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By the end of October 2021, the Government's Consolidated Fund reported a deficit of €1,064.9 million.

## Government Finance Data: January-October 2021

In the first ten months of 2021, Recurrent Revenue amounted to €4,017.5 million, 21.1 per cent higher than the €3,318.3 million reported a year earlier. The largest increase was recorded under Income Tax (€334.2 million), followed by Value Added Tax (€182.4 million), Social Security (€138.8 million), Grants (€32.6 million), Customs and Excise Duties (€26.2 million), Dividends on Investments (€18.8 million) and Licences, Taxes and Fines (€12.3 million). The rise in revenue was partially offset by decreases under Miscellaneous Receipts (€32.3 million), Fees of Office (€5.8 million), Rents (€5.4 million) and Reimbursements (€2.4 million).

By the end of October 2021, total expenditure stood at €5,082.5 million, 11.4 per cent higher than the previous year.

During the reference period, Recurrent Expenditure totalled €4,424.3 million, a rise of €730.0 million in comparison to the €3,694.4 million reported by the end of October 2020. The main contributor to this increase was a €603.8 million rise reported under Programmes and Initiatives. Furthermore, increases were also witnessed under Personal Emoluments (€91.2 million), Contributions to Government Entities (€30.4 million) and Operational and Maintenance Expenses (€4.5 million). The largest development in the Programmes and Initiatives category was related to the Pandemic assistance scheme (€300.4 million), which includes the COVID-19 Business Assistance Programme. Other increases under Programmes and Initiatives were reported under EU own resources (€77.6 million), Hospital concession agreements (€46.0 million), Social security benefits (€45.5 million), St Vincent de Paul Residence service contract (€17.9 million), Waiting lists for medical services (outsourcing) (€11.0 million), Church schools (€10.3 million), Extension of school transport network (€8.3 million), Residential care in private homes (€7.1 million), Allocation in respect of local councils (€6.1 million), Tax relief measure (€5.9 million), Economic regeneration voucher scheme (€4.7 million), Agriculture support scheme (€4.3 million), Court judgements (€4.1 million), Provision of spare capacity – electricity (€3.5 million), Child care for all (€3.3 million) and Students' maintenance grants (€3.0 million).

The interest component of the public debt servicing costs totalled €153.9 million, an increase of €2.4 million when compared to the previous year.

By the end of October 2021, Government's capital spending amounted to €504.3 million, €210.4 million lower than 2020. The drop largely resulted from the reclassification of the COVID-19 Business Assistance Programme (€262.0 million), which featured under Capital Expenditure between March and December 2020 but is now classified under Recurrent Expenditure. This decline outweighed an increase of €51.6 million reported in other capital projects.

The difference between total revenue and expenditure resulted in a deficit of €1,064.9 million being reported in the Government's Consolidated Fund at the end of October 2021. Compared to the same period in 2020, there was a decrease in deficit of €177.3 million. This difference mirrors an increase in total Recurrent Revenue (€699.3 million), partially offset by a rise in Total expenditure, consisting of Recurrent Expenditure (€730.0 million), Interest (€2.4 million) and Capital Expenditure (-€210.4 million). Changes in expenditure and revenue reflect developments related to COVID-19 (Table 1).

At the end of October 2021, Central Government debt stood at €7,966.7 million, a €1,462.6 million rise from 2020. Increases reported under Malta Government Stocks (€905.0 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 the 62+ Malta Government Savings Bond (€94.4 million), Treasury Bills (€42.5 million) and Euro coins issued in the name of the Treasury (€1.9 million). Finally, lower holdings by government funds in Malta Government Stocks resulted in a decrease in debt of €1.1 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-Oct 2019	Jan-Oct 2020	Jan-Oct 2021	Jan-Oct 2021 / Jan-Oct 2020	
				Change	% change
	€ 000				
<b>(a) Total Recurrent Revenue</b>	<b>3,940,125</b>	<b>3,318,255</b>	<b>4,017,544</b>	<b>699,289</b>	<b>21.1</b>
Customs and Excise Duties	277,667	216,164	242,361	26,197	
Licences, Taxes and Fines	328,176	258,026	270,337	12,311	
Income Tax	1,358,669	1,136,987	1,471,146	334,158	
Value Added Tax	744,152	587,260	769,630	182,370	
Fees of Office	72,271	90,452	84,619	-5,833	
Reimbursements	37,648	28,210	25,789	-2,421	
Central Bank of Malta	25,000	25,000	25,000	0	
Rents	33,881	27,380	22,012	-5,369	
Dividends on Investment	21,707	21,910	40,695	18,785	
Interest on loans made by Government	88	8	2	-6	
Social Security	821,454	752,940	891,789	138,849	
Grants	173,249	85,115	117,707	32,592	
Miscellaneous Receipts	46,162	88,802	56,457	-32,345	
<b>(b) Total Expenditure</b>	<b>3,929,957</b>	<b>4,560,474</b>	<b>5,082,466</b>	<b>521,992</b>	<b>11.4</b>
<i>Recurrent Expenditure</i>	3,361,755	3,694,357	4,424,316	729,959	19.8
Personal Emoluments	735,896	753,257	844,480	91,223	
Operational and Maintenance Expenses	176,122	212,378	216,918	4,539	
Programmes and Initiatives	2,028,548	2,215,044	2,818,794	603,750	
Contributions to Government Entities	421,189	513,678	544,125	30,447	
<i>Interest</i>	163,725	151,448	153,851	2,403	1.6
<i>Capital Expenditure</i>	404,476	714,668	504,298	-210,371	-29.4
<b>(a-b) Consolidated Fund Surplus/Deficit</b>	<b>10,168</b>	<b>-1,242,219</b>	<b>-1,064,921</b>	<b>177,298</b>	<b>-14.3</b>
<b>(c) Financial Transactions</b>					
<i>Revenue</i>					
Loans	359,713	1,244,791	1,364,770	119,980	
Repayment of Loans	0	668	1,030	362	
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	404,191	464,280	466,598	2,318	
Loans	0	0	0	0	

Note: Totals may not add up due to rounding.

Table 2. Revenue/Expenditure categories by month and description

Description	October 2019	October 2020	October 2021	October 2021 / October 2020	
				Change	% change
€ 000					
<b>(a) Total Recurrent Revenue</b>	<b>376,446</b>	<b>387,923</b>	<b>390,583</b>	<b>2,660</b>	<b>0.7</b>
Customs and Excise Duties	31,053	26,683	27,872	1,188	
Licences, Taxes and Fines	35,637	36,802	23,533	-13,269	
Income Tax	147,705	151,634	134,330	-17,305	
Value Added Tax	48,357	44,148	50,923	6,775	
Fees of Office	10,229	3,975	13,478	9,503	
Reimbursements	2,786	3,109	5,677	2,568	
Central Bank of Malta	0	0	0	0	
Rents	1,833	3,405	2,093	-1,313	
Dividends on Investment	3,010	6,000	6,044	44	
Interest on loans made by Government	0	0	0	0	
Social Security	88,078	95,180	93,908	-1,273	
Grants	4,228	829	22,491	21,662	
Miscellaneous Receipts	3,531	16,156	10,235	-5,921	
<b>(b) Total Expenditure</b>	<b>404,150</b>	<b>491,156</b>	<b>548,679</b>	<b>57,523</b>	<b>11.7</b>
<i>Recurrent Expenditure</i>	336,929	374,135	459,193	85,058	22.7
Personal Emoluments	72,416	72,774	82,948	10,175	
Operational and Maintenance Expenses	22,923	20,016	27,984	7,968	
Programmes and Initiatives	195,298	221,966	291,266	69,301	
Contributions to Government Entities	46,291	59,380	56,994	-2,386	
<i>Interest</i>	16,657	12,769	16,787	4,018	31.5
<i>Capital Expenditure</i>	50,564	104,251	72,699	-31,552	-30.3
<b>(a-b) Consolidated Fund Surplus/Deficit</b>	<b>-27,704</b>	<b>-103,233</b>	<b>-158,096</b>	<b>-54,863</b>	<b>53.1</b>
<b>(c) Financial Transactions</b>					
<i>Revenue</i>					
Loans	0	0	99,516	99,516	
Repayment of Loans	0	247	1,030	783	
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	277	47,914	0	-47,914	
Loans	0	0	0	0	

Note: Totals may not add up due to rounding.

Table 3. Central Government debt by month and description

Description	October 2019	October 2020	October 2021	October 2021 / October 2020	
				Change	% change
	€ 000				
<b>Total Central Government Debt</b>	<b>5,261,268</b>	<b>6,504,129</b>	<b>7,966,733</b>	<b>1,462,605</b>	<b>22.5</b>
<i>of which:</i>					
Treasury Bills	290,300	686,500	729,000	42,500	
Malta Government Stocks	4,714,412	5,457,872	6,362,826	904,954	
62+ Malta Government Savings Bond	290,331	381,537	475,936	94,399	
Foreign Loans	966	839	420,781	419,942	
Sinking funds investments in Government Debt	-123,153	-113,153	-114,274	-1,121	
Euro coins issued in the name of the Treasury	88,413	90,534	92,465	1,931	

Note: Totals may not add up due to rounding.

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

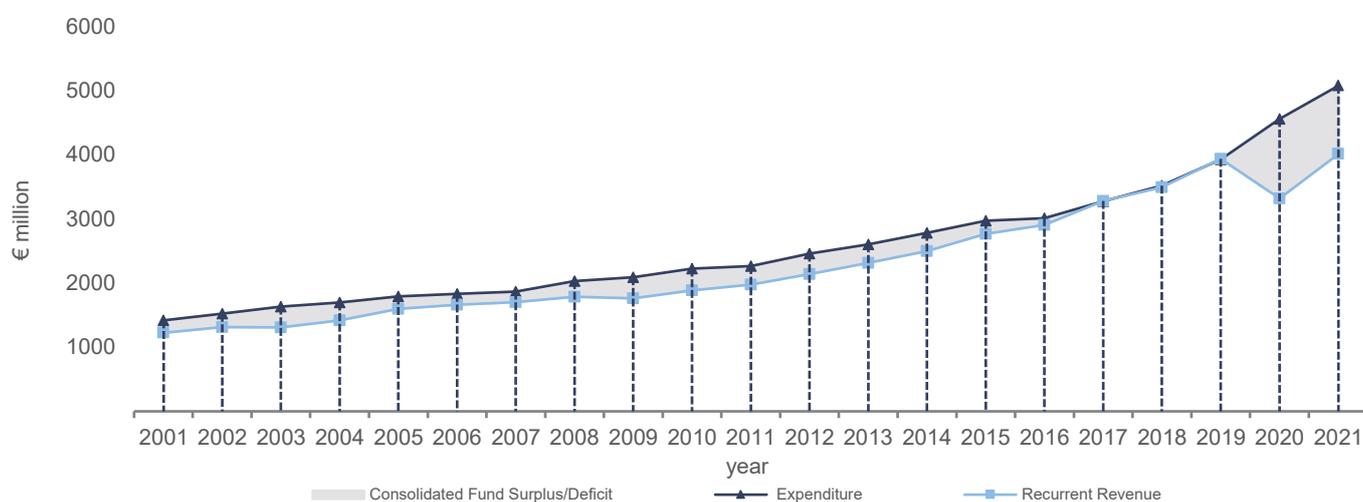
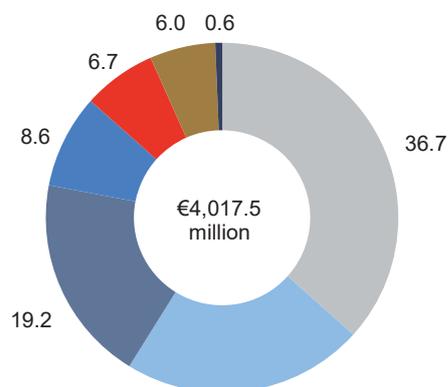
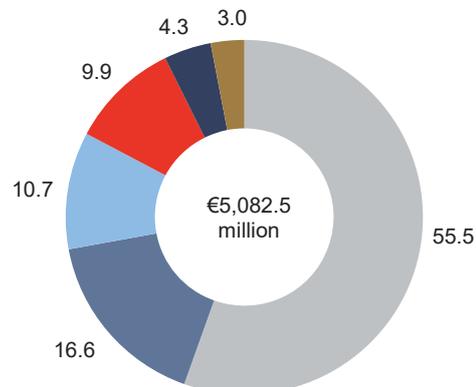


Chart 2. Recurrent Revenue by main category (%): January to October 2021



- Income Tax 36.7
- Social Security 22.2
- Value Added Tax 19.2
- Others 8.6
- Licences, Taxes and Fines 6.7
- Customs and Excise Duties 6.0
- Central Bank of Malta 0.6

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



- Programmes and Initiatives 55.5
- Personal Emoluments 16.6
- Contributions to Government Entities 10.7
- Capital Expenditure 9.9
- Operational and Maintenance Expenses 4.3
- Interest 3.0

## 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. 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:  
[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)