



Government Finance Statistics IMF Statistics Department

Overview of Changes from GFSM 1986 to GFSM 2001, and Migration Paths to GFSM 2001

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GFSM 1986 vs GFSM 2001

Coverage

GFSM 1986

- **Defined on function of government basis**
 - Includes relevant transactions of any unit carrying out functions of government

GFSM 2001

- **Defined on the basis of institutional units**
 - Consistent with SNA93

GFSM 1986 vs GFSM 2001

Analytic Framework

GFSM 1986

- **Based on classifying cash transactions and stock of debt**
 - Not an integrated system

GFSM 2001

- **Focus on economic flows, not cash flows:**
 - Covers all stocks & flows
 - Flows: transactions & other economic flows
 - Stocks: Full balance sheet
 - Distinguishes between changes in net worth and distribution of net worth
 - Fully integrated system

Diagrams

GFSM 1986 vs GFSM 2001

Classification Structure

GFSM 1986

- **Based on analytic framework**
 - **Inflow / outflow**
 - **Repayable / nonrepayable**
 - **Required / unrequired**
 - **Current / capital**
 - **Financial assets / liabilities**
 - **Public policy / liquidity management**
 - **Outstanding debt**

GFSM 2001

- **Based on analytic framework**
 - **Transactions that change net worth**
 - **Revenue**
 - **Expense**
 - **Transactions in assets and liabilities**
 - **Other economic flows**
 - **Balance sheet**

GFSM 1986 vs GFSM 2001

Aggregates (1/5)

GFSM 1986

- **Total revenue & grants**
 - **Current revenue**
 - Tax revenue
 - Nontax revenue
 - **Capital revenue**
 - **Grants**

GFSM 2001

- **Total revenue**
 - **Taxes**
 - **Social contributions**
 - **Grants**
 - **Other revenue**

GFSM 1986 vs GFSM 2001

Aggregates (2/5)

GFSM 1986

- **Total Expenditure**
 - **Current expenditure**
 - Goods & services
 - Interest
 - Subsidies and other current transfers
 - **Capital expenditure**
 - Acquisition of fixed assets, stocks, and land & intangible assets
 - Capital transfers

GFSM 2001

- **Total expense**
 - Compensation of employees
 - Use of goods & services
 - Consumption of fixed capital
 - Interest
 - Subsidies
 - Grants
 - Social benefits
 - Other expense

GFSM 1986 vs GFSM 2001

Aggregates (3/5)

GFSM 1986

- Lending minus repayments
- Financing
 - Change in cash, deposits
 - Domestic
 - Foreign
 - Net borrowing
 - Domestic
 - Foreign

GFSM 2001

- Transactions in non-financial assets
- Transactions in financial assets
- Transactions in liabilities

GFSM 1986 vs GFSM 2001

Aggregates (4/5)

GFSM 1986

GFSM 2001

- **OEF's in non-financial assets**
- **OEF's in financial assets**
- **OEF's in liabilities**

GFSM 1986 vs GFSM 2001

Aggregates (5/5)

GFSM 1986

- **Stock of outstanding debt**
 - **Face value (amount to be repaid at maturity)**

GFSM 2001

- **Stock of nonfinancial assets, financial assets, and liabilities**
 - **Market prices**

GFSM 1986 vs GFSM 2001

Balancing Items

GFSM 1986

- **Overall deficit / surplus**
=
Total revenue and grants
Minus
Total expenditure and
lending minus
repayments
=
Total financing (opposite
sign)

GFSM 2001

- **Net operating balance**
=
Revenue
Minus
Expense
- **Net lending/borrowing**
=
Net operating balance
Minus
Net acquisition of NFAs
= Financing (same sign)

GFSM 1986 vs GFSM 2001

Statistical Tables

GFSM 1986

- **A: Revenue & Grants**
- **B: Expenditure (COFOG)**
- **C: Expenditure and L-R (by economic type)**
- **D: Financing (by holder)**
- **E: Financing (by instrument)**
- **F: Total Outstanding Debt**

GFSM 2001

- **1: Revenue**
- **2: Expense (by economic type)**
- **3: Transactions in assets & liabilities (by instrument)**
- **4: Holding gains in assets & liabilities**
- **5: Other volume changes in assets & liabilities**
- **6: Stocks of assets and liabilities (balance sheet)**
- **7: Outlays (COFOG)**
- **8: Transactions in financial assets & liabilities (by sector)**

GFSM 1986 vs GFSM 2001

Summary Statements

GFSM 1986

- **Summary Table of Major Components (cash)**

GFSM 2001

- **Statement of Government Operations**
- **Statement of Sources and Uses of Cash**
- **Statement of Other Economic Flows**
- **Balance Sheet**

Migration from GFSM 1986 to GFSM 2001 (1/2)

- **Implementation of fully integrated GFSM 2001 system will**
 - Take time
 - Need to progress at a pace determined by the differing needs and circumstances of country involved, including available resources
- Has to develop a **migration plan / path**
- Detailed discussion of possible migration plans later in the course

Migration from GFSM 1986 to GFSM 2001 (2/2)

- **Likely that many countries will broadly follow similar paths as they implement GFSM 2001, e.g.:**
 - **1st step, to classify cash data in GFSM 2001 framework**
 - **2nd step, to supplement cash data with additional, non-cash information (e.g., grants in kind)**
 - **3rd step, to supplement cash data with significant accrual information (e.g., interest)**
 - **4th step, to implement accrual accounting system**