



METHODOLOGICAL EXPLANATION

MAIN AGGREGATES OF THE GENERAL GOVERNMENT

This methodological explanation relates to the data release:

- Main Aggregates of the General Government, Slovenia, annually (First Release)

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1 PURPOSE

Government finance statistics (GFS) form the basis for the fiscal monitoring in Europe. The GFS system is designed to provide statistics needed by policymakers, analysts, researchers and the financial community to study developments in the general government sector in a consistent and systematic manner. The GFS framework can be used to analyse the operations of the specific level of government and transactions between levels of government as well as for the entire general government sector.

Main aggregates of the general government sector are summary information on the overall performance of the general government sector through the use of set of balancing items, such as net lending (+) / net borrowing (-), total revenue and total expenditure. Detailed data on revenues and expenditure can be used to examine specific areas of the general government and its sub-sectors.

Main aggregates of the general government are presented through ESA revenue and expenditure categories. Economic flows in non-financial accounts are presented through transactions in products (P) and non-produced assets (NP) describing the origin and use of goods and services and thorough distributive transactions (D) describing how the money or 'value added' generated by the production is distributed, and how this income is redistributed by taxes and other transfers.

2 LEGAL BASIS

- [Annual Programme of Statistical Surveys \(LPSR\)](#) (only in Slovene)
- [National Statistics Act](#) (OJ RS, No. 45/95 and 9/01)
- Other legal bases:
 - National Accounts are compiled in accordance with the European System of Accounts (ESA2010) adopted in the form of Regulation (EU) No 549/2013 (CELEX: [32013R0549](#)). The legal basis for transmission of dataset "Government revenue, expenditure and main aggregates" is Table 0200 of the ESA 2010 transmission programme - Annex B of Regulation (EU) No 549.
 - ESA 2010 data are transmitted to Eurostat in line with the [ESA 2010 Transmission programme](#) (Annex B of the Council Regulation (EU) No 549/2013).
 - Responsibilities for the compilation of government accounts and Excessive Deficit Procedure reporting (EDP report) are further specified in the [Memorandum of Understanding in the Field of general government accounts statistics \(2018\)](#) signed between SURS, the Bank of Slovenia and the Ministry of Finance in 2018.

3 UNIT DESCRIBED BY THE PUBLISHED DATA

Institutional units and groupings of units as defined in ESA 2010.

The unit described by the published data is the general government sector (S.13), which consists of 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.

The published data present detailed categories of revenue and expenditure of the general government and its sub-sectors:

- **Central government level (S.1311):** The main units of the central government sub-sector are direct budgetary units: ministries, state bodies, courts, offices and administrative units established by central authorities. This sub-sector includes also funds at the central government level, public service providers and public agencies, legal persons of private law and non-market public corporations.
- **Local government level (S.1313):** The main units of the local government sub-sector are municipalities as direct budgetary units. The local government level also includes public funds at the local level, local communes, indirect budgetary units of public service providers and public agencies, legal persons of private law, associations of municipalities and non-market public corporations.
- **Social security funds (S.1314):** The social security funds sub-sector includes three units: the Health Social Security Fund, the Pension Social Security Fund and the Capital Fund (extra budgetary fund).

Each sub-sector of general government presents a group of units based on their common features.

4 SELECTION OF OBSERVATION UNIT

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

5 SOURCES AND METHODS OF DATA COLLECTION

Data are mostly collected from administrative sources (secondary data sources). The main data sources are:

- 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 central 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

The indicators published by SURS are compiled on a national accounts ([ESA 2010](#)) basis. They comprise main aggregates (total revenue and expenditure, main components (ESA 2010 economic categories as well as balancing items) for the general government sector and its subsectors.

General government sector (S.13)

The general government sector (S.13) consists of institutional units which 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 institutional units principally engaged in the redistribution of national income and wealth. The general government sector is divided into three sub-sectors: central government (S.1311), local government (S.1313) and social security funds (S.1314).

Net lending (+) / net borrowing (-) is the most important balancing item of quarterly main aggregates of the general government. It is calculated as the 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.

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 that are receivable:

- 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).

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 which are payable:

- 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).

Main aggregates of the general government consist of the following revenue and expenditure categories:

Intermediate consumption (P.2)

It 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.

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.).

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.

Output (P.1)

It 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 non-market output, other (P.132), which is output provided for free.

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 and NPISHs, whether purchased on the market or produced as non-market output by government units or NPISHs. They are financed out of taxation, other government income or social security contributions, or out of donations and property income in the case of NPISHs.

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

- social transfers in kind — general government and NPISHs non-market production (D.631); are individual goods and services provided directly to the beneficiaries by non-market producers. Any payments made by the households themselves should be deducted;
- social transfers in kind — market production purchased by general government and NPISHs (D.632); 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. Any payments made by the households themselves are to be deducted.

Final consumption expenditure (P.3)

Final consumption expenditure 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 their output (P.1), plus the expenditure on products supplied to households via market producers (i.e. social transfers in kind — D.632), minus the sales of goods and services (P.11+P.12+P.131).

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 or transactions.

Current taxes on income, wealth, etc. (D.5)

They cover all compulsory, unrequited payments, in cash or in kind, levied periodically by general government and by the rest of the world 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).

Capital taxes (D.91)

They 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.)

Actual social contributions (D.61)

They 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.

Subsidies (D.3)

Are current unrequited payments which general government or the institutions of the European Union make 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

It 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).

Social benefits other than social transfers in kind (D.62)

They are made up of social security benefits in cash, other social insurance benefits and social assistance benefits in cash.

Other current transfers (D.7), receivable / payable

They 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 penalties, lotteries and gambling 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.

Capital transfers (D.9), receivable / payable

They 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 or by the rest of the world 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 sub-sectors 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.

Gross capital formation (P.5)

Gross capital formation 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).

Acquisition less disposals of non-produced non-financial assets (NP)

They 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.

Adjustment for the change in pension entitlements (D.8)

Represents the adjustment needed to make appear in the saving of households the change in the pension entitlements on which households have a definite claim.

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). The SKIS was introduced with the Government Regulation in 1998 as a national standard. The current version is based on ESA2010 classification of institutional sectors. More about this classification can be found at: <http://www.stat.si/StatWeb/en/Methods/Classifications>.

7.2 DATA PROCESSING

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.

Published annual data are always aligned with quarterly data. Estimates for the general government sector are for the first time aligned by the end of March with the general government data on deficit and debt.

Annual aggregates of the general government data must be aligned with GDP and EDP data and also other aggregates of national accounts (NA). Therefore, controls are in place in order to verify the alignment of these aggregates.

7.3 OTHER EXPLANATIONS

General government sector data must be 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 need to be consolidated both at the level of revenues and expenditure:

- D.4 interest
- D.73 current transfers within general government
- D.92, D.99 other capital transfers and investment grants within general government sub-sectors.

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

8 PUBLISHING

Data are published **twice per year**, in March and September:

- SI-STAT Database: Economy – National Accounts – General government accounts – [Main aggregates of general government, Slovenia, annually](#) and [Net lending \(+\) / net borrowing \(-\) and consolidated gross debt of general government, Slovenia, annually](#).
- First release: »Main Aggregates of the General Government (EDP reporting)«.
- [Statøbook](#)
- International organisations: [Eurostat](#)

Data are published in absolute values (at current prices) and also as % of GDP in current prices.

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.

Standard data revisions are done biannually, together with the regular data release in March and September. Data are also aligned with the Excessive Deficit Procedure report (EDP report), which is sent to Eurostat by the end of March and September but is published by mid-April and mid-October. During this period data revisions may occur due to data alignment with Eurostat in the context of EDP reporting. In such cases also data on main aggregates of the general government need to be aligned. Revised data are then published within the first release of the Excessive Deficit Procedure report in April and October.

Standard revisions usually occur due to revised data sources and affect the period of the last four years. In the case of extraordinary revision longer data series may be revised. In the case of methodological revision the whole data series may be revised.

9.2 BREAKS IN TIME SERIES

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

Methodological explanation on revision of statistical data is available on <https://www.stat.si/dokument/5299/RevisionOfStatisticalDataMEgeneral.pdf>.

10 OTHER METHODOLOGICAL MATERIALS

- **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

- **Manual on Government Deficit and Debt – Implementation of ESA 2010**
<http://ec.europa.eu/eurostat/documents/3859598/7203647/KS-GQ-16-001-ENN.pdf/5cfae6dd-29d8-4487-80ac-37f76cd1f012>

- **Decisions taken under ESA 2010** provide general guidance documentation to 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](#).
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- **System of National Accounts 2008**, EC – IMF – OECD – UN – WB, New York, 2009
<https://unstats.un.org/unsd/nationalaccount/docs/SNA2008.pdf>