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In 2013, the deficit of the Government's Consolidated Fund amounted to €263.2 million.

## Government Finance Data: January-December 2013

During 2013, recurrent revenue registered an increase of €276.4 million, outweighing the added expenditure of €177.3 million, consequently narrowing the government deficit by €99.1 million.

During 2013, recurrent revenue stood at €2,992.1 million, up by 10.2 per cent over the previous year. The main contributors to this increase were Income Tax (€101.7 million), Grants (€80.9 million), Value Added Tax (€53.0 million), Social Security (€35.6 million) and Customs and Excise Duties (€22.6 million). Conversely, Miscellaneous Receipts registered a decline of €26.2 million.

Compared to 2012, higher spending was registered in recurrent and capital expenditures, resulting in an increase in total expenditure of €177.3 million.

Recurrent expenditure went up by €144.2 million, primarily as a result of higher spending on Programmes and Initiatives (€81.7 million) and on Personal Emoluments (€41.2 million). The Programmes and Initiatives category advanced by 5.3 per cent, primarily as a result of higher social security benefits by €31.9 million. In addition, EU own resources rose by €19.7 million, while the social security state contribution, which also features as revenue, went up by €11.3 million. Increases were also registered in medicines and surgical materials (€5.3 million) and in expenditure on the Electoral Commission (€3.2 million). Moreover, Operational and Maintenance Expenditure added €12.0 million, while Contributions to Government Entities went up by €9.3 million (Table 4).

As shown in Table 1, the interest component of the public debt servicing costs for the period under review rose by €2.1 million to €227.9 million.

Expenditure on Government's capital projects amounted to €394.7 million. The increase of €30.9 million includes an equity injection of €40.0 million to the national air carrier, compared to €20.0 million in 2012. Conversely, contribution towards the treasury clearance fund and the ICT core services agreement went down by €4.0 million and €3.1 million respectively.

As illustrated in Table 3, at the end of December, Central Government debt stood at €4,980.0 million, up by €330.4 million over 2012. This was the result of higher long-term and short-term borrowing, which added €259.2 million and €94.0 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 €4.8 million when compared to the coin stock as at the end of December 2012, and totalled €55.3 million ■

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

Description	Jan-Dec 2011	Jan-Dec 2012	Jan-Dec 2013	Dec 2013/Dec 2012	
				Absolute Change	% change
				€000	
<b>Recurrent Revenue</b>	<b>2,643,831</b>	<b>2,715,732</b>	<b>2,992,104</b>	<b>276,373</b>	<b>10.2</b>
<i>of which:</i>					
Grants	121,122	92,859	173,717	80,858	
Customs and Excise	208,181	155,790	178,401	22,611	
Value added Tax	525,061	534,197	587,171	52,974	
Income Tax	776,109	865,927	967,648	101,721	
Social Security	585,591	609,690	645,295	35,605	
Others	427,767	457,269	439,873	-17,396	
<b>Total Expenditure</b>	<b>2,862,441</b>	<b>3,078,008</b>	<b>3,255,263</b>	<b>177,256</b>	<b>5.8</b>
<i>consisting of:</i>					
Recurrent Expenditure	2,361,285	2,488,423	2,632,649	144,226	5.8
<i>of which:</i>					
Education	147,803	157,046	182,784	25,739	
Social Security (benefits)	727,995	782,559	814,457	31,898	
Others	1,485,487	1,548,817	1,635,407	86,590	
Interest Payments	212,462	225,808	227,905	2,097	0.9
Capital Expenditure	288,695	363,777	394,710	30,932	8.5
<i>of which:</i>					
Productive Investment	49,080	84,799	94,700	9,900	
Infrastructure	189,076	220,240	244,775	24,536	
Social	50,539	58,738	55,234	-3,504	
<b>Balance of recurrent revenue and total expenditure</b>	<b>-218,610</b>	<b>-362,276</b>	<b>-263,159</b>	<b>99,117</b>	<b>-27.4</b>
<b>Financial Transactions</b>					
<i>consisting of:</i>					
<i>Revenue</i>					
Loans	567,798	645,652	627,084	-18,569	
Repayment of Loans	0	52,000	30	-51,970	
Receipts from Sale of Shares	0	0	0	0	
Other extraordinary receipts	9,622	28,425	28,380	-45	
<i>Expenditure</i>					
Contribution to Sinking Fund	13,502	11,573	10,524	-1,049	
Equity Acquisition	6,000	33,392	26,510	-6,882	
Repayment of Loan	128,438	349,757	370,283	20,527	
Loans	82,842	52,000	0	-52,000	

Table 2. Government finance data: monthly

Description	December 2011	December 2012	December 2013	Dec 2013/Dec 2012	
				Absolute Change	% change
				€000	
<b>Recurrent Revenue</b>	<b>409,804</b>	<b>349,683</b>	<b>427,247</b>	<b>77,564</b>	<b>22.2</b>
<i>of which:</i>					
Grants	59,851	17,560	33,549	15,990	
Customs and Excise	28,847	10,638	11,209	572	
Value added Tax	34,012	32,397	36,112	3,715	
Income Tax	155,425	147,247	163,936	16,689	
Social Security	91,559	95,751	102,154	6,403	
Others	40,111	46,091	80,286	34,195	
<b>Total Expenditure</b>	<b>350,170</b>	<b>369,936</b>	<b>383,180</b>	<b>13,245</b>	<b>3.6</b>
<i>consisting of:</i>					
Recurrent Expenditure	290,965	290,404	307,154	16,750	5.8
<i>of which:</i>					
Education	22,284	24,978	29,482	4,504	
Social Security (benefits)	56,491	68,439	58,719	-9,719	
Others	212,190	196,988	218,952	21,964	
Interest Payments	19,717	20,977	20,537	-440	-2.1
Capital Expenditure	39,488	58,554	55,489	-3,065	-5.2
<i>of which:</i>					
Productive Investment	1,793	8,314	8,146	-169	
Infrastructure	30,773	37,031	42,855	5,824	
Social	6,922	13,209	4,489	-8,720	
<b>Balance of recurrent revenue and total expenditure</b>	<b>59,633</b>	<b>-20,252</b>	<b>44,067</b>	<b>64,319</b>	<b>-317.6</b>
<b>Financial Transactions</b>					
<i>consisting of:</i>					
<i>Revenue</i>					
Loans	-1,800	-4,917	-2,218	2,699	
Repayment of 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	6,611	5,787	4,863	-923	
Equity Acquisition	6,000	-1,000	1,000	2,000	
Repayment of Loan	320	451	89	-362	
Loans	5,723	0	0	0	

Table 3. Government debt

Description	December 2011	December 2012	December 2013	Dec 2013/Dec 2012	
				Absolute Change	% change
				€000	
<b>Gross Government Debt</b>	<b>4,484,524</b>	<b>4,649,511</b>	<b>4,979,953</b>	<b>330,442</b>	<b>7.1</b>
<i>of which:</i>					
Treasury Bills	257,898	154,133	248,117	93,984	
Government Stock	4,054,171	4,351,639	4,610,859	259,220	
Foreign Loans Outstanding	74,581	61,970	50,964	-11,006	
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	45,836	50,446	55,279	4,833	

Source: Central Bank of Malta

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

Description	Jan-Dec 2011	Jan-Dec 2012	Jan-Dec 2013	Dec 2013/Dec 2012	
				Absolute Change	% change
				€000	
<b>Revenue</b>					
Customs and Excise Duties	208,181	155,790	178,401	22,611	
Licences, Taxes and Fines	228,409	227,362	223,992	-3,370	
Income Tax	776,109	865,927	967,648	101,721	
Value added Tax	525,061	534,197	587,171	52,974	
Fees of Office	36,316	32,625	38,329	5,704	
Reimbursements	31,959	26,198	30,201	4,004	
Public Corporations	815	815	815	0	
Central Bank of Malta	48,000	46,000	48,000	2,000	
Rents	26,265	23,601	25,073	1,471	
Dividends on Investment	16,847	22,357	25,496	3,139	
Repayment of and Interest on loans	1,708	6,527	2,362	-4,165	
Social Security	585,591	609,690	645,295	35,605	
Grants	121,122	92,859	173,717	80,858	
Miscellaneous Receipts	37,448	71,784	45,605	-26,178	
<b>Total Recurrent Revenue</b>	<b>2,643,831</b>	<b>2,715,732</b>	<b>2,992,104</b>	<b>276,373</b>	<b>10.2</b>
Receipts from Sale of Shares	0	0	0	0	
Other extraordinary receipts	9,622	28,425	28,380	-45	
Loans	567,798	645,652	627,084	-18,569	
Repayment of Loans	0	52,000	30	-51,970	
<b>Total Non-recurrent Revenue</b>	<b>577,420</b>	<b>726,077</b>	<b>655,494</b>	<b>-70,584</b>	
<b>Total Revenue</b>	<b>3,221,251</b>	<b>3,441,809</b>	<b>3,647,598</b>	<b>205,789</b>	<b>6.0</b>
<b>Recurrent Expenditure</b>					
Personal Emoluments	585,816	612,478	653,703	41,224	
Operational and Maintenance Expenditure	109,496	115,578	127,578	12,000	
Programmes and Initiatives	1,446,007	1,539,142	1,620,833	81,691	
Contributions to Government Entities	219,966	221,224	230,534	9,310	
<b>Total Recurrent Expenditure</b>	<b>2,361,285</b>	<b>2,488,423</b>	<b>2,632,649</b>	<b>144,226</b>	<b>5.8</b>

Table 5. Revenue/Expenditure categories: monthly

Description	December 2011	December 2012	December 2013	Dec 2013/Dec 2012	
				Absolute Change	% change
				€000	
<b>Revenue</b>					
Customs and Excise Duties	28,847	10,638	11,209	572	
Licences, Taxes and Fines	18,162	16,073	21,139	5,066	
Income Tax	155,425	147,247	163,936	16,689	
Value added Tax	34,012	32,397	36,112	3,715	
Fees of Office	2,806	2,340	6,433	4,093	
Reimbursements	5,271	2,251	9,175	6,924	
Public Corporations	815	815	815	0	
Central Bank of Malta	0	4,000	0	-4,000	
Rents	2,202	1,895	4,222	2,327	
Dividends on Investment	6,149	7,056	14,538	7,482	
Repayment of and Interest on loans	534	47	0	-47	
Social Security	91,559	95,751	102,154	6,403	
Grants	59,851	17,560	33,549	15,990	
Miscellaneous Receipts	4,172	11,615	23,964	12,349	
<b>Total Recurrent Revenue</b>	<b>409,804</b>	<b>349,683</b>	<b>427,247</b>	<b>77,564</b>	<b>22.2</b>
Receipts from Sale of Shares	0	0	0	0	
Other extraordinary receipts	0	0	0	0	
Loans	-1,800	-4,917	-2,218	2,699	
Repayment of Loans	0	0	0	0	
<b>Total Non-recurrent Revenue</b>	<b>-1,800</b>	<b>-4,917</b>	<b>-2,218</b>	<b>2,699</b>	
<b>Total Revenue</b>	<b>408,004</b>	<b>344,766</b>	<b>425,029</b>	<b>80,263</b>	<b>23.3</b>
<b>Recurrent Expenditure</b>					
Personal Emoluments	93,144	101,702	110,625	8,922	
Operational and Maintenance Expenditure	10,763	10,929	16,093	5,164	
Programmes and Initiatives	145,924	149,317	153,133	3,816	
Contributions to Government Entities	41,135	28,456	27,304	-1,152	
<b>Total Recurrent Expenditure</b>	<b>290,965</b>	<b>290,404</b>	<b>307,154</b>	<b>16,750</b>	<b>5.8</b>

## 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 2013 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](http://www.nso.gov.mt/statbase/data_table_catalogue.aspx). Registration for accessing the StatDB is required; however this is free-of-charge.