

## GOVERNMENT DEBT

There are two standard ways to measure the extent of government debt – by reference to gross financial liabilities or by reference to net financial liabilities – the latter being measured as gross financial liabilities minus financial assets. Gross financial liabilities as a percentage of GDP is the most commonly used government debt ratio and is shown here.

### Definition

For most countries, gross financial liabilities refer to the liabilities (short and long-term) of all the institutions in the general government sector, as defined in the 1993 *System of National Accounts* (SNA) or in the 1995 *European System of Accounts* (ESA). This definition differs from the definition of debt applied under the Maastricht Treaty essentially in two respects. First, gross debt according to the Maastricht definition excludes trade credits and advances, as well as shares and insurance technical reserves. Second, government bonds are valued at nominal values instead of at market value or issue price plus accrued interest as required by the SNA rules. The United States and Canada also value government bonds at nominal value.

### Long-term trends

From 1990 to 1996, government gross financial liabilities were rising in most countries. Since then, government debt has been decreasing as a percentage of GDP in many of the 28 countries in the table. There are, however, exceptions: government debt ratios continued to increase particularly fast in Japan and Korea and significantly in France, Germany, Greece and Portugal. Korea's government debt ratio rose by over 8% per year from 1990 to 2007 but this is measured from a very low initial rate and by 2007, Korea's government debt ratio was still among the lowest in the OECD.

In 2007, government debt ratios decreased in all OECD countries with the exception of the Czech Republic, Korea, the United Kingdom and the United States. Still government debt ratios exceeded 100% in Greece, Italy and Japan and was close to 90% in Belgium. Most countries were in a band between 40% and 70%, with two countries reporting debt ratios of under 20% Australia and Luxembourg.

In principle, debts within and between different levels of government are consolidated; a loan from one level of government to another represents both an asset and an equal liability for the government as a whole and so it cancels out (is “consolidated”) for the general government sector.

### Comparability

The comparability of data can be affected in two ways. First, national differences in implementing SNA/ESA definitions can affect the comparability of government debt across countries. Second, changes in implementing SNA/ESA definitions can affect the comparability of data within a country over time.

For Brazil, the debt statistics exclude government securities held by the central bank and include repurchase agreements issued by the Central Bank.

### Source

- OECD (2008), *OECD Economic Outlook*, Nov. No. 84 – Vol. 2008/2, OECD, Paris.

### Further information

#### Analytical publications

- OECD (2002), *Debt Management and Government Securities Markets in the 21st Century*, OECD, Paris.
- OECD (2006), *Credit Risk and Credit Access in Asia*, OECD, Paris.
- OECD (2008), *OECD Economic Surveys*, OECD, Paris.

#### Statistical publications

- OECD (2008), *National Accounts of OECD Countries*, OECD, Paris.
- OECD (2008), *Central Government Debt*, OECD, Paris.

#### Methodological publications

- OECD (2008), *OECD Glossary of Statistical Terms*, OECD, Paris.

#### Online databases

- *Annual National Accounts*.
- *OECD Economic Outlook Statistics*.


#### Websites

- *OECD Economic Outlook – Sources and Methods*, [www.oecd.org/eco/sources-and-methods](http://www.oecd.org/eco/sources-and-methods).

## General government gross financial liabilities

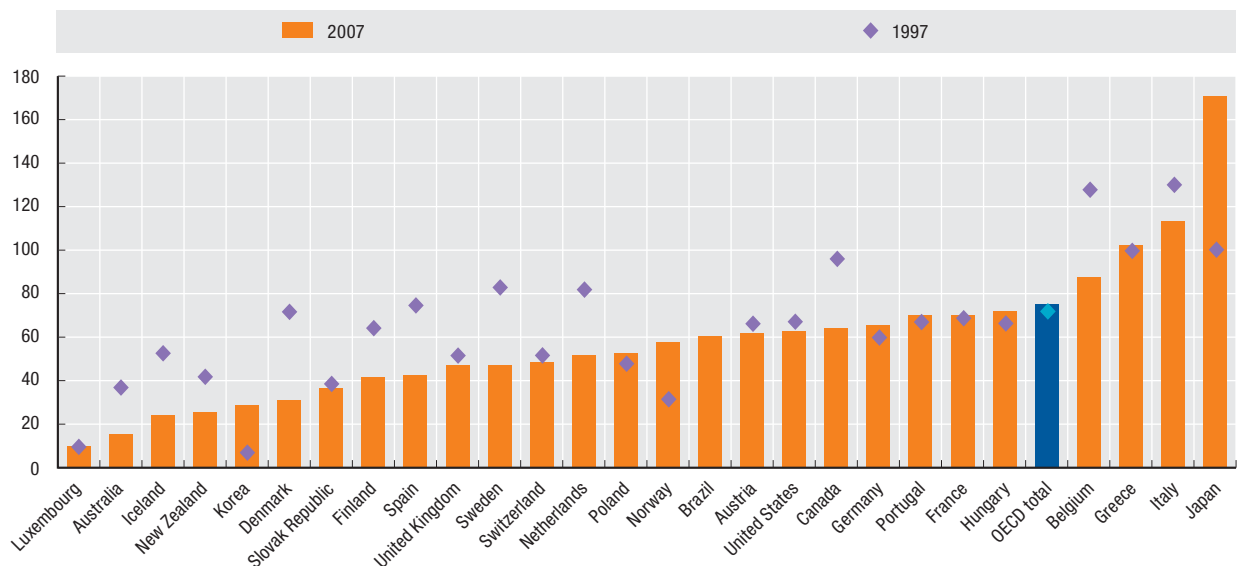

As a percentage of GDP

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Australia	40.1	41.9	39.1	37.4	32.3	28.0	25.0	22.2	20.1	18.8	17.0	16.7	16.1	15.4
Austria	65.3	69.8	70.2	66.6	68.4	71.2	71.0	72.0	73.2	71.3	70.8	70.3	65.9	61.9
Belgium	137.7	135.3	133.4	128.0	122.9	119.5	113.5	111.8	108.3	103.5	98.6	95.7	91.2	87.6
Canada	98.0	101.6	101.7	96.3	95.2	91.4	82.1	82.7	80.6	76.6	72.6	71.1	68.0	64.1
Czech Republic	..	..	..	..	..	..	..	..	33.1	34.9	34.7	34.9	34.7	38.4
Denmark	78.9	79.3	76.6	72.1	69.7	64.1	57.1	55.0	55.4	53.6	50.1	42.3	37.4	31.0
Finland	60.9	65.2	65.9	64.6	60.9	54.7	52.4	49.8	49.5	51.3	51.4	48.4	44.8	41.5
France	60.2	63.0	66.7	69.1	70.7	67.1	65.9	64.4	67.4	71.5	74.1	76.0	71.5	70.1
Germany	46.5	55.7	58.8	60.3	62.2	61.5	60.4	59.7	62.1	65.3	68.7	71.1	69.4	65.5
Greece	..	101.2	103.1	100.0	97.6	101.1	114.9	117.9	116.3	112.5	114.4	112.3	105.8	102.3
Hungary	91.8	88.5	76.1	66.7	64.9	66.2	60.1	59.7	61.0	61.4	65.3	68.7	71.9	72.0
Iceland	55.7	58.9	56.3	53.1	47.9	43.4	41.0	45.9	42.1	40.8	34.5	25.4	30.1	24.0
Ireland	..	..	..	..	62.2	51.3	40.1	37.4	35.2	34.1	32.7	32.6	28.8	27.9
Italy	120.9	122.5	128.9	130.3	132.6	126.4	121.6	120.8	119.4	116.8	117.3	119.9	117.1	113.2
Japan	79.4	86.7	94.0	100.5	113.2	127.0	135.4	143.7	152.3	158.0	165.5	175.3	171.9	170.6
Korea	5.2	5.5	5.9	7.5	13.1	15.6	16.3	17.4	16.6	18.4	22.6	24.7	27.6	28.9
Luxembourg	..	9.5	10.1	10.2	11.1	10.0	9.3	8.2	8.5	7.9	8.5	7.6	10.4	9.9
Netherlands	86.7	89.6	88.1	82.2	80.8	71.6	63.9	59.4	60.3	61.4	61.9	60.5	54.2	51.7
New Zealand	57.4	51.3	44.9	42.3	42.2	39.6	37.4	35.4	33.5	31.4	28.6	27.5	27.1	25.3
Norway	37.3	40.9	36.5	32.0	30.8	30.8	34.0	32.9	40.5	49.3	52.7	49.1	60.9	57.9
Poland	..	51.6	51.4	48.3	43.8	46.6	45.4	43.8	55.0	55.3	54.6	56.4	55.9	52.5
Portugal	..	68.8	68.4	67.4	65.2	62.0	61.1	62.6	66.1	67.2	69.5	73.0	72.0	70.1
Slovak Republic	..	38.2	37.7	39.0	41.2	53.5	57.6	57.2	50.3	48.3	47.3	38.7	34.7	36.5
Spain	64.3	69.3	76.0	75.0	75.3	69.4	66.5	61.9	60.2	55.3	53.4	50.8	46.6	42.7
Sweden	82.5	81.0	84.4	83.2	82.5	73.7	64.7	63.4	60.5	59.8	59.5	59.7	52.5	47.0
Switzerland	45.5	47.7	50.1	52.1	54.9	51.9	52.5	51.3	57.2	57.0	57.9	56.5	50.6	48.6
United Kingdom	46.8	51.6	51.2	52.0	52.5	47.4	45.1	40.4	40.8	41.2	43.5	46.1	46.0	46.9
United States	71.1	70.7	70.0	67.6	64.5	61.0	55.2	55.2	57.6	60.9	61.9	62.3	61.7	62.9
Euro area	69.1	72.4	77.5	79.6	80.3	78.5	75.3	73.9	74.2	75.1	75.9	77.0	74.7	71.4
OECD total	68.2	70.0	72.0	72.3	72.9	72.2	69.5	69.8	71.7	74.0	75.6	77.4	76.0	75.0
Brazil	..	..	..	..	..	..	..	..	..	..	..	..	57.3	60.3

StatLink  <http://dx.doi.org/10.1787/544023448651>

## General government gross financial liabilities

As a percentage of GDP

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