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In the first eleven months this year, the shortfall between recurrent revenue and total expenditure of Central Government amounted to €307.2 million, down from €342.0 million in the corresponding period last year.

## Government Finance Data: January-November 2013

As shown in Table 1, the increase in recurrent revenue of €198.8 million outweighed the added expenditure of €164.0 million, thus resulting in a lower government deficit by €34.8 million.

During January-November 2013, recurrent revenue stood at €2,564.9 million, up by 8.4 per cent over last year. The main contributors to this increase were Income Tax (+€85.0 million), Grants (+€64.9 million), Value Added Tax (+€49.3 million), Social Security (+€29.2 million) and Customs and Excise Duties (+€22.0 million). Conversely, Miscellaneous Receipts registered a decline of €38.5 million.

Total expenditure was recorded at €2,872.1 million, up by 6.1 per cent when compared to the corresponding period in 2012. This was primarily due to added outlays on recurrent and capital expenditures.

Recurrent expenditure increased by €127.5 million, mainly as a result of higher spending on programmes and initiatives (+€77.9 million) and on personal emoluments (+€32.3 million). The programmes and initiatives category advanced by 5.6 per cent, primarily as a result of higher social security benefits by €41.6 million. In addition, the social security state contribution, which also features as revenue, went up by €8.9 million while EU own resources rose by €5.8 million. Increases were also registered in the feed-in tariff (+€4.4 million), the contribution to church schools (+€3.6 million) and in expenditure on the Electoral Commission (+€3.2 million). Moreover, contributions to government entities added €10.5 million, while operational and maintenance expenditure went up by €6.8 million.

Expenditure on Government's capital projects amounted to €339.2 million. The increase of €34.0 million over the corresponding period last year includes an equity injection of €40.0 million to the national air carrier, compared to €20.0 million in 2012.

During the period under review, the interest component of the public debt servicing costs rose by €2.5 million and was recorded at €207.4 million.

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As illustrated in Table 3, at the end of November, Central Government debt stood at €5,064.9 million, up by €308.3 million over the corresponding period last year. This was the result of higher long-term and short-term borrowing, which added €256.3 million and €74.7 million respectively. On the other hand, foreign borrowing went down by €11.1 million. As a result of consolidation, higher holdings by government funds in MGSs brought about a decline in debt of €16.6 million. The euro coins issued in the name of the Maltese Treasury went up by €5.0 million when compared to the coin stock as at the end of November 2012, and totalled €55.0 million ■

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Table 1. Government finance data: year-to-date

Description	Jan-Nov 2011	Jan-Nov 2012	Jan-Nov 2013	Jan-Nov 2013/Jan-Nov 2012	
				Absolute Change	% change
	€000				
<b>Recurrent Revenue</b>	<b>2,234,027</b>	<b>2,366,048</b>	<b>2,564,857</b>	<b>198,809</b>	<b>8.4</b>
<i>of which:</i>					
Grants	61,271	75,299	140,167	64,868	
Customs and Excise	179,334	145,153	167,192	22,039	
Value added Tax	491,050	501,799	551,058	49,259	
Income Tax	620,684	718,680	803,712	85,032	
Social Security	494,033	513,939	543,141	29,202	
Others	387,657	411,178	359,587	-51,591	
<b>Total Expenditure</b>	<b>2,512,271</b>	<b>2,708,072</b>	<b>2,872,083</b>	<b>164,011</b>	<b>6.1</b>
<i>consisting of:</i>					
Recurrent Expenditure	2,070,319	2,198,019	2,325,495	127,477	5.8
<i>of which:</i>					
Education	125,519	132,068	153,302	21,234	
Social Security (benefits)	671,504	714,121	755,738	41,617	
Others	1,273,297	1,351,830	1,416,455	64,625	
Interest Payments	192,745	204,830	207,368	2,537	1.2
Capital Expenditure	249,207	305,223	339,220	33,997	11.1
<i>of which:</i>					
Productive Investment	47,287	76,485	86,554	10,069	
Infrastructure	158,303	183,209	201,921	18,712	
Social	43,617	45,529	50,745	5,216	
<b>Balance of recurrent revenue and total expenditure</b>	<b>-278,243</b>	<b>-342,024</b>	<b>-307,226</b>	<b>34,798</b>	<b>-10.2</b>
<b>Financial Transactions</b>					
<i>consisting of:</i>					
<i>Revenue</i>					
Loans	569,598	650,569	629,302	-21,268	
Repayment of Loans	0	52,000	30	-51,970	
Receipts from Sale of Shares	0	0	0	0	
Other extraordinary receipts	9,622	28,425	28,380	-45	
<i>Expenditure</i>					
Contribution to Sinking Fund	6,891	5,787	5,661	-126	
Equity Acquisition	0	34,392	25,510	-8,882	
Repayment of Loan	128,117	349,305	370,194	20,889	
Loans	77,119	52,000	0	-52,000	

Table 2. Government finance data: monthly

Description	November 2011	November 2012	November 2013	Nov 2013/Nov 2012	
				Absolute Change	% change
€000					
<b>Recurrent Revenue</b>	<b>258,266</b>	<b>227,392</b>	<b>248,756</b>	<b>21,365</b>	<b>9.4</b>
<i>of which:</i>					
Grants	1,136	203	13,320	13,118	
Customs and Excise	22,782	13,616	11,197	-2,419	
Value added Tax	94,051	78,586	96,090	17,504	
Income Tax	56,247	46,139	54,414	8,275	
Social Security	47,502	49,425	49,486	61	
Others	36,548	39,423	24,249	-15,173	
<b>Total Expenditure</b>	<b>246,937</b>	<b>246,900</b>	<b>270,331</b>	<b>23,430</b>	<b>9.5</b>
<i>consisting of:</i>					
Recurrent Expenditure	190,014	192,757	216,523	23,766	12.3
<i>of which:</i>					
Education	11,592	10,709	13,201	2,492	
Social Security (benefits)	58,327	60,777	75,112	14,335	
Others	120,095	121,271	128,210	6,939	
Interest Payments	16,718	19,202	18,334	-868	-4.5
Capital Expenditure	40,206	34,941	35,473	532	1.5
<i>of which:</i>					
Productive Investment	7,304	5,016	4,467	-549	
Infrastructure	30,482	25,709	21,934	-3,776	
Social	2,420	4,216	9,073	4,857	
<b>Balance of recurrent revenue and total expenditure</b>	<b>11,329</b>	<b>-19,509</b>	<b>-21,575</b>	<b>-2,066</b>	<b>10.6</b>
<b>Financial Transactions</b>					
<i>consisting of:</i>					
<i>Revenue</i>					
Loans	167,988	139,988	179,981	39,993	
Repayment of Loans	0	52,000	0	-52,000	
Receipts from Sale of Shares	0	0	0	0	
Other extraordinary receipts	0	0	0	0	
<i>Expenditure</i>					
Contribution to Sinking Fund	0	0	0	0	
Equity Acquisition	0	0	0	0	
Repayment of Loan	0	0	82	82	
Loans	0	52,000	0	-52,000	

Table 3. Government debt

Description	November 2011	November 2012	November 2013	Nov 2013/Nov 2012	
				Absolute Change	% change
	€000				
<b>Gross Government Debt</b>	<b>4,555,687</b>	<b>4,756,594</b>	<b>5,064,877</b>	<b>308,283</b>	<b>6.5</b>
<i>of which:</i>					
Treasury Bills	325,348	253,612	328,350	74,738	
Government Stock	4,056,262	4,356,967	4,613,233	256,266	
Foreign Loans Outstanding	77,351	64,639	53,537	-11,102	
Domestic Loans with Commercial Banks	56,379	56,379	56,379	0	
MGSF investments in Government Debt	-4,341	-25,055	-41,645	-16,590	
Euro Coins issued in the name of the Treasury	44,689	50,053	55,024	4,971	

Source: Central Bank of Malta

Table 4. Revenue/Expenditure categories: year-to-date

Description	Jan-Nov 2011	Jan-Nov 2012	Jan-Nov 2013	Jan-Nov 2013/Jan-Nov 2012	
				Absolute Change	% change
	€000				
<b>Revenue</b>					
Customs and Excise Duties	179,334	145,153	167,192	22,039	
Licences, Taxes and Fines	210,247	211,290	202,853	-8,436	
Income Tax	620,684	718,680	803,712	85,032	
Value added Tax	491,050	501,799	551,058	49,259	
Fees of Office	33,510	30,286	31,896	1,611	
Reimbursements	26,688	23,946	21,026	-2,921	
Public Corporations	0	0	0	0	
Central Bank of Malta	48,000	42,000	48,000	6,000	
Rents	24,063	21,707	20,850	-856	
Dividends on Investment	10,699	15,301	10,958	-4,343	
Repayment of and Interest on loans	1,174	6,480	2,362	-4,118	
Social Security	494,033	513,939	543,141	29,202	
Grants	61,271	75,299	140,167	64,868	
Miscellaneous Receipts	33,276	60,169	21,642	-38,527	
<b>Total Recurrent Revenue</b>	<b>2,234,027</b>	<b>2,366,048</b>	<b>2,564,857</b>	<b>198,809</b>	<b>8.4</b>
Receipts from Sale of Shares	0	0	0	0	
Other extraordinary receipts	9,622	28,425	28,380	-45	
Loans	569,598	650,569	629,302	-21,268	
Repayment of Loans	0	52,000	30	-51,970	
<b>Total Non-recurrent Revenue</b>	<b>579,219</b>	<b>730,994</b>	<b>657,712</b>	<b>-73,283</b>	
<b>Total Revenue</b>	<b>2,813,247</b>	<b>3,097,043</b>	<b>3,222,569</b>	<b>125,526</b>	<b>4.1</b>
<b>Recurrent Expenditure</b>					
Personal Emoluments	492,672	510,776	543,078	32,302	
Operational and Maintenance Expenditure	98,733	104,649	111,486	6,837	
Programmes and Initiatives	1,300,083	1,389,825	1,467,700	77,876	
Contributions to Government Entities	178,831	192,768	203,231	10,462	
<b>Total Recurrent Expenditure</b>	<b>2,070,319</b>	<b>2,198,019</b>	<b>2,325,495</b>	<b>127,477</b>	<b>5.8</b>

Table 5. Revenue/Expenditure categories: monthly

Description	November 2011	November 2012	November 2013	Nov 2013/Nov 2012	
				Absolute Change	% change
				€000	
<b>Revenue</b>					
Customs and Excise Duties	22,782	13,616	11,197	-2,419	
Licences, Taxes and Fines	20,314	19,191	13,395	-5,796	
Income Tax	56,247	46,139	54,414	8,275	
Value added Tax	94,051	78,586	96,090	17,504	
Fees of Office	3,796	4,651	4,394	-257	
Reimbursements	2,485	2,062	1,971	-91	
Public Corporations	0	0	0	0	
Central Bank of Malta	0	0	0	0	
Rents	2,974	1,462	934	-528	
Dividends on Investment	0	1,060	0	-1,060	
Repayment of and Interest on loans	3	5,910	3	-5,907	
Social Security	47,502	49,425	49,486	61	
Grants	1,136	203	13,320	13,118	
Miscellaneous Receipts	6,975	5,087	3,551	-1,536	
<b>Total Recurrent Revenue</b>	<b>258,266</b>	<b>227,392</b>	<b>248,756</b>	<b>21,365</b>	<b>9.4</b>
Receipts from Sale of Shares	0	0	0	0	
Other extraordinary receipts	0	0	0	0	
Loans	167,988	139,988	179,981	39,993	
Repayment of Loans	0	0	0	0	
<b>Total Non-recurrent Revenue</b>	<b>167,988</b>	<b>191,988</b>	<b>179,981</b>	<b>-12,007</b>	
<b>Total Revenue</b>	<b>426,254</b>	<b>419,379</b>	<b>428,737</b>	<b>9,358</b>	<b>2.2</b>
<b>Recurrent Expenditure</b>					
Personal Emoluments	43,633	45,133	44,651	-482	
Operational and Maintenance Expenditure	9,511	5,974	10,937	4,963	
Programmes and Initiatives	123,079	124,530	141,320	16,790	
Contributions to Government Entities	13,791	17,120	19,615	2,495	
<b>Total Recurrent Expenditure</b>	<b>190,014</b>	<b>192,757</b>	<b>216,523</b>	<b>23,766</b>	<b>12.3</b>

## Methodological Notes

1. The data contained in this news release are compiled in order to provide users with regular up-to-date information on the Consolidated Fund of Government. Data are sourced as follows:
  - i. Revenue and Expenditure, and Public Debt Servicing → The Consolidated Fund, the transactions of which are consolidated at the Treasury.
  - ii. Central Government debt (excluding EBUs and Local Councils) → Central Bank of Malta and the Treasury.

All allocations provided from the Consolidated Fund are either authorised by Parliament under an Appropriation Act, or are permanently appropriated by Parliament under other relevant legislation. On the other hand, the Treasury Clearance Fund contains all those Funds and Accounts the expenses of which are initially defrayable out of public funds and are eventually repayable from the Consolidated Fund or other sources.

2. This news release follows the guidelines set out in the European System of Accounts (ESA95) Manual on Government Deficit and Debt. Therefore, the shortfall between revenue and expenditure as listed in Tables 1 and 2, is essentially the cash-based deficit position as far as the Central Government's Consolidated Fund is concerned. In this respect, revenue that has no impact on the deficit, such as proceeds from loans, proceeds from sale of financial assets, and revenue from other accounts of Government, is not taken into consideration. Likewise, direct loan repayments, contributions to sinking funds, acquisition of equity, as well as transfers into other accounts of Government, are excluded from the total expenditure.
3. The debt position includes the actual debt which is held by Government. On the other hand, any investments made by Government in its own funds are excluded from the total debt. As from December 2007, the euro coins issued in the name of the Treasury are being considered as a currency liability pertaining to the Central Government.
4. The revenue and expenditure figures are based on actual cash transactions, and are therefore not normally subject to revision. Although revisions to debt data are uncommon, it is prudent to consider debt figures for the three months preceding the reference period as provisional. Any revisions to the data are carried out at the first opportunity and published accordingly in the subsequent news release.
5. In this release Revenue and Expenditure categories are recorded in accordance with their presentation in the 2013 Financial Estimates.
6. Totals may not add up due to rounding.
7. Further detail, including time series data, is accessible through the online statistical database: [http://www.nso.gov.mt/statbase/data\\_table\\_catalogue.aspx](http://www.nso.gov.mt/statbase/data_table_catalogue.aspx). Registration for accessing the StatDB is required; however this is free-of-charge.