

## STRUCTURE OF GENERAL GOVERNMENT DEBT 2018

### NATIONAL REFERENCE METADATA IN SINGLE INTEGRATED METADATA STRUCTURE (SIMS)

#### CONCEPT 1 – CONTACT

##### Sub-Concept 1.1: Contact organisation

National Statistics Office (NSO)

##### Sub-Concept 1.2: Contact organisation unit

Public Finance Unit

##### Sub-Concept 1.3: Contact name

Mr. Mark Galea

##### Sub-Concept 1.4: Contact person function

Head of Unit

##### Sub-Concept 1.5: Contact mail address

National Statistics Office (NSO),  
Lascaris, Valletta VLT 2000, Malta.

##### Sub-Concept 1.6: Contact e-mail address

mark.b.galea@gov.mt

##### Sub-Concept 1.7: Contact phone number

+356 2599 7240

#### CONCEPT 2 – METADATA UPDATE

##### Sub-Concept 2.1: Metadata last certified

22<sup>nd</sup> November 2019

##### Sub-Concept 2.2: Metadata last posted

25<sup>th</sup> September 2020

### **Sub-Concept 2.3: Metadata last update**

25<sup>th</sup> September 2020

## **CONCEPT 3 – STATISTICAL PRESENTATION**

### **Sub-Concept 3.1: Data description**

The General Government debt is a key indicator of the government sector's financial position. Structure of debt data are provided to Eurostat by compiling a voluntary questionnaire on annual basis.

The following data series are available:

- Central Government debt (S1311);
- Local Government debt (S1313);
- General Government debt (S13);
- Debt by currency of issue;
- Government guarantees - These are contingent liabilities and are not included in the General Government gross debt.

### **Sub-Concept 3.2: Classification system**

Financial instruments and sectors/sub-sectors are classified according to ESA 2010 principles. Further details on ESA 2010 classifications are available on the NSO's metadata website and can be accessed through: <http://nso.gov.mt/metadata/classificationdetails.aspx?id=ESA%202010>.

### **Sub-Concept 3.3: Sector coverage**

Data covers the General Government sector (S13) and its subsectors as defined in ESA 2010. Further details on ESA 2010 classifications are available on the NSO's metadata website and can be accessed through: <http://nso.gov.mt/metadata/classificationdetails.aspx?id=ESA%202010>.

### **Sub-Concept 3.4: Statistical concepts and definitions**

The Maastricht definition of debt is total gross debt at nominal value outstanding at the end of the year and consolidated between and within the sectors of general government for the following categories of government liabilities (defined in ESA 2010): currency and deposits (AF.2), debt securities (AF.3) and loans (AF.4). This definition is in accordance with Council Regulation (EC) No 479/2009 of 25 May 2009 on the application of the Protocol on the excessive deficit procedure annexed to the Treaty establishing the European Community.

In the structure of government debt, the General Government data are reported in further details as follows:

- Debt-holder (counterpart data) - by ESA 2010 institutional sectors

- Financial instrument - by ESA 2010 code
- Debt by currency of issue - Foreign currency debt is debt issued in currencies other than in Euro.
- Apparent cost of the debt (%) - This may be defined as the interest rate applicable to the whole nominal debt (AF.2, AF.3, and AF.4). It is calculated as the amount of interest payable during the year (accrual basis) divided by the average outstanding amount of debt for that same year. An estimate of the average debt can be obtained by taking an average of the debt at the end of year t and the end of year t-1.
- Market value of debt - The compilation of General Government debt data according to Maastricht debt complies with ESA2010 rules, especially concerning the sector classification of institutional units, the consolidation rules, the classification of financial transactions and of financial assets and liabilities, and the time of recording, but valuation rules are however differently defined. 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. ESA 2010 debt is 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.
- Initial maturity - Maturity data at the inception of debt.
- Remaining maturity - Remaining maturity from a certain point in time.

Furthermore, data on government guarantees are provided (contingent liabilities not included in general government gross debt). Malta's government guarantees exclude guarantees on Multilateral Investment Guarantee Agency (MIGA) and International Bank for Reconstruction and Development (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 EBUs but exclude those provided to EBUs.

The tables contain debt figures expressed in euro and percentage of GDP. GDP is the gross domestic product at market prices, as defined by ESA 2010 and transmitted to Eurostat in the April Excessive Deficit Procedure (EDP) Notification.

### **Sub-Concept 3.5: Statistical unit**

The statistical unit is the institutional unit, as defined in ESA 2010. The institutional units are grouped to the General Government (S.13) Sector and its sub-sectors.

### **Sub-Concept 3.6: Statistical population**

In Malta, the General Government Sector (S.13) consists of (1) Central Government (S.1311), which includes the Budgetary Central Government and the Extra-Budgetary Units (EBUs), and (2) Local Government (S.1313), which comprises 68 local councils, five (5) regional committees and the local council association.

The Central Government:

- The Budgetary Central Government is made up of Government Ministries and Departments which are engaged in the public service for social policy, health, education, public administration, finance, environment etc.
- The EBUs are institutional units, which are non-market producers, owned and supported by the government. These EBUs are established by various Acts of Parliament. They are independent, they have their own set of accounts, have only limited ministerial supervision, and only their operational budgets need to be approved by the Parliament. Their operations are related to various issues such as health, education, housing, transport and recreational issues and some of the agencies manage significant levels of state assets.

The Local Government:

The local government perform specific functions like waste collection, local enforcement system, street cleaning, maintenance of public gardens, etc. They are mostly financed by grants, the latter created by appropriations from the Government. They have, though, a certain degree of autonomy with respect to own expenditures financed by their own local revenue. The group of local councils is deemed as an independent sub-sector of the General Government although their functions in Malta are rather limited and their finances are mainly grants issued by the Government.

#### **Sub-Concept 3.7: Reference area**

Malta.

#### **Sub-Concept 3.8: Time coverage**

The data series covers the period from 2015 to 2017.

#### **Sub-Concept 3.9: Base period**

Not applicable.

#### **CONCEPT 4 – UNIT OF MEASURE**

Euro thousands, percentage of GDP and percentage of total debt. GDP is gross domestic product at current market prices, as defined in ESA 2010 (B.1\*g) and as supplied in the most recent EDP notification.

## CONCEPT 5 – REFERENCE PERIOD

The reference period is the end of the previous calendar year.

## CONCEPT 6 – INSTITUTIONAL MANDATE

### Sub-Concept 6.1: Legal acts and other agreements

[The Malta Statistics Authority Act, 2000](#). The Act empowers the NSO to collect, compile, extract and release official statistics related to demographic, social, environment, economic and general activities and conditions of Malta;

As a member of the European Union (EU), Malta has to observe the Council Regulation (EC) No. 223/2009 dealing with the collection and dissemination of official statistics. Moreover, all council regulations dealing with the collection of official statistics need to be observed by the NSO.

The legal basis for transmission of dataset "Structure of Government Debt" is the Council Regulation (EC) No 3605/93, as amended by Council Regulation (EC) No 475/2000 and by Commission Regulation (EC) No 351/2002 and the Council Regulation (EC) No 1222/04 concerning the compilation and transmission of data on the quarterly government debt.

Regulation (EU) No 549/2013 of the European Parliament and of the Council of 21 May 2013 on the European system of national and regional accounts in the European Union.

### Sub-Concept 6.2: Data sharing

Structure of Government Debt data are shared between the institutions forming part of the Government Finance Statistics Committee, namely the: NSO, Central Bank of Malta (CBM), Ministry for Finance, and the Treasury Department.

## CONCEPT 7 – CONFIDENTIALITY

### Sub-Concept 7.1: Confidentiality – Policy

At National level:

The NSO requests information for the compilation of official statistics according to the articles of the [MSA Act – Cap. 422](#) and the [Data Protection Act – Cap. 586](#) of the Laws of Malta implementing the General Data Protection Regulations (GDPR).

Article 40 of the MSA Act stipulates the restrictions on the use of information while Article 41 stipulates the prohibition of disclosure of information. Furthermore, Section IX of the Act (Offences and Penalties) lays down the measures to be taken in case of unlawful exercise of any officer of statistics regarding confidentiality of data.

Since its inception, the NSO has always assured that all data collected remains confidential and that it is used for statistical purposes only according to the articles and derogations stipulated in the laws quoted above. The Office is obliged to protect the identify of data providers and refrain from divulging any data to third parties that might lead to the identification of persons or entities.

During 2009, the NSO has set up a Statistical Disclosure Committee to ensure that statistical confidentiality is observed, especially when requests for microdata are received.

Upon employment, all NSO employees are informed of the rules and duties pertaining to confidential information and its treatment. In line with stipulations of the MSA Act, before commencing work, every employee is required to take an oath of secrecy whose text is included in the same Act.

An internal policy on anonymisation and pseudo-anonymisation is in place to ascertain that adequate methods are used for the protection of data which the office collects and shares with the public in its capacity as the National Statistics Office. The policy is meant to safeguard confidentiality of both personal and business data entrusted to the NSO. The document provides guidance for all NSO employees who process data on a daily basis as to how anonymisation and pseudo-anonymisation methods should be applied. The policy applies to all confidential, restricted and internal information, regardless of form (paper or electronic documents, applications and databases) that is received, processed, stored and disseminated by the NSO.

At European level:

[Regulation \(EC\) No 223/2009](#) on European statistics (recital 24 and Article 20(4) of 11 March 2009 (OJ L 87, p. 164), stipulates the need to establish common principles and guidelines ensuring the confidentiality of data used for the production of European statistics and the access to those confidential data with due account for technical developments and the requirements of users in a democratic society.

## **Sub-Concept 7.2: Confidentiality – Data Treatment**

Quarterly Government Debt data are not treated for confidentiality.

## **CONCEPT 8 – RELEASE POLICY**

### **Sub-Concept 8.1: Release Calendar**

An advance release calendar is maintained by the NSO and published on the NSO website. The calendar projects three months of news releases (including the current month and two subsequent months).

### **Sub-Concept 8.2: Release Calendar access**

[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)

### **Sub-Concept 8.3: User access**

An internal policy on dissemination is in place to govern the dissemination of official statistics in an impartial, independent and timely manner, making them available simultaneously to all users. The NSO's primary channel for the dissemination of official statistics is the NSO website. Tailored requests for statistical information may also be submitted through the said website.

## **CONCEPT 9 – FREQUENCY OF DISSEMINATION**

Annual

## **CONCEPT 10 – ACCESSIBILITY AND CLARITY**

### **Sub-Concept 10.1: News release**

The Public Finance Unit publishes the news releases 'Structure of General Government Debt' on an annual basis, generally in June/July.

A time series of such releases may be accessed at the following link:

[https://nso.gov.mt/en/News\\_Releases/View\\_by\\_Unit/Unit\\_A2/Public\\_Finance/Pages/Structure-of-General-Government-Debt.aspx](https://nso.gov.mt/en/News_Releases/View_by_Unit/Unit_A2/Public_Finance/Pages/Structure-of-General-Government-Debt.aspx)

### **Sub-Concept 10.2: Publications**

Not applicable.

### **Sub-Concept 10.3: Online Database**

A time series of data presented in the Government Finance news releases is available in the online Statistical Database - StatDB - on the NSO website <http://nso.gov.mt/statdb/start>.

### **Sub-Concept 10.4: Micro-data access**

Not applicable.

### **Sub-Concept 10.5: Other**

The annual questionnaire 'Structure of Government Debt' is sent to Eurostat.

### **Sub-Concept 10.6: Documentation on methodology**

Work processes and procedures for the compilation of Government Debt data are documented in a standardised reporting template and aligned with the GSBPM model. The model covers all phases of the statistical production process, from the initial stages of identifying what statistics are needed, to the final stages of dissemination and evaluation. GSBPM is only available internally and may be accessed by all NSO employees.

The data are in line with the procedure 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 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.

#### **Sub-Concept 10.6.1: Metadata completeness rate**

Information about all required metadata concepts (and sub-concepts thereof) are provided.

### **Sub-Concept 10.7: Quality Documentation**

The NSO has also developed an internal Quality Management Framework (QMF) which is built on common requirements of the ESS Code of Practice (ESS CoP). A document was prepared to include a set of general quality guidelines spanning over all statistical domains. Assuring methodological soundness is an integral part of the QMF, nonetheless, the document spans also on other areas related to institutional aspects.

## **CONCEPT 11 – QUALITY MANAGEMENT**

### **Sub-Concept 11.1: Quality Assurance**

Quality of data is assured by adherence to the ESA 2010 concepts. Data are also checked by the validation of the Member States' data by Eurostat, and Member States are asked for some additional information in case of any doubts about data quality.

Moreover, data are consistent with quarterly government debt data and EDP Notification tables.

### **Sub-Concept 11.2: Quality Assessment**

The Structure of Government debt questionnaire incorporates vertical consistency checks for the maturity and instruments data, such that the disaggregated data matches the aggregated data. For the sake of consistency, Eurostat sends a pre-filled questionnaire incorporating the data that are available at their end through other data series (ESA Transmission Programme and EDP tables).



## **CONCEPT 12 – RELEVANCE**

### **Sub-Concept 12.1: User needs**

Local users: Central Bank of Malta, Ministry of Finance, Economic Policy Department, researchers, students, politicians, etc.

Foreign users: European Commission, European Parliament, European Council, International Monetary Fund (IMF), World Bank (WB), International Agencies, Credit Rating Agencies, researchers, students, etc.

### **Sub-Concept 12.2: User satisfaction**

The last User Satisfaction Survey was held in 2014 with the aim to collect information about key users' satisfaction with statistical output. The NSO keeps record of the number of News Releases and publications disseminated on its website, the users to whom statistical products are provided, as well as the number of requests that are processed every year.

News Releases and tailor-made statistical outputs are assessed on account of their quality, timeliness, and on their ability to meet users' needs.

### **Sub-Concept 12.3: Data Completeness**

All relevant Government Finance Statistics data, including the structure of government, as required by the European System of Accounts (ESA 2010) adopted in the form of a Council Regulation (EC) dated 21 May 2013, N° 549/2013, is available. As such, the data completeness rate stands at 100%.

## **CONCEPT 13 – ACCURACY AND RELIABILITY**

### **Sub-Concept 13.1: Overall accuracy**

Structure of government debt is perfectly consistent with the ESA 2010 Transmission Programme Table 27 - 'Quarterly general government debt' and the EDP notification tables.

### **Sub-Concept 13.2: Sampling errors**

Not applicable.

### **Sub-Concept 13.3: Non-sampling errors**

Potential sources of non-sampling error include errors in coding, data input or classification.

**Sub-Concept 13.3.1: Coverage error**

Not applicable.

**Sub-Concept 13.3.1.1: Over Coverage**

Not applicable.

**Sub-Concept 13.3.1.2: Common Units Proportion**

Not applicable.

**Sub-Concept 13.3.2: Measurement error**

Potential errors may arise due to manual coding and classifications and due to manual data input.

**Sub-Concept 13.3.3: Non-response error**

Not applicable.

**Sub-Concept 13.3.3.1: Unit non-response**

Not applicable.

**Sub-Concept 13.3.3.2: Item non-response**

Not applicable.

**Sub-Concept 13.3.4: Processing error**

Potential errors may arise due to manual coding and classifications and due to manual data input.

**Sub-Concept 13.3.5: Model assumption error**

Not applicable.

**CONCEPT 14 – TIMELINESS AND PUNCTUALITY**

**Sub-Concept 14.1: Timeliness**

The debt questionnaire is submitted to Eurostat once per year, around May. Data are submitted to Eurostat on a voluntary basis. Structure of General Government Debt data are available at T+5 months.

### **Sub-Concept 14.2: Punctuality**

The Structure of Government Debt Questionnaire has always been submitted to Eurostat before the deadline, whereas the related news release has always been published on time.

## **CONCEPT 15 – COHERENCE AND COMPARABILITY**

### **Sub-Concept 15.1: Comparability – Geographical**

Data are fully comparable across countries, as harmonised European rules (ESA 2010 and Manual on Government Deficit and Debt) are used by all Member States for compiling the data.

### **Sub-Concept 15.2: Comparability – Over Time**

Malta's Structure of Government Debt data are fully comparable over time and no break in series are present in this data series.

### **Sub-Concept 15.3: Coherence – Cross Domain**

Consistency is verified by Eurostat. Some variables can be cross-checked with other tables submitted under the ESA 2010 Transmission Programme, like Quarterly Financial Accounts (Table 27) Quarterly Government Debt (Table 28) and EDP data.

#### **Sub-Concept 15.3.1: Coherence – Sub-Annual and Annual statistics**

Structure of Government Debt is consistent with the Quarterly Government Debt data and the EDP Tables.

#### **Sub-Concept 15.3.2: Coherence – National Accounts**

Not applicable.

#### **Sub-Concept 15.4: Coherence – Internal**

Consistency is ensured within and between the Structure of Government Debt tables and the ESA Transmission Programme because the same data sources are used, and no inconsistencies are observed (total debt by instrument is consistent).

## **CONCEPT 16 – COST AND BURDEN**

The structure of government debt data are compiled by one Statistician and it takes around one and a half months to collect the data, analyse it, complete the Eurostat questionnaire and to prepare the dedicated news release.

## CONCEPT 17 – DATA REVISION

### Sub-Concept 17.1: Data revision – Policy

At the NSO, there is currently no internal policy governing revisions that occur for all statistics produced. Nonetheless, a revisions policy is being drafted to safeguard a coordinated revisions system across statistical domains. This policy will take account of the need and causes for revisions; time and frequency of revisions; data and other statistical products affected by such revisions; and length of periods revised.

Structure of Government Debt data for years t-4, t-3, and t-2 are considered final. However, if exceptional revisions are necessary NSO will still adopt these revisions, even for years considered final. The main reasons for revisions, which are sometimes beyond NSO's control, are:

- Availability of audited accounts for extra budgetary units and local councils, mainly for year t.
- Revisions in the accruals' templates collected by the Treasury. Whenever the Treasury detects mistakes or methodological errors, it requests the department concerned to adopt the correct methodology and revise back data accordingly.
- Reclassifications of units within or outside the General Government Sector.

Moreover, major changes in methodology may occur as a result of EU legislation, e.g. the introduction of NACE Rev. 2 and the new European System of Accounts (ESA 2010); or Eurostat decisions or guidelines in the area of government finance statistics. These changes are adopted when required by Eurostat.

### Sub-Concept 17.2: Data revision – Practice and Data Revision

Revisions due to potential errors in the Structure of Government Debt data are made on detection, or in the subsequent submission in line with European Statistics Code of Practice principle 6.3 (errors discovered in published statistics are corrected at the earliest possible date and publicised). Major changes in methodology may occur as a result of EU legislation or Eurostat decisions.

## CONCEPT 18 – STATISTICAL PROCESSING

### Sub-Concept 18.1: Source data

The components of Malta's General Government debt are as follows:

- Euro coins issued in the name of the Treasury
- Treasury Bills
- Malta Government Stocks
- Foreign Borrowing
- Domestic loans with Commercial banks
- Debt of Extra Budgetary Units
- Debt of Local Councils

- European Financial Stability Facility (EFSF) re-routing - The European Financial Stability Facility (EFSF) was established on 7 June 2010 for the purpose of providing stability support to Euro Area Member States (EAMS). The EFSF finances such support by issuing or entering into bonds, notes, commercial paper, or other financing arrangements. The operations are backed by guarantees of the EAMS on the basis of an agreed 'adjusted contribution key'. On 27 January 2011, Eurostat decided that the debt issued by the EFSF for each support operation must be rerouted to the public accounts of the EAMS providing guarantees, proportionately to their contribution key. Therefore, the recording of such flows will impact the gross government debt (as defined in the Maastricht Treaty) but not the net debt. In addition, all revenue/expenditure streams (interest, margins and service fees) will be recorded in the general government accounts, resulting in a positive impact on the deficit/surplus of the EAMS.

The data sources for the compilation of the structure of government debt include:

1. Debt Management Unit within the Treasury (information on initial and remaining maturities)
2. CBM for data on the euro currency and foreign loans
3. Financial Data Reporting System (FDRS) for EBU's data
4. Audited accounts for EBUs and Local Councils
5. Malta Stock Exchange for information on holders of domestic debt (counterpart data)
6. European Financial Stability Facility (EFSF) rerouted debt data supplied by Eurostat.

#### **Sub-Concept 18.2: Frequency of data collection**

Annual.

#### **Sub-Concept 18.3: Data Collection**

The Departmental Accounting System (DAS), FDRS and Treasury's accruals template are administrative reports. Public Finance Unit has online access to these administrative sources.

#### **Sub-Concept 18.4: Data Validation**

Data are perfectly consistent with the ESA 2010 transmission tables. Data are checked for consistency within and between tables. Annual debt is validated against annual data provided to the EU through the EDP Notification; and the Central Bank of Malta's Quarterly Public Sector Debt data (which are transmitted to the EU). Additional verifications are undertaken for consolidation, general plausibility as well as comparison with other data sets.

### **Sub-Concept 18.5: Data Compilation**

The data for the components of Malta's General Government data are collected, aggregated, analysed and treated for consolidation. The consolidated debt transactions are:

1. Sinking Fund investment in Malta Government Stocks;
2. EBU's and Local Government investment in Malta Government Stocks and Treasury Bills;  
and
3. EBU's debt with other EBU's.

Non-response in EBU's debt data are estimated based on latest data available.

### **Sub-Concept 18.5.1: Imputation**

Not applicable.

### **Sub-Concept 18.6: Adjustment**

Not applicable.

### **Sub-Concept 18.6.1: Seasonal Adjustment**

Not applicable.

### **CONCEPT 19 – COMMENT**

No further comments.