

30 September, 2014

Main aggregates of General Government
2013 – Half Finalized data

Main Aggregates of General Government

Statistics Portugal presents the provisional results on the main aggregates of General Government for 2013 sent to Eurostat accordingly with the ESA2010 transmission programme¹.

This information is the first compiled accordingly with the concepts and definitions of the new European System of National and Regional Accounts 2010 (ESA 2010). The change from ESA95 to ESA 2010 had several methodological implications which were translated into a significant number of revisions of previously published information

The General Government sector accounts are compiled accordingly with the concepts and definitions of ESA2010. In addition, specific guidelines of the Manual on Government Deficit and Debt are applied². These results are fully consistent with the second notification of 2014 for the Excessive Deficit Procedure (EDP) which was also published today.

In comparison with the previous system (ESA 95), ESA 2010 introduced several methodological changes in the compilation of the General Government accounts, with significant impacts on the main aggregates and net borrowing. The most relevant changes were: the changes in the criteria for the delimitation of the general government sector; the changes on the recording of transfers of pension funds obligations to the government sector; the recording of military expenditures and research and development (R&D) expenditures as investment.

The following tables compare the main results obtained in both systems³.

¹ Regulation (EU) n° 549/2003 of the European Parliament and of the Council, from 21th may 2013, on the European System of National and Regional Accounts.

² This document is available in http://epp.eurostat.ec.europa.eu/portal/page/portal/product_details/publication?p_product_code=KS-GO-13-006

³ The revisions presented in these tables are determined by the comparison of the net borrowing accordingly with ESA 2010 with the national accounts concept of net borrowing in ESA 95. These results do not reflect the Excessive Deficit Procedure concept in ESA95.

Table 1- Revisions due to the introduction of ESA2010 (2010-2011)

Transaction Label	2010			2011		
	ESA95	ESA2010	Revision	ESA95	ESA2010	Revision
Total general government revenue	71 991.2	73 136.9	1 145.7	77 043.2	73 464.6	-3 578.6
Total general government expenditure	89 018.8	93 237.1	4 218.4	84 422.7	86 432.1	2 009.4
Current Balance	-17 027.6	-20 100.2	-3 072.6	-7 379.5	-12 967.5	-5 588.0
GDP	172 859.5	179 929.8	7 070.3	171 126.2	176 166.6	5 040.4
Current Balance (% GDP)	-9.9	-11.2	-1.3	-4.3	-7.4	-3.0

Un.: 10⁶ Euros

Table 2- Revisions due to the introduction of ESA2010 (2012-2013)

Transaction Label	2012			2013		
	ESA95	ESA2010	Revision	ESA95	ESA2010	Revision
Total general government revenue	67 574	71 486	3 912	72 410	77 425	5 016
Total general government expenditure	78 244	80 797	2 553	80 651	85 735	5 084
Current Balance	-10 669	-9 310	1 359	-8 241	-8 309	-68
GDP	165 107	169 668	4 561	165 666	171 211	5 545
Current Balance (% GDP)	-6.5	-5.5	1.0	-5.0	-4.9	0.1

Un.: 10⁶ Euros

As explained in the press release of the EDP notification, amongst the methodological changes introduced, the reclassification of institutional units into the general government sector worth to be highlighted as it led to an increase in some of the main aggregates of general government accounts such as wages, sales and intermediate consumption, as well as to a decrease in the social transfers due to inclusion in the general government sector of the Corporations Hospitals.

The changes in the recording of R&D expenditure and of military expenditure are also worth mentioning as these expenditures are no longer recorded as final consumption expenditure but as Gross Fixed Capital Formation (GFCF). Finally the changes in the recording of transfers to the government sector of pension funds also had a significant

impact in the net borrowing of the general government sector as these changes led to significant decreases in the capital revenue in the years of 2010 and 2011.

Table 3 present the results for the main aggregates of general government for the year 2013.

TABLE 3: MAIN AGGREGATES OF GENERAL GOVERNMENT - HALF-FINALIZED DATA
TIME: 2013

Unit: Millions of euros

Transaction code	Transaction label	General Government S13	Central Government S1311	Local and Regional Government S1313	Social security funds S1314
TE	Total general government expenditure	85 735	63 961	11 462	23 539
TR	Total general government revenue	77 425	54 851	11 854	23 948
B.9	Net lending (+)/Net borrowing (-) (National accounts balance)	-8 309	-9 110	392	409

Footnote:

For total revenue (TR) and total expenditure (TE) the sum of sub-sectors does not equal the sector value, due to consolidation of some transactions.

In 2013 the General Government net borrowing was 8 183 million Euros. This net borrowing was determined by the Central Government subsector, as the Social Security funds and the Local and Regional Government presented positive balances in the same period.