

News Release



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Government Finance

Quarterly Accounts for General Government: Q1/2008

In the first quarter this year, the General Government account registered a deficit of €162.5 million, compared to €107.8 million for the first quarter last year.

During the March quarter total revenue amounted to €483.3 million, an increase of €38.5 million compared to the first quarter of 2007. The main increase was recorded under 'current taxes on income and wealth', which added €31.1 million. Due to higher dividends, 'property income receivable' increased by €7.8 million.

Total expenditure during the first quarter amounted to €645.8 million, registering a comparative increase of €93.2 million. This increase was brought about by increases in intermediate consumption (+€30.1 million), compensation of employees (essentially wages and salaries which added €18.5 million), and Social Benefits (+€22.1 million).

Tables 2 and 3 give an overview of the main revenue and expenditure categories across the quarters covered by the time series.

Total general government debt outstanding at the end of March this year amounted to €3,374.0 million. The increase, amounting to €96.7 million, was underpinned by the higher long-term securities category (Malta Government Stocks) which added €135.4 million, while short-term securities (Treasury Bills) declined by €59.3 million. Moreover, as from January 2008, the euro coins issued in the name of the Treasury are being considered as a currency liability pertaining to the Central Government. At the end of March, this liability amounted to €23.3 million ■

Theme:
Economy and Finance

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European statistics comparable to data in this News Release are available at:

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- >Economy and finance
 - >Government statistics
 - >Quarterly government finance statistics
 - >Quarterly non-financial accounts for general government
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Chart 1. General Government deficit (-) / surplus (+)

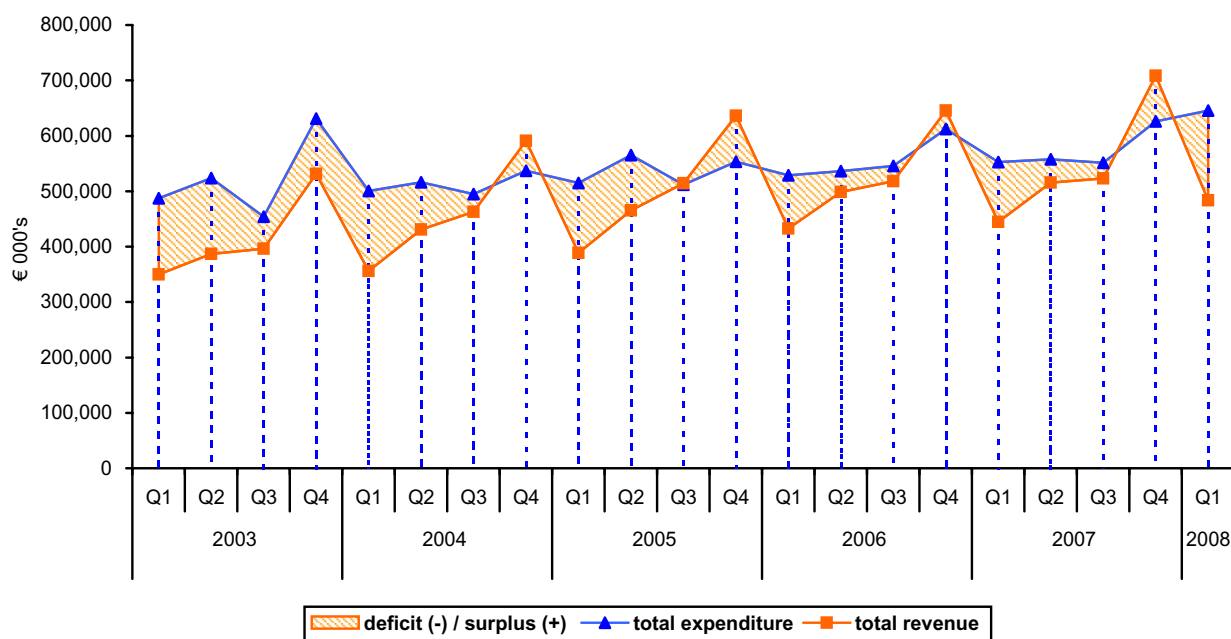


Table 1. Revenue and Expenditure of the General Government Sector

Period	Total revenue	Change (Q/Q-4)	Total expenditure	Change (Q/Q-4)	Deficit (-) / Surplus (+)	
	€ 000's	%	€ 000's	%	€ 000's	
2003	Q1	349,980		487,211		-137,232
	Q2	386,550		523,479		-136,929
	Q3	395,967		454,166		-58,198
	Q4	531,352		631,219		-99,868
2004	Q1	356,060	1.7	500,753	2.8	-144,692
	Q2	430,843	11.5	515,981	-1.4	-85,138
	Q3	462,974	16.9	494,910	9.0	-31,937
	Q4	590,652	11.2	536,908	-14.9	53,745
2005	Q1	388,476	9.1	515,212	2.9	-126,736
	Q2	465,126	8.0	565,000	9.5	-99,874
	Q3	514,254	11.1	511,883	3.4	2,371
	Q4	636,043	7.7	553,032	3.0	83,010
2006	Q1	432,491	11.3	528,880	2.7	-96,389
	Q2	498,452	7.2	536,559	-5.0	-38,107
	Q3	517,914	0.7	545,843	6.6	-27,929
	Q4	645,369	1.5	612,100	10.7	33,268
2007	Q1	444,835	2.9	552,675	4.5	-107,840
	Q2	515,249	3.4	557,502	3.9	-42,253
	Q3	523,250	1.0	551,259	1.0	-28,009
	Q4	708,623	9.8	626,299	2.3	82,324
2008	Q1	483,324	8.7	645,830	16.9	-162,505

Data are based on ESA95 methodology and are provisional.

Table 2. Components of General Government Sector's revenue

Period		Market output		Taxes on production and imports		Property income receivable		Current taxes on income, wealth, etc.		Social contributions receivable*		Current and capital transfers receivable		Total revenue
		€ 000's	% share	€ 000's	% share	€ 000's	% share	€ 000's	% share	€ 000's	% share	€ 000's	% share	€ 000's
2003	Q1	19,896	5.7	122,003	34.9	65,514	18.7	58,859	16.8	72,578	20.7	11,129	3.2	349,980
	Q2	19,213	5.0	131,484	34.0	15,342	4.0	122,374	31.7	88,575	22.9	9,562	2.5	386,550
	Q3	20,472	5.2	142,001	35.9	12,473	3.2	128,190	32.4	85,725	21.6	7,106	1.8	395,967
	Q4	22,518	4.2	170,574	32.1	16,709	3.1	210,201	39.6	102,747	19.3	8,603	1.6	531,352
2004	Q1	19,702	5.5	157,208	44.2	39,115	11.0	61,171	17.2	69,506	19.5	9,358	2.6	356,060
	Q2	20,473	4.8	146,618	34.0	23,019	5.3	127,291	29.5	91,098	21.1	22,344	5.2	430,843
	Q3	23,567	5.1	162,897	35.2	6,412	1.4	139,105	30.0	91,072	19.7	39,921	8.6	462,974
	Q4	36,058	6.1	184,303	31.2	29,696	5.0	187,025	31.7	109,611	18.6	43,959	7.4	590,652
2005	Q1	22,633	5.8	156,095	40.2	29,927	7.7	56,639	14.6	76,906	19.8	46,276	11.9	388,476
	Q2	18,187	3.9	161,698	34.8	20,105	4.3	140,836	30.3	90,802	19.5	33,498	7.2	465,126
	Q3	21,283	4.1	186,699	36.3	6,647	1.3	164,380	32.0	98,036	19.1	37,208	7.2	514,254
	Q4	31,505	5.0	191,947	30.2	12,806	2.0	209,651	33.0	120,339	18.9	69,795	11.0	636,043
2006	Q1	23,328	5.4	173,007	40.0	30,174	7.0	89,558	20.7	83,072	19.2	33,353	7.7	432,491
	Q2	22,309	4.5	187,183	37.6	16,735	3.4	140,601	28.2	93,485	18.8	38,139	7.7	498,452
	Q3	22,209	4.3	195,629	37.8	7,268	1.4	151,289	29.2	98,041	18.9	43,477	8.4	517,914
	Q4	27,460	4.3	202,238	31.3	8,993	1.4	218,183	33.8	115,832	17.9	72,664	11.3	645,369
2007	Q1	28,212	6.3	182,027	40.9	38,611	8.7	98,558	22.2	87,319	19.6	10,108	2.3	444,835
	Q2	31,268	6.1	191,374	37.1	8,508	1.7	166,937	32.4	101,001	19.6	16,161	3.1	515,249
	Q3	23,757	4.5	197,511	37.7	13,211	2.5	167,883	32.1	91,743	17.5	29,145	5.6	523,250
	Q4	27,038	3.8	222,244	31.4	17,526	2.5	284,013	40.1	120,469	17.0	37,333	5.3	708,623
2008	Q1	33,992	7.0	179,327	37.1	46,394	9.6	129,673	26.8	87,656	18.1	6,281	1.3	483,324

Data are based on ESA95 methodology and are consolidated within the General Government sector.

Data are provisional.

* Revenue Category 'Social contributions receivable' includes the Government's Treasury Pensions (as imputed social contributions).

Table 3. Components of General Government Sector's expenditure

Period		Compensation of Employees		Intermediate Consumption		Property Income (including interest)		Gross Capital Formation*		Social Benefits and Social Transfers in Kind		Other**		Total Expenditure
		€ 000's	% share	€ 000's	% share	€ 000's	% share	€ 000's	% share	€ 000's	% share	€ 000's	% share	€ 000's
2003	Q1	160,349	32.9	65,565	13.5	35,166	7.2	62,726	12.9	128,671	26.4	34,734	7.1	487,211
	Q2	164,490	31.4	57,048	10.9	39,491	7.5	46,959	9.0	170,160	32.5	45,330	8.7	523,479
	Q3	158,682	34.9	46,384	10.2	38,057	8.4	48,528	10.7	129,971	28.6	32,544	7.2	454,166
	Q4	163,723	25.9	51,840	8.2	37,594	6.0	52,155	8.3	151,460	24.0	174,446	27.6	631,219
2004	Q1	165,645	33.1	62,325	12.4	43,132	8.6	39,263	7.8	151,016	30.2	39,372	7.9	500,753
	Q2	161,087	31.2	56,993	11.0	41,295	8.0	42,623	8.3	154,902	30.0	59,081	11.5	515,981
	Q3	163,190	33.0	57,032	11.5	41,384	8.4	53,168	10.7	140,576	28.4	39,561	8.0	494,910
	Q4	168,553	31.4	73,258	13.6	38,630	7.2	33,843	6.3	152,524	28.4	70,099	13.1	536,908
2005	Q1	164,725	32.0	50,486	9.8	32,478	6.3	48,679	9.4	160,424	31.1	58,420	11.3	515,212
	Q2	168,617	29.8	57,132	10.1	57,363	10.2	61,783	10.9	165,433	29.3	54,672	9.7	565,000
	Q3	165,968	32.4	56,766	11.1	40,467	7.9	52,850	10.3	147,791	28.9	48,041	9.4	511,883
	Q4	169,034	30.6	75,844	13.7	47,914	8.7	31,744	5.7	168,512	30.5	59,984	10.8	553,032
2006	Q1	169,602	32.1	60,778	11.5	41,025	7.8	57,859	10.9	158,859	30.0	40,758	7.7	528,880
	Q2	168,862	31.5	64,335	12.0	47,215	8.8	32,577	6.1	171,057	31.9	52,514	9.8	536,559
	Q3	169,641	31.1	69,184	12.7	53,896	9.9	45,211	8.3	161,275	29.5	46,635	8.5	545,843
	Q4	170,318	27.8	98,982	16.2	36,995	6.0	57,550	9.4	174,825	28.6	73,431	12.0	612,100
2007	Q1	172,376	31.2	61,918	11.2	53,998	9.8	48,275	8.7	169,367	30.6	46,742	8.5	552,675
	Q2	176,355	31.6	69,124	12.4	33,029	5.9	45,950	8.2	184,294	33.1	48,750	8.7	557,502
	Q3	178,237	32.3	68,141	12.4	43,315	7.9	40,973	7.4	166,146	30.1	54,448	9.9	551,259
	Q4	175,988	28.1	103,541	16.5	52,002	8.3	46,425	7.4	179,160	28.6	69,182	11.0	626,299
2008	Q1	190,911	29.6	92,063	14.3	41,866	6.5	60,232	9.3	191,444	29.6	69,314	10.7	645,830

Data are based on ESA95 methodology and are consolidated.

Data are provisional.

* For the purpose of this comparative table acquisition and disposal of land is included within the Gross Capital Formation Category.

** Expenditure Category 'Other' includes subsidies payable and recurrent and capital transfers.

Table 4. General Government debt

Position as at the end of period		Currency	Securities other than shares, excluding Financial derivatives			Loans			Total General Government debt	Government Guaranteed debt
			Short-term	Long-term	Total	Short-term	Long-term	Total		
€ million										
2003	Q1	0.0	579.4	1,940.4	2,519.8	38.6	188.5	227.1	2,746.9	668.7
	Q2	0.0	633.7	1,940.4	2,574.1	40.3	259.6	300.0	2,874.1	645.5
	Q3	0.0	584.7	2,040.7	2,625.4	42.2	258.4	300.6	2,926.1	645.3
	Q4	0.0	541.1	2,112.9	2,654.0	129.0	256.9	385.9	3,039.9	527.2
2004	Q1	0.0	589.3	2,113.6	2,702.9	131.1	248.6	379.7	3,082.6	517.7
	Q2	0.0	605.3	2,224.3	2,829.6	129.0	243.8	372.8	3,202.4	609.8
	Q3	0.0	588.2	2,287.1	2,875.3	130.2	240.7	370.9	3,246.2	614.6
	Q4	0.0	571.5	2,355.8	2,927.3	84.5	237.5	322.0	3,249.3	609.3
2005	Q1	0.0	557.4	2,450.0	3,007.4	77.8	229.0	306.9	3,314.3	610.0
	Q2	0.0	501.5	2,535.7	3,037.2	80.6	225.8	306.4	3,343.6	604.4
	Q3	0.0	406.4	2,613.6	3,020.0	83.6	222.4	306.1	3,326.1	676.0
	Q4	0.0	443.1	2,613.6	3,056.7	76.8	221.1	297.8	3,354.5	631.3
2006	Q1	0.0	416.9	2,672.6	3,089.6	25.9	268.3	294.2	3,383.8	628.4
	Q2	0.0	282.6	2,675.6	2,958.2	26.6	260.6	287.2	3,245.4	558.0
	Q3	0.0	357.8	2,640.7	2,998.5	31.3	251.4	282.7	3,281.2	586.9
	Q4	0.0	373.8	2,617.4	2,991.2	24.2	237.9	262.1	3,253.3	580.7
2007	Q1	0.0	399.9	2,618.0	3,017.9	25.0	234.5	259.5	3,277.3	560.0
	Q2	0.0	457.0	2,695.3	3,152.3	25.0	233.9	259.0	3,411.3	603.8
	Q3	0.0	368.2	2,695.3	3,063.5	27.0	234.1	261.1	3,324.6	616.3
	Q4	0.0	354.9	2,753.3	3,108.3	24.9	234.9	259.9	3,368.1	628.4
2008	Q1	23.3	340.6	2,753.4	3,093.9	23.0	233.8	256.7	3,374.0	688.3

Notes:

1. Debt position at nominal value, in line with Maastricht debt provisions, at the end of the period indicated.
2. All aggregates are consolidated between the different sub-sectors of general government.
3. As from 2003 Q4, the debt assumption of the ex-shipyards' loans has been included with the debt balances of the central government.
4. Government guarantees exclude guarantees on MIGA and IBRD and on foreign loans taken by the Central Bank of Malta on behalf of government, which loans already feature in the calculation of government external debt. Government guarantees include guarantees granted by the extra-budgetary units but exclude government guarantees provided to extra-budgetary units.

Methodological Notes

ESA95 Glossary

Output (P1) consists of the products created during the accounting period. Three types of output are distinguished in the ESA:

- i. Market Output (P11) consists of output that is disposed of on the market or intended to be disposed of on the market.
- ii. Output produced for own final use (P12) consists of goods and services that are retained either for final consumption by the same institutional unit or for gross fixed capital formation by the same institutional unit.
- iii. Other non-market output (P13) covers output that is provided free, or at prices that are not economically significant, to other units.

Intermediate consumption (P2) consists of the value of the goods and services consumed as inputs by a process of production, excluding fixed assets whose consumption is recorded as consumption of fixed capital. The goods and services may be either transformed or used up by the production process.

Gross Capital Formation (P5) is the sum of three components:

- i. Gross fixed capital formation (P51) consists of resident producers' acquisitions, less disposals, of fixed assets during a given period plus certain additions to the value of non-produced assets realized by the productive activity of producer or institutional units. Fixed assets are tangible or intangible assets produced as outputs from processes of production that are themselves used repeatedly, or continuously, in processes of production for more than one year.
- ii. Changes in inventories (P52) are measured by the value of the entries into inventories less the value of withdrawals and the value of any recurrent losses of goods held in inventories.
- iii. Acquisitions less disposals of valuables (P53) are non-financial goods that are not used primarily for production or consumption, do not deteriorate (physically) over time under normal conditions and that are acquired and held primarily as stores of value.

Compensation of employees (D1) is defined as the total remuneration, in cash or in kind, payable by an employer to an employee in return for work done by the latter during the accounting period. Compensation of employees is broken down into wages and salaries in cash and in kind (D11) and employers' actual (D121) and imputed social contributions (D122).

Taxes on production and imports (D2) consist of compulsory, unrequited payments, in cash or in kind which are levied by general government, in respect of the production and importation of goods and services, the employment of labour, the ownership or use of land, buildings or other assets used in production. These taxes are payable whether or not profits are made. Taxes on production and imports are divided into:

- i. Taxes on products (D21) are taxes that are payable per unit of some good or service produced or transacted. The tax may be a specific amount of money per unit of quantity of a good or service, or it may be calculated ad valorem as a specified percentage of the price per unit or value of the goods and services produced or transacted. As a general principle, taxes in fact assessed on a product, irrespective of which institutional unit pays the tax, are included in taxes on products, unless specifically included in another heading.
- ii. Other taxes on production (D29) consist of all taxes that enterprises incur as a result of engaging in production, independently of the quantity or value of the goods and services produced or sold. They may be payable on the land, fixed assets or labour employed in the production process or on certain activities or transactions.

Property income (D4) is the income receivable by the owner of a financial asset or a tangible non-produced asset in return for providing funds to, or putting the tangible non-produced asset at the disposal of, another institutional unit. Property incomes can be interest (D41), distributed income of corporations (D42) and rents (D45).

Current taxes on income and wealth (D5) cover all compulsory, unrequited payments, in cash or in kind, levied periodically by general government on the income and wealth of institutional units, and some periodic taxes which are assessed neither on the income nor the wealth. Current taxes on income, wealth are:

- i. Taxes on income (D51) consist of taxes on income, profits and capital gains. They are assessed on the actual or presumed incomes of individuals, households, corporations or NPIs.
- ii. Other current taxes (D59).

Social Contributions (D61) consists of:

- i. Employers' actual social contributions (D6111) are paid by employers to social security funds.
- ii. Employees' social contributions (D6112) are paid by employees.
- iii. Social Contributions by self-employed and non-employed persons (D6113): these are social contributions payable for their own benefit by persons who are not employees – namely self-employed persons or non-employed persons.

- iv. Imputed social contributions (D612) represent the counterpart to social benefits paid directly by employers to their employees or former employees and other eligible persons.

Social benefits other than social transfers in kind (D62) are made up of:

- i. Social security benefits in cash (D621) are payable to households by social security funds.
- ii. Unfunded employee social benefits (D623) are payable to their employees, their dependants or survivors by employers administering unfunded social insurance schemes.
- iii. Social assistance benefits in cash (D624) are payable to households by government units or NPISHs to meet the same needs as social insurance benefits but which are not made under a social insurance scheme incorporating social contributions and social insurance benefits.

Social transfers in kind (D63) consist of individual goods and services provided as transfers in kind to individual households by government units, whether purchased on the market or produced as non-market output by government units. They may be financed out of taxation, other government income or social security contributions.

The other category includes:

- i. Subsidies (D3) are current unrequited payments which general government make to resident producers, with the objective of influencing their level of production, their prices or the remuneration of the factors of production.
- ii. Other current transfers (D7) can be non-life insurance claims (D72), current transfers within general government (D73), current international cooperation (D74) and miscellaneous current transfers (D75).
- iii. Capital transfers (D9) are different from recurrent transfers by the fact that they involve the acquisition or disposal of an asset, or assets, by at least one of the parties to the transaction. Whether made in cash or in kind, they should result in a commensurate change in the financial, or non-financial, assets shown in the balance sheets of one or both parties to the transaction.

Acquisition less disposals of non-financial non-produced assets (K2) consists of land and other tangible non-produced assets that may be used in the production of goods and services, and intangible non-produced assets. This component is included in Gross Fixed Capital Formation.

Revision Policy: The data contained in this release may be reviewed. Figures may not add up due to rounding.