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By the end of 2021, the Government's Consolidated Fund reported a deficit of €1,242.2 million.

Government Finance Data: January-December 2021

In 2021, Recurrent Revenue amounted to €5,394.5 million, 22.9 per cent higher than the €4,389.3 million reported a year earlier. The largest increase was recorded under Income Tax (€554.1 million), followed by Value Added Tax (€202.4 million), Social Security (€136.0 million), Grants (€49.7 million), Customs and Excise Duties (€35.9 million), Dividends on Investments (€29.2 million), Licences, Taxes and Fines (€25.7 million), Reimbursements (€6.6 million) and Central Bank of Malta (€1.5 million). The rise in revenue was partially offset by decreases under Fees of Office (€23.9 million), Miscellaneous Receipts (€8.6 million) and Rents (€3.6 million).

By the end of 2021, total expenditure stood at €6,636.8 million, 13.3 per cent higher than the previous year.

During the reference period, Recurrent Expenditure totalled €5,718.1 million, a rise of €1,079.2 million in comparison to the €4,638.9 million reported in 2020. The main contributor to this increase was a €883.5 million rise reported under Programmes and Initiatives. Furthermore, increases were also witnessed under Personal Emoluments (€115.8 million), Contributions to Government Entities (€67.2 million) and Operational and Maintenance Expenses (€12.7 million). The largest development in the Programmes and Initiatives category was related to the Pandemic assistance scheme (€378.1 million), which includes the COVID-19 Business Assistance Programme. Other increases under Programmes and Initiatives were reported under Energy support measures (€180.0 million), EU own resources (€98.2 million), Hospital concession agreements (€38.5 million), Social security benefits (€37.8 million), St Vincent de Paul Residence service contract (€20.0 million), Waiting lists for medical services (outsourcing) (€13.8 million), Church schools (€10.7 million), Residential care in private homes (€9.3 million), Extension of school transport network (€7.8 million), Interest rate subsidy scheme (€7.2 million), Allocation in respect of local councils (€6.0 million), Chief medical officer medicines (€6.0 million), Tax relief measures (€5.8 million), Grant for electric vehicles (€5.5 million) and Child care for all (€4.8 million).

The interest component of the public debt servicing costs totalled €183.8 million, an increase of €2.6 million when compared to the previous year.

By the end of December 2021, Government's capital spending amounted to €734.9 million, €302.3 million lower than 2020. The drop largely resulted from the reclassification of the COVID-19 Business Assistance Programme (€384.2 million), which featured under Capital Expenditure between March and December 2020 but is now classified under Recurrent Expenditure. This decline outweighed an increase of €81.9 million reported in other capital projects.

The difference between total revenue and expenditure resulted in a deficit of €1,242.2 million being reported in the Government's Consolidated Fund at the end of 2021. Compared to the same period in 2020, there was a decrease in deficit of €225.7 million. This difference mirrors an increase in total Recurrent Revenue (€1,005.2 million), partially offset by a rise in total expenditure, consisting of Recurrent Expenditure (€1,079.2 million), Interest (€2.6 million) and Capital Expenditure (-€302.3 million). Changes in expenditure and revenue reflect developments related to COVID-19 (Table 1).

At the end of 2021, Central Government debt stood at €8,097.4 million, a €1,332.2 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) and Euro coins issued in the name of the Treasury (€3.1 million). This increase in debt was partially offset by a decrease in Treasury Bills (€44.6 million). Finally, lower holdings by government funds in Malta Government Stocks resulted in a decrease in debt of €15.6 million (Table 6) ■

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-Dec 2019	Jan-Dec 2020	Jan-Dec 2021	Jan-Dec 2021 / Jan-Dec 2020	
				Change	% change
€ 000					
(a) Total Recurrent Revenue	4,972,883	4,389,297	5,394,510	1,005,213	22.9
Customs and Excise Duties	332,123	264,416	300,313	35,897	
Licences, Taxes and Fines	397,034	310,326	336,054	25,729	
Income Tax	1,765,801	1,536,707	2,090,845	554,138	
Value Added Tax	944,741	767,657	970,040	202,384	
Fees of Office	84,246	116,316	92,391	-23,925	
Reimbursements	48,518	33,989	40,595	6,606	
Central Bank of Malta	28,000	31,500	33,045	1,545	
Rents	35,562	34,756	31,194	-3,561	
Dividends on Investment	32,644	26,060	55,280	29,220	
Interest on loans made by Government	90	9	3	-5	
Social Security	1,046,140	1,063,423	1,199,463	136,040	
Grants	184,600	110,665	160,385	49,720	
Miscellaneous Receipts	73,384	93,475	84,903	-8,573	
(b) Total Expenditure	4,963,528	5,857,203	6,636,759	779,556	13.3
<i>Recurrent Expenditure</i>	4,216,202	4,638,869	5,718,071	1,079,202	23.3
Personal Emoluments	962,313	981,303	1,097,089	115,785	
Operational and Maintenance Expenses	228,375	266,740	279,454	12,714	
Programmes and Initiatives	2,493,748	2,770,166	3,653,679	883,512	
Contributions to Government Entities	531,766	620,660	687,849	67,190	
<i>Interest</i>	192,283	181,205	183,811	2,606	1.4
<i>Capital Expenditure</i>	555,043	1,037,130	734,878	-302,252	-29.1
(a-b) Consolidated Fund Surplus/Deficit	9,354	-1,467,906	-1,242,248	225,658	-15.4
(c) Financial Transactions					
<i>Revenue</i>					
Loans	449,713	1,549,791	1,854,107	304,316	
Repayment of Loans	0	915	2,226	1,311	
Receipts from Sale of Shares	978	889	889	0	
Other extraordinary receipts	0	0	0	0	
<i>Expenditure</i>					
Contribution to Sinking Fund	50,050	20,050	30,000	9,950	
Equity Acquisition	18,795	36,980	34,500	-2,480	
Repayment of Loan	439,673	465,706	462,502	-3,204	
Loans	0	0	5,272	5,272	

Note: Totals may not add up due to rounding.

Table 2. Revenue/Expenditure categories by month and description

Description	December 2019	December 2020	December 2021	December 2021 / December 2020	
				Change	% change
	€ 000				
(a) Total Recurrent Revenue	583,525	657,216	852,679	195,463	29.7
Customs and Excise Duties	27,249	32,275	29,485	-2,790	
Licences, Taxes and Fines	38,547	36,255	33,034	-3,221	
Income Tax	293,160	267,716	451,645	183,929	
Value Added Tax	39,105	43,281	46,059	2,778	
Fees of Office	7,321	15,407	3,690	-11,717	
Reimbursements	6,571	2,704	10,451	7,747	
Central Bank of Malta	0	6,500	0	-6,500	
Rents	1,577	4,143	6,948	2,805	
Dividends on Investment	9,437	4,150	14,584	10,434	
Interest on loans made by Government	1	0	1	1	
Social Security	145,979	221,553	214,395	-7,157	
Grants	11,194	20,054	40,670	20,617	
Miscellaneous Receipts	3,385	3,179	1,717	-1,462	
(b) Total Expenditure	582,203	791,108	960,853	169,745	21.5
<i>Recurrent Expenditure</i>	460,422	554,108	835,328	281,220	50.8
Personal Emoluments	153,516	157,719	170,579	12,861	
Operational and Maintenance Expenses	24,262	13,162	33,104	19,942	
Programmes and Initiatives	234,016	342,198	580,493	238,295	
Contributions to Government Entities	48,628	41,030	51,152	10,122	
<i>Interest</i>	18,611	16,453	16,656	203	1.2
<i>Capital Expenditure</i>	103,171	220,547	108,869	-111,678	-50.6
(a-b) Consolidated Fund Surplus/Deficit	1,321	-133,893	-108,174	25,719	-19.2
(c) Financial Transactions					
<i>Revenue</i>					
Loans	0	0	0	0	
Repayment of Loans	0	247	634	386	
Receipts from Sale of Shares	89	0	0	0	
Other extraordinary receipts	0	0	0	0	
<i>Expenditure</i>					
Contribution to Sinking Fund	30,025	10,025	30,000	19,975	
Equity Acquisition	487	10,000	30,000	20,000	
Repayment of Loan	187	488	0	-488	
Loans	0	0	488	488	

Note: Totals may not add up due to rounding.

Table 3. Government Expenditure by COFOG category by period and description

COFOG	Personal emoluments			Operational and Maintenance Expenses			Programmes and Initiatives			Contributions to Government Entities		
	Jan-Dec 2019	Jan-Dec 2020	Jan-Dec 2021	Jan-Dec 2019	Jan-Dec 2020	Jan-Dec 2021	Jan-Dec 2019	Jan-Dec 2020	Jan-Dec 2021	Jan-Dec 2019	Jan-Dec 2020	Jan-Dec 2021
	€ 000											
General public services	111,524	108,307	140,915	53,886	82,677	63,574	267,814	245,180	533,719	52,045	49,868	135,474
Defence	43,744	42,241	61,051	9,050	8,094	9,906	1,136	782	595	409	490	0
Public order and safety	116,139	96,002	96,012	19,057	11,401	10,367	11,072	10,734	15,670	9,636	47,300	49,808
Economic affairs	61,360	63,368	58,113	13,423	29,996	39,656	153,440	222,791	742,120	156,139	171,599	199,052
Environment protection	8,621	9,264	6,134	293	239	1,137	58,566	66,308	42,243	32,872	28,905	15,570
Housing and community amenities	1,436	1,693	0	627	627	0	7,510	8,994	18,056	10,005	8,561	0
Health	298,118	322,848	361,192	69,085	68,643	88,820	233,623	311,569	344,281	61,210	73,788	79,611
Recreation, culture and religion	7,646	7,107	8,152	2,621	2,498	1,617	18,330	18,430	14,930	29,753	36,114	33,635
Education	254,409	269,148	292,796	16,873	16,858	21,472	185,920	210,001	209,922	132,689	142,030	139,066
Social protection	59,318	61,326	72,723	43,460	45,707	42,905	1,556,336	1,675,379	1,732,143	47,008	62,005	35,632
Total	962,313	981,303	1,097,089	228,375	266,740	279,454	2,493,748	2,770,166	3,653,679	531,766	620,660	687,849
COFOG	Interest Expenditure			Capital Expenditure			Total Expenditure					
	Jan-Dec 2019	Jan-Dec 2020	Jan-Dec 2021	Jan-Dec 2019	Jan-Dec 2020	Jan-Dec 2021	Jan-Dec 2019	Jan-Dec 2020	Jan-Dec 2021	Jan-Dec 2019	Jan-Dec 2020	Jan-Dec 2021
	€ 000											
General public services	192,283	181,205	183,811	84,685	97,520	339,463	762,237	764,755	1,396,957			
Defence	0	0	0	21,084	11,685	6,719	75,423	63,292	78,271			
Public order and safety	0	0	0	37,718	30,354	44,915	193,621	195,791	216,771			
Economic affairs	0	0	0	277,961	706,687	173,629	662,323	1,194,441	1,212,571			
Environment protection	0	0	0	63,564	53,800	32,682	163,917	158,516	97,766			
Housing and community amenities	0	0	0	683	1,788	1,539	20,261	21,663	19,595			
Health	0	0	0	12,408	44,848	47,544	674,444	821,696	921,448			
Recreation, culture and religion	0	0	0	22,198	38,038	16,038	80,547	102,186	74,372			
Education	0	0	0	29,623	38,119	59,516	619,513	676,156	722,773			
Social protection	0	0	0	5,119	14,291	12,831	1,711,241	1,858,708	1,896,234			
Total	192,283	181,205	183,811	555,043	1,037,130	734,878	4,963,528	5,857,203	6,636,759			

Note: Totals may not add up due to rounding.

Table 4. Consolidated Fund data in ESA 2010 codes by period and description

Description	ESA code	Jan-Dec 2019	Jan-Dec 2020	Jan-Dec 2021	Jan-Dec 2021 / Jan-Dec 2020	
					Change	% change
					€ 000	
1. Total Revenue		4,618,025	4,041,274	4,980,563	939,289	
Market Output	P11	112,488	149,397	167,550		
Taxes on Production and Imports	D2	1,592,780	1,285,226	1,596,911		
Property income receivable	D4	69,304	63,290	69,560		
Current taxes on income, wealth, etc	D5	1,834,225	1,598,263	2,113,139		
Social Contributions	D61	792,608	811,360	840,742		
Current transfers receivable	D7	17,384	6,060	8,004		
Capital transfers receivable	D9	199,236	127,678	184,657		
2. Total Expenditure		4,608,671	5,509,180	6,222,811	713,631	
Intermediate Consumption	P2	701,228	932,928	1,058,744		
Gross Capital Formation	P5g+NP	265,480	233,953	413,512		
Compensation of Employees	D1	1,099,261	1,161,691	1,156,072		
Property income payable	D4	178,407	131,031	158,671		
Subsidies	D3	100,801	485,634	438,258		
Social Benefits and social transfers in kind	D62+D632	1,161,165	1,271,403	1,357,629		
Current transfers payable	D7	1,045,255	1,189,932	1,504,016		
Capital transfers payable	D9	57,073	102,609	135,910		
(1-2) Consolidated Fund Surplus/Deficit		9,354	-1,467,906	-1,242,248	225,658	-15.4

Note: Totals may not add up due to rounding.

Table 5. Consolidated Fund data in ESA 2010 codes by month and description

Description	ESA code	December 2019	December 2020	December 2021	December 2021 / December 2020	
					Change	% change
					€ 000	
1. Total Revenue		522,061	570,087	776,552	206,465	
Market Output	P11	13,563	21,603	17,089		
Taxes on Production and Imports	D2	97,460	107,822	108,519		
Property income receivable	D4	5,813	10,359	9,288		
Current taxes on income, wealth, etc	D5	300,557	272,609	453,135		
Social Contributions	D61	90,128	137,236	144,012		
Current transfers receivable	D7	2,071	878	1,770		
Capital transfers receivable	D9	12,468	19,580	42,740		
2. Total Expenditure		520,740	703,980	884,727	180,747	
Intermediate Consumption	P2	87,144	130,164	135,726		
Gross Capital Formation	P5g+NP	45,407	44,898	49,421		
Compensation of Employees	D1	166,909	175,609	179,746		
Property income payable	D4	20,028	16,888	17,510		
Subsidies	D3	18,716	95,357	68,333		
Social Benefits and social transfers in kind	D62+D632	100,262	127,618	113,851		
Current transfers payable	D7	66,480	83,935	297,529		
Capital transfers payable	D9	15,793	29,511	22,611		
(1-2) Consolidated Fund Surplus/Deficit		1,321	-133,893	-108,175	25,718	-19.2

Note: Totals may not add up due to rounding.

Table 6. Central Government debt by month and description

Description	December 2019	December 2020	December 2021	December 2021 / December 2020	
				Change	% change
€ 000					
Total Central Government Debt	5,328,195	6,765,235	8,097,434	1,332,199	19.7
<i>of which:</i>					
Treasury Bills	300,000	644,000	599,420	-44,580	
Malta Government Stocks	4,769,412	5,642,872	6,637,826	994,954	
62+ Malta Government Savings Bond	289,849	380,507	474,942	94,436	
Foreign Loans	967	120,839	420,718	299,879	
MGSF investments in Government Debt	-121,203	-113,353	-128,974	-15,621	
Euro coins issued in the name of the Treasury	89,171	90,371	93,502	3,131	

Note: Totals may not add up due to rounding.

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

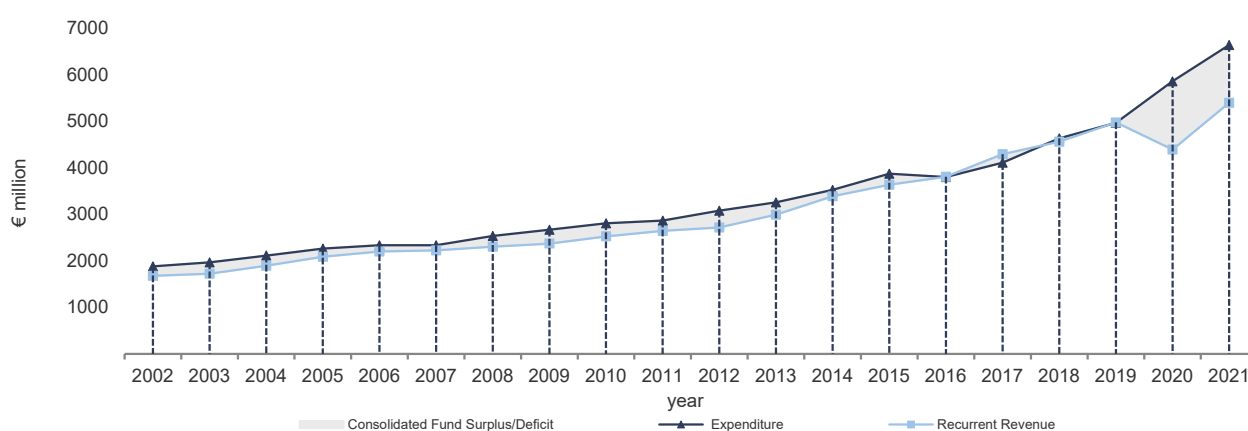


Chart 2. Recurrent Revenue by main category (%): January to December 2021

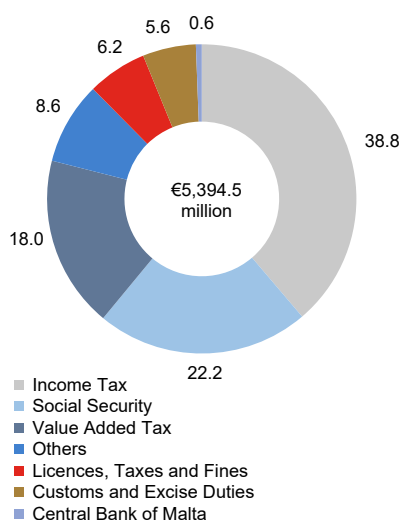
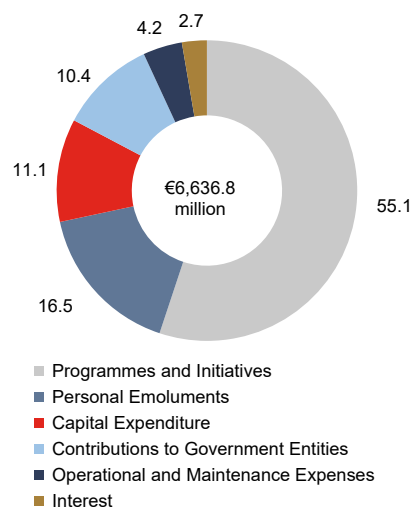


Chart 3. Expenditure by main category (%): January to December 2021



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. 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
 - 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