

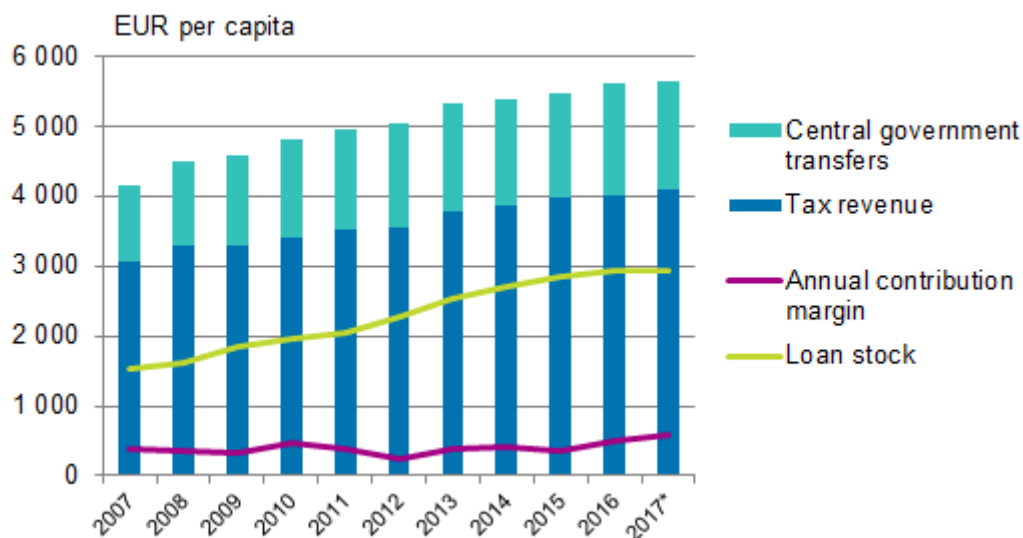
# Quarterly local government finances

2017, 4th quarter

## Annual contribution margin of municipalities in Mainland Finland EUR 3.2 billion in 2017

According to the 2017 financial statement estimate data, the total contribution margin of municipalities in Mainland Finland was EUR 0.5 billion higher than in the financial statements of the previous year. The annual contribution margin strengthened especially as operating expenses declined by 2.1 per cent and tax revenues grew by 2.0 per cent. These data appear from Statistics Finland's statistics on quarterly local government finances, for which financial statement estimate data concerning 2017 were collected from all 295 municipalities and 134 joint municipal authorities in Mainland Finland.

### Central government transfers, tax revenue, annual contribution margin and loan stock per capita of municipalities in Mainland Finland in 2007 to 2017\*



The population figures on 31 December for each year has been used as the population data for 2007 to 2016. The population figure on 31 December 2016 has been used in the estimate data for 2017.

\*Financial statement estimates

## Finances of municipalities and joint municipal authorities

According to the 2017 financial statement estimate data, the operating expenses of municipalities in Mainland Finland without internal items decreased by 2.1 per cent from the previous year and amounted to EUR 35.7 billion. The external operating revenue declined by 5.9 per cent from 2016 and amounted to EUR 7.2 billion in 2017. In the 2017 financial statement estimates, the operating margin was EUR -28.2 billion, while in the financial statements for 2016 it was EUR -28.4 billion.

According to municipalities' estimates, tax revenue grew by 2.0 per cent from the year before and amounted to EUR 22.4 billion in 2017. Central government transfers to local government, in turn, diminished by 3.3 per cent to EUR 8.5 billion. Tax funding formed of these two items increased by 0.5 per cent. Tax funding per capita was EUR 5,649 in the 2017 financial statement estimates<sup>1)</sup>. The combined annual contribution margin of municipalities in Mainland Finland was EUR 3.2 billion. The margin increased by 18.9 per cent from 2016. In 2017, altogether 7 municipalities estimated that their annual contribution margin will remain negative while in the year before the annual contribution margin was negative for 14 municipalities according to final data.

At the end of 2017, the loan stock of municipalities in Mainland Finland stood at EUR 16.0 billion based on financial statement estimates, which was EUR 2,921 per capita<sup>2)</sup>. The loan stock declined by 0.6 per cent during the year. Municipalities spent 0.6 per cent less money on investments than in 2016, in total EUR 3.4 billion.

The 2017 financial statement estimates of joint municipal authorities in Mainland Finland had EUR 13.5 billion in external operating expenses and EUR 14.3 billion in external operating revenue. Operating expenses increased by 8.6 per cent and operating revenue by 8.1 per cent. The annual contribution margin remained on level with the previous year at EUR 0.7 billion.

Joint municipal authorities estimated that their investment expenses amounted to EUR 1.0 billion in 2017, which translates to a 17.5 per cent growth from 2016. At the end of 2017, joint municipal authorities were estimated to have EUR 3.4 billion in loans. It was 8.1 per cent more than in the 2016 financial statements.

## Information on the statistics

The statistics on quarterly local government finances are in the first to third quarters a sample survey that describes the development of the finances of municipalities and joint municipal authorities in Mainland Finland by quarter. For the statistical release on the fourth quarter, data are collected from all municipalities and joint municipal authorities in Mainland Finland. The data in the statistics on quarterly local government finances are preliminary and they might become revised in coming publications.

No data are released by municipality or joint municipal authority for the 1st, 2nd and 3rd quarters that are based on a sample survey. The financial statement estimate data received from municipalities and joint municipal authorities in the data collection concerning the fourth quarter will be released at unit level starting from data concerning 2017 on Statistics Finland's website in the database [Data on finances reported by municipalities and joint municipal authorities](#).

The data published in the statistics on quarterly local government finances are not directly comparable with the data of the statistics on local government finances by quarter because of the different way of handling local government enterprises. In the statistics on quarterly local government finances, local government enterprises are combined with the data on basic municipalities and joint municipal authorities, while this was not done in the statistics on local government finances by quarter published between 2013 and 2015.

1) The population data used were the population of Mainland Finland on 31 December 2016.

2) The population data used were the population of Mainland Finland on 31 December 2016.

# Contents

## Tables

### Appendix tables

Appendix table 1. Financial statement estimate data (internal items eliminated) of municipalities and joint municipal authorities in Mainland Finland, EUR million.....4

Revision of data.....5

## Appendix tables

**Appendix table 1. Financial statement estimate data (internal items eliminated) of municipalities and joint municipal authorities in Mainland Finland, EUR million<sup>1)</sup>**

	Municipalities		Joint municipal authorities	
	2017	Change, %	2017	Change, %
Operating revenue total	7 180	-5,9	14 283	8,1
Operating expenses total	35 737	-2,1	13 503	8,6
Operating margin (+/-)	-28 172	-1,0	787	-0,9
Tax revenue	22 424	2,0		
Central government transfers to local government	8 499	-3,3		
Financing income	672	16,0	27	19,8
Financing expenses	219	0,1	108	-4,4
Annual contributing margin (+/-)	3 204	18,9	706	0,3
Depreciations and reductions in value	2 139	1,1	598	0,7
Extraordinary items (+/-)	118	-62,3	15	-77,1
Financial result for the accounting period (+/-)	1 183	32,5	123	-29,5
Investment expenses total	3 448	-0,6	1 014	17,5
Loan stock, at the end of the quarter	15 992	-0,6	3 430	8,1

1) Local government enterprises were combined to the data and internal items were eliminated. The data concerning 2017 are financial statement estimates. Changes are calculated compared to the final financial statement data of the previous year.

# Revision of data

## Change from first release<sup>1)</sup>

Area	Item	Year	Quarter	1st release, EUR million	Latest release, EUR million	Revision of data, EUR million	Revision of data, %
Municipalities	Operating revenue total	2016	4	7 330	7 626	296	4,0
			2017	1	1 546	1 540	-5
		2		3 506	3 412	-93	-2,7
		3		5 172	5 082	-90	-1,7
	Operating expenses total	2016	4	36 469	36 787	319	0,9
			2017	1	8 600	8 590	-10
		2		17 820	17 790	-30	-0,2
		3		26 527	26 504	-23	-0,1
	Loan stock, at the end of the quarter	2016	4	16 039	16 106	66	0,4
			2017	1	15 616	15 622	6
		2		15 693	15 581	-112	-0,7
		3		15 188	15 158	-30	-0,2
Joint municipal authorities	Operating revenue total	2016	4	13 240	13 245	5	0,0
			2017	1	3 637	3 623	-13
		2		7 193	7 181	-12	-0,2
		3		10 810	10 692	-119	-1,1
	Operating expenses total	2016	4	12 421	12 431	10	0,1
			2017	1	3 194	3 196	1
		2		6 677	6 670	-7	-0,1
		3		10 100	9 988	-112	-1,1
	Loan stock, at the end of the quarter	2016	4	3 148	3 141	-7	-0,2
			2017	1	3 110	3 121	11
		2		3 199	3 199	0	0,0
		3		3 226	3 226	0	0,0

1) Local government enterprises were combined to the data and internal items were eliminated.

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