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By the end of November 2020, the Government's Consolidated Fund reported a deficit of €1,334.0 million.

Government Finance Data: January-November 2020

Between January and November 2020, recurrent revenue amounted to €3,732.1 million, 15.0 per cent lower than the €4,389.4 million reported up to the end of November 2019. Income tax recorded the largest decrease of €203.7 million. Additional drops were also witnessed under Value Added Tax (€181.3 million), Licences, Taxes and Fines (€84.4 million), Grants (€82.8 million), Customs and Excise Duties (€72.7 million), Social Security (€58.3 million), Reimbursements (€10.7 million), Rents (€3.4 million), Central Bank of Malta (€3.0 million), Dividends on Investment (€1.3 million) and Interest on Loans made by Government (€0.1 million). Increases recorded under Fees of Office (€24.0 million) and Miscellaneous Receipts (€20.3 million) marginally offset the drop in revenue.

By the end of November 2020, total expenditure stood at €5,066.1 million, 15.6 per cent higher than the corresponding period in 2019.

During the reference period, recurrent expenditure totalled €4,084.8 million, a rise of €329.0 million in comparison to the €3,755.8 million reported in 2019. The main contributor to this increase was a €168.2 million rise reported under Programmes and Initiatives. Furthermore, increases in outlay were also witnessed under Contributions to Government Entities (€96.5 million), Operational and Maintenance Expenses (€49.5 million) and Personal Emoluments (€14.8 million). The main developments in the Programmes and Initiatives category involved added outlays towards Social security benefits (€57.6 million, of which €14.5 million were spent on COVID-19 social benefits), the Economic regeneration voucher scheme (€45.3 million), Medicines and surgical materials (€41.2 million), Housing programmes (€12.7 million), Feed-in-tariff (€12.4 million), Public service obligation for public transport (€9.9 million), Extension of the school transport network (€9.9 million), Church schools (€9.7 million), Waiting lists for medical services (€7.4 million) and Cancer treatment (€6.7 million). The rise in expenditure was partially offset by drops reported under Social security state contribution (€29.0 million, also reported as revenue) and EU own resources (€15.5 million).

The interest component of the public debt servicing costs totalled €164.8 million, an €8.9 million drop from the same period in 2019.

By the end of November 2020, Government's capital spending amounted to €816.6 million, €364.7 million higher than 2019, largely due to additional spending towards Investment incentives (€322.7 million). These incentives amounted to €346.8 million, of which €301.5 million was spent in relation to the COVID-19 Business Assistance programme. Furthermore, there were reported increases under Property, plant and equipment (€42.3 million), ICT (€14.4 million) and Road construction/improvements (€13.7 million). In contrast, spending towards projects financed by EU Structural funds 2014-2020 fell by €21.9 million.

The difference between total revenue and expenditure resulted in a deficit of €1,334.0 million being reported in the Government's Consolidated Fund at the end of November 2020. This represented an increase in deficit of €1,342.1 million when compared to the surplus of €8.0 million witnessed during the same period in 2019. This difference mirrors an increase in total expenditure, consisting of recurrent expenditure (€329.0 million), interest (-€8.9 million) and capital expenditure (€364.7 million), in addition to a drop in recurrent revenue (€657.3 million) (Table 1). Decreases in revenue and increases in expenditure reflect developments related to COVID-19.

At the end of November 2020, Central Government debt stood at €6,756.4 million, a €1,451.1 million rise from 2019. Increases reported under Malta Government Stocks (€873.5 million) and Treasury Bills (€355.2 million) were the main reasons for the rise in debt. Foreign Loans registered an increase of €119.9 million, largely reflecting the new EU loan of €120 million from the temporary Support to mitigate Unemployment Risks in an Emergency (SURE) instrument. Higher debt was also reported under the 62+ Malta Government Savings Bond (€91.0 million) and Euro coins issued in the name of the Treasury (€1.6 million). Finally, lower holdings by government funds in Malta Government Stocks resulted in an increase in debt of €10.0 million (Table 6) ■

Statistics in this News Release should be interpreted in the context of the COVID-19 situation.

Table 1. Revenue/Expenditure categories: January to November by year

Description	Jan-Nov 2018	Jan-Nov 2019	Jan-Nov 2020	Jan-Nov2020 / Jan-Nov2019	
				Change	% change
				€ 000	
(a) Total Recurrent Revenue	3,925,917	4,389,358	3,732,074	-657,284	-15.0
Customs and Excise Duties	284,002	304,875	232,140	-72,734	
Licences, Taxes and Fines	346,954	358,487	274,071	-84,416	
Income Tax	1,335,672	1,472,641	1,268,983	-203,658	
Value Added Tax	842,563	905,637	724,376	-181,261	
Fees of Office	75,751	76,925	100,909	23,984	
Reimbursements	39,371	41,947	31,285	-10,661	
Central Bank of Malta	35,000	28,000	25,000	-3,000	
Rents	28,475	33,985	30,613	-3,372	
Dividends on Investment	28,144	23,207	21,910	-1,297	
Interest on loans made by Government	49	89	9	-80	
Social Security	827,887	900,161	841,871	-58,291	
Grants	52,398	173,407	90,611	-82,796	
Miscellaneous Receipts	29,652	69,999	90,297	20,298	
(b) Total Expenditure	3,961,131	4,381,325	5,066,095	684,770	15.6
<i>Recurrent Expenditure</i>	3,369,050	3,755,781	4,084,761	328,980	8.8
Personal Emoluments	744,769	808,797	823,585	14,788	
Operational and Maintenance Expenses	188,865	204,114	253,578	49,464	
Programmes and Initiatives	2,027,077	2,259,732	2,427,968	168,236	
Contributions to Government Entities	408,339	483,138	579,630	96,492	
<i>Interest</i>	185,067	173,672	164,752	-8,921	-5.1
<i>Capital Expenditure</i>	407,013	451,872	816,582	364,710	80.7
(a-b) Consolidated Fund Surplus/Deficit	-35,213	8,033	-1,334,021	-1,342,054	-16,706.3
(c) Financial Transactions					
<i>Revenue</i>					
Loans	93,527	449,713	1,549,791	1,100,078	
Repayment of Loans	0	0	668	668	
Receipts from Sale of Shares	889	889	889	0	
Other extraordinary receipts	91,000	0	0	0	
<i>Expenditure</i>					
Contribution to Sinking Fund	26,659	20,025	10,025	-10,000	
Equity Acquisition	63,513	18,308	26,980	8,672	
Repayment of Loan	362,862	439,487	465,218	25,731	
Loans	0	0	0	0	

Note: Totals may not add up due to rounding.

Table 2. Revenue/Expenditure categories in November by year

Description	November 2018	November 2019	November 2020	November 2020 / November 2019	
				Change	% change
€ 000					
(a) Total Recurrent Revenue	429,933	449,234	413,819	-35,415	-7.9
Customs and Excise Duties	18,704	27,207	15,976	-11,231	
Licences, Taxes and Fines	26,029	30,310	16,045	-14,265	
Income Tax	130,926	113,973	131,996	18,023	
Value Added Tax	146,729	161,485	137,116	-24,369	
Fees of Office	9,928	4,654	10,457	5,803	
Reimbursements	2,384	4,299	3,075	-1,224	
Central Bank of Malta	7,000	3,000	0	-3,000	
Rents	3,779	104	3,233	3,129	
Dividends on Investment	0	1,500	0	-1,500	
Interest on loans made by Government	0	0	0	0	
Social Security	80,962	78,707	88,930	10,223	
Grants	720	158	5,496	5,339	
Miscellaneous Receipts	2,770	23,837	1,495	-22,342	
(b) Total Expenditure	440,892	451,368	505,621	54,252	12.0
<i>Recurrent Expenditure</i>	349,900	394,025	390,404	-3,622	-0.9
Personal Emoluments	66,740	72,901	70,328	-2,573	
Operational and Maintenance Expenses	28,101	27,992	41,200	13,208	
Programmes and Initiatives	204,016	231,184	212,924	-18,260	
Contributions to Government Entities	51,044	61,949	65,952	4,003	
<i>Interest</i>	10,073	9,947	13,303	3,356	33.7
<i>Capital Expenditure</i>	80,919	47,396	101,914	54,518	115.0
(a-b) Consolidated Fund Surplus/Deficit	-10,960	-2,134	-91,802	-89,668	4,200.9
(c) Financial Transactions					
<i>Revenue</i>					
Loans	0	90,000	305,000	215,000	
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	479	0	0	0	
Repayment of Loan	57	35,296	938	-34,358	
Loans	0	0	0	0	

Note: Totals may not add up due to rounding.

Table 3. Government Expenditure by COFOG category: January to November by year

COFOG	Personal emoluments			Operational and Maintenance Expenses			Programmes and Initiatives			Contributions to Government Entities		
	Jan-Nov 2018	Jan-Nov 2019	Jan-Nov 2020	Jan-Nov 2018	Jan-Nov 2019	Jan-Nov 2020	Jan-Nov 2018	Jan-Nov 2019	Jan-Nov 2020	Jan-Nov 2018	Jan-Nov 2019	Jan-Nov 2020
	€ 000											
General public services	85,257	91,557	89,285	35,562	46,107	76,856	208,755	251,978	212,826	19,713	39,980	42,332
Defence	36,950	37,207	35,132	6,210	6,418	6,202	511	836	729	244	343	462
Public order and safety	86,980	97,944	80,999	17,378	16,105	18,413	5,728	10,052	9,517	7,960	9,037	40,174
Economic affairs	54,082	54,106	56,190	9,930	14,470	29,628	145,047	138,269	205,012	111,981	140,543	163,432
Environment protection	1,144	5,097	6,685	347	222	134	32,482	55,303	58,048	39,318	28,295	23,942
Housing and community amenities	1,184	1,206	1,431	366	542	397	5,620	7,374	8,367	5,903	8,353	8,284
Health	225,719	250,693	270,360	61,872	64,039	65,203	181,249	218,598	279,221	48,754	55,065	70,403
Recreation, culture and religion	6,181	6,414	6,101	1,272	2,252	2,312	11,503	14,606	12,309	30,644	25,799	33,813
Education	200,077	214,557	225,945	22,367	14,116	15,248	131,947	172,996	194,332	107,379	131,251	141,023
Social protection	47,196	50,016	51,457	33,561	39,843	39,186	1,304,236	1,389,720	1,447,605	36,444	44,473	55,765
Total	744,769	808,797	823,585	188,865	204,114	253,578	2,027,077	2,259,732	2,427,968	408,339	483,138	579,630
COFOG	Interest Expenditure			Capital Expenditure			Total Expenditure					
	Jan-Nov 2018	Jan-Nov 2019	Jan-Nov 2020	Jan-Nov 2018	Jan-Nov 2019	Jan-Nov 2020	Jan-Nov 2018	Jan-Nov 2019	Jan-Nov 2020	Jan-Nov 2018	Jan-Nov 2019	Jan-Nov 2020
	€ 000											
General public services	185,067	173,672	164,752	54,649	64,045	74,549	589,003	667,339	660,600			
Defence	0	0	0	5,019	14,164	5,665	48,935	58,968	48,190			
Public order and safety	0	0	0	40,097	31,869	24,365	158,143	165,008	173,469			
Economic affairs	0	0	0	198,819	235,748	568,821	519,858	583,136	1,023,084			
Environment protection	0	0	0	37,909	51,029	39,892	111,199	139,945	128,700			
Housing and community amenities	0	0	0	473	129	177	13,547	17,603	18,655			
Health	0	0	0	17,580	11,223	38,999	535,174	599,618	724,187			
Recreation, culture and religion	0	0	0	21,486	16,631	21,720	71,086	65,702	76,255			
Education	0	0	0	27,423	23,200	30,695	489,193	556,121	607,243			
Social protection	0	0	0	3,557	3,834	11,700	1,424,993	1,527,886	1,605,713			
Total	185,067	173,672	164,752	407,013	451,872	816,582	3,961,131	4,381,325	5,066,095			

Table 4. Consolidated Fund data in ESA 2010 codes: January to November by year

Description	ESA code	Jan-Nov 2018	Jan-Nov 2019	Jan-Nov 2020	Jan-Nov 2020 / Jan-Nov 2019	
					Change	% change
					€ 000	
1. Total Revenue		3,714,273	4,095,964	3,471,187	-624,778	
Market Output	P11	94,784	98,925	127,794		
Taxes on Production and Imports	D2	1,416,554	1,495,320	1,177,403		
Property income receivable	D4	73,189	63,491	52,931		
Current taxes on income, wealth, etc	D5	1,389,760	1,533,668	1,325,654		
Social Contributions	D61	662,827	702,480	674,123		
Current transfers receivable	D7	24,351	15,313	5,183		
Capital transfers receivable	D9	52,806	186,768	108,099		
2. Total Expenditure		3,749,486	4,087,931	4,805,208	717,277	
Intermediate Consumption	P2	464,218	614,083	802,772		
Gross Capital Formation	P5g+NP	171,662	220,073	189,055		
Compensation of Employees	D1	875,310	932,352	986,082		
Property income payable	D4	190,760	158,378	114,143		
Subsidies	D3	73,306	82,086	390,277		
Social Benefits and social transfers in kind	D62+D632	1,018,050	1,060,904	1,143,785		
Current transfers payable	D7	901,068	978,775	1,105,997		
Capital transfers payable	D9	55,112	41,280	73,098		
(1-2) Consolidated Fund Surplus/Deficit		-35,213	8,033	-1,334,021	-1,342,055	-16,706.3

Table 5. Consolidated Fund data in ESA 2010 codes in November by year

Description	ESA code	November 2018	November 2019	November 2020	November 2020 / November 2019	
					Change	% change
					€ 000	
1. Total Revenue		406,466	404,768	377,930	-26,838	
Market Output	P11	9,589	6,553	1,649		
Taxes on Production and Imports	D2	188,644	217,231	164,833		
Property income receivable	D4	9,855	3,654	2,556		
Current taxes on income, wealth, etc	D5	135,067	117,669	136,368		
Social Contributions	D61	60,814	57,344	64,568		
Current transfers receivable	D7	908	594	1,483		
Capital transfers receivable	D9	1,590	1,723	6,472		
2. Total Expenditure		417,426	406,902	469,732	62,829	
Intermediate Consumption	P2	72,745	61,102	102,845		
Gross Capital Formation	P5g+NP	26,953	22,869	15,167		
Compensation of Employees	D1	77,787	83,722	84,019		
Property income payable	D4	10,631	7,766	6,167		
Subsidies	D3	1,060	9,748	48,630		
Social Benefits and social transfers in kind	D62+D632	87,918	109,106	94,613		
Current transfers payable	D7	115,093	108,657	117,059		
Capital transfers payable	D9	25,239	3,932	1,231		
(1-2) Consolidated Fund Surplus/Deficit		-10,960	-2,134	-91,802	-89,668	4,200.9

Table 6. Central Government debt in November by year

Description	November 2018	November 2019	November 2020	November 2020 / November 2019	
				Change	% change
	€ 000				
Total Central Government Debt	5,199,605	5,305,338	6,756,428	1,451,090	27.4
<i>of which:</i>					
Treasury Bills	290,100	279,300	634,500	355,200	
Malta Government Stocks	4,732,049	4,769,412	5,642,872	873,460	
62+ Malta Government Savings Bond	192,682	290,035	381,004	90,970	
Foreign Loans	1,087	967	120,839	119,872	
MGSF investments in Government Debt	-100,195	-123,153	-113,153	10,000	
Euro coins issued in the name of the Treasury	83,882	88,778	90,366	1,588	

Note: Totals may not add up due to rounding.

Chart 1. Consolidated Fund Surplus/Deficit: January to November by year

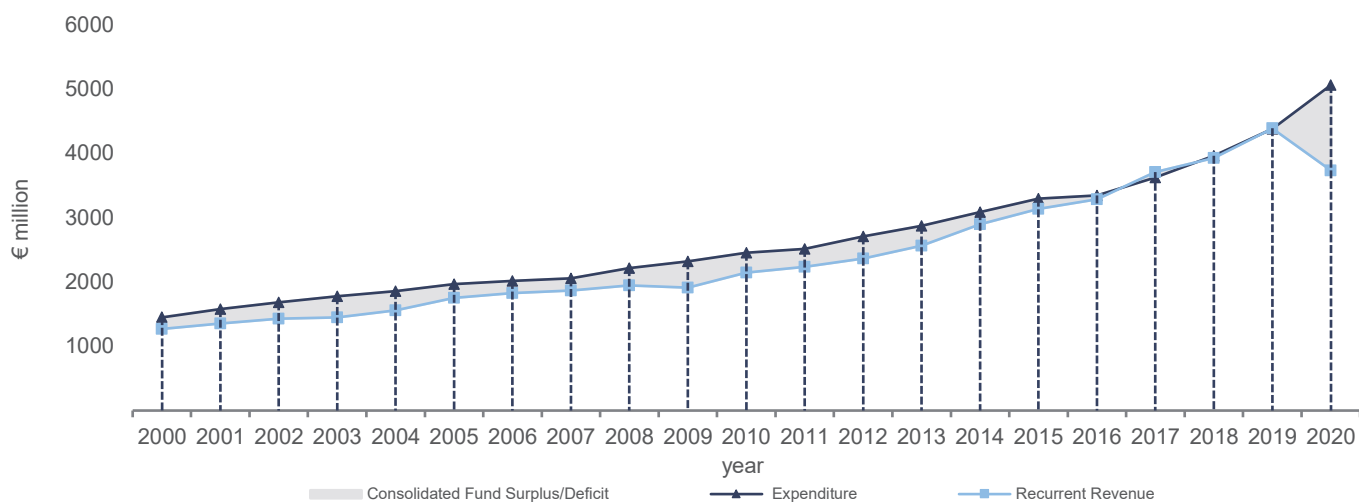


Chart 2. Recurrent Revenue by main category (%): January to November 2020

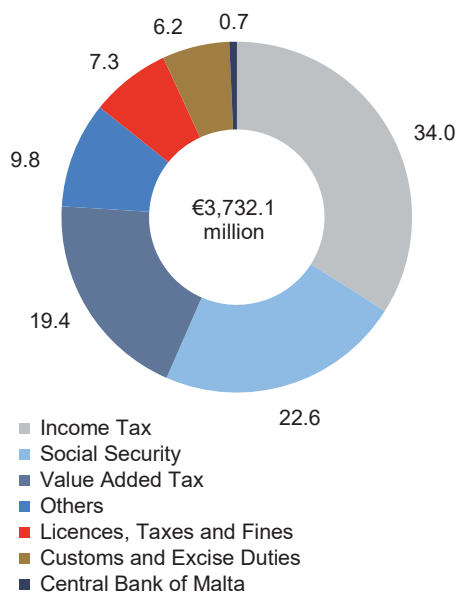
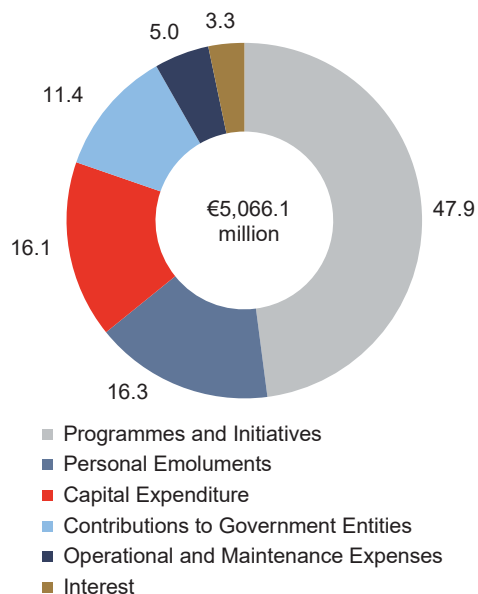


Chart 3. Expenditure by main category (%): January to November 2020



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