

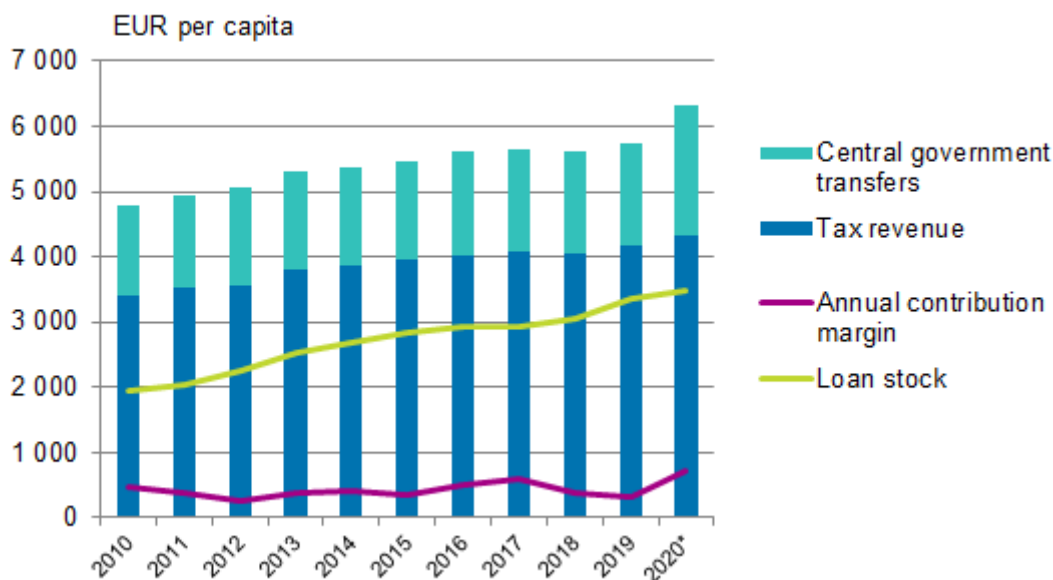
Quarterly local government finances

2020, 4th quarter

Results of municipalities in Mainland Finland grew by nearly two billion in 2020

According to the financial statement estimates reported by municipalities in Mainland Finland, the combined annual contribution margin of municipalities for 2020 grew by EUR 2.2 billion from the previous year. The explanatory factors were the strong growth in central government transfers to local government and tax revenue. The result also grew strongly, in total to EUR 1.7 billion. These data appear from Statistics Finland's statistics on quarterly local government finances, for which financial statement estimate data concerning 2020 were collected from all 294 municipalities and 130 joint municipal authorities in Mainland Finland.

Central government transfers, tax revenue, annual contribution margin and loan stock per capita of municipalities in Mainland Finland in 2010 to 2020*



The population figures on 31 December for each year has been used as the population data for 2010 to 2019. The population figure on 31 December 2019 has been used in the estimate data for 2020.

*Financial statement estimates

Finances of municipalities and joint municipal authorities

According to the financial statement estimates for 2020, the external operating expenses of municipalities in Mainland Finland grew by 1.7 per cent compared to the previous year's financial statements. Operating revenue was estimated to decrease by 3.8 per cent. The operating expenses of municipalities totalled EUR 38.5 billion and operating revenue EUR 6.9 billion. The operating margin weakened by 3.1 per cent to EUR -31.3 billion.

According to their own estimates, municipalities received a total of EUR 11.0 billion in central government transfers in 2020, which is EUR 2.4 billion or 27.2 per cent more than in the year before. Tax revenue grew by EUR 0.9 billion or by 4.0 per cent to EUR 23.8 billion. Tax funding formed of tax revenue and central government transfers to local government was EUR 6,336 per capita.¹⁾ The annual contribution margin more than doubled from the previous year to EUR 4.0 billion. Two municipalities in Mainland Finland had a negative annual contribution margin in the financial statement estimate. In the previous year's actual financial statements, 65 municipalities had a negative annual contribution margin. The combined result of municipalities grew from EUR -0.2 billion to EUR 1.7 billion.

According to the financial statement estimates, the loan stock of municipalities in Mainland Finland stood at EUR 19.1 billion at the end of 2020. The growth from the previous year's actual financial statements amounted to 3.8 per cent. The loan stock per capita was EUR 3,478.²⁾ The combined investment expenditure of municipalities grew from the previous year by 4.6 per cent to EUR 4.2 billion.

The financial statement estimates of joint municipal authorities in Mainland Finland for 2020 included external operating expenses to the tune of EUR 16.2 billion. Operating expenses increased by 1.9 per cent from the year before. The operating margin was EUR 0.7 billion. The result for the financial period weakened slightly, being EUR -0.1 billion. The investment expenses of joint municipal authorities increased by 6.3 per cent to EUR 1.4 billion. At the end of the year, the combined loan stock stood at EUR 5.5 billion and it grew by 17.5 per cent in the year.

Information on the statistics

The statistics on quarterly local government finances are in the first to third quarters a sample survey that describes the development of the finances of municipalities and joint municipal authorities in Mainland Finland by quarter. For the statistical release on the fourth quarter, data are collected from all municipalities and joint municipal authorities in Mainland Finland. The data in the statistics on quarterly local government finances are preliminary and they might become revised in coming publications.

No data are released by municipality or joint municipal authority for the 1st, 2nd and 3rd quarters that are based on a sample survey. The financial statement estimate data received from municipalities and joint municipal authorities in the data collection concerning the fourth quarter will be released at unit level starting from data concerning 2017 on Statistics Finland's website in the database [Data on finances reported by municipalities and joint municipal authorities](#).

The data published in the statistics on quarterly local government finances are not directly comparable with the data of the statistics on local government finances by quarter because of the different way of handling local government enterprises. In the statistics on quarterly local government finances, local government enterprises are combined with the data on basic municipalities and joint municipal authorities,

1) The population data used were the population of Mainland Finland on 31 December 2019.

2) The population data used were the population of Mainland Finland on 31 December 2019.

while this was not done in the statistics on local government finances by quarter published between 2013 and 2015.

The 4th quarter of 2020 is the last release for the statistics on quarterly local government finances. Starting from data concerning 2021, the State Treasury will collect and publish quarterly data on local government finances.

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Appendix table 1. External quarterly data on the finances of municipalities and joint municipal authorities in Mainland Finland (internal items eliminated), EUR million¹⁾

	Municipalities		Joint municipal authorities	
	2020	Change, %	2020	Change, %
Operating revenue total	6 925	-3,8	16 872	1,9
Operating expenses total	38 546	1,7	16 196	1,9
Operating margin (+/-)	-31 303	3,1	685	3,4
Tax revenue	23 825	4,0		
Central government transfers to local government	10 992	27,2		
Financing income	700	-7,3	22	-19,7
Financing expenses	219	7,7	112	3,0
Annual contributing margin (+/-)	3 995	128,6	595	2,4
Depreciations and reductions in value	2 339	1,4	673	8,0
Extraordinary items (+/-)	76	-80,8	5	-22,1
Financial result for the accounting period (+/-)	1 732	-1 155,5	-73	105,6
Investment expenses total	4 233	4,6	1 437	6,3
Loan stock, at the end of the quarter	19 112	3,8	5 495	17,5

1) Local government enterprises were combined to the data and internal items were eliminated. The data concerning 2020 are financial statement estimates. Changes are calculated compared to the final financial statement data of the previous year.

Revision of data

Change from first release¹⁾

				1st release, EUR million	Latest release, EUR million	Revision of data, EUR million	Revision of data, %
Area	Item	Year	Quarter				
Municipalities	Operating revenue total	2019	4	7 194	7 188	-6	-0,1
			2020	1	1 622	1 605	-18
		2		3 294	3 216	-77	-2,3
		3		4 876	4 803	-73	-1,5
	Operating expenses total	2019	4	37 814	37 822	8	0,0
			2020	1	9 499	9 503	4
		2		19 152	19 109	-43	-0,2
		3		28 692	28 665	-26	-0,1
	Loan stock, at the end of the quarter	2019	4	18 440	18 440	1	0,0
			2020	1	19 132	19 154	22
		2		19 620	19 676	56	0,3
		3		19 312	19 307	-5	0,0
Joint municipal authorities	Operating revenue total	2019	4	16 410	16 504	94	0,6
			2020	1	4 113	4 110	-3
		2		7 948	7 944	-4	-0,1
		3		12 118	12 105	-13	-0,1
	Operating expenses total	2019	4	15 836	15 866	30	0,2
			2020	1	3 849	3 846	-3
		2		7 877	7 872	-4	-0,1
		3		11 875	11 862	-13	-0,1
	Loan stock, at the end of the quarter	2019	4	4 564	4 683	119	2,6
			2020	1	4 818	4 818	0
		2		5 046	5 046	0	0,0
		3		5 210	5 210	0	0,0

1) Local government enterprises were combined to the data and internal items were eliminated.

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Source: Quarterly local government finances, 4th quarter 2020, Statistics Finland