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.
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.
March 9–10, 2015

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Part I - State of Play of Government Finance Statistics

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GFS – Overview of Achievements

2001

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

2002

2005

• The Executive Board endorsed the GFSM 2001 and asked staff to propose a migration strategy for the IMF
GFS – Overview of Achievements

2010

• 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

2011

2012

• World Bank/IMF Online Public Sector Debt Statistics Database
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 – Main Outputs

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

- 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**

G20 Economies: General and Budgetary Central Government Expenditure

- **General Government Expenditure (%GDP)**
- **Budgetary Central Government Expenditure (%GDP)**

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

- Financial public corporations
- Nonfinancial public corporations
- State governments
- Local governments
- Social security funds
- Extra-budgetary units
- Budgetary central government

Debt securities
- Loans
- SDRs
- Currency and Debt
- Accts payable
- IPSGS* 

Consolidation of government subsectors

* Insurance, pensions and standardised guarantee schemes
Gross government debt can vary dramatically depending on the coverage of the data.

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<th>GL2 - Consolidated</th>
<th>GL3 - Consolidated</th>
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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
Data – Detailed Annual Data (GFSY)

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

[Diagram showing the increase in the number of reporters for the GFSY and the percentage as part of the IMF membership from 2004 to 2013.]

- Number of reporters for the GFSY
- As Percent of the IMF Membership
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
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:
85 units reported.
Subsector 4. State governments:
85 reported.
Subsector 5. Local governments:
24255 reported.
Partial information was provided.

Subsector 6. Public Nonfinancial Corporations:
About 30 units reported.

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

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.

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

Related Links
GFS – Outreach and Collaboration

Internal Outreach and Collaboration

**SPR**
- Attend board meetings
- Guidance note on surveillance

**Area Departments**
- E-Review selected staff papers
- Advise on fiscal data

**AFR**
- DFID - Financed Project Countries (6)
- Advisor in West AFRITAC
- Advisor in East Africa

**RES**
- WEO Database aligned to GFS

**COM**
- Intranet stories
- Monitor subscriptions

**FAD**
- Board decision on GFSM Implementation
- Public Finance Management (PFM) IPSASB
- Member of working groups
- Government revenue from natural resources

**TGS**
- Structure of government database

**ICD**
- Financial programming course
- E-learning
- Courses in HQ/JVI/

**EUR**
- 1 staff position for crisis work
- Attend PCMs; Eurostat
- Videoconference (Art IV Euro Area)
- Joint 1-2 EUR missions/year
- TA for Greece

**MCM**
- Debt Management
- Attend Debt Management Forum
GFS – Outreach and Collaboration

External Outreach and Collaboration

- **Contact with Data Users**
  - Conduct research (become data user)
  - Engage with academe

- **GFSAC 2015**
  - (Government Finance Statistics Advisory Committee)
  - Group of 25 experts

- **IPSAS Board**
  - (International Public Sector Accounting Standards)
  - Attend board meetings
  - Align accounting and statistics

- **Training**
  - For 200 country officials per year

- **Contact with Data Producers**
  - World Bank-IMF Joint Debt Database
  - FAO - Agriculture and Environment Data
  - WHO - Health Expenditure Data
  - OECD pension funds data
  - UN & Sipri - Military Expenditure Data
  - IADB - State/local government data
  - Eurostat data sharing

**Government Finance Division**
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
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

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.
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