

METHODOLOGICAL COMMENTS

ON THE EXTERNAL DEBT OF UKRAINE STATISTICS

Statistics of the gross external debt of Ukraine is compiled in accordance with international standards set forth in the following official publications: “*External Debt Statistics: Guide for Compilers and Users*” (2013), and the “Sixth Edition of the *Balance of Payments and International Investment Position Manual*” BPM6 (IMF, 2009).

Conceptual framework of the external debt statistics is consistent with the “*System of National Accounts*”, “*Guide to the Public Finances Statistics*”, and “*Guide to the Monetary and Financial Statistics*”.

1. The Gross External Debt Statistics of Ukraine

1.1. Terms’ definitions, conceptual framework and classifications

The **gross external debt** of the country as at the end of the reporting period is the outstanding amount of all actual current, and not contingent, liabilities that require payment(s) of principal and/or interest by the debtor at some point(s) in future and that are owed to non-residents by residents of an economy.

The external debt of the country includes all the liabilities of residents of Ukraine to nonresidents, which are classified as follows:

Sector breakdown:

- (a) the general government;
- (b) central bank;
- (c) deposit-taking corporations except the central bank; and
- (d) other sectors.

The government-guaranteed loans to Ukrainian corporations are classified as liabilities of other sectors.

Maturity breakdown: The data are broken down by maturity (short- and long-term) on the original maturity basis.

Instruments breakdown: The data are broken down by debt instruments:

- (a) currency and deposits;
- (b) debt securities;
- (c) loans;
- (d) trade credits and advances;
- (e) other debt liabilities; and
- (f) liabilities of enterprises under direct investment loans (intercompany lending).

Data on the intercompany lending, in accordance with the BPM6 requirements, are not broken down either by economic sector or original maturity.

1.2. Consistency of statistics and accounting principles

Gross external debt data are consistent with the corresponding data in the international investment position and balance of payments.

The gross external debt is calculated in US dollars. In order to convert the debt liabilities denominated in hryvnias and other foreign currencies into US dollars, the official exchange rate established by the NBU is used.

1.2.1. The general government sector

In order to compile the indicators of the **general government** external debt, information of the Ministry of Finance of Ukraine concerning the public external debt is used, including the liabilities to international financial organizations, foreign general governments, commercial banks, and other liabilities. The Ministry of Finance of Ukraine data regarding the liabilities under government external debt bonds are adjusted by the amount of their purchase by residents of Ukraine on external markets.

The amount of domestic government bonds acquired by nonresidents in the domestic market and the bonds issued for redemption of the budgetary arrears of VAT are also taken into account. Liabilities of local authorities on debt securities and external loans are determined according to bank reports on disbursement and servicing of long-term nonguaranteed loans.

1.2.2. Central bank

The NBU's data on liabilities on IMF's and IFO's loans are used for the calculation of the **central bank's** debt.

In addition, the sectors of the general government and central bank take into account the distribution of Special Drawing Rights, implemented by the International Monetary Fund in favor of Ukraine in the Q3 2009.

1.2.3. Deposit-taking corporations except the central bank

The balance sheet of the banks, ITRS data and bank reports on disbursement and servicing of foreign credits are the main database on the debt instruments of the **deposit-taking corporation except the central bank**. The balances on interbank loans are recorded under the "currency and deposits" item according to BPM6.

1.2.4. Other sectors

The external debt of **other sectors** is calculated on the basis of reports on disbursement and servicing of foreign non-guaranteed loans, ITRS data, Ministry of Finance of Ukraine data on the government-guaranteed private debt, and State Statistics Service of Ukraine data regarding short-term and long-term liabilities on trade credits.

It should be noted, that in accordance with the methodology of BPM6, the accumulated arrears of principal, interest and other payments due to be paid in accordance with the schedule of payments, but not actually paid, are reflected in the relevant primary financial instruments of the sectors of the economy in which it originated.

2. Short-term external debt on the remaining maturity basis

2.1. Terms' definitions and conceptual framework

Short-term external debt on the remaining maturity basis is the amount of payments on external liabilities of the country to due be paid during the next year.

Short-term debt (on the remaining maturity basis) includes short-term debt (on original maturity) and repayments of long-term debt (on original maturity) over the next year.

Short-term external debt on the remaining maturity basis consists of repayments on the principal and does not include interest payments.

2.2. Accounting principles

The compilation of short-term debt (on the original maturity basis) are made on the basis of gross external debt statistics for sectors in the context of debt instruments.

In order to determine **the amount of long-term liabilities repayments (on the original maturity basis)** for the next year, the main source of data is the Debt-service payment schedule for external debt, which is compiled by the National Bank of Ukraine on the basis of information from commercial banks.

The government-guaranteed loans to Ukrainian corporations are classified as liabilities of other sectors.

Repayments on bonds and other debt securities of the general government are adjusted for the amount of domestic government bonds owned by non-residents and due to be paid in the next twelve months.

In order to calculate the amount of repayments by currency and deposits of other deposit-taking corporations, except the central bank, the data of commercial banks regarding the assets and liabilities of banks by maturity (in terms of relations with non-residents) are used.

Repayments on long-term trade credits are calculated as a share (50%) of the total amount of debt for long-term trade credits.

3. Frequency of compilation and publication of data

The gross external debt statistics are compiled quarterly. The first publication comprises preliminary data, which can be adjusted during the next quarters and accepted as final in 5 quarters after their first publication.

Data on the external debt of Ukraine are published on quarterly basis in such breakdown:

(a) gross external debt of Ukraine at original value by institutional sector and by major long-term and short-term instruments;

(b) currency structure of the gross external debt by original value;

(c) geographic structure of private sector loans received from non-resident;

(d) geographic structure of arrears of external debt for real sector loans;

(e) short-term debt on a remaining maturity basis in sectoral breakdown;

(f) short-term debt on a remaining maturity basis in instrumental breakdown.