

The accompanying chart shows treasury performance according to the National Economic Institute's preparation of standardized national accounts. After the reforms in central government accounting in 1998, these figures provide the main basis for retrospective comparisons. Together with the operating result, two indicators are included showing the extent to which treasury performance is determined by the economic climate. One indicator, the fiscal impulse, assumes that fiscal performance is neutral if treasury revenues are a fixed proportion of GDP and real outlays per capita are constant. The other shows the fiscal balance, adjusted for the impact of the economic cycle. This first assesses whether GDP is greater or less than normal production capacity, and then what the treasury balance would have been, if the utilization of capacity had been normal rather than as realized.

Chart 13

Central government finances 1980 -1999

