

# Informations *Rapides*

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Principaux indicateurs



## ■ General government accounts - Year 2014 (preliminary results)

**In 2014, the public deficit reached 4.0% of GDP,  
the compulsory levies ratio remained at 44.7% of GDP**

**Warning:** each year at the end of March, Insee publishes preliminary results of the national accounts of general government. They match the estimates notified at the European Commission on public debt and deficit. Data may be revised in the complete publication of the 2014 provisional national accounts, on May 13th 2015.

The 2014 public deficit reached -84.8 billion euros, accounting for -4.0% of GDP after -4.1% of GDP in 2013. As a share of GDP, revenues increased from 52.9% to 53.2%, slightly faster than expenditures which rose from 57.0% to 57.2%. The compulsory levies ratio stood at 44.7% of GDP.

### Ratios of public finances

(in% of GDP)

|                                                             | 2011 | 2012 | 2013 | 2014 |
|-------------------------------------------------------------|------|------|------|------|
| Public deficit                                              | -5.1 | -4.8 | -4.1 | -4.0 |
| Public debt (gross, according to the Maastricht definition) | 85.2 | 89.6 | 92.3 | 95.0 |
| Public net debt*                                            | 76.9 | 80.6 | 83.5 | 86.3 |
| Public revenues                                             | 50.8 | 52.0 | 52.9 | 53.2 |
| Public expenditures                                         | 55.9 | 56.8 | 57.0 | 57.2 |
| Compulsory levies                                           | 42.6 | 43.8 | 44.7 | 44.7 |

Sources : Insee, DGFiP, DGTrésor, March 2015 notification.

\* The public net debt is equal to the gross public debt according to the Maastricht definition minus deposits, loans and negotiable debt securities owned by general government on other sectors of the economy.

### Expenditures increased by +1.6% in 2014 after +1.8% in 2013

Operating expenditures rose by 1.3% in 2014. Intermediate consumption fell for the first time since 2001 (-0.6% after +1.9% in 2013), whereas wages continued to increase (+1.9% after +1.7%). In spite of the increasing public debt over the year, interest paid went down (-1.7%), due to lower interest rates and lower inflation, which reduced the charge on inflation linked bonds.

Social benefits slowed down : +2.4% after +2.8% in 2013. Benefits in kind accelerated (+2.8% after +2.4%), notably due to health care goods. Conversely, social benefits in cash slowed down (+ 2.2% after +2.9%), in particular for unemployment benefits and pensions, notably because of the lack of general revaluation of pensions in 2014.

### Expenditures and revenues of general government

(in billions of Euros)

|                                                     | 2013    | 2014    | 14/13 (%) |
|-----------------------------------------------------|---------|---------|-----------|
| Operating expenditures**                            | 389.8   | 394.7   | 1.3       |
| of which intermediate consumption**                 | 106.5   | 105.9   | -0.6      |
| of which compensation of employees                  | 273.1   | 278.2   | 1.9       |
| Interests**                                         | 51.4    | 50.5    | -1.7      |
| Social benefits                                     | 544.9   | 557.8   | 2.4       |
| Other transfers and subsidies                       | 132.6   | 141.8   | 6.9       |
| Acquisitions less disposals of non-financial assets | 88.4    | 81.6    | -7.7      |
| of which gross fixed capital formation              | 84.9    | 78.6    | -7.3      |
| Total expenditures                                  | 1,207.1 | 1,226.5 | 1.6       |
| Sales and other revenues                            | 84.6    | 85.9    | 1.4       |
| Property income                                     | 14.2    | 15.1    | 5.9       |
| Taxes                                               | 601.4   | 610.5   | 1.5       |
| of which taxes on products and production           | 328.6   | 336.9   | 2.5       |
| of which current taxes on income and wealth         | 269.4   | 270.0   | 0.2       |
| Effective social contributions                      | 356.9   | 366.1   | 2.6       |
| Other receipts*                                     | 63.5    | 64.1    | 0.9       |
| Total revenues                                      | 1,120.7 | 1,141.6 | 1.9       |
| Net lending (+) or net borrowing (-)                | -86.4   | -84.8   |           |

Sources : Insee, DGFiP, DGTrésor, March 2015 notification.

\* including imputed social contributions.

\*\* excluding financial intermediation services indirectly measured (FISIM).

Other transfers and subsidies accelerated markedly at +6.9% (+1.6% in 2013), increasing by +€9.2bn. In particular, subsidies on wages due the new tax credit for encouraging competitiveness and jobs (*Crédit d'impôt pour la compétitivité et l'emploi*, CICE) amounted to €10.2bn. Conversely, the French contribution to the European Union went down by €2.6bn : the exceptional revision of GNI in all Members States benefited France for €1.6bn.

Net acquisition of non-financial assets - fixed assets, stocks and lands - shrunk by 7.7% in 2014 (-€6.8bn) after a 2.8% increase in 2013. The fall mainly came from local government (-€5.2bn), as a repercussion of last year municipal elections, and, to a lesser extent, from the State (-€1.5bn). This decrease is explained by lower deliveries of military equipment than in 2013.

All in all, primary expenditures (excluding interest charges) went up by 1.8%, significantly faster than inflation (0.7% year/year).

### Revenues slowed down at +1.9% after +3.2% in 2013

Taxes on income and wealth slowed down significantly at +0.2% after +4.9% in 2013. Revenues from the *Impôt de Solidarité sur la Fortune* (ISF, wealth tax) were up by €0.8bn due to tax regularization of assets located abroad. The council tax was up by €0.3bn. Conversely, the end of the *imposition forfaitaire annuelle* reduces corporation tax by €0.6bn. Personal income tax (including taxes on financial gains) went slightly down (-€0.7bn) after a sharp increase in 2013 (+€5.7bn).

The growth of taxes on product and production went down at +2.5% (+€8.2bn) after +2.8% in 2013. VAT increased by €3.8bn, mostly because of higher rates in 2014 (normal rate went up from 19.6% to 20%, reduced rate from 7% to 10%). Other taxes contribute to the global growth of revenues : the *taxe foncière sur les propriétés bâties* (TFPB, land tax) for +€0.8bn, the *cotisation sur la valeur ajoutée des entreprises* (CVAE, corporation value added tax) for +€0.7bn, the *contribution au service public de l'électricité* (CSPE, electricity bill tax) for +€0.6bn et the *droits de mutation à titre onéreux* (DMTO, tax on real estate transactions) for +€0.6bn.

Social contributions slowed down (+2.6% after + 3.1%). This was the case for employees contributions (+3.4% after +5.2%) and independent workers ones (+2.1% after +4.4%) while the growth of employers contributions was steady (+2.4% after +2.3%). The year 2014 marked the repercussion of the end of contributions exemption on overtime payments which occurred after 2012.

### Net lending (+) or net borrowing (-) by sub-sectors

(in billions of euros)

|                       | 2011  | 2012  | 2013  | 2014  |
|-----------------------|-------|-------|-------|-------|
| The State             | -91.2 | -81.6 | -69.8 | -74.7 |
| Central agencies      | -0.2  | -2.6  | 1.0   | 2.9   |
| Local government      | -0.7  | -3.5  | -8.5  | -4.5  |
| Social security funds | -12.9 | -12.7 | -9.1  | -8.6  |

Sources : Insee, DGFIP, DGTresor, March 2015 notification.

The slight reduction in general government net borrowing in 2014 was mainly due to local government, whose net borrowing decreased by €4.1bn, mainly because of the drop in gross fixed capital formation (-€4.8bn). The State deficit increased by €4.9bn, in particular because of the second program "Investing for the future" (which accounted for 7.6bn and has benefited the Central agencies, which showed a +2.9bn surplus). The deficit of social security funds slightly improves (-0.6bn).

### The Maastricht debt grew by 2.7 points of GDP

At the end of 2014, the Maastricht debt accounted for € 2,037.8bn, a € 84.4bn year-on-year growth after a € 84.3bn increase in 2013. Maastricht debt is the gross consolidated debt of the general government, measured at face value. It reached 95.0% of GDP at the end of 2014, after 92.3% at the end of 2013. The net public debt had a similar growth reaching 86.3% of GDP after 83.5% at the end of 2013.

The State contribution to debt rose by €74.3bn, a variation very close to its net borrowing (€74.7bn). Central agencies (central government units other than the State) contribution is steady at €22.6bn at the end of 2014.

Local government debt reached €188.2bn in 2014 compared to €183.3bn at the end of 2013, an increase of €4.9bn close to their net borrowing for 2014 (€4.5bn).

Social security funds contribution to debt grew by €5.1bn to stand at €216.8bn at the end of 2014. Their higher net borrowing (€8.6bn) is partly financed by a State purchase of €3.1bn of securities from Acoss not included in the Maastricht debt.

### Maastricht debt and net debt

(in billions of euros)

|                       | Maastricht debt |         | Net debt |         |
|-----------------------|-----------------|---------|----------|---------|
|                       | 2013            | 2014    | 2013     | 2014    |
| General government    | 1,953.4         | 2,037.8 | 1,768.2  | 1,849.9 |
| Of which              |                 |         |          |         |
| The State             | 1,535.9         | 1,610.2 | 1,431.9  | 1,506.8 |
| Central agencies      | 22.6            | 22.6    | 4.8      | 6.5     |
| Local government      | 183.3           | 188.2   | 170.6    | 175.3   |
| Social security funds | 211.7           | 216.8   | 160.8    | 161.2   |

Sources : Insee, DGFIP, DGTresor, March 2015 notification.

### For more details :

Following Eurostat decision on March 9th 2006, military expenditures of the State are accounted for at the time of deliveries. In 2011, the correction reduced the public deficit by 0.09 GDP points because of military equipment deliveries lower than cash payments. In years 2012 2013 and 2014, the correction reduced the public deficit by respectively 0.03, 0.02 and 0.08 GDP point.

- A longer version of this document (in French only) is available here : <http://www.insee.fr/fr/indicateurs/ind37/20150326/Annexe-APU.pdf>
- Find the long-term data series in the BDM: [G1310](#), [G1374](#), [G1377](#), [G1378](#).
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