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By the end of August 2019, Government's Consolidated Fund reported a surplus of €83.9 million.

Government Finance Data: January-August 2019

Between January and August 2019, recurrent revenue rose by €446.1 million and amounted to €3,190.2 million. This represented a 16.3 per cent increase from the €2,744.1 million reported in revenue during the corresponding period in 2018. Reported rises in Income Tax (€150.3 million) and Grants (€117.6 million) were the main catalysts for the increased revenue. Further increases were also registered under Value Added Tax (€98.5 million), Social Security (€63.5 million), Miscellaneous Receipts (€11.8 million), Customs and Excise Duties (€9.3 million), Licences, Taxes and Fines (€7.8 million), Rents (€5.7 million), Fees of Office (€1.0 million) and Reimbursements (€0.4 million). Conversely, drops in revenue were recorded under Dividends on Investment (€11.9 million) and Central Bank of Malta (€8.0 million).

Total expenditure by the end of August 2019 stood at €3,106.3 million, a 13.1 per cent increase from the corresponding period in 2018.

Recurrent expenditure stood at €2,666.8 million, €271.4 million higher than the corresponding amount registered by the end of August 2018. The main contributor to this increase was a €163.3 million rise reported under Programmes and Initiatives. Furthermore, rises in outlay were also registered by Contributions to Government Entities (€48.1 million), Personal Emoluments (€44.0 million) and Operational and Maintenance Expenses (€16.0 million). The main developments in the Programmes and Initiatives category involved added outlays due to EU own resources (€33.3 million), social security benefits (€21.4 million), state contribution (€21.3 million that also features as revenue), extension of school transport network (€18.1 million), contingency reserve (€12.9 million), medicines and surgical materials (€9.5 million), feed-in-tariff, landscaping - Malta (both €6.8 million), cancer treatment (€6.1 million), solid waste management strategy (€5.6 million), hospital concession agreements (€5.2 million), residential care in private homes (€4.9 million), child care for all (€4.8 million), electoral commission activities (€4.5 million) and eco reduction (€2.8 million).

The interest component of the public debt servicing costs amounted to €126.5 million, €12.6 million lower than the same period in 2018.

Government's capital expenditure registered an increase of €100.2 million from the same period last year and added up to €313.0 million. The rise in outlay was due to increased expenditure reported on road construction and improvements (€34.9 million), cohesion funds 2014-2020 (€21.1 million), structural funds 2014-2020 (€16.8 million), EU Internal Security Fund - Borders and Visa (€15.0 million), connecting Europe facility (€3.8 million), acquisition of property for public purposes (€3.0 million), Wasteserv Malta Ltd (€2.4 million), national ID management systems (€2.3 million) and ICT (€2.1 million).

The difference between total revenue and expenditure resulted in a surplus of €83.9 million being reported in the Government's Consolidated Fund by the end of August 2019, compared to a deficit of €3.1 million in the same period in 2018. The main driver in the difference was a higher reported increase in recurrent revenue (€446.1 million) than that in total expenditure, consisting of recurrent expenditure (€271.4 million), interest (-€12.6 million) and capital expenditure (€100.2 million) (Table 1).

During August 2019, Central Government Debt stood at €5,419.4 million, a €83.3 million rise from the same month in 2018. This was primarily the result of an increase reported under the 62+ Malta Government Savings Bond (€98.0 million). Malta Government Stocks and Euro coins issued in the name of the Treasury also rose by €54.5 million and €4.4 million respectively. On the other hand, there were decreases recorded under Treasury Bills (€57.2 million) and Foreign Loans (€0.2 million). Higher holdings by government funds in Malta Government Stocks also resulted in a decrease in debt of €16.2 million (Table 6) ■

Table 1. Revenue/Expenditure categories: Year to date

Description	Jan-Aug 2017	Jan-Aug 2018	Jan-Aug 2019	Jan-Aug 2019 / Jan-Aug 2018	
				Change	% change
	€ 000				
(a) Total Recurrent Revenue	2,583,789	2,744,125	3,190,185	446,060	16.3
Customs and Excise Duties	195,957	204,695	214,007	9,311	
Licences, Taxes and Fines	221,952	254,329	262,101	7,772	
Income Tax	833,252	920,880	1,071,225	150,345	
Value Added Tax	517,751	557,729	656,233	98,505	
Fees of Office	66,566	52,607	53,629	1,021	
Reimbursements	22,993	27,904	28,275	371	
Central Bank of Malta	36,000	28,000	20,000	-8,000	
Rents	22,088	22,048	27,792	5,745	
Dividends on Investment	19,125	23,333	11,385	-11,947	
Interest on loans made by Government	34	32	71	39	
Social Security	530,786	579,232	642,723	63,491	
Grants	94,447	51,082	168,687	117,604	
Miscellaneous Receipts	22,839	22,254	34,056	11,802	
(b) Total Expenditure	2,552,685	2,747,244	3,106,253	359,009	13.1
<i>Recurrent Expenditure</i>	2,221,572	2,395,336	2,666,762	271,426	11.3
Personal Emoluments	501,708	541,206	585,225	44,019	
Operational and Maintenance Expenses	110,563	120,676	136,717	16,040	
Programmes and Initiatives	1,367,869	1,461,724	1,624,981	163,257	
Contributions to Government Entities	241,432	271,730	319,840	48,110	
<i>Interest</i>	144,439	139,124	126,487	-12,637	-9.1
<i>Capital Expenditure</i>	186,674	212,784	313,003	100,219	47.1
(a-b) Consolidated Fund Surplus/Deficit	31,105	-3,119	83,932	87,051	2,790.6
(c) Financial Transactions					
<i>Revenue</i>					
Loans	257,770	93,527	279,713	186,186	
Repayment of Loans	0	0	0	0	
Receipts from Sale of Shares	889	889	889	0	
Other extraordinary receipts	0	91,000	0	-91,000	
<i>Expenditure</i>					
Contribution to Sinking Fund	17,462	16,659	20,025	3,366	
Equity Acquisition	2,101	63,034	10,308	-52,726	
Repayment of Loan	72,691	292,400	178,716	-113,684	
Loans	0	0	0	0	

Note: Totals may not add up due to rounding.

Table 2. Revenue/Expenditure categories: Monthly

Description	August 2017	August 2018	August 2019	August 2019 / August 2018	
				Change	% change
€ 000					
(a) Total Recurrent Revenue	423,199	486,009	551,548	65,538	13.5
Customs and Excise Duties	26,560	28,277	31,136	2,860	
Licences, Taxes and Fines	20,231	34,495	32,348	-2,147	
Income Tax	159,574	151,153	193,387	42,234	
Value Added Tax	118,823	124,121	162,342	38,221	
Fees of Office	9,507	6,517	5,726	-791	
Reimbursements	1,588	1,880	2,528	648	
Central Bank of Malta	0	0	0	0	
Rents	28	3,040	1,030	-2,010	
Dividends on Investment	0	2,750	2,000	-750	
Interest on loans made by Government	0	0	34	34	
Social Security	82,898	105,901	93,897	-12,004	
Grants	0	21,399	24,676	3,276	
Miscellaneous Receipts	3,990	6,475	2,444	-4,032	
(b) Total Expenditure	287,119	371,929	341,644	-30,286	-8.1
<i>Recurrent Expenditure</i>	245,502	327,885	293,657	-34,229	-10.4
Personal Emoluments	63,635	69,156	73,760	4,604	
Operational and Maintenance Expenses	9,350	12,310	14,687	2,378	
Programmes and Initiatives	141,079	215,439	181,941	-33,498	
Contributions to Government Entities	31,438	30,981	23,268	-7,712	
<i>Interest</i>	19,392	18,338	17,355	-983	-5.4
<i>Capital Expenditure</i>	22,224	25,706	30,632	4,926	19.2
(a-b) Consolidated Fund Surplus/Deficit	136,080	114,080	209,904	95,824	84.0
(c) Financial Transactions					
<i>Revenue</i>					
Loans	74,900	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	10,000	10,000	
Repayment of Loan	72,691	92	1,478	1,386	
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-Aug 2017	Jan-Aug 2018	Jan-Aug 2019	Jan-Aug 2017	Jan-Aug 2018	Jan-Aug 2019	Jan-Aug 2017	Jan-Aug 2018	Jan-Aug 2019	Jan-Aug 2017	Jan-Aug 2018	Jan-Aug 2019
	€ 000											
General public services	52,245	60,367	65,468	18,132	22,352	32,352	155,943	136,273	189,193	5,987	13,645	27,207
Defence	25,351	26,821	27,111	3,909	3,145	4,134	397	347	582	130	150	121
Public order and safety	55,924	61,400	70,921	6,966	7,576	11,599	2,650	3,834	4,804	5,541	5,779	6,506
Economic affairs	45,954	41,851	40,320	7,398	6,338	7,921	77,924	99,221	100,537	65,776	79,898	104,801
Environment protection	642	0	3,152	206	243	187	15,704	19,391	39,985	12,662	18,615	18,453
Housing and community amenities	437	962	876	52	218	402	2,039	4,757	4,705	7,488	5,629	2,977
Health	152,680	164,730	181,087	36,361	39,023	39,555	125,847	130,925	153,964	35,066	35,299	37,525
Recreation, culture and religion	4,393	4,515	4,653	659	924	1,284	5,633	7,302	7,703	15,550	21,623	21,365
Education	131,861	146,304	155,442	16,525	17,049	10,482	78,259	98,407	119,800	70,631	65,890	67,862
Social protection	32,221	34,256	36,194	20,355	23,809	28,801	903,472	961,268	1,003,708	22,603	25,201	33,024
Total	501,708	541,206	585,225	110,563	120,676	136,717	1,367,869	1,461,724	1,624,981	241,432	271,730	319,840
COFOG	Interest Expenditure			Capital Expenditure			Total expenditure					
	Jan-Aug 2017	Jan-Aug 2018	Jan-Aug 2019	Jan-Aug 2017	Jan-Aug 2018	Jan-Aug 2019	Jan-Aug 2017	Jan-Aug 2018	Jan-Aug 2019			
	€ 000											
General public services	144,439	139,124	126,487	14,723	31,310	46,297	391,470	403,071	487,004			
Defence	0	0	0	3,219	756	2,988	33,006	31,219	34,936			
Public order and safety	0	0	0	18,085	10,806	23,561	89,165	89,394	117,390			
Economic affairs	0	0	0	99,814	121,486	170,493	296,866	348,794	424,073			
Environment protection	0	0	0	7,125	9,779	38,861	36,339	48,028	100,638			
Housing and community amenities	0	0	0	1,581	440	124	11,597	12,007	9,084			
Health	0	0	0	7,060	11,876	5,931	357,014	381,853	418,061			
Recreation, culture and religion	0	0	0	12,674	10,690	9,171	38,909	45,054	44,176			
Education	0	0	0	19,763	13,126	13,171	317,038	340,775	366,756			
Social protection	0	0	0	2,629	2,516	2,408	981,280	1,047,049	1,104,135			
Total	144,439	139,124	126,487	186,674	212,784	313,003	2,552,685	2,747,244	3,106,253			

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

Description	ESA CODE	Jan-Aug 2017	Jan-Aug 2018	Jan-Aug 2019	Jan-Aug 2019 / Jan-Aug 2018	
					Change	% change
					€ 000	
1. Total Revenue		2,456,056	2,610,515	3,003,180	392,666	
Market Output	P11	88,812	65,738	64,644		
Taxes on Production and Imports	D2	889,619	973,670	1,075,225		
Property income receivable	D4	53,208	60,278	46,636		
Current taxes on income, wealth, etc	D5	870,770	961,924	1,118,916		
Social Contributions	D61	442,800	480,378	511,503		
Current transfers receivable	D7	10,433	22,157	13,733		
Capital transfers receivable	D9	100,414	46,370	172,524		
2. Total Expenditure		2,424,951	2,613,634	2,919,249	305,615	
Intermediate Consumption	P2	269,612	296,903	434,195		
Gross Capital Formation	P5g+NP	84,370	87,671	153,419		
Compensation of Employees	D1	595,697	644,472	675,824		
Property income payable	D4	139,217	142,501	119,308		
Subsidies	D3	41,710	49,394	57,656		
Social Benefits and social transfers in kind	D62+D632	735,316	765,218	773,411		
Current transfers payable	D7	551,968	622,195	680,094		
Capital transfers payable	D9	7,060	5,281	25,341		
(1-2) Consolidated Fund Surplus/Deficit		31,105	-3,119	83,932	87,051	2,790.6

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

Description	ESA CODE	August 2017	August 2018	August 2019	August 2019 / August 2018	
					Change	% change
					€ 000	
1. Total Revenue		401,199	447,346	529,502	82,155	
Market Output	P11	8,605	8,822	6,999		
Taxes on Production and Imports	D2	163,719	182,841	223,425		
Property income receivable	D4	31	3,025	1,074		
Current taxes on income, wealth, etc	D5	161,397	156,167	196,485		
Social Contributions	D61	65,962	73,185	74,830		
Current transfers receivable	D7	122	14,591	446		
Capital transfers receivable	D9	1,363	8,717	26,244		
2. Total Expenditure		265,119	333,266	319,598	-13,668	
Intermediate Consumption	P2	27,010	38,224	37,099		
Gross Capital Formation	P5g+NP	9,651	9,063	21,751		
Compensation of Employees	D1	75,154	88,565	85,176		
Property income payable	D4	17,059	18,497	17,677		
Subsidies	D3	109	2,222	4,905		
Social Benefits and social transfers in kind	D62+D632	81,194	99,019	95,310		
Current transfers payable	D7	54,605	77,676	54,864		
Capital transfers payable	D9	338	0	2,816		
(1-2) Consolidated Fund Surplus/Deficit		136,080	114,080	209,904	95,824	84.0

Table 6. Central Government Debt

Description	August 2017	August 2018	August 2019	August 2019 / August 2018	
				Change	% change
Total Central Government Debt	5,545,455	5,336,179	5,419,440	83,261	1.6
<i>of which:</i>					
Treasury Bills	156,400	351,500	294,300	-57,200	
Malta Government Stocks	5,392,688	4,802,399	4,856,879	54,479	
62+ Malta Government Savings Bond	0	192,867	290,817	97,950	
Foreign Loans	11,658	1,244	1,028	-216	
MGSF investments in Government Debt	-92,552	-94,696	-110,853	-16,157	
Euro Coins issued in the name of the Treasury	77,262	82,865	87,270	4,405	

Note: Totals may not add up due to rounding.

Chart 1. January-August Consolidated Fund Surplus/Deficit

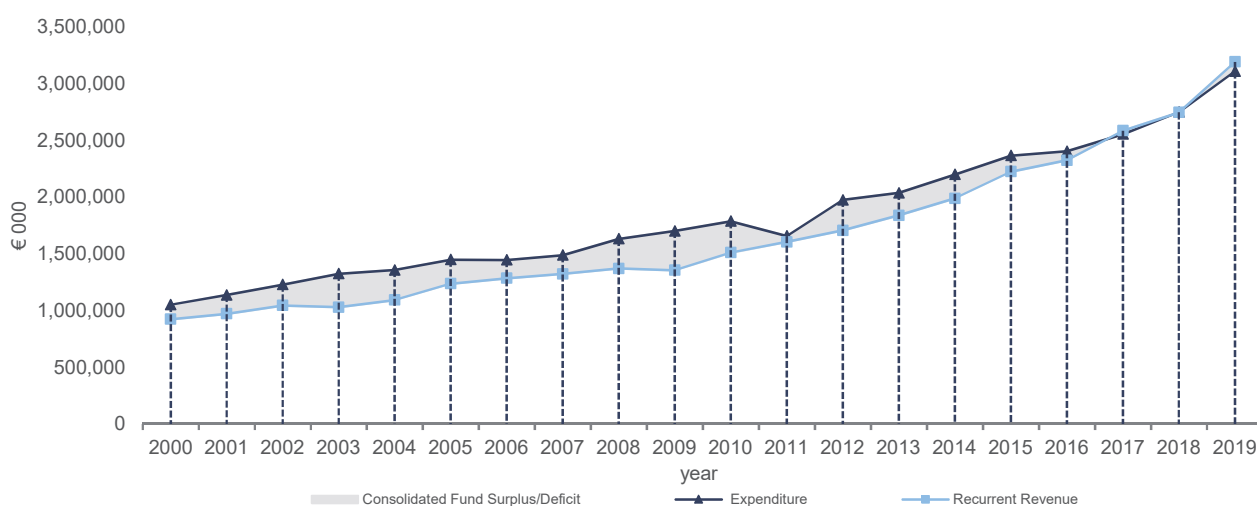
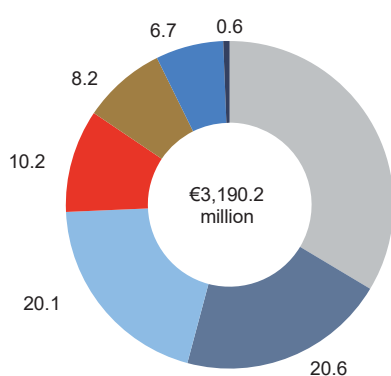
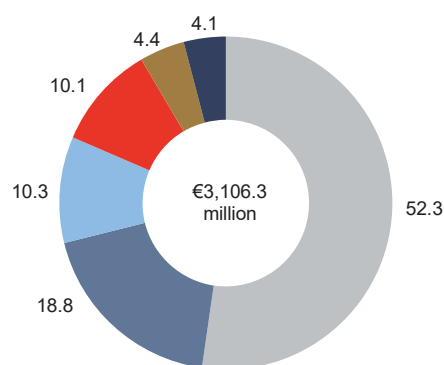


Chart 2. Recurrent Revenue by main category (%): January-August 2019



- Income Tax
- Value Added Tax
- Social Security
- Others
- Licences, Taxes and Fines
- Customs and Excise Duties
- Central Bank of Malta

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



- Programmes and Initiatives
- Personal Emoluments
- Contributions to Government Entities
- Capital Expenditure
- Operational and Maintenance Expenses
- Interest

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 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 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 1-58906-061-X).
8. Tables 4 and 5 present the Consolidated Fund year to date and monthly data in ESA 2010 codes according to the EU Council Directive 85/2011 requirements.
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