

By the end of August 2022, the Government's Consolidated Fund reported a deficit of €359.0 million.

Government Finance Data: January-August 2022

In the first eight months of 2022, Recurrent Revenue amounted to €3,623.9 million, 12.0 per cent higher than the €3,235.0 million reported a year earlier. The largest increase was recorded under Value Added Tax (€177.7 million), followed by Income Tax (€126.9 million), Social Security (€80.9 million), Reimbursements (€9.7 million), Licences, Taxes and Fines (€8.9 million), Rents (€2.8 million), Dividends on Investment (€2.6 million), Central Bank of Malta (€2.2 million) and Grants (€0.5 million). The rise in revenue was partially offset by decreases under Miscellaneous Receipts (€10.2 million), Fees of Office (€7.9 million) and Customs and Excise Duties (€5.3 million).

By the end of August 2022, total expenditure stood at €3,982.8 million, €1.3 million lower than the previous year.

During the reference period, Recurrent Expenditure totalled €3,517.7 million, an increase of €39.7 million in comparison to the €3,477.9 million reported in the first eight months of 2021. The main contributor to this increase was a €38.4 million increase reported under Programmes and Initiatives. Furthermore, increases were also witnessed under Personal Emoluments (€15.2 million) and Contributions to Government Entities (€3.6 million). This rise in expenditure outweighed a decrease under Operational and Maintenance Expenses (€17.5 million). The main developments in the Programmes and Initiatives category involved added outlays towards Energy support measures (€62.2 million), Economic stimulus payments (€48.0 million), Social security benefits (€35.9 million), Tax relief measures (€26.0 million), Gas stabilisation fund (€10.0 million), Extension of school transport network (€6.3 million). This rise in Programmes and Initiatives was partly offset by a decrease under the Pandemic assistance schemes (€149.9 million).

The interest component of the public debt servicing costs totalled €112.4 million, a decrease of €10.7 million when compared to the previous year.

By the end of August 2022, Government's capital spending amounted to €352.8 million, €30.3 million lower than 2021. This decrease resulted from lower expenditure towards Road construction and improvements (€12.5 million), Property, plant and equipment (€11.1 million), Gozo Aquatic Centre (€8.0 million), Acquisitions of property for public purposes (€5.9 million), Investments in physical assets (€4.2 million), National Identity Management System (€2.6 million) and ICT core services agreement (€2.8 million). This decrease in Capital Expenditure was partially offset by increases under Film industry incentives (€10.3 million) and Ta' Qali National Park (€7.9 million).

The difference between total revenue and expenditure resulted in a deficit of €359.0 million being reported in the Government's Consolidated Fund at the end of August 2022. Compared to the same period in 2021, there was a decrease in deficit of €390.1 million. This difference mirrors an increase in total Recurrent Revenue (€388.8 million), coupled with a decrease in total expenditure, which consists of Recurrent Expenditure (€39.7 million), Interest (-€10.7 million) and Capital Expenditure (-€30.3 million) (Table 1).

At the end of August 2022, Central Government debt stood at €8,559.0 million, an increase of €874.5 million from 2021. The increase reported under Malta Government Stocks (€657.2 million) was the main contributor to the rise in debt. Higher debt was also reported under Treasury Bills (€163.5 million), the 62+ Malta Government Savings Bond (€93.3 million) and Euro coins issued in the name of the Treasury (€5.7 million). This increase in debt was partially offset by a decrease in Foreign Loans (€0.1 million). Finally, higher holdings by government funds in Malta Government Stocks resulted in a decrease in debt of €45.1 million (Table 6) ■

Table 1. Revenue/Expenditure categories by period and description

Description	Jan-Aug 2020	Jan-Aug 2021	Jan-Aug 2022	Jan-Aug 2022 / Jan-Aug 2021	
				Change	% change
€ 000					
(a) Total Recurrent Revenue	2,524,847	3,235,032	3,623,864	388,832	12.0
Customs and Excise Duties	129,547	188,093	182,825	-5,268	
Licences, Taxes and Fines	202,300	224,601	233,549	8,948	
Income Tax	835,912	1,167,353	1,294,264	126,911	
Value Added Tax	478,922	664,992	842,737	177,745	
Fees of Office	84,227	66,642	58,711	-7,931	
Reimbursements	20,550	19,518	29,230	9,713	
Central Bank of Malta	20,000	20,000	22,173	2,173	
Rents	20,119	17,929	20,733	2,805	
Dividends on Investment	15,410	15,639	18,205	2,566	
Interest on loans made by Government	8	1	1	-1	
Social Security	569,887	704,496	785,371	80,876	
Grants	84,039	87,745	88,234	489	
Miscellaneous Receipts	63,927	58,022	47,831	-10,192	
(b) Total Expenditure	3,611,062	3,984,109	3,982,848	-1,262	0.0
<i>Recurrent Expenditure</i>	2,965,129	3,477,927	3,517,658	39,731	1.1
Personal Emoluments	604,498	675,881	691,067	15,186	
Operational and Maintenance Expenses	178,110	172,242	154,751	-17,492	
Programmes and Initiatives	1,760,300	2,193,198	2,231,630	38,432	
Contributions to Government Entities	422,222	436,606	440,211	3,605	
<i>Interest</i>	121,329	123,115	112,377	-10,737	-8.7
<i>Capital Expenditure</i>	524,604	383,067	352,812	-30,255	-7.9
(a-b) Consolidated Fund Surplus/Deficit	-1,086,215	-749,078	-358,984	390,094	-52.1
(c) Financial Transactions					
<i>Revenue</i>					
Loans	1,044,791	1,265,255	579,717	-685,538	
Repayment of Loans	171	0	1,267	1,267	
Receipts from Sale of Shares	889	889	889	0	
Other extraordinary receipts	0	0	0	0	
<i>Expenditure</i>					
Contribution to Sinking Fund	10,025	0	0	0	
Equity Acquisition	26,980	4,500	35,000	30,500	
Repayment of Loan	277,600	462,502	377,889	-84,612	
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 2020	August 2021	August 2022	August 2022 / August 2021	
				Change	% change
				€ 000	
(a) Total Recurrent Revenue	418,699	607,363	609,413	2,049	0.3
Customs and Excise Duties	2,994	28,360	25,548	-2,811	
Licences, Taxes and Fines	28,468	33,553	35,477	1,924	
Income Tax	164,798	212,444	218,915	6,471	
Value Added Tax	100,360	161,046	208,344	47,298	
Fees of Office	11,028	11,470	4,173	-7,296	
Reimbursements	1,753	827	7,756	6,929	
Central Bank of Malta	0	0	0	0	
Rents	2,855	3,598	1,651	-1,947	
Dividends on Investment	0	4,139	1,375	-2,764	
Interest on loans made by Government	0	0	0	0	
Social Security	83,001	100,993	107,703	6,711	
Grants	18,142	41,003	760	-40,242	
Miscellaneous Receipts	5,300	9,931	-2,291	-12,222	
(b) Total Expenditure	453,071	475,387	453,513	-21,874	-4.6
<i>Recurrent Expenditure</i>	391,902	401,322	404,558	3,237	0.8
Personal Emoluments	76,553	82,800	87,559	4,758	
Operational and Maintenance Expenses	31,030	15,841	22,714	6,873	
Programmes and Initiatives	204,402	249,195	245,757	-3,438	
Contributions to Government Entities	79,917	53,485	48,529	-4,957	
<i>Interest</i>	14,743	19,599	11,562	-8,037	-41.0
<i>Capital Expenditure</i>	46,426	54,466	37,393	-17,073	-31.3
(a-b) Consolidated Fund Surplus/Deficit	-34,371	131,976	155,900	23,923	18.1
(c) Financial Transactions					
<i>Revenue</i>					
Loans	0	304,679	43,602	-261,077	
Repayment of Loans	0	0	634	634	
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	35,000	35,000	
Repayment of Loan	343	456,361	70,673	-385,688	
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-Aug 2020	Jan-Aug 2021	Jan-Aug 2022	Jan-Aug 2020	Jan-Aug 2021	Jan-Aug 2022	Jan-Aug 2020	Jan-Aug 2021	Jan-Aug 2022	Jan-Aug 2020	Jan-Aug 2021	Jan-Aug 2022
	€ 000											
General public services	65,285	83,708	87,959	66,185	34,801	35,404	159,388	277,798	376,835	36,216	87,286	100,490
Defence	28,162	41,269	33,791	4,230	5,171	5,406	480	489	503	218	0	0
Public order and safety	58,942	58,841	58,747	6,187	6,853	7,177	4,221	9,951	7,804	30,641	35,831	31,500
Economic affairs	41,696	34,897	37,521	16,918	33,000	6,512	144,683	355,223	246,535	121,551	112,766	120,944
Environment protection	3,487	3,764	3,450	81	625	393	38,028	22,645	17,404	19,146	7,740	6,540
Housing and community amenities	1,060	0	0	311	0	0	8,158	11,535	16,508	5,066	0	5,000
Health	195,768	223,168	228,376	42,086	53,136	54,763	205,040	243,174	224,749	52,037	51,157	61,019
Recreation, culture and religion	4,360	4,946	5,553	2,849	818	1,206	8,179	5,592	7,694	21,146	21,483	17,906
Education	168,287	180,766	190,157	11,025	13,468	12,525	148,717	161,944	149,268	96,101	94,204	76,560
Social protection	37,451	44,521	45,513	28,238	24,370	31,366	1,043,407	1,104,847	1,184,328	40,100	26,139	20,251
Total	604,498	675,881	691,067	178,110	172,242	154,751	1,760,300	2,193,198	2,231,630	422,222	436,606	440,211
COFOG	Interest Expenditure			Capital Expenditure			Total Expenditure					
	Jan-Aug 2020	Jan-Aug 2021	Jan-Aug 2022	Jan-Aug 2020	Jan-Aug 2021	Jan-Aug 2022	Jan-Aug 2020	Jan-Aug 2021	Jan-Aug 2022	Jan-Aug 2020	Jan-Aug 2021	Jan-Aug 2022
	€ 000											
General public services	121,329	123,115	112,377	49,748	190,404	162,779	498,151	797,112	875,844			
Defence	0	0	0	2,564	1,494	1,266	35,653	48,423	40,965			
Public order and safety	0	0	0	10,835	21,852	18,484	110,826	133,328	123,713			
Economic affairs	0	0	0	380,856	103,243	106,454	705,703	639,129	517,965			
Environment protection	0	0	0	24,585	7,387	4,304	85,326	42,161	32,090			
Housing and community amenities	0	0	0	25	602	1,059	14,619	12,137	22,567			
Health	0	0	0	24,535	21,413	19,021	519,466	592,047	587,929			
Recreation, culture and religion	0	0	0	12,917	5,371	7,265	49,451	38,210	39,624			
Education	0	0	0	12,024	25,015	28,365	436,155	475,397	456,876			
Social protection	0	0	0	6,516	6,288	3,814	1,155,712	1,206,165	1,285,273			
Total	121,329	123,115	112,377	524,604	383,067	352,812	3,611,062	3,984,109	3,982,848			

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

Description	ESA code	Jan-Aug 2020	Jan-Aug 2021	Jan-Aug 2022	Jan-Aug 2022 / Jan-Aug 2021	
					Change	% change
€ 000						
1. Total Revenue		2,357,880	3,000,228	3,421,126	420,898	
Market Output	P11	102,059	99,249	73,089		
Taxes on Production and Imports	D2	775,709	1,038,332	1,219,692		
Property income receivable	D4	37,170	39,489	40,584		
Current taxes on income, wealth, etc	D5	874,943	1,209,871	1,341,936		
Social Contributions	D61	467,743	505,014	635,505		
Current transfers receivable	D7	2,866	3,361	3,166		
Capital transfers receivable	D9	97,391	104,912	107,153		
2. Total Expenditure		3,444,095	3,749,305	3,780,110	30,804	
Intermediate Consumption	P2	555,109	601,886	548,812		
Gross Capital Formation	P5g+NP	147,221	245,770	179,898		
Compensation of Employees	D1	717,211	704,738	777,105		
Property income payable	D4	84,998	107,892	107,285		
Subsidies	D3	260,729	299,759	218,663		
Social Benefits and social transfers in kind	D62+D632	852,153	910,160	996,943		
Current transfers payable	D7	773,312	816,987	864,092		
Capital transfers payable	D9	53,364	62,113	87,311		
(1-2) Consolidated Fund Surplus/Deficit		-1,086,215	-749,077	-358,984	390,094	-52.1

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

Description	ESA code	August 2020	August 2021	August 2022	August 2022 / August 2021	
					Change	% change
€ 000						
1. Total Revenue		399,429	571,473	584,937	13,464	
Market Output	P11	13,265	16,367	-12,688		
Taxes on Production and Imports	D2	127,708	218,302	261,562		
Property income receivable	D4	2,455	6,384	2,101		
Current taxes on income, wealth, etc	D5	170,506	216,290	227,384		
Social Contributions	D61	65,594	70,520	102,117		
Current transfers receivable	D7	134	255	643		
Capital transfers receivable	D9	19,767	43,356	3,819		
2. Total Expenditure		433,800	439,497	429,038	-10,459	
Intermediate Consumption	P2	78,451	55,515	59,761		
Gross Capital Formation	P5g+NP	9,134	35,702	24,757		
Compensation of Employees	D1	96,988	87,343	88,941		
Property income payable	D4	14,787	15,010	11,666		
Subsidies	D3	25,421	29,797	16,724		
Social Benefits and social transfers in kind	D62+D632	102,076	98,740	99,011		
Current transfers payable	D7	105,015	106,138	118,863		
Capital transfers payable	D9	1,929	11,252	9,316		
(1-2) Consolidated Fund Surplus/Deficit		-34,371	131,976	155,900	23,923	18.1

Table 6. Central Government debt by month and description

Description	August 2020	August 2021	August 2022	August 2022 / August 2021	
				Change	% change
€ 000					
Total Central Government Debt	6,599,098	7,684,510	8,558,976	874,466	11.4
<i>of which:</i>					
Treasury Bills	797,000	771,000	934,500	163,500	
Malta Government Stocks	5,444,207	6,142,826	6,800,004	657,178	
62+ Malta Government Savings Bond	382,288	377,171	470,513	93,342	
Foreign Loans	900	420,779	420,658	-121	
MGSF investments in Government Debt	-115,453	-118,374	-163,474	-45,100	
Euro coins issued in the name of the Treasury	90,157	91,108	96,776	5,668	

Note: Totals may not add up due to rounding.

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

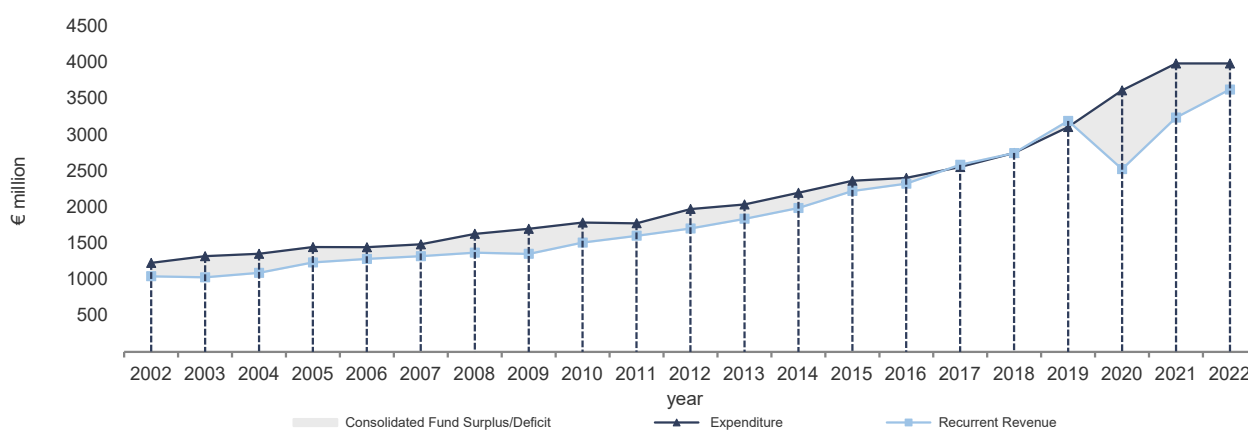


Chart 2. Recurrent Revenue by main category (%): January to August 2022

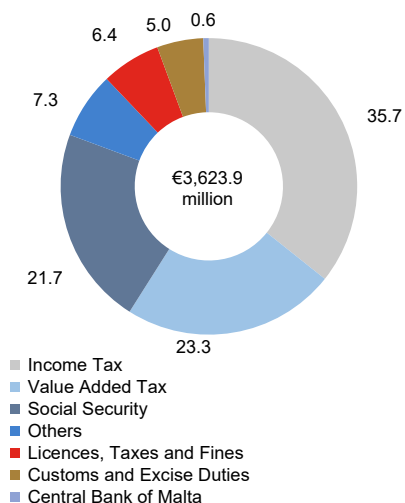
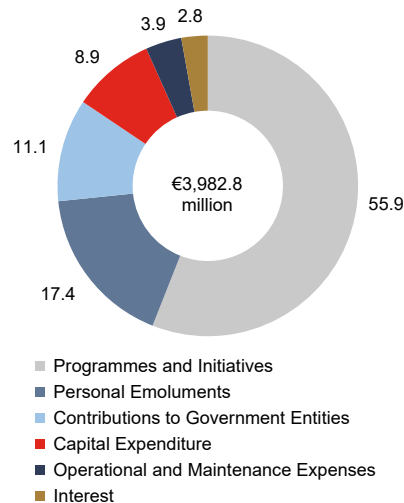


Chart 3. Expenditure by main category (%): January to August 2022



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
 - 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>
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