



# **Government Finance Statistics / IMF Statistics Department**

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## **Overview of GFSM 2001 Classification System**

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# Contents of Lecture

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- **Introduction**
- **Characteristics of GFS transactions**
- **Classifications**
- **Statistical tables**
- **Summary statements**
- **Analytical balances**
- **Classification coding system**

# F L O W S

**GFSM2001  
ANALYTIC  
FRAMEWORK**

## TRANSACTIONS

**Revenue**

*minus*

**Expense**

= NET OPERATING  
BALANCE  
*minus*

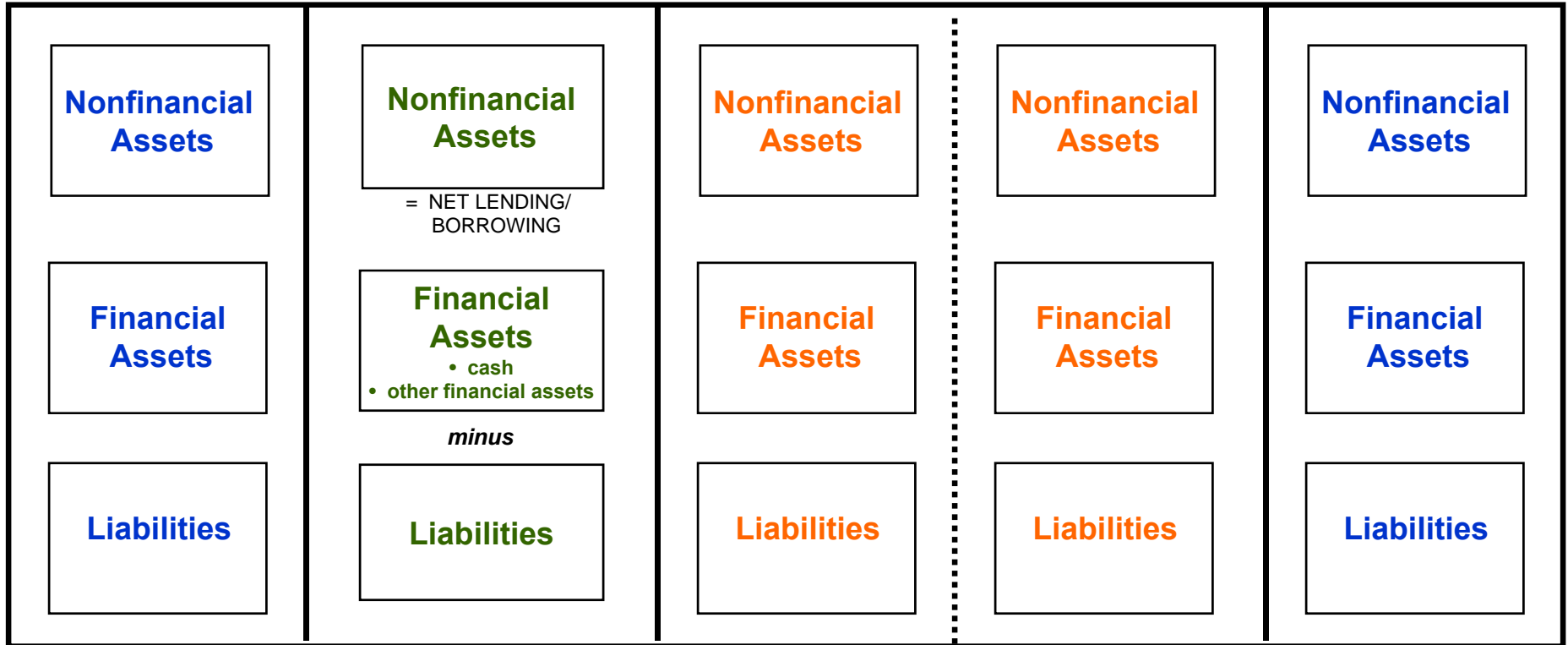
## OTHER ECONOMIC FLOWS

**Holding Gains  
& Losses**

**Other Changes in  
the Volume of Assets**

**OPENING  
BALANCE  
SHEET**

**CLOSING  
BALANCE  
SHEET**



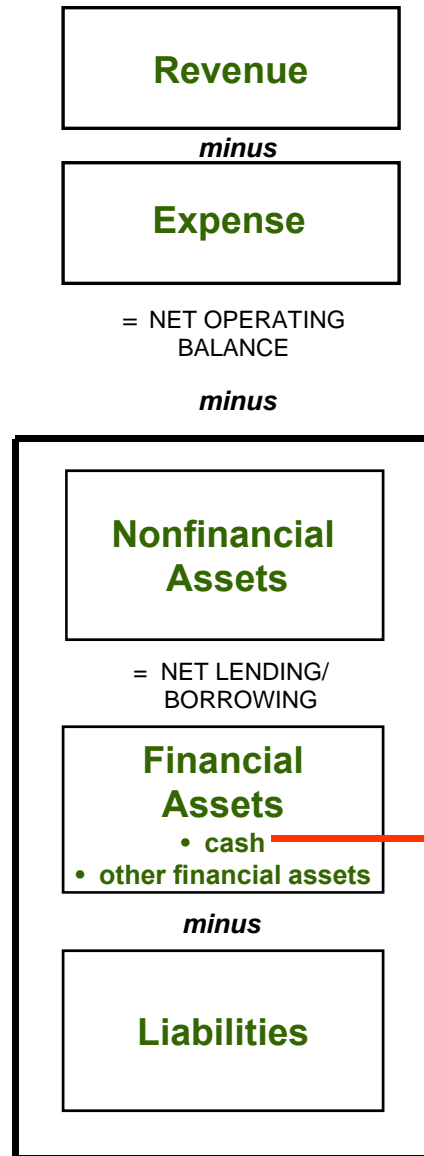
**Net Worth**

**Net Worth**

**Changes in Net Worth**

# STATEMENT OF GOVT. OPERATIONS VS. CASH FLOW STATEMENT

## Statement of Government Operations



## Statement of Sources & Uses of Cash

Cash inflows and outflows from transactions:

- Operating activities
  - Purchases & sales of nonfin. assets
  - Financing activities
- = Net change in the stock of cash

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# Introduction

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- **Purpose of classification is to organize data in a way that is analytically meaningful**
- **GFS data classification system comprises three elements:**
  - **Classifications**
    - Used for recording and storage of data
  - **Statistical tables A – E (*GFSM 2001*, Appendix 4)**
    - Used for publication and analysis of data
  - **Summary Statements**
    - Used for publication and analysis of data

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# Characteristics of GFS Transactions

(1/2)

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<b>Characteristic</b>	<b>Transaction Type</b>
<b>Inflows or Outflows</b>	<b>Revenue, Financing, NFAs</b> <b>Expense, Financing, NFAs</b>
<b>Exchange or Transfer</b>	<b>Revenue, Expense, Financing, NFAs</b> <b>Revenue, Expense, Financing, NFAs</b>
<b>Repayable or Nonrepayable</b>	<b>Financing (Fin. assets &amp; liabilities)</b> <b>Revenue, Expense, NFAs</b>

# Characteristics of GFS Transactions

(2/2)

<b>Characteristic</b>	<b>Transaction Type</b>
<b>Required or Unrequited</b>	<b>Exchanges</b>  <b>Transfers</b>
<b>Current or Capital</b>	<b>Revenue, Expense</b>  <b>Revenue*, Expense*, NFAs</b>
<b>Financial asset or Liability</b>	<b>Claims of government on other units</b>  <b>Claims of other units on govt.</b>

*\* Capital transfers*

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# **GFSM 2001 Classifications**

## **(1/2)**

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- **Balance sheet (stock) data, valuation changes data (flow data), and other changes in volume data (flow data)**
  - **Classification criteria:**
    - **Asset/liability type**
    - **Sector**
    - **Purpose**

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# **GFSM 2001 Classifications**

## **(2/2)**

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- **Transactions (flow data)**
  - **Classification criteria:**
    - **Asset/liability type**
    - **Sector**
    - **Purpose**
    - **Economic type**
    - **Function**

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# GFSM 2001 Statistical Tables 1–8

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- **Table 1: Revenue**
- **Table 2: Expense (by economic type)**
- **Table 3: Transactions in assets and liabilities (by type of asset & type of instrument)**
- **Table 4: Holding gains/losses in assets and liabilities**
- **Table 5: Other changes in the volume of assets and liabilities**
- **Table 6: Balance sheet**
- **Table 7: Outlays by function (COFOG)**
- **Table 8: Transactions in financial assets and liabilities (by sector of counterparty)**

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# **GFSM 2001 Statements**

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

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# **GFSM 2001 Analytical Balances**

## **(1/3)**

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- **Statement of Government Operations shows the following measures of government performance**
  - **Net/gross operating balance**
  - **Net lending/borrowing**

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# **GFSM 2001 Analytical Balances**

## **(2/3)**

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- **Statement of Sources and Uses of Cash shows the following measures of government performance**
  - **Net cash inflows from operating activities**
  - **Cash surplus/deficit**
  - **Cash flows from financing activities other than cash**
  - **Net change in the stock of cash**

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# GFSM 2001 Analytical Balances

## (3/3)

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- **Statement of Other Economic Flows shows**
  - **Change in net worth resulting from holding gains/ losses and other changes in volume of assets**
  
- **Balance Sheet shows**
  - **Net worth**

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# **GFS Classification Coding System**

## **(1/4)**

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- **Use classification codes to identify types of transactions, other economic flows, and stocks of assets and liabilities**

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# GFS Classification Coding System

## (2/4)

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- **Codes beginning with**
  - 1** → Revenue
  - 2** → Expense
  - 3** → Transactions in assets and liabilities
  - 4** → Holding gains/losses in assets and liabilities
  - 5** → Other volume changes in assets and liabilities
  - 6** → Stocks of assets and liabilities
  - 7** → COFOG
  - 8** → Financial assets and liabilities by sector of the counterparty

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# GFS Classification Coding System

(3/4)

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- **Possible and desirable to use more detailed classifications than suggested in GFSM 2001 in practical applications**
  - **Add another digit to any given classification code**
  - **For example:**
    - **code for stock of transport equipment is 61121. To classify types of transport equipment, use 61121**1**, 61121**2**, etc.**

# GFS Classification Coding System

(4/4)

## Transactions

Revenue **1**

Expense **2**

Transactions in  
NFAs **3**

Transactions in  
financial assets  
& liabilities  
by instrument

Outlays (COFOG) **7**

Transactions in  
Financial Assets  
& Liabilities  
by sector **8**

## Other Economic Flows

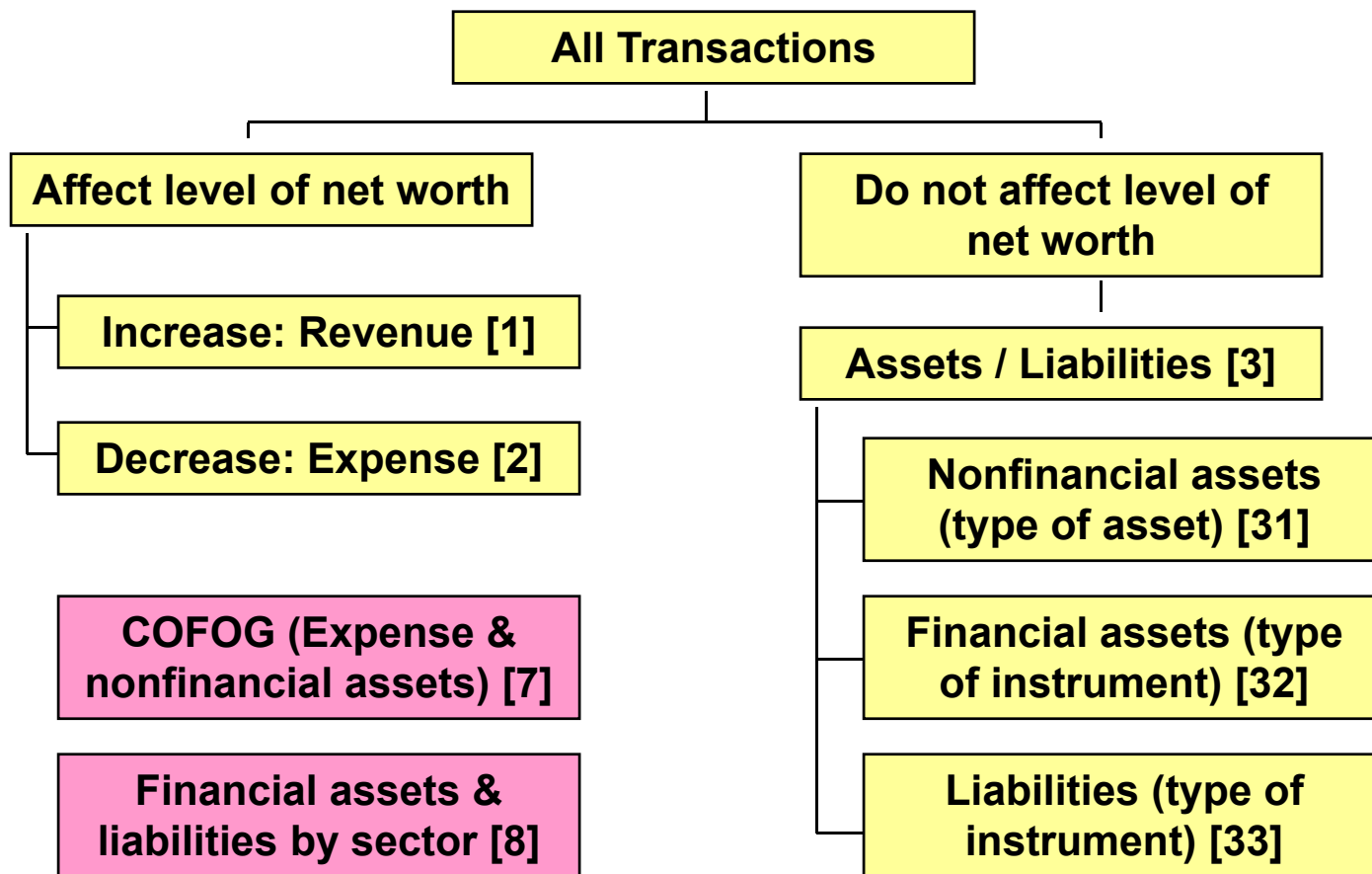
Holding gains/  
losses:  
nonfinancial  
assets,  
financial assets,  
liabilities **4**

Other volume  
changes:  
nonfinancial  
assets,  
financial assets,  
liabilities **5**

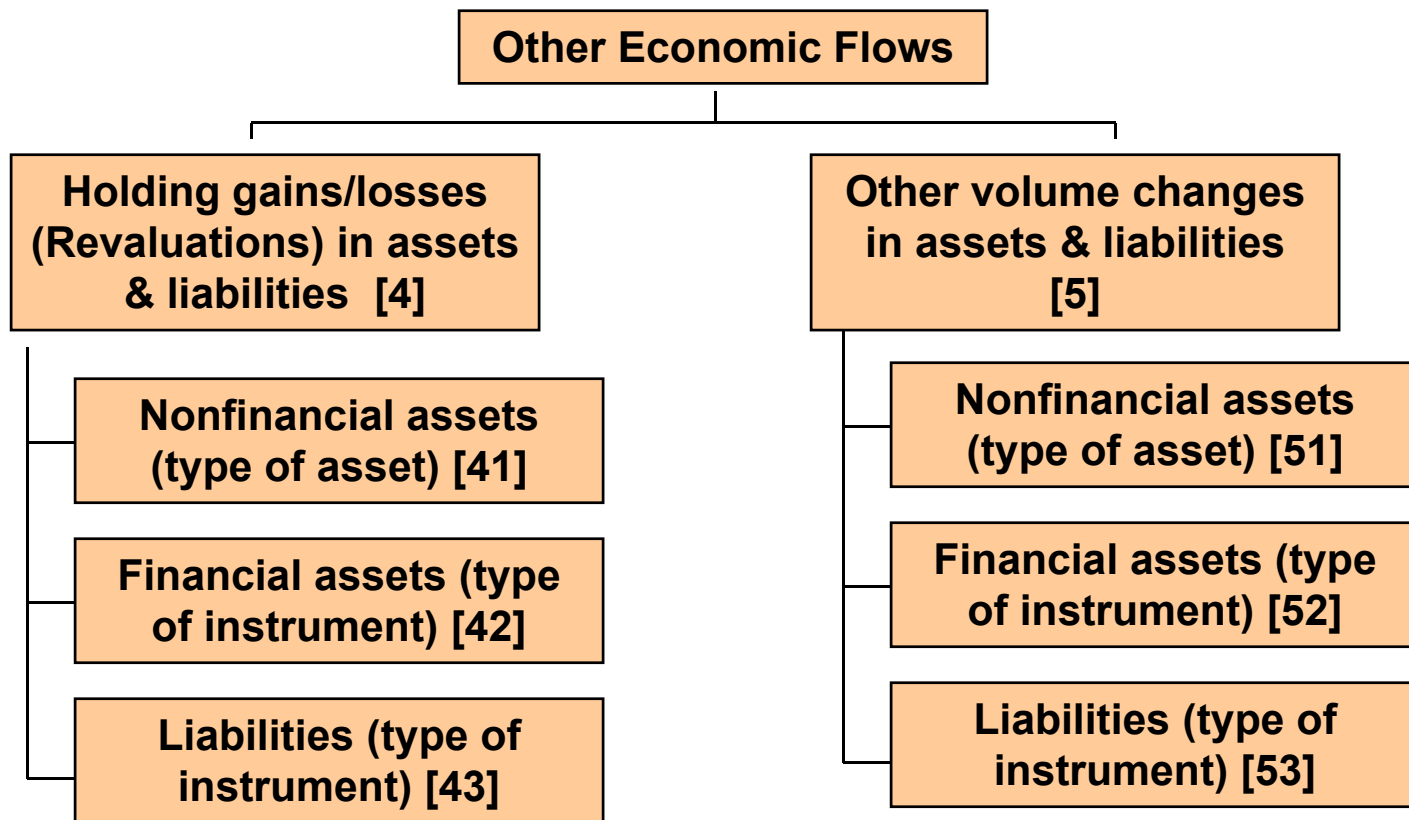
## Stocks

Nonfinancial  
assets,  
financial assets,  
liabilities **6**

# Coding of Transactions



# Coding of Other Economic Flows



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# Coding of Stocks

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