

Public Finances Bulletin - December 2014



by the Institute for Public Policies and Good Governance

The Ministry of Finance of the Republic of Albania published on 22nd of January 2015 the Fiscal Statistics for December 2014. Our analysis comprises the available cumulative data on public revenues, government expenditure, and public investments from January 1998 to December 2014.

Analyzing the developments during December of the public finances, Arben Malaj, IPPM Chairman of Board observes:

"Income collection during 2014 confirmed a positive trend compared with 2013, nearly equal to the index for 10 years. Realization for the total budget expenditures for December and 12 months period has increased, but remains below the average level of the last ten years. The realization level of public investments financed by internal and external sources remained below the average of the past ten years indicators and its a challenge for the next year."

Key findings:

- **Public revenue** during December 2014 reached the value of 37.54 billion Leke. Compared with December 2013 an increase by 3.54 % in revenues is caused primarily from the increased income taxes revenues.
- **Total expenditure** during December 2014 reached the value of 68.36 billion Leke, marking an increase by 66.20% compared with the same period in 2013.
- **Public Investments** during December reached the value of 17.04 billion Leke or around 111.38% higher than investments during December 2013, while an increase in the implementation of capital expenditure with domestic funds of 126.40% is noted.

secretary@ippm.al
www.ippm.al

Ismail Qemali Street, P.27/1
Tirana, Albania

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secretary@ippm.al*

Chairman of Board:
Arben Malaj

Executive Director
Ada Shameti

Institute for Public Policies and Good Governance

Registered in Tirana Region Court
Registration No 389
Ismail Qemali Street P.27/1
Tirana
Albania
www.ippm.al

Extended analysis of indicators

Based on official data received from fiscal statistics published by Ministry of Finance a more focused analysis on the main public finances indicators is prepared.



Government's budget revenue

Total revenue for December 2014 in nominal value were 37.54 billion Leke, or 1.29 billion Leke more than the revenues collected during December 2013. The increase by 3.54% in revenues in annual terms is caused mainly by the increase in tax revenues by 2.13%. During December 2014 0.72 billion Leke of tax revenue more than during December 2013 was collected, out of which 0.66 billion has been collected from the increased revenues from income taxes. To this growth has contributed the increase by 40.82 % in the revenues from the income tax, and the increase of 13.92% in the revenues from the personal income tax, the last nominally of 496 million Leke compared with December 2013.

Cumulative data show that during the first 12 months of 2014 38.06 billion Leke were collected or 11.58% more than during the same period in 2013.

According to IPPM Index, in December, collected revenue over revenues in the Budget 2014 are 0.01 percentage points lower than the averaged weight of revenues collected during the month December over the last 10 years, while are 0.54 p.p. higher than the value of the index for these first 12 months.

Total Expenditures

During December 2014, total expenditure experienced an increase of 66.20% compared with December 2013, reaching the value of 68.36 billion Leke.

Interest expenditure during December 2014 decreased by 24.20 % compared to December 2013, where a decrease in domestic interest expenditures with 28.11% or 1.02 billion Leke less than the previous year is noted.

During the twelve-month period in 2014, total expenditure levels are 438.82 billion Leke, specifically 44.77 billion or 11.36% more than during the period January-December 2013.

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Referring to the IPPM 10-years Index 2004-2013, the weight of total expenditures during December 2014 over those of the Budget 2014 is 0.02 percentage points higher than the averaged weight of expenditure during the month December for the last 10 years, or 3.85 p.p. under the value of the index for the period January-December 2013.

Public Investments

Public investments in December 2014 reached the nominal value of 17.04 billion Leke, marking an increase by 8.98 billion leks compared with December 2013, or in relative terms, 111.38% more.

By analyzing the cumulative values of statistics for the period January-December 2014, public investments in 2014 were 7.44% or 4.87 billion Leke less than the public investments incurred during the same period of 2013.

According to IPPM Index, the weight of public investments during the month of December 2014 over that of the public investments from the Budget 2014 is 2.61 percentage points higher than the averaged weight in the month December during the last 10 years and 9.99 p.p. below the value of the index for the twelve months of 2014.

In order to receive in real time the Public Finances Bulletin please contact Ms. Ada Shameti, Executive Director of Institute for Public Policies and Good Governance in adashameti@ippm.al or write us in secretary@ippm.al

Further information regarding the analysis prepared by the Public Finances Bulletin could be found in :

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www.ippm.al/buletiniifinancavepublike

Ministry of Finances, Monthly Fiscal Statistics

www.minfin.gov.al



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