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Between January and July 2020, the Government's Consolidated Fund reported a deficit of €1,051.8 million.

## Government Finance Data: January-July 2020

By the end of July 2020, recurrent revenue totalled €2,106.1 million, a 20.2 per cent drop from the €2,638.6 million reported in revenue between January and July 2019. Income Tax exhibited the largest decrease at €206.7 million. Additional drops were also witnessed under Value Added Tax (€115.3 million), Grants (€78.1 million), Social Security (€61.9 million), Customs and Excise Duties (€56.3 million), Licences, Taxes and Fines (€55.9 million), Rents (€9.5 million) and Reimbursements (€7.0 million). In contrast, increases were reported under Miscellaneous Receipts (€27.0 million), Fees of Office (€25.3 million) and Dividends on Investment (€6.0 million).

Between January and July 2020, total expenditure amounted to €3,158.0 million, 14.2 per cent higher than the corresponding period in 2019.

During the period under review, recurrent expenditure totalled €2,573.2 million, a €200.1 million increase from the €2,373.1 million reported in 2019. The main contributor to this increase was a €112.9 million rise reported under Programmes and Initiatives. Furthermore, increases in outlay were also registered by Contributions to Government Entities (€45.7 million), Operational and Maintenance Expenses (€25.1 million) and Personal Emoluments (€16.5 million). The main developments in the Programmes and Initiatives category involved added outlays towards Social security benefits (€46.8 million, of which €14.5 million were spent on COVID-19 social benefits), Medicines and surgical materials (€42.7 million), Church schools (€8.1 million), Public service obligation for public transport (€7.4 million), Feed-in-tariff (€7.2 million), Street lighting (€5.4 million), Extension of the school transport network (€5.2 million), Compensation payments (€4.9 million), Solid waste management strategy (€4.5 million) and Waiting lists for medical services (€3.7 million). The rise in expenditure was partially offset by a reported decrease in Social security state contribution (€26.6 million, also reported as revenue).

The interest component of the public debt servicing costs totalled €106.6 million, a €2.5 million drop from the same period in 2019.

By the end of July 2020, Government's capital spending amounted to €478.2 million, a rise of €195.8 million from 2019, largely due to additional spending towards Investment incentives (€193.1 million), which amounted to €217.0 million, including €209.0 million spent in relation to the COVID-19 Wage Supplement. Further increases were recorded in Property, plant and equipment (€34.1 million), Road construction and improvements (€9.5 million), ICT - support (€6.0 million) and the EU agricultural fund for rural development 2014-2020 (€4.1 million). On the other hand, there were drops reported under the Contribution towards Treasury clearance fund (€19.9 million), as well as under the EU Cohesion (€15.6 million) and Structural (€15.2 million) funds 2014-2020.

The difference between total revenue and expenditure resulted in a deficit of €1,051.8 million being reported in the Government's Consolidated Fund by the end of July 2020. This represented an increase in deficit of €925.9 million when compared to the deficit of €126.0 million witnessed during the same period in 2019. This difference mirrors an increase in total expenditure, consisting of recurrent expenditure (€200.1 million), interest (-€2.5 million) and capital expenditure (€195.8 million), in addition to a drop in recurrent revenue (€532.5 million) (Table 1). Decreases in revenue and increases in expenditure reflect developments related to COVID-19.

By the end of July 2020, Central Government debt stood at €6,624.2 million, a €1,173.0 million rise from the previous year. Increases reported under Malta Government Stocks (€587.3 million) and Treasury Bills (€497.2 million) were the main reasons behind the rise in debt. Higher debt was also reported under the 62+ Malta Government Savings Bond (€91.6 million) and Euro coins issued in the name of the Treasury (€3.7 million). In contrast, lower debt was registered under Foreign Loans (€0.1 million). Higher holdings by government funds in Malta Government Stocks also resulted in a decrease in debt of €6.7 million (Table 6) ■

Statistics in this News Release should be interpreted in the context of the COVID-19 situation.

Table 1. Revenue/Expenditure categories: January to July by year

Description	Jan-Jul 2018	Jan-Jul 2019	Jan-Jul 2020	Jan-Jul 2020 / Jan-Jul 2019	
				Change	% change
				€ 000	
<b>(a) Total Recurrent Revenue</b>	<b>2,258,115</b>	<b>2,638,637</b>	<b>2,106,148</b>	<b>-532,489</b>	<b>-20.2</b>
Customs and Excise Duties	176,419	182,870	126,553	-56,317	
Licences, Taxes and Fines	219,834	229,753	173,832	-55,921	
Income Tax	769,727	877,838	671,114	-206,724	
Value Added Tax	433,608	493,891	378,561	-115,330	
Fees of Office	46,090	47,902	73,198	25,296	
Reimbursements	26,024	25,747	18,797	-6,950	
Central Bank of Malta	28,000	20,000	20,000	0	
Rents	19,007	26,762	17,263	-9,499	
Dividends on Investment	20,583	9,385	15,410	6,025	
Interest on loans made by Government	32	37	8	-29	
Social Security	473,331	548,827	486,887	-61,940	
Grants	29,683	144,011	65,897	-78,113	
Miscellaneous Receipts	15,778	31,612	58,627	27,015	
<b>(b) Total Expenditure</b>	<b>2,375,315</b>	<b>2,764,609</b>	<b>3,157,992</b>	<b>393,383</b>	<b>14.2</b>
<i>Recurrent Expenditure</i>	2,067,451	2,373,105	2,573,228	200,122	8.4
Personal Emoluments	472,049	511,464	527,945	16,481	
Operational and Maintenance Expenses	108,367	122,029	147,080	25,051	
Programmes and Initiatives	1,246,286	1,443,040	1,555,898	112,858	
Contributions to Government Entities	240,749	296,571	342,304	45,733	
<i>Interest</i>	120,786	109,132	106,586	-2,546	-2.3
<i>Capital Expenditure</i>	187,078	282,371	478,178	195,807	69.3
<b>(a-b) Consolidated Fund Surplus/Deficit</b>	<b>-117,199</b>	<b>-125,972</b>	<b>-1,051,844</b>	<b>-925,872</b>	<b>735.0</b>
<b>(c) Financial Transactions</b>					
<i>Revenue</i>					
Loans	93,527	279,713	1,044,791	765,078	
Repayment of Loans	0	0	171	171	
Receipts from Sale of Shares	889	889	889	0	
Other extraordinary receipts	91,000	0	0	0	
<i>Expenditure</i>					
Contribution to Sinking Fund	16,659	20,025	10,025	-10,000	
Equity Acquisition	63,034	308	26,980	26,672	
Repayment of Loan	292,308	177,238	277,257	100,019	
Loans	0	0	0	0	

Note: Totals may not add up due to rounding.

Table 2. Revenue/Expenditure categories in July by year

Description	July 2018	July 2019	July 2020	July 2020 / July 2019	
				Change	% change
€ 000					
<b>(a) Total Recurrent Revenue</b>	<b>359,793</b>	<b>474,136</b>	<b>286,813</b>	<b>-187,323</b>	<b>-39.5</b>
Customs and Excise Duties	30,208	29,331	8,376	-20,955	
Licences, Taxes and Fines	33,355	27,596	26,067	-1,529	
Income Tax	175,426	192,660	114,129	-78,531	
Value Added Tax	42,368	45,791	16,934	-28,857	
Fees of Office	9,467	7,652	17,948	10,296	
Reimbursements	7,024	3,263	4,078	815	
Central Bank of Malta	0	0	0	0	
Rents	5,860	3,500	2,371	-1,129	
Dividends on Investment	0	750	2,750	2,000	
Interest on loans made by Government	0	0	1	1	
Social Security	49,682	78,180	74,819	-3,361	
Grants	2,482	72,464	11,361	-61,103	
Miscellaneous Receipts	3,922	12,950	7,979	-4,970	
<b>(b) Total Expenditure</b>	<b>335,084</b>	<b>443,942</b>	<b>443,014</b>	<b>-928</b>	<b>-0.2</b>
<i>Recurrent Expenditure</i>	270,851	366,165	338,199	-27,965	-7.6
Personal Emoluments	65,010	69,867	73,581	3,714	
Operational and Maintenance Expenses	16,945	17,192	15,831	-1,361	
Programmes and Initiatives	149,908	205,405	207,013	1,609	
Contributions to Government Entities	38,987	73,701	41,774	-31,927	
<i>Interest</i>	19,821	14,915	13,501	-1,414	-9.5
<i>Capital Expenditure</i>	44,412	62,863	91,314	28,452	45.3
<b>(a-b) Consolidated Fund Surplus/Deficit</b>	<b>24,710</b>	<b>30,194</b>	<b>-156,201</b>	<b>-186,395</b>	<b>-617.3</b>
<b>(c) Financial Transactions</b>					
<i>Revenue</i>					
Loans	0	100,000	344,791	244,791	
Repayment of Loans	0	0	0	0	
Receipts from Sale of Shares	0	0	0	0	
Other extraordinary receipts	91,000	0	0	0	
<i>Expenditure</i>					
Contribution to Sinking Fund	0	0	0	0	
Equity Acquisition	5,000	0	0	0	
Repayment of Loan	163,119	120,404	73,583	-46,821	
Loans	0	0	0	0	

Note: Totals may not add up due to rounding.

Table 3. Government Expenditure by COFOG category: January to July by year

COFOG	Personal emoluments			Operational and Maintenance Expenses			Programmes and Initiatives			Contributions to Government Entities		
	Jan-Jul 2018	Jan-Jul 2019	Jan-Jul 2020	Jan-Jul 2018	Jan-Jul 2019	Jan-Jul 2020	Jan-Jul 2018	Jan-Jul 2019	Jan-Jul 2020	Jan-Jul 2018	Jan-Jul 2019	Jan-Jul 2020
	€ 000											
General public services	50,910	57,388	57,286	19,778	29,525	53,077	113,717	175,882	154,118	11,132	25,815	25,904
Defence	23,547	23,502	24,524	2,842	3,778	3,853	323	495	409	149	117	161
Public order and safety	53,220	59,625	51,672	6,702	9,954	5,756	3,498	4,291	4,040	5,167	5,901	25,168
Economic affairs	38,398	35,620	36,920	5,750	6,943	13,055	92,329	90,178	123,904	75,403	93,354	107,518
Environment protection	0	2,587	2,775	205	172	26	14,789	33,766	31,329	16,967	17,994	15,643
Housing and community amenities	759	764	928	165	370	252	4,757	2,592	8,134	3,083	2,142	6,999
Health	143,238	159,725	170,194	33,678	34,390	33,970	121,029	142,304	190,806	31,179	35,472	42,161
Recreation, culture and religion	3,927	4,121	3,852	848	1,014	2,806	4,902	6,707	7,644	19,353	18,648	19,343
Education	127,672	135,935	146,543	15,966	9,775	9,744	79,748	110,156	126,589	56,255	67,361	62,747
Social protection	30,378	32,199	33,252	22,433	26,108	24,540	811,196	876,669	908,924	22,060	29,767	36,660
<b>Total</b>	<b>472,049</b>	<b>511,464</b>	<b>527,945</b>	<b>108,367</b>	<b>122,029</b>	<b>147,080</b>	<b>1,246,286</b>	<b>1,443,040</b>	<b>1,555,898</b>	<b>240,749</b>	<b>296,571</b>	<b>342,304</b>
COFOG	Interest Expenditure			Capital Expenditure			Total Expenditure					
	Jan-Jul 2018	Jan-Jul 2019	Jan-Jul 2020	Jan-Jul 2018	Jan-Jul 2019	Jan-Jul 2020	Jan-Jul 2018	Jan-Jul 2019	Jan-Jul 2020	Jan-Jul 2018	Jan-Jul 2019	Jan-Jul 2020
	€ 000											
General public services	120,786	109,132	106,586	27,333	40,242	43,645	<b>343,655</b>	<b>437,984</b>	<b>440,616</b>			
Defence	0	0	0	490	2,307	2,335	<b>27,351</b>	<b>30,199</b>	<b>31,284</b>			
Public order and safety	0	0	0	9,878	22,098	9,129	<b>78,465</b>	<b>101,868</b>	<b>95,766</b>			
Economic affairs	0	0	0	106,976	154,280	350,632	<b>318,856</b>	<b>380,375</b>	<b>632,028</b>			
Environment protection	0	0	0	9,468	34,409	21,291	<b>41,429</b>	<b>88,928</b>	<b>71,064</b>			
Housing and community amenities	0	0	0	211	103	3	<b>8,975</b>	<b>5,971</b>	<b>16,315</b>			
Health	0	0	0	9,991	5,452	23,122	<b>339,115</b>	<b>377,343</b>	<b>460,253</b>			
Recreation, culture and religion	0	0	0	7,943	8,511	12,047	<b>36,973</b>	<b>39,000</b>	<b>45,692</b>			
Education	0	0	0	12,290	12,916	11,008	<b>291,931</b>	<b>336,143</b>	<b>356,631</b>			
Social protection	0	0	0	2,498	2,053	4,966	<b>888,565</b>	<b>966,797</b>	<b>1,008,342</b>			
<b>Total</b>	<b>120,786</b>	<b>109,132</b>	<b>106,586</b>	<b>187,078</b>	<b>282,371</b>	<b>478,178</b>	<b>2,375,315</b>	<b>2,764,609</b>	<b>3,157,992</b>			

Table 4. Consolidated Fund data in ESA 2010 codes: January to July by year

Description	ESA code	Jan-Jul 2018	Jan-Jul 2019	Jan-Jul 2020	Jan-Jul 2020 / Jan-Jul 2019	
					Change	% change
					€ 000	
<b>1. Total Revenue</b>		<b>2,163,168</b>	<b>2,473,679</b>	<b>1,958,451</b>	<b>-515,228</b>	
Market Output	P11	56,916	57,645	88,794		
Taxes on Production and Imports	D2	790,829	851,801	648,001		
Property income receivable	D4	57,253	45,563	34,715		
Current taxes on income, wealth, etc	D5	805,757	922,431	704,437		
Social Contributions	D61	407,194	436,674	402,149		
Current transfers receivable	D7	7,567	13,287	2,732		
Capital transfers receivable	D9	37,653	146,280	77,624		
<b>2. Total Expenditure</b>		<b>2,280,367</b>	<b>2,599,650</b>	<b>3,010,295</b>	<b>410,644</b>	
Intermediate Consumption	P2	258,679	397,096	476,658		
Gross Capital Formation	P5g+NP	78,607	131,668	138,087		
Compensation of Employees	D1	555,906	590,648	620,223		
Property income payable	D4	124,004	101,631	70,211		
Subsidies	D3	47,172	52,751	265,308		
Social Benefits and social transfers in kind	D62+D632	666,199	678,100	750,077		
Current transfers payable	D7	544,519	625,230	668,297		
Capital transfers payable	D9	5,281	22,525	21,435		
<b>(1-2) Consolidated Fund Surplus/Deficit</b>		<b>-117,199</b>	<b>-125,972</b>	<b>-1,051,844</b>	<b>-925,872</b>	<b>735.0</b>

Table 5. Consolidated Fund data in ESA 2010 codes in July by year

Description	ESA code	July 2018	July 2019	July 2020	July 2020 / July 2019	
					Change	% change
					€ 000	
<b>1. Total Revenue</b>		<b>361,762</b>	<b>442,961</b>	<b>261,819</b>	<b>-181,143</b>	
Market Output	P11	11,599	6,377	19,687		
Taxes on Production and Imports	D2	101,854	97,772	45,458		
Property income receivable	D4	5,027	4,068	3,596		
Current taxes on income, wealth, etc	D5	180,915	197,420	119,830		
Social Contributions	D61	57,675	63,227	59,877		
Current transfers receivable	D7	819	2,007	175		
Capital transfers receivable	D9	3,874	72,091	13,195		
<b>2. Total Expenditure</b>		<b>337,052</b>	<b>412,767</b>	<b>418,020</b>	<b>5,252</b>	
Intermediate Consumption	P2	45,990	59,479	62,170		
Gross Capital Formation	P5g+NP	15,438	22,133	21,897		
Compensation of Employees	D1	76,251	82,386	86,407		
Property income payable	D4	20,503	6,990	8,288		
Subsidies	D3	10,602	9,101	66,098		
Social Benefits and social transfers in kind	D62+D632	83,029	85,720	87,320		
Current transfers payable	D7	83,381	140,883	84,838		
Capital transfers payable	D9	1,857	6,076	1,002		
<b>(1-2) Consolidated Fund Surplus/Deficit</b>		<b>24,710</b>	<b>30,194</b>	<b>-156,201</b>	<b>-186,395</b>	<b>-617.3</b>

Table 6. Central Government debt in July by year

Description	July 2018	July 2019	July 2020	July 2020 / July 2019	
				Change	% change
€ 000					
<b>Total Central Government Debt</b>	<b>5,355,481</b>	<b>5,451,231</b>	<b>6,624,210</b>	<b>1,172,979</b>	<b>17.7</b>
<i>of which:</i>					
Treasury Bills	371,000	324,800	822,000	497,200	
Malta Government Stocks	4,802,399	4,856,879	5,444,207	587,328	
62+ Malta Government Savings Bond	192,931	291,057	382,631	91,573	
Foreign Loans	1,244	1,028	899	-129	
MGSF investments in Government Debt	-93,446	-108,753	-115,453	-6,700	
Euro coins issued in the name of the Treasury	81,354	86,220	89,927	3,707	

Note: Totals may not add up due to rounding.

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

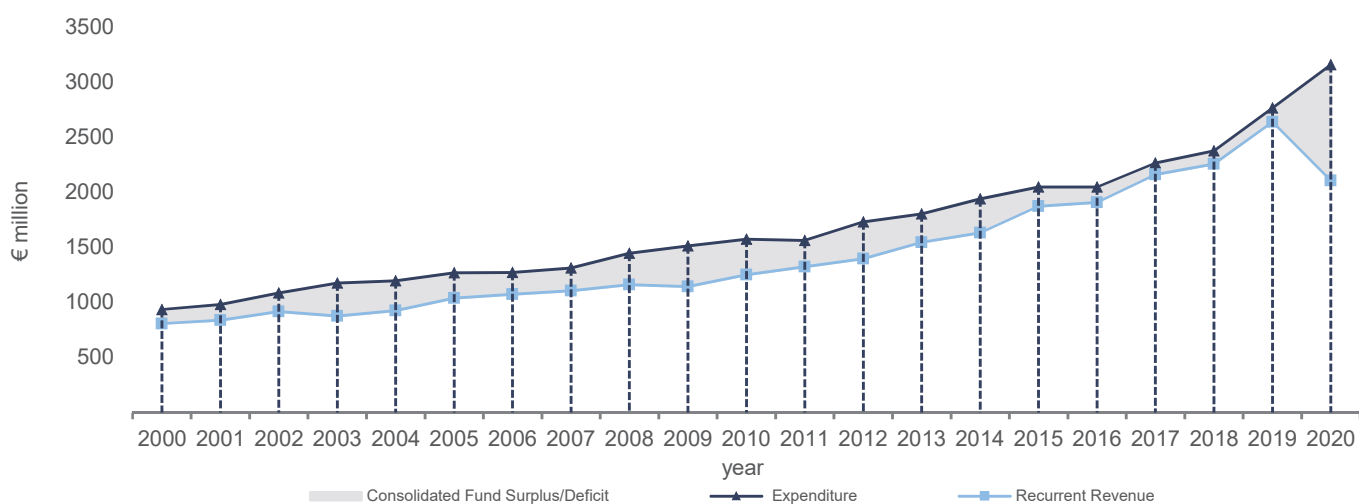


Chart 2. Recurrent Revenue by main category (%): January to July 2020

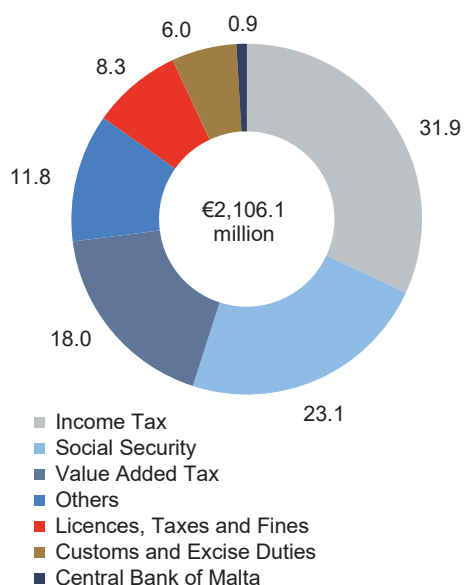
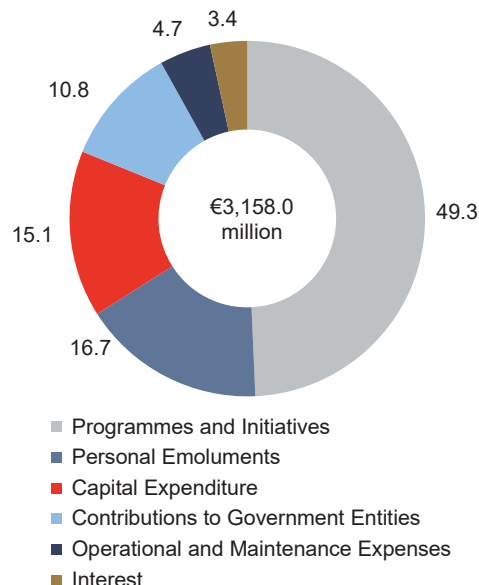


Chart 3. Expenditure by main category (%): January to July 2020



## 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 2020 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. The revenue and expenditure figures are based on actual cash transactions, and are therefore not normally subject to revision. Although revisions to debt data are uncommon, it is prudent to consider debt figures for the three months preceding the reference period as provisional. 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:  
[http://nso.gov.mt/en/nso/Sources\\_and\\_Methods/Unit\\_A2/Public\\_Finance/Pages/Council-Directive-852011.aspx](http://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](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](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: <http://nso.gov.mt/metadata/concepts.aspx>  
Statistical Database: <http://nso.gov.mt/statdb/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](https://nso.gov.mt/en/News_Releases/Release_Calendar/Pages/News-Release-Calendar.aspx)