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In January-August 2016, Government's Consolidated Fund registered a deficit of €79.1 million.

Government Finance Data: January-August 2016

Compared to the same period last year, recurrent revenue registered an increase of €100.2 million whereas total expenditure went up by €38.3 million. This resulted in a positive change in the Government's Consolidated Fund by €61.9 million.

In January-August 2016, recurrent revenue was recorded at €2,322.6 million, up from €2,222.4 million last year. The comparative increase of 4.5 per cent was primarily the result of higher Income Tax and Social Security which increased by €77.2 million and €48.7 million respectively. Moreover, increases were also recorded for Value Added Tax (€34.0 million), Licences, Taxes and Fines (€30.2 million) and Customs and Excise Duties (€10.4 million), among others. Conversely, major decreases were recorded in proceeds from Grants (€100.4 million).

Compared to January-August last year, total expenditure stood at €2,401.8 million up from €2,363.4 million, mainly as result of added outlays on recurrent expenditure which outweighed lower spending on capital expenditure and interest payments.

Recurrent expenditure stood at €2,063.7 million from €1,939.3 million last year. The major contributor to this increase was Programmes and Initiatives with a rise of €44.9 million. The main developments in this category involved higher social security benefits (€22.4 million), a rise in the social security state contribution (of €14.0 million which also features as revenue), added outlays due to EU Presidency 2017 (€7.9 million), CHOGM (€3.9 million) and the provision of spare capacity electricity (€3.5 million). On the other hand, lower EU Own Resources were recorded (€7.2 million). Increases were also registered in Contributions to Government Entities (€41.6 million), Personal Emoluments (€25.9 million) and Operational and Maintenance Expenses (€11.9 million).

The interest component of the public debt servicing costs stood at €149.8 million, down from €152.7 million last year.

Government's capital expenditure witnessed a decline of €83.1 million, and was recorded at €188.3 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).

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At the end of August 2016, Central Government Debt stood at €5,554.6 million, up by €158.1 million over the corresponding period last year. This was the result of higher Malta Government Stocks and Treasury Bills, which added €147.0 million and €52.5 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 €20.1 million. The Euro coins issued in the name of the Treasury went up by €5.4 million when compared to the coin stock as at the end of August 2015, and totalled €70.4 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-Aug 2014	Jan-Aug 2015	Jan-Aug 2016	Jan-Aug 2016 / Jan-Aug 2015	
				Change	% change
€ 000					
(a) Total Recurrent Revenue	1,986,801	2,222,430	2,322,630	100,200	4.5
Customs and Excise Duties	96,905	160,222	170,594	10,372	
Licences, Taxes and Fines	161,313	180,307	210,493	30,186	
Income Tax	629,051	693,976	771,170	77,193	
Value Added Tax	422,449	440,584	474,598	34,014	
Fees of Office	25,175	29,154	32,997	3,843	
Reimbursements	14,738	15,413	16,708	1,295	
Public Corporations	0	0	0	0	
Central Bank of Malta	37,000	36,000	36,000	0	
Rents	20,145	21,515	22,253	738	
Dividends on Investment	4,306	9,273	12,441	3,169	
Interest on loans made by Government	1,031	132	73	-59	
Social Security	423,464	443,381	492,105	48,724	
Grants	135,485	159,423	59,041	-100,383	
Miscellaneous Receipts	15,739	33,050	24,158	-8,892	
(b) Total Expenditure	2,196,700	2,363,433	2,401,770	38,337	1.6
<i>Recurrent Expenditure</i>	1,790,803	1,939,291	2,063,693	124,403	6.4
Personal Emoluments	427,035	450,175	476,109	25,934	
Operational and Maintenance Expenses	84,745	102,103	114,017	11,915	
Programmes and Initiatives	1,106,197	1,189,199	1,234,130	44,931	
Contributions to Government Entities	172,827	197,815	239,437	41,622	
<i>Interest</i>	151,788	152,740	149,770	-2,970	-1.9
<i>Capital Expenditure</i>	254,109	271,403	188,307	-83,096	-30.6
(a-b) Consolidated Fund Surplus/Deficit	-209,899	-141,003	-79,140	61,863	43.9
(c) Financial Transactions					
<i>Revenue</i>					
Loans	573,841	258,287	438,669	180,381	
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	13,755	1,059	12,484	11,425	
Repayment of Loan	263,375	69,882	295,317	225,435	
Loans	0	0	0	0	

Note: Totals may not add up due to rounding.

Table 2. Revenue/Expenditure categories: Monthly

Description	August 2014	August 2015	August 2016	August 2016 / August 2015	
				Change	% change
€ 000					
(a) Total Recurrent Revenue	355,723	350,529	415,671	65,142	18.6
Customs and Excise Duties	14,958	23,188	24,610	1,421	
Licences, Taxes and Fines	20,965	17,562	25,985	8,423	
Income Tax	118,396	129,355	139,554	10,199	
Value Added Tax	101,795	112,914	135,528	22,614	
Fees of Office	3,107	1,016	9,725	8,709	
Reimbursements	1,678	1,859	2,334	475	
Public Corporations	0	0	0	0	
Central Bank of Malta	0	0	0	0	
Rents	1,583	2,051	2,567	516	
Dividends on Investment	75	575	500	-75	
Interest on loans made by Government	0	0	0	0	
Social Security	59,185	60,996	70,425	9,429	
Grants	31,993	124	756	633	
Miscellaneous Receipts	1,989	887	3,685	2,798	
(b) Total Expenditure	256,123	316,680	353,765	37,084	11.7
<i>Recurrent Expenditure</i>	208,285	264,236	294,175	29,939	11.3
Personal Emoluments	53,189	53,600	59,905	6,304	
Operational and Maintenance Expenses	7,516	12,034	9,802	-2,232	
Programmes and Initiatives	121,238	166,896	182,712	15,816	
Contributions to Government Entities	26,342	31,705	41,756	10,051	
<i>Interest</i>	19,884	21,458	21,118	-340	-1.6
<i>Capital Expenditure</i>	27,954	30,986	38,471	7,485	24.2
(a-b) Consolidated Fund Surplus/Deficit	99,600	33,849	61,906	28,057	82.9
(c) Financial Transactions					
<i>Revenue</i>					
Loans	178,970	0	158,935	158,935	
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	1,000	0	0	0	
Repayment of Loan	0	0	158,145	158,145	
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-Aug 2014	Jan-Aug 2015	Jan-Aug 2016	Jan-Aug 2014	Jan-Aug 2015	Jan-Aug 2016	Jan-Aug 2014	Jan-Aug 2015	Jan-Aug 2016	Jan-Aug 2014	Jan-Aug 2015	Jan-Aug 2016
	€ 000											
General public services	42,339	45,370	48,592	14,218	17,310	17,092	106,861	110,286	114,728	5,641	4,858	6,660
Defence	21,065	22,764	24,028	3,270	3,717	2,994	359	191	255	0	0	0
Public order and safety	49,355	51,714	53,388	7,096	7,063	6,523	7,194	5,428	2,741	4,688	5,246	5,337
Economic affairs	41,536	43,426	43,909	6,654	7,725	9,992	62,478	71,487	73,775	31,758	39,643	59,973
Environment protection	1,610	501	556	95	78	77	11,644	11,526	12,345	10,806	7,701	11,907
Housing and community amenities	2,188	1,750	1,638	859	683	503	0	6	0	222	2,177	1,967
Health	124,304	135,215	143,637	28,406	36,568	42,666	80,783	91,020	98,015	31,178	33,383	32,058
Recreation, culture and religion	4,844	5,120	5,266	2,770	834	648	8,189	8,906	6,628	8,959	10,560	13,519
Education	110,697	117,138	124,081	11,121	13,978	15,804	68,542	78,208	75,811	60,408	74,242	78,615
Social protection	29,097	27,176	31,015	10,255	14,146	17,717	760,146	812,141	849,832	19,166	20,005	29,400
Total	427,035	450,175	476,109	84,745	102,103	114,017	1,106,197	1,189,199	1,234,130	172,827	197,815	239,437
COFOG	Interest Expenditure			Capital Expenditure			Total expenditure					
	Jan-Aug 2014	Jan-Aug 2015	Jan-Aug 2016	Jan-Aug 2014	Jan-Aug 2015	Jan-Aug 2016	Jan-Aug 2014	Jan-Aug 2015	Jan-Aug 2016	Jan-Aug 2014	Jan-Aug 2015	Jan-Aug 2016
	€ 000											
General public services	151,788	152,740	149,770	48,833	27,390	19,713	369,680	357,954	356,556			
Defence	0	0	0	16,008	25,325	7,314	40,702	51,997	34,591			
Public order and safety	0	0	0	1,280	2,650	10,923	69,614	72,101	78,912			
Economic affairs	0	0	0	92,255	87,124	101,101	234,680	249,406	288,751			
Environment protection	0	0	0	18,841	40,847	1,407	42,996	60,653	26,292			
Housing and community amenities	0	0	0	6,851	12,397	7,715	10,120	17,013	11,823			
Health	0	0	0	15,220	17,397	7,462	279,891	313,583	323,837			
Recreation, culture and religion	0	0	0	18,211	19,200	14,140	42,974	44,620	40,202			
Education	0	0	0	27,528	32,348	13,067	278,296	315,913	307,378			
Social protection	0	0	0	9,083	6,725	5,464	827,747	880,194	933,428			
Total	151,788	152,740	149,770	254,109	271,403	188,307	2,196,700	2,363,433	2,401,770			

Table 4. Central Government debt

Description	August 2014	August 2015	August 2016	August 2016 / August 2015	
				Change	% change
	€ 000				
Total Central Government Debt	5,390,593	5,396,450	5,554,575	158,125	2.9
<i>of which:</i>					
Treasury Bills	352,067	243,050	295,550	52,500	
Malta Government Stocks	4,922,461	5,089,988	5,236,963	146,975	
Foreign Loans	43,178	32,586	22,071	-10,515	
Domestic Loans with Commercial Banks	56,379	56,379	0	-56,379	
MGSF investments in Government Debt	-42,579	-90,579	-70,430	20,149	
Euro Coins issued in the name of the Treasury	59,087	65,027	70,421	5,394	

Note: Totals may not add up due to rounding.

Chart 1. January-August Consolidated Fund Surplus/Deficit

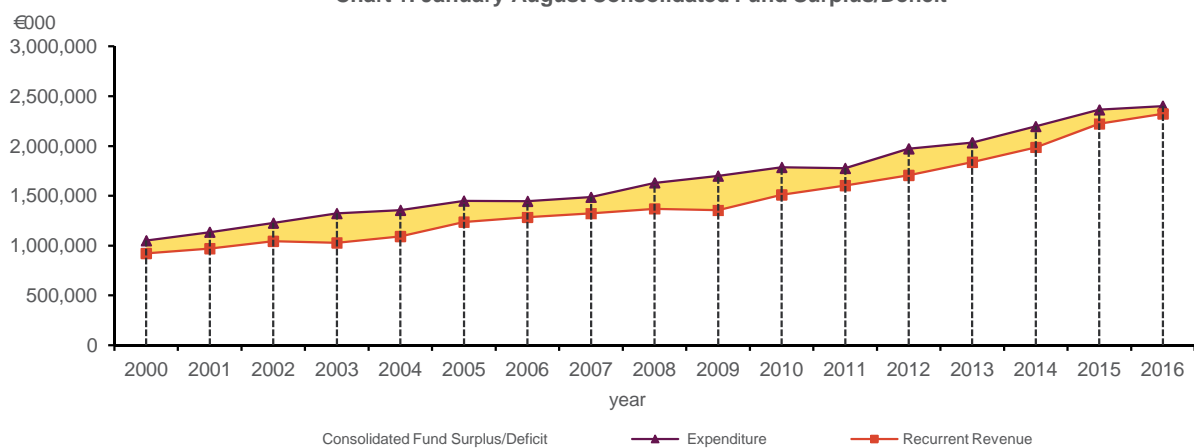
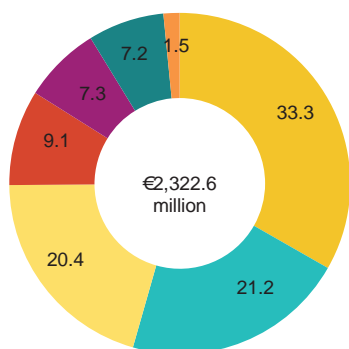
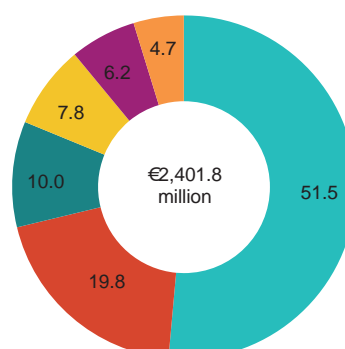


Chart 2. Recurrent Revenue by main category (%): January-August 2016



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

Chart 3. Expenditure by main category (%): January-August 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) 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>