

Public Finances Bulletin – May 2016



by the Institute for Public Policies and Good Governance

The Ministry of Finances of the Republic of Albania published the Fiscal Statistics for May 2016. In service to our analyses we utilize available cumulative data on public revenues, government expenditures, public investments and budget deficit from January 1998 up to May 2016.

Analyzing the public finances developments during May, Arben Malaj, IPPM Chairman of Board articulates:

“May 2016 marked an increase in public revenue and a decrease in total expenses compared with the data for the same month of 2015. However, the trend of indicators compared to the 10-year Index continues to remain below it. The indicators of public investment proceed to record a decrease even for this month remaining one of the top priorities for the next months of 2016.”

Main comparisons:

- ☐ **Public revenues** in May 2016 reached the value 32.462 billion Lek. Comparing to the same month of the previous year an increase of 7 % in revenues is noticed mainly caused by a rise in Tax revenues.
- ☐ **Total expenditures** in May 2016 reached the value of 29.493 billion Lek. Compared to the same month of the previous year is noticed a decrease of 21.2 % in total expenditures
- ☐ **Public Investments** during May were in the value of 1.746 billion Lek or around 53.3 % lower than investments incurred during the same month of the previous year.

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Further analysis of indicators

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

State budget revenues

Total revenues for May in nominal value were 32.462 billion Lek, or 2.118 billion Lek more than revenues received during the same month of the previous year. An increase of 7% in total revenues in annual terms is caused mainly by the increase of 11% in Tax revenues. In May 2016, Tax revenues were 3.032 billion Lek more than May 2015, with an increase of 1.780 billion Lek in revenues from Local Government. This increase in total revenues was also caused by an increase of 0.816 billion Lek in revenues from tax offices and custom, where the most effect was caused by the increase of 6.1 in V.A.T revenues.

During the 5-month period of 2016, collected revenues have been 163.775 billion Lek with an increase of 12.312 billion Lek or 8.1 % higher than the same period in 2015.

According to the IPPM Index, in May, collected revenues over predicted revenues from Budget 2016 are 0.14 percentage points lower than revenues received in the month May during the last 10 years also 0.22 percentage points lower than the cumulative IPPM index during the last 10 years.

Central Government Expenditures

During May 2016, total expenditures reached the value of 29.493 billion Lek experiencing a decrease of 7.938 billion Lek or 21.2% less compared to the same month of the previous year.

This drop in total expenditures was caused by some components; the highest effect was caused by a decrease of 1.417 billion Lek in Current Expenditures, followed by a decrease of 4.529 billion Lek in Arrears Expenditures.

During the 5-month period of 2016 total expenditures have reached the value of 145.583 billion Lek , 16.5 billion Lek or



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10.2 % less than the same period of May 2015.

Referring to the IPPM 10-years Index, it is noticed that the total expenditures incurred during May 2016 are 1.65 percentage points under the predicted level according to the specific weight that May expenditures have persisted in the last 10 years also 4.0 percentage points lower than the IPPM cumulative index for January-May2016

Public Investments

Public investments in May 2016 reached the nominal value of 1.749 billion Lek marking a decrease of 1.992 billion Lek compared to May 2015, expressing this in relative terms means 53.3 % less. This drop in public investments was mainly caused by a decrease of 1.337 billion Lek in foreign financing investments.

Analyzing the cumulative statistics, public investments during 2016 in nominal terms were 4.014 billion Lek or 22.4 % lower than the public investments incurred in the same period of 2015.

As calculated from IPPM, considering public investments incurred in May during the last 10 years, public investments for this month are 4.05 percentage points less than the projected value based in the specific weight of May in the Index and total public investments predicted in Budget 2016.

According to the cumulative statistics, public investments in May –May 2016 are 7.56 percentage points under the IPPM cumulative Index.

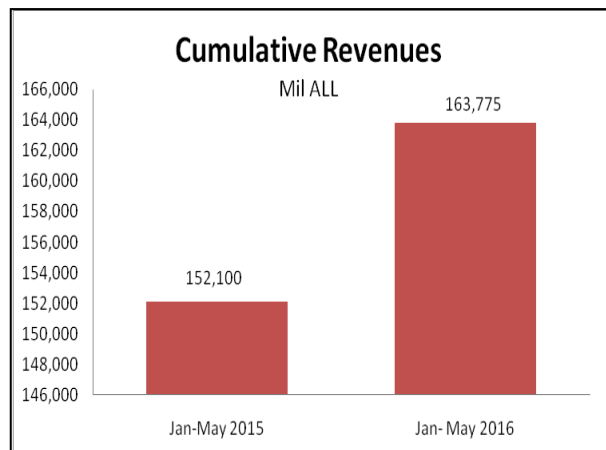
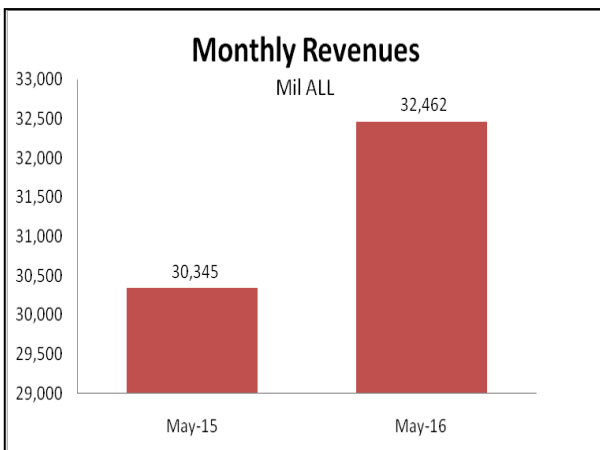
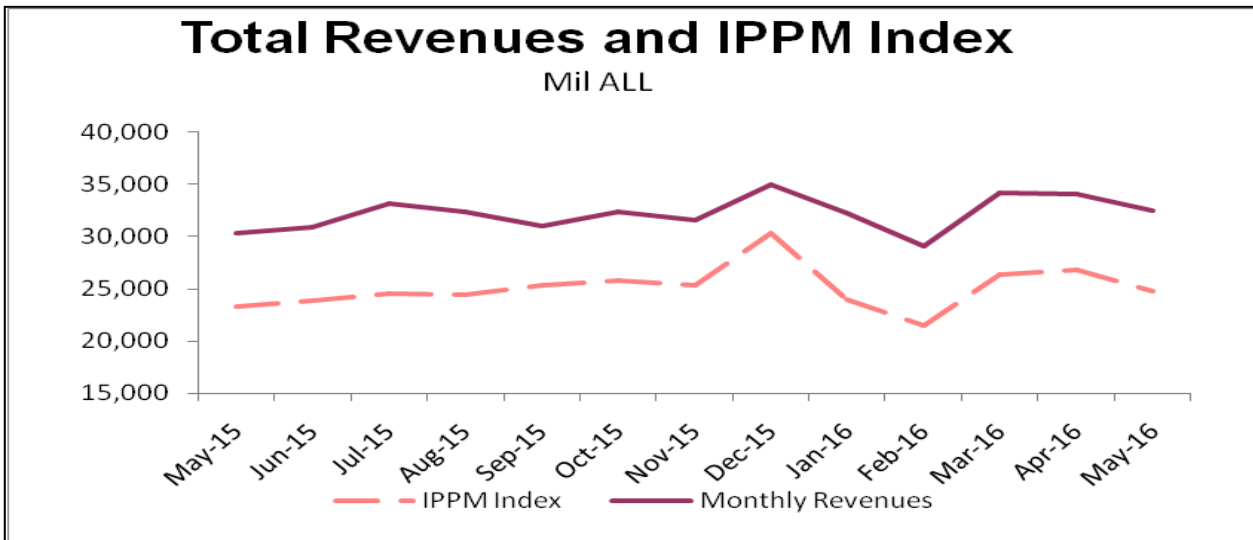


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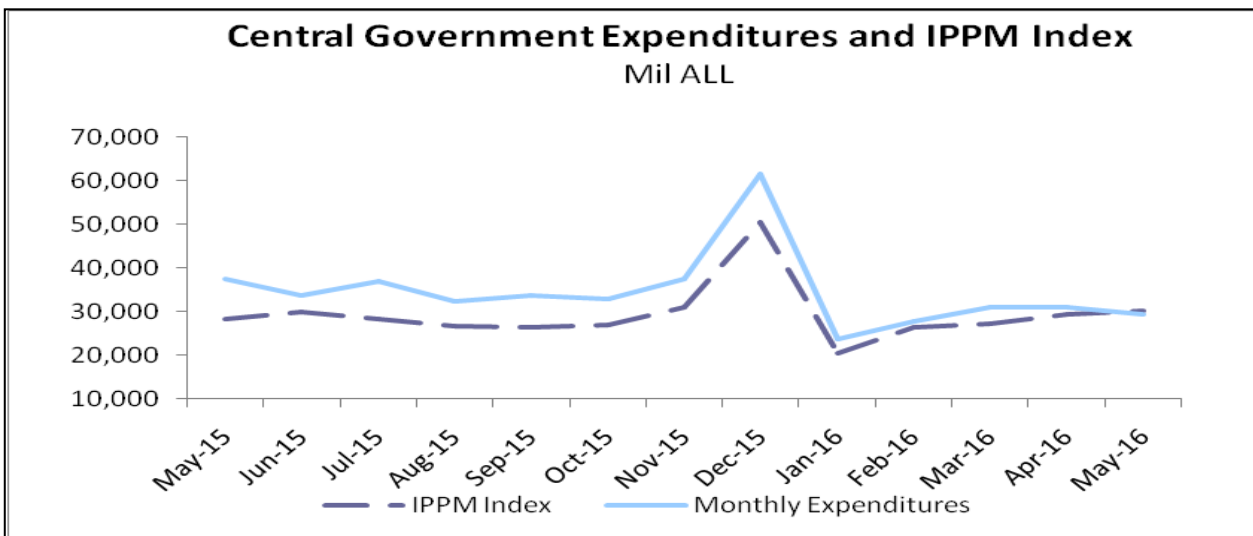
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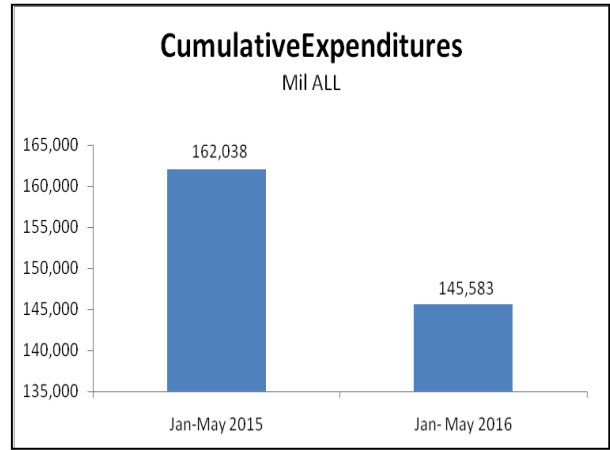
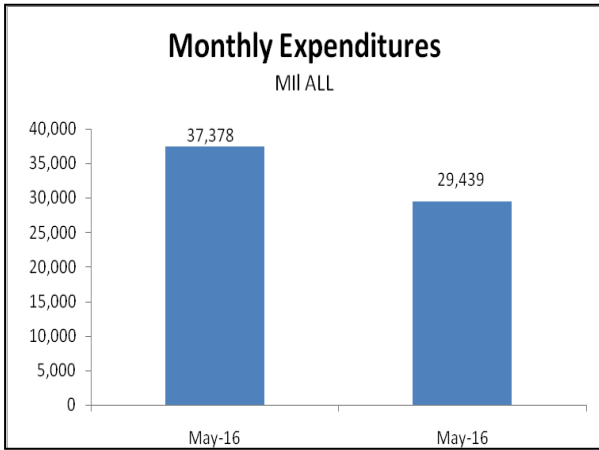
Public Finances Bulletin Graphic Analysis- May 2016

1. State budget revenues

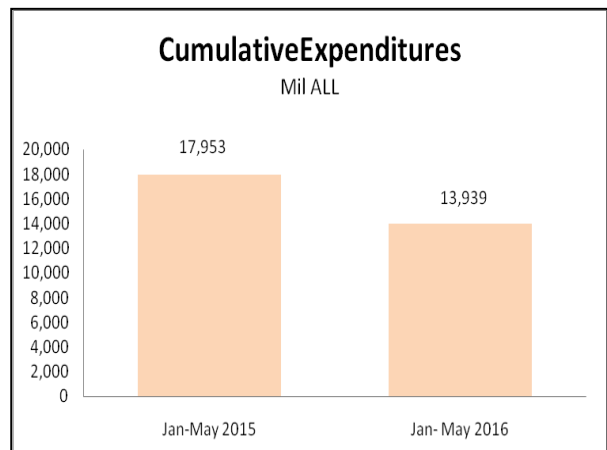
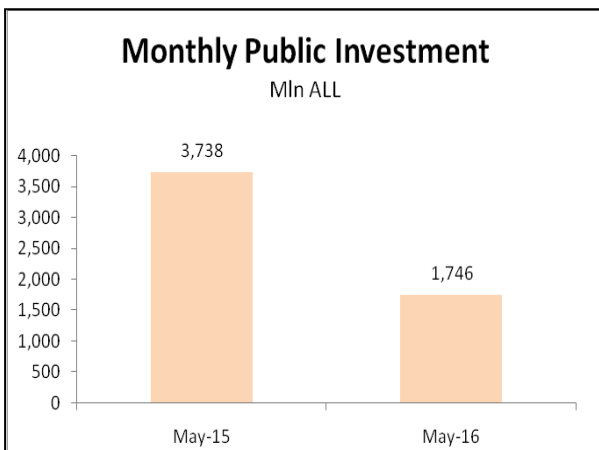
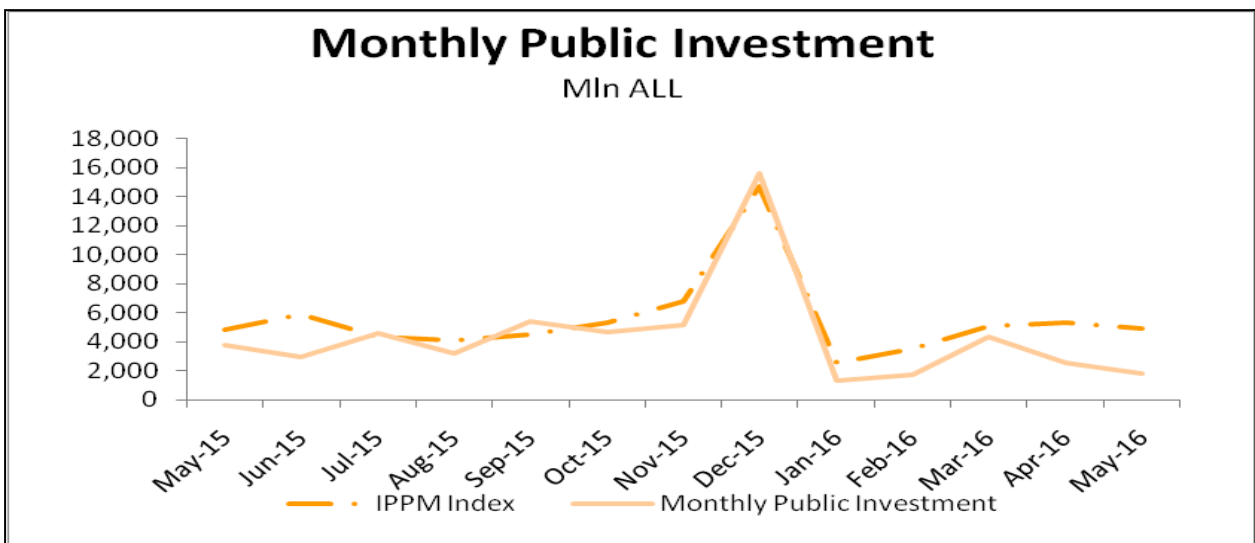


2. Central Government Expenditures





3. Public Investments



THANK YOU!

In order to receive in real time the Public Finances Bulletin please contact Ledjon Shahini, Executive Director of Institute for Public Policies and Good Governance in ledjonshahini@ippm.al or write us at secretary@ippm.al

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Ministry of Finances, Monthly Fiscal Statistics

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