



# Government Deficit and Debt under the Maastricht Treaty, Calendar Year 2011

Coverage: **UK**

Date: **30 March 2012**

Geographical Area: **UK and GB**

Theme: **Economy**

## General government net borrowing and consolidated debt

- General government net borrowing in 2011 was £124.6 billion; equivalent to 8.3 per cent of gross domestic product (GDP).
- At end December 2011 general government gross consolidated debt at nominal value was £1,250.3 billion; 82.9 per cent of GDP.

## Background

Article 126 of the Treaty on the Functioning of the European Union obliges member states to avoid excessive budgetary deficits. 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.

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 statistical bulletin 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.

## Main statistics

**Table 1: Government Deficit and Debt**

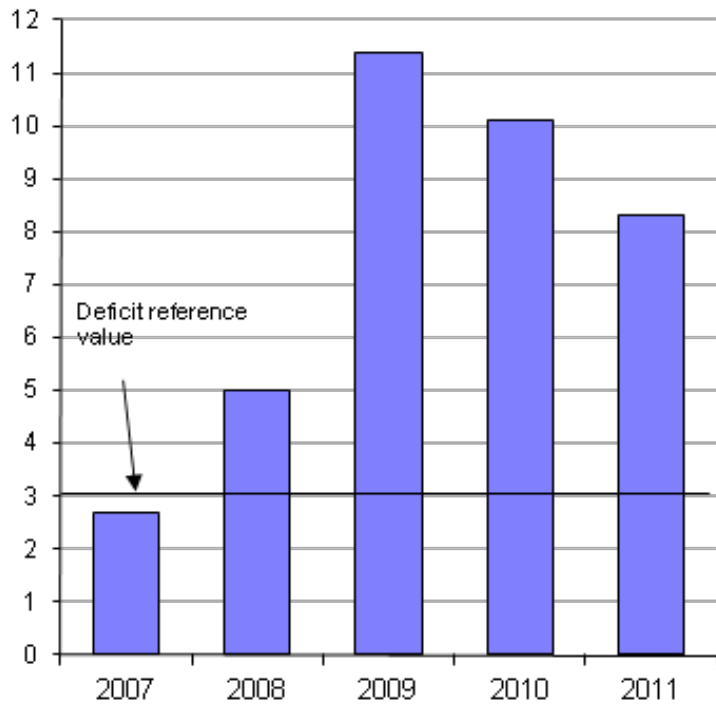
Calendar Years	2007	2008	2009	2010	2011
General government deficit £bn	38	72	159.2	148.5	124.6
as a percentage of GDP	2.7	5.0	11.4	10.1	8.3
General government debt at nominal values £bn	624.7	753.6	950.8	1,108.4	1,250.3
as a percentage of GDP	44.4	52.6	68.2	75.7	82.9

### Download table

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**Figure 1: General government net borrowing as a percentage of GDP**

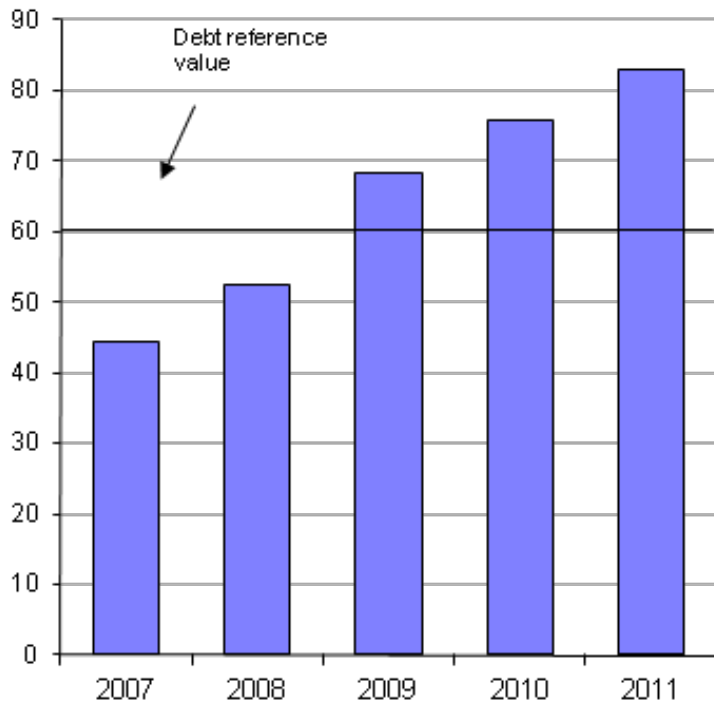


Source: Office for National Statistics

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**Figure 2: General government gross debt as a percentage of GDP**

Source: Office for National Statistics

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(112.5 Kb)

### General government net borrowing

The tables in this bulletin present the UK Government debt and deficit position at the end of both the financial and calendar years. The United Kingdom, uniquely within the European Union, is assessed against the deficit and debt on a financial year basis. This is as, in general, the financial and calendar years are aligned in other European countries.

The reference value for 'excessive deficit' is three per cent. In 2010/11, the deficit stood at £139.8 billion (9.5 per cent of GDP). Since 2008/09 net borrowing has been substantially above the three per cent reference value, reflecting in large part the economic downturn following the financial crisis. Net borrowing has begun to fall off following a peak in 2009/10. See table M1.

Historically, net borrowing exceeded the reference value from 1991/2 to 1996/7, peaking at £52.5 billion (7.9 per cent of GDP) in 1993/4. It then fell steadily, moving into net lending (or surplus) in 1998/9, before starting to rise again, returning to net borrowing (or deficit) in 2001/2. Net borrowing exceeded the reference value by a small amount between 2003/04 and 2005/06.

### General government gross debt

The reference value for 'excessive debt' is 60 per cent of GDP. At the end of March 2011, gross debt was £1130.0 billion (76.6 per cent of GDP). As a percentage of GDP, it has risen every year since the end of March 2003. At the end of December 2011 gross debt was £1250.3 billion (82.9 per cent of GDP). See table M1.

### **Interventions in the financial crisis**

The statistical recording of government and central bank rescue and support operations in the financial crisis has been the subject of international discussion. Further information can be found in the September 2009 Statistical Bulletin. More detail is also contained in the [ONS article on classification of financial crisis interventions](#).

In January 2011, for the first time data for Royal Bank of Scotland and Lloyds Banking Group were fully incorporated into the public sector finances. This has impacted considerably on the measure of public sector net debt that includes the effects of the financial interventions. However, it does not impact significantly upon the General Government measures in this bulletin.

### **Supplementary table for the financial crisis**

Member states are required to report to Eurostat, supplementary tables on the financial crisis. The tables are published in this statistical bulletin as table M9.

### **Revisions since last data release**

Table M8R presents revisions to key aggregates in this bulletin since data were last supplied to Eurostat in September 2011. These figures were reported in the [September 2011](#) of this publication.

Revisions to the deficit and debt data are generally less than 0.1 per cent of GDP.

## **Background notes**

### **1. Introducing government deficit and debt under the Maastricht Treaty**

Article 126 of the Treaty on the Functioning of the European Union obliges member states to avoid excessive budgetary deficits. 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.

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 governs 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.

## 2. Coherence

The net borrowing (or deficit) data in this Statistical Bulletin are based on that published in the [Public Sector Finances Statistical Bulletin of 21 March 2012](#), but have been modified to take account of a European Regulation that requires payments on swaps to be treated as interest, 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 presented in the Public Sector Finances Statistical Bulletin. For these purposes swaps are treated as financial items.

The reconciliation between the net borrowing published in this bulletin and that published in the Public Sector Finances (PSF) statistical bulletin of 21 March 2012 is shown in table M7. It can be seen in table M7 that the net borrowing figures do not only differ due to the different methodologies for swaps but also differ in two additional respects.

The first difference relates to the recording of expenditure on single use military equipment. In the UK National Accounts and PSF this expenditure is currently recorded on an accrued basis in line with International Financial Reporting Standards (IFRS). However, in this publication the military expenditure is accrued to the point of delivery of the goods, in line with Eurostat guidance.

The second difference relates to gilt coupon payments. Within this publication, the methodology for accruing coupon payments for gilts has been amended to accrue payments for each individual gilt issue. This replaces the previous approach of accruing the total cash payments. This new methodology more accurately reflects the accrued gilt interest payments and will be implemented in the Public Sector Finances statistical bulletin shortly.

Previously 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. Over time, international opinion has settled on using this alternative approach. International guidance issued in 2010 now requires, in most cases, an approach that treats spectrum licenses as the sale of an intangible non-produced asset.

In light of the clear international consensus that now exists in this area, and despite our original view that treatment as rent is closer to the spirit of ESA 95, ONS has concluded that treating the 2000 spectrum auction as the sale of an asset is an acceptable statistical treatment. ONS has therefore amended its treatment of the 3G spectrum licenses to record a sale of an asset in 2000. This alternative approach was first implemented in the [September 2011 version](#) of this

bulletin, and subsequently in the [March 2012 Public Sector Finances bulletin](#). The [reasons for the decision](#) were published on 31 August 2011.

### 3. Revisions

Table M8R presents revisions to the data since last supplied to Eurostat in September 2011. These figures were reported in the [September version](#) of this publication.

### 4. Quality reporting

Data in this bulletin are consistent with those published in the latest Public Sector Finances Statistical Bulletin. A summary quality report for the public sector finances can be found here [Summary Quality Report for PSF](#). This report describes in detail the intended uses of the statistics presented in this publication, their general quality and the methods used to produce them.

### 5. Relevant links

Detailed data supplied to Eurostat under the [Excessive Deficit Procedure](#) where the latest available data are those published in September 2011. Once finalised the data relating to this publication will be published on 26 April 2012.

Eurostat analyses all data provided by member states and publish a [press release](#) which places the UK figures in a European context and provides commentary on any issues specific to member states.

Details of the revisions policy for this and the other public sector finances statistical bulletins is available at the [Public Sector Statistics Revisions policy](#) page.

Information on the classification of institutional units for the purposes of National Accounts can be found at the [National Accounts classifications](#) page.

An [inventory](#) of the data sources used within the data supplied for the Excessive Deficit Procedure is available on the ONS website.

### 6. Publication policy

Details of the policy governing the release of new data are available from the Media Relations Office. Also available is [a list of those receiving pre-release access \(41.5 Kb Pdf\)](#) to this bulletin.

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# 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
<b>Financial years</b>					
	-MDUK	YEQG	BKTL		YEQJ
2000/01	-36 725	384 484	989 552	-3.7	38.9
2001/02	3 455	382 059	1 031 458	0.3	37.0
2002/03	28 084	401 297	1 092 056	2.6	36.7
2003/04	38 316	450 133	1 157 408	3.3	38.9
2004/05	43 384	487 594	1 214 701	3.6	40.1
2005/06	39 710	535 264	1 273 641	3.1	42.0
2006/07	35 784	577 834	1 348 179	2.7	42.9
2007/08	39 009	620 081	1 426 101	2.7	43.5
2008/09	98 358	799 926	1 417 690	6.9	56.4
2009/10	163 104	1 001 661	1 406 771	11.6	71.2
2010/11	139 797	1 129 971	1 475 442	9.5	76.6
<b>Calendar years</b>					
2000	-34 876	400 606	976 533	-3.6	41.0
2001	-4 863	385 510	1 021 828	-0.5	37.7
2002	22 110	402 921	1 075 564	2.1	37.5
2003	38 625	444 919	1 139 746	3.4	39.0
2004	41 498	491 646	1 202 956	3.4	40.9
2005	43 039	533 157	1 254 058	3.4	42.5
2006	35 778	577 123	1 328 363	2.7	43.4
2007	37 961	624 691	1 405 797	2.7	44.4
2008	72 048	753 599	1 433 871	5.0	52.6
2009	159 169	950 849	1 393 847	11.4	68.2
2010	148 465	1 108 351	1 463 734	10.1	75.7
2011	124 582	1 250 345	1 507 587	8.3	82.9

# 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 govt. gross consolidated debt at nominal value
<b>Financial years</b>						
	YEQC	YEQD	GTK4	YEQE	YEQF	YEQG
2000/01	13 370	9 022	75 488	3 910	282 694	<b>384 484</b>
2001/02	13 370	10 656	74 096	9 177	274 760	<b>382 059</b>
2002/03	13 370	14 241	76 298	14 737	282 651	<b>401 297</b>
2003/04	13 370	22 912	78 500	20 285	315 066	<b>450 133</b>
2004/05	13 370	22 343	80 201	20 246	351 434	<b>487 594</b>
2005/06	13 370	26 147	87 285	18 822	389 640	<b>535 264</b>
2006/07	13 370	32 811	92 666	15 536	423 451	<b>577 834</b>
2007/08	7 370	34 926	103 453	17 505	456 827	<b>620 081</b>
2008/09	4 142	33 868	135 892	43 684	582 340	<b>799 926</b>
2009/10	370	24 617	125 192	62 637	788 845	<b>1 001 661</b>
2010/11	370	25 852	120 941	62 047	920 761	<b>1 129 971</b>
<b>Calendar years</b>						
2000	13 370	17 596	78 035	2 358	289 247	<b>400 606</b>
2001	13 370	12 261	75 617	10 819	273 443	<b>385 510</b>
2002	13 370	14 959	77 578	21 719	275 295	<b>402 921</b>
2003	13 370	21 991	79 953	23 836	305 769	<b>444 919</b>
2004	13 370	30 767	82 580	26 461	338 468	<b>491 646</b>
2005	13 370	34 292	88 312	20 981	376 202	<b>533 157</b>
2006	13 370	33 236	93 660	19 249	417 608	<b>577 123</b>
2007	13 370	36 363	101 570	17 934	455 454	<b>624 691</b>
2008	19 892	32 046	120 877	31 406	549 378	<b>753 599</b>
2009	370	25 797	127 872	57 304	739 506	<b>950 849</b>
2010	370	24 406	122 786	54 434	906 355	<b>1 108 351</b>
2011	370	25 877	131 500	69 318	1 023 280	<b>1 250 345</b>

# M3 General Government Transactions in Maastricht Debt Instruments Consolidated

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

£ million

	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
<b>Financial years</b>						
	YEQK	YEQL	GTG3	YEQN	YEQO	YEQR
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	-	2 996	7 140	-1 426	38 804	47 514
2006/07	-	5 759	5 431	-3 289	35 836	43 737
2007/08	-6 000	1 213	10 734	1 969	33 883	41 799
2008/09	-3 228	2 812	32 588	26 178	129 032	187 382
2009/10	-3 772	4 900	-10 610	18 953	208 736	218 207
2010/11	-	-4 903	-4 037	-591	133 819	124 288
<b>Calendar years</b>						
2000	-6 081	6 608	2 714	-1 434	-12 498	-10 691
2001	-	-6 378	-2 797	8 504	-17 416	-18 087
2002	-	1 837	1 958	10 510	1 861	16 166
2003	-	3 028	3 492	2 629	31 617	40 766
2004	-	8 851	2 679	1 058	34 048	46 636
2005	-	3 555	5 743	-3 916	40 026	45 408
2006	-	-982	5 433	-1 734	41 387	44 104
2007	-	630	8 008	-1 316	39 146	46 468
2008	6 522	7 726	19 191	13 471	95 719	142 629
2009	-19 522	-366	7 913	25 898	195 577	209 500
2010	-	-5 116	-5 811	-2 871	170 414	156 616
2011	-	-1 286	9 377	14 884	126 245	149 220

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

Not seasonally adjusted

£ million

	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 <sup>1</sup>	Adjustment from market to nominal value <sup>2</sup>	Other adjustments	Increase in general gov. gross consolidated debt at nominal value
<b>Financial years</b>									
	-MDUK	NFPG	CFZG	-YEQP	-NFVL	EYVC	YEQT	MDQA	
2000/01	-36 725	25 059	-265	-732	-341	606	-1 069	2 106	-11 361
2001/02	3 455	-8 310	92	-612	-83	290	2 174	569	-2 425
2002/03	28 084	-6 263	390	3 225	-3 850	-581	-61	-1 706	19 238
2003/04	38 316	1 796	-43	3 368	1 178	808	-1 343	4 756	48 836
2004/05	43 384	701	139	-338	-3 073	-2 267	-1 232	147	37 461
2005/06	39 710	19 596	152	-5 501	-6 414	322	-439	244	47 670
2006/07	35 784	8 173	194	-205	3 884	80	-749	-4 591	42 570
2007/08	39 009	8 435	187	-2 927	-1 352	-575	-4 083	3 553	42 247
2008/09	98 358	86 836	-850	-3 035	663	9	-12 013	9 877	179 845
2009/10	163 104	61 391	-1 074	-119	-221	-8 008	49	-13 387	201 735
2010/11	139 797	-8 220	62	-1 435	-3 071	1 571	-981	587	128 310
<b>Calendar years</b>									
2000	-34 876	28 676	-184	-1 171	-2 599	3 758	201	1 141	-5 054
2001	-4 863	-13 768	-96	39	2 333	421	1 461	-623	-15 096
2002	22 110	-6 532	238	1 802	-47	-463	-325	628	17 411
2003	38 625	-2 083	124	4 391	-772	53	-2 059	3 719	41 998
2004	41 498	4 272	173	-518	1 344	1 000	-1 425	383	46 727
2005	43 039	9 349	-137	-2 528	-3 108	-2 063	-1 087	-1 954	41 511
2006	35 778	14 373	419	-2 488	-4 558	-276	340	378	43 966
2007	37 961	7 500	284	-1 183	-727	335	-4 902	8 300	47 568
2008	72 048	71 265	-538	-5 176	-178	-2 208	-8 473	2 168	128 908
2009	159 169	52 124	-936	143	538	-5 779	-3 200	-4 809	197 250
2010	148 465	13 793	-289	-1 630	-2 269	-41	-3 233	2 706	157 502
2011	124 582	34 779	-228	-1 972	-1 448	2 637	-2 427	-13 929	141 994

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

		2007 /08	2008 /09	2009 /10	2010 /11	2007	2008	2009	2010	2011
<b>GENERAL GOVERNMENT TOTAL FINANCIAL LIABILITIES</b> <sup>1</sup>	<b>KQ6T</b>	746 968	947 041	1 150 590	1 295 558	740 444	906 231	1 094 082	1 287 525	1 568 197
<b>LESS</b> Other Accounts payable (F.7)	<b>-NNMI</b>	-32 472	-31 756	-33 923	-37 394	-28 507	-28 764	-30 055	-32 687	-34 189
General govt. gross <b>unconsolidated</b> debt at market prices	<b>YEQQ</b>	714 496	915 285	1 116 667	1 258 164	711 937	877 467	1 064 027	1 254 838	1 534 008
<b>Consolidation</b>										
LG deposits with CG	<b>GTI9</b>	75	2 934	2 478	922	60	1 859	3 087	905	2 042
LG holdings of treasury bills	<b>NJEW</b>	64	64	229	1 127	50	72	149	942	512
LG holdings of gilts	<b>APEI</b>	147	182	204	214	124	168	197	224	434
CG loans to LG	<b>GTG4</b>	50 364	50 508	51 164	53 246	48 578	51 960	50 752	53 742	54 796
LG loans to CG	<b>GTG5</b>	-	-	-	-	-	-	-	-	-
Total consolidation	<b>MDQD</b>	50 650	53 688	54 075	55 509	48 812	54 059	54 185	55 813	57 784
General govt. gross <b>consolidated</b> debt at market prices	<b>MDQE</b>	663 846	861 597	1 062 592	1 202 655	663 125	823 408	1 009 842	1 199 025	1 476 224
<b>LESS</b> British central government securities at market prices	<b>-NIJI</b>	-496 749	-641 796	-847 593	-991 268	-489 999	-616 895	-796 326	-994 873	-1 246 535
<b>PLUS</b> British central government securities at nominal prices	<b>BKPM</b>	453 026	580 145	786 681	918 599	451 572	547 093	737 340	904 202	1 020 710
<b>less</b> other bonds at market prices	<b>-NIJJ</b>	-2 872	-1 370	-1 360	-1 384	-2 833	-1 350	-1 343	-1 370	-1 453
<i>plus</i> other bonds at nominal prices	<b>GK5N</b>	2 830	1 350	1 341	1 369	2 826	1 343	1 336	1 367	1 399
General govt. gross <b>consolidated</b> debt at nominal prices <sup>2</sup>	<b>YEQG</b>	620 081	799 926	1 001 661	1 129 971	624 691	753 599	950 849	1 108 351	1 250 345

1 Excludes financial derivatives

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

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

£ million

		2007 /08	2008 /09	2009 /10	2010 /11	2007	2008	2009	2010	2011
<b>GENERAL GOVERNMENT TRANSACTIONS IN FINANCIAL LIABILITIES</b>	<b>NFSK</b>	46 078	189 754	218 547	128 794	48 378	147 983	208 819	160 515	152 640
<b>LESS</b> Other Accounts payable (F.7)	<b>-NFVL</b>	-1 352	663	-221	-3 071	-727	-178	538	-2 269	-1 448
General govt. <b>unconsolidated</b> transactions in Maastricht debt instruments	<b>MDQF</b>	44 726	190 417	218 326	125 723	47 651	147 805	209 357	158 246	151 192
<b>Consolidation</b>										
LG deposits with CG	<b>GTF4</b>	74	2 859	-455	-1 555	43	1 798	1 228	-2 180	1 139
LG holdings of treasury bills	<b>NFPV</b>	-	1	165	899	-51	23	77	794	-430
LG holdings of gilts	<b>NFQI</b>	-	36	21	9	-126	45	28	26	209
CG loans to LG	<b>GTF8</b>	2 853	139	388	2 082	1 317	3 310	-1 476	2 990	1 054
LG loans to CG	<b>GTF6</b>	-	-	-	-	-	-	-	-	-
Total consolidating transactions	<b>YEQP</b>	2 927	3 035	119	1 435	1 183	5 176	-143	1 630	1 972
General govt. <b>consolidated</b> transactions in Maastricht debt instruments	<b>YEQR</b>	41 799	187 382	218 207	124 288	46 468	142 629	209 500	156 616	149 220

# 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) <sup>2</sup>	Adjustment for military expenditure <sup>3</sup>	Adjustment for accrued gilt coupon payments <sup>4</sup>	Adjustment for swaps <sup>5</sup>	General government net borrowing (EDP version)	Gross domestic product at UK current market prices	Net borrowing as a percentage of GDP (Public sector finances)	Net borrowing as a percentage of GDP (EDP version) <sup>1,2</sup>
<b>Financial years</b>								
	-NNBK	-KQ6U	KQ6V	-CFZG	-MDUK	BKTL		
2000/01	-36 990	-	-	265	-36 725	989 552	-3.7	-3.7
2001/02	3 547	-	-	-92	3 455	1 031 458	0.3	0.3
2002/03	28 474	-	-	-390	28 084	1 092 056	2.6	2.6
2003/04	38 273	-	-	43	38 316	1 157 408	3.3	3.3
2004/05	43 523	-	-	-139	43 384	1 214 701	3.6	3.6
2005/06	39 862	-	-	-152	39 710	1 273 641	3.1	3.1
2006/07	36 232	-	-254	-194	35 784	1 348 179	2.7	2.7
2007/08	39 882	-875	189	-187	39 009	1 426 101	2.8	2.7
2008/09	97 686	-710	532	850	98 358	1 417 690	6.9	6.9
2009/10	160 863	747	420	1 074	163 104	1 406 771	11.4	11.6
2010/11	138 779	838	242	-62	139 797	1 475 442	9.4	9.5
<b>Calendar years</b>								
2000	-35 060	-	-	184	-34 876	976 533	-3.6	-3.6
2001	-4 959	-	-	96	-4 863	1 021 828	-0.5	-0.5
2002	22 348	-	-	-238	22 110	1 075 564	2.1	2.1
2003	38 749	-	-	-124	38 625	1 139 746	3.4	3.4
2004	41 671	-	-	-173	41 498	1 202 956	3.5	3.4
2005	42 902	-	-	137	43 039	1 254 058	3.4	3.4
2006	36 197	-	-	-419	35 778	1 328 363	2.7	2.7
2007	38 884	-656	17	-284	37 961	1 405 797	2.8	2.7
2008	71 727	-751	534	538	72 048	1 433 871	5.0	5.0
2009	157 345	383	505	936	159 169	1 393 847	11.3	11.4
2010	147 104	815	257	289	148 465	1 463 734	10.0	10.1
2011	126 473	-2 060	-59	228	124 582	1 507 587	8.4	8.3

1 Net borrowing as a percentage of GDP is calculated by dividing net borrowing by the UK National Accounts version of non seasonally adjusted GDP.

2 Version published in UK Public Sector Finances. Differs from EDP version due to adjustments for military expenditure, accrued gilt coupon payments and swaps. Net borrowing is equivalent to negative net lending.

3 Eurostat guidance is that military expenditure on goods should be recorded on a delivery basis. In Public Sector Finances it is recorded on an IFRS accounting basis as in the MoD resource accounts.

4 For this publication an improvement has been made to the calculation of accrued gilt coupon payments. The improvement has been introduced retrospectively back to 2007 and has yet to be implemented in the Public Sector Finances publications.

5 The EDP definition of Net Borrowing includes streams of interest payments resulting from swaps and forward rate agreements. These flows are explicitly excluded from the definition of Net Borrowing in National Accounts, and so they are not included in the Public Sector Finances.

# M8R Government Deficit and Debt Under the Maastricht Treaty

(Revisions from last published figures)

	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
<b>Financial years</b>					
1996/97	0	0	0	0.0	0.0
1997/98	0	0	0	0.0	0.0
1998/99	0	0	0	0.0	0.0
1999/00	0	0	0	0.0	0.0
2000/01	0	0	0	0.0	0.0
2001/02	0	0	0	0.0	0.0
2002/03	0	0	0	0.0	0.0
2003/04	0	0	0	0.0	0.0
2004/05	0	0	0	0.0	0.0
2005/06	0	0	0	0.0	0.0
2006/07	0	0	0	0.0	0.0
2007/08	-254	0	-198	0.0	0.0
2008/09	-686	0	2452	-0.1	-0.1
2009/10	-178	0	-14728	0.0	0.6
2010/11	287	85	-119	0.0	0.0
<b>Calendar years</b>					
2000	0	0	0	0.0	0.0
2001	0	0	0	0.0	0.0
2002	0	0	0	0.0	0.0
2003	0	0	0	0.0	0.0
2004	0	0	0	0.0	0.0
2005	0	0	0	0.0	0.0
2006	0	0	0	0.0	0.0
2007	-639	0	952	0.0	-0.1
2008	-217	0	-11709	0.0	0.5
2009	214	0	-1142	0.0	0.0
2010	69	338	8337	-0.1	-0.4

## M9 Supplementary table for the financial crisis <sup>(1)</sup>

### Part 1 : Net general government revenue (impact on government deficit)

£ millions

	2007	2008	2009	2010	2011
<b>A REVENUE (a+b+c+d)</b>	<b>179</b>	<b>22779</b>	<b>9825</b>	<b>3326</b>	<b>2872</b>
a) Guarantee fees receivable	0	399	2707	2411	2255
b) Interest receivable	179	925	921	474	585
c) Dividends received	0	0	0	0	0
d) Other	0	21455	6197	441	32
<b>B EXPENDITURE (e+f+g+h)</b>	<b>137</b>	<b>27228</b>	<b>17021</b>	<b>3760</b>	<b>3566</b>
e) Interest payable (2)	0	581	2935	3582	3402
f) Capital injections recorded as deficit-increasing (capital transfer)	0	2468	11339	0	0
g) Guarantee calls	0	0	0	0	0
h) Other	137	24179	2747	178	164
<b>C Net general government revenue (A-B)</b>	<b>42</b>	<b>-4449</b>	<b>-7196</b>	<b>-434</b>	<b>-694</b>

### Part 2 : Outstanding amount of general government assets, actual liabilities <sup>(4)</sup> and contingent liabilities

£ millions <sup>(3)</sup>

Assets (D=a+b+c)		2007	2008	2009	2010	2011
<b>D Closing balance sheet</b>		<b>0</b>	<b>35307</b>	<b>71439</b>	<b>94411</b>	<b>62282</b>
a) Loans		0	17859	25829	33226	30254
b) Securities other than shares (4)		0	5000	0	0	0
c) Shares and other equity		0	12448	45610	61185	32028
<b>Liabilities (D=a+b)</b>						
<b>D Closing balance sheet</b>		<b>-1</b>	<b>61237</b>	<b>111287</b>	<b>118778</b>	<b>112799</b>
a) Loans		0	2719	0	0	0
b) Securities other than shares (4)		-1	58518	111287	118778	112799
<b>Outside general government - Contingent liabilities</b>						
d) Liabilities and assets outside general government under guarantee (5)		26930	125000	345537	257178	236978
e) Securities issued under liquidity schemes (6)		0	184570	205694	110000	71000

1. This table relates to activities undertaken to support financial institutions. It does not include wider economic stimulus packages.

2. Interest payable includes actual interest where relevant, and otherwise imputed interest on financing interventions. More detail is provided at : <http://www.ons.gov.uk/ons/re/psa/financial-crisis-and-statistical-classification/public-sector-interventions-in-the-financial-crisis/index.html>

3. The valuation used in part 2 is nominal value with the exception for shares held as assets, which are recorded at market value.

4. By convention, for the liabilities entry under "general government" (which is the impact on Maastricht Debt from activities to support financial institutions), there is assumed to be a direct impact on government debt from activities which imply a transfer of cash from government (e.g. transfer of cash relating to capital injections, loans granted, purchase of financial assets), except for the impact from direct borrowing. In addition, imputations relating to the financing costs are included.

5. Guarantees covered are those granted by general government to non-general government units. It excludes guarantees on bank deposits, or guarantees on the liabilities of special purpose entities. It is only the value of active guarantees, not announced ceilings for schemes. It also includes guarantees on assets, which would imply incurrence of government liability in case of a call. Figures are rounded to nearest £billion.

6. Liquidity schemes included here are those where the government securities used are not recorded in government debt. By convention they are recorded as "contingent liabilities outside the general government", as for guarantees, though it should be noted that the exposure of government is likely to be limited. For the UK's Special Liquidity Scheme the estimate shown is the latest published data on the amount of Treasury Bills lent for use in the scheme, which will be higher than government's contingent liability position. The value used for end-2008 is that disclosed by the Bank of England as at 30 January 2009. The value used for end-2009 is that disclosed in the *DMO Report and Accounts* at end-March 2010. The value used for end-2010 and end-2011 is that reported in the HM Treasury Annual Report and Accounts 2010-11 at end-March 2010 and 2011. Information on the levels at end calendar year is not available.

**M9**      **Supplementary table for the financial crisis**

continued

Eurostat's Part 2 only covers part of the financial balance sheet and can therefore be misleading.  
A full financial balance sheet, on a market value basis, is given below.

**Financial balance sheet***Market value (£m)*

<b>Assets</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>Total</b>	<b>41</b>	<b>59668</b>	<b>93980</b>	<b>115614</b>	<b>82005</b>
Deposits	0	2963	0	0	0
Securities other than shares (4)	0	5051	0	0	0
Loans	41	17955	25854	33368	30405
Shares and other equity	0	12448	45610	61185	32028
Accounts receivable/payable	0	21462	22516	21061	19572
<b>Liabilities</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>Total</b>	<b>-1</b>	<b>63516</b>	<b>113209</b>	<b>119702</b>	<b>112836</b>
Deposits					
Securities other than shares (4)	-1	58518	111287	118778	112799
Loans	0	2719	0	0	0
Shares and other equity	0	0	0	0	0
Accounts receivable/payable	0	2279	1922	924	37
<b>Net financial assets</b>	<b>42</b>	<b>-3848</b>	<b>-19229</b>	<b>-4088</b>	<b>-30831</b>