

## In the fourth quarter of 2012, euro area and EU-27 seasonally adjusted government deficits remain stable

**In the fourth quarter of 2012, the seasonally adjusted general government deficit to GDP ratio stood at -3.6% in the euro area (EA-17) and -4.2% in the European Union (EU-27). In the previous quarter it stood at -3.7% in the EA-17 and -4.2% in the EU-27. EA-17 and EU-27 general government total revenue amounted to 46.9 % and 45.7 % of GDP respectively, while total expenditure stood at 50.5 % and 49.9 % of GDP.**

**Table 1: Seasonally adjusted data, % of GDP, 2012Q1-2012Q4**

	2012Q1	2012Q2	2012Q3	2012Q4
<b>European Union (EU-27)</b>				
net lending (+)/ net borrowing (-)	-4.2	-3.2	-4.2	-4.2
total expenditure	49.2	49.4	49.2	49.9
total revenue	44.9	46.2	45.0	45.7
<b>Euro area (EA-17)</b>				
net lending (+)/ net borrowing (-)	-3.7	-3.8	-3.7	-3.6
total expenditure	49.5	49.7	49.8	50.5
total revenue	45.8	46.0	46.2	46.9

Source: Eurostat (online data code: [gov\\_q\\_ggnfa](#))

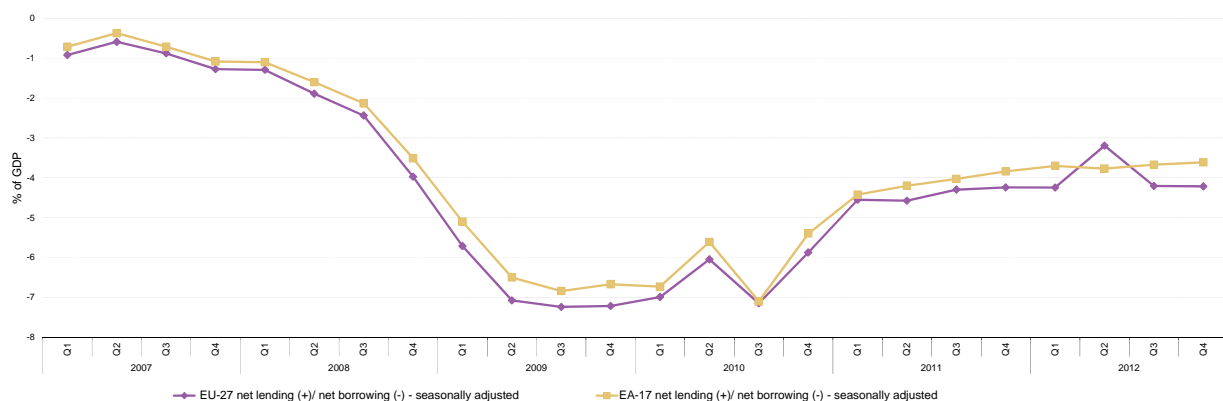
Eurostat regularly publishes seasonally adjusted and working day adjusted quarterly data on government revenue, expenditure and surplus (+)/

deficit (-), currently for twelve Member States and the EU aggregates. This publication is based on data transmitted to Eurostat at the end of March 2013 and includes data coverage of all quarters of 2012. It complements the EDP press release, which contains additional information on the quarterly debt.

### Quarterly trends in government deficit

The differing evolution of the EA-17 and EU-27 in 2012Q2 and the corresponding quarter-on-quarter growth rates are largely due to a one-off event in the United Kingdom. The nationalisation of the Royal Mail pension scheme and corresponding assumption of assets in 2012Q2 recorded as a capital transfer to the general government sector had a positive impact of about 30 billion GBP on the EU-27 total, which explains the largest part of the temporary decrease in the EU-27 government deficit in 2012Q2. For Belgium, the 2012Q4 net lending (+)/ net borrowing (-) is negatively influenced by a bank recapitalisation. The 2012Q4 deficit for the Czech Republic is negatively influenced by a capital transfer in the context of the church restitution.

**Figure 1: EU-27 and EA-17 quarterly government net lending (+)/ net borrowing (-), in % of quarterly GDP, seasonally adjusted, 2007Q1-2012Q4**



Source: Eurostat (online data code: [gov\\_q\\_ggnfa](#), seasonally adjusted data: Eurostat estimates)

## Thirteen countries publish seasonally adjusted deficit data

**Table 2: Seasonally adjusted net lending (+)/ net borrowing (-), by country, in % of GDP and change on the previous quarter in pp of GDP, 2012Q1-2012Q4**

	% of GDP				Change on the previous quarter in pp of GDP			
	2012Q1	2012Q2	2012Q3	2012Q4	2012Q1	2012Q2	2012Q3	2012Q4
European Union (EU-27)	-4.2	-3.2	-4.2	-4.2	0.0	1.1	-1.0	0.0
Euro area (EA-17)	-3.8	-3.9	-3.7	-3.7	0.1	-0.1	0.1	0.1
Belgium	-2.7	-3.9	-3.8	-5.6	1.1	-1.1	0.1	-1.8
Bulgaria	-1.5	0.1	-0.2	-1.8	0.0	1.6	-0.2	-1.7
Czech Republic	-3.3	-3.1	-2.5	-8.5	-0.5	0.2	0.5	-6.0
Estonia	-0.1	-0.4	-0.2	0.1	0.1	-0.3	0.2	0.4
Latvia	-0.6	-2.1	1.9	-2.7	2.0	-1.5	4.0	-4.6
Malta	-4.5	-0.9	-3.6	-4.4	-1.9	3.6	-2.7	-0.7
Austria	-2.1	-4.1	-1.7	-2.0	-0.8	-2.0	2.5	-0.4
Slovenia	-5.3	-1.4	-5.2	-3.9	0.4	3.9	-3.8	1.3
Slovakia	-4.8	-4.2	-4.3	-4.1	-0.1	0.6	-0.1	0.2
Finland	-0.7	-2.9	-3.0	-1.9	1.2	-2.2	-0.1	1.1
Sweden	-0.6	-0.8	-0.9	-0.5	0.0	-0.3	0.0	0.4
United Kingdom (p)	-8.0	-1.1	-8.1	-8.1	-0.8	7.0	-7.1	0.1
Switzerland	0.4	0.4	0.4	0.4	-0.2	0.0	0.0	0.0

Source: Eurostat (online data code: [gov\\_q\\_ggnfa](#)), Data for the United Kingdom is provisional

## Non-seasonally adjusted data is available for 30 countries

**Table 3: General government quarterly net lending (+)/ net borrowing (-), non-adjusted data, by country, in million of national currency and in % of GDP, 2012Q1-2012Q4**

		Millions of national currency				Absolute change on a year earlier (millions of national currency)	In percentage of GDP				Change on the previous year in pp of GDP
		2012Q1	2012Q2	2012Q3	2012Q4		2012Q1	2012Q2	2012Q3	2012Q4	
EU-27	euro	-143 482	-90 436	-132 013	-148 609	-2 239	-4.6	-2.8	-4.1	-4.5	0.0
EA-17	euro	-112 498	-71 862	-91 701	-75 303	3 930	-4.8	-3.0	-3.9	-3.1	0.2
Belgium	euro	-7 218	1 141	-7 943	-1 149	-1 390	-7.9	1.2	-8.7	-1.2	-1.4
Bulgaria	BGN	-102	896	286	-1 705	-83	-0.6	4.7	1.3	-8.1	0.2
Czech Republic	CZK	-34 856	-13 579	-17 302	-102 203	-57 044	-3.8	-1.4	-1.8	-10.2	-5.7
Denmark	DKK	-10 101	-27 005	-21 358	-16 944	-6 808	-2.3	-5.9	-4.7	-3.7	-1.4
Germany	euro	-3 180	11 190	-3 010	-800	4 240	-0.5	1.7	-0.4	-0.1	0.6
Estonia	euro	-162	88	68	-40	12	-4.2	2.0	1.6	-0.9	0.3
Ireland	euro	-4 981	-2 571	-3 579	-1 108	851	-12.5	-6.1	-8.7	-2.7	2.2
Greece	euro	-3 863	-4 316	-8 321	-2 922	-161	-8.5	-8.8	-16.1	-6.2	-0.8
Spain	euro	-14 816	-31 626	-20 103	-45 071	-5 814	-5.7	-11.7	-7.9	-16.7	-2.4
France (p)	euro	-41 029	-21 954	-27 595	-7 835	2 778	-8.1	-4.3	-5.5	-1.5	0.6
Italy	euro	-24 862	-8 974	-6 314	-5 517	5 073	-6.6	-2.3	-1.6	-1.4	1.2
Cyprus	euro	-148	-409	-31	-539	54	-3.4	-9.0	-0.7	-12.2	0.9
Latvia	LVL	88	43	181	-505	-74	2.6	1.1	4.5	-11.9	-0.9
Lithuania	LTL	-1 538	-608	-277	-1 357	903	-6.1	-2.1	-0.9	-4.6	3.7
Luxembourg	euro	-498	211	-236	163	227	-4.6	1.9	-2.2	1.4	2.0
Hungary	HUF	-215 801	-104 379	-67 515	-170 512	344 886	-3.4	-1.5	-0.9	-2.2	4.4
Malta	euro	-78	-38	-56	-52	-36	-4.9	-2.3	-3.1	-3.1	-2.1
Netherlands	euro	-2 429	-9 181	-9 745	-2 671	2 201	-1.6	-6.0	-6.8	-1.7	1.4
Austria	euro	-4 453	-2 523	-1 561	852	-266	-6.0	-3.3	-2.0	1.1	-0.4
Poland	PLN	-4 443	-15 358	-7 060	-35 855	6 333	-1.2	-4.0	-1.8	-8.1	1.7
Portugal	euro	-3 207	-3 097	-1 250	-3 070	-4 096	-7.9	-7.5	-3.0	-7.4	-9.7
Romania	RON	-2 509	-3 840	-814	-9 660	7 806	-2.2	-2.8	-0.5	-5.6	5.0
Slovenia	euro	-454	-337	-464	-163	174	-5.3	-3.7	-5.1	-1.9	1.9
Slovakia	euro	-873	-690	-382	-1 163	92	-5.3	-3.9	-2.0	-6.4	0.6
Finland	euro	-248	1 225	-1 180	-4 218	-10	-0.5	2.5	-2.4	-8.4	0.1
Sweden	SEK	-2 266	20 381	-6 081	-37 079	3 921	-0.3	2.2	-0.7	-4.0	0.5
United Kingdom	GBP	-21 075	-9 887	-27 096	-39 748	-3 647	-5.4	-2.6	-7.0	-10.2	-0.8
Iceland	ISK	-6 718	-10 347	-7 985	-33 484	13 494	-1.6	-2.5	-1.8	-7.7	9.7
Norway	NOK	100 733	137 238	84 068	81 877	12 554	13.6	19.2	12.0	10.8	1.4
Switzerland	SFR	613	593	597	622	-240	0.4	0.4	0.4	0.4	-0.2

Source: Eurostat (online data code: [gov\\_q\\_ggnfa](#)), data for France is provisional

Quarterly non-financial accounts for general government are published for all 27 Member States as well as three EFTA countries.

When using non-adjusted data, quarter-on-quarter growth rates should not be used and comparison between countries should be avoided, as the pattern of

seasonality can differ significantly between countries. Therefore, year-on-year growth rates are used in table 3. Year-on-year growth rates are influenced both by events in the quarter of the previous year and the current year's quarter.

## METHODOLOGICAL NOTES

### Quarterly accounts of general government

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

### ESA95

Fiscal non-financial and financial accounts data are compiled in accordance with national accounts rules, as laid down in the 1995 European System of Accounts (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 web site.

### Quarterly non-financial accounts for general government (QNFAGG)

The aim of QNFAGG 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 ESA95 government net lending (+)/ net borrowing (-) (ESA95 B.9), is equal to the difference between the former and the latter.

Government quarterly revenue and expenditure, 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 (QNFAGG).

In this publication the definition of net lending (+)/ net borrowing (-), also referred to as surplus (+)/ deficit (-) is applied as defined in Council Regulation (EC) No 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 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.

### General government

QNFAGG and QFAGG statistics cover data for general government.

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".

### Seasonal adjustment of selected data series

Quarterly government finance statistics are reported to Eurostat in the form of non-seasonally adjusted (raw) figures. However, a certain number of the reported series contain seasonal patterns (partly explained by the link with the seasonality of economic activity and by the budgetary planning and accounting practices of national governments), which make it difficult to carry out a direct meaningful cross-country and time series analysis. The same is true for GDP,

which reflects the seasonal pattern of all economic activities in the economy.

To overcome this difficulty and thus to gain a better understanding of trends in addition to the non-seasonally adjusted data, seasonally adjusted data is presented for the EU-27 in this publication. The seasonal adjustment for total revenue and total expenditure is done using an indirect procedure (at country level using Tramo-Seats in Demetra+).

Where available, National Statistical Institutes own estimates are used as input for the aggregates, which are supplied to Eurostat on a gentlemen's agreement basis. Some country level estimates as well as data for the EU aggregates are published on Eurobase and well as presented in this publication. These estimates are supplemented by Eurostat's own estimates for those countries which do not yet supply their own estimate. This data is labelled confidential and not published.

Net lending (+)/ net borrowing (-) is derived indirectly from the accounting identity:

Net lending (+)/ net borrowing (-) = total revenue - total expenditure.

As concerns GDP, no independent estimate is derived. The results of the seasonal adjustment are subject to further tests and might be revised in the future.

Metadata of the seasonal adjustment can be found in the [QNFAGG metadata file](#) on Eurobase.

### Revision policies/ country notes

The differing revision policies of EU Member States and EFTA countries reporting quarterly GFS data can be viewed in the [QNFAGG manual](#) as well as in the [metadata file](#) on Eurobase. Revisions are generally accepted by Eurostat.

The majority of countries revise quarterly QNFAGG data once more detailed sources used for the compilation of annual general government accounts become available; that is with the provision of quarterly data for the fourth quarter.

France: The quarterly non-financial accounts data for quarters of 2011 and 2012 is preliminary and due to be revised on 15 May 2013.

**Please refer to the [country notes on EMIS](#) for more important information at country level.**

### Gross domestic product

Throughout this publication, gross domestic product (GDP) at current prices (nominal) is used, either using the non-seasonally adjusted or the seasonally and working-day adjusted forms as appropriate.

### Abbreviations

EA-17: euro area including Belgium, Germany, Estonia, Ireland, Greece, Spain, France, Italy, Cyprus, Luxembourg, Malta, Netherlands, Austria, Portugal, Slovenia, Slovakia and Finland.

EU-27: European Union of 27 Member States including euro area Member States as well as Bulgaria, the Czech Republic, Denmark, Latvia, Lithuania, Hungary, Poland, Romania, Sweden and the United Kingdom.

### More information/ acknowledgments

The authors can be contacted at [ESTAT-STPFS-DATA@ec.europa.eu](mailto:ESTAT-STPFS-DATA@ec.europa.eu). The authors wish to thank **Hannah Kiiver for her contribution to the seasonal adjustment, Irena Tvarijonaviciute and Sheldon Warton-Woods for helpful comments, and colleagues in dissemination for their continuous help with this publication, especially Dominique Verdon and Lucie Peterkova.**

## Further information

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Eurostat Website: <http://ec.europa.eu/eurostat>

Data on "Government finance statistics"

[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)

Further information about "Government finance statistics"

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

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