

Treasury finances January-May 2002

Figures for Treasury finances in the first five months of 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, the cash deficit from operations amounted to 8.9 billion kronur, compared to a deficit of 5.1 billion kronur by the end of May 2001. The net financial balance was negative by 8.2 billion kronur compared with a deficit of 7.2 billion kronur at the same time last year.

The Treasury's total revenue amounted to 92 billion kronur, an increase of about 6 billion kronur from last year or 6½ per cent. The Treasury's tax revenue increased somewhat less, or by 5½ per cent. In comparison, general price changes amount to 8 per cent for this period, indicating that the economy is still contracting although the contraction is receding. As evidence of this, revenue from value-added tax for the first five months increased by close to 2 billion kronur from last year, or by 7½ per cent, equivalent to a ½ per cent contraction in real terms, compared with a 7 per cent contraction in the corresponding period last year.

The Treasury's total expenditure amounted to 100.7 billion kronur, increasing by close to 9½ billion kronur from last year or 10.5 per cent. The main impact comes from a 3.1 billion kronur increase in health care payments. Education and cultural affairs expenditure increased by 1.2 billion kronur and administrative costs by 1.8 billion kronur.

Foreign long-term borrowing increased by 21.6 billion kronur. In the coming months, the share of long-term debt will be increased and short-term loans will therefore decrease. Domestic borrowing amounted to 9 billion kronur. Repayments of Treasury debt amounted to 18.3 billion kronur of which 10 billion constitute repayments of foreign debt. The Treasury remitted 3.8 billion kronur to the Government Employees Pension Fund in order to lower future liabilities of the Treasury. The overall cash balance was negative by 1.9 billion kronur, compared with a 1 billion kronur deficit at the end of May last year.

Treasury finances January-May 2002 ***(Millions of kronur, cash basis)***

	1998	1999	2000	2001	2002
Revenue.....	62,111	72,866	81,013	86,064	91,868
- Asset sales	-648	-376	-	3	-
Expenditure.....	62,764	68,562	74,492	91,173	100,746
Cash from operations.....	-1,301	3,928	6,521	-5,107	-8,878
Financial transactions.....	1,821	67	1,125	-2,115	712
Net financial balance.....	520	3,996	7,647	-7,222	-8,167
Debt redemption.....	-7,197	-16,801	-19,319	-21,545	-18,348
Domestic.....	-7,023	-7,149	-10,529	-16,874	8,207
Foreign.....	-174	-9,652	-8,790	-14,753	10,141
Pension fund prepayments.....	0	-767	-2,500	-6,250	-3,750
Gross borrowing requirement.....	-6,678	-13,573	-14,171	-35,017	-30,265
New borrowing.....	7,888	8,107	12,704	34,047	28,324
Domestic.....	13,019	-1,126	5,371	9,534	4,402
Foreign.....	-5,130	9,233	7,333	24,513	23,922
Overall cash balance.....	1,211	-5,465	-1,468	-971	-1,941

Treasury revenue January-May 2002
(Millions of kronur, 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.....	75,907	79,680	84,129	18.5	12.9	5.0	5.6
Taxes on income and profit.....	24,255	28,224	30,309	16.1	21.7	16.4	7.4
Personal income tax.....	17,375	19,707	22,381	14.4	14.9	13.4	13.6
Corporate income tax	3,078	3,674	2,250	23.1	29.8	19.4	-38.8
Other taxes on income and profit.	3,802	4,843	5,678	20.0	56.4	27.4	17.2
Social Security taxes.....	7,639	8,260	9,192	14.0	7.3	8.1	10.4
Net wealth taxes.....	3,744	4,278	4,198	11.2	13.5	14.3	-1.9
Taxes on goods and services	40,079	38,684	40,238	21.7	9.0	-3.5	4.0
Value added tax	25,146	24,372	26,145	24.4	11.6	-3.1	7.3
Other indirect taxes	14,931	14,314	14,092	17.6	4.8	-4.1	-1.6
Of which:							
Excise tax on motor vehicles	2,101	1,372	1,089	45.3	-11.4	-34.7	-20.6
Excise tax on petrol.....	3,177	2,956	2,851	-4.0	22.8	-7.0	-3.6
Diesel weight tax.....	1,765	1,939	1,869	20.0	18.2	9.9	-3.6
Tobacco and liquor taxex....	3,374	3,100	3,029	7.8	5.9	-8.1	-2.3
Other indirect taxes.....	4,514	4,947	5,254	28.4	-2.0	9.6	6.2
Other taxes.....	190	234	192	-20.0	71.1	30.8	12.9
Other revenue.....	5,108	6,380	7,744	12.5	-8.6	24.9	21.4
Total revenue.....	81,013	86,063	91,868	18.0	11.2	6.2	6.7

Treasury expenditure January-May 2002
(Millions of kronur, 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.....	8,919	9,168	10,928	9.8	17.0	2.8	19.2
General administration.....	5,104	5,036	6,171	12.8	17.2	-1.3	22.5
Justice and law enforcement.....	3,816	4,132	4,756	6.0	16.9	8.3	15.1
Social affairs.....	43,570	52,243	58,737	9.9	5.1	19.9	12.4
Of which: Education and culture...	10,040	11,575	13,167	11.8	8.4	15.3	13.8
Health.....	18,161	21,333	24,447	12.1	6.8	17.5	14.6
Social security.....	12,853	16,442	17,599	5.4	-0.1	27.9	7.0
Economic affairs.....	10,670	13,594	13,864	11.1	1.2	27.4	2.0
Of which: Agriculture.....	3,866	5,010	4,615	7.0	2.6	29.6	-7.9
Communications.....	3,957	5,105	5,517	16.9	0.6	29.0	8.1
Interest expenditure.....	8,392	11,690	12,469	4.5	25.0	39.3	6.7
Other expenditure.....	2,938	4,479	4,747	2.5	31.2	52.5	6.0
Total expenditure.....	74,492	91,174	100,746	9.2	8.6	22.4	10.5