

In 2020, public corporations registered a deficit of €22.7 million, equivalent to 0.2 per cent of GDP, and a net worth position of €1,563.4 million, amounting to 12.0 per cent of GDP.

## Public Corporations: 2020

### Definition

Public corporations are government-controlled units established by Government, or by other public corporations, as market producers principally engaged in the production of goods, non-financial and financial services, and are classified in Non-Financial and Financial sectors rather than in the General Government sector. The methodologies followed in establishing whether an institution is classified as a public corporation are the European System of Accounts (ESA) 2010 and the Manual on Government Deficit and Debt (2019 Edition). For further information refer to methodological notes 1 and 2.

In this news release, the focus is on the aggregate position of all public corporations excluding the Central Bank of Malta, a public financial corporation by nature. The reason for its exclusion is that since the Central Bank's financial assets and liabilities are considerably higher than those of other public corporations, its inclusion would weigh too heavily on, and possibly distort, the overall results. However, for completeness, tables 5 and 6 show the statements of financial performance and position for all public corporations, including the Central Bank of Malta.

A list of all the public corporations as at reporting year 2020 is presented towards the end of the news release.

### Statement of financial performance

In 2020, public corporations registered a deficit of €22.7 million, a decrease of €118.9 million when compared to 2019. Total revenue of public corporations amounted to €1,251.2 million, €285.9 million lower than that registered in the previous year. The main source of revenue was the income generated from own operations, with a share of 86.8 per cent. Total expenditure of €1,273.8 million was recorded, a drop of €167.0 million in comparison to 2019. The primary expenditure items were Direct operating expenses and Wages and salaries, which accounted for 69.6 per cent and 16.9 per cent of total expenditure, respectively. The COVID-19 pandemic impacted the financial performance of several public corporations. (Table 1).

Taking the Central Bank of Malta into consideration, in 2020 the aggregate surplus of public corporations amounted to €10.4 million, resulting from revenue of €1,318.0 million and expenditure of €1,307.7 million (Table 5).

### Statement of financial position

The total assets of public corporations stood at €4,181.9 million in 2020, with the predominant asset category being non-financial assets (67.6 per cent), rather than financial assets (32.4 per cent). All the asset sub-categories registered an increase compared to 2019, except for Land and Buildings (-€2.3 million) and Trade and Other Receivables (-€36.0 million). On the other hand, financial liabilities totalled €2,618.6 million, consisting of Bank borrowings (43.5 per cent), Other liabilities (39.3 per cent) and Trade and Other payables (17.2 per cent). Compared to 2019, all 3 sub-categories registered an increase: Bank borrowing (€28.2 million), Other liabilities (€20.0 million) and Trade and other payables (€15.2 million) (Table 2).

Compared to 2019, the aggregate net worth of public corporations increased by €20.6 million, which resulted from a rise in total assets (€84.0 million) that outweighed the increase in total liabilities (€63.4 million). By 2020, the net worth of public corporations had reached €1,563.4 million (Table 2).

Taking into account all the public corporations, including the Central Bank of Malta, in 2020 the net worth stood at €1,192.6 million, resulting from the difference between total assets of €13,348.0 million and total liabilities of €12,155.4 million (Table 6).

### **Analysis by NACE**

In 2020, there were 52 public corporations, including the Central Bank of Malta.

The sector with the highest revenue and expenditure of public corporations was the Electricity, gas, steam and air conditioning supply sector, with amounts of €482.4 million and €498.3 million, respectively. In this respect, other key sectors were the Wholesale and retail trade and Transport and storage sectors. The Transport and storage sector recorded the highest deficit, which totalled €64.2 million, followed by the Electricity, gas, steam and air conditioning supply sector which registered a deficit of €15.9 million (Table 3).

The Electricity, gas, steam and air conditioning supply sector had the highest net worth of €666.4 million, followed by the Real estate activities sector (€296.3 million) and the Construction sector (€164.5 million) (Table 4).

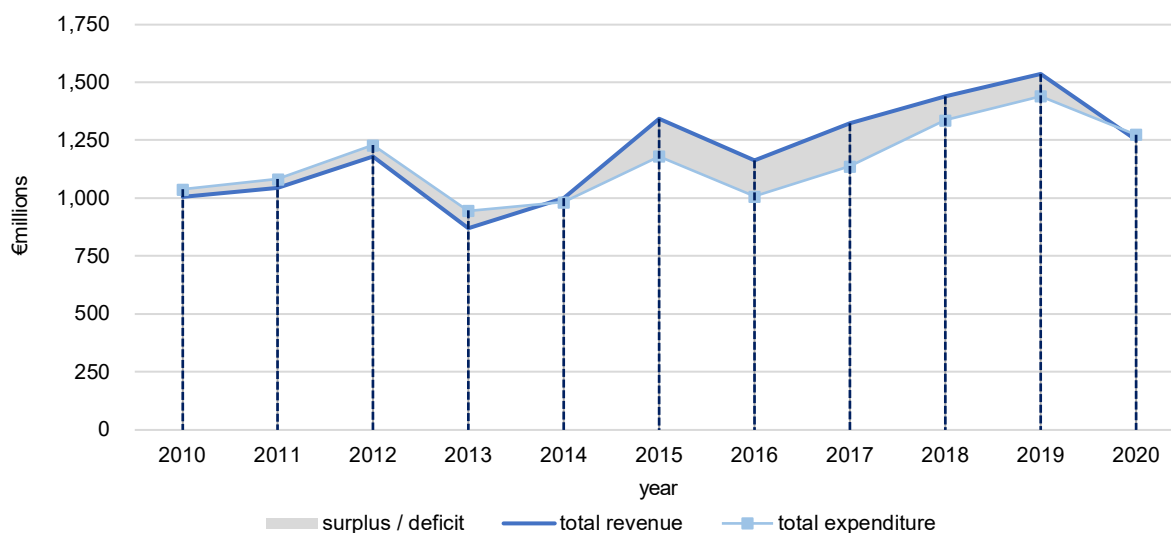
**Table 1. Public Corporations' Statement of Financial Performance <sup>1</sup>**

€ 000

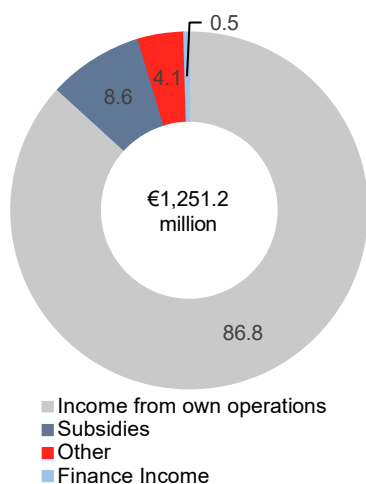
	2017	2018	2019	2020
Income generated from own operations	1,140,020	1,285,039	1,372,259	1,085,995
Subsidies	66,999	80,960	85,853	107,485
Finance income	6,713	7,969	7,102	6,522
Other revenue	109,603	63,535	71,821	51,165
<b>Total Revenue</b>	<b>1,323,336</b>	<b>1,437,504</b>	<b>1,537,036</b>	<b>1,251,166</b>
Direct operating expenses	829,633	1,005,745	1,027,002	886,375
Wages and salaries	193,539	208,620	217,828	214,816
Depreciation	61,879	65,394	74,495	79,241
Finance costs	51,940	50,878	63,013	62,547
Other expenditure	668	4,601	58,474	30,840
<b>Total Expenditure</b>	<b>1,137,659</b>	<b>1,335,238</b>	<b>1,440,812</b>	<b>1,273,819</b>
<b>Surplus / (Deficit) before tax</b>	<b>185,677</b>	<b>102,266</b>	<b>96,224</b>	<b>-22,653</b>

<sup>1</sup> Excluding Central Bank of Malta

**Chart 1. Public Corporations' surplus / deficit**



**Chart 2. Revenue categories (%): 2020**



**Chart 3. Expenditure categories (%): 2020**

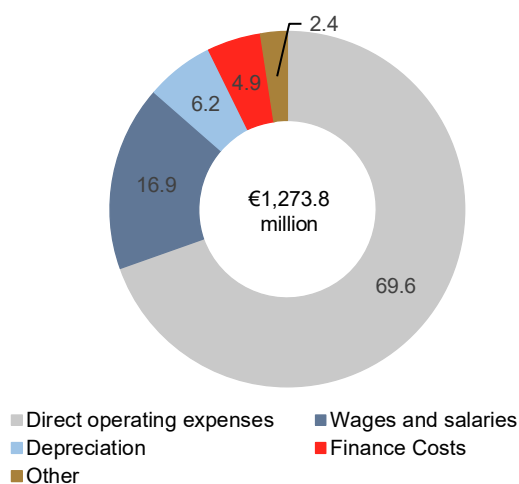


Table 2. Public Corporations' Statement of Financial Position<sup>1</sup>

€ 000

	2017	2018	2019	2020
Land and Buildings	976,039	1,019,054	1,065,868	1,063,576
Infrastructure, plant and equipment	940,777	979,149	1,047,395	1,064,807
Intangible assets	227,271	326,812	681,107	699,415
<b>Total Non-Financial Assets</b>	<b>2,144,087</b>	<b>2,325,015</b>	<b>2,794,370</b>	<b>2,827,797</b>
Cash and cash equivalents	291,768	273,206	248,926	265,719
Stocks and Inventories	83,101	80,621	79,596	93,392
Financial assets	444,545	446,311	454,510	506,912
Trade and other receivables	346,659	391,615	423,308	387,358
Other assets	49,173	52,176	97,280	100,770
<b>Total Financial Assets</b>	<b>1,215,245</b>	<b>1,243,930</b>	<b>1,303,621</b>	<b>1,354,151</b>
<b>Total Assets</b>	<b>3,359,332</b>	<b>3,568,946</b>	<b>4,097,990</b>	<b>4,181,949</b>
Bank borrowings	1,214,815	1,201,290	1,111,184	1,139,394
Trade and other payables	356,705	391,936	435,559	450,727
Other liabilities	434,045	504,833	1,008,484	1,028,459
<b>Total Financial Liabilities</b>	<b>2,005,565</b>	<b>2,098,058</b>	<b>2,555,227</b>	<b>2,618,580</b>
<b>Net worth</b>	<b>1,353,767</b>	<b>1,470,887</b>	<b>1,542,763</b>	<b>1,563,369</b>

<sup>1</sup> Excluding Central Bank of Malta

Chart 4. Public Corporations' balance sheet position

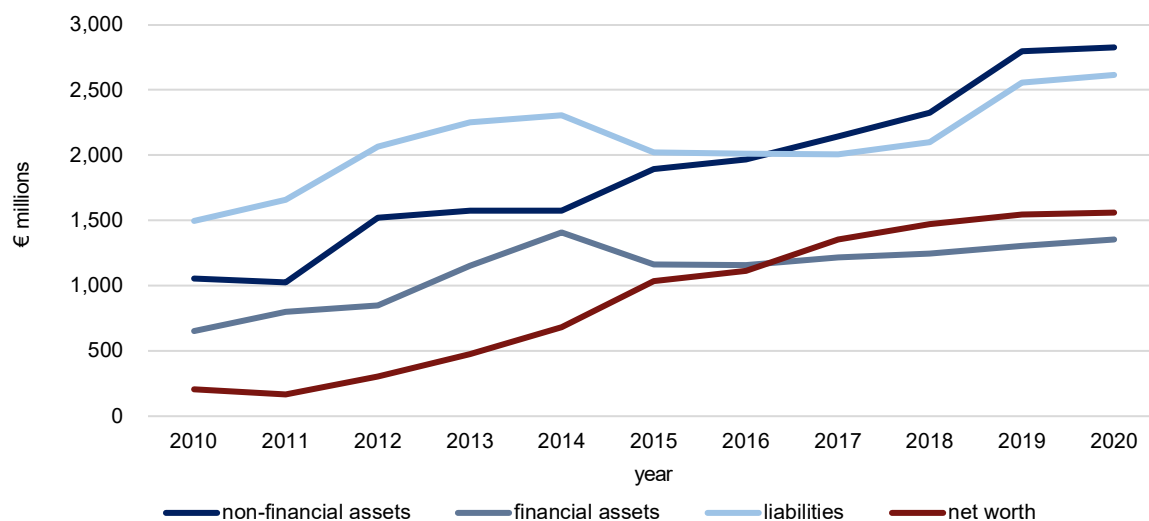


Chart 5. Asset categories (%): 2020

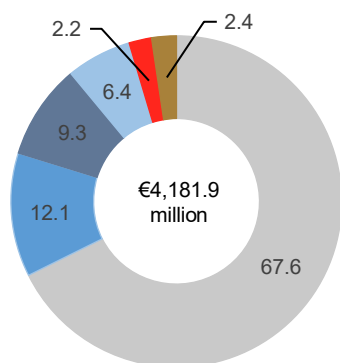
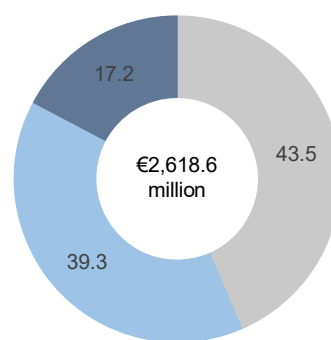


Chart 6. Liability categories (%): 2020



Non-financial assets
  Financial assets
  Trade and other receivables
  Cash and cash equivalents
  Stocks
  Other

Bank borrowings
  Other
  Trade and other payables

Table 3. Public Corporations - Main Aggregates of the Statement of the Financial Performance by NACE<sup>1</sup>

€ 000

NACE Classification		2017			2018			2019			2020						
		No. of Corporations	Total Revenue	Total Expenditure	Surplus/Deficit	No. of Corporations	Total Revenue	Total Expenditure	Surplus/Deficit	No. of Corporations	Total Revenue	Total Expenditure	Surplus/Deficit				
Manufacturing	C	3	8,245	7,743	502	3	9,766	8,324	1,443	3	10,308	9,250	1,058	3	10,308	9,250	1,058
Electricity, gas, steam and air conditioning supply	D	2	456,560	396,981	59,579	2	464,082	440,431	23,651	2	480,544	465,508	15,036	2	482,424	498,282	-15,858
Water supply; sewerage, waste management and remediation activities	E	1	87,497	85,347	2,149	1	93,916	87,760	6,156	1	104,651	92,662	11,989	1	106,356	97,633	8,724
Construction	F	1	24,160	1,662	22,499	1	15,674	1,935	13,739	1	52,260	10,927	41,332	1	22,016	10,517	11,498
Wholesale and retail trade; repair of motor vehicles and motorcycles	G	2	245,873	229,000	16,873	2	318,825	319,772	-947	2	358,431	346,585	11,846	2	247,038	261,838	-14,800
Transportation and storage	H	6	282,323	261,185	21,138	8	326,591	311,691	14,900	9	302,720	321,737	-19,017	9	151,911	216,147	-64,236
Accommodation and food service activities	I	3	8,676	6,910	1,766	3	8,257	6,227	2,029	3	8,046	6,168	1,878	3	2,092	3,494	-1,402
Information and communication	J	4	26,444	24,848	1,596	4	19,584	20,695	-1,111	4	23,712	24,076	-364	4	25,481	24,321	1,159
Financial and insurance activities	K	6	50,432	39,177	11,255	7	40,487	45,163	-4,676	8	62,427	56,592	5,835	7	59,762	52,869	6,894
Real estate activities	L	7	81,770	34,655	47,115	7	74,559	37,807	36,751	7	64,562	49,493	15,070	7	76,759	43,029	33,730
Professional, scientific and technical activities	M	5	687	545	142	5	1,468	548	920	5	1,791	783	1,008	5	1,695	776	919
Administrative and support service activities	N	4	49,476	48,594	882	5	62,856	53,699	9,157	5	65,842	55,638	10,204	5	63,942	54,602	9,340
Education	P	1	1,192	1,011	181	2	1,440	1,186	254	2	1,741	1,391	350	2	1,384	1,061	322
		<b>45</b>	<b>1,323,336</b>	<b>1,137,659</b>	<b>185,677</b>	<b>50</b>	<b>1,437,504</b>	<b>1,335,238</b>	<b>102,266</b>	<b>52</b>	<b>1,537,036</b>	<b>1,440,812</b>	<b>96,224</b>	<b>51</b>	<b>1,251,166</b>	<b>1,273,819</b>	<b>-22,653</b>

<sup>1</sup> Excluding Central Bank of Malta

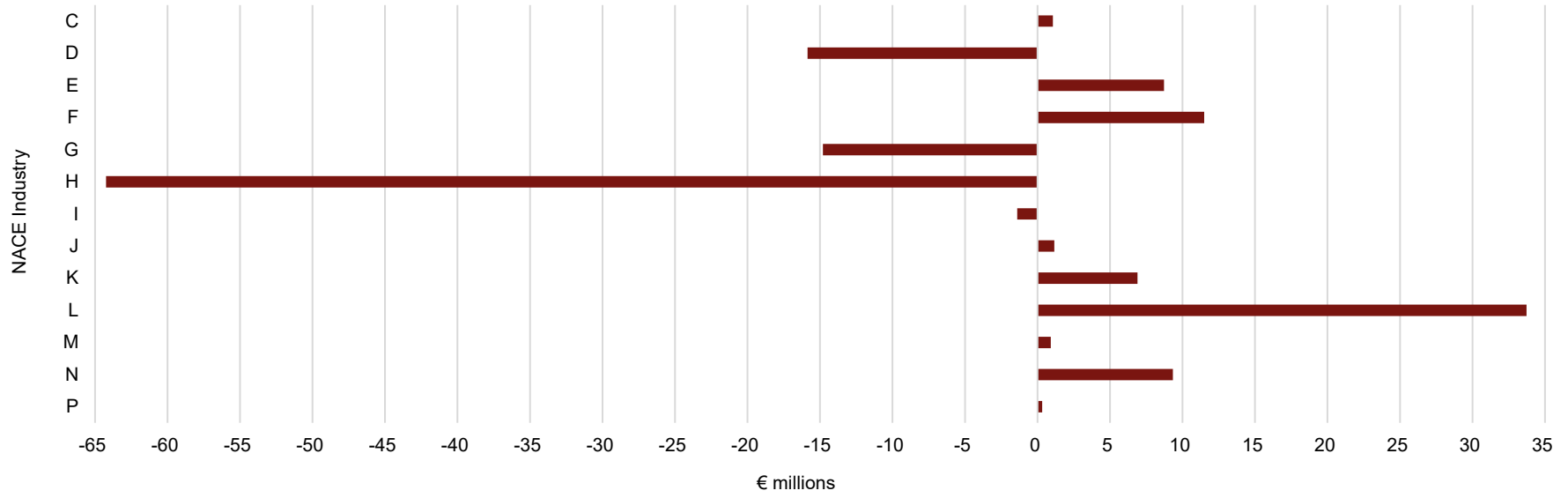
Table 4. Public Corporations - Main Aggregates of the Statement of the Financial Position by NACE <sup>1</sup>

€ 000

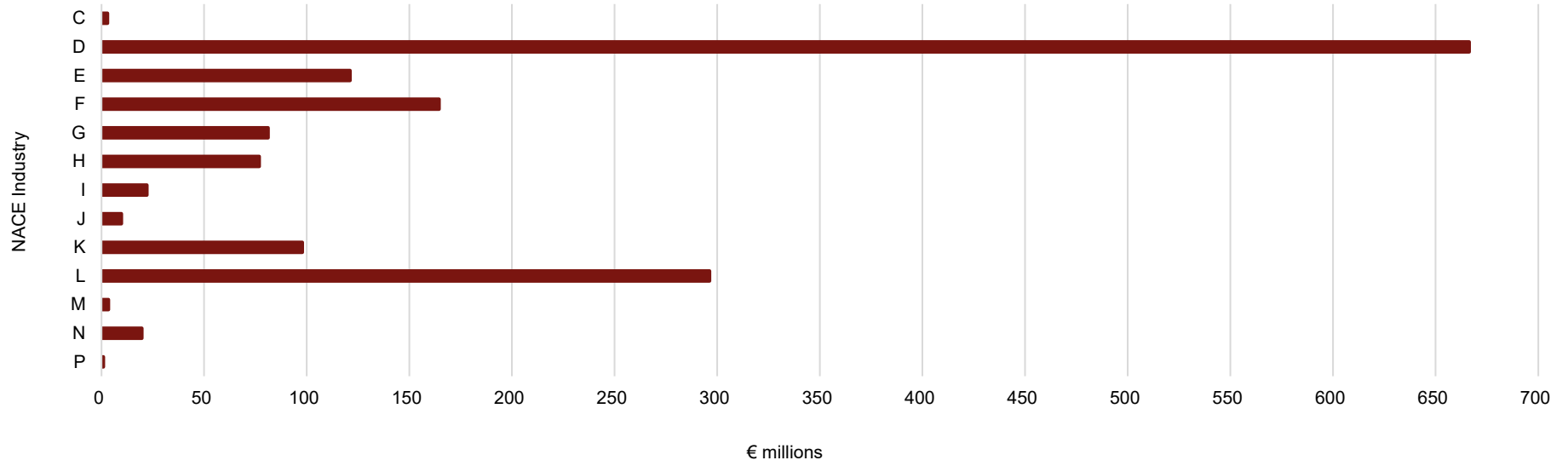
NACE Classification		2017			2018			2019			2020						
		No. of Corporations	Total Assets	Total Liabilities	Net Worth	No. of Corporations	Total Assets	Total Liabilities	Net Worth	No. of Corporations	Total Assets	Total Liabilities	Net Worth				
Manufacturing	C	3	3,672	2,344	1,329	3	3,639	1,373	2,265	3	4,262	1,319	2,944	3	4,262	1,319	2,944
Electricity, gas, steam and air conditioning supply	D	2	1,230,236	520,858	709,379	2	1,232,129	525,943	706,186	2	1,554,715	853,660	701,055	2	1,530,129	863,761	666,368
Water supply; sewerage, waste management and remediation activities	E	1	351,995	260,657	91,339	1	375,877	279,231	96,646	1	400,914	292,811	108,104	1	415,407	294,249	121,158
Construction	F	1	179,864	59,115	120,748	1	190,263	61,855	128,408	1	234,379	75,398	158,981	1	248,486	83,979	164,507
Wholesale and retail trade; repair of motor vehicles and motorcycles	G	2	227,357	139,276	88,081	2	261,191	183,678	77,513	2	322,907	228,506	94,401	2	347,444	266,198	81,246
Transportation and storage	H	6	220,390	210,972	9,418	8	313,511	224,437	89,073	9	274,631	225,358	49,273	9	307,271	230,380	76,891
Accommodation and food service activities	I	3	36,714	14,965	21,749	3	38,271	15,524	22,747	3	41,750	18,100	23,650	3	39,693	17,510	22,183
Information and communication	J	4	32,982	22,763	10,219	4	30,464	21,416	9,048	4	31,566	22,939	8,627	4	29,992	20,215	9,776
Financial and insurance activities	K	6	375,555	313,264	62,291	7	370,005	315,243	54,762	8	411,120	324,433	86,687	7	437,002	339,099	97,904
Real estate activities	L	7	685,532	452,682	232,851	7	733,481	461,051	272,431	7	774,707	486,095	288,611	7	762,984	466,713	296,271
Professional, scientific and technical activities	M	5	3,739	1,697	2,042	5	3,751	1,120	2,632	5	5,565	2,734	2,831	5	5,983	2,562	3,422
Administrative and support service activities	N	4	10,282	6,518	3,765	5	15,129	6,525	8,604	5	39,951	23,152	16,799	5	51,650	31,960	19,690
Education	P	1	1,013	456	557	2	1,234	661	573	2	1,523	723	800	2	1,645	636	1,010
		<b>45</b>	<b>3,359,332</b>	<b>2,005,565</b>	<b>1,353,767</b>	<b>50</b>	<b>3,568,946</b>	<b>2,098,058</b>	<b>1,470,887</b>	<b>52</b>	<b>4,097,990</b>	<b>2,555,227</b>	<b>1,542,763</b>	<b>51</b>	<b>4,181,949</b>	<b>2,618,580</b>	<b>1,563,369</b>

<sup>1</sup> Excluding Central Bank of Malta

**Chart 7. Public Corporations' surplus / deficit by NACE industry: 2020**



**Chart 8. Public Corporations' net worth by NACE industry: 2020**



**Table 5. Public Corporations' Statement of Financial Performance (including Central Bank of Malta)**

	€ 000			
	2017	2018	2019	2020
Income generated from own operations	1,209,945	1,343,305	1,442,146	1,150,568
Subsidies	66,999	80,960	85,853	107,485
Finance income	6,713	7,969	7,102	6,522
Other revenue	110,721	64,896	73,679	53,470
<b>Total Revenue</b>	<b>1,394,379</b>	<b>1,497,131</b>	<b>1,608,781</b>	<b>1,318,044</b>
Direct operating expenses	835,816	1,013,154	1,034,508	895,194
Wages and salaries	204,766	219,996	229,798	227,333
Depreciation	62,937	66,742	76,045	81,128
Finance costs	51,940	50,878	63,013	62,547
Other expenditure	18,243	16,095	77,693	41,450
<b>Total Expenditure</b>	<b>1,173,702</b>	<b>1,366,865</b>	<b>1,481,057</b>	<b>1,307,652</b>
<b>Surplus / (Deficit) before tax</b>	<b>220,677</b>	<b>130,266</b>	<b>127,724</b>	<b>10,392</b>

**Table 6. Public Corporations' Statement of Financial Position (including Central Bank of Malta)**

	€ 000			
	2017	2018	2019	2020
Land and Buildings	1,008,415	1,050,726	1,097,543	1,095,033
Infrastructure, plant and equipment	946,724	984,859	1,053,022	1,072,486
Intangible assets	227,271	326,812	681,107	699,415
<b>Total Non-Financial Assets</b>	<b>2,182,410</b>	<b>2,362,397</b>	<b>2,831,672</b>	<b>2,866,933</b>
Cash and cash equivalents	4,646,738	4,831,274	5,827,451	6,353,201
Stocks and Inventories	83,101	80,621	79,596	93,392
Financial assets	4,202,704	4,406,227	3,840,868	3,105,293
Trade and other receivables	725,488	665,817	691,737	800,838
Other assets	101,792	76,466	114,855	128,388
<b>Total Financial Assets</b>	<b>9,759,822</b>	<b>10,060,406</b>	<b>10,554,508</b>	<b>10,481,112</b>
<b>Total Assets</b>	<b>11,942,232</b>	<b>12,422,804</b>	<b>13,386,179</b>	<b>13,348,046</b>
Bank borrowings	1,214,815	1,201,290	1,111,184	1,139,394
Trade and other payables	7,127,159	7,301,361	7,517,158	7,987,691
Other liabilities	1,798,188	1,984,326	2,727,443	3,028,356
<b>Total Financial Liabilities</b>	<b>10,140,162</b>	<b>10,486,976</b>	<b>11,355,785</b>	<b>12,155,441</b>
<b>Net worth</b>	<b>1,802,070</b>	<b>1,935,827</b>	<b>2,030,394</b>	<b>1,192,604</b>



**List of Public Corporations as at reporting year: 2020**

	<b>NACE code</b>		<b>NACE code</b>
Air Malta Aviation Services Co. Ltd	52	Malta Business Registry	82
Air Malta plc	51	Malta Development Bank	64
Automated Revenue Management Services Ltd (ARMS)	63	Malta Digital Hub	68
Casma Co. Ltd	68	Malta Electronic Certification Services Ltd	63
Central Bank of Malta	64	Malta Financial Services Authority	66
ClearFlowPlus Ltd	71	Malta Freeport Corporation Ltd.	68
D3 Power Generation Ltd	35	Malta Life Science Centre Ltd	68
Enemalta plc	35	Malta Marketing Ltd	73
Enemed Co. Ltd.	46	Malta Stock Exchange Institute Ltd	85
Energy Services Centre Ltd	33	Malta Stock Exchange plc	66
Engineering Resources Ltd	78	Malta University Consulting Ltd	85
Gozo Channel (Operations) Ltd	50	Malta University Holding Company Ltd (UOM)	64
Gozo Heliport Co. Ltd	52	Malta University Residence Ltd	55
Heritage Malta Services Ltd	68	Mediterranean Conference Centre	82
Indis Malta Ltd	68	Mediterranean Offshore Bunkering Ltd	52
Institute of Foreign Direct Investment Studies Ltd	73	Melita Transgas Co. Ltd	49
International Clean Energy Ltd	74	Milano Due	55
International Energy Service Centre Ltd	33	MPG Energy Services Ltd	19
Keys Security Services Ltd	80	MSX p.l.c.	64
KM Holdings	64	Petromal	47
Kordin Grain Terminal Ltd	52	Public Broadcasting Services Ltd.	60
Libyan Maltese Investments Co Ltd	64	University Broadcasting Services Ltd (UOM)	60
Malita Investments Plc	41	Vault Finance	65
Malpro Ltd	68	Vivaldi Hotel (Operations) Ltd	55
Malta Air Traffic Services Ltd	52	Water Services Corporation	36
Malta Air Travel Ltd (a.k.a Malta Med Air Ltd)	51	World Aviation Group Ltd	79

Notes:

1. Companies that are in the process of dissolution or have been struck off do not feature in this list

## Methodological Notes

1. This release presents data on public corporations in accordance with the methodology defined in the conceptual reference framework of the Manual on Government Deficit and Debt (2019 edition), which is in turn based on the European System of Accounts (ESA 2010). This compliance with the reference framework allows for the international comparability of the data.

The Public Sector consists of all the institutional units within the General Government and Public Corporations sectors. Although the formation of both sectors is done in accordance with the same established methodologies, the data cannot be aggregated to form the Public Sector, as the data for the General Government is in accordance with ESA 2010 rules, while the data for the public corporations is in line with business accounts.

2. A number of criteria, established in the Manual on Government Deficit and Debt, determine whether a unit is controlled by Government, based on the level of Government control:
  - i. Rights to appoint, remove, approve or veto a majority of officers, board of directors, etc.
  - ii. Rights to appoint, veto or remove a majority of appointments for key committees (or sub-committees) of the entity having a decisive role on key factors of its general policy.
  - iii. Ownership of the majority of voting interest.
  - iv. Rights to appoint, veto or remove key personnel.
  - v. Rights under special shares and options.
  - vi. Rights to control via contractual agreements.
  - vii. Rights to control from agreement/permission to borrow.
  - viii. Control via excessive regulation.

The first three criteria are sufficient to determine government control, however if inconclusive, the other criteria are considered.

To determine whether the government-controlled unit is to be classified inside the General Government sector or not, the following tests are applied:

a. Quantitative Test: The market/non-market test. If sales cover less than 50 per cent of the production costs (intermediate consumption, compensation of employees, consumption of fixed capital and net interest charge), the unit is classified inside the General Government sector.

b. Qualitative Test: Other criteria for specific units in particular areas of activity are also taken in consideration and need to be applied accordingly:

- Units that sell their output only to the Government
- Public Units in liquidation
- Public hospitals, schools, TV and radio broadcasting
- Units engaged in financial activities
- Special purpose entities
- Public head offices, public holding companies and their subsidiaries
- Restructuring and privatisation agencies
- Market regulatory bodies and professional associations
- Entities having the features of captive financial institutions
- Government debt management offices

3. The data sources used to compile this news release are the following, ranked by order of preference:
  - Business accounts - audited financial statements that are prepared in accordance with the International Financial Reporting Standards (IFRS).
  - Financial Data Reporting System (FDRS) templates - some public corporations report their financial data on the Ministry of Finance Financial Data Reporting System.
  - Estimates - Used in the absence of the two data sources above.
4. Data on individual public corporations is provided by NSO to Eurostat on an annual basis in a dedicated Questionnaire on Government-controlled entities classified outside the General Government sector.
5. Public Corporations' data between the years 2010-2016 can be found in the excel version of this news release.
6. The GDP for 2020, used in the commentary, is in line with [News Release 95/2022 dated 30 May 2022](#).
7. The data contained in this release may be revised. Figures may not add up due to rounding.
8. References to this news release are to be cited appropriately.
9. A detailed news release calendar is available at: [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)