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In the period January-July 2018, Government's Consolidated Fund registered a deficit of €117.2 million.

Government Finance Data: January-July 2018

Compared to the same period last year, total recurrent revenue registered an increase of €97.5 million whereas total expenditure went up by €109.7 million. This resulted in a negative change in the Government's Consolidated Fund of €12.2 million.

In the period January-July 2018, total recurrent revenue was recorded at €2,258.1 million, up from €2,160.6 million recorded last year. The comparative increase of 4.5 per cent was primarily the result of higher Income Tax and Value Added Tax, which increased by €96.1 million and €34.7 million respectively. Moreover, increases were also recorded under Social Security (€25.4 million), Licences, Taxes and Fines (€18.1 million), Customs and Excise Duties (€7.0 million), Reimbursements (€4.6 million) and Dividends on Investment (€1.5 million). On the other hand, decreases were mainly recorded in Grants (€64.8 million), Fees of Office (€11.0 million), Central Bank of Malta (€8.0 million), Rents and Miscellaneous Receipts (both €3.1 million).

Compared to January-July 2017, total expenditure stood at €2,375.3 million up from €2,265.6 million due to added outlays on recurrent expenditure and capital expenditure which outweighed lower spending on interest payments.

Recurrent expenditure stood at €2,067.5 million, up from €1,976.1 million in 2017. The main contributors to this increase were Personal Emoluments (€34.0 million) and Contributions to Government Entities (€30.8 million). A rise in outlay was also registered by Programmes and Initiatives (€19.5 million) and Operational and Maintenance Expenses (€7.2 million). The main developments in the Programmes and Initiatives category involved added outlays due to health concession agreements (€19.3 million), feed-in-tariff (€10.0 million), social security benefits (€8.5 million), Church schools (€5.2 million), landscaping (€5.0 million), residential care in private homes (€5.0 million) and medicines and surgical materials (€4.2 million). Conversely, a decline in expenditure was reported under EU presidency 2017 (€20.0 million), EU own resources (€10.3 million), electoral commission activities (€5.2 million) and state contribution (€2.3 million which also features as revenue).

The interest component of the public debt servicing costs stood at €120.8 million, a drop from €125.0 million reported last year.

Government's capital expenditure witnessed an increase of €22.6 million from the same period last year, and was recorded at €187.1 million. This was mainly the result of higher spending on road construction and improvements (€15.3 million), investment incentives (€10.8 million) and EU agricultural fund rural development 2014-2020 (€4.4 million). Conversely, a lower outlay was recorded under EU internal security borders and visa (€10.1 million) (Table 1).

Tables 4 and 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.

By the end of July 2018, Central Government Debt stood at €5,355.5 million, down by €192.5 million over the corresponding month last year. This was the result of lower Malta Government Stocks and Foreign Loans, which decreased by €588.0 million and €10.4 million respectively. Higher holdings by government funds in Malta Government Stocks also resulted in a decrease in debt of €1.8 million. On the other hand, Treasury Bills added €209.6 million, the 62+ Malta Government Savings Bond added €192.9 million, and Euro coins issued in the name of the Treasury increased by €5.2 million (Table 6) ■

Table 1. Revenue/Expenditure categories: Year to date

Description	Jan-Jul 2016	Jan-Jul 2017	Jan-Jul 2018	Jan-Jul 2018 / Jan-Jul 2017	
				Change	% change
	€ 000				
(a) Total Recurrent Revenue	1,906,959	2,160,591	2,258,115	97,525	4.5
Customs and Excise Duties	145,984	169,397	176,419	7,022	
Licences, Taxes and Fines	184,508	201,722	219,834	18,112	
Income Tax	631,616	673,677	769,727	96,050	
Value Added Tax	339,070	398,928	433,608	34,680	
Fees of Office	23,272	57,058	46,090	-10,968	
Reimbursements	14,374	21,405	26,024	4,619	
Central Bank of Malta	36,000	36,000	28,000	-8,000	
Rents	19,685	22,061	19,007	-3,053	
Dividends on Investment	11,941	19,125	20,583	1,458	
Interest on loans made by Government	73	34	32	-2	
Social Security	421,679	447,888	473,331	25,443	
Grants	58,284	94,447	29,683	-64,764	
Miscellaneous Receipts	20,473	18,849	15,778	-3,071	
(b) Total Expenditure	2,048,005	2,265,565	2,375,315	109,749	4.8
<i>Recurrent Expenditure</i>	1,769,518	1,976,069	2,067,451	91,381	4.6
Personal Emoluments	416,204	438,073	472,049	33,977	
Operational and Maintenance Expenses	104,215	101,213	108,367	7,154	
Programmes and Initiatives	1,051,418	1,226,790	1,246,286	19,496	
Contributions to Government Entities	197,682	209,994	240,749	30,755	
<i>Interest</i>	128,652	125,047	120,786	-4,261	-3.4
<i>Capital Expenditure</i>	149,835	164,449	187,078	22,629	13.8
(a-b) Consolidated Fund Surplus/Deficit	-141,046	-104,975	-117,199	-12,224	-11.6
(c) Financial Transactions					
<i>Revenue</i>					
Loans	279,733	182,870	93,527	-89,344	
Repayment of Loans	11,984	0	0	0	
Receipts from Sale of Shares	1,131	889	889	0	
Other extraordinary receipts	0	0	91,000	91,000	
<i>Expenditure</i>					
Contribution to Sinking Fund	9,863	17,462	16,659	-803	
Equity Acquisition	12,484	2,101	63,034	60,932	
Repayment of Loan	137,172	0	292,308	292,308	
Loans	0	0	0	0	

Note: Totals may not add up due to rounding.

Table 2. Revenue/Expenditure categories: Monthly

Description	July 2016	July 2017	July 2018	July 2018 / July 2017	
				Change	% change
	€ 000				
(a) Total Recurrent Revenue	249,904	332,178	359,793	27,615	8.3
Customs and Excise Duties	16,043	30,114	30,208	94	
Licences, Taxes and Fines	28,264	36,922	33,355	-3,568	
Income Tax	108,774	137,787	175,426	37,639	
Value Added Tax	19,531	36,372	42,368	5,995	
Fees of Office	10,501	9,212	9,467	255	
Reimbursements	1,951	4,878	7,024	2,146	
Central Bank of Malta	0	0	0	0	
Rents	2,133	3,661	5,860	2,199	
Dividends on Investment	0	2,000	0	-2,000	
Interest on loans made by Government	0	1	0	0	
Social Security	61,069	68,162	49,682	-18,480	
Grants	0	375	2,482	2,107	
Miscellaneous Receipts	1,635	2,694	3,922	1,228	
(b) Total Expenditure	280,322	345,127	335,084	-10,044	-2.9
<i>Recurrent Expenditure</i>	239,897	301,891	270,851	-31,040	-10.3
Personal Emoluments	56,694	61,150	65,010	3,861	
Operational and Maintenance Expenses	13,828	12,715	16,945	4,231	
Programmes and Initiatives	138,416	195,416	149,908	-45,508	
Contributions to Government Entities	30,959	32,611	38,987	6,377	
<i>Interest</i>	16,865	18,843	19,821	978	5.2
<i>Capital Expenditure</i>	23,559	24,394	44,412	20,018	82.1
(a-b) Consolidated Fund Surplus/Deficit	-30,418	-12,949	24,710	37,659	290.8
(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	91,000	91,000	
<i>Expenditure</i>					
Contribution to Sinking Fund	0	0	0	0	
Equity Acquisition	0	0	5,000	5,000	
Repayment of Loan	0	0	163,119	163,119	
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 2016	Jan-Jul 2017	Jan-Jul 2018	Jan-Jul 2016	Jan-Jul 2017	Jan-Jul 2018	Jan-Jul 2016	Jan-Jul 2017	Jan-Jul 2018	Jan-Jul 2016	Jan-Jul 2017	Jan-Jul 2018
	€ 000											
General public services	41,548	45,465	50,910	15,218	16,459	19,778	98,568	145,168	113,717	5,375	5,180	11,132
Defence	21,113	22,163	23,547	2,700	3,450	2,842	225	379	323	0	120	149
Public order and safety	46,896	48,958	53,220	5,783	6,188	6,702	2,423	2,460	3,498	4,755	5,041	5,167
Economic affairs	38,389	40,260	38,398	9,114	7,005	5,750	63,570	75,354	92,329	47,455	57,709	75,403
Environment protection	499	534	0	74	193	205	12,297	12,592	14,789	11,861	11,652	16,967
Housing and community amenities	1,429	392	759	420	47	165	0	2,039	4,757	1,435	7,078	3,083
Health	125,575	132,845	143,238	39,505	33,072	33,678	84,757	113,164	121,029	30,612	29,236	31,179
Recreation, culture and religion	4,711	3,808	3,927	599	580	848	5,563	5,135	4,902	10,696	12,942	19,353
Education	108,577	115,241	127,672	14,084	15,296	15,966	70,834	73,420	79,748	60,909	60,485	56,255
Social protection	27,467	28,408	30,378	16,717	18,921	22,433	713,181	797,078	811,196	24,584	20,553	22,060
Total	416,204	438,073	472,049	104,215	101,213	108,367	1,051,418	1,226,790	1,246,286	197,682	209,994	240,749
COFOG	Interest Expenditure			Capital Expenditure			Total expenditure					
	Jan-Jul 2016	Jan-Jul 2017	Jan-Jul 2018	Jan-Jul 2016	Jan-Jul 2017	Jan-Jul 2018	Jan-Jul 2016	Jan-Jul 2017	Jan-Jul 2018			
	€ 000											
General public services	128,652	125,047	120,786	15,003	13,425	27,333	304,365	350,745	343,655			
Defence	0	0	0	4,194	3,201	490	28,232	29,314	27,351			
Public order and safety	0	0	0	10,060	17,030	9,878	69,916	79,677	78,465			
Economic affairs	0	0	0	85,519	89,084	106,976	244,047	269,412	318,856			
Environment protection	0	0	0	885	7,052	9,468	25,615	32,022	41,429			
Housing and community amenities	0	0	0	6,122	1,580	211	9,406	11,136	8,975			
Health	0	0	0	6,090	4,294	9,991	286,538	312,609	339,115			
Recreation, culture and religion	0	0	0	5,629	10,108	7,943	27,199	32,573	36,973			
Education	0	0	0	11,085	16,233	12,290	265,490	280,676	291,931			
Social protection	0	0	0	5,248	2,442	2,498	787,197	867,402	888,565			
Total	128,652	125,047	120,786	149,835	164,449	187,078	2,048,005	2,265,565	2,375,315			

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

Description	ESA CODE	Jan-Jul	Jan-Jul	Jan-Jul	Jan-Jul 2018 / Jan-Jul 2017	
		2016	2017	2018	Change	% change
€ 000						
1. Total Revenue		1,807,888	2,054,858	2,163,168	108,311	
Market Output	P11	40,497	80,208	56,916		
Taxes on Production and Imports	D2	630,919	725,900	790,829		
Property income receivable	D4	51,282	53,177	57,253		
Current taxes on income, wealth, etc	D5	664,352	709,373	805,757		
Social Contributions	D61	331,608	376,838	407,194		
Current transfers receivable	D7	35,804	10,312	7,567		
Capital transfers receivable	D9	53,425	99,050	37,653		
2. Total Expenditure		1,948,934	2,159,832	2,280,367	120,535	
Intermediate Consumption	P2	234,049	242,603	258,679		
Gross Capital Formation	P5g+NP	52,405	74,719	78,607		
Compensation of Employees	D1	491,101	520,543	555,906		
Property income payable	D4	125,398	122,158	124,004		
Subsidies	D3	39,003	41,602	47,172		
Social Benefits and social transfers in kind	D62+D632	580,871	654,122	666,199		
Current transfers payable	D7	403,962	497,364	544,519		
Capital transfers payable	D9	22,147	6,722	5,281		
(1-2) Consolidated Fund Surplus/Deficit		-141,046	-104,975	-117,199	-12,224	-11.6

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

Description	ESA CODE	July	July	July	July 2018 / July 2017	
		2016	2017	2018	Change	% change
€ 000						
1. Total Revenue		234,577	318,012	361,762	43,750	
Market Output	P11	11,247	12,000	11,599		
Taxes on Production and Imports	D2	57,676	95,869	101,854		
Property income receivable	D4	1,306	2,720	5,027		
Current taxes on income, wealth, etc	D5	113,582	144,080	180,915		
Social Contributions	D61	49,117	59,483	57,675		
Current transfers receivable	D7	170	2,586	819		
Capital transfers receivable	D9	1,479	1,275	3,874		
2. Total Expenditure		264,995	330,962	337,052	6,091	
Intermediate Consumption	P2	32,460	39,350	45,990		
Gross Capital Formation	P5g+NP	4,060	13,496	15,438		
Compensation of Employees	D1	66,669	74,814	76,251		
Property income payable	D4	16,942	19,274	20,503		
Subsidies	D3	842	6,382	10,602		
Social Benefits and social transfers in kind	D62+D632	75,450	92,539	83,029		
Current transfers payable	D7	52,518	84,543	83,381		
Capital transfers payable	D9	16,054	564	1,857		
(1-2) Consolidated Fund Surplus/Deficit		-30,418	-12,949	24,710	37,659	290.8

Table 6. Central Government debt

Description	July 2016	July 2017	July 2018	July 2018 / July 2017	
				Change	% change
				€ 000	
Total Central Government Debt	5,547,911	5,548,020	5,355,481	-192,539	-3.5
<i>of which:</i>					
Treasury Bills	300,250	161,400	371,000	209,600	
Malta Government Stocks	5,236,173	5,390,421	4,802,399	-588,022	
62+ Malta Government Savings Bond	0	0	192,931	192,931	
Foreign Loans	22,070	11,660	1,244	-10,417	
Domestic Loans with Commercial Banks	0	0	0	0	
MGSF investments in Government Debt	-80,330	-91,650	-93,446	-1,796	
Euro Coins issued in the name of the Treasury	69,748	76,189	81,354	5,165	

Note: Totals may not add up due to rounding.

Chart 1. January-July Consolidated Fund Surplus/Deficit

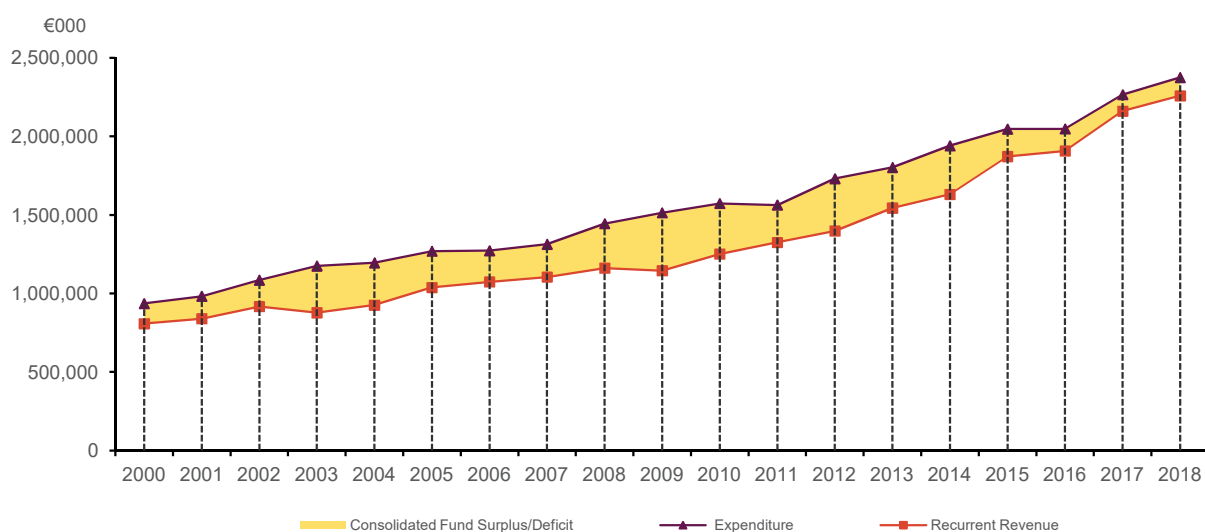


Chart 2. Recurrent Revenue by main category (%): January-July 2018

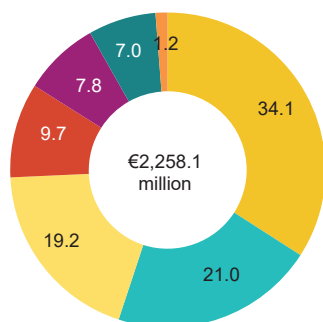
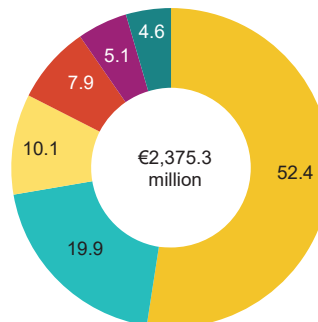


Chart 3. Expenditure by main category (%): January-July 2018



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. 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. Any quotations from this news release are to be cited and/or referenced.
10. A detailed news release calendar is available on
https://nso.gov.mt/en/News_Releases/Release_Calendar/Pages/News-Release-Calendar.aspx