

24 April 2015 | 1100 hrs | 079/2015

In the first quarter of 2015, Government's Consolidated Fund registered a deficit of €85.3 million.

Government Finance Data: January-March 2015

During January-March of this year, recurrent revenue registered an increase of €136.9 million while expenditure went down by €3.3 million, thereby resulting in a positive change in the Government's Consolidated Fund of €140.2 million.

In January-March, recurrent revenue was recorded at €774.7 million, up from €637.8 million last year. The major contributors to the comparative increase of 21.5 per cent were higher proceeds from Grants by €103.0 million. Moreover, increases were registered in Customs and Excise Duties (€18.2 million), Licences, Taxes and Fines (€10.2 million) and Value Added Tax (€9.8 million). On the other hand, Income Tax registered a fall of €12.4 million.

Compared to January-March last year, higher spending was registered on recurrent expenditure and interest payments which was outweighed by lower capital outlays, resulting in a decline of €3.3 million in total expenditure (Table 1).

Recurrent expenditure went up by €2.5 million, totalling €715.4 million. Increases were recorded in Personal Emoluments (€10.1 million) and Operational and Maintenance Expenses (€4.1 million). Conversely, lower outlays were registered in Programmes and Initiatives by €7.5 million and Contributions to Government Entities by €4.2 million (Table 4). The major declines in the Programmes and Initiatives category were recorded in social security benefits (€9.4 million), feed-in-tariff (€5.0 million) and medicines and surgical materials (€3.0 million). These were partially offset by added outlays on the one-time additional bonus (€7.0 million) and child care for all (€3.1 million).

The interest component of the public debt servicing costs for the first three months of 2015 stood at €56.3 million from €53.8 million last year (Table 1).

In addition, Government's Capital Expenditure stood at €88.4 million from €96.7 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 the acquisition of property for public purposes (€7.1 million).

At the end of March 2015, Central Government Debt stood at €5,365.5 million, up by €129.6 million, over the corresponding period last year. This was the result of higher Malta Government Stocks, which added €321.5 million. On the other hand, Treasury Bills and Foreign Loans went down by €159.1 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 €27.6 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 March 2014, and totalled €60.3 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

Kindly indicate source when quoting from this release.

The advance release calendar may be consulted at www.nso.gov.mt

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-Mar 2013	Jan-Mar 2014	Jan-Mar 2015	Jan-Mar 2015 / Jan-Mar 2014	
				Change	% change
€ 000					
(a) Recurrent Revenue	596,543	637,797	774,689	136,892	21.5
<i>of which:</i>					
Grants	52,328	21,299	124,318	103,019	
Customs and Excise Duties	29,138	32,966	51,165	18,199	
Value Added Tax	123,683	148,024	157,826	9,801	
Income Tax	148,247	182,947	170,551	-12,397	
Social Security	131,890	142,469	146,858	4,388	
Others	111,257	110,091	123,972	13,881	
(b) Total Expenditure	764,008	863,370	860,024	-3,346	-0.4
<i>consisting of:</i>					
Recurrent Expenditure	608,486	712,872	715,358	2,486	0.3
<i>of which:</i>					
Education	38,112	46,239	50,168	3,929	
Social Security Benefits	201,808	206,292	196,859	-9,433	
Others	368,566	460,341	468,331	7,990	
Interest	51,395	53,804	56,275	2,471	4.6
Capital Expenditure	104,126	96,694	88,391	-8,303	-8.6
<i>of which:</i>					
Productive Investment	50,365	38,425	15,273	-23,152	
Infrastructure	44,517	49,148	51,346	2,198	
Social	9,244	9,121	21,772	12,651	
(a-b) Consolidated Fund Surplus/Deficit	-167,465	-225,573	-85,335	140,238	62.2
(c) Financial Transactions					
<i>consisting of:</i>					
<i>Revenue</i>					
Loans	199,621	159,922	168,287	8,366	
Receipts from Sale of Shares	0	0	0	0	
Other extraordinary receipts	0	0	700	700	
<i>Expenditure</i>					
Contribution to Sinking Fund	0	25,000	0	-25,000	
Equity Acquisition	0	1,059	1,059	0	
Repayment of Loan	7,250	24,459	0	-24,459	
Loans	0	0	0	0	

Table 2. Government finance data: Monthly

Description	March 2013	March 2014	March 2015	March 2015 / March 2014	
				Change	% change
€ 000					
(a) Recurrent Revenue	159,573	155,002	164,681	9,679	6.2
<i>of which:</i>					
Grants	2,842	190	81	-108	
Customs and Excise Duties	9,749	8,821	25,562	16,741	
Value Added Tax	28,120	22,587	27,366	4,779	
Income Tax	39,523	38,794	17,031	-21,763	
Social Security	43,910	48,393	51,493	3,100	
Others	35,429	36,218	43,148	6,930	
(b) Total Expenditure	223,087	306,073	299,691	-6,382	-2.1
<i>consisting of:</i>					
Recurrent Expenditure	176,486	253,623	254,338	715	0.3
<i>of which:</i>					
Education	13,281	16,980	15,726	-1,254	
Social Security Benefits	45,749	77,201	77,599	398	
Others	117,455	159,443	161,013	1,571	
Interest	15,207	17,418	20,391	2,973	17.1
Capital Expenditure	31,394	35,031	24,961	-10,070	-28.7
<i>of which:</i>					
Productive Investment	12,107	16,154	1,881	-14,272	
Infrastructure	16,645	16,567	17,568	1,001	
Social	2,641	2,311	5,511	3,201	
(a-b) Consolidated Fund Surplus/Deficit	-63,514	-151,071	-135,010	16,061	10.6
(c) Financial Transactions					
<i>consisting of:</i>					
<i>Revenue</i>					
Loans	199,621	159,922	168,287	8,366	
Receipts from Sale of Shares	0	0	0	0	
Other extraordinary receipts	0	0	0	0	
<i>Expenditure</i>					
Contribution to Sinking Fund	0	25,000	0	-25,000	
Equity Acquisition	0	1,059	1,059	0	
Repayment of Loan	0	24,459	0	-24,459	
Loans	0	0	0	0	

Table 3. Central Government debt

Description	March 2013	March 2014	March 2015	March 2015 / March 2014	
				Change	% change
€000					
Total Central Government Debt	4,944,686	5,235,916	5,365,482	129,567	2.5
<i>of which:</i>					
Treasury Bills	288,599	367,200	208,140	-159,060	
Malta Government Stocks	4,544,011	4,746,322	5,067,862	321,541	
Foreign Loans	61,925	50,949	40,359	-10,590	
Domestic Loans with Commercial Banks	56,379	56,379	56,379	0	
MGSF investments in Government Debt	-57,055	-39,983	-67,579	-27,596	
Euro Coins issued in the name of the Treasury	50,828	55,049	60,321	5,272	

Table 4. Revenue/Expenditure categories: Year to date

Description	Jan-Mar 2013	Jan-Mar 2014	Jan-Mar 2015	Jan-Mar 2015 / Jan-Mar 2014	
				Change	% change
€000					
Total Recurrent Revenue	596,543	637,797	774,689	136,892	21.5
Customs and Excise Duties	29,138	32,966	51,165	18,199	
Licences, Taxes and Fines	55,923	57,419	67,637	10,218	
Income Tax	148,247	182,947	170,551	-12,397	
Value Added Tax	123,683	148,024	157,826	9,801	
Fees of Office	7,618	7,391	6,167	-1,224	
Reimbursements	5,835	5,250	4,707	-543	
Public Corporations	0	0	0	0	
Central Bank of Malta	30,000	30,000	30,000	0	
Rents	4,273	5,260	7,025	1,765	
Dividends on Investment	520	0	75	75	
Interest on loans made by Government	293	6	72	66	
Social Security	131,890	142,469	146,858	4,388	
Grants	52,328	21,299	124,318	103,019	
Miscellaneous Receipts	6,794	4,765	8,290	3,525	
Total Non-Recurrent Revenue	199,621	159,922	168,987	9,066	
Receipts from Sale of Shares	0	0	0	0	
Other extraordinary receipts	0	0	700	700	
Loans	199,621	159,922	168,287	8,366	
Total Revenue	796,164	797,718	943,676	145,958	18.3
Recurrent Expenditure					
Personal Emoluments	146,759	157,990	168,105	10,115	
Operational and Maintenance Expenses	26,859	38,592	42,663	4,072	
Programmes and Initiatives	386,028	443,749	436,276	-7,474	
Contributions to Government Entities	48,840	72,541	68,314	-4,227	
Total Recurrent Expenditure	608,486	712,872	715,358	2,486	0.3

Table 5. Revenue/Expenditure categories: Monthly

Description	March 2013	March 2014	March 2015	March 2015 / March 2014	
				Change	% change
	€000				
Total Recurrent Revenue	159,573	155,002	164,681	9,679	6.2
Customs and Excise Duties	9,749	8,821	25,562	16,741	
Licences, Taxes and Fines	15,741	17,879	22,562	4,683	
Income Tax	39,523	38,794	17,031	-21,763	
Value Added Tax	28,120	22,587	27,366	4,779	
Fees of Office	3,151	1,913	2,027	114	
Reimbursements	1,918	2,682	2,860	178	
Public Corporations	0	0	0	0	
Central Bank of Malta	10,000	10,000	10,000	0	
Rents	743	1,573	1,605	32	
Dividends on Investment	0	0	75	75	
Interest on loans made by Government	207	5	68	64	
Social Security	43,910	48,393	51,493	3,100	
Grants	2,842	190	81	-108	
Miscellaneous Receipts	3,670	2,168	3,951	1,783	
Total Non-Recurrent Revenue	199,621	159,922	168,287	8,366	5.2
Receipts from Sale of Shares	0	0	0	0	
Other extraordinary receipts	0	0	0	0	
Loans	199,621	159,922	168,287	8,366	
Total Revenue	359,194	314,924	332,969	18,045	5.7
Recurrent Expenditure					
Personal Emoluments	50,767	57,329	60,482	3,153	
Operational and Maintenance Expenses	6,870	11,222	12,634	1,412	
Programmes and Initiatives	103,787	156,201	156,720	520	
Contributions to Government Entities	15,063	28,871	24,501	-4,370	
Total Recurrent Expenditure	176,486	253,623	254,338	715	0.3

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. 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>