

30 March 2016 | 1100 hrs | 054/2016

Errata Corrige: There was a typographical error in the reported Central Government Debt, that went up by €204.5 million and not €240.5 million as reported on 30 March 2016 in the last paragraph of the commentary. Online documents were amended on 7 April 15:45 hrs.

In 2015, Government's Consolidated Fund registered a deficit of €235.8 million.

Government Finance Data: January-December 2015

The Consolidated Fund data, presented in this news release, is the starting point for the compilation of the General Government deficit in line with the ESA 2010 methodologies. Today, the National Statistics Office, submitted to the Commission the latter by means of the Excessive Deficit Procedure (EDP) Notification for the years 2012-2015, which data shall be published locally on the 21st April.

Compared to 2014, recurrent revenue registered an increase of €247.6 million whilst total expenditure went up by €347.1 million, thereby widening the shortfall in the Government's Consolidated Fund by €99.5 million.

In January-December, recurrent revenue was recorded at €3,634.8 million, up from €3,387.2 million last year. The major contributors to the comparative increase of 7.3 per cent were higher proceeds from Income Tax (€116.5 million), Value Added Tax (€60.3 million), Social Security (€40.4 million) and Licenses, Taxes and Fines (€36.8 million), among others. Conversely, the key declines were registered in Fees of Office and Customs and Excise Duties with €25.8 million and €12.2 million respectively.

Total expenditure went up by €347.1 million and stood at €3,870.6 million mainly as a result of higher spending on recurrent and capital expenditures and interest payments.

Recurrent expenditure stood at €3,056.8 million from €2,857.1 million last year. This was the result of higher outlays on Programmes and Initiatives by €107.6 million. The major developments in this category involved increases in EU Own Resources (€32.6 million), social security benefits (€15.5 million), provision of spare capacity electricity (€14.2 million), social security state contribution, which also features as revenue (€13.3 million), church schools contribution (€6.1 million) and child care for all (€5.8 million). Moreover, Personal Emoluments, Contributions to Government Entities and Operational and Maintenance Expenses also registered increases by €38.4 million, €32.2 million and €21.6 million respectively.

The interest component of the public debt servicing costs stood at €232.3 million, up from €231.1 million last year.

Government's Capital expenditure witnessed an increase of €146.1 million, and was recorded at €581.5 million. The increase was mainly related to the closure for the payments under the EU funding programme 2007-2013 by the end of December 2015. This primarily included higher outlays on the Malta MBT Plant (€25.5 million), the water quality and supply project (€16.9 million), autoclave animal waste facility (€14.1 million), and e-services accessibility for all (€11.7 million), among others.

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At the end of 2015, Central Government Debt stood at €5,334.1 million, up by €204.5 million over 2014. This was the result of higher Malta Government Stocks and Treasury Bills, which added €126.0 million and €81.6 million respectively. On the other hand, Foreign Loans went down by €10.6 million. Holdings by Government funds in Malta Government Stocks remained at the same level of last year. The Euro coins issued in the name of the Treasury went up by €7.5 million when compared to the coin stock as at the end of December 2015, and totalled €67.9 million ■

Kindly indicate source when quoting from this release.

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

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Table 1. Revenue/Expenditure categories: Year to date

Description	Jan-Dec 2013	Jan-Dec 2014	Jan-Dec 2015	Jan-Dec 2015 / Jan-Dec 2014	
				Change	% change
				€ 000	
(a) Total Recurrent Revenue	2,992,104	3,387,209	3,634,798	247,589	7.3
Customs and Excise Duties	178,401	302,607	290,405	-12,203	
Licences, Taxes and Fines	223,992	244,124	280,968	36,844	
Income Tax	967,648	1,068,089	1,184,628	116,539	
Value Added Tax	587,171	639,676	699,998	60,322	
Fees of Office	38,329	77,384	51,626	-25,758	
Reimbursements	30,201	25,095	28,794	3,699	
Public Corporations	815	815	0	-815	
Central Bank of Malta	48,000	50,000	48,000	-2,000	
Rents	25,073	28,787	29,262	475	
Dividends on Investment	25,496	17,874	34,936	17,062	
Interest on loans made by Government	2,362	1,191	361	-830	
Social Security	645,295	699,191	739,583	40,392	
Grants	173,717	176,803	176,165	-638	
Miscellaneous Receipts	45,605	55,574	70,073	14,500	
(b) Total Expenditure	3,255,263	3,523,495	3,870,630	347,134	9.9
<i>Recurrent Expenditure</i>	2,632,649	2,857,050	3,056,834	199,784	7.0
Personal Emoluments	653,703	704,021	742,428	38,406	
Operational and Maintenance Expenses	127,578	138,687	160,294	21,608	
Programmes and Initiatives	1,620,833	1,751,297	1,858,878	107,580	
Contributions to Government Entities	230,534	263,045	295,234	32,190	
<i>Interest</i>	227,905	231,096	232,331	1,235	0.5
<i>Capital Expenditure</i>	394,710	435,349	581,465	146,116	33.6
(a-b) Consolidated Fund Surplus/Deficit	-263,159	-136,286	-235,832	-99,545	-73.0
(c) Financial Transactions					
<i>Revenue</i>					
Loans	627,084	648,841	473,235	-175,607	
Repayment of Loans	30	0	40,416	40,416	
Receipts from Sale of Shares	0	0	758	758	
Other extraordinary receipts	28,380	0	0	0	
<i>Expenditure</i>					
Contribution to Sinking Fund	10,524	59,726	34,726	-25,000	
Equity Acquisition	26,510	13,755	41,075	27,320	
Repayment of Loan	370,283	367,504	349,377	-18,127	
Loans	0	0	0	0	

Note: Totals may not add up due to rounding.

Table 2. Revenue/Expenditure categories: Monthly

Description	December 2013	December 2014	December 2015	December 2015 / December 2014	
				Change	% change
				€ 000	
(a) Total Recurrent Revenue	427,247	491,762	499,132	7,370	1.5
Customs and Excise Duties	11,209	23,851	21,368	-2,483	
Licences, Taxes and Fines	21,139	25,262	27,126	1,864	
Income Tax	163,936	207,105	226,584	19,478	
Value Added Tax	36,112	46,510	52,389	5,880	
Fees of Office	6,433	25,663	5,899	-19,763	
Reimbursements	9,175	2,763	3,148	384	
Public Corporations	815	815	0	-815	
Central Bank of Malta	0	0	0	0	
Rents	4,222	3,979	2,551	-1,427	
Dividends on Investment	14,538	12,756	18,946	6,190	
Interest on loans made by Government	0	68	71	3	
Social Security	102,154	105,362	112,327	6,966	
Grants	33,549	10,391	4,746	-5,645	
Miscellaneous Receipts	23,964	27,238	23,976	-3,262	
(b) Total Expenditure	383,180	439,180	574,020	134,840	30.7
<i>Recurrent Expenditure</i>	307,154	353,791	351,441	-2,350	-0.7
Personal Emoluments	110,625	112,804	117,141	4,337	
Operational and Maintenance Expenses	16,093	19,272	25,280	6,008	
Programmes and Initiatives	153,133	198,291	191,511	-6,780	
Contributions to Government Entities	27,304	23,423	17,509	-5,915	
<i>Interest</i>	20,537	20,506	20,242	-264	-1.3
<i>Capital Expenditure</i>	55,489	64,883	202,336	137,454	211.8
(a-b) Consolidated Fund Surplus/Deficit	44,067	52,582	-74,888	-127,470	-242.4
(c) Financial Transactions					
<i>Revenue</i>					
Loans	-2,218	0	0	0	
Repayment of Loans	0	0	40,416	40,416	
Receipts from Sale of Shares	0	0	58	58	
Other extraordinary receipts	0	0	0	0	
<i>Expenditure</i>					
Contribution to Sinking Fund	4,863	29,863	19,863	-10,000	
Equity Acquisition	1,000	0	40,016	40,016	
Repayment of Loan	89	10,247	132,292	122,045	
Loans	0	0	0	0	

Note: Totals may not add up due to rounding.

Table 3. Government Expenditure by COFOG category

COFOG	Personal Emoluments			Operational and Maintenance			Programmes and Initiatives			Contributions to Government		
	Jan-Dec 2013	Jan-Dec 2014	Jan-Dec 2015	Jan-Dec 2013	Jan-Dec 2014	Jan-Dec 2015	Jan-Dec 2013	Jan-Dec 2014	Jan-Dec 2015	Jan-Dec 2013	Jan-Dec 2014	Jan-Dec 2015
	€ 000s											
General public services	67,186	73,003	76,224	23,403	25,464	27,309	155,455	145,755	187,729	6,343	8,818	8,578
Defence	33,231	34,192	37,072	6,267	6,161	6,850	240	365	282	0	0	0
Public order and safety	75,773	80,614	84,349	10,773	10,852	10,830	9,342	10,013	8,196	5,818	7,061	7,538
Economic affairs	70,282	67,471	69,433	10,286	11,231	14,465	84,104	112,611	121,227	49,039	48,320	62,287
Environment protection	0	2,636	1,180	0	208	80	13,203	15,834	19,169	13,433	21,435	19,464
Housing and community amenities	3,738	3,576	2,856	1,323	1,461	2,496	1	491	56	71	447	4,675
Health	183,589	206,713	224,129	47,483	47,577	58,953	103,434	118,502	123,265	39,131	43,709	46,290
Recreation, culture and religion	2,334	8,034	8,006	619	3,002	1,290	8,103	13,413	14,476	13,867	14,979	16,237
Education	172,068	180,328	189,830	14,174	16,765	17,899	81,569	99,470	109,790	84,688	92,140	101,336
Social protection	45,502	47,454	49,348	13,250	15,967	20,122	1,165,384	1,234,843	1,274,687	18,144	26,135	28,828
Total	653,703	704,021	742,428	127,578	138,687	160,294	1,620,833	1,751,297	1,858,878	230,534	263,045	295,234
COFOG	Interest Expenditure			Capital Expenditure			Total expenditure					
	Jan-Dec 2013	Jan-Dec 2014	Jan-Dec 2015	Jan-Dec 2013	Jan-Dec 2014	Jan-Dec 2015	Jan-Dec 2013	Jan-Dec 2014	Jan-Dec 2015	Jan-Dec 2013	Jan-Dec 2014	Jan-Dec 2015
	€000s											
General public services	227,905	231,096	232,331	40,613	68,431	58,197	520,904	552,568	590,368			
Defence	0	0	0	9,725	18,632	34,344	49,462	59,350	78,547			
Public order and safety	0	0	0	5,333	2,199	6,985	107,039	110,739	117,898			
Economic affairs	0	0	0	181,281	153,159	167,561	394,992	392,792	434,973			
Environment protection	0	0	0	37,950	30,444	106,065	64,586	70,557	145,959			
Housing and community amenities	0	0	0	16,162	16,199	19,169	21,295	22,173	29,252			
Health	0	0	0	28,080	41,242	47,449	401,718	457,744	500,087			
Recreation, culture and religion	0	0	0	22,185	34,846	50,270	47,108	74,274	90,280			
Education	0	0	0	39,008	53,214	77,129	391,507	441,918	495,984			
Social protection	0	0	0	14,373	16,982	14,297	1,256,653	1,341,381	1,387,281			
Total	227,905	231,096	232,331	394,710	435,349	581,465	3,255,263	3,523,495	3,870,630			

Table 4. Central Government debt

Description	December 2013	December 2014	December 2015	December 2015 / December 2014	
				Change	% change
	€ 000				
Total Central Government Debt	4,979,953	5,129,601	5,334,068	204,467	4.0
<i>of which:</i>					
Treasury Bills	248,117	140,440	222,050	81,610	
Malta Government Stocks	4,610,859	4,899,575	5,025,589	126,014	
Foreign Loans	50,964	40,389	29,770	-10,619	
Domestic Loans with Commercial Banks	56,379	56,379	56,379	0	
MGSF investments in Government Debt	-41,645	-67,579	-67,579	0	
Euro Coins issued in the name of the Treasury	55,279	60,397	67,860	7,463	

Note: Totals may not add up due to rounding.

Chart 1. January-December Consolidated Fund Surplus/Deficit

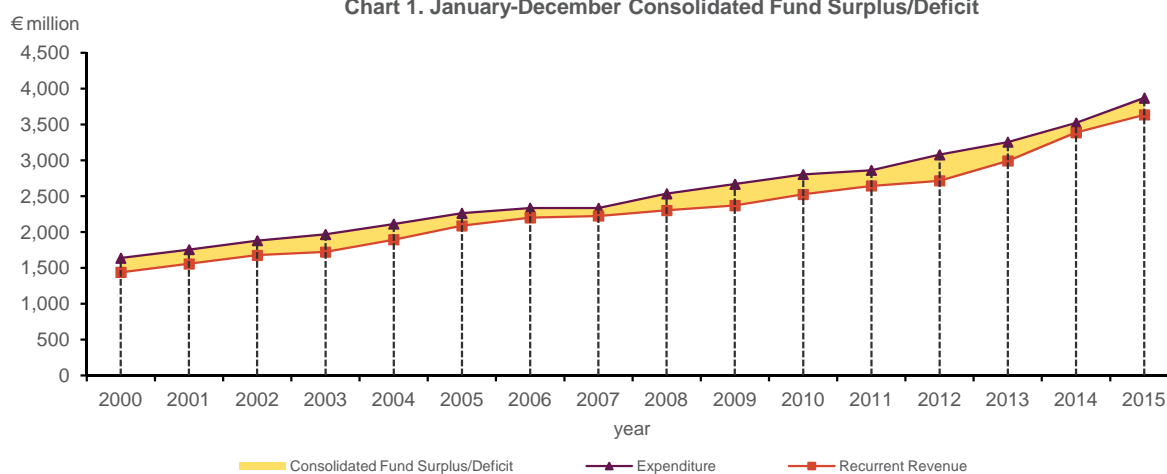
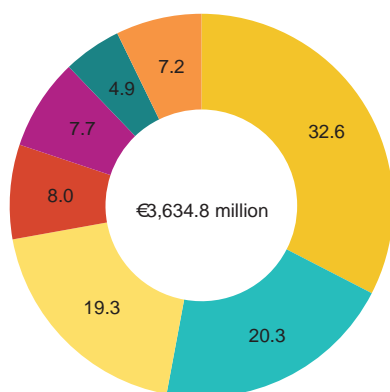
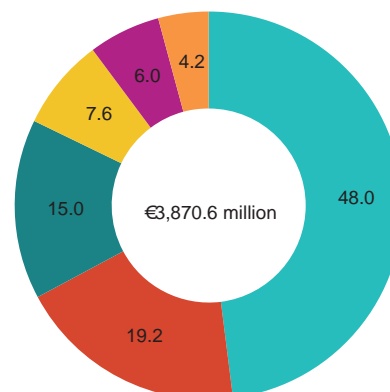


Chart 2. Recurrent Revenue by main category (%): January-December 2015



- Income Tax
- Social Security
- Value Added Tax
- Customs and Excise Duties
- Licences, Taxes and Fines
- Grants
- Others

Chart 3. Expenditure by main category (%): January-December 2015



- Programmes and Initiatives
- Personal Emoluments
- Capital Expenditure
- Contributions to Government Entities
- Interest
- Operational and Maintenance Expenses

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. Data on Government Expenditure by the Classification of Functions of Government (COFOG) illustrated in Table 3 refers to the total expenditure of the Consolidated Fund and is not fully consistent with the General Government sector expenditure by function and in ESA 2010 methodology, that is compiled by NSO on an annual basis with a delay of one year. The functions are in line with the COFOG classifications as published in the Government Finance Statistics Manual 2001 (ISBN 1-58906-061-X).
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>