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In the period January-February 2014, the deficit of the Government's Consolidated Fund amounted to €74.5 million.

Government Finance Data: January-February 2014

During the first two months, recurrent revenue increased by €45.8 million while expenditure went up by €16.4 million, when compared to the corresponding period last year, thereby narrowing the shortfall between recurrent revenue and total expenditure by €29.4 million.

During these two months, recurrent revenue was recorded at €482.8 million, up by 10.5 per cent over last year. The main contributors to this increase were Income Tax (€35.4 million), Value Added Tax (€29.9 million), Social Security (€6.1 million) and Customs and Excise Duties (€4.8 million). Conversely, Grants registered a decline of €28.4 million.

Compared to January-February last year, higher spending was registered in recurrent expenditure, which was only partially offset by lower outlays on capital projects, resulting in an increase in total expenditure of €16.4 million.

Recurrent expenditure increased by €27.2 million, mainly as a result of higher spending on Contributions to Government Entities (€9.9 million), Operational and Maintenance Expenditure (€7.4 million), Programmes and Initiatives (€5.3 million) as well as Personal Emoluments (€4.7 million). The major increases registered in the Programmes and Initiatives category were recorded in medicines and surgical materials (€8.5 million), the assistance to help the elderly live independently (€7.6 million), feed-in tariff (€5.0 million) and eco-reduction (€3.4 million), among others. These increases were partially offset by a decline in social security benefits of €27.0 million (Table 4).

As shown in Table 1, the interest component of the public debt servicing costs for the period under review edged up to €36.4 million, from €36.2 million last year.

Expenditure on Government's capital projects amounted to €61.7 million. The drop of €11.1 million over the corresponding period last year was mainly the result of a lower equity injection to the national air carrier.

As illustrated in Table 3, at the end of February, Central Government debt stood at €5,095.0 million, up by €313.1 million over the corresponding period last year. This was the result of higher long-term and short-term borrowing, which added €266.5 million and €69.5 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 brought about a decline in debt of €16.6 million. The euro coins issued in the name of the Treasury went up by €4.7 million when compared to the coin stock as at the end of February 2013, and totalled €54.8 million ■

Compiled by:

Unit A2: Public Finance

**Directorate A: Economic
Statistics**

Further information on data:

Mr Mark GALEA

T. +356 2599 7240

E. mark.b.galea@gov.mt

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Issued by: **External Cooperation and Communication Unit, National Statistics Office, Lascaris, Valletta VLT 2000, Malta.**

T. +356 2599 7219 F. +356 2599 7205 E. nso@gov.mt

Table 1. Government finance data: year-to-date

Description	Jan-Feb 2012	Jan-Feb 2013	Jan-Feb 2014	Jan-Feb 2014/ Jan-Feb 2013	
				Absolute Change	% change
€000					
Recurrent Revenue	362,605	436,970	482,795	45,825	10.5
<i>of which:</i>					
Grants	1,999	49,485	21,109	-28,376	
Customs and Excise	18,690	19,388	24,145	4,756	
Value added Tax	108,653	95,564	125,437	29,873	
Income Tax	78,993	108,724	144,154	35,429	
Social Security	76,981	87,980	94,077	6,096	
Others	77,288	75,828	73,873	-1,955	
Total Expenditure	513,300	540,921	557,297	16,376	3.0
<i>consisting of:</i>					
Recurrent Expenditure	420,142	432,000	459,248	27,248	6.3
<i>of which:</i>					
Education	23,637	24,831	29,259	4,428	
Social Security (benefits)	154,748	156,058	129,091	-26,967	
Others	241,757	251,111	300,899	49,788	
Interest Payments	35,907	36,188	36,385	197	0.5
Capital Expenditure	57,251	72,732	61,663	-11,069	-15.2
<i>of which:</i>					
Productive Investment	27,264	38,258	22,271	-15,987	
Infrastructure	21,820	27,871	32,581	4,710	
Social	8,167	6,603	6,811	208	
Balance of recurrent revenue and total expenditure	-150,696	-103,951	-74,502	29,449	-28.3
Financial Transactions					
<i>consisting of:</i>					
<i>Revenue</i>					
Loans	274,703	0	0	0	
Repayment of Loans	0	0	0	0	
Receipts from Sale of Shares	0	0	0	0	
Other extraordinary receipts			0	0	
<i>Expenditure</i>	0	0			
Contribution to Sinking Fund	0	0	0	0	
Equity Acquisition	0	0	0	0	
Repayment of Loan	0	7,250	0	-7,250	
Loans	0	0	0	0	

Table 2. Government finance data: monthly

Description	February 2012	February 2013	February 2014	Feb 2014/Feb 2013	
				Absolute Change	% change
	€000				
Recurrent Revenue	205,054	218,457	284,667	66,210	30.3
<i>of which:</i>					
Grants	1,999	15,502	19,576	4,074	
Customs and Excise	8,839	9,320	8,858	-462	
Value added Tax	72,395	56,036	85,368	29,332	
Income Tax	36,320	48,482	75,688	27,206	
Social Security	49,873	53,023	58,903	5,880	
Others	35,628	36,094	36,275	181	
Total Expenditure	226,428	264,267	270,208	5,941	2.2
<i>consisting of:</i>					
Recurrent Expenditure	188,401	209,599	227,667	18,068	8.6
<i>of which:</i>					
Education	11,348	13,262	14,050	788	
Social Security (benefits)	52,430	61,745	57,954	-3,792	
Others	124,622	134,592	155,664	21,071	
Interest Payments	17,462	17,935	18,560	624	3.5
Capital Expenditure	20,566	36,732	23,981	-12,751	-34.7
<i>of which:</i>					
Productive Investment	4,713	14,002	3,805	-10,197	
Infrastructure	11,671	20,053	16,676	-3,377	
Social	4,181	2,677	3,501	824	
Balance of recurrent revenue and total expenditure	-21,375	-45,810	14,459	60,269	-131.6
Financial Transactions					
<i>consisting of:</i>					
<i>Revenue</i>					
Loans	274,703	0	0	0	
Repayment of Loans	0	0	0	0	
Receipts from Sale of Shares	0	0	0	0	
Other extraordinary receipts	0		0	0	
<i>Expenditure</i>	0	0			
Contribution to Sinking Fund	0	0	0	0	
Equity Acquisition	0	0	0	0	
Repayment of Loan	0	7,250	0	-7,250	
Loans	0	0	0	0	

Table 3. Government debt

Description	February 2012	February 2013	February 2014	Feb 2014/Feb 2013	
				Absolute Change	% change
				€000	
Gross Government Debt	4,699,143	4,781,983	5,095,033	313,050	6.5
<i>of which:</i>					
Treasury Bills	198,807	294,149	363,667	69,518	
Government Stock	4,328,874	4,344,389	4,610,859	266,470	
Foreign Loans Outstanding	74,404	61,962	50,955	-11,007	
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	45,020	50,160	54,818	4,658	

Source: Central Bank of Malta

Table 4. Revenue/Expenditure categories: year-to-date

Description	Jan-Feb 2012	Jan-Feb 2013	Jan-Feb 2014	Jan-Feb 2014/ Jan-Feb 2013	
				Absolute Change	% change
				€000	
Revenue					
Customs and Excise Duties	18,690	19,388	24,145	4,756	
Licences, Taxes and Fines	40,258	40,182	39,540	-642	
Income Tax	78,993	108,724	144,154	35,429	
Value added Tax	108,653	95,564	125,437	29,873	
Fees of Office	5,581	4,467	5,479	1,012	
Reimbursements	1,412	3,918	2,568	-1,349	
Public Corporations	0	0	0	0	
Central Bank of Malta	20,000	20,000	20,000	0	
Rents	4,126	3,530	3,687	157	
Dividends on Investment	0	520	0	-520	
Repayment of and Interest on loans	4	87	2	-85	
Social Security	76,981	87,980	94,077	6,096	
Grants	1,999	49,485	21,109	-28,376	
Miscellaneous Receipts	5,907	3,125	2,597	-527	
Total Recurrent Revenue	362,605	436,970	482,795	45,825	10.5
Receipts from Sale of Shares	0	0	0	0	
Other extraordinary receipts	0	0	0	0	
Loans	274,703	0	0	0	
Repayment of Loans	0	0	0	0	
Total Non-recurrent Revenue	274,703	0	0	0	
Total Revenue	637,308	436,970	482,795	45,825	10.5
Recurrent Expenditure					
Personal Emoluments	89,188	95,993	100,660	4,668	
Operational and Maintenance Expenditure	22,846	19,989	27,369	7,380	
Programmes and Initiatives	270,318	282,241	287,549	5,308	
Contributions to Government Entities	37,790	33,777	43,670	9,893	
Total Recurrent Expenditure	420,142	432,000	459,248	27,248	6.3

Table 5. Revenue/Expenditure categories: monthly

Description	February 2012	February 2013	February 2014	Feb 2014/Feb 2013	
				Absolute Change	% change
				€000	
Revenue					
Customs and Excise Duties	8,839	9,320	8,858	-462	
Licences, Taxes and Fines	17,045	15,885	17,857	1,972	
Income Tax	36,320	48,482	75,688	27,206	
Value added Tax	72,395	56,036	85,368	29,332	
Fees of Office	2,904	2,680	3,816	1,136	
Reimbursements	519	2,732	950	-1,783	
Public Corporations	0	0	0	0	
Central Bank of Malta	10,000	10,000	10,000	0	
Rents	1,607	2,526	1,636	-890	
Dividends on Investment	0	520	0	-520	
Repayment of and Interest on loans	2	1	0	-1	
Social Security	49,873	53,023	58,903	5,880	
Grants	1,999	15,502	19,576	4,074	
Miscellaneous Receipts	3,550	1,749	2,016	266	
Total Recurrent Revenue	205,054	218,457	284,667	66,210	30.3
Receipts from Sale of Shares	0	0	0	0	
Other extraordinary receipts	0	0	0	0	
Loans	274,703	0	0	0	
Repayment of Loans	0	0	0	0	
Total Non-recurrent Revenue	274,703	0	0	0	
Total Revenue	479,757	218,457	284,667	66,210	30.3
Recurrent Expenditure					
Personal Emoluments	44,268	49,246	49,951	705	
Operational and Maintenance Expenditure	8,658	11,408	16,520	5,112	
Programmes and Initiatives	110,623	124,043	131,050	7,007	
Contributions to Government Entities	24,852	24,903	30,147	5,244	
Total Recurrent Expenditure	188,401	209,599	227,667	18,068	8.6

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 (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. 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.