

Treasury finances in March 2002

Figures for Treasury finances in March 2002 are now available. They are on a cash basis and therefore not comparable to the Treasury accounts or the fiscal budget, both of which are presented on an accruals basis. According to these figures, cash from operations amounted to about 1/2 billion krónur, compared to 1.5 billion kronur in March 2001. The net financial balance was about even compared to a negative position of almost 4 billion kronur in March last year.

The Treasury's total revenue is 55½ billion kronur, which is an increase of about 1½ billion kronur from last year, or almost 3 per cent. The Treasury's tax revenue increased by a similar percentage. In comparison, general price changes amount to 9% for this period and it is therefore clear that the economy is still going through a downturn. This can also be seen from the fact that revenue from value-added tax remains relatively unchanged in value terms from March of last year, while excise taxes on automobiles decreases by one third. Revenue from personal and corporate income taxes increased considerably however in nominal terms from last year.

The Treasury's total expenditure in March amounted to 55.9 billion krónur, increasing by close to 1/2 billion kronur from last year, or only 0.8%. Administrative and social affairs expenditure increase by a total of 5.1 billion krónur, which is offset by lower interest expenditure by 4.6 billion kronur as well as a decrease in agriculture expenditure. Since these figures only take stock of three months, any comparison with last year and earlier projections are subject to some uncertainty as expenses are transferable between months.

Domestic borrowing amounted to 5.5 billion kronur. A foreign long-term loan was financed by a loan on the foreign short-term market. A payment of 2.3 billion kronur to the Government Employees Pensions fund is meant to lower future liabilities of the Treasury. The overall cash balance was positive by 2.7 billion krónur, compared with 0.8 billion kronur in March 2001.

Treasury finances in March 2002 ***(Millions of krónur, cash basis)***

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Revenue.....	35,467	44,271	49,704	54,010	55,454
- Asset sale	-42	-383	-343	-73	-31
Expenditure.....	35,781	40,910	45,210	55,485	55,945
Cash from operations.....	-356	2,978	4,151	-1,548	-522
Financial transactions.....	330	-6,962	2,280	-2,203	588
Net financial balance.....	-26	-3,984	6,431	-3,751	66
Debt redemption.....	-2,064	-16,142	-18,356	-6,400	-10,753
Domestic.....	-1,890	-6,490	-9,566	-6,355	-613
Foreign.....	-174	-9,652	-8,790	-45	-10,140
Pension fund prepayments.....	0	-500	-1,500	-3,750	-2,250
Gross borrowing requirement.....	-2,090	-20,626	-13,425	-13,902	-12,938
New borrowing.....	1,618	10,092	12,604	13,113	15,634
Domestic.....	5,145	751	5,234	9,433	5,515
Foreign.....	-3,527	9,341	7,370	3,680	10,119
Overall cash balance.....	-472	-10,534	-821	-789	2,696

Treasury revenue in March 2002
(Millions of krónur, cash basis)

	% increase from previous year						
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Total tax revenue.....	46,030	50,066	51,516	23.1	13.4	8.8	2.9
Taxes on income and profit.....	15,799	18,912	20,483	15.9	20.7	19.7	8.3
Personal income tax.....	10,552	11,970	13,645	15.2	12.4	13.4	14.0
Corporate income tax	1,479	2,235	1,161	20.1	9.6	51.1	-48.1
Other taxes on income and profit	3,768	4,707	5,677	16.7	59.8	24.9	20.6
Social Security taxes.....	4,613	4,929	5,505	11.7	6.3	6.9	11.7
Net wealth taxes.....	2,155	2,602	2,146	28.7	11.4	20.7	-17.5
Taxes on goods and services	23,361	23,485	23,281	30.5	10.3	0.5	-0.9
Value added tax	13,978	14,302	14,302	33.5	13.9	2.3	0.0
Other indirect taxes	9,383	9,183	8,979	26.5	5.3	-2.1	-2.2
Of which:							
Excise tax on motor vehicles	1,191	833	571	59.5	-7.2	-30.1	-31.5
Excise tax on petrol.....	1,768	1,608	1,556	-5.1	13.8	-9.0	-3.2
Diesel weight tax.....	1,491	1,668	1,573	22.0	13.7	11.9	-5.7
Tobacco and liquor taxex....	1,979	1,814	1,803	15.6	9.3	-8.3	-0.6
Other indirect taxes.....	2,954	3,260	3,476	50.4	0.1	10.4	6.6
Other taxes.....	102	138	101	-12.7	112.5	35.3	-26.8
Other revenue.....	3,674	3,943	3,938	59.9	0.1	7.3	-0.1
Total revenue.....	49,704	54,010	55,454	25.5	12.3	8.7	2.7

Treasury expenditure in March 2002
(Millions of krónur, cash basis)

	% increase from last year						
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Administration.....	5,350	5,256	6,418	14.9	17.2	-1.8	22.1
General administration.....	3,226	2,880	3,798	10.8	18.4	-10.7	31.9
Justice and law enforcement.....	2,125	2,377	2,620	21.5	15.4	11.9	10.2
Social affairs.....	25,134	30,327	34,305	10.2	5.1	20.7	13.1
Of which: Education and culture...	6,148	7,044	8,107	28.4	6.5	14.6	15.1
Health.....	10,126	12,011	14,220	8.0	6.4	18.6	18.4
Social security.....	7,486	9,699	10,085	0.7	1.6	29.6	4.0
Economic affairs.....	6,422	8,403	8,069	15.9	7.4	30.8	-4.0
Of which: Agriculture.....	2,503	3,433	3,017	9.6	6.7	37.2	-12.1
Communications.....	2,169	2,783	3,019	8.6	0.5	28.3	8.5
Interest expenditure.....	6,434	8,868	4,282	34.4	27.5	37.8	-51.7
Other expenditure.....	1,868	2,630	2,871	17.2	31.6	40.8	9.2
Total expenditure.....	45,210	55,486	55,945	14.3	10.5	22.7	0.8