

23 December 2021 | 1100 hrs | 233/2021

By the end of November 2021, the Government's Consolidated Fund reported a deficit of €1,122.0 million.

Government Finance Data: January-November 2021

Between January and November 2021, Recurrent Revenue amounted to €4,538.5 million, 21.6 per cent higher than the €3,732.1 million reported a year earlier. The largest increase was recorded under Income Tax (€370.2 million), followed by Value Added Tax (€199.6 million), Social Security (€143.2 million), Customs and Excise Duties (€38.7 million), Grants (€29.1 million), Licences, Taxes and Fines (€29.0 million), Dividends on Investments (€18.8 million) and Central Bank of Malta (€8.0 million). The rise in revenue was partially offset by decreases under Fees of Office (€12.8 million), Miscellaneous Receipts (€9.8 million), Rents (€6.4 million) and Reimbursements (€1.2 million).

By the end of November 2021, total expenditure stood at €5,660.5 million, 11.7 per cent higher than the previous year.

During the reference period, Recurrent Expenditure totalled €4,882.8 million, a rise of €798.0 million in comparison to the €4,084.8 million reported by the end of November 2020. The main contributor to this increase was a €645.3 million rise reported under Programmes and Initiatives. Furthermore, increases were also witnessed under Personal Emoluments (€102.9 million) and Contributions to Government Entities (€57.1 million). This rise in expenditure was partially offset by a decrease under Operational and Maintenance Expenses (€7.2 million). The largest development in the Programmes and Initiatives category was related to the Pandemic assistance scheme (€318.4 million), which includes the COVID-19 Business Assistance Programme. Other increases under Programmes and Initiatives were reported under EU own resources (€89.9 million), Social security benefits (€47.4 million), Hospital concession agreements (€46.0 million), St Vincent de Paul Residence service contract (€18.5 million), Waiting lists for medical services (outsourcing) (€11.6 million), Church schools (€10.2 million), Interest rate subsidy scheme (€7.2 million), Residential care in private homes (€6.6 million), Child care for all (€6.6 million), Allocation in respect of local councils (€6.1 million), Tax relief measures (€5.9 million), Extension of school transport network (€5.2 million), Economic regeneration voucher scheme (€4.7 million), Court judgements (€4.2 million), Investment fund for private schools (€3.1 million) and Students' maintenance grants (€3.1 million).

The interest component of the public debt servicing costs totalled €168.2 million, an increase of €3.5 million when compared to the previous year.

By the end of November 2021, Government's capital spending amounted to €609.5 million, €207.0 million lower than 2020. The drop largely resulted from the reclassification of the COVID-19 Business Assistance Programme (€301.5 million), which featured under Capital Expenditure between March and December 2020 but is now classified under Recurrent Expenditure. This decline outweighed an increase of €94.5 million reported in other capital projects.

The difference between total revenue and expenditure resulted in a deficit of €1,122.0 million being reported in the Government's Consolidated Fund at the end of November 2021. Compared to the same period in 2020, there was a decrease in deficit of €212.0 million. This difference mirrors an increase in total Recurrent Revenue (€806.4 million), partially offset by a rise in Total expenditure, consisting of Recurrent Expenditure (€798.0 million), Interest (€3.5 million) and Capital Expenditure (-€207.0 million). Changes in expenditure and revenue reflect developments related to COVID-19 (Table 1).

At the end of November 2021, Central Government debt stood at €8,157.0 million, a €1,400.6 million rise from 2020. Increases reported under Malta Government Stocks (€995.0 million) and Foreign Loans (€299.9 million) were the main contributors to the rise in debt. Higher debt was also reported under the 62+ Malta Government Savings Bond (€94.4 million), Treasury Bills (€10.5 million) and Euro coins issued in the name of the Treasury (€2.6 million). Finally, lower holdings by government funds in Malta Government Stocks resulted in a decrease in debt of €1.8 million (Table 3) ■

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

Table 1. Revenue/Expenditure categories by period and description

Description	Jan-Nov 2019	Jan-Nov 2020	Jan-Nov 2021	Jan-Nov 2021 / Jan-Nov 2020	
				Change	% change
	€ 000				
(a) Total Recurrent Revenue	4,389,358	3,732,074	4,538,518	806,444	21.6
Customs and Excise Duties	304,875	232,140	270,827	38,687	
Licences, Taxes and Fines	358,487	274,071	303,021	28,950	
Income Tax	1,472,641	1,268,983	1,639,200	370,217	
Value Added Tax	905,637	724,376	923,982	199,606	
Fees of Office	76,925	100,909	88,116	-12,793	
Reimbursements	41,947	31,285	30,064	-1,221	
Central Bank of Malta	28,000	25,000	33,045	8,045	
Rents	33,985	30,613	24,246	-6,367	
Dividends on Investment	23,207	21,910	40,695	18,785	
Interest on loans made by Government	89	9	2	-6	
Social Security	900,161	841,871	985,068	143,197	
Grants	173,407	90,611	119,714	29,103	
Miscellaneous Receipts	69,999	90,297	80,538	-9,759	
(b) Total Expenditure	4,381,325	5,066,095	5,660,544	594,449	11.7
<i>Recurrent Expenditure</i>	3,755,781	4,084,761	4,882,792	798,032	19.5
Personal Emoluments	808,797	823,585	926,513	102,929	
Operational and Maintenance Expenses	204,114	253,578	246,350	-7,228	
Programmes and Initiatives	2,259,732	2,427,968	3,073,232	645,263	
Contributions to Government Entities	483,138	579,630	636,697	57,067	
<i>Interest</i>	173,672	164,752	168,206	3,454	2.1
<i>Capital Expenditure</i>	451,872	816,582	609,546	-207,036	-25.4
(a-b) Consolidated Fund Surplus/Deficit	8,033	-1,334,021	-1,122,026	211,995	-15.9
(c) Financial Transactions					
<i>Revenue</i>					
Loans	449,713	1,549,791	1,856,639	306,849	
Repayment of Loans	0	668	1,592	925	
Receipts from Sale of Shares	889	889	889	0	
Other extraordinary receipts	0	0	0	0	
<i>Expenditure</i>					
Contribution to Sinking Fund	20,025	10,025	0	-10,025	
Equity Acquisition	18,308	26,980	4,500	-22,480	
Repayment of Loan	439,487	465,218	466,771	1,553	
Loans	0	0	0	0	

Note: Totals may not add up due to rounding.

Table 2. Revenue/Expenditure categories by month and description

Description	November 2019	November 2020	November 2021	November 2021 / November 2020	
				Change	% change
€ 000					
(a) Total Recurrent Revenue	449,234	413,819	520,974	107,155	25.9
Customs and Excise Duties	27,207	15,976	28,466	12,490	
Licences, Taxes and Fines	30,310	16,045	32,684	16,639	
Income Tax	113,973	131,996	168,054	36,058	
Value Added Tax	161,485	137,116	154,351	17,236	
Fees of Office	4,654	10,457	3,497	-6,960	
Reimbursements	4,299	3,075	4,275	1,200	
Central Bank of Malta	3,000	0	8,045	8,045	
Rents	104	3,233	2,235	-998	
Dividends on Investment	1,500	0	0	0	
Interest on loans made by Government	0	0	0	0	
Social Security	78,707	88,930	93,278	4,348	
Grants	158	5,496	2,007	-3,489	
Miscellaneous Receipts	23,837	1,495	24,081	22,586	
(b) Total Expenditure	451,368	505,621	578,079	72,458	14.3
<i>Recurrent Expenditure</i>	394,025	390,404	458,476	68,073	17.4
Personal Emoluments	72,901	70,328	82,033	11,705	
Operational and Maintenance Expenses	27,992	41,200	29,433	-11,767	
Programmes and Initiatives	231,184	212,924	254,438	41,514	
Contributions to Government Entities	61,949	65,952	92,572	26,621	
<i>Interest</i>	9,947	13,303	14,354	1,051	7.9
<i>Capital Expenditure</i>	47,396	101,914	105,248	3,334	3.3
(a-b) Consolidated Fund Surplus/Deficit	-2,134	-91,802	-57,105	34,697	-37.8
(c) Financial Transactions					
<i>Revenue</i>					
Loans	90,000	305,000	275,000	-30,000	
Repayment of Loans	0	0	562	562	
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	35,296	938	505	-433	
Loans	0	0	0	0	

Note: Totals may not add up due to rounding.

Table 3. Central Government debt by month and description

Description	November 2019	November 2020	November 2021	November 2021 / November 2020	
				Change	% change
	€ 000				
Total Central Government Debt	5,305,338	6,756,428	8,157,047	1,400,619	20.7
<i>of which:</i>					
Treasury Bills	279,300	634,500	645,000	10,500	
Malta Government Stocks	4,769,412	5,642,872	6,637,826	994,954	
62+ Malta Government Savings Bond	290,035	381,004	475,431	94,426	
Foreign Loans	967	120,839	420,780	299,941	
Sinking funds investments in Government Debt	-123,153	-113,153	-114,974	-1,821	
Euro coins issued in the name of the Treasury	88,778	90,366	92,984	2,618	

Note: Totals may not add up due to rounding.

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

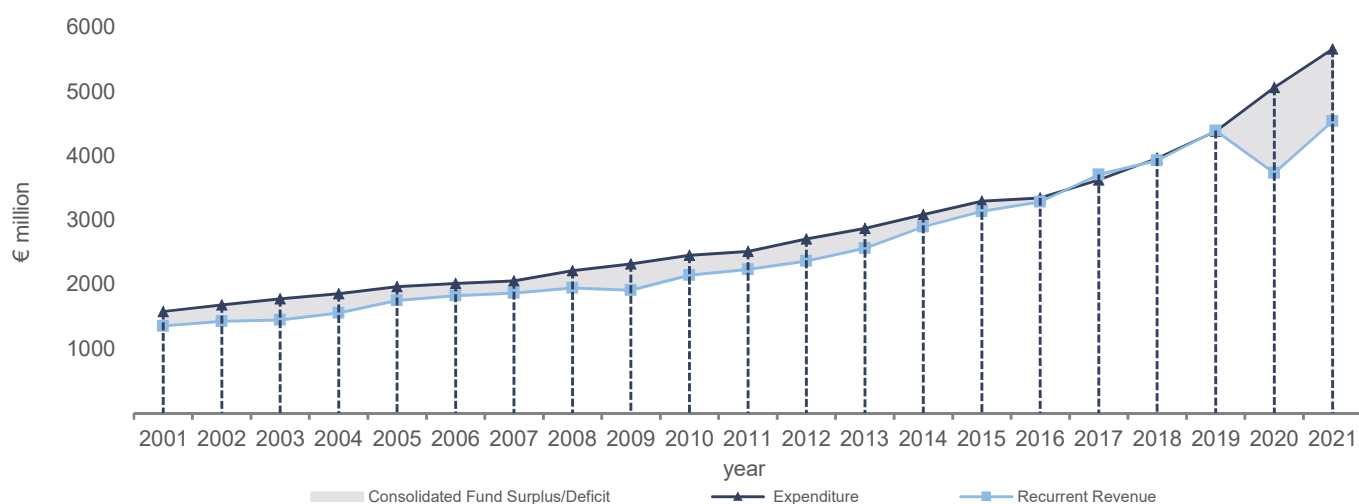
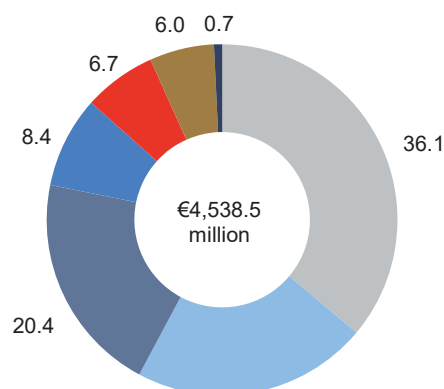
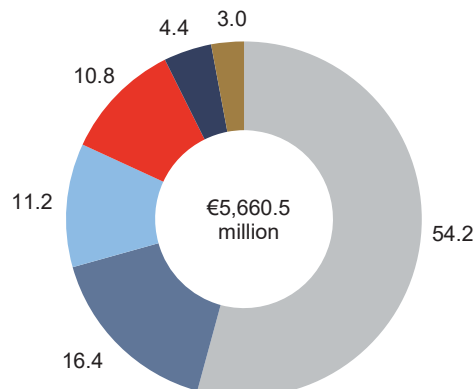


Chart 2. Recurrent Revenue by main category (%): January to November 2021



- 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 to November 2021



- 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 2021 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. In this news release, the NSO could not update the tables: Government Expenditure by COFOG category and Consolidated Fund data in ESA 2010 codes. The 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: <https://metadata.nso.gov.mt/concepts.aspx>
Statistical Database: <https://statdb.nso.gov.mt/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