

# Integrated government finance statistics presentation

Statistics Explained

*Data extracted on 22 April 2024 for annual and quarterly GFS tables.*

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The 'integrated government finance statistics (GFS) presentation' is a dedicated presentation template for [European Union \(EU\)](#) government accounts that shows the economic activities of [government](#) in a manner suitable for fiscal analysis. It groups together all government statistics collected by [Eurostat](#) specifically for the [general government sector](#) (i.e. excluding public corporations) in the framework of [national accounts](#), completed by statistical information gathered for administrative purposes.

The integrated government finance statistics presentation assures a focus on economic substance over legal form, improves data harmonisation and comparability across countries, and ensures full transparency in the respect of the different statistical concepts and practices.

For recently updated Government Finance Statistics tables, please click on the icon [Publications](#) below.

- **Quarterly GFS tables - ESA 2010 basis**
- [Quarterly GFS tables, published 22 April 2024](#)
- **Annual GFS tables - Excel publication - ESA2010 basis**
- [Summary GFS tables for all available years, general government and its subsectors, published 22 April 2024](#)
- [Summary GFS tables for all available years, general government, published 22 April 2024](#)

## Integrated GFS presentation - introduction

The GFS presentation shows in an integrated manner: [government revenue](#), [government expenditure](#), [government deficit](#), transactions in assets, transactions in liabilities, other economic flows (in assets and liabilities), and balance sheets. This presentation is similar to that of business accounting where the profit and loss accounts and the balance sheet are presented together, in a linked manner. This type of GFS presentation is also suitable for fiscal analysis of the various levels of government ([central](#), regional (or 'state'), [local](#), [social security funds](#)).

European GFS are defined by reference to the [2010 European system of national and regional accounts \(ESA 2010\) basis](#), the European manual for national accounts. These GFS form the basis for fiscal monitoring in Europe, notably for the statistics related to the [Excessive deficit procedure \(EDP\)](#). The approach for compiling and presenting European GFS is to re-arrange the transactions recorded in the various ESA annual and quarterly financial and non-financial accounts for the general government sector.

The integrated GFS presentation brings together an analysis of deficit and [debt](#) and their main components. More generally, linkages between stock and flow variables as well as the connection between financial and non-financial accounts are made transparent. This allows for a complete and concise overview of the governments' financial and non-financial positions. Because of the importance of fiscal monitoring, the integrated presentation of GFS is one important statistical tool that has been developed in order to improve the assessment of budgetary positions.

GFS template tables are presented on both annual and quarterly basis, and they are available in electronic form in the dedicated GFS section of the Eurostat web site.

The annual GFS template tables present data for all EU Member States, for the European Union ( EU ) and the euro area ( EA19 ) as well as for Iceland, Norway and Switzerland. Annual tables are currently available for the EU and EA-19 from 1995 onwards respectively, while annual data for most individual countries start in 1995. In addition to the presentation in millions of national currency (millions of euro for EU / EA aggregates), data are also presented in percentages of GDP , and in annual growth rates where applicable.

Annual government finance statistics (GFS) template tables are compiled twice per year, coinciding with the official notification of fiscal figures to Eurostat, at the end of April and end of October for data up to year N-1; e.g. in April 2016, 2015 annual data is published for the first time (as well as back series and possible revisions). They comprise tables by subsectors as well as an illustration of consolidation within the general government sector.

Quarterly Summary GFS template tables are compiled four times per year, coinciding with the transmission to Eurostat of quarterly financial and non-financial accounts for the general government, as well as quarterly government debt. They are released simultaneously to the press releases on quarterly government deficit and debt. **The most recent publication of quarterly GFS tables presents the EA20, EA19 and EU aggregates. Due to the accession of Croatia to the euro area on 1 January 2023, Croatian data are presented in euro-fixed for periods up to the fourth quarter of 2022, i.e. Croatian kuna (HRK) divided by the irrevocable exchange rate .**

## Revenue and expenditure

<b>Total revenue</b>		
=	<b>Taxes</b>	= Taxes on production and imports (indirect Taxes) + Current taxes on income, wealth, etc. (direct taxes) + Capital taxes
+	<b>Net social contributions</b>	= Employers' actual social contributions + Households' actual social contributions + Imputed social contributions + Households' social contribution supplements - Social insurance scheme service charges
+	<b>Sales</b>	= Market output + Payments for non-market output + Output for own final use
+	<b>Other current revenue</b>	= Property income + Other subsidies on production + Other current transfers
+	<b>Capital revenue</b>	
<b>Total expenditure</b>		
+	<b>Intermediate consumption</b>	
+	<b>Compensation of employees</b>	
+	<b>Interest</b>	
+	<b>Subsidies</b>	
+	<b>Social benefits</b>	= social benefits Other than social transfers in kind + social transfers in kind via market producers
+	<b>Other current expenditure</b>	= property income other than interest + Other taxes on production + Current taxes on income, wealth, etc. + Other current transfers + Adjustments for the change in pension entitlements
+	<b>Capital transfers payable</b>	
+	<b>Capital investments</b>	= Gross fixed capital formation + changes in inventories, acquisitions less disposals of valuables  + acquisitions less disposals of non-financial non-produced assets

**Table 1: Presentation of government revenue and expenditure Source: Eurostat**

The summary table of government finance statistics firstly shows total general government revenue as the aggregate of all transactions recorded under resources in the ESA framework, including subsidies receivable in the current accounts and capital transfers receivable recorded in the capital account. [Total general government expenditure](#) follows the presentation of revenue. Expenditure is an aggregate of all transactions recorded under positive uses, and subsidies payable, in the current accounts as well as transactions ( [gross capital formation](#) , acquisition less disposals of [non-financial non-produced assets](#) plus capital transfers payable) in the capital account.

A revenue transaction is one that increases net worth. Revenue is presented in the tables as the sum of taxes, [net social contributions](#) , sales (defined as market output, output for own final use and payments for non-market production), other current revenues and capital transfer revenues. Total taxes are composed of taxes on production and imports (so-called indirect taxes), current taxes on income and wealth (direct taxes), and capital taxes (some classifications of taxes include capital taxes as a component of direct taxes). Net social contributions consist of [actual social contributions by employers and households](#) collected as well as [imputed social contributions](#) , households' social contribution supplements and social insurance scheme service charges. Total taxes and net social contributions indicate the level of fiscal burden, useful for inter-country comparisons. 'Other current revenues' consist of the categories property income earned, other subsidies on production received and other current transfers. While this latter category is often dominated by other current transfers between different levels of government, these must be consolidated when presenting data for the whole general government.

Government expenditure is calculated as the sum of transactions in the following categories: compensation of employees, [intermediate consumption](#) , [interest](#) , subsidies, social benefits, other current expenditure, capital transfers and capital investments.

The categories ' [compensation of employees](#) ' and ' [intermediate consumption](#) ' form part of the cost of production incurred by the government as a producer. The category 'compensation of employees' includes 'wages and salaries paid' and the 'employers' social insurance contributions' (including imputed social contributions). 'Intermediate consumption' contains the goods and services consumed by the government during its production process. Social benefits consist of social benefits other than social transfers in kind (mainly cash transfers) and of social transfers in kind purchased via market producers (such as the provision, paid by government, of medical services by health care providers classified outside the general government sector). The recording of social benefits expenditure does not include social transfers in kind provided by non-market producers within general government, such as medical services provided by hospitals classified within general government or certain types of social housing. This is to avoid counting such expenditures twice (once as social transfers and once as a cost of production) in the calculation of total expenditure.

The category ' [interest](#) ' includes payments on government liabilities on an accrual basis. Interest expenditure does not include fees and charges made under the service component of interest payments; such expenditures are recorded as 'intermediate consumption'.

The category 'other current expenditure' is composed of 'other taxes on production', 'property income other than interest', 'current taxes on income, wealth, etc.', 'other current transfers' and the 'adjustment for the change in pension entitlements'.

'Capital transfers' comprise 'investment grants' and 'other capital transfers'. Last in the sequence, the category 'capital investments' includes 'gross fixed capital formation', among other capital transactions. Disposals of non-financial assets are included as negative investments in this category and not on the revenue side.

The GFS presentation of expenditure shows the type of transaction undertaken by the government, and it complements the purpose or function of government expenditure captured in the [Classification of the functions of government \(COFOG\)](#) typology (for further details, see [article on COFOG statistics](#) ).

## Government deficit

The balancing item of the general government in the non-financial accounts is [net lending](#) (positive sign) or [net borrowing](#) (negative sign), i.e. the government surplus or deficit in the integrated GFS presentation, that is total general government revenue minus total general government expenditure. The net lending/ borrowing calculated according to the data transmitted in the context of the ESA 2010 transmission programme is conceptually identical to the so-called Maastricht deficit used for the [Excessive Debt Procedure](#) , which is subject to a thorough

verification by Eurostat, as well as possible adjustments introduced by Eurostat on the reported figures. [Under ESA 1995, the EDP deficit deviated from the ESA deficit by the recording of some cash flows on selected financial derivatives (e.g. on swaps), which is not the case anymore.] The ESA and EDP deficit may occasionally differ due to differences in vintages. In practice, the data reported by Member States is strictly consistent (during the EDP notifications periods).

## Government financing

Similar to other institutional units and private companies, the financial account of general government records the transactions in financial assets and liabilities and is included in the integrated presentation of the GFS.

The position 'net financial transactions' describes the net financing (i.e. net acquisition of financial assets minus net incurrence of liabilities) of the government and is conceptually equal to the ESA 2010 definition of the government net lending or net borrowing calculated in the non-financial accounts, since a surplus has to be invested or a deficit has to be financed.

The discrepancy between the two balancing items in the financial and non-financial accounts is a statistical discrepancy due to the use of different data sources for compiling the financial and the non-financial accounts. This statistical discrepancy forms one position in the integrated GFS presentation and is one way in which the consistency of the data is rendered transparent. It is also an important quality indicator. It is not however a final indication, because some countries mask this discrepancy through adjustments to some financial instruments (traditionally in the 'other accounts' categories). Although this statistical discrepancy shows a relatively high volatility over the years, it has remained below 0.1 % of the EU GDP in all years, an indicator of the good quality of the data and consistency of the data sources. Even though this discrepancy is relatively small at the level of the EU and euro area, there are some individual Member States for which this discrepancy is fairly significant, both on an annual and quarterly basis.

Under the heading 'government financing' – the financial accounts transactions – details of the 'net acquisition of financial assets' and 'net incurrence of financial liabilities' are also shown.

The category 'net acquisition of financial assets' is broken down into the subcategories, or [financial instruments](#), currency and deposits, debt securities, loans, shares and other equity and other financial assets, while the category 'net incurrence of financial liabilities' is shown to consist of currency and deposits, debt securities, loans and other liabilities.

## Other economic flows in government assets and liabilities

Under the heading 'other economic flows in assets and liabilities' are adjustments to the value of the stock of financial assets and liabilities which are not due to transactions ('net acquisition of financial assets' and 'net incurrence of financial liabilities'). These other changes in stock are relatively important. They primarily reflect 'revaluations' (i.e. holding gains and losses on assets and liabilities, either realised or not) but also, so called 'other changes in volumes' (stemming for example from reclassifications).

For the moment, 'other changes in non-financial assets' and 'changes in net worth due to other changes in assets/liabilities' are not provided by most Member States, even though the GFS presentation includes both categories in order to complete the accounts.

## Government balance sheet

The government [balance sheet](#) is the stock equivalent of the presentation of government financing described above, containing subcategories consistent with the flow analysis. For the moment, only financial assets and liabilities are collected, though efforts are now under way to collect data on non-financial assets. Showing non-financial assets of general government (mostly amortised fixed assets and non-produced assets mainly constituted by land) allows for the calculation of the general government net worth. Assets and liabilities are valued at market value, notably for debt securities, financial derivatives and shares and other equity. Holding gains/losses on these (realised or not) do

not enter government revenue (or expenditure) but are reported in the 'other economic flows'.

## Government debt and link with the deficit

Table B of the integrated presentation includes the so-called 'stock flow adjustment' (SFA) and [gross government debt](#) at nominal value (according to the Maastricht definition). The SFA is the difference between the change in the stock of government debt and the flow of annual deficit/surplus. It is widely known that deficits contribute to an increase in debt levels, while surpluses reduce them. However, the change of government debt also reflects other elements than the surplus/deficit. Deficits can also be financed by the sale of financial assets, or alternatively, debt can be used to finance the acquisition of financial assets. Therefore, in addition to the surplus/deficit, a strong co-movement of net acquisition of financial assets exists with the change in debt. The incurrence of liabilities not covered in the Maastricht debt definition as stipulated in the excessive deficit procedure (mainly 'other accounts, payable'), as well as valuation differences and discrepancies, play a smaller role in explaining the change in debt. A positive SFA means that the government debt increases more than the annual deficit (or decreases less than implied by the surplus). The importance of the SFA has been emphasised many times, as an efficient statistical monitoring of fiscal performance requires understanding the [coherence](#) between the two key fiscal indicators: government deficit and debt.

Since the 2011 editions of the GFS tables, a new element has been introduced: the 'intergovernmental lending' agreed between government. Up to 2010Q4 the intergovernmental lending figures relate mainly to lending to Greece. From 2011Q1 onwards, intergovernmental lending includes loans made by the European Financial Stability Facility (EFSF) - see [Eurostat decision regarding EFSF](#) . In order to avoid a "double-counting" at the level of the EU and euro area aggregates, the total value of intergovernmental lending is consolidated. For individual countries, by contrast, intergovernmental lending is reported as a general government asset, and thus is not deducted from debt.

### Memorandum items

'Memorandum items' include 'government final consumption expenditure', 'consumption of fixed capital', 'changes in net worth due to savings and capital transfers' and GDP.

## Data sources

Member States are required to provide the [European Commission](#) with their government deficit and debt statistics before 1 April and 1 October of each year under the terms of the excessive deficit procedure. In addition, Eurostat collects more detailed data on government finances in the framework of the ESA transmission programme, the programme under which Member States submit national accounts data. The main aggregates of general government on an annual basis are provided by the Member States to Eurostat twice a year, whereas statistics on the functions of government (COFOG) and detailed tax and social contribution receipts are transmitted within one year after the end of the reference period and within nine months after the end of the reference period, respectively.

The data presented in this article correspond to the main revenue and expenditure items of the general government sector on an annual basis (ESA table 2, received twice a year), the quarterly non-financial accounts for general government (ESA table 25), the quarterly financial accounts for general government (ESA table 27), the quarterly government debt (ESA table 28) and the questionnaire on intergovernmental lending (all received four times a year) which are all compiled on a [national accounts \(ESA 2010\) basis](#) . Additionally, in annual GFS tables, some data is sourced from EDP tables 1 and 3, which are received twice a year.

### Delineation of general government

The [general government sector](#) (S.13) consists of institutional units which are non-market producers whose output is intended for individual and collective consumption, and are financed by compulsory payments made by units belonging to other sectors, and institutional units principally engaged in the redistribution of national income and wealth. (ESA 2010 §2.111)

## Context

The integrated presentation of GFS carried out by Eurostat allows for a detailed analysis of government fiscal performance through a better understanding of the financial and non-financial operations undertaken by government. It allows inter-country comparisons, to follow the evolution of the main components over time, and to understand better the links between the various variables. It shows how a government finances a possible deficit, and which are the main instruments used. For a more in-depth analysis of specific components, the detailed tables also posted in the Eurostat web site provide further breakdowns: functional classification of government expenditure following the COFOG classification (social protection, education, health, defence, etc.), a breakdown of taxes and social contributions, and a further breakdown for financial instruments. Overall, annual and quarterly GFS tables provide a wealth of integrated information for analysts, researchers, and policy makers.

## Other articles

- [Government finance statistics](#)
- [Government finance statistics - quarterly data](#)

## Publications

- **Quarterly GFS tables - ESA 2010 basis**
- [Quarterly GFS tables, published 22 April 2024](#)
- **Annual GFS tables - Excel publication - ESA2010 basis**
- [Summary GFS tables for all available years, general government and its subsectors, published 22 April 2024](#)
- [Summary GFS tables for all available years, general government, published 22 April 2024](#)

## Main tables

- [Government statistics \(t\\_gov\)](#)

## Database

- [Government statistics \(gov\)](#)

## Dedicated section

- [Government finance statistics](#)

## Methodology

### ESMS metadata files

- [Government deficit and debt](#) (ESMS metadata file - gov\_10dd\_esms)
- [Government revenue, expenditure and main aggregates](#) (ESMS metadata file - gov\_10a\_main\_esms)
- [Quarterly financial accounts for general government](#) (ESMS metadata file - gov\_10q\_ggfa\_esms)
- [Quarterly government debt](#) (ESMS metadata file - gov\_10q\_ggdebt\_esms)
- [Quarterly non-financial accounts for general government](#) (ESMS metadata file - gov\_10q\_ggnfa\_esms)

## Manuals

- [Manual on government deficit and debt — implementation of ESA 2010 — 2022 edition](#)
- [Manual on sources and methods for the compilation of COFOG statistics - Classifications of the Functions of Government - 2019 edition](#)
- [Manual on quarterly financial accounts for general government - 2017 edition](#)
- [Manual on quarterly non-financial accounts for general government - 2011 edition](#)