

24 June 2022 | 1100 hrs | 111/2022

By the end of May 2022, the Government's Consolidated Fund reported a deficit of €373.2 million.

Government Finance Data: January-May 2022

In the first five months of 2022, Recurrent Revenue amounted to €2,129.4 million, 16.2 per cent higher than the €1,831.7 million reported a year earlier. The largest increase was recorded under Income Tax (€113.5 million), followed by Value Added Tax (€74.8 million), Grants (€58.8 million), Social Security (€39.2 million), Licences, Taxes and Fines (€8.3 million), Central Bank of Malta (€7.2 million), Customs and Excise Duties (€6.3 million), Dividends on Investment (€3.1 million), Reimbursements (€2.9 million) and Rents (€1.3 million). The rise in revenue was partially offset by decreases under Fees of Office (€13.4 million) and Miscellaneous Receipts (€4.4 million).

By the end of May 2022, total expenditure stood at €2,502.6 million, 0.7 per cent higher than the previous year.

During the reference period, Recurrent Expenditure totalled €2,213.5 million, an increase of €28.3 million in comparison to the €2,185.2 million reported by the end of May 2021. The main contributor to this increase was a €53.8 million increase reported under Programmes and Initiatives. Furthermore, an increase was also witnessed under Personal Emoluments (€1.4 million). This rise in expenditure outweighed decreases under Operational and Maintenance Expenses (€15.8 million) and Contributions to Government Entities (€11.2 million). The main developments in the Programmes and Initiatives category involved added outlays towards Economic stimulus payments (€48.2 million), Social security benefits (€28.0 million), Tax relief measures (€25.8 million), Gas stabilisation fund (€7.1 million) and Extension of school transport network (€6.1 million). This rise in Programmes and Initiatives was partly offset by a decrease under the Pandemic assistance schemes (€60.4 million).

The interest component of the public debt servicing costs totalled €70.1 million, a decrease of €4.1 million when compared to the previous year.

By the end of May 2022, Government's capital spending amounted to €219.0 million, €6.7 million lower than 2021. This decrease resulted from lower expenditure towards Property, plant, and equipment (€12.4 million), Acquisitions of property for public purposes (€4.9 million) and Gozo Aquatic Centre (€4.3 million). This decline in Capital Expenditure was partially offset by increases under Ta' Qali National Park (€6.3 million), Film industry incentives (€6.2 million) and ICT support (€3.5 million).

The difference between total revenue and expenditure resulted in a deficit of €373.2 million being reported in the Government's Consolidated Fund at the end of May 2022. Compared to the same period in 2021, there was a decrease in deficit of €280.1 million. This difference mirrors an increase in total Recurrent Revenue (€297.6 million), partly offset by a rise in total expenditure, which consists of Recurrent Expenditure (€28.3 million), Interest (-€4.1 million) and Capital Expenditure (-€6.7 million) (Table 1).

At the end of May 2022, Central Government debt stood at €8,409.9 million, a €579.7 million rise from 2021. The increase reported under Malta Government Stocks (€490.1 million) was the main contributor to the rise in debt. Higher debt was also reported under the 62+ Malta Government Savings Bond (€94.0 million), Treasury Bills (€39.8 million) and Euro coins issued in the name of the Treasury (€4.2 million). This increase in debt was partially offset by a decrease in Foreign Loans (€0.1 million). Finally, lower holdings by government funds in Malta Government Stocks resulted in a decrease in debt of €48.2 million (Table 6) ■

Table 1. Revenue/Expenditure categories by period and description

| Description | Jan-May 2020 | Jan-May 2021 | Jan-May 2022 | Jan-May 2022 / Jan-May 2021 | |
|--|------------------|------------------|------------------|--------------------------------|--------------|
| | | | | Change | % change |
| € 000 | | | | | |
| (a) Total Recurrent Revenue | 1,508,897 | 1,831,741 | 2,129,362 | 297,621 | 16.2 |
| Customs and Excise Duties | 95,042 | 102,394 | 108,731 | 6,338 | |
| Licences, Taxes and Fines | 125,803 | 135,305 | 143,563 | 8,258 | |
| Income Tax | 438,725 | 604,611 | 718,124 | 113,513 | |
| Value Added Tax | 333,999 | 421,958 | 496,782 | 74,824 | |
| Fees of Office | 45,242 | 37,772 | 24,417 | -13,355 | |
| Reimbursements | 11,055 | 10,839 | 13,733 | 2,893 | |
| Central Bank of Malta | 15,000 | 15,000 | 22,173 | 7,173 | |
| Rents | 13,539 | 11,118 | 12,423 | 1,305 | |
| Dividends on Investment | 7,410 | 6,250 | 9,330 | 3,080 | |
| Interest on loans made by Government | 1 | 0 | 0 | 0 | |
| Social Security | 342,496 | 427,072 | 466,313 | 39,241 | |
| Grants | 34,320 | 21,143 | 79,911 | 58,768 | |
| Miscellaneous Receipts | 46,265 | 38,280 | 33,863 | -4,417 | |
| (b) Total Expenditure | 2,182,307 | 2,485,002 | 2,502,561 | 17,559 | 0.7 |
| <i>Recurrent Expenditure</i> | 1,798,398 | 2,185,179 | 2,213,477 | 28,299 | 1.3 |
| Personal Emoluments | 373,462 | 428,502 | 429,930 | 1,428 | |
| Operational and Maintenance Expenses | 81,428 | 108,706 | 92,907 | -15,799 | |
| Programmes and Initiatives | 1,095,022 | 1,374,606 | 1,428,449 | 53,843 | |
| Contributions to Government Entities | 248,487 | 273,365 | 262,192 | -11,173 | |
| <i>Interest</i> | 73,732 | 74,154 | 70,090 | -4,064 | -5.5 |
| <i>Capital Expenditure</i> | 310,176 | 225,669 | 218,994 | -6,675 | -3.0 |
| (a-b) Consolidated Fund Surplus/Deficit | -673,410 | -653,261 | -373,199 | 280,061 | -42.9 |
| (c) Financial Transactions | | | | | |
| <i>Revenue</i> | | | | | |
| Loans | 700,000 | 900,000 | 335,500 | -564,500 | |
| Repayment of Loans | 0 | 0 | 634 | 634 | |
| 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 | 26,980 | 4,500 | 0 | -4,500 | |
| Repayment of Loan | 159,703 | 1,154 | 242,595 | 241,441 | |
| Loans | 0 | 0 | 0 | 0 | |

Note: Totals may not add up due to rounding.

Table 2. Revenue/Expenditure categories by month and description

| Description | May 2020 | May 2021 | May 2022 | May 2022 / May 2021 | |
|--|----------------|----------------|----------------|------------------------|---------------|
| | | | | Change | % change |
| | | | | € 000 | |
| (a) Total Recurrent Revenue | 341,295 | 462,024 | 534,088 | 72,064 | 15.6 |
| Customs and Excise Duties | 20,980 | 32,630 | 24,235 | -8,395 | |
| Licences, Taxes and Fines | 21,335 | 26,716 | 27,554 | 838 | |
| Income Tax | 93,318 | 136,982 | 168,085 | 31,103 | |
| Value Added Tax | 98,803 | 141,356 | 163,159 | 21,803 | |
| Fees of Office | 31,324 | 9,673 | 4,219 | -5,454 | |
| Reimbursements | 2,660 | 952 | 3,035 | 2,083 | |
| Central Bank of Malta | 0 | 0 | 0 | 0 | |
| Rents | 790 | 4,206 | 2,587 | -1,619 | |
| Dividends on Investment | 0 | 0 | 0 | 0 | |
| Interest on loans made by Government | 0 | 0 | 0 | 0 | |
| Social Security | 65,706 | 90,580 | 104,487 | 13,907 | |
| Grants | 765 | 9,701 | 26,152 | 16,451 | |
| Miscellaneous Receipts | 5,613 | 9,229 | 10,576 | 1,347 | |
| (b) Total Expenditure | 407,559 | 533,086 | 518,634 | -14,452 | -2.7 |
| <i>Recurrent Expenditure</i> | 307,201 | 451,391 | 443,760 | -7,631 | -1.7 |
| Personal Emoluments | 73,742 | 80,841 | 84,852 | 4,011 | |
| Operational and Maintenance Expenses | 13,447 | 24,935 | 20,058 | -4,877 | |
| Programmes and Initiatives | 177,333 | 282,758 | 290,438 | 7,679 | |
| Contributions to Government Entities | 42,680 | 62,857 | 48,413 | -14,444 | |
| <i>Interest</i> | 12,007 | 14,491 | 15,348 | 856 | 5.9 |
| <i>Capital Expenditure</i> | 88,350 | 67,204 | 59,526 | -7,678 | -11.4 |
| (a-b) Consolidated Fund Surplus/Deficit | -66,263 | -71,062 | 15,454 | 86,516 | -121.7 |
| (c) Financial Transactions | | | | | |
| <i>Revenue</i> | | | | | |
| Loans | 300,000 | 477,000 | 98,100 | -378,900 | |
| 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 | 0 | 4,500 | 0 | -4,500 | |
| Repayment of Loan | 160 | 104 | 240,645 | 240,541 | |
| Loans | 0 | 0 | 0 | 0 | |

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-May 2020 | Jan-May 2021 | Jan-May 2022 | Jan-May 2020 | Jan-May 2021 | Jan-May 2022 | Jan-May 2020 | Jan-May 2021 | Jan-May 2022 | Jan-May 2020 | Jan-May 2021 | Jan-May 2022 |
| | € 000 | | | | | | | | | | | |
| General public services | 40,997 | 52,457 | 54,337 | 15,352 | 20,808 | 23,684 | 108,717 | 173,004 | 262,056 | 20,656 | 53,291 | 63,093 |
| Defence | 16,860 | 29,079 | 21,064 | 3,041 | 3,161 | 3,427 | 234 | 317 | 359 | 88 | 0 | 0 |
| Public order and safety | 37,827 | 38,005 | 37,359 | 3,963 | 4,009 | 4,203 | 2,975 | 6,139 | 5,233 | 19,287 | 18,882 | 20,890 |
| Economic affairs | 26,448 | 21,488 | 23,613 | 9,005 | 19,986 | 4,012 | 75,836 | 212,340 | 143,361 | 79,632 | 69,647 | 76,012 |
| Environment protection | 1,975 | 2,269 | 2,094 | 81 | 321 | 252 | 23,936 | 10,697 | 10,635 | 11,318 | 3,860 | 3,370 |
| Housing and community amenities | 654 | 0 | 0 | 191 | 0 | 0 | 6,981 | 7,280 | 9,731 | 6,997 | 0 | 0 |
| Health | 118,761 | 141,689 | 141,954 | 21,217 | 37,642 | 27,975 | 119,632 | 168,837 | 139,672 | 31,414 | 31,191 | 33,759 |
| Recreation, culture and religion | 2,709 | 3,071 | 3,401 | 1,797 | 564 | 572 | 5,871 | 3,173 | 4,744 | 15,009 | 13,722 | 13,735 |
| Education | 104,112 | 112,454 | 117,972 | 7,835 | 9,230 | 9,237 | 97,024 | 103,890 | 108,652 | 37,573 | 66,387 | 38,095 |
| Social protection | 23,119 | 27,989 | 28,137 | 18,947 | 12,984 | 19,544 | 653,816 | 688,929 | 744,005 | 26,513 | 16,384 | 13,239 |
| Total | 373,462 | 428,502 | 429,930 | 81,428 | 108,706 | 92,907 | 1,095,022 | 1,374,606 | 1,428,449 | 248,487 | 273,365 | 262,192 |
| COFOG | Interest Expenditure | | | Capital Expenditure | | | Total Expenditure | | | | | |
| | Jan-May 2020 | Jan-May 2021 | Jan-May 2022 | Jan-May 2020 | Jan-May 2021 | Jan-May 2022 | Jan-May 2020 | Jan-May 2021 | Jan-May 2022 | | | |
| | € 000 | | | | | | | | | | | |
| General public services | 73,732 | 74,154 | 70,090 | 25,715 | 110,070 | 100,118 | 285,168 | 483,783 | 573,379 | | | |
| Defence | 0 | 0 | 0 | 841 | 994 | 514 | 21,065 | 33,551 | 25,364 | | | |
| Public order and safety | 0 | 0 | 0 | 6,600 | 14,730 | 13,247 | 70,653 | 81,765 | 80,932 | | | |
| Economic affairs | 0 | 0 | 0 | 222,958 | 66,205 | 75,016 | 413,879 | 389,666 | 322,014 | | | |
| Environment protection | 0 | 0 | 0 | 17,163 | 4,324 | 2,023 | 54,473 | 21,472 | 18,374 | | | |
| Housing and community amenities | 0 | 0 | 0 | 0 | 273 | 0 | 14,823 | 7,553 | 9,731 | | | |
| Health | 0 | 0 | 0 | 15,674 | 11,175 | 8,900 | 306,697 | 390,535 | 352,258 | | | |
| Recreation, culture and religion | 0 | 0 | 0 | 8,809 | 2,850 | 5,108 | 34,195 | 23,380 | 27,559 | | | |
| Education | 0 | 0 | 0 | 8,621 | 11,143 | 11,654 | 255,164 | 303,104 | 285,610 | | | |
| Social protection | 0 | 0 | 0 | 3,795 | 3,905 | 2,414 | 726,190 | 750,192 | 807,338 | | | |
| Total | 73,732 | 74,154 | 70,090 | 310,176 | 225,669 | 218,994 | 2,182,307 | 2,485,002 | 2,502,561 | | | |

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

| Description | ESA code | Jan-May 2020 | Jan-May 2021 | Jan-May 2022 | Jan-May 2022 / Jan-May 2021 | |
|--|----------|------------------|------------------|------------------|-----------------------------|--------------|
| | | | | | Change | % change |
| € 000 | | | | | | |
| 1. Total Revenue | | 1,404,027 | 1,695,778 | 2,029,350 | 333,571 | |
| Market Output | P11 | 53,549 | 60,426 | 45,033 | | |
| Taxes on Production and Imports | D2 | 531,226 | 652,308 | 725,830 | | |
| Property income receivable | D4 | 25,156 | 23,154 | 34,471 | | |
| Current taxes on income, wealth, etc | D5 | 462,131 | 614,218 | 747,782 | | |
| Social Contributions | D61 | 286,806 | 311,905 | 382,536 | | |
| Current transfers receivable | D7 | 2,340 | 1,493 | 2,167 | | |
| Capital transfers receivable | D9 | 42,819 | 32,274 | 91,529 | | |
| 2. Total Expenditure | | 2,077,437 | 2,349,039 | 2,402,549 | 53,510 | |
| Intermediate Consumption | P2 | 330,288 | 377,909 | 335,198 | | |
| Gross Capital Formation | P5g+NP | 100,432 | 142,141 | 120,656 | | |
| Compensation of Employees | D1 | 439,155 | 442,014 | 492,879 | | |
| Property income payable | D4 | 40,102 | 63,247 | 66,920 | | |
| Subsidies | D3 | 140,954 | 190,898 | 166,910 | | |
| Social Benefits and social transfers in kind | D62+D632 | 523,391 | 572,546 | 647,025 | | |
| Current transfers payable | D7 | 468,287 | 530,072 | 527,789 | | |
| Capital transfers payable | D9 | 34,827 | 30,212 | 45,172 | | |
| (1-2) Consolidated Fund Surplus/Deficit | | -673,410 | -653,261 | -373,199 | 280,061 | -42.9 |

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

| Description | ESA code | May 2020 | May 2021 | May 2022 | May 2022 / May 2021 | |
|--|----------|----------------|----------------|----------------|---------------------|---------------|
| | | | | | Change | % change |
| € 000 | | | | | | |
| 1. Total Revenue | | 321,642 | 423,487 | 507,289 | 83,803 | |
| Market Output | P11 | 31,421 | 13,646 | 10,435 | | |
| Taxes on Production and Imports | D2 | 135,974 | 198,362 | 209,859 | | |
| Property income receivable | D4 | 745 | 1,987 | 1,636 | | |
| Current taxes on income, wealth, etc | D5 | 97,825 | 138,918 | 174,894 | | |
| Social Contributions | D61 | 53,693 | 57,591 | 81,643 | | |
| Current transfers receivable | D7 | 666 | 724 | 247 | | |
| Capital transfers receivable | D9 | 1,318 | 12,259 | 28,575 | | |
| 2. Total Expenditure | | 387,906 | 494,548 | 491,835 | -2,713 | |
| Intermediate Consumption | P2 | 55,467 | 98,842 | 76,833 | | |
| Gross Capital Formation | P5g+NP | 19,723 | 46,840 | 31,379 | | |
| Compensation of Employees | D1 | 86,503 | 85,885 | 101,285 | | |
| Property income payable | D4 | 7,686 | 9,659 | 14,076 | | |
| Subsidies | D3 | 59,542 | 43,476 | 40,835 | | |
| Social Benefits and social transfers in kind | D62+D632 | 104,497 | 123,772 | 118,974 | | |
| Current transfers payable | D7 | 53,718 | 79,584 | 101,254 | | |
| Capital transfers payable | D9 | 769 | 6,491 | 7,200 | | |
| (1-2) Consolidated Fund Surplus/Deficit | | -66,263 | -71,062 | 15,454 | 86,516 | -121.7 |

Table 6. Central Government debt by month and description

| Description | May 2020 | May 2021 | May 2022 | May 2022 / May 2021 | |
|---|------------------|------------------|------------------|---------------------|------------|
| | | | | Change | % change |
| € 000 | | | | | |
| Total Central Government Debt | 6,388,168 | 7,830,140 | 8,409,858 | 579,718 | 7.4 |
| <i>of which:</i> | | | | | |
| Treasury Bills | 814,000 | 815,250 | 855,097 | 39,847 | |
| Malta Government Stocks | 5,311,085 | 6,243,084 | 6,733,157 | 490,073 | |
| 62+ Malta Government Savings Bond | 288,473 | 378,550 | 472,517 | 93,967 | |
| Foreign Loans | 902 | 420,780 | 420,657 | -123 | |
| MGSF investments in Government Debt | -115,453 | -117,853 | -166,074 | -48,221 | |
| Euro coins issued in the name of the Treasury | 89,162 | 90,330 | 94,505 | 4,175 | |

Note: Totals may not add up due to rounding.

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

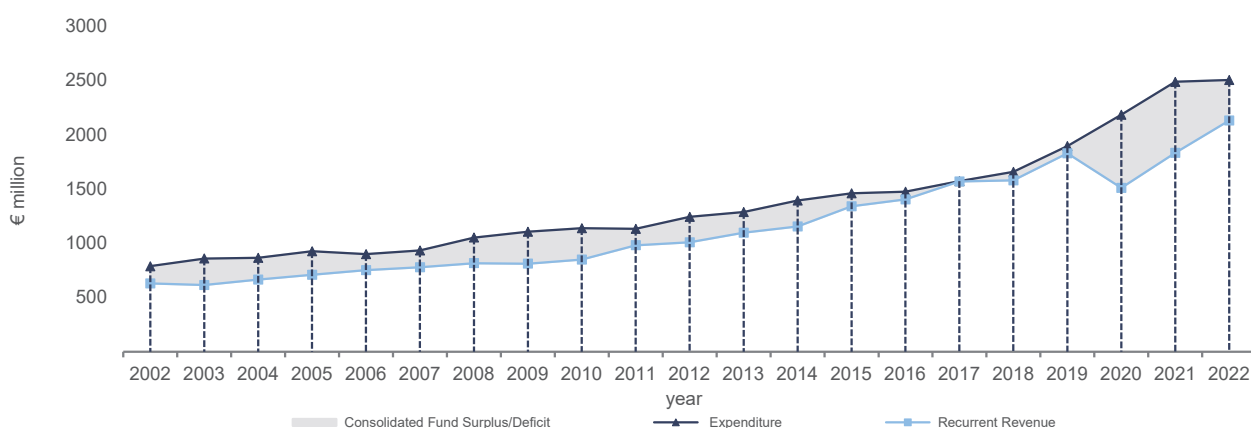


Chart 2. Recurrent Revenue by main category (%): January to May 2022

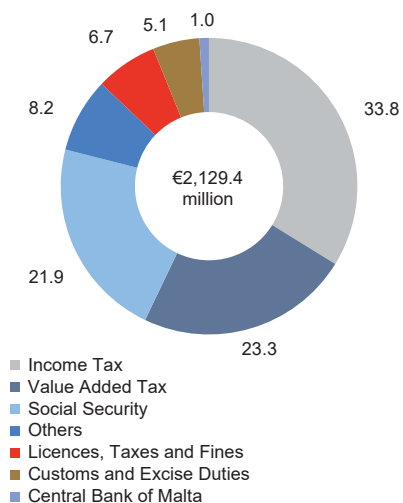
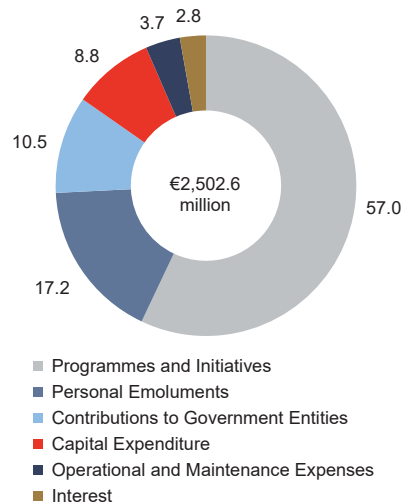


Chart 3. Expenditure by main category (%): January to May 2022



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
 - 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. Statistics in this news release should be interpreted in the context of the COVID-19 situation.
 12. A detailed news release calendar is available on:
https://nso.gov.mt/en/News_Releases/Release_Calendar/Pages/News-Release-Calendar.aspx