

28 April 2017 | 1100 hrs | 074/2017

In January-March 2017, Government's Consolidated Fund registered a deficit of €12.8 million.

Government Finance Data: January-March 2017

Compared to the first quarter of last year, recurrent revenue registered an increase of €128.9 million whereas total expenditure went up by €18.4 million. This resulted in a positive change in the Government's Consolidated Fund by €110.5 million.

In January-March 2017, recurrent revenue was recorded at €873.7 million, up from €744.9 million last year. The comparative increase of 17.3 per cent was primarily the result of higher Grants and Value Added Tax which increased by €33.6 million and €21.3 million respectively. Moreover, increases were also recorded for Income Tax (€19.6 million), Licences, Taxes and Fines (€16.9 million), Social Security (€12.2 million), Customs and Excise Duties (€9.7 million) and Fees of Office (€8.8 million) among others. Conversely, decreases were recorded in Dividends on Investment (€0.6 million).

Compared to January-March last year, total expenditure stood at €886.5 million up from €868.2 million, mainly as result of added outlays on recurrent expenditure which outweighed lower spending on interest payments and capital expenditure.

Recurrent expenditure stood at €787.4 million from €758.1 million last year. The main contributors to this increase were Programmes and Initiatives and Personal Emoluments with a rise of €26.7 million and €6.3 million respectively. The main developments in the Programmes and Initiatives category involved added outlays due to Health Concession Agreements (€5.7 million), higher EU Own Resources (€4.5 million), provision of spare capacity electricity (€3.5 million), EU Presidency 2017 (€3.4 million), state contribution (€3.3 million which also features as revenue), public service obligations (€2.5 million), social security benefits (€1.8 million), residential care private (€1.6 million) and Child Care for all (€1.5 million). On the other hand, lower outlays for Medicines and Surgical Materials were recorded (€7.2 million). Decreases were registered in Operational and Maintenance Expenses (€3.9 million).

The interest component of the public debt servicing costs stood at €55.3 million, down from €58.0 million last year.

Government's capital expenditure witnessed a decrease of €8.3 million, and was recorded at €43.8 million. This was mainly the result of lower spending on EU internal security borders and VISA (€5.1 million), acquisition of property for public purposes (€3.2 million), Identity Malta Agency - ICT (€3.2 million) and EU external borders fund (€2.8 million). On the other hand higher outlays related to road construction improvements were recorded (€2.2 million) (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 March 2017, Central Government Debt stood at €5,625.4 million, up by €66.7 million over the corresponding month last year. This was the result of higher Malta Government Stocks and Euro coins issued in the name of the Treasury, which added €233.9 million and €4.4 million respectively. On the other hand, Treasury Bills and Foreign Loans went down by €142.5 million and €10.4 million respectively. Higher holdings by government funds in Malta Government Stocks resulted in a decrease in debt of €18.8 million (Table 6) ■

Table 1. Revenue/Expenditure categories: Year to date

Description	Jan-Mar 2015	Jan-Mar 2016	Jan-Mar 2017	Jan-Mar 2017 / Jan-Mar 2016	
				Change	% change
	€ 000				
(a) Total Recurrent Revenue	774,689	744,865	873,738	128,873	17.3
Customs and Excise Duties	51,165	63,267	72,937	9,670	
Licences, Taxes and Fines	67,637	77,842	94,765	16,923	
Income Tax	170,551	195,841	215,430	19,589	
Value Added Tax	157,826	166,973	188,240	21,266	
Fees of Office	6,167	9,125	17,936	8,811	
Reimbursements	4,707	5,702	8,062	2,361	
Public Corporations	0	0	0	0	
Central Bank of Malta	30,000	30,000	30,000	0	
Rents	7,025	7,989	11,097	3,107	
Dividends on Investment	75	714	137	-577	
Interest on loans made by Government	72	2	17	15	
Social Security	146,858	169,220	181,443	12,223	
Grants	124,318	10,414	44,003	33,589	
Miscellaneous Receipts	8,290	7,777	9,672	1,895	
(b) Total Expenditure	860,024	868,188	886,547	18,359	2.1
<i>Recurrent Expenditure</i>	715,358	758,097	787,416	29,319	3.9
Personal Emoluments	168,105	177,195	183,544	6,349	
Operational and Maintenance Expenses	42,663	49,031	45,167	-3,864	
Programmes and Initiatives	436,276	441,715	468,371	26,655	
Contributions to Government Entities	68,314	90,156	90,334	178	
<i>Interest</i>	56,275	58,035	55,332	-2,703	-4.7
<i>Capital Expenditure</i>	88,391	52,055	43,798	-8,257	-15.9
(a-b) Consolidated Fund Surplus/Deficit	-85,335	-123,323	-12,809	110,514	89.6
(c) Financial Transactions					
<i>Revenue</i>					
Loans	168,287	199,733	182,870	-16,863	
Repayment of Loans	0	11,984	0	-11,984	
Receipts from Sale of Shares	700	1,131	889	-242	
Other extraordinary receipts	0	0	0	0	
<i>Expenditure</i>					
Contribution to Sinking Fund	0	0	0	0	
Equity Acquisition	1,059	12,484	1,877	-10,607	
Repayment of Loan	0	137,172	0	-137,172	
Loans	0	0	0	0	

Note: Totals may not add up due to rounding.

Table 2. Revenue/Expenditure categories: Monthly

Description	March 2015	March 2016	March 2017	March 2017 / March 2016	
				Change	% change
€ 000					
(a) Total Recurrent Revenue	164,681	198,885	252,184	53,299	26.8
Customs and Excise Duties	25,562	21,452	22,729	1,277	
Licences, Taxes and Fines	22,562	24,062	31,971	7,909	
Income Tax	17,031	40,359	65,147	24,787	
Value Added Tax	27,366	30,095	43,874	13,779	
Fees of Office	2,027	1,450	5,329	3,879	
Reimbursements	2,860	1,608	2,057	449	
Public Corporations	0	0	0	0	
Central Bank of Malta	10,000	10,000	10,000	0	
Rents	1,605	1,964	1,270	-694	
Dividends on Investment	75	714	137	-577	
Interest on loans made by Government	68	1	16	15	
Social Security	51,493	60,201	66,922	6,721	
Grants	81	1,095	1,842	747	
Miscellaneous Receipts	3,951	5,882	890	-4,992	
(b) Total Expenditure	299,691	294,981	295,630	649	0.2
<i>Recurrent Expenditure</i>	254,338	253,429	266,127	12,698	5.0
Personal Emoluments	60,482	63,825	66,057	2,231	
Operational and Maintenance Expenses	12,634	13,732	11,546	-2,186	
Programmes and Initiatives	156,720	150,335	162,127	11,792	
Contributions to Government Entities	24,501	25,537	26,398	861	
<i>Interest</i>	20,391	21,819	18,533	-3,285	-15.1
<i>Capital Expenditure</i>	24,961	19,733	10,969	-8,764	-44.4
(a-b) Consolidated Fund Surplus/Deficit	-135,010	-96,096	-43,446	52,650	54.8
(c) Financial Transactions					
<i>Revenue</i>					
Loans	168,287	199,733	0	-199,733	
Repayment of Loans	0	0	0	0	
Receipts from Sale of Shares	0	242	0	-242	
Other extraordinary receipts	0	0	0	0	
<i>Expenditure</i>					
Contribution to Sinking Fund	0	0	0	0	
Equity Acquisition	1,059	0	1,877	1,877	
Repayment of Loan	0	137,172	0	-137,172	
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-Mar 2015	Jan-Mar 2016	Jan-Mar 2017	Jan-Mar 2015	Jan-Mar 2016	Jan-Mar 2017	Jan-Mar 2015	Jan-Mar 2016	Jan-Mar 2017	Jan-Mar 2015	Jan-Mar 2016	Jan-Mar 2017
	€ 000											
General public services	15,347	17,099	18,528	6,807	6,880	7,718	48,778	44,724	55,341	1,529	1,780	2,218
Defence	8,610	9,056	9,176	1,551	1,262	743	23	110	209	0	0	47
Public order and safety	19,630	20,581	20,738	2,818	2,285	2,582	2,533	1,121	899	1,853	2,199	2,284
Economic affairs	16,482	16,083	16,978	3,683	4,854	2,359	20,366	19,757	25,402	12,949	23,629	24,092
Environment protection	233	179	70	35	31	79	4,689	4,607	4,894	3,776	4,804	4,811
Housing and community amenities	644	608	205	209	169	30	6	0	1,178	1,054	1,173	1,509
Health	50,266	53,693	56,483	15,256	16,967	15,217	39,677	39,152	36,847	10,783	14,460	14,194
Recreation, culture and religion	1,933	1,748	1,609	448	227	304	4,712	1,780	2,062	3,326	4,090	3,614
Education	43,633	46,390	47,788	7,235	8,519	8,099	29,345	33,056	34,985	25,018	27,197	28,361
Social protection	11,327	11,758	11,968	4,620	7,837	8,035	286,146	297,407	306,554	8,026	10,824	9,203
Total	168,105	177,195	183,544	42,663	49,031	45,167	436,276	441,715	468,371	68,314	90,156	90,334
COFOG	Interest Expenditure			Capital Expenditure			Total expenditure					
	Jan-Mar 2015	Jan-Mar 2016	Jan-Mar 2017	Jan-Mar 2015	Jan-Mar 2016	Jan-Mar 2017	Jan-Mar 2015	Jan-Mar 2016	Jan-Mar 2017			
	€ 000											
General public services	56,275	58,035	55,332	8,808	5,092	2,573	137,543	133,610	141,711			
Defence	0	0	0	12,886	4,120	3,166	23,070	14,548	13,341			
Public order and safety	0	0	0	1,001	6,855	2,837	27,835	33,042	29,340			
Economic affairs	0	0	0	24,649	19,773	17,629	78,129	84,096	86,460			
Environment protection	0	0	0	8,895	307	5,176	17,629	9,927	15,029			
Housing and community amenities	0	0	0	8,974	4,204	1,001	10,887	6,155	3,923			
Health	0	0	0	4,975	1,924	2,160	120,957	126,196	124,902			
Recreation, culture and religion	0	0	0	4,725	2,181	3,327	15,144	10,027	10,916			
Education	0	0	0	11,329	3,822	5,479	116,561	118,984	124,713			
Social protection	0	0	0	2,149	3,777	451	312,269	331,603	336,211			
Total	56,275	58,035	55,332	88,391	52,055	43,798	860,024	868,188	886,547			

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

Description	ESA CODE	Jan-Mar	Jan-Mar	Jan-Mar	Jan-Mar 2017 / Jan-Mar 2016	
		2015	2016	2017	Change	% change
		€ 000				
1. Total Revenue		749,435	716,980	837,131	120,151	
Market Output	P11	6,837	14,282	25,956		
Taxes on Production and Imports	D2	262,053	291,820	335,642		
Property income receivable	D4	33,803	34,765	31,959		
Current taxes on income, wealth, etc	D5	185,916	210,369	231,923		
Social Contributions	D61	132,610	151,546	162,101		
Current transfers receivable	D7	1,357	2,124	7,551		
Capital transfers receivable	D9	126,861	12,074	41,999		
2. Total Expenditure		834,770	840,304	849,940	9,636	
Intermediate Consumption	P2	99,361	112,617	99,020		
Gross Capital Formation	P5g+NP	38,034	26,852	23,374		
Compensation of Employees	D1	198,830	209,946	218,125		
Property income payable	D4	58,877	58,395	51,719		
Subsidies	D3	21,131	13,521	18,250		
Social Benefits and social transfers in kind	D62+D632	240,951	250,803	248,650		
Current transfers payable	D7	162,766	168,169	189,901		
Capital transfers payable	D9	14,821	0	902		
(1-2) Consolidated Fund Surplus/Deficit		-85,335	-123,323	-12,809	110,514	89.6

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

Description	ESA CODE	March	March	March	March 2017 / March 2016	
		2015	2016	2017	Change	% change
		€ 000				
1. Total Revenue		146,100	181,068	235,680	54,613	
Market Output	P11	1,804	3,535	5,105		
Taxes on Production and Imports	D2	70,247	70,909	92,370		
Property income receivable	D4	11,351	11,818	10,588		
Current taxes on income, wealth, etc	D5	22,033	44,466	70,824		
Social Contributions	D61	39,258	47,713	52,931		
Current transfers receivable	D7	335	1,115	2,063		
Capital transfers receivable	D9	1,072	1,511	1,800		
2. Total Expenditure		281,110	277,164	279,126	1,963	
Intermediate Consumption	P2	28,711	32,548	25,001		
Gross Capital Formation	P5g+NP	12,003	6,525	4,960		
Compensation of Employees	D1	70,787	74,896	78,479		
Property income payable	D4	20,685	20,099	18,633		
Subsidies	D3	4,115	3,128	8,566		
Social Benefits and social transfers in kind	D62+D632	90,083	87,701	89,172		
Current transfers payable	D7	50,615	52,267	54,140		
Capital transfers payable	D9	4,110	0	176		
(1-2) Consolidated Fund Surplus/Deficit		-135,010	-96,096	-43,446	52,650	54.8

Table 6. Central Government debt

Description	March 2015	March 2016	March 2017	March 2017 / March 2016	
				Change	% change
€ 000					
Total Central Government Debt	5,365,482	5,558,675	5,625,374	66,699	1.2
<i>of which:</i>					
Treasury Bills	208,140	367,650	225,200	-142,450	
Malta Government Stocks	5,067,862	5,155,439	5,389,324	233,885	
Foreign Loans	40,359	29,714	19,308	-10,405	
Domestic Loans with Commercial Banks	56,379	0	0	0	
MGSF investments in Government Debt	-67,579	-62,480	-81,254	-18,774	
Euro Coins issued in the name of the Treasury	60,321	68,353	72,796	4,443	

Note: Totals may not add up due to rounding.

Chart 1. January-March Consolidated Fund Surplus/Deficit

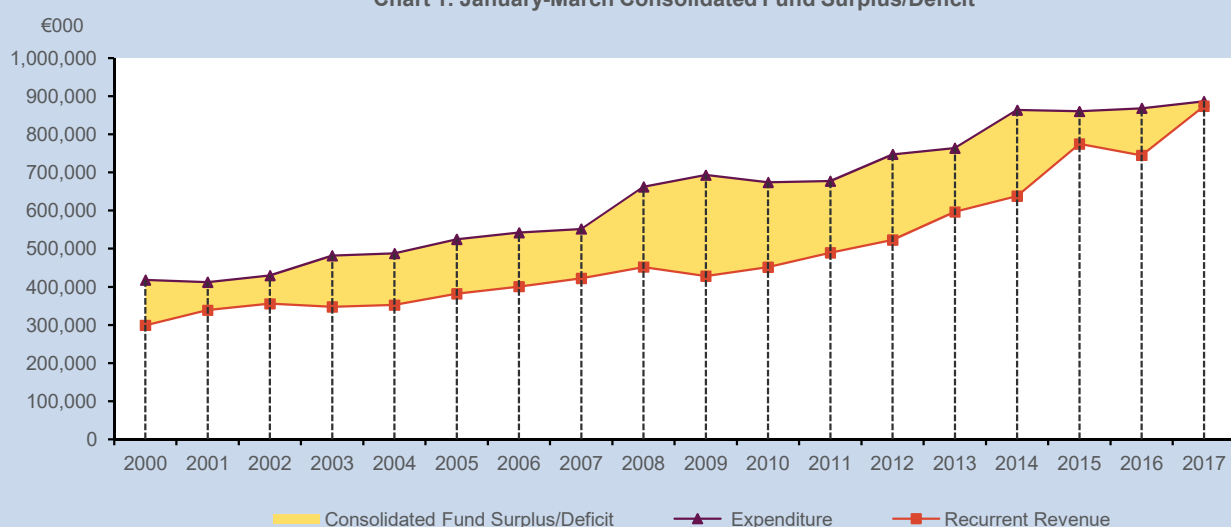
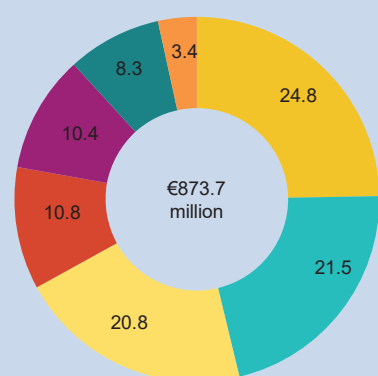
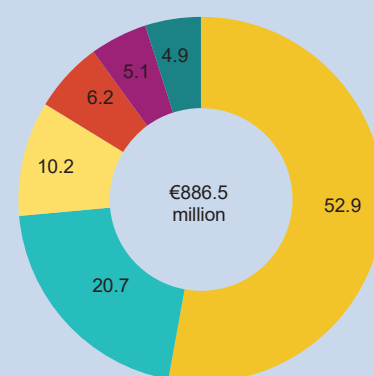


Chart 2. Recurrent Revenue by main category (%): January-March 2017



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

Chart 3. Expenditure by main category (%): January-March 2017



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

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 2017 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-).
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>
9. Kindly indicate source when quoting from this release.
10. The advanced news release calendar may be accessed at www.nso.gov.mt