

Public Finances Bulletin –October 2017

By the Institute for Public Policies and Good Governance

The Ministry of Finance of the Republic of Albania has published the Fiscal Statistics for October 2017. In the service of the analysis, cumulative data on public incomes, government expenditures and investments were used from February 1998 to October 2017.

Referring to the performance of public finances for this period, the Honorary President of IPPM, *Mr. Arben Malaj*, states:

"During October 2017, annual revenue realization has marked a worsening over the same period of 2016, but in relation to the average of the 10-year period, it has marked an improvement. While cumulative earnings indicators show improvement compared to both periods. Total expenditures realized during October have shown improvement compared to the same period of the previous year and to the average of the last 10 years for this month. Even the cumulative total spending indicators have improved compared to both periods. Public investments during the month of October have performed better related only to the same period of the previous year, but not to the average of the last 10 years for this month. Cumulative indicators have also marked improvement only related to the same period of the previous year, but not to the 10-year period.

Main comparisons:

Public revenues for October 2017 marked the value of 36,304 billion Lek. Compared with the same month of the previous year, there was a decrease in nominal value of 81 million Lek or a decrease of 0.2%.

During October, revenues realized as part of the total planned revenues for the 2017 Budget were 8.32%, while the average revenue share for October of the last 10 years was 8.71%. Thus, earning income for October 2017 has resulted weaker than the average of the 10-year period, namely with a difference of 0.39 percentage points.

Total expenditures for October reached 37,278 billion Lek, marking a nominal increase of 3,750 billion Lek, or an increase of 11.2% compared to the same month for 2016.

For October, the average share of total spending on this year's budget was 7.97%, while the average weight of the last 10 years for this indicator was 7.71%. In this regard, it can be said that the total expenditures for October 2017 have performed better than the average of the 10-year period, increasing by 0.26 percentage points.



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Public Investments in October amounted to 5,174 billion Lek. Compared to the same month of the previous year, monthly public investments recorded a nominal increase of 2,119 billion Lek or a 69.4% increase.

Further analysis of indicators

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

State budget revenues

The total income for October 2017 was 36,304 billion Lek or 81 million less than the same period a year earlier. The decrease of 0.2% of revenues realized in annual terms is caused by the decrease of aid revenues. Tax revenues amounted to 33,350 billion Lek, or 1,100 billion Lek more than in October 2016, recording an increase of 3.4%. Aid revenues amounted to 1,489 billion Lek or 880 million Lek less than in the same period a year earlier, recording a decrease of 37.1%.

The average share of aids income for October of this year was 10.79%, while the average share of the 10-year period for this indicator was 6.85%, marking an increase of 3.94 percentage points.

The average share of tax revenues for October of this year was 8.38%, while their average share for the last 10 years was 8.85%, marking a decrease of 0.47 percentage points.

According to the IPPM Index, in October, revenues realized as a share of the 2017 Budget are 0.39 percentage points lower than the average revenue share for the month of October during the last 10 years.

Cumulative data show that during the first 10 months of 2017, 356.376 billion Lek, or 21,515 billion Lek more were collected compared with the same period of the previous year, recording an increase of 6.43%. As a share to total revenue for 2017, the cumulative income for the first 10 months of this year reaches 81.66%.

Referring to the IPPM Index, it turns out that the average revenue share realized during the first years of this year is 0.22 percentage points higher than the average share for the period 2007-2016.



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Central Government Expenditures

For the month of October 2017, total expenditures amounted to 37,278 billion Lek, increasing by 3,750 billion Lek in nominal value, or a 11.2% increase compared to October 2016, 1,963 billion of which were from the increase of current expenditures. Current expenditures amounted to 32,025 billion Lek, marking an increase of 6.5% compared to the same month of the previous year.

The total expenditure incurred during October 2017 to the total of these expenditures for this year resulted 0.26 percentage points above the average share for the last 10 years. The share of current spending for October to the 2017 Budget was 8.21%. Referring to the 10-year IPPM Index, it turns out that the current spending share realized during October for the 2017 Budget is 0.36 percentage points above the 10-year average of current spending for this month.

During the first 10 months of 2017, total expenditures reached 359,881 billion Lek, or 39,712 billion Lek more compared to January-October 2016, recording an increase of 12.4%.

The share of public spending realized during the first 10 months of this year to the Budget for 2017 reached the value of 76.96% and 0.75 percentage points above the cumulative index value for the period January to October of the last 10 years.

Public Investments

Public investments in October 2017 reached nominal value of 5,174 billion Lek, or 2,119 billion Lek more than in the previous year, marking a 69.4% increase. Public investments with domestic financing amounted to 3,727 billion Lek, recording an increase of 89.7% compared to the same period of the previous year, while foreign-funded public investments amounted to 1,447 billion Lek, recording an increase of 32.6% compared to October of the previous year.

The share of public investment for the month of October to the 2017 Budget results 6.95%, while referring to the IPPM Index, it results that the average public investment share realized during the October for the last 10 years is 7.23%. In this regard, it can be said that this indicator performed poorer compared to the 10-year period, marking a fall of 0.28 percentage points.

Referring to cumulative statistics for January-October 2017, public investments during this period amounted to 46,510 billion Lek, or 12,853 billion Lek more compared to public investments carried out during the same period of 2016, recording an increase of 38.19%.

Referring to the IPPM Index, the average public investment share as cumulative for January - October for the period 2007 - 2016 is 67.37%, while for 2017 it reaches 62.94%, marking a decrease of this indicator by 4.88 percentage points compared with the average of 10-year-old.



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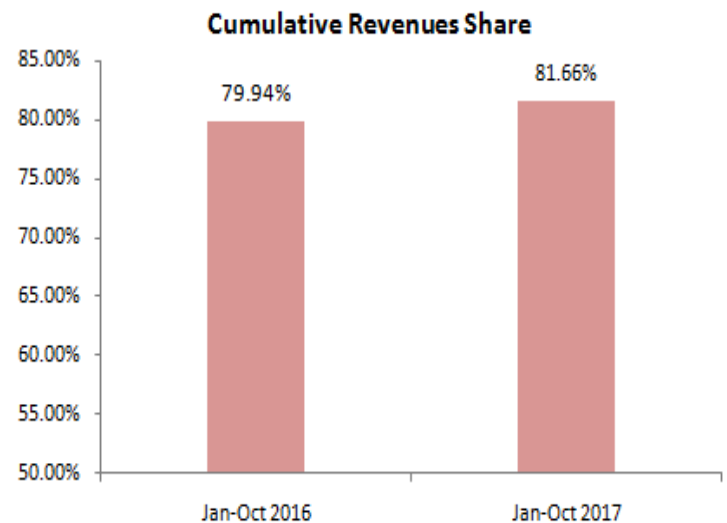
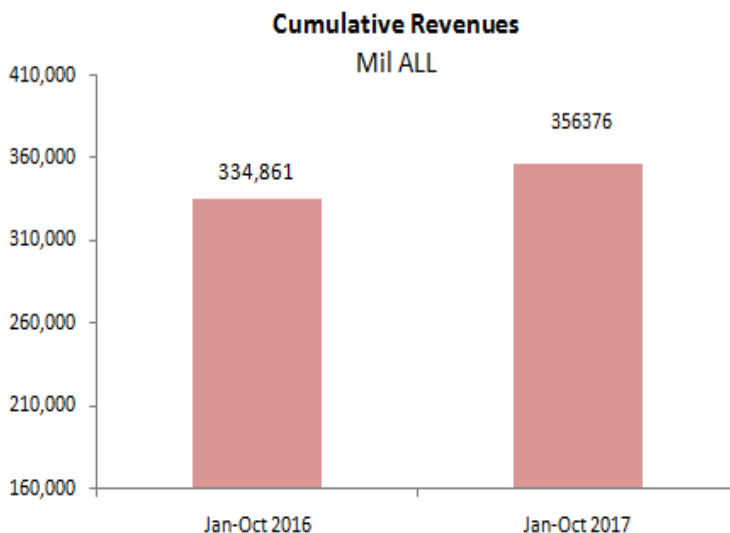
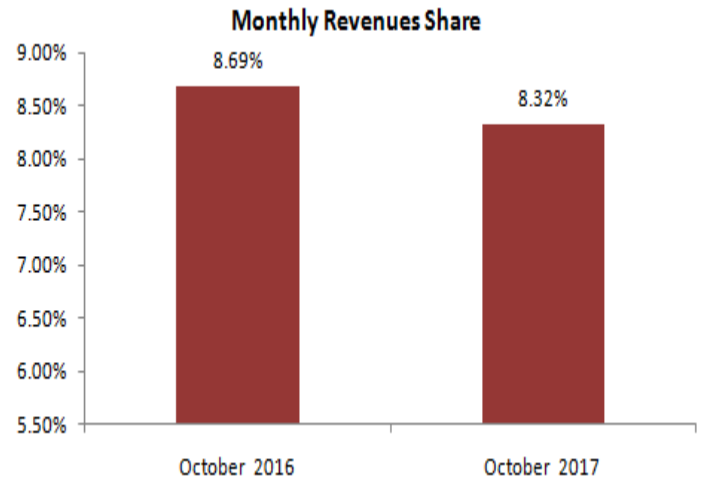
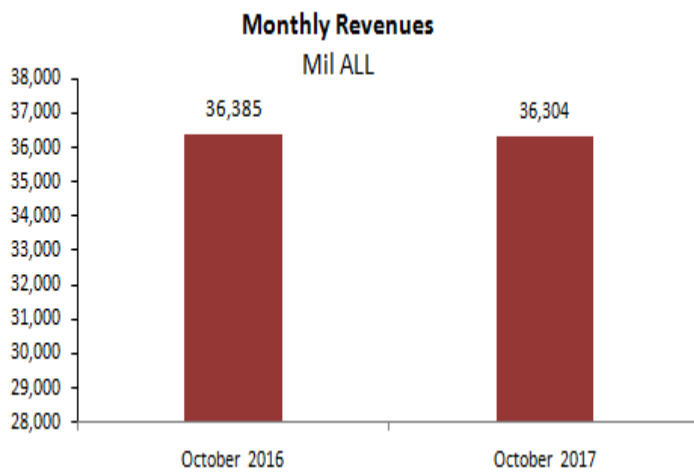
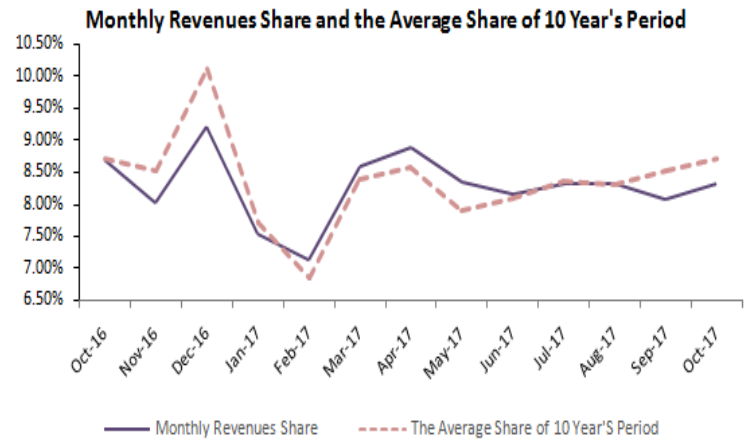
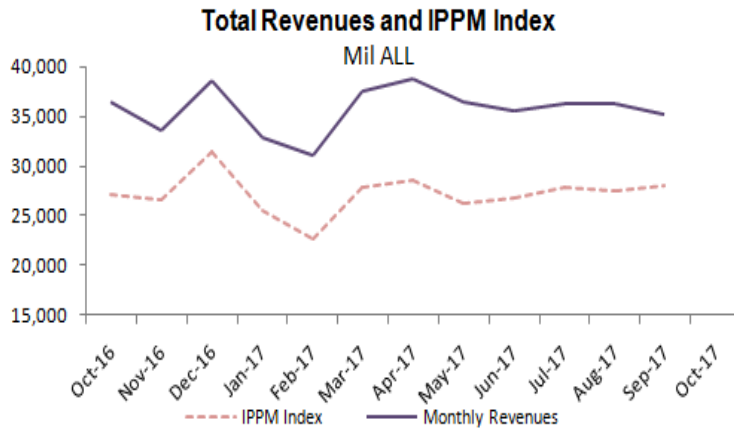
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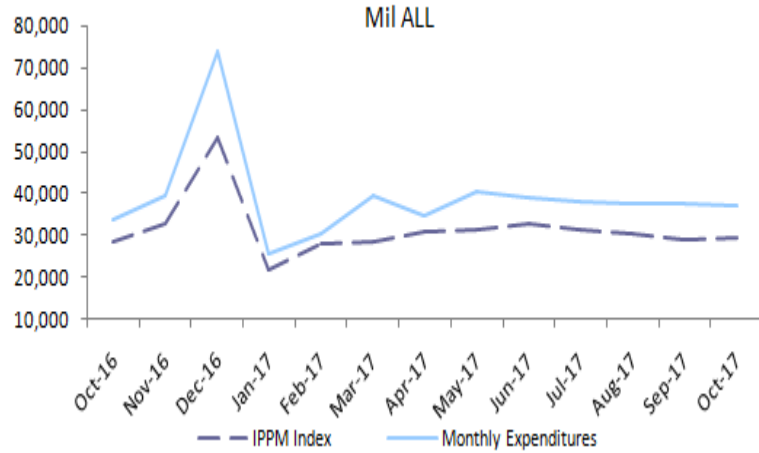
Public Finances Bulletin Graphic Analysis - October 2017

1. State budget revenues

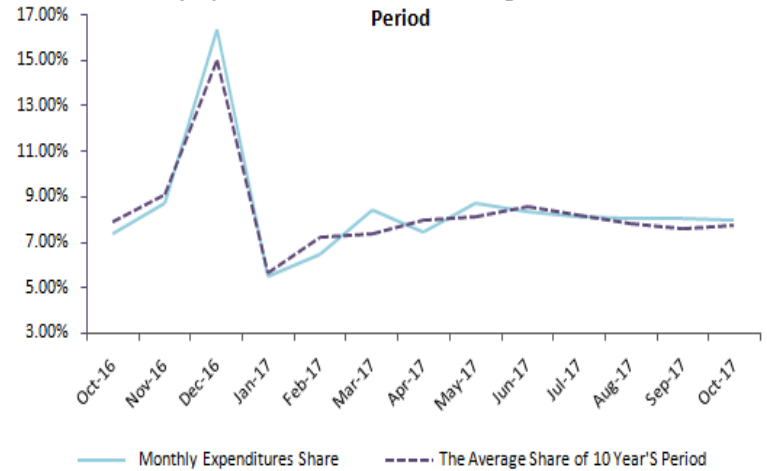


2. Central Government Expenditures

Central Government Expenditures and IPPM Index

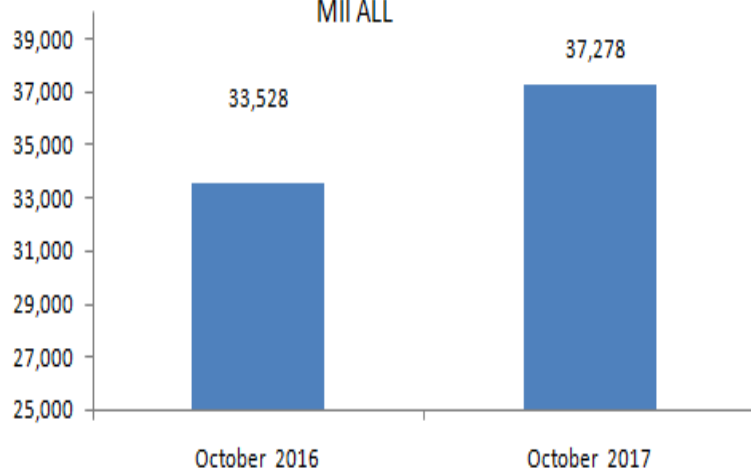


Monthly Expenditures Share and The Average Share of 10 Year's Period

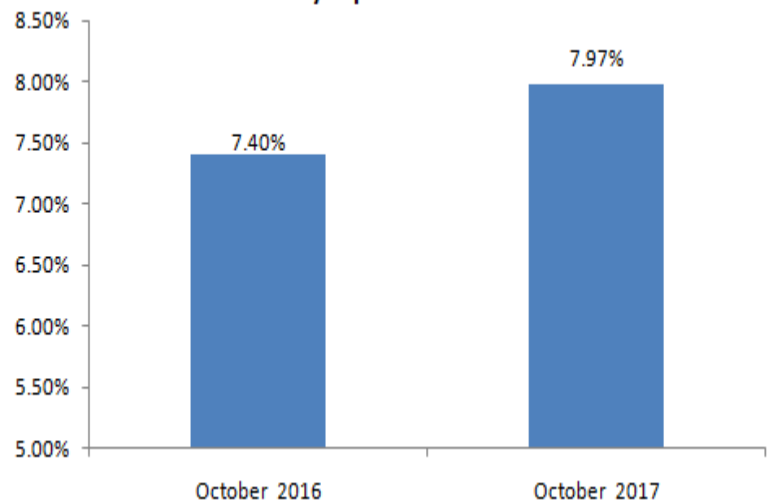


Monthly Expenditures

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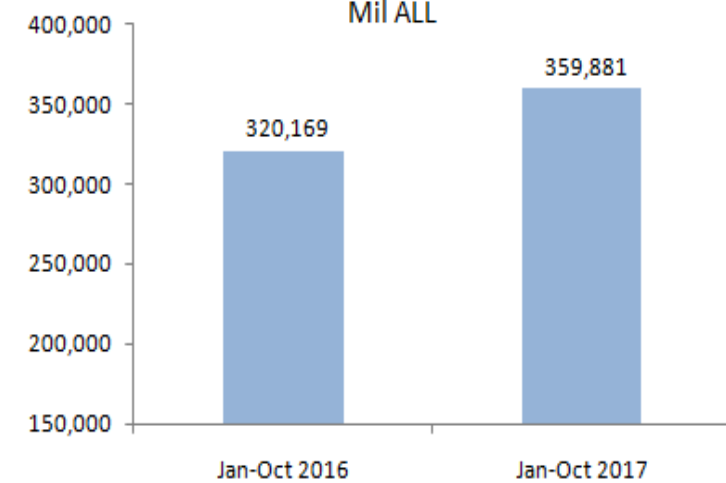


Monthly Expenditures Share

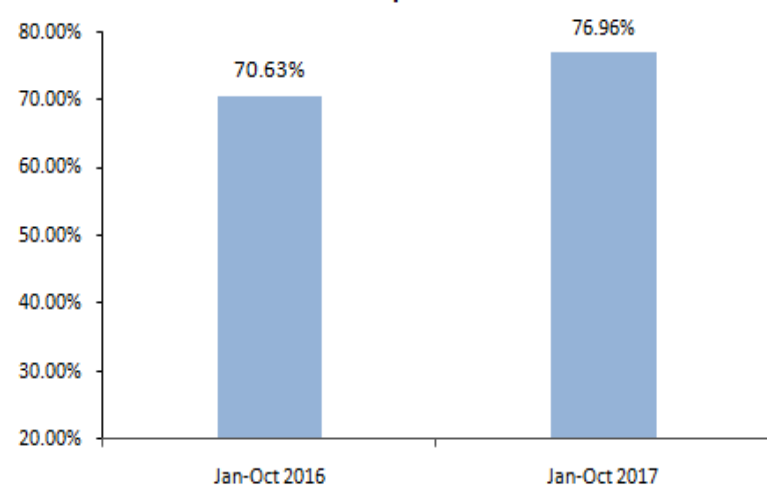


Cumulative Expenditures

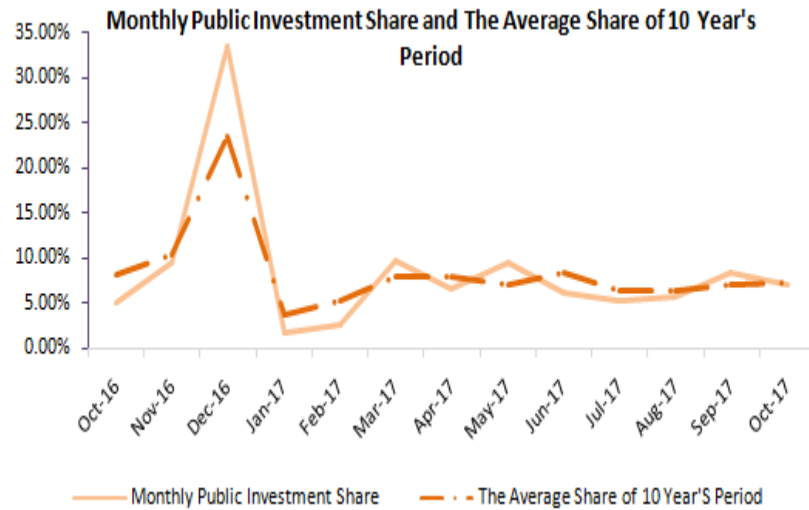
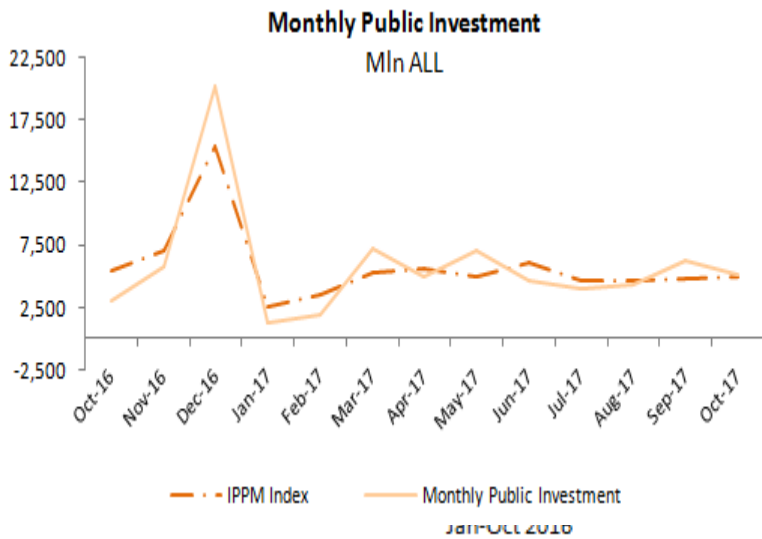
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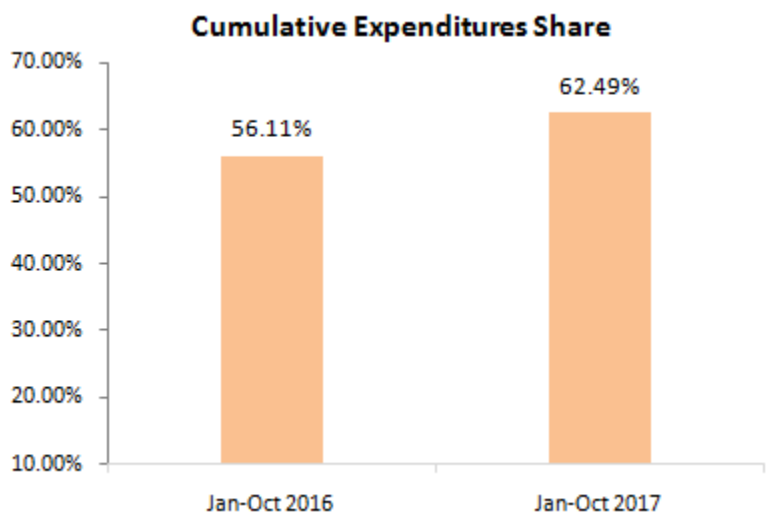
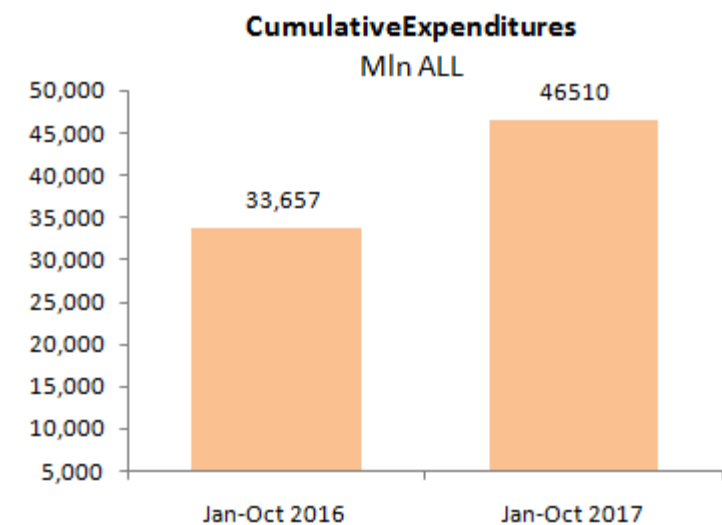
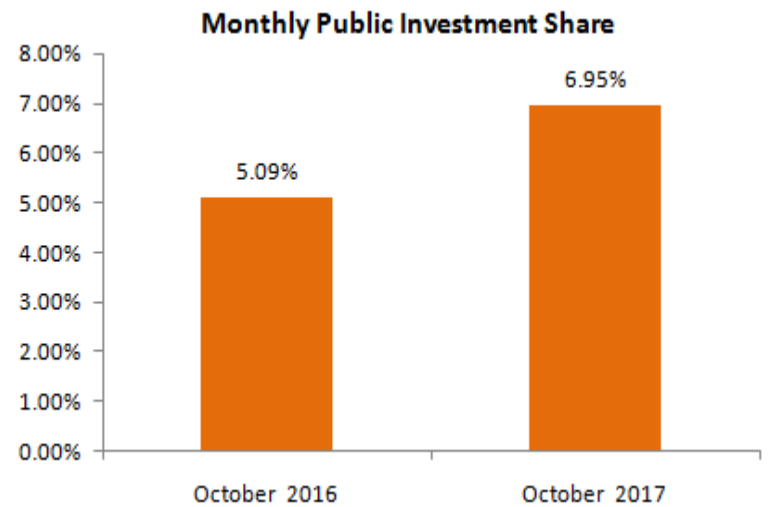
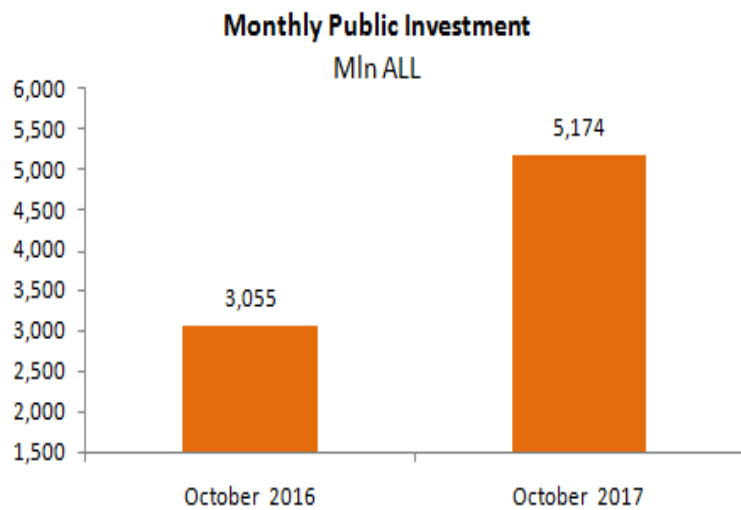
Cumulative Expenditures Share



3. Public Investments



4.



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

Institute for Public Policies and Good Governance

www.ippm.al/buletiniifinancavepublike

Ministry of Finances, Monthly Fiscal Statistics

www.minfin.gov.al