

18 September 2019

PRESS RELEASE

Malta Fiscal Advisory Council publishes its assessment of the Annual Report 2018 and the Half-Yearly Report 2019 issued by the Ministry for Finance

On 18 September 2019, the Malta Fiscal Advisory Council (MFAC) presented to the Minister for Finance its assessment of the Annual Report and Half-Yearly Report, which were published by the Ministry for Finance, respectively in June and July this year. Both reports contribute positively to fiscal transparency, by providing an account of the outturn of the previous year compared to the targets, and by outlining the macroeconomic and fiscal forecast updates for the current year.

The Council notes that in 2018 the outturn for nominal GDP growth exceeded again the official forecasts which had been presented in the Draft Budgetary Plan and the Update of Stability Programme. The Council also welcomes the fact that in 2018 the fiscal surplus, when measured according to the European statistical guidelines, was larger than originally targeted, on the back of superior revenue performance overall. The Council reminds of the importance of producing accurate macroeconomic forecasts and that any surplus revenue is not channelled into new unsustainable expenditure initiatives.

The Council notes that the macroeconomic and fiscal forecasts for 2019, which were presented by the Government in its Update of Stability Programme, in April 2019, were reconfirmed. Specifically, the 2019 official forecast for real GDP growth was maintained at 6.2%, while target for the fiscal surplus was reconfirmed at 0.9% of GDP. These forecasts had already been considered within the endorsable range of the Fiscal Council, in its assessment report which was published in June this year.

The Council invites the Ministry to remain vigilant to ensure that the fiscal targets for 2019 are fully met, particularly in those areas where the required changes during the second half of 2019 appear more ambitious, when compared to the provisionally-estimated outturn during the first half of the year.

The full report, entitled "Assessment of the Annual Report 2018 and Half-Yearly Report 2019 published by the Ministry for Finance", is available on the website of the MFAC: <http://www.mfac.org.mt>.

18 ta' Settembru 2019

STQARRIJA GĦALL-ISTAMPA

Il-Kunsill Fiskali Konsultattiv Malti jippubblika l-evalwazzjoni tar-Rapport Annwali għall-2018 u tal-Istrateġija Fiskali ta' Terminu Medju għall-2019 ippublikati mill-Ministeru għall-Finanzi

Fit-18 ta' Settembru 2019, il-Kunsill Fiskali Konsultattiv Malti (MFAC) ippreżenta lill-Ministru għall-Finanzi l-evalwazzjoni tiegħu tar-Rapport Annwali u tal-Istrateġija Fiskali ta' Terminu Medju, li kienu ppublikati mill-Ministeru għall-Finanzi, rispettivament f'Ġunju u f'Lulju ta' din is-sena. Iż-żewġ rapporti jikkontribwixxu b'mod pożittiv għat-trasparenza fiskali, billi jipprovdu rendikont tar-riżultat tas-sena ta' qabel meta mqabbla mal-miri, u billi jiddeskrivu l-aġġornamenti makroekonomiċi u tal-previżjonijiet fiskali għas-sena kurrenti.

Il-Kunsill jinnota li fl-2018 it-tkabbir nominali fil-Prodott Gross Domestiku (PDG) reġa' qabeż il-previżjonijiet uffiċjali li kienu ġew ippreżentati fl-Abbozz tal-Pjan Baġitarju u fl-Aġġornament tal-Programm ta' Stabbiltà. Il-Kunsill jilqa' wkoll il-fatt li fl-2018 is-*surplus* fiskali, meta mkejjejl skont il-linji gwida statistiċi Ewropej, kien akbar minn dak li kien oriġinarjament immirat, minħabba dñul superjuri. Il-Kunsill ifakkar fl-importanza ta' previżjonijiet makroekonomiċi preċiżi, u li kwalunkwe dñul żejjed ma jġigix indirizzat f'inizjattivi ġodda ta' nefqa mhux sostenibbli.

Il-Kunsill jinnota li l-previżjonijiet makroekonomiċi u fiskali għall-2019, li ġew ippreżentati mill-Gvern fl-Aġġornament tal-Programm ta' Stabbiltà, f'April 2019, ġew ikkonfermati. It-tbassir uffiċjali għall-2019 fit-tkabbir tal-PDG reali nżamm għal 6.2 %, filwaqt li l-mira għas-*surplus* fiskali kien ikkonfermat għal 0.9 % tal-PDG. Dawn il-previżjonijiet kienu diġà tqiesu bħala plawżibbli mill-Kunsill Fiskali fir-rapport li kien ippublikat f'Ġunju ta' din is-sena.

Il-Kunsill jistieden lill-Ministeru biex jibqa' viġilanti sabiex jiżgura li l-miri fiskali għall-2019 jintlaħqu bi sñiñ, b'mod partikolari f'dawk l-oqsma fejn il-bidliet meħtieġa matul it-tieni nofs tal-2019 jidhru aktar ambizzjużi, meta mqabbla mal-eżitu stmat matul l-ewwel nofs tas-sena.

Ir-rapport sñiñ, intitolat "Assessment of the Annual Report 2018 and Half-Yearly Report 2019 published by the Ministry for Finance", huwa disponibbli fuq is-sit elettroniku tal-MFAC: <http://www.mfac.org.mt>.