

now in a dangerous new phase. Global activity has weakened and become more uneven, confidence has fallen sharply recently, and downside risks are growing. Against a backdrop of unresolved structural fragilities, a barrage of shocks hit the international economy this year, including the devastating Japanese earthquake and tsunami, unrest in some oil-producing countries, and the major financial turbulence in the euro area. Two of the forces now shaping the global economy are high and rising commodity prices and the need for many economies to address large budget deficits. Chapter 3 examines the inflationary effects of commodity price movements and the appropriate monetary policy response. Chapter 4 explores the implications of efforts by advanced economies to restore fiscal sustainability and by emerging and developing economies to tighten fiscal policy to rebuild fiscal policy room and in some cases to restrain overheating pressures.

This Guide provides clear, up-to-date guidance on the concepts, definitions, and classifications of the gross external debt of the public and private sectors, and on the sources, compilation techniques, and analytical uses of these data. The Guide supersedes the previous international guidance on external debt statistics available in *External Debt: Definition, Statistical Coverage, and Methodology* (known as the Gray Book), 1988. The Guide's conceptual framework derives from the System of National Accounts 1993 and the fifth edition of the IMF's *Balance of Payments Manual*(1993). Preparation of the Guide was undertaken by an Inter-Agency Task Force on Finance Statistics, chaired by the IMF and involving representatives from the BIS, the Commonwealth Secretariat, the European Central Bank, Eurostat, the OECD, the Paris Club Secretariat, UNCTAD, and the World Bank.

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