

By the end of July 2022, the Government's Consolidated Fund reported a deficit of €514.9 million.

Government Finance Data: January-July 2022

In the first seven months of 2022, Recurrent Revenue amounted to €3,014.5 million, 14.7 per cent higher than the €2,627.7 million reported a year earlier. The largest increase was recorded under Value Added Tax (€130.4 million), followed by Income Tax (€120.4 million), Social Security (€74.2 million), Grants (€40.7 million), Licences, Taxes and Fines (€7.0 million), Dividends on Investment (€5.3 million), Rents (€4.8 million), Reimbursements (€2.8 million), Central Bank of Malta (€2.2 million) and Miscellaneous Receipts (€2.0 million). The rise in revenue was partially offset by decreases under Customs and Excise Duties (€2.5 million) and Fees of Office (€0.6 million).

By the end of July 2022, total expenditure stood at €3,529.3 million, 0.6 per cent higher than the previous year.

During the reference period, Recurrent Expenditure totalled €3,113.1 million, an increase of €36.5 million in comparison to the €3,076.6 million reported in the first seven months of 2021. The main contributor to this increase was a €41.9 million increase reported under Programmes and Initiatives. Furthermore, increases were also witnessed under Personal Emoluments (€10.4 million) and Contributions to Government Entities (€8.6 million). This rise in expenditure outweighed a decrease under Operational and Maintenance Expenses (€24.4 million). The main developments in the Programmes and Initiatives category involved added outlays towards Economic stimulus payments (€48.2 million), Social security benefits (€33.7 million), Energy support measures (€30.3 million), Tax relief measures (€25.9 million), Gas stabilisation fund (€7.6 million), Residential care in private homes (€7.4 million), Child care for all (€6.3 million) and Extension of school transport network (€6.0 million). This rise in Programmes and Initiatives was partly offset by a decrease under the Pandemic assistance schemes (€123.9 million).

The interest component of the public debt servicing costs totalled €100.8 million, a decrease of €2.7 million when compared to the previous year.

By the end of July 2022, Government's capital spending amounted to €315.4 million, €13.2 million lower than 2021. This decrease resulted from lower expenditure towards Property, plant and equipment (€10.3 million), Road construction and improvements (€8.0 million), Gozo Aquatic Centre (€7.7 million), Investments in physical assets (€4.2 million), Acquisitions of property for public purposes (€3.7 million) and National identity management systems (€3.1 million). This decrease in Capital Expenditure was partially offset by increases under Investment incentives (€12.7 million), Film industry incentives (€8.6 million) and Payments related to home ownership scheme (€2.7 million).

The difference between total revenue and expenditure resulted in a deficit of €514.9 million being reported in the Government's Consolidated Fund at the end of July 2022. Compared to the same period in 2021, there was a decrease in deficit of €366.2 million. This difference mirrors an increase in total Recurrent Revenue (€386.8 million), partly offset by a rise in total expenditure, which consists of Recurrent Expenditure (€36.5 million), Interest (-€2.7 million) and Capital Expenditure (-€13.2 million) (Table 1).

At the end of July 2022, Central Government debt stood at €8,557.8 million, an increase of €709.4 million from 2021. The increase reported under Malta Government Stocks (€569.0 million) was the main contributor to the rise in debt. Higher debt was also reported under Treasury Bills (€96.3 million), the 62+ Malta Government Savings Bond (€93.8 million) and Euro coins issued in the name of the Treasury (€4.9 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 €54.5 million (Table 6) ■

Table 1. Revenue/Expenditure categories by period and description

Description	Jan-Jul 2020	Jan-Jul 2021	Jan-Jul 2022	Jan-Jul 2022 / Jan-Jul 2021	
				Change	% change
€ 000					
(a) Total Recurrent Revenue	2,106,148	2,627,668	3,014,451	386,783	14.7
Customs and Excise Duties	126,553	159,734	157,277	-2,457	
Licences, Taxes and Fines	173,832	191,048	198,072	7,024	
Income Tax	671,114	954,909	1,075,349	120,440	
Value Added Tax	378,561	503,947	634,393	130,446	
Fees of Office	73,198	55,173	54,538	-635	
Reimbursements	18,797	18,690	21,474	2,784	
Central Bank of Malta	20,000	20,000	22,173	2,173	
Rents	17,263	14,331	19,082	4,752	
Dividends on Investment	15,410	11,500	16,830	5,330	
Interest on loans made by Government	8	1	1	0	
Social Security	486,887	603,503	677,668	74,165	
Grants	65,897	46,743	87,474	40,731	
Miscellaneous Receipts	58,627	48,091	50,122	2,031	
(b) Total Expenditure	3,157,992	3,508,723	3,529,335	20,612	0.6
<i>Recurrent Expenditure</i>	2,573,228	3,076,606	3,113,100	36,494	1.2
Personal Emoluments	527,945	593,080	603,508	10,427	
Operational and Maintenance Expenses	147,080	156,401	132,036	-24,365	
Programmes and Initiatives	1,555,898	1,944,003	1,985,873	41,870	
Contributions to Government Entities	342,304	383,121	391,682	8,561	
<i>Interest</i>	106,586	103,516	100,815	-2,700	-2.6
<i>Capital Expenditure</i>	478,178	328,602	315,420	-13,182	-4.0
(a-b) Consolidated Fund Surplus/Deficit	-1,051,844	-881,054	-514,883	366,171	-41.6
(c) Financial Transactions					
<i>Revenue</i>					
Loans	1,044,791	960,576	536,114	-424,461	
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	277,257	6,141	307,217	301,076	
Loans	0	0	0	0	

Note: Totals Jun not add up due to rounding.

Table 2. Revenue/Expenditure categories by month and description

Description	July 2020	July 2021	July 2022	July 2022 / July 2021	
				Change	% change
				€ 000	
(a) Total Recurrent Revenue	286,813	438,475	448,224	9,749	2.2
Customs and Excise Duties	8,376	26,124	24,703	-1,421	
Licences, Taxes and Fines	26,067	29,481	26,683	-2,798	
Income Tax	114,129	208,220	186,043	-22,177	
Value Added Tax	16,934	42,835	47,954	5,118	
Fees of Office	17,948	7,565	25,121	17,556	
Reimbursements	4,078	6,582	6,912	330	
Central Bank of Malta	0	0	0	0	
Rents	2,371	1,915	3,807	1,892	
Dividends on Investment	2,750	3,250	7,500	4,250	
Interest on loans made by Government	1	0	0	0	
Social Security	74,819	88,144	102,464	14,320	
Grants	11,361	18,760	7,563	-11,197	
Miscellaneous Receipts	7,979	5,598	9,474	3,876	
(b) Total Expenditure	443,014	495,948	500,513	4,565	0.9
<i>Recurrent Expenditure</i>	338,199	422,766	440,847	18,081	4.3
Personal Emoluments	73,581	76,105	80,085	3,980	
Operational and Maintenance Expenses	15,831	29,283	21,650	-7,633	
Programmes and Initiatives	207,013	268,737	267,283	-1,454	
Contributions to Government Entities	41,774	48,641	71,829	23,189	
<i>Interest</i>	13,501	12,992	15,163	2,172	16.7
<i>Capital Expenditure</i>	91,314	60,191	44,503	-15,688	-26.1
(a-b) Consolidated Fund Surplus/Deficit	-156,201	-57,473	-52,289	5,184	-9.0
(c) Financial Transactions					
<i>Revenue</i>					
Loans	344,791	60,576	200,614	140,039	
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	0	0	0	
Repayment of Loan	73,583	69	63,946	63,877	
Loans	0	0	0	0	

Note: Totals June 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-Jul 2020	Jan-Jul 2021	Jan-Jul 2022	Jan-Jul 2020	Jan-Jul 2021	Jan-Jul 2022	Jan-Jul 2020	Jan-Jul 2021	Jan-Jul 2022	Jan-Jul 2020	Jan-Jul 2021	Jan-Jul 2022
	€ 000											
General public services	57,286	73,402	77,191	53,077	30,854	31,147	154,118	246,180	344,064	25,904	78,006	86,266
Defence	24,524	37,038	29,506	3,853	4,663	4,692	409	450	409	161	0	0
Public order and safety	51,672	51,448	51,497	5,756	5,828	6,259	4,040	9,006	6,910	25,168	32,893	30,839
Economic affairs	36,920	30,703	32,935	13,055	32,053	5,607	123,904	312,551	197,446	107,518	100,116	101,857
Environment protection	2,775	3,333	2,750	26	551	329	31,329	18,410	13,634	15,643	6,040	6,540
Housing and community amenities	928	0	0	252	0	0	8,134	10,271	13,433	6,999	0	5,000
Health	170,194	196,235	199,521	33,970	48,130	41,796	190,806	225,152	204,336	42,161	48,732	54,458
Recreation, culture and religion	3,852	4,328	4,675	2,806	743	894	7,644	4,931	7,305	19,343	18,960	16,582
Education	146,543	157,219	165,348	9,744	12,179	11,111	126,589	137,382	143,651	62,747	76,379	74,093
Social protection	33,252	39,374	40,084	24,540	21,401	30,202	908,924	979,670	1,054,686	36,660	21,996	16,049
Total	527,945	593,080	603,508	147,080	156,401	132,036	1,555,898	1,944,003	1,985,873	342,304	383,121	391,682
COFOG	Interest Expenditure			Capital Expenditure			Total Expenditure					
	Jan-Jul 2020	Jan-Jul 2021	Jan-Jul 2022	Jan-Jul 2020	Jan-Jul 2021	Jan-Jul 2022	Jan-Jul 2020	Jan-Jul 2021	Jan-Jul 2022			
	€ 000											
General public services	106,586	103,516	100,815	43,645	167,714	136,481	440,616	699,671	775,964			
Defence	0	0	0	2,335	1,431	888	31,284	43,583	35,495			
Public order and safety	0	0	0	9,129	20,785	16,707	95,766	119,960	112,212			
Economic affairs	0	0	0	350,632	85,218	107,419	632,028	560,641	445,264			
Environment protection	0	0	0	21,291	6,902	3,926	71,064	35,236	27,179			
Housing and community amenities	0	0	0	3	513	899	16,315	10,784	19,332			
Health	0	0	0	23,122	15,941	17,086	460,253	534,189	517,197			
Recreation, culture and religion	0	0	0	12,047	4,381	6,538	45,692	33,342	35,993			
Education	0	0	0	11,008	20,300	22,175	356,631	403,458	416,378			
Social protection	0	0	0	4,966	5,417	3,301	1,008,342	1,067,858	1,144,321			
Total	106,586	103,516	100,815	478,178	328,602	315,420	3,157,992	3,508,723	3,529,335			

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

Description	ESA code	Jan-Jul 2020	Jan-Jul 2021	Jan-Jul 2022	Jan-Jul 2022 / Jan-Jul 2021	
					Change	% change
€ 000						
1. Total Revenue		1,958,451	2,430,956	2,836,189	405,233	
Market Output	P11	88,794	82,882	85,778		
Taxes on Production and Imports	D2	648,001	846,700	958,130		
Property income receivable	D4	34,715	33,105	38,483		
Current taxes on income, wealth, etc	D5	704,437	969,112	1,114,553		
Social Contributions	D61	402,149	434,494	533,388		
Current transfers receivable	D7	2,732	3,106	2,524		
Capital transfers receivable	D9	77,624	61,556	103,333		
2. Total Expenditure		3,010,295	3,312,010	3,351,072	39,062	
Intermediate Consumption	P2	476,658	558,221	489,052		
Gross Capital Formation	P5g+NP	138,087	212,060	155,141		
Compensation of Employees	D1	620,223	618,613	688,164		
Property income payable	D4	70,211	92,882	95,619		
Subsidies	D3	235,308	263,121	201,939		
Social Benefits and social transfers in kind	D62+D632	750,077	811,421	897,932		
Current transfers payable	D7	668,297	713,495	745,230		
Capital transfers payable	D9	51,435	42,198	77,996		
(1-2) Consolidated Fund Surplus/Deficit		-1,051,844	-881,054	-514,883	366,171	-41.6

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

Description	ESA code	July 2020	July 2021	July 2022	July 2022 / July 2021	
					Change	% change
€ 000						
1. Total Revenue		261,819	409,207	397,038	-12,169	
Market Output	P11	19,687	11,350	30,092		
Taxes on Production and Imports	D2	45,458	99,873	94,403		
Property income receivable	D4	3,596	1,232	3,598		
Current taxes on income, wealth, etc	D5	119,830	210,523	190,616		
Social Contributions	D61	59,877	65,227	68,647		
Current transfers receivable	D7	175	-70	265		
Capital transfers receivable	D9	13,195	21,072	9,417		
2. Total Expenditure		418,020	466,679	449,327	-17,353	
Intermediate Consumption	P2	62,170	104,904	81,345		
Gross Capital Formation	P5g+NP	21,897	40,812	13,334		
Compensation of Employees	D1	86,407	83,452	88,421		
Property income payable	D4	8,288	12,813	12,332		
Subsidies	D3	51,098	36,558	19,482		
Social Benefits and social transfers in kind	D62+D632	87,320	102,261	108,753		
Current transfers payable	D7	84,838	77,597	108,848		
Capital transfers payable	D9	16,002	8,283	16,812		
(1-2) Consolidated Fund Surplus/Deficit		-156,201	-57,473	-52,289	5,184	-9.0

Table 6. Central Government debt by month and description

Description	July 2020	July 2021	July 2022	July 2022 / July 2021	
				Change	% change
	€ 000				
Total Central Government Debt	6,624,210	7,848,418	8,557,807	709,389	9.0
<i>of which:</i>					
Treasury Bills	822,000	775,250	871,597	96,347	
Malta Government Stocks	5,444,207	6,302,071	6,871,052	568,981	
62+ Malta Government Savings Bond	382,631	377,514	471,292	93,778	
Foreign Loans	899	420,779	420,657	-122	
MGSF investments in Government Debt	-115,453	-118,303	-172,774	-54,471	
Euro coins issued in the name of the Treasury	89,927	91,108	95,984	4,876	

Note: Totals June not add up due to rounding.

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

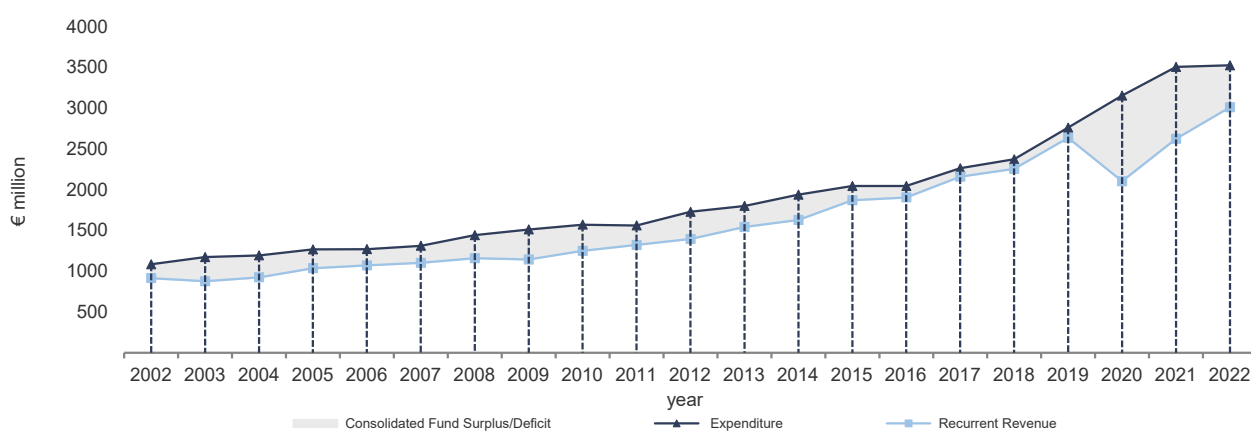


Chart 2. Recurrent Revenue by main category (%): January to July 2022

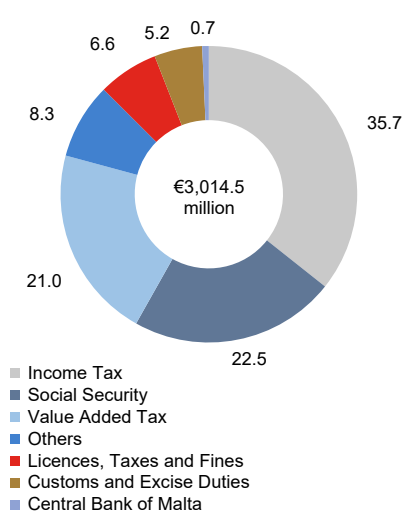
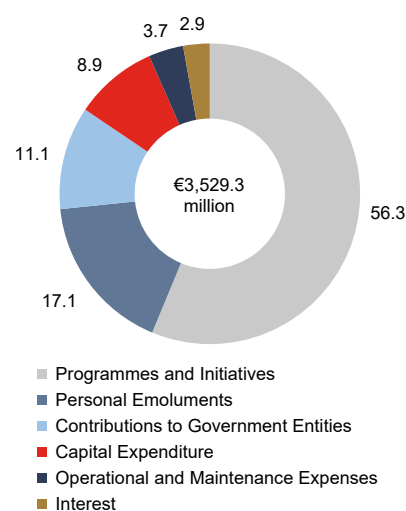


Chart 3. Expenditure by main category (%): January to July 2022



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