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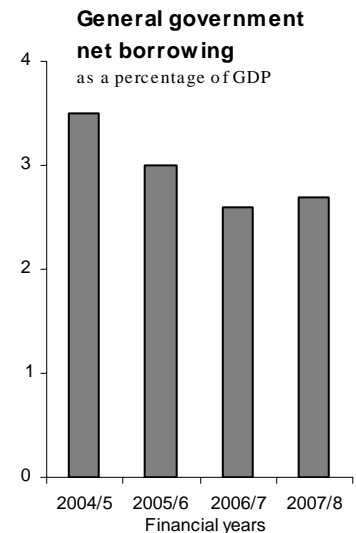
Coverage
Great Britain

Theme
The Economy



Government deficit and debt under the Maastricht Treaty

In the financial year 2007/8 general government net borrowing, as measured on the *Maastricht Treaty and Stability and Growth Pact* 'Excessive Deficit Procedure' bases, was £38.7 billion. This compares with net borrowing of £34.4 billion in 2006/7. General government net borrowing is referred to as "government deficit" in the *Maastricht Treaty*



General government net borrowing in 2007/8 was equivalent to 2.7 per cent of gross domestic product, compared with 2.6 per cent in 2006/7. The reference value for 'excessive deficit' is three per cent

At end March 2008 general government gross consolidated debt at nominal value was £614.4 billion, equivalent to 43.2 per cent of gross domestic product, compared with £574.2 billion (42.7 per cent) at the end of March 2007. The reference point value for 'excessive debt' is 60 per cent.

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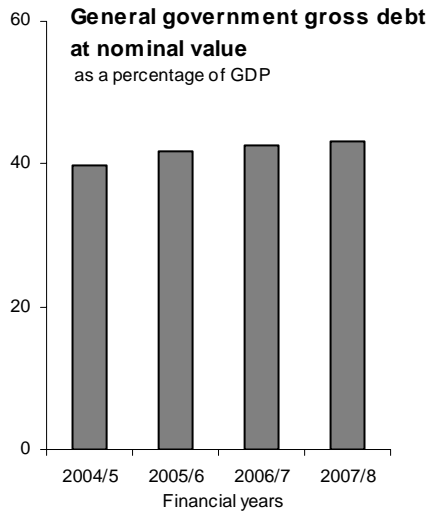
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	2004/5	2005/6	2006/7	2007/8
General government deficit net borrowing £bn	41.9	38.5	34.4	38.7
as a percentage of GDP	3.5	3.0	2.6	2.7
General government debt Debt at nominal value	483.8	531.5	574.2	614.4
as a percentage of GDP	39.9	41.9	42.7	43.2



Background

Article 104 of the 1992 *Maastricht Treaty on European Union* obliges member states to avoid excessive budgetary deficits. This article also sets out a procedure, the Excessive Deficit Procedure, to identify and counter such excessive deficits, including the possibility of financial sanctions.

The *Protocol on the Excessive Deficit Procedure*, annexed to the *Maastricht Treaty*, defines two criteria and reference values for compliance. These are a deficit to Gross Domestic Product (GDP) ratio of three per cent, and a debt to GDP ratio of 60 per cent.

In 1997 the *Stability and Growth Pact* was adopted by the European Union. This clarified and strengthened the *Maastricht Treaty* provisions on fiscal discipline in European Economic and Monetary Union. The full provisions took effect when the euro currency was launched on 1 January 1999.

EU Member Governments have to report their actual and planned government deficits, and the levels of their debt, promptly to the European Commission, to specific deadlines twice each year. The estimates in this first release have been supplied to the European Commission by ONS in accordance with the schedules in the Excessive Deficit Procedure. Forecasts for future years are provided separately by HM Treasury.

The first deadline (1 April) is designed so that the European Commission can gain an early sight of member states compliance for the previous calendar year. However, for the United Kingdom, uniquely within the European Union, the *Stability and Growth Pact* sets the reference period to be the financial year (1 April to 31 March), recognising the different budgetary year arrangements in the United Kingdom. The second deadline (1 October) thus provides the first estimate for the latest financial year.

The *Protocol on the Excessive Deficit Procedure* gives the definition of Government deficit and debt according to the *European System of Accounts*. This is also the manual that the ONS uses to define the United Kingdom's National Accounts.

'Government' is defined as the general government sector, which covers central, state and local government and social security funds.

'Government deficit' is defined as general government net borrowing.

Swaps

Since the Protocol was established, a European Regulation has been passed that requires payments on swaps to be treated as interest payments, and hence part of general government net borrowing as reported for the Excessive Deficit Procedure. The Regulation does not amend general government net borrowing for National Accounts purposes, which is also used in the *Public Sector Finances First Release*. For these purposes swaps are treated as financial items. The UK Government does not use swaps to the same extent as some European Union member states. The

reconciliation between these two versions of net borrowing is shown in table M7.

Spectrum receipts

The ONS has also presented in table M7 an alternative version of the deficit, which is consistent with a Eurostat decision on the treatment of receipts for use of the spectrum; the derivation is explained in the notes to table M7. Eurostat's decision differs from the ONS interpretation of the *1995 European System of Accounts*, which is consistent with that proposed by the Inter-Secretariat Working Group on National Accounts (ISWGNA) and agreed by the United Nations Statistical Commission (UNSC). This is used in the UK National Accounts and Public Sector Finances. The alternative version for the 2007/8 is £39.8 billion, equivalent to 2.8 per cent of GDP. In 2000/1, the year of the cash receipts, the surplus would be boosted from 1.5 per cent to 3.7 per cent if the alternative version was used. Deficit data in 1999 and earlier years are the same under both definitions. The debt data are unaffected throughout.

Northern Rock

In September 2008 Eurostat informed ONS of its provisional view that Bank of England lending to Northern Rock should be re-routed through government from 9 October 2007. Since the classification of the lending to Northern Rock, and of other events resulting from the financial crisis, are still under international discussion, the data in this release and those reported to Eurostat record the loan as central bank (public corporation) lending in line with the decision taken by ONS in February 2008. If the loan were re-routed via government then the debt to GDP ratio would be 46.1 per cent at end-2007 and 44.9 per cent at end-2007/8.

Government Deficit

Net borrowing exceeded the reference value from 1991/2 to 1996/7. Net borrowing reached a record high of £52.5 billion (7.9 per cent of GDP) in 1993/4, then fell steadily, moving into net lending (or surplus) in 1998/9. In 2001/2 it started to rise again, returning to net borrowing (or deficit) before falling again in 2005/6. In 2007/8 the deficit began to rise.

Government Debt

General government gross consolidated debt at nominal value, has for the last decade always been substantially below 60 per cent of GDP; the highest percentage was 51.3 per cent at end March 1996. As a percentage of GDP, it fell in every year since until end March 2004, from when it has risen every year. At end-March 2008 gross debt was £614.4 billion, compared with £574.2 billion at end of March 2007, the percentage rose from 42.7 per cent to 43.2 per cent. The tables present the debt position at the end of both the calendar and financial years.

The level of government debt traditionally falls during the first quarter of each calendar year. The main reason for this is the timing of tax receipts. In January there are substantial tax receipts, under self assessment and also corporation tax, which reduces the level of debt.

Financial Intermediation Services Indirectly Measured (FISIM)

Previous versions of this release included a reconciliation that adjusted ONS's main published GDP to include the allocation of FISIM. From September 2008 FISIM has been included in the main GDP publication so this adjustment is no longer necessary.

Revisions since last data release

Table M8R presents revisions to key aggregates in this release since data were last supplied to Eurostat in March 2008.

The deficit and debt data in this release are based on the *Public Sector Finances First Release* published on 18 September 2008, but includes some new information not yet included in *Public Sector Finances*. The *Public Sector Finances First Release* adopts a revisions policy whereby revisions to past periods are included in advance of National Accounts. The GDP data are consistent with the National Accounts first release published on 30 September 2008.

Revisions to the deficit data are generally less than 0.1 per cent of GDP, except in 2006 and 2007. There have been minimal revisions to debt.

Details of the revisions policy for this and the other public sector statistics releases is available at

http://www.statistics.gov.uk/about/Methodology_by_theme/Public_sector_accounts/default.asp

Notes to Tables

Table M1

Table M1 shows, for both financial and calendar years, general government net borrowing (also referred to as "government deficit") and the nominal value of general government gross consolidated debt, in £ million and as percentages of Gross Domestic Product (GDP) at current market prices, which is also shown in £ million.

Tables M2 and M3

These tables show, for both financial and calendar years, general government gross consolidated debt at nominal value, and the corresponding general government transactions in Maastricht debt instruments. The categories are: loans from central bank; other loans; currency and deposits; bills and short-term bonds; and medium and long-term bonds. The main component of total gross debt is medium and long-term bonds, which at end March 2008 accounted for 74.4 per cent of total gross debt. This category mainly consists of British Government Securities (gilts).

Table M4

Table M4 explains how general government net borrowing reconciles with the increase in general government gross consolidated debt at nominal prices. Conceptually, the following equation holds:

net borrowing (Maastricht deficit definition)
 + net acquisition of financial assets
 - swaps
 + consolidating transactions in government debt instruments (i.e. transactions between central and local government),
 - other accounts payable (which mainly consists of trade credit and accruals adjustments, which are excluded from government debt)
 + adjustment for holding gains/losses,
 + adjustment from market to nominal value
 + other adjustments
 = the increase in general government gross consolidated debt at nominal value.

The other adjustments category includes Other Changes in Volume (K.10 in ESA95) for financial liabilities excluding other accounts payable, the Statistical Discrepancy Item from the Sector Account, and a further discrepancy item required to reconcile general government net borrowing with the increase in general government gross consolidated debt at nominal prices.

Tables M5 and M6

These tables reconcile general government gross consolidated debt and the corresponding transactions in government debt instruments with the Public Sector Finances version of National Accounts; the tables show how the ONS calculates gross debt and the corresponding transactions. General government total liabilities from the financial balance sheet (NPVQ) and the corresponding financial transactions (NFSK) are recorded on an unconsolidated basis (i.e., including transactions between central and local government) and at market prices in accordance with ESA95. Estimates for other accounts payable (which consists of trade credit and accruals adjustments) are deducted from total financial liabilities to get unconsolidated government debt at market prices. The consolidating debt (which mainly consists of local government borrowing from central government) is then deducted to get consolidated government debt at market prices. British government securities (gilts) at market prices are then deducted and gilts at nominal prices added to get general government consolidated debt at nominal prices.

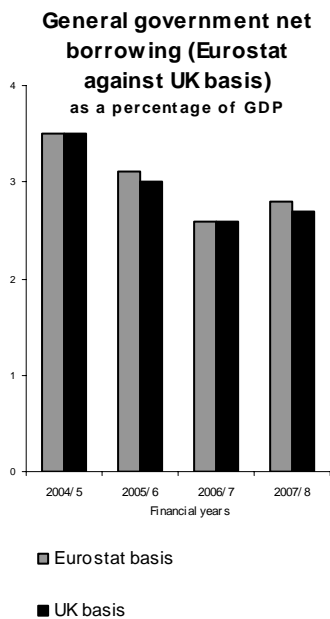


Table M7

Table M7 shows the reconciliation of the three different versions of general government net borrowing. Net borrowing in column one is based on the latest available data, including information that has yet to be included in National Accounts. It then shows, in the third column, net borrowing incorporating the Regulation treating *swaps* as interest. These are the headline figures presented in this release. Finally the table shows, in the sixth column, net borrowing formed from an alternative treatment of receipts by government for allowing the use of the spectrum by third generation mobile phone companies. Eurostat request that, for the Excessive Deficit Procedure, these are reported as being for the sale of assets and this is the third version of net borrowing shown. Cash receipts of £22.5 billion were paid to government by mobile phone companies during the second and third quarters of 2000. ONS interpretation of ESA95, is that these receipts should be treated as rents. In the National Accounts and the *Public Sector Finances First Release* they are treated as pre-payments of rent at the rate of £1 billion per annum over the life of the licences. For more detail please refer to the PSA page under Articles www.statistics.gov.uk/psa/

To derive the numbers consistent with the Eurostat decision, net borrowing (including *swaps* interest payments) is adjusted by adding the rent estimates in column four and deducting the adjusted cash receipts in column five. Adopting the Eurostat treatment has the effect of more than doubling the government surplus for 2000/1, (£36.9 billion as opposed to £15.3 billion). The ONS believes this disguises the true picture by scoring over 20 years of receipts in one year. Such a surplus would be consistent with the spectrum being sold, however it is just being leased to the mobile phone companies. The final three columns show each version of net borrowing as a percentage of versions of GDP.

Background Notes

1. This First Release presents Government deficit and debt under the Excessive Deficit Procedure calculated according to the ONS's interpretation of the *1995 European System of Accounts (ESA95)*. It also publishes the deficit consistent with a Eurostat decision on the treatment of receipts for use of the spectrum.
2. Under the Treaty establishing the European Union, the UK government is required to endeavour to avoid an excessive government deficit (defined as general government net borrowing). All Member States are required to report their planned and actual deficit and the levels of their debt promptly to the European Commission. The data are reported to Eurostat by 1 April and 1 October each year. The April notification includes the first estimate of the calendar year outturn. The notification in October revises the data supplied in April and includes the first estimate of financial year outturn. Copies of the tables reported to Eurostat are available on the National Statistics website at www.statistics.gov.uk.
3. The deficit data in this First Release are based on that published in the *Public Sector Finances First Release* 18 September 2008, but includes information not yet included in *Public Sector Finances* and also the swaps modification outlined above. It includes revisions incorporated since the Excessive Deficit Procedure data were last published in March and data which are not yet included in National Accounts. Details of the revisions policy for this and the other public sector first releases is available at http://www.statistics.gov.uk/about/Methodology_by_theme/Public_sector_accounts/default.asp
4. The estimate of GDP used in this release is consistent with that published today in the UK National Accounts.
5. The financial year is defined as being from 1 April to the following 31 March.
6. Further information concerning the definitions of National Accounts general government net borrowing can be found in *Monthly Statistics on Public Sector Finances: a Methodological Guide*, no. 12 in the Government Statistical Service methodology series at www.statistics.gov.uk/psa
7. Details of the policy governing the release of new data are available from the Press Office, including a description of the release categories featured on the front page of the releases.
8. **National Statistics** are produced to high professional standards set out in the National Statistics Code of Practice. They undergo regular quality assurance reviews to ensure that they meet customer needs. They are produced free from any political interference. ©Crown copyright 2008

M1 Government Deficit and Debt Under the Maastricht Treaty

Summary Table

Not seasonally adjusted

£ million

	General government net borrowing	General government gross consolidated debt at nominal value	Gross domestic product (GDP) at current market prices	Net borrowing as a percentage of GDP	Gross consolidated debt as a percentage of GDP
Financial years					
	-MDUK	YEQG	BKTL		YEJQ
1994/95	46 287	343 839	703 113	6.6	48.9
1995/96	38 724	381 518	744 100	5.2	51.3
1996/97	30 625	404 376	792 360	3.9	51.0
1997/98	8 559	404 395	843 145	1.0	48.0
1998/99	-2 498	403 167	890 272	-0.3	45.3
1999/00	-11 790	395 845	944 630	-1.2	41.9
2000/01	-15 269	384 484	989 552	-1.5	38.9
2001/02	1 806	382 059	1 031 458	0.2	37.0
2002/03	26 057	401 297	1 092 056	2.4	36.7
2003/04	36 589	446 347	1 156 815	3.2	38.6
2004/05	41 927	483 806	1 211 978	3.5	39.9
2005/06	38 538	531 482	1 268 395	3.0	41.9
2006/07	34 406	574 236	1 344 308	2.6	42.7
2007/08	38 737	614 360	1 420 607	2.7	43.2
Calendar years					
1998	951	410 211	879 102	0.1	46.7
1999	-8 668	405 660	928 730	-0.9	43.7
2000	-13 002	400 606	976 533	-1.3	41.0
2001	-6 444	385 510	1 021 828	-0.6	37.7
2002	20 135	402 921	1 075 564	1.9	37.5
2003	37 094	441 133	1 139 746	3.3	38.7
2004	40 059	487 860	1 200 595	3.3	40.6
2005	41 601	529 367	1 252 505	3.3	42.3
2006	34 259	573 341	1 321 860	2.6	43.4
2007	37 886	618 775	1 401 042	2.7	44.2

M2 General Government Gross Debt at Nominal Value

Consolidated

Not seasonally adjusted

£ million

	Loans from central bank	Other loans	Currency and deposits	Bills and short-term bonds	Medium and long-term bonds	General gov't. gross consolidated debt at nominal value
Financial years						
	YEQC	YEQD	GTK4	YEQE	YEQF	YEQG
1994/95	15 904	10 759	63 080	11 002	243 094	343 839
1995/96	15 655	10 490	69 213	13 812	272 348	381 518
1996/97	14 323	9 812	75 061	7 374	297 806	404 376
1997/98	12 807	8 208	76 676	4 191	302 513	404 395
1998/99	15 367	8 239	75 510	6 742	297 309	403 167
1999/00	13 370	11 501	73 347	4 093	293 534	395 845
2000/01	13 370	9 022	75 488	3 910	282 694	384 484
2001/02	13 370	10 656	74 096	9 177	274 760	382 059
2002/03	13 370	14 241	76 298	14 737	282 651	401 297
2003/04	13 370	19 126	78 500	20 285	315 066	446 347
2004/05	13 370	18 557	80 199	20 246	351 434	483 806
2005/06	13 370	22 365	87 285	18 822	389 640	531 482
2006/07	13 370	29 168	92 711	15 536	423 451	574 236
2007/08	7 370	29 222	103 436	17 505	456 827	614 360
Calendar years						
1998	13 390	8 447	76 239	4 542	307 593	410 211
1999	19 451	7 675	75 110	3 897	299 527	405 660
2000	13 370	17 596	78 035	2 358	289 247	400 606
2001	13 370	12 261	75 617	10 819	273 443	385 510
2002	13 370	14 959	77 578	21 719	275 295	402 921
2003	13 370	18 205	79 953	23 836	305 769	441 133
2004	13 370	26 981	82 580	26 461	338 468	487 860
2005	13 370	30 506	88 308	20 981	376 202	529 367
2006	13 370	29 454	93 660	19 249	417 608	573 341
2007	13 370	30 438	101 579	17 934	455 454	618 775

M3 General Government Transactions in Maastricht Debt Instruments Consolidated

Not seasonally adjusted (+ = increase in liabilities, - = decrease in liabilities)

£ million

Financial years	Loans from central bank	Other loans	Currency and deposits	Bills and short-term bonds	Medium and long-term bonds	General gov. transactions in Maastricht debt instruments
	YEQK	YEQL	GTG3	YEQN	YEQO	YEQR
1994/95	9 143	-391	4 455	4 583	22 663	40 453
1995/96	-249	-727	6 161	2 736	28 222	36 143
1996/97	-1 332	-840	5 527	-5 789	26 768	24 334
1997/98	-1 516	-461	1 709	-2 920	6 794	3 606
1998/99	2 561	-568	-1 198	2 451	-6 521	-3 275
1999/00	-1 997	-703	-1 809	-2 626	217	-6 918
2000/01	-	-2 268	2 257	-678	-13 282	-13 971
2001/02	-	-1 245	-1 983	5 781	-9 156	-6 603
2002/03	-	3 925	2 828	5 720	7 557	20 030
2003/04	-	5 226	2 302	4 444	32 871	44 843
2004/05	-	401	1 673	1 059	37 746	40 879
2005/06	-	3 000	7 140	-1 426	38 755	47 469
2006/07	-	5 791	5 428	-3 289	36 087	44 017
2007/08	-6 000	1 257	10 718	1 969	33 734	41 678
Calendar years						
1998	1 015	-361	-997	-26	-3 290	-3 659
1999	6 062	-685	-716	-608	-4 545	-492
2000	-6 081	6 608	2 714	-1 434	-12 517	-10 710
2001	-	-6 378	-2 797	8 504	-17 410	-18 081
2002	-	1 837	1 958	10 510	1 866	16 171
2003	-	3 028	3 492	2 629	31 592	40 741
2004	-	8 851	2 679	1 058	34 091	46 679
2005	-	3 555	5 743	-3 916	40 052	45 434
2006	-	-978	5 429	-1 734	41 306	44 023
2007	-	641	8 010	-1 316	39 066	46 401

M4 Reconciliation of General Government Net Borrowing with General Government Gross Consolidated Debt at Nominal Value

Not seasonally adjusted

£ million

Financial years	General Government Net borrowing	Net acquisition of financial assets	LESS Swaps	Consolidating transactions in Maastricht debt instruments	LESS Other accounts payable (F.7)	Adjustment for holding gains/losses ¹	Adjustment from market to nominal value ²	Other adjustments	Increase in general gov. gross consolidated debt at nominal value
	-MDUK	NFPG	CFZG	-YEQP	-NFVL	EYVC	YEQT	MDQA	
1994/95	46 287	-5 947	-	267	-1 071	-1 331	-2 005	3 236	39 436
1995/96	38 724	-768	-	-548	-1 059	136	-1 431	2 625	37 679
1996/97	30 625	-2 100	-	-1 244	-1 804	-601	-855	-1 163	22 858
1997/98	8 559	-2 866	-	-932	-1 705	-277	-192	-2 568	19
1998/99	-2 498	1 080	-	-2 107	278	116	1 289	614	-1 228
1999/00	-11 790	6 728	-55	-1 549	-218	3 929	2 469	-6 836	-7 322
2000/01	-15 269	25 060	-265	-732	-22 012	606	1 141	110	-11 361
2001/02	1 806	-8 308	92	-612	961	290	2 141	1 205	-2 425
2002/03	26 057	-6 262	390	3 225	-2 567	-581	1 063	-2 087	19 238
2003/04	36 589	1 802	-43	3 368	3 083	808	-425	-132	45 050
2004/05	41 927	965	139	-338	-1 024	-2 267	847	-2 790	37 459
2005/06	38 538	19 686	152	-5 501	-4 925	322	2 161	-2 757	47 676
2006/07	34 406	8 475	194	-205	2 267	80	224	-2 687	42 754
2007/08	38 737	8 945	187	-2 927	-3 322	-536	265	-1 225	40 124
Calendar years									
1998	951	-2 295	-	-982	-730	106	1 370	-1 424	-3 004
1999	-8 668	8 223	-	-2 319	1 843	-16	2 717	-6 331	-4 551
2000	-13 002	28 676	-184	-1 171	-24 531	3 758	2 139	-739	-5 054
2001	-6 444	-13 767	-96	39	3 378	421	1 565	-192	-15 096
2002	20 135	-6 530	238	1 802	996	-463	750	483	17 411
2003	37 094	-2 138	124	4 391	1 215	53	-1 125	-1 402	38 212
2004	40 059	4 612	173	-518	3 446	1 000	183	-2 228	46 727
2005	41 601	9 349	-137	-2 528	-3 114	-2 063	1 617	-3 218	41 507
2006	34 259	14 660	419	-2 488	-1 720	-276	911	-1 791	43 974
2007	37 886	7 460	284	-1 183	1 392	268	-64	-609	45 434

1 (+) = holding gain, (-) = holding loss.

2 Market value minus nominal value.

M5 Reconciliation of General Government Gross Consolidated Debt at Nominal Value with ESA95 balance sheets

£ million

		2004 /05	2005 /06	2006 /07	2007 /08	2004	2005	2006	2007
GENERAL GOVERNMENT TOTAL FINANCIAL LIABILITIES	NPVQ	589 185	656 997	684 931	745 962	597 604	658 226	693 320	742 053
LESS Other Accounts payable (F.7)	-NNMI	-32 224	-36 535	-37 968	-37 188	-31 492	-34 328	-37 732	-36 032
General govt. gross unconsolidated debt at market prices	YEQQ	556 961	620 462	646 963	708 774	566 112	623 898	655 588	706 021
Consolidation									
LG deposits with CG	GTI9	23	23	-	74	105	46	10	60
LG holdings of treasury bills	NJEW	104	278	64	64	105	119	101	50
LG holdings of gilts	APEI	215	525	146	147	175	180	249	124
LG loans to CG	GTG4	42 339	46 664	47 460	50 364	42 961	45 527	47 296	48 578
CG loans to LG	GTG5	-	-	-	-	-	-	-	-
Total consolidation	MDQD	42 681	47 490	47 670	50 649	43 346	45 872	47 656	48 812
General govt. gross consolidated debt at market prices	MDQE	514 280	572 972	599 293	658 125	522 766	578 026	607 932	657 209
LESS British central government securities at market prices	-NIJI	-378 697	-427 703	-444 545	-496 749	-370 145	-421 253	-448 371	-489 999
PLUS British central government securities at nominal prices	BKPM	348 122	386 135	419 579	453 026	335 144	372 523	413 841	451 572
less other bonds at market prices	-NLJJ	-2 810	-2 935	-2 921	-2 872	-2 788	-2 959	-2 888	-2 833
plus other bonds at nominal prices	GK5N	2 911	3 013	2 830	2 830	2 883	3 030	2 827	2 826
General govt. gross consolidated debt at nominal prices ¹	YEQG	483 806	531 482	574 236	614 360	487 860	529 367	573 341	618 775

1 General govt. gross consolidated debt as defined in the Maastricht Treaty.

M6 Reconciliation of Transactions in Maastricht Debt Instruments with ESA95 financial account

£ million

		2004 /05	2005 /06	2006 /07	2007 /08	2004	2005	2006	2007
GENERAL GOVERNMENT TRANSACTIONS IN FINANCIAL LIABILITIES	NFSK	42 241	57 895	41 955	47 927	43 751	51 076	48 231	46 192
LESS Other Accounts payable (F.7)	-NFVL	-1 024	-4 925	2 267	-3 322	3 446	-3 114	-1 720	1 392
General govt. unconsolidated transactions in Maastricht debt instruments	MDQF	41 217	52 970	44 222	44 605	47 197	47 962	46 511	47 584
Consolidation									
LG deposits with CG	GTF4	-448	-2	-29	74	-85	-61	-35	43
LG holdings of treasury bills	NFPV	-9	174	-214	-	-59	14	-18	-51
LG holdings of gilts	NFOI	11	315	-377	-	-98	7	75	-126
LG loans to CG	GTF6	-	-	-	-	-	-	-	-
CG loans to LG	GTF8	784	5 014	825	2 853	760	2 568	2 466	1 317
Total consolidating transactions	YEQP	338	5 501	205	2 927	518	2 528	2 488	1 183
General govt. consolidated transactions in Maastricht debt instruments	YEQR	40 879	47 469	44 017	41 678	46 679	45 434	44 023	46 401

M7 Government Deficit under the Maastricht Treaty

Reconciliation of versions of net borrowing

Not seasonally adjusted

£ million

	General government net borrowing (UK Public Sector Finances) ¹		Spectrum Use Adjustments			General government net borrowing (Eurostat version) ²	Gross domestic product at current market prices	Net borrowing as a percentage of GDP (Public sector finances) ¹	Net borrowing as a percentage of GDP (EDP version) ¹	Net borrowing as a percentage of GDP (Eurostat version) ²
	Swaps adjustment	General government net borrowing (EDP version)	accrued rent	adjusted cash receipts						
Financial years										
1994/95	-NNBK	-CFZG	-MDUK	BKTK	-LSNY	-LSNP	BKTL			
	46 287	—	46 287	—	—	46 287	703 113	6.6	6.6	6.6
1995/96	38 724	—	38 724	—	—	38 724	744 100	5.2	5.2	5.2
1996/97	30 625	—	30 625	—	—	30 625	792 360	3.9	3.9	3.9
1997/98	8 559	—	8 559	—	—	8 559	843 145	1.0	1.0	1.0
1998/99	-2 498	—	-2 498	—	—	-2 498	890 272	-0.3	-0.3	-0.3
1999/00	-11 845	55	-11 790	—	—	-11 790	944 630	-1.3	-1.2	-1.2
2000/01	-15 534	265	-15 269	806	-22 477	-36 940	989 552	-1.6	-1.5	-3.7
2001/02	1 898	-92	1 806	1 044	—	2 850	1 031 458	0.2	0.2	0.3
2002/03	26 447	-390	26 057	1 044	—	27 101	1 092 056	2.4	2.4	2.5
2003/04	36 546	43	36 589	1 045	—	37 634	1 156 815	3.2	3.2	3.3
2004/05	42 066	-139	41 927	1 044	—	42 971	1 211 978	3.5	3.5	3.5
2005/06	38 690	-152	38 538	1 044	—	39 582	1 268 395	3.1	3.0	3.1
2006/07	34 600	-194	34 406	1 045	—	35 451	1 344 308	2.6	2.6	2.6
2007/08	38 924	-187	38 737	1 044	—	39 781	1 420 607	2.7	2.7	2.8
Calendar years										
1990	10 270	—	10 270	—	—	10 270	570 283	1.8	1.8	1.8
1991	18 742	—	18 742	—	—	18 742	598 664	3.1	3.1	3.1
1992	40 500	—	40 500	—	—	40 500	622 080	6.5	6.5	6.5
1993	52 131	—	52 131	—	—	52 131	654 196	8.0	8.0	8.0
1994	47 385	—	47 385	—	—	47 385	692 987	6.8	6.8	6.8
1995	43 370	—	43 370	—	—	43 370	733 266	5.9	5.9	5.9
1996	33 313	—	33 313	—	—	33 313	781 726	4.3	4.3	4.3
1997	18 052	—	18 052	—	—	18 052	830 094	2.2	2.2	2.2
1998	951	—	951	—	—	951	879 102	0.1	0.1	0.1
1999	-8 668	—	-8 668	—	—	-8 668	928 730	-0.9	-0.9	-0.9
2000	-13 186	184	-13 002	545	-22 477	-34 934	976 533	-1.4	-1.3	-3.6
2001	-6 540	96	-6 444	1 044	—	-5 400	1 021 828	-0.6	-0.6	-0.5
2002	20 373	-238	20 135	1 044	—	21 179	1 075 564	1.9	1.9	2.0
2003	37 218	-124	37 094	1 045	—	38 139	1 139 746	3.3	3.3	3.3
2004	40 232	-173	40 059	1 044	—	41 103	1 200 595	3.4	3.3	3.4
2005	41 464	137	41 601	1 044	—	42 645	1 252 505	3.3	3.3	3.4
2006	34 678	-419	34 259	1 045	—	35 304	1 321 860	2.6	2.6	2.7
2007	38 170	-284	37 886	1 044	—	38 930	1 401 042	2.7	2.7	2.8

1 Net borrowing includes some new information not yet included in Public Sector Finances. Classification of spectrum use as rent.

2 Version used by Eurostat, classification of spectrum use (see note page 3) as sale of asset. LSNP= MDUK-BKTK+LSNY

M8R Government Deficit and Debt Under the Maastricht Treaty

	General government net borrowing	General government gross consolidated debt at nominal value	Gross domestic product (GDP) at current market prices	Net borrowing as a percentage of GDP	Gross consolidated debt as a percentage of GDP
	-MDUK	YEQG			YEQJ
Financial years					
1996/97	139	0	-114	0.1	0.0
1997/98	150	0	-43	0.0	0.0
1998/99	126	0	-172	0.0	0.0
1999/00	107	0	106	0.1	0.0
2000/01	143	0	330	0.1	0.0
2001/02	180	0	392	0.0	-0.1
2002/03	230	0	316	0.0	-0.1
2003/04	219	0	-742	0.1	0.0
2004/05	300	0	-6282	0.1	0.2
2005/06	287	2	-4842	0.0	0.2
2006/07	421	-67	-6684	0.1	0.2
Calendar years					
1998	131	0	-148	0.0	0.0
1999	81	0	1	0.0	0.0
2000	152	0	292	0.0	0.0
2001	187	0	422	0.0	0.0
2002	209	0	300	0.0	0.0
2003	205	0	177	0.1	0.0
2004	88	0	-6064	0.0	0.2
2005	-505	0	-4607	0.0	0.2
2006	1371	2	-7169	0.1	0.3
2007	-1480	-49	-11523	-0.1	0.4