

25 September 2015 | 1100 hrs | 175/2015

In the first eight months of 2015, Government's Consolidated Fund registered a deficit of €141.0 million.

Government Finance Data: January-August 2015

Compared to January-August 2014, recurrent revenue recorded an increase of €235.6 million which outweighed the rise in expenditure of €166.7 million, hence resulting in a positive change in the Government's Consolidated Fund of €68.9 million.

In the first eight months of this year, recurrent revenue was recorded at €2,222.4 million, up from €1,986.8 million last year. The major contributors to the comparative increase of 11.9 per cent were higher proceeds from Income Tax (€64.9 million) and Customs and Excise Duties (€63.3 million). Moreover, increases were registered in Grants (€23.9 million), Social Security (€19.9 million) and Licences, Taxes and Fines (€19.0 million), among others. Conversely, proceeds from the Central Bank of Malta recorded a decline of €1.0 million (Table 1).

Compared to the same period last year, total expenditure increased by €166.7 million due to higher recurrent and capital expenditures (Table 1).

Recurrent expenditure went up by €148.5 million, totalling €1,939.3 million. Programmes and Initiatives recorded the highest increase at €83.0 million. The major developments in this category involved added expenditure on social security benefits by €38.0 million followed by increases in medicines and surgical materials (€7.6 million), outlays on the provision for spare capacity electricity and the one-time additional bonus of €7.0 million each, social security state contribution, which also features as revenue (€6.3 million), contribution towards Church schools (€5.2 million) and child care for all (€4.7 million). Other increases in recurrent expenditure were recorded in Contributions to Government Entities (€25.0 million), Personal Emoluments (€23.1 million) and Operational and Maintenance Expenses (€17.4 million). (Table 4).

The interest component of the public debt servicing costs stood at €152.7 million, up by €1.0 million from last year (Table 1).

Government's capital expenditure was recorded at €271.4 million, up by €17.3 million from last year (Table 1). This increase was mainly due to outlays on the autoclave animal waste facility of €10.2 million, added expenditure funded by the external borders fund (€6.0 million), an increase in the acquisition of property for public purposes (€5.5 million) and enterprise investment incentives (€4.3 million). These increases were partially outweighed by a lower equity injection to the national air carrier.

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At the end of August 2015, Central Government Debt stood at €5,396.5 million, an increase of €5.9 million over the corresponding period last year. This was the result of higher Malta Government Stocks by €167.5 million, partially outweighed by lower Treasury Bills and Foreign Loans by €109.0 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 €5.9 million when compared to the coin stock as at the end of August 2014, and totalled €65.0 million (Table 3) ■

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Table 1. Government finance data: Year to date

Description	Jan-Aug 2013	Jan-Aug 2014	Jan-Aug 2015	Jan-Aug 2015 / Jan-Aug 2014	
				Change	% change
€ 000					
(a) Recurrent Revenue	1,837,815	1,986,801	2,222,430	235,629	11.9
<i>of which:</i>					
Grants	93,589	135,485	159,423	23,939	
Customs and Excise Duties	127,064	96,905	160,222	63,317	
Value Added Tax	376,858	422,449	440,584	18,135	
Income Tax	592,733	629,051	693,976	64,926	
Social Security	389,519	423,464	443,381	19,916	
Others	258,051	279,447	324,844	45,397	
(b) Total Expenditure	2,034,730	2,196,700	2,363,433	166,734	7.6
<i>consisting of:</i>					
Recurrent Expenditure	1,667,633	1,790,803	1,939,291	148,488	8.3
<i>of which:</i>					
Education	112,664	120,072	129,329	9,257	
Social Security Benefits	526,386	530,958	568,960	38,001	
Others	1,028,582	1,139,773	1,241,002	101,230	
Interest	148,570	151,788	152,740	952	0.6
Capital Expenditure	218,527	254,109	271,403	17,294	6.8
<i>of which:</i>					
Productive Investment	74,056	56,810	45,639	-11,171	
Infrastructure	117,301	149,373	174,269	24,896	
Social	27,170	47,926	51,494	3,568	
(a-b) Consolidated Fund Surplus/Deficit	-196,915	-209,899	-141,003	68,896	32.8
(c) Financial Transactions					
<i>consisting of:</i>					
<i>Revenue</i>					
Loans	369,621	573,841	258,287	-315,554	
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	13,755	1,059	-12,696	
Repayment of Loan	149,816	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	August 2013	August 2014	August 2015	August 2015 / August 2014	
				Change	% change
€ 000					
(a) Recurrent Revenue	294,034	355,723	350,529	-5,194	-1.5
<i>of which:</i>					
Grants	1,371	31,993	124	-31,869	
Customs and Excise Duties	22,697	14,958	23,188	8,230	
Value Added Tax	83,193	101,795	112,914	11,120	
Income Tax	112,245	118,396	129,355	10,959	
Social Security	58,967	59,185	60,996	1,811	
Others	15,562	29,397	23,951	-5,446	
(b) Total Expenditure	231,967	256,123	316,680	60,557	23.6
<i>consisting of:</i>					
Recurrent Expenditure	193,857	208,285	264,236	55,951	26.9
<i>of which:</i>					
Education	12,573	15,753	16,452	699	
Social Security Benefits	54,366	58,215	98,739	40,524	
Others	126,918	134,317	149,044	14,727	
Interest	17,922	19,884	21,458	1,574	7.9
Capital Expenditure	20,189	27,954	30,986	3,032	10.8
<i>of which:</i>					
Productive Investment	2,347	3,238	760	-2,478	
Infrastructure	13,654	18,010	25,171	7,161	
Social	4,188	6,706	5,056	-1,650	
(a-b) Consolidated Fund Surplus/Deficit	62,067	99,600	33,849	-65,752	-66.0
(c) Financial Transactions					
<i>consisting of:</i>					
<i>Revenue</i>					
Loans	0	178,970	0	-178,970	
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	0	0	0	0	
Equity Acquisition	0	1,000	0	-1,000	
Repayment of Loan	30,000	0	0	0	
Loans	0	0	0	0	

Note: Totals may not add up due to rounding.

Table 3. Central Government debt

Description	August 2013	August 2014	August 2015	August 2015 / August 2014	
				Change	% change
€ 000					
Total Central Government Debt	5,066,923	5,390,593	5,396,450	5,858	0.1
<i>of which:</i>					
Treasury Bills	392,200	352,067	243,050	-109,017	
Malta Government Stocks	4,571,444	4,922,461	5,089,988	167,527	
Foreign Loans	53,791	43,178	32,586	-10,592	
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	54,164	59,087	65,027	5,940	

Note: Totals may not add up due to rounding.

Table 4. Revenue/Expenditure categories: Year to date

Description	Jan-Aug 2013	Jan-Aug 2014	Jan-Aug 2015	Jan-Aug 2015 / Jan-Aug 2014	
				Change	% change
€ 000					
Total Recurrent Revenue	1,837,815	1,986,801	2,222,430	235,629	11.9
Customs and Excise Duties	127,064	96,905	160,222	63,317	
Licences, Taxes and Fines	144,108	161,313	180,307	18,994	
Income Tax	592,733	629,051	693,976	64,926	
Value Added Tax	376,858	422,449	440,584	18,135	
Fees of Office	21,099	25,175	29,154	3,979	
Reimbursements	13,843	14,738	15,413	675	
Public Corporations	0	0	0	0	
Central Bank of Malta	36,000	37,000	36,000	-1,000	
Rents	17,115	20,145	21,515	1,370	
Dividends on Investment	9,962	4,306	9,273	4,967	
Interest on loans made by Government	1,408	1,031	132	-899	
Social Security	389,519	423,464	443,381	19,916	
Grants	93,589	135,485	159,423	23,939	
Miscellaneous Receipts	14,516	15,739	33,050	17,311	
Total Non-Recurrent Revenue	369,651	573,841	258,987	-314,854	
Receipts from Sale of Shares	0	0	700	700	
Other extraordinary receipts	0	0	0	0	
Loans	369,621	573,841	258,287	-315,554	
Repayment of Loans	30	0	0	0	
Total Revenue	2,207,466	2,560,642	2,481,418	-79,225	-3.1
Recurrent Expenditure					
Personal Emoluments	394,452	427,035	450,175	23,140	
Operational and Maintenance Expenses	81,960	84,745	102,103	17,358	
Programmes and Initiatives	1,050,151	1,106,197	1,189,199	83,002	
Contributions to Government Entities	141,070	172,827	197,815	24,988	
Total Recurrent Expenditure	1,667,633	1,790,803	1,939,291	148,488	8.3

Note: Totals may not add up due to rounding.

Table 5. Revenue/Expenditure categories: Monthly

Description	August 2013	August 2014	August 2015	August 2015 / August 2014	
				Change	% change
	€ 000				
Total Recurrent Revenue	294,034	355,723	350,529	-5,194	-1.5
Customs and Excise Duties	22,697	14,958	23,188	8,230	
Licences, Taxes and Fines	9,461	20,965	17,562	-3,402	
Income Tax	112,245	118,396	129,355	10,959	
Value Added Tax	83,193	101,795	112,914	11,120	
Fees of Office	2,757	3,107	1,016	-2,091	
Reimbursements	1,465	1,678	1,859	181	
Public Corporations	0	0	0	0	
Central Bank of Malta	0	0	0	0	
Rents	536	1,583	2,051	468	
Dividends on Investment	358	75	575	500	
Interest on loans made by Government	0	0	0	0	
Social Security	58,967	59,185	60,996	1,811	
Grants	1,371	31,993	124	-31,869	
Miscellaneous Receipts	985	1,989	887	-1,102	
Total Non-Recurrent Revenue	0	178,970	0	-178,970	
Receipts from Sale of Shares	0	0	0	0	
Other extraordinary receipts	0	0	0	0	
Loans	0	178,970	0	-178,970	
Repayment of Loans	0	0	0	0	
Total Revenue	294,034	534,693	350,529	-184,164	-34.4
Recurrent Expenditure					
Personal Emoluments	48,660	53,189	53,600	411	
Operational and Maintenance Expenses	8,619	7,516	12,034	4,518	
Programmes and Initiatives	116,963	121,238	166,896	45,658	
Contributions to Government Entities	19,615	26,342	31,705	5,363	
Total Recurrent Expenditure	193,857	208,285	264,236	55,951	26.9

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>