

Informations Rapides

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Main indicators



■ General government accounts - Year 2017 (preliminary results)

**In 2017, the public deficit reached 2.6% of GDP,
the notified debt 97.0% 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 publication of the revision of main aggregates for years 2015-2017, on 17 May 2018.

In 2017, public deficit reached -€59.3 bn, accounting for -2.6% of GDP after -3.4% of GDP in 2016. As a share of GDP, expenditure decreased from 56.5% to 56.5%. Revenues went up from 53.2% to 53.9%. The compulsory levies ratio increased by 0.7 point at 45.4% of GDP (+0.5 point excluding exceptional contribution to corporate income tax).

Ratios of public finances

(in % of GDP)	2014	2015	2016	2017
Public deficit	-3.9	-3.6	-3.4	-2.6
Public debt (gross, according to the Maastricht definition)	94.9	95.6	96.6	97.0
Public net debt*	85.5	86.4	87.5	87.7
Public revenues	53.3	53.2	53.2	53.9
Public expenditures	57.2	56.8	56.6	56.5
Compulsory levies	44.8	44.5	44.6	45.4
(Evolution in %)				
Total expenditure	1.5	1.5	1.0	2.5
Expenditure excluding interest charges	1.7	1.8	1.2	2.7
Expenditure excluding tax credit	0.7	1.0	1.1	2.5

* 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.

Sources: Insee, DGFIP, DGTresor, March 2018 notification.

Expenditure increased by 2.5% in 2017 after +1.0% in 2016

Total expenditure rose by 2.5% after +1.0% in 2016. The acceleration was more moderate for expenditure excluding interest charges and the refund of the 3% tax on dividends (+2.3% after +1.2%).

Operating expenditures increased by 2.2% in 2017 after 0.7% in 2016. Intermediate consumption and wage compensation accelerated (respectively +2.3% and +2.2% after +0.1% and +0.9% in 2016). The interest charges went down at a slightly slower pace (-3.7% after -3.9% in 2016).

Social benefits rose by +2.1% after +1.8% in 2016. The acceleration of benefits in kind (+2.4% after +2.0%) was driven by health care expenditure, in particular pharmaceutical products. Social benefits in cash rose by +1.9% after +1.7% in 2016 in part due to the *prime d'activité*.

Expenditures and revenues of general government

(in billions of Euros)

	2016	2017	17/16 (%)
Operating expenditures**	402.1	410.9	2.2
of which intermediate consumption**	107.3	109.8	2.3
of which compensation of employees	283.9	290.1	2.2
Interests**	46.1	44.4	-3.7
Social benefits	579.4	591.3	2.1
Other transfers and subsidies	155.6	165.6	6.5
Acquisitions less disposals of non-financial assets	77.6	79.6	2.6
of which gross fixed capital formation	75.1	77.3	3.0
Total expenditures	1,260.8	1,291.9	2.5
Sales and other revenues	88.6	89.5	1.0
Property income	15.0	15.3	1.6
Taxes	641.8	674.4	5.1
of which current taxes on income and wealth	280.0	294.5	5.2
of which taxes on products and production	356.0	372.3	4.6
Effective social contributions	375.2	388.4	3.5
Other receipts*	64.2	65.1	1.3
Total revenues	1,184.8	1,232.6	4.0
Net lending (+) or net borrowing (-)	-75.9	-59.3	

* including imputed social contributions.

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

Sources: Insee, DGFIP, DGTresor, March 2018 notification.

Other transfers and subsidies accelerated : +6.5% after +0.4% in 2016. This increase is due to the refund of the 3% tax on dividends (+€4.9 bn) and the capital injection into Areva SA (recorded as a non financial operation : €2.3 bn). Subsidies on product increased by €1 bn due to support for renewable energies. Conversely, the contribution to the European Union budget decreased by €4.0 bn since the EU budget was under-executed.

Net acquisition of non-financial assets – fixed assets, stocks and lands as well as intangible non produced assets – increased by 2.6% in 2017 (+€2.0 bn) after a moderate increase in 2016 (+0.4%). The increase is for a large part due to local government investment (+€2.9 bn after –€1.3 bn in 2016). This increase was partially offset by a decrease from State Government: –€0.7 bn, due to military equipment.

Revenue accelerated (+4.0% after +1.4% in 2016)

Taxes on income and wealth increased by 5.2% after +0.6% in 2016. Corporate income tax strongly increased (+€8 bn) while an exceptional contribution to corporate income tax was introduced to offset the refund of the 3% tax on dividends (€4.9 bn). Excluding the exceptional contribution to corporate income tax and the treatment applicable to payable tax credits, corporate income tax was steady (+€0.2 bn) and the total revenue grew by only 3.4%. Social contributions including *contribution sociale généralisée* (CSG) rose thanks to a dynamic wage bill (+€3.3 bn of which €2.8 bn of CSG). Personal income tax increased by +€0.8 bn in 2017 (after +€1.0 bn in 2016) and the *taxe d'habitation* (housing tax) by €0.5 bn.

Taxes on products and production increased by 4.6% after +2.4% in 2016. VAT strongly increased by €7.6 bn after +€2.8 bn in 2016, notably due to the recovery of economic activity. Taxes on domestic consumption of energy products (fuels, electricity and natural gas) overall rose by €2.6 bn due in part to the increase of carbon tax. The *droits de mutation à titre onéreux* (tax on real estate transactions) increased by +€2.1 bn linked to the increase of real estate transactions and the *taxe foncière sur les propriétés bâties* (land tax) by +€0.8 bn.

Social contributions accelerated (+3.5% after +1.3%) due to a more dynamic wage bill. The employees contributions increased by 3.7% after +1.9% and employers contribution rose by 3.4% after +1.0%.

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

(in billions of euros)

	2014	2015	2016	2017
The State	–74.3	–73.3	–73.8	–64.3
Central agencies	2.6	–2.5	–2.9	–1.0
Local government	–4.8	–0.1	3.0	0.8
Social security funds	–7.4	–3.8	–2.2	5.1

Sources: Insee, DGFIP, DGTrésor, March 2018 notification.

The reduction in general government net borrowing in 2017 was mainly due to State government (€9.5 bn) and social security funds (€7.3 bn). The latter recorded a net lending, for the first time since 2008 (€5.1 bn). Those reductions are mainly due to more dynamic revenue. To a lesser extent, the Central agencies net borrowing decreased by about €2.0 bn. Meanwhile the net lending of local government decreased by €2.2 bn due to the rise of fixed capital formation after three years of decrease. The operative expenditure is also dynamic, in particular wage compensation. The transfers from State government to local government decreased by €2.4 bn but this is broadly offset by the increase in taxes.

The Maastricht debt grew by 0.4 point of GDP

At the end of 2017, the Maastricht debt accounted for €2,218.4 bn, a €65.9 bn year-on-year growth after a €51.3 bn increase in 2016. Maastricht debt is the gross consolidated debt of the general government, measured at nominal value. It reached 97.0% of GDP at the end of 2017, after 96.6% at the end of 2016. The net public debt had a more moderate growth, reaching 87.7% of GDP after 87.5% at the end of 2016.

The State contribution to debt rose by €64.7 bn, a variation similar to its net borrowing (€64.3 bn). The contribution of central agencies (central government units other than the State) decreased by €1.4 bn, of which €1.3 bn are due to debt relief of CNA (*Caisse nationale des autoroutes*).

Local government debt reached €201.5 bn at the end of 2017 compared to € 200.2 bn at the end of 2016, an increase by €1.4 bn. Debt of régions and municipalities rose by respectively €0.7 bn and € 0.5 bn.

Despite their net lending of €5.1 bn, social security funds contribution to debt grew by €1.2 bn to stand at €226.1 bn at the end of 2017 since their cash assets significantly increased.

Maastricht debt and net debt

(in billions of euros)

	Maastricht debt		Net debt	
	2016	2017	2016	2017
General government	2,152.5	2,218.4	1,949.7	2,005.5
Of which				
The State	1,714.3	1,779.0	1,613.9	1,668.6
Central agencies	13.2	11.8	–1.1	–1.3
Local government	200.2	201.5	188.1	189.4
Social security funds	224.9	226.1	148.8	148.7

Sources: Insee, DGFIP, DGTrésor, March 2018 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. It increased the public deficit by 0.04 points in 2016. In 2017, the correction reduced the public deficit by 0.04 GDP points.

- A longer version of this document (in French only) is available here : https://www.insee.fr/fr/statistiques/fichier/3375616/Complements_APU.zip
- Find the long-term data series in the BDM: <https://www.insee.fr/en/statistiques/series/102334196>
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