

01 June 2022 | 1100 hrs | 098/2022

At the end of 2021, General Government debt amounted to €8,284.4 million, or 57.0 per cent of GDP, an increase of €1,305.9 million over 2020.

Structure of General Government Debt: 2021

In 2021, the Financial Corporations sector held the biggest share of Government's debt with 58.7 per cent, followed by the Rest of World with 23.8 per cent. The share of Households and Non-Profit Institutions Serving Households (NPISH) was 15.8 per cent, a decrease of 8.4 percentage points over the debt held in 2018. The Non-Financial Corporations sector held 1.7 per cent of the debt. Between 2018 and 2021, the Rest of the World sector experienced the highest growth in the holding of Government's debt, an increase of 10.8 percentage points (Table 1).

Debt securities, which include Malta Government Stocks and Treasury Bills, are by far the preferred debt instrument for General Government, with €6,842.0 million, or 82.6 per cent, of the total debt in 2021. Other debt instruments are Loans and Currency, with 10.5 per cent and 6.9 per cent, respectively. The increase reported under Debt securities (€897.0 million) mainly relates to the continued financing of the Government's COVID-19 measures, while the increases in Loans (€311.4 million) and Currency (€97.6 million) mainly represent additional EU loans from the temporary Support to mitigate Unemployment Risks in an Emergency (SURE) instrument and an issuance of the 62+ Malta Government Savings Bonds, respectively (Table 2).

Almost all the debt owed by the General Government sector is in national currency. The stock of debt in foreign currencies has decreased considerably over the years (Table 3).

The apparent cost of debt, which is the interest rate applicable to the whole nominal debt, was 2.2 per cent in 2021, compared to 3.5 per cent in 2018. This measure of the cost of debt reflects the interest rates prevailing at the issuance date and, given that the composition of debt is predominantly long-term, the indicator is not very sensitive to the more recent low interest rate scenario (Table 4).

For 2021, the market value of the total General Government debt is estimated at €9,186.5 million, compared to the nominal value of €8,284.4 million. Market debt increased by €998.1 million over 2020, significantly lower when compared to the increase of €1,305.9 million in nominal debt (Table 5).

For the year under review, the time structure of the debt by initial maturity shows that €3,069.8 million, or 37.1 per cent, was issued with a maturity of 15 to 30 years. This was followed by debt issued for 1 to 5 years (16.4 per cent), 5 to 7 years (13.7 per cent), 10 to 15 years (11.2 per cent), 7 to 10 years (9.2 per cent), less than 1 year (8.5 per cent) and more than 30 years (3.9 per cent) (Table 6). The average remaining maturity of total debt for 2021 was 8 years 11 months, 10 months longer than in 2020. In 2021, the biggest share of debt by remaining maturity was in the 1 to 5-year category with €2,043.1 million, followed by the 7 to 10-year (€1,664.2 million) and 10 to 15-year (€1,194.3 million) categories (Table 7).

Government guarantees on borrowing amounted to €1,197.9 million in 2021, or 8.2 per cent of GDP, an increase of €30.3 million over 2020. The majority of Government guarantees are issued towards the Non-Financial Corporations sector, which accounts for 60.5 per cent of the total guarantees. The Financial Corporations, Rest of the World and Households and NPISH sectors benefitted from 36.9, 1.9 and 0.7 per cent of Government guarantees, respectively. The Government guarantees are contingent liabilities, contingent on the actual call of the guarantee, and therefore these do not form part of General Government debt (Table 8).

The General Government debt data reported in this release are consistent with the April 2022 Excessive Deficit Procedure (EDP) notification as published in news release [068/2022](#) dated 22 April ■

Table 1. Structure of General Government debt by sector, year and debt holder

		€ 000			
	Sector	2018	2019	2020	2021
Non-Financial Corporations	S11	71,659	113,175	150,493	140,244
Financial Corporations	S12	3,487,298	3,409,976	4,237,395	4,866,396
Households and NPISHs	S14+S15	1,367,129	1,332,193	1,326,154	1,306,368
Rest of the World	S2	735,999	864,862	1,264,492	1,971,395
Total General Government Debt		5,662,085	5,720,207	6,978,534	8,284,403
as a % of GDP		43.7%	40.7%	53.4%	57.0%

Source of GDP data: News Release 037/2022 dated 1 March 2022.

Chart 1. General Government debt

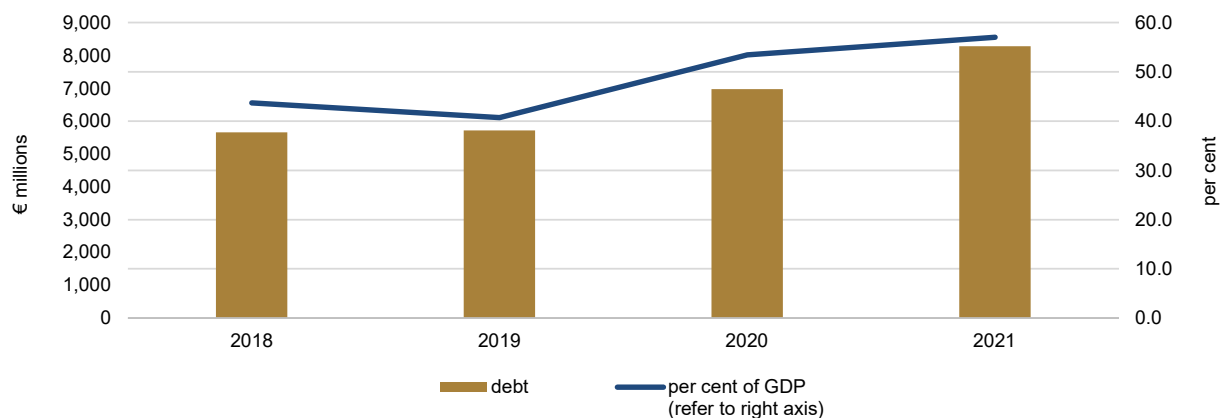


Table 2. Structure of General Government debt by ESA code, year and instrument

		€ 000			
	ESA code	2018	2019	2020	2021
Currency	AF29	277,013	379,020	470,878	568,444
Debt securities	AF3	4,999,421	4,915,450	5,945,125	6,842,041
Loans	AF4	385,651	425,737	562,532	873,917
Total General Government Debt		5,662,085	5,720,207	6,978,534	8,284,403

Chart 2. Debt holders by institutional sector (%): 2021

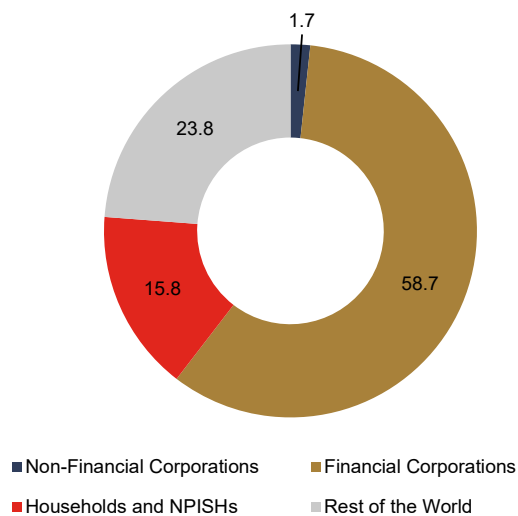


Chart 3. Debt by financial instrument (%): 2021

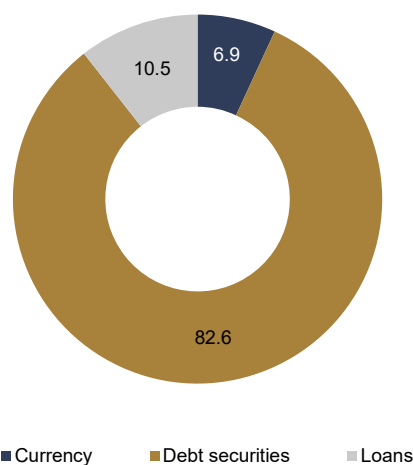


Table 3. Structure of General Government debt by year and currency of issuance

	€ 000			
	2018	2019	2020	2021
Debt in national currency	5,661,997	5,720,130	6,978,478	8,284,359
Debt in foreign currencies	88	77	56	43
of which: US Dollar	0	0	0	0
Canadian Dollar	88	77	56	43

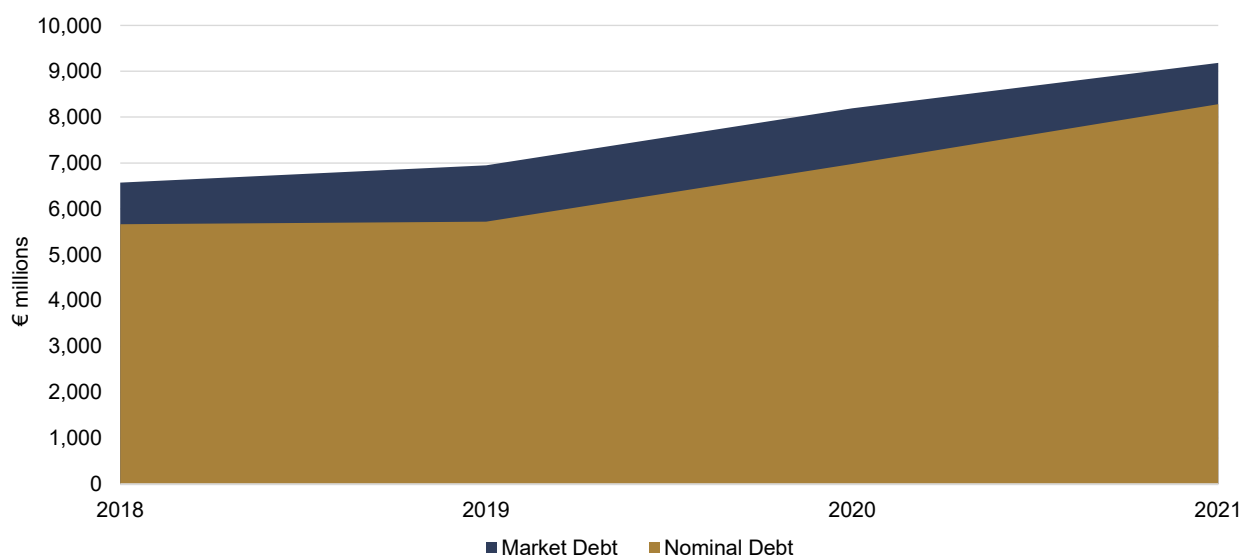
Table 4. Apparent cost of debt by year

	per cent			
	2018	2019	2020	2021
Apparent cost of debt *	3.5	3.3	2.7	2.2

* The apparent cost of debt may be defined as the interest rate applicable to the whole nominal debt

Table 5. Market value of debt by year

	€ 000			
	2018	2019	2020	2021
Market value of total debt	6,573,686	6,950,262	8,188,391	9,186,468

Chart 4. Nominal debt compared to market debt

Maastricht debt is in nominal value, which is considered equivalent to the face value, and represents in some cases the value of right/commitment on principal resulting from a financial instrument i.e. the undiscounted amount of the principal that the government will have to pay to creditors at maturity. ESA2010 debt is in market value, based on the price of a security as determined dynamically by buyers and sellers in an open market and includes also accrued interest.

Table 6. Structure of General Government debt by year and initial maturity

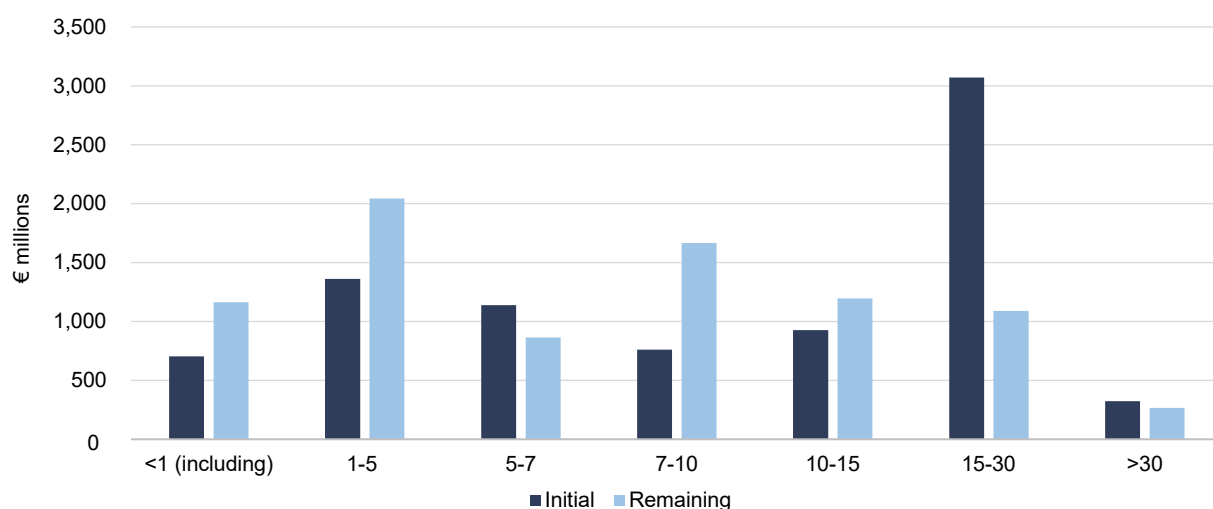
€ 000

	2018	2019	2020	2021
Initial maturity in years:				
<1 (including)	402,428	420,471	709,945	703,958
1-5	429,140	450,270	926,680	1,362,269
5-7	730,698	730,634	913,888	1,137,860
7-10	266,937	418,077	427,657	761,880
10-15	625,276	582,516	689,583	926,629
15-30	3,127,873	3,038,504	3,231,047	3,069,808
>30	79,734	79,734	79,734	321,999
Total General Government Debt	5,662,085	5,720,207	6,978,534	8,284,403

Table 7. Structure of General Government debt by year and remaining maturity

€ 000

	2018	2019	2020	2021
Average remaining maturity of total debt, in years and months	8 years; 10 months	8 years; 6 months	8 years; 1 month	8 years; 11 months
Remaining maturity in years:				
<1 (including)	981,305	869,291	1,168,797	1,163,658
1-5	1,758,709	1,591,769	1,919,959	2,043,144
5-7	488,431	191,869	418,822	864,276
7-10	287,469	848,862	1,345,670	1,664,184
10-15	1,526,328	1,351,755	1,086,074	1,194,297
15-30	594,426	843,673	976,226	1,090,078
>30	25,417	22,987	62,987	264,766
Total General Government Debt	5,662,085	5,720,207	6,978,534	8,284,403

Chart 5. Debt by initial and remaining maturity: 2021

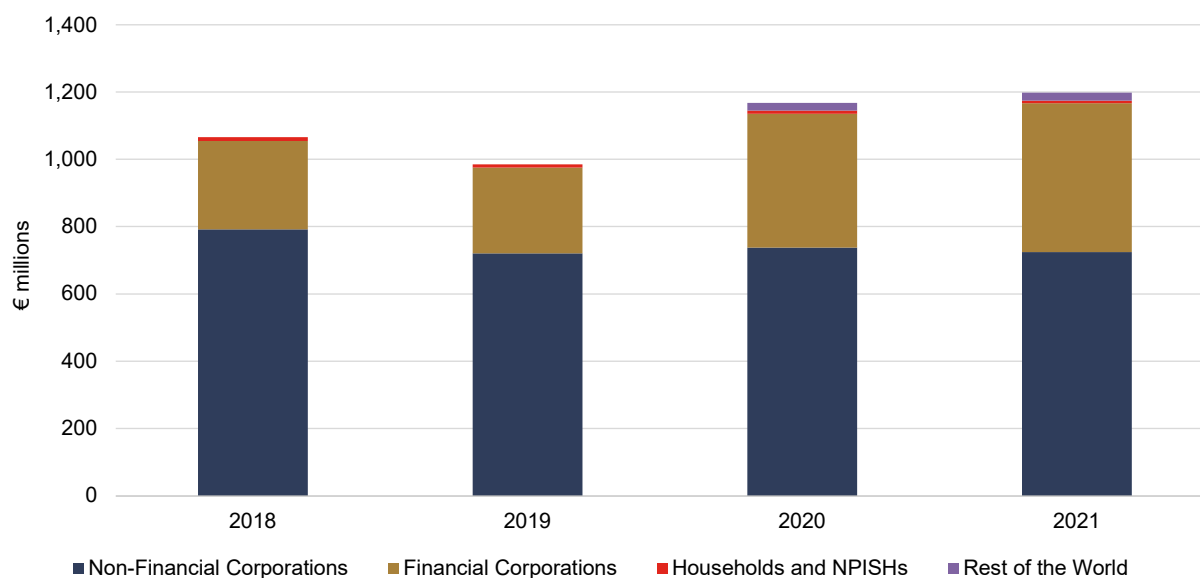
The initial maturity is the final payment date of a loan or a financial instrument as announced at the date of issuance, while the remaining maturity is the remaining time until the expiration or repayment of the loan or financial instrument.

Table 8. Government guarantees by sector, year and holder

		€ 000			
	Sector	2018	2019	2020	2021
Non-Financial Corporations	S11	791,683	720,864	737,470	724,137
Financial Corporations	S12	262,855	254,381	398,258	442,596
Households and NPISHs	S14+S15	11,523	10,011	8,860	8,125
Rest of the World	S2	0	0	23,044	23,044
Total Government Guarantees		1,066,062	985,256	1,167,632	1,197,902
as a % of GDP		8.2%	7.0%	8.9%	8.2%

Source of GDP data: News Release 037/2022 dated 1 March 2022.

Chart 6. Government guarantees beneficiaries by sector: 2021



Guarantees are arrangements whereby the guarantor undertakes to a lender that if a borrower defaults, the guarantor will make good the loss the lender would otherwise suffer (ESA 2010 B5.1.1). Government guarantees include guarantees granted by EBUs but exclude government guarantees provided to EBUs.

Methodological Notes

1. This release presents Government debt in line with the methodology defined in the Maastricht Treaty (Article 104). The basic conceptual reference framework for this exercise is the ESA 2010 Manual on Government Deficit and Debt (2019 edition) which is in turn based on the European System of National and Regional Accounts (ESA 2010). This compliance with the reference framework allows for the international comparability of the data.
2. General Government Sector (S.13 sector according to the ESA 2010 definitions) is made up of the Central Government Sector (S.1311) and the Local Government Sector (S.1313). The Central Government Sector includes the Budgetary Central Government, made up of Government Ministries and Departments and the Extra Budgetary Units (EBUs).
3. Figures in the tables presented may not add up due to rounding.
4. Data may be subject to revision.
5. More information relating to this news release may be accessed at:
Statistical Concepts: <https://metadata.nso.gov.mt/concepts.aspx>
Metadata: <https://metadata.nso.gov.mt/reports.aspx?id=2>
Sources and Methods:
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