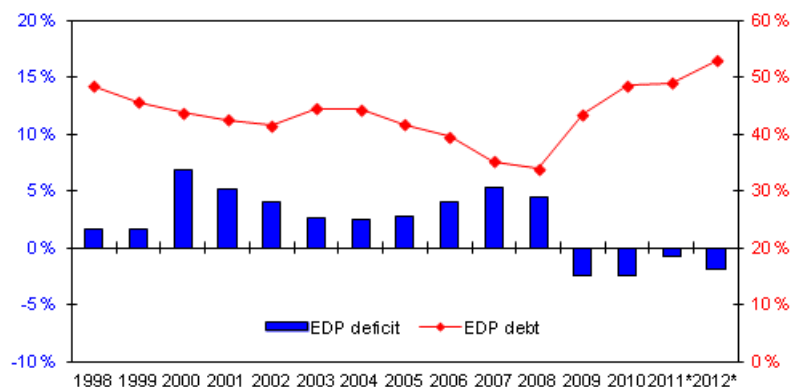


# General government deficit and debt 2012

## Government finance deficit 1.9 per cent and debt 53.0 per cent relative to GDP in 2012

According to Statistics Finland's initial preliminary data, during 2012 Finland's general government consolidated debt grew by EUR 10.3 billion to EUR 103.1 billion. The GDP share of the debt rose from the previous year's 49 per cent to 53 per cent. General government deficit relative to GDP went up to 1.9 per cent from the previous year's 0.8 per cent. According to the preliminary data, public deficit and debt remained below the reference values of the European Union's Growth and Stability Pact.

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



In 2012, the financial position of general government was EUR 3.7 billion in deficit. The central government sector's deficit grew by EUR 0.9 billion to EUR 6.7 billion. The development was affected by the slowdown in the increase in tax accruals and the growth in current transfers paid. The local government sector's deficit grew by EUR 1.0 billion to EUR 2.1 billion. Even though the expenditure of the local government sector grew more slowly than in the previous year, the financial position was weakened by clearly slower growth in tax revenue and received income transfers compared to the year before. Employment pension funds and other social security funds accumulated a surplus of EUR 5.1 billion.

In 2012, general government's unconsolidated gross debt increased by EUR 9.6 billion from the year before. Central government debt rose by EUR 8.1 billion, whereas local government debt grew by EUR 1.5 billion. Internal general government debt decreased by some EUR 0.6 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.

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. The amount was at the end of 2011 EUR 312 million.

The public deficit concept used in these statistics complies with the Excessive Deficit Procedure (EDP) of the European Union's Growth and Stability Pact. This so-called 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 preliminary data the net lending of the sector accounts compliant with ESA95 was -2.3 per cent of GDP.

The next release from these statistics will be made on 28 March 2013 when Statistics Finland will publish the deficit and debt report compiled in accordance with the Excessive Deficit Procedure (EDP) which must be submitted to the European Commission at the end of March. The data published here may become revised in that connection.

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**Appendix table 1. General government EDP deficit 1997-2012<sup>1)</sup>**

	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*	-5 758	-1 073	5 292	-1 539	-3.0	-0.6	2.8	-0.8
2012*	-6 680	-2 094	5 060	-3 714	-3.4	-1.1	2.6	-1.9

1) \* Preliminary

**Appendix table 2. General government EDP debt 1997-2012<sup>1)</sup>**

	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	52 740	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	48.6
2011*	81 848	11 000	1	92 849	43.2	5.8	0.0	49.0
2012*	90 672	12 457	2	103 131	46.6	6.4	0.0	53.0

1) \* Preliminary

**Appendix table 3. General government non-consolidated gross debt and EDP debt 2000-2012<sup>1)</sup>**

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011*	2012*
<b>A. General government non-consolidated gross debt</b>	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	66.0	64.6	65.5	65.9	62.5	61.2	58.6	57.9	68.3	79.6	86.4	94.5
- 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	13.9
- 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>B. General government internal debt</b>	15.5	12.2	10.8	7.3	5.7	5.3	4.6	4.9	5.0	4.6	4.4	5.9	5.3
<b>A-B. General government consolidated EDP-debt</b>	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	54.5	65.3	76.7	81.8	90.7
- Local government	3.4	3.6	4.0	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	0.1	0.1	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 2008-2011, million EUR**

	Statistical year	Latest release	1. release	Revision, latest minus first
Deficit	2008	8 160	7 786	374
	2009	-4 250	-3 682	-568
	2010	-4 455	-4 427	-28
	2011	-1 539	-937	-602
Debt	2008	63 015	62 140	875
	2009	74 997	75 217	-220
	2010	86 974	87 216	-242
	2011	92 849	93 030	-181

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