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By the end of March 2021, the Government's Consolidated Fund reported a deficit of €565.8 million.

Government Finance Data: January-March 2021

In the first quarter of 2021, Recurrent Revenue amounted to €913.2 million, 1.3 per cent lower than the €925.6 million reported a year earlier. The largest decrease was recorded under Licences, Taxes and Fines (€24.4 million), followed by Grants (€19.9 million), Social Security (€18.8 million), Customs and Excise Duties (€7.1 million), Rents (€7.0 million), Miscellaneous Receipts (€4.1 million) and Dividends on Investment (€2.7 million). The drop in revenue was marginally offset by increases reported under Income Tax (€41.6 million), Value Added Tax (€19.3 million), Fees of Office (€9.7 million) and Reimbursements (€1.1 million).

Total expenditure in the first quarter stood at €1,479.0 million, 19.5 per cent higher than the previous year.

During the reference quarter, Recurrent Expenditure totalled €1,312.1 million, a rise of €276.8 million in comparison to the €1,035.3 million reported in the first quarter of 2020. The main contributor to this increase was a €187.7 million rise reported under Programmes and Initiatives. Furthermore, increases were also witnessed under Personal Emoluments (€56.2 million), Operational and Maintenance Expenses (€24.5 million) and Contributions to Government Entities (€8.3 million). The largest development in the Programmes and Initiatives category related to the Pandemic assistance scheme (€107.0 million), which includes the COVID-19 Business Assistance Programme. Other increases under Programmes and Initiatives were reported under Hospital concession agreements (€27.6 million), Medicines and surgical materials (€14.9 million), Allocation in respect of local councils (€10.7 million), Social security benefits (€9.7 million), EU own resources (€7.0 million), St Vincent de Paul Residence service contract (€6.2 million) and Church schools (€5.8 million).

The interest component of the public debt servicing costs totalled €44.4 million, a decrease of €1.3 million when compared to the previous year.

By the end of March 2021, Government's capital spending amounted to €122.5 million, €34.6 million lower than 2020. The drop largely resulted from the reclassification of the COVID-19 Business Assistance Programme (€50.0 million), which featured under Capital Expenditure between March and December 2020 but is now classified under Recurrent Expenditure.

The difference between total revenue and expenditure resulted in a deficit of €565.8 million being reported in the Government's Consolidated Fund at the end of the first quarter of 2021. Compared to the same period in 2020, there was an increase in deficit of €253.3 million. This difference mirrors an increase in total expenditure, consisting of Recurrent Expenditure (€276.8 million), Interest (-€1.3 million) and Capital Expenditure (-€34.6 million), in addition to a drop in Recurrent Revenue (€12.4 million) (Table 1). Decreases in revenue and increases in expenditure reflect developments related to COVID-19.

At the end of March 2021, Central Government debt stood at €7,295.5 million, a €1,745.2 million rise from 2020. Increases reported under Malta Government Stocks (€1,073.7 million) and Treasury Bills (€325.8 million) were the main contributors to the rise in debt. Foreign Loans registered an increase of €242.9 million, largely reflecting the €243.0 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 (€90.4 million) and Euro coins issued in the name of the Treasury (€0.3 million). Finally, lower holdings by government funds in Malta Government Stocks resulted in an increase in debt of €12.2 million (Table 3) ■

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

Table 1. Revenue/Expenditure categories by period and description

Description	Jan-Mar 2019	Jan-Mar 2020	Jan-Mar 2021	Jan-Mar 2021 / Jan-Mar 2020	
				Change	% change
				€ 000	
(a) Total Recurrent Revenue	1,014,536	925,611	913,227	-12,384	-1.3
Customs and Excise Duties	76,272	61,925	54,874	-7,051	
Licences, Taxes and Fines	94,168	86,955	62,528	-24,427	
Income Tax	265,401	241,023	282,595	41,573	
Value Added Tax	240,003	231,534	250,858	19,325	
Fees of Office	16,126	11,076	20,732	9,657	
Reimbursements	10,986	8,051	9,136	1,085	
Central Bank of Malta	15,000	15,000	15,000	0	
Rents	9,746	10,203	3,170	-7,033	
Dividends on Investment	3,200	3,660	1,000	-2,660	
Interest on Loans made by Government	17	1	0	0	
Social Security	220,476	215,646	196,838	-18,808	
Grants	51,005	25,384	5,461	-19,923	
Miscellaneous Receipts	12,134	15,155	11,034	-4,121	
(b) Total Expenditure	1,148,750	1,238,104	1,478,982	240,878	19.5
<i>Recurrent Expenditure</i>	993,059	1,035,272	1,312,081	276,809	26.7
Personal Emoluments	222,911	225,265	281,509	56,244	
Operational and Maintenance Expenses	56,019	47,122	71,612	24,490	
Programmes and Initiatives	599,331	619,912	807,643	187,731	
Contributions to Government Entities	114,798	142,972	151,317	8,345	
<i>Interest</i>	49,699	45,680	44,371	-1,309	-2.9
<i>Capital Expenditure</i>	105,993	157,152	122,530	-34,622	-22.0
(a-b) Consolidated Fund Surplus/Deficit	-134,214	-312,493	-565,755	-253,262	81.0
(c) Financial Transactions					
<i>Revenue</i>					
Loans	179,713	100,000	423,000	323,000	
Repayment of Loans	0	0	0	0	
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	308	13,960	0	-13,960	
Repayment of Loan	41,195	0	1,049	1,049	
Loans	0	0	0	0	

Note: Totals may not add up due to rounding.

Table 2. Revenue/Expenditure categories by month and description

Description	March 2019	March 2020	March 2021	March 2021 / March 2020	
				Change	% change
€ 000					
(a) Total Recurrent Revenue	325,348	213,366	212,204	-1,162	-0.5
Customs and Excise Duties	28,352	9,813	15,011	5,198	
Licences, Taxes and Fines	35,482	21,288	19,920	-1,368	
Income Tax	69,243	42,013	61,645	19,632	
Value Added Tax	54,663	47,035	50,340	3,305	
Fees of Office	9,142	1,421	9,269	7,848	
Reimbursements	5,624	2,575	4,623	2,049	
Central Bank of Malta	5,000	5,000	5,000	0	
Rents	4,001	2,702	3,170	468	
Dividends on Investment	2,999	2,000	0	-2,000	
Interest on Loans made by Government	17	1	0	0	
Social Security	69,751	65,338	42,519	-22,818	
Grants	32,448	10,107	0	-10,108	
Miscellaneous Receipts	8,625	4,073	706	-3,368	
(b) Total Expenditure	396,651	427,493	450,271	22,778	5.3
<i>Recurrent Expenditure</i>	342,175	321,740	397,956	76,216	23.7
Personal Emoluments	77,557	78,569	100,543	21,974	
Operational and Maintenance Expenses	19,550	17,790	19,820	2,030	
Programmes and Initiatives	201,414	188,260	252,877	64,617	
Contributions to Government Entities	43,654	37,120	24,715	-12,405	
<i>Interest</i>	13,025	15,137	13,934	-1,203	-7.9
<i>Capital Expenditure</i>	41,452	90,616	38,381	-52,235	-57.6
(a-b) Consolidated Fund Surplus/Deficit	-71,303	-214,127	-238,067	-23,941	11.2
(c) Financial Transactions					
<i>Revenue</i>					
Loans	179,713	0	123,000	123,000	
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	40,860	0	425	425	
Loans	0	0	0	0	

Note: Totals may not add up due to rounding.

Table 3. Central Government debt by month and description

Description	March 2019	March 2020	March 2021	March 2021 / March 2020	
				Change	% change
	€ 000				
Total Central Government Debt	5,502,507	5,550,331	7,295,489	1,745,158	31.4
<i>of which:</i>					
Treasury Bills	340,800	427,000	752,750	325,750	
Malta Government Stocks	4,891,999	4,869,412	5,943,084	1,073,672	
62+ Malta Government Savings Bond	291,850	289,083	379,467	90,384	
Foreign Loans	1,027	900	243,779	242,879	
MGSF investments in Government Debt	-107,653	-125,553	-113,353	12,200	
Euro coins issued in the name of the Treasury	84,484	89,489	89,762	273	

Note: Totals may not add up due to rounding.

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

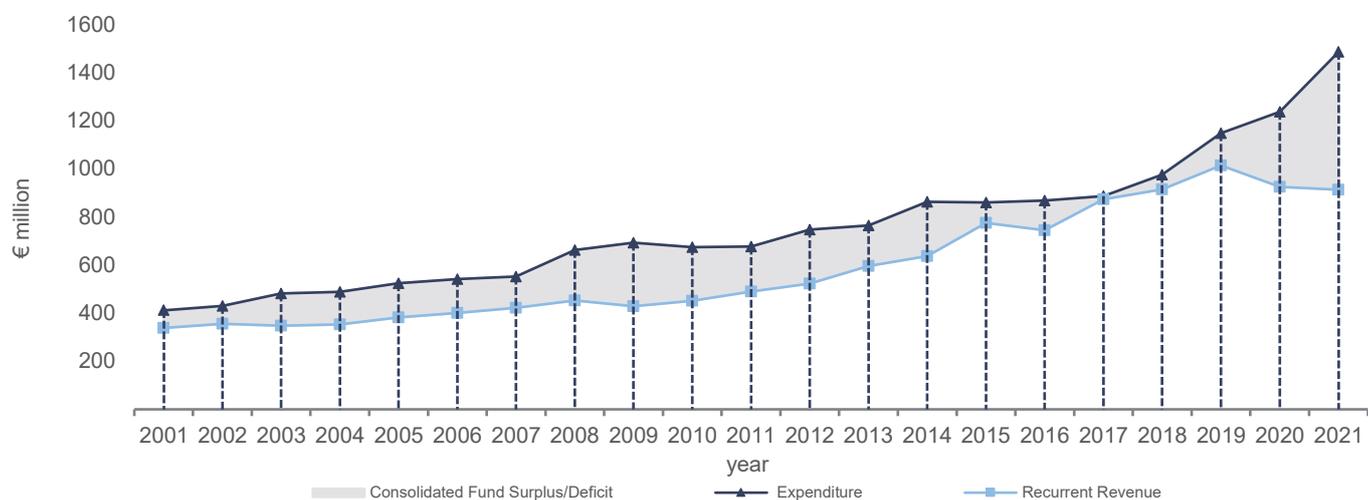


Chart 2. Recurrent Revenue by main category (%): January to March 2021

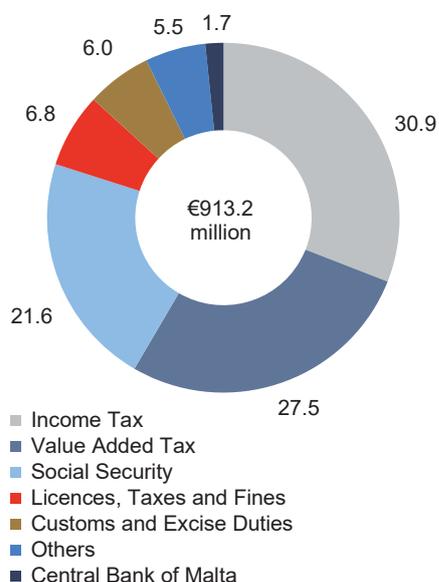
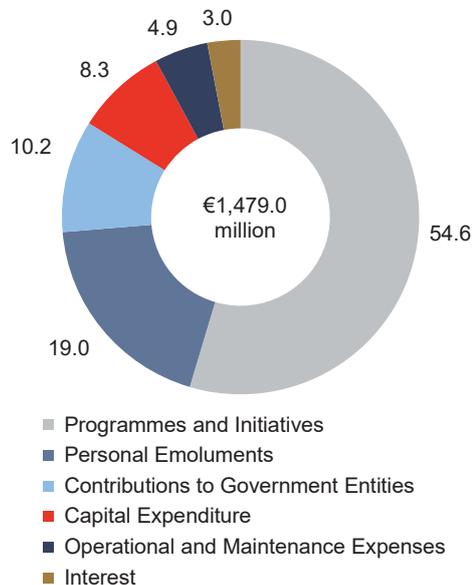


Chart 3. Total Expenditure by main category (%): January to March 2021



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 2021 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
 - 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. In this news release, the NSO could not update the tables: Government Expenditure by period and COFOG category and Consolidated Fund data by period and ESA 2010 codes. The NSO will resume the publication of these tables at the earliest.
8. More information relating to this news release may be accessed at:
Statistical Concepts: <https://metadata.nso.gov.mt/concepts.aspx>
Statistical Database: <https://statdb.nso.gov.mt/start>
9. Any quotations from this news release are to be cited and/or referenced.
10. A detailed news release calendar is available on:
https://nso.gov.mt/en/News_Releases/Release_Calendar/Pages/News-Release-Calendar.aspx