

# STATISTICAL PRESS RELEASE



BANCO DE PORTUGAL  
EUROSISTEMA

N.º 7 • June 2014

## Banco de Portugal publishes general government debt data for April 2014

General Government debt data reached 225.9 billion euro in April 2014, an increase of 5.2 billion euro when comparing with the previous month.

The increase in debt results mainly from the financing granted by the State to three public corporations (CP - Comboios de Portugal, E.P.E., Companhia Carris de Ferro de Lisboa, S.A. and STCP - Sociedade de Transportes Coletivos do Porto, S.A.).

The financing of the State to those corporations was 1.5 billion euro, resulting from the change in the financing strategy of these public corporations, (as the State seeks to replace bank lending with State financing).

In addition to the impact on debt coming from the financing needs of the State, the financial support to these companies triggered the immediate recording of their total debt as State debt, in accordance with the rules of compilation of Maastricht debt, defined in the European Union<sup>1</sup>. Therefore, government debt includes, from April 2014 onwards, the additional amount of 3.5 billion euro of bank lending to those corporations.

The company with the largest debt is CP, which will be reclassified in the general government sector, in the framework of the new European System of National and Regional Accounts (ESA2010). The three

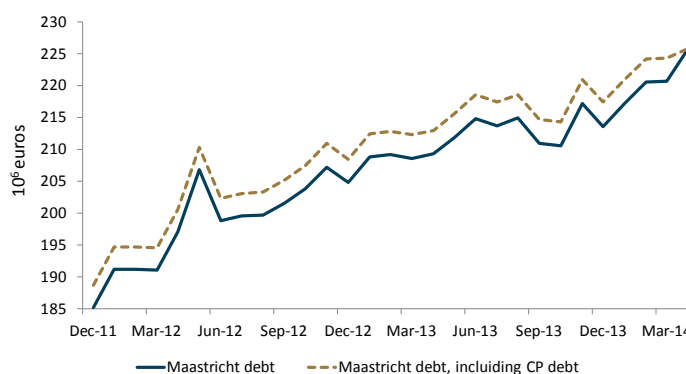
corporations are currently classified in the institutional sector of non financial corporations.

Therefore, from September 2014 onwards, the whole time series of Maastricht debt will be revised, in part due to the inclusion of the debt of CP. Thus, in the new series, the increase of government debt in April will be 1.6 billion, comparing with an increase of 5.2 billion in the current series.

The chart shows the evolution of the series of Maastricht government debt with and without CP.

Chart 1

General government debt



<sup>1</sup> The financial support of general government to corporations in financially distressed situations (for example where the corporation has negative own funds) will trigger the reclassification of the debt of these entities as debt of general government. The rationale of this rule is that the financing granted to these companies is the recognition that they are not able to keep servicing their debt with sustainable costs. This means that their debt should be considered as government debt. The three companies that received financing in April 2014 had negative own funds in the end of 2013.

## Annex

## General government debt

## General government debt

Source: Banco de Portugal, Instituto Nacional de Estatística

		Apr-13	May-13	Jun/13	Jul/13	Aug-13	Sep-13	Oct-13	Nov/13	Dec-13	Jan/14	Feb-14	Mar/14	Apr-14
		(10 <sup>6</sup> euros)												
		1	2	3	4	5	6	7	8	9	10	11	12	13
<b>End of period outstanding amounts</b>														
1	Maastricht debt	209 317	211 896	214 843	213 775	214 911	210 972	210 603	217 192	213 631	217 207	220 591	220 684	225 897
2	Currency and deposits	9 429	9 420	9 504	9 560	9 739	10 962	11 159	12 010	10 504	11 032	11 191	11 422	11 740
3	Loans	85 735	85 622	88 248	87 665	87 992	87 219	86 928	92 519	93 851	94 198	94 786	96 486	101 064
4	Short-term	1 989	1 969	2 021	1 740	1 667	1 348	1 199	1 137	1 323	1 336	1 349	1 337	2 415
5	Long-term	83 746	83 653	86 226	85 925	86 325	85 872	85 730	91 382	92 528	92 862	93 437	95 149	98 649
6	Securities	114 153	116 854	117 091	116 550	117 180	112 791	112 515	112 663	109 275	111 977	114 613	112 776	113 092
7	Short-term	11 004	9 329	8 569	7 106	8 149	8 695	9 072	9 319	6 650	6 551	6 639	6 639	6 167
8	Long-term	103 150	107 525	108 523	109 444	109 031	104 096	103 443	103 345	102 625	105 426	107 974	106 137	106 926
Memo item:														
9	Maastricht net debt of deposits of the central government	191 021	191 705	193 584	194 309	193 876	193 126	195 425	196 890	196 304	196 844	196 920	197 312	202 276
(as a percentage of GDP)														
10	Maastricht debt	-	-	131.3	-	-	128.8	-	-	129.0	-	-	132.3	-