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By the end of June 2019, Government's Consolidated Fund reported a deficit of €156.2 million.

## Government Finance Data: January-June 2019

During the first half of 2019, recurrent revenue rose by €266.2 million and amounted to €2,164.5 million. This represented a 14.0 per cent increase from the €1,898.3 million reported in revenue during the corresponding period in 2018. The primary reason for the increase was a €90.9 million rise in Income Tax. Further increases were also registered under Value Added Tax (€56.9 million), Social Security (€47.0 million), Grants (€44.3 million), Licences, Taxes and Fines (€15.7 million), Rents (€10.1 million), Customs and Excise Duties (€7.3 million), Miscellaneous Receipts (€6.8 million), Fees of Office (€3.6 million) and Reimbursements (€3.5 million). Conversely, drops in outlay were recorded under Dividends on Investment (€11.9 million) and Central Bank of Malta (€8.0 million).

Total expenditure by the end of June 2019 stood at €2,320.7 million, a 13.7 per cent increase from the corresponding period in 2018.

Recurrent expenditure stood at €2,066.9 million, €210.3 million higher than the corresponding amount registered by the end of June 2018. The main contributor to this increase was a €141.3 million rise reported under Programmes and Initiatives. Furthermore, rises in outlay were also registered by Personal Emoluments (€34.6 million), Contributions to Government Entities (€21.1 million) and Operational and Maintenance Expenses (€13.4 million). The main developments in the Programmes and Initiatives category involved added outlays due to EU own resources (€29.2 million), state contribution (€18.3 million that also features as revenue), extension of school transport network (€16.2 million), social security benefits (€15.0 million), contingency reserve (€12.9 million), tax relief measures (€11.5 million), medicines and surgical materials (€9.5 million), cancer treatment, landscaping - Malta (both €6.8 million), ex-gratia payment - motor vehicles (€4.9 million), child care for all (€3.5 million), solid waste management strategy (€3.4 million), residential care in private homes (€3.3 million) and feed in tariff (€2.5 million).

The interest component of the public debt servicing costs amounted to €94.2 million, €6.7 million lower than the same period in 2018.

Government's capital expenditure registered an increase of €76.8 million from the same period last year and added up to €219.5 million. The rise in outlay was due to increased outlay reported on road construction and improvements (€22.2 million), EU Internal Security Fund - Borders and Visa (€14.6 million), EU cohesion fund 2014-2020 (€14.2 million), EU structural funds 2014-2020 (€13.3 million), and investment incentives (€10.7 million).

The difference between total revenue and expenditure resulted in a deficit of €156.2 million being reported in the Government's Consolidated Fund by the end of June 2019, compared to a deficit of €141.9 million in the same period in 2018. The main catalyst in the difference was a higher reported increase in total expenditure in comparison to recurrent revenue (Table 1).

During June 2019, Central Government Debt stood at €5,480.9 million, a €0.6 million rise from the same month in 2018. This was primarily the result of an increase reported under the 62+ Malta Government Savings Bond (€98.3 million). Euro coins issued in the name of the Treasury also rose by €5.5 million. On the other hand, there were decreases recorded under Malta Government Stocks (€86.9 million), Treasury Bills (€2.2 million) and Foreign Loans (€0.2 million). Higher holdings by government funds in Malta Government Stocks also resulted in a decrease in debt of €13.9 million (Table 6) ■

Table 1. Revenue/Expenditure categories: Year to date

Description	Jan-June 2017	Jan-June 2018	Jan-June 2019	Jan-June 2019 / Jan-June 2018	
				Change	% change
€ 000					
<b>(a) Total Recurrent Revenue</b>	<b>1,828,413</b>	<b>1,898,322</b>	<b>2,164,501</b>	<b>266,179</b>	<b>14.0</b>
Customs and Excise Duties	139,283	146,211	153,539	7,328	
Licences, Taxes and Fines	164,799	186,479	202,158	15,679	
Income Tax	535,891	594,301	685,178	90,877	
Value Added Tax	362,556	391,240	448,100	56,860	
Fees of Office	47,846	36,623	40,251	3,628	
Reimbursements	16,527	19,000	22,484	3,484	
Central Bank of Malta	36,000	28,000	20,000	-8,000	
Rents	18,400	13,147	23,262	10,115	
Dividends on Investment	17,125	20,583	8,635	-11,947	
Interest on loans made by Government	33	31	37	5	
Social Security	379,726	423,649	470,647	46,998	
Grants	94,072	27,201	71,547	44,346	
Miscellaneous Receipts	16,155	11,856	18,663	6,806	
<b>(b) Total Expenditure</b>	<b>1,920,438</b>	<b>2,040,231</b>	<b>2,320,667</b>	<b>280,436</b>	<b>13.7</b>
<i>Recurrent Expenditure</i>	1,674,179	1,796,600	2,006,941	210,341	11.7
Personal Emoluments	376,923	407,039	441,597	34,558	
Operational and Maintenance Expenses	88,498	91,421	104,838	13,416	
Programmes and Initiatives	1,031,374	1,096,378	1,237,636	141,258	
Contributions to Government Entities	177,384	201,762	222,870	21,109	
<i>Interest</i>	106,204	100,965	94,218	-6,747	-6.7
<i>Capital Expenditure</i>	140,055	142,666	219,509	76,843	53.9
<b>(a-b) Consolidated Fund Surplus/Deficit</b>	<b>-92,025</b>	<b>-141,909</b>	<b>-156,166</b>	<b>-14,257</b>	<b>-10.0</b>
<b>(c) Financial Transactions</b>					
<i>Revenue</i>					
Loans	182,870	93,527	179,713	86,186	
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	17,462	16,659	20,025	3,366	
Equity Acquisition	2,101	58,034	308	-57,726	
Repayment of Loan	0	129,188	56,834	-72,354	
Loans	0	0	0	0	

Note: Totals may not add up due to rounding.

Table 2. Revenue/Expenditure categories: Monthly

Description	June 2017	June 2018	June 2019	June 2019 / June 2018	
				Change	% change
				€ 000	
<b>(a) Total Recurrent Revenue</b>	<b>260,310</b>	<b>320,400</b>	<b>337,884</b>	<b>17,484</b>	<b>5.5</b>
Customs and Excise Duties	24,388	27,176	28,513	1,337	
Licences, Taxes and Fines	21,921	25,838	37,212	11,374	
Income Tax	94,220	114,904	103,701	-11,203	
Value Added Tax	39,155	51,401	43,390	-8,011	
Fees of Office	8,096	10,709	9,560	-1,150	
Reimbursements	2,254	1,899	7,201	5,302	
Central Bank of Malta	6,000	7,000	5,000	-2,000	
Rents	464	990	3,425	2,435	
Dividends on Investment	5,000	5,289	3,000	-2,289	
Interest on loans made by Government	15	16	17	1	
Social Security	57,684	73,414	79,257	5,843	
Grants	13	10	14,472	14,463	
Miscellaneous Receipts	1,099	1,756	3,136	1,380	
<b>(b) Total Expenditure</b>	<b>349,741</b>	<b>384,328</b>	<b>426,646</b>	<b>42,318</b>	<b>11.0</b>
<i>Recurrent Expenditure</i>	320,444	357,069	370,319	13,250	3.7
Personal Emoluments	68,352	71,694	76,738	5,044	
Operational and Maintenance Expenses	10,790	11,505	13,729	2,225	
Programmes and Initiatives	219,147	236,832	253,779	16,946	
Contributions to Government Entities	22,156	37,038	26,073	-10,965	
<i>Interest</i>	16,598	15,786	17,808	2,022	12.8
<i>Capital Expenditure</i>	12,699	11,473	38,519	27,046	235.7
<b>(a-b) Consolidated Fund Surplus/Deficit</b>	<b>-89,430</b>	<b>-63,927</b>	<b>-88,762</b>	<b>-24,835</b>	<b>-38.8</b>
<b>(c) Financial Transactions</b>					
<i>Revenue</i>					
Loans	0	93,527	0	-93,527	
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	17,462	16,659	10,025	-6,634	
Equity Acquisition	224	0	0	0	
Repayment of Loan	0	7,251	15,264	8,013	
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-June 2017	Jan-June 2018	Jan-June 2019	Jan-June 2017	Jan-June 2018	Jan-June 2019	Jan-June 2017	Jan-June 2018	Jan-June 2019	Jan-June 2017	Jan-June 2018	Jan-June 2019
	€ 000											
General public services	38,322	45,277	49,203	13,989	16,708	24,718	115,884	91,835	147,767	4,258	8,868	15,896
Defence	18,965	20,280	20,175	2,418	2,261	3,205	359	287	456	112	134	116
Public order and safety	42,621	45,519	51,380	5,359	5,545	8,969	2,134	2,891	3,657	4,128	4,573	5,270
Economic affairs	34,938	31,622	30,668	6,319	4,911	6,085	66,141	76,455	75,894	49,836	59,037	82,704
Environment protection	251	0	2,205	163	160	145	10,031	12,413	28,074	11,616	15,647	11,989
Housing and community amenities	341	661	649	47	151	325	2,039	4,757	2,569	6,772	3,067	1,681
Health	114,351	123,496	138,241	29,276	28,003	29,128	85,895	103,631	117,943	23,394	27,242	28,040
Recreation, culture and religion	3,254	3,367	3,550	505	721	913	3,742	3,435	6,312	11,416	11,619	12,132
Education	99,459	110,549	117,664	13,472	14,933	8,599	58,159	75,649	91,283	49,491	53,661	41,957
Social protection	24,421	26,268	27,862	16,949	18,029	22,752	686,989	725,025	763,680	16,360	17,913	23,086
<b>Total</b>	<b>376,923</b>	<b>407,039</b>	<b>441,597</b>	<b>88,498</b>	<b>91,421</b>	<b>104,838</b>	<b>1,031,374</b>	<b>1,096,378</b>	<b>1,237,636</b>	<b>177,384</b>	<b>201,762</b>	<b>222,870</b>
COFOG	Interest Expenditure			Capital Expenditure			Total expenditure					
	Jan-June 2017	Jan-June 2018	Jan-June 2019	Jan-June 2017	Jan-June 2018	Jan-June 2019	Jan-June 2017	Jan-June 2018	Jan-June 2019			
	€ 000											
General public services	106,204	100,965	94,218	11,594	21,427	31,648	<b>290,252</b>	<b>285,080</b>	<b>363,449</b>			
Defence	0	0	0	3,207	201	1,888	<b>25,061</b>	<b>23,162</b>	<b>25,838</b>			
Public order and safety	0	0	0	6,848	8,587	20,917	<b>61,090</b>	<b>67,116</b>	<b>90,194</b>			
Economic affairs	0	0	0	82,637	79,678	112,986	<b>239,871</b>	<b>251,701</b>	<b>308,336</b>			
Environment protection	0	0	0	6,019	6,909	28,875	<b>28,080</b>	<b>35,129</b>	<b>71,288</b>			
Housing and community amenities	0	0	0	1,572	211	89	<b>10,771</b>	<b>8,847</b>	<b>5,313</b>			
Health	0	0	0	3,735	7,341	4,693	<b>256,652</b>	<b>289,714</b>	<b>318,046</b>			
Recreation, culture and religion	0	0	0	7,883	7,451	7,514	<b>26,800</b>	<b>26,593</b>	<b>30,422</b>			
Education	0	0	0	14,899	8,474	9,059	<b>235,480</b>	<b>263,266</b>	<b>268,561</b>			
Social protection	0	0	0	1,661	2,388	1,839	<b>746,381</b>	<b>789,623</b>	<b>839,219</b>			
<b>Total</b>	<b>106,204</b>	<b>100,965</b>	<b>94,218</b>	<b>140,055</b>	<b>142,666</b>	<b>219,509</b>	<b>1,920,438</b>	<b>2,040,231</b>	<b>2,320,667</b>			

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

Description	ESA CODE	Jan-June 2017	Jan-June 2018	Jan-June 2019	Jan-June 2019 / Jan-June 2018	
					Change	% change
					€ 000	
<b>1. Total Revenue</b>		<b>1,736,845</b>	<b>1,801,406</b>	<b>2,030,717</b>	<b>229,311</b>	
Market Output	P11	68,207	45,317	51,268		
Taxes on Production and Imports	D2	630,031	688,975	754,028		
Property income receivable	D4	50,458	52,226	41,495		
Current taxes on income, wealth, etc	D5	565,293	624,842	725,011		
Social Contributions	D61	317,356	349,519	373,447		
Current transfers receivable	D7	7,726	6,748	11,280		
Capital transfers receivable	D9	97,775	33,778	74,189		
<b>2. Total Expenditure</b>		<b>1,828,871</b>	<b>1,943,315</b>	<b>2,186,883</b>	<b>243,568</b>	
Intermediate Consumption	P2	203,252	212,689	337,617		
Gross Capital Formation	P5g+NP	61,223	63,169	109,535		
Compensation of Employees	D1	445,729	479,655	508,262		
Property income payable	D4	102,884	103,501	94,642		
Subsidies	D3	35,220	36,569	43,650		
Social Benefits and social transfers in kind	D62+D632	561,583	583,170	592,381		
Current transfers payable	D7	412,821	461,138	484,347		
Capital transfers payable	D9	6,159	3,423	16,449		
<b>(1-2) Consolidated Fund Surplus/Deficit</b>		<b>-92,025</b>	<b>-141,909</b>	<b>-156,166</b>	<b>-14,257</b>	<b>-10.0</b>

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

Description	ESA CODE	June 2017	June 2018	June 2019	June 2019 / June 2018	
					Change	% change
					€ 000	
<b>1. Total Revenue</b>		<b>242,805</b>	<b>299,897</b>	<b>310,419</b>	<b>10,521</b>	
Market Output	P11	13,293	13,839	15,497		
Taxes on Production and Imports	D2	80,122	101,288	104,224		
Property income receivable	D4	6,181	10,231	8,358		
Current taxes on income, wealth, etc	D5	98,622	117,823	110,006		
Social Contributions	D61	42,949	55,244	55,255		
Current transfers receivable	D7	191	142	1,182		
Capital transfers receivable	D9	1,447	1,331	15,897		
<b>2. Total Expenditure</b>		<b>332,235</b>	<b>363,825</b>	<b>399,181</b>	<b>35,356</b>	
Intermediate Consumption	P2	31,522	34,314	55,866		
Gross Capital Formation	P5g+NP	9,383	7,016	12,461		
Compensation of Employees	D1	79,540	83,757	87,936		
Property income payable	D4	16,646	16,430	17,964		
Subsidies	D3	2,635	265	10,072		
Social Benefits and social transfers in kind	D62+D632	145,677	143,559	151,152		
Current transfers payable	D7	46,540	78,484	61,028		
Capital transfers payable	D9	291	0	2,702		
<b>(1-2) Consolidated Fund Surplus/Deficit</b>		<b>-89,430</b>	<b>-63,927</b>	<b>-88,762</b>	<b>-24,835</b>	<b>-38.8</b>

Table 6. Central Government debt

Description	June 2017	June 2018	June 2019	June 2019 / June 2018	
				Change	% change
€ 000					
<b>Total Central Government Debt</b>	<b>5,572,024</b>	<b>5,480,323</b>	<b>5,480,928</b>	<b>605</b>	<b>0.0</b>
<i>of which:</i>					
Treasury Bills	186,400	335,000	332,800	-2,200	
Malta Government Stocks	5,389,324	4,965,196	4,878,329	-86,867	
62+ Malta Government Savings Bond	0	192,956	291,248	98,292	
Foreign Loans	11,659	1,243	1,027	-216	
MGSF investments in Government Debt	-90,171	-94,546	-108,453	-13,907	
Euro Coins issued in the name of the Treasury	74,812	80,474	85,977	5,503	

Note: Totals may not add up due to rounding.

Chart 1. January-June Consolidated Fund Surplus/Deficit

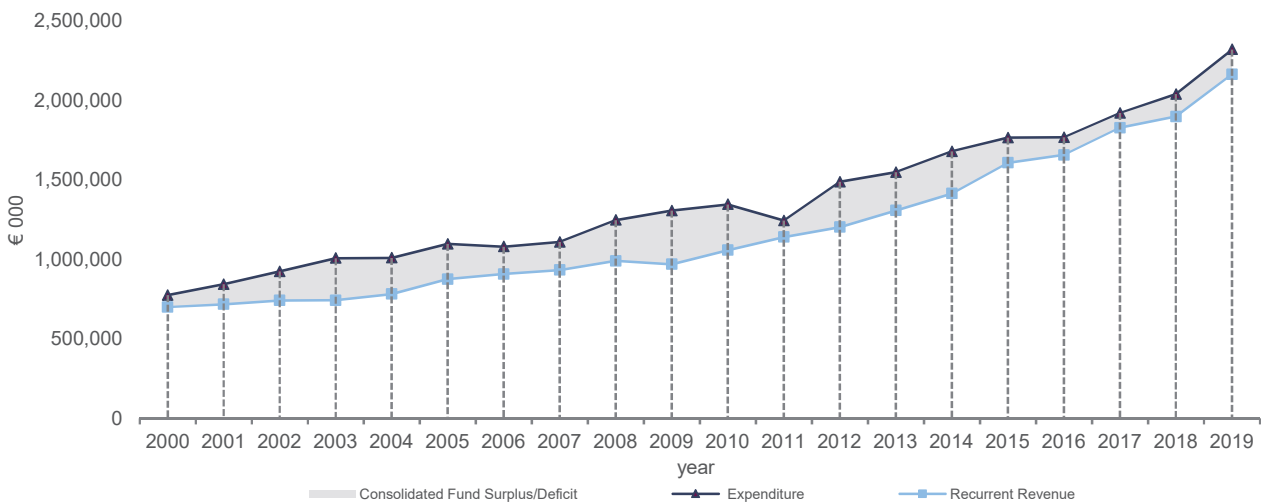


Chart 2. Recurrent Revenue by main category (%): January-June 2019

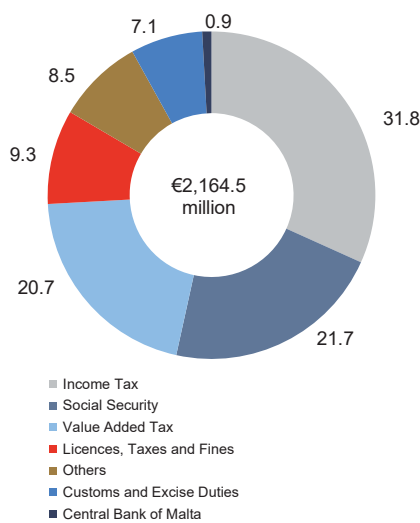
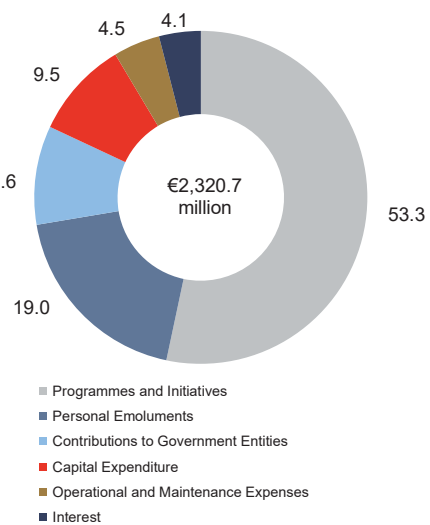


Chart 3. Expenditure by main category (%): January-June 2019



## 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:  
[https://nso.gov.mt/en/nso/Sources\\_and\\_Methods/Unit\\_A2/Public\\_Finance/Pages/Council-Directive-852011.aspx](https://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 1-58906-061-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: <https://nso.gov.mt/metadata/concepts.aspx>  
Statistical Database: <https://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](https://nso.gov.mt/en/News_Releases/Release_Calendar/Pages/News-Release-Calendar.aspx)