GENERAL GOVERNMENT SECTOR BALANCE Contact person at the IMAD: Jasna Kondža	
DEVELOPMENT FIELD	Competitive economy and faster economic growth – Macroeconomic stability
DESCRIPTION OF INDICATOR	*Definition:* **General government sector deficit/surplus as a share of gross domestic product:** the indicator compares the deficit/surplus of the general government sector with gross domestic product. The deficit/surplus of the general government sector is defined as the balance between the revenues and expenditures of the general government sector. The indicator is also one of the Maastricht convergence criteria according to which the general government deficit must not exceed 3% of GDP. After joining the EU, Slovenia must submit to the European Commission the 'Report on Government Deficit and Debt' twice a year. This report serves the Commission as a basis to check the country's compliance with the Maastricht convergence criteria. The deficit/surplus of the general government sector is determined on the basis of Eurostat's methodology 'European System of Accounts 1995' (ESA-95), which is used in all EU member states to make data internationally comparable. It is described in detail in the 'ESA 95 Manual on Government Deficit and Debt'. According to this methodology, the general government sector includes all institutional units which are non-market producers whose output is intended for individual or collective consumption and which are financed by compulsory levies, and all institutional units that are principally engaged in the redistribution of national income and wealth. In addition to the four general government accounts (national and local budgets, the compulsory health insurance fund, and the pension and disability insurance fund), the general government sector also includes public funds, among them the Capital Company (the KAD) and the Slovenian Restitution Company (the SOD) as well as public agencies. The ESA-95 methodology is based on the accrual principle, which means that all revenues and expenditures are recorded at the moment when claims or obligations arise rather than when they are paid. In Slovenia, the general government deficit/surplus is also measured according to the national methodology based on the IMF methodology 'Government Finance Statistics' (GFS). It is defined as the deficit in the consolidated general government revenue and expenditure (of the four accounts), which provides a narrower institutional coverage than the ESA-95. The national methodology of computing general government deficit/surplus is based on the cash principle, which means that flows (general government revenues and expenditure) are recorded upon payment, rather than when obligations arise which is the common method in national accounting. *Detailed methodological explanations:* – EUROSTAT, 'ESA 95 Manual on Government Deficit and Debt' *International comparability:* The methodology of recording the deficit/surplus is harmonised and applied in all EU

	countries under EUROSTAT's constant supervision, which ensures a high level of international data comparability. *Manner of presentation:* aggregately for the whole country *Unit of measurement: % of GDP*
SOURCE OF DATA FOR SLOVENIA	*Institution:* – Ministry of Finance (general government flows data) – SORS (GDP data, conversion of general government flows data from the national system to ESA-95) – IMAD (recalculations). *Updating frequency*: twice a year
AVAILABLE TIME SERIES	2000 – 2006
INTERNATIONAL COMPARISONS	– EU (by country and as a whole); *source:* Eurostat (according to the ESA-95 methodology)