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## Government Finance Data: January-May 2023

NR114/2023

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By the end of May 2023, the Government's Consolidated Fund reported a deficit of €103.5 million.



Between January and May 2023, Recurrent Revenue amounted to €2,454.8 million, €325.4 million higher than the figure reported a year earlier. The largest increases were recorded under Income Tax (€179.5 million), Grants (€56.0 million), Social Security (€36.1 million) and Value Added Tax (€28.1 million). On the other hand, the main drops in revenue were reported under Central Bank of Malta (€22.2 million) and Dividends on Investment (€2.6 million).

Total expenditure by the end of May 2023 stood at €2,558.3 million, €55.3 million higher than the previous year.

During the reference period, Recurrent Expenditure totalled €2,252.8 million, an increase of €39.0 million compared to the €2,213.9 million reported at the end of May 2022. The main contributor to this increase was a €36.3 million rise reported under Operational and Maintenance Expenses. Furthermore, increases were also recorded under Contributions to

Government entities (€33.8 million) and Personal Emoluments (€22.0 million). Higher contributions cover those made towards the Malta College of Arts, Science and Technology (€10.5 million), Malta Tourism Authority (€7.0 million), Resource Support and Services Ltd (€5.2 million) and Servizz.gov (€4.5 million). Conversely, Programmes and Initiatives fell by €53.1 million. The main developments in the Programmes and Initiatives category involved lower outlays towards Pandemic assistance schemes (€107.5 million), Economic stimulus payment (€48.2 million) and EU own resources (€42.1 million). The drop in outlay was partially offset by increases witnessed under Energy support measures (€66.1 million), Social security benefits (€40.9 million), Street lighting and other services (€9.8 million), Tal-linja card (€9.4 million), Temporary price stabilization schemes (€8.2 million) and Residential care in private homes (€7.5 million).

The interest component of the public debt servicing costs totalled €82.9 million, an increase of €12.8 million when compared to the previous year.

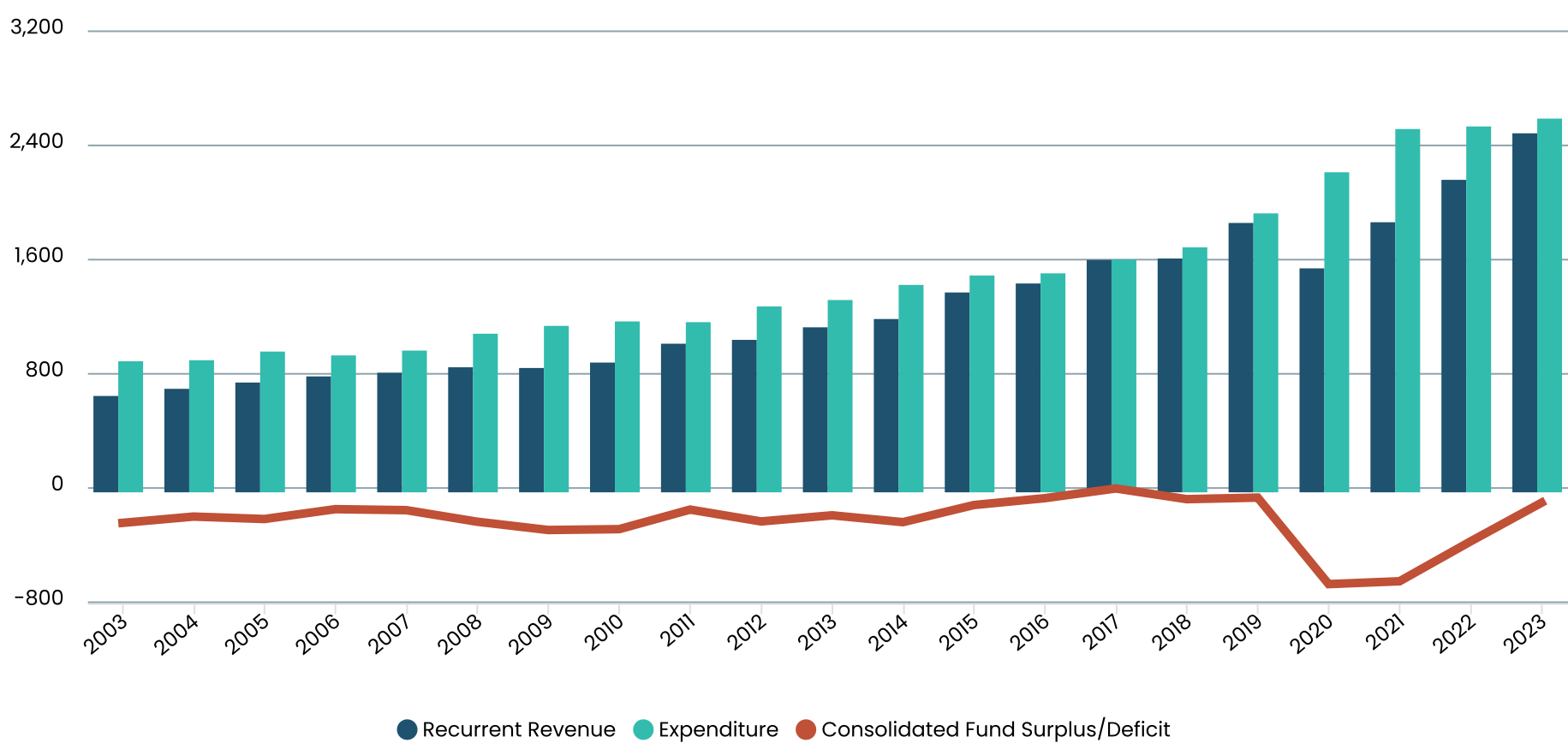
Between January and May 2023, Government's capital spending amounted to €222.5 million, €3.5 million higher than 2022. This increase resulted from higher expenditure towards Property, plant and equipment (€10.2 million), National Identity Management Systems (€4.8 million), Digitalisation of health systems (€4.3 million), Film industry incentives (€3.0 million) and Upgrading of existing storm-water systems (€2.9 million). On the other hand, expenditure towards Road construction and improvements fell by €22.1 million.

The difference between total revenue and expenditure resulted in a deficit of €103.5 million being reported in the Government's Consolidated Fund at the end of May 2023. Compared to the same period in 2022, there was a decrease in deficit of €270.1 million. This difference mirrors an increase in total Recurrent Revenue (€325.4 million), partly offset by a rise in total expenditure, which consists of Recurrent Expenditure (€39.0 million), Interest (€12.8 million) and Capital Expenditure (€3.5 million) (Table 1).

At the end of May 2023, Central Government debt stood at €9,083.6 million, an increase of €673.8 million when compared to 2022. The increase reported under Malta Government Stocks (€792.6 million) was the main contributor to the rise in debt. Higher debt was also reported under Euro coins issued in the name of the Treasury (€5.1 million). This increase in debt was partially offset by a decrease in the 62+ Malta Government Savings Bond (€100.0 million) and Treasury Bills (€14.1 million). Finally, higher holdings by government funds in Malta Government Stocks resulted in a decrease in debt of €9.7 million (Table 6).

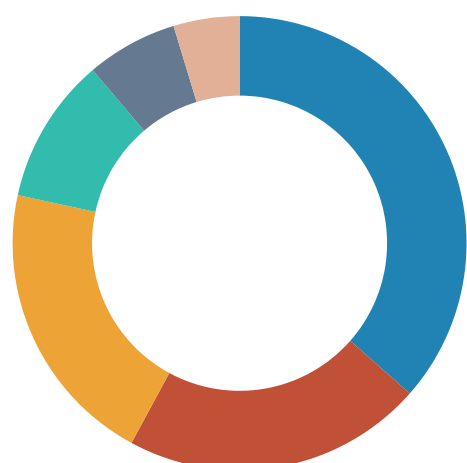
### Chart 1. Consolidated Fund Surplus/Deficit: January-May

in € millions



### Chart 2. Recurrent Revenue by main category (%)

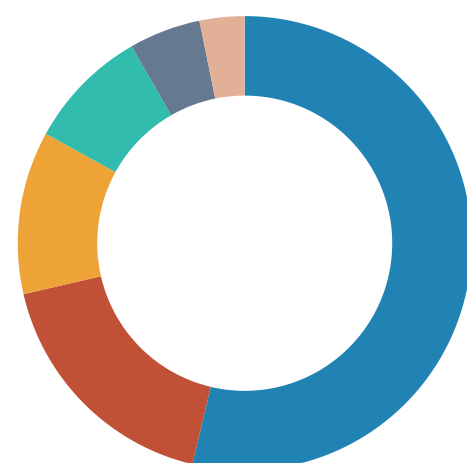
January-May 2023



Income Tax, Value Added Tax, Social Security, Others, Licences, Taxes and Fines, Customs and Excise Duties

### Chart 3. Expenditure by main category (%)

January-May 2023



Programmes and Initiatives, Personal Emoluments, Contributions to Government Entities, Capital Expenditure, Operational and Maintenance Expenses, Interest

Table 1. Revenue/Expenditure categories by period and description

Description	Jan-May 2021	Jan-May 2022	Jan-May 2023	Jan-May 2023 / Jan-May 2022	
				Change	% change
€ 000					
<b>(a) Total Recurrent Revenue</b>	<b>1,831,741</b>	<b>2,129,361</b>	<b>2,454,778</b>	<b>325,417</b>	<b>15.3</b>
Customs and Excise Duties	102,394	108,731	114,572	5,840	
Licences, Taxes and Fines	135,305	143,563	159,998	16,435	
Income Tax	604,611	718,124	897,659	179,535	
Value Added Tax	421,958	496,782	524,893	28,111	
Fees of Office	37,772	24,417	28,584	4,167	
Sales-Goods	762	911	833	-77	
Sales-Services	8,284	10,430	15,171	4,741	
Sales-Others	942	1,222	18,825	17,603	
Reimbursements	852	1,170	2,021	851	
Central Bank of Malta	15,000	22,173	-	-22,173	
Rents	11,118	12,423	11,845	-578	
Dividends on Investment	6,250	9,330	6,750	-2,580	
Interest on loans made by Government	0	0	271	270	
Social Security	427,072	466,313	502,443	36,130	
Grants	21,143	79,911	135,866	55,955	
Miscellaneous Receipts	38,280	33,861	35,047	1,185	
<b>(b) Total Expenditure</b>	<b>2,485,002</b>	<b>2,502,937</b>	<b>2,558,275</b>	<b>55,338</b>	<b>2.2</b>
<i>Recurrent Expenditure</i>	2,185,179	2,213,857	2,252,846	38,989	1.8
Personal Emoluments	428,502	429,924	451,968	22,044	
Operational and Maintenance Expenses	108,706	93,280	129,548	36,268	
Programmes and Initiatives	1,374,606	1,428,461	1,375,371	-53,090	
Contributions to Government Entities	273,365	262,192	295,959	33,767	
<i>Interest</i>	74,154	70,090	82,905	12,815	18.3
<i>Capital Expenditure</i>	225,669	218,990	222,524	3,534	1.6
<b>(a-b) Consolidated Fund Surplus/Deficit</b>	<b>-653,261</b>	<b>-373,576</b>	<b>-103,497</b>	<b>270,079</b>	<b>-72.3</b>
<b>(c) Financial Transactions</b>					
<i>Revenue</i>					
Loans	900,000	335,500	349,180	13,680	
Repayment of Loans	-	634	-	-634	
Receipts from Sale of Shares	889	889	889	0	
Other extraordinary receipts	-	-	-	-	
<i>Expenditure</i>					
Contribution to Sinking Fund	-	-	-	-	
Equity Acquisition	4,500	-	5,504	5,504	
Repayment of Loan	1,154	242,595	133,307	-109,288	
Loans	-	-	-	-	

Note: Totals may not add up due to rounding.

Table 2. Revenue/Expenditure categories by month and description

Description	May 2021	May 2022	May 2023	May 2023 / May 2022	
				Change	% change
€ 000					
<b>(a) Total Recurrent Revenue</b>	<b>462,024</b>	<b>534,087</b>	<b>563,930</b>	<b>29,843</b>	<b>5.6</b>
Customs and Excise Duties	32,630	24,235	24,084	-151	
Licences, Taxes and Fines	26,716	27,554	34,026	6,472	
Income Tax	136,982	168,085	168,415	330	
Value Added Tax	141,356	163,159	158,271	-4,888	
Fees of Office	9,673	4,218	7,332	3,113	
Sales -Goods	428	214	174	-40	
Sales-Services	357	2,475	2,098	-378	
Sales-Others	714	279	3,712	3,434	
Reimbursements	-547	67	260	193	
Central Bank of Malta	-	-	-	-	
Rents	4,206	2,587	2,552	-35	
Dividends on Investment	-	-	-	-	
Interest on loans made by Government	-	-	3	3	
Social Security	90,580	104,487	124,723	20,236	
Grants	9,701	26,152	10,253	-15,899	
Miscellaneous Receipts	9,229	10,575	28,028	17,453	
<b>(b) Total Expenditure</b>	<b>533,086</b>	<b>518,600</b>	<b>474,959</b>	<b>-43,641</b>	<b>-8.4</b>
<i>Recurrent Expenditure</i>	451,391	443,726	408,867	-34,859	-7.9
Personal Emoluments	80,841	84,850	88,995	4,144	
Operational and Maintenance Expenses	24,935	20,025	31,808	11,782	
Programmes and Initiatives	282,758	290,438	236,927	-53,511	
Contributions to Government Entities	62,857	48,413	51,137	2,725	
<i>Interest</i>	14,491	15,348	16,934	1,586	10.3
<i>Capital Expenditure</i>	67,204	59,526	49,158	-10,368	-17.4
<b>(a-b) Consolidated Fund Surplus/Deficit</b>	<b>-71,062</b>	<b>15,487</b>	<b>88,972</b>	<b>73,485</b>	<b>474.5</b>
<b>(c) Financial Transactions</b>					
<i>Revenue</i>					
Loans	-	98,100	-	-98,100	
Repayment of Loans	-	-	-	-	
Receipts from Sale of Shares	-	-	-	-	
Other extraordinary receipts	-	-	-	-	
<i>Expenditure</i>					
Contribution to Sinking Fund	-	-	-	-	
Equity Acquisition	-	-	-	-	
Repayment of Loan	-	240,645	131,203	-109,441	
Loans	-	-	-	-	

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-May 2021	Jan-May 2022	Jan-May 2023	Jan-May 2021	Jan-May 2022	Jan-May 2023	Jan-May 2021	Jan-May 2022	Jan-May 2023	Jan-May 2021	Jan-May 2022	Jan-May 2023
	€ 000											
General public services	52,457	54,332	57,716	20,808	23,684	25,402	173,004	262,069	161,429	53,291	63,093	74,715
Defence	29,079	21,064	23,182	3,161	3,427	4,166	317	359	395	-	-	-
Public order and safety	38,005	37,359	40,231	4,009	4,203	5,644	6,139	5,233	6,354	18,882	20,890	22,653
Economic affairs	21,488	23,613	26,548	19,986	4,386	14,604	212,340	143,361	26,266	69,647	76,012	58,848
Environment protection	2,269	2,094	568	321	252	81	10,697	10,635	109,032	3,860	3,370	21,700
Housing and community amenities	-	-	-	-	-	-	7,280	9,731	12,148	-	-	-
Health	141,689	141,954	147,311	37,642	27,975	39,662	168,837	139,672	129,463	31,191	33,759	37,114
Recreation, culture and religion	3,071	3,401	3,678	564	572	796	3,173	4,744	7,581	13,722	13,735	13,924
Education	112,454	117,972	123,379	9,230	9,237	11,752	103,890	108,652	115,724	66,387	38,095	53,633
Social protection	27,989	28,137	29,355	12,984	19,544	27,440	688,929	744,005	806,980	16,384	13,239	13,371
<b>Total</b>	<b>428,502</b>	<b>429,924</b>	<b>451,968</b>	<b>108,706</b>	<b>93,280</b>	<b>129,548</b>	<b>1,374,606</b>	<b>1,428,461</b>	<b>1,375,371</b>	<b>273,365</b>	<b>262,192</b>	<b>295,959</b>
COFOG	Interest Expenditure			Capital Expenditure			Total Expenditure					
	Jan-May 2021	Jan-May 2022	Jan-May 2023	Jan-May 2021	Jan-May 2022	Jan-May 2023	Jan-May 2021	Jan-May 2022	Jan-May 2023			
	€ 000											
General public services	74,154	70,090	82,905	110,070	100,113	100,359	483,783	573,380	502,527			
Defence	-	-	-	994	514	1,922	33,551	25,364	29,665			
Public order and safety	-	-	-	14,730	13,247	16,099	81,765	80,932	90,981			
Economic affairs	-	-	-	66,205	75,016	45,193	389,666	322,388	171,460			
Environment protection	-	-	-	4,324	2,023	13,980	21,472	18,374	145,362			
Housing and community amenities	-	-	-	273	389	661	7,553	10,120	12,809			
Health	-	-	-	11,175	8,900	17,644	390,535	352,258	371,194			
Recreation, culture and religion	-	-	-	2,850	5,108	6,157	23,380	27,559	32,136			
Education	-	-	-	11,143	11,654	18,403	303,104	285,610	322,892			
Social protection	-	-	-	3,905	2,026	2,105	750,192	806,950	879,251			
<b>Total</b>	<b>74,154</b>	<b>70,090</b>	<b>82,905</b>	<b>225,669</b>	<b>218,990</b>	<b>222,524</b>	<b>2,485,002</b>	<b>2,502,937</b>	<b>2,558,275</b>			

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

Description	ESA code	Jan-May 2021	Jan-May 2022	Jan-May 2023	Jan-May 2023 / Jan-May 2022	
					Change	% change
					€ 000	
<b>1. Total Revenue</b>		<b>1,695,778</b>	<b>2,029,349</b>	<b>2,339,890</b>	<b>310,541</b>	
Market Output	P11	60,426	45,101	66,642		
Taxes on Production and Imports	D2	652,308	725,761	782,890		
Property income receivable	D4	23,154	34,471	10,565		
Current taxes on income, wealth, etc	D5	614,218	747,782	913,822		
Social Contributions	D61	311,905	382,537	413,971		
Current transfers receivable	D7	1,493	2,167	3,328		
Capital transfers receivable	D9	32,274	91,529	148,671		
<b>2. Total Expenditure</b>		<b>2,349,039</b>	<b>2,402,924</b>	<b>2,443,387</b>	<b>40,462</b>	
Intermediate Consumption	P2	377,909	343,286	381,096		
Gross Capital Formation	P5g+NP	142,141	124,666	85,056		
Compensation of Employees	D1	442,014	489,216	522,734		
Property income payable	D4	63,247	66,920	83,971		
Subsidies	D3	190,898	180,154	145,912		
Social Benefits and social transfers in kind	D62+D632	572,546	642,934	695,113		
Current transfers payable	D7	530,072	506,641	504,925		
Capital transfers payable	D9	30,212	49,107	24,580		
<b>(1-2) Consolidated Fund Surplus/Deficit</b>		<b>-653,261</b>	<b>-373,576</b>	<b>-103,497</b>	<b>270,079</b>	<b>-72.3</b>

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

Description	ESA code	May 2021	May 2022	May 2023	May 2023 / May 2022	
					Change	% change
					€ 000	
<b>1. Total Revenue</b>		<b>423,487</b>	<b>507,288</b>	<b>527,574</b>	<b>20,286</b>	
Market Output	P11	13,646	10,502	34,873		
Taxes on Production and Imports	D2	198,362	209,790	215,753		
Property income receivable	D4	1,987	1,636	2,017		
Current taxes on income, wealth, etc	D5	138,918	174,894	170,021		
Social Contributions	D61	57,591	81,643	91,891		
Current transfers receivable	D7	724	247	-3,546		
Capital transfers receivable	D9	12,259	28,575	16,565		
<b>2. Total Expenditure</b>		<b>494,548</b>	<b>491,801</b>	<b>438,603</b>	<b>-53,199</b>	
Intermediate Consumption	P2	98,842	78,088	80,177		
Gross Capital Formation	P5g+NP	46,840	34,842	16,758		
Compensation of Employees	D1	85,885	97,876	106,237		
Property income payable	D4	9,659	14,076	16,664		
Subsidies	D3	43,476	49,447	34,397		
Social Benefits and social transfers in kind	D62+D632	123,772	118,974	131,070		
Current transfers payable	D7	79,584	87,608	50,701		
Capital transfers payable	D9	6,491	10,892	2,600		
<b>(1-2) Consolidated Fund Surplus/Deficit</b>		<b>-71,062</b>	<b>15,487</b>	<b>88,972</b>	<b>73,485</b>	<b>474.5</b>

**Table 6. Central Government debt by month and description**

Description	May 2021	May 2022	May 2023	May 2023 / May 2022	
				Change	% change
	€ 000				
<b>Total Central Government Debt</b>	<b>7,830,140</b>	<b>8,409,858</b>	<b>9,083,632</b>	<b>673,774</b>	<b>8.0</b>
<i>of which:</i>					
Treasury Bills	815,250	855,097	841,002	-14,095	
Malta Government Stocks	6,243,084	6,733,157	7,525,707	792,550	
62+ Malta Government Savings Bond	378,550	472,517	372,564	-99,953	
Foreign Loans	420,780	420,657	420,527	-130	
MGSF investments in Government Debt	-117,853	-166,074	-175,750	-9,676	
Euro coins issued in the name of the Treasury	90,330	94,505	99,583	5,079	

Note: Totals may not add up due to rounding.

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## 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. [Reconciliation Table](#)

b. [ESA 2010 Glossary](#)

c. Other [Government Finance Statistics data requirements](#).

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 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 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](#)

[Statistical Database](#)

10. Any quotations from this news release are to be cited and/or referenced.

11. A detailed news release calendar is available [online](#).