany Lending					
Debt liabilities of direct investment enterprises to direct investors					
Debt liabilities of direct investors to direct investment enterprises					
Debt liabilities between fellow enterprises					
Gross External Foreign Currency and Foreign-Currency-Linked Debt Position					
Memorandum Items					
Financial Derivatives: Notional Value of Foreign Currency and Foreign-Currency-Linked Contracts with Nonresidents²					
To Receive Foreign Currency					
General government					
Forwards					
Options					
Central Bank					
Forwards					
Options					
Deposit-taking corporations, except the Central Bank					
Forwards					
Options					
Other sectors					
Forwards					
Options					
Other financial corporations					
Forwards					
Options					
Nonfinancial corporations					
Forwards					
Options					
Households and nonprofit institutions serving households (NPISHs)					
Forwards					
Options					
To Pay Foreign Currency					
General government					
Forwards					
Options					
Central Bank					
Forwards					
Options					
Deposit-taking corporations, except the Central Bank					
Forwards					
Options					
Other sectors					
Forwards					
Options					
Other financial corporations					
Forwards					
Options					
Nonfinancial corporations					
Forwards					
Options					
Households and nonprofit institutions serving households (NPISHs)					
Forwards					
Options					

¹ It is recommended that all currency and deposits be included in the short-term category unless detailed information is available to make the short-term/long-term attribution.

² Excludes financial derivatives that are included in reserve assets data, i.e., financial derivatives that pertain to the management of reserve assets are integral to the valuation of such assets, are settled in foreign currency, and are under the effective control of the monetary authority.

in the domestic exchange rate vis-à-vis foreign currencies, thus affecting economic activity and financial stability. However, if such data are added to the data on nonresident claims, it should be remembered that if, e.g., a resident bank funds a foreign currency loan to a resident corporation by borrowing from a nonresident, the foreign currency liabilities would appear in both the resident/resident and resident/nonresident data.

7.28 In the special case where an economy uses as its legal tender a foreign currency, borrowing in this currency from nonresidents could be separately identified in the table.

7.29 A memorandum item is provided in Table 7.8 for the notional value—the amount underlying a financial derivatives contract that is necessary for calculating payments or receipts on the contract—of foreign currency and foreign-currency-linked financial derivatives contracts with nonresidents both to receive and pay foreign currency, and by type of currency.⁷ A financial derivatives contract to purchase foreign currency with domestic currency is classified as a financial derivative to receive foreign currency. If, instead, the contract is to purchase domestic currency with foreign currency at a future date, this is a financial derivative to pay foreign currency. Similarly, an option to buy foreign currency (sell domestic currency) is classified as a financial derivative to receive foreign currency, and vice versa. Determining the currency of denomination is not always clear in financial derivative contracts to purchase or sell foreign currency using domestic currency. The decisive factor in determining whether the financial derivative is to be classified as receiving or paying foreign currency is the exposure to currency movements, so if payment of a financial derivatives contract is linked to a foreign currency even though payment is required in domestic currency, the financial derivative is to be classified as a contract to pay foreign currency, and vice versa.

7.30 Through the use of financial derivatives, the economy could become more, or less, exposed to exchange rate risk than is evidenced in the gross

foreign currency external debt data. In this context, the notional value data, by providing a broad indication of the potential transfer of price risk underlying the financial derivatives contract, are analytically useful.

7.31 The notional amount is comparable with the values for debt instruments; for instance, if a foreign currency debt instrument is issued and the proceeds sold for domestic currency with an agreement to repurchase the foreign currency with domestic currency at a future date—known as a currency or for ex swap—the notional amount of the financial derivative is equal to the amount swapped. Therefore, these amounts provide an indication of the scale of activity by institutional sectors in foreign currency financial derivatives; the extent to which institutional sectors might be covering the foreign currency risk of their borrowing; and/or the extent to which institutional sectors may be exposed to foreign currency risk through financial derivatives contracts. Table 7.8 distinguishes between forwards and options and so can be used to indicate their relative shares of total foreign currency financial derivatives.

7.32 A breakdown of positions by institutional sector into forwards (including swaps) and options is provided because of their different characteristics. Notably, forwards often involve the delivery or receipt of the notional amount of foreign currency underlying the contract, whereas the settlement of an option is likely to involve only a net settlement of the market value.⁸

7.33 If a single financial derivatives contract both pays and receives foreign currency, the notional amount should be included under both pay and receive foreign currency. Not only does this ensure completeness of reporting, it also allows for the possibility of attributing financial derivatives contracts by type of currency. If a financial derivatives contract requires the payment or receipt of foreign currency in return for something other than a currency (e.g., a commodity), the notional amount should be included under either the receipt or payment of the foreign currency, as appropriate. If these contracts are significant, they could be separately identified.

⁷For those economies that use a foreign currency, such as the U.S. dollar, as legal tender, information on the notional value of foreign currency derivatives to receive and pay this foreign currency, such as U.S. dollars, could be presented.

⁸According to data published semiannually by the Bank for International Settlements, market values of foreign currency options are typically around 2 to 4 percent of the notional amount.

Projected Payments in Foreign Currencies Vis-à-Vis Nonresidents

7.34 Table 7.9 sets out a foreign currency payment schedule, and a memorandum item of selected foreign currency and foreign-currency-linked external asset positions. It provides an idea of the future potential drains of foreign currency resources from the economy to nonresidents, along with the external foreign currency assets that may be available to meet such drains in the short term. While there is always difficulty in ascertaining the extent to which it might be possible to use assets to meet outstanding debt obligations as they come due, the memorandum item provides a broad approximation of the concept of foreign currency liquidity by listing selected asset types that would most likely be available in the short term. Only obligations to and claims on nonresidents are to be included in this table.

7.35 The deposit-taking corporations, except the central bank, other financial corporations, and non-financial corporations are presented in the table, but not the central bank and general government sectors because a framework for the dissemination of similar, but not identical, data for these two sectors is provided by the Data Template on International Reserves and Foreign Currency Liquidity.⁹ However, the table could be extended to cover these sectors.

7.36 The rows in the table present types of foreign currency payments (and receipts); the time period columns are defined identically to those in the debt-service schedule (Table 7.2).¹⁰ Because the focus is

⁹This is a template on international reserves and foreign currency liquidity that was introduced as a prescribed component of the SDDS in March 1999 by the IMF's Executive Board. The template provides a considerably greater degree of transparency on international reserves and foreign currency borrowing by the authorities than previously shown. Details are provided in the *International Reserves and Foreign Currency Liquidity: Guidelines for a Data Template* (2013), see www.imf.org/external/np/sta/ir/IRProcessWeb/dataguide.htm. These guidelines—originally issued in 2001—ensure consistency with the adoption of *BPM6* and to address some clarifications that were needed to reflect IMF experience with economies that report data in the Reserves Data Template.

¹⁰This table could be extended to also include foreign currency payments and receipts to each other resident institutional sector. However, as mentioned in paragraph 7.27, combining resident/nonresident and resident/resident foreign currency data could result in double counting (e.g., payments on a foreign currency loan by a resident corporation that was funded by a domestic bank from abroad).

on foreign currency drains, all payments in domestic currency, even if linked to a foreign currency, are excluded. Foreign currency external debt payments are those payments that are included in the debt-service payment schedule and are required in foreign currency (i.e., settled in foreign currency). The requirements to deliver and receive foreign currency from nonresidents under forward contracts include only contractual agreements to deliver and receive the nominal (notional) amounts of foreign currency underlying forward contracts such as forward foreign exchange contracts and cross-currency swaps, on contracts current and outstanding at the reference date.

7.37 This item is not intended to include projected net settlements of financial derivatives contracts involving foreign currency, because such amounts are not required under the contract and are not known until the time of settlement.¹¹ Consequently, contracts such as options and nondeliverable forwards that require only net settlement are not covered by this table. However, such contracts contribute relatively little to the value of foreign currency delivered under financial derivatives because the settlement amounts are much smaller than the notional amount and because these types of contracts have a relatively small share of the market.

7.38 The memorandum item in Table 7.9 covers positions in (and not payments of) foreign currency and foreign-currency-linked debt instruments that represent claims on nonresidents—a subcategory of the debt assets presented in the net external debt table (see Table 7.14)—plus foreign currency and foreign-currency-linked equity securities. The instruments in the table are selected on the assumption that they represent assets that might be available to meet a sudden drain of foreign exchange, i.e., as mentioned above, they provide an approximation of the concept of foreign currency liquid assets. All short-term

¹¹As set out in paragraph 6.29, future requirements to pay/receive foreign currency under forward derivatives contracts are to be converted into the unit of account at the market (spot) rate on the reference date, i.e., consistent with the foreign-currency-conversion approach adopted throughout the *Guide*. Consequently, any gains or losses in the unit of account on these financial derivatives contracts are not reflected in this table, but would be reflected in the market value data to be reported in the financial derivatives memorandum table, Table 4.4, and in the net external debt position table set out later in this chapter (see Table 7.14).

Table 7.9 Schedule of Projected Payments Settled in Foreign Currency Vis-à-Vis Nonresidents: Selected Institutional Sectors¹

	For External Debt and Derivatives Contracts Outstanding as at End Period							
	One year or less (months)					More than one year to two years (months)		More than two years
	Immediate ²	More than 0 to 3	More than 3 to 6	More than 6 to 9	More than 9 to 12	More than 12 to 18	More than 18 to 24	
Deposit-Taking Corporations, except the Central Bank								
Foreign currency external debt payments								
Requirements under forward financial derivatives contracts								
To deliver foreign currency								
To receive foreign currency								
Other Financial Corporations								
Foreign currency external debt payments								
Requirements under forward financial derivatives contracts								
To deliver foreign currency								
To receive foreign currency								
Nonfinancial Corporations								
Foreign currency external debt payments								
Requirements under forward financial derivatives contracts								
To deliver foreign currency								
To receive foreign currency								
Memorandum Item								
Selected Foreign Currency and Foreign-Currency-Linked External Asset Positions						Positions as at End Period		
Deposit-Taking Corporations, except the Central Bank								
Short-term								
Currency and deposits								
Debt securities								
Loans								
Trade credit and advances								
Other debt assets ³								
Long-term								
Equities								
Debt securities								
Other financial corporations								
Short-term								
Currency and deposits								
Debt securities								
Loans								
Trade credit and advances								
Other debt assets ³								
Long-term								
Equities								
Debt securities								
Nonfinancial corporations								
Short-term								
Currency and deposits								
Debt securities								
Loans								
Trade credit and advances								
Other debt assets ³								
Long-term								
Equities								
Debt securities								

¹ Payments that are settled in foreign currency regardless of the currency of denomination.² Immediately available on demand or immediately due (including arrears and interest on arrears).³ Other debt assets comprise insurance, pension, and standardized guarantee schemes, and other accounts receivable-other in the IIP statement.

Table 7.10 Gross External Debt Position: Interest Rate Composition					
	End Period				
	Fixed-rate-linked		Variable-rate-linked		Total
	Amount	Percent of total	Amount	Percent of total	
General Government					
Short-term ¹					
Long-term					
Central Bank					
Short-term ¹					
Long-term					
Deposit-Taking Corporations, except the Central Bank					
Short-term ¹					
Long-term					
Other Sectors					
Short-term ¹					
Long-term					
Other financial corporations					
Short-term ¹					
Long-term					
Nonfinancial corporations					
Short-term ¹					
Long-term					
Households and nonprofit institutions serving households (NPISHs)					
Short-term ¹					
Long-term					
Direct Investment: Intercompany Lending					
Debt liabilities of direct investment enterprises to direct investors					
Debt liabilities of direct investors to direct investment enterprises					
Debt liabilities between fellow enterprises					
Gross External Debt Position (percentage of total external debt)					
Memorandum Items (to include if significant)					
Notional Value of Financial Derivatives: Single-Currency Interest Rate-Related Contracts²					
To receive fixed-rate-linked payment					
General Government					
Central Bank					
Deposit-Taking Corporations, except the Central Bank					
Other sectors					
Other financial corporations					
Nonfinancial corporations					
Households and nonprofit institutions serving households (NPISHs)					
From direct investors, direct investment enterprises, and fellow enterprises					
To receive variable-rate-linked payment					
General Government					
Central Bank					
Deposit-Taking Corporations, except the Central Bank					
Other sectors					
Other financial corporations					
Nonfinancial corporations					
Households and nonprofit institutions serving households (NPISHs)					
From direct investors, direct investment enterprises, and fellow enterprises					

¹ It is recommended that all currency and deposits be included in the short-term category unless detailed information is available to make the short-term/long-term attribution.

² Excludes financial derivatives that pertain to reserve asset management and are included in reserve assets data.

instruments (defined on an original maturity basis) are included along with those long-term instruments (original maturity basis) that are negotiable (equity and debt securities). Foreign-currency-linked assets are included to ensure consistency with the foreign currency and foreign-currency-linked external debt position data presented in Table 7.8. Indeed, foreign currency liabilities might be hedged by foreign-currency-linked assets, and vice versa. If foreign-currency-linked assets become significant, they could be separately identified.

Interest Rates and External Debt

Interest Rate Composition of External Debt

7.39 As with the currency composition, experience suggests that information on the interest rate composition of the gross external debt position can be necessary for monitoring an economy's potential vulnerability to solvency and liquidity risk. For instance, economies with high amounts of variable-rate debt are vulnerable to a sharp increase in interest rates. Hence, Table 7.10 provides a presentation of the amounts of the gross external debt position, both in relative and absolute terms, on which interest is fixed-rate and variable-rate. Along with the value, for each cell the percentage contribution to external debt is presented. In this table, the purchase of a separate financial derivatives contract, which might alter the effective nature of the interest cash payments, does not affect the classification of the underlying instrument (see next paragraph).¹²

7.40 A memorandum item is provided on the notional (or nominal) value of single-currency financial derivatives contracts with nonresidents for instances where the amounts involved are significant. These are broken down into contracts to receive fixed-rate-related cash payments and receive variable-rate-related cash payments. For instance, if all sectors reported that their external debt was all fixed-rate-linked but they had entered into derivatives contracts with nonresidents to swap all their interest payments into variable-rate-related payments, then the memorandum item would

show that despite the apparent exposure of the economy to fixed-rate interest rates, it is actually exposed to variable rates.

7.41 In financial derivatives markets, interest rate contracts are typically referenced to a variable-rate index. To receive variable-rate-linked is to pay fixed-rate-linked, and vice versa. A financial derivative that receives variable-rate-linked is one that would have an increasing positive value, or a decreasing negative value, as the variable rate specified in the contract increases; similarly, a financial derivative that receives fixed-rate-linked has an increasing positive value, or a decreasing negative value, as the variable rate specified in the contract decreases.

Average Interest Rates

7.42 There is analytical interest in average interest rates on external debt. While financial derivatives contracts might arguably render these data less relevant than otherwise, these data provide information on the borrowing costs of the economy and can be used to help estimate debt-service interest rate payments, or be used to cross-check those data. In addition, concessionality of borrowing can be imputed. Information on average interest rates on direct investment borrowing is of value because, often for tax reasons, average interest rates on this debt can vary widely. Information on average interest rates on short- and long-term original maturity instruments, by institutional sector, could additionally be provided.

7.43 In addition to weighted-average interest rates on outstanding external debt, Table 7.11 could be used to present data on the weighted-average level of interest rates agreed on new borrowing during the period.

Table 7.11 Gross External Debt Position: Average Interest Rates

	End Period
General Government	
Central Bank	
Deposit-Taking Corporations, except the Central Bank	
Other Sectors	
Other financial corporations	
Nonfinancial corporations	
Households and nonprofit institutions serving households (NPISHs)	
Direct Investment: Intercompany Lending (from direct investors, direct investment enterprises, and fellow enterprises)	
Total Economy	

¹²If debt whose interest is linked to a reference index or commodity/financial instrument price and which is fixed unless the reference index or price passes a particular threshold is significant—see paragraph 6.16 for the classification of these debt instruments. Additional information could be provided in notes to the tables.

External Debt by Creditor Sector

7.44 Tables 7.12 and 7.13 present external debt position data by creditor sector. Table 7.12 provides for the presentation of creditor sector data for five non-resident creditor sectors: multilateral organizations, general government (excluding multilateral organizations), central bank,¹³ deposit-taking corporations

(except the central bank), and other sectors. Traditionally, this information has been most readily available for nonnegotiable instruments and has been essential when undertaking debt-reorganization discussions. More broadly, information on creditor sectors has been compiled because different types of creditors may respond to changing circumstances differently,

Table 7.12 Gross External Debt Position: By Debtor and Creditor Sectors

	Creditor Sectors (End Period)					
	Multilateral organizations ¹	General government ^{1,2}	Central bank ¹	Deposit-taking corporations, except the central bank	Other sectors	Total
General Government						
Short-term ³						
Long-term						
Central Bank						
Short-term ³						
Long-term						
Deposit-Taking Corporations, except the Central Bank						
Short-term ³						
Long-term						
Other Sectors						
Short-term ³						
Long-term						
Other financial corporations						
Short-term ³						
Long-term						
Nonfinancial corporations						
Short-term ³						
Long-term						
Households and nonprofit institutions serving households (NPISHs)						
Short-term ³						
Long-term						
Gross External Debt Excluding Direct Investment						
Short-term						
Long-term						
Direct Investment: Intercompany Lending						
Debt liabilities of direct investment enterprises to direct investors						
Debt liabilities of direct investors to direct investment enterprises						
Debt liabilities between fellow enterprises						
Gross External Debt Position						

¹For the multilateral organizations, general government, and central bank creditor sectors, short-term lending, on an original maturity basis, may be insignificant, under which circumstances a short-term/long-term split may not be necessary.

²Excluding multilateral organizations.

³It is recommended that all currency and deposits be included in the short-term category unless detailed information is available to make the short-term/long-term attribution.

¹³This category excludes multilateral monetary institutions such as the IMF, which are included under multilateral organizations, but includes regional central banks.

and this can have implications for the economic situation of an economy.

7.45 Most economies may face practical difficulties in identifying owners of debt securities.¹⁴ Economies might attribute the value of all debt securities to “other sectors” as the creditor sector. If so, this assumption should be clearly identified in any presentation of data because it may be only very broadly reliable; for instance, monetary authorities hold significant quantities of cross-border securities as part of their foreign exchange reserves. An alternative approach would be to have a separate column for debt securities and exclude holdings of such securities from all the “sector” columns, as presented in Table 7.13.

7.46 Table 7.12 can be rearranged and extended as appropriate. One possibility is to divide the creditor sector information between official and other creditors. The official creditors could be further subdivided by multilateral and official bilateral creditors, and the latter could distinguish between Paris Club member creditors and non-Paris Club creditors; the disaggregation is presented in Table 7.13. Also, official bilateral debt could be separated between concessional and nonconcessional debt.

7.47 Because direct investment liabilities do not fall naturally into this presentation, totals are drawn before and after direct investment: intercompany lending. In addition, the “other sectors” as creditor sectors are not subdivided into other financial corporations, nonfinancial corporations, and households and NPISHs, since this would create an additional degree of difficulty in obtaining this creditor information. On the other hand, as private sector capital flows increase, and these creditor sectors become more significant, there could be analytical interest in identifying their claims separately. In particular, if significant, separate identification of the other financial corporations could be presented.

Net External Debt Position

7.48 As an economy increasingly integrates with the rest of the world, so analysis of the external liability position, and gross external debt position in particular, needs to take into account positions in external

¹⁴Chapter 13 of the *Guide* discusses the compilation of debt securities.

Table 7.13 Public and Publicly Guaranteed Private Sector External Debt Position—By Debtor and Creditor Sectors

	End Period
Public Sector External Debt¹	
Multilateral creditors²	
Short-term	
Long-term	
Official bilateral creditors²	
Short-term	
Long-term	
Deposit-taking corporations, except the central bank, creditors	
Short-term	
Long-term	
Other creditors	
Short-term	
Long-term	
Debt securities' holders³	
Short-term	
Long-term	
Publicly Guaranteed Private Sector External Debt¹	
Multilateral creditors²	
Short-term	
Long-term	
Official bilateral creditors²	
Short-term	
Long-term	
Deposit-taking corporations, except the central bank, creditors	
Short-term	
Long-term	
Other creditors	
Short-term	
Long-term	
Debt securities' holders³	
Short-term	
Long-term	
Total	
Memorandum Items	
Paris Club member creditors	
Public sector external debt	
Short-term	
Long-term	
Publicly guaranteed private sector external debt	
Short-term	
Long-term	

¹It is recommended that all currency and deposits be included in the short-term category unless detailed information is available to make the short-term/long-term attribution.

²For the multilateral organizations, general government, and central bank creditor sectors, short-term lending, on an original maturity basis, may be insignificant, under which circumstances a short-term/long-term split may not be necessary.

³If debt securities are attributed to the debt securities' holders category, the holdings of such securities are excluded from all the other creditor sectors.

assets. Indeed, for risk-management purposes, entities may well manage external liabilities and assets in an integrated manner. On the other hand, there is difficulty in ascertaining the extent to which assets might be usable to meet outstanding debt liabilities.

Table 7.14 provides a presentation of net external debt position data, placing gross external debt in the context of claims on nonresidents in the form of debt instruments.

7.49 The rows in Table 7.14 are structured as in the gross external debt position table (Table 4.1), except for “unallocated gold accounts included in monetary gold,” which are debt assets of the monetary authority (general government or central bank). The columns present gross external debt, gross external assets in debt instruments, and net debt position. A total of net external debt position plus the net financial derivatives position (this position is valued at market value and should include the position in financial derivatives held as reserve assets) is drawn at the bottom of the table. Because of their different characteristics, information distinguishing forwards (including futures and swaps) and options within financial derivatives is encouraged.¹⁵

7.50 The data on external assets in the form of debt instruments to be included in this table are the same as presented in the IIP, with short- and long-term defined on an original maturity basis. The net external debt position is equal to gross external debt less gross external assets in debt instruments.

7.51 Provided that debt securities are valued at market value, the net external debt position in this table equals the net IIP position, excluding all equity (equity shares and other equity) and investment fund shares assets and liabilities, all financial derivatives and ESOs assets and liabilities, and gold bullion.¹⁶ While no memorandum item is provided for debt securities, if presented at nominal value in Table 7.14, additional data should be compiled on their market value (disaggregated by sector and maturity as presented in the memorandum

¹⁵Cross border liabilities in ESOs are likely to be insignificant compared to financial derivative positions and, if available, can be included with financial derivatives (options). If significant, ESOs could be separately recorded under the appropriate institutional sector.

¹⁶Monetary gold consists of gold bullion and unallocated gold accounts. Gold bullion has no counterpart liability; however, the counterpart liability of unallocated gold accounts is in deposits. In principle, the gold bullion element of monetary gold should be excluded from the calculation of net debt. However, in practice, the total amount of monetary gold may have to be used in the net debt calculation because compilers may not be able to exclude the gold bullion element (*BPM6*, paragraphs 5.74–5.77).

	End Period		
	Gross external debt position (1)	External assets in debt instruments (2)	Net external debt (3) = (1) – (2)
General Government			
Short-term			
Currency and deposits ¹	n.a.		
Debt securities			
Loans			
Trade credit and advances			
Unallocated gold accounts included in monetary gold ²			
Other debt instruments ^{3,4}			
Long-term			
Special drawing rights			
Currency and deposits ¹			
Debt securities			
Loans			
Trade credit and advances			
Other debt instruments ³			
Central Bank			
Short-term			
Currency and deposits ¹	n.a.		
Debt securities			
Loans			
Trade credit and advances			
Unallocated gold accounts included in monetary gold ²			
Other debt instruments ^{3,4}			
Long-term			
Special drawing rights			
Currency and deposits ¹			
Debt securities			
Loans			
Trade credit and advances			
Other debt instruments ³			
Deposit-Taking Corporations, except the Central Bank			
Short-term			
Currency and deposits ¹			
Debt securities			
Loans			
Trade credit and advances			
Other debt instruments ^{3,4}			
Long-term			
Currency and deposits ¹			
Debt securities			
Loans			
Trade credit and advances			
Other debt instruments ³			
Other Sectors			
Short-term			
Currency and deposits ¹			
Debt securities			
Loans			
Trade credit and advances			
Other debt instruments ^{3,4}			
Long-term			
Currency and deposits ¹			
Debt securities			
Loans			
Trade credit and advances			
Other debt instruments ³			

(Continued)

Table 7.14 Net External Debt Position: By Sector
(Continued)

	End Period		
	Gross external debt position (1)	External assets in debt instruments (2)	Net external debt (3) = (1) – (2)
Other Sectors, continued			
Other financial corporations			
Short-term			
Currency and deposits ¹			
Debt securities			
Loans			
Trade credit and advances			
Other debt instruments ^{3,4}			
Long-term			
Currency and deposits ¹			
Debt securities			
Loans			
Trade credit and advances			
Other debt instruments ³			
Nonfinancial corporations			
Short-term			
Currency and deposits ¹			
Debt securities			
Loans			
Trade credit and advances			
Other debt instruments ^{3,4}			
Long-term			
Currency and deposits ¹			
Debt securities			
Loans			
Trade credit and advances			
Other debt instruments ³			
Households and nonprofit institutions serving households (NPISHs)			
Short-term			
Currency and deposits ¹			
Debt securities			
Loans			
Trade credit and advances			
Other debt instruments ^{3,4}			
Long-term			
Currency and deposits ¹			
Debt securities			
Loans			
Trade credit and advances			
Other debt instruments ³			
Direct Investment:			
Intercompany Lending			
Debt of direct investment enterprises to direct investors			
Debt of direct investors to direct investment enterprises			
Debt between fellow enterprises			
Total (3)			

Table 7.14 (Concluded)

Financial Derivatives	Position in Financial Derivatives at End of Period
Liabilities (4)	
General Government	
Forwards	
Options	
Central Bank	
Forwards	
Options	
Deposit-Taking Corporations, except the Central Bank	
Forwards	
Options	
Other sectors	
Forwards	
Options	
Other financial corporations	
Forwards	
Options	
Nonfinancial corporations	
Forwards	
Options	
Households and nonprofit institutions serving households (NPISHs)	
Forwards	
Options	
Assets (5)	
General Government	
Forwards	
Options	
Central Bank	
Forwards	
Options	
Deposit-Taking Corporations, except the Central Bank	
Forwards	
Options	
Other sectors	
Forwards	
Options	
Other financial corporations	
Forwards	
Options	
Nonfinancial corporations	
Forwards	
Options	
Households and nonprofit institutions serving households (NPISHs)	
Forwards	
Options	
Net External Debt Position plus Financial Derivatives (6)	
(6) = (3) + (4) – (5)	

n.a., not applicable.

¹It is recommended that all currency and deposits be included in the short-term category unless detailed information is available to make the short-term/long-term attribution.

²Monetary gold includes elements of a debt instrument (unallocated gold accounts) and a nondebt instrument (gold bullion). In principle, the gold bullion element of monetary gold should be excluded from the calculation of net external debt. However, in practice, the total amount of monetary gold may have to be used in the net external debt calculation because compilers may not be able to exclude the gold bullion element.

³Other debt instruments comprise insurance, pension, and standardized guarantee schemes, and other accounts receivable/payable—other in the IIP statement. In the absence of information to make the short-term/long-term attribution, it is recommended that insurance, pension, and standardized guarantee schemes be classified as long term.

⁴Arrears are recorded in the original debt instrument rather than in other debt instruments, short term.

item on debt securities to Table 4.1). This approach facilitates comparability with other macroeconomic statistics, including the IIP statement.

Reconciliation of External Debt Positions and Flows

7.52 Between any two end-periods, the change in the gross external debt position can be disaggregated into component flows. These are financial transactions, valuation changes (exchange rate changes and other price changes), and other changes in volume. Such a disaggregation helps the compiler to reconcile and verify data, and it provides useful analytical information to the user of data (e.g., the extent to which changes in the gross external debt position since the previous period are due to transactions, valuation changes, and/or revisions to the previous period data).

7.53 The reconciliation of gross external debt positions at two different reference dates is set out in Table 7.15. This presentation emphasizes how changes in the external debt position result from transactions, valuation changes, and other changes in volume during the reference period. In this table, the first column is the gross external debt position at the beginning of the period, followed by the transactions during the period. Because the conceptual approach taken in the *Guide* is consistent with *BPM6*, the balance of payments transaction data can be used in the transactions column. The next two columns are valuation changes (holding gains and losses) on debt liabilities: exchange rate changes and other price changes.¹⁷ These changes assume greater importance with increased volatility of prices in security and exchange rate markets. A nominal valuation presentation of debt securities would exclude any changes in value arising from market prices. Before the position at the end of the period, a fifth item of “other changes in volume” is included. These changes include reclassifications of external debt, such as when entities switch from one institutional sector to another, and when the nature of a debt instrument changes, an example being of an instrument moving from a specific type (say, a loan) to direct investment: intercompany lending, when the

relationship between the creditor and debtor becomes that of direct investment.

Debt Securities

Reconciliation of Nominal and Market Value

7.54 The *Guide* recommends that debt securities be valued in the gross external debt position at nominal and market value. While the market value takes into account fluctuations in market prices, the nominal value does not. Market prices change over time for a number of reasons, including changes in market interest rates, changes in investor perception of the creditworthiness of the debtor, and changes in market structure (such as might affect market liquidity).

7.55 The divergence in the market and nominal value of debt securities at one moment in time, and over time, is of analytical value. For this reason, Table 7.16 provides a framework for reconciling nominal and market valuation of debt securities included in the gross external debt position. Debt securities are presented in the table broken down by institutional sector and maturity. It is intended that data be presented in absolute amounts in the same unit of account used to present the gross external debt position.

Location of Debt Securities Issuance

7.56 Information on the location of issuance of debt securities issued by residents and owned by nonresidents can also be of analytical value. For instance, such data provide an indication of the motivation of debtors and creditors—whether residents are attracting foreign investors by issuing securities in their markets; and of possible liquidity risk—securities issued in international markets may be harder to refinance in the event of an external shock to the economy. In addition, in the absence of information on foreign currency debt, these data can provide a broad idea of the foreign currency/domestic currency attribution of debt securities; for instance, internationally issued debt is likely to be foreign-currency-linked. From a compilation viewpoint, data on securities issued in international markets might well be captured in a different manner from that of issues in the domestic market.

7.57 A presentation for these data is provided in Table 7.17. The rows distinguish debt securities issued by

¹⁷In addition to market price changes, this column covers other non-exchange-rate valuation changes, e.g., changes in the value of pension fund liabilities to nonresident participants and policyholders arising from revaluations.

Table 7.15 Gross External Debt Position: Reconciliation of Positions and Flows						
	Position at beginning of period	Changes in Position Due to				Position at end of period
		Transactions	Exchange rate changes	Other price changes	Other changes in volume	
General Government						
Short-term						
Currency and deposits ¹						
Debt securities						
Loans						
Trade credit and advances						
Other debt liabilities ^{2,3}						
Long-term						
Special drawing rights (allocations)						
Currency and deposits ¹						
Debt securities						
Loans						
Trade credit and advances						
Other debt liabilities ²						
Central Bank						
Short-term						
Currency and deposits ¹						
Debt securities						
Loans						
Trade credit and advances						
Other debt liabilities ^{2,3}						
Long-term						
Special drawing rights (allocations)						
Currency and deposits ¹						
Debt securities						
Loans						
Trade credit and advances						
Other debt liabilities ²						
Deposit-Taking Corporations, except the Central Bank						
Short-term						
Currency and deposits ¹						
Debt securities						
Loans						
Trade credit and advances						
Other debt liabilities ^{2,3}						
Long-term						
Currency and deposits ¹						
Debt securities						
Loans						
Trade credit and advances						
Other debt liabilities ²						
Other Sectors						
Short-term						
Currency and deposits ¹						
Debt securities						
Loans						
Trade credit and advances						
Other debt liabilities ^{2,3}						
Long-term						
Currency and deposits ¹						
Debt securities						
Loans						
Trade credit and advances						
Other debt liabilities ²						

(Continued)

Table 7.15 Gross External Debt Position: Reconciliation of Positions and Flows (Concluded)						
	Position at beginning of period	Changes in position due to				Position at end of period
		Transactions	Exchange rate changes	Other price changes	Other changes in volume	
Other Sectors, continued						
Other financial corporations						
Short-term						
Currency and deposits ¹						
Debt securities						
Loans						
Trade credit and advances						
Other debt liabilities ^{2,3}						
Long-term						
Currency and deposits ¹						
Debt securities						
Loans						
Trade credit and advances						
Other debt liabilities ²						
Nonfinancial corporations						
Short-term						
Currency and deposits ¹						
Debt securities						
Loans						
Trade credit and advances						
Other debt liabilities ^{2,3}						
Long-term						
Currency and deposits ¹						
Debt securities						
Loans						
Trade credit and advances						
Other debt liabilities ²						
Households and nonprofit institutions serving households (NPISHs)						
Short-term						
Currency and deposits ¹						
Debt securities						
Loans						
Trade credit and advances						
Other debt liabilities ^{2,3}						
Long-term						
Currency and deposits ¹						
Debt securities						
Loans						
Trade credit and advances						
Other debt liabilities ²						
Direct Investment: Intercompany Lending						
Debt liabilities of direct investment enterprises to direct investors						
Debt liabilities of direct investors to direct investment enterprises						
Debt liabilities between fellow enterprises						
Gross External Debt Position						

¹ It is recommended that all currency and deposits be included in the short-term category unless detailed information is available to make the short-term/long-term attribution.

² Other debt liabilities comprise insurance, pension, and standardized guarantee schemes, and other accounts payable-other in the IIP statement. In the absence of information to make the short-term/long-term attribution, it is recommended that insurance, pension, and standardized guarantee schemes be classified as long term.

³ Arrears are recorded in the original debt instrument rather than in other debt liabilities, short term.

Table 7.16 Gross External Debt Position: Debt Securities—Reconciliation of Nominal and Market Value

	Nominal Value Position at End of Period ¹	Difference with Market Value	Market Value Position at End of Period ¹
General Government			
Short-term			
Long-term			
Central Bank			
Short-term			
Long-term			
Deposit-Taking Corporations, except the Central Bank			
Short-term			
Long-term			
Other Sectors			
Short-term			
Long-term			
Other financial corporations			
Short-term			
Long-term			
Nonfinancial corporations			
Short-term			
Long-term			
Households and non-profit institutions serving households (NPISHs)			
Short-term			
Long-term			
Total			
Short-term			
Long-term			

¹ Arrears (if applicable) are included in the original debt instrument.

Table 7.17 Gross External Debt Position: Resident-Issued Debt Securities Owned by Nonresidents—Location of Issuance

	End Period
Domestically issued	
Short-term	
General government	
All other sectors	
Long-term	
General government	
All other sectors	
Internationally issued	
Short-term	
General government	
All other sectors	
Long-term	
General government	
All other sectors	
Total	

general government from those issued by all other sectors. The separate identification of government issues reflects the government's important and special role, in most economies, as a borrower. Depending on the extent of security issuance by the other institutional sectors, a further disaggregation of issues, such as for deposit-taking corporations, might also be of analytical interest. The maturity attribution is on an original maturity basis, although the table can also be presented on a remaining maturity basis.

7.58 Consistent with the concepts set out in the *Guide*, Table 7.17 only covers information on non-resident ownership of resident-issued securities. However, there might also be interest in presenting data on resident as well as nonresident ownership of resident-issued securities, both in domestic and in international markets. By including additional columns for resident- and nonresident-owned securities, the table can be extended to cover such information.

Cross-Border Trade-Related Credit

7.59 In addition to presenting data by type of instrument, another approach is to present data by the type of use of the borrowing. In this regard, of special interest is information on cross-border trade-related credits by debtor and creditor sector, i.e., credits that finance trade. Such credit is directly linked to activity in the real economy. Table 7.18 provides a model for presenting data on borrowing used to finance trade, with the disaggregation by, first, maturity (original basis) and, second, institutional sector. In presenting these data, trade-bills could be separately identified, both because of the analytical interest in such data and to help with reconciliation with creditor-based statistics.

7.60 The debtor sectors are presented in rows, and the creditor sectors in columns. The rows and column for direct investment: intercompany lending relate only to the provision of trade-related credit between affiliated parties, i.e., those transactions classified under direct investment in the balance of payments, and not the provision of trade-related credit by unrelated parties to direct investment entities. The maturity attribution is on an original maturity basis.

Table 7.18 Gross External Debt Position: Cross-Border Trade-Related Credit					
Debtor Sector	Creditor Sector (End of Period)				
	General government	Deposit-taking corporations, except the central bank ¹	Other sectors	Direct Investment: Intercompany Lending	Total
Short-term					
General government				n.a.	
Central bank				n.a.	
Deposit-taking corporations, except the central bank				n.a.	
Other Sectors				n.a.	
Direct investment: Intercompany lending	n.a.	n.a.	n.a.		
Long-term					
General government				n.a.	
Central bank				n.a.	
Deposit-taking corporations except the central bank				n.a.	
Other sectors				n.a.	
Direct investment: Intercompany lending	n.a.	n.a.	n.a.		
Total					

n.a., not applicable.

¹ It is recommended that any cross-border trade-related debt to central banks be included within this category, unless the central banks are significant creditors, in which instance, they should be separately identified.