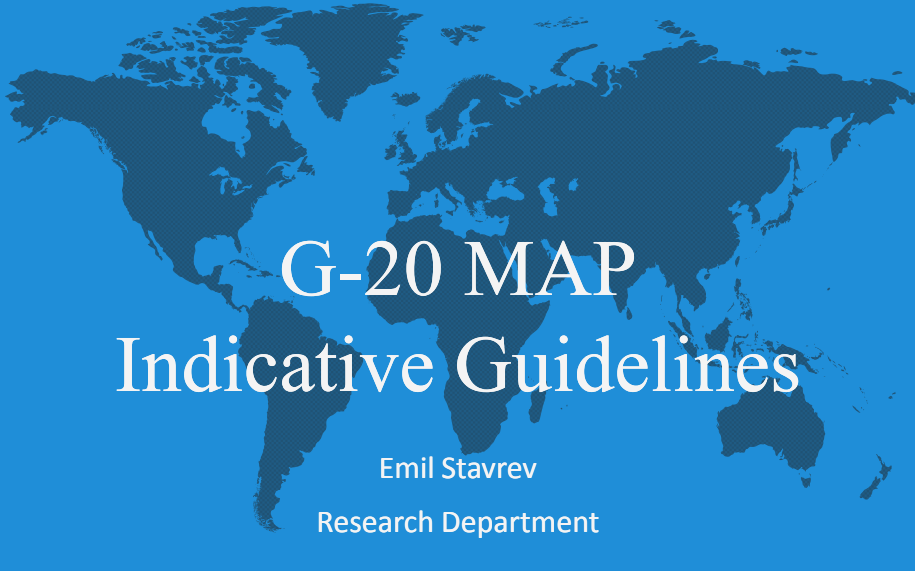


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# G-20 MAP Indicative Guidelines

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## Overview

### Indicators

- Agreed set of indicators by G-20

### Reference values

- Structural approach (norms)
- Statistical approach

### Thresholds

- To determine large deviations

### Scoring

- Rules-based approach
- Selection criteria

## Indicators

### External imbalances

- Overall balance
- Trade balance

### Internal imbalances

- Public debt and fiscal deficit
- Private saving and private debt

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## Reference Values

### Structural approach (preferred by staff)

- Grounded in economic theory (meaningful economic content)
- Accounts for relevant country circumstances
- Controls for multilateral consistency

### Statistical approach (used as a robustness check)

- Easy to interpret, but simplistic (ignores relevant controls)
- Not subject to estimation or model uncertainty

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### Thresholds

*(based on alternative measures of dispersion)*

**Time series standard deviation (variation over time)**

- Used with structural approach and time-series average

**Cross section standard deviation (dispersion across peer-country groups)**

- Used with cross-section average of G-20 indicators

**Inter-quartile ranges**

- Used with quartile analysis of G-20 distributions

**Symmetric vs. asymmetric treatment**

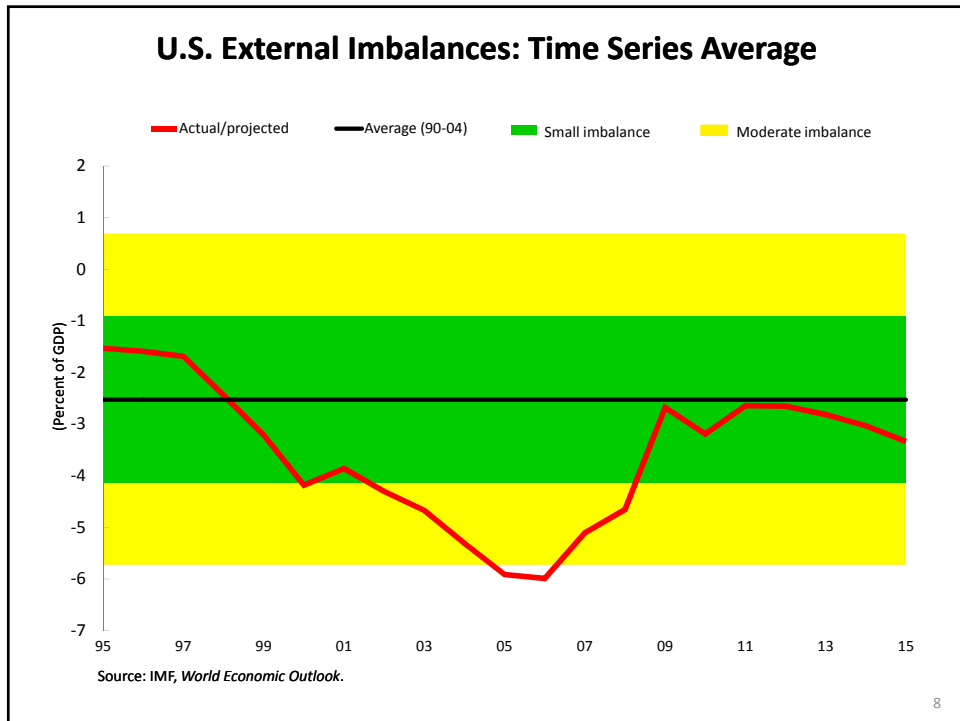
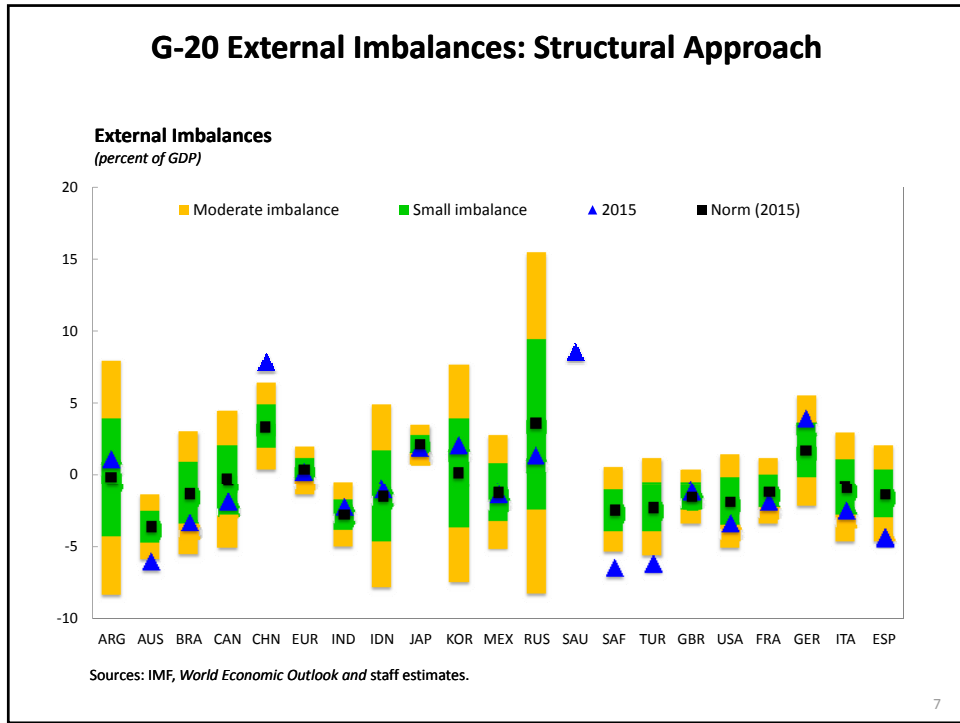
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### Indicators and Approaches

	External Imbalances		Internal Imbalances			
	Current	Trade	Public		Private	
	Account	Balance	Fiscal Balance	Debt	Saving	Debt
<b>Structural approach</b>						
<b>CGER-based</b>						
MB approach	✓	...	...	...	...	...
ES approach	✓	✓	...	...	...	...
<b>Fiscal sustainability</b>						
60 percent in AEs	...	...	✓	✓	...	...
60 percent in EMs	...	...	✓	✓	...	...
<b>Statistical approach</b>						
Time series	✓	✓	✓ 1/	✓	✓	✓
Peer groups	✓	✓	✓ 1/	✓	✓	✓
Quartile analysis	✓	✓	✓ 1/	✓	✓	✓

1/ Headline fiscal balance.

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### Fiscal Indicators and Reference Values

#### Indicators

- CAPB – flow variable reflecting tax and expenditure policies
- General government debt – stock measure of public sector vulnerability

#### Structural norms

- Debt ratio of 60 percent
- CAPB required to bring debt ratio to target by 2030

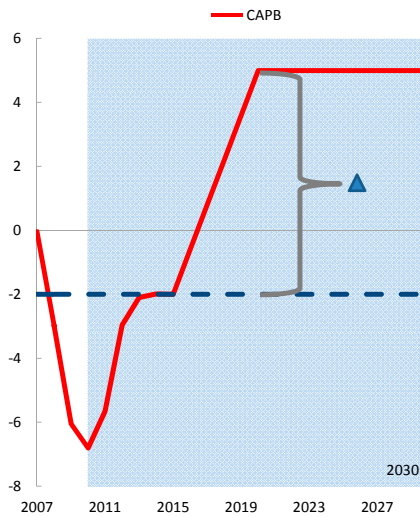
#### Thresholds – asymmetric approach

- Strong fiscal position does not imply offsetting weakness in partners' positions
- Measure distance between 2015 positions and norms

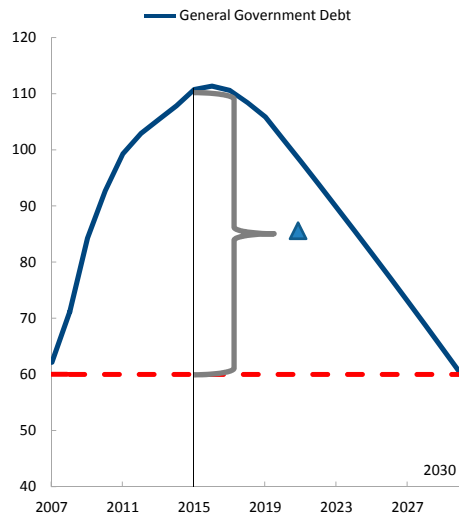
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### U.S. Fiscal Reference Path

**Cyclically Adjusted Primary Balance**  
(percent of GDP)



**General Government Debt**  
(percent of GDP)



Sources: IMF, *World Economic Outlook* and staff estimates.

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### Scoring & Selection Criteria

For each indicator, compare the average over 2013-15 from the October 2010 WEO projection (where feasible) with reference value

Identify small, moderate or large imbalances based on corresponding thresholds

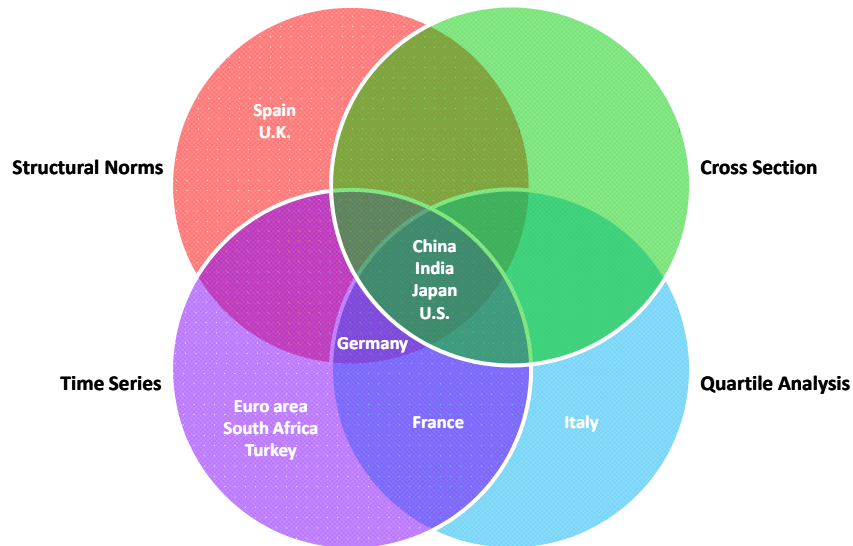
Select G-20 members showing large imbalances in at least two of three sectors (not indicators)

Select G-20 systemic countries (more than 5 percent of G-20 GDP) showing moderate or large imbalances in at least two sectors

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### G-20 Indicative Guidelines: Comparison of Approaches

*(systemic rule; PPP weights)*



Sources: IMF, *World Economic Outlook* and staff estimates.

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