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By the end of May 2019, Government's Consolidated Fund registered a deficit of €67.4 million.

Government Finance Data: January-May 2019

Between January and May 2019, recurrent revenue rose by €248.7 million and amounted to €1,826.6 million. This represented a 15.8 per cent increase from the €1,577.9 million reported in revenue during the corresponding period in 2018. The increase was primarily the result of a €102.1 million rise in Income Tax. Further increases were also registered under Value Added Tax (€64.9 million), Social Security (€41.2 million), Grants (€29.9 million), Rents (€7.7 million), Customs and Excise Duties (€6.0 million), Miscellaneous Receipts (€5.4 million), Fees of Office (€4.8 million) and Licences, Taxes and Fines (€4.3 million). Conversely, drops in outlay were recorded under Dividends on Investment (€9.7 million), Central Bank of Malta (€6.0 million), and Reimbursements (€1.8 million).

Total expenditure by the end of May 2019 stood at €1,894.0 million, a 14.4 per cent increase from the corresponding period in 2018.

Recurrent expenditure stood at €1,636.6 million, €197.1 million higher than the corresponding amount registered by the end of May 2018. The main contributor to this increase was a €124.3 million rise reported under Programmes and Initiatives. Furthermore, rises in outlay were also registered by Contributions to Government Entities (€32.1 million), Personal Emoluments (€29.5 million) and Operational and Maintenance Expenses (€11.2 million). The main developments in the Programmes and Initiatives category involved added outlays due to EU own resources (€25.8 million), extension of school transport network (€13.3 million), state contribution (€13.2 million that also features as revenue), tax relief measures (€11.6 million), social security benefits (€8.0 million), landscaping - Malta (€6.8 million), health concession agreements (€6.1 million), cancer treatment (€6.0 million), ex-gratia payment - motor vehicles (€4.8 million) and medicines and surgical materials (€4.3 million).

The interest component of the public debt servicing costs amounted to €76.4 million, which is €8.8 million less than the same period in 2018.

Government's capital expenditure registered an increase of €49.8 million from the same period last year and amounted to €181.0 million. The rise in outlay was due to added expenditure reported on road construction and improvements (€29.6 million), EU structural funds 2014-2020 (€12.0 million), EU Internal Security Fund - Borders and Visa (€11.0 million), EU cohesion fund 2014-2020 (€8.8 million) and investment incentives (€7.8 million). Conversely, a €20.0 million drop in contribution towards treasury clearance fund slightly offset this increase in capital expenditure.

The difference between total revenue and expenditure resulted in a deficit of €67.4 million being reported in the Government's Consolidated Fund by the end of May 2019, compared to a deficit of €78.0 million in the same period in 2018. The main catalyst in the difference was a higher increase in recurrent revenue in comparison to total expenditure (Table 1).

During May 2019, Central Government Debt stood at €5,490.6 million, a €104.5 million rise from the corresponding month last year. This was primarily the result of increases reported under the 62+ Malta Government Savings Bond (€192.0 million). Euro coins issued in the name of the Treasury and Treasury Bills also rose by €5.5 million and €2.2 million respectively. On the other hand, there were decreases recorded under Malta Government Stocks (€79.7 million) and Foreign Loans (€0.2 million). Higher holdings by government funds in Malta Government Stocks also resulted in a decrease in debt of €15.2 million (Table 6). ■

Table 1. Revenue/Expenditure categories: Year to date

Description	Jan-May 2017	Jan-May 2018	Jan-May 2019	Jan-May 2019 / Jan-May 2018	
				Change	% change
	€ 000				
(a) Total Recurrent Revenue	1,568,102	1,577,922	1,826,617	248,695	15.8
Customs and Excise Duties	114,895	119,035	125,027	5,992	
Licences, Taxes and Fines	142,878	160,640	164,945	4,305	
Income Tax	441,671	479,398	581,477	102,079	
Value Added Tax	323,401	339,840	404,711	64,871	
Fees of Office	39,751	25,914	30,691	4,777	
Reimbursements	14,272	17,101	15,283	-1,817	
Central Bank of Malta	30,000	21,000	15,000	-6,000	
Rents	17,935	12,158	19,837	7,679	
Dividends on Investment	12,125	15,294	5,635	-9,659	
Interest on loans made by Government	18	15	19	4	
Social Security	322,042	350,236	391,390	41,155	
Grants	94,058	27,191	57,074	29,883	
Miscellaneous Receipts	15,057	10,101	15,527	5,426	
(b) Total Expenditure	1,570,697	1,655,903	1,894,021	238,118	14.4
<i>Recurrent Expenditure</i>	1,353,735	1,439,531	1,636,622	197,091	13.7
Personal Emoluments	308,572	335,345	364,859	29,514	
Operational and Maintenance Expenses	77,708	79,917	91,108	11,191	
Programmes and Initiatives	812,227	859,545	983,857	124,312	
Contributions to Government Entities	155,228	164,724	196,798	32,074	
<i>Interest</i>	89,606	85,179	76,410	-8,769	-10.3
<i>Capital Expenditure</i>	127,357	131,193	180,990	49,797	38.0
(a-b) Consolidated Fund Surplus/Deficit	-2,595	-77,982	-67,404	10,578	13.6
(c) Financial Transactions					
<i>Revenue</i>					
Loans	182,870	0	179,713	179,713	
Repayment of Loans	0	0	0	0	
Receipts from Sale of Shares	889	889	889	0	
Other extraordinary receipts	0	0	0	0	
<i>Expenditure</i>					
Contribution to Sinking Fund	0	0	10,000	10,000	
Equity Acquisition	1,877	58,034	308	-57,726	
Repayment of Loan	0	121,937	41,570	-80,367	
Loans	0	0	0	0	

Note: Totals may not add up due to rounding.

Table 2. Revenue/Expenditure categories: Monthly

Description	May 2017	May 2018	May 2019	May 2019 / May 2018	
				Change	% change
				€ 000	
(a) Total Recurrent Revenue	346,812	348,298	438,906	90,608	26.0
Customs and Excise Duties	20,871	25,094	26,970	1,876	
Licences, Taxes and Fines	26,637	27,321	35,101	7,779	
Income Tax	86,238	100,764	127,031	26,267	
Value Added Tax	110,789	101,011	137,583	36,572	
Fees of Office	10,332	3,562	7,596	4,033	
Reimbursements	4,393	2,064	1,682	-381	
Central Bank of Malta	0	0	0	0	
Rents	1,567	236	7,077	6,841	
Dividends on Investment	11,788	10,294	2,435	-7,859	
Interest on loans made by Government	0	0	2	1	
Social Security	70,399	79,479	92,557	13,078	
Grants	48	0	0	0	
Miscellaneous Receipts	3,750	-1,528	872	2,401	
(b) Total Expenditure	370,650	330,429	362,324	31,896	9.7
<i>Recurrent Expenditure</i>	305,388	281,957	315,491	33,534	11.9
Personal Emoluments	64,410	64,602	69,808	5,205	
Operational and Maintenance Expenses	17,643	18,869	17,408	-1,461	
Programmes and Initiatives	187,896	162,610	186,372	23,761	
Contributions to Government Entities	35,439	35,875	41,903	6,028	
<i>Interest</i>	15,514	10,441	10,249	-193	-1.8
<i>Capital Expenditure</i>	49,748	38,031	36,585	-1,446	-3.8
(a-b) Consolidated Fund Surplus/Deficit	-23,838	17,869	76,582	58,712	328.6
(c) Financial Transactions					
<i>Revenue</i>					
Loans	0	0	0	0	
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	61	218	157	
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-May 2017	Jan-May 2018	Jan-May 2019	Jan-May 2017	Jan-May 2018	Jan-May 2019	Jan-May 2017	Jan-May 2018	Jan-May 2019	Jan-May 2017	Jan-May 2018	Jan-May 2019
	€ 000											
General public services	32,232	37,220	40,312	12,525	14,434	21,655	93,051	77,481	117,060	3,591	6,000	14,942
Defence	15,448	16,714	16,744	2,054	1,908	2,757	288	252	420	54	80	60
Public order and safety	34,870	38,429	43,395	4,452	4,744	7,858	1,839	2,439	2,511	3,587	3,630	4,244
Economic affairs	28,907	26,021	25,368	4,758	4,392	5,042	57,237	69,006	69,739	43,309	53,270	69,739
Environment protection	88	0	1,783	170	138	132	8,686	10,305	25,599	10,366	11,497	11,989
Housing and community amenities	298	560	539	42	127	287	1,932	298	2,569	6,409	3,067	1,360
Health	93,100	101,794	114,383	27,485	25,068	24,637	72,493	83,795	101,514	23,126	23,340	22,768
Recreation, culture and religion	2,681	2,762	2,929	462	635	743	3,342	3,314	4,243	9,477	11,534	11,932
Education	81,157	90,606	96,799	11,998	12,023	8,475	53,733	60,353	81,572	40,854	35,772	38,550
Social protection	19,790	21,240	22,607	13,760	16,449	19,523	519,624	552,303	578,630	14,454	16,534	21,214
Total	308,572	335,345	364,859	77,708	79,917	91,108	812,227	859,545	983,857	155,228	164,724	196,798
COFOG	Interest Expenditure			Capital Expenditure			Total expenditure					
	Jan-May 2017	Jan-May 2018	Jan-May 2019	Jan-May 2017	Jan-May 2018	Jan-May 2019	Jan-May 2017	Jan-May 2018	Jan-May 2019			
	€ 000											
General public services	89,606	85,179	76,410	10,570	19,253	24,182	241,576	239,567	294,562			
Defence	0	0	0	3,204	131	1,714	21,048	19,085	21,695			
Public order and safety	0	0	0	4,470	7,678	20,201	49,219	56,919	78,208			
Economic affairs	0	0	0	76,127	74,942	94,017	210,338	227,630	263,905			
Environment protection	0	0	0	5,540	6,499	20,584	24,850	28,439	60,088			
Housing and community amenities	0	0	0	1,564	210	89	10,245	4,263	4,845			
Health	0	0	0	3,206	5,770	4,404	219,410	239,767	267,706			
Recreation, culture and religion	0	0	0	6,453	6,414	5,816	22,415	24,658	25,663			
Education	0	0	0	14,718	8,104	8,588	202,460	206,858	233,983			
Social protection	0	0	0	1,507	2,191	1,394	569,136	608,716	643,367			
Total	89,606	85,179	76,410	127,357	131,193	180,990	1,570,697	1,655,903	1,894,021			

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

Description	ESA CODE	Jan-May 2017	Jan-May 2018	Jan-May 2019	Jan-May 2019 / Jan-May 2018	
					Change	% change
					€ 000	
1. Total Revenue		1,494,041	1,501,509	1,720,299	218,790	
Market Output	P11	54,914	31,478	35,771		
Taxes on Production and Imports	D2	549,909	587,687	649,804		
Property income receivable	D4	44,277	41,995	33,137		
Current taxes on income, wealth, etc	D5	466,671	507,019	615,005		
Social Contributions	D61	274,406	294,275	318,192		
Current transfers receivable	D7	7,535	6,606	10,098		
Capital transfers receivable	D9	96,328	32,447	58,292		
2. Total Expenditure		1,496,636	1,579,491	1,787,702	208,212	
Intermediate Consumption	P2	171,730	178,375	281,750		
Gross Capital Formation	P5g+NP	51,840	56,153	97,075		
Compensation of Employees	D1	366,189	395,898	420,326		
Property income payable	D4	86,237	87,071	76,677		
Subsidies	D3	32,585	36,305	33,578		
Social Benefits and social transfers in kind	D62+D632	415,906	439,611	441,229		
Current transfers payable	D7	366,281	382,655	423,320		
Capital transfers payable	D9	5,868	3,423	13,747		
(1-2) Consolidated Fund Surplus/Deficit		-2,595	-77,982	-67,404	10,578	13.6

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

Description	ESA CODE	May 2017	May 2018	May 2019	May 2019 / May 2018	
					Change	% change
					€ 000	
1. Total Revenue		324,943	328,157	416,748	88,591	
Market Output	P11	17,476	2,419	7,434		
Taxes on Production and Imports	D2	152,009	148,616	191,635		
Property income receivable	D4	7,477	10,592	9,318		
Current taxes on income, wealth, etc	D5	90,389	105,062	132,999		
Social Contributions	D61	54,812	58,651	72,849		
Current transfers receivable	D7	252	737	169		
Capital transfers receivable	D9	2,528	2,080	2,345		
2. Total Expenditure		348,781	310,288	340,166	29,879	
Intermediate Consumption	P2	35,858	43,015	57,192		
Gross Capital Formation	P5g+NP	13,529	21,737	21,674		
Compensation of Employees	D1	75,927	71,532	80,338		
Property income payable	D4	15,658	10,574	10,445		
Subsidies	D3	11,232	5,657	6,171		
Social Benefits and social transfers in kind	D62+D632	88,451	82,034	85,861		
Current transfers payable	D7	105,268	74,769	75,854		
Capital transfers payable	D9	2,859	969	2,631		
(1-2) Consolidated Fund Surplus/Deficit		-23,838	17,869	76,582	58,712	328.6

Table 6. Central Government debt

Description	May 2017	May 2018	May 2019	May 2019 / May 2018	
				Change	% change
	€ 000				
Total Central Government Debt	5,595,597	5,386,157	5,490,649	104,492	1.9
<i>of which:</i>					
Treasury Bills	209,000	327,000	329,200	2,200	
Malta Government Stocks	5,389,324	4,971,738	4,891,999	-79,739	
62+ Malta Government Savings Bond	0	99,477	291,475	191,998	
Foreign Loans	11,657	1,245	1,026	-219	
MGSF investments in Government Debt	-88,254	-92,946	-108,153	-15,207	
Euro Coins issued in the name of the Treasury	73,871	79,642	85,102	5,460	

Note: Totals may not add up due to rounding.

Chart 1. January-May Consolidated Fund Surplus/Deficit

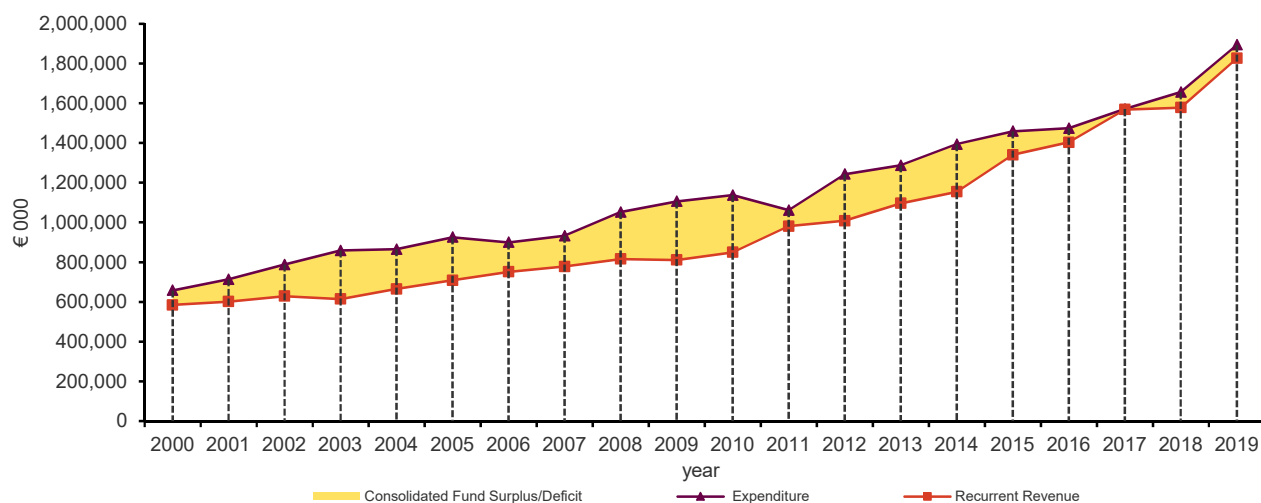


Chart 2. Recurrent Revenue by main category (%): January-May 2019

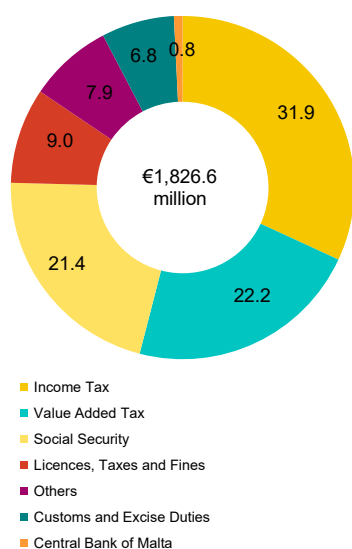
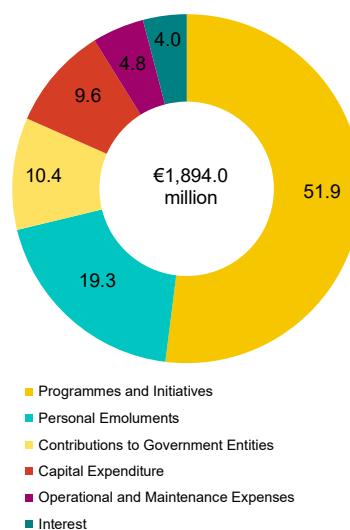


Chart 3. Expenditure by main category (%): January-May 2019



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 2019 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. Tables 4 and 5 present the Consolidated Fund year to date and monthly data in ESA 2010 codes according to the EU Council Directive 85/2011 requirements.
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. Any quotations from this news release are to be cited and/or referenced.
11. A detailed news release calendar is available on
https://nso.gov.mt/en/News_Releases/Release_Calendar/Pages/News-Release-Calendar.aspx