

GOVERNMENT DEBT

The accumulation of government debt is a key factor for the sustainability of government finance. Apart from net acquisitions of financial assets, changes in government debt over time reflect the impact of government deficits.

The government debt-to-GDP ratio, calculated as the amount of total government debt of a country as a percentage of its Gross Domestic Product (GDP), is one of the indicators of the health of an economy.

Definition

Debt is commonly defined as a specific subset of liabilities identified according to the types of financial instruments included or excluded. Generally, debt is defined as all liabilities that require payment or payments of interest or principal by the debtor to the creditor at a date or dates in the future.

Consequently, all debt instruments are liabilities, but some liabilities such as shares, equity and financial derivatives are not debt. Debt is thus obtained as the sum of the following liability categories (according to the 1993 *System of National Accounts*), whenever available/applicable in the financial balance sheet of the general government sector: currency and deposits; securities other than shares, except financial derivatives; loans; insurance technical reserves;

and other accounts payable. In line with the 1993 SNA, most debt instruments are valued at market prices.

Comparability

Across OECD countries, the comparability of data on general government debt can be affected through national differences in implementing the 1993 SNA definitions, especially in relation to the delineation of the government sector. See the indicator “Government expenditure, revenues and deficits” for more details.

The degree of consolidation within the government sector may also have an impact on the international comparability of data across OECD countries. The indicator is derived from consolidated data for all OECD countries, except: Chile, Japan, Korea and the United Kingdom. Consolidation means that general government debt does not include the debt issued by one government sub-sector and held by another. The result of any intra-governmental debt elimination is a lower general government debt.

Unlike previous years, all data for this indicator is now sourced from the OECD Annual National Accounts database.

Overview

In 2010, 17 OECD countries recorded debt-to-GDP ratios beyond 60% (the reference Maastricht value) compared to 12 countries in 2007. Japan recorded the highest debt ratio at 210%, followed by Italy (126%) and Greece (123%). The lowest debt-to-GDP ratios are found in Estonia (13%) and Chile (16%).

Ireland recorded the highest increase in its debt-to-GDP ratio between 2007 and 2010 (63 percentage points), reaching a level of 91.7%. Other countries with a considerable increase of more than 30 percentage points in the period 2007-10 were the United Kingdom (35.2 percentage points), the United States (31.6 percentage points) and Japan (30.2 percentage points). In contrast, Norway's government debt as a percentage of GDP declined by 7.2 percentage points between 2007 and 2010 with Sweden and Israel also recording small decreases for the same period.

The rapid rise in debt from 2007 reflects the effects of the crisis on governments worldwide, including reduced tax revenues, increases in government budget deficits and the cost of interventions to support the financial system. In Greece, however, government debt decreased by 23.5 percentage points in 2011, reflecting the fall in market prices of Greek government bonds.

Sources

- OECD (2012), “Financial Balance Sheets”, OECD National Accounts Statistics (database).

Further information

Analytical publications

- OECD (2012), OECD Economic Outlook, OECD Publishing.
- OECD (2012), OECD Economic Surveys, OECD Publishing.

Statistical publications

- OECD (2012), *National Accounts of OECD Countries, Financial Accounts*, OECD Publishing.
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- OECD (2011), *Central Government Debt: Statistical Yearbook*, OECD Publishing.
- OECD (2011), *National Accounts at a Glance*, OECD Publishing.

Methodological publications

- OECD (2008), *OECD Glossary of Statistical Terms*, OECD Publishing.
- OECD et al. (2009), *System of National Accounts*, United Nations, New York.

Online databases

- OECD National Accounts Statistics.
- OECD Economic Outlook: Statistics and Projections.

Websites

- Financial statistics, www.oecd.org/std/financialstatistics.



General government debt

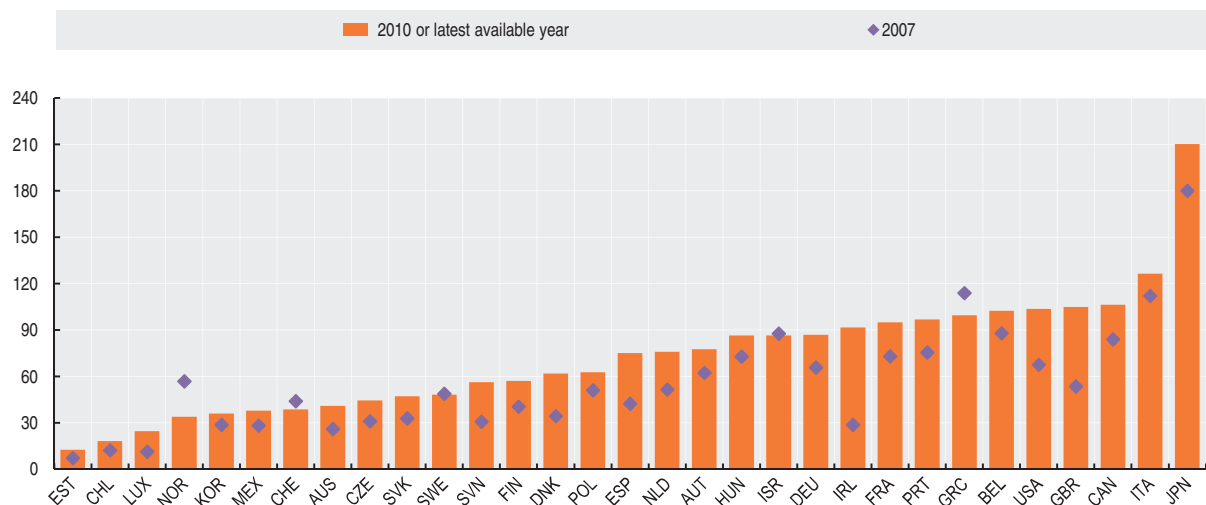
As a percentage of GDP

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Australia	39.8	35.6	34.2	33.3	30.7	29.0	28.5	27.1	26.0	27.2	36.3	40.9	..
Austria	70.8	70.8	71.7	72.8	71.1	70.6	70.6	66.0	62.3	67.1	73.4	77.5	..
Belgium	119.4	113.6	111.9	108.2	103.3	98.2	95.9	91.6	87.9	92.8	99.8	100.0	102.4
Canada	116.3	105.6	105.5	103.9	98.7	92.2	91.2	89.2	83.9	89.1	102.9	104.2	106.3
Chile	..	..	..	..	..	..	17.4	14.1	12.2	12.4	13.4	15.6	18.1
Czech Republic	24.4	25.1	29.3	31.5	33.2	33.0	32.7	32.5	30.9	34.3	41.0	44.5	..
Denmark	..	..	..	..	56.6	53.6	45.4	41.0	34.3	41.4	51.2	54.8	61.8
Estonia	10.9	9.4	8.9	10.2	10.8	8.5	8.2	8.0	7.2	8.2	12.4	12.5	..
Finland	54.9	52.5	50.1	49.7	51.1	51.3	48.5	44.7	40.4	39.8	51.4	56.9	..
France	69.0	67.9	67.2	70.7	75.2	77.1	78.9	73.9	73.0	79.2	91.0	94.9	..
Germany	61.7	60.9	60.2	62.6	66.0	69.0	71.7	69.8	65.7	69.7	77.4	86.9	..
Greece	102.4	115.9	118.1	116.6	110.4	112.8	112.7	115.9	113.9	117.5	133.6	123.0	99.5
Hungary	67.5	61.7	59.7	60.8	61.8	65.1	68.4	71.8	72.8	76.3	85.8	86.3	..
Iceland	..	..	..	..	..	..	..	..	..	..	..	..	..
Ireland	51.5	40.2	37.4	35.0	33.8	32.5	32.4	28.6	28.7	49.6	71.2	91.7	..
Israel	..	..	96.8	101.5	106.8	104.8	102.1	90.2	87.7	86.6	89.5	86.5	..
Italy	125.5	121.0	120.1	118.8	116.4	116.7	119.4	116.8	112.1	114.6	127.7	126.3	..
Japan	131.1	141.5	151.4	161.8	172.3	178.8	180.2	180.0	180.0	184.2	207.3	210.2	..
Korea	..	..	..	19.2	19.7	23.3	25.5	28.6	28.7	29.9	33.3	34.2	36.0
Luxembourg	..	..	..	..	..	..	..	11.5	11.3	18.3	17.9	24.5	..
Mexico	33.6	31.1	31.2	33.2	32.7	31.0	31.2	28.9	28.2	30.1	37.7	..	..
Netherlands	71.6	63.9	59.4	60.3	61.4	61.9	60.7	54.5	51.5	64.8	67.9	71.7	75.9
New Zealand	..	..	..	..	..	..	..	..	..	..	..	..	..
Norway	29.1	32.7	31.8	39.0	48.4	50.9	47.8	59.0	56.8	54.3	48.9	49.6	33.8
Poland	46.6	45.4	43.8	55.0	55.9	53.3	54.1	54.2	51.0	55.7	58.4	62.7	..
Portugal	62.3	62.4	64.2	67.9	70.2	73.4	77.6	77.3	75.4	80.7	93.3	97.5	96.8
Slovak Republic	53.5	57.6	57.1	50.2	48.2	47.6	39.2	34.1	32.9	32.0	40.4	47.1	..
Slovenia	..	..	33.6	34.7	34.1	34.9	34.0	33.8	30.7	30.4	44.3	48.4	56.3
Spain	69.4	66.6	62.0	60.4	55.4	53.4	50.7	46.2	42.3	47.7	62.7	66.8	75.1
Sweden	73.0	64.0	62.0	59.8	58.8	59.5	60.2	53.6	48.8	47.5	51.1	48.0	..
Switzerland	47.7	48.9	48.5	54.9	54.5	55.1	53.0	47.1	43.9	40.2	38.7	..	..
Turkey	..	..	..	..	..	..	..	..	..	..	..	..	..
United Kingdom	54.6	54.5	49.3	48.8	48.6	50.7	53.4	53.0	53.5	63.9	79.5	88.8	104.9
United States	61.2	55.1	55.0	57.4	60.7	68.6	68.2	66.9	67.5	76.5	90.4	99.1	103.5
EU 27
OECD
Brazil
China
India
Indonesia
Russian Federation
South Africa

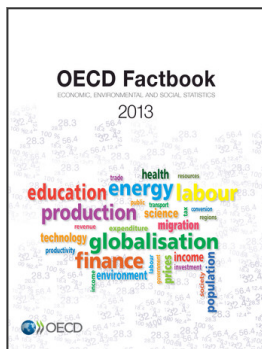
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General government debt

As a percentage of GDP



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