

116/2014 - 23 July 2014

First quarter of 2014

## Seasonally adjusted government deficit almost stable at 2.7% of GDP in the euro area

Deficit decreases to 1.9% of GDP in the EU28

### Pre-announcement

In line with the worldwide guidelines on national accounting, EU National Accounts data, which includes government deficit/surplus and GDP, will be published based on a new methodology (ESA2010) from Autumn 2014 onwards.

See [http://epp.eurostat.ec.europa.eu/portal/page/portal/esa\\_2010/introduction](http://epp.eurostat.ec.europa.eu/portal/page/portal/esa_2010/introduction) for more details.

It should be noted that many Member States will also use this opportunity to carry out major revisions or make other methodological improvements in the compilation of their data.

In the first quarter of 2014, the seasonally adjusted<sup>1</sup> general government deficit<sup>2</sup> to GDP ratio stood at 2.7% in the **euro area**<sup>3</sup> (EA18), nearly stable compared with the fourth quarter of 2013 (2.6%). In the **EU28**<sup>3</sup>, the deficit to GDP ratio decreased from 3.1% of GDP in the fourth quarter of 2013 to 1.9% of GDP in the first quarter of 2014, largely due to one-off effects described in the [Statistics Explained](#) article.

These data are released by **Eurostat, the statistical office of the European Union.**

### Seasonally adjusted\* government revenue, expenditure and surplus/deficit in the euro area and EU

% of GDP	2013 Q1	2013 Q2	2013 Q3	2013 Q4	2014 Q1
<b>EA18</b>					
surplus (+)/ deficit (-)	-3.1	-3.3	-3.0	-2.6	-2.7
total revenue	46.6	46.7	46.8	46.9	46.8
total expenditure	49.7	50.0	49.8	49.5	49.5
<b>EU28</b>					
surplus (+)/ deficit (-)	-3.4	-3.4	-3.4	-3.1	-1.9
total revenue	45.5	46.0	45.7	45.7	46.6
total expenditure	48.9	49.3	49.2	48.8	48.5

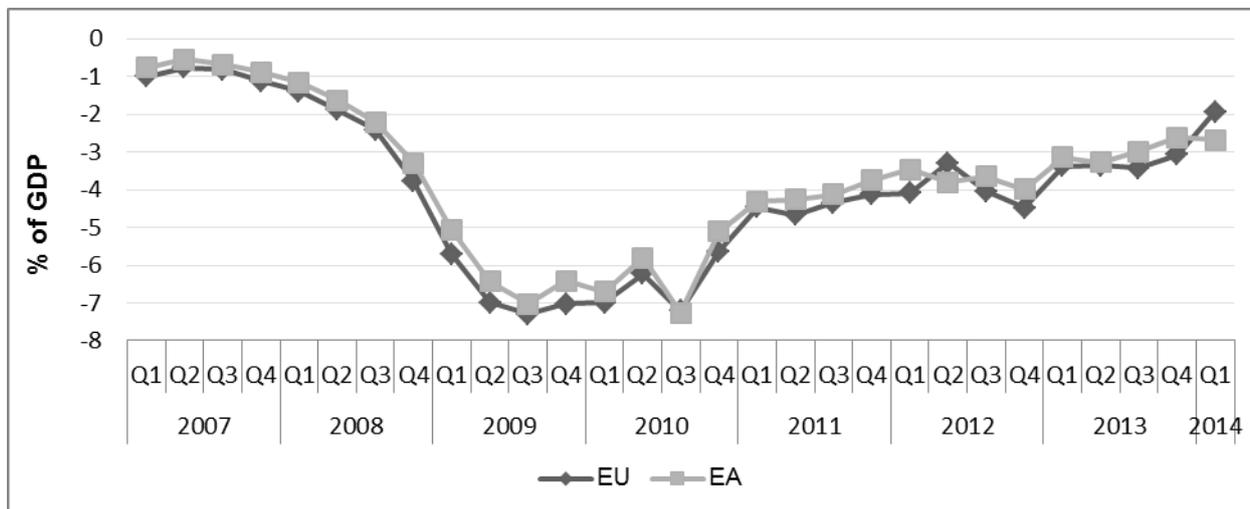
\* Working day and seasonally adjusted. Data are a combination of national and Eurostat estimates

## Government revenue and expenditure for the euro area and EU28

In the first quarter of 2014, total government revenue in the **euro area** amounted to 46.8% of GDP, compared with 46.9% in the fourth quarter of 2013. Total government expenditure in the **euro area** stood at 49.5% of GDP, stable in comparison with the previous quarter.

In the first quarter of 2014, total government revenue in the **EU28** was 46.6% of GDP, compared with 45.7% of GDP in the fourth quarter of 2013. Total government expenditure in the **EU28** was 48.5% of GDP, down from 48.8% in the previous quarter.

### Seasonally adjusted\* government surplus/deficit in the euro area and EU



\* Working day and seasonally adjusted. Data are a combination of national and Eurostat estimates. Euro area is EA18. EU is EU27, since a full time series of data is not yet available for Croatia.

1. Data for the euro area and EU aggregates are working day and seasonally adjusted by Eurostat using an indirect approach (by country) for total revenue and total expenditure. Both revenue and expenditure exhibit a clear seasonal pattern. The surplus (+)/deficit (-) is derived indirectly from the above-mentioned transactions. For the ratios to GDP, working day and seasonally adjusted GDP is used.

Selected countries also supply Eurostat with their own estimates of working day and seasonally adjusted data for general government total revenue and total expenditure on a voluntary basis and permit Eurostat to publish these estimates.

For available Member State data, both seasonally adjusted and non-seasonally adjusted, and country-specific metadata on working day and seasonal adjustment, please refer to the information published on the Eurostat 'Statistics Explained' page on quarterly government accounts:

[http://epp.eurostat.ec.europa.eu/statistics\\_explained/index.php/Government\\_finance\\_statistics\\_-\\_quarterly\\_data](http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Government_finance_statistics_-_quarterly_data)

EU28 seasonally adjusted data have been estimated using EU27 seasonally adjusted data and the available quarterly pattern for Croatia. Croatian quarterly data are available from 2012 Q1.

2. Quarterly non-financial accounts for general government are collected from the Member States according to Commission Regulation (EC) 264/2000 of 3 February 2000 on the implementation of Council Regulation (EC) 2223/96 with respect to short-term public finance statistics and Regulation (EC) 1221/2002 of the European Parliament and of the Council of 10 June 2002 on quarterly non-financial accounts for general government. The definition of total revenue and total expenditure is defined in Commission Regulation (EC) 1500/2000 of 10 July 2000 implementing Council Regulation (EC) 2223/96 with respect to general government expenditure and revenue. In this publication the definition of net lending (+)/net borrowing (-), also referred to as surplus (+)/deficit (-) is applied as defined in Council Regulation (EC) 2223/96 of 25 June 1996 on the European system of national and regional accounts in the Community. This definition differs slightly from the one used for the purposes of the Excessive Deficit Procedure, which treats swaps and forwards as non-financial transactions. In the definition used here, these are treated as financial transactions and thus do not impact the deficit. For most countries and the EU aggregates, the difference between the two measures is small.

Following the availability of more detailed annual data sources for 2013, data in many Member States is expected to be revised. Annual EDP data notified by Member States in April and October are the subject of a thorough verification by Eurostat, which can lead to a revision of previously published quarterly data for general government.

Quarterly non-financial accounts for general government are published in the Eurostat database:

[http://epp.eurostat.ec.europa.eu/portal/page/portal/government\\_finance\\_statistics/data/database](http://epp.eurostat.ec.europa.eu/portal/page/portal/government_finance_statistics/data/database).

3. The euro area (EA18) includes Belgium, Germany, Estonia, Ireland, Greece, Spain, France, Italy, Cyprus, Latvia, Luxembourg, Malta, the Netherlands, Austria, Portugal, Slovenia, Slovakia and Finland.  
The European Union (EU28) includes Belgium, Bulgaria, the Czech Republic, Denmark, Germany, Estonia, Ireland, Greece, Spain, France, Croatia, Italy, Cyprus, Latvia, Lithuania, Luxembourg, Hungary, Malta, the Netherlands, Austria, Poland, Portugal, Romania, Slovenia, Slovakia Finland, Sweden and the United Kingdom.

*Further data are available in the integrated publication on quarterly government finance statistics:*  
**[http://epp.eurostat.ec.europa.eu/portal/page/portal/government\\_finance\\_statistics/data](http://epp.eurostat.ec.europa.eu/portal/page/portal/government_finance_statistics/data)**

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