Statistical News Release

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Government’s financial deficit dropped to Afl. 134.6 million during the third quarter of 2013

The government’s financial deficit on a cash basis decreased by Afl. 18.9 million to Afl. 134.6 million in the third quarter of 2013, compared to the same quarter of 2012 (Chart 1). The cash-adjusted financial deficit reached Afl. 92.5 million in the third quarter of 2013, up from Afl. 73.0 million in the corresponding quarter of 2012. At the end of September 2013, the government’s outstanding debt amounted to Afl. 3,420.4 million, which is Afl. 261.6 million or 8.3 percent higher than the level recorded at the end of September 2012.

Financial operations

In the third quarter of 2013, total government revenue expanded by Afl. 3.8 million (+1.5 percent) to Afl. 252.3 million, compared to the corresponding quarter of 2012. This increase resulted mainly from a growth in nontax revenue of Afl. 14.4 million arising from upturns in dividends distributions and grants, which was largely offset by an Afl. 10.6 fall in tax revenue, resulting mainly from drops in taxes on profit (-Afl. 10.9 million) and on land (-Afl. 4.1 million) (Chart 2).

During the first nine months of 2013, total government revenue grew by Afl. 80.5 million (+10.7 percent) compared to the same period of 2012. This notable increase reflected upturns in both nontax and tax revenue of, respectively, Afl. 65.6 million and Afl. 14.8 million.
Total government expenditures declined by Afl. 27.1 million to Afl. 367.0 million in the quarter under review, brought about mainly by drops in the “items not included elsewhere” (-Afl. 56.4 million), transfers to AZV (-Afl. 7.7 million), and investment (-Afl. 6.2 million).

These declines were mainly offset by increases in wage-related spending¹, development fund spending, and interest costs of, respectively, Afl. 16.0 million, Afl. 10.8 million, and Afl. 10.2 million.

During the first nine months of 2013, total government expenditures also recorded an Afl. 18.6 million (-1.7 percent) decline, when compared to the same period of 2012. The main contributors to this contraction were registered in “items not included elsewhere”, transfers to AZV, and investment, while interest costs, goods and services, development fund spending, and wages showed increases.

**Outstanding debt**

At the end of September 2013, the total outstanding government debt amounted to Afl. 3,420.4 million, i.e., Afl. 268.1 million or 8.5 percent higher than the level recorded at the end of June 2013 (Chart 3).

Domestic debt went up by Afl. 7.7 million, due to a Afl. 53.0 million rise in private loans, caused by the issuance of private placement bonds in July 2013. This increase was largely offset by a drop in the short-term non-negotiable debt, resulting from decreases in the short-term claims of other government institutions, private suppliers, and the civil servant’s pension fund (APFA) on the government of, respectively, Afl. 24.7 million, Afl. 15.9 million, and Afl. 4.1 million. Foreign debt surged by Afl. 260.5 million, brought about mainly by an Afl. 372.3 million (USD 208 million) issuance of government bonds on the international capital market in August 2013, which was partly mitigated by the repayment of an Afl. 102.6 million on matured bonds in September 2013.

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¹Wage related spending include: wages, employer’s contribution, and wage subsidies.
Chart 3: Government debt

In Afl. million

Q1 - 2011  Q2 - 2011  Q3 - 2011  Q4 - 2011  Q1 - 2012  Q2 - 2012  Q3 - 2012  Q4 - 2012  Q1 - 2013  Q2 - 2013  Q3 - 2013

Domestic  Foreign