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By the end of February 2022, the Government's Consolidated Fund reported a deficit of €80.7 million.

## Government Finance Data: January-February 2022

In the first two months of 2022, Recurrent Revenue amounted to €797.5 million, 13.8 per cent higher than the €701.0 million reported a year earlier. The largest increase was recorded under Income Tax (€39.9 million), Grants (€25.5 million), Social Security (€18.2 million), Customs and Excise Duties (€7.3 million), Licences, Taxes and Fines (€5.7 million), Value Added Tax (€5.6 million), Rents (€3.4 million), Miscellaneous Receipts (€2.0 million) and Reimbursements (€1.7 million). The rise in revenue was partially offset by decreases under Central Bank of Malta (€10.0 million), Fees of Office (€1.9 million) and Dividends on Investment (€1.0 million).

By the end of February 2022, total expenditure stood at €878.2 million, 14.6 per cent lower than the previous year.

During the reference period, Recurrent Expenditure totalled €802.4 million, a decrease of €111.7 million in comparison to the €914.1 million reported by the end of February 2021. The main contributor to this drop was a €52.6 million decrease reported under Programmes and Initiatives. Furthermore, decreases were also witnessed under Contributions to Government Entities (€22.8 million), Operational and Maintenance Expenses (€22.6 million) and Personal Emoluments (€13.7 million). The decrease in the Programmes and Initiatives category was mainly the result of lower Pandemic assistance schemes (€33.0 million) and EU own resources (€16.6 million).

The interest component of the public debt servicing costs totalled €23.1 million, a decrease of €7.3 million when compared to the previous year.

By the end of February 2022, Government's capital spending amounted to €52.6 million, €31.5 million lower than 2021. This drop resulted from a reduction in expenditure towards Investment incentives (€12.5 million), Acquisition of property for public purposes (€6.0 million), Road construction and improvements (€5.0 million), Gozo Aquatic Centre (€3.5 million), Distribution centre at Ricasoli Smart City (€2.5 million) and Property, plant and equipment (€2.3 million).

The difference between total revenue and expenditure resulted in a deficit of €80.7 million being reported in the Government's Consolidated Fund at the end of February 2022. Compared to the same period in 2021, there was a decrease in deficit of €247.0 million. This difference mirrors an increase in total Recurrent Revenue (€96.5 million), coupled with a decrease in total expenditure, which consists of Recurrent Expenditure (€111.7 million), Capital Expenditure (€31.5 million) and Interest (€7.3 million). Changes in expenditure and revenue reflect developments related to COVID-19 (Table 1).

At the end of February 2022, Central Government debt stood at €8,393.9 million, a €1,227.2 million rise from 2021. Increases reported under Malta Government Stocks (€932.4 million) and Foreign Loans (€299.9 million) were the main contributors to the rise in debt. Higher debt was also reported under the 62+ Malta Government Savings Bond (€94.2 million) and Euro coins issued in the name of the Treasury (€3.5 million). This increase in debt was partially offset by a decrease in Treasury Bills (€85.8 million). Finally, lower holdings by government funds in Malta Government Stocks resulted in a decrease in debt of €16.9 million (Table 6) ■

Table 1. Revenue/Expenditure categories by period and description

Description	Jan-Feb 2020	Jan-Feb 2021	Jan-Feb 2022	Jan-Feb 2022 / Jan-Feb 2021	
				Change	% change
€ 000					
<b>(a) Total Recurrent Revenue</b>	<b>712,244</b>	<b>701,023</b>	<b>797,502</b>	<b>96,480</b>	<b>13.8</b>
Customs and Excise Duties	52,112	39,863	47,182	7,318	
Licences, Taxes and Fines	65,667	42,608	48,349	5,741	
Income Tax	199,009	220,951	260,866	39,916	
Value Added Tax	184,499	200,518	206,068	5,550	
Fees of Office	9,654	11,464	9,610	-1,853	
Reimbursements	5,476	4,512	6,216	1,704	
Central Bank of Malta	10,000	10,000	0	-10,000	
Rents	7,501	0	3,412	3,412	
Dividends on Investment	1,660	1,000	0	-1,000	
Interest on loans made by Government	0	0	0	0	
Social Security	150,308	154,318	172,471	18,152	
Grants	15,276	5,461	30,988	25,527	
Miscellaneous Receipts	11,081	10,328	12,339	2,012	
<b>(b) Total Expenditure</b>	<b>810,415</b>	<b>1,028,711</b>	<b>878,158</b>	<b>-150,553</b>	<b>-14.6</b>
<i>Recurrent Expenditure</i>	713,532	914,125	802,421	-111,705	-12.2
Personal Emoluments	146,696	180,966	167,269	-13,697	
Operational and Maintenance Expenses	29,332	51,792	29,157	-22,635	
Programmes and Initiatives	431,652	554,766	502,209	-52,556	
Contributions to Government Entities	105,852	126,602	103,786	-22,816	
<i>Interest</i>	30,347	30,437	23,119	-7,318	-24.0
<i>Capital Expenditure</i>	66,536	84,148	52,617	-31,531	-37.5
<b>(a-b) Consolidated Fund Surplus/Deficit</b>	<b>-98,170</b>	<b>-327,688</b>	<b>-80,655</b>	<b>247,033</b>	<b>-75.4</b>
<b>(c) Financial Transactions</b>					
<i>Revenue</i>					
Loans	100,000	300,000	237,400	-62,600	
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	13,960	0	0	0	
Repayment of Loan	196	624	861	237	
Loans	0	0	0	0	

Note: Totals may not add up due to rounding.

Table 2. Revenue/Expenditure categories by month and description

Description	February 2020	February 2021	February 2022	February 2022 / February 2021	
				Change	% change
€ 000					
<b>(a) Total Recurrent Revenue</b>	<b>406,539</b>	<b>407,007</b>	<b>445,440</b>	<b>38,434</b>	<b>9.4</b>
Customs and Excise Duties	24,932	15,799	29,320	13,521	
Licences, Taxes and Fines	33,478	29,268	19,378	-9,890	
Income Tax	89,475	95,714	122,140	26,425	
Value Added Tax	141,229	150,833	153,601	2,768	
Fees of Office	3,580	10,973	6,503	-4,471	
Reimbursements	4,779	2,433	5,705	3,272	
Central Bank of Malta	5,000	5,000	0	-5,000	
Rents	5,087	0	3,395	3,395	
Dividends on Investment	1,010	1,000	0	-1,000	
Interest on loans made by Government	0	0	0	0	
Social Security	88,369	92,099	103,083	10,984	
Grants	54	-19	-981	-962	
Miscellaneous Receipts	9,547	3,905	3,296	-609	
<b>(b) Total Expenditure</b>	<b>429,017</b>	<b>410,334</b>	<b>459,851</b>	<b>49,518</b>	<b>12.1</b>
<i>Recurrent Expenditure</i>	375,154	366,143	418,696	52,554	14.4
Personal Emoluments	74,635	98,191	83,746	-14,445	
Operational and Maintenance Expenses	12,183	12,039	13,268	1,229	
Programmes and Initiatives	226,599	190,441	273,911	83,470	
Contributions to Government Entities	61,737	65,472	47,771	-17,701	
<i>Interest</i>	18,299	17,631	9,935	-7,696	-43.6
<i>Capital Expenditure</i>	35,564	26,560	31,220	4,660	17.5
<b>(a-b) Consolidated Fund Surplus/Deficit</b>	<b>-22,478</b>	<b>-3,327</b>	<b>-14,411</b>	<b>-11,084</b>	<b>333.1</b>
<b>(c) Financial Transactions</b>					
<i>Revenue</i>					
Loans	100,000	300,000	237,400	-62,600	
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	23	366	560	194	
Loans	0	0	0	0	

Note: Totals may not add up due to rounding.

Table 3. Government Expenditure by COFOG category by period and description

COFOG	Personal emoluments			Operational and Maintenance Expenses			Programmes and Initiatives			Contributions to Government Entities		
	Jan-Feb 2020	Jan-Feb 2021	Jan-Feb 2022	Jan-Feb 2020	Jan-Feb 2021	Jan-Feb 2022	Jan-Feb 2020	Jan-Feb 2021	Jan-Feb 2022	Jan-Feb 2020	Jan-Feb 2021	Jan-Feb 2022
	€ 000											
General public services	16,490	15,331	21,039	7,651	9,854	9,099	54,584	157,309	73,440	5,476	17,403	25,447
Defence	6,691	7,942	8,334	778	1,329	1,245	79	187	114	30	0	0
Public order and safety	15,050	16,550	14,998	1,810	2,156	1,491	1,072	1,507	2,085	9,261	11,888	10,315
Economic affairs	10,499	11,012	9,117	1,833	18,091	1,596	34,513	10,766	45,609	30,005	31,907	23,965
Environment protection	778	2,203	921	37	257	105	9,002	3,007	180	3,526	130	170
Housing and community amenities	268	273	0	87	60	0	2,562	0	2,134	1,742	0	0
Health	45,897	75,280	53,716	4,176	9,689	6,946	39,766	76,297	57,718	12,329	12,263	13,045
Recreation, culture and religion	1,094	359	1,309	1,108	170	132	1,651	3,407	2,422	5,163	5,273	6,055
Education	41,054	42,406	47,025	5,256	5,519	3,937	55,402	55,506	57,809	25,909	35,952	18,486
Social protection	8,874	9,610	10,811	6,597	4,667	4,606	233,019	246,779	260,698	12,412	11,787	6,301
<b>Total</b>	<b>146,696</b>	<b>180,966</b>	<b>167,269</b>	<b>29,333</b>	<b>51,792</b>	<b>29,157</b>	<b>431,652</b>	<b>554,766</b>	<b>502,209</b>	<b>105,852</b>	<b>126,602</b>	<b>103,786</b>
COFOG	Interest Expenditure			Capital Expenditure			Total Expenditure					
	Jan-Feb 2020	Jan-Feb 2021	Jan-Feb 2022	Jan-Feb 2020	Jan-Feb 2021	Jan-Feb 2022	Jan-Feb 2020	Jan-Feb 2021	Jan-Feb 2022			
	€ 000											
General public services	30,347	30,437	23,119	7,512	8,049	28,937	122,060	238,383	181,082			
Defence	0	0	0	22	-16	107	7,600	9,443	9,800			
Public order and safety	0	0	0	2,225	1,946	5,076	29,418	34,046	33,965			
Economic affairs	0	0	0	42,709	57,420	13,463	119,558	129,196	93,752			
Environment protection	0	0	0	3,284	1,189	121	16,627	6,786	1,497			
Housing and community amenities	0	0	0	0	10	0	4,660	343	2,134			
Health	0	0	0	4,517	3,946	1,751	106,686	177,475	133,176			
Recreation, culture and religion	0	0	0	894	6,701	730	9,909	15,909	10,648			
Education	0	0	0	4,150	3,551	1,857	131,772	142,934	129,114			
Social protection	0	0	0	1,224	1,352	574	262,126	274,195	282,991			
<b>Total</b>	<b>30,347</b>	<b>30,437</b>	<b>23,119</b>	<b>66,536</b>	<b>84,148</b>	<b>52,617</b>	<b>810,415</b>	<b>1,028,711</b>	<b>878,158</b>			

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

Description	ESA code	Jan-Feb 2020	Jan-Feb 2021	Jan-Feb 2022	Jan-Feb 2022 / Jan-Feb 2021	
					Change	% change
					€ 000	
<b>1. Total Revenue</b>		<b>682,182</b>	<b>674,727</b>	<b>769,178</b>	<b>94,452</b>	
Market Output	P11	12,579	18,134	15,354		
Taxes on Production and Imports	D2	287,652	266,987	289,724		
Property income receivable	D4	14,150	11,453	1,571		
Current taxes on income, wealth, etc	D5	211,706	227,430	273,473		
Social Contributions	D61	134,546	140,795	153,146		
Current transfers receivable	D7	1,200	485	-740		
Capital transfers receivable	D9	20,348	9,442	36,651		
<b>2. Total Expenditure</b>		<b>780,352</b>	<b>1,002,415</b>	<b>849,833</b>	<b>-152,581</b>	
Intermediate Consumption	P2	107,316	193,207	145,604		
Gross Capital Formation	P5g+NP	32,858	10,551	36,934		
Compensation of Employees	D1	173,240	208,644	191,580		
Property income payable	D4	25,143	26,413	19,950		
Subsidies	D3	9,983	8,113	45,858		
Social Benefits and social transfers in kind	D62+D632	187,084	199,594	232,615		
Current transfers payable	D7	232,901	354,898	174,440		
Capital transfers payable	D9	11,826	995	2,853		
<b>(1-2) Consolidated Fund Surplus/Deficit</b>		<b>-98,171</b>	<b>-327,688</b>	<b>-80,655</b>	<b>247,033</b>	<b>-75.4</b>

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

Description	ESA code	February 2020	February 2021	February 2022	February 2022 / February 2021	
					Change	% change
					€ 000	
<b>1. Total Revenue</b>		<b>368,198</b>	<b>373,690</b>	<b>408,648</b>	<b>34,958</b>	
Market Output	P11	6,827	11,303	5,248		
Taxes on Production and Imports	D2	192,817	184,263	192,724		
Property income receivable	D4	7,784	6,127	1,344		
Current taxes on income, wealth, etc	D5	94,735	99,494	132,792		
Social Contributions	D61	63,462	69,732	75,170		
Current transfers receivable	D7	407	389	-777		
Capital transfers receivable	D9	2,167	2,381	2,146		
<b>2. Total Expenditure</b>		<b>390,676</b>	<b>377,017</b>	<b>423,059</b>	<b>46,042</b>	
Intermediate Consumption	P2	56,128	59,529	65,357		
Gross Capital Formation	P5g+NP	19,654	3,103	21,042		
Compensation of Employees	D1	87,754	113,437	96,347		
Property income payable	D4	10,522	10,073	6,184		
Subsidies	D3	6,417	2,604	22,382		
Social Benefits and social transfers in kind	D62+D632	89,439	45,374	127,789		
Current transfers payable	D7	117,329	142,229	81,751		
Capital transfers payable	D9	3,433	669	2,206		
<b>(1-2) Consolidated Fund Surplus/Deficit</b>		<b>-22,478</b>	<b>-3,327</b>	<b>-14,411</b>	<b>-11,084</b>	<b>333.1</b>

Table 6. Central Government debt by month and description

Description	February 2020	February 2021	February 2022	February 2022 / February 2021	
				Change	% change
€ 000					
<b>Total Central Government Debt</b>	<b>5,543,700</b>	<b>7,166,758</b>	<b>8,393,930</b>	<b>1,227,172</b>	<b>17.1</b>
<i>of which:</i>					
Treasury Bills	418,000	746,750	660,920	-85,830	
Malta Government Stocks	4,869,412	5,942,872	6,875,226	932,354	
62+ Malta Government Savings Bond	289,426	379,892	474,081	94,189	
Foreign Loans	966	120,840	420,718	299,878	
MGSF investments in Government Debt	-123,303	-113,353	-130,274	-16,921	
Euro coins issued in the name of the Treasury	89,200	89,757	93,258	3,501	

Note: Totals may not add up due to rounding.

Chart 1. Consolidated Fund Surplus/Deficit: February by year

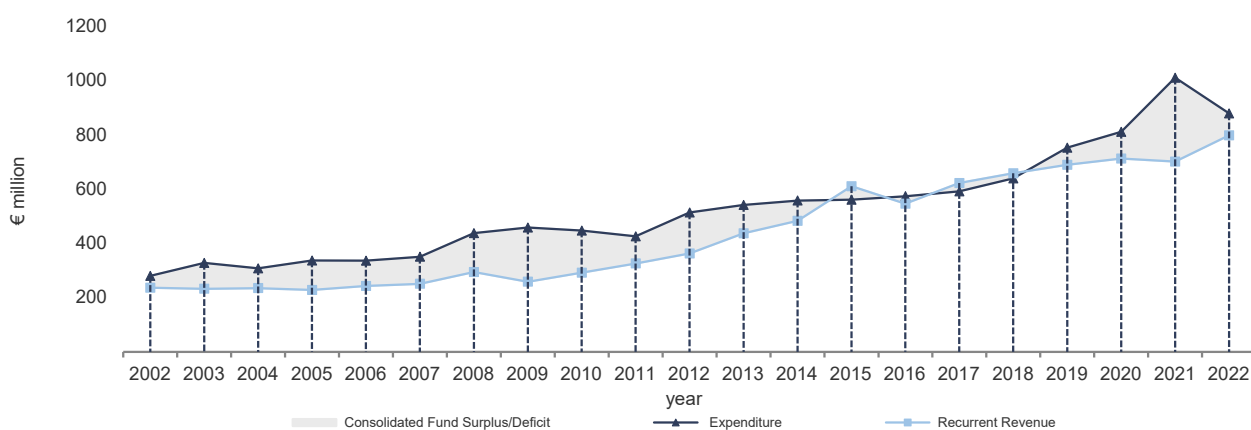


Chart 2. Recurrent Revenue by main category (%): February 2022

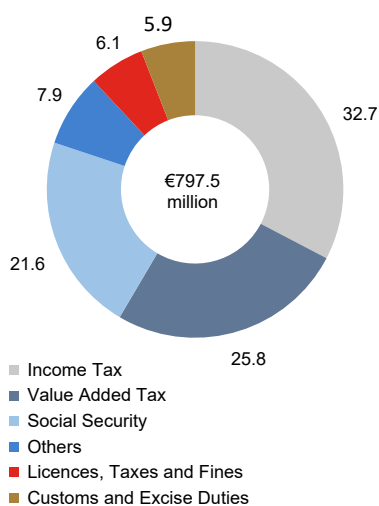
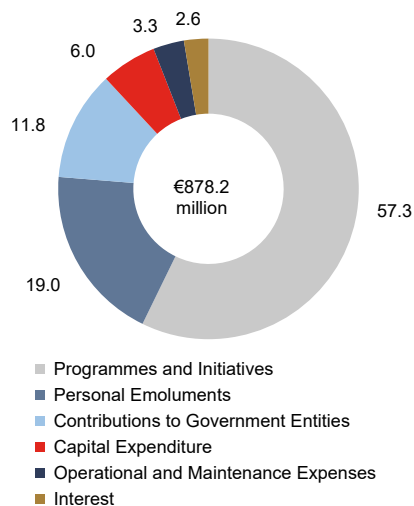


Chart 3. Expenditure by main category (%): February 2022



## 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 2022 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. Data in this release are subject to revision. 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:  
[https://nso.gov.mt/en/nso/Sources\\_and\\_Methods/Unit\\_A2/Public\\_Finance/Pages/Council-Directive-852011.aspx](https://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](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](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 2 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. Government Finance data for December 2021 will be published on 30th March 2022.
10. More information relating to this news release may be accessed at:  
Statistical Concepts: <https://metadata.nso.gov.mt>  
Statistical Database: <https://statdb.nso.gov.mt/start>
11. Any quotations from this news release are to be cited and/or referenced.
12. Statistics in this News Release should be interpreted in the context of the COVID-19 situation.
13. A detailed news release calendar is available on:  
[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)