

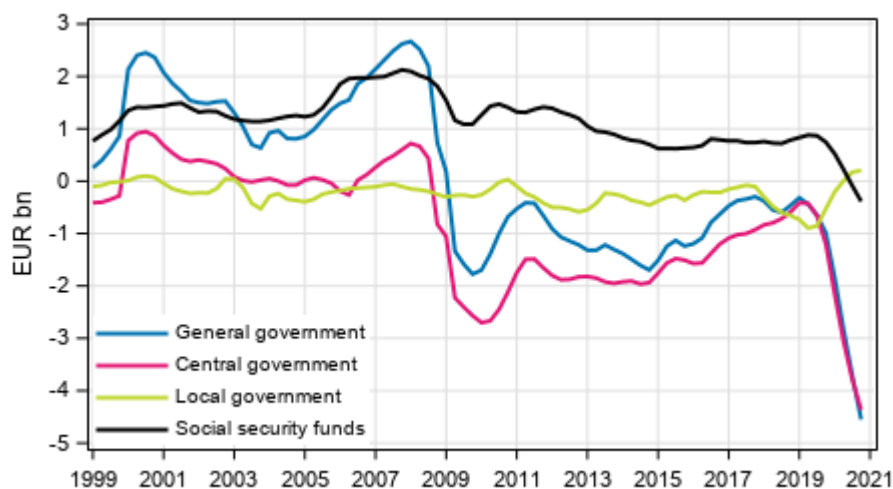
General government revenue and expenditure by quarter

2020, 4th quarter

Financial position of general government weakened by EUR 2.9 billion

In the fourth quarter EUR of 2020, general government's consolidated total revenue decreased by EUR 0.7 billion compared with the corresponding quarter of the previous year. Consolidated total expenditure increased by EUR 2.2 billion from the previous year's corresponding quarter. The difference between revenue and expenditure, that is, the net borrowing of general government grew by EUR 2.9 billion from the respective quarter of the year before. Compared to the third quarter of 2020, seasonally adjusted income grew and seasonally adjusted expenditure decreased. Thus, the financial position of general government did not worsen further in the fourth quarter of 2020 from the previous quarter. In the fourth quarter of 2020, the general government deficit (net borrowing) stood at EUR 4.0 billion. These data derive from Statistics Finland's statistics on general government revenue and expenditure by quarter. General government is comprised of central government, local government and social security funds.

General government's net lending (+) / net borrowing (-), trend



Changes from the respective quarter of the year before

Examinations of year-on-year changes are made with figures unadjusted for seasonal variation. The corona crisis increased expenditure and decreased income significantly in the fourth quarter of 2020 compared with the corresponding quarter of the year before. In the fourth quarter, central government's total revenue amounted to EUR 14.5 billion and total expenditure was EUR 18.6 billion. Central government's total revenue went down by 5.0 per cent from the respective quarter of the year before. Income tax paid by corporations was the single biggest contributor to the fall in tax revenue. This was both due to a decrease in advance taxes paid by non-financial corporations and to a transfer of 10 percentage points of corporation tax from central government to municipalities. Taxes on production and imports increased slightly and the most significant taxes that were lower than in the year before were taxes on certain fuels and motor vehicle and motorcycle tax. Total expenditure increased by 16.7 per cent from the respective quarter of the year before. The expenditure items that grew most were subsidies paid and current transfers paid to general government. The difference between revenue and expenditure, that is, the central government deficit was EUR 4.2 billion in the fourth quarter.

Local government's total revenue was EUR 15.5 billion in the fourth quarter. Compared to the corresponding quarter of the previous year it grew 17.3 per cent. Of income, most increase was recorded in income transfers from central government. Received taxes also grew strongly. In local government's tax revenue, the development of income taxes compared with the previous year was the opposite to central government. Persons' income tax revenue was bigger than one year ago, in addition, municipalities benefited from the change in the distribution share of corporation tax. In the fourth quarter, local government's total expenditure was EUR 14.6 billion. It went up by 5.2 per cent. In expenditure, most growth was seen in intermediate consumption. The difference between revenue and expenditure, that is, the deficit (net lending) of local government was EUR 0.8 billion, while in the corresponding quarter of 2019, local government showed a deficit of EUR 0.7 billion.

Social security funds include employment pension schemes and other social security funds. In the fourth quarter, employment pension schemes' total revenue amounted to EUR 6.9 billion and total expenditure to EUR 7.2 billion. Total revenue fell by EUR 0.6 billion or by 7.6 per cent from the corresponding quarter in the year before and total expenditure increased by EUR 0.2 billion or by 2.4 per cent. The effects of the coronavirus can be seen, for example, in received social security contributions, which went down by EUR 0.5 billion in the fourth quarter, or 8.0 per cent from one year ago. The revenue items that grew most were employee's pension contributions received, and in expenditure, paid pensions. The difference between revenue and expenditure, that is, the deficit (net borrowing) of employment pension schemes was EUR 0.3 billion and fell by around EUR 0.7 billion from the year before.

Other social security funds' total revenue was EUR 4.9 billion in the fourth quarter. Total revenue increased by 5.7 per cent from the corresponding quarter of one year ago. Current transfers received by the sector had most effect on the change in revenue, which grew by EUR 211 million or up by 6.8 per cent from the year before. The expenditure of other social security funds amounted to EUR 5.2 billion and it increased by 12.5 per cent from the quarter last year. Expenditure increased most due to paid social benefits other than social transfers in kind. They grew by EUR 491 million or 13.9 per cent year-on-year, mainly due to strong growth in expenditure on unemployment allowance. The difference between revenue and expenditure, that is, the deficit (net borrowing) of other social security funds was EUR 320 million in the fourth quarter. In this release, the financial position of other social security funds became revised in a weaker direction for earlier quarters of 2020 as the preliminary data on annual national accounts were completed.

Changes from the previous quarter

Examinations of changes compared with the previous quarter are made with seasonally adjusted figures. In the fourth quarter of 2020, central government's total revenue grew by 2.4 per cent from the previous quarter. Central government's total expenditure increased by 1.8 per cent from the previous quarter.

Local government's total revenue went up by 11.1 per cent from the previous quarter. Total expenditure increased by 0.8 per cent.

Employment pension schemes' total revenue went down by 1.5 per cent and total expenditure grew by 1.4 per cent from the previous quarter. Other social security funds' total revenue decreased by 3.5 per cent and total expenditure grew by 1.3 per cent from the previous quarter.

The data for the two latest years are preliminary and will become revised as annual national accounts data are revised. Seasonally adjusted and trend time series have been calculated with the Tramo/Seats method. Seasonally adjusted and trend time series always become revised against new observations irrespective of whether the original time series becomes revised or not. Further information on the seasonal adjustment method: http://www.tilastokeskus.fi/til/tramo_seats_en.html As the time series of annual national accounts become revised, the time series of this set of statistics will also be revised. These data are based on the data sources available by 8 March 2021. The data will be next revised on 23 June 2021.

Contents

Tables

Appendix tables

Appendix table 1. Change in general government revenue and expenditure 2020/4.....	5
------------------------------------------------------------------------------------	---

Figures

Appendix figures

Appendix figure 1. Social benefits other than social transfers in kind.....	6
Appendix figure 2. Actual social contributions.....	6
Appendix figure 3. Current Taxes on Income, Wealth, etc., trend.....	6
Appendix figure 4. Taxes on Production and Imports.....	7
Appendix figure 5. Total revenue, trend.....	7
Appendix figure 6. Total expenditure, trend.....	7
Appendix figure 7. Final Consumption expenditure, trend.....	8
Appendix figure 8. Gross savings, trend.....	8

Revisions in these statistics.....	9
------------------------------------	---

Appendix tables

Appendix table 1. Change in general government revenue and expenditure 2020/4

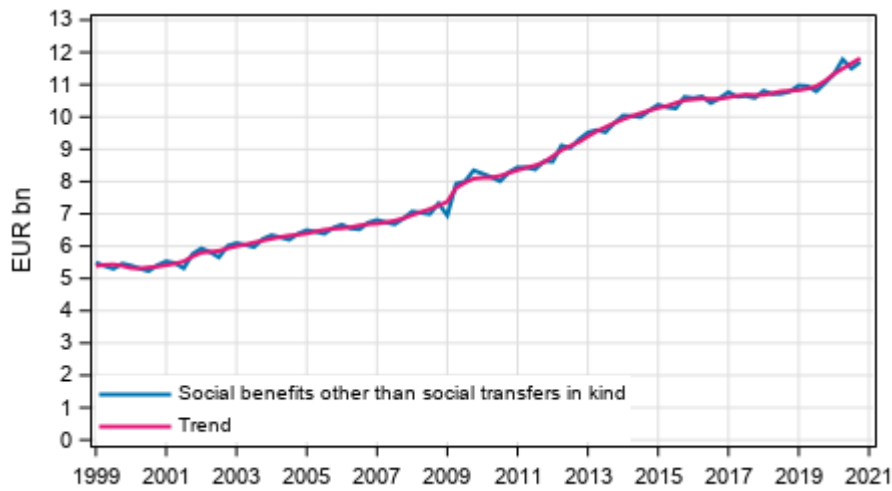
	2020/4–2019/4 Change, EUR million	2020/4–2019/4 %	2020/4–2020/3 % ¹⁾
Total revenue of General government	-711	-2,2	2,8
Central government	-764	-5,0	2,4
Local government	2285	17,3	11,1
Employment Pension Schemes	-568	-7,6	-1,5
Other social security funds	265	5,7	-3,5
Consolidation ²⁾	-1929
Total expenditure of General government	2221	6,6	-0,4
Central government	2671	16,7	1,8
Local government	724	5,2	0,8
Employment Pension Schemes	173	2,4	1,4
Other social security funds	582	12,5	1,3
Consolidation ²⁾	-1929

1) The change in total revenue and expenditure from the previous quarter is calculated from seasonally adjusted time series.

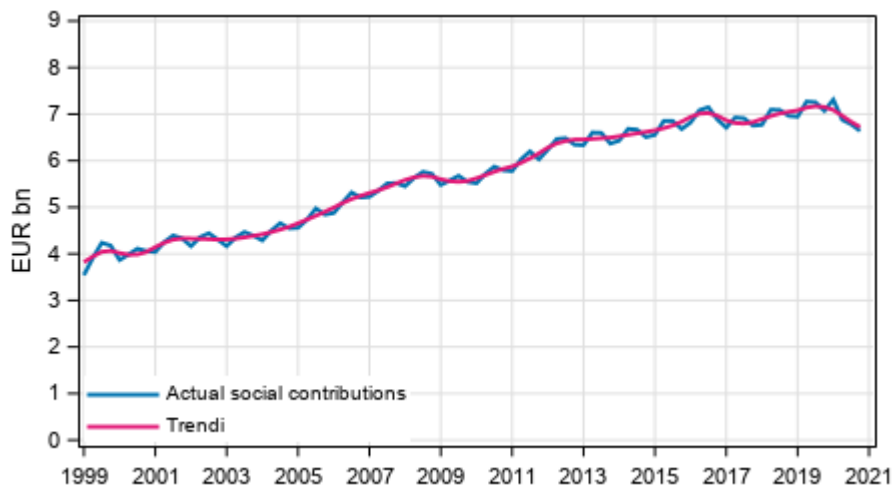
2) Transactions interest, other current transfers, investment grants and other capital transfers are consolidated within the general government sector. The other transactions are not consolidated

Appendix figures

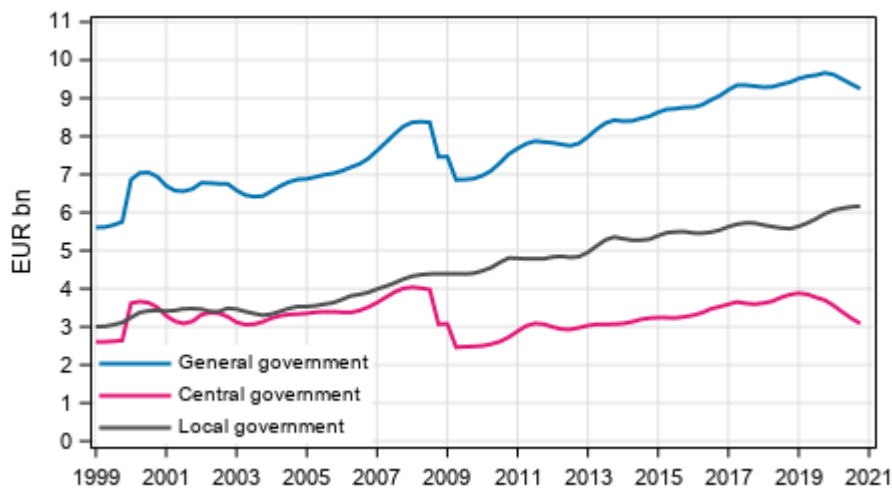
Appendix figure 1. Social benefits other than social transfers in kind



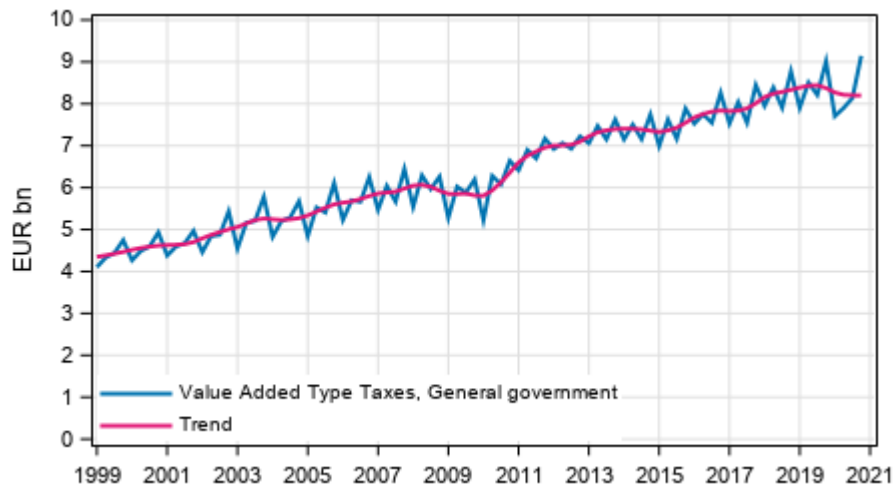
Appendix figure 2. Actual social contributions



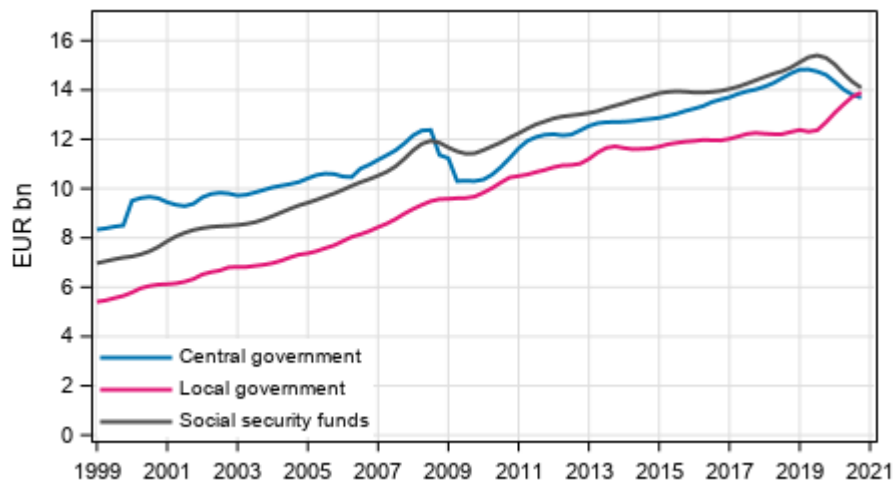
Appendix figure 3. Current Taxes on Income, Wealth, etc., trend



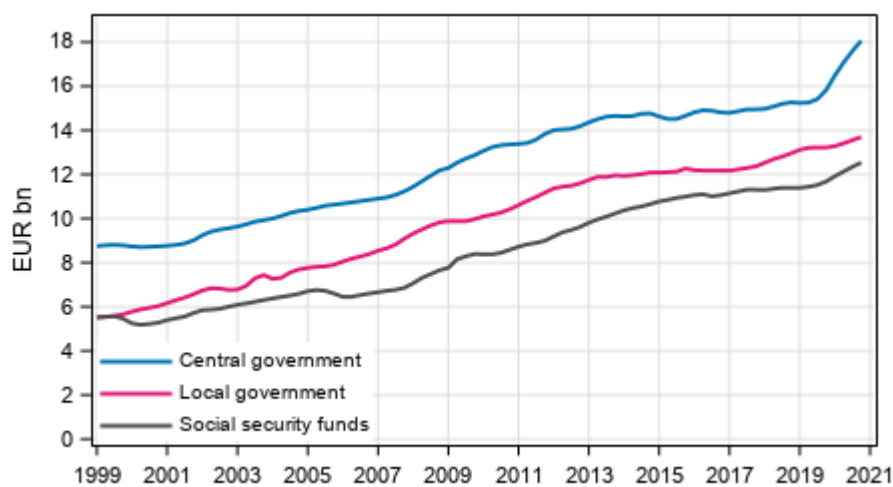
Appendix figure 4. Taxes on Production and Imports



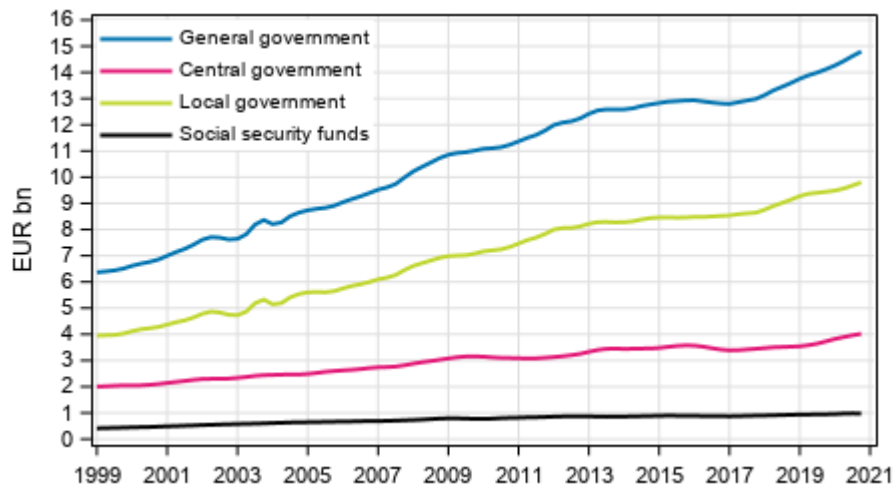
Appendix figure 5. Total revenue, trend



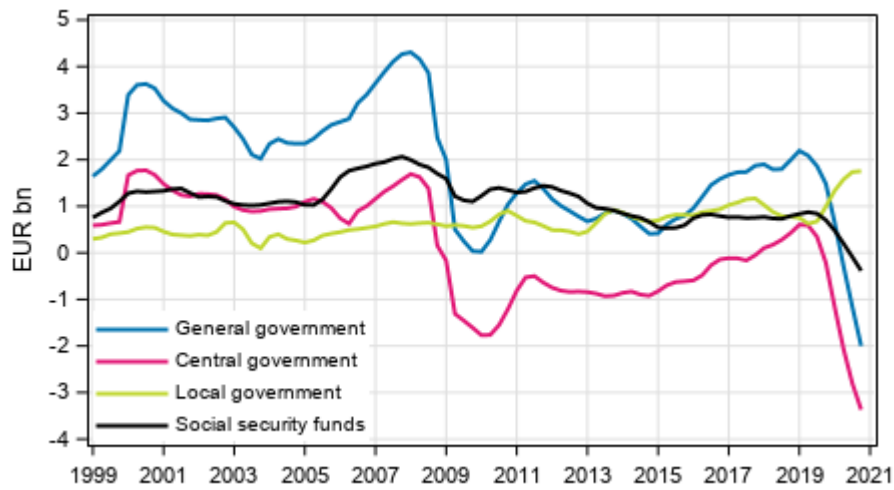
Appendix figure 6. Total expenditure, trend



Appendix figure 7. Final Consumption expenditure, trend



Appendix figure 8. Gross savings, trend



Revisions in these statistics

Seasonally adjusted quarter-on-quarter change, %

			1st release (%)	Latest release (%)	Revision, %-points
Sector	Transaction	Quarter			
General Government	Total Revenue	2019, 4th Quarter	0,8	3,7	2,9
		2020, 1st Quarter	0,2	-0,4	-0,6
		2020, 2nd Quarter	-2,4	-3,5	-1,1
		2020, 3rd Quarter	-0,5	2,1	2,6
	Total Expenditure	2019, 4th Quarter	0,7	0,0	-0,7
		2020, 1st Quarter	1,8	2,3	0,5
		2020, 2nd Quarter	5,2	7,2	2,0
		2020, 3rd Quarter	-1,6	-1,1	0,5

Year-on-year change, %

			1st release (%)	Latest release (%)	Revision, %-points
Sector	Transaction	Quarter			
General Government	Total Revenue	2019, 4th Quarter	6,8	7,0	0,2
		2020, 1st Quarter	1,4	1,2	-0,2
		2020, 2nd Quarter	-4,5	-3,2	1,3
		2020, 3rd Quarter	1,4	2,0	0,6
	Total Expenditure	2019, 4th Quarter	1,6	0,8	-0,8
		2020, 1st Quarter	2,1	1,9	-0,2
		2020, 2nd Quarter	8,6	8,9	0,3
		2020, 3rd Quarter	8,8	8,1	-0,7

Inquiries

Jouni Pulkka 029 551 3532
Jens Melfsen 029 551 2578
Head of Department in
charge:
Katri Kaaja

rahoitus.tilinpito@stat.fi
www.stat.fi

Source: General government revenue and expenditure, 4th quarter 2020. Statistics Finland