

Provision of deficit and debt data for 2006

Euro area and EU27 government deficit at 1.5% and 1.6% of GDP respectively

Government debt at 68.6% and 61.4%

In 2006, the government deficit¹ of both the **euro area**² (EA13) and the **EU27** fell compared to 2005, while the government debt¹ increased in absolute terms. In the **euro area** the government deficit decreased from 2.5% of GDP in 2005 to 1.5% in 2006³, and in the **EU27** it fell from 2.4% to 1.6%. In the **euro area** the government debt to GDP ratio fell from 70.3% at the end of 2005 to 68.6% at the end of 2006, and in the **EU27** from 62.7% to 61.4%.

		2003	2004	2005	2006
Euro area (EA13)					
GDP market prices (mp)	(million euro)	7 500 988	7 804 371	8 074 684	8 454 544
Government deficit (-) / surplus (+)	(million euro)	-229 355	-219 253	-202 229	-129 171
	% of GDP	-3.1	-2.8	-2.5	-1.5
Government expenditure	% of GDP	48.1	47.5	47.4	47.2
Government revenue	% of GDP	45.0	44.6	45.0	45.6
Government debt	(million euro)	5 186 542	5 427 970	5 677 221	5 801 886
	% of GDP	69.1	69.6	70.3	68.6
EU27					
GDP market prices (mp)	(million euro)	10 104 261	10 605 311	11 045 938	11 642 686
Government deficit (-) / surplus (+)	(million euro)	-312 460	-294 997	-270 252	-188 249
	% of GDP	-3.1	-2.8	-2.4	-1.6
Government expenditure	% of GDP	47.3	46.8	46.8	46.6
Government revenue	% of GDP	44.2	44.0	44.4	45.0
Government debt	(million euro)	6 240 795	6 588 090	6 929 011	7 151 270
	% of GDP	61.8	62.1	62.7	61.4

In 2006 the largest government deficits in percentage of GDP were recorded by **Hungary** (-9.2%), **Italy** (-4.4%), **Portugal** (-3.9%), **Poland** (-3.8%), and **Slovakia** (-3.7%). Ten Member States registered a government surplus in 2006: **Denmark** (+4.6%), **Finland** (+3.8%), **Estonia** (+3.6%), **Bulgaria** (+3.2%), **Ireland** (+2.9%), **Sweden** (+2.5%), **Spain** (+1.8%), **Luxembourg** (+0.7%), **Netherlands** (+0.6%) and **Belgium** (+0.4%). In all, 21 Member States recorded an improved government balance relative to GDP in 2006 compared to 2005, five a worsening, and one remained unchanged.

At the end of 2006, the lowest ratios of government debt to GDP were recorded in **Estonia** (4.0%), **Luxembourg** (6.6%), **Latvia** (10.6%) and **Romania** (12.4%). Ten Member States had government debt ratios higher than 60% of GDP in 2006: **Italy** (106.8%), **Greece** (95.3%), **Belgium** (88.2%), **Germany** (67.5%), **Hungary** (65.6%), **Cyprus** (65.2%), **Portugal** (64.8%), **Malta** (64.7%), **France** (64.2%) and **Austria** (61.7%).

In 2006, government expenditure⁴ in the **euro area** was equivalent to 47.2% of GDP, and government revenue⁴ to 45.6%. The figures for the **EU27** were 46.6% and 45.0% respectively. In both zones between 2005 and 2006, the government expenditure ratio decreased slightly, while the government revenue ratio increased.

Reservations on reported data⁵

Eurostat has no reservations on the reported data.

Amendments by Eurostat to reported data⁶

Belgium: Eurostat has amended the deficit and debt data notified by Belgium for 2005 and 2006 in relation to the assumption by government (FIF – Fonds de l'infrastructure ferroviaire) in 2005 of 7400 million euro (2.5% of GDP) of the debt of the railway company SNCB. According to ESA95 rules, FIF is classified inside the government sector and the debt assumption is recorded as increasing the deficit. The impact on the government balance in 2005 is of -7073.4 million euro and in 2006 of +227.9 million euro; the impact on the government debt at the end of 2005 amounts to 5246 million euro (1.7% of GDP) and at the end of 2006 to 4982 million euro (1.6% of GDP).

United Kingdom: Eurostat has amended the deficit data notified by the United Kingdom for years 2003 to 2006 for consistency of recording of UMTS licences proceeds. This leads to increase in the government deficit in 2003 and 2006 (as well as for financial year 2003/2004 and 2006/2007) by GBP 1045 mn (0.1% of GDP) and in 2004 and 2005 (financial years 2004/2005 and 2005/2006) by GBP 1044 mn (0.1% of GDP). There is no change in the reported debt figures.

Other issues

Greece notified in 2006 a substantial upwards revision of GDP (around 26%). This revision has in the last year been subject to a detailed scrutiny by Eurostat and national experts from various Member States, following recommendations from the Gross National Income Committee. As a result of this work, Greece has now notified a substantially smaller revision of GDP (around 9.6%). The new notified series are being used for the purpose of this provision of deficit and debt data.

As far as other horizontal issues are concerned, Eurostat intends in the coming months to further clarify the accounting treatment of flows and debt relating to public infrastructure investments, as well as the sector classification of the concerned public units.

Background

In this News Release **Eurostat, the Statistical Office of the European Communities**, is providing⁷ government deficit and debt data based on figures reported in the **second 2007 notification** by EU Member States for the years 2003-2006, for the application of the excessive deficit procedure (EDP). This notification is based on the ESA95 system of national accounts. This News Release also includes data on government expenditure and revenue and an annex with the main revision since the April 2007 News Release.

Eurostat will also be releasing information on the underlying government sector accounts, as well as on the contribution of deficit/surplus and other relevant factors to the variation in the debt level (stock-flow adjustment), on the government finance statistics section on its website:

http://epp.eurostat.ec.europa.eu/pls/portal/url/page/PGP_DS_GFS/PGE_DS_GFS_0

1. According to the Protocol on the excessive deficit procedure annexed to the EC Treaty, government deficit (surplus) means the net borrowing (net lending) of the whole general government sector (central government, state government, local government and social security funds). It is calculated according to national accounts concepts (European System of Accounts, ESA95). Government debt is the consolidated gross debt of the whole general government sector outstanding at the end of the year (at nominal value).
 - Table of euro area and EU27 aggregates: the data are in euro. For those countries not belonging to the euro area, the rate of conversion into euro is as follows:
 - for deficit / surplus and GDP data, the annual average exchange rate;
 - for the stock of government debt, the end of year exchange rate.
 - Table of national data: these are in national currencies. For Slovenia, data for years prior to 2007 have been converted into euro according to the irrevocable conversion rate.
2. Euro area (EA13): Belgium, Germany, Greece, Spain, France, Ireland, Italy, Luxembourg, Netherlands, Austria, Portugal, Slovenia and Finland. In the attached tables, the euro area is defined as including Slovenia for the full period, though Slovenia joined the euro area on 1 January 2007.
3. In the previous notification, the 2006 government deficits for the euro area and the EU27 were 1.6% and 1.7% of GDP respectively. The government debt of the euro area was 69.0% of GDP and of the EU27 61.7% of GDP. See News Release 55/2007 of 23 April 2007.
4. Government expenditure and revenue are reported to Eurostat under the ESA95 transmission programme. They are the sum of non-financial transactions by general government, and include both current and capital transactions. For definitions, see Council Regulation No. 2223/96, as amended. It should be noted that the government balance (i.e. the difference between total government revenue and expenditure) is not the exactly the same under ESA95 as that for the purpose of the excessive deficit procedure. Regulation (EC) No 2558/2001 on the reclassification of settlements under swaps agreements and forward rate agreements implies that there are two relevant definitions of government deficit/surplus:

- The ESA95 definition of net lending /net borrowing does not include streams of payments and receipts resulting from swap agreements and forward rate agreements, as these are recorded as financial transaction;
- For the purpose of the excessive deficit procedure, streams of payments and receipts resulting from swaps and forward rate agreements are recorded as interest expenditure and contribute to the net lending/net borrowing of general government.

Concerning 2006, for most Member States the difference, if any, between the two balances is minor except in **Greece** (0.26%), **Denmark** (0.14%), **Austria** (0.13%), **Sweden** (0.13%) and **Finland** (0.11%). These differences improve net lending/net borrowing for EDP purposes for all these countries.

The data reported by **Sweden** are not strictly comparable to those of the other countries, as Sweden reports interest on an unconsolidated basis, which results in an overestimation of government revenue and expenditure; however, this has no consequences on the government balance and debt.

5. The term "reservations" is defined in article 8h(1) of Council Regulation 3605/93, as amended. The Commission (Eurostat) expresses reservations when it has doubts on the quality of the reported data.
6. According to Article 8h(2) of Council Regulation 3605/93 as amended, the Commission (Eurostat) may amend actual data reported by Member States and provide the amended data and a justification of the amendment where there is evidence that actual data reported by Member States do not comply with the quality requirements (compliance with accounting rules, completeness, reliability, timeliness and consistency of statistical data).
7. According to Article 8g(1) of Council Regulation 3605/93, Eurostat provides the actual government deficit and debt data for the application of the Protocol on the excessive deficit procedure, within three weeks after the reporting deadlines. This provision of data shall be effected through publication.

*For further information on the methodology of statistics reported under the excessive deficit procedure, please see Council Regulation 3605/93 (consolidated version available at <http://eur-lex.europa.eu/LexUriServ/site/en/consleg/1993/R/01993R3605-20051223-en.pdf>), Council Regulation 2223/96, as amended (consolidated version available at <http://eur-lex.europa.eu/LexUriServ/site/en/consleg/1996/R/01996R2223-20030807-en.pdf>) and the Eurostat publication "**ESA95 manual on government deficit and debt**", second edition (2002), 240 pages, ISBN 92-894-3231-4, pdf file free of charge, paper copy 37 euro (excluding VAT). Additions to this manual on securitisation, capital injections, classification of funded pension schemes, lump sum payments to government in the context of the transfer of pension obligations, and long term contracts between government units and non-government partners are available in the government finance statistics section on the Eurostat website.*

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GDP, government deficit/surplus and debt in the EU (in national currencies)

		2003	2004	2005	2006
Belgium					
GDP mp	(million euro)	274 726	289 690	301 966	316 622
Government deficit (-) / surplus (+)	(million euro)	41	39	-6 846	1 143
	% of GDP	0.0	0.0	-2.3	0.4
Government expenditure*	% of GDP	51.1	49.2	51.9	48.6
Government revenue*	% of GDP	51.1	49.1	49.5	48.9
Government debt	(million euro)	270 965	273 026	278 273	279 236
	% of GDP	98.6	94.2	92.2	88.2
Bulgaria					
GDP mp	(million BGN)	34 627.5	38 822.6	42 797.4	49 090.6
Government deficit (-) / surplus (+)	(million BGN)	2.4	880.4	853.3	1 592.1
	% of GDP	0.0	2.3	2.0	3.2
Government expenditure	% of GDP	40.3	39.7	39.6	37.1
Government revenue	% of GDP	40.3	42.0	41.6	40.3
Government debt	(million BGN)	15 893.0	14 720.4	12 498.0	11 189.2
	% of GDP	45.9	37.9	29.2	22.8
Czech Republic					
GDP mp	(million CZK)	2 577 110	2 814 762	2 987 722	3 231 576
Government deficit (-) / surplus (+)	(million CZK)	-170 558	-83 278	-105 658	-94 981
	% of GDP	-6.6	-3.0	-3.5	-2.9
Government expenditure	% of GDP	47.3	45.1	44.9	43.6
Government revenue	% of GDP	40.7	42.2	41.3	40.7
Government debt	(million CZK)	774 989	855 102	903 475	972 965
	% of GDP	30.1	30.4	30.2	30.1
Denmark					
GDP mp	(million DKK)	1 400 700	1 459 400	1 552 000	1 642 200
Government deficit (-) / surplus (+)	(million DKK)	-1 000	27 700	71 800	75 900
	% of GDP	-0.1	1.9	4.6	4.6
Government expenditure	% of GDP	55.7	55.4	53.1	51.5
Government revenue	% of GDP	55.6	57.3	57.8	56.2
Government debt	(million DKK)	641 700	641 700	563 000	497 300
	% of GDP	45.8	44.0	36.3	30.3
Germany					
GDP mp	(million euro)	2 163 800	2 211 200	2 244 600	2 322 200
Government deficit (-) / surplus (+)	(million euro)	-87 220	-83 550	-75 350	-36 960
	% of GDP	-4.0	-3.8	-3.4	-1.6
Government expenditure	% of GDP	48.5	47.1	46.9	45.4
Government revenue	% of GDP	44.5	43.3	43.5	43.8
Government debt	(million euro)	1 381 007	1 451 108	1 521 496	1 568 487
	% of GDP	63.8	65.6	67.8	67.5
Estonia					
GDP mp	(million EEK)	136 010	149 923	175 392	207 061
Government deficit (-) / surplus (+)	(million EEK)	2 494	2 678	3 360	7 381
	% of GDP	1.8	1.8	1.9	3.6
Government expenditure	% of GDP	34.6	34.1	33.4	33.0
Government revenue	% of GDP	36.4	35.9	35.4	36.6
Government debt	(million EEK)	7 548	7 609	7 698	8 301
	% of GDP	5.5	5.1	4.4	4.0
Ireland					
GDP mp	(million euro)	139 413	148 502	161 498	174 705
Government deficit (-) / surplus (+)	(million euro)	541	2 000	1 935	5 107
	% of GDP	0.4	1.3	1.2	2.9
Government expenditure	% of GDP	33.4	33.9	34.2	34.2
Government revenue	% of GDP	33.8	35.2	35.4	37.1
Government debt	(million euro)	43 322	43 849	44 229	43 771
	% of GDP	31.1	29.5	27.4	25.1

* Belgium has reported government expenditure and revenue data without taking into account the assumption by government (FIF) in 2005 of 7 400 million euro of debt of the railway company SNCB. Eurostat has adjusted figures for 2005 and 2006 in order to follow ESA95 rules.

GDP, government deficit/surplus and debt in the EU (in national currencies)

		2003	2004	2005	2006
Greece					
GDP mp	(million euro)	171 258	185 225	198 609	213 985
Government deficit (-) / surplus (+)	(million euro)	-9 611	-13 552	-10 085	-5 352
	% of GDP	-5.6	-7.3	-5.1	-2.5
Government expenditure	% of GDP	45.0	45.4	43.2	42.3
Government revenue	% of GDP	39.3	38.2	38.0	39.5
Government debt	(million euro)	167 723	182 702	194 666	204 018
	% of GDP	97.9	98.6	98.0	95.3
Spain					
GDP mp	(million euro)	782 929	841 042	908 450	980 954
Government deficit (-) / surplus (+)	(million euro)	-1 622	-2 862	8 759	17 942
	% of GDP	-0.2	-0.3	1.0	1.8
Government expenditure	% of GDP	38.4	38.9	38.5	38.6
Government revenue	% of GDP	38.2	38.5	39.4	40.4
Government debt	(million euro)	381 562	388 372	390 926	389 124
	% of GDP	48.7	46.2	43.0	39.7
France					
GDP mp	(million euro)	1 594 814	1 660 189	1 717 921	1 791 956
Government deficit (-) / surplus (+)	(million euro)	-65 390	-59 576	-50 639	-45 306
	% of GDP	-4.1	-3.6	-2.9	-2.5
Government expenditure	% of GDP	53.4	53.2	53.7	53.4
Government revenue	% of GDP	49.2	49.6	50.7	50.8
Government debt	(million euro)	1 003 351	1 076 932	1 145 212	1 150 339
	% of GDP	62.9	64.9	66.7	64.2
Italy					
GDP mp	(million euro)	1 335 354	1 390 539	1 423 048	1 475 401
Government deficit (-) / surplus (+)	(million euro)	-46 614	-48 066	-59 523	-65 504
	% of GDP	-3.5	-3.5	-4.2	-4.4
Government expenditure	% of GDP	48.3	47.7	48.3	50.1
Government revenue	% of GDP	44.8	44.2	44.0	45.6
Government debt	(million euro)	1 392 389	1 443 395	1 511 198	1 575 441
	% of GDP	104.3	103.8	106.2	106.8
Cyprus					
GDP mp	(million CYP)	6 884	7 406	7 879	8 380
Government deficit (-) / surplus (+)	(million CYP)	-447	-302	-191	-101
	% of GDP	-6.5	-4.1	-2.4	-1.2
Government expenditure	% of GDP	45.0	42.8	43.6	43.8
Government revenue	% of GDP	38.5	38.7	41.2	42.6
Government debt	(million CYP)	4 746	5 199	5 443	5 461
	% of GDP	68.9	70.2	69.1	65.2
Latvia					
GDP mp	(million LVL)	6 393	7 435	9 059	11 265
Government deficit (-) / surplus (+)	(million LVL)	-104	-76	-32	-31
	% of GDP	-1.6	-1.0	-0.4	-0.3
Government expenditure	% of GDP	34.8	35.8	35.6	37.2
Government revenue	% of GDP	33.2	34.7	35.2	37.0
Government debt	(million LVL)	923	1 080	1 130	1 192
	% of GDP	14.4	14.5	12.5	10.6
Lithuania					
GDP mp	(million LTL)	56 804	62 587	71 380	81 905
Government deficit (-) / surplus (+)	(million LTL)	-728	-964	-362	-483
	% of GDP	-1.3	-1.5	-0.5	-0.6
Government expenditure	% of GDP	33.2	33.4	33.6	34.0
Government revenue	% of GDP	32.0	31.8	33.1	33.4
Government debt	(million LTL)	12 039	12 155	13 276	14 939
	% of GDP	21.2	19.4	18.6	18.2

GDP, government deficit/surplus and debt in the EU (in national currencies)

		2003	2004	2005	2006
Luxembourg					
GDP mp	(million euro)	25 726	27 439	30 032	33 853
Government deficit (-) / surplus (+)	(million euro)	127	-326	-33	234
	% of GDP	0.5	-1.2	-0.1	0.7
Government expenditure	% of GDP	41.9	42.5	41.8	39.0
Government revenue	% of GDP	42.4	41.3	41.7	39.7
Government debt	(million euro)	1 612	1 770	1 865	2 242
	% of GDP	6.3	6.4	6.2	6.6
Hungary					
GDP mp	(million HUF)	18 940 742	20 717 110	22 055 093	23 757 230
Government deficit (-) / surplus (+)	(million HUF)	-1 365 187	-1 336 355	-1 715 713	-2 188 165
	% of GDP	-7.2	-6.5	-7.8	-9.2
Government expenditure	% of GDP	49.1	48.9	49.9	51.9
Government revenue	% of GDP	41.9	42.4	42.1	42.6
Government debt	(million HUF)	10 981 849	12 296 209	13 582 512	15 592 502
	% of GDP	58.0	59.4	61.6	65.6
Malta					
GDP mp	(million MTL)	1 884	1 918	2 035	2 157
Government deficit (-) / surplus (+)	(million MTL)	-186	-94	-63	-55
	% of GDP	-9.9	-4.9	-3.1	-2.5
Government expenditure	% of GDP	47.8	45.8	45.1	44.1
Government revenue	% of GDP	37.9	41.0	42.0	41.5
Government debt	(million MTL)	1 305	1 395	1 441	1 396
	% of GDP	69.3	72.7	70.8	64.7
Netherlands					
GDP mp	(million euro)	476 945	491 184	508 964	534 324
Government deficit (-) / surplus (+)	(million euro)	-14 871	-8 584	-1 350	3 036
	% of GDP	-3.1	-1.7	-0.3	0.6
Government expenditure	% of GDP	47.1	46.1	45.2	46.1
Government revenue	% of GDP	43.9	44.3	44.9	46.7
Government debt	(million euro)	248 009	257 604	266 221	255 831
	% of GDP	52.0	52.4	52.3	47.9
Austria					
GDP mp	(million euro)	226 175	236 149	245 330	257 897
Government deficit (-) / surplus (+)	(million euro)	-3 669	-2 803	-3 832	-3 516
	% of GDP	-1.6	-1.2	-1.6	-1.4
Government expenditure	% of GDP	51.1	50.2	49.9	49.3
Government revenue	% of GDP	49.3	48.9	48.2	47.8
Government debt	(million euro)	146 099	150 599	155 526	159 053
	% of GDP	64.6	63.8	63.4	61.7
Poland					
GDP mp	(million PLN)	843 156	924 538	983 302	1 060 194
Government deficit (-) / surplus (+)	(million PLN)	-52 832	-52 685	-42 519	-40 163
	% of GDP	-6.3	-5.7	-4.3	-3.8
Government expenditure	% of GDP	44.6	42.6	43.3	43.8
Government revenue	% of GDP	38.4	36.9	39.0	40.0
Government debt	(million PLN)	396 731	422 386	462 742	505 153
	% of GDP	47.1	45.7	47.1	47.6
Portugal					
GDP mp	(million euro)	138 582	144 128	148 852	155 131
Government deficit (-) / surplus (+)	(million euro)	-4 028	-4 844	-9 146	-6 030
	% of GDP	-2.9	-3.4	-6.1	-3.9
Government expenditure	% of GDP	45.5	46.5	47.7	46.4
Government revenue	% of GDP	42.5	43.1	41.7	42.5
Government debt	(million euro)	78 798	84 019	94 812	100 563
	% of GDP	56.9	58.3	63.7	64.8

GDP, government deficit/surplus and debt in the EU (in national currencies)

		2003	2004	2005	2006
Romania					
GDP mp	(million RON)	197 565	246 469	288 048	342 418
Government deficit (-) / surplus (+)	(million RON)	-2 952	-3 722	-3 970	-6 379
	% of GDP	-1.5	-1.5	-1.4	-1.9
Government expenditure	% of GDP	33.6	32.7	33.8	35.0
Government revenue	% of GDP	32.1	31.2	32.4	33.2
Government debt	(million RON)	42 432	46 341	45 595	42 563
	% of GDP	21.5	18.8	15.8	12.4
Slovenia					
GDP mp	(million euro)	24 716	26 677	28 243	30 448
Government deficit (-) / surplus (+)	(million euro)	-672	-601	-412	-366
	% of GDP	-2.7	-2.3	-1.5	-1.2
Government expenditure	% of GDP	47.1	46.5	46.0	45.3
Government revenue	% of GDP	44.4	44.2	44.5	44.1
Government debt	(million euro)	6 901	7 356	7 740	8 246
	% of GDP	27.9	27.6	27.4	27.1
Slovakia					
GDP mp	(million SKK)	1 222 483	1 361 683	1 485 301	1 659 573
Government deficit (-) / surplus (+)	(million SKK)	-33 413	-32 129	-41 628	-61 214
	% of GDP	-2.7	-2.4	-2.8	-3.7
Government expenditure	% of GDP	40.2	37.8	38.1	37.2
Government revenue	% of GDP	37.4	35.4	35.3	33.5
Government debt	(million SKK)	518 291	564 106	507 485	505 178
	% of GDP	42.4	41.4	34.2	30.4
Finland					
GDP mp	(million euro)	145 938	152 345	157 162	167 062
Government deficit (-) / surplus (+)	(million euro)	3 650	3 473	4 293	6 401
	% of GDP	2.5	2.3	2.7	3.8
Government expenditure	% of GDP	50.0	50.2	50.5	48.8
Government revenue	% of GDP	52.4	52.3	53.0	52.5
Government debt	(million euro)	64 719	67 242	65 053	65 536
	% of GDP	44.3	44.1	41.4	39.2
Sweden					
GDP mp	(million SEK)	2 459 413	2 565 056	2 670 547	2 831 746
Government deficit (-) / surplus (+)	(million SEK)	-21 708	20 917	62 811	69 597
	% of GDP	-0.9	0.8	2.4	2.5
Government expenditure	% of GDP	58.3	56.9	56.6	55.6
Government revenue	% of GDP	57.2	57.5	58.7	57.9
Government debt	(million SEK)	1 314 660	1 344 621	1 392 833	1 331 062
	% of GDP	53.5	52.4	52.2	47.0
United Kingdom**					
GDP mp	(million GBP)	1 139 569	1 206 659	1 257 112	1 326 944
Government deficit (-) / surplus (+)	(million GBP)	-37 949	-40 699	-41 877	-35 572
	% of GDP	-3.3	-3.4	-3.3	-2.7
Government expenditure	% of GDP	42.0	42.5	43.6	43.8
Government revenue	% of GDP	38.8	39.2	40.4	41.1
Government debt	(million GBP)	440 970	487 714	529 216	573 478
	% of GDP	38.7	40.4	42.1	43.2
<i>Financial year (fy)</i>					
<i>GDP mp fy</i>	<i>(million GBP)</i>	<i>1 157 557</i>	<i>1 218 260</i>	<i>1 272 810</i>	<i>1 347 565</i>
<i>Government deficit (-) / surplus (+) fy</i>	<i>(million GBP)</i>	<i>-37 274</i>	<i>-42 123</i>	<i>-39 086</i>	<i>-35 081</i>
	<i>% of GDP</i>	<i>-3.2</i>	<i>-3.5</i>	<i>-3.1</i>	<i>-2.6</i>
<i>Government debt fy</i>	<i>(million GBP)</i>	<i>446 244</i>	<i>483 621</i>	<i>531 370</i>	<i>574 388</i>
	<i>% of GDP</i>	<i>38.6</i>	<i>39.7</i>	<i>41.7</i>	<i>42.6</i>

** Data refer to calendar years. Data referring to the financial year (1 April to 31 March), are shown in italics. For the United Kingdom, the relevant data for implementation of the excessive deficit procedure are financial year data.

Annex I

Main revisions between the April 2007 and October 2007 notifications

Below are shown country specific explanations for the largest revisions in deficit and debt between the April 2007 and October 2007 notifications, as well as in GDP and deficit and debt ratios (see table below).

Deficit

Bulgaria: The decrease in the deficit (or increase in the surplus) for 2003 to 2005 results mainly from a change in method for the valuation of restitution vouchers (from nominal to market value, as required under ESA 1995).

Denmark: The increase in the surplus for 2006 is mainly due to upward revisions of corporate tax revenue.

Estonia: The decrease in the surplus for 2003 to 2006 is due to updated source data on gross fixed capital formation and to methodological improvements in the recording of EU grants and taxes receivables.

Ireland: The increase in the surplus in 2005 is due to updated source data for extra budgetary units and EU related accruals.

Spain: The increase in the deficit (or decrease in the surplus) for 2003 to 2006 is due to the reclassification of capital injections into ADIF (high speed railways infrastructure) as capital transfers, in line with Eurostat advice.

Cyprus: The increase in the deficit in 2003 is due to the reclassification of a superdividend in excess of an operating profit as a financial transaction. The decrease in the deficit for 2006 is mainly due to upward revisions of receivables relating to taxes (VAT).

Latvia: The change in the government balance for year 2005 and 2006 is mainly due to the recognition of the Riga South Bridge construction as government expenditure for these years in line with Eurostat advice and to revisions in receivables/payables relating to expenditure in 2006.

Lithuania: The increase in the deficit in 2006 is mainly due to the exclusion from interest expenditure of premium (/discount) on bonds issued by government.

Luxembourg: The increase in the surplus for 2005 and 2006 is due to updated data sources on revenue and expenditure.

Austria: The increase in the deficit for 2006 is mainly due to increased state government outlays to cover operating losses and investments in public hospitals and to the impact of a debt cancellation in the context of the privatisation of Bank Burgenland.

Slovakia: The increase in the deficit for 2006 is mainly due to a downward revision in interest revenue of government.

Sweden: The increase in the surplus for 2005 relates to the correction of the recording of a dividend and in 2006 mainly to updated data on taxes for holding gains, real estate and corporation profits.

United Kingdom: The increase in the deficit for 2003-2005 is mainly due to a more appropriate treatment of proceeds relating to the disposal of social housing (local government quasi-corporations), which have now been recorded as financial transactions instead of government revenue.

Debt

France: The increase in the debt for 2003-2006 relates to the reclassification of the debt of the SAAD (i.e. SNCF debt allocated in a part of the special debt account) as government debt in line with Eurostat advice.

Latvia: The increase in the debt for 2005 and 2006 is due to the recognition of a government liability arising from the construction of the Riga South Bridge, in line with Eurostat advice, as well as to new source data relating to deposit liabilities.

Slovenia: The decrease in the debt for 2003-2006 (notable in 2004) is mainly due to improved data sources, notably with respect to consolidation.

GDP

The GDP notified in October 2007 for EDP purposes was revised by some Member States by noticeable amounts compared to that notified in April 2007 for the reporting period 2003-2006, in particular by **Malta, Slovenia, Estonia** and **Luxembourg**, which may have a substantial impact on debt/GDP ratios. For **Greece**, please see "other issues".

Changes in GDP affect deficit and debt ratios due to the denominator effect. See table below.

Revisions in government deficit/surplus and government debt ratios
from the April 2007 notification to the October 2007 notification

		Deficit/surplus*				Debt			
		2003	2004	2005	2006	2003	2004	2005	2006
Belgium	Revision in deficit/surplus and debt ratios	-0.1	0.0	0.0	0.2	0.0	-0.1	-1.0	-0.9
	- due to revision of deficit/surplus or debt	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.1
	- due to revision of GDP	-0.1	0.0	0.0	0.0	0.0	-0.1	-1.0	-1.0
Bulgaria	Revision in deficit/surplus and debt ratios	0.9	0.1	0.1	-0.1	0.0	0.0	0.0	0.0
	- due to revision of deficit/surplus or debt	0.9	0.1	0.1	-0.1	0.0	0.0	0.0	0.0
	- due to revision of GDP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Czech Republic	Revision in deficit/surplus and debt ratios	0.0	-0.1	0.0	0.0	0.0	-0.3	-0.2	-0.3
	- due to revision of deficit/surplus or debt	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	0.0
	- due to revision of GDP	0.0	0.0	0.0	0.0	0.0	-0.3	-0.2	-0.3
Denmark	Revision in deficit/surplus and debt ratios	-0.1	-0.1	-0.1	0.4	0.0	0.0	0.0	0.1
	- due to revision of deficit/surplus or debt	0.0	-0.1	0.0	0.4	0.0	0.0	0.0	0.2
	- due to revision of GDP	-0.1	0.0	-0.1	0.0	0.0	0.0	0.0	-0.1
Germany	Revision in deficit/surplus and debt ratios	0.0	-0.1	-0.2	0.1	-0.1	-0.1	-0.1	-0.4
	- due to revision of deficit/surplus or debt	0.0	0.0	-0.1	0.1	0.0	0.0	0.0	0.1
	- due to revision of GDP	0.0	-0.1	-0.1	0.0	-0.1	-0.1	-0.1	-0.5
Estonia	Revision in deficit/surplus and debt ratios	-0.2	-0.5	-0.4	-0.2	-0.2	-0.1	0.0	-0.1
	- due to revision of deficit/surplus or debt	-0.2	-0.5	-0.4	-0.2	0.0	0.0	0.0	0.0
	- due to revision of GDP	0.0	0.0	0.0	0.0	-0.2	-0.1	0.0	-0.1
Ireland	Revision in deficit/surplus and debt ratios	0.0	-0.1	0.2	0.0	-0.1	-0.2	0.0	0.2
	- due to revision of deficit/surplus or debt	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0
	- due to revision of GDP	0.0	-0.1	0.0	0.0	-0.1	-0.2	0.0	0.2
Greece	Revision in deficit/surplus and debt ratios	0.6	0.6	0.4	0.1	-9.9	-9.9	-9.5	-9.3
	- due to revision of deficit/surplus or debt	0.0	-0.1	-0.1	-0.1	0.0	0.0	0.0	-0.1
	- due to revision of GDP	0.6	0.7	0.5	0.2	-9.9	-9.9	-9.5	-9.2
Spain	Revision in deficit/surplus and debt ratios	-0.2	-0.1	-0.1	0.0	-0.1	0.0	-0.2	-0.2
	- due to revision of deficit/surplus or debt	-0.2	-0.2	-0.1	0.0	0.0	0.0	0.0	0.0
	- due to revision of GDP	0.0	0.1	0.0	0.0	-0.1	0.0	-0.2	-0.2
France	Revision in deficit/surplus and debt ratios	0.0	0.0	0.1	0.0	0.5	0.6	0.5	0.3
	- due to revision of deficit/surplus or debt	0.0	0.0	0.0	0.0	0.6	0.5	0.5	0.5
	- due to revision of GDP	0.0	0.0	0.1	0.0	-0.1	0.1	0.0	-0.2
Italy	Revision in deficit/surplus and debt ratios	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	- due to revision of deficit/surplus or debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	- due to revision of GDP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cyprus	Revision in deficit/surplus and debt ratios	-0.2	0.0	-0.1	0.3	-0.2	-0.1	-0.1	-0.1
	- due to revision of deficit/surplus or debt	-0.2	0.0	-0.1	0.3	0.0	0.0	0.0	0.1
	- due to revision of GDP	0.0	0.0	0.0	0.0	-0.2	-0.1	-0.1	-0.2
Latvia	Revision in deficit/surplus and debt ratios	0.0	0.0	-0.2	-0.7	0.0	0.0	0.5	0.6
	- due to revision of deficit/surplus or debt	0.0	0.0	-0.1	-0.7	0.0	0.0	0.5	0.6
	- due to revision of GDP	0.0	0.0	-0.1	0.0	0.0	0.0	0.0	0.0
Lithuania	Revision in deficit/surplus and debt ratios	0.0	0.0	0.0	-0.3	0.0	0.0	0.0	0.0
	- due to revision of deficit/surplus or debt	0.0	0.0	0.0	-0.3	0.0	0.0	0.0	0.0
	- due to revision of GDP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Luxembourg	Revision in deficit/surplus and debt ratios	0.1	0.0	0.2	0.6	0.0	-0.2	0.1	-0.2
	- due to revision of deficit/surplus or debt	0.1	0.0	0.2	0.6	0.0	0.0	0.2	0.0
	- due to revision of GDP	0.0	0.0	0.0	0.0	0.0	-0.2	-0.1	-0.2
Hungary	Revision in deficit/surplus and debt ratios	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	-0.4
	- due to revision of deficit/surplus or debt	0.0	0.0	0.0	-0.1	0.0	0.0	0.0	0.1
	- due to revision of GDP	0.0	0.0	0.0	0.1	0.0	0.0	-0.1	-0.5

* Revisions to deficit/surplus ratios: a positive sign means an improved government balance relative to GDP, and a negative sign a worsening.

Revisions in government deficit/surplus and government debt ratios
from the April 2007 notification to the October 2007 notification

		Deficit/surplus*				Debt			
		2003	2004	2005	2006	2003	2004	2005	2006
Malta	Revision in deficit/surplus and debt ratios	0.1	0.1	0.0	0.1	-1.1	-1.2	-1.6	-1.8
	- due to revision of deficit/surplus or debt	0.0	0.0	0.0	-0.1	0.0	0.0	0.0	0.1
	- due to revision of GDP	0.1	0.1	0.0	0.2	-1.1	-1.2	-1.6	-1.9
Netherlands	Revision in deficit/surplus and debt ratios	0.0	0.1	0.0	0.0	0.0	-0.2	-0.4	-0.8
	- due to revision of deficit/surplus or debt	0.0	0.1	0.0	0.0	0.0	0.0	0.0	-0.2
	- due to revision of GDP	0.0	0.0	0.0	0.0	0.0	-0.2	-0.4	-0.6
Austria	Revision in deficit/surplus and debt ratios	0.0	0.0	0.0	-0.3	0.0	-0.1	-0.1	-0.5
	- due to revision of deficit/surplus or debt	0.0	0.0	0.0	-0.3	0.0	0.0	0.0	-0.2
	- due to revision of GDP	0.0	0.0	0.0	0.0	0.0	-0.1	-0.1	-0.3
Poland	Revision in deficit/surplus and debt ratios	0.0	0.0	0.0	0.1	0.0	0.0	0.0	-0.2
	- due to revision of deficit/surplus or debt	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0
	- due to revision of GDP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.2
Portugal	Revision in deficit/surplus and debt ratios	0.0	-0.1	0.0	0.0	0.1	0.1	0.1	0.1
	- due to revision of deficit/surplus or debt	0.0	0.0	-0.1	0.0	0.0	0.1	0.1	0.0
	- due to revision of GDP	0.0	-0.1	0.1	0.0	0.1	0.0	0.0	0.1
Romania	Revision in deficit/surplus and debt ratios	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	- due to revision of deficit/surplus or debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	- due to revision of GDP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Slovenia	Revision in deficit/surplus and debt ratios	0.1	0.0	0.0	0.2	-0.7	-1.3	-1.0	-0.7
	- due to revision of deficit/surplus or debt	0.0	0.0	0.0	0.2	-0.2	-0.8	-0.3	-0.1
	- due to revision of GDP	0.1	0.0	0.0	0.0	-0.5	-0.5	-0.7	-0.6
Slovakia	Revision in deficit/surplus and debt ratios	0.0	0.0	0.0	-0.3	0.0	-0.1	-0.3	-0.3
	- due to revision of deficit/surplus or debt	0.0	0.0	0.0	-0.3	0.0	0.0	0.0	0.1
	- due to revision of GDP	0.0	0.0	0.0	0.0	0.0	-0.1	-0.3	-0.4
Finland	Revision in deficit/surplus and debt ratios	0.0	0.0	0.0	-0.1	0.0	0.0	0.0	0.1
	- due to revision of deficit/surplus or debt	0.0	0.0	0.0	-0.1	0.0	0.0	0.0	-0.1
	- due to revision of GDP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2
Sweden	Revision in deficit/surplus and debt ratios	0.0	0.0	0.3	0.3	0.0	0.0	0.0	0.1
	- due to revision of deficit/surplus or debt	0.0	0.0	0.3	0.2	0.0	0.0	0.0	0.0
	- due to revision of GDP	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.1
United Kingdom	Revision in deficit/surplus and debt ratios	-0.1	-0.3	-0.2	0.1	-0.1	0.1	-0.1	-0.3
	- due to revision of deficit/surplus or debt	-0.2	-0.2	-0.3	0.1	0.2	0.4	0.2	0.1
	- due to revision of GDP	0.1	-0.1	0.1	0.0	-0.3	-0.3	-0.3	-0.4

* Revisions to deficit/surplus ratios: a positive sign means an improved government balance relative to GDP, and a negative sign a worsening.

Annex II

Classification of funded pension schemes in case of government responsibility or guarantee

On 2 March 2004 Eurostat published a decision on classification of funded pension schemes in case of government responsibility or guarantee (News Release 30/2004). As announced on that occasion, Eurostat organised bilateral discussions with several Member States on the implementation of the decision. In the context of these discussions, it appeared that some Member States needed a transitional period to implement the decision and to avoid disruptions in the conduct of their budgetary policies. This transitional period having finished at the end of 2006, as from the April 2007 notification all countries have classified their defined contribution funded pension schemes outside the government sector. The notified figures in April and October 2007 are therefore, for all years, fully in line with the Eurostat decision of 2 March 2004.