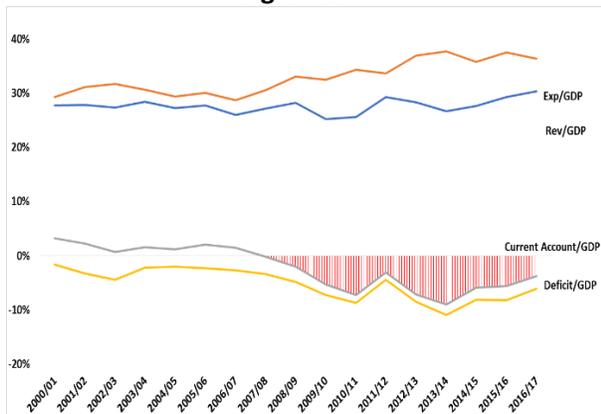


# Government Revenue, Expenditure and Financing

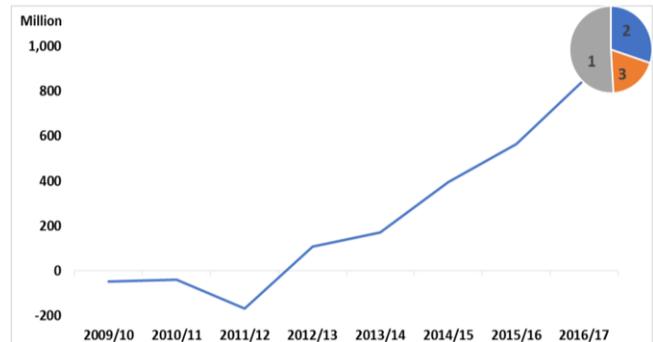
**Fiscal Indicators  
Figure 1.**



Source: CBB, PR March 2017, Figure 5

Government has spent more on operations than the available tax revenue every year since 2008/9. Current spending exceeded revenues by \$342 million in 2016/17.

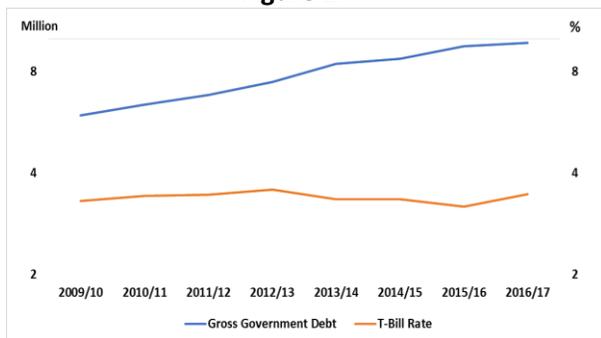
**Central Bank Financing  
Figure 3.**



Source: CBB, PR March 2017, Tbl 6 – Gov't Financing

1. Government repayment to commercial banks (51%).
  2. Contribution to deficit financing (30%)
  3. Government foreign debt repayment (19%)
- The bulk of Central Bank financing of Government in 2016/17 was to fund repayments to commercial banks and to foreign lenders. Only 30% of the \$852 million lent to Government was for deficit financing.

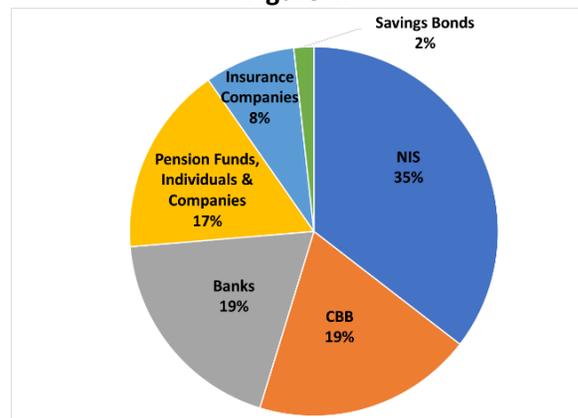
**Debt and Interest Rates  
Figure 2.**



Source: CBB, PR March 2017

Debt service has increased from 15% of current expenditure in 2009/10 to 23% of current expenditure in 2016/17, purely because of the increase in Government Debt. T-Bill interest rates in 2016/17 were slightly lower than in 2009/10.

**Who holds Government Domestic Debt?  
Figure 4.**



Source: CBB, Online Stats, Tbls: F2 & F3, March 2017

Between them, NIS and CBB hold 54% of Domestic Government Debt. Banks hold 19%, 15% in T-Bills and 4% in longer term paper. Pensioners, Pension Funds, Individuals and Companies hold 17%, Insurance Companies 8% and Savings Bonds account for 2%.