

COMMISSION REGULATION (EC) No 1500/2000

of 10 July 2000

implementing Council Regulation (EC) No 2223/96 with respect to general government expenditure and revenue

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to the Council Regulation (EC) No 2223/96 of 25 June 1996 on the European System of national and regional accounts in the Community (ESA-95 ⁽¹⁾), as last amended by Regulation (EC) No 448/98 ⁽²⁾ and in particular Articles 2(2) and 3(2) thereof,

Whereas:

- (1) Pursuant to Article 104(2) of the Treaty, the Commission is to monitor the development of the budgetary situation.
- (2) The aim of the content and format of stability and convergence programmes is to permit a fuller understanding of the paths of the government balance and of the budgetary strategy in general, and complementary information should be provided on expenditure and revenue ratios.
- (3) National accounts rules, especially ESA-95 concepts, are regarded as instruments to ensure comparability and transparency of data between Member States.
- (4) Annex A 'European system of accounts ESA 1995' of the ESA-95 Regulation does not refer to government expenditure and revenue but provides the framework to specify them by reference to a list of ESA 95 categories.
- (5) The introduction of aggregates related to general government expenditure and revenue requires related amendments to the transmission programme of national accounts data.
- (6) An additional transmission, yearly in March, of general government main aggregates (annual data) will provide useful information on government deficit developments.
- (7) In accordance with Article 2(2) in conjunction with Article 3(2) of Regulation (EC) No 2223/96, amendments to ESA-95 which are intended to clarify and improve its content and require changes in the data requested from the Member States, shall be adopted by the Commission in accordance with the procedure provided for in Article 4 of the said Regulation.
- (8) The Committee on Monetary, Financial and Balance of Payments Statistics, set up by Decision 91/115/EEC ⁽³⁾, has been consulted.
- (9) The measures provided for in this Regulation are in accordance with the opinion of the Statistical Programme Committee, set up by Decision 89/382/EEC, Euratom ⁽⁴⁾,

HAS ADOPTED THIS REGULATION:

Article 1

The aim of the present Regulation is to provide the definition of general government expenditure and revenue, to supplement classifications of transactions in goods and services (P) and of distribution transactions (D) and to amend the transmission programme of national accounts data.

Article 2

Annex A (European System of Accounts ESA 1995) and Annex B (Transmission programme of national accounts data) of Council Regulation (EC) No 2223/96 of 25 June 1996 shall be amended in accordance with the Annex to the present Regulation.

Article 3

This Regulation shall enter into force on the 20th day following its publication in the *Official Journal of the European Communities*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 10 July 2000.

For the Commission
Pedro SOLBES MIRA
Member of the Commission

⁽¹⁾ OJ L 310, 30.11.1996, p. 1.

⁽²⁾ OJ L 58, 27.2.1998, p. 1.

⁽³⁾ OJ L 59, 6.3.1991, p. 19.

⁽⁴⁾ OJ L 181, 28.6.1989, p. 47.

ANNEX

Annexes A and B of Regulation (EC) No 2223/96 shall be amended as follows:

1. In Annex A:

(a) In Chapter 3, section 3.23, the following sentence shall be added:

'Other non-market output (P.13) can be subdivided into two items: "Payments for the other non-market output" (P.131), which consist of various fees and charges, and "Other non-market output, other" (P.132), covering output that is provided free.'

(b) In Chapter 3, sections 3.79 and 3.96 shall be replaced by the following:

'3.79 Final consumption expenditure (P.3) by government includes two categories of expenditures, similar to those by NPISHs:

(a) the value of the goods and services produced by general government itself (P.1) other than own-account capital formation (corresponding to P.12) and sales. Market output (P.11) and payments for the other non-market output (P.131);

(b) purchases by general government of goods and services produced by market producers that are supplied to households, without any transformation, as social transfers in kind (D.6311 + D.63121 + D.63131). This implies that general government just pays for goods and services that the sellers provide to households.'

'3.96 Final consumption expenditure (P.3) by general government or NPISHs are equal to the sum of their output (P.1), plus the expenditure on products supplied to households via market producers, part of social transfers in kind (D.6311 + D.63121 + D.63131), minus the payments by other units, market output (P.11) and payments for the other non-market output (P.131), minus own-account capital formation (corresponding to P.12).'

(c) In Chapter 4, section 4.105, third indent, related to 'Other social security benefits in kind (D. 6312)', the following sentence shall be added:

'Other social security benefits in kind can be therefore subdivided into those for which the service is produced by market producers and purchased by general government units or NPISHs (D.63121), and those for which the service is produced by non-market producers (D.63122).'

(d) In Chapter 4, section 4.105, fourth indent, related to 'Social assistance benefits in kind (D.6313)', the following sentence shall be added:

'Social assistance benefits in kind can be therefore subdivided into those for which the service is produced by market producers and purchased by general government units or NPISHs (D.63131), and those for which the service is produced by non-market producers (D.63132).'

(e) In Chapter 8, a new section 8.99 (a) shall be inserted as follows:

'GENERAL GOVERNMENT EXPENDITURE AND REVENUE

8.99 (a) General government expenditure and revenue are defined by reference to a list of ESA 95 categories.

Government expenditure comprises the following ESA 95 categories, recorded under the use side of general government accounts, with the exception of D.3 and D.9 which are recorded under the resource side of general government accounts (1):

P.2	Intermediate consumption
P.5	Gross capital formation
D.1	Compensation of employees
D.29	Other taxes on production
D.3	Subsidies, payable
D.4	Property income
D.5	Current taxes on income, wealth, etc.
D.62	Social benefits other than social transfers in kind

D.6311 + D.63121 + D.63131	Social transfers in kind related to expenditure on products supplied to households via market producers
D.7	Other current transfers
D.8	Adjustment for the change in net equity of households in pension funds reserves
D.9	Capital transfers, payable
K.2	Acquisitions less disposals of non-financial non-produced assets

Government revenue comprises the following ESA 95 categories, recorded under the resource side of general government accounts, with the exception of D.39 which is recorded under the use side of general government accounts:

P.11	Market output
P.12	Output for own final use
P.131	Payments for the other non-market output
D.2	Taxes on production and imports
D.39	Other subsidies on production, receivable
D.4	Property income
D.5	Current taxes on income, wealth, etc.
D.61	Social contributions
D.7	Other current transfers
D.9 ⁽¹⁾	Capital transfers

⁽¹⁾ Adjustments for taxes and social contributions assessed but never collected, when recorded under D.9, are considered as a negative revenue.

By definition, the difference between general government revenue and general government expenditure is net lending (+)/net borrowing (-) of the general government sector.

The transactions D.41, D.7, D.92 and D.99 are consolidated. The other transactions are not consolidated.'

(f) In Annex IV, in Classification of transactions and other flows — Transactions in goods and services (products) (P), sub-heading P.1 Output, the following entries shall be added:

'P.131	Payments for the other non-market output
P.132	Other non-market output, other'

(g) In Annex IV, in Classification of transactions and other flows — Distributive transactions (D), sub-heading D.6 Social contributions and benefits, the following entries shall be inserted after D.6312:

'D.63121	Other social security benefits in kind provided by market producers
D.63122	Other social security benefits in kind provided by non-market producers'

(h) In Annex IV, in Classification of transactions and other flows — Distributive transactions (D), sub-heading D.6 Social contributions and benefits, the following entries shall be inserted after D.6313:

'D.63131	Social assistance benefits in kind provided by market producers
D.63132	Social assistance benefits in kind provided by non-market producers'

2. In Annex B:

(a) In the table entitled Overview of the tables, a new line 3 (a) shall be inserted as follows:

'2001	3	97-00	Main aggregates of general government	2'
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(b) Table 2 shall be replaced by the following:

Table 2 — Main aggregates of general government

Consolidation rules: the transactions D.41, D.7, D.92 and D.99 are consolidated. The other transactions are not consolidated.

Code	List of variables	Transmission at t + 3	Transmission at t + 8
P.1	Output		X
P.11 + P.12	— Market output and output for own final use		X
P.13	— Other non-market output		X
P.131	— Payments for other non-market output		X
P.132	— Other non-market output, other		X
P.11 + P.12 + P.131		X	
P.2	Intermediate consumption	X	X
B.1G	Value added, gross		X
K.1	Consumption of fixed capital		X
B.1N	Value added, net		X
D.1P	Compensation of employees, payable	X	X
D.29P	Other taxes on production, payable	X	X
D.39R	Other subsidies on production, receivable	X	X
B.2N	Operating surplus, net		X
D.2R	Taxes on production and imports, receivable	X	X
D.4R	Property income, receivable	X	X
D.3P	Subsidies, payable	X	X
D.4P	Property income, payable	X	X
D.41P	— Interest, payable	X	X

Code	List of variables	Transmission at t + 3	Transmission at t + 8
D.42P + ...D.45P	— Other property income, payable	X	X
B.5N	Balance of primary incomes, net		X
D.5R	Current taxes on income, wealth etc., receivable	X	X
D.61R	Social contributions, receivable	X	X
D.611R	— Actual social contributions, receivable	X	X
D.612	— Imputed social contributions	X	X
D.7R	Other current transfers, receivable	X	X
D.5P	Current taxes on income, wealth etc., payable	X	X
D.62P	Social benefits other than social transfers in kind, payable		X
D.6311P + D.63121P + D.63131P	Social transfers in kind related to expenditure on products supplied to households via market producers		X
D.62P + D.6311P + D.63121P + D.63131P		X	
D.7P	Other current transfers, payable	X	X
B.6N	Disposable income, net		X
P.3	Final consumption expenditure		X
P.31	— Individual consumption expenditure		X
P.32	— Collective consumption expenditure		X
D.8	Adjustment for the change in net equity of households in pension funds reserves	X	X
B.8G	Saving, gross	X	X
B.8N	Saving, net		X
D.9R	Capital transfers, receivable	X	X
D.91R	— Capital taxes, receivable	X	X
D.92R + D.99R	— Investment grants and other capital transfers, receivable	X	X
D.9P	Capital transfers, payable	X	X

Code	List of variables	Transmission at t + 3	Transmission at t + 8
P.5	Gross capital formation		X
P.51	— Gross fixed capital formation	X	X
P.52 + P.53	— Changes in inventories and acquisitions less disposals of valuables		X
K.2	Acquisitions less disposals of non-financial non-produced assets		X
P.5 + K.2		X	
B.9	Net lending (+)/Net borrowing (-)	X	X
TE	Total General government expenditure	X	X
TR	Total General government revenue	X	X

TE = P.2 + P.5 + D.1P + D.29P + D.3P + D.4P + D.5P + D.62P + D.6311P + D.63121P + D.63131P + D.7P + D.8 + D.9P + K.2
TR = P.11 + P.12 + P.131 + D.2R + D.39R + D.4R + D.5R + D.61R + D.7R + D.9R'

(c) Table 11 shall be replaced by the following:

Table 11 — General government expenditure by function

ESA 95 Codes	Gross Capital formation + Acquisitions less disposals of non-financial non-produced assets	Compensation of employees	Subsidies	Property income	Social benefits and social transfers in kind for products supplied to households via market producers	Intermediate consumption + Other taxes on production + Current taxes on income, Wealth, etc. + Adjustment for the change in net equity of households in pension funds reserves	Other current transfers	Capital transfers	Total General government expenditure (?)	For information: Final consumption expenditure
	P.5 + K.2	D.1	D.3	D.4	D.62 + D.6311 + D.63121 + D.63131	P.2 + D.29 + D.5 + D.8	D.7	D.9		P.3
COFOG (1)				Consolidated			Consolidated	Consolidated		
General public services										
Defence										
Public order and safety										
Economic affairs										
Environment protection										
Housing and Health										
Recreation, culture and religion										
Education										
Social protection										
Total (?)										

(1) 1999 version

(?) Total by transaction, when relevant, and Total (Total general government expenditure "TE" are consistent with Table 2.)

(d) In the 'Derogations concerning the tables to be supplied in the framework of the questionnaire ESA 95 by country, point 7.1 (IRELAND — Derogations for tables)'

A new line 6 (a) shall be inserted as follows:

'2	Main aggregates of general government	Transmission at t + 3	Until 2002'
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(e) In the 'Derogations concerning the tables to be supplied in the framework of the questionnaire ESA 95 by country, point 10.1 (NETHERLANDS — Derogations for tables)'

A new line 6 (a) shall be inserted as follows:

'2	Main aggregates of general government	Transmission at t + 3	Until 2003'
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