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In January-February 2018, Government's Consolidated Fund registered a surplus of €18.7 million.

Government Finance Data: January-February 2018

Compared to the same period last year, recurrent revenue registered an increase of €36.3 million whereas total expenditure went up by €48.2 million. This resulted in a negative change in the Government's Consolidated Fund by €11.9 million.

In January-February 2018, recurrent revenue was recorded at €657.9 million, up from €621.6 million last year. The comparative increase of 5.8 per cent was primarily the result of higher Value Added Tax and Income Tax which both increased by €33.7 million and €24.3 million respectively. Moreover, increases were also recorded for Social Security (€16.7 million), Dividends on Investment (€5.0 million) and Reimbursements (€2.0 million). Conversely, decreases were mainly recorded in Grants (€21.0 million), Rents (€6.1 million), Central Bank of Malta (€6.0 million), Licences, Taxes and Fines (€4.9 million), Miscellaneous Receipts (€4.8million) and Fees of Office (€2.0 million).

Compared to January-February 2017, total expenditure stood at €639.1 million up from €590.9 million due to added outlays on recurrent expenditure which outweighed lower spending on capital expenditure and interest expenditure.

Recurrent expenditure stood at €577.0 million from €521.3 million last year. The main contributors to this increase were Programmes and Initiatives and Personal Emoluments with a rise of €38.5 million and €13.5 million respectively. The main developments in the Programmes and Initiatives category involved added outlays due to church schools (€11.8 million), state contribution (€9.5 million which also features as revenue), social security benefits (€7.2 million), Feed in Tariff (€5.0 million), Provision of Spare Capacity (€3.5 million), public service obligations (€3.1 million), Medicines and Surgical Materials (€3.0 million) and Jobsplus Programmes (€2.0 million). On the other hand, lower outlays for EU Own Resources (€5.4 million) were recorded. Contributions to Government Entities increased by €4.2 million. Conversely, Operational and Maintenance Expenses decreased by €0.5 million.

The interest component of the public debt servicing costs stood at €36.3 million, down from €36.8 million last year.

Government's capital expenditure witnessed a decrease of €7.0 million, and was recorded at €25.8 million. This was mainly the result of lower spending on construction works and equipment (€2.1 million), film industry incentives (€1.4 million), EU Structural Funds 2014-2020 (€1.3 million) and road construction improvements (€1.1 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 February 2018, Central Government Debt stood at €5,409.0 million, down by €261.4 million over the corresponding month last year. This was the result of lower Malta Government Stocks and Treasury Bills which decreased by €295.8 million and €53.2 million respectively. Moreover Foreign Loans decreased by €10.4 million. On the other hand, the new 62+ Malta Government Savings Bond added €99.6 million and Euro coins issued in the name of the Treasury increased by €5.9 million. Higher holdings by government funds in Malta Government Stocks resulted in a decrease in debt of €7.4 million (Table 6) ■

Table 1. Revenue/Expenditure categories: Year to date

Description	Jan-Feb 2016	Jan-Feb 2017	Jan-Feb 2018	Jan-Feb 2018 / Jan-Feb 2017	
				Change	% change
				€ 000	
(a) Total Recurrent Revenue	545,980	621,554	657,869	36,315	5.8
Customs and Excise Duties	41,815	50,207	49,496	-711	
Licences, Taxes and Fines	53,780	62,795	57,923	-4,871	
Income Tax	155,481	150,283	174,580	24,297	
Value Added Tax	136,878	144,366	178,094	33,729	
Fees of Office	7,675	12,607	10,649	-1,958	
Reimbursements	4,094	6,006	7,999	1,993	
Central Bank of Malta	20,000	20,000	14,000	-6,000	
Rents	6,025	9,826	3,727	-6,100	
Dividends on Investment	0	0	5,000	5,000	
Interest on loans made by Government	1	1	0	-1	
Social Security	109,019	114,522	131,233	16,711	
Grants	9,318	42,160	21,169	-20,992	
Miscellaneous Receipts	1,895	8,782	3,999	-4,784	
(b) Total Expenditure	573,207	590,917	639,140	48,223	8.2
<i>Recurrent Expenditure</i>	504,668	521,289	577,004	55,715	10.7
Personal Emoluments	113,370	117,488	130,997	13,510	
Operational and Maintenance Expenses	35,300	33,621	33,116	-505	
Programmes and Initiatives	291,380	306,243	344,732	38,488	
Contributions to Government Entities	64,619	63,936	68,159	4,222	
<i>Interest</i>	36,217	36,799	36,301	-498	-1.4
<i>Capital Expenditure</i>	32,322	32,829	25,835	-6,994	-21.3
(a-b) Consolidated Fund Surplus/Deficit	-27,227	30,638	18,729	-11,909	-38.9
(c) Financial Transactions					
<i>Revenue</i>					
Loans	0	182,870	0	-182,870	
Repayment of Loans	11,984	0	0	0	
Receipts from Sale of Shares	889	889	889	0	
Other extraordinary receipts	0	0	0	0	
<i>Expenditure</i>					
Contribution to Sinking Fund	0	0	0	0	
Equity Acquisition	12,484	0	500	500	
Repayment of Loan	0	0	0	0	
Loans	0	0	0	0	

Note: Totals may not add up due to rounding.

Table 2. Revenue/Expenditure categories: Monthly

Description	February 2016	February 2017	February 2018	February 2018 / February 2017	
				Change	% change
€ 000					
(a) Total Recurrent Revenue	336,583	360,389	374,837	14,448	4.0
Customs and Excise Duties	20,108	22,386	23,241	856	
Licences, Taxes and Fines	29,337	33,958	25,805	-8,153	
Income Tax	81,889	70,379	78,179	7,800	
Value Added Tax	108,846	110,971	141,051	30,080	
Fees of Office	6,573	6,462	5,901	-561	
Reimbursements	3,025	3,848	7,599	3,752	
Central Bank of Malta	10,000	10,000	7,000	-3,000	
Rents	3,668	6,605	3,727	-2,879	
Dividends on Investment	0	0	5,000	5,000	
Interest on loans made by Government	1	1	0	-1	
Social Security	64,782	70,376	73,174	2,799	
Grants	6,813	17,566	567	-16,999	
Miscellaneous Receipts	1,542	7,838	3,592	-4,246	
(b) Total Expenditure	314,983	313,889	343,002	29,113	9.3
<i>Recurrent Expenditure</i>	284,643	271,807	308,510	36,703	13.5
Personal Emoluments	56,672	59,083	64,796	5,713	
Operational and Maintenance Expenses	18,269	14,225	15,765	1,540	
Programmes and Initiatives	162,769	160,644	191,523	30,878	
Contributions to Government Entities	46,933	37,855	36,427	-1,428	
<i>Interest</i>	21,052	19,262	17,978	-1,285	-6.7
<i>Capital Expenditure</i>	9,288	22,820	16,514	-6,306	-27.6
(a-b) Consolidated Fund Surplus/Deficit	21,600	46,500	31,836	-14,664	-31.5
(c) Financial Transactions					
<i>Revenue</i>					
Loans	0	182,870	0	-182,870	
Repayment of Loans	11,984	0	0	0	
Receipts from Sale of Shares	889	0	0	0	
Other extraordinary receipts	0	0	0	0	
<i>Expenditure</i>					
Contribution to Sinking Fund	0	0	0	0	
Equity Acquisition	11,984	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-Feb 2016	Jan-Feb 2017	Jan-Feb 2018	Jan-Feb 2016	Jan-Feb 2017	Jan-Feb 2018	Jan-Feb 2016	Jan-Feb 2017	Jan-Feb 2018	Jan-Feb 2016	Jan-Feb 2017	Jan-Feb 2018
	€ 000											
General public services	10,513	11,476	14,053	3,680	4,934	6,303	34,156	44,237	34,346	1,176	1,436	2,505
Defence	5,882	5,985	6,641	882	405	545	71	156	104	0	5	4
Public order and safety	13,140	13,425	15,088	1,309	1,696	1,731	736	689	859	1,371	1,779	1,714
Economic affairs	10,534	11,044	11,098	2,287	1,658	1,756	13,134	13,399	28,361	21,489	18,305	24,828
Environment protection	112	-1	-563	23	73	35	3,364	3,398	3,274	4,781	4,790	2,064
Housing and community amenities	398	142	246	103	21	62	0	1,158	205	1,130	1,195	1,528
Health	33,710	35,625	38,845	13,397	12,063	9,181	31,882	30,427	31,707	10,621	10,371	11,964
Recreation, culture and religion	1,142	1,045	1,086	188	179	390	662	1,660	290	3,068	1,988	4,548
Education	30,562	31,398	36,447	7,676	6,993	7,406	18,402	19,772	32,753	14,288	16,443	11,141
Social protection	7,377	7,348	8,057	5,754	5,598	5,708	188,973	191,346	212,833	6,694	7,624	7,862
Total	113,370	117,488	130,997	35,300	33,621	33,116	291,380	306,243	344,732	64,619	63,936	68,159
COFOG	Interest Expenditure			Capital Expenditure			Total expenditure					
	Jan-Feb 2016	Jan-Feb 2017	Jan-Feb 2018	Jan-Feb 2016	Jan-Feb 2017	Jan-Feb 2018	Jan-Feb 2016	Jan-Feb 2017	Jan-Feb 2018	Jan-Feb 2016	Jan-Feb 2017	Jan-Feb 2018
	€ 000											
General public services	36,217	36,799	36,301	4,197	1,781	1,997	89,940	100,663	95,504			
Defence	0	0	0	0	3,144	72	6,835	9,694	7,366			
Public order and safety	0	0	0	915	1,690	4,421	17,472	19,278	23,813			
Economic affairs	0	0	0	17,554	12,734	11,226	64,998	57,140	77,269			
Environment protection	0	0	0	111	2,148	164	8,390	10,409	4,973			
Housing and community amenities	0	0	0	4,173	1,001	106	5,804	3,518	2,147			
Health	0	0	0	1,319	1,634	1,844	90,929	90,121	93,542			
Recreation, culture and religion	0	0	0	1,482	3,122	618	6,541	7,994	6,931			
Education	0	0	0	1,023	5,180	4,019	71,951	79,787	91,765			
Social protection	0	0	0	1,548	395	1,369	210,347	212,312	235,830			
Total	36,217	36,799	36,301	32,322	32,829	25,835	573,207	590,917	639,140			

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

Description	ESA CODE	Jan-Feb 2016	Jan-Feb 2017	Jan-Feb 2018	Jan-Feb 2018 / Jan-Feb 2017	
					Change	% change
					€ 000	
1. Total Revenue		535,913	601,451	637,132	35,680	
Market Output	P11	10,747	20,851	18,091		
Taxes on Production and Imports	D2	220,911	243,272	271,170		
Property income receivable	D4	22,948	21,371	17,244		
Current taxes on income, wealth, etc	D5	165,903	161,100	186,749		
Social Contributions	D61	103,832	109,171	119,194		
Current transfers receivable	D7	1,009	5,488	1,224		
Capital transfers receivable	D9	10,563	40,199	23,459		
2. Total Expenditure		563,140	570,813	618,402	47,589	
Intermediate Consumption	P2	80,070	74,019	65,568		
Gross Capital Formation	P5g+NP	20,328	18,414	14,288		
Compensation of Employees	D1	135,051	139,646	156,564		
Property income payable	D4	38,296	33,086	37,721		
Subsidies	D3	10,393	9,684	14,844		
Social Benefits and social transfers in kind	D62+D632	163,102	159,478	171,820		
Current transfers payable	D7	115,901	135,761	157,029		
Capital transfers payable	D9	0	726	569		
(1-2) Consolidated Fund Surplus/Deficit		-27,227	30,638	18,729	-11,909	-38.9

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

Description	ESA CODE	February 2016	February 2017	February 2018	February 2018 / February 2017	
					Change	% change
					€ 000	
1. Total Revenue		318,506	334,110	352,588	18,478	
Market Output	P11	7,687	12,423	14,378		
Taxes on Production and Imports	D2	153,230	160,572	182,592		
Property income receivable	D4	12,195	10,677	10,200		
Current taxes on income, wealth, etc	D5	86,538	75,947	84,714		
Social Contributions	D61	50,736	55,278	58,498		
Current transfers receivable	D7	381	4,997	862		
Capital transfers receivable	D9	7,739	14,217	1,344		
2. Total Expenditure		296,906	287,610	320,752	33,143	
Intermediate Consumption	P2	44,937	40,975	31,324		
Gross Capital Formation	P5g+NP	4,369	10,986	7,145		
Compensation of Employees	D1	67,319	69,268	78,471		
Property income payable	D4	21,269	13,639	18,713		
Subsidies	D3	4,965	4,620	6,311		
Social Benefits and social transfers in kind	D62+D632	84,183	82,762	89,766		
Current transfers payable	D7	69,865	64,713	88,454		
Capital transfers payable	D9	0	648	569		
(1-2) Consolidated Fund Surplus/Deficit		21,600	46,500	31,836	-14,664	-31.5

Table 6. Central Government debt

Description	February 2016	February 2017	February 2018	February 2018 / February 2017	
				Change	% change
	€ 000				
Total Central Government Debt	5,651,626	5,670,419	5,409,018	-261,401	-4.6
<i>of which:</i>					
Treasury Bills	339,650	269,200	216,000	-53,200	
Malta Government Stocks	5,225,322	5,389,324	5,093,496	-295,828	
62+ Malta Government Savings Bond	0	0	99,604	99,604	
Foreign Loans	29,773	19,372	8,948	-10,424	
Domestic Loans with Commercial Banks	56,379	0	0	0	
MGSF investments in Government Debt	-67,680	-79,754	-87,166	-7,412	
Euro Coins issued in the name of the Treasury	68,182	72,278	78,136	5,858	

Note: Totals may not add up due to rounding.

Chart 1. January-February Consolidated Fund Surplus/Deficit

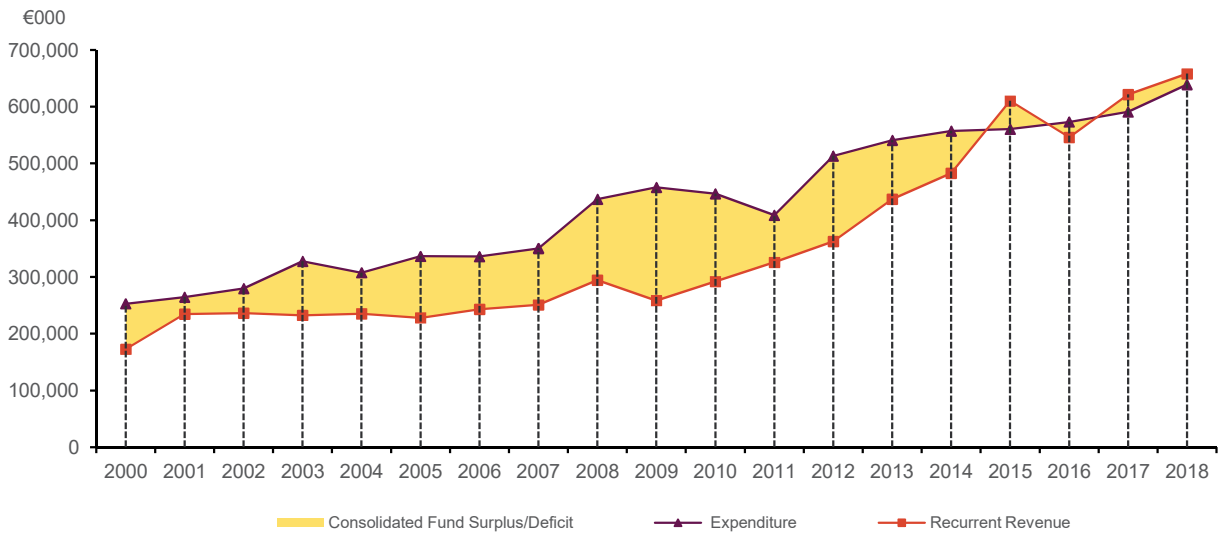


Chart 2. Recurrent Revenue by main category (%): January-February 2018

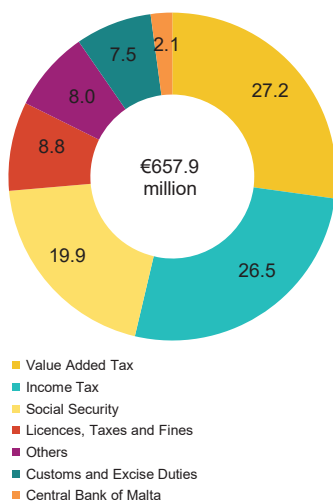
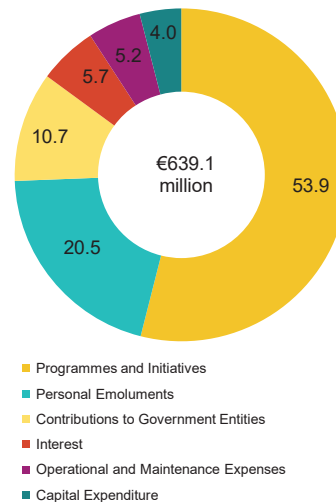


Chart 3. Expenditure by main category (%): January-February 2018



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 2018 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-
8. Government Finance data for December 2017 will be published on 29 March 2018.
9. 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>
10. Reference to this news release are to be cited appropriately.
11. A detailed news release calendar is available on
https://nso.gov.mt/en/News_Releases/Release_Calendar/Pages/News-Release-Calendar.aspx