

External Debt Statistics 1975-1998 and 1998-2002

Introduction, Data Series and Technical Note

A. External Debt Statistics

1975-1998

Series 1: 1975-1982

Series 2: 1982-1998

INTRODUCTION

This electronic publication contains statistics on external, disbursed and outstanding debt and debt service paid yearly from 1975 to 1998 for developing countries and territories which were on the DAC list of aid recipients as of 1982 (DCR/STATS TECHNICAL NOTES for list of countries). These series (EDSDEBT1 and EDSDEBT2) were discontinued in 1999. A new set of statistics were introduced as from end- 1998, with important methodological changes (for a description of these changes, see the introduction to the EDSDEBT3 series).

The data include total, medium and long-term debt for the period 1975-1982, and short, medium and long-term debt and IMF credits as part of multilateral loans as from 1982. Two sets of data are shown for 1982 to provide a link between earlier years and improved figures, starting in 1982, which are more firmly based and available in greater detail. The 1975-1982 data are those published in previous editions of *Financing and External Debt of Developing Countries*. They include Development Co-operation Directorate (DCD) data as well as DRS (from IBRD) data, depending on the type of credit and/or the group of creditors. The new data base used for 1982 and later years further draws on data from BIS and IMF.

The data are shown and may be queried according to four dimensions:

- 1: Types of credit (e.g. Official Development Assistance (ODA), export credits, bonds, bank lending other than export credits, etc.). This includes debt and debt service data.
- 2: Data series from 1975 to 1982 and from 1982 to 1998.
- 3: Debtor countries - listed by individual country, geographical or income group.
- 4: Year - the data cover the years 1975 to 1998.

All data are in millions of US dollars, using the exchange rates prevailing during the year to which figures refer (annual average rate for debt service and year-end rate for debt).

DATA SERIES (EDSDEBT1 AND EDSDEBT2)

The tables in this publication provide a comprehensive¹ and comparable measurement of gross external indebtedness and other liabilities, broken down by category of debt, for each borrower and group of borrowers. Each table is divided into a section on debt stocks and a section on debt service payments and these sections are broken down into categories of debt.

¹. Some categories of external debt are omitted due to a lack of data - see *Quality of Data* below.

Other official/officially supported credits

All amounts are shown in US dollars converted at the exchange rate ruling at the date concerned. Users should bear in mind that part of the changes in stocks are a reflection of movements on exchange rates and the currency composition of external debt.

DEFINITIONS OF CATEGORIES OF DEBT

LONG TERM DEBT STOCKS

Includes all debt with an original maturity of more than one year as well as debt for which the original maturity is unknown. All identified arrears on long-term export credits and bank debt are classified as short-term debt. For other categories, arrears remain included in long-term debt.

I: Debt owed to OECD Countries and Capital Markets

Official Development Assistance (ODA)/Official Aid (OA)

ODA loans are concessional loans provided by the official sector to countries and territories on Part I of the DAC List of Aid Recipients. To qualify as ODA a transaction must meet the following criteria:

- a) It is administered with the promotion of the economic development and welfare of developing countries as its main objective, and
- b) It is concessional in character and contains a grant element of at least 25 per cent.

This category relates to bilateral claims only. ODA lending includes, as well as straightforward loans, loans repayable in kind, and eligible loans in Associated Financing packages. Official Aid loans are loans that meet the criteria of ODA outlined above, except that they are to countries on Part II of the DAC List.

Other official credits

Non-ODA credits provided by the official sector, including direct and rescheduled export credits.

Guaranteed supplier credits

Supplier export credits guaranteed or insured by the official sector. Arrears are excluded here and included in short-term debt.

Guaranteed bank credits

Officially guaranteed financial trade credits, by definition held by banks. They are excluded from the bank claims shown in these tables to avoid double counting. Arrears are excluded here and included in short-term debt.

Financial markets

Banks

Data on bank claims are derived from reports to the Bank for International Settlements (BIS), and then adjusted by removing official or officially guaranteed financial credits which are already shown above.

Bonds

International debt securities of all maturities issued abroad. The data are obtained mainly from the BIS.

II Multilateral, Total

The data cover loans made by IBRD, IDA, regional development banks, EIB, the Council of Europe's Resettlement Fund and IMF (including use of Fund Credit) as well as other multilateral agencies.

Of which:

Concessional: covers all loans lent through concessional windows with a grant element of 25% or more.

Non-concessional: covers all loans lent through non-concessional windows and other loans with a grant element of less than 25%.

IMF, total: The use of Fund credit within the General Resources Account and outstanding loans under the SAF, PRGF and the Trust Fund.

III. Non-OECD creditors and other

Debt owed to non-OECD creditors, and some additional debt owed by banks including deposits of non-resident non-banks in banks.

CEECs/NIS creditors

This category identifies the claims held by Central and Eastern European countries and New Independent States of the former Soviet Union. In the absence of notification of an agreement on the value of rouble-denominated debt lent by the Soviet Union, amounts are still converted into US dollars at the exchange rate of 1.6 US\$ per rouble.

Other

The data include, in addition to claims held by all other non-OECD non-CEEC/NIS creditors, some additional debt owed by banks, including deposits of non-resident non-banks in banks. The latter was formerly obtained from the IMF but is no longer available from this source. It is now acquired or estimated using a variety of sources for the following countries: Argentina, Cote d'Ivoire, Cyprus, Egypt, India, Indonesia, Israel, Jordan, Korea, Malaysia, Malta, Mauritius, Papua New Guinea, Philippines, Poland, Sri Lanka, Sudan, Tunisia, Turkey, Uruguay. Deposits in banks that have been identified as short-term have been classified under short-term *non-bank deposits with banks*.

SHORT-TERM DEBT STOCKS

Includes bank, export credit claims and non-bank deposits with banks with an original maturity of under one-year, and arrears of principal and interest on both short- and long-term bank and export credit debt.

Banks

Short-term bank lending, including bridging loans and arrears on long-term unguaranteed bank lending. Guaranteed financial export credits are excluded.

Export credits

Supplier and financial credits with an original maturity of one year or less and arrears on all types of export credits.

Non-bank deposits in banks

The identified short-term deposits in banks of non-resident non-bank entities. These are deposits in banks of non-resident non-bank entities which are known to be short-term (i.e. they can be withdrawn on demand or within a period of one year or less after being deposited).

SERVICE PAYMENTS

All the categories of debt covered here are defined above.

Future amortisation on long-term debt

Amortisation payments due on long-term debt (other than repurchases of purchases of IMF credit on General Resources Account) in the year following the latest year for which debt stocks are available. These figures should be interpreted with caution, since the source materials do not take account of reschedulings and debt forgiveness arranged but remaining unreported, either pending signature of bilateral implementing agreements or pending original due date.

TECHNICAL NOTE

SOURCES OF DATA

The data presented are, for the most part, taken from reports made directly by creditors and supplemented in the case of some recipient countries by information from outside the reporting systems. These are supplemented by debtor data on debt owed to non-OECD bilateral official creditors and, on an ad hoc basis, other identified debt

Official Development Assistance (ODA), Official Aid (OA) and Other Official (OOF) lending. ODA, OA and OOF transactions are reported to OECD by DAC Member countries under the DAC and Creditor Reporting Systems.

Officially supported trade-related claims. Official and officially guaranteed trade-related claims are derived from semi-annual Creditor Reporting System (CRS) returns received by the OECD from its Member countries. Officially guaranteed or insured private export credits are reported by export credit guarantee agencies (such as ECGD, Hermes and COFACE in the United Kingdom, Germany and France respectively). Export credits extended directly to the foreign buyer by the official sector of the exporting country are reported by official export-financing institutions.

Financial markets. Central banks or other monetary authorities in BIS reporting countries report quarterly to the BIS on the aggregate external assets and liabilities² of commercial banks operating in their territories. Most of them also report semi-annually on a consolidated balance sheet basis (i.e., including affiliates, wherever located, of resident banks, and excluding foreign banks' affiliates resident in the reporting country), with a breakdown of the reported claims by

² See BIS quarterly survey *International Banking and Financial Market Developments*, and *Guide to BIS Statistics on International Banking*, April 1995.

³ See any issue of *International Financial Statistics*, International Monetary Fund.

residual maturity. The BIS also compiles data on international debt securities and the World Bank provides data on Brady bonds.

Claims of multilateral agencies (including use of IMF credit) are taken from published³ and unpublished information supplied by IMF and the World Bank and the accounts of the agencies themselves.

Claims of all categories owed to non-OECD creditors (e.g., Arab, CEEC/NIS creditors) are obtained from the World Bank's Debtor Reporting System (DRS).

In some cases, where the coverage of regular data sources is incomplete, gaps may be filled by data from other sources, for example, individual creditor or debtor country banking and aid reports, or by making estimates based on flows obtained from the OECD's DAC questionnaire or Balance of Payments figures published by the IMF. Data on *non-resident non-bank deposits in banks* are one example of where OECD fills in the gaps for some countries from a variety of sources and using estimates.

GEOGRAPHICAL COVERAGE

Creditor coverage

Official Development Assistance. Data are reported by the 22 Member countries of the Development Assistance Committee of the OECD: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, the United Kingdom, and the United States.

Officially supported trade-related claims. Data are collected by the OECD from Australia, Austria, Belgium, Canada, Czech Republic, Denmark, Finland, France, Germany, Hungary, Italy, Japan, Korea, Luxembourg, Mexico, the Netherlands, Norway, Poland, Portugal, Spain, Sweden, Switzerland, Turkey, the United Kingdom and the United States.

Bank Claims. Data are reported to the BIS by banks operating in the following countries: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Italy, Japan, Luxembourg, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, the United Kingdom and the United States (including the branches of US banks in Panama), and the following offshore financial centres: Bahamas, Bahrain, Cayman Islands, Hong Kong, Netherlands Antilles and Singapore.

Debtor Coverage

The OECD compiles debt figures for all countries on the DAC List of Aid Recipients, in effect, all non-OECD countries plus some OECD Members. Individual country data is shown in the publication for all countries with total external debt in excess of \$50 million in 1999. Data for countries with smaller amounts of debt can be obtained from the OECD on request and are included in the relevant regional and income group aggregates.

All debt owed by the former Yugoslavia, Soviet Union and Czechoslovakia has been allocated to successor states.

ESTIMATION

In order to obtain debt statistics from the available sources a degree of estimation is required for the following items:

a) *Estimates of disbursed trade credits.* Some of the trade-related data reported to the OECD under the Creditor Reporting System (but not the data on official export credits) include, in addition to disbursed credits, undisbursed credits or credit lines and, for a small number of reporting countries, the interest due over the entire life of credits. In order to arrive at figures for disbursed credits only, the OECD makes estimates to exclude undisbursed amounts and future interest due, using internal evidence in the forms in which the country data are reported.

b) *Estimates of double-counting with respect to the different data sets used to compile the debt figures.* There is a considerable amount of overlap between the data on bank claims and other data sets used in this publication, particularly regarding officially guaranteed financial credits (reported as both export credits and bank claims) and bonds held by banks (reported as both bonds and bank claims). Estimates are made for the double-counting and the amounts shown as bank debt are reduced accordingly.

c) *Estimates of double-counting with respect to amounts lent through offshore financial centres.* In the cases of the banking centres, Aruba, Bahamas, Bahrain, Barbados, Bermuda, Cayman Islands, Hong Kong, Lebanon, Liberia, Netherlands Antilles, Panama, Singapore, Vanuatu and the West Indies, claims on banks are excluded. Claims on other financial institutions are also estimated and excluded. For these centres, this procedure provides a more realistic picture of the external debt situation because they function essentially as intermediaries relending outside the economy in which they are resident. Furthermore, as these centres' claims are included in the data on claims on other countries, inclusion of the amounts concerned would have involved double counting in estimating the total debt of developing countries.

d) *Estimates of the breakdown between long- and short-term bank liabilities.* These are not reported to the BIS on an original maturity basis, and so are estimated from the semi-annual BIS survey, which shows debt by residual maturity, that is according to due payment dates. The volume of short-term bank lending is then estimated as the difference between the amount due in the first year following the reference date, and the amount reported a year earlier as falling due in the second year. This, in principle, eliminates debt due in the first year in respect of long-term claims reaching the last year of their life. However, there will be some error due to the fact that the figures used for the calculation are available only in US dollars. Thus any movement in exchange rates will affect the estimated maturity distribution. Moreover, as the offshore financial centres, other than Hong Kong, do not provide any information on the residual maturity structure of bank claims there is some under-estimation of short-term liabilities for borrowers taking up a high proportion of their non-trade-related liabilities from banks in these reporting centres.

e) *Estimates of debt stocks from cumulated flow data.* Where reported data are incomplete estimates may be made on the basis of previously reported debt stocks and cumulated flow data. Exchange-rate movements affect the precision of these estimates.

QUALITY OF THE AGGREGATED DATA

Whilst each specific category of debt shown here is complete in principle, there are some missing categories of debt for which no data are available. The main gaps are non-officially guaranteed supplier credit not channelled through banks, and domestically issued, or privately placed, debt held by non-residents. No estimates are made here for these categories of debt. In practice, the figures in this publication also contain imperfections attributable to several factors: departures from the technical specifications of the original data reported by creditors and debtors; the estimation procedures used to integrate the data from the sources consulted; the absence of DRS data for those countries or territories listed which do not submit reports to the World Bank; and for some countries, the possible inclusion of liabilities in respect of intermediate borrowing which should more properly be entered as debt of the country of residence of the ultimate borrower concerned.

Data for countries with large amounts of debt contracted from the former Soviet Union should be treated with caution since there are no reliable data for some countries. However, this problem is gradually being solved as debtors reach agreement with Russia, which joined the Paris Club group of creditors in 1997, on the evaluation and rescheduling of these claims.

The ODA and guaranteed trade credit debt for some countries which have received debt forgiveness may be overstated. This is because some creditors remove forgiven amounts from their books only as each due date is reached rather than immediately when the debt has forgiven. However, recent efforts to improve the OECD debt data have led to a continuing decline in this practice.

COMPARISON WITH OTHER PUBLICATIONS

The OECD figures may differ from the apparently similar figures presented for a given borrowing country by another international source, or by the country itself. The concept used here pertains to total gross long- and short-term disbursed debt due by all borrowers in a country to all non-resident creditors. Other sources use a different definition of debt e.g. public sector debt; foreign currency debt, long-term external debt or net external debt. For example, the *Joint BISIMF-OECD-World Bank Statistics on External Debt* shows figures for only certain types of external debt and does not present debt totals. Moreover it uses an alternative classification from that used in this publication.

Classifications by type of debt may also vary between creditor and debtor sources. For example, the debtor may not know whether an export credit carries an official guarantee and so may classify an officially guaranteed debt as an unguaranteed bank loan or trade credit. Similarly, *ODA debt* may be reported by the debtor as *other official debt*. There may also be differences in the maturity classification due to, for instance, imperfect estimation procedures or different practices concerning the classification of arrears on long-term debt.

Variations in valuation practices also give rise to differences between compilers, particularly concerning the treatment of debt which is in arrears or has been restructured. For example, creditors may write-down or write-off arrears, while debtors retain the face value on their books. On the other hand, when debt is cancelled, debtors may remove the amounts immediately while creditors may remove them over a period of several years.

The reader will find more information on the definition of external debt, the quality of the data used here and the publication practices of different compilers of debt data in *External Debt*:

Definition, Statistical Coverage and Methodology (OECD, 1988), *Debt Stocks, Debt Flows and the Balance of Payments* (OECD, 1994) and the *Joint BIS-IMF-OECD-World Bank Statistics on External Debt*, www.oecd.org/dac/debt.

B. External Debt Statistics

1998-2002

Series 3: 1998-2002

INTRODUCTION

The annual publication *External Debt Statistics* presents comprehensive statistics on the external debt of developing countries and countries in transition, in effect all countries which are on the DAC list of aid recipients. The publication is aimed at bankers, investors, financial policy makers, debt compilers. In addition, it is of interest to the development community, providing data on the official financing of development.

Due to breaks in series, the electronic data are provided in three sets. Series 1 and 2 are no longer revised, whereas the third set is regularly revised back to the starting year, 1998. This edition has been enhanced with additional series providing more detailed breakdowns of categories of debt. The present document provides notes on Series 3 (EDSDEBT3) which provides annual data from 1998.

The major changes in relation to Series 1 and 2 are the following:

- The long-term and short-term components of debt are no longer identified. Instead total external debt, which combined long and short-term debt is provided.
- External debt falling due within a year of the reference period is provided for each of the major categories of debt.
- Historical individual series on debt service payments are no longer provided.
- Official non-ODA loans which are not export credits are included as bilateral loans. Formerly, they were included under export credits.
- Short-term export credits include only short term original maturity export credits. Previously they also included arrears on long-term export credits.

The methodology for estimating capital market financing (banking and securities data) is different. For example, formerly some amounts of bank assets which were not debt instruments were included under bank claims. Also, there are differences in the way the financial market debt of offshore financial centres is treated in order to remove the credits arising from their international intermediary function.

The data are shown and may be queried according to three dimensions:

- 1: Series (Types of credit e.g. Multilateral and bilateral official and officially guaranteed credits, bank loans and deposits, debt securities; see the description of data series below).
- 2: Debtor countries – listed by individual country and country groups
- 3: Time period covers the years 1998 to 2002

DEBTOR COUNTRIES AND TERRITORIES AND GROUPS OF COUNTRIES

Statistics are provided for the countries and groups on the DAC list of aid recipients, as well as for the group of Heavily Indebted Poor Countries. For countries or territories with significant offshore activities, financial market data also include series adjusted to exclude some types of financial market lending which are assumed to be offshore activity. Group aggregates are calculated using the adjusted financial market series, wherever these have been provided for individual countries and territories with significant offshore activity. The data series and presentation are identical to those for individual countries.

Aggregate data are provided for the following groups:

- Least Developed Countries (LDCs);
- Low-Income Countries (LICs);
- Middle-Income Countries (LMICs);

- Upper Middle-Income Countries (UMICs);
- Central and Eastern European Countries and the New Independent States of the former Soviet Union (CEECs/NIS);
- Other high income countries (includes High-Income and More Advanced Developing Countries Countries).

The regional groups include all countries on the DAC list that are situated in those regions.

Separate information is also provided for the group of Heavily Indebted Poor Countries (HIPC) eligible for the debt relief initiative launched in 1996 and enhanced in 1999. At the time of preparation of this publication, the list included 42 eligible or potentially eligible countries. These are: Angola, Benin, Bolivia, Burkina Faso, Burundi, Cameroon, Central African Republic, Chad, Comoros, Congo, Congo Democratic Republic, Côte d'Ivoire, Ethiopia, Gambia, Ghana, Guinea, Guinea-Bissau, Guyana, Honduras, Kenya, Laos PDR, Liberia, Madagascar, Malawi, Mali, Mauritania, Mozambique, Myanmar, Nicaragua, Niger, Rwanda, Sao Tomé and Principe, Senegal, Sierra Leone, Somalia, Sudan, Tanzania, Togo, Uganda, Vietnam, Yemen and Zambia.

DATA SERIES

External debt statistics presents end-year figures on gross external debt which are derived largely from creditor sources. The series presented are grouped into two main classes of debt related to the creditor type: official credits and financial market credits. Included under official credits are official bilateral loans from OECD countries, official multilateral loans, and officially supported export credits. The *Financial Markets* category covers bank loans and deposits and debt securities. The data on *Official* and *Financial Market credits* are derived primarily from the data compilations of the OECD and BIS, adjusted to allow for overlaps between data series. Where credits are included in both official and private reporting (eg. an official loan extended by a BIS reporting public sector bank) the credit is always classified as official in this publication. A third category, *Other*, is also provided which shows debtor data, whenever possible, for creditors and instruments not covered by the creditor data.

In addition to the *total debt (all maturities)*, the amounts of stock identified as *due within a year* of the reference date are provided. The amounts *due within a year* cover all reported principal payments due within the period, as well as principal and interest arrears. These figures should be treated as minimum amounts due, because, in practice, the maturity breakdown of debt stocks is not always supplied by reporters.

The coverage of external debt presented in this publication is as comprehensive as possible. OECD's statistics of the officially supported lending of OECD countries and the major multilateral agencies, the banking data of 36 banking countries or centres and the BIS securities database provide good coverage of official and financial market lending and gaps are filled where possible. However, there remain some missing categories of debt for which no data have been identified. The main gaps are nonofficially guaranteed supplier credit not channelled through banks, domestically issued, or privately placed, debt securities held by non-residents and, except for a few countries, inter-company loans. No reliable estimate could be made for these categories of debt.

All amounts are shown to the nearest million in US dollars, converted at the exchange rate ruling at the date concerned. As a result, changes in amounts outstanding between two ends of period reflect, in part, changes in the dollar value of positions denominated in other currencies not associated with actual movements of funds. The importance of this effect depends on both movements in exchange rates and the currency composition of external debt, which varies from country to country. For example, between end-2001 and end-2002, an unchanged outstanding debt denominated in yen, increased in US dollar terms by 10% and one denominated in euros by 19%.

Individual data series

Official credits

Multilateral

The data cover virtually all official multilateral credits. Claims by the African Development Bank, Asian Development Bank, Caribbean Development Bank, European Development Fund, European Investment Bank, Inter-American Development Bank, IMF, Nordic Development Fund and World Bank (IBRD, IDA and IFC) are collected directly from lending institutions. Data on other official multilateral credits are obtained from the Debtor Reporting System (DRS) of the World Bank.

The concessional/non-concessional classification is determined by the lending facility for those multilateral creditors which provide concessional and non-concessional loans through different facilities. Otherwise, a credit is classified as concessional, where it is provided for the purpose of development and has a grant element of at least 25% (see ODA loans below)

Bilateral

The data cover Official Development Assistance (ODA) loans, Official Aid (OA) and other lending, excluding export credits, provided by the official sector of OECD countries. They are reported to the OECD by members of its Development

Assistance Committee (DAC), as well as Korea, through the OECD's Creditor Reporting System¹. In the case of incomplete reporting the data are estimated using OECD data on flows from DAC reporting system

ODA loans are concessional loans provided by the official sector to countries and territories on Part I of the DAC List of Aid Recipients. OA loans are loans that meet the same criteria of ODA as outlined below, except that they are to countries on Part II of the DAC list. They both include, as well as straightforward loans, loans repayable in kind, and eligible loans in Associated Financing packages. Also included are concessional loans from other non-DAC members as reported to the World Bank by borrowing countries.

To qualify as ODA a transaction must meet the following criteria:

- a) It is administered with the promotion of the economic development and welfare of developing countries as its main objective, and
- b) It is concessional in character and contains a grant element of at least 25%.

Other bilateral loans cover all official bilateral credits which are not ODA and not export credits.

In general, late interest accumulated on arrears is not included in these figures, as official lending agencies do not usually report these amounts until there is a debt renegotiation. This does not affect most debtor countries very much, if at all, but amounts can be very substantial for non-ODA bilateral loans when a country is in persistent arrears over a long period.

Data on all officially supported bilateral lending are reported to the OECD by Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Italy, Japan, Korea, Luxembourg, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, the United Kingdom and the United States.

Export credits

The data comprise under *Non-bank credits* all officially supported non-bank export credits, that is official export credits and supplier credits guaranteed or insured by the official sector of the creditor countries. They also include arrears and officially rescheduled amounts on officially guaranteed or insured bank export credits since these are taken over by the official sector from the original bank creditors. They are reported to the OECD by nearly all member countries.

Under *Bank credits*, the data include financial export credits guaranteed or insured by the official sector of the creditor countries. These are, by definition, bank loans. Arrears are excluded here since they are taken over by the (non-bank) official sector.

In general, late interest accumulated on arrears is not included in these figures, as export credit agencies do not usually report these amounts until there is a debt renegotiation. This does not affect most countries very much, if at all, but amounts can be very substantial when a country is in persistent arrears over a long period.

The data are reported by the 26 OECD members that provide officially supported export credits: Australia, Austria, Belgium, Canada, Czech Republic, Denmark, Finland, France, Germany, Hungary, Italy, Japan, Korea, Luxembourg, Mexico, Poland, the Netherlands, Norway, Portugal, Slovak Republic, Spain, Sweden, Switzerland, Turkey, the United Kingdom and the United States. Many of these officially supported credits are also guaranteed or insured by the public sector of the borrower's country.

Financial Markets

Bank loans and deposits

The *debt stock (all maturities)* are derived from the BIS locational international banking statistics², adjusted to exclude officially guaranteed *bank export credits*, as well as some other official credits included in the banking statistics, as these are already included under the appropriate official sector category.

Data on bank loans and deposits due within a year are not collected by the BIS. In their absence, the *bank loans and deposits due within a year* are estimated using the BIS data on consolidated bank claims due within one year, as follows: the ratio of the consolidated amounts due within one year to the total consolidated bank claims is applied to the total bank loans and deposits.

For certain countries or territories with significant offshore activity, an adjusted series *excluding offshore facilities* is also provided to exclude some types of financial market lending which are assumed to be offshore activity. In these cases, the adjusted data series exclude all interbank business and, in some cases, the data are limited to the debt of the public sector³, estimated by adjusting the BIS consolidated data on a pro rata basis. The country notes show the countries and territories concerned, and the

criteria for classifying them. It should be noted that these adjustments may not exclude all offshore activity in these countries.

All aggregates of country groups and debt ratios are calculated using the adjusted financial market series, wherever these have been provided for individual countries and territories with significant offshore activity. This is in order to avoid double counting (when the funds are on-lent from BIS reporting centres to developing or transition countries) or overestimation (when the funds are channelled back to developed countries).

Data are reported to the BIS by banks operating in the following countries and territories: Australia, Austria, Bahamas, Bahrain, Belgium, Bermuda (as from end-2002), Brazil (as from end-2002), Canada, Cayman Islands, Channel Islands (as from end-2001), Chile (as from end-2002), Denmark, Finland, France, Germany, Hong Kong SAR, India (as from end-2001), Ireland, Isle of Man (as from end-2001), Italy, Japan, Luxembourg, Netherlands, Netherlands Antilles, Norway, Panama (as from end-2002), Portugal, Singapore, Spain, Sweden, Switzerland, Taiwan (as from end-2000), Turkey (as from end-2000), the United Kingdom and the United States.

Debt securities

The *debt stock (all maturities)* and *debt due within a year* are obtained from the BIS data on international debt securities, which include money market instruments. Data on Brady bonds from the World Bank are added in, as are estimates for renegotiated debt in the case of Argentina, Ecuador, Pakistan, Russia and Ukraine.

Here too, an adjusted series *excluding offshore facilities* is also provided for countries with significant offshore activity by restricting the coverage to the securities of non-financial issuers, and, in certain cases to the public sector only. For this purpose, use is made of the BIS series on international debt securities classified by nationality of issuers. The country notes show the countries and territories concerned, and the criteria for classifying them. It should be noted that these adjustments may not exclude all offshore activity in these countries.

All aggregates of country groups and debt ratios are calculated using the adjusted financial market series, wherever these have been provided for individual countries and territories with significant offshore activity. This is in order to avoid double counting (when the funds are on-lent from BIS reporting centres to developing or transition countries) or overestimation (when the funds are channelled back to developed countries).

Other identified credits

Three other categories of debt are identified under this heading: *official loans and export credits from non-OECD sources*, *non-bank external claims on banks* and *inter-company loans from external affiliates*. In contrast to other series, they all involve debtor sources. The stock coverage is not complete and there is hardly any information on the *debt due within a year* for the second and third items.

Other official loans and export credits are bilateral credits from non-OECD sources. For those countries which report to the World Bank, these are drawn from Debtor Reporting System (DRS) figures. As DRS data for the latest reference year are not available for these categories at the time of publication, the *debt stock (all maturities)* for the latest year is always estimated by carrying forward the data from the previous year. In the case of four countries which do not report to the DRS (Afghanistan, Cuba, Democratic Republic of Korea, and Libya) debt data included in this category are derived from ad hoc creditor information, and should therefore be treated with caution.

The data on *non-bank external claims on banks* includes data directly available from debtor sources wherever possible (currently Argentina, China, India, Thailand, Turkey and the Philippines). Otherwise, estimates of the local banking system's liabilities to external creditors other than banks in BIS reporting countries, are made for some countries using IMF debtor derived data and BIS figures. These estimates are derived from the positive difference between the external liabilities reported by the domestic banking system of the debtor country (source: IFS) and the external lending of BIS reporting banks to its domestic banks.

Intercompany loans from external affiliates other than banks are all obtained from individual debtor country data. In this publication, they are only available for Argentina, Brazil, Thailand and the Philippines.

Memorandum item: Short-term export credits

The data include all supplier and financial credits with an original maturity of one year or less. They are reported to the OECD by members through the *Creditor Reporting System*.

Memorandum item: External debt/GDP and external debt/Population ratios

The GDP and Population figures used for these ratios are obtained from the World Bank Atlas, whenever available. The group ratios are calculated using only the individual countries in the corresponding group for which the ratio is available. For those countries for which an adjustment is made to exclude offshore activity, the adjusted total external debt is used to calculate these ratios.

Breaks in series and revisions

OECD provides external debt data going back to 1975 (available in electronic versions of *External Debt Statistics*, series 1 and 2). However, there was a major break in series in 1998 due to major changes in methodology and sources and improvements in the quality of reporting, and consequently a new set of series was created (series 3 in the electronic version) starting from 1998.

OECD frequently revises its primary data as a result of revisions and expansions in coverage. It also regularly reviews its methodology and selection of non-OECD data sources. Thus, as a result of changes in figures or methods, the statistics in *External Debt Statistics* for any given year may differ somewhat between different editions. Nevertheless, breaks in series are limited because wherever possible and appropriate the changes and revisions are applied to all years back to 1998.

Countries and Territories with adjustments to financial market series to exclude offshore facilities:

Financial market data for some countries and islands with significant offshore financial market borrowing has been adjusted to exclude some types of lending which are assumed to be offshore activity. Remaining high indebtedness in the financial market and export credit debt of these or other countries and territories may still be inflated by offshore intermediation and borrowing by offshore entities for which adjustments have not been made due to lack of appropriate information.

The countries concerned by financial market adjustments are divided into the following two groups for estimation purposes:
Countries with a financial market debt ratio to GDP of less than 3, and population greater than 120,000:
Barbados, Cyprus, Hong Kong, Lebanon, Malta, Mauritius, Singapore and Vanuatu.

Financial market claims are limited to borrowing by the non-bank sector (i.e. corporate and public sectors). In addition, debt securities are restricted to issuers with the nationality of the borrowing country.

Others:

Aruba, Bahamas, Bahrain, Bermuda, Cayman Islands, Gibraltar, Liberia, Marshall Islands, Netherlands Antilles, Panama, St Vincent, Turks and Caicos Islands, and Virgin Islands.

Financial market series are limited to claims on the public sector of the borrowing country.