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By the end of July 2021, the Government's Consolidated Fund reported a deficit of €882.5 million.

Government Finance Data: January-July 2021

In the first seven months of 2021, Recurrent Revenue amounted to €2,616.6 million, 24.2 per cent higher than the €2,106.1 million reported a year earlier. The largest increase was recorded under Income Tax (€283.8 million), followed by Value Added Tax (€125.4 million), Social Security (€112.8 million), Customs and Excise Duties (€33.2 million) and Licences, Taxes and Fines (€17.2 million). The rise in revenue was partially offset by decreases under Grants (€18.9 million), Miscellaneous Receipts (€18.1 million), Fees of Office (€18.0 million), Dividends on Investments (€3.9 million) and Rents (€2.9 million).

By the end of July 2021, total expenditure stood at €3,499.1 million, 10.8 per cent higher than the previous year.

During the reference period, Recurrent Expenditure totalled €3,072.8 million, a rise of €499.6 million in comparison to the €2,573.2 million reported by the end of July 2020. The main contributor to this increase was a €388.2 million rise reported under Programmes and Initiatives. Furthermore, increases were also witnessed under Personal Emoluments (€62.5 million), Contributions to Government Entities (€40.8 million) and Operational and Maintenance Expenses (€8.1 million). The largest development in the Programmes and Initiatives category was related to the Pandemic assistance scheme (€231.4 million), which includes the COVID-19 Business Assistance Programme. Other increases under Programmes and Initiatives were reported under Hospital concession agreements (€41.0 million), Economic regeneration voucher scheme (€30.5 million), Social security benefits (€26.7 million), EU own resources (€16.7 million), Church schools (€13.6 million), Waiting lists for medical services (outsourcing) (€9.9 million), Extension of school transport network (€8.4 million) and Residential care in private homes (€5.2 million).

The interest component of the public debt servicing costs totalled €103.5 million, a decrease of €3.1 million when compared to the previous year.

By the end of July 2021, Government's capital spending amounted to €322.8 million, €155.4 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 €882.5 million being reported in the Government's Consolidated Fund at the end of July 2021. Compared to the same period in 2020, there was a decrease in deficit of €169.3 million. This difference mirrors an increase in total Recurrent Revenue (€510.5 million), partially offset by a rise in total expenditure, consisting of Recurrent Expenditure (€499.6 million), Interest (-€3.1 million) and Capital Expenditure (-€155.4 million). Changes in expenditure and revenue reflect developments related to COVID-19.

At the end of July 2021, Central Government debt stood at €7,848.4 million, a €1,224.2 million rise from 2020. Increases reported under Malta Government Stocks (€857.9 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 Euro coins issued in the name of the Treasury (€1.2 million). This rise in debt was partly offset by a decrease in Treasury Bills (€46.8 million) and the 62+ Malta Government Savings Bond (€5.1 million). Finally, lower holdings by government funds in Malta Government Stocks resulted in a decrease in debt of €2.9 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-Jul 2019	Jan-Jul 2020	Jan-Jul 2021	Jan-Jul 2021 / Jan-Jul 2020	
				Change	% change
€ 000					
(a) Total Recurrent Revenue	2,638,637	2,106,148	2,616,630	510,482	24.2
Customs and Excise Duties	182,870	126,553	159,734	33,180	
Licences, Taxes and Fines	229,753	173,832	191,036	17,204	
Income Tax	877,838	671,114	954,909	283,795	
Value Added Tax	493,891	378,561	503,947	125,385	
Fees of Office	47,902	73,198	55,191	-18,008	
Reimbursements	25,747	18,797	18,716	-82	
Central Bank of Malta	20,000	20,000	20,000	0	
Rents	26,762	17,263	14,331	-2,932	
Dividends on Investment	9,385	15,410	11,500	-3,910	
Interest on loans made by Government	37	8	1	-7	
Social Security	548,827	486,887	599,728	112,842	
Grants	144,011	65,897	46,974	-18,924	
Miscellaneous Receipts	31,612	58,627	40,565	-18,062	
(b) Total Expenditure	2,764,609	3,157,992	3,499,136	341,144	10.8
<i>Recurrent Expenditure</i>	2,373,105	2,573,228	3,072,816	499,589	19.4
Personal Emoluments	511,464	527,945	590,486	62,541	
Operational and Maintenance Expenses	122,029	147,080	155,158	8,078	
Programmes and Initiatives	1,443,040	1,555,898	1,944,050	388,152	
Contributions to Government Entities	296,571	342,304	383,122	40,818	
<i>Interest</i>	109,132	106,586	103,516	-3,071	-2.9
<i>Capital Expenditure</i>	282,371	478,178	322,804	-155,374	-32.5
(a-b) Consolidated Fund Surplus/Deficit	-125,972	-1,051,844	-882,506	169,338	-16.1
(c) Financial Transactions					
<i>Revenue</i>					
Loans	279,713	1,044,791	960,576	-84,215	
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	177,238	277,257	6,141	-271,116	
Loans	0	0	0	0	

Note: Totals may not add up due to rounding.

Table 2. Revenue/Expenditure categories by month and description

Description	July 2019	July 2020	July 2021	July 2021 / July 2020	
				Change	% change
€ 000					
(a) Total Recurrent Revenue	474,136	286,813	454,543	167,730	58.5
Customs and Excise Duties	29,331	8,376	26,125	17,749	
Licences, Taxes and Fines	27,596	26,067	35,811	9,744	
Income Tax	192,660	114,129	208,220	94,091	
Value Added Tax	45,791	16,934	42,835	25,902	
Fees of Office	7,652	17,948	7,275	-10,673	
Reimbursements	3,263	4,078	6,599	2,521	
Central Bank of Malta	0	0	0	0	
Rents	3,500	2,371	1,915	-456	
Dividends on Investment	750	2,750	3,250	500	
Interest on loans made by Government	0	1	0	-1	
Social Security	78,180	74,819	88,144	13,325	
Grants	72,464	11,361	18,991	7,630	
Miscellaneous Receipts	12,950	7,979	15,377	7,398	
(b) Total Expenditure	443,942	443,014	488,187	45,173	10.2
<i>Recurrent Expenditure</i>	366,165	338,199	420,933	82,734	24.5
Personal Emoluments	69,867	73,581	74,446	865	
Operational and Maintenance Expenses	17,192	15,831	27,784	11,954	
Programmes and Initiatives	205,405	207,013	268,832	61,819	
Contributions to Government Entities	73,701	41,774	49,871	8,097	
<i>Interest</i>	14,915	13,501	12,992	-509	-3.8
<i>Capital Expenditure</i>	62,863	91,314	54,262	-37,052	-40.6
(a-b) Consolidated Fund Surplus/Deficit	30,194	-156,201	-33,644	122,557	-78.5
(c) Financial Transactions					
<i>Revenue</i>					
Loans	100,000	344,791	60,576	-284,215	
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>	0	0			
Contribution to Sinking Fund	0	0	0	0	
Equity Acquisition	0	0	0	0	
Repayment of Loan	120,404	73,583	69	-73,514	
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-Jul 2019	Jan-Jul 2020	Jan-Jul 2021	Jan-Jul 2019	Jan-Jul 2020	Jan-Jul 2021	Jan-Jul 2019	Jan-Jul 2020	Jan-Jul 2021	Jan-Jul 2019	Jan-Jul 2020	Jan-Jul 2021
	€ 000											
General public services	57,388	57,286	55,480	29,525	53,077	27,104	175,882	154,118	325,962	25,815	25,904	61,181
Defence	23,502	24,524	37,162	3,778	3,853	4,663	495	409	566	117	161	0
Public order and safety	59,625	51,672	52,591	9,954	5,756	6,393	4,291	4,040	9,047	5,901	25,168	37,837
Economic affairs	35,620	36,920	50,579	6,943	13,055	33,824	90,178	123,904	218,465	93,354	107,518	104,271
Environment protection	2,587	2,775	2,870	172	26	1,342	33,766	31,329	21,316	17,994	15,643	260
Housing and community amenities	764	928	403	370	252	111	2,592	8,134	0	2,142	6,999	709
Health	159,725	170,194	196,178	34,390	33,970	48,136	142,304	190,806	225,702	35,472	42,161	48,732
Recreation, culture and religion	4,121	3,852	1,513	1,014	2,806	793	6,707	7,644	8,799	18,648	19,343	14,126
Education	135,935	146,543	157,219	9,775	9,744	12,085	110,156	126,589	137,639	67,361	62,747	81,199
Social protection	32,199	33,252	36,491	26,108	24,540	20,707	876,669	908,924	996,554	29,767	36,660	34,809
Total	511,464	527,945	590,486	122,029	147,080	155,158	1,443,040	1,555,898	1,944,050	296,571	342,304	383,122
COFOG	Interest Expenditure			Capital Expenditure			Total Expenditure					
	Jan-Jul 2019	Jan-Jul 2020	Jan-Jul 2021	Jan-Jul 2019	Jan-Jul 2020	Jan-Jul 2021	Jan-Jul 2019	Jan-Jul 2020	Jan-Jul 2021			
	€ 000											
General public services	109,132	106,586	103,516	40,242	43,645	36,680	437,984	440,616	609,922			
Defence	0	0	0	2,307	2,335	4,948	30,199	31,284	47,338			
Public order and safety	0	0	0	22,098	9,129	20,256	101,868	95,766	126,123			
Economic affairs	0	0	0	154,280	350,632	186,284	380,375	632,028	593,424			
Environment protection	0	0	0	34,409	21,291	13,357	88,928	71,064	39,145			
Housing and community amenities	0	0	0	103	3	499	5,971	16,315	1,721			
Health	0	0	0	5,452	23,122	15,561	377,343	460,253	534,309			
Recreation, culture and religion	0	0	0	8,511	12,047	18,717	39,000	45,692	43,949			
Education	0	0	0	12,916	11,008	18,893	336,143	356,631	407,035			
Social protection	0	0	0	2,053	4,966	7,609	966,797	1,008,342	1,096,170			
Total	109,132	106,586	103,516	282,371	478,178	322,804	2,764,609	3,157,992	3,499,136			

Table 4. Consolidated Fund by period and ESA 2010 codes

Description	ESA code	Jan-Jul 2019	Jan-Jul 2020	Jan-Jul 2021	Jan-Jul 2021 / Jan-Jul 2020	
					Change	% change
					€ 000	
1. Total Revenue		2,473,679	1,958,451	2,415,212	456,761	23.3
Market Output	P11	57,645	88,794	82,716		
Taxes on Production and Imports	D2	851,801	648,001	804,259		
Property income receivable	D4	45,563	34,715	40,338		
Current taxes on income, wealth, etc	D5	922,431	704,437	1,005,814		
Social Contributions	D61	436,674	402,149	417,192		
Current transfers receivable	D7	13,287	2,732	3,256		
Capital transfers receivable	D9	146,280	77,624	61,638		
2. Total Expenditure		2,599,650	3,010,295	3,297,718	287,423	9.5
Intermediate Consumption	P2	397,096	476,658	572,956		
Gross Capital Formation	P5g+NP	131,668	138,087	205,173		
Compensation of Employees	D1	590,648	620,223	629,729		
Property income payable	D4	101,631	70,211	107,552		
Subsidies	D3	52,751	235,308	205,312		
Social Benefits and social transfers in kind	D62+D632	678,100	750,077	800,640		
Current transfers payable	D7	625,230	668,297	760,795		
Capital transfers payable	D9	22,525	51,435	15,561		
(1-2) Consolidated Fund Surplus/Deficit		-125,972	-1,051,844	-882,506	169,338	-16.1

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

Description	ESA code	July 2019	July 2020	July 2021	July 2021 / July 2020	
					Change	% change
					€ 000	
1. Total Revenue		442,961	261,819	420,784	158,966	60.7
Market Output	P11	6,377	19,687	12,874		
Taxes on Production and Imports	D2	97,772	45,458	97,267		
Property income receivable	D4	4,068	3,596	1,232		
Current taxes on income, wealth, etc	D5	197,420	119,830	228,298		
Social Contributions	D61	63,227	59,877	59,880		
Current transfers receivable	D7	2,007	175	80		
Capital transfers receivable	D9	72,091	13,195	21,154		
2. Total Expenditure		412,767	418,020	454,429	36,409	8.7
Intermediate Consumption	P2	59,479	62,170	85,994		
Gross Capital Formation	P5g+NP	22,133	21,897	46,693		
Compensation of Employees	D1	82,386	86,407	83,526		
Property income payable	D4	6,990	8,288	11,019		
Subsidies	D3	9,101	51,098	55,688		
Social Benefits and social transfers in kind	D62+D632	85,720	87,320	102,859		
Current transfers payable	D7	140,883	84,838	73,949		
Capital transfers payable	D9	6,076	16,002	-5,299		
(1-2) Consolidated Fund Surplus/Deficit		30,194	-156,201	-33,644	122,557	-78.5

Table 6. Central Government debt by month and description

Description	July 2019	July 2020	July 2021	July 2021 / July 2020	
				Change	% change
	€ 000				
Total Central Government Debt	5,451,231	6,624,210	7,848,418	1,224,208	18.5
<i>of which:</i>					
Treasury Bills	324,800	822,000	775,250	-46,750	
Malta Government Stocks	4,856,879	5,444,207	6,302,071	857,864	
62+ Malta Government Savings Bond	291,057	382,631	377,514	-5,117	
Foreign Loans	1,028	899	420,779	419,880	
Sinking funds investments in Government Debt	-108,753	-115,453	-118,303	-2,850	
Euro coins issued in the name of the Treasury	86,220	89,927	91,108	1,181	

Note: Totals may not add up due to rounding.

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

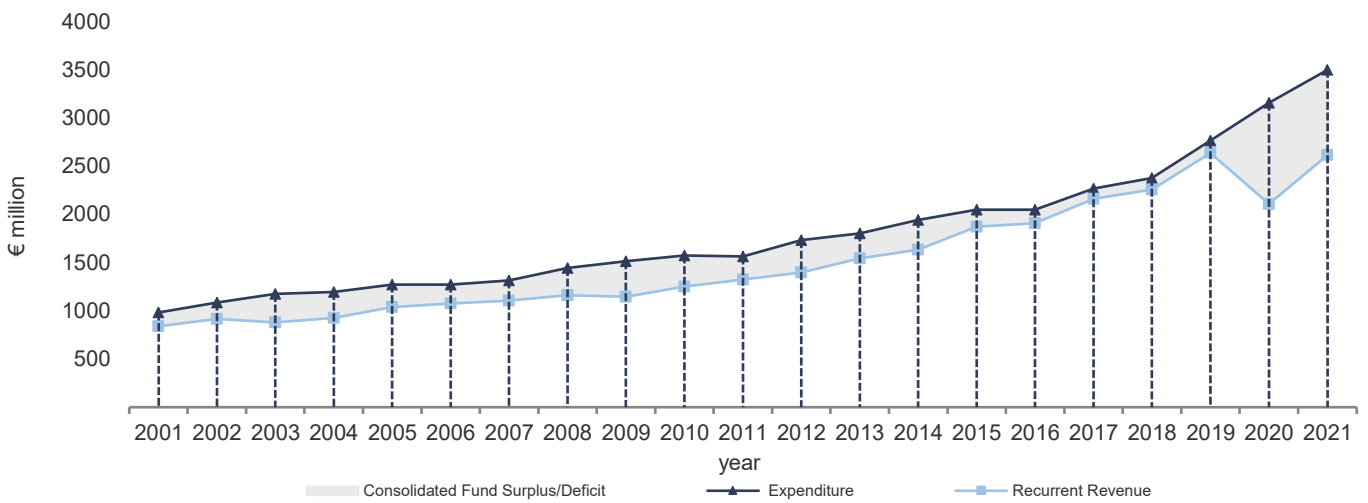


Chart 2. Recurrent Revenue by main category (%): January to July 2021

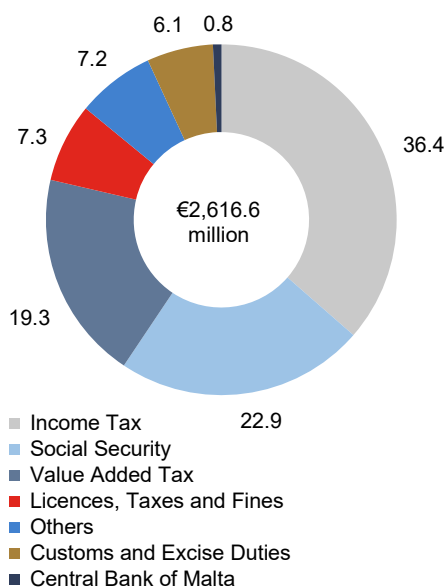
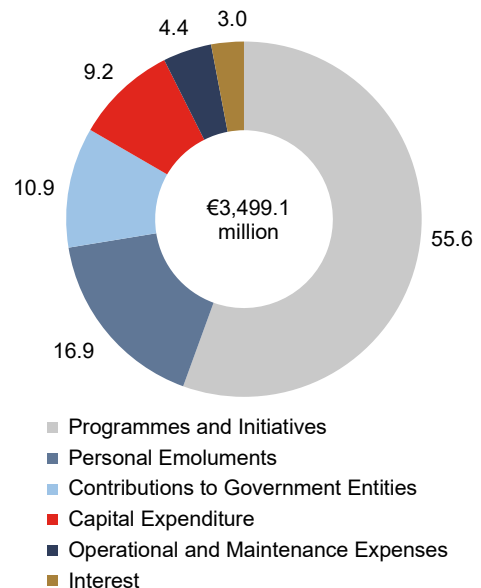


Chart 3. Expenditure by main category (%): January to July 2021



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 government 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