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In 2014, Government's Consolidated Fund registered a deficit of €136.3 million.

## Government Finance Data: January-December 2014

During January-December 2014, recurrent revenue registered an increase of €395.1 million, which outweighed the increase in expenditure of €268.2 million, resulting in a positive change in the Government's Consolidated Fund of €126.9 million (Table 1).

During the period under review, recurrent revenue was recorded at €3,387.2 million, up from €2,992.1 million recorded in 2013. The major contributors to the comparative increase of 13.2 per cent were higher proceeds from Customs and Excise Duties (€124.2 million), Income Tax (€100.4 million), Social Security (€53.9 million) and Value Added Tax (€52.5 million) (Table 1).

Compared to 2013, higher spending was registered on recurrent and capital expenditures and interest payments resulting in an increase in total expenditure of €268.2 million (Table 1).

Recurrent expenditure went up by €224.4 million, totalling €2,857.1 million. The main contributor to this increase was higher spending on Programmes and Initiatives by €130.5 million. The major increases registered in the Programmes and Initiatives category were recorded in social security benefits (€38.5 million), the social security state contribution, which also feature as revenue (€17.8 million), medicines and surgical materials (€10.4 million), the contribution towards church schools (€5.6 million) and child care for all (€5.3 million), among others. Moreover, increases were also registered in Personal Emoluments (€50.3 million), Contributions to Government Entities (€32.5 million) and Operational and Maintenance Expenses (€11.1 million) (Table 4).

The interest component of the public debt servicing costs for 2014 increased to €231.1 million from €227.9 million the previous year (Table 1).

In addition, Government's Capital Expenditure for 2014 stood at €435.3 million, from €394.7 million in 2013. The increase of €40.6 million was mainly brought about by added outlays on EU funded capital projects mainly road works, the procurement of a helicopter and the integrated flood relief project. Conversely, a lower equity injection to the national air carrier was registered (Table 1).

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At the end of December 2014, Central Government Debt stood at €5,129.6 million, up by €149.6 million, over 2013. This was the result of higher Malta Government Stocks, which increased by €288.7 million. On the other hand, Treasury Bills and Foreign Loans went down by €107.7 million and €10.6 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 €5.1 million when compared to the coin stock as at the end of December 2013, and totalled €60.4 million (Table 3) ■

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Table 1. Government finance data: Year to date

Description	Jan-Dec 2012	Jan-Dec 2013	Jan-Dec 2014	Jan-Dec 2014 / Jan-Dec 2013	
				Change	% change
€000					
<b>(a) Recurrent Revenue</b>	<b>2,715,732</b>	<b>2,992,104</b>	<b>3,387,209</b>	<b>395,105</b>	<b>13.2</b>
<i>of which:</i>					
Grants	92,859	173,717	176,803	3,086	
Customs and Excise Duties	155,790	178,401	302,607	124,206	
Value Added Tax	534,197	587,171	639,676	52,505	
Income Tax	865,927	967,648	1,068,089	100,441	
Social Security	609,690	645,295	699,191	53,896	
Others	457,269	439,873	500,843	60,970	
<b>(b) Total Expenditure</b>	<b>3,078,008</b>	<b>3,255,263</b>	<b>3,523,495</b>	<b>268,232</b>	<b>8.2</b>
<i>consisting of:</i>					
Recurrent Expenditure	2,488,423	2,632,649	2,857,050	224,401	8.5
<i>of which:</i>					
Education	157,046	182,784	194,888	12,103	
Social Security Benefits	782,559	814,457	852,908	38,451	
Others	1,548,817	1,635,407	1,809,254	173,847	
Interest	225,808	227,905	231,096	3,191	1.4
Capital Expenditure	363,777	394,710	435,349	40,640	10.3
<i>of which:</i>					
Productive Investment	84,799	94,700	71,979	-22,721	
Infrastructure	220,240	244,775	272,028	27,253	
Social	58,738	55,234	91,342	36,108	
<b>(a-b) Consolidated Fund Surplus/Deficit</b>	<b>-362,276</b>	<b>-263,159</b>	<b>-136,286</b>	<b>126,872</b>	<b>48.2</b>
<b>(c) Financial Transactions</b>					
<i>consisting of:</i>					
<i>Revenue</i>					
Loans	645,652	627,084	648,841	21,758	
Repayment of Loans made by Government	52,000	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	11,573	10,524	59,726	49,202	
Equity Acquisition	33,392	26,510	13,755	-12,755	
Repayment of Loan	349,757	370,283	367,504	-2,779	
Loans	52,000	0	0	0	

Table 2. Government finance data: Monthly

Description	December 2012	December 2013	December 2014	December 2014 / December 2013	
				Change	% change
€000					
<b>(a) Recurrent Revenue</b>	<b>349,683</b>	<b>427,247</b>	<b>491,762</b>	<b>64,515</b>	<b>15.1</b>
<i>of which:</i>					
Grants	17,560	33,549	10,391	-23,159	
Customs and Excise Duties	10,638	11,209	23,851	12,642	
Value Added Tax	32,397	36,112	46,510	10,398	
Income Tax	147,247	163,936	207,105	43,169	
Social Security	95,751	102,154	105,362	3,208	
Others	46,091	80,286	98,544	18,258	
<b>(b) Total Expenditure</b>	<b>369,936</b>	<b>383,180</b>	<b>439,180</b>	<b>56,000</b>	<b>14.6</b>
<i>consisting of:</i>					
Recurrent Expenditure	290,404	307,154	353,791	46,637	15.2
<i>of which:</i>					
Education	24,978	29,482	31,276	1,794	
Social Security Benefits	68,439	58,719	87,978	29,259	
Others	196,988	218,952	234,536	15,584	
Interest	20,977	20,537	20,506	-31	-0.2
Capital Expenditure	58,554	55,489	64,883	9,393	16.9
<i>of which:</i>					
Productive Investment	8,314	8,146	5,065	-3,081	
Infrastructure	37,031	42,855	39,454	-3,400	
Social	13,209	4,489	20,364	15,875	
<b>(a-b) Consolidated Fund Surplus/Deficit</b>	<b>-20,252</b>	<b>44,067</b>	<b>52,582</b>	<b>8,515</b>	<b>19.3</b>
<b>(c) Financial Transactions</b>					
<i>consisting of:</i>					
<i>Revenue</i>					
Loans	-4,917	-2,218	0	2,218	
Repayment of Loans made by Government	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	4,863	29,863	25,000	
Equity Acquisition	-1,000	1,000	0	-1,000	
Repayment of Loan	451	89	10,247	10,158	
Loans	0	0	0	0	

Table 3. Central Government debt: Position

Description	December 2012	December 2013	December 2014	December 2014 / December 2013	
				Change	% change
€000					
<b>Total Central Government Debt</b>	<b>4,649,511</b>	<b>4,979,953</b>	<b>5,129,601</b>	<b>149,648</b>	<b>3.0</b>
<i>of which:</i>					
Treasury Bills	154,133	248,117	140,440	-107,677	
Malta Government Stocks	4,351,639	4,610,859	4,899,575	288,716	
Foreign Loans	61,970	50,964	40,389	-10,574	
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	50,446	55,279	60,397	5,118	

Table 4. Revenue/Expenditure categories: Year to date

Description	Jan-Dec 2012	Jan-Dec 2013	Jan-Dec 2014	Jan-Dec 2014 / Jan-Dec 2013	
				Change	% change
€000					
<b>Total Recurrent Revenue</b>	<b>2,715,732</b>	<b>2,992,104</b>	<b>3,387,209</b>	<b>395,105</b>	<b>13.2</b>
Customs and Excise Duties	155,790	178,401	302,607	124,206	
Licences, Taxes and Fines	227,362	223,992	244,124	20,132	
Income Tax	865,927	967,648	1,068,089	100,441	
Value Added Tax	534,197	587,171	639,676	52,505	
Fees of Office	32,625	38,329	77,384	39,055	
Reimbursements	26,198	30,201	25,095	-5,106	
Public Corporations	815	815	815	0	
Central Bank of Malta	46,000	48,000	50,000	2,000	
Rents	23,601	25,073	28,787	3,714	
Dividends on Investment	22,357	25,496	17,874	-7,622	
Interest on loans made by Government	6,527	2,362	1,191	-1,171	
Social Security	609,690	645,295	699,191	53,896	
Grants	92,859	173,717	176,803	3,086	
Miscellaneous Receipts	71,784	45,605	55,574	9,968	
<b>Total Non-Recurrent Revenue</b>	<b>726,077</b>	<b>655,494</b>	<b>648,841</b>	<b>-6,652</b>	<b>-1.0</b>
Receipts from Sale of Shares	0	0	0	0	
Other extraordinary receipts	28,425	28,380	0	-28,380	
Loans	645,652	627,084	648,841	21,758	
Repayment of Loans made by Government	52,000	30	0	-30	
<b>Total Revenue</b>	<b>3,441,809</b>	<b>3,647,598</b>	<b>4,036,050</b>	<b>388,452</b>	<b>10.6</b>
<b>Recurrent Expenditure</b>					
Personal Emoluments	612,478	653,703	704,021	50,319	
Operational and Maintenance Expenses	115,578	127,578	138,687	11,108	
Programmes and Initiatives	1,539,142	1,620,833	1,751,297	130,464	
Contributions to Government Entities	221,224	230,534	263,045	32,510	
<b>Total Recurrent Expenditure</b>	<b>2,488,423</b>	<b>2,632,649</b>	<b>2,857,050</b>	<b>224,401</b>	<b>8.5</b>

Table 5. Revenue/Expenditure categories: Monthly

Description	December 2012	December 2013	December 2014	December 2014 / December 2013	
				Change	% change
€000					
<b>Total Recurrent Revenue</b>	<b>349,683</b>	<b>427,247</b>	<b>491,762</b>	<b>64,515</b>	<b>15.1</b>
Customs and Excise Duties	10,638	11,209	23,851	12,642	
Licences, Taxes and Fines	16,073	21,139	25,262	4,123	
Income Tax	147,247	163,936	207,105	43,169	
Value Added Tax	32,397	36,112	46,510	10,398	
Fees of Office	2,340	6,433	25,663	19,230	
Reimbursements	2,251	9,175	2,763	-6,412	
Public Corporations	815	815	815	0	
Central Bank of Malta	4,000	0	0	0	
Rents	1,895	4,222	3,979	-244	
Dividends on Investment	7,056	14,538	12,756	-1,782	
Interest on loans made by Government	47	0	68	68	
Social Security	95,751	102,154	105,362	3,208	
Grants	17,560	33,549	10,391	-23,159	
Miscellaneous Receipts	11,615	23,964	27,238	3,274	
<b>Total Non-Recurrent Revenue</b>	<b>-4,917</b>	<b>-2,218</b>	<b>0</b>	<b>2,218</b>	<b>100.0</b>
Receipts from Sale of Shares	0	0	0	0	
Other extraordinary receipts	0	0	0	0	
Loans	-4,917	-2,218	0	2,218	
Repayment of Loans made by Government	0	0	0	0	
<b>Total Revenue</b>	<b>344,766</b>	<b>425,029</b>	<b>491,762</b>	<b>66,733</b>	<b>15.7</b>
<b>Recurrent Expenditure</b>					
Personal Emoluments	101,702	110,625	112,804	2,180	
Operational and Maintenance Expenses	10,929	16,093	19,272	3,180	
Programmes and Initiatives	149,317	153,133	198,291	45,158	
Contributions to Government Entities	28,456	27,304	23,423	-3,880	
<b>Total Recurrent Expenditure</b>	<b>290,404</b>	<b>307,154</b>	<b>353,791</b>	<b>46,637</b>	<b>15.2</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 2014 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. Totals may not add up due to rounding.
7. 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>