

## Changes in the dissemination and compilation of general government debt (*Boletín Estadístico*, chapters 11 to 14)

Statistics Department

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The outstanding balance of total general government debt, estimated on the basis of Excessive Deficit Protocol (EDP) criteria, stood in December 2012 at €884,416 million. In terms of GDP, the debt ratio stood in 2012 at 84.1%, 14.8 pp up on 2011.

It should be recalled that, as announced in the note on changes in the dissemination of general government debt statistics published on 12 December 2012, total general government debt is not obtained as the simple sum of the debt of the sub-sectors; rather, the claims and liabilities of the various general government units on and to one another are consolidated. In this respect, **the debt figures now being disseminated include operations relating to the Regional Government Liquidity Fund (FLA by its Spanish acronym)**, which came on stream in the closing months of last year. On one hand, State debt includes State-issued securities aimed at endowing the FLA with funds. On the other, loans from the FLA are recorded in regional governments' debt as they progressively draw down the Fund. In the figures for the total for the general government sector, these cross-relationships between the FLA and the regional governments are consolidated, as occurred with operations involving the Fund for the Financing of Payments to Suppliers (FFPP). At end-2012, the funds lent by the FLA amounted to €16,642 million (1.6% of GDP).

In addition, as a result of Eurostat's decision dated 31 July 2012<sup>1</sup>, the methodological treatment of trade credit has been changed. Under this decision, when suppliers of goods and services to general government transfer their trade credit fully and irrevocably to financial institutions, these liabilities should be recorded as loans granted to general government by these institutions and, therefore, be included in general government debt according to the EDP. This new treatment has entailed the **inclusion in general government debt of non-recourse factoring operations**. Through these operations, general government suppliers obtain from financial institutions the collection of their trade credit and, as a result, in the general government accounts the liability to the supplier is removed and is recorded as a debt vis-à-vis the financial institutions. The outstanding balance of these non-recourse factoring operations - which affect above all regional and local governments - stood at €4,832 million at end-2012 (0.5% of GDP). Tables 13.6 and 14.6 in the *Boletín Estadístico* offer the breakdown by government unit of the debt relating to these operations, along with the share of the FLA and FFPP.

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<sup>1</sup>[http://epp.eurostat.ec.europa.eu/portal/page/portal/government\\_finance\\_statistics/documents/Statist.record.of.some.operations.rel.to.trade\\_credits\\_i.pdf](http://epp.eurostat.ec.europa.eu/portal/page/portal/government_finance_statistics/documents/Statist.record.of.some.operations.rel.to.trade_credits_i.pdf).