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By the end of January 2020, the Government's Consolidated Fund reported a deficit of €75.9 million.

## Government Finance Data: January 2020

During the first month of 2020, recurrent revenue increased by €3.3 million and amounted to €305.7 million. This reflected a 1.1 per cent increase from the €302.4 million reported in revenue during the comparative period of 2019. Increases were mainly recorded in Customs and Excise Duties (€10.9 million), Income Tax (€4.4 million), Grants (€2.2 million) and Fees of Office (€1.8 million). Conversely, decreases were registered in Social Security (€9.8 million), VAT (€2.2 million), Licences, Taxes and Fines (€2.1 million), Reimbursements (€2.1 million) and Miscellaneous Receipts (€0.6 million).

Total expenditure by the end of January 2020 amounted to €381.6 million, a 6.8 per cent increase from the same period in 2019.

Recurrent expenditure stood at €338.4 million, €19.2 million higher than the comparable amount registered in January 2019. The main contributor to this increase was a €14.8 million rise in Programmes and Initiatives. Furthermore, increases in outlay were also registered by Contributions to Government Entities (€4.4 million) and Personal Emoluments (€2.4 million), while a drop was registered in Operational and Maintenance Expenses (€2.4 million). The main developments in the Programmes and Initiatives category involved added outlays due to social security benefits (€12.7 million), assistance to help the elderly live independently (€10.2 million), solid waste management strategy (€4.7 million) and church schools (€3.2 million). On the other hand, reductions were observed in the social security state contribution (€11.3 million that also affects revenue) and provision to spare capacity – electricity (€3.5 million).

The interest component of the public debt servicing costs totalled €12.2 million, €0.7 million lower than the same period in 2019.

Government's capital spending amounted to €31.0 million by the end of January, an increase of €5.7 million from 2019. The rise in outlay was largely due to increased expenditure reported on road construction and improvements (€4.4 million) and investment incentives (€3.0 million).

The difference between total revenue and expenditure resulted in a deficit of €75.9 million being reported in the Government's Consolidated Fund by the end of January 2020, a €20.9 million rise from the deficit of €55.0 million witnessed during the same period in 2019. The main driver of the difference was a higher reported increase in total expenditure, consisting of recurrent expenditure (€19.2 million), interest (-€0.7 million) and capital expenditure (€5.7 million), in comparison to the increase in recurrent revenue (€3.3 million) (Table 1).

By the end of January 2020, Central Government Debt stood at €5,392.7 million, a €21.9 million fall from the comparative month in 2019. This was primarily the result of lower Malta Government Stocks (€83.3 million), while further drops were also reported in Treasury Bills (€22.0 million) and Foreign Loans (€0.1 million). On the other hand, there were increases recorded under 62+ Malta Government Savings Bond (€97.3 million) and Euro Coins issued in the name of the Treasury (€4.8 million). Higher holdings by government funds in Malta Government Stocks also resulted in a decrease in debt of €18.6 million (Table 2) ■

Table 1. Revenue/Expenditure categories: Year to date

Description	January 2018	January 2019	January 2020	January 2020 / January 2019	
				Change	% change
€ 000					
<b>(a) Total Recurrent Revenue</b>	<b>283,032</b>	<b>302,403</b>	<b>305,705</b>	<b>3,302</b>	<b>1.1</b>
Customs and Excise Duties	26,254	16,289	27,181	10,892	
Licences, Taxes and Fines	32,119	34,306	32,189	-2,117	
Income Tax	96,401	105,123	109,534	4,411	
Value Added Tax	37,043	45,504	43,271	-2,233	
Fees of Office	4,748	4,227	6,074	1,847	
Reimbursements	399	2,747	697	-2,050	
Central Bank of Malta	7,000	5,000	5,000	0	
Rents	0	2,042	2,414	372	
Dividends on Investment	0	200	650	450	
Interest on loans made by Government	0	0	0	0	
Social Security	58,058	71,729	61,940	-9,790	
Grants	20,602	13,065	15,222	2,157	
Miscellaneous Receipts	407	2,171	1,534	-637	
<b>(b) Total Expenditure</b>	<b>296,138</b>	<b>357,355</b>	<b>381,570</b>	<b>24,215</b>	<b>6.8</b>
<i>Recurrent Expenditure</i>	268,494	319,176	338,378	19,201	6.0
Personal Emoluments	66,202	69,648	72,062	2,414	
Operational and Maintenance Expenses	17,351	19,559	17,149	-2,410	
Programmes and Initiatives	153,209	190,291	205,052	14,762	
Contributions to Government Entities	31,732	39,679	44,115	4,435	
<i>Interest</i>	18,323	12,920	12,221	-699	-5.4
<i>Capital Expenditure</i>	9,321	25,259	30,971	5,713	22.6
<b>(a-b) Consolidated Fund Surplus/Deficit</b>	<b>-13,106</b>	<b>-54,952</b>	<b>-75,865</b>	<b>-20,914</b>	<b>-38.1</b>
<b>(c) Financial Transactions</b>					
<i>Revenue</i>					
Loans	0	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	500	308	13,960	13,652	
Repayment of Loan	0	172	0	-172	
Loans	0	0	0	0	

Note: Totals may not add up due to rounding.

Table 2. Central Government debt

Description	January 2018	January 2019	January 2020	January 2020 / January 2019	
				Change	% change
€ 000					
<b>Total Central Government Debt</b>	<b>5,386,338</b>	<b>5,414,610</b>	<b>5,392,695</b>	<b>-21,915</b>	<b>-0.4</b>
<i>of which:</i>					
Treasury Bills	192,000	387,000	365,000	-22,000	
Malta Government Stocks	5,093,496	4,852,749	4,769,412	-83,337	
62+ Malta Government Savings Bond	99,624	192,411	289,676	97,266	
Foreign Loans	8,950	1,087	967	-121	
MGSF investments in Government Debt	-85,966	-102,953	-121,503	-18,550	
Euro Coins issued in the name of the Treasury	78,235	84,316	89,144	4,828	

Note: Totals may not add up due to rounding.

Chart 1. January Consolidated Fund Surplus/Deficit

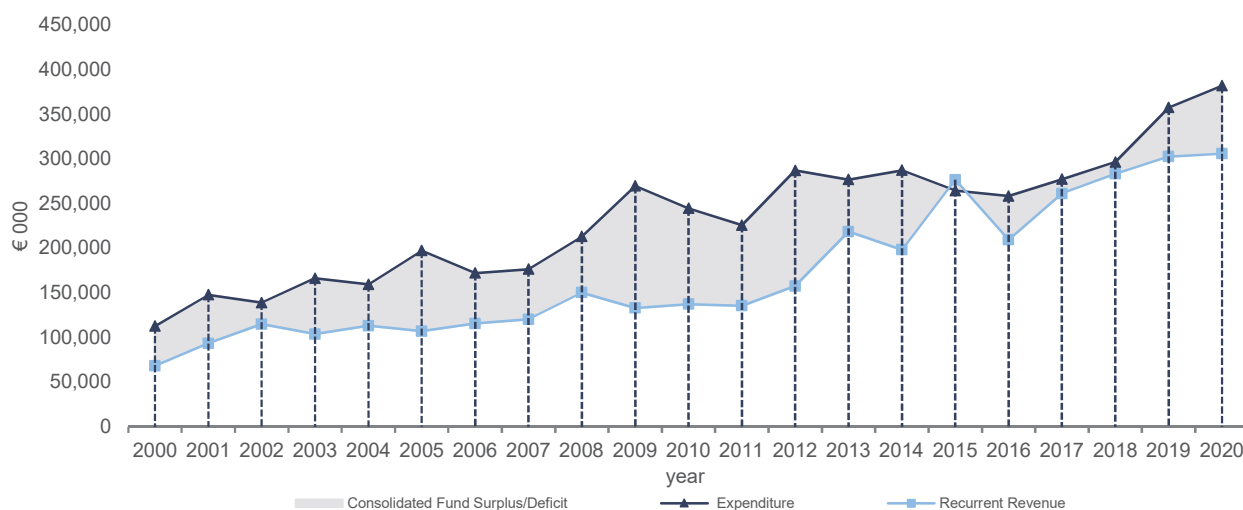
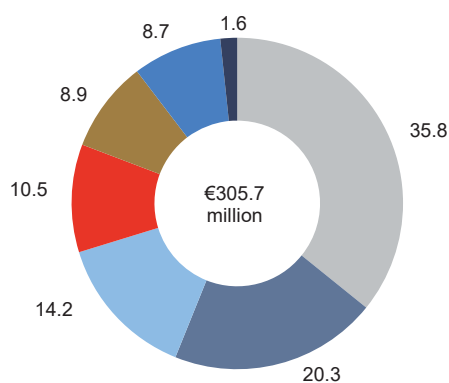
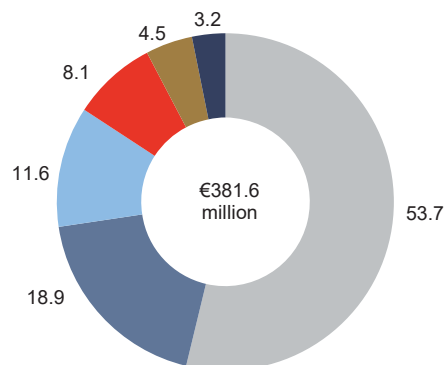


Chart 2. Recurrent Revenue by main category (%): January 2020



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

Chart 3. Expenditure by main category (%): January 2020



- 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 2020 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. The Government is currently in the process of changing its accounting system, from a cash to an accruals-based system. As from the beginning of January 2020, 15 pilot sites started using the new system and, as a consequence NSO could not update the tables: Government Expenditure by COFOG category and Consolidated Fund data in ESA 2010 codes. NSO will resume the publication of these tables at the earliest.
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)