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In January, the deficit of the Government's Consolidated Fund amounted to €89.0 million.

Government Finance Data: January 2014

During January, recurrent revenue registered a decline of €20.4 million while expenditure increased by €10.4 million when compared to the corresponding month last year, thereby widening the shortfall between recurrent revenue and total expenditure by €30.8 million.

During the first month this year, recurrent revenue was recorded at €198.1 million, down from €218.5 million last year. The comparative decrease of 9.3 per cent was mainly the result of lower returns from Grants (€32.4 million) as well as Licences, Taxes and Fines (€2.6 million). Conversely, added revenue was registered in Income Tax (€8.2 million) together with Customs and Excise Duties (€5.2 million).

Compared to January last year, higher spending was registered in recurrent and capital expenditures, resulting in an increase in total expenditure of €10.4 million.

Recurrent expenditure went up by €9.2 million, totalling €231.6 million. As shown in Table 3, higher outlays were mainly registered in Contribution to Government Entities (€4.6 million), Personal Emoluments (€4.0 million) as well as Operational and Maintenance Expenditure (€2.3 million). Conversely, Programmes and Initiatives went down by €1.7 million, mainly due to lower social security benefits (€23.2 million). These were partially outweighed by added expenditure on medicines and surgical materials (€11.9 million) and the feed-in tariff (€5.0 million), among others.

As shown in Table 1, the interest component of the public debt servicing costs for the period under review declined to €17.8 million from €18.3 million last year.

In addition, Government's Capital Expenditure for January stood at €37.7 million compared to €36.0 million last year. Major increases were registered in the integrated health information system (€1.8 million) and in PC leasing (€1.2 million). These additions were partially offset by a lower equity injection to the national air carrier in January this year.

As illustrated in Table 2, at the end of January, Central Government debt stood at €5,017.1 million, up by €251.7 million over the corresponding period last year. This increase was the result of higher long-term and short-term borrowing, which added €259.2 million and €15.3 million respectively. On the other hand, foreign borrowing went down by €11.0 million. As a result of consolidation, higher holdings by government funds in MGSs resulted in a reduction in debt of €16.6 million. The euro coins issued in the name of the Maltese Treasury went up by €4.7 million when compared to the coin stock as at the end of January 2013, and totalled €54.9 million ■

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Table 1. Government Finance Data

Description	January 2012	January 2013	January 2014	Jan 2014 / Jan 2013	
				Absolute Change	% change
				€000	
Recurrent Revenue	157,551	218,513	198,128	-20,386	-9.3
<i>of which:</i>					
Grants	0	33,983	1,533	-32,450	
Customs and Excise	9,851	10,069	15,287	5,218	
Value Added Tax	36,258	39,528	40,069	541	
Income Tax	42,673	60,243	68,466	8,223	
Social Security	27,108	34,957	35,174	217	
Others	41,660	39,734	37,598	-2,135	
Total Expenditure	286,872	276,654	287,089	10,435	3.8
<i>consisting of:</i>					
Recurrent Expenditure	231,742	222,401	231,581	9,181	4.1
<i>of which:</i>					
Education	12,289	11,569	15,209	3,640	
Social Security (benefits)	102,319	94,313	71,137	-23,175	
Others	117,135	116,518	145,235	28,717	
Interest Payments	18,445	18,253	17,826	-427	-2.3
Capital Expenditure	36,685	36,000	37,681	1,681	4.7
<i>of which:</i>					
Productive Investment	22,550	24,256	18,467	-5,790	
Infrastructure	10,149	7,818	15,905	8,087	
Social	3,986	3,926	3,310	-616	
Balance of recurrent revenue and total expenditure	-129,321	-58,141	-88,961	-30,820	53.0
Financial Transactions					
<i>consisting of:</i>					
<i>Revenue</i>					
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	0	0	0	0	
Equity Acquisition	0	0	0	0	
Repayment of Loan	0	0	0	0	
Loans	0	0	0	0	

Table 2. Government Debt

Description	January 2012	January 2013	January 2014	Jan 2014 / Jan 2013	
				Absolute Change	% change
€000					
Gross Government Debt	4,442,635	4,765,460	5,017,128	251,668	5.3
<i>of which:</i>					
Treasury Bills	216,666	270,349	285,667	15,318	
Government Stock	4,054,171	4,351,639	4,610,859	259,220	
Foreign Loans Outstanding	74,437	61,942	50,965	-10,976	
Other debt assumptions	0	0	0	0	
Domestic Loans with Commercial Banks	56,379	56,379	56,379	0	
MGSF investments in Government Debt	-4,341	-25,055	-41,645	-16,590	
Euro Coins issued in the name of the Treasury	45,324	50,207	54,903	4,696	

Table 3. Revenue / Expenditure Categories

Description	January 2012	January 2013	January 2014	Jan 2014 / Jan 2013	
				Absolute Change	% change
€000					
Revenue					
Customs and Excise Duties	9,851	10,069	15,287	5,218	
Licences, Taxes and Fines	23,213	24,297	21,683	-2,614	
Income Tax	42,673	60,243	68,466	8,223	
Value Added Tax	36,258	39,528	40,069	541	
Fees of Office	2,676	1,787	1,662	-124	
Reimbursements	893	1,185	1,619	434	
Public Corporations	0	0	0	0	
Central Bank of Malta	10,000	10,000	10,000	0	
Rents	2,519	1,004	2,051	1,047	
Dividends on Investment	0	0	0	0	
Repayment of and Interest on loans	2	86	2	-84	
Social Security	27,108	34,957	35,174	217	
Grants	0	33,983	1,533	-32,450	
Miscellaneous Receipts	2,356	1,375	581	-794	
Total Recurrent Revenue	157,551	218,513	198,128	-20,386	-9.3
Receipts from Sale of Shares	0	0	0	0	
Other extraordinary receipts	0	0	0	0	
Loans	0	0	0	0	
Total Non-Recurrent Revenue	0	0	0	0	
Total Revenue	157,551	218,513	198,128	-20,386	-9.3
Recurrent Expenditure					
Personal Emoluments	44,920	46,747	50,710	3,963	
Operational and Maintenance Expenditure	14,189	8,581	10,849	2,268	
Programmes and Initiatives	159,694	158,198	156,499	-1,699	
Contribution to Government Entities	12,938	8,874	13,523	4,649	
Total Recurrent Expenditure	231,742	222,401	231,581	9,181	4.1

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 → The Consolidated Fund, the transactions of which are Servicing 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 of which are initially defrayable out of public funds and are eventually repayable from the Consolidated Fund or other sources.

2. This news release follows 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 Tables 1 and 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, is 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.
3. 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 being considered as a currency liability pertaining to the Central Government.
4. 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.
5. In this release Revenue and Expenditure categories are recorded in accordance with their presentation in the 2014 Financial Estimates.
6. Totals may not add up due to rounding.
7. Government Finance data for December 2013 will be published on 28 March 2014.
8. Further detail, including time series data, is accessible through the online statistical database: http://www.nso.gov.mt/statbase/data_table_catalogue.aspx. Registration for accessing the StatDB is required; however this is free-of-charge.