

# Informations Rapides

24 mars 2017 - n° 82  
Principaux indicateurs



## ■ General government accounts - Year 2016 (preliminary results)

**In 2016, the public deficit reached 3.4% of GDP,  
the compulsory levies ratio decreased by 0.1 point at 44.3% 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 2016 provisional national accounts, on May 30th 2017.

In 2016, public deficit reached € -75.9 bn, accounting for -3.4% of GDP after -3.6% in 2015. As a share of GDP, revenue decreased from 53.1% to 52.8%. Expenditure went down by 0.5 points, from 56.7% to 56.2%. The compulsory levies ratio decreased by 0.1 points to 44.3% of GDP.

### Ratios of public finances

(in % of GDP)	2013	2014	2015	2016
Public deficit	-4.0	-3.9	-3.6	-3.4
Public debt (gross, according to the Maastricht definition)	92.3	94.9	95.6	96.0
Public net debt*	83.5	86.1	86.9	87.5
Public revenues	52.9	53.2	53.1	52.8
Public expenditures	57.0	57.1	56.7	56.2
Compulsory levies	44.8	44.6	44.4	44.3
(Evolution in %)				
Total expenditure	1.6	1.7	1.4	1.1
Expenditure excluding interest charges	2.1	1.9	1.7	1.3
Expenditure excluding tax credit	1.7	1.0	0.9	1.2

Sources : Insee, DGFIP, DGTTrésor, March 2017 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.

### Expenditure slowed (+1.1% against +1.4% in 2015)

Overall expenditure decelerated in 2016: +1.1% after +1.4%. Operating expenditures rose by 0.7% in 2016 after 1.2% in 2015. Intermediate consumption slowed down (+0.2% after +1.9%) as well as wage compensation (+0.8% after +1.0% in 2015). The debt interest charges went down strongly again (-5.1% after -4.5% in 2015) due to a further fall in interest rates.

Social benefits rose by +1.8% after +1.6% in 2015. The acceleration of benefits in kind (+2.8% after +1.8%) was driven particularly by health care expenditure on prescription drugs and on ambulatory medicine. Social benefits in cash rose by +1.5% like in 2015.

### Expenditures and revenues of general government

(in billions of Euros)

	2015	2016	16/15 (%)
Operating expenditures**	399.2	401.9	0.7
of which intermediate consumption**	107.2	107.5	0.2
of which compensation of employees	281.2	283.6	0.8
Interests**	48.6	46.1	-5.1
Social benefits	565.9	576.2	1.8
Other transfers and subsidies	151.6	154.7	2.0
Acquisitions less disposals of non-financial assets	78.7	78.2	-0.6
of which gross fixed capital formation	76.2	76.1	-0.1
Total expenditures	1,244.0	1,257.2	1.1
Sales and other revenues	88.3	88.6	0.4
Property income	15.5	15.0	-3.1
Taxes	628.7	638.9	1.6
of which current taxes on income and wealth	274.5	276.2	0.6
of which taxes on products and production	347.5	355.6	2.3
Effective social contributions	369.9	375.5	1.5
Other receipts*	62.9	63.3	0.6
Total revenues	1,165.3	1,181.3	1.4
Net lending (+) or net borrowing (-)	-78.7	-75.9	

Sources : Insee, DGFIP, DGTTrésor, March 2017 notification.

\*including imputed social contributions.

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

Other transfers and subsidies rose by 2.0% after a sharp increase in 2015 (+7.2%) due to the ramp-up of the tax credit for competitiveness and jobs (*crédit d'impôt pour la compétitivité et l'emploi*, CICE).

Net acquisition of non-financial shrunk by 0.6% in 2016 (€ -0.5 bn) after a sharp decrease in 2015 (-4.7%). The decrease is mainly due to a fall in local government investment (€ -1.4 bn after € -4.6 bn in 2015). Conversely, State Government investment increased, notably military equipment.

All in all, expenditure excluding interest charges went up by 1.3% (after +1.7% in 2015), faster than inflation. Expenditure excluding tax credits increased by 1.2% in 2016 after 0.9% in 2015.

### Revenue increased by +1.4% after +2.0% in 2014

Overall revenue decelerated in 2016: +1.4% after +2.0%. Taxes on income and wealth slowed (+0.6% after +1.3%). Social contributions including *contribution sociale généralisée* (CSG) rose thanks to a dynamic wage bill. By contrast, social contributions on investment income decreased because of low interest rates and low return of life insurance. Personal income tax increased by € +0.8 bn in 2016 (after +€0.5 bn in 2015). Corporate tax decreased by €0.5 bn owing to the abolition in 2016 of the exceptional additional corporate tax.

Taxes on products and production increased by 2.3% after +3.1% in 2015. VAT increased by €2.5 bn after €+3.2 bn in 2015. Domestic consumption tax on energy products rose by €1.7 bn due to the ramp-up of carbon tax, the *droits de mutation à titre onéreux* (tax on real estate transactions) by €+1.0 bn, the *taxe foncière sur les propriétés bâties* (land tax) by €+1,5 billion. Conversely, the *contribution sociale de solidarité des sociétés* (corporate tax) decreased by €0.8 billion as a result of the gradual raise of the abatement of this tax.

Social contributions accelerated (+1.5% after + 1.0%) due to a more dynamic wage bill. Household contributions increased by 2.3% after +1.7% and employers' contribution rose by 1.1% after 0.6%. However, employers' contributions were affected by the reduction of the rate of contribution to family allowance for wages between 1.6 and 3.5 times the minimum wage.

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

(in billions of euros)

	2013	2014	2015	2016
The State	-69.6	-74.6	-71.6	-74.1
Central agencies	1.4	2.6	-2.2	-1.9
Local government	-8.3	-4.6	-0.1	3.0
Social security funds	-8.8	-7.8	-4.7	-2.9

Sources : Insee, DGFIP, DGTrésor, March 2017 notification.

The reduction in general government net borrowing in 2016 was mainly due to local government and to a lesser extend to social security funds. local government recorded a net lending of €3.0 bn after a near balance in 2015) mostly due to a further decline in their investment and decelerating operative expenditure.

The deficit of social security funds also improved by €1.8 bn. Their revenue was more dynamic in spite of lower rate of contribution to family allowance. Expenditure were lessened by the transfert from CNAF to the State of a part of housing benefits which deteriorated equally the Statebalance.

The State government deficit increased by €2.5 billion and the deficit of Central agencies decreased by €0.3 billion. The reclassification of the *contribution au service public de l'électricité* (CSPE) from central agencies to State government raised strongly expenditure and revenue of State Government and lowered those of central agencies.

### The Maastricht debt grew by 0.4 points of GDP

At the end of 2016, the Maastricht debt accounted for €2,147.2 billion. It rose by €49.2 billion in 2015 after €+60.2 billion in 2015. It reached 96.0% of GDP at the end of 2016, after 95.6% at the end of 2015. The net public debt had a similar growth, reaching 87.5% of GDP after 86.9% at the end of 2015.

The State contribution to debt rose by €48.8 bn, a variation lower than its net borrowing (€74.1 bn), mainly explained by high levels of premiums. The contribution of central agencies decreased by €6.9 bn, of which €4.8 bn are due to CSPE's debt which was integrated in State Government.

Local government debt reached €199.6 bn at the end of 2016 compared to € 196.7 bn at the end of 2015, an increase by €2.9 bn, despite a net lending of €3.0 bn. Local government increased their deposits at the French Treasury by €3.9 bn.

Social security funds contribution to debt grew by €4.7 bn to stand at €225.0 bn at the end of 2016.

### Maastricht debt and net debt

(in billions of euros)

	Maastricht debt		Net debt	
	2015	2016	2015	2016
General government	2,098.0	2,147.2	1,906.6	1,957.3
Of which				
The State	1,661.3	1,709.9	1,556.0	1,607.9
Central agencies	19.6	12.7	2.7	-1.4
Local government	196.7	199.6	184.7	187.4
Social security funds	220.4	225.0	163.2	163.4

Sources : Insee, DGFIP, DGTrésor, March 2017 notification.

### For more details :

Following Eurostat decision on 9 March 2006, military expenditures of the State are accounted for at the time of deliveries. In 2013, the correction reduced the public deficit by 0.01 GDP points because of military equipment deliveries lower than cash payments. In 2014 and in 2015, the correction reduced the public deficit by 0.08 GDP points and increased the public deficit by 0.04 points in 2016.

- 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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Next release: 26 March 2018