

Treasury finances January-April 2002

Figures for Treasury finances in the first four 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, cash deficit from operations amounted to about 3½ billion krónur, compared to a deficit of 300 million krónur at the end of April 2001. The net financial balance was negative by 2.9 billion krónur compared with a deficit of 0.2 billion krónur at the same time last year.

The Treasury's total revenue amounted to 77 billion krónur, which is an increase of about 5 billion krónur from last year, or 7 per cent. The Treasury's tax revenue increased somewhat less, or by 5 per cent. In comparison, general price changes amount to 8 per cent for this period and it is therefore clear that the economy is still contracting. These figures indicate, however, that the contraction is receding. As evidence of this, revenue from value-added tax for the first quarter increased by 1½ billion krónur from last year, or by 7 per cent, equivalent to a ½ per cent contraction in real terms, compared with 8-9 per cent contraction in the first three months of the year. Excise taxes on automobiles suggests the same trend.

The Treasury's total expenditure amounted to 80.1 billion krónur, increasing by close to 7½ billion krónur from last year, or 10.4 per cent. The main impact comes from a 3.1 billion krónur increase in health care payments. Education and cultural affairs expenditure increased by 1.1 billion krónur and administrative costs by 0.8 billion krónur.

Foreign long-term borrowing increased by 21.6 billion krónur. The share of long-term loans will be increased and short-term loans therefore will decrease in the coming months. Domestic borrowing amounted to 2.2 billion krónur. Repayments of Treasury debt amounted to 16.7 billion krónur of which 10 billion constitute repayments of foreign debt. The Treasury remitted 3 billion krónur to the Government Employees Pension Fund in order meant to lower future liabilities of the Treasury. The overall cash balance was positive by 4.3 billion krónur, compared with a 1 billion krónur surplus at the end of April last year.

Treasury finances January-April 2002 *(Millions of krónur, cash basis)*

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Revenue.....	49,973	61,272	68,029	72,307	77,246
- Asset sale	-	-376	-	-	-20
Expenditure.....	49,294	54,575	59,434	72,543	80,131
Cash from operations.....	679	6,321	8,595	-236	-2,905
Financial transactions.....	1,294	572	2,418	-1,698	540
Net financial balance.....	1,973	6,893	11,013	-1,934	-2,366
Debt redemption.....	-6,532	-16,386	-18,904	-21,441	-16,696
Domestic.....	-6,358	-6,734	-10,114	-6,688	-6,556
Foreign.....	-174	-9,652	-8,790	-14,753	-10,140
Pension fund prepayments.....	0	-767	-2,000	-5,000	-3,000
Gross borrowing requirement.....	-4,559	-10,260	-9,891	-28,374	-22,062
New borrowing.....	5,415	11,036	14,080	29,417	26,343
Domestic.....	11,167	1,811	6,743	8,685	2,189
Foreign.....	-5,752	9,225	7,337	20,732	24,154
Overall cash balance.....	856	776	4,189	1,042	4,281

Treasury revenue January-April 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.....	63,561	67,187	70,679	21.4	12.3	5.7	5.2
Taxes on income and profit.....	20,098	23,509	25,421	14.5	21.6	17.0	8.1
Personal income tax.....	14,069	15,738	18,048	12.7	14.5	11.9	14.7
Corporate income tax.....	2,258	2,942	1,710	24.4	19.9	30.3	-41.9
Other taxes on income and profit	3,771	4,829	5,663	16.6	60.0	28.1	17.3
Social Security taxes.....	6,117	6,664	7,334	19.6	6.0	8.9	10.1
Net wealth taxes.....	2,958	3,398	3,060	10.4	12.4	14.9	-9.9
Taxes on goods and services	34,241	33,427	34,720	26.9	8.4	-2.4	3.9
Value added tax.....	22,015	21,484	23,042	28.9	11.3	-2.4	7.3
Other indirect taxes	12,225	11,945	11,677	23.8	3.5	-2.3	-2.2
Of which:							
Excise tax on motor vehicles	1,595	1,089	827	55.6	-13.9	-31.7	-24.1
Excise tax on petrol.....	2,420	2,266	2,098	-0.3	14.4	-6.4	-7.4
Diesel weight tax.....	1,674	1,832	1,795	20.4	18.1	9.4	-2.0
Tobacco and liquor tax.....	2,489	2,451	2,374	10.8	-1.7	-1.5	-3.1
Other indirect taxes.....	4,047	4,307	4,583	40.7	4.0	6.4	6.4
Other taxes.....	147	189	144	-17.1	133.3	28.6	-23.8
Other revenue.....	4,471	5,120	6,572	53.3	-4.3	14.5	28.4
Total revenue.....	68,029	72,307	77,246	23.4	11.0	6.3	6.8

Treasury expenditure January-April 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.....	6,915	7,198	8,712	13.1	13.1	4.1	21.0
General administration.....	4,076	4,064	4,865	17.2	12.7	-0.3	19.7
Justice and law enforcement.....	2,840	3,136	3,846	7.6	13.6	10.4	22.6
Social affairs.....	34,430	41,351	47,090	10.9	3.8	20.1	13.9
Of which: Education and culture...	8,107	9,191	10,528	24.0	7.8	13.4	14.5
Health.....	13,867	16,229	19,334	11.1	5.1	17.0	19.1
Social security.....	10,572	13,781	14,644	1.9	-0.7	30.4	6.3
Economic affairs.....	8,658	10,737	10,759	15.6	8.5	24.0	0.2
Of which: Agriculture.....	3,644	4,239	3,812	14.6	16.3	16.3	-10.1
Communications.....	2,719	3,716	4,253	15.1	-3.4	36.7	14.5
Interest expenditure.....	7,012	9,613	9,802	5.7	28.3	37.1	2.0
Other expenditure.....	2,416	3,642	3,768	-3.2	30.2	50.7	3.5
Total expenditure.....	59,434	72,543	80,131	10.7	8.9	22.1	10.5