

29 May 2018 | 1100 hrs | 084/2018

At the end of 2017, the General Government debt, decreased by €85.8 million, amounting to €5,642.6 million, or 50.8 per cent of GDP.

Structure of General Government Debt: 2017

In 2017, the Financial Corporations sector held the biggest share of debt with 62.1 per cent, followed by Households and Non-Profit Institutions Serving Households (NPISH) with 24.9 per cent. The share of non-residents was 12.2 per cent, up from 8.4 per cent in 2014. The Non-Financial Corporations sector held 0.8 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 financing the General Government debt, with €5,154.0 million or 91.3 per cent of the total debt in 2017. Other debt instruments are the 'loans' and 'currency' with 5.5 per cent and 3.2 per cent respectively (Table 2). Compared to 2016, 'debt securities' decreased by €184.0 million, while 'currency' increased by €105.0 million on account of the new 62+ Malta Government Savings Bond amounting to €99.6 million.

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 2017 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 3.6 per cent in 2017 compared to 4.3 per cent in 2014 (Table 4).

For 2017 the market value of the total General Government debt is estimated at €6,649.4 million compared to the nominal value of €5,642.6 million. Reflecting the performance of the debt securities in the local financial market, the market debt decreased by €253.4 million over 2016, as compared to a decrease of €85.8 million in nominal debt.

Last year, the time structure of the General Government debt by initial maturity shows that €3,270.6 million, or 58.0 per cent, was issued with a maturity of 15 to 30 years. This was followed by debt issued for 5 to 7 years (13.4 per cent), 10 to 15 years (10.4 per cent) and 1 to 5 years (6.9 per cent) (Table 6). The average remaining maturity of total debt for 2017 decreased to nine years four months from nine years eight months in 2016. Compared with 2014 which had an average remaining maturity of eight years nine months, the debt is being issued on a longer term basis. The biggest share of debt by remaining maturity in 2017 was in the 1 to 5-year category with €1,835.0 million, followed by the 10 to 15-year (€1,545.2 million) and the 15 to 30-year (€1,144.8 million) categories (Table 7).

Government guarantees on borrowing amounted to €1,069.3 million in 2017, a decrease of €330.0 million over 2016. The majority of Government guarantees are issued towards the Non-Financial Corporations sector, which accounts for 73.3 per cent of the total guarantees (Table 8).

The General Government debt data reported in this release are consistent with the April 2018 EDP notification as published in news release 063/2018 dated 23 April ■

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

		€ 000			
	Sector	2014	2015	2016	2017
Non-Financial Corporations	S11	88,376	74,942	60,906	45,683
Financial Corporations	S12	3,145,500	3,464,927	3,523,467	3,506,540
Households and NPISHs	S14+S15	1,702,078	1,549,523	1,535,990	1,403,636
Rest of the World	S2	454,048	496,118	608,039	686,781
Total General Government Debt		5,390,002	5,585,510	5,728,401	5,642,641
as a % of GDP		63.8%	58.7%	56.2%	50.8%

Source of GDP data: News Release 038/2018 dated 8 March 2018.

Chart 1. General Government debt

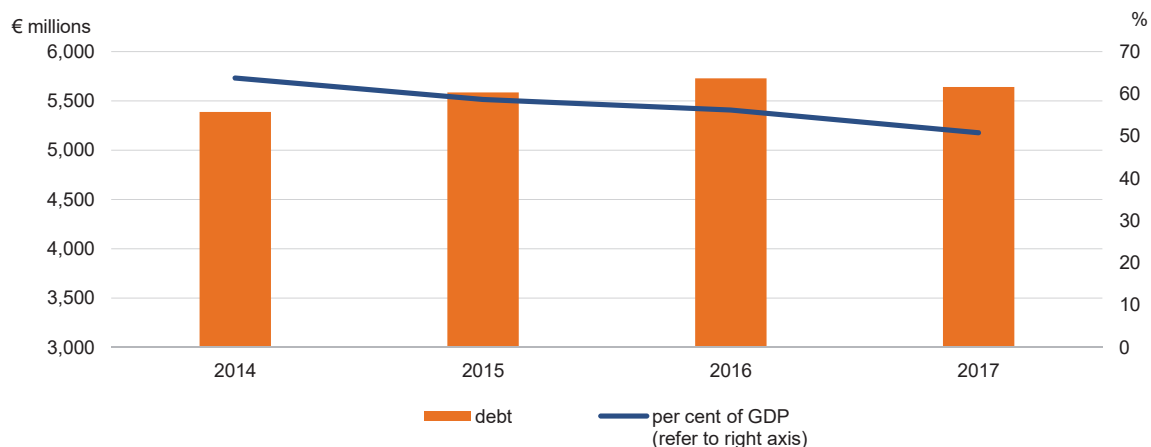


Table 2. Structure of General Government Debt by ESA code, year and instrument

		€ 000			
	ESA code	2014	2015	2016	2017
Currency	AF29	60,397	68,510	72,832	177,826
Debt Securities	AF3	4,942,323	5,144,169	5,338,012	5,153,961
Loans	AF4	387,282	372,831	317,557	310,854
Total General Government Debt		5,390,002	5,585,510	5,728,401	5,642,641

Chart 2. Debt holders by institutional sector (%): 2017

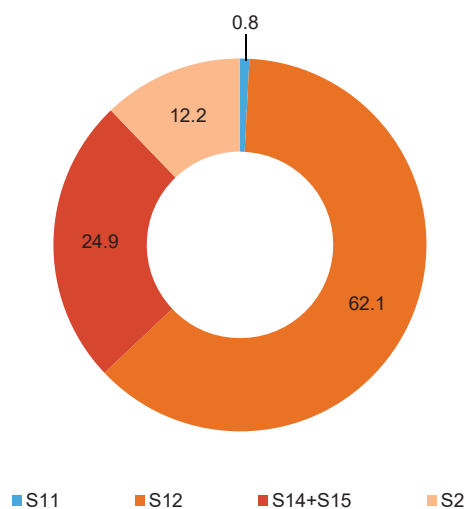


Chart 3. Debt by financial instrument (%): 2017

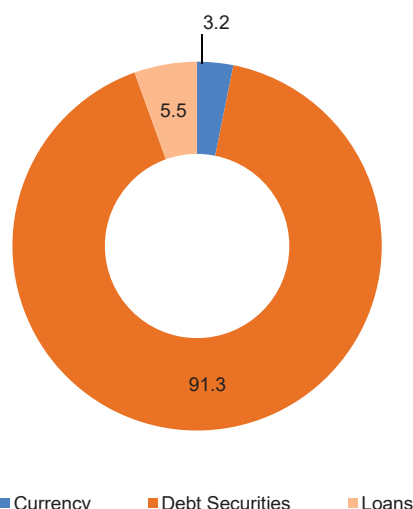


Table 3. Structure of General Government Debt by year and currency of issuance

	€ 000			
	2014	2015	2016	2017
Debt in national currency	5,389,631	5,585,370	5,728,269	5,642,533
Debt in foreign currencies	371	141	132	108
of which: US Dollar	202	0	0	0
Canadian Dollar	169	141	132	108

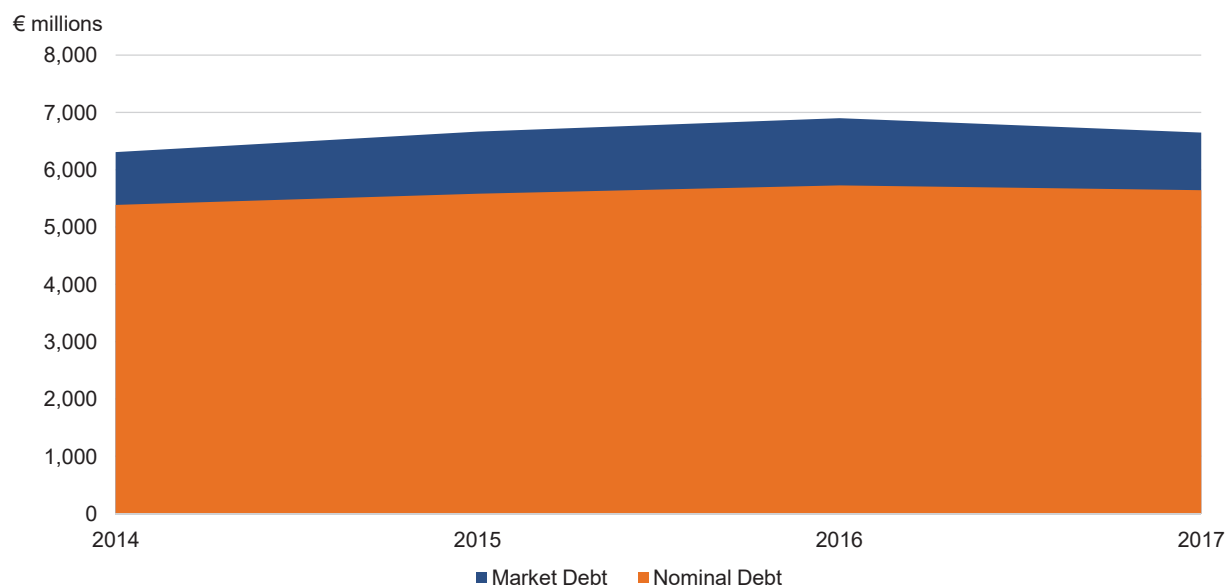
Table 4. Apparent cost of debt by year
(%)

	2014	2015	2016	2017
Apparent cost of debt *	4.3	4.2	3.9	3.6

* 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			
	2014	2015	2016	2017
Market value of total debt	6,306,888	6,665,779	6,902,769	6,649,395

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.

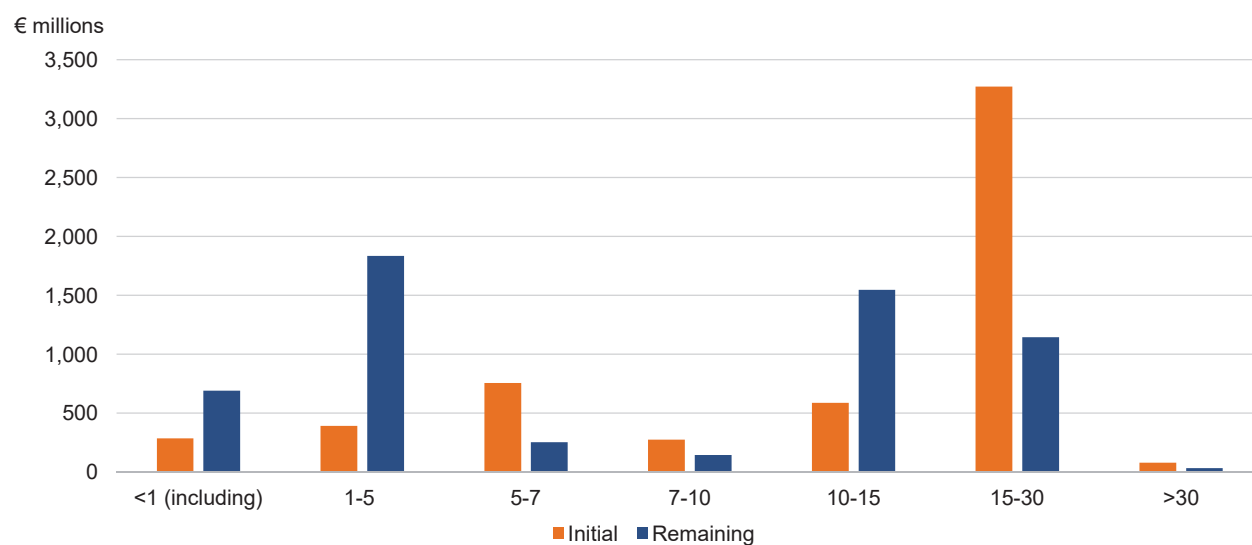
Table 6. Structure of General Government Debt by year and initial maturity

	€ 000			
	2014	2015	2016	2017
Initial maturity in years:				
<1 (including)	228,076	321,757	354,938	286,015
1-5	586,336	636,791	428,428	390,994
5-7	787,807	762,343	809,314	755,741
7-10	213,127	213,652	198,565	274,043
10-15	882,528	808,689	602,443	586,140
15-30	2,613,050	2,763,201	3,255,635	3,270,631
>30	79,077	79,077	79,077	79,077
Total General Government Debt	5,390,002	5,585,510	5,728,401	5,642,641

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

	€ 000			
	2014	2015	2016	2017
Average remaining maturity of total debt, in years and months	8 years; 9 months	8 years; 8 months	9 years; 8 months	9 years; 4 months
Remaining maturity in years:				
<1 (including)	531,007	762,813	717,234	690,979
1-5	1,709,755	1,708,348	1,767,295	1,834,984
5-7	760,588	763,910	449,844	252,786
7-10	419,883	123,877	81,424	142,783
10-15	540,283	1,079,335	1,247,832	1,545,207
15-30	1,349,409	1,070,866	1,402,591	1,144,761
>30	79,077	76,361	62,180	31,140
Total General Government Debt	5,390,002	5,585,510	5,728,401	5,642,641

Chart 5. Debt by initial and remaining maturity: 2017



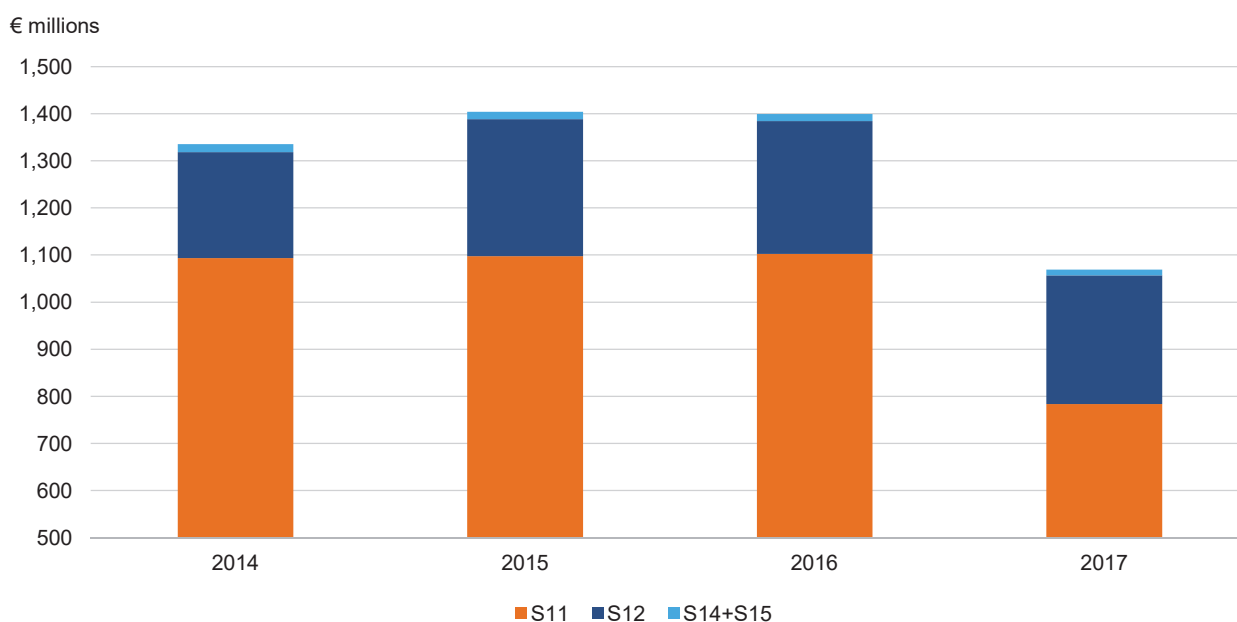
The initial maturity is the final payment date of a loan or a financial instrument as announced at the date of issuance, while the remaining maturity is the remaining time until the expiration or repayment of the loan or financial instrument.

Table 8. Government guarantees by sector, year and holder

		€ 000			
	Sector	2014	2015	2016	2017
Non-Financial Corporations	S11	1,093,805	1,097,725	1,102,590	783,349
Financial Corporations	S12	224,687	290,549	282,026	273,167
Households and NPISHs	S14+S15	16,786	15,900	14,642	12,784
Rest of the World	S2	-	-	-	-
Total Government Guarantees		1,335,278	1,404,174	1,399,259	1,069,299
as a % of GDP		15.8%	14.8%	13.7%	9.6%

Source of GDP data: News Release 038/2018 dated 8 March 2018.

Chart 6. Government Guarantees beneficiaries by Institutional Sector: 2017



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
Statistical Database: <http://nso.gov.mt/statdb/start>
6. Any quotations from this news release are to be cited and/or referenced.
7. A detailed news release calendar is available on 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:

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