

24 February 2017 | 1100 hrs | 035/2017

In January 2017, Government's Consolidated Fund registered a deficit of €15.9 million.

Government Finance Data: January 2017

Compared to the same month last year, recurrent revenue registered an increase of €51.8 million whereas total expenditure went up by €18.8 million. This resulted in a positive change in the Government's Consolidated Fund by €33.0 million.

In January 2017, recurrent revenue was recorded at €261.2 million, up from €209.4 million last year. The comparative increase of 24.7 per cent was primarily the result of higher Grants and Income Tax which increased by €22.1 million and €6.3 million respectively. Moreover, increases were also recorded for Customs and Excise Duties (€6.1 million), Value Added Tax (€5.4 million), Fees of Office (€5.0 million), Licences, Taxes and Fines (€4.4 million), Reimbursements (€1.1 million), Rents (€0.9 million) and Miscellaneous Receipts (€0.6 million). Conversely, decreases were recorded in Social Security (€0.1 million).

Compared to January last year, total expenditure stood at €277.0 million up from €258.2 million, mainly as result of added outlays on recurrent expenditure and interest payments which outweighed lower spending on capital expenditure.

Recurrent expenditure stood at €249.5 million from €220.0 million last year. The major contributor to this increase was Programmes and Initiatives with a rise of €17.0 million. The main developments in this category involved higher EU Own Resources (€13.1 million), Social Security Benefits (€2.5 million), added outlays due to Public Service Obligations (€2.5 million), Child Care for all (€1.2 million), EU Presidency 2017 (€1.1 million) and Heads of Government Event (€1.0 million). On the other hand, lower outlays for Medicines and Surgical Materials were recorded (€6.4 million). Increases were also registered in Contributions to Government Entities (€8.4 million), Operational and Maintenance Expenses (€2.4 million) and Personal Emoluments (€1.7 million).

The interest component of the public debt servicing costs stood at €17.5 million, up from €15.2 million last year.

Government's capital expenditure witnessed a decline of €13.0 million, and was recorded at €10.0 million (Table 1).

Table 3 presents the Consolidated Fund data in ESA 2010 codes according to the EU Council Directive 85/2011 requirements.

At the end of January 2017, Central Government Debt stood at €5,498.5 million, up by €60.6 million over the corresponding month last year. This was the result of higher Malta Government Stocks and Euro coins issued in the name of the Treasury, which added €180.9 million and €4.5 million respectively. On the other hand, Domestic Loans with Commercial Banks and Treasury Bills went down by €56.4 million and €47.9 million respectively. Higher holdings by government funds in Malta Government Stocks resulted in a decrease in debt of €10.2 million. Moreover Foreign Loans decreased by €10.4 million (Table 4) ■

Table 1. Revenue/Expenditure categories: Year to date

Description	January 2015	January 2016	January 2017	January 2017 / January 2016	
				Change	% change
	€ 000				
(a) Total Recurrent Revenue	276,435	209,397	261,165	51,768	24.7
Customs and Excise Duties	11,284	21,707	27,822	6,115	
Licences, Taxes and Fines	22,475	24,443	28,837	4,394	
Income Tax	69,132	73,592	79,904	6,311	
Value Added Tax	43,419	28,032	33,394	5,362	
Fees of Office	1,312	1,102	6,145	5,043	
Reimbursements	655	1,069	2,158	1,089	
Public Corporations	0	0	0	0	
Central Bank of Malta	10,000	10,000	10,000	0	
Rents	3,018	2,357	3,221	864	
Dividends on Investment	0	0	0	0	
Interest on loans made by Government	0	0	0	0	
Social Security	36,354	44,237	44,146	-91	
Grants	75,528	2,506	24,595	22,089	
Miscellaneous Receipts	3,258	353	944	591	
(b) Total Expenditure	264,343	258,224	277,027	18,804	7.3
<i>Recurrent Expenditure</i>	220,103	220,025	249,482	29,457	13.4
Personal Emoluments	53,668	56,698	58,405	1,707	
Operational and Maintenance Expenses	14,370	17,030	19,396	2,366	
Programmes and Initiatives	124,579	128,611	145,599	16,988	
Contributions to Government Entities	27,486	17,686	26,082	8,396	
<i>Interest</i>	14,207	15,165	17,537	2,372	15.6
<i>Capital Expenditure</i>	30,033	23,034	10,009	-13,025	-56.5
(a-b) Consolidated Fund Surplus/Deficit	12,092	-48,826	-15,862	32,964	67.5
(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	889	889	
Other extraordinary receipts	0	0	0	0	
<i>Expenditure</i>					
Contribution to Sinking Fund	0	0	0	0	
Equity Acquisition	0	500	0	-500	
Repayment of Loan	0	0	0	0	
Loans	0	0	0	0	

Note: Totals may not add up due to rounding.

Table 2. Government Expenditure by COFOG category

COFOG	Personal Emoluments			Operational and Maintenance Expenses			Programmes and Initiatives			Contributions to Government Entities		
	Jan-15	Jan-16	Jan-17	Jan-15	Jan-16	Jan-17	Jan-15	Jan-16	Jan-17	Jan-15	Jan-16	Jan-17
	€ 000											
General public services	4,721	4,946	5,546	1,634	1,724	2,374	18,071	14,112	30,167	470	616	866
Defence	2,691	2,958	3,027	491	634	232	14	4	10	0	0	2
Public order and safety	6,246	6,500	6,589	1,163	583	752	963	427	438	857	392	1,110
Economic affairs	5,403	5,530	5,532	1,327	991	872	3,766	7,908	10,061	6,411	7,407	10,482
Environment protection	115	64	0	11	10	27	912	2,392	719	36	16	20
Housing and community amenities	210	207	68	40	29	9	0	0	524	28	38	213
Health	16,109	17,294	18,186	4,778	5,379	6,643	16,488	16,318	10,334	7,194	3,936	4,211
Recreation, culture and religion	587	603	527	100	98	115	1,044	405	319	1,048	918	791
Education	13,993	14,799	15,212	3,059	5,286	5,209	12,878	13,180	15,894	8,183	2,345	2,483
Social protection	3,592	3,797	3,718	1,768	2,295	3,164	70,443	73,865	77,133	3,260	2,017	5,904
Total	53,668	56,698	58,405	14,370	17,030	19,396	124,579	128,611	145,599	27,486	17,686	26,082
COFOG	Interest Expenditure			Capital Expenditure			Total expenditure					
	Jan-15	Jan-16	Jan-17	Jan-15	Jan-16	Jan-17	Jan-15	Jan-16	Jan-17			
	€ 000											
General public services	14,207	15,165	17,537	5,548	2,715	447	44,652	39,277	56,936			
Defence	0	0	0	496	0	46	3,692	3,596	3,317			
Public order and safety	0	0	0	619	557	792	9,847	8,460	9,681			
Economic affairs	0	0	0	10,339	12,654	6,071	27,245	34,491	33,019			
Environment protection	0	0	0	3,142	142	49	4,216	2,624	814			
Housing and community amenities	0	0	0	2,500	4,043	1	2,777	4,317	814			
Health	0	0	0	2,945	592	1,084	47,514	43,519	40,458			
Recreation, culture and religion	0	0	0	486	264	246	3,266	2,288	1,998			
Education	0	0	0	3,511	726	961	41,624	36,336	39,760			
Social protection	0	0	0	447	1,341	311	79,510	83,315	90,231			
Total	14,207	15,165	17,537	30,033	23,034	10,009	264,343	258,224	277,027			

Table 3. Consolidated Fund data in ESA 2010 codes: Year to date

Description	ESA CODE	January 2015	January 2016	January 2017	January 2017 / January 2016	
					Change	% change
					€ 000	
1. Total Revenue		282,204	217,407	267,341	49,934	
Market Output	P11	3,564	3,060	8,428		
Taxes on Production and Imports	D2	71,844	67,681	82,700		
Property income receivable	D4	10,578	10,752	10,694		
Current taxes on income, wealth, etc	D5	73,968	79,365	85,153		
Social Contributions	D61	44,959	53,096	53,893		
Current transfers receivable	D7	343	628	491		
Capital transfers receivable	D9	76,949	2,824	25,982		
2. Total Expenditure		270,113	266,234	283,204	16,970	
Intermediate Consumption	P2	30,652	35,133	33,045		
Gross Capital Formation	P5g+NP	10,067	15,958	7,428		
Compensation of Employees	D1	64,382	67,732	70,378		
Property income payable	D4	15,994	17,026	19,447		
Subsidies	D3	5,197	5,428	5,064		
Social Benefits and social transfers in kind	D62+D632	76,558	78,919	76,716		
Current transfers payable	D7	60,475	46,037	71,047		
Capital transfers payable	D9	6,788	0	78		
(1-2) Consolidated Fund Surplus/Deficit		12,092	-48,826	-15,862	32,964	67.5

Notes:

- For further information refer to the Reconciliation Table at:
http://nso.gov.mt/en/nso/Sources_and_Methods/Unit_A2/Public_Finance/Pages/Council-Directive-852011.aspx
- Refer to the ESA 2010 Glossary at:
https://nso.gov.mt/en/nso/Sources_and_Methods/Unit_A2/Public_Finance/Documents/ESA10_Glossary.pdf
- Refer to the Government Finance Statistics related to Council Directive 85/2011 data at:
https://nso.gov.mt/en/Services/Council_Directive/Pages/Council-Directive-85_2011.aspx

Table 4. Central Government debt

Description	January 2015	January 2016	January 2017	January 2017 / January 2016	
				Change	% change
	€ 000				
Total Central Government Debt	5,197,566	5,437,959	5,498,545	60,586	1.1
<i>of which:</i>					
Treasury Bills	208,540	326,050	278,200	-47,850	
Malta Government Stocks	4,899,575	5,025,589	5,206,454	180,865	
Foreign Loans	40,401	29,768	19,371	-10,397	
Domestic Loans with Commercial Banks	56,379	56,379	0	-56,379	
MGSF investments in Government Debt	-67,579	-67,579	-77,754	-10,175	
Euro Coins issued in the name of the Treasury	60,250	67,753	72,274	4,521	

Note: Totals may not add up due to rounding.

Chart 1. January Consolidated Fund Surplus/Deficit

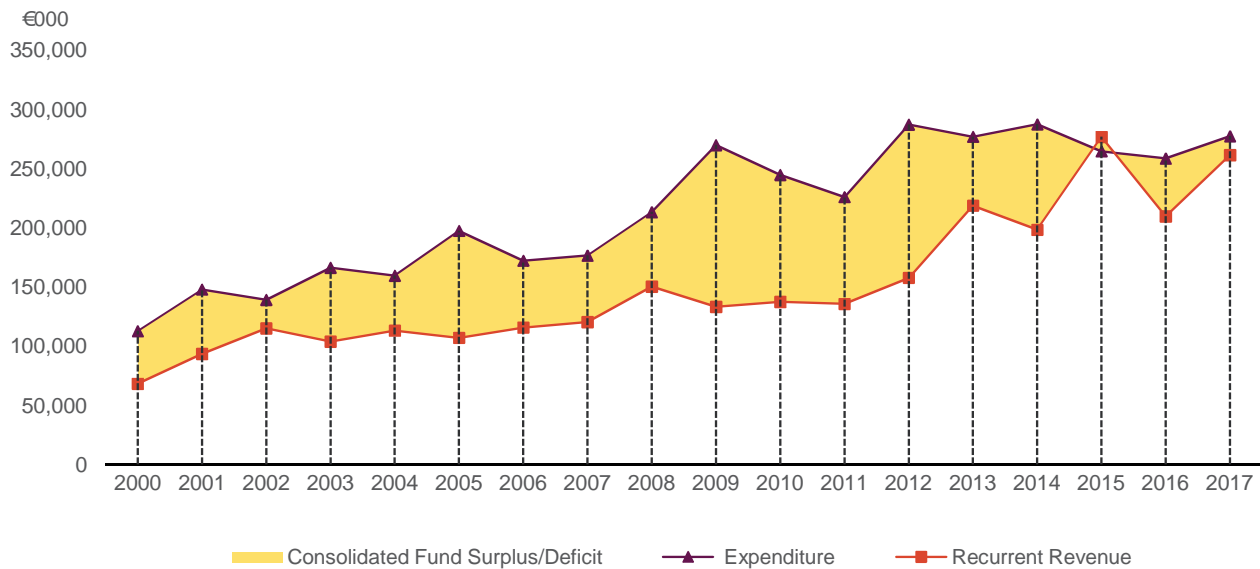
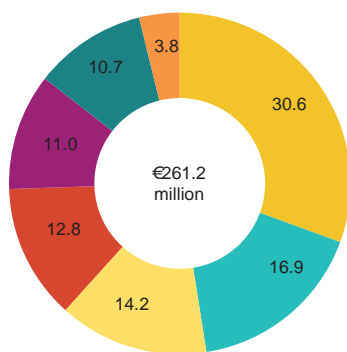
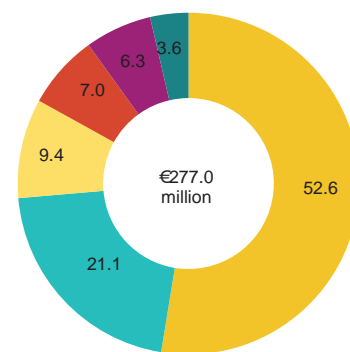


Chart 2. Recurrent Revenue by main category (%): January 2017



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

Chart 3. Expenditure by main category (%): January 2017



- Programmes and Initiatives
- Personal Emoluments
- Contributions to Government Entities
- Operational and Maintenance Expenses
- Interest
- Capital Expenditure

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 2017 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>