



Central government's finance and debt

Sources

Government receipts and expenditure are based on Danmarks Nationalbank's monthly distribution of government payments. The monthly distribution is based on the Ministry of Finance's estimate of central-government finances, which is published in the Finance Act and the Budget Reviews. The Finance Act and Budget Reviews are the starting point for allocating major items to different months according to payment patterns in previous years, as well as details of changes in due dates for payments, e.g. as a consequence of new legislation. Government receipts and expenditure that are not included in the monthly distribution are compiled as net figures under expenditure, so that the monthly net financing requirement matches the actual figure.

The national debt statistics are based on information from the department Government Debt Accounting.

Compilation method

The central-government financing requirement is calculated on the basis of the movement in the central government's account with Danmarks Nationalbank, in accordance with Danmarks Nationalbank's balance sheet, as well as details of the central government's borrowing from the department Government Debt Accounting. Net bond purchases by the Social Pension Fund, the High-Technology Foundation, the Financing Fund for increased distributions from the Danish National Research Foundation and the Preventive Measures Fund are included in redemptions on domestic debt.

The gross domestic debt is compiled as the nominal value of the circulating volume of government bonds, Treasury notes, Treasury bills and premium bonds. The central government's gross foreign debt is likewise compiled at nominal value. Loans denominated in foreign currencies are converted to Danish kroner on the basis of the exchange rates at the close of the previous year, while the conversion for December and the identical annual statistics is made on the basis of the exchange rates at the close of the year of compilation. The compilation includes changes in the debt profile caused by interest-rate swaps as well as currency swaps. The difference between the gross and net debt comprises the central government's holdings of own bonds, the bond portfolios of the Social Pension Fund, the High-Technology Foundation, the Financing Fund for increased distributions from the Danish National Research Foundation and the Preventive Measures Fund as well as the central government's account with Danmarks Nationalbank. The latter is in accordance with Danmarks Nationalbank's accounts, so that table 3 deviates from the equivalent table in Danmarks Nationalbank's publication "Central-Government Borrowing and Debt" where the balance of the central government's account with Danmarks Nationalbank is compiled in ac-

cordance with the central government's accounts. The difference can e.g. be attributed to the differing accrual principles applied in the two accounts.

The government-guaranteed entities are A/S Storebæltsforbindelsen, A/S Øresundsforbindelsen and Øresundsbro Konsortiet. Until end-2005 including the Kingdom of Denmark Mortgage Bank, which at this point was closed down, and its assets and liabilities taken over by the central government. Until end-1999 the debt of these entities is calculated as the sum of their issued krone-denominated bonds listed on the Nordic Exchange and their total foreign debt according to Danmarks Nationalbank's statistics Denmark's external assets and liabilities and Balance of payments – Financial accounts. As from 1 January 2000 the data are compiled at market values by the entities.

Interpretation of the statistics

The compilation of the central government's net financing requirement cannot be compared immediately with the central government's net cash balance in accordance with the central-government accounts, due to deviating compilation methods and definitions. Also, the compilation of the debt of the government-guaranteed entities cannot be compared immediately with a similar compilation in the central government's annual accounts, due to deviating compilation methods.

Explanation of symbols

Details may not add because of rounding-off.

- Category not applicable.
- ... Data not available.