COMPARABILITY OF GOVERNMENT DEBT DATA: TAKING IT ONE STEP FURTHER?

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Improving international consistency

- Alignment of international standards (e.g. SNA 2008, BPM6, GFS Manual, etc.)
- Alignment of templates for international data collection
- Cooperation on data processing and validation
- Alignment of tools for data exchange (SDMX)

⇒ Reducing respondent burden of countries
⇒ Improving efficiency across international organisations
⇒ Improving consistency of data internationally published
But is it enough?

• Various initiatives have been put into place, which most certainly will improve the situation
• Time-consuming process with many issues to be solved down the road
• But is it enough?

• Example of two policy relevant and politically sensitive headline indicators:
  – General Government Deficit as % of GDP
  – General Government Debt as % of GDP
Comparison

A reasonably sophisticated user has taken a look at various sources:

• Eurostat, Tables on Government Finance
• IMF, Government Finance Statistics (market value and face value)
• IMF, World Economic Outlook
• OECD, National Accounts at a Glance
• OECD, Economic Outlook
Government Deficit 2010
Differences between highest and lowest result, in %-points of GDP
Government Debt 2010
Differences between highest and lowest result, in %-points of GDP
Government Debt 2010
Differences between highest and lowest result, as % of the highest
Taking a closer look at government debt

• Major differences in definition of debt (not always that well documented):
  – All liabilities excluding unfunded pension liabilities
  – All liabilities excluding shares and financial derivatives
  – Currency and deposits, securities other than shares and loans

• Differences in valuation: market value, nominal value and face value (may be important for some countries, with major changes over time of market interest rate on government securities)

• Other differences (differences in sources, lack of alignment to international standards, sometimes even differences due to reporting agency)
How to improve the situation?

• Better international alignment of definitions and dissemination of certain indicators

• Dissemination of data according to various definitions/coverages in the Public Sector Debt Database:
  – D1: Loans and securities
  – D2: D1 + SDRs + Currency and deposits
    • D2A: Regional definitions (e.g. Maastricht Debt)
  – D3: D2 + Other accounts payable
  – D4: D3 + Insurance, pension and standardized guarantee schemes
How to improve the situation?

• More generally, need to include much better metadata:
  – Especially for the most frequently used and debated indicators
  – Inclusion of information on divergence from international standard definition

• Discussion with countries on remaining unexplainable differences, and on dissemination of indicators

• Need for additional indicators on Net Government Debt and for additional data on contingent liabilities

• Finally, need for more “story-telling” on the interpretation of government debt data (e.g. the impact of differences in pension arrangements across countries)
Thank you for your attention!