



# **Ninth UNCTAD Debt Management Conference**

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## **The Debt Manager and Transparency: Responses from International Organizations**

by

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The views expressed are those of the author and do not necessarily reflect the views of UNCTAD



# Debt Manager and Transparency Responses from International Organizations

Role of the IMF Statistics Department



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**DISCLAIMER:** This presentation represents the views of the authors and does not necessarily represent IMF views or IMF policy. The views expressed herein should be attributed to the authors and not to the IMF, its Executive Board, or its management.

## Background

Lessons for government finance statistics in past 5 years:

- ❖ Lack of transparent and comprehensive public sector data
- ❖ Countries' approaches to present debt data create large inconsistencies
- ❖ IMF has stepped up efforts to promote high quality comparable data on public debt

## 4 Pillars to Improve Transparency of Public Debt Data

- ❖ Comprehensive methodology
- ❖ Capacity building and training
- ❖ Collaboration across international agencies
- ❖ World Bank-IMF Debt database

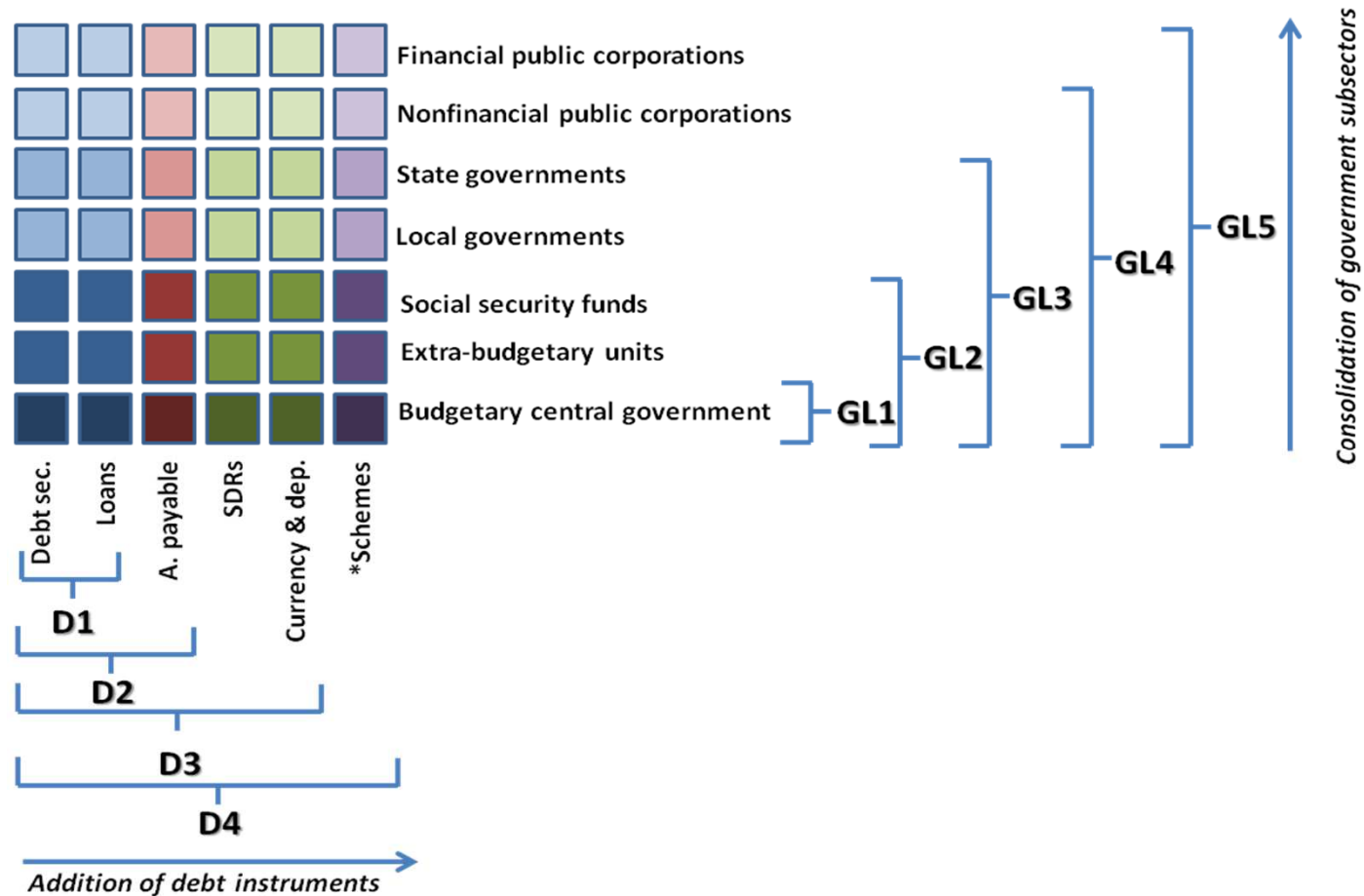
## Comprehensive Methodology

- ❖ Public Sector Debt Statistics *Guide for Compilers and Users, 2011*
  - ❖ Provides a comprehensive conceptual framework, and compilation advice, for the measurement of public sector debt.
  - ❖ The classifications and definitions used in the *PSDS Guide* are harmonized with the *2008 SNA* and *BPM6*. Guidance for *Public Sector and External Debt Statistics* are consistent

**Why does it matter ?**

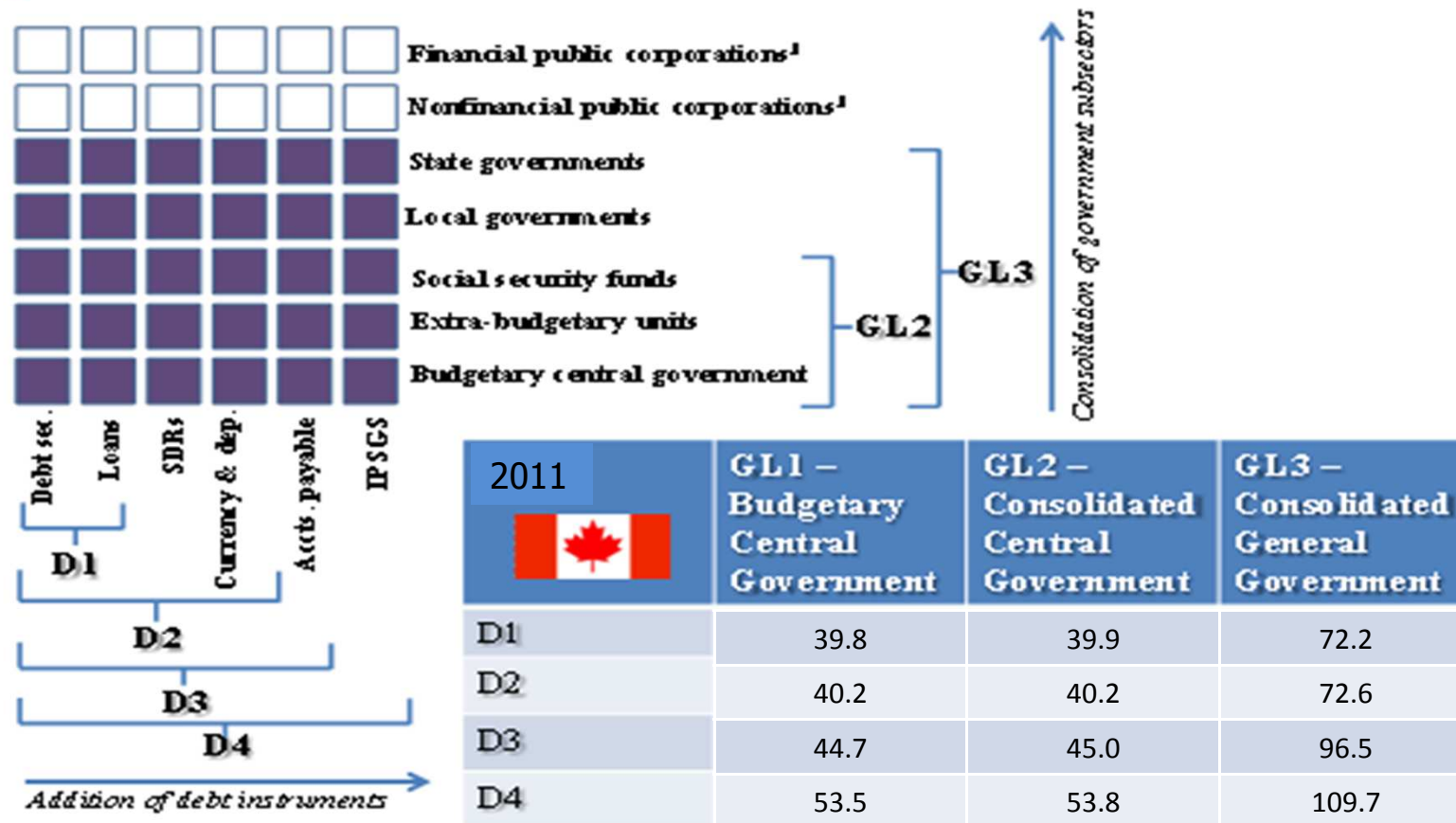
# Comprehensive Methodology

## Sectoral and Instrument Coverage



# Comprehensive Methodology

## The Range of Gross Debt in Canada



<sup>1</sup> Currently not included in GFI

Source: Government Finance Statistics Yearbook (GFSY) 2011, International Financial Statistics (IFS) June 2011



## Comprehensive Methodology

❖ **Is Canadian government gross debt 40% of GDP?**

**YES! (GL1/D1)**

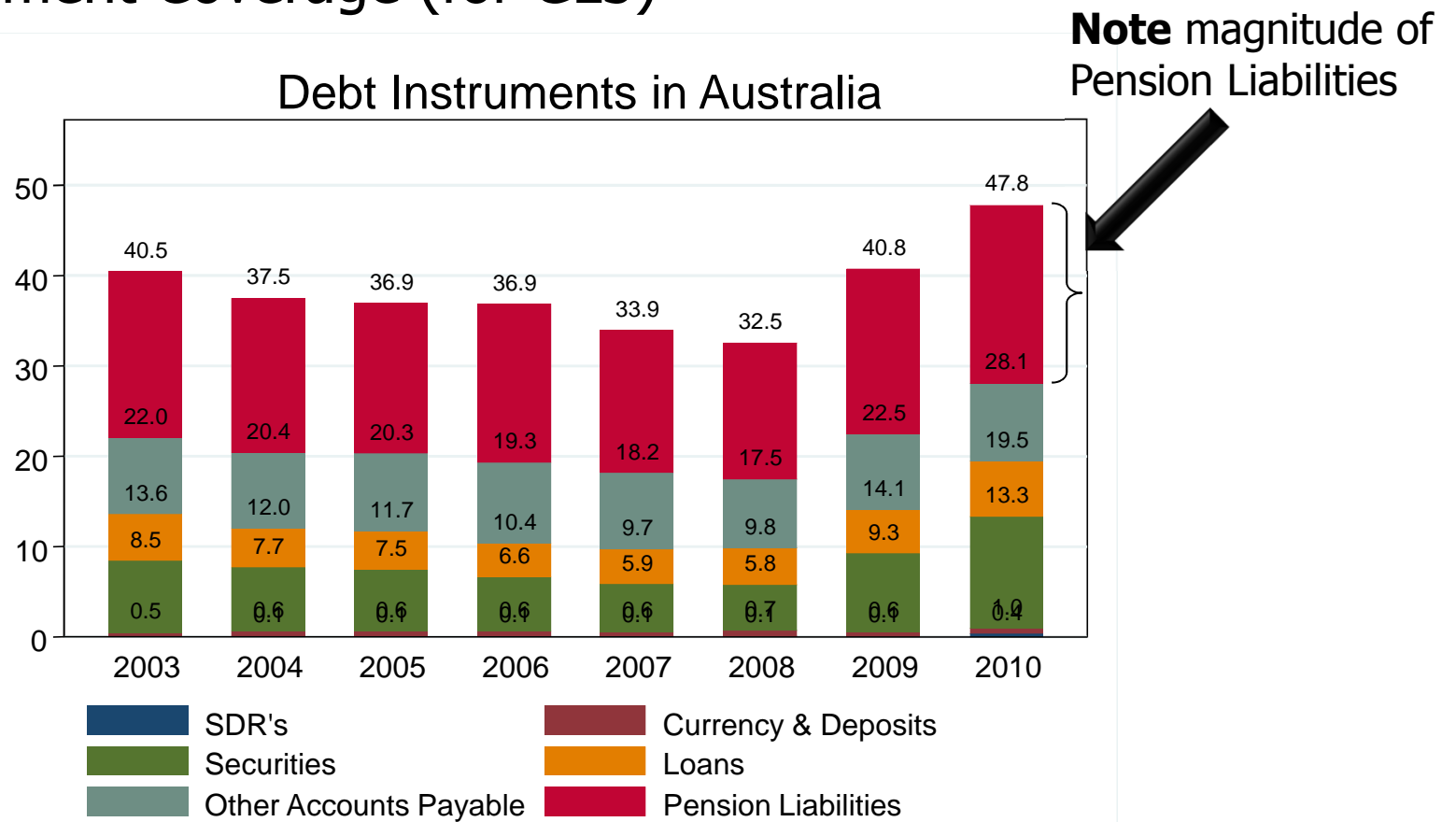
❖ **Is Canadian government gross debt 110% of GDP?**

**YES! (GL3/D4)**



# Comprehensive Methodology

## Instrument Coverage (for GL3)



## Capacity Building

### ❖ Workshops for country officials

- ❖ Conceptual framework
- ❖ Practical aspects of data compilation

### ❖ Technical assistance missions

### ❖ Conferences

- ❖ Promote well-defined debt concepts and measurements

## Interagency Collaboration

- ❖ Inter-Agency Task Force on Finance Statistics (TFFS) – 9 International Agencies
  - ❖ Work on methodological issues
- ❖ World Bank – IMF Public Sector Debt Database
  - ❖ IMF/WB/OECD/Eurostat/ComSec/ECB/UNCTAD
    - ❖ Improve data collection – Public Sector Debt Statistics Online Database
    - ❖ <http://web.worldbank.org/qpsd>

## **Other IMF Activities Related to Transparency on Public Debt**

- ❖ Fiscal Transparency Code**
- ❖ Debt Sustainability Analysis**
- ❖ IMF-World Bank Guidelines for Public Debt Management**

## Debt Database

### ❖ Public Sector Debt Statistics Database

- ❖ 2010 Collaborative effort between World Bank and IMF
- ❖ Further collaboration with OECD, Eurostat, ECB, UNCTAD, ComSec
- ❖ Methodological framework provided in the *Public Sector Debt Statistics Guide*

### ❖ Data Reported

- ❖ Participation is voluntary
- ❖ Minimum required is Central Government
- ❖ General Government encouraged
- ❖ Data frequency is quarterly

# Debt Database

## ***Public Sector Debt Template***

*Gross debt of [institutional coverage] at nominal value*

**By maturity and type of instrument:**

**Short-term, by original maturity:**

- Currency and deposits
- Debt securities
- Loans
- Insurance, pensions, and standardized guarantee schemes
- Other accounts payable

**Long-term, by original maturity:**

***With payment due in one year or less:***

- Currency and deposits
- Debt securities
- Loans
- Insurance, pensions, and standardized guarantee schemes
- Other accounts payable



***With payment due in more than one year:***

- Special Drawing Rights (SDRs)
- Currency and deposits
- Debt securities
- Loans
- Insurance, pensions, and standardized guarantee schemes
- Other accounts payable

**By currency of denomination:**

- Domestic currency denominated
- Foreign currency denominated

**By residence of the creditor:**

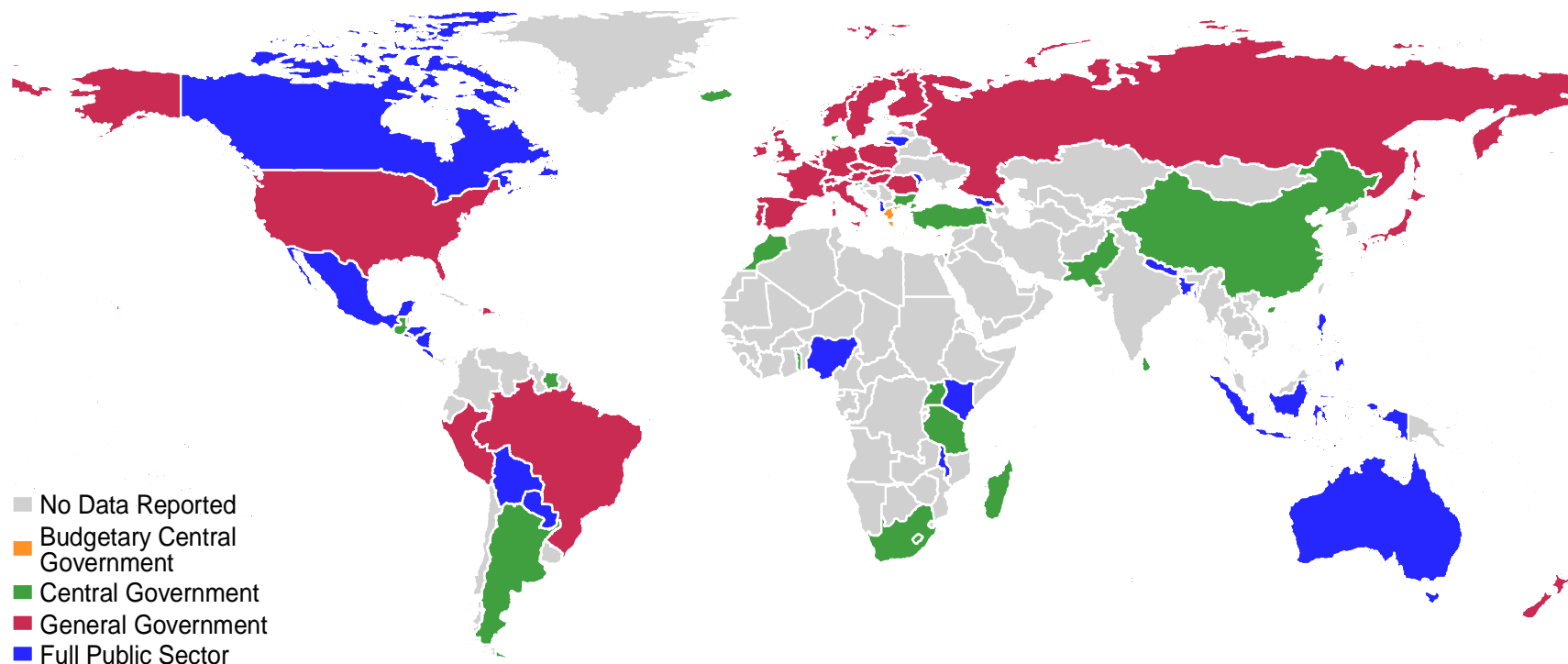
- Domestic creditors
- External creditors

**Memorandum item:**

- Debt securities at market value

## Debt Database

- ❖ As of September 2013, 76 countries report data to the Public Sector Debt Statistics Database





## Status of G20 Economies' Debt Data Comparability

Note Countries which differ in either of the first two columns should not be considered truly comparable

<i>COUNTRY</i>	<i>Sectoral Coverage</i>	<i>Debt Instruments<sup>a</sup></i>	<i>Maturity<sup>a</sup></i>	<i>Residency of creditor</i>	<i>Valuation</i>	<i>Currency denomination</i>
Australia	GL5	D4	LT/ST	yes	Yes	yes <sup>b</sup>
Canada	GL5	D4	Not Reported	yes	Yes	No
South Korea	GL5	D4 <sup>g</sup>	Not Reported	no	Yes	No
Indonesia	GL5	D3	LT/ST	yes	Yes	Yes
Mexico	GL5	D2	LT/ST	yes	Yes	Yes
Japan	GL4	D3	Not Reported	no	Yes	No
United Kingdom	GL4	D2 <sup>g</sup>	LT/ST	yes	Yes	Yes
South Africa	GL4	D2	LT/ST	yes	Yes	No
United States	GL3	D4	LT/ST	yes	Yes	yes <sup>b</sup>
France	GL3	D4 <sup>g</sup>	LT/ST	no	Yes	Yes
Brazil	GL3	D1	LT/ST	yes	Yes	Yes
Germany	GL3	D1	ST	no	Yes	Yes
Italy	GL3	D1	LT/ST	no	Yes	No
Russian Federation	GL3		Not Reported	no	No	No
Argentina <sup>c</sup>	GL2	D1 <sup>d</sup>	LT/ST	yes	Yes	Yes
Turkey	GL2	D1 <sup>e</sup>	LT/ST	yes	Yes	Yes
China <sup>f</sup>	GL2	D1 <sup>d</sup>	LT/ST	yes	Yes	Yes
India	Not Reported	n.a.	n.a.	n.a.	n.a.	n.a.
Saudi Arabia	Not Reported	n.a.	n.a.	n.a.	n.a.	n.a.

a/ Information based on the sectoral coverage listed in first column

b/ Only domestic

c/ Not currently reporting

d/ Only debt securities are included

e/ Only Debt securities and SDRs are included

f/ Data for China is reported on six months intervals

g/ Pension liabilities are currently reported as zero for these countries

## Current Status of G20 Economies

Of these nineteen countries...

- ❖ Five are currently reporting public sector debt with complete sectoral coverage (GL5 – the full public sector)
- ❖ Five are currently reporting all required instruments in the *GFSM 2001/PSDS/EDS* framework (D4), but not all levels of government
- ❖ Three can be considered full reporters (GL5/D4).
- ❖ Two are currently not reporting **any** debt statistics

...Majority of G20 Debt Data in PSDS is not fully Comparable