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In January-May 2016, Government's Consolidated Fund registered a deficit of €71.3 million.

Government Finance Data: January-May 2016

Compared to the same period last year, recurrent revenue registered an increase of €62.8 million whereas total expenditure went up by €15.3 million. This resulted in a positive change in the Government's Consolidated Fund by €47.5 million.

In the first five months of 2016, recurrent revenue was recorded at €1,402.7 million, up from €1,339.9 million last year. The increase of 4.7 per cent was primarily the result of higher Income Tax and added Social Security which increased by €44.8 million and €29.7 million respectively. Moreover, increases were also recorded for Licences, Taxes and Fines (€19.9 million), Value Added Tax (€18.5 million) and Customs and Excise Duties (€15.6 million), among others. Conversely, major decreases were recorded in proceeds from Grants (€84.0 million).

Compared to January-May last year, total expenditure stood at €1,474.0 million up from €1,458.7 million, mainly as result of added outlays on recurrent expenditure partially outweighed by lower spending on capital expenditure and interest payments.

Recurrent expenditure stood at €1,269.2 million from €1,183.9 million last year. The major contributors to this increase were Programmes and Initiatives with a rise of €32.9 million. The main developments in this category involved higher social security benefits (€17.4 million), a rise in the social security state contribution, added outlays due to CHOGM (€4.5 million) and the provision of spare capacity electricity (€3.5 million). On the other hand, lower EU Own Resources were recorded (€11.0 million). Increases were also registered in Contributions to Government Entities (€25.1 million), Personal Emoluments (€15.1 million) and Operational and Maintenance Expenses (€12.2 million).

The interest component of the public debt servicing costs stood at €95.2 million, down from €96.1 million last year.

Government's capital expenditure witnessed a decline of €69.1 million, and was recorded at €109.6 million. This was mainly the result of lower spending on EU funded projects primarily in the environment and agriculture sectors. Other declines were recorded in the external borders fund and the acquisition of property for public purposes (Table 1).

Table 3 illustrates the Government Expenditure by COFOG category. The Classification of the Functions of Government (COFOG) classifies government expenditure data by the purpose for which the funds are used.

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At the end of May 2016, Central Government Debt stood at €5,592.4 million, up by €247.2 million over the corresponding period last year. This was the result of higher Malta Government Stocks and Treasury Bills, which added €167.6 million and €134.0 million respectively. On the other hand, Domestic Loans with Commercial Banks and Foreign Loans went down by €56.4 million and €10.5 million respectively. Lower holdings by government funds in Malta Government Stocks resulted in an increase in debt of €5.5 million. The Euro coins issued in the name of the Treasury went up by €7.1 million when compared to the coin stock as at the end of May 2015, and totalled €69.0 million (Table 4) ■

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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-May 2014	Jan-May 2015	Jan-May 2016	Jan-May 2016 / Jan-May 2015	
				Change	% change
	€ 000				
(a) Total Recurrent Revenue	1,154,140	1,339,893	1,402,662	62,769	4.7
Customs and Excise Duties	55,958	91,758	107,390	15,632	
Licences, Taxes and Fines	102,224	115,133	135,006	19,872	
Income Tax	337,748	363,226	408,004	44,779	
Value Added Tax	262,940	280,844	299,303	18,458	
Fees of Office	15,576	10,842	11,557	715	
Reimbursements	8,815	9,403	10,320	917	
Public Corporations	0	0	0	0	
Central Bank of Malta	30,000	30,000	30,000	0	
Rents	10,858	10,395	14,539	4,144	
Dividends on Investment	2,375	6,154	11,898	5,743	
Interest on loans made by Government	933	71	3	-67	
Social Security	257,943	270,802	300,517	29,715	
Grants	60,318	133,182	49,223	-83,959	
Miscellaneous Receipts	8,453	18,082	24,903	6,821	
(b) Total Expenditure	1,393,031	1,458,743	1,473,994	15,251	1.0
<i>Recurrent Expenditure</i>	1,151,308	1,183,911	1,269,226	85,315	7.2
Personal Emoluments	262,442	279,321	294,419	15,098	
Operational and Maintenance Expenses	60,200	66,277	78,504	12,227	
Programmes and Initiatives	712,345	717,026	749,939	32,914	
Contributions to Government Entities	116,321	121,287	146,364	25,077	
<i>Interest</i>	92,256	96,148	95,209	-939	-1.0
<i>Capital Expenditure</i>	149,467	178,684	109,559	-69,125	-38.7
(a-b) Consolidated Fund Surplus/Deficit	-238,891	-118,850	-71,332	47,518	40.0
(c) Financial Transactions					
<i>Revenue</i>					
Loans	214,872	168,287	279,733	111,446	
Repayment of Loans	0	0	11,984	11,984	
Receipts from Sale of Shares	0	700	1,131	431	
Other extraordinary receipts	0	0	0	0	
<i>Expenditure</i>					
Contribution to Sinking Fund	25,000	0	0	0	
Equity Acquisition	12,755	1,059	12,484	11,425	
Repayment of Loan	24,459	396	137,172	136,776	
Loans	0	0	0	0	

Note: Totals may not add up due to rounding.

Table 2. Revenue/Expenditure categories: Monthly

Description	May 2014	May 2015	May 2016	May 2016 / May 2015	
				Change	% change
	€ 000				
(a) Total Recurrent Revenue	273,022	291,172	339,680	48,507	16.7
Customs and Excise Duties	11,736	20,528	22,584	2,057	
Licences, Taxes and Fines	18,924	29,636	27,813	-1,823	
Income Tax	53,518	73,276	74,545	1,269	
Value Added Tax	79,479	93,418	107,136	13,719	
Fees of Office	4,572	3,185	937	-2,248	
Reimbursements	1,644	1,771	2,143	372	
Public Corporations	0	0	0	0	
Central Bank of Malta	0	0	0	0	
Rents	3,965	1,685	4,219	2,533	
Dividends on Investment	2,300	4,467	11,084	6,617	
Interest on loans made by Government	0	-2	0	2	
Social Security	58,124	61,620	64,483	2,863	
Grants	38,452	642	14,982	14,340	
Miscellaneous Receipts	308	947	9,754	8,807	
(b) Total Expenditure	273,689	301,469	333,519	32,050	10.6
<i>Recurrent Expenditure</i>	221,585	235,789	273,025	37,236	15.8
Personal Emoluments	51,631	54,539	57,170	2,632	
Operational and Maintenance Expenses	10,555	13,505	14,219	714	
Programmes and Initiatives	131,301	135,441	159,285	23,844	
Contributions to Government Entities	28,098	32,305	42,351	10,046	
<i>Interest</i>	20,046	17,787	18,233	447	2.5
<i>Capital Expenditure</i>	32,058	47,893	42,260	-5,633	-11.8
(a-b) Consolidated Fund Surplus/Deficit	-667	-10,297	6,161	16,457	159.8
(c) Financial Transactions					
<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	0	0	0	0	
Equity Acquisition	0	0	0	0	
Repayment of Loan	0	396	0	-396	
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 Expenses			Programmes and Initiatives			Contributions to Government Entities		
	Jan-May 2014	Jan-May 2015	Jan-May 2016	Jan-May 2014	Jan-May 2015	Jan-May 2016	Jan-May 2014	Jan-May 2015	Jan-May 2016	Jan-May 2014	Jan-May 2015	Jan-May 2016
	€ 000s											
General public services	25,603	26,907	29,244	9,959	11,827	11,599	77,273	78,056	71,986	2,960	2,982	3,831
Defence	13,116	14,201	14,932	1,710	2,332	1,717	188	93	181	0	0	0
Public order and safety	30,513	32,609	33,518	4,658	4,442	4,173	4,846	3,923	1,839	3,188	3,340	3,709
Economic affairs	25,757	27,139	27,295	4,291	5,425	6,856	45,661	37,916	47,679	19,792	25,792	34,844
Environment protection	1,020	359	339	67	50	54	7,480	6,849	9,214	8,224	3,831	10,680
Housing and community amenities	1,421	1,109	1,003	654	444	295	0	6	0	153	1,148	1,308
Health	75,606	82,772	88,583	21,891	21,971	28,471	59,714	60,972	65,477	21,592	21,167	22,499
Recreation, culture and religion	2,941	3,208	3,301	905	614	513	5,816	6,905	3,237	5,883	6,506	8,007
Education	68,522	72,494	77,115	8,206	10,555	11,742	42,667	50,316	51,646	41,743	42,887	43,700
Social protection	17,944	18,522	19,088	7,859	8,617	13,083	468,700	471,990	498,681	12,786	13,634	17,786
Total	262,442	279,321	294,419	60,200	66,277	78,504	712,345	717,026	749,939	116,321	121,287	146,364
	€ 000s											
COFOG	Interest Expenditure			Capital Expenditure			Total expenditure					
	Jan-May 2014	Jan-May 2015	Jan-May 2016	Jan-May 2014	Jan-May 2015	Jan-May 2016	Jan-May 2014	Jan-May 2015	Jan-May 2016	Jan-May 2014	Jan-May 2015	Jan-May 2016
General public services	92,256	96,148	95,209	29,150	19,537	10,520	237,201	235,455	222,389			
Defence	0	0	0	698	17,099	4,132	15,712	33,725	20,961			
Public order and safety	0	0	0	981	1,841	8,509	44,186	46,156	51,748			
Economic affairs	0	0	0	65,207	58,567	59,191	160,707	154,838	175,865			
Environment protection	0	0	0	10,670	20,241	566	27,461	31,330	20,853			
Housing and community amenities	0	0	0	4,028	10,679	5,922	6,257	13,386	8,528			
Health	0	0	0	7,812	11,729	4,208	186,615	198,611	209,237			
Recreation, culture and religion	0	0	0	10,310	13,718	3,768	25,855	30,950	18,826			
Education	0	0	0	14,422	21,391	8,452	175,559	197,644	192,655			
Social protection	0	0	0	6,188	3,884	4,292	513,478	516,647	552,930			
Total	92,256	96,148	95,209	149,467	178,684	109,559	1,393,031	1,458,743	1,473,994			

Table 4. Central Government debt

Description	May 2014	May 2015	May 2016	May 2016 / May 2015	
				Change	% change
€ 000					
Total Central Government Debt	5,262,942	5,345,197	5,592,405	247,208	4.6
<i>of which:</i>					
Treasury Bills	366,867	204,050	338,000	133,950	
Malta Government Stocks	4,801,272	5,067,862	5,235,439	167,577	
Foreign Loans	43,180	32,602	22,071	-10,530	
Domestic Loans with Commercial Banks	56,379	56,379	0	-56,379	
MGSF investments in Government Debt	-60,883	-77,579	-72,058	5,521	
Euro Coins issued in the name of the Treasury	56,128	61,883	68,953	7,070	

Note: Totals may not add up due to rounding.

Chart 1. January-May Consolidated Fund Surplus/Deficit

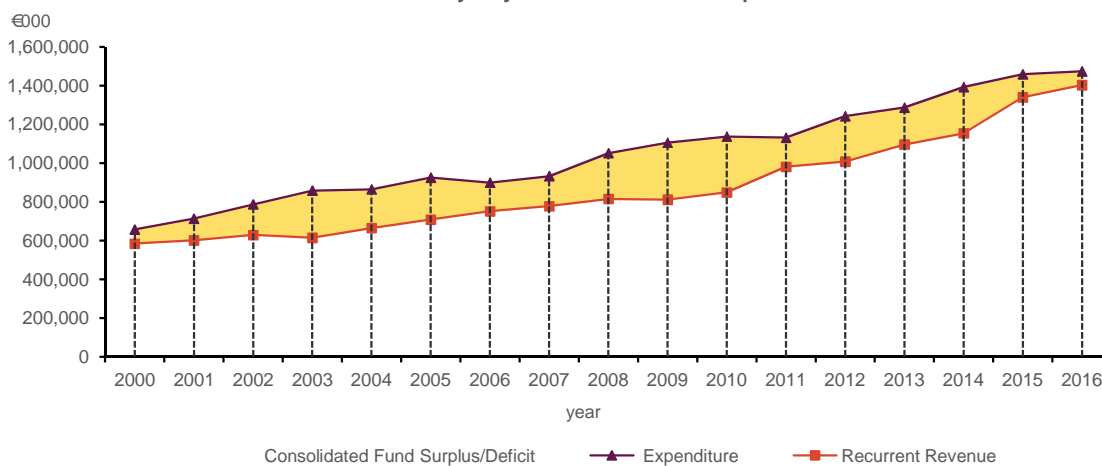
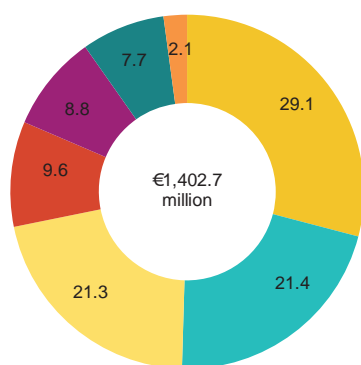
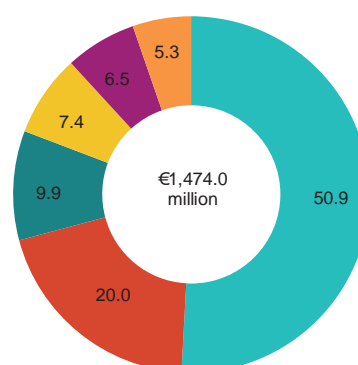


Chart 2. Recurrent Revenue by main category (%): January-May 2016



- Income Tax
- Social Security
- Value Added Tax
- Licences, Taxes and Fines
- Others
- Customs and Excise Duties
- Central Bank of Malta

Chart 3. Expenditure by main category (%): January-May 2016



- Programmes and Initiatives
- Personal Emoluments
- Contributions to Government Entities
- Capital Expenditure
- 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 2016 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>