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By the end of 2020, the Government's Consolidated Fund reported a deficit of €1,467.9 million.

Government Finance Data: January-December 2020

In 2020, Recurrent Revenue amounted to €4,389.3 million, 11.7 per cent lower than the €4,972.9 million reported a year earlier. Income Tax recorded the largest decrease of €229.1 million. Additional drops were also witnessed under Value Added Tax (€177.1 million), Licences, Taxes and Fines (€86.7 million), Grants (€73.9 million), Customs and Excise Duties (€67.7 million), Reimbursements (€14.5 million), Dividends on Investment (€6.6 million), Rents (€0.8 million) and Interest on loans made by Government (€0.1 million). The drop in revenue was marginally offset by increases reported under Fees of Office (€32.1 million), Miscellaneous Receipts (€20.1 million), Social Security (€17.3 million) and Central Bank of Malta (€3.5 million).

During 2020, total expenditure stood at €5,857.2 million, 18.0 per cent higher than the previous year.

During the reference period, Recurrent Expenditure totalled €4,638.9 million, a rise of €422.7 million in comparison to the €4,216.2 million reported in 2019. The main contributor to this increase was a €276.4 million rise recorded under Programmes and Initiatives. Furthermore, increases were also witnessed under Contributions to Government Entities (€88.9 million), Operational and Maintenance Expenses (€38.4 million) and Personal Emoluments (€19.0 million). The main developments in the Programmes and Initiatives category involved added outlays towards Social security benefits (€79.0 million, of which €14.5 million were spent on COVID-19 social benefits), Medicines and surgical materials (€49.2 million), the Economic regeneration voucher scheme (€45.3 million), Housing programmes (€15.8 million), Feed-in-tariff (€15.0 million), Extension of the school transport network (€9.8 million), Cancer treatment (€8.0 million), St Vincent de Paul Residence service contract (€7.8 million), Church schools (€7.5 million), Waiting lists for medical services (€7.1 million), Detention service, Public service obligation for public transport (both €6.9 million), Compensation payments (€5.7 million), Additional street sweeping services and Chief medical officer medicines (both €5.0 million).

The interest component of the public debt servicing costs totalled €181.2 million, an €11.1 million drop in comparison to 2019.

By the end of December 2020, Government's capital spending amounted to €1,037.1 million, €482.1 million higher than 2019, largely due to additional spending towards Investment incentives (€406.7 million). These incentives amounted to €434.9 million, of which €384.2 million was spent in relation to the COVID-19 Business Assistance Programme. Furthermore, there were increases reported under Property, plant and equipment (€52.5 million), Road construction/improvements (€11.7 million), Maritime facilities (€10.0 million), Film industry incentives (€8.3 million) and ICT (€7.6 million). In contrast, spending under Contribution towards Treasury clearance fund fell by €19.9 million.

The difference between total revenue and expenditure resulted in a deficit of €1,467.9 million being reported in the Government's Consolidated Fund at the end of 2020. This represented an increase in deficit of €1,477.3 million when compared to the surplus of €9.4 million witnessed during 2019. This difference mirrors an increase in total expenditure, consisting of Recurrent Expenditure (€422.7 million), Interest (-€11.1 million) and Capital Expenditure (€482.1 million), in addition to a drop in Recurrent Revenue (€583.6 million) (Table 1). Decreases in revenue and increases in expenditure reflect developments related to COVID-19.

At the end of 2020, Central Government debt stood at €6,765.2 million, a €1,437.0 million rise from 2019. Increases reported under Malta Government Stocks (€873.5 million) and Treasury Bills (€344.0 million) were the main contributors to the rise in debt. Foreign Loans registered an increase of €119.9 million, largely reflecting the €120.0 million EU loan from the temporary Support to mitigate Unemployment Risks in an Emergency (SURE) instrument. Higher debt was also reported under the 62+ Malta Government Savings Bond (€90.7 million) and Euro coins issued in the name of the Treasury (€1.2 million). Finally, lower holdings by government funds in Malta Government Stocks resulted in an increase in debt of €7.9 million (Table 6) ■

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

Table 1. Revenue/Expenditure by period and description

Description	Jan-Dec 2018	Jan-Dec 2019	Jan-Dec 2020	Jan-Dec2020 / Jan-Dec2019	
				Change	% change
	€ 000				
(a) Total Recurrent Revenue	4,559,775	4,972,883	4,389,297	-583,586	-11.7
Customs and Excise Duties	312,142	332,123	264,416	-67,708	
Licences, Taxes and Fines	386,693	397,034	310,326	-86,708	
Income Tax	1,573,144	1,765,801	1,536,707	-229,095	
Value Added Tax	927,970	944,741	767,657	-177,085	
Fees of Office	82,220	84,246	116,316	32,070	
Reimbursements	49,137	48,518	33,989	-14,528	
Central Bank of Malta	35,000	28,000	31,500	3,500	
Rents	30,408	35,562	34,756	-806	
Dividends on Investment	45,768	32,644	26,060	-6,584	
Interest on Loans made by Government	49	90	9	-81	
Social Security	967,831	1,046,140	1,063,423	17,284	
Grants	100,781	184,600	110,665	-73,936	
Miscellaneous Receipts	48,632	73,384	93,475	20,091	
(b) Total Expenditure	4,629,992	4,963,528	5,857,203	893,675	18.0
<i>Recurrent Expenditure</i>	3,821,447	4,216,202	4,638,869	422,666	10.0
Personal Emoluments	888,138	962,313	981,303	18,990	
Operational and Maintenance Expenses	210,693	228,375	266,740	38,364	
Programmes and Initiatives	2,261,800	2,493,748	2,770,166	276,418	
Contributions to Government Entities	460,817	531,766	620,660	88,894	
<i>Interest</i>	203,555	192,283	181,205	-11,078	-5.8
<i>Capital Expenditure</i>	604,990	555,043	1,037,130	482,087	86.9
(a-b) Consolidated Fund Surplus/Deficit	-70,217	9,354	-1,467,906	-1,477,261	-15,792.2
(c) Financial Transactions					
<i>Revenue</i>					
Loans	243,527	449,713	1,549,791	1,100,078	
Repayment of Loans	0	0	915	915	
Receipts from Sale of Shares	889	978	889	-89	
Other Extraordinary Receipts	91,000	0	0	0	
<i>Expenditure</i>					
Contribution to Sinking Fund	51,688	50,050	20,050	-30,000	
Equity Acquisition	63,513	18,795	36,980	18,185	
Repayment of Loan	392,262	439,673	465,706	26,032	
Loans	0	0	0	0	

Note: Totals may not add up due to rounding.

Table 2. Revenue/Expenditure by month and description

Description	December 2018	December 2019	December 2020	December 2020 / December 2019	
				Change	% change
€ 000					
(a) Total Recurrent Revenue	633,858	583,525	657,216	73,691	12.6
Customs and Excise Duties	28,140	27,249	32,275	5,027	
Licences, Taxes and Fines	39,739	38,547	36,255	-2,292	
Income Tax	237,472	293,160	267,716	-25,444	
Value Added Tax	85,407	39,105	43,281	4,176	
Fees of Office	6,470	7,321	15,407	8,086	
Reimbursements	9,766	6,571	2,704	-3,867	
Central Bank of Malta	0	0	6,500	6,500	
Rents	1,933	1,577	4,143	2,566	
Dividends on Investment	17,624	9,437	4,150	-5,287	
Interest on Loans made by Government	0	1	0	-1	
Social Security	139,944	145,979	221,553	75,574	
Grants	48,383	11,194	20,054	8,860	
Miscellaneous Receipts	18,980	3,385	3,179	-207	
(b) Total Expenditure	668,861	582,203	791,108	208,905	35.9
<i>Recurrent Expenditure</i>	452,398	460,422	554,108	93,686	20.3
Personal Emoluments	143,369	153,516	157,719	4,202	
Operational and Maintenance Expenses	21,828	24,262	13,162	-11,100	
Programmes and Initiatives	234,723	234,016	342,198	108,182	
Contributions to Government Entities	52,478	48,628	41,030	-7,598	
<i>Interest</i>	18,487	18,611	16,453	-2,158	-11.6
<i>Capital Expenditure</i>	197,976	103,171	220,547	117,377	113.8
(a-b) Consolidated Fund Surplus/Deficit	-35,004	1,321	-133,893	-135,214	-10,234.5
(c) Financial Transactions					
<i>Revenue</i>					
Loans	150,000	0	0	0	
Repayment of Loans	0	0	247	247	
Receipts from Sale of Shares	0	89	0	-89	
Other Extraordinary Receipts	0	0	0	0	
<i>Expenditure</i>					
Contribution to Sinking Fund	25,029	30,025	10,025	-20,000	
Equity Acquisition	0	487	10,000	9,513	
Repayment of Loan	29,400	187	488	301	
Loans	0	0	0	0	

Note: Totals may not add up due to rounding.

Table 3. Government Expenditure by period and COFOG category

COFOG	Personal Emoluments			Operational and Maintenance Expenses			Programmes and Initiatives			Contributions to Government Entities		
	Jan-Dec 2018	Jan-Dec 2019	Jan-Dec 2020	Jan-Dec 2018	Jan-Dec 2019	Jan-Dec 2020	Jan-Dec 2018	Jan-Dec 2019	Jan-Dec 2020	Jan-Dec 2018	Jan-Dec 2019	Jan-Dec 2020
	€ 000											
General public services	102,625	111,524	108,307	42,295	53,886	82,677	228,809	267,814	245,180	23,447	52,045	49,868
Defence	43,577	43,744	42,241	8,421	9,050	8,094	667	1,136	782	304	409	490
Public order and safety	104,227	116,139	96,002	12,891	19,057	11,401	6,145	11,072	10,734	8,484	9,636	47,300
Economic affairs	61,024	61,360	63,368	11,709	13,423	29,996	158,659	153,440	222,791	129,641	156,139	171,599
Environment protection	4,690	8,621	9,264	402	293	239	37,775	58,566	66,308	42,549	32,872	28,905
Housing and community amenities	1,403	1,436	1,693	499	627	627	5,620	7,510	8,994	6,185	10,005	8,561
Health	269,365	298,118	322,848	66,424	69,085	68,643	190,488	233,623	311,569	59,645	61,210	73,788
Recreation, culture and religion	7,392	7,646	7,107	1,393	2,621	2,498	13,816	18,330	18,430	33,154	29,753	36,114
Education	237,785	254,409	269,148	26,304	16,873	16,858	146,696	185,920	210,001	120,947	132,689	142,030
Social protection	56,051	59,318	61,326	40,355	43,460	45,707	1,473,124	1,556,336	1,675,379	36,463	47,008	62,005
Total	888,138	962,313	981,303	210,693	228,375	266,740	2,261,800	2,493,748	2,770,166	460,817	531,766	620,660
COFOG	Interest Expenditure			Capital Expenditure			Total Expenditure					
	Jan-Dec 2018	Jan-Dec 2019	Jan-Dec 2020	Jan-Dec 2018	Jan-Dec 2019	Jan-Dec 2020	Jan-Dec 2018	Jan-Dec 2019	Jan-Dec 2020	Jan-Dec 2018	Jan-Dec 2019	Jan-Dec 2020
	€ 000											
General public services	203,555	192,283	181,205	81,298	84,685	97,520	682,029	762,237	764,755			
Defence	0	0	0	7,518	21,084	11,685	60,487	75,423	63,292			
Public order and safety	0	0	0	45,234	37,718	30,354	176,981	193,621	195,791			
Economic affairs	0	0	0	310,271	277,961	706,687	671,304	662,323	1,194,441			
Environment protection	0	0	0	57,421	63,564	53,800	142,837	163,917	158,516			
Housing and community amenities	0	0	0	1,192	683	1,788	14,898	20,261	21,663			
Health	0	0	0	28,979	12,408	44,848	614,901	674,444	821,696			
Recreation, culture and religion	0	0	0	32,223	22,198	38,038	87,977	80,547	102,186			
Education	0	0	0	35,721	29,623	38,119	567,453	619,513	676,156			
Social protection	0	0	0	5,132	5,119	14,291	1,611,125	1,711,241	1,858,708			
Total	203,555	192,283	181,205	604,990	555,043	1,037,130	4,629,992	4,963,528	5,857,203			

Table 4. Consolidated Fund by period and ESA 2010 codes

Description	ESA code	Jan-Dec 2018	Jan-Dec 2019	Jan-Dec 2020	Jan-Dec 2020 / Jan-Dec 2019	
					Change	% change
€ 000						
1. Total Revenue		4,281,408	4,618,025	4,041,274	-576,751	-12.5
Market output	P11	112,239	112,488	149,397		
Taxes on production and imports	D2	1,568,989	1,592,780	1,285,226		
Property income receivable	D4	84,248	69,304	63,290		
Current taxes on income, wealth, etc	D5	1,630,652	1,834,225	1,598,263		
Social contributions	D61	754,311	792,608	811,360		
Current transfers receivable	D7	27,354	17,384	6,060		
Capital transfers receivable	D9	103,614	199,236	127,678		
2. Total Expenditure		4,351,625	4,608,671	5,509,180	900,509	19.5
Intermediate consumption	P2	547,393	701,228	932,928		
Gross capital formation	P5g+NP	241,822	265,480	233,953		
Compensation of employees	D1	1,031,707	1,099,261	1,161,691		
Property income payable	D4	204,203	178,407	131,031		
Subsidies	D3	93,317	100,801	485,634		
Social benefits and social transfers in kind	D62+D632	1,128,165	1,161,165	1,271,403		
Current transfers payable	D7	993,976	1,045,255	1,189,932		
Capital transfers payable	D9	111,042	57,073	102,609		
(1-2) Consolidated Fund Surplus/Deficit		-70,217	9,354	-1,467,906	-1,477,261	-15,792.2

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

Description	ESA code	December 2018	December 2019	December 2020	December 2020 / December 2019	
					Change	% change
€ 000						
1. Total Revenue		567,135	522,061	570,087	48,026	9.2
Market output	P11	17,455	13,563	21,603		
Taxes on production and imports	D2	152,435	97,460	107,822		
Property income receivable	D4	11,059	5,813	10,359		
Current taxes on income, wealth, etc	D5	240,892	300,557	272,609		
Social contributions	D61	91,484	90,128	137,236		
Current transfers receivable	D7	3,003	2,071	878		
Capital transfers receivable	D9	50,808	12,468	19,580		
2. Total Expenditure		602,139	520,740	703,980	183,240	35.2
Intermediate consumption	P2	83,208	87,144	130,164		
Gross capital formation	P5g+NP	70,160	45,407	44,898		
Compensation of employees	D1	156,395	166,909	175,609		
Property income payable	D4	13,443	20,028	16,888		
Subsidies	D3	20,013	18,716	95,357		
Social benefits and social transfers in kind	D62+D632	110,115	100,262	127,618		
Current transfers payable	D7	92,875	66,480	83,935		
Capital transfers payable	D9	55,930	15,793	29,511		
(1-2) Consolidated Fund Surplus/Deficit		-35,004	1,321	-133,893	-135,214	-10,234.5

Table 6. Central Government debt by month and description

Description	December 2018	December 2019	December 2020	December 2020 / December 2019	
				Change	% change
€ 000					
Total Central Government Debt	5,318,985	5,328,195	6,765,235	1,437,040	27.0
<i>of which:</i>					
Treasury Bills	290,000	300,000	644,000	344,000	
Malta Government Stocks	4,852,749	4,769,412	5,642,872	873,460	
62+ Malta Government Savings Bond	192,582	289,849	380,507	90,658	
Foreign Loans	1,084	967	120,839	119,872	
MGSF investments in Government Debt	-101,862	-121,203	-113,353	7,850	
Euro coins issued in the name of the Treasury	84,431	89,171	90,371	1,200	

Note: Totals may not add up due to rounding.

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

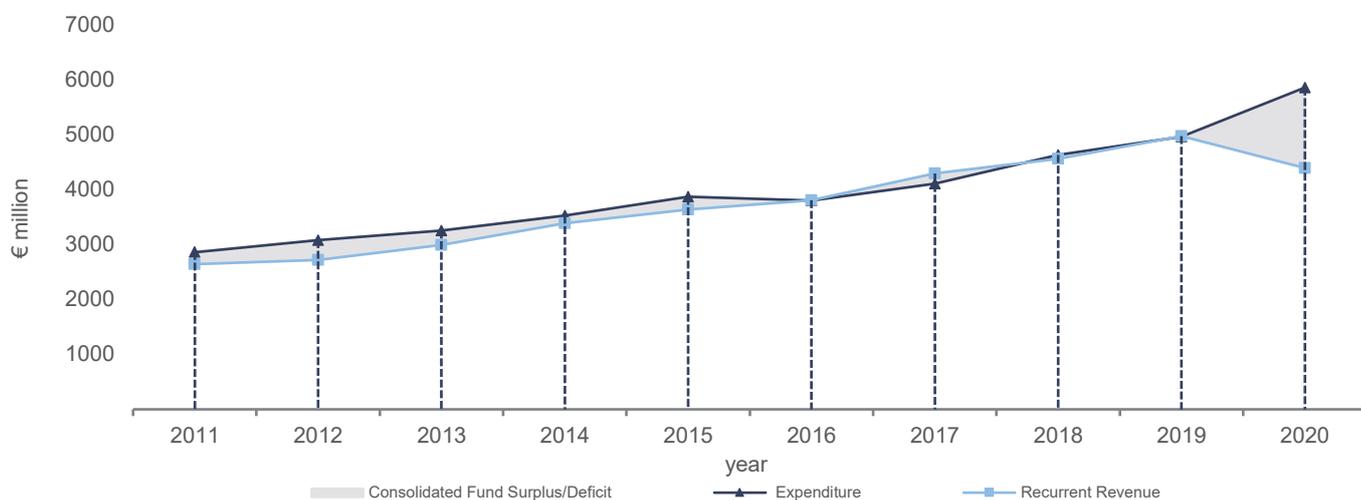


Chart 2. Recurrent Revenue by main category (%): January to December 2020

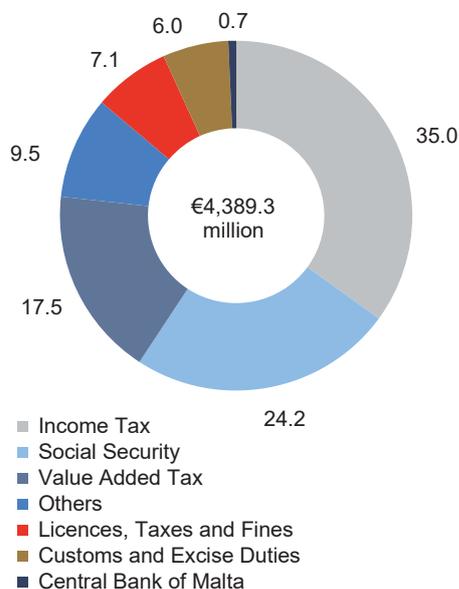
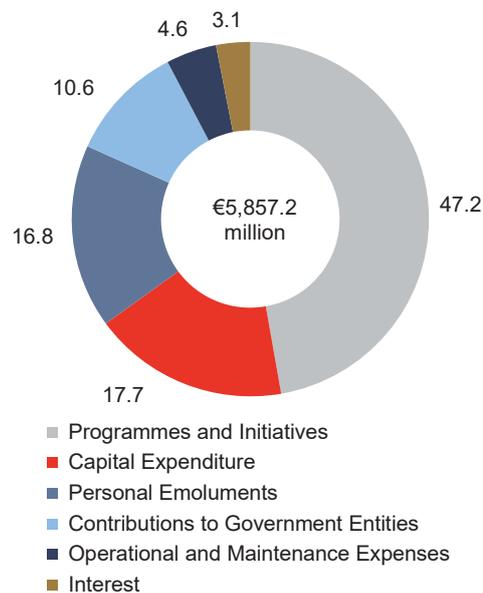


Chart 3. Total Expenditure by main category (%): January to December 2020



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:
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. A detailed news release calendar is available on:
https://nso.gov.mt/en/News_Releases/Release_Calendar/Pages/News-Release-Calendar.aspx