




**Meeting of the Task Force on Finance Statistics**  
IMF Headquarters, Washington D.C., United States  
March 17–18, 2016

**Recent ECB Activities in the Field of External and Government  
Finance Statistics**

**Prepared by the European Central Bank**







**EUROPEAN CENTRAL BANK**  
EUROSYSTEM

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## Recent ECB activities in the field of external and government finance statistics

Task Force on Finance Statistics  
Washington D.C., 17-18 March 2016

**Overview**
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**Recent ECB activities in the field of external statistics**

E1	BPM6 implementation: Euro area data availability
E2	BPM6 implementation: National data availability
E3	BPM6 implementation: Data quality
E4	Euro area gross and net external debt
E5	External statistics: capacity building

**Recent ECB activities in the field of government finance statistics**

G1	GFS: monthly indicators on government debt securities
G2	GFS: debt service
G3	GFS: capacity building
G4	GFS: other activities

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## Recent ECB activities in the field of external statistics

- E1** BPM6 implementation: Euro area data availability
- E2** BPM6 implementation: National data availability
- E3** BPM6 implementation: Data quality
- E4** Euro area gross and net external debt
- E5** External statistics: capacity building

### 1. Euro area data availability

- **Following up on the users' needs:**

- Need for longer time series
  - Major improvements since the first release in October 2014
  - Since April 2015 monthly and quarterly b.o.p./i.i.p. back are available back to 2009 with main current account items back to 1999
  - By April 2016 comprehensive quarterly data will be available back to 1999
- Improve the understanding of the changes to the i.i.p.
  - With the next quarterly production, “other flows” will be disseminated back to 2013
  - Estimates back to 2008 will be disseminated short after
- More detail...
  - New BPM6 detail, e.g. the breakdown of “other sectors” and additional instrument breakdown, will be available in the second half of 2016...

## 2. National data availability

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- **A request that came to stay...**

- National data requirements came up more intensively in the context of the financial crises
  - Understand differences between countries, inter-linkages and particular imbalances or vulnerabilities
- But are more frequently part of the analytical work
  - Internal modelling exercises, e.g. the MF DB and the macroeconomic projections exercise
  - Ad-hoc analysis, e.g. bilateral trade with China

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## 2. National data availability

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- **What are the WG ES is doing about it...**

- National back data availability is somehow uneven at present
- Many restrictions on national data dissemination
  - Partly related to data quality concerns and punctual confidentiality constraints
  - This heterogeneity hampers a comprehensive and inclusive analysis
- The recent amendment of Guideline ECB/2011/23 will support the public dissemination of a minimum common dataset by mid-2016
  - More appealing and encompassing dissemination means could be offered to the public

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### 3. Data quality

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- **The introduction of BPM6 and the temporary loss of quality**

- Various quality dimensions were affected by the introduction of BPM6
  - Length and detail of time series (previous slides)
  - Excess volatility and revisions (unstable compilation systems)
  - Absence of long-standing quality enhancement measures, namely the euro area errors and omissions (e&o) macro correction mechanism
  - Users need some time to familiarise with the new concepts and methodology
- Several measures were and are still being introduced to mitigate this facts
  - Reassess the root causes for e&o and tackle them
  - Reinforce automatic data validation and control (major revisions and outliers)
  - Assess b.o.p./i.i.p. data consistency vis-à-vis other relevant statistical domains

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### 3. Data quality

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- **Errors and omissions:**

- Largely driven by national errors and omissions and intra-euro area asymmetries
- National errors and omissions play a more important role for periods before 2013 (data converted from BPM5)
- Intra euro area asymmetries are dominating more recent developments in euro area e&o.
- Preliminary results seem to support the re-introduction of the euro area macro correction mechanism
- The availability of intra euro area bilateral data is crucial to tackle asymmetries!

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### 3. Data quality

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- **Consistency vis-à-vis BSI statistics:**

- Consistency has improved after the introduction of the last legal acts, particularly for the Eurosystem
- However notable discrepancies remain for other MFIs' stocks data

- **Consistency vis-à-vis EAA:**

- Full methodological consistency
- Reconciliation of the two data sets increase analytical value
- Introduction of a regular, quarterly, data comparison exercise (WG ES, WG FA, TF QSA)

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### 3. Data quality

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- **Holdings of currency by non-euro area residents:**

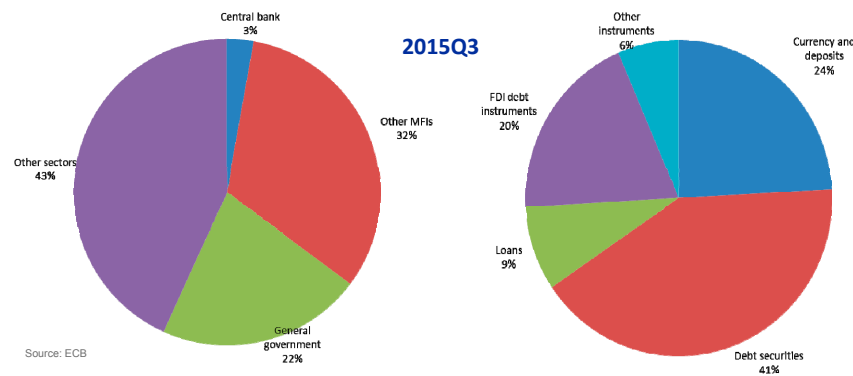
- The 2015 WG FA reconciliation exercise showed a large excess of EUR currency issuances over holdings (around EUR 200 billion)
- Potential underestimation of both
  - Euro area holdings
  - Non-euro area holdings

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#### 4. Euro area gross external debt by sector and instrument

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- Data are available to breakdown gross external debt by **country, sector, instrument and maturity**
- Non-financial corporations and other financial intermediaries (**other sectors**) **are the major external debtors**
- **Debt securities are the preferred instrument** for cross-border debt financing

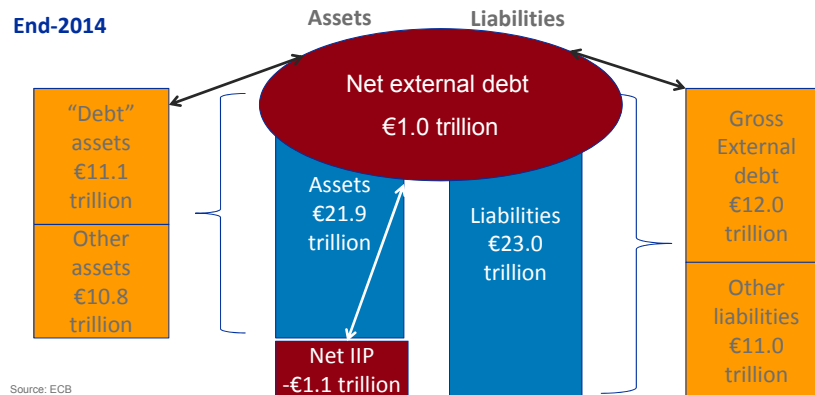
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#### 4. From the international investment position to net external debt

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- The Euro area **net international investment position** improved in the last few years, but it is still negative
- "Non-debt" assets and liabilities of the euro area are similar in size
- Therefore, euro area **net external debt** is comparable to the **net international investment position**

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#### 4. Capacity building on External Statistics

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### Seminar on External Statistics organised by the ECB

- Objective: to elevate expertise on External Statistics including external debt
- With collaboration of experts on NCBs
- Five-day course
- Frequency: annual
- Next edition (XI) 21-25 November 2016

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## Recent ECB activities in the field of government finance statistics

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**G1** GFS: monthly indicators on government debt securities

**G2** GFS: debt service

**G3** GFS: capacity building

**G4** GFS: other activities

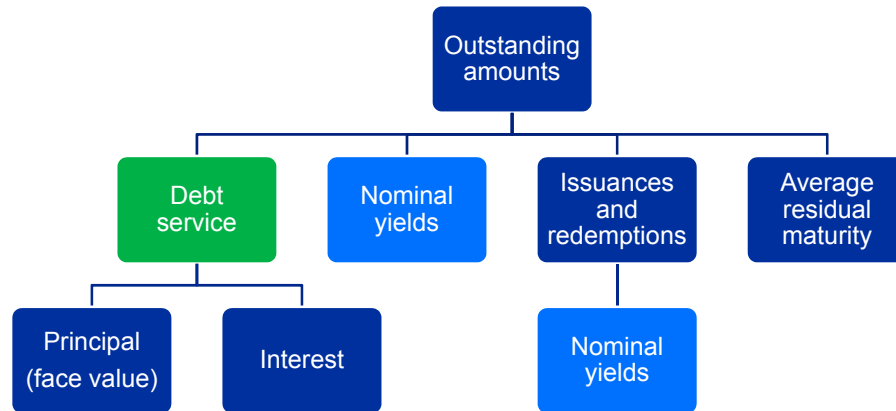
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## G1. Monthly indicators on government debt securities

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## 1. GFS outputs from the Centralised Securities DB



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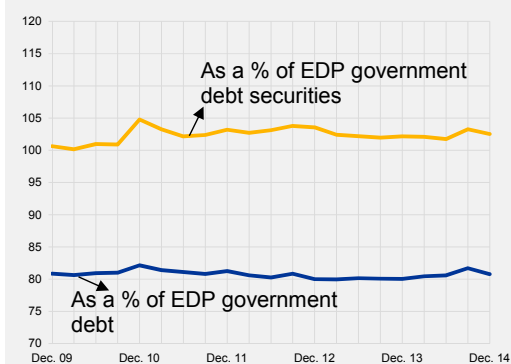
## G1. Monthly indicators on government debt securities

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## Outstanding amounts

- Sum of the **face value** of
- **all individual** government debt securities
- at the **end of a given reference period**
- **issued** by a country/euro area
- that did **not mature yet**.

CSDB government debt securities – outstanding amounts – comparison with EDP-euro area



Sources: ECB, Eurostat and ECB calculations.

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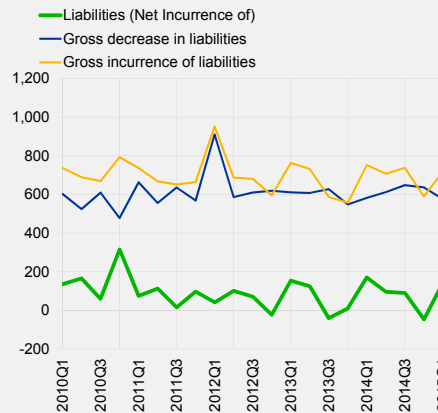
## G1. Monthly indicators on government debt securities

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## Issuances and redemptions

- **Issuances in primary market:**
  - new security
  - existing security (tap)
- **Redemptions**
  - at the maturity date
  - before the maturity
    - Total
    - partial

Issuances and redemptions of government debt securities - euro area (€ billions)



Sources: ECB and ECB calculations.

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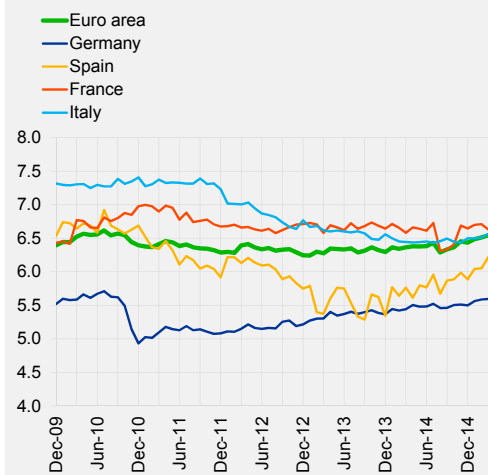
## G1. Monthly indicators on government debt securities

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## Average residual maturity (years)

- Residual **maturity** of a debt security
  - period from the reference date
  - until the final contractually scheduled payment
- **Average weighted** by outstanding amounts

Average residual maturity (years)



Sources: ECB and ECB calculations.

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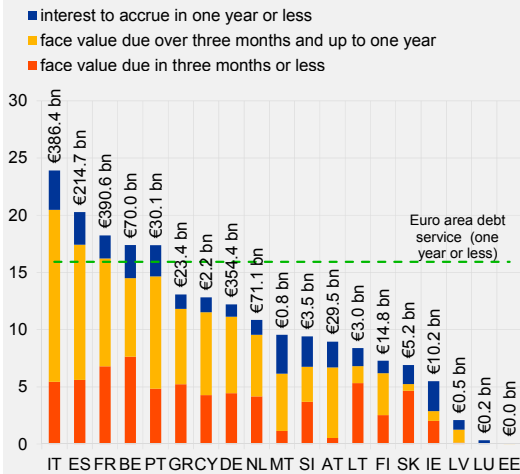
## G1. Monthly indicators on government debt securities

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## Debt service

- **Expected** future payments
- of **interest** and **principal**
- on government **debt securities**
- **due in one year or less**
- at a given reference period

Debt service for 2015 (at end-2014, %GDP and € billions)



Sources: ECB and ECB calculations.

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## G1. Monthly indicators on government debt securities

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## Average nominal yields

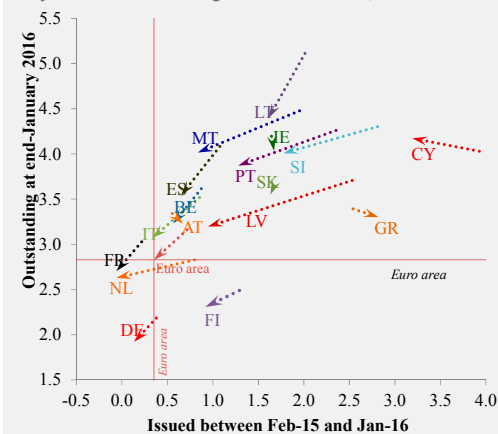
- **interest rate** (percentage per annum)
- that the **debtor promises to pay debt holders**
- per **unit of time**
- Calculated from **four attributes**:

$$\text{coupon rate} + 365 \times \frac{(\text{redemption price} - \text{issue price})}{\text{original maturity}}$$

- **Average weighted** by outstanding amounts

Average nominal yields

x-axis: Issuances in last 12-months, % per annum  
y-axis: Outstanding at Jan-2016, % per annum



Sources: ECB and ECB calculations.

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**G1. Monthly indicators on government debt securities** ECB PUBLIC

**GFS outputs from the CSDB**

- Jun.  
2009

• First monthly indicators on government debt redemption and its inclusion in the **ESRB risk dashboard**
- Jun.  
2013

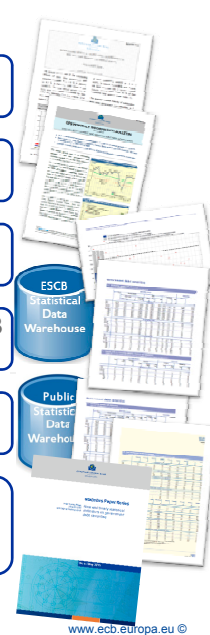
• New indicators on **debt service** and **nominal yields** in the **Monthly Information Bulletin**
- Jun.  
2014

• Dissemination to the **ESCB SDW** and creation of **SDW reports**
- Nov.  
2014

• Dissemination to the **public SDW** (data and reports), **ECB Statistics Bulletin**, **ECB Economic Bulletin**
- Déc.  
2014

• **ECB Monthly Bulletin box** on the new statistical indicators on government debt securities
- Jun.  
2015

• **Statistical paper series** entitled "**New and timely statistical indicators on government debt securities**"  
[Link](#)



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**G2. Debt service for government debt** ECB PUBLIC

**Working Group on Government Finance (ongoing)**

- Objective to develop **debt service statistics** for GFS
- Will follow a mixed approach based on (ranking):
  1. Granular data (e.g. debt securities)
  2. Administrative data (e.g. official loans granted to governments)
  3. Counterpart data (e.g. MFI)
  4. Indirect methods (e.g. BIS debt service calculations)
- Progress report expected for June 2016

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### G3. Capacity building on GFS

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#### **Seminar on GFS organised by the ECB (forthcoming)**

- Objective: to elevate expertise on GFS by central banks
- With collaboration of other TFFS agencies
- Four-day course
- First edition planned for 2017-Q1

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### G4. Other activities in the field of GFS

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#### **Government assistance to the financial sector**

- **Article** on the ECB Economic Bulletin (September 2015): “**Fiscal impact of financial sector support during the crisis**” [link](#)
  - Analysis of the fiscal impact of the assistance provided to the financial sector during the financial crisis.
- **Statistics Paper Series** (April 2015): “**Financial assistance measures in the euro area from 2008 to 2013: statistical framework and fiscal impact**” [link](#)
  - Details the work achieved to assess the fiscal impact of the assistance measures provided to the financial sector during the financial crisis.

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**Thanks for your attention!**