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By the end of August 2021, the Government's Consolidated Fund reported a deficit of €753.2 million.

Government Finance Data: January-August 2021

In the first eight months of 2021, Recurrent Revenue amounted to €3,221.5 million, 27.6 per cent higher than the €2,524.8 million reported a year earlier. The largest increase was recorded under Income Tax (€331.4 million), followed by Value Added Tax (€186.1 million), Social Security (€134.6 million), Customs and Excise Duties (€58.5 million), Licences, Taxes and Fines (€21.4 million) and Grants (€3.9 million). The rise in revenue was partially offset by decreases under Miscellaneous Receipts (€18.7 million), Fees of Office (€17.6 million), Rents (€2.2 million) and Reimbursements (€1.0 million).

By the end of August 2021, total expenditure stood at €3,974.7 million, 10.1 per cent higher than the previous year.

During the reference period, Recurrent Expenditure totalled €3,474.3 million, a rise of €509.2 million in comparison to the €2,965.1 million reported by the end of August 2020. The main contributor to this increase was a €433.2 million rise reported under Programmes and Initiatives. Furthermore, increases were also witnessed under Personal Emoluments (€68.8 million) and Contributions to Government Entities (€14.4 million). This rise in expenditure was partially offset by a decrease under Operational and Maintenance Expenses (€7.1 million). The largest development in the Programmes and Initiatives category was related to the Pandemic assistance scheme (€257.4 million), which includes the COVID-19 Business Assistance Programme. Other increases under Programmes and Initiatives were reported under Hospital concession agreements (€41.3 million), EU own resources (€26.5 million), Social security benefits (€19.3 million), Church schools (€16.9 million), St Vincent de Paul Residence service contract (€14.1 million), Waiting lists for medical services (outsourcing) (€10.7 million), Economic regeneration voucher scheme (€9.6 million), Extension of school transport network (€8.6 million), Residential care in private homes (€3.9 million), Child care for all (€2.3 million) and Students' maintenance grants (€1.6 million).

The interest component of the public debt servicing costs totalled €123.1 million, an increase of €1.8 million when compared to the previous year.

By the end of August 2021, Government's capital spending amounted to €377.3 million, €147.3 million lower than 2020. The drop largely resulted from the reclassification of the COVID-19 Business Assistance Programme (€229.0 million), which featured under Capital Expenditure between March and December 2020 but is now classified under Recurrent Expenditure. This decline outweighed an increase of €81.7 million reported in other capital projects.

The difference between total revenue and expenditure resulted in a deficit of €753.2 million being reported in the Government's Consolidated Fund at the end of August 2021. Compared to the same period in 2020, there was a decrease in deficit of €333.0 million. This difference mirrors an increase in total Recurrent Revenue (€696.7 million), partially offset by a rise in Total Expenditure, consisting of Recurrent Expenditure (€509.2 million), Interest (€1.8 million) and Capital Expenditure (-€147.3 million). Changes in expenditure and revenue reflect developments related to COVID-19.

At the end of August 2021, Central Government debt stood at €7,684.5 million, a €1,085.4 million rise from 2020. Increases reported under Malta Government Stocks (€698.6 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 (€1.0 million). This rise in debt was partly offset by a decrease in Treasury Bills (€26.0 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-Aug 2019	Jan-Aug 2020	Jan-Aug 2021	Jan-Aug 2021 / Jan-Aug 2020	
				Change	% change
	€ 000				
(a) Total Recurrent Revenue	3,190,185	2,524,847	3,221,515	696,667	27.6
Customs and Excise Duties	214,007	129,547	188,093	58,546	
Licences, Taxes and Fines	262,101	202,300	223,664	21,364	
Income Tax	1,071,225	835,912	1,167,353	331,441	
Value Added Tax	656,233	478,922	664,992	186,071	
Fees of Office	53,629	84,227	66,659	-17,568	
Reimbursements	28,275	20,550	19,531	-1,019	
Central Bank of Malta	20,000	20,000	20,000	0	
Rents	27,792	20,119	17,929	-2,190	
Dividends on Investment	11,385	15,410	15,639	229	
Interest on loans made by Government	71	8	1	-6	
Social Security	642,723	569,887	704,455	134,568	
Grants	168,687	84,039	87,976	3,937	
Miscellaneous Receipts	34,056	63,927	45,221	-18,706	
(b) Total Expenditure	3,106,253	3,611,062	3,974,716	363,654	10.1
<i>Recurrent Expenditure</i>	2,666,762	2,965,129	3,474,332	509,202	17.2
Personal Emoluments	585,225	604,498	673,286	68,788	
Operational and Maintenance Expenses	136,717	178,110	170,979	-7,131	
Programmes and Initiatives	1,624,981	1,760,300	2,193,459	433,159	
Contributions to Government Entities	319,840	422,222	436,608	14,386	
<i>Interest</i>	126,487	121,329	123,115	1,786	1.5
<i>Capital Expenditure</i>	313,003	524,604	377,270	-147,334	-28.1
(a-b) Consolidated Fund Surplus/Deficit	83,932	-1,086,215	-753,202	333,013	-30.7
(c) Financial Transactions					
<i>Revenue</i>					
Loans	279,713	1,044,791	1,265,255	220,464	
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	10,308	26,980	4,500	-22,480	
Repayment of Loan	178,716	277,600	462,502	184,902	
Loans	0	0	0	0	

Note: Totals may not add up due to rounding.

Table 2. Revenue/Expenditure categories by month and description

Description	August 2019	August 2020	August 2021	August 2021 / August 2020	
				Change	% change
	€ 000				
(a) Total Recurrent Revenue	551,548	418,699	604,885	186,185	44.5
Customs and Excise Duties	31,136	2,994	28,360	25,366	
Licences, Taxes and Fines	32,348	28,468	32,629	4,160	
Income Tax	193,387	164,798	212,444	47,646	
Value Added Tax	162,342	100,360	161,046	60,686	
Fees of Office	5,726	11,028	11,469	440	
Reimbursements	2,528	1,753	815	-938	
Central Bank of Malta	0	0	0	0	
Rents	1,030	2,855	3,598	743	
Dividends on Investment	2,000	0	4,139	4,139	
Interest on loans made by Government	34	0	0	0	
Social Security	93,897	83,001	104,727	21,727	
Grants	24,676	18,142	41,003	22,861	
Miscellaneous Receipts	2,444	5,300	4,656	-644	
(b) Total Expenditure	341,644	453,071	475,580	22,510	5.0
<i>Recurrent Expenditure</i>	293,657	391,902	401,515	9,613	2.5
Personal Emoluments	73,760	76,553	82,800	6,247	
Operational and Maintenance Expenses	14,687	31,030	15,821	-15,209	
Programmes and Initiatives	181,941	204,402	249,409	45,007	
Contributions to Government Entities	23,268	79,917	53,485	-26,432	
<i>Interest</i>	17,355	14,743	19,599	4,857	32.9
<i>Capital Expenditure</i>	30,632	46,426	54,466	8,040	17.3
(a-b) Consolidated Fund Surplus/Deficit	209,904	-34,371	129,304	163,676	-476.2
(c) Financial Transactions					
<i>Revenue</i>					
Loans	0	0	304,679	304,679	
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	10,000	0	0	0	
Repayment of Loan	1,478	343	456,361	456,018	
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-Aug 2019	Jan-Aug 2020	Jan-Aug 2021	Jan-Aug 2019	Jan-Aug 2020	Jan-Aug 2021	Jan-Aug 2019	Jan-Aug 2020	Jan-Aug 2021	Jan-Aug 2019	Jan-Aug 2020	Jan-Aug 2021
	€ 000											
General public services	65,468	65,285	63,540	32,352	66,185	30,683	189,193	159,388	351,667	27,207	36,216	69,053
Defence	27,111	28,162	41,392	4,134	4,230	5,159	582	480	604	121	218	0
Public order and safety	70,921	58,942	59,946	11,599	6,187	7,472	4,804	4,221	9,998	6,506	30,641	41,684
Economic affairs	40,320	41,696	57,875	7,921	16,918	35,002	100,537	144,683	266,718	104,801	121,551	119,836
Environment protection	3,152	3,487	3,181	187	81	1,512	39,985	38,028	25,679	18,453	19,146	260
Housing and community amenities	876	1,060	403	402	311	118	4,705	8,158	0	2,977	5,066	709
Health	181,087	195,768	223,111	39,555	42,086	53,142	153,964	205,040	243,690	37,525	52,037	51,157
Recreation, culture and religion	4,653	4,360	1,752	1,284	2,849	871	7,703	8,179	9,191	21,365	21,146	14,126
Education	155,442	168,287	180,766	10,482	11,025	13,374	119,800	148,717	162,235	67,862	96,101	99,024
Social protection	36,194	37,451	41,320	28,801	28,238	23,646	1,003,708	1,043,407	1,123,677	33,024	40,100	40,759
Total	585,225	604,498	673,286	136,717	178,110	170,979	1,624,981	1,760,300	2,193,459	319,840	422,222	436,608
COFOG	Interest Expenditure			Capital Expenditure			Total Expenditure					
	Jan-Aug 2019	Jan-Aug 2020	Jan-Aug 2021	Jan-Aug 2019	Jan-Aug 2020	Jan-Aug 2021	Jan-Aug 2019	Jan-Aug 2020	Jan-Aug 2021	Jan-Aug 2019	Jan-Aug 2020	Jan-Aug 2021
	€ 000											
General public services	126,487	121,329	123,115	46,297	49,748	40,138	487,004	498,151	678,195			
Defence	0	0	0	2,988	2,564	5,053	34,936	35,653	52,209			
Public order and safety	0	0	0	23,561	10,835	21,271	117,390	110,826	140,372			
Economic affairs	0	0	0	170,493	380,856	224,007	424,073	705,703	703,438			
Environment protection	0	0	0	38,861	24,585	13,542	100,638	85,326	44,174			
Housing and community amenities	0	0	0	124	25	593	9,084	14,619	1,822			
Health	0	0	0	5,931	24,535	20,959	418,061	519,466	592,059			
Recreation, culture and religion	0	0	0	9,171	12,917	19,794	44,176	49,451	45,734			
Education	0	0	0	13,171	12,024	23,614	366,756	436,155	479,013			
Social protection	0	0	0	2,408	6,516	8,299	1,104,135	1,155,712	1,237,701			
Total	126,487	121,329	123,115	313,003	524,604	377,270	3,106,253	3,611,062	3,974,716			

Table 4. Consolidated Fund data by period and ESA 2010 codes

Description	ESA code	Jan-Aug 2019	Jan-Aug 2020	Jan-Aug 2021	Jan-Aug 2021 / Jan-Aug 2020	
					Change	% change
					€ 000	
1. Total Revenue		3,003,180	2,357,880	2,989,175	631,295	26.8
Market Output	P11	64,644	102,059	97,191		
Taxes on Production and Imports	D2	1,075,225	775,709	1,022,739		
Property income receivable	D4	46,636	37,170	46,722		
Current taxes on income, wealth, etc	D5	1,118,916	874,943	1,222,684		
Social Contributions	D61	511,503	467,743	491,336		
Current transfers receivable	D7	13,733	2,866	3,510		
Capital transfers receivable	D9	172,524	97,391	104,994		
2. Total Expenditure		2,919,249	3,444,095	3,742,377	298,281	8.7
Intermediate Consumption	P2	434,195	555,109	636,664		
Gross Capital Formation	P5g+NP	153,419	147,221	229,606		
Compensation of Employees	D1	675,824	717,211	717,366		
Property income payable	D4	119,308	84,998	127,151		
Subsidies	D3	57,656	260,729	248,165		
Social Benefits and social transfers in kind	D62+D632	773,411	852,153	899,268		
Current transfers payable	D7	680,094	773,312	865,774		
Capital transfers payable	D9	25,341	53,364	18,381		
(1-2) Consolidated Fund Surplus/Deficit		83,932	-1,086,215	-753,202	333,014	-30.7

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

Description	ESA code	August 2019	August 2020	August 2021	August 2021 / August 2020	
					Change	% change
					€ 000	
1. Total Revenue		529,502	399,429	573,963	174,534	43.7
Market Output	P11	6,999	13,265	14,475		
Taxes on Production and Imports	D2	223,425	127,708	218,480		
Property income receivable	D4	1,074	2,455	6,384		
Current taxes on income, wealth, etc	D5	196,485	170,506	216,870		
Social Contributions	D61	74,830	65,594	74,143		
Current transfers receivable	D7	446	134	255		
Capital transfers receivable	D9	26,244	19,767	43,356		
2. Total Expenditure		319,598	433,800	444,659	10,858	2.5
Intermediate Consumption	P2	37,099	78,451	63,708		
Gross Capital Formation	P5g+NP	21,751	9,134	24,433		
Compensation of Employees	D1	85,176	96,988	87,638		
Property income payable	D4	17,677	14,787	19,599		
Subsidies	D3	4,905	25,421	42,854		
Social Benefits and social transfers in kind	D62+D632	95,310	102,076	98,628		
Current transfers payable	D7	54,864	105,015	104,980		
Capital transfers payable	D9	2,816	1,929	2,820		
(1-2) Consolidated Fund Surplus/Deficit		209,904	-34,371	129,304	163,676	-476.2

Table 6. Central Government debt by month and description

Description	August 2019	August 2020	August 2021	August 2021 / August 2020	
				Change	% change
	€ 000				
Total Central Government Debt	5,419,440	6,599,098	7,684,510	1,085,412	16.4
<i>of which:</i>					
Treasury Bills	294,300	797,000	771,000	-26,000	
Malta Government Stocks	4,856,879	5,444,207	6,142,826	698,620	
62+ Malta Government Savings Bond	290,817	382,288	377,171	-5,117	
Foreign Loans	1,028	900	420,779	419,879	
Sinking funds investments in Government Debt	-110,853	-115,453	-118,374	-2,921	
Euro coins issued in the name of the Treasury	87,270	90,157	91,108	951	

Note: Totals may not add up due to rounding.

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

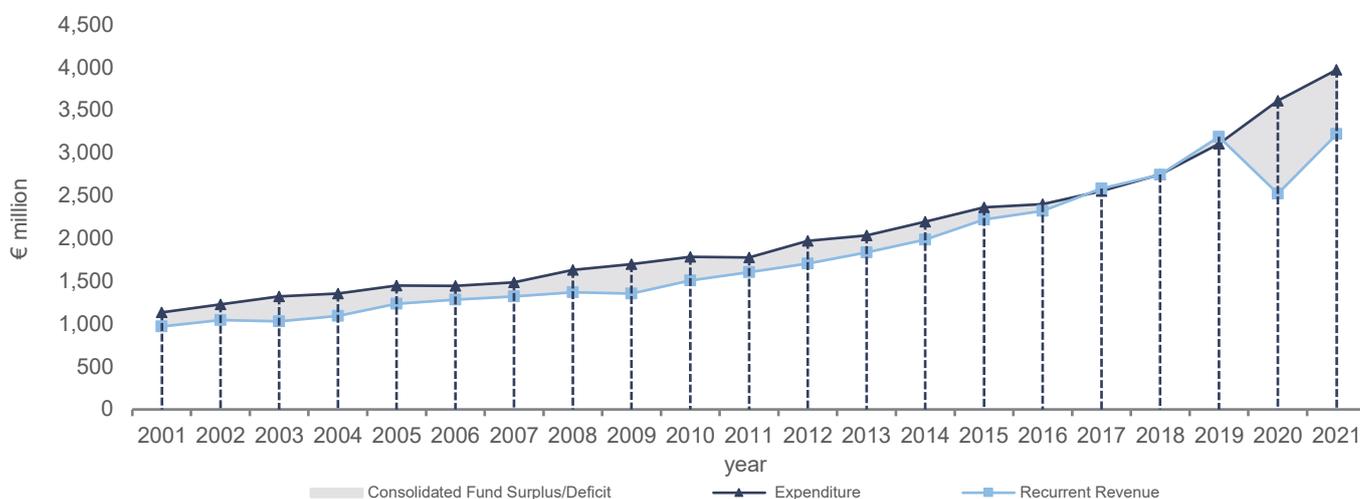


Chart 2. Recurrent Revenue by main category (%): January to August 2021

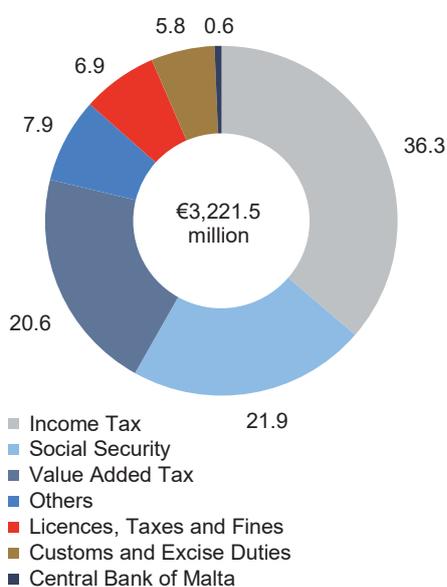
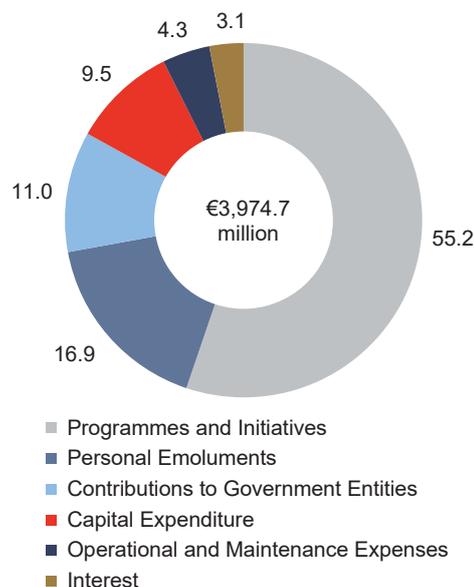


Chart 3. Expenditure by main category (%): January to August 2021



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