

Private Sector External Debt: Main Issues and Challenges for Monitoring

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Until recently, governments and central banks have devoted little emphasis or resources to addressing private sector external debt (PSED) issues or data recording, as the emphasis has been on public and publicly-guaranteed external debt. Recent experiences, however, have highlighted the need to place more importance on monitoring PSED.

This paper discusses the major issues and is intended to alert debt managers to the key challenges in developing and strengthening monitoring systems. It covers why more attention is now being given to monitoring PSED, what is meant by PSED, how monitoring it differs from monitoring public and publicly-guaranteed external debt, and how it depends significantly on the exchange regime. It also makes recommendations on the key factors that have to be considered in developing and strengthening monitoring systems.

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