

**Stock-flow adjustment
for the Member States, the euro area (EA-19)
and the EU-28, for the period 2015-2018**

as reported in the
October 2019 EDP notification

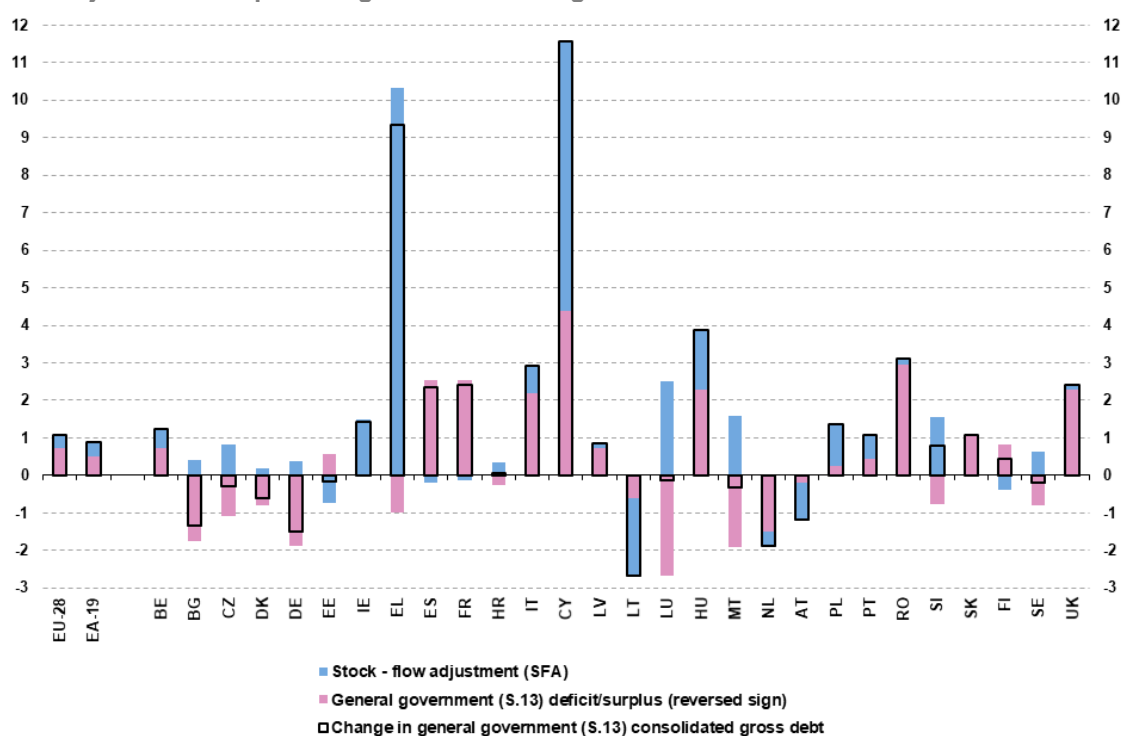
The main factors contributing to changes in government debt other than government deficit/surplus (stock-flow adjustment)

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 data for the excessive deficit procedure (EDP)¹, to ensure adherence to statistical rules and consistency across the reported data.

Conceptually, the stock-flow adjustment can be broken down into the following categories: net acquisition of financial assets, debt adjustment effects and statistical discrepancies. The main purpose of this note is to explain the individual elements of the SFA and analyse their patterns and trends.

Countries with an exceptionally large SFA in absolute terms deserve particular attention, even though these values normally have appropriate explanations. Close consideration should also be given to large but offsetting values.

Figure 1: Government deficit/surplus (reversed sign), change in government debt and stock-flow adjustment as a percentage of GDP: 2018 figures



Source: Eurostat (online data code: gov_10dd_edpt3)

¹ Council Regulation 479/2009 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.

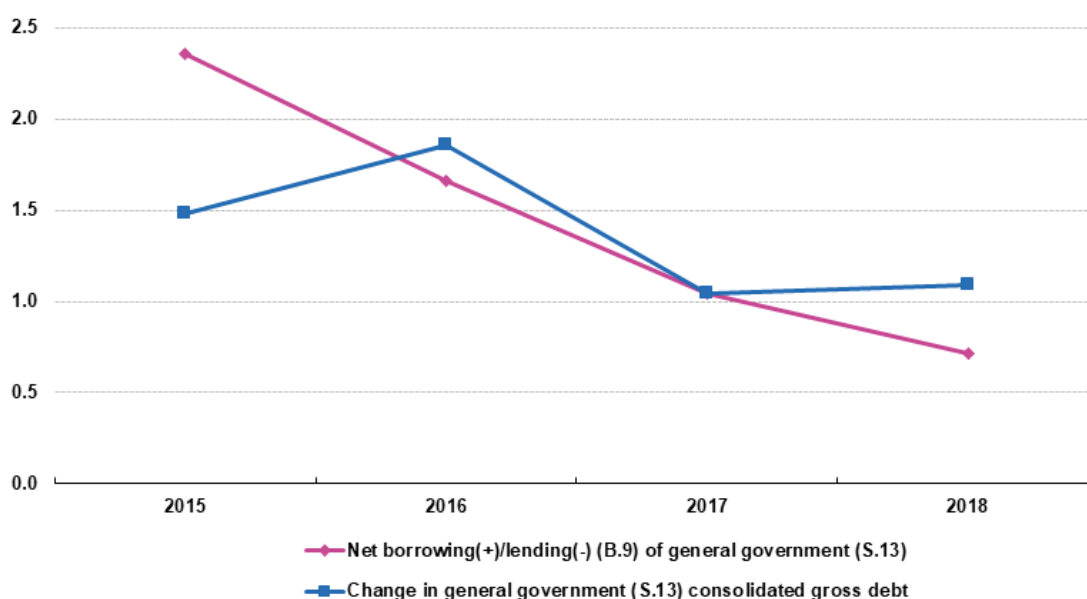
Figure 1 shows the 2018 SFA for each Member State, together with the government deficit/surplus (reversed sign) and the change in government debt, expressed as a percentage of GDP. Two countries exhibit an SFA larger than 3% of GDP in absolute terms: Greece (10.3%, which is mainly due to the receipt of the last loan tranche disbursed by the ESM) and Cyprus (7.2%, explained by a debt increase in the context of bank restructuring operations).

Introduction

It is widely known that deficits 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). A negative SFA means that the government debt increases less than the annual deficit (or decreases more 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 affected, for example, by loans granted by government or by equity injections into corporations, which do not appear in the deficit figures. The importance of the SFA has been emphasized many times, since efficient statistical monitoring of fiscal performance requires a good understanding of the relationship between the two key fiscal indicators – government deficit and debt. Closely monitoring SFAs can also highlight data quality problems: governments might, for example, have an incentive to understate their deficits by reporting transactions as part of the SFA.

Figure 2: Evolution of change in debt and annual deficit in the EU-28 as a percentage of GDP, 2015-2018



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Source: Eurostat (online data code: [gov_10dd_edpt3](#))

Figure 2 shows the evolution of the EU-28 SFAs (measured as the gap between the two lines): -0.87% of GDP in 2015, 0.20% of GDP in 2016, 0.004% of GDP in 2017 and 0.37% of GDP in 2018. This trend still indicates a slowdown in the EU-28 government debt accumulation, despite the very slight increase in 2018.

Table 1 shows the SFAs for the years 2015-2018, as percentage of GDP. The last column shows average SFAs over the last four years, indicating whether SFAs offset each other over time (with average SFAs at close to zero).

While at least half of the annual SFAs reported by countries for 2015 were negative, the reverse was true in the subsequent years. In 2018, twenty-one countries reported positive SFAs and seven negative ones. The largest **negative** SFA was reported by Greece for 2015. Large negative SFAs, exceeding 4% of GDP, can also be seen for Denmark and Latvia in 2015. The Netherlands was the only Member State that reported negative SFAs for all four years.

The largest **positive** SFA was also reported by Greece, for 2018. Large positive SFAs, exceeding 4% of GDP, were also reported by Cyprus for 2018, Luxembourg for 2017, Bulgaria and Latvia for 2016. Luxembourg, Malta and Sweden reported positive SFAs for all four years.

More than half of the annual SFAs observed for the Member States over 2015-2016 exceed 1% of GDP, in absolute values. Only 9 Member States reported SFAs exceeding this threshold for 2018. For nine Member States in 2015, seven in 2016, six in 2017 and four in 2018, the SFAs exceeded 2% of GDP, in absolute values.

Table 1: Stock-flow adjustment, as a percentage of GDP, 2015-2018

	2015	2016	2017	2018	average
EU-28	-0.9	0.2	0.0	0.4	-0.1
EA-19	-0.9	0.2	-0.1	0.4	-0.1
BE	-0.7	0.7	-0.1	0.5	0.1
BG	-1.2	5.0	-0.8	0.4	0.9
CZ	-0.2	-1.0	1.5	0.8	0.3
DK	-4.5	-1.1	1.3	0.2	-1.0
DE	0.0	0.7	-0.3	0.4	0.2
EE	-0.1	0.1	-0.8	-0.7	-0.4
IE	-2.6	-1.0	-0.1	1.5	-0.6
EL	-10.1	2.3	2.1	10.3	1.2
ES	-2.3	-1.2	0.5	-0.2	-0.8
FR	-0.8	0.4	0.3	-0.1	-0.1
HR	-1.5	-1.8	1.2	0.3	-0.5
IT	-0.3	0.3	0.1	0.7	0.2
CY	-0.1	1.9	-1.8	7.2	1.8
LV	-4.3	4.6	0.5	0.1	0.2
LT	2.7	-0.8	3.1	-2.1	0.7
LU	1.6	1.0	4.3	2.5	2.4
HU	2.0	-0.1	0.7	1.6	1.1
MT	1.0	2.4	2.9	1.6	2.0
NL	-3.4	-1.1	-1.2	-0.4	-1.5
AT	2.6	-0.4	-2.5	-1.0	-0.3
PL	0.5	2.3	-1.6	1.1	0.6
PT	-1.3	3.2	-2.0	0.6	0.1
RO	0.4	-0.5	-0.8	0.1	-0.2
SI	2.0	-2.8	0.2	1.6	0.2
SK	-1.9	-1.5	0.5	0.0	-0.7
FI	2.1	-0.4	-0.2	-0.4	0.3
SE	1.5	1.0	1.8	0.6	1.2
UK	-1.4	-0.1	0.2	0.1	-0.3

Source: Eurostat (online data code: gov_10dd_edpt3)

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

Components of the stock-flow adjustment – factors contributing to the general government debt

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

Table 2 presents the SFA elements, as reported to Eurostat by Member States, showing EU-28 figures for 2015-2018. Table 3, at the end of this document, details the SFA of each Member State for each year over the period 2015-2018. Its 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 lending/net borrowing*, or *Surplus/deficit 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 adjustments appear here because financial transactions in assets are not contributing to the deficit, but they lead to increases or decreases in the stock of debt.

A second category of SFAs, called **Adjustments**, includes three sub-categories.

1. The first one includes 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)*).
2. The second sub-category comprises valuation effects, as 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, is measured at face value.
3. The third sub-category includes the *Appreciation/depreciation of foreign-currency debt*, reflecting the impact of changes in exchange rates on those government debt components that are denominated in foreign currencies, taking into account hedging activities. Finally, 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 or other rare cases of extinguishment of debt that are not reflected in the deficit/surplus.

The third category contains the **Statistical discrepancies**, which reflect differences arising from the diversity of data sources and might also indicate problems with the quality of data.

As it can be seen in table 2, for the EU-28 (and to a lesser degree the euro area or EA-19) the change in general government gross debt is additionally explained by so-called *aggregation effects*. Notably, in 2016, the evolution of the EU-28 general government gross debt is strongly influenced by the fluctuation of the British Pound Sterling against the Euro. The majority of UK debt is in national currency, which depreciated against the euro.

Table 2: Stock-flow adjustment items for the EU-28, in million euro, 2015-2018

<i>October 2019 EDP notification</i>	2015	2016	2017	2018
Net borrowing(+)/lending-(B.9) of general government (S.13)*	350 287	248 463	160 253	114 050
Net acquisition (+) of financial assets ^(1,2)	-93 964	61 085	105 982	87 032
Currency and deposits (F.2)	- 10 145	40 488	79 448	46 432
Debt securities (F.3)	- 11 693	7 938	- 5 688	266
Loans (F.4) ^(1,2)	- 36 926	- 1 558	- 2 583	- 1 145
Increase (+)	91 145	92 858	97 247	82 128
Reduction (-)	- 128 070	- 94 416	- 99 830	- 83 275
Short term loans (F.41), net	- 1 991	817	407	655
Long-term loans (F.42)	- 34 934	- 2 374	- 2 990	- 1 800
Increase (+)	86 250	85 699	89 593	76 364
Reduction (-)	- 121 184	- 88 073	- 92 583	- 78 166
Equity and investment fund shares/units (F.5)	- 39 658	5 052	2 590	15 424
Portfolio investments, net	- 2 490	14 531	18 375	20 691
Equity and investment fund shares/units other than portfolio investments	- 37 168	- 9 479	- 15 785	- 5 267
Increase (+)	39 267	42 586	48 240	44 946
Reduction (-)	- 76 434	- 52 065	- 64 026	- 50 214
Financial derivatives (F.71)	- 15 891	- 7 626	- 7 702	- 4 390
Other accounts receivable (F.8)	20 631	18 678	38 339	28 509
Other financial assets (F.1, F.6)	- 283	- 1 886	1 578	1 936
Adjustments (1)	-33 577	-25 359	-96 802	-26 377
Net incurrence (-) of liabilities in financial derivatives (F.71)	18 864	16 392	2 008	15 035
Net incurrence (-) of other accounts payable (F.8)	- 24 295	- 24 837	- 67 476	- 50 327
Net incurrence (-) of other liabilities (F.1, F.5, F.6 and F.72)	- 3 788	- 3 955	- 6 153	- 4 428
Issuances above(-)/below(+) nominal value	- 86 898	- 84 675	- 48 689	- 33 231
Difference between interest (D.41) accrued(-) and paid(+)	23 115	24 355	33 055	30 510
Redemptions/repurchase of debt above(+)/below(-) nominal value	9 827	12 096	4 026	7 148
Appreciation(+)/depreciation(-) of foreign-currency debt ^{(2) (3)}	19 314	5 367	- 15 299	9 939
Changes in sector classification (K.61) (+/-)	10 362	31 031	129	- 404
Other volume changes in financial liabilities (K.3, K.4, K.5)(-)	- 77	- 1 133	1 597	- 618
Statistical discrepancies	- 2 267	- 6 257	- 8 524	- 1 527
Difference between capital and financial accounts (B.9-B.9f)	529	- 5 377	- 6 565	- 1 348
Other statistical discrepancies (+/-)	:	:	:	:
Change in general government (S.13) consolidated gross debt ^{(1,2) ** [the last item of the core table]}	220 479	277 929	160 909	173 178
<i>Memorandum item [1=2+3]: overall aggregation effect**</i>		- 339 762	- 160 909	- 173 178
<i>Memorandum item [2]: consolidation of intergovernmental lending (IGL) effect**</i>		641	1 147	- 238
<i>Memorandum item [3]: forex aggregation effect**</i>		- 340 403	- 162 056	- 172 940
<i>Memorandum item [4]: Change in the stock of aggregated (consolidated for IGL) general government debt**</i>		- 61 832	99 874	137 363
<i>Memorandum item [5]: Stock of aggregated (consolidated for IGL) general government debt**</i>	0	0	0	0
(1) Consolidated within general government of a Member State [but not for intergovernmental lending between the EU-28 Member States].				
(2) Intergovernmental lending (IGL) not consolidated in this line.				
(3) Due to exchange-rate movements, taking into account hedging activities.				
*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.				
** Aggregated data for EU-28 are calculated from the nominal figures sent by Member States to Eurostat, using an average exchange rate in the core table (for transactions and other adjustments), but using an end of period exchange rate for the memorandum items [4] and [5], as it is appropriate for conversion of the end-year debt stock. As a consequence, the aggregation of "Change in general government (S.13) consolidated gross debt" for 28 EU Member States [the last item of the core table] is not the same as the "change in the stock of aggregated (consolidated for IGL) general government debt" [memorandum item [4]], for the EU-28 aggregate, owing to: i) the impact of intergovernmental lending [memorandum item [2]] and ii) different annual exchange rates used (for conversion of flows and for stocks), when the data are converted in euro [memorandum item [3]].				
It should be noted that the core table does not consolidate intergovernmental lending (IGL), neither for the item "Loans (F.4)" [assets] nor "Change in general government (S.13) consolidated gross debt".				

Source: Eurostat

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 2015-2018, sorted in descending order of the deficit level in 2018.

In 2018, fourteen countries reported a government surplus, of which the largest ones are Luxembourg (2.7%), Malta and Germany (both 1.9%), Bulgaria (1.8%), the Netherlands (1.5%), Czechia (1.1%) and Greece (1.0%), whilst the lowest government deficits as percentage of GDP were recorded in Poland (-0.2%), Portugal (-0.4%), Estonia (-0.6%), Belgium and Latvia (both -0.7%) and Finland (-0.8%). Germany and Luxembourg reported surpluses in each of the four years 2015-2018.

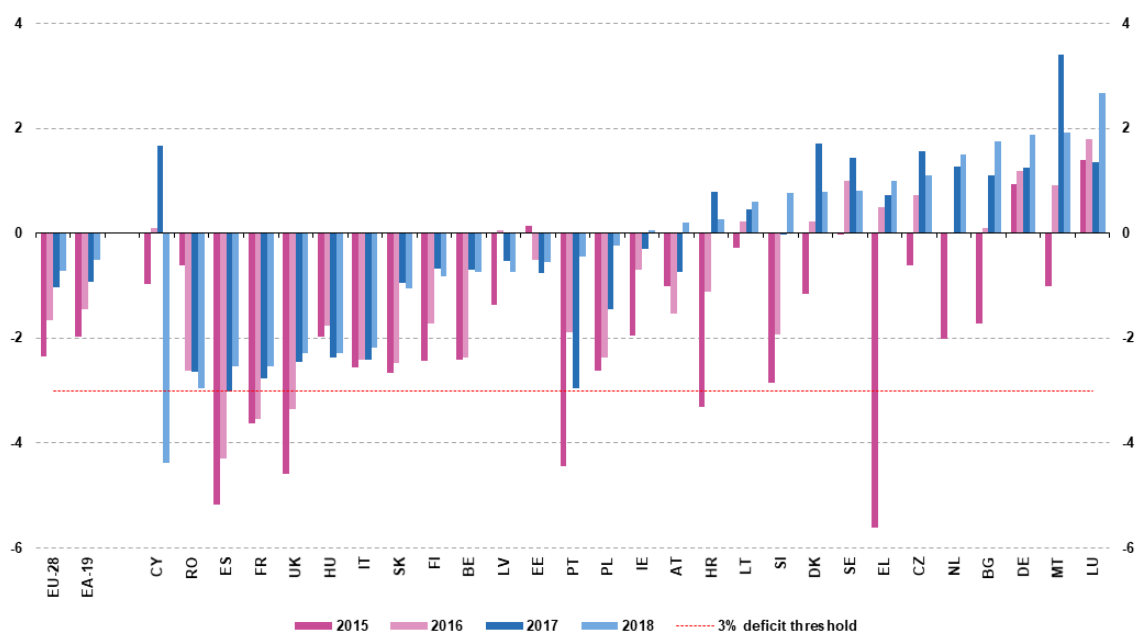
Two Member States had a deficit equal or higher than 3% of GDP in 2018: Cyprus (-4.4%) and Romania (-3.0%).

In the euro area (EA-19) the government deficit to GDP ratio decreased from -2.0% in 2015 to -0.5% in 2018, and in the EU-28 from -2.4% to -0.7%. The EU-28 deficit remained higher than that of the euro area throughout the reporting period (2015-2018), but their decreasing trends are converging.

While it reported surpluses for 2016 and 2017, the highest deficit for 2018 was reported by Cyprus (-4.4%). This is due mainly to government interventions in bank restructuring operations.

Over the entire period 2015-2018, Greece reported the highest deficit (-5.6% of GDP in 2015, mostly due to the recapitalisation of financial institutions), followed by Spain (2015, -5.2% of GDP, mostly due to effects of the financial crisis).

Figure 3: Net lending (+)/net borrowing (-) as a percentage of GDP, 2015-2018, in descending order of the deficit level in 2018



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Source: Eurostat (online data code: [gov_10dd_edpt3](#))

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 held 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/units (F.5)*, *Financial derivatives (F.71)*, *Other accounts receivable (F.8)* and *Other financial assets (Monetary gold and SDRs (F.1) and Insurance technical reserves (F.6))*.

Transactions in financial assets are reported on a consolidated basis, i.e. excluding transactions between government units, given that government debt is consolidated within general government. The lending from one unit of government to another is eliminated and is shown neither as acquisition of assets nor as increase in debt. Similarly, the acquisition of government bonds by government units is not shown as acquisition of assets, but as reduction in consolidated debt. The amounts 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. holding gains/losses due to price changes, both realized and unrealized) of financial assets owned by general government are not included here but in the revaluation accounts. These have an impact neither on government deficit nor on the change in government debt.

Figure 4 shows the evolution of the components of the net acquisition of financial assets for the EU-28 over the years 2015-2018.

In 2015 there were significant reductions in government holdings of all assets except for *Other accounts receivable (F.8)*. In the subsequent years, most components contributed positively to the net acquisition of financial assets. Throughout the reporting period 2016-2018, the relatively large increases in *Currency and deposits (F.2)* and in *Other accounts receivable (F.8)* are notable.

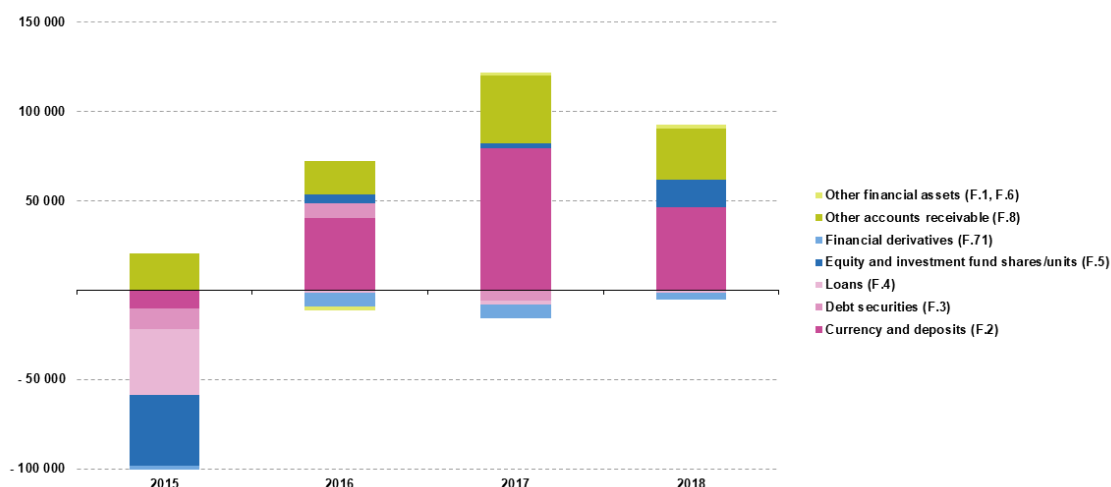
The contribution of each component varied significantly over the entire reporting period. *Currency and deposits (F.2)* had a negative contribution to the SFAs only in 2015, whereas significant amounts of cash were accumulated in 2016-2018. *Financial derivatives (F.71)* contributed negatively, while *Other accounts receivable (F.8)* contributed positively to the net acquisition of financial assets, over the entire reporting period.

Significant loan redemptions explain the decreasing effect of lending operations on the SFA of 2015. In the reporting period 2016-2018, *Loans (F.4)* had a net positive impact on the SFA.

Equity and investment fund shares/units (F.5) had a negative impact in 2015. Disposals of equity account for the relatively largest part of the decrease in government financial assets. Net acquisition of equities was not significant in the subsequent years.

Other accounts receivable (F.8) remained positive during the whole reporting period, whereas the effect of *Other financial assets (F.1 and F.6)* on the net acquisition of financial assets was insignificant.

Figure 4: Net acquisition of financial assets for EU-28 (in million EUR), 2015-2018



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Note: in this graph intergovernmental lending is not consolidated.
Source: Eurostat (online data code: [gov_10dd_edpt3](#))

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.

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

Currency and deposits (F.2)

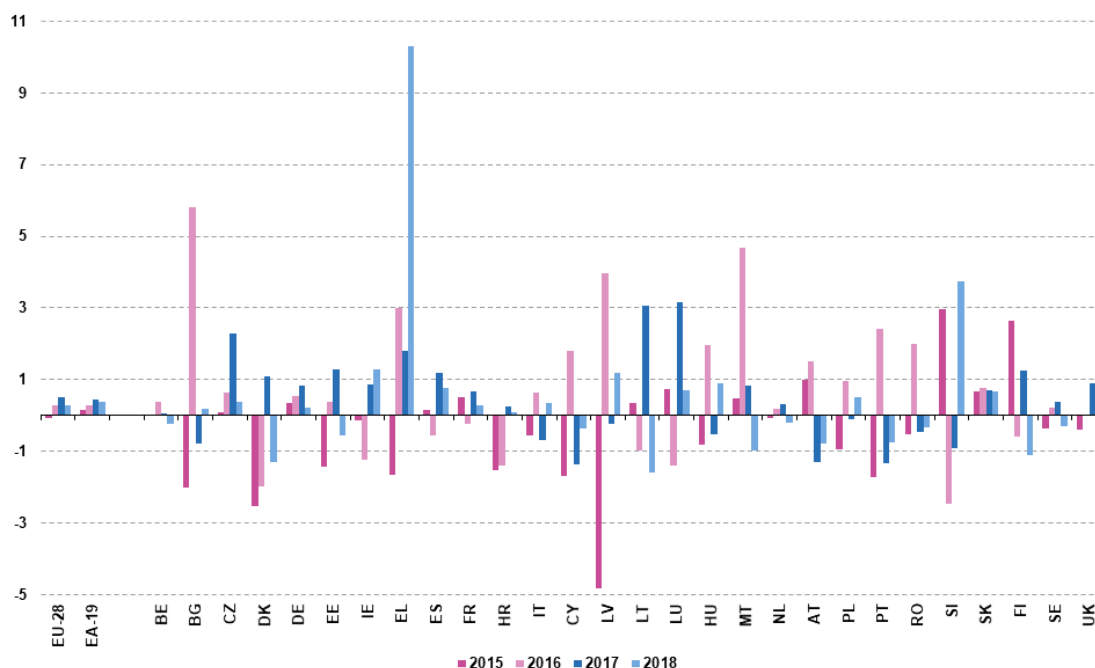
The *Currency and deposits (F.2)* position (column (5) in table 3) mainly reflects movements in central government deposits with banks, notably with central banks, which can fluctuate substantially from one year to another, in particular due to treasury operations (including repurchase agreements). However, other government units' (e.g. local government, social security funds) transactions in currency and deposits are also reflected here.

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 immediately 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' measures in the context of the financial crisis (e.g. reinforcement of cash reserves by issuing bonds or by taking loans). The largest increase in *Currency and deposits (F.2)* was reported by Greece (2018) and is mainly due to cash inflows from the disbursement of the last ESM loan tranche. Large increases were also reported by Slovenia (2018), Luxembourg, Lithuania and Czechia (2017), Bulgaria, Malta, Latvia, Greece and Portugal (2016), Slovenia and Finland (2015). The high positive value for Bulgaria in 2016 is mainly due to new bonds issued by government. The relatively high positive value for Malta in 2016 is due notably to cash inflows of extra-budgetary units and higher-than-projected revenue proceeds for central government.

On the other hand, large negative values can be noted for Slovenia (2016), Latvia, Denmark and Bulgaria (2015), reflecting draw-downs of cash accumulated in previous years by central government or social security funds. The high negative value for Latvia in 2015 is mainly due to the early redemption of debt. No unusually large negative values were reported for 2017 and 2018.

Figure 5: Currency and deposits (F.2) as a percentage of GDP, 2015-2018



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Source: Eurostat (online data code: [gov_10dd_edpt3](#))

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, bonds or preference shares issued by financial institutions, non-financial corporations or non-residents (including foreign governments). However, some large flows of social security funds do not appear here, for example if they invest primarily or exclusively in government securities, because these transactions are consolidated within the general government sector. This item does not include transactions relating to derivatives, such as swaps, futures and options, which are reported under the separate item *Financial derivatives (F.71)* (column (17) in table 3).

Since 2012, this item (F.3) also includes the notes issued by the European Stability Mechanism (ESM) or the European Financial Stability Facility (EFSF). The ESM lending in the form of provision of such notes appears as acquisition of debt securities, together with an increase in debt. A disposal of debt securities is recorded later on, when the Member State decides to use the notes, for instance in a recapitalisation exercise, or to return them to the ESM (in that latter case, the Member State debt also decreases).

Figure 6 shows a marked dispersion across Member States for this item. Many Member States report hardly any acquisition of debt securities.

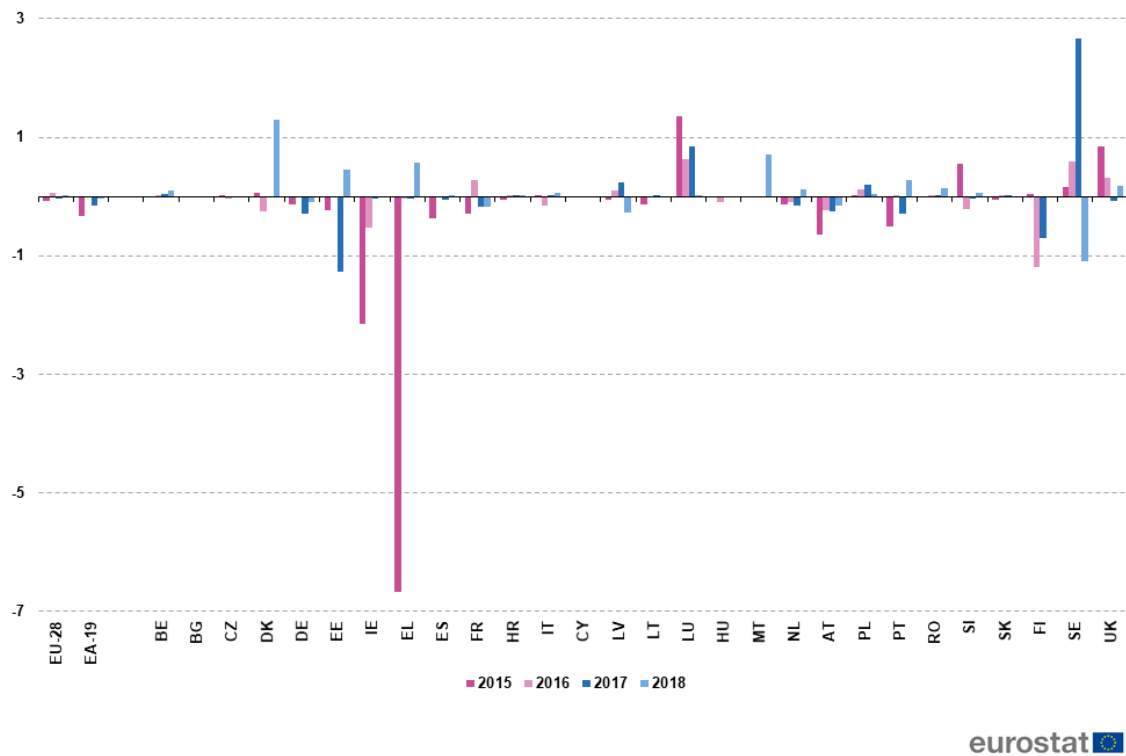
The large negative value for Greece in 2015 is related to the Greek government returning bonds issued by the EFSF in 2012 and 2013 to recapitalize credit institutions, which had not been used by the beginning of 2015.

For Ireland, the relatively large negative SFA in 2015 is related to the redemption and conversion of preference shares (recorded as debt securities) in Irish banks acquired during the financial crisis.

The large positive value for Sweden in 2017 is due to significant investments into debt securities by the central government and the social security funds subsectors.

No unusually large values were reported for 2018.

Figure 6: Debt securities (F.3) as a percentage of GDP, 2015-2018



Source: Eurostat (online data code: [gov_10dd_edpt3](#))

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 or households (students, etc.). The value of loans grows with increased lending and decreases with loan repayments and loan cancellations. Some loans might be converted into capital (recorded as capital transfers or equity injections) which would imply a further reduction in 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 impacting the deficit) and are therefore not reported here.

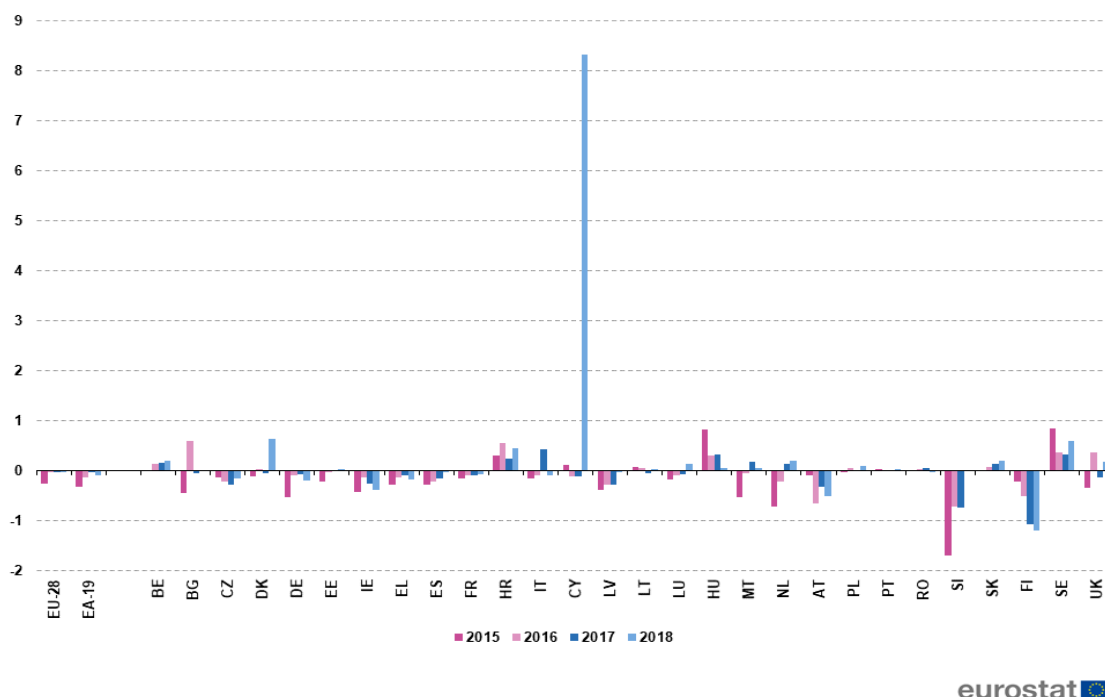
Cyprus reported the largest increase in *Loans (F.4)* for 2018, which is explained by the acquisition of a loan portfolio from a failed bank by the asset management company classified in general government.

Slovenia reported a large positive value in 2014 (no longer represented on this graph). This was due to loans granted to financial corporations in the context of the financial crisis and also to a further transfer of non-performing loans from the recapitalised banks to the Bank Assets Management Company (BAMC). The negative values in 2015-2017 are mainly related to the sale and conversion of BAMC claims into real estate and equity.

The increasingly large negative values reported by Finland are due to repayments of loans related to an export credit-refinancing programme.

It should be noted that EDP tables require 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 is shown in table 3.

Figure 7: Loans (F.4) as a percentage of GDP, 2015-2018

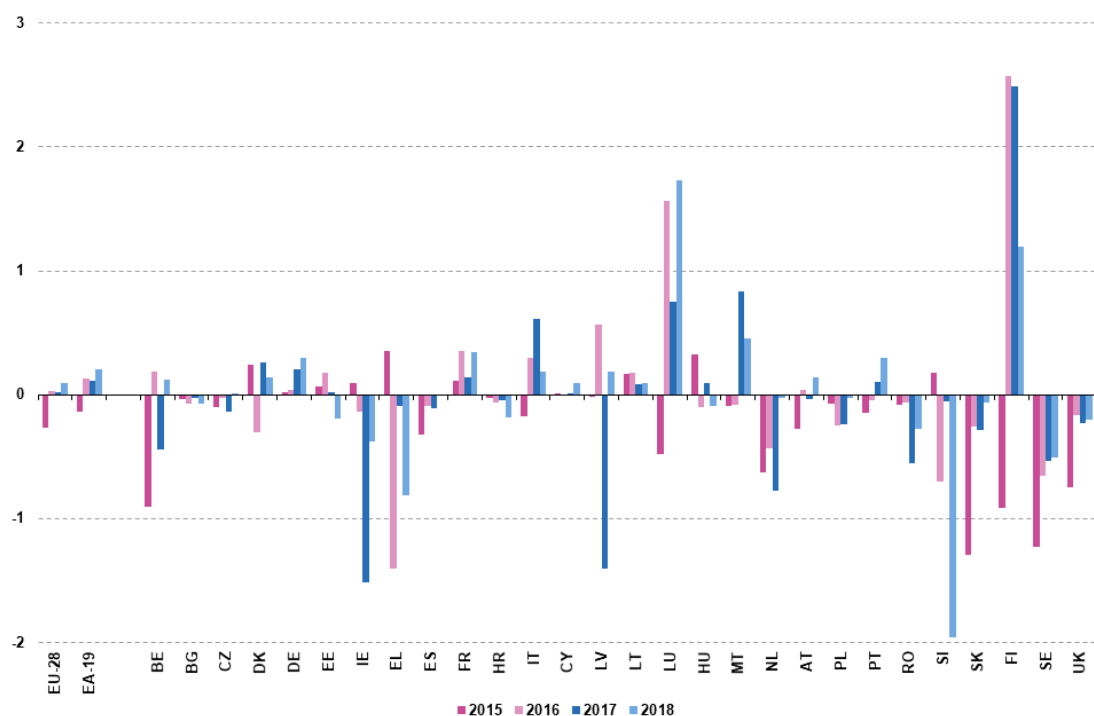


Source: Eurostat (online data code: gov_10dd_edpt3)

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

The item *Equity and investment fund shares/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). The latter may reflect privatisation proceeds, super-dividends, or equity injections in public corporations among others. Figure 8 presents these transactions on a net basis.

Figure 8: Equity and investment fund shares or units (F.5) as a percentage of GDP, 2015-2018



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Source: Eurostat (online data code: [gov_10dd_edpt3](#))

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

Increases in *Equity and investment fund shares/units (F.5)* may relate to equity injections by government (generally in the form of cash provided by government) to specific public corporations and quasi-corporations where government is acting similarly to a private investor and expects a market return on invested funds. Part of the increase in *Equity and investment fund shares/units (F.5)* reflects Member States' injections in the European Stability Mechanism (2015) and in international organisations, as payments of the paid-in capital are considered equity.

Equity injections create a financing need and therefore may lead to an indirect increase in government debt, whilst proceeds from privatisations and equity disposals can finance the Maastricht debt redemptions.

The item *Equity and investment fund shares/units (F.5)* also captures portfolio investments in the form of purchases of quoted shares on the market or of 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 also reported here, in spite of being close substitutes for bank deposits.

Portfolio investments represent holdings of shares which, unlike direct investment, do not entail influence over or control of the issuer by the investor. In line with international best practice, this means that the investor holds less than 10% of the total shares of the issuer.

No large acquisitions of equity by EU governments were observed in 2015. The large equity acquisitions reported by Finland (2016-2018) are due to portfolio investments placed by the social security funds subsector and due to reclassifications of entities into the general government sector. The ones by Luxembourg represent mostly capital injections by central government into private sector units (in 2016) and portfolio investments of the social security subsector (in 2018).

In recent years many EU governments have reduced their equity holdings by unwinding the support measures to banks provided during the crisis (through privatisation, redemptions and conversions of preference shares and equity withdrawals). This largely explains the negative value reported by Greece (2016).

The relatively large negative values reported by Slovakia for 2015 is also mainly due to privatisations of non-financial public corporations. The 2015 decrease in equity holdings of the Swedish government follows from equity withdrawals (super-dividends) from public corporations and from sales of investment fund shares and equity securities held as portfolio investments by the Swedish pension funds. The large decrease in 2017 for Ireland is due to the sale of government holdings in financial institutions, while in Latvia it is due to a capital reduction in a public non-financial corporation. The large decrease in 2018 for Slovenia is due to the privatisation of a financial institution.

Adjustments

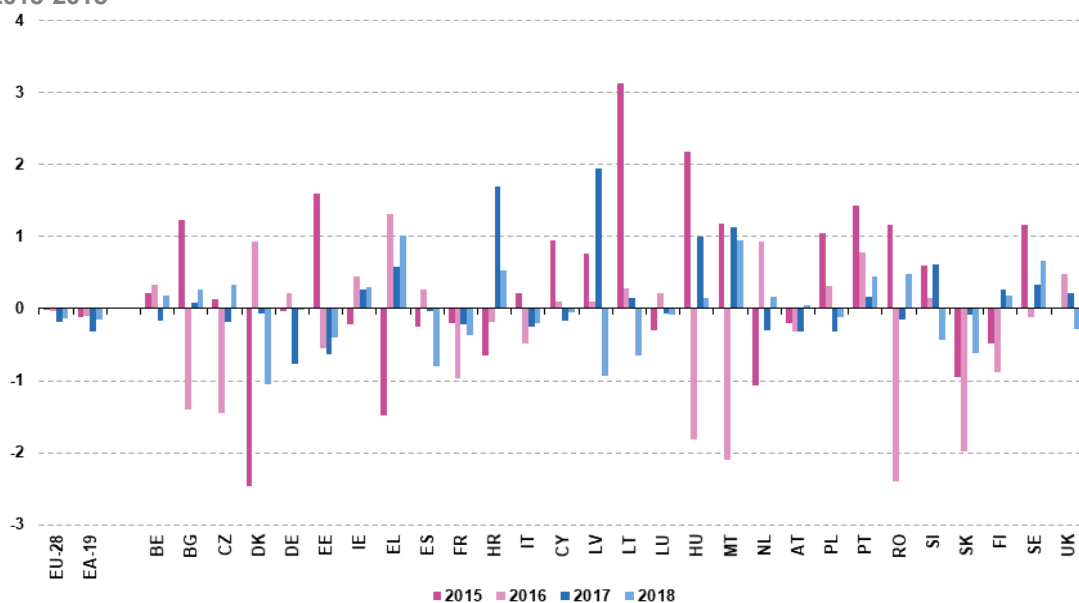
Other accounts receivable (F.8), Net incurrence of other accounts payable (F.8) and Financial derivatives (F.71)

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 in 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).

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 and advances (e.g. advances for future acquisition of goods, such as military equipment) and, on rare occasions, amounts for wages or benefits paid one month in advance. The value of *Other accounts receivable (AF.8)* on the government balance sheet 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) prepayments for licences (notably mobile phone spectrum licences, which are recorded as government revenue only when they are useable), trade credits granted by government suppliers, as well as the grants received from the EU but not yet paid to the final beneficiary or tax refunds not yet settled.

Figure 9: Net amounts of Other accounts receivable (+)/ payable (-) as a percentage of GDP, 2015-2018



Source: Eurostat (online data code: [gov_10dd_edpt3](#))

Figure 9 shows the net amount of other accounts receivable/payable reported by Member States for the years 2015-2018. The large negative value for Denmark (2015) reflects a decrease in tax receivables. The negative value reported by Romania for 2016 is due mainly to EU flows, the application of new guidance on mobile phone licences and cash payments for compensation titles issued by the National Authority for Property Restitution. The negative value reported by Malta for 2016 is mainly explained by transactions of extra-budgetary units relating to *Other accounts payable (F.8)*.

The positive value for 2015 for Lithuania results from cash/accrual adjustments relating to the closure of the 2007-2013 EU financial framework.

Member States also 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 this section due to their relatively small size (below 0.3% of GDP).

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, without impacting the deficit. Financial derivative liabilities are excluded from government debt (except for off-market swaps, which lead to entries under loans). Individual values are shown in column (21) in table 3. Operations related to *Financial derivatives (F.71)* are not included in figure 9, even though for some countries, such as Sweden, this component of the SFA might not be negligible. Moreover, in 2015, in several Member States relatively large transactions in financial derivatives were observed due to the cancellation of interest rate swaps.

Valuation effects

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

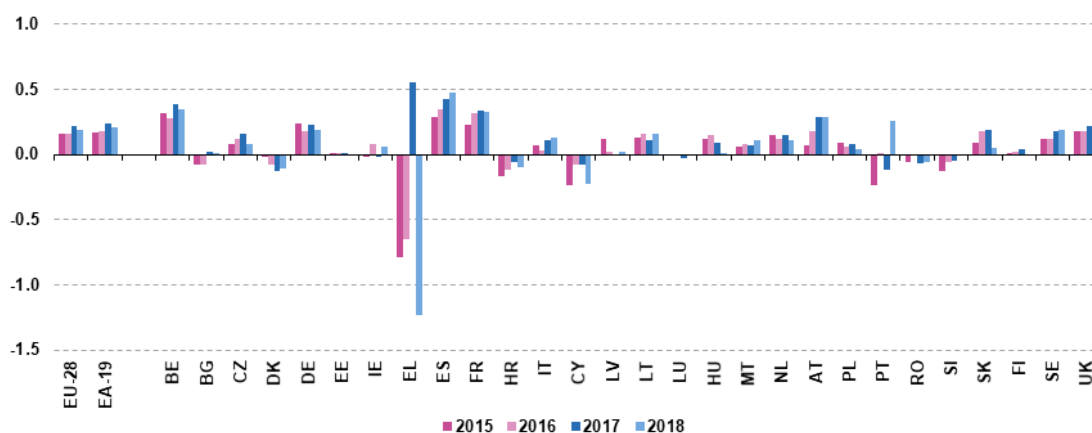
Governments routinely issue bills, notes and bonds below or above their face value (face value = par value), often in the form of fungible bonds or zero coupon bonds. When the face and issuance values differ, this impacts EDP figures. Since government debt must be recorded at face value but the proceeds entering *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 has the economic nature of "interest", is recorded as government expenditure not at time of issuance, but only gradually over time. Recently, an increasing number of Member States issued their debt above par.

Similarly, an adjustment must be made in the case of early redemption, when government buys back issued bonds, or when a government unit purchases bonds issued by another government unit. 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).

Under ESA 2010, government expenditure on interest should be spread over time, in line with the accrual principle, whereas the cash impact occurs only when interest is actually paid. In addition, interest accrued is excluded from the stock of government debt. The item *Difference between interest (D.41) accrued (-) and paid (+)* (column (25) in table 3) addresses these two issues. 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, by country, the difference between interest (D.41) accrued and paid for the whole reporting period 2015-2018, as a percentage of GDP. Under ESA 2010, this item no longer includes any adjustments for payments on swaps and forward rate agreements, because these are now recorded as financial transactions also for EDP purposes.

Figure 10: Difference between interest (D.41) accrued (-) and paid (+) as a percentage of GDP, 2015-2018



eurostat

Source: Eurostat (online data code: [gov_10dd_edpt3](#))

For Greece, the values reported under the item *Difference between interest (D.41) accrued (-) and paid (+)* were particularly high for all reporting years (2015-2018) in the context of the extensive restructuring of debt: in 2015-2016, the negative amounts reflected mainly the deferral of interest payments by ten years on EFSF loans granted to Greece in 2012. The large negative amount reported for 2018 is explained by bond exchange operations resulting in partial coupon deferral.

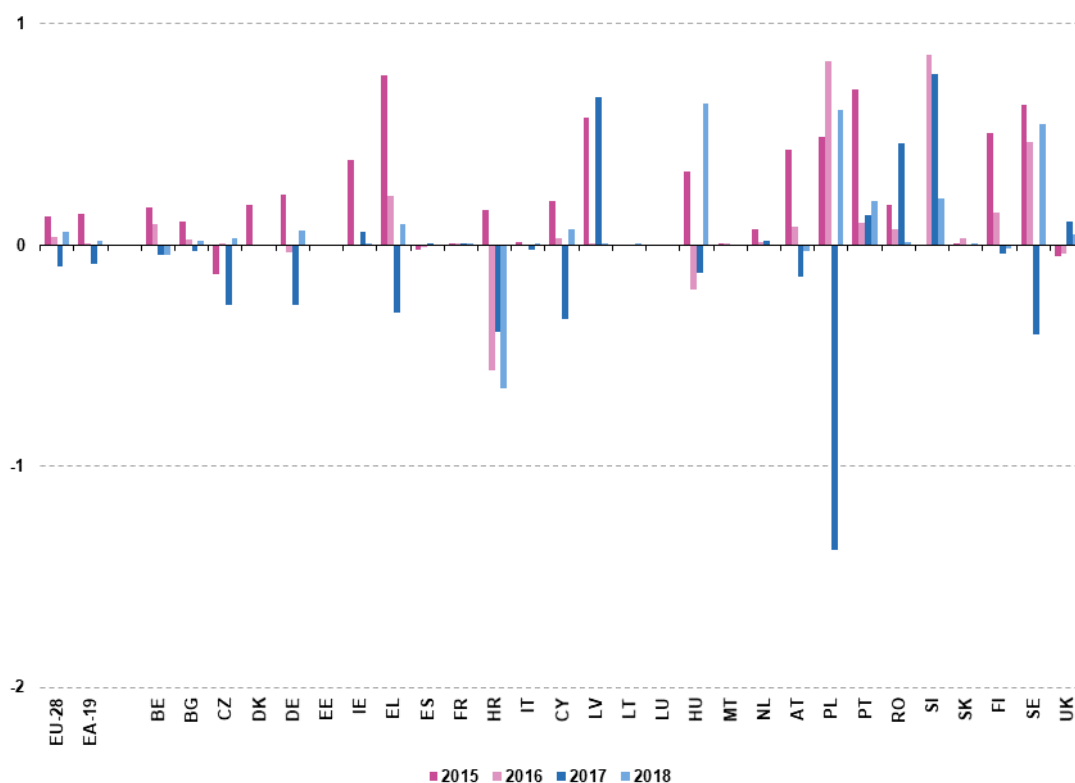
Appreciation/depreciation of foreign currency debt

When government issues debt denominated in a foreign 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. In addition, at the time of redemption of the hedged debt, the final gain or loss on the instruments is presented under this adjustment entry.

It could be noted from figure 11 that some Member States have substantial amounts of debt denominated in foreign currency, mostly in euro (countries not in the euro area), U.S. Dollars or Special Drawing Rights (SDRs). Significant depreciation/appreciation of foreign currency debt is observed for Poland, but also for Croatia, Greece, Hungary, Latvia, Portugal, Slovenia and Sweden.

The adjustments presented in figure 11 also reflect fluctuations in the value of the IMF's programme loans to EU countries, as well as some bilateral loans granted in foreign currency.

Figure 11: Appreciation/depreciation of foreign currency debt as a percentage of GDP, 2015-2018



Source: Eurostat (online data code: [gov_10dd_edpt3](#))

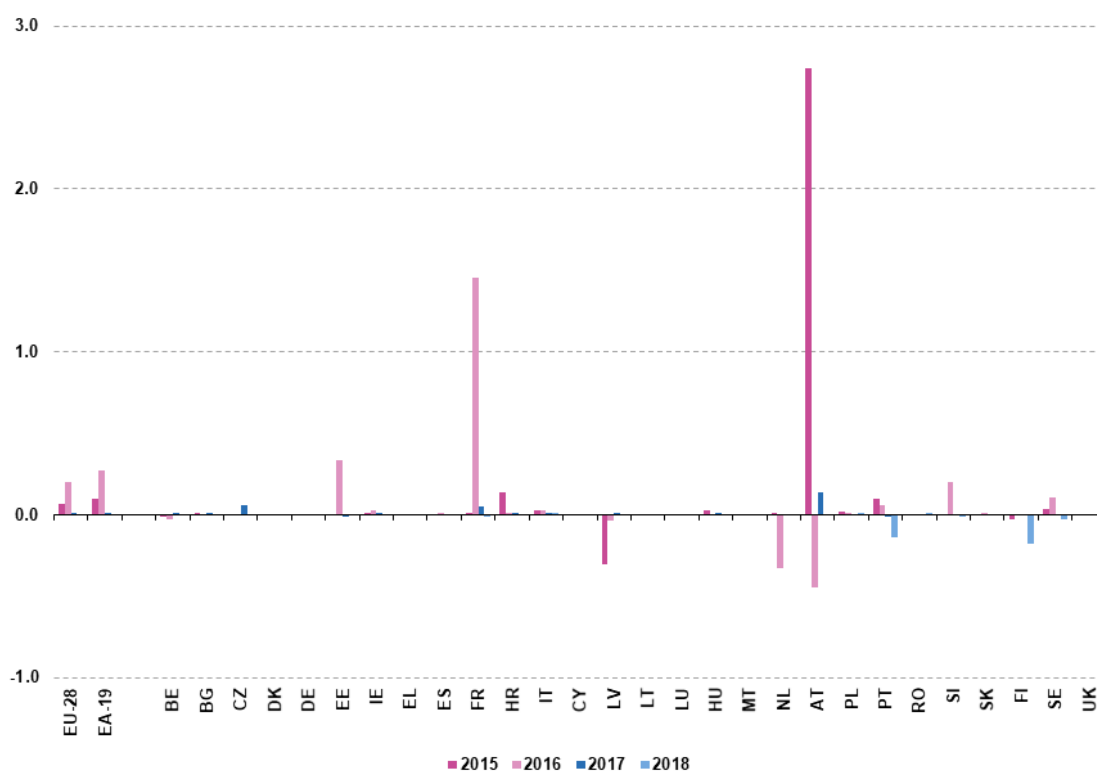
Other changes in volume: Changes in sector classification (K.61) and Other volume changes in financial liabilities (K.3, K.4, K.5)

It might happen that an institutional unit which was classified outside (inside) government is reclassified inside (outside) government. As a result, the debt of the reclassified unit and its claims against government units need to be taken into account in the compilation of the government debt data. These impacts are commonly shown under *Changes in sector classification (K.61)* (column (28) in table 3).

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).

The government debt of Austria was considerably increased by reclassifications in 2015 of public financial defeasance structures into the general government sector. For France, the relatively large positive entry for 2016 arises from the sector reclassification of a large non-financial corporation owning and operating railway infrastructure.

Figure 12: Other changes in volume as a percentage of GDP, 2015-2018



eurostat

Source: Eurostat (online data code: [gov_10dd_edpt3](#))

Statistical discrepancies

Finally, *Statistical discrepancies* (column (30) in table 3) reflect differences arising from the diversity of data sources and might also indicate problems with the 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. Differences may also arise between the transactions in debt and other economic flows in debt (i.e. valuation effects and other changes in volume), on the one hand, and the change in debt, on the other. Deviations may also appear due to differences in "vintages" (data compiled at different points in time).

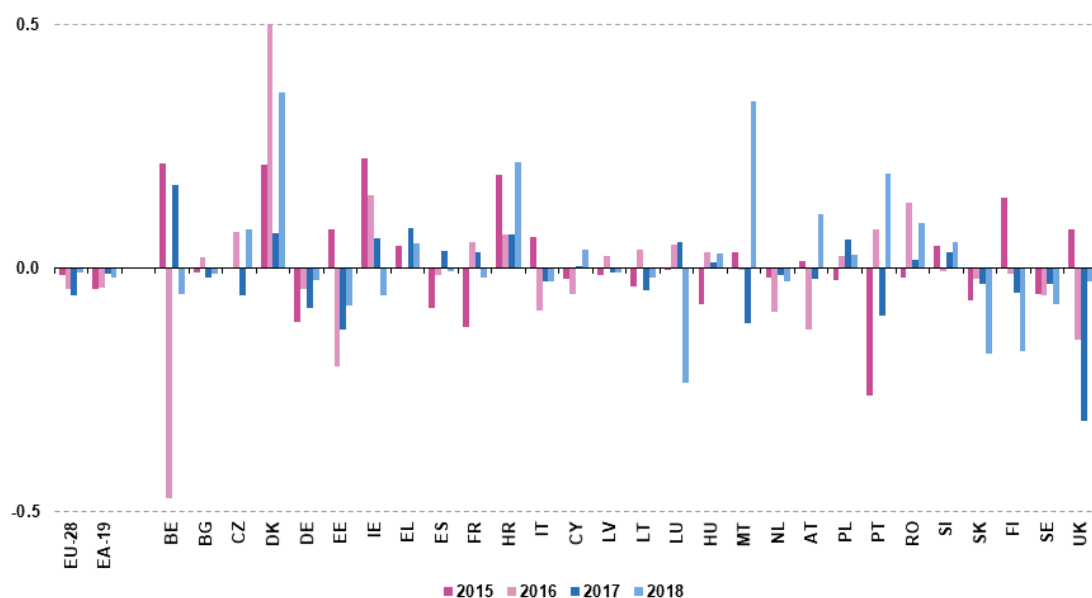
Discrepancies between the non-financial and the financial accounts often relate to the time of recording of treasury or budget transactions compared to the moment these flow through the banking system. Therefore, a notable cause of discrepancies originates from the accrual recording applicable to ESA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

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

In general, the statistical discrepancies for the EU-28 and the euro area (EA-19) are relatively small.

Larger-than-usual statistical discrepancy was only reported by Denmark for 2016 (0.51% of GDP). Relatively large statistical discrepancies were reported by Belgium (2015-2016), Denmark (2015 and 2018), Ireland and Portugal (2015), Estonia (2016), the United Kingdom (2017) and by Croatia, Luxembourg and Malta (all three for 2018).

Figure 13: Statistical discrepancies as a percentage of GDP, 2015-2018



eurostat

Source: Eurostat (online data code: [gov_10dd_edpt3](#))

Table 3: Stock-flow adjustment tables in years 2015-2018
Stock-flow adjustment to General government - 2015 [as % of GDP]

October 2019 EDP notification

	(1)	(2)	(3) =(2)+(1) (4)+(20) (30)	(4) =(5)+(6) (7)+(14) (17)+(18) +(19)	(5)	(6)	(7) =(10) +(11)	(8)	(9)	(10)	(11)	(12)	(13)	(14) =(15) +(16)	(15)	(16)	(17)	(18)	(17)	(18)	(19)	(20) =(21)+(22) +(23)+(24) +(25)+(26) +(27)+(28) +(29)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)	
	Net borrowing (lending) (+) (B.9) of general government (S.13)	Change in general government (S.13)	Stock-flow adjustment (SFA)	Net acquisition (+) or financial assets	Current and deposits (F.2)	Debt securities (F.3)	Loans (F.4)	Increase (+)	Reduction (-)	Short term loans (F.41), net	Long term loans (F.42)	Increase (+)	Reduction (-)	Equity and investment fund shares/units (F.5)	Portfolio investments, net	Equity and investment fund shares/units other than portfolio investments	Increase (+)	Reduction (-)	Financial derivatives (F.71)	Other accounts receivable (F.9)	Other financial assets (F.1, F.9)	Adjustments	Net incurrence (-) of liabilities in financial derivatives (F.71)	Net incurrence (-) of liabilities in payable (F.9)	Net incurrence (-) of other accounts receivable (F.1, F.5, F.6, and F.72)	Incurrences above/below (+) nominal value	Difference between interest (O.41) accrued (+) below (-) nominal value	Redemptions/purchase of debt above/below (+) and paid (+)	Appreciation (-) or depreciation (+) of foreign currency debt	Changes in sector classification	Other volume changes in financial liabilities (K.3, K.4, K.9, L)	Statistical discrepancies	
EU-28	-2.4	1.5	-0.9	-0.6	-0.1	-0.1	-0.2	0.6	-0.9	0.0	-0.2	0.6	-0.8	-0.3	0.0	-0.3	0.3	-0.5	-0.1	0.1	0.0	-0.2	0.1	-0.2	0.0	-0.6	0.2	0.1	0.1	0.1	0.0	0.0	
EU-27 2019	-1.9	1.1	-0.8	-0.6	0.0	-0.3	-0.2	0.6	-0.8	0.0	-0.2	0.5	-0.8	-0.2	0.0	-0.1	0.3	-0.4	-0.1	0.2	0.0	-0.1	0.2	-0.2	0.0	-0.5	0.2	0.1	0.2	0.1	0.0	0.0	
EA-19	-2.0	1.1	-0.9	-0.6	0.2	-0.3	-0.3	0.5	-0.8	0.0	-0.3	0.5	-0.8	-0.1	0.0	-0.2	0.3	-0.4	0.0	0.1	0.0	-0.1	0.0	-0.2	0.0	-0.6	0.2	0.1	0.1	0.1	0.0	0.0	
BE	-2.4	1.7	-0.7	-0.4	0.0	0.0	0.0	0.4	-0.4	-0.1	0.1	0.4	-0.3	-0.9	0.0	-0.9	0.1	-1.0	0.3	0.3	0.0	-0.6	0.0	0.0	0.0	-1.0	0.3	0.0	0.2	0.0	0.0	0.2	
BG	-1.7	0.6	-1.2	-2.1	-2.0	0.0	-0.4	0.2	-0.7	0.1	-0.6	0.0	-0.6	0.0	0.0	0.0	0.0	-0.1	0.0	0.3	0.0	1.0	0.0	0.9	0.0	0.1	-0.1	0.0	0.1	0.0	0.0	0.0	
CZ	-0.6	0.4	-0.2	0.3	0.1	0.0	-0.1	0.2	-0.3	0.0	-0.1	0.2	-0.3	-0.1	0.0	-0.1	0.0	-0.1	0.0	0.4	0.0	-0.5	0.0	-0.3	-0.1	-0.1	0.1	0.0	-0.1	0.0	0.0	0.0	
DK	-1.2	-3.3	-4.5	-4.5	-2.5	0.1	-0.1	0.9	-1.0	-0.2	0.1	0.8	-0.7	0.2	0.2	0.0	0.1	-0.1	-0.1	-2.1	0.0	-0.1	0.0	-0.4	0.0	-0.1	0.0	0.2	0.2	0.0	0.0	0.2	
DE	0.9	-1.0	0.0	-0.2	0.4	-0.1	-0.5	0.5	-1.1	0.0	-0.5	0.5	-1.0	0.0	0.1	0.0	0.2	-0.2	0.0	0.1	0.0	0.2	0.0	-0.1	0.0	-0.3	0.2	0.1	0.2	0.0	0.0	-0.1	
EE	0.1	-0.3	-0.1	-0.6	-1.4	-0.2	-0.2	0.0	-0.3	0.0	-0.2	0.0	-0.3	0.1	0.0	0.1	0.1	0.0	0.0	1.2	0.0	0.5	0.0	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	
IE	-1.9	-0.7	-2.6	-3.4	-0.1	-2.2	-0.4	1.5	-1.9	-0.2	-0.2	1.7	-1.9	0.1	0.4	-0.3	0.0	-0.3	-0.7	-0.1	0.0	0.5	0.0	-0.1	0.0	-0.1	0.0	0.4	0.4	0.0	0.0	0.2	
EL	-5.6	-4.5	-10.1	-8.9	-1.7	-6.7	-0.3	-0.1	-0.2	-0.2	0.0	0.1	-0.2	0.4	0.1	0.3	1.1	-0.8	0.0	-0.5	-0.2	-1.2	-0.2	-1.0	0.0	0.0	-0.8	0.0	0.8	0.0	0.0	0.0	
ES	-5.2	2.8	-2.3	-1.2	0.1	-0.4	-0.3	0.2	-0.5	0.0	-0.3	0.2	-0.5	-0.3	0.0	-0.3	0.1	-0.4	0.0	-0.3	0.0	-1.1	0.0	0.1	0.0	-1.4	0.3	0.0	0.0	0.0	0.0	-0.1	
FR	-3.6	2.8	-0.8	0.6	0.5	-0.3	-0.1	0.4	-0.6	0.0	-0.1	0.4	-0.6	0.1	0.0	0.1	0.5	-0.4	0.0	0.4	0.0	-1.3	0.0	-0.5	0.0	-1.0	0.2	0.0	0.0	0.0	0.0	-0.1	
HR	-3.3	1.8	-1.5	-0.5	-1.5	-0.1	0.3	0.5	-0.2	0.0	0.3	0.4	-0.2	0.0	0.0	0.0	0.1	-0.1	-0.2	1.0	0.0	-1.3	0.0	-1.6	0.0	0.3	-0.2	0.0	0.2	0.1	0.0	0.0	0.2
IT	-2.6	2.2	-0.3	-0.6	-0.6	0.0	-0.1	0.2	-0.3	0.0	-0.1	0.2	-0.3	-0.2	0.0	-0.2	0.4	-0.6	0.2	0.1	0.0	0.2	0.2	0.1	0.0	-0.3	0.1	0.1	0.0	0.0	0.0	0.1	
CY	-1.0	0.8	-0.1	-1.2	-1.7	0.0	0.1	0.2	-0.1	0.0	0.1	0.2	-0.1	0.0	0.0	0.0	0.0	0.0	0.4	0.0	1.1	0.0	0.6	0.3	0.0	-0.2	0.3	0.2	0.0	0.0	0.0	0.0	
LV	-1.4	-2.9	-4.3	-5.7	-4.8	0.0	-0.4	0.2	-0.6	0.0	-0.4	0.2	-0.6	0.0	0.0	0.0	0.3	-0.3	-0.5	0.1	0.0	1.4	0.2	0.7	0.0	0.0	0.1	0.1	0.6	-0.3	0.0	0.0	
LT	-0.3	3.0	2.7	1.1	0.3	-0.1	0.1	0.1	0.0	0.0	0.1	0.1	0.0	0.2	0.0	0.2	0.2	0.0	-1.1	1.7	0.0	1.7	0.2	1.5	0.0	-0.1	0.1	0.0	0.0	0.0	0.0	0.0	
LU	1.4	0.2	1.6	2.6	0.7	1.4	-0.2	0.0	-0.2	0.0	-0.2	0.0	-0.2	-0.5	-0.7	0.2	0.2	-0.1	0.5	0.6	0.0	-1.0	0.0	-0.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
HU	-2.0	4.0	2.0	1.1	-0.8	0.0	0.8	1.6	-0.8	-0.1	0.9	1.6	-0.7	0.3	-0.2	0.5	0.7	-1.1	-0.8	1.6	0.0	0.9	0.1	0.6	0.0	-0.5	0.1	0.3	0.3	0.0	0.0	-0.1	
MT	-1.0	2.0	1.0	1.1	0.5	0.0	-0.5	0.0	-0.6	0.0	-0.6	0.0	-0.6	-0.1	0.0	-0.1	0.0	-0.1	0.0	1.3	0.0	-0.1	0.0	-0.1	0.0	-0.1	0.1	0.0	0.0	0.0	0.0	0.0	
NL	-2.0	-1.4	-3.4	-2.8	-0.1	-0.1	-0.7	0.9	-1.6	0.0	-0.7	0.9	-1.6	-0.6	0.0	-0.6	0.4	-1.1	-0.8	-0.5	0.0	-0.6	0.0	-0.6	0.0	-0.2	0.1	0.0	0.1	0.0	0.0	0.0	
AT	-1.0	3.6	2.6	0.0	1.0	-0.6	-0.1	1.8	-1.9	0.0	-0.1	1.8	-1.9	-0.3	0.0	-0.3	0.2	-0.5	-0.1	0.2	0.0	2.5	0.2	-0.4	0.0	-0.5	0.1	0.0	0.4	2.7	0.0	0.0	
PL	-2.6	3.1	0.5	0.0	-1.0	0.0	0.0	0.2	-0.2	0.0	0.0	0.2	-0.2	-0.1	0.0	-0.1	0.1	-0.2	0.0	1.0	0.0	0.5	0.0	0.0	0.0	-0.1	0.1	0.0	0.5	0.0	0.0	0.0	
PT	-4.4	3.2	-1.3	-2.3	-1.7	-0.5	0.0	0.2	-0.2	0.1	0.0	0.1	-0.2	-0.1	-0.2	0.0	0.0	0.0	-0.2	0.2	0.0	1.3	0.0	1.2	0.1	-0.8	-0.2	0.2	0.7	0.2	-0.1	-0.3	
RO	-0.6	1.0	0.4	0.5	-0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	0.0	-0.1	0.0	-0.1	0.0	1.1	0.0	-0.1	0.0	0.1	0.0	-0.3	-0.1	NA	0.2	0.0	0.0	0.0	
SI	-2.8	4.8	2.0	2.3	3.0	0.6	-1.7	0.2	-1.9	-0.7	-1.0	0.2	-1.2	0.2	0.0	0.1	0.3	-0.2	-0.3	0.6	0.0	-0.4	0.0	0.0	-0.3	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	0.0
SK	-2.7	0.7	-1.9	-0.7	0.7	0.0	0.0	0.5	-0.5	0.0	0.0	0.5	-0.5	-1.3	0.0	-1.3	0.1	-1.4	0.0	0.0	0.0	-1.2	0.0	-0.9	0.0	-0.3	0.1	0.0	0.0	0.0	0.0	-0.1	
FI	-2.4	4.5	2.1	1.6	2.6	0.0	-0.2	1.3	-1.5	0.0	-0.2	1.3	-1.5	-0.9	-0.4	-0.5	0.1	-0.6	0.0	0.1	0.0	0.3	0.4	-0.6	0.0	0.0	0.0	0.0	0.5	0.0	0.0	0.1	
SE	0.0	1.5	1.5	-1.0	-0.4	0.2	0.8	2.8	-2.0	0.2	0.7	1.8	-1.1	-1.2	-0.9	-0.3	1.0	-1.3	-2.3	1.9	0.0	2.5	3.0	-0.7	-0.3	-0.4	0.1	0.2	0.6	0.0	0.0	-0.1	
UK	-4.6	3.2	-1.4	-0.6	-0.4	0.9	-0.3	0.8	-1.1	0.0	-0.3	0.8	-1.1	-0.7	NA	-0.7	0.1	-0.8	-0.1	0.1	0.0	-0.8	0.0	0.0	-0.1	-0.8	0.2	0.0	0.0	0.0	0.0	0.0	

More detailed breakdown is available in Eurostat's database: <http://ec.europa.eu/eurostat/web/government-finance-statistics/data/database>

Stock-flow adjustment to General government - 2016 [as % of GDP]

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	(1)	(2)	(3) =(2)+(1) (4)+(20) (30)	(4) =(5)+(6)+ (7)+(14)+ (17)+(18) (19)	(5)	(6)	(7) =(10) +(11)	(8)	(9)	(10)	(11)	(12)	(13)	(14) =(15) +(16)	(15)	(16)	(17)	(18)	(17)	(18)	(19)	(20) =(21)+(22) +(23)+(24) +(25)+(26) +(27)+(28) +(29)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)	
	Net borrowing (+) lending (-) of general government (B.9) of (B.13) consolidated gross debt	Change in general government stock - flow adjustment (SFA)		Net acquisition (+) of financial assets	Currency and deposits (F.2)	Debt securities (F.3)	Loans (F.4)	Increase (+)	Reduction (-)	Short-term loans (F.41), net	Long-term loans (F.42)	Increase (+)	Reduction (-)	Equity and investment fund shares/units (F.5)	Portfolio investments, net	Equity and investment fund shares/units other than portfolio investments	Increase (+)	Reduction (-)	Financial derivatives (F.71)	Other accounts receivable (F.71)	Other financial assets (F.71)	Adjustments	Net incurrence (-) of liabilities in financial derivatives (F.71)	Net incurrence (-) of other accounts payable (F.71)	Net incurrence (-) of other accounts payable (F.71, F.72, F.73 and F.74)	Liabilities above (+) below (-) nominal value	Differences between measures (to 41) accrued (+) below (-) nominal value	Revaluation (+) depreciation (-) of assets (+) liabilities (K.5) (+) (-)	Appreciation (+) depreciation (-) of foreign currency debt (K.6) (+) (-)	Changes in sector classification	Other volume changes in financial liabilities (K.3, K.4, K.5) (-)	Statistical discrepancies	
EU-28	-1.7	1.9	0.2	0.4	0.3	0.1	0.0	0.6	-0.6	0.0	0.6	-0.6	0.0	0.1	-0.1	0.3	-0.3	-0.1	0.1	0.0	-0.2	0.1	-0.2	0.0	-0.6	0.2	0.1	0.0	0.2	0.0	0.0	0.0	
EU-27 2019	-1.3	1.6	0.2	0.3	0.3	0.0	-0.1	0.6	-0.7	0.0	-0.1	0.5	-0.6	0.1	0.1	0.0	0.3	-0.4	-0.1	0.1	0.0	0.0	0.1	-0.2	0.0	-0.5	0.2	0.1	0.1	0.2	0.0	0.0	
EA-19	-1.4	1.6	0.2	0.3	0.3	0.0	-0.1	0.5	-0.6	0.0	-0.1	0.5	-0.6	0.1	0.1	0.0	0.3	-0.3	0.0	0.0	0.0	-0.1	0.1	-0.2	0.0	-0.5	0.2	0.1	0.0	0.3	0.0	0.0	
BE	-2.4	3.1	0.7	1.6	0.4	0.0	0.1	0.8	-0.7	-0.1	0.2	0.7	-0.5	0.2	0.1	0.1	0.3	-0.2	0.4	0.4	0.0	-0.4	0.0	-0.1	0.0	-0.8	0.3	0.1	0.1	0.0	0.0	-0.5	
BG	0.1	4.9	5.0	6.3	5.8	0.0	0.6	1.3	-0.7	-0.1	0.7	1.2	-0.5	-0.1	0.0	-0.1	0.1	-0.1	0.0	0.0	0.0	-1.4	0.0	-1.4	0.0	0.1	-0.1	0.0	0.0	0.0	0.0	0.0	
CZ	0.7	-1.7	-1.0	-1.2	0.6	0.0	-0.2	0.1	-0.3	0.0	-0.2	0.1	-0.4	0.0	0.0	0.0	-0.1	0.0	-0.1	0.0	-1.6	0.0	0.2	0.0	0.1	-0.2	0.1	0.0	0.0	0.0	0.0	0.1	
DK	0.2	-1.4	-1.1	-1.7	-2.0	-0.2	0.0	1.0	-0.9	0.0	0.0	0.9	-0.9	-0.3	0.1	-0.4	0.1	-0.5	-0.1	0.8	0.0	0.1	0.0	0.1	0.0	-0.3	-0.1	0.4	0.0	0.0	0.0	0.5	
DE	1.2	-0.5	0.7	0.7	0.6	0.0	-0.1	0.5	-0.6	0.0	-0.1	0.5	-0.6	0.0	0.1	-0.1	0.1	-0.2	0.0	0.1	0.0	0.1	0.0	0.1	0.0	-0.4	0.2	0.2	0.0	0.0	0.0	0.0	
EE	-0.5	0.6	0.1	0.8	0.4	0.0	0.0	0.1	-0.1	0.0	0.0	0.1	-0.1	0.2	0.0	0.1	0.2	0.0	0.0	0.2	0.0	-0.4	0.0	-0.8	0.0	0.0	0.0	0.0	0.3	0.0	0.0	-0.2	
IE	-0.7	-0.3	-1.0	-1.8	-1.2	-0.5	-0.1	0.5	-0.6	0.0	-0.1	0.5	-0.6	-0.1	0.1	-0.2	0.0	-0.2	-0.1	0.3	0.0	0.6	0.0	0.1	0.0	-0.1	0.1	0.6	0.0	0.0	0.0	0.1	
EL	0.5	1.9	2.3	2.1	3.0	0.0	-0.1	0.0	-0.2	0.0	-0.2	0.0	-0.2	-1.4	0.0	-1.4	0.0	-1.4	0.0	0.6	0.0	0.3	0.0	0.7	0.0	0.0	-0.7	0.0	0.2	0.0	0.0	0.0	
ES	-4.3	3.1	-1.2	-1.0	-0.6	0.0	-0.2	0.1	-0.3	0.0	-0.2	0.1	-0.3	-0.1	0.0	-0.1	0.0	-0.1	0.0	-0.1	0.0	-0.2	0.0	0.4	0.0	-0.9	0.3	0.0	0.0	0.0	0.0	0.0	
FR	-3.5	3.9	0.4	0.1	-0.2	0.3	-0.1	0.5	-0.6	0.0	-0.1	0.5	-0.6	0.4	0.2	0.1	0.8	-0.7	0.0	-0.2	0.0	0.2	0.1	-0.7	0.0	-0.9	0.3	0.0	0.0	1.4	0.0	0.1	
HR	-1.1	-0.7	-1.8	-0.8	-1.4	0.0	0.6	0.8	-0.2	0.1	0.5	0.7	-0.2	-0.1	0.0	-0.1	0.1	-0.2	-0.2	0.3	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	-2.4	2.7	0.3	0.8	0.6	-0.2	-0.1	0.2	-0.3	0.0	-0.1	0.2	-0.3	0.3	0.0	0.3	0.5	-0.2	0.3	-0.1	0.0	-0.5	0.2	-0.4	-0.1	-0.4	0.0	0.1	0.0	0.0	0.0	-0.1	
CY	0.1	1.8	1.9	2.4	1.8	0.0	-0.1	0.3	-0.4	0.0	-0.1	0.3	-0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.7	0.0	-0.4	0.0	-0.6	0.0	0.0	-0.1	0.3	0.0	0.0	0.0	0.0	
LV	0.1	4.5	4.6	4.6	4.0	0.1	-0.3	0.1	-0.3	0.0	-0.3	0.0	-0.3	0.6	0.1	0.5	0.5	0.0	-0.1	0.3	0.0	-0.1	0.1	-0.2	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	
LT	0.2	-1.1	-0.8	-0.2	-1.0	0.0	0.1	0.1	0.0	0.0	0.1	0.1	0.0	0.2	0.0	0.2	0.2	0.0	-0.3	0.9	0.0	-0.7	0.0	-0.6	0.0	-0.3	0.2	0.0	0.0	0.0	0.0	0.0	
LU	1.8	-0.8	1.0	0.6	-1.4	0.6	-0.1	0.0	-0.1	0.0	-0.1	0.0	-0.1	1.6	1.0	0.6	0.7	-0.1	0.1	-0.2	0.0	0.4	0.0	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
HU	-1.8	1.7	-0.1	0.8	2.0	-0.1	0.3	1.4	-1.1	0.0	0.3	1.4	-1.1	-0.1	0.0	-0.1	0.3	-0.4	-0.4	-1.0	0.0	-0.9	0.1	-0.8	0.0	-0.3	0.1	0.3	-0.2	0.0	0.0	0.0	
MT	0.9	1.5	2.4	4.5	4.7	0.0	0.0	0.1	-0.1	0.0	0.0	0.1	-0.1	-0.1	0.0	-0.1	0.0	-0.1	0.0	-0.1	0.0	-2.1	0.0	-2.0	0.0	-0.1	0.1	0.0	0.0	0.0	0.0	0.0	
NL	0.0	-1.1	-1.1	-0.6	0.2	-0.1	-0.2	0.9	-1.1	0.0	-0.2	0.8	-1.0	-0.4	0.0	-0.5	0.1	-0.5	-0.9	0.8	0.0	-0.3	0.0	0.1	0.0	-0.3	0.1	0.0	0.0	-0.3	0.0	0.0	-0.1
AT	-1.5	1.1	-0.4	0.3	1.5	-0.2	-0.6	1.4	-2.0	-0.1	-0.6	1.1	-1.7	0.0	0.1	-0.1	0.3	-0.3	-0.2	-0.2	0.0	-0.6	0.3	-0.1	0.0	0.1	0.2	-0.4	0.1	0.0	-0.4	0.0	-0.1
PL	-2.4	4.6	2.3	2.1	1.0	0.1	0.1	0.2	-0.1	0.0	0.0	0.1	-0.1	-0.2	0.0	-0.2	0.3	-0.5	0.0	1.2	0.0	0.1	0.0	-0.9	0.0	0.1	0.1	0.0	0.8	0.0	0.0	0.0	0.0
PT	-1.9	5.0	3.2	2.7	2.4	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	0.0	-0.1	-0.3	0.6	0.0	0.4	0.0	0.2	0.0	-0.2	0.0	0.1	0.1	0.0	0.0	0.1	
RO	-2.6	2.1	-0.5	1.7	2.0	0.0	0.0	0.1	0.0	0.0	0.0	0.1	0.0	-0.1	0.0	-0.1	0.0	-0.1	0.0	-0.2	0.0	-2.3	0.0	-2.2	0.0	-0.2	0.0	NA	0.1	0.0	0.0	0.1	
SI	-1.9	-0.8	-2.8	-4.9	-2.5	-0.2	-0.7	0.4	-1.1	-0.3	-0.4	0.4	-0.7	-0.7	0.0	-0.7	0.1	-0.7	-0.8	0.0	0.0	2.1	0.0	0.1	0.0	0.0	-0.1	1.0	0.9	0.2	0.0	0.0	
SK	-2.5	1.0	-1.5	-0.4	0.8	0.0	0.1	0.3	-0.3	0.0	0.1	0.3	-0.3	-0.3	0.0	-0.3	0.0	-0.3	0.0	-1.0	0.0	-1.1	0.0	-1.0	0.0	-0.3	0.2	0.0	0.0	0.0	0.0	0.0	
FI	-1.7	1.4	-0.4	0.0	-0.6	-1.2	-0.5	1.0	-1.5	0.2	-0.7	1.0	-1.7	2.6	2.6	0.0	0.3	-0.3	0.0	-0.2	0.0	-0.4	0.2	-0.6	0.0	-0.1	0.0	0.1	0.0	0.0	0.0	0.0	
SE	1.0	0.1	1.0	-0.5	0.2	0.6	0.4	3.2	-2.9	0.1	0.3	2.2	-2.0	-0.7	-0.3	-0.3	0.7	-1.0	-1.5	0.5	0.0	1.6	2.0	-0.6	-0.3	-0.4	0.1	0.2	0.5	0.1	0.0	-0.1	
UK	-3.4	3.3	-0.1	0.9	0.0	0.3	0.4	0.8	-0.5	0.0	0.4	0.8	-0.5	-0.2	NA	-0.2	0.1	-0.3	0.0	0.3	-0.1	-0.8	0.0	0.1	-0.1	-1.0	0.2	0.0	0.0	0.0	0.0	0.0	

More detailed breakdown is available in Eurostat's database: <http://ec.europa.eu/eurostat/web/government-finance-statistics/data/database>

Stock-flow adjustment to General government - 2017 [as % of GDP]

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	(1)	(2)	(3) =(2)+(1)= (4)+(20)+ (30)	(4) =(5)+(6)+ (7)+(14)+ (17)+(18) +(19)	(5)	(6)	(7) =(10) +(11)	(8)	(9)	(10)	(11)	(12)	(13)	(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)		
	Net borrowing (lending) (B-9) of general government (S.13)	Change in general government (S.13) (S.13) consolidated gross debt	Stock - flow adjustment (SFA)	Net acquisition (+) of financial assets	Current and deposits (F-2)	Debt securities (F-3)	Loans (F-4)	Increase (+)	Reduction (-)	Short-term loans (F-4.1), net	Long-term loans (F-4.2)	Increase (+)	Reduction (-)	Equity and investment fund shares (F-5)	Portfolio investments, net	Equity and investment fund shares (F-5)	Increase (+)	Reduction (-)	Financial derivatives (F-7.1)	Other accounts receivable (F-8)	Adjustments	Net incurrence (-) of liabilities in financial derivative (F-7.1)	Net incurrence (-) of other accounts payable (F-8)	Net incurrence (-) of other liabilities (F-7.2, F-8 and F-9)	Reserves above (+) / below (-) nominal value	Difference between interest (O.4.1) assumptions (increase of debt) (below (+) / above (-))	Repayment (increase of debt) (below (+) / above (-))	Appreciation (+) / depreciation (-) of foreign-currency debt (K.6) (+/-)	Changes in sector classification (K.6) (+/-)	Other volume changes in financial liabilities (K.2, K.3, K.4, K.5) (-)	Statistical discrepancies	
EU-28	-1.0	1.0	0.0	0.7	0.5	0.0	0.0	0.6	-0.6	0.0	0.0	0.6	-0.6	0.0	0.1	-0.1	0.3	-0.4	0.0	0.2	0.0	-0.6	0.0	-0.4	0.0	-0.3	0.2	0.0	-0.1	0.0	0.0	-0.1
EU-27 2019	-0.8	0.8	0.0	0.7	0.4	0.0	0.0	0.6	-0.6	0.0	0.0	0.5	-0.5	0.1	0.1	-0.1	0.4	-0.4	-0.1	0.3	0.0	-0.7	0.0	-0.5	0.0	-0.3	0.2	0.0	-0.1	0.0	0.0	0.0
EA-19	-0.9	0.8	0.1	0.6	0.5	-0.2	0.0	0.5	-0.5	0.0	0.0	0.5	-0.5	0.1	0.2	-0.1	0.4	-0.4	0.0	0.2	0.0	-0.7	0.0	-0.6	0.0	-0.3	0.2	0.0	-0.1	0.0	0.0	0.0
BE	-0.7	0.6	-0.1	-0.4	0.0	0.0	0.2	1.0	-0.9	0.0	0.2	0.8	-0.6	-0.4	0.0	-0.4	0.1	-0.6	0.0	-0.2	0.0	0.1	0.0	0.0	-0.3	0.4	0.1	0.0	0.0	0.0	0.2	
BG	1.1	-1.9	-0.8	-0.2	-0.8	0.0	0.0	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.7	0.0	-0.6	0.0	-0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
CZ	1.6	-0.1	1.5	2.2	2.3	0.0	-0.3	0.1	-0.4	0.0	-0.3	0.1	-0.4	-0.1	0.0	-0.1	0.0	-0.2	0.0	0.4	0.0	-0.7	0.0	-0.6	0.0	-0.1	0.2	0.0	-0.3	0.1	0.0	-0.1
DK	1.7	-0.4	1.3	1.6	1.1	0.0	0.0	1.0	-1.1	0.1	-0.1	1.0	-1.0	0.3	0.3	-0.1	0.0	-0.1	-0.1	-0.1	0.0	-0.4	0.0	-0.5	0.0	-0.1	-0.1	0.3	0.0	0.0	0.1	
DE	1.2	-1.5	-0.3	0.7	0.8	-0.3	-0.1	0.4	-0.5	0.0	-0.1	0.4	-0.5	0.2	0.2	0.0	0.1	-0.1	0.0	0.0	0.0	-0.9	0.0	-0.7	0.0	-0.2	0.2	0.1	-0.3	0.0	0.0	-0.1
EE	-0.8	0.0	-0.8	0.0	1.3	-1.3	0.0	0.2	-0.2	0.0	0.0	0.2	-0.2	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	0.0	-0.6	0.0	-0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1
IE	-0.3	0.2	-0.1	-0.7	0.9	0.0	-0.2	0.3	-0.5	0.0	-0.2	0.3	-0.5	-1.5	-0.1	-1.5	0.0	-1.5	-0.1	0.4	0.0	0.9	0.0	-1.0	0.0	-0.1	0.0	0.8	0.1	0.0	0.0	0.1
EL	0.7	1.4	2.1	1.1	1.8	0.0	-0.1	0.1	-0.2	0.1	-0.1	0.0	-0.1	-0.1	0.0	-0.1	0.0	-0.1	0.0	-0.4	0.0	0.9	0.3	1.0	0.0	2.5	0.6	-3.2	-0.3	0.0	0.0	0.1
ES	-3.0	3.5	0.5	1.3	1.2	-0.1	-0.2	0.1	-0.3	0.0	-0.2	0.1	-0.3	-0.1	0.0	-0.1	0.0	-0.1	0.0	0.5	0.0	-0.9	0.0	-0.5	0.0	-0.8	0.4	0.0	0.0	0.0	0.0	0.0
FR	-2.8	3.1	0.3	1.4	0.7	-0.2	-0.1	0.5	-0.6	0.0	-0.1	0.5	-0.6	0.1	0.1	0.0	1.2	-1.2	0.0	0.8	0.0	-1.1	0.0	-1.1	0.0	-0.5	0.3	0.0	0.0	0.0	0.0	0.0
HR	0.8	0.4	1.2	0.3	0.2	0.0	0.2	0.5	-0.3	0.1	0.2	0.4	-0.2	0.0	-0.1	0.1	0.1	0.0	-0.6	0.5	0.0	0.9	0.0	1.2	0.0	0.2	-0.1	0.0	-0.4	0.0	0.0	0.1
IT	-2.4	2.5	0.1	0.6	-0.7	0.0	0.4	0.7	-0.3	0.0	0.4	0.7	-0.3	0.6	0.3	0.3	0.4	-0.1	0.2	0.0	0.0	-0.5	0.1	-0.2	-0.2	-0.3	0.1	0.0	0.0	0.0	0.0	0.0
CY	1.7	-3.5	-1.8	-1.4	-1.4	0.0	-0.1	0.3	-0.4	0.0	-0.1	0.3	-0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	-0.4	0.0	-0.2	0.0	0.0	-0.1	0.3	-0.3	0.0	0.0	0.0
LV	-0.5	1.0	0.5	0.0	-0.2	0.2	-0.3	0.0	-0.3	0.0	-0.3	0.0	-0.3	-1.4	0.0	-1.4	0.4	-1.8	-0.7	2.4	0.0	0.4	0.1	-0.5	0.0	0.1	0.0	0.7	0.0	0.0	0.0	0.0
LT	0.5	2.6	3.1	2.7	3.1	0.0	0.0	0.0	-0.1	0.0	0.0	0.0	-0.1	0.1	0.0	0.1	0.2	-0.1	-0.4	-0.1	0.0	0.4	0.2	0.2	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0
LU	1.4	2.9	4.3	4.4	3.2	0.8	-0.1	0.0	-0.1	0.0	-0.1	0.0	-0.1	0.7	0.7	0.1	0.1	0.0	-0.4	0.0	0.0	-0.1	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
HU	-2.4	3.1	0.7	0.3	-0.5	0.0	0.3	1.3	-0.9	0.0	0.3	1.3	-0.9	0.1	0.1	0.0	0.1	-0.1	-0.4	0.8	0.0	0.5	0.2	0.2	0.0	-0.1	0.1	0.2	-0.1	0.0	0.0	0.0
MT	3.4	-0.5	2.9	1.9	0.8	0.0	0.2	0.2	0.0	0.0	0.2	0.2	0.0	0.8	0.0	0.8	0.9	-0.1	0.0	0.0	0.0	1.2	0.0	1.1	0.0	-0.1	0.1	0.0	0.0	0.0	0.0	-0.1
NL	1.3	-2.5	-1.2	-1.1	0.3	-0.1	0.1	0.8	-0.6	0.0	0.1	0.7	-0.6	-0.8	0.0	-0.7	0.1	-0.8	-0.4	-0.1	0.0	-0.1	0.0	-1.0	0.0	-0.2	0.2	0.0	0.0	0.0	0.0	0.0
AT	-0.7	-1.7	-2.5	-1.7	-1.3	-0.2	-0.3	0.6	-0.9	0.0	-0.3	0.6	-0.9	0.0	0.1	-0.1	0.2	-0.4	0.0	0.2	0.0	-0.8	0.2	-0.5	0.0	-0.4	0.3	-0.3	-0.1	0.0	0.1	0.0
PL	-1.5	-0.1	-1.6	0.1	-0.1	0.2	0.0	0.2	-0.2	0.0	0.0	0.1	-0.1	-0.2	0.0	-0.2	0.2	-0.5	0.0	0.2	0.0	-1.7	0.0	-0.6	0.0	0.1	0.1	0.0	-1.4	0.0	0.0	0.1
PT	-3.0	0.9	-2.0	-1.6	-1.3	-0.3	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0	-0.1	0.0	0.0	-0.3	0.1	0.1	-0.2	-0.5	-0.1	0.2	0.1	0.0	0.0	-0.1
RO	-2.6	1.8	-0.8	-0.7	-0.5	0.0	0.1	0.1	0.0	0.0	0.1	0.1	0.0	-0.6	0.0	-0.6	0.0	-0.6	0.0	0.3	0.0	-0.2	0.0	-0.4	0.0	-0.1	-0.1	NA	0.5	0.0	0.0	0.0
SI	0.0	0.2	0.2	-1.9	-0.9	0.0	-0.7	0.2	-0.9	-0.3	-0.4	0.1	-0.6	-0.1	0.1	-0.1	0.0	-0.1	-0.6	0.5	0.0	2.1	0.0	0.2	0.0	0.4	-0.1	0.8	0.8	0.0	0.0	0.0
SK	-1.0	1.4	0.5	0.8	0.7	0.0	0.1	0.3	-0.1	0.0	0.1	0.3	-0.1	-0.3	0.0	-0.3	0.0	-0.3	0.0	0.3	0.0	-0.3	0.0	-0.3	0.0	-0.1	0.2	0.0	0.0	0.0	0.0	0.0
FI	-0.7	0.5	-0.2	4.0	1.3	-0.7	-1.1	0.9	-2.0	-0.4	-0.7	0.9	-1.6	2.5	2.7	-0.2	0.1	-0.3	0.0	2.0	0.0	-4.1	-2.4	-1.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1
SE	1.4	0.4	1.8	1.5	0.4	2.7	0.3	3.8	-3.4	0.2	0.1	2.7	-2.6	-0.5	-0.5	0.0	0.7	-0.8	-1.8	0.4	0.0	0.4	0.9	0.0	-0.3	-0.2	0.2	0.2	-0.4	0.0	0.0	0.0
UK	-2.4	2.6	0.2	0.8	0.9	-0.1	-0.1	0.8	-1.0	0.0	-0.1	0.8	-1.0	-0.2	NA	-0.2	0.0	-0.3	0.1	0.2	0.1	-0.3	0.0	0.1	0.0	-0.6	0.2	0.0	0.1	0.0	0.0	-0.3

More detailed breakdown is available in Eurostat's database: <http://ec.europa.eu/eurostat/web/government-finance-statistics/data/database>

Stock-flow adjustment to General government - 2018 [as % of GDP]

October 2019 EDP notification

	(1)	(2)	(3) =(2)+(1)= (4)+(20)+(30)	(4) =(5)+(6)+ (7)+(14)+ (17)+(18) +(19)	(5)	(6)	(7) =(10) +(11)	(8)	(9)	(10)	(11)	(12)	(13)	(14) =(15) +(16)	(15)	(16)	(17)	(18)	(17)	(18)	(19)	(20) =(21)+(22) +(23)+(24) +(25)+(26) +(27)+(28) +(29)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)	
	Net borrowing (lending) (+) or general government (S 13)	Change in general government (S 13) consolidated gross debt	Stock-flow adjustment (SFA)	Currency and deposits (F 2)	Debt securities (F 3)	Loans (F 4)	Increase (+)	Reduction (-)	Short-term loans (F 4.1), net	Long-term loans (F 4.2)	Increase (+)	Reduction (-)	Equity and investment fund shares/units (F 5)	Portfolio investments, net (F 5)	Equity and investment fund shares/units other than portfolio investments (F 5)	Increase (+)	Reduction (-)	Financial derivatives (F 7.1)	Other accounts receivable (F 7.1)	Other financial assets (F 7.1)	Adjustments	Net income (-) of liabilities in financial derivatives (F 7.1)	Net income (-) of other accounts payable (F 9)	Net income (-) of other accounts payable (F 9) and (F 2)	Issuance above/below (+) nominal value (F 2)	Difference between assets (D 4.1) acquired (+) and liabilities above/below (+) nominal value (K 5.1) and (K 5.2)	Repayment/repurchase of debt (K 6.1) and (K 6.2)	Appropriation (+) depreciation (-) of foreign currency debt (K 6.1) and (K 6.2)	Changes in sector classification (K 6.1) and (K 6.2)	Other volume changes in financial liabilities (K 5.1, K 5.2, K 5.3) (-)	Statistical discrepancies		
EU-28	-0.7	1.1	0.4	0.5	0.3	0.0	0.0	0.5	-0.5	0.0	0.0	0.5	-0.5	0.1	0.1	0.0	0.3	-0.3	0.0	0.2	0.0	-0.2	0.1	-0.3	0.0	-0.2	0.2	0.0	0.1	0.0	0.0	0.0	0.0
EU-27 2019	-0.4	0.9	0.4	0.6	0.3	0.0	0.0	0.4	-0.5	0.0	0.0	0.4	-0.5	0.2	0.2	0.0	0.3	-0.3	0.0	0.2	0.0	-0.1	0.1	-0.3	0.0	-0.2	0.2	0.1	0.1	0.0	0.0	0.0	0.0
EA-19	-0.5	0.9	0.4	0.6	0.4	0.0	-0.1	0.3	-0.4	0.0	-0.1	0.3	-0.4	0.2	0.2	0.0	0.3	-0.3	0.0	0.1	0.0	-0.2	0.0	-0.3	0.0	-0.2	0.2	0.0	0.0	0.0	0.0	0.0	0.0
BE	-0.7	1.2	0.5	0.3	-0.2	0.1	0.2	0.9	-0.7	0.0	0.2	0.8	-0.6	0.1	0.0	0.1	0.3	-0.2	-0.1	0.1	0.0	0.3	0.0	0.1	0.0	-0.2	0.3	0.1	0.0	0.0	0.0	0.0	-0.1
BG	1.8	-1.3	0.4	0.7	0.2	0.0	0.0	0.1	0.0	0.0	0.0	-0.1	-0.1	0.0	-0.1	0.0	-0.1	0.0	0.5	0.0	-0.2	0.0	-0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CZ	1.1	-0.3	0.8	0.4	0.4	0.0	-0.1	0.2	-0.4	0.0	-0.1	0.2	-0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.4	0.0	0.2	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0
DK	0.8	-0.6	0.2	0.5	-1.3	1.3	0.7	1.7	-1.0	0.1	0.6	1.5	-1.0	0.1	0.2	-0.1	0.1	-0.1	0.0	-0.3	0.0	-0.7	0.0	-0.7	0.0	-0.1	-0.1	0.3	0.0	0.0	0.0	0.0	0.4
DE	1.9	-1.5	0.4	0.3	0.2	-0.1	-0.2	0.2	-0.4	0.0	-0.2	0.2	-0.4	0.3	0.2	0.1	0.2	-0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.0	-0.2	0.2	0.1	0.1	0.0	0.0	0.0	0.0
EE	-0.6	-0.2	-0.7	0.4	-0.5	0.5	0.0	0.2	-0.2	0.0	0.0	0.2	-0.2	-0.2	0.0	-0.2	0.2	-0.4	0.0	0.6	0.0	-1.0	0.0	-1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1
IE	0.1	1.4	1.5	5.4	1.3	0.0	-0.4	0.1	-0.5	-0.1	-0.3	0.2	-0.5	-0.4	0.1	-0.4	0.0	-0.4	-0.1	4.9	0.0	-3.9	0.0	-4.6	0.0	0.0	0.1	0.8	0.0	0.0	0.0	0.0	-0.1
EL	1.0	9.3	10.3	10.1	10.3	0.6	-0.2	0.0	-0.2	0.0	-0.2	0.0	-0.2	-0.8	0.1	-0.9	0.2	-1.0	0.0	0.2	0.0	0.2	0.5	0.8	0.0	0.0	-1.2	0.0	0.1	0.0	0.0	0.0	0.1
ES	-2.5	2.3	-0.2	0.9	0.8	0.0	0.0	0.1	-0.1	0.0	0.0	0.1	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	-1.1	0.0	-0.9	0.0	-0.6	0.5	0.0	0.0	0.0	0.0	0.0	0.0
FR	-2.5	2.4	-0.1	0.4	0.3	-0.2	-0.1	0.4	-0.4	0.0	-0.1	0.3	-0.4	0.3	0.3	0.0	1.2	-1.2	0.1	-0.1	0.0	-0.5	0.0	-0.3	0.0	-0.5	0.3	0.0	0.0	0.0	0.0	0.0	
HR	0.3	0.1	0.3	1.2	0.1	0.0	0.5	1.0	-0.6	0.0	0.5	1.0	-0.5	-0.2	0.0	0.1	-0.1	-0.1	1.0	0.0	-1.1	0.0	-0.4	0.0	0.1	-0.1	0.0	-0.6	0.0	0.0	0.0	0.0	0.2
IT	-2.2	2.9	0.7	0.6	0.3	0.1	-0.1	0.3	-0.3	0.0	-0.1	0.3	-0.3	0.2	0.2	0.0	0.1	0.0	0.2	-0.1	0.0	0.2	0.1	-0.1	-0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0
CY	-4.4	11.6	7.2	8.5	-0.4	0.0	8.3	10.0	-1.7	0.0	8.3	10.0	-1.7	0.1	0.0	0.1	0.1	0.0	0.0	0.4	0.0	-1.3	0.0	-0.5	-0.7	0.0	-0.2	0.0	0.1	0.0	0.0	0.0	0.0
LV	-0.7	0.9	0.1	1.8	1.2	-0.3	0.0	0.1	-0.1	0.0	0.0	0.1	-0.1	0.2	0.0	0.2	0.2	0.0	0.0	0.7	0.0	-1.7	0.1	-1.7	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
LT	0.6	-2.7	-2.1	-2.0	-1.6	0.0	0.0	0.1	0.0	0.0	0.0	0.1	0.0	0.1	0.0	0.1	0.2	-0.1	-0.1	-0.5	0.0	0.0	0.0	-0.2	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0
LU	2.7	-0.1	2.5	3.8	0.7	0.0	0.1	0.2	-0.1	0.0	0.1	0.2	-0.1	1.7	1.7	0.0	0.0	0.0	0.3	1.0	0.0	-1.1	0.0	-1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.2
HU	-2.3	3.9	1.6	0.9	0.9	0.0	0.1	1.0	-0.9	0.0	0.1	1.0	-0.9	-0.1	0.0	-0.1	0.0	-0.1	-0.2	0.3	0.0	0.6	0.0	-0.1	0.0	0.0	0.0	0.1	0.6	0.0	0.0	0.0	0.0
MT	1.9	-0.3	1.6	2.2	-1.0	0.7	0.1	0.1	0.0	0.0	0.1	0.1	0.0	0.5	0.0	0.5	0.5	0.0	2.0	0.0	-1.0	0.0	-1.0	0.0	-0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.3
NL	1.5	-1.9	-0.4	-0.4	-0.2	0.1	0.2	0.8	-0.6	0.0	0.2	0.7	-0.5	0.0	0.0	0.0	0.0	0.0	-0.6	0.1	0.0	0.0	0.0	0.1	0.0	0.0	-0.2	0.1	0.0	0.0	0.0	0.0	0.0
AT	0.2	-1.2	-1.0	-1.0	-0.8	-0.2	-0.5	0.5	-1.0	-0.1	-0.4	0.5	-0.9	0.1	0.1	0.0	0.0	0.0	-0.1	0.4	0.0	-0.1	0.2	-0.3	0.0	-0.2	0.3	0.0	0.0	0.0	0.0	0.0	0.1
PL	-0.2	1.4	1.1	1.2	0.5	0.0	0.1	0.5	-0.4	0.0	0.1	0.4	-0.4	0.0	0.0	0.0	0.0	-0.1	0.0	0.6	0.0	-0.2	0.0	-0.7	0.0	-0.1	0.0	0.0	0.6	0.0	0.0	0.0	0.0
PT	-0.4	1.1	0.6	-0.1	-0.7	0.3	0.0	0.1	0.0	0.0	0.0	0.1	0.0	0.3	0.3	0.0	0.0	0.0	-0.1	1.1	0.0	0.6	0.3	0.3	0.0	-0.5	0.3	0.1	0.2	-0.2	0.0	0.2	
RO	-3.0	3.1	0.1	0.6	-0.3	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.3	0.0	-0.3	0.0	-0.3	0.0	1.1	0.0	-0.6	0.0	-0.6	0.0	0.1	-0.1	NA	0.0	0.0	0.0	0.1	
SI	0.8	0.8	1.6	1.6	3.7	0.1	0.0	0.4	-0.4	-0.1	0.1	0.4	-0.3	-2.0	0.0	-2.0	0.1	-2.0	-0.2	0.0	0.0	-0.1	0.0	-0.4	0.0	0.0	0.0	0.1	0.2	0.0	0.0	0.1	
SK	-1.1	1.1	0.0	0.5	0.7	0.0	0.2	0.5	-0.3	0.0	0.2	0.5	-0.3	-0.1	0.0	-0.1	0.0	-0.1	0.0	-0.3	0.0	-0.3	0.0	-0.3	0.0	-0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0
FI	-0.8	0.4	-0.4	-1.4	-1.1	0.0	-1.2	1.0	-2.1	0.0	-1.2	1.0	-2.2	1.2	1.7	-0.5	0.6	-1.1	0.9	-1.1	0.0	1.2	0.0	1.3	0.0	0.0	0.0	0.0	0.0	0.0	-0.2	-0.2	
SE	0.8	-0.2	0.6	-0.9	-0.3	-1.1	0.6	2.3	-1.7	0.1	0.5	1.5	-1.0	-0.5	-0.9	0.4	1.2	-0.8	-1.5	1.8	0.0	1.7	2.5	-1.2	-0.4	-0.1	0.2	0.1	0.5	0.0	0.0	-0.1	
UK	-2.3	2.4	0.1	0.4	0.1	0.2	0.2	0.9	-0.7	0.0	0.2	0.9	-0.7	-0.2	NA	-0.2	0.0	-0.2	0.1	0.0	0.1	-0.3	0.0	-0.2	0.0	-0.3	0.2	0.0	0.0	0.0	0.0	0.0	0.0

More detailed breakdown is available in Eurostat's database: <http://ec.europa.eu/eurostat/web/government-finance-statistics/data/database>

Methodological ANNEX

The **legal basis** 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 defines the data to be reported by Member States to the European Commission in the context of EDP reporting²: 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 [Government Finance Statistics](#), as well as in the dedicated [EDP notifications](#) sections.

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 sector³.

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 debt⁴: 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

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.

nominal value and consolidated. Council Regulation 479/2009 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 (for most debt instruments) 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 2010⁵, 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).

Geographical information: Euro area (EA-19): Belgium, Germany, Estonia, Ireland, Greece, Spain, France, Italy, Cyprus, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Austria, Portugal, Slovenia, Slovakia and Finland.

⁵ See ESA 2010 § 1.106-1.109.