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STATISTICS DIRECTORATE  
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### Working Party on National Accounts

**MEASURING THE SIZE OF THE PUBLIC SECTOR:**

**MEETING USER NEEDS FOR IMPROVED DATA ON PUBLIC COPORATIONS**

**To be held on 4-6 November 2009**  
**OECD Conference Centre, Paris**  
**Beginning at 9:30 a.m. on the first day**

*This document has been prepared by Nadim AHMAD - OECD and will be presented under item 1 of the draft agenda*

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## **MEASURING THE SIZE OF THE PUBLIC SECTOR:**

### **MEETING USER NEEDS FOR IMPROVED DATA ON PUBLIC CORPORATIONS**

#### **1. Background**

1. The role and size of government has long been of interest to policymakers and analysts. But the current economic crisis and cash injections made by governments the world over to stabilise enterprises, in particular financial enterprises, has increased interest in government statistics, and in particular the delineation between the general government and public sector. Moreover, the rapid growth of emerging economies where public corporations play a significant role, and an increasing commercialisation within OECD countries of activities previously conducted within the general government sector have added to this increased interest.

2. Measures such as General Government Expenditure, General Government Revenue and Net-lending/Net-borrowing are generally considered robust in the context of assessing the size of general government, particularly in relation to public finances but the capacity of public corporations to borrow and the contingent implicit exposure of government to these liabilities by way of guarantees or otherwise, is not captured by these measures. Indeed in many countries the key focus of policy makers from a public finances perspective is on the totality of the public sector, including public corporations, and not just government.

3. Moreover, there is some concern amongst users of national accounts statistics regarding the comparability of national accounts statistics on government, in particular whether the application of rules concerning government control and ownership of certain institutional units that provide some market services are applied consistently across all countries.

4. Getting a better understanding of these issues and indeed a better understanding of the criteria used to establish which institutions, where government has some control, are included as public corporations, general government institutions or other, as well as the weight of their activities in the productive economy, is clearly of interest to policy makers. As is a desire to attempt to create comparable estimates of public sector net lending/borrowing and public sector measures of debt; an objective given recent impetus by the addition of a chapter (22) dealing with these issues in the new 2008 SNA.

5. This is the primary purpose of this paper. It builds on recent developments and a recent voluntary questionnaire conducted by Eurostat, under the auspices of its Financial Accounts Working Group, to collect financial data on public corporations.

#### **2. Government and the Public Sector in the SNA**

6. It is useful at this stage to say a few words on the guidance provided in the SNA concerning the delineation of institutions between the government, public corporations and market sector.

7. Paragraph 2.17 of the 2008 SNA defines the general government sector as follows:

*General government consists of institutional units that, in addition to fulfilling their political responsibilities and their role of economic regulation, produce services (and possibly goods) for individual or collective consumption mainly on a non-market basis and redistribute income and wealth.*

8. Paragraph 4.77 says the following on public corporations:

*A corporation is a public corporation if a government unit, another public corporation, or some combination of government units and public corporations controls the entity, where control is defined as the ability to determine the general corporate policy of the corporation. The expression “general corporate policy” as used here is understood in a broad sense to mean the key financial and operating policies relating to the corporation’s strategic objectives as a market producer.*

9. The key phrases here are ‘control’ and ‘market producer’.

10. Many institutions controlled by government provide a mix of market and non-market goods and services for example: only those that are classified as ostensibly market-producers<sup>1</sup> are classified as public corporations whereas non-market producers (NPIs) are in the general government.

11. The difficulty here is that the SNA contains some ambiguity in determining when units controlled by government should be classified as public corporations. Paragraphs 22.28 to 22.32 of the 2008 SNA perfectly illustrate the measurement difficulties involved:

*22.28 To be considered as a market producer, a unit must provide **all or most of its output** to others **at prices that are economically significant**. Economically significant prices are prices that have a significant effect on the amounts that producers are willing to supply and on the amounts purchasers wish to buy. These prices normally result when:*

- a. The producer has an incentive to adjust supply either with the goal of making a profit in the long run or, at a minimum, covering capital and other costs; and*
- b. Consumers have the freedom to purchase or not purchase and make the choice on the basis of the prices charged.*

*22.29 **These conditions usually mean that prices are economically significant if sales cover the majority of the producer’s costs and consumers are free to choose whether to buy and how much to buy on the basis of the prices charged** Although there is no prescriptive numerical relationship between the value of output (excluding both taxes and subsidies on products) and the production costs, **one would normally expect the value of goods and services sold (the sales) to average at least half of the production costs over a sustained multiyear period.***

*22.30 Because economic circumstances vary considerably, it may be desirable to accept different thresholds to achieve consistent economic measurement over time, between units and across countries. **In principle, the distinction between market and non-market should be made on a case-by-case basis.***

*22.31 It can be presumed that prices are economically significant when the producers are private corporations. When there is public control, however, the unit’s prices may be modified for public policy purposes. This may cause difficulties in determining whether the prices are economically significant. **Public corporations are often established to provide goods that the market would not produce in the desired quantities or at the desired prices.** Even when the sales of such*

<sup>1</sup> Some institutions that are market-producers can appear within general government, for example a shop within a museum, but only if they are designated as unincorporated enterprises, as opposed to quasi enterprises. In any case these are not expected to be hugely significant)

*corporations may cover a large portion of their costs, one can expect that they respond to market forces quite differently than would private corporations.*

***22.32 It is likely that corporations receiving substantial government financial support, or that enjoy other risk reducing factors such as government guarantees, will act differently from corporations without such advantages because their budget constraints are softer.*** *A non-market producer is a producer that faces a very soft budget constraint so that the producer is not likely to respond to changes in the economic conditions in the same way as market producers.*

12. EU countries have adopted a 50% rule for ‘most’ in this context but it is not clear what determining criteria are used in other OECD countries.

13. The criteria for determining ‘control’ in the 2008 SNA provide, arguably, even more scope for differences in treatment at the international level. Paragraphs 4.77 to 4.80, summarised in paragraph 22.22 (below) describe how ‘control’ should be determined:

*The criteria for control of a corporation are described in paragraphs 4.77 to 4.80. The key factors to be considered are*

- a. Ownership of the majority of the voting interest;*
- b. Control of the board or other governing body;*
- c. Control of the appointment and removal of key personnel;*
- d. Control of key committees of the entity;*
- e. Golden shares and options;*
- f. Regulation and control;*
- g. Control by a dominant customer; and*
- h. Control attached to borrowing from the government.*

*Although a single indicator could be sufficient to establish control in some cases, in others a number of separate indicators may collectively indicate control. A decision based on the totality of all indicators must necessarily be judgmental in nature, but the judgements should be consistent for similar cases.*

14. Recognising the difficulties inherent in determining ‘control’ in practice the SNA does provide practical advice based on the criterion of majority ownership (more than 50%). However, like the delineation between government and public corporations it’s not clear how countries determine ‘control’ in practice. Of particular interest in this regard is the determination of ‘control’ in cases where government provides effective guarantees for liabilities owed by the corporation (particularly where corporations are perpetually loss-making) and/or provide significant subsidies.

### **Needs of OECD and external policy-makers**

15. In recent months, and partly in response to the financial crisis, there have been growing requests from within the OECD (and externally) for better data relating to the public sector. Indeed the OECD’s Directorate for Financial and Enterprise Affairs (DAF), has recently begun to collect information on public corporations<sup>2</sup>, and indeed other enterprises where the State hold a sizeable share. And the Statistics Directorate would like to capitalise on this interest to collect further information on public corporations.

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<sup>2</sup> The Corporate Affairs Division has commenced an actual data collection exercise. The Investment and Competition Committees both engaged in recent exercises reviewing the changing role of public enterprises in the competitive and foreign investment policy landscapes.

16. For information Tables 1 to 3 below provide an overview of information recently collected by DAF through its Working Group on Privatisation and Corporate Governance of State Owned Assets. So far 15 member countries have contributed to the questionnaire-based exercise, the first phase of which is expected to be concluded following the Group's meeting in April 2010.

17. But this information only begins to scratch at the surface of those statistics needed and questions raised. Specifically the main questions typically formulated in this context are as follows:

- What is the size of the public sector and what are its main constituent elements?
  - What is the net-borrowing/net-lending of the public sector?
  - What is the gross/net debt of the public sector? (not including contingent liabilities)
  - Economic indicators: an overview of the value added, turnover, capital formation and employment in the public sector.
- Can we define the 'public domain'?
  - What corporations, currently outside of the public sector, receive significant funding (subsidies) from government/public sector? What is the net-lending/debt position of these enterprises and what is their contribution to the domestic economy (value added, turnover, capital formation, employment)?
  - What corporations have explicit guarantees from government that would make the public sector liable for any liabilities?
  - What corporations not classified as public corporations does the stake have a significant stake? What is the net-lending/debt position of these enterprises and what is their contribution to the domestic economy (value added, turnover, capital formation, employment)?

18. Responding to all of these questions will take some time and indeed may not be feasible in the short to medium term. But the recent Eurostat questionnaire (attached below) sent to EU countries by its Financial Accounts Working Group, represents a step in the right direction. The attachment includes, for information a summary of the returns by EU countries from the first questionnaire circulated by Eurostat late last year – *data has not been included as it is currently confidential*. But the OECD will seek to coordinate this activity with Eurostat regarding the collection of these statistics across OECD countries.

19. The OECD would therefore like to circulate this questionnaire to non EU OECD member countries by way of a pilot study and use this as a possible launch pad to determine what could/would be feasible in the longer term to better respond to the needs of policy makers; with a view to determining whether the questionnaire could be expanded to include other variables such as those relating to numbers of employees and the nature of control exerted by government (for example percentage of equity owned by government).

### Discussion Items

20. NAWP delegates are therefore asked to consider the following:

- Would OECD non EU member countries be willing to fill the attached questionnaire, attached below, and sent with a formal cover note, returning completed responses by the end of January 2010?
- Would OECD EU countries be willing to make available to the OECD the relevant data supplied to Eurostat?

21. As a follow-up to the questionnaires:

- If Eurostat also supports the initiative, would countries be willing to provide information in a follow-up questionnaire which included additional questions relating to numbers of employees and a description of the degree(s) of ownership exerted by government that have resulted in classification as a public corporation – conducted in coordination with Eurostat.
- Would it be possible to develop supplementary indicators based on a concept of the ‘public domain’ which includes corporations outside of the public corporation sector but where government is the key customer or key funder (via subsidies say) or where government provides contingent guarantees. How would public private partnerships fit within this concept and indeed many NPISHs?
- 22. Would it be possible to further extend the coverage of enterprises to include those where the public sector holds a stake of more than 10%, differentiating between those where the public sector has more a 50% stake and those with between 10 and 50%? - again in coordination with Eurostat.

Table 1. Overview of SOE sectors in OECD countries. (Data refer to SOEs held end-2008 at the central level of government unless otherwise specified)

	Majority-owned listed entities			Majority owned non-listed			Statutory corporations			Total SOE sector (1)		
	Number of enterprises	Number of employees	Value of enterprises (USD mil.) (2)	Number of enterprises	Number of employees	Value of enterprises (USD mil.)	Number of enterprises	Number of employees	Value of enterprises (USD mil.)	Number of enterprises	Number of employees	Value of enterprises (USD mil.)
Australia	..	..	..	..	..	..	..	..	..	..	..	..
Austria	2	29,543	5,024	4	46,150	5,223	0	0	0	6	75,693	10,246
Belgium	..	..	..	..	..	..	..	..	..	..	..	..
Canada	0	0	0	0	0	0	49	92,200	15,270	49	92,200	15,270
Czech Rep.	1	27,200	8,046	93	39,100	9,518	46	91,100	8,175	140	157,400	25,739
Denmark	0	0	0	12	27,372	8,284	2	9,721	2,292	14	37,093	10,576
Finland	3	30,348	27,397	28	63,491	15,207	5	4,703	10,882	36	98,542	53,486
France	..	..	..	..	..	..	..	..	..	..	..	..
Germany	..	..	..	..	..	..	..	..	..	..	..	..
Greece (3)	7	..	..	54	..	..	..	..	..	61	..	..
Hungary	0	0	0	311	165,418	6,653	6	949	863	317	166,367	7,515
Iceland	..	..	..	..	..	..	..	..	..	..	..	..
Ireland	..	..	..	..	..	..	..	..	..	..	..	..
Italy (4)	0	0	0	26	285,282	112,974	0	0	0	26	285,282	112,974
Japan	..	..	..	..	..	..	..	..	..	..	..	..
Korea	4	39,328	22,237	75	42,760	22,128	222	204,999	128,746	301	287,087	173,111
Luxembourg	..	..	..	..	..	..	..	..	..	..	..	..
Mexico	..	..	..	..	..	..	..	..	..	..	..	..
Netherlands	..	..	..	..	..	..	..	..	..	..	..	..
New Zealand (5)	1	..	1,221	15	15,215	9,073	1	3,465	..	17	18,680	10,294
Norway	3	73,534	63,191	22	48,926	5,315	17	106,942	17,744	42	229,402	86,250
Poland	..	..	..	..	..	..	..	..	..	..	..	..
Portugal	..	..	..	..	..	..	..	..	..	..	..	..
Slovak Rep.	..	..	..	..	..	..	..	..	..	..	..	..
Spain	0	0	0	67	83,530	17,711	3	21,311	502	70	104,841	18,214
Sweden (6)	0	0	0	48	85,340	27,750	3	3,655	1,466	51	88,995	29,216
Switzerland	1	19,943	..	2	6,310	..	1	27,822	..	4	54,075	..
Turkey	3	21,850	12,505	31	227,809	37,610	2	7,506	1,481	36	257,165	51,596
United Kingdom	..	..	..	..	..	..	..	..	..	..	..	..
United States	..	..	..	..	..	..	..	..	..	..	..	..

Note: The value of SOEs is recorded at market value for listed companies and book equity value for others - unless otherwise; (1) In the case of Greece and New Zealand, some totals are based on partial reporting with "not available" set to zero; (2) Valuation for Czech Republic and New Zealand is based on book values of equity; (3) Statutory enterprises exist but have not been included in the reporting; (4) Reflecting borderline problems with defining a "statutory corporations" all such have been included in the majority-owned non-listed SOE category; (5) Data refer to the end of Fiscal Year 2007/8.; (6) Data refer to June 2009.

**Table 2. Overview of state-ownership in listed enterprises in OECD countries (Data refer to SOEs held end-2008 at the central level of government unless otherwise specified)**

	State majority interest (larger than 50%) (1)				State minority interest (between 10% and 50%) (1)			
	Number of enterprises	Number of employees	Value of enterprises (USD mil.) (2)	Names of companies	Number of enterprises	Number of employees	Value of enterprises (USD mil.) (2)	Names of the main government invested companies
Australia	--	--	--		--	--	--	
Austria	2	29,543	5,024	Osterreichische Post; Verbund Energy	2	58,236	13,300	OMV (32%); Telekom Austria (28%)
Belgium	--	--	--		--	--	--	
Canada	0	0	0		0	0	0	
Czech Rep.	1	27,200	8,046	CEZ	0	0	0	
Denmark	0	0	0		2	26,591	3,167	Copenhagen Airports (30%); SAS (14%) Elisa (11%); Kemira (17%); Metso (12%); Outokumpu (41%); Rautaruukki (41%); Sampo (15%); Sponda (35%); StoraEnso (17%); TeliaSonera (14%)
Finland (7)	3	30,348	27,397	Finnair; Fortum; Neste Oil	9	138,753	59,668	
France	--	--	--		--	--	--	
Germany	--	--	--		--	--	--	
Greece				Agricultural Bank of Greece; Attica Bank; Public Power Corp.; Thessaloniki Water; Athens Water; Thessaloniki Port Authority; Piraeus Port Authority				
Hungary	7	--	--		--	--	--	
Iceland	0	0	0		1	10,527	2,775	Richter Gedeon (25%)
Ireland	--	--	--		--	--	--	
Ireland	--	--	--		--	--	--	
Italy	1	--	--	Snam Rete Gas (4)	4	234,428	120,523	ENEL (31%); ENI (30%); Finmeccanica (30%); Terna (35%)
Japan	--	--	--		--	--	--	
Korea	4	39,328	22,237	Service & Engineering; Industrial Bank of Korea	2	3,515	2,459	Kangwon Land (44%); Korea Land Trust (40%)
Luxembourg	--	--	--		--	--	--	
Mexico	--	--	--		--	--	--	
Netherlands	--	--	--		--	--	--	
New Zealand (5)	1	--	1,221	Air NZ	0	0	0	
Norway	3	73,534	63,191	StatoilHydro; Telenor; Kongsberg Gruppen;	5	73,722	17,808	Yara International (36%); SAS (14%)
Poland	--	--	--		--	--	--	
Portugal	--	--	--		--	--	--	
Slovak Rep.	--	--	--		--	--	--	
Spain	0	0	0		1	1,594	6,111	Red Electrica (20%)
Sweden (6)	0	0	0		3	88,680	15,060	TeliaSonera (37%); SAS (21%); Nordea (20%)
Switzerland	1	19,943	--	Swisscom	0	0	0	
Turkey	3	21,850	12,505	T. Kalkinma Bankasi; Halkbank; Vakifbank (3)	3	43,847	13,057	Turk Telecom (32%); Turkish Airlines (49%); Petkim (10%)
United Kingdom	--	--	--		--	--	--	
United States	--	--	--		--	--	--	

(1) Consolidated ownership within the general government sector and including holdings through SOEs and their subsidiaries.(2) Valuation for Czech Republic and New Zealand is based on book values of equity.(3) Vakifbank shares are not owned by the government, however, the ownership rights of the shares that belong to numerous charitable foundations are executed by Turkish Prime Ministry's General Directorate of Foundations.(4) The employment and value of Snam Rete Gas is included in the partially-state owned figure, reflecting the fact that the company is controlled by the central government via a cascading ownership structure.(5) Data refer to the end of Fiscal Year 2007/8.(6) Data refer to June 2009.(7) Data refer to August 2009

**Table 3. Sectoral Distribution of SOEs in OECD countries (1) (Data refer to SOEs held end-2008 at the central level of government unless otherwise specified)**

	Majority-owned listed entities			Majority owned non-listed enterprises (2)			Statutory corporations (2)			Total SOE sector		
	Number of enterprises	Number of employees	Value of enterprises (USD mil.) (3)	Number of enterprises	Number of employees	Value of enterprises (USD mil.)	Number of enterprises	Number of employees	Value of enterprises (USD mil.)	Number of enterprises	Number of employees	Value of enterprises (USD mil.)
<b>Total</b>	25	241,746	139,620	1,704	1,234,151	282,141	481	610,794	209,761	2,210	2,086,691	631,521
<b>of which:</b>												
<b>Primary sectors</b>	1	5,174	4,133	96	82,787	16,964	15	16,525	4,842	112	104,486	25,938
<b>Manufacturing</b>	1	5,234	1,410	111	59,595	34,899	8	10,525	-1,701	120	75,354	34,609
<b>Finance</b>	6	32,023	15,212	46	26,438	33,736	35	38,243	44,196	87	96,704	93,144
<b>Telecoms</b>	2	58,743	11,001	25	105,578	2,890	4	6,329	1,124	31	170,650	15,014
<b>Electricity and gas</b>	8	83,132	105,869	67	131,930	60,183	9	6,862	19,539	84	221,924	185,591
<b>Transportation</b>	5	36,597	2,986	144	350,021	74,438	36	188,203	64,450	185	574,821	141,874
<b>Other utilities</b>	2	0	..	378	236,615	12,128	96	51,404	11,018	476	288,019	23,146
<b>Other activities</b>	0	0	0	840	194,421	28,267	278	302,414	66,294	1,118	496,835	94,561

(1) Sum of the reporting 15 countries. Not available observations have been counted as zero. Discrepancies between totals and sums of sub-items can therefore occur. (2) Includes SOEs held at the subnational enterprises in Hungary and Korea. Totals therefore differ from Figure 1(3) Valuation for Czech Republic and New Zealand is based on book values of equity.

**Questionnaire on data for public corporations**

Reporting country:

**Metadata**

**1. Changes in the coverage of the reported data**

In principle data for all public corporations should be reported in this questionnaire (where the government's control over the corporation is in line with 1993 SNAS para 4.30)

Countries can briefly mention here where the reported data do not have 100% coverage and, if not, which units were missing and how material this could be to the quality of the reported data.

**2. Main changes in data sources and data collection since September-November 2008**

Countries should provide a brief summary of the main changes data sources and in the data collection process since the last collection of September-November 2008.

**3. Availability of consolidated data along with non-consolidated data**

Countries should indicate whether both non-consolidated and consolidated data are available or whether only one of these two types of data is available

**4. National publications**

Countries should provide the name (and possibly weblink) to their latest national publication(s) of data on public corporations, and also (if published) to the latest list of public corporations.

<b>A. 1993 SNA data</b>		<b>All public corporations</b>				<b>Public non-financial corporations</b>				<b>Public financial corporations</b>				<b>of which National Central Bank</b>			
Millions of national currency		2005	2006	2007	2008	2005	2006	2007	2008	2005	2006	2007	2008	2005	2006	2007	2008
<b>Item</b>	<b>1993 SNA code</b>																
<b>Transactions</b>																	
Gross value added	B.1g																
Consumption of fixed capital	K.1																
Compensation of employees	D.1 pay																
Gross Operating surplus	B.2g																
Subsidies receivable	D.3 rec																
Interest payable	D.41 pay																
Dividends payable	D.421 pay																
Property income receivable	D.4 rec																
Current taxes on income and wealth payable	D.5 pay																
Gross fixed capital formation	P.51																
Current transfers receivable	D.7 rec																
Capital transfers receivable	D.9 rec																
<b>Net lending / net borrowing</b>	<b>B.9</b>																
Net acquisition of financial assets	F assets																
<i>of which currency and deposits</i>	<i>F.2 assets</i>																
Net incurrence of liabilities	F liabilities																
<i>of which liabilities in securities (o/t shares &amp; fin deriv)</i>	<i>F.33 liabilities</i>																
<i>of which loans</i>	<i>F.4 liabilities</i>																
<b>Net financial transactions = 22-24</b>	<b>B.9f</b>																
<b>Stocks (at end-year)</b>																	
Total financial assets	AF assets																
<i>of which ... Assets in currency and deposits</i>	<i>AF.2 assets</i>																
<i>of which ... Assets in loans</i>	<i>AF.4 assets</i>																
<i>of which ... Assets in shares and other equity</i>	<i>AF.5 assets</i>																
Total liabilities	AF liabilities																
<i>of which Liabilities in securities (o/t shares &amp; fin deriv)</i>	<i>AF.33 liabilities</i>																
<i>of which Liabilities in loans</i>	<i>AF.4 liabilities</i>																
<b>Net financial worth = 31-35</b>	<b>BF.90</b>																
Note: If countries have a complete, or near-complete set of accounts for corporations, these could be sent in the national format to the OECD instead of completing the relevant columns of the table.																	
<b>Legend &amp; instructions for completion</b>																	
<i>Please use only the following abbreviations:</i>																	
<i>ND - not available</i>																	
<i>NA - not applicable</i>																	
<i>0 - zero or very close to zero</i>																	
<i>All cells should be filled in, no blank cells allowed.</i>																	
<i>Please use a dot '.' for any decimals rather than a comma: For example 3.1 rather than 3,1.</i>																	
<i>For whole numbers please do not use a dot or a comma: For example write 5234 rather than 5.234 or 5,234.</i>																	

**B. Business accounting based data**  
 Millions of national currency

**Please indicate on what basis the business accounts for public corporations are prepared.**

Countries should report here if accounts are based on international financial reporting standards (IFRS), national standards, mixed etc. Major deviations of definitions from IFRS could be noted.

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The terms used below are those used in typical accounts prepared under international financial reporting standards (pre-2007 revision of IAS1) - the terms may differ in national business accounting, however the closest equivalents should be used in these cases.

Item	All public corporations				Public non-financial corporations				Public financial corporations			
	2005	2006	2007	2008	2005	2006	2007	2008	2005	2006	2007	2008
<b>Income statement</b>												
Revenue												
Cost of sales												
Finance costs												
Profit or Loss for the year before tax												
<b>Balance sheet</b>												
Assets - property, plant and equipment												
Current assets - cash and bank balances												
Current liabilities - borrowings												
Non-current liabilities - borrowings												
<b>Cash flow statement (or notes)</b>												
Purchases of property, plant and equipment												

**Legend & instructions for completion**  
 Please use only the following abbreviations:  
 ND - not available  
 NA - not applicable  
 0 - zero or very close to zero  
 All cells should be filled in, no blank cells allowed.  
 Please use a dot '.' for any decimals rather than a comma: For example 3.1 rather than 3,1.  
 For whole numbers please do not use a dot or a comma: For example write 5234 rather than 5.234 or 5,234.

<b>C. Other data</b>												
Millions of national currency												
<b>1. Budget-based data</b>												
Countries should report here the budgetary basis, whether cash etc.												
	All public corporations				Public non-financial corporations				Public financial corporations			
Item	2005	2006	2007	2008	2005	2006	2007	2008	2005	2006	2007	2008
Net balance of current operations												
Investment												
Depreciation												
Debt												
<b>2. Other data</b>												
Countries to report source here, and fill items that are available. All relevant measures available nationally are welcome.												
	All public corporations				Public non-financial corporations				Public financial corporations			
Item	2005	2006	2007	2008	2005	2006	2007	2008	2005	2006	2007	2008
Item a...												
Item b...												
Item c...												

# **Financial Accounts Working Group**

**Luxembourg, 19-21 January 2009**

**BECH Building, Room Ampère**

**Beginning 9.30 a.m.**

## **Part D**

### **Item 2.c**

#### **Data on public corporations**

## 1. Introduction

During the June FAWG, Eurostat introduced a proposal for a voluntary data collection of data on public corporations from countries. This was the result of a first questionnaire launched in December 2007. In the answer to this questionnaire it appeared that there was sufficient data on public corporations in enough countries to justify a data collection by Eurostat.

Eurostat developed an outline proposal for a questionnaire to collect public corporations data from countries. Countries provided helpful comments on the structure and content of the proposed questionnaire. The final questionnaire was sent to countries in mid-September 2008 with the 21<sup>st</sup> of November 2008 as a deadline for the answers.

The questionnaire transmitted to the countries is attached as annex 1. It was composed of four sheets. The first one 'Summary' was dedicated to Metadata. The other ones "ESA 95 data", "Business data" and "Other data" were dedicated to the reporting of data.

It was recommended that those countries which compile ESA-based data for public corporations only complete the "Summary" and "ESA95 data" sheets, and that those countries which do not compile ESA95-based data for public corporations should provide available data in the sheets "Business data" and "Other data"

## 2. Description of the results

### 2.1. *Answers to the questionnaire*

The table in annex 2 gives an overview of transmissions and presents some metadata provided by countries.

18 Member States plus NO and CH answered to the questionnaire (the missing countries were: BG, IE, EL, CY, LT, LU, PL, RO, and SK), although only 14 Member States plus NO and CH provided data (or link to the data) for the requested tables.

9 Member States + NO and CH transmitted some data (or link to some data) on an ESA95 basis: BE, CZ, DK, ES, LV, HU, NL, PT, and UK. However, BE, LV, PT and CH transmitted data for the National Central Bank only. It should be noted that DK, HU and UK did not provide information directly in the questionnaire tables but provided other tables with categories that were closely, though not always, consistent.

7 Member States transmitted data on public corporations coming from business data: DE, EE, FI, LV, PT, MT, and SE.

Two Member States transmitted data on public corporations coming from other sources: BE and EE

Seven Member States (DK, DE, HU, PT, NL, FI and SE) transmitted other categories that were not requested in the questionnaire.

FR, SI and AT provided no data. IT provided some figures on the number of public enterprises and employees.

Most of the countries that answered to the questionnaire provided information in the part dedicated to metadata.

From the metadata provided by countries, it seems to be the case that only in few countries is there a complete list of public corporations: DK, EE, IT, and UK. DE has a list available but incomplete. For the other Member States, this is not clear, though the previous questionnaire responses had indicated that many countries had an incomplete list.

Moreover in the case of countries that provided business data, it would be interesting to know if the classification of unit into public corporation is consistent with ESA95 concepts. It is the case for DE, FI and SE. For EE it seems to be the case. PT reports that "Regarding Business data, the coverage is not according the national accounts criteria for the classification of units". For the other Member States, this is not clear.

Another concern was to see if the available data cover all public corporations. This is the case for DE, HU, and MT in 2005 only. This is also the case for DK but, as financial data are not used on a regular basis and are therefore not validated, only non financial data are published. For FI only some minor units may be missing.

11 respondents provided information on the source of data.

10 countries reported publishing some data on public corporations.

## **2.2. Availability of data**

The tables provided in annex 3 show the availability for each category and each year and for the three tables included in the questionnaire. From these tables it appears that the coverage is generally poor at this stage, with some notable exceptions.

### **If we look at the availability of ESA95 based data, we observe that:**

- 9 Member States + NO and CH transmitted some data (or link to some data): BE, CZ, DK, ES, LV, HU, NL, PT, and UK.
- BE, LV, PT and CH transmitted data for the National Central Bank only.
- 2007 data are apparently still not available in a majority of countries. Only CZ provided 2007 data for "all public corporations". In the case of Spain, only 2005 data are available.
- The breakdown of public corporation between financial and non financial corporations is generally available. However, for the UK only public non financial corporation data are available.
- Data on public transport corporations are available only in a few cases (DK, ES and NO provided some data).
- The availability of data relative to National Central Bank is generally very good.
- Only PT, BE, CH and NO provided financial accounts data for the National Central Bank in this exercise. However, data are also available from the annual financial accounts for BE, BG, DK, EE, EL, ES, FR, LV, LT, HU, NL, AT, PL, RO, SI, SK, FI, and SE.
- The coverage of non-financial accounts data is better than for financial account data.
- Inside non-financial account data, some categories are provided more often than others. For example the Gross value added is more often available than the net lending/ net borrowing
- B9 (net lending/net borrowing) for all public corporations is available in 2007 only for CZ and for CZ, DK and NO in 2006.

- For financial accounts data, only CZ has a fully satisfactory coverage in term of categories and time.

**If we look at the availability of business data, we observe that:**

- 7 Member States transmitted data on public corporation coming from business data: DE, EE, FI, LV, PT, MT, and SE.
- 2007 data are available in most cases.
- At the time of the questionnaire, only 2005 data were available for DE.
- The breakdown of public corporations between financial and non financial corporations is generally available. However, for PT only public non financial corporations data are available.
- Some data on public transport corporations are available for the 7 Member States.
- In the income statement part, the coverage of the categories is very homogenous.
- In the Balance sheet part, it could have been interesting to have additional categories: "total assets" and "total liabilities". Indeed some countries provided these categories but were not able to provide figures for the breakdown.
- The category "Purchases of property, plant and equipment" seems to be more problematic.

**Concerning "other data":**

- Only two Member States transmitted data: BE and EE
- EE provided data on depreciation
- BE provided data on the number of public corporation, total assets and results (coming from Dexia).

### 2.3. Content of data

Some data are presented in the tables below and compared with general government data. *The data thus far provided to Eurostat has been made on a restricted basis and so it has been suppressed from the tables below.*

(in MEUR)

	Revenue (business data) All public corporations			Total Revenue (ESA95) General government		
	2005	2006	2007	2005	2006	2007
BE						
BG						
CZ						
DK						
DE						
EE						
IE						
GR						
ES						
FR						
IT						
CY						
LV						
LT						
LU						
HU						
MT						
NL						
AT						
PL						
PT						
RO						
SI						
SK						
FI						
SE						
UK						
NO						
CH						

	Gross value added (ESA95) All public corporations			Gross value added (ESA95) General government		
	2005	2006	2007	2005	2006	2007
BE						
BG						
CZ						
DK						
DE						
EE						
IE						
GR						
ES						
FR						
IT						
CY						
LV						
LT						
LU						
HU						
MT						
NL						
AT						
PL						
PT						
RO						
SI						
SK						
FI						
SE						
UK						
NO						
CH						

	<b>B9 (ESA95)</b> <b>All public corporations</b>			<b>B9 (ESA95)</b> <b>General government</b>		
	2005	2006	2007	2005	2006	2007
<b>BE</b>						
<b>BG</b>						
<b>CZ</b>						
<b>DK</b>						
<b>DE</b>						
<b>EE</b>						
<b>IE</b>						
<b>GR</b>						
<b>ES</b>						
<b>FR</b>						
<b>IT</b>						
<b>CY</b>						
<b>LV</b>						
<b>LT</b>						
<b>LU</b>						
<b>HU</b>						
<b>MT</b>						
<b>NL</b>						
<b>AT</b>						
<b>PL</b>						
<b>PT</b>						
<b>RO</b>						
<b>SI</b>						
<b>SK</b>						
<b>FI</b>						
<b>SE</b>						
<b>UK</b>						
<b>NO</b>						
<b>CH</b>						

### **3. Next Steps**

#### ***3.1. Collection of data***

It is proposed that a further collection of data takes place later in 2009, using the existing questionnaire (taking on any comments from countries) as a basis. Countries are encouraged to prepare for this, so that content and coverage of reported data can be expanded. Those countries which have not yet sent data are encouraged to do so.

Eurostat intends to propose a collection of data on public corporations under the next ESA transmission programme. The form of this proposal is being considered in the light of this questionnaire exercise and the feedback from key users.

#### ***3.2. Publication of data***

Publication of data will be considered only when a broadly comparable and complete data will be available. With the agreement of Member States, the data will be further analysed by Eurostat and made available for analytical – but not publication – purposes to the ECB and DG ECFIN, provided that appropriate caveats on comparability and completeness are made.