

## GOVERNMENT DEBT

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

The government debt-to-GDP ratio, calculated as the amount of total gross 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

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 equity and investment fund shares and financial derivatives are not debt. Debt is thus obtained as the sum of the following liability categories: monetary gold and Special Drawing Rights (SDRs), currency and deposits; debt securities; loans; insurance, pension, and standardised guarantees; and other accounts payable. Importantly, debt securities are valued at market prices.

### Comparability

The comparability of data on general government debt can be affected by the delineation of the government sector. The degree of consolidation within the government sector may also have an impact on the international comparability

of data. Consolidated data are provided by all OECD countries, except: Chile, Japan, and Mexico.

The status and treatment of government liabilities in respect of their employee pension plans in the national accounts is diverse, making international comparability of government debt difficult. In particular, the 2008 SNA recognises the importance of the liabilities of employers' pension schemes, regardless of whether they are funded or unfunded. However, for pensions provided by government to their employees, countries have some flexibility in the recording of the unfunded liabilities. A few OECD countries, such as Australia, Canada, Iceland, Sweden and the United States, record unfunded liabilities of government employee pension plans in general government debt data. To enhance the comparability across OECD countries, an adjusted debt-to-GDP ratio is calculated for all countries by excluding from the gross debt these unfunded pension liabilities. For the aforementioned five countries, a debt-to-GDP ratio including unfunded pension liabilities, measures the impact of this recording on the ratio. For Australia, the difference between the two ratios accounts for 22.5% of GDP in 2014.

All countries compile data according to the 2008 SNA "System of National Accounts, 2008" with the exception of Chile, Japan, and Turkey, where data are compiled according to the 1993 SNA.

### Overview

In 2014, 19 OECD countries recorded adjusted debt-to-GDP ratios above 60% compared with 12 countries in 2007. In 2014, countries that recorded the highest debt-to-GDP ratios were Greece (180%), Italy (156%), and Portugal (150%). Japan recorded the highest debt ratio at 239% in 2013, the latest year available. In 2014, the lowest debt-to-GDP ratios were found in Estonia (14%) and Chile (23%).

Ireland recorded the highest increase in its debt-to-GDP ratio between 2007 and 2014 (98 percentage points), reaching a level of 125% in 2014. Other countries with a considerable increase of more than 50 percentage points in the period 2007-14 were Spain (76 percentage points), Portugal (72 percentage points) and Slovenia (68 percentage points). By contrast, Norway's government debt, as a percentage of GDP, declined by 23 percentage points between 2007 and 2014.

The rapid rise in debt-to-GDP ratios from 2007 reflects reduced tax revenues, increases in government budget deficits and the cost of government interventions to support the financial system.

### Sources

- OECD (2015), "Financial Balance Sheets", *OECD National Accounts Statistics* (Database).

### Further information

#### Analytical publications

- Bloch, D. and F. Fall (2015), "Government Debt Indicators: Understanding the Data", *OECD Economics Department Working Papers*, No. 1228, OECD Publishing.
- OECD (2015), *OECD Economic Outlook*, OECD Publishing.

#### Statistical publications

- OECD (2015), *National Accounts at a Glance*, OECD Publishing.
- OECD (2014), *National Accounts of OECD Countries, Financial Balance Sheets*, OECD Publishing.

#### Methodological publications

- OECD, et al. (2009), *System of National Accounts*, United Nations, New York.

### Websites

- Financial statistics, [www.oecd.org/std/fin-stats](http://www.oecd.org/std/fin-stats).

**Adjusted general government debt (excluding unfunded pension liabilities)***As a percentage of GDP*

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Australia	23.9	20.9	21.4	21.0	19.7	19.5	20.7	25.4	28.5	33.1	36.6	37.0	40.7
Austria	73.4	72.0	71.3	75.8	72.4	68.7	74.0	86.3	90.3	91.3	97.5	93.6	102.2
Belgium	118.0	114.4	110.1	107.6	99.7	93.5	100.8	109.2	107.4	109.8	119.9	117.7	129.3
Canada	84.8	80.3	76.5	75.8	74.9	70.4	74.7	87.4	89.5	93.1	95.9	92.3	94.6
Chile	..	..	..	17.4	14.1	12.2	12.4	13.4	15.6	18.3	18.8	19.4	23.1
Czech Republic	30.1	32.6	32.2	31.9	31.6	30.3	34.2	41.0	45.8	48.1	57.8	57.9	57.0
Denmark	58.1	56.1	52.4	45.1	40.5	34.6	42.0	49.5	53.8	60.6	61.5	58.0	60.6
Estonia	7.6	8.4	8.6	8.2	8.0	7.2	8.4	12.6	11.9	9.4	12.9	13.4	13.6
Finland	48.2	49.2	49.4	46.5	43.1	39.1	38.3	49.2	55.1	57.5	63.4	64.4	71.0
France	74.6	78.5	80.0	81.7	76.9	75.6	81.5	93.2	96.8	100.7	110.4	110.1	119.2
Germany	61.3	64.8	67.7	70.3	68.4	64.3	68.1	75.6	84.1	83.5	86.4	81.6	82.2
Greece	111.0	105.7	107.2	111.3	115.8	113.1	117.4	134.7	128.4	110.7	167.0	181.7	179.8
Hungary	60.0	60.7	64.1	67.1	70.7	71.5	75.0	84.1	86.0	95.0	97.9	95.9	99.3
Iceland	..	39.9	34.8	26.5	32.1	30.2	70.9	85.6	90.9	97.5	95.5	87.8	..
Ireland	34.1	32.9	31.5	31.4	27.6	27.4	47.5	67.8	84.6	109.2	129.7	133.0	125.4
Israel	94.9	100.2	98.0	95.7	85.4	81.3	81.0	84.0	80.3	78.6	79.0	77.0	..
Italy	116.9	114.2	114.6	117.4	115.0	110.6	112.9	125.9	124.8	117.8	136.0	143.2	156.2
Japan	161.8	172.3	178.8	180.2	180.0	180.0	184.2	207.3	210.6	226.5	234.8	239.3	..
Korea	..	..	..	..	..	..	..	..	..	..	..	..	..
Luxembourg	12.3	13.2	14.1	12.4	11.9	11.6	19.2	18.9	26.2	27.0	30.6	30.0	33.7
Mexico	..	42.5	38.0	35.5	34.9	37.9	41.9	44.3	40.8	46.4	49.6	48.7	..
Netherlands	56.9	58.0	58.0	57.1	51.0	48.2	61.0	63.7	67.6	71.6	77.4	76.4	81.0
New Zealand	..	..	..	..	..	..	..	..	..	..	..	..	..
Norway	38.7	48.0	49.9	46.9	57.8	55.6	54.2	48.1	48.4	33.8	34.5	34.8	32.4
Poland	..	54.8	53.7	54.4	54.5	50.9	53.9	57.1	60.7	61.1	60.7	62.6	65.9
Portugal	66.8	70.6	76.7	80.0	79.4	78.1	82.8	96.1	104.1	107.8	136.9	140.7	149.9
Slovak Republic	49.4	47.5	45.1	38.1	36.0	34.5	33.5	42.0	46.9	49.4	57.7	60.7	60.1
Slovenia	34.0	33.5	34.3	33.4	33.3	29.1	28.3	42.5	46.8	50.4	60.6	79.5	97.3
Spain	59.3	54.4	52.5	50.0	45.7	41.7	47.1	61.7	66.5	77.5	92.0	103.8	117.7
Sweden	57.7	56.6	56.0	56.9	51.0	45.4	44.0	47.2	44.8	45.1	45.3	47.3	53.8
Switzerland	58.9	57.4	58.1	56.1	50.1	49.9	46.1	44.9	43.5	43.3	44.5	..	..
Turkey	..	..	..	..	..	..	..	54.3	52.5	47.8	46.4	39.7	..
United Kingdom	46.0	45.6	48.9	50.8	50.0	51.0	61.7	75.5	88.0	101.5	106.6	102.6	113.6
United States	55.2	58.2	65.1	64.3	63.0	63.1	71.7	84.8	93.4	97.6	101.0	103.2	103.4
EU 28	..	..	..	..	..	..	..	..	..	..	..	..	..
OECD	..	..	..	..	..	..	..	..	..	..	..	..	..
Brazil	..	..	..	..	..	..	..	..	..	..	..	..	..
China	..	..	..	..	..	..	..	..	..	..	..	..	..
India	..	..	..	..	..	..	..	..	..	..	..	..	..
Indonesia	..	..	..	..	..	..	..	..	..	..	..	..	..
Russian Federation	..	..	..	..	..	..	..	..	..	..	..	..	..
South Africa	..	..	..	..	..	..	..	..	..	..	..	..	..

1 2 <http://dx.doi.org/10.1787/88893336216>**General government debt-to-GDP (including unfunded pension liabilities)***As a percentage of GDP*

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Australia	40.7	38.3	37.5	36.7	36.3	34.1	35.1	43.3	46.9	50.8	62.8	58.5	63.2
Canada	101.3	96.3	91.7	90.5	89.1	84.3	88.5	102.1	103.8	106.8	109.4	105.7	107.6
Iceland	..	66.1	59.6	49.7	54.9	49.8	95.7	109.4	114.6	122.1	120.2	112.2	..
Sweden	64.2	63.0	62.5	63.6	57.6	51.9	50.7	54.5	51.9	52.8	53.4	55.9	62.5
United States	70.5	71.4	79.2	78.5	76.2	76.5	92.3	105.7	116.0	121.6	124.7	123.8	123.2

1 2 <http://dx.doi.org/10.1787/88893336815>



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