

25 February 2022 | 1100 hrs | 034/2022

By the end of January 2022, the Government's Consolidated Fund reported a deficit of €66.2 million.

## Government Finance Data: January 2022

In January 2022, Recurrent Revenue amounted to €352.1 million, 19.7 per cent higher than the €294.0 million reported a year earlier. The largest increase was recorded under Grants (€26.5 million), Licences, Taxes and Fines (€15.6 million), Income Tax (€13.5 million), Social Security (€7.2 million), Value Added Tax (€2.8 million), Fees of Office (€2.6 million) and Miscellaneous Receipts (€2.6 million). The rise in revenue was partially offset by decreases under Customs and Excise Duties (€6.2 million), Central Bank of Malta (€5.0 million) and Reimbursements (€1.6 million).

By the end of January 2022, total expenditure stood at €418.3 million, 32.4 per cent lower than the previous year.

During the reference period, Recurrent Expenditure totalled €383.7 million, a decrease of €164.3 million in comparison to the €548.0 million reported by the end of January 2021. The main contributor to this drop was a €136.0 million decrease reported under Programmes and Initiatives. Furthermore, decreases were also witnessed under Operational and Maintenance Expenses (€23.9 million) and Contributions to Government Entities (€5.1 million). This decline in expenditure was partially offset by an increase under Personal Emoluments (€0.7 million). The decrease in the Programmes and Initiatives category was mainly the result of lower Social security benefits (€49.1 million) which, in turn, is explained by the double payment of retirement pensions made in January 2021 which was not repeated this year. Other decreases under Programmes and Initiatives were reported under EU own resources (€25.5 million), Medicines and surgical materials (€17.9 million), Pandemic assistance schemes (€15.0 million), Hospital concession agreements (€3.7 million), Public service obligation for public transport (€2.7 million), Housing programmes (€1.9 million), Childcare for all (€1.8 million), Extension of school transport network (€1.2 million) and Cancer treatment (€1.0 million).

The interest component of the public debt servicing costs totalled €13.2 million, an increase of €0.4 million when compared to the previous year.

By the end of January 2022, Government's capital spending amounted to €21.4 million, €36.2 million lower than 2021. This drop resulted from a reduction in expenditure towards Road construction/improvements (€13.0 million), Gozo Aquatic Centre (€2.2 million) and Direct investments (€1.2 million).

The difference between total revenue and expenditure resulted in a deficit of €66.2 million being reported in the Government's Consolidated Fund at the end of January 2022. Compared to the same period in 2021, there was a decrease in deficit of €258.1 million. This difference mirrors an increase in total Recurrent Revenue (€58.0 million), coupled with a decrease in total expenditure, which consists of Recurrent Expenditure (€164.3 million), Capital Expenditure (€36.2 million) and Interest (-€0.4 million). Changes in expenditure and revenue reflect developments related to COVID-19 (Table 1).

At the end of January 2022, Central Government debt stood at €8,127.9 million, a €1,295.7 million rise from 2021. 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) and Euro coins issued in the name of the Treasury (€2.8 million). This increase in debt was partially offset by a decrease in Treasury Bills (€80.5 million). Finally, lower holdings by government funds in Malta Government Stocks resulted in a decrease in debt of €15.9 million (Table 4) ■

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

Table 1. Revenue/Expenditure categories by month and description

Description	January 2020	January 2021	January 2022	January 2022 / January 2021	
				Change	% change
				€ 000	
<b>(a) Total Recurrent Revenue</b>	<b>305,705</b>	<b>294,016</b>	<b>352,062</b>	<b>58,046</b>	<b>19.7</b>
Customs and Excise Duties	27,181	24,065	17,861	-6,203	
Licences, Taxes and Fines	32,189	13,339	28,971	15,632	
Income Tax	109,534	125,236	138,726	13,490	
Value Added Tax	43,271	49,685	52,467	2,782	
Fees of Office	6,074	490	3,108	2,618	
Reimbursements	697	2,079	511	-1,568	
Central Bank of Malta	5,000	5,000	0	-5,000	
Rents	2,414	0	18	18	
Dividends on Investment	650	0	0	0	
Interest on loans made by Government	0	0	0	0	
Social Security	61,940	62,220	69,388	7,168	
Grants	15,222	5,480	31,968	26,489	
Miscellaneous Receipts	1,534	6,423	9,043	2,621	
<b>(b) Total Expenditure</b>	<b>381,398</b>	<b>618,377</b>	<b>418,306</b>	<b>-200,071</b>	<b>-32.4</b>
<i>Recurrent Expenditure</i>	338,378	547,983	383,724	-164,258	-30.0
Personal Emoluments	72,062	82,775	83,522	748	
Operational and Maintenance Expenses	17,149	39,754	15,889	-23,865	
Programmes and Initiatives	205,052	364,325	228,298	-136,027	
Contributions to Government Entities	44,115	61,129	56,015	-5,115	
<i>Interest</i>	12,049	12,807	13,184	378	3.0
<i>Capital Expenditure</i>	30,971	57,588	21,397	-36,190	-62.8
<b>(a-b) Consolidated Fund Surplus/Deficit</b>	<b>-75,693</b>	<b>-324,361</b>	<b>-66,244</b>	<b>258,117</b>	<b>-79.6</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	13,960	0	0	0	
Repayment of Loan	173	259	301	43	
Loans	0	0	0	0	

Note: Totals may not add up due to rounding.

Table 2. Government Expenditure by COFOG category by month and description

COFOG	Personal emoluments			Operational and Maintenance Expenses			Programmes and Initiatives			Contributions to Government Entities		
	Jan-20	Jan-21	Jan-22	Jan-20	Jan-21	Jan-22	Jan-20	Jan-21	Jan-22	Jan-20	Jan-21	Jan-22
	€ 000											
General public services	7,490	7,986	10,904	5,021	7,667	5,407	33,750	104,996	40,065	929	8,236	14,494
Defence	3,278	3,977	4,044	526	1,103	513	47	113	46	2	0	0
Public order and safety	7,201	9,724	7,049	1,198	1,307	610	704	1,210	1,037	5,883	3,887	7,097
Economic affairs	5,244	5,626	4,645	1,010	17,260	744	6,676	8,017	23,407	24,559	18,565	13,389
Environment protection	391	1,605	484	18	177	66	5,942	938	9	1,625	130	0
Housing and community amenities	103	113	0	34	23	0	99	0	1,819	1,265	0	0
Health	23,226	27,004	27,685	1,444	5,766	2,889	21,148	56,119	36,617	280	10,732	6,540
Recreation, culture and religion	533	246	645	387	139	54	274	2,605	975	2,120	2,844	4,294
Education	20,036	21,551	22,727	4,302	4,122	2,952	27,619	29,625	26,055	899	7,994	8,095
Social protection	4,560	4,942	5,341	3,208	2,191	2,654	108,793	160,701	98,267	6,552	8,741	2,106
<b>Total</b>	<b>72,062</b>	<b>82,775</b>	<b>83,522</b>	<b>17,149</b>	<b>39,754</b>	<b>15,889</b>	<b>205,052</b>	<b>364,325</b>	<b>228,298</b>	<b>44,115</b>	<b>61,129</b>	<b>56,015</b>
COFOG	Interest Expenditure			Capital Expenditure			Total Expenditure					
	Jan-20	Jan-21	Jan-22	Jan-20	Jan-21	Jan-22	Jan-20	Jan-21	Jan-22			
	€ 000											
General public services	12,049	12,807	13,184	1,130	3,713	14,104	60,369	145,405	98,159			
Defence	0	0	0	19	-31	38	3,872	5,163	4,640			
Public order and safety	0	0	0	929	559	3,126	15,915	16,687	18,919			
Economic affairs	0	0	0	23,196	43,537	1,601	60,686	93,004	43,786			
Environment protection	0	0	0	430	282	4	8,407	3,132	563			
Housing and community amenities	0	0	0	0	8	0	1,501	144	1,819			
Health	0	0	0	823	2,453	474	46,921	102,075	74,205			
Recreation, culture and religion	0	0	0	187	4,729	353	3,502	10,563	6,322			
Education	0	0	0	3,835	1,687	1,409	56,691	64,979	61,237			
Social protection	0	0	0	421	651	288	123,535	177,227	108,655			
<b>Total</b>	<b>12,049</b>	<b>12,807</b>	<b>13,184</b>	<b>30,971</b>	<b>57,588</b>	<b>21,397</b>	<b>381,398</b>	<b>618,377</b>	<b>418,306</b>			

Note: Totals may not add up due to rounding.

Table 3. Consolidated Fund data in ESA 2010 codes by month and description

Description	ESA code	January 2020	January 2021	January 2022	January 2022 / January 2021	
					Change	% change
€ 000						
<b>1. Total Revenue</b>		<b>313,983</b>	<b>301,037</b>	<b>360,531</b>	<b>59,493</b>	
Market Output	P11	5,753	1,556	10,106		
Taxes on Production and Imports	D2	94,835	87,999	96,999		
Property income receivable	D4	6,367	5,327	227		
Current taxes on income, wealth, etc	D5	116,971	127,936	140,680		
Social Contributions	D61	71,085	71,063	77,976		
Current transfers receivable	D7	793	95	36		
Capital transfers receivable	D9	18,182	7,061	34,505		
<b>2. Total Expenditure</b>		<b>389,676</b>	<b>625,398</b>	<b>426,774</b>	<b>-198,623</b>	
Intermediate Consumption	P2	51,188	133,826	80,247		
Gross Capital Formation	P5g+NP	13,204	7,449	15,891		
Compensation of Employees	D1	85,486	95,039	95,233		
Property income payable	D4	14,621	16,340	13,766		
Subsidies	D3	3,567	5,509	23,475		
Social Benefits and social transfers in kind	D62+D632	97,645	154,220	104,825		
Current transfers payable	D7	115,572	212,689	92,689		
Capital transfers payable	D9	8,393	326	647		
<b>(1-2) Consolidated Fund Surplus/Deficit</b>		<b>-75,693</b>	<b>-324,361</b>	<b>-66,244</b>	<b>258,117</b>	<b>-79.6</b>

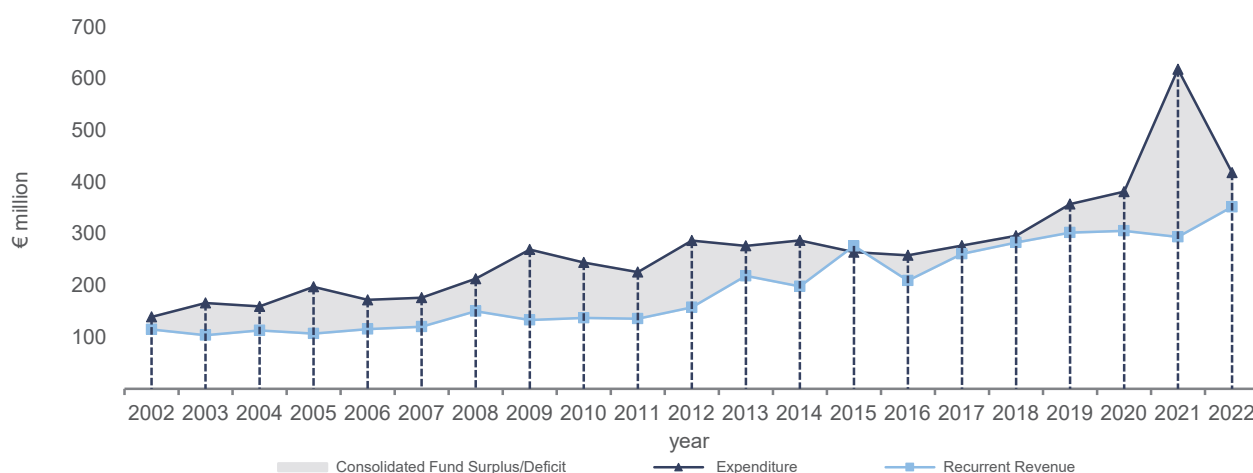
Note: Totals may not add up due to rounding.

**Table 4. Central Government debt by month and description**

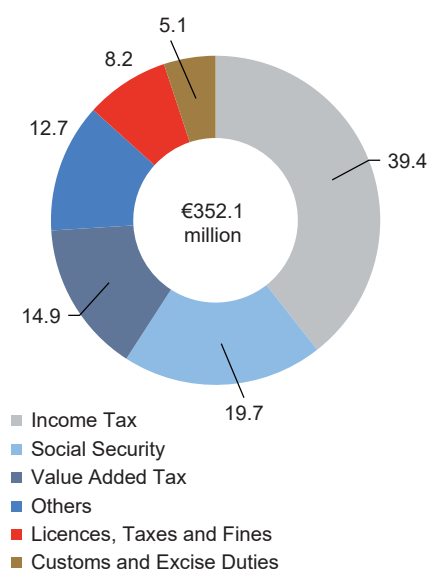
Description	January 2020	January 2021	January 2022	January 2022 / January 2021	
				Change	% change
	€ 000				
<b>Total Central Government Debt</b>	<b>5,392,695</b>	<b>6,832,142</b>	<b>8,127,857</b>	<b>1,295,716</b>	<b>19.0</b>
<i>of which:</i>					
Treasury Bills	365,000	711,000	630,520	-80,480	
Malta Government Stocks	4,769,412	5,642,872	6,637,826	994,954	
62+ Malta Government Savings Bond	289,676	380,258	474,641	94,383	
Foreign Loans	967	120,839	420,781	299,942	
MGSF investments in Government Debt	-121,503	-113,353	-129,274	-15,921	
Euro coins issued in the name of the Treasury	89,144	90,526	93,363	2,837	

Note: Totals may not add up due to rounding.

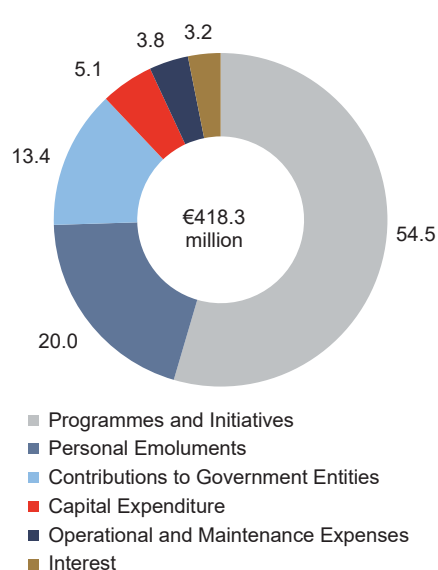
**Chart 1. Consolidated Fund Surplus/Deficit: January by year**



**Chart 2. Recurrent Revenue by main category (%): January 2022**



**Chart 3. Expenditure by main category (%): January 2022**



## 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 2022 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. Data in this release are subject to revision. 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](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](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. 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 2 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 3 presents the Consolidated Fund year to date and monthly data in ESA 2010 codes according to the EU Council Directive 85/2011 requirements.
9. Government Finance data for December 2020 will be published on 30th March 2022.
10. 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>
11. Any quotations from this news release are to be cited and/or referenced.
12. 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)