

CENTRAL GOVERNMENT ANNUAL REPORT

2021

– A SUMMARY

Summary

Financial outturn for 2021

General government net lending in 2021 amounted to approximately SEK -13 billion or -0.2% of GDP. Compared to 2020, this was an improvement of SEK 120 billion.

Expenditure under the expenditure ceiling amounted to 28.8 per cent of GDP. The surplus in the central government budget amounted to SEK 78 billion, which is an improvement of SEK 298 billion compared to 2020.

The income statement showed a surplus of SEK 90 billion. This was an improvement of approximately SEK 189 billion compared to 2020.

Central government debt decreased by SEK 73 billion to SEK 1 145 billion at the end of 2021. Government debt as a percentage of GDP fell from 24.4% in 2020 to 21.3% in 2021.

The following table presents some key indicators for the 2021 financial outturn in comparison with 2020.

Key indicators for the financial outturn

SEK billions

	Percentage of		Percentage of	
	2021	GDP ¹	2020	GDP ²
General government net lending	-13	-0.2	-133	-2.7
Central government budget balance	78	1.4	-221	-4.4
Expenditure ceiling	1 695	31.5	1 743	34.9
Ceiling-limited expenditure	1 551	28.8	1 501	30.1
Central government net wealth	117	2.2	-27	-0.5
Central government debt	1 145	21.3	1 218	24.4
Surplus/deficit for the year in income statement	90	1.7	-100	-2.0
Lending ³	375	7.0	412	8.3
Guarantees ⁴	2 413	44.8	2 189	43.9

Note: Amounts may not sum to totals due to rounding.

¹ Preliminary GDP for 2021 is SEK 5 381.3 billion (current prices).

² Revised GDP for 2020 is SEK 4 987.3 billion (current prices).

³ Including lending to the Riksbank.

⁴ Excluding unspecified capital adequacy guarantees and investor protection.

General government net lending

SEK billions

	2021	2020
Income	2 637	2 434
Taxes and charges	2 317	2 135
Other income	320	300
Expenditure	2 650	2 567
Net lending	-13	-133
<i>of which central government</i>	<i>-50</i>	<i>-135</i>
<i>of which old-age pension system</i>	<i>7</i>	<i>-10</i>
<i>of which local government sector</i>	<i>30</i>	<i>12</i>

Note: Amounts may not sum to totals due to rounding.

Source: Statistics Sweden.

In 2021, general government net lending amounted to approximately SEK -13 billion or -0.2% of GDP. Compared to 2020, net lending increased by SEK 120 billion or 2.4% of GDP. The increase is attributed entirely to the strong economic recovery, which meant the tax base grew strongly.

The Government's assessment is that there is a deviation from the surplus target but that this deviation is justified on stabilisation grounds in view of the economic effects of the spread of COVID-19.

Expenditure ceiling for central government

SEK billions

	2021	2020
Expenditure ceiling, initially adopted level	1 430	1 471
Technical adjustments	6	10
Change justified by fiscal policy	259	262
Expenditure ceiling, finally adopted level	1 695	1 743
Ceiling-limited expenditure	1 551	1 501
Budgeting margin	144	242
Budgeting margin, percentage of ceiling-limited expenditure	9.3	16.1

Note: Amounts may not sum to totals due to rounding.

The expenditure ceiling finally adopted for 2021 by the Riksdag was SEK 1 695 billion. According to the central government budget outturn, ceiling-limited expenditure amounted to SEK 1 551 billion, i.e. SEK 144 billion lower than the ceiling adopted.

Central government budget outturn

SEK billions

	Central government budget ¹ 2021	2021	2020
Total income	1 106	1 191	999
Central government tax income	1 132	1 235	1 037
Other income	-26	-44	-39
Total expenditure etc.	1 173	1 113	1 219
Expenditure areas excl. interest on central government debt, etc.	1 166	1 216	1 171
Interest on central government debt, etc.	0	-1	20
Change in appropriation balances	-7.8		
Net lending by the Swedish National Debt Office	15	-97	21
Cash adjustment	0	-4	7
Budget balance	-67	78	-221

Note: Amounts may not sum to totals due to rounding.

¹ Central government budget refers to the initial budget prepared by the Riksdag in December 2020.

Income in the central government budget was estimated at SEK 1 106 billion. The outturn was SEK 1 191 billion, which was SEK 85 billion higher than estimated. Central government tax income was just under SEK 103 billion higher than estimated, and other income was just over SEK 17 billion lower than estimated. The higher tax income figure is due to the economy recovering from the 2020 downturn at a faster pace than had been assumed in the 2021 central government budget estimates.

Expenditure in the central government budget amounted to SEK 1 113 billion. This was SEK 60 billion (5.1%) less than had been allocated in the original budget. Following the Riksdag's decision on changes to the central government budget, a further SEK 162 billion was allocated. Expenditure was SEK 222 billion (16.6%) lower than total allocated funds (central government budget and changes to the central government budget).

The budget balance for 2021 showed a surplus of SEK 78 billion, which was an improvement of SEK 298 billion compared to 2020.

Income statement

SEK billions

	2021	2020
Revenue		
Tax revenue	1 505	1 332
Other revenue	137	131
Total revenue	1 641	1 463
Expenses		
Transfers etc.	-1 341	-1 309
Central government activities	-315	-287
Total expenses	-1 656	-1 596
Profit/loss from participations in wholly and partly owned enterprises	98	27
Financial income and expenses, net	7	7
Surplus/deficit for the year	90	-100

Note: Amounts may not sum to totals due to rounding.

The income statement for 2021 showed a surplus of SEK 90 billion, which was SEK 189 billion higher than in 2020, when there was a deficit of just over SEK 99 billion.

Tax revenue increased by SEK 173 billion, while other revenue increased by SEK 6 billion.

The cost of transfers etc. amounted to SEK 1 341 billion, an increase of approximately SEK 32 billion compared to 2020.

The cost of central government activities amounted to SEK 315 billion, which was an increase of SEK 28 billion compared to 2020.

Profit from participations in wholly and partly owned enterprises amounted to SEK 98 billion, an increase of just over SEK 70 billion compared to 2020.

Net financial income and expenses amounted to SEK 7 billion, which was unchanged from 2020. The net cost of central government debt amounted to SEK 8 billion, an increase of SEK 3 billion compared to 2020.

Balance sheet

SEK billions

	31 December 2021	31 December 2020
Assets		
Intangible assets	12	11
Tangible assets	710	665
Financial assets	627	493
Lending	375	412
Inventories etc.	3	3
Receivables	152	143
Accruals and deferrals	322	286
Investments in securities etc.	16	38
Cash and bank balances	7	7
Total assets	2 225	2 058
Capital and liabilities		
Net wealth	117	-27
Funds	224	214
Provisions	371	367
Central government debt	1 145	1 218
Liabilities etc.	263	211
Accruals and deferrals	106	76
Total capital and liabilities	2 225	2 058
Guarantees	7	6
Other contingent liabilities	107	109

Note: Amounts may not sum to totals due to rounding.

At the end of 2021, central government net wealth, i.e. the difference between the book value of assets and liabilities (corresponding to equity in a corporate balance sheet), was SEK 117 billion. In relation to 2020, net wealth improved by SEK 144 billion.

Consolidated government debt decreased by SEK 73 billion to SEK 1 145 billion at the end of 2021. Loans in Swedish kronor decreased by SEK 27 billion and loans in foreign currency decreased by SEK 46 billion.

Central government guarantees

SEK billions

	31 December 2021	31 December 2020
Deposit guarantee	1 917	1 734
Investor protection		
Credit guarantees	291	264
Capital injection guarantees	198	183
Pension guarantees	7	7
Total	2 413	2 189

Note: Amounts may not sum to totals due to rounding.

Government guarantees increased by SEK 224 billion compared to 2020 and amounted to SEK 2 413 billion at the end of 2021. Government guarantees amounted to 44.8% of GDP.

The deposit guarantee amounted to SEK 1 917 billion, which was an increase of SEK 183 billion compared to 2020.

Credit guarantees including export credit guarantees amounted to SEK 291 billion, which was an increase of SEK 27 billion in relation to 2020. Capital injection guarantees amounted to SEK 198 billion, an increase of SEK 15 billion compared to 2020.

The regular portfolio is considered to have a low risk of major losses and the deposit guarantee is considered to have a moderate risk of major losses.

Central government lending

SEK billions

Loans	31 December 2021	31 December 2020
Lending by the Swedish Board of Student Finance	228	216
Loans to the Riksbank	127	174
Other loans	20	22
Total	375	412

Note: Amounts may not sum to totals due to rounding.

Central government lending amounted to SEK 375 billion. Lending to the Central Student Loans Board for student loans and to the Riksbank constitutes the greater part of central government lending.

National declaration and contributions to and reflows from the EU

The national declaration is based on the management declarations and certifications of the responsible authorities, and their assessments of management of EU funds, and audit opinions following audits. The Government issues the declaration that follows accordingly.

True and fair accounts

The summary of the EU accounts, consisting of an income statement, balance sheet and cash flow statement, has been prepared in accordance with generally accepted accounting principles. In the Government's opinion, the accounts are true and fair in all material respects.

Satisfactory internal governance and control

A framework is in place for central government to ensure satisfactory internal management and control of EU funds.

Contributions to and reflows from the EU (cash flow)

SEK billions

	2021	2020
Payments to the EU	52	47
Payments from the EU	15	14
Net flow from the central government budget to the EU	38	33

Note: Amounts may not sum to totals due to rounding.

Sweden's contribution to the EU was SEK 52 billion, which was an increase of SEK 5 billion compared to 2020. Most of the increase was due to a rise in the VAT-based contribution. Reflows from the EU amounted to approximately SEK 15 billion. The net cash flow from the central government budget to the EU was SEK 38 billion, an increase of approximately SEK 5 billion compared to 2020.

Introduction

The Government is required to submit a central government annual report to the Riksdag every year no later than 15 April in the year following the financial year.

The Central Government annual report for 2021 has been prepared in accordance with the provisions of the Budget Act (2011:203) and in accordance with generally accepted accounting principles. In the Government's opinion, the report is, in all material respects, a fair presentation of the financial performance and position of central government and the management of its assets.

The consolidated accounts in the annual report cover the agencies, including public enterprises, that are answerable to the Riksdag and the Government. The Riksbank's share capital is also included as a central government asset.

Income, costs, assets, liabilities and payments reported by the Riksbank and the AP national pension insurance funds are not included in the consolidated accounts, nor are the assets and liabilities of the premium pension system and its returns.

The report covers all the activity of the constituent organisations, irrespective of the way they are financed, and is based on information provided by central government agencies and public enterprises to central government accounts and information provided in the agencies' annual reports. Where insufficient information has been provided, supplementary information has been obtained. The data is supplemented by financial transactions not reported by the agencies, in particular estimates of tax revenue not yet levied.

The accounts are based on generally accepted accounting and valuation principles that, as far as possible, remain unchanged over time. However, government accounting is under continuous development. The applicable principles and assumptions are described in Section 3.4, Accounting principles and supplementary information.

The income statement provides a basis for assessing central government's overall inflow and use of resources. The value of central government assets and liabilities as of 31 December 2021 is shown in the balance sheet. The cash flow statement shows central government payment flows. This Communication compares the 2021 outturn in the income statement, balance sheet, cash flow statement and notes with the outturn for 2020.

The central government budget includes all income and expenditure and other payments that affect central government's borrowing requirements. This Communication comments on the budget outturn for 2021 and compares it with both the income and expenditure figures in the original 2021 budget adopted by Parliament and the outturn for 2020.

Supporting information for this Communication (Fi2022/00955) has been provided by the Swedish National Financial Management Authority and the Swedish National Debt Office.

Various definitions of central government

The financial outturn for central government is presented from different starting points because the data used has various purposes. The definition of central government may therefore vary. Presentations may also differ due to different

principles being applied in the accounting records and in the preparation of the central government budget. A particular financial transaction may have somewhat different consequences depending on the starting point, and the outturn in presentations may therefore differ.

The data for the financial outturn for central government is also used in the national accounts, which are a statistical compilation of the Swedish economy as a whole in an account format.

The definition of central government in the national accounts is based on definitions etc. that adhere to the recommendations of the United Nations and of Regulation (EU) No 549/2013 of the European Parliament and Council of the European Union on the European system of national and regional accounts in the European Union. The definition in the national accounts differs from that in the annual report in that, among other things, public enterprises are not included in the definition of central government.

Appendix

Table 1. Outturn of the central government budget 2021

SEK millions

	Central government budget	Amending budget	Outturn 2021	Variation from central government budget
Total income	1 105 994		1 191 286	85 292
Central government tax income	1 132 325		1 235 063	102 738
Other income	-26 331		-43 777	-17 445
Total expenditure etc.	1 173 215	162 382	1 113 436	-59 779
Expenditure areas excl. interest on central government debt, etc.	1 165 657	162 382	1 216 046	50 388
Interest on central government debt, etc.	165		-1 298	-1 464
Change in appropriation balances	-7 766			7 766
Net lending by the Swedish National Debt Office	14 881		-96 965	-111 846
Cash adjustment	278		-4 346	-4 624
Budget balance	-67 221		77 850	145 072

Table 2. Central government tax revenue and tax income

SEK billions

	Forecast/outturn 2021	Forecast/outturn 2020	Variation from central government budget 2021	Variation from central government budget 2020
1100 Direct taxes on labour	689.8	668.7	20.6	-6.1
1200 Indirect taxes on labour	637.3	581.8	25.4	-40.4
1300 Tax on capital	340.0	271.8	93.1	-7.5
1400 Taxes on consumption and input goods	654.3	604.5	43.3	-10.7
1500 Import duties	7.3	6.2	0.7	-1.1
1600 Taxes due and other taxes	-4.9	9.6	-20.6	-8.4
1700 Deductible items, taxes to the EU	-7.3	-6.2	-0.7	1.1
1800 Deductible items, taxes to other sectors	-1 109.3	-1 054.5	-31.6	10.8
Central government tax revenue	1 207.2	1 081.8	130.2	-62.3
1900 Accruals and deferrals	27.8	-44.4	-27.5	-58.2
1000 Central government tax income	1 235.1	1 037.4	102.7	-120.4

Table 3. Expenditure in the central government budget 2021

SEK millions

Expenditure area	Central government budget	Amending budget	Total allocated	Outturn	Outturn – central government budget	Outturn – total allocated
1 Governance	15 908	834	16 741	16 392	484	-349
2 Economy and financial administration	17 502	48	17 550	16 921	-581	-629
3 Tax, customs and enforcement	12 414	410	12 824	12 534	120	-290
4 Justice	56 431	967	57 398	57 172	741	-226
5 International cooperation	1 999		1 999	1 782	-217	-217
6 Defence and contingency measures	71 153	130	71 283	70 580	-573	-702
7 International development cooperation	46 829	433	47 261	47 463	635	202
8 Migration	9 268		9 268	8 224	-1 044	-1 044
9 Health care, medical care and social services	101 942	35 722	137 664	137 967	36 025	303
10 Financial security for those with illnesses and disabilities	98 410	18 935	117 345	113 051	14 641	-4 294
11 Financial security for the elderly	37 716	623	38 339	38 016	300	-323
12 Financial security for families and children	103 578	624	104 202	101 068	-2 510	-3 134
13 Gender equality and introduction of newly arrived immigrants	7 791	165	7 956	6 212	-1 578	-1 743
14 Labour market and working life	105 724	574	106 299	91 947	-13 777	-14 351
15 Financial support for students	28 313	512	28 825	26 588	-1 725	-2 237
16 Education and academic research	92 078	1 799	93 876	91 346	-732	-2 530
17 Culture, the media, religious communities and leisure activities	17 791	5 035	22 826	22 683	4 892	-143
18 Planning, housing provision, construction and consumer policy	5 579	13	5 592	5 188	-390	-403
19 Regional development	4 173	30	4 203	3 224	-950	-980
20 General environmental protection and nature conservation	16 202	1 998	18 200	16 725	522	-1 476
21 Energy	4 514	180	4 694	3 332	-1 182	-1 362
22 Communications	73 916	3 849	77 765	72 097	-1 819	-5 668
23 Land and water-based industries, rural areas and food	22 581	1 254	23 835	19 630	-2 951	-4 205
24 Industry and trade	15 355	79 401	94 756	30 407	15 052	-64 350
25 General grants to local government	153 452	33	153 485	153 235	-217	-250
26 Interest on the central government debt etc.	165		165	-1 298	-1 464	-1 464
27 Contribution to the European Union	45 037	8 813	53 851	52 262	7 224	-1 589
Change in appropriation balances	-7 766		-7 766		7 766	7 766
Total	1 158 056	162 382	1 320 438	1 214 747	56 691	-105 691
Net lending by the Swedish National Debt Office	14 881		14 881	-96 965	-111 846	-111 846
Cash adjustment	278		278	-4 346	-4 624	-4 624
Total expenditure etc. in central government budget	1 173 215	162 382	1 335 597	1 113 436	-59 779	-222 161

Table 4. Income statement

SEK millions

	Not e	2021	2020
Revenue			
Tax revenue	1	1 504 824	1 332 310
Revenue from charges and other payments	2	68 761	60 153
Revenue from grants	3	67 754	70 628
Total revenue		1 641 339	1 463 091
Expenses			
Transfers etc.			
Transfers to households	4	-729 179	-712 949
Transfers to companies	4	-103 659	-123 478
Transfers to local government	4	-403 460	-372 871
International transfers	4	-94 426	-91 402
Provisions to/utilisation of funds	5	-10 231	-8 369
Total transfers etc.		-1 340 955	-1 309 069
Central government activities			
Personnel costs	6	-146 658	-142 479
Premises costs	7	-22 912	-22 796
Certain guarantee and credit costs	8	-122	-415
Other operating expenses	9	-114 255	-91 669
Depreciation/amortisation and impairment	10	-30 979	-29 852
Total central government activities		-314 926	-287 212
Total expenses		-1 655 881	-1 596 281
Balance before profit/loss from participations and financial items		-14 542	-133 190
Profit/loss from participations in wholly and partly owned enterprises	11	97 607	27 105
Financial income and expenses			
Net cost of central government debt	12	-7 647	-4 770
Other financial income	13	18 940	15 151
Other financial expenses	14	-4 529	-3 839
Total financial items		6 764	6 542
Surplus/deficit for the year		89 829	-99 543

Table 5. Balance sheet

SEK millions

Note 31 December 2021 31 December 2020

		31 December 2021	31 December 2020
ASSETS			
Non-current assets			
Intangible assets			
Capitalised development expenditure	15	9 429	9 175
Rights and other intangible assets	16	2 757	2 055
Advances in respect of intangible assets	17	-	1
Total intangible assets		12 186	11 231
Tangible assets			
State road infrastructure	18	146 527	143 392
State rail infrastructure	19	172 357	169 684
Buildings, land and other real property	20	50 156	47 105
Expenditure on improvements to property owned by others	21	7 441	7 311
Machinery, equipment, installations, etc.	22	46 086	40 632
Construction in progress	23	148 345	132 950
Emergency preparedness assets	24	134 324	120 224
Advances in respect of tangible assets	25	4 997	3 697
Total tangible assets		710 233	664 995
Financial assets			
Participations in wholly and partly owned enterprises	26	551 852	417 706
Other securities held as non-current assets	27	62 754	62 417
Non-current receivables	28	12 722	12 565
Total financial assets		627 329	492 688
Total non-current assets		1 349 748	1 168 914
Lending	29	375 481	412 272
Inventories etc.			
Inventories and stocks	30	2 659	2 405
Work in progress	31	452	441
Real property	32	154	173
Advances to suppliers	33	61	2
Total inventories etc.		3 325	3 021
Receivables			
Trade receivables	34	5 518	5 671
Other current receivables	35	146 348	137 117
Total receivables		151 866	142 788
Accruals and deferrals			
Prepaid expenses	36	9 324	9 124
Accrued grant income	37	4 034	3 927
Other accrued income	38	308 739	272 766
Total accruals and deferrals		322 097	285 817
Investments in securities etc.			
Securities and participations	39	15 953	38 364
Total investments in securities etc.		15 953	38 364
Cash and bank balances	40	6 879	6 749
TOTAL ASSETS		2 225 349	2 057 925

Note 31 December 2021 31 December 2020

CAPITAL AND LIABILITIES			
Net wealth	41	116 871	-27 155
Funds	42	223 764	213 533
Provisions			
Provisions for pensions and similar obligations	43	350 710	350 353
Provisions for guarantees	44	12 238	10 892
Provisions for remediation of environmental damage	45	3 902	2 381
Other provisions	46	3 727	3 690
Total provisions		370 577	367 316
Central government debt			
Loans in Swedish kronor		916 424	943 977
Loans in foreign currency		228 086	273 763
Total central government debt	47	1 144 510	1 217 740
Liabilities etc.			
Non-current liabilities	48	38 926	19 982
Trade payables	49	30 131	20 768
Other current liabilities	50	190 578	166 496
Deposits	51	3 665	3 198
Advances from commissioning bodies and customers	52	184	174
Total liabilities etc.		263 484	210 618
Accruals and deferrals			
Accrued expenses	53	28 321	25 923
Unutilised grants	54	14 310	13 518
Other deferred income	55	63 511	36 432
Total accruals and deferrals		106 142	75 873
TOTAL CAPITAL AND LIABILITIES		2 225 349	2 057 925
Guarantees	56	6 667	5 949
Other contingent liabilities	57	106 859	108 691

Table 6. Cash flow statement

SEK millions

	Note	2021	2020
Central government activities			
Taxes	58	1 476 466	1 303 242
Charges and other payments	59	87 528	79 439
Revenue from grants		67 754	70 628
<i>Total adjusted revenue</i>		<i>1 631 748</i>	<i>1 453 309</i>
Transfers	60	-1 331 015	-1 301 024
Central government activities	61	-281 966	-253 234
<i>Total adjusted expenses</i>		<i>-1 612 981</i>	<i>-1 554 258</i>
Adjustments to payments	62	73 698	3 511
Balance central government activities		92 467	-97 439
Investments 63			
Financial investments		-959	-14 913
Tangible investments		-75 493	-68 035
Intangible investments		-3 614	-3 376
<i>Total investment expenditure</i>		<i>-80 066</i>	<i>-86 324</i>
Sale of non-current assets		4 232	7 803
Total investment activity		-75 834	-78 521
Lending 64			
New lending		-26 154	-42 786
Amortisation		72 304	12 828
Total lending		46 151	-29 958
Financial activities			
Net central government borrowing	65	-5 212	-10 834
Other net financial items	66	11 052	9 941
Adjustments to payments	67	16 820	12 416
Total financial activities		22 660	11 524
Total		85 443	-194 395
Central government net borrowing			
Change in central government debt		-73 230	163 706
Unrealised exchange rate changes		-12 213	30 689
Total		-85 443	194 395