

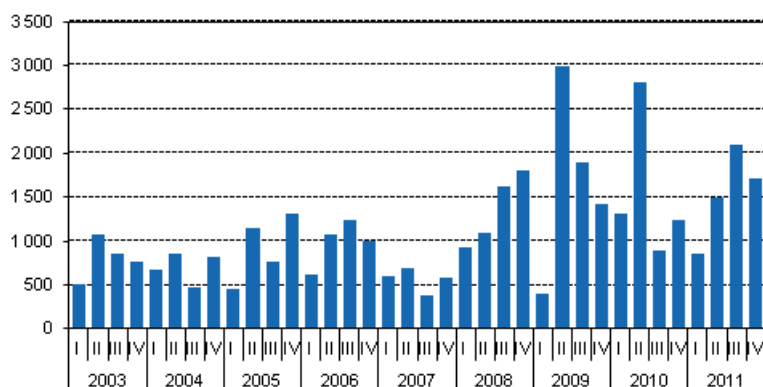
Central government guarantees

2011, 4th quarter

Stock of central government guarantees EUR 24.2 billion at the end of 2011

The stock of central government guarantees stood at EUR 24.2 billion at the end of 2011. At the end of the year, the stock of guarantees was 16 per cent higher than one year previously and 5 per cent higher than at the end of the previous quarter. During the last quarter of the year, new central government guarantees were granted to the amount of EUR 1.7 billion. The majority of the guarantees were granted to enterprises. Central government guarantees include all guarantees granted by the state, state-owned enterprises and special credit institutions for which the state is ultimately liable.

New central government guarantees granted, EUR million



Guarantees to enterprises make up 49 per cent of the stock of central government guarantees. Guarantees granted to housing associations account for 29 per cent and those to households for 13 per cent of the guarantee stock. The remaining nine per cent of the stock of central government guarantees is divided among insurance and financial corporations, the rest of the world and general government.

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1. Relevance of statistical information

The statistics on central government guarantees include guarantees for which the state is ultimately liable. Currently the statistics have six data suppliers: Finnvera Plc, Finavia, the National Student Aid Centre of the Social Insurance Institution, the Development Fund of Agriculture and Forestry, the Ministry of Education and the State Treasury.

As Finland has made a commitment to deliver to the International Monetary Fund (IMF) data according to the so-called SDDS standard and as Finland's guarantee debt exceeds 5 per cent of total central government debt, the IMF requires quarterly reports on guarantee data. The European Commission also requires regular reports on guarantee data. Other international data users include various agencies which assess creditworthiness.

2. Methodological description of the statistics

The guarantee statistics are a census survey carried out as a direct data collection from institutions granting guarantees.

3. Correctness and accuracy of data

The statistics can be regarded as rather reliable. The data do, however, often become revised after their initial release. In such cases the revised data are released in the time series in connection with the next release. The data are compared to the guarantee data published in the report on the Final Central Government Accounts. Data on new and written off student loan guarantees cannot be obtained during the period; available are only data on the stock of guarantees at the end of the period. Thus, the increase in stock describes new guarantees and the decrease in stock describes written off guarantees.

4. Timeliness of published data

The statistics on guarantees are compiled quarterly.

- 1. First quarter data are released in May
- 2. Second quarter data are released in August-September
- 3. Third quarter data are released in November
- 4. Fourth quarter data are released in February of the following year

Precise release dates are announced in advance under the heading "Future releases" on this home page.

5. Accessibility of data

Since 2007 the data have been published only on Statistics Finland's website. Data on 1999-2006 were published in Statistics Finland's paper publication "Monthly Series on Financial Markets".

6. Comparability of statistics

There are two breaks in the time series of the statistics on guarantees. The first break is between the last quarter of 1999 and the first quarter of 2000. The second break is between the third and fourth quarters of 2005.

At the beginning of 2000 new types of guarantees were included in central government guarantees. This revision increased e.g. the stock of guarantees at the end of 2000 by roughly EUR 3.9 billion. During the last quarter of 2005 one institution granting government guarantees revised its calculation of government

guarantees to housing corporations. Of the roughly EUR 4 billion increase in the stock of guarantees, which occurred between the end of 2004 and the end of 2005, some EUR 2.3 billion resulted from this revision.

7. Coherence

In addition to the Statistics Finland statistics on central government guarantees, data on government guarantees are published in the Central Government Final Accounts. The stock of government guarantees reported in the Final Accounts is smaller than the stock of guarantees in Statistics Finland's statistics. This is due to the Central Government Final Accounts only reporting the government guarantees included in the State Budget. By contrast, Statistics Finland's statistics on central government guarantees include all guarantees for which the state is ultimately liable.

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Source: Central government guarantees, Statistics Finland