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By the end of December 2019, a surplus of €9.4 million was registered under the Government's Consolidated Fund.

Government Finance Data: January-December 2019

In 2019, recurrent revenue rose by €413.1 million and amounted to €4,972.9 million. This reflected a 9.1 per cent increase from the €4,559.8 million reported in revenue during 2018. A €192.7 million rise in Income Tax revenue was the main reason behind the aforementioned increase. Further increases were also registered under Grants (€83.8 million), Social Security (€78.3 million), Miscellaneous Receipts (€24.8 million), Customs and Excise Duties (€20.0 million), Value Added Tax (€16.8 million), Licences, Taxes and Fines (€10.3 million), Rents (€5.2 million) and Fees of Office (€2.0 million). Conversely, drops in revenue were recorded under Dividends on Investment (€13.1 million), Central Bank of Malta (€7.0 million) and Reimbursements (€0.6 million).

Total expenditure during 2019 amounted to €4,963.5 million, 7.2 per cent higher than in 2018.

Recurrent expenditure stood at €4,216.2 million, €394.8 million higher than the comparable amount registered between January and December 2018. The main contributor to this increase was a €231.9 million rise reported under Programmes and Initiatives. Furthermore, rises in outlay were also registered for Personal Emoluments (€74.2 million), Contributions to Government Entities (€70.9 million) and Operational and Maintenance Expenses (€17.7 million). The main developments in the Programmes and Initiatives category involved added outlays due to state contribution (€36.0 million that also features as revenue), social security benefits (€32.7 million), EU own resources (€29.2 million), medicines and surgical materials (€28.0 million), extension of school transport network (€22.9 million), church schools (€8.5 million), residential care in private homes (€7.3 million), cancer treatment (€6.9 million), landscaping - Malta (€6.8 million), electoral commission activities (€5.8 million), child care for all (€5.7 million), hospital concession agreements (€5.5 million), summoning and expenses of witnesses, jurors and experts in criminal court trials (€4.2 million), tourism related events (€4.1 million), public service obligation - inter-island transportation (€3.5 million) and allocation to regional committees (€3.2 million).

The interest component of the public debt servicing costs totalled €192.3 million, €11.3 million lower than the same period in 2018.

Government's capital spending amounted to €555.0 million by the end of December, representing a drop of €49.9 million from 2018. The decline in outlay was due to lower reported structural funds 2014 - 2020 (€81.1 million), along with drops in cohesion funds 2014 - 2020 (€15.2 million), investment incentives (€13.0 million), grand harbour regeneration corporation (€5.3 million), EU agricultural fund for rural development (€4.6 million), film industry incentives (€4.1 million) and construction/adaptation/refurbishment works at university of Malta (€4.0 million). Increased spending towards road construction and improvements (€45.7 million) and buildings and equipment (€35.2 million) partially offset the drop in capital expenditure.

The difference between total revenue and expenditure resulted in a surplus of €9.4 million being reported in the Government's Consolidated Fund by the end of December 2019, a €79.6 million rise from the €70.2 million deficit witnessed during 2018. The main driver of the difference was a higher reported increase in recurrent revenue (€413.1 million) than that in total expenditure, consisting of recurrent expenditure (€394.8 million), interest (-€11.3 million) and capital expenditure (-€49.9 million) (Table 1).

By the end of 2019, Central Government Debt stood at €5,328.2 million, a €9.2 million rise from December 2018. This was primarily the result of an increase reported under the 62+ Malta Government Savings Bond (€97.3 million). Treasury Bills and Euro coins issued in the name of the Treasury also rose by €10.0 million and €4.7 million respectively. On the other hand, there were decreases recorded under Malta Government Stocks (€83.3 million) and Foreign Loans (€0.1 million). Higher holdings by government funds in Malta Government Stocks also resulted in a decrease in debt of €19.3 million (Table 6) ■

Table 1. Revenue/Expenditure categories: Year to date

Description	Jan-Dec 2017	Jan-Dec 2018	Jan-Dec 2019	Jan-Dec 2019 / Jan-Dec 2018	
				Change	% change
	€ 000				
(a) Total Recurrent Revenue	4,291,165	4,559,775	4,972,883	413,108	9.1
Customs and Excise Duties	303,086	312,142	332,123	19,981	
Licences, Taxes and Fines	332,478	386,693	397,034	10,341	
Income Tax	1,497,489	1,573,144	1,765,801	192,657	
Value Added Tax	821,160	927,970	944,741	16,772	
Fees of Office	112,605	82,220	84,246	2,026	
Reimbursements	45,465	49,137	48,518	-619	
Central Bank of Malta	50,000	35,000	28,000	-7,000	
Rents	31,312	30,408	35,562	5,153	
Dividends on Investment	41,387	45,768	32,644	-13,124	
Interest on loans made by Government	65	49	90	41	
Social Security	875,054	967,831	1,046,140	78,308	
Grants	139,246	100,781	184,600	83,819	
Miscellaneous Receipts	41,818	48,632	73,384	24,752	
(b) Total Expenditure	4,108,493	4,629,992	4,963,528	333,537	7.2
<i>Recurrent Expenditure</i>	3,543,266	3,821,447	4,216,202	394,755	10.3
Personal Emoluments	828,002	888,138	962,313	74,175	
Operational and Maintenance Expenses	189,008	210,693	228,375	17,682	
Programmes and Initiatives	2,147,142	2,261,800	2,493,748	231,948	
Contributions to Government Entities	379,114	460,817	531,766	70,949	
<i>Interest</i>	215,051	203,555	192,283	-11,271	-5.5
<i>Capital Expenditure</i>	350,175	604,990	555,043	-49,947	-8.3
(a-b) Consolidated Fund Surplus/Deficit	182,672	-70,217	9,354	79,571	113.3
(c) Financial Transactions					
<i>Revenue</i>					
Loans	357,409	243,527	449,713	206,186	
Repayment of Loans	0	0	0	0	
Receipts from Sale of Shares	889	889	978	89	
Other extraordinary receipts	0	91,000	0	-91,000	
<i>Expenditure</i>					
Contribution to Sinking Fund	54,924	51,688	50,050	-1,638	
Equity Acquisition	71,441	63,513	18,795	-44,718	
Repayment of Loan	372,932	392,262	439,673	47,411	
Loans	0	0	0	0	

Note: Totals may not add up due to rounding.

Table 2. Revenue/Expenditure categories: Monthly

Description	December 2017	December 2018	December 2019	December 2019 / December 2018	
				Change	% change
€ 000					
(a) Total Recurrent Revenue	583,777	633,858	583,525	-50,333	-7.9
Customs and Excise Duties	23,955	28,140	27,249	-891	
Licences, Taxes and Fines	33,031	39,739	38,547	-1,192	
Income Tax	271,364	237,472	293,160	55,687	
Value Added Tax	60,551	85,407	39,105	-46,302	
Fees of Office	4,576	6,470	7,321	851	
Reimbursements	2,295	9,766	6,571	-3,195	
Central Bank of Malta	0	0	0	0	
Rents	1,427	1,933	1,577	-356	
Dividends on Investment	12,650	17,624	9,437	-8,187	
Interest on loans made by Government	15	0	1	1	
Social Security	122,094	139,944	145,979	6,034	
Grants	39,604	48,383	11,194	-37,189	
Miscellaneous Receipts	12,216	18,980	3,385	-15,595	
(b) Total Expenditure	485,727	668,861	582,203	-86,658	-13.0
<i>Recurrent Expenditure</i>	386,842	452,398	460,422	8,024	1.8
Personal Emoluments	132,253	143,369	153,516	10,148	
Operational and Maintenance Expenses	27,084	21,828	24,262	2,434	
Programmes and Initiatives	200,432	234,723	234,016	-707	
Contributions to Government Entities	27,073	52,478	48,628	-3,850	
<i>Interest</i>	17,907	18,487	18,611	124	0.7
<i>Capital Expenditure</i>	80,978	197,976	103,171	-94,806	-47.9
(a-b) Consolidated Fund Surplus/Deficit	98,050	-35,004	1,321	36,325	103.8
(c) Financial Transactions					
<i>Revenue</i>					
Loans	0	150,000	0	-150,000	
Repayment of Loans	0	0	0	0	
Receipts from Sale of Shares	0	0	89	89	
Other extraordinary receipts	0	0	0	0	
<i>Expenditure</i>					
Contribution to Sinking Fund	27,462	25,029	30,025	4,997	
Equity Acquisition	30,000	0	487	487	
Repayment of Loan	11,388	29,400	187	-29,213	
Loans	0	0	0	0	

Note: Totals may not add up due to rounding.

Table 3. Government Expenditure by COFOG category

COFOG	Personal Emoluments			Operational and Maintenance Expenses			Programmes and Initiatives			Contributions to Government Entities		
	Jan-Dec 2017	Jan-Dec 2018	Jan-Dec 2019	Jan-Dec 2017	Jan-Dec 2018	Jan-Dec 2019	Jan-Dec 2017	Jan-Dec 2018	Jan-Dec 2019	Jan-Dec 2017	Jan-Dec 2018	Jan-Dec 2019
	€ 000											
General public services	88,762	102,625	111,524	35,093	42,295	53,886	234,701	228,809	267,814	9,446	23,447	52,045
Defence	41,829	43,577	43,744	7,973	8,421	9,050	629	667	1,136	249	304	409
Public order and safety	91,245	104,227	116,139	11,536	12,891	19,057	5,440	6,145	11,072	7,955	8,484	9,636
Economic affairs	73,363	61,024	61,360	15,096	11,709	13,423	143,336	158,659	153,440	107,215	129,641	156,139
Environment protection	2,339	4,690	8,621	364	402	293	26,676	37,775	58,566	23,374	42,549	32,872
Housing and community amenities	702	1,403	1,436	98	499	627	7,175	5,620	7,510	10,824	6,185	10,005
Health	254,676	269,365	298,118	61,520	66,424	69,085	186,764	190,488	233,623	47,372	59,645	61,210
Recreation, culture and religion	6,868	7,392	7,646	1,166	1,393	2,621	13,161	13,816	18,330	23,425	33,154	29,753
Education	214,360	237,785	254,409	23,070	26,304	16,873	123,046	146,696	185,920	117,734	120,947	132,689
Social protection	53,858	56,051	59,318	33,091	40,355	43,460	1,406,214	1,473,124	1,556,336	31,522	36,463	47,008
Total	828,002	888,138	962,313	189,008	210,693	228,375	2,147,142	2,261,800	2,493,748	379,114	460,817	531,766
COFOG	Interest Expenditure			Capital Expenditure			Total expenditure					
	Jan-Dec 2017	Jan-Dec 2018	Jan-Dec 2019	Jan-Dec 2017	Jan-Dec 2018	Jan-Dec 2019	Jan-Dec 2017	Jan-Dec 2018	Jan-Dec 2019	Jan-Dec 2017	Jan-Dec 2018	Jan-Dec 2019
	€ 000											
General public services	215,051	203,555	192,283	31,158	81,298	84,685	614,212	682,029	762,237			
Defence	0	0	0	7,519	7,518	21,084	58,200	60,487	75,423			
Public order and safety	0	0	0	33,560	45,234	37,718	149,736	176,981	193,621			
Economic affairs	0	0	0	173,692	310,271	277,961	512,702	671,304	662,323			
Environment protection	0	0	0	11,879	57,421	63,564	64,632	142,837	163,917			
Housing and community amenities	0	0	0	9,008	1,192	683	27,807	14,898	20,261			
Health	0	0	0	12,145	28,979	12,408	562,477	614,901	674,444			
Recreation, culture and religion	0	0	0	36,305	32,223	22,198	80,923	87,977	80,547			
Education	0	0	0	28,263	35,721	29,623	506,473	567,453	619,513			
Social protection	0	0	0	6,645	5,132	5,119	1,531,330	1,611,125	1,711,241			
Total	215,051	203,555	192,283	350,175	604,990	555,043	4,108,493	4,629,992	4,963,528			

Table 4. Consolidated Fund data in ESA 2010 codes: Year to date

Description	ESA CODE	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec 2019 / Jan-Dec 2018	
		2017	2018	2019	Change	% change
		€ 000				
1. Total Revenue		4,044,720	4,281,408	4,618,025	336,617	
Market Output	P11	154,382	112,239	112,488		
Taxes on Production and Imports	D2	1,389,894	1,568,989	1,592,780		
Property income receivable	D4	89,082	84,248	69,304		
Current taxes on income, wealth, etc	D5	1,551,994	1,630,652	1,834,225		
Social Contributions	D61	695,681	754,311	792,608		
Current transfers receivable	D7	15,543	27,354	17,384		
Capital transfers receivable	D9	148,143	103,614	199,236		
2. Total Expenditure		3,862,047	4,351,625	4,608,671	257,046	
Intermediate Consumption	P2	434,168	547,393	701,228		
Gross Capital Formation	P5g+NP	184,676	241,822	265,480		
Compensation of Employees	D1	973,880	1,031,707	1,099,261		
Property income payable	D4	212,274	204,203	178,407		
Subsidies	D3	80,801	93,317	100,801		
Social Benefits and social transfers in kind	D62+D632	1,103,317	1,128,165	1,161,165		
Current transfers payable	D7	853,476	993,976	1,045,255		
Capital transfers payable	D9	19,456	111,042	57,073		
(1-2) Consolidated Fund Surplus/Deficit		182,672	-70,217	9,354	79,571	113.3

Table 5. Consolidated Fund data in ESA 2010 codes: Monthly

Description	ESA CODE	December	December	December	December 2019 / December 2018	
		2017	2018	2019	Change	% change
		€ 000				
1. Total Revenue		524,171	567,135	522,061	-45,074	
Market Output	P11	4,803	17,455	13,563		
Taxes on Production and Imports	D2	111,384	152,435	97,460		
Property income receivable	D4	13,241	11,059	5,813		
Current taxes on income, wealth, etc	D5	276,317	240,892	300,557		
Social Contributions	D61	76,624	91,484	90,128		
Current transfers receivable	D7	3,158	3,003	2,071		
Capital transfers receivable	D9	38,644	50,808	12,468		
2. Total Expenditure		426,121	602,139	520,740	-81,399	
Intermediate Consumption	P2	36,740	83,208	87,144		
Gross Capital Formation	P5g+NP	56,009	70,160	45,407		
Compensation of Employees	D1	146,198	156,395	166,909		
Property income payable	D4	18,517	13,443	20,028		
Subsidies	D3	4,746	20,013	18,716		
Social Benefits and social transfers in kind	D62+D632	95,711	110,115	100,262		
Current transfers payable	D7	58,941	92,875	66,480		
Capital transfers payable	D9	9,261	55,930	15,793		
(1-2) Consolidated Fund Surplus/Deficit		98,050	-35,004	1,321	36,325	103.8

Table 6. Central Government debt

Description	December 2017	December 2018	December 2019	December 2019 / December 2018	
				Change	% change
	€ 000				
Total Central Government Debt	5,371,757	5,318,985	5,328,195	9,210	0.2
<i>of which:</i>					
Treasury Bills	177,000	290,000	300,000	10,000	
Malta Government Stocks	5,093,496	4,852,749	4,769,412	-83,337	
62+ Malta Government Savings Bond	99,624	192,582	289,849	97,266	
Foreign Loans	8,952	1,084	967	-118	
MGSF investments in Government Debt	-85,516	-101,862	-121,203	-19,341	
Euro Coins issued in the name of the Treasury	78,202	84,431	89,171	4,740	

Note: Totals may not add up due to rounding.

Chart 1. January-December Consolidated Fund Surplus/Deficit

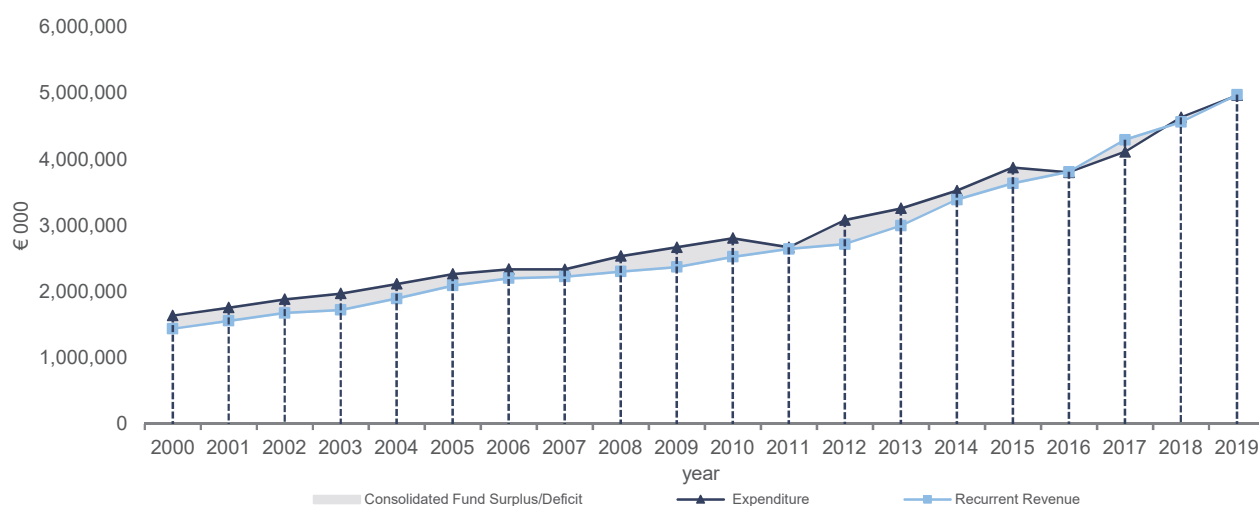


Chart 2. Recurrent Revenue by main category (%): January-December 2019

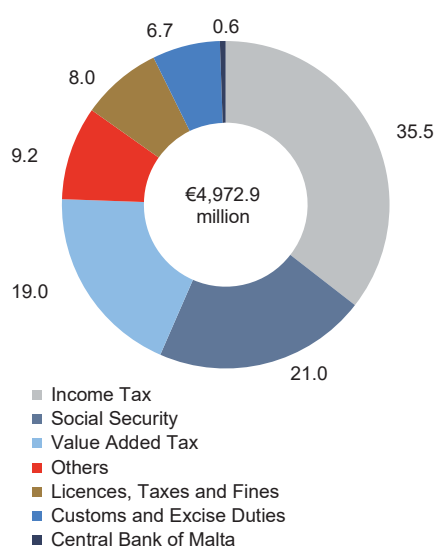
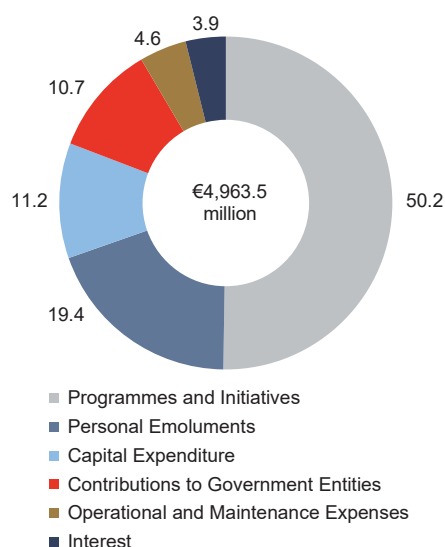


Chart 3. Expenditure by main category (%): January-December 2019



Methodological Notes

1. Data in this news release is 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 in respect of which are initially defrayable out of public funds and are eventually repayable from the Consolidated Fund or other sources.

2. In this release Revenue and Expenditure categories are recorded in accordance with their presentation in the 2019 Financial Estimates.
3. This news release follows the guidelines set out in the European System of Accounts (ESA 2010) Manual on Government Deficit and Debt. Therefore, the difference between the recurrent revenue and expenditure as listed in Table 1 is essentially the cash-based position as far as the Central Government's Consolidated Fund is concerned. In this respect, financial transactions, such as proceeds from loans, proceeds from sale of financial assets, and revenue from other accounts of Government are 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.
4. 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 considered as a currency liability pertaining to the Central Government.
5. 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.
6. The Enhanced Economic Governance package adopted by the European Parliament and Council in November 2011 included requirements on the collection and dissemination of fiscal data, through the Council Directive 2011/85/EU. The requirements in the government finance statistics domain included a methodological reconciliation table (showing the transition between monthly data used for national policy purposes and ESA-quarterly data used to produce national accounts and EU fiscal surveillance).
 - a. The Reconciliation Table may be accessed at:
http://nso.gov.mt/en/nso/Sources_and_Methods/Unit_A2/Public_Finance/Pages/Council-Directive-852011.aspx
 - b. Refer to the ESA 2010 Glossary at:
https://nso.gov.mt/en/nso/Sources_and_Methods/Unit_A2/Public_Finance/Documents/ESA10_Glossary.pdf
 - c. Refer to the other Government Finance Statistics data requirements at:
https://nso.gov.mt/en/Services/Council_Directive/Pages/Council-Directive-85_2011.aspx
7. Data on Government Expenditure by the Classification of Functions of Government (COFOG) classifies government expenditure data by the purpose for which the funds are used. COFOG data in Table 3 refers to the total expenditure of the Consolidated Fund and is not fully consistent with the General Government sector expenditure by function and in ESA 2010 methodology, that is compiled by NSO on an annual basis with a delay of one year. The functions are in line with the COFOG classifications as published in the Government Finance Statistics Manual 2001 (ISBN 1-58906-061-X).
8. Tables 4 and 5 present the Consolidated Fund year to date and monthly data in ESA 2010 codes according to the EU Council Directive 85/2011 requirements.
9. More information relating to this news release may be accessed at:
Statistical Concepts: <http://nso.gov.mt/metadata/concepts.aspx>
Statistical Database: <http://nso.gov.mt/statdb/start>
10. Any quotations from this news release are to be cited and/or referenced.
11. A detailed news release calendar is available on:
https://nso.gov.mt/en/News_Releases/Release_Calendar/Pages/News-Release-Calendar.aspx