

GFSAC–15/03

Meeting of the IMF Government Finance Statistics
Advisory Committee
Washington, D.C.

Government Finance Statistics State of Play and Future Directions

Prepared by Claudia Dziobek and Rainer Köhler



DISCLAIMER: The views expressed herein are those of the author and should not be attributed to the IMF, its Executive Board, or its management.

March 9–10, 2015



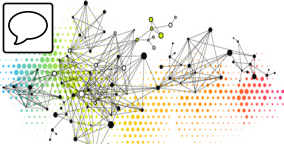
Government Finance Statistics State of Play and Future Directions

*Claudia Dziobek (Chief, Real Sector Division) and
Rainer Köhler (Chief, Government Finance Division)*

*Meeting of the Government Finance Statistics Advisory Committee
Washington D.C., U.S.A.
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Part I - State of Play of Government Finance Statistics



GFS – Overview of Achievements

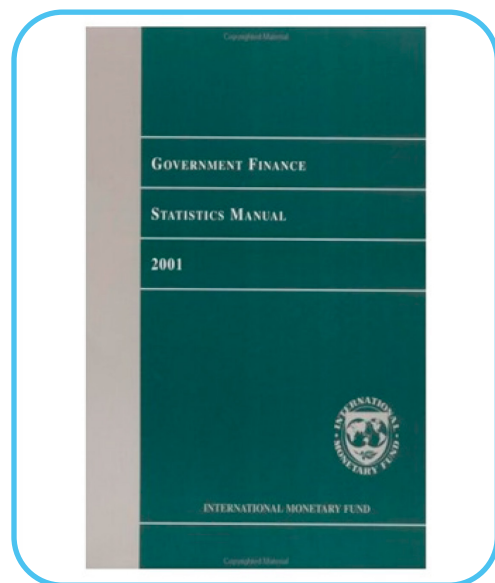
2001



2002

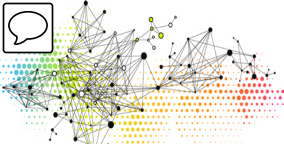


2005



- GFS questionnaire based on GFSM 2001
- Introduction of stocks and flows – full balance sheet

- The Executive Board endorsed the GFSM 2001 and asked staff to propose a migration strategy for the IMF



GFS – Overview of Achievements

2010



2011

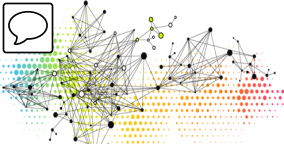


2012

- WEO questionnaire is based on GFSM 2001
- The Executive Board approved the GFSM 2001 as the fiscal presentation for staff reports (n° 10565 - 10/20)
- G-20 Data Gaps Initiative calls for GFSM-based fiscal data



- World Bank/IMF Online Public Sector Debt Statistics Database

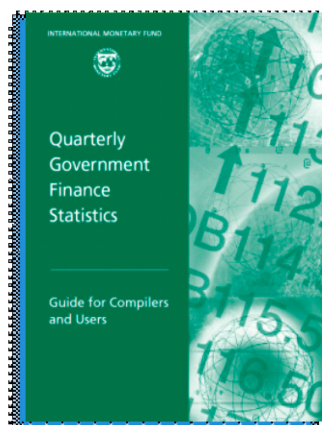


GFS – Overview of Achievements

2013



2014



GL3: General Government (Subsectors 1-5)

GL1: Central Government (Subsectors 1-3)

GL1: Subsector 1. Budgetary central government units/entities:
1.1 Legislative, Judiciary, and Executive bodies including ministries/departments
1.2 Other agencies or funds
Partial administration was provided.
Research units and institutes.

Subsector 2. Extrabudgetary central government units:
Partial administration was provided.
Fund for Housing and Consumer Services Assistance, Russian Corporation for Nanotechnology Development, and other units.

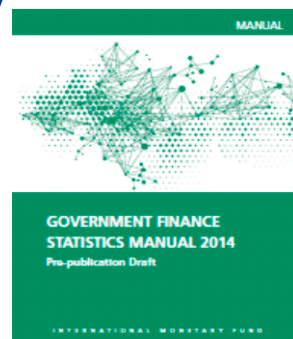
Subsector 3. Social security units:
SI units reported.
Mandatory medical insurance funds-federal and 83 territorial funds, Pension Fund of the Russian Federation, and Russian Federation Social Insurance Fund.

Subsector 4. State governments:
4.1 Budgetary state government units entities: SI reported.
SI regional governments ("subjects"), including all republics, 3 areas, 2 federal cities (Moscow and St. Petersburg), 4 autonomous regions, 1 autonomous oblast, and regional government institutions (budgetary and nonbudgetary).

Subsector 5. Local governments:
3.1 Budgetary local government units entities: 2025 reported.
2025 local government.
3.2 Extrabudgetary local government units: Partial administration was provided.

This additional information was reported as BE2 in the Government Finance Statistics Yearbook (GFSY).
Source: IMF Government Finance Statistics Yearbook.
Contact: ITAGAAST@imf.org

•The Executive Board approves the paper “Review of Implementation of GFS to Strengthen Fiscal Analysis” whereby it reaffirms its support to the implementation of GFSM2001

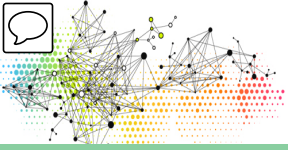


GFS E-learning Videos



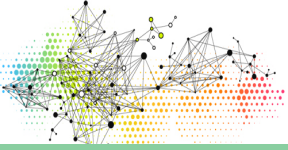
Template – Government Revenues from Natural Resources (GRR – Natural Resource Enterprises)

GFSM Codes	GRR Codes
111 Taxes on income, profits, and capital gains	111 Social security employee contributions
112 Taxes on income, profits, and capital gains (not included)	112 Social security employee contributions
113 Taxes on income, profits, and capital gains (not reported)	113 Social security employee contributions
114 Taxes on income, profits, and capital gains (not reported)	114 Social security employee contributions
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199 Taxes on income, profits, and capital gains (not reported)	199 Social security employee contributions
200 Taxes on income, profits, and capital gains (not reported)	200 Social security employee contributions



GFS – Main Outputs

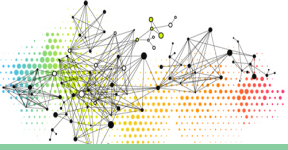
- Methodology
- Surveillance
- Capacity Development
- Data Dissemination
- Outreach and Collaboration



Methodology

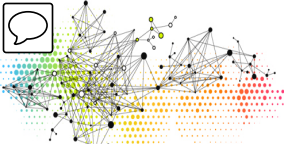
- Government Finance Statistics Manual 2001 (GFSM)
- GFSM2014
- Public Sector Debt Statistics Guide for Compilers and Users
- GFS Compilation Guide for Developing Countries
- Quarterly GFS Guide for Compilers and Users
- Government Revenue from Natural Resources Template



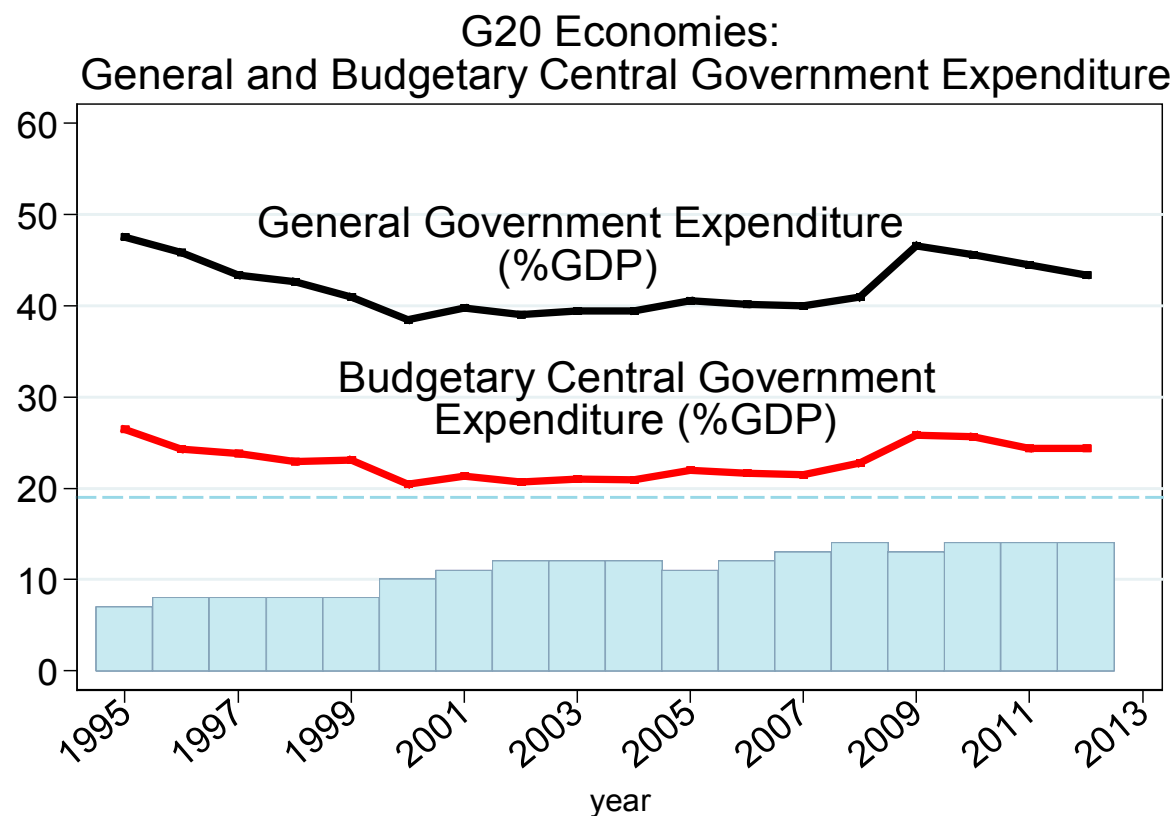


Surveillance

- Intensive work with area department economists during 2010 – 2013 to establish *GFSM* fiscal files for Article IV and programs and “help line” for queries
- GFS experts join area department missions
- Support for crisis countries in Europe and globally
- Support with Debt Sustainability Analysis
- Joint Fiscal Transparency Assessment missions with the Fiscal Affairs Department
- Advice to develop indicators for fiscal rules (e.g. EAC)

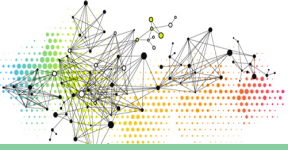


Surveillance - *GFSM* concepts matter



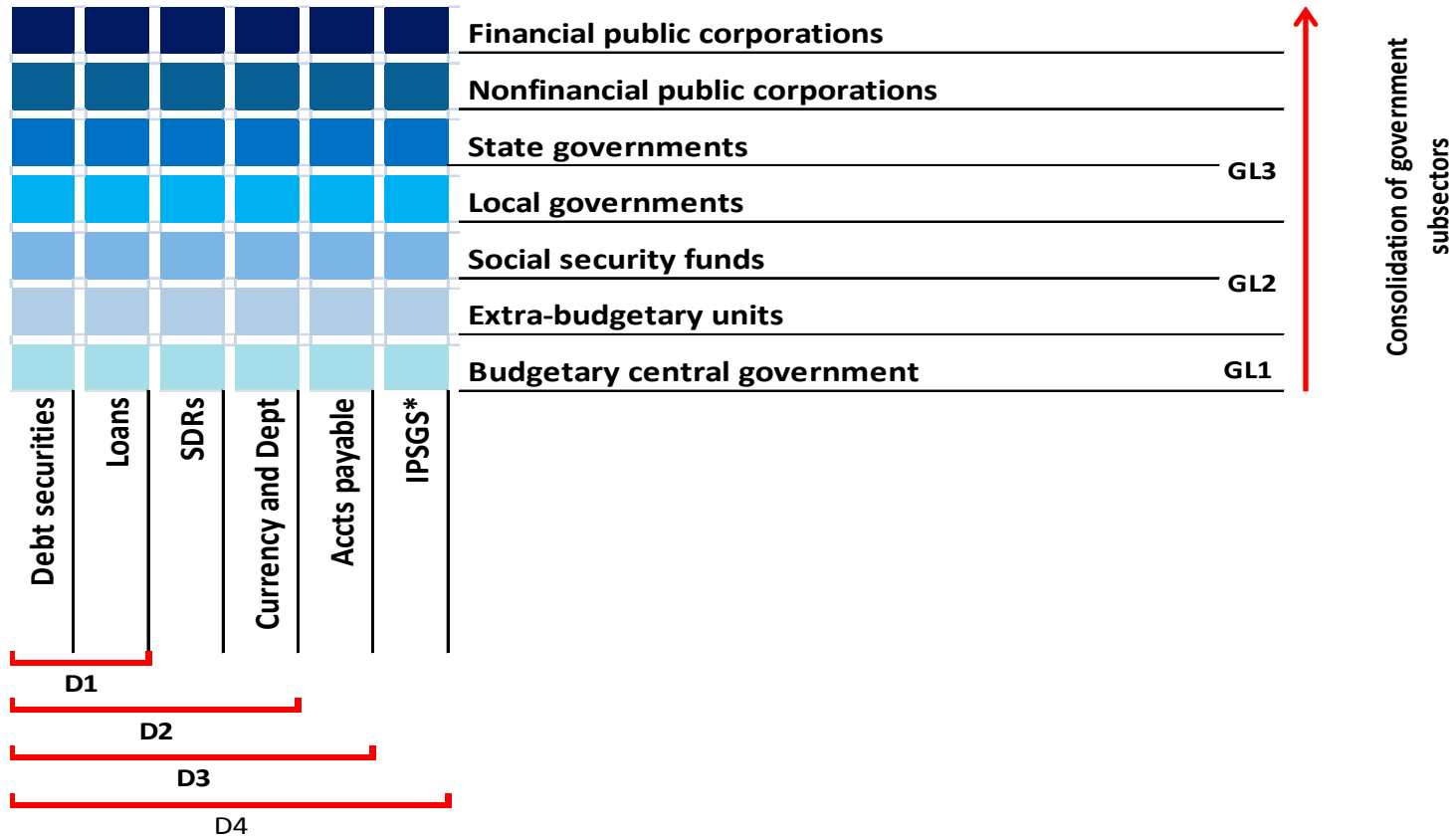
Source: IMF *Government Finance Statistics Yearbook*

Blue Bars represent the number of G-20 reporting countries; data not available for: **Argentina, China, India, Mexico, Saudi Arabia**

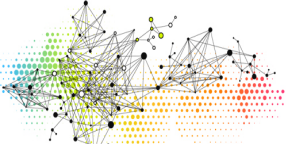


Surveillance –intuitive GFS images

More transparent presentation of gross debt




* Insurance, pensions and standardised guarantee schemes



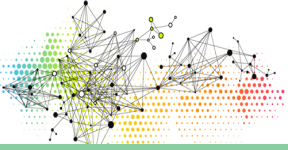
Surveillance

Gross Debt: A More Transparent Presentation

 Australia 2012	GL2 - Consolidated Central Government	GL3 - Consolidated General Government
D1	18.9	26.0
D2	19.4	26.9
D3	24.2	36.1
D4	40.6	62.6

Gross government debt can vary dramatically depending on the coverage of the data

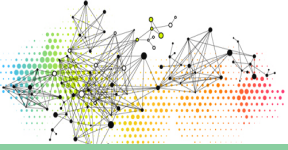
Source: *Government Finance Statistics Yearbook*
Figures shown in percent of GDP



Capacity Development

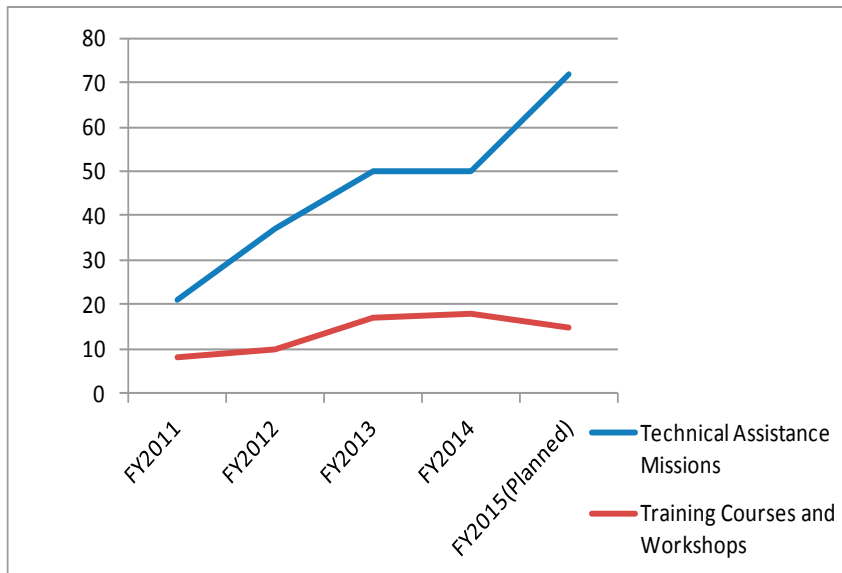
- Capacity development has grown – thanks to external funding
 - ❖ Government of Japan
 - ❖ United Kingdom Department of International Development (DFID)
 - ❖ European Union
 - ❖ Switzerland State Secretariat for Economic Affairs

- (New) GFS resident advisors
 - ❖ AFRITAC West
 - ❖ AFRITAC East also supporting the East African Currency Union
 - ❖ AFRITAC Central (upcoming)
 - ❖ Myanmar

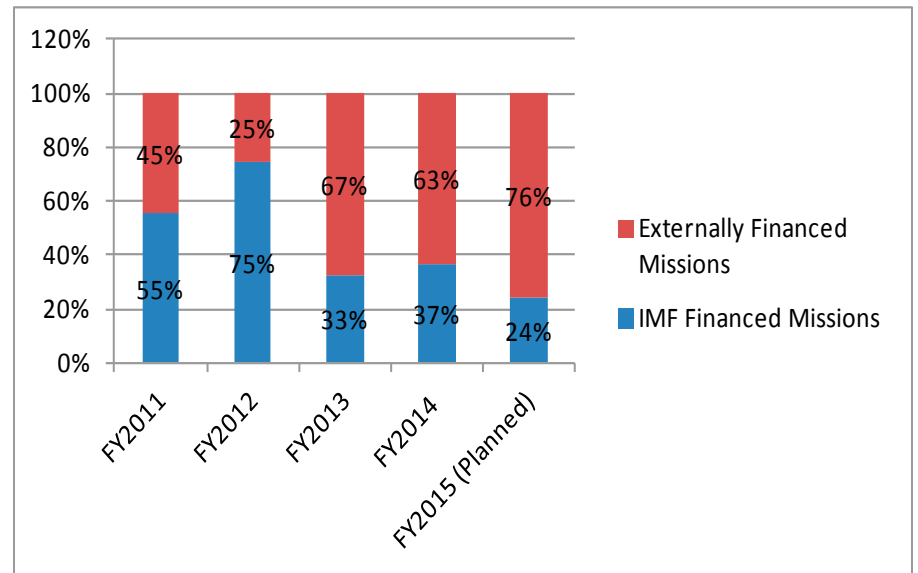


Capacity Building

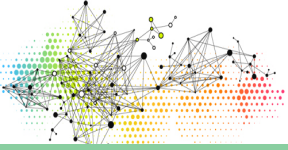
Evolution of the GFS capacity development activities in the last five years



Source of Financing the capacity development activities



* Fiscal Year at the IMF starts on May 1st



Capacity Development – going live

- E-learning tools – GFS videos
 - ❖ 11 videos - each 5-7 minutes
- Stand alone or integrated into training & workshops
- For, economists, compilers, and other GFS users



IMF Statistics E-Learning Videos



Why Government Finance Statistics Manual?

by imf
1,377 views • 5 months ago



Stocks & Flows

by imf
821 views • 5 months ago



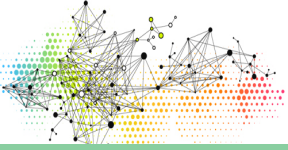
Gross & Net Debt

by imf
1,078 views • 5 months ago



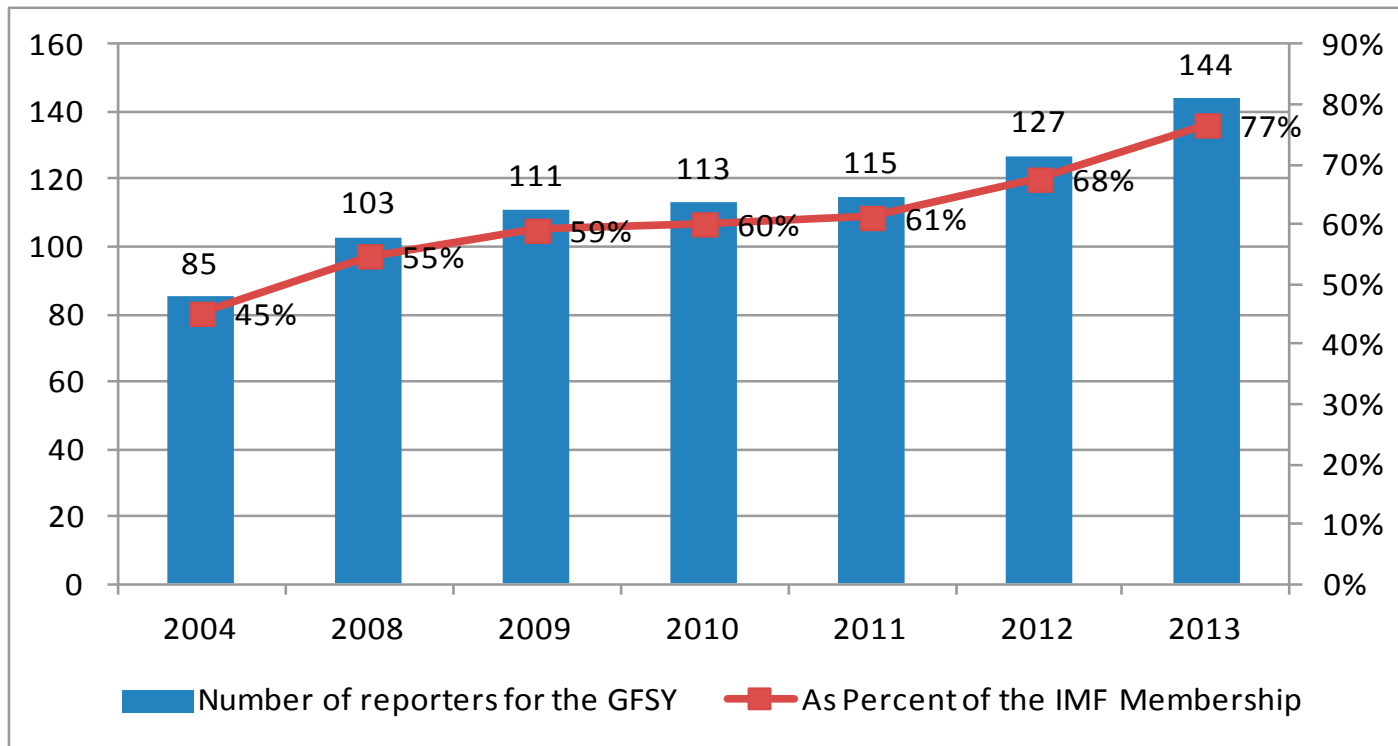
Fiscal Analysis

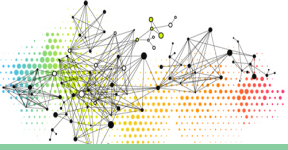
by imf
673 views • 5 months ago



Data – Detailed Annual Data (GFSY)

Growing number of countries reporting to GFS Yearbook (GFSY) in the last ten years





Data – New Debt Database



QUARTERLY EXTERNAL DEBT STATISTICS (QEDS)

Provides quarterly external debt position broken down by sector, maturity, instruments and currency.

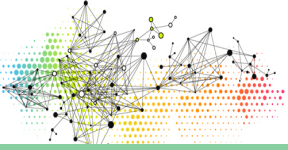
- ▶ [Tables](#)
- ▶ [Query Data: SDDS | GDDS](#)
- ▶ [About the Data: SDDS | GDDS](#)



QUARTERLY PUBLIC SECTOR DEBT (QPSD)

Brings together detailed public sector debt data of selected developing and high income countries.

- ▶ [Tables](#)
- ▶ [Query Data](#)
- ▶ [About QPSD Data](#)



Meta/Data - Institutional Tables

Institutional Structure of Government

GFSY 2012 ▼ Russian Federation ▼ Detailed ▼ Public Sector ▼ Load Map

GL5: Public Sector (Subsectors 1-9)

GL4: Public Nonfinancial (Subsectors 1-6)

GL3: General Government (Subsectors 1-5)

GL2: Central Government (Subsectors 1-3)

GL1: Subsector 1. Budgetary central government units/entities:

Partial information was provided.

Subsector 2. Extrabudgetary central government units:

Partial information was provided.

Subsector 3. Social security units:

86 units reported.

Subsector 4. State governments:

83 reported.

Subsector 5. Local governments:

24255 reported.

Partial information was provided.

Subsector 6. Public Nonfinancial Corporations:

About 30 units reported.

Subsector 7. Central Bank:

1 unit reported.

Subsector 8. Public Deposit-Taking Corporations Except the Central Bank:

25 units reported.

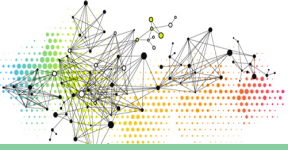
Subsector 9. Other Public Financial Corporations:

Partial information was provided.

This institutional information was reported in 2012 in the Government Finance Statistics Yearbook (GFSY).

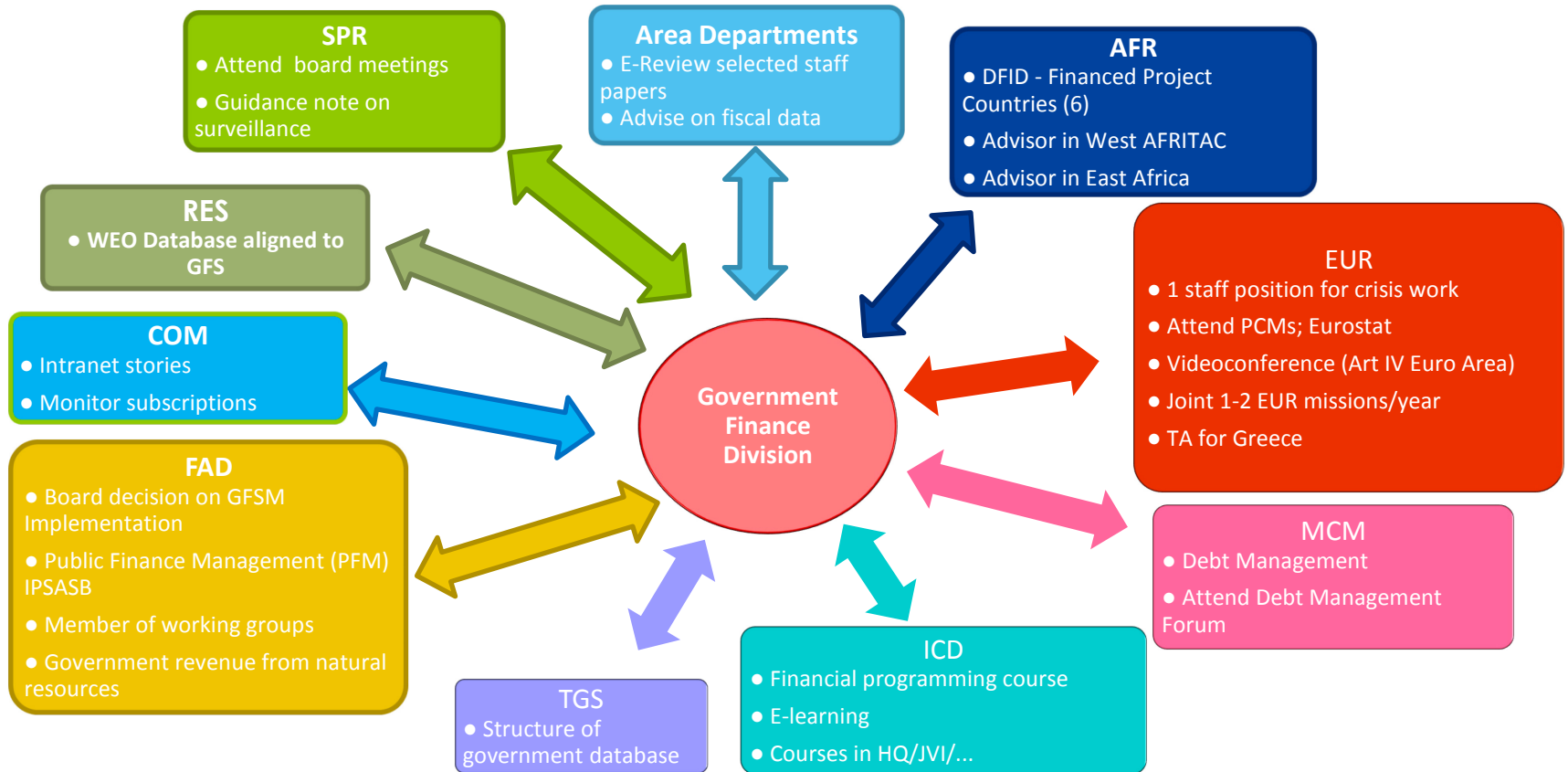
Source: IMF Government Finance Statistics Yearbook
Contact: STAGOAST@imf.org

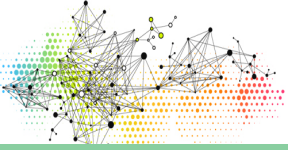
[* Related Links](#)



GFS – Outreach and Collaboration

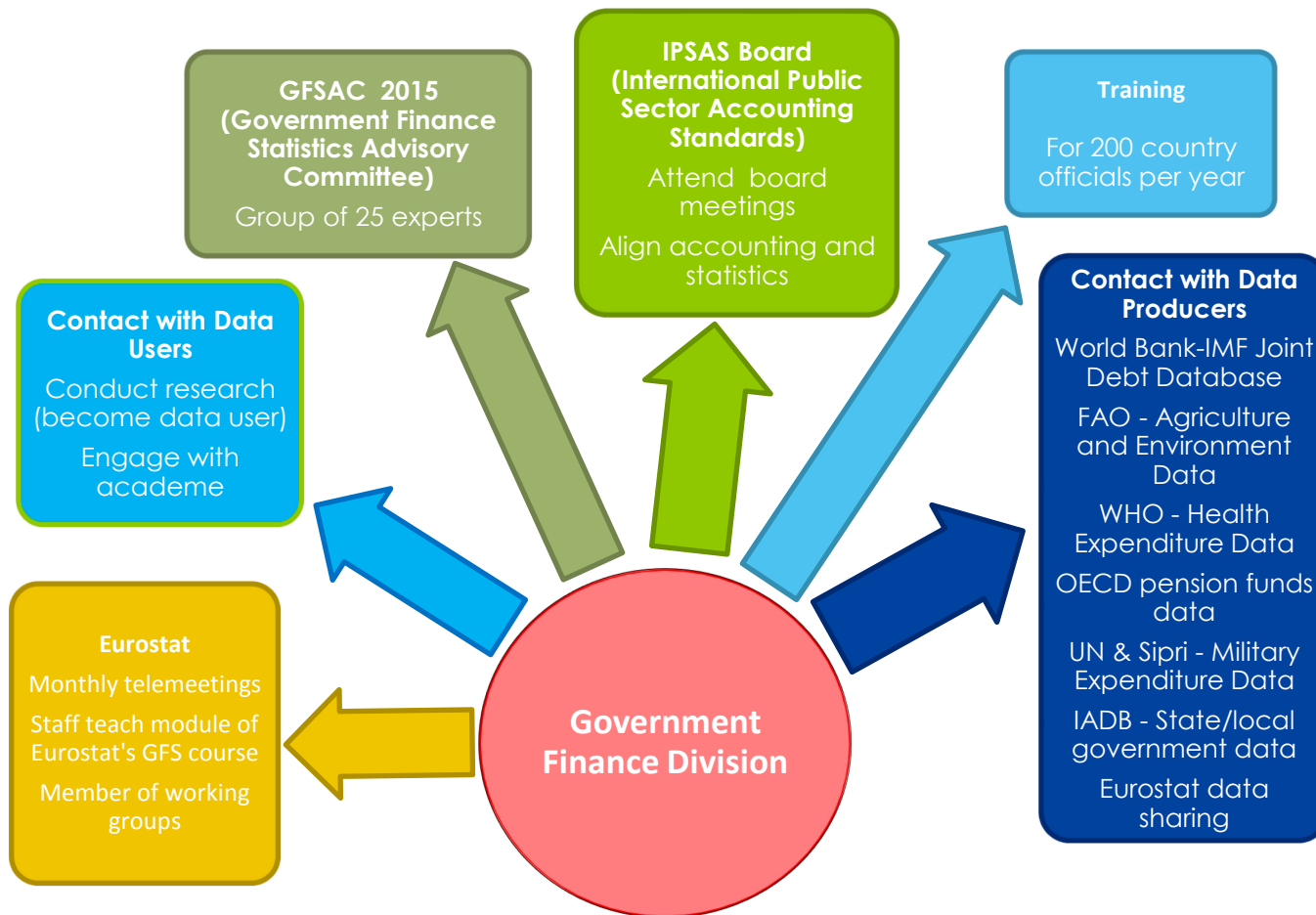
Internal Outreach and Collaboration

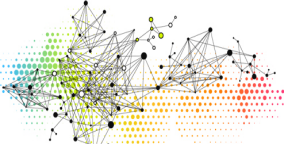




GFS – Outreach and Collaboration

External Outreach and Collaboration



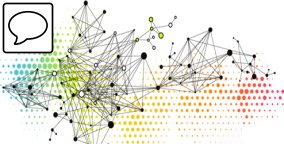


GFS –Summary of the Past Years

- 1 updated manual (*GFSM 2014*)
- 3 guides (Debt, Quarterly GFS, Developing country guide)
- 4 boards papers (2 Executive Board decision)s
- 12 research papers showcasing the IMF GFS Yearbook database
- Capacity Building – supporting data collection and surveillance
- *Data*: Steady Increase of countries reporting for GFSY (about 140)
- 2 new databases (PSDS; Institutional Structure of Government)
- *Surveillance*: *GFSM* fiscal presentation in staff reports (about 140)
- *Surveillance*: intensive “in reach” in the Fund, program support
- E-learning tools – 11 GFS videos
- Government Revenue from Natural Resources initiative
- ***More people involved***: Team at Headquarters, long term experts in Asia and Africa, joint missions and projects, and tapping into the global expertise through the **GFSAC**.

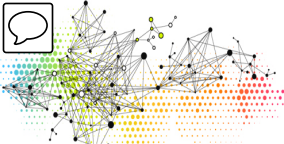


Part II - Future Directions of Government Finance Statistics



GFS – Future Directions

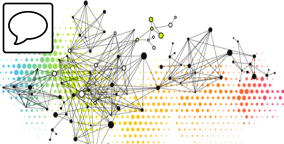
- Promoting reporting of data on a *GFSM 2014* basis by all countries
- Improving data quality
- Filling data gaps
- GFS for greater use in macro-fiscal analysis
- Research agenda



GFS – Promoting Reporting of Data on a *GFSM 2014* Basis by all Countries

First Big Challenge: IMF

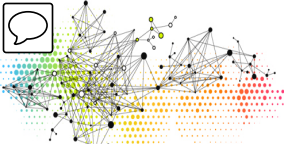
- Continued outreach needed to country economists to promote *GFSM 2001/2014*—mindset remains on *1986 GFSM*
- Message: Enhanced policy analysis, cross-country comparison
- IMF is addressing the problem:
 - ❖ Board decision on phased migration to implement *GFSM 2001* (2010)
 - ❖ Board supported establishment of GFS Advisory Committee (2013)
 - ❖ Training courses for IMF economists updated



GFS – Promoting Reporting of Data on a *GFSM 2014* Basis by all Countries

Second Big Challenge: Country Authorities

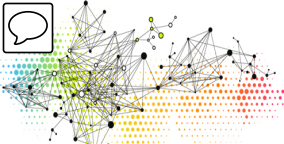
- GFS provides essential data for informed policy making
- Facilitates comparability across countries
- Challenging task because of political agenda, MOFs focus on budget, and capacity and resource constraints



GFS – Promoting Reporting of Data on a *GFSM 2014* Basis by all Countries

Our goal: Reporting of data to IMF on a *GFSM 2014* basis by *all* countries

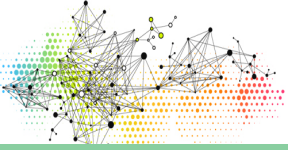
- Gradual approach, based on country's resources and capacity
- GFS is multidisciplinary, links to:
 - ❖ PFM systems
 - ❖ IPSAS
 - ❖ Debt management systems
 - ❖ Budget classifications
 - ❖ IFMIS



GFS – Promoting Reporting of Data on a *GFSM 2014* Basis by all Countries

Agree with GFSAC on next steps, including

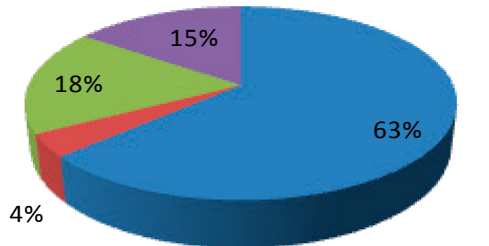
- Benefit from Committee members' expertise in GFS
- Outreach: Showcase usefulness of GFS framework
- Seek political commitment for implementation and enhanced legal frameworks
- Gradual, prioritized implementation of *GFSM 2014*
- Capacity development: Coordinated approach



GFS – Improving Data Quality and Filling Data Gaps

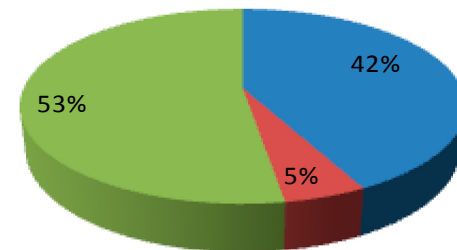
- Current situation: GFS data of about 140 countries available in *GFSY* database—but all 188 IMF member countries have a budget

Percent of reporting Balance Sheet Data in the GFSY



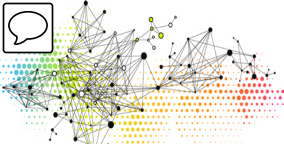
■ No balance sheet data ■ Data on Liabilities only
■ Financial balance sheet data ■ Full balance sheet data

Coverage of Data in the GFSY



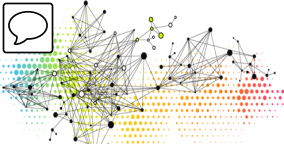
■ Budgetary Central Government ■ Central Government
■ General Government

Source : GFSY 2013



GFS – Improving Data Quality and Filling Data Gaps

- Availability of GFS data for fiscal policy and macroeconomic analysis has to be improved
- Enhance quality of existing GFS database and data reporting by
 - Filling data gaps to have continuous time series
 - Acquiring debt data if not yet reported
 - Expand data coverage to general government (and depending to analytical needs to public sector)
 - Expand data to include complete financial balance sheet
- Promote dissemination in the country and reporting to IMF



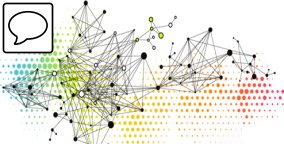
GFS – Data Gaps in G-20 Countries

- G-20 Data Gaps Initiative

Slow progress on *Recommendation 17*:

“The IMF to promote timely and cross-country standardized and comparable government finance data based on the accepted international standard, the *GFSM 2001*.”

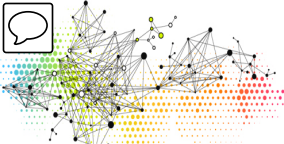
- **Nine** G-20 economies disseminate **quarterly general government data** under the GFSM framework.



GFS – Data Gaps in G-20 Countries

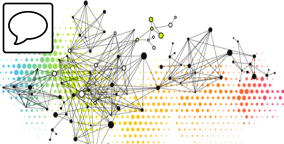
G-20 Data Gaps Initiative (contd.)

- **Six G-20 economies disseminate quarterly central government and/or annual general government data under the GFSM framework.**
- **Four G-20 economies do not disseminate central government or general government data under the GFSM framework**



GFS – Research Agenda

- Several research items listed in *SNA 2008* were not resolved during the update of the *GFSM 2014*
- The GFS research agenda will be determined by
 - Already identified topics in other statistics (SNA, BOP)
 - *GFSM 2014* implementation work over the medium term
 - Topics of interest to compilers and users
- Prioritize research issues



GFS – Points for Discussion

1. Experience of GFS in fiscal policy analysis/making
2. Practical steps to promote use of GFSM
3. STA's focus on improving GFS
 - a. Improve data quality and accessibility
 - b. Expand coverage to general government
 - c. Expand data to include complete financial balance sheet
4. Driving the GFS agenda
5. GFSAC as forum to help promote GFS reporting and advance GFS research agenda