

## Treasury finances January-August 2010

### Cash Flow Statement in January-August 2006–2010

|                                    | Millions of krónur |                |                |                 |                 |
|------------------------------------|--------------------|----------------|----------------|-----------------|-----------------|
|                                    | 2006               | 2007           | 2008           | 2009            | 2010            |
| Revenue                            | 246 109            | 286 074        | 294 326        | 276 404         | 302 253         |
| Expenditure                        | 209 728            | 239 188        | 281 885        | 346 684         | 354 290         |
| <b>Current balance</b>             | <b>36 381</b>      | <b>46 886</b>  | <b>12 441</b>  | <b>-70 280</b>  | <b>-52 036</b>  |
| Receipts from sale of fixed assets | -                  | 1 505          | -              | -               | -               |
| Other cash payments / receipts     | - 823              | -3 046         | 4 191          | -8 420          | -13 184         |
| <b>Cash flows from operations</b>  | <b>35 558</b>      | <b>45 346</b>  | <b>16 633</b>  | <b>-78 700</b>  | <b>-65 220</b>  |
| Financial transactions             | -2 339             | -67 758        | 8 538          | 11 983          | -31 941         |
| <b>Net financial balance</b>       | <b>33 219</b>      | <b>-22 412</b> | <b>25 171</b>  | <b>-66 717</b>  | <b>-97 161</b>  |
| Debt redemption                    | -32 592            | -36 443        | -38 129        | -72 740         | -136 258        |
| Domestic                           | -9 719             | -22 243        | -22 662        | -72 740         | -72 782         |
| Foreign                            | -22 873            | -14 199        | -15 467        | -               | -63 476         |
| Pension fund prepayments           | -2 640             | -2 640         | -2 640         | -               | -               |
| <b>Gross borrowing requirement</b> | <b>-2 013</b>      | <b>-61 496</b> | <b>-15 598</b> | <b>-139 457</b> | <b>-233 419</b> |
| New borrowing                      | 25 247             | 57 515         | 147 531        | 169 889         | 267 934         |
| Domestic                           | 17 673             | 54 181         | 85 647         | 162 540         | 137 085         |
| Foreign                            | 7 574              | 3 334          | 61 884         | 7 348           | 130 849         |
| <b>Overall cash balance</b>        | <b>23 234</b>      | <b>-3 981</b>  | <b>131 933</b> | <b>30 432</b>   | <b>34 515</b>   |

### Treasury revenue in January-August 2008–2010

|   | Millions of krónur |                |                | Change from previous year in per cent |             |            |
|---|--------------------|----------------|----------------|---------------------------------------|-------------|------------|
|   | 2008               | 2009           | 2010           | 2008                                  | 2009        | 2010       |
| Total taxes and social security contributions | 267 640            | 243 965        | 262 687        | 3.4                                   | -8.8        | 7.7        |
| Taxes on income and profit                    | 102 909            | 101 884        | 90 610         | 10.0                                  | -1.0        | -11.1      |
| Personal income tax                           | 57 129             | 53 307         | 57 944         | 6.2                                   | -6.7        | 8.7        |
| Corporate income tax                          | 17 636             | 10 584         | 8 107          | 6.7                                   | -40.0       | -23.4      |
| Capital income tax                            | 28 144             | 37 992         | 24 559         | 21.1                                  | 35.0        | -35.4      |
| Taxes on property                             | 5 526              | 3 147          | 3 354          | -24.7                                 | -43.0       | 6.6        |
| Taxes on goods and services                   | 124 872            | 106 376        | 120 581        | -1.2                                  | -14.8       | 13.4       |
| Value added tax                               | 87 108             | 72 579         | 80 256         | -1.6                                  | -16.7       | 10.6       |
| Excise tax on motor vehicles                  | 6 352              | 1 355          | 1 056          | -9.1                                  | -78.7       | -22.0      |
| Excise tax on petrol                          | 5 921              | 6 943          | 7 733          | -3.0                                  | 17.3        | 11.4       |
| Excise on oil                                 | 4 929              | 4 561          | 4 564          | 2.1                                   | -7.5        | 0.1        |
| Tobacco and liquor taxes                      | 8 002              | 9 133          | 9 902          | 1.8                                   | 14.1        | 8.4        |
| Other taxes on goods and services             | 12 558             | 11 805         | 17 070         | 3.6                                   | -6.0        | 44.6       |
| Taxes on international trade and transactions | 3 978              | 3 087          | 3 806          | 16.8                                  | -22.4       | 23.3       |
| Other taxes                                   | 2 877              | 3 980          | 4 609          | 24.8                                  | 38.3        | 15.8       |
| Social security contributions                 | 27 479             | 25 491         | 39 728         | 6.0                                   | -7.2        | 55.9       |
| Grants  | 207                | 359            | 430            | -70.5                                 | 73.5        | 19.6       |
| Other revenue                                 | 24 196             | 31 988         | 19 692         | 23.6                                  | 32.2        | -38.4      |
| Sale of assets                                | 2 283              | 440            | 19 450         | -                                     | -           | -          |
| <b>Total revenue</b>                          | <b>294 326</b>     | <b>276 752</b> | <b>302 259</b> | <b>2.9</b>                            | <b>-6.0</b> | <b>9.2</b> |

### Treasury expenditure in January-August 2008–2010

|                                    | Millions of krónur |                |                | Change from previous year in per cent |            |
|------------------------------------|--------------------|----------------|----------------|---------------------------------------|------------|
|                                    | 2008               | 2009           | 2010           | 2009                                  | 2010       |
| Interests                          | 12 318             | 34 495         | 52 250         | 180.0                                 | 51.5       |
| General public services            | 26 820             | 30 545         | 29 142         | 13.9                                  | -4.6       |
| Defence                            | 754                | 1 071          | 923            | 42.0                                  | -13.8      |
| Law enforcement, justice, security | 13 135             | 15 128         | 11 779         | 15.2                                  | -22.1      |
| Economic affairs                   | 40 074             | 42 735         | 38 342         | 6.6                                   | -10.3      |
| Environmental protection           | 2 935              | 2 860          | 3 021          | -2.6                                  | 5.6        |
| Housing, zoning and utilities      | 357                | 422            | 430            | 18.2                                  | 1.9        |
| Health                             | 68 188             | 75 711         | 73 726         | 11.0                                  | -2.6       |
| Culture, sports and religion       | 11 381             | 12 628         | 10 841         | 11.0                                  | -14.2      |
| Education                          | 28 965             | 31 892         | 34 156         | 10.1                                  | 7.1        |
| Social security and welfare        | 71 156             | 91 188         | 89 438         | 28.2                                  | -1.9       |
| Irregular expenditure              | 5 801              | 8 009          | 10 242         | 38.1                                  | 27.9       |
| <b>Total expenditure</b>           | <b>281 885</b>     | <b>346 684</b> | <b>354 290</b> | <b>23.0</b>                           | <b>2.2</b> |

#### Note:

Revised revenue classification of the Treasury in January 2006: The classification of Treasury revenue has been revised according to the IMF Government Finance Statistics Manual of 2001. The earlier classification was based on an earlier version of the Manual. The new classification was first published last autumn in the 2004 Treasury accounts and introduced in the 2006 fiscal budget. It is now applied in the monthly revenue statements of the Treasury.

The main changes from the previous classification is that social contributions are separated from tax revenue and classified under a new main heading "Taxes and social contributions". Taxes on international trade and transactions, such as customs duties and other import charges, are now shown separately and are no longer under the heading "Taxes on goods and services". Regarding the other revenue, the new classification provides more details than the earlier version. The new classification also calls for a revision of several other items, such as the tax for the Elderly's Construction Fund and several user and licence charges.