



**Ministry For
Finance**
July 2025

MALTA: HALF YEARLY REPORT 2025

In line with Article 39(7) of the Fiscal Responsibility Act

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Fiscal Responsibility Act, 2014 (Cap 534)

In accordance with the requirements of Article 39(7) of the Fiscal Responsibility Act, 2014, I hereby submit a Half-Yearly Report on the economic and budgetary Developments for the First Half of 2025

Clyde Caruana
Minister For Finance

1. Introduction

This year's Half Yearly Report, prepared in accordance with Article 39(7) of the Fiscal Responsibility Act (Cap. 534), marks the tenth report since the enactment of the act. The report focuses on the developments in the first half of 2025, providing an analysis of the macroeconomic and fiscal changes during this period. Notably, the forecasts presented in this report align with those in the annual progress report for 2025, reflecting the new fiscal rules under the Economic Governance Review (EGR) framework. An updated set of forecasts for macroeconomic developments, as well as revenue and expenditure commitments, will be presented in the Draft Budgetary Plan to be published in October.

The latest economic indicators suggest a more moderate growth rate in 2025 compared to previous years, primarily due to uncertainties related to geopolitical and trade tensions worldwide. In Malta, the tourism industry continues to be a significant growth driver, alongside the gaming and financial services sectors. Although the manufacturing sector experienced a slowdown in the first quarter of 2025, more positive developments are anticipated in the second half of the year. Inflationary pressures have subsided and are expected to remain stable in the short term.

Government revenue saw a notable increase in the first half of 2025 by €253.5 million, reflecting broad-based increases driven by higher receipts across all major tax categories and other revenue streams. Total general Government expenditure increased by €333.2 million in the first half of 2025 relative to the corresponding period in 2024. The main items under this increase are attributed to higher spending on compensation of employees, social payments and intermediate consumption.

In light of the new fiscal rules, controlling expenditure remains crucial, as the new fiscal rules heavily rely on a single net expenditure indicator that requires controlled expenditure growth. In 2025, Malta is expected to restrain its expenditure to comply with its obligations under the new EGR agreement.

2. Macroeconomic Overview

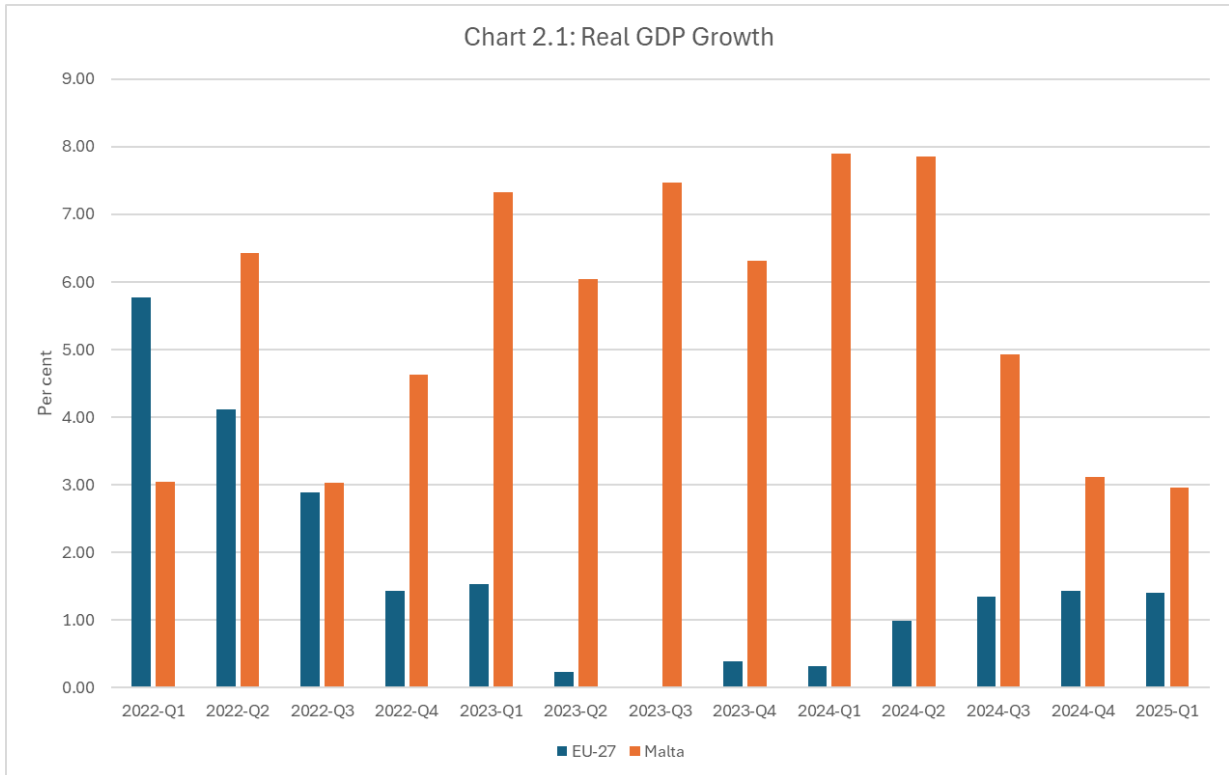
This section gives an update on macroeconomic developments since the Budgetary projections, with a particular emphasis on the actual data for the initial months of 2025.

2.1 Latest Economic Conditions

The Maltese economy began this year on strong footing, with real GDP growth reaching 5.9 per cent in 2024, surpassing initial expectations. The primary driver of this growth was domestic demand, contributing 5.0 percentage points, thanks to a robust labour market that boosted consumption. Malta's economic growth in 2024 stands out when compared to the EU and EA growth rates of 1.1 per cent and 0.9 per cent respectively, showcasing the resilience of the Maltese economy amidst a weak external environment. Additionally, net exports contributed 1.2 percentage points to real GDP growth, driven by resilient services exports and the positive performance of the tourism sector. This positive trend continued into the first months of 2025.

In the first quarter of 2025, the Maltese economy grew by 3.0 per cent in real terms and by 5.4 per cent in nominal terms compared to the same period in the previous year. Domestic demand re-emerged as the main driver of economic growth, contributing 2.0 percentage points, due to a strong and resilient labour market and the recovery in real wages which fuelled consumption expenditure. However, consumption appears to be normalising due to a decrease in labour migration and expected further increases as a result of the implementation of the labour migration policy. Changes in inventories contributed 0.5 percentage points, while net exports contributed 0.4 percentage points due to Malta's resilient services exports and the positive performance in tourism.

In the first quarter of 2025, total Gross Value Added (GVA) increased by 5.6 per cent in nominal terms compared to the same period last year. This growth was broad-based, with the largest growth rates being recorded in the Non-Manufacturing Sector (11.7 per cent), Public administration and defence; compulsory social security; education; human health and social work activities sectors (11.5 per cent), Wholesale and retail trade; repair of motor vehicles and motorcycles; transportation and storage; accommodation and food service activities sectors (11.0 per cent), and the Agriculture, forestry and fishing sector (10.7 per cent). The Manufacturing sector, the Financial and Insurance activities sectors, and the Construction sector contracted by 4.7 per cent, 1.1 per cent, and 0.5 per cent respectively. Consequently, the Services sector was the main driver of overall growth, contributing 5.7 percentage points to total GVA growth. In contrast, the Industrial sector produced a drag of -0.1 percentage points due to a decline in the Manufacturing sector.



From the income side, total compensation of employees increased by 7.2 per cent during the first quarter reflecting the newly agreed sectoral agreements signed in the last quarter of last year. This growth outpaced the growth in gross operating surplus, which rose by 4.0 per cent. Such moderation in the Gross Operating Surplus is indicative of the slowdown in aggregate demand after the post-pandemic boom, as well as higher labour costs in view of the tight labour market. Moreover, taxes less subsidies on production and imports increased by 4.1 per cent, experiencing a significant slowdown from the first quarter of last year.

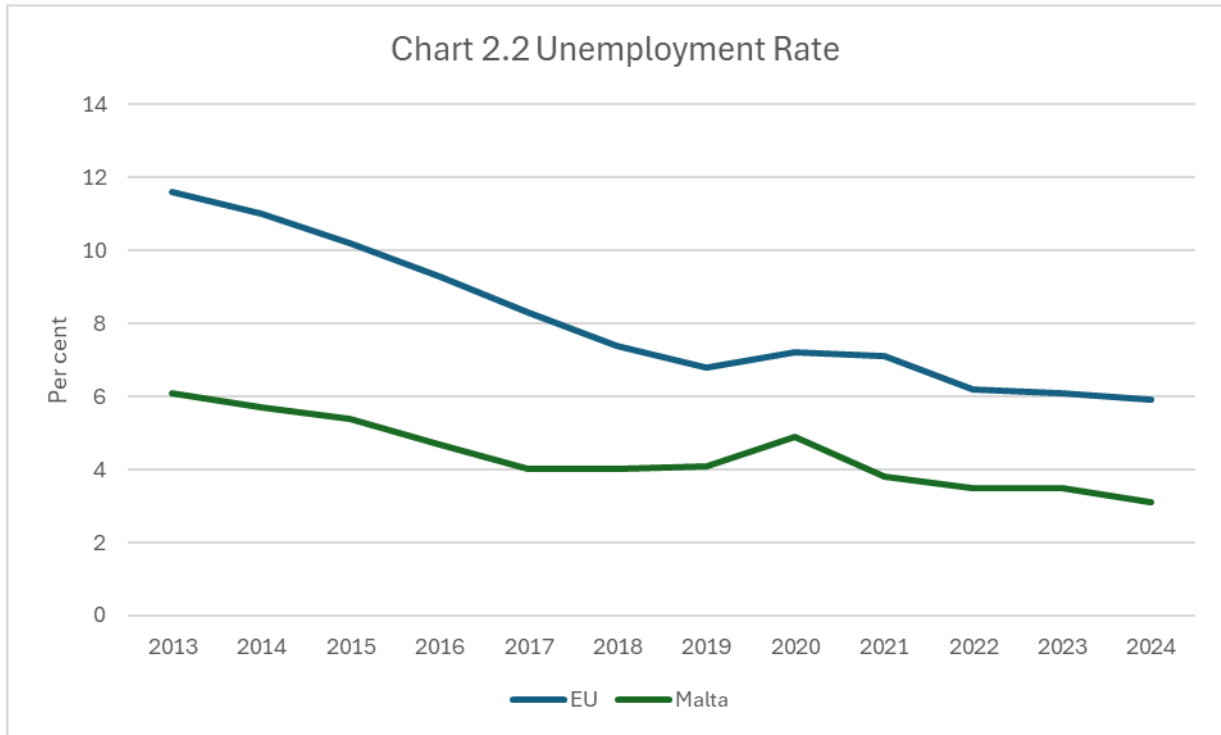
Over the coming months, economic activity is expected to remain robust. Domestic demand is anticipated to remain supported by the labour market, which remains a particularly strong source of economic growth in Malta. This is coupled with the ongoing recovery in household purchasing power in line with the disinflationary process and the widening of the income tax brackets.

From the external side, major trading partners appear to be gradually recovering following a period of stagnation. Meanwhile, global financial conditions remain relatively tight, showing early signs of easing as global inflation subsides. Albeit still relatively weak, this improvement in the global external outlook should support exports in the coming months, however, tensions regarding the export tariff situation in the U.S. are still in development. Moreover, during the first months of the year, the tourism industry has exceeded expectations, and recent data suggests that this positive performance is likely to persist throughout the summer period.

2.1.1 Labour Market

The labour market maintained its momentum in the first quarter of the year. Labour demand remained strong across all sectors, reflecting sustained economic activity, and supported by a growing labour supply. Consequently, during the first quarter of 2025, headcount employment increased by 3.5 per cent when compared to the same period in 2024.

Continued labour demand, a result of broad-based sectoral growth, together with persistent labour shortages, maintained a historically low unemployment rate (harmonised definition) over the course of 2024, averaging at 3.1 per cent, compared to the EU average of 5.9 per cent. This positive trend persisted during the first 5 months of this year, with Malta recording the lowest unemployment rate in the EU in May 2025 (2.7 per cent) with the Czech Republic, and followed by Cyprus, Poland, and the Netherlands respectively.



Main Macroeconomic Indicators

Table 2.1

	2022 ⁽¹⁾	2023 ⁽¹⁾	2024 ⁽¹⁾	2025 ^{af}	2025 ^{sf}
GDP growth at current Market Prices (%)	9.6	12.4	9.3	7.0	6.7
GDP growth at chain-linked volumes by period (reference year 2020)	4.3	6.8	5.9	4.3	4.0
Expenditure Components of GDP chain-linked volumes by period (reference year 2020)					
Private Final Consumption Expenditure ⁽²⁾	11.0	11.9	6.5	4.6	4.7
General Government Final Consumption Expenditure	0.2	3.0	6.9	1.9	6.5
Gross Fixed Capital Formation	9.8	-16.6	4.2	5.5	2.5
Exports of Goods and Services	13.8	5.6	4.9	5.3	3.4
Imports of Goods and Services	18.4	1.9	4.5	5.3	3.6
Contribution to GDP growth:					
Domestic Demand	6.8	1.8	5.0	3.4	3.7
Inventories	-0.1	0.0	-0.4	0.0	0.0
Net Exports	-2.5	5.0	1.2	0.9	0.3
Inflation rate (%)	6.1	5.6	2.4	2.1	2.3
Employment growth (%) ⁽³⁾	4.9	6.8	5.3	4.2	4.0
Unemployment rate (%)	3.5	3.5	3.1	3.1	3.0
Potential GDP growth	4.7	6.1	5.9	4.8	4.3
Output Gap	-0.9	-0.3	-0.2	-0.5	-0.5

Notes:

af - Autumn (Budget) Forecasts

sf - Spring (Revised) Forecasts

(1) Actual data Source: NSO News Release No. 098/2025 - GDP Release 2025/Q1

(2) Includes NPISH final consumption expenditure

(3) National Accounts Definition

2.1.2 Prices

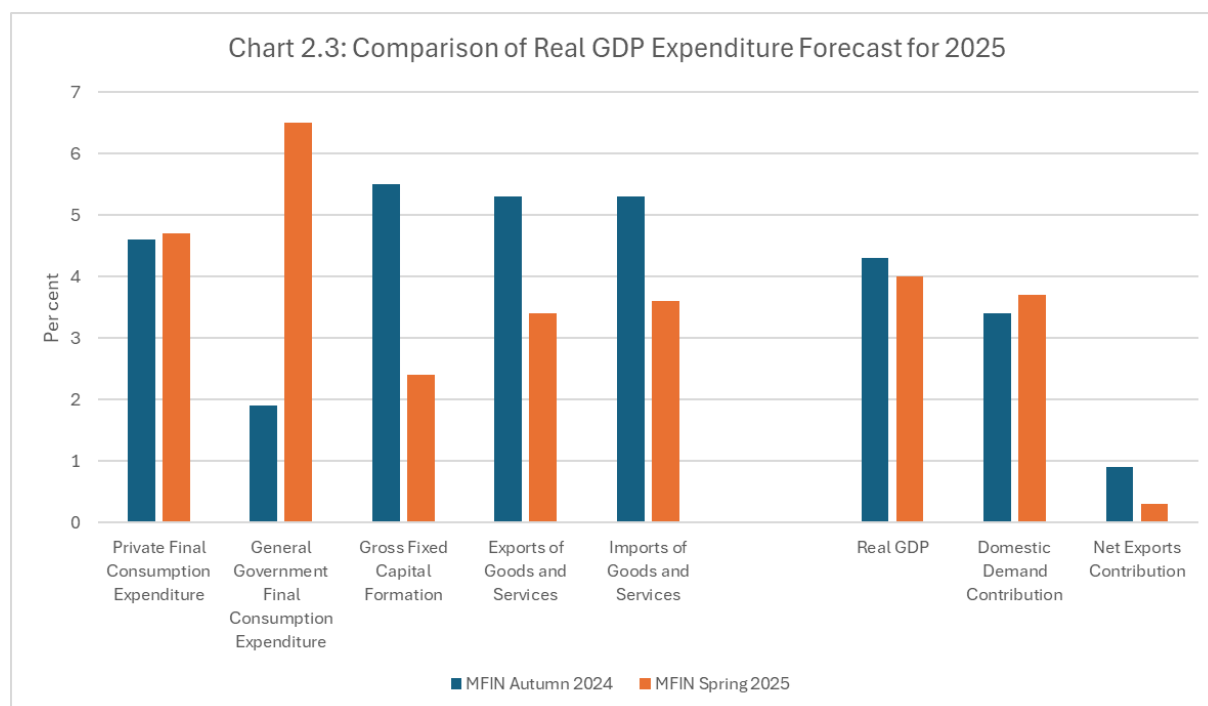
Inflation in Malta started increasing after reaching its lowest point in the end of 2024 (1.8 per cent) and beginning of 2025. In May of 2025 it reached 2.7 per cent before decreasing to 2.5 per cent in June.

Services inflation was the primary contributor to the increase in inflation during the first half of 2025. This is related to the recovery in wages, which pushes costs upwards, as well as sustained aggregate demand, inducing demand-side pressures.

2.2 Comparison of Macroeconomic Projections

This section provides a comparative evaluation of the latest macroeconomic forecasts for 2025 published in the Annual Progress Report 2025 (hereinafter referred to as the Spring 2025 forecast)

against the forecasts for the same year that underpinned the Budget 2025 projections in October 2024 (hereinafter referred to as the Autumn 2024 forecasts). This assessment aims to explain the main forecast revisions that were undertaken since October 2024. Data referred to in this section is shown in Table 2.1.



2.2.1 Statistical Revisions influencing the change in Macroeconomic Forecasts

The headline real and nominal GDP growth rates for 2025 have been revised downwards from the Autumn 2024 forecasting session to the Spring 2025 forecasting session. In Autumn 2024, nominal and real GDP projections for 2025 were 7.0 per cent and 4.3 per cent, respectively, while in Spring 2025, economic growth was forecasted to be 6.7 per cent in nominal terms and 4.0 per cent in real terms. This is attributed to the global uncertainty that is present nowadays stemming from the trade war with the US as well as the wars of the Middle East and that of Russia-Ukraine. The next sub-sections will delve deeper in the revisions of the components shown in table 2.1.

2.2.2 Private Consumption Expenditure

The revised forecasts presented by MFIN in Spring 2025 projected a slightly higher rate of growth in private consumption expenditure by 0.1 percentage points, when compared to the Autumn 2024 forecasts. Compared to the previous years this shows a normalization in consumption. A revised outlook for disposable income primarily underpinned the revision as well as a slowdown in employment growth due to lower migration inflows, especially in light of the labour migration policy. An opposing force to this is the widening of the income tax brackets which is expected to continue improving consumer and business confidence.

2.2.3 Public Consumption Expenditure

Growth in Government final consumption expenditure for 2025 has been revised upwards by 4.6 percentage points, to reach 6.5 per cent in the Spring forecast. This increase is attributed to an

increase in intermediate Government consumption and compensation of employees from the newly agreed sectoral agreement.

2.2.4 Gross Fixed Capital Formation

The outlook for GFCF in 2025 has been revised downwards from 5.5 per cent in October 2024 to 2.4 per cent in April 2025. It is important to acknowledge that GFCF has a volatile nature, therefore a prudent approach is generally followed when forecasting such aggregates. This downward revision reflects the expected drag from elevated uncertainty. The resulting negative carry over effect from last year, combined with increased uncertainty, is anticipated to dampen investment in machinery and equipment, as firms adopt a more cautious stance and postpone capital outlays. At the same time, weak equipment investment is expected to be partially offset by sustained construction activity.

2.2.5 External Balance of Goods and Services

Both exports and imports projections for 2025 have been revised downwards from both 5.3 per cent in Autumn of 2024 to 3.4 per cent for exports and 3.6 per cent for imports. This all comes as a result of the on-going trade war with the US and other global uncertainties for example the sanctions on Russian oil and gas, the Middle East's ongoing conflicts and the Russia-Ukraine war. Trade tensions are anticipated to weigh on goods exports, although services exports are expected to remain resilient. The tourism sector has, thus far, held up well amid prevailing uncertainty. In the first 6 months of this year, inbound tourism increased by 13.5 per cent compared with the first half of 2024, with high-frequency indicators pointing to further strengthening in the off-peak season. Export growth should also be supported by resilient non-tourism services, which are expected to gain momentum in the second half of the year. By contrast, goods exports are expected to remain weak throughout the year. The ease in import growth is partly a result of weak investment activity which tends to be relatively import intensive in Malta. At the same time, sustained household demand and an assumed weaker euro, should provide some support for imports.

2.2.6 Inflation and Labour Market Developments

The Spring forecasts expected inflationary pressures to increase by 0.2 percentage points when compared with the rate forecasted in Autumn 2024 and reach 2.3 per cent. Tariffs and reciprocal measures between the US and the EU, in addition to disruptions to the global supply chain, would also lead to higher input costs for businesses, which would be passed on to the consumer, leading to higher inflation, although this could be partly mitigated by weaker global growth and trade diversion from the Asian continent where the escalation of US tariffs is expected to be concentrated. Organically, inflation has been driven mostly by services inflation. Moreover, employment growth has been revised downwards by 0.2 percentage points, standing at 4.0 per cent in the Spring 2025 forecast. This downwards revision come due to an expected slowdown in migration inflows especially given that the labour migration policy is expected to start taking effect from the beginning of August.

2.2.7 Potential Output and the Output Gap

Malta's potential output growth in Spring 2025 was projected to reach 4.3 per cent in 2025, which is 0.5 percentage points lower than what was projected in Autumn 2024. On the other hand, for the estimate of the output gap (per cent of potential output) the same projection made in Autumn 2024 was kept in Spring 2025, standing at -0.5 percent of potential output. This was due to the

fact that 2024 growth surprised on the upside, bringing the economy closer to potential growth. Labour is considered as the main contributor for potential output growth, also its level of contribution is expected to start easing due to the labour migration policy measures. Productivity is set to remain weak hence the output gap projection for 2025 remaining the same.

2.3 Other Developments since the DBP Projections influencing the Macroeconomic Forecasts

Despite a persistently weak external environment and continued domestic labour shortages, economic activity in Malta remained resilient. Global challenges have increased significantly since the last DBP forecast, with increased trade uncertainty. On the domestic front, downside risks have also increased, namely persistent labour problems stemming from shortages coupled with labour-intensive processes, wage pressures and a widening investment gap.

Inbound tourism continued increasing in the beginning of 2025 along with expenditure per capita. The tourism sector is showing many signs of strong growth. Underlying the positive figures are efforts to strengthen connectivity, improve operational performance and make Malta a more sustainable destination.

A significant development subsequent to the Autumn 2024 forecast pertains to the change in administration within the US. The US policies since then, particularly those relating to tariffs, have produced unprecedented levels of uncertainty with regards to trade. On the 1st of April, the US announced a new round of tariffs, imposing a 10.0 per cent duty on steel and aluminium imports from the EU. There is a further possibility that these tariffs could rise to 30.0 per cent on EU exports if a trade agreement is not reached by the beginning of August. The imposition of these tariffs would have a significant impact on the bloc's export competitiveness in the large US market, and negatively influence income levels, especially in manufacturing-dependent economies.

In retaliation, the European Commission also plans to impose tariffs on US imports, should trade deals falter. The main consensus held by business leaders and European Governments, however, is that many of the tariffs, which will increase input costs for businesses, will be worse felt by the EU than the US. In spite of this, weaker global growth and trade diversion from Asia, where US tariffs are expected to be concentrated, might partly mitigate this. The restructuring of global trade flows in response to these tariffs will significantly slow down global economic activity, posing a downside risk to the Spring 2025 forecast.

Given its small size, Malta's economy is highly open to trade. However, since its exports are primarily composed of services, the direct impact of these tariffs on Malta is limited. Indirect effects, nonetheless, are significant, as they influence Malta's key trading partners. Additionally, the domestic manufacturing sector remains vulnerable to such external risks, having already registered a 4.7 per cent decline in the first quarter of 2025. While direct exposure may be limited, Malta's goods and services exports are still expected to be affected, particularly through second-round and induced effects stemming from weaker external demand. Furthermore, heightened economic volatility is already dampening the short-term investment outlook, as business defer planned investments.

In the face of increasing geopolitical tensions, the EU feels that it is necessary for countries to increase their defence spending, given the EU's vulnerability to external threats. Europe's defence capabilities will need to adapt and modernise in relation to constantly changing warfare

techniques and technologies. This could also alter the patterns of aggregate demand across member states.

3. 2025 targets as established in the 2024 Medium-Term Fiscal Strategy and the 2025 Draft Budgetary Plan

In July 2024, the European Council recommended that Malta continue phasing out emergency energy support measures by winter 2024/25. The Council also called for further action to address aggressive tax planning, including the introduction of withholding taxes on outbound payments and revisions to the tax framework for non-domiciled companies. Additionally, structural recommendations proposed to improve education and training quality to help mitigate skill shortages and enhance student and teacher outcomes. The Council further advised accelerating the adoption of renewable energy sources and investing in public transport and soft mobility options to alleviate traffic congestion. It also highlighted the importance of accelerating the implementation of investments under the Recovery and Resilience Facility and cohesion policy programmes.

In view of the revised reporting requirements introduced under the new Economic Governance Framework adopted by the European Council in April 2024, the 2024–2027 Medium-Term Fiscal Strategy (MTFS) and the 2025 Draft Budgetary Plan (DBP) were prepared in a coordinated manner to ensure consistency in the fiscal policy framework. The targets and projections contained in the 2024 MTFS were fully aligned with those set out in the 2025 DBP, which was submitted to the European Commission in October 2024. While the DBP focused on the annual budgetary objectives and measures planned for 2025, the MTFS set out Malta’s fiscal strategy over a three-year horizon, including medium-term fiscal targets and macroeconomic projections until 2027.

The overarching fiscal objective for 2025 remained the gradual correction of the general Government deficit in a manner that preserves macroeconomic stability and accommodates the necessary investments to support long-term growth. Within this context, the 2025 DBP projected a narrowing of the deficit from 4.0 per cent of GDP in 2024 to 3.5 per cent in 2025, supported by a containment of nationally financed net primary expenditure growth to 5.6 per cent, in line with the Council’s recommended adjustment path.

In 2025, both the revenue and expenditure ratios to GDP were expected to decline, with the revenue ratio forecast to drop from 32.8 per cent in 2024 to 32.0 per cent in 2025, while the expenditure ratio was forecast to decrease from 36.9 per cent to 35.5 per cent over the same period. Meanwhile, the general Government debt ratio was projected to increase moderately to 50.1 per cent of GDP in 2025, from 49.5 per cent in 2024.

The decline in the revenue-to-GDP ratio mainly reflected a projected decline in ‘other’ revenue, including capital transfers and investment grants, which were expected to decline by 0.4 percentage points from 5.0 per cent of GDP in 2024 to 4.6 per cent in 2025. Proceeds from current taxes on income and wealth were also projected to decrease by 0.4 percentage points of GDP, primarily due to the fiscal impact of changes to the income tax bands. On the expenditure side, most components were expected to decline as a share of GDP in 2025, except for intermediate consumption and interest expenditure. Notably, lower outlays were expected for subsidies and capital transfers. Despite these reductions, the composition of expenditure continued to reflect Government priorities in social protection, investment, and the public sector wage bill.

A list of the main discretionary measures underpinning the fiscal developments is presented in Table 3.1.

Subsequently, the Commission's opinion on the 2025 Draft Budgetary Plan, published on 26 November 2024, concluded that the macroeconomic framework supporting the budgetary forecasts aligned with the Commission's 2024 autumn projections for both 2024 and 2025. The fiscal stance for 2025 was assessed to remain contractionary in 2025, in continuation of the adjustment effort sustained in 2024. The Commission projected that net nationally-financed primary expenditure would increase by 5.6 per cent in 2025, in line with the recommended adjustment path to bring the general Government deficit below the 3.0 per cent of GDP Treaty reference value.

Discretionary Fiscal Measures

Table 3.1

Detailed description	Target (Expenditure / Revenue component) / ESA Code	Introduced in Budget for...	Incremental Budgetary Impact (% of GDP)		
			2023	2024	2025sf
The use of digital tools and data-led intelligence to enhance the efficiency and effectiveness of tax collection	D211 - R	2022	-0.01	0.11	-0.01
Reduced tax on the transfer of immovable property payable by buyers	D5 - R	2020	0.21	-0.03	0.01
Revenue from Citizenship by Investment Scheme	D5 - R	2014	0.14	0.30	-0.18
Comprehensive review of Malta's tax system, including structure and rates	D5 - R	2024	0.00	0.00	-0.54
Reduced tax on the transfer of immovable property payable by sellers	D5 - R	2020	0.21	-0.03	0.01
Other revenue measures			-0.21	-0.03	-0.04
COVID expenditure	P2 - E	2020	0.17	0.05	0.02
Energy support measures	D319 - E	2020 -2022	0.41	0.51	0.10
Commodity price and supply security measures	D319 - E	2022	-0.04	0.03	0.03
Free public transport	D319 - E	2022	-0.12	0.00	0.02
National Airline Restructuring Assistance and early retirement schemes	D39 - E	2022	0.14	0.65	-0.05
Sustainable Enterprises scheme	D39 - E	2020	0.64	0.00	0.00
Extension of the school transport network	D6 - E	2018	-0.03	0.04	0.04
Extended COLA mechanism	D6 - E	2023	-0.02	-0.09	-0.02

Social Support Measures	D6 - E	2018 - 2023	-0.22	0.03	0.06
Past Anomalies Schemes	D6 - E	2023	-0.05	0.00	0.00
Economic Stimulus	D7 - E	2022	0.26	0.00	0.00
Capital Transfer to KM Malta Airlines and Air Malta	D9 - E	2024	0	-1.17	1.17
Other expenditure measures			0.14	-0.02	-0.30
			1.62	0.36	0.32

The impact is recorded in incremental terms - as opposed to levels - compared to the previous year's baseline projection. The total figure is the Total impact on the budget balance, as a revenue increasing measure is listed as positive, while an expenditure decreasing measure is also positive. The contrary applies for negative figures, such that a revenue decreasing measure is negative and an expenditure increasing measure is also negative. Simple permanent measures are recorded as having an effect of +/- X in the year(s) they are introduced and zero otherwise (the overall impact on the level of revenues or expenditures does not cancel out). If the impact of a measure varies over time, only the incremental impact is recorded in the table. By their nature, one-off measures are recorded as having an effect of +/- X in the year of the first budgetary impact and -/+ X in the following year, i.e. the overall impact on the level of revenues or expenditures in two consecutive years is zero. The measures may not add up to the total due to the marginal impact of measures legislated in previous' years Budget, but which might nonetheless have a marginal impact on the budget balance.

4. General Government Budgetary Developments in H1 2025

This section examines the Government's provisional revenue and expenditure data for the first half of 2025, comparing it with actual data from the corresponding period in 2024, as well as the latest 2025 revised projections. The outcomes are presented in Table 4.1. The assessment of developments against targets is mainly undertaken using ESA 2010 classification. As such, data are provisional and may be subject to revisions.

Between January and June 2025, general Government revenue is estimated to have increased by €253.5 million, or 6.9 per cent, compared to the same period in 2024. The increase was broad-based, driven by higher receipts across all major tax categories and other revenue streams. By mid-2025, 49.8 per cent of the updated full-year revenue forecast had been collected, more buoyant compared to seasonal patterns observed in previous years.

General Government Budgetary Execution and Prospects in Accordance with ESA Standards						
<i>The data for 2025Q2 was partly estimated and is to be considered as provisional</i>						
Table 4.1						
	ESA Code	2024 Actual	2025 Budget Forecast	Jan-Jun 2024 Actual	Jan-Jun 2025 Provisional	2025 Revised Forecast
		€ 000	€ 000	€ 000	€ 000	€ 000
Net lending (+)/net borrowing (-)						
1. General Government	S.13	-825,336	-847,402	-92,341	-172,036	-787,758
2. Central Government	S.1311	-821,710	-846,189	-91,508	-174,018	-786,545
3. State Government	S.1312	-	-	-	-	-
4. Local Government	S.1313	-3,626	-1,213	-834	1,981	-1,213
5. Social Security funds	S.1314	-	-	-	-	-
For the General Government						
6. Total Revenue	TR	7,784,611	7,634,855	3,683,791	3,937,284	7,902,602
Of which						
Taxes on Production and Imports	D.2	2,110,004	2,353,050	1,080,611	1,100,348	2,195,409
Current Taxes on Income, Wealth, etc.	D.5	3,381,874	2,892,359	1,544,001	1,698,498	3,342,876
Capital Taxes	D.91	37,478	36,515	16,635	20,793	36,515
Social Contributions	D.61	1,172,014	1,203,425	557,932	587,213	1,242,625
Property Income	D.4	113,751	64,531	50,349	35,521	98,933
Other ^(a)		969,489	1,084,975	434,262	494,911	986,244
7. Total Expenditure	TE	8,609,948	8,482,257	3,776,132	4,109,320	8,690,360
Of which						
Compensation of employees	D.1	2,216,102	2,328,499	1,031,221	1,153,716	2,375,433
Intermediate Consumption	P.2	1,699,154	1,816,446	774,159	855,039	1,933,226
Social Payments	D.6	1,830,656	1,889,026	968,956	1,052,261	1,928,796
Interest Expenditure	D.41	266,337	317,274	124,248	142,892	317,199
Subsidies	D.3	561,289	502,510	215,821	238,964	545,699
Gross Fixed Capital Formation	P.51	738,372	934,021	307,617	303,665	902,828
Capital Transfers	D.9	666,417	122,189	78,694	74,366	140,577
Other ^(b)		631,621	572,292	275,417	288,417	546,601
8. Gross Debt ^(c)		10,652,732	11,968,000	10,112,148	11,122,556	11,968,000
Notes:						
^(a) P.11 + P.12 + P.131 + D.39rec + D.7rec + D.9rec (other than D.91rec).						
^(b) D.29 + D.4pay (other than D.41pay) + D.5pay + D.7pay + P.5M + NP + D.8.						
^(c) As defined in Council Regulation (EC) No 479/2009 (OJ L 145, 10.6.2009, p. 1).						

Revenue from taxes on production and imports increased by a modest €20.0 million, or 1.8 per cent, in the first half of 2025 compared to the same period in 2024. Just over half of the annual forecast had been collected by mid-year, down from 51.2 per cent a year earlier. This underperformance may suggest some downside risks to end-year targets, warranting further monitoring.

In contrast, current taxes on income and wealth registered a significant increase of €154.5 million, or 10.0 per cent. These taxes reached 50.8 per cent of the annual estimate, which is more robust compared to the 45.7 per cent collection rate observed at the same point in 2024. The increase in receipts is attributable to robust economic activity, steady employment growth, and improved tax compliance.

Social contributions increased by €29.3 million, or 5.2 per cent, and by June 2025, 47.3 per cent of the annual estimate had been collected, marginally lower from 47.6 per cent a year earlier. This performance is consistent with strong employment dynamics and the positive wage growth observed in recent quarters.

Other revenue is estimated to have increased by €60.6 million year-on-year to €494.9 million. This equated to 50.2 per cent of the updated full-year projection, significantly higher than the collection ratio of 44.8 per cent registered in the previous year.

On the expenditure side, total general Government expenditure increased by €333.2 million, or 8.8 per cent, in the first half of 2025 relative to the same period in 2024. Overall, 47.3 per cent of the updated forecast for annual expenditure had been spent by mid-2025, higher than the 43.9 per cent recorded in the first half of 2024. It should be noted that several one-off expenditure items were implemented during the second half of 2024. As a result, direct comparisons between developments in the first half of 2025 relative to the same period in 2024, should be interpreted with caution, as such temporary factors may distort underlying trends. The main drivers were higher spending on compensation of employees, social payments, and intermediate consumption.

Compensation of employees rose by €122.5 million, or 11.9 per cent, reaching 48.6 per cent of the approved allocation by mid-year. In particular, wage adjustments during the first half of 2025 reflected the implementation of the public sector collective agreement, as well as various sectoral agreements—including those concluded in 2024 that only began impacting expenditure later that year.

Social payments rose by €83.3 million, or 8.6 per cent, in the first six months of 2025. By mid-year, 54.6 per cent of the approved annual budget had been utilised, marginally higher compared to 52.9 per cent in 2024. This reflects higher outlays towards social security benefits.

Intermediate consumption increased by €80.9 million (10.4 per cent), with 44.2 per cent of the latest annual allocation used. Spending was broadly aligned with seasonal patterns and suggests consistency with the latest estimates for 2025.

As a result of these developments, the general Government deficit is estimated at €172.0 million for the first half of 2025, up from €92.3 million in the same period of 2024. While this reflects a widening in nominal terms, the mid-year outturn remains broadly aligned with the annual deficit forecast of €787.8 million, suggesting limited deviation from the updated fiscal path.

Box 4.1: Analysis of the Consolidated Fund: Developments in January-June 2025 compared to 2024

During the first six months of 2025, developments in the Consolidated Fund continued to reflect the evolving fiscal and economic conditions, with both revenue and expenditure registering notable changes when compared to the corresponding period in 2024.

Total recurrent revenue for the period January to June 2025 amounted to €3,474.3 million, representing an increase of €69.5 million, or 2.0 per cent, over the same period in 2024. This growth was largely driven by higher tax revenue, which rose by €142.2 million, or 4.6 per cent, reaching €3,262.2 million. The increase in tax revenue reflects favourable economic performance and improved tax compliance supported by enhanced use of data-driven systems and digital tools. On the other hand, non-tax revenue declined from €284.7 million in the first half of 2024 to €212.0 million in the same period of 2025, although it remained broadly in line with annual projections.

Among the main tax components, revenue from Customs and Excise Duties rose on account of stronger intakes from petroleum excise and import duties. Licences, Taxes and Fines also registered an increase, mainly driven by higher revenue from property-related taxes, vehicle registration fees and annual circulation licences, partially offset by lower gaming taxes. VAT revenue declined by 2.5 per cent on a year-on-year basis, underperforming relative to forecast. Income Tax revenue increased by €26.8 million over the same period in 2024, largely attributable to higher corporate tax receipts. Revenue from social contributions also grew robustly, rising by €80.7 million, or 11.7 per cent, compared to the same period of the previous year. By end-June 2025, approximately 47.3 per cent of the approved tax revenue target had been collected, compared to 49.9 per cent over the same period in 2024.

On the expenditure side, total expenditure amounted to €3,928.2 million during the first half of 2025, an increase of €433.7 million over the same period in 2024. Recurrent expenditure reached €3,442.9 million, €375.4 million higher than in the corresponding period of the previous year. The main contributors to this increase were programmes and initiatives, which rose by €165.7 million, primarily reflecting higher outlays on social security benefits, the State Contribution, EU Own Resources, and funding for Church schools. Additional increases were recorded under personal emoluments, which rose by €104.0 million, and contributions to Government entities, which increased by €66.5 million. By end-June 2025, 49.2 per cent of the annual target for recurrent expenditure had been utilised, compared to 44.5 per cent in the same period of 2024.

Interest payments on public debt amounted to €143.9 million, an increase of €17.0 million year-on-year, while the share of interest expenditure relative to the annual estimate remained unchanged at 46.1 per cent. Capital expenditure during the period under review stood at €341.4 million, marginally higher than the €300.2 million recorded a year earlier, and broadly aligned with expectations for the overall capital allocation in 2025.

The difference between total revenue and total expenditure resulted in a Consolidated Fund deficit of €453.9 million at the end of June 2025, compared to a deficit of €89.8 million recorded during the same period in 2024. While revenue performance, particularly in tax categories, has been strong, the widening of the deficit primarily reflects the higher growth in expenditure, which outpaced revenue increases by a significant margin. The €433.7 million increase in expenditure relative to the €69.5 million rise in revenue contributed to a €364.2 million deterioration in the overall fiscal balance during the first half of the year.

Central Government Finances - Consolidated Fund

Box Table 1

	Jan - Dec 2024 <i>Actual</i> € 000	Jan - Dec 2025 <i>Approved Estimates</i> € 000	Jan - Jun 2024 <i>Actual</i> € 000	Jan - Jun 2024 <i>Actual as a % of 2024</i>	Jan - Jun 2025 <i>Actual</i> € 000	Jan - Jun 2025 <i>Actual as a % of 2025</i>
Revenue	7,859,638	7,516,928	3,404,612	43.3	3,474,246	46.2
Tax Revenue	7,182,384	6,897,000	3,120,018	43.4	3,262,222	47.3
<i>Indirect Tax Revenue</i>	2,199,734	2,407,000	1,048,537	47.7	1,083,179	45.0
Customs and Excise Duties	313,691	329,000	118,500	37.8	158,099	48.1
Licenses, Taxes, and Fines	421,795	467,000	210,633	49.9	223,897	47.9
Value Added Tax	1,464,248	1,611,000	719,405	49.1	701,183	43.5
<i>Direct Tax Revenue</i>	4,982,650	4,490,000	2,071,481	41.6	2,179,043	48.5
Income Tax	3,416,662	2,848,000	1,379,050	40.4	1,405,872	49.4
Social Security	1,565,988	1,642,000	692,432	44.2	773,171	47.1
Non-Tax Revenue	677,253	619,928	284,594	42.0	212,024	34.2
Fees of Office	138,127	112,607	56,322	40.8	61,288	54.4
Sales	103,199	97,638	39,509	38.3	47,800	49.0
Reimbursements	12,751	7,228	1,704	13.4	13,392	185.3
Central Bank of Malta	0	5,000	0	0.0	0	0.0
Rents	34,154	37,640	14,392	42.1	18,302	48.6
Dividends on Investments / Receipts	54,246	58,250	15,908	29.3	11,997	20.6
Interests on Loans made by Government	1,861	1,276	844	45.3	487	38.2
Grants	302,447	288,383	130,186	43.0	43,599	15.1
Miscellaneous	30,467	11,906	25,730	84.5	15,159	127.3
Total Expenditure⁽¹⁾	8,292,440	8,366,089	3,494,503	42.1	3,931,695	47.0
Recurrent Expenditure	6,890,327	6,999,392	3,067,438	44.5	3,446,394	49.2
Personal Emoluments	1,411,708	1,467,628	600,401	42.5	704,388	48.0
Operations and Maintenance	372,554	378,351	157,603	42.3	196,798	52.0
Programmes and Initiatives	4,226,625	4,228,810	1,916,005	45.3	2,085,271	49.3
Contributions to Government Entities	879,440	924,603	393,428	44.7	459,938	49.7
Interest Payments	261,438	311,970	126,914	48.5	143,900	46.1
Capital Expenditure	1,140,676	1,054,727	300,151	26.3	341,401	32.4
Foreign Funds	204,046	288,383	77,070	37.8	86,643	30.0
National Funds (incl Co Financing)	936,630	766,344	223,081	23.8	254,758	33.2
Consolidated Fund Balance	-432,803	-849,161	-89,891		-457,449	

Notes:

af - Autumn Forecasts (Approved Estimates)

⁽¹⁾ Excluding sinking fund contributions, direct loan repayments, loan facility and equity acquisition

5. Debt Developments and Targets

This section presents an overview of the developments and composition of the general Government debt during the first six months of 2025, in comparison to the targets set in the 2025 Budget. Additionally, the section also provides an analysis of key trends observed in the Eurozone sovereign bond market and the domestic Malta Government Stocks (MGS) market over the same period.

5.1 Debt Developments and Components of General Government

Public Debt

The general Government debt increased by €822.1 million over 2023 and stood at €10,652.7 million in 2024. As outlined in table 5.1, the debt to-GDP ratio for 2024 stood at 47.4 per cent. This was underlined by an improvement in the primary balance and the stock flow adjustment.

Table 7 in the statistical annex illustrates the Statement of general Government sector debt. Actual consolidated General Government debt as of 30 June 2025 stood at €11,122.6 million (30 June 2024: €10,112.1 million). The consolidated outstanding Malta Government Stock (MGS) figure increased by €812.3 million to €8,957.8 million compared to end June 2024 levels. The outstanding Malta Government Retail Savings Bonds (MGRSB) balance stood at €322.7 million, a decrease of €6.0 million over the last 12 months. The consolidated outstanding amount of Treasury Bills (T-bills) rose by €107.0 million from the 30 June 2024 balance and stood at €639.1 million as at the end of June 2025. The foreign loans outstanding balance (entirely denominated in euro from April 2024) stood at €570.1 million as of 30 June 2025, up by €77.7 million over the corresponding figure for last year, accounted for by the new European Investment Bank (EIB) loan disbursed in June 2025. Foreign loans, including Support to mitigate Unemployment Risks in an Emergency (SURE) loans and the EIB loans, comprised 5.1 per cent of total gross outstanding central Government debt as at 30 June 2025, compared to 4.9 per cent a year earlier.

General Government (S.13) Debt Developments and Prospects

Table 5.1

	ESA Code	2024 % GDP	2025s ^{sf} % GDP
1. Gross Debt^(a)		47.4	48.4
2. Change in Gross Debt ratio		-0.4	1.0
Contributions to changes in Gross Debt^(b)			
3. Primary Balance		2.5	2.0
4. Interest Expenditure	D.41	1.2	1.3
5. Stock-flow adjustment		0.0	0.7
p.m.: Implicit interest rate on debt ^(c) (%)		2.7	3.0
Other relevant variables			
Percentage of debt related to foreign loans ^(d) (%)		2.7	3.0
Average MGS maturity (years) ^(e)		4.6	5
Real GDP growth (%)		5.9	4.0

Notes:

sf - Autumn (Budget) Forecasts as a % of Autumn GDP forecasts

^(a) As defined in Regulation (EC) No 479/2009.

^(b) The differences concerning interest expenditure, other expenditure and revenue could be distinguished when relevant or in case the debt-to-GDP ratio is above the reference value.

^(c) Proxied by the interest expenditure divided by the debt level of the previous year.

^(d) Up to 31st March 2024, 99% of outstanding Foreign Loans balance is denominated in domestic currency, whereas 1% is denominated in foreign currency (CAD). From 1st April 2024, all outstanding foreign loans are denominated in euro.

^(e) 2023 data refers to actual position as at 31st December 2023.

5.2 Euro Area Sovereign Debt Market Developments in the First Half of 2025

5.2.1 ECB Monetary Policy Decisions

During the first quarter of 2025, the European Central Bank (ECB) continued its monetary loosening cycle which started in June 2024. The ECB decided to lower the three key policy rates by 25 basis points at both the January and March monetary policy meetings. The Deposit Facility Rate (DFR), the rate through which the ECB Governing Council steers monetary policy, decreased from 3.00 per cent in December 2024 to 2.50 per cent in March 2025. In the March meeting the ECB stated that the disinflation process remained overall well on track.

The ECB lowered the three key interest rates by another 25 basis points on 17 April. Annual inflation edged down to 2.2 per cent in March 2025 and was developing as expected. However, the ECB remarked that the growth outlook had deteriorated due to the escalation of global trade uncertainty and geopolitical tensions.

On 5 June, the ECB cut the DFR by another 25 basis points based on its assessment that the inflation rate was around the Governing Council's 2.0 per cent medium-term target. Real GDP

growth projections for 2025 were held at 0.9 per cent. Though euro area growth is facing downward risks due to exceptional uncertainty, it has a strong labour market, higher real incomes, robust private sector balance sheets, easier financing conditions, and increased defence spending and infrastructure investment are expected to support expansion over the medium term.

5.2.2 Euro Area Debt Capital Market Developments

The benchmark yield curve in the euro area steepened significantly at the beginning of 2025, with long-term yields rising and short-term yields moving slightly down. The benchmark 10-year Bund yield rose by 62 basis points (bps) from the beginning of December 2024 to mid-January, due to global uncertainty.

The expansionary fiscal policy announced by Germany on 4 March, involving significant investment in the defence, infrastructure and energy sectors, triggered an immediate response in the financial markets. The German Bund ended that week 43 bps higher, at 2.84 per cent, despite the interest rate cut by the ECB on 6 March. This volatility is considered to be quite exceptional for the German Bund.

In addition, measures at EU level, mainly the ReArm Europe/Readiness 2030 plan, which will mobilise up to €800 billion for defence spending, and the decision to activate the National Escape Clause, also led to an increase in other euro area Government bond yields.

Euro area 10-year Government bond yield spreads over the German Bund mostly decreased and the French spread stabilised after a period of high volatility that started in the summer of 2024. Credit default swap (CDS) prices mostly decreased for southern euro area Member States and rose for Germany and most other core euro area sovereigns.

5.3 Primary market

5.3.1 The Domestic Debt Capital Market (Malta Government Stocks)

At the end of January, the Treasury department published the annual borrowing plan for the year 2025, in which it announced (i) the maximum amount that it could borrow during the year based on the amount set in the Budget Measures Implementation Bill tabled in Parliament in October 2024 (ii) the scope of borrowing and (iii) the debt instruments that were going to be used to raise the necessary finance to meet the borrowing requirements for the year. Subsequently, the Budget Measures Implementation Act (Cap. 648 of the Laws of Malta) was enacted by Parliament in the beginning of the year confirming the maximum amount that the Government could borrow during 2025 at an amount not exceeding €1,500 million.

During the first half of 2025, the Treasury department tapped the domestic debt capital market once, during the month of February. In this MGS issue, the Treasury department offered two new fixed-rate MGS, in the short and medium-term maturity segments of the sovereign's yield curve. This issuance was of a combined nature, wherein both retail and institutional investors were offered the opportunity to participate.

The nominal amount on issue was €300 million, with an over-allotment option of a further €150 million. Total participation in this issuance amounted to €602.3 million (€236.1 million in the 3.00 per cent MGS 2030 (IV), and €366.2 million in the 3.50 per cent MGS 2035 (III)), resulting in a bid-

to-cover of 2.01x. The Treasury department borrowed a total of €449.8 million through this issuance; €111.6 million in the 3.00 per cent MGS 2030 (IV), and €338.2 million in the 3.50 per cent MGS 2035 (III).

The Weighted-Average Maturity (WAM) of gross total outstanding MGS, which represented 86.0 per cent of the total outstanding gross central Government debt, stood at 7.2 years (30 June 2024: 7.7 years). The Weighted-Average Coupon (WAC) of the gross outstanding MGS debt portfolio stood at 2.83 per cent on 30 June 2025 (30 June 2024: 2.68 per cent). Total interest paid on MGS and 62+ MGRSB during the first half of 2025 amounted to €136.1 million, compared to 116.6 million paid during the first six months of 2024.

5.3.2 The Domestic Money market (Treasury Bills)

The total gross nominal amount of T-Bills issued in the first half of 2025 amounted to €965.1 million, compared to €771.9 million (nominal) for the period January-June 2024. 71.0 per cent of this total was allotted in the 91-day tenor (2024: 79.0 per cent).

During the first half of this year, the 91-day-tenor was issued at a WAR of 2.39 per cent compared to 3.43 per cent registered for the first half of 2024. The lower WAR reflects the looser monetary policy adopted by the European Central Bank (ECB) since the September 2024 meeting, in light of the consistent downward trajectory of euro area inflation towards the 2.0 per cent medium-term target. Also, international trade uncertainties and heightened geopolitical tensions contributed to downward revisions to economic growth forecasts which justified lower policy rates. Between September 2024 and June 2025, the ECB cut its policy rates by a cumulative 175 basis points (bps).

Total T-bill redemptions for the first six months of the year amounted to €995.7 million, representing a €100.4 million increase over the same period of last year. The relatively higher increase in gross T-bill issuance compared to the increase in redemptions during H1 2025 inflated the outstanding T-bills balance as at 30 June 2025, to €664.3 million against €548.3 million on 30 June 2024. Total interest outlays on T-bill redemptions during the first half of 2025 amounted to €8.5 million, which is €2.5 million lower than the corresponding expenditure for the first semester of 2024. This is due to the reductions in ECB policy rates which mainly affect short-term debt capital market interest rates. The WAR for 91-day-tenor T-bills redeemed during January-June 2025 was 2.91 per cent, whereas the equivalent rate for the same period of 2024 was 3.49 per cent.

The WAR of the outstanding T-bill portfolio as at 30 June 2025 fell to 2.13 per cent from 3.43 per cent as of 30 June 2024. Conversely, the WAM of outstanding T-bills by the end of June 2025 rose to 74 days, from 65 days a year earlier. Investor participation in T-bill auctions registered a drop between H1 2024 and H1 2025, from 3.58x to 2.40x, owing to the fall in market interest rates.

The WAM of total outstanding gross central Government debt as at end of June 2025 stood at 6.8 years, compared to 7.3 years on 30 June 2024. The WAR of total gross outstanding central Government debt was registered at 2.71 per cent on 30 June 2025 (30 June 2024: 2.65 per cent).

Total interest paid on gross outstanding central Government debt in the first six months of 2025 amounted to €144.9 million, 13.0 per cent higher than the equivalent figure for the first six months of 2024.

By the end of June 2025, with the February MGS issuance, and the June disbursement of the 14-year EIB loan at 3.35 per cent per annum amounting to €77.9 million, the Treasury department

raised a total of €527.87 million in medium-to-long-term funding, compared to €471.4 million by the end of June 2024. The former figure represents 35.0 per cent of the approved maximum funding requirements for the year which, according to current fiscal projections, are not to exceed €1,500 million. The equivalent figure as at 30 June 2024 represented 28.0 per cent of total funding requirements for that year.

6. Compliance with the provisions of the Stability and Growth Pact and the Fiscal Responsibility Act

6.1 Assessment of Compliance with the Provisions of the Stability and Growth Pact

In line with the revised EU Fiscal Governance Framework, Malta continued to pursue a prudent fiscal policy throughout 2024 and into 2025. The Council Recommendation of 16 July 2024, based on the Commission's proposal of 19 June, noted that Malta had not yet corrected its deficit, which remained above the 3.0 per cent of GDP reference value. The Council called on Malta to keep the growth of net nationally financed primary expenditure in line with a fiscal adjustment path that ensures a credible reduction of the deficit.

Malta's Draft Budgetary Plan for 2025, submitted in October 2024, incorporated projections for a moderation in the growth of nationally financed primary expenditure, consistent with the fiscal adjustment path recommended by the Council. Nonetheless, the Commission assessed that while the plan broadly complied with the expenditure benchmark, the continued implementation of untargeted energy support measures limited compliance with the qualitative elements of the recommendation.

According to the European Commission's Spring 2025 Forecast, in 2025, the deficit is projected to decrease to 3.2 per cent of GDP, primarily due to reduced capital expenditures in relation to the winding down of the national airline. Subsidies are also expected to decline as a percentage of GDP, as measures addressing high energy prices are expected to remain unchanged in nominal terms. These reductions are expected to be offset by a drop in personal income tax revenues because of the income tax reform as announced in the Budget for 2025. The public debt-to-GDP ratio is expected to stabilise below the 48.0 per cent mark.

6.2 Assessment of Compliance with the provisions of the Fiscal Responsibility Act

The Fiscal Responsibility Act requires that the general Government budget be balanced or in surplus in structural terms and that the debt-to-GDP ratio remains below or converges towards 60.0 per cent of GDP.

According to the European Commission's Spring 2025 Forecast, Malta's headline budget deficit is projected to decline to 3.2 per cent of GDP in 2025, down from 3.7 per cent in 2024. This represents a continued improvement in the fiscal position, as also reflected in a declining structural balance, while the debt ratio is expected to remain broadly unchanged below 48.0 per cent of GDP, remaining comfortably below the Treaty reference value of 60.0 per cent.

Though not at a balanced budget position, the Government's fiscal strategy remains consistent with the requirements of the Fiscal Responsibility Act, as continued structural improvements are being recorded and expected to continue in the medium-term.

6.3 Compliance with the New Fiscal Rules under the Economic Governance Framework

As part of the implementation of the revised Economic Governance Framework, Malta submitted its Medium-Term Fiscal-Structural Plan in September 2024, outlining a multiannual fiscal adjustment path aimed at reducing the general Government deficit in a gradual and sustainable manner. This path is anchored in a net expenditure growth rate consistent with achieving a correction of the excessive deficit while maintaining a stable debt trajectory.

The Government has reaffirmed its commitment to this strategy through the Annual Progress Report published in April 2025. The report confirms that the projected growth in net nationally financed primary expenditure for 2025 remains in line with the agreed fiscal adjustment path. Although net expenditure in 2024 exceeded the indicative growth rate due to several extraordinary capital transfers, the European Commission and the Malta Fiscal Advisory Council (MFAC) both assessed that this deviation does not jeopardise overall compliance, provided the expenditure growth returns to the agreed path in 2025 and beyond.

According to the Annual Progress Report, the general Government deficit is expected to decline to 3.3 per cent of GDP in 2025, down from 3.7 per cent in 2024, while the debt-to-GDP ratio is projected to remain on a stable path. These developments are consistent with the requirements of the new fiscal framework, which places greater emphasis on expenditure control and debt sustainability.

The Annual Progress Report also outlines key reform and investment measures that contribute to the implementation of the Council's Country-Specific Recommendations, including initiatives aimed at improving labour market participation, digitalisation, education, and the green transition. The Government remains committed to ensuring that these measures are adequately financed while respecting the constraints of the expenditure benchmark.

Overall, the Government's fiscal strategy under the new Economic Governance Framework remains aligned with the medium-term objectives of restoring fiscal buffers, maintaining prudent debt levels, and supporting economic resilience. This approach is consistent with both the Stability and Growth Pact and the national fiscal rules set out in the Fiscal Responsibility Act.

7. Statistical Annex

Half-Yearly Budgetary Execution on Cash Basis in ESA codes⁽¹⁾

Table 1

	Jan-June 2024 <i>Actual</i> € 000	Jan-June 2025 <i>Actual</i> € 000
Consolidated Fund	-89,892	-457,448
1. Total Revenue	3,250,066	3,278,244
Taxes, of which:	2,452,005	2,507,166
Current Taxes on Income, Wealth, etc	1,434,648	1,446,714
Taxes on Production and Imports, of which:	1,017,358	1,060,452
VAT	719,405	701,183
Social Contributions	542,356	581,512
Market Output	89,686	104,434
Current Transfers	12,371	19,776
Capital Transfers	135,993	46,631
Property Income	17,655	18,725
2. Total Expenditure	3,339,958	3,735,692
Intermediate Consumption	445,291	516,042
Compensation of employees	676,841	776,844
Interest	126,920	143,905
Subsidies	208,639	237,676
Social Benefits	956,180	1,043,915
Current Transfers	688,461	758,191
Capital Transfers Payable	91,570	84,253
Capital Investment	146,056	174,866

Central Government Finances by Expenditure Vote (Consolidated Fund)

Table 2

		Jan - Dec	Jan - Dec	Jan - Jun	Jan - Jun	Jan - Jun	Jan - Jun
		2024	2025	2024	2024	2025	2025
		<i>Actual</i>	<i>Approved Estimate</i>	<i>Actual</i>	<i>Actual as a % of 2024</i>	<i>Actual</i>	<i>Actual as a % of 2025</i>
		€ 000	€ 000	€ 000		€ 000	
Recurrent Expenditure							
1	Office of the President	5,157	5,478	2,533	49.1	2,266	41.4
2	Parliamentary Service	10,159	13,964	7,497	73.8	8,829	63.2
3	Office of the Ombudsman	1,486	2,055	500	33.6	1,000	48.7
4	National Audit Office	4,000	4,450	2,400	60.0	2,700	60.7
5	Commissioner for Standards in Public Life	450	500	---	---	250	50.0
6	Office of the Prime Minister	55,813	61,497	22,021	39.5	27,382	44.5
7	Information	1,353	1,598	610	45.1	744	46.6
8	Government Printing Press	2,009	1,750	943	46.9	1,386	79.2
9	Electoral Office	12,207	5,810	5,985	49.0	2,717	46.8
10	Public Service Commission	775	941	334	43.1	434	46.1
11	European Funds, Equality, Reforms and Social Dialogue	---	26,044	---	---	13,658	52.4
12	Industrial and Employment Relations	2,181	2,594	1,009	46.3	1,143	44.1
13	Ministry for Foreign and European Affairs and Tourism	71,203	229,633	23,645	33.2	107,532	46.8
14	Ministry for the National Heritage, the Arts and Local Government	83,405	82,717	32,597	39.1	39,266	47.5
15	Local Government	65,380	64,260	43,722	67	41,461	64.5
16	Ministry for Social Policy and Children's Rights	71,635	73,182	38,709	54	38,273	52.3
17	Social Policy	519,074	553,485	210,207	40.5	248,051	44.8
18	Social Security Benefits	1,473,904	1,592,443	772,927	52.4	854,271	53.6
19	Pensions	106,728	104,625	54,948	51.5	50,804	48.6
20	Ministry for Agriculture, Fisheries and Animal Rights	73,072	63,602	29,874	40.9	29,688	46.7
21	Ministry for Social and Affordable Accomodation	61,625	55,598	30,598	49.7	35,011	63.0

22	Ministry for the Economy, Enterprise and Strategic Projects	83,759	61,810	38,735	46.2	29,931	48.4
23	Commerce	1,971	2,088	846	43	989	47.4
24	Ministry for Inclusion and the Voluntary Sector	53,332	59,664	26,731	50	27,764	46.5
25	Ministry for Gozo and Planning	72,889	77,906	32,383	44	39,515	50.7
26	Ministry for Home Affairs, Security and Employment	158,466	163,650	64,765	40.9	85,783	52.4
27	Armed Forces of Malta	78,952	86,028	36,574	46.3	40,244	46.8
28	Police	103,750	110,604	47,811	46.1	54,531	49.3
29	Probation and Parole	1,586	1,646	683	43.1	790	48.0
30	Civil Protection	13,515	13,881	6,206	46	7,667	55.2
31	Ministry for the Environment, Energy and Public Cleanliness	436,939	431,134	143,991	33.0	179,027	41.5
32	Ambjent Malta	18,522	19,067	8,283	44.7	9,273	48.6
33	Ministry for Finance	396,709	278,814	153,994	38.8	142,331	51.0
34	Economic Policy	1,917	2,214	903	47.1	923	41.7
35	Treasury	44,612	45,102	37,922	85.0	5,520	12.2
36	Malta Tax and Customs Administration	54,283	49,296	24,652	45.4	26,880	54.5
37	Contracts	3,169	3,362	1,309	41.3	1,629	48.5
39	Ministry for Education, Sport, Youth, Research and Innovation	476,437	484,941	212,567	44.6	260,787	53.8
40	Education	478,967	459,411	198,160	41.4	243,517	53.0
41	Ministry for Lands and the Implementation of the Electoral Programme	---	14,589	---	---	3,669	25.1
42	Ministry for Justice and Reform of the Construction Sector	75,393	74,382	31,851	42.2	39,992	53.8
43	Ministry for Health and Active Ageing	1,008,788	1,134,955	411,801	40.8	487,473	43.0
44	Active Ageing	312,008	305,240	155,510	49.8	164,043	53.7
45	Ministry for Transport, Infrastructure and Public Works	157,941	174,126	60,831	38.5	83,736	48.1
	[Ministry for Tourism	188,754	---	75,443	40.0	---	---
	[Ministry for Public Works and Planning	46,540	---	14,428	31.0	---	---

	TOTAL RECURRENT EXPENDITURE	6,890,815	7,000,136	3,067,438	44.5	3,442,880	49.2
38	Public Debt Servicing						
	Contribution to Special MGS Sinking Fund	30,000	30,000	---	---	15,000	50.0
	Interest - Local	239,756	308,470	126,664	52.8	143,652	46.6
	Repayment of Loan - Local						
	Repayment of Loan - Local	508,108	459,000	92,947	18.3	---	---
	Early Repayment of MGRSB	5,096	5,600	2,330	45.7	3,222	57.5
	Contribution to Sinking Fund - Foreign						
	Interest - Foreign						
	Contribution to Sinking Fund - Foreign	30	30	15	50.0	15	50.0
	Interest - Foreign	2,821	3,500	248	8.8	248	7.1
	Direct Loan Repayment	---	80,000	---	---	---	---
	TOTAL PUBLIC DEBT SERVICING	785,811	886,600	222,204	28.3	162,137	18.3
	TOTAL RECURRENT EXPENDITURE AND PUBLIC DEBT SERVICING	7,676,626	7,886,736	3,289,642	42.9	3,605,017	45.7
Capital Expenditure							
I	Office of the President	474	575	229	48.3	350	60.9
II	Parliamentary Service	---	1,006	---	---	---	---
III	National Audit Office	---	1,500	---	---	450	30.0
IV	Office of the Prime Minister	39,298	109,437	15,338	39.0	33,152	30.3
V	Ministry for Foreign and European Affairs and Tourism	5,268	10,752	1,230	23.3	2,265	21.1
VI	Ministry for the National Heritage, the Arts and Local Government	46,938	63,210	23,109	49.2	17,461	27.6
VII	Ministry for Social Policy and Children's Rights	6,272	7,943	2,063	33	2,078	26.2
VIII	Ministry for Agriculture, Fisheries and Animal Rights	58,627	80,776	26,360	45	36,094	44.7

IX	Ministry for Social and Affordable Accomodation	294	348	95	32	39	11.2
X	Ministry for the Economy, European Funds and Lands	342,172	77,359	23,332	6.8	22,454	29.0
XI	Ministry for Inclusion and the Voluntary Sector	6,392	3,531	1,084	17.0	932	26.4
XII	Ministry for Gozo and Planning	24,012	15,203	7,614	32	3,696	24.3
XIII	Ministry for Home Affairs, Security and Employment	74,903	72,767	18,397	25	17,948	24.7
XIV	Ministry for the Environment, Energy and Public Cleanliness	217,616	235,115	4,221	2	77,494	33.0
XV	Ministry for Finance	12,351	24,241	4,367	35.4	7,498	30.9
XVI	Ministry for Education, Sport, Youth, Research and Innovation	83,165	88,074	39,715	47.8	32,448	36.8
XVII	Ministry for Lands and the Implementation of the Electoral Programme	---	10,121	---	---	7,284	72.0
XVIII	Ministry for Justice and Reform of the Construction Sector	2,909	9,899	509	17.5	472	4.8
XIX	Ministry for Health and Active Ageing	50,829	88,792	12,009	23.6	22,081	24.9
XX	Ministry for Transport, Infrastructure and Public Works	212,522	154,078	107,191	50.4	57,206	37.1
XXI	Ministry for Tourism	59,476	---	6,722	11.3	---	---
	Ministry for Public Works and Planning	38,032	---	4,638	---	---	---
	Ministry for Active Ageing	1,526	---	1,928	126.3	---	---
	TOTAL CAPITAL EXPENDITURE	1,283,076	1,054,727	300,151	23.4	341,402	32.4
XVII	Ministry for Finance and Employment Investment - Equity Acquisition	385,746	50,380	180,742	46.9	---	---
	TOTAL CAPITAL EXPENDITURE AND INVESTMENT	1,668,822	1,105,107	480,893	28.8	341,402	30.9
	TOTAL EXPENDITURE	9,345,448	8,991,843	3,770,535	40.3	3,946,419	43.9

Central Government Finances by Functional Classification of Expenditure (Consolidated Fund)

Table 3

	Personal Emoluments		Operational and Maintenance Expenses		Programmes and Initiatives		Contributions to Government Entities	
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
	Jan-Jun	Jan-Jun	Jan-Jun	Jan-Jun	Jan-Jun	Jan-Jun	Jan-Jun	Jan-Jun
	2024	2025	2024	2025	2024	2025	2024	2025
	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000
General Public Services	76,670	90,025	33,007	45,695	310,827	267,959	82,113	99,659
Defense	30,777	33,031	5,427	6,768	370	445	-	-
Public Order and Safety	54,684	63,266	6,767	9,795	27,581	40,049	32,383	37,870
Economic Affairs	34,715	39,631	7,395	8,681	139,107	150,813	99,752	121,068
Environmental Protection	-	-	23	8	18	-	7,350	6,100
Housing and Community Affairs	-	-	-	-	19,369	24,510	5,250	2,000
Health	198,684	222,429	39,368	56,315	129,904	154,411	43,845	54,319
Recreation, culture and religion	4,743	5,904	1,089	1,702	11,230	10,378	16,145	22,027
Education	159,134	205,366	16,301	18,041	152,419	186,868	82,869	94,036
Social Protection	40,994	44,751	48,226	49,793	1,125,180	1,249,837	23,721	22,859
Total	600,401	704,402	157,603	196,798	1,916,005	2,085,271	393,428	459,938

	Interest Expenditure		Capital Expenditure		Total expenditure	
	Actual	Actual	Actual	Actual	Actual	Actual
	Jan-Jun 2024	Jan-Jun 2025	Jan-Jun 2024	Jan-Jun 2025	Jan-Jun 2024	Jan-Jun 2025
	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000
General Public Services	126,914	143,899	155,580	108,626	785,110	755,864
Defense	-	-	2,082	3,631	38,656	43,875
Public Order and Safety	-	-	16,317	14,342	137,732	165,323
Economic Affairs	-	-	47,980	139,226	328,948	459,420
Environmental Protection	-	-	130	1,965	7,521	8,073
Housing and Community Affairs	-	-	13	4	24,632	26,515
Health	-	-	12,010	19,586	423,811	507,059
Recreation, culture and religion	-	-	22,240	16,961	55,447	56,971
Education	-	-	39,715	32,448	450,438	536,759
Social Protection	-	-	4,086	4,612	1,242,208	1,371,852
Total	126,914	143,899	300,151	341,402	3,494,503	3,931,710

Notes:

1. Data refers to the total expenditure of the Consolidated Fund and is not fully consistent with the General Government sector expenditure by function published by the NSO. The General Government expenditure by the classification of functions of government (COFOG) data is compiled by NSO on an annual basis with a delay of one year.
2. Data are in line with the COFOG classifications as published in the Government Finance Statistics Manual 2001 (ISBN 1-58906-061-X).

Transition between Consolidated Fund and General Government sector by period

Table 4

	2024 Jan - Jun € 000	2025 Jan - Jun € 000	
Consolidated Fund Surplus / Deficit	-89,891	-457,449	1
Adjustments to the Consolidated Fund:			
Loan Repayment	0	0	
Equities, acquisitions (+)	0	0	2
Equities, sales (-)	0	0	
Other financial transactions	0	0	3
Difference between interest paid (+) and interest accrued (-)	9,796	764	4
Other accounts receivable (+) and payable (-)	-129,237	-16,110	5
Time-adjusted cash transactions	114,637	272,617	6
Payable tax credits	-4,000	-4,000	
Treasury Clearance Fund flows in non-financial transactions	-6,061	-4,026	
Sinking Fund interests' received	3,767	4,585	
Quarterly adjustments	-51,158	-55,463	7
EFSF re-routing	-52	14	8
Equity injection	0	0	9
Rerouting/PPP adjustments	-7,384	-3,640	
Standardised guarantees	0	0	
Debt assumption	0	0	
Other adjustments	0	0	
 Net Borrowing (-) / Net Lending (+) of Extra Budgetary Units	 68,074	 88,690	 10
 Net Lending (+) / Net Borrowing (-) of Local Government	 -834	 1,981	 11
Net Lending (+) / Net Borrowing (-) of General Government	-92,341	-172,036	

Notes:

1. Consolidated Fund Surplus/Deficit as published on a monthly basis by the NSO.
2. Acquisition of shares in international agencies.
3. Superdividend test - Dividends paid out of accumulated reserves.
4. Difference between the interest paid and accrued of the Treasury Bills, Malta Government Stocks and Foreign Loans. Includes also the difference between the issue value and the par value, i.e. the premium, of the Malta Government Stocks is apportioned throughout the lifetime of the security.
5. Accruals adjustment for all the Budgetary Central Government. Includes amongst which: Treasury Department accrual templates, adjustment for EU Funds neutrality, church stock adjustment and emission trading permits.
6. In line with Council Regulation 2516/2000, the method of recording of taxes and social contributions is the time-adjusted method.
7. Quarterly adjustments necessary to fulfil compliance with the ESA2010 methodology and the Manual on Government Deficit and Debt. On an annual basis these sum up to 0.
8. Re-routed operations of the European Financial Stability Facility.
9. Equity injection to Air Malta plc. The debt-to-equity conversion in 2016 failed the capital injection test. Previous equity injections to the national air carrier feature as expenditure in the Consolidated Fund Surplus / Deficit.

10. The aggregated net borrowing (-) / net lending (+) of the extra budgetary units forming part of the Central Government Sector.

11. The aggregated net borrowing (-) / net lending (+) of the 68 local councils, 5 Regional Committees and Local Councils Association.

For further information on the ESA 2010 adjustments refer to Malta's EDP Inventory at:
<https://nso.gov.mt/wp-content/uploads/2023/01/EDP-Inventory-ESA-2010.pdf>

Annual Aggregate Budgetary Targets in Accordance with ESA standards

Table 5

	ESA Code	2024	2025
		<i>% GDP</i>	<i>% GDP</i>
Net lending (+)/Net borrowing (-) by sub-sector			
1. General Government	S.13	-3.7	-3.3
2. Central Government	S.1311	-3.7	-3.3
3. State Government	S.1312	-	-
4. Local Government	S.1313	0.0	0.0
5. Social Security funds	S.1314	-	-
General Government (S.13)			
6. Total Revenue	TR	34.6	33.0
7. Total Expenditure	TE	38.3	36.2
8. Interest Expenditure	D.41	1.2	1.3
9. Primary Balance ^(a)		-2.5	-2.0
10. One-off and other temporary measures ^(b)		0.0	0.0
11. Real GDP growth (%)		5.9	4.3
12. Potential GDP growth (%)		5.9	4.8
13. Output Gap (%)		-0.2	-0.5
14. Cyclical Budgetary Component		-0.1	-0.2
15. Cyclically-Adjusted Balance (1 - 14)		-3.6	-3.1
16. Cyclically-Adjusted Primary Balance (15 + 8)		-2.4	-1.8
17. Structural Balance (15 - 10)		-3.6	-3.1

Notes:

af - Autumn (Budget) Forecasts as a % of Autumn GDP forecasts

^(a) The primary balance is calculated as (B.9, item 1) plus (D.41, item 8).

^(b) A plus sign means deficit-reducing measures.

Report on Revenue Arrears in terms of Article 29 of the Fiscal Responsibility Act

Table 6

	Net Collectable Arrears as on 31/12/23 €	As published in 2025 Financial Estimates €	Quarter 1 €	Target Quarter 2 €	Total €	Arrears Collected		
						Quarter 1 €	Quarter 2 €	Total €
Office of the Prime Minister								
<i>Office of the Prime Minister</i>	60	6	2	2	3	0	0	0
<i>Information</i>	32,955	3,296	824	824	1,648	400	545	945
<i>Government Printing Press</i>	1,227,299	122,730	30,682	30,682	61,365	1,101	14,602	15,703
<i>Industrial and Employment Relations</i>	75,278	7,528	1,882	1,882	3,764	280	220	500
	<u>1,335,592</u>	<u>133,559</u>	<u>33,390</u>	<u>33,390</u>	<u>66,780</u>	<u>1,781</u>	<u>15,367</u>	<u>17,148</u>
Ministry for Foreign and European Affairs and Tourism								
	965,204	96,520	24,130	24,130	48,260	7,779	5,240	13,019
<i>Malta Tourism Authority</i>	1,264,033	126,403	31,601	31,601	63,202	42,241	57,450	99,691
	<u>2,229,237</u>	<u>222,924</u>	<u>55,731</u>	<u>55,731</u>	<u>111,462</u>	<u>50,020</u>	<u>62,690</u>	<u>112,710</u>
Ministry for National Heritage, the Arts and Local Government								
	7,377	738	184	184	369	236		236
Ministry for Social Policy and Children's Rights								
<i>Social Security Benefits</i>	25,108,237	2,510,824	627,706	627,706	1,255,412	3,268,194	3,411,334	6,679,528
<i>Pensions</i>	50,338,220	5,033,822	1,258,456	1,258,456	2,516,911	0	795,441	795,441
	<u>75,446,457</u>	<u>7,544,646</u>	<u>1,886,161</u>	<u>1,886,161</u>	<u>3,772,323</u>	<u>3,268,194</u>	<u>4,206,775</u>	<u>7,474,969</u>

Ministry for Agriculture, Fisheries and Animal Rights	678,054	67,805	16,951	16,951	33,903	3,448	16,088	19,536
Ministry for the Economy, Enterprise and Strategic Projects								
<i>TV Licences</i>	6,013,459	601,346	150,336	150,336	300,673	0	0	0
<i>Malta Communications Authority</i>	2,167,695	216,770	54,192	54,192	108,385	1,138	1	1,139
<i>Commerce Department</i>	10,703	1,070	268	268	535	1,086	2,855	3,941
	<u>8,191,857</u>	<u>819,186</u>	<u>204,796</u>	<u>204,796</u>	<u>409,593</u>	<u>2,224</u>	<u>2,856</u>	<u>5,080</u>
Ministry for Gozo and Planning	53,365	5,337	1,334	1,334	2,668	0	0	0
Ministry for Home Affairs, Security and Employment								
<i>Ministry</i>	12,892	1,289	322	322	645	0	1,407	1,407
<i>Armed Forces of Malta</i>	31,659	3,166	791	791	1,583	0	0	0
<i>Police</i>	1,674,342	167,434	41,859	41,859	83,717	21,811	31,407	53,218
<i>Civil Protection Department</i>	66,004	6,600	1,650	1,650	3,300	5,136	0	5,136
	<u>1,784,897</u>	<u>178,490</u>	<u>44,622</u>	<u>44,622</u>	<u>89,245</u>	<u>26,947</u>	<u>32,814</u>	<u>59,761</u>
Ministry for the Environment, Energy and Public Cleanliness	11,206	1,121	280	280	560	924	600	1,524
<i>Cleansing and Maintenance Division</i>	165,401	16,540	4,135	4,135	8,270	50	50	100
	<u>176,607</u>	<u>17,661</u>	<u>4,415</u>	<u>4,415</u>	<u>8,830</u>	<u>974</u>	<u>650</u>	<u>1,624</u>

Ministry for Finance								
<i>Ministry</i>	5,970,027	597,003	149,251	149,251	298,501	536	1,025	1,561
<i>Malta Tax and Customs Administration</i>	912,964,229	91,296,423	22,824,106	22,824,106	45,648,211	63,863,609	68,331,683	132,195,292
<i>Contracts</i>	159,473	15,947	3,987	3,987	7,974	500	250	750
	<u>919,093,729</u>	<u>91,909,373</u>	<u>22,977,343</u>	<u>22,977,343</u>	<u>45,954,686</u>	<u>63,864,645</u>	<u>68,332,958</u>	<u>132,197,603</u>
Ministry for Education, Sport, Youth, Research and Innovation								
<i>Ministry</i>	1,711,819	171,182	42,795	42,795	85,591	2,761	2,653	5,414
<i>Education</i>	438,306	43,831	10,958	10,958	21,915	6,697	19,538	26,235
	<u>2,150,125</u>	<u>215,013</u>	<u>53,753</u>	<u>53,753</u>	<u>107,506</u>	<u>9,458</u>	<u>22,191</u>	<u>31,649</u>
Ministry for Lands and the Implementation of the Electrol Programme								
<i>Land Registration Agency</i>	235,408	23,541	5,885	5,885	11,770	0	0	0
<i>Lands Authority</i>	67,127,199	6,712,720	1,678,180	1,678,180	3,356,360	1,212,810	572,718	1,785,528
	<u>67,362,607</u>	<u>6,736,261</u>	<u>1,684,065</u>	<u>1,684,065</u>	<u>3,368,130</u>	<u>1,212,810</u>	<u>572,718</u>	<u>1,785,528</u>
Ministry for Justice and Reform of the Construction Sector								
<i>Ministry</i>	63,298	6,330	1,582	1,582	3,165	0	0	0
<i>Office of the State Advocate</i>	0	0	0	0	0	360	330	690
<i>Courts Services Agency</i>	13,000,145	1,300,015	325,004	325,004	650,007	258,765	225,509	484,274
	<u>13,063,443</u>	<u>1,306,344</u>	<u>326,586</u>	<u>326,586</u>	<u>653,172</u>	<u>259,125</u>	<u>225,839</u>	<u>484,964</u>

**Ministry for Health and
Active Ageing**

<i>Ministry</i>	6,328,446	632,845	158,211	158,211	316,422	645	56,328	56,973
<i>Mater Dei Hospital</i>	13,668,316	1,366,832	341,708	341,708	683,416	69,493	6,291	75,784
<i>Pharmacy of Your Choice</i>	0	0	0	0	0	2,348	2,300	4,648
<i>Central Procurement and Supplies Unit</i>	31,009	3,101	775	775	1,550			0
<i>Primary Health Care Sir Anthony Mamo</i>	35	4	1	1	2	0	0	0
<i>Oncology Centre / Sir Paul Boffa</i>	76,849	7,685	1,921	1,921	3,842	0	0	0
<i>Active Ageing</i>	250,604	25,060	6,265	6,265	12,530	12,582	4,400	16,982
	<u>20,355,259</u>	<u>2,035,526</u>	<u>508,881</u>	<u>508,881</u>	<u>1,017,763</u>	<u>85,068</u>	<u>69,319</u>	<u>154,387</u>

**Ministry for Transport,
Infrastructure
and Public Works**

<i>Ministry</i>	297,296	29,730	7,432	7,432	14,865	44,462	85,346	129,808
<i>Transport Malta</i>	39,825,408	3,982,541	995,635	995,635	1,991,270	173,718	0	173,718
	<u>40,122,704</u>	<u>4,012,270</u>	<u>1,003,068</u>	<u>1,003,068</u>	<u>2,006,135</u>	<u>218,180</u>	<u>85,346</u>	<u>303,526</u>

Total

	<u>28,801,283</u>	<u>28,801,283</u>	<u>57,602,566</u>	<u>69,003,110</u>	<u>73,645,611</u>	<u>142,648,721</u>
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Statement of General Government Sector Debt

Table 7

	Jan-Dec 2024	Jan-Dec 2025	Jan-Jun 2024	Jan-Jun 2025	Jan-Dec 2025
	<i>Actual</i>	<i>Budget Estimate</i>	<i>Actual</i>	<i>Actual</i>	<i>Revised Estimate</i>
	€ 000	€ 000	€ 000	€ 000	€ 000
General Government Debt					
Malta Government Stocks (MGS)	8,519,507	10,141,149	8,145,577	8,957,828	10,141,149
Malta Government Retail Savings Bonds (MGRSB)	325,924	232,375	328,691	322,702	232,375
Treasury Bills	686,979	585,604	532,059	639,093	585,604
Foreign Loans	492,342	412,231	492,398	570,136	412,231
EBU's and Local Councils ¹	196,375	159,595	187,757	197,147	159,595
Currency ²	106,790	119,037	104,347	108,035	119,037
ESA Rerouted Debt ³	324,814	318,009	321,320	327,615	318,009
Total	10,652,732	11,968,000	10,112,148	11,122,556	11,968,000
Public Debt Servicing					
Local Loans					
Interest - Short Term Borrowing (Treasury Bills)	18,856	16,000	10,965	8,543	16,000
Interest (MGS/MGRSB)	239,756	292,470	116,670	136,145	292,470
<i>(A) Total Interest - Local Loans</i>	258,612	308,470	127,635	144,688	308,470
Contributions to Sinking Funds					
Contribution to Special MGS Sinking Fund	30,000	30,000	0	15,000	30,000
Direct Loan Repayment	489,247	459,000	92,947	0	459,000
Early Repayment of MGRSB	5,096	5,600	2,330	3,222	5,600
<i>(B) Direct Loan repayments including Early Repayments of MGRSB and Contributions to Sinking Funds</i>	524,343	494,600	95,277	18,222	494,600
Total Servicing of Local Loans (A + B)	782,955	803,070	222,912	162,910	803,070
Foreign Loans					
Interest	2,821	3,500	248	248	3,570

Contributions to Sinking Funds	30	30	15	15	30
Direct Loan Repayment	0	80,000	0	0	80,000
Total Servicing of Foreign Loans	2,851	83,530	263	263	83,600

Notes:

1. Jan-Jun 2025 actual figure refers to latest data provided by NSO as at 31 March 2025.
2. Jan-Jun 2025 actual figure is latest data provided by NSO.
3. Jan-Jun 2025 actual figure refers to latest data provided by NSO.