



## METHODOLOGICAL EXPLANATION

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# ANNUAL MAIN AGGREGATES OF THE GENERAL GOVERNMENT

This methodological explanation relates to the data releases:

- Main aggregates of the general government sector, Slovenia, annually



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## 1 PURPOSE

The purpose of publishing statistics is to present non-financial transactions and other main national accounts aggregates for the general government sector and its sub-sectors.

## 2 LEGAL FRAMEWORK

- [Annual Programme of Statistical Surveys \(LPSR\)](#) (only in Slovene)
- [National Statistics Act](#) (OJ RS, No. 45/95 and 9/01)
- Regulation (EU) No 549/2013 of the European Parliament and of the Council on the European system of national and regional accounts in the European Union (CELEX: [32013R0549](#)).

## 3 UNIT DESCRIBED BY THE PUBLISHED DATA

Published data describe general government institutional sector and its subsectors.

## 4 SELECTION OF OBSERVATION UNIT

Observation units are all units classified in the general government sector. It includes institutional units that are non-market producers, whose output is intended for individual and collective consumption, and are financed by compulsory payments made by units belonging to other sectors, and of institutional units principally engaged in the redistribution of national income and wealth.

Coverage is full, meaning that all institutional units of the general government sector are included in this survey (approximately 2,600 units).

## 5 SOURCES AND METHODS OF DATA COLLECTION

Data are collected annually.

Main data sources are administrative records, the most important being:

- budgetary statistics
- annual accounting statements
- whole government accounts
- other administrative sources and statistical information.

Budgetary statistics is prepared by the Ministry of Finance. It includes current and financial accounts transactions in line with economic classification and recommendations of the International Monetary Fund. Budgetary statistics consist of the state government budget, local government budgets, Pension Fund (ZPIZ) and Health Fund (ZZZS). For indirect budgetary units main data sources are annual accounting statements which SURS obtains from the Agency of the Republic of Slovenia for Public Legal Records and Related Services (AJPES). Data on whole government accounts are also provided by AJPES.

## 6 DEFINITIONS

**Net lending (+) / net borrowing (-)** is a difference between total revenue and total expenditure and represents the amount the government has available to lend or must borrow to finance its non-financial operations.

**Total revenue** is transaction which has a positive impact on net lending (+) / net borrowing (-) of general government. The total government revenue of an accounting period is calculated by summing transactions:

- total taxes (D.2 + D.5 + D.91);
- total social contributions (D.61);
- total sales of goods and services (P.11 + P.12 + P.131);
- other current revenue (D.3 + D.4 + D.7) and
- other capital revenue (D.92 + D.99).

**Total expenditure** is transaction which has a negative impact on net lending (+) / net borrowing (-) of general government. The total government expenditure of an accounting period is calculated by summing transactions:

- intermediate consumption (P.2);
- compensation of employees (D.1);
- interest (D.41);
- social benefits other than social transfers in kind (D.62);
- social transfers in kind via market producers (D.632);
- subsidies (D.3);
- other current expenditure (D.29 + (D.4 – D.41) + D.5 + D.7 + D.8) and
- capital expenditure (P.5 + NP + D.92 + D.99).

**Compensation of employees (D.1)** is defined as the total remuneration, in cash or in kind, payable by an employer to an employee in return for work done by the latter during an accounting period. Compensation of employees is made up of wages and salaries (in cash and in kind) and of employers' social contributions (actual and imputed). Employers' actual social contributions consist of the payments made by employers for the benefit of their employees to insurers (social security and other employment-related social insurance schemes). Such payments cover statutory, conventional, contractual and voluntary contributions in respect of insurance against social risks or needs. Employers' imputed social contributions are paid directly by employers to their

employees or former employees and other eligible persons without involving an insurance enterprise or autonomous pension fund, and without creating a special fund or segregated reserve for the purpose (wages compensation for the absence from work due to illness etc.).

**Taxes on production and imports (D.2)** are compulsory, unrequited payments, in cash or in kind, which are levied by general government, or by the institutions of the European Union, in respect of the production and importation of goods and services, the employment of labour, the ownership or use of land, buildings or other assets used in production. Such taxes are payable irrespective of profits made. Taxes on production and imports are comprised of:

- taxes on products (D.21); they are payable per unit of a given good or service produced or transacted. The tax may be a specific amount of money per unit of quantity of a good or service, or it may be calculated as a specified percentage of the price per unit or value of the goods and services produced or transacted. They are comprised of value added type taxes (VAT) (D.211), taxes and duties on imports excluding VAT (D.212) and taxes on products, except VAT and import taxes (D.214);
- other taxes on production (D.29); they consist of all taxes that enterprises incur as a result of engaging in production, independent of the quantity or value of the goods and services produced or sold. They may be payable on the land, fixed assets or labour employed in the production process or on certain activities.

**Subsidies (D.3)** are current unrequited payments which general government makes to resident producers for the purpose of influencing on the levels of production, on prices of products or on remuneration of the factors of production. Subsidies are classified into subsidies on products (D.31) and other subsidies on production (D.39).

**Property income (D.4), receivable / payable**, accrues when the owners of financial assets and natural resources put them at the disposal of other institutional units. The income payable for the use of financial assets is called investment income, while that payable for the use of a natural resource is called rent. Property income includes:

- interest (D.41); it is property income receivable by the owners of a financial asset for putting it at the disposal of another institutional unit;
- other property income, consisted of distributed income of corporations (D.42), reinvested earnings on foreign direct investment (D.43), other investment income (D.44) and rents (D.45).

**Current taxes on income and wealth (D.5)** cover all compulsory, unrequited payments, in cash or in kind, levied periodically by general government on the income and wealth of institutional units, and some periodic taxes which are assessed neither on that income nor that wealth. They are divided into taxes on income (D.51) and other current taxes (D.59).

**Actual social contributions (D.61)** consist of employers' actual social contributions (D.611), which are paid by employers to social security schemes and other employment related social insurance schemes to secure social benefits for their employees and households' actual social contributions (D.613),

which are payable on their own behalf by employees, self-employed or non-employed persons to social insurance schemes.

**Social benefits other than social transfers in kind (D.62)** are made up of social security benefits in cash, other social insurance benefits and social assistance benefits in cash.

**Social transfers in kind (D.63)** consist of individual goods and services provided for free or at prices that are not economically significant to individual households by government units, whether purchased on the market or produced as non-market output by government units. They are financed out of taxation, other government income or social security contributions.

Social transfers in kind (D.63) are subdivided into:

- social transfers in kind general government non-market production (D.631); they are individual goods and services provided directly to the beneficiaries by non-market producers. Any payments made by the households themselves are deducted;
- social transfers in kind market production purchased by general government (D.632); they are individual goods and services in the form of reimbursements by social security funds of approved expenditures made by households on specific goods and services or provided directly to the beneficiaries by market producers from which general government purchases the corresponding goods and services.

**Other current transfers (D.7), receivable / payable** consist of:

- net non-life insurance premiums (D.71); are premiums payable under policies taken out by institutional units;
- non-life insurance claims (D.72); are the claims due under contracts in respect of non-life insurance, that is, the amounts which insurance enterprises are obliged to pay in settlement of injuries or damage suffered by persons or goods;
- current international cooperation (D.74); includes all transfers in cash or in kind between general government and governments or international organisations in the rest of the world, except investment grants and other capital transfers;
- miscellaneous current transfers (D.75); they include current transfers to NPISHs, fines and payments of compensation;
- VAT- and GNI-based EU own resources (D.76); the VAT- and GNI-based third and fourth EU own resources (D.76) are current transfers paid by the general government of each Member State to the institutions of the European Union. In this category we also include the contributions of EU Member States into EU budget from nonrecycled plastic packaging.

**Capital transfers (D.9), receivable / payable** require the acquisition or disposal of an asset, or assets, by at least one of the parties to the transaction. Whether made in cash or in kind, they result in a commensurate change in the financial or non-financial assets shown in the balance sheets of one or both parties to the transaction. They consist of:

- capital taxes (D.91);

- investment grants (D.92); consist of capital transfers in cash or in kind made by governments to other resident or non-resident institutional units to finance all or part of the costs of their acquiring fixed assets;
- other capital transfers (D.99); cover transfers other than investment grants and capital taxes which do not themselves redistribute income but redistribute saving or wealth among the different sectors or subsectors of the economy or the rest of the world. They can be made in cash or kind (cases of debt assumption or debt cancellation) and correspond to voluntary transfers of wealth.

**Capital taxes (D.91)** consist of taxes levied at irregular and very infrequent intervals on the values of the assets or net worth owned by institutional units or on the values of assets transferred between institutional units as a result of legacies, gifts between persons, or other transfers (e.g. inheritance taxes, taxes on gifts between persons, etc.).

**Output (P.1)** is the total of products created during the accounting period. Three types of output are distinguished:

- market output (P.11), which consists of output that is disposed of on the market or intended to be disposed of on the market;
- output produced for own final use (P.12), which consists of goods or services that are retained either for own final consumption or for capital formation by the same institutional unit;
- non-market output (P.13), which is further divided into payments for non-market output (P.131), which consists of various fees and charges, and other non-market output (P.132), which is output provided for free.

**Intermediate consumption (P.2)** consists of goods and services consumed as inputs by a process of production, excluding fixed assets whose consumption is recorded as consumption of fixed capital. The goods and services are either transformed or used up by the production process.

**Final consumption expenditure (P.3)** consists of expenditure incurred by resident institutional units on goods or services that are used for the direct satisfaction of individual needs or wants or the collective needs of members of the community. Final consumption expenditures by general government are equal to the total of its output (P.1), plus the expenditure on products supplied to households via market producers (i.e. social transfers in kind D.632), minus sales of goods and services (P.11+P.12+P.131).

**Gross capital formation (P.5)** consists of:

- gross fixed capital formation (P.51g); consists of resident producers' acquisitions, less disposals, of fixed assets during a given period plus certain additions to the value of non-produced assets realised by the productive activity of producer or institutional units. Fixed assets are produced assets used in production for more than one year;
- changes in inventories (P.52); are measured by the value of the entries into inventories less the value of withdrawals and the value of any recurrent losses of goods held in inventories. They consist of materials and supplies, work-in-progress, finished goods and goods for resale;

- acquisitions less disposals of valuables (P.53); valuables are non-financial goods that are not used primarily for production or consumption, do not deteriorate (physically) over time under normal conditions and are acquired and held primarily as stores of value (they consist of precious stones and metals, antiques and other art objects and other valuables).

**Consumption of fixed capital (P.51c)** is the decline in value of fixed assets owned, as a result of normal wear and tear and obsolescence.

**Acquisition less disposals of non-produced non-financial assets (NP)** consist of assets that have not been produced within the production boundary, and that may be used in the production of goods and services. They consist of acquisition less disposals of natural resources, contracts, leases and licenses, as well as goodwill and marketing assets.

## 7 EXPLANATIONS

### 7.1 CLASSIFICATIONS

Institutional units are allocated to the general government sector and its sub-sectors according to the Standard Classification of Institutional Sectors (SKIS). More about this classification can be found at: <http://www.stat.si/StatWeb/en/Methods/Classifications>.

Classification of revenue, expenditure and balancing items is based on classifications prescribed by the European System of Accounts ESA 2010 (i.e. Regulation of the European Parliament and of the Council No 549/2013 on European System of National and Regional Accounts in the European Union).

### 7.2 DATA PROCESSING

#### DATA EDITING

The calculation of categories for the general government sector is based on detailed bridge tables transforming the data from public accounts categories to national accounts categories. Components and aggregates are estimated according to the main data sources mainly by direct methods.

In the process of statistical processing, consistency is checked and assured to the highest possible level with the balancing item of the financial account, i.e. net lending (+) / net borrowing (-) of the financial accounts (B.9f).

Compiled statistics must be aligned with those that are result of the compilation of the Excessive Deficit Procedure Report.

#### WEIGHTING

Weighting was not performed.



## SEASONAL ADJUSTMENT

Seasonal adjustment is not applicable.

## DATA PROCESSING OTHER

Statistics are consolidated at the level of the general government sector and its sub-sectors, namely central level, local level and social security funds level. The following transactions are consolidated both at the level of revenues and expenditure:

- D.4 Interest
- D.73 Current transfers within general government
- D.9 Capital transfers.

Due to consolidation, the sum of the total revenue and expenditure of the general government sub-sectors does not add up with the total revenue and expenditure of the general government sector.

## 7.3 INDICES

Indices are not published.

## 7.4 PRECISION

The precision is not calculated.

## 7.5 OTHER EXPLANATIONS

## 8 PUBLISHING

- SI-STAT Database: GDP and national accounts – Government deficit and debt, government accounts, tables:
  - [Surplus \(+\) / deficit \(-\) and debt of general government, Slovenia, annually](#)
  - [Main aggregates of general government, Slovenia, annually](#)
  - [Transactions with the EU \(mio EUR\), Slovenia, annually](#)
- First release (GDP and National Accounts, Main aggregates of the general government): »Main Aggregates of the General Government (EDP reporting)«.
- EUROSTAT (Statistical Office of the European Union)
- United Nations (UN)
- The Organisation for Economic Co-operation and Development (OECD)

## **9 REVISION OF THE DATA**

### **9.1 PUBLISHING OF PRELIMINARY AND FINAL DATA**

Revision policy of national accounts is defined by ESA 2010 and does not determine the status of preliminary or final data. Therefore, national accounts data have no status.

The annual main aggregates of the general government sector for year  $t$  are published for the first time at the end of March in year  $t+1$ . The relevant categories for this publication are fully consistent with the gross domestic product categories published in February. This publication revises the statistics for the previous three years (i.e.  $t-1$ ,  $t-2$  and  $t-3$ ), but only those series that are not part of gross domestic product. The next release will follow in the third week of April, but only if required to align with the Excess Deficit and Debt reporting (EDP report).

The second publication of the annual main aggregates of the general government sector is at the end of September of the year  $t+1$ ; the relevant categories in this publication are fully consistent with the gross domestic product categories published at the end of August. This publication revises the statistics for the years  $t$ ,  $t-1$ ,  $t-2$  and  $t-3$ . The next publication follows in the third week of October, but only if required to align with the reporting of the excess deficit and debt (EDP report).

Regular revisions are carried out to include updated data sources, introduce methodological changes, reclassify units or eliminate recognized errors.

Periodically (usually once every five years) so-called major or benchmark revisions are carried out. These include methodological changes, including changes to the accounting framework, the inclusion of updated data sources, reclassifications of units and the elimination of recognized errors that were not taken into account during regular revisions. With the major revisions, the statistics in the entire time series, i.e. since 1995 onwards, can be revised,

### **9.2 FACTORS INFLUENCING COMPARABILITY OVER TIME**

There are no breaks in time series, so all points in time are comparable.

## **10 OTHER METHODOLOGICAL MATERIALS**

Methodological materials on SURS's website are available at <https://www.stat.si/statweb/en/Methods/QuestionnairesMethodologicalExplanationsQualityReports>.

- **Inventory of methods, procedures and sources used for the compilation of deficit and debt data and the underlying government sector accounts according to ESA2010**  
[http://www.stat.si/dokument/8754/EDP\\_Inventory\\_ESA2010.pdf](http://www.stat.si/dokument/8754/EDP_Inventory_ESA2010.pdf)
- **Manual on Government Deficit and Debt** – Implementation of ESA 2010  
<https://ec.europa.eu/eurostat/web/government-finance-statistics/methodology/manuals>
- **Decisions taken under ESA 2010** provide general guidance documentation on the recording of certain types of transactions, or which deal with specific cases which are particularly complex.  
<https://ec.europa.eu/eurostat/web/government-finance-statistics/methodology/decisions-for-gfs>
- **Guidance notes and clarifications** for the EDP statistics and the GFS complementing or interpreting the general rules of ESA 2010:  
<https://ec.europa.eu/eurostat/web/government-finance-statistics/methodology/guidance-on-accounting-rules>
- **Bilateral advice to EU Member States by Eurostat** on specific cases:  
<https://ec.europa.eu/eurostat/web/government-finance-statistics/methodology/advice-to-member-states>

For Slovenia several advices were provided:

- 2017: [Sector Classification of the DSU company](#);
- 2016: [Statistical treatment of the Bank Assets Management Company \(BAMC\) and its operations](#);
- 2015: [Sector classification of the Slovenian Export Bank according to ESA 2010](#).
- **System of National Accounts 2008 (SNA 2008)**  
<https://unstats.un.org/unsd/nationalaccount/docs/SNA2008.pdf>