

Table 1**Treasury operating statement**

Accruals basis, millions of krónur	Accounts 2009	Estimate 2010	Est. cash 2010	Budget 2011	Budg. cash 2011
Tax revenue.....	385.107	421.030	401.167	434.382	416.416
Personal income tax.....	109.947	119.200	115.000	114.000	110.000
Corporate income tax.....	31.112	21.500	17.500	26.400	22.000
Social security taxes.....	44.757	62.332	59.153	64.572	62.056
Net wealth taxes.....	5.321	8.402	7.932	10.658	10.068
Value added tax.....	121.248	126.900	122.000	132.000	126.700
Other taxes on goods and services.....	58.099	68.289	65.924	72.368	71.810
Other taxes	14.621	14.407	13.658	14.384	13.781
Other current revenue.....	51.898	35.154	35.433	29.778	29.688
Dividends income.....	1.197	1.179	1.179	2.226	2.226
Interest income.....	44.196	27.628	27.908	20.867	20.777
Other.....	6.506	6.347	6.346	6.685	6.685
Revenue from sales of assets.....	1.081	19.800	19.800	600	600
Revenue and cost sharing transfers.....	1.429	1.708	1.709	7.704	7.704
Total revenue.....	439.516	477.692	458.109	472.464	454.407
The Presidency, Althingi and Supreme Court.....	3.847	3.813	3.813	3.541	3.541
Office of the Prime Minister.....	1.211	984	984	882	882
Ministry of Education, Science and Culture.....	61.749	59.985	59.985	57.134	57.134
Ministry for Foreign Affairs.....	11.761	12.940	12.940	9.969	9.969
Ministry of Fisheries and agriculture.....	18.986	19.516	19.516	18.632	18.632
Ministry of Interior.....	77.117	69.327	69.252	59.906	59.831
Ministry of Welfare.....	232.420	227.080	227.286	209.390	209.719
Ministry of Finance.....	71.170	84.047	53.584	61.606	53.676
Ministry of Industry.....	6.228	6.280	6.280	4.954	4.954
Ministry of Economic Affairs.....	3.014	3.178	3.178	3.310	3.310
Ministry for the Environment	6.938	7.119	7.119	6.831	6.831
Interest expenditure.....	84.342	70.283	75.756	73.654	71.422
Total expenditure ².....	578.782	564.553	539.694	509.808	499.900
Primary balance.....	-99.120	-44.206	-33.737	15.442	5.152
Interest balance.....	-40.146	-42.655	-47.848	-52.787	-50.645
Total balance.....	-139.266	-86.860	-81.586	-37.345	-45.493

² Accounting figures for ministries have not been adjusted for a change in division of programs and agencies as of 2010. The figures have been corrected for the merging of ministries in 2008 and 2010

Total revenue, % of GDP	29,3%	30,7%	29,5%	29,0%	27,9%
Tax revenue, % of GDP	25,7%	27,1%	25,8%	26,7%	25,6%
Primary revenue, % of GDP	26,3%	29,0%	27,7%	27,7%	26,6%
Total expenditure, % of GDP	38,6%	36,3%	34,7%	31,3%	30,7%
Primary expenditure, % of GDP	32,9%	31,8%	29,8%	26,8%	26,3%
Interest expenditure, % of GDP	5,6%	4,5%	4,9%	4,5%	4,4%
Interest balance, % of GDP	-2,7%	-2,7%	-3,1%	-3,2%	-3,1%
Primary balance, % of GDP	-6,6%	-2,8%	-2,2%	0,9%	0,3%
Total balance, % of GDP	-9,3%	-5,6%	-5,2%	-2,3%	-2,8%
GDP	1.500.765	1.554.599	1.554.599	1.628.819	1.628.819

Table 2**Treasury cash flow and capital transactions**

In billions of krónur	Accounts 2008	Accounts 2009	Budget 2010	Estimate 2010 ²	Budget 2011
Cash flow from operating activities.....	15,7	-141,8	-102,9	-81,7	-45,6
Capital transactions					
Credit transactions, net.....	-33,6	125,5	-212,6	-97,9	-10,0
Rev. from sales of assets and other capital transact.....	-353,6	-137,2	-21,8	-58,8	-1,8
Capital transactions, total.....	-387,2	-11,7	-234,4	-156,7	-11,8
Net financial balance (before contrib. to GEPP).....	-371,5	-153,5	-337,3	-238,4	-57,4
Contrib. to Gov. Employees Pension Fund.....	-5,4	-1,3	0,0	0,0	0,0
Net financial balance (after contrib. to GEPP).....	-376,9	-154,8	-337,3	-238,4	-57,4
Changes in credit transactions.....	456,8	197,1	305,0	168,0	32,0
Cash balance.....	79,9	42,3	-32,3	-70,4	-25,4
Per cent of GDP					
Cash flow from operating activities.....	1,1	-9,4	-6,6	-5,3	-2,8
Net financial balance.....	-25,1	-10,2	-21,7	-15,3	-3,5
Cash balance.....	5,4	2,8	-2,1	-4,5	-1,6
Cash balance.....	1.477,9	1.500,8	1.554,6	1.554,6	1.628,8

Table 3**Treasury revenue**

Accruals basis, millions of krónur	Accounts 2009	Estimate ¹ 2010	Est. cash ¹ 2010	Budget 2011	Budg. cash 2011
I Tax revenue	385.107	421.030	401.167	434.382	416.416
Taxes on income and profits	150.868	149.213	140.635	147.846	139.037
Individuals	109.947	119.200	115.000	114.000	110.000
Personal income tax	88.612	95.200	90.000	89.300	86.500
Other taxes on income and profits	21.336	24.000	25.000	24.700	23.500
Corporations	31.112	21.500	17.500	26.400	22.000
Other	9.809	8.513	8.135	7.446	7.037
Tax on central gov't capital gains	4.655	3.380	3.300	2.200	2.100
National Broadcasting Service charge	3.738	3.630	3.360	3.730	3.450
Tax for the Nursing Home Constr. Fund	1.416	1.503	1.475	1.516	1.487
Social security taxes	44.757	62.332	59.153	64.572	62.056
Net wealth taxes	5.321	8.402	7.932	10.658	10.068
Taxes on goods and services	179.348	195.189	187.924	204.368	198.510
Value added taxes	121.248	126.900	122.000	132.000	126.700
General excise taxes	21.103	28.219	26.964	24.626	24.346
Excise tax on motor vehicles	1.641	1.400	1.400	1.900	1.900
General excise tax on petrol	3.260	4.390	4.390	4.720	4.720
Special excise tax on petrol	7.731	7.200	7.200	7.630	7.630
Special excise tax on diesel oil	6.198	6.320	6.320	6.830	6.830
Other turnover taxes	7.982	8.396	8.176	8.169	7.996
Motor vehicle tax	5.308	5.960	5.890	6.380	6.310
Diesel weight tax/kilometer tax	849	740	710	810	740
Misc. charges	4.028	5.663	4.873	5.954	6.104
Other taxes	4.813	5.894	5.522	6.937	6.744
II Other current revenue	51.898	35.154	35.433	29.778	29.688
Dividends and rental income	1.197	1.179	1.179	2.226	2.226
Interest income and other property income	44.196	27.628	27.908	20.867	20.777
Charges and licences.....	4.532	5.127	5.126	5.205	5.205
Other.....	1.973	1.220	1.220	1.480	1.480
III Revenue from sales of assets.....	1.081	19.800	19.800	600	600
IV Capital transactions.....	-	-	-	-	-
V Cost sharing transfers.....	1.429	1.708	1.709	7.704	7.704
Total revenue, accruals basis	439.516	477.692	458.109	472.464	454.407
Total revenue, cash basis	415.842	#REF!	#REF!	454.407	454.407

Table 4**Treasury expenditure by economic activity**

Accruals basis, millions of krónur	Accounts 2009	Estimate 2010	Est. cash 2010	Budget 2011	Budg. cash 2011
Current expenditure	210.791	215.049	217.449	197.202	199.362
Wages.....	119.883	119.080	119.080	111.263	111.263
Government employee's pension fund liabilities.....	432	5.327	7.587	5.434	7.694
Capital gains tax.....	4.655	3.160	3.300	2.200	2.100
Other current expenditure	125.604	120.430	120.430	112.474	112.474
Service charges	-39.782	-32.948	-32.948	-34.168	-34.168
Interest	84.342	70.283	75.756	73.654	71.422
Transfer payments	236.830	219.190	209.190	218.007	208.007
Old age and disability insurance	46.297	46.247	46.247	47.608	47.608
Unemployment Insurance Fund	25.538	25.513	25.513	23.014	23.014
Health insurance	25.990	24.709	24.709	21.792	21.792
Interest cost rebates	10.429	11.796	11.796	17.700	17.700
Municipal Equalisation Fund	11.802	14.289	14.289	13.804	13.804
Agricultural support payments	10.709	11.062	11.062	10.994	10.994
Tax write-offs	27.551	10.000	0	10.000	0
Parental Leave Fund	10.274	9.307	9.307	9.607	9.607
Welfare support payments	9.603	9.233	9.233	9.427	9.427
Child benefits	10.085	10.450	10.450	9.200	9.200
Student Loan Fund	6.820	8.373	8.373	8.236	8.236
#####	2.187	2.358	2.358	2.439	2.439
Parishes and churchyards	2.857	2.631	2.631	2.394	2.394
Other transfer payments	36.688	33.221	33.221	31.793	31.793
Maintenance	8.408	9.031	8.788	7.933	7.933
Maintenance of roads	4.760	4.679	4.679	4.679	4.679
Other	3.647	4.352	4.109	3.254	3.254
Capital expenditure	31.355	45.612	22.917	9.500	9.335
Road construction	15.405	11.676	11.676	5.976	5.976
Universities and higher education	1.165	1.614	1.614	954	954
Hospitals and health centres	1.568	911	911	569	569
Airfields	902	258	258	229	229
Treasury Loan Guarantees	3.505	27.120	4.590	0	0
Other capital expenditure	8.810	4.033	3.868	1.771	1.606
Capital transfer payments	7.057	5.389	5.595	3.514	3.843
Harbour construction	744	850	850	527	527
Snow avalanche obstructions	638	553	553	715	715
Subsidies for rental apartments	1.100	436	642	236	565
Cultural institutions	415	66	66	903	903
Write-offs of outstanding claims	0	0	0	0	0
Other capital transfer payments	4.161	3.485	3.485	1.133	1.133
Total expenditure	578.782	564.553	539.694	509.808	499.900

Table 5**Classification of the Functions of Government ¹**

Accruals basis, millions of krónur	Accounts 2008	Accounts 2009	Estimate 2010	Proposal 2011	Budget 2011
General public services	25.240	28.178	31.413	25.177	26.854
Public order and safety	21.646	24.137	21.560	19.775	20.110
Education	43.471	46.893	47.414	44.790	45.244
Health services	112.143	119.340	117.196	110.342	110.130
Social security and welfare services	96.477	129.616	128.651	124.404	121.849
Housing and community amenities	5.655	5.969	4.985	4.694	4.169
Recreation, culture, and religion	16.328	17.398	15.386	14.458	14.638
Fuel and energy	2.795	2.320	2.526	2.057	2.223
Agriculture, forestry, fishing, and hunting	18.597	18.874	19.421	18.489	18.491
Mining, manufacturing and construction	2.021	2.401	2.384	1.878	1.874
Transportation and communication	38.078	36.224	28.953	21.284	20.710
Other industries	8.574	15.120	37.698	12.979	10.194
Expenditures not classified by major group	296.839	132.312	106.966	113.474	113.325
Samtals	687.862	578.782	564.553	513.800	509.808

¹ According to the COFOG standard published by the United Nations (Classification of the Functions of Government).

Table 9**Central government debt and assets ¹**

Stock figures in millions of krónur, year-end values	2002	2003	2004	2005	2006	2007	2008	2009	Estimate 2010	Budget 2011
Gross debt.....	281.108	277.186	252.990	196.146	292.528	311.011	931.324	1.176.436	1.312.700	1.368.100
Treasury notes, bills and bonds.....	95.304	108.980	107.814	107.114	113.747	125.947	309.349	438.206	502.500	546.600
Recapitalisation of CBI.....	0	0	0	0	0	0	270.005	159.308	163.700	167.600
Recapitalisation of commercial and savings banks ³	0	0	0	0	0	0	0	186.479	246.200	246.200
Other domestic liabilities ¹¹	3.799	3.977	3.888	3.624	3.604	30.713	34.422	35.859	57.600	51.800
Debt to increase foreign currency reserve in CBI ²	21.642	21.752	14.822	0	94.610	91.200	221.572	281.270	281.700	293.100
Foreign debt.....	160.363	142.477	126.466	85.408	80.567	63.151	95.976	75.314	61.000	62.800
Total claims.....	131.603	118.024	97.019	136.485	242.715	253.656	549.002	437.191	498.400	487.000
Long term credit.....	80.875	76.381	51.633	71.496	169.678	174.441	471.912	361.343	420.300	405.300
Indexed to domestic prices.....	60.745	59.409	47.698	69.959	73.614	81.845	80.271	78.256	77.000	82.000
In foreign currency.....	8.630	5.472	3.935	1.537	1.454	1.396	2.004	1.929	1.500	1.300
For foreign currency reserve in CBI.....	11.500	11.500	0	0	94.610	91.200	213.964	223.904	289.800	268.600
Subordinated loans to banks ³	0	0	0	0	0	0	0	57.254	52.000	53.400
Securities lending taken over.....	0	0	0	0	0	0	175.673	0	0	0
Taxes due and short-term claims ⁴	50.728	41.643	45.386	64.989	73.037	79.215	77.090	75.848	78.100	81.700
Cash at hand, net ⁵	16.468	16.848	24.384	50.814	92.384	104.299	184.192	226.456	146.000	141.100
Shares and other equity⁶	93.323	90.825	94.607	87.423	102.671	191.880	197.755	334.056	391.200	402.200
Net debt.....	149.505	159.162	155.971	59.661	49.813	57.355	382.322	739.245	814.300	881.100
Claims as a percentage of debt.....	46,8	42,6	38,3	69,6	83,0	81,6	58,9	37,2	38,0	35,6
Net financial position (excluding financial assets)⁷...	-133.037	-142.314	-131.587	-8.847	42.571	46.944	-198.130	-512.789	-668.300	-740.000
Net financial position (including financial assets)⁸...	-39.714	-51.489	-36.980	78.576	145.242	238.824	-375	-178.733	-277.100	-337.800

Table continued on next page

Table 9**Central government debt and assets ¹**

Percentage of GDP¹⁰	2002	2003	2004	2005	2006	2007	2008	2009	Estimate 2010	Budget 2011
Gross debt.....	35,5	32,8	28,1	19,2	23,9	23,3	54,9	75,1	81,0	80,5
Of which: foreign debt.....	23,5	19,5	16,3	8,6	14,1	11,6	16,5	22,5	20,9	20,7
Of which: Debt due to foreign currency reserve...	2,8	2,6	1,7	0,0	7,6	6,9	11,5	17,8	17,2	15,6
Total claims.....	10,0	9,0	5,5	6,8	13,9	13,1	27,3	22,9	25,7	23,7
Of which: In foreign currency.....	2,6	2,0	0,5	0,2	7,7	7,0	11,2	17,9	20,9	15,7
Of which: Loans due to foreign currency reserve.	1,5	1,4	0,0	0,0	7,6	6,9	11,1	14,1	17,7	15,6
Short term credit, net.....	6,2	4,9	4,8	6,2	6,1	5,9	4,8	4,9	4,8	4,8
Net debt.....	19,4	18,9	17,8	6,1	3,9	4,3	22,8	47,4	50,4	52,0
Assets⁹.....	29,5	26,5	22,9	26,2	36,3	40,9	56,0	63,7	63,8	60,7
Net financial position (excluding financial assets)⁷...	-17,3	-16,9	-15,2	-1,3	3,8	3,4	-11,3	-32,8	-41,4	-43,7
Net financial position (including financial assets)⁸...	-6,0	-6,3	-5,2	7,1	12,4	17,7	1,0	-11,4	-17,2	-19,9

Liabilities due to IceSave are not included with the Treasury debt. Loans from IMF and Norway are made to the CBI and not included here.

Liabilities of public employee's pension fund are not included (340 bia.kr. at the end of 2009).

¹ Accrued but unpaid interests are included.

² Assuming that bilateral loans to support foreign currency fund will be issued in stages during 2009-2010.

³ The Treasury finances the recapitalisation of the banks by issuing bonds.

⁴ Taxes due, short-term credit and debts

⁵ Cash at hand comprises the Treasury's fund at the CBI and deposits in foreign banking institutions.

⁶ Stocks, shares and equity owned in corporations, banks and financial institutions.

⁷ Net financial position comprising net debt and cash at hand.

⁸ Net financial position comprising net debt, cash at hand and equity

⁹ Treasury claims, cash at hand, shares, and equity.

¹⁰ End year positions calculated to yearly average price levels using CPI and foreign exchange index.

¹¹ Increase in domestic debt at end of 2010 is due to liabilities with state guarantees that the Treasury has assumed.

Table 10

	Budget 2010 ¹	Estimate 2010 ²	Budget 2011 ²
I. Main economic aggregates, change in volume - %			
Private consumption	-4,3	-0,2	2,6
Public consumption	-3,6	-3,7	-4,3
Gross fixed investment	4,8	-4,6	14,9
National expenditure	-3,0	-1,9	2,4
Export of goods and services	1,7	-0,1	1,0
Imports of goods and services	-2,3	2,7	2,0
Gross domestic product	-2,3	-3,0	1,9
Current account balance, % of GDP	-2,1	-3,0	-3,7
II. Wages- and price level, average change - %			
Consumer price index	6,0	5,4	2,3
Nominal wage index	2,8	4,6	4,4
Nominal exchange rate index	5,0	-3,0	-2,1
Unemployment, % of workforce	9,6	8,2	7,3

¹ Revised macroeconomic forecast issued in November 2009.

² Macroeconomic forecast issued in November 2010.

Table 11

	Budget 2010 ¹	Estimate 2010 ²	Budget 2011 ²
Main economic aggregates, billions of krónur			
Private consumption	766,0	806,6	852,5
Public consumption	405,4	394,7	385,8
Gross fixed investment	265,0	204,9	240,8
National expenditure	1.436,5	1.404,9	1.477,5
Export of goods and services	875,1	861,4	892,7
Imports of goods and services	720,2	711,7	741,4
Gross domestic product	1.591,4	1.554,6	1.628,8
Current account balance	-32,8	-45,3	-59,2

¹ Revised macroeconomic forecast issued in November 2009.

² Macroeconomic forecast issued in November 2010.