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By the end of July 2019, Government's Consolidated Fund reported a deficit of €126.0 million.

Government Finance Data: January-July 2019

Between January and July 2019, recurrent revenue rose by €380.5 million and amounted to €2,638.6 million. This represented a 16.9 per cent increase from the €2,258.1 million reported in revenue during the corresponding period in 2018. Reported rises in Grants (€114.3 million) and Income Tax (€108.1 million) were the main catalysts for the increased revenue. Further increases were also registered under Social Security (€75.5 million), Value Added Tax (€60.3 million), Miscellaneous Receipts (€15.8 million), Licences, Taxes and Fines (€9.9 million), Rents (€7.8 million), Customs and Excise Duties (€6.5 million) and Fees of Office (€1.8 million). Conversely, drops in outlay were recorded under Dividends on Investment (€11.2 million), Central Bank of Malta (€8.0 million) and Reimbursements (€0.3 million).

Total expenditure by the end of July 2019 stood at €2,764.6 million, a 16.4 per cent increase from the corresponding period in 2018.

Recurrent expenditure stood at €2,373.1 million, €305.7 million higher than the corresponding amount registered by the end of July 2018. The main contributor to this increase was a €196.8 million rise reported under Programmes and Initiatives. Furthermore, rises in outlay were also registered by Contributions to Government Entities (€55.8 million), Personal Emoluments (€39.4 million) and Operational and Maintenance Expenses (€13.7 million). The main developments in the Programmes and Initiatives category involved added outlays due to state contribution (€41.7 million that also features as revenue), EU own resources (€31.1 million), extension of school transport network, social security benefits (both €17.6 million), contingency reserve (€12.9 million), tax relief measures (€11.5 million), medicines and surgical materials (€8.3 million), landscaping - Malta (€6.8 million), church schools (€6.7 million), cancer treatment (€6.0 million), hospital concession agreements (€5.5 million), solid waste management strategy (€5.1 million), electoral commission activities (€4.3 million), child care for all (€4.1 million), residential care in private homes (€4.0 million), eco reduction (€2.8 million) and feed-in-tariff (€2.5 million).

The interest component of the public debt servicing costs amounted to €109.1 million, €11.7 million lower than the same period in 2018.

Government's capital expenditure registered an increase of €95.3 million from the same period last year and added up to €282.4 million. The rise in outlay was due to increased expenditure reported on road construction and improvements (€28.7 million), structural funds 2014-2020 (€19.5 million), cohesion funds 2014-2020 (€19.3 million), EU Internal Security Fund - Borders and Visa (€14.6 million), acquisition of property for public purposes (€2.9 million), cattle sheds (€2.4 million) and connecting Europe facility (€2.3 million).

The difference between total revenue and expenditure resulted in a deficit of €126.0 million being reported in the Government's Consolidated Fund by the end of July 2019, compared to a deficit of €117.2 million in the same period in 2018. The main driver in the difference was a higher reported increase in total expenditure, consisting of recurrent expenditure (+€305.7 million), interest (-€11.7 million) and capital expenditure (+€95.3 million), in comparison to recurrent revenue (+€380.5 million) (Table 1).

During July 2019, Central Government Debt stood at €5,451.2 million, a €95.8 million rise from the same month in 2018. This was primarily the result of an increase reported under the 62+ Malta Government Savings Bond (€98.1 million). Malta Government Stocks and Euro coins issued in the name of the Treasury also rose by €54.5 million and €4.9 million respectively. On the other hand, there were decreases recorded under Treasury Bills (€46.2 million) and Foreign Loans (€0.2 million). Higher holdings by government funds in Malta Government Stocks also resulted in a decrease in debt of €15.3 million (Table 6) ■

Table 1. Revenue/Expenditure categories: Year to date

Description	Jan-Jul 2017	Jan-Jul 2018	Jan-Jul 2019	Jan-Jul 2019 / Jan-Jul 2018	
				Change	% change
	€ 000				
(a) Total Recurrent Revenue	2,160,591	2,258,115	2,638,637	380,522	16.9
Customs and Excise Duties	169,397	176,419	182,870	6,452	
Licences, Taxes and Fines	201,722	219,834	229,753	9,920	
Income Tax	673,677	769,727	877,838	108,111	
Value Added Tax	398,928	433,608	493,891	60,283	
Fees of Office	57,058	46,090	47,902	1,812	
Reimbursements	21,405	26,024	25,747	-277	
Central Bank of Malta	36,000	28,000	20,000	-8,000	
Rents	22,061	19,007	26,762	7,755	
Dividends on Investment	19,125	20,583	9,385	-11,197	
Interest on loans made by Government	34	32	37	5	
Social Security	447,888	473,331	548,827	75,495	
Grants	94,447	29,683	144,011	114,328	
Miscellaneous Receipts	18,849	15,778	31,612	15,834	
(b) Total Expenditure	2,265,565	2,375,315	2,764,609	389,294	16.4
<i>Recurrent Expenditure</i>	1,976,069	2,067,451	2,373,105	305,655	14.8
Personal Emoluments	438,073	472,049	511,464	39,415	
Operational and Maintenance Expenses	101,213	108,367	122,029	13,663	
Programmes and Initiatives	1,226,790	1,246,286	1,443,040	196,755	
Contributions to Government Entities	209,994	240,749	296,571	55,822	
<i>Interest</i>	125,047	120,786	109,132	-11,654	-9.6
<i>Capital Expenditure</i>	164,449	187,078	282,371	95,293	50.9
(a-b) Consolidated Fund Surplus/Deficit	-104,975	-117,199	-125,972	-8,773	-7.5
(c) Financial Transactions					
<i>Revenue</i>					
Loans	182,870	93,527	279,713	186,186	
Repayment of Loans	0	0	0	0	
Receipts from Sale of Shares	889	889	889	0	
Other extraordinary receipts	0	91,000	0	-91,000	
<i>Expenditure</i>					
Contribution to Sinking Fund	17,462	16,659	20,025	3,366	
Equity Acquisition	2,101	63,034	308	-62,726	
Repayment of Loan	0	292,308	177,238	-115,070	
Loans	0	0	0	0	

Note: Totals may not add up due to rounding.

Table 2. Revenue/Expenditure categories: Monthly

Description	July 2017	July 2018	July 2019	July 2019 / July 2018	
				Change	% change
€ 000					
(a) Total Recurrent Revenue	332,178	359,793	474,136	114,342	31.8
Customs and Excise Duties	30,114	30,208	29,331	-877	
Licences, Taxes and Fines	36,922	33,355	27,596	-5,759	
Income Tax	137,787	175,426	192,660	17,234	
Value Added Tax	36,372	42,368	45,791	3,423	
Fees of Office	9,212	9,467	7,652	-1,815	
Reimbursements	4,878	7,024	3,263	-3,761	
Central Bank of Malta	0	0	0	0	
Rents	3,661	5,860	3,500	-2,360	
Dividends on Investment	2,000	0	750	750	
Interest on loans made by Government	1	0	0	0	
Social Security	68,162	49,682	78,180	28,497	
Grants	375	2,482	72,464	69,982	
Miscellaneous Receipts	2,694	3,922	12,950	9,028	
(b) Total Expenditure	345,127	335,084	443,942	108,858	32.5
<i>Recurrent Expenditure</i>	301,891	270,851	366,165	95,314	35.2
Personal Emoluments	61,150	65,010	69,867	4,857	
Operational and Maintenance Expenses	12,715	16,945	17,192	246	
Programmes and Initiatives	195,416	149,908	205,405	55,497	
Contributions to Government Entities	32,611	38,987	73,701	34,714	
<i>Interest</i>	18,843	19,821	14,915	-4,906	-24.8
<i>Capital Expenditure</i>	24,394	44,412	62,863	18,451	41.5
(a-b) Consolidated Fund Surplus/Deficit	-12,949	24,710	30,194	5,484	22.2
(c) Financial Transactions					
<i>Revenue</i>					
Loans	0	0	100,000	100,000	
Repayment of Loans	0	0	0	0	
Receipts from Sale of Shares	0	0	0	0	
Other extraordinary receipts	0	91,000	0	-91,000	
<i>Expenditure</i>					
Contribution to Sinking Fund	0	0	0	0	
Equity Acquisition	0	5,000	0	-5,000	
Repayment of Loan	0	163,119	120,404	-42,716	
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-Jul 2017	Jan-Jul 2018	Jan-Jul 2019	Jan-Jul 2017	Jan-Jul 2018	Jan-Jul 2019	Jan-Jul 2017	Jan-Jul 2018	Jan-Jul 2019	Jan-Jul 2017	Jan-Jul 2018	Jan-Jul 2019
	€ 000											
General public services	45,465	50,910	57,388	16,459	19,778	29,525	145,168	113,717	175,882	5,180	11,132	25,815
Defence	22,163	23,547	23,502	3,450	2,842	3,778	379	323	495	120	149	117
Public order and safety	48,958	53,220	59,625	6,188	6,702	9,954	2,460	3,498	4,291	5,041	5,167	5,901
Economic affairs	40,260	38,398	35,620	7,005	5,750	6,943	75,354	92,329	90,178	57,709	75,403	93,354
Environment protection	534	0	2,587	193	205	172	12,592	14,789	33,766	11,652	16,967	17,994
Housing and community amenities	392	759	764	47	165	370	2,039	4,757	2,592	7,078	3,083	2,142
Health	132,845	143,238	159,725	33,072	33,678	34,390	113,164	121,029	142,304	29,236	31,179	35,472
Recreation, culture and religion	3,808	3,927	4,121	580	848	1,014	5,135	4,902	6,707	12,942	19,353	18,648
Education	115,241	127,672	135,935	15,296	15,966	9,775	73,420	79,748	110,156	60,485	56,255	67,361
Social protection	28,408	30,378	32,199	18,921	22,433	26,108	797,078	811,196	876,669	20,553	22,060	29,767
Total	438,073	472,049	511,464	101,213	108,367	122,029	1,226,790	1,246,286	1,443,040	209,994	240,749	296,571
COFOG	Interest Expenditure			Capital Expenditure			Total expenditure					
	Jan-Jul 2017	Jan-Jul 2018	Jan-Jul 2019	Jan-Jul 2017	Jan-Jul 2018	Jan-Jul 2019	Jan-Jul 2017	Jan-Jul 2018	Jan-Jul 2019			
	€ 000											
General public services	125,047	120,786	109,132	13,425	27,333	40,242	350,745	343,655	437,984			
Defence	0	0	0	3,201	490	2,307	29,314	27,351	30,199			
Public order and safety	0	0	0	17,030	9,878	22,098	79,677	78,465	101,868			
Economic affairs	0	0	0	89,084	106,976	154,280	269,412	318,856	380,375			
Environment protection	0	0	0	7,052	9,468	34,409	32,022	41,429	88,928			
Housing and community amenities	0	0	0	1,580	211	103	11,136	8,975	5,971			
Health	0	0	0	4,294	9,991	5,452	312,609	339,115	377,343			
Recreation, culture and religion	0	0	0	10,108	7,943	8,511	32,573	36,973	39,000			
Education	0	0	0	16,233	12,290	12,916	280,676	291,931	336,143			
Social protection	0	0	0	2,442	2,498	2,053	867,402	888,565	966,797			
Total	125,047	120,786	109,132	164,449	187,078	282,371	2,265,565	2,375,315	2,764,609			

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

Description	ESA CODE	Jan-Jul 2017	Jan-Jul 2018	Jan-Jul 2019	Jan-Jul 2019 / Jan-Jul 2018	
					Change	% change
					€ 000	
1. Total Revenue		2,054,858	2,163,168	2,473,679	310,510	
Market Output	P11	80,208	56,916	57,645		
Taxes on Production and Imports	D2	725,900	790,829	851,801		
Property income receivable	D4	53,177	57,253	45,563		
Current taxes on income, wealth, etc	D5	709,373	805,757	922,431		
Social Contributions	D61	376,838	407,194	436,674		
Current transfers receivable	D7	10,312	7,567	13,287		
Capital transfers receivable	D9	99,050	37,653	146,280		
2. Total Expenditure		2,159,832	2,280,367	2,599,650	319,283	
Intermediate Consumption	P2	242,603	258,679	397,096		
Gross Capital Formation	P5g+NP	74,719	78,607	131,668		
Compensation of Employees	D1	520,543	555,906	590,648		
Property income payable	D4	122,158	124,004	101,631		
Subsidies	D3	41,602	47,172	52,751		
Social Benefits and social transfers in kind	D62+D632	654,122	666,199	678,100		
Current transfers payable	D7	497,364	544,519	625,230		
Capital transfers payable	D9	6,722	5,281	22,525		
(1-2) Consolidated Fund Surplus/Deficit		-104,975	-117,199	-125,972	-8,773	-7.5

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

Description	ESA CODE	July 2017	July 2018	July 2019	July 2019 / July 2018	
					Change	% change
					€ 000	
1. Total Revenue		318,012	361,762	442,961	81,200	
Market Output	P11	12,000	11,599	6,377		
Taxes on Production and Imports	D2	95,869	101,854	97,772		
Property income receivable	D4	2,720	5,027	4,068		
Current taxes on income, wealth, etc	D5	144,080	180,915	197,420		
Social Contributions	D61	59,483	57,675	63,227		
Current transfers receivable	D7	2,586	819	2,007		
Capital transfers receivable	D9	1,275	3,874	72,091		
2. Total Expenditure		330,962	337,052	412,767	75,715	
Intermediate Consumption	P2	39,350	45,990	59,479		
Gross Capital Formation	P5g+NP	13,496	15,438	22,133		
Compensation of Employees	D1	74,814	76,251	82,386		
Property income payable	D4	19,274	20,503	6,990		
Subsidies	D3	6,382	10,602	9,101		
Social Benefits and social transfers in kind	D62+D632	92,539	83,029	85,720		
Current transfers payable	D7	84,543	83,381	140,883		
Capital transfers payable	D9	564	1,857	6,076		
(1-2) Consolidated Fund Surplus/Deficit		-12,949	24,710	30,194	5,484	22.2

Table 6. Central Government debt

Description	July 2017	July 2018	July 2019	July 2019 / July 2018	
				Change	% change
	€ 000				
Total Central Government Debt	5,548,020	5,355,481	5,451,231	95,750	1.8
<i>of which:</i>					
Treasury Bills	161,400	371,000	324,800	-46,200	
Malta Government Stocks	5,390,421	4,802,399	4,856,879	54,479	
62+ Malta Government Savings Bond	0	192,931	291,057	98,127	
Foreign Loans	11,660	1,244	1,028	-215	
MGSF investments in Government Debt	-91,650	-93,446	-108,753	-15,307	
Euro Coins issued in the name of the Treasury	76,189	81,354	86,220	4,866	

Note: Totals may not add up due to rounding.

Chart 1. January-July Consolidated Fund Surplus/Deficit

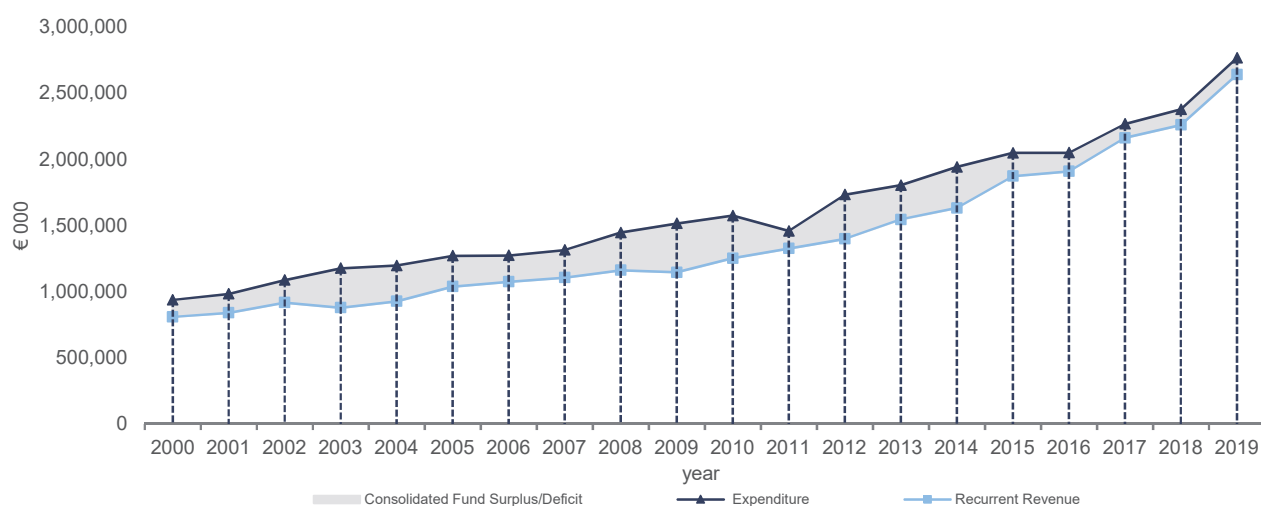
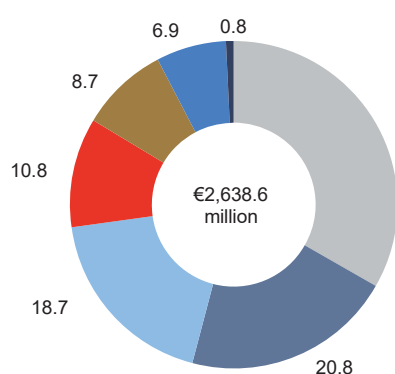
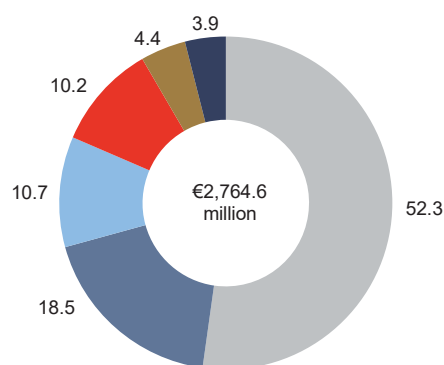


Chart 2. Recurrent Revenue by main category (%): January-July 2019



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

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



- Programmes and Initiatives
- Personal Emoluments
- Contributions to Government Entities
- Capital Expenditure
- Operational and Maintenance Expenses
- Interest

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