



St. Calcedonius Square  
Floriana FRN 1530, Malta  
T: +356 2247 9200  
Fax: +356 2247 9219  
[info@mfac.org.mt](mailto:info@mfac.org.mt)  
[www.mfac.org.mt](http://www.mfac.org.mt)

21 April 2020

## PRESS RELEASE

### **Malta Fiscal Advisory Council publishes its Annual Report for 2019**

The Malta Fiscal Advisory Council (MFAC) has released its Annual Report for 2019, which was tabled in Parliament on 20 April 2020.

In his statement, the Chairman noted that the robust GDP growth recorded in recent years has enabled the Government to achieve a stream of fiscal surpluses and a reduction in the public debt-to-GDP ratio. The Council also welcomed the fact that the macroeconomic and fiscal forecasts prepared by the Government since the establishment of the Malta Fiscal Advisory Council, in 2015, have always been considered plausible and within the Council's endorsable range.

Apart from reviewing the developments and the work carried out by the MFAC throughout 2019, the Report contains two thematic chapters. A chapter compared the GDP and fiscal developments in Malta over a five-year period to those in the euro area. The faster economic growth in Malta when compared to the euro area contributed to higher tax revenue growth, which in turn financed stronger expenditure growth, while still achieving the target of a fiscal surplus. Another chapter focused on the activities of Extra-Budgetary Units in Malta. Such institutions, which are responsible to perform specialised public functions in areas such as education, health, administration, regulation and social policy, have on aggregate recorded a surplus between 2014 and 2018, thereby attenuating the overall fiscal risks posed by these entities. Still, the Council reminds of the importance to continue evaluating closely the implications on the fiscal balance, public debt and contingent liabilities of such current and future arrangements.

This report was produced before the first cases of COVID-19 were reported in Malta. The Council is following the situation closely in preparation for the endorsement process, which will be carried out when the Government updates the country's official macroeconomic forecasts and fiscal targets.

The Annual Report for 2019, including the audited financial statements is available on the MFAC's website <http://www.mfac.org.mt>.

21 ta' April 2020

## STQARRIJA GHALL-ISTAMPA

### II-Kunsill Fiskali Konsultattiv Malti jippubblika r-Rapport Annwali tiegħu għall-2019

II-Kunsill Fiskali Konsultattiv Malti (MFAC) ppubblika ir-Rapport Annwali tiegħu għall-2019, li ġie mressaq fil-Parlament fl-20 ta' April 2020.

Fl-istqarrija tiegħu, iċ-Čermen innota li t-tkabbir b'saħħtu fil-Prodott Gross Domestiku (PGD) fis-snin riċenti ppermetta li l-Gvern jikseb *surpluses* fiskali u tnaqqis fil-proporzjon tad-dejn pubbliku mal-PGD. Il-Kunsill laqa' wkoll il-fatt li t-tbassir makroekonomiku u fiskali mħejji mill-Gvern sa mit-twaqqif tal-Kunsill Fiskali Konsultattiv Malti, fl-2015, dejjem ġew ikkunsidrati bħala plawżibbli u aċċettabbli mill-Kunsill.

Minbarra li jħares lejn l-iżviluppi u x-xogħol imwettaq mill-Kunsill matul l-2019, ir-Rapport fih ukoll żewġ kapitoli li jiffukaw fuq temi partikulari. Wieħed iqabbel il-PGD u l-iżviluppi fiskali f'Malta fuq perjodu ta' ħames snin ma' dawk fiż-żona tal-euro. It-tkabbir ekonomiku aktar b'saħħtu f'Malta, meta mqabbel maž-żona tal-euro, ikkontribwixxa għal tkabbir akbar fid-dħul mit-taxxa, li b'hekk iffinanzja tkabbir aktar b'saħħtu fl-infiq, filwaqt li xorta ntlaħqet il-mira ta' *surplus* fiskali. Il-kapitolu l-ieħor iffoka fuq l-attivitàajiet tal-*Extra Budgetary Units* f'Malta. Dawn l-istituzzjonijiet, li huma responsabbi sabiex iwettqu funzjonijiet pubbliċi speċjalizzati, f'oqsma bħall-edukazzjoni, is-saħħha, l-amministrazzjoni, ir-regolamentazzjoni u l-politika soċjali, magħqudin irregistraw *surplus* bejn l-2014 u l-2018, u b'hekk naqqsu r-riskji fiskali li jistgħu jinħolqu minn dawn l-entitajiet. Madankollu, il-Kunsill ifakkarr fl-importanza li titkompla l-evalwazzjoni mill-qrib ta' implikazzjonijiet fuq il-bilanċ fiskali, fuq id-dejn pubbliku u l-obbligazzjonijiet kontingenti ta' arranġamenti simili, kemm fil-preżent kif ukoll fil-futur.

Dan ir-rapport ġie mħejji qabel ma ġew irrappurtati l-ewwel każijiet ta' COVID-19 f'Malta. Il-Kunsill qed isegwi s-sitwazzjoni mill-qrib sabiex iħejji għall-proċess tal-evelwazzjoni li ser ikun qed iwettaq, meta l-Gvern jaġġorna t-tbassir ekonomiku uffiċjali u l-miri fiskali tal-pajjiż.

Ir-Rapport Annwali għall-2019, li jinkludi ukoll id-dikkjarazzjonijiet finanzjarji, huwa disponibbli fuq is-sit elettroniku tal-MFAC <http://www.mfac.org.mt>.