

EKONOMISTYRNINGSVERKET

## Press Release

### Continued financial worries for Government Finances

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The Swedish National Financial Management Authority (ESV) estimates that expenditure exceeds the approved expenditure ceiling for 2003 and 2004 with SEK 8 and 17 billion respectively, if restrictive measures are not taken. The budget balance shows a deficit 2003–2006, despite a cyclical recovery in the economy from 2004 and onwards.

ESV has not taken into consideration the agreement between the government and its collaboration parties regarding the budget that has been announced prior to the release of the Spring Budget Bill. Consequently, the proposal of raised income ceilings in the health and parental insurance, which was put forward for the first time in the Central Government Bill for 2002, is included in the calculations. The cost of the raised income ceilings is expected to amount to slightly more than SEK 1 billion 2003 and SEK 2 billion 2004.

The expenditure restricted by the expenditure ceiling is calculated to be lower than in the previous calculation for the present year despite the downturn in the economy. This is mainly due to a preponement of a part of the contribution to the EU. The number of additional people on sick leave tends to decrease and the expenditure for sickness benefits is reduced. Total expenditure 2003 and 2004 is lower compared with the previous forecast mainly because of lower interests on Central Government Debt. The Swedish National Debt Office (RGK) now issues loans at higher coupon interest rates, which yields large revenue of premiums for the present year but higher interest payments in the future.

The downturn in the economy leads to lower revenue than previously expected. The lowered wage formation brings about reduced revenue from social security fees. The fall in the stock market results in lower revenue from capital gains than before, which means that the capital income tax revenue falls considerably 2003 as well as 2004. Corporate income tax and energy tax contribute on the contrary to higher revenue.

The Central Government budget shows a deficit yet again from 2003, after five years of surplus. The surpluses during those years were to a large extent comprised of non-recurring effects. The underlying balance was positive for three years only and with relatively small margins. The accumulated deficit 2003–2006 is calculated to approximately SEK 160 billion, which results in interest payments on Central Government debt that are SEK 7 billion higher than they would have been with a budget in balance during the aforementioned period.

For further  
information visit:  
[www.esv.se](http://www.esv.se)

## EKONOMISTYRNINGSVERKET

## Appendix 1. Summary of forecast for the period 2003–2006

SEK Billion

	Outcome	CGB	GBB	Forecast				Diff. to 2002:4		Diff. to CGB/GBB	
	2002	2003	2004	2003	2004	2005	2006	2003	2004	2003	2004
<b>Total expenditure</b>	<b>729.3</b>	<b>715.2</b>	<b>752.0</b>	<b>717.7</b>	<b>764.1</b>	<b>783.4</b>	<b>806.5</b>	<b>-11.4</b>	<b>-6.3</b>	<b>2.5</b>	<b>12.2</b>
Expenditure areas, excl.interests	658.0	662.1	687.8	669.7	705.5	723.9	740.9	-5.4	-0.7	7.5	17.7
Interest on Central Government debt	67.3	54.5	53.6	39.3	47.0	49.9	54.2	-12.7	-5.9	-15.1	-6.5
Cash correction	-46.3	-13.4	-3.9	-0.9	-3.9	-1.9	0.0	7.9	0.0	12.5	0.0
Net lending by National Debt Office	50.3	12.0	14.5	9.6	15.6	11.5	11.4	-1.1	0.4	-2.4	1.0
<b>Total revenue</b>	<b>730.5</b>	<b>700.9</b>	<b>730.0</b>	<b>684.5</b>	<b>711.0</b>	<b>743.9</b>	<b>772.2</b>	<b>-4.1</b>	<b>-4.8</b>	<b>-16.5</b>	<b>-19.0</b>
<b>Budget balance</b>	<b>1.2</b>	<b>-14.3</b>	<b>-22.0</b>	<b>-33.3</b>	<b>-53.1</b>	<b>-39.6</b>	<b>-34.3</b>	<b>7.2</b>	<b>1.5</b>	<b>-19.0</b>	<b>-31.1</b>
Old Age Pension System outside the Central Government budget	153.6	156.0	163.5	157.1	164.6	171.9	181.5	0.4	0.2	1.2	1.0
Expenditure subject to expenditure ceiling	811.6	818.1	851.3	826.8	870.1	895.8	922.4	-5.0	-0.6	8.7	18.7
Expenditure ceiling <sup>1</sup>	812.0	819.0	853.0	819.0	853.0						
<b>Budgeting margin</b>	<b>0.4</b>	<b>0.9</b>	<b>1.7</b>	<b>-7.8</b>	<b>-17.1</b>			<b>5.0</b>	<b>0.6</b>	<b>-8.7</b>	<b>-18.7</b>
Total non-recurring effects	29.4			18.8	5.1	4.2	2.3	0.4	-0.2		
<b>Underlying balance</b>	<b>-28.2</b>			<b>-52.0</b>	<b>-58.2</b>	<b>-43.8</b>	<b>-36.6</b>	<b>6.8</b>	<b>1.7</b>		

CGB=Adopted Central Government Budget, GBB=Calculations for 2004 in the Government Budget Bill for 2003

2002:4=Budget Forecast 2002:4 (ESV:s previous forecast)

<sup>1</sup>The expenditure ceiling for 2003 and 2004 is adjusted with 1 billion per annum as a result of a resolution passed by the parliament (Riksdagen) after the Budget Bill was released.

## EKONOMISTYRNINGSVERKET

## Appendix 2. Central Government Budget Revenue 2002–2003

SEK Billion

Revenue type/title	2002		2003		Diff. to CGB	Diff. to 2002:4	Diff. between 2002-2003
	Outcome	CGB	Forecast				
1000 Tax revenue, etc.	659.4	637.1	632.6	-4.5	-3.9	-26.8	
1100 Income taxes	65.1	59.3	51.6	-7.7	-6.9	-13.5	
Personal income tax	-17.2	-23.5	-26.3	-2.8	-6.0	-9.1	
Corporate income tax	76.5	77.6	72.6	-4.9	-0.2	-3.9	
Other income taxes	5.8	5.2	5.2	0.0	-0.7	-0.6	
1200 Social security contributions	249.8	260.0	260.3	0.3	-1.0	10.5	
1300 Taxes on property	40.2	36.1	36.4	0.3	0.0	-3.8	
Real estate tax	23.3	21.2	21.2	0.0	0.0	-2.1	
1400 Taxes on goods and services	290.1	300.7	301.0	0.3	1.2	10.8	
Value-added tax	198.3	207.2	204.8	-2.4	0.3	6.5	
Tobacco tax	8.4	8.2	8.7	0.4	-0.1	0.3	
Tax on spirits	11.1	10.0	11.0	1.0	0.0	-0.1	
Energy tax	56.5	58.8	60.3	1.5	1.0	3.8	
Road tax	8.2	8.0	8.2	0.1	0.1	0.0	
Import duty	3.5	3.7	3.5	-0.2	-0.1	0.0	
Other taxes on goods and services	4.2	4.7	4.6	-0.1	0.0	0.4	
1500 Equalisation fees	23.7	-7.6	-2.3	5.3	4.6	-26.0	
1600 Cash-difference account <sup>1</sup>	-4.2	-4.7	-7.4	-2.7	-1.4	-3.2	
1700 Tax reductions	-5.4	-6.7	-6.8	-0.2	-0.3	-1.4	
2000 Central Government activities	49.1	28.5	29.1	0.6	-0.2	-20.0	
Revenue from government shares	4.2	4.1	4.2	0.1	0.0	0.0	
3000 Revenue from the sale of property	0.1	15.0	0.0	-15.0	0.0	-0.1	
4000 Loans repaid	2.7	2.3	2.3	0.0	0.0	-0.4	
5000 Computed revenue	9.9	6.3	7.8	1.5	-0.1	-2.0	
6000 Contributions, etc. from the EU	9.3	11.6	12.6	1.0	0.0	3.3	
Total revenue	730.5	700.9	684.5	-16.5	-4.1	-46.0	
Total expenditure	729.3	715.2	717.7	2.5	-11.4	-11.6	
Budget balance	1.2	-14.3	-33.3	-19.0	7.2	-34.4	

GBB=Calculations for 2004 in the Government Budget Bill for 2003, 2002:4=Budget Forecast 2002:4 (ESV:s previous forecast)

<sup>1</sup>Differences between debited taxes and taxes actually paid.

## EKONOMISTYRNINGSVERKET

## Appendix 3. Central Government Budget Revenue 2003–2004

SEK Billion

Revenue type/title	2003		2004		Diff. to GBB	Diff. to 2002:4	Diff. between 2003-2004
	Forecast	GBB	Forecast				
1000 Tax revenue, etc.	632.6	667.1	661.3		-5.8	-5.0	-28.6
1100 Income taxes	51.6	73.1	61.2		-11.9	-5.8	-9.7
Personal income tax	-26.3	-13.3	-18.0		-4.7	-4.3	-8.3
Corporate income tax	72.6	81.5	74.1		-7.4	-1.0	-1.5
Other income taxes	5.2	4.9	5.1		0.2	-0.5	0.1
1200 Social security contributions	260.3	271.3	272.9		1.6	-0.8	-12.6
1300 Taxes on property	36.4	37.4	37.6		0.2	0.6	-1.2
Real estate tax	21.2	23.7	23.7		0.0	0.6	-2.5
1400 Taxes on goods and services	301.0	308.9	310.4		1.4	0.2	-9.4
Value-added tax	204.8	214.7	213.5		-1.2	-0.2	-8.6
Tobacco tax	8.7	8.2	8.6		0.4	-0.1	0.1
Tax on spirits	11.0	9.2	10.7		1.5	0.0	0.3
Energy tax	60.3	60.0	61.0		1.0	0.5	-0.7
Road tax	8.2	8.2	8.3		0.1	0.1	-0.2
Import duty	3.5	3.9	3.7		-0.2	-0.1	-0.2
Other taxes on goods and services	4.6	4.8	4.6		-0.2	0.0	0.0
1500 Equalisation fees	-2.3	-10.9	-8.0		3.0	0.1	5.6
1600 Cash-difference account <sup>1</sup>	-7.4	-6.0	-7.0		-1.0	1.4	-0.4
1700 Tax reductions	-6.8	-6.7	-5.8		0.8	-0.6	-1.0
2000 Central Government activities	29.1	28.2	29.4		1.2	0.4	-0.3
Revenue from government shares	4.2	4.8	4.6		-0.2	0.0	-0.4
3000 Revenue from the sale of property	0.0	15.0	0.0		-15.0	0.0	0.0
4000 Loans repaid	2.3	2.3	2.3		0.0	0.0	0.1
5000 Computed revenue	7.8	6.3	7.0		0.7	-0.3	0.8
6000 Contributions, etc. from the EU	12.6	11.0	11.0		0.0	0.1	1.6
Total revenue	684.5	730.0	711.0		-19.0	-4.8	-26.5
Total expenditure	717.7	752.0	764.1		12.2	-6.3	46.4
Budget balance	-33.3	-22.0	-53.1		-31.1	1.5	-73.0

CGB=Adopted Central Government Budget 2003, GBB=Government Budget Bill for 2003, 2002:4=Budget Forecast 2002:4 (ESV:s previous forecast)

<sup>1</sup>Differences between debited taxes and taxes actually paid.

## EKONOMISTYRNINGSVERKET

**Appendix 4. Forecast for Central government Budget Revenue 2002 to 2006 summerized**

SEK Billion

Revenue type/title	Forecast				Diff. to CGB/GBB		Difference to the previous year			
	2003	2004	2005	2006	2003	2004	2003	2004	2005	2006
1000 Tax revenue, etc.	632.6	661.3	693.3	721.8	-4.5	-5.8	-26.8	28.6	32.0	28.6
1100 Income taxes	51.6	61.2	71.5	76.0	-7.7	-11.9	-13.5	9.7	10.3	4.5
Personal income tax	-26.3	-18.0	-11.2	-11.0	-2.8	-4.7	-9.1	8.3	6.7	0.2
Corporate income tax	72.6	74.1	77.8	82.1	-4.9	-7.4	-3.9	1.5	3.7	4.3
Other income taxes	5.2	5.1	4.9	5.0	0.0	0.2	-0.6	-0.1	-0.2	0.1
1200 Social security contributions	260.3	272.9	284.3	296.9	0.3	1.6	10.5	12.6	11.4	12.6
1300 Taxes on property	36.4	37.6	38.8	39.6	0.3	0.2	-3.8	1.2	1.1	0.9
Real estate tax	21.2	23.7	24.5	25.0	0.0	0.0	-2.1	2.5	0.8	0.5
1400 Taxes on goods and services	301.0	310.4	320.9	332.0	0.3	1.4	10.8	9.4	10.5	11.1
Value-added tax	204.8	213.5	222.3	231.5	-2.4	-1.2	6.5	8.6	8.8	9.2
Tobacco tax	8.7	8.6	8.8	9.0	0.4	0.4	0.3	-0.1	0.2	0.2
Tax on spirits	11.0	10.7	10.9	11.1	1.0	1.5	-0.1	-0.3	0.2	0.2
Energy tax	60.3	61.0	62.0	63.0	1.5	1.0	3.8	0.7	1.0	1.0
Road tax	8.2	8.3	8.5	8.6	0.1	0.1	0.0	0.2	0.2	0.2
Import duty	3.5	3.7	3.9	4.2	-0.2	-0.2	0.0	0.2	0.2	0.3
Other taxes on goods and services	4.6	4.6	4.6	4.7	-0.1	-0.2	0.4	0.0	0.0	0.1
1500 Equalisation fees	-2.3	-8.0	-8.8	-9.5	5.3	3.0	-26.0	-5.6	-0.8	-0.7
1600 Cash-difference account <sup>1</sup>	-7.4	-7.0	-8.3	-8.1	-2.7	-1.0	-3.2	0.4	-1.3	0.1
1700 Tax reductions	-6.8	-5.8	-5.1	-5.1	-0.2	0.8	-1.4	1.0	0.7	0.0
2000 Central Government activities	29.1	29.4	30.4	29.9	0.6	1.2	-20.0	0.3	1.0	-0.5
Revenue from government shares	4.2	4.6	4.8	5.0	0.1	-0.2	0.0	0.4	0.2	0.2
3000 Revenue from the sale of property	0.0	0.0	0.0	0.0	-15.0	-15.0	-0.1	0.0	0.0	0.0
4000 Loans repaid	2.3	2.3	2.2	2.1	0.0	0.0	-0.4	-0.1	-0.1	-0.1
5000 Computed revenue	7.8	7.0	7.0	7.0	1.5	0.7	-2.0	-0.8	0.0	0.0
6000 Contributions, etc. from the EU	12.6	11.0	11.0	11.3	1.0	0.0	3.3	-1.6	-0.1	0.3
Total revenue	684.5	711.0	743.9	772.2	-16.5	-19.0	-46.0	26.5	32.9	28.3
Total expenditure	717.7	764.1	783.4	806.5	2.5	12.2	-11.6	46.4	19.3	23.0
Budget balance	-33.3	-53.1	-39.6	-34.3	-19.0	-31.1	-34.4	-19.9	13.5	5.3

CGB=Adopted Central Government Budget 2003, GBB=Calculations for 2004 in the Government Budget Bill for 2003

<sup>1</sup>Differences between debited taxes and taxes actually payed.

**EKONOMISTYRNINGSVERKET**
**Appendix 5. Central Government Budget Expenditure 2002–2003**
*SEK billion*

Expenditure areas	2002		2003				
	Outcome	CGB	SB	Forecast	Diff. to CGB	Diff. to 2002:4	Diff. between 2002-2003
01 The Swedish political system	7.3	7.3	0.3	7.7	0.3	0.3	0.3
02 Economy and fiscal administration	8.8	9.1	0.0	9.1	0.0	-0.1	0.3
03 Tax administration and collection	8.0	8.3	0.0	8.3	0.0	0.0	0.2
04 Justice	24.1	24.6	0.0	25.1	0.5	0.2	1.0
05 International co-operation	1.1	1.3	0.0	1.2	-0.1	0.0	0.1
06 Total defence	44.6	44.7	0.0	45.8	1.1	-0.1	1.2
07 International development cooperation	15.7	17.1	0.0	17.0	-0.1	0.0	1.4
08 Immigrants and refugees	6.7	7.1	0.0	7.9	0.7	0.2	1.2
09 Health care, medical care, social services	31.0	33.4	0.0	34.1	0.7	0.5	3.0
10 Financial security for the sick and disabled	112.9	119.4	0.0	123.4	4.0	-2.7	10.6
11 Financial security in old age	33.8	52.5	0.0	52.1	-0.4	-0.2	18.3
12 Financial security for families and children	50.2	52.9	0.0	52.8	-0.1	-0.2	2.6
13 Labour market	61.0	60.3	0.0	63.9	3.6	-1.2	3.0
14 Working Life	1.1	1.1	0.0	1.1	0.0	0.0	0.0
15 Study support	20.7	21.6	-0.3	20.9	-0.7	-0.2	0.2
16 Education and university research	40.9	42.4	0.0	41.8	-0.5	0.0	1.0
17 Culture, media, faith communities and leisure	8.1	8.4	0.0	8.3	0.0	0.0	0.2
18 Comm. planning, housing & construction	8.7	9.5	0.0	9.0	-0.5	-0.2	0.3
19 Regional balance and development	3.4	3.6	0.0	3.6	0.0	0.0	0.2
20 General environment & nature conservation	2.9	3.4	0.0	3.0	-0.3	0.0	0.1
21 Energy	2.3	1.7	0.0	1.8	0.1	0.1	-0.5
22 Communications	24.4	25.9	0.0	25.3	-0.6	-0.2	0.9
23 Agriculture and forestry, fisheries, etc.	13.9	10.5	0.0	9.7	-0.8	0.0	-4.3
24 The business sector	3.5	3.5	0.0	3.3	-0.2	0.0	-0.1
25 General grants to local government	102.3	68.5	0.0	72.2	3.7	0.3	-30.1
26 Interest on Central Government Debt, etc.	67.3	54.5	0.0	39.3	-15.1	-12.7	-28.0
27 Contribution to the European Community	20.6	23.7	0.0	21.2	-2.5	-2.1	0.5
Reduction of appropriation balances	0.0	0.4	0.0	0.0	-0.4	0.0	0.0
Sum of expenditure areas	725.3	716.6	0.0	709.0	-7.6	-18.1	-16.4
Sum of expenditure areas excl. interest payments	658.0	662.1	0.0	669.7	7.5	-5.4	11.7
Cash correction	-46.3	-13.4	0.0	-0.9	12.5	7.9	45.4
Net lending by National Debt Office	50.3	12.0	0.0	9.6	-2.4	-1.1	-40.7
Total expenditure	729.3	715.2	0.0	717.7	2.5	-11.4	-11.6
Total revenue	730.5	700.9	0.0	684.5	-16.5	-4.1	-46.0
Budget balance	1.2	-14.3	0.0	-33.3	-19.0	7.2	-34.4

CGB=Adopted Central Government Budget, SB=Supplementary Budget, GBB=Forecast for 2004 in the Government Budget Bill for 2003  
2002:4=Budget Forecast 2002:4 (ESV:s previous forecast)

**EKONOMISTYRNINGSVERKET**
**Appendix 6. Central Government Budget Expenditure 2003–2004**
*SEK billion*

Expenditure areas	2003		2004		Diff. to GBB	Diff. to 2002:4	Diff. between 2003-2004
	Forecast	GBB	Forecast				
01 The Swedish political system	7.7	7.6	7.7		0.0	0.0	0.0
02 Economy and fiscal administration	9.1	9.8	9.8		0.0	-0.1	0.7
03 Tax administration and collection	8.3	8.5	8.5		0.0	0.0	0.2
04 Justice	25.1	25.5	25.9		0.3	0.2	0.8
05 International co-operation	1.2	1.3	1.2		-0.1	0.0	0.0
06 Appendix 6. Defence and preparedness	45.8	44.8	46.2		1.4	0.8	0.5
07 International development cooperation	17.0	19.5	19.5		-0.1	0.1	2.4
08 Immigrants and refugees	7.9	7.0	8.3		1.2	0.0	0.4
09 Health care, medical care, social services	34.1	35.2	36.7		1.4	1.5	2.6
10 Financial security for the sick and disabled	123.4	125.4	132.1		6.7	-3.7	8.6
11 Financial security in old age	52.1	51.8	51.4		-0.3	-0.3	-0.7
12 Financial security for families and children	52.8	55.1	55.2		0.2	-0.2	2.4
13 Labour market	63.9	59.1	65.3		6.2	-0.3	1.4
14 Working Life	1.1	1.1	1.1		0.0	0.0	0.0
15 Study support	20.9	23.1	22.7		-0.4	-0.3	1.8
16 Education and university research	41.8	44.2	43.9		-0.2	0.0	2.1
17 Culture, media, faith communities and leisure	8.3	8.7	8.6		0.0	0.0	0.3
18 Comm. planning, housing & construction	9.0	9.2	8.8		-0.4	-0.5	-0.2
19 Regional balance and development	3.6	3.6	3.8		0.2	0.1	0.2
20 General environment & nature conservation	3.0	4.1	3.5		-0.7	-0.2	0.4
21 Energy	1.8	1.3	1.4		0.1	0.0	-0.4
22 Communications	25.3	28.9	29.7		0.8	0.8	4.5
23 Agriculture and forestry, fisheries, etc.	9.7	14.5	13.7		-0.7	-0.1	4.0
24 The business sector	3.3	3.4	3.5		0.0	0.1	0.1
25 General grants to local government	72.2	70.1	73.3		3.2	0.4	1.1
26 Interest on Central Government Debt, etc.	39.3	53.6	47.0		-6.5	-5.9	7.7
27 Contribution to the European Community	21.2	23.2	23.7		0.5	1.0	2.5
Reduction of appropriation balances	0.0	1.7	0.0		-1.7	0.0	0.0
Sum of expenditure areas	709.0	741.3	752.5		11.2	-6.7	43.5
Sum of expenditure areas excl. interest payments	669.7	687.8	705.5		17.7	-0.7	35.8
Cash correction	-0.9	-3.9	-3.9		0.0	0.0	-3.1
Net lending by National Debt Office	9.6	14.5	15.6		1.0	0.4	6.0
Total expenditure	717.7	752.0	764.1		12.2	-6.3	46.4
Total revenue	684.5	730.0	711.0		-19.0	-4.8	-26.5
Budget balance	-33.3	-22.0	-53.1		-31.1	1.5	-73.0

GBB=Government Budget Bill for 2003, 2002:4=Budget Forecast 2002:4 (ESV:s previous forecast)

**EKONOMISTYRNINGSVERKET**
**Appendix 7. Forecast for Central government Budget Expenditure 2002 to 2006 summerized**
*SEK billion*

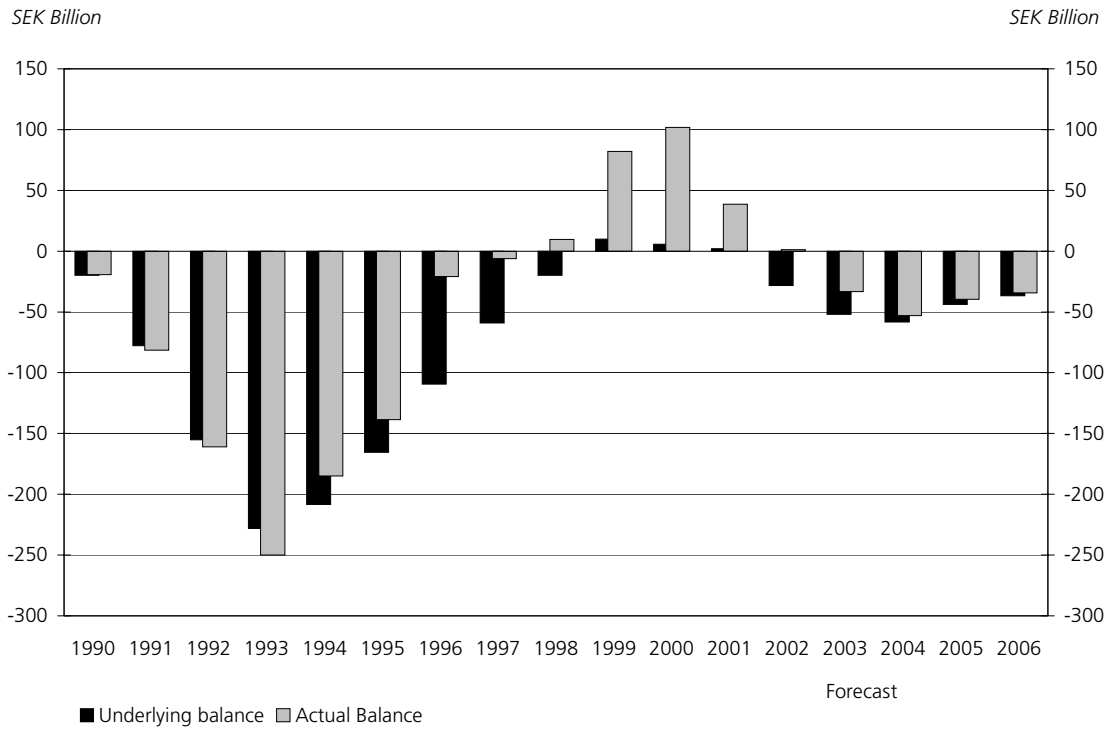
Expenditure areas	Forecast				Diff. to CGB/GBB		Difference to the previous year			
	2003	2004	2005	2006	2003	2004	2003	2004	2005	2006
01 The Swedish political system	7.7	7.7	7.7	8.1	0.3	0.0	0.3	0.0	0.0	0.4
02 Economy and fiscal administration	9.1	9.8	10.1	10.5	0.0	0.0	0.3	0.7	0.3	0.4
03 Tax administration and collection	8.3	8.5	8.6	8.8	0.0	0.0	0.2	0.2	0.2	0.2
04 Justice	25.1	25.9	26.6	27.5	0.5	0.3	1.0	0.8	0.7	0.9
05 International co-operation	1.2	1.2	1.2	1.2	-0.1	-0.1	0.1	0.0	0.0	0.0
06 Defence and preparedness	45.8	46.2	45.8	47.1	1.1	1.4	1.2	0.5	-0.4	1.2
07 International development cooperation	17.0	19.5	21.7	22.5	-0.1	-0.1	1.4	2.4	2.2	0.8
08 Immigrants and refugees	7.9	8.3	8.7	9.2	0.7	1.2	1.2	0.4	0.5	0.4
09 Health care, medical care, social services	34.1	36.7	38.1	39.9	0.7	1.4	3.0	2.6	1.4	1.9
10 Financial security for the sick and disabled	123.4	132.1	139.6	144.2	4.0	6.7	10.6	8.6	7.5	4.6
11 Financial security in old age	52.1	51.4	50.1	49.2	-0.4	-0.3	18.3	-0.7	-1.4	-0.8
12 Financial security for families and children	52.8	55.2	56.7	57.8	-0.1	0.2	2.6	2.4	1.4	1.1
13 Labour market	63.9	65.3	64.3	63.6	3.6	6.2	3.0	1.4	-1.0	-0.7
14 Working Life	1.1	1.1	1.1	1.1	0.0	0.0	0.0	0.0	0.0	0.0
15 Study support	20.9	22.7	23.5	24.5	-0.7	-0.4	0.2	1.8	0.8	1.1
16 Education and university research	41.8	43.9	45.7	47.2	-0.5	-0.2	1.0	2.1	1.8	1.4
17 Culture, media, faith communities and leisure	8.3	8.6	8.8	9.0	0.0	0.0	0.2	0.3	0.2	0.2
18 Comm. planning, housing & construction	9.0	8.8	8.9	9.2	-0.5	-0.4	0.3	-0.2	0.1	0.3
19 Regional balance and development	3.6	3.8	3.5	3.2	0.0	0.2	0.2	0.2	-0.3	-0.3
20 General environment & nature conservation	3.0	3.5	3.7	3.7	-0.3	-0.7	0.1	0.4	0.2	0.1
21 Energy	1.8	1.4	1.3	1.3	0.1	0.1	-0.5	-0.4	-0.2	0.0
22 Communications	25.3	29.7	32.4	33.1	-0.6	0.8	0.9	4.5	2.7	0.6
23 Agriculture and forestry, fisheries, etc.	9.7	13.7	13.8	14.0	-0.8	-0.7	-4.3	4.0	0.1	0.2
24 The business sector	3.3	3.5	3.5	3.5	-0.2	0.0	-0.1	0.1	0.0	0.0
25 General grants to local government	72.2	73.3	73.6	76.0	3.7	3.2	-30.1	1.1	0.3	2.4
26 Interest on Central Government Debt, etc.	39.3	47.0	49.9	54.2	-15.1	-6.5	-28.0	7.7	2.9	4.3
27 Contribution to the European Community	21.2	23.7	24.8	25.5	-2.5	0.5	0.5	2.5	1.1	0.7
Reduction of appropriation balances	0.0	0.0	0.0	0.0	-0.4	-1.7	0.0	0.0	0.0	0.0
Sum of expenditure areas	709.0	752.5	773.8	795.1	-7.6	11.2	-16.4	43.5	21.3	21.3
Sum of expenditure areas excl. interest payments	669.7	705.5	723.9	740.9	7.5	17.7	11.7	35.8	18.4	17.0
Cash correction	-0.9	-3.9	-1.9	0.0	12.5	0.0	45.4	-3.1	2.0	1.9
Net lending by National Debt Office	9.6	15.6	11.5	11.4	-2.4	1.0	-40.7	6.0	-4.1	-0.2
Total expenditure	717.7	764.1	783.4	806.5	2.5	12.2	-11.6	46.4	19.3	23.0
Total revenue	684.5	711.0	743.9	772.2	-16.5	-19.0	-46.0	26.5	32.9	28.3
Budget balance	-33.3	-53.1	-39.6	-34.3	-19.0	-31.1	-34.4	-19.9	13.5	5.3

CGB=Adopted Central Government Budget 2003, GBB=Calculations for 2004 in the Government Budget Bill for 2003

**EKONOMISTYRNINGSVERKET**
**Appendix 8. Expenditure Areas According to Type**

Expenditure type	Outcome	CGB	Forecast				Diff. to CGB	Diff. to 2002:4		Difference to the previous year			
	2002	2003	2003	2004	2005	2006	2003	2002	2003	2003	2004	2005	2006
Transfer payments	490.6	487.4	493.7	520.9	534.5	547.3	6.4	-5.8	-2.3	1%	6%	3%	2%
<i>of which for:</i>													
Household sector	259.1	285.4	291.7	302.8	308.6	316.0	6.3	-5.4	-5.8	13%	4%	2%	2%
Local governments	142.1	108.9	112.4	115.7	117.3	120.5	3.5	0.7	1.0	-21%	3%	1%	3%
Corporate sector	28.5	24.7	24.2	28.2	28.0	28.1	-0.5	-0.2	-0.2	-15%	17%	-1%	1%
Old-Age Pension System	22.9	25.7	25.7	29.7	33.0	33.7	0.0	0.0	0.0	12%	15%	11%	2%
Public non-profit organisations	2.8	3.1	2.9	3.1	3.1	3.1	-0.2	0.1	0.1	3%	5%	1%	1%
International activities	35.1	39.6	36.8	41.4	44.4	45.8	-2.8	-0.9	2.5	5%	12%	7%	3%
of which to EU-institutions	20.6	23.7	21.2	23.7	24.8	25.5	-2.5	-2.1	1.0	3%	12%	5%	3%
Consumption spending	148.2	152.6	154.3	159.1	160.7	165.7	1.7	0.6	1.3	4%	3%	1%	3%
<i>of which to:</i>													
Salaries incl. social contributions	77.3	80.0	80.0	82.9	83.6	86.3	-0.1	-0.4	-0.2	3%	4%	1%	3%
Intermediate consumption	39.2	40.4	41.0	42.4	43.1	44.6	0.6	1.1	1.0	5%	3%	2%	3%
Rents	13.8	14.7	14.8	15.2	15.4	15.9	0.0	-0.4	-0.5	7%	3%	2%	3%
Costs for defence purposes	12.2	11.4	12.2	12.0	12.2	12.6	0.8	-0.1	0.1	0%	-1%	1%	3%
Transfers, in kind	5.7	6.1	6.4	6.6	6.4	6.5	0.3	0.4	0.8	12%	3%	-3%	1%
Investment spending	9.7	10.3	10.0	11.3	14.1	13.8	-0.3	0.3	0.9	4%	13%	24%	-2%
Interest payments	72.9	61.3	46.0	54.3	57.8	62.3	-15.3	-13.0	-6.3	-37%	18%	6%	8%
<i>of which to:</i>													
Interest on Central Government debt	67.2	54.3	39.2	46.9	49.8	54.1	-15.1	-12.7	-5.9	-42%	20%	6%	9%
Financial transactions	4.0	5.0	4.9	6.8	6.8	6.0	0.0	-0.2	-0.2	24%	38%	-1%	-11%
<b>Total expenditure areas</b>	<b>725.3</b>	<b>716.6</b>	<b>709.0</b>	<b>752.5</b>	<b>773.8</b>	<b>795.1</b>	<b>-7.6</b>	<b>-18.1</b>	<b>-6.7</b>	<b>-2%</b>	<b>6%</b>	<b>3%</b>	<b>3%</b>

CGB=Adopted Central Government Budget, 2002:4=Budget Forecast 2002:4 (ESV:s previous forecast)

**Appendix 9. The Central Government Budget Balance and Underlying Balance 1990–2006**


Source: Ekonomistyrningsverket

**Appendix 10. Connection between Actual and Underlying Balance**

SEK Billion

	Outcome								Forecast			
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Central Government Balance	-138.6	-21.0	-6.2	9.7	82.0	101.9	38.7	1.2	-33.3	-53.1	-39.6	-34.3
Non-recurring effects	25.8	88.2	53.3	30.6	72.0	96.2	36.7	29.4	18.8	5.1	4.2	2.3
Changed principles of accounting	-1.0	-0.3	0.4	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Underlying balance	-165.4	-109.5	-59.1	-20.0	9.9	5.7	2.1	-28.2	-52.0	-58.2	-43.8	-36.6