

IV.C. Financing

Introduction

The classification of financing transactions is designed to show the sources of funds obtained to cover a government deficit or the use of funds available from a government surplus, so as to gauge the impact on the economy of government financing operations.

Various kinds of transactions are reflected in the classification of financing items. Most prominent, usually, are the government's borrowing activities. These may include the sale of government securities; the contracting of loans from other governments, international development institutions, banks, or suppliers; or use of overdraft facilities at banks. In some cases government borrowing may include the proceeds of compulsory lending to government or of refundable "taxes" designed to be repaid when appropriate for countercyclical purposes. Also of importance are changes in government deposits and, sometimes, in currency holdings. Though government use of its previously accumulated deposits does not involve borrowing funds from others, the economic impact can be very much the same as borrowing. The drawing down of government deposits at the central bank and their use to make expenditures can be quite as expansionary as borrowing from the central bank, as neither process reduces other demands on resources in the economy during the current period. Similarly, the building up of government deposits at the central bank by use of other funds can be as contractionary in the period when it occurs as government repayment of debt to the central bank.

A minor source of financing may often consist of deposits left with the government, in escrow, to satisfy legal requirements, for court proceedings, etc. Demand, savings, or time deposits made with government, however, would not appear as such under government financing, since acceptance of such deposits is considered to be carried out by the financial institutions sector. Any funds reaching the government from these operations, therefore, would be shown as borrowing from the financial institutions sector. This is described in Section II.J.

Government lending to others or purchase of their securities is generally not shown in financing but in lending minus repayments. This asymmetry between lending and borrowing is introduced because, unlike other sectors of the economy, the government does not undertake lending and borrowing operations as parallel means of managing its liquidity position. Government lending is generally undertaken not to earn a return and reduce excess government liquidity, but to carry out policy objectives much the same as through direct expenditure. There are a few exceptions, however. In some instances particular parts of government may invest in securities for liquidity purposes and these investments should appear as a part of financing. Such investment for liquidity purposes may be carried out, for example, by sinking funds, social security funds, and at times by state and local governments. It is seldom found in other parts of central government. The holding of foreign securities and deposits for the purpose of managing international reserves is a function of the monetary authorities and is separated from government finance statistics.

A judgment as to whether a government's purchase of another government's negotiable securities is for lending or liquidity purposes would depend, in the absence of a government statement on the subject, upon the level of government involved. Purchases should be classified as liquidity-oriented, and hence as a financing item in the statistics of the creditor government, when they involve debt instruments issued by a higher level of government or the same level of government. Purchases should be classified as lending by the creditor government when they involve securities issued by lower levels of government. Regardless of whether the creditor government purchase of the securities is policy-oriented lending or liquidity-oriented financing, however, receipt of the funds is shown as a financing item for the borrowing government (see Section III.E). As a result, loans between governments are shown in the lending category in statistics for the lending government and in the financing category in statistics for the borrowing government.

It is the practice of some governments to guarantee, or provide surety for, payment of interest and amortization on debts contracted by others to third parties. In the event that the primary debtor defaults, the government, as guarantor or surety, makes the interest or amortization payment to the creditor and generally acquires an equivalent claim on the defaulting debtor. Such government payments of amortization on the debts of others it has guaranteed should not be classified as financing

but as government lending to the defaulting debtor. Any government receipts constituting recoveries on claims against such defaulting debtors should be classified as repayment of government lending. Government payment of amortization on the debts of others which the government has not assumed or guaranteed and for which the government acquires no claim against the debtor is classified not in financing but as a government capital transfer to the debtor (C.7). Government payment of amortization on a debt the government has assumed without recourse to or claim upon the original debtor, however, is classified as amortization.

When a country's balance of payments problems are reflected in accumulated external arrears or impending external payments obligations beyond the available volume of foreign exchange, the central bank or government may sometimes be interposed between domestic debtors and foreign creditors. Special deposit accounts may be established to receive deposits in national currency in amounts equivalent to arrears or to rescheduled debts for subsequent repayment of external liabilities. In some cases the central bank or government may assume the external debts of other domestic debtors under rescheduling agreements with foreign creditors. Such interposition between domestic debtors and foreign creditors for the purpose of managing the country's balance of payments and foreign exchange resources is a monetary authorities' function and should be classified as such whether carried out by the central bank or the government. Accounts in national currency set up to receive debtor payments for arrears or rescheduled debt and to carry out the eventual settlement of external obligations should be classified as monetary authorities' accounts. Any debts of others assumed by the government or central bank under such rescheduling arrangements should be classified as debts of the monetary authorities. Payment flows between government and this monetary authorities' function should be classified, like other payment flows, according to the nature of the transaction. Thus, government payments into such accounts to cover government interest or amortization abroad would be classified as government expenditure or amortization, respectively. Government receipt of payments from debtors for subsequent repayment to external creditors would be classified as government borrowing. Any losses incurred on such arrears or rescheduling operations and covered by the government—as a result of exchange rate changes, for example—would be shown as a government transfer.

Another kind of entry which should be classified in financing if it occurs is any transfer to government of unrealized profits or losses on revaluation of foreign exchange or gold. Profits *realized* from the monopoly purchase and sale of foreign exchange as a result of an exchange rate differential are classified with taxes on international trade and transactions when transferred to government. Other profits realized on the purchase and sale of foreign exchange are classified as nontax revenue, and usually reach government as a part of central bank profits. Unrealized profits, however, are merely a book entry resulting from the revaluation in national currency of holdings of foreign exchange or gold. Any transfer of such unrealized profits to the government by the central bank or other monetary authorities units brings in no additional resources from abroad and represents no decrease in claims on resources by others in the economy. Any transfer of unrealized revaluation profits to the government either separately or as a part of central bank profits, therefore, should be shown as financing from the central bank. Any unrealized revaluation losses charged to government would be a negative entry in financing from the central bank.

It is important to organize the data for the different kinds of financing transactions so as to facilitate appraisal of the effects of government financing upon the economy. The most important distinction to be drawn in this respect is between borrowing within the country and abroad, as described in Section III.J. While borrowing from abroad can bring in additional resources to the country, borrowing domestically can only reallocate resources within the country. Borrowing abroad has direct balance of payments effects when the loan is received, particularly if the proceeds are used to pay for government purchases abroad, when interest is paid upon it, and when the loan is repaid (if it is to be repaid abroad). The effects of domestic borrowing on the balance of payments, on the other hand, usually occur as a result of the impact on the domestic economy. This impact depends primarily upon from whom the government borrows. Borrowing from lenders who would otherwise use the funds for another purpose reduces other claims on resources and makes the impact on the economy of the spending-plus-borrowing operation nonexpansionary. Borrowing from lenders who do not reduce other spending or lending as a result makes the spending-plus-borrowing process expansionary.

Whether lenders can provide funds to the government without reducing other demands depends also on monetary policy, which is concerned, for example, with whether the central bank, or deposit money banks, are to lend money to government without reducing the growth of credit to others. Both monetary policy and government financing operations are concerned with meeting government financing needs while maintaining the health of the economy, and both must follow closely developments in the financial system.

While only more comprehensive information could show the relationship between government financing and other financial flows, a valuable indication of the likely effects of government financing may be provided by data on the nature of the loans or lenders involved. Government borrowing from banks, for example, is less likely to displace other expenditure than borrowing from households, and government securities which are characteristically held by banks (short-term bills, for example) are less likely to reduce others' expenditure than securities (such as savings bonds) characteristically held by households. While any government borrowing operation by itself can be only contractionary or neutral in its effect on expenditure by others, when it is combined with government expenditure of the borrowing proceeds the effect is either neutral or expansionary.

Government financing may be classified, therefore, by type of lender or by type of debt instrument. Because some debt instruments may be held by different kinds of lenders, a closer approximation of effects upon the economy can usually be obtained from a classification by lenders, particularly if it is arranged by sector or subsector so as to group together decision-making units with homogeneous purposes, motives, and patterns of economic behavior. There is value also in a classification by debt instruments, however, because of the readier availability of such data and the frequent association between debt instruments and debt holders, and hence effects upon the economy. This Manual presents two classifications of government financing, therefore, one by type of debt holder and one by type of debt instrument.

In conversion to national currency values of government borrowing or amortization transactions denominated in a foreign currency, actual national currency proceeds or costs of the transactions to government should be utilized if feasible. When actual national currency costs or proceeds are not available, for example, when lender payments are made to suppliers or amortization payments are made out of government foreign exchange holdings, conversion should be made at the average exchange market rate of the transaction currency against the national currency at the time of the transaction. When a multiple exchange rate system is in effect, conversion at the applicable rate or at a realistic unitary rate, if that can be determined, is preferable.

IV.C.1. Financing by Type of Debt Holder

Classification of government financing by categories of lenders or debt holders with relatively homogeneous patterns of economic behavior provides a valuable indication of likely impact on the economy. Compilation of such statistics, however, is dependent upon the maintenance of comprehensive records identifying all payments of principal to and from government and, when marketable securities are sold, transfers of such securities among holders. Maintenance of such a government debt register normally provides the basis for payment of interest to debt holders, except in the case of bearer bonds, from which coupons are detached and presented for payment of interest, and securities upon which interest is paid at maturity. Utilization of comprehensive debt registers or of other, more fragmented, sources of information, may require several adjustments to show government financing data by type of debt holder. The aggregate financing data, showing actual payments of principal to and from the government during the period, may differ on several grounds from changes in debt to different types of holders as entered in the debt register or other sources, particularly in regard to securities.

Holdings in the government's debt register or records are usually entered at par or face value, indicating the amount of debt the government will have to repay upon maturity to each holder. This may differ by a premium or discount from the actual issue price at which the government sells the securities (before the subtraction of any commission costs, which should be shown as borrowing and expenditure). In the case of coupon issues the difference between face value and issue price may be small or substantial, depending upon the relation of the coupon rate to the market interest rate. In the case of discount securities without coupon, usually bills, the discount represents interest costs

subtracted in advance. The amount of the discount should be shown as interest payment when the issue is redeemed, the remainder of the face value redemption payment being shown as amortization. Data for debt issued will differ from government borrowing receipts during a period by the difference between par value and issue price. To the extent available data permit, amounts shown for financing from each category of debt holder should reflect issue price rather than other valuation. When only debt register valuation is available for each debt holder category, a global adjustment item (5.1) should be entered in the financing table (Table D) for the difference between issue price and debt register valuation of securities issued during the period covered.

Should there be any difference between valuation in the debt register or other source and the actual amount paid by the government for maturing issues and it is unallocable by category of debt holder, this should be entered in global adjustment item 5.2 of Table D. This may consist primarily of accrued interest payment, which should be shown as expenditure on interest rather than as amortization when it is paid. Any increased valuation in the register of outstanding, rather than maturing, debt arising from interest accruing during the period should also be subtracted from each category if possible or as a global adjustment in item 5.3 of Table D.

Financing flows may differ from debt record changes also as a result of noncash issuance of government securities. This may occur for a variety of purposes, for example, for the capitalization of a public enterprise, for the assumption of recognized debts of other bodies, or for endowment of an institution which will benefit from future interest and/or amortization. When possible, any such noncash issuance of debt during the period should be removed from the debt register data in deriving the changes in debt to each type of holder shown in the table on government financing. When this cannot be done, a separate adjustment item (D.5.4) equal to noncash issues added to the data during the period should be entered in the financing table so as to arrive at a total corresponding to actual cash financing.

While the total of government financing represents funds obtained to cover a deficit or allocated from a surplus, changes in government debt to different types of holders may be the result also of transactions between holders. This may be of some significance when government securities are actively traded in a capital market. In these circumstances, changes in banks' holdings of government securities, for example, may reflect not only government sale of new securities with particular maturity and interest rate characteristics, but also flows of already outstanding government securities between banks and other sectors as a result of other factors affecting banks or other sectors, such as variations in loan demand, the monetary authorities' influence on the availability of bank reserves, altered rules on the eligibility of government securities as bank reserves, etc. Particularly when an active market for government securities exists, therefore, statistics on changes in debt to different types of holders should be read as showing the influence of both government financing operations and other financial developments.

Where government securities are issued in bearer rather than registered form, satisfactory data on holdings of the various subsectors cannot be derived from a debt register. In some instances data may be obtained from surveys of debt holders. In other cases, data for the securities holdings of some subsectors may be derivable from other sources, such as supervisory agencies' reports on the balance sheets of banks and other financial institutions. Where government securities are not actively traded in the market and their prices are at or near par, a major valuation problem may not arise in utilizing data from bank balance sheets to measure changes in their holdings of government securities. Where government securities trade at prices significantly different from par, however, changes in securities holdings shown in holders' balance sheets may reflect also variations in market or acquisition price. No adjustment of balance sheet valuations to par or issue prices can feasibly be carried out, so that balance sheet entries under such circumstances can serve only as rough, though useful, indicators. Adjustment resulting from such valuation differences would fall into the residual category for other domestic financing not elsewhere classified (D.4.4).

In statistics on government financing abroad, concern is less frequently focused on secondary market movements of marketable securities than on ensuring comprehensive coverage of numerous loans undertaken by a wide variety of government agencies. Coverage of statistics on financing abroad is frequently dependent on effective requirements for central registration or approval. Receipt of borrowing is registered at the time payment is received by government, when lender payment is made to government suppliers, or when terms of supplier credit contracts for creation of debt are fulfilled.

Table D. Financing by Type of Debt Holder**I. Total financing (II+III)****II. Domestic financing**

1. From other general government¹
 - 1.1. From other parts of the same level of government¹
 - 1.1.1. Net borrowing
 - 1.1.2. Change in holdings of their securities for liquidity purposes
 - 1.2. From other levels of government¹
 - 1.2.1. Net borrowing
 - 1.2.2. Change in holdings of other levels of government's securities for liquidity purposes
2. From monetary authorities
 - 2.1. Net borrowing
 - 2.2. Change in deposits
 - 2.3. Change in currency holdings
 - 2.4. Transfers to government of unrealized profits or losses on revaluation of foreign exchange
3. From deposit money banks
 - 3.1. Net borrowing
 - 3.2. Change in claims on deposit money banks for liquidity purposes
4. Other domestic financing
 - 4.1. From other financial institutions
 - 4.1.1. Net borrowing
 - 4.1.2. Change in claims on other financial institutions for liquidity purposes
 - 4.2. From nonfinancial public enterprises
 - 4.2.1. Net borrowing
 - 4.2.2. Change in holdings of nonfinancial public enterprises' securities for liquidity purposes
 - 4.3. From nonfinancial private sector
 - 4.3.1. From enterprises
 - 4.3.2. From households
 - 4.4. Other domestic financing not elsewhere classified
5. Adjustments
 - 5.1. Difference between valuation of above items and issue price
 - 5.2. Difference between valuation of above items and amortization price
 - 5.3. Any increased valuation of outstanding debt due to interest accruing during period
 - 5.4. Noncash debt issuance or extinction, included above
 - 5.5. Revaluation in national currency

III. Financing abroad

6. From international development institutions
 - 6.1. Drawings
 - 6.2. Amortization
7. From foreign governments
 - 7.1. Drawings
 - 7.2. Amortization
8. Other borrowing abroad
 - 8.1. Bank loans and advances
 - 8.2. Supplier credits
 - 8.3. Other borrowing abroad not elsewhere classified
9. Change in cash, deposits, and securities held for liquidity purposes
 - 9.1. Held by sinking funds
 - 9.2. Other changes in cash, deposits, and securities held for liquidity purposes

Table D (concluded). Financing by Type of Debt Holder**Memorandum items:**

- 10. Domestic financing repayable in foreign currency
 - 10.1. Drawings or issues
 - 10.2. Amortization
- 11. Financing abroad repayable in national currency
 - 11.1. From international development institutions
 - 11.1.1. Drawings
 - 11.1.2. Amortization
 - 11.2. From foreign governments
 - 11.2.1. Drawings
 - 11.2.2. Amortization
 - 11.3. Other financing abroad repayable in national currency
 - 11.3.1. Drawings or issues
 - 11.3.2. Amortization
- 12. Noncash issuance of debt repayable in cash (not included above)
- 13. Change in noncash debt acceptable as tax payments (not included above)
 - 13.1. Issues
 - 13.2. Amortization as tax payments
- 14. Change in floating debt of unpaid obligations (not included above, same as C.17)

¹To be eliminated in consolidation.

I. Total financing

Financing covers all payment flows to and from government generating or extinguishing claims for repayment other than government claims on others acquired for policy purposes. It includes also changes in government holdings of cash, deposits, and securities held for liquidity purposes, as a result of government transactions but not as a result of valuation changes. Financing thus consists of government borrowing and amortization and changes in government holdings of cash, deposits, and securities held for liquidity purposes.

II. Domestic financing

This category includes all government financing transactions with resident individuals, enterprises, governments, or other entities as defined in Section III.J. It may be affected also by trading in outstanding government securities between residents and nonresidents. It covers also changes in government holdings of national currency, deposits in resident financial institutions, and securities issued by residents and held by government for liquidity purposes.

1. From other general government

Included here are changes in this government's fixed-term contractual obligations to other parts of general government resulting from borrowing, repayment, sale and redemption of securities, and changes in this government's holdings for liquidity purposes, but not for policy purposes, of the securities of other parts of general government. This category would be eliminated in reaching the consolidated total of financing for general government as a whole. Debt holdings by nonfinancial public enterprises and by public financial institutions are not included here. Nor are government holdings of claims on such enterprises and institutions.

1.1. From other parts of the same level of government

This category should appear only in tables that do not represent full coverage of any level of government, that is, in tables for "available central government" omitting agencies or funds for which data are not fully or currently available, or in tables for one or several, but not all, state governments or local governments. Reported in this category would be financing provided to the reporting portion of government by the uncovered parts of the same level of government. This may therefore include changes in the debt holdings of sinking funds or social security schemes of this level of government whose operations are for any reason not consolidated in the table itself. This category would be eliminated in consolidation for this level of government as a whole.

1.1.1. Net borrowing

This heading covers net changes in the government's liabilities to these funds, governments, or agencies at the same level of government. Such changes may result from direct purchase from the government of its securities, government redemption of its securities, loans made to the government, loan repayments by the government, and purchase or sale of government securities in transactions with others. Changes in the government's liabilities are to be included here regardless of whether acquisition of the securities is for liquidity purposes or otherwise.

1.1.2. Change in holdings of their securities for liquidity purposes

This category includes changes in the government's holdings for liquidity purposes of securities issued by such funds, governments, or agencies. Changes in the government's loans to them or in the government's holdings of their securities other than for liquidity purposes would not be included here but in lending minus repayments. When no government statement exists as to the purpose of its holdings of such negotiable debt instruments, they should be considered to be for liquidity purposes.

1.2. From other levels of government

This heading is eliminated in the consolidated totals of financing for general government as a whole. It covers changes in liabilities to other levels of government and changes in holdings of negotiable securities of other levels of government acquired for liquidity purposes.

1.2.1. Net borrowing

This category includes all changes in liabilities to other levels of government regardless of whether acquired by them for liquidity purposes or otherwise. It thus covers net changes in their holdings of the government's securities, whether resulting from dealings with the government itself or with others, as well as direct government borrowing from and repayment to them.

1.2.2. Change in holdings of other levels of government's securities for liquidity purposes

This category covers the change in government holdings for liquidity purposes of securities issued by other levels of government. When no government statement or explanatory material exists as to the purpose of its acquisition of negotiable debt instruments issued by other levels of government, holdings should be classified here (as a financing item) when they involve securities issued by higher levels of government, and as lending minus repayments when they involve securities issued by lower levels of government.

2. From monetary authorities

This category covers changes in liabilities to and claims upon the central bank and other parts of the monetary authorities, along with other transactions equivalent in effect to credit from or to the monetary authorities though they give rise to no resulting claim. When monetary authorities' functions performed by the government are separated from the statistics for government (see Section II.J.1), the offsetting entry is to be shown in this category, preferably under net borrowing (2.1).

2.1. Net borrowing

This covers the net change in government liabilities to the monetary authorities, representing either direct loans or advances to government by the monetary authorities, or their holdings of government securities acquired from the government itself or in transactions with others, including open market operations or market support operations undertaken on their own account. Offsetting entries for monetary authorities' functions performed by government and separated from the statistics for government should be entered here. Changes in central bank holdings of currency issued by the government are not included here as such currency is considered to be issued by the government in its capacity as a part of the monetary authorities. This heading does not cover the transfer of profits from the central bank to the government, which forms a part of nontax revenue, that is, property income from nonfinancial public enterprises and public financial institutions (A.8.2).

2.2. Change in deposits

This heading shows the change over the period in the level of all government deposits with the monetary authorities as a result of all government transactions involving deposits with the monetary authorities during the period but not as a result of valuation changes. A decrease in the level of deposits is shown as a positive entry because it has provided funds for government utilization; an increase is shown as a negative entry because it has absorbed funds. Change in government utilization of overdraft facilities indistinguishable from data for government deposits would be included here. Care is necessary to ensure that all government accounts at the central bank are included.

When balance of payments problems reflected in accumulated external arrears or impending external payments obligations beyond foreign exchange availabilities lead to establishment of special deposit accounts for subsequent repayment of external liabilities, such accounts should be classified as belonging to the monetary authorities. Any government payments into such accounts should be classified, like other payments, as expenditure, amortization, etc., and balances in such accounts should not be treated as government deposits.

2.3. Change in currency holdings

Change in government holdings of cash, both in notes and coin, as a result of all government transactions involving cash during the period would be included here. This would normally be held by government paymasters and branches of the treasury in various parts of the country holding currency for direct payment to and from the public.

2.4. *Transfers to government of unrealized profits or losses on revaluation of foreign exchange*

Included in this category are any transfers to government of unrealized profits or losses arising in the accounts of the monetary authorities as a book entry from the revaluation of foreign exchange or gold holdings. Government use of such unrealized profits has expansionary effects most closely resembling those resulting from central bank lending to government. In normal practice, adverse expansionary effects on the economy are averted by setting aside unrealized central bank profits on revaluation of foreign exchange in a special reserve, rather than transferring them to government. Any transfer of such unrealized profits to government would be included here, whether made in a separate transaction or as a part of central bank profits. This is distinguished from monopoly profits realized on the purchases and sales of foreign exchange as a result of the maintenance of an exchange rate differential, which are shown as a part of tax revenue (A.6.4). Transfers to government of exchange profits realized other than as a result of maintenance of an exchange rate differential are classified as government nontax revenue (A.8.2). Government payment for central bank losses realized as a result of purchases and sales of foreign exchange at different rates would be shown as government subsidies to financial institutions (C.3.1.2).

Unrealized profits or losses on the revaluation of foreign exchange or gold holdings arise as a result of changes in the book entries for gold holdings or foreign exchange assets or liabilities expressed in national currency. Thus, when a currency is devalued in terms of other currencies, holdings of foreign exchange will rise in terms of the national currency; conversely, when a currency's value is increased in terms of other currencies, holdings of foreign exchange will decline in terms of the national currency. In a central bank's balance sheet an increase in the national currency value of foreign assets, which would result from a devaluation of the national currency, requires an offsetting rise in a liability item. This would normally be an increase in the bank's reserve funds, which would virtually freeze the profit. If these unrealized profits of devaluation are transferred to government, either separately or as a part of central bank profits, this would be reflected in a rise in government deposits. Such profits, however, represent no receipt of additional resources from abroad and no decrease in claims on resources by others in the economy. They bear a close resemblance, in fact, to credit from the central bank, though they give rise to no resulting claim. Any transfer to government of unrealized profits or losses from revaluation of foreign exchange are classified, therefore, as a part of financing from the monetary authorities. Similar treatment is necessary where the government exercises the monetary authorities function of holding foreign exchange reserves. In such a case, any unrealized profits or losses reaching government from the revaluation of foreign assets or liabilities are included in this category as financing from the monetary authorities.

3. *From deposit money banks*

This category covers government financing from all deposit money banks, that is, financial institutions whose liabilities are primarily in the form of deposits which are both exchangeable on sight for currency and transferable as a means of payment. No distinction is made here between private financial institutions and public financial institutions owned and/or controlled by government.

3.1. *Net borrowing*

This heading covers the net change in government liabilities to deposit money banks representing either direct loans or advances to government or holdings of government securities acquired from the government itself or in transactions with others. Deposit money banks' holdings of government securities on behalf of others, as in trust accounts, should not be included in this category but with the category of holders on whose behalf they are held, if identifiable. Entries representing the net flow to or from government from deposit money bank activities carried out by parts of government—as by post office checking accounts or demand deposit liabilities accepted by a treasury—should be included here (see Section II.J).

3.2. *Change in claims on deposit money banks for liquidity purposes*

This category includes government deposits in deposit money banks and any other claims upon them, such as certificates of deposit or short-term negotiable securities, held for liquidity purposes.

Government claims upon deposit money banks arising from deposits with them or loans to them for purposes other than the management of government liquidity—such as the provision of capital to a public financial institution—should not be shown here but as a part of lending minus repayments. A decrease in claims is shown here as a positive entry, providing funds for government utilization.

4. Other domestic financing

This heading includes all domestic financing to government other than that from other parts of general government, monetary authorities, and deposit money banks.

4.1. From other financial institutions

This category includes government financing from all financial institutions other than the monetary authorities and deposit money banks, whether private or public, that is, whether or not owned and/or controlled by government. It thus includes government financing from development banks, post office savings accounts, savings banks, insurance companies, provident funds, and pension funds outside government. It does not include financing from social security schemes or pension and welfare funds inside government.

4.1.1. Net borrowing

Included in this heading is the net change in government liabilities to other financial institutions, representing either direct loans or advances to government or holdings of government securities acquired from the government itself or in transactions with others. The provision of funds to government by postal savings accounts would be covered in this category (see Section II.J).

4.1.2. Change in claims on other financial institutions for liquidity purposes

This category covers government deposits in other financial institutions and other claims upon them acquired for liquidity purposes. It does not include claims arising from government deposits placed with other financial institutions or loans made to them for purposes other than the management of government liquidity—such as government provision of funds to development banks. Such loans or deposits should not be shown as a part of government financing but as a part of lending minus repayments. A decrease in claims appears as a positive entry, providing funds for government utilization.

4.2. From nonfinancial public enterprises

This heading covers all financing provided by nonfinancial enterprises majority owned and/or controlled by government.

4.2.1. Net borrowing

Included here is the net change in government liabilities to nonfinancial public enterprises, representing either their direct loans and advances to government or their holdings of government securities purchased directly from government or in transactions with others. This includes any provision of financing, whether voluntary or compulsory, which gives rise to a government liability to a nonfinancial public enterprise. However, it does not include any transfers which do not give rise to a government liability, such as transfers of profit to government, which would appear in government nontax revenue (A.8.2), or repayment of borrowing from government or return of equity capital to government, which would be reflected in government lending minus repayments (C.8.2).

4.2.2. Changes in holdings of nonfinancial public enterprises' securities for liquidity purposes

This category includes changes in government holdings for liquidity purposes of securities—other than equities—issued by nonfinancial public enterprises. It does not include the usual government loans to, or acquisitions of equities in, nonfinancial public enterprises undertaken for purposes other than the management of government liquidity. Such loans or equities would be reflected not in government financing but in government lending minus repayments. A decrease in claims appears as a positive entry, providing funds for government utilization.

4.3. *From nonfinancial private sector*

This heading covers government borrowing from the nonfinancial private sector—households, private enterprises, and private nonprofit institutions.

4.3.1. *From enterprises*

This category covers the net change in government liabilities to resident private enterprises resulting from loans to government, supplier credits on sales to government in the form of fixed-term contractual obligations, purchases of government securities from government, enterprise purchases and sales of government securities in transactions with others, government repayment of loans and securities in cash, and redemption as payment of taxes of government securities issued for cash. It also includes changes in any government holdings for liquidity purposes of securities—other than equities—issued by nonfinancial private enterprises.

This category does not include unpaid or overdue bills which do not correspond to a fixed-term contractual obligation (reported in memorandum item 14), the noncash issuance of government debt repayable in cash (memorandum item 12), the noncash issuance of government debt redeemable as tax payments (memorandum item 13.1), or its redemption as tax payments (memorandum item 13.2). Also excluded from this category are private enterprise deposits with demand deposit facilities in government (3.1) or with savings deposits facilities in government (4.1.1). Government lending to enterprises, other than for government liquidity purposes, and repayments of such lending are not shown here but in lending minus repayments.

Payment in bonds for government purchase of land or other property from enterprises would be shown here. Also included here are compulsory lending to government by nonfinancial private enterprises and enterprise payment of refundable “taxes” designed to be repaid when appropriate for countercyclical purposes.

4.3.2. *From households*

This category includes the net change in holdings of government securities by households and private nonprofit institutions, whether as the result of dealings directly with government—other than the noncash issuance of government debt—or of transactions with others. It does not include household deposits with postal or treasury savings facilities, which are considered to be a part of the other financial institutions subsector. Any net government financing from this source is shown as government net borrowing from other financial institutions (4.1.1). Similarly excluded from this heading are household deposits with postal checking accounts or other demand deposit facilities in government, the net flows to or from government of these deposits being shown as net borrowing from deposit money banks (3.1) (see Section II.J). Other deposits left with government by households such as trust or escrow accounts, however, are shown here. This category does not include household receipt or repayment of loans from government, which are reflected in government lending minus repayments. The noncash issuance of government debt, such as for the endowment of a private nonprofit institution which will benefit from subsequent interest and/or amortization payments, should not be included here but in memorandum item 12. Payment in bonds for government purchase of land from individuals, as under an agrarian reform program, would be shown here, with a simultaneous entry for government expenditure for purchase of the land. Included here also would be any compulsory lending to government by households or private nonprofit institutions.

4.4. *Other domestic financing not elsewhere classified*

This heading includes all domestic financing to government which does not fall into any of the categories discussed above or which cannot be allocated to individual categories above for lack of available data. Unallocable differences due to balance sheet valuation might also be reflected here.

5. *Adjustments*

When data on financing from categories of debt holders listed above are based on valuations that differ from the actual cash flow of principal payments to and from government, the introduction of several global adjustment items, unallocable by category of debt holder, may be necessary. These are included in this category, as detailed below.

5.1. Difference between valuation of above items and issue price

This item consists of the difference between issue price, before subtraction of commission charges, and the face value or other valuation utilized in the items listed above for government securities issued during this period. Any difference from issue price in the valuation of securities issued before the start of the period covered should not be included in this item. So long as their debt register valuation, at face value, does not change during the period, their valuation at other than issue price would have no effect upon the changes in debt to different classes of holders shown in the financing table. Differences between debt register value and issue price for securities issued during the period and still outstanding would include any discount on bills shown at face value and any sales premia or discount on coupon issues shown at face value.

5.2. Difference between valuation of above items and amortization price

This item consists of any difference there may be between debt register valuation and the actual amount of amortization paid by the government on issues maturing during this period. This may comprise payments for accrued interest which were included in debt register valuation of maturing issues but which should be shown as expenditure on interest, rather than as amortization. When outstanding debt is retired before maturity by purchase through sinking funds, the difference between debt register valuation and the price paid by the sinking fund would be shown in this item.

5.3. Any increased valuation of outstanding debt due to interest accruing during period

When valuation of outstanding debt in the debt register or other debt records is increased by the amount of interest that accrues during the period and is not paid out, this amount must be subtracted from the change in debt shown for all types of holders to obtain the value of actual government cash receipts and payments of principal.

5.4. Noncash debt issuance or extinction included above

Any noncash issuance or extinction of debt during the period which cannot be removed from the categories shown above should be entered here. This should permit adjustment of data for changes in domestic debt to all holders so as to correspond with actual government cash receipts from financing. Cash redemption of securities arising from noncash issuance during the period or in previous periods should be fully reflected as amortization in the appropriate categories. Redemption as tax payments of securities arising from noncash issuance should not be reflected in net borrowing nor in tax payments, however. It should be entered only in memorandum item 13.2 (see also Working Table 4 in Section II.B). The type of noncash debt issuance which may appear in this category includes the noncash issuance of government debt for the capitalization of a public enterprise, for the assumption of recognized debts of other bodies, or for the endowment of an institution which will benefit from future interest and/or amortization. Total noncash issuance during each period of debt repayable in cash is shown in memorandum item 12.

5.5. Revaluation in national currency

When data on financing from categories of domestic debt holders are based on valuations of outstanding debt which change as the result of denomination in foreign currency or of indexation for foreign exchange or prices, any such revaluations that are not allocable to adjust financing by category of debt holder must be applied as a global adjustment item to total domestic financing.

III. Financing abroad

This heading includes all government financing transactions with nonresident individuals, enterprises, governments, international organizations, and other entities, as defined in Section III.J. It may be affected also by trading in outstanding government securities between residents and nonresidents. This heading covers also changes, resulting from transactions but not revaluations, in government holdings of foreign exchange, deposits in nonresident financial institutions, and securities issued by nonresident entities held by government for liquidity purposes. It may be noted that, unlike domestic financing, for financing abroad only transactions involving government liabilities are classified by type of debt holder, with all government claims on nonresidents held for liquidity purposes shown in a separate category.

6. *From international development institutions*

Included here is all borrowing from, minus repayments to, international development institutions such as the World Bank, the Asian Development Bank, and the Inter-American Development Bank. Subscriptions to the share capital of such institutions, which are returnable in the event a country's membership in the institution is terminated, should appear as part of lending and contributions to them as part of expenditure. Transactions with the International Monetary Fund are not included in this category; they are a part of the monetary authorities' function and should not be shown as a transaction of the government. Any transactions with the International Monetary Fund which have been included in the government accounts should be separated from government finance statistics as described in Section II.J.1, with an offsetting entry of a government transaction with the monetary authorities. Any grants from international development institutions which do not give rise to a liability to repay are not included here; they should be shown in grants received (A.17).

6.1. *Drawings*

Drawings of loans from international development institutions may take place through lender payment to the borrowing government itself or to those supplying it with equipment, materials, or services. The funds received may be in foreign currency or in national currency accumulated by the institutions from interest or amortization on previous loans. Drawings that must be repaid in foreign exchange, in national currency, or in either at the discretion of the borrower should all be included here. Drawings repayable in national currency should be shown also in memorandum item 11.1.1. Drawings should be reported when payment is received by government or when lender payment is made to the suppliers.

6.2. *Amortization*

This category covers repayment of loans from international development institutions, whether in foreign exchange or in national currency. Amortization in national currency should be shown also in memorandum item 11.1.2.

7. *From foreign governments*

This heading covers all government borrowing from, minus repayments to, foreign governments and their agencies. This includes loans from the official lending agencies of foreign governments which derive all of their funds from government and have no authority to incur liabilities to others.

7.1. *Drawings*

This category includes receipt of loans in the form of lender payment to government or lender payment to those supplying goods and services to the borrowing government. This covers loans repayable in foreign exchange, in national currency, or in either at the discretion of the borrower. Drawings on loans repayable in domestic currency should be shown also in memorandum item 11.2.1.

This heading also covers loans from the national currency holdings of foreign governments, which originate mainly from sales in the country of commodities received under aid programs or other commodity loan agreements and from national currency payments of interest and amortization on previous loans. These funds are normally held on deposit with the central bank or with a designated commercial bank. There are usually restrictions on the convertibility of these deposits, and their use is generally limited to purposes agreed between the national government and the foreign government concerned. Agreed uses may include national currency loans and grants to the national government, national currency expenditures by the foreign government for its own purposes, and, in some cases, loans to financial intermediaries and other sectors. Grants received from such deposits are shown as grants from abroad (A.17). Drawings of loans from foreign governments' holdings of national currency should be recorded when the government, or its suppliers, receive the funds withdrawn from such deposits, and not when the deposits are generated. Such withdrawals should be measured on a gross basis and not by changes in the level of such national currency balances (though such net changes may have to serve as an approximate indicator of use when current generation of such deposits is small and no other data are available).

It should be noted that the generation and utilization of such deposits are completely separate processes with different effects on the economy. Though they may take place simultaneously or with only a short time lag, there may on occasion be a long delay between the two actions so that generation occurs in one period and utilization in another. The generation of funds in such foreign government-held deposits exerts a contractionary influence upon private monetary holdings while their utilization represents an expansionary factor.

Drawings of loans from such accounts should be shown in this category and, if repayable in national currency, also in memorandum item 11.2.1.

7.2. Amortization

This category covers repayment of loans from foreign governments, whether repayment is made in foreign exchange or in national currency. Repayment in national currency should be shown also in memorandum item 11.2.2.

8. Other borrowing abroad

This heading includes all government borrowing from, minus repayments to, nonresidents other than foreign governments and international development institutions.

8.1. Bank loans and advances

This category is equal to government receipts from loans and advances from nonresident banks, as defined in Section III.J, minus amortization of such loans. Loans secured by debt issues that are nonmarketable or are not intended to circulate would be shown here. Sale to nonresident banks of securities that are intended to circulate, and for which the banks may be acting as underwriters, distributors, or temporary holders, should be shown in category 8.3. Loans and advances from nonresident banks which are repayable in national currency should be included also in memorandum item 11.3.1 and their repayment in national currency in memorandum item 11.3.2. Loans from official international banks in which the members are governments should be shown as loans from international development institutions (6). Also excluded from this category are loans from the official lending agencies of foreign governments which derive all their funds from the government and have no authority to incur liabilities to others; such loans should be shown as loans from foreign governments (7). Changes in government deposits with banks abroad should not be shown here but in category 9. Loans are sometimes distinguished from advances as borrowings of specific amounts for predetermined maturities, rather than drawings, generally short term, against agreed credit lines. Both are included in this category.

8.2. Supplier credits

This category is equal to government credit purchases from nonresident suppliers, as defined in Section III.J, under fixed-term contractual obligations redeemable in cash, minus amortization of such credits. The amount of the credit should be reported as both an expenditure and a financing transaction when the terms of the supplier credit contract for creation of the debt are fulfilled and as government debt redemption in this category when redemption occurs. If a part of the government's payment is recognized as representing interest, this should be shown as expenditure on interest when it is paid and should not be included in this category as either borrowing or amortization. Credits from nonresident suppliers which are repayable in national currency should be included also in memorandum item 11.3.1 and their repayment in national currency in memorandum item 11.3.2.

8.3. Other borrowing abroad not elsewhere classified

This category comprises government borrowing minus amortization from nonresidents other than in the categories listed above. Any such loans repayable in national currency should be shown also in memorandum item 11.3.1 and their repayment in national currency in memorandum item 11.3.2.

9. Changes in cash, deposits, and securities held for liquidity purposes

This category includes changes, resulting from transactions but not revaluations, in government holdings of foreign exchange, deposits with nonresident financial institutions, and foreign negotia-

ble securities held by the government for its own liquidity purposes. It does not include holdings for either balance of payments purposes or the management of international reserves, or as the result of government lending. Excluded, therefore, are holdings by the government in a monetary authorities' capacity of foreign exchange and foreign securities, and any quotas, SDRs, or credit positions in the International Monetary Fund which may be attributed to the government. A decrease in holdings is shown here as a positive entry, providing funds for government utilization.

Excluded as constituting the result of lending, rather than holdings for liquidity purposes, are direct loans to other governments or to international development institutions, and holdings of share capital in such development institutions. This category therefore covers primarily any working balances maintained by the government in the form of claims on nonresident entities, holdings of government assets in foreign securities for purposes of liquidity management or earning a return, and such holdings by sinking funds.

9.1. Held by sinking funds

This heading includes all foreign exchange and foreign securities held by government sinking funds for purposes of management and orderly redemption of government debt issues. Sinking fund purchases of the government's own debt, purchased for purposes of redemption, should not be shown here, but as amortization under the category appropriate for the debt holders from whom it is purchased. Where both contractual and supplementary sinking funds exist and hold foreign exchange and foreign securities, their holdings may be distinguished and shown in separate items under this heading (Section II.K.1.1). Where data for sinking funds have not been consolidated with government, their holdings should not be shown in this category and their holdings of the government's debt originally sold to nonresidents may be shown in a separate memorandum item.

9.2. Other changes in cash, deposits, and securities held for liquidity purposes

Included in this category are all government holdings of foreign exchange, deposits abroad, and negotiable securities issued by nonresidents held for liquidity purposes other than those held by sinking funds.

Memorandum items:

The primary distinction in government financing is between domestic financing, carried out with residents, and financing abroad, carried out with nonresidents, as defined in Section III.J. However, it is also useful to know whether such financing is repayable in national currency or in foreign exchange, as repayment of debt in foreign exchange is likely to have different balance of payment effects than repayment in national currency. Accordingly, memorandum items 10 and 11 call for the provision of information on domestic financing repayable in foreign exchange and foreign financing repayable in national currency. These entries duplicate amounts already included in the regular financing categories, above, and are already included in calculation of total financing.

In addition, information is called for, in memorandum items 12 and 13, on the noncash issuance of debt during the period and any redemption through tax payments of noncash debt issues. Redemption in cash of all debt, whether issued for cash or otherwise, would already be included in the regular categories of the financing table, as would the redemption through tax payments of debt issued for cash. Changes in the floating debt of unpaid obligations, which are not included in the regular financing categories above, are shown in memorandum item 14.

10. Domestic financing repayable in foreign currency

This category comprises government receipts from, minus amortization of, borrowing from residents, or issue of debt instruments to residents, as defined in Section III.J, repayable in foreign exchange. This does not cover debt repayable in national currency in an amount linked to some foreign exchange index.

10.1. Drawings or issues

This heading includes government receipt of funds from the sale of securities to residents, or borrowing from residents, repayable in foreign exchange.

10.2. Amortization

Included here are government payments in foreign exchange for amortization of securities issued to residents or of borrowing from residents. Amortization of discount issues whose interest is subtracted in advance should be shown as equal to issue price, with the amount of the discount shown as an expenditure for interest when paid. Should separate data be unavailable for the issue and amortization of short-term securities, any government net borrowing from such issues, excluding interest payments, should be shown under drawings or issues in category 10.1, and any net repayment from such issues in this heading.

11. Financing abroad repayable in national currency

This heading comprises government receipts from, minus amortization of, borrowing from non-residents, as defined in Section III.J, repayable in national currency, or in either national currency or foreign exchange at the discretion of the borrower.

11.1. From international development institutions

This category covers government receipts from, minus amortization of, borrowing from international development institutions repayable in national currency or in either national currency or foreign exchange at the discretion of the borrower. Transactions with the International Monetary Fund are not included here (see Section II.J.1).

11.1.1. Drawings

Included here is receipt of payment by the borrowing government itself, or by those supplying it with equipment, materials, or services, as loans from international development institutions repayable in national currency or in either national currency or foreign exchange at the discretion of the borrower. Receipt of payment shown here may be either in foreign exchange or in national currency, as from the national currency holdings accumulated by the international development institutions from amortization or interest payments on previous loans.

11.1.2. Amortization

This heading covers all government amortization payments to international development institutions in respect of drawings repayable in national currency or in either national currency or foreign exchange at the discretion of the borrower. Interest payments are not included here but rather as a part of expenditure. Contributions or returnable subscriptions to the share capital of international development institutions are not shown here but under expenditure and lending, respectively.

11.2. From foreign governments

This category comprises government borrowing from, minus amortization to, foreign governments on loans repayable in national currency or in either national currency or foreign exchange at the discretion of the borrower.

11.2.1. Drawings

Included here is receipt of payment by the borrowing government, or by those supplying it with equipment, materials, or services, as loans from foreign governments or their agencies repayable in national currency or in either national currency or foreign exchange at the discretion of the borrower. Receipt of payment shown here may be either in foreign exchange or in national currency, as from the national currency holdings accumulated by foreign governments from the sale in the country of commodities received under aid programs or commodity loan agreements or from interest and amortization payments on previous loans.

11.2.2. Amortization

This category includes all government payment of amortization to foreign governments in respect of drawings repayable in national currency or in either national currency or foreign exchange at the discretion of the borrower. Interest payments should not be included here but as a part of expenditure.

11.3. Other financing abroad repayable in national currency

This heading comprises all borrowing from, minus amortization to, nonresidents other than international development institutions and foreign governments on loans repayable in national currency or in either national currency or foreign exchange at the discretion of the borrower.

11.3.1. Drawings or issues

Included here is receipt of loans from nonresidents other than international development institutions and foreign governments which are repayable in national currency or in either national currency or foreign exchange at the discretion of the borrower.

11.3.2. Amortization

This category covers all government amortization payments to nonresidents other than international development institutions and foreign governments in respect of drawings repayable in national currency or in either national currency or foreign exchange at the discretion of the borrower.

12. Noncash issuance of debt repayable in cash (not included above)

This category comprises the face value of government debts repayable in cash which were issued during the period neither for cash nor as payment for purchases. Such noncash issuance of debt may occur for the assumption of recognized debts of other bodies, for capitalization of a public enterprise, or for endowment of an institution that will benefit from future interest and/or amortization payments, etc. Such noncash issuance of debt would not be included in the regular financing categories or in the total of financing. Issuance of government debts as payment for purchases is not included here but as part of the regular financing categories (see Section II.A.6).

13. Change in noncash debt acceptable as tax payments (not included above)

This category comprises issuance minus amortization during the period of government debt instruments which are acceptable as tax payments, and which are issued neither for cash nor as payment for purchases. Supplementary presentation of data on such issues, showing the amount of tax credit certificates issued, outstanding, and redeemed through payment of various taxes, is discussed in Section II.B and illustrated in Working Table 4.

13.1. Issues

This heading covers the face value of government debt instruments acceptable as tax payments which are issued during the period neither for cash nor as payment for purchases. Such noncash issuance may occur as a form of delayed government subsidy for particular activities or purposes, much in the manner of a delayed, and perhaps negotiable, tax credit. Neither issuance of such debt nor its acceptance in fulfillment of tax liabilities would be shown in the financing table or in revenue and expenditure. Debt issued for cash or as payment for purchases would not be included in this category even if acceptable as tax payments.

13.2. Amortization as tax payments

This category includes government amortization, through acceptance as payment of tax liabilities, of debt issued neither for cash nor as payment for purchases. The full amount of such debt accepted as tax payment during the period should be shown here. This amount should not be included in tax revenue nor in the regular categories of the financing table. Amortization through tax payments of debt issued for cash or as payment for purchases should not be shown here but as a part of tax revenue and the regular financing categories.

14. Change in floating debt of unpaid obligations (not included above, same as C.17)

Government delays in meeting accrued obligations for goods and services received can sometimes give rise to a considerable backlog of unpaid obligations, referred to as a floating debt. Though such unpaid obligations are not included in expenditure and financing statistics based on payments, they may have important monetary effects as enterprises supplying the government seek additional credit from the banking system. To keep in view the backlog of such unpaid obligations, it is useful to show in a memorandum item the net change during the period in the stock of unpaid obligations

awaiting payment. These usually take the form of deliveries reported, or payment orders written, for which checks have not yet been issued or paid (see Sections II.A.1 and II.B). Increases in the level of floating debt should be shown as a positive entry and reductions, as a negative entry. Supplementary statistics on the accumulation and payment of floating debt are indispensable for the proper conduct of government operations; they are discussed in Section II.A.1 and Section II.B and illustrated in Working Tables 1, 2, and 3. The outstanding amount of floating debt of unpaid obligations is shown in Table F, item 13. To underline the close relationship between cash expenditure and the change in floating debt of unpaid obligations, this memorandum appears also in the table on economic classification of expenditure and lending minus repayments (C.17).

IV.C.2. Financing by Type of Debt Instrument

Statistics on financing classified by type of debt instrument provide an important indication of the means by which a government finances its deficit or allocates its surplus. While they cannot identify particular groups of debt holders from whom government financing is obtained, data by type of debt instrument may suggest the likely effects or alternative patterns of economic behavior associated with placement or redemption of different types of government debt instruments. Data on financing by type of debt instrument are considerably easier to compile than data by type of debt holder as they may be derived from records of loans, debt issues, and amortization, without resort to a currently maintained register of persons and institutions holding outstanding issues or to the balance sheets of holders.

Data on proceeds from the placement of each type of debt instrument should reflect actual government receipts, that is, issue price. Proceeds from sale of bills, for example, would be equal to face value minus discounts. Debt repayment should likewise reflect actual amortization payments by government. For bills redeemed, the discount should be shown as interest paid at maturity—that is, as a part of expenditure rather than as financing—with the remainder of the payment shown as amortization. Because debt register data on holdings by each type of holder need not be used, adjustments for differences between debt register valuation and issue price or amortization price are unnecessary. Any noncash debt issues—as distinct from purchases paid for with debt instruments—should not be included in financing receipts but should be shown when redemption in cash occurs (see Section II.A.6).

Several basic distinctions are drawn among types of debt instrument. To maintain the distinction between domestic financing, carried out with residents, and financing abroad, carried out with nonresidents as defined in Section III.J, the classification by type of debt instrument is applied separately to domestic financing and to financing abroad. With the exception of the residence, the definition of each type of debt instrument remains the same for both domestic financing and financing abroad.

The classification by type of debt instrument distinguishes borrowing through loans, which are not meant to circulate, from borrowing through securities. Short-term borrowing is distinguished from long-term borrowing, with short-term financing defined as covering all loans and securities with original maturities not exceeding one year. A residual category of other liabilities is provided. Government holdings of cash, deposits, and securities held for government liquidity purposes are shown separately from government liabilities.

Unlike data on financing by type of debt holder, data on total financing by each type of debt instrument are not affected by the trading in outstanding issues between different types of debt holders. The domestic/foreign distribution of financing by each type of debt instrument, however, may be affected by trading in outstanding issues between residents and nonresidents. While loans and most issues do not trade between residents and nonresidents in most countries, where information is available on resident and nonresident holdings of different types of debt instruments, data for the domestic/foreign distribution of financing by each type of debt instrument should be adjusted accordingly.

Table E. Financing by Type of Debt Instrument**I. Total financing (same as D.I)****II. Domestic financing (same as D.II)**

1. Long-term bonds
 - 1.1. Issues
 - 1.2. Amortization
2. Short-term bonds and bills
3. Long-term loans not elsewhere classified
 - 3.1. Drawings
 - 3.2. Amortization
4. Short-term loans and advances not elsewhere classified
5. Other liabilities
6. Changes in cash, deposits, and securities held for liquidity purposes

III. Financing abroad (same as D.III)

7. Long-term bonds
 - 7.1. Issues
 - 7.2. Amortization
8. Short-terms bonds and bills
9. Long-term loans not elsewhere classified
 - 9.1. Drawings
 - 9.2. Amortization
10. Short-term loans and advances not elsewhere classified
11. Other liabilities
12. Changes in cash, deposits, and securities held for liquidity purposes

I. Total financing (same as D.I)

Financing covers all payment flows to and from government generating or extinguishing claims for repayment other than government claims on others undertaken for policy purposes. It includes also changes in government holdings of cash, deposits, and securities held for liquidity purposes as a result of government transactions but not as a result of valuation changes. Financing thus consists of government borrowing and amortization, and changes in government holdings of cash, deposits, and securities held for liquidity purposes.

II. Domestic financing (same as D.II)

This category includes all government financing transactions with resident individuals, enterprises, governments, and other entities as defined in Section III.J. It may be affected also by trading in outstanding government securities between residents and nonresidents. It covers also changes in government holdings of national currency, deposits in resident financial institutions, and securities issued by resident entities and held by government for liquidity purposes.

1. Long-term bonds

This category comprises government receipts from, minus amortization of, all securities held by residents with original maturities of more than one year, bearing fixed rates of interest or interest rates linked to some index, and redeemable starting from a date fixed at the time of issue. Loans or advances from banks, suppliers, or other lenders, which are secured by debt issues that are nonmarketable or are not meant to circulate, should not be shown in this category but in category 3 or 4. Borrowing by means of debt instruments which carry maturities of one year or less should not be included here but in category 2.

1.1. Issues

Included here are the government's proceeds from the issues of long-term bonds. Proceeds should reflect issue price before subtraction of commission charges and other costs of placement, which should be shown as expenditures. Negotiable long-term bonds issued in payment for government purchases of land, as under agrarian reform programs, or other property would be shown here, at face value, with an equal amount shown at the same time in expenditures.

1.2. Amortization

This heading covers government payment of amortization on long-term bonds. Payment of accumulated interest or of interest arrears, as distinct from the principal, should not be shown here but as expenditure for interest.

2. Short-term bonds and bills

This heading comprises government sales proceeds (before subtraction of commission charges and other costs of placement), minus amortization, of securities held by residents, which have an original maturity not exceeding one year, are intended to circulate, bear interest on a nominal value determined at issue, and are repayable at their nominal value starting from a date fixed at the time of issue. Short-term loans or advances from banks, suppliers, or other lenders, which are secured by debt issues which are nonmarketable or are not meant to circulate, should not be shown in this category but in category 4. All borrowing from residents by means of bills, bonds, or other debt instruments, carrying maturities of one year or less, should be included here. Amortization of discount issues on which interest is subtracted in advance should be counted to include only the issue price, payment of the discount being shown as expenditure for interest.

3. Long-term loans not elsewhere classified

This category comprises government receipts from, minus amortization of, loans contracted with residents which carry maturities at the time of borrowing of more than one year and are not secured by debt instruments that are marketable or are meant to circulate. Included here would be any such fixed-term borrowing from banks or suppliers. Also shown here are government purchases of land, under agrarian reform programs, for example, with payment in nonnegotiable long-term government debt instruments. These would be shown as an expenditure for land purchase and as

government borrowing in this category. Purchases paid for in long-term negotiable bonds are shown under category 1.1. Excluded are floating debts of unpaid obligations for which no fixed-term contractual agreements on payment have been made.

3.1. Drawings

This heading includes government receipt under such loans of either funds or purchases. A government purchase paid for in the form of a fixed-term contractual obligation should be shown as both an expenditure and a borrowing transaction at the time the terms of the supplier credit contract for creation of the debt are fulfilled. Drawings should be shown as equal to the amount of funds received by the government or, under terms of a supplier credit contract, the debt created.

3.2. Amortization

This heading comprises government repayment of such long-term loans, excluding any interest component, which should be shown as expenditure for interest.

4. Short-term loans and advances not elsewhere classified

This category comprises government receipts from, minus amortization of, loans contracted with residents which carry maturities not exceeding one year and are not secured by debt instruments that are marketable or are meant to circulate. Included here are short-term loans and advances from banks and suppliers, but not floating debts of unpaid obligations for which no fixed-term contractual agreements on payment have been reached. Any recognized interest payment should not be included as amortization here but as a part of expenditure for interest.

5. Other liabilities

This heading comprises government receipts from, minus amortization of, other liabilities incurred toward residents. This would include, for example, use of overdraft facilities at banks, acceptance of escrow and trust deposit liabilities, and government liabilities to units operating postal savings or checking accounts not represented by fixed-term loans or debt instruments. Also included here would be any offsetting entry for monetary authorities' functions performed by government (see Section II.J.1), and any transfers to government of unrealized profits or losses arising in the accounts of the monetary authorities from the revaluation of foreign exchange or gold (see item D.2.4).

6. Changes in cash, deposits, and securities held for liquidity purposes

This category includes changes in government holdings of cash, deposits at resident financial institutions, and holdings for liquidity purposes of securities issued by resident enterprises and institutions, including governments. A decrease in holdings is shown as a positive entry, providing funds for government utilization during the period; an increase in holdings is shown as a negative entry, absorbing funds which the government must obtain from other sources during the period. Holdings of notes and coin would normally be those in the hands of government paymasters or branches of the treasury in various parts of the country holding currency for direct payment to the public. Included here also would be government claims upon banks and financial institutions represented by certificates of deposit or negotiable securities held for liquidity purposes, but not loans made by government for purposes other than management of government liquidity or the earning of a return. When government deposits are placed with a financial institution not for liquidity purposes but to permit the institution to carry out lending activities, changes in such deposits should be classified as lending or repayments and not as government financing.

When special accounts are set up, usually at the central bank, to receive national currency payments for subsequent liquidation of external arrears or rescheduled debts, they should be classified as monetary authorities accounts. Any government payments held in such accounts should not be classified as government deposits. Government payments into such accounts should be classified, like other government payments, as expenditure, amortization, etc.

Holdings of securities issued by other parts of general government would be included here only if they are held for liquidity purposes. In the absence of a government statement as to the purpose of acquiring particular securities, transactions in negotiable securities issued by other governments at

the same level of government or at a higher level of government should be considered as being held for liquidity purposes, while transactions in securities issued by governments at a lower level of government should be considered to be a part of lending minus repayments. Social security fund holdings of cash, deposits, and securities held for purposes of liquidity and earning a return would be included here. Sinking fund holdings of the government's own securities would not be included in this category; they would be considered to represent debt redemption when they are acquired from the public. Holdings of other securities, cash, and deposits by sinking funds which are covered in the statistics would be included here.

III. Financing abroad (same as D.III)

This category includes all government financing transactions with nonresident individuals, enterprises, governments, international organizations, and other entities, as defined in Section III.J. It may be affected also by trading in outstanding government securities between residents and nonresidents. This heading covers also changes, resulting from transactions but not revaluations, in government holdings of foreign exchange, deposits in nonresident financial institutions, and securities issued by nonresident entities held by government for liquidity purposes.

7. Long-term bonds

7.1. Issues

7.2. Amortization

These categories cover the type of debt instruments described in categories 1, 1.1, and 1.2 held by nonresidents, as defined in Section III.J, rather than by residents.

8. Short-term bonds and bills

This heading covers the type of debt instruments described in category 2 held by nonresidents, as defined in Section III.J, rather than by residents.

9. Long-term loans not elsewhere classified

9.1. Drawings

9.2. Amortization

These categories cover the types of obligations described in categories 3.1, and 3.2 contracted with nonresidents, as defined in Section III.J, rather than with residents.

10. Short-term loans and advances not elsewhere classified

This category covers the types of obligations described in category 4 contracted with nonresidents, as defined in Section III.J, rather than with residents.

11. Other liabilities

This heading comprises government receipts from, minus amortization of, other liabilities incurred toward nonresidents, as defined in Section III.J. This would include, for example, use of overdraft facilities at nonresident financial institutions or acceptance of escrow or trust deposit liabilities toward nonresidents. It would not include unpaid obligations to nonresidents for which no fixed-term contractual agreements on payment have been made.

12. Changes in cash, deposits, and securities held for liquidity purposes

This category covers changes, resulting from transactions but not revaluations, in government holdings of foreign exchange, deposits with nonresident financial institutions as defined in Section III.J, and foreign negotiable securities held by the government for its own liquidity purposes. It does not include holdings for either balance of payments purposes or the management of international reserves, or as the result of government lending. Excluded, therefore, are holdings by the govern-

ment in a monetary authorities' capacity of foreign exchange and foreign securities and any quotas, SDRs, or credit positions in the International Monetary Fund which may be attributed to the government. A decrease in holdings is shown here as a positive entry, providing funds for government utilization.

Excluded as constituting the results of lending, rather than holdings for liquidity purposes, are direct loans to other governments or to international development institutions, and holdings of share capital in such development institutions. This category therefore covers primarily any working balances maintained by the government in the form of claims on nonresident entities, holdings of government assets in foreign securities for purposes of liquidity management or earning a return, and such holdings by sinking funds, concerned with management and orderly redemption of the government's debt issues. Sinking fund purchases of the government's own debt should not be shown here but as amortization under the category appropriate for the debt instrument.

IV.D. Debt

Well after the government has borrowed to finance its deficit, the debt it has incurred continues to have an influence upon the asset and liability structure of the economy. This influence is exerted in two directions: a liability effect upon the government which must pay interest upon the debt and eventually repay it by increasing taxes, foregoing expenditures, or borrowing again; and an asset effect upon the debt holders, whose consumption and saving behavior is affected much as if they held some other earning asset or cash. To keep in view this aspect of government operations, it is necessary to maintain consistent statistics for outstanding government debt which make it possible to meet anticipated analytical needs. To attain such consistency, it must be determined *whose* debt is to be included, what *kind* of debt, how it is to be *valued*, and how *classified* so as to gauge its possible asset and liability effects.

The compilation of debt statistics should correspond in coverage to other government finance statistics, that is, to the general government, central government, state governments, or local governments for which data on revenue, expenditure, and financing are collected. Only the debts of the same units of government represented in the other government finance statistics should be included in the statistics for debt. Thus, the debts of public enterprises, outside government, would be excluded, as would the debts of any financial institution functions carried out by government. Liabilities arising from monetary authorities' functions, such as from the issue of currency, from transactions with the International Monetary Fund, or from the assumption for balance of payments purposes of the rescheduled external debt of other domestic debtors, would not be included in government debt (Sections I.J, II.J.1, and IV.C).

Like other government finance statistics, data on outstanding government debt should exclude obligations to other parts of the government. Intragovernmental debt should be excluded from data for a single government and intergovernmental debt excluded from data for general government or for any portion of general government which includes both the debtor and creditor governments concerned. Such excluded intragovernmental and intergovernmental debt should be shown in the tables as memorandum items (F.12) but should not be included in the totals.

Debt statistics should show the gross amount of government liabilities; they should not be reduced by the amounts of government claims against others.

The statistics of debt should include the recognized direct financial obligations of the government to the rest of the economy or the world which are serviced through interest payments and/or redemption. Perpetual obligations that require only interest payments but no redemption should be included, as should any obligation which carries no interest, so long as it has a valid requirement for repayment of the principal. Government guarantees of the debts of others should be excluded, along with any other contingent liabilities. Excluded also are floating debts of unpaid obligations which carry no government contractual obligation fixing the term for payment. These may assume considerable importance in some circumstances, however, and should be shown as a memorandum item (F.13). They may be accounted for also in a separate supplementary table, as discussed in Section II.B.

"Dormant" debt for which payments of interest and amortization have been discontinued in-

definitely because of a moratorium agreed upon by the creditor or because of unilateral repudiation, should not be included, having ceased to be a financial burden upon the government. Examples of dormant debts are some of the debts arising from World War I which are no longer carried on the debt statements of the debtor governments. Should service be resumed on dormant debts, the obligations should be returned to the statistics of debt outstanding. Debts that have not been repudiated but whose service is temporarily suspended or in arrears should not be deleted from the debt statistics.

While inclusion of outstanding debt may depend upon its current status, this should not be based upon how the debt was incurred. As outstanding debt is a stock rather than a flow, it cannot be measured on a cash basis. Debt generated without a cash transaction may nonetheless give rise to an obligation to repay in cash and should be included in statistics of government debt. Recognized debt should be counted, therefore, regardless of whether it arose from cash borrowing, from issuance as payment for a purchase, from assumption of the debts of others, or through the noncash issue of debts (for the capitalization of an enterprise, or for the endowment of an institution which is to benefit from future interest and/or amortization payments). Like the flow into debt, the flow out of the outstanding government debt may also occur by different means: by cash redemption, acceptance in payment of tax liabilities, repudiation, cancellation by the creditor, assumption by some other government, etc. So long as the debt is outstanding its means of incurrence or eventual extinction should not affect its inclusion in the debt statistics.

Government debt should be recorded at the time the borrowing takes place, for example, when payment is made, rather than when commitment, authorization, registration, or delivery occurs. When a government purchase is paid for with a fixed-term security or contractual obligation rather than cash, the debt should be recorded when the terms of the supplier credit contract for creation of the debt are fulfilled. Loans received from foreign governments, international organizations, or others, through lender payments directly to suppliers on evidence of contract fulfillment, should be recorded as debt at the time lender payments to the suppliers are made, creating the debt. Removal of maturing obligations from the outstanding debt should be recorded when government payment or exchange for new obligations occurs, rather than when payment is due. Debt changes resulting from noncash generation or extinction of debt should be recorded when the debt is created or cancelled.

Outstanding debt should be valued at the amount the government is obligated to pay when the debt matures, that is, at its nominal, par, or face value. The par value of a debt may differ from the amount shown as borrowing when it is issued or as amortization when it is retired since borrowing and amortization measure funds actually received or paid out. New issues may be sold at a premium or discount and outstanding issues may be retired through purchase in the market at prices below or above par. In addition, while the par value of most securities does not include the interest the government is obligated to pay over the life of the debt, in some instances securities with interest payable on redemption include either the full interest in their par value from the start, as with treasury bills sold at discount, or the accrued interest as part of a schedule of redemption values for issues redeemable on demand. Though such interest incorporated in par value may be included in valuation of the outstanding debt, it is shown as an interest expenditure rather than amortization when the debt is redeemed.

The valuation of outstanding debt, it must be noted, cannot always provide a fully adequate basis for gauging both its asset and liability effects. The liability effect upon government is determined by the amount to be repaid and the interest upon it. The asset effect upon holders of outstanding marketable debt, however, may be determined by the market value at which the debt can be sold. When the coupon rate on a government security differs markedly from the market interest rate, the difference between face value and market value may be substantial. Though a rise in the market value of a fixed-interest security above face value may make its holder feel wealthier, it should not make the debtor feel any poorer, since repayment can be made at par. This asymmetry between the effects upon debtor and creditor is inherent in any valuation of debt whose market value differs from par. As it is primarily the government's liabilities which are being measured here, however, rather than its creditors' assets, outstanding government debt is valued here at par or face value, the amount the government will have to repay at maturity. The shifting structure of creditors' assets is the province of financial market statistics.

In the case of foreign debt denominated in a foreign currency, an additional variation is introduced in the valuation of outstanding government debt. When a change in the exchange rate occurs between the dates on which the debt is being measured, revaluation of the foreign currency debt will alter the national currency value of such debt. A similar alteration would apply to any domestic debt, that is, to residents, which is repayable in foreign currency or is tied to an index based on foreign currency values or the cost of living.

Conversion to national currency values of debt denominated in a foreign currency outstanding on a particular date should be carried out using the market rate prevailing on that date for the foreign currency in which the debt is denominated against the national currency. When a multiple exchange rate system is in effect, conversion at the applicable rate or at a realistic unitary rate, if that can be determined, is preferable.

Because it is a stock rather than a flow, debt is measured as of a given date, such as the last day of a month or fiscal year. While changes in debt between two dates are usually brought about mainly by net borrowing during the intervening period, debt changes can differ from net borrowing as a result of various factors. These may include discounts and premia on new issues or on redemptions, accrued interest incorporated in par value and payment of such interest at redemption, noncash generation or extinction of debt, and revaluation of debt denominated in or linked to another currency or to an index. To follow movements in outstanding debt it is necessary to take into account not only net borrowing but all such factors, and these are incorporated in memorandum items to Table G showing the reconciliation between net borrowing and changes in debt between the beginning and end of a period.

The classification of outstanding government debt may be undertaken from several points of view: the time-structure of liabilities the government will have to meet, the type of debt instruments which the government has been able to sell and which the financial markets have been able to absorb, and the distribution of debt among holders in different subsectors with consequences for their asset structure. Government concerns extend to each of these aspects, so that no single classification of debt can suffice for all purposes. Of prime importance to the structure of government liabilities, however, is whether the debt is domestic or foreign, that is, whether it is owed to residents or nonresidents as defined in Section III.J, and this basic distinction is followed in all classifications.

Probably the most useful classification of outstanding government debt as regards its effects upon the economy is the classification by type of holder. This is shown in Table F, with categories corresponding to those presented for financing in Table D and described in Section IV.C.1. Because holders in each subsector may be expected to react rather homogeneously to their holdings of government debt, a classification of outstanding debt by sectors and subsectors may offer distinct advantages for gauging the probable effect of such debt upon the economy as a whole and upon its separate parts. Two aspects of debt distribution by type of holder must be noted, however. Where government debt is actively traded, its distribution by type of holders reflects not only government debt operations but other financial developments as well, such as changing demands for bank loans or altered bank reserve requirements leading banks to alter their holdings of government securities. Where a substantial part of government debt is in bearer form, adequate statistics on holders cannot be expected from a government debt register; statistics on holdings may have to be drawn from the balance sheets of institutions, raising problems of market price valuation and unallocable valuation differences and residuals, discussed in Section IV.C.1, above. Despite these problems, however, such data may contribute substantially to analysis of the effects of government debt in the economy. Completion of Table F, on the distribution of government debt by type of holder, therefore, should be attempted wherever even partial data may be available.

Also of considerable importance are statistics on outstanding debt classified by type of debt instrument. These are shown in Table G, which corresponds to the categories for financing presented in Table E and described in Section IV.C.2. Outstanding debt is thus classified as domestic or foreign, in securities or in loans not intended to circulate, and in short-term or long-term maturities. This classification is useful in indicating the types of debt instruments the government has been able to place and the types of assets which are consequently in the hands of debt holders. Classification of debt by type of instrument, it may be noted, is not affected by secondary market trading in outstanding securities except insofar as debt may be traded between residents and nonresidents.

To delineate in greater detail the time-structure of liabilities the government will have to meet, it is useful to classify outstanding debt also by when payment falls due, that is, by maturity. This is shown in Table H. Outstanding debt is divided between debt to residents and to nonresidents as defined in Section III.J. Each category is then classified by maturity to show the amounts falling due in each year or group of years ahead. This presentation serves to indicate how much debt repayment the government will have to plan upon, how evenly it is spread over time, what periods, if any, offer possibilities for the placement in debt holders' portfolios of new issues to mature in these years, and what maturity structure of such assets is held in the community and abroad.

To examine the pattern of debt between parts and subsectors of general government, a separate presentation of intragovernmental and intergovernmental debt holdings is called for in Working Table 15. This matrix should be constructed, where possible, from the records of debt holdings by each subsector of government and any debt register data which may be available. While separate and different from government debt to the rest of the economy and the world, intragovernmental and intergovernmental debt holdings offer a valuable insight into the finances and debt relationships of different parts of government.

Working Table 15. Intragovernmental and Intergovernmental Holdings of Government Debt
(as of)

Debt-Holding Subsector	Debt-Issuing Subsector	Central Government Social Security Funds (A1)	Other Central Government (A2)	State, Regional, Provincial Governments (B)	Local Governments (C)	Holdings of all Governments' Debt (D)
I.a. Central government social security funds						
I.b. Other central government						
II. State, regional, provincial governments						
III. Local governments						
IV. Debt held by all governments						

IV.D.1. Outstanding Debt by Type of Debt Holder

Table F. Outstanding Debt by Type of Debt Holder

I. Total debt (II+III)

II. Domestic debt

1. Other general government¹
 - 1.1. Other parts of the same level of government¹
 - 1.2. Other levels of government¹
2. Monetary authorities
3. Deposit money banks
4. Other domestic debt
 - 4.1. Other financial institutions
 - 4.2. Nonfinancial public enterprises
 - 4.3. Nonfinancial private sector
 - 4.3.1. Enterprises
 - 4.3.2. Households
 - 4.4. Other domestic debt not elsewhere classified
5. Adjustment for valuation differences

III. Foreign debt

6. International development institutions
7. Foreign governments
8. Other foreign debt
 - 8.1. Bank loans and advances
 - 8.2. Supplier credits
 - 8.3. Other foreign debt not elsewhere classified
9. Adjustment for valuation differences

Memorandum items:

10. Domestic debt repayable in foreign exchange
11. Foreign debt repayable in national currency
 - 11.1. To international development institutions
 - 11.2. To foreign governments
 - 11.3. Other foreign debt repayable in national currency
12. Intragovernmental debt holdings (not included above)¹
 - 12.1. Sinking funds
 - 12.2. Social security funds
 - 12.3. Other intragovernmental debt holdings
13. Floating debt of unpaid obligations (not included above)

¹Table totals and entries, other than memorandum items for intragovernmental debt holdings, should exclude debt held by those parts of the government, level of government, or general government whose debts are covered by data in the table.

I. Total debt (II+III)

Total debt covers the entire stock of direct, government fixed-term contractual obligations to others outstanding at a particular date. Debt statistics are not diminished by government claims upon others.

II. Domestic debt

This heading comprises all outstanding direct, fixed-term contractual obligations of government held by residents, as defined in Section III.J.

1. Other general government

Included here are all government debts, whether loans, securities, or other fixed-term contractual obligations, to other parts of general government whose debts are not covered by data in the table. This category would be eliminated in reaching the consolidated total of debt for general government as a whole. Debt holdings by nonfinancial public enterprises and public financial institutions are not included here.

1.1. Other parts of the same level of government

This category should appear only in tables that do not represent full coverage of any level of government, that is, in tables for "available central government" omitting agencies or funds for which data are not fully or currently available, or in tables for one or several, but not all, state governments or local governments. Reported in this category would be debt of the reporting portion of government held by the uncovered parts of the same level of government. This may therefore include the debt holdings of sinking funds or social security schemes operating at this level of government whose operations are for any reason not consolidated in the table itself. This category would be eliminated in consolidation for this level of government as a whole and for general government.

1.2. Other levels of government

This heading covers debt held by other levels of government, whether for liquidity management or public policy purposes, and is eliminated in the consolidated totals for debt of general government as a whole.

2. Monetary authorities

This category comprises government debt to the central bank and other parts of the monetary authorities. This includes direct loans or advances to government by the monetary authorities, their holdings of government securities acquired from the government itself or in transactions with others, including open market operations or market support operations undertaken on their own account. It does not include monetary authorities' holdings of government debt in their capacity as fiscal agent or debt agent for the government or for the government's account. Central bank holdings of currency issued by the government are not included here as such currency is considered to be issued by the government in its capacity as a part of the monetary authorities. However, any obligations of government for funds received from a monetary authorities' function performed by government which is separated from the statistics for government and assigned to the monetary authorities subsector would be included here.

3. Deposit money banks

This heading covers government debt held by all domestic deposit money banks, that is, financial institutions whose liabilities are primarily in the form of deposits that are both exchangeable on sight for currency and transferable as a means of payment. No distinction is made here between private financial institutions and public financial institutions owned and/or controlled by government. Included here are government liabilities to deposit money banks representing either direct loans or advances to government or holdings of government securities acquired from the government itself or in transactions with others. Deposit money banks' holdings of government securities on behalf of others, as in trust accounts, should not be included in this category but with the category of holders on whose behalf they are held, if identifiable. Government debt to deposit money bank operations carried out by parts of government but separated from the statistics for government and as-

signed to the deposit money banks subsector—such as post office checking accounts or demand deposit liabilities accepted by a treasury—should be included here. Any government debt held by deposit money banks as fiscal agents of government or on account for the government should not be included here.

4. *Other domestic debt*

This category comprises all government debt held by residents, as defined in Section III.J, other than by other parts of general government, the monetary authorities, and deposit money banks.

4.1. *Other financial institutions*

Included here is government debt held by all financial institutions other than the monetary authorities and deposit money banks, and whether private or public, that is, whether or not owned and/or controlled by government. It thus includes government debt held by development banks, mortgage banks, savings banks, post office savings banks, insurance companies, provident funds, and pension funds outside government. This category does not include debt held by social security schemes or by pension and welfare funds inside government.

4.2. *Nonfinancial public enterprises*

This heading covers all government debt held by nonfinancial enterprises owned and/or controlled by government, representing either their direct loans and advances to government or their holdings of government securities acquired directly from government or in transactions with others.

4.3. *Nonfinancial private sector*

Included in this category is government debt held by the nonfinancial private sector—households, enterprises, and private nonprofit institutions.

4.3.1. *Enterprises*

This heading covers government debt to resident private enterprises resulting from direct loans and advances to government, supplier credits on sales to government in the form of fixed-term contractual obligations, enterprise acquisitions of government securities from government, and enterprise acquisitions of government securities in transactions with others. This category does not include unpaid or overdue bills which do not correspond to a fixed-term contractual obligation (reported in memorandum item 13), nor deposits with demand deposit or savings deposit facilities operated by government but separated from the statistics for government and assigned to the financial institutions sector. Other deposits left with government by enterprises, such as in trust funds or escrow accounts, however, would be shown here. Also included here are any nonfinancial private enterprises' holdings of government debt as a result of compulsory lending or of payment of refundable "taxes" designed to be repaid by government when appropriate for cyclical purposes.

4.3.2. *Households*

This category includes government debt held by resident households and private nonprofit institutions, whether as the result of dealings directly with government or of transactions with others. It does not include household deposits with either checking or savings facilities operated by government but separated from statistics for government and assigned to the financial institutions sector. Nor does it include the debts to households of provident funds, pension funds or insurance operations classified outside government. Other deposits left with government by households, such as in trust funds or escrow accounts, however, would be shown here. Private nonprofit institutions' holdings of government debt issued to them without payment as an endowment, carrying the benefits of subsequent interest and/or amortization payments, would be included here. Government bonds issued to individuals in payment for land, as under an agrarian reform program, would also be shown here, as would any government debt held by households or private nonprofit institutions as a result of compulsory lending to government.

4.4. *Other domestic debt not elsewhere classified*

This heading covers all government debt held by residents which does not fall into any of the categories discussed above or which cannot be allocated to the individual categories above for lack of available data.

5. *Adjustment for valuation differences*

When data on government debt holdings of individual categories of domestic debt holders listed above are based on valuations that differ from the par or face value utilized in arriving at the total of government domestic debt outstanding, an adjustment item reflecting such valuation differences is entered here. Valuations based on debt holders' accounts, showing holdings at purchase price or current market value rather than at the face or redemption price utilized in a government's accounts, may require a global adjustment item for valuation differences.

III. *Foreign debt*

This category covers all outstanding, direct, fixed-term contractual obligations of government held by nonresidents as defined in Section III.J.

6. *International development institutions*

Included here is all government debt to international development institutions such as the World Bank, the Asian Development Bank, the Inter-American Development Bank, etc. Such international bodies, in which the members are governments, are not considered to be residents of any national economy. Debts to international development institutions which must be repaid in foreign exchange, in national currency, or in either at the discretion of the borrower, should all be included here. Debts repayable in national currency should be shown also in memorandum item 11.1. Obligations to the International Monetary Fund are not included in this category; they are assigned to the monetary authorities subsector with any government obligation resulting from government receipt of funds in the incurrence of such obligations shown as government debt to the monetary authorities (item 2).

7. *Foreign governments*

This heading covers government debt to foreign governments and their agencies, including official lending agencies of foreign governments which derive all of their funds from government and have no authority to incur liabilities to others. This covers debt repayable in foreign exchange, in national currency, or in either at the discretion of the borrower. Debt repayable in national currency should be shown also in memorandum item 11.2.

8. *Other foreign debt*

Included in this category is all government debt held by nonresidents, as defined in Section III.J, other than international development institutions and foreign governments.

8.1. *Bank loans and advances*

This category includes government debt to nonresident banks, as defined in Section III.J, as a result of bank loans and advances. Nonresident banks' holdings of government debt issues which are nonmarketable or are not intended to circulate would be shown here. Nonresident banks' own-account holdings of government securities which are intended to circulate and for which banks may be acting as underwriters, distributors, or temporary holders are often not separately identifiable and should be shown in category 8.3. Government debts to official international banks, in which the members are governments, should be shown as debt to international development institutions (6). Also excluded from this category are debts to official lending agencies of foreign governments, whatever their title, which derive all their funds from the government and have no authority to incur liabilities to others; debts to them would be shown as debts to foreign governments (7). Debts to nonresident banks repayable in national currency should be included also in memorandum item 11.3.

8.2. *Supplier credits*

Included in this category are all government direct, fixed-term contractual obligations to nonresident suppliers, as defined in Section III.J, resulting from government credit purchases. Government debts to nonresident suppliers which are repayable in national currency should be included also in memorandum item 11.3. Unpaid bills to nonresident suppliers which do not represent fixed-term contractual obligations are not included here but are reported in the memorandum item for the floating debt of unpaid obligations (13).

8.3. *Other foreign debt not elsewhere classified*

This category comprises government debt held by nonresidents, as defined in Section III.J, which does not fall into any of the categories discussed above or which cannot be allocated to the individual categories above for lack of available data. It would thus include nonresidents' holdings of government securities which are marketable and intended to circulate, as well as other debts to nonresidents not identifiable as falling into any of the categories above. Any debts in this category which are repayable in national currency should be included also in memorandum item 11.3.

9. *Adjustment for valuation differences*

When data for individual categories of nonresident debt holders and data for total foreign debt are derived from separate sources, valuation may differ. Valuations based on debt holders' accounts are likely to show holdings at purchase price or current market value rather than at the face or redemption price utilized in a government's accounts, so that a global adjustment item for valuation differences is required.

Memorandum items:

To supplement the primary distinction between the government's domestic debt, held by residents, and foreign debt, held by nonresidents, as defined in Section III.J, it is useful to know whether such debt is repayable in national currency or in foreign exchange, as repayment in foreign exchange is likely to have different balance of payment effects than repayment in national currency. Accordingly, memorandum items 10 and 11 call for the provision of information on any domestic debt repayable in foreign exchange and any foreign debt repayable in national currency. These entries duplicate amounts already included in the regular debt categories, above, and are already included in calculation of total debt outstanding.

10. *Domestic debt repayable in foreign exchange*

This category comprises government debt to residents, as defined in Section III.J, repayable in foreign exchange. This does not cover debt repayable in national currency in an amount linked to some foreign exchange index.

11. *Foreign debt repayable in national currency*

This heading comprises government debt to nonresidents, as defined in Section III.J, repayable in national currency or in either national currency or foreign exchange at the discretion of the borrower.

11.1. *To international development institutions*

This category covers any portion of government debt to international development institutions, included in item 6, above, which is repayable in national currency or in either national currency or foreign exchange at the discretion of the borrower. Obligations to the International Monetary Fund are not included here (see Section II.J.1).

11.2. *To foreign governments*

This category covers any portion of government debt to foreign governments, included in item 7, above, which is repayable in national currency or in either national currency or foreign exchange at the discretion of the borrower.

11.3. Other foreign debt repayable in national currency

This heading covers any portion of government debt to nonresidents other than international development institutions and foreign governments, included in item 8, above, which is repayable in national currency or in either foreign exchange or national currency at the discretion of the borrower.

12. Intragovernmental debt holdings (not included above)

While data on each government's debt exclude any debts owed by one part of the government to another, information on such intragovernmental debts can provide helpful insights into the roles and interrelationships of distinct, and sometimes separately administered, activities operating within the government. Any portion of a government's debt held by other parts of the same government is included in this category. Intragovernmental and intergovernmental debt holdings are shown in Working Table 15.

12.1. Sinking funds

This category covers all securities issued by a government and held by sinking funds established for the retirement of the government's debts, whether held by sinking funds established for the retirement of the particular debt issue or other issues.

12.2. Social security funds

Included in this category are all of a government's debts held by social security funds classified as a part of that government (see Sections I.F and II.K.1.2).

12.3. Other intragovernmental debt holdings

This category covers any portions of a government's debts held by units of the same government, other than sinking funds and social security funds. It might thus include, for example, a parent government's securities held by a government employee retirement fund inside the government.

13. Floating debt of unpaid obligations (not included above)

Although unpaid bills that do not constitute fixed-term contractual obligations are not included in the entries or totals for government debt above, they may have important economic and monetary effects as those supplying the government modify their activities and seek additional credit from the banking system. To keep in view the backlog of such unpaid obligations, this memorandum item shows the outstanding stock of unpaid obligations awaiting payment. These usually take the form of deliveries reported, or payment orders written, for which checks have not yet been issued or paid (see Section II.A.1 and II.B, Working Tables 1, 2, and 3, and items C.17 and D.14). Floating debts that are consolidated through the issuance of government securities or fixed-term contractual obligations to suppliers are not shown here but in the appropriate category of the table above.

IV.D.2. Outstanding Debt by Type of Debt Instrument

Table G. Outstanding Debt by Type of Debt Instrument

I. Total debt (same as F.I)

II. Domestic debt (same as F.II)

1. Long-term bonds
2. Short-term bonds and bills
3. Long-term loans not elsewhere classified
4. Short-term loans and advances not elsewhere classified
5. Other domestic liabilities

III. Foreign debt (same as F.III)

6. Long-term bonds
7. Short-term bonds and bills
8. Long-term loans not elsewhere classified
9. Short-term loans and advances not elsewhere classified
10. Other foreign liabilities

Memorandum items:

Reconciliation with net borrowing during period

IV. Change in domestic debt (G.II) during period

11. Net domestic borrowing (E.1 through 5) during period
12. Discounts and premia on new issues and redemptions (net)
 - 12.1. New issues: discounts less premia
 - 12.2. Redemptions: premia less discounts
13. Any addition of accrued interest to debt (net)
 - 13.1. Any accruing interest added to debt
 - 13.2. Less: Payment of accrued interest previously included in debt
14. Noncash debt transactions (net)
 - 14.1. Noncash issuance of debt
 - 14.2. Less: Noncash extinction of debt
15. Revaluation in national currency
16. Coverage and classification changes and discrepancies

V. Change in foreign debt (G.III) during period

17. Net borrowing abroad (E.7 through 11) during period
18. Discounts and premia on new issues and redemptions (net)
 - 18.1. New issues: discounts less premia
 - 18.2. Redemptions: premia less redemptions
19. Any addition of accrued interest to debt (net)
 - 19.1. Any accruing interest added to debt
 - 19.2. Less: Payment of accrued interest previously included in debt

Table G (concluded). Outstanding Debt by Type of Debt Instrument

- 20. Noncash debt transactions (net)
 - 20.1. Noncash issuance of debt
 - 20.2. Less: Noncash extinction of debt
- 21. Revaluation in national currency
- 22. Coverage and classification changes and discrepancies

Other memorandum items:

- 23. Payment of accrued revaluation included in debt
 - 23.1. On domestic debt
 - 23.2. On foreign debt

I. Total debt (same as F.I)

Total debt covers the entire stock of direct, government fixed-term contractual obligations to others outstanding at a particular date.

II. Domestic debt (same as F.II)

This category covers all outstanding, direct, contractual obligations of government held by residents, as defined in Section III.J.

1. Long-term bonds

Included here are all securities held by residents with original maturities of more than one year, bearing interest rates that are fixed or linked to some index, and redeemable starting from a date fixed at the time of issue. Outstanding loans or advances from banks, suppliers, or other lenders, which are secured by debt issues that are nonmarketable or are not meant to circulate, should not be shown in this category but in category 3 or 4. Debt instruments which carry maturities of one year or less should not be included here but in category 2.

2. Short-term bonds and bills

This category covers securities held by residents which have an original maturity not exceeding one year, are intended to circulate, bear interest on a nominal value determined at issue, and are repayable at their nominal value starting from a date fixed at the time of issue. Short-term loans or advances from banks, suppliers, or other lenders, which are secured by debt issues which are nonmarketable or are not meant to circulate, should not be included here but in category 4.

3. Long-term loans not elsewhere classified

This category comprises loans held by residents which carry maturities at the time of borrowing of more than one year and are not secured by debt instruments that are marketable or meant to circulate. Included here would be any such fixed-term loans from resident banks or suppliers. Also shown here would be any nonnegotiable long-term government debt instruments issued for government purchase of land under agrarian reform programs or bestowed upon institutions that are to benefit from future interest and/or amortization payments.

4. Short-term loans and advances not elsewhere classified

Included here are loans held by residents which carry maturities not exceeding one year and are not secured by debt instruments that are marketable or are meant to circulate. This covers short-term loans and advances from banks and suppliers but not floating debts of unpaid obligations for which no fixed-term contractual agreements on payments have been reached.

5. Other domestic liabilities

This category covers other government contractual obligations toward residents, not included above. This would include, for example, government liabilities under overdraft facilities at banks, government escrow and trust deposit liabilities, and government liabilities to units operating postal savings or checking accounts not represented by fixed-term loans or debt instruments. Also included here would be any government liabilities to monetary authorities for funds received by government from monetary authorities' functions performed by government (see Section II.J.1).

III. Foreign debt (same as F.III)

This category covers all outstanding, direct, fixed-term contractual obligations of government held by nonresidents as defined in Section III.J.

6. Long-term bonds

This category covers the type of debt instruments described in category 1, but held by nonresidents, as defined in Section III.J, rather than residents.

7. Short-term bonds and bills

This category covers the type of debt instruments described in category 2, but held by nonresidents, as defined in Section III.J, rather than residents.

8. Long-term loans not elsewhere classified

This category covers the type of debt instruments described in category 3, but held by nonresidents, as defined in Section III.J, rather than residents.

9. Short-term loans and advances not elsewhere classified

This category covers the type of debt instruments described in category 4, but held by nonresidents, as defined in Section III.J, rather than residents.

10. Other foreign liabilities

This category covers the type of debt instruments described in category 5, but held by nonresidents, as described in Section III.J, rather than residents.

*Memorandum items:**Reconciliation with net borrowing during period*

To ensure consistency between financing and debt data, it is useful to identify all factors that may cause the change during a period in debt outstanding to differ from net borrowing during the period. These factors are presented separately for domestic debt and foreign debt. Change in domestic debt during the period (IV) is equal to the sum of items 11 through 16; change in foreign debt during the period (V) is equal to the sum of items 17 through 22.

IV. Change in domestic debt (G.II) during period

This is equal to government debt to residents (II) at the end of this period minus government debt to residents at the end of the previous period. It should be equal to the sum of domestic borrowing during the period (11) and items 12 through 16 listed below.

11. Net domestic borrowing (E.1 through 5) during period

This category is equal to the sum of categories 1 through 5 in Table E. It covers all payment flows to and from government generating or extinguishing fixed-term contractual claims upon government by resident individuals, enterprises, governments, and other entities as defined in Section III.J. It may be affected also by trading in outstanding government securities between residents and nonresidents. It includes domestic borrowing minus amortization through loans and securities of all maturities as defined in E.1 through E.5, excluding unrealized profits or losses (D.2.4). It does not include changes in government holdings of cash and deposits and claims upon others.

*12. Discounts and premia on new issues and redemptions (net)**12.1. New issues: discounts less premia*

This item consists of any difference between the issue price, before subtraction of commission charges, at which the government receives payment for new domestic issues during this period and the face value or other valuation for these issues utilized in compiling statistics on the government's outstanding domestic debt in items 1 through 5 above. Any premia received by the government above face value should be subtracted from discounts below face value to show the net addition to debt valuation above the proceeds of new borrowing received by government. This category would include any discount on new bills included in the debt statistics at face value and any sales premia above or discount below the debt statistics valuation of new coupon issues. Any difference between issue price and debt statistics valuation of securities issued before the start of this period should not be included in this item for this period but for the period in which the securities were issued (see item D.5.1).

12.2. Redemptions: premia less discounts

This item consists of any difference between debt statistics valuation and the actual amount of amortization paid by government on domestic debts redeemed during this period. Any discount below debt statistics valuation in the price at which government redeems its debt should be subtracted from any premia paid by the government above debt statistics valuation to show the net shortfall in debt statistics valuation of debt redemption compared with actual amortization pay-

ments made by government. Payments of any accrued interest included in debt statistics valuation of debt redeemed during this period but properly shown as expenditure for interest rather than as amortization would be shown in item 13.2. When outstanding debt is retired before maturity by purchase through sinking funds, the premia above or discount below debt statistics valuation would be shown here.

13. Any additions of accrued interest to debt (net)

This category covers any addition to outstanding domestic debt during the period which may be shown in debt statistics as a result of accruing interest less any reduction during the period as a result of payment of any accrued interest included in the outstanding domestic debt.

13.1. Any accruing interest added to debt

While the par value of most securities does not include the interest the government is obligated to pay over the life of the debt, in some instances securities with interest payable on redemption include in their valuation of outstanding debt both principal and accrued interest. Where debt statistics valuations of outstanding domestic securities are increased during the period by the amount of accruing interest, this amount should be included here.

13.2. Less: Payment of accrued interest previously included in debt

Where debt statistics valuation of outstanding debt includes accrued interest, payment of such interest would be classified not in financing as amortization but as government expenditure for interest. Debt statistics valuation of debt redemption, consequently, would be correspondingly larger than government amortization payments included in net borrowing. To reflect the relative reduction in outstanding debt compared with net borrowing during the period, any payment of accrued interest previously included in statistics for the domestic debt is entered here and subtracted from any accruing interest added to domestic debt during the period (13.1).

14. Noncash debt transactions (net)

This category covers net additions to government domestic debt during the period through non-cash issuance and extinction of fixed-term contractual domestic claims on government.

14.1. Noncash issuance of debt

Included here is any issuance of fixed-term contractual government obligations to residents during the period other than for cash payment or in payment for a purchase of goods and services. This would cover, for example, government assumption of the debts of others or noncash issuance of debt for the capitalization of an enterprise or endowment of an institution that is to benefit from future interest and/or amortization payments.

14.2. Less: Noncash extinction of debt

This category includes any extinction or cancellation of outstanding government debt to residents other than through payment or acceptance in payment of tax liabilities. Examples of such noncash extinction would be cancellation by the creditor, assumption of the debt by some other government or institution, or repudiation of the debt. This item carries a negative sign because it reduces statistics for debt outstanding beyond any amortization included in net borrowing.

15. Revaluation in national currency

This category covers any change in the national currency value of government debt to residents as the result of revaluation of obligations denominated in foreign exchange or tied to some index of foreign exchange or prices.

16. Coverage and classification changes and discrepancies

This category covers any changes in statistics for outstanding government debt to residents resulting from changes in coverage of the statistics for government or in the classification of units, activities, or debt instruments. This would include, for example, the effects of reclassification in the

financial institutions sector of a unit previously in government, with consequences affecting its liabilities to others or its holdings of government securities. Any unidentifiable statistical discrepancies would also be included here.

V. Change in foreign debt (G.III) during period

This is equal to government debt to nonresidents (III) at the end of this period minus government debt to nonresidents at the end of the previous period. It should be equal to the sum of net borrowing abroad during the period (17) and items 18 through 22 listed below.

17. Net borrowing abroad (E.7 through 11) during period

This category is equal to the sum of categories 7 through 11 in Table E. It covers all payment flows to or from government generating or extinguishing fixed-term contractual claims upon government by nonresident individuals, enterprises, governments, and other entities as defined in Section III.J. It may be affected also by trading in outstanding government securities between residents and nonresidents. It includes borrowing abroad minus amortization abroad through loans and securities of all maturities as defined in categories E.7 through E.11. It does not include changes in government holdings of cash, deposits, and claims upon others.

18. Discounts and premia on new issues and redemptions (net)

18.1. New issues: discounts less premia

18.2. Redemptions: premia less redemptions

These categories cover the discounts and premia described in categories 12, 12.1, and 12.2, but with regard to transactions with nonresidents, as described in Section III.J, rather than residents.

19. Any addition of accrued interest to debt (net)

19.1. Any accruing interest added to debt

19.2. Less: Payment of accrued interest previously included in debt

These categories cover any addition of accruing interest to debt and its payment as described in categories 13, 13.1, and 13.2, but with regard to debt held by nonresidents, as described in Section III.J, rather than residents.

20. Noncash debt transactions (net)

20.1. Noncash issuance of debt

20.2. Less: Noncash extinction of debt

These categories cover noncash issuance and extinction of debt as described in categories 14, 14.1, and 14.2, but in regard to debt to nonresidents, as described in Section III.J, rather than residents.

21. Revaluation in national currency

This category covers revaluation in national currency as described in category 15, but with regard to debt held by nonresidents, as defined in Section III.J, rather than residents.

22. Coverage and classification changes and discrepancies

This category covers the items described in category 16, but with regard to debt held by nonresidents, as defined in Section III.J, rather than residents.

Other memorandum items:

23. *Payment of accrued revaluation included in debt*

This category covers the national currency value of government payments during this period resulting from denomination of government debt in foreign exchange or indexation of government debt in terms of foreign exchange or prices.

23.1. *On domestic debt*

This heading includes government payments during the period of accrued adjustments in the value of debt to residents as a result of indexation to prices or foreign exchange, or denomination in foreign exchange.

23.2. *On foreign debt*

This heading includes the national currency value of that portion of government redemption payments during the period which results from increased national currency valuation of maturing government debts to nonresidents denominated in foreign exchange. Also included are any accrued adjustments paid during the period on debts to nonresidents as a result of indexation to prices or foreign exchange.

IV.D.3. Outstanding Debt by Maturity

Detailed information on the maturity structure of outstanding debt is indispensable to sound debt management. It can reveal any undue concentration of debt maturing in particular time periods and any periods with a relatively light volume of maturing issues, providing openings for new placements. While a full list of outstanding debt issues in chronological order of maturity is necessary for close analysis and policy decisions, a summary of the debt's maturity structure at the close of each year provides a useful reference. A table of the maturity of outstanding government debt is accordingly presented in Table H. It shows debt maturing during each of the first five years, subsequent periods of five years and ten years, and thereafter. Incremental additions of annual breakdowns should be undertaken with the passage of time. Domestic and foreign debt are shown separately, as well as in total debt, for while both represent a call on future government resources they may be expected to have different balance of payments effects. Intragovernmental debt and intergovernmental debt both owed and held by governments covered should be excluded.

Table H. Maturity of Outstanding Government Debt¹

Time of Maturity	At end of:				
	1984	1985	1986	1987	1988
Total debt					
1985					
1986					
1987					
1988					
1989					
1990-94					
1995-2005					
After 2005					
Undated debt					
Domestic debt					
1985					
1986					
1987					
1988					
1989					
1990-94					
1995-2005					
After 2005					
Undated debt					
Foreign debt					
1985					
1986					
1987					
1988					
1989					
1990-94					
1995-2005					
After 2005					
Undated debt					

¹Excluding intragovernmental debt; for data on general government debt or debt of more than one component government, intergovernmental debt both owed and held by governments covered should be excluded as well.

IV.E. Classification Keys

To facilitate consistent classification over time of the detailed statistics called for in this chapter, it is useful to construct a set of keys identifying the classification assigned to each item or category in the government accounts and listing for each classification all items or categories in the government accounts which should be included.

Preparation of classification keys should begin with an examination of the nature of the items in the underlying data source, identifying items requiring classification in other major components, in financing rather than revenue, for example, entering them in the table utilized for the derivation of major components (see Section II.L), and determining the detailed classification to be assigned to each item within each major component. Where proper classification is not readily apparent, legislative provisions on individual taxes or additional descriptions of particular programs may have to be consulted. In many instances uniform expenditure classification codes may already be applied in budgets and closed accounts. Where each budgetary or accounting code can be assigned to a single classification category set out in this chapter, compilation may be simplified. Where no direct correspondence can be established between such administrative or accounting categories and the classifications required, however, accounting categories may have to be further disaggregated, with each item assigned the appropriate classification.

As the appropriate classification for each item or group of items is established, it should be recorded directly on a copy of the underlying data source. An example of appropriate labels inserted onto a consolidated revenue account is provided in Working Table 16. The addition of appropriate COFOG expenditure classifications to a list of national classification codes is illustrated in Working Table 17.

To ensure that no items are omitted in the compilation process, a comprehensive list is then assembled including under each classification all of the items or groups of items it covers. A copy of such a classification key is shown in Working Table 18.

While the construction of such classification keys should facilitate consistent classification of government operations in future years, revisions may be necessary to reflect changes in the nature of underlying accounting items and the addition of new budgetary items.

**Working Table 16. Classification Key Inserting Classifications for Revenue Items:
Consolidated Revenue Account
Detailed Statement of Revenue for the Year N
(in units of national currency)**

Heads and Subheads of Revenue	IMF Code	Estimate	Revenue	Increase	Decrease
1. Customs					
1. Fiscal Duty	6.1.2	40,295,980	43,361,024.56	3,065,044.56	
2. Customs Duty	6.1.1	6,441,860	8,391,744.58	1,949,884.58	
3. Excise Dues	5.2	13,345,660	13,530,749.09	185,089.09	
4. Miscellaneous Fees and Receipts	9	90,000	159,718.06	69,718.06	
5. Export Duty	6.2	<u>1,701,000</u>	<u>2,847,907.46</u>	<u>1,146,907.46</u>	
Total		61,874,500	68,291,143.75	6,416,643.75	
Net Increase		<u>...</u>	<u>...</u>	<u>6,416,643.75</u>	
2. Port and Harbor Dues, etc.					
1. Light Dues	9	230,000	232,441.52	2,441.52	
2. Pilotage	9	20,000	89,846.23	69,846.23	
3. Miscellaneous Fees and Receipts	9	10,000	15,865.25	5,865.25	
4. Freight and Charter Receipts	9	<u>36,000</u>	<u>168,075.47</u>	<u>132,075.47</u>	
Total		296,000	506,228.47	210,228.47	
Net Increase		<u>...</u>	<u>...</u>	<u>210,228.47</u>	

**Working Table 17. Classification Key Listing Classifications of Expenditure Items:
Expenditures by Ministries, Departments, and Programs**

	Budget Code	Central Bank Code	COFOG Code
I. Office of the Prime Minister			
1. Government House Secretariat	01010	C.10.a	1.1
2. Secretariat of the Cabinet	01020		
General administration	01	C.10.a	1.4
Gazette printing work	11	C.10.e	1.1
3. Bureau of the Budget	01030	C.10.b	1.1
4. National Security Council	01040	C.11.4	2
5. Prime Minister's Advisory Council	01050		1.1
6. Office of the National Economic and Social Development Board	01060	C.10.c	1.1
7. Office of the Under-Secretariat	01070	C.10.a	1.1
8. Office of the Juridical Council	01080	C.10.a	1.1
9. Office of the Civil Service Commission	01090		
General administration	01	C.10.e	1.4
Work for students abroad	11	B.6.a	4
10. Office of the National Research Board	01100		
General administration	01	C.13.c	1.3
Surveying of natural resources	51	C.13.c	1.3
11. Office of the Board of Investment	01110	A.3.a	13.3
Promotions			
12. Office of the National Energy Authority	01120		
General administration	01	A.2.a	9.3
Surveying of energy resources and training center	12	A.2.d	9.3
Surveying and collecting data	11	A.2.d	9.3
Planning and studying	19,16	A.2.d	9.3
Construction of dams for electricity generating	21,22	A.2.d	9.2
Water pumping by using electricity	15, and the rest	A.1.c	7.2
Surveying of other energy resources, coal, etc.	17,18	A.2.c	9.1
Surveying for construction of dam	20	A.5.3	9.2
Development project	13	C.13.d	13.3
Training center	14	A.2.d	9.3
13. National Statistical Office			
Data processing center	13	C.10.e	1.4
The rest	the rest	C.10.3	1.4

Working Table 18. Classification Key Listing Items Included in Financing by Type of Debt Holder
(in thousands of units of national currency)

	Year N	Reference ¹
I. Total financing	-8,720	
II. Domestic financing	-6,748	
1. From other general government	—	
2. From monetary authorities	856	
Central bank: loans	170	p. 144
Central bank: repayments	-22	p. 62
Change in Joint Consolidated Fund	789	p. 133
IMF offset	-81	p. 64
3. From deposit money banks	-8,845	
Standard bank: loan	63	p. 117
First Commercial Bank: repayment	-23	p. 62
Change in local cash	-5,976	p. 132
Cash at bank (overdrawn)	449	p. 130
Bank overdraft repayment	-265	p. 62
Change in deposits	87	p. 146, 149
Compulsory savings account	-176	p. 170
Change in remittances	-183	p. 131
Change in imprests	-26	p. 131
Change in Special Fund account	-2,795	p. 170
4. Other domestic	1,361	
Compulsory savings	176	p. 170
Change in Special Fund liabilities	1,185	p. 152
5. Adjustments	-120	
Internal advances	-120	p. 133
III. Financing abroad	-1,972	
6. From international development institutions	1,365	p. 117, 144
IDA loan	1,157	
UNDP loan	208	p. 117, 144
7. From foreign governments	-47	
Exchequer loan repayments	-24	p. 62
Overseas government electricity loan repayment	-8	p. 62
Neighboring government loan repayment	-15	p. 62
8. Other foreign borrowing	-3	
Overseas bank repayment	-3	p. 62
9. Changes in cash, negotiable securities	-3,287	p. 132

¹References are to The Appropriations Accounts, Revenue Statements, and Other Public Accounts, Year N.