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By the end of February 2019, Government's Consolidated Fund registered a deficit of €62.9 million.

## Government Finance Data: January-February 2019

During the first two months of 2019, recurrent revenue amounted to €689.2 million, an increase of €31.3 million. This represented an increase of 4.8 per cent over the €657.9 million reported in revenue during the same period in 2018. This difference was primarily the result of an increase in Income Tax (€21.6 million) and Social Security (€19.5 million). Other increases were also registered in Value Added Tax (€7.2 million), Rents (€2.0 million) and Licences, Taxes and Fines (€0.8 million). Conversely, drops in outlay were recorded under Dividends (€4.8 million), Central Bank of Malta (€4.0 million), Fees of Office (€3.7 million), Reimbursements, Grants (both €2.6 million), Customs and Excise Duties (€1.6 million) and Miscellaneous Receipts (€0.5 million).

Total expenditure at the end of February 2019 stood at €752.1 million, a 17.7 per cent increase over the first two months of 2018.

Recurrent expenditure stood at €650.9 million, €73.9 million higher than the corresponding amount reported in the same period last year. The main contributor to this increase was a €53.2 million rise in Programmes and Initiatives. Furthermore, rises in outlay were also registered in Personal Emoluments (€14.4 million), Operational and Maintenance Expenses (€3.4 million) and Contributions to Government Entities (€3.0 million). The main developments in the Programmes and Initiatives category involved added outlays due to EU own resources (€24.8 million), social security benefits (€12.4 million), state contribution (€9.0 million that also features as revenue), cancer treatment (€4.0 million), church schools (€2.9 million), residential care in private homes and health concession agreements (both €1.5 million). A drop of €2.8 million in treasury pensions slightly offset this rise in outlay.

The interest component of the public debt servicing costs amounted to €36.7 million, a €0.4 million increase from 2018.

Government's capital expenditure registered an increase of €38.7 million over the same period last year and amounted to €64.5 million. The rise in outlay was due to added expenditure reported on EU Internal Security Fund - Borders and Visa (€14.6 million), road construction and improvements (€14.2 million), investment incentives (€5.0 million), EU structural funds 2014-2020 (€2.0 million), cattle sheds (€1.8 million), and EU cohesion fund 2014-2020 (€1.4 million).

The difference between total revenue and expenditure resulted in a deficit of €62.9 million being reported in the Government's Consolidated Fund by the end of February 2019, compared to a surplus of €18.7 million during the same period in 2018. The main catalysts in the difference were increased outlays in both recurrent and capital expenditure (Table 1).

Table 3 presents the Consolidated Fund year to date data in ESA 2010 codes according to the EU Council Directive 85/2011 requirements.

During February 2019, Central Government Debt stood at €5,440.4 million, an increase of €31.4 million from the corresponding month last year. This was primarily the result of higher Treasury Bills (€198.3 million) and the 62+ Malta Government Savings Bond (€92.6 million). Euro coins issued in the name of the Treasury also rose by €6.1 million. On the other hand, Malta Government Stocks and Foreign Loans decreased by €240.7 million and €7.9 million respectively. Higher holdings by government funds in Malta Government Stocks also resulted a decrease in debt of €17.0 million (Table 6) ■

Table 1. Revenue/Expenditure categories: Year to date

Description	Jan-Feb 2017	Jan-Feb 2018	Jan-Feb 2019	Jan-Feb 2019 / Jan-Feb 2018	
				Change	% change
	€ 000				
<b>(a) Total Recurrent Revenue</b>	<b>621,554</b>	<b>657,869</b>	<b>689,188</b>	<b>31,319</b>	<b>4.8</b>
Customs and Excise Duties	50,207	49,496	47,920	-1,576	
Licences, Taxes and Fines	62,795	57,923	58,686	763	
Income Tax	150,283	174,580	196,158	21,578	
Value Added Tax	144,366	178,094	185,340	7,245	
Fees of Office	12,607	10,649	6,985	-3,665	
Reimbursements	6,006	7,999	5,363	-2,636	
Central Bank of Malta	20,000	14,000	10,000	-4,000	
Rents	9,826	3,727	5,745	2,018	
Dividends on Investment	0	5,000	201	-4,799	
Interest on loans made by Government	1	0	0	0	
Social Security	114,522	131,233	150,725	19,492	
Grants	42,160	21,169	18,557	-2,612	
Miscellaneous Receipts	8,782	3,999	3,509	-490	
<b>(b) Total Expenditure</b>	<b>590,917</b>	<b>639,140</b>	<b>752,099</b>	<b>112,959</b>	<b>17.7</b>
<i>Recurrent Expenditure</i>	521,289	577,004	650,884	73,881	12.8
Personal Emoluments	117,488	130,997	145,354	14,356	
Operational and Maintenance Expenses	33,621	33,116	36,468	3,352	
Programmes and Initiatives	306,243	344,732	397,917	53,186	
Contributions to Government Entities	63,936	68,159	71,145	2,986	
<i>Interest</i>	36,799	36,301	36,674	373	1.0
<i>Capital Expenditure</i>	32,829	25,835	64,541	38,706	149.8
<b>(a-b) Consolidated Fund Surplus/Deficit</b>	<b>30,638</b>	<b>18,729</b>	<b>-62,911</b>	<b>-81,640</b>	<b>-435.9</b>
<b>(c) Financial Transactions</b>					
<i>Revenue</i>					
Loans	182,870	0	0	0	
Repayment of Loans	0	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	0	500	308	-192	
Repayment of Loan	0	0	335	335	
Loans	0	0	0	0	

Note: Totals may not add up due to rounding.

Table 2. Revenue/Expenditure categories: Monthly

Description	February 2017	February 2018	February 2019	February 2019 / February 2018	
				Change	% change
				€ 000	
<b>(a) Total Recurrent Revenue</b>	<b>360,389</b>	<b>374,837</b>	<b>386,784</b>	<b>11,947</b>	<b>3.2</b>
Customs and Excise Duties	22,386	23,241	31,631	8,390	
Licences, Taxes and Fines	33,958	25,805	24,380	-1,425	
Income Tax	70,379	78,179	91,035	12,856	
Value Added Tax	110,971	141,051	139,836	-1,216	
Fees of Office	6,462	5,901	2,758	-3,143	
Reimbursements	3,848	7,599	2,615	-4,984	
Central Bank of Malta	10,000	7,000	5,000	-2,000	
Rents	6,605	3,727	3,703	-24	
Dividends on Investment	0	5,000	1	-4,999	
Interest on loans made by Government	1	0	0	0	
Social Security	70,376	73,174	78,996	5,821	
Grants	17,566	567	5,491	4,924	
Miscellaneous Receipts	7,838	3,592	1,338	-2,253	
<b>(b) Total Expenditure</b>	<b>313,889</b>	<b>343,002</b>	<b>394,744</b>	<b>51,742</b>	<b>15.1</b>
<i>Recurrent Expenditure</i>	271,807	308,510	331,708	23,198	7.5
Personal Emoluments	59,083	64,796	75,706	10,910	
Operational and Maintenance Expenses	14,225	15,765	16,910	1,145	
Programmes and Initiatives	160,644	191,523	207,627	16,104	
Contributions to Government Entities	37,855	36,427	31,466	-4,961	
<i>Interest</i>	19,262	17,978	23,754	5,776	32.1
<i>Capital Expenditure</i>	22,820	16,514	39,282	22,768	137.9
<b>(a-b) Consolidated Fund Surplus/Deficit</b>	<b>46,500</b>	<b>31,836</b>	<b>-7,959</b>	<b>-39,795</b>	<b>-125.0</b>
<b>(c) Financial Transactions</b>					
<i>Revenue</i>					
Loans	182,870	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	164	164	
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 2017	Jan-Feb 2018	Jan-Feb 2019	Jan-Feb 2017	Jan-Feb 2018	Jan-Feb 2019	Jan-Feb 2017	Jan-Feb 2018	Jan-Feb 2019	Jan-Feb 2017	Jan-Feb 2018	Jan-Feb 2019
	€ 000											
General public services	11,476	14,053	15,393	4,934	6,303	8,640	44,237	34,346	61,956	1,436	2,505	7,556
Defence	5,985	6,641	6,690	405	545	1,222	156	104	133	5	4	5
Public order and safety	13,425	15,088	17,874	1,696	1,731	3,924	689	859	789	1,779	1,714	1,842
Economic affairs	11,043	10,535	9,771	1,658	1,756	2,207	13,399	28,361	20,508	18,305	24,828	28,483
Environment protection	0	0	708	73	35	37	3,398	3,274	6,045	4,790	2,064	1,004
Housing and community amenities	142	246	208	21	62	61	1,158	205	136	1,195	1,528	22
Health	35,625	38,845	46,266	12,063	9,181	7,654	30,427	31,707	40,005	10,371	11,964	9,427
Recreation, culture and religion	1,045	1,086	1,128	179	390	287	1,660	290	1,031	1,988	4,548	6,059
Education	31,398	36,447	38,187	6,993	7,406	5,366	19,772	32,753	41,831	16,443	11,141	7,055
Social protection	7,348	8,057	9,129	5,598	5,708	7,071	191,346	212,833	225,485	7,624	7,862	9,691
<b>Total</b>	<b>117,488</b>	<b>130,997</b>	<b>145,354</b>	<b>33,621</b>	<b>33,116</b>	<b>36,468</b>	<b>306,243</b>	<b>344,732</b>	<b>397,917</b>	<b>63,936</b>	<b>68,159</b>	<b>71,145</b>
COFOG	Interest Expenditure			Capital Expenditure			Total expenditure					
	Jan-Feb 2017	Jan-Feb 2018	Jan-Feb 2019	Jan-Feb 2017	Jan-Feb 2018	Jan-Feb 2019	Jan-Feb 2017	Jan-Feb 2018	Jan-Feb 2019			
	€ 000											
General public services	36,799	36,301	36,674	1,781	1,997	3,189	<b>100,663</b>	<b>95,504</b>	<b>133,407</b>			
Defence	0	0	0	3,144	72	393	<b>9,694</b>	<b>7,366</b>	<b>8,443</b>			
Public order and safety	0	0	0	1,690	4,421	16,826	<b>19,278</b>	<b>23,813</b>	<b>41,254</b>			
Economic affairs	0	0	0	12,734	11,226	33,743	<b>57,140</b>	<b>76,706</b>	<b>94,712</b>			
Environment protection	0	0	0	2,148	164	3,666	<b>10,410</b>	<b>5,536</b>	<b>11,460</b>			
Housing and community amenities	0	0	0	1,001	106	1	<b>3,518</b>	<b>2,147</b>	<b>428</b>			
Health	0	0	0	1,634	1,844	1,506	<b>90,121</b>	<b>93,542</b>	<b>104,858</b>			
Recreation, culture and religion	0	0	0	3,122	618	810	<b>7,994</b>	<b>6,931</b>	<b>9,313</b>			
Education	0	0	0	5,180	4,019	4,295	<b>79,787</b>	<b>91,765</b>	<b>96,734</b>			
Social protection	0	0	0	395	1,369	114	<b>212,312</b>	<b>235,830</b>	<b>251,490</b>			
<b>Total</b>	<b>36,799</b>	<b>36,301</b>	<b>36,674</b>	<b>32,829</b>	<b>25,835</b>	<b>64,541</b>	<b>590,917</b>	<b>639,140</b>	<b>752,099</b>			

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

Description	ESA CODE	Jan-Feb	Jan-Feb	Jan-Feb	Jan-Feb 2019 / Jan-Feb 2018	
		2017	2018	2019	Change	% change
		€ 000				
<b>1. Total Revenue</b>		<b>601,451</b>	<b>637,132</b>	<b>658,378</b>	<b>21,246</b>	
Market Output	P11	20,851	18,091	6,235		
Taxes on Production and Imports	D2	243,272	271,170	274,470		
Property income receivable	D4	21,371	17,244	14,216		
Current taxes on income, wealth, etc	D5	161,100	186,749	213,080		
Social Contributions	D61	109,171	119,194	126,819		
Current transfers receivable	D7	5,488	1,224	2,821		
Capital transfers receivable	D9	40,199	23,459	20,737		
<b>2. Total Expenditure</b>		<b>570,813</b>	<b>618,402</b>	<b>721,289</b>	<b>102,886</b>	
Intermediate Consumption	P2	74,019	65,568	106,215		
Gross Capital Formation	P5g+NP	18,414	14,288	40,348		
Compensation of Employees	D1	139,646	156,564	167,358		
Property income payable	D4	33,086	37,721	39,114		
Subsidies	D3	9,684	14,844	12,487		
Social Benefits and social transfers in kind	D62+D632	159,478	171,820	177,891		
Current transfers payable	D7	135,761	157,029	174,278		
Capital transfers payable	D9	726	569	3,597		
<b>(1-2) Consolidated Fund Surplus/Deficit</b>		<b>30,638</b>	<b>18,729</b>	<b>-62,911</b>	<b>-81,640</b>	<b>-435.9</b>

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

Description	ESA CODE	February	February	February	February 2019 / February 2018	
		2017	2018	2019	Change	% change
		€ 000				
<b>1. Total Revenue</b>		<b>334,110</b>	<b>352,588</b>	<b>359,640</b>	<b>7,052</b>	
Market Output	P11	12,423	14,378	1,377		
Taxes on Production and Imports	D2	160,572	182,592	186,022		
Property income receivable	D4	10,677	10,200	7,478		
Current taxes on income, wealth, etc	D5	75,947	84,714	99,341		
Social Contributions	D61	55,278	58,498	57,529		
Current transfers receivable	D7	4,997	862	2,157		
Capital transfers receivable	D9	14,217	1,344	5,737		
<b>2. Total Expenditure</b>		<b>287,610</b>	<b>320,752</b>	<b>367,600</b>	<b>46,847</b>	
Intermediate Consumption	P2	40,975	31,324	47,316		
Gross Capital Formation	P5g+NP	10,986	7,145	30,258		
Compensation of Employees	D1	69,268	78,471	87,059		
Property income payable	D4	13,639	18,713	24,881		
Subsidies	D3	4,620	6,311	4,826		
Social Benefits and social transfers in kind	D62+D632	82,762	89,766	92,266		
Current transfers payable	D7	64,713	88,454	77,571		
Capital transfers payable	D9	648	569	3,422		
<b>(1-2) Consolidated Fund Surplus/Deficit</b>		<b>46,500</b>	<b>31,836</b>	<b>-7,959</b>	<b>-39,795</b>	<b>-125.0</b>

Table 6. Central Government debt

Description	February 2017	February 2018	February 2019	February 2019 / February 2018	
				Change	% change
				€ 000	
<b>Total Central Government Debt</b>	<b>5,670,419</b>	<b>5,409,018</b>	<b>5,440,447</b>	<b>31,428</b>	<b>0.6</b>
<i>of which:</i>					
Treasury Bills	269,200	216,000	414,300	198,300	
Malta Government Stocks	5,389,324	5,093,496	4,852,749	-240,747	
62+ Malta Government Savings Bond	0	99,604	192,247	92,643	
Foreign Loans	19,372	8,948	1,088	-7,860	
Domestic Loans with Commercial Banks	0	0	0	0	
MGSF investments in Government Debt	-79,754	-87,166	-104,153	-16,987	
Euro Coins issued in the name of the Treasury	72,278	78,136	84,216	6,080	

Note: Totals may not add up due to rounding.

Chart 1. January-February Consolidated Fund Surplus/Deficit

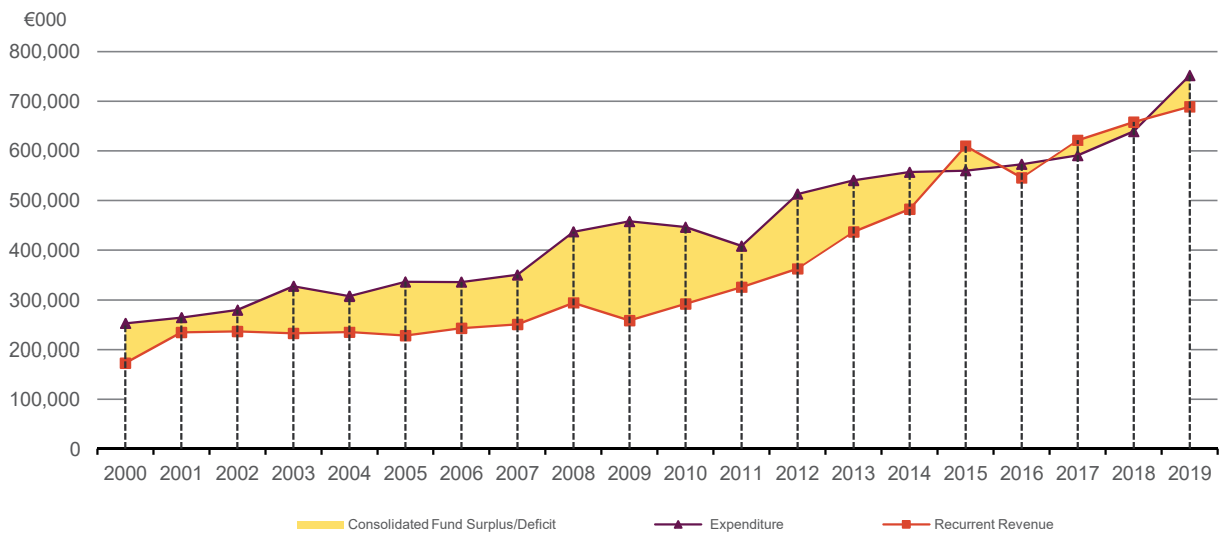


Chart 2. Recurrent Revenue by main category (%): January-February 2019

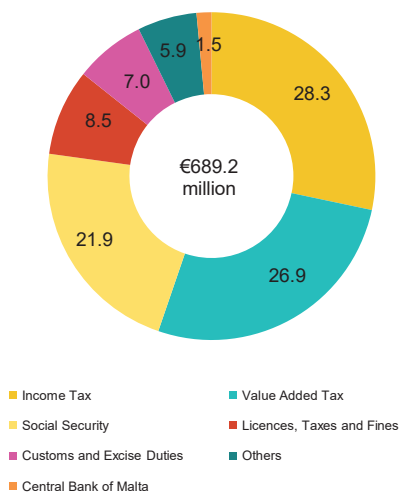
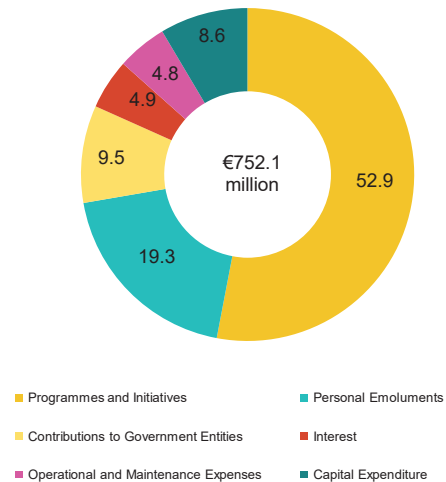


Chart 3. Expenditure by main category (%): January-February 2019



## 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 EBU 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 2019 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 the 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 1-900000-00-0).
8. Government Finance data for December 2018 will be published on 29 March 2019.
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. Any quotations from this news release are to be cited and/or referenced.
11. 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)