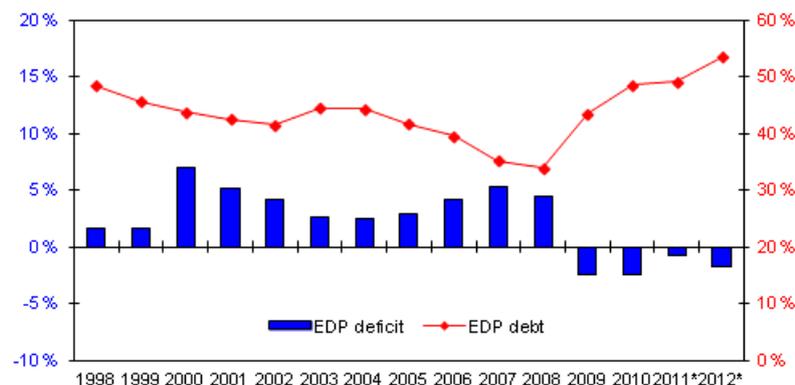


General government deficit and debt 2012

Revised general government deficit and debt figures for 2012 released

According to Statistics Finland's revised preliminary data, the general government's deficit amounted to EUR 3.4 billion, or 1.8 per cent relative to GDP in 2012. One year before the deficit was EUR 1.3 billion. The central government sector's deficit grew by EUR 0.8 billion to EUR 6.6 billion in 2012. In turn, the local government sector's deficit increased from EUR 1.0 billion to EUR 2.1 billion. Social security funds, primarily employment pension schemes, accumulated a surplus of EUR 5.2 billion.

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



The amount of consolidated general government EDP debt increased by EUR 10.3 billion to EUR 103.1 billion during 2012. Central government debt grew by EUR 8.8 billion and local government debt by EUR 1.5 billion. At the same time, the GDP share of the debt grew to 53.6 per cent from the previous year's 49.2 per cent. Internal general government debt decreased by some EUR 0.7 billion. The EDP debt describes general government's debt to the other sectors of the economy and to the rest of the world, and its development is influenced by changes in both the unconsolidated gross debt and the internal general government debt.

Compared to the preliminary data for 2012 released in March 2013, total general government deficit decreased by EUR 0.2 billion. General government debt for 2012 remained almost unchanged in relation to the preliminary data, but due to the revision of GDP the GDP share of the debt increased by 0.6 percentage points.

In public sector accounts, the European Financial Stability Facility EFSF is, based on Eurostat's decision, handled so that EFSF's borrowing is recorded as part of the gross government debt of the countries that have provided guarantees. The loan received by the beneficiary country from EFSF is recorded as if it had been received from the countries in the euro area that have provided guarantees and these countries in turn owe the corresponding amount to EFSF. As a result, the EDP gross debt of the countries that provided guarantees grows but the net debt remains unchanged because the countries have a similar receivable from the beneficiary country. The gross government debt to be recorded for each country on the loans granted by EFSF is calculated by dividing the loan granted to the beneficiary country by the contribution key (based on the share in ECB's capital of each country participating in the support operations).

For 2012, Finland's general government debt includes EUR 2,702 million of debt granted by EFSF to beneficiary countries. At the end of 2011, the amount was EUR 312 million.

The public deficit and debt concept used in these statistics complies with the Excessive Deficit Procedure (EDP) of the European Union's Growth and Stability Pact. This EDP deficit corresponds with the net lending of the general government sector account in national accounts (ESA95), except for the interest flows relating to swap and forward rate agreements, which are entered as interest expenses in the EDP deficit report but as changes in derivative debt in national accounts. In 2012, the impact from the difference between the methods amounted to 0.4 per cent of GDP, and according to the revised preliminary data, general government net lending of the sector accounts compliant with ESA95 was -2.2 per cent of GDP.

The EDP debt of general government differs conceptionally to some extent, for example in terms of central government, from the central government debt published by the State Treasury. Central government's EDP debt includes loans granted to beneficiary countries by the European Financial Stability Facility EFSF (as explained above), received cash collaterals related to derivative contracts, the capital of the Nuclear Waste Management Fund, debts generated from investments in central government's PPP (public-private partnership) projects, and coins in circulation. In National Accounts, central government is also a broader concept than budget economy, in addition to which it includes, for example, universities and Solidium. When these differences are taken into consideration we reach the central government non-consolidated gross debt in accordance with the EDP concept (Appendix table 3), i.e. in 2012, the State Treasury's central government debt EUR 83.9 billion + conceptual differences of the debt EUR 9.9 billion + differences caused by the sector delimitation EUR 0.6 billion = central government non-consolidated gross debt EUR 94.4 billion. The valuation principle for both debt concepts is the nominal value, where the effect of currency swaps are taken into account.

The figures derive from the data reported by Statistics Finland to Eurostat in September. Eurostat will verify the deficit and debt figures reported by the Member States over the following weeks. In this process, changes may be made to the figures reported by Statistics Finland. In that case, the updated figures will be released on the pages of these statistics on 21 October, on the same day that Eurostat will publish the data.

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Appendix table 1. General government EDP deficit 1997-2012¹⁾

	Million EUR				Ratio to GDP, %			
	Central government	Local government	Social security funds	Total	Central government	Local government	Social security funds	Total
1997	-4 002	-603	3 228	-1 377	-3.7	-0.6	3.0	-1.3
1998	-1 745	-313	3 997	1 939	-1.5	-0.3	3.4	1.7
1999	-1 445	-243	3 794	2 106	-1.2	-0.2	3.1	1.7
2000	3 502	204	5 573	9 279	2.6	0.2	4.2	7.0
2001	2 015	-661	5 784	7 138	1.4	-0.5	4.2	5.1
2002	1 348	-587	5 231	5 992	0.9	-0.4	3.6	4.2
2003	322	-1 069	4 603	3 856	0.2	-0.7	3.2	2.6
2004	205	-1 262	4 813	3 756	0.1	-0.8	3.2	2.5
2005	368	-1 230	5 396	4 534	0.2	-0.8	3.4	2.9
2006	-130	-611	7 685	6 944	-0.1	-0.4	4.6	4.2
2007	1 736	-326	8 190	9 600	1.0	-0.2	4.6	5.3
2008	1 091	-789	7 858	8 160	0.6	-0.4	4.2	4.4
2009	-7 826	-1 181	4 757	-4 250	-4.5	-0.7	2.8	-2.5
2010	-9 522	-354	5 421	-4 455	-5.3	-0.2	3.0	-2.5
2011*	-5 772	-1 038	5 471	-1 339	-3.1	-0.6	2.9	-0.7
2012*	-6 566	-2 117	5 245	-3 438	-3.4	-1.1	2.7	-1.8

1) * Preliminary

Appendix table 2. General government EDP debt 1997-2012¹⁾

	Million EUR				Ratio to GDP, %			
	Central government	Local government	Social security funds	Total	Central government	Local government	Social security funds	Total
1997	54 633	3 216	9	57 858	50.9	3.0	0.0	53.9
1998	53 125	3 263	27	56 414	45.5	2.8	0.0	48.4
1999	52 771	3 073	43	55 887	43.1	2.5	0.0	45.7
2000	54 469	3 414	9	57 892	41.2	2.6	0.0	43.8
2001	55 575	3 556	10	59 142	39.9	2.6	0.0	42.5
2002	55 458	4 061	48	59 567	38.6	2.8	0.0	41.5
2003	59 713	5 017	48	64 778	41.0	3.4	0.0	44.5
2004	61 676	5 896	15	67 587	40.5	3.9	0.0	44.4
2005	58 565	7 086	1	65 652	37.2	4.5	0.0	41.7
2006	57 934	7 761	1	65 696	34.9	4.7	0.0	39.6
2007	55 058	8 166	1	63 225	30.6	4.5	0.0	35.2
2008	54 550	8 464	1	63 015	29.4	4.6	0.0	33.9
2009	65 293	9 702	2	74 997	37.9	5.6	0.0	43.5
2010	76 745	10 228	1	86 974	42.9	5.7	0.0	48.7
2011*	81 848	11 000	1	92 849	43.4	5.8	0.0	49.2
2012*	90 638	12 505	2	103 145	47.1	6.5	0.0	53.6

1) * Preliminary

Appendix table 3. General government non-consolidated gross debt and EDP debt 2000-2012¹⁾

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011*	2012*
A. General government non-consolidated gross debt:	73.4	71.4	70.4	72.1	73.3	71.0	70.3	68.1	68.0	79.6	91.4	98.8	108.4
- Central government	67.9	65.9	64.6	65.5	65.9	62.5	61.1	58.6	57.9	68.3	79.6	86.4	94.4
- Local government	5.5	5.4	5.7	6.5	7.4	8.4	9.1	9.5	10.1	11.3	11.8	12.4	14.0
- Social security funds	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
B. General government internal debt	15.5	12.2	10.8	7.3	5.7	5.3	4.6	4.9	5.0	4.6	4.4	5.9	5.2
A-B. General government consolidated EDP-debt:	57.9	59.1	59.6	64.8	67.6	65.7	65.7	63.2	63.0	75.0	87.0	92.8	103.1
- Central government	54.5	55.6	55.5	59.7	61.7	58.6	57.9	55.1	54.6	65.3	76.7	81.8	90.6
- Local government	3.4	3.6	4.1	5.0	5.9	7.1	7.8	8.2	8.5	9.7	10.2	11.0	12.5
- Social security funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

1) * Preliminary

Revisions in these statistics

Revision of general government EDP-deficit and debt 2009-2012, million EUR

	Statistical year	Latest release	1. release	Revision, latest minus first
Deficit	2009	-4 250	-3 682	-568
	2010	-4 455	-4 427	-28
	2011	-1 339	-937	-402
	2012	-3 438	-3 714	276
Debt	2009	74 997	75 217	-220
	2010	86 974	87 216	-242
	2011	92 849	93 030	-181
	2012	103 145	103 131	14

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