

17 March 2021

## PRESS RELEASE

### **Malta Fiscal Advisory Council publishes its Annual Report for 2020**

The Malta Fiscal Advisory Council (MFAC) has released its Annual Report for 2020, which was tabled in Parliament on 16 March 2021.

In his statement, the Chairman noted that the COVID-19 pandemic impacted Malta directly, and in 2020, its economic effect by far outweighed that created by the two previous major international shocks, namely the global financial crisis and the sovereign debt crisis. The decision taken at the European level in 2020 to temporarily lift the fiscal rules and the state aid rules, together with the fiscal space which was available due to the previous years' fiscal surpluses, offered the government leeway in the initiatives that could be undertaken to address the pandemic's health and economic challenges.

The Fiscal Council considers the roll-out of the vaccine as a very positive development, but the post-pandemic global economic environment could nevertheless still present challenges for Malta. Caution is warranted, since the economic recovery's speed and trajectory, both internationally and in Malta, remains subject to a high degree of uncertainty. Some sectors could remain impacted by the legacy of the pandemic's pattern changes, such as in working practices, consumer behaviour and in tourism related activities. These changes could possibly alter the long-term outlook for specific sectors.

In relation to its operations, the Fiscal Council views very positively that throughout the six years since being set up, the official macroeconomic forecasts and fiscal projections produced by the government have always been considered within its endorsable range. Robust economic forecasts, together with realistic fiscal targets, are a crucial input for sound policy making.

The Annual Report contains two thematic chapters. A chapter focuses on how consumption patterns in Malta have evolved between 2000 to 2019, whereas the other chapter reviews the changes which have taken place in Malta's labour market over the same twenty-year period. The analysis contained in these chapters can serve as a benchmark to assess the possible changes in private consumption and labour market patterns in the aftermath of the pandemic.

The Annual Report for 2020, including the audited financial statements, is available on <http://www.mfac.org.mt>.

17 ta' Marzu 2021

## STQARRIJA GHALL-ISTAMPA

### II-Kunsill Fiskali Konsultattiv Malti jippubblika r-Rapport Annwali tiegħu għall-2020

II-Kunsill Fiskali Konsultattiv Malti (MFAC) jippubblika r-Rapport Annwali tiegħu għall-2020, li tressaq fil-Parlament fis-16 ta' Marzu 2021.

Fl-istqarrija tiegħu, iċ-Ċermen innota li l-pandemija tal-COVID-19 affettwat b'mod dirett lil Malta, u l-impatt ekonomiku fl-2020 kien ferm akbar minn dak tal-kriżijiet internazzjonali ta' qabel, li kienu l-križi finanzjarja globali u l-križi tad-dejn. Id-deċiżjoni li ttieħdet fil-livell Ewropew fl-2020 sabiex temporanjament jitneħħew ir-regoli fiskali u r-regoli dwar l-għajnejha mill-Istat, kif ukoll r-riżorsi fiskali li kienu disponibbli minħabba s-surpluses tas-snin ta' qabel, offrew sostenn sabiex setgħu jittieħdu l-inizjattivi li jindirizzaw l-isfidi tas-saħħha u ekonomiċi kawżati mill-pandemija.

II-Kunsill Fiskali jqis it-tnedija tal-vaċċin bħala żvilupp pozittiv ħafna, iżda anke wara l-pandemija, s-sitwazzjoni ekonomika globali tista' tkompli tippreżenta sfidi għal Malta. Hija meħtieġa kawtela, peress li x-xejriet ekonomiċi, kemm internazzjonali kif ukoll f'Malta, għadhom soġġetti għal livell għoli ta' incertezza. Xi setturi jistgħu jibqgħu affettwati mill-bidiet li seħħew waqt il-pandemija, bħal fil-pratti tax-xogħol, fl-imġiba tal-konsumaturi u x-xejriet fit-turizmu. Dawn il-bidiet jistgħu jkollhom effetti negattivi fit-tul għal xi setturi specifiċi.

Fir-rigward tal-ħidma tiegħu, il-Kunsill Fiskali jqis b'mod pozittiv ħafna li matul is-sitt snin minn meta twaqqaf, it-tbassir makroekonomiku u fiskali mħejji mill-gvern dejjem kienu kkunsidrati bħala plawżibbli. Tbassir ekonomiku kawt, flimkien ma' miri fiskali realistiċi, huma neċċesarji sabiex ikun hemm tmexxija ekonomika tajba.

Ir-Rapport Annwali fih żewġ kapitli li jittrattaw it-temi tal-konsum u s-suq tax-xogħol. Kapitlu minnhom jiffoka fuq kif ix-xejriet fil-konsum f'Malta evolvew bejn l-2000 u l-2019, filwaqt li l-kapitlu l-ieħor jħares lejn il-bidliet li seħħew fis-suq tax-xogħol f'Malta matul l-istess perjodu ta' għoxrin sena. Din l-analiżi tista' sservi bħala baži sabiex jiġu studjati l-bidliet fil-konsum privat u fix-xejriet tas-suq tax-xogħol li jistgħu jseħħu minħabba l-pandemija.

Ir-Rapport Annwali għall-2020, li jinkludi d-dikjarazzjonijiet finanzjarji awditjati, huwa disponibbli fuq is-sit elettroniku <http://www.mfac.org.mt>.