



# Relationship between Public Sector Debt Statistics and External Debt Statistics

*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 macro-economic statistical systems in its definition of gross and net debt.<sup>1</sup> 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).

<sup>1</sup>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.

## C. Institutional Coverage

**A1.3** Figure A1.1 illustrates the relationship between public sector debt and external sector debt.<sup>2</sup> 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.<sup>3</sup> 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.

<sup>2</sup>As explained in Chapter 2, debt is classified by residence of the creditor. Debt owed to nonresident creditors is referred to as external debt.

<sup>3</sup>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.

**Table A1.1. Differences between *Public Sector Debt Statistics Guide* and *External Debt Guide* (2003) Classifications by Type of Debt Instrument and Institutional Sector of the Nonresident Creditor**

<i>Public Sector Debt Statistics Guide</i>	<i>External Debt Guide</i> (2003)
<b>Classification by type of debt instrument</b>	
Special drawing rights (SDRs)	–
Currency and deposits	Currency and deposits
Debt securities	Money market instruments <sup>1</sup> Bonds and notes <sup>1</sup>
Loans	Loans
Insurance, pension, and standardized guarantees schemes	–
Other accounts payable	Trade credits Other debt liabilities <sup>2</sup> Arrears Other <sup>2</sup>
<b>Classification by type of institutional sector of the nonresident creditor</b>	
General government Central banks International organizations Financial corporations not elsewhere classified Other nonresidents	Multilateral organizations General government Monetary authorities Banks Other sectors

Note: SDRs and provision for calls under standardized guarantee schemes are not recognized as debt liabilities in the 2003 edition of the *External Debt Guide*.

<sup>1</sup>In the *Public Sector Debt Statistics Guide*, these items are renamed as debt securities: short-term at original maturity and debt securities: long-term at original maturity, respectively.

<sup>2</sup>Includes debt liabilities for insurance technical reserves.

**Figure A1.1. Relationship between *Public Sector Debt Statistics* and *External Debt Statistics***

Sector Residence	Public sector			Private sector		Total
	General government	Public nonfinancial corporations	Public financial corporations	Nonfinancial	Financial	
Domestic						
External				Includes publicly guaranteed private sector debt	Includes publicly guaranteed private sector debt	Total external debt
Total	Total general government debt	Total public nonfinancial corporations debt	Total public financial corporations debt			

The shaded areas show where public sector debt corresponds with external debt.