

By the end of January 2023, the Government's Consolidated Fund reported a deficit of €120.9 million.

Government Finance Data: January 2023

In January 2023, Recurrent Revenue amounted to €352.0 million, slightly lower than the €352.1 million reported a year earlier. The largest drop was recorded under Grants (€8.9 million), followed by Miscellaneous Receipts (€7.4 million), Licences, Taxes and Fines (€5.1 million), Customs and Excise Duties (€3.3 million) and Sales-Goods (€0.1 million). On the other hand, higher revenue was reported under Income Tax (€14.7 million), Value Added Tax (€4.7 million), Social Security (€4.0 million), Fees of Office (€1.3 million) and Reimbursements (€0.1 million).

By the end of January 2023, total expenditure stood at €472.9 million, €54.6 million higher than the previous year.

During the reference period, Recurrent Expenditure totalled €443.3 million, an increase of €59.6 million in comparison to the €383.7 million reported in January 2022. The main contributor to this increase was a €51.4 million rise reported under Programmes and Initiatives. Furthermore, increases were also witnessed under Operational and Maintenance Expenses (€5.4 million) and Personal Emoluments (€5.0 million). This rise in expenditure outweighed a decrease under Contributions to Government Entities (€2.3 million). The main developments in the Programmes and Initiatives category involved added outlays towards Social security benefits (€51.2 million), Residential care in private homes (€7.6 million), Extension of school transport network (€6.3 million), SVPR service contract (€2.3 million), Pharmacy of your choice (€2.1 million) and Gas stabilisation fund (€2.0 million). This rise in Programmes and Initiatives was partly offset by a decrease under the Pandemic assistance schemes (€21.0 million).

The interest component of the public debt servicing costs totalled €14.5 million, an increase of €1.3 million when compared to the previous year.

By the end of January 2023, Government's capital spending amounted to €15.1 million, €6.3 million lower than 2022. This decrease resulted from lower expenditure towards Road construction and improvements (€8.0 million) and Identity Malta Agency – ICT (€1.4 million). The drop in capital outlay was partially offset by increases witnessed under National Identity Management Systems (€2.0 million) and Acquisition of property for public purposes (€0.7 million).

The difference between total revenue and expenditure resulted in a deficit of €120.9 million being reported in the Government's Consolidated Fund at the end of January 2023. Compared to the same period in 2022, there was an increase in deficit of €54.7 million. This difference mirrors a decrease in total Recurrent Revenue (€0.1 million), coupled with a rise in total expenditure, which consists of Recurrent Expenditure (€59.6 million), Interest (€1.3 million) and Capital Expenditure (-€6.3 million) (Table 1).

At the end of January 2023, Central Government debt stood at €8,902.6 million, an increase of €774.8 million when compared to 2022. The increase reported under Malta Government Stocks (€669.4 million) was the main contributor to the rise in debt. Higher debt was also reported under Treasury Bills (€238.6 million) and Euro coins issued in the name of the Treasury (€5.2 million). This increase in debt was partially offset by a decrease in the 62+ Malta Government Savings Bond (€100.0 million) and Foreign Loans (€0.1 million). Finally, higher holdings by government funds in Malta Government Stocks resulted in a decrease in debt of €38.3 million (Table 4) ■

Table 1. Revenue/Expenditure categories by period and description

Description	Jan-21	Jan-22	Jan-23	Jan 2023 / Jan 2022	
				Change	% change
				€ 000	
(a) Total Recurrent Revenue	299,257	352,066	351,963	-103	-0.0
Customs and Excise Duties	24,065	17,861	14,577	-3,285	
Licences, Taxes and Fines	18,615	28,970	23,870	-5,101	
Income Tax	125,236	138,726	153,415	14,688	
Value Added Tax	49,685	52,467	57,151	4,683	
Fees of Office	490	3,112	4,420	1,308	
Sales-Goods	68	205	59	-146	
Sales-Services	385	229	212	-17	
Sales-Others	-	-	-	-	
Reimbursements	1,627	78	152	75	
Central Bank of Malta	5,000	-	-	-	
Rents	-	18	9	-9	
Dividends on Investment	-	-	-	-	
Interest on loans made by Government	-	-	-	-	
Social Security	62,220	69,388	73,363	3,975	
Grants	5,480	31,968	23,104	-8,865	
Miscellaneous Receipts	6,388	9,044	1,632	-7,412	
(b) Total Expenditure	616,846	418,258	472,893	54,636	13.1
<i>Recurrent Expenditure</i>	546,451	383,676	443,289	59,613	15.5
Personal Emoluments	81,212	83,491	88,520	5,029	
Operational and Maintenance Expenses	39,784	15,860	21,286	5,426	
Programmes and Initiatives	364,325	228,310	279,741	51,431	
Contributions to Government Entities	61,129	56,015	53,742	-2,273	
<i>Interest</i>	12,807	13,184	14,519	1,335	10.1
<i>Capital Expenditure</i>	57,588	21,397	15,085	-6,312	-29.5
(a-b) Consolidated Fund Surplus/Deficit	-317,589	-66,192	-120,931	-54,739	82.7
(c) Financial Transactions					
<i>Revenue</i>					
Loans	-	-	-	-	
Repayment of Loans	-	-	-	-	
Receipts from Sale of Shares	889	889	889	0	
Other extraordinary receipts	-	-	-	-	
<i>Expenditure</i>					
Contribution to Sinking Fund	-	-	-	-	
Equity Acquisition	-	-	-	-	
Repayment of Loan	259	301	491	190	
Loans	-	-	-	-	

Note: Totals may not add up due to rounding.

Table 2. Government Expenditure by COFOG category by period and description

COFOG	Personal emoluments			Operational and Maintenance Expenses			Programmes and Initiatives			Contributions to Government Entities		
	Jan-21	Jan-22	Jan-23	Jan-21	Jan-22	Jan-23	Jan-21	Jan-22	Jan-23	Jan-21	Jan-22	Jan-23
	€ 000											
General public services	6,424	10,904	11,599	7,698	5,407	5,287	104,996	40,077	36,104	8,236	14,494	10,554
Defence	3,977	4,044	4,341	1,103	513	438	113	46	136	-	-	-
Public order and safety	9,724	7,049	7,560	1,307	611	773	1,210	1,037	1,086	3,887	7,097	516
Economic affairs	5,626	4,645	5,371	17,260	716	1,273	8,017	23,407	2,519	18,565	13,389	21,437
Environment protection	1,605	484	78	177	66	5	938	9	2,011	130	-	3,612
Housing and community amenities	113	-	-	23	-	-	-	1,819	-	-	-	-
Health	27,004	27,653	28,996	5,766	2,888	3,762	56,119	36,617	38,790	10,732	6,540	11,952
Recreation, culture and religion	246	645	687	139	54	202	2,605	975	1,638	2,844	4,294	3,319
Education	21,551	22,727	24,330	4,122	2,952	5,980	29,625	26,055	33,482	7,994	8,095	61
Social protection	4,942	5,341	5,557	2,191	2,654	3,566	160,701	98,267	163,976	8,741	2,106	2,292
Total	81,212	83,491	88,520	39,784	15,860	21,286	364,325	228,310	279,741	61,129	56,015	53,742
COFOG	Interest Expenditure			Capital Expenditure			Total Expenditure					
	Jan-21	Jan-22	Jan-23	Jan-21	Jan-22	Jan-23	Jan-21	Jan-22	Jan-23			
	€ 000											
General public services	12,807	13,184	14,519	3,713	14,104	4,617	143,874	98,171	82,681			
Defence	-	-	-	-31	38	29	5,163	4,640	4,943			
Public order and safety	-	-	-	559	3,126	3,769	16,687	18,919	13,705			
Economic affairs	-	-	-	43,537	1,601	3,654	93,004	43,758	34,253			
Environment protection	-	-	-	282	4	0	3,132	563	5,706			
Housing and community amenities	-	-	-	8	0	-	144	1,820	0			
Health	-	-	-	2,453	474	650	102,075	74,172	84,150			
Recreation, culture and religion	-	-	-	4,729	353	1,101	10,563	6,322	6,946			
Education	-	-	-	1,687	1,409	1,078	64,979	61,237	64,931			
Social protection	-	-	-	651	288	187	177,227	108,655	175,578			
Total	12,807	13,184	14,519	57,588	21,397	15,085	616,846	418,258	472,893			

Table 3. Consolidated Fund data in ESA 2010 codes by period and description

Description	ESA code	January 2021	January 2022	January 2023	January 2023 / January 2022	
					Change	% change
		€ 000				
1. Total Revenue		306,277	360,552	360,184	-368	
Market Output	P11	1,521	10,110	3,875		
Taxes on Production and Imports	D2	93,275	93,439	95,521		
Property income receivable	D4	5,327	227	1		
Current taxes on income, wealth, etc	D5	127,936	144,144	153,415		
Social Contributions	D61	71,063	78,090	81,920		
Current transfers receivable	D7	95	36	1,677		
Capital transfers receivable	D9	7,061	34,505	23,776		
2. Total Expenditure		623,866	426,744	481,115	54,370	
Intermediate Consumption	P2	133,857	63,728	119,466		
Gross Capital Formation	P5g+NP	7,449	15,871	1,826		
Compensation of Employees	D1	93,477	94,759	100,056		
Property income payable	D4	16,340	13,766	14,614		
Subsidies	D3	5,509	27,077	2,966		
Social Benefits and social transfers in kind	D62+D632	154,220	103,540	150,171		
Current transfers payable	D7	212,689	104,860	92,015		
Capital transfers payable	D9	326	3,143	-		
(1-2) Consolidated Fund Surplus/Deficit		-317,589	-66,192	-120,931	-54,739	82.7

Table 4. Central Government debt by month and description

Description	January 2021	January 2022	January 2023	January 2023 / January 2022	
				Change	% change
€ 000					
Total Central Government Debt	6,832,142	8,127,794	8,902,558	774,763	9.5
<i>of which:</i>					
Treasury Bills	711,000	630,520	869,152	238,632	
Malta Government Stocks	5,642,872	6,637,826	7,307,227	669,401	
62+ Malta Government Savings Bond	380,258	474,641	374,679	-99,962	
Foreign Loans	120,839	420,718	420,591	-128	
MGSF investments in Government Debt	-113,353	-129,274	-167,604	-38,330	
Euro coins issued in the name of the Treasury	90,526	93,363	98,513	5,150	

Note: Totals may not add up due to rounding.

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

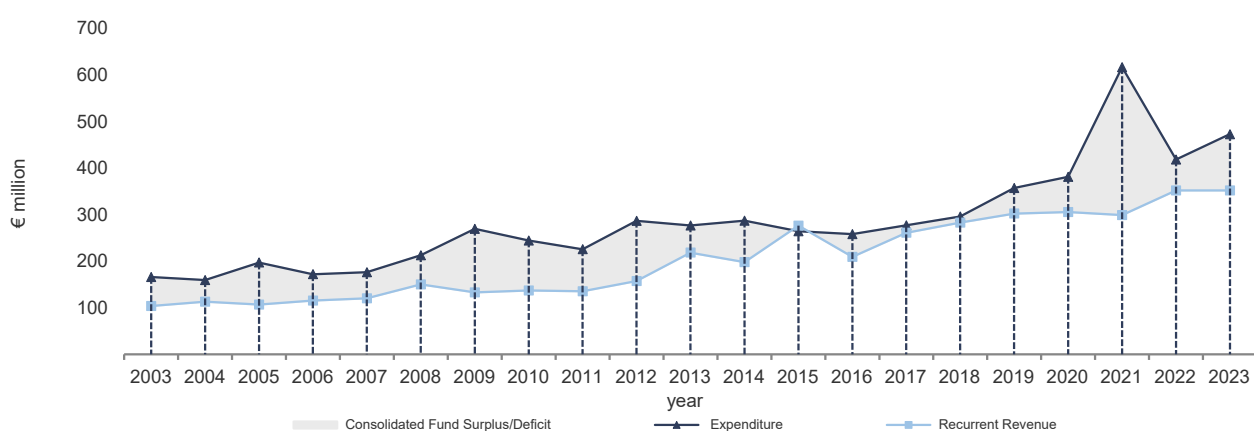


Chart 2. Recurrent Revenue by main category (%): January 2023

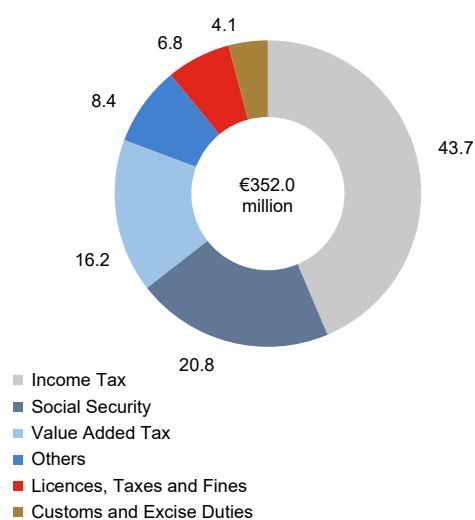
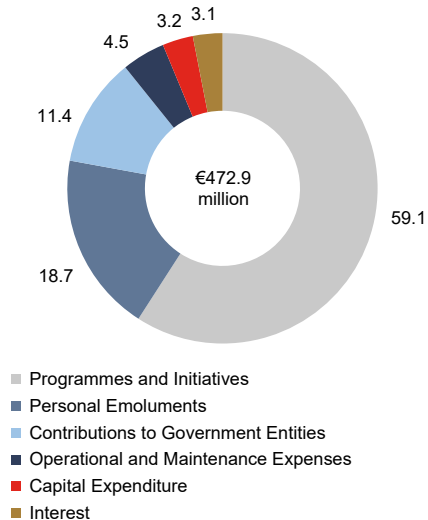


Chart 3. Expenditure by main category (%): January 2023



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 2023 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 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. Table 3 presents the Consolidated Fund year to date 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. A detailed news release calendar is available on:
https://nso.gov.mt/en/News_Releases/Release_Calendar/Pages/News-Release-Calendar.aspx