

Statistical bulletin

# UK government debt and deficit: March 2021

Quarterly estimates of UK government debt and deficit.



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# 1 . Main points

- UK general government gross debt was £2,224.5 billion at the end of financial year ending March 2021, equivalent to 106.0% of gross domestic product (GDP).
- UK general government gross debt was 13.1 percentage points above the average of the 27 European Union (EU) member states at the same point in time.
- UK general government deficit (or net borrowing) was £304.0 billion in the financial year ending March 2021, equivalent to 14.5% of GDP.
- UK general government deficit was 0.6 percentage points above the average of the 27 EU member states in the same period.

In this release, we present statistics for the general government sector. These are used for international comparisons and include central and local government only. The public sector finances release has a wider scope, adding data for other public sector bodies, such as public corporations and the Bank of England.

## 2 . Government debt

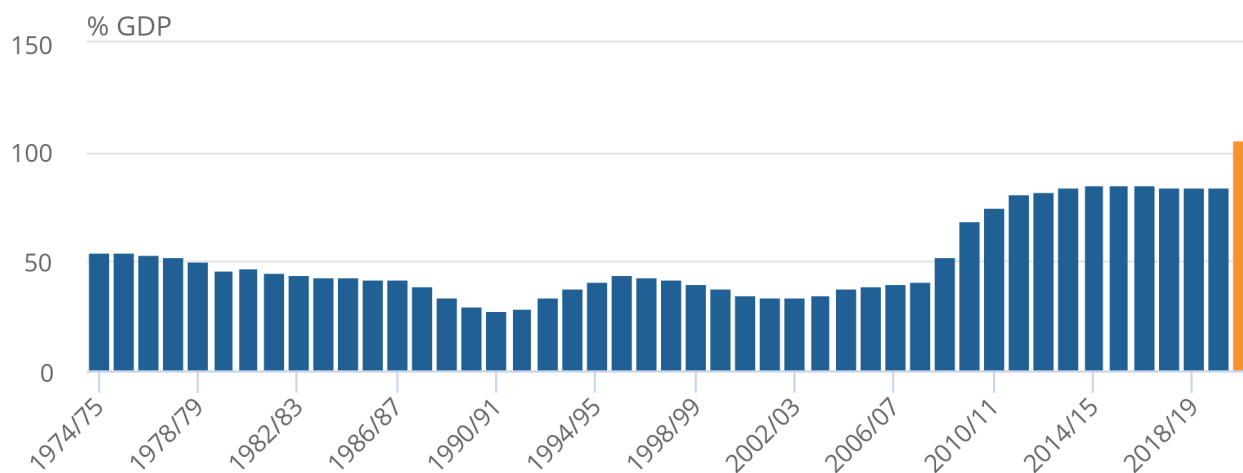
The extra funding required to support government coronavirus (COVID- 19) support schemes combined with reduced cash receipts and a fall in gross domestic product (GDP) have all helped push general government gross debt as a ratio of GDP to more than 100% of GDP. This is around two and a half times higher than that at the end of the financial year ending March 2008, the year of the global financial crisis

## Figure 1: Debt as a percentage of GDP has nearly doubled since the early seventies

General government gross debt as a percentage of gross domestic product (GDP), UK, March 1975 to March 2021

### Figure 1: Debt as a percentage of GDP has nearly doubled since the early seventies

General government gross debt as a percentage of gross domestic product (GDP), UK, March 1975 to March 2021



Source: Office for National Statistics - UK government debt and deficit

#### Notes:

1. Financial year represents the period of April to March.
2. Debt is recorded as at the end of March of each financial year.
3. GDP – gross domestic product.

Table 1: General government gross debt  
UK, at the end of Quarter 2 (June) 2019 to the end of Quarter 1 (March) 2021

£ billion<sup>1</sup>

Quarter	2019 Q2	2019 Q3	2019 Q4	2020 Q1	2020 Q2	2020 Q3	2020 Q4	2021 Q1
<b>Debt<sup>2</sup></b>	1,849.3	1,848.5	1,891.1	1,876.3	2,070.1	2,140.0	2,206.1	2,224.5
<b>as % GDP<sup>3</sup></b>	84.9	84.1	85.3	84.4	96.2	100.4	104.5	106.0

Source: Office for National Statistics - UK government debt and deficit

#### Notes

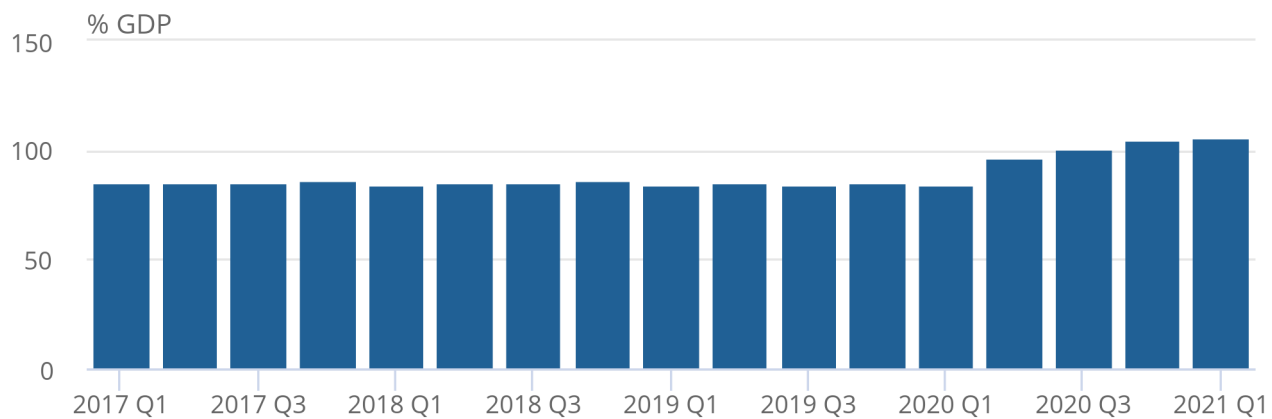
1. Unless otherwise stated.
2. Debt is recorded as at the end of each calendar quarter.
3. GDP – Gross domestic product.

**Figure 2: Debt as a percentage of GDP has grown substantially in recent quarters**

General government gross debt as a percentage of GDP, UK, at the end of Quarter 1 (March) 2018 to the end of Quarter 1 (March) 2021

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General government gross debt as a percentage of GDP, UK, at the end of Quarter 1 (March) 2018 to the end of Quarter 1 (March) 2021



Source: Office for National Statistics - UK government debt and deficit

**Notes:**

1. GDP – gross domestic product.
2. The ratio is recorded as at the end of each calendar quarter.

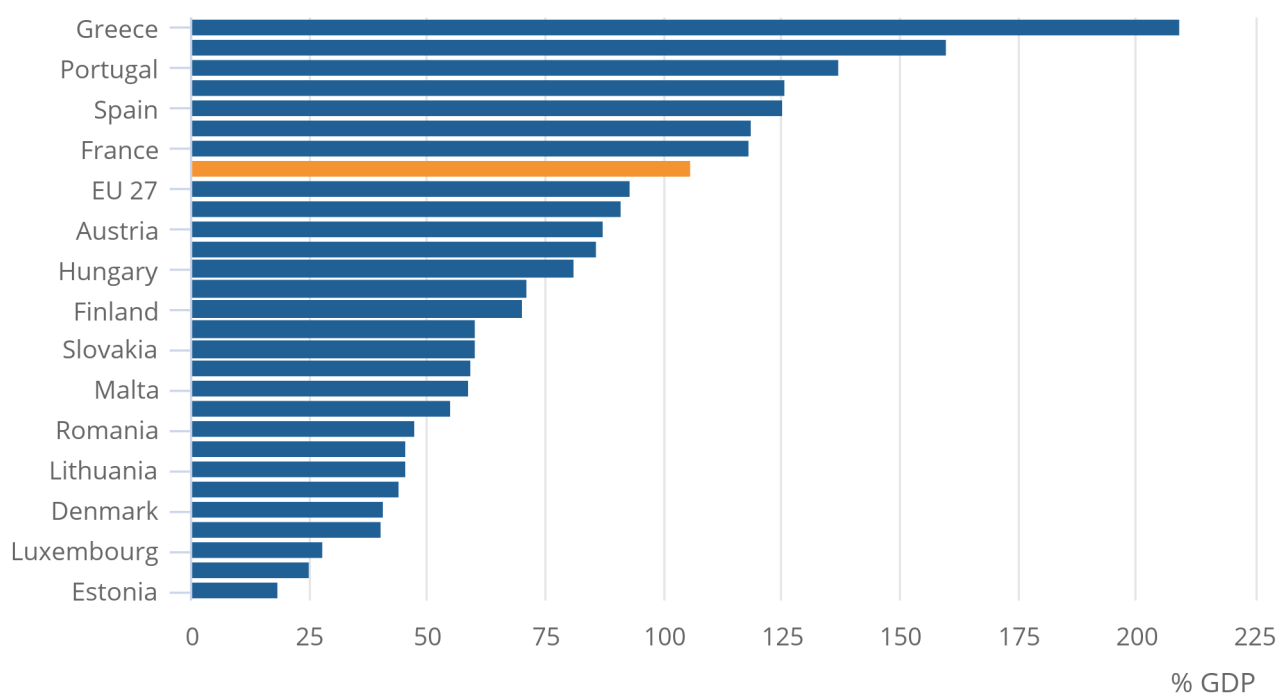
## Comparison with the European Union member states

**Figure 3: Government debt for the UK as a percentage of GDP is currently 13.1 percentage points above the EU average**

General government gross debt as a percentage of GDP, UK and EU member states, at the end of Quarter 1 (March) 2021

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Source: Office for National Statistics - UK government debt and deficit, Eurostat

### Notes:

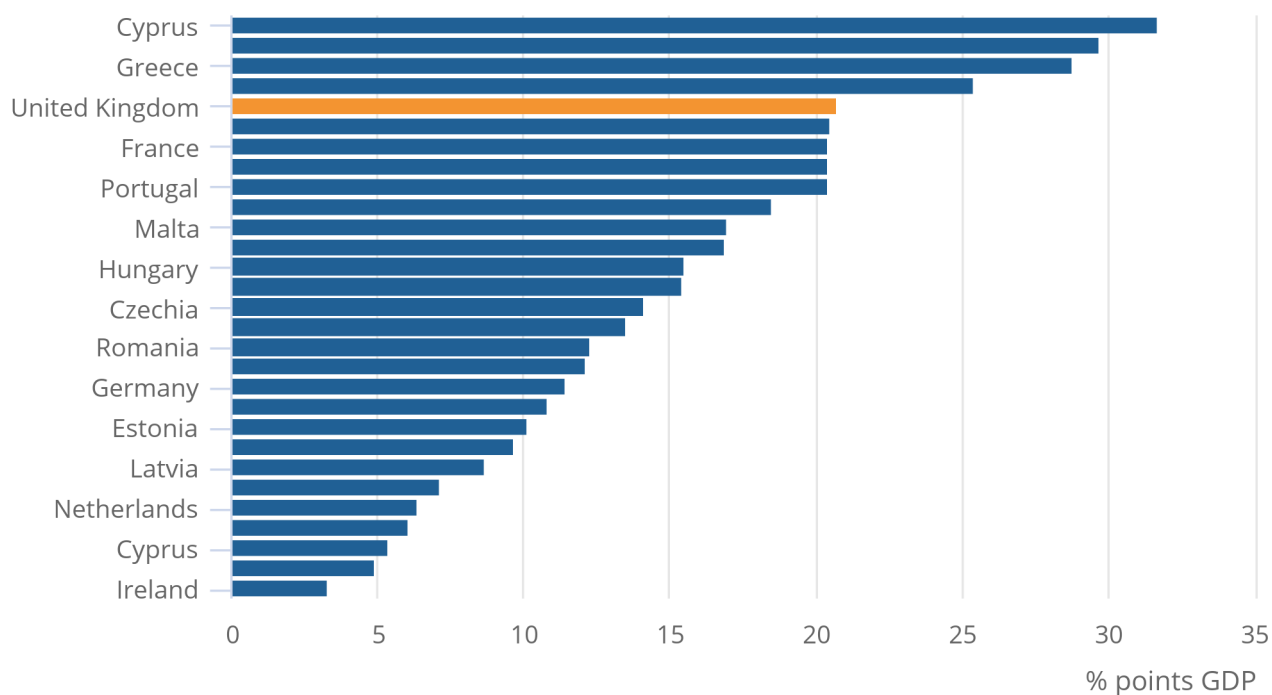
1. GDP – Gross Domestic Product.
2. EU 27 - Average of the 27 EU member states.

#### Figure 4: UK debt has risen more than the EU average during the pandemic

General government debt growth change in percentage points, UK and EU member states, at the end of Quarter 1 (March) 2021 compared with the end of Quarter 4 (December) 2019

### Figure 4: UK debt has risen more than the EU average during the pandemic

General government debt growth change in percentage points, UK and EU member states, at the end of Quarter 1 (March) 2021 compared with the end of Quarter 4 (December) 2019



Source: Office for National Statistics - UK government debt and deficit, Eurostat

#### Notes:

1. GDP – Gross Domestic Product.
2. EU 27 - Average of the 27 EU member states.

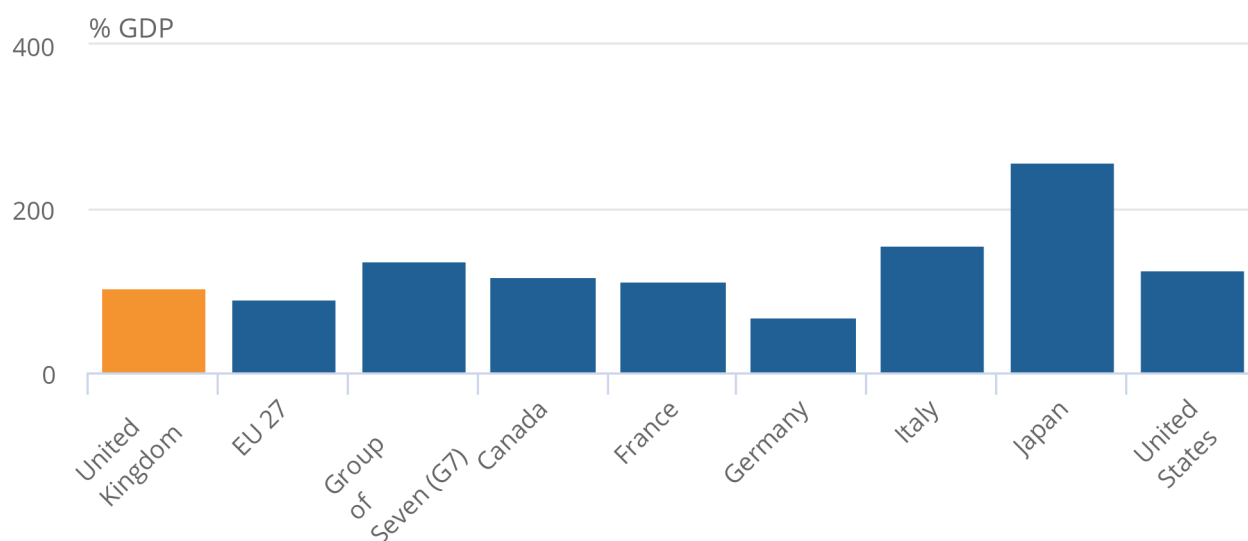
## Comparison with Group of Seven (G7) member states

**Figure 5: UK general government gross debt as a percentage of GDP at the end of December 2020 was lower than the G7 average**

General government gross debt as a percentage of GDP, at the end of December 2020, UK, EU and G7 member states

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General government gross debt as a percentage of GDP, at the end of December 2020, UK, EU and G7 member states



Source: Office for National Statistics, IMF World Economic Outlook, April 2021

### Notes:

1. GDP – Gross Domestic Product.
2. EU 27 – Average of the 27 EU member states.
3. Debt is recorded as at the end of December of each calendar year.
4. The latest available data for all G7 member states.

An international comparison of general government gross debt as a percentage of GDP can be found in [general government gross debt and deficit as percentage of GDP – Annex A](#).

## 3 . Government deficit

The latest deficit (or net borrowing) figures reflect the ongoing unprecedented impact of the coronavirus (COVID-19) pandemic and the UK government's support for individuals and businesses.

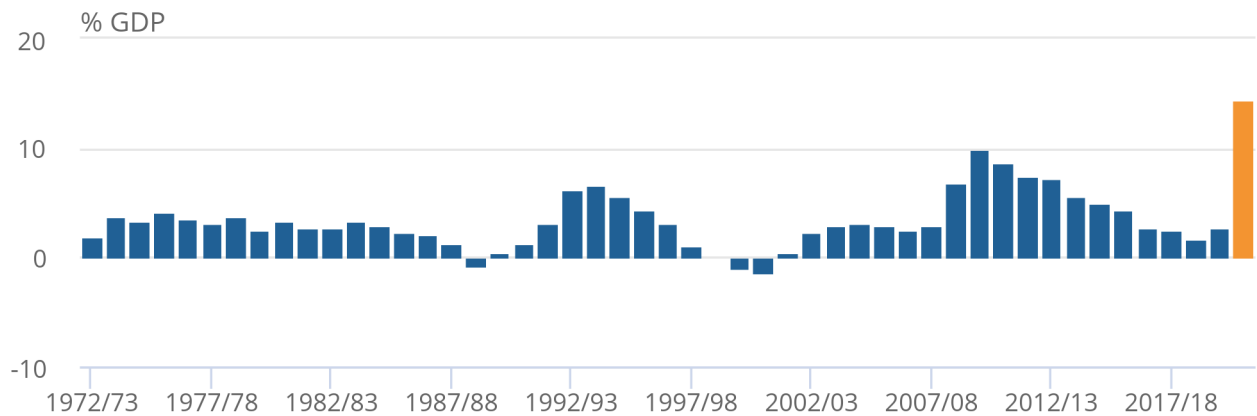


**Figure 6: Deficit as a percentage of GDP for the financial year ending 2021 was 11.7 percentage points higher than in the same period the previous year**

General government deficit (net borrowing) as a percentage of GDP, UK, financial years 1973 to 2021

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General government deficit (net borrowing) as a percentage of GDP, UK, financial years 1973 to 2021



Source: Office for National Statistics - UK government debt and deficit

Notes:

1. GDP – gross domestic product.
2. Financial year represents the period of April to March.

Table 2: General government deficit  
UK, Quarter 2 (Apr to Jun) 2019 to Quarter 1 (Jan to Mar) 2021

	<b>£ billion<sup>1</sup></b>							
<b>Quarter</b>	<b>2019 Q2</b>	<b>2019 Q3</b>	<b>2019 Q4</b>	<b>2020 Q1</b>	<b>2020 Q2</b>	<b>2020 Q3</b>	<b>2020 Q4</b>	<b>2021 Q1</b>
<b>Deficit</b>	23.0	14.9	22.9	2.2	118.9	74.1	63.3	47.6
<b>as % GDP<sup>2</sup></b>	4.2	2.7	4.0	0.4	25.0	14.0	11.5	8.8

Source: Office for National Statistics - UK government debt and deficit

#### Notes

1. Unless otherwise stated.
2. GDP – Gross domestic product.

In Quarter 1 (Jan to Mar) 2021, central government bodies spent £233.6 billion, £46.0 billion more than in the same quarter a year earlier.

This increase was in part because of central government paying £15.2 billion more in subsidies to businesses and households in Quarter 1 2021 than in the same quarter a year earlier. This included the additional £12.4 billion cost of the Coronavirus Job Retention Scheme (CJRS) and Self Employment Income Support Scheme (SEISS) during this period.

Central government expenditure on goods and services was £19.5 billion higher in Quarter 1 2021 than the same period a year earlier. This was partly caused by increased expenditure by the Department of Health and Social Care, devolved administrations and other departments in response to the coronavirus pandemic.

In the same period, and using provisional data, central government tax revenue was £162.4 billion, £4.4 billion more than in the same quarter a year earlier.

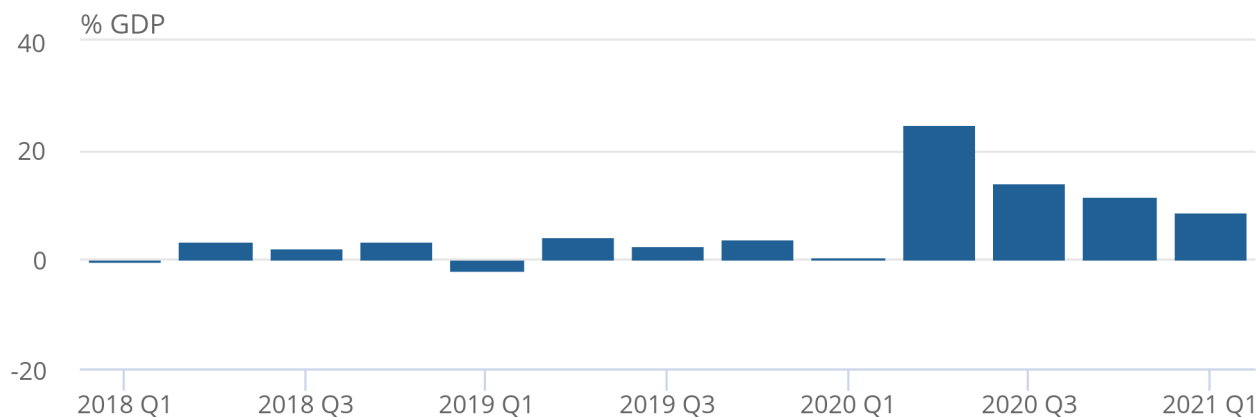
Local government paid £4.4 billion more in subsidies to businesses and households in Quarter 1 2021 than in the same quarter a year earlier. This included subsidies paid from the Coronavirus Small Business Grant Fund.

**Figure 7: Deficit as a percentage of GDP is particularly high in the recent four quarters**

General government deficit (net borrowing) as a percentage of GDP, UK, Quarter 1 (Jan to Mar) 2018 to Quarter 1 (Jan to Mar) 2021

## Figure 7: Deficit as a percentage of GDP is particularly high in the recent four quarters

General government deficit (net borrowing) as a percentage of GDP, UK, Quarter 1 (Jan to Mar) 2018 to Quarter 1 (Jan to Mar) 2021



Source: Office for National Statistics - UK government debt and deficit

Notes:

1. GDP – Gross Domestic Product.

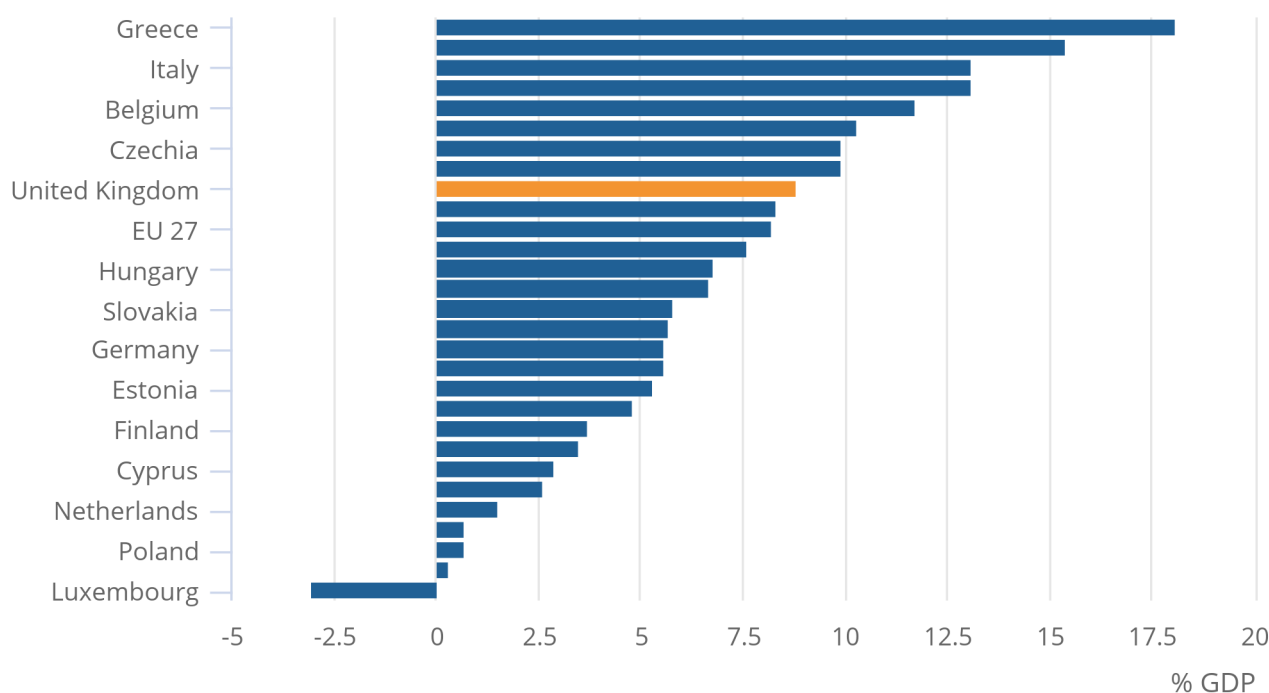
## Comparison with the European Union member states

**Figure 8: Government deficit for the UK as a percentage of GDP in Quarter 1 2021 is 0.6 percentage points higher than the EU average**

General government deficit (net borrowing) as a percentage of GDP, UK and EU member states, Quarter 1 (Jan to Mar) 2021

Figure 8: Government deficit for the UK as a percentage of GDP in Quarter 1 2021 is 0.6 percentage points higher than the EU average

General government deficit (net borrowing) as a percentage of GDP, UK and EU member states, Quarter 1 (Jan to Mar) 2021



Source: Office for National Statistics - UK government and deficit, Eurostat

**Notes:**

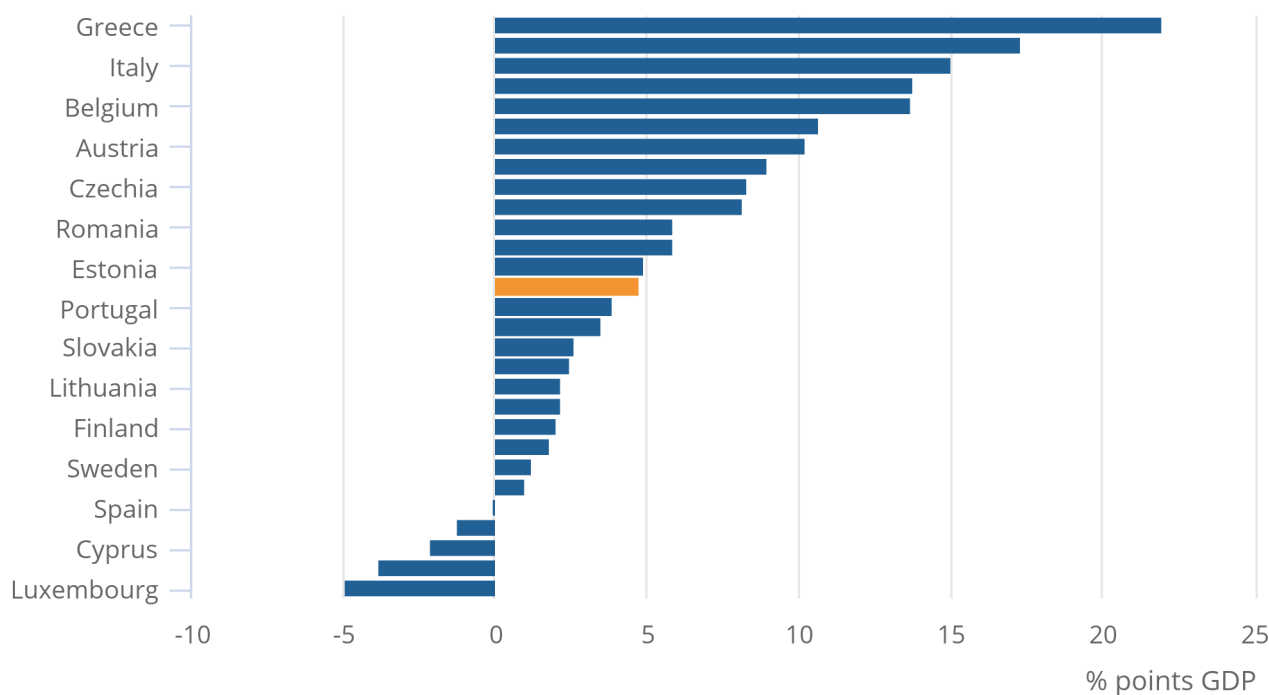
1. GDP – Gross Domestic Product.
2. EU 27 - Average of the 27 EU member states.

## Figure 9: Government deficit for the UK has risen less than the EU average during the pandemic

Change in general government deficit (net borrowing) in percentage points, UK and EU member states, Quarter 1 (Jan to Mar) 2021 compared to Quarter 4 (Oct to Dec) 2019

### Figure 9: Government deficit for the UK has risen less than the EU average during the pandemic

Change in general government deficit (net borrowing) in percentage points, UK and EU member states, Quarter 1 (Jan to Mar) 2021 compared to Quarter 4 (Oct to Dec) 2019



Source: Office for National Statistics - UK Government debt and deficit, Eurostat

#### Notes:

1. GDP – Gross Domestic Product.
2. EU 27 - Average of the 27 EU member states.

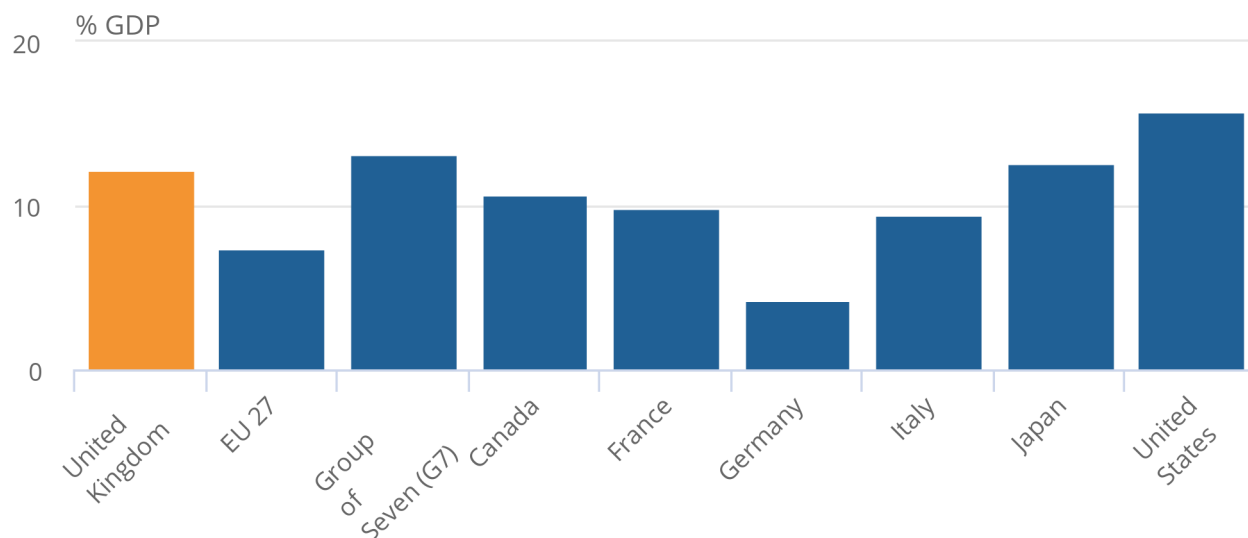
## Comparison with Group of Seven (G7) member states

**Figure 10: Government deficit for the UK as a percentage of GDP in 2020 was 1.0% lower than the G7 average**

General government gross deficit as a percentage of GDP, 2020 calendar year, UK, EU and G7 member states

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General government gross deficit as a percentage of GDP, 2020 calendar year, UK, EU and G7 member states



Source: Office for National Statistics, IMF World Economic Outlook, April 2021

### Notes:

1. GDP – Gross Domestic Product.
2. Calendar year represents the period of January to December.
3. EU 27 – Average of the 27 EU member states.
4. Group of Seven (G7) – Average of the Group of Seven member states.
5. The latest available data for all G7 member states.

An international comparison of general government deficit as a percentage of GDP can be found in [general government gross debt and deficit as percentage of GDP – Annex A](#).

## 4 . UK government debt and deficit data

### [Government deficit and debt return](#)

Dataset | Released 30 July 2021

Summary, reconciliation, and revisions information on UK government deficit and debt figures by calendar and financial year since the last publication.

### [General government main aggregates: ESA Table 2](#)

Dataset | Released 30 July 2021

Breakdown of general government expenditure (both current and capital) and general government revenue.

### [General government quarterly non-financial accounts: ESA Table 25](#)

Dataset | Released 30 July 2021

Breakdown of general government expenditure (both current and capital) and general government revenue.

### [General government quarterly financial accounts: ESA Table 27](#)

Dataset | Released 30 July 2021

Complete set of quarterly financial accounts of the general government sector and its sub-sectors, compiled according to the ESA.

### [General government quarterly debt \(Maastricht debt\): ESA Table 28](#)

Dataset | Released 30 July 2021

Summary of government debt on a quarterly basis, for general government and its sub-sectors.

### [General government gross debt and deficit as percentage of GDP: Annex A](#)

Dataset | Released 30 July 2021

International comparison of general government gross debt and deficit as percentage of GDP.

## 5 . Glossary

### General government

UK general government consists of two sub-sectors: central government and local government.

### Debt

Debt represents the cumulative amount the general government sector owes to organisations in other UK sectors and overseas institutions, which is largely a result of government financial liabilities on the bonds (gilts) and Treasury bills it has issued.

### Deficit

Deficit (or net borrowing) measures the gap between total revenue and total spending. A positive value indicates borrowing while a negative value indicates a surplus

## 6 . Measuring the data

The UK Government debt and deficit statistical bulletin is published quarterly in January, April, July and October each year. This is to coincide with when EU member states are required to report on their debt and deficit to the European Commission.

Gross domestic product (GDP) at market prices used to calculate government gross debt and deficit as a ratio of GDP are consistent with those published in the [GDP quarterly national accounts, UK: January to March 2021](#) on 30 June 2021.

### The impact of the coronavirus (COVID-19) support schemes on government finance statistics

In total, at least 50 schemes have been announced by the UK government and the devolved administrations to support individuals and businesses during the pandemic.

[Recent and upcoming changes to public sector finance statistics: May 2021](#) (published 22 June 2021) describes how the most significant coronavirus (COVID-19) support schemes are, or will be recorded in the UK's government finance statistics. It also provides information about methodological changes and presents areas for future development.

### Revisions since previous publication

The revisions between releases are primarily the result of improved departmental (and other government bodies) data replacing previous estimates.

The [Government deficit and debt return table](#) presents the revisions to our main aggregates since the last publication of the UK government debt and deficit return (published on 30 April 2021). These revisions are consistent with revisions incorporated within the [May 2021 Public sector finances statistical bulletin](#).

The [public sector finances revisions policy](#) provides information on when users of the statistics published in the [Public sector finances](#) and [UK government debt and deficit](#) statistical bulletins should expect to see methodological and data-related revisions.

## 7 . Strengths and limitations

The [public sector finances methodological guide](#) provides comprehensive contextual and methodological information concerning the monthly [Public sector finances statistical bulletin](#) and related publications, including this release.

The guide sets out the conceptual and fiscal policy context, identifies the main fiscal measures, and explains how these are derived and interrelated. Additionally, it details the data sources.

Information on strengths, limitations, appropriate uses, and how the data were created is available in the [Public sector finances QMI](#).



## **Comparability with EU member states**

This release is fully consistent with the latest data transmission of government debt and deficit submitted by each of the 27 EU member states to the European Commission on 30 June 2021.

## **Comparability with Group of Seven (G7) member states**

The general government debt and deficit figures used in the comparison of G7 member states are fully consistent with those published in the [International Monetary Fund's World Economic Outlook](#) on 6 April 2021.

## **Comparability with monthly public sector finances**

The general government debt and deficit figures published in this statistical bulletin (for the time period 1997 onwards) are fully consistent with those published in the [Public sector finances, UK: May 2021 statistical bulletin](#) on 22 June 2021.

There are two main differences between the headline debt and deficit measures published in the public sector finances and those published in this bulletin.

Firstly, this bulletin includes only the debt and deficit of central and local government bodies. The public sector finances' measures also include the debt and deficit of other public sector bodies, including public non-financial corporations and the Bank of England.

Secondly, this bulletin reports gross debt, while the focus of the public sector finances is net debt. Gross debt represents only the financial liabilities (debt securities, loans and deposits) of central and local government, while net debt deducts any liquid assets (official reserve assets and other cash or cash-like assets) from these financial liabilities.

## 8 . Related links

### [Public sector finances. UK: May 2021](#)

Bulletin | Released 22 June 2021

How the relationship between UK public sector monthly income and expenditure leads to changes in deficit and debt.

### [Public sector finances borrowing by sub-sector](#)

Dataset | Released 22 June 2021

Public sector finances analytical tables (PSAT) showing transactions related to borrowing by sub-sector. Total Managed Expenditure (TME) is also provided.

### [Recent and upcoming changes to public sector finance statistics articles](#)

Article | Released 22 June 2021

Areas for future development in the public sector finance statistics.

### [The debt and deficit of the UK public sector explained](#)

Article | Released 16 March 2016

A detailed explanation of the debt and deficit of the UK public sector.

### [Eurostat Government Finance Statistics – quarterly data: 2021 Q1](#)

Bulletin | Released July 22 2021

The latest debt and deficit quarterly statistics of the 27 European countries which make up the European Union.

### [International Monetary Fund - World Economic Outlook: April 2021](#)

Report | Released April 6 2021

The latest report from the International Monetary Fund (IMF) containing key indicators of its member countries.