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By the end of March 2022, the Government's Consolidated Fund reported a deficit of €371.6 million.

## Government Finance Data: January-March 2022

In the first quarter of 2022, Recurrent Revenue amounted to €1,148.4 million, 23.4 per cent higher than the €930.5 million reported a year earlier. The largest increase was recorded under Social Security (€67.3 million), followed by Income Tax (€66.5 million), Value Added Tax (€37.7 million), Grants (€31.2 million), Licences, Taxes and Fines (€12.4 million), Miscellaneous Receipts (€10.7 million), Customs and Excise Duties (€8.5 million), Rents (€4.3 million), Reimbursements (€0.4 million) and Dividends on Investment (€0.3 million). The rise in revenue was partially offset by decreases under Central Bank of Malta (€15.0 million) and Fees of Office (€6.4 million).

By the end of March 2022, total expenditure stood at €1,520.0 million, 4.1 per cent higher than the previous year.

During the reference period, Recurrent Expenditure totalled €1,358.5 million, an increase of €65.0 million in comparison to the €1,293.5 million reported by the end of March 2021. The main contributor to this increase was an €83.4 million increase reported under Programmes and Initiatives. Furthermore, an increase was also witnessed under Contributions to Government Entities (€6.7 million). This rise in expenditure outweighed decreases under Operational and Maintenance Expenses (€19.6 million) and Personal Emoluments (€5.5 million). The main developments in the Programmes and Initiatives category involved added outlays towards Social security benefits, following two regular payments of retirement pensions made in March 2022 (€66.1 million), Economic stimulus payments (€48.2 million), Tax relief measures (€25.8 million) and Assistance to help the elderly live independently (€12.4 million). This rise in Programmes and Initiatives was partly offset by decreases under the Pandemic assistance schemes (€48.0 million) and Hospital concession agreements (€22.2 million).

The interest component of the public debt servicing costs totalled €36.7 million, a decrease of €7.7 million when compared to the previous year.

By the end of March 2022, Government's capital spending amounted to €124.7 million, €2.3 million higher than 2021. This increase resulted from higher expenditure towards Investment incentives (€3.5 million), ICT Core services agreement (€3.0 million), Ta' Qali National Park (€2.7 million) and the Indoor pool at the Cottonera Sports Complex (€2.4 million). This rise in Capital Expenditure was partially offset by decreases under Road construction (€7.5 million) and National Identity Management Systems (€1.6 million).

The difference between total revenue and expenditure resulted in a deficit of €371.6 million being reported in the Government's Consolidated Fund at the end of March 2022. Compared to the same period in 2021, there was a decrease in deficit of €158.3 million. This difference mirrors an increase in total Recurrent Revenue (€218.0 million), partly offset by a rise in total expenditure, which consists of Recurrent Expenditure (€65.0 million), Capital Expenditure (€2.3 million) and Interest (-€7.7 million). Changes in expenditure and revenue reflect developments related to COVID-19 (Table 1).

At the end of March 2022, Central Government debt stood at €8,466.3 million, a €1,170.8 million rise from 2021. Increases reported under Malta Government Stocks (€932.1 million) and Foreign Loans (€176.9 million) were the main contributors to the rise in debt. Higher debt was also reported under the 62+ Malta Government Savings Bond (€94.1 million) and Euro coins issued in the name of the Treasury (€4.0 million). This increase in debt was partially offset by a decrease in Treasury Bills (€13.8 million). Finally, lower holdings by government funds in Malta Government Stocks resulted in a decrease in debt of €22.5 million (Table 6) ■

Table 1. Revenue/Expenditure categories by period and description

Description	Jan-Mar 2020	Jan-Mar 2021	Jan-Mar 2022	Jan-Mar 2022 / Jan-Mar 2021	
				Change	% change
€ 000					
<b>(a) Total Recurrent Revenue</b>	<b>925,611</b>	<b>930,455</b>	<b>1,148,405</b>	<b>217,950</b>	<b>23.4</b>
Customs and Excise Duties	61,925	54,875	63,355	8,480	
Licences, Taxes and Fines	86,955	74,739	87,163	12,424	
Income Tax	241,023	282,595	349,097	66,502	
Value Added Tax	231,534	250,858	288,536	37,677	
Fees of Office	11,076	20,711	14,341	-6,370	
Reimbursements	8,051	9,020	9,379	359	
Central Bank of Malta	15,000	15,000	0	-15,000	
Rents	10,203	3,158	7,430	4,272	
Dividends on Investment	3,660	1,000	1,325	325	
Interest on loans made by Government	1	0	0	0	
Social Security	215,646	196,838	264,172	67,334	
Grants	25,384	5,461	36,668	31,207	
Miscellaneous Receipts	15,155	16,199	26,938	10,738	
<b>(b) Total Expenditure</b>	<b>1,238,104</b>	<b>1,460,345</b>	<b>1,520,004</b>	<b>59,659</b>	<b>4.1</b>
<i>Recurrent Expenditure</i>	1,035,272	1,293,536	1,358,538	65,002	5.0
Personal Emoluments	225,265	263,429	257,949	-5,479	
Operational and Maintenance Expenses	47,122	71,387	51,764	-19,623	
Programmes and Initiatives	619,912	807,405	890,839	83,434	
Contributions to Government Entities	142,972	151,315	157,986	6,671	
<i>Interest</i>	45,680	44,371	36,718	-7,653	-17.2
<i>Capital Expenditure</i>	157,152	122,438	124,747	2,310	1.9
<b>(a-b) Consolidated Fund Surplus/Deficit</b>	<b>-312,493</b>	<b>-529,890</b>	<b>-371,599</b>	<b>158,291</b>	<b>-29.9</b>
<b>(c) Financial Transactions</b>					
<i>Revenue</i>					
Loans	100,000	423,000	237,400	-185,600	
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	0	1,049	1,394	338	
Loans	0	0	0	0	

Note: Totals may not add up due to rounding.

Table 2. Revenue/Expenditure categories by month and description

Description	March 2020	March 2021	March 2022	March 2022 / March 2021	
				Change	% change
€ 000					
<b>(a) Total Recurrent Revenue</b>	<b>213,366</b>	<b>229,467</b>	<b>350,902</b>	<b>121,435</b>	<b>52.9</b>
Customs and Excise Duties	9,813	15,012	16,174	1,162	
Licences, Taxes and Fines	21,288	32,131	38,814	6,683	
Income Tax	42,013	61,645	88,231	26,586	
Value Added Tax	47,035	50,340	82,467	32,127	
Fees of Office	1,421	9,247	4,731	-4,516	
Reimbursements	2,575	4,508	3,163	-1,345	
Central Bank of Malta	5,000	5,000	0	-5,000	
Rents	2,702	3,158	4,018	860	
Dividends on Investment	2,000	0	1,325	1,325	
Interest on loans made by Government	1	0	0	0	
Social Security	65,338	42,519	91,701	49,182	
Grants	10,107	0	5,680	5,680	
Miscellaneous Receipts	4,073	5,907	14,598	8,691	
<b>(b) Total Expenditure</b>	<b>427,493</b>	<b>450,536</b>	<b>641,846</b>	<b>191,310</b>	<b>42.5</b>
<i>Recurrent Expenditure</i>	321,740	398,313	556,118	157,804	39.6
Personal Emoluments	78,569	101,440	90,681	-10,759	
Operational and Maintenance Expenses	17,790	19,521	22,607	3,087	
Programmes and Initiatives	188,260	252,639	388,629	135,990	
Contributions to Government Entities	37,120	24,714	54,200	29,487	
<i>Interest</i>	15,137	13,934	13,599	-335	-2.4
<i>Capital Expenditure</i>	90,616	38,290	72,130	33,840	88.4
<b>(a-b) Consolidated Fund Surplus/Deficit</b>	<b>-214,127</b>	<b>-221,069</b>	<b>-290,944</b>	<b>-69,875</b>	<b>31.6</b>
<b>(c) Financial Transactions</b>					
<i>Revenue</i>					
Loans	0	123,000	0	-123,000	
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	0	425	533	102	
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-Mar 2020	Jan-Mar 2021	Jan-Mar 2022	Jan-Mar 2020	Jan-Mar 2021	Jan-Mar 2022	Jan-Mar 2020	Jan-Mar 2021	Jan-Mar 2022	Jan-Mar 2020	Jan-Mar 2021	Jan-Mar 2022
	€ 000											
General public services	24,723	31,722	32,052	10,149	13,717	13,436	73,149	124,808	186,548	10,152	33,300	32,698
Defence	10,150	20,925	12,651	1,361	1,825	2,059	127	159	275	41	0	0
Public order and safety	22,692	23,248	22,770	2,471	2,372	2,440	1,317	2,710	3,146	11,952	11,352	10,604
Economic affairs	15,940	12,719	13,739	6,519	18,293	2,588	47,260	123,529	78,774	48,252	35,485	43,079
Environment protection	1,155	1,263	1,350	64	184	149	11,877	5,019	3,966	3,526	3,780	370
Housing and community amenities	389	0	0	94	0	0	2,612	5,778	3,822	1,934	0	0
Health	72,628	87,704	85,994	8,688	19,743	15,615	56,104	101,072	78,707	18,091	19,059	20,709
Recreation, culture and religion	1,639	1,789	2,004	1,167	443	367	2,585	2,253	2,762	7,494	6,272	7,894
Education	61,520	66,754	69,876	5,916	6,637	5,628	64,565	62,481	68,801	26,963	34,282	36,297
Social protection	14,430	17,304	17,513	10,692	8,174	9,483	360,315	379,596	464,036	14,568	7,787	6,336
<b>Total</b>	<b>225,265</b>	<b>263,429</b>	<b>257,949</b>	<b>47,122</b>	<b>71,387</b>	<b>51,764</b>	<b>619,912</b>	<b>807,405</b>	<b>890,839</b>	<b>142,972</b>	<b>151,315</b>	<b>157,986</b>
COFOG	Interest Expenditure			Capital Expenditure			Total Expenditure					
	Jan-Mar 2020	Jan-Mar 2021	Jan-Mar 2022	Jan-Mar 2020	Jan-Mar 2021	Jan-Mar 2022	Jan-Mar 2020	Jan-Mar 2021	Jan-Mar 2022			
	€ 000											
General public services	45,680	44,371	36,718	9,502	62,511	54,169	173,355	310,430	355,621			
Defence	0	0	0	107	559	214	11,787	23,468	15,200			
Public order and safety	0	0	0	3,093	3,802	6,092	41,524	43,484	45,051			
Economic affairs	0	0	0	124,506	39,533	51,344	242,476	229,558	189,524			
Environment protection	0	0	0	5,792	1,461	149	22,414	11,708	5,985			
Housing and community amenities	0	0	0	0	162	353	5,029	5,939	4,175			
Health	0	0	0	5,833	6,378	4,154	161,344	233,956	205,179			
Recreation, culture and religion	0	0	0	2,165	845	1,843	15,050	11,602	14,870			
Education	0	0	0	4,306	5,481	5,272	163,271	175,634	185,875			
Social protection	0	0	0	1,849	1,705	1,156	401,855	414,567	498,524			
<b>Total</b>	<b>45,680</b>	<b>44,371</b>	<b>36,718</b>	<b>157,152</b>	<b>122,438</b>	<b>124,747</b>	<b>1,238,104</b>	<b>1,460,345</b>	<b>1,520,004</b>			

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

Description	ESA code	Jan-Mar 2020	Jan-Mar 2021	Jan-Mar 2022	Jan-Mar 2022 / Jan-Mar 2021	
					Change	% change
€ 000						
<b>1. Total Revenue</b>		<b>875,722</b>	<b>861,736</b>	<b>1,097,971</b>	<b>236,235</b>	
Market Output	P11	15,474	24,210	32,145		
Taxes on Production and Imports	D2	364,220	376,352	423,703		
Property income receivable	D4	23,088	18,726	5,086		
Current taxes on income, wealth, etc	D5	256,277	286,952	366,387		
Social Contributions	D61	182,949	142,892	225,112		
Current transfers receivable	D7	1,493	650	938		
Capital transfers receivable	D9	32,221	11,953	44,600		
<b>2. Total Expenditure</b>		<b>1,188,214</b>	<b>1,391,626</b>	<b>1,469,570</b>	<b>77,944</b>	
Intermediate Consumption	P2	162,403	201,257	227,872		
Gross Capital Formation	P5g+NP	57,759	75,182	61,289		
Compensation of Employees	D1	265,105	267,239	296,380		
Property income payable	D4	40,613	37,661	34,007		
Subsidies	D3	70,369	121,843	73,508		
Social Benefits and social transfers in kind	D62+D632	287,070	306,909	408,489		
Current transfers payable	D7	288,810	363,560	357,276		
Capital transfers payable	D9	16,085	17,974	10,750		
<b>(1-2) Consolidated Fund Surplus/Deficit</b>		<b>-312,493</b>	<b>-529,890</b>	<b>-371,599</b>	<b>158,291</b>	<b>-29.9</b>

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

Description	ESA code	March 2020	March 2021	March 2022	March 2022 / March 2021	
					Change	% change
€ 000						
<b>1. Total Revenue</b>		<b>193,540</b>	<b>187,010</b>	<b>328,793</b>	<b>141,783</b>	
Market Output	P11	2,895	6,076	16,790		
Taxes on Production and Imports	D2	76,568	109,365	133,979		
Property income receivable	D4	8,938	7,273	3,514		
Current taxes on income, wealth, etc	D5	44,572	59,522	92,915		
Social Contributions	D61	48,402	2,097	71,966		
Current transfers receivable	D7	293	166	1,679		
Capital transfers receivable	D9	11,872	2,511	7,950		
<b>2. Total Expenditure</b>		<b>407,667</b>	<b>408,079</b>	<b>619,737</b>	<b>211,658</b>	
Intermediate Consumption	P2	55,088	8,440	82,267		
Gross Capital Formation	P5g+NP	24,900	67,764	24,355		
Compensation of Employees	D1	91,865	61,436	104,800		
Property income payable	D4	15,274	11,793	14,057		
Subsidies	D3	60,386	119,243	27,650		
Social Benefits and social transfers in kind	D62+D632	99,986	112,517	175,874		
Current transfers payable	D7	55,909	9,083	182,836		
Capital transfers payable	D9	4,259	17,802	7,897		
<b>(1-2) Consolidated Fund Surplus/Deficit</b>		<b>-214,127</b>	<b>-221,069</b>	<b>-290,944</b>	<b>-69,875</b>	<b>31.6</b>

Table 6. Central Government debt by month and description

Description	March 2020	March 2021	March 2022	March 2022 / March 2021	
				Change	% change
€ 000					
<b>Total Central Government Debt</b>	<b>5,550,331</b>	<b>7,295,489</b>	<b>8,466,338</b>	<b>1,170,848</b>	<b>16.0</b>
<i>of which:</i>					
Treasury Bills	427,000	752,750	739,000	-13,750	
Malta Government Stocks	4,869,412	5,943,084	6,875,226	932,142	
62+ Malta Government Savings Bond	289,083	379,467	473,549	94,081	
Foreign Loans	900	243,779	420,710	176,931	
MGSF investments in Government Debt	-125,553	-113,353	-135,874	-22,521	
Euro coins issued in the name of the Treasury	89,489	89,762	93,727	3,965	

Note: Totals may not add up due to rounding.

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

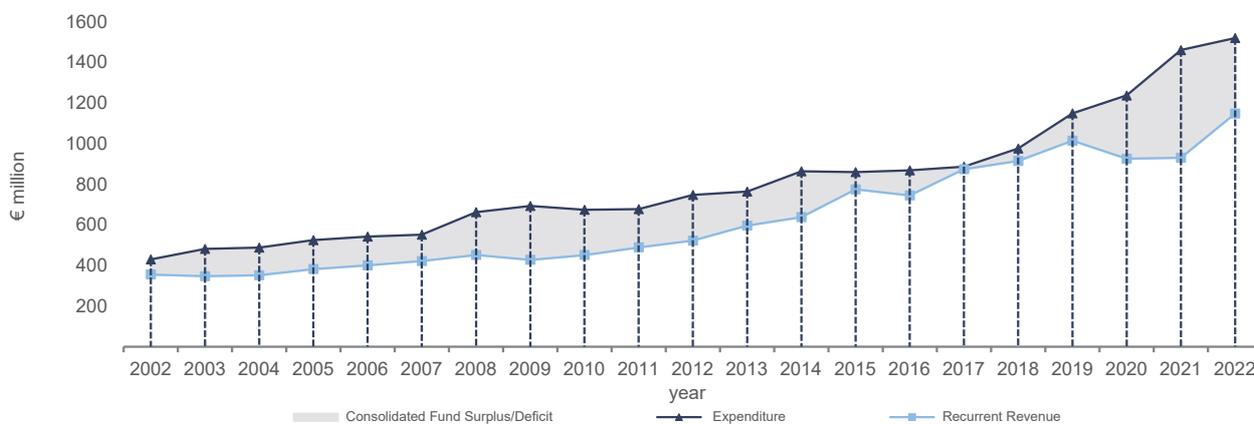


Chart 2. Recurrent Revenue by main category (%): January to March 2022

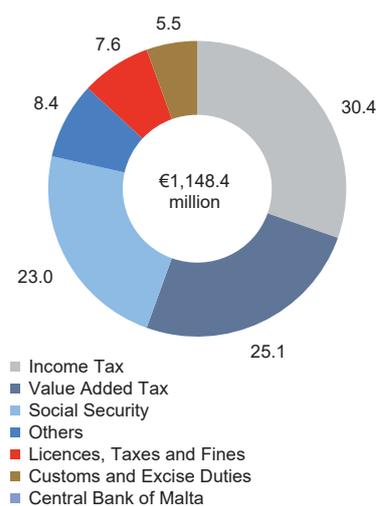
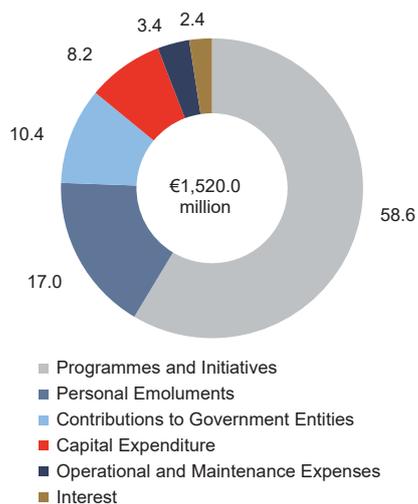


Chart 3. Expenditure by main category (%): January to March 2022



## 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. 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>
10. Any quotations from this news release are to be cited and/or referenced.
11. Statistics in this News Release should be interpreted in the context of the COVID-19 situation.
12. 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)