

News Release



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Government Finance

Quarterly Accounts for General Government: Q4/2007

In the fourth quarter of 2007 the General Government Account registered a surplus of €84.7 million.

The surplus recorded by General Government for the fourth quarter last year amounted to €84.7 million, compared to a surplus of €33.3 million for the fourth quarter 2006.

During the December quarter of 2007 total revenue amounted to €707.9 million, an increase of €62.7 million compared to the fourth quarter of the previous year. Revenue classified as 'current taxes on income and wealth' and 'taxes on production and imports' increased by €65.8 million and by €20.0 million respectively. 'Current and capital transfers receivable' declined by €35.4 million (on account of less grants received).

At the same time total expenditure, amounting to €623.3 million, registered a comparative increase of €11.4 million, mainly on account of higher outlays on 'property income payable' (+€15.0 million).

Tables 2 and 3 give an overview of the main revenue and expenditure categories across the quarters covered by the time series. The aggregated deficit for the four quarters of 2007 is estimated at €95.8 million, compared to a deficit of €129.2 million for 2006.

When compared to December 2006, total general government debt outstanding at the end of 2007 increased by €114.8 million, and amounted to €3,368.1 million. This increase was underpinned by the higher long-term securities category (Malta Government Stocks) which added €135.9 million. At end December 2007, Malta Government Stocks (classified as long-term securities other than shares) accounted for €2,753.3 million, or 81.7 per cent of the total outstanding debt ■

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
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Chart 1. General Government deficit (-) / surplus (+)

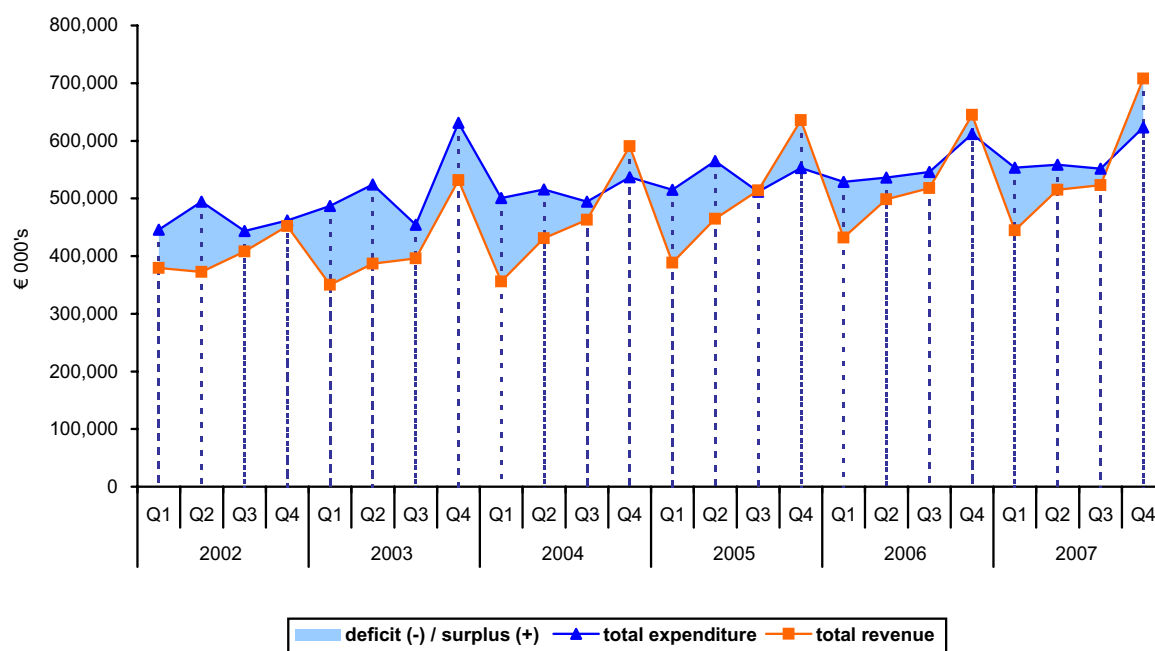


Table 1. Revenue and Expenditure of the General Government Sector

Year		Total revenue	Change (Q/Q-4)	Total expenditure	Change (Q/Q-4)	Deficit (-) / Surplus (+)
		€ 000's	%	€ 000's	%	€ 000's
2002	Q1	379,572		445,778		-66,207
	Q2	372,657		494,261		-121,604
	Q3	407,883		443,456		-35,573
	Q4	451,837		461,783		-9,945
2003	Q1	350,122	-7.8	487,234	9.3	-137,111
	Q2	386,662	3.8	523,997	6.0	-137,336
	Q3	396,125	-2.9	454,170	2.4	-58,045
	Q4	531,483	17.6	631,218	36.7	-99,735
2004	Q1	355,846	1.6	500,513	2.7	-144,667
	Q2	430,628	11.4	515,775	-1.6	-85,146
	Q3	462,759	16.8	494,705	8.9	-31,945
	Q4	590,438	11.1	536,702	-15.0	53,736
2005	Q1	388,279	9.1	515,015	2.9	-126,736
	Q2	464,929	8.0	564,803	9.5	-99,874
	Q3	514,057	11.1	511,686	3.4	2,371
	Q4	635,846	7.7	552,835	3.0	83,010
2006	Q1	432,310	11.3	528,699	2.7	-96,389
	Q2	498,271	7.2	536,377	-5.0	-38,107
	Q3	517,732	0.7	545,661	6.6	-27,929
	Q4	645,187	1.5	611,919	10.7	33,268
2007	Q1	444,798	2.9	553,544	4.7	-108,746
	Q2	515,170	3.4	558,480	4.1	-43,310
	Q3	523,202	1.1	551,578	1.1	-28,376
	Q3	707,936	9.7	623,282	1.9	84,654

Data are based on ESA95 methodology and are provisional.

Table 2. Components of General Government Sector's revenue

Year		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
2002	Q1	21,617	5.7	138,810	36.6	65,639	17.3	75,881	20.0	71,774	18.9	5,851	1.5	379,572
	Q2	16,238	4.4	138,418	37.1	11,582	3.1	111,399	29.9	85,317	22.9	9,701	2.6	372,657
	Q3	18,577	4.6	149,020	36.5	10,694	2.6	135,136	33.1	86,047	21.1	8,409	2.1	407,883
	Q4	18,555	4.1	155,820	34.5	9,681	2.1	159,236	35.2	98,810	21.9	9,736	2.2	451,837
2003	Q1	19,896	5.7	122,003	34.8	65,650	18.8	58,859	16.8	72,578	20.7	11,136	3.2	350,122
	Q2	19,213	5.0	131,484	34.0	15,478	4.0	122,374	31.6	88,575	22.9	9,538	2.5	386,662
	Q3	20,472	5.2	142,001	35.8	12,609	3.2	128,190	32.4	85,725	21.6	7,127	1.8	396,125
	Q4	22,518	4.2	170,574	32.1	16,845	3.2	210,201	39.5	102,747	19.3	8,598	1.6	531,483
2004	Q1	19,487	5.5	157,208	44.2	39,115	11.0	61,171	17.2	69,506	19.5	9,358	2.6	355,846
	Q2	20,259	4.7	146,618	34.0	23,019	5.3	127,291	29.6	91,098	21.2	22,344	5.2	430,628
	Q3	23,353	5.0	162,897	35.2	6,412	1.4	139,105	30.1	91,072	19.7	39,921	8.6	462,759
	Q4	35,843	6.1	184,303	31.2	29,696	5.0	187,025	31.7	109,611	18.6	43,959	7.4	590,438
2005	Q1	22,437	5.8	156,095	40.2	29,927	7.7	56,639	14.6	76,906	19.8	46,276	11.9	388,279
	Q2	17,990	3.9	161,698	34.8	20,105	4.3	140,836	30.3	90,802	19.5	33,498	7.2	464,929
	Q3	21,086	4.1	186,699	36.3	6,647	1.3	164,380	32.0	98,036	19.1	37,208	7.2	514,057
	Q4	31,308	4.9	191,947	30.2	12,806	2.0	209,651	33.0	120,339	18.9	69,795	11.0	635,846
2006	Q1	23,147	5.4	173,007	40.0	30,174	7.0	89,558	20.7	83,072	19.2	33,353	7.7	432,310
	Q2	22,127	4.4	187,183	37.6	16,735	3.4	140,601	28.2	93,485	18.8	38,139	7.7	498,271
	Q3	22,027	4.3	195,629	37.8	7,268	1.4	151,289	29.2	98,041	18.9	43,477	8.4	517,732
	Q4	27,279	4.2	202,238	31.3	8,993	1.4	218,183	33.8	115,832	18.0	72,664	11.3	645,187
2007	Q1	28,151	6.3	182,027	40.9	38,636	8.7	98,558	22.2	87,319	19.6	10,107	2.3	444,798
	Q2	31,153	6.0	191,374	37.1	8,524	1.7	166,937	32.4	101,001	19.6	16,180	3.1	515,170
	Q3	23,685	4.5	197,511	37.8	13,233	2.5	167,883	32.1	91,743	17.5	29,147	5.6	523,202
	Q4	26,435	3.7	222,244	31.4	17,461	2.5	284,013	40.1	120,469	17.0	37,314	5.3	707,936

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

Year		Compensation of Employees		Intermediate Consumption		Property Income (incl 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
2002	Q1	153,618	34.5	56,188	12.6	43,944	9.9	36,464	8.2	128,293	28.8	27,271	6.1	445,778
	Q2	155,741	31.5	53,011	10.7	38,369	7.8	44,417	9.0	158,264	32.0	44,460	9.0	494,261
	Q3	153,661	34.7	47,009	10.6	42,370	9.6	40,673	9.2	133,085	30.0	26,656	6.0	443,456
	Q4	155,241	33.6	42,230	9.1	28,331	6.1	56,981	12.3	137,138	29.7	41,861	9.1	461,783
2003	Q1	160,349	32.9	65,565	13.5	35,166	7.2	62,726	12.9	128,671	26.4	34,756	7.1	487,234
	Q2	164,490	31.4	57,048	10.9	39,491	7.5	46,959	9.0	170,160	32.5	45,849	8.7	523,997
	Q3	158,682	34.9	46,384	10.2	38,057	8.4	48,528	10.7	129,971	28.6	32,548	7.2	454,170
	Q4	163,723	25.9	51,840	8.2	37,594	6.0	52,155	8.3	151,460	24.0	174,445	27.6	631,218
2004	Q1	165,619	33.1	62,325	12.5	43,132	8.6	39,049	7.8	151,016	30.2	39,372	7.9	500,513
	Q2	161,095	31.2	56,993	11.1	41,295	8.0	42,408	8.2	154,902	30.0	59,081	11.5	515,775
	Q3	163,199	33.0	57,032	11.5	41,384	8.4	52,954	10.7	140,576	28.4	39,561	8.0	494,705
	Q4	168,561	31.4	73,258	13.6	38,630	7.2	33,629	6.3	152,524	28.4	70,099	13.1	536,702
2005	Q1	164,725	32.0	50,486	9.8	32,478	6.3	48,482	9.4	160,424	31.1	58,420	11.3	515,015
	Q2	168,617	29.9	57,132	10.1	57,363	10.2	61,586	10.9	165,433	29.3	54,672	9.7	564,803
	Q3	165,968	32.4	56,766	11.1	40,467	7.9	52,653	10.3	147,791	28.9	48,041	9.4	511,686
	Q4	169,034	30.6	75,844	13.7	47,914	8.7	31,547	5.7	168,512	30.5	59,984	10.9	552,835
2006	Q1	169,602	32.1	61,972	11.7	41,025	7.8	57,677	10.9	158,859	30.0	39,563	7.5	528,699
	Q2	168,862	31.5	65,515	12.2	47,215	8.8	32,396	6.0	171,057	31.9	51,334	9.6	536,377
	Q3	169,641	31.1	68,270	12.5	53,896	9.9	45,030	8.3	161,275	29.6	47,549	8.7	545,661
	Q4	170,318	27.8	98,648	16.1	36,995	6.0	57,368	9.4	174,825	28.6	73,766	12.1	611,919
2007	Q1	172,387	31.1	60,318	10.9	54,000	9.8	48,327	8.7	170,838	30.9	47,676	8.6	553,544
	Q2	176,342	31.6	69,020	12.4	33,031	5.9	45,989	8.2	185,282	33.2	48,817	8.7	558,480
	Q3	178,213	32.3	67,542	12.2	43,316	7.9	40,699	7.4	167,456	30.4	54,351	9.9	551,578
	Q4	176,014	28.2	96,525	15.5	51,997	8.3	50,126	8.0	179,993	28.9	68,627	11.0	623,282

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		Securities other than shares, exc. Financial derivatives			Loans			Total General Government debt	Government Guaranteed debt
		Short-term	Long-term	Total	Short-term	Long-term	Total		
€ million									
2002	Q1	426.8	1,861.3	2,288.1	55.4	195.6	251.0	2,539.1	817.5
	Q2	460.2	1,861.3	2,321.5	56.0	184.1	240.2	2,561.7	730.6
	Q3	448.2	1,876.6	2,324.8	56.7	175.7	232.4	2,557.2	695.3
	Q4	448.6	1,876.5	2,325.1	57.3	187.2	244.6	2,569.6	682.0
2003	Q1	579.4	1,940.4	2,519.8	38.6	188.5	227.1	2,746.9	668.7
	Q2	633.7	1,940.4	2,574.1	40.3	259.6	300.0	2,874.1	645.5
	Q3	584.7	2,040.7	2,625.4	42.2	258.4	300.6	2,926.1	645.3
	Q4	541.1	2,112.9	2,654.0	129.0	256.9	385.9	3,039.9	527.2
2004	Q1	589.3	2,113.6	2,702.9	131.2	248.6	379.7	3,082.6	517.7
	Q2	605.3	2,224.3	2,829.6	129.1	243.8	372.9	3,202.5	609.8
	Q3	588.2	2,287.1	2,875.3	130.0	240.6	370.5	3,245.8	614.6
	Q4	571.5	2,355.8	2,927.3	84.5	237.5	322.0	3,249.3	609.3
2005	Q1	557.4	2,450.0	3,007.4	77.8	229.0	306.9	3,314.3	610.0
	Q2	501.5	2,535.7	3,037.2	80.6	225.8	306.4	3,343.6	604.4
	Q3	406.4	2,613.6	3,020.0	83.6	222.4	306.1	3,326.1	676.0
	Q4	443.1	2,613.6	3,056.7	76.8	221.1	297.8	3,354.5	631.3
2006	Q1	416.9	2,672.6	3,089.6	25.9	268.3	294.2	3,383.8	628.4
	Q2	282.6	2,675.6	2,958.2	26.6	260.6	287.2	3,245.4	558.0
	Q3	357.8	2,640.7	2,998.5	31.3	251.4	282.7	3,281.2	586.9
	Q4	373.8	2,617.4	2,991.2	24.2	237.9	262.1	3,253.3	580.7
2007	Q1	399.9	2,618.0	3,017.9	25.0	234.5	259.5	3,277.3	560.0
	Q2	457.0	2,695.3	3,152.3	25.0	233.9	259.0	3,411.3	603.8
	Q3	368.2	2,695.3	3,063.5	27.0	234.1	261.1	3,324.6	616.3
	Q4	354.9	2,753.3	3,108.3	24.9	234.9	259.9	3,368.1	628.4

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.