

In January-May 2017, Government's Consolidated Fund registered a deficit of €2.6 million.

## Government Finance Data: January-May 2017

Compared to the same period last year, recurrent revenue registered an increase of €165.4 million whereas total expenditure went up by €96.7 million. This resulted in a positive change in the Government's Consolidated Fund by €68.7 million.

In January-May 2017, recurrent revenue was recorded at €1,568.1 million, up from €1,402.7 million last year. The comparative increase of 11.8 per cent was primarily the result of higher Grants and Income Tax which increased by €44.8 million and €33.7 million respectively. Moreover, increases were also recorded for Fees of Office (€28.2 million), Value Added Tax (€24.1 million), Social Security (€21.5 million), Licences, Taxes and Fines (€7.9 million), Customs and Excise Duties (€7.5 million), Reimbursements (€4.0 million) and Rents (€3.4 million) among others. Conversely, decreases were recorded in Miscellaneous Receipts (€9.8 million).

Compared to January-May last year, total expenditure stood at €1,570.7 million up from €1,474.0 million due to added outlays on recurrent expenditure and capital expenditure which outweighed lower spending on interest payments.

Recurrent expenditure stood at €1,353.7 million from €1,269.2 million last year. The main contributors to this increase were Programmes and Initiatives and Personal Emoluments with a rise of €62.3 million and €14.2 million respectively. The main developments in the Programmes and Initiatives category involved added outlays due to Health Concession Agreements (€13.7 million), EU Presidency 2017 (€12.7 million), higher EU Own Resources (€9.2 million), social security benefits (€8.7 million), state contribution (€6.1 million which also features as revenue), Jobsplus programmes (€4.4 million), heads of government event (€3.5 million) and child care for all (€1.8 million). On the other hand, lower outlays for Medicines and Surgical Materials were recorded (€7.3 million). Contributions to Government Entities increased by €8.9 million. Decreases were registered in Operational and Maintenance Expenses (€0.8 million).

The interest component of the public debt servicing costs stood at €89.6 million, down from €95.2 million last year.

Government's capital expenditure witnessed an increase of €17.8 million, and was recorded at €127.4 million. This was mainly the result of ICT Core Services Agreement (€3.9 million), higher spending on road construction improvements (€3.7 million), investment incentives (€3.2 million) and Tomorrow Schools (€1.7 million) (Table 1).

Table 4 and Table 5 present the Consolidated Fund year to date and monthly data respectively in ESA 2010 codes according to the EU Council Directive 85/2011 requirements.

At the end of May 2017, Central Government Debt stood at €5,595.6 million, up by €3.2 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 €153.9 million and €4.9 million respectively. On the other hand, Treasury Bills and Foreign Loans went down by €129.0 million and €10.4 million respectively. Higher holdings by government funds in Malta Government Stocks resulted in a decrease in debt of €16.2 million (Table 6) ■

Table 1. Revenue/Expenditure categories: Year to date

Description	Jan-May 2015	Jan-May 2016	Jan-May 2017	Jan-May 2017 / Jan-May 2016	
				Change	% change
	€ 000				
<b>(a) Total Recurrent Revenue</b>	<b>1,339,893</b>	<b>1,402,662</b>	<b>1,568,102</b>	<b>165,440</b>	<b>11.8</b>
Customs and Excise Duties	91,758	107,390	114,895	7,505	
Licences, Taxes and Fines	115,133	135,006	142,878	7,872	
Income Tax	363,226	408,004	441,671	33,667	
Value Added Tax	280,844	299,303	323,401	24,098	
Fees of Office	10,842	11,557	39,751	28,194	
Reimbursements	9,403	10,320	14,272	3,952	
Public Corporations	0	0	0	0	
Central Bank of Malta	30,000	30,000	30,000	0	
Rents	10,395	14,539	17,935	3,396	
Dividends on Investment	6,154	11,898	12,125	227	
Interest on loans made by Government	71	3	18	15	
Social Security	270,802	300,517	322,042	21,525	
Grants	133,182	49,223	94,058	44,835	
Miscellaneous Receipts	18,082	24,903	15,057	-9,846	
<b>(b) Total Expenditure</b>	<b>1,458,743</b>	<b>1,473,994</b>	<b>1,570,697</b>	<b>96,704</b>	<b>6.6</b>
<i>Recurrent Expenditure</i>	1,183,911	1,269,226	1,353,735	84,509	6.7
Personal Emoluments	279,321	294,419	308,572	14,153	
Operational and Maintenance Expenses	66,277	78,504	77,708	-796	
Programmes and Initiatives	717,026	749,939	812,227	62,288	
Contributions to Government Entities	121,287	146,364	155,228	8,864	
<i>Interest</i>	96,148	95,209	89,606	-5,603	-5.9
<i>Capital Expenditure</i>	178,684	109,559	127,357	17,798	16.2
<b>(a-b) Consolidated Fund Surplus/Deficit</b>	<b>-118,850</b>	<b>-71,332</b>	<b>-2,595</b>	<b>68,737</b>	<b>96.4</b>
<b>(c) Financial Transactions</b>					
<i>Revenue</i>					
Loans	168,287	279,733	182,870	-96,863	
Repayment of Loans	0	11,984	0	-11,984	
Receipts from Sale of Shares	700	1,131	889	-242	
Other extraordinary receipts	0	0	0	0	
<i>Expenditure</i>					
Contribution to Sinking Fund	0	0	0	0	
Equity Acquisition	1,059	12,484	1,877	-10,607	
Repayment of Loan	396	137,172	0	-137,172	
Loans	0	0	0	0	

Note: Totals may not add up due to rounding.

Table 2. Revenue/Expenditure categories: Monthly

Description	May 2015	May 2016	May 2017	May 2017 / May 2016	
				Change	% change
€ 000					
<b>(a) Total Recurrent Revenue</b>	<b>291,172</b>	<b>339,680</b>	<b>346,812</b>	<b>7,132</b>	<b>2.1</b>
Customs and Excise Duties	20,528	22,584	20,871	-1,713	
Licences, Taxes and Fines	29,636	27,813	26,637	-1,175	
Income Tax	73,276	74,545	86,238	11,693	
Value Added Tax	93,418	107,136	110,789	3,653	
Fees of Office	3,185	937	10,332	9,395	
Reimbursements	1,771	2,143	4,393	2,250	
Public Corporations	0	0	0	0	
Central Bank of Malta	0	0	0	0	
Rents	1,685	4,219	1,567	-2,652	
Dividends on Investment	4,467	11,084	11,788	704	
Interest on loans made by Government	-2	0	0	0	
Social Security	61,620	64,483	70,399	5,916	
Grants	642	14,982	48	-14,933	
Miscellaneous Receipts	947	9,754	3,750	-6,004	
<b>(b) Total Expenditure</b>	<b>301,469</b>	<b>333,519</b>	<b>370,650</b>	<b>37,131</b>	<b>11.1</b>
<i>Recurrent Expenditure</i>	235,789	273,025	305,388	32,363	11.9
Personal Emoluments	54,539	57,170	64,410	7,240	
Operational and Maintenance Expenses	13,505	14,219	17,643	3,425	
Programmes and Initiatives	135,441	159,285	187,896	28,611	
Contributions to Government Entities	32,305	42,351	35,439	-6,913	
<i>Interest</i>	17,787	18,233	15,514	-2,719	-14.9
<i>Capital Expenditure</i>	47,893	42,260	49,748	7,488	17.7
<b>(a-b) Consolidated Fund Surplus/Deficit</b>	<b>-10,297</b>	<b>6,161</b>	<b>-23,838</b>	<b>-29,999</b>	<b>-486.9</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	0	0	0	
Equity Acquisition	0	0	0	0	
Repayment of Loan	396	0	0	0	
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-May 2015	Jan-May 2016	Jan-May 2017	Jan-May 2015	Jan-May 2016	Jan-May 2017	Jan-May 2015	Jan-May 2016	Jan-May 2017	Jan-May 2015	Jan-May 2016	Jan-May 2017
	€ 000											
General public services	26,907	29,244	32,232	11,827	11,599	12,525	78,056	71,986	93,051	2,982	3,831	3,591
Defence	14,201	14,932	15,448	2,332	1,717	2,054	93	181	288	0	0	54
Public order and safety	32,609	33,518	34,870	4,442	4,173	4,452	3,923	1,839	1,839	3,340	3,709	3,587
Economic affairs	27,139	27,295	28,907	5,425	6,856	4,758	37,916	47,679	57,237	25,792	34,844	43,309
Environment protection	359	339	88	50	54	170	6,849	9,214	8,686	3,831	10,680	10,366
Housing and community amenities	1,109	1,003	298	444	295	42	6	0	1,932	1,148	1,308	6,409
Health	82,772	88,583	93,100	21,971	28,471	27,485	60,972	65,477	72,493	21,167	22,499	23,126
Recreation, culture and religion	3,208	3,301	2,681	614	513	462	6,905	3,237	3,342	6,506	8,007	9,477
Education	72,494	77,115	81,157	10,555	11,742	11,998	50,316	51,646	53,733	42,887	43,700	40,854
Social protection	18,522	19,088	19,790	8,617	13,083	13,760	471,990	498,681	519,624	13,634	17,786	14,454
<b>Total</b>	<b>279,321</b>	<b>294,419</b>	<b>308,572</b>	<b>66,277</b>	<b>78,504</b>	<b>77,708</b>	<b>717,026</b>	<b>749,939</b>	<b>812,227</b>	<b>121,287</b>	<b>146,364</b>	<b>155,228</b>
COFOG	Interest Expenditure			Capital Expenditure			Total expenditure					
	Jan-May 2015	Jan-May 2016	Jan-May 2017	Jan-May 2015	Jan-May 2016	Jan-May 2017	Jan-May 2015	Jan-May 2016	Jan-May 2017			
	€ 000											
General public services	96,148	95,209	89,606	19,537	10,520	10,570	<b>235,455</b>	<b>222,389</b>	<b>241,576</b>			
Defence	0	0	0	17,099	4,132	3,204	<b>33,725</b>	<b>20,961</b>	<b>21,048</b>			
Public order and safety	0	0	0	1,841	8,509	4,470	<b>46,156</b>	<b>51,748</b>	<b>49,219</b>			
Economic affairs	0	0	0	58,567	59,191	76,127	<b>154,838</b>	<b>175,865</b>	<b>210,338</b>			
Environment protection	0	0	0	20,241	566	5,540	<b>31,330</b>	<b>20,853</b>	<b>24,850</b>			
Housing and community amenities	0	0	0	10,679	5,922	1,564	<b>13,386</b>	<b>8,528</b>	<b>10,245</b>			
Health	0	0	0	11,729	4,208	3,206	<b>198,611</b>	<b>209,237</b>	<b>219,410</b>			
Recreation, culture and religion	0	0	0	13,718	3,768	6,453	<b>30,950</b>	<b>18,826</b>	<b>22,415</b>			
Education	0	0	0	21,391	8,452	14,718	<b>197,644</b>	<b>192,655</b>	<b>202,460</b>			
Social protection	0	0	0	3,884	4,292	1,507	<b>516,647</b>	<b>552,930</b>	<b>569,136</b>			
<b>Total</b>	<b>96,148</b>	<b>95,209</b>	<b>89,606</b>	<b>178,684</b>	<b>109,559</b>	<b>127,357</b>	<b>1,458,743</b>	<b>1,473,994</b>	<b>1,570,697</b>			

Table 4. Consolidated Fund data in ESA 2010 codes: Year to date

Description	ESA CODE	Jan-May 2015	Jan-May 2016	Jan-May 2017	Jan-May 2017 / Jan-May 2016	
					Change	% change
					€ 000	
<b>1. Total Revenue</b>		<b>1,278,081</b>	<b>1,335,884</b>	<b>1,494,041</b>	<b>158,156</b>	
Market Output	P11	11,176	25,944	54,914		
Taxes on Production and Imports	D2	465,055	512,894	549,909		
Property income receivable	D4	41,678	43,085	44,277		
Current taxes on income, wealth, etc	D5	386,510	433,115	466,671		
Social Contributions	D61	233,151	234,735	274,406		
Current transfers receivable	D7	2,554	35,278	7,535		
Capital transfers receivable	D9	137,957	50,832	96,328		
<b>2. Total Expenditure</b>		<b>1,396,930</b>	<b>1,407,216</b>	<b>1,496,636</b>	<b>89,419</b>	
Intermediate Consumption	P2	161,204	176,723	171,730		
Gross Capital Formation	P5g+NP	68,713	41,887	51,840		
Compensation of Employees	D1	330,193	348,740	366,189		
Property income payable	D4	99,239	91,835	86,237		
Subsidies	D3	35,746	32,958	32,585		
Social Benefits and social transfers in kind	D62+D632	389,472	408,860	415,906		
Current transfers payable	D7	284,533	302,947	366,281		
Capital transfers payable	D9	27,831	3,267	5,868		
<b>(1-2) Consolidated Fund Surplus/Deficit</b>		<b>-118,850</b>	<b>-71,332</b>	<b>-2,595</b>	<b>68,737</b>	<b>96.4</b>

Table 5. Consolidated Fund data in ESA 2010 codes: Monthly

Description	ESA CODE	May 2015	May 2016	May 2017	May 2017 / May 2016	
					Change	% change
					€ 000	
<b>1. Total Revenue</b>		<b>273,624</b>	<b>321,124</b>	<b>324,943</b>	<b>3,819</b>	
Market Output	P11	1,996	9,032	17,476		
Taxes on Production and Imports	D2	139,188	150,227	152,009		
Property income receivable	D4	5,373	7,370	7,477		
Current taxes on income, wealth, etc	D5	78,227	80,283	90,389		
Social Contributions	D61	46,221	48,539	54,812		
Current transfers receivable	D7	878	10,291	252		
Capital transfers receivable	D9	1,741	15,383	2,528		
<b>2. Total Expenditure</b>		<b>283,921</b>	<b>314,963</b>	<b>348,781</b>	<b>33,818</b>	
Intermediate Consumption	P2	30,379	31,285	35,858		
Gross Capital Formation	P5g+NP	17,775	7,724	13,529		
Compensation of Employees	D1	64,820	67,261	75,927		
Property income payable	D4	18,198	18,356	15,658		
Subsidies	D3	14,180	15,229	11,232		
Social Benefits and social transfers in kind	D62+D632	74,854	81,792	88,451		
Current transfers payable	D7	60,606	90,080	105,268		
Capital transfers payable	D9	3,107	3,237	2,859		
<b>(1-2) Consolidated Fund Surplus/Deficit</b>		<b>-10,297</b>	<b>6,161</b>	<b>-23,838</b>	<b>-29,999</b>	<b>-486.9</b>

Table 6. Central Government debt

Description	May 2015	May 2016	May 2017	May 2017 / May 2016	
				Change	% change
€ 000					
<b>Total Central Government Debt</b>	<b>5,345,197</b>	<b>5,592,405</b>	<b>5,595,597</b>	<b>3,192</b>	<b>0.1</b>
<i>of which:</i>					
Treasury Bills	204,050	338,000	209,000	-129,000	
Malta Government Stocks	5,067,862	5,235,439	5,389,324	153,885	
Foreign Loans	32,602	22,071	11,657	-10,415	
Domestic Loans with Commercial Banks	56,379	0	0	0	
MGSF investments in Government Debt	-77,579	-72,058	-88,254	-16,196	
Euro Coins issued in the name of the Treasury	61,883	68,953	73,871	4,918	

Note: Totals may not add up due to rounding.

Chart 1. January-May Consolidated Fund Surplus/Deficit

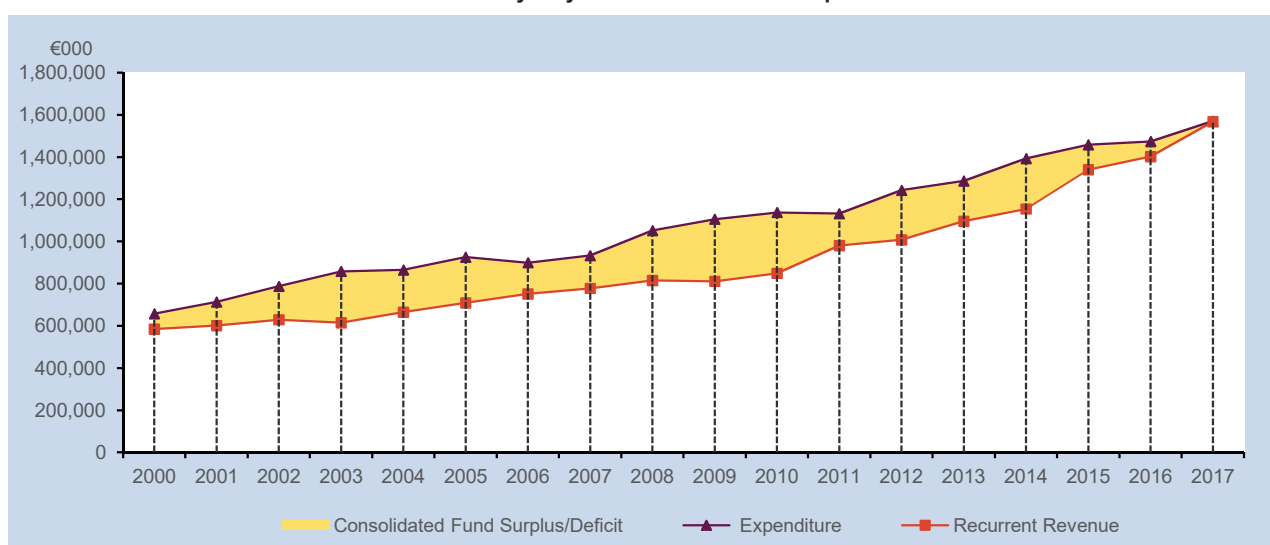
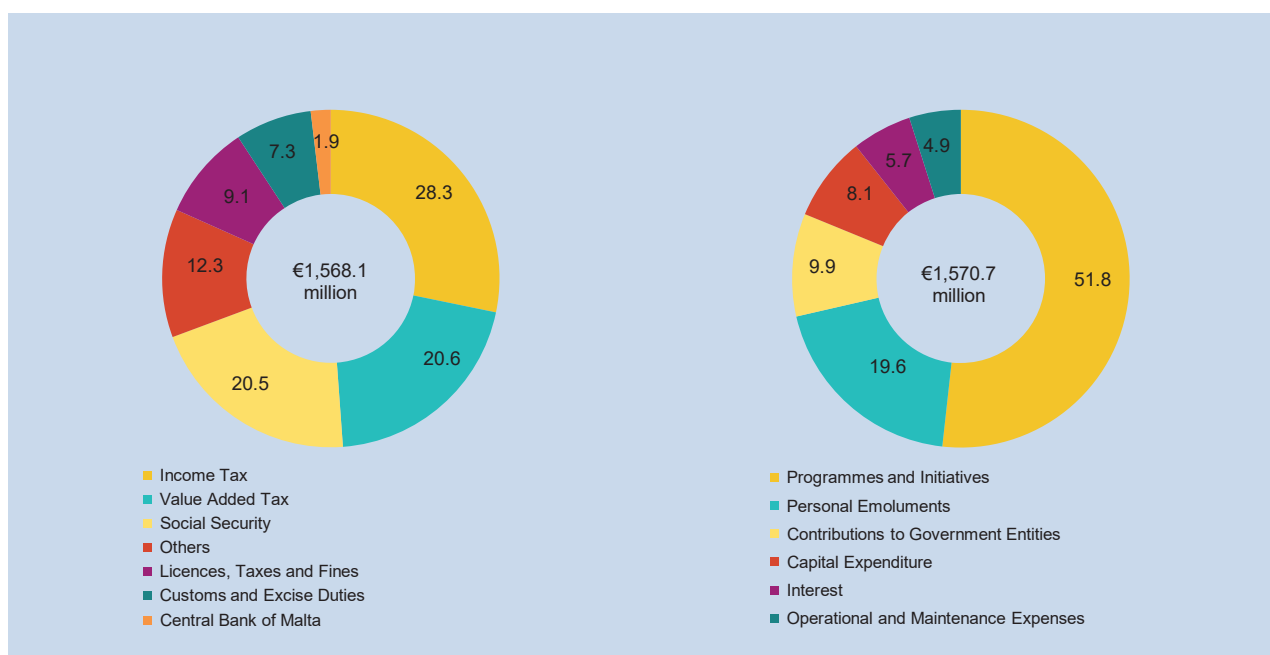


Chart 2. Recurrent Revenue by main category (%): January-May 2017

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



## 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. The Enhanced Economic Governance package adopted by the European Parliament and Council in November 2011 included requirements on the collection and dissemination of fiscal data, through the Council Directive 2011/85/EU. The requirements in the government finance statistics domain included a methodological reconciliation table (showing the transition between monthly data used for national policy purposes and ESA-quarterly data used to produce national accounts and EU fiscal surveillance).
  - a. The Reconciliation Table may be accessed at:  
[http://nso.gov.mt/en/nso/Sources\\_and\\_Methods/Unit\\_A2/Public\\_Finance/Pages/Council-Directive-852011.aspx](http://nso.gov.mt/en/nso/Sources_and_Methods/Unit_A2/Public_Finance/Pages/Council-Directive-852011.aspx)
  - b. Refer to the ESA 2010 Glossary at:  
[https://nso.gov.mt/en/nso/Sources\\_and\\_Methods/Unit\\_A2/Public\\_Finance/Documents/ESA10\\_Glossary.pdf](https://nso.gov.mt/en/nso/Sources_and_Methods/Unit_A2/Public_Finance/Documents/ESA10_Glossary.pdf)
  - c. Refer to the other Government Finance Statistics data requirements at:  
[https://nso.gov.mt/en/Services/Council\\_Directive/Pages/Council-Directive-85\\_2011.aspx](https://nso.gov.mt/en/Services/Council_Directive/Pages/Council-Directive-85_2011.aspx)
7. 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-).
8. 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>
9. Kindly indicate source when quoting from this release.
10. The advanced news release calendar may be accessed at [www.nso.gov.mt](http://www.nso.gov.mt)