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By the end of June 2021, the Government's Consolidated Fund reported a deficit of €848.9 million.

Government Finance Data: January-June 2021

In the first six months of 2021, Recurrent Revenue amounted to €2,162.1 million, 18.8 per cent higher than the €1,819.3 million reported a year earlier. The largest increase was recorded under Income Tax (€189.7 million), followed by Social Security (€99.5 million), Value Added Tax (€99.5 million), Customs and Excise Duties (€15.4 million) and Licences, Taxes and Fines (€7.5 million). The rise in revenue was partially offset by decreases under Grants (€26.6 million), Miscellaneous Receipts (€25.5 million), Fees of Office (€7.3 million), Dividends on Investment (€4.4 million), Reimbursements (€2.6 million) and Rents (€2.5 million).

By the end of June 2021, total expenditure stood at €3,010.9 million, 10.9 per cent higher than the previous year.

During the reference period, Recurrent Expenditure totalled €2,651.9 million, a rise of €416.9 million in comparison to the €2,235.0 million reported by the end of June 2020. The main contributor to this increase was a €326.3 million rise reported under Programmes and Initiatives. Furthermore, increases were also witnessed under Personal Emoluments (€61.7 million) and Contributions to Government Entities (€32.7 million). The increase in expenditure was partly offset by a decrease under Operational and Maintenance Expenses (€3.9 million). The largest development in the Programmes and Initiatives category was related to the Pandemic assistance scheme (€198.9 million), which includes the COVID-19 Business Assistance Programme. Other increases under Programmes and Initiatives were reported under Hospital concession agreements (€36.5 million), Social security benefits (€23.8 million), EU own resources (€20.8 million), Public service obligation for public transport (€17.5 million), Church schools (€13.5 million), Economic regeneration voucher scheme (€10.0 million) and Extension of school transport network (€6.3 million).

The interest component of the public debt servicing costs totalled €90.5 million, a decrease of €2.6 million when compared to the previous year.

By the end of June 2021, Government's capital spending amounted to €268.5 million, €118.3 million lower than 2020. The drop largely resulted from the reclassification of the COVID-19 Business Assistance Programme (€154.0 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 €848.9 million being reported in the Government's Consolidated Fund at the end of June 2021. Compared to the same period in 2020, there was a decrease in deficit of €46.8 million. This difference mirrors an increase in total Recurrent Revenue (€342.8 million), largely offset by a rise in total expenditure, consisting of Recurrent Expenditure (€416.9 million), Interest (-€2.6 million) and Capital Expenditure (-€118.3 million). Changes in expenditure and revenue reflect developments related to COVID-19.

At the end of June 2021, Central Government debt stood at €7,797.8 million, a €1,421.2 million rise from 2020. Increases reported under Malta Government Stocks (€981.5 million) and Foreign Loans (€419.9 million) were the main contributors to the rise in debt. The latter increase in debt was a result of the €420.0 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 (€90.0 million) and Euro coins issued in the name of the Treasury (€1.0 million). This rise in debt was partially offset by a decrease in Treasury Bills (€68.3 million). Finally, lower holdings by government funds in Malta Government Stocks resulted in a decrease in debt of €2.7 million (Table 6) ■

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

Table 1. Revenue/Expenditure categories by period and description

Description	Jan-June 2019	Jan-June 2020	Jan-June 2021	Jan-June 2021 / Jan-June 2020	
				Change	% change
	€ 000				
(a) Total Recurrent Revenue	2,164,501	1,819,335	2,162,087	342,752	18.8
Customs and Excise Duties	153,539	118,177	133,609	15,431	
Licences, Taxes and Fines	202,158	147,765	155,225	7,460	
Income Tax	685,178	556,985	746,689	189,704	
Value Added Tax	448,100	361,628	461,111	99,483	
Fees of Office	40,251	55,250	47,916	-7,335	
Reimbursements	22,484	14,719	12,116	-2,602	
Central Bank of Malta	20,000	20,000	20,000	0	
Rents	23,262	14,892	12,416	-2,476	
Dividends on Investment	8,635	12,660	8,250	-4,410	
Interest on loans made by Government	37	7	1	-6	
Social Security	470,647	412,068	511,584	99,517	
Grants	71,547	54,537	27,983	-26,554	
Miscellaneous Receipts	18,663	50,648	25,188	-25,460	
(b) Total Expenditure	2,320,667	2,714,977	3,010,949	295,972	10.9
<i>Recurrent Expenditure</i>	2,006,941	2,235,028	2,651,883	416,855	18.7
Personal Emoluments	441,597	454,364	516,040	61,676	
Operational and Maintenance Expenses	104,838	131,250	127,374	-3,876	
Programmes and Initiatives	1,237,636	1,348,885	1,675,218	326,334	
Contributions to Government Entities	222,870	300,530	333,251	32,721	
<i>Interest</i>	94,218	93,085	90,524	-2,562	-2.8
<i>Capital Expenditure</i>	219,509	386,864	268,542	-118,322	-30.6
(a-b) Consolidated Fund Surplus/Deficit	-156,166	-895,642	-848,862	46,780	-5.2
(c) Financial Transactions					
<i>Revenue</i>					
Loans	179,713	700,000	900,000	200,000	
Repayment of Loans	0	171	0	-171	
Receipts from Sale of Shares	889	889	889	0	
Other extraordinary receipts	0	0	0	0	
<i>Expenditure</i>					
Contribution to Sinking Fund	20,025	10,025	0	-10,025	
Equity Acquisition	308	26,980	4,500	-22,480	
Repayment of Loan	56,834	203,674	6,072	-197,602	
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 2019	June 2020	June 2021	June 2021 / June 2020	
				Change	% change
€ 000					
(a) Total Recurrent Revenue	337,884	310,438	349,256	38,817	12.5
Customs and Excise Duties	28,513	23,135	31,550	8,415	
Licences, Taxes and Fines	37,212	21,962	21,341	-621	
Income Tax	103,701	118,261	142,079	23,818	
Value Added Tax	43,390	27,629	43,137	15,509	
Fees of Office	9,560	10,008	10,122	114	
Reimbursements	7,201	3,663	1,155	-2,508	
Central Bank of Malta	5,000	5,000	5,000	0	
Rents	3,425	1,353	1,286	-67	
Dividends on Investment	3,000	5,250	2,000	-3,250	
Interest on loans made by Government	17	6	1	-6	
Social Security	79,257	69,572	84,513	14,940	
Grants	14,472	20,217	6,840	-13,377	
Miscellaneous Receipts	3,136	4,382	233	-4,150	
(b) Total Expenditure	426,646	532,671	526,411	-6,260	-1.2
<i>Recurrent Expenditure</i>	370,319	436,630	467,262	30,631	7.0
Personal Emoluments	76,738	80,903	88,473	7,570	
Operational and Maintenance Expenses	13,729	49,822	18,351	-31,471	
Programmes and Initiatives	253,779	253,862	300,552	46,690	
Contributions to Government Entities	26,073	52,043	59,885	7,842	
<i>Interest</i>	17,808	19,353	16,370	-2,984	-15.4
<i>Capital Expenditure</i>	38,519	76,687	42,780	-33,908	-44.2
(a-b) Consolidated Fund Surplus/Deficit	-88,762	-222,232	-177,155	45,077	-20.3
(c) Financial Transactions					
<i>Revenue</i>					
Loans	0	0	0	0	
Repayment of Loans	0	171	0	-171	
Receipts from Sale of Shares	0	0	0	0	
Other extraordinary receipts	0	0	0	0	
<i>Expenditure</i>	0	0			
Contribution to Sinking Fund	10,025	10,025	0	-10,025	
Equity Acquisition	0	0	0	0	
Repayment of Loan	15,264	43,972	4,918	-39,053	
Loans	0	0	0	0	

Note: Totals may not add up due to rounding.

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

COFOG	Personal emoluments			Operational and Maintenance Expenses			Programmes and Initiatives			Contributions to Government Entities		
	Jan-Jun 2019	Jan-Jun 2020	Jan-Jun 2021	Jan-Jun 2019	Jan-Jun 2020	Jan-Jun 2021	Jan-Jun 2019	Jan-Jun 2020	Jan-Jun 2021	Jan-Jun 2019	Jan-Jun 2020	Jan-Jun 2021
	€ 000											
General public services	49,203	49,336	49,087	24,718	49,820	25,013	147,767	138,996	300,939	15,896	21,489	48,158
Defence	20,175	20,635	33,259	3,205	3,692	4,079	456	356	485	116	146	0
Public order and safety	51,380	45,416	46,798	8,969	5,156	5,158	3,657	3,810	7,909	5,270	22,316	35,256
Economic affairs	30,668	31,795	42,694	6,085	12,247	22,721	75,894	89,504	156,537	82,704	91,724	83,951
Environment protection	2,205	2,410	2,607	145	8	1,112	28,074	25,413	19,021	11,989	11,518	260
Housing and community amenities	649	805	403	325	242	92	2,569	7,523	0	1,681	7,116	709
Health	138,241	146,735	171,609	29,128	25,994	42,582	117,943	164,601	182,708	28,040	36,953	42,665
Recreation, culture and religion	3,550	3,314	1,272	913	2,671	638	6,312	6,829	8,601	12,132	17,667	12,620
Education	117,664	125,107	136,550	8,599	8,818	10,384	91,283	121,101	131,085	41,957	61,640	79,253
Social protection	27,862	28,813	31,762	22,752	22,601	15,595	763,680	790,751	867,932	23,086	29,960	30,379
Total	441,597	454,364	516,040	104,838	131,250	127,374	1,237,636	1,348,885	1,675,218	222,870	300,530	333,251
COFOG	Interest Expenditure			Capital Expenditure			Total Expenditure					
	Jan-Jun 2019	Jan-Jun 2020	Jan-Jun 2021	Jan-Jun 2019	Jan-Jun 2020	Jan-Jun 2021	Jan-Jun 2019	Jan-Jun 2020	Jan-Jun 2021	Jan-Jun 2019	Jan-Jun 2020	Jan-Jun 2021
	€ 000											
General public services	94,218	93,085	90,524	31,648	30,335	30,516	363,449	383,061	544,237			
Defence	0	0	0	1,888	1,105	1,254	25,838	25,933	39,077			
Public order and safety	0	0	0	20,917	7,424	14,984	90,194	84,122	110,106			
Economic affairs	0	0	0	112,986	277,051	162,231	308,336	502,320	468,133			
Environment protection	0	0	0	28,875	25,696	11,508	71,288	65,045	34,508			
Housing and community amenities	0	0	0	89	2	449	5,313	15,689	1,653			
Health	0	0	0	4,693	20,311	12,965	318,046	394,594	452,529			
Recreation, culture and religion	0	0	0	7,514	11,228	14,020	30,422	41,710	37,151			
Education	0	0	0	9,059	9,186	15,157	268,561	325,852	372,429			
Social protection	0	0	0	1,839	4,525	5,457	839,219	876,651	951,126			
Total	94,218	93,085	90,524	219,509	386,864	268,542	2,320,667	2,714,977	3,010,949			

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

Description	ESA code	Jan-Jun 2019	Jan-Jun 2020	Jan-Jun 2021	Jan-Jun 2021 / Jan-Jun 2020	
					Change	% change
					€ 000	
1. Total Revenue		2,030,717	1,696,632	1,994,427	297,795	17.6
Market Output	P11	51,268	69,107	69,841		
Taxes on Production and Imports	D2	754,028	602,543	706,992		
Property income receivable	D4	41,495	31,118	39,106		
Current taxes on income, wealth, etc	D5	725,011	584,606	777,516		
Social Contributions	D61	373,447	342,271	357,312		
Current transfers receivable	D7	11,280	2,556	3,176		
Capital transfers receivable	D9	74,189	64,429	40,484		
2. Total Expenditure		2,186,883	2,592,274	2,843,289	251,015	9.7
Intermediate Consumption	P2	337,617	414,488	486,962		
Gross Capital Formation	P5g+NP	109,535	116,190	158,480		
Compensation of Employees	D1	508,262	533,816	546,203		
Property income payable	D4	94,642	61,923	96,533		
Subsidies	D3	43,650	184,209	149,624		
Social Benefits and social transfers in kind	D62+D632	592,381	662,757	697,781		
Current transfers payable	D7	484,347	583,459	686,846		
Capital transfers payable	D9	16,449	35,433	20,860		
(1-2) Consolidated Fund Surplus/Deficit		-156,166	-895,642	-848,862	46,780	-5.2

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

Description	ESA code	June 2019	June 2020	June 2021	June 2021 / June 2020	
					Change	% change
					€ 000	
1. Total Revenue		310,419	292,605	318,670	26,065	8.9
Market Output	P11	15,497	15,558	16,094		
Taxes on Production and Imports	D2	104,224	71,318	83,033		
Property income receivable	D4	8,358	5,962	8,719		
Current taxes on income, wealth, etc	D5	110,006	122,475	147,860		
Social Contributions	D61	55,255	55,466	53,072		
Current transfers receivable	D7	1,182	216	1,683		
Capital transfers receivable	D9	15,897	21,610	8,209		
2. Total Expenditure		399,181	514,837	495,825	-19,012	-3.7
Intermediate Consumption	P2	55,866	102,127	56,294		
Gross Capital Formation	P5g+NP	12,461	15,758	25,261		
Compensation of Employees	D1	87,936	94,660	91,887		
Property income payable	D4	17,964	21,821	18,550		
Subsidies	D3	10,072	43,255	49,171		
Social Benefits and social transfers in kind	D62+D632	151,152	121,439	135,442		
Current transfers payable	D7	61,028	115,171	111,752		
Capital transfers payable	D9	2,702	606	7,468		
(1-2) Consolidated Fund Surplus/Deficit		-88,762	-222,232	-177,155	45,077	-20.3

Table 6. Central Government debt by month and description

Description	June 2019	June 2020	June 2021	June 2021 / June 2020	
				Change	% change
Total Central Government Debt	5,480,928	6,376,620	7,797,831	1,421,210	22.3
<i>of which:</i>					
Treasury Bills	332,800	855,000	786,750	-68,250	
Malta Government Stocks	4,878,329	5,258,247	6,239,759	981,513	
62+ Malta Government Savings Bond	291,248	288,336	378,102	89,766	
Foreign Loans	1,027	902	420,780	419,878	
Sinking funds investments in Government Debt	-108,453	-115,453	-118,153	-2,700	
Euro coins issued in the name of the Treasury	85,977	89,590	90,593	1,003	

Note: Totals may not add up due to rounding.

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

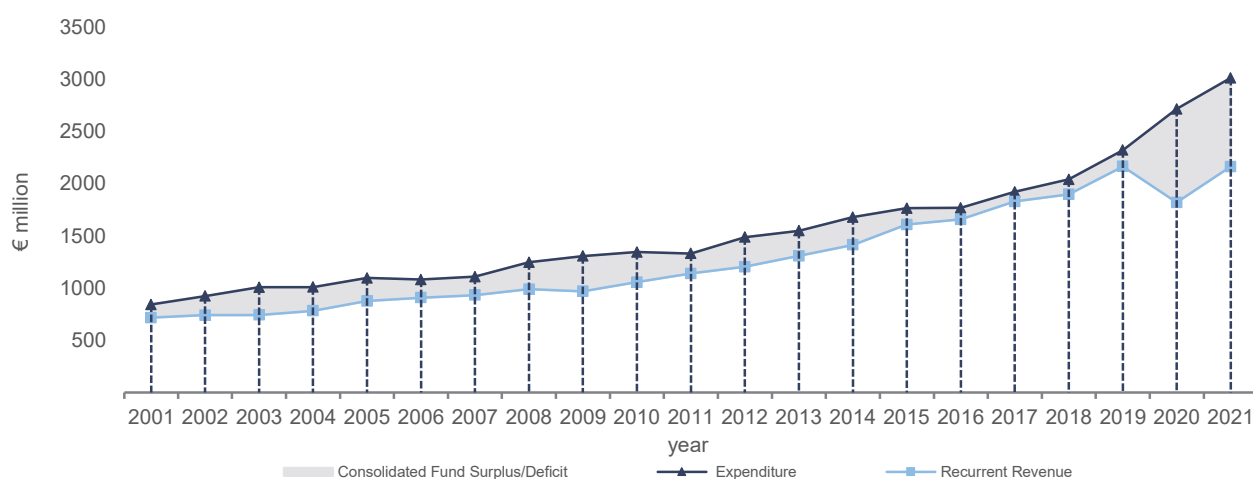


Chart 2. Recurrent Revenue by main category (%): January to June 2021

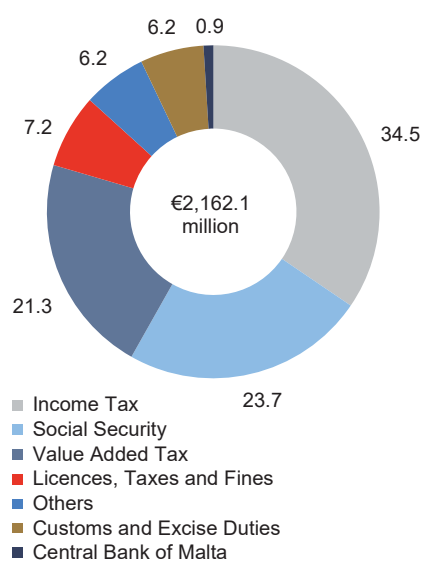
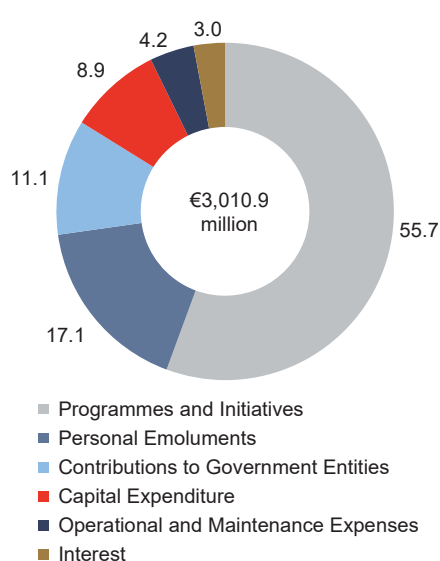


Chart 3. Expenditure by main category (%): January to June 2021



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. 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/concepts.aspx>
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