

29 September 2017 | 1100 hrs | 156/2017

In January-August 2017, Government's Consolidated Fund registered a surplus of €31.1 million.

Government Finance Data: January-August 2017

Compared to the same period last year, recurrent revenue registered an increase of €261.2 million whereas total expenditure went up by €150.9 million. This resulted in a positive change in the Government's Consolidated Fund by €110.2 million.

In January-August 2017, recurrent revenue was recorded at €2,583.8 million, up from €2,322.6 million last year. The comparative increase of 11.2 per cent was primarily the result of higher Income Tax and Value Added Tax which increased by €62.1 million and €43.2 million respectively. Moreover, increases were also recorded for Social Security (€38.7 million), Grants (€35.4 million), Fees of Office (€33.6 million), Customs and Excise Duties (€25.4 million), Licences, Taxes and Fines (€11.5 million), Dividends on Investment (€6.7 million) and Reimbursements (€6.3 million). Conversely, decreases were mainly recorded in Miscellaneous Receipts (€1.3 million).

Compared to January-August last year, total expenditure stood at €2,552.7 million up from €2,401.8 million due to added outlays on recurrent expenditure which outweighed lower spending on capital expenditure and interest payments.

Recurrent expenditure stood at €2,221.6 million from €2,063.7 million last year. The main contributors to this increase were Programmes and Initiatives and Personal Emoluments with a rise of €133.7 million and €25.6 million respectively. The main developments in the Programmes and Initiatives category involved added outlays due to social security benefits (€34.6 million), Health Concession Agreements (€25.2 million), higher EU Own Resources (€21.8 million), EU Presidency 2017 (€15.8 million), state contribution (€11.0 million which also features as revenue), Jobsplus Programmes (€7.1 million), Electoral Commission activities (€5.5 million), solid waste management (€3.2 million), child care for all (€3.0 million), public social partnership (€2.5 million), allocation to local councils (€1.5 million) and Medicines and Surgical Materials (€1.1 million). Contributions to Government Entities increased by €2.0 million. Decreases were registered in Operational and Maintenance Expenses (€3.5 million).

The interest component of the public debt servicing costs stood at €144.4 million, down from €149.8 million last year.

Government's capital expenditure witnessed a decrease of €1.6 million, and was recorded at €186.7 million. This was mainly the result of lower spending on Film Industry incentives (€6.2 million) and EU external borders fund (€3.8 million). On the other hand higher outlays related to EU internal security borders and VISA (€5.9 million) and investment incentives (€3.6 million) were recorded (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 August 2017, Central Government Debt stood at €5,545.5 million, down by €9.1 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 €155.7 million and €6.8 million respectively. On the other hand, Treasury Bills and Foreign Loans went down by €139.2 million and €10.4 million respectively. Higher holdings by government funds in Malta Government Stocks resulted in a decrease in debt of €22.1 million (Table 6) ■

Table 1. Revenue/Expenditure categories: Year to date

| Description | Jan-Aug 2015 | Jan-Aug 2016 | Jan-Aug 2017 | Jan-Aug 2017 / Jan-Aug 2016 | |
|--|------------------|------------------|------------------|--------------------------------|--------------|
| | | | | Change | % change |
| | € 000 | | | | |
| (a) Total Recurrent Revenue | 2,222,430 | 2,322,630 | 2,583,789 | 261,159 | 11.2 |
| Customs and Excise Duties | 160,222 | 170,594 | 195,957 | 25,363 | |
| Licences, Taxes and Fines | 180,307 | 210,493 | 221,952 | 11,459 | |
| Income Tax | 693,976 | 771,170 | 833,252 | 62,082 | |
| Value Added Tax | 440,584 | 474,598 | 517,751 | 43,153 | |
| Fees of Office | 29,154 | 32,997 | 66,566 | 33,569 | |
| Reimbursements | 15,413 | 16,708 | 22,993 | 6,285 | |
| Public Corporations | 0 | 0 | 0 | 0 | |
| Central Bank of Malta | 36,000 | 36,000 | 36,000 | 0 | |
| Rents | 21,515 | 22,253 | 22,088 | -164 | |
| Dividends on Investment | 9,273 | 12,441 | 19,125 | 6,683 | |
| Interest on loans made by Government | 132 | 73 | 34 | -39 | |
| Social Security | 443,381 | 492,105 | 530,786 | 38,681 | |
| Grants | 159,423 | 59,041 | 94,447 | 35,406 | |
| Miscellaneous Receipts | 33,050 | 24,158 | 22,839 | -1,318 | |
| (b) Total Expenditure | 2,363,433 | 2,401,770 | 2,552,685 | 150,915 | 6.3 |
| <i>Recurrent Expenditure</i> | 1,939,291 | 2,063,693 | 2,221,572 | 157,878 | 7.7 |
| Personal Emoluments | 450,175 | 476,109 | 501,708 | 25,599 | |
| Operational and Maintenance Expenses | 102,103 | 114,017 | 110,563 | -3,454 | |
| Programmes and Initiatives | 1,189,199 | 1,234,130 | 1,367,869 | 133,739 | |
| Contributions to Government Entities | 197,815 | 239,437 | 241,432 | 1,995 | |
| <i>Interest</i> | 152,740 | 149,770 | 144,439 | -5,331 | -3.6 |
| <i>Capital Expenditure</i> | 271,403 | 188,307 | 186,674 | -1,633 | -0.9 |
| (a-b) Consolidated Fund Surplus/Deficit | -141,003 | -79,140 | 31,105 | 110,245 | 139.3 |
| (c) Financial Transactions | | | | | |
| <i>Revenue</i> | | | | | |
| Loans | 258,287 | 438,669 | 257,770 | -180,899 | |
| 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 | 9,863 | 9,863 | 17,462 | 7,599 | |
| Equity Acquisition | 1,059 | 12,484 | 2,101 | -10,383 | |
| Repayment of Loan | 69,882 | 295,317 | 72,691 | -222,626 | |
| Loans | 0 | 0 | 0 | 0 | |

Note: Totals may not add up due to rounding.

Table 2. Revenue/Expenditure categories: Monthly

| Description | August 2015 | August 2016 | August 2017 | August 2017 / August 2016 | |
|--|----------------|----------------|----------------|---------------------------|--------------|
| | | | | Change | % change |
| € 000 | | | | | |
| (a) Total Recurrent Revenue | 350,529 | 415,671 | 423,199 | 7,528 | 1.8 |
| Customs and Excise Duties | 23,188 | 24,610 | 26,560 | 1,950 | |
| Licences, Taxes and Fines | 17,562 | 25,985 | 20,231 | -5,755 | |
| Income Tax | 129,355 | 139,554 | 159,574 | 20,020 | |
| Value Added Tax | 112,914 | 135,528 | 118,823 | -16,705 | |
| Fees of Office | 1,016 | 9,725 | 9,507 | -218 | |
| Reimbursements | 1,859 | 2,334 | 1,588 | -746 | |
| Public Corporations | 0 | 0 | 0 | 0 | |
| Central Bank of Malta | 0 | 0 | 0 | 0 | |
| Rents | 2,051 | 2,567 | 28 | -2,540 | |
| Dividends on Investment | 575 | 500 | 0 | -500 | |
| Interest on loans made by Government | 0 | 0 | 0 | 0 | |
| Social Security | 60,996 | 70,425 | 82,898 | 12,473 | |
| Grants | 124 | 756 | 0 | -756 | |
| Miscellaneous Receipts | 887 | 3,685 | 3,990 | 305 | |
| (b) Total Expenditure | 316,680 | 353,765 | 287,119 | -66,646 | -18.8 |
| <i>Recurrent Expenditure</i> | 264,236 | 294,175 | 245,502 | -48,672 | -16.5 |
| Personal Emoluments | 53,600 | 59,905 | 63,635 | 3,730 | |
| Operational and Maintenance Expenses | 12,034 | 9,802 | 9,350 | -452 | |
| Programmes and Initiatives | 166,896 | 182,712 | 141,079 | -41,633 | |
| Contributions to Government Entities | 31,705 | 41,756 | 31,438 | -10,318 | |
| <i>Interest</i> | 21,458 | 21,118 | 19,392 | -1,726 | -8.2 |
| <i>Capital Expenditure</i> | 30,986 | 38,471 | 22,224 | -16,247 | -42.2 |
| (a-b) Consolidated Fund Surplus/Deficit | 33,849 | 61,906 | 136,080 | 74,174 | 119.8 |
| (c) Financial Transactions | | | | | |
| <i>Revenue</i> | | | | | |
| Loans | 0 | 158,935 | 74,900 | -84,035 | |
| Repayment of Loans | 0 | 0 | 0 | 0 | |
| 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 | 158,145 | 72,691 | -85,454 | |
| 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-Aug 2015 | Jan-Aug 2016 | Jan-Aug 2017 | Jan-Aug 2015 | Jan-Aug 2016 | Jan-Aug 2017 | Jan-Aug 2015 | Jan-Aug 2016 | Jan-Aug 2017 | Jan-Aug 2015 | Jan-Aug 2016 | Jan-Aug 2017 |
| | € 000 | | | | | | | | | | | |
| General public services | 45,370 | 48,592 | 52,245 | 17,310 | 17,092 | 18,132 | 110,286 | 114,728 | 155,943 | 4,858 | 6,660 | 5,987 |
| Defence | 22,764 | 24,028 | 25,351 | 3,717 | 2,994 | 3,909 | 191 | 255 | 397 | 0 | 0 | 130 |
| Public order and safety | 51,714 | 53,388 | 55,924 | 7,063 | 6,523 | 6,966 | 5,428 | 2,741 | 2,650 | 5,246 | 5,337 | 5,541 |
| Economic affairs | 43,426 | 43,909 | 45,954 | 7,725 | 9,992 | 7,398 | 71,487 | 73,775 | 77,924 | 39,643 | 59,973 | 65,776 |
| Environment protection | 501 | 556 | 642 | 78 | 77 | 206 | 11,526 | 12,345 | 15,704 | 7,701 | 11,907 | 12,662 |
| Housing and community amenities | 1,750 | 1,638 | 437 | 683 | 503 | 52 | 6 | 0 | 2,039 | 2,177 | 1,967 | 7,488 |
| Health | 135,215 | 143,637 | 152,680 | 36,568 | 42,666 | 36,361 | 91,020 | 98,015 | 125,847 | 33,383 | 32,058 | 35,066 |
| Recreation, culture and religion | 5,120 | 5,266 | 4,393 | 834 | 648 | 659 | 8,906 | 6,628 | 5,633 | 10,560 | 13,519 | 15,550 |
| Education | 117,138 | 124,081 | 131,861 | 13,978 | 15,804 | 16,525 | 78,208 | 75,811 | 78,259 | 74,242 | 78,615 | 70,631 |
| Social protection | 27,176 | 31,015 | 32,221 | 14,146 | 17,717 | 20,355 | 812,141 | 849,832 | 903,472 | 20,005 | 29,400 | 22,603 |
| Total | 450,175 | 476,109 | 501,708 | 102,103 | 114,017 | 110,563 | 1,189,199 | 1,234,130 | 1,367,869 | 197,815 | 239,437 | 241,432 |
| COFOG | Interest Expenditure | | | Capital Expenditure | | | Total expenditure | | | | | |
| | Jan-Aug 2015 | Jan-Aug 2016 | Jan-Aug 2017 | Jan-Aug 2015 | Jan-Aug 2016 | Jan-Aug 2017 | Jan-Aug 2015 | Jan-Aug 2016 | Jan-Aug 2017 | | | |
| | € 000 | | | | | | | | | | | |
| General public services | 152,740 | 149,770 | 144,439 | 27,390 | 19,713 | 14,723 | 357,954 | 356,556 | 391,470 | | | |
| Defence | 0 | 0 | 0 | 25,325 | 7,314 | 3,219 | 51,997 | 34,591 | 33,006 | | | |
| Public order and safety | 0 | 0 | 0 | 2,650 | 10,923 | 18,085 | 72,101 | 78,912 | 89,165 | | | |
| Economic affairs | 0 | 0 | 0 | 87,124 | 101,101 | 99,814 | 249,406 | 288,751 | 296,866 | | | |
| Environment protection | 0 | 0 | 0 | 40,847 | 1,407 | 7,125 | 60,653 | 26,292 | 36,339 | | | |
| Housing and community amenities | 0 | 0 | 0 | 12,397 | 7,715 | 1,581 | 17,013 | 11,823 | 11,597 | | | |
| Health | 0 | 0 | 0 | 17,397 | 7,462 | 7,060 | 313,583 | 323,837 | 357,014 | | | |
| Recreation, culture and religion | 0 | 0 | 0 | 19,200 | 14,140 | 12,674 | 44,620 | 40,202 | 38,909 | | | |
| Education | 0 | 0 | 0 | 32,348 | 13,067 | 19,763 | 315,913 | 307,378 | 317,038 | | | |
| Social protection | 0 | 0 | 0 | 6,725 | 5,464 | 2,629 | 880,194 | 933,428 | 981,280 | | | |
| Total | 152,740 | 149,770 | 144,439 | 271,403 | 188,307 | 186,674 | 2,363,433 | 2,401,770 | 2,552,685 | | | |

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

| Description | ESA CODE | Jan-Aug 2015 | Jan-Aug 2016 | Jan-Aug 2017 | Jan-Aug 2017 / Jan-Aug 2016 | |
|--|----------|------------------|------------------|------------------|--------------------------------|--------------|
| | | | | | Change | % change |
| | | | | | € 000 | |
| 1. Total Revenue | | 2,108,805 | 2,204,839 | 2,458,531 | 253,692 | |
| Market Output | P11 | 36,294 | 49,885 | 88,812 | | |
| Taxes on Production and Imports | D2 | 744,404 | 812,472 | 889,619 | | |
| Property income receivable | D4 | 55,125 | 53,622 | 55,683 | | |
| Current taxes on income, wealth, etc | D5 | 729,334 | 808,209 | 870,770 | | |
| Social Contributions | D61 | 372,503 | 388,711 | 442,800 | | |
| Current transfers receivable | D7 | 3,711 | 36,063 | 10,433 | | |
| Capital transfers receivable | D9 | 167,433 | 55,878 | 100,414 | | |
| 2. Total Expenditure | | 2,249,808 | 2,283,979 | 2,427,426 | 143,447 | |
| Intermediate Consumption | P2 | 243,150 | 260,092 | 269,612 | | |
| Gross Capital Formation | P5g+NP | 107,425 | 71,151 | 84,370 | | |
| Compensation of Employees | D1 | 533,009 | 561,135 | 595,697 | | |
| Property income payable | D4 | 152,359 | 143,988 | 141,692 | | |
| Subsidies | D3 | 55,263 | 55,256 | 41,710 | | |
| Social Benefits and social transfers in kind | D62+D632 | 673,268 | 697,339 | 735,316 | | |
| Current transfers payable | D7 | 432,614 | 472,476 | 551,968 | | |
| Capital transfers payable | D9 | 52,719 | 22,542 | 7,060 | | |
| (1-2) Consolidated Fund Surplus/Deficit | | -141,003 | -79,140 | 31,105 | 110,245 | 139.3 |

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

| Description | ESA CODE | August 2015 | August 2016 | August 2017 | August 2017 / August 2016 | |
|--|----------|----------------|----------------|----------------|------------------------------|--------------|
| | | | | | Change | % change |
| | | | | | € 000 | |
| 1. Total Revenue | | 335,948 | 396,951 | 403,673 | 6,722 | |
| Market Output | P11 | 1,953 | 9,388 | 8,605 | | |
| Taxes on Production and Imports | D2 | 149,119 | 181,553 | 163,719 | | |
| Property income receivable | D4 | 1,743 | 2,340 | 2,506 | | |
| Current taxes on income, wealth, etc | D5 | 133,029 | 143,857 | 161,397 | | |
| Social Contributions | D61 | 48,486 | 57,102 | 65,962 | | |
| Current transfers receivable | D7 | 274 | 259 | 122 | | |
| Capital transfers receivable | D9 | 1,344 | 2,452 | 1,363 | | |
| 2. Total Expenditure | | 302,099 | 335,045 | 267,594 | -67,452 | |
| Intermediate Consumption | P2 | 28,047 | 26,043 | 27,010 | | |
| Gross Capital Formation | P5g+NP | 15,806 | 18,746 | 9,651 | | |
| Compensation of Employees | D1 | 63,489 | 70,034 | 75,154 | | |
| Property income payable | D4 | 21,587 | 18,590 | 19,534 | | |
| Subsidies | D3 | 4,454 | 16,254 | 109 | | |
| Social Benefits and social transfers in kind | D62+D632 | 109,718 | 116,468 | 81,194 | | |
| Current transfers payable | D7 | 50,986 | 68,514 | 54,605 | | |
| Capital transfers payable | D9 | 8,012 | 395 | 338 | | |
| (1-2) Consolidated Fund Surplus/Deficit | | 33,849 | 61,906 | 136,080 | 74,174 | 119.8 |

Table 6. Central Government debt

| Description | August 2015 | August 2016 | August 2017 | August 2017 / August 2016 | |
|---|------------------|------------------|------------------|---------------------------|-------------|
| | | | | Change | % change |
| € 000 | | | | | |
| Total Central Government Debt | 5,396,450 | 5,554,575 | 5,545,455 | -9,120 | -0.2 |
| <i>of which:</i> | | | | | |
| Treasury Bills | 243,050 | 295,550 | 156,400 | -139,150 | |
| Malta Government Stocks | 5,089,988 | 5,236,963 | 5,392,688 | 155,725 | |
| Foreign Loans | 32,586 | 22,071 | 11,658 | -10,413 | |
| Domestic Loans with Commercial Banks | 56,379 | 0 | 0 | 0 | |
| MGSF investments in Government Debt | -90,579 | -70,430 | -92,552 | -22,122 | |
| Euro Coins issued in the name of the Treasury | 65,027 | 70,421 | 77,262 | 6,841 | |

Note: Totals may not add up due to rounding.

Chart 1. January-August Consolidated Fund Surplus/Deficit

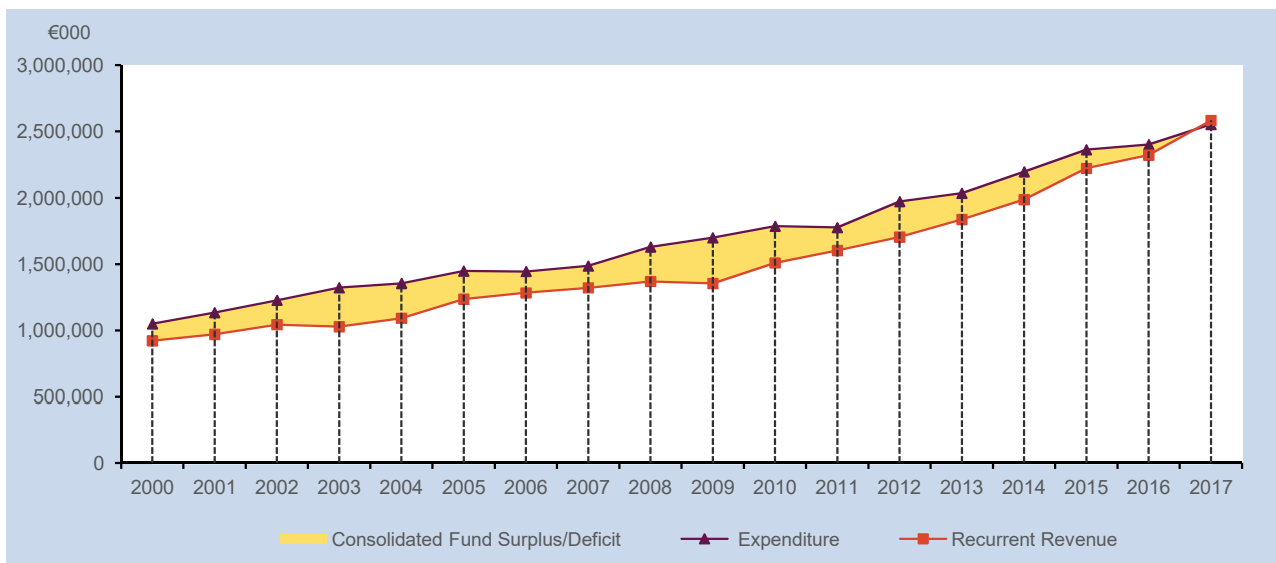


Chart 2. Recurrent Revenue by main category (%): January-August 2017

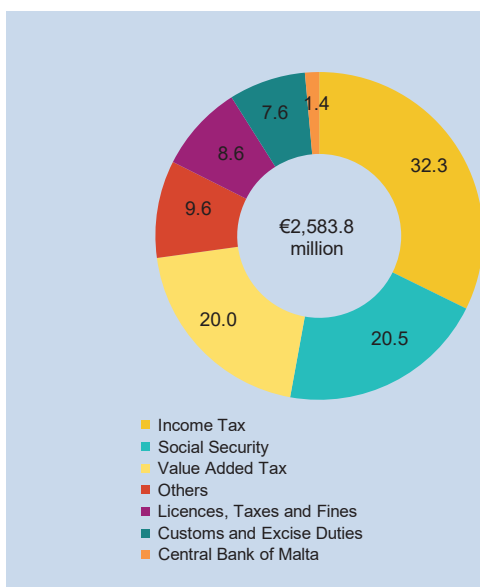
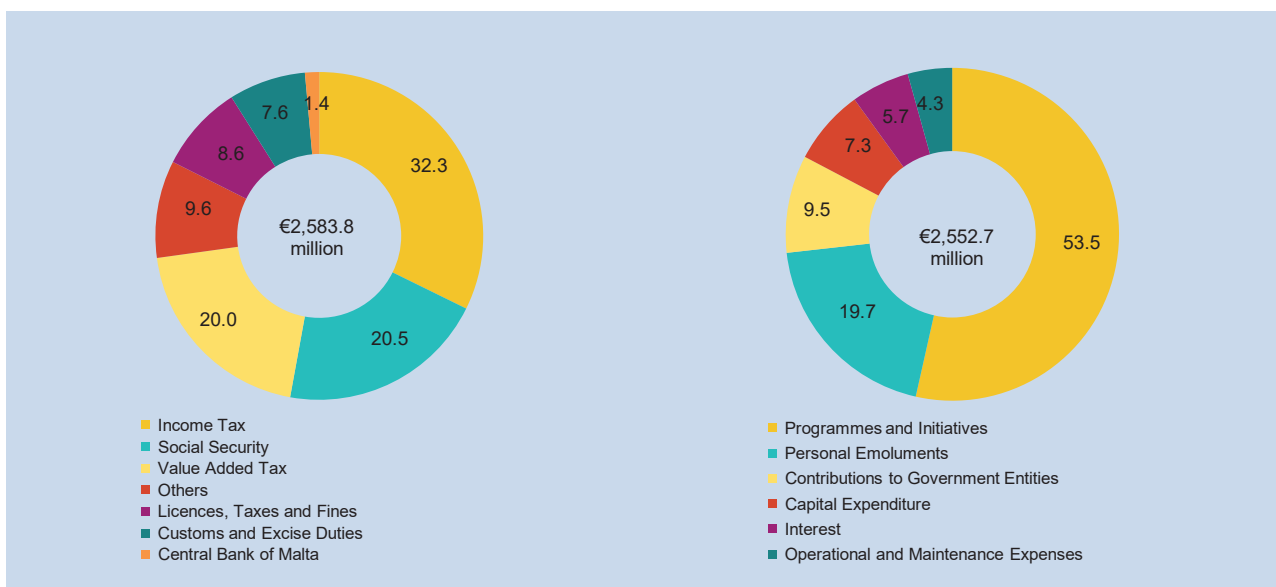


Chart 3. Expenditure by main category (%): January-August 2017



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