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EUROSISTEMA
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ECONOMIC UPDATE

9/2017

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ECONOMIC UPDATE 9/2017

Summary¹

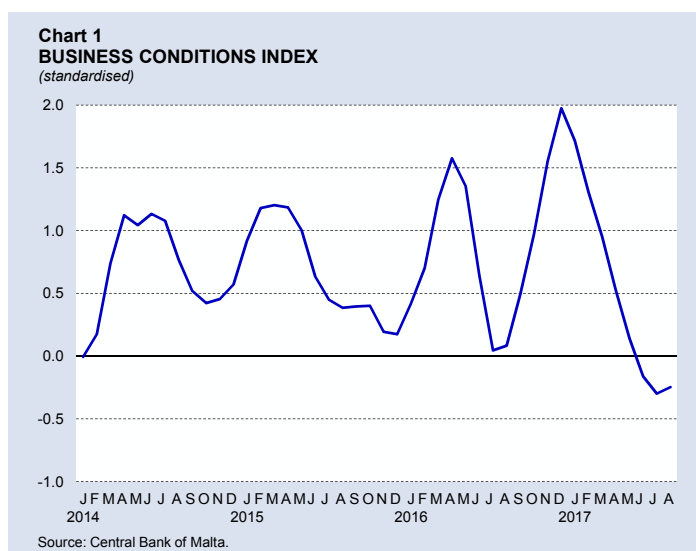
The Bank's Business Conditions Index (BCI) signalled a slight improvement in activity levels in August over the previous month. Economic sentiment also rose during the month, as confidence improved in all sectors. In July, retail sales grew moderately in annual terms, while tourism activity continued to grow at a fast pace. In contrast industrial production declined in annual terms. Labour market conditions remained favourable, with the number of registered unemployed declining on an annual basis and Eurostat's measure of the unemployment rate remaining low from a historical perspective. Price pressures remained moderate, with the annual rate of inflation based on the Harmonised Index of Consumer Prices (HICP) at 1.2% in July. Maltese residents' deposits rose by 13.4% when compared with a year earlier, while growth in credit to residents accelerated to 2.0%. As regards fiscal developments, the deficit on the cash-based Consolidated Fund narrowed in the first seven months of 2017.

Central Bank's Business Conditions Index (BCI)

The Central Bank's BCI shows a slight improvement over the previous month (see Chart 1). In August, the index progressed to -0.2 from a revised value of -0.3 a month earlier. The BCI was affected by continued strength in construction, services and consumer confidence, but industrial production remained weak.

Business and consumer confidence indicators

In August 2017, the Economic Sentiment Indicator (ESI) rose to 119 from 113 in the preceding month (see Table 1), and stood above its long-term average of 101.^{2,3} Higher sentiment



¹ The cut-off date for information in this note is 14 September 2017.

² 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%.

³ 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. The long-term average of the retail confidence indicator is calculated as from May 2011, when it was first published. However, 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.	Mar.	Apr.	May	June	July	Aug.
Economic Sentiment Indicator	111	109	111	115	114	115	113	115	113	119
Retail trade confidence indicator	16	7	1	16	8	-2	-2	-5	0	17
Business activity, past 3 months	33	17	-3	17	18	-8	16	-19	5	27
Stocks of finished goods	9	9	12	-1	12	9	2	5	6	3
Business activity, next 3 months	25	14	17	29	17	11	-20	10	1	26
Consumer confidence indicator	0	2	0	4	3	3	3	9	3	12
Financial situation over the next 12 months	4	5	3	7	3	4	5	12	7	11
General economic situation over the next 12 months	11	13	13	15	17	15	12	25	19	21
Unemployment expectations over the next 12 months	-10	-13	-12	-17	-12	-17	-13	-17	-14	-19
Savings over next 12 months	-25	-24	-28	-23	-19	-24	-18	-17	-26	-5
Construction confidence indicator	11	-8	-8	-13	9	6	13	15	10	17
Evolution of your current overall order books	1	-22	-24	-34	-1	0	2	6	-9	2
Employment expectations over the next 3 months	22	6	8	10	18	12	24	25	29	32
Services confidence indicator	26	26	24	33	25	34	25	21	30	34
Business situation development over the past 3 months	25	23	28	22	25	30	23	14	25	31
Evolution of the demand over the past 3 months	27	30	28	40	32	40	30	29	31	33
Expectation of the demand over the next 3 months	25	26	16	37	20	32	22	21	33	38
Industrial confidence indicator	0	0	7	7	9	5	8	12	2	6
Assessment of order-book levels	-23	-18	-9	-7	-5	-9	-3	13	-8	-14
Assessment of stocks of finished products	-1	2	4	-1	1	1	1	6	-9	-7
Production expectations for the months ahead	24	19	33	26	32	26	27	28	6	25

Source: European Commission.

was registered within all sectors, with the largest increase in confidence registered within the retail sector.

Sentiment in the retail sector rose for the second consecutive time in August, reaching 17 from 0 in July. Following this substantial improvement in sentiment, this indicator stood well above its long-term average of 1.⁴ The latest improvement was driven by respondents' improved assessment of past and expected business activity. At the same time, on balance, a smaller share of respondents assessed their stock level to be above normal.⁵ Additional survey data for this sector indicate that a larger share of firms expected prices to rise over the three months ahead.

Consumer confidence rose to 12 in August, from 3 in July, thus standing well above the long-term average of -19.⁶ All sub-components contributed to this increase in sentiment, with a rise in savings expectations for the 12 months ahead being the main driver.⁷ Additional survey information indicates that in August, a smaller share of consumers expects inflation in the following months, when compared with the preceding month.

⁴ 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.

⁵ A smaller share of respondents registering above normal stocks of finished goods has a positive effect on the overall industrial confidence indicator.

⁶ 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.

⁷ A rise in unemployment expectations has a negative effect on the overall indicator.

Similarly, confidence in the construction sector improved in August, increasing to 17 from 10 in July, thus remaining above its long-term average of -21.⁸ The rise in sentiment reflects improvements in both sub-components, with respondents' assessment of their overall order books turning positive and employment expectations rising further. Other survey data for the month indicate that, compared with July, a smaller share of respondents saw an increase in building activity over the preceding three months. Furthermore, a larger share of firms expected a rise in their selling prices in the three months ahead.

The confidence indicator of the services sector rose further above its long-term average, reaching 34 in August, from 30 in the preceding month.⁹ The recent increase in sentiment was driven by all sub-components. Additional survey data indicate that firms' assessments of recent employment developments as well as their employment expectations were more optimistic. Furthermore, a marginally larger share of respondents expected prices to rise in the three months ahead.

The industrial confidence indicator reached 6 in August, from 2 in the preceding month, and stood above the indicator's long-term average of -4.¹⁰ This rise in sentiment was entirely driven by an increase in the share of respondents expecting production to increase in the following months. In contrast, a smaller share of firms registered below normal stocks of finished goods.¹¹ At the same time, a larger share of respondents registered a decline in orders. Supplementary survey data suggest that, on balance, a smaller share of respondents expected an increase in their employment levels in the subsequent months. At the same time, fewer respondents expected to lower their selling prices in the three months ahead.

Activity

The index of industrial production, which is a measure of economic activity in the quarrying, manufacturing and energy sectors, went down by an annual 1.2% in July. This followed a 3.1% year-on-year increase in June (see Table 2).¹² In July production fell in the pharmaceutical sector, and among firms producing computer, electronic and optical products. Output also fell in the food and beverages sectors as well as among those involved in the printing and reproduction of recorded media. These decreases offset higher output among producers of wearing apparel and non-metallic products as well as within the "other manufacturing" sub-sector, which includes medical and dental instruments, toys and related products. Output also rose in the energy sector and among firms producing rubber and plastic products.

In July, the annual rate of change of retail trade, which is a short-term indicator of final domestic demand, grew at the same annual rate as that recorded in June. Calendar day-adjusted data show that the volume of retail trade increased by 2.7%.

⁸ 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.

⁹ 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.

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 indicator. Thus, a decline in the share of firms registering below normal stocks of finished goods has a negative effect on the overall industrial confidence indicator.

¹² The annual growth rates of the overall industrial production index are based on working-day adjusted data. Unadjusted data however, is used for the components.

Table 2
ACTIVITY INDICATORS

Annual percentage changes

	2015	2016	2017					
			Feb.	Mar.	Apr.	May	June	July
Industrial production	6.1	-3.3	6.3	4.4	4.7	4.4	3.1	-1.2
Retail trade	7.1	2.0	-3.7	3.3	6.2	3.8	2.7	2.7
Number of tourist arrivals	5.5	10.2	28.3	22.0	21.0	13.0	17.2	11.4
Number of nights stayed	4.7	5.7	15.7	6.8	15.0	11.9	9.6	8.9
Private accommodation	14.9	13.5	24.8	9.2	21.4	31.2	12.5	12.5
Collective accommodation	-0.7	1.0	11.8	5.8	11.4	1.5	7.7	5.9
Tourist expenditure	7.2	4.3	20.8	11.8	24.9	9.5	14.3	11.4
Package expenditure	4.8	-6.5	3.1	-4.1	11.8	-6.4	3.4	-5.6
Non-package expenditure	13.1	11.3	29.5	26.0	42.2	25.5	18.8	22.5
Other	5.2	8.2	28.0	16.2	21.7	9.9	19.1	15.4

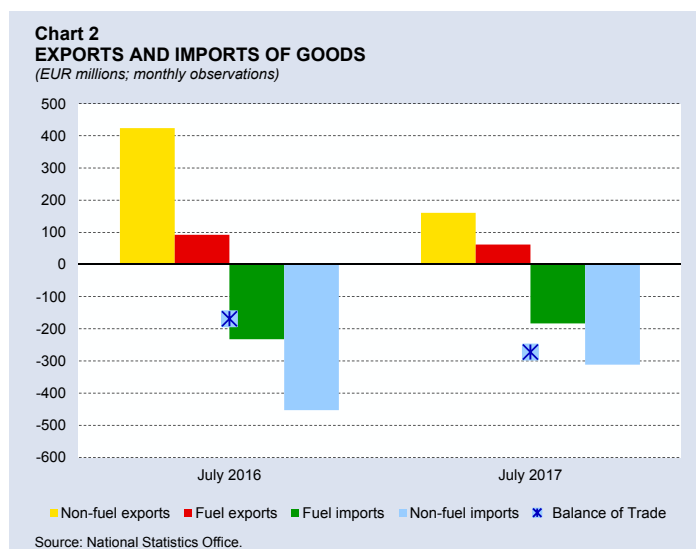
Sources: National Statistics Office; Eurostat.

Meanwhile, the number of inbound tourists grew by 11.4% on a year earlier, while nights stayed were up by 8.9%, reflecting increases in the number of nights spent in both private and collective accommodation. Tourist spending rose by 11.4% in annual terms. Higher spending was recorded across all expenditure components except package holidays.

In June, the overall occupancy rate in collective accommodation establishments stood at 73.5%, 0.6 percentage points higher than that registered in the same month of 2016. Higher occupancy rates were recorded in all categories except for five-star hotels. Occupancy rates in the “other establishments” category remained broadly unchanged.¹³

In the second quarter of 2017, there were 115 cruise liner calls, seven more than a year earlier. Nonetheless, foreign passengers decreased to 181,050, from 197,842 in the same period of 2016.

Preliminary Customs data show that the merchandise trade deficit stood at €272.1 million in July, a widening of €103.2 million on the same month of 2016. This arose as exports contracted at a faster pace than imports. The former dropped by €293.8 million, whilst imports declined by €190.6 million (see Chart 2). The contraction in exports largely reflected a decrease in exports of pharmaceuticals,



¹³ The “other” establishments category comprises guesthouses, hostels and tourist villages.

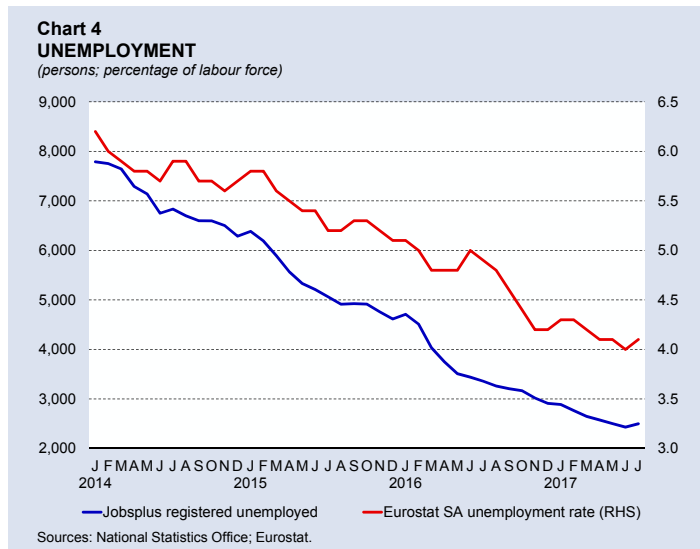
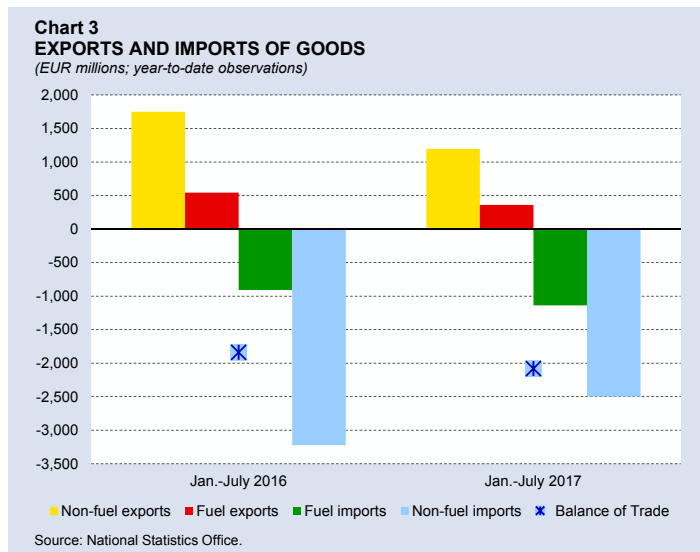
which were exceptionally high a year earlier.

During the first seven months of 2017 exports declined at a faster pace than imports. As a result, the visible trade gap widened by €241.0 million when compared with the same period of 2016, standing at €2,080.6 million (see Chart 3).

Labour market

Jobsplus data show an annual fall in the number of persons on the unemployment register in July. The registered unemployed decreased to 2,499, from 3,360 in the corresponding month of 2016, although it was marginally up from 2,432 in June 2017 (see Chart 4).

Meanwhile, Eurostat's estimate of the seasonally-adjusted unemployment rate stood at 4.1% in July, marginally up from 4.0% in the preceding month. The unemployment rate thus remained at a historical low.



BOX 1: GAINFULLY OCCUPIED POPULATION

Jobsplus records show that in March 2017 the gainfully occupied population, defined to include all persons in full-time employment, rose by 5.3% on a year earlier, reaching 187,334 (see Chart 5). This followed a 5.4% increase in February.

Growth in employment in March mirrored developments observed in recent months, as it continued to be mainly driven by the private sector, although public sector employment growth also rose on an annual basis (see Table 3).

The number of full-timers in the private sector went up by 8,576, or 6.4%, on the same month of 2016. Employment growth in this sector continued to be driven by market services, where

the number of full-time job holders increased by 8,119, or 8.1% 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. Employed persons in this sector went up by 2,624 in the year to March

**Chart 5
GAINFULLY OCCUPIED POPULATION BASED ON JOBSPLUS RECORDS**
(annual percentage change; persons)

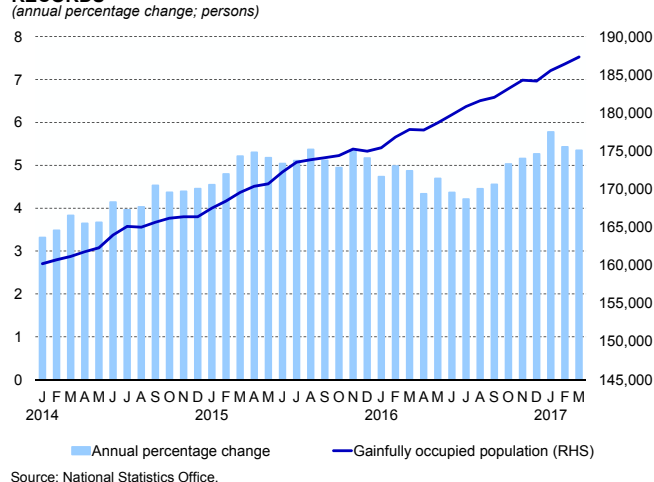


Table 3

LABOUR MARKET INDICATORS BASED ON JOBSPLUS RECORDS

Persons; annual percentage changes

	2016 March	2017 March	Annual change	
			Number of persons	%
Labour supply	181,855	189,983	8,128	4.5
Gainfully occupied ⁽¹⁾	177,822	187,334	9,512	5.3
Registered unemployed	4,033	2,649	-1,384	-34.3
Unemployment rate (%)	2.2	1.4		
Private sector	133,471	142,047	8,576	6.4
Direct production⁽²⁾	32,994	33,451	457	1.4
Of which:				
Manufacturing	20,640	20,727	87	0.4
Construction	9,705	10,026	321	3.3
Market services	100,477	108,596	8,119	8.1
Wholesale and retail trade	25,293	25,875	582	2.3
Transportation and storage	7,785	8,158	373	4.8
Accommodation and food service activities	11,020	11,793	773	7.0
Information and communication	6,001	6,560	559	9.3
Financial and insurance activities	8,034	8,482	448	5.6
Real estate, professional and administrative activities ⁽³⁾	23,578	26,202	2,624	11.1
Arts, entertainment and recreation	5,858	7,349	1,491	25.5
Education	5,007	5,172	165	3.3
Other	7,901	9,005	1,104	14.0
Public sector	44,351	45,287	936	2.1

⁽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.

2017, and accounted for almost a third 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 1,491.

Meanwhile, employment in direct production within the private sector grew by 457, or 1.4%, on a year earlier. Growth was recorded across most sectors, with the largest increase registered in the construction sector, where the increase was led by firms involved in the construction of buildings. Employment also rose significantly within the manufacturing sector, with the largest increase registered in the “other manufacturing” sub-sector, which includes medical and dental instruments as well as toys and related products. Employment also rose among firms involved in the production of rubber and plastics. On the other hand, employment fell marginally in the mining and quarrying sector as well as within the water supply sector.

Public sector jobs rose by 936, or 2.1%, on a year earlier, mainly driven by increased employment in public administration and defence as well as in education. These offset falls in other sectors, such as the transportation and storage, and construction sectors.

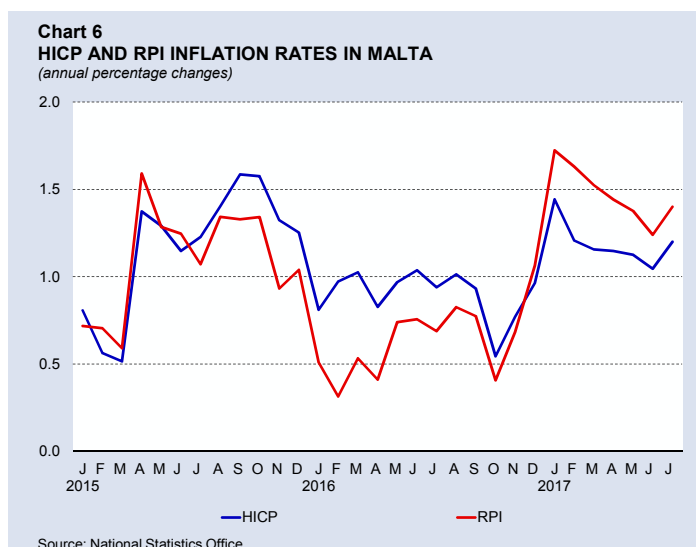
Prices, costs and competitiveness

Price pressures remained moderate in July, although the annual rate of HICP inflation accelerated slightly to 1.2%, from 1.0% in June (see Chart 6).

Among the main subcomponents, inflation in non-energy industrial goods picked-up during the month under review, although it remained low. This was mainly a result of weaker drops in the prices of garments and increases in the prices of footwear and household textiles. At the same time, both services inflation and food inflation increased. The contribution from energy inflation remained small and unchanged when compared with the previous month.

Similarly, inflation based on the Retail Price Index (RPI) rose to 1.4% in July, from 1.2% in June.¹⁴ This was driven by developments in prices of clothing and footwear, housing, and household maintenance and equipment.

Annual inflation based on the Industrial Producer Price Index (PPI) accelerated to 3.4% in July, from 1.2% in June.¹⁵ PPI inflation has risen for three consecutive months, breaking the previous trend of weak growth



¹⁴ 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.

¹⁵ The Industrial PPI measures the prices of goods at the factory gate and is commonly used to monitor inflationary pressures at the production stage.

or falling prices. In particular, the pick-up registered in the last three months reflected faster growth in prices for intermediate goods, particularly computer, electronic and optical products. Contributions from the other main components of the index, namely consumer goods, capital goods, and energy, remained small but positive.

With regard to international price competitiveness, Malta's nominal harmonised competitiveness indicator (HCI) rose for the third consecutive month, with annual growth of 2.5% in July.¹⁶ In real terms, the HCI was up by 3.4% when compared with July 2016. These figures suggest a deterioration in Malta's international competitiveness when compared with a year earlier, on account of unfavourable movements in both exchange rates and relative prices.

Public finance

During July 2017, the Consolidated Fund balance registered a deficit of €12.9 million, an improvement of €17.5 million when compared with the deficit registered in the corresponding month of 2016 (see Table 4). This reflected an increase in revenue which was larger than the increase in

Table 4
CONSOLIDATED FUND BALANCE

EUR millions

	2016 Jan.-July	2017 Jan.-July	2016 July	2017 July	Change	
					Amount	%
Revenue	1,780.6	2,028.1	230.2	314.9	84.7	36.8
Direct tax	927.0	989.1	150.1	188.7	38.6	25.7
Income tax	631.6	673.7	108.8	137.8	29.0	26.7
Social security contributions ⁽¹⁾	295.4	315.4	41.4	50.9	9.6	23.1
Indirect tax	669.6	770.0	63.8	103.4	39.6	62.0
Value Added Tax	339.1	398.9	19.5	36.4	16.8	86.2
Customs and excise duties	146.0	169.4	16.0	30.1	14.1	87.7
Licences, taxes and fines	184.5	201.7	28.3	36.9	8.7	30.6
Non-tax⁽²⁾	184.1	269.0	16.2	22.8	6.6	40.7
Expenditure	1,921.7	2,133.1	260.6	327.9	67.3	25.8
Recurrent	1,771.8	1,968.6	237.1	303.5	66.4	28.0
Personal emoluments	416.2	438.1	56.7	61.1	4.5	7.9
Operational and maintenance	104.2	101.2	13.8	12.7	-1.1	-8.1
Programmes and initiatives ⁽¹⁾	925.1	1,094.3	118.7	178.2	59.5	50.1
Contributions to entities	197.7	210.0	31.0	32.6	1.7	5.3
Interest payments	128.7	125.0	16.9	18.8	2.0	11.7
Capital	149.8	164.4	23.6	24.4	0.8	3.5
Primary balance⁽³⁾	-12.4	20.1	-13.6	5.9	19.4	-
Consolidated Fund balance	-141.0	-105.0	-30.4	-12.9	17.5	-

⁽¹⁾ Government contributions to the social security account in terms of the Social Security Act 1987 are netted out 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 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.

government expenditure. As a result the primary balance registered a surplus of €5.9 million, compared with a deficit of €13.6 million registered a year earlier.

Revenue grew by €84.7 million when compared with the same month a year ago, equivalent to 36.8%. This was mainly due to increases in tax revenue. The rise in direct taxes chiefly resulted from an increase in income taxes, while higher inflows from VAT as well as customs and excise duties contributed to the upswing in indirect taxes. Non-tax revenue also increased, mainly due to higher reimbursements and dividends on investment.

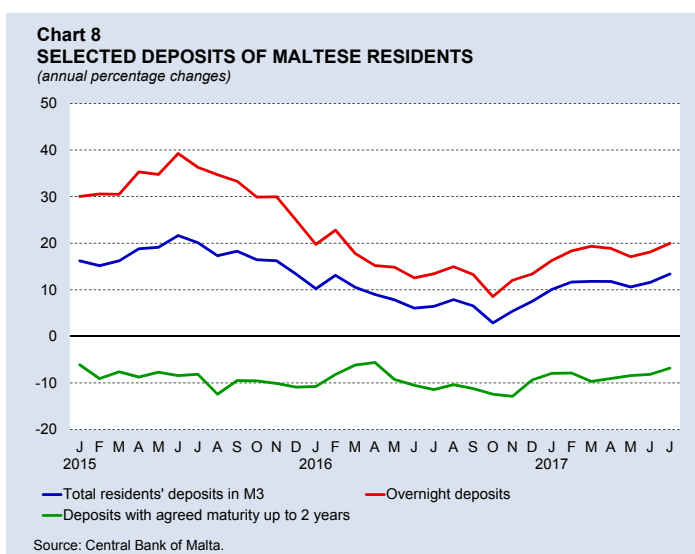
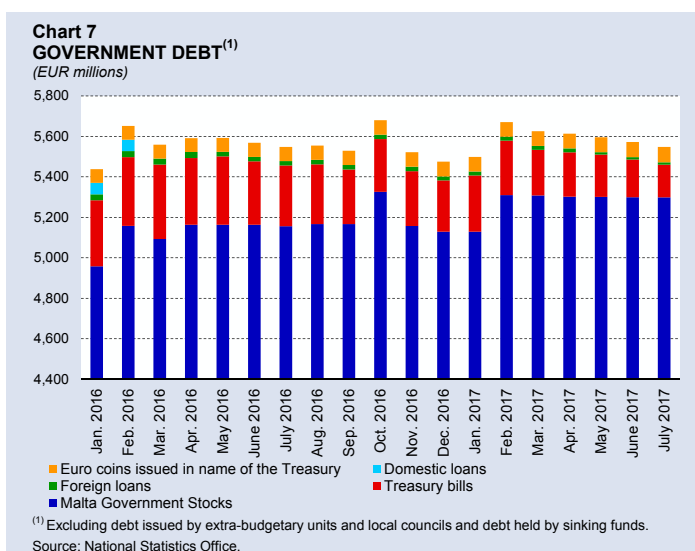
Meanwhile, government expenditure rose by €67.3 million, or 25.8% in the month under consideration. This increase was driven by higher recurrent expenditure mainly as a result of a rise in outlays on programmes and initiatives. The latter rose on account of higher spending on health, as well as the timing of pension payments. Meanwhile, capital expenditure rose by a marginal €0.8 million when compared with July 2016.

In July, the total stock of central government debt declined by €24.0 million when compared with a month earlier to reach €5,548.0 million (see Chart 7). This was mainly due to a decrease in the amount of Treasury Bills outstanding.

Deposits, credit and financial markets

The amount of residents' deposits held with monetary and financial institutions (MFI) forming part of broad money (M3) maintained its upward momentum during July, with the annual rate of growth accelerating to 13.4%, from 11.6% a month earlier (see Chart 8). This growth rate is relatively strong from a historical perspective, and indicates an abundance of liquidity in the context of robust economic growth as well as the money holding sectors' continued preference for holding liquid assets in an environment of low interest rates.

Among the main deposit categories, overnight deposits grew

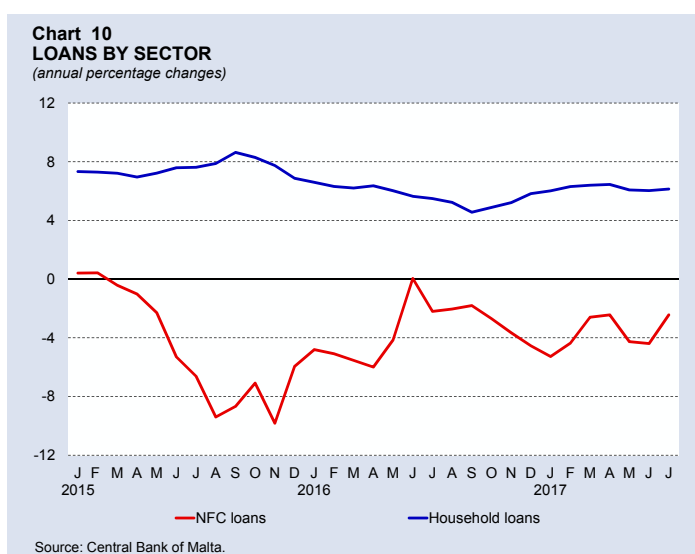
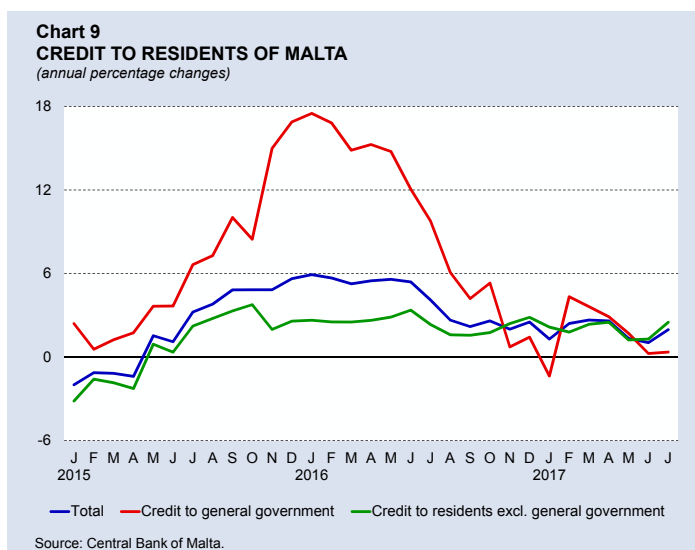


by an annual 20.0%, following an 18.1% increase in June. This category of deposits remained the main driver of the acceleration in total deposits. Moreover, time deposits with a maturity of up to two years contracted at a slower pace.

On the asset side of banks' balance sheets, annual growth in credit to Maltese residents accelerated to 2.0% in July, from 1.0% a month earlier (see Chart 9). This acceleration was largely driven by credit to residents excluding general government, whose annual rate of change almost doubled to 2.5%. Annual growth in credit to general government edged up only marginally and remained weak, on account of a decrease in MFIs' holdings of Treasury bills.

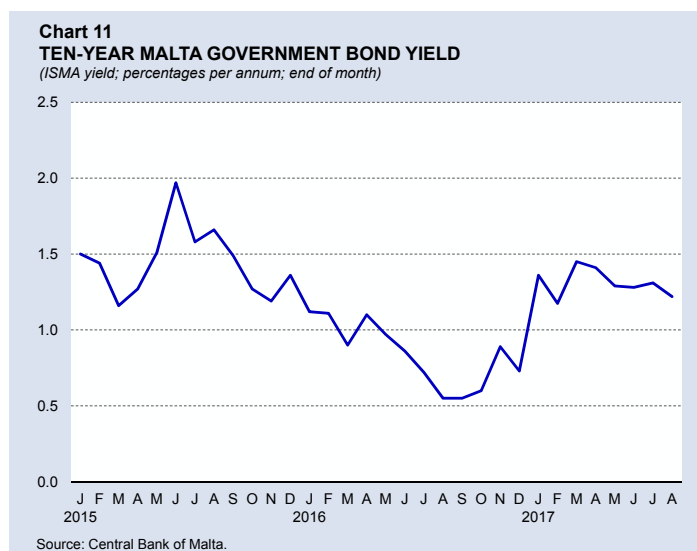
The acceleration in credit to residents outside general government in July was supported by growth in its major component, loans to residents. These rose by an annual rate of 3.0%, supported mainly by growth in loans to households (see Chart 10). Growth in this component edged up to 6.1% in July, with continued growth in mortgage loans offsetting declines in consumer credit and other loans. Loans to NFCs, the other major component of loans to residents, continued to contract, dropping by 2.4% in annual terms. These developments illustrate a continued shift in banks' loan portfolios towards households and away from NFCs.

Bank deposit rates dropped further in July, with the composite interest rate paid by MFIs on residents' euro-denominated deposits standing at 0.41%. This is 15 basis points lower than the rate registered in the same period last year. On the other hand, the comparable rate charged on outstanding loans remained unchanged at 3.66% when compared with June, but it was still 7 basis points lower than in July 2016. As a result, the spread between the composite deposit and loan rates applied to residents stood at 325 basis points, up from 315 basis points a year earlier. This continues to suggest a larger pass-through from the ECB's



accommodative policy towards deposit rates rather than to loan rates.

In the capital market, the secondary yield on ten-year Maltese government bonds ended August at 1.22%, down from 1.31% at end-July (see Chart 11). At the same time, the Malta Stock Exchange (MSE) Equity Price Index and the MSE Total Return Index, which accounts for changes in both equity prices and dividends, each lost 1.5%.



MACROECONOMIC INDICATORS FOR MALTA

(annual percentage changes; non-seasonally adjusted data)

	2015	2016	2016	2016	2016	2016	2017	2017	2016	2016	2016	2016	2016	2016	2016	2017	2017	2017	2017	2017	2017	2017	2017
			Q1	Q2	Q3	Q4	Q1	Q2	July	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	
Prices and costs																							
HICP inflation	1.2	0.9	0.9	0.9	1.0	0.8	1.3	1.1	0.9	1.0	0.9	0.5	0.8	1.0	1.4	1.2	1.2	1.1	1.1	1.0	1.2	-	
RPI inflation	1.1	0.6	0.5	0.6	0.8	0.7	1.6	1.4	0.7	0.8	0.8	0.4	0.7	1.1	1.7	1.6	1.5	1.4	1.4	1.2	1.4	-	
Industrial producer price inflation	-2.2	-0.6	-1.5	0.1	0.0	-1.0	-1.2	0.0	-0.2	0.2	0.0	-0.1	-1.0	-1.9	-1.7	-1.0	-0.9	-1.8	0.6	1.2	3.4	-	
HCI (nominal)	-5.2	2.3	2.2	3.5	1.8	1.7	-0.1	0.7	3.0	1.7	0.8	1.3	2.9	1.0	0.4	-0.8	0.2	-0.4	0.8	1.6	2.5	-	
HCI (real)	-9.2	3.2	3.0	5.6	2.5	1.9	-1.2	-0.1	4.6	2.4	0.6	1.0	4.1	0.7	-0.3	-2.6	-0.7	-2.1	0.1	1.6	3.3	-	
Unit labour costs, whole economy ⁽¹⁾	0.2	0.9	0.2	0.5	1.2	0.9	0.8	0.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Compensation per employee ⁽¹⁾	3.2	2.7	3.5	3.1	3.5	2.7	1.7	1.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Labour productivity (per person) ⁽¹⁾	3.0	1.8	3.3	2.7	2.2	1.8	0.9	1.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Property Price Index (NSO)	5.8	5.6	5.2	7.2	4.7	5.3	5.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic activity																							
Nominal GDP	9.7	7.2	8.9	6.4	6.2	7.5	8.0	8.5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Real GDP	7.1	5.5	6.8	4.9	4.6	5.9	6.2	6.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Real private consumption	5.9	3.0	6.8	3.3	-0.2	2.3	3.7	5.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Real government consumption	3.7	-1.8	6.0	3.4	-4.8	-11.2	-3.7	-9.9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Real gross fixed capital formation	48.4	-0.4	19.7	0.7	-17.5	2.1	3.8	-27.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Real exports of goods and services	4.2	3.5	4.7	-0.5	2.0	8.1	0.2	5.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Real imports of goods and services	7.6	0.8	7.1	-0.5	-5.8	3.3	-1.6	-6.5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Labour market developments																							
LFS unemployment rate (% of labour force)	5.4	4.7	4.9	4.9	4.8	4.2	4.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
LFS employment	2.3	2.9	2.6	3.5	2.3	3.2	2.7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Jobsplus gainfully occupied	5.1	4.7	4.9	4.5	4.4	5.2	5.5	-	4.2	4.5	4.6	5.0	5.2	5.3	5.8	5.4	5.3	-	-	-	-	-	-
Balance of payments																							
Current account (as a % of GDP) ⁽²⁾	5.2	7.0	4.1	3.5	6.2	7.0	6.6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Credit and financial indicators																							
Maltese residents' deposits and loans																							
Overnight deposits	24.9	13.4	17.8	12.6	13.3	13.4	19.3	18.1	13.4	15.0	13.3	8.5	12.1	13.4	16.3	18.4	19.3	18.9	17.1	18.1	20.0	-	
Deposits with agreed maturity up to 2 years	-10.9	-9.3	-6.2	-10.5	-11.2	-9.3	-9.7	-8.1	-11.4	-10.4	-11.2	-12.4	-12.9	-9.3	-7.9	-7.9	-9.7	-9.0	-8.4	-8.1	-6.8	-	
Total residents' deposits in M3	13.4	7.5	10.5	6.1	6.5	7.5	11.8	11.6	6.4	7.9	6.5	2.9	5.4	7.5	10.1	11.7	11.8	11.8	10.6	11.6	13.4	-	
Credit to general government	16.9	1.4	14.9	12.1	4.2	1.4	3.6	0.3	9.8	6.1	4.2	5.3	0.7	1.4	-1.4	4.3	3.6	2.9	1.7	0.3	0.4	-	
Credit to residents (excl. general government)	2.6	2.9	2.5	3.4	1.6	2.9	2.4	1.3	2.3	1.6	1.6	1.8	2.4	2.9	2.2	1.8	2.4	2.5	1.2	1.3	2.5	-	
Total credit	5.6	2.5	5.3	5.4	2.2	2.5	2.7	1.0	4.1	2.7	2.2	2.6	2.0	2.5	1.3	2.4	2.7	2.6	1.3	1.0	2.0	-	
10-year interest rate (%) ⁽³⁾	1.4	0.7	0.9	0.9	0.6	0.7	1.5	1.3	0.7	0.6	0.6	0.6	0.9	0.7	1.4	1.2	1.5	1.4	1.3	1.3	1.3	1.2	
Stock prices: Malta Stock Exchange Index ⁽⁴⁾	33.0	4.5	3.0	0.0	-2.1	3.7	1.9	-0.4	-2.0	-0.7	0.6	1.7	-1.6	3.6	1.8	0.4	-0.4	-0.9	-0.8	1.3	0.3	-1.5	
General government finances (% of GDP)																							
Surplus (+) / deficit (-) ⁽²⁾	-1.3	1.0	-0.3	0.4	0.8	1.0	2.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross debt ⁽⁵⁾	60.6	58.0	61.8	60.9	59.6	58.0	58.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

⁽¹⁾ Four-quarter moving averages.⁽²⁾ Four-quarter moving sums.⁽³⁾ End of period. In January and February 2017, in the absence of bonds qualifying within the recommended residual maturity, the benchmark yield was 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.