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In January-June 2016, Government's Consolidated Fund registered a deficit of €110.6 million.

Government Finance Data: January-June 2016

Compared to the same period last year, recurrent revenue registered an increase of €49.7 million whereas total expenditure went up by €2.3 million. This resulted in a positive change in the Government's Consolidated Fund by €47.3 million.

In the first six months of 2016, recurrent revenue was recorded at €1,657.1 million, up from €1,607.4 million last year. The comparative increase of 3.1 per cent was primarily the result of higher Income Tax and added Social Security by €58.4 million and €36.2 million respectively. Moreover, increases were also recorded for Licences, Taxes and Fines (€21.1 million), Value Added Tax (€18.9 million) and Customs and Excise Duties (€17.4 million), among others. Conversely, major decreases were recorded in proceeds from Grants (€98.8 million).

Compared to January-June last year, total expenditure stood at €1,767.7 million, up from €1,765.4 million, mainly as result of added outlays on recurrent expenditure almost outweighed by lower spending on capital expenditure and interest payments.

Recurrent expenditure stood at €1,529.6 million from €1,443.2 million last year. The major contributors to this increase were Programmes and Initiatives with a rise of €31.9 million. The main developments in this category involved higher social security benefits (€15.3 million), a rise in the social security state contribution (of €10.8 million which also features as revenue), added outlays due to church schools (€10.5 million), CHOGM (€4.4 million) and the provision of spare capacity electricity (€3.5 million). On the other hand, lower EU Own Resources were recorded (€14.3 million). Increases were also registered in Contributions to Government Entities (€23.2 million), Personal Emoluments (€18.3 million) and Operational and Maintenance Expenses (€13.1 million).

The interest component of the public debt servicing costs stood at €111.8 million, down from €116.2 million last year.

Government's capital expenditure witnessed a decline of €79.8 million, and was recorded at €126.3 million. This was mainly the result of lower spending on EU funded projects mainly those related to sewage and agriculture. 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 June 2016, Central Government Debt stood at €5,568.3 million, up by €183.5 million over the corresponding period last year. This was the result of higher Malta Government Stocks and Treasury Bills, which added €147.5 million and €82.7 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 €13.5 million. The Euro coins issued in the name of the Treasury went up by €6.7 million when compared to the coin stock as at the end of June 2015, and totalled €69.6 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-Jun 2014	Jan-Jun 2015	Jan-Jun 2016	Jan-Jun 2016 / Jan-Jun 2015	
				Change	% change
	€ 000				
(a) Total Recurrent Revenue	1,414,347	1,607,398	1,657,056	49,658	3.1
Customs and Excise Duties	69,457	112,531	129,941	17,410	
Licences, Taxes and Fines	118,652	135,121	156,243	21,123	
Income Tax	425,554	464,415	522,841	58,426	
Value Added Tax	289,763	300,676	319,540	18,864	
Fees of Office	18,237	12,508	12,771	263	
Reimbursements	10,727	10,549	12,423	1,873	
Public Corporations	0	0	0	0	
Central Bank of Malta	37,000	36,000	36,000	0	
Rents	15,947	15,673	17,552	1,880	
Dividends on Investment	3,731	8,698	11,941	3,244	
Interest on loans made by Government	1,031	132	72	-59	
Social Security	310,852	324,411	360,610	36,198	
Grants	100,954	157,090	58,284	-98,806	
Miscellaneous Receipts	12,440	29,595	18,837	-10,757	
(b) Total Expenditure	1,679,552	1,765,369	1,767,684	2,314	0.1
<i>Recurrent Expenditure</i>	1,376,797	1,443,163	1,529,621	86,458	6.0
Personal Emoluments	321,604	341,193	359,510	18,317	
Operational and Maintenance Expenses	69,095	77,306	90,387	13,080	
Programmes and Initiatives	852,374	881,106	913,002	31,896	
Contributions to Government Entities	133,725	143,558	166,722	23,164	
<i>Interest</i>	111,215	116,164	111,787	-4,378	-3.8
<i>Capital Expenditure</i>	191,540	206,042	126,276	-79,766	-38.7
(a-b) Consolidated Fund Surplus/Deficit	-265,205	-157,971	-110,628	47,343	30.0
(c) Financial Transactions					
<i>Revenue</i>					
Loans	394,871	258,287	279,733	21,446	
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	29,863	9,863	9,863	0	
Equity Acquisition	12,755	1,059	12,484	11,425	
Repayment of Loan	25,750	69,882	137,172	67,290	
Loans	0	0	0	0	

Note: Totals may not add up due to rounding.

Table 2. Revenue/Expenditure categories: Monthly

Description	June 2014	June 2015	June 2016	June 2016 / June 2015	
				Change	% change
	€ 000				
(a) Total Recurrent Revenue	260,207	267,506	254,394	-13,111	-4.9
Customs and Excise Duties	13,499	20,773	22,551	1,778	
Licences, Taxes and Fines	16,428	19,987	21,238	1,250	
Income Tax	87,807	101,190	114,837	13,648	
Value Added Tax	26,823	19,831	20,237	405	
Fees of Office	2,661	1,666	1,214	-452	
Reimbursements	1,913	1,146	2,103	957	
Public Corporations	0	0	0	0	
Central Bank of Malta	7,000	6,000	6,000	0	
Rents	5,090	5,277	3,013	-2,264	
Dividends on Investment	1,356	2,543	43	-2,500	
Interest on loans made by Government	98	61	69	8	
Social Security	52,909	53,609	60,093	6,484	
Grants	40,635	23,908	9,061	-14,847	
Miscellaneous Receipts	3,987	11,513	-6,066	-17,578	
(b) Total Expenditure	286,521	306,627	293,690	-12,937	-4.2
<i>Recurrent Expenditure</i>	225,490	259,252	260,395	1,143	0.4
Personal Emoluments	59,162	61,872	65,092	3,219	
Operational and Maintenance Expenses	8,895	11,029	11,883	854	
Programmes and Initiatives	140,029	164,080	163,063	-1,017	
Contributions to Government Entities	17,404	22,271	20,358	-1,913	
<i>Interest</i>	18,959	20,017	16,578	-3,439	-17.2
<i>Capital Expenditure</i>	42,073	27,358	16,717	-10,641	-38.9
(a-b) Consolidated Fund Surplus/Deficit	-26,315	-39,121	-39,296	-175	-0.4
(c) Financial Transactions					
<i>Revenue</i>					
Loans	180,000	90,000	0	-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	4,863	9,863	9,863	0	
Equity Acquisition	0	0	0	0	
Repayment of Loan	1,291	69,486	0	-69,486	
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-Jun 2014	Jan-Jun 2015	Jan-Jun 2016	Jan-Jun 2014	Jan-Jun 2015	Jan-Jun 2016	Jan-Jun 2014	Jan-Jun 2015	Jan-Jun 2016	Jan-Jun 2014	Jan-Jun 2015	Jan-Jun 2016
	€ 000											
General public services	31,347	33,118	35,918	11,570	13,726	13,092	81,146	88,703	79,341	3,661	3,584	4,732
Defence	15,843	17,192	18,098	2,297	2,804	2,169	195	143	203	0	0	0
Public order and safety	37,530	39,302	40,701	5,585	5,149	4,939	5,595	4,365	2,118	3,819	3,807	4,199
Economic affairs	31,402	33,020	33,050	5,514	5,944	8,197	51,084	53,641	59,232	24,751	28,735	41,423
Environment protection	1,239	411	449	81	58	62	8,929	8,739	10,496	9,602	7,589	10,764
Housing and community amenities	1,673	1,323	1,212	797	482	331	0	6	0	193	1,182	1,340
Health	93,048	101,542	108,565	23,800	26,918	34,022	67,942	74,005	74,466	22,818	24,839	23,969
Recreation, culture and religion	3,596	3,894	3,894	1,801	704	542	7,122	7,447	3,656	6,769	7,139	8,198
Education	83,691	88,466	93,852	8,792	11,554	12,448	45,971	53,294	67,051	49,250	49,839	52,716
Social protection	22,234	22,925	23,772	8,857	9,967	14,586	584,390	590,763	616,441	12,861	16,844	19,383
Total	321,604	341,193	359,510	69,095	77,306	90,387	852,374	881,106	913,002	133,725	143,558	166,722
COFOG	Interest Expenditure			Capital Expenditure			Total expenditure					
	Jan-Jun 2014	Jan-Jun 2015	Jan-Jun 2016	Jan-Jun 2014	Jan-Jun 2015	Jan-Jun 2016	Jan-Jun 2014	Jan-Jun 2015	Jan-Jun 2016			
	€ 000											
General public services	111,215	116,164	111,787	38,175	21,322	14,496	277,114	276,618	259,365			
Defence	0	0	0	9,601	20,090	4,190	27,937	40,229	24,660			
Public order and safety	0	0	0	1,167	2,059	9,646	53,697	54,682	61,602			
Economic affairs	0	0	0	73,328	67,019	66,108	186,079	188,360	208,009			
Environment protection	0	0	0	13,935	26,304	724	33,787	43,101	22,495			
Housing and community amenities	0	0	0	4,961	11,538	5,922	7,624	14,532	8,805			
Health	0	0	0	10,813	13,312	5,033	218,421	240,614	246,055			
Recreation, culture and religion	0	0	0	12,889	15,043	5,023	32,176	34,226	21,312			
Education	0	0	0	19,487	24,749	10,653	207,191	227,903	236,718			
Social protection	0	0	0	7,184	4,606	4,481	635,526	645,104	678,662			
Total	111,215	116,164	111,787	191,540	206,042	126,276	1,679,552	1,765,369	1,767,684			

Table 4. Central Government debt

Description	June 2014	June 2015	June 2016	June 2016 / June 2015	
				Change	% change
	€ 000				
Total Central Government Debt	5,484,207	5,384,801	5,568,321	183,521	3.4
<i>of which:</i>					
Treasury Bills	407,167	230,550	313,250	82,700	
Malta Government Stocks	4,981,272	5,087,980	5,235,439	147,459	
Foreign Loans	43,165	32,597	22,073	-10,524	
Domestic Loans with Commercial Banks	56,379	56,379	0	-56,379	
MGSF investments in Government Debt	-60,883	-85,579	-72,058	13,521	
Euro Coins issued in the name of the Treasury	57,107	62,874	69,618	6,744	

Note: Totals may not add up due to rounding.

Chart 1. January-June Consolidated Fund Surplus/Deficit

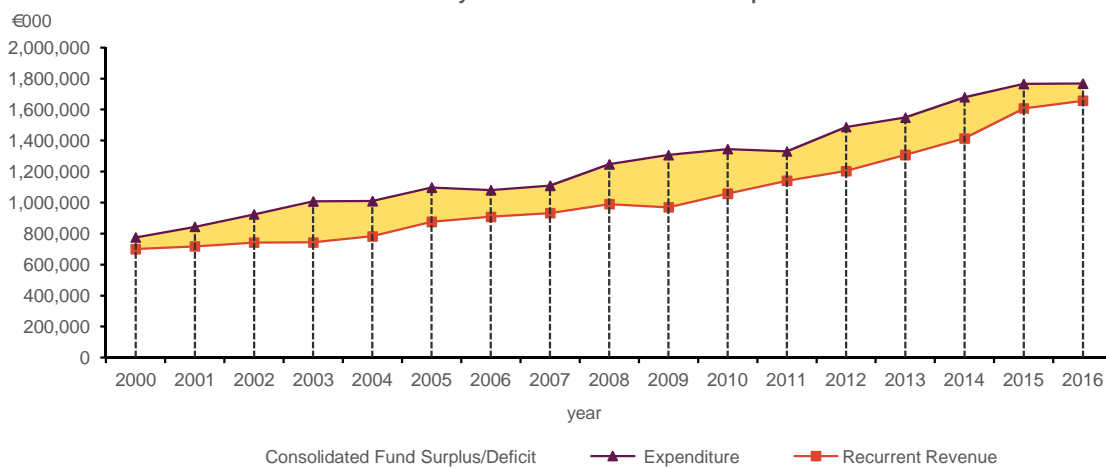
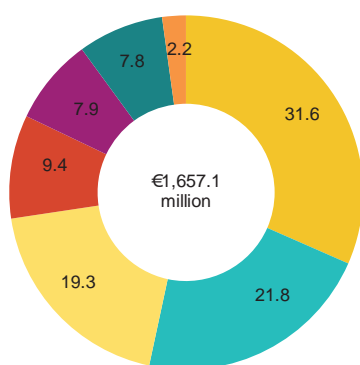
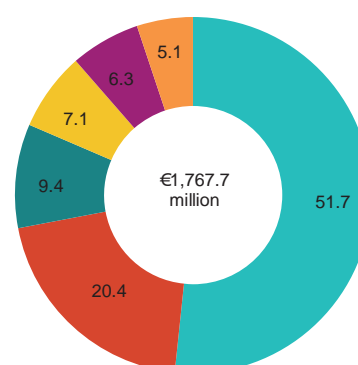


Chart 2. Recurrent Revenue by main category (%): January-June 2016



- 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-June 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>