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EUROSISTEMA
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ECONOMIC UPDATE

3/2017

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ECONOMIC UPDATE 3/2017

Summary¹

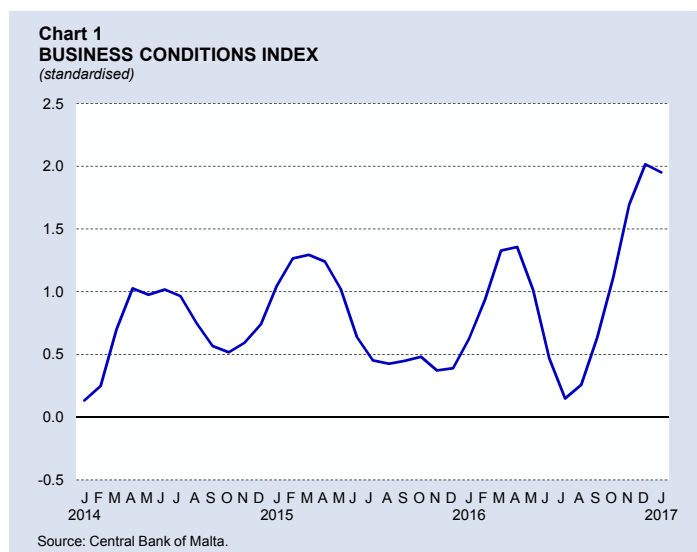
Business conditions remained favourable, with the Bank's Business Conditions Index (BCI) continuing to signal above normal activity levels in February. Economic sentiment increased during the month. In January, the annual rate of change of retail sales turned positive again, while industrial production and tourism activity continued to expand. Labour market conditions remained favourable, with the number of registered unemployed falling further during the month. Price pressures picked up in January, with the annual rate of inflation based on the Harmonised Index of Consumer Prices (HICP) rising to 1.4%. The annual rate of growth of Maltese residents' deposits rose to 10.1%, while that of credit to residents eased to 1.3%.

Central Bank's Business Conditions Index (BCI)

The Central Bank's BCI continues to show an above average level of economic activity (see Chart 1).² In February, the BCI eased slightly to 1.8, from a revised value of 2.0 a month earlier. It remains substantially above the 0.9 recorded in February 2016. The index retained support from positive developments related to economic sentiment and the services industry.

Business and consumer confidence indicators

In February 2017, the Economic Sentiment Indicator (ESI) stood at 115, up from 111 in the preceding month (see Table 1), and above its long-term average of 100.^{3,4} Higher sentiment was registered among firms operating in the



¹ The cut-off date for information in this note is 10 March 2017.

² The BCI is a synthetic indicator, which includes variables from each subsequent section of the *Economic Update*, namely the term-structure of interest rates, industrial production, an indicator for the services industry, the economic sentiment indicator, tax revenues, unemployment, private sector credit and gross domestic product. By construction, it has an average value of zero, implying average business conditions, over its estimation period since 2000. For further details on the methodology behind the BCI, see Ellul, R. (2016), "A real-time measure of business conditions in Malta," *Central Bank of Malta Working Paper WP/04/2016*.

³ The ESI summarises developments in confidence in five surveyed sectors (industry, services, construction, retail and consumers). Weights are assigned as follows: industry 40%, services 30%, consumers 20%, construction 5% and retail trade 5%.

⁴ Long-term averages are calculated over the entire period for which data are available. For the consumer and industrial confidence indicators, data became available in November 2002, while the services and construction confidence indicator data became available in May 2007 and May 2008, respectively. Since the retail confidence indicator began to be published as from May 2011, its long-term average is calculated since then. The long-term average of the ESI is computed from November 2002.

Table 1
BUSINESS AND CONSUMER SURVEYS

Balances; percentage points; seasonally adjusted

	2015	2016	2017	
			Jan.	Feb.
Economic Sentiment Indicator	111	109	111	115
Retail trade confidence indicator	16	7	1	16
Business activity, past 3 months	33	17	-3	17
Stocks of finished goods	9	9	12	-1
Business activity, next 3 months	25	14	17	29
Services confidence indicator	26	26	24	33
Business situation development over the past 3 months	25	22	28	22
Evolution of the demand over the past 3 months	28	29	28	40
Expectation of the demand over the next 3 months	25	27	16	37
Consumer confidence indicator	0	2	0	4
Financial situation over next 12 months	4	5	3	7
General economic situation over next 12 months	11	13	13	15
Unemployment expectations over next 12 months	-10	-13	-12	-17
Savings over next 12 months	-25	-24	-28	-23
Construction confidence indicator	11	-8	-8	-13
Evolution of your current overall order books	1	-22	-24	-34
Employment expectations over the next 3 months	22	6	8	10
Industrial confidence indicator	0	0	7	7
Assessment of order-book levels	-23	-18	-9	-7
Assessment of stocks of finished products	-1	2	4	-1
Production expectations for the months ahead	24	19	33	26

Source: European Commission.

retail and services sector as well as among consumers. On the other hand, confidence fell in the construction sector, but remained unchanged in industry.

Sentiment in the retail sector rose to 16, after falling to 1 in January.⁵ This indicator thus stood above its long-term average of 1. The increased sentiment in February was driven by all subcomponents. On balance, respondents reported a decline in stocks of finished goods for the first time since October 2015.⁶ Additional survey data for this sector indicate that, compared to January, a smaller share of respondents expected their labour complement to rise in the subsequent three months. On balance, more firms believed that their orders will rise, while they expected prices to fall in the following three months.

In February, the confidence indicator for firms operating in the services sector signalled greater optimism, rising to 33, from 24 in the preceding month.⁷ This compares favourably with a long-term average of 21. Firms were more upbeat about demand over the preceding three months and its expected evolution over the three months ahead. On the other hand, firms were less optimistic about their business situation over the preceding three months. Additional survey data indicate that, overall, firms' assessment of past labour developments as well as expected prices,

⁵ The retail confidence indicator is the arithmetic average of the seasonally adjusted balances (in percentage points) of replies to survey questions relating to the present and future business situation and stock levels.

⁶ Decreased stocks of finished goods have a positive effect on the overall retail confidence indicator.

⁷ The services confidence indicator is the arithmetic average of the seasonally adjusted balances (in percentage points) of replies to survey questions relating to the business climate, the evolution of demand in the previous three months and demand expectations in the subsequent three months.

deteriorated when compared with January. However, a larger net share of respondents expected to increase their labour component in the following three months.

Consumer confidence also improved, from 0 in January to 4 in February.⁸ Consumer confidence thus remained well above its long-term average of -20. The improvement in February was driven by all subcomponents of the index. Additional survey information indicates that in the same month consumers' inflation expectations weakened compared with the preceding month. At the same time, a larger share of respondents expected to make fewer major purchases over the subsequent 12 months.

Confidence in the construction sector fell further to -13 in February, from -8 a month earlier.⁹ Sentiment still remained above its long-term average of -23. The fall in confidence reflected a more negative assessment of order book levels. This more than offset higher employment expectations for the three months ahead. Other survey data for the month indicate that, compared with January, a smaller share of respondents reported an increase in building activity over the preceding three months. However, selling price expectations over the following three months rose significantly.

Meanwhile, the industrial confidence indicator remained unchanged at 7 between the first two months of 2017, thereby remaining well above its long-term average of -4.¹⁰ Weaker production expectations were offset by a less pessimistic assessment of orders as well as below normal stocks of finished goods.¹¹ Supplementary survey data suggest that, on balance, in February a smaller share of respondents expected to increase their employment in the subsequent months. At the same time, on balance, respondents expected to lower their selling prices in the following three months.

Activity

The index of industrial production, which is a measure of economic activity in the quarrying, manufacturing and energy sectors, went up by an annual 4.8% in January 2017. This followed a 2.9% year-on-year increase in December (see Table 2).¹² In January, output increased substantially among manufacturers of electronic, computer and optical products, food and beverages, textiles as well as rubber and plastics. Production also increased in the energy sector. These increases offset lower production in the pharmaceutical sector and among firms producing machinery and equipment.

The annual rate of change of retail trade, which is a short-term indicator for final domestic demand, turned positive again in January. Calendar day-adjusted data show that the volume of retail trade rose by 1.1% on a year earlier, after contracting by 1.5% in December.

⁸ The consumer confidence indicator is the arithmetic average of the seasonally adjusted balances (in percentage points) of replies to a subset of survey questions relating to households' financial situation, their ability to save, the general economic situation and unemployment expectations over the subsequent 12 months.

⁹ The construction confidence indicator is the arithmetic average of the seasonally adjusted balances (in percentage points) of replies to two survey questions, namely those relating to order books and employment expectations over the subsequent three months.

¹⁰ The industrial confidence indicator is the arithmetic average of the seasonally adjusted balances (in percentage points) of replies to a subset of survey questions relating to expectations about production over the subsequent three months, to current levels of order books and to stocks of finished goods.

¹¹ Below normal stocks of finished goods have a positive effect on the overall industrial confidence indicator.

¹² The annual growth rates of the industrial production index are based on working-day adjusted data.

Table 2
ACTIVITY INDICATORS

Annual percentage changes

	2015		2016		2016										2017	
			Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.		
Industrial production	6.0	-3.4	-2.2	-3.7	-2.2	-3.7	-6.2	-5.0	-2.4	-1.6	-6.1	-0.4	2.9	4.8		
Retail trade	6.9	2.3	12.7	2.9	-1.2	0.0	-0.2	-1.2	4.5	3.8	1.2	4.2	-1.5	1.1		
Number of tourist arrivals	5.5	10.2	9.2	14.2	8.4	9.8	7.2	9.1	2.8	7.5	9.4	24.2	30.9	22.7		
Number of nights stayed	4.7	5.7	10.4	11.6	7.4	6.6	8.6	3.5	0.7	1.6	3.9	14.2	10.3	12.3		
Private accommodation	14.9	13.5	15.8	18.8	23.8	20.8	26.2	13.3	7.9	6.2	6.1	25.8	9.8	26.9		
Collective accommodation	-0.7	1.0	8.2	8.9	-0.1	0.3	-0.4	-3.5	-5.4	-1.7	2.6	8.5	10.8	3.5		
Tourist expenditure	7.2	4.3	9.6	10.9	3.3	5.0	4.0	4.3	-1.9	1.3	4.1	12.9	16.0	8.6		
Package expenditure	4.8	-6.5	0.1	4.9	-7.4	-6.5	-9.9	-1.9	-13.2	-6.0	-9.6	-3.1	3.1	-12.8		
Non-package expenditure	13.1	11.3	19.6	16.8	9.2	15.0	17.7	5.7	4.0	8.6	13.7	21.8	18.1	14.8		
Other	5.2	8.2	10.6	12.8	8.4	8.7	6.6	8.3	2.9	1.5	9.6	18.7	22.9	18.0		

Sources: National Statistics Office; Eurostat.

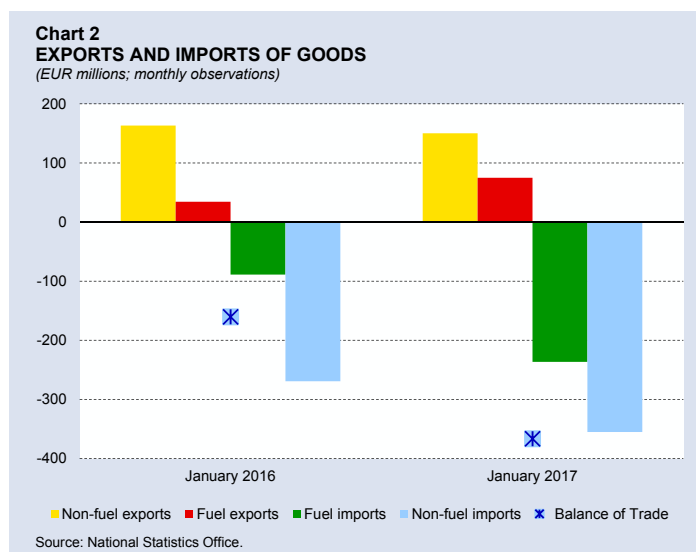
In January, the number of inbound tourists rose by 22.7%, when compared with the corresponding period a year earlier. Nights stayed grew by 12.3% on a year earlier, largely on account of an increase in private accommodation. Nights stayed in collective accommodation rose at a much slower pace by comparison. Meanwhile, tourist expenditure was up by 8.6% in annual terms, as a result of higher spending on the 'other expenditure' component, on accommodation and on air/sea fares. Spending on package holidays declined compared with a year earlier.

The overall occupancy rate in collective accommodation establishments stood at 44.1% in December, 5.6 percentage points higher than in the same month of 2015. Three-star hotels recorded the largest improvement.

During the final quarter of 2016, there were 85 cruise liner calls, 3 less compared with a year earlier. Nevertheless, foreign passengers increased marginally to 175,819, up by 0.3% on a year earlier. Over 2016 as a whole, the number of foreign cruise passengers rose by 4% to 615,198.

Preliminary Customs data show that the trade deficit stood at €366.6 million in January. This implies a widening of €206.1 million when compared with the same month of 2016, as imports increased by €233.5 million while exports rose by €27.4 million (see Chart 2). Trade in fuels was the main driver of the increase in both imports and exports.

Non-fuel imports increased by €85.8 million, largely driven by higher imports of ships and boats. Non-fuel exports, on the

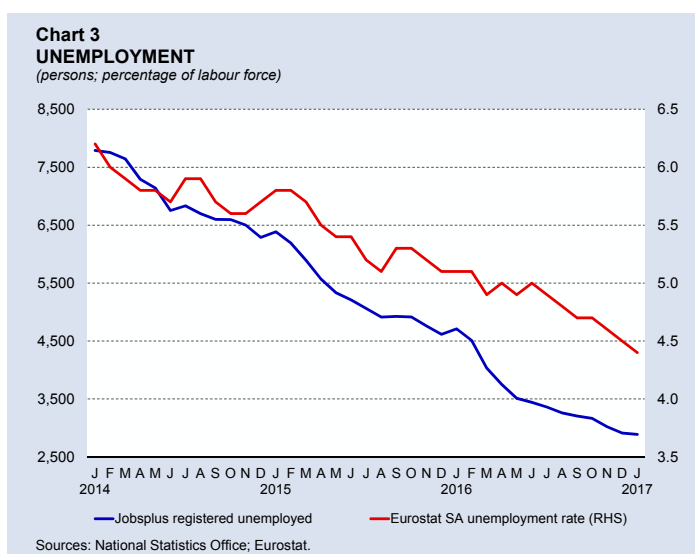


other hand, contracted by €13.1 million, on account of small contractions across various sectors. As a result, the deficit from trade excluding fuels widened by €98.9 million, to €205.0 million in January.

Labour market

Jobsplus data show a further fall in the number of people on the unemployment register in January. Indeed, the registered unemployed fell to 2,889 from 4,710 in the corresponding month of 2016 and from 2,912 in December 2016 (see Chart 3).

Meanwhile, Eurostat's estimate of the seasonally adjusted unemployment rate edged down to 4.4% in January, from 4.5% in the preceding month. The unemployment rate remained low from a historical perspective and well below the 5.1% recorded a year earlier.



BOX 1: GAINFULLY OCCUPIED POPULATION

Jobsplus records show that in September the gainfully occupied population, defined to include all persons in full-time employment, rose by 4.6% on a year earlier, reaching 182,052 (see Chart 4). This followed a 4.5% growth in August.

In line with recent months, growth in employment in September was mainly driven by the private sector, with the public sector registering only a marginal annual increase (see Table 3).

The number of full-timers in the private sector went up by 7,549, or 5.8%, on the same month of the

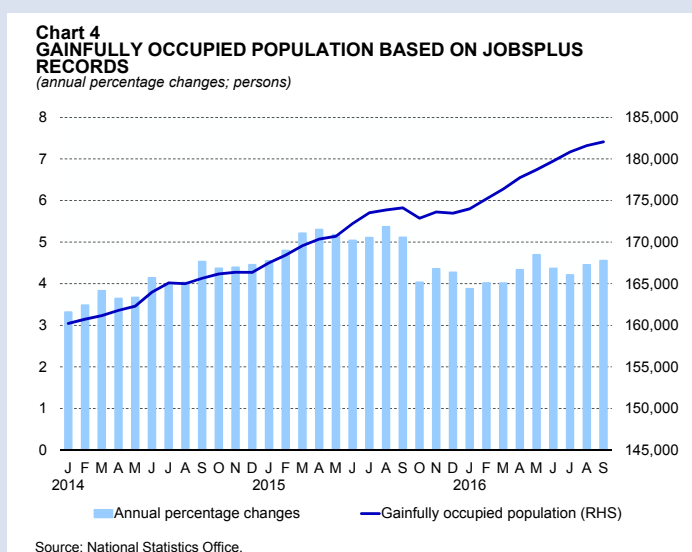


Table 3
LABOUR MARKET INDICATORS BASED ON JOBSPLUS RECORDS

Persons; annual percentage changes

	2015	2016	Annual change	
	September	September	Number of persons	%
Labour supply	179,048	185,259	6,211	3.5
Gainfully occupied ⁽¹⁾	174,124	182,052	7,928	4.6
Registered unemployed	4,924	3,207	-1,717	-34.9
Unemployment rate (%)	2.8	1.7		
Private sector	129,713	137,262	7,549	5.8
Direct production ⁽²⁾	32,602	32,883	281	0.9
Market services	97,111	104,379	7,268	7.5
Wholesale and retail trade	24,681	25,074	393	1.6
Transportation and storage	7,710	8,036	326	4.2
Accommodation and food service activities	10,898	11,593	695	6.4
Information and communication	6,102	6,387	285	4.7
Financial and insurance activities	7,935	8,317	382	4.8
Real estate, professional and administrative activities ⁽³⁾	22,124	24,863	2,739	12.4
Arts, entertainment and recreation	5,048	6,589	1,541	30.5
Education	4,935	5,062	127	2.6
Other	7,678	8,458	780	10.2
Public sector	44,411	44,790	379	0.9

⁽¹⁾ This category measures full-time employment.

⁽²⁾ This includes employment in agriculture, fishing, mining and quarrying, manufacturing, electricity, gas and water supply, and construction.

⁽³⁾ This includes employment in real estate activities, professional, scientific and technical activities, and administrative and support service activities.

Source: National Statistics Office.

previous year. Employment growth in the private sector continued to be driven by market services, with the number of full-time job holders increasing by 7,268, or 7.5% in annual terms. This increase was distributed among all major sectors within this category.

The sector incorporating real estate, professional and administrative activities registered the largest absolute increase. Employment in this sector went up by 2,739 in the year to September 2016, and accounted for 38% of the overall rise in private market services employment. The number of persons employed in the arts, entertainment and recreation sector also increased significantly in annual terms, going up by 1,541.

Meanwhile, employment in direct production within the private sector grew by 281, or 0.9%, on a year earlier. Increases were recorded across all sectors, with the exception of the waste management activities, where employment fell slightly on a year earlier.

Public sector jobs rose by 379, or 0.9%, on a year earlier, mainly driven by increased employment in public administration and defence as well as in education.

Prices, costs and competitiveness

The annual rate of HICP inflation rose to 1.4% in January, from 1.0% in the previous month (see Chart 5).

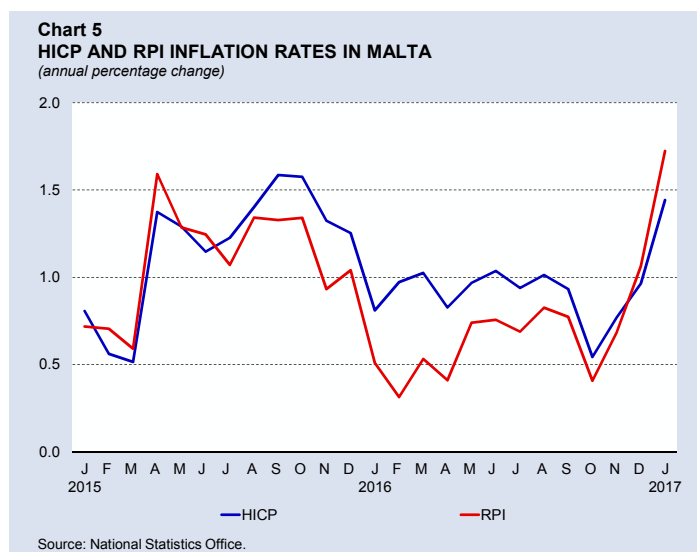
The recent increase in HICP inflation was driven by almost all of the main subcomponents. The annual inflation in food, non-energy industrial goods (NEIG) and energy picked up. Food inflation was supported by strong annual growth in vegetable prices, while NEIG inflation rose on the back of a pick-up in prices of semi-durable goods, such as clothing. Meanwhile, a rise in fuel prices led to an acceleration in energy inflation. Conversely services inflation continued to weaken, driven by slower growth in prices of recreational services, including restaurants.

Similarly, inflation based on the Retail Price Index (RPI) picked up to 1.7% in January from 1.1% in December. In line with developments in the HICP, higher contributions from food, clothing and footwear, and transport and communication, led to a rise in RPI inflation.¹³

Similarly, inflation based on the Retail Price Index (RPI) picked up to 1.7% in January from 1.1% in December. In line with developments in the HICP, higher contributions from food, clothing and footwear, and transport and communication, led to a rise in RPI inflation.¹³

The Industrial Producer Price Index (PPI), a proxy measure for cost pressures, picked-up slightly in January. This index fell by 1.0% when compared with a year earlier, following a 1.9% drop registered in December.¹⁴ The weaker rate of decline was mainly driven by factory-gate prices for consumer goods, in particular food, and to a lesser extent by prices for capital goods. Annual contributions from the other components of the index were broadly unchanged when compared with December. Producer prices have been on a declining trend for a number of years.

With regard to international price competitiveness, Malta's nominal harmonised competitiveness indicators (HCI) gained 0.5% in January when compared with a year earlier.¹⁵ This suggests that Malta's international competitiveness has deteriorated when compared to the beginning of 2016, partly reflecting the stronger euro exchange rate against the pound sterling. On the other hand, the real HCI, which also takes into account changes in relative prices on top of exchange rate movements, was unchanged on a year earlier.



¹³ The RPI differs from the HICP in that RPI weights are based on expenditure by Maltese households, while HICP weights also reflect expenditure patterns by tourists in Malta.

¹⁴ The Industrial PPI measures the prices of goods at the factory gate and is commonly used to monitor inflationary pressures at the production stage.

¹⁵ The nominal HCI tracks movements in the country's exchange rate against the currencies of its main trading partners, weighted according to the direction of trade in manufactured goods. The real HCI incorporates both exchange rate changes and the relative inflation of a country vis-à-vis its main trading partners. A higher (or lower) score in the HCI indicates a deterioration (or improvement) in a country's international price competitiveness.

Public finance

During the first month of 2017, the Consolidated Fund balance registered a deficit of €15.9 million, an amelioration of €33.0 million over January 2016 (see Table 4).¹⁶ This reflected an increase in revenue, which was larger than the rise in expenditure. As a result the primary balance registered a surplus of €1.7 million, a significant improvement over the €33.7 million deficit registered last year.

Government revenue increased by €51.8 million, or 24.7%, when compared with a year earlier. The increase was broad-based across the main categories of revenue. The largest increase was in non-tax inflows, which grew by €29.7 million, principally due to higher grants received from the EU.

Table 4
CONSOLIDATED FUND BALANCE

EUR millions

	2016	2017	Change	
	Jan.	Jan.	Amount	%
Revenue	209.4	261.2	51.8	24.7
Direct tax	117.8	124.0	6.2	5.3
Income tax	73.6	79.9	6.3	8.6
Social security contributions ⁽¹⁾	44.2	44.1	-0.1	-0.2
Indirect tax	74.2	90.1	15.9	21.4
Value Added Tax	28.0	33.4	5.4	19.1
Customs and excise duties	21.7	27.8	6.1	28.2
Licences, taxes and fines	24.4	28.8	4.4	18.0
Non-tax⁽²⁾	17.4	47.1	29.7	170.7
Expenditure	258.2	277.0	18.8	7.3
Recurrent	235.2	267.0	31.8	13.5
Personal emoluments	56.7	58.4	1.7	3.0
Operational and maintenance	17.0	19.4	2.4	13.9
Programmes and initiatives ⁽¹⁾	128.6	145.6	17.0	13.2
Contributions to entities	17.7	26.1	8.4	47.5
Interest payments	15.2	17.5	2.4	-
Capital	23.0	10.0	-13.0	-
Primary balance⁽³⁾	-33.7	1.7	35.3	-
Consolidated Fund balance	-48.8	-15.9	33.0	-

⁽¹⁾ Government contributions to the social security account in terms of the Social Security Act 1987 are excluded from both revenue and expenditure.

⁽²⁾ Includes grants but excludes proceeds from sale of assets, sinking funds of converted loans and borrowings.

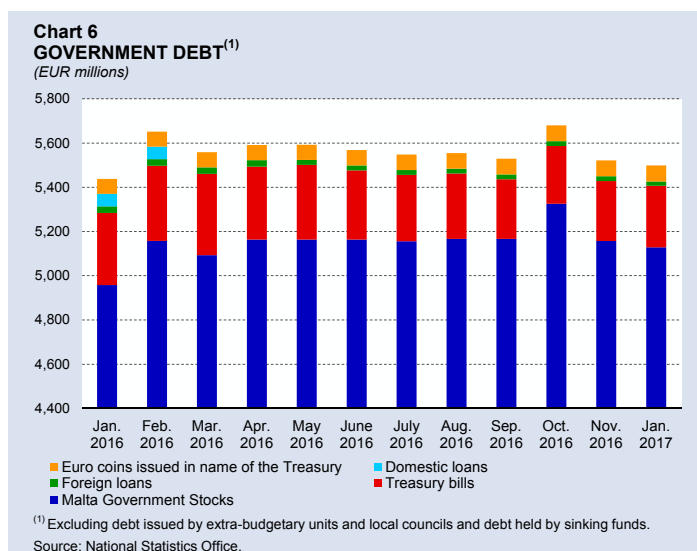
⁽³⁾ Revenue less expenditure excluding interest payments.

Source: National Statistics Office.

¹⁶ The Consolidated Fund covers most of the transactions of central government, excluding extra-budgetary units and local councils, on a cash basis.

Expenditure rose by €18.8 million, or 7.3%, when compared with January 2016. Higher outlays in programmes and initiatives were the main drivers of this increase, which occurred mainly as a result of timing issues in the payment of Malta's contribution to EU own resources. Contributions to government entities also contributed to the growth in government expenditure.

In January, the total stock of central government debt declined by €23.2 million when compared with November 2016, to reach €5,498.5 million (see Chart 6). This change was mainly driven by a €25.0 million increase in holdings of Malta Government Stocks by sinking funds, which are excluded from central government debt.



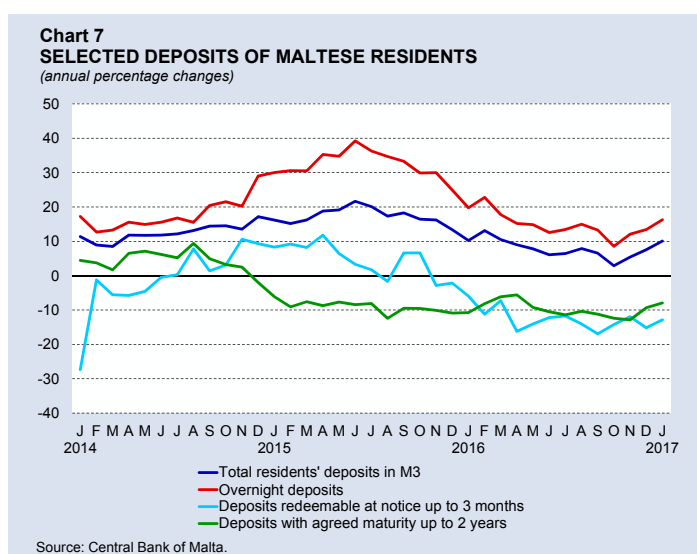
Deposits, credit and financial markets

The annual rate of growth of residents' deposits, forming part of broad money (M3) rose to 10.1% in January, from 7.5% in December (see Chart 7).

The acceleration in M3 deposits mainly reflected faster growth in overnight deposits. These rose by 16.3% on a year earlier, following a 13.4% increase in December. This faster growth in overnight deposits illustrates a continued preference for holding liquid assets in an environment of low interest rates. At the same time the annual rate of decline of deposits redeemable at notice up to 2 years eased in January.

Deposits with a maturity of up to three months, the smallest component of residents' deposits, also contracted at a slower pace in January. These decreased by 12.8% on a year earlier, following a decline of 15.2% in December.

On the asset side of banks' balance sheets, annual growth in credit to Maltese residents



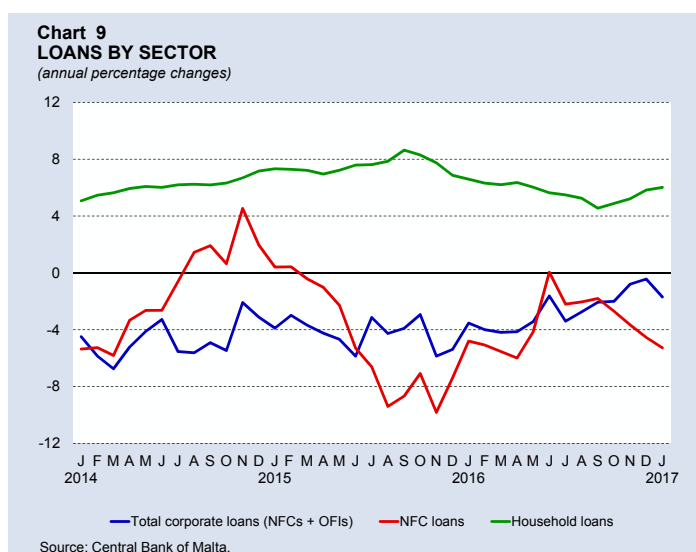
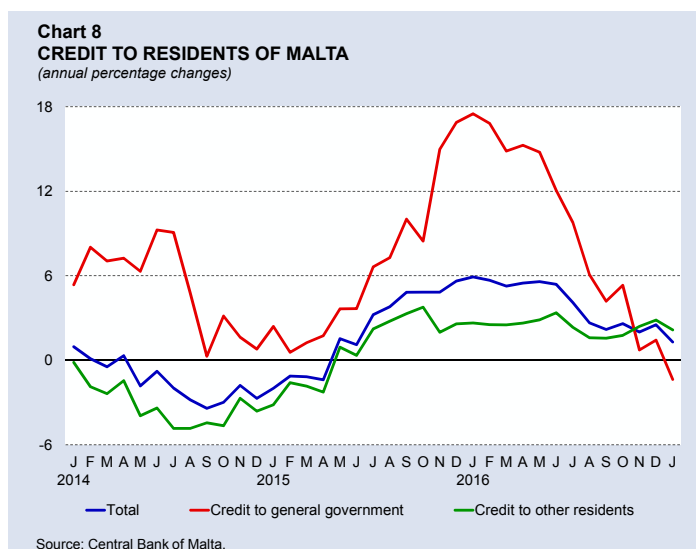
eased to 1.3% in January, from 2.5% in December (see Chart 8). This deceleration was driven by developments in credit to both general government and to other residents. Credit to general government, which had been growing year-on-year since mid-2013, contracted by 1.4% in January, following 1.4% growth in the previous month.

Credit to all other residents – which consists of credit to non-financial corporations (NFC), households and non-bank financial institutions (OFI) rose at an annual rate of 2.2%, down from 2.9% in December. Year-on-year growth in January was mainly driven by increases in loans, which also expanded at an annual rate of 2.2%, following a 2.7% growth in the previous month.

Loans to OFIs and households continued to expand. In particular, total loans to households grew by 6.0% in annual terms, following a 5.8% increase in December (see Chart 9). Loans for house purchases continued to grow at a robust pace, with the annual growth rate standing at 8.0% in January, up from 7.7% in December. In contrast, consumer credit and other lending to households continued to contract.

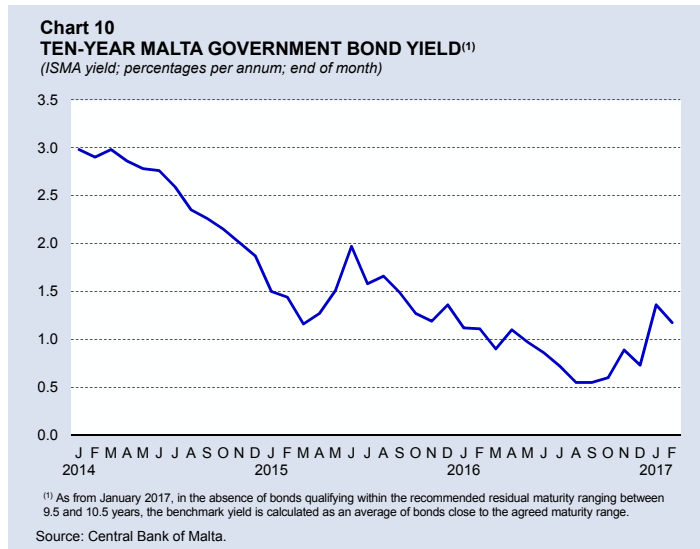
Loans to NFCs declined further. These went down by 5.3% in annual terms in January, following a 4.5% decrease a month earlier. This faster decline was driven by public NFCs, while loans to private NFCs, the bigger component, declined at a slower pace. Year-on-year declines in loans to private NFCs were recorded across most sectors, save for energy and real estate as well as the sector comprising professional scientific and technical activities.

Bank deposit rates remained broadly stable in January, but still below their level a year earlier. The composite interest rate paid by monetary financial institutions (MFI) on all euro-denominated deposits belonging to resident households and NFCs stood at 0.47%, down by 1 basis point from December. As a result, the composite deposit rate was 20 basis points below its level one year earlier.



The comparable rate charged on outstanding loans remained unchanged for the third consecutive month, at 3.68%. This implies a 13 basis point drop since January 2016.

In the secondary capital market, the yield on ten-year Maltese government bonds ended February at 1.18%, down from 1.36% at the end of the previous month (see Chart 10). Meanwhile, the Malta Stock Exchange (MSE) Index gained 0.4%.



Annex 1

MACROECONOMIC INDICATORS FOR MALTA																								
<i>(annual percentage changes; non-seasonally adjusted data)</i>																								
	2015	2016	2015	2015	2015	2015	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	2017	2017
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.
Prices and costs																								
HICP inflation	1.2	0.9	0.6	1.3	1.4	1.4	0.9	0.9	1.0	0.8	0.8	1.0	1.0	0.8	1.0	1.0	0.9	1.0	0.9	0.5	0.8	1.0	1.4	-
RPI inflation	1.1	0.6	0.7	1.4	1.2	1.1	0.5	0.6	0.8	0.7	0.5	0.3	0.5	0.4	0.7	0.8	0.7	0.8	0.8	0.4	0.7	1.1	1.7	-
Industrial producer price inflation	-2.2	-0.6	-1.3	-2.2	-2.2	-2.9	-1.5	0.1	0.0	-1.0	-2.0	-0.9	-1.6	1.3	-0.2	-0.8	-0.2	0.3	0.1	-0.1	-1.1	-1.9	-1.0	-
HCI (nominal)	-5.5	1.9	-6.7	-7.3	-4.4	-3.3	1.7	3.1	1.5	1.5	0.1	1.9	3.1	4.2	3.0	2.1	2.6	1.4	0.6	1.0	2.5	1.0	0.5	-
HCI (real)	-9.8	2.9	-12.4	-12.9	-7.7	-5.9	2.5	5.2	2.3	1.8	-0.6	2.9	5.3	7.2	5.2	3.4	4.3	2.1	0.5	0.7	3.8	0.9	0.0	-
Unit labour costs, whole economy ⁽¹⁾	-0.2	1.0	-0.8	-0.8	-1.1	-0.2	0.0	0.6	1.5	1.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Compensation per employee ⁽¹⁾	3.3	2.4	2.1	2.7	2.8	3.3	3.6	3.3	3.7	2.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Labour productivity (per person) ⁽¹⁾	3.5	1.3	2.9	3.5	3.9	3.5	3.6	2.7	2.2	1.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Property Price Index (NSO)	5.0	-	2.7	3.6	8.6	5.2	4.3	6.4	4.9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic activity																								
Nominal GDP	10.0	6.7	10.0	10.2	10.1	9.7	8.5	6.1	6.0	6.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Real GDP	7.4	5.0	8.0	7.8	7.1	6.9	6.3	4.4	4.5	5.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Real private consumption	5.2	3.8	4.0	3.7	7.0	5.9	6.7	3.5	1.3	3.9	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Real government consumption	3.8	-3.1	4.0	5.3	-1.8	7.5	5.7	2.8	-4.3	-15.7	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Real gross fixed capital formation	48.8	-1.3	12.1	73.0	77.6	36.5	18.3	-0.4	-18.9	2.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Real exports of goods and services	4.1	4.0	1.1	5.0	4.1	6.1	5.1	-0.2	2.6	8.6	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Real imports of goods and services	7.5	1.1	-1.0	10.5	12.9	7.8	7.3	-0.6	-5.1	3.7	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Labour market developments																								
LFS unemployment rate (% of labour force)	5.4	-	5.7	5.4	5.2	5.2	4.9	4.9	4.8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
LFS employment	2.3	-	1.7	1.8	2.8	3.0	2.6	3.5	2.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Jobsplus gainfully occupied	4.9	-	4.9	5.2	5.2	4.2	4.0	4.5	4.4	-	3.9	4.0	4.0	4.3	4.7	4.4	4.2	4.5	4.6	-	-	-	-	-
Balance of payments																								
Current account (as a % of GDP) ⁽²⁾	5.2	-	10.7	8.5	5.2	5.2	4.3	4.2	6.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Credit and financial indicators																								
Maltese residents' deposits and loans																								
Overnight deposits	24.9	13.4	30.5	39.3	33.3	24.9	17.8	12.6	13.3	13.4	19.8	22.8	17.8	15.2	14.8	12.6	13.4	15.0	13.3	8.5	12.1	13.4	16.3	-
Deposits with agreed maturity up to 2 years	-10.9	-9.3	-7.6	-8.4	-9.5	-10.9	-6.2	-10.5	-11.2	-9.3	-10.7	-8.2	-6.2	-5.6	-9.3	-10.5	-11.4	-10.4	-11.2	-12.4	-12.9	-9.3	-7.9	-
Total residents' deposits in M3	13.4	7.5	16.2	21.6	18.3	13.4	10.5	6.1	6.5	7.5	10.2	13.1	10.5	9.0	7.8	6.1	6.4	7.9	6.5	2.9	5.4	7.5	10.1	-
Credit to general government	16.9	1.4	1.2	3.7	10.0	16.9	14.9	12.1	4.2	1.4	17.5	16.8	14.9	15.3	14.8	12.1	9.8	6.1	4.2	5.3	0.7	1.4	-1.4	-
Credit to other residents	2.6	2.9	-1.8	0.4	3.3	2.6	2.5	3.4	1.6	2.9	2.6	2.5	2.5	2.6	2.9	3.4	2.3	1.6	1.6	1.8	2.4	2.9	2.2	-
Total credit	5.6	2.5	-1.2	1.1	4.8	5.6	5.3	5.4	2.2	2.5	5.9	5.7	5.3	5.5	5.6	5.4	4.1	2.7	2.2	2.6	2.0	2.5	1.3	-
10-year interest rate (%) ⁽³⁾	1.4	0.7	1.2	2.0	1.5	1.4	0.9	0.9	0.6	0.7	1.1	1.1	0.9	1.1	1.0	0.9	0.7	0.6	0.6	0.6	0.9	0.7	1.4	1.2
Stock prices: Malta Stock Exchange Index ⁽⁴⁾	33.0	4.5	13.4	8.3	5.9	2.2	3.0	0.0	-2.1	3.7	0.9	1.8	0.2	-0.4	-1.7	2.0	-2.0	-0.7	0.6	1.7	-1.6	3.6	1.8	0.4
General government finances (% of GDP)																								
Surplus (+) / deficit (-) ⁽⁵⁾	-1.3	-	-2.2	-1.8	-1.6	-1.3	-0.2	0.4	0.6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross debt ⁽⁶⁾	60.6	-	65.4	64.0	62.7	60.6	61.8	61.0	59.7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

⁽¹⁾ Four-quarter moving averages.

⁽²⁾ Four-quarter moving sums.

⁽³⁾ End of period. As from January 2017, in the absence of bonds qualifying within the recommended residual maturity ranging between 9.5 and 10.5 years, the benchmark yield is calculated as an average of bonds close to the agreed maturity range.

⁽⁴⁾ Period-on-period percentage changes, based on end-of-month data.

⁽⁵⁾ GDP data are four-quarter moving sums.

Sources: Central Bank of Malta; European Commission; Malta Stock Exchange; National Statistics Office.