

CENTRAL GOVERNMENT ANNUAL REPORT

2015

SUMMARY



REGERINGSKANSLIET

Summary

Financial outcome for 2015

Public sector finances were in balance in 2015. This means a sharp improvement in public finances compared with 2014.

Expenditure under the expenditure ceiling amounted to 27.3 per cent of GDP. The deficit in the central government budget amounted to SEK 33 billion, which is an improvement of SEK 39 billion compared with 2014.

The income statement showed a deficit of SEK 10 billion. Compared with 2014, the result improved by SEK 57 billion. The central government debt rose by SEK 5 billion to SEK 1 352 billion at year-end 2015. As a percentage of GDP, the central government debt decreased from 34.4 per cent in 2014 to 32.5 per cent in 2015.

The following table presents several key indicators for the financial outcome in 2015 compared with 2014.

Key indicators for the financial outcome

SEK billion

	2015	Per cent of GDP ¹	2014	Per cent of GDP ²
General government net lending	0	0.0	-61	-1.6
Central government budget balance	-33	-0.8	-72	-1.8
Expenditure ceiling	1 158	27.9	1 107	28.3
Expenditure subject to ceiling	1 135	27.3	1 096	28.0
Central government net wealth	-422	-10.2	-418	-10.7
Central government debt	1 352	32.5	1 347	34.4
Deficit for the year on income statement	-10	-0.2	-67	-1.7
Lending ³	434	10.4	415	10.6
Guarantees ⁴	1 876	45.2	1 727	44.1

¹ Projected GDP in 2015 was SEK 4 155 billion (current prices).

² Revised GDP in 2014 was SEK 3 915 billion (current prices).

³ Including lending to the Riksbank.

⁴ Excluding capital adequacy guarantees and investor protection.

General government net lending

General government net lending		
SEK billion		
	2015	2014
Income	2 033	1 904
Taxes and charges	1 792	1 672
Other revenue	241	231
Expenditure	2 033	1 965
Net lending	0	-61
<i>of which central government</i>	-4	-49
<i>of which old age pension system</i>	8	4
<i>of which local government sector</i>	-4	-16

Public sector finances were in balance in 2015. This means a sharp improvement in public finances compared with 2014.

Average net lending 2006–2015 amounted to 0.3 per cent of GDP. An overall assessment of the target achievement for 2015 shows that net lending clearly deviated from the target level, despite the substantial improvement in net lending compared with 2014. This is partly due to the effects of the protracted recession on public finances and partly to the unfinanced measures implemented by the previous Government.

Expenditure ceiling for the central government

Expenditure ceiling for the central government		
SEK billion		
	2015	2014
Expenditure ceiling, initially adopted level	1 123	1 103
Technical adjustments	2	4
Change justified by fiscal policy	33	
Expenditure ceiling, finally adopted	1 158	1 107
Expenditure subject to ceiling	1 135	1 096
Budgeting margin	23	11
Budgeting margin, percentage of expenditure subject to ceiling	2.0	1.0

The final expenditure ceiling adopted by the Riksdag for 2015 was SEK 1 158 billion. According to the outcome of the central government budget, expenditure subject to the ceiling was SEK 1 135 billion, i.e. SEK 23 billion lower than the adopted ceiling.

Outcome of the central government budget

Outcome of the central government budget 2015 and 2014			
SEK billion			
	Central government budget 2015 ¹	2015	2014
Total income	837	860	790
Central government tax income	859	894	802
Other income	-22	-35	-12
Total expenditure etc.	870	892	862
Expenditure areas excl. interest on the central government debt etc.	853	867	838
Interest on the central government debt etc.	21	22	3
Change in appropriation balances	-5		
Net lending by National Debt Office	0	10	22
Cash adjustment	0	-7	0
Budget balance	-33	-33	-72

¹ Central government budget refers to the original budget set by the Riksdag in December 2014.

Note: The amounts may not sum to totals because of rounding.

Income in the central government budget was estimated to reach SEK 837 billion. The outcome of just under SEK 860 billion was SEK 23 billion higher than originally estimated in the central government budget. Central government tax income was SEK 35 billion higher than originally estimated. Taxes on capital in particular were higher than estimated. Other income was just over SEK 12 billion lower than estimated. This is mainly the result of no major property sales in 2015. Expenditure etc. in the central government budget amounted to SEK 892 billion, which is SEK 23 billion higher than the budget adopted by the Riksdag for 2015. Including the Riksdag's amendments to the central government budget, an additional total of SEK 36 billion was allocated. In relation to the total allocated funds (central government budget and amendments to the central government budget) expenditure was SEK 14 billion lower.

The central government budget balance was thus SEK -33 billion, which is equal to the budgeted amount.

Income statement

Income statement		
SEK billion		
	2015	2014
Revenue		
Tax revenue	1 138	1 031
Other revenue	98	101
Total revenue	1 236	1 132
Expenses		
Transfers etc.	-968	-944
Central government activities	-259	-252
Total expenses	-1 227	-1 196
Profit/loss from shares in wholly owned and part-owned companies	-4	12
Net financial income and expenses	-16	-15
Deficit for the year	-10	-67

Note: The amounts may not sum to totals because of rounding.

The deficit for the year, i.e. the difference between revenue and costs in the income statement, is SEK 10 billion, which is an improvement of SEK 57 billion compared with 2014. Tax revenue rose by SEK 108 billion.

Tax revenue was SEK 1 138 billion, which is 91 per cent of total revenues.

Costs for transfers, excluding provisions to funds, amounted to SEK 962 billion, an increase of SEK 33 billion compared with 2014.

Costs for central government activities amounted to SEK 259 billion, which corresponds to an increase of SEK 7 billion compared with 2014.

Profit/loss from shares in wholly owned and part-owned companies was SEK -4 billion, a decrease of SEK 16 billion compared with 2014.

Net financial income and expenses amounted to just under SEK -16 billion, SEK 1 billion less than in 2014. The net cost for the central government debt was SEK 22 billion, a decrease of SEK 10 billion compared with 2014.

Balance sheet

Balance sheet		
SEK billion		
	2015	2014
Assets		
Intangible fixed assets	8	8
Tangible fixed assets	535	519
Financial fixed assets	376	396
Lending	434	415
Inventories etc.	3	3
Receivables	177	146
Cut-off items	67	28
Current investments	3	19
Cash and bank balances	7	7
Total assets	1 610	1 540
Capital and liabilities		
Net wealth	-422	-418
Funds	153	147
Provisions for pensions etc.	243	232
Central government debt	1 352	1 347
Liabilities etc.	201	150
Cut-off items	82	82
Total capital and liabilities	1 610	1 540
Guarantees	1 623	1 513
Other contingent liabilities	49	41

Note: The amounts may not sum to totals because of rounding.

Central government net wealth, i.e. the difference between the book values of assets and liabilities (corresponding to equity in a corporate balance sheet), was negative and amounted to SEK -422 billion at year-end 2015, corresponding to 10.2 per cent of GDP. In relation to 2014, net wealth declined by SEK 4 billion.

The consolidated central government debt rose by SEK 5 billion to SEK 1 352 billion at year-end 2015. Loans in Swedish kronor increased by SEK 17 billion, while loans in foreign currency decreased by SEK 11 billion.

Government guarantees

Government guarantee commitments

SEK billion

	2015	2014
Deposit guarantee	1 501	1 389
Investor protection		
Credit guarantees	244	206
Capital injection guarantees	122	122
Pension guarantees	9	8
Other guarantees	1	2
Total	1 876	1 727

Government guarantee commitments increased by SEK 149 billion compared with 2014 and amounted to SEK 1 876 billion at year-end 2015. As a percentage of GDP, government guarantee commitments are just over 45 per cent. The deposit guarantee was SEK 1,501 billion, which is an increase of SEK 112 billion compared with 2014. Credit guarantees, including export credit guarantees, were SEK 244 billion, SEK 38 billion more than in 2014. Capital injection guarantees amounted to SEK 122 billion, and are unchanged compared with 2014.

The aggregate risk of central government guarantees and lending is considered to be low.

The guarantee commitments in this table deviate from the guarantees presented as memorandum items. This deviation concerns guarantees for which provisions have been made in the balance sheet.

Government lending

Government lending

SEK billion

Loan/purpose	2015	2014
Loans to the Riksbank	241	227
Student loans	179	174
Loans to other countries	6	6
Other loans	8	8
Total	434	415

Government lending amounted to SEK 434 billion. Loans to the Riksbank and CSN's student loans make up most of the Government's lending.

National declaration together with contributions to and reflows from the EU

The national declaration is based on the management declarations and certificates of the responsible authorities and their assessments concerning the management of EU funds, and the audit opinions from the audits. The Government issues the following declaration.

True and fair accounts

The summary of the EU accounts, consisting of an income statement, balance sheet and cash flow statement, has been drawn up in accordance with generally accepted accounting principles. The Government's assessment is that, in all essential respects, the accounts are true and fair.

Satisfactory internal control

A regulatory framework for central government is in place to ensure satisfactory internal control of EU funds.

Contributions to and reflows from the EU (cash flow)

SEK billion

	2015	2014
Payments to the EU	44	42
Payments from the EU	10	12
Net flow from the central government budget to the EU	34	30

Sweden's contributions to the EU amounted to SEK 44 billion. Reflows from the EU amounted to SEK 10 billion. The net cash flow from the central government budget to the EU amounted to SEK 34 billion, an increase of SEK 5 billion compared with 2014. The increase on 2014 is primarily due to contributions brought forward from 2016 to 2015. In 2014 and 2015, Sweden paid a higher EU contribution than usual because of a delay in Sweden receiving its discount on value added tax and GNI contributions from 2014 since the ratification of the Council Decision on the system of own resources of the European Union had not yet been concluded.

Central Government Annual Report 2015

Every year the Government must present a central government annual report to the Riksdag no later than on 15 April of the year following the budget year.

The central government annual report for 2015 has been drawn up in accordance with the provisions in the Budget Act (2011:203) and in accordance with generally accepted accounting principles. The Government's assessment is that, in all essential respects, the annual report gives a true and fair view of the financial position and performance, and the management of central government assets.

The consolidated accounts in the annual report cover government agencies, including public enterprises, under the Riksdag and the Government. The share capital of the Riksbank is also included as a central government asset.

However, income and costs, assets and liabilities, and payments reported by the Riksbank and the AP funds are not included. Nor are the assets or liabilities of the premium pension system and its returns included in the consolidated accounts.

The report includes all activities of the constituent organisations irrespective of financing and based on information provided by the central government agencies and public enterprises and information presented in the agencies' annual reports. In situations where this information has been insufficient, supplementary information has been obtained. The data has been supplemented by financial transactions that have not been reported by the government agencies, in particular estimates of tax revenue not yet debited.

The report is based on accepted accounting and valuation principles that, as far as possible, remain unchanged over time. However, continuous development of central government accounts does take place. Current principles and circumstances are outlined in Section 3.4 Accounting principles and additional information requirements.

The income statement provides a basis for assessing the central government's overall inflow and outflow of resources. The value of central government assets and liabilities as of 31 December 2015 is presented in the balance sheet. The cash-flow statement shows central government payment flows. This Communication compares the outcome for 2015 in the income statement, balance sheet, cash-flow statement and notes with the outcome for 2014.

The central government budget includes all income and expenditure that affects the central government borrowing requirement. The Communication compares and comments on the budget outcome for 2015 both with the income and expenditure of the original budget approved by the Riksdag for 2015 and the outcome for 2014.

The Swedish National Financial Management Authority and the Swedish National Debt Office have submitted supporting information to this Communication (Fi2016/00751/BATOT).

Various definitions of the central government

The central government's financial outcome is presented from different starting points because the information has different purposes. The definition of the central government may accordingly vary. Another reason for differences between some financial statements is that different principles are applied to the accounting records and the central government budget. Depending on the starting point, a single financial transaction may have somewhat different consequences, and the outcome may therefore differ between accounts.

Information on the financial outcome for the central government also forms the basis of the national accounts, which are a statistical compilation in account form of the overall Swedish economy. The central government's definition of national accounts is based on definitions etc. that follow recommendations from the United Nations and 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. The definition of national accounts differs from the annual report in part because public enterprises are not included in its definition of the central government.

Appendix

Table 1 Outcome of the central government budget 2015

SEK million

	Central govern- ment budget	Amend- ing budget	Outcome 2015	Difference from central government budget
Total income	837 017		859 529	22 512
Central government tax income	859 116		894 127	35 011
Other income	-22 099		-34 597	-12 498
Total expenditure etc.	869 586	35 565	892 179	22 594
Expenditure areas excl. interest on the central government debt etc.	853 331	26 765	867 409	14 078
Interest on the central government debt etc.	20 526	8 800	21 936	1 410
Change in appropriation balances	-4 593			4 593
Net lending by National Debt Office	322		10 094	9 773
Cash adjustment	0		-7 260	-7 260
Budget balance	-32 569		-32 650	-81

Table 2 Total tax revenue and income in the central government budget, compared with the budget for 2014 and the adopted budget for 2015.

SEK billion

Revenue year	Estimated outcome	Outcome	Difference from adopted budget	Difference from central government budget
	2015	2014	2015	2014
Taxes on labour	1 051.5	985.7	-0.8	-6.6
<i>Direct taxes</i>	561.4	530.3	-4.8	-1.1
Local government income tax	636.2	602.7	-1.4	-0.3
State income tax	51.5	47.4	0.1	2.0
General pension contributions	108.3	104.0	-1.0	-0.3
Non-resident entertainers' tax	0.0	0.0	0.0	0.0
Tax reductions etc.	-234.6	-223.8	-2.5	-2.5
<i>Indirect taxes</i>	490.1	455.4	4.0	-5.5
Employers' social security contributions	491.7	471.7	13.3	1.2
Self-employed social security contributions	13.0	11.8	-0.7	-2.3
Special payroll tax	38.5	37.0	-4.1	-3.2
Reductions	-19.9	-33.9	-4.5	-1.3
Tax on occupational group life insurance	0.5	0.7	-0.2	-0.2
Contributions to premium pension system	-33.6	-31.9	0.2	0.2
Taxes on capital	226.7	200.2	36.2	14.9
Taxes on capital, households	50.6	48.0	9.6	13.6
Taxes on business profits	119.2	96.5	24.1	-0.7
Tax on investment income	8.7	10.2	-0.4	0.3
Property tax and property charge	32.6	32.0	1.1	1.0
Stamp duty	10.9	9.3	1.6	0.9
Coupon tax etc.	4.6	4.2	0.3	-0.2
Taxes on consumption and production inputs	508.6	475.3	8.8	-3.2
Value added tax	381.0	355.0	9.9	2.4
Taxes on tobacco and alcohol	25.6	24.2	0.6	-0.5
Energy tax	40.7	39.0	-1.1	-2.6
Carbon tax	24.6	23.3	-0.5	-0.8
Other energy and environmental taxes	4.8	4.4	-0.2	-1.6
Road traffic tax	18.8	16.8	-0.3	-0.2
Import duties	6.3	5.8	0.3	0.6
Other taxes	6.9	6.8	-0.1	-0.5
Taxes due and other taxes	7.8	8.8	4.4	3.2
Taxes due	-4.3	-5.9	0.4	0.4
Other taxes	12.1	14.7	2.8	2.8
Total tax revenue	1 794.6	1 670.0	48.6	8.2
Deducted, EU tax	-6.3	-8.4	-0.3	-0.6
General government tax revenue	1 788.3	1 661.6	48.3	7.7
Deducted, local government income taxes	-652.3	-618.3	0.2	0.2
Deducted, old age pension contributions	-223.8	-213.7	0.1	0.1
Central government tax revenue	912.1	829.6	50.0	7.9
Accruals	-18.0	-27.6	-15.0	-17.8
Central government tax income	894.1	802.0	35.0	-9.9
Other income	-34.6	-11.7	-12.5	-24.1
Income in the central government budget	859.5	790.2	22.5	-34.0

Table 3 Expenditure in the central government budget 2015

SEK million

Expenditure area		Central government budget	Amending budget	Total amount allocated	Outcome	Outcome – central government budget	Outcome – total amount allocated
1	Governance	12 199	104	12 303	12 281	82	-22
2	Economy and financial administration	14 600	2	14 601	14 442	-158	-160
3	Taxes, customs and enforcement	10 574		10 574	10 754	180	180
4	Justice	40 758	47	40 805	40 429	-329	-376
5	International cooperation	1 919	50	1 969	1 934	15	-35
6	Defence and contingency measures	48 451	-4	48 447	48 271	-181	-177
7	International development cooperation	29 509	-229	29 280	32 213	2 704	2 933
8	Migration	17 433	1 440	18 873	18 725	1 292	-148
9	Health care, medical care and social services	61 898	2 870	64 768	64 979	3 080	210
10	Financial security for the sick and disabled	100 474	2 561	103 035	102 603	2 129	-432
11	Financial security for the elderly	38 015	595	38 611	38 136	120	-475
12	Financial security for families and children	83 125	395	83 519	82 931	-194	-589
13	Integration and gender equality	16 747	14	16 761	15 362	-1 385	-1 399
14	Labour market and working life	67 783	1 531	69 314	64 971	-2 812	-4 343
15	Financial support for students	20 302	664	20 967	19 216	-1 086	-1 750
16	Education and academic research	63 636	336	63 972	62 954	-682	-1 018
17	Culture, media, religious communities and leisure activities	12 785	551	13 336	13 281	495	-56
18	Community planning, housing provision, construction and consumer policy	1 208	16	1 224	1 074	-134	-150
19	Regional growth	2 701		2 701	2 243	-458	-458
20	General environmental protection and nature conservation	5 341	706	6 047	5 938	597	-109
21	Energy	2 470	-87	2 383	2 291	-179	-92
22	Transport and communications	48 871	579	49 450	47 242	-1 629	-2 208
23	Land- and water-based industries, rural areas and food	15 656	25	15 681	13 398	-2 258	-2 283
24	Industry and trade	5 309	207	5 516	5 475	166	-41
25	General grants to local government	91 441	10 663	102 104	102 037	10 596	-67
26	Interest on the central government debt etc.	20 526	8 800	29 326	21 936	1 410	-7 390
27	Contribution to the European Union	40 126	3 728	43 855	44 232	4 105	377
	Change in appropriation balances	-4 593		-4 593		4 593	4 593
Total		869 264	35 565	904 829	889 345	20 081	-15 484
	Net lending by National Debt Office	322		322	10 094	9 773	9 773
	Cash adjustment	0		0	-7 260	-7 260	-7 260
	Total expenditure in the central government budget	869 586	35 565	905 150	892 179	22 594	-12 971

Table 4 Income statement

SEK million

	Note	2015	2014
Revenue			
Tax revenue	1	1 138 437	1 030 782
Fee revenues and other payments	2	51 043	52 226
Revenue from grants	3	46 561	49 193
Total revenue		1 236 041	1 132 201
Expenses			
<i>Transfers etc.</i>			
Transfers to households	4	-605 513	-588 976
Transfers to companies	4	-47 249	-49 875
Transfers to local government	4	-239 732	-222 307
International transfers	4	-69 564	-67 940
Transfers to/utilisation of reserves	5	-6 040	-14 770
<i>Total transfers etc.</i>		<i>-968 098</i>	<i>-943 868</i>
<i>Central government activities</i>			
Personnel costs	6	-122 831	-120 094
Premises costs	7	-21 105	-19 597
Certain guarantee and credit costs	8	-1 997	-423
Other operating expenses	9	-85 193	-85 411
Depreciation and write-downs	10	-27 840	-26 821
<i>Total central government activities</i>		<i>-258 966</i>	<i>-252 346</i>
Total expenses		-1 227 064	-1 196 214
<i>Balance before profit/loss from participations and financial items</i>		<i>8 977</i>	<i>-64 013</i>
Profit/loss from shares in wholly owned and part-owned companies	11	-3 735	11 571
Financial income and expenses			
Net cost for the central government debt	12	-21 550	-32 074
Other financial income	13	10 549	18 313
Other financial expenses	14	-4 581	-1 212
Total financial items		-15 582	-14 973
DEFICIT FOR THE YEAR		-10 340	-67 415

Remark: Notes are not included in this translated document.

Table 5 Balance sheet

SEK million

ASSETS	Note	31 Dec 2015	31 Dec 2014
Fixed assets			
<i>Intangible fixed assets</i>			
Capitalised development expenditure	15	7 459	7 210
Rights and other intangible fixed assets	16	923	876
Advances concerning intangible fixed assets	17	0	1
Total intangible fixed assets		8 382	8 087
Tangible fixed assets			
State road infrastructure	18	136 232	116 093
State rail infrastructure	19	143 287	129 445
Buildings, land and other real property	20	39 723	39 274
Expenditure on improvements to property owned by others	21	4 898	4 605
Machinery, equipment, installations, etc.	22	32 533	29 692
Fixed assets under construction	23	78 472	101 196
Contingency assets	24	95 280	93 155
Advances concerning tangible fixed assets	25	4 965	5 363
Total tangible fixed assets		535 390	518 823
Financial fixed assets			
Shares in wholly owned and part-owned companies	26	328 528	350 113
Other long-term securities holdings	27	42 989	42 864
Long-term receivables	28	4 749	3 177
Total financial fixed assets		376 266	396 154
Total fixed assets		920 038	923 064
Lending	29	433 805	414 718
Inventories etc.			
Inventories and stocks	30	1 676	1 703
Work in progress	31	637	621
Properties	32	163	161
Advance payments to suppliers	33	30	49
Total inventories etc.		2 506	2 534
Receivables			
Accounts receivable	34	9 218	6 177
Other current receivables	35	167 441	139 814

Total receivables		176 659	145 991
Cut-off items			
Prepaid expenses	36	20 165	13 016
Accrued grant revenue	37	2 511	2 609
Other accrued income	38	44 315	12 222
Total cut-off items		66 991	27 847
Current investments			
Securities and participations	39	2 800	18 546
Total current investments		2 800	18 546
Cash and bank balances	40	7 298	7 083
TOTAL ASSETS		1 610 097	1 539 783

CAPITAL AND LIABILITIES

	Note		
Net wealth	41	-421 804	-417 816
Funds	42	153 044	147 004
Provisions			
Provisions for pensions and similar obligations	43	227 871	221 144
Other provisions	44	15 108	10 541
Total provisions		242 979	231 685
Central government debt			
Loans in Swedish kronor	45	941 501	924 378
Loans in foreign currency	45	410 791	422 258
Total central government debt		1 352 292	1 346 636
Liabilities etc.			
Long-term liabilities	46	3 349	3 060
Trade payables	47	19 135	17 556
Other current liabilities	48	177 402	127 786
Deposits	49	1 241	1 286
Advance payments from responsible entities and customers	50	162	125
Total liabilities etc.		201 289	149 813
Cut-off items			
Accrued expenses	51	32 146	29 573
Unutilised grants	52	10 189	9 551
Other deferred income	53	39 962	43 337
Total cut-off items		82 297	82 461
TOTAL CAPITAL AND LIABILITIES		1 610 097	1 539 783
Guarantees	54	1 623 153	1 512 846
Other contingent liabilities	55	48 749	41 448

Remark: Notes are not included in this translated document.

Table 6 Cash flow statement

SEK million

	Note	2015	2014
Central government activities			
Taxes	56	1 108 686	1 021 614
Fees and other payments	57	70 136	62 035
Revenue from grants		46 561	49 193
<i>Total adjusted revenue</i>		<i>1 225 383</i>	<i>1 132 842</i>
Transfers	58	-970 445	-930 905
Central government activities	59	-216 825	-217 346
		<i>-1 187</i>	<i>-1 148 251</i>
<i>Total adjusted expenses</i>		<i>270</i>	
Adjustments to payments	60	29 408	1 524
Balance central government activities		67 521	-13 885
Investments			
	61		
Financial investments		-3 398	-3 191
Tangible investments		-42 415	-45 783
Intangible investments		-2 848	-2 699
<i>Total investment expenditures</i>		<i>-48 661</i>	<i>-51 673</i>
Sale of fixed assets		684	3 172
Total investment activities		-47 977	-48 501
Lending			
	62		
New lending		-28 532	-21 028
Amortisation		12 150	13 338
Total net lending		-16 382	-7 690
Financial activities			
Net central government borrowing	63	-27 531	-14 177
Net expenses	64	9 184	10 645
Adjustments to payments	65	7 566	10 524
Total financial activities		-10 781	6 992
Total		-7 619	-63 084
Central government net lending			
Change in central government debt		5 657	110 218
Unrealised exchange rate changes		1 962	-47 134
Total		7 619	63 084

Remark: Notes are not included in this translated document.