

Quarterly local government finances

2017, 1st quarter

Operating expenses of municipalities in Mainland Finland decreased by 2.2 per cent in January to March 2017

In January to March 2017, the external operating expenses of municipalities in Mainland Finland decreased by 2.2 per cent compared with the corresponding period of the previous year. External operating revenue declined by 10.1 per cent. Municipalities received a total of EUR 5.6 billion in tax revenue and EUR 2.2 billion in central government transfers to local government. The external operating expenses of joint municipal authorities grew by 10.1 per cent and operating revenue by 9.7 per cent. These data appear from Statistics Finland's statistics on quarterly local government finances, for which data were collected from 80 municipalities and from 69 joint municipal authorities in Mainland Finland.

External quarterly data on the finances of municipalities and joint municipal authorities, EUR million¹⁾

	1st quarter			
	Municipalities		Joint municipal authorities	
	2017	Change, %	2017	Change, %
Operating revenue total	1 546	-10,1	3 637	9,7
Operating expenses total	8 600	-2,2	3 194	10,1
Annual contribution margin	806	-9,8	425	8,1
Loan stock	15 616	3,7	3 110	5,0

1) Operating expenses include expenses from production for own use. The change is calculated compared with the corresponding period in the previous year.

Finances of municipalities and joint municipal authorities

The external operating expenses of municipalities in Mainland Finland totalled EUR 8.6 billion in January to March 2017. The decrease from the previous year's corresponding period was 2.2 per cent. The external operating revenue of municipalities amounted to EUR 1.5 billion, which was 10.1 per cent less than in the corresponding quarter last year.

Municipalities' tax funding, which consists of tax revenue and central government transfers to local government, amounted to EUR 7.8 billion, which was 1.2 per cent less than in the year before. Calculated per inhabitant, municipalities received a total of EUR 1,421 in tax funding.¹⁾ The combined annual

1) The population data used were the population of Mainland Finland on 31 December 2016.

contribution margin of municipalities amounted to EUR 0.8 billion, which was 9.8 per cent less compared to the situation one year ago.

In the period from the beginning of 2017 to the end of March, municipalities used EUR 0.4 billion on investments, which corresponded to the level of the previous year. At the end of March, the combined loan stock totalled EUR 15.6 billion. This was 2.8 per cent lower than at the end of the previous quarter. Calculated per inhabitant, the loans of municipalities in Mainland Finland were EUR 2,853.²⁾

The external operating expenses of joint municipal authorities in Mainland Finland totalled EUR 3.2 billion in January to March 2017. The external operating revenue of joint municipal authorities was EUR 3.6 billion. Operating expenses grew by 10.1 per cent and operating revenue by 9.7 per cent from the previous year's corresponding quarter. The combined annual contribution margin of joint municipal authorities was EUR 0.4 billion. Thus, the annual contribution margin of joint municipal authorities increased by 8.1 per cent from last year's level.

The investment expenses of joint municipal authorities were EUR 0.2 billion in the first quarter of 2017, which was 44.1 per cent more than one year ago. The loan stock of joint municipal authorities stood at EUR 3.1 billion at the end of the first quarter of 2017, which was 1.0 per cent less than at the end of the previous quarter.

Information on the statistics

The statistics on quarterly local government finances are in the first to third quarters a sample survey that describes the development of the finances of municipalities and joint municipal authorities in Mainland Finland by quarter. For the statistical release on the fourth quarter, data are collected from all municipalities and joint municipal authorities in Mainland Finland.

The data in the statistics on quarterly local government finances are preliminary and they might become revised in coming publications. No quarterly sample survey data by municipality or joint municipal authority are published.

The data published in the statistics on quarterly local government finances are not directly comparable with the data of the statistics on local government finances by quarter because of the different way of handling local government enterprises. In the statistics on quarterly local government finances, local government enterprises are combined with the data on basic municipalities and joint municipal authorities, while this was not done in the statistics on local government finances by quarter published between 2013 and 2015.

2) The population data used were the population of Mainland Finland on 31 December 2016.

Contents

Tables

Appendix tables

Appendix table 1. External quarterly data on the finances of municipalities and joint municipal authorities in Mainland Finland, EUR million.....	4
Appendix table 2. Quarterly data on the finances of municipalities and joint municipal authorities in Mainland Finland (incl. internal items), EUR million.....	4
Revision of data.....	5

Appendix tables

Appendix table 1. External quarterly data on the finances of municipalities and joint municipal authorities in Mainland Finland, EUR million¹⁾

	1st quarter			
	Municipalities		Joint municipal authorities	
	2017	Change, %	2017	Change, %
Operating margin (+/-)	-7 013	-0,2	444	6,9
Tax revenue	5 560	-0,8		
Central government transfers to local government	2 216	-2,2		
Financing income	83	-1,7	6	100,2
Financing expenses	41	14,2	25	-0,6
Annual contributing margin (+/-)	806	-9,8	425	8,1
Depreciations and reductions in value	487	-1,5	148	6,2
Extraordinary items (+/-)	33	4099,7	1	25,8
Financial result for the accounting period (+/-)	351	-12,0	278	9,2
Investment expenses total	440	0,0	190	44,1
Loan stock, at the end of the quarter	15 616	3,7	3 110	5,0

1) Local government enterprises were combined to the data and internal items were eliminated. Changes are calculated compared to the previous year.

Appendix table 2. Quarterly data on the finances of municipalities and joint municipal authorities in Mainland Finland (incl. internal items), EUR million¹⁾

	1st quarter			
	Municipalities		Joint municipal authorities	
	2017	Change, %	2017	Change, %
Income statement:				
Operating revenue total	2 559	-5,8	3 926	9,0
Sales revenue	1 112	-7,0	3 604	9,2
Fees and charges	403	-3,4	151	12,0
Subsidies and grants received	108	-45,3	40	0,5
Other operating revenue	936	3,1	130	3,7
Change in inventories of finished goods and of work in progress (+/-)	0	-100,0	0	-72,2
Production for own use	42	-1,7	1	-1,1
Operating expenses total	9 614	-1,8	3 483	9,3
Personnel expenses	3 203	-8,0	1 589	4,4
Purchases of customer services	3 058	8,7	405	14,4
Purchases of other services	1 540	-1,7	789	9,4
Materials, supplies and goods	462	-1,7	442	18,8
Allowances and grants	491	-18,2	44	-0,8
Other operating expenses	860	0,4	214	23,5
= Operating margin (+/-)	-7 013	-0,2	444	6,9

1) Data include local government enterprises and internal items between different functions of the municipality/joint municipal authority. Operating expenses include expenses from production for own use. Changes are calculated compared to the previous year.

Revision of data

Change from first release¹⁾

Area	Item	Year	Quarter	1st release, EUR million	Latest release, EUR million	Revision of data, EUR million	Revision of data, %
Municipalities	Operating revenue total	2016	1	1 974	1 720	-254	-12,9
			2	3 993	3 793	-201	-5,0
			3	5 614	5 558	-56	-1,0
			4	7 330	7 531	201	2,7
	Operating expenses total	2016	1	9 019	8 791	-229	-2,5
			2	18 536	18 283	-253	-1,4
			3	27 444	27 252	-193	-0,7
			4	36 469	36 832	363	1,0
	Loan stock, at the end of the quarter	2016	1	15 116	15 065	-51	-0,3
			2	14 895	14 844	-50	-0,3
			3	14 899	14 852	-47	-0,3
			4	16 039	16 065	25	0,2
Joint municipal authorities	Operating revenue total	2016	1	3 284	3 315	31	0,9
			2	6 696	6 699	2	0,0
			3	10 016	9 938	-78	-0,8
			4	13 240	13 240	0	0,0
	Operating expenses total	2016	1	2 920	2 901	-19	-0,6
			2	6 488	6 113	-376	-5,8
			3	9 301	9 153	-148	-1,6
			4	12 421	12 423	1	0,0
	Loan stock, at the end of the quarter	2016	1	2 963	2 963	0	0,0
			2	2 999	2 990	-8	-0,3
			3	3 029	3 029	0	0,0
			4	3 148	3 141	-7	-0,2

1) Local government enterprises were combined to the data and internal items were eliminated.

Inquiries

Karen Asplund 029 551 3611
Jens Melfsen 029 551 2578
Director in charge:
Ville Vertanen

kuntatalous@stat.fi
www.stat.fi

Source: Quarterly local government finances, 1st quarter 2017, Statistics Finland