

In January-July 2017, Government's Consolidated Fund registered a deficit of €105.0 million.

Government Finance Data: January-July 2017

Compared to the same period last year, recurrent revenue registered an increase of €253.6 million whereas total expenditure went up by €217.6 million. This resulted in a positive change in the Government's Consolidated Fund by €36.1 million.

In January-July 2017, recurrent revenue was recorded at €2,160.6 million, up from €1,907.0 million last year. The comparative increase of 13.3 per cent was primarily the result of higher Value Added Tax and Income Tax which increased by €59.9 million and €42.1 million respectively. Moreover, increases were also recorded for Grant (€36.2 million), Fees of Office (€33.8 million), Social Security (€26.2 million), Customs and Excise Duties (€23.4 million), Licences, Taxes and Fines (€17.2 million), Dividends on Investment (€7.2 million), Reimbursements (€7.0 million) and Rents (€2.4 million). Conversely, decreases were mainly recorded in Miscellaneous Receipts (€1.6 million).

Compared to January-July last year, total expenditure stood at €2,265.6 million up from €2,048.0 million due to added outlays on recurrent expenditure and capital expenditure which outweighed lower spending on interest payments.

Recurrent expenditure stood at €1,976.1 million from €1,769.5 million last year. The main contributors to this increase were Programmes and Initiatives and Personal Emoluments with a rise of €175.4 million and €21.9 million respectively. The main developments in the Programmes and Initiatives category involved added outlays due to social security benefits (€71.9 million), Health Concession Agreements (€25.2 million), higher EU Own Resources (€23.7 million), EU Presidency 2017 (€17.8 million), state contribution (€6.2 million which also features as revenue), Jobsplus Programmes (€6.1 million), Public Service Obligations (€4.3 million), child care for all (€2.7 million), Medicines and Surgical Materials (€2.2 million) and allocation to local councils (€1.5 million). Contributions to Government Entities increased by €12.3 million. Decreases were registered in Operational and Maintenance Expenses (€3.0 million).

The interest component of the public debt servicing costs stood at €125.0 million, down from €128.7 million last year.

Government's capital expenditure witnessed an increase of €14.6 million, and was recorded at €164.4 million. This was mainly the result of higher spending on EU internal security borders and VISA (€5.9 million), road construction improvements (€5.3 million), investment incentives (€5.0 million) and higher capital spending on University of Malta (€3.4 million). On the other hand lower outlays related to EU external borders fund were recorded (€3.8 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 July 2017, Central Government Debt stood at €5,548.0 million, up by €0.1 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 €154.2 million and €6.4 million respectively. On the other hand, Treasury Bills and Foreign Loans went down by €138.9 million and €10.4 million respectively. Higher holdings by government funds in Malta Government Stocks resulted in a decrease in debt of €11.3 million (Table 6) ■

Table 1. Revenue/Expenditure categories: Year to date

Description	Jan-Jul 2015	Jan-Jul 2016	Jan-Jul 2017	Jan-Jul 2017 / Jan-Jul 2016	
				Change	% change
€ 000					
(a) Total Recurrent Revenue	1,871,902	1,906,959	2,160,591	253,631	13.3
Customs and Excise Duties	137,033	145,984	169,397	23,413	
Licences, Taxes and Fines	162,744	184,508	201,722	17,214	
Income Tax	564,621	631,616	673,677	42,062	
Value Added Tax	327,670	339,070	398,928	59,858	
Fees of Office	28,139	23,272	57,058	33,786	
Reimbursements	13,554	14,374	21,405	7,031	
Public Corporations	0	0	0	0	
Central Bank of Malta	36,000	36,000	36,000	0	
Rents	19,464	19,685	22,061	2,375	
Dividends on Investment	8,698	11,941	19,125	7,183	
Interest on loans made by Government	132	73	34	-39	
Social Security	382,385	421,679	447,888	26,209	
Grants	159,299	58,284	94,447	36,163	
Miscellaneous Receipts	32,162	20,473	18,849	-1,624	
(b) Total Expenditure	2,046,753	2,048,005	2,265,565	217,560	10.6
<i>Recurrent Expenditure</i>	1,675,055	1,769,518	1,976,069	206,551	11.7
Personal Emoluments	396,574	416,204	438,073	21,869	
Operational and Maintenance Expenses	90,068	104,215	101,213	-3,002	
Programmes and Initiatives	1,022,303	1,051,418	1,226,790	175,372	
Contributions to Government Entities	166,110	197,682	209,994	12,313	
<i>Interest</i>	131,281	128,652	125,047	-3,605	-2.8
<i>Capital Expenditure</i>	240,417	149,835	164,449	14,614	9.8
(a-b) Consolidated Fund Surplus/Deficit	-174,851	-141,046	-104,975	36,071	25.6
(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	July 2015	July 2016	July 2017	July 2017 / July 2016	
				Change	% change
€ 000					
(a) Total Recurrent Revenue	264,503	249,904	332,178	82,274	32.9
Customs and Excise Duties	24,502	16,043	30,114	14,071	
Licences, Taxes and Fines	27,624	28,264	36,922	8,658	
Income Tax	100,206	108,774	137,787	29,012	
Value Added Tax	26,994	19,531	36,372	16,842	
Fees of Office	15,631	10,501	9,212	-1,289	
Reimbursements	3,004	1,951	4,878	2,927	
Public Corporations	0	0	0	0	
Central Bank of Malta	0	0	0	0	
Rents	3,791	2,133	3,661	1,528	
Dividends on Investment	0	0	2,000	2,000	
Interest on loans made by Government	0	0	1	0	
Social Security	57,973	61,069	68,162	7,092	
Grants	2,210	0	375	375	
Miscellaneous Receipts	2,568	1,635	2,694	1,059	
(b) Total Expenditure	281,384	280,322	345,127	64,806	23.1
<i>Recurrent Expenditure</i>	231,892	239,897	301,891	61,994	25.8
Personal Emoluments	55,381	56,694	61,150	4,455	
Operational and Maintenance Expenses	12,762	13,828	12,715	-1,113	
Programmes and Initiatives	141,197	138,416	195,416	57,000	
Contributions to Government Entities	22,552	30,959	32,611	1,651	
<i>Interest</i>	15,117	16,865	18,843	1,978	11.7
<i>Capital Expenditure</i>	34,375	23,559	24,394	835	3.5
(a-b) Consolidated Fund Surplus/Deficit	-16,880	-30,418	-12,949	17,469	57.4
(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	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	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-Jul 2015	Jan-Jul 2016	Jan-Jul 2017	Jan-Jul 2015	Jan-Jul 2016	Jan-Jul 2017	Jan-Jul 2015	Jan-Jul 2016	Jan-Jul 2017	Jan-Jul 2015	Jan-Jul 2016	Jan-Jul 2017
	€ 000											
General public services	39,566	41,548	45,465	15,763	15,218	16,459	105,051	98,568	145,168	4,370	5,375	5,180
Defence	20,004	21,113	22,163	3,314	2,700	3,450	172	225	379	0	0	120
Public order and safety	45,388	46,896	48,958	6,405	5,783	6,188	4,953	2,423	2,460	4,283	4,755	5,041
Economic affairs	38,243	38,389	40,260	6,896	9,114	7,005	62,728	63,570	75,354	32,982	47,455	57,709
Environment protection	457	499	534	72	74	193	10,264	12,297	12,592	7,606	11,861	11,652
Housing and community amenities	1,534	1,429	392	606	420	47	6	0	2,039	2,138	1,435	7,078
Health	117,869	125,575	132,845	31,534	39,505	33,072	84,202	84,757	113,164	29,577	30,612	29,236
Recreation, culture and religion	4,520	4,711	3,808	757	599	580	7,752	5,563	5,135	7,532	10,696	12,942
Education	102,434	108,577	115,241	12,600	14,084	15,296	65,462	70,834	73,420	59,925	60,909	60,485
Social protection	26,559	27,467	28,408	12,122	16,717	18,921	681,714	713,181	797,078	17,699	24,584	20,553
Total	396,574	416,204	438,073	90,068	104,215	101,213	1,022,303	1,051,418	1,226,790	166,110	197,682	209,994
COFOG	Interest Expenditure			Capital Expenditure			Total expenditure					
	Jan-Jul 2015	Jan-Jul 2016	Jan-Jul 2017	Jan-Jul 2015	Jan-Jul 2016	Jan-Jul 2017	Jan-Jul 2015	Jan-Jul 2016	Jan-Jul 2017			
	€ 000											
General public services	131,281	128,652	125,047	22,639	15,003	13,425	318,669	304,365	350,745			
Defence	0	0	0	23,130	4,194	3,201	46,620	28,232	29,314			
Public order and safety	0	0	0	2,292	10,060	17,030	63,322	69,916	79,677			
Economic affairs	0	0	0	80,125	85,519	89,084	220,973	244,047	269,412			
Environment protection	0	0	0	35,502	885	7,052	53,900	25,615	32,022			
Housing and community amenities	0	0	0	11,579	6,122	1,580	15,863	9,406	11,136			
Health	0	0	0	15,055	6,090	4,294	278,236	286,538	312,609			
Recreation, culture and religion	0	0	0	16,064	5,629	10,108	36,624	27,199	32,573			
Education	0	0	0	28,718	11,085	16,233	269,138	265,490	280,676			
Social protection	0	0	0	5,313	5,248	2,442	743,407	787,197	867,402			
Total	131,281	128,652	125,047	240,417	149,835	164,449	2,046,753	2,048,005	2,265,565			

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

Description	ESA CODE	Jan-Jul 2015	Jan-Jul 2016	Jan-Jul 2017	Jan-Jul 2017 / Jan-Jul 2016	
					Change	% change
					€ 000	
1. Total Revenue		1,772,857	1,807,888	2,054,858	246,970	
Market Output	P11	34,341	40,497	80,208		
Taxes on Production and Imports	D2	595,286	630,919	725,900		
Property income receivable	D4	53,382	51,282	53,177		
Current taxes on income, wealth, etc	D5	596,305	664,352	709,373		
Social Contributions	D61	324,017	331,608	376,838		
Current transfers receivable	D7	3,437	35,804	10,312		
Capital transfers receivable	D9	166,089	53,425	99,050		
2. Total Expenditure		1,947,708	1,948,934	2,159,832	210,899	
Intermediate Consumption	P2	215,102	234,049	242,603		
Gross Capital Formation	P5g+NP	91,619	52,405	74,719		
Compensation of Employees	D1	469,520	491,101	520,543		
Property income payable	D4	130,772	125,398	122,158		
Subsidies	D3	50,809	39,003	41,602		
Social Benefits and social transfers in kind	D62+D632	563,551	580,871	654,122		
Current transfers payable	D7	381,628	403,962	497,364		
Capital transfers payable	D9	44,707	22,147	6,722		
(1-2) Consolidated Fund Surplus/Deficit		-174,851	-141,046	-104,975	36,071	25.6

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

Description	ESA CODE	July 2015	July 2016	July 2017	July 2017 / July 2016	
					Change	% change
					€ 000	
1. Total Revenue		249,924	234,577	318,012	83,435	
Market Output	P11	17,110	11,247	12,000		
Taxes on Production and Imports	D2	73,061	57,676	95,869		
Property income receivable	D4	2,287	1,306	2,720		
Current taxes on income, wealth, etc	D5	105,477	113,582	144,080		
Social Contributions	D61	48,173	49,117	59,483		
Current transfers receivable	D7	395	170	2,586		
Capital transfers receivable	D9	3,421	1,479	1,275		
2. Total Expenditure		266,804	264,995	330,962	65,967	
Intermediate Consumption	P2	28,803	32,460	39,350		
Gross Capital Formation	P5g+NP	12,246	4,060	13,496		
Compensation of Employees	D1	65,587	66,669	74,814		
Property income payable	D4	15,988	16,942	19,274		
Subsidies	D3	8,433	842	6,382		
Social Benefits and social transfers in kind	D62+D632	73,352	75,450	92,539		
Current transfers payable	D7	51,768	52,518	84,543		
Capital transfers payable	D9	10,627	16,054	564		
(1-2) Consolidated Fund Surplus/Deficit		-16,880	-30,418	-12,949	17,469	57.4

Table 6. Central Government debt

Description	July 2015	July 2016	July 2017	July 2017 / July 2016	
				Change	% change
	€ 000				
Total Central Government Debt	5,399,112	5,547,911	5,548,020	109	0.0
<i>of which:</i>					
Treasury Bills	248,550	300,250	161,400	-138,850	
Malta Government Stocks	5,087,980	5,236,173	5,390,421	154,248	
Foreign Loans	32,594	22,070	11,660	-10,410	
Domestic Loans with Commercial Banks	56,379	0	0	0	
MGSF investments in Government Debt	-90,579	-80,330	-91,650	-11,320	
Euro Coins issued in the name of the Treasury	64,188	69,748	76,189	6,441	

Note: Totals may not add up due to rounding.

Chart 1. January-July Consolidated Fund Surplus/Deficit

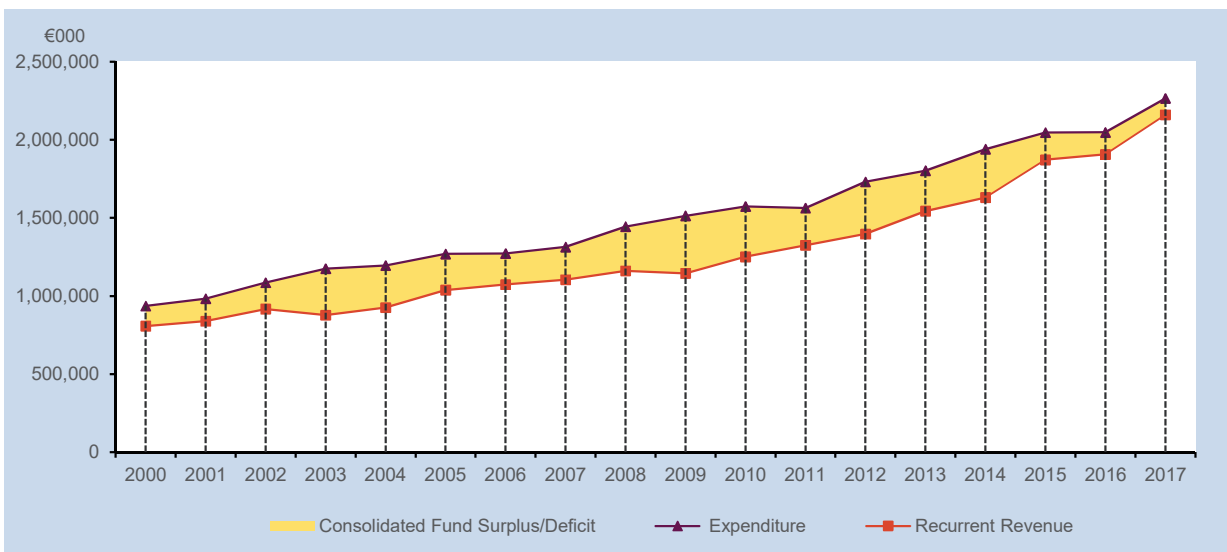


Chart 2. Recurrent Revenue by main category (%): January-July 2017

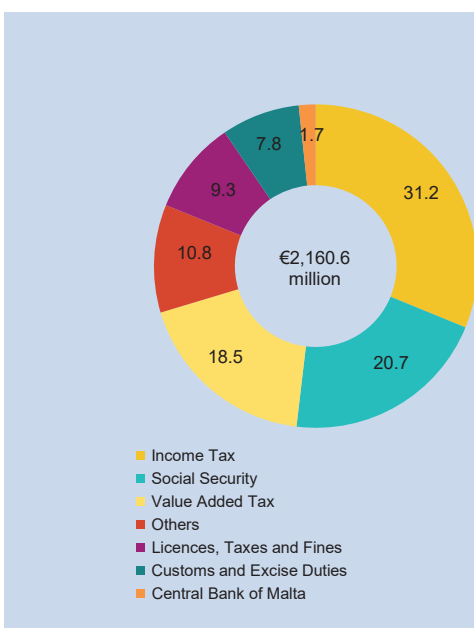
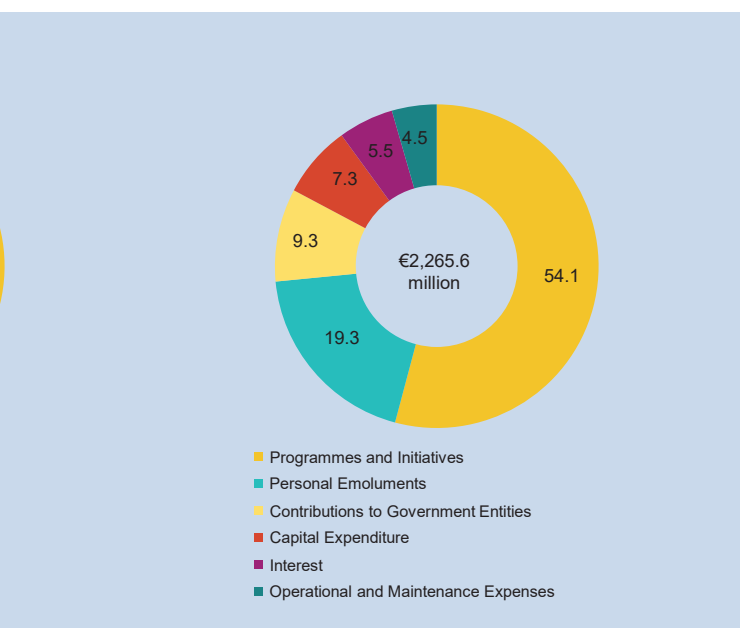


Chart 3. Expenditure by main category (%): January-July 2017



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