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In January-February 2015, Government's Consolidated Fund registered a surplus of €49.7 million.

## Government Finance Data: January-February 2015

During the first two months of the year, recurrent revenue registered an increase of €127.2 million which outweighed the increase in expenditure of €3.0 million, thereby resulting in a positive change in the Government's Consolidated Fund of €124.2 million.

In January-February, recurrent revenue was recorded at €610.0 million, up from €482.8 million last year. The major contributors to the comparative increase of 26.3 per cent were higher proceeds from Grants by €103.1 million. Moreover, increases were registered in Income Tax (€9.4 million), Licences, Taxes and Fines (€5.5 million) and Value Added Tax (€5.0 million). On the other hand, Fees of Office registered a fall of €1.3 million.

Compared to January-February last year, higher spending was registered with regard to recurrent and capital expenditure whereas interest payments declined marginally, resulting in an increase in total expenditure of €3.0 million (Table 1).

Recurrent expenditure went up by €1.8 million, totalling €461.0 million. The largest increases were recorded in Personal Emoluments (€7.0 million) and Operational and Maintenance Expenses (€2.7 million). Conversely, lower outlays were registered in Programmes and Initiatives by €8.0 million. The declines in the Programmes and Initiatives category were recorded in social security benefits (€9.8 million), feed-in tariff (€5.0 million), medicines and surgical materials (€4.0 million) and eco reduction (€3.4 million) (Table 4). These were partially offset by increased outlays on the contribution towards Church schools (€9.6 million), public service obligations (€2.5 million) and childcare for all (€2.5 million).

The interest component of the public debt servicing costs for the first two months of 2015 declined marginally to €35.9 million from €36.4 million last year (Table 1).

In addition, Government's Capital Expenditure stood at €63.4 million from €61.7 million last year (Table 1). This was mainly due to a lower equity injection to the national air carrier which was partially outweighed by added outlays on enterprise investment incentives (€4.1 million), EU funded expenditure on agriculture (€3.4 million) and acquisition of property for public purposes (€3.1 million).

Compiled by:

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At the end of February 2015, Central Government Debt stood at €5,199.3 million, up by €104.3 million, over the corresponding period last year. This was the result of higher Malta Government Stocks, which added €288.7 million. On the other hand, Treasury Bills and Foreign Loans went down by €153.2 million and €10.5 million respectively. As a result of consolidation, higher holdings by government funds in Malta Government Stocks resulted in a reduction in debt of €25.9 million. The Euro coins issued in the name of the Treasury went up by €5.3 million when compared to the coin stock as at the end of February 2014, and totalled €60.1 million (Table 3) ■

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Table 1. Government finance data: Year to date

Description	Jan-Feb 2013	Jan-Feb 2014	Jan-Feb 2015	Jan-Feb 2015 / Jan-Feb 2014	
				Change	% change
€ 000					
<b>(a) Recurrent Revenue</b>	<b>436,970</b>	<b>482,795</b>	<b>610,007</b>	<b>127,213</b>	<b>26.3</b>
<i>of which:</i>					
Grants	49,485	21,109	124,236	103,127	
Customs and Excise Duties	19,388	24,145	25,603	1,458	
Value Added Tax	95,564	125,437	130,460	5,022	
Income Tax	108,724	144,154	153,519	9,366	
Social Security	87,980	94,077	95,365	1,288	
Others	75,828	73,873	80,824	6,951	
<b>(b) Total Expenditure</b>	<b>540,921</b>	<b>557,297</b>	<b>560,333</b>	<b>3,036</b>	<b>0.5</b>
<i>consisting of:</i>					
Recurrent Expenditure	432,000	459,248	461,020	1,771	0.4
<i>of which:</i>					
Education	24,831	29,259	34,442	5,183	
Social Security Benefits	156,058	129,091	119,260	-9,831	
Others	251,111	300,899	307,317	6,419	
Interest	36,188	36,385	35,883	-502	-1.4
Capital Expenditure	72,732	61,663	63,430	1,767	2.9
<i>of which:</i>					
Productive Investment	38,258	22,271	13,391	-8,880	
Infrastructure	27,871	32,581	33,778	1,197	
Social	6,603	6,811	16,261	9,450	
<b>(a-b) Consolidated Fund Surplus/Deficit</b>	<b>-103,951</b>	<b>-74,502</b>	<b>49,675</b>	<b>124,177</b>	<b>166.7</b>
<b>(c) Financial Transactions</b>					
<i>consisting of:</i>					
<i>Revenue</i>					
Loans	0	0	0	0	
Receipts from Sale of Shares	0	0	0	0	
Other extraordinary receipts	0	0	700	700	
<i>Expenditure</i>					
Contribution to Sinking Fund	0	0	0	0	
Equity Acquisition	0	0	0	0	
Repayment of Loan	7,250	0	0	0	
Loans	0	0	0	0	

Table 2. Government finance data: Monthly

Description	February 2013	February 2014	February 2015	February 2015 / February 2014	
				Change	% change
€ 000					
<b>(a) Recurrent Revenue</b>	<b>218,457</b>	<b>284,667</b>	<b>333,572</b>	<b>48,905</b>	<b>17.2</b>
<i>of which:</i>					
Grants	15,502	19,576	48,709	29,133	
Customs and Excise Duties	9,320	8,858	14,319	5,461	
Value Added Tax	56,036	85,368	87,040	1,672	
Income Tax	48,482	75,688	84,387	8,700	
Social Security	53,023	58,903	59,011	108	
Others	36,094	36,275	40,106	3,831	
<b>(b) Total Expenditure</b>	<b>264,267</b>	<b>270,208</b>	<b>295,989</b>	<b>25,781</b>	<b>9.5</b>
<i>consisting of:</i>					
Recurrent Expenditure	209,599	227,667	240,916	13,249	5.8
<i>of which:</i>					
Education	13,262	14,050	17,686	3,636	
Social Security Benefits	61,745	57,954	60,670	2,716	
Others	134,592	155,664	162,560	6,897	
Interest	17,935	18,560	21,676	3,117	16.8
Capital Expenditure	36,732	23,981	33,397	9,416	39.3
<i>of which:</i>					
Productive Investment	14,002	3,805	3,257	-548	
Infrastructure	20,053	16,676	17,991	1,315	
Social	2,677	3,501	12,149	8,648	
<b>(a-b) Consolidated Fund Surplus/Deficit</b>	<b>-45,810</b>	<b>14,459</b>	<b>37,583</b>	<b>23,124</b>	<b>159.9</b>
<b>(c) Financial Transactions</b>					
<i>consisting of:</i>					
<i>Revenue</i>					
Loans	0	0	0	0	
Receipts from Sale of Shares	0	0	0	0	
Other extraordinary receipts	0	0	700	700	
<i>Expenditure</i>					
Contribution to Sinking Fund	0	0	0	0	
Equity Acquisition	0	0	0	0	
Repayment of Loan	7,250	0	0	0	
Loans	0	0	0	0	

Table 3. Central Government debt: Position

Description	February 2013	February 2014	February 2015	February 2015 / February 2014	
				Change	% change
€ 000					
<b>Total Central Government Debt</b>	<b>4,781,983</b>	<b>5,095,033</b>	<b>5,199,325</b>	<b>104,292</b>	<b>2.0</b>
<i>of which:</i>					
Treasury Bills	294,149	363,667	210,440	-153,227	
Malta Government Stocks	4,344,389	4,610,859	4,899,575	288,716	
Foreign Loans	61,962	50,955	40,406	-10,549	
Domestic Loans with Commercial Banks	56,379	56,379	56,379	0	
MGSF investments in Government Debt	-25,055	-41,645	-67,579	-25,934	
Euro Coins issued in the name of the Treasury	50,160	54,818	60,104	5,286	

Table 4. Revenue/Expenditure categories: Year to date

Description	Jan-Feb 2013	Jan-Feb 2014	Jan-Feb 2015	Jan-Feb 2015 / Jan-Feb 2014	
				Change	% change
€ 000					
<b>Total Recurrent Revenue</b>	<b>436,970</b>	<b>482,795</b>	<b>610,007</b>	<b>127,213</b>	<b>26.3</b>
Customs and Excise Duties	19,388	24,145	25,603	1,458	
Licences, Taxes and Fines	40,182	39,540	45,074	5,534	
Income Tax	108,724	144,154	153,519	9,366	
Value Added Tax	95,564	125,437	130,460	5,022	
Fees of Office	4,467	5,479	4,140	-1,338	
Reimbursements	3,918	2,568	1,847	-722	
Public Corporations	0	0	0	0	
Central Bank of Malta	20,000	20,000	20,000	0	
Rents	3,530	3,687	5,420	1,733	
Dividends on Investment	520	0	0	0	
Interest on loans made by Government	87	2	4	2	
Social Security	87,980	94,077	95,365	1,288	
Grants	49,485	21,109	124,236	103,127	
Miscellaneous Receipts	3,125	2,597	4,339	1,742	
<b>Total Non-Recurrent Revenue</b>	<b>0</b>	<b>0</b>	<b>700</b>	<b>700</b>	
Receipts from Sale of Shares	0	0	0	0	
Other extraordinary receipts	0	0	700	700	
Loans	0	0	0	0	
<b>Total Revenue</b>	<b>436,970</b>	<b>482,795</b>	<b>610,707</b>	<b>127,912</b>	<b>26.5</b>
<b>Recurrent Expenditure</b>					
Personal Emoluments	95,993	100,660	107,622	6,962	
Operational and Maintenance Expenses	19,989	27,369	30,029	2,660	
Programmes and Initiatives	282,241	287,549	279,555	-7,994	
Contributions to Government Entities	33,777	43,670	43,813	143	
<b>Total Recurrent Expenditure</b>	<b>432,000</b>	<b>459,248</b>	<b>461,020</b>	<b>1,771</b>	<b>0.4</b>

Table 5. Revenue/Expenditure categories: Monthly

Description	February 2013	February 2014	February 2015	February 2015 / February 2014	
				Change	% change
	€ 000				
<b>Total Recurrent Revenue</b>	<b>218,457</b>	<b>284,667</b>	<b>333,572</b>	<b>48,905</b>	<b>17.2</b>
Customs and Excise Duties	9,320	8,858	14,319	5,461	
Licences, Taxes and Fines	15,885	17,857	22,600	4,743	
Income Tax	48,482	75,688	84,387	8,700	
Value Added Tax	56,036	85,368	87,040	1,672	
Fees of Office	2,680	3,816	2,828	-988	
Reimbursements	2,732	950	1,192	242	
Public Corporations	0	0	0	0	
Central Bank of Malta	10,000	10,000	10,000	0	
Rents	2,526	1,636	2,402	766	
Dividends on Investment	520	0	0	0	
Interest on loans made by Government	1	0	4	4	
Social Security	53,023	58,903	59,011	108	
Grants	15,502	19,576	48,709	29,133	
Miscellaneous Receipts	1,749	2,016	1,081	-935	
<b>Total Non-Recurrent Revenue</b>	<b>0</b>	<b>0</b>	<b>700</b>	<b>700</b>	
Receipts from Sale of Shares	0	0	0	0	
Other extraordinary receipts	0	0	700	700	
Loans	0	0	0	0	
<b>Total Revenue</b>	<b>218,457</b>	<b>284,667</b>	<b>334,272</b>	<b>49,605</b>	<b>17.4</b>
<b>Recurrent Expenditure</b>					
Personal Emoluments	49,246	49,951	53,954	4,004	
Operational and Maintenance Expenses	11,408	16,520	15,659	-861	
Programmes and Initiatives	124,043	131,050	154,977	23,927	
Contributions to Government Entities	24,903	30,147	16,326	-13,820	
<b>Total Recurrent Expenditure</b>	<b>209,599</b>	<b>227,667</b>	<b>240,916</b>	<b>13,249</b>	<b>5.8</b>

## 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. In this release Revenue and Expenditure categories are recorded in accordance with their presentation in the 2015 Financial Estimates.
3. This news release follows the guidelines set out in the European System of Accounts (ESA 2010) Manual on Government Deficit and Debt. Therefore, the difference between the recurrent revenue and expenditure as listed in Table 1 is essentially the cash-based position as far as the Central Government's Consolidated Fund is concerned. In this respect, financial transactions, such as proceeds from loans, proceeds from sale of financial assets, and revenue from other accounts of Government are 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.
4. 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.
5. 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.
6. Government Finance data for December 2014 will be published on 30 March 2015.
7. Totals may not add up due to rounding.
8. More information relating to this news release may be accessed at:  
Statistical Concepts: <http://nso.gov.mt/metadata/concepts.aspx>  
Statistical Database: <http://nso.gov.mt/statdb/start>