

31 March, 2014

Main aggregates of General Government 2013 – Half-finalized data

Main Aggregates of General Government

Statistics Portugal presents the provisional results on the main aggregates of General Government for 2013 sent to Eurostat accordingly with the ESA95 transmission programme.¹

The General Government sector accounts are compiled accordingly with the concepts and definitions of the European System of National and Regional Accounts 1995 (ESA95). In addition, specific guidelines of the Manual on Government Deficit and Debt are applied.²

These results are fully consistent with the first notification of 2014 for the Excessive Deficit Procedure (EDP).

The tables with the results on the Main Aggregates of General Government for 2012 and 2013 are presented below.

TABLE 1: MAIN AGGREGATES OF GENERAL GOVERNMENT - HALF-FINALIZED DATA
TIME: 2013

Unit: Millions of euros

Transaction code	Transaction label	General Government S13	Central Government S1311	Local and Regional Government S1313	Social security funds S1314
TE	Total general government expenditure	80,651	59,701	10,639	23,446
TR	Total general government revenue	72,410	50,639	11,047	23,858
B.9	Net lending (+)/Net borrowing (-) (National accounts balance)	-8,241	-9,061	408	412
Memorandum item:					
EDP - B.9	Net lending (+)/Net borrowing (-) under the EDP (a)	-8,122	-8,942	408	412

Footnote:

^(a) According to Commission Regulation (EC) N°. 351/2002, amending Council Regulation (EC) N°. 3605/93 as regards references to ESA 95, the classification of interest flows under swap contracts and forward rate agreements (FRAs) has a specific treatment for the data transmitted under the excessive deficit procedure. This approach has impact in the difference between the Balance Net lending (+)/Net borrowing (-) according the European System of National and Regional Accounts (ESA95) – B.9 and the balance under the excessive deficit procedure EDP-B.9.

For total revenue (TR) and total expenditure (TE) the sum of sub-sectors does not equal the sector value, due to consolidation of some transactions.

¹ Regulation (CE) n° 2223/96 of the Council, from 25th June 1996, on the European System of National and Regional Accounts.

² This document can be downloaded from http://epp.eurostat.ec.europa.eu/cache/ITY_OFFPUB/KS-RA-13-001/EN/KS-RA-13-001-EN.PDF

The General Government accounts associated to the present EDP notification are the last presented accordingly with ESA95. In the next EDP notification in September 2014 the results will be compiled accordingly with the new European System of Accounts 2010 (ESA 2010).

TABLE 2: GENERAL GOVERNMENT REVENUE

Unit: Millions of euros

General Government S13				
Time	2010	2011	2012	2013
Total Revenue	71.991	77.043	67.574	72.410
Current Revenue	67.079	69.229	65.077	70.907
<i>of which:</i>				
Taxes on production and imports	23.040	23.499	22.539	22.568
Social contributions	21.270	21.048	19.135	20.140
Current taxes on income, wealth, etc.	15.222	16.882	15.272	19.522
Capital Revenue	4.912	7.814	2.497	1.503

Total General Government revenue increased between 2009 and 2011, dropped in 2012 and then recovered in 2013, attaining a level similar to the one exhibited in 2010. It is worth noting that the figures for 2010 and 2011 reflect the occurrence of extraordinary events which mainly affected capital revenue, such as the recording of 2804 million euro corresponding to the transfer of the pension funds of Portugal Telecom and 5590 million euro referring to the transfer of the pension funds of the banking sector in 2011.

As for current revenue, this aggregate increased in 2013, following the decrease exhibited by tax revenue in 2012. Such evolution is primarily due to the behaviour exhibited by the revenue associated with both current taxes on income and wealth and social contributions. These aggregates rose by 27.8% and 5.2%, respectively, comparing with 2012, partly reflecting the extraordinary revenue associated with the one-off debt regularisation scheme for outstanding tax and social security contributions, amounting to 1280 million euro.

TABLE 3: GENERAL GOVERNMENT EXPENDITURE

Unit: Millions of euros

General Government S13				
Time	2010	2011	2012	2013
Total expenditure	89.019	84.423	78.244	80.651
Current expenditure	79.116	77.622	73.386	76.627
<i>of which:</i>				
Compensation of employees	21.157	19.422	16.510	17.789
Capital expenditure	9.902	6.801	4.857	4.024

Total General Government expenditure also increased in 2013, following the decrease observed in the previous year. Nevertheless, the growth rate of total expenditure in 2013 was lower than the one exhibited by total revenue. Furthermore, current and capital expenditure evolved in opposite directions: current expenditure increased, whereas capital expenditure diminished.

On the one hand, the increase in current expenditure in 2013 is associated with the positive evolution of both compensation of employees (7.7%) and social contributions and benefits (5.6%). It is also worth mentioning that the Main Aggregates of General Government – March 2014

upward behaviour of the expenditure associated with compensation of employees reflects the payment of the holiday and Christmas allowances, which did not occur in 2012.

On the other hand, capital expenditure decreased, mainly due to a reduction of 34.6% in capital transfers paid by General Government. This evolution essentially results from a base effect associated with the recording of the capital increases in Caixa Geral de Depósitos and Sagestamo (amounting to 1.5 thousand million euro) as capital transfers in 2012. It should also be mentioned that the amount of capital transfers paid by General Government in 2013 reflects the recording of the capital increase in BANIF – Banco Internacional do Funchal, SA, amounting to 700 million euro.

TABLE 4: GENERAL GOVERNMENT BALANCES

Unit: Millions of euros

General Government				
S13				
Time	2010	2011	2012	2013
Net lending (+) / net borrowing (-) (National Accounts balance)	-17.028	-7.380	-10.669	-8.241
Current balance	-12.037	-8.393	-8.309	-5.720
Primary balance	-12.132	-509	-3.515	-1.058

Net borrowing of General Government improved in about 2,400 million euro in 2013, comparing with the previous year. This evolution is mainly due to the evolution of Central Government, since the joint balance of Regional and Local Governments remained at a similar level to the one exhibited in 2012.

Regarding primary balance, corresponding to the global balance excluding the net payments related to interest, it attained -1,058 million euro in 2013, significantly improving when compared to the figure for 2012.