

In 2019, public corporations registered a surplus of €129.8 million, equivalent to 1.0 per cent of GDP, and a net worth position of €1,679.6 million, amounting to 12.4 per cent of GDP.

## Public Corporations: 2019

### Definition

Public corporations are government-controlled units established by Government, or by other public corporations, as market producers principally engaged in the production of goods, non-financial and financial services, and are classified in Non-Financial and Financial sectors rather than in the General Government sector. The methodologies followed in establishing whether an institution is classified as a public corporation are the European System of Accounts (ESA) 2010 and the Manual on Government Deficit and Debt (2019 Edition). For further information refer to methodological notes 1 and 2.

In this news release, the focus is on the aggregate position of all public corporations excluding the Central Bank of Malta, a public financial corporation by nature. The reason for its exclusion is that since the Central Bank's financial assets and liabilities are considerably higher than those of other public corporations, its inclusion would weigh too heavily on, and possibly distort, the overall results. However, for completeness, tables 5 and 6 show the statements of financial performance and position for all public corporations, including the Central Bank of Malta.

A list of all the public corporations as at the end of 2019 is presented towards the end of the news release.

### Statement of financial performance

In 2019, public corporations registered a surplus of €129.8 million, an increase of €36.1 million when compared to 2018. Total revenue of public corporations amounted to €1,598.2 million, €109.4 million higher than that registered in the previous year. The main source of revenue was the income generated from own operations, with a share of 89.4 per cent. Total expenditure of €1,468.4 million was recorded, an increase of €73.3 million in comparison to 2018. The primary expenditure items were Direct operating expenses and Wages and salaries, which accounted for 71.2 per cent and 16.6 per cent of total expenditure, respectively (Table 1).

Taking the Central Bank of Malta into consideration, in 2019 the aggregate surplus of public corporations amounted to €161.3 million, resulting from revenue of €1,670.0 million and expenditure of €1,508.6 million (Table 5).

### Statement of financial position

The total assets of public corporations stood at €4,307.5 million in 2019, with the predominant asset category being non-financial assets (68.1 per cent), rather than financial assets (31.9 per cent). All the asset sub-categories registered an increase compared to 2018, except for Stocks and inventories (-€1.3 million). On the other hand, financial liabilities totalled €2,627.9 million, consisting of Bank borrowings (42.9 per cent), Other liabilities (38.4 per cent) and Trade and other payables (18.6 per cent). Compared to 2018, Other liabilities and Trade and other payables increased by €500.5 million and €40.2 million respectively, while Bank borrowings decreased by €93.8 million (Table 2).

Compared to 2018, the aggregate net worth of public corporations increased by €120.7 million, which resulted from a rise in total assets (€567.6 million) that outweighed the increase in total liabilities (€446.9 million).

By 2019, the net worth of public corporations had reached €1,679.6 million<sup>1</sup> (Table 2).

Taking into account all the public corporations, including the Central Bank of Malta, in 2019 the net worth stood at €2,167.2 million, resulting from the difference between total assets of €13,595.6 million and total liabilities of €11,428.4 million (Table 6).

### **Analysis by NACE**

In 2019, there were 53 public corporations, including the Central Bank of Malta.

The sector with the highest revenue and expenditure of public corporations was the Electricity, gas, steam and air conditioning supply sector, with amounts of €480.5 million and €458.0 million, respectively. In this respect, other key sectors were the Transport and storage and Wholesale and retail trade sectors. The Construction sector recorded the highest surplus, which totalled €41.3 million, followed by the Electricity, gas, steam and air conditioning supply sector which registered a surplus of €22.5 million (Table 3).

The Electricity, gas, steam and air conditioning supply sector accounted for the highest share of public corporation assets and liabilities, which stood at 36.2 per cent and 32.4 per cent, respectively (Table 4).

<sup>1</sup> The majority of increases in the non-financial assets and liabilities were largely driven by the introduction of the new accounting standard IFRS 16 'Leases' across all public corporations.

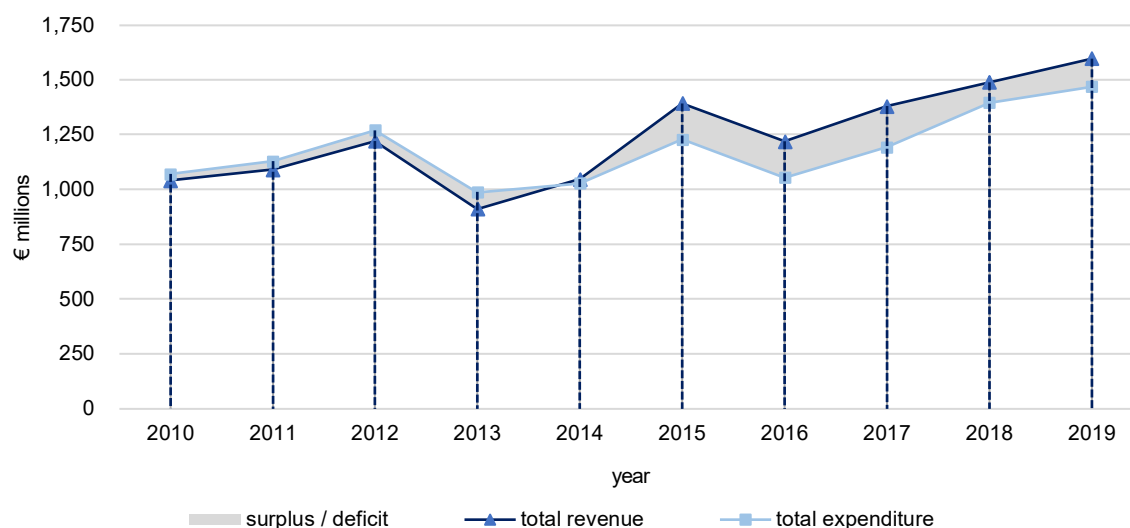
**Table 1. Public Corporations' Statement of Financial Performance <sup>1</sup>**

€ 000

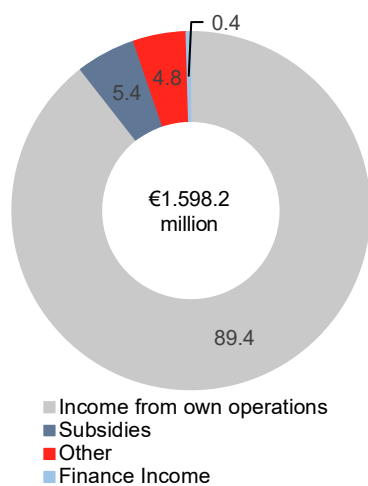
	2016	2017	2018	2019
Income generated from own operations	1,077,875	1,192,014	1,341,472	1,429,234
Subsidies	67,738	66,999	80,860	85,793
Finance income	16,171	6,720	7,974	7,118
Other revenue	56,609	113,499	58,515	76,075
<b>Total Revenue</b>	<b>1,218,393</b>	<b>1,379,232</b>	<b>1,488,822</b>	<b>1,598,221</b>
Direct operating expenses	700,782	850,987	1,032,330	1,046,074
Wages and salaries	203,826	214,774	234,351	243,405
Depreciation	70,983	68,932	72,195	83,362
Finance costs	62,079	52,929	51,717	63,278
Other expenditure	15,033	4,419	4,501	32,272
<b>Total Expenditure</b>	<b>1,052,703</b>	<b>1,192,041</b>	<b>1,395,094</b>	<b>1,468,391</b>
<b>Surplus / (Deficit) before tax</b>	<b>165,691</b>	<b>187,191</b>	<b>93,728</b>	<b>129,830</b>

<sup>1</sup> Excluding Central Bank of Malta

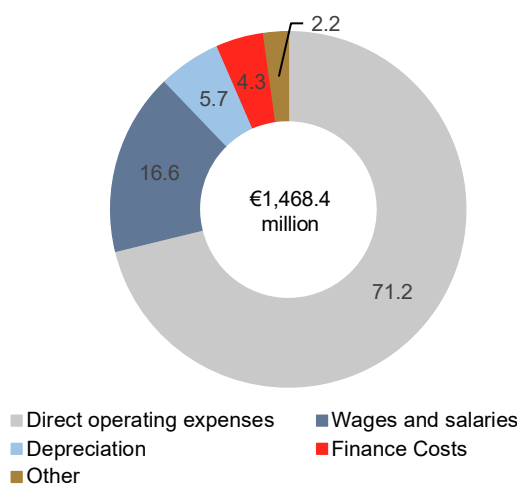
**Chart 1. Public Corporations' surplus / deficit**



**Chart 2. Revenue categories (%): 2019**



**Chart 3. Expenditure categories (%): 2019**



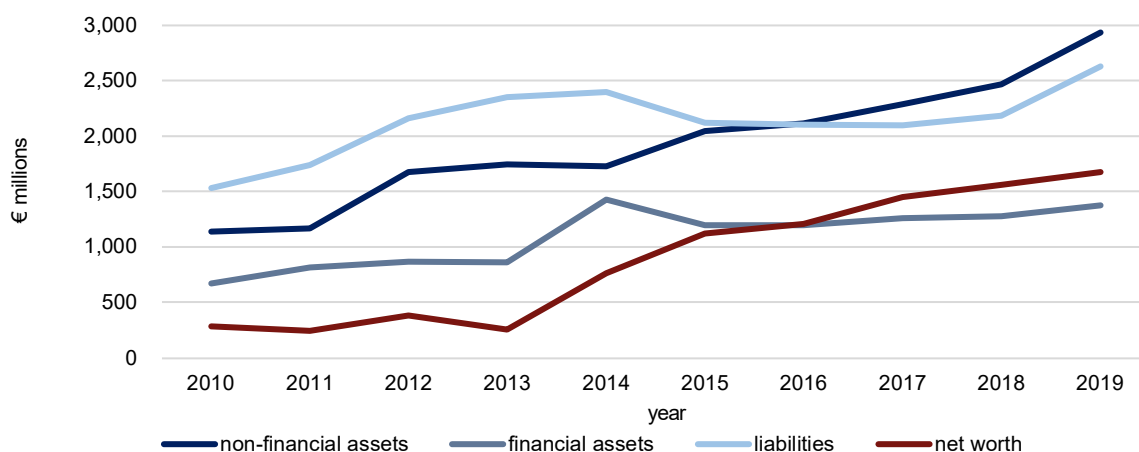
**Table 2. Public Corporations' Statement of Financial Position<sup>1</sup>**

€ 000

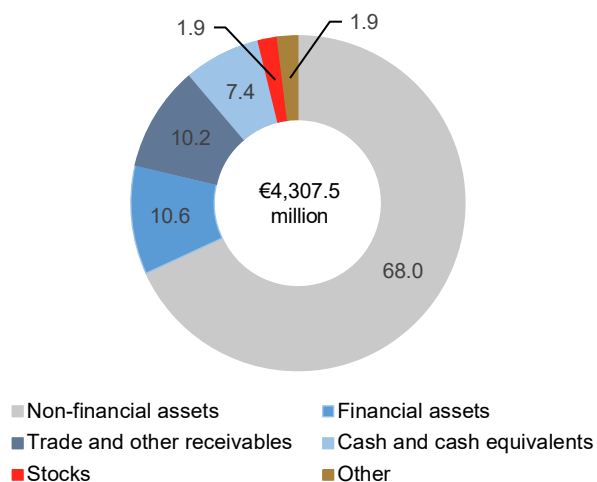
	2016	2017	2018	2019
Land and Buildings	929,276	1,079,530	1,121,845	1,204,494
Infrastructure, plant and equipment	933,134	946,399	984,453	1,041,037
Intangible assets	252,579	260,573	357,551	688,864
<b>Total Non-Financial Assets</b>	<b>2,114,988</b>	<b>2,286,502</b>	<b>2,463,849</b>	<b>2,934,395</b>
Cash and cash equivalents	268,749	322,477	292,578	317,528
Stocks and Inventories	77,887	83,665	81,225	79,969
Financial assets	463,113	444,545	446,311	454,684
Trade and other receivables	334,004	358,059	403,680	437,435
Other assets	53,931	49,173	52,176	83,446
<b>Total Financial Assets</b>	<b>1,197,683</b>	<b>1,257,918</b>	<b>1,275,971</b>	<b>1,373,062</b>
<b>Total Assets</b>	<b>3,312,671</b>	<b>3,544,420</b>	<b>3,739,820</b>	<b>4,307,457</b>
Bank borrowings	1,196,203	1,240,051	1,222,208	1,128,436
Trade and other payables	502,743	411,650	448,894	489,105
Other liabilities	404,372	442,415	509,833	1,010,323
<b>Total Financial Liabilities</b>	<b>2,103,318</b>	<b>2,094,116</b>	<b>2,180,934</b>	<b>2,627,863</b>
<b>Net worth</b>	<b>1,209,353</b>	<b>1,450,304</b>	<b>1,558,886</b>	<b>1,679,594</b>

<sup>1</sup> Excluding Central Bank of Malta

**Chart 4. Public Corporations' balance sheet position**



**Chart 5. Asset categories (%): 2019**



**Chart 6. Liability categories (%): 2019**

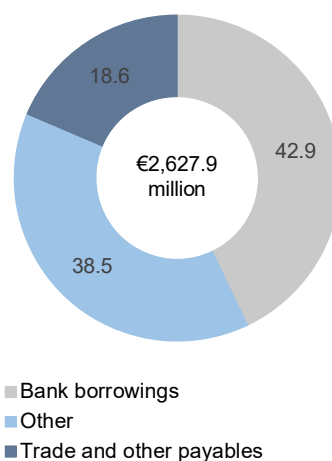


Table 3. Public Corporations - Main Aggregates of the Statement of the Financial Performance by NACE <sup>1</sup>

€ 000

NACE Classification		2016			2017			2018			2019						
		No. of Corporations	Total Revenue	Total Expenditure	Surplus/Deficit	No. of Corporations	Total Revenue	Total Expenditure	Surplus/Deficit	No. of Corporations	Total Revenue	Total Expenditure	Surplus/Deficit				
Manufacturing	C	3	3,173	3,169	4	3	8,245	7,743	502	3	9,766	8,324	1,443	3	10,308	9,250	1,058
Electricity, gas, steam and air conditioning supply	D	2	377,893	312,990	64,903	2	456,560	396,981	59,579	2	464,082	440,431	23,651	2	480,544	458,044	22,500
Water supply; sewerage, waste management and remediation activities	E	1	87,870	80,554	7,316	1	87,497	85,347	2,149	1	93,916	87,760	6,156	1	104,651	92,662	11,989
Construction	F	1	9,996	1,733	8,263	1	24,160	1,662	22,499	1	15,674	1,935	13,739	1	52,260	10,927	41,332
Wholesale and retail trade; repair of motor vehicles and motorcycles	G	2	242,957	219,353	23,604	2	245,873	229,000	16,873	2	318,825	319,772	-947	2	358,431	346,586	11,845
Transportation and storage	H	7	293,480	286,758	6,722	7	338,219	315,567	22,652	9	377,909	371,548	6,362	10	366,751	357,211	9,541
Accommodation and food service activities	I	4	16,321	6,766	9,556	3	8,676	6,910	1,766	3	8,257	6,227	2,029	3	8,046	6,168	1,878
Information and communication	J	4	20,129	21,164	-1,035	4	26,444	24,848	1,596	4	19,584	20,695	-1,111	4	23,742	24,011	-268
Financial and insurance activities	K	5	48,892	37,210	11,681	6	50,432	39,177	11,255	7	40,487	45,163	-4,676	7	60,600	56,574	4,027
Real estate activities	L	7	65,567	33,564	32,003	7	81,770	34,655	47,115	7	74,559	37,807	36,751	7	64,044	49,361	14,683
Professional, scientific and technical activities	M	5	2,000	518	1,481	5	687	545	142	5	1,468	548	920	5	1,260	567	692
Administrative and support service activities	N	4	49,007	48,060	947	4	49,476	48,594	882	5	62,856	53,699	9,157	5	65,842	55,638	10,204
Education	P	1	1,110	865	245	1	1,192	1,011	181	2	1,440	1,186	254	2	1,741	1,391	350
		<b>46</b>	<b>1,218,393</b>	<b>1,052,703</b>	<b>165,691</b>	<b>46</b>	<b>1,379,232</b>	<b>1,192,041</b>	<b>187,191</b>	<b>51</b>	<b>1,488,822</b>	<b>1,395,094</b>	<b>93,728</b>	<b>52</b>	<b>1,598,221</b>	<b>1,468,391</b>	<b>129,830</b>

<sup>1</sup> Excluding Central Bank of Malta

Table 4. Public Corporations - Main Aggregates of the Statement of the Financial Position by NACE<sup>1</sup>

€ 000

NACE Classification		2016			2017			2018			2019						
		No. of Corporations	Total Assets	Total Liabilities	Net Worth	No. of Corporations	Total Assets	Total Liabilities	Net Worth	No. of Corporations	Total Assets	Total Liabilities	Net Worth				
Manufacturing	C	3	1,620	618	1,003	3	3,672	2,344	1,329	3	3,639	1,373	2,265	3	4,262	1,319	2,944
Electricity, gas, steam and air conditioning supply	D	2	1,159,296	567,235	592,061	2	1,230,236	520,858	709,379	2	1,232,129	525,943	706,186	2	1,557,899	851,986	705,913
Water supply; sewerage, waste management and remediation activities	E	1	356,714	267,524	89,190	1	351,995	260,657	91,339	1	375,877	279,231	96,646	1	400,914	292,811	108,104
Construction	F	1	156,375	45,053	111,322	1	179,864	59,115	120,748	1	190,263	61,855	128,408	1	234,379	75,398	158,981
Wholesale and retail trade; repair of motor vehicles and motorcycles	G	2	206,171	127,732	78,439	2	227,357	139,276	88,081	2	261,191	183,678	77,513	2	301,514	207,113	94,401
Transportation and storage	H	7	334,951	265,925	69,026	7	405,478	299,523	105,955	9	484,385	307,313	177,072	10	526,727	323,936	202,791
Accommodation and food service activities	I	4	35,944	28,837	7,108	3	36,714	14,965	21,749	3	38,271	15,524	22,747	3	41,750	18,100	23,650
Information and communication	J	4	32,604	24,097	8,507	4	32,982	22,763	10,219	4	30,464	21,416	9,048	4	32,345	23,622	8,723
Financial and insurance activities	K	5	351,336	314,813	36,522	6	375,555	313,264	62,291	7	370,005	315,243	54,762	7	388,274	322,607	65,667
Real estate activities	L	7	661,857	451,178	210,679	7	685,532	452,682	232,851	7	733,481	461,051	272,431	7	773,507	485,236	288,271
Professional, scientific and technical activities	M	5	3,834	1,870	1,964	5	3,739	1,697	2,042	5	3,751	1,120	2,632	5	4,412	1,861	2,550
Administrative and support service activities	N	4	10,981	7,886	3,096	4	10,282	6,518	3,765	5	15,129	6,525	8,604	5	39,951	23,152	16,799
Education	P	1	987	548	439	1	1,013	456	557	2	1,234	661	573	2	1,523	723	800
		<b>46</b>	<b>3,312,671</b>	<b>2,103,318</b>	<b>1,209,353</b>	<b>46</b>	<b>3,544,420</b>	<b>2,094,116</b>	<b>1,450,304</b>	<b>51</b>	<b>3,739,820</b>	<b>2,180,934</b>	<b>1,558,886</b>	<b>52</b>	<b>4,307,457</b>	<b>2,627,863</b>	<b>1,679,594</b>

<sup>1</sup> Excluding Central Bank of Malta

Chart 7. Public Corporations' surplus / deficit by NACE industry: 2019

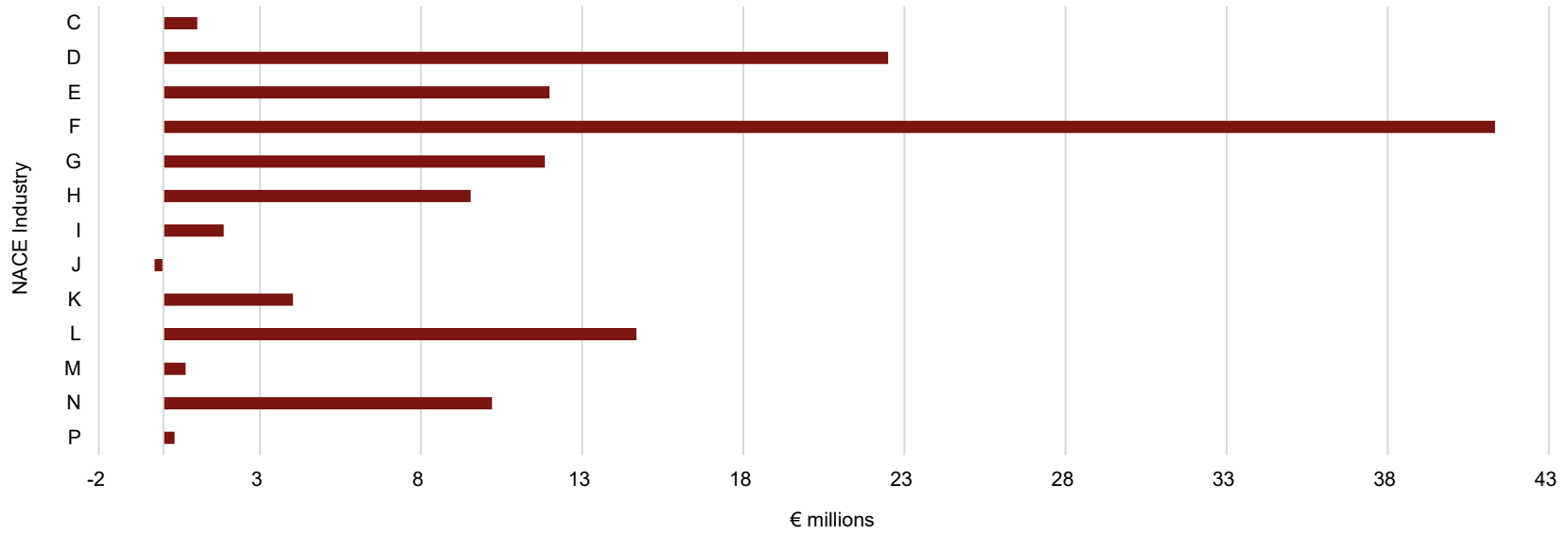
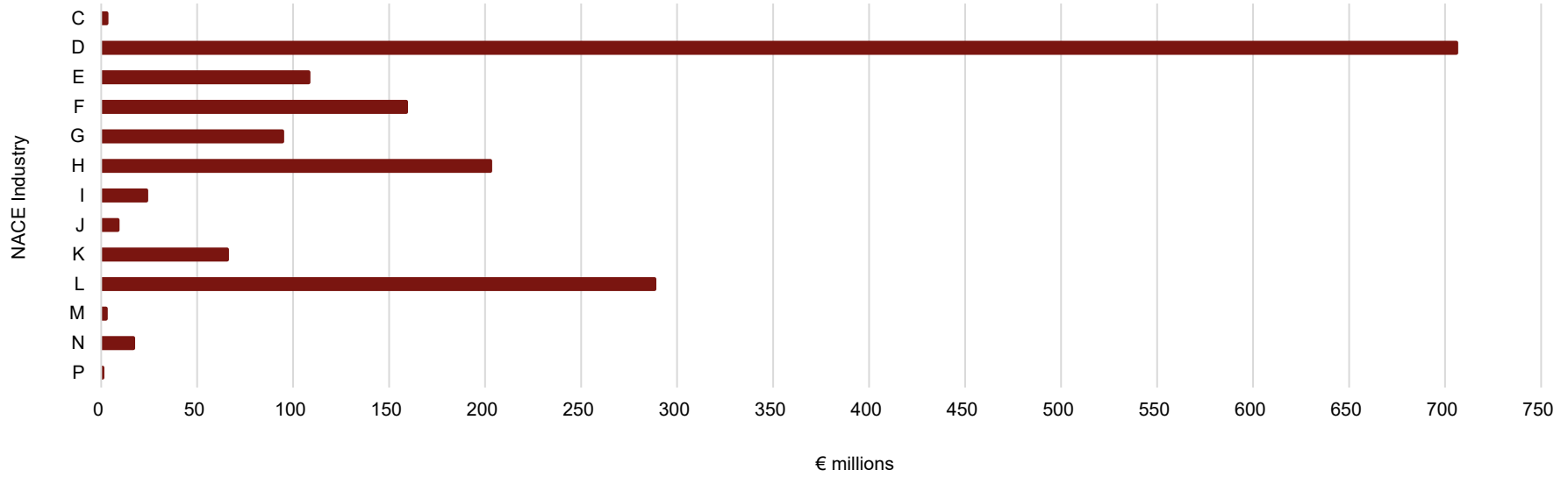


Chart 8. Public Corporations' net worth by NACE industry: 2019



**Table 5. Public Corporations' Statement of Financial Performance (including Central Bank of Malta)**

	€ 000			
	2016	2017	2018	2019
Income generated from own operations	1,171,289	1,261,939	1,399,738	1,499,121
Subsidies	67,738	66,999	80,860	85,793
Finance income	16,171	6,720	7,974	7,118
Other revenue	57,747	114,617	59,876	77,933
<b>Total Revenue</b>	<b>1,312,945</b>	<b>1,450,275</b>	<b>1,548,449</b>	<b>1,669,966</b>
Direct operating expenses	706,926	857,170	1,039,739	1,053,580
Wages and salaries	214,121	226,001	245,727	255,375
Depreciation	71,753	69,990	73,543	84,912
Finance costs	62,079	52,929	51,717	63,278
Other expenditure	35,936	21,994	15,995	51,491
<b>Total Expenditure</b>	<b>1,090,815</b>	<b>1,228,084</b>	<b>1,426,721</b>	<b>1,508,636</b>
<b>Surplus / (Deficit) before tax</b>	<b>222,131</b>	<b>222,191</b>	<b>121,728</b>	<b>161,330</b>

**Table 6. Public Corporations' Statement of Financial Position (including Central Bank of Malta)**

	€ 000			
	2016	2017	2018	2019
Land and Buildings	958,797	1,111,906	1,153,517	1,236,169
Infrastructure, plant and equipment	937,583	952,346	990,163	1,046,664
Intangible assets	252,579	260,573	357,551	688,864
<b>Total Non-Financial Assets</b>	<b>2,148,958</b>	<b>2,324,825</b>	<b>2,501,231</b>	<b>2,971,697</b>
Cash and cash equivalents	1,310,539	4,677,447	4,850,646	5,896,053
Stocks and Inventories	77,887	83,665	81,225	79,969
Financial assets	4,555,859	4,202,704	4,406,227	3,841,042
Trade and other receivables	688,945	736,888	677,882	705,864
Other assets	66,868	101,792	76,466	101,021
<b>Total Financial Assets</b>	<b>6,700,097</b>	<b>9,802,495</b>	<b>10,092,447</b>	<b>10,623,949</b>
<b>Total Assets</b>	<b>8,849,055</b>	<b>12,127,320</b>	<b>12,593,678</b>	<b>13,595,646</b>
Bank borrowings	1,196,203	1,240,051	1,222,208	1,128,436
Trade and other payables	4,375,982	7,182,104	7,358,319	7,570,704
Other liabilities	1,641,295	1,806,558	1,989,326	2,729,282
<b>Total Financial Liabilities</b>	<b>7,213,480</b>	<b>10,228,713</b>	<b>10,569,852</b>	<b>11,428,421</b>
<b>Net worth</b>	<b>1,635,575</b>	<b>1,898,607</b>	<b>2,023,826</b>	<b>2,167,225</b>



**List of Public Corporations as at 31 December 2019**

	<b>NACE code</b>		<b>NACE code</b>
AirMalta Aviation Services Ltd	52	Malta Development Bank	64
Air Malta plc	51	Malta Digital Hub Ltd	68
Automated Revenue Management Services Ltd (ARMS)	63	Malta Electronic Certification Services Ltd	63
Casma Ltd	68	Malta Financial Services Authority	66
Central Bank of Malta	64	Malta Freeport Coporation Ltd.	68
ClearFlowPlus Ltd	71	Malta Life Sciences Centre Ltd	68
D3 Power Generation Ltd	35	Malta Marketing Co. Ltd	73
Enemalta plc	35	Malta Stock Exchange Institute Ltd	85
Enemed Co. Ltd.	46	Malta Stock Exchange plc	66
Energy Service Centre Ltd	33	Malta University Consulting Ltd	85
Engineering Resources Ltd	78	Malta University Holding Co. Ltd	64
Gozo Channel (Operations) Ltd	50	Malta University Residence Ltd	55
Gozo Heliport Ltd	52	Mediterranean Conference Centre	82
Heritage Malta Services Ltd	68	Mediterranean Offshore Bunkering Co. Ltd	52
Indis Malta Ltd	68	Melita Transgas Co. Ltd	49
Institute of Foreign Direct Investment Studies Ltd	73	Milano Due Ltd	55
International Clean Energy Ltd	74	MPG Energy Services Ltd	19
International Energy Service Centre Ltd	33	MSX p.l.c.	64
Keys Security Services Ltd	80	Petromal Co. Ltd	47
KM Holdings Ltd	64	Public Broadcasting Services Ltd.	60
Kordin Grain Terminal Co. Ltd	52	Transport Malta	52
Libyan Maltese Investment Co Ltd	64	Malta University Broadcasting Ltd	60
Malita Investments Plc	41	Vault Finance Ltd	65
Malpro Ltd	68	Vivaldi Hotel (Operations) Ltd	55
Malta Air Traffic Services Ltd	52	Water Services Corporation	36
Malta Air Travel Ltd (a.k.a Malta Med Air Ltd)	51	World Aviation Group Ltd	79
Malta Business Registry	82		

Note: Companies that are in the process of dissolution or have been struck off do not feature in this list.

## Methodological Notes

1. This release presents data on public corporations in accordance with the methodology defined in the conceptual reference framework of the Manual on Government Deficit and Debt (2019 edition), which is in turn based on the European System of Accounts (ESA 2010). This compliance with the reference framework allows for the international comparability of the data.

The Public Sector consists of all the institutional units within the General Government and Public Corporations sectors. Although the formation of both sectors is done in accordance with the same established methodologies, the data cannot be aggregated to form the Public Sector, as the data for the General Government is in accordance with ESA 2010 rules, while the data for the public corporations is in line with business accounts.

2. A number of criteria, established in the Manual on Government Deficit and Debt, determine whether a unit is controlled by Government, based on the level of Government control:
  - i. Rights to appoint, remove, approve or veto a majority of officers, board of directors, etc.
  - ii. Rights to appoint, veto or remove a majority of appointments for key committees (or sub-committees) of the entity having a decisive role on key factors of its general policy.
  - iii. Ownership of the majority of voting interest.
  - iv. Rights to appoint, veto or remove key personnel.
  - v. Rights under special shares and options.
  - vi. Rights to control via contractual agreements.
  - vii. Rights to control from agreement/permission to borrow.
  - viii. Control via excessive regulation.

The first three criteria are sufficient to determine government control, however if inconclusive, the other criteria are considered.

To determine whether the government-controlled unit is to be classified inside the General Government sector or not, the following tests are applied:

a. Quantitative Test: The market/non-market test. If sales cover less than 50 per cent of the production costs (intermediate consumption, compensation of employees, consumption of fixed capital and net interest charge), the unit is classified inside the General Government sector.

b. Qualitative Test: Other criteria for specific units in particular areas of activity are also taken in consideration and need to be applied accordingly:

- Units that sell their output only to the Government
- Public Units in liquidation
- Public hospitals, schools, TV and radio broadcasting
- Units engaged in financial activities
- Special purpose entities
- Public head offices, public holding companies and their subsidiaries
- Restructuring and privatisation agencies
- Market regulatory bodies and professional associations
- Entities having the features of captive financial institutions
- Government debt management offices

3. The data sources used to compile this news release are the following, ranked by order of preference:
  - Business accounts - audited financial statements that are prepared in accordance with the International Financial Reporting Standards (IFRS).
  - Financial Data Reporting System (FDRS) templates - some public corporations report their financial data on the Ministry of Finance Financial Data Reporting System.
  - Estimates - Used in the absence of the two data sources above.
4. Data on individual public corporations is provided by NSO to Eurostat on an annual basis in a dedicated Questionnaire on Government-controlled entities classified outside the General Government sector.
5. Public Corporations' data between the years 2010-2015 can be found in the excel version of this news release.
6. The data contained in this release may be revised. Figures may not add up due to rounding.
7. References to this news release are to be cited appropriately.
8. A detailed news release calendar is available at:  
[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)