This appendix briefly discusses the relationships between public sector debt statistics and external debt statistics.

A. Introduction

A1.1 Chapter 3 of this Guide explains the linkages between the GFSM balance sheet and public sector debt statistics. This appendix explains the relationships between public sector debt statistics and external debt statistics (as described in the External Debt Guide). The following sections summarize these relationships in terms of definitions, institutional coverage, and classifications.

B. Definitions

A1.2 This Guide is consistent with other macroeconomic statistical systems in its definition of gross and net debt. Chapter 2 of this Guide defines gross debt as consisting of all liabilities that are debt instruments. A debt instrument is an instrument that requires payment(s) of interest and/or principal by the debtor to the creditor at a date, or dates, in the future. Equity and investment fund shares and financial derivatives and employee stock options are not debt or debt-related instruments (see Chapter 2, paragraphs 2.4 and 2.6).

C. Institutional Coverage

A1.3 Figure A1.1 illustrates the relationship between public sector debt and external sector debt. Total public sector debt covers the domestic and external debt of the general government, public nonfinancial corporations, and public financial corporations. Total external debt covers the external debt of the public sector and the private sector of an economy. Thus, the external debt of the public sector is a subset of total external debt.

A1.4 Public sector units may guarantee the debt of private sector institutional units and other public sector units. Publicly guaranteed private sector debt, which is a memorandum item to public sector debt statistics, can be classified according to the residence of the creditor: domestic or external. Thus, the publicly guaranteed external debt of the private sector is also a component of total external debt.

D. Valuation

A1.5 As explained in Chapter 2, this Guide recommends to value debt instruments on the reference date at nominal value and, for traded debt securities, at market value as well. The presentation tables in Chapter 5 of this Guide allow for presenting debt statistics at both nominal and market value. Similarly, the External Debt Guide recommends that debt instruments are valued at nominal values and, for debt securities, at market value as well.

\footnotetext{1}{This Guide is consistent with the 2008 SNA and BPM6, which include special drawing rights (SDRs) and provisions for calls under standardized guarantee schemes in the standard definitions of debt. The 2003 edition of the External Debt Guide follows the 1993 SNA and the Balance of Payments Manual, Fifth Edition (BPM5), and does not include these instruments in the definition of debt.}

\footnotetext{2}{As explained in Chapter 2, debt is classified by residence of the creditor. Debt owed to nonresident creditors is referred to as external debt. However, the latter would only be included in the public sector debt statistics as guaranteed debt—a memorandum item—when the gross debt statistics do not cover all the public sector institutional units. Otherwise, publicly guaranteed public sector debt is, by definition, zero. See the discussion of publicly guaranteed debt (Tables 5.8a and 5.8b) in Chapter 5 for more details.}
E. Classifications

A1.6 As outlined in Chapter 5 of this Guide, public sector debt statistics can be classified according to the type of debt instrument, original and remaining maturity, currency of denomination, type of interest rate, residence of the creditor, and type of institutional sector of the creditor. The main presentation in the 2003 edition of the External Debt Guide classifies debt statistics according to the type of institutional sector of the debtor, original maturity, and type of debt instrument. Supplementary tables present debt statistics according to, among others, the type of interest rate, currency of denomination, and remaining maturity.

A1.7 This Guide follows the 2008 SNA and BPM6 classification of debt instruments and the institutional sectors of creditors, while the 2003 edition of the External Debt Guide follows the 1993 SNA and BPM5. Differences in these classification categories used by this Guide and the 2003 edition of the External Debt Guide are illustrated in Table A1.1.