

2-24. Government deficit

CZK million, current prices

Code	Items	1993 ¹	1994 ¹	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
B.9	Net lending(+)/net borrowing(-)																		
S.13	General government, total	-238 935	-46 112	-196 378	-55 204	-68 224	-99 498	-77 074	-82 274	-136 838	-167 727	-179 780	-82 886	-101 092	-79 228	-26 685	-84 953	-217 698	-180 718
S.1311	Central	-228 336	-57 567	-223 144	-90 965	-54 589	-105 171	-78 525	-76 872	-123 444	-150 147	-161 393	-76 224	-99 640	-81 639	-55 630	-89 919	-184 875	-152 503
S.1313	Local	-10 541	13 761	31 115	40 181	-12 484	6 812	925	-9 273	-10 713	-11 396	-13 799	-3 989	-1 226	-9 378	12 851	-5 050	-22 162	-19 489
S.1314	Social security funds	-58	-2 306	-4 349	-4 420	-1 151	-1 139	526	3 871	-2 681	-6 184	-4 588	-2 673	-226	11 789	16 094	10 016	-10 661	-8 726
Adjustment for interest from swaps and FRAs																			
S.13	General government, total	0	0	0	0	0	0	0	0	0	-13	-542	-529	-170	-444	-261	-994	-919	-1 991
S.1311	Central	0	0	0	0	0	0	0	0	0	-13	-542	-529	40	-40	51	-593	-808	-1 066
S.1313	Local	0	0	0	0	0	0	0	0	0	0	0	0	-210	-404	-312	-401	-111	-925
S.1314	Social security funds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
EDP B.9	EDP Net lending(+)/net borrowing(-)																		
S.13	General government, total	-238 935	-46 112	-196 378	-55 204	-68 224	-99 498	-77 074	-82 274	-136 838	-167 740	-180 322	-83 415	-101 262	-79 672	-26 946	-85 947	-218 617	-182 709
S.1311	Central	-228 336	-57 567	-223 144	-90 965	-54 589	-105 171	-78 525	-76 872	-123 444	-150 160	-161 935	-76 753	-99 600	-81 679	-55 579	-90 512	-185 683	-153 569
S.1313	Local	-10 541	13 761	31 115	40 181	-12 484	6 812	925	-9 273	-10 713	-11 396	-13 799	-3 989	-1 436	-9 782	12 539	-5 451	-22 273	-20 414
S.1314	Social security funds	-58	-2 306	-4 349	-4 420	-1 151	-1 139	526	3 871	-2 681	-6 184	-4 588	-2 673	-226	11 789	16 094	10 016	-10 661	-8 727

¹ The data for years 1993 and 1994 are not fully comparable due to methodological differences, mainly the tax revenue and social contributions and contributions on health insurance are not time-adjusted (they correspond to data on cash collection).

The government deficit / surplus – EDP B.9 – relates to the Maastricht criterion (maximally 3 % of GDP) and it covers all units classified inside the general government (S.13).

It is the net lending (+)/net borrowing (-), i.e. B.9 specified as a balance of current revenues and expenditures of units classified inside S.13, which represents the capacity to finance other entities (+) or the need to be financed (-). The current revenues and expenditures do not include revenues and expenditures related to financial instruments (e.g. revenues for sale of securities or received loans etc.).

For the purposes of the EDP notifications this item of national accounts is adjusted for the interest from swap operations and from operations with the long-term forward rate agreements (which are in the national accounts recorded as financial transactions), i.e.:

B.9 + EDP D.41 (interest from swap operations and from operations with the long-term forward rate agreements) = **EDP B.9 = government deficit ("Maastricht")**.

The definition of the government deficit/surplus has been settled for the purposes of the excessive deficit procedure within the Economic and Monetary Union and for the requirements of the Stability and Growth Pact (see the Protocol on the excessive deficit procedure and the Council Regulation (EC) N° 3605/1993, as subsequently amended by N° 479/2009 and N° 679/2010). Its assessment is based on the methodology of European System of National Accounts (ESA95) – the council regulation (EC) N° 2223/1996 as subsequently amended by other EU regulations and EU recommendations (in accordance with the Manual on Government Deficit and Debt, Euro stat).

In the whole time series the general government sector shows a deficit, which implies, that it is influenced mainly by the volume and development of (current) general government expenditures. There are mainly expenditures on social benefits (in cash and in kind), operating subsidies and investment grants and expenditures on "other capital transfers". The share of these groups of expenditures reaches approximately 60 % of the total government expenditures. The fluctuations in the volume of the government deficit were influenced mainly by expenditures on "other capital transfers" including financial expenditures on restitutions, transfers free of charges of the shares through the voucher privatization, called guarantees etc. (see also the table 9-8 Change in net worth due to savings and capital transfers account of government institutions).

On the revenue side, there are mainly tax revenues and social contributions and contributions on health insurance; their share on the total general government revenues is in the range of approximately 63 %. These revenues are calculated according to the time-adjustment methodology, where the bases are actually collected taxes and contributions attributed to the period, in which the liability to pay arose. This methodology of assessment (in accordance with the Eurostat's decision) eliminates the impact of prescribed financial funds, which are unlikely to be collected.

The public deficit (or public surplus) includes deficits (surpluses) of public non-financial enterprises and public financial institutions and of all government institutions, i.e. units classified inside the institutional sub-sectors S.11001, S.121 + S.12201 + S.12301 + S.12401 + S.12501 + S.13. In a coherent version this indicator has never been published.