

30 May 2014 | 1100 hrs | 102/2014

In the first four months this year, the deficit of the Government's Consolidated Fund amounted to €238.2 million.

Government Finance Data: January-April 2014

During the first four months, recurrent revenue registered an increase of €53.3 million while expenditure went up by €108.5 million when compared to the corresponding period last year, thereby widening the shortfall between recurrent revenue and total expenditure by €55.2 million.

Recurrent revenue was recorded at €881.1 million, up by 6.4 per cent over last year. The main contributors to this increase were Income Tax (€29.5 million), Value Added Tax (€25.4 million) and Social Security Contributions (€17.8 million). Conversely, Grants registered a decline of €30.5 million.

Compared to January-April last year, higher spending was registered in recurrent expenditure and interest payments, which was only partially offset by lower outlays on capital projects, resulting in an increase in total expenditure of €108.5 million.

Recurrent expenditure increased by €113.6 million, mainly as a result of higher spending on Programmes and Initiatives (€66.8 million) and Contributions to Government Entities (€22.5 million). The major increases registered in the Programmes and Initiatives category were for medicines and surgical materials (€13.5 million), EU Own Resources (€9.7 million), the contribution to church schools (€9.4 million) and the assistance to help the elderly live independently (€7.7 million). Conversely, social security benefits went down by €13.3 million. In addition, Operational and Maintenance Expenditure went up by €13.9 million and Personal Emoluments rose by €10.4 million (Table 4).

The interest component of the public debt servicing costs for the period under review rose to €72.2 million from €70.3 million last year (Table 1).

Expenditure on Government's capital projects amounted to €117.4 million. The decline of €7.0 million over the corresponding period last year was mainly the result of a lower equity injection to the national air carrier (€25.0 million), which was partially outweighed by a higher contribution towards the treasury clearance fund (€14.7 million), among others.

At the end of April, Central Government debt stood at €5,295.4 million, up by €359.1 million over the corresponding period last year. This was the result of higher Long-term and Short-term Borrowing, which added €257.3 million and €79.2 million respectively. On the other hand, foreign borrowing went down by €10.7 million. As a result of consolidation, lower holdings by government funds in MGSs brought about an increase in debt of €29.1 million. The euro coins issued in the name of the Maltese Treasury went up by €4.3 million when compared to the coin stock as at the end of April 2013, and totalled €55.4 million (Table 3) ■

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-Apr 2012	Jan-Apr 2013	Jan-Apr 2014	Jan-Apr 2014/ Jan-Apr 2013	
				Absolute Change	% change
€000					
Recurrent Revenue	748,685	827,839	881,118	53,279	6.4
<i>of which:</i>					
Grants	4,475	52,351	21,866	-30,485	
Customs and Excise	41,928	37,068	44,222	7,154	
Value added Tax	158,648	158,029	183,461	25,432	
Income Tax	215,719	254,772	284,230	29,459	
Social Security Contributions	171,925	182,020	199,819	17,800	
Others	155,990	143,600	147,519	3,919	
Total Expenditure	980,928	1,010,833	1,119,341	108,508	10.7
<i>consisting of:</i>					
Recurrent Expenditure	803,662	816,123	929,722	113,599	13.9
<i>of which:</i>					
Education	48,603	56,041	61,866	5,825	
Social Security Benefits	274,009	279,967	266,702	-13,265	
Others	481,050	480,115	601,154	121,039	
Interest Payments	70,047	70,255	72,210	1,955	2.8
Capital Expenditure	107,219	124,455	117,409	-7,046	-5.7
<i>of which:</i>					
Productive Investment	33,691	49,763	39,127	-10,637	
Infrastructure	54,701	61,462	64,107	2,644	
Social	18,827	13,230	14,176	946	
Balance of recurrent revenue and total expenditure	-232,243	-182,994	-238,224	-55,229	30.2
Financial Transactions					
<i>consisting of:</i>					
<i>Revenue</i>					
Loans	274,703	199,621	214,872	15,250	
Repayment of Loans	0	30	0	-30	
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	11,696	12,755	1,059	
Repayment of Loan	0	7,250	24,459	17,209	
Loans	0	0	0	0	

Table 2. Government finance data: monthly

Description	April 2012	April 2013	April 2014	Apr 2014/Apr 2013	
				Absolute Change	% change
				€000	
Recurrent Revenue	225,803	231,296	243,321	12,025	5.2
<i>of which:</i>					
Grants	253	23	568	544	
Customs and Excise	11,495	7,930	11,256	3,326	
Value added Tax	24,107	34,345	35,437	1,091	
Income Tax	103,540	106,524	101,283	-5,241	
Social Security Contributions	49,077	50,130	57,350	7,220	
Others	37,331	32,343	37,428	5,084	
Total Expenditure	233,493	246,826	255,972	9,146	3.7
<i>consisting of:</i>					
Recurrent Expenditure	185,045	207,637	216,850	9,213	4.4
<i>of which:</i>					
Education	11,247	17,929	15,627	-2,301	
Social Security Benefits	67,136	78,159	60,410	-17,749	
Others	106,663	111,549	140,813	29,263	
Interest Payments	16,592	18,860	18,406	-454	-2.4
Capital Expenditure	31,856	20,329	20,715	386	1.9
<i>of which:</i>					
Productive Investment	2,333	-602	702	1,304	
Infrastructure	19,932	16,946	14,959	-1,987	
Social	9,591	3,985	5,054	1,069	
Balance of recurrent revenue and total expenditure	-7,690	-15,530	-12,651	2,879	-18.5
Financial Transactions					
<i>consisting of:</i>					
<i>Revenue</i>					
Loans	0	0	54,950	54,950	
Repayment of Loans	0	30	0	-30	
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	11,696	11,696	0	
Repayment of Loan	0	0	0	0	
Loans	0	0	0	0	

Table 3. Government debt

Description	April 2012	April 2013	April 2014	Apr 2014/Apr 2013	
				Absolute Change	% change
				€000	
Gross Government Debt	4,676,050	4,936,379	5,295,440	359,061	7.3
<i>of which:</i>					
Treasury Bills	223,870	292,299	371,450	79,151	
Government Stock	4,328,874	4,544,011	4,801,272	257,261	
Foreign Loans Outstanding	73,476	61,580	50,897	-10,682	
Domestic Loans with Commercial Banks	56,379	56,379	56,379	0	
MGSF investments in Government Debt	-52,341	-69,055	-39,983	29,073	
Euro Coins issued in the name of the Treasury	45,792	51,166	55,425	4,259	

Source: Central Bank of Malta

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

Description	Jan-Apr 2012	Jan-Apr 2013	Jan-Apr 2014	Jan-Apr 2014/ Jan-Apr 2013	
				Absolute Change	% change
				€000	
Revenue					
Customs and Excise Duties	41,928	37,068	44,222	7,154	
Licences, Taxes and Fines	78,489	80,140	83,300	3,160	
Income Tax	215,719	254,772	284,230	29,459	
Value added Tax	158,648	158,029	183,461	25,432	
Fees of Office	10,738	9,504	11,004	1,500	
Reimbursements	5,248	7,606	7,170	-436	
Public Corporations	0	0	0	0	
Central Bank of Malta	42,000	30,000	30,000	0	
Rents	6,443	6,315	6,893	577	
Dividends on Investment	5,000	570	75	-495	
Repayment of and Interest on loans	564	1,192	933	-259	
Social Security Contributions	171,925	182,020	199,819	17,800	
Grants	4,475	52,351	21,866	-30,485	
Miscellaneous Receipts	7,510	8,273	8,145	-128	
Total Recurrent Revenue	748,685	827,839	881,118	53,279	6.4
Receipts from Sale of Shares	0	0	0	0	
Other extraordinary receipts	0	0	0	0	
Loans	274,703	199,621	214,872	15,250	
Repayment of Loans	0	30	0	-30	
Total Non-recurrent Revenue	274,703	199,652	214,872	15,220	
Total Revenue	1,023,388	1,027,491	1,095,989	68,499	6.7
Recurrent Expenditure					
Personal Emoluments	183,902	200,445	210,811	10,366	
Operational and Maintenance Expenditure	41,289	35,706	49,644	13,938	
Programmes and Initiatives	514,535	514,228	581,044	66,816	
Contributions to Government Entities	63,937	65,743	88,223	22,480	
Total Recurrent Expenditure	803,662	816,123	929,722	113,599	13.9

Table 5. Revenue/Expenditure categories: monthly

Description	April 2012	April 2013	April 2014	Apr 2014/Apr 2013	
				Absolute Change	% change
				€000	
Revenue					
Customs and Excise Duties	11,495	7,930	11,256	3,326	
Licences, Taxes and Fines	18,108	24,217	25,881	1,664	
Income Tax	103,540	106,524	101,283	-5,241	
Value added Tax	24,107	34,345	35,437	1,091	
Fees of Office	2,647	1,886	3,613	1,726	
Reimbursements	892	1,771	1,920	149	
Public Corporations	0	0	0	0	
Central Bank of Malta	12,000	0	0	0	
Rents	1,166	2,042	1,633	-409	
Dividends on Investment	2,000	50	75	25	
Repayment of and Interest on loans	0	899	926	27	
Social Security Contributions	49,077	50,130	57,350	7,220	
Grants	253	23	568	544	
Miscellaneous Receipts	517	1,478	3,380	1,902	
Total Recurrent Revenue	225,803	231,296	243,321	12,025	5.2
Receipts from Sale of Shares	0	0	0	0	
Other extraordinary receipts	0	0	0	0	
Loans	0	0	54,950	54,950	
Repayment of Loans	0	30	0	-30	
Total Non-recurrent Revenue	0	30	54,950	54,920	
Total Revenue	225,803	231,326	298,271	66,945	28.9
Recurrent Expenditure					
Personal Emoluments	45,382	53,686	52,821	-865	
Operational and Maintenance Expenditure	8,523	8,847	11,053	2,205	
Programmes and Initiatives	122,058	128,200	137,295	9,094	
Contributions to Government Entities	9,082	16,904	15,682	-1,222	
Total Recurrent Expenditure	185,045	207,637	216,850	9,213	4.4

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 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.