

23 February 2018 | 1100 hrs | 030/2018

In January 2018, Government's Consolidated Fund registered a deficit of €13.1 million.

Government Finance Data: January 2018

Compared to the same month last year, recurrent revenue registered an increase of €21.9 million whereas total expenditure went up by €19.1 million. This resulted in a positive change in the Government's Consolidated Fund by €2.8 million.

In January 2018, recurrent revenue was recorded at €283.0 million, up from €261.2 million last year. The comparative increase of 8.4 per cent was primarily the result of higher Income Tax and Social Security which both increased by €16.5 million and €13.9 million respectively. Moreover, increases were also recorded for Value Added Tax (€3.6 million) and Licences, Taxes and Fines (€3.3 million). Conversely, decreases were mainly recorded in Grants (€4.0 million), Rents (€3.2 million), Central Bank of Malta (€3.0 million), Reimbursements (€1.8million), Customs and Excise Duties (€1.6 million) and Fees of Office (€1.4 million).

Compared to January 2017, total expenditure stood at €296.1 million up from €277.0 million due to added outlays on recurrent expenditure and interest expenditure which outweighed lower spending on capital expenditure.

Recurrent expenditure stood at €268.5 million from €249.5 million last year. The main contributors to this increase were Personal Emoluments and Programmes and Initiatives with a rise of €7.8 million and €7.6 million respectively. The main developments in the Programmes and Initiatives category involved added outlays due to state contribution (€6.8 million which also features as revenue), Health Concession Agreements (€5.1 million), Feed in Tariff (€5.0 million) and social security benefits (€3.6 million). On the other hand, lower outlays for EU Own Resources (€10.2 million) and public service obligations (€2.3 million) were recorded. Contributions to Government Entities increased by €5.7 million. Conversely, Operational and Maintenance Expenses decreased by €2.0 million.

The interest component of the public debt servicing costs stood at €18.3 million, up from €17.5 million last year.

Government's capital expenditure witnessed a decrease of €0.7 million, and was recorded at €9.3 million. This was mainly the result of lower outlays related to EU Cohesion Fund 2007-2013 (€1.2 million) (Table 1).

Table 3 presents the Consolidated Fund data in ESA 2010 codes according to the EU Council Directive 85/2011 requirements.

At the end of January 2018, Central Government Debt stood at €5,386.3 million, down by €112.2 million over the corresponding month last year. This was the result of lower Malta Government Stocks and Treasury Bills which decreased by €113.0 million and €86.2 million respectively. Moreover Foreign Loans decreased by €10.4 million. On the other hand, the 62+ Malta Government Savings Bond added €99.6 million and Euro coins issued in the name of the Treasury increased by €6.0 million. Higher holdings by government funds in Malta Government Stocks resulted in a decrease in debt of €8.2 million (Table 4) ■

Table 1. Revenue/Expenditure categories: Year to date

Description	January 2016	January 2017	January 2018	January 2018 / January 2017	
				Change	% change
	€ 000				
(a) Total Recurrent Revenue	209,397	261,165	283,032	21,866	8.4
Customs and Excise Duties	21,707	27,822	26,254	-1,567	
Licences, Taxes and Fines	24,443	28,837	32,119	3,282	
Income Tax	73,592	79,904	96,401	16,497	
Value Added Tax	28,032	33,394	37,043	3,649	
Fees of Office	1,102	6,145	4,748	-1,397	
Reimbursements	1,069	2,158	399	-1,758	
Central Bank of Malta	10,000	10,000	7,000	-3,000	
Rents	2,357	3,221	0	-3,221	
Dividends on Investment	0	0	0	0	
Interest on loans made by Government	0	0	0	0	
Social Security	44,237	44,146	58,058	13,912	
Grants	2,506	24,595	20,602	-3,993	
Miscellaneous Receipts	353	944	407	-537	
(b) Total Expenditure	258,224	277,027	296,138	19,110	6.9
<i>Recurrent Expenditure</i>	220,025	249,482	268,494	19,011	7.6
Personal Emoluments	56,698	58,405	66,202	7,797	
Operational and Maintenance Expenses	17,030	19,396	17,351	-2,045	
Programmes and Initiatives	128,611	145,599	153,209	7,610	
Contributions to Government Entities	17,686	26,082	31,732	5,650	
<i>Interest</i>	15,165	17,537	18,323	787	4.5
<i>Capital Expenditure</i>	23,034	10,009	9,321	-688	-6.9
(a-b) Consolidated Fund Surplus/Deficit	-48,826	-15,862	-13,106	2,756	17.4
(c) Financial Transactions					
<i>Revenue</i>					
Loans	0	0	0	0	
Repayment of Loans	0	0	0	0	
Receipts from Sale of Shares	0	889	889	0	
Other extraordinary receipts	0	0	0	0	
<i>Expenditure</i>					
Contribution to Sinking Fund	0	0	0	0	
Equity Acquisition	500	0	500	500	
Repayment of Loan	0	0	0	0	
Loans	0	0	0	0	

Note: Totals may not add up due to rounding.

Table 2. Government Expenditure by COFOG category

COFOG	Personal Emoluments			Operational and Maintenance Expenses			Programmes and Initiatives			Contributions to Government Entities		
	Jan-16	Jan-17	Jan-18	Jan-16	Jan-17	Jan-18	Jan-16	Jan-17	Jan-18	Jan-16	Jan-17	Jan-18
	€ 000											
General public services	4,946	5,546	6,920	1,724	2,374	2,817	14,112	30,167	17,907	616	866	1,229
Defence	2,958	3,027	3,225	634	232	168	4	10	44	0	2	3
Public order and safety	6,500	6,589	7,324	583	752	886	427	438	268	392	1,110	1,146
Economic affairs	5,530	5,532	5,660	991	872	939	7,908	10,061	12,894	7,407	10,482	16,430
Environment protection	64	0	4	10	27	12	2,392	719	2,076	16	20	461
Housing and community amenities	207	68	129	29	9	32	0	524	185	38	213	1,017
Health	17,294	18,186	20,114	5,379	6,643	3,938	16,318	10,334	15,355	3,936	4,211	4,061
Recreation, culture and religion	603	527	569	98	115	187	405	319	178	918	791	1,281
Education	14,799	15,212	18,208	5,286	5,209	5,346	13,180	15,894	15,651	2,345	2,483	1,062
Social protection	3,797	3,718	4,050	2,295	3,164	3,026	73,865	77,133	88,651	2,017	5,904	5,043
Total	56,698	58,405	66,202	17,030	19,396	17,351	128,611	145,599	153,209	17,686	26,082	31,732
COFOG	Interest Expenditure			Capital Expenditure			Total expenditure					
	Jan-16	Jan-17	Jan-18	Jan-16	Jan-17	Jan-18	Jan-16	Jan-17	Jan-18			
	€ 000											
General public services	15,165	17,537	18,323	2,715	447	707	39,277	56,936	47,903			
Defence	0	0	0	0	46	69	3,596	3,317	3,508			
Public order and safety	0	0	0	557	792	1,795	8,460	9,681	11,419			
Economic affairs	0	0	0	12,654	6,071	4,104	34,491	33,019	40,027			
Environment protection	0	0	0	142	49	-99	2,624	814	2,454			
Housing and community amenities	0	0	0	4,043	1	1	4,317	814	1,363			
Health	0	0	0	592	1,084	807	43,519	40,458	44,276			
Recreation, culture and religion	0	0	0	264	246	272	2,288	1,998	2,487			
Education	0	0	0	726	961	470	36,336	39,760	40,737			
Social protection	0	0	0	1,341	311	1,195	83,315	90,231	101,966			
Total	15,165	17,537	18,323	23,034	10,009	9,321	258,224	277,027	296,138			

Table 3. Consolidated Fund data in ESA 2010 codes: Year to date

Description	ESA CODE	January 2016	January 2017	January 2018	January 2018 / January 2017	
					Change	% change
					€ 000	
1. Total Revenue		217,407	267,341	284,543	17,202	
Market Output	P11	3,060	8,428	3,713		
Taxes on Production and Imports	D2	67,681	82,700	88,579		
Property income receivable	D4	10,752	10,694	7,044		
Current taxes on income, wealth, etc	D5	79,365	85,153	102,035		
Social Contributions	D61	53,096	53,893	60,696		
Current transfers receivable	D7	628	491	362		
Capital transfers receivable	D9	2,824	25,982	22,115		
2. Total Expenditure		266,234	283,204	297,650	14,446	
Intermediate Consumption	P2	35,133	33,045	34,244		
Gross Capital Formation	P5g+NP	15,958	7,428	7,143		
Compensation of Employees	D1	67,732	70,378	78,093		
Property income payable	D4	17,026	19,447	19,008		
Subsidies	D3	5,428	5,064	8,533		
Social Benefits and social transfers in kind	D62+D632	78,919	76,716	82,054		
Current transfers payable	D7	46,037	71,047	68,575		
Capital transfers payable	D9	0	78	0		
(1-2) Consolidated Fund Surplus/Deficit		-48,826	-15,862	-13,106	2,756	17.4

Table 4. Central Government debt

Description	January 2016	January 2017	January 2018	January 2018 / January 2017	
				Change	% change
	€ 000				
Total Central Government Debt	5,437,959	5,498,545	5,386,338	-112,206	-2.0
<i>of which:</i>					
Treasury Bills	326,050	278,200	192,000	-86,200	
Malta Government Stocks	5,025,589	5,206,454	5,093,496	-112,958	
62+ Malta Government Savings Bond	0	0	99,624	99,624	
Foreign Loans	29,768	19,371	8,950	-10,421	
Domestic Loans with Commercial Banks	56,379	0	0	0	
MGSF investments in Government Debt	-67,579	-77,754	-85,966	-8,212	
Euro Coins issued in the name of the Treasury	67,753	72,274	78,235	5,961	

Note: Totals may not add up due to rounding.

Chart 1. January Consolidated Fund Surplus/Deficit

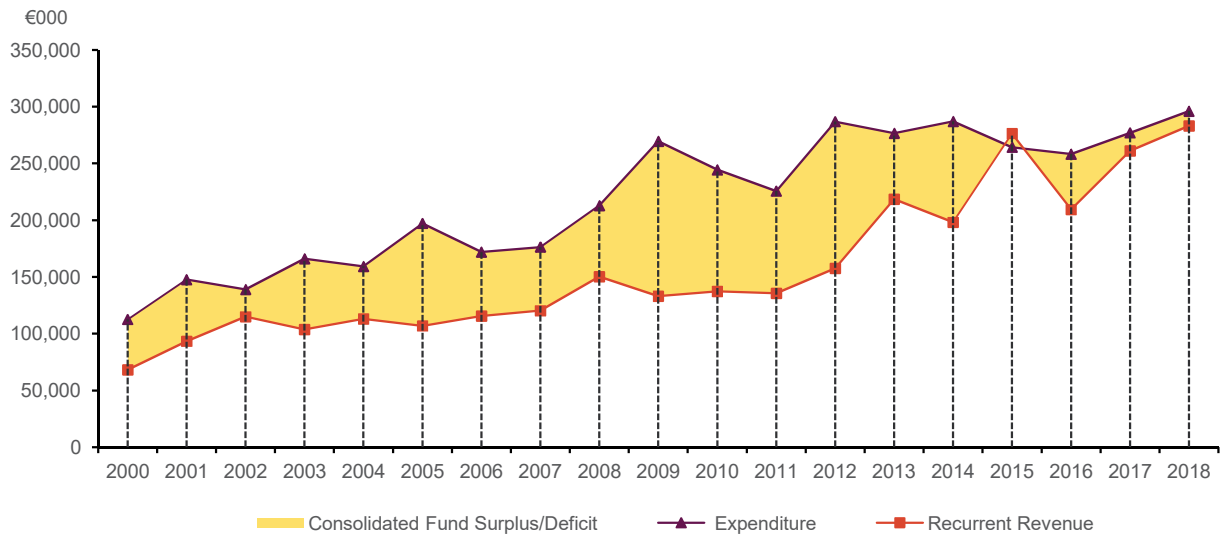
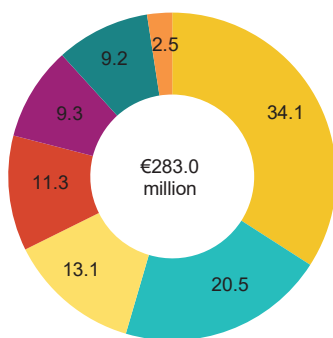
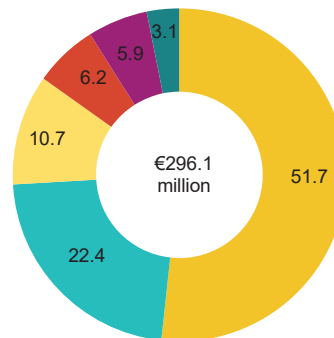


Chart 2. Recurrent Revenue by main category (%): January 2018



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

Chart 3. Expenditure by main category (%): January 2018



- 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 2018 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-
8. Government Finance data for December 2017 will be published on 29 March 2018.
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. References to this news release are to be cited appropriately.
11. A detailed news release calendar is available on
https://nso.gov.mt/en/News_Releases/Release_Calendar/Pages/News-Release-Calendar.aspx