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In January-September 2016, Government's Consolidated Fund registered a deficit of €63.6 million.

## Government Finance Data: January-September 2016

Recurrent revenue registered an increase of €112.7 million, whereas total expenditure went up by €14.7 million compared to the same period last year. This resulted in a positive change in the Government's Consolidated Fund by €98.0 million.

In January-September 2016, recurrent revenue was recorded at €2,625.6 million, up from €2,512.9 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 €101.9 million and €52.3 million respectively. Moreover, increases were also recorded for Licences, Taxes and Fines (€24.8 million), Customs and Excise Duties (€13.4 million) and Value Added Tax (€13.0 million), among others. Conversely, major decreases were recorded in proceeds from Grants (€100.1 million).

Compared to January-September last year, total expenditure stood at €2,689.3 million up from €2,674.6 million, mainly as result of added outlays on recurrent expenditure which outweighed lower spending on capital expenditure and interest payments.

Recurrent expenditure stood at €2,313.4 million from €2,197.9 million last year. This was due to higher outlays on all components of recurrent expenditure whereby Contributions to Government Entities went up by €46.9 million and Programmes and Initiatives increased by €29.7 million. The main developments in the latter category involved higher social security benefits (€20.5 million), a rise in the social security state contribution (of €18.5 million which also features as revenue), added outlays due to EU Presidency 2017 (€9.0 million) and CHOGM (€3.3 million). On the other hand, lower EU Own Resources were recorded (€21.2 million). Increases were also registered in Personal Emoluments (€25.6 million) and Operational and Maintenance Expenses (€13.2 million).

The interest component of the public debt servicing costs stood at €170.2 million, down from €173.4 million last year.

Government's capital expenditure witnessed a decline of €97.6 million, and was recorded at €205.7 million. This was mainly the result of lower spending on EU funded projects (Table 1).

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At the end of September 2016, Central Government Debt stood at €5,529.2 million, up by €122.9 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 €17.2 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 €5.5 million when compared to the coin stock as at the end of September 2015, and totalled €70.9 million (Table 4) ■

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The advance release calendar may be consulted at [www.nso.gov.mt](http://www.nso.gov.mt)

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Table 1. Revenue/Expenditure categories: Year to date

Description	Jan-Sep 2014	Jan-Sep 2015	Jan-Sep 2016	Jan-Sep 2016 / Jan-Sep 2015	
				Change	% change
€ 000					
<b>(a) Total Recurrent Revenue</b>	<b>2,227,318</b>	<b>2,512,922</b>	<b>2,625,642</b>	<b>112,720</b>	<b>4.5</b>
Customs and Excise Duties	111,822	186,124	199,535	13,411	
Licences, Taxes and Fines	175,911	205,800	230,555	24,754	
Income Tax	728,948	800,887	902,831	101,944	
Value Added Tax	454,031	485,908	498,942	13,034	
Fees of Office	29,923	35,721	41,236	5,514	
Reimbursements	17,748	17,750	18,688	939	
Public Corporations	0	0	0	0	
Central Bank of Malta	44,000	42,000	42,000	0	
Rents	22,614	22,336	24,497	2,161	
Dividends on Investment	5,118	14,690	19,848	5,158	
Interest on loans made by Government	1,120	188	97	-91	
Social Security	479,529	507,687	559,941	52,254	
Grants	135,592	159,458	59,346	-100,112	
Miscellaneous Receipts	20,962	34,373	28,127	-6,246	
<b>(b) Total Expenditure</b>	<b>2,511,248</b>	<b>2,674,552</b>	<b>2,689,288</b>	<b>14,736</b>	<b>0.6</b>
<i>Recurrent Expenditure</i>	2,060,037	2,197,874	2,313,386	115,512	5.3
Personal Emoluments	485,907	514,300	539,927	25,627	
Operational and Maintenance Expenses	94,991	111,459	124,694	13,235	
Programmes and Initiatives	1,282,904	1,357,960	1,387,665	29,705	
Contributions to Government Entities	196,236	214,155	261,099	46,944	
<i>Interest</i>	172,005	173,374	170,159	-3,215	-1.9
<i>Capital Expenditure</i>	279,206	303,304	205,743	-97,560	-32.2
<b>(a-b) Consolidated Fund Surplus/Deficit</b>	<b>-283,930</b>	<b>-161,630</b>	<b>-63,646</b>	<b>97,984</b>	<b>60.6</b>
<b>(c) Financial Transactions</b>					
<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	14,863	14,863	0	
Equity Acquisition	13,755	1,059	12,484	11,425	
Repayment of Loan	263,375	70,547	295,317	224,770	
Loans	0	0	0	0	

Note: Totals may not add up due to rounding.

Table 2. Revenue/Expenditure categories: Monthly

Description	September 2014	September 2015	September 2016	September 2016 / September 2015	
				Change	% change
€ 000					
<b>(a) Total Recurrent Revenue</b>	<b>240,517</b>	<b>290,492</b>	<b>303,012</b>	<b>12,520</b>	<b>4.3</b>
Customs and Excise Duties	14,918	25,902	28,941	3,039	
Licences, Taxes and Fines	14,598	25,494	20,062	-5,432	
Income Tax	99,897	106,911	131,661	24,751	
Value Added Tax	31,582	45,324	24,344	-20,980	
Fees of Office	4,747	6,567	8,239	1,672	
Reimbursements	3,010	2,337	1,980	-356	
Public Corporations	0	0	0	0	
Central Bank of Malta	7,000	6,000	6,000	0	
Rents	2,470	821	2,244	1,423	
Dividends on Investment	812	5,417	7,406	1,989	
Interest on loans made by Government	89	56	24	-32	
Social Security	56,065	64,306	67,836	3,530	
Grants	107	34	305	271	
Miscellaneous Receipts	5,223	1,323	3,969	2,646	
<b>(b) Total Expenditure</b>	<b>314,549</b>	<b>311,119</b>	<b>287,519</b>	<b>-23,601</b>	<b>-7.6</b>
<i>Recurrent Expenditure</i>	269,235	258,583	249,693	-8,891	-3.4
Personal Emoluments	58,872	64,125	63,818	-307	
Operational and Maintenance Expenses	10,246	9,357	10,677	1,321	
Programmes and Initiatives	176,707	168,761	153,535	-15,226	
Contributions to Government Entities	23,409	16,340	21,662	5,322	
<i>Interest</i>	20,218	20,635	20,389	-245	-1.2
<i>Capital Expenditure</i>	25,097	31,901	17,437	-14,464	-45.3
<b>(a-b) Consolidated Fund Surplus/Deficit</b>	<b>-74,031</b>	<b>-20,627</b>	<b>15,493</b>	<b>36,120</b>	<b>175.1</b>
<b>(c) Financial Transactions</b>					
<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	5,000	5,000	0	
Equity Acquisition	0	0	0	0	
Repayment of Loan	0	665	0	-665	
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-Sep 2014	Jan-Sep 2015	Jan-Sep 2016	Jan-Sep 2014	Jan-Sep 2015	Jan-Sep 2016	Jan-Sep 2014	Jan-Sep 2015	Jan-Sep 2016	Jan-Sep 2014	Jan-Sep 2015	Jan-Sep 2016
	€ 000											
General public services	48,542	52,271	55,018	15,995	19,125	18,913	120,578	143,652	125,875	6,315	5,936	7,385
Defence	23,795	25,786	27,670	3,912	4,722	3,640	357	188	281	0	0	0
Public order and safety	55,826	58,395	60,418	8,262	8,046	7,312	8,075	5,990	3,045	4,995	5,738	6,166
Economic affairs	46,987	49,426	49,884	7,642	8,625	10,821	68,363	79,706	76,649	36,314	42,275	66,083
Environment protection	1,831	550	650	115	66	97	12,900	12,630	15,188	13,942	7,744	15,413
Housing and community amenities	2,486	1,994	1,856	917	774	592	491	6	0	229	2,207	1,997
Health	142,049	153,939	163,249	32,157	38,761	47,325	91,783	102,650	107,145	35,629	35,852	35,909
Recreation, culture and religion	5,512	5,802	6,044	2,924	948	209	10,675	10,500	6,876	11,419	12,063	14,262
Education	125,645	131,803	139,790	11,656	14,841	16,371	71,079	79,886	88,192	66,442	79,144	81,349
Social protection	33,232	34,334	35,349	11,410	15,551	19,416	898,603	922,751	964,413	20,952	23,195	32,534
<b>Total</b>	<b>485,907</b>	<b>514,300</b>	<b>539,927</b>	<b>94,991</b>	<b>111,459</b>	<b>124,694</b>	<b>1,282,904</b>	<b>1,357,960</b>	<b>1,387,665</b>	<b>196,236</b>	<b>214,155</b>	<b>261,099</b>
COFOG	Interest Expenditure			Capital Expenditure			Total expenditure					
	Jan-Sep 2014	Jan-Sep 2015	Jan-Sep 2016	Jan-Sep 2014	Jan-Sep 2015	Jan-Sep 2016	Jan-Sep 2014	Jan-Sep 2015	Jan-Sep 2016	Jan-Sep 2014	Jan-Sep 2015	Jan-Sep 2016
	€ 000											
General public services	172,005	173,374	170,159	52,986	28,360	21,018	416,422	422,718	398,369			
Defence	0	0	0	16,029	26,311	7,314	44,093	57,007	38,905			
Public order and safety	0	0	0	1,495	2,866	17,769	78,653	81,035	94,710			
Economic affairs	0	0	0	100,729	98,349	105,702	260,035	278,381	309,138			
Environment protection	0	0	0	20,731	44,543	2,158	49,518	65,534	33,506			
Housing and community amenities	0	0	0	7,276	13,595	7,716	11,398	18,577	12,162			
Health	0	0	0	18,337	19,595	7,890	319,956	350,797	361,517			
Recreation, culture and religion	0	0	0	21,896	23,909	14,397	52,426	53,223	41,789			
Education	0	0	0	29,457	38,174	16,126	304,280	343,848	341,829			
Social protection	0	0	0	10,270	7,603	5,651	974,468	1,003,434	1,057,363			
<b>Total</b>	<b>172,005</b>	<b>173,374</b>	<b>170,159</b>	<b>279,206</b>	<b>303,304</b>	<b>205,743</b>	<b>2,511,248</b>	<b>2,674,552</b>	<b>2,689,288</b>			

Table 4. Central Government debt

Description	September 2014	September 2015	September 2016	September 2016 / September 2015	
				Change	% change
	€ 000				
<b>Total Central Government Debt</b>	<b>5,347,438</b>	<b>5,406,314</b>	<b>5,529,167</b>	<b>122,853</b>	<b>2.3</b>
<i>of which:</i>					
Treasury Bills	308,567	252,600	269,750	17,150	
Malta Government Stocks	4,922,461	5,089,988	5,236,963	146,975	
Foreign Loans	43,135	32,525	22,010	-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	59,475	65,402	70,874	5,472	

Note: Totals may not add up due to rounding.

Chart 1. January-September Consolidated Fund Surplus/Deficit

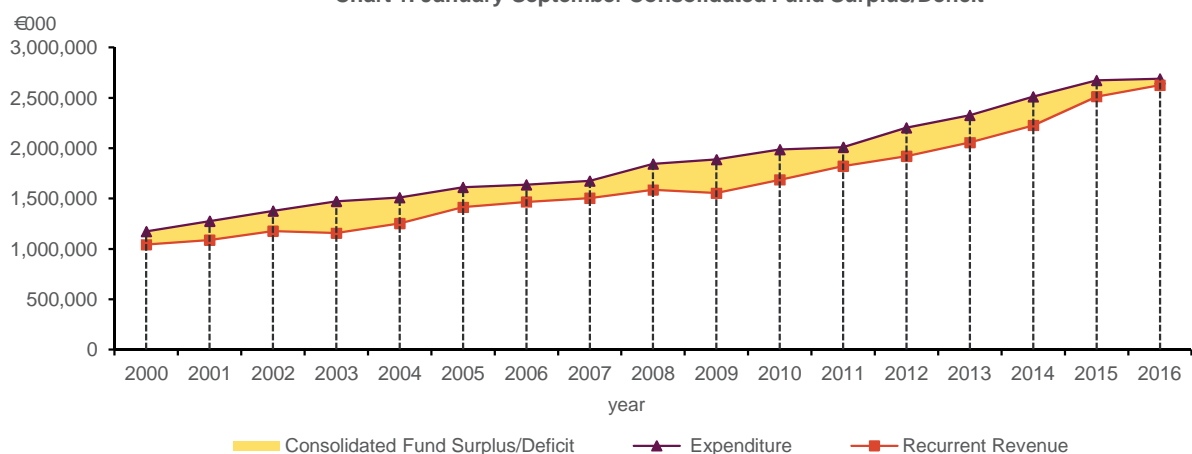
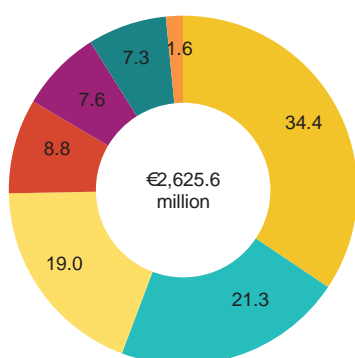
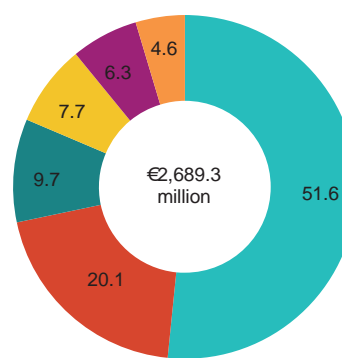


Chart 2. Recurrent Revenue by main category (%): January-September 2016



- 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-September 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>