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In the period January-October 2014, the deficit of the Government's Consolidated Fund amounted to €282.6 million.

Government Finance Data: January-October 2014

Recurrent revenue registered an increase of €183.8 million, which offset the higher expenditure of €180.7 million when compared to the corresponding period last year, thereby narrowing the shortfall between recurrent revenue and total expenditure by €3.1 million.

In the first ten months, recurrent revenue was recorded at €2,499.9 million, up by 7.9 per cent over last year. The main contributors to this increase were Income Tax (€65.6 million), Social Security Contributions (€46.5 million), Grants (€39.5 million) and Value Added Tax (€36.5 million). Conversely, Customs and Excise Duties registered a decline of €28.4 million (Table 1).

Recurrent expenditure increased by €162.2 million, mainly as a result of higher spending on Programmes and Initiatives (€82.7 million). The major increases registered in the Programmes and Initiatives category were recorded in the public service obligations (€19.8 million), social security benefits (€17.0 million), social security state contribution, which also feature as revenue (€13.1 million), EU Own Resources (€5.1 million), medicines and surgical materials (€4.1 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 €40.9 million and €32.9 million respectively. Operational and Maintenance Expenditure went up by €5.7 million (Table 4).

The interest component of the public debt servicing costs for the period under review amounted to €192.1 million, an increase of €3.0 million over last year (Table 1).

Expenditure on Government's capital projects amounted to €319.1 million. The increase of €15.4 million was mainly brought about by added outlays on EU funded capital projects, mainly road works and the procurement of a helicopter. Conversely, a lower equity injection to the national air carrier was registered (Table 1).

At the end of October, Central Government debt stood at €5,375.8 million, up by €377.5 million over the corresponding period last year. This was the result of higher Long-term Borrowing, which added €566.6 million. On the other hand, Short-term and Foreign Borrowing went down by €183.0 million and €10.6 million respectively. As a result of consolidation, higher holdings by government funds in MGSs brought about a fall in debt of €0.9 million. The euro coins issued in the name of the Maltese Treasury went up by €5.4 million when compared to the coin stock as at the end of October 2013, and totalled €60.0 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-Oct 2012	Jan-Oct 2013	Jan-Oct 2014	Jan-Oct 2014/ Jan-Oct 2013	
				Change	% change
€000					
Recurrent Revenue	2,138,657	2,316,101	2,499,868	183,767	7.9
<i>of which:</i>					
Grants	75,096	126,847	166,306	39,459	
Customs and Excise	131,537	155,994	127,583	-28,412	
Value added Tax	423,213	454,968	491,468	36,500	
Income Tax	672,541	749,299	814,920	65,621	
Social Security Contributions	464,515	493,656	540,183	46,527	
Others	371,755	335,338	359,408	24,071	
Total Expenditure	2,461,172	2,601,752	2,782,432	180,680	6.9
<i>consisting of:</i>					
Recurrent Expenditure	2,005,262	2,108,972	2,271,213	162,240	7.7
<i>of which:</i>					
Education	121,359	140,101	149,347	9,246	
Social Security Benefits	653,344	680,626	697,642	17,016	
Others	1,230,559	1,288,245	1,424,224	135,978	
Interest Payments	185,628	189,033	192,074	3,041	1.6
Capital Expenditure	270,282	303,747	319,145	15,399	5.1
<i>of which:</i>					
Productive Investment	71,469	82,087	62,253	-19,834	
Infrastructure	157,499	179,987	197,065	17,078	
Social	41,314	41,673	59,827	18,154	
Balance of recurrent revenue and total expenditure	-322,515	-285,651	-282,564	3,087	-1.1
Financial Transactions					
<i>consisting of:</i>					
<i>Revenue</i>					
Loans	510,582	449,321	648,841	199,521	
Repayment of Loans	0	30	0	-30	
Receipts from Sale of Shares	0	0	0	0	
Other extraordinary receipts	28,425	28,380	0	-28,380	
<i>Expenditure</i>					
Contribution to Sinking Fund	5,787	5,661	29,863	24,202	
Equity Acquisition	34,392	25,510	13,755	-11,755	
Repayment of Loan	349,305	370,113	263,375	-106,738	
Loans	0	0	0	0	

Table 2. Government finance data: monthly

Description	October 2012	October 2013	October 2014	October 2014/ October 2013	
				Change	% change
€000					
Recurrent Revenue	217,238	259,856	272,550	12,693	4.9
<i>of which:</i>					
Grants	11,565	33,096	30,714	-2,382	
Customs and Excise	13,714	14,417	15,761	1,344	
Value added Tax	34,893	50,951	37,437	-13,514	
Income Tax	77,408	66,062	85,972	19,910	
Social Security Contributions	51,784	51,699	60,653	8,955	
Others	27,874	43,631	42,013	-1,619	
Total Expenditure	257,554	274,112	271,184	-2,928	-1.1
<i>consisting of:</i>					
Recurrent Expenditure	213,019	203,466	211,175	7,709	3.8
<i>of which:</i>					
Education	11,008	13,525	13,573	48	
Social Security Benefits	92,180	56,974	59,068	2,093	
Others	109,831	132,967	138,535	5,568	
Interest Payments	17,617	23,573	20,069	-3,505	-14.9
Capital Expenditure	26,918	47,073	39,940	-7,133	-15.2
<i>of which:</i>					
Productive Investment	1,297	6,249	4,860	-1,388	
Infrastructure	16,069	34,578	27,556	-7,022	
Social	9,552	6,246	7,523	1,277	
Balance of recurrent revenue and total expenditure	-40,316	-14,256	1,366	15,622	-109.6
Financial Transactions					
<i>consisting of:</i>					
<i>Revenue</i>					
Loans	0	0	75,000	75,000	
Repayment of Loans	0	0	0	0	
Receipts from Sale of Shares	0	0	0	0	
Other extraordinary receipts	0	28,380	0	-28,380	
<i>Expenditure</i>					
Contribution to Sinking Fund	0	0	0	0	
Equity Acquisition	23,392	13,814	0	-13,814	
Repayment of Loan	0	220,297	0	-220,297	
Loans	0	0	0	0	

Table 3. Government debt

Description	October 2012	October 2013	October 2014	October 2014/ October 2013	
				Change	% change
	€000				
Gross Government Debt	4,619,855	4,998,348	5,375,822	377,475	7.6
<i>of which:</i>					
Treasury Bills	257,525	444,450	261,417	-183,033	
Government Stock	4,216,979	4,430,847	4,997,461	566,614	
Foreign Loans Outstanding	64,759	53,715	43,136	-10,579	
Domestic Loans with Commercial Banks	56,379	56,379	56,379	0	
MGSF investments in Government Debt	-25,055	-41,645	-42,579	-934	
Euro Coins issued in the name of the Treasury	49,269	54,602	60,009	5,407	

Source: Central Bank of Malta

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

Description	Jan-Oct 2012	Jan-Oct 2013	Jan-Oct 2014	Jan-Oct 2014/ Jan-Oct 2013	
				Change	% change
	€000				
Revenue					
Customs and Excise Duties	131,537	155,994	127,583	-28,412	
Licences, Taxes and Fines	192,099	189,458	204,562	15,103	
Income Tax	672,541	749,299	814,920	65,621	
Value added Tax	423,213	454,968	491,468	36,500	
Fees of Office	25,635	27,502	33,112	5,610	
Reimbursements	21,885	19,055	20,049	994	
Public Corporations	0	0	0	0	
Central Bank of Malta	42,000	48,000	44,000	-4,000	
Rents	20,245	19,916	23,868	3,952	
Dividends on Investment	14,241	10,958	5,118	-5,840	
Repayment of and Interest on loans	570	2,358	1,120	-1,238	
Social Security Contributions	464,515	493,656	540,183	46,527	
Grants	75,096	126,847	166,306	39,459	
Miscellaneous Receipts	55,082	18,090	27,580	9,490	
Total Recurrent Revenue	2,138,657	2,316,101	2,499,868	183,767	7.9
Receipts from Sale of Shares	0	0	0	0	
Other extraordinary receipts	28,425	28,380	0	-28,380	
Loans	510,582	449,321	648,841	199,521	
Repayment of Loans	0	30	0	-30	
Total Non-recurrent Revenue	539,006	477,731	648,841	171,111	
Total Revenue	2,677,663	2,793,832	3,148,709	354,878	12.7
Recurrent Expenditure					
Personal Emoluments	465,643	498,428	539,293	40,865	
Operational and Maintenance Expenditure	98,675	100,549	106,279	5,730	
Programmes and Initiatives	1,265,295	1,326,380	1,409,084	82,704	
Contributions to Government Entities	175,648	183,615	216,557	32,941	
Total Recurrent Expenditure	2,005,262	2,108,972	2,271,213	162,240	7.7

Table 5. Revenue/Expenditure categories: monthly

Description	October 2012	October 2013	October 2014	October 2014/ October 2013	
				Change	% change
	€000				
Revenue					
Customs and Excise Duties	13,714	14,417	15,761	1,344	
Licences, Taxes and Fines	20,153	28,715	28,651	-64	
Income Tax	77,408	66,062	85,972	19,910	
Value added Tax	34,893	50,951	37,437	-13,514	
Fees of Office	1,776	2,543	3,189	647	
Reimbursements	2,090	1,947	2,301	354	
Public Corporations	0	0	0	0	
Central Bank of Malta	0	6,000	0	-6,000	
Rents	1,691	936	1,254	318	
Dividends on Investment	990	44	0	-44	
Repayment of and Interest on loans	0	951	0	-951	
Social Security Contributions	51,784	51,699	60,653	8,955	
Grants	11,565	33,096	30,714	-2,382	
Miscellaneous Receipts	1,174	2,497	6,618	4,121	
Total Recurrent Revenue	217,238	259,856	272,550	12,693	4.9
Receipts from Sale of Shares	0	0	0	0	
Other extraordinary receipts	0	28,380	0	-28,380	
Loans	0	0	75,000	75,000	
Repayment of Loans	0	0	0	0	
Total Non-recurrent Revenue	0	28,380	75,000	46,620	
Total Revenue	217,238	288,236	347,550	59,314	20.6
Recurrent Expenditure					
Personal Emoluments	46,112	49,295	53,386	4,092	
Operational and Maintenance Expenditure	7,217	9,841	11,288	1,447	
Programmes and Initiatives	139,193	125,751	126,180	430	
Contributions to Government Entities	20,497	18,579	20,321	1,741	
Total Recurrent Expenditure	213,019	203,466	211,175	7,709	3.8

Methodological Notes

1. Data 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 (ESA 2010) 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.