

Quarterly Accounts for General Government

In recent years Eurostat has significantly expanded the range of quarterly data available on government finances. These data now reflect non-financial, financial and debt aspects, and cover all countries in the European Union. This publication examines the main features of these data. Integrated data are now published quarterly on Eurostat's website for government finance statistics, providing a timely and increasingly high quality picture of the evolution of government finances in the EU. This publication includes data transmitted by Member States at the end of September 2008. They will be probably revised in the forthcoming transmission of end-December 2008.

Quarterly Non-Financial Accounts for General Government

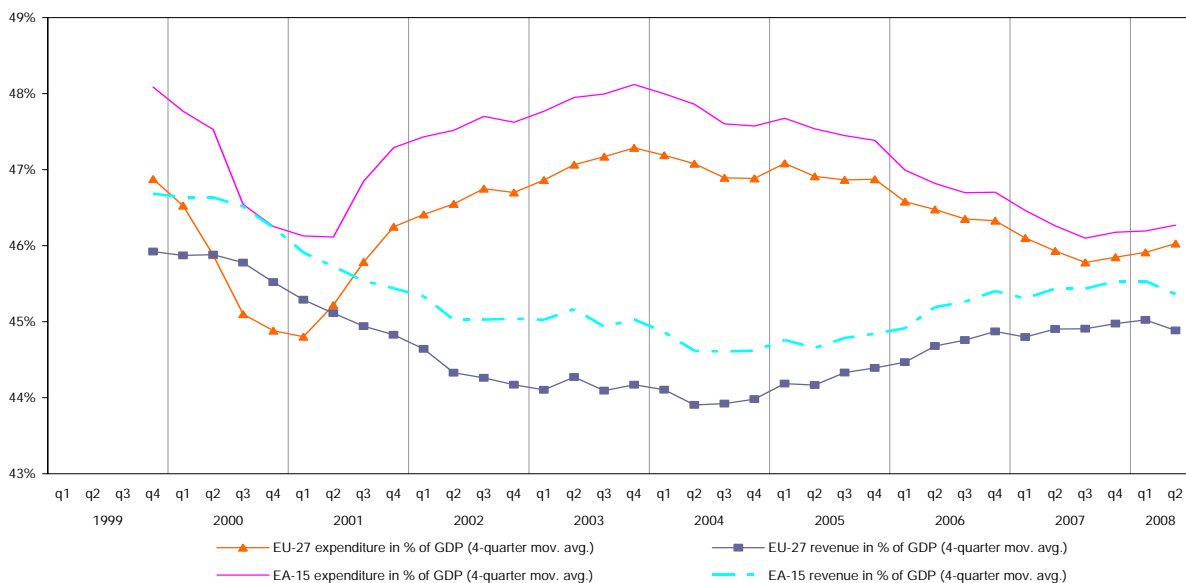
EU27 and euro area 15 (EA15) government revenue in 2008Q2 at 44.7% and 45.5% of GDP respectively in the second quarter of 2008

After two years of relative stability, EU27 government revenue expressed in percentage of GDP steadily increased from 2004 (see figure 1). In the second quarter of 2008 (2008Q2), government revenue represented 44.7% of GDP (44.9% of GDP on average over the past 4 quarters 2007Q3-2008Q2), which is below the highest value for a second quarter (45.2%) reached in 2007Q2. The development for the euro area (EA15) followed the same movement, but with a slightly higher government revenue-to-GDP ratio.

The increasing trend of EU27 and EA15 government revenue-to-GDP ratios ended in 2007Q4 and was followed, since then, by a downward movement.

For both the EU27 and EA15, quarterly government revenue showed seasonal patterns (partly explained by the link with the seasonality of economic activity and by administrative practices of national governments), being generally highest in the fourth quarter. In the fourth quarter of 2007, revenue for the euro area (EA15) reached 49.7% of GDP, the highest value in seven years.

Figure 1: EU27 and EA15 quarterly government revenue and expenditure in % of GDP, 4-quarter moving averages, 1999Q1-2008Q2



Source: Eurostat, Economy and finance, government statistics, quarterly non-financial accounts for general government

EU27 government expenditure-to-GDP ratio in at 45.1% of GDP in 2008Q2 and 46.0% of GDP on the rolling 1-year period

In the second quarter of 2008 (2008Q2), EU27 government expenditure accounted for 45.1% of GDP (see figure 1). The average government expenditure-to-GDP ratio for the latest annual period 2007Q3-2008Q2 was 46.0%, slightly above the lowest level (45.9%) reached in 2007Q3. The EA15 experienced a similar trend (45.1% of GDP in 2008Q2 and 46.3% on average over the 1-year period 2007Q3-2008Q2). After 10 quarters of steady decrease, government expenditure-to-GDP ratios of both EU27 and EA15 started to follow an upward trend from 2007Q4.

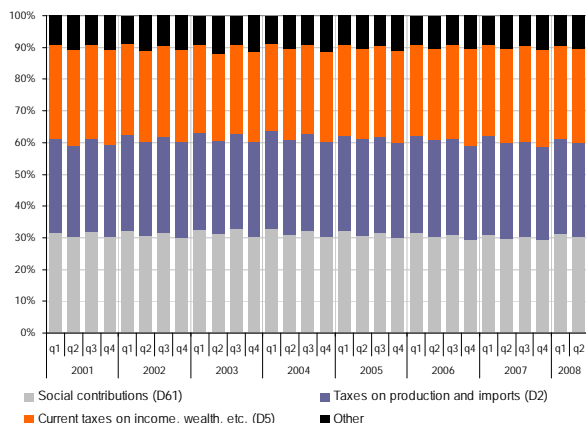
Government expenditure also presented seasonal movements, with the highest values in percentage of GDP being generally recorded in the fourth quarters of the year (likely due to increased spending at the end of the budgetary period).

EU27 government revenue and expenditure by main components

Taxes and social contributions accounted for some 90% of general government revenue in the EU27 throughout the period 2001Q1-2008Q2. This share was generally slightly lower for the fourth quarter. In figure 2 below, government revenue is split into the following ESA 95 categories: 'taxes on production and imports' (D.2), 'current taxes on income, wealth, etc.' (D.5), 'social contributions' (D.61), and other which is made up of the remaining revenue categories (D91, P11, P12, and P131, etc.).

On average 'Social contributions' accounted for 31.0% of total government revenue in the EU27, followed by 'taxes on production and imports' (30.0%), and 'current taxes on income, wealth, etc.' (29.4%). The quarterly variation was relatively small for all components. 'Social contributions' cover actual amounts receivable from employers and employees, and also imputed amounts (see ESA 95 paragraphs 4.98 - 4.102 for an explanation of imputed social contributions).

Figure 2: Government revenue for the EU27 by main components as % of total revenue, from 2001Q1 to 2008Q2



Social welfare spending accounted, on average, for 40.2% of total EU27 government expenditure between 2001Q1 and 2008Q2. These are classified under 'social benefits other than social transfers in kind' (ESA 95 category D.62) and 'social transfers in kind related to expenditure on products supplied to households via market producers' (D.6311+D.63121+D.63131). Typically these payments cover risks or needs such as sickness, disability, old age and unemployment.

Quarterly variations were relatively small for all components. The variation of interest expenditure (D41) was the largest, in relation to its size. This was also the case for gross fixed capital formation (P51), which presents a seasonal pattern, with the highest values being recorded in the fourth quarter.

Figure 3: Government expenditure for the EU27 by main components as % of total expenditure, from 2001Q1 to 2008Q2



EU27 and EA15 government deficits on increasing trend from the first quarter of 2008 (2008Q1)

The difference between general government revenue and expenditure is known in the ESA 95 terminology as 'general government net lending/net borrowing' (ESA 95 category B.9). This figure is seen as an important indicator of the overall situation of public finances, notably when expressed in percentage of GDP.

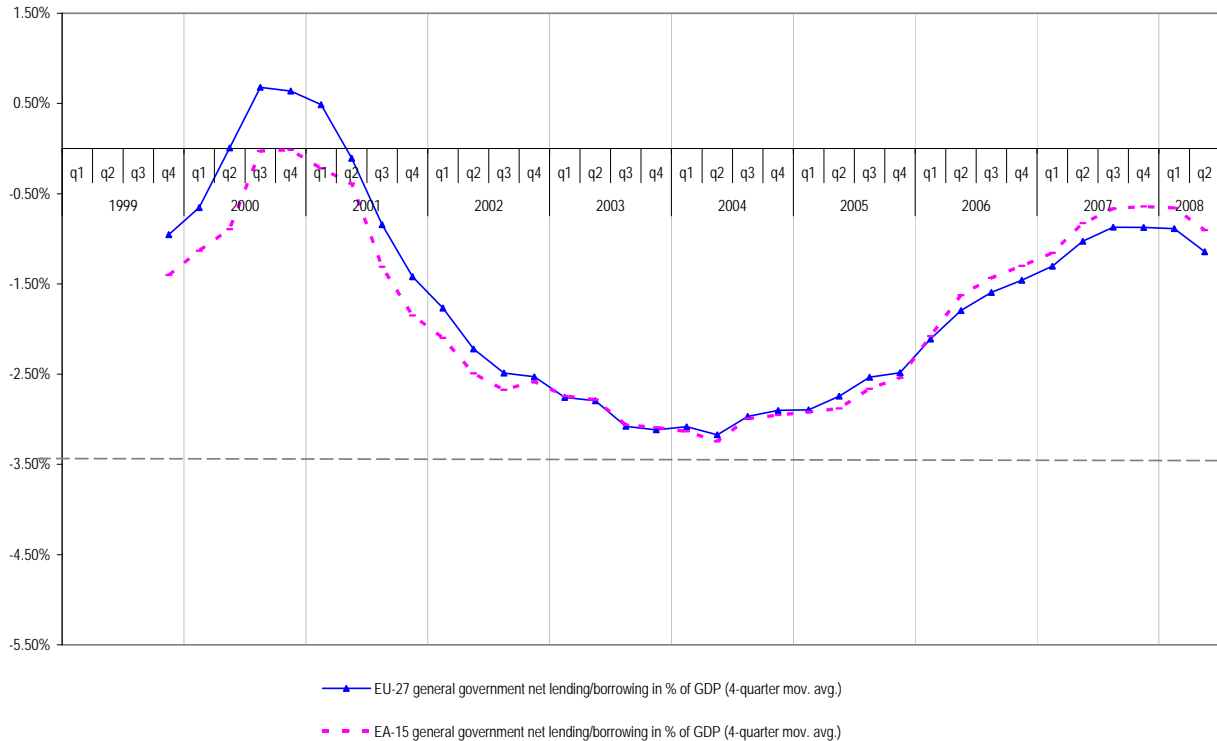
EU27 and EA15 government deficits have been on a decreasing trend from the second quarter of 2004 (2004Q2) to the fourth quarter of 2007 (2007Q4).

This movement was confirmed in the three subsequent quarters. The 4-quarter moving averages of EU27 government deficit expressed in percentage of GDP was reduced from 2.7% of GDP in 2005Q2 to 1.8% of GDP in 2006Q2 and 1.0% of GDP in 2007Q2 (see figure 4). The corresponding figures for the euro area (EA15) were 2.9% in 2005Q2, 1.6% in 2006Q2 and 0.8% 2007Q2.

However, after a period of stability in the last two quarters of 2007, EU27 and EA15 government deficits expressed in percentage of GDP started to increase in trend from 2008Q1, under the

simultaneous effect of decreasing government revenue-to-GDP and increasing expenditure-to-GDP ratios.

Figure 4: Quarterly government deficit/surplus in % of GDP and four-quarter moving average, for the EU27 and EA15, from 1999Q1 to 2008Q2



Source: Eurostat, *Economy and finance, government statistics, quarterly non-financial accounts for general government*

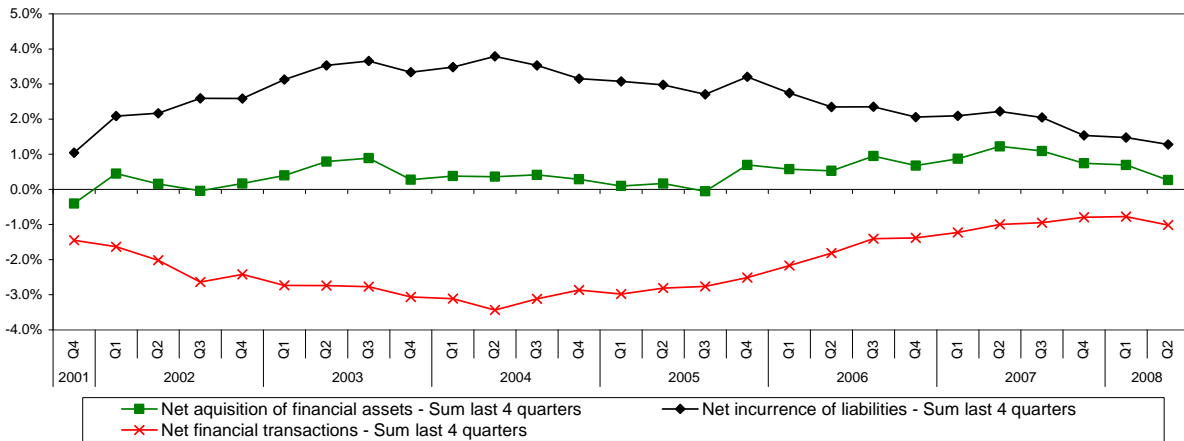
Quarterly financial accounts for general government

The government financial accounts enable the analysis of how governments finance their deficits (or invest their surpluses). They contain information both on the net acquisition of financial assets and the net incurrence of liabilities that occur between two points of time, and on the stocks of financial assets and liabilities outstanding at a point in time (the balance of which are net financial worth). Variations in stocks are explained both by the transactions and other factors. These other factors are made up of holding gains and losses and other changes in volume. The aim of this section is to give the main characteristics of the general government financial accounts.

Government financing - A slight increase of net acquisition of financial assets combined with a significant decrease of net incurrence of liabilities

Since the second quarter of 2004, the EU27 deficit has reduced, from nearly -3.5% to -1.0% of GDP for the second quarter of 2008 (deficit observed from the financial account). This result is reflected in the financial accounts by a drop of the net incurrence of liabilities. The net acquisition of financial assets was quite stable between 0% and 1% of GDP. The results for the euro-area are very similar.

Figure 5: EU27 general government financial transactions (assets, liabilities and net financial transactions) in percentage of GDP (moving ratio) – 2001Q4-2008Q2



Source: Eurostat, Economy and finance, government statistics, quarterly financial accounts for general government

Government Balance sheet - Stocks of liabilities in percentage of GDP continue to reduce since mid-2005

At the end of the second quarter of 2008, the EU27 stocks of financial assets of general government reached 3484 billion euro while liabilities amounted to 7910 billion euro, the balance of which is negative.

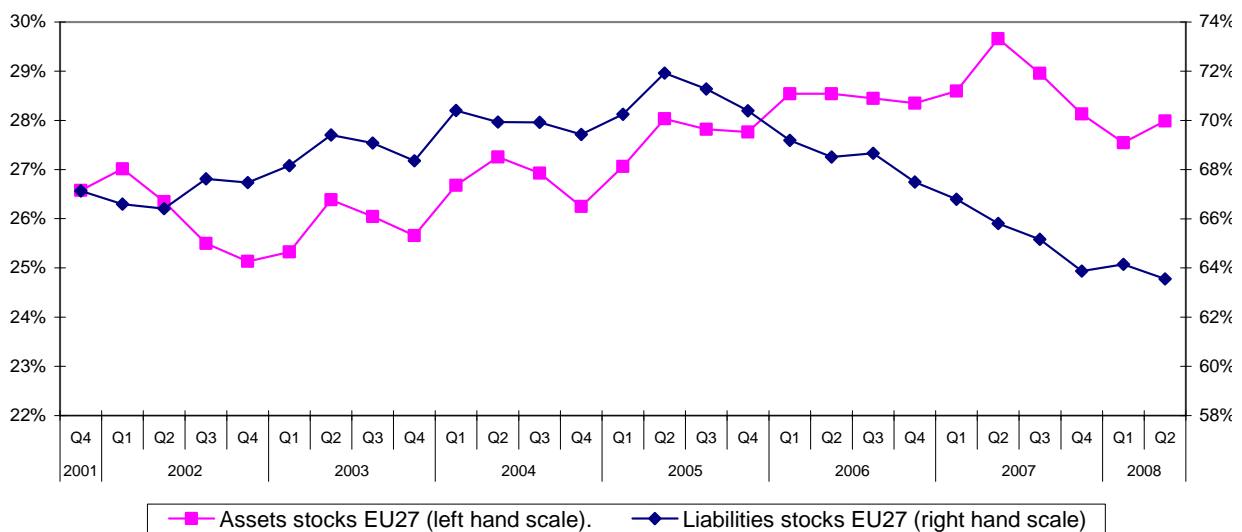
The stocks of financial assets reached their lowest level in share of GDP in 2002Q4 (25% of GDP) and their highest level in 2007Q2 (nearly 30% of GDP).

From this point, the stocks of assets in percentage of GDP notably decreased but a slight recovery was observed in 2008Q2.

When looking at the level of stocks of financial liabilities in terms of GDP from 2001Q4 to 2005Q2, an increasing trend can be observed, followed by a sharp decrease by nearly 8 points, to 64% of GDP.

For the euro area (EA15), the variations of assets and liabilities stocks are quite similar to those of the EU27.

Figure 6: EU27 general government stocks of financial assets and liabilities in percentage of GDP 2001Q4-2008Q2



Source: Eurostat, Economy and finance, government statistics, quarterly financial accounts for general government

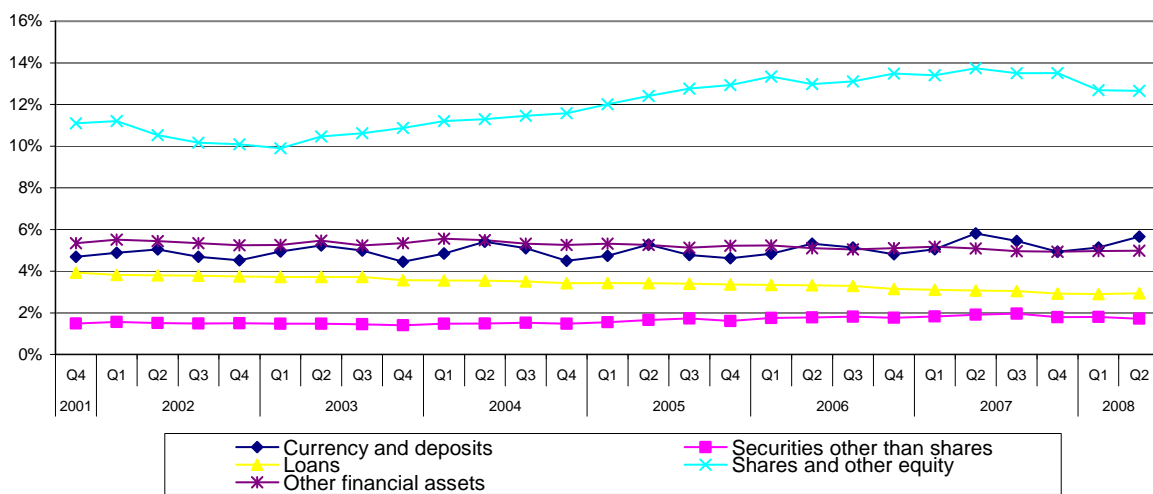
Figure 7 shows that the main component of EU27 government financial assets is made up by shares and other equity. The decrease in total stocks of financial assets is for a large extent the result of the reduction of stocks observed for this category during the quarters 2007Q2 to 2008Q2 (from 1649 billion to 1575 billion euro). When looking in details, we see that this drop is essentially explained by other changes in financial assets, mainly negative revaluation effect due to changes in the market value.

assets (in alternation with the category currency and deposits), mainly comprises other receivables. It reflects the impact of the accrual principle applicable in ESA 1995.

Looking at the stocks in currency and deposits, it can be observed an important seasonality. This item mainly captures bank accounts of government units and notably of Treasuries that often maintain abundant liquidities and that can fluctuate very quickly and for large amount.

The category "Other financial assets", the second or third component of EU27 government financial

Figure 7: EU27 general government stocks of financial assets by financial instrument in percentage of GDP 2001Q4-2008Q2

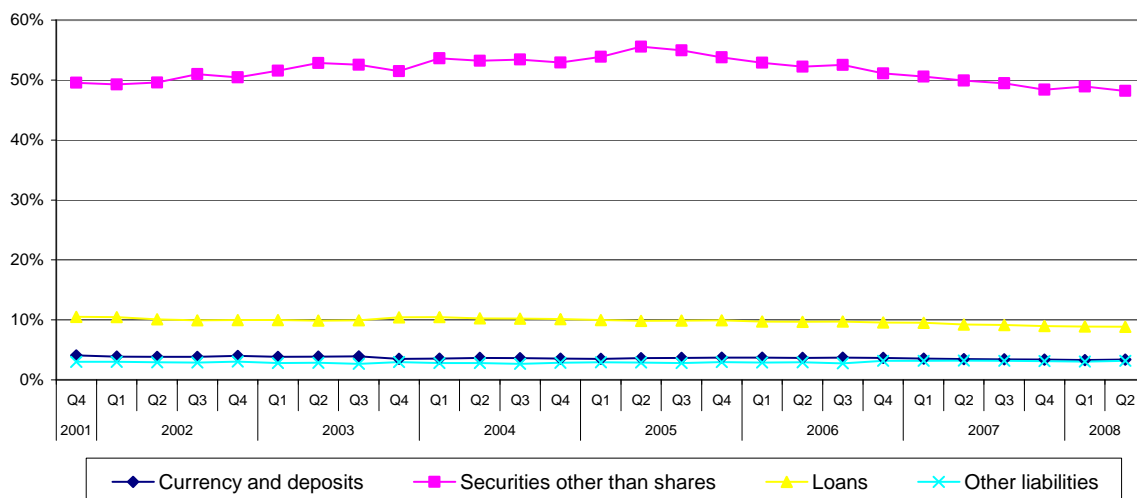


Source: Eurostat, Economy and finance, government statistics, quarterly financial accounts for general government

Figure 8 shows that the main component of EU27 financial liabilities is made up of securities other than shares. This category is largely responsible for the

decrease of total liabilities. The second major component of liabilities is loans.

Figure 8: EU27 general government stocks of financial liabilities by financial instrument in percentage of GDP 2001Q4-2008Q2



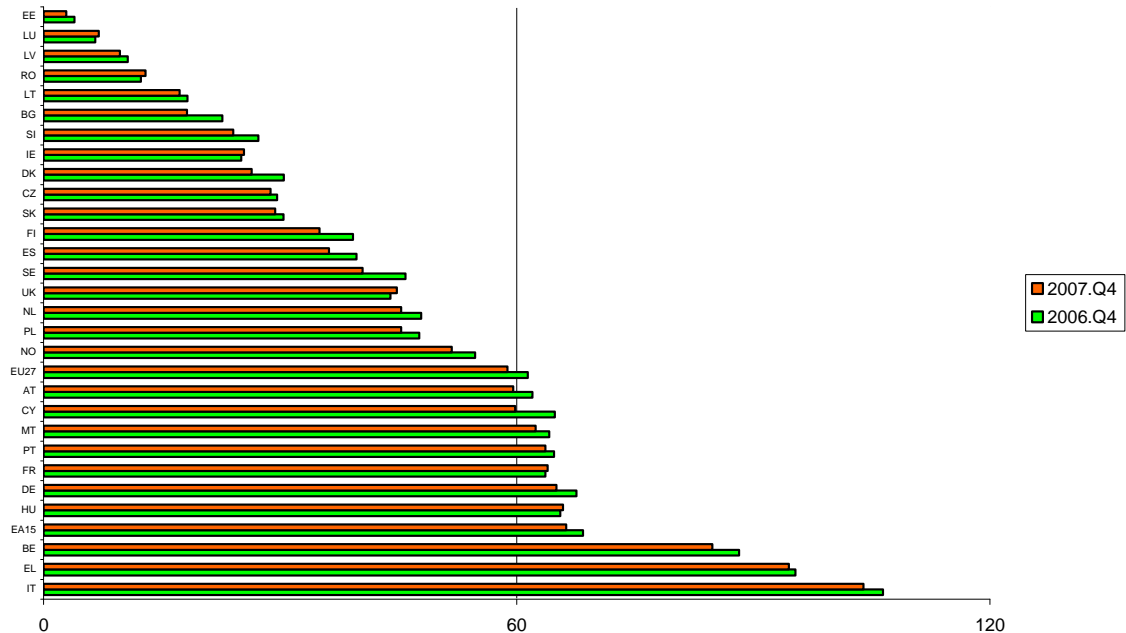
Source: Eurostat, Economy and finance, government statistics, quarterly financial accounts for general government

QUARTERLY GOVERNEMENT DEBT

At this point, we turn our attention to the Quarterly Government Gross Debt (QGD) of EU countries, often called Maastricht debt. This is defined in the Council Regulation N° 1222/2004 to include liabilities in currency and deposits (AF.2); securities other than shares, excluding financial derivatives

(AF.33) and loans (AF.4). Moreover, the valuation rules of Maastricht debt are different of those of the ESA-95 (see methodological notes). Consequently, these figures somewhat deviate from the data presented in the previous section under figure 8.

Figure 9: General Consolidated Gross Debt as percentage of GDP



Source: Eurostat, *Economy and finance, government statistics, quarterly government debt*

Figure 9 shows QGD in percentage of GDP for 2006Q4 and 2007Q4 in every country and for the EU27 and the EA (note that the debt stock for a calendar year is the debt stock at the last quarter of that year). As it can be observed, the ratio of debt to GDP decreased for the EU27 by almost 3 points, from around 61% to around 58%. The pattern followed by the euro area was similar, with a decrease of more than 2 points between 2006Q4 and 2007Q4. Regarding the different countries,

Italy presented the highest level of QGD for both years, although there was a reduction of almost 3 points of debt in terms of its GDP. On the other side we find Estonia, with 4% of debt in 2006, while it was just under 3% in 2007. It is worth noting that most countries had debt under 60% of GDP in 2007, and even more important, all the countries with more than 60% of debt to GDP decreased their debt as a percentage of GDP between 2006Q4 and 2007Q4.

Figure 10: General Consolidated Gross Debt as Percentage of GDP 2000.Q1-2008.Q2

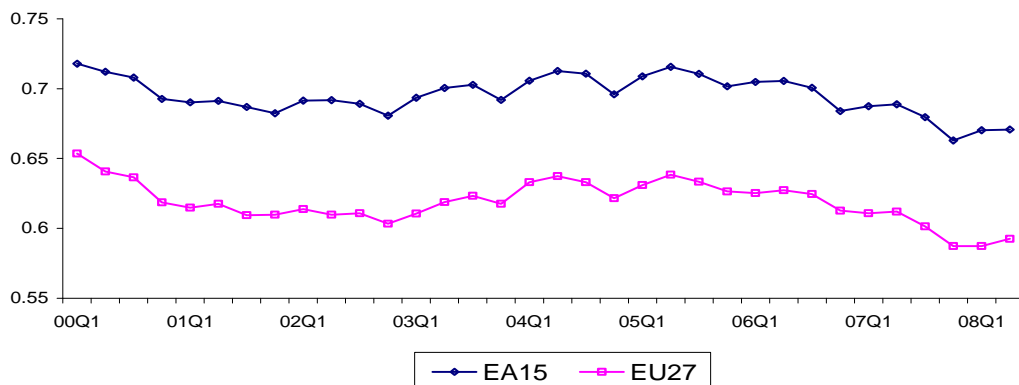


Figure 10 shows a small upwards/downwards trend in debt pattern in recent years. It also shows some seasonality, because debt generally falls in the first quarter of each year, due to patterns of government borrowing.

It is important to remark that debt as percentage of GDP followed the same pattern in EU27 and EA15, with the difference that figures are around 6 points higher for EA15.

For the EU27 and EA15, the quarterly increase in gross government debt shows a good correlation with the quarterly government deficit (opposite of net lending/net borrowing) derived from the quarterly non financial accounts for general government (see figure 4). However the changes

are not the same, caused by the presence of other factors (the so-called "debt-deficit adjustment").

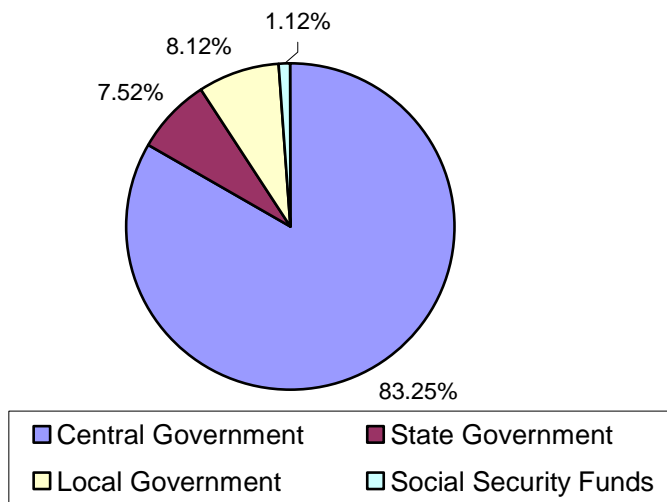
Breakdown by Subsector

According to ESA-95, QGGD data for government are divided into four subsectors:

1. Central Government (S.1311)
2. State Government (S.1312)
3. Local Government (S.1313)
4. Social Security Funds (S.1314)

The breakdown of unconsolidated debt into these four subsectors is shown in the next figure.

Figure 11: General Unconsolidated Gross debt in EU27 by subsector. 2008Q2

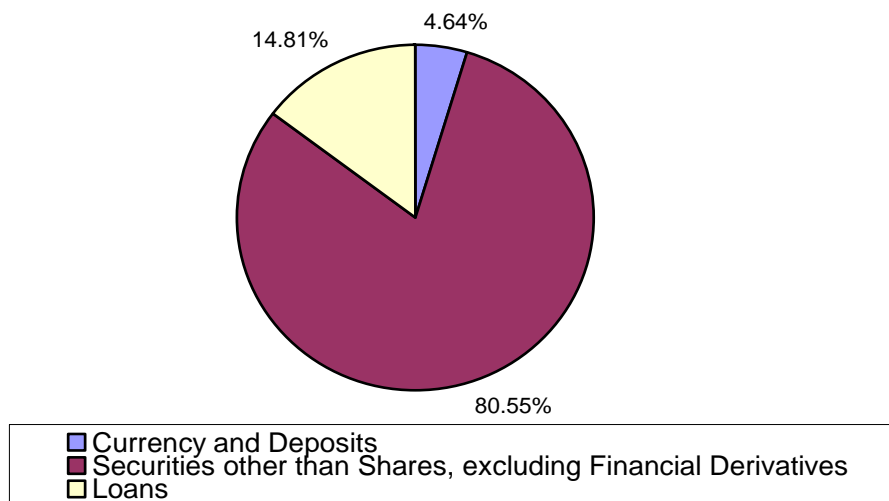


Debt of Central Governments represents more than 80% of the General Government unconsolidated debt for all the quarters analyzed. This proportion is highly stable. On the other hand, the share of State Government is around 7.5%, and a little higher for Local Government. Finally, the participation of Social Security Funds in total debt is barely over 1% of the total. The general pattern for the EA is roughly the same as that observed for the EU27.

Breakdown by Instrument

Figure 11 shows that Securities other than Shares, excluding Financial Derivatives, is the preferred debt instrument of General Government. It represents more than 80% of total debt. The share of every instrument is quite stable over time, Currency and Deposits representing around 4.5% of the total debt and Loans 15%. The result is similar for the euro area.

Figure 12: General Consolidated Gross Debt in EU27 by instrument. 2008Q2



Source: Eurostat, *Economy and finance, government statistics, quarterly government debt*

RELATIONSHIP AMONG TABLES

The data analysed up to this point are not independent. On the contrary they are strongly related. For example, if government expenditure is higher than revenue, government must finance that deficit somehow. The main ways to finance this deficit is to increase its debt and/or sell some of its

financial assets. So, it could be expected that when there is a deficit, debt increases and/or the level of government financial assets falls. This integrated approach to government data is illustrated for two quarters in the following table:

TABLE 1. RELATIONSHIP AMONG GOVERNMENT FIGURES

Millions of euros.	EU27	
	2008Q2	2007Q2
Expenditure	1,417,216	1,369,511
Revenue	1,403,708	1,388,549
B9: Net Lending/Net Borrowing	-13,508	19,038
Statistical Discrepancy	4,965	7,608
B9F: Net Financial Transactions	-18,474	11,430
Debt Stock Increase	107,178	117,969
Stock Flow Adjustment	93,670	137,007

Source: Eurostat, *Economy and finance, government statistics*

Table 1 above shows how the excess of government expenditure over revenue gives a net lending/net borrowing (B9) with a negative sign, what means that the government has to borrow to fill that gap. In theory, B9 should be equal to B9.F. However, there is a statistical discrepancy due to

different source data. In this case, debt increases by more than deficit. This can be explained for three reasons: Changes in financial assets, changes in Government liabilities that do not integrate Maastricht debt and/or Debt valuation effects.

Integrated GFS presentation

Eurostat has started to release on its website quarterly data for the general government in a government finance statistics template, which brings together the three data flows included in this publication. This allows the analysis of financial

and non-financial quarterly data in an integrated framework and the study of their relationships. These tables have a similar format to the annual GFS tables also available on the Eurostat web site and show gross data, figures as a percentage of quarterly GDP, and changes over the past year.

Table 1: EU27 GFS table in million national currency

		2005Q4	2006Q1	2006Q2	2006Q3	2006Q4	2007Q1	2007Q2	2007Q3	2007Q4	2008Q1	2008Q2
Government revenue and expenditure												
1=2+6+7+8+9	Total revenue	1368452	1218317	1299525	1261807	1458041	1295223	1388549	1337020	1528994	1336614	1403708
2=3+4+5	Taxes	814178	730420	779687	759230	881661	783118	836168	810153	923059	800428	836294
3	. Indirect taxes	408836	371094	396009	380877	434698	401114	418288	398491	448985	401180	414230
3a	. Of which, VAT	202503	189633	199132	193874	214610	210033	213161	205193	228461	212556	215492
4	. Direct taxes	397519	352687	376629	371404	439060	374802	410390	403938	486136	392439	414793
5	. Capital taxes	7823	6639	7049	6949	7903	7201	7490	7724	7938	6809	7271
6	Social contributions	411098	383317	392174	391399	429853	401867	412995	408362	448794	416911	426024
7	Sales	82908	53961	61991	60835	86583	59300	69430	66582	93285	62523	69322
8	Other current revenue	48310	45127	60464	44281	49956	46566	65333	46360	54994	51679	67252
9	Capital transfers receivable	11957	5492	5210	6082	9988	4371	4623	5562	8863	5073	4816
10=11+12+13+14+15+16+17+18	Total expenditure	1431864	1281088	1311519	1306904	1508392	1342315	1369511	1364850	1508067	1386215	1417217
11	Intermediate consumption	202219	170957	181607	179015	216034	179015	194686	190469	225915	189649	197851
12	Compensation of employees	325623	294134	307890	298188	333854	306453	318678	309648	347678	312275	328365
13	Interest	75540	76037	81351	76686	77946	81561	89124	82714	83931	82140	91721
14	Subsidies	35593	31793	29877	33112	38642	33281	31432	34079	42119	35602	33040
15	Social benefits	592216	543469	558882	555114	614440	561558	580216	577435	638438	576575	596884
15a	. Of which other than transfers in kind	459219	436700	443306	445868	472078	450166	459571	462396	490527	459917	470471
16	Other current expenditure	67760	73154	61226	68428	74105	75569	63308	69395	78625	82482	67958
17	Capital transfers payable	44638	34055	28118	27792	57312	36731	25005	26798	56877	39428	28808
18	Capital investments	88275	57489	62567	68589	96059	63511	67062	74314	107284	68063	72788
18a	. Of which, Gross fixed capital formation	88345	58264	63811	69497	98261	64041	67589	74500	107562	67659	73112
Government deficit												
19=1-10	Net lending (+) / net borrowing (-)	-63413	-62771	-11994	-45097	-50351	-47092	19038	-27830	-51873	-49601	-13508
20=19-21	Statistical discrepancy (non-financial - financial accounts)	-15938	5960	1547	-13638	-2846	5227	7608	-397	-22629	1512	4966
Government financing												
21=22-28	Net financial transactions	-47474	-68731	-13541	-31460	-47504	-52319	11430	-27433	-29244	-51113	-18474
22=23+24+25+26+27	Net acquisition of financial assets	-4223	46958	73447	-7683	-34128	71364	117259	-21442	-75567	66056	64012
23	Currency and deposits	-11988	32128	65093	-11624	-32384	28931	99216	-30030	-57205	40424	58965
24	Securities other than shares	-7614	19572	8034	6012	-6129	16262	15145	9107	-15241	2606	-5321
25	Loans	994	1145	2237	-873	-9620	3012	1712	4396	-4664	4071	6771
26	Shares and other equity	-6823	-12148	1820	-2896	-8303	1226	-1001	-211	1733	8749	2058
27	Other financial assets	21208	6262	-3737	1699	22308	21934	2188	-4705	-190	10207	15440
28=29+30+31+32	Net incurrence of liabilities	43252	115689	86988	23777	13376	123683	105830	5990	-46323	117169	82486
29	Currency and deposits	10249	9749	557	3550	2578	-3954	-6645	3314	10826	-756	12353
30	Securities other than shares	-7279	103236	84380	16319	-38760	101651	128139	-5618	-53223	112038	75861
31	Loans	16285	-4349	9071	16849	-4904	11169	-18580	3352	458	150	-743
32	Other liabilities	23997	7052	-7020	-12934	54463	14817	2916	4943	-4384	5737	-4985
Other economic flows in government assets and liabilities												
33	Other changes in financial assets	#REF!	82986	-35504	39102	71400	11523	59091	-14691	-22786	-179436	-41004
34	Other changes in liabilities	#REF!	-140478	-73012	95236	-31681	-78987	-110556	26213	7999	-105127	-30735
35=33-34	Changes in net worth due to other changes in financial assets and liabilities	#REF!	223464	37508	-56134	103081	90510	169646	-40904	-30785	-74309	-10269
Government balance sheet												
36=37+38+39+40+41	Financial assets	3063556	3193500	3231443	3262863	3300135	3383022	3559372	3523239	3461018	3409859	3484026
37	Currency and deposits	508840	541295	602100	589604	560323	598011	697728	663087	606657	636416	704270
38	Securities other than shares	176915	195523	201489	208571	204969	215698	229172	238460	220653	222469	212926
39	Loans	370891	373317	376533	376871	366464	366903	368824	371233	359177	359074	365906
40	Shares and other equity	1426338	1493374	1469221	1504438	1569582	1585416	1648642	1641932	1662202	1571384	1574563
41	Other financial assets	580571	589992	582100	583379	588797	616995	615005	608548	612329	620517	626361
42=43+44+45+46	Liabilities	7767135	7742347	7756324	7875337	7857032	7901728	7897002	7929206	7858678	7941248	7910429
43	Currency and deposits	407095	415366	416684	422933	426815	421143	415687	414411	417549	406995	418810
44	Securities other than shares	5936298	5915680	5912029	6021249	5947441	5981085	5989188	6020230	5951543	6058720	5998111
45	Loans	1094622	1087742	1096382	1116963	1113440	1125155	1105818	1109927	1103655	1101474	1100431
46	Other liabilities	329120	323559	331229	314192	314192	374345	386305	384639	385932	370599	393078
47=36-42	Financial assets net of liabilities	-4703580	-4548847	-4524880	-4612474	-4556897	-4518706	-4337631	-4405967	-4397660	-4531389	-4426403
Maastricht debt												
48=49+50+51	Maastricht debt (nominal value)	6930051	7014151	7121248	7183012	7152365	7246487	7364455	7337272	7247285	7294164	7401342
49	Currency and deposits	330975	336827	343584	350676	354457	347992	341126	338324	341770	330973	343449
50	Securities other than shares	5508223	5593785	5685382	5720382	5693486	5780022	5922271	5893758	5806375	5866241	5962000
51	Loans	1090854	1083538	1092281	1111956	1104424	1118475	1101057	1105190	1099139	1096950	1095892

Table 2: EUROZONE15 GFS table in million national currency

	2005Q4	2006Q1	2006Q2	2006Q3	2006Q4	2007Q1	2007Q2	2007Q3	2007Q4	2008Q1	2008Q2	
Government revenue and expenditure												
1=2+6+7+8+9	Total revenue	1042667	870068	971440	917347	1102366	913652	1029491	964515	1157354	951387	1054737
2=3+4+5	Taxes	592785	488040	559046	519006	638754	519515	597495	554566	674075	536608	605838
3	. Indirect taxes	302651	273121	288865	271657	319081	290543	302415	281623	330670	292297	300013
3a	. . Of which, VAT	145139	138177	141905	134597	152171	151642	150854	142068	163071	154375	151778
4	. Direct taxes	283656	209646	264676	241914	313355	223238	289237	267042	337071	239668	299887
5	. Capital taxes	6478	5273	5505	5436	6318	5733	5843	5901	6335	5342	5938
6	Social contributions	340896	309947	321177	319814	353703	320750	335506	330460	368481	335480	349459
7	Sales	61937	34467	42166	40606	64163	36419	43962	42121	66827	39067	44857
8	Other current revenue	37064	33367	44973	33225	37972	34063	49454	33775	41399	37687	50999
9	Capital transfers receivable	9985	4247	4077	4696	7773	2906	3074	3593	6572	3546	3583
10=11+12+13+14+15+16+17+18	Total expenditure	1072351	929346	966633	953702	1122154	962072	997050	987417	1175804	1001880	1045403
11	Intermediate consumption	122633	93417	103129	99407	128502	99119	107280	104574	133957	102478	112133
12	Compensation of employees	235946	204697	217371	206825	238261	211931	221237	212926	249057	219577	234086
13	Interest	58522	60394	65163	61558	60132	64015	70712	66180	64813	66662	73502
14	Subsidies	28460	23574	23115	25657	29981	24696	24265	26012	33509	26175	25243
15	Social benefits	478259	433279	448436	442835	495746	444074	461008	457586	515166	459641	478526
15a	. Of which other than transfers in kind	352408	334196	340592	340916	367739	340685	348574	350225	376532	351799	361546
16	Other current expenditure	46611	49657	40903	45452	51126	49910	42177	45484	53760	55427	45756
17	Capital transfers payable	34772	25353	19873	20692	48670	25240	18755	19458	48004	26512	21847
18	Capital investments	67148	38978	48643	51277	69735	43089	51616	55198	77538	45408	54308
18a	. Of which, Gross fixed capital formation	66539	39408	49248	51551	71206	43063	51721	54904	77543	44855	54250
Government deficit												
19=1-10	Net lending (+) / net borrowing (-)	-29684	-59278	4806	-36355	-19788	-48420	32441	-22901	-18449	-50493	9334
20=19-21	Statistical discrepancy (nonfinancial - financial accounts)	-18219	14861	-728	-13860	-483	10079	6466	1851	-23953	13471	8325
Government financing												
21=22-28	Net financial transactions	-11465	-74139	5534	-22495	-19305	-58500	25975	-24753	5504	-63964	1009
22=23+24+25+26+27	Net acquisition of financial assets	2725	30075	67757	-20304	-33198	62650	109435	-39010	-65465	48718	58743
23	Currency and deposits	-459	20926	53525	-15600	-30339	22558	90811	-46849	-50259	42280	47099
24	Securities other than shares	-6888	12492	8886	4013	-4336	13281	11525	8076	-14575	1789	3087
25	Loans	278	1420	859	-3111	-12449	2703	62	-3373	-2610	64	-3873
26	Shares and other equity	-1896	-9474	4143	-3063	-3780	5958	4450	538	174	5901	588
27	Other financial assets	11690	4710	343	-2542	17706	18150	2587	-4148	1805	-1317	4096
28=29+30+31+32	Net incurrence of liabilities	14190	104214	62223	2191	-13893	121150	83460	-14258	-70969	112682	57735
29	Currency and deposits	4290	13621	-2650	1745	-2432	-2687	-13682	-397	7892	-3149	1735
30	Securities other than shares	-25222	84920	57147	7915	-53682	96112	103127	-10324	-74860	113727	51398
31	Loans	11430	7893	1593	12809	-4618	16006	-12186	725	-10457	13173	8828
32	Other liabilities	23692	-2219	6133	-20278	46839	11719	6202	-4261	6457	-11069	-4227
Other economic flows in government assets and liabilities												
33	Other changes in financial assets	#REF!	63849	-27372	24513	52436	24316	47973	-2836	-26785	-132783	-23191
34	Other changes in liabilities	#REF!	-97006	-70164	62708	-43954	-36441	-105000	39318	24561	-31428	29244
35=33-34	Changes in net worth due to other changes in financial assets and liabilities	#REF!	160855	42792	-38195	96390	60757	152973	-42155	-51346	-101356	-52435
Government balance sheet												
36=37+38+39+40+41	Financial assets	2196002	2289925	2330310	2334519	2353757	2440723	2598131	2556285	2505881	2472219	2541344
37	Currency and deposits	417888	437057	490625	470324	444317	468247	558586	511715	461139	500344	547315
38	Securities other than shares	104398	116043	123854	128776	124374	136218	146883	155830	144145	144857	144857
39	Loans	261323	262554	262981	259625	247557	250230	249095	252133	249178	249282	253157
40	Shares and other equity	983091	1041416	1020510	1046984	1097209	1129146	1183678	1180184	1195718	1120698	1127948
41	Other financial assets	429301	432854	432336	428810	440299	456883	459888	456423	459123	457751	468157
42=43+44+45+46	Liabilities	6333432	6340640	6332699	6397598	6339750	6424459	6402920	6427980	6356512	6509235	6443490
43	Currency and deposits	270250	284436	281785	283533	281100	278405	264723	264325	272216	269071	270806
44	Securities other than shares	4872813	4862919	4850745	4921405	4825362	4887243	4886012	4914394	4838353	4992303	4912962
45	Loans	958608	964741	966391	979792	975496	990446	977713	978372	968570	981333	990296
46	Other liabilities	231761	228544	233778	212868	257792	268366	274471	270890	277373	266528	269426
47=36-42	Financial assets net of liabilities	-4137430	-4050715	-4002389	-4063079	-3985993	-3983736	-3804788	-3871696	-3850631	-4037015	-3902057
Maastricht debt												
48=49+50+51	Maastricht debt (nominal value)	5691383	5790140	5859352	5884230	5816297	5925505	6008053	5998199	5918192	6039315	6103775
49	. Currency and deposits	194077	205834	208628	211228	208668	205189	190106	188201	196375	193997	195414
50	. Securities other than shares	4541952	4622925	4687593	4697582	4640627	4735872	4844403	4835811	4757415	4867713	4922009
51	. Loans	955354	961381	963131	975421	967003	984446	973543	974187	964402	977605	986351

METHODOLOGICAL NOTES

QUARTERLY ACCOUNTS OF GENERAL GOVERNMENT

Eurostat releases quarterly financial, non-financial accounts for the general government sector and quarterly government debt, using an integrated structure which combines the data from quarterly non-financial accounts for the general government (QN FAGG), quarterly financial accounts for the general government (QFAGG) and quarterly government debt (QGD). This publication is released in the dedicated [Government Finance Statistics \(GFS\) section of the Eurostat web site](#). The regulations relative to these three data flows are available on [Eurostat web site on the section dedicated to government statistics](#):

ESA 95

Fiscal and financial accounts data are compiled in accordance with national accounts rules, as laid down in the ESA95 adopted in the form of a Council and Parliament Regulation (EC) of 25 June 1996, [No 2223/96](#). The full text of [ESA95](#) is available on the [Eurostat internet site](#).

QUARTERLY NON-FINANCIAL ACCOUNTS FOR THE GENERAL GOVERNMENT (QN FAGG)

The aim of QN FAGG is to compile, report and present quarterly government expenditure, revenue and their components. Government revenue and expenditure are concepts used to analyse fiscal policy. Total revenue and total expenditure are defined in ways such that the ESA 95 government deficit (ESA 95 B.9, net lending (+)/net borrowing (-) is equal to the difference between them. Note that a deficit is shown as a negative number, and a surplus as a positive number.

Government quarterly revenue, expenditure, revenue and their components are reported in the framework of the European Parliament and Council Regulation (EC) No 1221/2002 on quarterly non-financial accounts for general government (QN FAGG).

An important number of series reported in this context present seasonal patterns (partly explained by the link with the seasonality of economic activity and by budgetary planning practices of national governments). It has therefore been decided, in this publication, to present the data in 4-quarter moving averages, limiting the impact of seasonal movements.

QUARTERLY FINANCIAL ACCOUNTS FOR GENERAL GOVERNMENT (QFAGG)

Quarterly financial accounts for general government include data on financial transactions and balance sheet items for general government (consolidated and non-consolidated) and its sub-sectors. The primary classification of financial instruments comprises: Monetary gold and special drawing rights (AF.1), Currency and deposits (AF.2), Securities other than

shares (AF.3), Loans (AF.4), Shares and other equity (AF.5), Insurance technical reserves (AF.6), and Other accounts receivable/payable (AF.7). The compilation of quarterly financial accounts data complies with ESA95 rules.

The reliability of data reported by Member States has been assessed and reported to the European parliament and the Council. This report has been recently updated and is available on [Eurostat web site on the section dedicated to government statistics](#):

QUARTERLY GOVERNMENT DEBT (QGD)

The quarterly government debt is constituted by the liabilities of general government in the following categories: AF.2, AF.33 and AF.4. The QGD must comply with ESA-95 regulations concerning the classification of institutional units, consolidation rules, classification of financial liabilities and recording time.

However, the valuation rules are different from those of ESA95. While in ESA95 assets and liabilities must generally be recorded at their market value at the end of the accounting period, QGD is recorded at nominal value. The market value is the price of a security as determined dynamically by buyers and sellers in an open market while the nominal value is considered equivalent to the face value of liabilities for securities. It is therefore equal to the amount (contractually agreed) that the government will have to refund to creditors at maturity. Moreover, in the definition of Maastricht debt, interest accrued on liabilities is not accounted for in the nominal valuation, unless explicitly credited.

GENERAL GOVERNMENT

Debt statistics cover data for general government as well as its sub-sectors: central government (S.1311), local government (S.1313), social security funds (S.1314), and when applicable state government (S.1312).

According to ESA95, paragraph 2.68 "the sector general government (S.13) includes all institutional units which are other non-market producers [institutional units whose sales do not cover more than the 50% of the production costs, see ESA95 paragraph 3.26] whose output is intended for individual and collective consumption, and mainly financed by compulsory payments made by units belonging to other sectors and/or all institutional units principally engaged in the redistribution of national income and wealth".

ABBREVIATIONS

Euro area 15: BE (Belgium), DE (Germany), EL (Greece), ES (Spain), FR (France), IE (Ireland), IT (Italy), CY (Cyprus), LU (Luxembourg), MT (Malta), NL (the Netherlands), AT (Austria), PT (Portugal), SI (Slovenia), and FI (Finland).

EU27 (European Union of 27 Member States): Euro Area 13 countries plus BG (Bulgaria), CZ (Czech Republic), DK (Denmark), EE (Estonia), LV (Latvia), LT (Lithuania), HU (Hungary), PL (Poland), RO (Romania), SK (Slovakia), SE (Sweden), and the UK (United Kingdom).

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Government statistics



Quarterly government finance statistics

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