Glossary

Public sector net debt (PSND): this item consolidates the net debt of the nonfinancial public sector and the Central Bank of Brazil (Bacen) with the financial system (public and private), the nonfinancial private sector, and the rest of the world.

Asset Adjustment encompasses:

i) acknowledgment of public sector debts generated in the past ("skeletons") and which have already produced a macroeconomic impact;

ii) effects of the process of privatizing companies (sale revenues and transfers of debts to the private sector;

iii) methodological adjustment of the foreign sector debt, due to conversion of the balances by the rate of exchange at the end of the period and of flows at the average rate of exchange of the month.

Public sector borrowing requirements (PSBR) - nominal concept: it is calculated on the basis of monthly growth in the net fiscal debt.

Public sector borrowing requirements (PSBR) - primary concept: this concept is equal to the nominal concept excluding outlays on nominal interest levied on the PSND, calculated on an accrual basis, and including interest revenues on international reserves. The average purchase rate of exchange is utilized to convert amounts expressed in dollars into real.

Implicit interest rate: it results from the ratio between nominal interest expenditures and revenues and the balances of debts or assets, plus the primary flows that occurred in the month in question.