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In the first six months of 2015, Government's Consolidated Fund registered a deficit of €158.0 million.

## Government Finance Data: January-June 2015

During January-June, recurrent revenue registered an increase of €193.1 million which outweighed the rise in expenditure of €85.8 million, hence resulting in a positive change in the Government's Consolidated Fund of €107.2 million.

In the second quarter this year, recurrent revenue was recorded at €1,607.4 million, up from €1,414.3 million last year. The major contributors to the comparative increase of 13.6 per cent were higher proceeds from Grants (€56.1 million), Customs and Excise Duties (€43.1 million) and Income Tax (€38.9 million). On the other hand, Fees of Office registered a decrease of €5.7 million (Table 1).

Compared to the first six months last year, total expenditure recorded an increase of €85.8 million due to higher recurrent and capital expenditures and interest payments (Table 1).

Recurrent expenditure went up by €66.4 million, totalling €1,443.2 million. Programmes and Initiatives recorded the highest increase at €28.7 million. The major developments in this category involved added expenditure on the one-time additional bonus (€7.1 million), EU Own Resources (€5.1 million), social security state contribution which also features as revenue (€4.4 million), and child care for all (€4.1 million). Conversely, lower outlays on social security benefits by €4.4 million were registered. Other increases in recurrent expenditure were recorded in Personal Emoluments by €19.6 million, followed by Contributions to Government Entities and Operational and Maintenance Expenses, with a rise of €9.8 and €8.2 million respectively (Table 4).

The interest component of the public debt servicing costs for the first half of 2015 stood at €116.2 million up by €4.9 million from last year (Table 1).

Government's Capital Expenditure was recorded at €206.0 million, up by €14.5 million from last year (Table 1). This increase was mainly due to added outlays on the acquisition of property for public purposes (€7.4 million) and EU funded expenditure on agriculture (€4.1 million). Moreover, the national identity management systems and the enterprise investment incentives both advanced by €2.0 million. These increases were partially outweighed by a lower equity injection to the national air carrier.

At the end of June 2015, Central Government Debt stood at €5,384.8 million, a decline of €99.4 million over the corresponding period last year. This was the result of lower Treasury Bills and Foreign Loans by €176.6 million and €10.6 million respectively which outweighed the increase in Malta Government Stocks of €106.7 million. As a result of consolidation, higher holdings by government funds in Malta Government Stocks resulted in a reduction in debt of €24.7 million. The Euro coins issued in the name of the Treasury went up by €5.8 million when compared to the coin stock as at the end of June 2014, and totalled €62.9 million (Table 3) ■

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Table 1. Government finance data: Year to date

Description	Jan-Jun 2013	Jan-Jun 2014	Jan-Jun 2015	Jan-Jun 2015 / Jan-Jun 2014	
				Change	% change
€ 000					
<b>(a) Recurrent Revenue</b>	<b>1,307,508</b>	<b>1,414,347</b>	<b>1,607,398</b>	<b>193,051</b>	<b>13.6</b>
<i>of which:</i>					
Grants	68,370	100,954	157,090	56,136	
Customs and Excise Duties	75,574	69,457	112,531	43,074	
Value Added Tax	258,771	289,763	300,676	10,913	
Income Tax	411,511	425,554	464,415	38,861	
Social Security	283,500	310,852	324,411	13,559	
Others	209,782	217,766	248,275	30,508	
<b>(b) Total Expenditure</b>	<b>1,548,687</b>	<b>1,679,552</b>	<b>1,765,369</b>	<b>85,817</b>	<b>5.1</b>
<i>consisting of:</i>					
Recurrent Expenditure	1,258,653	1,376,797	1,443,163	66,366	4.8
<i>of which:</i>					
Education	86,269	90,830	98,325	7,495	
Social Security Benefits	405,527	412,253	407,831	-4,422	
Others	766,857	873,714	937,007	63,293	
Interest	111,244	111,215	116,164	4,949	4.4
Capital Expenditure	178,790	191,540	206,042	14,502	7.6
<i>of which:</i>					
Productive Investment	69,747	48,486	40,250	-8,236	
Infrastructure	88,363	110,404	124,162	13,758	
Social	20,680	32,650	41,630	8,980	
<b>(a-b) Consolidated Fund Surplus/Deficit</b>	<b>-241,178</b>	<b>-265,205</b>	<b>-157,971</b>	<b>107,234</b>	<b>40.4</b>
<b>(c) Financial Transactions</b>					
<i>consisting of:</i>					
<i>Revenue</i>					
Loans	369,621	394,871	258,287	-136,584	
Repayment of Loans	30	0	0	0	
Receipts from Sale of Shares	0	0	700	700	
Other extraordinary receipts	0	0	0	0	
<i>Expenditure</i>					
Contribution to Sinking Fund	5,666	29,863	9,863	-20,000	
Equity Acquisition	11,696	12,755	1,059	-11,696	
Repayment of Loan	119,816	25,750	69,882	44,132	
Loans	0	0	0	0	

Note: Totals may not add up due to rounding.

Table 2. Government finance data: Monthly

Description	June 2013	June 2014	June 2015	June 2015 / June 2014	
				Change	% change
€ 000					
<b>(a) Recurrent Revenue</b>	<b>211,413</b>	<b>260,207</b>	<b>267,506</b>	<b>7,299</b>	<b>2.8</b>
<i>of which:</i>					
Grants	6,247	40,635	23,908	-16,728	
Customs and Excise Duties	11,216	13,499	20,773	7,274	
Value Added Tax	22,539	26,823	19,831	-6,992	
Income Tax	91,224	87,807	101,190	13,383	
Social Security	46,699	52,909	53,609	701	
Others	33,488	38,534	48,194	9,661	
<b>(b) Total Expenditure</b>	<b>261,790</b>	<b>286,521</b>	<b>306,627</b>	<b>20,105</b>	<b>7.0</b>
<i>consisting of:</i>					
Recurrent Expenditure	221,409	225,490	259,252	33,763	15.0
<i>of which:</i>					
Education	15,404	15,349	16,507	1,158	
Social Security Benefits	65,580	84,553	86,147	1,594	
Others	140,425	125,588	156,598	31,011	
Interest	19,439	18,959	20,017	1,058	5.6
Capital Expenditure	20,942	42,073	27,358	-14,715	-35.0
<i>of which:</i>					
Productive Investment	1,431	3,210	4,755	1,545	
Infrastructure	15,544	25,912	17,395	-8,517	
Social	3,967	12,951	5,208	-7,743	
<b>(a-b) Consolidated Fund Surplus/Deficit</b>	<b>-50,376</b>	<b>-26,315</b>	<b>-39,121</b>	<b>-12,806</b>	<b>-48.7</b>
<b>(c) Financial Transactions</b>					
<i>consisting of:</i>					
<i>Revenue</i>					
Loans	0	180,000	90,000	-90,000	
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	5,666	4,863	9,863	5,000	
Equity Acquisition	0	0	0	0	
Repayment of Loan	0	1,291	69,486	68,195	
Loans	0	0	0	0	

Note: Totals may not add up due to rounding.

Table 3. Central Government debt

Description	June 2013	June 2014	June 2015	June 2015 / June 2014	
				Change	% change
€ 000					
<b>Total Central Government Debt</b>	<b>5,045,280</b>	<b>5,484,207</b>	<b>5,384,801</b>	<b>-99,406</b>	<b>-1.8</b>
<i>of which:</i>					
Treasury Bills	335,899	407,167	230,550	-176,617	
Malta Government Stocks	4,601,444	4,981,272	5,087,980	106,709	
Foreign Loans	53,800	43,165	32,597	-10,568	
Domestic Loans with Commercial Banks	56,379	56,379	56,379	0	
MGSF investments in Government Debt	-54,555	-60,883	-85,579	-24,696	
Euro Coins issued in the name of the Treasury	52,313	57,107	62,874	5,767	

Note: Totals may not add up due to rounding.

Table 4. Revenue/Expenditure categories: Year to date

Description	Jan-Jun 2013	Jan-Jun 2014	Jan-Jun 2015	Jan-Jun 2015 / Jan-Jun 2014	
				Change	% change
€ 000					
<b>Total Recurrent Revenue</b>	<b>1,307,508</b>	<b>1,414,347</b>	<b>1,607,398</b>	<b>193,051</b>	<b>13.6</b>
Customs and Excise Duties	75,574	69,457	112,531	43,074	
Licences, Taxes and Fines	114,111	118,652	135,121	16,469	
Income Tax	411,511	425,554	464,415	38,861	
Value Added Tax	258,771	289,763	300,676	10,913	
Fees of Office	16,180	18,237	12,508	-5,730	
Reimbursements	10,448	10,727	10,549	-178	
Public Corporations	0	0	0	0	
Central Bank of Malta	36,000	37,000	36,000	-1,000	
Rents	13,992	15,947	15,673	-275	
Dividends on Investment	4,604	3,731	8,698	4,967	
Interest on loans made by Government	1,407	1,031	132	-899	
Social Security	283,500	310,852	324,411	13,559	
Grants	68,370	100,954	157,090	56,136	
Miscellaneous Receipts	13,039	12,440	29,595	17,155	
<b>Total Non-Recurrent Revenue</b>	<b>369,651</b>	<b>394,871</b>	<b>258,987</b>	<b>-135,884</b>	
Receipts from Sale of Shares	0	0	700	700	
Other extraordinary receipts	0	0	0	0	
Loans	369,621	394,871	258,287	-136,584	
Repayment of Loans	30	0	0	0	
<b>Total Revenue</b>	<b>1,677,159</b>	<b>1,809,218</b>	<b>1,866,386</b>	<b>57,167</b>	<b>3.2</b>
<b>Recurrent Expenditure</b>					
Personal Emoluments	296,966	321,604	341,193	19,589	
Operational and Maintenance Expenses	63,319	69,095	77,306	8,212	
Programmes and Initiatives	785,835	852,374	881,106	28,732	
Contributions to Government Entities	112,532	133,725	143,558	9,833	
<b>Total Recurrent Expenditure</b>	<b>1,258,653</b>	<b>1,376,797</b>	<b>1,443,163</b>	<b>66,366</b>	<b>4.8</b>

Note: Totals may not add up due to rounding.

Table 5. Revenue/Expenditure categories: Monthly

Description	June 2013	June 2014	June 2015	June 2015 / June 2014	
				Change	% change
				€ 000	
<b>Total Recurrent Revenue</b>	<b>211,413</b>	<b>260,207</b>	<b>267,506</b>	<b>7,299</b>	<b>2.8</b>
Customs and Excise Duties	11,216	13,499	20,773	7,274	
Licences, Taxes and Fines	17,805	16,428	19,987	3,559	
Income Tax	91,224	87,807	101,190	13,383	
Value Added Tax	22,539	26,823	19,831	-6,992	
Fees of Office	2,130	2,661	1,666	-995	
Reimbursements	1,951	1,913	1,146	-767	
Public Corporations	0	0	0	0	
Central Bank of Malta	6,000	7,000	6,000	-1,000	
Rents	3,344	5,090	5,277	188	
Dividends on Investment	1,082	1,356	2,543	1,187	
Interest on loans made by Government	214	98	61	-37	
Social Security	46,699	52,909	53,609	701	
Grants	6,247	40,635	23,908	-16,728	
Miscellaneous Receipts	961	3,987	11,513	7,526	
<b>Total Non-Recurrent Revenue</b>	<b>0</b>	<b>180,000</b>	<b>90,000</b>	<b>-90,000</b>	
Receipts from Sale of Shares	0	0	0	0	
Other extraordinary receipts	0	0	0	0	
Loans	0	180,000	90,000	-90,000	
Repayment of Loans	0	0	0	0	
<b>Total Revenue</b>	<b>211,413</b>	<b>440,207</b>	<b>357,505</b>	<b>-82,701</b>	<b>-18.8</b>
<b>Recurrent Expenditure</b>					
Personal Emoluments	53,224	59,162	61,872	2,711	
Operational and Maintenance Expenses	13,111	8,895	11,029	2,134	
Programmes and Initiatives	130,495	140,029	164,080	24,051	
Contributions to Government Entities	24,580	17,404	22,271	4,867	
<b>Total Recurrent Expenditure</b>	<b>221,409</b>	<b>225,490</b>	<b>259,252</b>	<b>33,763</b>	<b>15.0</b>

Note: Totals may not add up due to rounding.

## Methodological Notes

1. Data in this news release is 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 in respect 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. 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>