

News Release



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Recurrent revenue up till the end of May 2006 amounted to Lm322.7 million, and made up 33.9 per cent of this year's budget forecast. Compared to the first five months of 2005, this revenue represented an increase of Lm18.4 million, or 6.0 per cent. The recurrent revenue for the same period in 2005 amounted to Lm304.3 million, which accounted for 33.9 per cent of the actual final outturn. At the same time, total expenditure, excluding sinking funds contributions and direct loan repayments, amounted to Lm386.1 million, a decrease of Lm11.3 million, or 2.8 per cent, from the Lm397.4 million expended in the same period in 2005. The total expenditure^[1] for the January to May period amounted to 38.4 per cent of the approved 2006 estimate. Total expenditure for the same period in 2005 made up 40.9 per cent of the actual total expenditure for the year.

The shortfall between recurrent revenue and total expenditure^[1] during the period under review amounted to Lm63.4 million this year, compared to a shortfall of Lm93.1 million one year ago.

During the first five months of 2006, there were no proceeds from sinking funds on converted loans, whilst in the same period 2005, proceeds from this source amounted to Lm3.8 million. Loan repayments between January and May 2006 amounted to Lm0.06 million; and there were no such repayments in 2005. Contributions to the sinking funds amounted to Lm6.4 million and Lm6.0 million respectively for the 2006 and 2005 comparative periods. During the first five months of this year local loans amounting to Lm25.0 million were taken up, whilst during the same period last year Lm76.5 million loans were taken up. There was no resort to foreign borrowing in either of the comparative periods. Proceeds from disposal of shares owned by Government this year amounted to Lm74.2 million.

The increase of Lm18.4 million in recurrent revenue during the first five months of 2006, when compared to the same period one year earlier, was reported mainly under Income Tax (+Lm8.2 million), Social Security Contributions (+Lm4.0 million), Social Security Contributions (+Lm4.0 million), Customs and Excise (+Lm3.4 million), Licences, Taxes and fines (+Lm4.9 million), Value Added Tax (+Lm5.1 million), and Dividends on Investment (+Lm1.6 million). A relative decline in revenue was recorded under Central Bank of Malta (-Lm4.0 million), Grants (-Lm2.9 million), and Miscellaneous Receipts (-Lm2.8 million).

Recurrent expenditure (excluding Public Debt Servicing) during the first five months of 2005 amounted to Lm313.5 million, an increase of Lm1.7 million, or 0.5 per cent on the Lm311.8 million expended during the same period in 2005. Recurrent expenditure for the periods under review makes up 40.1 per cent of the budgetary estimates for 2006, whilst the 2005 figure corresponds to 40.7 per cent of the actual final outturn for that year.

^[1] In this case 'Total Expenditure' excludes Government's contribution to the Sinking Fund and direct repayments of loans. This definition is in line with the ESA95 Manual on Deficit and Debt.

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Personal Emoluments up to the end of May amounted to Lm77.8 million, and made up 37.9 per cent of the budget forecast (Lm205.3 million). This represents a year on year increase of Lm1.1 million when compared to the amount expended in the same period last year (Lm76.7 million).

In the 2006 Financial Estimates, the Special Expenditure category has been incorporated into the Operational and Maintenance category, so all comparisons under the latter category for both years include the corresponding figures of the items previously featuring under the Special Expenditure category.

Expenditure under the Operational and Maintenance category amounted to Lm16.0 million between January and May 2006, compared to Lm16.2 million for the same period last year. These figures represent a reduction of Lm0.2 million.

Expenditure under the Programmes and Initiatives category during the first five months of this year amounted to Lm189.0 million and stood at 40.2 per cent of this year's budget estimates, while last year's outlay under this category amounted to Lm186.1 million. The relative increase this year amounts to Lm2.9 million, or 1.6 per cent. The items contributing to this increase were higher payments under Retirement Pensions (+Lm4.3 million), Widows Pensions (+Lm0.7 million), Social Security State Contribution (+Lm0.8 million), Film Industry Incentives (+Lm0.6 million), Influenza Combating Programme (+Lm0.6 million), Medicines and Surgical Materials (+0.6 million), Welfare Committee (+Lm0.9 million), and CHOGM (+Lm0.7 million), and Streets and Road Lighting (+Lm2.2 million). On the other hand, lower payments were registered under EU Own Resources (-Lm1.4 million), Agriculture Support Scheme (Lm0.9 million), Food Subsidies (-Lm0.6 million), EAGGF Guarantee (-Lm0.8 million), MIMCOL/MGI Debt Servicing (-Lm2.0 million), Repayment of Income Tax (-Lm1.2 million), and Solid Waste Management Strategy (-Lm0.7 million).

Outlay under the Contributions to Government Entities category during the first five months of 2006 declined by Lm2.1 million, and amounted to Lm30.8 million. The main reasons for the net decrease under this category were less funds passed on to the Malta Environment and Planning Authority (-Lm0.6 million), and to the Water Services Corporation (-Lm2.0 million). On the other hand, higher amounts were passed on to entities under the Ministry for the Family and Social Solidarity (+Lm0.6 million).

The interest component of the public debt servicing costs for the January – May period this year increased by Lm2.3 million, from Lm32.9 million last year to Lm35.2 million in 2006, mainly due to an increase in interest payments on Malta Government Stocks (+Lm3.3 million). These were partly offset by lower payments under Treasury Bills (-Lm1.0 million).

During the January to May 2006 period, Capital Expenditure amounted to Lm37.4 million, registering a decrease of Lm15.3 million, or 29.0 per cent, when compared to the outlay of Lm52.7 million for January – May 2005. Lower expenditures were reported under the Office of the Prime Minister (-Lm1.1 million), and under the sectors of Justice and Home Affairs (-Lm3.4 million), Finance (-Lm4.4 million), Tourism and Culture (-Lm1.7 million), Rural Affairs and the Environment (-Lm1.4 million), and Urban Development and Roads (-Lm1.8 million).

The Central Government debt outstanding at the end of May amounted to Lm1,404.3 million, an increase of Lm14.9 million or 1.1 per cent on the Lm1,389.4 million outstanding at the end of May 2005. This total includes the current balance (Lm24.8 million) of Government's assumption of debts of the ex-Malta Drydocks and of the ex-Malta Shipbuilding. The Sinking Fund investments in Government debt (Lm1.9 million) are deducted from the total outstanding balance ■

| Type of Expenditure | 2005 | | | 2006 | | |
|--------------------------------------|----------------|--------------------|----------------|----------------|-----------------------|----------------------------------|
| | Jan-May | | Jan-Dec | Jan-May | | Jan-Dec |
| | Lm'000 | % of final outturn | Actual Lm'000 | Lm'000 | % of budget estimates | Approved budget estimates Lm'000 |
| Recurrent | 311,811 | 40.71 | 765,974 | 313,493 | 40.09 | 781,901 |
| Public Debt Servicing ^[2] | 38,869 | 43.88 | 88,584 | 41,642 | 47.50 | 87,662 |
| Capital | 52,679 | 40.22 | 130,994 | 37,418 | 25.18 | 148,602 |
| Total | 403,360 | 40.93 | 985,552 | 392,554 | 38.56 | 1,018,165 |

^[2] Inclusive of contribution to the Sinking Funds and direct repayment of loans.

Table 1. Government Finance Data

Lm thousands

| | 2003 | 2004 | 2005 | 2003 | | 2004 | | 2005 | | 2006 | |
|--------------------------------------|----------------|----------------|------------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | Jan-Dec | | | May | Jan-May | May | Jan-May | May | Jan-May | May | Jan-May |
| GOVERNMENT FINANCE | | | | | | | | | | | |
| Total Revenue | 873,487 | 921,875 | 1,032,046 | 84,976 | 320,226 | 106,523 | 334,723 | 111,002 | 384,594 | 148,962 | 421,832 |
| <i>consisting of:</i> | | | | | | | | | | | |
| Loans | 132,129 | 99,948 | 110,000 | 32,196 | 56,322 | 46,300 | 46,300 | 36,500 | 76,500 | 0 | 25,000 |
| Receipts from sale of Shares | 0 | 0 | 21,791 | 0 | 0 | 0 | 0 | 0 | 0 | 74,170 | 74,170 |
| Other Extraordinary Receipts | 2,137 | 8,899 | 3,837 | 0 | 0 | 2,915 | 2,915 | 3,837 | 3,837 | 0 | 0 |
| Recurrent Revenue | 739,221 | 813,027 | 896,418 | 52,780 | 263,904 | 57,308 | 285,509 | 70,664 | 304,256 | 74,792 | 322,661 |
| <i>of which:</i> | | | | | | | | | | | |
| Grants | 2,517 | 30,310 | 66,955 | 931 | 1,380 | 3,383 | 3,708 | 6,014 | 23,286 | 4,048 | 20,352 |
| Customs and Excise | 61,576 | 62,309 | 65,670 | 4,997 | 23,458 | 4,539 | 23,206 | 5,350 | 23,028 | 6,023 | 26,442 |
| Consumption Tax | 123,910 | 141,570 | 168,331 | 9,522 | 47,737 | 8,324 | 57,722 | 10,665 | 61,097 | 11,829 | 66,239 |
| Income Tax | 205,218 | 211,177 | 221,760 | 11,954 | 55,341 | 12,671 | 61,788 | 15,099 | 59,141 | 19,000 | 67,372 |
| Social Security | 188,427 | 189,657 | 195,587 | 15,360 | 63,724 | 16,417 | 64,323 | 16,039 | 62,025 | 17,014 | 65,976 |
| Others | 157,573 | 178,004 | 178,115 | 10,016 | 72,264 | 11,974 | 74,762 | 17,499 | 75,680 | 16,877 | 76,280 |
| Total Expenditure | 857,405 | 933,909 | 985,552 | 77,847 | 368,924 | 83,221 | 371,258 | 99,945 | 403,360 | 88,322 | 392,554 |
| <i>consisting of:</i> | | | | | | | | | | | |
| Recurrent Expenditure | 677,655 | 732,846 | 765,974 | 60,041 | 286,300 | 64,548 | 297,705 | 70,443 | 311,811 | 68,328 | 313,493 |
| <i>of which</i> | | | | | | | | | | | |
| Education | 48,998 | 50,212 | 50,918 | 3,984 | 21,254 | 4,274 | 20,701 | 4,217 | 20,443 | 4,514 | 21,240 |
| Social security (benefits) | 200,922 | 207,458 | 220,830 | 14,341 | 83,300 | 19,957 | 90,701 | 21,457 | 96,110 | 22,836 | 101,956 |
| Others | 427,735 | 475,175 | 494,226 | 41,715 | 181,746 | 40,317 | 186,303 | 44,768 | 195,259 | 40,979 | 190,298 |
| Public Debt Servicing | 75,781 | 96,444 | 88,584 | 6,058 | 28,615 | 7,384 | 31,699 | 14,761 | 38,869 | 13,794 | 41,642 |
| Capital Programme | 103,969 | 104,620 | 130,994 | 11,749 | 54,008 | 11,289 | 41,854 | 14,741 | 52,679 | 6,200 | 37,418 |
| <i>of which</i> | | | | | | | | | | | |
| Productive Investment | 28,372 | 27,036 | 29,177 | 3,018 | 13,597 | 3,236 | 10,326 | 1,894 | 12,662 | 1,228 | 8,931 |
| Infrastructure | 34,095 | 41,693 | 49,587 | 3,801 | 14,532 | 5,229 | 11,766 | 5,316 | 17,742 | 2,787 | 10,566 |
| Social | 41,501 | 35,891 | 52,230 | 4,931 | 25,879 | 2,823 | 19,762 | 7,532 | 22,276 | 2,186 | 17,921 |
| Gross Government Debt ^[1] | 1,259,605 | 1,353,404 | 1,403,787 | 1,175,939 | 1,175,939 | 1,337,594 | 1,337,594 | 1,389,400 | 1,389,400 | 1,404,270 | 1,404,270 |

[1] Made up of Treasury Bills issued and outstanding (at nominal prices), Government Stock, Foreign Loans, Ex-Malta Drydocks and Ex-Malta Shipbuilding Debt Assumptions less Malta Government Stocks owned by the Sinking Fund.
Data for the last three months is to be considered provisional.
At end of period indicated.

Note: Figures may not add up exactly due to rounding.

Source: The Central Bank of Malta (Government Debt position);
The Treasury (Government Revenue and Expenditure data)

Table 2. Comparative Government Finance Data: January-May 2006

| Description | Jan - May | | | Jan-May 2005/Jan-May 2006 | | Jan-May 2006 |
|------------------------------------------------------------|------------------|------------------|------------------|---------------------------|---------------|---------------|
| | 2004 | 2005 | 2006 | Absolute Change | % Change | % Dist. |
| | | | | Lm '000s | | |
| Total Revenue | 334,723 | 384,594 | 421,832 | 37,238 | 9.68 | 100.00 |
| <i>consisting of:</i> | | | | | | |
| Loans | 46,300 | 76,500 | 25,000 | -51,500 | -67.32 | 5.93 |
| Receipts from Sale of Shares | 0 | 0 | 74,170 | 74,170 | N/A | 0.00 |
| Other extraordinary receipts | 2,915 | 3,837 | 0 | -3,837 | N/A | 17.58 |
| Recurrent Revenue | 285,509 | 304,256 | 322,661 | 18,405 | 6.05 | 76.49 |
| <i>of which:</i> | | | | | | |
| Grants | 3,708 | 23,286 | 20,352 | -2,934 | -12.60 | 4.82 |
| Customs and Excise | 23,206 | 23,028 | 26,442 | 3,415 | 14.83 | 6.27 |
| Consumption Tax | 57,722 | 61,097 | 66,239 | 5,142 | 8.42 | 15.70 |
| Income Tax | 61,788 | 59,141 | 67,372 | 8,231 | 13.92 | 15.97 |
| Social Security | 64,323 | 62,025 | 65,976 | 3,952 | 6.37 | 15.64 |
| Others | 74,762 | 75,680 | 76,280 | 599 | 0.79 | 18.08 |
| Total Expenditure | 371,258 | 403,360 | 392,554 | -10,806 | -2.68 | 100.00 |
| <i>consisting of:</i> | | | | | | |
| Recurrent Expenditure | 297,705 | 311,811 | 313,493 | 1,682 | 0.54 | 79.86 |
| <i>of which:</i> | | | | | | |
| Education | 20,701 | 20,443 | 21,240 | 797 | 3.90 | 6.78 |
| Social Security (benefits) | 90,701 | 96,110 | 101,956 | 5,846 | 6.08 | 32.52 |
| Others | 186,303 | 195,259 | 190,298 | -4,961 | -2.54 | 60.70 |
| Public Debt Servicing | 31,699 | 38,869 | 41,642 | 2,773 | 7.13 | 10.61 |
| <i>of which:</i> | | | | | | |
| Contribution to Sinking Fund | 0 | 6,003 | 6,406 | 404 | 6.73 | 15.38 |
| Interest Payments | 31,699 | 32,867 | 35,170 | 2,303 | 7.01 | 84.46 |
| Repayment of Loan | 0 | 0 | 65 | 65 | N/A | 0.16 |
| Capital Programme | 41,854 | 52,679 | 37,418 | -15,261 | -28.97 | 9.53 |
| <i>of which:</i> | | | | | | |
| Productive Investment | 10,326 | 12,662 | 8,931 | -3,730 | -29.46 | 23.87 |
| Infrastructure | 11,766 | 17,742 | 10,566 | -7,176 | -40.45 | 28.24 |
| Social | 19,762 | 22,276 | 17,921 | -4,354 | -19.55 | 47.89 |
| Structural Deficit (-) / Surplus (+) ^[1] | -85,750 | -93,101 | -63,421 | 29,680 | -31.88 | |
| Gross Government Debt ^[2] | 1,337,594 | 1,389,400 | 1,404,270 | 14,870 | 1.07 | 100.00 |
| <i>of which:</i> | | | | | | |
| Treasury Bills | 265,834 | 206,221 | 167,016 | -39,205 | -19.01 | 11.89 |
| Govt. Stock | 959,329 | 1,091,196 | 1,150,333 | 59,137 | 5.42 | 81.92 |
| Foreign Loans Outstanding | 70,757 | 67,201 | 63,990 | -3,211 | -4.78 | 4.56 |
| Other dept assumptions | 41846 | 26,661 | 24,810 | -1,851 | -6.94 | 1.77 |
| MGSF investments in Government Debt | -172 | -1,879 | -1,879 | 0 | 0.00 | -0.13 |

[1] Shortfall between Recurrent Revenue and Total Expenditure (less contribution to the Sinking Fund and direct loan repayment).

[2] Made up of Treasury Bills issued and outstanding (at nominal prices), Government Stock, Foreign Loans, Ex-Malta Drydocks and Ex-Malta Shipbuilding Debt Assumptions less Malta Government Stocks owned by the Sinking Fund.

Data for the last three months is to be considered provisional.

At end of period indicated.

Note: Figures may not add up exactly due to rounding.

Sources: The Central Bank of Malta (Government Debt position)

The Treasury (Government Revenue and Expenditure data)

Table 3. Government Revenue and Expenditure

January-May 1994-2006

(January-May 2005 = 100)

| | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
|--------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|--------------|
| | January-May | | | | | | | | | | | | |
| GOVERNMENT FINANCE | | | | | | | | | | | | | |
| Total Recurrent Revenue | 42.31 | 42.94 | 49.18 | 48.25 | 53.13 | 58.09 | 65.25 | 67.15 | 70.24 | 68.62 | 74.24 | 100.00 | 83.90 |
| <i>of which:</i> | | | | | | | | | | | | | |
| Customs and Excise | 124.29 | 49.28 | 39.23 | 50.67 | 82.38 | 89.90 | 97.23 | 90.82 | 100.51 | 101.87 | 100.77 | 100.00 | 114.83 |
| Consumption Tax | N/A | 33.64 | 43.09 | 53.59 | 48.48 | 54.10 | 68.29 | 76.93 | 79.67 | 78.13 | 94.48 | 100.00 | 108.42 |
| Income Tax | 46.24 | 53.47 | 65.42 | 55.05 | 64.99 | 65.65 | 90.10 | 93.96 | 96.28 | 93.57 | 104.48 | 100.00 | 113.92 |
| Social Security | 60.84 | 65.93 | 78.68 | 77.24 | 79.58 | 83.80 | 93.46 | 104.21 | 101.85 | 102.74 | 103.71 | 100.00 | 106.37 |
| Others | 69.74 | 61.37 | 66.98 | 61.32 | 68.65 | 79.67 | 76.36 | 70.88 | 79.02 | 74.41 | 79.29 | 100.00 | 97.64 |
| Total Expenditure | 46.74 | 52.68 | 57.67 | 57.40 | 60.37 | 65.86 | 70.20 | 77.57 | 84.82 | 91.46 | 92.04 | 100.00 | 97.32 |
| <i>consisting of:</i> | | | | | | | | | | | | | |
| Recurrent Expenditure | 50.34 | 55.94 | 61.79 | 62.21 | 64.38 | 66.56 | 72.97 | 76.32 | 84.59 | 91.82 | 95.48 | 100.00 | 100.54 |
| <i>of which</i> | | | | | | | | | | | | | |
| Education | 81.49 | 75.60 | 78.00 | 82.36 | 79.46 | 84.57 | 86.85 | 98.05 | 100.39 | 103.97 | 101.26 | 100.00 | 103.90 |
| Social security (benefits) | 46.73 | 50.45 | 56.64 | 60.42 | 70.48 | 69.89 | 79.64 | 80.24 | 82.59 | 86.67 | 94.37 | 100.00 | 106.08 |
| Others | 48.85 | 56.58 | 62.63 | 60.99 | 59.79 | 63.04 | 68.24 | 72.11 | 83.92 | 93.08 | 95.41 | 100.00 | 97.46 |
| Public Debt Servicing | 20.22 | 19.77 | 23.00 | 33.15 | 51.27 | 60.01 | 64.81 | 82.55 | 88.52 | 73.62 | 81.55 | 100.00 | 107.13 |
| Capital Programme | 45.00 | 57.63 | 58.90 | 46.77 | 43.40 | 65.97 | 57.80 | 81.34 | 83.44 | 102.52 | 79.45 | 100.00 | 71.03 |
| Productive Investment | 127.29 | 170.54 | 135.87 | 74.18 | 71.01 | 144.07 | 114.36 | 131.22 | 134.78 | 107.39 | 81.56 | 100.00 | 70.54 |
| Infrastructure | 21.96 | 24.48 | 38.74 | 48.89 | 46.39 | 66.33 | 42.08 | 82.19 | 66.36 | 81.91 | 66.31 | 100.00 | 59.55 |
| Social | 16.58 | 19.86 | 31.21 | 29.50 | 25.33 | 21.28 | 38.16 | 52.32 | 67.87 | 116.18 | 88.72 | 100.00 | 80.45 |

Table 4. Revenue/Expenditure Heads (cumulative)

| | 2003 | 2004 | 2005 | 2006 |
|-----------------------------------------------------------|----------------|----------------|----------------|----------------|
| | January-May | | | |
| | Lm '000s | | | |
| Revenue Heads | | | | |
| Customs and Excise Duties | 23,458 | 23,206 | 23,028 | 26,442 |
| Licences, Taxes and Fines | 32,823 | 40,616 | 33,972 | 38,833 |
| Income Tax | 55,341 | 61,788 | 59,141 | 67,372 |
| Consumption Tax | 47,737 | 57,722 | 61,097 | 66,239 |
| Fees of Office | 2,309 | 2,327 | 6,084 | 6,365 |
| Reimbursements | 1,813 | 2,190 | 2,806 | 3,698 |
| Public Corporations | 1,883 | 1,883 | 1,883 | 1,883 |
| Central Bank of Malta | 24,783 | 18,233 | 14,001 | 10,001 |
| Rents | 4,857 | 4,356 | 4,828 | 4,629 |
| Dividends on Investment | 1,024 | 2,884 | 2,077 | 3,648 |
| Repayment of and Interest on, Loans made by Government | 8 | 8 | 8 | 5 |
| Social Security | 63,724 | 64,323 | 62,025 | 65,976 |
| Grants | 1,380 | 3,708 | 23,286 | 20,352 |
| Miscellaneous Receipts | 2,764 | 2,264 | 10,022 | 7,217 |
| Total Recurrent Revenue | 263,904 | 285,509 | 304,256 | 322,661 |
| Extraordinary Receipts | 0 | 2,915 | 3,837 | 74,170 |
| Loans | 56,322 | 46,300 | 76,500 | 25,000 |
| Total Non-Ordinary Revenue | 56,322 | 49,215 | 80,337 | 99,170 |
| Total Revenue | 320,226 | 334,723 | 384,594 | 421,832 |
| Recurrent Expenditure Heads | | | | |
| Personal Emoluments | 80,825 | 76,618 | 76,686 | 77,787 |
| Operational and Maintenance Expenditure | 25,350 | 24,755 | 15,996 | 15,968 |
| Special Expenditure | 224 | 315 | 197 | 0 |
| Programmes and Initiatives | 145,946 | 160,581 | 186,055 | 188,953 |
| Contribution to Government Entities | 33,956 | 35,436 | 32,876 | 30,785 |
| Total Recurrent Expenditure | 286,301 | 297,705 | 311,811 | 313,493 |

Source: The Treasury

Note: Figures may not add up due to rounding

Table 5. Revenue/Expenditure Heads (monthly)

| | 2003 | 2004 | 2005 | 2006 |
|-----------------------------------------------------------|---------------|----------------|----------------|----------------|
| | May | | | |
| | Lm '000s | | | |
| Revenue Heads | | | | |
| Customs and Excise Duties | 4,997 | 4,539 | 5,350 | 6,023 |
| Licences, Taxes and Fines | 7,318 | 6,583 | 6,398 | 8,184 |
| Income Tax | 11,954 | 12,671 | 15,099 | 19,000 |
| Consumption Tax | 9,522 | 8,324 | 10,665 | 11,829 |
| Fees of Office | 498 | 470 | 1,746 | 1,268 |
| Reimbursements | 386 | 635 | 985 | 1,213 |
| Public Corporations | 0 | 0 | 1,883 | 0 |
| Central Bank of Malta | 0 | 0 | 0 | 0 |
| Rents | 861 | 671 | 713 | 428 |
| Dividends on Investment | 883 | 2,312 | 1,722 | 3,148 |
| Repayment of and Interest on, Loans made by Government | 0 | 0 | 0 | 0 |
| | 2 | 2 | 2 | 2 |
| Social Security | 15,360 | 16,417 | 16,039 | 17,014 |
| Grants | 931 | 3,383 | 6,014 | 4,048 |
| Miscellaneous Receipts | 68 | 1,302 | 4,049 | 2,634 |
| Total Recurrent Revenue | 52,780 | 57,307 | 70,664 | 74,792 |
| Extraordinary Receipts | 0 | 2,915 | 3,837 | 74,170 |
| Loans | 32,196 | 46,300 | 36,500 | 0 |
| Total Non-Ordinary Revenue | 32,196 | 49,215 | 40,337 | 74,170 |
| Total Revenue | 84,976 | 106,522 | 111,002 | 148,962 |
| Recurrent Expenditure Heads | | | | |
| Personal Emoluments | 15,811 | 14,951 | 15,354 | 15,368 |
| Operational and Maintenance Expenditure | 5,153 | 4,923 | 3,852 | 3,062 |
| Special Expenditure | 29 | 102 | 45 | 0 |
| Programmes and Initiatives | 29,071 | 36,206 | 41,092 | 40,655 |
| Contribution to Government Entities | 9,978 | 8,367 | 10,100 | 9,244 |
| Total Recurrent Expenditure | 60,042 | 64,548 | 70,443 | 68,328 |

Source: The Treasury

Note: Figures may not add up due to rounding

Methodological Notes

1. The data contained in this news release are 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 and debt guaranteed by Government Central Bank of Malta and the Treasury.

All allocations provided out of this 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 of which are initially defrayable out of public funds and are eventually repayable out of the Consolidated Fund or other sources.

2. This news release seeks to follow the guidelines set out in the European System of Accounts (ESA95) Manual on Government Deficit and Debt. Therefore the shortfall between revenue and expenditure as listed in Table 2, is essentially the cash-based deficit position as far as the Central Government's Consolidated Fund is concerned.

In this respect, revenue that has no impact on the deficit, 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, as well as transfers into other accounts of Government are excluded from the total expenditure.

3. The debt position includes both the actual debt which is held by Government, as well as the debt assumption resulting from the Malta Shipyards restructuring exercise which took place in November 2003. On the other hand, any investments made by Government in its own funds are excluded from the total debt.
4. Table 2 presents a comparative exercise covering the period to date with the same period for the past two years. Moreover, in the text table, the aggregate expenditure figures for the current year are appearing against the budgetary projections, while last year's data are benchmarked against the actual final expenditure. Where practical, this comparative exercise is also presented (within the text of the release) for the main components of expenditure.
5. Table 3 presents an index for the main components of revenue and expenditure. The base year for this exercise is 2005. In this table, over the years, there have been some adjustments to expenditures which were traditionally reported within the capital expenditure category, but which are now being recorded under recurrent expenditure. This repositioning has been done to better reflect the actual nature of the expenditure.
6. The individual revenue heads, and expenditure categories for the past 4 years are presented in Tables 4 and 5. Here again caution needs to be exercised when using the recurrent expenditure heads since the setting up of new entities implies the shifting of their various expenditures from other categories to the 'contributions to government entities' category.
7. In the primary data source, and in line with the budget forecasts, the capital expenditure is further subdivided. Although no hard and fast rule is followed in this sub-classification, it is basically determined as follows:
 - i. **Productive Investment:** Expenditure on Tourism, including the subvention to the Malta Tourism Authority; capital expenditure relating to construction of factories and on agricultural/fisheries programmes.
 - ii. **Infrastructure:** All I.T. related expenditures, improvements to buildings, and construction projects (including road construction). All acquisition of property is classified within this category.
 - iii. **Social:** Capital expenditures (excluding I.T. and improvements to buildings) related to housing, education, health and waste management.

The examples indicated in the definitions are presented for explanatory purposes only, and the list is not exhaustive.

8. Revisions: 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 previous three months as provisional. Any revisions to the data will be carried out at the first opportunity and published accordingly in the next news release.