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By the end of June 2022, the Government's Consolidated Fund reported a deficit of €462.6 million.

Government Finance Data: January-June 2022

In the first half of 2022, Recurrent Revenue amounted to €2,566.2 million, 17.2 per cent higher than the €2,189.2 million reported a year earlier. The largest increase was recorded under Income Tax (€142.6 million), followed by Value Added Tax (€125.3 million), Social Security (€59.8 million), Grants (€51.9 million), Licences, Taxes and Fines (€9.8 million), Rents (€2.9 million), Reimbursements (€2.5 million), Central Bank of Malta (€2.2 million) and Dividends on Investment (€1.1 million). The rise in revenue was partially offset by decreases under Fees of Office (€18.2 million), Miscellaneous Receipts (€1.8 million) and Customs and Excise Duties (€1.0 million).

By the end of June 2022, total expenditure stood at €3,028.8 million, 0.5 per cent higher than the previous year.

During the reference period, Recurrent Expenditure totalled €2,672.3 million, an increase of €18.4 million in comparison to the €2,653.8 million reported in the first six months of 2021. The main contributor to this increase was a €43.3 million increase reported under Programmes and Initiatives. Furthermore, an increase was also witnessed under Personal Emoluments (€6.4 million). This rise in expenditure outweighed decreases under Operational and Maintenance Expenses (€16.7 million) and Contributions to Government Entities (€14.6 million). The main developments in the Programmes and Initiatives category involved added outlays towards Economic stimulus payments (€48.1 million), Social security benefits (€30.7 million), Tax relief measures (€25.8 million), Extension of school transport network (€7.5 million), Residential care in private homes (€7.3 million), Gas stabilisation fund (€7.1 million), Carer allowances (€5.7 million) and Electoral commission activities (€5.4 million). This rise in Programmes and Initiatives was partly offset by a decrease under the Pandemic assistance schemes (€91.4 million).

The interest component of the public debt servicing costs totalled €85.7 million, a decrease of €4.9 million when compared to the previous year.

By the end of June 2022, Government's capital spending amounted to €270.9 million, €2.5 million higher than 2021. This increase resulted from higher expenditure towards Investment incentives (€12.7 million) and Film industry incentives (€8.9 million). This rise in Capital Expenditure was partially offset by decreases under Property, plant, and equipment (€9.6 million), Gozo Aquatic Centre (€5.1 million) and Acquisitions of property for public purposes (€4.9 million).

The difference between total revenue and expenditure resulted in a deficit of €462.6 million being reported in the Government's Consolidated Fund at the end of June 2022. Compared to the same period in 2021, there was a decrease in deficit of €361.0 million. This difference mirrors an increase in total Recurrent Revenue (€377.0 million), partly offset by a rise in total expenditure, which consists of Recurrent Expenditure (€18.4 million), Capital Expenditure (€2.5 million) and Interest (-€4.9 million) (Table 1).

At the end of June 2022, Central Government debt stood at €8,413.9 million, a €616.1 million rise from 2021. The increase reported under Malta Government Stocks (€494.1 million) was the main contributor to the rise in debt. Higher debt was also reported under the 62+ Malta Government Savings Bond (€93.7 million), Treasury Bills (€75.3 million) and Euro coins issued in the name of the Treasury (€4.7 million). This increase in debt was partially offset by a decrease in Foreign Loans (€0.1 million). Finally, higher holdings by government funds in Malta Government Stocks resulted in a decrease in debt of €51.7 million (Table 6) ■

Table 1. Revenue/Expenditure categories by period and description

Description	Jan-Jun 2020	Jan-Jun 2021	Jan-Jun 2022	Jan-Jun 2022 / Jan-Jun 2021	
				Change	% change
€ 000					
(a) Total Recurrent Revenue	1,819,335	2,189,193	2,566,227	377,034	17.2
Customs and Excise Duties	118,177	133,610	132,574	-1,036	
Licences, Taxes and Fines	147,765	161,566	171,389	9,823	
Income Tax	556,985	746,689	889,306	142,617	
Value Added Tax	361,628	461,111	586,439	125,328	
Fees of Office	55,250	47,608	29,417	-18,191	
Reimbursements	14,719	12,108	14,562	2,454	
Central Bank of Malta	20,000	20,000	22,173	2,173	
Rents	14,892	12,416	15,275	2,859	
Dividends on Investment	12,660	8,250	9,330	1,080	
Interest on loans made by Government	7	1	0	0	
Social Security	412,068	515,359	575,204	59,845	
Grants	54,537	27,983	79,911	51,928	
Miscellaneous Receipts	50,648	42,493	40,647	-1,846	
(b) Total Expenditure	2,714,977	3,012,775	3,028,822	16,047	0.5
<i>Recurrent Expenditure</i>	2,235,028	2,653,840	2,672,253	18,413	0.7
Personal Emoluments	454,364	516,975	523,423	6,448	
Operational and Maintenance Expenses	131,250	127,119	110,387	-16,732	
Programmes and Initiatives	1,348,885	1,675,266	1,718,590	43,324	
Contributions to Government Entities	300,530	334,480	319,853	-14,627	
<i>Interest</i>	93,085	90,524	85,652	-4,872	-5.4
<i>Capital Expenditure</i>	386,864	268,411	270,917	2,506	0.9
(a-b) Consolidated Fund Surplus/Deficit	-895,642	-823,581	-462,595	360,987	-43.8
(c) Financial Transactions					
<i>Revenue</i>					
Loans	700,000	900,000	335,500	-564,500	
Repayment of Loans	171	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	10,025	0	0	0	
Equity Acquisition	26,980	4,500	0	-4,500	
Repayment of Loan	203,674	6,072	243,270	237,198	
Loans	0	0	0	0	

Note: Totals may not add up due to rounding.

Table 2. Revenue/Expenditure categories by month and description

Description	June 2020	June 2021	June 2022	June 2022 / June 2021	
				Change	% change
				€ 000	
(a) Total Recurrent Revenue	310,438	357,452	436,865	79,413	22.2
Customs and Excise Duties	23,135	31,216	23,843	-7,373	
Licences, Taxes and Fines	21,962	26,261	27,826	1,565	
Income Tax	118,261	142,079	171,182	29,104	
Value Added Tax	27,629	39,153	89,657	50,504	
Fees of Office	10,008	9,836	5,000	-4,836	
Reimbursements	3,663	1,269	830	-439	
Central Bank of Malta	5,000	5,000	0	-5,000	
Rents	1,353	1,298	2,852	1,555	
Dividends on Investment	5,250	2,000	0	-2,000	
Interest on loans made by Government	6	1	0	-1	
Social Security	69,572	88,287	108,891	20,603	
Grants	20,217	6,840	0	-6,840	
Miscellaneous Receipts	4,382	4,213	6,785	2,572	
(b) Total Expenditure	532,671	527,773	526,260	-1,512	-0.3
<i>Recurrent Expenditure</i>	436,630	468,662	458,775	-9,886	-2.1
Personal Emoluments	80,903	88,474	93,493	5,020	
Operational and Maintenance Expenses	49,822	18,413	17,480	-933	
Programmes and Initiatives	253,862	300,660	290,141	-10,518	
Contributions to Government Entities	52,043	61,116	57,661	-3,454	
<i>Interest</i>	19,353	16,370	15,562	-807	-4.9
<i>Capital Expenditure</i>	76,687	42,742	51,923	9,181	21.5
(a-b) Consolidated Fund Surplus/Deficit	-222,232	-170,321	-89,395	80,926	-47.5
(c) Financial Transactions					
<i>Revenue</i>					
Loans	0	0	0	0	
Repayment of Loans	171	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	10,025	0	0	0	
Equity Acquisition	0	0	0	0	
Repayment of Loan	43,972	4,918	676	-4,243	
Loans	0	0	0	0	

Note: Totals may not add up due to rounding.

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

COFOG	Personal emoluments			Operational and Maintenance Expenses			Programmes and Initiatives			Contributions to Government Entities		
	Jan-Jun 2020	Jan-Jun 2021	Jan-Jun 2022	Jan-Jun 2020	Jan-Jun 2021	Jan-Jun 2022	Jan-Jun 2020	Jan-Jun 2021	Jan-Jun 2022	Jan-Jun 2020	Jan-Jun 2021	Jan-Jun 2022
	€ 000											
General public services	49,336	62,991	65,798	49,820	26,802	28,180	138,996	218,601	309,486	21,489	64,680	70,525
Defence	20,635	33,136	25,443	3,692	4,079	4,080	356	369	362	146	0	0
Public order and safety	45,416	45,626	45,493	5,156	4,648	4,902	3,810	7,874	6,036	22,316	30,444	24,207
Economic affairs	31,795	26,108	28,457	12,247	21,191	4,782	89,504	255,550	157,406	91,724	80,126	90,153
Environment protection	2,410	2,877	2,437	8	408	275	25,413	15,722	13,620	11,518	5,960	3,370
Housing and community amenities	805	0	0	242	0	0	7,523	8,990	11,517	7,116	0	0
Health	146,735	171,666	173,040	25,994	42,576	34,096	164,601	182,158	165,069	36,953	42,665	41,427
Recreation, culture and religion	3,314	3,692	4,095	2,671	636	684	6,829	3,872	5,053	17,667	15,602	13,803
Education	125,107	136,550	143,834	8,818	10,477	10,079	121,101	130,963	136,757	61,640	76,003	63,050
Social protection	28,813	34,329	34,827	22,601	16,302	23,309	790,751	851,167	913,285	29,960	19,001	13,319
Total	454,364	516,975	523,423	131,250	127,119	110,387	1,348,885	1,675,266	1,718,590	300,530	334,480	319,853
COFOG	Interest Expenditure			Capital Expenditure			Total Expenditure					
	Jan-Jun 2020	Jan-Jun 2021	Jan-Jun 2022	Jan-Jun 2020	Jan-Jun 2021	Jan-Jun 2022	Jan-Jun 2020	Jan-Jun 2021	Jan-Jun 2022			
	€ 000											
General public services	93,085	90,524	85,652	30,335	132,187	119,463	383,061	595,785	679,103			
Defence	0	0	0	1,105	1,139	721	25,933	38,723	30,606			
Public order and safety	0	0	0	7,424	15,581	15,472	84,122	104,173	96,110			
Economic affairs	0	0	0	277,051	75,581	92,456	502,320	458,555	373,253			
Environment protection	0	0	0	25,696	4,940	2,551	65,045	29,907	22,253			
Housing and community amenities	0	0	0	2	469	0	15,689	9,459	11,517			
Health	0	0	0	20,311	13,273	11,037	394,594	452,337	424,669			
Recreation, culture and religion	0	0	0	11,228	3,964	5,669	41,710	27,767	29,303			
Education	0	0	0	9,186	16,701	20,689	325,852	370,694	374,409			
Social protection	0	0	0	4,525	4,577	2,858	876,651	925,375	987,598			
Total	93,085	90,524	85,652	386,864	268,411	270,917	2,714,977	3,012,775	3,028,822			

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

Description	ESA code	Jan-Jun 2020	Jan-Jun 2021	Jan-Jun 2022	Jan-Jun 2022 / Jan-Jun 2021	
					Change	% change
€ 000						
1. Total Revenue		1,696,632	2,021,749	2,439,151	417,402	
Market Output	P11	69,107	71,533	55,685		
Taxes on Production and Imports	D2	602,543	746,827	863,728		
Property income receivable	D4	31,118	31,873	34,885		
Current taxes on income, wealth, etc	D5	584,606	758,589	923,937		
Social Contributions	D61	342,271	369,267	464,741		
Current transfers receivable	D7	2,556	3,176	2,259		
Capital transfers receivable	D9	64,429	40,484	93,917		
2. Total Expenditure		2,592,274	2,845,331	2,901,746	56,415	
Intermediate Consumption	P2	414,488	453,317	407,707		
Gross Capital Formation	P5g+NP	116,190	171,248	141,806		
Compensation of Employees	D1	533,816	535,161	599,743		
Property income payable	D4	61,923	80,069	83,287		
Subsidies	D3	184,209	226,562	182,458		
Social Benefits and social transfers in kind	D62+D632	662,757	709,160	789,179		
Current transfers payable	D7	583,459	635,898	636,382		
Capital transfers payable	D9	35,433	33,915	61,184		
(1-2) Consolidated Fund Surplus/Deficit		-895,642	-823,581	-462,595	360,987	-43.8

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

Description	ESA code	June 2020	June 2021	June 2022	June 2022 / June 2021	
					Change	% change
€ 000						
1. Total Revenue		292,605	325,971	409,801	83,830	
Market Output	P11	15,558	11,107	10,652		
Taxes on Production and Imports	D2	71,318	94,519	137,898		
Property income receivable	D4	5,962	8,719	414		
Current taxes on income, wealth, etc	D5	122,475	144,371	176,155		
Social Contributions	D61	55,466	57,363	82,204		
Current transfers receivable	D7	216	1,683	92		
Capital transfers receivable	D9	21,610	8,209	2,387		
2. Total Expenditure		514,837	496,292	499,197	2,905	
Intermediate Consumption	P2	102,127	75,408	72,509		
Gross Capital Formation	P5g+NP	15,758	29,107	21,150		
Compensation of Employees	D1	94,660	93,147	106,864		
Property income payable	D4	21,821	16,822	16,367		
Subsidies	D3	43,255	35,664	15,548		
Social Benefits and social transfers in kind	D62+D632	121,439	136,614	142,154		
Current transfers payable	D7	115,171	105,826	108,593		
Capital transfers payable	D9	606	3,704	16,012		
(1-2) Consolidated Fund Surplus/Deficit		-222,232	-170,321	-89,395	80,926	-47.5

Table 6. Central Government debt by month and description

Description	June 2020	June 2021	June 2022	June 2022 / June 2021	
				Change	% change
€ 000					
Total Central Government Debt	6,376,620	7,797,831	8,413,904	616,074	7.9
<i>of which:</i>					
Treasury Bills	855,000	786,750	862,097	75,347	
Malta Government Stocks	5,258,247	6,239,759	6,733,834	494,075	
62+ Malta Government Savings Bond	288,336	378,102	471,841	93,739	
Foreign Loans	902	420,780	420,657	-123	
MGSF investments in Government Debt	-115,453	-118,153	-169,854	-51,701	
Euro coins issued in the name of the Treasury	89,590	90,593	95,329	4,736	

Note: Totals may not add up due to rounding.

Chart 1. Consolidated Fund Surplus/Deficit: January to June

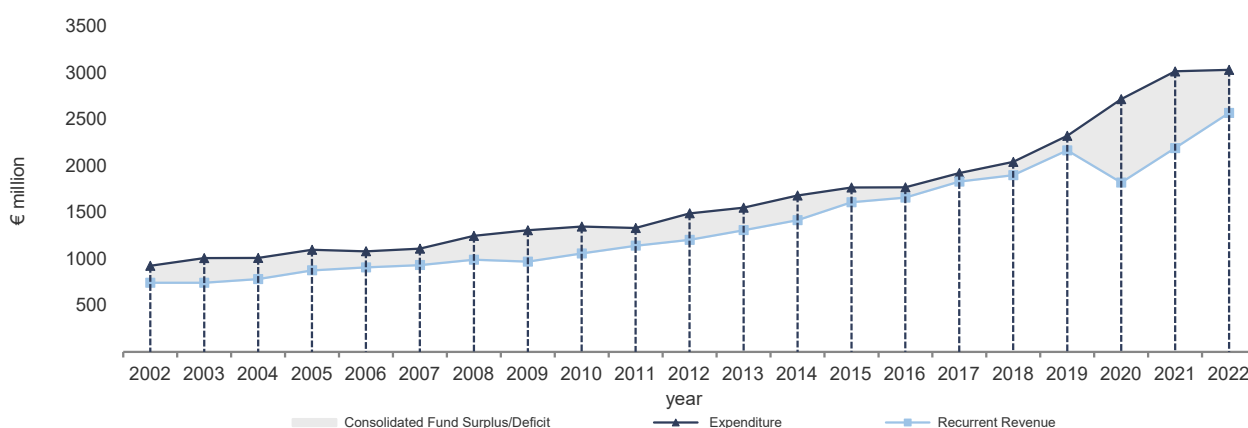


Chart 2. Recurrent Revenue by main category (%): January to June 2022

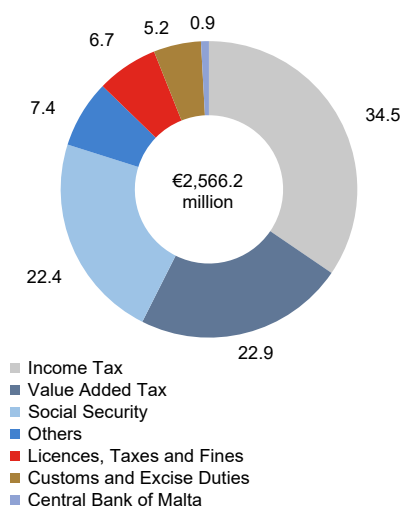
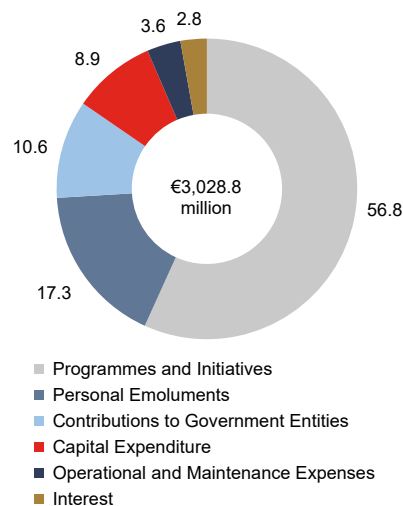


Chart 3. Expenditure by main category (%): January to June 2022



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