

Public Finances Bulletin –June 2018

By the Institute for Public Policies and Good Governance

The Ministry of Finance and Economy of the Republic of Albania has published the Fiscal Statistics for June 2018. In the service of the analysis, cumulative data on public incomes, government expenditures and investments were used from February 1998 to June 2018.

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

"During June 2018, annual revenue growth has marked an improvement over the same period of 2017, but not in relation to the average of the 10-year period. While cumulative earnings indicators show improvement compared to both periods. Total expenditures realized during June have shown worsening compared to the same period of the previous year and to the average of the last 10 years for this month. As for the cumulative total spending indicators, they have improved compared to the previous year and to the 10-year period. Public investments during the month of June have performed weaker related as to the same period of the previous year, as to the average of the last 10 years for this month, while cumulative indicators have marked improvement only related to the same period of the previous year, but not to the 10-year period.

Main comparisons:

Public revenues for June 2018 marked the value of 37.026 billion Lek. Compared with the same month of the previous year, there was an increase in nominal value of 1.483 billion Lek or an increase of 4.2%.

During June, revenues realized as part of the total planned revenues for the 2018 Budget were 7.97%, while the average revenue share for June of the last 10 years was 8.03%. Thus, earning income for June 2018 has resulted weaker than the average of the 10-year period, namely with a difference of 0.17 percentage points.

Total expenditures for June reached 34.592 billion Lek, marking a nominal decrease of 4.555 billion Lek, or a decrease of 11.6% compared to the same month for 2017.

For June, the average share of total spendings on this year's budget was 6.96 %, while the average share of the last 10 years for this indicator was 8.72%. In this regard, it can be said that the total expenditures for June 2018 have performed weaker than the average of the 10-year period, decreasing by 1.76 percentage points.



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Public Investments in June amounted to 3.4 billion Lek. Compared to the same month of the previous year, monthly public investments recorded a nominal decrease of 1.180 billion Lek or a 25.8% decrease.

Further analysis of indicators

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

State budget revenues

The total income for June 2018 was 37.026 billion Lek or 1.483 billion more than the same period a year earlier. The increase of 4.2% of revenues realized in annual terms is caused by the increase of tax revenues, while aid revenues have marked a decrease compared to the same period of the previous year. Tax revenues amounted to 34.147 billion Lek, or 1.354 billion Lek more than in June 2017, recording an increase of 4.1%. Aid revenues amounted to 133 million Lek or 481 million Lek less than in the same period a year earlier, recording a decrease of 59.1%.

The average share of aids income for June of this year was 2.3 %, while the average share of the 10-year period for this indicator was 7.82%, marking an increase of 5.52 percentage points.

The average share of tax revenues for June of this year was 8.05%, same as the average share of the 10-year period for this indicator, so not marking any difference in this regard.

According to the IPPM Index, in June, revenues realized as a share of the 2018 Budget are 0.07 percentage points lower than the average revenue share for the month of June during the last 10 years.

Cumulative data show that during the first 6 months of 2018, 217.034 billion Lek, or 4.748 billion Lek more were collected compared with the same period of the previous year, recording an increase of 2.24%. As a share to total revenue for 2018, the cumulative income for the first 6 months of this year reaches 50.43%.

Referring to the IPPM Index, it turns out that the average revenue share realized during the 6 first months of this year is 2.56 percentage points higher than the average share for the period 2008-2017.



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Central Government Expenditures

For the month of June 2018, total expenditures amounted to 34.592 billion Lek, decreasing by 4.555 billion Lek in nominal value, or a 11.6% decrease compared to June 2017, among which 2.518 billion Lek are caused from current expenditures decreasing. Current expenditures amounted to 31.192 billion Lek, marking a decrease of 31.192 billion Lek or a decrease of 7.5% compared to the same month of the previous year.

The total expenditure incurred during June 2018 to the total of these expenditures for this year resulted 1.76 percentage points below the average share for the last 10 years. The share of current spending for June to the 2018 Budget was 7.65%. Referring to the 10-year IPPM Index, it turns out that the current spending share realized during June for the 2018 Budget is 0.98 percentage points below the 10-year average of current spending for this month.

During the first 6 months of 2018, total expenditures reached 215.337 billion Lek, or 5.743 billion Lek more compared to January-June 2017, recording an increase of 2.74%.

The share of public spending realized during the first 6 months of this year to the Budget for 2018 reached the value of 46.67% and 0.9 percentage points above the cumulative index value for the period January to June of the last 10 years.

Public Investments

Public investments in June 2018 reached nominal value of 3.4 billion Lek, or 1.18 billion Lek less than in the previous year, marking a 25.8% decrease. Public investments with domestic financing amounted to 1.934 billion Lek, recording a decrease of 29.1% compared to the same period of the previous year, while foreign-funded public investments amounted to 1.455 billion Lek, recording a decrease of 21.5 % compared to June of the previous year. Higher education revenues amounted 11 billion Lek.

The share of public investment for the month of June to the 2018 Budget results 3.94%, while referring to the IPPM Index, it results that the average public investment share realized during the months of June for the last 10 years is 8.76%. In this regard, it can be said that this indicator performed poorer compared to the 10-year period, marking a fall of 4.82 percentage points.

Referring to cumulative statistics for January-June 2018, public investments during this period amounted to 30.488 billion Lek, or 3.642 billion Lek more compared to public investments carried out during the same period of 2017, recording an increase of 13.57%.

Referring to the IPPM Index, the average public investment share as cumulative for January-June for the period 2008 - 2017 is 42.06 %, while for 2018 it reaches 44.54%, marking an increase of this indicator by 2.48 percentage points compared with the average of 10-year-old.



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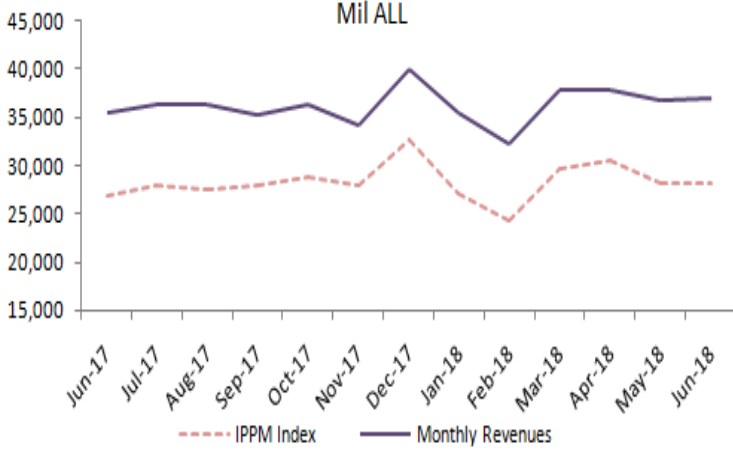
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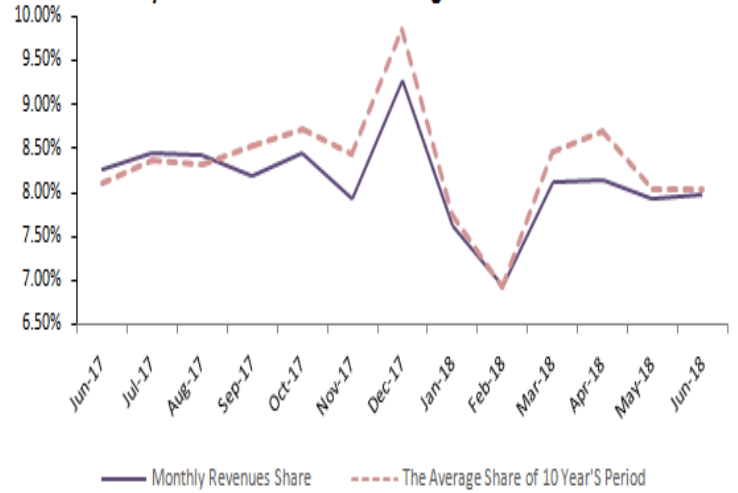
Public Finances Bulletin Graphic Analysis- June 2018

1. State budget revenues

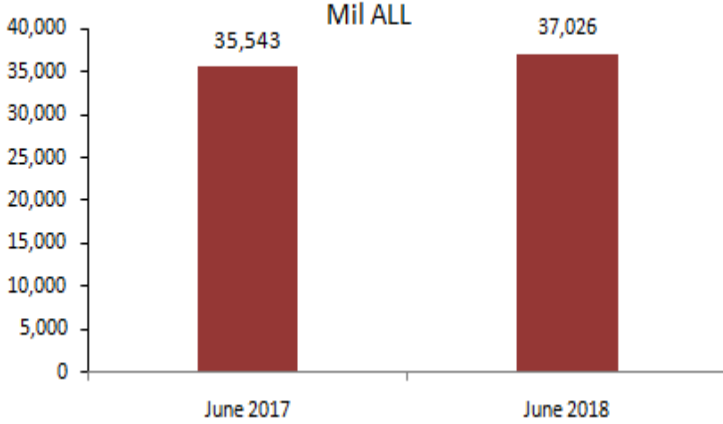
Total Revenues and IPPM Index



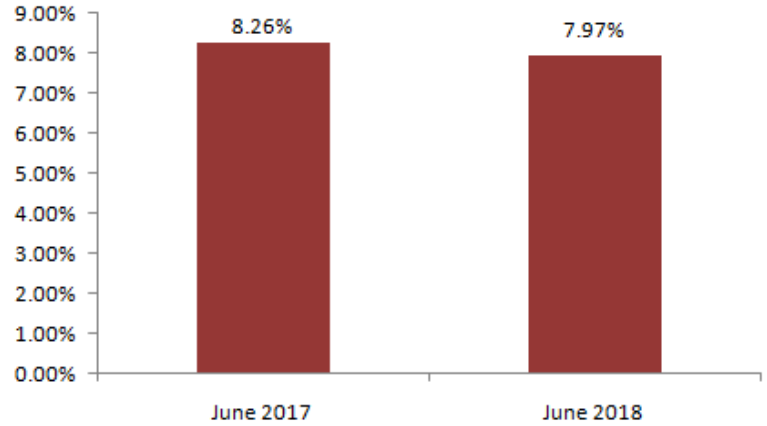
Monthly Revenues Share and the Average Share of 10 Year's Period



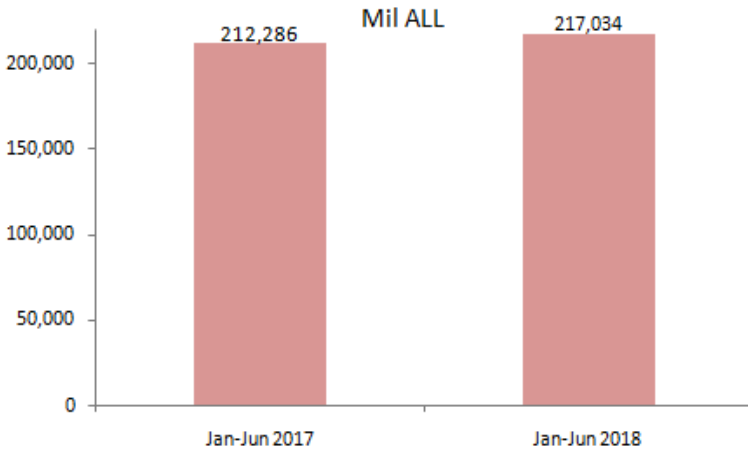
Monthly Revenues



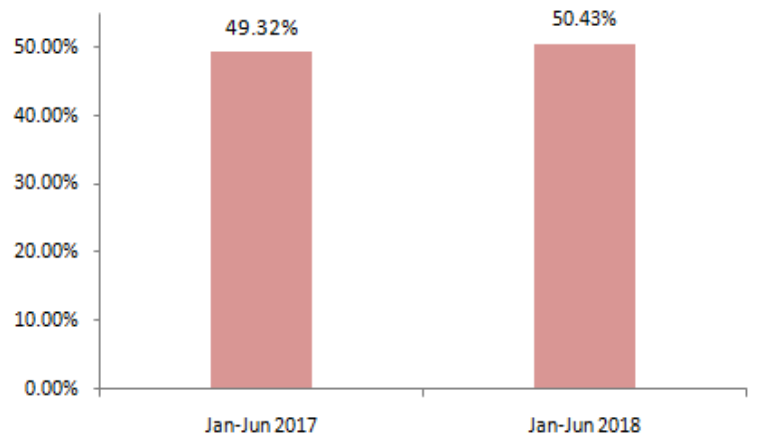
Monthly Revenues Share



Cumulative Revenues

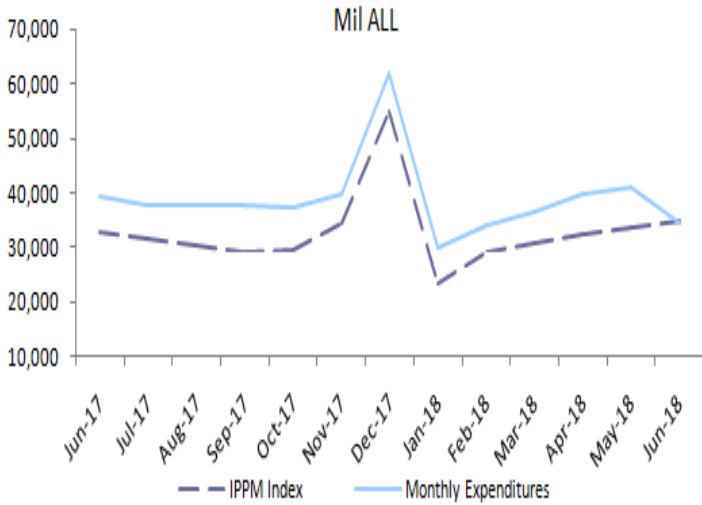


Cumulative Revenues Share

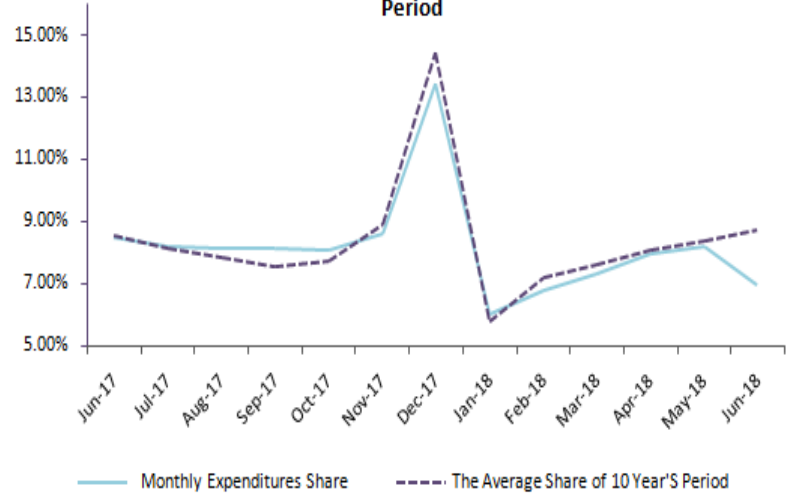


2. Central Government Expenditures

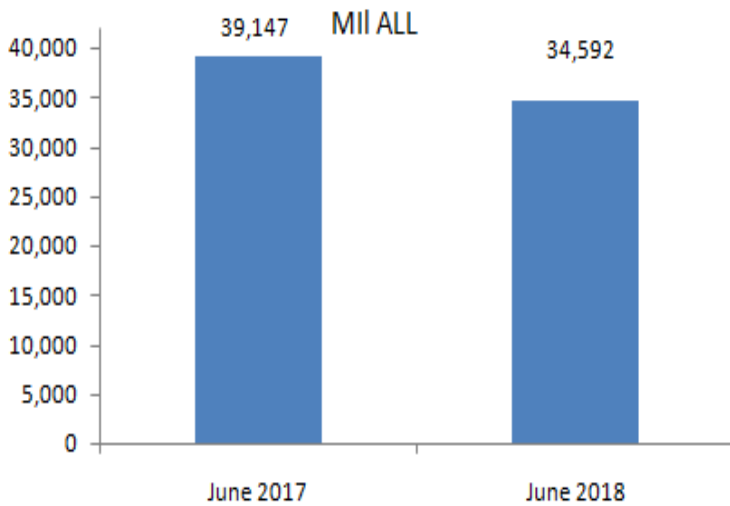
Central Government Expenditures and IPPM Index



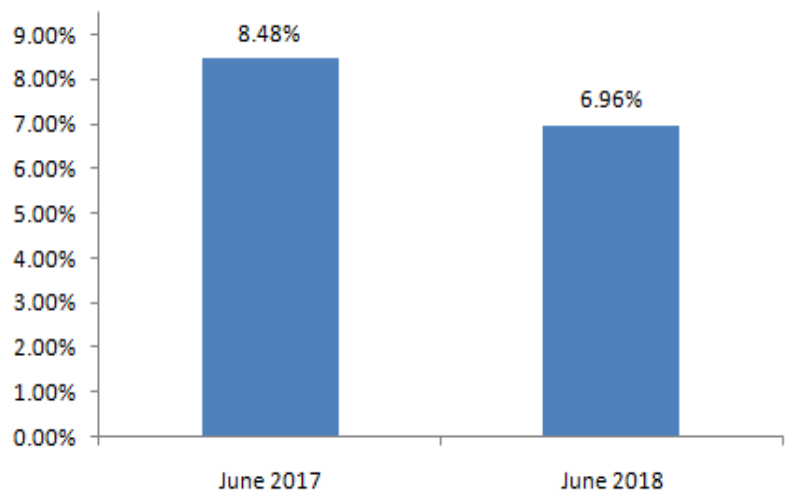
Monthly Expenditures Share and The Average Share of 10 Year's Period



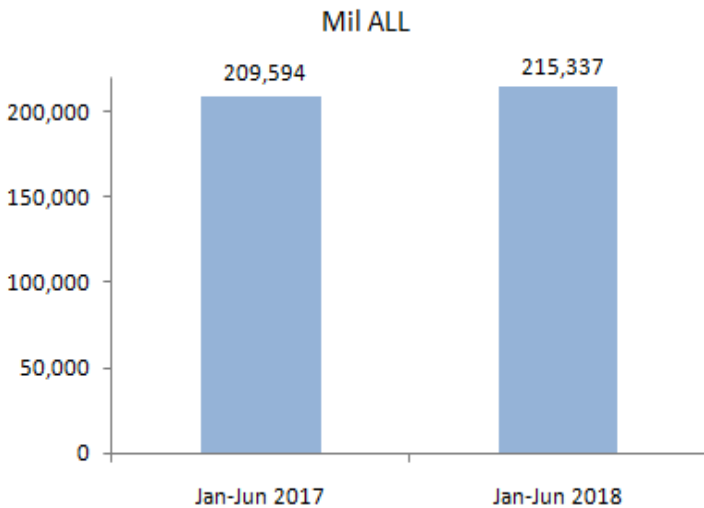
Monthly Expenditures



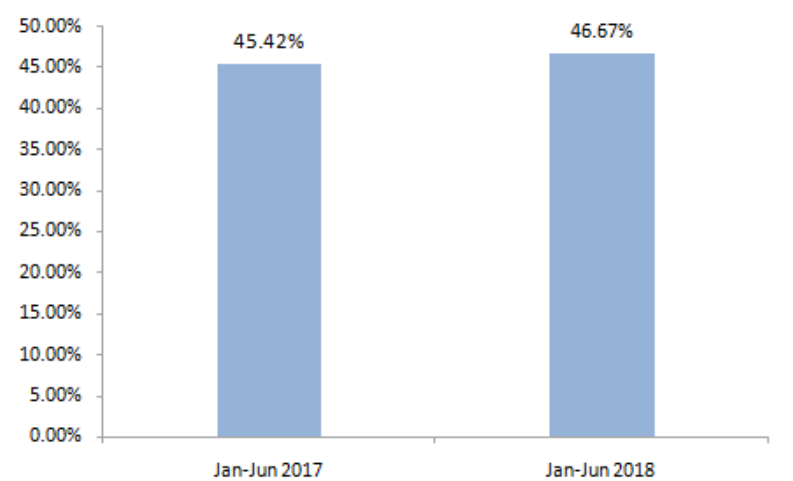
Monthly Expenditures Share



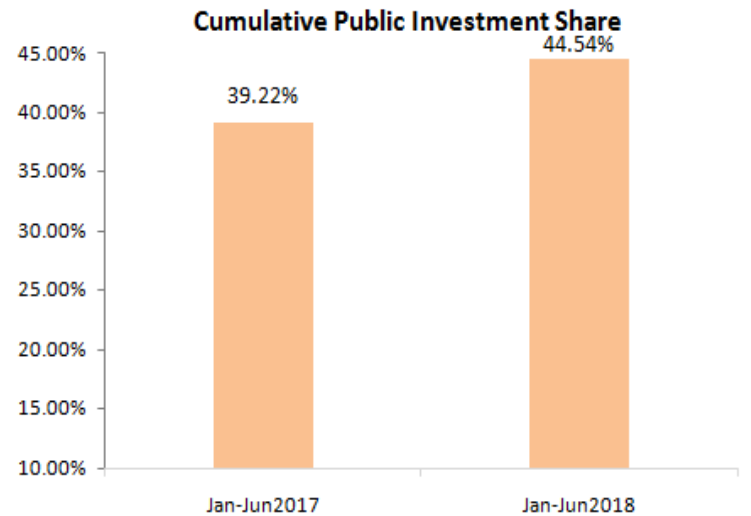
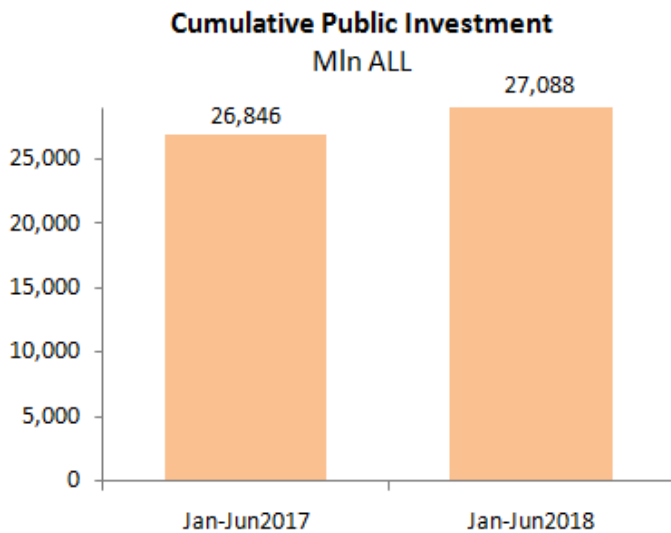
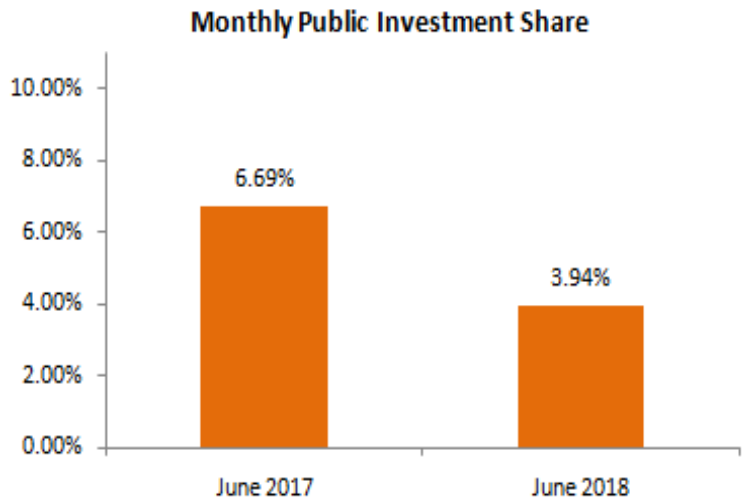
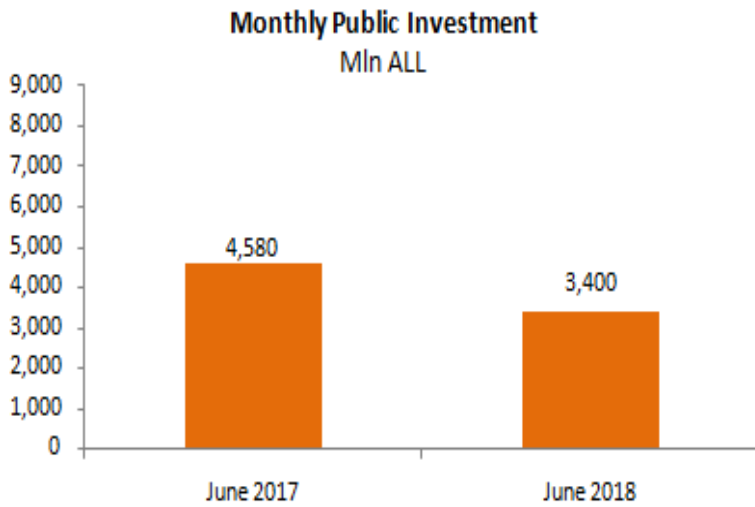
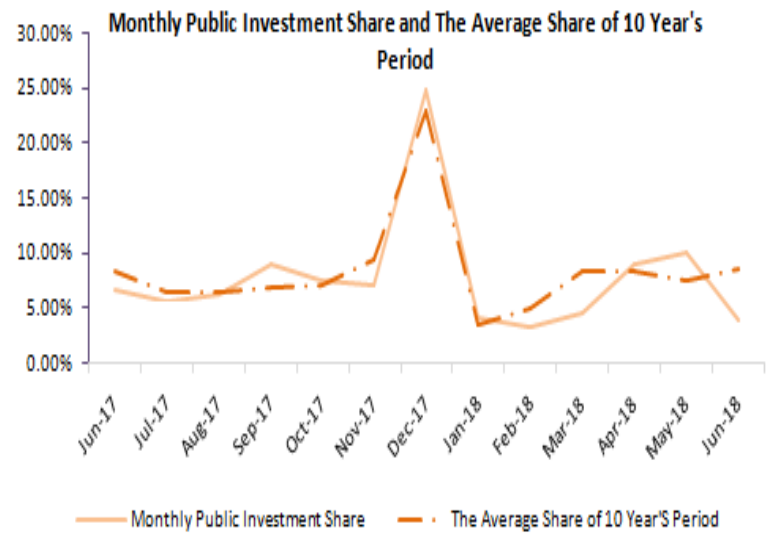
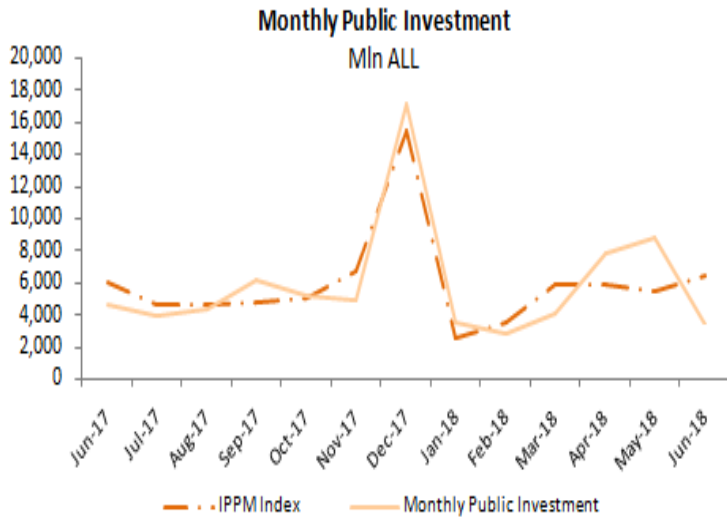
Cumulative Expenditures



Cumulative Expenditures Share



3. Public Investments



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Ministry of Finances, Monthly Fiscal Statistics

www.minfin.gov.al