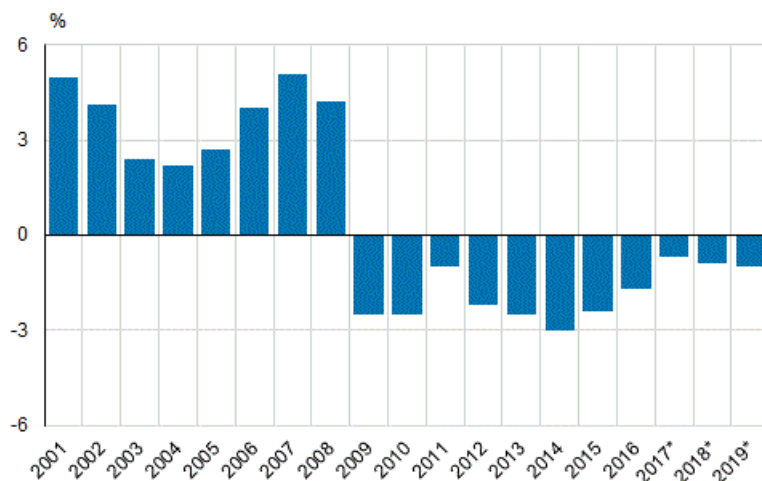


General government deficit and debt 2019

General government deficit 1.0 per cent and debt 59.3 per cent relative to gross domestic product in 2019

According to the revised data reported by Statistics Finland to Eurostat, general government deficit was 1.0 per cent relative to gross domestic product in 2019. The deficit was clearly below the reference value of the European Union’s Stability and Growth Pact, which is three per cent relative to gross domestic product. General government EDP debt, or consolidated gross debt, was 59.3 per cent relative to gross domestic product at the end of 2019. The ratio of debt to GDP is below the reference value of 60 per cent.

General government EDP deficit (-) relative to GDP 2001–2019

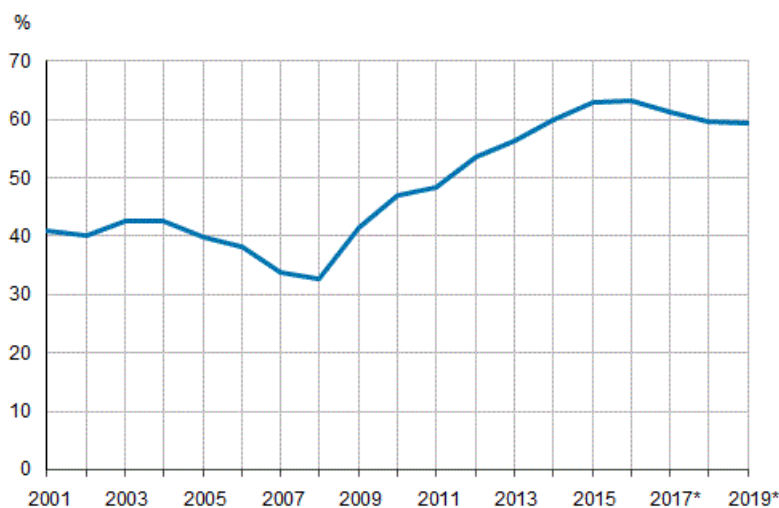


In 2019, general government deficit, or net borrowing according to national accounts, was EUR 2.3 billion. The financial position of general government weakened by around EUR 300 million from the year before. The financial position of local government weakened most, by around EUR 700 million compared to 2018. This was particularly due to considerable growth in the sector’s consumption expenditure and investments. In 2019, local government sector deficit, or net borrowing, was EUR 2.7 billion.

Central government deficit was nearly the same as in 2018 and remained clearly in deficit. The deficit of central government stood at EUR 2.9 billion in 2019.

Social security funds are divided into employment pension schemes and other social security funds. The employment pension schemes' surplus was EUR 2.7 billion in 2019, i.e. it grew by around EUR 400 million from the previous year. The surplus of other social security funds was EUR 0.6 billion in 2019.

General government EDP debt relative to GDP 2001–2019



Consolidated general government gross debt (EDP debt) amounted to EUR 142.5 billion at the end of 2019. The debt grew by EUR 3.2 billion in 2019. Central government debt grew by EUR 1.4 billion and local government debt grew by EUR 2.9 billion. The debt of social security funds decreased by EUR 0.9 billion. The increase in consolidated items between general government by EUR 244 million contributed to the debt of the entire general government sector growing by said EUR 3.2 billion in 2019. 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 the publication of general government debt by quarter on 16 March, a review was made to the general government debt for the years 2015 to 2018 as the Manual on Government Deficit and Debt (MGDD) was updated. The data for 2019 have been compiled on the same principle. More information on the processing (only in Finnish) can be found in the decision on [rearrangement of transactions in activity under Finnvera's commitment to compensate credit and guarantee losses in national accounts](#).

Eurostat will publish preliminary data on Member States on 22 October 2020.

About the content and concepts of the statistics

General government surplus/deficit refers to net lending/borrowing according to the sector accounts of national accounts, which is the difference between the total revenue and expenditure. For instance, in the case of local government, the concept differs from the surplus/deficit of the accounting period according to the profit and loss accounts of municipalities and joint municipal authorities included in the sector. The key difference concerns investments, which are recorded in national accounts as expenditure as such.

In general government accounts, the European Financial Stability Facility EFSF is, based on Eurostat's decision, handled so that the 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 the 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 the 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 the EFSF is calculated by dividing the loan granted to the beneficiary country by the contribution key (based on the share in the ECB's capital of each country participating in the support operations).

At the end of 2019, Finland's general government debt includes EUR 3.4 billion of debt granted by the EFSF to beneficiary countries. Corresponding treatment does not apply to the European Stability Mechanism (ESM).

Central government's EDP debt differs as a concept 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, received cash collateral 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 that are in circulation. In National Accounts, central government is also a broader concept than the budget and financial economy (http://www.stat.fi/meta/luokitukset/_linkki/julkisyhteisot.html). However, the State Pension Fund is classified as a social security fund. The valuation principle for both debt concepts is the nominal value, where the effect of currency swaps is taken into account. When these differences are taken into consideration, we reach the central government non-consolidated gross debt in accordance with the EDP concept (Appendix table 2). In 2019, the State Treasury's central government debt EUR 106.4 billion + conceptual differences of the debt EUR 6.5 billion + differences caused by the sector delimitation EUR 5.3 billion = central government gross debt EUR 118.2 billion. The valuation principle for both debt concepts is the nominal value, where the effect of interest-rate contracts and currency swaps is taken into account.

A list of units belonging to general government and decisions on major sector classification cases (only in Finnish) can be found at http://www.stat.fi/meta/luokitukset/_linkki/soveltamisp.html.

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Appendix tables

Appendix table 1. General government EDP deficit 2008–2019¹⁾

	Million EUR				Ratio to GDP, %			
	Central government	Local government	Social security funds	Total	Central government	Local government	Social security funds	Total
2008	997	-763	7880	8114	0.5	-0.4	4.1	4.2
2009	-8256	-1134	4875	-4515	-4.5	-0.6	2.7	-2.5
2010	-9932	-406	5571	-4767	-5.3	-0.2	3.0	-2.5
2011	-6381	-1055	5418	-2018	-3.2	-0.5	2.7	-1.0
2012	-7383	-2123	5172	-4334	-3.7	-1.1	2.6	-2.2
2013	-7546	-1447	3834	-5159	-3.7	-0.7	1.9	-2.5
2014	-7731	-1514	3064	-6181	-3.7	-0.7	1.5	-3.0
2015	-6307	-1321	2501	-5127	-3.0	-0.6	1.2	-2.4
2016	-5713	-898	2917	-3694	-2.6	-0.4	1.3	-1.7
2017*	-4039	-452	3017	-1474	-1.8	-0.2	1.3	-0.7
2018*	-2876	-2000	2866	-2010	-1.2	-0.9	1.2	-0.9
2019*	-2896	-2725	3311	-2310	-1.2	-1.1	1.4	-1.0

1) A negative value shows deficit, a positive value surplus.

Appendix table 2. General government EDP debt 2008–2019

Year	Million EUR				Ratio to GDP, %			
	Central government	Local government	Social security funds	Total	Central government	Local government	Social security funds	Total
2008	57659	10214	1	63254	29.7	5.3	0.0	32.6
2009	68053	11560	2	75482	37.4	6.4	0.0	41.5
2010	80055	12027	1	88248	42.6	6.4	0.0	46.9
2011	88133	12738	1	95576	44.5	6.4	0.0	48.3
2012	96085	14327	1947	107801	47.8	7.1	1.0	53.6
2013	101298	16237	1907	114888	49.6	7.9	0.9	56.2
2014	107471	17675	2192	123778	51.9	8.5	1.1	59.8
2015	114626	18754	3156	134529	54.2	8.9	1.5	63.6
2016	116990	19625	2352	137420	53.8	9.0	1.1	63.2
2017*	118080	19767	2826	138422	52.3	8.7	1.3	61.3
2018*	166766	21381	2283	139327	50.0	9.2	1.0	59.6
2019*	118179	24281	1426	142539	49.1	10.1	0.6	59.3

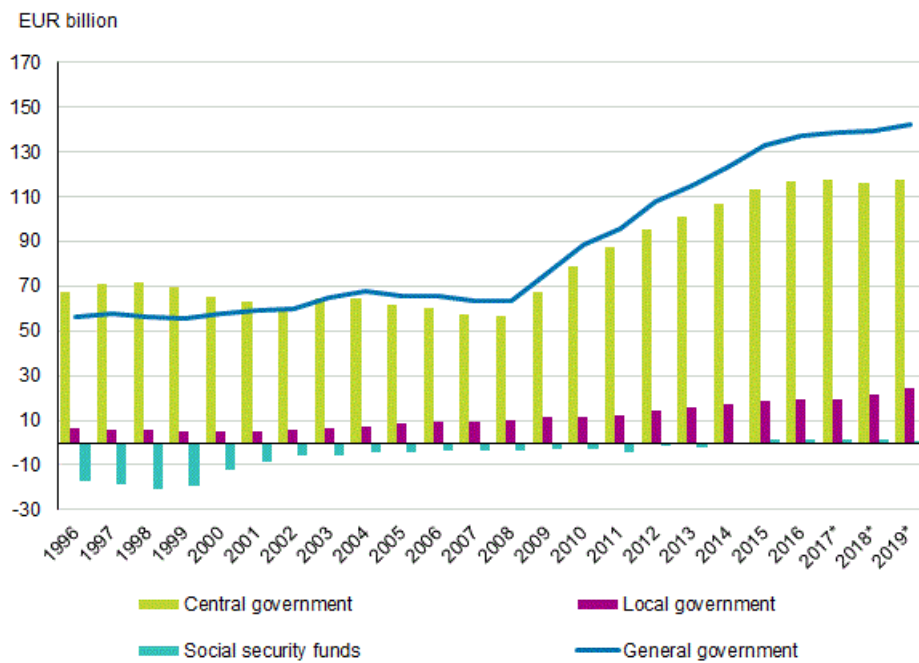
Appendix table 3. Revision of general government EDP deficit and debt 2016–2019

General government deficit/debt relative to GDP, %	Deficit ¹⁾				Debt			
	2016	2017	2018	2019	2016	2017	2018	2019
Release of April 2020	-1.7	-0.7	-0.9	-1.1	63.2	61.3	59.6	59.4
Release of October 2020	-1.7	-0.7	-0.9	-1.0	63.2	61.3	59.6	59.3
Revision, percentage points	0.03	0.03	0.00	0.18	0.00	-0.03	-0.01	-0.10
of which: revision of deficit/debt	0.03	0.03	0.00	0.18	0.00	0.00	0.00	0.01
of which: revision of GDP	0.00	0.00	0.00	0.00	0.00	-0.03	-0.01	-0.12

1) A negative value shows deficit, a positive value surplus.

Appendix figures

Appendix figure 1. Contribution of general government's sub-sectors to general government debt, EUR billion, 1996–2019



Revisions in these statistics

Revision of general government EDP-deficit and debt, million EUR, 2016–2019

	Statistical year	Latest release	1. release ¹⁾	Revision
Deficit	2016	-3694	-3761	67
	2017	-1474	-1546	72
	2018	-2010	-2006	-4
	2019	-2310	-2735	425
Debt	2016	137420	137419	1
	2017	138422	138422	0
	2018	139327	139324	3
	2019	142539	142507	32

1) The year 2016: deficit: National accounts 16 March 2017. The year 2016: debt: General government debt by quarter 16 March 2017. The year 2017: deficit: National accounts 16 March 2018. The year 2017: debt: General government debt by quarter 16 March 2018. The year 2018: deficit: National accounts 15 March 2019. The year 2018: debt: General government debt by quarter 15 March 2019. The year 2019: deficit: National accounts 16 March 2020. The year 2019: debt: General government debt by quarter 16 March 2020.

Inquiries

Lotta Sjöblom 029 551 3342

Antti Suutari 029 551 3257

Head of Department in
charge:

Mari Ylä-Jarkko

financial.accounts@stat.fi

www.stat.fi

Source: General government deficit and debt. Statistics Finland