

**Documentation of statistics for
Government Finance , Quarterly Accounts 2023**

1 Introduction

The purpose of Quarterly General Government finances is to give an overview over expenditure and revenue in the general government sector. The statistics is used to analyze the public economy. Data are available and comparable from the first quarter 1999 and onward. The statistics is published within three months of the end of the quarter.

2 Statistical presentation

The statistics show the quarterly expenditure and revenue in the sector of general government. The statistics include more data on taxes, income transfers to households and public consumption. The statistics are published within three months of the end of the quarter to which the data concerns. All numbers are in current prices.

2.1 Data description

The statistics show the quarterly expenditure and revenue in the sector of general government. The statistics include more data on taxes, income transfers to households and public consumption.

The statistics are published by the real economic distribution, which shows the expenditures and revenues by activities. The statistics of quarterly public finances are not published by function (COFOG) or subsectors (central government, municipalities and regions and social security funds).

2.2 Classification system

The statistics are calculated in accordance with the international manuals of national accounts [European System of Accounts \(ESA 2010\)](#) and [System of National Accounts \(SNA 2008\)](#)

2.3 Sector coverage

The statistic covers the general government sector (S.13), which is defined in the manual of national accounts [ESA 2010](#).

2.4 Statistical concepts and definitions

Compensation of employees: Compensation of employees includes the total of wages and salaries, in kind as well as in cash, that the employers pay to the employees.

Capital Transfers (revenue): Affect either the assets of the granter or recipient. Examples are plants and investment subsidies, loans written down and similar services, which are frequently non-recurrent.

Current Transfers (revenue): Other current transfers from other domestic sectors, EU and abroad in general.

Current Transfers (expenditure): Have an effect on current disposable income. These transfers primarily consist of transfers to households and are divided into social transfers, e.g. old-age pension and early retirement pension, civil servants' earned pension, unemployment benefit, social benefit, benefits during sickness or in connection with childbirth, family/young persons' allowances etc., housing benefit and rent subsidies. Furthermore, income transfers include education benefit. To this are added transfer payments to private institutions, Faroe Islands and Greenland, the EU

and rest of the world.

Other Production Taxes: Includes taxes payable in connection with the production, but regardless of the size and value.

General Government Final Consumption Expenditure: The general government final consumption expenditure or consumption comprises actual operation activities carried out for the general government sector. General government final consumption expenditure is obtained in the following way:

- Compensation of employees + consumption of fixed capital
- = Gross domestic product at factor cost
- Gross domestic product at factor cost + intermediate consumption + other production taxes – other production subsidies
- = General government output
- General government output + social transfers in kind - sales of goods and services
- = General government final consumption expenditure.

Acquisition of New Fixed Assets: Acquisition of new fixed assets is the cost of construction of new buildings and facilities and the purchase of buildings, transport equipment and machinery, etc.

Consumption of Fixed Capital: Is also called depreciations and is an estimate of the normal wear and tear of fixed capital goods (including roads, bridges, etc.) in the general government sector.

Intermediate Consumption: Is defined as purchases of goods and services for current consumption, including rentals for offices and buildings etc., insurance premiums.

Voluntary Social contributions: Entitle the depositor to public social security benefits. As contributions are voluntary no taxes or duties are imposed. The voluntary scheme covers contributions to health and unemployment insurance and to the Danish Labor Market Supplementary Pension Scheme (ATP), mostly from self-employed persons, who have voluntarily joined the scheme.

Imputed Contributions to Social Security Schemes: Imputed contributions to social security schemes are estimated contributions paid by civil servants, etc. These contributions correspond to the value for earned entitlement to retirement, which is added to their wages and salaries.

Investment in research and development: Public expenditure on research and development is considered as investments because these investments create income in the future.

Rents: Covering primarily rents, concession fees, etc.

Non-Financial Capital Accumulation: Includes actual capital activities for the general government sector. Capital accumulation is calculated as follows:

- Acquisition of new fixed assets
- + Acquisition of existing buildings, net
- = Acquisition of gross investments
- + Changes in inventory
- + Acquisition of land and intangible assets, net
- = Non-financial capital accumulation

Capital Transfers (expenditure): Affects either givers or recipients wealth. Examples include construction and investment grants, certain compensations and writing down of loans and similar services, usually non-recurring.

Capital Taxes: Includes taxes collected on the basis of assets or net worth, for example inheritance tax.

Acquisition of Existing Buildings, net: Defined as purchases of real property, where the existing buildings are the most important factor in terms of value, less corresponding sales.

Acquisition of Land and intangible Assets, net: Comprises purchases of real property where the land is considered as the most important factor, less sales.

Changes in Inventory: Consist primarily of purchases of goods for stocks, less sales of these stocks.

Current Taxes on Income and Wealth: Includes all the compulsory transfers to the general government sector imposes income and wealth in the private sector.

Compulsory Social Contributions: The category appear separately because the contributions, in principle, are earmarked for social security purposes. Contributions should also be mandatory, which means that employers or employees by law are required to pay. The scheme must also be public, which means that it must not be administered in the private sector.

Taxes on Production and Imports: Production and import taxes are taxes imposed on production and imports of goods and services or the use of production factors. This type of tax is independent of the company's operating profit. Examples of production and import taxes are VAT, taxes on specific goods such as cigarettes, sugar, liquor etc. It also vehicle excise duty used in production.

Interest: Includes nominal interest income, dividends etc..

Interest Payments: Comprise face or nominal interest, for example, distributed losses on issue prices and expenditure on rentals for land and intangible assets. Losses on issue prices are entered (written off) in line with installments on loans.

Sales of Goods and Services: Comprise sales of the total output of goods and services. To qualify as sales of goods and services, there must be a remuneration in return and a certain degree of free choice on the part of the buyer in connection with the purchase.

Social Transfers in Kind: Cover, e.g. health insurance services which the general government buys on the market and allocate to households in the form of full or part payments to producers for supplying specific products to households.

Subsidies: Subsidies are defined as unilateral transfers to public or private enterprises and cover a wide range of transfers. EU agricultural subsidies are an example of product subsidies. Other production subsidies are, e.g. grants for social housing, and enterprise and rehabilitation allowances, etc.

Withdrawals of Income from Quasi Enterprises: Are calculated for the public quasi-enterprises, for example The Danish State Railways. The share of the profit and loss account of the central bank is also included.

2.5 Statistical unit

The statistics covers the general government sector, which is defined in the manual of national accounts ESA 2010. The statistics are not published by function (COFOG) or subsectors (central government, municipalities and regions and social security funds).

2.6 Statistical population

General government sector as it is described in European System of National Accounts (ESA 2010).

2.7 Reference area

Denmark.

2.8 Time coverage

Data are available from first quarter 1999 and onward.

2.9 Base period

Not relevant for this statistics.

2.10 Unit of measure

The statistics are in 1,000,000 Danish kroner and in current prices.

2.11 Reference period

The reference period is the last published quarter

2.12 Frequency of dissemination

Quarterly.

2.13 Legal acts and other agreements

Section 6 of the Act on Statistics Denmark.

Data from municipalities collected on the basis of agreement between KMD (previously Kommunedata) and the individual municipalities and Statistics Denmark.

The statistics are based on [EU regulation no. 1221/2002 of 10 June 2002 on quarterly non-financial accounts for general government](#).

2.14 Cost and burden

There is no direct response burden, since data is collected from accounts from the state, regions, municipalities, social funds and are supplemented by additional information.

2.15 Comment

Additional information is available at the statistics [Subject Page](#) or by contacting Statistics Denmark.

3 Statistical processing

The main source for the statistics is the accounts of the state, municipalities and regions. The numbers are supplemented by other sources. Estimates are included for the supplement period. For numbers that are not accrued appropriately to the quarters, a calculation is made based on the numbers for the previous quarters, which are distributed among the quarters. There is conducted error detection and validation of the numbers. Table OFF10K and OFF12K are adjusted for seasonal effects.

3.1 Source data

Statistics Denmark has extensive statistical data available to compile quarterly statistics for General Government. Quarterly accounting information is available for the central government as well as regions and municipalities. Virtually all significant units are covered by actual primary statistical data, which are not actual completed accounts, as is the case for the annual statistics.

Government institutions transmit their accounting records to the Agency for Public Finance and Management on a daily basis. The records have the same level of detail as the annual public accounts. The transmissions to the Agency for Public Finance and Management also includes postings made after the end of the calendar year, called the supplement period. The sum of monthly reports including data for the supplement period will thus correspond to the annual public account. Data from public companies, the state church, etc., are collected separately.

From municipalities and regions data are gathered quarterly about one month after the end of the quarter. These data are on the same level of detail as the annual data, but the accounts are not finished.

Data for social security funds are sent to Statistics Denmark quarterly.

Data on income transfers are derived from the accounts of the state and municipalities as well as from Udbetaling Danmark. Udbetaling Danmark is a public authority, which since October 2012 has taken over the task of paying a number of social benefits for citizens.

The calculations for estimating quarterly taxes to general government sector is made on the basis of:

- Accounting information on a monthly basis from the tax authorities, SKAT
- Statements of income on a monthly basis from the Ministry of Taxation
- Excise duty statistics from the tax authorities, SKAT
- VAT statement
- Ministry of Finance

In relation to the assessment of the expenditures to COVID-19 aid packages, data from the central government accounts is supplemented with weekly records from Danish Business Authority (Erhvervsstyrelsen) in relation to payment to businesses. There is uncertainty connected with the assessment of the expenditures to COVID-19 aid packages. Post-registrations might occur despite end of the compensation periods. Furthermore, it is very likely that some aid might be repaid to the government, if businesses have not satisfied the conditions for the aid and thus have received unwarranted aid. The last possibility to report any compensation package will occur at 30. November 2022.

In relation to the assessment of the expenditures to mink compensation, data from the central government accounts is supplemented with quarterly records from the Danish Veterinary and Food Administration in relation to payment to mink breeders.

3.2 Frequency of data collection

Data is collected quarterly.

3.3 Data collection

Accounting data is received electronically from the central government, the municipalities, the regions and Udbetaling Danmark.

3.4 Data validation

Data are validated by comparing the development and level of the current quarter with previous quarters and years. Moreover, error detection of accounting data is performed.

3.5 Data compilation

There is calculated estimates of the supplement period. The estimate is based on the actual entries in the supplement period in the preceding years.

There are some real economic records that are not accrued correctly to the quarters. It is mainly data for the interest rates, consumption of fixed capital and subsidies. For these records an estimate is calculated based on the Denton algorithm. The Denton algorithm uses data from the budget and from accounts of the preceding two years for distributing the accounting entries among the four quarters.

3.6 Adjustment

Seasonal adjustment is applied in table OFF10K and OFF12K. Data is seasonally adjusted using JDemetra+ with fixed model examined once a year. There will be adjusted for Easter, trading days and leap years if these effects are significant. Indirect seasonal adjustment is used in the calculation of the seasonally adjusted aggregates. There is no special adoption of the annual figures, and there can be discrepancies between actual and seasonally adjusted figures annually.

4 Relevance

The statistics covers the sector of government finances. The statistic has a lot of interested parties including ministries, politicians, the press and Eurostat.

4.1 User Needs

The users of the statistics are ministries, political parties, non-governmental organizations, local government, public and private enterprises, and members of the general public. The statistics are also part of Eurostat's European statistics of quarterly government finances.

4.2 User Satisfaction

Statistics Denmark has several forums where key users of the statistics have the opportunity to participate, eg. [The User Committee for Economic Statistics](#), which has the following general tasks:

- Discuss and evaluate the results obtained and the planned development in the economic statistics
- Discuss users' use of economic statistics and their need for new statistics
- Discuss quality, documentation and dissemination of economic statistics

4.3 Data completeness rate

The statistic covers general government sector, as it is described in European system of national accounts [ESA 2010](#). The statistic covers the entire target population.

5 Accuracy and reliability

There is no estimation on the uncertainty. Error accounting records are much more frequent in the quarterly accounting reports than in annual accounting reports. The quarterly accounting reports for the central government, regions and municipalities are not represented a final accounting for the quarter. They rather represent a snapshot of the expenditure and revenue recorded at the end of the quarter.

5.1 Overall accuracy

The overall accuracy is considered to be relatively good, because the statistic is based on accounting data.

First of all the statistic is based on many different accounting data and primary statistics. Second of all the comparability with other statistics is contributing with a reduction in inaccuracy. Finally an ongoing balancing of the numbers to the annual government finance is performed. Inaccuracy and errors in the accounting data and primary statistics affect the reliability of the statistic.

5.2 Sampling error

The sampling error is zero because the data collection covers all sub sectors.

5.3 Non-sampling error

There are no other errors than mistakes in the bookkeeping and time adjustment problems.

The central government accounting data is received from the Agency for Public Finance and Management. All municipalities and regions report their quarterly accounts to Statistics Denmark. As the accounting data are delivered directly from the municipalities and regions' own financial management systems and compared with data from prior years, it is assumed that no major measurement errors exist. If there are blank or invalid variables or dataset the municipality or region is contacted so new data may be sent.

Minor errors, which are discovered after publication, will be corrected with the next publication. In principal, this yields that minor statistical errors may occur in the period between two publications. Significant errors are corrected when they are discovered and the corrected statistic is published as soon as possible.

5.4 Quality management

Statistics Denmark follows the recommendations on organisation and management of quality given in the Code of Practice for European Statistics (CoP) and the implementation guidelines given in the Quality Assurance Framework of the European Statistical System (QAF). A Working Group on Quality and a central quality assurance function have been established to continuously carry through control of products and processes.

5.5 Quality assurance

Statistics Denmark follows the principles in the Code of Practice for European Statistics (CoP) and uses the Quality Assurance Framework of the European Statistical System (QAF) for the implementation of the principles. This involves continuous decentralized and central control of products and processes based on documentation following international standards. The central quality assurance function reports to the Working Group on Quality. Reports include suggestions for improvement that are assessed, decided and subsequently implemented.

5.6 Quality assessment

The quality is estimated to be good, because there is primary accounting data available for all subsectors. First of all the statistic is based on many different accounting data and primary statistics. Second of all the comparability with other statistics is contributing with a reduction in inaccuracy. Finally an ongoing balancing of the numbers to the annual government finance is performed. Inaccuracy and errors in the accounting data and primary statistics affect the reliability of the statistic.

There is no estimation on the uncertainty, but there is conducted a revision analysis of the statistics. The revision analysis considers two items - general government consumption and net lending/net borrowing. The purpose of the revision analysis is to find out how much the two sizes is changing from the first release of data to the release of data a year later. The revision analysis looks at how accurately general government consumption and net lending/net borrowing hit the first release in conjunction with the release one year after where the final level is largely determined. The revision analysis will also explore whether there is a tendency for general government consumption or net lending/net borrowing to be over- or underestimated in the initial release.

5.7 Data revision - policy

Statistics Denmark revises published figures in accordance with the [Revision Policy for Statistics Denmark](#). The common procedures and principles of the Revision Policy are for some statistics supplemented by a specific revision practice.

5.8 Data revision practice

Expenditure and revenue (taxes and duties) are calculated in accordance with the principles of the national accounts, and the methods are consistent with the calculation of annual accounts of government finances. It should be noted that there are greater data and time adjustment problems in connection with compiling quarterly statistics than annual statistics. The consistency is ensured by continuously verifying the short-term indicators with the annual and final version. When the annual statistics are declared as final, approximately three years after the end of a financial year, the equivalent quarterly versions are considered final as well.

6 Timeliness and punctuality

The statistics are usually published without delay in relation to the scheduled date which is three months after the end of the quarter.

6.1 Timeliness and time lag - final results

Within a still ongoing year, Q1- Q3, the previous quarters should be open to revisions. After the end of the year (Q4) there will be a continuing revision of all 4 quarters by publication of new annual data. In practice, the ongoing revisions will be done as enumerations of quarters to new annual data. The annual data will be final three years after the actual year. The quarterly government finance will be published at end-March, end-June, end-September and end-December. Data for a new quarter is published within three months of the end of the quarter.

6.2 Punctuality

The statistics are usually published without delay in relation to the scheduled date.

7 Comparability

There is complete comparability with government finance statistics in other countries complying with international standards, i.e. ESA 2010 and SNA 2008. There is comparability over time, but the numbers are calculated at current prices.

7.1 Comparability - geographical

There is complete comparability with government finance statistics in other countries complying with international standards, i.e. ESA 2010 and SNA 2008.

7.2 Comparability over time

On 28 June 2022, Statistics Denmark published quarterly government finances for the first time. The statistics covers the period since the first quarter of 1999 and is comparable over the entire time period.

7.3 Coherence - cross domain

The quarterly government finances are consistent with the quarterly national accounts.

The statistics of quarterly financial accounts for general government is conceptually linked to the statistics of quarterly government finances. In both statistics, the overall surplus (net lending/net borrowing) is calculated. In the quarterly government finance statistics, net lending/net borrowing is calculated as the difference between revenue and expenditure. In the quarterly financial accounts for general government statistics, however, net lending/net borrowing is calculated as the difference between the financial transactions in financial assets and liabilities. The two statistics do not yield the same estimate for net lending/net borrowing, primarily because they are based on different data sources. But the financial accounts are aligned such that net lending/net borrowing becomes identical to the quarterly government finances.

7.4 Coherence - internal

The quarterly government finance are consistent with the yearly government finance and the quarterly national accounts.

8 Accessibility and clarity

The statistics are published in *Nyt fra Danmarks Statistik* (News from Statistics Denmark).

Information is also available from Statbank Denmark at [Statistikbanken](#) in the tables [OFF3K](#), [OFF26K](#), [OFF10K](#) og [OFF12K](#).

8.1 Release calendar

The publication date appears in the release calendar. The date is confirmed in the weeks before.

8.3 User access

Statistics are always published at 8:00 a.m. at the day announced in the release calendar. No one outside of Statistics Denmark can access the statistics before they are published.

8.2 Release calendar access

The Release Calendar can be accessed on our English website: [Release Calendar](#).

8.4 News release

The statistics are published in *Nyt fra Danmarks Statistik* (News from Statistics Denmark)

[Subject page about government finance, quarterly accounts](#)

8.5 Publications

The statistics are published in [News from Statistics Denmark](#) and on the [Subject page on Government finance, quarterly accounts](#).

8.6 On-line database

Quarterly government finances are published in Statbank Denmark in the following tables

- [OFF3K](#): General government, expenditure and income
- [OFF26K](#): General government, final consumption expenditures
- [OFF10K](#): General government, income transfers (to households) by type of income and seasonal adjustment
- [OFF12K](#): General government, taxes by type of tax and seasonal adjustment

8.7 Micro-data access

Statistics Denmark stores the data files as digital data. The data are available for special purposes.

8.8 Other

The quarterly government finance are consistent with the quarterly national accounts.

The quarterly government finance are consistent with the annual government finance and the national accounts.

Data are reported to Eurostat by Table 25 'quarterly non-financial accounts for general government' on the basis of a gentlemen's agreement with Member States in the Financial Accounts Working Group.

Data are available on Eurostats website: [Eurostat](#).

The statistics compiled by the guidelines of the European System of National Accounts (ESA 2010).

8.9 Confidentiality - policy

The statistics follow the policy of data privacy by Statistics Denmark.

8.10 Confidentiality - data treatment

The statistics are published on a level that there is no need to take special precautions in relation to discretion.

8.11 Documentation on methodology

Documentation of the statistics is published in *Offentlige Finanser* (Public finance) appearing in the series *Statistiske Efterretninger* (Statistical News) and in the yearly publication *Skatter og Afgifter*.

8.12 Quality documentation

Results from the quality evaluation of products and selected processes are available in detail for each statistics and in summary reports for the Working Group on Quality.

9 Contact

The administrative placement of this statistics is in the division of General government statistics. The persons responsible are:

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