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By the end of September 2021, the Government's Consolidated Fund reported a deficit of €906.8 million.

## Government Finance Data: January-September 2021

In the first nine months of 2021, Recurrent Revenue amounted to €3,627.0 million, 23.8 per cent higher than the €2,930.3 million reported a year earlier. The largest increase was recorded under Income Tax (€351.5 million), followed by Value Added Tax (€175.6 million), Social Security (€140.1 million), Licences Taxes and Fines (€25.6 million), Customs and Excise Duties (€25.0 million), Dividends on Investment (€18.7 million) and Grants (€10.9 million). The rise in revenue was partially offset by decreases under Miscellaneous Receipts (€26.4 million), Fees of Office (€15.3 million), Reimbursements (€5.0 million) and Rents (€4.1 million).

By the end of September 2021, total expenditure stood at €4,533.8 million, 11.4 per cent higher than the previous year.

During the reference period, Recurrent Expenditure totalled €3,965.1 million, a rise of €644.9 million in comparison to the €3,320.2 million reported by the end of September 2020. The main contributor to this increase was a €534.4 million rise reported under Programmes and Initiatives. Furthermore, increases were also witnessed under Personal Emoluments (€81.0 million) and Contributions to Government Entities (€32.8 million). This rise in expenditure was partially offset by a decrease under Operational and Maintenance Expenses (€3.4 million). The largest development in the Programmes and Initiatives category was related to the Pandemic assistance scheme (€278.4 million), which includes the COVID-19 Business Assistance Programme. Other increases under Programmes and Initiatives were reported under EU own resources (€78.2 million), Hospital concession agreements (€31.6 million), Social security benefits (€24.0 million), Church schools (€17.3 million), St Vincent de Paul Residence service contract (€17.1 million), Waiting lists for medical services (outsourcing) (€10.9 million), Extension of school transport network (€8.6 million), Tax relief measure (€6.3 million), Economic regeneration voucher scheme (€4.7 million), Residential care in private homes (€3.9 million), Allocation in respect of local councils (€3.5 million), Child care for all (€2.8 million) and Detention services (€2.6 million).

The interest component of the public debt servicing costs totalled €137.1 million, a decrease of €1.6 million when compared to the previous year.

By the end of September 2021, Government's capital spending amounted to €431.6 million, €178.8 million lower than 2020. The drop largely resulted from the reclassification of the COVID-19 Business Assistance Programme (€237.0 million), which featured under Capital Expenditure between March and December 2020 but is now classified under Recurrent Expenditure. This decline outweighed an increase of €58.2 million reported in other capital projects.

The difference between total revenue and expenditure resulted in a deficit of €906.8 million being reported in the Government's Consolidated Fund at the end of September 2021. Compared to the same period in 2020, there was a decrease in deficit of €232.2 million. This difference mirrors an increase in total Recurrent Revenue (€696.6 million), partially offset by a rise in Total Expenditure, consisting of Recurrent Expenditure (€644.9 million), Interest (-€1.6 million) and Capital Expenditure (-€178.8 million). Changes in expenditure and revenue reflect developments related to COVID-19.

At the end of September 2021, Central Government debt stood at €7,859.2 million, a €1,235.9 million rise from 2020. Increases reported under Malta Government Stocks (€857.1 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 (€1.8 million). This rise in debt was partly offset by a decrease in Treasury Bills (€37.0 million) and the 62+ Malta Government Savings Bond (€5.3 million). Finally, lower holdings by government funds in Malta Government Stocks resulted in a decrease in debt of €0.7 million (Table 3) ■

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-Sep 2019	Jan-Sep 2020	Jan-Sep 2021	Jan-Sep 2021 / Jan-Sep 2020	
				Change	% change
	€ 000				
<b>(a) Total Recurrent Revenue</b>	<b>3,563,678</b>	<b>2,930,332</b>	<b>3,626,962</b>	<b>696,629</b>	<b>23.8</b>
Customs and Excise Duties	246,614	189,481	214,490	25,009	
Licences, Taxes and Fines	292,539	221,224	246,804	25,580	
Income Tax	1,210,964	985,353	1,336,816	351,463	
Value Added Tax	695,795	543,112	718,707	175,596	
Fees of Office	62,042	86,477	71,141	-15,336	
Reimbursements	34,862	25,101	20,112	-4,989	
Central Bank of Malta	25,000	25,000	25,000	0	
Rents	32,048	23,975	19,919	-4,056	
Dividends on Investment	18,697	15,910	34,652	18,742	
Interest on loans made by Government	88	8	2	-6	
Social Security	733,377	657,760	797,882	140,122	
Grants	169,022	84,286	95,216	10,930	
Miscellaneous Receipts	42,630	72,646	46,222	-26,424	
<b>(b) Total Expenditure</b>	<b>3,525,807</b>	<b>4,069,318</b>	<b>4,533,786</b>	<b>464,468</b>	<b>11.4</b>
<i>Recurrent Expenditure</i>	3,024,827	3,320,222	3,965,123	644,901	19.4
Personal Emoluments	663,479	680,483	761,531	81,049	
Operational and Maintenance Expenses	153,199	192,363	188,933	-3,429	
Programmes and Initiatives	1,833,250	1,993,079	2,527,528	534,449	
Contributions to Government Entities	374,899	454,298	487,131	32,833	
<i>Interest</i>	147,068	138,679	137,065	-1,614	-1.2
<i>Capital Expenditure</i>	353,912	610,417	431,598	-178,819	-29.3
<b>(a-b) Consolidated Fund Surplus/Deficit</b>	<b>37,871</b>	<b>-1,138,986</b>	<b>-906,825</b>	<b>232,161</b>	<b>-20.4</b>
<b>(c) Financial Transactions</b>					
<i>Revenue</i>					
Loans	359,713	1,244,791	1,265,255	20,464	
Repayment of Loans	0	421	0	-421	
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	18,308	26,980	4,500	-22,480	
Repayment of Loan	403,914	416,366	466,598	50,232	
Loans	0	0	0	0	

Note: Totals may not add up due to rounding.

Table 2. Revenue/Expenditure categories by month and description

Description	September 2019	September 2020	September 2021	September 2021 / September 2020	
				Change	% change
€ 000					
<b>(a) Total Recurrent Revenue</b>	<b>373,494</b>	<b>405,485</b>	<b>405,447</b>	<b>-38</b>	<b>0.0</b>
Customs and Excise Duties	32,608	59,934	26,396	-33,537	
Licences, Taxes and Fines	30,438	18,924	23,139	4,215	
Income Tax	139,739	149,441	169,463	20,022	
Value Added Tax	39,561	64,190	53,715	-10,475	
Fees of Office	8,414	2,250	4,481	2,231	
Reimbursements	6,587	4,551	581	-3,970	
Central Bank of Malta	5,000	5,000	5,000	0	
Rents	4,256	3,856	1,990	-1,866	
Dividends on Investment	7,312	500	19,013	18,513	
Interest on loans made by Government	17	0	1	0	
Social Security	90,653	87,873	93,426	5,553	
Grants	335	247	7,239	6,992	
Miscellaneous Receipts	8,574	8,719	1,001	-7,717	
<b>(b) Total Expenditure</b>	<b>419,554</b>	<b>458,256</b>	<b>559,070</b>	<b>100,814</b>	<b>22.0</b>
<i>Recurrent Expenditure</i>	358,065	355,093	490,792	135,699	38.2
Personal Emoluments	78,255	75,985	88,246	12,261	
Operational and Maintenance Expenses	16,482	14,253	17,955	3,702	
Programmes and Initiatives	208,269	232,779	334,069	101,290	
Contributions to Government Entities	55,059	32,076	50,523	18,447	
<i>Interest</i>	20,581	17,350	13,950	-3,400	-19.6
<i>Capital Expenditure</i>	40,909	85,813	54,328	-31,485	-36.7
<b>(a-b) Consolidated Fund Surplus/Deficit</b>	<b>-46,060</b>	<b>-52,771</b>	<b>-153,623</b>	<b>-100,852</b>	<b>191.1</b>
<b>(c) Financial Transactions</b>					
<i>Revenue</i>					
Loans	80,000	200,000	0	-200,000	
Repayment of Loans	0	250	0	-250	
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	8,000	0	0	0	
Repayment of Loan	225,198	138,766	4,096	-134,670	
Loans	0	0	0	0	

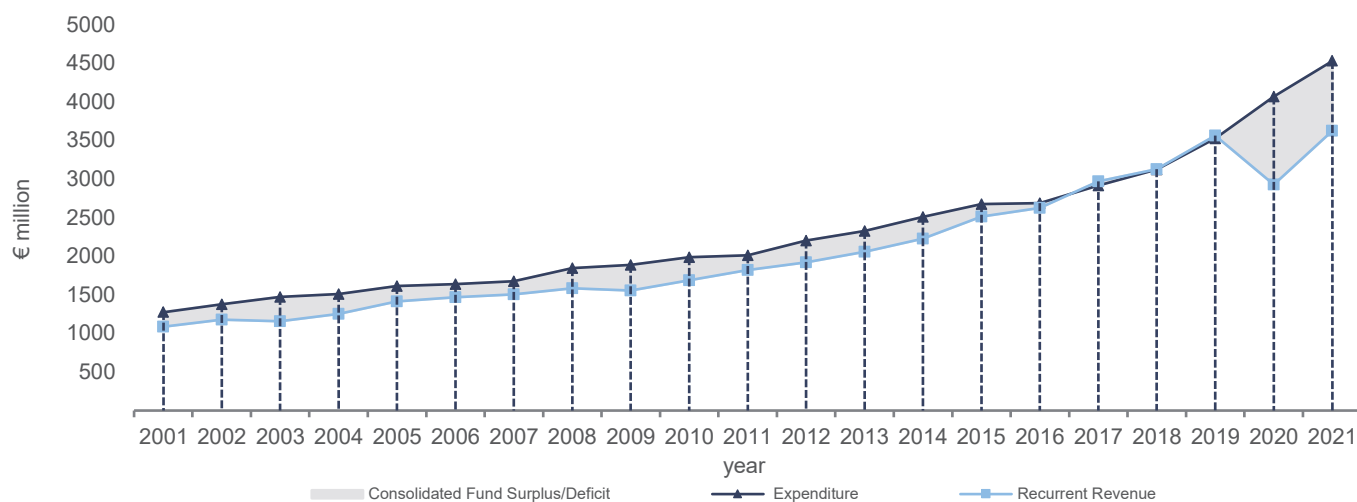
Note: Totals may not add up due to rounding.

**Table 3. Central Government debt by month and description**

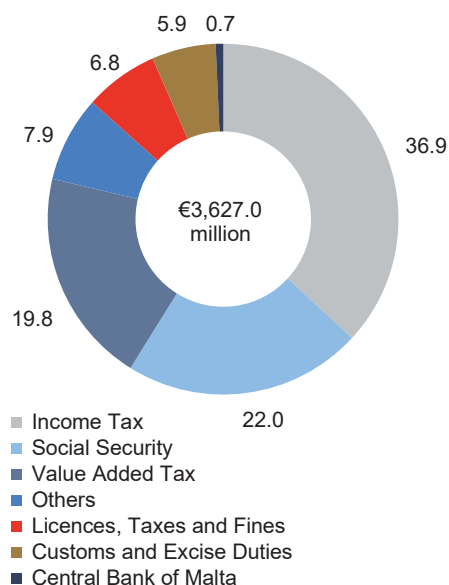
Description	September 2019	September 2020	September 2021	September 2021 / September 2020	
				Change	% change
	€ 000				
<b>Total Central Government Debt</b>	<b>5,255,427</b>	<b>6,623,351</b>	<b>7,859,211</b>	<b>1,235,859</b>	<b>18.7</b>
<i>of which:</i>					
Treasury Bills	279,300	757,500	720,500	-37,000	
Malta Government Stocks	4,711,890	5,505,722	6,362,826	857,104	
62+ Malta Government Savings Bond	290,608	382,006	376,716	-5,290	
Foreign Loans	968	839	420,780	419,941	
Sinking funds investments in Government Debt	-115,453	-113,153	-113,874	-721	
Euro coins issued in the name of the Treasury	88,116	90,438	92,263	1,825	

Note: Totals may not add up due to rounding.

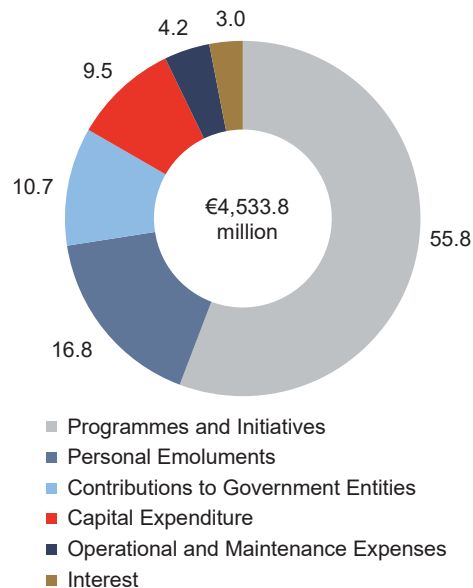
**Chart 1. Consolidated Fund Surplus/Deficit: January to September by year**



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



**Chart 3. Expenditure by main category (%): January to September 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. 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:  
[http://nso.gov.mt/en/nso/Sources\\_and\\_Methods/Unit\\_A2/Public\\_Finance/Pages/Council-Directive-852011.aspx](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](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. In this news release, the NSO could not update the tables: Government Expenditure by COFOG category and Consolidated Fund data in ESA 2010 codes. The NSO will resume the publication of these tables at the earliest.
8. 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>
9. Any quotations from this news release are to be cited and/or referenced.
10. 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)