ANNEX A9
Data sources and information

This annex presents the data sources and information of the country fiches presented in Annex A8.

COUNTRY FICHES – DATA SOURCES AND INFORMATION

The projections presented in this report are based on the Commission 2023 autumn forecast. It relies on the commonly agreed methodology of the Economic Policy Committee (EPC) for projecting medium-term GDP growth. The DSM also reflects the agreed long-term economic and budgetary projections of the Ageing Report 2024, jointly prepared by the European Commission and the EPC. The cut-off date for the preparation of the report was 31 October 2023, in line with the Commission 2023 autumn forecast. However, for some additional indicators, more recent information has been used.

Projections and fiscal sustainability indicators

Overall approach

See Annex A1 for a general presentation of the Commission's multi-dimensional approach, indicators, decision trees and thresholds underpinning the risk classification.

Short term

S0 indicator – Early-detection indicator of fiscal stress based on 25 fiscal and financial-competitiveness variables, including government gross financing needs (see Chapter I.1, Box I.1.1 and Annex A2).

Medium term

Debt sustainability analysis (DSA) – A set of *deterministic projections* including a baseline and alternative scenarios and stress tests (see Section I.2.1 and Box I.2.1) and *stochastic projections* (see Section I.2.2 and Annex A4).

Long term

S2 indicator – Long-term sustainability gap indicator measuring the permanent adjustment in the structural primary balance, compared to the baseline, required to stabilise public debt over the long term (see Section I.3.1 and Annex A5).

S1 indicator – Long-term sustainability gap indicator measuring the permanent adjustment in the structural primary balance, compared to the baseline, required to reach a debt-to-GDP ratio of 60% by 2070 (see Section I.3.2 and Annex A5).

Financial information

Market perception of sovereign risk

10-year bond yield spreads to the German Bund – ECB, interest rate statistics database, long-term interest rate for convergence purposes, 10 years maturity, denominated in Euro, basis points, monthly average, cut-off date: 31 December 2023.

5-year Credit Default Swap (CDS) spread – Thomson Reuters, provided by S&P Global, daily close, basis points, cut-off date: 31 December 2023.

SovCISS – Composite indicator of sovereign stress – ECB, pure number, monthly, available for 11 euro area countries (AT, BE, DE, ES, FI, FR, EL, IE, IT, NL and PT).

Moody's sovereign credit rating – Local currency long-term sovereign credit rating, Moody's, cut-off date: 31 December 2023.

Additional mitigating and aggravating factors

Risks related to the structure of government debt, the net international investment position and contingent liabilities (see Sections 4 and 5 below). The qualification of factors is based either on thresholds derived from a signalling approach or on a comparison with other Member States or the EU average.

SECTION 4 – Risks related to the structure of government debt financing and net International Investment position

Government debt structure

Share of short-term government debt – Eurostat, general government consolidated gross debt, original maturity of less than 1 year, as % of total, available for all countries except NL, downloaded in November 2023.

Share of short-term government debt (for the NL) – Eurostat, general government, % of GDP, government consolidated gross debt at face value (currency and deposits, short-term debt securities, short-term loans) as share of total government consolidated gross debt, downloaded in November 2023.

Share of government debt in foreign currency – Eurostat, debt by currency of issue, general government, foreign currency, % of total, available for all countries except DK, EL, FI, and SE, downloaded in November 2023.

Share of government debt in foreign currency (for DK, FI, EL and SE) – ECB, Government Finance Statistics (GFS) database, Maastricht debt, general government, consolidated, all original maturities, denominated in national currency; denominated in currencies other than national currency and euro; denominated in euro, downloaded in November 2023.

Share of government debt held by non-residents – Eurostat, General government consolidated gross debt, rest of the world, total-all maturities, % of total, available for all countries except EL, downloaded in November 2023.

Net International Investment Position (IIP) – Eurostat, % of GDP (downloaded in November 2023).

SECTION 5 – Risks related to government's contingent liabilities

Risks related to government's contingent liabilities

Guarantees (State guarantees, one-off guarantees, and standardised guarantees) – Eurostat, % of GDP, downloaded in November 2023.

Public-private partnerships (PPPs) – Eurostat, % of GDP, downloaded in November 2023.

Contingent liabilities of general government related to support to financial institutions – Eurostat, % of GDP, downloaded in November 2023.

Government's contingent liability risks from the banking sector

Private sector credit flow – Eurostat (MIP scoreboard), % of GDP, downloaded in November 2023.

Change in nominal house price index – European Commission, DG ECFIN, Unit B1 house price database, y-o-y % change (2015=100), downloaded in November 2023.

Bank loan-to-deposit ratio – European Banking Authority (EBA), risk indicator, loan-to-deposit ratio for households and non-financial corporations, downloaded in June 2023.

Share of non-performing loans – European Banking Authority (EBA), Risk indicator, Ratio of non-performing loans and advances (NPL ratio), downloaded in June 2023.

Non-Performing Loans (NPL) coverage ratio – European Banking Authority (EBA), Risk indicator, Coverage ratio of non-performing loans and advances, downloaded in June 2023.

SYMBOL model – Model estimating the potential impact of simulated bank losses on public finances (see Annex A6).

SECTION 6 – Realism of baseline projections

Percentile rank – Position of the average structural primary balance assumed in the projections in the country's past distribution of structural primary balances. The historical distributions start at the earliest in 1980, depending on data availability. The calculations use 3-year moving averages and exclude major crisis years, namely the Global Financial Crisis (2008-09) and the COVID-19 pandemic (2020-21).

SECTION 7 – Underlying macro-fiscal assumptions

See Box 1.2.1. in Chapter 2.