

Public Finances Bulletin – July 2016

by the Institute for Public Policies and Good Governance

The Ministry of Finances of the Republic of Albania published the Fiscal Statistics for July 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 July 2016.

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

“ Increased revenues from Local Government was the main component that lead to total revenue growth in July 2016. Compared with July 2015, the increase of income provided by Special Funds also contributed in the increase of revenues. The data for the indicator of public investment recorded a decrease in July, doing so it remains a priority for the next month of 2016.”

Main comparisons:

Public revenues in July 2016 reached the value 34,886 million Lek. Comparing to the same month of the previous year an increase of 5.1% in revenues is noticed mainly caused by a rise in Tax revenues.

Total expenditures in July 2016 reached the value of 33,805 million Lek. Compared to the same month of the previous year is noticed a decrease of 8.5 % in total expenditures

Public Investments during July were in the value of 3,522 million Lek or around 22.8% 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 July in nominal value were 34,886 million Lek, or 1,705 million Lek more than revenues received during the same month of the previous year. An increase of 5.1% in total revenues in annual terms is caused mainly by the increase of 6.3 % in Tax revenues. In July 2016, Tax revenues were 1,923 million Lek more than July 2015, with an increase of 81.7% in revenues from Local Government. This increase in total revenues was also caused by an increase of 941 million Lek in revenues from Special Funds, where the most effect was caused by the increase of 14.9 % in Social Security incomes.

During the 7-month period of 2016, collected revenues have been 228,311 million Lek or 5.62 % higher than the same period in 2015.

According to the IPPM Index, in July, collected revenues over predicted revenues from Budget 2016 are 0.07 percentage points lower than revenues received in the month July during the last 10 years also 1.29 percentage points lower than the cumulative IPPM index during the last 10 years.

Central Government Expenditures

During July 2016, total expenditures reached the value of 33,805 million Lek experiencing a decrease of 3,130 million Lek or 8.5 % 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 860 million Lek in Current Expenditures, followed by a decrease of 1,764 million Lek in Interest Expenditures.

During the 7-month period of 2016 total expenditures have



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reached the value of 210,130 million Lek , 22.4 million Lek or 9.65 % less than the same period of July 2015.

Referring to the IPPM 10-years Index, it is noticed that the total expenditures incurred during July 2016 are 0.69 percentage points under the predicted level according to the specific weight that July expenditures have persisted in the last 10 years also 6.41 percentage points lower than the IPPM cumulative index for January-July 2016.

Public Investments

Public investments in July 2016 reached the nominal value of 3,522 million Lek marking a decrease of 1.041 million Lek compared to July 2015, expressing this in relative terms means 22.8 % less.

Analyzing the cumulative statistics, public investments during 2016 in nominal terms were 7,193 million Lek or 28.26% lower than the public investments incurred in the same period of 2015.

As calculated from IPPM, considering public investments incurred in July during the last 10 years, public investments for this month are 0.47 percentage points less than the projected value based in the specific weight of July in the Index and total public investments predicted in Budget 2016.

According to the cumulative statistics, public investments in July 2015 –July 2016 are 14.8 percentage points under the IPPM cumulative Index.



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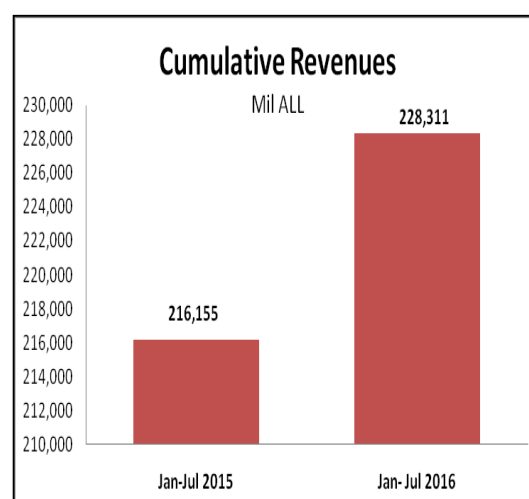
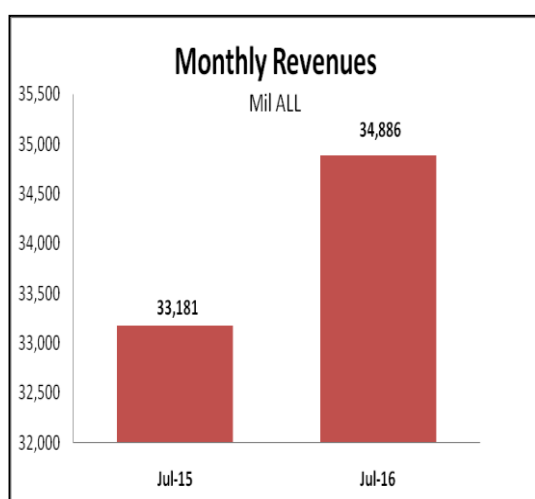
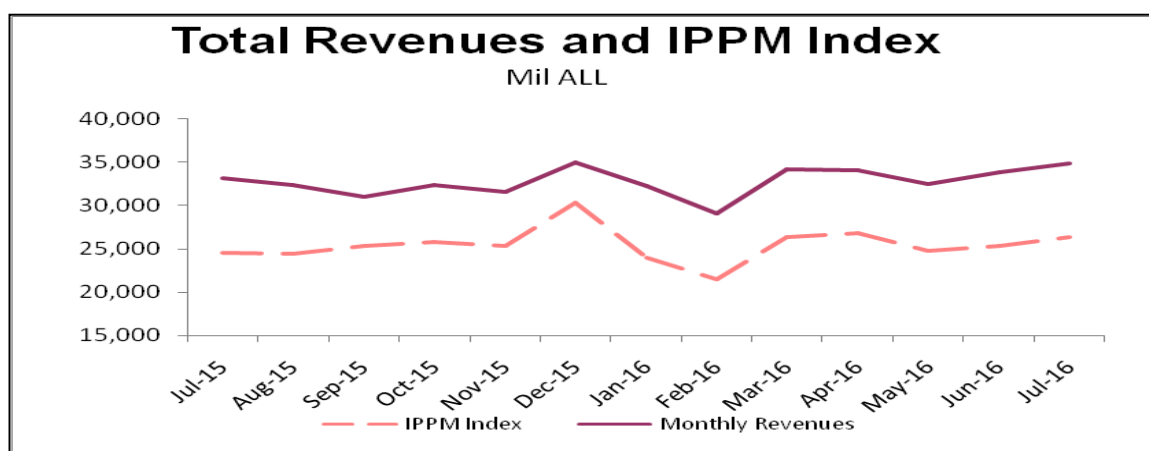
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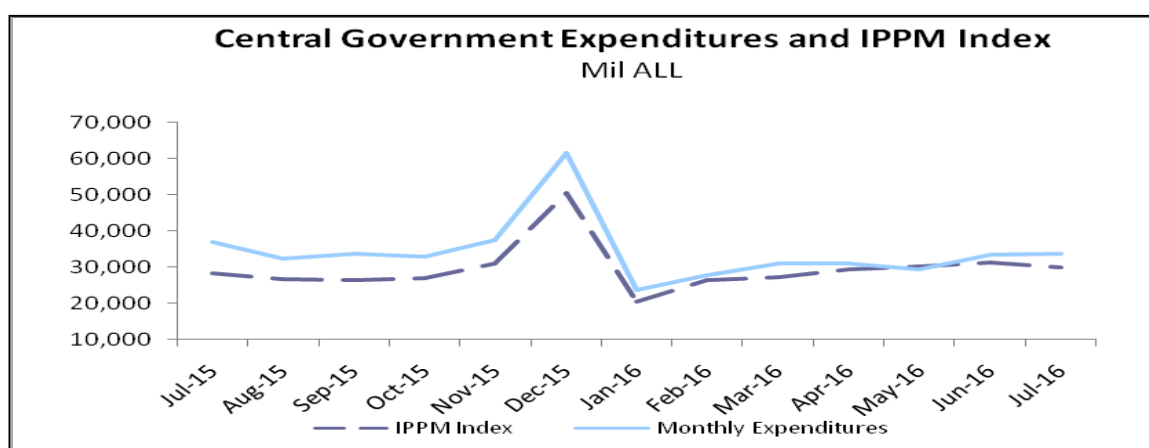
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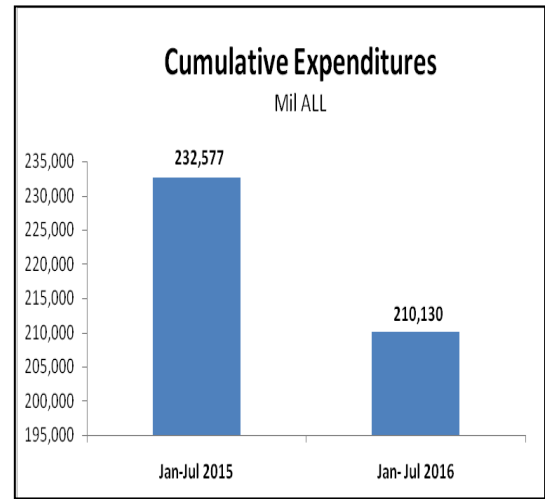
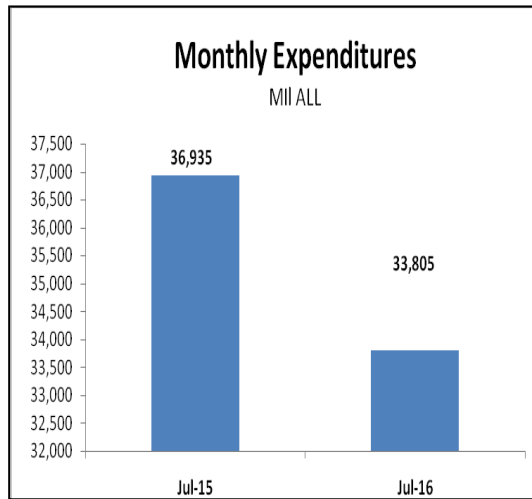
Public Finances Bulletin Graphic Analysis- July 2016

1. State budget revenues

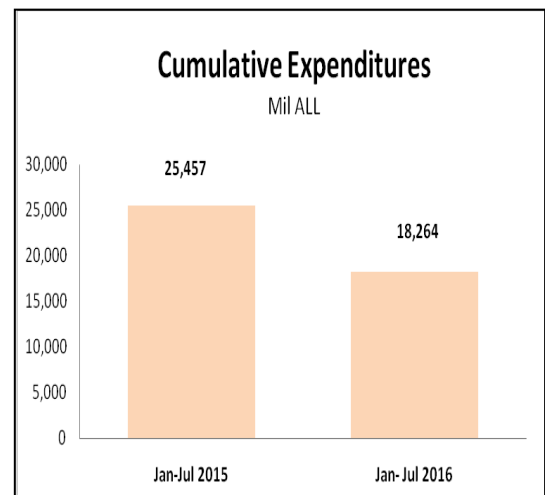
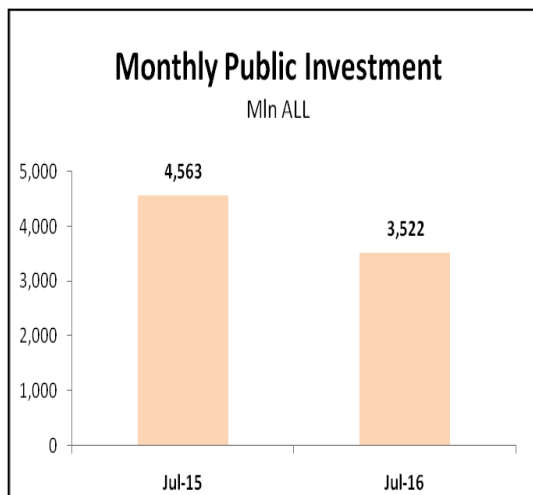
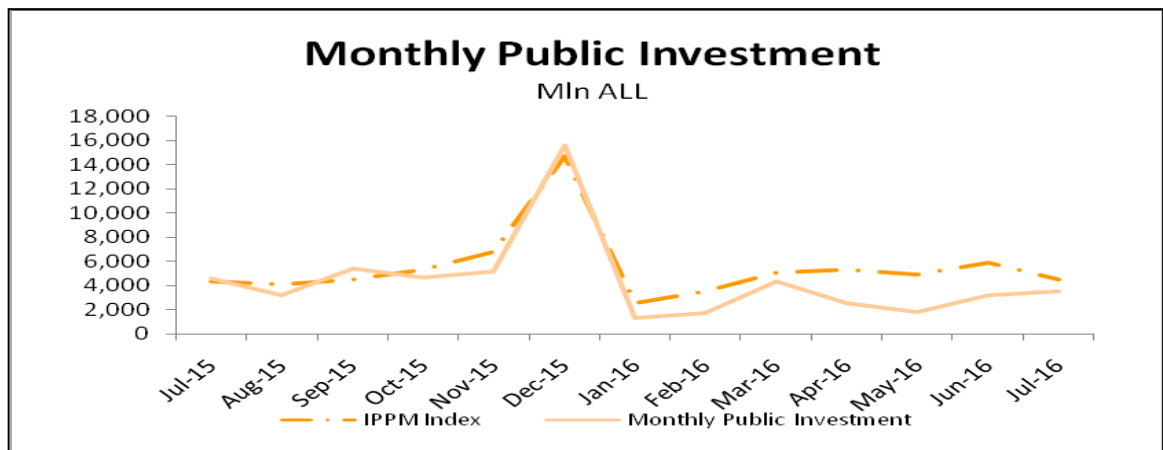


2. Central Government Expenditures





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

www.minfin.gov.al