

13 May 2022

## **PRESS RELEASE**

### **Malta Fiscal Advisory Council publishes its Annual Report for 2021**

The Malta Fiscal Advisory Council (MFAC) has released its Annual Report for 2021, which was tabled in Parliament on 9 May 2022.

In his statement, the Chairman noted that while still facing the challenges related to the COVID-19 pandemic, the indications are that the recovery in economic activity for 2021 is stronger than was expected. It is important that there is a maintained effort to sustain economic growth as the country plans to get back to normality, amid the uncertainties related to the external economic environment and inflation.

The Council notes that the response by the government to mitigate the negative effects of the pandemic led to higher deficit and debt levels compared to those recorded pre-pandemic. When economic conditions allow, resuming a prudent medium-term fiscal strategy should safeguard against the possibility of future adverse shocks. Moreover, fiscal rules, which are currently suspended by the European Commission because of the pandemic, are expected to become binding again under a new economic governance framework in 2023. It is important that the country is adequately prepared for this change.

The Annual Report presents the activities performed by the Fiscal Council in 2021, including a summary of the publications issued during the year. It also contains two thematic chapters, one on the recent trends in inflation developments and the other analysing international trade developments in Malta over the past two decades. These are reviewed in the context of Malta being a small and open economy, and thus both international trade and price developments are important to understand the current local economic scenario.

The Annual Report for 2021 which uses information available until 15 February 2022, also includes the audited financial statements, and is available on <http://www.mfac.org.mt>.

13 ta' Mejju 2022

## **STQARRIJA GĦALL-ISTAMPA**

### **Il-Kunsill Fiskali Konsultattiv Malti jippubblika r-Rapport Annwali tiegħu għall-2021**

Il-Kunsill Konsultattiv Fiskali ta' Malta (MFAC) ippubblika ir-Rapport Annwali tiegħu għall-2021, li tressaq fil-Parlament fid-9 ta' Mejju 2022.

Fl-istqarrija tiegħu, iċ-Ċermen innota li filwaqt li Malta baqgħet taffaċċja l-isfidi relatati mal-pandemija tal-COVID-19, l-indikazzjonijiet juru li l-irkupru fl-attività ekonomika fl-2021 huwa aktar b'saħħtu milli kien mistenni. Huwa importanti li l-isforz biex jiġi sostnut it-tkabbir ekonomiku, hekk kif il-pajjiż qed jippjana li jerga' lura għan-normalità, għalkemm affaċċjat minn incertezzi relatati mal-ekonomija esterna u l-inflazzjoni.

Il-Kunsill jinnota li l-miżuri mwettqa mill-gvern sabiex jittaffew l-effetti negattivi tal-pandemija wasslu għal livelli ogħla ta' defiċit u dejn meta mqabbla ma' dawk ta' qabel il-pandemija. Meta l-kundizzjonijiet ekonomiċi jippermettu, li titkompla strategija fiskali prudenti fuq perjodu medju tista' tissalvagwardja kontra l-possibbiltà ta' impatti negattivi li ma jkunux mistennija. Barra minn hekk, ir-regoli fiskali, li bħalissa huma sospiżi mill-Kummissjoni Ewropea minħabba l-pandemija, huma mistennija li jerggħu jiġu fis-seħħ taħt qafas ġdid ta' governanza ekonomika fl-2023. Huwa mportanti li l-pajjiż ikun imħejji b'mod adegwat għal din il-bidla.

Ir-Rapport Annwali jippreżenta l-attivitajiet imwettqa mill-Kunsill Fiskali fl-2021, inkluż sommarju tal-pubblikazzjonijiet maħruġa matul is-sena. Fih ukoll żewġ kapitli tematiċi, wieħed dwar ix-xejriet reċenti fl-iżviluppi fl-inflazzjoni u l-ieħor janalizza l-iżviluppi tal-kummerċ internazzjonali f'Malta matul l-aħħar għoxrin sena. Dawn huma analizzati fil-kuntest li Malta hija ekonomija żgħira u miftuħa, u għalhekk kemm il-kummerċ internazzjonali kif ukoll l-iżviluppi fil-prezzijiet huma importanti biex wieħed jifhem ix-xenarju ekonomiku lokali.

Ir-Rapport Annwali għall-2021 li fih tintuża informazzjoni disponibbli sal-15 ta' Frar 2022, jinkludi wkoll ir-rapporti finanzjarji awditjati, u huwa disponibbli fuq <http://www.mfac.org.mt>.