

29 May 2020 | 1100 hrs | 090/2020

By the end of April 2020, the Government's Consolidated Fund reported a deficit of €607.1 million.

Government Finance Data: January-April 2020

Between January and April 2020, recurrent revenue fell by €220.1 million and totalled €1,167.6 million. This reflects a 15.9 per cent decline from the €1,387.7 million reported in revenue by the end of April 2019. A €109.0 million drop in Income Tax proved to be the main catalyst behind the decline in revenue. Further drops were also witnessed under Value Added Tax (€31.9 million), Licences, Taxes and Fines (€25.4 million), Customs and Excise Duties (€24.0 million), Grants (€23.5 million), Social Security (€22.0 million), Fees of Office (€9.2 million) and Reimbursements (€5.2 million). In contrast, higher revenue was registered under Miscellaneous Receipts and Dividends on Investment.

By the end of April 2020, total expenditure amounted to €1,774.7 million, a 15.9 per cent increase from the corresponding period in 2019.

Recurrent expenditure totalled €1,491.2 million, a €170.1 million increase from the €1,321.1 million recorded by the end of April 2019. The main contributor to this increase was a €120.2 million rise reported under Programmes and Initiatives. Furthermore, rises in outlay were also registered in Contributions to Government Entities (€50.9 million) and Personal Emoluments (€4.7 million), while Operational and Maintenance Expenses declined by €5.7 million. The main developments in the Programmes and Initiatives category involved added outlays towards social security benefits (€60.9 million, of which €5.2 million was spent on COVID-19 benefits), medicines and surgical materials (€23.2 million), church schools (€19.6 million), solid waste management strategy (€5.7 million), compensation payments (€5.2 million), street lighting (€4.9 million), extension of the school transport network (€4.7 million), EU own resources and feed-in-tariff (both €4.3 million). Drops were reported in the tax relief measure (€11.4 million) and the state contribution (€9.6 million, also reported as revenue).

The interest component of the public debt servicing costs totalled €61.7 million, a €4.4 million drop from the same period in 2019.

Government's capital spending amounted to €221.8 million by the end of April, an increase of €77.4 million from 2019. The rise was largely due to additional spending towards investment incentives (€55.2 million) which amounted to €73.0 million, including €50.0 million spent in relation to the COVID-19 Wage Supplement. Other increases were recorded in road construction and improvements (€16.0 million), property, plant and equipment (€11.3 million), the EU agricultural fund for rural development 2014-2020 (€6.8 million) and the ICT core services agreement (€3.0 million). On the other hand, there was a drop reported under EU internal security fund - borders and visa (€14.4 million).

The difference between total revenue and expenditure resulted in a deficit of €607.1 million being reported in the Government's Consolidated Fund by the end of April 2020. This represented an increase in the deficit of €463.2 million when compared to the deficit of €144.0 million witnessed during the same period in 2019. This difference mirrors an increase in total expenditure, consisting of recurrent expenditure (€170.1 million), interest (-€4.4 million) and capital expenditure (€77.4 million), in addition to a drop in recurrent revenue (€220.1 million) (Table 1). Decreases in revenue and increases in expenditure reflect developments related to COVID-19.

By the end of April 2020, Central Government debt stood at €5,936.4 million, a €433.4 million rise from April 2019. This was primarily the result of a €320.2 million increase exhibited under Treasury Bills, as well as higher debt reported under Malta Government Stocks (€119.1 million) and Euro Coins issued in the name of the Treasury (€4.6 million). In contrast, there were drops in debt registered under the 62+ Malta Government Savings Bond and Foreign Loans. Higher holdings by government funds in Malta Government Stocks also resulted in a decrease in debt of €7.3 million (Table 6) ■

Statistics in this News Release should be interpreted in context to the unprecedented developments related to COVID-19.

Table 1. Revenue/Expenditure categories: Year to date

Description	Jan-Apr 2018	Jan-Apr 2019	Jan-Apr 2020	Jan-Apr 2020 / Jan-Apr 2019	
				Change	% change
				€ 000	
(a) Total Recurrent Revenue	1,229,624	1,387,711	1,167,601	-220,110	-15.9
Customs and Excise Duties	93,941	98,057	74,062	-23,995	
Licences, Taxes and Fines	133,319	129,845	104,468	-25,377	
Income Tax	378,634	454,446	345,406	-109,039	
Value Added Tax	238,828	267,127	235,195	-31,932	
Fees of Office	22,351	23,095	13,918	-9,177	
Reimbursements	15,037	13,601	8,395	-5,206	
Central Bank of Malta	21,000	15,000	15,000	0	
Rents	11,922	12,761	12,749	-11	
Dividends on Investment	5,000	3,200	7,410	4,210	
Interest on loans made by Government	15	18	1	-17	
Social Security	270,756	298,833	276,790	-22,043	
Grants	27,191	57,074	33,555	-23,520	
Miscellaneous Receipts	11,629	14,655	40,652	25,997	
(b) Total Expenditure	1,325,475	1,531,697	1,774,748	243,051	15.9
<i>Recurrent Expenditure</i>	1,157,575	1,321,131	1,491,197	170,066	12.9
Personal Emoluments	270,743	295,051	299,720	4,669	
Operational and Maintenance Expenses	61,048	73,700	67,981	-5,719	
Programmes and Initiatives	696,935	797,485	917,689	120,204	
Contributions to Government Entities	128,849	154,895	205,807	50,912	
<i>Interest</i>	74,738	66,161	61,725	-4,436	-6.7
<i>Capital Expenditure</i>	93,162	144,405	221,826	77,421	53.6
(a-b) Consolidated Fund Surplus/Deficit	-95,851	-143,986	-607,147	-463,161	321.7
(c) Financial Transactions					
<i>Revenue</i>					
Loans	0	179,713	400,000	220,287	
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	10,000	0	-10,000	
Equity Acquisition	58,034	308	26,980	26,672	
Repayment of Loan	121,876	41,352	159,543	118,190	
Loans	0	0	0	0	

Note: Totals may not add up due to rounding.

Table 2. Revenue/Expenditure categories: Monthly

Description	April 2018	April 2019	April 2020	April 2020 / April 2019	
				Change	% change
€ 000					
(a) Total Recurrent Revenue	314,777	373,176	241,991	-131,185	-35.2
Customs and Excise Duties	24,448	21,785	12,137	-9,648	
Licences, Taxes and Fines	43,376	35,677	17,513	-18,164	
Income Tax	132,119	189,044	104,384	-84,661	
Value Added Tax	20,463	27,124	3,662	-23,463	
Fees of Office	7,966	6,969	2,843	-4,126	
Reimbursements	4,178	2,615	344	-2,271	
Central Bank of Malta	0	0	0	0	
Rents	4,672	3,014	2,547	-468	
Dividends on Investment	0	0	3,750	3,750	
Interest on loans made by Government	0	0	0	0	
Social Security	71,563	78,357	61,144	-17,214	
Grants	5,942	6,070	8,171	2,101	
Miscellaneous Receipts	50	2,520	25,497	22,977	
(b) Total Expenditure	349,794	382,947	537,410	154,463	40.3
<i>Recurrent Expenditure</i>	285,015	328,072	455,925	127,853	39.0
Personal Emoluments	68,539	72,141	74,455	2,314	
Operational and Maintenance Expenses	14,632	17,681	20,859	3,178	
Programmes and Initiatives	166,408	198,154	297,777	99,623	
Contributions to Government Entities	35,437	40,096	62,835	22,738	
<i>Interest</i>	18,883	16,462	16,811	348	2.1
<i>Capital Expenditure</i>	45,895	38,412	64,674	26,262	68.4
(a-b) Consolidated Fund Surplus/Deficit	-35,016	-9,771	-295,419	-285,648	2,923.4
(c) Financial Transactions					
<i>Revenue</i>					
Loans	0	0	300,000	300,000	
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	13,020	13,020	
Repayment of Loan	121,830	157	158,777	158,620	
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-Apr 2018	Jan-Apr 2019	Jan-Apr 2020	Jan-Apr 2018	Jan-Apr 2019	Jan-Apr 2020	Jan-Apr 2018	Jan-Apr 2019	Jan-Apr 2020	Jan-Apr 2018	Jan-Apr 2019	Jan-Apr 2020
	€ 000											
General public services	29,615	32,447	32,839	11,626	18,406	13,263	67,978	107,404	102,130	4,755	13,204	15,572
Defence	13,354	13,331	13,423	1,691	2,086	2,397	179	258	192	59	58	86
Public order and safety	30,743	34,924	29,881	3,634	6,636	3,192	1,859	1,974	2,752	3,045	3,534	16,699
Economic affairs	21,236	20,189	21,147	3,670	4,372	7,648	60,012	59,974	69,253	43,902	59,109	66,283
Environment protection	0	1,419	1,564	116	82	64	7,652	16,467	17,829	6,900	6,209	6,651
Housing and community amenities	468	427	535	95	206	129	298	1,939	6,909	1,528	427	3,924
Health	82,579	93,700	95,957	18,133	18,503	15,743	70,592	82,245	108,895	16,128	22,000	24,186
Recreation, culture and religion	2,262	2,383	2,127	560	786	1,735	1,779	2,674	3,941	9,325	10,517	13,505
Education	73,254	77,685	83,513	10,540	7,521	6,886	42,037	60,626	85,904	29,503	22,776	36,982
Social protection	17,233	18,545	18,732	10,984	15,101	16,924	444,550	463,925	519,884	13,704	17,061	21,918
Total	270,743	295,051	299,720	61,048	73,700	67,981	696,935	797,485	917,689	128,849	154,895	205,807
COFOG	Interest Expenditure			Capital Expenditure			Total Expenditure					
	Jan-Apr 2018	Jan-Apr 2019	Jan-Apr 2020	Jan-Apr 2018	Jan-Apr 2019	Jan-Apr 2020	Jan-Apr 2018	Jan-Apr 2019	Jan-Apr 2020			
	€ 000											
General public services	74,738	66,161	61,725	10,903	20,851	22,553	199,614	258,473	248,082			
Defence	0	0	0	111	1,334	517	15,393	17,067	16,615			
Public order and safety	0	0	0	6,744	18,357	3,973	46,023	65,426	56,498			
Economic affairs	0	0	0	51,200	71,665	155,908	180,020	215,309	320,240			
Environment protection	0	0	0	5,712	15,183	15,900	20,380	39,361	42,008			
Housing and community amenities	0	0	0	206	89	0	2,596	3,089	11,497			
Health	0	0	0	3,574	3,443	10,441	191,005	219,892	255,223			
Recreation, culture and religion	0	0	0	5,116	4,653	4,076	19,041	21,014	25,383			
Education	0	0	0	7,848	8,183	5,742	163,182	176,791	219,027			
Social protection	0	0	0	1,749	644	2,716	488,220	515,276	580,175			
Total	74,738	66,161	61,725	93,162	144,405	221,826	1,325,475	1,531,697	1,774,748			

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

Description	ESA CODE	Jan-Apr 2018	Jan-Apr 2019	Jan-Apr 2020	Jan-Apr 2020 / Jan-Apr 2019	
					Change	% change
€ 000						
1. Total Revenue		1,173,352	1,303,551	1,082,385	-221,166	
Market Output	P11	29,060	28,337	22,128		
Taxes on Production and Imports	D2	439,071	458,170	395,251		
Property income receivable	D4	31,404	23,819	24,411		
Current taxes on income, wealth, etc	D5	401,957	482,006	364,307		
Social Contributions	D61	235,625	245,343	233,113		
Current transfers receivable	D7	5,869	9,929	1,674		
Capital transfers receivable	D9	30,367	55,947	41,500		
2. Total Expenditure		1,269,203	1,447,536	1,689,531	241,995	
Intermediate Consumption	P2	135,360	224,559	274,820		
Gross Capital Formation	P5g+NP	34,416	75,401	80,709		
Compensation of Employees	D1	324,366	339,988	352,652		
Property income payable	D4	76,497	66,232	32,416		
Subsidies	D3	30,648	27,407	96,413		
Social Benefits and social transfers in kind	D62+D632	357,577	355,367	418,894		
Current transfers payable	D7	307,885	347,465	414,569		
Capital transfers payable	D9	2,455	11,116	19,058		
(1-2) Consolidated Fund Surplus/Deficit		-95,851	-143,986	-607,147	-463,161	321.7

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

Description	ESA CODE	April 2018	April 2019	April 2020	April 2020 / April 2019	
					Change	% change
€ 000						
1. Total Revenue		301,539	344,496	206,663	-137,833	
Market Output	P11	6,959	6,954	6,654		
Taxes on Production and Imports	D2	82,196	70,765	31,031		
Property income receivable	D4	4,387	1,717	1,323		
Current taxes on income, wealth, etc	D5	139,754	192,780	108,029		
Social Contributions	D61	60,778	64,259	50,165		
Current transfers receivable	D7	4,356	6,384	181		
Capital transfers receivable	D9	3,109	1,636	9,280		
2. Total Expenditure		336,555	354,267	502,082	147,815	
Intermediate Consumption	P2	37,091	55,509	112,417		
Gross Capital Formation	P5g+NP	13,513	18,816	22,950		
Compensation of Employees	D1	82,335	83,497	87,547		
Property income payable ¹	D4	19,041	18,037	-7,432		
Subsidies	D3	5,777	5,614	26,044		
Social Benefits and social transfers in kind	D62+D632	84,458	83,905	131,825		
Current transfers payable	D7	92,647	83,397	125,759		
Capital transfers payable	D9	1,693	5,492	2,973		
(1-2) Consolidated Fund Surplus/Deficit		-35,016	-9,771	-295,419	-285,648	2,923.4

¹ In April 2020 there was a high value of proceeds from the auction of Malta Government Stocks.

Table 6. Central Government debt

Description	April 2018	April 2019	April 2020	April 2020 / April 2019	
				Change	% change
€ 000					
Total Central Government Debt	5,381,393	5,502,972	5,936,363	433,392	7.9
<i>of which:</i>					
Treasury Bills	313,000	341,800	662,000	320,200	
Malta Government Stocks	4,971,738	4,891,999	5,011,085	119,085	
62+ Malta Government Savings Bond	99,538	291,693	288,634	-3,059	
Foreign Loans	8,888	1,026	903	-123	
MGSF investments in Government Debt	-90,796	-108,153	-115,453	-7,300	
Euro coins issued in the name of the Treasury	79,025	84,607	89,196	4,589	

Note: Totals may not add up due to rounding.

Chart 1. January - April Consolidated Fund Surplus/Deficit

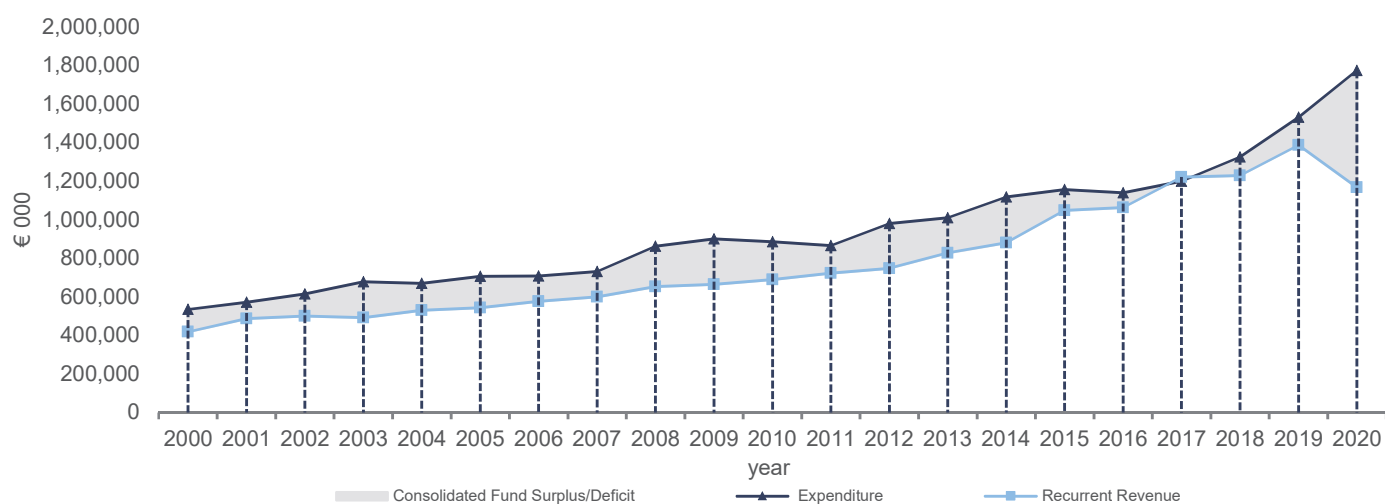


Chart 2. Recurrent Revenue by main category (%): January - April 2020

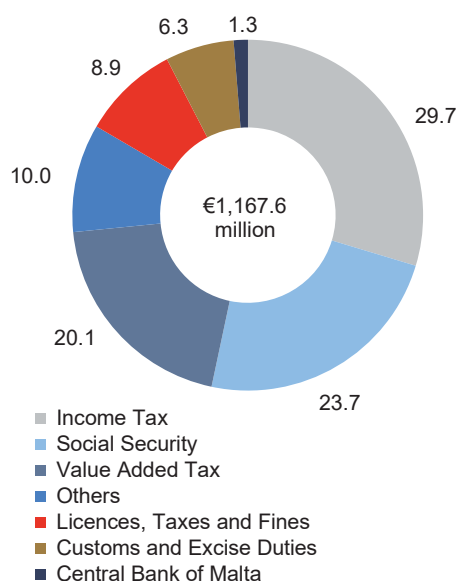
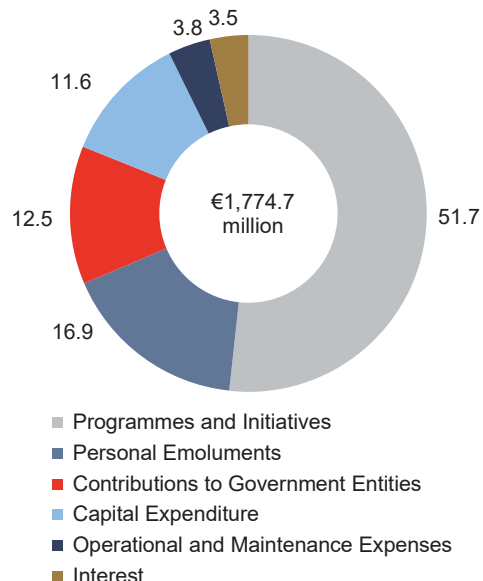


Chart 3. Expenditure by main category (%): January - April 2020



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
 - 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