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In the first quarter, the deficit of the Government's Consolidated Fund amounted to €225.6 million.

Government Finance Data: January-March 2014

During the first three months this year, recurrent revenue registered an increase of €41.3 million while expenditure went up by €99.4 million when compared to the corresponding period last year, widening the shortfall between recurrent revenue and total expenditure by €58.1 million.

During the period under review, recurrent revenue was recorded at €637.8 million, up by 6.9 per cent over last year. The main contributors to this increase were Income Tax (€34.7 million), Value Added Tax (€24.3 million) and Social Security (€10.6 million). Conversely, Grants registered a decline of €31.0 million.

Compared to January-March last year, higher spending was registered in recurrent expenditure and interest payments, which was partially offset by lower outlays on capital projects.

Recurrent expenditure increased by €104.4 million, mainly as a result of higher spending on Programmes and Initiatives (€57.7 million) and Contributions to Government Entities (€23.7 million). The major increases registered in the Programmes and Initiatives category were recorded in medicines and surgical materials (€13.7 million), EU Own Resources (€9.0 million), assistance to help the elderly live independently (€7.6 million), the feed-in tariff (€5.0 million) and social security benefits (€4.5 million). Moreover, Operational and Maintenance Expenditure and Personal Emoluments went up by €11.7 million and €11.2 million respectively (Table 4).

The interest component of the public debt servicing costs for the period under review rose to €53.8 million from €51.4 million last year (Table 1).

Expenditure on Government's capital projects amounted to €96.7 million. The reduction of €7.4 million over the corresponding period last year was mainly the result of a lower equity injection to the national air carrier (€24.0 million), which was partially outweighed by a higher contribution towards the treasury clearance fund (€14.7 million).

At the end of March, Central Government debt stood at €5,235.9 million, up by €291.2 million over the corresponding period last year. This was the result of higher long-term and short-term borrowing, which added €202.3 million and €78.6 million respectively. On the other hand, foreign borrowing went down by €11.0 million. As a result of consolidation, lower holdings by government funds in MGSs brought about an increase in debt of €17.1 million. The euro coins issued in the name of the Maltese Treasury went up by €4.2 million when compared to the coin stock as at the end of March 2013, and totalled €55.0 million (Table 3) ■

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

Description	Jan-Mar 2012	Jan-Mar 2013	Jan-Mar 2014	Jan-Mar 2014/ Jan-Mar 2013	
				Absolute Change	% change
	€000				
Recurrent Revenue	522,882	596,543	637,797	41,254	6.9
<i>of which:</i>					
Grants	4,221	52,328	21,299	-31,029	
Customs and Excise	30,432	29,138	32,966	3,828	
Value added Tax	134,541	123,683	148,024	24,341	
Income Tax	112,179	148,247	182,947	34,700	
Social Security	122,848	131,890	142,469	10,579	
Others	118,660	111,257	110,091	-1,165	
Total Expenditure	747,435	764,008	863,370	99,362	13.0
<i>consisting of:</i>					
Recurrent Expenditure	618,617	608,486	712,872	104,386	17.2
<i>of which:</i>					
Education	37,357	38,112	46,239	8,127	
Social Security (benefits)	206,873	201,808	206,292	4,484	
Others	374,387	368,566	460,341	91,776	
Interest Payments	53,456	51,395	53,804	2,408	4.7
Capital Expenditure	75,363	104,126	96,694	-7,432	-7.1
<i>of which:</i>					
Productive Investment	31,358	50,365	38,425	-11,941	
Infrastructure	34,769	44,517	49,148	4,632	
Social	9,236	9,244	9,121	-123	
Balance of recurrent revenue and total expenditure	-224,553	-167,465	-225,573	-58,108	34.7
Financial Transactions					
<i>consisting of:</i>					
<i>Revenue</i>					
Loans	274,703	199,621	159,922	-39,700	
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>	0	0			
Contribution to Sinking Fund	0	0	25,000	25,000	
Equity Acquisition	0	0	1,059	1,059	
Repayment of Loan	0	7,250	24,459	17,209	
Loans	0	0	0	0	

Table 2. Government finance data: monthly

Description	March 2012	March 2013	March 2014	Mar 2014/Mar 2013	
				Absolute Change	% change
				€000	
Recurrent Revenue	160,278	159,573	155,002	-4,571	-2.9
<i>of which:</i>					
Grants	2,222	2,842	190	-2,653	
Customs and Excise	11,742	9,749	8,821	-928	
Value added Tax	25,888	28,120	22,587	-5,532	
Income Tax	33,186	39,523	38,794	-729	
Social Security	45,868	43,910	48,393	4,483	
Others	41,371	35,429	36,218	789	
Total Expenditure	234,135	223,087	306,073	82,986	37.2
<i>consisting of:</i>					
Recurrent Expenditure	198,475	176,486	253,623	77,138	43.7
<i>of which:</i>					
Education	13,720	13,281	16,980	3,699	
Social Security (benefits)	52,125	45,749	77,201	31,451	
Others	132,630	117,455	159,443	41,988	
Interest Payments	17,548	15,207	17,418	2,211	14.5
Capital Expenditure	18,112	31,394	35,031	3,637	11.6
<i>of which:</i>					
Productive Investment	4,095	12,107	16,154	4,046	
Infrastructure	12,949	16,645	16,567	-78	
Social	1,069	2,641	2,311	-331	
Balance of recurrent revenue and total expenditure	-73,857	-63,514	-151,071	-87,557	137.9
Financial Transactions					
<i>consisting of:</i>					
<i>Revenue</i>					
Loans	0	199,621	159,922	-39,700	
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	0	0	25,000	25,000	
Equity Acquisition	0	0	1,059	1,059	
Repayment of Loan	0	0	24,459	24,459	
Loans	0	0	0	0	

Table 3. Government debt

Description	March 2012	March 2013	March 2014	Mar 2014/Mar 2013	
				Absolute Change	% change
				€000	
Gross Government Debt	4,669,561	4,944,686	5,235,916	291,230	5.9
<i>of which:</i>					
Treasury Bills	217,107	288,599	367,200	78,601	
Government Stock	4,328,874	4,544,011	4,746,322	202,311	
Foreign Loans Outstanding	74,347	61,925	50,949	-10,976	
Domestic Loans with Commercial Banks	56,379	56,379	56,379	0	
MGSF investments in Government Debt	-52,341	-57,055	-39,983	17,073	
Euro Coins issued in the name of the Treasury	45,195	50,828	55,049	4,221	

Source: Central Bank of Malta

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

Description	Jan-Mar 2012	Jan-Mar 2013	Jan-Mar 2014	Jan-Mar 2014/ Jan-Mar 2013	
				Absolute Change	% change
				€000	
Revenue					
Customs and Excise Duties	30,432	29,138	32,966	3,828	
Licences, Taxes and Fines	60,381	55,923	57,419	1,496	
Income Tax	112,179	148,247	182,947	34,700	
Value added Tax	134,541	123,683	148,024	24,341	
Fees of Office	8,091	7,618	7,391	-226	
Reimbursements	4,356	5,835	5,250	-585	
Public Corporations	0	0	0	0	
Central Bank of Malta	30,000	30,000	30,000	0	
Rents	5,277	4,273	5,260	987	
Dividends on Investment	3,000	520	0	-520	
Repayment of and Interest on loans	564	293	6	-287	
Social Security	122,848	131,890	142,469	10,579	
Grants	4,221	52,328	21,299	-31,029	
Miscellaneous Receipts	6,992	6,794	4,765	-2,030	
Total Recurrent Revenue	522,882	596,543	637,797	41,254	6.9
Receipts from Sale of Shares	0	0	0	0	
Other extraordinary receipts	0	0	0	0	
Loans	274,703	199,621	159,922	-39,700	
Repayment of Loans	0	0	0	0	
Total Non-recurrent Revenue	274,703	199,621	159,922	-39,700	
Total Revenue	797,586	796,164	797,718	1,554	0.2
Recurrent Expenditure					
Personal Emoluments	138,519	146,759	157,990	11,230	
Operational and Maintenance Expenditure	32,766	26,859	38,592	11,733	
Programmes and Initiatives	392,477	386,028	443,749	57,721	
Contributions to Government Entities	54,855	48,840	72,541	23,702	
Total Recurrent Expenditure	618,617	608,486	712,872	104,386	17.2

Table 5. Revenue/Expenditure categories: monthly

Description	March 2012	March 2013	March 2014	Mar 2014/Mar 2013	
				Absolute Change	% change
				€000	
Revenue					
Customs and Excise Duties	11,742	9,749	8,821	-928	
Licences, Taxes and Fines	20,123	15,741	17,879	2,138	
Income Tax	33,186	39,523	38,794	-729	
Value added Tax	25,888	28,120	22,587	-5,532	
Fees of Office	2,510	3,151	1,913	-1,238	
Reimbursements	2,943	1,918	2,682	764	
Public Corporations	0	0	0	0	
Central Bank of Malta	10,000	10,000	10,000	0	
Rents	1,151	743	1,573	830	
Dividends on Investment	3,000	0	0	0	
Repayment of and Interest on loans	559	207	5	-202	
Social Security	45,868	43,910	48,393	4,483	
Grants	2,222	2,842	190	-2,653	
Miscellaneous Receipts	1,086	3,670	2,168	-1,502	
Total Recurrent Revenue	160,278	159,573	155,002	-4,571	-2.9
Receipts from Sale of Shares	0	0	0	0	
Other extraordinary receipts	0	0	0	0	
Loans	0	199,621	159,922	-39,700	
Repayment of Loans	0	0	0	0	
Total Non-recurrent Revenue	0	199,621	159,922	-39,700	
Total Revenue	160,278	359,194	314,924	-44,271	-12.3
Recurrent Expenditure					
Personal Emoluments	49,331	50,767	57,329	6,563	
Operational and Maintenance Expenditure	9,919	6,870	11,222	4,353	
Programmes and Initiatives	122,159	103,787	156,201	52,414	
Contributions to Government Entities	17,065	15,063	28,871	13,809	
Total Recurrent Expenditure	198,474	176,486	253,623	77,138	43.7

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 Extra → Central Bank of Malta and the Treasury. Budgetary Units and Local Councils)

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.