

Compendium

Statistics for European purposes

How the EU uses national accounts data in the calculation of gross national income, used to set the EU budget and member contributions.



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Release date:
31 October 2019

Next release:
To be announced

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1 . Introduction

The European Union (EU) uses national accounts data for a number of administrative and economic purposes. Gross national income (GNI) is one of the four measures used by the EU and is calculated in accordance with the European System of Accounts (ESA). GNI is used to set the EU budget and to calculate part of member states' contributions to the EU budget and is based on the European System of Accounts 2010: ESA 2010.

2 . UK transactions with the institutions of the European Union

[Table 11.1](#) shows payments flowing between the EU and the UK. The first part of the table shows the payments flowing into the UK in the form of EU expenditure. The second part of the table shows the UK contribution to the EU budget, which depends on UK GNI. An explanatory article detailing the [UK contribution to the EU budget](#) was published on 30 September 2019.

3 . Data to monitor government deficit and debt

The convergence criteria for the Economic and Monetary Union (EMU) are set out in the 1992 Treaty on European Union (The Maastricht Treaty). The treaty, plus the Stability and Growth Pact, requires member states to avoid excessive government deficits – defined as general government net borrowing and gross debt as a percentage of GDP. The treaty does not determine what constitutes “excessive”. This is agreed by the Economic and Finance Council (ECOFIN).

Member states report their planned and actual deficits and the levels of their debt to the European Commission. Data to monitor excessive deficits are supplied in accordance with EU legislation.

The UK submitted the estimates in Table 11.a to the European Commission in July 2018.

Table 11.a: UK Government deficit and debt, financial year ending 2013 to financial year ending 2019

	2012 to 2013	2013 to 2014	2014 to 2015	2015 to 2016	2016 to 2017	2017 to 2018	2018 to 2019
General government deficit							
Net borrowing (£bn)	127	103.9	94.7	83.7	56.4	56.2	41.5
as percentage of GDP	7.4	5.8	5.1	4.3	2.8	2.7	1.9
General government debt							
Debt at nominal value (£bn)	1,425.6	1,522.5	1,604.1	1,652.3	1,720.5	1,764.5	1,821.9
as percentage of GDP	82.6	84.3	85.7	85.4	85.2	84.6	84.2

Source: Office for National Statistics