

In 2016, Government's Consolidated Fund registered a surplus of €8.9 million.

## Government Finance Data: January-December 2016

The Consolidated Fund data, presented in this news release, is the starting point for the compilation of the General Government deficit in line with the ESA 2010 methodologies. Today, the National Statistics Office, submitted to the Commission the latter by means of the Excessive Deficit Procedure (EDP) Notification for the years 2013-2016, which data shall be published locally on the 24th April.

Compared to 2015, recurrent revenue registered an increase of €172.2 million whereas total expenditure went down by €72.5 million. This resulted in a positive change in the Government's Consolidated Fund by €244.7 million.

In 2016, recurrent revenue was recorded at €3,807.0 million, up from €3,634.8 million last year. The comparative increase of 4.7 per cent was primarily the result of higher Income Tax and Social Security which increased by €143.6 million and €64.8 million respectively. Moreover, increases were also recorded for Licences, Taxes and Fines (€30.0 million), Value Added Tax (€24.8 million) and Fees of Office (€19.7 million) among others. Conversely, major decreases were recorded in proceeds from Grants (€73.8 million), Miscellaneous Receipts (€30.6 million) and Customs and Excise Duties (€12.9 million).

Compared to 2015, total expenditure stood at €3,798.1 million down from €3,870.6 million, mainly as result of lower spending on capital expenditure and interest component which outweighed added outlays on recurrent expenditure.

Recurrent expenditure stood at €3,264.3 million from €3,056.8 million last year. The major contributor to this increase was Programmes and Initiatives with a rise of €92.1 million. The main developments in this category involved higher Social Security Benefits (€32.3 million), a rise in Social State Contribution (of €21.8 million which also features as revenue), Health Concession Agreements (€16.0 million), added outlays due to EU Presidency 2017 (€15.5 million), Contribution to Planning Authority (€9.1 million), Public Service Obligations (€5.8 million), Private Residential Care (€4.5 million), Church Schools (€2.8 million) and Solid Waste Management (€2.6 million). On the other hand, lower outlays for EU Own Resources were recorded (€27.1 million). Increases were also registered in Contributions to Government Entities (€60.1 million), Personal Emoluments (€39.6 million) and Operational and Maintenance Expenses (€15.7 million).

The interest component of the public debt servicing costs stood at €223.5 million, down from €232.3 million last year.

Government's capital expenditure witnessed a decline of €271.2 million, and was recorded at €310.3 million. This was mainly the result of lower spending on EU funded projects due to the closure for the payments under the EU funding programme 2007-2013 (Table 1).

Table 4 and Table 5 present the Consolidated Fund year to date and monthly data respectively in ESA 2010 codes according to the EU Council Directive 85/2011 requirements.

At the end of 2016, Central Government Debt stood at €5,474.9 million, up by €140.2 million over the corresponding month last year. This was the result of higher Malta Government Stocks and Treasury Bills, which added €180.9 million and €32.0 million respectively. On the other hand, Domestic Loans with Commercial Banks and Foreign Loans went down by €56.4 million and €10.4 million respectively. Higher holdings by government funds in Malta Government Stocks resulted in a decrease in debt of €10.2 million. Moreover the Euro coins issued in the name of the Treasury went up by €4.3 million (Table 6) ■

Table 1. Revenue/Expenditure categories: Year to date

Description	Jan-Dec 2014	Jan-Dec 2015	Jan-Dec 2016	Jan-Dec 2016 / Jan-Dec 2015	
				Change	% change
€ 000					
<b>(a) Total Recurrent Revenue</b>	<b>3,387,209</b>	<b>3,634,798</b>	<b>3,806,963</b>	<b>172,164</b>	<b>4.7</b>
Customs and Excise Duties	302,607	290,405	277,506	-12,898	
Licences, Taxes and Fines	244,124	280,968	311,009	30,040	
Income Tax	1,068,089	1,184,628	1,328,270	143,642	
Value Added Tax	639,676	699,998	724,798	24,800	
Fees of Office	77,384	51,626	71,357	19,731	
Reimbursements	25,095	28,794	28,650	-144	
Public Corporations	815	0	0	0	
Central Bank of Malta	50,000	48,000	50,000	2,000	
Rents	28,787	29,262	29,883	622	
Dividends on Investment	17,874	34,936	39,147	4,211	
Interest on loans made by Government	1,191	361	98	-262	
Social Security	699,191	739,583	804,389	64,806	
Grants	176,803	176,165	102,339	-73,825	
Miscellaneous Receipts	55,574	70,073	39,516	-30,557	
<b>(b) Total Expenditure</b>	<b>3,523,495</b>	<b>3,870,630</b>	<b>3,798,092</b>	<b>-72,538</b>	<b>-1.9</b>
<i>Recurrent Expenditure</i>	2,857,050	3,056,834	3,264,338	207,504	6.8
Personal Emoluments	704,021	742,428	782,057	39,629	
Operational and Maintenance Expenses	138,687	160,294	176,008	15,713	
Programmes and Initiatives	1,751,297	1,858,878	1,950,979	92,101	
Contributions to Government Entities	263,045	295,234	355,294	60,060	
<i>Interest</i>	231,096	232,331	223,454	-8,877	-3.8
<i>Capital Expenditure</i>	435,349	581,465	310,300	-271,165	-46.6
<b>(a-b) Consolidated Fund Surplus/Deficit</b>	<b>-136,286</b>	<b>-235,832</b>	<b>8,870</b>	<b>244,702</b>	<b>103.8</b>
<b>(c) Financial Transactions</b>					
<i>Revenue</i>					
Loans	648,841	473,235	597,902	124,667	
Repayment of Loans	0	40,416	12,184	-28,232	
Receipts from Sale of Shares	0	758	1,131	373	
Other extraordinary receipts	0	0	0	0	
<i>Expenditure</i>					
Contribution to Sinking Fund	59,726	34,726	59,726	25,000	
Equity Acquisition	13,755	41,075	12,993	-28,082	
Repayment of Loan	367,504	349,377	485,399	136,021	
Loans	0	0	0	0	

Note: Totals may not add up due to rounding.

Table 2. Revenue/Expenditure categories: Monthly

Description	December 2014	December 2015	December 2016	December 2016 / December 2015	
				Change	% change
	€ 000				
<b>(a) Total Recurrent Revenue</b>	<b>491,762</b>	<b>499,132</b>	<b>520,927</b>	<b>21,795</b>	<b>4.4</b>
Customs and Excise Duties	23,851	21,368	28,003	6,635	
Licences, Taxes and Fines	25,262	27,126	23,306	-3,820	
Income Tax	207,105	226,584	252,077	25,493	
Value Added Tax	46,510	52,389	55,604	3,215	
Fees of Office	25,663	5,899	10,810	4,910	
Reimbursements	2,763	3,148	4,670	1,523	
Public Corporations	815	0	0	0	
Central Bank of Malta	0	0	0	0	
Rents	3,979	2,551	1,609	-943	
Dividends on Investment	12,756	18,946	18,249	-697	
Interest on loans made by Government	68	71	1	-71	
Social Security	105,362	112,327	117,221	4,893	
Grants	10,391	4,746	6,761	2,015	
Miscellaneous Receipts	27,238	23,976	2,616	-21,360	
<b>(b) Total Expenditure</b>	<b>439,180</b>	<b>574,020</b>	<b>451,850</b>	<b>-122,170</b>	<b>-21.3</b>
<i>Recurrent Expenditure</i>	353,791	351,441	382,993	31,552	9.0
Personal Emoluments	112,804	117,141	125,575	8,434	
Operational and Maintenance Expenses	19,272	25,280	20,484	-4,796	
Programmes and Initiatives	198,291	191,511	208,952	17,441	
Contributions to Government Entities	23,423	17,509	27,982	10,473	
<i>Interest</i>	20,506	20,242	17,742	-2,500	-12.4
<i>Capital Expenditure</i>	64,883	202,336	51,115	-151,222	-74.7
<b>(a-b) Consolidated Fund Surplus/Deficit</b>	<b>52,582</b>	<b>-74,888</b>	<b>69,077</b>	<b>143,965</b>	<b>192.2</b>
<b>(c) Financial Transactions</b>					
<i>Revenue</i>					
Loans	0	0	0	0	
Repayment of Loans	0	40,416	0	-40,416	
Receipts from Sale of Shares	0	58	37	-21	
Other extraordinary receipts	0	0	0	0	
<i>Expenditure</i>					
Contribution to Sinking Fund	29,863	19,863	44,863	25,000	
Equity Acquisition	0	40,016	509	-39,507	
Repayment of Loan	10,247	132,292	3,730	-128,562	
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 2014	Jan-Dec 2015	Jan-Dec 2016	Jan-Dec 2014	Jan-Dec 2015	Jan-Dec 2016	Jan-Dec 2014	Jan-Dec 2015	Jan-Dec 2016	Jan-Dec 2014	Jan-Dec 2015	Jan-Dec 2016
	€ 000											
General public services	73,003	76,224	81,737	25,464	27,309	31,265	145,755	187,729	179,945	8,818	8,578	10,222
Defence	34,192	37,072	39,321	6,161	6,850	6,676	365	282	774	0	0	0
Public order and safety	80,614	84,349	87,188	10,852	10,830	11,178	10,013	8,196	4,177	7,061	7,538	7,900
Economic affairs	67,471	69,433	70,988	11,231	14,465	16,662	112,611	121,227	126,472	48,320	62,287	88,418
Environment protection	2,636	1,180	1,219	208	80	174	15,834	19,169	32,661	21,435	19,464	22,378
Housing and community amenities	3,576	2,856	2,660	1,461	2,496	878	491	56	60	447	4,675	4,173
Health	206,713	224,129	237,777	47,577	58,953	62,967	118,502	123,265	148,409	43,709	46,290	52,263
Recreation, culture and religion	8,034	8,006	8,876	3,002	1,290	983	13,413	14,476	11,791	14,979	16,237	20,522
Education	180,328	189,830	201,617	16,765	17,899	20,380	99,470	109,790	114,476	92,140	101,336	108,533
Social protection	47,454	49,348	50,675	15,967	20,122	24,845	1,234,843	1,274,687	1,332,213	26,135	28,828	40,884
<b>Total</b>	<b>704,021</b>	<b>742,428</b>	<b>782,057</b>	<b>138,687</b>	<b>160,294</b>	<b>176,008</b>	<b>1,751,297</b>	<b>1,858,878</b>	<b>1,950,979</b>	<b>263,045</b>	<b>295,234</b>	<b>355,294</b>
COFOG	Interest Expenditure			Capital Expenditure			Total expenditure					
	Jan-Dec 2014	Jan-Dec 2015	Jan-Dec 2016	Jan-Dec 2014	Jan-Dec 2015	Jan-Dec 2016	Jan-Dec 2014	Jan-Dec 2015	Jan-Dec 2016	Jan-Dec 2014	Jan-Dec 2015	Jan-Dec 2016
	€ 000											
General public services	231,096	232,331	223,454	68,431	58,197	32,284	552,568	590,368	558,906			
Defence	0	0	0	18,632	34,344	11,470	59,350	78,547	58,241			
Public order and safety	0	0	0	2,199	6,985	25,112	110,739	117,898	135,556			
Economic affairs	0	0	0	153,159	167,561	153,469	392,792	434,973	456,010			
Environment protection	0	0	0	30,444	106,065	7,414	70,557	145,959	63,846			
Housing and community amenities	0	0	0	16,199	19,169	9,672	22,173	29,252	17,443			
Health	0	0	0	41,242	47,449	11,842	457,744	500,087	513,258			
Recreation, culture and religion	0	0	0	34,846	50,270	23,453	74,274	90,280	65,625			
Education	0	0	0	53,214	77,129	28,457	441,918	495,984	473,463			
Social protection	0	0	0	16,982	14,297	7,127	1,341,381	1,387,281	1,455,744			
<b>Total</b>	<b>231,096</b>	<b>232,331</b>	<b>223,454</b>	<b>435,349</b>	<b>581,465</b>	<b>310,300</b>	<b>3,523,495</b>	<b>3,870,630</b>	<b>3,798,092</b>			

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

Description	ESA CODE	Jan-Dec 2014	Jan-Dec 2015	Jan-Dec 2016	Jan-Dec 2016 / Jan-Dec 2015	
					Change	% change
€ 000						
<b>1. Total Revenue</b>		<b>3,160,535</b>	<b>3,396,811</b>	<b>3,581,222</b>	<b>184,412</b>	
Market Output	P11	42,579	71,209	103,109		
Taxes on Production and Imports	D2	1,140,096	1,221,260	1,251,491		
Property income receivable	D4	80,468	88,327	90,161		
Current taxes on income, wealth, etc	D5	1,146,259	1,235,563	1,380,826		
Social Contributions	D61	559,542	586,713	613,396		
Current transfers receivable	D7	15,584	4,993	38,459		
Capital transfers receivable	D9	176,007	188,745	103,780		
<b>2. Total Expenditure</b>		<b>3,296,821</b>	<b>3,632,642</b>	<b>3,572,352</b>	<b>-60,290</b>	
Intermediate Consumption	P2	320,575	398,786	410,504		
Gross Capital Formation	P5g+NP	196,104	232,871	137,717		
Compensation of Employees	D1	831,925	867,924	910,820		
Property income payable	D4	229,739	226,830	215,770		
Subsidies	D3	99,388	96,231	92,063		
Social Benefits and social transfers in kind	D62+D632	1,015,587	1,019,203	1,056,934		
Current transfers payable	D7	523,312	656,695	719,249		
Capital transfers payable	D9	80,191	134,102	29,294		
<b>(1-2) Consolidated Fund Surplus/Deficit</b>		<b>-136,286</b>	<b>-235,832</b>	<b>8,870</b>	<b>244,702</b>	<b>103.8</b>

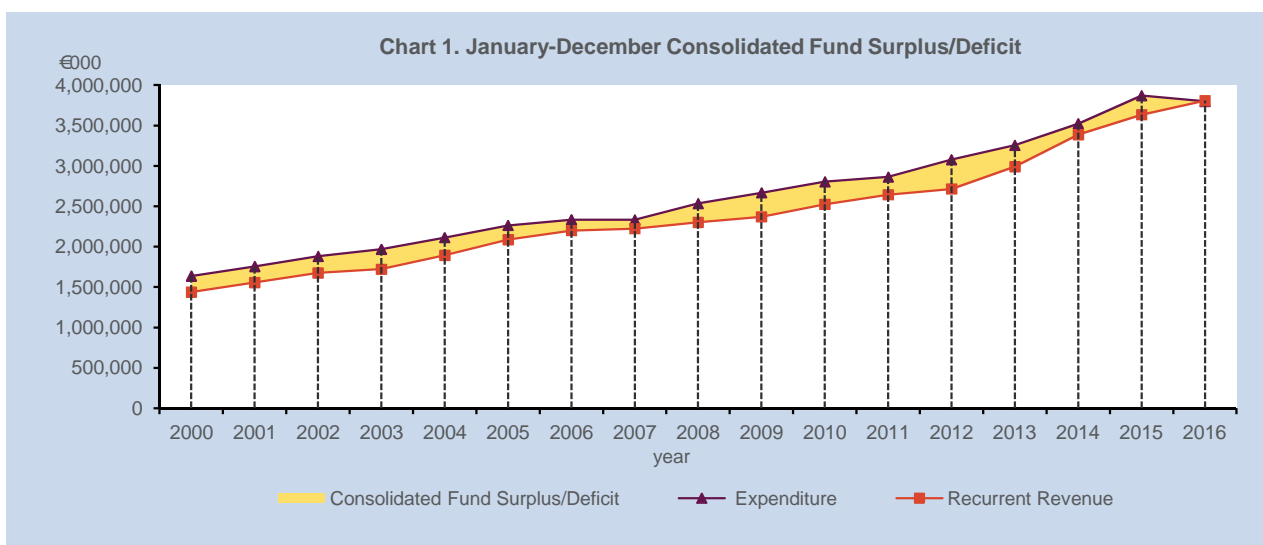
Table 5. Consolidated Fund data in ESA 2010 codes: Monthly

Description	ESA CODE	December 2014	December 2015	December 2016	December 2016 / December 2015	
					Change	% change
€ 000						
<b>1. Total Revenue</b>		<b>423,840</b>	<b>432,403</b>	<b>472,880</b>	<b>40,477</b>	
Market Output	P11	7,602	13,827	19,446		
Taxes on Production and Imports	D2	92,819	96,010	102,007		
Property income receivable	D4	16,597	14,373	15,213		
Current taxes on income, wealth, etc	D5	228,211	231,651	255,853		
Social Contributions	D61	67,060	70,413	71,602		
Current transfers receivable	D7	1,578	366	811		
Capital transfers receivable	D9	9,973	5,763	7,948		
<b>2. Total Expenditure</b>		<b>371,258</b>	<b>507,291</b>	<b>403,802</b>	<b>-103,488</b>	
Intermediate Consumption	P2	24,882	61,316	52,132		
Gross Capital Formation	P5g+NP	31,301	81,333	34,353		
Compensation of Employees	D1	123,915	129,292	137,255		
Property income payable	D4	22,661	21,296	18,731		
Subsidies	D3	15,129	14,187	6,071		
Social Benefits and social transfers in kind	D62+D632	100,644	88,422	97,396		
Current transfers payable	D7	42,714	50,503	55,179		
Capital transfers payable	D9	10,011	60,941	2,685		
<b>(1-2) Consolidated Fund Surplus/Deficit</b>		<b>52,582</b>	<b>-74,888</b>	<b>69,077</b>	<b>143,965</b>	<b>192.2</b>

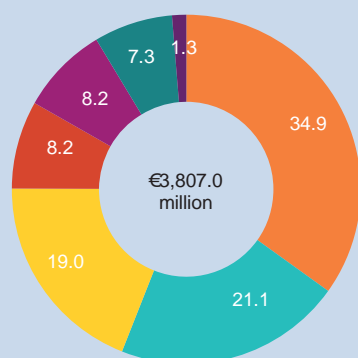
Table 6. Central Government debt

Description	December 2014	December 2015	December 2016	December 2016 / December 2015	
				Change	% change
	€ 000				
<b>Total Central Government Debt</b>	<b>5,129,601</b>	<b>5,334,719</b>	<b>5,474,901</b>	<b>140,183</b>	<b>2.6</b>
<i>of which:</i>					
Treasury Bills	140,440	222,050	254,000	31,950	
Malta Government Stocks	4,899,575	5,025,589	5,206,454	180,865	
Foreign Loans	40,389	29,770	19,370	-10,400	
Domestic Loans with Commercial Banks	56,379	56,379	0	-56,379	
MGSF investments in Government Debt	-67,579	-67,579	-77,754	-10,175	
Euro Coins issued in the name of the Treasury	60,397	68,510	72,832	4,322	

Note: Totals may not add up due to rounding.

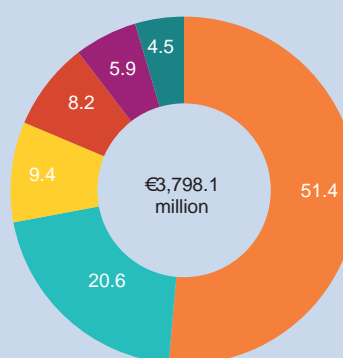


**Chart 2. Recurrent Revenue by main category (%): January-December 2016**



- Income Tax
- Social Security
- Value Added Tax
- Licences, Taxes and Fines
- Others
- Customs and Excise Duties
- Central Bank of Malta

**Chart 3. Expenditure by main category (%): January-December 2016**



- Programmes and Initiatives
- Personal Emoluments
- Contributions to Government Entities
- Capital Expenditure
- Interest
- Operational and Maintenance Expenses

## 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 2016 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](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](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](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. 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>