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By the end of February 2021, the Government's Consolidated Fund reported a deficit of €327.7 million.

## Government Finance Data: January-February 2021

In the first two months of 2021, Recurrent Revenue amounted to €701.0 million, 1.6 per cent lower than the €712.2 million reported a year earlier. The largest decrease was recorded under Licences, Taxes and Fines (€23.1 million), followed by Customs and Excise Duties (€12.2 million), Grants (€9.8 million), Rents (€7.5 million), Reimbursements (€1.0 million), Miscellaneous Receipts (€0.8 million) and Dividends on Investment (€0.7 million). Conversely, increases in revenue were reported under Income Tax (€21.9 million), Value Added Tax (€16.0 million), Social Security (€4.0 million) and Fees of Office (€1.8 million).

By the end of February 2021, total expenditure stood at €1,028.7 million, 26.9 per cent higher than the previous year.

During the reference period, Recurrent Expenditure totalled €914.1 million, a rise of €200.6 million in comparison to the €713.5 million reported in 2020. The main contributor to this increase was a €123.1 million rise reported under Programmes and Initiatives. Furthermore, increases were also witnessed under Personal Emoluments (€34.3 million), Operational and Maintenance Expenses (€22.5 million) and Contribution to Government Entities (€20.8 million). The largest development in the Programmes and Initiatives category related to the Pandemic assistance scheme (€72.0 million), which includes the COVID-19 Business Assistance Programme<sup>1</sup>. Other increases under Programmes and Initiatives were reported in Hospital concession agreements (€18.8 million), Medicines and surgical materials (€14.9 million), EU own resources (€13.9 million) and Social security benefits (€7.1 million).

The interest component of the public debt servicing costs totalled €30.4 million, a €0.1 million rise from the same period in 2020.

By the end of February 2021, Government's capital spending amounted to €84.1 million, €17.6 million higher than 2020. The rise largely resulted from increased expenditure towards Road construction and improvements (€9.5 million), Acquisition of property for public purposes (€6.0 million), Investment incentives (€4.5 million) and the Gozo Aquatic Centre (€3.7 million).

The difference between total revenue and expenditure resulted in a deficit of €327.7 million being reported in the Government's Consolidated Fund by the end of February 2021. This represented an increase in deficit of €229.5 million from a deficit of €98.2 million witnessed during the same period in 2020. This difference mirrors an increase in total expenditure, consisting of Recurrent Expenditure (€200.6 million), Interest (€0.1 million) and Capital Expenditure (€17.6 million), in addition to a drop in Recurrent Revenue (€11.2 million) (Table 1). Decreases in revenue and increases in expenditure reflect developments related to COVID-19.

At the end of February 2021, Central Government debt stood at €7,166.8 million, a €1,623.1 million rise from 2020. Increases reported under Malta Government Stocks (€1,073.5 million) and Treasury Bills (€328.8 million) were the main contributors to the rise in debt. Foreign Loans registered an increase of €119.9 million, largely reflecting the €120.0 million EU loan from the temporary Support to mitigate Unemployment Risks in an Emergency (SURE) instrument. Higher debt was also reported under the 62+ Malta Government Savings Bond (€90.5 million) and Euro coins issued in the name of the Treasury (0.6 million). Finally, lower holdings by government funds in Malta Government Stocks resulted in an increase in debt of €10.0 million (Table 4) ■

Statistics in this News Release should be interpreted in the context of the COVID-19 situation.

<sup>1</sup> Between March and December 2020, the COVID-19 Business Assistance Programme featured under the Capital expenditure category.

Table 1. Revenue/Expenditure categories by period and description

Description	Jan-Feb 2019	Jan-Feb 2020	Jan-Feb 2021	Jan-Feb 2021 / Jan-Feb 2020	
				Change	% change
	€ 000				
<b>(a) Total Recurrent Revenue</b>	<b>689,188</b>	<b>712,244</b>	<b>701,023</b>	<b>-11,222</b>	<b>-1.6</b>
Customs and Excise Duties	47,920	52,112	39,863	-12,249	
Licences, Taxes and Fines	58,686	65,667	42,608	-23,059	
Income Tax	196,158	199,009	220,951	21,941	
Value Added Tax	185,340	184,499	200,518	16,019	
Fees of Office	6,985	9,654	11,464	1,809	
Reimbursements	5,363	5,476	4,512	-964	
Central Bank of Malta	10,000	10,000	10,000	0	
Rents	5,745	7,501	0	-7,501	
Dividends on Investment	201	1,660	1,000	-660	
Interest on Loans made by Government	0	0	0	0	
Social Security	150,725	150,308	154,318	4,010	
Grants	18,557	15,276	5,461	-9,815	
Miscellaneous Receipts	3,509	11,081	10,328	-754	
<b>(b) Total Expenditure</b>	<b>752,099</b>	<b>810,415</b>	<b>1,028,711</b>	<b>218,296</b>	<b>26.9</b>
<i>Recurrent Expenditure</i>	650,884	713,532	914,125	200,593	28.1
Personal Emoluments	145,354	146,696	180,966	34,270	
Operational and Maintenance Expenses	36,468	29,332	51,792	22,460	
Programmes and Initiatives	397,917	431,652	554,766	123,114	
Contributions to Government Entities	71,145	105,852	126,602	20,750	
<i>Interest</i>	36,674	30,347	30,437	90	0.3
<i>Capital Expenditure</i>	64,541	66,536	84,148	17,612	26.5
<b>(a-b) Consolidated Fund Surplus/Deficit</b>	<b>-62,911</b>	<b>-98,170</b>	<b>-327,688</b>	<b>-229,517</b>	<b>233.8</b>
<b>(c) Financial Transactions</b>					
<i>Revenue</i>					
Loans	0	100,000	300,000	200,000	
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	308	13,960	0	-13,960	
Repayment of Loan	335	196	624	429	
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 2019	February 2020	February 2021	February 2021 / February 2020	
				Change	% change
€ 000					
<b>(a) Total Recurrent Revenue</b>	<b>386,784</b>	<b>406,539</b>	<b>407,007</b>	<b>467</b>	<b>0.1</b>
Customs and Excise Duties	31,631	24,932	15,799	-9,133	
Licences, Taxes and Fines	24,380	33,478	29,268	-4,210	
Income Tax	91,035	89,475	95,714	6,239	
Value Added Tax	139,836	141,229	150,833	9,605	
Fees of Office	2,758	3,580	10,973	7,393	
Reimbursements	2,615	4,779	2,433	-2,346	
Central Bank of Malta	5,000	5,000	5,000	0	
Rents	3,703	5,087	0	-5,087	
Dividends on Investment	1	1,010	1,000	-10	
Interest on Loans made by Government	0	0	0	0	
Social Security	78,996	88,369	92,099	3,730	
Grants	5,491	54	-19	-73	
Miscellaneous Receipts	1,338	9,547	3,905	-5,642	
<b>(b) Total Expenditure</b>	<b>394,744</b>	<b>429,017</b>	<b>410,334</b>	<b>-18,683</b>	<b>-4.4</b>
<i>Recurrent Expenditure</i>	331,708	375,154	366,143	-9,012	-2.4
Personal Emoluments	75,706	74,635	98,191	23,556	
Operational and Maintenance Expenses	16,910	12,183	12,039	-144	
Programmes and Initiatives	207,627	226,599	190,441	-36,158	
Contributions to Government Entities	31,466	61,737	65,472	3,735	
<i>Interest</i>	23,754	18,299	17,631	-668	-3.7
<i>Capital Expenditure</i>	39,282	35,564	26,560	-9,004	-25.3
<b>(a-b) Consolidated Fund Surplus/Deficit</b>	<b>-7,959</b>	<b>-22,478</b>	<b>-3,327</b>	<b>19,151</b>	<b>-85.2</b>
<b>(c) Financial Transactions</b>					
<i>Revenue</i>					
Loans	0	100,000	300,000	200,000	
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	164	23	366	342	
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-Feb 2019	Jan-Feb 2020	Jan-Feb 2021	Jan-Feb 2019	Jan-Feb 2020	Jan-Feb 2021	Jan-Feb 2019	Jan-Feb 2020	Jan-Feb 2021	Jan-Feb 2019	Jan-Feb 2020	Jan-Feb 2021
	€ 000											
General public services	15,393	16,490	15,331	8,640	7,651	9,854	61,956	54,584	157,309	7,556	5,476	17,403
Defence	6,690	6,691	7,942	1,222	778	1,329	133	79	187	5	30	0
Public order and safety	17,874	15,050	16,550	3,924	1,810	2,156	789	1,072	1,507	1,842	9,261	11,888
Economic affairs	9,771	10,499	11,012	2,207	1,833	18,091	20,508	34,513	10,766	28,483	30,005	31,907
Environment protection	708	778	2,203	37	37	257	6,045	9,002	3,007	1,004	3,526	130
Housing and community amenities	208	268	273	61	87	60	136	2,562	0	22	1,742	0
Health	46,266	45,897	75,280	7,654	4,176	9,689	40,005	39,766	76,297	9,427	12,329	12,263
Recreation, culture and religion	1,128	1,094	359	287	1,108	170	1,031	1,651	3,407	6,059	5,163	5,273
Education	38,187	41,054	42,406	5,366	5,256	5,519	41,831	55,402	55,506	7,055	25,909	35,952
Social protection	9,129	8,874	9,610	7,071	6,597	4,667	225,485	233,019	246,779	9,691	12,412	11,787
<b>Total</b>	<b>145,354</b>	<b>146,696</b>	<b>180,966</b>	<b>36,468</b>	<b>29,333</b>	<b>51,792</b>	<b>397,917</b>	<b>431,652</b>	<b>554,766</b>	<b>71,145</b>	<b>105,852</b>	<b>126,602</b>
COFOG	Interest Expenditure			Capital Expenditure			Total Expenditure					
	Jan-Feb 2019	Jan-Feb 2020	Jan-Feb 2021	Jan-Feb 2019	Jan-Feb 2020	Jan-Feb 2021	Jan-Feb 2019	Jan-Feb 2020	Jan-Feb 2021	Jan-Feb 2019	Jan-Feb 2020	Jan-Feb 2021
	€ 000											
General public services	36,674	30,347	30,437	3,189	7,512	8,049	133,407	122,060	238,383			
Defence	0	0	0	393	22	-16	8,443	7,600	9,443			
Public order and safety	0	0	0	16,826	2,225	1,946	41,254	29,418	34,046			
Economic affairs	0	0	0	33,743	42,709	57,420	94,712	119,558	129,196			
Environment protection	0	0	0	3,666	3,284	1,189	11,460	16,627	6,786			
Housing and community amenities	0	0	0	1	0	10	428	4,660	343			
Health	0	0	0	1,506	4,517	3,946	104,858	106,686	177,475			
Recreation, culture and religion	0	0	0	810	894	6,701	9,313	9,909	15,909			
Education	0	0	0	4,295	4,150	3,551	96,734	131,772	142,934			
Social protection	0	0	0	114	1,224	1,352	251,490	262,126	274,195			
<b>Total</b>	<b>36,674</b>	<b>30,347</b>	<b>30,437</b>	<b>64,541</b>	<b>66,536</b>	<b>84,148</b>	<b>752,099</b>	<b>810,415</b>	<b>1,028,711</b>			

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

Description	ESA code	Jan-Feb 2019	Jan-Feb 2020	Jan-Feb 2021	Jan-Feb 2021 / Jan-Feb 2020	
					Change	% change
<b>1. Total Revenue</b>		<b>658,378</b>	<b>682,182</b>	<b>674,727</b>	<b>-7,455</b>	
Market output	P11	6,235	12,579	18,134		
Taxes on production and imports	D2	274,470	287,652	266,987		
Property income receivable	D4	14,216	14,150	11,453		
Current taxes on income, wealth, etc	D5	213,080	211,706	227,430		
Social contributions	D61	126,819	134,546	140,795		
Current transfers receivable	D7	2,821	1,200	485		
Capital transfers receivable	D9	20,737	20,348	9,442		
<b>2. Total Expenditure</b>		<b>721,289</b>	<b>780,352</b>	<b>1,002,415</b>	<b>222,062</b>	
Intermediate consumption	P2	106,215	107,316	193,207		
Gross capital formation	P5g+NP	40,348	32,858	10,551		
Compensation of employees	D1	167,358	173,240	208,644		
Property income payable	D4	39,114	25,143	26,413		
Subsidies	D3	12,487	9,983	8,113		
Social benefits and social transfers in kind	D62+D632	177,891	187,084	199,594		
Current transfers payable	D7	174,278	232,901	354,898		
Capital transfers payable	D9	3,597	11,826	995		
<b>(1-2) Consolidated Fund Surplus/Deficit</b>		<b>-62,911</b>	<b>-98,171</b>	<b>-327,688</b>	<b>-229,517</b>	<b>233.8</b>

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

Description	ESA code	February 2019	February 2020	February 2021	February 2021 / February 2020	
					Change	% change
<b>1. Total Revenue</b>		<b>359,640</b>	<b>368,198</b>	<b>373,690</b>	<b>5,491</b>	
Market output	P11	1,377	6,827	11,303		
Taxes on production and imports	D2	186,022	192,817	184,263		
Property income receivable	D4	7,478	7,784	6,127		
Current taxes on income, wealth, etc	D5	99,341	94,735	99,494		
Social contributions	D61	57,529	63,462	69,732		
Current transfers receivable	D7	2,157	407	389		
Capital transfers receivable	D9	5,737	2,167	2,381		
<b>2. Total Expenditure</b>		<b>367,600</b>	<b>390,676</b>	<b>377,017</b>	<b>-13,660</b>	
Intermediate consumption	P2	47,316	56,128	59,529		
Gross capital formation	P5g+NP	30,258	19,654	3,103		
Compensation of employees	D1	87,059	87,754	113,437		
Property income payable	D4	24,881	10,522	10,073		
Subsidies	D3	4,826	6,417	2,604		
Social benefits and social transfers in kind	D62+D632	92,266	89,439	45,374		
Current transfers payable	D7	77,571	117,329	142,229		
Capital transfers payable	D9	3,422	3,433	669		
<b>(1-2) Consolidated Fund Surplus/Deficit</b>		<b>-7,959</b>	<b>-22,478</b>	<b>-3,327</b>	<b>19,151</b>	<b>-85.2</b>

Table 6. Central Government debt by month and description

Description	February 2019	February 2020	February 2021	February 2021 / February 2020	
				Change	% change
	€ 000				
<b>Total Central Government Debt</b>	<b>5,440,447</b>	<b>5,543,700</b>	<b>7,166,758</b>	<b>1,623,057</b>	<b>29.3</b>
<i>of which:</i>					
Treasury Bills	414,300	418,000	746,750	328,750	
Malta Government Stocks	4,852,749	4,869,412	5,942,872	1,073,460	
62+ Malta Government Savings Bond	192,247	289,426	379,892	90,466	
Foreign Loans	1,088	966	120,840	119,874	
MGSF investments in Government Debt	-104,153	-123,303	-113,353	9,950	
Euro coins issued in the name of the Treasury	84,216	89,200	89,757	557	

Note: Totals may not add up due to rounding.

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

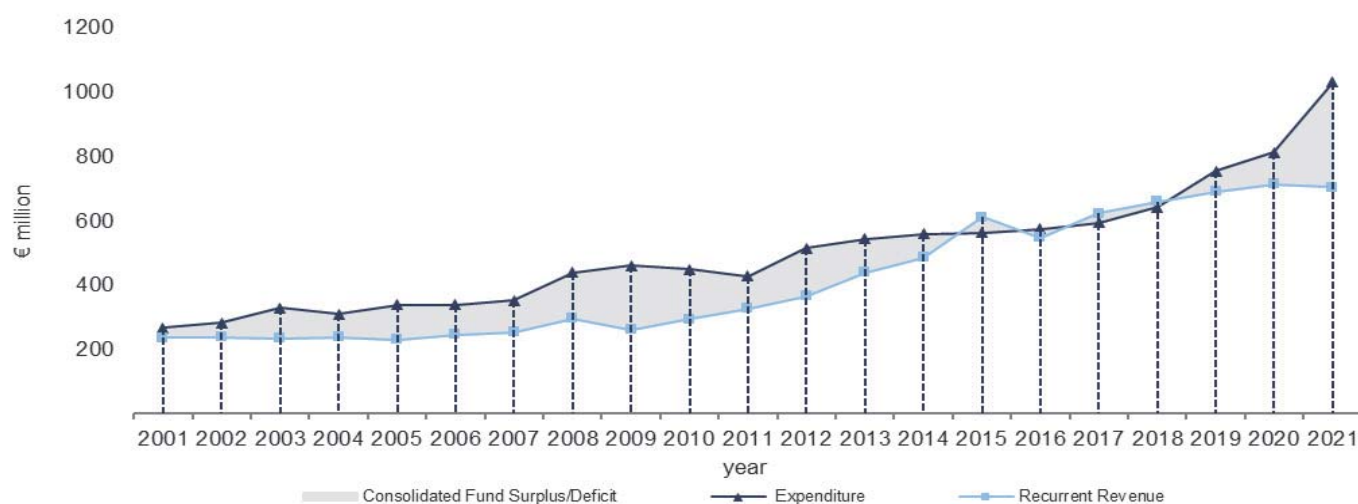


Chart 2. Recurrent Revenue by main category (%): January to February 2021

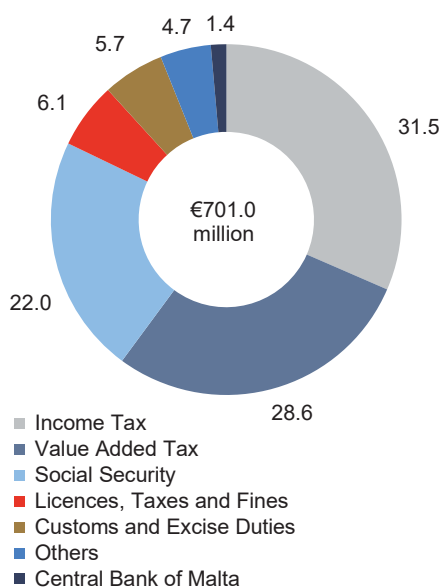
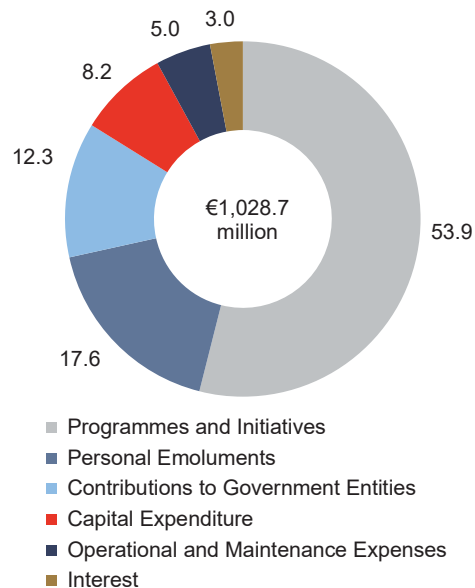


Chart 3. Total Expenditure by main category (%): January to February 2021



## 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 EBU 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:  
[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 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. Government Finance data for December 2020 will be published on 30 March 2021.
10. 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>
11. Any quotations from this news release are to be cited and/or referenced.
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)