

Stocks of public assets and liabilities in the fiscal sector's macroeconomic statistics

The Banco Central do Brasil (BCB) publishes different public debt statistics, including the Public Sector Net Debt (PSND) and the General Government Gross Debt (GGGD), the latter included in both the BCB and the International Monetary Fund's (IMF) concepts, which will from now on be highlighted in the fiscal statistics. The BCB also publishes the General Government Net Financial Worth (GGNFW) – which is the most comprehensive methodology – accounting for financial instruments that are not included in debt statistics.

The measurement of public sector's assets and liabilities can be made through different concepts and definitions that capture specific characteristics of the fiscal situation. Several methodological and operational aspects need to be considered in the compilation of these statistics, including the international comparability and the availability of primary data for the compiling institution. This box analyses comparatively three fiscal stock statistics compiled by the BCB: the Public Sector Net Debt (PSND), the GGGD, and the GGNFW. These statistics are based on the Brazilian institutional framework and on the international standard¹ defined by the following manuals: [the Government Finance Statistics Manual 2014 \(GFSM 2014\)](#), published by the IMF, and [the Public Sector Debt Statistics: Guide for Compilers and Users](#), published by a group of international organizations under the coordination of the IMF.

Public Sector Net Debt

Regarding debt statistics, the measure with broader coverage released by the BCB is the PSND, which includes the entire non-financial public sector, comprising, according to the GFSM 2014, the general government and non-financial public corporations. The general government comprises institutions that primarily carry out government-related activities, including the central government (federal), state and municipal/local governments, and social insurance funds, for the countries that adopt this administrative-political structure. The PSND also includes non-financial public corporations, entities that, among other characteristics, have a legal constitution different from that of their owners/shareholders and, in Brazil, include public companies and non-financial mixed-capital corporations belonging to the three spheres of government, except for the companies of the Petrobras Holding, which are excluded from the PSND since 2009.²

Central banks, according to the GFSM 2014 (and all other international statistics manuals, starting with the [System of National Accounts, of 2008](#)), must be included in the subsector of financial public corporations (financial public sector). According to the Brazilian methodology, the BCB is included in the PSND as a central government component since the beginning of the compilation of fiscal statistics in 1991. This exception to the international standard is due to specific characteristics of the Brazilian institutional framework, in which part of the revenues and expenses of the Monetary Authority are included in the Federal Government General

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- 1/ The international standard defines the group of public sector financial assets and liabilities and classify them by financial instruments, which make up the foundation of the fiscal sector's macroeconomic statistics, compiled by the BCB. These instruments, primarily considering their legal and liquidity characteristics, include, among others, financing, deposits, government securities, accounts payable and receivable, equity shares, and financial derivatives. The last two financial instruments, although included in the public institutions' net worth, are not debt instruments, since they do not require payment of principal and interest. The international standard also acknowledges non-financial assets (buildings, land, mineral stocks, etc.) as public sector assets. However, these assets are not included in the BCB's fiscal statistics. Therefore, these statistics do not comprise total net worth (financial and non-financial) either for the general government or the public sector.
- 2/ Statistics excluding Petrobras were backdated to December 2001 for comparability purposes. It is also noteworthy that, in 2010, companies of the Eletrobras Holding (privatized in 2022) were also excluded from the PSND, with the adoption of a similar procedure, equally backdating fiscal statistics to December 2001. Further information about the exclusion of these companies may be found at [Manual de Estatísticas Fiscais](#) (Portuguese only).

Budget (OGU). Therefore, regarding Brazilian fiscal statistics, in terms of the economy, the BCB is part of the central government and this fact is reflected in the statistics. The BCB's [*Manual de Estatísticas Fiscais* \(MEF\)](#) (Portuguese only) is explicit on this topic:

"The Banco Central do Brasil is included in the calculation of net debt and borrowing requirements due to the specificities of the Brazilian institutional arrangement, in particular the system for transferring the Monetary Authority's results to the National Treasury and the inclusion of its administrative and personnel costs in the Federal Budget Law, as established by the Fiscal Responsibility Law (LRF) (art. 5, § 6)."

Financial assets and liabilities recorded in the PSND include government securities debt on the market, repurchase operations carried out by the BCB, monetary base, bank debt, net external debt, deposits and investments by public entities, and international reserves. The PSND therefore shows the balance between assets and liabilities of all spheres of the non-financial public sector.

In the methodology adopted by the BCB, accounts payable (e.g. values to be paid) and receivable (e.g. outstanding debt) are not included in the PSND, even though they are recognized as debt financial instruments by the international standard. This methodological discrepancy stems from the fact that Public Sector Borrowing Requirement (PSBR) – which includes the primary balance and the nominal accrued interest – is calculated based on the change in the PSND, using a methodology known as "below the line", which allows the fiscal balance to be calculated from the perspective of the net financing granted to the public sector. In its primary concept, the Brazilian PSBR is calculated using cash accounting, while accounts payable and receivable are more directly related to accrual accounting. This is the reason why their inclusion in the PSND would mean a change in the methodology to calculate the public sector's primary balance. Accounts payable and receivable are included in the GGNFW, which will be later addressed.

General Government Gross Debt

The BCB also publishes another public debt concept, the GGGD, which considers only the Federal Government, state and local governments' liabilities– including Social Security. Two characteristics distinguish the GGGD from the PSND: i) it includes only financial liabilities and ii) it excludes state-owned companies and the BCB itself, in compliance, in this case, with the general government definition by the international standard. It is noteworthy that the BCB also publishes information on the General Government Net Debt (GGND), incorporating financial assets held by the general government.

The narrower scope of the GGGD has contributed for its diffusion across countries, being widely used in international comparisons. This was one of the main reasons for its inclusion in the fiscal statistics compiled by the BCB from 1998 onwards.

In the methodology followed until 2007, the GGGD incorporated all securities issued by the National Treasury, including those in the BCB's portfolio. In addition to being aligned with the international methodology, which is the reason why this methodology became known as "GGGD in the IMF concept" (GGGD – IMF Concept), this inclusion was related to the fact that, until the enactment of Complementary Law 101 (FRL), in 2000, the BCB was authorized to issue its own securities.³ The last redemptions of these securities took place in November 2006, according to their maturity schedule. As long as there were BCB's securities debt on the market, one could make a certain distinction between securities issued to cover budget deficits and securities issued to implement the monetary policy. This justified the inclusion of all the National Treasury's securities debt – even of the entire BCB's securities portfolio – in the GGGD, as repurchase operations could be carried out with the Monetary Authority's own securities, despite the possibility of also using National Treasury's securities to conduct monetary policy.

3/ The LRF allowed the BCB to continue issuing its own securities up to two years after its enactment.

In early 2008, the BCB changed its methodology to calculate the GGGD, adopting the “GGGD in the BCB concept” (GGGD – BCB Concept), retro-acting the new series to December 2006. With the redemption of the remaining securities issued by the BCB and the legal prohibition on new issuances, the monetary policy started to be conducted exclusively through securities issued by the National Treasury. The close relationship between the BCB’s securities portfolio and the conduct of monetary policy reinforced the understanding that these securities did not actually constitute debt of fiscal nature. For this reason, they were excluded from the GGGD.⁴ Conversely, repurchase operations carried out by the BCB were incorporated into the GGGD, given their link to the National Treasury’s debt on the market, since, unlike portfolio’s securities, which do not require the National Treasury to effectively pay updated principal, they express a BCB’s commitment to financial institutions using those securities as collateral. In this regard, its inclusion in the GGGD represents the incorporation of the entire federal securities debt held by the market.

In sum, the GGGD methodology adopted by the BCB since 2008 reflects the Brazilian institutional arrangement. However, the international standard, based on criteria such as harmonization and comparability among countries, recommends that the entire National Treasury’s securities in the BCB’s portfolio be included in fiscal statistics, since they represent debt with an institutional unit outside the regular scope of the general government.

To this end, in August 2024, a technical assistance mission was carried out by the IMF’s Statistics Department, upon request of the National Treasury Secretariat (STN). The purpose was to assess the adequacy of the Brazilian fiscal statistics to the GFSM 2014. Among the recommendations of the mission’s final report was classifying the BCB as a public financial corporation and, consequently, including in the GGGD the entirety of securities issued by the National Treasury for the BCB’s portfolio. The adoption of this and other recommendations still depends on the analysis of national compilers, among others, regarding their suitability to the country’s institutional framework.

It is worth noting that, focusing on transparency, even after the methodological change in the GGGD compilation, the BCB continued to publish the GGGD – IMF Concept in its special tables.⁵ Following this same guideline of transparency and comparability, as of the March 2025 Press Release – Fiscal Statistics, Table 17 will present the GGGD in both the current methodology (GGGD – BCB Concept) and the methodology used until 2007 (GGGD – IMF Concept). The difference between the concepts, which corresponds to the number of free securities in the BCB’s portfolio⁶, will also continue to be shown. The following table and figure show both methodologies for the GGGD compilation. Free securities in the BCB’s portfolio showed an average difference equivalent to 11.2% of GDP throughout the last four years.

4/ See the Technical Note included in [Press Release – Fiscal Statistics, February 27, 2008](#) and box [Alteration in the Methodology for Calculating the General Government Gross Debt \(GGGD\)](#) in the March 2008 IR.

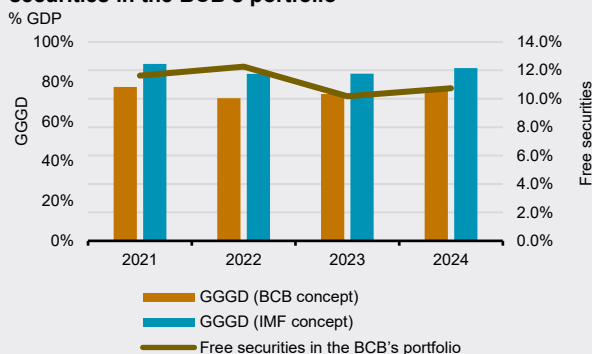
5/ See special table [Gross and net general government debt historical series \(methodology effective until 2007\)](#).

6/ The BCB’s free portfolio is the difference between the National Treasury’s securities debt in the BCB’s portfolio and the stock of repurchase operations. The calculation of the free portfolio amount, pursuant to Law 13,820 of 2019, is presented in Table 5 of the [Press Release – Open Market Statistics](#).

Table 1 – General Government Net and Gross Debt
Accumulated in the year

Itemization	BRL million			
	December 2023		December 2024	
	Balances	% GDP	Balances	% GDP
General Government Gross Debt - IMF concept (A=B+J)	9 192 466	84.0	10 251 233	86.8
General Government Gross Debt - BCB concept (B=E+F)	8 079 270	73.8	8 984 237	76.1
Public Sector Net Debt (C=D+L+M)	6 612 830	60.4	7 220 738	61.2
General Government Net Debt (D=B+G+J)	6 521 378	59.6	7 445 160	63.1
General Government Internal Debt (E)	7 119 695	65.1	7 780 063	65.9
Securities debt on the market	5 654 952	51.7	6 236 545	52.8
BCB's repurchase operations	1 205 385	11.0	1 250 516	10.6
Bank debt	259 359	2.4	293 002	2.5
General Government External Debt (F)	959 575	8.8	1204 174	10.2
General Government Credits (G=H+I)	-2 671 087	-24.4	-2 806 073	-23.8
Domestic credits (H)	-2 670 859	-24.4	-2 805 786	-23.8
General Government Availability	-1 883 850	-17.2	-1 887 151	-16.0
Investments in funds and programs	- 310 745	-2.8	- 359 321	-3.0
FAT resources in the banking network	- 402 477	-3.7	- 448 227	-3.8
Other	- 73 787	-0.7	- 111 088	-0.9
External credits (I)	-229	-0.0	-287	-0.0
Free securities in the BCB's portfolio (J)	1 113 196	10.2	1 266 997	10.7
BCB's net debt (L)	44 007	0.4	-267 060	-2.3
Memo: Interest-bearing voluntary deposits	128 979	1.2	164 526	1.4
State-owned companies net debt (M)	47 444	0.4	42 639	0.4
GDP	10 943 345		11 804 452	

Figure 1 – General Government Gross Debt and free securities in the BCB's portfolio



General Government Net Financial Worth (GGNFW)

The measurement of the stock of the general government or public sector financial assets and liabilities can be restricted to financial debt instruments or encompass an even broader set of public institutions' balance sheets, referred to in the statistical methodology as financial assets. As part of the process of improving and harmonizing fiscal statistics with international standards, since 2017 the BCB has also published the GGNFW, statistics that are part of the GFSM 2014 and are aligned with its guideline, including the accrual accounting criterion for calculating fiscal flows. Initially published once a year, the GGNFW has been published quarterly since 2020.

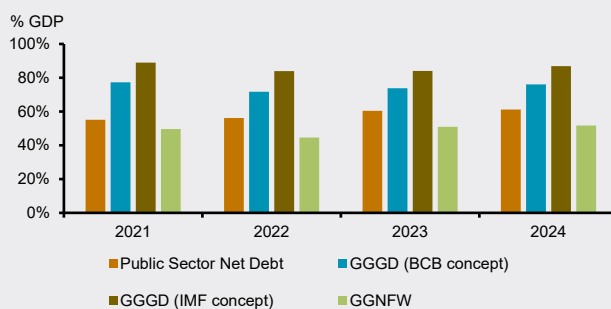
Although including only the general government, the GGNFW broadens the scope of financial instruments in relation to the debt indicators published by the BCB (PSND and GGGD). Besides the aforementioned inclusion of accounts payable and receivable, which are debt instruments not included in the PSND and GGGD, it also considers other financial assets and liabilities that are not debt instruments, such as equity shares. The incorporation of accounts payable and receivable makes it possible to calculate the change in financial equity in a more consistent way regarding the accrual accounting criterion set out in the GFSM 2014. Another distinction of the GGNFW is that government securities and equity shares are recorded at market value, unlike in PSND and GGGD statistics, in which the entire assets and liabilities are recorded by the nominal value.

Table 2 – General Government Net Financial Worth^{1/}
September 2024

Itemization	BRL million	%GDP
Financial assets	4 113 053	35.7
<i>by instrument</i>		
Currency and deposits	2 804 991	24.3
Securities, except stocks	59 303	0.5
Loans	103 306	0.9
Stocks and other equity share	747 485	6.5
Other receivables	397 968	3.5
<i>by residence</i>		
Domestic	4 112 844	35.7
External	210	0.0
Liabilities	10 075 482	87.4
<i>by instrument</i>		
Securities, except stocks	9 172 420	79.6
Loans	482 808	4.2
Other payable accounts	420 254	3.6
<i>by residence</i>		
Domestic	8 979 335	77.9
External	1 096 147	9.5
Net Worth (Assets - Liabilities)	-5 962 428	-51.7

The following figure shows, as a percentage of GDP, the PSND, the GGGD – BCB Concept, the GGGD – IMF Concept, and the GGNFW over the last four years. The inclusion of the BCB's free portfolio implies an increase of 10.7 p.p. of GDP in the comparison between the GGGD – BCB Concept, 76.1% of GDP, and the GGGD – IMF Concept, 86.8% of GDP, in 2024. In the four-year period analyzed, it can be observed that the GGNFW remained at a (negative) level close to 50% of GDP, lower than the PSND.⁷

Figure 2 – PSND, GGGD, and GGNFW



1/ To facilitate visual comparison, the (negative) debit balance of the GGNFW recorded in the period is expressed with a positive sign. In 2024, data referring to September.

7/ As for the GGNFW, negative values indicate liabilities greater than assets.

This box presented the different concepts of stocks of financial assets and liabilities in the fiscal sector's macroeconomic statistics compiled by the BCB. Among the public debt concepts, the PSND stands as the most comprehensive one. Regarding the GGGD, it is published regularly by the BCB in two different concepts. As of March, both concepts will be explained in the fiscal statistics, making more transparent. The GGGD – BCB Concept remains the concept used in fiscal statistics, in compliance with the MEF. Finally, the GGNFW stands as the most comprehensive methodology currently published, because of the inclusion of additional financial instruments in comparison with the other concepts.