

term "national deficit" is not known and would probably set off a national crisis if it were to appear on the horizon.

The reason for high tax receipts is not high tax rates. On the contrary. Liechtenstein holds out many advantages and one is its low tax rates. They ensure that entrepreneurial skills are rewarded. That's how relatively low taxes in the individual case add up to a reasonable overall result.

Admittedly, Liechtenstein's public sector expenditure also differs from that of larger countries. Due to the size of its machinery, various facilities cannot even be offered. There are, for example, no state universities, and hospitals cannot provide all specialised services. That's why the people of Liechtenstein have to go abroad.

Their admission to foreign universities and hospitals is ensured through bilateral agreements with the neighbouring countries. These services are not free of charge and the contributions to be paid are laid down in the agreements mentioned above. In any case, these expenses are entered in the public books of account. Government spending is therefore comparable with that of other countries. Training, education and social welfare are number one on the expense side followed by traffic outlay.

Naturally, we must not forget that Liechtenstein can dispense with military expenditure due to its geographical location between two neutral countries. Even its small size of bureaucracy and, as a result, flat hierarchy lead to cost benefits. The saying "small is beautiful" comes to mind in this connection.

Although its number of inhabitants is equal to that of a small city, due to politics, Liechtenstein must still provide all public services. In addition, Liechtenstein has joined several international organisations in the last few years and consequently acquired their rights and obligations. Liechtenstein has - in the chronological order of its entrance - become a member of the OSCE, the EFTA, the European Council, the UN, the EEA and the WTO. These are just a few but the most important examples of membership in international organisations.

A broadly diversified economic structure

I would like to return to my representation of Liechtenstein's national economy. I spoke of a comprehensive diversification. I would like to illustrate my description with a break-down of its sectors, each individual sector again being broadly diversified.