

30 May 2017 | 1100 hrs | 090/2017

At the end of 2016, the General Government debt, increased by €144.4 million, amounting to €5,766.5 million, or 58.3 per cent of GDP.

Structure of General Government Debt: 2016

In 2016, the Financial Corporations sector held the biggest share of debt with 61.8 per cent, followed by Households and Non-Profit Institutions Serving Households (NPISH) with 26.6 per cent. The share of non-residents was 10.5 per cent, up from 8.8 per cent in 2015. The Non-Financial Corporations sector held 1.1 per cent of the debt (Table 1).

The 'debt securities', which includes the Malta Government Stocks and Treasury Bills, is by far the preferred debt instrument for General Government, with €5,379.3 million or 93.3 per cent of the total debt in 2016. Other debt instruments are the 'loans' and 'currency' with 5.5 per cent and 1.3 per cent respectively (Table 2).

Almost all the debt owed by the General Government Sector is in national currency. The stock of debt in foreign currencies has decreased and in 2016 it amounted to €0.1 million (Table 3). The apparent cost of debt, which is the interest rate applicable to the whole nominal debt, was 3.8 per cent in 2016 compared to 4.1 per cent in 2015 (Table 4).

For 2016 the market value of the total General Government debt is estimated at €6,953.4 million compared to the nominal value of €5,766.5 million. Reflecting the positive performance of the debt securities in the local financial market, the market debt increased by €242.1 million over 2016, as compared to an increase of €144.4 million in nominal debt.

Last year, the time structure of the debt by initial maturity shows that €3,283.2 million, or 56.9 per cent, was issued with a maturity of 15 to 30 years. This was followed by debt issued for 5 to 7 years (14.2 per cent), 10 to 15 years (10.6 per cent) and 1 to 5 years (7.4 per cent) (Table 6). The average remaining maturity of total debt for 2016 increased to nine years eight months from eight years eight months in 2015. Compared to 2013 which had an average remaining maturity of seven years eleven months, the debt is being issued on a longer term basis. The biggest share of debt by remaining maturity in 2016 was in the 1 to 5-year category with €1,791.2 million, followed by the 15 to 30-year (€1,402.6 million) and the 10 to 15-year (€1,252.4 million) categories (Table 7).

Government guarantees on borrowing amounted to €1,399.3 million in 2016, a decrease of €4.9 million over 2015. The majority of Government guarantees are issued towards the Non-Financial Corporations sector, which accounts for 78.8 per cent of the total guarantees (Table 8).

The General Government debt data reported in this release are consistent with the April 2017 EDP notification as published in news release 069/2017 dated 24 April ■

Table 1. Structure of General Government Debt by sector, year and debt holder

€ 000

	Sector	2013	2014	2015	2016
Non-Financial Corporations	S11	59,088	88,367	74,921	60,880
Financial Corporations	S12	3,224,744	3,176,866	3,502,123	3,562,334
Households and NPISHs	S14+S15	1,596,156	1,701,881	1,549,036	1,535,434
Rest of the World	S2	366,290	454,021	496,025	607,843
Total General Government Debt		5,246,278	5,421,135	5,622,106	5,766,491
as a % of GDP		68.7%	64.3%	60.6%	58.3%

Source of GDP data: News Release 041/2017 dated 8 March 2017.

Chart 1. General Government debt

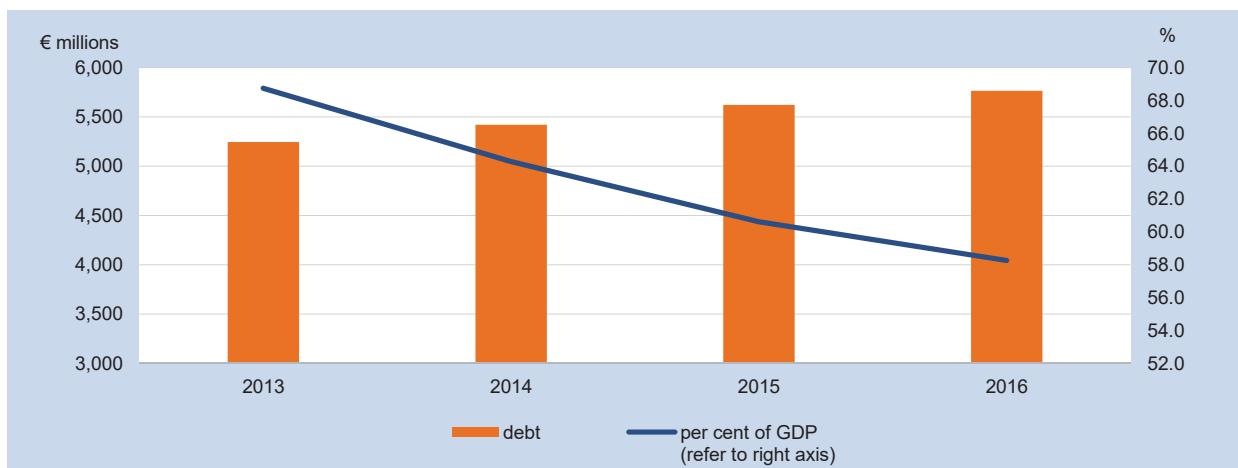


Table 2. Structure of General Government Debt by ESA code, year and instrument

€ 000

	ESA code	2013	2014	2015	2016
Currency	AF29	55,279	60,397	68,510	72,832
Debt Securities	AF3	4,813,680	4,968,456	5,175,972	5,379,343
Loans	AF4	377,319	392,282	377,623	314,316
Total General Government Debt		5,246,278	5,421,135	5,622,106	5,766,491

Chart 2. Debt holders by institutional sector (%): 2016

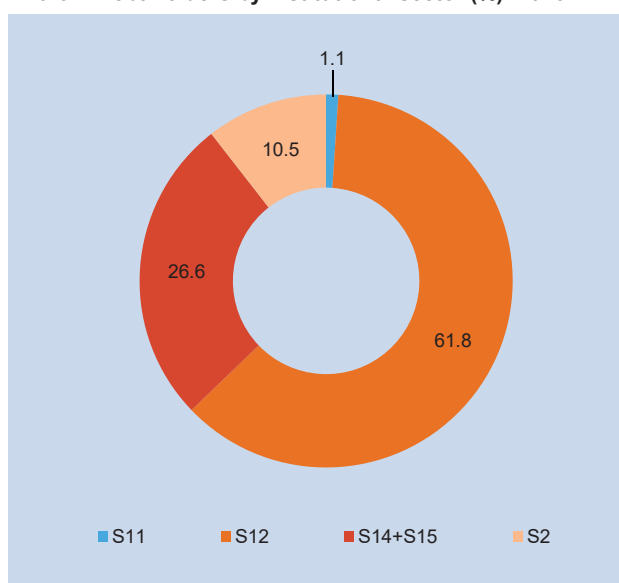


Chart 3. Debt by financial instrument (%): 2016

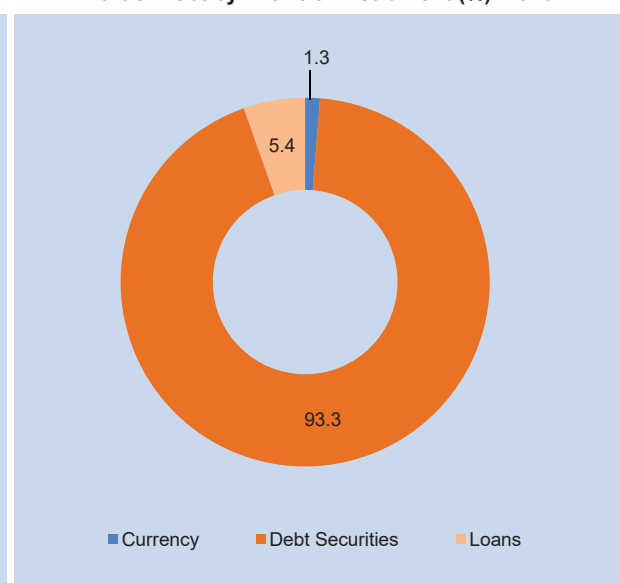


Table 3. Structure of General Government Debt by year and currency of issuance

	€ 000			
	2013	2014	2015	2016
Debt in national currency	5,245,748	5,420,764	5,621,965	5,766,359
Debt in foreign currencies	530	371	141	132
of which: US Dollar	351	202	0	0
Canadian Dollar	179	169	141	132

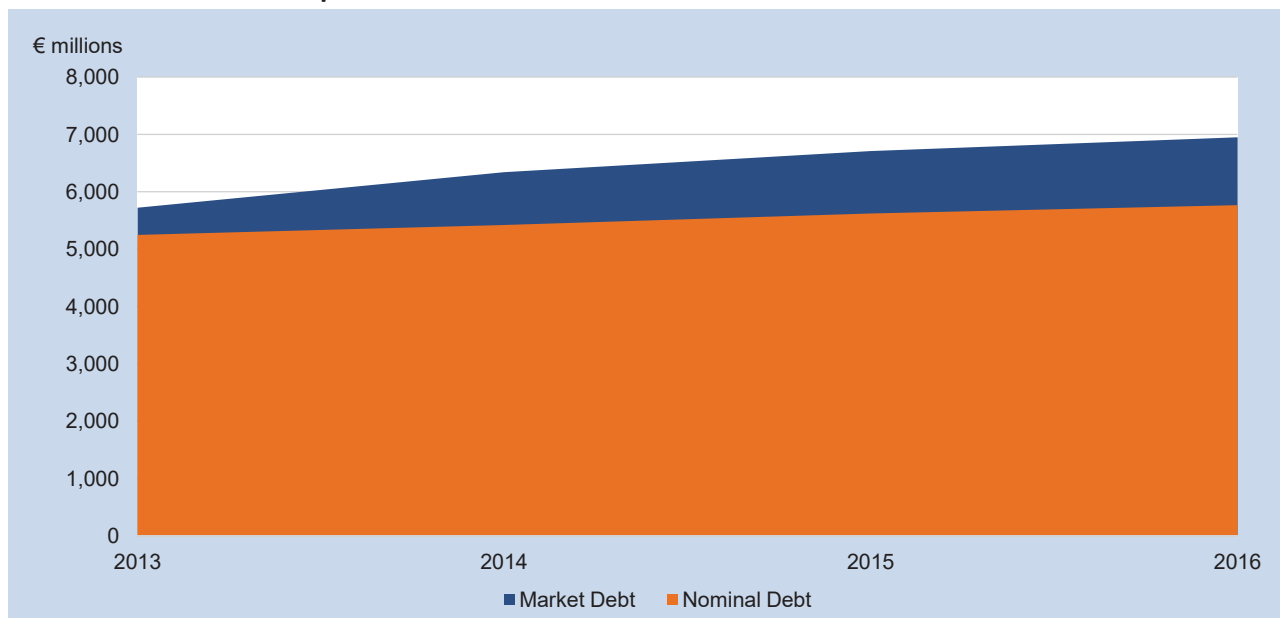
Table 4. Apparent cost of debt by year
(%)

	2013	2014	2015	2016
Apparent cost of debt *	4.33	4.33	4.13	3.82

* The apparent cost of debt may be defined as the interest rate applicable to the whole nominal debt

Table 5. Market value of debt by year

	€ 000			
	2013	2014	2015	2016
Market value of total debt	5,726,042	6,343,669	6,711,242	6,953,359

Chart 4. Nominal debt compared to market debt

Maastricht debt is in nominal value, which is considered equivalent to the face value, and represents in some cases the value of right/commitment on principal resulting from a financial instrument i.e. the undiscounted amount of the principal that the government will have to pay to creditors at maturity. ESA2010 debt is in market value, based on the price of a security as determined dynamically by buyers and sellers in an open market and includes also accrued interest.

Table 6. Structure of General Government Debt by year and initial maturity

€ 000

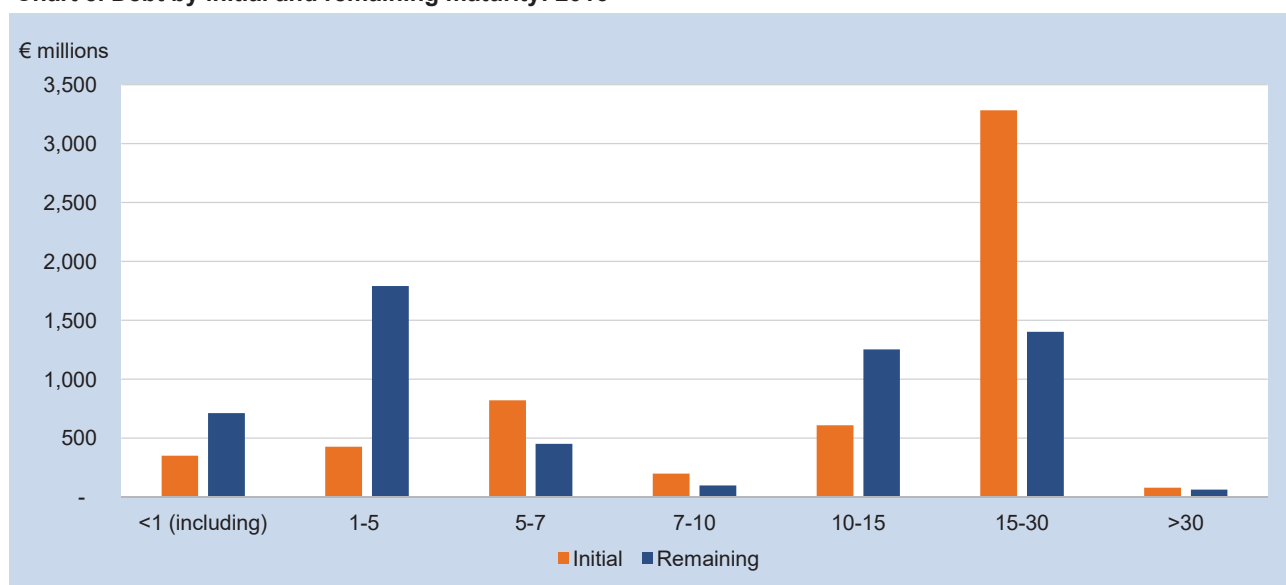
	2013	2014	2015	2016
Initial maturity in years:				
<1 (including)	323,615	229,076	322,546	349,373
1-5	554,534	586,336	632,998	426,254
5-7	737,937	791,807	760,714	821,646
7-10	381,871	213,127	213,652	198,565
10-15	1,262,894	891,239	828,715	608,386
15-30	1,928,851	2,630,472	2,784,404	3,283,189
>30	56,576	79,077	79,077	79,077
Total General Government Debt	5,246,278	5,421,135	5,622,106	5,766,491

Table 7. Structure of General Government Debt by year and remaining maturity

€ 000

	2013	2014	2015	2016
Average remaining maturity of total debt, in years and months	7 years; 11 months	8 years; 9 months	8 years; 8 months	9 years; 8 months
Remaining maturity in years:				
<1 (including)	664,273	532,007	763,602	711,669
1-5	1,619,104	1,713,755	1,702,926	1,791,230
5-7	615,167	769,299	774,511	449,844
7-10	855,569	419,883	123,877	96,579
10-15	487,073	548,994	1,109,962	1,252,397
15-30	942,494	1,358,120	1,070,866	1,402,591
>30	62,599	79,077	76,361	62,180
Total General Government Debt	5,246,278	5,421,135	5,622,106	5,766,491

Chart 5. Debt by initial and remaining maturity: 2016



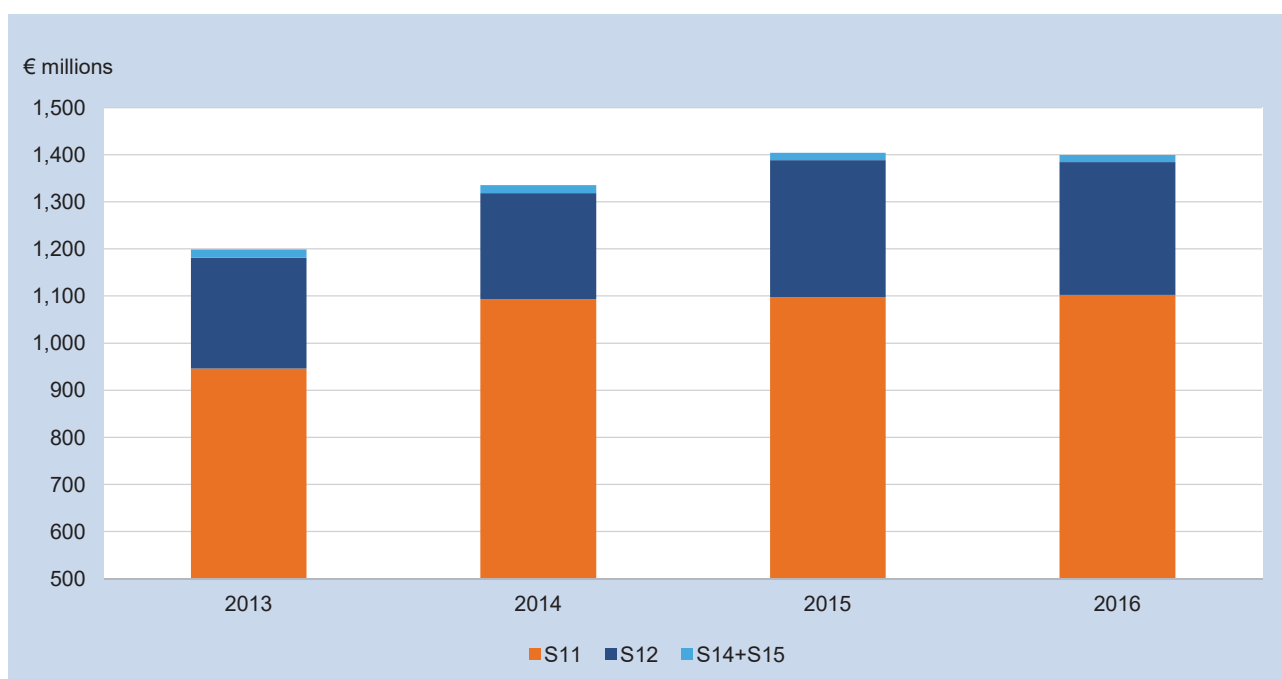
The initial maturity is the final payment date of a loan or a financial instrument as announced at the date of issuance, while the remaining maturity is the remaining time until the expiration or repayment of the loan or financial instrument.

Table 8. Government guarantees by sector, year and holder

		€ 000			
	Sector	2013	2014	2015	2016
Non-Financial Corporations	S11	945,729	1,093,805	1,097,725	1,102,590
Financial Corporations	S12	235,334	224,687	290,549	282,026
Households and NPISHs	S14+S15	17,615	16,786	15,900	14,642
Rest of the World	S2	0	0	0	0
Total Government Guarantees		1,198,678	1,335,278	1,404,174	1,399,259
as a % of GDP		15.7%	15.8%	15.1%	14.1%

Source of GDP data: News Release 041/2017 dated 8 March 2017.

Chart 6. Government Guarantees beneficiaries by Institutional Sector: 2016



Guarantees are arrangements whereby the guarantor undertakes to a lender that if a borrower defaults, the guarantor will make good the loss the lender would otherwise suffer (ESA 2010 B5.1.1). Government guarantees include guarantees granted by the EBUs but exclude government guarantees provided to EBUs.

Methodological Notes

1. This release presents Government debt in line with the methodology defined in the Maastricht Treaty (Article 104). The basic conceptual reference framework for this exercise is the ESA 2010 Manual on Government Deficit and Debt (2016 edition) which is in turn based on the European System of National and Regional Accounts (ESA 2010). This compliance with the reference framework allows for the international comparability of the data.
2. General Government Sector (S.13 sector according to the ESA 2010 definitions) is made up of the Central Government Sector (S.1311) and the Local Government Sector (S.1313). The Central Government Sector includes the Budgetary Central Government, made up of Government Ministries and Departments and the Extra Budgetary Units (EBUs).
3. Figures in the tables presented may not add up due to rounding.
4. Data may be subject to revision.
5. More information relating to this news release may be accessed at:
Statistical Concepts: <http://nso.gov.mt/metadata/concepts.aspx>
Metadata: <http://nso.gov.mt/metadata/reports.aspx?id=95>
Glossary: http://nso.gov.mt/en/nso/Sources_and_Methods/Unit_A2/Public_Finance/Pages/Quarterly-Accounts-for-General-Government.aspx
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European statistics comparable to data in this News Release are available at:

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