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In the first seven months of 2015, the Government's Consolidated Fund registered a deficit of €174.9 million.

Government Finance Data: January-July 2015

Compared to January-July 2014, recurrent revenue recorded an increase of €240.8 million which outweighed the rise in expenditure of €106.2 million, hence resulting in a positive change in the Government's Consolidated Fund of €134.6 million.

In the first seven months of this year, recurrent revenue was recorded at €1,871.9 million, up from €1,631.1 million last year. The major contributors to the comparative increase of 14.8 per cent were higher proceeds from Grants (€55.8 million), Customs and Excise Duties (€55.1 million) and Income Tax (€54.0 million). On the other hand, proceeds from the Central Bank registered a decrease of €1.0 million (Table 4).

Compared to the same period last year, total expenditure increased by €106.2 million due to higher recurrent and capital expenditures (Table 1).

Recurrent expenditure went up by €92.5 million, totalling €1,675.1 million. Programmes and Initiatives recorded the highest increase at €37.3 million. The major developments in this category involved added expenditure on the one-time additional bonus (€7.1 million), medicines and surgical materials (€6.0 million), EU Own Resources (€5.6 million), contribution towards church schools (€4.7 million) and child care for all (€4.4 million). Conversely, lower outlays on social security benefits of €2.5 million were registered. Other increases in recurrent expenditure were recorded in Personal Emoluments by €22.7 million, followed by Contributions to Government Entities and Operational and Maintenance Expenses, with a rise of €19.6 and €12.8 million respectively (Table 4).

The interest component of the public debt servicing costs stood at €131.3 million down by €0.6 million from last year (Table 1).

Government's Capital Expenditure was recorded at €240.4 million, up by €14.3 million from last year (Table 1). This increase was mainly due to added outlays on the acquisition of property for public purposes (€6.1 million), expenditure funded by the external borders fund (€5.9 million), enterprise investment incentives (€4.3 million) and EU funded expenditure on agriculture (€4.2 million). These increases were partially outweighed by a lower equity injection to the national air carrier.

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At the end of July 2015, Central Government Debt stood at €5,399.1 million, an increase of €134.3 million over the corresponding period last year. This was the result of higher Malta Government Stocks by €345.6 million only partially outweighed by lower Treasury Bills and Foreign Loans by €158.5 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 €48.0 million. The Euro coins issued in the name of the Treasury went up by €5.7 million when compared to the coin stock as at the end of July 2014, and totalled €64.2 million (Table 3) ■

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Table 1. Government finance data: Year to date

Description	Jan-Jul 2013	Jan-Jul 2014	Jan-Jul 2015	Jan-Jul 2015 / Jan-Jul 2014	
				Change	% change
€ 000					
(a) Recurrent Revenue	1,543,781	1,631,078	1,871,902	240,824	14.8
<i>of which:</i>					
Grants	92,218	103,492	159,299	55,807	
Customs and Excise Duties	104,367	81,947	137,033	55,087	
Value Added Tax	293,665	320,655	327,670	7,016	
Income Tax	480,488	510,655	564,621	53,967	
Social Security	330,552	364,280	382,385	18,105	
Others	242,490	250,050	300,893	50,843	
(b) Total Expenditure	1,802,762	1,940,577	2,046,753	106,176	5.5
<i>consisting of:</i>					
Recurrent Expenditure	1,473,776	1,582,518	1,675,055	92,537	5.8
<i>of which:</i>					
Education	100,091	104,319	112,876	8,558	
Social Security Benefits	472,020	472,744	470,221	-2,523	
Others	901,664	1,005,456	1,091,958	86,502	
Interest	130,649	131,904	131,281	-623	-0.5
Capital Expenditure	198,338	226,155	240,417	14,262	6.3
<i>of which:</i>					
Productive Investment	71,710	53,572	44,880	-8,692	
Infrastructure	103,647	131,363	149,099	17,736	
Social	22,982	41,220	46,438	5,218	
(a-b) Consolidated Fund Surplus/Deficit	-258,981	-309,499	-174,851	134,648	43.5
(c) Financial Transactions					
<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	5,661	29,863	9,863	-20,000	
Equity Acquisition	11,696	12,755	1,059	-11,696	
Repayment of Loan	119,816	263,375	69,882	-193,493	
Loans	0	0	0	0	

Note: Totals may not add up due to rounding.

Table 2. Government finance data: Monthly

Description	July 2013	July 2014	July 2015	July 2015 / July 2014	
				Change	% change
€ 000					
(a) Recurrent Revenue	236,273	216,731	264,503	47,773	22.0
<i>of which:</i>					
Grants	23,849	2,538	2,210	-329	
Customs and Excise Duties	28,793	12,489	24,502	12,013	
Value Added Tax	34,894	30,891	26,994	-3,897	
Income Tax	68,977	85,100	100,206	15,106	
Social Security	47,052	53,428	57,973	4,546	
Others	32,708	32,284	52,618	20,334	
(b) Total Expenditure	254,076	261,024	281,384	20,359	7.8
<i>consisting of:</i>					
Recurrent Expenditure	215,123	205,721	231,892	26,171	12.7
<i>of which:</i>					
Education	13,822	13,489	14,551	1,062	
Social Security Benefits	66,494	60,490	62,390	1,899	
Others	134,807	131,742	154,951	23,209	
Interest	19,404	20,689	15,117	-5,572	-26.9
Capital Expenditure	19,548	34,615	34,375	-240	-0.7
<i>of which:</i>					
Productive Investment	1,963	5,086	4,630	-457	
Infrastructure	15,284	20,959	24,936	3,978	
Social	2,302	8,570	4,809	-3,761	
(a-b) Consolidated Fund Surplus/Deficit	-17,803	-44,294	-16,880	27,413	61.9
(c) Financial Transactions					
<i>consisting of:</i>					
<i>Revenue</i>					
Loans	0	0	0	0	
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	0	0	0	
Equity Acquisition	0	0	0	0	
Repayment of Loan	0	237,625	0	-237,625	
Loans	0	0	0	0	

Note: Totals may not add up due to rounding.

Table 3. Central Government debt

Description	July 2013	July 2014	July 2015	July 2015 / July 2014	
				Change	% change
€ 000					
Total Central Government Debt	4,983,967	5,264,834	5,399,112	134,278	2.6
<i>of which:</i>					
Treasury Bills	280,172	407,067	248,550	-158,517	
Malta Government Stocks	4,601,444	4,742,356	5,087,980	345,624	
Foreign Loans	53,794	43,171	32,594	-10,577	
Domestic Loans with Commercial Banks	56,379	56,379	56,379	0	
MGSF investments in Government Debt	-61,055	-42,579	-90,579	-48,000	
Euro Coins issued in the name of the Treasury	53,234	58,441	64,188	5,747	

Note: Totals may not add up due to rounding.

Table 4. Revenue/Expenditure categories: Year to date

Description	Jan-Jul 2013	Jan-Jul 2014	Jan-Jul 2015	Jan-Jul 2015 / Jan-Jul 2014	
				Change	% change
€ 000					
Total Recurrent Revenue	1,543,781	1,631,078	1,871,902	240,824	14.8
Customs and Excise Duties	104,367	81,947	137,033	55,087	
Licences, Taxes and Fines	134,647	140,349	162,744	22,396	
Income Tax	480,488	510,655	564,621	53,967	
Value Added Tax	293,665	320,655	327,670	7,016	
Fees of Office	18,342	22,068	28,139	6,070	
Reimbursements	12,378	13,060	13,554	494	
Public Corporations	0	0	0	0	
Central Bank of Malta	36,000	37,000	36,000	-1,000	
Rents	16,579	18,561	19,464	902	
Dividends on Investment	9,604	4,231	8,698	4,467	
Interest on loans made by Government	1,408	1,031	132	-899	
Social Security	330,552	364,280	382,385	18,105	
Grants	92,218	103,492	159,299	55,807	
Miscellaneous Receipts	13,532	13,750	32,162	18,412	
Total Non-Recurrent Revenue	369,651	394,871	258,987	-135,884	
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	
Total Revenue	1,913,432	2,025,949	2,130,889	104,940	5.2
Recurrent Expenditure					
Personal Emoluments	345,792	373,846	396,574	22,729	
Operational and Maintenance Expenses	73,341	77,228	90,068	12,840	
Programmes and Initiatives	933,188	984,958	1,022,303	37,344	
Contributions to Government Entities	121,455	146,485	166,110	19,625	
Total Recurrent Expenditure	1,473,776	1,582,518	1,675,055	92,537	5.8

Note: Totals may not add up due to rounding.

Table 5. Revenue/Expenditure categories: Monthly

Description	July 2013	July 2014	July 2015	July 2015 / July 2014	
				Change	% change
€ 000					
Total Recurrent Revenue	236,273	216,731	264,503	47,773	22.0
Customs and Excise Duties	28,793	12,489	24,502	12,013	
Licences, Taxes and Fines	20,536	21,696	27,624	5,927	
Income Tax	68,977	85,100	100,206	15,106	
Value Added Tax	34,894	30,891	26,994	-3,897	
Fees of Office	2,162	3,831	15,631	11,800	
Reimbursements	1,930	2,332	3,004	672	
Public Corporations	0	0	0	0	
Central Bank of Malta	0	0	0	0	
Rents	2,587	2,614	3,791	1,177	
Dividends on Investment	5,000	500	0	-500	
Interest on loans made by Government	1	0	0	0	
Social Security	47,052	53,428	57,973	4,546	
Grants	23,849	2,538	2,210	-329	
Miscellaneous Receipts	493	1,310	2,568	1,258	
Total Non-Recurrent Revenue	0	0	0	0	
Receipts from Sale of Shares	0	0	0	0	
Other extraordinary receipts	0	0	0	0	
Loans	0	0	0	0	
Repayment of Loans	0	0	0	0	
Total Revenue	236,273	216,731	264,503	47,773	22.0
Recurrent Expenditure					
Personal Emoluments	48,825	52,242	55,381	3,139	
Operational and Maintenance Expenses	10,022	8,134	12,762	4,628	
Programmes and Initiatives	147,353	132,584	141,197	8,612	
Contributions to Government Entities	8,923	12,761	22,552	9,792	
Total Recurrent Expenditure	215,123	205,721	231,892	26,171	12.7

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>