

27 May 2019 | 1100 hrs | 082/2019

At the end of 2018, the General Government debt amounted to €5,664.7 million, or 46.0 per cent of GDP, a decrease of €17.8 million over 2017.

## Structure of General Government Debt: 2018

In 2018, the Financial Corporations sector held the biggest share of debt with 61.6 per cent, followed by Households and Non-Profit Institutions Serving Households (NPISH) with 24.1 per cent. The share of non-residents was 13.0 per cent, an increase of 4.1 percentage points over the debt held in 2015. The Non-Financial Corporations sector held 1.3 per cent of the debt (Table 1).

The 'debt securities' includes the Malta Government Stocks and Treasury Bills. This is the preferred debt instrument for General Government, with €4,999.4 million or 88.3 per cent of the total debt in 2018. Other debt instruments are the 'loans' and 'currency' with 6.8 per cent and 4.9 per cent respectively. The increases reported under 'Currency' in 2017 and 2018 relate to the introduction of the 62+ Malta Government Savings Bonds (Table 2).

The majority of the debt owed by the General Government Sector is in national currency. The stock of debt in foreign currencies decreased considerably over the years and in 2018 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 3.3 per cent in 2018 in contrast to 4.2 per cent for 2015, reflecting the current low interest rate scenario (Table 4).

For 2018 the market value of the total General Government debt is estimated at €6,567.2 million compared to the nominal value of €5,664.7 million. Due to the positive performance of the debt securities in the local financial market, the market debt decreased by €116.6 million over 2017, as compared to a decrease of €17.8 million in nominal debt (Table 5).

For the year under review, the time structure of the debt by initial maturity shows that €3,124.4 million, or 55.2 per cent, was issued with a maturity of 15 to 30 years. This was followed by debt issued for 5 to 7 years (12.8 per cent), 10 to 15 years (11.2 per cent), 1 to 5 years and less than 1 year (both at 7.4 per cent) (Table 6). The average remaining maturity of total debt for 2018 was 8 years 10 months, down from 9 years 5 months in 2017. The biggest share of debt by remaining maturity in 2018 was in the 1 to 5-year category with €1,739.1 million, followed by the 10 to 15-year (€1,529.3 million) and the less than 1-year (€995.6 million) categories (Table 7).

Government guarantees on borrowing amounted to €1,071.1 million in 2018, or 8.7 per cent of GDP, an increase of €1.8 million over 2017. The majority of Government guarantees are issued towards the Non-Financial Corporations sector, which accounts for 74.4 per cent of the total guarantees (Table 8). The Financial Corporations sector benefitted from 24.5 per cent of the Government guarantees.

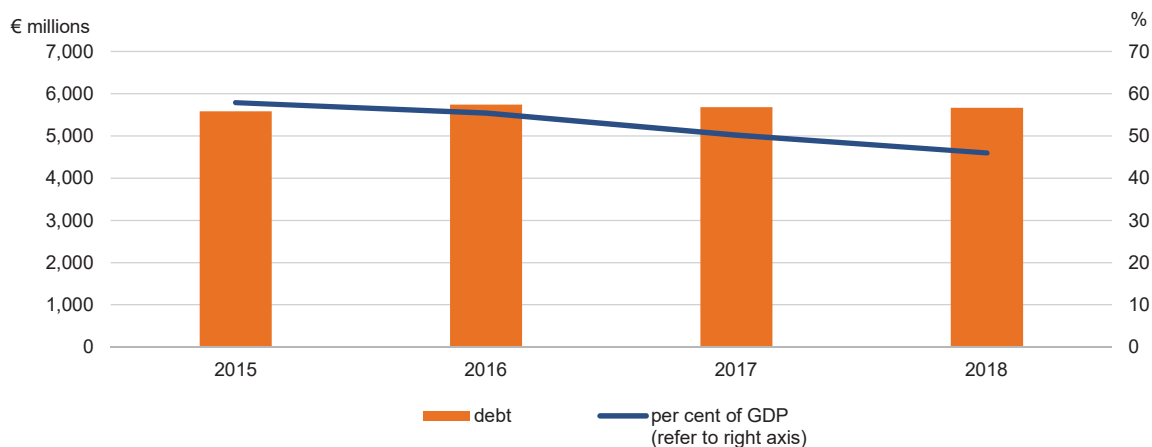
The General Government debt data reported in this release are consistent with the April 2019 EDP notification as published in news release 061/2019 dated 23 April ■

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

		€ 000			
	Sector	2015	2016	2017	2018
Non-Financial Corporations	S11	75,599	65,876	57,578	74,490
Financial Corporations	S12	3,464,927	3,529,733	3,537,462	3,487,139
Households and NPISHs	S14+S15	1,549,523	1,536,272	1,400,270	1,367,113
Rest of the World	S2	496,118	608,006	687,246	736,002
<b>Total General Government Debt</b>		<b>5,586,167</b>	<b>5,739,887</b>	<b>5,682,556</b>	<b>5,664,744</b>
as a % of GDP		57.9%	55.5%	50.2%	46.0%

Note: GDP data found in NSO News Release 038/2019.

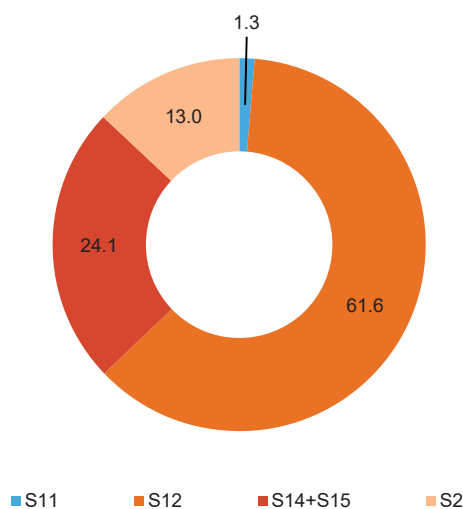
**Chart 1. General Government debt**



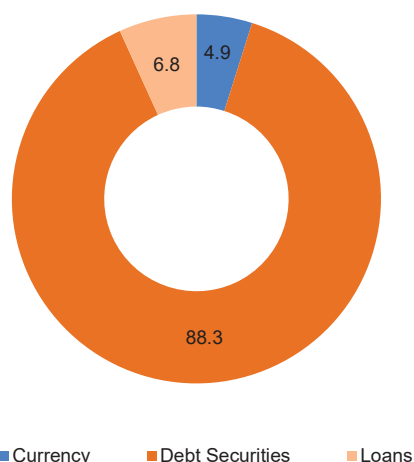
**Table 2. Structure of General Government Debt by ESA code, year and instrument**

		€ 000			
	ESA code	2015	2016	2017	2018
Currency	AF29	68,510	72,832	177,826	277,013
Debt Securities	AF3	5,144,169	5,338,012	5,153,961	4,999,421
Loans	AF4	373,488	329,043	350,769	388,310
<b>Total General Government Debt</b>		<b>5,586,167</b>	<b>5,739,887</b>	<b>5,682,556</b>	<b>5,664,744</b>

**Chart 2. Debt holders by institutional sector (%): 2018**



**Chart 3. Debt by financial instrument (%): 2018**



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

	€ 000			
	2015	2016	2017	2018
Debt in national currency	5,586,026	5,739,755	5,682,447	5,664,656
Debt in foreign currencies	141	132	108	88
of which: US Dollar	0	0	0	0
Canadian Dollar	141	132	108	88

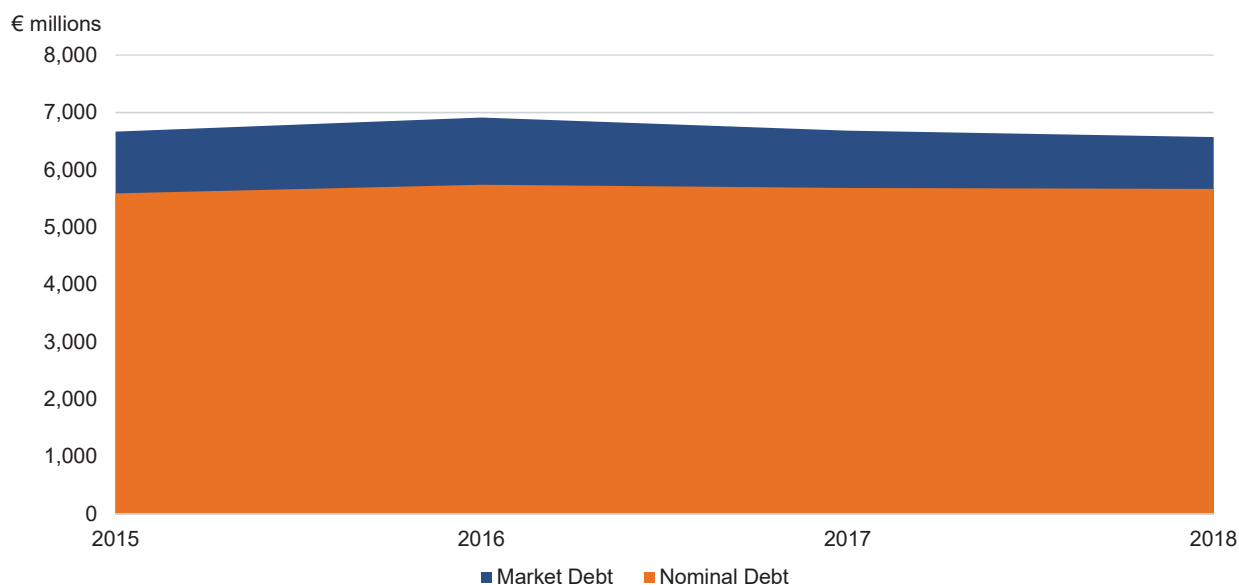
**Table 4. Apparent cost of debt by year**  
(%)

	2015	2016	2017	2018
Apparent cost of debt <sup>1</sup>	4.2	3.8	3.6	3.3

<sup>1</sup> 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			
	2015	2016	2017	2018
Market value of total debt	6,666,435	6,914,753	6,683,832	6,567,230

**Chart 4. Nominal debt compared to market debt**

Note: 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

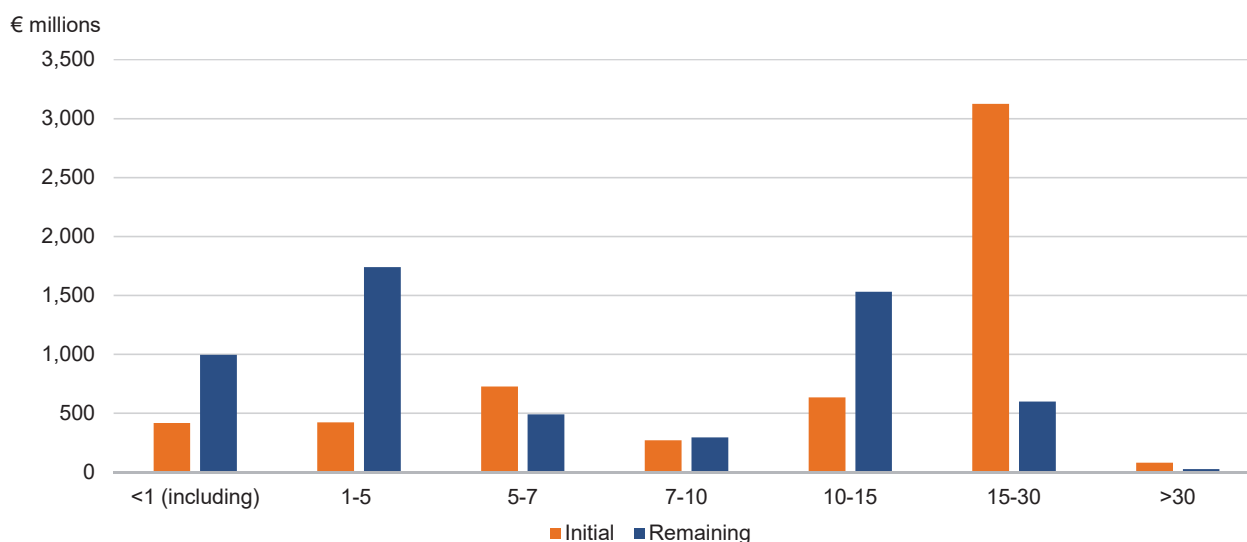
	2015	2016	2017	2018
Initial maturity in years:				
<1 (including)	321,757	354,456	287,430	416,729
1-5	636,791	429,294	395,855	420,510
5-7	762,343	809,314	755,741	724,674
7-10	213,652	198,565	276,393	267,614
10-15	808,689	608,570	605,570	631,735
15-30	2,763,858	3,260,611	3,282,490	3,124,406
>30	79,077	79,077	79,077	79,077
<b>Total General Government Debt</b>	<b>5,586,167</b>	<b>5,739,887</b>	<b>5,682,556</b>	<b>5,664,744</b>

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

€ 000

	2015	2016	2017	2018
Average remaining maturity of total debt, in years and months:	8 years 8 months	9 years 8 months	9 years 5 months	8 years 10 months
Remaining maturity in years:				
<1 (including)	762,813	716,103	692,394	995,606
1-5	1,708,348	1,768,160	1,835,228	1,739,130
5-7	763,910	449,844	252,786	488,431
7-10	123,877	81,424	162,653	292,464
10-15	1,079,335	1,254,609	1,551,735	1,529,271
15-30	1,071,523	1,407,566	1,156,619	596,856
>30	76,361	62,180	31,140	22,987
<b>Total General Government Debt</b>	<b>5,586,167</b>	<b>5,739,887</b>	<b>5,682,556</b>	<b>5,664,744</b>

**Chart 5. Debt by initial and remaining maturity: 2018**



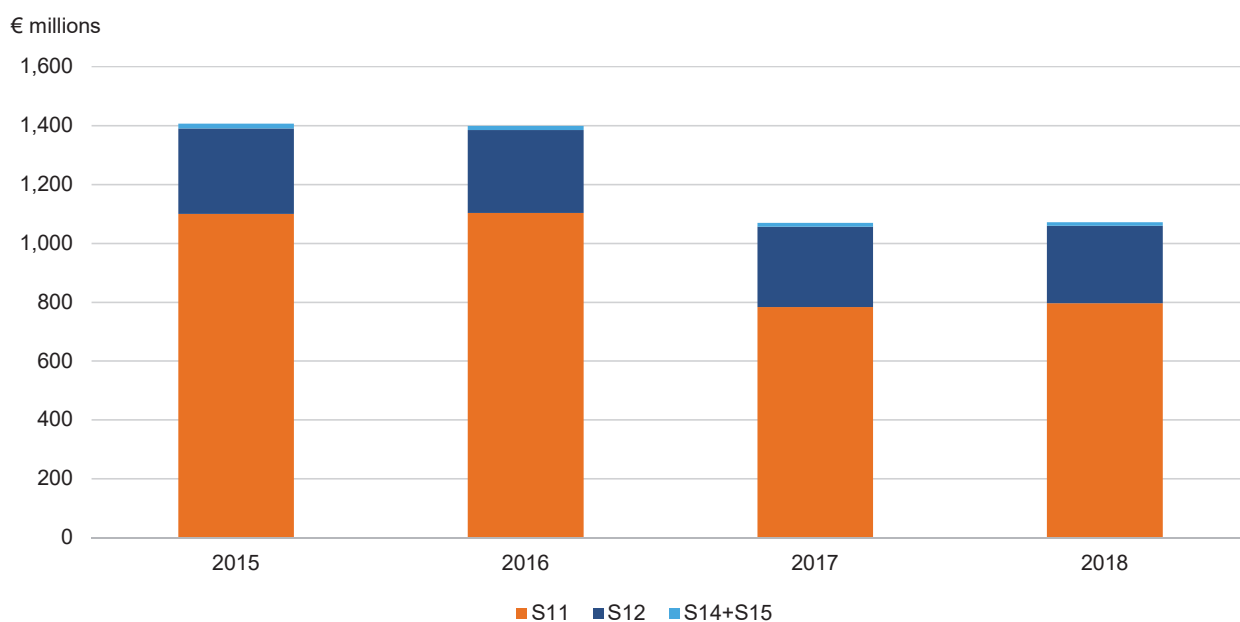
Note: The initial maturity is the final payment date of a loan or a financial instrument as announced at the date of issuance, while the remaining maturity is the remaining time until the expiration or repayment of the loan or financial instrument.

**Table 8. Government guarantees by sector, year and holder**

		€ 000			
	Sector	2015	2016	2017	2018
Non-Financial Corporations	S11	1,099,629	1,102,546	783,341	796,683
Financial Corporations	S12	290,549	282,026	273,167	262,855
Households and NPISHs	S14+S15	15,900	14,642	12,784	11,523
Rest of the World	S2	0	0	0	0
<b>Total Government Guarantees</b>		<b>1,406,078</b>	<b>1,399,215</b>	<b>1,069,292</b>	<b>1,071,062</b>
as a % of GDP		14.6%	13.5%	9.5%	8.7%

Note: GDP data found in NSO News Release 038/2019.

**Chart 6. Government Guarantees beneficiaries by Institutional Sector: 2018**



Note: 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](http://nso.gov.mt/en/nso/Sources_and_Methods/Unit_A2/Public_Finance/Pages/Quarterly-Accounts-for-General-Government.aspx)  
Statistical Database: <http://nso.gov.mt/statdb/start>
6. References to this news release are to be cited appropriately.
7. A detailed news release calendar is available on:  
[https://nso.gov.mt/en/News\\_Releases/Release\\_Calendar/Pages/News-Release-Calendar.aspx](https://nso.gov.mt/en/News_Releases/Release_Calendar/Pages/News-Release-Calendar.aspx)

**European statistics comparable to data in this News Release are available at:**

[EUROSTAT Website/Homepage/Statistics Database](#)

Data Navigation Tree

- >Database by themes
  - >Economy and Finance
    - >Government statistics (gov)
      - >Government finance statistics (EDP and ESA2010) (gov\_gfs10)
        - >Government deficit and debt (gov\_10dd)
          - >Structure of government debt (gov\_10dd\_sgd)

For further assistance send a request from:

<http://nso.gov.mt/en/Services/Pages/Request-for-Information.aspx>