

# News Release



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## Government Finance

### Quarterly Accounts for General Government: Q3/2007

*In the third quarter of 2007 the General Government registered a deficit of Lm13.7 million (€31.8 million).*

According to provisional estimates, the deficit recorded by General Government for the third quarter of 2007 amounted to Lm13.7 million (€31.8 million), compared to a deficit of Lm11.7 million (€27.2 million) for the third quarter of 2006.

During the July-September period this year total revenue amounted to Lm220.4 million (€513.3 million), a decrease of Lm1.8 million (€4.2 million) compared to the same period last year. Revenue classified as 'current taxes on income and wealth' increased by Lm7.1 million (€16.6 million), while 'transfers receivables' declined by Lm8.3 million (€19.4 million) on account of less grants received.

Concurrently total expenditure amounted to Lm234.0 million (€545.1 million), registering an increase of Lm0.2 million (€0.4 million). While 'compensation of employees' and 'social benefits' added Lm3.2 million (€7.5 million) and Lm2.6 million (€6.1 million) respectively, 'gross capital formation' declined by Lm5.4 million (€12.6 million) and 'property income payable' declined by Lm4.6 million (€10.8 million).

When analysed on a year-to-date basis (January-September), the deficit for 2007 increased by Lm13.3 million (€31.0 million), and amounted to Lm76.2 million (€177.5 million). An increase of Lm13.6 million (€31.7 million) in total expenditure during this period was only partly offset by a corresponding increase of Lm0.3 million (€0.7 million) in revenue.

Tables 2 and 3 give an overview of the main revenue and expenditure categories across the quarters covered by the time series.

When compared to September 2006, total general government debt outstanding at the end of September 2007 increased by Lm18.6 million (€43.4 million), and amounted to Lm1,427.2 million (€3,324.6 million). At end September 2007, Malta Government Stocks (classified as long-term securities other than shares) accounted for Lm1,157.1 million (€2,695.3 million), or 81.1 per cent of the total outstanding debt ■

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

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Chart 1. General Government deficit (-) / surplus(+)

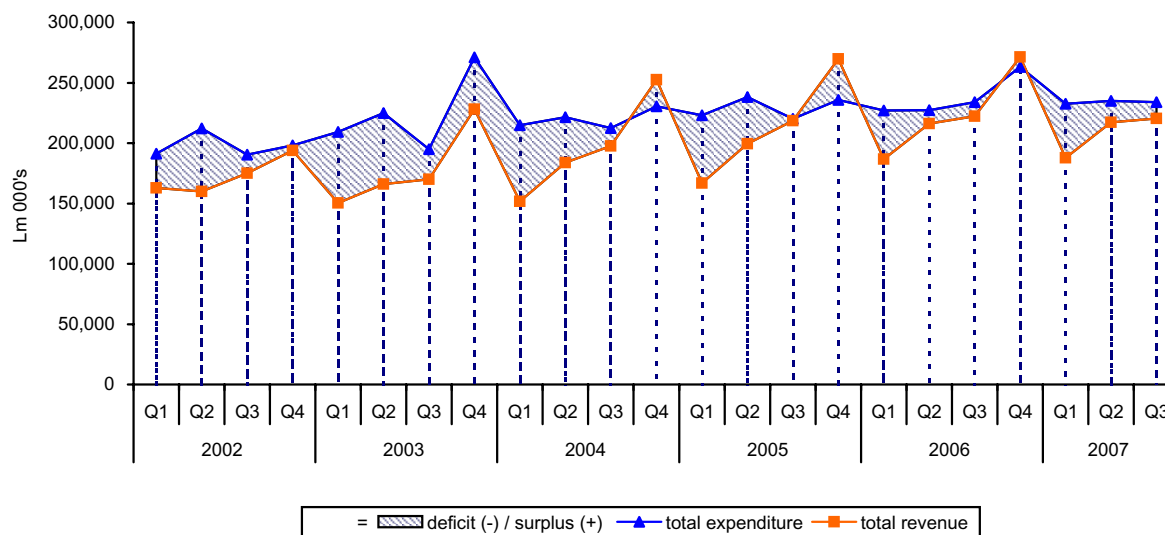


Table 1. Revenue and Expenditure of the General Government Sector

Year		Total revenue	Change (Q/Q-4)	Total expenditure	Change (Q/Q-4)	Deficit (-) / Surplus (+)	Deficit (-) / Surplus (+)
		Lm000's	%	Lm000's	%	Lm000's	€000's
2002	Q1	162,950		191,373		-28,423	-66,207
	Q2	159,982		212,186		-52,205	-121,604
	Q3	175,104		190,376		-15,271	-35,573
	Q4	193,974		198,243		-4,269	-9,945
2003	Q1	150,308	-7.8	209,169	9.3	-58,862	-137,111
	Q2	165,994	3.8	224,952	6.0	-58,958	-137,336
	Q3	170,056	-2.9	194,975	2.4	-24,919	-58,045
	Q4	228,166	17.6	270,982	36.7	-42,816	-99,735
2004	Q1	151,734	0.9	214,899	2.7	-63,164	-147,133
	Q2	183,838	10.7	221,447	-1.6	-37,609	-87,605
	Q3	197,632	16.2	212,409	8.9	-14,777	-34,421
	Q4	252,445	10.6	230,408	-15.0	22,037	51,332
2005	Q1	166,891	10.0	223,137	3.8	-56,246	-131,017
	Q2	199,355	8.4	238,297	7.6	-38,942	-90,710
	Q3	218,657	10.6	220,262	3.7	-1,606	-3,740
	Q4	269,820	6.9	235,760	2.3	34,059	79,337
2006	Q1	186,732	11.9	226,998	1.7	-40,266	-93,794
	Q2	216,290	8.5	227,219	-4.6	-10,929	-25,457
	Q3	222,154	1.6	233,838	6.2	-11,684	-27,216
	Q4	271,222	0.5	263,075	11.6	8,147	18,977
2007	Q1	187,826	0.6	232,571	2.5	-44,745	-104,229
	Q2	217,260	0.4	235,051	3.4	-17,791	-41,441
	Q3	220,372	-0.8	234,030	0.1	-13,658	-31,814

Data are based on ESA95 methodology and are provisional.

Data from 2006 onwards with regard to Interest Payable has been compiled on accruals basis. As such Q1 2007 is comparable to Q1 2006, but not to Q1 2005.

**Table 2. Components of General Government Sector's revenue**

Year		Market output		Taxes on production and imports		Property income, receivable		Current taxes on income, wealth, etc.		Social contributions receivable*		Current and capital transfers receivable		Total revenue	Total revenue
		Lm000's	% share	Lm000's	% share	Lm000's	% share	Lm000's	% share	Lm000's	% share	Lm000's	% share	Lm000's	€000's
2002	Q1	9,280	5.7	59,591	36.6	28,179	17.3	32,576	20.0	30,812	18.9	2,512	1.5	<b>162,950</b>	<b>379,572</b>
	Q2	6,971	4.4	59,423	37.1	4,972	3.1	47,824	29.9	36,627	22.9	4,165	2.6	<b>159,982</b>	<b>372,657</b>
	Q3	7,975	4.6	63,974	36.5	4,591	2.6	58,014	33.1	36,940	21.1	3,610	2.1	<b>175,104</b>	<b>407,883</b>
	Q4	7,965	4.1	66,893	34.5	4,156	2.1	68,360	35.2	42,419	21.9	4,180	2.2	<b>193,974</b>	<b>451,837</b>
2003	Q1	8,541	5.7	52,376	34.8	28,184	18.8	25,268	16.8	31,158	20.7	4,781	3.2	<b>150,308</b>	<b>350,122</b>
	Q2	8,248	5.0	56,446	34.0	6,645	4.0	52,535	31.6	38,025	22.9	4,095	2.5	<b>165,994</b>	<b>386,662</b>
	Q3	8,789	5.2	60,961	35.8	5,413	3.2	55,032	32.4	36,802	21.6	3,060	1.8	<b>170,056</b>	<b>396,125</b>
	Q4	9,667	4.2	73,228	32.1	7,232	3.2	90,239	39.5	44,109	19.3	3,691	1.6	<b>228,166</b>	<b>531,483</b>
2004	Q1	8,366	5.5	67,489	44.5	16,792	11.1	26,261	17.3	29,839	19.7	2,987	2.0	<b>151,734</b>	<b>353,446</b>
	Q2	8,697	4.7	62,943	34.2	9,882	5.4	54,646	29.7	39,108	21.3	8,562	4.7	<b>183,838</b>	<b>428,228</b>
	Q3	10,025	5.1	69,931	35.4	2,753	1.4	59,718	30.2	39,097	19.8	16,108	8.2	<b>197,632</b>	<b>460,359</b>
	Q4	15,387	6.1	79,121	31.3	12,748	5.0	80,290	31.8	47,056	18.6	17,841	7.1	<b>252,445</b>	<b>588,038</b>
2005	Q1	9,920	5.9	67,092	40.2	12,819	7.7	23,430	14.0	34,086	20.4	19,545	11.7	<b>166,891</b>	<b>388,752</b>
	Q2	8,011	4.0	69,497	34.9	8,654	4.3	57,695	28.9	40,311	20.2	15,187	7.6	<b>199,355</b>	<b>464,372</b>
	Q3	9,340	4.3	80,230	36.7	2,814	1.3	67,046	30.7	43,551	19.9	15,676	7.2	<b>218,657</b>	<b>509,334</b>
	Q4	13,728	5.1	82,483	30.6	5,535	2.1	84,538	31.3	53,541	19.8	29,994	11.1	<b>269,820</b>	<b>628,511</b>
2006	Q1	9,792	5.2	74,272	39.8	12,852	6.9	38,447	20.6	35,663	19.1	15,706	8.4	<b>186,732</b>	<b>434,968</b>
	Q2	9,306	4.3	80,352	37.1	7,107	3.3	60,360	27.9	40,133	18.6	19,032	8.8	<b>216,290</b>	<b>503,821</b>
	Q3	9,275	4.2	83,989	37.8	3,155	1.4	64,949	29.2	42,089	18.9	18,698	8.4	<b>222,154</b>	<b>517,479</b>
	Q4	11,532	4.3	86,708	32.0	4,008	1.5	93,666	34.5	49,727	18.3	25,581	9.4	<b>271,222</b>	<b>631,777</b>
2007	Q1	11,262	6.0	78,070	41.6	16,091	8.6	42,311	22.5	37,485	20.0	2,607	1.4	<b>187,826</b>	<b>437,517</b>
	Q2	12,372	5.7	82,125	37.8	2,775	1.3	71,666	33.0	43,360	20.0	4,962	2.3	<b>217,260</b>	<b>506,080</b>
	Q3	9,236	4.2	84,750	38.5	4,564	2.1	72,072	32.7	39,385	17.9	10,365	4.7	<b>220,372</b>	<b>513,329</b>

Data are based on ESA95 methodology and are consolidated within the General Government sector.

Data are provisional.

\* Revenue Category 'Social contributions receivable' includes the Government's Treasury Pensions (as imputed social contributions).

**Table 3. Components of General Government Sector's expenditure**

Year		Compensation of Employees		Intermediate Consumption		Property Income (incl interest)***		Gross Capital Formation*		Social Benefits and Social Transfers in Kind		Other**		Total Expenditure	Total Expenditure
		Lm000's	% share	Lm000's	% share	Lm000's	% share	Lm000's	% share	Lm000's	% share	Lm000's	% share	Lm000's	€000's
2002	Q1	65,948	34.5	24,121	12.6	18,865	9.9	15,654	8.2	55,076	28.8	11,708	6.1	<b>191,373</b>	<b>445,778</b>
	Q2	66,860	31.5	22,757	10.7	16,472	7.8	19,068	9.0	67,943	32.0	19,086	9.0	<b>212,186</b>	<b>494,261</b>
	Q3	65,967	34.7	20,181	10.6	18,190	9.6	17,461	9.2	57,134	30.0	11,444	6.0	<b>190,376</b>	<b>443,456</b>
	Q4	66,645	33.6	18,129	9.1	12,163	6.1	24,462	12.3	58,873	29.7	17,971	9.1	<b>198,243</b>	<b>461,783</b>
2003	Q1	68,838	32.9	28,147	13.5	15,097	7.2	26,928	12.9	55,238	26.4	14,921	7.1	<b>209,169</b>	<b>487,234</b>
	Q2	70,616	31.4	24,491	10.9	16,953	7.5	20,160	9.0	73,050	32.5	19,683	8.7	<b>224,952</b>	<b>523,997</b>
	Q3	68,122	34.9	19,912	10.2	16,338	8.4	20,833	10.7	55,797	28.6	13,973	7.2	<b>194,975</b>	<b>454,170</b>
	Q4	70,286	25.9	22,255	8.2	16,139	6.0	22,390	8.3	65,022	24.0	74,889	27.6	<b>270,982</b>	<b>631,218</b>
2004	Q1	71,100	33.1	26,756	12.5	18,546	8.6	16,764	7.8	64,831	30.2	16,902	7.9	<b>214,899</b>	<b>500,579</b>
	Q2	69,158	31.2	24,467	11.0	17,753	8.0	18,206	8.2	66,499	30.0	25,363	11.5	<b>221,447</b>	<b>515,833</b>
	Q3	70,061	33.0	24,482	11.5	17,800	8.4	22,733	10.7	60,349	28.4	16,983	8.0	<b>212,409</b>	<b>494,779</b>
	Q4	72,363	31.4	31,450	13.6	16,586	7.2	14,437	6.3	65,479	28.4	30,094	13.1	<b>230,408</b>	<b>536,706</b>
2005	Q1	71,003	31.8	22,426	10.1	16,444	7.4	20,718	9.3	67,470	30.2	25,075	11.2	<b>223,137</b>	<b>519,769</b>
	Q2	72,674	30.5	25,279	10.6	21,156	8.9	26,305	11.0	69,582	29.2	23,300	9.8	<b>238,297</b>	<b>555,082</b>
	Q3	71,537	32.5	25,122	11.4	18,334	8.3	22,489	10.2	62,161	28.2	20,620	9.4	<b>220,262</b>	<b>513,073</b>
	Q4	72,853	30.9	33,312	14.1	20,765	8.8	12,219	5.2	70,909	30.1	25,702	10.9	<b>235,760</b>	<b>549,174</b>
2006	Q1	72,689	32.0	25,907	11.4	17,655	7.8	25,565	11.3	68,198	30.0	16,985	7.5	<b>226,998</b>	<b>528,762</b>
	Q2	72,364	31.8	26,513	11.7	20,109	8.8	12,760	5.6	73,435	32.3	22,038	9.7	<b>227,219</b>	<b>529,277</b>
	Q3	72,697	31.1	29,307	12.5	23,401	10.0	18,799	8.0	69,236	29.6	20,398	8.7	<b>233,838</b>	<b>544,695</b>
	Q4	72,986	27.7	40,384	15.4	15,700	6.0	28,705	10.9	75,052	28.5	30,247	11.5	<b>263,075</b>	<b>612,800</b>
2007	Q1	73,462	31.6	23,760	10.2	23,382	10.1	16,499	7.1	73,306	31.5	22,162	9.5	<b>232,571</b>	<b>541,746</b>
	Q2	75,158	32.0	30,304	12.9	13,933	5.9	15,753	6.7	79,507	33.8	20,395	8.7	<b>235,051</b>	<b>547,521</b>
	Q3	75,933	32.4	30,477	13.0	18,768	8.0	13,402	5.7	71,854	30.7	23,595	10.1	<b>234,030</b>	<b>545,143</b>

Data are based on ESA95 methodology and are consolidated.

Data are provisional.

\* For the purpose of this comparative table acquisition and disposal of land is included within the Gross Capital Formation Category.

\*\* Expenditure Category 'Other' includes subsidies payable and recurrent and capital transfers.

\*\*\*Data from 2006 onwards with regard to Interest Payable has been compiled on accruals basis. As such Q1 2007 is comparable to Q1 2006, but not to Q1 2005.

Table 4a. General Government debt (Lm million)

Position as at the end of period		Securities other than shares, exc. Financial derivatives			Loans			Total General Government debt	Government Guaranteed debt
		Short-term	Long-term	Total	Short-term	Long-term	Total		
Lm million									
2002	Q1	183.2	799.1	982.3	23.8	84.0	107.7	<b>1,090.0</b>	351.0
	Q2	197.5	799.1	996.6	24.1	79.1	103.1	<b>1,099.7</b>	313.7
	Q3	192.4	805.6	998.1	24.3	75.4	99.8	<b>1,097.8</b>	298.5
	Q4	192.6	805.6	998.1	24.6	80.4	105.0	<b>1,103.1</b>	292.8
2003	Q1	248.7	833.0	1,081.8	16.6	80.9	97.5	<b>1,179.3</b>	287.1
	Q2	272.1	833.0	1,105.1	17.3	111.5	128.8	<b>1,233.9</b>	277.1
	Q3	251.0	876.1	1,127.1	18.1	110.9	129.1	<b>1,256.2</b>	277.0
	Q4	232.3	907.1	1,139.3	55.4	110.3	165.7	<b>1,305.0</b>	226.3
2004	Q1	253.0	907.4	1,160.4	56.3	106.7	163.0	<b>1,323.4</b>	222.2
	Q2	259.8	954.9	1,214.7	55.4	104.6	160.1	<b>1,374.8</b>	261.8
	Q3	252.5	981.9	1,234.4	55.8	103.3	159.1	<b>1,393.4</b>	263.8
	Q4	245.4	1,011.4	1,256.7	36.3	102.0	138.2	<b>1,394.9</b>	261.6
2005	Q1	239.3	1,051.8	1,291.1	34.6	99.4	133.9	<b>1,425.0</b>	261.9
	Q2	215.3	1,088.6	1,303.9	34.6	96.9	131.6	<b>1,435.4</b>	259.5
	Q3	174.5	1,122.0	1,296.5	36.0	95.4	131.5	<b>1,428.0</b>	290.2
	Q4	190.2	1,122.0	1,312.2	33.0	94.9	127.9	<b>1,440.1</b>	271.0
2006	Q1	179.0	1,147.4	1,326.3	11.1	115.2	126.3	<b>1,452.6</b>	269.8
	Q2	121.3	1,148.6	1,270.0	11.4	111.9	123.3	<b>1,393.3</b>	239.6
	Q3	153.6	1,133.7	1,287.2	13.4	107.9	121.4	<b>1,408.6</b>	251.9
	Q4	160.5	1,123.7	1,284.1	10.1	102.1	112.2	<b>1,396.3</b>	249.3
2007	Q1	171.7	1,123.9	1,295.6	10.7	100.7	111.4	<b>1,407.0</b>	240.4
	Q2	196.2	1,157.1	1,353.3	10.8	100.4	111.2	<b>1,464.5</b>	259.2
	Q3	158.1	1,157.1	1,315.2	11.6	100.5	112.1	<b>1,427.2</b>	264.6

**Notes:**

1. Debt position at nominal value, in line with Maastricht debt provisions, at the end of the period indicated.
2. All aggregates are consolidated between the different sub-sectors of general government.
3. As from 2003 Q4, the debt assumption of the ex-shipyards' loans has been included with the debt balances of the central government.
4. Government guarantees exclude guarantees on MIGA and IBRD and on foreign loans taken by the Central Bank of Malta on behalf of government, which loans already feature in the calculation of government external debt. Government guarantees include guarantees granted by the extra-budgetary units but exclude government guarantees provided to extra-budgetary units.

Table 4b. General Government debt (€ million)

Position as at the end of period		Securities other than shares, exc. Financial derivatives			Loans			Total General Government debt	Government Guaranteed debt
		Short-term	Long-term	Total	Short-term	Long-term	Total		
€ million									
2002	Q1	426.8	1,861.3	2,288.1	55.4	195.6	251.0	<b>2,539.1</b>	817.5
	Q2	460.2	1,861.3	2,321.5	56.0	184.1	240.2	<b>2,561.7</b>	730.6
	Q3	448.2	1,876.6	2,324.8	56.7	175.7	232.4	<b>2,557.2</b>	695.3
	Q4	448.6	1,876.5	2,325.1	57.3	187.2	244.6	<b>2,569.6</b>	682.0
2003	Q1	579.4	1,940.4	2,519.8	38.6	188.5	227.1	<b>2,746.9</b>	668.7
	Q2	633.7	1,940.4	2,574.1	40.3	259.6	300.0	<b>2,874.1</b>	645.5
	Q3	584.7	2,040.7	2,625.4	42.2	258.4	300.6	<b>2,926.1</b>	645.3
	Q4	541.1	2,112.9	2,654.0	129.0	256.9	385.9	<b>3,039.9</b>	527.2
2004	Q1	589.3	2,113.6	2,702.9	131.2	248.6	379.7	<b>3,082.6</b>	517.7
	Q2	605.3	2,224.3	2,829.6	129.1	243.8	372.9	<b>3,202.5</b>	609.8
	Q3	588.2	2,287.1	2,875.3	130.0	240.6	370.5	<b>3,245.8</b>	614.6
	Q4	571.5	2,355.8	2,927.3	84.5	237.5	322.0	<b>3,249.3</b>	609.3
2005	Q1	557.4	2,450.0	3,007.4	80.5	231.5	312.0	<b>3,319.4</b>	610.0
	Q2	501.5	2,535.7	3,037.2	80.6	225.8	306.4	<b>3,343.6</b>	604.4
	Q3	406.4	2,613.6	3,020.0	84.0	222.3	306.2	<b>3,326.3</b>	676.0
	Q4	443.1	2,613.6	3,056.7	76.8	221.1	297.9	<b>3,354.5</b>	631.3
2006	Q1	416.9	2,672.6	3,089.6	25.9	268.3	294.2	<b>3,383.8</b>	628.4
	Q2	282.6	2,675.6	2,958.2	26.6	260.6	287.3	<b>3,245.5</b>	558.0
	Q3	357.8	2,640.7	2,998.5	31.3	251.4	282.7	<b>3,281.2</b>	586.9
	Q4	373.8	2,617.4	2,991.2	23.5	237.9	261.4	<b>3,252.6</b>	580.7
2007	Q1	399.9	2,618.0	3,017.9	24.9	234.5	259.5	<b>3,277.3</b>	560.0
	Q2	457.0	2,695.3	3,152.3	25.0	233.9	259.0	<b>3,411.3</b>	603.8
	Q3	368.2	2,695.3	3,063.5	27.0	234.1	261.1	<b>3,324.6</b>	616.3

Notes:

1. Debt position at nominal value, in line with Maastricht debt provisions, at the end of the period indicated.
2. All aggregates are consolidated between the different sub-sectors of general government.
3. As from 2003 Q4, the debt assumption of the ex-shipyards' loans has been included with the debt balances of the central government.
4. Government guarantees exclude guarantees on MIGA and IBRD and on foreign loans taken by the Central Bank of Malta on behalf of government, which loans already feature in the calculation of government external debt. Government guarantees include guarantees granted by the extra-budgetary units but exclude government guarantees provided to extra-budgetary units.

## Methodological Notes

### ESA95 Glossary

**Output (P1)** consists of the products created during the accounting period. Three types of output are distinguished in the ESA:

- i. Market Output (P11) consists of output that is disposed of on the market or intended to be disposed of on the market.
- ii. Output produced for own final use (P12) consists of goods and services that are retained either for final consumption by the same institutional unit or for gross fixed capital formation by the same institutional unit.
- iii. Other non-market output (P13) covers output that is provided free, or at prices that are not economically significant, to other units.

**Intermediate consumption (P2)** consists of the value of the goods and services consumed as inputs by a process of production, excluding fixed assets whose consumption is recorded as consumption of fixed capital. The goods and services may be either transformed or used up by the production process.

**Gross Capital Formation (P5)** is the sum of three components:

- i. Gross fixed capital formation (P51) consists of resident producers' acquisitions, less disposals, of fixed assets during a given period plus certain additions to the value of non-produced assets realized by the productive activity of producer or institutional units. Fixed assets are tangible or intangible assets produced as outputs from processes of production that are themselves used repeatedly, or continuously, in processes of production for more than one year.
- ii. Changes in inventories (P52) are measured by the value of the entries into inventories less the value of withdrawals and the value of any recurrent losses of goods held in inventories.
- iii. Acquisitions less disposals of valuables (P53) are non-financial goods that are not used primarily for production or consumption, do not deteriorate (physically) over time under normal conditions and that are acquired and held primarily as stores of value.

**Compensation of employees (D1)** is defined as the total remuneration, in cash or in kind, payable by an employer to an employee in return for work done by the latter during the accounting period. Compensation of employees is broken down into wages and salaries in cash and in kind (D11) and employers' actual (D121) and imputed social contributions (D122).

**Taxes on production and imports (D2)** consist of compulsory, unrequited payments, in cash or in kind which are levied by general government, in respect of the production and importation of goods and services, the employment of labour, the ownership or use of land, buildings or other assets used in production. These taxes are payable whether or not profits are made. Taxes on production and imports are divided into:

- i. Taxes on products (D21) are taxes that are payable per unit of some good or service produced or transacted. The tax may be a specific amount of money per unit of quantity of a good or service, or it may be calculated ad valorem as a specified percentage of the price per unit or value of the goods and services produced or transacted. As a general principle, taxes in fact assessed on a product, irrespective of which institutional unit pays the tax, are included in taxes on products, unless specifically included in another heading.
- ii. Other taxes on production (D29) consist of all taxes that enterprises incur as a result of engaging in production, independently of the quantity or value of the goods and services produced or sold. They may be payable on the land, fixed assets or labour employed in the production process or on certain activities or transactions.

**Property income (D4)** is the income receivable by the owner of a financial asset or a tangible non-produced asset in return for providing funds to, or putting the tangible non-produced asset at the disposal of, another institutional unit. Property incomes can be interest (D41), distributed income of corporations (D42) and rents (D45).

**Current taxes on income and wealth (D5)** cover all compulsory, unrequited payments, in cash or in kind, levied periodically by general government on the income and wealth of institutional units, and some periodic taxes which are assessed neither on the income nor the wealth. Current taxes on income, wealth are:

- i. Taxes on income (D51) consist of taxes on income, profits and capital gains. They are assessed on the actual or presumed incomes of individuals, households, corporations or NPIs.
- ii. Other current taxes (D59).

**Social Contributions (D61)** consists of:

- i. Employers' actual social contributions (D6111) are paid by employers to social security funds.
- ii. Employees' social contributions (D6112) are paid by employees.
- iii. Social Contributions by self-employed and non-employed persons (D6113): these are social contributions payable for their own benefit by persons who are not employees – namely self-employed persons or non-employed persons.

- iv. Imputed social contributions (D612) represent the counterpart to social benefits paid directly by employers to their employees or former employees and other eligible persons.

**Social benefits other than social transfers in kind (D62)** are made up of:

- i. Social security benefits in cash (D621) are payable to households by social security funds.
- ii. Unfunded employee social benefits (D623) are payable to their employees, their dependants or survivors by employers administering unfunded social insurance schemes.
- iii. Social assistance benefits in cash (D624) are payable to households by government units or NPISHs to meet the same needs as social insurance benefits but which are not made under a social insurance scheme incorporating social contributions and social insurance benefits.

**Social transfers in kind (D63)** consist of individual goods and services provided as transfers in kind to individual households by government units, whether purchased on the market or produced as non-market output by government units. They may be financed out of taxation, other government income or social security contributions.

The other category includes:

- i. Subsidies (D3) are current unrequited payments which general government make to resident producers, with the objective of influencing their level of production, their prices or the remuneration of the factors of production.
- ii. Other current transfers (D7) can be non-life insurance claims (D72), current transfers within general government (D73), current international cooperation (D74) and miscellaneous current transfers (D75).
- iii. Capital transfers (D9) are different from recurrent transfers by the fact that they involve the acquisition or disposal of an asset, or assets, by at least one of the parties to the transaction. Whether made in cash or in kind, they should result in a commensurate change in the financial, or non-financial, assets shown in the balance sheets of one or both parties to the transaction.

**Acquisition less disposals of non-financial non-produced assets (K2)** consists of land and other tangible non-produced assets that may be used in the production of goods and services, and intangible non-produced assets. This component is included in Gross Fixed Capital Formation.

**Revision Policy:** The data contained in this release may be reviewed. Figures may not add up due to rounding.