

# General government deficit and gross debt according to EMU criteria

## Revised EMU deficit and debt figures for 2007 released

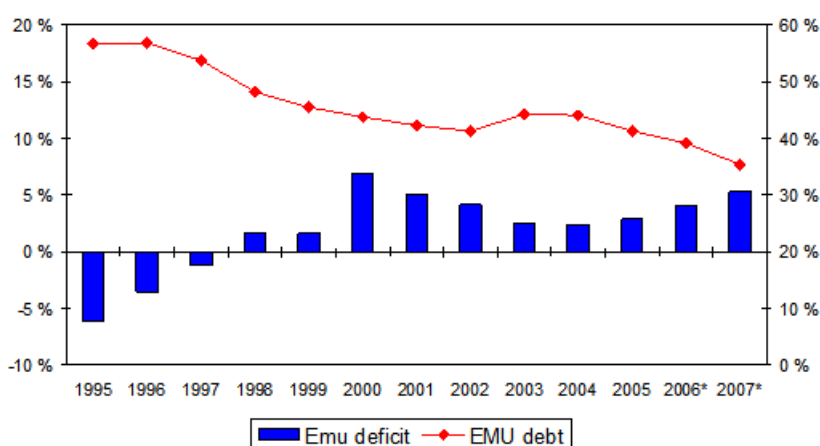
According to a revision of Statistics Finland's preliminary data, the general government's EMU surplus amounted to EUR 9.6 billion, or 5.3 per cent of GDP in 2007, while the respective figures in 2006 were EUR 6.9 billion and 4.1 per cent of GDP. The central government sector's surplus increased by EUR 2.2 billion from the year before and totalled EUR 3.8 billion. The local government sector continued to show a slight deficit, which in 2007 amounted to EUR 0.1 billion. Employment pension funds accumulated a surplus of EUR 5.4 billion. The surplus of other social security funds amounted to EUR 0.5 billion.

The amount of general government EMU debt contracted by EUR 2.4 billion to EUR 63.1 billion during 2007. Central government debt contracted by EUR 2.9 billion whereas local government debt grew by EUR 0.5 billion. At the same time, the GDP share of the EMU debt fell to 35.1 per cent from the previous year's 39.2 per cent.

Compared to the preliminary data for 2007 released in March, general government surplus became revised upwards by EUR 0.1 billion. General government debt remained almost unchanged.

The figures derive from the data reported by Statistics Finland to the European Commission in September.

### Finland's general government EMU deficit (-) and debt, percentage of GDP



# Contents

## Appendix tables

EMU deficit of Finnish government 1975-2007.....	3
General government EMU debt 1975-2007.....	4
Finnish general government gross debt and EMU debt 1995-2007.....	4
Comparison of central government net lending and on-budget entities net financing requirement, EUR billion.....	5
Comparison of local government net lending and the annual margin in the profit and loss statement of local government, EUR billion .....	5
Comparison of the net lending of the sub-sector Social security funds and the deficit/surplus of funds, EUR billion .....	5
Items influencing the changes in EMU debt, EUR billion .....	6

## Appendix tables

### EMU deficit of Finnish government 1975-2007<sup>1)</sup>

	Million euro				Per cent of GDP			
	Central government	Local government	Social security funds	Total	Central government	Local government	Social security funds	Total
1975	146	281	489	916	0,8	1,6	2,7	5,1
1976	734	327	533	1 594	3,6	1,6	2,6	7,8
1977	472	367	602	1 441	2,1	1,6	2,7	6,4
1978	221	325	436	982	0,9	1,3	1,8	3,9
1979	-83	346	758	1 021	-0,3	1,2	2,6	3,5
1980	-26	192	1 113	1 279	-0,1	0,6	3,3	3,8
1981	327	292	1 353	1 972	0,9	0,8	3,6	5,2
1982	-126	316	1 144	1 334	-0,3	0,7	2,7	3,1
1983	-709	332	1 126	749	-1,5	0,7	2,4	1,6
1984	41	481	1 234	1 756	0,1	0,9	2,3	3,3
1985	95	333	1 560	1 988	0,2	0,6	2,7	3,5
1986	587	346	1 485	2 418	0,9	0,6	2,4	3,9
1987	-578	34	1 647	1 103	-0,9	0,1	2,5	1,7
1988	1 436	440	2 101	3 977	1,9	0,6	2,8	5,3
1989	2 322	617	2 840	5 779	2,7	0,7	3,3	6,8
1990	922	337	3 548	4 807	1,0	0,4	4,0	5,4
1991	-3 788	-276	3 246	-818	-4,4	-0,3	3,8	-1,0
1992	-6 639	-10	2 105	-4 544	-8,0	0,0	2,5	-5,5
1993	-9 772	476	2 338	-6 958	-11,6	0,6	2,8	-8,3
1994	-10 434	1 184	3 310	-5 940	-11,8	1,3	3,8	-6,7
1995	-10 852	1 278	3 657	-5 917	-11,3	1,3	3,8	-6,2
1996	-7 680	930	3 242	-3 508	-7,7	0,9	3,3	-3,5
1997	-3 977	-393	3 052	-1 318	-3,7	-0,4	2,8	-1,2
1998	-1 656	-103	3 720	1 961	-1,4	-0,1	3,2	1,7
1999	-1 528	-140	3 681	2 013	-1,2	-0,1	3,0	1,6
2000	4 401	332	4 438	9 171	3,3	0,3	3,4	6,9
2001	2 611	-563	4 971	7 019	1,9	-0,4	3,6	5,0
2002	2 011	-328	4 284	5 967	1,4	-0,2	3,0	4,1
2003	998	-902	3 635	3 731	0,7	-0,6	2,5	2,6
2004	913	-1 157	3 869	3 625	0,6	-0,8	2,5	2,4
2005	944	-1 005	4 562	4 501	0,6	-0,6	2,9	2,9
2006*	1 611	-358	5 622	6 875	1,0	-0,2	3,4	4,1
2007*	3 809	-137	5 911	9 583	2,1	-0,1	3,3	5,3

1) \* Preliminary

The table contains a time series since 1975 depicting the Finnish general government EMU deficit at the level of total general government and by sub-sector. The data are given both as absolute figures and as GDP ratios. The data corresponds to the data in the EDP report tables 1 and 2A-2D.

## General government EMU debt 1975-2007<sup>1)</sup>

	Million euro				Per cent of GDP			
	Central government	Local government	Social security funds	Total	Central government	Local government	Social security funds	Total
1975	555	560	65	1 180	3,1	3,1	0,4	6,5
1976	565	623	70	1 257	2,8	3,0	0,3	6,1
1977	973	713	70	1 756	4,3	3,2	0,3	7,8
1978	1 935	748	64	2 747	7,8	3,0	0,3	11,0
1979	2 294	882	56	3 232	7,9	3,1	0,2	11,2
1980	2 781	950	41	3 773	8,3	2,9	0,1	11,3
1981	3 349	989	38	4 377	8,9	2,6	0,1	11,6
1982	4 621	1 240	44	5 904	10,9	2,9	0,1	13,9
1983	5 852	1 399	51	7 302	12,4	3,0	0,1	15,5
1984	6 449	1 576	58	8 082	12,2	3,0	0,1	15,3
1985	7 330	1 759	98	9 188	12,7	3,1	0,2	16,0
1986	8 145	2 040	88	10 273	13,2	3,3	0,1	16,6
1987	9 395	2 424	101	11 919	14,1	3,6	0,2	17,8
1988	9 539	2 883	236	12 657	12,6	3,8	0,3	16,7
1989	8 712	3 220	292	12 224	10,3	3,8	0,3	14,4
1990	9 076	3 247	224	12 547	10,1	3,6	0,2	14,0
1991	14 307	4 167	522	18 996	16,7	4,9	0,6	22,2
1992	28 167	4 699	384	33 250	33,9	5,7	0,5	40,0
1993	41 346	4 429	629	46 404	49,3	5,3	0,7	55,3
1994	46 524	4 107	319	50 950	52,8	4,7	0,4	57,8
1995	50 511	3 774	67	54 351	52,7	3,9	0,1	56,7
1996	52 988	3 454	15	56 458	53,4	3,5	0,0	56,9
1997	54 633	3 216	9	57 858	50,8	3,0	0,0	53,8
1998	53 125	3 263	27	56 414	45,4	2,8	0,0	48,2
1999	52 740	3 073	43	55 856	43,0	2,5	0,0	45,5
2000	54 467	3 414	9	57 890	41,2	2,6	0,0	43,8
2001	55 556	3 556	10	59 122	39,7	2,5	0,0	42,3
2002	55 291	4 061	48	59 400	38,4	2,8	0,0	41,3
2003	59 654	5 017	48	64 719	40,9	3,4	0,0	44,3
2004	61 331	5 896	15	67 242	40,3	3,9	0,0	44,1
2005	57 966	7 086	1	65 053	36,8	4,5	0,0	41,3
2006*	57 774	7 761	1	65 536	34,6	4,6	0,0	39,2
2007*	54 856	8 291	1	63 148	30,5	4,6	0,0	35,1

1) \* Preliminary

The table contains a time series since 1975 depicting the Finnish general government EMU debt at the level of total general government and by sub-sector. The data are given both as absolute figures and as GDP ratios. The data corresponds to the data in the EDP report tables 1 and 3A-3E.

## Finnish general government gross debt and EMU debt 1995-2007<sup>1)</sup>

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006*	2007*
A. Gross debt, EUR billion	72,6	77,2	80,0	80,6	77,8	73,4	71,4	70,2	72,0	73,0	70,4	70,1	68,0
- Change, EUR billion	7,9	4,6	2,8	0,6	-2,7	-4,5	-2,0	-1,1	1,8	1,0	-2,6	-0,3	-2,1
- Per cent of GDP	75,7	77,7	74,3	68,8	63,4	55,5	51,0	48,8	49,3	47,9	44,8	42,0	37,8
B. General government internal debt, EUR billion	18,2	20,7	22,1	24,1	22,0	15,5	12,2	10,8	7,3	5,7	5,3	4,6	4,9
- Change, EUR billion	4,5	2,5	1,4	2,0	-2,2	-6,5	-3,2	-1,4	-3,6	-1,6	-0,4	-0,7	0,3
A-B. EMU DEBT, EUR billion	54,4	56,5	57,9	56,4	55,9	57,9	59,1	59,4	64,7	67,2	65,1	65,5	63,1
- Per cent of GDP	56,7	56,9	53,8	48,2	45,5	43,8	42,3	41,3	44,3	44,1	41,4	39,2	35,1
- Change, EUR billion	3,4	2,1	1,4	-1,4	-0,6	2,0	1,2	0,3	5,3	2,5	-2,2	0,5	-2,4

1) \* Preliminary

The table contains a time series since 1995 depicting the Finnish general government gross debt and EMU debt. The general government EMU debt, i.e. general government debt to other sectors of the economy and to rest of the world, can be calculated from the gross debt by deducting internal general government debt from the gross debt balance. The data corresponds to the data in the EDP report tables 1 and 3A.

**Comparison of central government net lending and on-budget entities net financing requirement, EUR billion <sup>1)</sup>**

	2004	2005	2006*	2007*
A Central government on-budget entities' net financing requirement according to the statement on Budget outturn	2,1	1,5	1,5	2,9
1 Financial transactions included in the budget	-2,4	-1,8	-1,8	-0,8
Lending	0,1	0,1	0,1	0,1
Received loan repayments	-0,3	-0,3	-0,2	-0,2
Acquisitions of shares and equities	0,0	0,0	0,0	0,2
Sales of shares and equities	-2,2	-1,5	-1,6	-0,9
Other financial transactions	0,0	0,0	0,0	0,0
2 Difference of paid and accrued interest	0,0	0,1	0,1	0,0
3 Other accounts receivable/payable	-0,1	0,3	-0,1	-0,1
4 Surplus/deficit in extra-budgetary funds	0,8	0,4	1,7	2,1
5 Other adjustment items	0,4	0,4	0,2	-0,3
B Adjustment items, total = 1+2+3+4+5	-1,2	-0,6	0,1	0,9
EMU surplus/deficit = A+B	0,9	0,9	1,6	3,8
SWAP-adjustment of interest expenditure	-0,3	-0,3	-0,2	0,0
Net lending in the ESA-95 accounts = EMU surplus/deficit + SWAP-adjustment	0,6	0,6	1,4	3,8

1) \* Preliminary

The table presents a comparison of the budget deficit and the general government net lending in national accounts for the four previous years. The data corresponds to the data in the EDP notification table 2A. The contents of the table are described in more detail in the Methodological descriptions section.

**Comparison of local government net lending and the annual margin in the profit and loss statement of local government, EUR billion <sup>1)</sup>**

	2004	2005	2006*	2007*
A Annual margin in the Statistics of Activities and Finances of Municipalities and Joint municipalities	1,4	1,5	2,1	2,4
1 Tax differential due to source	0,1	0,0	0,1	0,2
2 Entrepreneurial income from enterprises outside the sector	0,2	0,2	0,2	0,2
3 Annual balance of enterprises outside the sector	-0,6	-0,5	-0,6	-0,7
4 Annual balance of Åland and other units not included in the Statistics of Activities and Finances of Municipalities and Joint municipalities	0,1	0,0	0,0	0,0
5 Investments	-2,4	-2,4	-2,4	-2,6
6 Capital transfers	0,1	0,2	0,2	0,1
7 Other adjustment items	-0,1	0,0	0,1	0,2
B Adjustment items, total = 1+2+3+4+5+6+7	-2,6	-2,5	-2,4	-2,5
C Net lending in the accounts (EMU-surplus/deficit) = A+B	-1,2	-1,0	-0,4	-0,1

1) \* Preliminary

The table presents a comparison of municipalities and joint municipal boards' annual margin and local government net lending in national accounts for the four previous years. The data corresponds to the data in the EDP notification table 2C. The contents of the table are described in more detail in the Methodological descriptions section.

**Comparison of the net lending of the sub-sector Social security funds and the deficit/surplus of funds, EUR billion <sup>1)</sup>**

	2004	2005	2006*	2007*
A Surplus/deficit according to the profit and loss account of sub-sector Other social security funds (S.13149)	-0,3	-0,1	0,3	0,5
1 Net lending according to national accounts of sub-sector Employment pension schemes (S.13141)	4,2	4,6	5,3	5,4
Property income	2,8	2,9	3,2	3,5
Social contributions, receivable	11,9	12,5	13,2	14,0
Funded social benefits, payable	-10,9	-11,4	-11,9	-12,5
Other income and expenditure of the sub-sector according to national accounts	0,5	0,6	0,8	0,3
2 Other adjustment items	0,0	0,0	0,0	0,0
B Adjustment items, total = 1+2	4,2	4,6	5,3	5,4
Net lending in the accounts (EMU-surplus/deficit) = A+B	3,9	4,6	5,6	5,9

1) \* Preliminary

The table presents a comparison of the net lending of the sub-sector Social security funds and the deficit/surplus of funds for the four previous years. The data corresponds to the data in the EDP notification table 2D. The contents of the table are described in more detail in the Methodological descriptions section.

**Items influencing the changes in EMU debt, EUR billion <sup>1)</sup>**

	2004	2005	2006*	2007*
A Reported general government net lending with the opposite sign	-3,6	-4,5	-6,9	-9,6
B General government net acquisition of financial assets, consolidated (plus-sign = increase)	7,3	2,4	7,3	9,2
B.1 Deposits	1,3	-0,4	1,2	0,6
B.2 Investment in securities other than shares	4,9	1,9	0,8	-0,4
B.3 Lending	-0,7	0,1	0,5	0,0
B.4 Investment in shares	1,7	1,4	4,7	7,9
B.5 Other financial assets	0,1	-0,6	0,1	1,0
C Net acquisition of debt not included in EMU debt, consolidated	-0,8	-0,8	0,4	-1,0
D Effect of exchange rates	-0,2	0,0	0,0	0,0
E Other (interest recorded on accrual basis, emission and capital gain/loss, statistical discrepancy)	-0,1	0,8	-0,3	-1,0
Change in EMU debt = A+B+C+D+E (plus sign indicates an increase in debt)	2,5	-2,2	0,5	-2,4

1) \* Preliminary

The table presents the items influencing changes in the EMU debt during the four previous years. The data corresponds to the data in the EDP notification table 3A. The contents of the table are described in more detail in the Methodological descriptions section.

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