

EUROSTAT 2019.07.19

Government finance statistics - quarterly data

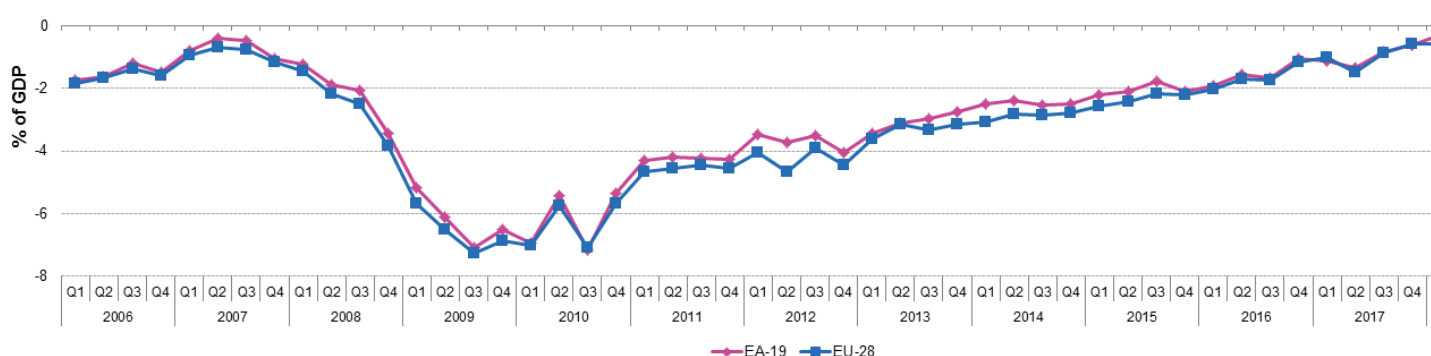
Data extracted on 18 July 2019.
Planned article update: October 2019.

Highlights

In the first quarter of 2019, the government deficit to GDP ratio stood at -0.5 % in the euro area and at -0.6 % in the EU-28, decreasing compared to the fourth quarter of 2018.

At the end of the first quarter of 2019, the government debt to GDP ratio in the euro area stood at 85.9 %, compared with 85.1 % at the end of the fourth quarter of 2018.

EU-28 and EA-19 quarterly net lending, seasonally adjusted data



Source: Eurostat (online data code: gov_10q_ggnfa)



EU-28 and EA-19 quarterly net lending (+)/ net borrowing (-), % of GDP, seasonally adjusted data

Source: Eurostat ([gov_10q_ggnfa](#))

In recent years, [Eurostat](#) has significantly expanded the range of integrated quarterly data on [government finance statistics](#) available, providing a timely and increasingly high quality picture of the evolution of government finances in the [European Union \(EU\)](#). The data presented in this article reflect both non-financial and financial (quarterly non-financial and financial accounts for [general government](#) transactions and cover all European Union [EU-28](#) countries as well as Iceland, Norway and Switzerland.

This article is based on data transmitted to Eurostat at the end of June 2019, which includes data coverage of the first quarter of 2019, and follow [ESA 2010](#) methodology. It is supplemented by non-financial seasonally adjusted data estimated provided on a voluntary basis by EU and [EFTA](#) countries' National Statistical Institutes. Eurostat regularly publishes seasonally adjusted and working day adjusted quarterly data on government revenue, expenditure and [surplus \(+\)](#)/ [deficit \(-\)](#), currently for twenty- two [Member States](#), Switzerland and the EU aggregates.

In the first quarter of 2019, the seasonally adjusted general government deficit to GDP ratio stood at - 0.5 % in the euro area (EA-19), a decrease compared with -1.1 % in the fourth quarter of 2018. In the EU-28, the deficit to GDP ratio stood at -0.6 %, an increase compared with -1.0 % in the previous quarter.

Full article

Quarterly non-financial accounts for general government

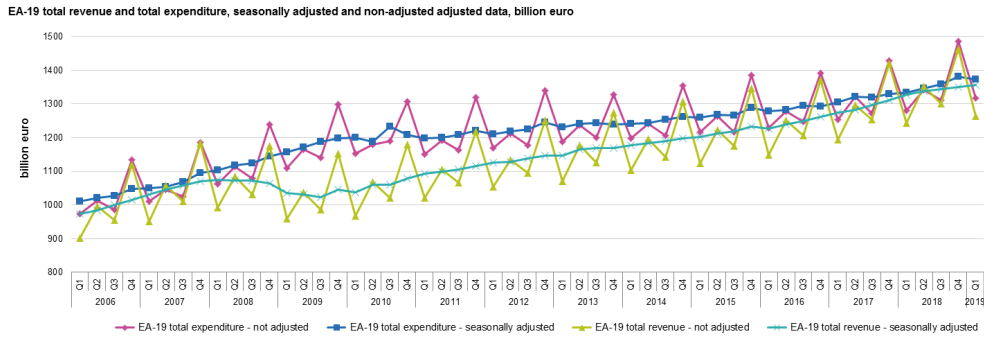
Quarterly non-financial accounts for general government

Government revenue and expenditure

Both total revenue and expenditure exhibit a clear seasonality. In order to interpret [trends](#) for the most recent quarters, seasonally adjusted data is presented in addition to the raw data transmitted by [EU Member States](#) (see explanation below).

In the first quarter of 2019, seasonally adjusted total government revenue in the euro area amounted to 46.0 % of [GDP](#), a decrease compared with 46.2 % in the fourth quarter of 2018. Total government expenditure in the euro area stood at 46.5 % of GDP, an decrease compared with 47.2 % of GDP in the previous quarter.

In the EU-28, total government revenue was 44.8 % of GDP in the first quarter of 2019, a slight decrease compared to 45.0 % of GDP in the fourth quarter of 2018. Total government expenditure in the EU-28 was 45.4 % of GDP, compared with 45.9 % in the previous quarter.



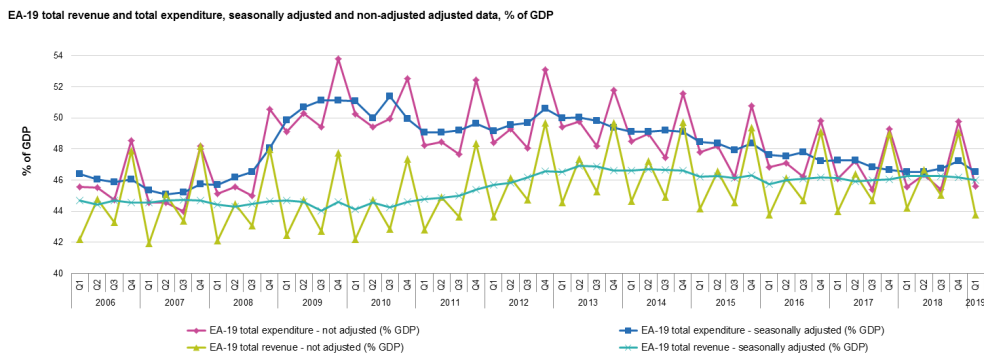
Source: Eurostat (online data code: gov_10q_ggnfa)

eurostat



Figure 2: EA-19 total revenue and total expenditure, seasonally adjusted and non-adjusted data, billion euro

Source: Eurostat ([gov_10q_ggnfa](https://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&plugin=1))



Source: Eurostat (online data code: gov_10q_ggnfa)

eurostat



Figure 3: EA-19 total revenue and total expenditure, seasonally adjusted and non-adjusted data, % of GDP

Source: Eurostat ([gov_10q_ggnfa](https://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&plugin=1))

From the fourth quarter of 2010 onwards, a decreasing trend in the level of the total expenditure-to-GDP ratio is visible, reflecting an absolute decrease in total expenditure as well as the effects of renewed growth in the EU and the euro area (all seasonally adjusted). Visible deteriorations in the second and fourth quarters of 2012, were caused by a series of one-off effects in several Member States. Notably, in the fourth quarter of 2012 and in the second quarter of 2013, total expenditure

increased slightly in both areas, influenced by interventions to support the banking sector in several Member States, notably in Spain in the fourth quarter of 2012 and in Greece in the second quarter of 2013. Supports for the banking sector in several Member States are also the main reason for the increase in the fourth quarter of 2015. In the first quarter of 2016, mainly due to one-off effects in several Member States, seasonally adjusted government expenditure increased significantly. The decreases in EU and euro area deficits in the second half of 2017 and the first half of 2018 are mainly explained by decreasing expenditure in the face of stable revenue. In the third quarter of 2018, the euro area and EU seasonally adjusted deficit increased mainly due to the impact on the Cypriot deficit from the restructuring of the Cyprus Cooperative Bank Ltd (CCB), i.e. the sale of the good parts of CCB and the subsequent integration of the remaining public financial defeasance structure into general government accounts as well as a shift of some revenue in Germany towards the first and second quarters.

EA-19 and EU-28 quarterly net lending (+)/ net borrowing (-), total expenditure and total revenue as a percentage of GDP, seasonally adjusted data

(% of GDP)	2017Q1	2017Q2	2017Q3	2017Q4	2018Q1	2018Q2	2018Q3	2018Q4
EA19								
surplus (+)/ deficit (-)	-1.1	-1.4	-0.8	-0.6	-0.3	-0.3	-0.5	-1.1
total revenue	46.2	45.9	46.0	46.0	46.3	46.3	46.2	46.3
total expenditure	47.3	47.3	46.8	46.7	46.5	46.5	46.7	47.4
EU28								
surplus (+)/ deficit (-)	-1.0	-1.5	-0.9	-0.6	-0.6	-0.4	-0.5	-1.1
total revenue	44.8	44.6	44.7	44.9	44.9	45.0	45.0	45.1
total expenditure	45.9	46.1	45.6	45.5	45.5	45.4	45.6	46.2

Source: Eurostat (online data code: gov_10q_ggnfa)

euro



Table 1: EA-19 and EU-28 quarterly net lending (+)/ net borrowing (-), total expenditure and total revenue as a percentage of GDP, seasonally adjusted data

Source: Eurostat ([gov_10q_ggnfa](#)), seasonally adjusted data: Eurostat and National Statistical Institutes estimates

Quarterly net lending - net borrowing as a percentage of GDP, seasonally adjusted data

	2017									2018						
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
EA-19	-1.1	-1.4	-0.8	-0.6	-0.3	-0.3	-0.5	-1.1	-0.5	-0.2	0.5	0.2	0.3	0.0	-0.2	
EU-28	-1.0	-1.5	-0.9	-0.6	-0.6	-0.4	-0.5	-1.0	-0.6	-0.5	0.6	0.3	0.0	0.2	-0.1	
Belgium	-0.7	-1.2	-0.9	-0.5	-0.4	0.0	-0.7	-1.6	-1.9	-0.4	0.2	0.5	0.1	0.4	-0.7	
Bulgaria	1.8	-0.2	2.5	1.3	0.6	2.3	2.5	2.8	2.9	-2.0	2.7	-1.2	-0.7	1.7	0.2	
Czechia	1.2	1.5	1.7	1.9	1.2	1.2	0.4	0.8	1.1	0.3	0.2	0.2	-0.7	0.0	-0.8	
Denmark	1.2	1.2	1.3	2.1	0.9	0.0	1.4	0.1	1.2	0.0	0.1	0.8	-1.2	-0.9	1.4	
Germany	1.3	0.2	1.5	1.2	2.3	2.4	1.8	0.3	2.3	-1.1	1.3	-0.2	1.0	0.2	-0.6	
Estonia	-0.4	-1.0	-0.4	0.4	0.1	0.2	-0.5	-1.8	-0.3	-0.6	0.6	0.9	-0.3	0.1	-0.7	
Ireland	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	
Greece	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	
Spain	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	
France	-3.1	-2.6	-3.1	-2.3	-2.2	-2.5	-2.8	-2.6	-3.6	0.5	-0.5	0.8	0.1	-0.2	-0.3	
Croatia	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	
Italy	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	
Cyprus	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	
Latvia	-1.2	1.6	-0.9	-1.4	-0.9	1.9	-2.2	-2.5	-0.8	2.8	-2.5	-0.5	0.5	2.8	-4.0	
Lithuania	0.6	0.3	0.7	0.0	0.4	0.8	0.6	0.8	-0.3	-0.3	0.4	-0.6	0.4	0.4	-0.2	
Luxembourg	0.9	2.1	1.2	0.9	2.7	2.2	3.7	2.8	2.6	1.2	-0.9	-0.3	1.7	-0.4	1.5	
Hungary	-0.7	-1.8	-4.2	-2.1	-3.1	-2.4	-1.4	-2.1	-1.6	-1.1	-2.3	2.1	-1.0	0.7	1.0	
Malta	3.0	2.5	3.7	4.0	3.0	3.1	2.3	1.7	2.3	-0.5	1.3	0.3	-1.0	0.1	-0.8	
Netherlands	1.1	0.9	1.2	2.1	2.1	1.9	1.9	0.4	2.7	-0.1	0.2	1.0	0.0	-0.2	0.0	
Austria	0.2	-1.9	-0.2	-0.6	0.9	0.6	-0.1	-0.5	-0.4	-2.1	1.7	-0.3	1.5	-0.3	-0.7	
Poland	-2.1	-1.7	-1.4	-1.2	-1.0	-0.6	-0.7	0.2	0.2	0.4	0.3	0.1	0.3	0.4	-0.1	
Portugal	-9.3	-1.5	0.5	-1.6	-0.8	-3.0	3.2	-1.2	0.4	7.8	2.0	-2.1	0.8	-2.2	6.2	
Romania	-2.0	-3.7	-2.7	-2.3	-3.6	-2.3	-3.4	-2.8	-4.5	-1.7	1.0	0.4	-1.3	1.3	-1.1	
Slovenia	0.0	0.2	0.0	0.1	1.2	0.6	0.4	0.8	0.8	0.2	-0.2	0.1	1.1	-0.6	-0.1	
Slovakia	-1.5	-0.9	-1.4	0.4	-0.8	-0.7	-1.2	-0.1	-0.8	0.5	-0.5	1.8	-1.2	0.1	-0.4	
Finland	-1.2	0.3	-2.4	0.2	-0.8	-1.0	-0.5	-0.6	-1.0	1.5	-2.7	2.6	-1.0	-0.2	0.5	
Sweden	1.5	1.0	1.4	1.7	1.0	1.4	0.7	0.4	-0.1	-0.4	0.4	0.3	-0.6	0.4	-0.7	
United Kingdom	-1.4	-3.0	-1.8	-1.1	-2.3	-1.5	-1.0	-1.3	-1.2	-1.6	1.3	0.6	-1.2	0.8	0.5	
Switzerland	0.9	1.2	1.4	1.5	1.3	1.2	1.2	1.2	1.3	0.3	0.2	0.1	-0.3	-0.1	0.0	

(:) data not available

Source: Eurostat (online data code: gov_10q_ggnfa)



Table 2: Quarterly net lending (+)/ net borrowing (-) as a percentage of GDP, seasonally adjusted data

Source: Eurostat ([gov_10q_ggnfa](#)), seasonally adjusted data: National Statistical Institute estimates

Quarterly net lending - net borrowing by country, non-seasonally adjusted data

	currency	million of national currency									% of GDP							Change on the same quarter in percentage points			
		2017Q1	2017Q2	2017Q3	2017Q4	2018Q1	2018Q2	2018Q3	2018Q4	2019Q1	2017Q1	2017Q2	2017Q3	2017Q4	2018Q1	2018Q2	2018Q3	2018Q4	2019Q1	2018Q1	2018Q2
EA-19	euro	-57 708	-23 752	-19 516	-9 195	-38 240	8 593	-9 801	-21 792	-52 918	-2.1	-0.8	-0.7	-0.3	-1.4	0.3	-0.3	-0.7	-1.8	0.8	1.1
EU-28	euro	-43 529	-43 286	-28 776	-37 164	-31 688	205	-14 681	-53 555	-38 329	-1.2	-1.1	-0.8	-0.9	-0.8	0.0	-0.4	-1.3	-1.0	0.3	1.1
Belgium	euro	-7 751	-3 153	-5 660	-6 614	-8 204	5 466	-5 122	-4 765	-9 452	-7.3	2.8	-5.3	5.7	-7.6	4.8	-4.7	4.0	-8.5	-0.2	2.0
Bulgaria	BGN	750	800	942	-1 320	515	1 567	994	-927	1 330	3.7	3.2	3.4	-4.7	2.3	6.0	3.3	-3.1	5.4	-1.3	2.7
Czechia	CZK	2 415	41 929	33 083	1 338	1 250	40 236	15 761	-9 820	-2 305	0.2	3.3	2.6	0.1	0.1	3.0	1.2	-0.7	-0.2	-0.1	-0.3
Denmark	DKK	4 948	11 372	5 361	8 996	3 936	4 391	5 616	-1 510	7 171	0.9	2.1	1.0	1.8	0.7	0.8	1.0	-0.3	1.3	-0.2	-1.3
Germany	euro	8 373	11 423	5 995	8 217	17 620	30 503	9 323	-103	19 400	1.0	1.4	0.7	1.0	2.1	3.6	1.1	0.0	2.3	1.1	2.2
Estonia	euro	-86	22	18	-45	-61	115	18	-213	-93	-1.6	0.4	0.3	-0.7	-1.1	1.8	0.3	-3.1	-1.5	0.5	1.4
Ireland	euro	-1 351	-158	-1 814	2 493	-1 807	-672	-1 518	4 043	-1 803	-2.0	-0.2	-2.3	3.1	-2.3	-0.9	-1.8	4.8	-2.2	-0.3	-0.6
Greece	euro	-972	209	2 509	-429	-515	-101	2 537	70	-1 790	-2.4	0.5	5.2	-0.9	-1.2	-0.2	5.1	0.2	-4.2	1.2	-0.7
Spain	euro	-5 327	-20 432	7 476	-17 620	-4 100	-17 869	8 162	-16 175	-3 695	-1.9	-6.9	2.6	-5.8	-1.4	-5.8	2.7	-5.1	-1.2	0.5	1.1
France	euro	-34 817	-10 321	-21 357	2 892	-33 058	-11 220	-17 717	2 491	-49 093	-6.2	-1.8	-3.8	0.5	-5.7	-1.9	-3.1	0.4	-8.3	0.5	-0.1
Croatia (p)	HRK	-1 334	-953	3 919	1 257	-2 452	1 840	3 943	-2 573	-2 403	-1.7	-1.0	3.8	1.4	-2.9	1.9	3.7	-2.7	-4.1	-1.3	3.0
Italy	euro	-16 797	-8 617	-8 314	-7 558	-17 881	-1 814	-9 795	-8 015	-17 705	-4.0	-2.0	-1.9	-1.7	-4.2	-0.4	-2.3	-1.7	-4.1	-0.2	1.6
Cyprus	euro	168	-90	398	-132	342	106	-1 325	-112	452	3.7	-1.8	7.8	-2.6	7.0	2.0	-25.1	-2.1	8.9	3.3	3.8
Latvia	euro	70	311	81	-618	117	365	3	-781	150	1.2	4.6	1.1	-8.5	1.8	4.9	0.0	-9.8	2.2	0.6	0.3
Lithuania	euro	-7	378	201	-366	-48	514	180	-348	-235	-0.1	3.6	1.8	-3.3	-0.5	4.6	1.5	-2.9	-2.2	-0.4	1.0
Luxembourg	euro	-301	752	264	77	-182	781	531	287	70	-2.3	5.5	2.0	0.5	-1.3	5.4	3.7	1.8	0.5	1.0	-0.2
Hungary	HUF	288 238	-80 923	-373 314	-678 596	-79 593	-139 757	-88 621	-626 368	10 241	3.4	-0.9	-3.8	-6.4	-0.9	-1.3	-0.8	-5.4	0.1	-4.3	-0.5
Malta	euro	37	12	154	185	-6	119	116	22	-17	1.4	0.4	5.2	6.5	-0.2	3.9	3.5	0.7	-0.5	-1.6	3.4
Netherlands	euro	7 010	-893	-328	3 513	9 941	709	1 141	-238	12 082	3.9	-0.5	-0.2	1.8	5.3	0.4	-0.6	-0.1	6.2	1.4	0.8
Austria	euro	-1 181	-1 175	1 351	-1 802	-465	1 325	1 540	-1 974	-1 746	-1.3	-1.3	1.5	-1.9	-0.5	1.4	1.6	-2.0	-1.8	0.8	2.7
Poland	PLN	1 636	-8 596	-4 275	-19 170	8 497	-2 230	-1 171	-13 084	14 458	0.4	-1.8	-0.9	-3.4	-1.7	-0.4	-0.2	-2.2	2.8	1.4	1.4
Portugal	euro	-4 804	-1 011	1 124	-1 075	-487	-1 657	2 862	-1 630	179	-10.3	-2.1	2.3	-2.2	-1.0	-3.3	5.6	-3.2	0.4	9.3	-1.2
Romania	RON	-4 117	-6 400	-1 603	-10 992	-7 955	-3 588	-3 592	-13 362	-10 933	-2.5	-3.3	-0.7	-4.2	-4.4	-1.7	-1.4	-4.7	-5.5	-1.9	1.6
Slovenia	euro	-113	63	2	53	38	111	45	143	4	-1.1	0.6	0.0	0.5	0.4	1.0	0.4	1.2	0.0	1.5	0.4
Slovakia	euro	-179	-94	-153	-241	-65	-60	-116	-389	-67	-0.9	-0.4	-0.7	-1.1	-0.3	-0.3	-0.5	-1.7	-0.3	0.6	0.2
Finland	euro	319	2 717	-1 464	-3 352	581	1 873	-666	-3 634	441	0.6	4.8	-2.6	-5.7	1.1	3.2	-1.2	-6.0	0.8	0.5	-1.6
Sweden	SEK	15 145	42 794	15 897	-9 209	7 934	51 600	8 717	-25 355	-7 885	1.4	3.7	1.4	-0.8	0.7	4.2	0.8	-2.0	-0.7	0.7	0.6
United Kingdom	GBP	9 651	-20 334	-10 190	-16 695	4 572	-13 019	-6 072	-17 781	-11 368	1.9	-4.0	-2.0	-3.2	0.9	-2.5	-1.1	-3.3	2.1	-1.0	1.5
Iceland	ISK	13 821	-20 537	3 907	16 692	25 447	4 533	598	55	-3 421	2.3	-3.2	0.6	2.4	3.9	0.7	0.1	0.0	-0.5	1.6	3.9
Norway	NOK	52 502	63 244	23 389	24 409	58 519	86 309	59 545	52 117	65 306	6.3	7.9	2.9	2.8	6.8	9.9	6.9	5.6	7.3	0.5	2.0
Switzerland	SFR	1 514	2 045	2 400	2 577	2 142	2 030	2 012	2 089	2 247	0.9	1.2	1.4	1.5	1.3	1.2	1.2	1.2	1.3	0.4	-0.1

Source: Eurostat (online data code: gov_10q_ggnfa)



Table 3: Quarterly net lending (+)/ net borrowing (-) by country, non-seasonally adjusted data

Source: Eurostat ([gov_10q_ggnfa](#))

General government deficit

The difference between general government [total revenue](#) and [total expenditure](#) is known in ESA2010 terminology as general government [net lending \(+\)/ net borrowing](#) (-) (ESA2010 category B.9) and is usually referred to as government deficit (or surplus). This figure is an important indicator of the overall situation of government finances. It is usually expressed as a percentage of GDP.

In the first quarter of 2019, the seasonally adjusted general government deficit to GDP ratio stood at 0.5 % in the euro area (EA-19), a decrease compared with 1.1 % in the fourth quarter of 2018. In the EU-28, the deficit to GDP ratio stood at 0.6 %, a decrease compared with 1.0 % in the previous quarter.

Due to the economic and financial crisis, which started in 2008, EU government's deficits steadily deteriorated and reached a record level of -7.0 % of GDP (seasonally adjusted) in the third quarter of 2010. The beginning of the consolidation of public finances which can be observed from the fourth quarter of 2010 onwards is due to a reduction in government expenditure not only in terms of GDP, but also in absolute terms as well as continued growth in absolute revenue (seasonally adjusted absolute numbers), which outpaced the growth in GDP. From the first quarter of 2011 onwards, the seasonally adjusted general government deficit no longer exceeded 5 % of GDP. However, from the third quarter of 2011 onwards, general government total expenditure resumed growth when measured in absolute terms. From the second quarter of 2014 onwards, the seasonally adjusted general government deficit remained below 3 % in the euro area and the EU as a whole.

The most recent quarters, marked decreases in the deficit are driven by reductions in total expenditure as a percentage to GDP and increases in total revenue as a percentage of GDP. In absolute terms, seasonally adjusted total expenditure remained stable in the EU and euro area, while seasonally adjusted total revenue continued to grow slightly exceeding the growth of nominal GDP. The increase in the euro area government deficit between the second and the third quarter of 2018 is mainly explained by a one-off event in Cyprus as well as some events in Germany shifting tax revenue from the third

quarter to the first and second quarter. However, in the fourth quarter of 2018, the seasonally adjusted deficit of the euro area and the EU increased slightly.

Seasonally adjusted general government deficit

It should be noted that annualised seasonally adjusted data is not in general equal to annualised non-adjusted data. When using annualised figures, it is more appropriate to use non-seasonally adjusted data. Using seasonally adjusted data is, on the contrary, more appropriate when looking at quarter-on-quarter growth rates.

For Belgium, the seasonally adjusted deficit increased in the third quarter of 2016, largely due to a combination of effects in total revenue - while capital taxes in 2015 were boosted by some temporary changes, they are declining in quarters of 2016 along with tax on income and wealth. However, increasing revenue was observed for indirect taxes and fee (motorway tolls). Revenue increased in the first half of 2018 due to increased advance payments for corporate income tax.

The large deficit for Slovenia in the fourth quarter of 2013 is mainly caused by capital injections to support financial institutions. This is also the reason for the relatively large deficit in the first quarter of 2013 and the fourth quarter of 2014. In addition to this, there are one-off effects in the third and fourth quarters of 2013 due to court decisions. In contrast to this, the third quarter of 2013 is positively influenced by dividends from the National Central Bank.

For Greece, the quarterly government surplus (non-seasonally adjusted) in the third quarter of 2016 is positively influenced by a general increase in tax revenue, but also a one-off effect due to an early payment deadline for a tax on property. Positive effects of tax revenue continued in the fourth quarter of 2016. The repayment of some areas in the second half of 2016 is neutral on the deficit, as expenditure had been accrued previously. In the fourth quarter of 2015, the deficit is strongly influenced by capital transfers to financial corporations.

For Hungary, the relatively large seasonally adjusted deficit in the fourth quarter of 2016 is caused by large capital transfers to other sectors, notably in the context of co-financing payments for EU funds.

For Austria, the large deficit in the fourth quarter of 2014 is largely due to a capital injection treated as capital transfer to implement the HETA defeasance structure, while the relatively low deficit in the fourth

quarter of 2013 is due to an auction of mobile phone licences. The comparatively large deficit in the third quarter of 2015 is also due to capital injections treated as capital transfers in the context of HETA.

The decrease in the seasonally adjusted deficit in the third quarter of 2016 for Finland is to a large part due to increases in tax revenue.

For the United Kingdom, the deficit of several quarters since 2012 is positively influenced by dividends from the central bank (Bank of England Asset Purchase Facility).

For Malta, total expenditure in the first quarter of 2015 is positively influenced by a capital transfer to a public corporation. This negatively influences the deficit of the first quarter of 2015.

For Portugal, the decrease in the deficit in the fourth quarter of 2016 is influenced by one-off capital revenue. This is also the case for Ireland in the second quarter of 2016.

For Portugal, the large deficit in the fourth quarter of 2015 is explained by support to financial corporations. The large seasonally adjusted deficit in the first quarter of 2017 is explained by a one-off effect - a capital transfer increasing expenditure / deficit towards a financial corporation (recapitalisation of Caixa Geral de Depósitos (CGD)). In quarters of 2018, shifts in the net lending/ net borrowing between quarters are mainly due to the time of payment of certain VAT on imports, a shift of reimbursements of personal income taxes from the third quarter to the second quarter. In addition, exception capital revenue (recuperation of part of the guarantee issued in 2010 to Banco Privado Português) influenced the balance positively. For more information, please consult the press release of INE Portugal [\[1\]](#).

For Iceland, the large reported surplus in the first quarter of 2016 is due to one-off stability contributions paid by the failed banks.

For Italy, the deficit (non-seasonally adjusted) is influenced negatively by operations connected to two bank liquidations in the second quarter of 2017.

For the Netherlands, the total revenue in the second and third quarters is negatively influenced by lower revenue from natural gas concessions. On the other hand, the revenue in the third quarter of 2018 is positively influenced by a fine recorded on a bank for money laundering. Total expenditure in the second quarter of 2018 is influenced by a capital transfer to companies holding natural gas concessions, reflecting the retroactive lowering of concession amounts for the first quarter of 2018.

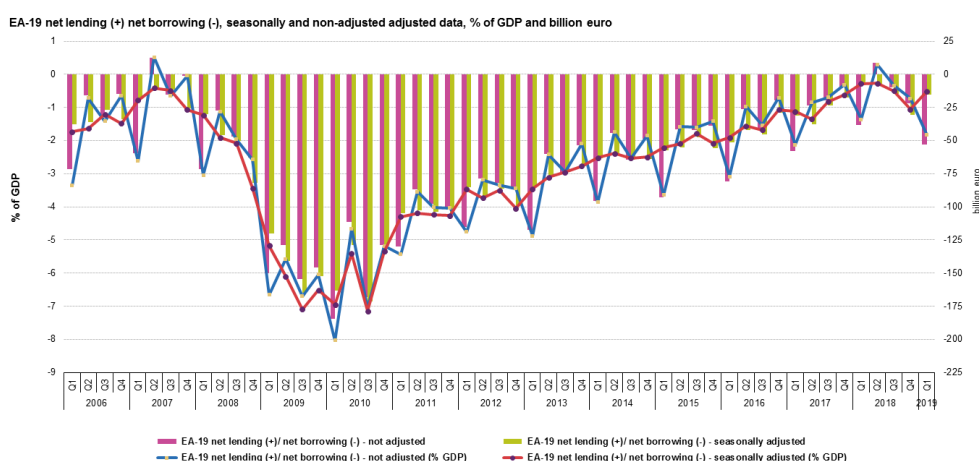
For Latvia, several factors contributed to the deterioration in the balance (lower corporate tax revenue, revenue from EU increasing more in the second quarter as well as increases in oil and gas stocks).

For Cyprus, the deficit in the third quarter of 2018 is due to the impact of the restructuring of the Cyprus Cooperative Bank Ltd (CCB), i.e. the sale of the good parts of CCB and the subsequent integration of the remaining public financial defeasance structure into general government accounts.

The EU-28 increase in the deficit in the fourth quarter of 2018 is influenced by a deterioration in the government balance in Germany, as well as one-off events in Croatia and tax collection/ refund patterns in Portugal. In the first quarter of 2019, the improvement in the government balance is mainly due to reductions in total expenditure, notably one-off expenditure.

In the first quarter of 2019, improvements (decreases in deficit or increases in surplus) are noted in thirteen EU Member States for which data is published, while increases in the deficit or decreases in the surplus are noted for seven Member States.

In Eurobase, seasonally adjusted and calendar day adjusted total revenue and total expenditure data of Member States and [EFTA countries](#), which provide seasonally adjusted and calendar day adjusted data for total revenue, total expenditure and net lending (+)/ net borrowing (-) in addition to the non-seasonally adjusted data, is presented in full detail. This data is provided on a voluntary basis by the National Statistical Institutes.



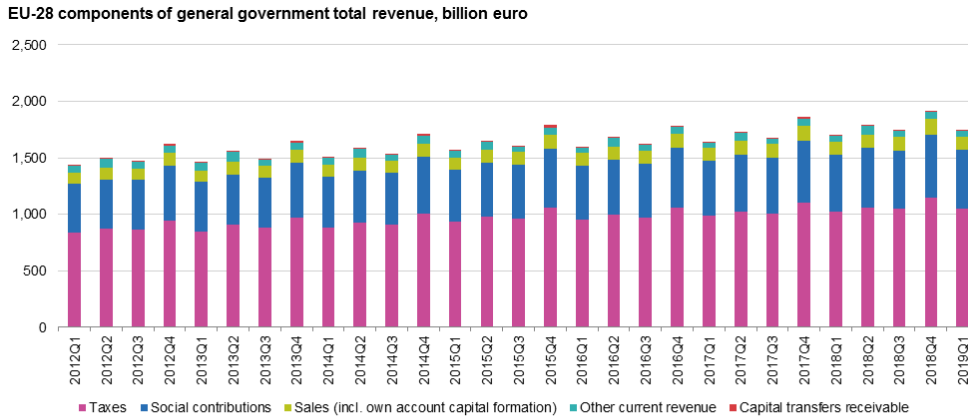
Source: Eurostat (online data code: gov_10n_ggnfa)

eurostat



Figure 4: EA-19 net lending, net borrowing, seasonally adjusted and non-adjusted data, % of GDP and billion euro

Source: Eurostat (gov_10q_ggnfa)



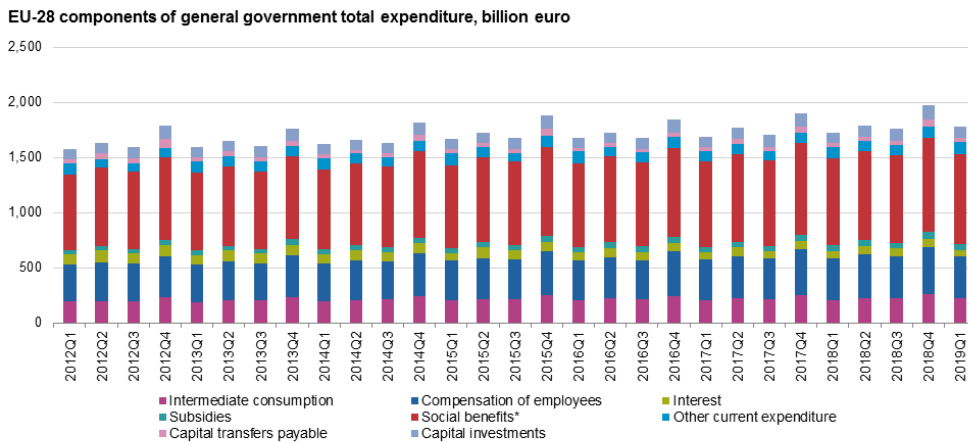
Source: Eurostat (online data code: gov_10q_ggnfa)

eurostat



Figure 5: EU-28 components of general government total revenue, billion euro

Source: Eurostat (gov_10q_ggnfa)



* Social benefits in cash plus social transfers in kind - purchased market production

Source: Eurostat (online data code: gov_10q_ggnfa)

eurostat



Figure 6: EU-28 components of general government total expenditure, billion euro

Source: Eurostat ([gov_10q_ggnfa](#))

Quarterly financial accounts for general government

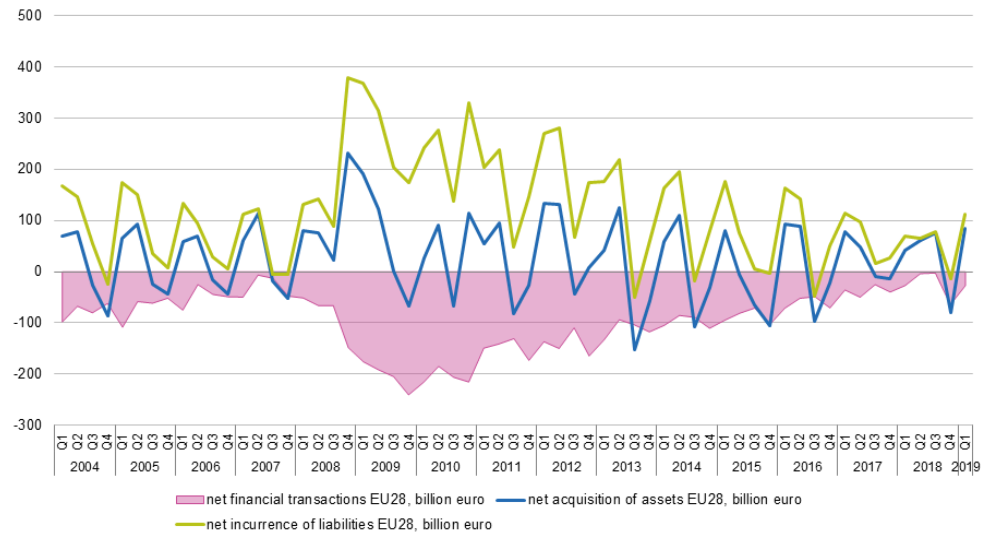
Financial transactions - assets, liabilities and net financial transactions

The government financial accounts notably allow for an analysis of how governments finance their deficits or use their surpluses to either reduce their liabilities or acquire financial assets. They include data on financial transactions (net acquisition of financial assets and the net incurrence of financial liabilities) and balance sheet items (stocks of financial assets and liabilities outstanding at the end of each quarter) for general government and its sub-sectors. Variations in stocks are explained both by the transactions and by other factors such as holding gains and losses and other changes in volume. The aim of this section is to present the main characteristics of the general government financial accounts.

From the fourth quarter of 2008 onwards, the fluctuation of transactions in both assets and liabilities has increased sharply due to the economic and financial crisis. The gap between the volume of transactions in assets and liabilities has widened sharply, giving rise to increasing negative figures in net financial transactions (B.9f), which is interpreted as the government deficit/ surplus derived from financial accounts. The increase and peaks in transactions in financial assets can be explained by governments having acquired assets to support financial institutions. The worsening economic climate also led to an increase in government total expenditure, while revenue decreased. For these reasons, governments also needed to incur liabilities.

Net financial transactions continued to deteriorate steadily from the second quarter of 2008 to the third quarter of 2009. From the fourth quarter of 2010 onwards a decrease is visible.

EU-28 net financial transactions, transactions in assets and liabilities, billion euro



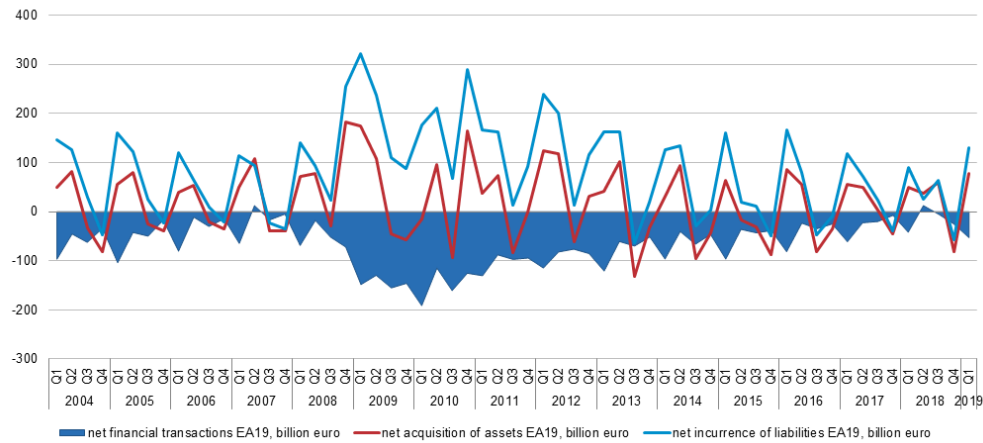
Source: Eurostat (online data code: gov_10q_ggfa)



Figure 7: EU-28 net financial transactions, transactions in assets and liabilities, billion euro

Source: Eurostat ([gov_10q_ggfa](https://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&plugin=1))

EA-19 net financial transactions, transactions in assets and liabilities, billion euro



Source: Eurostat (online data code: gov_10q_ggfa)

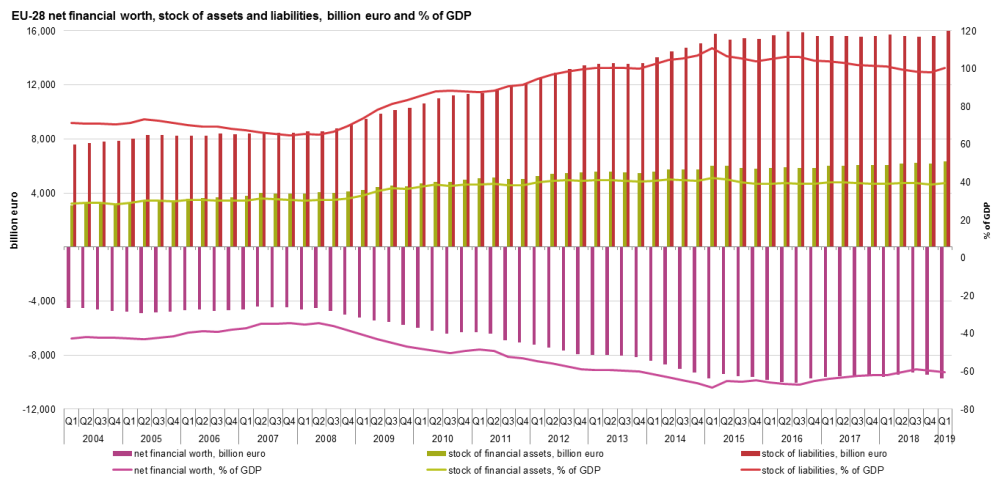


Figure 8: EA-19 net financial transactions, transactions in assets and liabilities, billion euro

Source: Eurostat ([gov_10q_ggfa](https://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&plugin=1))

Government financial balance sheet

At the level of the EU-28 and EA-19, a significant rise in the stocks of liabilities has been observed since the third quarter of 2008, together with an increase in assets which was less pronounced. The rise in the stock of liabilities is mainly due to debt securities, which are by far the most important financial instrument on the government liability side. The stock of loan liabilities also increased substantially. The remainder of financial liabilities is mainly 'other accounts, payable'.



Source: Eurostat (online data code: gov_10q_ggfa)

eurostat



Figure 9: EU-28 net financial worth, stock of assets and liabilities, billion euro and % of GDP

Source: Eurostat ([gov_10q_ggfa](https://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&plugin=1))



Source: Eurostat (online data code: gov_10q_ggfa)

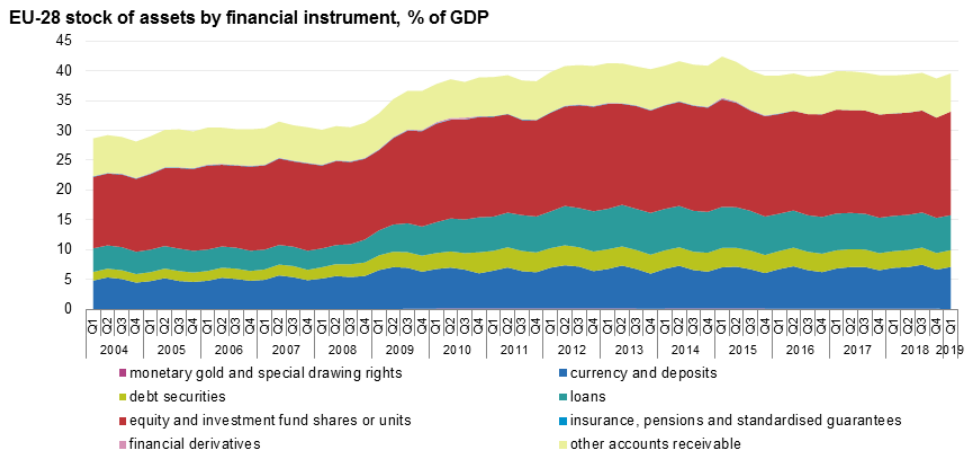
eurostat



Figure 10: EA-19 net financial worth, stock of assets and liabilities, billion euro and % of GDP

Source: Eurostat (gov_10q_ggfa)

The stock of financial assets is mainly held in equity and investment fund shares (for example public corporations), with other accounts receivable, currency and deposits (these exhibit a strong seasonality), loans and debt securities also making up important parts. Loans increased substantially during the financial crisis.

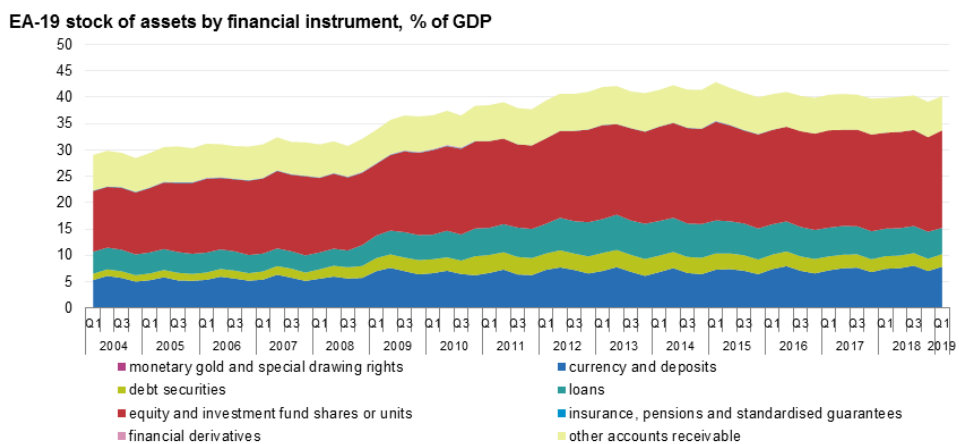


Source: Eurostat (online data code: gov_10q_ggfa)



Figure 11: EU-28 stock of assets by financial instrument, % of GDP

Source: Eurostat (gov_10q_ggfa)



Source: Eurostat (online data code: gov_10q_ggfa)





Figure 12: EA-19 stock of assets by financial instrument, % of GDP

Source: Eurostat ([gov_10q_ggfa](#))

The difference between the stock of financial assets and liabilities is the balancing item net financial worth.

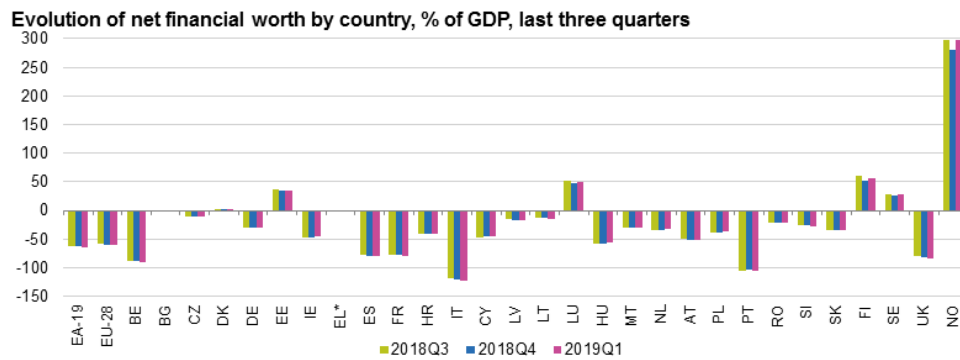
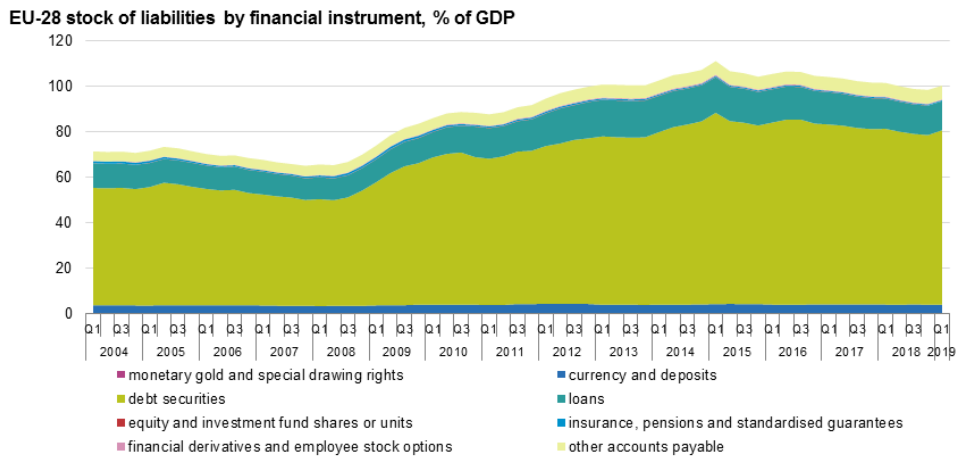


Figure 13: Evolution of net financial worth by country, % of GDP

Source: Eurostat ([gov_10q_ggfa](#))

Compared with the first quarter of 2018, the first quarter of 2019 shows a marked improvement in the balancing item net financial worth for the EU-28. In the first quarter of 2019, net financial worth stood at -60.6 % of GDP, while in the first quarter of 2018, net financial worth stood at -62.1 % of GDP. The stock of net financial assets stood at 39.7 % of GDP (up from 39.2 % of GDP in the first quarter of 2018), while the stock of liabilities decreased from 101.3 % of GDP to 100.3 % of GDP. The stock of financial assets and liabilities changes due to financial transactions as well to 'other flows' such as revaluations.



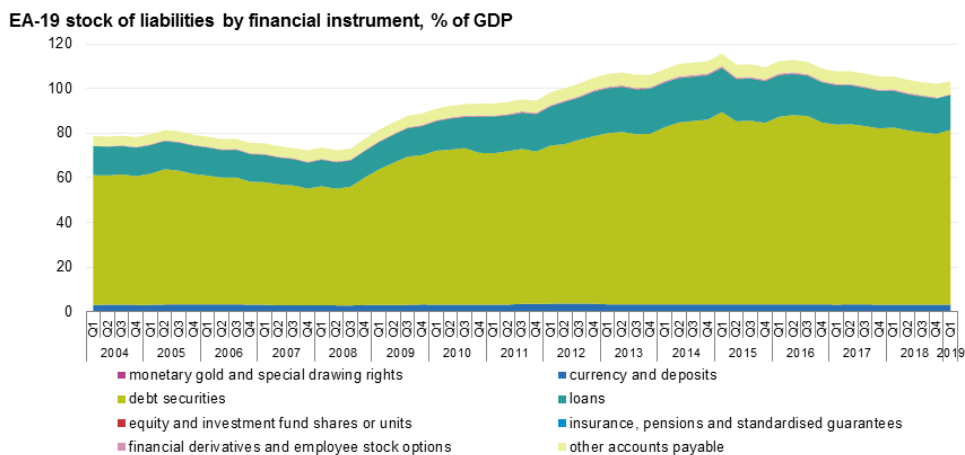
Source: Eurostat (online data code: gov_10q_ggfa)

eurostat



Figure 14: EU-28 stock of liabilities by financial instrument, % of GDP

Source: Eurostat ([gov_10q_ggfa](#))



Source: Eurostat (online data code: gov_10q_ggfa)

eurostat



Figure 15: EA-19 stock of liabilities by financial instrument, % of GDP

Source: Eurostat ([gov_10q_ggfa](#))

Quarterly gross debt for general government

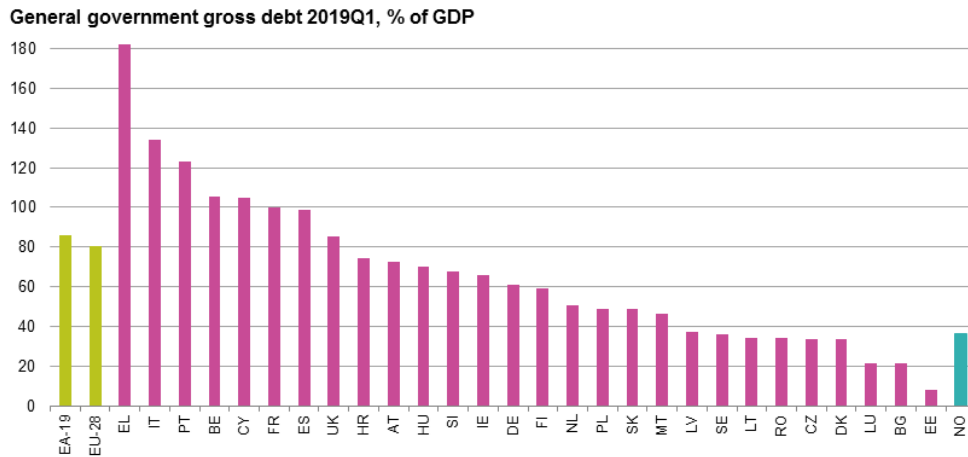
At the end of the first quarter of 2019, the government debt to GDP ratio in the euro area (EA-19) stood at 85.9 %, compared with 85.1 % at the end of the fourth quarter of 2018. In the EU-28, the ratio increased, from 80.0 % to 80.7 %. Compared with the first quarter of 2018, the government debt to GDP ratio fell in both the euro area (from 87.1 % to 85.9 %) and the EU-28 (from 81.6 % to 80.7 %).

Compared with the fourth quarter of 2018, twelve Member States registered an increase in their debt to GDP ratio at the end of the first quarter of 2019 and thirteen a decrease and the ratio remained stable in Germany, Slovakia and Lithuania. The largest increases in the ratio were recorded in Belgium (+3.1 percentage points – pp.), Cyprus (+2.5 pp.), Ireland (+2.0 pp.) as well as Italy (+1.9 pp.). The largest decreases were recorded in Sweden (-2.5 pp.), Slovenia (-2.3 pp.), the Netherlands and the United Kingdom (both -1.5 pp.) and Bulgaria (-1.4 pp.).

Compared with the first quarter of 2018, five Member States registered an increase in their debt to GDP ratio at the end of the first quarter of 2019, twenty-one a decrease and Spain and the United Kingdom recorded no change. An increase in the ratio was recorded in Cyprus (+12.2 pp.), Greece (+4.1 pp.), Latvia (+1.7 pp.), Italy (+1.0 pp.) and France (+0.3 pp.), while the largest decreases were recorded in Slovenia (-7.6 pp.), Austria (-4.4 pp.) and the Netherlands (-4.2 pp.).

The decrease of debt in Greece in the first quarter of 2015 is primarily due to the repayment of a loan from EFSF to the HFSF, representing unused funds for the recapitalisation of Greek financial institutions as well as repayments of loans granted by the IMF. The figures in the second quarter of 2016, and all quarters of 2018 are influenced by ESM disbursements.

The highest ratios of government debt to GDP at the end of the first quarter of 2019 were recorded in Greece (181.9%), Italy (134.0%), Portugal (123.0%), Belgium (105.1%) and Cyprus (105.0%) and the lowest in Estonia (8.1%), Bulgaria (21.2%) and Luxembourg (21.3%).



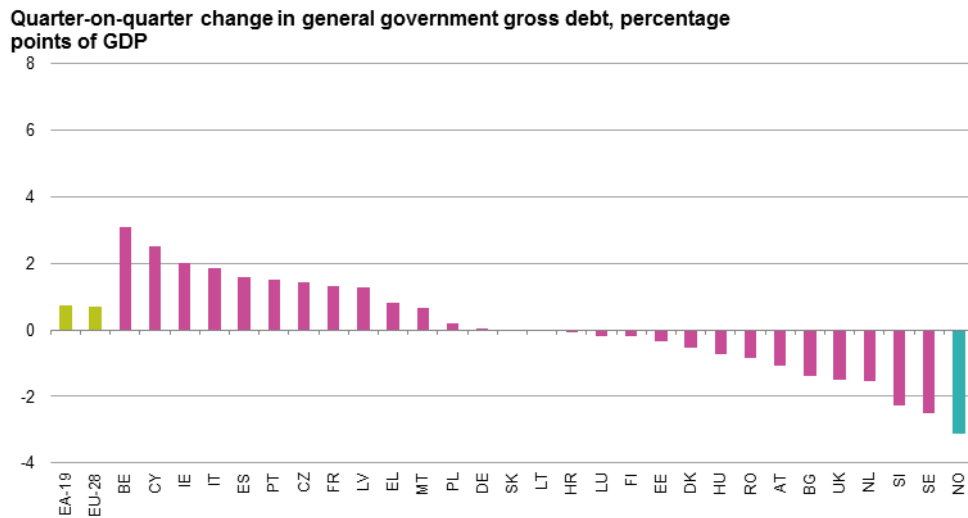
Source: Eurostat (gov_10q_ggdebt)

eurostat



Figure 16: General government gross debt, % of GDP, 2019Q1

Source: Eurostat ([gov_10q_ggdebt](#))



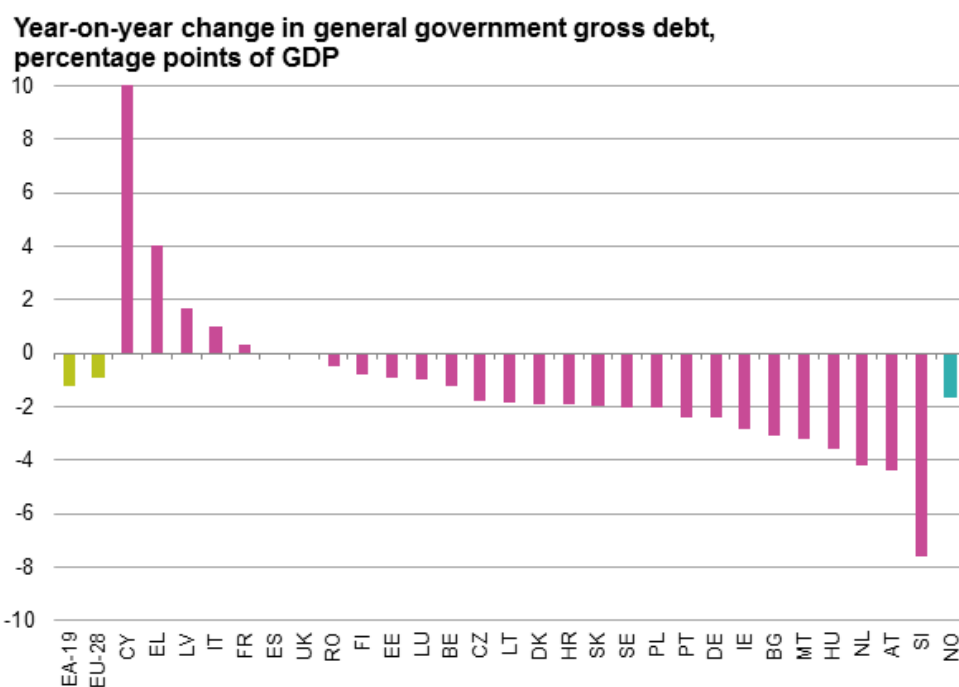
Source: Eurostat (gov_10q_ggdebt)

eurostat



Figure 17: Change in general government gross debt, percentage points of GDP, 2019Q1 compared to previous quarter

Source: Eurostat ([gov_10q_ggdebt](#))



Source: Eurostat ([gov_10q_ggdebt](#))

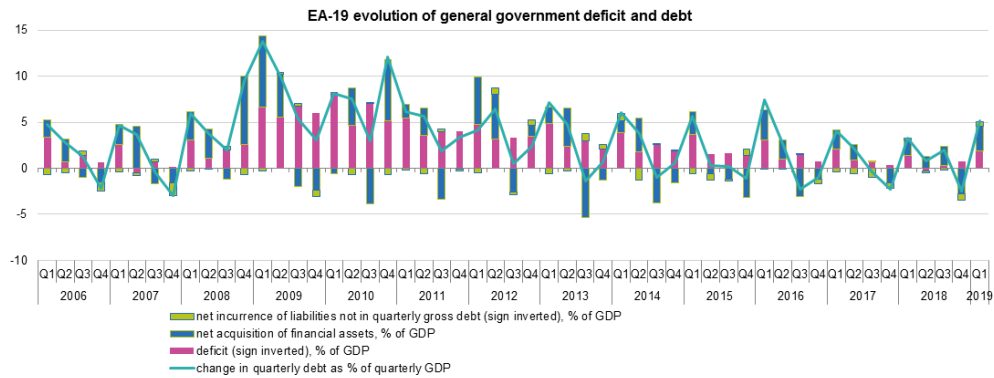


Figure 18: Change in general government gross debt, percentage points of GDP, 2019Q1 compared to the same quarter previous year

Source: Eurostat ([gov_10q_ggdebt](#))

Evolution of deficit and debt

Figure 19 shows some of the most important links between the quarterly deficit and the quarterly debt for the euro area. While in general, government gross debt will increase in the presence of a government deficit, this is not necessarily the case in the short-term. It can be seen, that a strong co-movement of net acquisition of financial assets exists with the evolution of quarterly debt. Incurrence of liabilities not in the quarterly government debt (mainly 'other accounts, payable') plays a smaller role.



Source: Eurostat (gov_10q_ggdebt, gov_10q_ggfa, gov_10q_ggnfa)

eurostat



Figure 19: EA-19 evolution of general government deficit and debt, 2019Q1, percentage of GDP

Source: Eurostat ([gov_10q_ggdebt](#))

At the level of the EU-28, the evolution of general government gross debt during 2016 is strongly influenced by the fluctuation of the British Pound Sterling against the euro. The majority of the United Kingdom's debt is in national currency, which depreciated against the euro in the first three quarters of 2016 and appreciated in the fourth quarter.

In the latest three quarters, the link between the deficit and the gross debt is mainly explained by net acquisition of financial assets.

Data sources

For the following countries, the estimates are produced by the respective National Statistical Institute, which all follow the “ESS guidelines on seasonal adjustment”:

Belgium: The seasonally adjusted series are computed following an indirect approach. The components of the revenue and of the expenditure of the General Government are seasonally adjusted by means of "Tramo-Seats", taking into account the presence of possible outliers and calendar effects. The model of each component (>20) has been individually validated (no automatic modelling). The absence of residual seasonality after aggregation has been checked. The data are benchmarked on annual totals of the non-adjusted series. The annual benchmarking is computed on each component by means of a multiplicative Denton procedure.

Bulgaria: Tramo-Seats on Demetra +. Total expenditure: no trading days effects, no Easter effect, log-transformation, ARIMA model $[(0,1,1)(0,1,1)]$, outlier: AO[2007-IV], TC[2008-IV], AO[2014-IV], LS[2016-I]. Total revenue: no trading days effects, no Easter effect, log-transformation, ARIMA model $[(0,1,1)(0,1,1)]$, no outliers.

Czechia: Tramo-Seats on Demetra +. Total expenditure: No trading days effects, no Easter effect, ARIMA model $[(0,1,1)(0,1,1)]$, outliers: AO[2003-I], AO[2003-III], AO[2012-IV], TC[2001-IV]. Total revenue: No trading days effects, no Easter effect, ARIMA model $[(1,1,0)(0,1,1)]$, outliers: AO[2003-I], TC[2007-III], AO[2008-III].

Denmark: X12-ARIMA. Total expenditure: Log-transformation, no trading days effects, no Easter effect, ARIMA model $[(1,1,0)(1,0,0)]$, outliers: AO[2005-IV], TC[2011-I]. Total revenue: Log-transformation, trading days effects, no Easter effect, ARIMA model $[(0,1,0)(0,1,1)]$, outliers: TC[2009-II], AO[2008-II], TC[2009-II], LS[2015-I], [2004-I].

Germany: X-12-ARIMA. Total expenditure: Log-transformation, no trading day effects, ARIMA model $[(0,1,1)(0,1,1)]$, outliers AO [1995-I, 1995-III, 2000-III, 2010-III]. Total revenue: Log-transformation, no trading day effects, ARIMA model $[(0,1,0)(0,1,1)]$, no outliers.

Estonia: Tramo-Seats on Demetra +. The seasonal adjustment of all time series is done with TRAMO/SEATS using JDemetra+ software. For TE and TR no calendar adjustment has been added as it does not have a notable impact on the results. According to ESS guidelines there is also no temporal consistency forced on the time series in order to provide a more purely seasonally adjusted time series for users.

France: Seasonally adjusted data is transmitted. Working day adjustment is also done when relevant. An indirect method is used. Seasonal adjustment is done using X-12-ARIMA. For more information, you can read INSEE's methodology (starting on page 21) at the following link (the document is available in both English and French): http://www.insee.fr/en/indicateurs/cnat_trim/Pub_Meth/en_Insee%20M%C3%A9thodes%20n%C2%B0126.pdf. Please refer also to the explanatory comment above.

Latvia: Tramo-Seats on JDemetra +. Total expenditure: Log-transformation, ARIMA model $[(0,1,1)(0,1,1)]$, outliers: LS[2006-IV], LS[2009-III]. Total revenue: Log-transformation, ARIMA model $[(0,1,0)(0,1,1)]$, outlier: AO[2006-IV].

Lithuania: Tramo-Seats on Demetra+. Total expenditure: Log-transformation, no Easter effect, ARIMA $[(0,1,1)(0,1,1)]$, outlier AO[2011-IV]. Total revenue: Log-transformation, no Easter effect, ARIMA $[(0,1,1)(0,1,1)]$, no outliers.

Luxembourg: All series are seasonally and calendar adjusted with automatic outlier detection and correction. No benchmarking or other adjustments are made. The method used is non-parametric X13 RSA5c with the Luxembourgish calendar. The software used is JDemetra+ (v2.1.0).

Hungary: JDemetra+ TramoSeats method. Hungarian specific calendar is used. Working day, Easter and leap year effects are tested.

Malta: Total expenditure: Tramo-Seats on JDemetra+ 2.2.2, Series has been log-transformed, No trading days effects, No Easter effects, ARIMA model $[(0,1,1)(0,1,0)]$, 2 pre-specified outliers: AO(IV-2003), TC (I-2008). Total revenue: Tramo-Seats on JDemetra+ 2.2.2, Series has been log-transformed, No trading days effects, No Easter effects, ARIMA model $[(0,1,1)(0,1,0)]$, 1 pre-specified outlier: AO(III-2000), AO(IV-2000).

The Netherlands: X13-ARIMA on JDemetra+. Total revenue: Log-transformation, no trading day effects, no Easter effect, ARIMA model $[(1,0,1)(1,1,0)]$, outlier: LS (2009-I). Total expenditure: Log-transformation, no trading day effects, no Easter effect, ARIMA model $[(0,1,0)(0,1,1)]$, outlier: AO (2009-II).

Austria: Tramo-Seats on Demetra +. Total expenditure: Log-transformation, no trading days effects, no Easter effect, ARIMA model $[(0,1,2)(0,1,1)]$, outliers AO[2009-IV], specific pre-treatment: [2004-II], [2004-IV], [2009-IV], [2014-IV], [2015-III]. Total revenue: Log-transformation, no trading days effects, no Easter effect, ARIMA model $[(0,0,0)(0,1,1)]$, outlier: LS[2016-I], LS[2009-II].

Poland: Tramo-Seats on JDemetra +. Direct method used. Concurrent adjustment for Q1 each year, current adjustment Q2, Q3, Q4 (model revised once a year). Calendar effects adjustment used. Working days with leap year effect (2 regressors) and Easter effect tested for each series - only significant effects used in final specification. Automatic identification of ARIMA models. Total

expenditure: P.2 - log transformation; no calendar effect, ARIMA model $[(0,1,1)(0,1,1)]$, AO(2010-III); P.5 - log transformation; no calendar effect, ARIMA model $[(0,1,0)(0,1,1)]$, outliers: LS (2001-I); AO (2016-I); D.1 - log transformation; no calendar effect, ARIMA model $[(0,1,1)(0,1,1)]$, outlier: AO(2013-IV); D.6M - log transformation; no calendar effect, ARIMA model $[(0,1,1)(0,1,1)]$, outliers: AO(2007-IV); LS(2004-IV); D.4 - log transformation; no calendar effect, ARIMA model $[(0,0,0)(0,1,1)]$, outliers: LS(2013-III), LS(2008-IV); P.29+D.3+... - log transformation, no calendar effect, ARIMA model $[(0,1,1)(0,1,0)]$, outliers: TC[2004-I]; AO[2012-I]; Total revenue: D.2 - log transformation; no calendar effect, ARIMA model $[(0,1,1)(0,1,0)]$, outliers:AO(2004-II), TC(2009-I); D.4 – no-log transformation; no calendar effect, ARIMA model $[(0,0,0)(1,0,0)]$, outliers:TC(2007-III), TC(2012-II); D.5 - log transformation; no calendar effect, ARIMA model $[(1,0,0)(0,1,0)]$, no outliers; D.61 - log transformation; no calendar effect, ARIMA model $[(0,1,1)(0,1,1)]$, outliers: TC(2008-IV), AO(2007-IV), AO(2011-III); P.1+D.7+D9 - log transformation; no calendar effect, ARIMA model $[(0,1,1)(0,1,1)]$, no outliers.

Portugal: X13-ARIMA on Demetra+. A manual pre-treatment is performed by identifying and deducting one-off measures. Additional pre-treatment is applied for outlier detection and correction. The seasonal adjustment is applied to total revenue, expenditure except compensation of employees and compensation of employees. Total revenue: Log-transformation, no trading day effects; no Easter effect; ARIMA model $[(0,1,1)(0,1,1)]$; outliers: AO[2003-IV], AO[2009-II], SO III [1999 – 2008] (user defined variable). Total expenditure (except compensation of employees): Log-transformation, no trading day effects; no Easter effect; ARIMA model $[(1,0,1)(0,1,0)]$; outliers: AO (IV-2002), LS (II-2012) Compensation of employees: Log-transformation, no trading day effects; no Easter effect; ARIMA model $[(1,1,0)(0,1,1)]$; outliers: TC (III-2005), LS (I-2011), LS (I-2012), TC (I-2013), AO (III-2014), SO II [2012 – 2013] (user defined variable), SO IV [2012 – 2016] (user defined variable).

Romania: Tramoseats on Demetra+. P.51g have been split in two series: First one is from I-1995 to II-2006 and the second from III-2006 to I-2017. The both series has been log-transformed with no trading days effects and no Easter effects. The [I-1995,II-2006] series has detected the Arima model $[(1,0,0)(0,1,0)]$ and 3 outliers: AO(III-1995), LS(I-2000),AO(III-1999). The [III-2006,I-2017) series has detected the Arima model $[(1,0,0)(0,1,0)]$ and no outliers found. Total expenditure series has been log-transformed with no trading days effects and no Easter effect, Arima model $[(0,1,1),(0,1,1)]$ and 8 outliers: LS(IV-2006), LS(IV-2007), AO(III-1885), AO(IV-2009), AO(IV-2010), LS(II-1995), TC(IV-1995),

LS(II-1997). Total revenue series has been log-transformed with no trading days effects and no Easter effect, Arima model $[(0,1,1),(0,1,1)]$ and 7 outliers: LS(I-2016), LS(IV-2016), LS(II-2003), AO(III-2013), AO(II-1999), LS(IV-1995), LS(II-1997). B.9 is derived indirectly by the difference between seasonally adjusted series of total revenue and total expenditure.

Slovenia: Tramo-Seats on JDemetra +. Total revenue: Log transformation, no trading days effects, no Easter effect, pre-specified outliers LS Q1/2009, AO Q1/2012, LS Q1/2017, ARIMA(0,1,1)(0,1,1). Total expenditure: Log transformation, no trading days effects, no Easter effect, pre-specified outliers AO Q4/2014, AO Q1/2013, AO Q4/2013, AO Q1/2001, TC Q1/2011, ARIMA(0,1,1)(0,1,1). Gross fixed capital formation: Log transformation, trading days effects (1 variable), holidays effect, no Easter effect, pre-specified outliers AO Q2/2004, LS Q1/2011, LS Q1/2016, LS Q1/2005, LS Q1/2015, LS Q3/2018, ARIMA (0,1,1) (0,1,1). Final consumption expenditure (P3): Log transformation, no trading days effects, no Easter effect, pre-specified outliers LS Q1/2008, AO Q1/2018, ARIMA (0,1,0) (0,1,1)

Slovakia: Tramo-Seats on JDemetra +. Total expenditure: Log-transformation, no trading days effects, no Easter effect, ARIMA model $[(0,1,1)(0,1,1)]$, outliers: LS[2000-IV], AO[2015-IV], AO[2002-IV]. Total revenue: Log-transformation, no trading days effects, no Easter effect, ARIMA model $[(0,1,1)(0,1,1)]$, outlier: LS[2001-III], AO[2015-IV].

Finland: Tramo-Seats on Demetra 2.2. Pre-treatment is done if necessary, for example for outlier detection and correction. Total revenue and expenditure are estimated indirectly on the basis of their components and on subsector data.

Sweden: Tramo-Seats on Demetra +. Total expenditure: Log-transformation, no trading days effects, no Easter effect, ARIMA model $[(0,1,2)(0,1,1)]$, outlier AO[2010-IV], AO[1998-III]. Total revenue: Log-transformation, no trading days effects, no Easter effect, ARIMA model $[(0,1,0)(0,1,1)]$, AO[2014-IV].

United Kingdom: Adjustment using X-11 algorithm in X-13ARIMA-SEATS. Net borrowing: log transformation, no trading day effects, no Easter effect, ARIMA model $[(0,1,1)(0,1,1)]$, outliers: AO[2008Q3], AO[2012-II], seasonal moving average: 3x3, trend moving average: 5. Total expenditure: No trading day effects, no Easter effects, multiplicative, ARIMA model $[(0,1,1)(0,1,1)]$, outliers: AO[2008Q3], seasonal moving average: 3x5, trend moving average: 5. Total revenue: no trading day effects, no Easter effects, additive, ARIMA model $[(0,1,1)(0,1,1)]$, outliers: LS[2009Q1], AO[2012Q2],

seasonal moving average: 3x5, trend moving average: 5. For the purpose of calculation the EU aggregates, B.9 is derived indirectly. Annualised seasonally adjusted data is benchmarked on the annualised non-adjusted data.

Switzerland: The data reported is trend-cycle data. A Denton-Cholette method is used to temporally disaggregate annual data. The quarterly data is extrapolated using smoothed indicators.

Please refer to the country notes on EMIS for **more important information at country level**. Some important notes for recent quarters are replicated below.

France: In 2019Q1, non-seasonally adjusted data on taxes on income (D.51r) decreases strongly due to a change in seasonality. For this reason, the evolution of the seasonally adjusted data differs significantly. Such changes in seasonality are technically complicated to model, hence the seasonally and seasonally and calendar adjusted data for 2019Q1 should be interpreted with caution. The changes in seasonality are primarily due to a new system in the collection of personal income tax (introduction of advance payments and retention at source) and the early repayment of a tax credit in January, introduced in 2019.

Cyprus: The net lending / net borrowing for the third quarter of 2018 includes the impact from the restructuring of the Cyprus Cooperative Bank Ltd (CCB) - sale of the good parts of CCB and the subsequent integration of the remaining public financial defeasance structure into general government accounts.

Gross domestic product

Throughout this publication, gross domestic product (GDP) at current prices (nominal) is used, either using the non-seasonally adjusted or the seasonally and calendar adjusted forms as appropriate.

Context

Quarterly accounts of general government

Eurostat releases quarterly flow and stock data for the general government sector, using an integrated structure which combines the data from quarterly non-financial accounts for general government (QNFAGG), quarterly financial accounts for general government (QFAGG) and quarterly government

debt (QGD). An integrated publication combining data from all three tables is released quarterly on the dedicated [Government Finance Statistics \(GFS\)](#) section of the Eurostat web site and on the dedicated Statistics Explained page [Integrated government finance statistics presentation](#).

Data is transmitted according to the ESA2010 transmission programme for QFAGG and QDEBT.

QNFAGG data is transmitted under gentlemen's agreement.

ESA2010

Eurostat publishes quarterly government finance figures based on the European System of Accounts 2010 (ESA 2010) methodology.

General government

QNFAGG and QFAGG and QDEBT statistics cover data for general government as defined in ESA2010, paragraph 2.111.

Seasonal adjustment of selected data series

Quarterly government finance statistics are reported to Eurostat in the form of non-seasonally adjusted (raw) figures. However, a certain number of the reported series contain seasonal patterns (explained by the link with the seasonality of economic activity and by the budgetary planning and accounting practices of national governments), which make it difficult to carry out a direct meaningful cross-country and time series analysis using non-adjusted data. The same is true for GDP, which reflects the seasonal pattern of all economic activities in the economy.

To overcome this difficulty and thus to gain a better understanding of trends in addition to the non-seasonally adjusted data, seasonally adjusted data is presented for the EU-28 and EA-19 in this article. The seasonal adjustment aims to remove the seasonality linked to this quarterly data.

It should be noted that annualised seasonally adjusted data is not in general equal to annualised non-adjusted data. When using annualised figures, it is more appropriate to use non-seasonally adjusted data. Using seasonally adjusted data is more appropriate when looking at quarter-on-quarter growth rates.

The seasonal adjustment for total revenue and total expenditure is done using an indirect procedure (at country level) using Tramo-Seats on Demetra+). Where available, National Statistical Institutes own

estimates are used as input for the aggregates, which are supplied to Eurostat on a gentlemen's agreement basis. Some country level estimates as well as data for the EU aggregates are published on Eurobase. These estimates are supplemented by Eurostat's own estimates for those countries, which do not yet supply their own estimate. This data is labelled confidential and not published.

Net lending (+)/ net borrowing (-) is derived indirectly from the accounting identity: Net lending (+)/ net borrowing (-) = total revenue - total expenditure.