

In 2017, Government's Consolidated Fund registered a surplus of €182.7 million.

Government Finance Data: January-December 2017

The Consolidated Fund data, presented in this news release, is the starting point for the compilation of the General Government fiscal balance 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 2014-2017, which data shall be published locally on the 23rd April.

Compared to 2016, recurrent revenue registered an increase of €484.2 million whereas total expenditure went up by €310.4 million. This resulted in a positive change in the Government's Consolidated Fund by €173.8 million.

In 2017, recurrent revenue was recorded at €4,291.2 million, up from €3,807.0 million last year. The comparative increase of 12.7 per cent was primarily the result of higher Income Tax and Value Added Tax which both increased by €169.2 million and €96.4 million respectively. Moreover, increases were also recorded for Social Security (€70.7 million), Fees of Office (€41.2 million, comprising an increase of €34.1 million related to the Individual Investor Programme), Grants (€36.9 million), Customs and Excise Duties (€25.6 million), Licences, Taxes and Fines (€21.5 million), Reimbursements (€16.8 million), Miscellaneous Receipts (€2.3 million), Dividends on Investment (€2.2 million) and Rents (€1.4 million).

Compared to 2016, total expenditure stood at €4,108.5 million up from €3,798.1 million due to added outlays on recurrent expenditure and capital expenditure which outweighed lower spending on interest payments.

Recurrent expenditure stood at €3,543.3 million from €3,264.3 million last year. The main contributors to this increase were Programmes and Initiatives and Personal Emoluments with a rise of €196.2 million and €45.9 million respectively. The main developments in the Programmes and Initiatives category involved added outlays due to social security benefits (€36.2 million), higher EU Own Resources (€21.5 million), state contribution (€20.5 million which also features as revenue), Health Concession Agreements (€17.5 million), Jobsplus Programmes (€11.8 million), Treasury Pensions (€10.8 million), Contingency Reserve (€9.8 million), Medicines and Surgical materials (€8.8 million), EU Presidency 2017 (€7.0 million), residential private care (€5.8 million), child care for all (€4.2 million), solid waste management (€3.6 million), church schools (€3.0 million), feed in tariff (€2.9 million), public social partnership (€2.4 million), allocation to local councils (€2.0 million), street lighting (€1.6 million) and energy support measures (€1.0 million). Contributions to Government Entities and Operational and Maintenance Expenses increased by €23.8 million and €13.0 million respectively.

The interest component of the public debt servicing costs stood at €215.1 million, down from €223.5 million last year.

Government's capital expenditure witnessed an increase of €39.9 million, and was recorded at €350.2 million. This was mainly the result of higher spending on investment incentives (€11.2 million), restoration of Triton fountain (€4.5 million), EU Cohesion Fund 2014-2020 (€4.2 million), EU Internal Security Borders and VISA (€4.0 million), Grand Harbour Regeneration Corporation (€3.8 million), tomorrow schools (€3.4 million), road construction improvements (€2.8 million), integrated health information system (€1.6 million) and road construction improvements (€1.5 million). On the other hand lower outlays related to film industry incentives (€9.2 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 December 2017, Central Government Debt stood at €5,371.8 million, down by €103.1 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 €77.0 million respectively. Moreover Foreign Loans decreased by €10.4 million. On the other hand, the new 62+ Malta Government Savings Bond added €99.6 million and Euro coins issued in the name of the Treasury increased by €5.4 million. Higher holdings by government funds in Malta Government Stocks resulted in a decrease in debt of €7.8 million (Table 6) ■

Table 1. Revenue/Expenditure categories: Year to date

Description	Jan-Dec 2015	Jan-Dec 2016	Jan-Dec 2017	Jan-Dec 2017 / Jan-Dec 2016	
				Change	% change
€ 000					
(a) Total Recurrent Revenue	3,634,798	3,806,963	4,291,165	484,202	12.7
Customs and Excise Duties	290,405	277,506	303,086	25,580	
Licences, Taxes and Fines	280,968	311,009	332,478	21,469	
Income Tax	1,184,628	1,328,270	1,497,489	169,219	
Value Added Tax	699,998	724,798	821,160	96,362	
Fees of Office	51,626	71,357	112,605	41,248	
Reimbursements	28,794	28,650	45,465	16,815	
Central Bank of Malta	48,000	50,000	50,000	0	
Rents	29,262	29,883	31,312	1,429	
Dividends on Investment	34,936	39,147	41,387	2,240	
Interest on loans made by Government	361	98	65	-33	
Social Security	739,583	804,389	875,054	70,665	
Grants	176,165	102,339	139,246	36,907	
Miscellaneous Receipts	70,073	39,516	41,818	2,302	
(b) Total Expenditure	3,870,630	3,798,092	4,108,493	310,401	8.2
<i>Recurrent Expenditure</i>	3,056,834	3,264,338	3,543,266	278,928	8.5
Personal Emoluments	742,428	782,057	828,002	45,945	
Operational and Maintenance Expenses	160,294	176,008	189,008	13,000	
Programmes and Initiatives	1,858,878	1,950,979	2,147,142	196,163	
Contributions to Government Entities	295,234	355,294	379,114	23,820	
<i>Interest</i>	232,331	223,454	215,051	-8,403	-3.8
<i>Capital Expenditure</i>	581,465	310,300	350,175	39,875	12.9
(a-b) Consolidated Fund Surplus/Deficit	-235,832	8,870	182,672	173,802	1,959.3
(c) Financial Transactions					
<i>Revenue</i>					
Loans	473,235	597,902	357,409	-240,493	
Repayment of Loans	40,416	12,184	0	-12,184	
Receipts from Sale of Shares	758	1,131	889	-242	
Other extraordinary receipts	0	0	0	0	
<i>Expenditure</i>					
Contribution to Sinking Fund	34,726	59,726	54,924	-4,802	
Equity Acquisition	41,075	12,993	71,441	58,448	
Repayment of Loan	349,377	485,399	372,932	-112,467	
Loans	0	0	0	0	

Note: Totals may not add up due to rounding.

Table 2. Revenue/Expenditure categories: Monthly

Description	December 2015	December 2016	December 2017	December 2017 / December 2016	
				Change	% change
				€ 000	
(a) Total Recurrent Revenue	499,132	520,927	583,777	62,850	12.1
Customs and Excise Duties	21,368	28,003	23,955	-4,048	
Licences, Taxes and Fines	27,126	23,306	33,031	9,725	
Income Tax	226,584	252,077	271,364	19,287	
Value Added Tax	52,389	55,604	60,551	4,946	
Fees of Office	5,899	10,810	4,576	-6,234	
Reimbursements	3,148	4,670	2,295	-2,375	
Central Bank of Malta	0	0	0	0	
Rents	2,551	1,609	1,427	-181	
Dividends on Investment	18,946	18,249	12,650	-5,599	
Interest on loans made by Government	71	1	15	14	
Social Security	112,327	117,221	122,094	4,873	
Grants	4,746	6,761	39,604	32,844	
Miscellaneous Receipts	23,976	2,616	12,216	9,600	
(b) Total Expenditure	574,020	451,850	485,727	33,878	7.5
<i>Recurrent Expenditure</i>	351,441	382,993	386,842	3,849	1.0
Personal Emoluments	117,141	125,575	132,253	6,678	
Operational and Maintenance Expenses	25,280	20,484	27,084	6,599	
Programmes and Initiatives	191,511	208,952	200,432	-8,519	
Contributions to Government Entities	17,509	27,982	27,073	-909	
<i>Interest</i>	20,242	17,742	17,907	165	0.9
<i>Capital Expenditure</i>	202,336	51,115	80,978	29,863	58.4
(a-b) Consolidated Fund Surplus/Deficit	-74,888	69,077	98,050	28,973	41.9
(c) Financial Transactions					
<i>Revenue</i>					
Loans	0	0	0	0	
Repayment of Loans	40,416	0	0	0	
Receipts from Sale of Shares	58	37	0	-37	
Other extraordinary receipts	0	0	0	0	
<i>Expenditure</i>					
Contribution to Sinking Fund	19,863	44,863	27,462	-17,401	
Equity Acquisition	40,016	509	30,000	29,491	
Repayment of Loan	132,292	3,730	11,388	7,658	
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 2015	Jan-Dec 2016	Jan-Dec 2017	Jan-Dec 2015	Jan-Dec 2016	Jan-Dec 2017	Jan-Dec 2015	Jan-Dec 2016	Jan-Dec 2017	Jan-Dec 2015	Jan-Dec 2016	Jan-Dec 2017
	€ 000											
General public services	76,224	81,737	88,762	27,309	31,265	35,093	187,729	179,945	234,701	8,578	10,222	9,446
Defence	37,072	39,321	41,829	6,850	6,676	7,973	282	774	629	0	0	249
Public order and safety	84,349	87,188	91,245	10,830	11,178	11,536	8,196	4,177	5,440	7,538	7,900	7,955
Economic affairs	69,433	70,988	73,363	14,465	16,662	15,096	121,227	126,472	143,336	62,287	88,418	107,215
Environment protection	1,180	1,219	2,339	80	174	364	19,169	32,661	26,676	19,464	22,378	23,374
Housing and community amenities	2,856	2,660	702	2,496	878	98	56	60	7,175	4,675	4,173	10,824
Health	224,129	237,777	254,676	58,953	62,967	61,520	123,265	148,409	186,764	46,290	52,263	47,372
Recreation, culture and religion	8,006	8,876	6,868	1,290	983	1,166	14,476	11,791	13,161	16,237	20,522	23,425
Education	189,830	201,617	214,360	17,899	20,380	23,070	109,790	114,476	123,046	101,336	108,533	117,734
Social protection	49,348	50,675	53,858	20,122	24,845	33,091	1,274,687	1,332,213	1,406,214	28,828	40,884	31,522
Total	742,428	782,057	828,002	160,294	176,008	189,008	1,858,878	1,950,979	2,147,142	295,234	355,294	379,114
COFOG	Interest Expenditure			Capital Expenditure			Total expenditure					
	Jan-Dec 2015	Jan-Dec 2016	Jan-Dec 2017	Jan-Dec 2015	Jan-Dec 2016	Jan-Dec 2017	Jan-Dec 2015	Jan-Dec 2016	Jan-Dec 2017	Jan-Dec 2015	Jan-Dec 2016	Jan-Dec 2017
	€ 000											
General public services	232,331	223,454	215,051	58,197	32,284	31,158	590,368	558,906	614,212			
Defence	0	0	0	34,344	11,470	7,519	78,547	58,241	58,200			
Public order and safety	0	0	0	6,985	25,112	33,560	117,898	135,556	149,736			
Economic affairs	0	0	0	167,561	153,469	173,692	434,973	456,010	512,702			
Environment protection	0	0	0	106,065	7,414	11,879	145,959	63,846	64,632			
Housing and community amenities	0	0	0	19,169	9,672	9,008	29,252	17,443	27,807			
Health	0	0	0	47,449	11,842	12,145	500,087	513,258	562,477			
Recreation, culture and religion	0	0	0	50,270	23,453	36,305	90,280	65,625	80,923			
Education	0	0	0	77,129	28,457	28,263	495,984	473,463	506,473			
Social protection	0	0	0	14,297	7,127	6,645	1,387,281	1,455,744	1,531,330			
Total	232,331	223,454	215,051	581,465	310,300	350,175	3,870,630	3,798,092	4,108,493			

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

Description	ESA CODE	Jan-Dec 2015	Jan-Dec 2016	Jan-Dec 2017	Jan-Dec 2017 / Jan-Dec 2016	
					Change	% change
					€ 000	
1. Total Revenue		3,396,811	3,581,222	4,044,720	463,497	
Market Output	P11	71,209	103,109	154,382		
Taxes on Production and Imports	D2	1,221,260	1,251,491	1,389,894		
Property income receivable	D4	88,327	90,161	89,082		
Current taxes on income, wealth, etc	D5	1,235,563	1,380,826	1,551,994		
Social Contributions	D61	586,713	613,396	695,681		
Current transfers receivable	D7	4,993	38,459	15,543		
Capital transfers receivable	D9	188,745	103,780	148,143		
2. Total Expenditure		3,632,642	3,572,352	3,862,047	289,696	
Intermediate Consumption	P2	398,786	410,504	434,168		
Gross Capital Formation	P5g+NP	232,871	137,717	184,676		
Compensation of Employees	D1	867,924	910,820	973,880		
Property income payable	D4	226,830	215,770	212,274		
Subsidies	D3	96,231	92,063	80,801		
Social Benefits and social transfers in kind	D62+D632	1,019,203	1,056,934	1,103,317		
Current transfers payable	D7	656,695	719,249	853,476		
Capital transfers payable	D9	134,102	29,294	19,456		
(1-2) Consolidated Fund Surplus/Deficit		-235,832	8,870	182,672	173,802	1,959.3

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

Description	ESA CODE	December 2015	December 2016	December 2017	December 2017 / December 2016	
					Change	% change
					€ 000	
1. Total Revenue		432,403	472,880	524,171	51,291	
Market Output	P11	13,827	19,446	4,803		
Taxes on Production and Imports	D2	96,010	102,007	111,384		
Property income receivable	D4	14,373	15,213	13,241		
Current taxes on income, wealth, etc	D5	231,651	255,853	276,317		
Social Contributions	D61	70,413	71,602	76,624		
Current transfers receivable	D7	366	811	3,158		
Capital transfers receivable	D9	5,763	7,948	38,644		
2. Total Expenditure		507,291	403,802	426,121	22,319	
Intermediate Consumption	P2	61,316	52,132	36,740		
Gross Capital Formation	P5g+NP	81,333	34,353	56,009		
Compensation of Employees	D1	129,292	137,255	146,198		
Property income payable	D4	21,296	18,731	18,517		
Subsidies	D3	14,187	6,071	4,746		
Social Benefits and social transfers in kind	D62+D632	88,422	97,396	95,711		
Current transfers payable	D7	50,503	55,179	58,941		
Capital transfers payable	D9	60,941	2,685	9,261		
(1-2) Consolidated Fund Surplus/Deficit		-74,888	69,077	98,050	28,973	41.9

Table 6. Central Government debt

Description	December 2015	December 2016	December 2017	December 2017 / December 2016	
				Change	% change
	€ 000				
Total Central Government Debt	5,334,719	5,474,901	5,371,757	-103,144	-1.9
<i>of which:</i>					
Treasury Bills	222,050	254,000	177,000	-77,000	
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	29,770	19,370	8,952	-10,418	
Domestic Loans with Commercial Banks	56,379	0	0	0	
MGSF investments in Government Debt	-67,579	-77,754	-85,516	-7,762	
Euro Coins issued in the name of the Treasury	68,510	72,832	78,202	5,370	

Note: Totals may not add up due to rounding.

Chart 1. January-December Consolidated Fund Surplus/Deficit

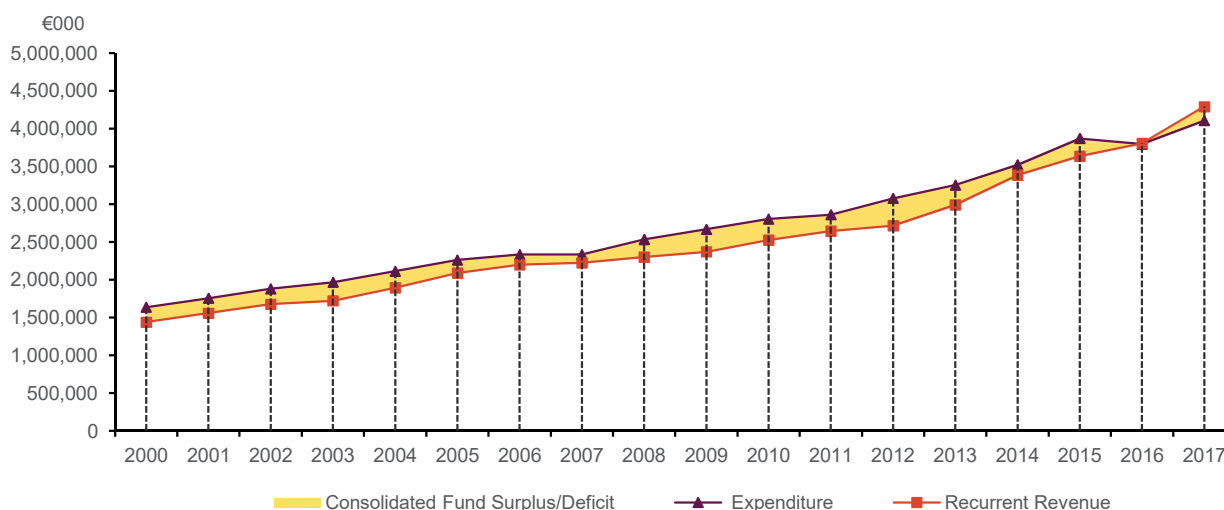


Chart 2. Recurrent Revenue by main category (%): January-December 2017

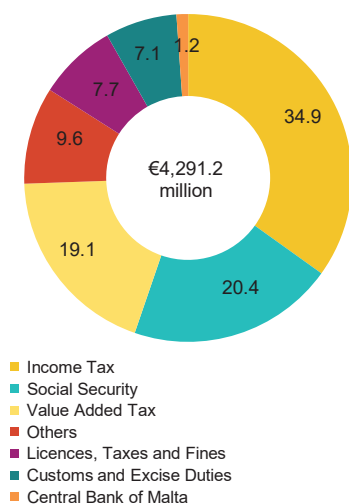
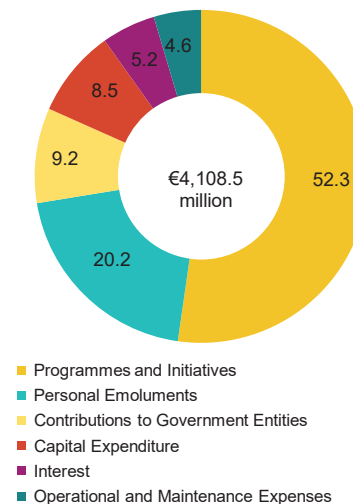


Chart 3. Expenditure by main category (%): January-December 2017



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 1-58906-061-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>
9. Reference to this news release are to be cited appropriately.
10. A detailed news release calendar is available on
https://nso.gov.mt/en/News_Releases/Release_Calendar/Pages/News-Release-Calendar.aspx