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In January-March 2018, Government's Consolidated Fund registered a deficit of €60.8 million.

## Government Finance Data: January-March 2018

Compared to the same period last year, recurrent revenue registered an increase of €41.1 million whereas total expenditure went up by €89.1 million. This resulted in a negative change in the Government's Consolidated Fund by €48.0 million.

In January-March 2018, recurrent revenue was recorded at €914.8 million, up from €873.7 million last year. The comparative increase of 4.7 per cent was primarily the result of higher Income Tax and Value Added Tax which both increased by €31.1 million and €30.1 million respectively. Moreover, increases were also recorded for Social Security (€17.8 million), Dividends on Investment (€4.9 million), Reimbursements (€2.8 million) and Miscellaneous Receipts (€1.9 million). Conversely, decreases were mainly recorded in Grants (€22.8 million), Central Bank of Malta (€9.0 million), Licences, Taxes and Fines (€4.8 million), Rents (€3.8 million), Fees of Office (€3.6 million) and Customs and Excise Duties (€3.4 million).

Compared to January-March 2017, total expenditure stood at €975.7 million up from €886.5 million due to added outlays on recurrent expenditure, capital expenditure and interest expenditure.

Recurrent expenditure stood at €872.6 million from €787.4 million last year. The main contributors to this increase were Programmes and Initiatives and Personal Emoluments with a rise of €62.2 million and €18.7 million respectively. The main developments in the Programmes and Initiatives category involved added outlays due to social security benefits (€15.5 million), Medicines and Surgical Materials (€9.8 million), Feed in Tariff (€10.0 million), state contribution (€9.5 million which also features as revenue), allocation to local councils (€9.5 million), Treasury Pensions (€4.5 million), Health Concession Agreements (€4.3 million), Jobsplus Programmes (€2.4 million) and residential private care (€2.1 million). On the other hand, lower outlays for EU Own Resources (€2.8 million) and Public Service Obligations (€1.7 million) were recorded. Contributions to Government Entities and Operational and Maintenance Expenses increased by €3.1 million and €1.2 million respectively.

The interest component of the public debt servicing costs stood at €55.9 million, up from €55.3 million last year.

Government's capital expenditure witnessed an increase of €3.5 million, and was recorded at €47.3 million. This was mainly the result of higher investment incentives (€3.2 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 2018, Central Government Debt stood at €5,460.7 million, down by €164.7 million over the corresponding month last year. This was the result of lower Malta Government Stocks and Foreign Loans which decreased by €295.8 million and €10.4 million respectively. On the other hand, the new 62+ Malta Government Savings Bond added €99.6 million, Treasury Bills added €43.8 million and Euro coins issued in the name of the Treasury increased by €5.7 million. Higher holdings by government funds in Malta Government Stocks resulted in a decrease in debt of €7.6 million (Table 6) ■

Table 1. Revenue/Expenditure categories: Year to date

Description	Jan-Mar 2016	Jan-Mar 2017	Jan-Mar 2018	Jan-Mar 2018 / Jan-Mar 2017	
				Change	% change
	€ 000				
<b>(a) Total Recurrent Revenue</b>	<b>744,865</b>	<b>873,738</b>	<b>914,846</b>	<b>41,109</b>	<b>4.7</b>
Customs and Excise Duties	63,267	72,937	69,493	-3,444	
Licences, Taxes and Fines	77,842	94,765	89,943	-4,823	
Income Tax	195,841	215,430	246,515	31,085	
Value Added Tax	166,973	188,240	218,366	30,126	
Fees of Office	9,125	17,936	14,385	-3,551	
Reimbursements	5,702	8,062	10,860	2,797	
Central Bank of Malta	30,000	30,000	21,000	-9,000	
Rents	7,989	11,097	7,250	-3,847	
Dividends on Investment	714	137	5,000	4,863	
Interest on loans made by Government	2	17	15	-2	
Social Security	169,220	181,443	199,194	17,750	
Grants	10,414	44,003	21,249	-22,754	
Miscellaneous Receipts	7,777	9,672	11,579	1,907	
<b>(b) Total Expenditure</b>	<b>868,188</b>	<b>886,547</b>	<b>975,681</b>	<b>89,135</b>	<b>10.1</b>
<i>Recurrent Expenditure</i>	758,097	787,416	872,559	85,143	10.8
Personal Emoluments	177,195	183,544	202,204	18,660	
Operational and Maintenance Expenses	49,031	45,167	46,416	1,249	
Programmes and Initiatives	441,715	468,371	530,527	62,156	
Contributions to Government Entities	90,156	90,334	93,412	3,078	
<i>Interest</i>	58,035	55,332	55,854	522	0.9
<i>Capital Expenditure</i>	52,055	43,798	47,268	3,470	7.9
<b>(a-b) Consolidated Fund Surplus/Deficit</b>	<b>-123,323</b>	<b>-12,809</b>	<b>-60,835</b>	<b>-48,026</b>	<b>-375.0</b>
<b>(c) Financial Transactions</b>					
<i>Revenue</i>					
Loans	199,733	182,870	0	-182,870	
Repayment of Loans	11,984	0	0	0	
Receipts from Sale of Shares	1,131	889	889	0	
Other extraordinary receipts	0	0	0	0	
<i>Expenditure</i>					
Contribution to Sinking Fund	0	0	0	0	
Equity Acquisition	12,484	1,877	58,034	56,157	
Repayment of Loan	137,172	0	46	46	
Loans	0	0	0	0	

Note: Totals may not add up due to rounding.

Table 2. Revenue/Expenditure categories: Monthly

Description	March 2016	March 2017	March 2018	March 2018 / March 2017	
				Change	% change
€ 000					
<b>(a) Total Recurrent Revenue</b>	<b>198,885</b>	<b>252,184</b>	<b>256,978</b>	<b>4,794</b>	<b>1.9</b>
Customs and Excise Duties	21,452	22,729	19,997	-2,732	
Licences, Taxes and Fines	24,062	31,971	32,019	49	
Income Tax	40,359	65,147	71,935	6,788	
Value Added Tax	30,095	43,874	40,271	-3,603	
Fees of Office	1,450	5,329	3,736	-1,593	
Reimbursements	1,608	2,057	2,861	804	
Central Bank of Malta	10,000	10,000	7,000	-3,000	
Rents	1,964	1,270	3,523	2,253	
Dividends on Investment	714	137	0	-137	
Interest on loans made by Government	1	16	15	-2	
Social Security	60,201	66,922	67,961	1,039	
Grants	1,095	1,842	80	-1,763	
Miscellaneous Receipts	5,882	890	7,581	6,691	
<b>(b) Total Expenditure</b>	<b>294,981</b>	<b>295,630</b>	<b>336,541</b>	<b>40,911</b>	<b>13.8</b>
<i>Recurrent Expenditure</i>	253,429	266,127	295,556	29,428	11.1
Personal Emoluments	63,825	66,057	71,207	5,150	
Operational and Maintenance Expenses	13,732	11,546	13,299	1,754	
Programmes and Initiatives	150,335	162,127	185,796	23,668	
Contributions to Government Entities	25,537	26,398	25,254	-1,144	
<i>Interest</i>	21,819	18,533	19,553	1,020	5.5
<i>Capital Expenditure</i>	19,733	10,969	21,433	10,463	95.4
<b>(a-b) Consolidated Fund Surplus/Deficit</b>	<b>-96,096</b>	<b>-43,446</b>	<b>-79,564</b>	<b>-36,117</b>	<b>-83.1</b>
<b>(c) Financial Transactions</b>					
<i>Revenue</i>					
Loans	199,733	0	0	0	
Repayment of Loans	0	0	0	0	
Receipts from Sale of Shares	242	0	0	0	
Other extraordinary receipts	0	0	0	0	
<i>Expenditure</i>					
Contribution to Sinking Fund	0	0	0	0	
Equity Acquisition	0	1,877	57,534	55,657	
Repayment of Loan	137,172	0	46	46	
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 2016	Jan-Mar 2017	Jan-Mar 2018	Jan-Mar 2016	Jan-Mar 2017	Jan-Mar 2018	Jan-Mar 2016	Jan-Mar 2017	Jan-Mar 2018	Jan-Mar 2016	Jan-Mar 2017	Jan-Mar 2018
	€ 000											
General public services	17,099	18,528	22,115	6,880	7,718	8,717	44,724	55,341	56,728	1,780	2,218	3,467
Defence	9,056	9,176	10,126	1,262	743	985	110	209	146	0	47	59
Public order and safety	20,581	20,738	23,151	2,285	2,582	2,541	1,121	899	1,287	2,199	2,284	2,473
Economic affairs	16,083	16,978	16,902	4,854	2,359	2,628	19,757	25,402	38,262	23,629	24,092	30,821
Environment protection	179	70	-873	31	79	83	4,607	4,894	5,571	4,804	4,811	5,882
Housing and community amenities	608	205	376	169	30	76	0	1,178	205	1,173	1,509	1,528
Health	53,693	56,483	60,938	16,967	15,217	13,532	39,152	36,847	52,394	14,460	14,194	12,200
Recreation, culture and religion	1,748	1,609	1,701	227	304	498	1,780	2,062	1,436	4,090	3,614	5,664
Education	46,390	47,788	54,675	8,519	8,099	8,450	33,056	34,985	36,683	27,197	28,361	22,029
Social protection	11,758	11,968	13,092	7,837	8,035	8,906	297,407	306,554	337,815	10,824	9,203	9,290
<b>Total</b>	<b>177,195</b>	<b>183,544</b>	<b>202,204</b>	<b>49,031</b>	<b>45,167</b>	<b>46,416</b>	<b>441,715</b>	<b>468,371</b>	<b>530,527</b>	<b>90,156</b>	<b>90,334</b>	<b>93,412</b>
COFOG	Interest Expenditure			Capital Expenditure			Total expenditure					
	Jan-Mar 2016	Jan-Mar 2017	Jan-Mar 2018	Jan-Mar 2016	Jan-Mar 2017	Jan-Mar 2018	Jan-Mar 2016	Jan-Mar 2017	Jan-Mar 2018			
	€ 000											
General public services	58,035	55,332	55,854	5,092	2,573	6,236	<b>133,610</b>	<b>141,711</b>	<b>153,117</b>			
Defence	0	0	0	4,120	3,166	88	<b>14,548</b>	<b>13,341</b>	<b>11,404</b>			
Public order and safety	0	0	0	6,855	2,837	5,024	<b>33,042</b>	<b>29,340</b>	<b>34,476</b>			
Economic affairs	0	0	0	19,773	17,629	20,870	<b>84,096</b>	<b>86,460</b>	<b>109,482</b>			
Environment protection	0	0	0	307	5,176	5,539	<b>9,927</b>	<b>15,029</b>	<b>16,202</b>			
Housing and community amenities	0	0	0	4,204	1,001	206	<b>6,155</b>	<b>3,923</b>	<b>2,390</b>			
Health	0	0	0	1,924	2,160	2,801	<b>126,196</b>	<b>124,902</b>	<b>141,865</b>			
Recreation, culture and religion	0	0	0	2,181	3,327	736	<b>10,027</b>	<b>10,916</b>	<b>10,036</b>			
Education	0	0	0	3,822	5,479	4,236	<b>118,984</b>	<b>124,713</b>	<b>126,074</b>			
Social protection	0	0	0	3,777	451	1,531	<b>331,603</b>	<b>336,211</b>	<b>370,634</b>			
<b>Total</b>	<b>58,035</b>	<b>55,332</b>	<b>55,854</b>	<b>52,055</b>	<b>43,798</b>	<b>47,268</b>	<b>868,188</b>	<b>886,547</b>	<b>975,681</b>			

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

Description	ESA CODE	Jan-Mar	Jan-Mar	Jan-Mar	Jan-Mar 2018 / Jan-Mar 2017	
		2016	2017	2018	Change	% change
		€ 000				
<b>1. Total Revenue</b>		<b>716,980</b>	<b>837,131</b>	<b>871,813</b>	<b>34,682</b>	
Market Output	P11	14,282	25,956	22,101		
Taxes on Production and Imports	D2	291,820	335,642	356,875		
Property income receivable	D4	34,765	31,959	27,017		
Current taxes on income, wealth, etc	D5	210,369	231,923	262,204		
Social Contributions	D61	151,546	162,101	174,847		
Current transfers receivable	D7	2,124	7,551	1,512		
Capital transfers receivable	D9	12,074	41,999	27,258		
<b>2. Total Expenditure</b>		<b>840,304</b>	<b>849,940</b>	<b>932,648</b>	<b>82,708</b>	
Intermediate Consumption	P2	112,617	99,020	98,269		
Gross Capital Formation	P5g+NP	26,852	23,374	20,903		
Compensation of Employees	D1	209,946	218,125	242,031		
Property income payable	D4	58,395	51,719	57,456		
Subsidies	D3	13,521	18,250	24,871		
Social Benefits and social transfers in kind	D62+D632	250,803	248,650	273,119		
Current transfers payable	D7	168,169	189,901	215,238		
Capital transfers payable	D9	0	902	762		
<b>(1-2) Consolidated Fund Surplus/Deficit</b>		<b>-123,323</b>	<b>-12,809</b>	<b>-60,835</b>	<b>-48,026</b>	<b>-375.0</b>

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

Description	ESA CODE	March	March	March	March 2018 / March 2017	
		2016	2017	2018	Change	% change
		€ 000				
<b>1. Total Revenue</b>		<b>181,068</b>	<b>235,680</b>	<b>234,682</b>	<b>-999</b>	
Market Output	P11	3,535	5,105	4,009		
Taxes on Production and Imports	D2	70,909	92,370	85,705		
Property income receivable	D4	11,818	10,588	9,774		
Current taxes on income, wealth, etc	D5	44,466	70,824	75,455		
Social Contributions	D61	47,713	52,931	55,652		
Current transfers receivable	D7	1,115	2,063	288		
Capital transfers receivable	D9	1,511	1,800	3,798		
<b>2. Total Expenditure</b>		<b>277,164</b>	<b>279,126</b>	<b>314,245</b>	<b>35,119</b>	
Intermediate Consumption	P2	32,548	25,001	32,701		
Gross Capital Formation	P5g+NP	6,525	4,960	6,615		
Compensation of Employees	D1	74,896	78,479	85,466		
Property income payable	D4	20,099	18,633	19,735		
Subsidies	D3	3,128	8,566	10,027		
Social Benefits and social transfers in kind	D62+D632	87,701	89,172	101,299		
Current transfers payable	D7	52,267	54,140	58,209		
Capital transfers payable	D9	0	176	193		
<b>(1-2) Consolidated Fund Surplus/Deficit</b>		<b>-96,096</b>	<b>-43,446</b>	<b>-79,564</b>	<b>-36,117</b>	<b>-83.1</b>

Table 6. Central Government debt

Description	March 2016	March 2017	March 2018	March 2018 / March 2017	
				Change	% change
€ 000					
<b>Total Central Government Debt</b>	<b>5,558,675</b>	<b>5,625,374</b>	<b>5,460,677</b>	<b>-164,697</b>	<b>-2.9</b>
<i>of which:</i>					
Treasury Bills	367,650	225,200	269,000	43,800	
Malta Government Stocks	5,155,439	5,389,324	5,093,496	-295,828	
62+ Malta Government Savings Bond	0	0	99,578	99,578	
Foreign Loans	29,714	19,308	8,885	-10,423	
Domestic Loans with Commercial Banks	0	0	0	0	
MGSF investments in Government Debt	-62,480	-81,254	-88,816	-7,562	
Euro Coins issued in the name of the Treasury	68,353	72,796	78,533	5,737	

Note: Totals may not add up due to rounding.

Chart 1. January-March Consolidated Fund Surplus/Deficit

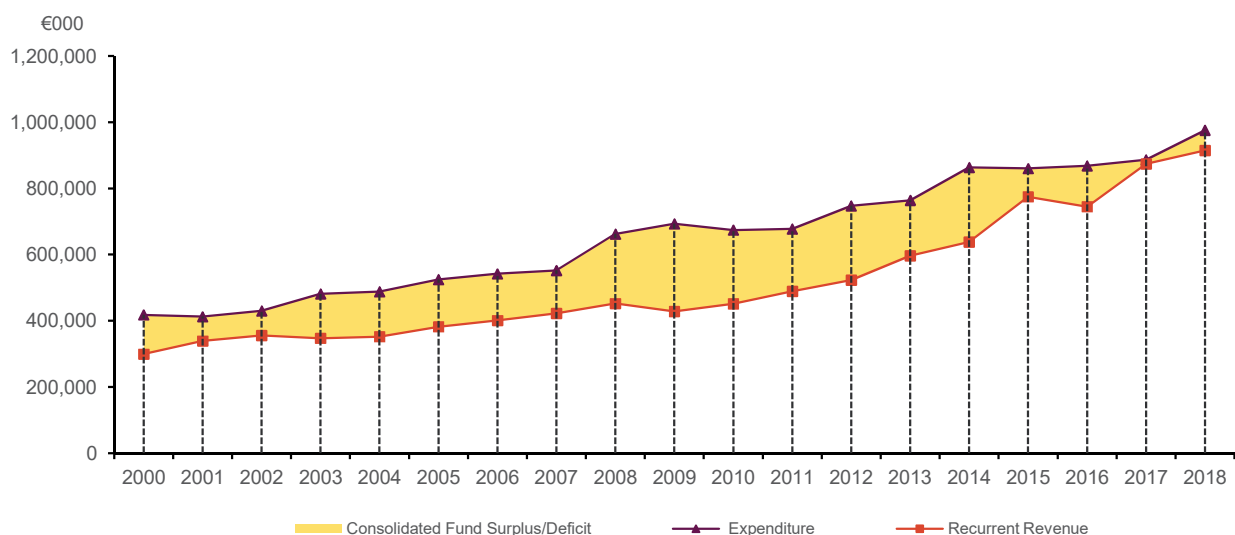
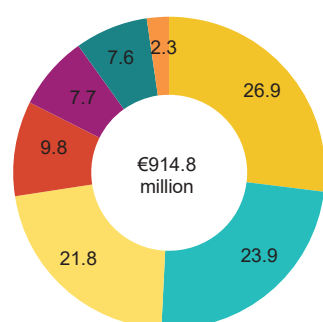
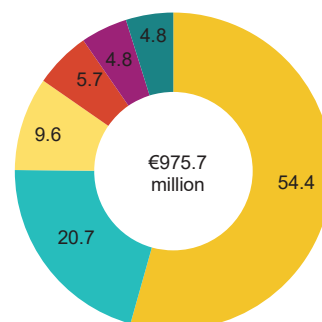


Chart 2. Recurrent Revenue by main category (%): January-March 2018



- 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 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](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-
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. References 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](https://nso.gov.mt/en/News_Releases/Release_Calendar/Pages/News-Release-Calendar.aspx)