MALTA FISCAL ADVISORY COUNCIL
New Street in Regional Road,
Msida, Malta
T: +356 2247 9200
Fax: +356 2247 9219
info@mfac.org.mt
www.mfac.org.mt

13 January 2023

PRESS RELEASE

MFAC publishes its assessment of the Draft Budgetary Plan 2023

On 13 January 2023, the Malta Fiscal Advisory Council (MFAC) presented to the Minister for Finance and Employment its assessment of the Draft Budgetary Plan 2023. Based on the information available by the Report's cut-off date, the Fiscal Council considered the macroeconomic and fiscal forecasts for 2022 and 2023 to be within its endorsable range and compatible with the assumptions specified in the official document.

According to the government's forecasts, the economy is expected to grow by 6.0% in 2022, and then decelerate to a 3.5% growth rate in 2023. The fiscal deficit is expected to remain elevated but lower than that registered in 2021. Indeed, the fiscal deficit is expected at 5.8% and 5.5% of GDP in 2022 and 2023, respectively. Over the forecast horizon, the public debt-to-GDP ratio is expected to remain under the 60.0% threshold, at 57.0% in 2022 and 59.1% in 2023.

The macroeconomic and fiscal forecasts for Malta prepared by the government fit within the range of estimates published by other independent institutions. Based on the information available by the cut-off date, the MFAC's risk outlook suggests positive risks for real GDP growth in 2022 and 2023. Concomitantly, the MFAC believes that a lower fiscal deficit than projected by the MFE could be achieved over both years. The effect of a possible lower fiscal deficit and higher nominal GDP growth in 2022 and 2023 leads to a positive risk outlook vis-à-vis the public debt-to-GDP ratio. This while still acknowledging the inevitable high degree of uncertainty that prevails.

The full report, entitled "Assessment of the Draft Budgetary Plan 2023", is available on the website of the MFAC: http://www.mfac.org.mt.

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13 ta' Jannar 2023

STQARRIJA GĦALL-ISTAMPA

Il-Kunsill Fiskali Konsultattiv Malti jippubblika l-evalwazzjoni tal-Pjan Baġitarju għall-2023

Fit-13 ta' Jannar 2023, il-Kunsill Fiskali Konsultattiv Malti (MFAC) ippreżenta lill-Ministru għall-Finanzi u x-Xogħol l-evalwazzjoni tiegħu tal-Pjan Baġitarju għall-2023. Abbażi tal-informazzjoni disponibbli sakemm kien imħejji dan ir-Rapport, il-Kunsill Fiskali ikkunsidra l-aġġornament fit-tbassir makroekonomiku u fiskali għall-2022 u l-2023 bħala plawżibbli, u kompatibbli mas-suppożizzjonijiet speċifikati fid-dokument uffiċjali.

Skont it-tbassir tal-gvern, l-ekonomija hija mistennija li tikber b'6.0% fl-2022, segwita b'rata aktar moderata ta' 3.5% fl-2023. Id-defiċit fiskali huwa mistenni li jibqa' għoli iżda f'livell aktar baxx minn dak irreġistrat fl-2021. Tabilħaqq, id-defiċit fiskali huwa mistenni li jkun ta' 5.8% u 5.5% tal-PGD fl-2022 u fl-2023, rispettivament. Matul il-perjodu ta' tbassir, il-proporzjon tad-dejn pubbliku għall-PGD huwa mistenni li jibqa' taħt il-livell referenzjarju ta' 60.0%, f'livelli ta' 57.0% fl-2022 u 59.1% fl-2023.

It-tbassir makroekonomiku u fiskali għal Malta ppreparati mill-gvern huma simili u qrib l-istimi ppubblikati minn istituzzjonijiet indipendenti oħrajn. Abbażi tal-informazzjoni disponibbli sakemm kien imħejji dan ir-rapport, il-Kunsill huwa tal-opinjoni li l-bilanċ tar-riskji għat-tkabbir tal-PGD reali fl-2022 u l-2023 ixaqleb lejn dak posittiv. Fl-istess waqt, il-Kunsill huwa tal-opinjoni li d-defiċit fiskali pubbliku jista' jkun inqas minn dak previst mill-Gvern għas-sentejn imbassra. Il-possibbilta' ta' tkabbir ekonomiku reali iktar għoli akkompanjat minn defiċit fiskali pubbliku inqas minn dak imbassar mill-Gvern jagħti lok għal dejn pubbliku bħala proporzjon tal-PGD inqas minn dak previżt. Dan minkejja li ċ-ċirkustanzi preżenti huma ikkaratterizzati minn livelli għolja ta' inċertezza.

Ir-rapport sħiħ, intitolat "Assessment of the Draft Budgetary Plan 2023", huwa disponibbli fuq is-sit elettroniku tal-MFAC: http://www.mfac.org.mt.