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In the period January-July 2014, the deficit of the Government's Consolidated Fund amounted to €309.5 million.

Government Finance Data: January-July 2014

During the first seven months recurrent revenue registered an increase of €87.3 million, offset by higher expenditure of €137.8 million when compared to the corresponding period last year, thereby widening the shortfall between recurrent revenue and total expenditure by €50.5 million.

Recurrent revenue was recorded at €1,631.1 million, up by 5.7 per cent over last year. The main contributors to this increase were Social Security Contributions (€33.7 million), Income Tax (€30.2 million) and Value Added Tax (€27.0 million). Conversely, Customs and Excise Duties registered a decline of €22.4 million (Table 1).

Recurrent expenditure increased by €108.7 million, mainly as a result of higher spending on Programmes and Initiatives (€51.8 million). The major increases registered in the Programmes and Initiatives category were recorded in the social security state contribution, which also feature as revenue (€10.1 million), public service obligations (€9.9 million), medicines and surgical materials (€7.7 million), EU own resources (€3.8 million), the contribution to church schools (€3.6 million) and the ex-gratia grant scheme for motor vehicles (€3.2 million), among others. In addition, Personal Emoluments and Contributions to Government Entities increased by €28.1 million and €25.0 million respectively. Operational and Maintenance Expenditure went up by €3.9 million (Table 4).

The interest component of the public debt servicing costs for the period under review amounted to €131.9 million, an increase of €1.3 million from last year (Table 1).

Expenditure on Government's capital projects amounted to €226.2 million. The increase of €27.8 million was mainly brought about by higher outlays on EU funded capital projects which were partially outweighed by a lower equity injection to the national air carrier.

At the end of July, Central Government debt stood at €5,267.4 million, up by €283.5 million over the corresponding period last year. This was the result of higher Long-term and Short-term Borrowing, which added €140.9 million and €126.9 million respectively. On the other hand, foreign borrowing went down by €10.6 million. As a result of consolidation, lower holdings by government funds in MGSs brought about an increase in debt of €21.1 million. The euro coins issued in the name of the Maltese Treasury went up by €5.2 million when compared to the coin stock as at the end of July 2013, and totalled €58.4 million (Table 3) ■

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

Description	Jan-Jul 2012	Jan-Jul 2013	Jan-Jul 2014	Jan-Jul 2014/ Jan-Jul 2013	
				Absolute Change	% change
€000					
Recurrent Revenue	1,397,390	1,543,781	1,631,078	87,297	5.7
<i>of which:</i>					
Grants	11,118	92,218	103,492	11,274	
Customs and Excise	95,265	104,367	81,947	-22,420	
Value added Tax	284,287	293,665	320,655	26,989	
Income Tax	405,833	480,488	510,655	30,166	
Social Security Contributions	309,539	330,552	364,280	33,727	
Others	291,349	242,490	250,050	7,561	
Total Expenditure	1,730,670	1,802,762	1,940,577	137,814	7.6
<i>consisting of:</i>					
Recurrent Expenditure	1,418,320	1,473,776	1,582,518	108,742	7.4
<i>of which:</i>					
Education	87,194	100,091	104,319	4,227	
Social Security Benefits	452,854	472,020	472,744	723	
Others	878,272	901,664	1,005,456	103,792	
Interest Payments	130,338	130,649	131,904	1,255	1.0
Capital Expenditure	182,011	198,338	226,155	27,817	14.0
<i>of which:</i>					
Productive Investment	46,205	71,710	53,572	-18,138	
Infrastructure	109,395	103,647	131,363	27,716	
Social	26,412	22,982	41,220	18,238	
Balance of recurrent revenue and total expenditure	-333,280	-258,981	-309,499	-50,518	19.5
Financial Transactions					
<i>consisting of:</i>					
<i>Revenue</i>					
Loans	454,394	369,621	394,871	25,251	
Repayment of Loans	0	30	0	-30	
Receipts from Sale of Shares	0	0	0	0	
Other extraordinary receipts	28,425	0	0	0	
<i>Expenditure</i>					
Contribution to Sinking Fund	5,787	5,661	29,863	24,202	
Equity Acquisition	11,000	11,696	12,755	1,059	
Repayment of Loan	80,364	119,816	263,375	143,559	
Loans	0	0	0	0	

Table 2. Government finance data: monthly

Description	July 2012	July 2013	July 2014	July 2014/July 2013	
				Absolute Change	% change
€000					
Recurrent Revenue	193,919	236,273	216,731	-19,542	-8.3
<i>of which:</i>					
Grants	1,886	23,849	2,538	-21,310	
Customs and Excise	13,673	28,793	12,489	-16,304	
Value added Tax	34,013	34,894	30,891	-4,002	
Income Tax	55,101	68,977	85,100	16,123	
Social Security Contributions	40,254	47,052	53,428	6,375	
Others	48,992	32,708	32,284	-424	
Total Expenditure	242,857	254,076	261,024	6,949	2.7
<i>consisting of:</i>					
Recurrent Expenditure	196,269	215,123	205,721	-9,403	-4.4
<i>of which:</i>					
Education	12,062	13,822	13,489	-334	
Social Security Benefits	62,426	66,494	60,490	-6,003	
Others	121,782	134,807	131,742	-3,065	
Interest Payments	20,948	19,404	20,689	1,285	6.6
Capital Expenditure	25,641	19,548	34,615	15,067	77.1
<i>of which:</i>					
Productive Investment	851	1,963	5,086	3,124	
Infrastructure	20,336	15,284	20,959	5,675	
Social	4,454	2,302	8,570	6,268	
Balance of recurrent revenue and total expenditure	-48,938	-17,803	-44,294	-26,491	148.8
Financial Transactions					
<i>consisting of:</i>					
<i>Revenue</i>					
Loans	0	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	0	
<i>Expenditure</i>					
Contribution to Sinking Fund	5,787	-5	0	5	
Equity Acquisition	0	0	0	0	
Repayment of Loan	0	0	237,625	237,625	
Loans	0	0	0	0	

Table 3. Government debt

Description	July 2012	July 2013	July 2014	July 2014/July 2013	
				Absolute Change	% change
				€000	
Gross Government Debt	4,816,779	4,983,967	5,267,431	283,464	5.7
<i>of which:</i>					
Treasury Bills	276,739	280,172	407,067	126,895	
Government Stock	4,428,201	4,601,444	4,742,356	140,912	
Foreign Loans Outstanding	65,784	53,794	43,171	-10,623	
Domestic Loans with Commercial Banks	56,379	56,379	56,379	0	
MGSF investments in Government Debt	-58,541	-61,055	-39,983	21,073	
Euro Coins issued in the name of the Treasury	48,217	53,234	58,441	5,207	

Source: Central Bank of Malta

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

Description	Jan-Jul 2012	Jan-Jul 2013	Jan-Jul 2014	Jan-Jul 2014/ Jan-Jul 2013	
				Absolute Change	% change
				€000	
Revenue					
Customs and Excise Duties	95,265	104,367	81,947	-22,420	
Licences, Taxes and Fines	137,194	134,647	140,349	5,702	
Income Tax	405,833	480,488	510,655	30,166	
Value added Tax	284,287	293,665	320,655	26,989	
Fees of Office	18,125	18,342	22,068	3,726	
Reimbursements	14,627	12,378	13,060	681	
Public Corporations	0	0	0	0	
Central Bank of Malta	42,000	36,000	37,000	1,000	
Rents	15,131	16,579	18,561	1,982	
Dividends on Investment	10,739	9,604	4,231	-5,373	
Repayment of and Interest on loans	568	1,408	1,031	-377	
Social Security Contributions	309,539	330,552	364,280	33,727	
Grants	11,118	92,218	103,492	11,274	
Miscellaneous Receipts	52,965	13,532	13,750	219	
Total Recurrent Revenue	1,397,390	1,543,781	1,631,078	87,297	5.7
Receipts from Sale of Shares	0	0	0	0	
Other extraordinary receipts	28,425	0	0	0	
Loans	454,394	369,621	394,871	25,251	
Repayment of Loans	0	30	0	-30	
Total Non-recurrent Revenue	482,819	369,651	394,871	25,220	
Total Revenue	1,880,209	1,913,432	2,025,949	112,517	5.9
Recurrent Expenditure					
Personal Emoluments	324,318	345,792	373,846	28,054	
Operational and Maintenance Expenditure	75,742	73,341	77,228	3,887	
Programmes and Initiatives	903,213	933,188	984,958	51,770	
Contributions to Government Entities	115,047	121,455	146,485	25,031	
Total Recurrent Expenditure	1,418,320	1,473,776	1,582,518	108,742	7.4

Table 5. Revenue/Expenditure categories: monthly

Description	July 2012	July 2013	July 2014	July 2014/July 2013	
				Absolute Change	% change
				€000	
Revenue					
Customs and Excise Duties	13,673	28,793	12,489	-16,304	
Licences, Taxes and Fines	22,789	20,536	21,696	1,161	
Income Tax	55,101	68,977	85,100	16,123	
Value added Tax	34,013	34,894	30,891	-4,002	
Fees of Office	2,117	2,162	3,831	1,669	
Reimbursements	1,329	1,930	2,332	402	
Public Corporations	0	0	0	0	
Central Bank of Malta	0	0	0	0	
Rents	1,041	2,587	2,614	27	
Dividends on Investment	2,000	5,000	500	-4,500	
Repayment of and Interest on loans	1	1	0	-1	
Social Security Contributions	40,254	47,052	53,428	6,375	
Grants	1,886	23,849	2,538	-21,310	
Miscellaneous Receipts	19,717	493	1,310	818	
Total Recurrent Revenue	193,919	236,273	216,731	-19,542	-8.3
Receipts from Sale of Shares	0	0	0	0	
Other extraordinary receipts	0	0	0	0	
Loans	0	0	0	0	
Repayment of Loans	0	0	0	0	
Total Non-recurrent Revenue	0	0	0	0	
Total Revenue	193,919	236,273	216,731	-19,542	-8.3
Recurrent Expenditure					
Personal Emoluments	44,522	48,825	52,242	3,416	
Operational and Maintenance Expenditure	8,699	10,022	8,134	-1,888	
Programmes and Initiatives	130,986	147,353	132,584	-14,768	
Contributions to Government Entities	12,063	8,923	12,761	3,838	
Total Recurrent Expenditure	196,269	215,123	205,721	-9,403	-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.