

23 December 2016 | 1100 hrs | 209/2016

In January-November 2016, Government's Consolidated Fund registered a deficit of €60.2 million.

## Government Finance Data: January-November 2016

Compared to the same period last year, recurrent revenue registered an increase of €150.4 million whereas total expenditure went up by €49.6 million. This resulted in a positive change in the Government's Consolidated Fund by €100.7 million.

In January-November 2016, recurrent revenue was recorded at €3,286.0 million, up from €3,135.7 million last year. The comparative increase of 4.8 per cent was primarily the result of higher Income Tax and Social Security which increased by €118.1 million and €59.9 million respectively. Moreover, increases were also recorded for Licences, Taxes and Fines (€33.9 million), Value Added Tax (€21.6 million) and Fees of Office (€14.8 million) among others. Conversely, major decreases were recorded in proceeds from Grants (€75.8 million) and Customs and Excise Duties (€19.5 million).

Compared to January-November last year, total expenditure stood at €3,346.2 million up from €3,296.6 million, mainly as result of added outlays on recurrent expenditure which outweighed lower spending on capital expenditure and interest payments.

Recurrent expenditure stood at €2,881.3 million from €2,705.4 million last year. The major contributor to this increase was Programmes and Initiatives with a rise of €74.7 million. The main developments in this category involved higher Social Security Benefits (€24.6 million), a rise in the Social Security State Contribution (of €18.2 million which also features as revenue), added outlays due to EU Presidency 2017 (€11.4 million), Health Concession Agreement - Gozo General Hospital (€8.5 million), Church Schools (€5.8 million), Public Service Obligations (€5.7 million), Treasury Pensions (€5.1 million), Solid Waste Management (€4.2 million) and Compensation Payments (€3.6 million). On the other hand, lower EU Own Resources were recorded (€24.3 million). Increases were also registered in Contributions to Government Entities (€49.6 million), Personal Emoluments (€31.2 million) and Operational and Maintenance Expenses (€20.5 million).

The interest component of the public debt servicing costs stood at €205.7 million, down from €212.1 million last year.

Government's capital expenditure witnessed a decline of €119.9 million, and was recorded at €259.2 million. This was mainly the result of lower spending on EU funded projects (Table 1).

Compiled by:

**Unit A2: Public Finance**

Further information on data:

**Mr Mark GALEA**

T. +356 2599 7240

E. mark.b.galea@gov.mt

At the end of November 2016, Central Government Debt stood at €5,521.7 million, up by €53.0 million over the corresponding period last year. This was the result of higher Malta Government Stocks and Treasury Bills, which added €52.0 million and €43.2 million respectively. On the other hand, Domestic Loans with Commercial Banks and Foreign Loans went down by €56.4 million and €10.4 million respectively. Lower holdings by government funds in Malta Government Stocks resulted in an increase in debt of €19.9 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 November 2015, and totalled €71.7 million (Table 4) ■

Kindly indicate source when quoting from this release.

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

Issued by: **Dissemination Unit, National Statistics Office, Lascaris, Valletta VLT 2000, Malta.**

T. +356 2599 7219 F. +356 2599 7205 E. [nso@gov.mt](mailto:nso@gov.mt)

<https://twitter.com/NSOMALTA/> | <https://www.facebook.com/nsomalta/>

Table 1. Revenue/Expenditure categories: Year to date

Description	Jan-Nov 2014	Jan-Nov 2015	Jan-Nov 2016	Jan-Nov 2016 / Jan-Nov 2015	
				Change	% change
	€ 000				
<b>(a) Total Recurrent Revenue</b>	<b>2,895,447</b>	<b>3,135,666</b>	<b>3,286,036</b>	<b>150,370</b>	<b>4.8</b>
Customs and Excise Duties	278,756	269,037	249,504	-19,533	
Licences, Taxes and Fines	218,862	253,842	287,702	33,860	
Income Tax	860,984	958,044	1,076,193	118,148	
Value Added Tax	593,166	647,609	669,194	21,585	
Fees of Office	51,721	45,726	60,547	14,821	
Reimbursements	22,332	25,647	23,980	-1,667	
Public Corporations	0	0	0	0	
Central Bank of Malta	50,000	48,000	50,000	2,000	
Rents	24,808	26,710	28,275	1,565	
Dividends on Investment	5,118	15,990	20,898	4,908	
Interest on loans made by Government	1,123	289	97	-192	
Social Security	593,830	627,256	687,168	59,913	
Grants	166,412	171,419	95,579	-75,840	
Miscellaneous Receipts	28,336	46,098	36,900	-9,197	
<b>(b) Total Expenditure</b>	<b>3,084,315</b>	<b>3,296,610</b>	<b>3,346,243</b>	<b>49,633</b>	<b>1.5</b>
<i>Recurrent Expenditure</i>	2,503,259	2,705,392	2,881,345	175,952	6.5
Personal Emoluments	591,217	625,286	656,482	31,196	
Operational and Maintenance Expenses	119,414	135,014	155,523	20,510	
Programmes and Initiatives	1,553,006	1,667,367	1,742,027	74,661	
Contributions to Government Entities	239,621	277,725	327,312	49,587	
<i>Interest</i>	210,590	212,089	205,712	-6,377	-3.0
<i>Capital Expenditure</i>	370,467	379,129	259,186	-119,943	-31.6
<b>(a-b) Consolidated Fund Surplus/Deficit</b>	<b>-188,868</b>	<b>-160,944</b>	<b>-60,207</b>	<b>100,737</b>	<b>62.6</b>
<b>(c) Financial Transactions</b>					
<i>Revenue</i>					
Loans	648,841	473,235	597,902	124,667	
Repayment of Loans	0	0	12,184	12,184	
Receipts from Sale of Shares	0	700	1,094	394	
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	357,257	217,085	481,669	264,584	
Loans	0	0	0	0	

Note: Totals may not add up due to rounding.

Table 2. Revenue/Expenditure categories: Monthly

Description	November 2014	November 2015	November 2016	November 2016 / November 2015	
				Change	% change
				€ 000	
<b>(a) Total Recurrent Revenue</b>	<b>395,579</b>	<b>369,582</b>	<b>378,868</b>	<b>9,286</b>	<b>2.5</b>
Customs and Excise Duties	151,173	58,043	24,902	-33,141	
Licences, Taxes and Fines	14,300	21,419	27,367	5,948	
Income Tax	46,064	68,293	75,593	7,299	
Value Added Tax	101,697	137,945	145,587	7,642	
Fees of Office	18,610	8,130	7,931	-199	
Reimbursements	2,283	5,743	2,957	-2,786	
Public Corporations	0	0	0	0	
Central Bank of Malta	6,000	6,000	8,000	2,000	
Rents	940	2,099	1,299	-800	
Dividends on Investment	0	1,300	1,050	-250	
Interest on loans made by Government	3	101	0	-100	
Social Security	53,647	57,197	65,149	7,953	
Grants	106	24	17,535	17,510	
Miscellaneous Receipts	756	3,289	1,498	-1,791	
<b>(b) Total Expenditure</b>	<b>301,883</b>	<b>326,015</b>	<b>334,224</b>	<b>8,210</b>	<b>2.5</b>
<i>Recurrent Expenditure</i>	232,046	271,297	286,796	15,499	5.7
Personal Emoluments	51,925	59,954	58,475	-1,479	
Operational and Maintenance Expenses	13,135	12,786	9,505	-3,282	
Programmes and Initiatives	143,922	166,441	174,347	7,906	
Contributions to Government Entities	23,064	32,116	44,469	12,353	
<i>Interest</i>	18,516	16,240	18,712	2,472	15.2
<i>Capital Expenditure</i>	51,321	38,477	28,716	-9,761	-25.4
<b>(a-b) Consolidated Fund Surplus/Deficit</b>	<b>93,696</b>	<b>43,567</b>	<b>44,643</b>	<b>1,076</b>	<b>2.5</b>
<b>(c) Financial Transactions</b>					
<i>Revenue</i>					
Loans	0	35,000	0	-35,000	
Repayment of Loans	0	0	0	0	
Receipts from Sale of Shares	0	0	-37	-37	
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	93,882	885	186,352	185,467	
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-Nov 2014	Jan-Nov 2015	Jan-Nov 2016	Jan-Nov 2014	Jan-Nov 2015	Jan-Nov 2016	Jan-Nov 2014	Jan-Nov 2015	Jan-Nov 2016	Jan-Nov 2014	Jan-Nov 2015	Jan-Nov 2016
	€ 000											
General public services	60,076	63,553	67,441	20,508	22,682	25,998	136,320	170,056	164,071	7,843	7,640	8,711
Defence	28,838	31,436	33,257	5,129	5,804	5,486	362	228	359	0	0	0
Public order and safety	68,114	71,240	73,327	10,104	9,719	9,331	9,226	7,232	3,699	6,293	7,082	7,497
Economic affairs	57,210	59,722	60,847	9,750	10,119	14,086	88,146	111,200	120,641	39,833	58,300	82,055
Environment protection	2,209	658	766	192	71	160	15,033	15,878	21,093	19,568	18,481	20,859
Housing and community amenities	3,035	2,448	2,263	1,271	1,051	803	491	56	8	358	3,701	2,122
Health	173,172	187,810	198,952	42,144	49,630	57,320	111,259	115,156	133,185	43,631	45,722	47,605
Recreation, culture and religion	6,775	6,900	7,485	3,197	1,151	363	12,621	13,206	9,889	13,684	15,137	19,399
Education	151,627	159,940	169,408	13,700	15,829	18,341	93,099	99,292	108,132	83,063	93,747	98,212
Social protection	40,161	41,578	42,735	13,419	18,957	23,636	1,086,449	1,135,062	1,180,949	25,349	27,918	40,851
<b>Total</b>	<b>591,217</b>	<b>625,286</b>	<b>656,482</b>	<b>119,414</b>	<b>135,014</b>	<b>155,523</b>	<b>1,553,006</b>	<b>1,667,367</b>	<b>1,742,027</b>	<b>239,621</b>	<b>277,725</b>	<b>327,312</b>
COFOG	Interest Expenditure			Capital Expenditure			Total expenditure					
	Jan-Nov 2014	Jan-Nov 2015	Jan-Nov 2016	Jan-Nov 2014	Jan-Nov 2015	Jan-Nov 2016	Jan-Nov 2014	Jan-Nov 2015	Jan-Nov 2016	Jan-Nov 2014	Jan-Nov 2015	Jan-Nov 2016
	€ 000											
General public services	210,590	212,089	205,712	62,777	35,337	25,359	498,115	511,358	497,292			
Defence	0	0	0	18,084	30,808	7,786	52,413	68,276	46,888			
Public order and safety	0	0	0	1,814	4,110	21,027	95,550	99,382	114,881			
Economic affairs	0	0	0	124,553	121,369	126,442	319,491	360,710	404,071			
Environment protection	0	0	0	32,005	53,700	4,233	69,007	88,789	47,112			
Housing and community amenities	0	0	0	11,345	14,487	9,262	16,500	21,743	14,458			
Health	0	0	0	27,910	29,458	10,394	398,117	427,776	447,456			
Recreation, culture and religion	0	0	0	33,036	30,090	21,238	69,313	66,484	58,375			
Education	0	0	0	44,698	49,422	26,809	386,187	418,230	420,903			
Social protection	0	0	0	14,243	10,347	6,636	1,179,622	1,233,862	1,294,808			
<b>Total</b>	<b>210,590</b>	<b>212,089</b>	<b>205,712</b>	<b>370,467</b>	<b>379,129</b>	<b>259,186</b>	<b>3,084,315</b>	<b>3,296,610</b>	<b>3,346,243</b>			

Table 4. Central Government debt

Description	November 2014	November 2015	November 2016	November 2016 / November 2015	
				Change	% change
	€ 000				
<b>Total Central Government Debt</b>	<b>5,261,668</b>	<b>5,468,720</b>	<b>5,521,730</b>	<b>53,010</b>	<b>1.0</b>
<i>of which:</i>					
Treasury Bills	240,990	227,850	271,000	43,150	
Malta Government Stocks	4,903,579	5,157,813	5,209,845	52,032	
Foreign Loans	43,039	32,330	21,919	-10,410	
Domestic Loans with Commercial Banks	56,379	56,379	0	-56,379	
MGSF investments in Government Debt	-42,579	-72,579	-52,729	19,850	
Euro Coins issued in the name of the Treasury	60,260	66,928	71,695	4,767	

Note: Totals may not add up due to rounding.

Chart 1. January-November Consolidated Fund Surplus/Deficit

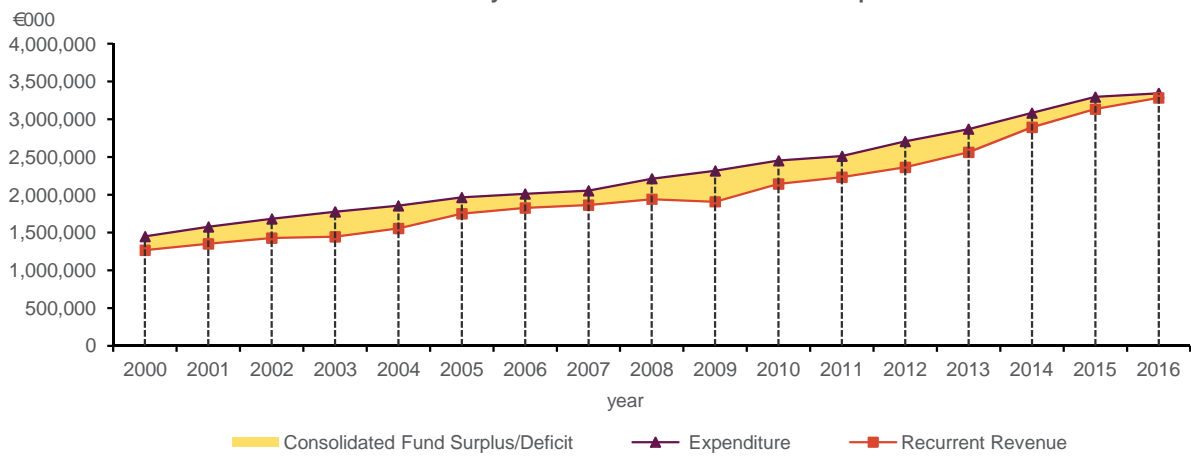
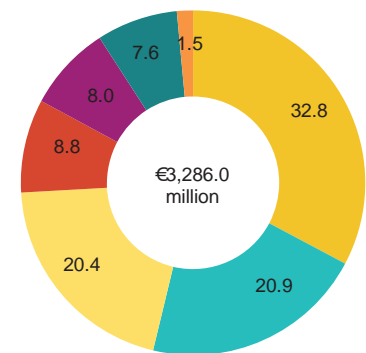
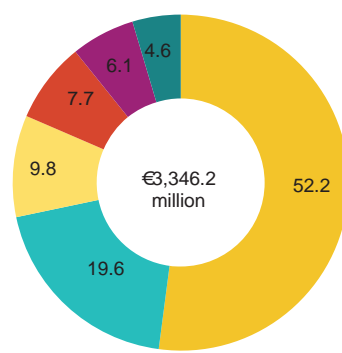


Chart 2. Recurrent Revenue by main category (%): January-November 2016



- 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-November 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>