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By the end of February 2020, the Government's Consolidated Fund reported a deficit of €98.4 million.

## Government Finance Data: January-February 2020

Between January and February 2020, recurrent revenue rose by €23.1 million and amounted to €712.2 million. This reflected a 3.3 per cent increase from the €689.2 million reported in revenue by the end of February 2019. The rise was primarily the result of a €7.6 million increase recorded under Miscellaneous Receipts, followed by a €7.0 million rise in Licences, Taxes and Fines. Added revenue was also reported under Customs and Excise Duties (€4.2 million), Income Tax (€2.9 million), Fees of Office (€2.7 million), Rents (€1.8 million), Dividends on Investment (€1.5 million) and Reimbursements (€0.1 million). In contrast, drops were witnessed under Grants (€3.3 million), Value Added Tax (€0.8 million) and Social Security (€0.4 million).

Total expenditure by the end of February 2020 amounted to €810.6 million, a 7.8 per cent increase from the same period in 2019.

Recurrent expenditure stood at €713.5 million, representing a €62.6 million increase from the €650.9 million total recorded by the end of February 2019. The main contributor to this increase was a €34.7 million rise reported under Contributions to Government Entities. Furthermore, rises in outlay were also registered by Programmes and Initiatives (€33.7 million) and Personal Emoluments (€1.3 million), while Operational and Maintenance Expenses declined by €7.1 million. The main developments in the Programmes and Initiatives category involved added outlays towards feed in tariff (€13.1 million), assistance to help the elderly live independently (€10.2 million), church schools (€6.1 million), extension of school transport work (€5.6 million), compensation payments (€5.3 million), social security benefits (€5.1 million), public service obligation - public transport (€4.9 million) and solid waste management strategy (€4.3 million). The rise was partially offset by reported drops in EU own resources (€10.2 million), state contribution (€7.9 million, also reported as revenue) and Cancer treatment (€2.2 million).

The interest component of the public debt servicing costs totalled €30.5 million, €6.1 million lower than the same period in 2019.

Government's capital spending amounted to €66.5 million by the end of February, an increase of €2.0 million from 2019. The rise was essentially due to additional spending towards property, plant and equipment (€6.3 million), investment incentives (€3.0 million), EU agricultural fund for rural development 2014 - 2020 (€2.9 million), distribution centre at Ricasoli (Smart City) (€2.5 million) and structural funds 2014 - 2020 (€1.4 million). On the other hand, there was a drop of €14.5 million reported under EU internal security fund - borders and visa.

The difference between total revenue and expenditure resulted in a deficit of €98.4 million being reported in the Government's Consolidated Fund by the end of February 2020, a €35.5 million rise from the deficit of €62.9 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 (€62.6 million), interest (-€6.1 million) and capital expenditure (€2.0 million), in comparison to the rise in recurrent revenue (€23.1 million) (Table 1).

By the end of February 2020, Central Government Debt stood at €5,543.7 million, a €103.3 million rise from February 2019. This was primarily the result of a €97.2 million increase exhibited under the 62+ Malta Government Savings Bond, in addition to rises reported under Malta Government Stocks (€16.7 million), Euro Coins issued in the name of the Treasury (€5.0 million) and Treasury Bills (€3.7 million). Conversely, Foreign Loans fell by €0.1 million. Higher holdings by government funds in Malta Government Stocks also resulted in a decrease in debt of €19.2 million (Table 2) ■

Table 1. Revenue/Expenditure categories: Year to date

Description	Jan-Feb 2018	Jan-Feb 2019	Jan-Feb 2020	Jan-Feb 2020 / Jan-Feb 2019	
				Change	% change
€ 000					
<b>(a) Total Recurrent Revenue</b>	<b>657,869</b>	<b>689,188</b>	<b>712,244</b>	<b>23,057</b>	<b>3.3</b>
Customs and Excise Duties	49,496	47,920	52,112	4,192	
Licences, Taxes and Fines	57,923	58,686	65,667	6,981	
Income Tax	174,580	196,158	199,009	2,851	
Value Added Tax	178,094	185,340	184,499	-840	
Fees of Office	10,649	6,985	9,654	2,670	
Reimbursements	7,999	5,363	5,476	113	
Central Bank of Malta	14,000	10,000	10,000	0	
Rents	3,727	5,745	7,501	1,756	
Dividends on Investment	5,000	201	1,660	1,459	
Interest on loans made by Government	0	0	0	0	
Social Security	131,233	150,725	150,308	-417	
Grants	21,169	18,557	15,276	-3,280	
Miscellaneous Receipts	3,999	3,509	11,081	7,572	
<b>(b) Total Expenditure</b>	<b>639,140</b>	<b>752,099</b>	<b>810,611</b>	<b>58,512</b>	<b>7.8</b>
<i>Recurrent Expenditure</i>	577,004	650,884	713,532	62,648	9.6
Personal Emoluments	130,997	145,354	146,696	1,342	
Operational and Maintenance Expenses	33,116	36,468	29,332	-7,136	
Programmes and Initiatives	344,732	397,917	431,652	33,734	
Contributions to Government Entities	68,159	71,145	105,852	34,707	
<i>Interest</i>	36,301	36,674	30,543	-6,131	-16.7
<i>Capital Expenditure</i>	25,835	64,541	66,536	1,995	3.1
<b>(a-b) Consolidated Fund Surplus/Deficit</b>	<b>18,729</b>	<b>-62,911</b>	<b>-98,366</b>	<b>-35,455</b>	<b>-56.4</b>
<b>(c) Financial Transactions</b>					
<i>Revenue</i>					
Loans	0	0	100,000	100,000	
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	335	0	-335	
Loans	0	0	0	0	

Note: Totals may not add up due to rounding.

Table 2. Revenue/Expenditure categories: Monthly

Description	February 2018	February 2019	February 2020	February 2020 / February 2019	
				Change	% change
€ 000					
<b>(a) Total Recurrent Revenue</b>	<b>360,389</b>	<b>374,837</b>	<b>406,539</b>	<b>31,702</b>	<b>8.5</b>
Customs and Excise Duties	22,386	23,241	24,932	1,690	
Licences, Taxes and Fines	33,958	25,805	33,478	7,673	
Income Tax	70,379	78,179	89,475	11,296	
Value Added Tax	110,971	141,051	141,229	177	
Fees of Office	6,462	5,901	3,580	-2,321	
Reimbursements	3,848	7,599	4,779	-2,821	
Central Bank of Malta	10,000	7,000	5,000	-2,000	
Rents	6,605	3,727	5,087	1,360	
Dividends on Investment	0	5,000	1,010	-3,990	
Interest on loans made by Government	1	0	0	0	
Social Security	70,376	73,174	88,369	15,194	
Grants	17,566	567	54	-513	
Miscellaneous Receipts	7,838	3,592	9,547	5,956	
<b>(b) Total Expenditure</b>	<b>313,889</b>	<b>343,002</b>	<b>429,040</b>	<b>86,039</b>	<b>25.1</b>
<i>Recurrent Expenditure</i>	271,807	308,510	375,154	66,644	21.6
Personal Emoluments	59,083	64,796	74,635	9,839	
Operational and Maintenance Expenses	14,225	15,765	12,183	-3,582	
Programmes and Initiatives	160,644	191,523	226,599	35,076	
Contributions to Government Entities	37,855	36,427	61,737	25,311	
<i>Interest</i>	19,262	17,978	18,322	344	1.9
<i>Capital Expenditure</i>	22,820	16,514	35,564	19,050	115.4
<b>(a-b) Consolidated Fund Surplus/Deficit</b>	<b>46,500</b>	<b>31,836</b>	<b>-22,501</b>	<b>-54,337</b>	<b>-170.7</b>
<b>(c) Financial Transactions</b>					
<i>Revenue</i>					
Loans	182,870	0	100,000	100,000	
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	0	0	0	
Equity Acquisition	0	0	0	0	
Repayment of Loan	0	0	0	0	
Loans	0	0	0	0	

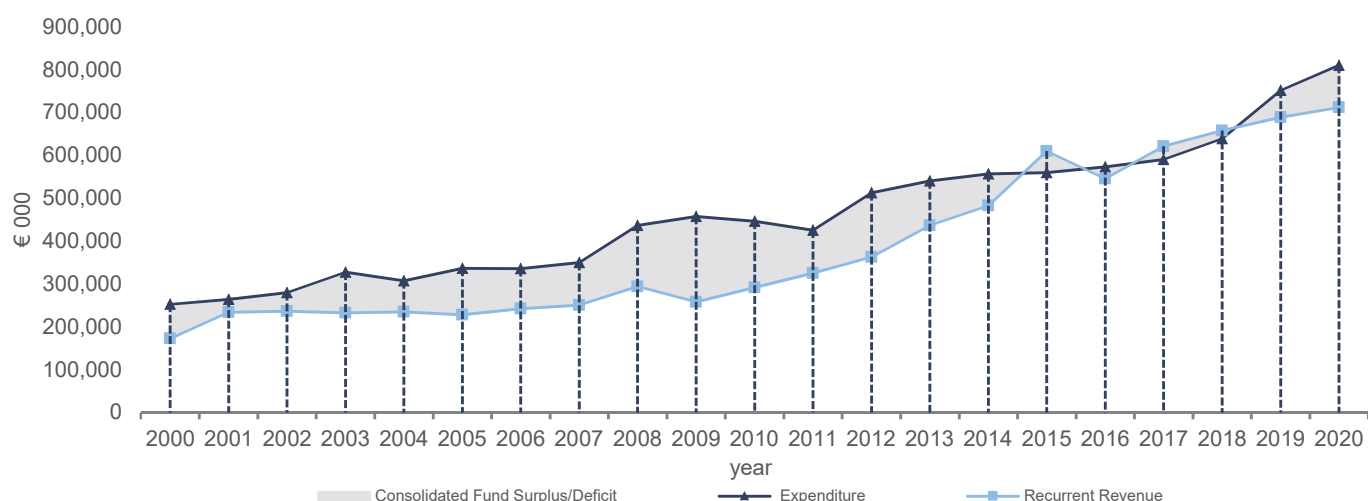
Note: Totals may not add up due to rounding.

**Table 3. Central Government debt**

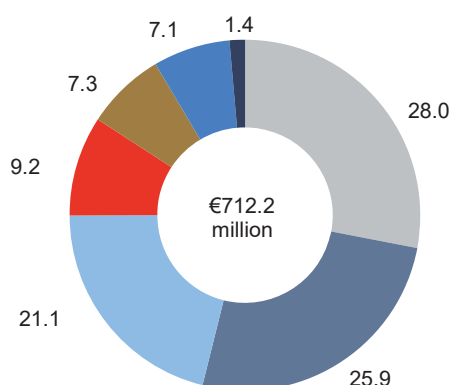
Description	February 2018	February 2019	February 2020	February 2020 / February 2019	
				Change	% change
	€ 000				
<b>Total Central Government Debt</b>	<b>5,409,018</b>	<b>5,440,447</b>	<b>5,543,700</b>	<b>103,253</b>	<b>1.9</b>
<i>of which:</i>					
Treasury Bills	216,000	414,300	418,000	3,700	
Malta Government Stocks	5,093,496	4,852,749	4,869,412	16,663	
62+ Malta Government Savings Bond	99,604	192,247	289,426	97,179	
Foreign Loans	8,948	1,088	966	-122	
MGSF investments in Government Debt	-87,166	-104,153	-123,303	-19,150	
Euro Coins issued in the name of the Treasury	78,136	84,216	89,200	4,984	

Note: Totals may not add up due to rounding.

**Chart 1. January - February Consolidated Fund Surplus/Deficit**

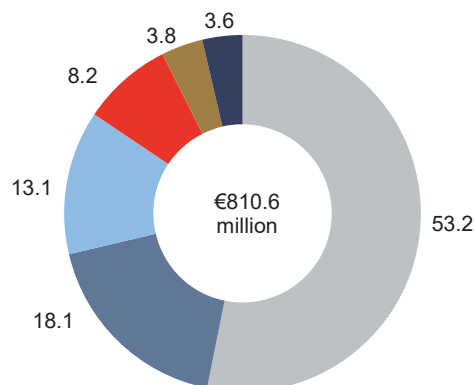


**Chart 2. Recurrent Revenue by main category (%): January - February 2020**



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

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