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In the period January-September 2018, Government's Consolidated Fund registered a surplus of €3.1 million.

## Government Finance Data: January-September 2018

Compared to the same period in 2017, recurrent revenue rose by €156.4 million whereas total expenditure went up by €209.7 million. This resulted in a negative change in the Government's Consolidated Fund by €53.4 million.

In January-September 2018, recurrent revenue amounted to €3,128.7 million, 5.3 per cent more than the €2,972.3 million recorded in 2017. The increase was primarily the result of higher Income Tax and Value Added Tax which both increased by €68.0 million and €62.0 million respectively. Moreover, increases were also registered under Social Security (€54.1 million), Licences, Taxes and Fines (€40.7 million), Customs and Excise Duties (€15.7 million) and Dividends on Investment (€0.6 million). Conversely, drops in revenue were mainly recorded in Grants (€47.7 million), Fees of Office (€15.3 million), Central Bank of Malta (€14.0 million), Reimbursements (€6.9 million), Rents (€0.7 million) and Miscellaneous Receipts (€0.3 million).

Compared to first three quarters of 2017, total expenditure stood at €3,125.6 million up from €2,915.9 million due to added outlays on recurrent expenditure and capital expenditure which outweighed lower spending on interest payments.

Recurrent expenditure totalled €2,700.9 million, €157.9 million higher than the €2,543.0 million reported by the end of September 2017. The main contributor to this increase was a €76.1 million rise reported under Programmes and Initiatives. Furthermore, rises in outlay were also registered by Personal Emoluments (€42.1 million), Contributions to Government Entities (€37.4 million) and Operational and Maintenance Expenses (€2.3 million). The main developments in the Programmes and Initiatives category involved added outlays due to social security benefits (€22.8 million), state contribution (€19.7 million), tax relief measures (€11.4 million), allocation in respect of local councils (€10.3 million), feed in tariff (€10.0 million), provision of spare capacity - electricity (€7.1 million), church schools (€6.7 million), cancer treatment (€5.4 million), residential care in private homes (€5.3 million) and solid waste management strategy (€4.0 million). The rise in expenditure was partially offset by a drop in outlay reported under EU presidency 2017 (€24.4 million).

The interest component of the public debt servicing costs amounted to €158.5 million, a €4.4 million drop from the €163.0 million reported in 2017.

Government's capital expenditure witnessed an increase of €56.3 million from the same period last year, and was recorded at €266.2 million. This was mainly the result of higher outlay on road construction and improvements (€22.3 million), structural funds 2014-2020 (€11.6 million), EU cohesion funds 2014-2020 (€11.4 million), investment incentives (subvention) (€7.0 million), EU European agricultural fund for rural development 2014-2020 (€6.7 million), works and equipment at the Foundation for Tomorrow's Schools (€3.6 million) and shooting range (€3.4 million). Conversely, a drop in outlay recorded under EU internal security fund - borders and visa (€10.1 million) slightly offset the rise in capital expenditure (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.

By the end of September 2018, Central Government Debt stood at €5,239.3 million, a €321.6 million decrease from the corresponding month last year. This was the result of lower Malta Government Stocks and Foreign Loans that decreased by €635.6 million and €10.4 million respectively. Higher holdings by government funds in Malta Government Stocks also resulted in a decrease in debt of €1.0 million. On the other hand, Treasury Bills added €196.1 million, the 62+ Malta Government Savings Bond added €122.9 million, and Euro coins issued in the name of the Treasury increased by €6.5 million (Table 6) ■

Table 1. Revenue/Expenditure categories: Year to date

Description	Jan-Sep 2016	Jan-Sep 2017	Jan-Sep 2018	Jan-Sep 2018 / Jan-Sep 2017	
				Change	% change
	€ 000				
<b>(a) Total Recurrent Revenue</b>	<b>2,625,642</b>	<b>2,972,313</b>	<b>3,128,698</b>	<b>156,385</b>	<b>5.3</b>
Customs and Excise Duties	199,535	226,766	242,473	15,707	
Licences, Taxes and Fines	230,555	247,008	287,747	40,740	
Income Tax	902,831	986,211	1,054,254	68,042	
Value Added Tax	498,942	577,457	639,440	61,982	
Fees of Office	41,236	76,549	61,211	-15,339	
Reimbursements	18,688	37,572	30,703	-6,870	
Central Bank of Malta	42,000	42,000	28,000	-14,000	
Rents	24,497	23,481	22,801	-681	
Dividends on Investment	19,848	24,023	24,644	622	
Interest on loans made by Government	97	49	48	-1	
Social Security	559,941	608,220	662,337	54,118	
Grants	59,346	99,324	51,668	-47,656	
Miscellaneous Receipts	28,127	23,652	23,372	-279	
<b>(b) Total Expenditure</b>	<b>2,689,288</b>	<b>2,915,888</b>	<b>3,125,637</b>	<b>209,749</b>	<b>7.2</b>
<i>Recurrent Expenditure</i>	2,313,386	2,542,968	2,700,890	157,921	6.2
Personal Emoluments	539,927	570,326	612,436	42,110	
Operational and Maintenance Expenses	124,694	137,165	139,472	2,306	
Programmes and Initiatives	1,387,665	1,558,055	1,634,150	76,095	
Contributions to Government Entities	261,099	277,422	314,832	37,410	
<i>Interest</i>	170,159	162,965	158,516	-4,449	-2.7
<i>Capital Expenditure</i>	205,743	209,955	266,232	56,277	26.8
<b>(a-b) Consolidated Fund Surplus/Deficit</b>	<b>-63,646</b>	<b>56,425</b>	<b>3,061</b>	<b>-53,364</b>	<b>-94.6</b>
<b>(c) Financial Transactions</b>					
<i>Revenue</i>					
Loans	438,669	327,665	93,527	-234,139	
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	14,863	17,462	26,659	9,197	
Equity Acquisition	12,484	2,101	63,034	60,932	
Repayment of Loan	295,317	97,691	362,786	265,095	
Loans	0	0	0	0	

Note: Totals may not add up due to rounding.

Table 2. Revenue/Expenditure categories: Monthly

Description	September 2016	September 2017	September 2018	September 2018 / September 2017	
				Change	% change
€ 000					
<b>(a) Total Recurrent Revenue</b>	<b>303,012</b>	<b>388,524</b>	<b>384,574</b>	<b>-3,950</b>	<b>-1.0</b>
Customs and Excise Duties	28,941	30,809	37,778	6,969	
Licences, Taxes and Fines	20,062	25,055	33,418	8,363	
Income Tax	131,661	152,960	133,374	-19,586	
Value Added Tax	24,344	59,706	81,711	22,005	
Fees of Office	8,239	9,984	8,603	-1,380	
Reimbursements	1,980	14,580	2,799	-11,781	
Central Bank of Malta	6,000	6,000	0	-6,000	
Rents	2,244	1,393	753	-640	
Dividends on Investment	7,406	4,898	1,312	-3,587	
Interest on loans made by Government	24	15	16	1	
Social Security	67,836	77,434	83,105	5,671	
Grants	305	4,877	586	-4,292	
Miscellaneous Receipts	3,969	813	1,119	306	
<b>(b) Total Expenditure</b>	<b>287,519</b>	<b>363,203</b>	<b>378,393</b>	<b>15,190</b>	<b>4.2</b>
<i>Recurrent Expenditure</i>	249,693	321,397	305,554	-15,843	-4.9
Personal Emoluments	63,818	68,618	71,230	2,612	
Operational and Maintenance Expenses	10,677	26,603	18,795	-7,807	
Programmes and Initiatives	153,535	190,187	172,426	-17,760	
Contributions to Government Entities	21,662	35,989	43,102	7,113	
<i>Interest</i>	20,389	18,526	19,392	866	4.7
<i>Capital Expenditure</i>	17,437	23,281	53,448	30,167	129.6
<b>(a-b) Consolidated Fund Surplus/Deficit</b>	<b>15,493</b>	<b>25,320</b>	<b>6,181</b>	<b>-19,140</b>	<b>-75.6</b>
<b>(c) Financial Transactions</b>					
<i>Revenue</i>					
Loans	0	69,895	0	-69,895	
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	5,000	0	10,000	10,000	
Equity Acquisition	0	0	0	0	
Repayment of Loan	0	25,000	70,741	45,741	
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-Sep 2016	Jan-Sep 2017	Jan-Sep 2018	Jan-Sep 2016	Jan-Sep 2017	Jan-Sep 2018	Jan-Sep 2016	Jan-Sep 2017	Jan-Sep 2018	Jan-Sep 2016	Jan-Sep 2017	Jan-Sep 2018
	€ 000											
General public services	55,018	59,674	68,834	18,913	21,343	25,799	125,875	177,455	162,824	7,385	6,641	14,338
Defence	27,670	28,779	30,348	3,640	5,788	4,617	281	494	400	0	180	217
Public order and safety	60,418	63,287	69,558	7,312	13,869	8,946	3,045	3,370	4,388	6,166	6,632	6,691
Economic affairs	49,884	51,767	47,434	10,821	12,534	7,576	76,649	89,618	112,324	66,083	76,300	90,673
Environment protection	650	694	0	97	219	281	15,188	18,579	22,991	15,413	12,698	18,935
Housing and community amenities	1,856	501	989	592	67	262	0	5,450	5,144	1,997	7,963	5,794
Health	163,249	174,764	186,123	47,325	43,301	45,338	107,145	140,958	140,466	35,909	40,686	39,503
Recreation, culture and religion	6,044	4,931	5,064	209	968	1,021	6,876	7,002	8,262	14,262	16,160	22,089
Education	139,790	148,710	164,987	16,371	17,869	18,297	88,192	91,499	103,880	81,349	85,575	90,610
Social protection	35,349	37,219	39,098	19,416	21,207	27,337	964,413	1,023,632	1,073,470	32,534	24,588	25,981
<b>Total</b>	<b>539,927</b>	<b>570,326</b>	<b>612,436</b>	<b>124,694</b>	<b>137,165</b>	<b>139,472</b>	<b>1,387,665</b>	<b>1,558,055</b>	<b>1,634,150</b>	<b>261,099</b>	<b>277,422</b>	<b>314,832</b>
COFOG	Interest Expenditure			Capital Expenditure			Total expenditure					
	Jan-Sep 2016	Jan-Sep 2017	Jan-Sep 2018	Jan-Sep 2016	Jan-Sep 2017	Jan-Sep 2018	Jan-Sep 2016	Jan-Sep 2017	Jan-Sep 2018	Jan-Sep 2016	Jan-Sep 2017	Jan-Sep 2018
	€ 000											
General public services	170,159	162,965	158,516	21,018	16,693	41,033	<b>398,369</b>	<b>444,771</b>	<b>471,344</b>			
Defence	0	0	0	7,314	6,293	1,138	<b>38,905</b>	<b>41,533</b>	<b>36,720</b>			
Public order and safety	0	0	0	17,769	19,244	11,833	<b>94,710</b>	<b>106,401</b>	<b>101,416</b>			
Economic affairs	0	0	0	105,702	112,520	141,992	<b>309,138</b>	<b>342,739</b>	<b>400,001</b>			
Environment protection	0	0	0	2,158	7,639	21,316	<b>33,506</b>	<b>39,829</b>	<b>63,523</b>			
Housing and community amenities	0	0	0	7,716	2,183	440	<b>12,162</b>	<b>16,163</b>	<b>12,629</b>			
Health	0	0	0	7,890	7,679	12,971	<b>361,517</b>	<b>407,388</b>	<b>424,401</b>			
Recreation, culture and religion	0	0	0	14,397	14,288	13,211	<b>41,789</b>	<b>43,350</b>	<b>49,647</b>			
Education	0	0	0	16,126	20,015	19,593	<b>341,829</b>	<b>363,669</b>	<b>397,367</b>			
Social protection	0	0	0	5,651	3,400	2,698	<b>1,057,363</b>	<b>1,110,046</b>	<b>1,168,584</b>			
<b>Total</b>	<b>170,159</b>	<b>162,965</b>	<b>158,516</b>	<b>205,743</b>	<b>209,955</b>	<b>266,227</b>	<b>2,689,288</b>	<b>2,915,888</b>	<b>3,125,633</b>			

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

Description	ESA CODE	Jan-Sep 2016	Jan-Sep 2017	Jan-Sep 2018	Jan-Sep 2018 / Jan-Sep 2017	
					Change	% change
					€ 000	
<b>1. Total Revenue</b>		<b>2,486,624</b>	<b>2,821,424</b>	<b>2,965,210</b>	<b>143,786</b>	
Market Output	P11	65,469	113,806	74,162		
Taxes on Production and Imports	D2	881,538	1,000,384	1,121,952		
Property income receivable	D4	62,980	62,159	61,680		
Current taxes on income, wealth, etc	D5	942,323	1,027,861	1,098,942		
Social Contributions	D61	440,679	499,962	536,744		
Current transfers receivable	D7	36,547	11,072	23,175		
Capital transfers receivable	D9	57,088	106,180	48,555		
<b>2. Total Expenditure</b>		<b>2,550,270</b>	<b>2,764,999</b>	<b>2,962,149</b>	<b>197,150</b>	
Intermediate Consumption	P2	281,591	319,348	337,200		
Gross Capital Formation	P5g+NP	81,965	97,831	106,832		
Compensation of Employees	D1	636,403	676,400	720,286		
Property income payable	D4	164,542	158,621	163,614		
Subsidies	D3	55,740	46,499	57,409		
Social Benefits and social transfers in kind	D62+D632	785,546	824,716	846,308		
Current transfers payable	D7	521,529	633,418	708,402		
Capital transfers payable	D9	22,954	8,166	22,097		
<b>(1-2) Consolidated Fund Surplus/Deficit</b>		<b>-63,646</b>	<b>56,425</b>	<b>3,061</b>	<b>-53,364</b>	<b>-94.6</b>

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

Description	ESA CODE	September 2016	September 2017	September 2018	September 2018 / September 2017	
					Change	% change
					€ 000	
<b>1. Total Revenue</b>		<b>281,785</b>	<b>365,368</b>	<b>354,696</b>	<b>-10,672</b>	
Market Output	P11	15,584	24,993	8,424		
Taxes on Production and Imports	D2	69,066	110,765	148,282		
Property income receivable	D4	9,358	8,951	1,402		
Current taxes on income, wealth, etc	D5	134,114	157,091	137,019		
Social Contributions	D61	51,968	57,162	56,365		
Current transfers receivable	D7	484	639	1,018		
Capital transfers receivable	D9	1,210	5,766	2,185		
<b>2. Total Expenditure</b>		<b>266,291</b>	<b>340,048</b>	<b>348,515</b>	<b>8,467</b>	
Intermediate Consumption	P2	21,499	49,735	40,298		
Gross Capital Formation	P5g+NP	10,814	13,461	19,162		
Compensation of Employees	D1	75,268	80,702	75,815		
Property income payable	D4	20,554	19,405	21,113		
Subsidies	D3	484	4,789	8,015		
Social Benefits and social transfers in kind	D62+D632	88,207	89,400	81,091		
Current transfers payable	D7	49,053	81,450	89,642		
Capital transfers payable	D9	412	1,105	13,380		
<b>(1-2) Consolidated Fund Surplus/Deficit</b>		<b>15,493</b>	<b>25,320</b>	<b>6,181</b>	<b>-19,140</b>	<b>-75.6</b>

Table 6. Central Government debt

Description	September 2016	September 2017	September 2018	September 2018 / September 2017	
				Change	% change
	€ 000				
<b>Total Central Government Debt</b>	<b>5,529,167</b>	<b>5,560,949</b>	<b>5,239,341</b>	<b>-321,607</b>	<b>-5.8</b>
<i>of which:</i>					
Treasury Bills	269,750	129,400	325,500	196,100	
Malta Government Stocks	5,236,963	5,367,688	4,732,049	-635,639	
62+ Malta Government Savings Bond	0	69,895	192,787	122,892	
Foreign Loans	22,010	11,599	1,184	-10,415	
Domestic Loans with Commercial Banks	0	0	0	0	
MGSF investments in Government Debt	-70,430	-94,797	-95,796	-999	
Euro Coins issued in the name of the Treasury	70,874	77,163	83,617	6,454	

Note: Totals may not add up due to rounding.

Chart 1. January-September Consolidated Fund Surplus/Deficit

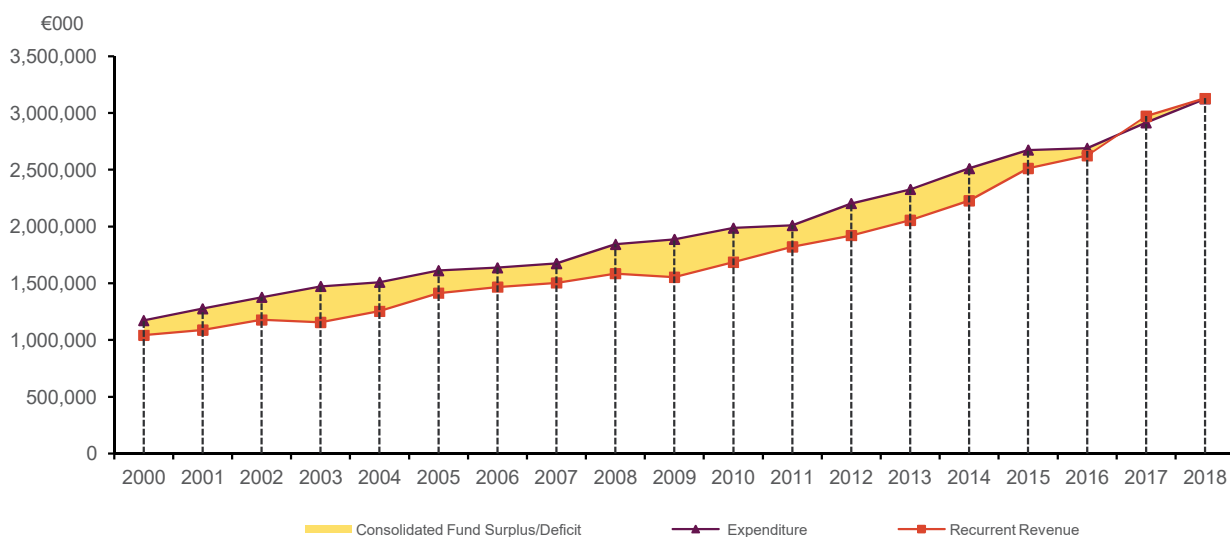


Chart 2. Recurrent Revenue by main category (%): January-September 2018

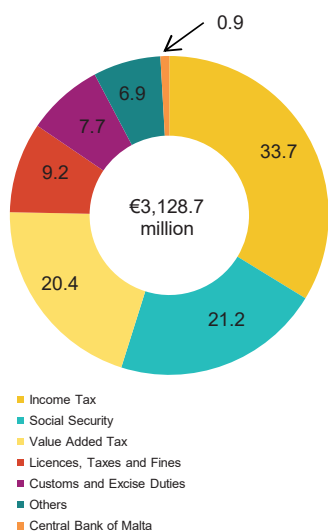
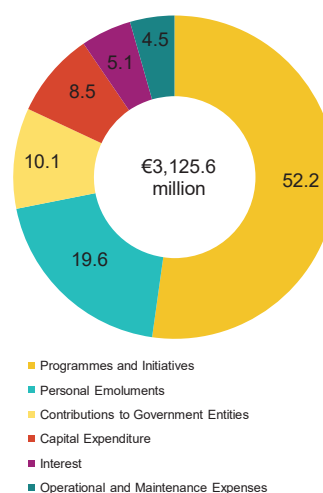


Chart 3. Expenditure by main category (%): January-September 2018



## 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](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-
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](https://nso.gov.mt/en/News_Releases/Release_Calendar/Pages/News-Release-Calendar.aspx)