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In January-July 2016, Government's Consolidated Fund registered a deficit of €141.0 million.

Government Finance Data: January-July 2016

Compared to the same period last year, recurrent revenue registered an increase of €35.1 million whereas total expenditure went up by €1.3 million. This resulted in a positive change in the Government's Consolidated Fund by €33.8 million.

In January-July 2016, recurrent revenue was recorded at €1,907.0 million, up from €1,871.9 million last year. The comparative increase of 1.9 per cent was primarily the result of higher Income Tax and added Social Security by €67.0 million and €39.3 million respectively. Moreover, increases were also recorded for Licences, Taxes and Fines (€21.8 million), Value Added Tax (€11.4 million) and Customs and Excise Duties (€9.0 million), among others. Conversely, major decreases were recorded in proceeds from Grants (€101.0 million).

Compared to January-July last year, total expenditure stood at €2,048.0 million up from €2,046.8 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 €1,769.5 million from €1,675.1 million last year. This was due to higher outlays on all components of recurrent expenditure whereby Contributions to Government Entities went up by €31.6 million and Programmes and Initiatives increased by €29.1 million. The main developments in the latter category involved higher social security benefits (€16.8 million), a rise in the social security state contribution (of €13.4 million which also features as revenue), added outlays due to CHOGM (€4.2 million), church schools (€3.5 million), and EU Presidency 2017 (€3.4 million). On the other hand, lower EU Own Resources were recorded (€12.9 million). Increases were also registered in Personal Emoluments (€19.6 million) and Operational and Maintenance Expenses (€14.1 million).

The interest component of the public debt servicing costs stood at €128.7 million, down from €131.3 million last year.

Government's capital expenditure witnessed a decline of €90.6 million, and was recorded at €149.8 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, the acquisition of property for public purposes and investment industry incentives (Table 1).

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At the end of July 2016, Central Government Debt stood at €5,547.9 million, up by €148.8 million over the corresponding period last year. This was the result of higher Malta Government Stocks and Treasury Bills, which added €148.2 million and €51.7 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 €10.2 million. The Euro coins issued in the name of the Treasury went up by €5.6 million when compared to the coin stock as at the end of July 2015, and totalled €69.7 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-Jul 2014	Jan-Jul 2015	Jan-Jul 2016	Jan-Jul 2016 / Jan-Jul 2015	
				Change	% change
€ 000					
(a) Total Recurrent Revenue	1,631,078	1,871,902	1,906,959	35,058	1.9
Customs and Excise Duties	81,947	137,033	145,984	8,951	
Licences, Taxes and Fines	140,349	162,744	184,508	21,763	
Income Tax	510,655	564,621	631,616	66,994	
Value Added Tax	320,655	327,670	339,070	11,400	
Fees of Office	22,068	28,139	23,272	-4,867	
Reimbursements	13,060	13,554	14,374	820	
Public Corporations	0	0	0	0	
Central Bank of Malta	37,000	36,000	36,000	0	
Rents	18,561	19,464	19,685	222	
Dividends on Investment	4,231	8,698	11,941	3,244	
Interest on loans made by Government	1,031	132	73	-59	
Social Security	364,280	382,385	421,679	39,295	
Grants	103,492	159,299	58,284	-101,015	
Miscellaneous Receipts	13,750	32,162	20,473	-11,690	
(b) Total Expenditure	1,940,577	2,046,753	2,048,005	1,252	0.1
<i>Recurrent Expenditure</i>	1,582,518	1,675,055	1,769,518	94,463	5.6
Personal Emoluments	373,846	396,574	416,204	19,630	
Operational and Maintenance Expenses	77,228	90,068	104,215	14,146	
Programmes and Initiatives	984,958	1,022,303	1,051,418	29,115	
Contributions to Government Entities	146,485	166,110	197,682	31,571	
<i>Interest</i>	131,904	131,281	128,652	-2,630	-2.0
<i>Capital Expenditure</i>	226,155	240,417	149,835	-90,582	-37.7
(a-b) Consolidated Fund Surplus/Deficit	-309,499	-174,851	-141,046	33,806	19.3
(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	263,375	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	July 2014	July 2015	July 2016	July 2016 / July 2015	
				Change	% change
	€ 000				
(a) Total Recurrent Revenue	216,731	264,503	249,904	-14,600	-5.5
Customs and Excise Duties	12,489	24,502	16,043	-8,458	
Licences, Taxes and Fines	21,696	27,624	28,264	641	
Income Tax	85,100	100,206	108,774	8,568	
Value Added Tax	30,891	26,994	19,531	-7,464	
Fees of Office	3,831	15,631	10,501	-5,130	
Reimbursements	2,332	3,004	1,951	-1,053	
Public Corporations	0	0	0	0	
Central Bank of Malta	0	0	0	0	
Rents	2,614	3,791	2,133	-1,658	
Dividends on Investment	500	0	0	0	
Interest on loans made by Government	0	0	0	0	
Social Security	53,428	57,973	61,069	3,096	
Grants	2,538	2,210	0	-2,210	
Miscellaneous Receipts	1,310	2,568	1,635	-932	
(b) Total Expenditure	261,024	281,384	280,322	-1,062	-0.4
<i>Recurrent Expenditure</i>	205,721	231,892	239,897	8,005	3.5
Personal Emoluments	52,242	55,381	56,694	1,313	
Operational and Maintenance Expenses	8,134	12,762	13,828	1,066	
Programmes and Initiatives	132,584	141,197	138,416	-2,781	
Contributions to Government Entities	12,761	22,552	30,959	8,407	
<i>Interest</i>	20,689	15,117	16,865	1,748	11.6
<i>Capital Expenditure</i>	34,615	34,375	23,559	-10,815	-31.5
(a-b) Consolidated Fund Surplus/Deficit	-44,294	-16,880	-30,418	-13,538	-80.2
(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	237,625	0	0	0	
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-Jul 2014	Jan-Jul 2015	Jan-Jul 2016	Jan-Jul 2014	Jan-Jul 2015	Jan-Jul 2016	Jan-Jul 2014	Jan-Jul 2015	Jan-Jul 2016	Jan-Jul 2014	Jan-Jul 2015	Jan-Jul 2016
	€ 000											
General public services	37,311	39,566	41,548	13,008	15,763	15,218	100,224	105,051	98,568	4,702	4,370	5,375
Defence	18,485	20,004	21,113	2,890	3,314	2,700	262	172	225	0	0	0
Public order and safety	43,478	45,388	46,896	6,268	6,405	5,783	6,226	4,953	2,423	4,185	4,283	4,755
Economic affairs	36,384	38,243	38,389	6,097	6,896	9,114	52,814	62,728	63,570	24,851	32,982	47,455
Environment protection	1,432	457	499	89	72	74	11,235	10,264	12,297	9,648	7,606	11,861
Housing and community amenities	1,929	1,534	1,429	840	606	420	0	6	0	217	2,138	1,435
Health	108,020	117,869	125,575	26,458	31,534	39,505	76,763	84,202	84,757	27,454	29,577	30,612
Recreation, culture and religion	4,271	4,520	4,711	2,685	757	599	7,277	7,752	5,563	7,704	7,532	10,696
Education	96,839	102,434	108,577	9,009	12,600	14,084	57,448	65,462	70,834	51,056	59,925	60,909
Social protection	25,696	26,559	27,467	9,883	12,122	16,717	672,708	681,714	713,181	16,669	17,699	24,584
Total	373,846	396,574	416,204	77,228	90,068	104,215	984,958	1,022,303	1,051,418	146,485	166,110	197,682
COFOG	Interest Expenditure			Capital Expenditure			Total expenditure					
	Jan-Jul 2014	Jan-Jul 2015	Jan-Jul 2016	Jan-Jul 2014	Jan-Jul 2015	Jan-Jul 2016	Jan-Jul 2014	Jan-Jul 2015	Jan-Jul 2016			
	€ 000											
General public services	131,904	131,281	128,652	43,970	22,639	15,003	331,119	318,669	304,365			
Defence	0	0	0	13,217	23,130	4,194	34,854	46,620	28,232			
Public order and safety	0	0	0	1,219	2,292	10,060	61,375	63,322	69,916			
Economic affairs	0	0	0	84,136	80,125	85,519	204,283	220,973	244,047			
Environment protection	0	0	0	17,239	35,502	885	39,644	53,900	25,615			
Housing and community amenities	0	0	0	6,262	11,579	6,122	9,249	15,863	9,406			
Health	0	0	0	13,039	15,055	6,090	251,734	278,236	286,538			
Recreation, culture and religion	0	0	0	15,662	16,064	5,629	37,599	36,624	27,199			
Education	0	0	0	23,311	28,718	11,085	237,662	269,138	265,490			
Social protection	0	0	0	8,101	5,313	5,248	733,057	743,407	787,197			
Total	131,904	131,281	128,652	226,155	240,417	149,835	1,940,577	2,046,753	2,048,005			

Table 4. Central Government debt

Description	July 2014	July 2015	July 2016	July 2016 / July 2015	
				Change	% change
Total Central Government Debt	5,264,834	5,399,112	5,547,911	148,800	2.8
<i>of which:</i>					
Treasury Bills	407,067	248,550	300,250	51,700	
Malta Government Stocks	4,742,356	5,087,980	5,236,173	148,193	
Foreign Loans	43,171	32,594	22,070	-10,524	
Domestic Loans with Commercial Banks	56,379	56,379	0	-56,379	
MGSF investments in Government Debt	-42,579	-90,579	-80,330	10,249	
Euro Coins issued in the name of the Treasury	58,441	64,188	69,748	5,560	

Note: Totals may not add up due to rounding.

Chart 1. January-July Consolidated Fund Surplus/Deficit

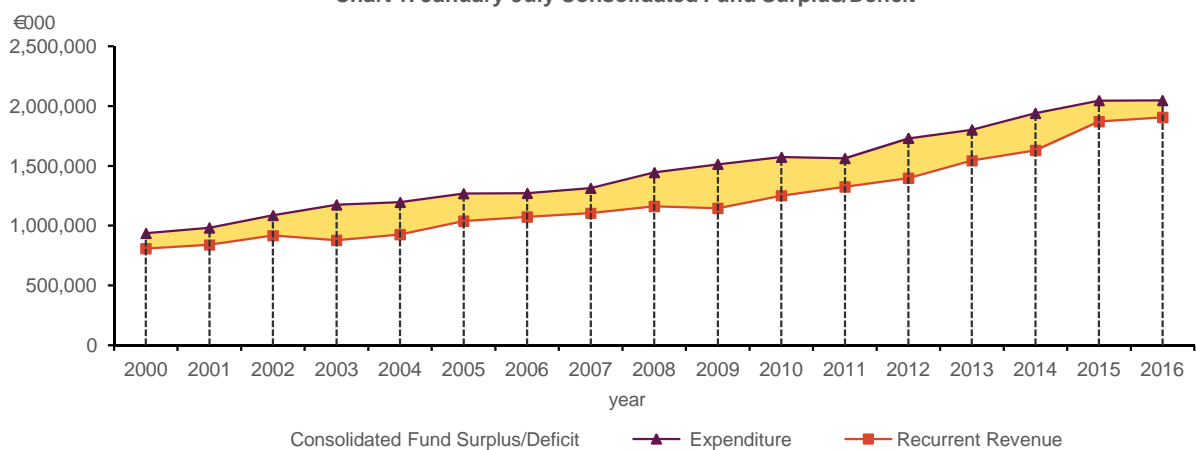


Chart 2. Recurrent Revenue by main category (%): January-July 2016

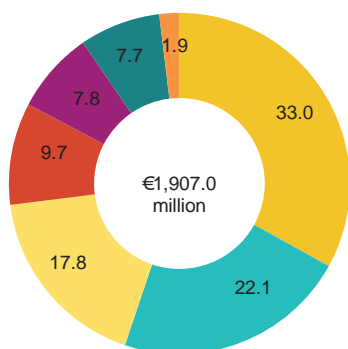
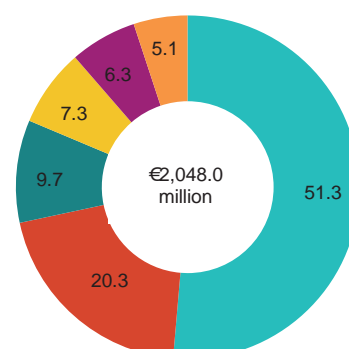


Chart 3. Expenditure by main category (%): January-July 2016



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) classifies government expenditure data by the purpose for which the funds are used. COFOG data 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>