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By the end of the third quarter of 2019, Government's Consolidated Fund reported a surplus of €37.9 million.

Government Finance Data: January-September 2019

Between January and September 2019, recurrent revenue rose by €435.0 million and amounted to €3,563.7 million. This represented a 13.9 per cent increase from the €3,128.7 million reported in revenue during the corresponding period in 2018. Reported rises in Income Tax (€156.7 million) and Grants (€117.4 million) were the main catalysts for the increased revenue. Further increases were also registered under Social Security (€71.0 million), Value Added Tax (€56.4 million), Miscellaneous Receipts (€19.3 million), Rents (€9.2 million), Licences, Taxes and Fines (€4.8 million), Reimbursements (€4.2 million), Customs and Excise Duties (€4.1 million) and Fees of Office (€0.8 million). Conversely, drops in revenue were recorded under Dividends on Investment (€5.9 million) and Central Bank of Malta (€3.0 million).

Total expenditure by the end of September 2019 stood at €3,525.8 million, a 12.8 per cent increase from the corresponding period in 2018.

Recurrent expenditure stood at €3,024.8 million, €323.7 million higher than the corresponding amount registered by the end of September 2018. The main contributor to this increase was a €199.1 million rise reported under Programmes and Initiatives. Furthermore, rises in outlay were also registered by Contributions to Government Entities (€59.9 million), Personal Emoluments (€51.0 million) and Operational and Maintenance Expenses (€13.7 million). The main developments in the Programmes and Initiatives category involved added outlays due to EU own resources (€34.4 million), social security benefits (€26.9 million), state contribution (€25.9 million that also features as revenue), extension of school transport network (€18.3 million), hospital concession agreements (€15.0 million), medicines and surgical materials (€13.0 million), contingency reserve (€12.9 million), church schools (€9.6 million), feed-in-tariff, landscaping - Malta (both €6.8 million), cancer treatment (€6.6 million), solid waste management strategy (€4.9 million), electoral commission activities (€4.6 million), child care for all (€4.3 million), allocation to regional committees (€3.1 million) and eco reduction (€2.8 million).

The interest component of the public debt servicing costs amounted to €147.1 million, €11.4 million lower than the same period in 2018.

Government's capital expenditure registered an increase of €87.7 million from the same period last year and added up to €353.9 million. The rise in outlay was due to increased expenditure reported on road construction and improvements (€39.4 million), cohesion funds 2014-2020 (€15.2 million), EU Internal Security Fund - Borders and Visa (€15.0 million), structural funds 2014-2020 (€7.4 million), connecting Europe facility (€5.8 million), acquisition of property for public purposes (€4.6 million), ICT (€4.2 million) and WasteServ Malta (€3.8 million). The biggest drops in capital outlay were recorded under the health information system (€3.9 million) and grand harbour regeneration corporation (€3.4 million).

The difference between total revenue and expenditure resulted in a surplus of €37.9 million being reported in the Government's Consolidated Fund by the end of September 2019, a €35.0 million rise from the surplus of €2.9 million witnessed in the same period in 2018. The main driver in the difference was a higher reported increase in recurrent revenue (€435.0 million), than that in total expenditure, consisting of recurrent expenditure (€323.7 million), interest (-€11.4 million) and capital expenditure (€87.7 million) (Table 1).

During September 2019, Central Government Debt stood at €5,255.4 million, a €16.1 million rise from the same month in 2018. This was primarily the result of an increase reported under the 62+ Malta Government Savings Bond (€97.8 million). Euro coins issued in the name of the Treasury also rose by €4.5 million. On the other hand, there were decreases recorded under Treasury Bills (€46.2 million), Malta Government Stocks (€20.2 million) and Foreign Loans (€0.2 million). Higher holdings by government funds in Malta Government Stocks also resulted in a decrease in debt of €19.7 million (Table 6) ■

Table 1. Revenue/Expenditure categories: Year to date

Description	Jan-Sep 2017	Jan-Sep 2018	Jan-Sep 2019	Jan-Sep 2019 / Jan-Sep 2018	
				Change	% change
	€ 000				
(a) Total Recurrent Revenue	2,972,313	3,128,698	3,563,678	434,980	13.9
Customs and Excise Duties	226,766	242,473	246,614	4,141	
Licences, Taxes and Fines	247,008	287,747	292,539	4,792	
Income Tax	986,211	1,054,254	1,210,964	156,710	
Value Added Tax	577,457	639,440	695,795	56,355	
Fees of Office	76,549	61,211	62,042	831	
Reimbursements	37,572	30,703	34,862	4,159	
Central Bank of Malta	42,000	28,000	25,000	-3,000	
Rents	23,481	22,801	32,048	9,248	
Dividends on Investment	24,023	24,644	18,697	-5,947	
Interest on loans made by Government	49	48	88	40	
Social Security	608,220	662,337	733,377	71,039	
Grants	99,324	51,668	169,022	117,353	
Miscellaneous Receipts	23,652	23,372	42,630	19,258	
(b) Total Expenditure	2,915,888	3,125,841	3,525,807	399,966	12.8
<i>Recurrent Expenditure</i>	2,542,968	2,701,093	3,024,827	323,733	12.0
Personal Emoluments	570,326	612,436	663,479	51,043	
Operational and Maintenance Expenses	137,165	139,472	153,199	13,727	
Programmes and Initiatives	1,558,055	1,634,150	1,833,250	199,100	
Contributions to Government Entities	277,422	315,035	374,899	59,863	
<i>Interest</i>	162,965	158,516	147,068	-11,448	-7.2
<i>Capital Expenditure</i>	209,955	266,232	353,912	87,681	32.9
(a-b) Consolidated Fund Surplus/Deficit	56,425	2,858	37,871	35,014	1,225.1
(c) Financial Transactions					
<i>Revenue</i>					
Loans	327,665	93,527	359,713	266,186	
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	26,659	20,025	-6,634	
Equity Acquisition	2,101	63,034	18,308	-44,726	
Repayment of Loan	97,691	362,786	403,914	41,128	
Loans	0	0	0	0	

Note: Totals may not add up due to rounding.

Table 2. Revenue/Expenditure categories: Monthly

Description	September 2017	September 2018	September 2019	September 2019 / September 2018	
				Change	% change
				€ 000	
(a) Total Recurrent Revenue	388,524	384,574	373,494	-11,080	-2.9
Customs and Excise Duties	30,809	37,778	32,608	-5,170	
Licences, Taxes and Fines	25,055	33,418	30,438	-2,980	
Income Tax	152,960	133,374	139,739	6,365	
Value Added Tax	59,706	81,711	39,561	-42,150	
Fees of Office	9,984	8,603	8,414	-190	
Reimbursements	14,580	2,799	6,587	3,788	
Central Bank of Malta	6,000	0	5,000	5,000	
Rents	1,393	753	4,256	3,503	
Dividends on Investment	4,898	1,312	7,312	6,000	
Interest on loans made by Government	15	16	17	1	
Social Security	77,434	83,105	90,653	7,548	
Grants	4,877	586	335	-251	
Miscellaneous Receipts	813	1,119	8,574	7,456	
(b) Total Expenditure	363,203	378,596	419,554	40,958	10.8
<i>Recurrent Expenditure</i>	321,397	305,757	358,065	52,307	17.1
Personal Emoluments	68,618	71,230	78,255	7,024	
Operational and Maintenance Expenses	26,603	18,795	16,482	-2,313	
Programmes and Initiatives	190,187	172,426	208,269	35,843	
Contributions to Government Entities	35,989	43,306	55,059	11,753	
<i>Interest</i>	18,526	19,392	20,581	1,189	6.1
<i>Capital Expenditure</i>	23,281	53,448	40,909	-12,539	-23.5
(a-b) Consolidated Fund Surplus/Deficit	25,320	5,977	-46,060	-52,038	-870.6
(c) Financial Transactions					
<i>Revenue</i>					
Loans	69,895	0	80,000	80,000	
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	10,000	0	-10,000	
Equity Acquisition	0	0	8,000	8,000	
Repayment of Loan	25,000	70,386	225,198	154,812	
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 2017	Jan-Sep 2018	Jan-Sep 2019	Jan-Sep 2017	Jan-Sep 2018	Jan-Sep 2019	Jan-Sep 2017	Jan-Sep 2018	Jan-Sep 2019	Jan-Sep 2017	Jan-Sep 2018	Jan-Sep 2019
	€ 000											
General public services	59,674	68,834	74,528	21,343	25,799	35,708	177,455	162,824	206,409	6,641	14,338	31,667
Defence	28,779	30,348	30,568	5,788	4,617	5,073	494	400	640	180	217	199
Public order and safety	63,287	69,558	79,664	13,869	8,946	12,643	3,370	4,388	5,456	6,632	6,691	7,735
Economic affairs	51,767	47,434	45,400	12,534	7,576	8,916	89,618	112,324	109,030	76,300	90,877	115,568
Environment protection	694	0	3,540	219	281	184	18,579	22,991	44,875	12,698	18,935	18,453
Housing and community amenities	501	989	994	67	262	485	5,450	5,144	4,728	7,963	5,794	5,817
Health	174,764	186,123	205,999	43,301	45,338	44,794	140,958	140,466	178,164	40,686	39,503	41,831
Recreation, culture and religion	4,931	5,064	5,249	968	1,021	1,401	7,002	8,262	9,487	16,160	22,089	21,578
Education	148,710	164,987	175,978	17,869	18,297	11,552	91,499	103,880	138,573	85,575	90,610	95,688
Social protection	37,219	39,098	41,559	21,207	27,337	32,442	1,023,632	1,073,470	1,135,887	24,588	25,981	36,362
Total	570,326	612,436	663,479	137,165	139,472	153,199	1,558,055	1,634,150	1,833,250	277,422	315,035	374,899
	€ 000											
COFOG	Interest Expenditure			Capital Expenditure			Total expenditure					
	Jan-Sep 2017	Jan-Sep 2018	Jan-Sep 2019	Jan-Sep 2017	Jan-Sep 2018	Jan-Sep 2019	Jan-Sep 2017	Jan-Sep 2018	Jan-Sep 2019	Jan-Sep 2017	Jan-Sep 2018	Jan-Sep 2019
General public services	162,965	158,516	147,068	16,693	41,033	51,901	444,771	471,344	547,280			
Defence	0	0	0	6,293	1,138	3,471	41,533	36,720	39,953			
Public order and safety	0	0	0	19,244	11,833	27,667	106,401	101,416	133,165			
Economic affairs	0	0	0	112,520	141,997	194,154	342,739	400,209	473,068			
Environment protection	0	0	0	7,639	21,316	42,177	39,829	63,523	109,228			
Housing and community amenities	0	0	0	2,183	440	127	16,163	12,629	12,151			
Health	0	0	0	7,679	12,971	6,846	407,388	424,401	477,635			
Recreation, culture and religion	0	0	0	14,288	13,211	11,015	43,350	49,647	48,731			
Education	0	0	0	20,015	19,593	13,551	363,669	397,367	435,343			
Social protection	0	0	0	3,400	2,698	3,002	1,110,046	1,168,584	1,249,252			
Total	162,965	158,516	147,068	209,955	266,232	353,912	2,915,888	3,125,841	3,525,807			

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

Description	ESA CODE	Jan-Sep 2017	Jan-Sep 2018	Jan-Sep 2019	Jan-Sep 2019 / Jan-Sep 2018	
					Change	% change
					€ 000	
1. Total Revenue		2,821,424	2,965,210	3,339,302	374,091	
Market Output	P11	113,806	74,162	80,842		
Taxes on Production and Imports	D2	1,000,384	1,121,952	1,168,922		
Property income receivable	D4	62,159	61,680	57,862		
Current taxes on income, wealth, etc	D5	1,027,861	1,098,942	1,264,559		
Social Contributions	D61	499,962	536,744	577,506		
Current transfers receivable	D7	11,072	23,175	14,360		
Capital transfers receivable	D9	106,180	48,555	175,251		
2. Total Expenditure		2,764,999	2,962,352	3,301,430	339,078	
Intermediate Consumption	P2	319,348	337,200	488,337		
Gross Capital Formation	P5g+NP	97,831	106,832	173,218		
Compensation of Employees	D1	676,400	720,286	765,949		
Property income payable	D4	158,621	163,614	133,333		
Subsidies	D3	46,499	57,409	64,159		
Social Benefits and social transfers in kind	D62+D632	824,716	846,308	867,186		
Current transfers payable	D7	633,418	712,041	777,543		
Capital transfers payable	D9	8,166	18,661	31,706		
(1-2) Consolidated Fund Surplus/Deficit		56,425	2,858	37,871	35,014	1,225.1

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

Description	ESA CODE	September 2017	September 2018	September 2019	September 2019 / September 2018	
					Change	% change
					€ 000	
1. Total Revenue		365,368	354,696	336,121	-18,574	
Market Output	P11	24,993	8,424	16,198		
Taxes on Production and Imports	D2	110,765	148,282	93,697		
Property income receivable	D4	8,951	1,402	11,226		
Current taxes on income, wealth, etc	D5	157,091	137,019	145,643		
Social Contributions	D61	57,162	56,365	66,002		
Current transfers receivable	D7	639	1,018	627		
Capital transfers receivable	D9	5,766	2,185	2,728		
2. Total Expenditure		340,048	348,718	382,182	33,463	
Intermediate Consumption	P2	49,735	40,298	54,141		
Gross Capital Formation	P5g+NP	13,461	19,162	19,799		
Compensation of Employees	D1	80,702	75,815	90,125		
Property income payable	D4	19,405	21,113	14,025		
Subsidies	D3	4,789	8,015	6,504		
Social Benefits and social transfers in kind	D62+D632	89,400	81,091	93,775		
Current transfers payable	D7	81,450	89,846	97,448		
Capital transfers payable	D9	1,105	13,380	6,365		
(1-2) Consolidated Fund Surplus/Deficit		25,320	5,977	-46,060	-52,038	-870.6

Table 6. Central Government debt

Description	September 2017	September 2018	September 2019	September 2019 / September 2018	
				Change	% change
€ 000					
Total Central Government Debt	5,560,949	5,239,341	5,255,427	16,086	0.3
<i>of which:</i>					
Treasury Bills	129,400	325,500	279,300	-46,200	
Malta Government Stocks	5,367,688	4,732,049	4,711,890	-20,160	
62+ Malta Government Savings Bond	69,895	192,787	290,608	97,821	
Foreign Loans	11,599	1,184	968	-216	
MGSF investments in Government Debt	-94,797	-95,796	-115,453	-19,657	
Euro Coins issued in the name of the Treasury	77,163	83,617	88,116	4,499	

Note: Totals may not add up due to rounding.

Chart 1. January-September Consolidated Fund Surplus/Deficit

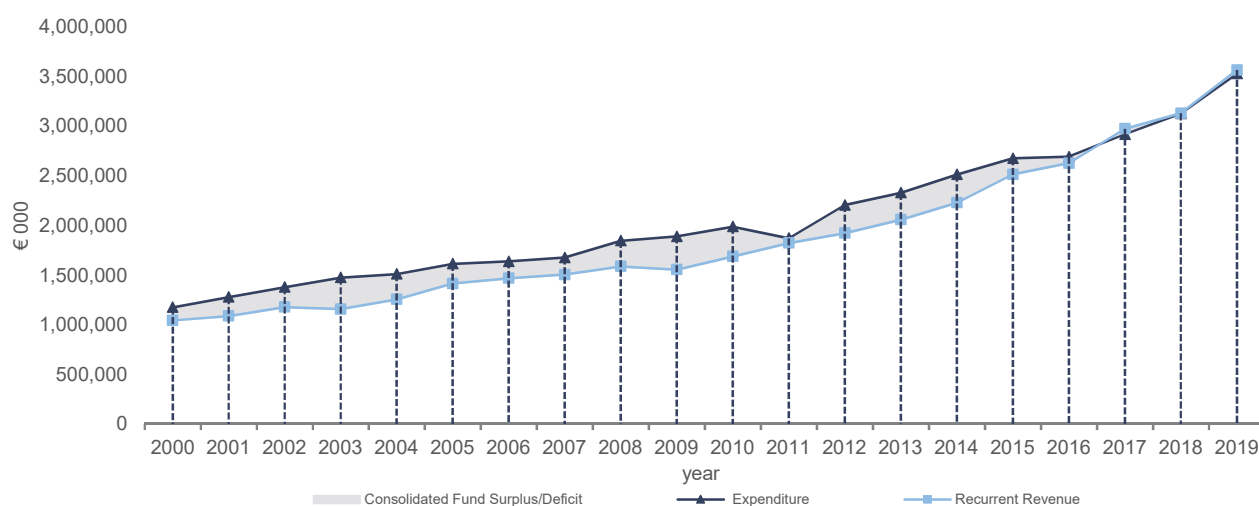


Chart 2. Recurrent Revenue by main category (%): January-September 2019

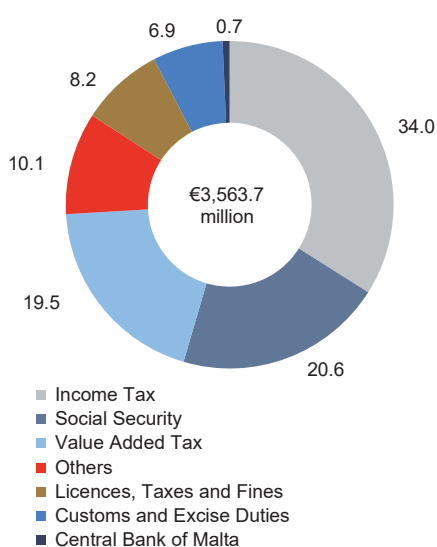
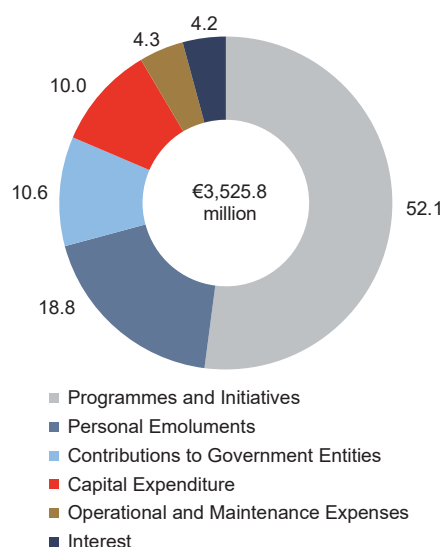


Chart 3. Expenditure by main category (%): January-September 2019



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 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: <https://nso.gov.mt/metadata/concepts.aspx>
Statistical Database: <https://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