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In January-June 2017, Government's Consolidated Fund registered a deficit of €92.0 million.

Government Finance Data: January-June 2017

Compared to the same period last year, recurrent revenue registered an increase of €171.4 million whereas total expenditure went up by €152.8 million. This resulted in a positive change in the Government's Consolidated Fund by €18.6 million.

In January-June 2017, recurrent revenue was recorded at €1,828.4 million, up from €1,657.1 million last year. The comparative increase of 10.3 per cent was primarily the result of higher Value Added Tax and Grants which increased by €43.0 million and €35.8 million respectively. Moreover, increases were also recorded for Fees of Office (€35.1 million), Social Security (€19.1 million), Income Tax (€13.1 million), Customs and Excise Duties (€9.3 million), Licences, Taxes and Fines (€8.6 million) and Dividends on Investment (€5.2 million) among others. Conversely, decreases were mainly recorded in Miscellaneous Receipts (€2.7 million).

Compared to January-June last year, total expenditure stood at €1,920.4 million up from €1,767.7 million due to added outlays on recurrent expenditure and capital expenditure which outweighed lower spending on interest payments.

Recurrent expenditure stood at €1,674.2 million from €1,529.6 million last year. The main contributors to this increase were Programmes and Initiatives and Personal Emoluments with a rise of €118.4 million and €17.4 million respectively. The main developments in the Programmes and Initiatives category involved added outlays due to social security benefits (€56.6 million), higher EU Own Resources (€22.5 million), EU Presidency 2017 (€17.3 million), Health Concession Agreements (€13.7 million), state contribution (€8.6 million which also features as revenue) and child care for all (€2.5 million). On the other hand, lower outlays for Medicines and Surgical Materials were recorded (€2.8 million). Contributions to Government Entities increased by €10.7 million. Decreases were registered in Operational and Maintenance Expenses (€1.9 million).

The interest component of the public debt servicing costs stood at €106.2 million, down from €111.8 million last year.

Government's capital expenditure witnessed an increase of €13.8 million, and was recorded at €140.1 million. This was mainly the result of higher spending on road construction improvements (€4.0 million), investment incentives (€3.2 million) and higher capital spending on Armed Forces of Malta (€3.0 million) and on University of Malta (€2.4 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 June 2017, Central Government Debt stood at €5,572.0 million, up by €3.7 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 €5.2 million respectively. On the other hand, Treasury Bills and Foreign Loans went down by €126.9 million and €10.4 million respectively. Higher holdings by government funds in Malta Government Stocks resulted in a decrease in debt of €18.1 million (Table 6) ■

Table 1. Revenue/Expenditure categories: Year to date

Description	Jan-Jun 2015	Jan-Jun 2016	Jan-Jun 2017	Jan-Jun 2017 / Jan-Jun 2016	
				Change	% change
€ 000					
(a) Total Recurrent Revenue	1,607,398	1,657,056	1,828,413	171,357	10.3
Customs and Excise Duties	112,531	129,941	139,283	9,342	
Licences, Taxes and Fines	135,121	156,243	164,799	8,556	
Income Tax	464,415	522,841	535,891	13,050	
Value Added Tax	300,676	319,540	362,556	43,017	
Fees of Office	12,508	12,771	47,846	35,075	
Reimbursements	10,549	12,423	16,527	4,104	
Public Corporations	0	0	0	0	
Central Bank of Malta	36,000	36,000	36,000	0	
Rents	15,673	17,552	18,400	847	
Dividends on Investment	8,698	11,941	17,125	5,183	
Interest on loans made by Government	132	72	33	-39	
Social Security	324,411	360,610	379,726	19,116	
Grants	157,090	58,284	94,072	35,788	
Miscellaneous Receipts	29,595	18,837	16,155	-2,682	
(b) Total Expenditure	1,765,369	1,767,684	1,920,438	152,755	8.6
<i>Recurrent Expenditure</i>	1,443,163	1,529,621	1,674,179	144,557	9.5
Personal Emoluments	341,193	359,510	376,923	17,413	
Operational and Maintenance Expenses	77,306	90,387	88,498	-1,889	
Programmes and Initiatives	881,106	913,002	1,031,374	118,372	
Contributions to Government Entities	143,558	166,722	177,384	10,661	
<i>Interest</i>	116,164	111,787	106,204	-5,583	-5.0
<i>Capital Expenditure</i>	206,042	126,276	140,055	13,780	10.9
(a-b) Consolidated Fund Surplus/Deficit	-157,971	-110,628	-92,025	18,602	16.8
(c) Financial Transactions					
<i>Revenue</i>					
Loans	258,287	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	9,863	9,863	17,462	7,599	
Equity Acquisition	1,059	12,484	2,101	-10,383	
Repayment of Loan	69,882	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	June 2015	June 2016	June 2017	June 2017 / June 2016	
				Change	% change
				€ 000	
(a) Total Recurrent Revenue	267,506	254,394	260,310	5,916	2.3
Customs and Excise Duties	20,773	22,551	24,388	1,837	
Licences, Taxes and Fines	19,987	21,238	21,921	684	
Income Tax	101,190	114,837	94,220	-20,617	
Value Added Tax	19,831	20,237	39,155	18,919	
Fees of Office	1,666	1,214	8,096	6,881	
Reimbursements	1,146	2,103	2,254	152	
Public Corporations	0	0	0	0	
Central Bank of Malta	6,000	6,000	6,000	0	
Rents	5,277	3,013	464	-2,549	
Dividends on Investment	2,543	43	5,000	4,957	
Interest on loans made by Government	61	69	15	-54	
Social Security	53,609	60,093	57,684	-2,409	
Grants	23,908	9,061	13	-9,048	
Miscellaneous Receipts	11,513	-6,066	1,099	7,164	
(b) Total Expenditure	306,627	293,690	349,741	56,051	19.1
<i>Recurrent Expenditure</i>	259,252	260,395	320,444	60,049	23.1
Personal Emoluments	61,872	65,092	68,352	3,260	
Operational and Maintenance Expenses	11,029	11,883	10,790	-1,093	
Programmes and Initiatives	164,080	163,063	219,147	56,084	
Contributions to Government Entities	22,271	20,358	22,156	1,798	
<i>Interest</i>	20,017	16,578	16,598	20	0.1
<i>Capital Expenditure</i>	27,358	16,717	12,699	-4,018	-24.0
(a-b) Consolidated Fund Surplus/Deficit	-39,121	-39,296	-89,430	-50,135	-127.6
(c) Financial Transactions					
<i>Revenue</i>					
Loans	90,000	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	9,863	9,863	17,462	7,599	
Equity Acquisition	0	0	224	224	
Repayment of Loan	69,486	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-Jun 2015	Jan-Jun 2016	Jan-Jun 2017	Jan-Jun 2015	Jan-Jun 2016	Jan-Jun 2017	Jan-Jun 2015	Jan-Jun 2016	Jan-Jun 2017	Jan-Jun 2015	Jan-Jun 2016	Jan-Jun 2017
	€ 000											
General public services	33,118	35,918	38,322	13,726	13,092	13,989	88,703	79,341	115,884	3,584	4,732	4,258
Defence	17,192	18,098	18,965	2,804	2,169	2,418	143	203	359	0	0	112
Public order and safety	39,302	40,701	42,621	5,149	4,939	5,359	4,365	2,118	2,134	3,807	4,199	4,128
Economic affairs	33,020	33,050	34,938	5,944	8,197	6,319	53,641	59,232	66,141	28,735	41,423	49,836
Environment protection	411	449	251	58	62	163	8,739	10,496	10,031	7,589	10,764	11,616
Housing and community amenities	1,323	1,212	341	482	331	47	6	0	2,039	1,182	1,340	6,772
Health	101,542	108,565	114,351	26,918	34,022	29,276	74,005	74,466	85,895	24,839	23,969	23,394
Recreation, culture and religion	3,894	3,894	3,254	704	542	505	7,447	3,656	3,742	7,139	8,198	11,416
Education	88,466	93,852	99,459	11,554	12,448	13,472	53,294	67,051	58,159	49,839	52,716	49,491
Social protection	22,925	23,772	24,421	9,967	14,586	16,949	590,763	616,441	686,989	16,844	19,383	16,360
Total	341,193	359,510	376,923	77,306	90,387	88,498	881,106	913,002	1,031,374	143,558	166,722	177,384
COFOG	Interest Expenditure			Capital Expenditure			Total expenditure					
	Jan-Jun 2015	Jan-Jun 2016	Jan-Jun 2017	Jan-Jun 2015	Jan-Jun 2016	Jan-Jun 2017	Jan-Jun 2015	Jan-Jun 2016	Jan-Jun 2017			
	€ 000											
General public services	116,164	111,787	106,204	21,322	14,496	11,594	276,618	259,365	290,252			
Defence	0	0	0	20,090	4,190	3,207	40,229	24,660	25,061			
Public order and safety	0	0	0	2,059	9,646	6,848	54,682	61,602	61,090			
Economic affairs	0	0	0	67,019	66,108	82,637	188,360	208,009	239,871			
Environment protection	0	0	0	26,304	724	6,019	43,101	22,495	28,080			
Housing and community amenities	0	0	0	11,538	5,922	1,572	14,532	8,805	10,771			
Health	0	0	0	13,312	5,033	3,735	240,614	246,055	256,652			
Recreation, culture and religion	0	0	0	15,043	5,023	7,883	34,226	21,312	26,800			
Education	0	0	0	24,749	10,653	14,899	227,903	236,718	235,480			
Social protection	0	0	0	4,606	4,481	1,661	645,104	678,662	746,381			
Total	116,164	111,787	106,204	206,042	126,276	140,055	1,765,369	1,767,684	1,920,438			

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

Description	ESA CODE	Jan-Jun 2015	Jan-Jun 2016	Jan-Jun 2017	Jan-Jun 2017 / Jan-Jun 2016	
					Change	% change
		€ 000				
1. Total Revenue		1,522,933	1,573,311	1,736,845	163,534	
Market Output	P11	17,230	29,250	68,207		
Taxes on Production and Imports	D2	522,225	573,243	630,031		
Property income receivable	D4	51,095	49,976	50,458		
Current taxes on income, wealth, etc	D5	490,828	550,771	565,293		
Social Contributions	D61	275,844	282,491	317,356		
Current transfers receivable	D7	3,042	35,634	7,726		
Capital transfers receivable	D9	162,668	51,946	97,775		
2. Total Expenditure		1,680,904	1,683,939	1,828,871	144,932	
Intermediate Consumption	P2	186,299	201,589	203,252		
Gross Capital Formation	P5g+NP	79,373	48,345	61,223		
Compensation of Employees	D1	403,933	424,432	445,729		
Property income payable	D4	114,784	108,456	102,884		
Subsidies	D3	42,376	38,161	35,220		
Social Benefits and social transfers in kind	D62+D632	490,199	505,421	561,583		
Current transfers payable	D7	329,860	351,444	412,821		
Capital transfers payable	D9	34,080	6,092	6,159		
(1-2) Consolidated Fund Surplus/Deficit		-157,971	-110,628	-92,025	18,602	16.8

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

Description	ESA CODE	June 2015	June 2016	June 2017	June 2017 / June 2016	
					Change	% change
		€ 000				
1. Total Revenue		244,853	237,427	242,805	5,378	
Market Output	P11	6,055	3,305	13,293		
Taxes on Production and Imports	D2	57,170	60,349	80,122		
Property income receivable	D4	9,417	6,891	6,181		
Current taxes on income, wealth, etc	D5	104,318	117,655	98,622		
Social Contributions	D61	42,693	47,757	42,949		
Current transfers receivable	D7	489	356	191		
Capital transfers receivable	D9	24,712	1,114	1,447		
2. Total Expenditure		283,974	276,722	332,235	55,513	
Intermediate Consumption	P2	25,096	24,866	31,522		
Gross Capital Formation	P5g+NP	10,660	6,457	9,383		
Compensation of Employees	D1	73,740	75,692	79,540		
Property income payable	D4	15,545	16,621	16,646		
Subsidies	D3	6,630	5,203	2,635		
Social Benefits and social transfers in kind	D62+D632	100,727	96,561	145,677		
Current transfers payable	D7	45,328	48,496	46,540		
Capital transfers payable	D9	6,249	2,825	291		
(1-2) Consolidated Fund Surplus/Deficit		-39,121	-39,296	-89,430	-50,135	-127.6

Table 6. Central Government debt

Description	June 2015	June 2016	June 2017	June 2017 / June 2016	
				Change	% change
€ 000					
Total Central Government Debt	5,384,801	5,568,321	5,572,024	3,702	0.1
<i>of which:</i>					
Treasury Bills	230,550	313,250	186,400	-126,850	
Malta Government Stocks	5,087,980	5,235,439	5,389,324	153,885	
Foreign Loans	32,597	22,073	11,659	-10,414	
Domestic Loans with Commercial Banks	56,379	0	0	0	
MGSF investments in Government Debt	-85,579	-72,058	-90,171	-18,113	
Euro Coins issued in the name of the Treasury	62,874	69,618	74,812	5,194	

Note: Totals may not add up due to rounding.

Chart 1. January-June Consolidated Fund Surplus/Deficit

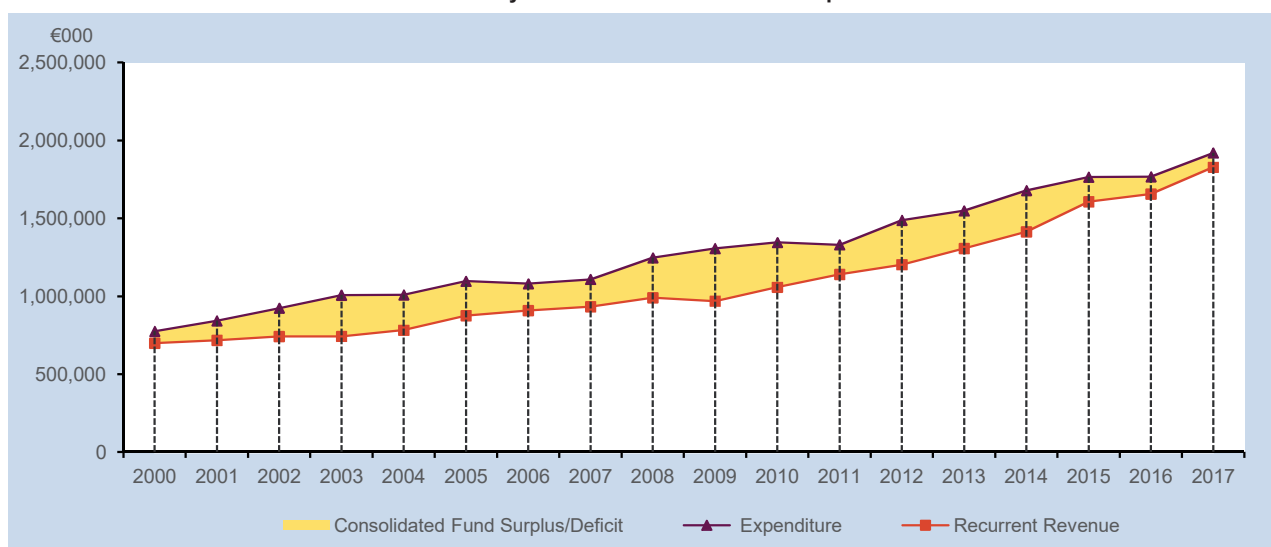


Chart 2. Recurrent Revenue by main category (%): January-June 2017

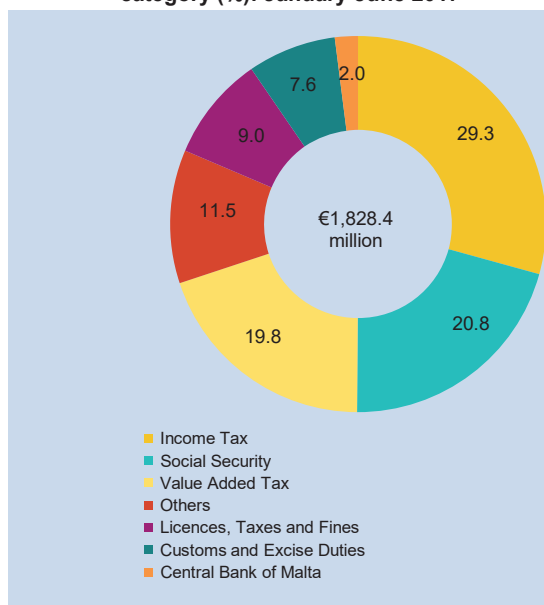
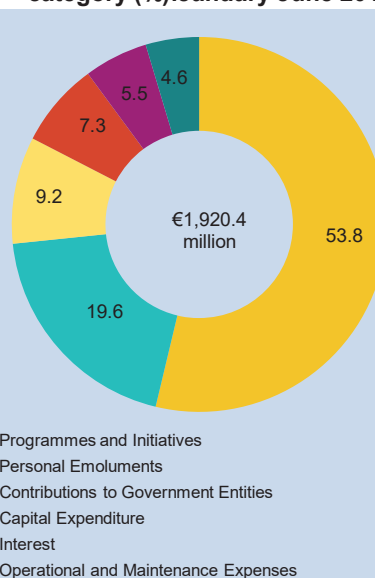


Chart 3. Expenditure by main category (%): January-June 2017



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
 - 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
 - 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
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