Stock-flow adjustment (SFA) for the Member States, the euro area and the EU28 for the period 2010-2013, as reported in the October 2014 EDP notification

The main factors contributing to changes in government debt other than government deficit/surplus (stock-flow adjustment) – based for the first time on ESA 2010 data

The stock-flow adjustment (SFA) explains the difference between the change in government debt and the government deficit/surplus for a given period. Although SFAs generally have legitimate explanations, they are closely monitored by Eurostat during quality checks of the data for the excessive deficit procedure (EDP)[1], to ensure consistency across the reported data.

Conceptually, the stock-flow adjustment can be distinguished into the following constituent elements: net acquisition of financial assets, debt adjustment effects and statistical discrepancies. The main purpose of this note is to introduce the individual elements of the SFA, and to provide an analysis of their patterns and trends. This note also contains country-specific comments.

Figure 1 shows the 2013 SFA for each Member State, together with the government deficit/surplus (reversed sign) and the change in the government debt, expressed as a percentage of GDP. Countries with particularly large SFAs in absolute terms deserve particular attention, even though these values normally have appropriate explanations. Four countries exhibit an SFA larger than 3% of GDP: Cyprus (12.1% of GDP), Croatia (6.0% of GDP), Greece (-4.3% of GDP) and Luxembourg (3.5% of GDP).

Cyprus reported the highest SFA for the year 2013. It was mainly due to increased government holdings in Debt securities (F.3), notably floating rate notes provided by the European Stability Mechanism as part of its financial assistance for Cyprus. In addition, the government borrowed significantly in late 2013 which led to an increase in its assets in Currency and deposits (F.2).

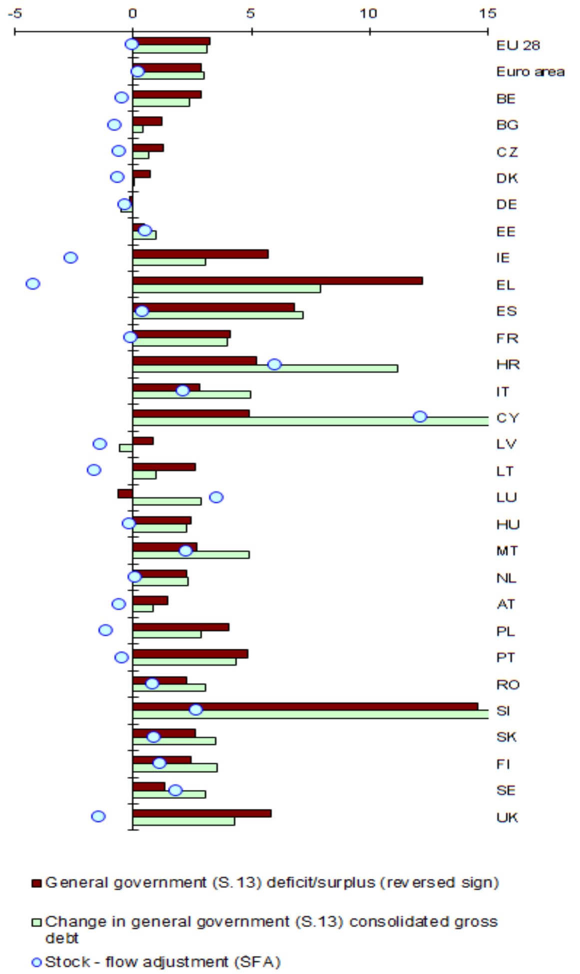
Croatia has the second largest SFA for 2013. This is largely explained by an increase in Currency and deposits (F.2), which resulted from the central government's issuance of USD-denominated bonds in late 2013. Apart from the proceeds from the bonds issue, large positive debt adjustment effects further contributed to the high SFA reported for 2013.

The large negative SFA observed for Greece in 2013 is mainly explained by a significant reduction in Loans (F.4), which reflects the repayment in 2013 of a bridge loan extended by the Hellenic Financial Stability Fund in 2012 to Greek banks for their recapitalisation.

The relatively high SFA for Luxembourg in 2013 is the result of government's increased holdings in cash and investment fund shares other than portfolio investments, after the reclassification of a mutual fund inside general government under ESA 2010 rules.

It should also be noted that some countries might show small SFAs due to offsetting effects of the individual SFA components. In such cases, close consideration should be given to large offsetting values.

Figure 1: Government deficit/surplus (reversed sign), change in government debt, and stock-flow adjustment as percent of GDP: 2013 figures



[1] *Council Regulation 479/2009, as amended, requires the prompt and regular reporting of deficit and debt data by Member States to Eurostat. For definitions of government deficit and debt, and of consolidation, see the Methodological Annex.*

Introduction

It is widely known that deficits normally contribute to an increase in debt levels, while surpluses reduce them. However, as Figure 1 shows, the change in government debt also reflects other elements. A positive SFA means that the government debt increases more than the annual deficit (or decreases less than implied by the surplus). On the contrary, a negative SFA means that the government debt increases less than the annual deficit (or decreases faster than implied by the surplus).

SFAs have legitimate accounting explanations. The change in the stock of debt does not originate only from the deficit but could be impacted, for example, by loans granted by government or its equity injections into corporations, which do not appear in the deficit figures (except if treated as capital transfers). The importance of the SFA has been emphasized many times, as an efficient statistical monitoring of fiscal performance requires understanding the coherence between the two key fiscal indicators - government deficit and debt. Closely monitoring SFAs is important because they can also highlight data quality problems. It has been argued that since great attention was paid to the deficit under the EU multilateral fiscal surveillance (EDP and Stability and Growth Pact) governments might have an incentive in underreporting their deficits by reporting transactions under the SFA. The recent changes to EU economic governance include a greater role for evolution of debt and analysis of the SFA.

Figure 2: Evolution of change in debt and annual deficit in the EU28 in percent of GDP, 2010-2013

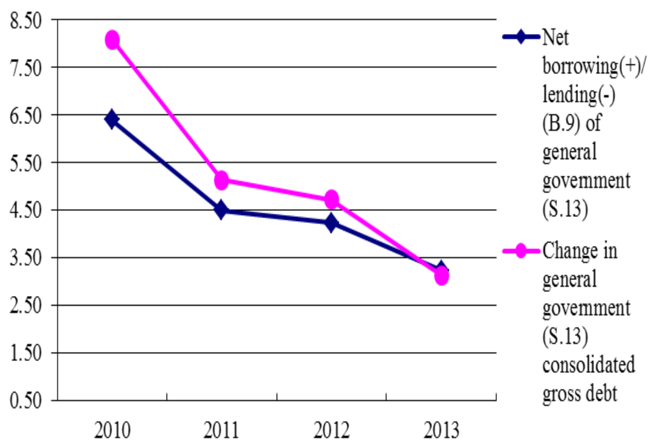


Figure 2 shows the evolution of the EU28 SFAs (measured as the gap between the two lines): 1.7% of GDP in 2010, 0.6% of GDP in 2011, 0.5% of GDP in 2012 and -0.1 % of GDP in 2013. This trend reflects a considerable slowdown in EU28 government debt accumulation matched by a significant reduction in the EU28 deficit.

Table 1 shows the SFAs for the years 2010-2013, as a percentage of GDP. The last column shows average SFAs, indicating whether SFAs offset each other over time.

Most of the annual SFAs reported by individual countries for 2010-2013 are positive. High positive SFAs, exceeding 4% of GDP, are reported by Germany, Luxembourg, Finland and the United Kingdom for 2010, Ireland, Cyprus and Portugal for 2011, Cyprus and Slovakia for 2012, and Croatia and Cyprus for 2013. Luxembourg, Romania and Finland report positive SFAs for all four years.

The majority of the countries show negative values for at least two years. The particularly large negative SFA for Greece in 2012 was due to operations related to the restructuring of government debt. Ireland also exhibited a significant negative SFA in 2010, which was mainly related to government interventions in the context of the financial crisis.

More than half of the annual SFAs observed for the Member States over 2010-2013 exceed 1% of GDP, in absolute values, and more than one third exceed 2% of GDP, in absolute values.

Table 1: Stock-flow adjustment, in percent of GDP, 2010-2013

	2010	2011	2012	2013	average
EU 28	1.7	0.6	0.5	-0.1	0.7
Euro area	1.5	0.7	1.3	0.2	0.9
BE	0.7	2.4	-0.1	-0.5	0.6
BG	-1.2	-1.0	2.1	-0.8	-0.2
CZ	0.0	0.6	0.8	-0.6	0.2
DK	1.7	2.2	-3.9	-0.7	-0.2
DE	7.1	0.2	2.9	-0.4	2.5
EE	0.0	1.2	3.8	0.5	1.4
IE	-8.4	14.2	3.6	-2.7	1.7
EL	1.9	2.2	-35.0	-4.3	-8.8
ES	-1.9	-0.7	3.7	0.4	0.4
FR	-1.8	0.8	0.7	-0.2	-0.1
HR	1.9	0.2	-1.5	6.0	1.6
IT	0.8	0.0	2.1	2.1	1.2
CY	0.0	5.0	7.4	12.1	6.1
LV	0.7	-2.6	0.8	-1.4	-0.7
LT	1.5	-4.2	1.8	-1.7	-0.6
LU	4.8	0.6	3.5	3.5	3.1
HU	0.4	-2.2	-3.4	-0.2	-1.3
MT	1.2	2.4	-2.8	2.2	0.8
NL	-1.3	-1.0	1.1	0.0	-0.3
AT	0.4	0.9	-0.4	-0.6	0.1
PL	-1.2	0.3	-2.1	-1.2	-1.0
PT	3.5	5.5	4.0	-0.5	3.1
RO	1.1	0.5	2.0	0.8	1.1
SI	-2.2	2.6	2.4	2.6	1.4
SK	-0.5	0.0	5.7	0.9	1.5
FI	4.2	2.7	2.9	1.1	2.7
SE	-1.0	0.6	-0.4	1.7	0.3
UK	4.2	0.7	-2.4	-1.5	0.2

The following sections present the individual components of the SFA, focusing at the same time at large transactions reported by the Member States.

Categories of stock-flow adjustment – Factors contributing to the general government debt

The SFA is made up of 17 elements. This note presents these elements grouped into main categories.

Table 2 presents the SFA elements, as reported to Eurostat by Member States, showing EU28 figures in 2010-2013. Table 3, at the end of this document, details the SFA of each Member State for each year over the period 2010-2013. Table 3's columns are numbered, and cross-references to the data are included throughout the text in brackets.

The starting point of the analysis is the *Net borrowing/lending*, or *Deficit/surplus level* (with reverse sign: a deficit is displayed with a positive sign, a surplus with a negative sign) and its contribution to the change in general government debt.

The first SFA category is called *Net acquisition of financial assets.* These corrections appear here because financial transactions are "below the line": while not contributing to the deficit, they lead to increases or decreases of the stock of debt.

A second category of SFA adjustments comprises transactions in those liabilities that are excluded from the government debt definition: *Financial derivatives (F.71)*, *Other accounts payable* (*F.8*) *and Other liabilities (F.1, F.5, F.6 and F.72)*.

A third SFA category includes other debt adjustments:

The *Effects of face valuation* are shown in the next three lines (*Issuances above/below nominal value*, *Difference between interest (D.41) accrued and paid* and *Redemptions of debt above)/below nominal value*), reflecting the fact that government debt, defined in Council Regulation 479/2009, as amended, is measured at face value (for bills and bonds issued).

The *Appreciation/depreciation of foreign-currency debt* reflects the impact of changes in exchange rates on those government debt components that are denominated in foreign currencies.

The *Other changes in volume* (*Changes in sector classification (K.61)*, and *Other volume changes in financial liabilities (K.3, K.4, K.5)*) mainly arise from the reclassification of units inside or outside general government, and other rare cases of disappearance of debt that are not reflected in the deficit/surplus.

The last item is the *Statistical discrepancy*, which reflects differences arising from the diversity of data sources and might also indicate problems with the reliability of data.

Table 2: Stock-flow adjustment items for the EU28, in million euro, 2010-2013

EU-28				
October 2014 EDP notification	**2010**	**2011**	**2012**	**2013**
Net borrowing(+)/lending(-)(B.9) of general government (S.13)*	**817,808**	**591,471**	**569,139**	**436,721**
Net acquisition (+) of financial assets (1)	182,791	57,732	261,182	-35,748
Currency and deposits (F.2)	-18,965	44,889	37,588	-43,652
Debt securities (F.3)	104,358	-11,876	-7,928	-21,726
Loans (F.4)	81,230	23,246	164,418	15,255
Short term loans (F.41), net	3,986	-7,852	15,544	-2,232
Long-term loans (F.42)	77,244	31,098	148,874	17,487
Equity and investment fund shares/units (F.5)	9,621	-7,485	54,890	710
Financial derivatives (F.71)	-26,558	-10,210	-4,754	-5,118
Other accounts receivable (F.8)	33,173	18,699	16,895	18,715
Other financial assets (F.1, F.6)	-68	469	73	70
Adjustments (1)	30,407	26,050	-186,250	16,135
Net incurrence (-) of liabilities in financial derivatives (F.71)	2,582	8,436	5,906	2,328
Net incurrence (-) of other accounts payable (F.8)	-24,136	-27,358	-36,662	11,360
Net incurrence (-) of other liabilities (F.1, F.5, F.6 and F.72)	-4,566	-4,851	-4,003	-4,428
Issuances above(-)/below(+) nominal value	-18,438	6,536	-25,636	-14,277
Difference between interest (D.41) accrued(-) and paid(+)	-5,869	357	-3,825	8,482
Redemptions/repurchase of debt above(+)/below(-) nominal value	-855	2,332	-112,686	1,471
Appreciation(+)/depreciation(-) of foreign-currency debt (2) (3)	634	16,372	-11,957	2,288
Changes in sector classification (K.61) (+/-)	80,233	22,951	2,755	5,036
Other volume changes in financial liabilities (K.3, K.4, K.5)(-)	822	1,275	-142	3,874
Statistical discrepancies	3,545	410	-10,423	7,123
Difference between capital and financial accounts (B.9-B.9f)	5,787	1,487	-8,264	6,488
Other statistical discrepancies (+/-)	-2,243	-1,077	-2,159	635
Change in general government (S.13) consolidated gross debt (1, 2)	**1,034,552**	**675,662**	**633,648**	**424,230**
*Memorandum item: aggregation effect***		***-34,331***	***-60,667***	***-92,373***
*Memorandum item: change in aggregated general government debt***		***641,331***	***572,981***	***331,858***

*Please note the sign convention in this table for net borrowing / net lending: a positive entry reflects a deficit, a negative entry reflects a surplus.

(1) Consolidated within general government.

(2) Due to exchange-rate movements and to swap activity.

(3) A positive entry in this row means that nominal debt increases, a negative entry that nominal debt decreases.

** Aggregated data for EU28 are calculated from the nominal figures sent by Member States to Eurostat, using an average or an end of period exchange rate as appropriate. For the EU28 aggregate, it should be noted that the "aggregation of (national) changes in government debt" (which is reported in the core and not in the memorandum item of this table) is not the same as the "change in aggregated debt", owing to the impact of different exchange rates used (for flows and for stocks) from one year to the other when the data are converted in euro.

Net lending (+) / net borrowing (-) (B.9)

The basic factor contributing to the change in government consolidated gross debt is generally the deficit or surplus of the general government sector (column (1) in table 3). Figure 3 illustrates deficits/surpluses in 2010-2013, sorted in descending order of the deficit level in 2013.

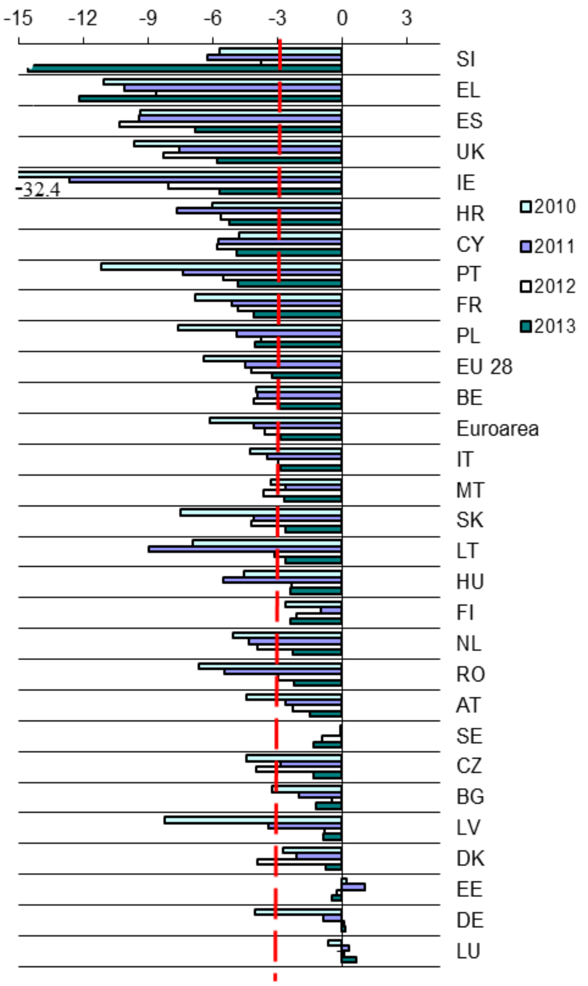
None of the countries reported a surplus in each of the four years. In 2013, only Germany and Luxembourg reported a surplus.

The EU28 government deficit fluctuated between 6.4% and 3.2% of GDP over the 2010-2013 period, decreasing since 2010, while the euro area deficit remained below that of the EU28 during the whole reporting period.

Ten Member States reported a deficit for 2013 exceeding the reference value of 3% of GDP. The highest deficits in 2013 were shown by Slovenia (14.6% of GDP), Greece (12.2% of GDP) and Spain (6.8% of GDP). The high deficits reported by Slovenia and Greece were mostly due to bank recapitalisations.

Over the period 2010-2013, Ireland reported the highest deficit (32.4% of GDP in 2010), mostly explained by government support to the banking sector.

Figure 3: Net lending (+)/net borrowing (-) in percent of GDP, 2010-2013



Net acquisition of financial assets

The net acquisition of financial assets is generally the main factor in the SFA. It reflects the acquisition less disposal of financial assets by the general government sector in the form of Currency and deposits (F.2), Debt securities (F.3), Loans granted by government to non-governmental units (F.4), Equity and investment fund shares or units (F.5), Financial derivatives (F.71), Other accounts receivable (F.8) and Other financial assets, notably Monetary gold (F.1) and Insurance technical reserves (F.6).

Transactions in financial assets are reported on a consolidated basis, i.e. excluding transactions in government's own instruments. This is due to the fact that government debt is defined as consolidated within general government. The acquisition of government bonds by government units is thus not shown (in table 3 for instance) as acquisition of assets. The importance of transactions between sub-sectors can be observed when information at the level of each sub-sector of general government is provided. Such information on SFAs by sub-sector is accessible on the Eurostat website.

Transactions in financial instruments, such as sales of shares, have no direct impact on government debt because they lead to changes in holdings of other types of financial assets, normally currency and deposits. However, there will be a subsequent impact on the debt if government uses the proceeds to repay its debt.

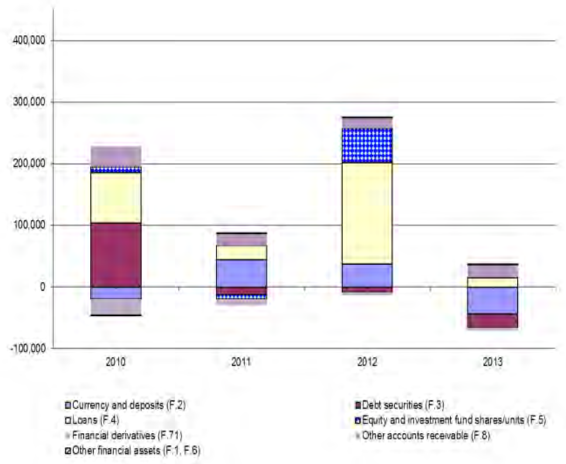
Changes in market value (e.g. unrealized holding gains/losses due to price changes) of financial assets owned by general government are not included here. These have no impact on the government deficit nor on the change in government debt.

Figure 4 shows the components of the net acquisition of financial assets for the EU28 in 2010-2013 in millions of euro. While significantly positive over the years 2010-2012, the net acquisition of financial assets turned negative in 2013 due to a large net decrease in Currency and deposits (F.2) and Debt securities (F.3).

The large values observed in 2010-2012 are explained by governments' operations to address the financial crisis. This involves acquiring financial assets such as currency and deposits (via borrowing), debt securities, loans and equity. The particularly high value in 2012 is mainly explained by a net increase in Loans (F.4), mostly related to the Member States´ participation in the lending of the European Financial Stability Facility (EFSF) (recorded as loan assets of the guaranteeing Member States).

Over the reporting period of 2010-2013, the contribution of each component varied significantly. Currency and deposits (F.2) had a positive contribution to the SFA in 2011 and 2012, whereas more cash was spent than accumulated in 2010 and 2013. The net flow in Currency and deposits (F.2) had a relatively low share in 2010 and 2012, while it explained a much larger part of the net acquisition of financial assets in 2011 and 2013. Debt securities (F.3) contributed noticeably to the net acquisition of financial assets in 2010, while a negative contribution of this item was observed for the following years. Loans (F.4) contributed with a positive sign over the whole reporting period, reaching a peak in 2012 due to EFSF lending. Equity and investment fund shares or units (F.5) had a significant positive impact in 2012, reflecting governments' acquisitions of equity in the course of financial rescue operations. However, the net contribution of this item dropped to nearly zero in 2013. Other accounts receivable (F.8) contributed during the whole reporting period and had a predominantly positive sign, whereas the impact of Other financial assets (F.1 and F.6) was rather insignificant. Finally, except for their relatively big impact in 2010, Financial derivatives (F.71) contributed only marginally to the net acquisition of financial assets.

Figure 4: Net acquisition of financial assets for EU28 (in million EUR), 2010-2013



In principle, the information on net acquisition of financial assets must be coherent with financial accounts data published by Member States, and reported to Eurostat under the ESA 2010 transmission programme. However, some deviations may appear, notably due to differences in "vintages" (data compiled at different points of time).

Separate sections of this note are devoted to each major SFA element, examining data by country, and focusing on large values. For analytical purposes, the Other accounts receivable (F.8) item is analysed in a separate part together with Net incurrence of other accounts payable (F.8).

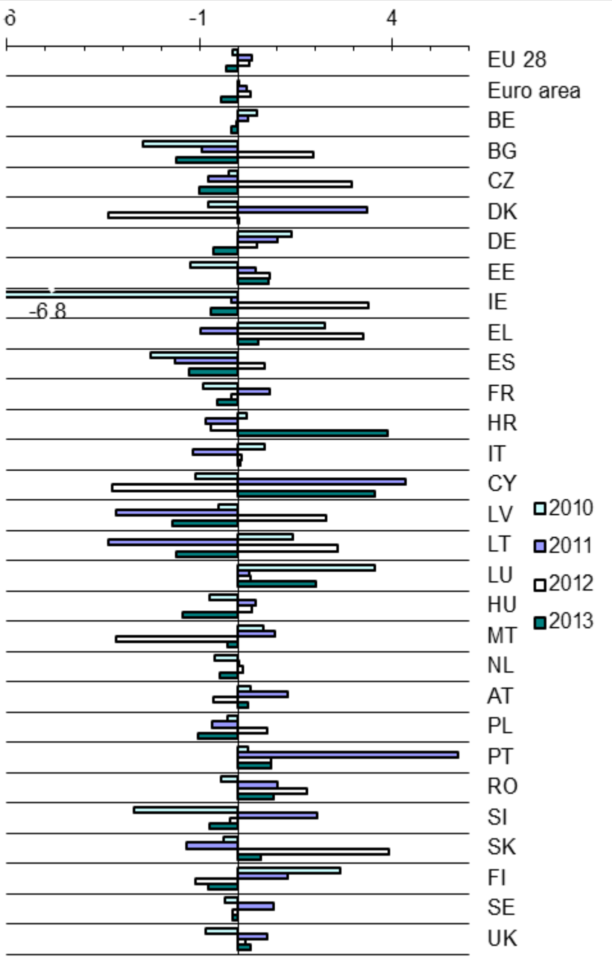
Currency and deposits (F.2)

The Currency and deposits (F.2) position (column (5) in table 3) mainly reflects movements in government deposits with banks, notably with central banks, which can fluctuate substantially from one year to another, in particular due to Treasury operations (such as repos) and specific market conditions. Other government units (e.g. local government, social security funds) also hold bank accounts. The level of deposits tends to increase along with economic growth. Transactions in Currency and deposits (F.2) might also be influenced from one year to the next by very large operations that lead to large cash inflows or outflows in a given year. For example a large bond issuance might increase the deposits of government if the receipts from the issuance are not used for another purpose like bond redemption or government spending, but are temporarily kept in the bank.

Large accumulations of Currency and deposits (F.2) might reflect governments´ precautionary measures in the context of the financial crisis (e.g. reinforcement of cash reserves by issuing bonds or taking loans). This was the case for Croatia and Cyprus (2013), Portugal and Slovenia (2011), and Slovakia (2012). The increase in cash holdings for Portugal in 2011 relates to loan disbursements in the framework of the Macroeconomic Adjustment Programme, but also to transfers of pension funds to the state at the end of the year. The large transaction reported by the Czech Republic for 2012 was the result of new bonds issued by government and a positive balance of EU funds.

On the other hand, large negative values can be noted for Ireland (2010), reflecting mainly government interventions in the context of the financial crisis, and for Spain and Slovenia (2010), as well as Latvia and Lithuania (2011), reflecting draw-downs of cash accumulated in previous years in central government and social security. The high negative value for Malta in 2012 reflects the government's decision to lower the amount of cash available for daily use (instead of resorting to further borrowing via Treasury Bills). Denmark and Cyprus also reported relatively high negative values for 2012, reflecting draw-downs of cash accumulated in previous years. No significant negative values were reported for 2013.

Figure 5: Currency and deposits (F.2) in percent of GDP, 2010-2013



Debt securities (F.3)

Debt securities (column (6) in table 3) mainly reflect net purchases by government (predominantly asset-rich social security funds) of bills, notes, preference shares or bonds issued by financial institutions, non-financial corporations, or non-residents (including foreign governments). This item does not include transactions relating to derivatives, such as swaps, futures, and options, which are reported under a separate item Financial derivatives (F.71) (column (17) in table 3).

Figure 6 shows a marked dispersion across Member States for this item. Other large investments flows of some asset-rich social security funds do not appear here because they invest primarily or exclusively in government securities (such as Cyprus before 2010 and Greece), which are consolidated in this presentation, or in mutual funds (Luxembourg).

The large positive figure for Cyprus in 2013 reflects the government's holdings of floating rate notes provided by the European Stability Mechanism in the context of the financial crisis.

The large accumulation of Debt securities (F.3) for Portugal in 2012 mainly reflects the effect of the recapitalisations, carried out with the acquisition of contingent convertible instruments by government issued by three financial institutions. In addition, the social security subsector contributed to this positive figure by increasing its investment in debt securities issued by non-government units.

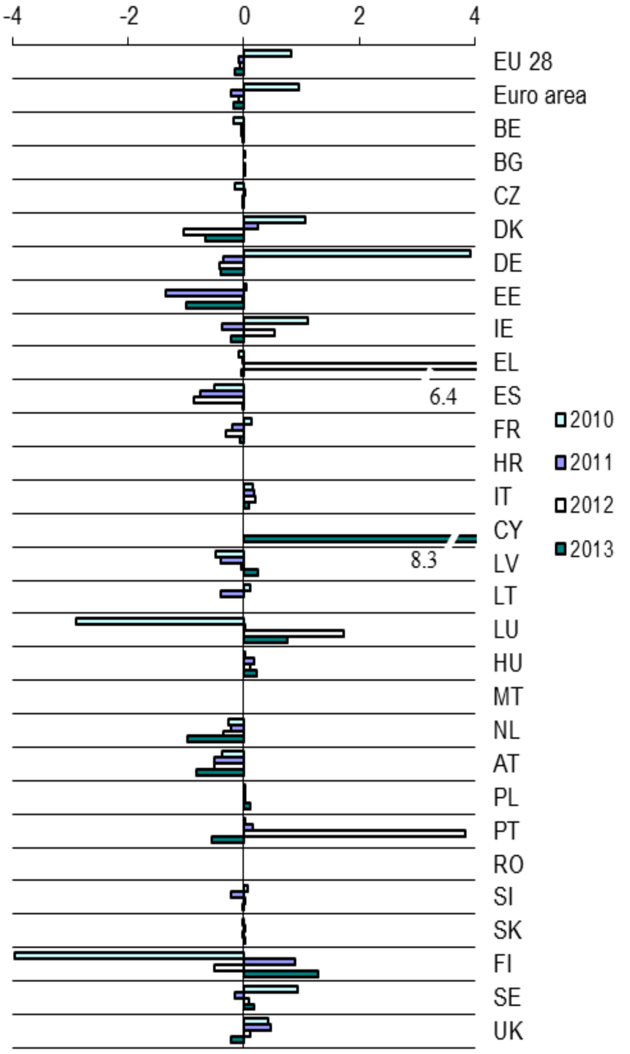
Similarly, the high figure for Greece in 2012 relates to holdings of notes provided by the EFSF for the recapitalisation of credit institutions.

The relatively high figure for Germany in 2010 reflects the transfer of assets of two public defeasance structures classified in the general government sector.

On the other hand, the particularly negative figure for Finland in 2010 shows the employment pension schemes reducing their investments in debt securities.

Croatia, Malta and Romania do not hold any Debt securities (F.3) issued by non-government units.

Figure 6: Debt securities (F.3) in percent of GDP, 2010-2013



Loans (F.4)

This item (column (7) in table 3) comprises loans to non-government units only, since the figures in this table are consolidated. It predominantly includes lending to public corporations, foreign governments, households or students. The value of loans grows with increased lending and decreases with loan repayments and loan cancellations. Some loans might be converted into capital injections (capital transfers or equity injections) which would imply further reduction of this item.

It should be noted that loans granted by government with little expectation of repayment at inception are to be recorded in national accounts as capital transfers (thus entering the deficit), and are therefore not reported here.

It is also worth mentioning that loans for the euro area countries include loan assets related to the lending in the framework of EFSF. In 2012 most euro area countries exhibited large amounts of EFSF loan assets. It has to be noted that these amounts of EFSF loans also appear as a loan liability (included in the stock of debt) of the corresponding Member States.

In 2013 Greece reported a significant reduction in loan assets, which reflects the repayments made by Greek banks of a bridge loan extended to them in 2012 by the Hellenic Financial Stability Fund (classified inside general government).

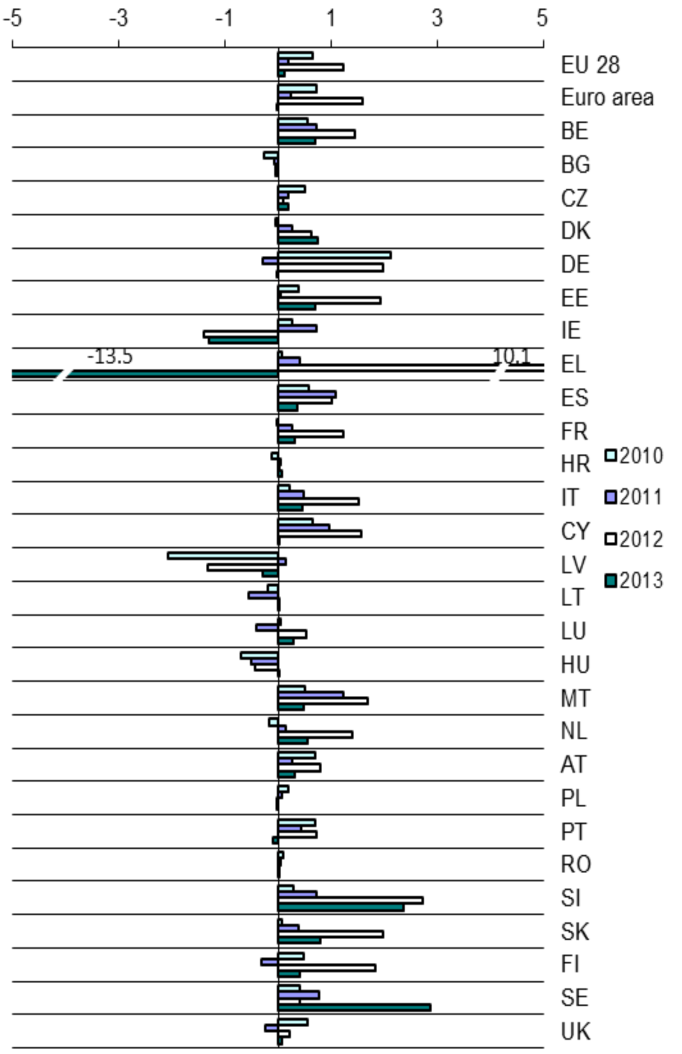
The high positive value for Sweden in 2013 reflects a loan granted by central government to the National Central Bank (Riksbank).

Slovenia reported large positive values in both 2012 and 2013. The increase in loans in 2012 was due to EFSF lending as well as hybrid loans provided to financial institutions in the context of the financial crisis, while in 2013 it was mainly related to a transfer of claims from recapitalised banks to a bad bank classified in general government.

The high positive value for Finland in 2012 reflects a loan provided to Finnish Export Credit and the related government's operation with financial corporations aiming at removal of currency risk.

The relatively large positive value for Germany in 2010 reflects the reclassification of two public defeasance structures and their loan assets in government. In 2012, apart from loans granted via EFSF, a subsequent transfer of assets from Portigon (ex-West LB) to Erste Abwicklungsanstalt, and money market transactions of the Federal Debt Management Agency contributed to a sizable accumulation of loans on the government balance sheet.

Figure 7: Loans (F.4) in percent of GDP, 2010-2013



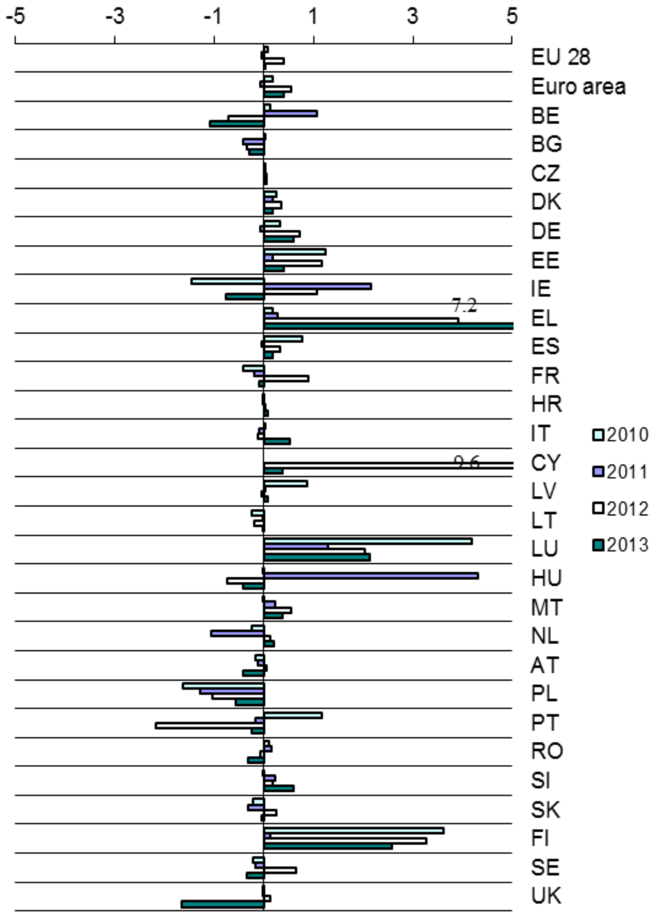
For Latvia, the negative value in 2010 reflects conversion of loans into capital injections (recorded as capital transfers) and cancellations of loans to meet expected losses. The significant decrease in loans for 2012 is mainly due to the repayments by the Deposit Guarantee Fund (loan granted by the Treasury related to the insolvency of Krajbanka).

It should be noted that EDP tables require the Member States to provide information on the distribution of government's short-term loan (column (10) in table 3) and long-term loan (column (11) in table 3) assets. According to ESA 2010, the maturity of short-term loans is one year or less, while the maturity of long-term loans is more than one year. All Member States provide these items. The data are shown in table 3.

Equity and investment fund shares or units (F.5)

The item Equity and investment fund shares or units (F.5) (column (14) in table 3) captures acquisitions less disposals of equity in corporations by government units, divided into portfolio investments (column (15) in table 3) and non-portfolio investments (column (16) in table 3). These may reflect privatisation proceeds, superdividends, equity injections in public corporations, or portfolio investments. Figure 8 reports these various transactions on a net basis.

Figure 8: Equity and investment fund shares or units (F.5) in percent of GDP, 2010-2013



Decreases in Equity and investment fund shares or units (F.5) may mirror privatisation proceeds (including also privatisations conducted by special privatisation agencies classified inside general government), but may also result from the application of the so-called "superdividend test", which prescribes that distributions (to their owners) by public corporations in excess of their operational profit (excluding holding gains/losses) have to be recorded as financial transactions ("withdrawal of equity") rather than government revenue. Such reclassifications are carried out by many Member States, and can also concern distributions by central banks.

Increases in Equity and investment fund shares or units (F.5) may relate to equity injections by government, which cover capital injections (generally in the form of cash provided by government) to specific public corporations when government is acting similarly to a private investor with the expectation of a market return on invested funds. These equity injections may create a financing need and therefore may lead to an indirect increase of government debt. The practice of some Member States of classifying some government entities as quasi corporations may result in high reported levels of equity injections.

The higher values in 2011, 2012 and 2013 generally signal government interventions in the context of the financial crisis. Large equity injections in financial institutions are reported for Greece (2012 and 2013) and Cyprus (2012). In the case of Hungary, the large increase of portfolio investments in 2011 reflects the transfer of the second pillar pension funds' assets to the Pension Reform and Debt Reduction Fund.

The United Kingdom reported a relatively big decrease in Equity and investment fund shares or units (F.5) in 2013 due to withdrawals of equity from the Asset Purchase Facility and to the privatisation of Royal Mail.

The item Equity and investment fund shares or units (F.5) also captures portfolio investments in the form of purchases of quoted shares on the market or mutual fund shares made by some government units, notably asset-rich social security funds, such as in Luxembourg and Finland. Placements in money market mutual funds are reported here (rather than under Currency and deposits (F.2)), despite these being close substitutes for bank deposits.

Portfolio investments represent holdings of shares which, unlike direct investment, do not entail active management or control of the issuer by the investor. According to the internationally accepted practical rule applied, this means that the investor holds less than 10% of the total shares of the issuer. In the case of general government portfolio equity investment, this usually consists of listed shares and mutual fund shares being part of social security funds' reserve assets or current liquid assets of other government units.

Austria does not report the split of portfolio/non-portfolio investments for general government, while Sweden reports this split for 2013 only.

It should be noted that part of the increase in Equity and investment fund shares or units (F.5) in 2012 (as well as in 2013) reflects Member States´ injections in the European Stability Mechanism, as payments of the paid-in capital are considered as an increase in equity for the participating countries.

Other accounts receivable (F.8), Net incurrence of other accounts payable (F.8) and Financial derivatives (F.71)

Whereas public accounts or budget recordings are often cash based (or partly cash based) in the EU, ESA 2010 follows the accrual principle (namely recording transactions when the obligation to pay arises, not when the payment is actually made). Consequently, the impact on the financing needs of government does not directly arise from the deficit, as government revenue can be cashed, or government expenditure can be settled, at different accounting periods than the economic transaction itself. Thus two items have to be added in the transition from the deficit to the change in government debt: Other accounts receivable (F.8) and Net incurrence of other accounts payable (F.8) (columns (18) and (22) in table 3), which mainly show the receivables and the payables of government.

Other accounts receivable (F.8) mainly include receivables of taxes and social contributions as well as amounts concerning EU transactions (amounts paid by government on behalf of the EU but not yet reimbursed by the EU), trade credits, advance for future acquisition of goods such as military equipment, and on rare occasions, wages or benefits paid one month in advance, etc. The absolute amount of Other accounts receivable (F.8) tends to increase over time because of nominal GDP growth.

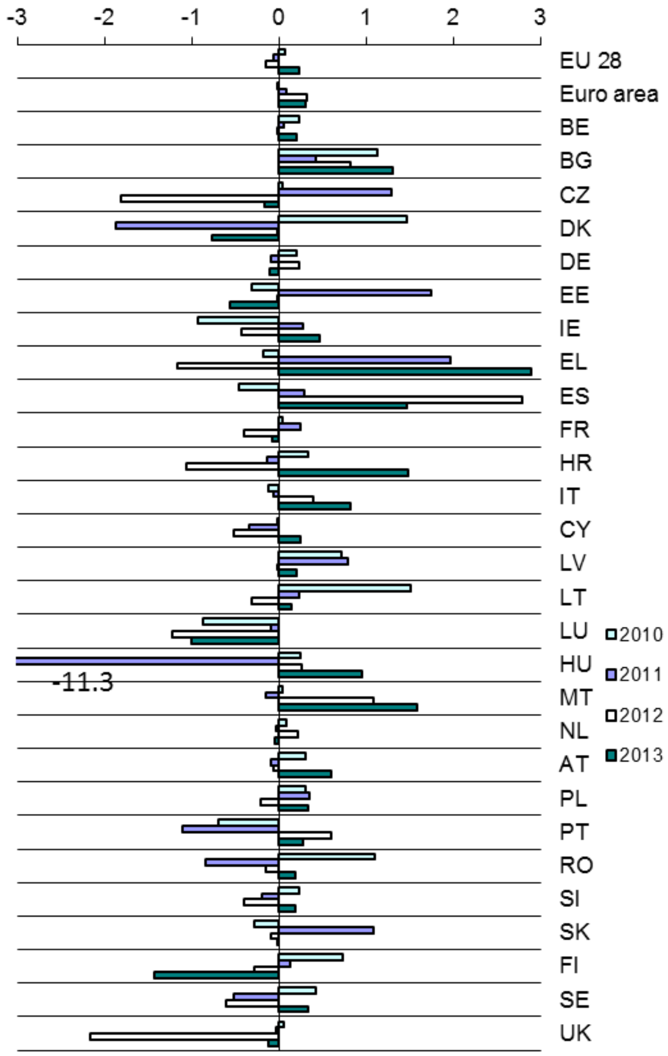
By the same token, entries in Net incurrence of other accounts payable (F.8) include (among others) deliveries of goods and services not yet paid for, as well as sums received from the EU but not yet paid out by government to the final beneficiary.

When verifying the EDP tables, Eurostat closely monitors flows of receivables/payables, to avoid large amounts of undocumented receivables/payables. Supplementary information is provided by all Member States to Eurostat on the receivables/payables pertaining to taxes and social contributions, to EU flows and to military expenditure.

Figure 9 shows the net amount of other accounts receivable/payable reported by Member States for the years 2010-2013. The large negative value for Hungary is due to pension transfers to government in 2011. The significant positive value for Greece reflects a sharp decrease in payables in 2013 (mostly due to settlements of hospitals' arrears). Spain also reported a large reduction of other accounts payable for 2012 due to the state and local government sub-sectors' settlements of unpaid bills to suppliers.

Member States are also invited to provide supplementary information on Other financial assets (F.1 F.6) and Net incurrence of other liabilities (F.1, F.5, F.6 and F.72) (columns (19) and (23) in table 3). These two items are not shown in Figure 9 due to their insignificant size.

Figure 9: Net amounts of Other accounts receivable/payable, in percent of GDP, 2010-2013



Government entities, notably Treasuries, may carry out operations in financial derivatives, such as swaps, futures and options with the aim to reduce risks related to their debt instruments and for liquidity management purposes. The cash flows related to those operations are recorded in the financial accounts (except for off-market swaps, where there is an impact on the non-financial accounts as well). Financial derivative liabilities are excluded from the government debt. Individual values are shown in column (21) in table 3.

Operations related to financial derivatives are not included in Figure 9. However, it should be noted that some countries, such as Sweden, may have significant holdings of assets and liabilities in financial derivatives (F.71).

Effects of face valuation

These items relate to the fact that government debt is valued at face value.

Under ESA 2010 government expenditure on interest should be spread over time, in line with the accrual principle, whereas the cash impact is only when interest is actually paid. The item *Difference between interest (D.41) accrued and paid* (column (25) in table 3) is meant to address this issue and exclude interest accrued from the stock of government debt. As this item also captures the spreading over time of the premium or discount at issue, positive values may reflect the accrual impact of large amounts of bonds issued in the past at a premium.

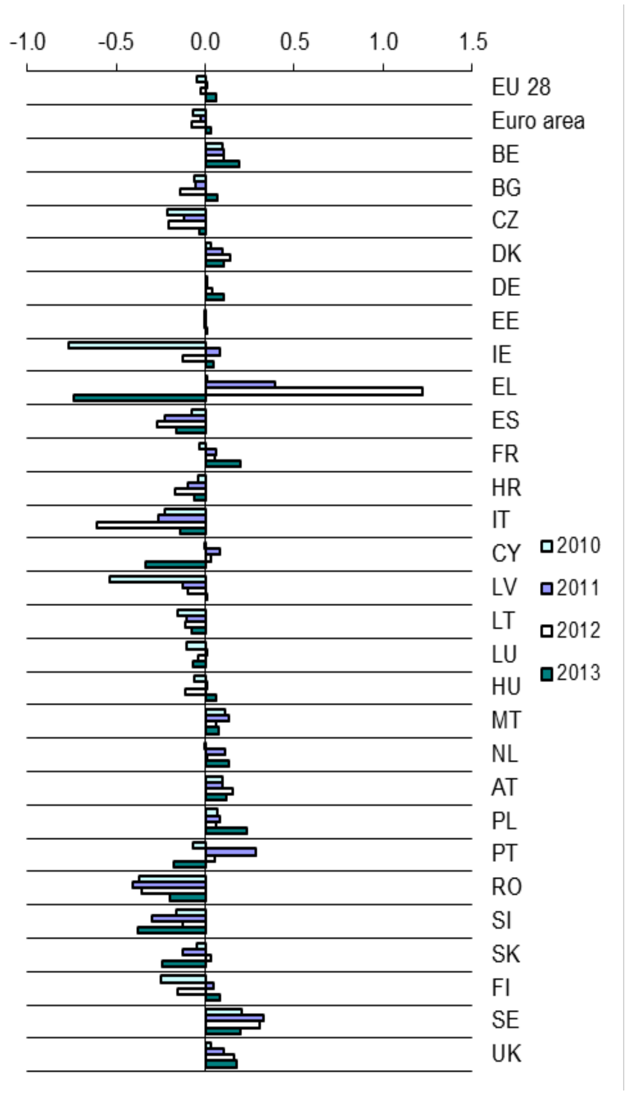
Figure 10 shows the difference between interest (D.41) accrued and paid by country for the whole reporting period 2010-2013 in percent of GDP. Under ESA 2010, this item no longer includes any adjustments for payments on swaps and forward rate agreements,

Governments routinely issue bills, notes and bonds below or above their face value (face value = par value), often in the form of fungible bonds or zero coupon bonds. When the face and issuance values differ, this has consequences on recording in the EDP. Since government debt must be recorded at face value but the proceeds that enter Currency and deposits (F.2) correspond to the issue value, the difference must be recorded as *Issuance above/below par* (see column (24) in table 3). Hence, the difference, which in concept has the nature of "interest", is recorded as government expenditure not at time of issuance, but only gradually over time.

Similarly an adjustment must be made in the case of early redemption, when government buys back issued bonds. The difference between the repurchase value and the face value is presented in the column *Redemptions of debt above/below nominal value* (column (26) in table 3).

For Greece, due to the extensive restructuring of government debt (including private investors exchanging bonds), the values reported under the items *Difference between interest (D.41) accrued and paid* and the *Redemptions of debt below nominal value* were particularly high in 2012.

Figure 10: Difference between interest (D.41) accrued (-) and paid (+) in percent of GDP, 2010-2013

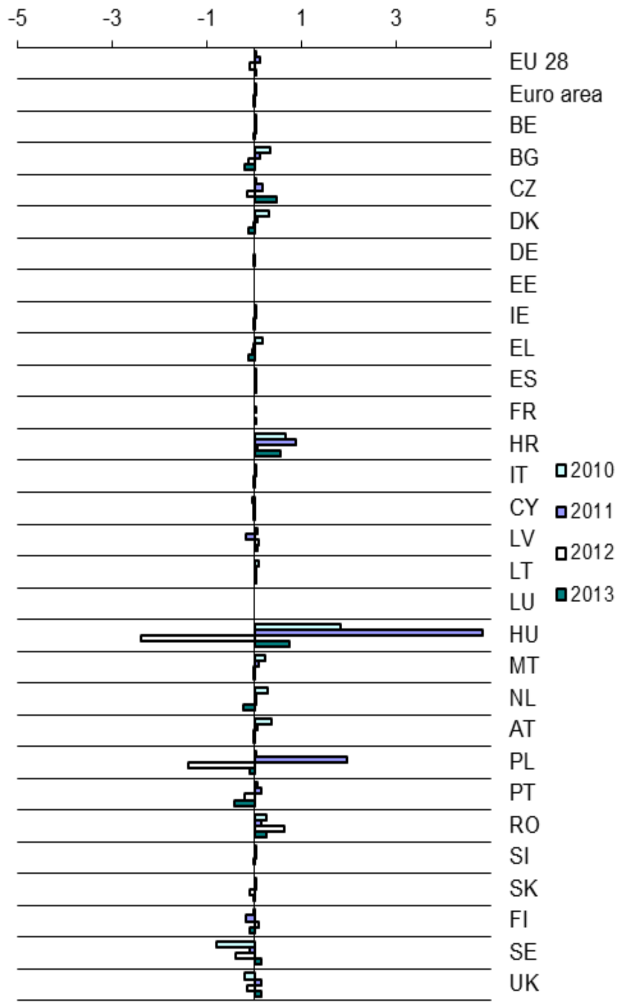


Appreciation/depreciation of foreign currency debt

When a government issues debt denominated in a currency other than in its own currency, and not hedged by derivatives, any subsequent depreciation or appreciation of the national currency leads to changes in debt without an impact on the deficit/surplus (shown in column (27) in table 3). Negative entries (reduction in debt) reflect appreciation of the national currency and positive entries (increase in debt) reflect depreciation of the national currency.

It could be noted from Figure 11 that some Member States have substantial amounts of debt denominated in foreign currency, mostly in euro or in U.S. dollars. Significant depreciation/appreciation of foreign currency debt is observed for Hungary and Poland, but also for Croatia, Romania and Sweden.

Figure 11: Appreciation/depreciation of foreign currency debt in percent of GDP, 2010-2013



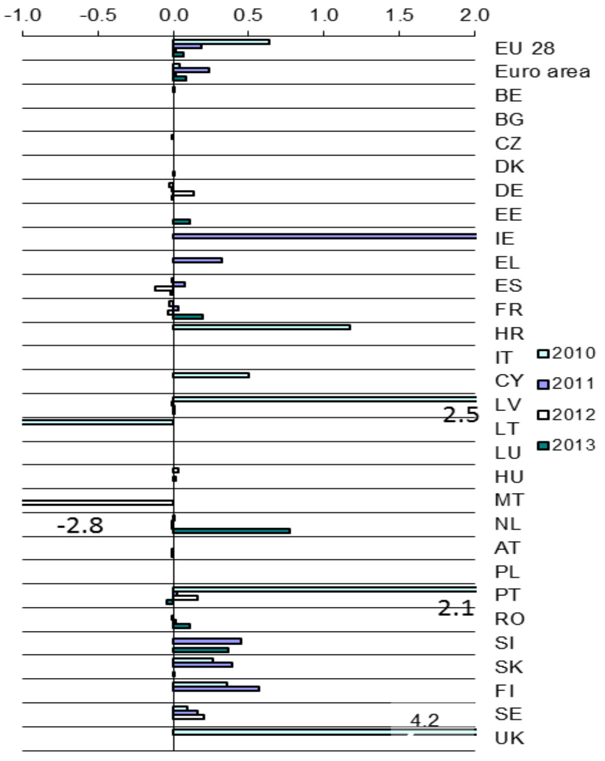
Other changes in volume: Changes in sector classification (K.61) and Other volume changes in financial liabilities (K.3, K.4, K.5)

It might happen that an institutional unit that was classified outside (inside) government is reclassified inside (outside) government. The impact of the debt of the reclassified unit is generally shown under Changes in sector classification (K.61) (column (28) in table 3) unless there are good reasons not to do so. Some other specific events can give rise to entries in other changes in volume.

Figure 12 shows the aggregate impact of both Changes in sector classification (K.61) and Other volume changes in financial liabilities such as changes caused by catastrophic losses (K.3), uncompensated seizures (K.4) and other changes in volume not elsewhere classified (K.5).

Large values relating to sector reclassifications can be observed for Ireland (2011), Greece (2011), Latvia (2010), Malta (2012), the Netherlands (2013), Portugal (2010), Slovenia (2011), Slovakia (2010 and 2011), and the United Kingdom (2010). For Ireland, Latvia, the Netherlands and the United Kingdom the large positive adjustments are due to reclassifications of public financial defeasance structures inside general government.

Figure 12: Other changes in volume in percent of GDP, 2010-2013



Statistical discrepancy

Finally, the *Statistical discrepancy* (column (30) in table 3) reflects differences arising from the diversity of data sources and might also indicate problems with reliability of data.

The government sector accounts in national accounts (ESA 2010) are often compiled from a diversity of sources, which may not be fully integrated or completely homogenous, leading to differences between the revenue and expenditure data and the financing data, or between the transactions in debt and other economic flows in debt (i.e. valuation effects and other changes in volume) data, on one hand, and the change in debt data, on the other hand. Some deviations may also appear due to differences in "vintages" (data compiled at different points of time).

Discrepancies between the non-financial and the financial accounts often relate to the time of recording of Treasury or Budget transactions compared to the moment these flow through the banking system. A notable cause of discrepancies originates from the accrual recording applicable to ESA 2010 data and the difficulty to match cash and accrual data.

The extent of discrepancies can thus indicate the accuracy of the data supplied by Member States. Therefore Eurostat monitors discrepancies carefully to determine if they are of an excessive size or accumulate (i.e. are of a same sign) over time. In particular, a continuously positive discrepancy may draw into question whether the deficit is appropriately measured.

In general, the statistical discrepancies for the EU28 and the euro area are small and tend to offset over time. However, it should be noted that while most compilers show statistical discrepancies explicitly, some may choose to allocate them under various other SFA items, such as other accounts receivable and payable, for example.

Luxembourg reported the highest level of statistical discrepancies for the years 2010-2013. Belgium, Croatia, Austria and Portugal also report relatively high levels of statistical discrepancies.

Figure 13: Statistical discrepancy in percent of GDP, 2010-2013

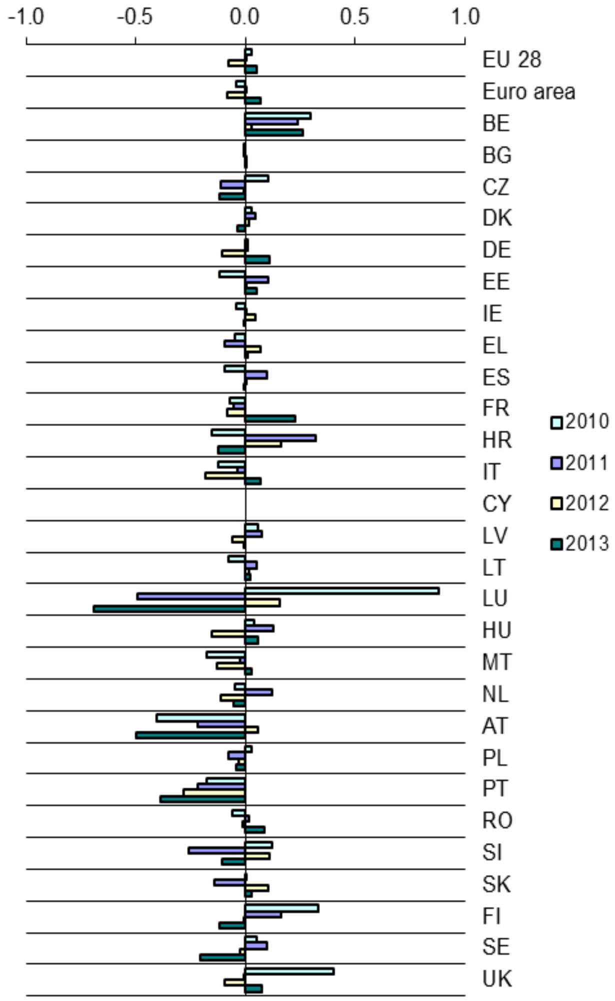


Table 3: Stock-flow adjustment tables in years 2010-2013

Stock flow adjustment to General government - 2013

October 2014 EDP notification

	Net borrowing(-)/lending(+)(B.9) of general government (S.13) (1)	Change in general government (S.13) consolidated gross debt (2)	Stock - flow adjustment (SFA) (3) =(2)+(1)=(4)+(20)+(30)	Net acquisition (+) of financial assets (4) =(5)+(6)+(7)+(14)+(17)+(18)+(19)	Currency and deposits (F.2) (5)	Debt securities (F.3) (6)	Loans (F.4) (7) =(10)+(11)	Short-term loans (F.41), net (10)	Long-term loans (F.42) (11)	Equity and investment fund shares/units (F.5) (14) =(15)+(16)	Portfolio investments, net (15)	Equity and investment fund shares/units other than portfolio investments (16)	Financial derivatives (F.71) (17)	Other accounts receivable (F.8) (18)	Other financial assets (F.1, F.6) (19)	Adjustments (20) =(21)+(22)+(23)+(24)+(25)+(26)+(27)+(28)+(29)	Net incurrence (-) of liabilities in financial derivatives (F.71) (21)	Net incurrence (-) of other accounts payable (F.8) (22)	Net incurrence (-) of other liabilities (F.1, F.5, F.6 and F.72) (23)	Issuances above(-)/below(+) nominal value (24)	Difference between interest (D.41) accrued(-) and paid(+) (25)	Redemptions/repurchase of debt above(+)/below(-) nominal value (26)	Appreciation(+)/depreciation(-) of foreign-currency debt (27)	Changes in sector classification (K.61) (+/-) (28)	Other volume changes in financial liabilities (K.3, K.4, K.5) (-) (29)	Statistical discrepancies (30)
BE	-2.9	2.4	-0.5	-0.8	-0.2	0.0	0.7	0.0	0.6	-1.1	0.0	-1.1	-0.2	0.0	0.0	0.1	0.0	0.2	0.0	-0.4	0.2	0.0	0.0	0.0	0.0	0.3
BG	-1.2	0.4	-0.8	-0.3	-1.6	0.0	-0.1	0.0	-0.1	-0.3	0.0	-0.3	0.0	1.7	0.0	-0.5	0.0	-0.4	NA	0.0	0.1	0.0	-0.2	0.0	0.0	0.0
CZ	-1.3	0.7	-0.6	-0.8	-1.0	0.0	0.2	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.1	-0.1	0.0	-0.1	0.0	0.0	0.5	0.0	0.0	-0.1
DK	-0.7	0.0	-0.7	-0.2	0.0	-0.7	0.7	0.1	0.7	0.2	0.0	0.2	-0.2	-0.3	0.0	-0.5	0.0	-0.5	0.0	0.0	0.1	0.0	-0.1	0.0	0.0	0.0
DE	0.1	-0.5	-0.4	-0.5	-0.6	-0.4	0.0	-0.2	0.1	0.6	0.0	0.5	0.0	0.0	0.0	0.0	0.0	-0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.1
EE	-0.5	0.9	0.5	0.4	0.8	-1.0	0.7	0.0	0.7	0.4	0.0	0.4	0.0	-0.4	0.0	0.0	0.0	-0.2	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.1
IE	-5.7	3.0	-2.7	-2.9	-0.7	-0.2	-1.3	0.2	-1.5	-0.8	-0.3	-0.4	0.1	0.0	0.0	0.2	0.0	0.5	0.0	-0.1	0.0	-0.1	0.0	0.0	0.0	0.0
EL	-12.2	7.9	-4.3	-6.1	0.5	0.0	-13.5	0.1	-13.5	7.2	0.1	7.1	0.0	-0.4	0.0	1.8	-0.7	3.3	0.1	0.0	-0.7	0.0	-0.1	0.0	0.0	0.0
ES	-6.8	7.2	0.4	0.3	-1.3	0.0	0.4	0.0	0.4	0.2	0.0	0.2	0.0	1.0	0.0	0.1	0.0	0.4	0.0	-0.2	-0.2	0.0	0.0	0.0	0.0	0.0
FR	-4.1	4.0	-0.2	-0.2	-0.5	-0.1	0.3	0.0	0.3	-0.1	-0.2	0.1	0.0	0.1	0.0	-0.1	0.0	-0.2	0.0	-0.3	0.2	0.0	0.0	0.0	0.2	0.2
HR	-5.2	11.2	6.0	5.0	3.9	0.0	0.1	0.0	0.0	0.1	0.0	0.1	0.0	1.0	0.0	1.1	0.0	0.5	0.0	0.1	-0.1	0.0	0.6	0.0	0.0	-0.1
IT	-2.8	4.9	2.1	1.4	0.0	0.1	0.4	0.0	0.4	0.5	0.0	0.5	0.2	0.1	0.0	0.7	0.0	0.7	0.0	0.1	-0.1	0.0	0.0	0.0	0.0	0.1
CY	-4.9	17.0	12.1	12.3	3.6	8.3	0.0	0.0	0.0	0.4	0.0	0.4	0.0	0.0	0.0	-0.1	0.0	0.2	0.0	0.0	-0.3	0.0	0.0	0.0	0.0	0.0
LV	-0.9	-0.6	-1.4	-1.4	-1.7	0.3	-0.3	0.0	-0.3	0.1	0.0	0.1	0.0	0.2	0.0	0.0	0.0	0.0	-0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.0
LT	-2.6	1.0	-1.7	-1.2	-1.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	0.4	0.0	-0.5	0.0	-0.3	0.0	-0.1	-0.1	0.0	0.0	0.0	0.0	0.0
LU	0.6	2.8	3.5	3.0	2.0	0.8	0.3	0.1	0.2	2.1	-0.1	2.2	0.0	-2.2	0.0	1.2	0.0	1.2	0.0	0.0	-0.1	0.0	0.0	0.0	0.0	-0.7
HU	-2.4	2.2	-0.2	-0.9	-1.4	0.2	0.0	0.0	0.0	-0.4	-0.9	0.4	-0.4	1.1	0.0	0.7	0.1	-0.1	0.0	-0.2	0.1	0.1	0.7	0.0	0.0	0.1
MT	-2.7	4.9	2.2	1.7	-0.3	0.0	0.5	0.0	0.5	0.4	0.0	0.4	0.0	1.2	0.0	0.5	0.0	0.4	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0
NL	-2.3	2.3	0.0	-1.0	-0.5	-1.0	0.6	0.2	0.3	0.2	-0.1	0.3	0.2	-0.5	0.0	1.1	0.0	0.5	0.0	-0.1	0.1	0.0	-0.2	0.8	0.0	-0.1
AT	-1.5	0.8	-0.6	0.2	0.3	-0.8	0.3	0.0	0.4	-0.4	ND	ND	-0.1	0.9	0.0	-0.3	0.2	-0.3	0.0	-0.3	0.1	0.0	0.0	0.0	0.0	-0.5
PL	-4.0	2.9	-1.2	-1.0	-1.0	0.1	0.0	0.0	0.0	-0.6	0.0	-0.6	0.0	0.4	0.0	-0.1	0.0	-0.1	0.0	-0.1	0.2	NA	-0.1	0.0	NA	0.0
PT	-4.9	4.3	-0.5	-1.2	0.8	-0.6	-0.1	0.0	-0.1	-0.2	0.2	-0.4	0.0	-1.1	0.0	1.1	0.0	1.4	0.0	0.3	-0.2	0.0	-0.4	0.0	0.0	-0.4
RO	-2.2	3.0	0.8	0.4	0.9	0.0	0.0	0.0	0.0	-0.3	0.0	-0.3	0.0	-0.2	0.0	0.3	0.0	0.4	0.0	-0.2	-0.2	NA	0.3	0.1	0.0	0.1
SI	-14.6	17.2	2.6	3.2	-0.7	0.0	2.4	0.9	1.4	0.6	0.0	0.6	0.0	0.9	0.0	-0.5	0.0	-0.8	0.0	0.3	-0.4	0.0	0.0	0.4	0.0	-0.1
SK	-2.6	3.5	0.9	2.0	0.6	0.0	0.8	0.0	0.8	0.0	0.0	0.0	0.0	0.6	0.0	-1.1	0.0	-0.6	0.0	-0.2	-0.2	0.0	0.0	0.0	0.0	0.0
FI	-2.4	3.5	1.1	2.6	-0.8	1.3	0.4	0.0	0.4	2.6	2.5	0.0	0.0	-0.9	0.0	-1.4	-0.8	-0.6	0.0	0.0	0.1	0.0	-0.1	0.0	0.0	-0.1
SE	-1.3	3.1	1.7	1.1	-0.1	0.2	2.9	0.1	2.8	-0.4	-0.7	0.3	-2.1	0.7	0.0	0.8	1.0	-0.3	-0.3	0.0	0.2	0.2	0.2	0.0	0.0	-0.2
UK	-5.8	4.3	-1.5	-1.3	0.3	-0.2	0.1	0.0	0.1	-1.7	NA	-1.7	0.0	0.2	0.0	-0.2	0.0	-0.3	-0.1	-0.2	0.2	0.0	0.1	0.0	0.0	0.1
EU 28	-3.2	3.1	-0.1	-0.3	-0.3	-0.2	0.1	0.0	0.1	0.0	NC	NC	0.0	0.1	0.0	0.1	0.0	0.1	0.0	-0.1	0.1	0.0	0.0	0.0	0.0	0.1
Euro area 18	-2.9	3.0	0.2	-0.1	-0.4	-0.2	0.0	0.0	0.0	0.4	NC	NC	0.0	0.1	0.0	0.2	0.0	0.2	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	0.1

NA: Not applicable, ND: Not available, NC: Not computable (aggregates)

More detailed breakdown is available in Eurostat's database: http://epp.eurostat.ec.europa.eu/portal/page/portal/government_finance_statistics/data/database

Stock flow adjustment to General government - 2012

October 2014 EDP notification

	Net borrowing(-)/lending(+)(B.9) of general government (S.13)	Change in general government (S.13) consolidated gross debt	Stock - flow adjustment (SFA)	Net acquisition (+) of financial assets	Currency and deposits (F.2)	Debt securities (F.3)	Loans (F.4)	Short-term loans (F.41), net	Long-term loans (F.42)	Equity and investment fund shares/units (F.5)	Portfolio investments, net	Equity and investment fund shares/units other than portfolio investments	Financial derivatives (F.71)	Other accounts receivable (F.8)	Other financial assets (F.1, F.6)	Adjustments	Net incurrence (-) of liabilities in financial derivatives (F.71)	Net incurrence (-) of other accounts payable (F.8)	Net incurrence (-) of other liabilities (F.1, F.5, F.6 and F.72)	Issuances above(-)/below(+) nominal value	Difference between interest (D.41) accrued(-) and paid(+)	Redemptions/repurchase of debt above(+)/below(-) nominal value	Appreciation(+)/depreciation(-) of foreign-currency debt	Changes in sector classification (K.61) (+/-)	Other volume changes in financial liabilities (K.3, K.4, K.5) (-)	Statistical discrepancies
	(1)	(2)	(3) =(2)+(1)= (4)+(20)+ (30)	(4) =(5)+(6)+(7)+(14)+(17)+(18)+(19)	(5)	(6)	(7) =(10)+(11)	(10)	(11)	(14) =(15)+(16)	(15)	(16)	(17)	(18)	(19)	(20) =(21)+(22)+(23)+(24)+(25)+(26)+(27)+(28)+(29)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)
BE	-4.1	4.0	-0.1	0.7	0.0	0.0	1.4	0.0	1.5	-0.7	0.0	-0.7	0.0	0.0	0.0	-0.8	0.0	0.0	0.0	-0.8	0.1	0.0	0.0	0.0	0.0	0.0
BG	-0.5	2.6	2.1	2.4	2.0	0.0	-0.1	0.0	-0.1	-0.3	0.0	-0.3	0.0	0.8	0.0	-0.3	0.0	0.0	NA	0.0	-0.1	0.0	-0.1	0.0	0.0	0.0
CZ	-4.0	4.8	0.8	3.6	3.0	0.0	0.1	0.0	0.1	0.1	0.0	0.0	0.0	0.5	0.0	-2.8	0.1	-2.3	0.0	-0.2	-0.2	0.0	-0.2	0.0	0.0	0.0
DK	-3.9	0.0	-3.9	-3.6	-3.4	-1.0	0.6	0.0	0.6	0.4	0.0	0.4	-0.2	0.1	0.0	-0.3	0.0	-0.1	0.0	-0.4	0.1	0.0	0.0	0.0	0.0	0.0
DE	0.1	2.8	2.9	2.9	0.5	-0.4	2.0	0.5	1.5	0.7	0.1	0.7	0.0	0.2	0.0	0.1	0.0	0.1	0.0	-0.1	0.0	0.0	0.0	0.1	0.0	-0.1
EE	-0.3	4.1	3.8	4.1	0.8	0.0	1.9	0.0	1.9	1.2	0.0	1.2	0.0	0.2	0.0	-0.2	0.0	-0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
IE	-8.0	11.6	3.6	3.3	3.4	0.5	-1.4	0.6	-2.0	1.1	0.0	1.0	0.0	-0.3	0.0	0.3	0.0	-0.2	0.0	0.6	-0.1	0.0	0.0	0.0	0.0	0.0
EL	-8.6	-26.4	-35.0	23.5	3.2	6.4	10.1	0.0	10.1	3.9	0.0	3.9	0.0	-0.2	0.0	-58.5	0.0	-1.0	0.2	0.0	1.2	-58.8	0.0	0.0	0.0	0.1
ES	-10.3	14.0	3.7	1.6	0.7	-0.9	1.0	0.0	1.0	0.3	0.0	0.3	0.0	0.4	0.0	2.1	0.0	2.4	0.0	0.1	-0.3	0.0	0.0	-0.1	0.0	0.0
FR	-4.9	5.6	0.7	2.0	-0.2	-0.3	1.2	0.0	1.2	0.9	0.0	0.9	0.0	0.3	0.0	-1.2	0.0	-0.8	0.0	-0.5	0.1	0.0	0.0	0.0	0.0	-0.1
HR	-5.6	4.1	-1.5	-0.9	-0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.3	0.0	-0.8	0.0	-0.8	0.0	0.1	-0.2	0.0	0.1	0.0	0.0	0.2
IT	-3.0	5.1	2.1	2.1	0.1	0.2	1.5	0.0	1.5	-0.1	0.0	-0.1	0.2	0.2	0.0	0.1	0.1	0.2	0.0	0.5	-0.6	0.0	0.0	0.0	0.0	-0.2
CY	-5.8	13.2	7.4	7.9	-3.3	0.0	1.6	0.0	1.6	9.6	0.0	9.6	0.0	0.0	0.0	-0.5	0.0	-0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
LV	-0.8	1.6	0.8	0.7	2.3	0.0	-1.3	0.0	-1.4	0.0	0.0	0.0	-0.1	-0.1	0.0	0.1	0.1	0.0	0.0	0.0	-0.1	0.0	0.1	0.0	0.0	-0.1
LT	-3.2	4.9	1.8	1.8	2.6	0.0	0.0	0.0	0.0	-0.2	0.0	-0.2	-0.1	-0.4	0.0	-0.1	0.0	0.1	0.0	-0.1	-0.1	0.0	0.0	0.0	0.0	0.0
LU	0.1	3.5	3.5	3.9	0.3	1.7	0.5	-0.2	0.7	2.0	0.0	2.0	0.0	-0.7	0.0	-0.6	0.0	-0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2
HU	-2.3	-1.1	-3.4	-1.2	0.4	0.1	-0.4	0.0	-0.4	-0.7	-0.7	-0.1	-0.5	-0.1	0.0	-2.0	0.1	0.3	0.0	0.1	-0.1	0.0	-2.4	0.0	0.0	-0.2
MT	-3.7	0.9	-2.8	1.6	-3.2	0.0	1.7	-0.7	2.4	0.6	0.0	0.6	0.0	2.5	0.0	-4.3	0.0	-1.5	0.0	-0.1	0.1	0.0	0.0	-2.8	0.0	-0.1
NL	-4.0	5.0	1.1	1.3	0.1	-0.4	1.4	0.0	1.4	0.1	0.0	0.2	0.0	0.0	0.0	-0.1	0.0	0.2	0.0	-0.3	0.0	0.0	0.0	0.0	0.0	-0.1
AT	-2.3	1.9	-0.4	-0.3	-0.6	-0.5	0.8	0.3	0.5	0.0	ND	ND	0.0	0.0	0.0	-0.1	0.0	0.0	0.0	-0.3	0.2	0.0	0.0	0.0	0.0	0.1
PL	-3.7	1.7	-2.1	-0.2	0.7	0.0	0.0	0.0	0.0	-1.0	0.0	-1.0	0.0	0.1	0.0	-1.9	0.0	-0.3	0.0	-0.2	0.1	NA	-1.4	0.0	NA	0.0
PT	-5.5	9.5	4.0	1.2	0.9	3.8	0.7	0.0	0.7	-2.2	-0.5	-1.7	-0.1	-1.9	0.0	3.1	0.0	2.5	0.0	0.5	0.1	0.0	-0.2	0.0	0.1	-0.3
RO	-3.0	5.0	2.0	2.3	1.8	0.0	0.0	0.0	0.0	-0.1	0.0	-0.1	0.0	0.6	0.0	-0.3	0.0	-0.7	0.0	0.2	-0.4	NA	0.6	0.0	0.0	0.0
SI	-3.7	6.1	2.4	2.4	-0.2	0.0	2.7	0.0	2.7	0.2	0.0	0.2	0.0	-0.3	0.0	-0.1	0.0	-0.1	0.0	0.1	-0.1	0.0	0.0	0.0	0.0	0.1
SK	-4.2	9.9	5.7	5.9	3.9	0.0	2.0	0.0	2.0	0.3	0.0	0.3	0.0	-0.3	0.0	-0.3	0.0	0.2	0.0	-0.4	0.0	0.0	-0.1	0.0	0.0	0.1
FI	-2.1	5.0	2.9	3.6	-1.1	-0.5	1.8	0.0	1.8	3.3	2.7	0.5	0.0	0.1	0.0	-0.6	-0.2	-0.4	0.0	0.0	-0.2	0.0	0.1	0.0	0.0	0.0
SE	-0.9	0.6	-0.4	-0.8	-0.1	0.1	0.4	0.2	0.2	0.7	ND	ND	-1.7	-0.1	0.0	0.5	1.3	-0.5	-0.3	-0.3	0.3	0.2	-0.4	0.1	0.1	0.0
UK	-8.3	5.9	-2.4	0.7	0.2	0.1	0.2	0.0	0.2	0.1	NA	0.1	0.0	0.0	0.0	-3.0	0.0	-2.2	-0.1	-0.7	0.2	0.0	-0.1	0.0	0.0	-0.1
EU 28	-4.2	4.7	0.5	1.9	0.3	-0.1	1.2	0.1	1.1	0.4	NC	NC	0.0	0.1	0.0	-1.4	0.0	-0.3	0.0	-0.2	0.0	-0.8	-0.1	0.0	0.0	-0.1
Euro area 18	-3.6	5.0	1.3	2.6	0.3	-0.1	1.6	0.2	1.4	0.5	NC	NC	0.0	0.1	0.0	-1.1	0.0	0.2	0.0	-0.1	-0.1	-1.2	0.0	0.0	0.0	-0.1

NA: Not applicable, ND: Not available, NC: Not computable (aggregates)

More detailed breakdown is available in Eurostat's database: http://epp.eurostat.ec.europa.eu/portal/page/portal/government_finance_statistics/data/database

eurostat

Stock flow adjustment to General government - 2011

October 2014 EDP notification

	Net borrowing(-)/lending(+)(B.9) of general government (S.13)	Change in general government (S.13) consolidated gross debt	Stock - flow adjustment (SFA)	Net acquisition (+) of financial assets	Currency and deposits (F.2)	Debt securities (F.3)	Loans (F.4)	Short-term loans (F.41), net	Long-term loans (F.42)	Equity and investment fund shares/units (F.5)	Portfolio investments, net	Equity and investment fund shares/units other than portfolio investments	Financial derivatives (F.71)	Other accounts receivable (F.8)	Other financial assets (F.1, F.6)	Adjustments	Net incurrence (-) of liabilities in financial derivatives (F.71)	Net incurrence (-) of other accounts payable (F.8)	Net incurrence (-) of other liabilities (F.1, F.5, F.6 and F.72)	Issuances above(-)/below(+) nominal value	Difference between interest (D.41) accrued(-) and paid(+)	Redemptions/repurchase of debt above(+)/below(-) nominal value	Appreciation(+)/depreciation(-) of foreign-currency debt	Changes in sector classification (K.61) (+/-)	Other volume changes in financial liabilities (K.3, K.4, K.5) (-)	Statistical discrepancies
	(1)	(2)	(3) =(2)+(1)= (4)+(20)+ (30)	(4) =(5)+(6)+(7)+(14)+(17)+(18)+(19)	(5)	(6)	(7) =(10)+(11)	(10)	(11)	(14) =(15)+(16)	(15)	(16)	(17)	(18)	(19)	(20) =(21)+(22) +(23)+(24) +(25)+(26) +(27)+(28) +(29)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)
BE	-3.9	6.3	2.4	2.2	0.2	0.0	0.7	0.1	0.7	1.1	-0.1	1.2	-0.1	0.3	0.0	0.0	0.0	-0.2	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.2
BG	-2.0	1.1	-1.0	-1.1	-1.0	0.0	-0.1	0.0	-0.1	-0.4	0.0	-0.4	0.0	0.4	0.0	0.1	0.0	0.0	NA	0.0	-0.1	0.0	0.1	0.0	0.0	0.0
CZ	-2.9	3.5	0.6	0.5	-0.8	0.0	0.2	0.0	0.2	0.0	0.0	0.0	0.0	1.0	0.0	0.2	0.0	0.3	0.0	-0.1	-0.1	0.0	0.2	0.0	0.0	-0.1
DK	-2.1	4.3	2.2	2.3	3.3	0.3	0.3	-0.1	0.4	0.2	0.0	0.2	-0.1	-1.7	0.0	-0.1	0.0	-0.2	0.0	-0.1	0.1	0.1	0.1	0.0	0.0	0.0
DE	-0.9	1.0	0.2	0.2	1.0	-0.4	-0.3	-0.3	0.0	-0.1	0.0	-0.1	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EE	1.0	0.1	1.2	-0.2	0.4	-1.3	0.0	0.0	0.0	0.2	0.1	0.1	0.0	0.4	0.0	1.3	0.0	1.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
IE	-12.6	26.9	14.2	2.4	-0.2	-0.4	0.7	0.5	0.2	2.2	1.3	0.9	-0.2	0.2	0.0	11.8	0.0	0.1	0.0	0.1	0.1	0.0	0.0	11.6	0.0	0.0
EL	-10.1	12.4	2.2	0.3	-1.0	0.0	0.4	0.0	0.4	0.3	0.0	0.3	0.0	0.6	0.0	2.1	0.0	1.4	0.0	0.0	0.4	0.0	0.0	0.3	0.0	-0.1
ES	-9.4	8.8	-0.7	-0.1	-1.6	-0.8	1.1	0.0	1.1	0.0	0.0	0.0	0.0	1.2	0.0	-0.6	0.0	-0.9	0.0	0.4	-0.2	0.0	0.0	0.1	0.0	0.1
FR	-5.1	5.9	0.8	1.1	0.8	-0.2	0.3	0.0	0.3	-0.2	-0.2	0.0	0.0	0.4	0.0	-0.3	-0.1	-0.2	0.0	-0.1	0.1	0.0	0.0	0.0	0.0	-0.1
HR	-7.7	7.9	0.2	-0.6	-0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.5	0.0	-0.3	0.0	0.0	-0.1	0.0	0.9	0.0	0.0	0.3
IT	-3.5	3.4	0.0	-0.4	-1.2	0.2	0.5	0.0	0.5	-0.1	0.0	-0.1	0.1	0.1	0.0	0.4	0.0	-0.2	0.0	0.8	-0.3	0.0	0.0	0.0	0.0	0.0
CY	-5.8	10.8	5.0	4.9	4.3	0.0	1.0	0.0	1.0	0.0	0.0	0.0	0.0	-0.4	0.0	0.1	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0
LV	-3.4	0.8	-2.6	-2.8	-3.2	-0.4	0.2	0.0	0.2	0.0	0.0	0.0	-0.1	0.6	0.0	0.1	0.1	0.1	0.1	0.0	-0.1	0.0	-0.2	0.0	0.0	0.1
LT	-9.0	4.8	-4.2	-3.9	-3.4	-0.4	-0.6	0.0	-0.6	0.0	0.0	0.0	0.0	0.5	0.0	-0.4	0.0	-0.3	0.0	0.0	-0.1	-0.1	0.0	0.0	0.0	0.0
LU	0.3	0.3	0.6	2.0	0.3	0.0	-0.4	-0.6	0.2	1.3	0.0	1.3	0.0	0.8	0.0	-0.9	0.0	-0.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.5
HU	-5.5	3.3	-2.2	4.1	0.5	0.2	-0.5	0.0	-0.5	4.3	2.5	1.9	-0.3	-0.1	0.0	-6.5	0.1	-11.4	0.0	0.0	0.0	0.0	4.8	0.0	0.0	0.1
MT	-2.6	5.0	2.4	3.6	0.9	0.0	1.2	0.6	0.7	0.2	0.0	0.2	0.0	1.2	0.0	-1.2	0.0	-1.4	0.0	-0.1	0.1	0.0	0.1	0.0	0.0	0.0
NL	-4.3	3.3	-1.0	-1.5	0.0	-0.2	0.1	0.0	0.1	-1.1	-0.1	-1.0	0.1	-0.4	0.0	0.3	0.0	0.4	0.0	-0.2	0.1	0.0	0.0	0.0	0.0	0.1
AT	-2.6	3.5	0.9	0.7	1.3	-0.5	0.3	0.1	0.2	-0.1	ND	ND	-0.1	-0.1	0.0	0.4	0.4	0.0	0.0	-0.1	0.1	0.0	0.1	0.0	0.0	-0.2
PL	-4.9	5.2	0.3	-1.4	-0.7	0.0	0.1	0.0	0.1	-1.3	0.0	-1.3	0.0	0.5	0.0	1.8	0.0	-0.1	0.0	-0.1	0.1	NA	1.9	0.0	NA	-0.1
PT	-7.4	12.8	5.5	8.3	5.7	0.2	0.4	0.0	0.4	-0.2	-0.2	0.0	-0.1	2.3	0.0	-2.6	0.0	-3.4	0.0	0.4	0.3	0.0	0.1	0.0	0.0	-0.2
RO	-5.5	5.9	0.5	1.8	1.0	0.0	0.0	0.0	0.0	0.2	0.0	0.2	0.0	0.5	0.0	-1.3	0.2	-1.4	-0.3	0.4	-0.4	NA	0.1	0.0	0.0	0.0
SI	-6.2	8.9	2.6	2.8	2.0	-0.2	0.7	0.0	0.7	0.2	0.0	0.2	0.0	0.0	0.0	0.1	0.0	-0.2	0.0	0.2	-0.3	0.0	0.0	0.4	0.0	-0.3
SK	-4.1	4.1	0.0	-0.4	-1.3	0.0	0.4	0.0	0.4	-0.3	0.0	-0.3	0.0	0.9	0.0	0.5	0.0	0.2	0.0	0.0	-0.1	0.0	0.0	0.4	0.0	-0.1
FI	-1.0	3.7	2.7	2.1	1.3	0.9	-0.3	0.0	-0.3	0.1	-0.1	0.2	0.0	0.1	0.0	0.5	0.0	0.0	0.0	0.0	0.0	0.0	-0.2	0.6	0.0	0.2
SE	-0.1	0.7	0.6	-1.9	0.9	-0.2	0.8	0.0	0.8	-0.2	ND	ND	-2.5	-0.8	0.0	2.5	2.0	0.3	-0.4	-0.2	0.3	0.5	-0.1	0.0	0.2	0.1
UK	-7.6	8.2	0.7	0.7	0.7	0.5	-0.2	0.0	-0.2	0.0	NA	0.0	0.0	-0.3	0.0	0.0	0.0	0.2	-0.1	-0.4	0.1	0.0	0.2	0.0	0.0	0.0
EU 28	-4.5	5.1	0.6	0.4	0.3	-0.1	0.2	-0.1	0.2	-0.1	NC	NC	-0.1	0.1	0.0	0.2	0.1	-0.2	0.0	0.0	0.0	0.0	0.1	0.2	0.0	0.0
Euro area 18	-4.1	4.8	0.7	0.5	0.2	-0.2	0.2	-0.1	0.3	-0.1	NC	NC	0.0	0.3	0.0	0.2	0.0	-0.2	0.0	0.2	0.0	0.0	0.0	0.2	0.0	0.0

NA: Not applicable, ND: Not available, NC: Not computable (aggregates)

More detailed breakdown is available in Eurostat's database: http://epp.eurostat.ec.europa.eu/portal/page/portal/government_finance_statistics/data/database

eurostat

Stock flow adjustment to General government - 2010

October 2014 EDP notification

	Net borrowing(-)/lending(+)(B.9) of general government (S.13)	Change in general government (S.13) consolidated gross debt	Stock - flow adjustment (SFA)	Net acquisition (+) of financial assets	Currency and deposits (F.2)	Debt securities (F.3)	Loans (F.4)	Short-term loans (F.41), net	Long-term loans (F.42)	Equity and investment fund shares/units (F.5)	Portfolio investments, net	Equity and investment fund shares/units other than portfolio investments	Financial derivatives (F.71)	Other accounts receivable (F.8)	Other financial assets (F.1, F.6)	Adjustments	Net incurrence (-) of liabilities in financial derivatives (F.71)	Net incurrence (-) of other accounts payable (F.8)	Net incurrence (-) of other liabilities (F.1, F.5, F.6 and F.72)	Issuances above(-)/below(+) nominal value	Difference between interest (D.41) accrued(-) and paid(+)	Redemptions/repurchase of debt above(+)/below(-) nominal value	Appreciation(+)/depreciation(-) of foreign-currency debt	Changes in sector classification (K.61) (+/-)	Other volume changes in financial liabilities (K.3, K.4, K.5) (-)	Statistical discrepancies
	(1)	(2)	(3) =(2)+(1)=(4)+(20)+(30)	(4) =(5)+(6)+(7)+(14)+(17)+(18)+(19)	(5)	(6)	(7) =(10)+(11)	(10)	(11)	(14) =(15)+(16)	(15)	(16)	(17)	(18)	(19)	(20) =(21)+(22)+(23)+(24)+(25)+(26)+(27)+(28)+(29)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)
BE	-4.0	4.6	0.7	0.4	0.5	-0.2	0.5	-0.1	0.6	0.1	0.0	0.1	-0.7	0.1	0.0	0.0	0.0	0.1	0.0	-0.3	0.1	0.0	0.1	0.0	0.0	0.3
BG	-3.2	2.0	-1.2	-3.0	-2.5	0.0	-0.3	0.0	-0.3	0.0	0.0	0.0	0.0	-0.3	0.0	1.8	0.0	1.4	NA	0.1	-0.1	0.0	0.3	0.0	0.0	0.0
CZ	-4.4	4.4	0.0	-0.1	-0.3	-0.1	0.5	0.0	0.5	0.0	0.0	0.0	0.0	-0.2	0.0	0.0	0.1	0.3	0.0	-0.2	-0.2	0.0	0.0	0.0	0.0	0.1
DK	-2.7	4.4	1.7	2.4	-0.8	1.1	-0.1	0.0	-0.1	0.3	0.0	0.3	-0.2	2.1	0.0	-0.7	0.0	-0.6	0.0	-0.5	0.0	0.0	0.3	0.0	0.0	0.0
DE	-4.1	11.2	7.1	7.1	1.4	3.9	2.1	0.1	2.0	0.3	0.0	0.3	-0.7	0.0	0.0	0.1	0.0	0.2	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	0.0
EE	0.2	-0.2	0.0	0.6	-1.2	0.1	0.4	0.0	0.4	1.2	0.0	1.3	0.0	0.2	0.0	-0.5	0.0	-0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1
IE	-32.4	24.0	-8.4	-7.0	-6.8	1.1	0.3	0.0	0.3	-1.4	-1.4	0.0	0.2	-0.3	0.0	-1.4	0.0	-0.7	0.0	0.1	-0.8	0.0	0.0	0.0	0.0	0.0
EL	-11.1	12.9	1.9	1.6	2.3	-0.1	0.1	0.0	0.1	0.2	0.1	0.0	0.0	-0.8	0.0	0.3	-0.4	0.6	-0.1	0.1	0.0	0.0	0.2	0.0	0.0	0.0
ES	-9.4	7.5	-1.9	-1.4	-2.3	-0.5	0.6	0.0	0.6	0.8	0.0	0.8	0.0	0.0	0.0	-0.4	0.0	-0.5	0.0	0.1	-0.1	0.0	0.0	0.0	0.0	-0.1
FR	-6.8	5.0	-1.8	-0.7	-0.9	0.1	0.0	0.0	0.0	-0.4	-0.4	0.0	0.0	0.5	0.0	-1.0	-0.1	-0.5	0.0	-0.4	0.0	0.0	0.0	0.0	0.0	-0.1
HR	-6.0	7.9	1.9	0.1	0.2	0.0	-0.1	-0.1	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	1.9	0.0	0.4	0.0	-0.2	0.0	0.0	0.7	0.0	1.2	-0.2
IT	-4.2	5.1	0.8	1.2	0.7	0.2	0.2	0.0	0.2	0.0	0.0	0.0	0.1	0.0	0.0	-0.3	0.0	-0.2	0.0	0.1	-0.2	0.0	0.0	0.0	0.0	-0.1
CY	-4.8	4.7	0.0	-0.5	-1.1	0.0	0.7	0.0	0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5	0.0	0.0
LV	-8.2	9.0	0.7	-1.8	-0.5	-0.5	-2.1	0.0	-2.1	0.9	0.0	0.9	-0.1	0.6	0.0	2.4	0.1	0.2	0.0	0.1	-0.5	0.0	0.1	2.5	0.0	0.1
LT	-6.9	8.4	1.5	2.4	1.4	0.1	-0.2	0.0	-0.2	-0.2	0.0	-0.2	-0.1	1.4	0.0	-0.9	0.0	0.1	0.0	0.1	-0.2	NA	0.1	-1.0	0.0	-0.1
LU	-0.6	5.4	4.8	7.3	3.5	-2.9	0.1	0.2	-0.1	4.2	-0.2	4.4	0.0	2.4	0.0	-3.4	0.0	-3.3	0.0	0.0	-0.1	0.0	0.0	0.0	0.0	0.9
HU	-4.5	4.9	0.4	-1.5	-0.8	0.0	-0.7	0.0	-0.7	0.0	0.0	0.0	-0.3	0.2	0.0	1.9	0.1	0.0	0.0	-0.1	-0.1	0.0	1.8	0.0	0.0	0.0
MT	-3.3	4.5	1.2	2.0	0.7	0.0	0.5	0.2	0.3	0.0	0.0	0.0	0.0	0.8	0.0	-0.5	0.0	-0.8	0.0	-0.1	0.1	0.0	0.2	0.0	0.0	-0.2
NL	-5.0	3.8	-1.3	-0.6	-0.6	-0.3	-0.2	0.0	-0.1	-0.2	0.0	-0.2	0.0	0.6	0.0	-0.6	0.0	-0.5	0.0	-0.3	0.0	0.0	0.3	0.0	0.0	0.0
AT	-4.5	4.9	0.4	0.8	0.3	-0.4	0.7	0.1	0.6	-0.2	ND	ND	-0.2	0.5	0.0	0.0	0.2	-0.2	0.0	-0.4	0.1	0.0	0.4	0.0	0.0	-0.4
PL	-7.6	6.4	-1.2	-1.2	-0.3	0.0	0.2	0.0	0.2	-1.6	0.0	-1.6	0.0	0.5	0.0	-0.1	0.0	-0.2	0.0	0.1	0.1	NA	0.0	0.0	NA	0.0
PT	-11.2	14.7	3.5	3.1	0.3	0.0	0.7	0.2	0.5	1.2	0.1	1.1	-0.2	1.2	0.0	0.5	0.0	-1.9	0.0	0.3	-0.1	0.0	0.1	1.9	0.2	-0.2
RO	-6.6	7.7	1.1	0.1	-0.4	0.0	0.1	0.0	0.1	0.1	0.0	0.1	0.0	0.3	0.0	1.0	0.2	0.8	-0.2	0.4	-0.4	NA	0.3	NA	0.0	-0.1
SI	-5.7	3.5	-2.2	-2.0	-2.7	0.1	0.3	0.0	0.3	0.0	0.1	-0.1	0.0	0.4	0.0	-0.3	0.0	-0.2	0.0	0.0	-0.2	0.0	0.0	0.0	0.0	0.1
SK	-7.5	7.0	-0.5	-0.1	-0.4	0.0	0.1	0.0	0.1	-0.2	0.0	-0.2	0.0	0.5	0.0	-0.4	0.0	-0.7	0.0	0.1	0.0	0.0	0.0	0.3	0.0	0.0
FI	-2.6	6.8	4.2	3.5	2.6	-4.0	0.5	0.0	0.5	3.6	4.5	-0.9	0.0	0.7	0.0	0.3	0.4	0.0	0.0	-0.1	-0.3	0.0	0.0	0.4	0.0	0.3
SE	0.0	-0.9	-1.0	0.3	-0.3	0.9	0.4	0.0	0.4	-0.2	ND	ND	-1.5	1.1	0.0	-1.3	0.9	-0.7	-0.3	-0.3	0.2	-0.4	-0.8	0.0	0.1	0.0
UK	-9.6	13.8	4.2	0.2	-0.8	0.4	0.5	0.0	0.5	0.0	NA	0.0	0.0	0.1	0.0	3.6	0.0	0.0	-0.1	-0.3	0.0	0.0	-0.2	4.2	0.0	0.4
EU 28	-6.4	8.1	1.7	1.4	-0.1	0.8	0.6	0.0	0.6	0.1	NC	NC	-0.2	0.3	0.0	0.2	0.0	-0.2	0.0	-0.1	0.0	0.0	0.0	0.6	0.0	0.0
Euro area 18	-6.1	7.6	1.5	1.9	0.0	1.0	0.7	0.0	0.7	0.2	NC	NC	-0.2	0.2	0.0	-0.3	0.0	-0.2	0.0	-0.1	-0.1	0.0	0.0	0.0	0.0	0.0

NA: Not applicable, ND: Not available, NC: Not computable (aggregates)

More detailed breakdown is available in Eurostat's database: http://epp.eurostat.ec.europa.eu/portal/page/portal/government_finance_statistics/data/database

METHODOLOGICAL ANNEX

The **Legal base** for the excessive deficit procedure (EDP) is Article 126 of the Treaty on the functioning of the European Union and Protocol 12 on the excessive deficit procedure annexed to the Treaty. Article 126 states that:

1. Member States shall avoid excessive government deficits.
2. The Commission shall monitor the development of the budgetary situation and of the stock of government debt in the Member States with a view to identifying gross errors. In particular it shall examine compliance with budgetary discipline on the basis of the following two criteria:
(a) whether the ratio of the planned or actual government deficit to gross domestic product exceeds a reference value, unless:
- either the ratio has declined substantially and continuously and reached a level that comes close to the reference value,
- or, alternatively, the excess over the reference value is only exceptional and temporary and the ratio remains close to the reference value;
(b) whether the ratio of government debt to gross domestic product exceeds a reference value, unless the ratio is sufficiently diminishing and approaching the reference value at a satisfactory pace.

The reference values are 3% for the deficit and 60% of GDP for the government debt in the annexed Protocol.

Source of fiscal data: Council Regulation 479/2009, as amended, defines the data to be reported by Member States to the European Commission in the context of EDP reporting[2]: the notification tables 1-4. In particular, EDP table 3A, "*Provision of the data which explain the contributions of the deficit/surplus and the other relevant factors to the variation in the debt level (general government)*", is the basis for the comments and graphs presented in this document.

Detailed data, including tables as reported by Member States, can be found on the Eurostat website in the free data section as well as in the dedicated *Government Finance Statistics* section.

Deficit: The Protocol on the excessive deficit procedure annexed to the Treaty requires that the government surplus/deficit is the net lending/net borrowing as defined by the European System of Accounts (ESA) of the general government sector[3].

Net lending/net borrowing (B.9) is the balancing item of the capital account in ESA 2010. It is also calculated as the difference between total revenue and total expenditure of the general government sector as defined in the Regulation (EU) No 549/2013 of the European Parliament and of the Council of 21 May 2013 on the European system of national and regional accounts in the European Union. For further details see ESA 2010 § 8.98 and 8.100 as well as chapter 20 of ESA 2010.

Government gross debt[4]: According to the protocol annexed to the Treaty, the government debt is the gross debt outstanding at the end of the year of the general government sector measured at nominal value and consolidated. Council Regulation 479/2009, as amended, defines further the government debt as the sum of government liabilities in Currency and deposits (AF.2), Debt securities (AF.3) and Loans (AF.4). The Regulation further specifies that nominal value for government debt excludes accrued interest and corresponds to face value.

Consolidation: Member States debt data should be reported consolidated at the level of the general government sector. Consolidation, as defined in ESA 2010[5], means presenting data relating to a grouping of units as if they were one unique unit. This involves the elimination from both uses/assets and resources/liabilities of all reciprocal links: transactions as well as revaluations, other changes in volumes and stocks, that occur or exist between units which belong to the same grouping — in this case to the general government sector (or its sub-sector). Thus, government gross debt is to be consolidated: therefore holdings of government debt by government units must be excluded.

By the same token, all items reported in EDP table 3A should be also presented on a consolidated basis: not only those related to transactions (e.g. a loan given by central government to a local government unit should be removed from the calculation of the consolidated debt of general government sector as well as from the calculation of loans assets), but also valuation adjustments (such as issuance and redemptions of debt above and/or below par, as well as foreign exchange valuation) and other economic flows adjustments (other volume changes in financial liabilities).

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[2] *Excessive Deficit Procedure (EDP) reporting as requested in the Protocol annexed to the Treaty on functioning of the European Union (consolidated version 2012, see Official Journal C 326/47 of 26.10.2012) and related legal acts.*

[3] *ESA 2010 §2.111-2.113 describes the general government sector as the institutional sector principally engaged in the redistribution of national income and wealth and /or mainly producing non-market output intended for individual and collective consumption, and mainly financed by compulsory payments. For more information on general government sector see also chapter 20 of ESA 2010 and table 24.5 in chapter 24.*

[4] *The outstanding general government consolidated debt at the end of each year is reported by Member States in EDP table 1 of the notification tables, according to the European legislation.*

[5] *See ESA 2010 § 1.106-1.109.*