

20 December 2019 | 1100 hrs | 207/2019

By the end of November 2019, a surplus of €8.0 million was registered under the Government's Consolidated Fund.

Government Finance Data: January-November 2019

Between January and November 2019, recurrent revenue rose by €463.4 million and amounted to €4,389.4 million. This reflected an 11.8 per cent increase from the €3,925.9 million reported in revenue during the comparative period of 2018. Rises in Income Tax (€137.0 million) and Grants (€121.0 million) were the main catalysts for the increased revenue. Further increases were also registered under Social Security (€72.3 million), Value Added Tax (€63.1 million), Miscellaneous Receipts (€40.3 million), Customs and Excise Duties (€20.9 million), Licences, Taxes and Fines (€11.5 million), Rents (€5.5 million), Reimbursements (€2.6 million) and Fees of Office (€1.2 million). Conversely, drops in revenue were recorded under Central Bank of Malta (€7.0 million) and Dividends on Investment (€4.9 million).

Total expenditure by the end of November 2019 amounted to €4,381.3 million, a 10.6 per cent increase over the same period in 2018.

Recurrent expenditure stood at €3,755.8 million, €386.7 million higher than the comparable amount registered from January to November 2018. The main contributor to this increase was a €232.7 million rise reported under Programmes and Initiatives. Furthermore, rises in outlay were also registered by Contributions to Government Entities (€74.8 million), Personal Emoluments (€64.0 million) and Operational and Maintenance Expenses (€15.2 million). The main developments in the Programmes and Initiatives category involved added outlays due to social security benefits (€43.1 million), EU own resources (€36.6 million), state contribution (€28.1 million that also features as revenue), medicines and surgical materials (€23.1 million), extension of school transport network (€21.7 million), residential care in private homes (€8.6 million), church schools (€8.2 million), cancer treatment (€7.0 million), landscaping - Malta (€6.8 million), electoral commission activities (€6.0 million), hospital concession agreements (€5.5 million), child care for all (€5.4 million), solid waste management strategy (€4.2 million), summoning and expenses of witnesses, jurors and experts in criminal court trials (€3.9 million) and allocation to regional committees (€3.2 million).

The interest component of the public debt servicing costs totalled €173.7 million, €11.4 million lower than the same period in 2018.

By the end of November, Government's capital spending amounted to €451.9 million, resulting in an increase of €44.9 million over 2018. The rise in outlay was due to increased expenditure reported on road construction and improvements (€44.3 million), improvements to buildings and equipment (€26.9 million) and acquisition of property for public purposes (€6.9 million). Such rise in capital expenses was partially offset by drops in structural funds 2014 - 2020 (€17.0 million), investment incentives (€11.0 million) and EU Internal Security Fund - Borders and Visa (€4.1 million).

The difference between total revenue and expenditure resulted in a surplus of €8.0 million being reported in the Government's Consolidated Fund by the end of November 2019, a €43.2 million rise from the deficit of €35.2 million witnessed during the same period in 2018. The main driver of the difference was a higher reported increase in recurrent revenue (€463.4 million), in comparison to the increase in total expenditure, consisting of recurrent expenditure (€386.7 million), interest (-€11.4 million) and capital expenditure (€44.9 million) (Table 1).

At the end of November 2019, Central Government Debt stood at €5,305.3 million, a €105.7 million rise over the same month in 2018. This was primarily the result of an increase reported under the 62+ Malta Government Savings Bond (€97.4 million). Malta Government Stocks and Euro coins issued in the name of the Treasury also rose by €37.4 million and €4.9 million respectively. On the other hand, there were decreases recorded under Treasury Bills (€10.8 million) and Foreign Loans (€0.1 million). Higher holdings by government funds in Malta Government Stocks also resulted in a decrease in debt of €23.0 million (Table 6) ■

Table 1. Revenue/Expenditure categories: Year to date

Description	Jan-Nov 2017	Jan-Nov 2018	Jan-Nov 2019	Jan-Nov 2019 / Jan-Nov 2018	
				Change	% change
€ 000					
(a) Total Recurrent Revenue	3,707,388	3,925,917	4,389,358	463,441	11.8
Customs and Excise Duties	279,132	284,002	304,875	20,872	
Licences, Taxes and Fines	299,447	346,954	358,487	11,533	
Income Tax	1,226,125	1,335,672	1,472,641	136,969	
Value Added Tax	760,609	842,563	905,637	63,074	
Fees of Office	108,029	75,751	76,925	1,174	
Reimbursements	43,171	39,371	41,947	2,576	
Central Bank of Malta	50,000	35,000	28,000	-7,000	
Rents	29,885	28,475	33,985	5,510	
Dividends on Investment	28,737	28,144	23,207	-4,937	
Interest on loans made by Government	50	49	89	40	
Social Security	752,960	827,887	900,161	72,274	
Grants	99,642	52,398	173,407	121,009	
Miscellaneous Receipts	29,603	29,652	69,999	40,347	
(b) Total Expenditure	3,622,766	3,961,131	4,381,325	420,195	10.6
<i>Recurrent Expenditure</i>	3,156,424	3,369,050	3,755,781	386,731	11.5
Personal Emoluments	695,749	744,769	808,797	64,027	
Operational and Maintenance Expenses	161,924	188,865	204,114	15,249	
Programmes and Initiatives	1,946,709	2,027,077	2,259,732	232,655	
Contributions to Government Entities	352,041	408,339	483,138	74,799	
<i>Interest</i>	197,144	185,067	173,672	-11,395	-6.2
<i>Capital Expenditure</i>	269,198	407,013	451,872	44,859	11.0
(a-b) Consolidated Fund Surplus/Deficit	84,622	-35,213	8,033	43,246	122.8
(c) Financial Transactions					
<i>Revenue</i>					
Loans	357,409	93,527	449,713	356,186	
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	27,462	26,659	20,025	-6,634	
Equity Acquisition	41,441	63,513	18,308	-45,205	
Repayment of Loan	361,544	362,862	439,487	76,624	
Loans	0	0	0	0	

Note: Totals may not add up due to rounding.

Table 2. Revenue/Expenditure categories: Monthly

Description	November 2017	November 2018	November 2019	November 2019 / November 2018	
				Change	% change
€ 000					
(a) Total Recurrent Revenue	425,310	429,933	449,234	19,301	4.5
Customs and Excise Duties	24,737	18,704	27,207	8,503	
Licences, Taxes and Fines	21,279	26,029	30,310	4,281	
Income Tax	124,961	130,926	113,973	-16,954	
Value Added Tax	136,393	146,729	161,485	14,756	
Fees of Office	22,873	9,928	4,654	-5,274	
Reimbursements	2,359	2,384	4,299	1,915	
Central Bank of Malta	8,000	7,000	3,000	-4,000	
Rents	5,584	3,779	104	-3,675	
Dividends on Investment	2,214	0	1,500	1,500	
Interest on loans made by Government	1	0	0	0	
Social Security	74,178	80,962	78,707	-2,255	
Grants	13	720	158	-562	
Miscellaneous Receipts	2,719	2,770	23,837	21,067	
(b) Total Expenditure	344,992	440,892	451,368	10,476	2.4
<i>Recurrent Expenditure</i>	297,330	349,900	394,025	44,125	12.6
Personal Emoluments	67,193	66,740	72,901	6,161	
Operational and Maintenance Expenses	7,441	28,101	27,992	-109	
Programmes and Initiatives	178,296	204,016	231,184	27,168	
Contributions to Government Entities	44,401	51,044	61,949	10,905	
<i>Interest</i>	15,491	10,073	9,947	-126	-1.3
<i>Capital Expenditure</i>	32,170	80,919	47,396	-33,523	-41.4
(a-b) Consolidated Fund Surplus/Deficit	80,319	-10,960	-2,134	8,825	80.5
(c) Financial Transactions					
<i>Revenue</i>					
Loans	0	0	90,000	90,000	
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	10,000	0	0	0	
Equity Acquisition	39,340	479	0	-479	
Repayment of Loan	263,164	57	35,296	35,239	
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-Nov 2017	Jan-Nov 2018	Jan-Nov 2019	Jan-Nov 2017	Jan-Nov 2018	Jan-Nov 2019	Jan-Nov 2017	Jan-Nov 2018	Jan-Nov 2019	Jan-Nov 2017	Jan-Nov 2018	Jan-Nov 2019
	€ 000											
General public services	73,434	85,257	91,557	28,678	35,562	46,107	221,627	208,755	251,978	8,412	19,713	39,980
Defence	35,358	36,950	37,207	8,089	6,210	6,418	585	511	836	191	244	343
Public order and safety	76,872	86,980	97,944	10,346	17,378	16,105	4,685	5,728	10,052	7,424	7,960	9,037
Economic affairs	63,299	54,082	54,106	11,879	9,930	14,470	135,293	145,047	138,269	96,343	111,981	140,543
Environment protection	702	1,144	5,097	270	347	222	23,043	32,482	55,303	22,698	39,318	28,295
Housing and community amenities	625	1,184	1,206	89	366	542	6,708	5,620	7,374	9,067	5,903	8,353
Health	214,296	225,719	250,693	54,297	61,872	64,039	175,147	181,249	218,598	43,910	48,754	55,065
Recreation, culture and religion	5,792	6,181	6,414	1,179	1,272	2,252	11,000	11,503	14,606	21,933	30,644	25,799
Education	180,147	200,077	214,557	20,070	22,367	14,116	114,846	131,947	172,996	110,596	107,379	131,251
Social protection	45,225	47,196	50,016	27,028	33,561	39,843	1,253,775	1,304,236	1,389,720	31,468	36,444	44,473
Total	695,749	744,769	808,797	161,924	188,865	204,114	1,946,709	2,027,077	2,259,732	352,041	408,339	483,138
COFOG	Interest Expenditure			Capital Expenditure			Total expenditure					
	Jan-Nov 2017	Jan-Nov 2018	Jan-Nov 2019	Jan-Nov 2017	Jan-Nov 2018	Jan-Nov 2019	Jan-Nov 2017	Jan-Nov 2018	Jan-Nov 2019			
	€ 000											
General public services	197,144	185,067	173,672	24,545	54,649	64,045	553,840	589,003	667,339			
Defence	0	0	0	7,065	5,019	14,164	51,289	48,935	58,968			
Public order and safety	0	0	0	25,485	40,097	31,869	124,812	158,143	165,008			
Economic affairs	0	0	0	132,950	198,819	235,748	439,763	519,858	583,136			
Environment protection	0	0	0	9,962	37,909	51,029	56,675	111,199	139,945			
Housing and community amenities	0	0	0	2,296	473	129	18,783	13,547	17,603			
Health	0	0	0	10,386	17,580	11,223	498,036	535,174	599,618			
Recreation, culture and religion	0	0	0	25,689	21,486	16,631	65,592	71,086	65,702			
Education	0	0	0	25,670	27,423	23,200	451,328	489,193	556,121			
Social protection	0	0	0	5,150	3,557	3,834	1,362,646	1,424,993	1,527,886			
Total	197,144	185,067	173,672	269,198	407,013	451,872	3,622,766	3,961,131	4,381,325			

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

Description	ESA CODE	Jan-Nov 2017	Jan-Nov 2018	Jan-Nov 2019	Jan-Nov 2019 / Jan-Nov 2018	
					Change	% change
					€ 000	
1. Total Revenue		3,520,549	3,714,273	4,095,964	381,691	
Market Output	P11	149,579	94,784	98,925		
Taxes on Production and Imports	D2	1,278,510	1,416,554	1,495,320		
Property income receivable	D4	75,841	73,189	63,491		
Current taxes on income, wealth, etc	D5	1,275,677	1,389,760	1,533,668		
Social Contributions	D61	619,057	662,827	702,480		
Current transfers receivable	D7	12,385	24,351	15,313		
Capital transfers receivable	D9	109,500	52,806	186,768		
2. Total Expenditure		3,435,926	3,749,486	4,087,931	338,445	
Intermediate Consumption	P2	397,428	464,218	614,083		
Gross Capital Formation	P5g+NP	128,668	171,662	220,073		
Compensation of Employees	D1	827,682	875,310	932,352		
Property income payable	D4	193,758	190,760	158,378		
Subsidies	D3	76,055	73,306	82,086		
Social Benefits and social transfers in kind	D62+D632	1,007,605	1,018,050	1,060,904		
Current transfers payable	D7	794,535	901,068	978,775		
Capital transfers payable	D9	10,194	55,112	41,280		
(1-2) Consolidated Fund Surplus/Deficit		84,622	-35,213	8,033	43,246	122.8

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

Description	ESA CODE	November 2017	November 2018	November 2019	November 2019 / November 2018	
					Change	% change
					€ 000	
1. Total Revenue		409,980	406,466	404,768	-1,698	
Market Output	P11	25,533	9,589	6,553		
Taxes on Production and Imports	D2	176,585	188,644	217,231		
Property income receivable	D4	13,625	9,855	3,654		
Current taxes on income, wealth, etc	D5	128,687	135,067	117,669		
Social Contributions	D61	63,438	60,814	57,344		
Current transfers receivable	D7	260	908	594		
Capital transfers receivable	D9	1,852	1,590	1,723		
2. Total Expenditure		329,662	417,426	406,902	-10,523	
Intermediate Consumption	P2	35,805	72,745	61,102		
Gross Capital Formation	P5g+NP	18,383	26,953	22,869		
Compensation of Employees	D1	80,854	77,787	83,722		
Property income payable	D4	15,601	10,631	7,766		
Subsidies	D3	9,984	1,060	9,748		
Social Benefits and social transfers in kind	D62+D632	98,059	87,918	109,106		
Current transfers payable	D7	69,767	115,093	108,657		
Capital transfers payable	D9	1,208	25,239	3,932		
(1-2) Consolidated Fund Surplus/Deficit		80,319	-10,960	-2,134	8,825	80.5

Table 6. Central Government debt

Description	November 2017	November 2018	November 2019	November 2019 / November 2018	
				Change	% change
	€ 000				
Total Central Government Debt	5,398,918	5,199,605	5,305,338	105,733	2.0
<i>of which:</i>					
Treasury Bills	192,400	290,100	279,300	-10,800	
Malta Government Stocks	5,103,835	4,732,049	4,769,412	37,363	
62+ Malta Government Savings Bond	99,639	192,682	290,035	97,352	
Foreign Loans	11,500	1,087	967	-120	
MGSF investments in Government Debt	-86,617	-100,195	-123,153	-22,958	
Euro Coins issued in the name of the Treasury	78,161	83,882	88,778	4,896	

Note: Totals may not add up due to rounding.

Chart 1. January-November Consolidated Fund Surplus/Deficit

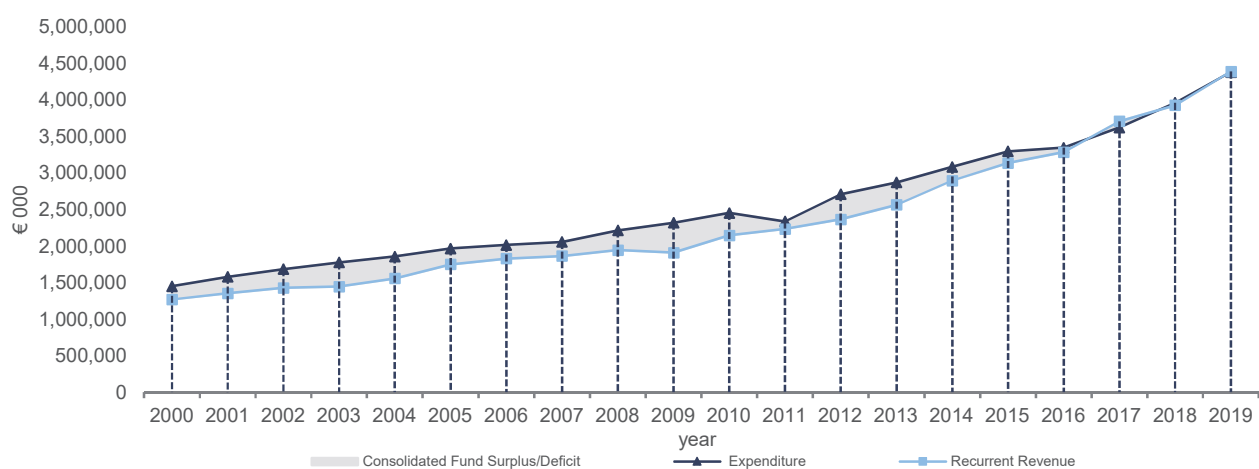


Chart 2. Recurrent Revenue by main category (%): January-November 2019

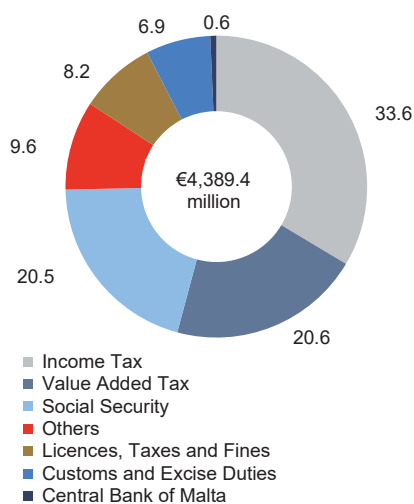
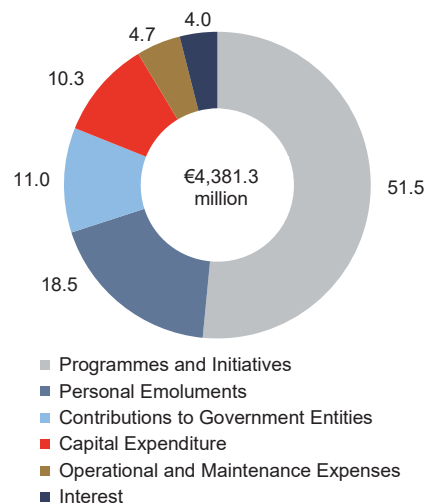


Chart 3. Expenditure by main category (%): January-November 2019



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