

**MALTA:
REPORT ON EFFECTIVE ACTION**

October 2013

**Report to the Council and the Commission on action taken in
response to the Council's recommendation of 21 June 2013 with a
view to bringing an end to a situation of an excessive government
deficit in Malta (2013/C 180/01)**

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1. Context

In 2012, an unexpected worsening of economic conditions caused by the protracted electoral uncertainty led to weaker domestic demand and postponed private consumption. This impinged negatively on public finances. As a result the actual fiscal imbalance recorded in 2012 increased by 1.0 percentage points over the Budget estimate to 3.3 per cent of GDP, thus exceeding the 3 per cent of GDP reference value of the Treaty. In addition, in 2012 the debt ratio was above the 60 per cent of GDP reference value, and Malta did not make sufficient progress towards compliance with the debt reduction benchmark, in line with the requirements of the transition period.

Against this background, on 21 June 2013, the ECOFIN Council decided that an excessive deficit existed in Malta and recommended that Malta takes action to reduce the excessive deficit by 2014. Furthermore, the Council set headline deficit targets of 3.4 per cent of GDP for 2013 and 2.7 per cent of GDP for 2014, consistent with an improvement of the structural balance of 0.7 per cent of GDP in both years whilst also setting a deadline of 1st October 2013 for taking effective action. The Council called on Malta, to continue progress towards its medium-term objective of a balanced budget in structural terms following the correction of its deficit.

Meanwhile in the revised Budget for 2013 and also in the Stability Programme submitted in April 2013 Malta committed to reach a deficit target of 2.7 per cent of GDP in 2013 supported by a number of structural reforms and on the assumption of a recovery in revenue due to the expected improvement in economic sentiment following the election. It is also the result of further positive fiscal outcomes arising from the 2006 pension reform which included, amongst other things, the gradual rise in retirement age from 61 to 65 (0.4 per cent of GDP). Past measures aimed at enhancing revenue efficiency (including tax arrears collection schemes and administrative measures aimed at improving tax audit and tax compliance) were also expected to contribute further to fiscal consolidation to the tune of 0.2 per cent of GDP. Administrative measures to control expenditure (particularly intermediate consumption) were also expected to contribute 0.3 per cent of GDP towards fiscal consolidation. These structural measures (in total 0.9 per cent of GDP) coupled by the recovery in deferred indirect tax revenue (estimated 0.5 per cent of GDP) were expected to mitigate the impact of expansionary measures (estimated at 0.9 per cent of GDP). The revision in income tax bands (12 million) and the restructuring of Air Malta (40 million) were expected to contribute about 0.7 per cent of GDP to general government expenditure.

On its part, the European Commission projected a much higher deficit of 3.7 per cent of GDP despite very similar macroeconomic projections. The discrepancy between the two sets of forecasts was predominantly on the revenue side and was mainly due to the European Commission's conservative approach to the estimation of the impact of structural measures on the revenue side compared to those submitted by Malta in the Stability Programme.

2. Enhanced Monitoring

As part of the strengthening of the fiscal frameworks the Ministry for Finance is now producing revenue and expenditure forecasts on a monthly basis based on seasonal patterns for cash data and on a quarterly basis for accrual adjusted data in order to compare in real time actual versus

projections and identify variances in time to allow Government to take the necessary action. This is being run in parallel with risk assessment methods used in the past which also evaluated monthly revenue and expenditure trends against end-of-year estimates and previous year outturn. These are supplemented by the daily reports from the main revenue departments evaluating the trends in revenue collection together with a regular risk assessment.

3. Government Revenue and Expenditure in 2013

The following section contains the comparison of actual revenue and expenditure compared to monthly budgetary projections included in the Budget 2013 estimates presented last April.

Recent cash data up till August 2013 suggests that indirect tax revenue is lower than projected mainly due to a €66 million shortfall in excise duty from Enemalta which is expected to materialise before year-end. Direct tax revenue is however stronger and compensates for the mentioned shortfall in indirect taxation. Total expenditure has been contained within the estimated values. Overall there are no indications of any major deviations from the overall fiscal targets for 2013. Table 1.A gives a clear indication of the main upside and downside risks towards achieving the fiscal targets. The table below shows that the target deficit of 2.7% of GDP remains attainable.

4. In-Year Budgetary Execution

Table 1.B, which utilises accrual data in ESA 95 with time-adjustment, shows the estimated revenue and expenditure components for the first half of 2013 together with the projections for the second half of the year. Data for the first half of the year is still provisional whilst data for 2013 has been revised after taking into account the risk factors identified in section 3 above. When evaluating these estimates it is also important to keep in mind that macroeconomic forecasts project a recovery in domestic demand conditions in the second half of the year. Moreover, seasonal factors based on past experience indicate that a larger proportion of revenue and expenditure materialises in the last quarter of the year. As a result the in-year budget performance will not be symmetrical between the first half of the year and the second half of the year.

Table 1.C shows the annual budgetary targets expected for 2013 and 2014 consistent with the planned reduction in the general government deficit which will underline the budget for 2014. Table 2 presents these targets in more detail.

Table 1.A
Central Government Finances, 2012-2013

	Actual	Actual	Forecast	Variance
	Jan-Aug 2012	Jan-Aug 2013	Jan-Aug 2013	
Customs and Excise Tax	107,541	127,064	140,667	-13,603
Fees of Office	21,805	21,099	18,878	2,221
Licences, Taxes and Fines	156,174	144,108	170,209	-26,101
Social Security	363,394	389,519	381,360	8,159
VAT	370,335	376,858	390,877	-14,020
Income Tax	516,273	592,734	548,008	44,726
Tax Revenue	1,535,522	1,651,382	1,649,999	1,382
Reimbursements	18,065	13,843	16,301	-2,458
Public Corporations	0	0	0	0
Central Bank of Malta*	42,000	36,000	36,000	-
Rents*	17,293	17,115	17,115	-
Dividends on Investments*	11,939	9,962	9,962	-
Repayments of Interest on Loans	569	1,407	899	509
Grants**	26,111	93,590	93,590	-
Miscellaneous	53,445	14,516	15,556	-1,040
Non-Tax Revenue	169,422	186,433	189,423	-2,989
Recurrent Revenue	1,704,944	1,837,815	1,839,422	-1,607
Personal Emoluments	369,259	394,452	394,004	-448
Operations and Maintenance	83,411	81,961	83,920	1,959
Programmes and Initiatives	1,010,561	1,050,151	1,043,334	-6,817
Contributions to Government Entities	135,169	141,070	148,753	7,682
Recurrent Expenditure	1,598,401	1,667,634	1,670,010	2,376
Interest Payments*	147,497	148,571	148,571	-
Capital Expenditure**	226,665	218,527	218,527	-
Total Expenditure	1,972,563	2,034,732	2,037,108	2,376
Central Government Balance	-267,619	-196,917	-197,686	769
* Values not taken into account since values will be accrued at end-of-year				
** Since grants and capital tend to cancel each other, the variance is not taken into account.				

Source: NSO, EPD

Table 1.B**In-year quarterly budgetary execution and prospects in accordance with ESA standards for the general government**

EUR millions	ESA Code	2013			
		Q1	Q2	Q3 & Q4	2013
Net lending (+)/net borrowing (-)					
1. General government	S.13	-112.8	-45.6	-32.9	-191.4
2. Central government	S.1311				
3. State government	S.1312				
4. Local government	S.1313				
5. Social security funds	S.1314				
For the general government					
6. Total revenue	TR	663.2	711.1	1,594.8	2,969.1
Of which					
Taxes on production and imports	D.2	203.2	229.8	559.1	992.1
Current taxes on income, wealth, etc.	D.5	246.6	278.2	479.0	1,003.8
Capital taxes	D.91	2.7	3.1	10.2	16.0
Social Contributions	D.61	122.3	125.8	275.5	523.6
Property Income	D.4	34.9	17.1	39.3	91.3
Other ^(a)		53.6	57.0	231.7	342.4
7. Total expenditure	TE	776.1	756.7	1,627.7	3,160.5
Of which					
Compensation of employees	D.1	237.6	242.7	474.8	955.1
Intermediate consumption	P.2	109.2	107.2	238.4	454.9
Social payments	D.62, D.632 ^(b)	231.5	256.4	477.0	964.9
Interest expenditure	D.41	56.0	53.0	116.3	225.3
Subsidies	D.3	20.5	16.4	56.4	93.4
Gross fixed capital formation	P.51	37.9	42.1	154.2	234.2
Capital transfers	D.91	47.2	5.7	34.2	87.1
Other ^(c)		36.1	33.2	76.2	145.5
8. Gross Debt ^(d)		5,169.9	5,292.5		5,182.8

(*) The reporting shall span until the end of the current Year t; quarterly prospects are not binding and reported as estimates (possibly subject to revisions) for informational and monitoring purposes.

(a) P.11 + P.12 + P.131 + D.39rec + D.7rec + D.9rec (other than D.91rec).

(b) Under ESA95: D6311_D63121_D63131pay; in ESA2010 D632 pay.

(c) D.29 + D.4pay (other than D.41pay) + D.5pay + D.7pay + P.52 + P.53 + K.2 + D.8.

(d) As defined in Council Regulation (EC) No 479/2009 (OJ L 145, 10.6.2009, p. 1).

Table 1.C**Annual budgetary targets in accordance with ESA standards for the general government and its sub sectors**

	ESA Code	2012	2013	2014
Net lending (+)/net borrowing (-) by sub-sector (% GDP)				
1. General government	S.13	-3.3	-2.7	-2.1
2. Central government	S.1311	-3.3	-2.7	-2.1
3. State government	S.1312			
4. Local government	S.1313	0.0	0.0	0.0
5. Social security funds	S.1314			
General government (S.13) (% GDP)				
6. Total revenue	TR	40.1	41.9	43.2
7. Total expenditure	TE	43.4	44.6	45.4
8. Interest expenditure	D.41	3.1	3.2	3.1
9. Primary Balance ^(a)		-0.2	0.5	1.0
10. One-off and other temporary measures ^(b)		0.1	0.3	0.2
11. Real GDP growth		0.8	1.2	1.7
12. Potential GDP growth		1.4	1.2	1.2
13. Output gap		-1.10	-1.19	-0.70
14. Cyclical budgetary component		-0.44	-0.48	-0.28
15. Cyclically-adjusted balance (1 - 14)		-2.86	-2.22	-1.83
16. Cyclically-adjusted primary balance (15 + 8)		0.26	0.96	1.26
17. Structural balance (15 - 10)		-3.0	-2.5	-2.0

(*) Following the request from the Commission to activate the reporting requirements provided for by Article 10(3) of Regulation (EU) No 473/2013, the reporting starts from the year of the opening of the excessive deficit procedure in accordance with Article 126(6) TFEU, and spans until the excessive deficit is planned to be corrected, in accordance with the deadline set by the Council recommendation in accordance with Article 126(7) TFEU or decision to give notice in accordance with Article 126(9) TFEU.

^(a) The primary balance is calculated as (B.9, item 1) plus (D.41, item 8).

^(b) A plus sign means deficit-reducing measures.

Table 2**Targets for the expenditure and revenues of the general government (S.13) in accordance with ESA standards**

% GDP	ESA Code	2012	2013	2014
1. Total revenue target (= table 1c. 6)	TR	40.1	41.9	43.2
Of which				
1.1. Taxes on production and imports	D.2	13.4	14.0	14.9
1.2. Current taxes on income, wealth, etc.	D.5	13.7	14.2	14.2
1.3. Capital taxes	D.91	0.2	0.2	0.2
1.4. Social contributions	D.61	7.4	7.4	7.5
1.5. Property income	D.4	1.3	1.3	1.2
1.6. Other ^(a)		4.0	4.8	5.2
p.m.: Tax burden (D.2 + D.5 + D.61 + D.91 - D.995) ^(b)		34.7	35.8	36.8
2. Total expenditure target (= table 1c.7)	TE ^(c)	43.4	44.6	45.4
Of which				
2.1. Compensation of employees	D.1	13.4	13.5	13.3
2.2. Intermediate consumption	P.2	6.7	6.4	6.5
2.3. Social payments	D.62, D.6311, D.63121, D.63131 ^(f)	13.6	13.6	13.6
of which: Unemployment benefits ^(d)		0.0	0.0	0.0
2.4. Interest expenditure	D.41	3.1	3.2	3.1
2.5. Subsidies	D.3	1.1	1.3	1.2
2.6. Gross fixed capital formation	P.51	3.1	3.3	3.8
2.7. Capital transfers	D.9	1.0	1.2	1.1
2.8. Other ^(c)		1.4	2.1	2.7

^(*) Following the request from the Commission to activate the reporting requirements provided for by Article 10(3) of Regulation (EU) No 473/2013, the reporting starts from the year of the opening of the excessive deficit procedure in accordance with Article 126(6) TFEU, and spans until the excessive deficit is planned to be corrected, in accordance with the deadline set by the Council recommendation in accordance with Article 126(7) TFEU or decision to give notice in accordance with Article 126(9) TFEU.

^(a) P.11 + P.12 + P.131 + D.39rec + D.7rec + D.9rec (other than D.91rec).

^(b) Including those collected by the EU and including an adjustment for uncollected taxes and social contributions D.995), if appropriate.

^(c) TR - TE = B.9.

^(d) Includes cash benefits (D.621 and D.624) and in kind benefits (D.631) related to unemployment benefits.

^(e) D.29 + D.4 (other than D.41) + D.5 + D.7 + P.52 + P.53 + K.2 + D.8.

^(f) In ESA2010: D.62, D.632.

5. Fiscal Stance in 2014

A number of structural fiscal consolidation measures underline the structural effort envisaged for 2014 which will support the budget for that year. Some of these measures were included in the Stability Programme presented last April but were not specified. These measures are presented in Table 3.

5.1. Shift from Direct to Indirect Taxation

Government's policy to shift taxation from direct to indirect will be sustained over the medium term. Indeed, further to the revisions in the income tax regime in recent years, the 2013 Budget provided for the widening of the income tax bands for single and joint tax computations, and for parents supporting minors who are not gainfully employed. However, this will be implemented gradually in a manner that will limit the expansionary impact on public finances which will amount to 0.17 per cent of GDP in 2014.

For the period 2013 to 2016, the gradual losses from the revision in the income tax regime affecting direct taxation will be offset by similar gradual revisions in indirect taxation planned in the context of the budgetary exercise for the upcoming year. Moreover, revisions to the VAT legislation are currently ongoing. These will empower the Minister responsible for finance to revise as necessary the penalties and interest payable on taxation due in order to increase tax compliance and ease the recovery of amounts due.

5.2. Pension Reform Measures

In December 2006, the House of Representatives adopted a series of parametric reforms (Act No. XIX of 2006) to the definition of pension age, retirement before pension age, the full rate of two-thirds pension, calculation formula, the maximum pensionable income and the crediting of contributions as provided for under the preceding legislative framework. The reform law adopted by the Maltese Parliament was aimed at enhancing the sustainability of the pension system whilst improving the adequacy of the pension enjoyed by retirees in the future. The 2006 reform constitutes one of the main policies supporting the structural effort as conceived in the Stability Programme and in this Report.

The increase in the pension age, the increase in the contribution period for full pension eligibility and the changes to the benefit formula contribute to lower the projected increase in pension expenditure. The pension reform initiative legislated in 2006 is expected to contribute positively in terms of revenue from social security, equivalent to 0.16 per cent of GDP in 2013 and 0.15 per cent of GDP in 2014. In addition, pension reform initiatives are expected to reduce public expenditure by 0.27 per cent of GDP in 2013 and 0.26 per cent of GDP in 2014.

5.3. Air Malta Restructuring

In view of the important function of Malta's national airline in supporting the local tourism industry, the ongoing restructuring of Air Malta will be sustained by a Government equity injection. To date, €20 million and €40 million have been disbursed in 2012 and 2013 respectively. A further €15 million in equity injection is planned for 2014. Cost cutting measures and initiatives to boost revenue in Air Malta as part of the restructuring programme are detailed in the Economic Partnership Programme.

5.4. Expenditure Consolidation Measures

Government is committed to continue reviewing its expenditure programme through a comprehensive spending review (CSR). The CSR is assisting each ministry to identify cost savings through the elimination of waste and other inefficiencies, as well as facilitating the exchange of good practices and incentives to ensure that the country's finances are improved. The review provides a framework for the ministries to explore their line items to introduce zero budgets and outputs for lines of expenditure to ensure that spending is continually being reviewed according to changing needs and priorities. These reviews are to serve as a platform for medium term public finance forecasts.

On 28 June 2013, a series of budgetary reductions were decided upon, communicated to the respective ministries and incorporated into the government accounting system (DAS). See Table below for a summary of these revisions.

Summary of Budgetary Adjustments (Number of Line Items shown in brackets)

	2013 Approved (SP) Estimate €'000	Revised Estimate €'000	Reduction €'000	% of GDP GDP = 7082.19
Programmes and Initiatives (113)	1,582,732	1,573,078	-9,654	-0.14
Government Entities (57)	231,733	226,233	-5,500	-0.08
Capital Expenditure (25)	381,924	378,324	-3,600	-0.05
Total Expenditure (195)	2,196,389	2,177,635	-18,754	-0.26

Furthermore Government is committed to restart the practice of restricting recruitment and reducing public sector employment through attrition. In particular Government is committed to restrict the replacement of retirees and resignations by a ratio of 2:3. Health and education will be excluded from this exercise. It is to be noted that every year there are roughly 1,500 public sector employees who retire or resign from their posts. This policy would effectively reduce public sector employment by around 500 per annum. This policy will be reviewed every year. Potential savings from this policy could amount to around €4.9 million in 2014 and additional savings in subsequent years.

Other expenditure restraint measures are planned by the Government and support the expenditure targets presented in this Report.

6. Debt Dynamics

As a result of the fiscal consolidation measures and the overall fiscal stance the rise in the debt ratio is expected to stabilise to 73.2 per cent of GDP in 2014. The primary balance is expected to lead to a contraction of 0.5 percentage point in the debt-to-GDP ratio during 2013. On the other hand, interest expenditure and the stock-flow adjustment are expected to have an expansionary impact of 3.1 and 1.9 percentage point respectively on the debt ratio during the aforementioned period. Debt dynamics are shown in Table 4.

7. Conclusion

Government is committed to achieve the targets presented in the Stability Programme with a view to correct the excessive deficit by the end of 2013 as planned and further carry out structural fiscal consolidation measures in 2014 to ensure a permanent correction in the deficit and embark on the trajectory of reducing the structural deficit and reach the medium term objective of a balanced budget in structural terms. The fiscal consolidation strategy is built primarily on the pension reform initiatives and a shift from direct to indirect taxation coupled with restraints on discretionary expenditure and an increase in expenditure efficiency. This Report on Effective Action has highlighted in more detail the specific measures being envisaged. Further details will however be presented in the forthcoming budget. This Report is complemented by the Economic Partnership Programme which details the structural economic reforms which will support a durable correction in fiscal imbalances in the medium to long term. Both reports are being published as testimony to Government's commitment to these reforms.

Table 3

Budgetary measures adopted and envisaged by the general government on both the expenditure and the revenue side to achieve the targets presented in Table 2

List of measures	Detailed description	Target (Expenditure /Revenue) ESA Code	Accounting principle ^(a)	Adoption Status	Incremental budgetary impact (EUR million) on year			
						2012	2013	2014
Introduction of a Bunkering Tax	The introduction of excise duty on fuel for bunkering of ships outside territorial waters	D2 - R	Cash	Adopted		0.2	0.0	0.0
Revision in excise duty on mobile telephony	Revision in excise duty on mobile telephony	D2 - R	Cash	Adopted		0.5	0.1	0.0
Revision in excise duty on fuel	Revision in excise duty on fuel	D2 - R	Cash	Adopted		0.0	3.9	1.3
Revision in excise duty on cement	Revision in excise duty on cement	D2 - R	Cash	Adopted		1.2	1.0	0.4
Revision in excise duty on cigarettes and tobacco	Revision in excise duty on cigarettes and tobacco	D2 - R	Cash	Adopted		3.7	4.0	1.4
Removal of TV Licenses	Removal of TV Licenses	D5 - R	Cash	Adopted		-1.5	-2.5	0.0
Other Indirect Tax Measures	A series of Indirect tax measures to be announced in the Budget 2014	D2 - R	Cash	Approved		0.0	0.0	31.5
Fees of Office	Revenue measure to be announced in the Budget 2014 that would provide a service against a fee	D2 - R	Cash	Approved		0.0	0.0	15.0
Adjustments in Income Tax Rate	Revision in the income tax rate for parents supporting children who are not gainfully employed up to 18 years of age	D5 - R	Cash	Adopted		-10.0	0.0	0.0
Widening of the income tax rates	A revision in the tax rate from 35 per cent to 32 per cent for those on a single or joint computation for up to eur 60,000 from 2013. In 2014, the top income tax rate will go down to 29 per cent and drop further to 25 per cent in 2015. The rate of 35 per cent will apply for those earning over eur 60,000	D5 - R	Cash	Adopted		0.0	-11.5	-13.0
Revision in the registration tax of private vehicles	This incentive is to promote cleaner private vehicles, as a result of which the amount of tax payable upon registration of private vehicles will be based on the Euro standard of the vehicle, in addition to carbon dioxide, particulate matter, length and value of the car according to the make	D2 - R	Cash	Adopted		7.8	-3.0	0.0
Pension reform initiatives	The pension reform initiative legislated in 2006 is expected to lead to revenue increases in terms of national insurance contributions	D6 - R	Cash	Adopted		11.5	11.5	11.5
Efficiency in revenue collection and Tax Arrears Collection Schemes	The consolidation of the various functions of Government revenue into one authority will improve efficiency in tax collection. In addition a number of schemes were announced to facilitate the recovery of tax arrears.	D2, D5, D6 - R	Cash	Adopted		0.9	-20.6	-8.2
Restrictions on recruitment	Resignations and retirees in the public sector (excluding health and education) will be replaced by new employees on a ratio of 2:3	D1 - E	Cash	Approved		n/a	n/a	4.9
Pension reform initiatives	The pension reform initiative legislated in 2006 is expected to lead to lowering pension expenditure	D6 - E	Cash	Adopted		6.6	18.9	19.7
Revision in the minimum rate of children's allowance	Children's allowance increases from €350 to €450, and to €527 for families dependent on a minimum wage	D6 - E	Cash	Adopted		-2.8	-2.3	0.0
Extension of maternity leave	The maternity leave has been extended from 14 weeks to 16 weeks as from the beginning of 2012, and increased by a further two weeks in 2013	D6 - E	Cash	Adopted		-0.5	-0.5	0.0
Equity acquisition in Aimalta plc	The investment was carried out in Air Malta to support the national airline's restructuring programme	D9 - E	Cash	Adopted		-20.0	-20.0	25.0
Assistance to the Elderly	Assistance to help the elderly live independently	D6 - E	Cash	Adopted		-3.5	-1.5	-3.3
Control of Intermediate Consumption	Control on intermediate consumption with various measures targeting specific components	P2 - E	Cash	Adopted		0.0	21.2	0.0
Other Measures	Other expansionary measures to be announced in the Budget of 2014, including measures that are intended to spur growth and employment	E	Cash	Approved		0.0	0.0	-40.3
TOTAL						-5.9	-1.4	46.0

^(a) By default, the impact of the measures will be reported on accrual basis, but, if impossible and reporting is in cash, it should be indicated explicitly. The impact is to be recorded in incremental terms - as opposed to levels - compared to the previous year's baseline projection. Simple permanent measures should be recorded as having an effect of +/- X in the year(s) they are introduced and zero otherwise (the overall impact on the level of revenues or expenditures must not cancel out). If the impact of a measure varies over time, only the incremental impact should be recorded in the table. By their nature, one-off measures should be always recorded as having an effect of +/- X in the year of the first budgetary impact and -/+ X in the following year, i.e. the overall impact on the level of revenues or expenditures in two consecutive years must be zero.

Table 4
General government (S.13) debt developments and prospects

		2012	2013	2014
	ESA Code	% GDP	% GDP	% GDP
1. Gross debt ^(a)		71.3	73.2	73.2
(= Table 1b.8 for the general government)				
2. Change in gross debt ratio		1.8	1.9	0.0
Contributions to changes in gross debt				
3. Primary balance		-0.2	0.5	1.0
(= Table 1c.9)				
4. Interest expenditure	D.41	3.1	3.2	3.1
(= Table 1c.8)				
5. Stock-flow adjustment		0.7	1.9	0.6
<i>of which:</i>				
- Differences between cash and accruals ^(b)				
- Net accumulation of financial assets ^(c)				
<i>of which:</i>				
- Privatisation proceeds				
- Valuation effects and other ^(d)				
p.m.: Implicit interest rate on debt ^(e) (%)		4.6	4.6	4.4
Other relevant variables				
6. Liquid financial assets ^(f)				
7. Net financial debt (7 = 1 - 6)				
8. Debt amortization (existing bonds) since the end of the previous year				
9. Percentage of debt denominated in foreign currency (%)				
10. Average maturity (years)				
11. Real GDP growth (%)		0.8	1.2	1.7
(= Table 1c row 11)				

^(*) Following the request from the Commission to activate the reporting requirements provided for by Article 10(3) of Regulation (EU) No 473/2013, the reporting starts from the year of the opening of the excessive deficit procedure in accordance with Article 126(6) TFEU, and spans until the excessive deficit is planned to be corrected, in accordance with the deadline set by the Council recommendation in accordance with Article 126(7) TFEU or decision to give notice in accordance with Article 126(9) TFEU.

^(a) As defined in Regulation (EC) No 479/2009.

^(b) The differences concerning interest expenditure, other expenditure and revenue could be distinguished when relevant or in case the debt-to-GDP ratio is above the reference value.

^(c) Liquid assets (currency), government securities, assets on third countries, government controlled enterprises and the difference between quoted and non-quoted assets could be distinguished when relevant or in case the debt-to-GDP ratio is above the reference value.

^(d) Changes due to exchange rate movements, and operation in secondary market could be distinguished when relevant or in case the debt-to-GDP ratio is above the reference value.

^(e) Proxied by the interest expenditure divided by the debt level of the previous year.

^(f) Liquid assets are here defined as AF.1, AF.2, AF.3 (consolidated for general government, i.e. netting out financial positions between government entities), A.F511, A.F.52 (only if quoted in stock exchange).