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In January-October 2016, Government's Consolidated Fund registered a deficit of €104.9 million.

Government Finance Data: January-October 2016

Compared to the same period last year, recurrent revenue registered an increase of €141.1 million whereas total expenditure went up by €41.4 million. This resulted in a positive change in the Government's Consolidated Fund by €99.7 million.

In January-October 2016, recurrent revenue was recorded at €2,907.2 million, up from €2,766.1 million last year. The comparative increase of 5.1 per cent was primarily the result of higher Income Tax and Social Security which increased by €110.8 million and €52.0 million respectively. Moreover, increases were also recorded for Licences, Taxes and Fines (€27.9 million), Fees of Office (€15.0 million), Value Added Tax (€13.9 million), and Customs and Excise Duties (€13.6 million) among others. Conversely, major decreases were recorded in proceeds from Grants (€93.4 million).

Compared to January-October last year, total expenditure stood at €3,012.0 million up from €2,970.6 million, mainly as result of added outlays on recurrent expenditure which outweighed the decreases in capital expenditure and interest payments.

Recurrent expenditure stood at €2,594.5 million from €2,434.1 million last year. The major contributor to this increase was Programmes and Initiatives with a rise of €66.8 million. The main developments in this category involved higher social security benefits (€33.9 million), a rise in the social security state contribution (of €18.1 million which also features as revenue), added outlays due to church schools (€13.4 million), EU Presidency 2017 (€11.8 million), Treasury pensions (€4.7 million) and CHOGM (€2.5 million). On the other hand, lower EU Own Resources were recorded (€19.3 million). Increases were also registered in Contributions to Government Entities (€37.2 million), Personal Emoluments (€32.7 million) and Operational and Maintenance Expenses (€23.8 million).

The interest component of the public debt servicing costs stood at €187.0 million, down from €195.8 million last year.

Government's capital expenditure witnessed a decline of €110.2 million, and was recorded at €230.5 million. This was mainly the result of lower spending on EU funded projects (Table 1).

At the end of October 2016, Central Government Debt stood at €5,679.9 million, up by €286.7 million over the corresponding period last year. This was the result of higher Malta Government Stocks and Treasury Bills, which added €272.6 million and €74.2 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 €2.0 million. The Euro coins issued in the name of the Treasury went up by €4.8 million when compared to the coin stock as at the end of October 2015, and totalled €71.5 million (Table 4) ■

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Table 1. Revenue/Expenditure categories: Year to date

Description	Jan-Oct 2014	Jan-Oct 2015	Jan-Oct 2016	Jan-Oct 2016 / Jan-Oct 2015	
				Change	% change
				€ 000	
(a) Total Recurrent Revenue	2,499,868	2,766,085	2,907,168	141,084	5.1
Customs and Excise Duties	127,583	210,993	224,602	13,608	
Licences, Taxes and Fines	204,562	232,423	260,335	27,912	
Income Tax	814,920	889,751	1,000,600	110,849	
Value Added Tax	491,468	509,664	523,608	13,943	
Fees of Office	33,112	37,597	52,616	15,019	
Reimbursements	20,049	19,904	21,023	1,119	
Public Corporations	0	0	0	0	
Central Bank of Malta	44,000	42,000	42,000	0	
Rents	23,868	24,611	26,975	2,364	
Dividends on Investment	5,118	14,690	19,848	5,158	
Interest on loans made by Government	1,120	189	97	-91	
Social Security	540,183	570,059	622,019	51,960	
Grants	166,306	171,395	78,044	-93,351	
Miscellaneous Receipts	27,580	42,809	35,402	-7,407	
(b) Total Expenditure	2,782,432	2,970,595	3,012,018	41,423	1.4
<i>Recurrent Expenditure</i>	2,271,213	2,434,095	2,594,549	160,454	6.6
Personal Emoluments	539,293	565,332	598,007	32,675	
Operational and Maintenance Expenses	106,279	122,227	146,019	23,791	
Programmes and Initiatives	1,409,084	1,500,926	1,567,680	66,754	
Contributions to Government Entities	216,557	245,610	282,843	37,233	
<i>Interest</i>	192,074	195,848	187,000	-8,848	-4.5
<i>Capital Expenditure</i>	319,145	340,651	230,469	-110,182	-32.3
(a-b) Consolidated Fund Surplus/Deficit	-282,564	-204,511	-104,850	99,661	48.7
(c) Financial Transactions					
<i>Revenue</i>					
Loans	648,841	438,235	597,902	159,667	
Repayment of Loans	0	0	12,184	12,184	
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	216,200	295,317	79,117	
Loans	0	0	0	0	

Note: Totals may not add up due to rounding.

Table 2. Revenue/Expenditure categories: Monthly

Description	October 2014	October 2015	October 2016	October 2016 / October 2015	
				Change	% change
	€ 000				
(a) Total Recurrent Revenue	272,550	253,162	281,526	28,364	11.2
Customs and Excise Duties	15,761	24,870	25,067	197	
Licences, Taxes and Fines	28,651	26,623	29,780	3,158	
Income Tax	85,972	88,864	97,769	8,905	
Value Added Tax	37,437	23,756	24,666	910	
Fees of Office	3,189	1,875	11,380	9,505	
Reimbursements	2,301	2,154	2,334	180	
Public Corporations	0	0	0	0	
Central Bank of Malta	0	0	0	0	
Rents	1,254	2,275	2,479	204	
Dividends on Investment	0	0	0	0	
Interest on loans made by Government	0	0	0	0	
Social Security	60,653	62,372	62,078	-294	
Grants	30,714	11,937	18,698	6,761	
Miscellaneous Receipts	6,618	8,436	7,276	-1,161	
(b) Total Expenditure	271,184	296,043	322,730	26,687	9.0
<i>Recurrent Expenditure</i>	211,175	236,221	281,163	44,942	19.0
Personal Emoluments	53,386	51,032	58,080	7,047	
Operational and Maintenance Expenses	11,288	10,768	21,324	10,556	
Programmes and Initiatives	126,180	142,966	180,015	37,049	
Contributions to Government Entities	20,321	31,455	21,744	-9,711	
<i>Interest</i>	20,069	22,474	16,841	-5,633	-25.1
<i>Capital Expenditure</i>	39,940	37,348	24,726	-12,622	-33.8
(a-b) Consolidated Fund Surplus/Deficit	1,366	-42,881	-41,204	1,677	3.9
(c) Financial Transactions					
<i>Revenue</i>					
Loans	75,000	179,947	159,233	-20,714	
Repayment of Loans	0	0	200	200	
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	145,653	0	-145,653	
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-Oct 2014	Jan-Oct 2015	Jan-Oct 2016	Jan-Oct 2014	Jan-Oct 2015	Jan-Oct 2016	Jan-Oct 2014	Jan-Oct 2015	Jan-Oct 2016	Jan-Oct 2014	Jan-Oct 2015	Jan-Oct 2016
	€ 000											
General public services	54,039	57,714	61,800	18,164	20,867	22,853	131,746	153,291	150,390	7,017	6,529	7,849
Defence	26,320	28,600	30,185	4,619	5,227	4,906	361	204	352	0	0	0
Public order and safety	61,821	64,163	66,650	9,114	8,881	8,577	8,521	6,603	3,410	5,815	6,607	6,949
Economic affairs	52,215	54,321	55,436	8,735	9,516	11,898	82,851	100,648	92,958	38,121	51,613	71,382
Environment protection	2,019	602	712	151	48	133	13,830	14,452	17,893	16,417	11,442	16,432
Housing and community amenities	2,776	2,205	2,054	1,135	879	730	491	6	0	283	3,166	2,060
Health	158,260	167,656	180,967	36,522	43,431	57,993	95,340	109,062	114,109	40,259	42,344	42,239
Recreation, culture and religion	6,140	6,363	6,852	2,983	1,083	245	11,543	10,733	8,624	12,365	13,462	16,695
Education	138,997	145,679	154,271	12,200	15,386	17,219	76,703	85,795	104,065	73,944	86,400	83,640
Social protection	36,707	38,029	39,079	12,657	16,909	21,464	987,699	1,020,131	1,075,881	22,337	24,047	35,597
Total	539,293	565,332	598,007	106,279	122,227	146,019	1,409,084	1,500,926	1,567,680	216,557	245,610	282,843
COFOG	Interest Expenditure			Capital Expenditure			Total expenditure					
	Jan-Oct 2014	Jan-Oct 2015	Jan-Oct 2016	Jan-Oct 2014	Jan-Oct 2015	Jan-Oct 2016	Jan-Oct 2014	Jan-Oct 2015	Jan-Oct 2016	Jan-Oct 2014	Jan-Oct 2015	Jan-Oct 2016
	€ 000											
General public services	192,074	195,848	187,000	56,020	29,408	23,598	459,059	463,657	453,490			
Defence	0	0	0	16,926	28,293	7,335	48,226	62,325	42,779			
Public order and safety	0	0	0	1,518	3,272	20,020	86,788	89,526	105,606			
Economic affairs	0	0	0	113,294	112,036	115,418	295,215	328,134	347,093			
Environment protection	0	0	0	25,168	48,993	2,210	57,585	75,537	37,380			
Housing and community amenities	0	0	0	11,344	14,417	9,261	16,028	20,673	14,104			
Health	0	0	0	21,522	26,713	8,574	351,904	389,206	403,881			
Recreation, culture and religion	0	0	0	27,439	26,355	14,975	60,470	57,995	47,392			
Education	0	0	0	33,087	41,937	22,875	334,930	375,197	382,071			
Social protection	0	0	0	12,828	9,229	6,202	1,072,227	1,108,344	1,178,223			
Total	192,074	195,848	187,000	319,145	340,651	230,469	2,782,432	2,970,595	3,012,018			

Table 4. Central Government debt

Description	October 2014	October 2015	October 2016	October 2016 / October 2015	
				Change	% change
	€ 000				
Total Central Government Debt	5,375,822	5,393,199	5,679,898	286,699	5.3
<i>of which:</i>					
Treasury Bills	261,417	186,550	260,750	74,200	
Malta Government Stocks	4,997,461	5,123,617	5,396,196	272,579	
Foreign Loans	43,136	32,532	22,010	-10,521	
Domestic Loans with Commercial Banks	56,379	56,379	0	-56,379	
MGSF investments in Government Debt	-42,579	-72,579	-70,530	2,049	
Euro Coins issued in the name of the Treasury	60,009	66,701	71,472	4,771	

Note: Totals may not add up due to rounding.

Chart 1. January-October Consolidated Fund Surplus/Deficit

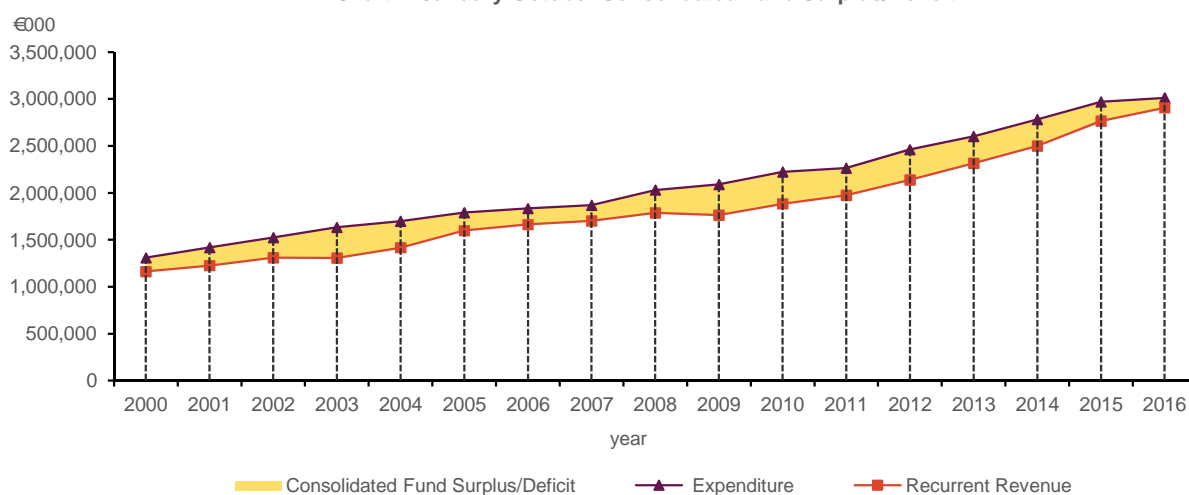
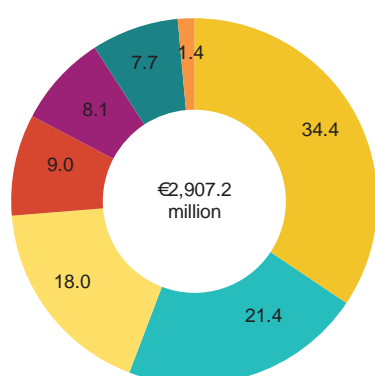
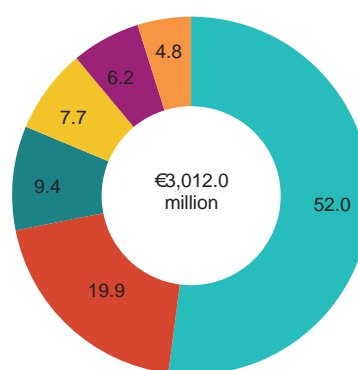


Chart 2. Recurrent Revenue by main category (%): January-October 2016



- 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-October 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-
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>