



Introduction

A. Purpose and Focus of the Guide

1.1 The **purpose** of the *Public Sector Debt Statistics—Guide for Compilers and Users* (the *Guide*) is to provide comprehensive guidance for the measurement and presentation of public sector debt statistics.

1.2 The primary **focus** of this *Guide* is on **gross and net debt liabilities** of a public sector unit because:

- Usually, statistical development of a balance sheet concentrates first on debt liabilities, then financial assets in the form of debt instruments, and later moves to incorporate nondebt liabilities and other assets; and
- A particular interest exists with policymakers and analysts in public sector units' gross and net debt.¹

1.3 Nonetheless, of interest for policymakers and analysts is also the size and composition of a public sector unit's liabilities and financial assets, including nondebt instruments.² Further, the integration of stock positions and the various types of economic flows, as presented in the *Government Finance Statistics Manual (GFSM)*, facilitates a comprehensive assessment of the economic impact of a public sector unit's activities and the sustainability of its policies.

1.4 This *Guide* also provides advice on the compilation of public sector debt statistics and on their analytical use. The intention is to contribute to an improvement in, and a greater understanding of, public sector debt statistics. In doing so, the *Guide* is responding to widespread policy and user interest in

¹This *Guide* recognizes the importance of a broader focus than debt liabilities for specific purposes of analyses of public sector finances. A broader analysis will also consider, for example, nondebt instruments (such as financial derivatives), explicit contingent liabilities (such as guarantees provided by government), or even implicit contingent liabilities (such as government obligations for future social security benefits). Nondebt instruments and contingent liabilities are also discussed in this *Guide*.

²These concepts are defined in Chapters 2 and 3.

improving the availability and international comparability of public sector debt statistics.

B. Conceptual Framework

1.5 This *Guide* provides a conceptual framework for compiling public sector debt statistics. The framework is derived from the *System of National Accounts 2008 (2008 SNA)* and the *Balance of Payments and International Investment Position Manual, Sixth Edition (BPM6)*. The same classifications and definitions will be used in the forthcoming revision *GFSM*, but differ in minor ways from the current edition, *Government Finance Statistics Manual 2001 (GFSM 2001)*. Under this conceptual framework, public sector debt includes all liabilities of public sector units (as defined in the *2008 SNA*) excluding equity and investment fund shares and financial derivatives and employee stock options. The total amount of these debt liabilities is presented as the gross debt position of the public sector unit(s) for which the statistics are compiled.

C. Structure of the Guide

1.6 The *Guide* may be divided into four parts:

- Conceptual framework—Chapters 2–5;
- Compilation principles and practices—Chapters 6–8;
- Some analytical tools for public sector debt analysis—Chapter 9; and
- Work of international agencies in the area of public sector debt statistics—Chapter 10.

1.7 The structure of the part covering the conceptual framework is as follows:

- Chapter 2 provides a definition of gross and net debt. Using the definitions of institutional units and sectors, this chapter defines the public sector and its subsectors. This chapter also explains, in detail, the accounting principles required for the measurement of public sector debt.
- Chapter 3 defines debt instruments as well as the institutional sector of the counterparties to the debt instruments.
- Chapter 4 deals with several issues in public sector debt statistics. It provides definitions of several kinds of debt operations, and guidance on the statistical treatment of each of them.
- Chapter 5 provides tables for the presentation of public sector debt statistics: two summary tables, five detailed tables, and six memorandum tables. Together, the statistics in these tables provide a comprehensive view of public sector debt statistics in a country.

1.8 The structure of the part covering compilation principles and practices is as follows:

- Chapter 6 provides an overview of the main considerations in the compilation and dissemination of public sector debt statistics, including the main data sources for the various debt instruments.
- Chapter 7 provides guidance on the identification of the holders of traded debt securities.
- Chapter 8 provides practical guidance on the consolidation of public sector debt statistics, i.e., the elimination of inter- and intrasectoral stock positions among the units for which the statistics are compiled.

1.9 Chapter 9 covers some of the analytical tools used in public sector debt analysis. This chapter is included to help compilers place their work in context and to illustrate to some of the main uses of public sector debt statistics in the IMF's work. Chapter 10 sets out the work in the area of public sector debt statistics of the BIS, Commonwealth Secretariat, ECB, Eurostat, IMF, OECD, Paris Club Secretariat, UNCTAD, and the World Bank.

1.10 The *Guide* includes three appendices: the first appendix deals with the relationship between public sector debt statistics and external debt statistics; the second with the relationship between flows and stock positions in public sector debt statistics; and the third provides a glossary of terms used in this *Guide*.