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ECONOMIC UPDATE

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ECONOMIC UPDATE 1/2019

Summary¹

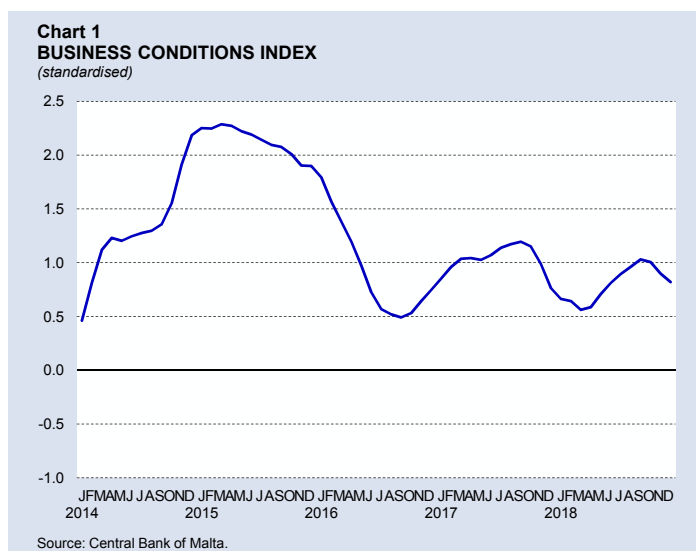
In December, the Bank's Business Conditions' Index (BCI) eased slightly over the previous month, while continuing to suggest above-average conditions. Economic sentiment fell as lower confidence within the industry and retail sectors as well as among consumers offset improved sentiment in construction and services. In November, tourism activity grew at a slower pace compared with October. Meanwhile, industrial production rose, while retail trade fell on a year earlier. Conditions in the labour market remained favourable, with the number of registered unemployed low from a historical perspective and the unemployment rate declining further. The annual inflation rate based on the Harmonised Index of Consumer Prices (HICP) moderated further and fell to 1.4% in November, while inflation based on the Retail Price Index remained unchanged at 1.6%. The annual rate of change of Maltese residents' deposits rose marginally to 4.6%. Growth in credit to residents grew by 3.5%. As regards fiscal developments, in November, the cash-based Consolidated Fund stood in deficit compared with a surplus a year earlier.

Central Bank's Business Conditions Index (BCI)²

In December, the Central Bank's BCI eased slightly over the previous month (see Chart 1). The index fell to 0.8, from a revised value of 0.9 in November. The BCI, however, continued to indicate above-average conditions. The BCI index was supported by improvements in tourist arrivals and the labour market, but was also affected by lower economic sentiment.

Business and consumer confidence indicators

In December, the Economic Sentiment Indicator (ESI) fell to 114 from 118 in the preceding month, but remained above its long-term average of 101 (see Table 1).^{3,4} Lower sentiment was registered in the retail and industry sectors as well as



¹ The cut-off date for information in this note is 14 January 2019.

² The methodology underlying the BCI has been updated for the sake of clarity. For further details on the changes carried out in the index, see Ellul, R., (2018), "Updates to the BCI," Central Bank of Malta.

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. 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

	2017		2018											
	2017	2018	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
Economic Sentiment Indicator	114	118	123	121	119	111	119	118	121	121	120	109	118	114
Retail trade confidence indicator	9	8	16	23	6	1	10	0	12	11	17	-1	15	-12
Business activity, past 3 months	15	15	38	26	3	8	13	8	15	16	28	6	30	-6
Stocks of finished goods	5	8	22	3	3	7	12	4	6	7	6	6	6	9
Business activity, next 3 months	16	17	32	47	17	3	28	-4	28	24	30	-2	22	-22
Industrial confidence indicator	8	7	16	14	11	-4	5	11	15	13	5	-9	7	-1
Assessment of order-book levels	-5	-1	-2	6	-2	1	-2	19	-1	3	-9	-15	-3	-13
Assessment of stocks of finished products	-2	6	1	-1	5	13	3	7	-3	5	4	14	9	13
Production expectations for the months ahead	27	28	51	35	40	-1	20	20	44	40	28	3	32	25
Consumer confidence indicator	8	23	25	27	26	23	22	23	23	23	24	24	23	20
Financial situation over the next 12 months	9	17	18	23	20	17	14	17	19	16	15	17	17	16
General economic situation over the next 12 months	19	29	32	33	34	28	27	26	28	27	30	30	26	25
Unemployment expectations over the next 12 months	-18	-30	-30	-29	-32	-31	-33	-30	-28	-29	-32	-33	-29	-26
Savings over next 12 months	-14	17	17	25	17	15	14	20	18	19	18	15	19	13
Construction confidence indicator	13	21	27	29	26	25	38	25	29	22	12	3	3	17
Evolution of your current overall order books	2	17	21	29	26	16	33	18	23	20	7	-3	5	9
Employment expectations over the next 3 months	24	26	34	29	27	34	43	32	35	23	17	9	1	24
Services confidence indicator	31	35	38	30	33	29	40	30	32	36	42	31	36	38
Business situation development over the past 3 months	27	31	32	27	34	25	31	26	25	28	40	29	36	36
Evolution of the demand over the past 3 months	33	36	36	38	38	34	41	30	32	40	36	29	34	42
Expectation of the demand over the next 3 months	32	37	46	25	26	29	49	35	38	40	51	34	39	36

Source: European Commission.

among consumers. On the other hand, higher confidence was recorded within the construction and services sectors.

In December, confidence in the retail sector fell significantly to -12 from 15 a month earlier, and stood below its long-term average of 3.⁵ The recent fall in sentiment was driven by all sub components, but mainly reflected a negative assessment of past and expected business activity. Firms' assessment of stock levels deteriorated only marginally as they rose to 9 in December from 6 in November.⁶ Additional survey data indicate that on balance, firms predicted higher prices, while more firms expected an increase in their employment.

Industrial confidence also turned negative, falling to -1 in December from 7 in the preceding month, though it still stood above its long-term average of -3.⁷ This fall was driven by all subcomponents with the main driver being a significant decline in order book levels from a month earlier. Supplementary data show that a smaller share of respondents expected levels of employment to rise in subsequent months. Going forward, a larger number of firms anticipated a decline in selling prices in the three months ahead.

In December, consumer confidence also edged down, going to 20 from 23 in the preceding month, but remained well above its long-term average of -16.⁸ A smaller share of respondents expected an increase in their savings. Meanwhile fewer respondents expected unemployment to fall in the

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 Above normal stocks of finished goods have a negative effect on the overall indicator. Thus, a rise in the balance of firms reporting above normal stock levels has a negative effect on the overall indicator.

⁷ 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.

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.

months ahead.⁹ Looking forward, on balance, consumers were less optimistic of both the general economic situation and their financial situation. Additionally, a larger share of respondents expected to make fewer major purchases over the 12 months, while more consumers anticipated higher prices going forward.

In contrast, sentiment within the construction sector increased significantly. It rose to 17 in December from 3 in the two preceding months, and stood above its long-term average of -15.¹⁰ This increase was driven by more optimistic employment expectations and, to a lesser extent, increased orders. Additional data show that fewer respondents reported an increase in building activity over the preceding three months. Looking forward more respondents expected prices to rise over the next three months.

Sentiment in the services sector rose marginally to 38 in December from the previous month's 36, remaining above its long-term average of 23.¹¹ Higher sentiment reflected respondents' more positive assessment of demand over the previous three months. In contrast, a smaller share of firms reported an improvement in demand in the three months ahead. Supplementary survey data indicate that in December, employment expectations were less optimistic than in the preceding month. Also, a smaller number of participating firms foresaw a rise in prices in the months ahead.

Activity

In November, the index of industrial production, which is a measure of economic activity in the quarrying, manufacturing and energy sectors, rose by 1.9% in annual terms, following a rise of 1.1% in the preceding month (see Table 2).¹² This increase was largely driven by higher production

Table 2
ACTIVITY INDICATORS

Annual percentage changes

	2016	2017	2017					2018							
			Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.
Industrial production	-4.3	4.0	3.4	-0.1	0.4	-5.2	-3.0	-3.3	-1.7	2.6	-4.3	-2.1	-4.9	1.1	1.9
Retail trade	2.9	5.1	2.2	8.5	6.0	2.7	1.9	-2.4	0.0	-1.3	-2.0	-1.3	-0.7	-2.1	-1.3
Number of tourist arrivals	10.2	15.7	15.8	15.0	19.9	17.8	18.6	17.0	19.3	13.8	15.2	10.2	15.1	10.5	7.8
Number of nights stayed	5.7	10.3	7.1	17.3	15.1	11.2	26.9	16.9	20.2	15.5	12.9	5.7	10.2	8.0	8.0
Private accommodation ⁽¹⁾	13.5	16.7	-2.0	13.8	10.5	19.1	56.1	26.7	21.9	28.1	18.4	5.1	18.1	18.0	32.2
Collective accommodation	1.0	6.0	12.3	20.0	18.5	7.4	14.6	11.0	19.0	6.9	8.0	6.3	2.8	1.2	-3.9
Tourist expenditure	4.3	13.9	18.3	24.3	16.1	4.7	20.2	3.9	16.6	9.7	9.5	7.2	4.8	3.3	2.6
Package expenditure	-6.5	3.2	23.9	21.0	30.9	15.4	27.2	15.1	29.7	10.2	41.6	25.4	3.7	-0.3	-7.1
Non-package expenditure	11.3	19.8	10.9	23.8	32.4	8.5	19.8	3.4	10.6	16.7	5.1	10.9	11.1	23.6	25.2
Other	8.2	17.3	20.5	26.4	-2.7	-5.0	15.0	-3.6	12.6	3.6	-6.8	-6.5	0.3	-9.0	-7.4

⁽¹⁾ Private accommodation includes stays in both rented and non-rented accommodation.

Sources: National Statistics Office; Eurostat.

⁹ A fall in unemployment expectations has a positive effect on the overall indicator. Thus, a decrease in the share of respondents expecting unemployment to fall has a negative effect on the overall indicator.

¹⁰ 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.

¹¹ 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.

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

among firms in the printing and reproduction of recorded media. Output also rose among firms that contribute to the repair and installation of machinery and equipment as well as in the “other manufacturing” sub-sector, which includes medical and dental instruments, toys and related products. On the other hand, production declined strongly among producers of pharmaceuticals and beverages. Output also fell among firms involved in the production of computer, electronics and optical products and among manufacturers of rubber and plastics. Small declines in production were registered in the food and energy sectors.

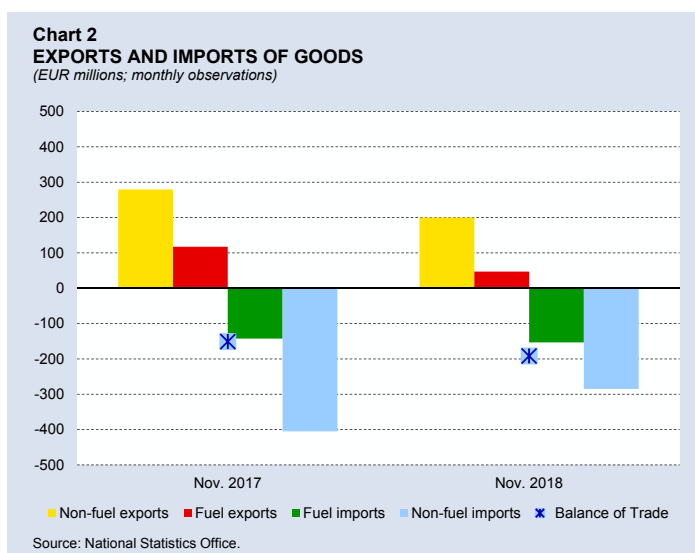
In November, retail trade, which is a short-term indicator of final domestic demand, fell at an annual rate of 1.3%, following a decline of 2.1% in October.

Meanwhile, the number of inbound tourists rose at a slower rate of 7.8% in annual terms, compared with 10.5% growth in October. Nights stayed grew at an unchanged rate of 8.0%, as nights spent in private accommodation increased while those spent in collective accommodation fell on a year earlier. Tourist spending in Malta rose at a modest rate of 2.6%, after going up by 3.3% in October. Spending on non-package holidays rose, while expenditure on package holidays and the ‘other’ expenditure category declined.

During the third quarter of 2018, the total occupancy rate in collective accommodation establishments rose to 84.1% from 81.9% a year earlier. Higher occupancy rates were recorded in three-star and, to a lesser extent, in four-star hotels and in the “other” collective accommodation category. In contrast, occupancy rates fell marginally in two-star and five-star hotels.

In the third quarter, there were 95 cruise liner calls, four less than a year earlier. Foreign passengers fell to 183,480, from 206,541 in the same period of 2017.

Customs data show that the merchandise trade deficit stood at €191.7 million in November, up from the €150.9 million recorded a year earlier (see Chart 2). This widening was driven by a drop in exports which outweighed a smaller drop in imports. The former decreased by €149.8 million, whereas imports contracted by €109.0 million on the same month of 2017. The decline in exports was predominantly on account of lower fuel re-exports and fish exports. The drop in imports was largely due to a decline in the registration of ships and aircraft.

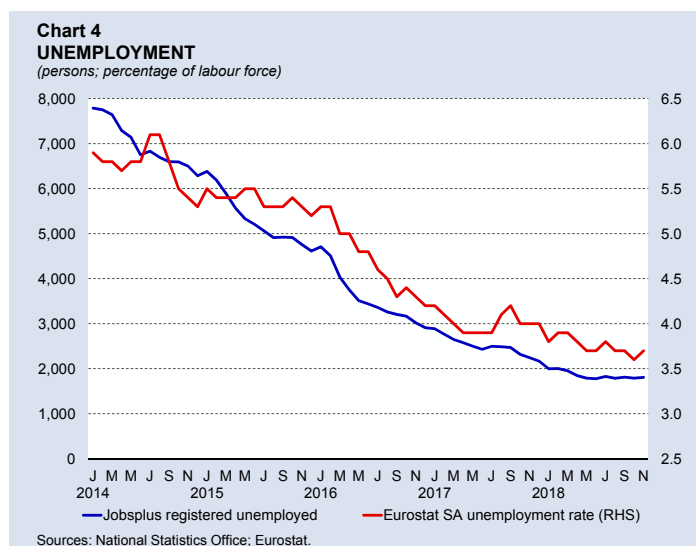
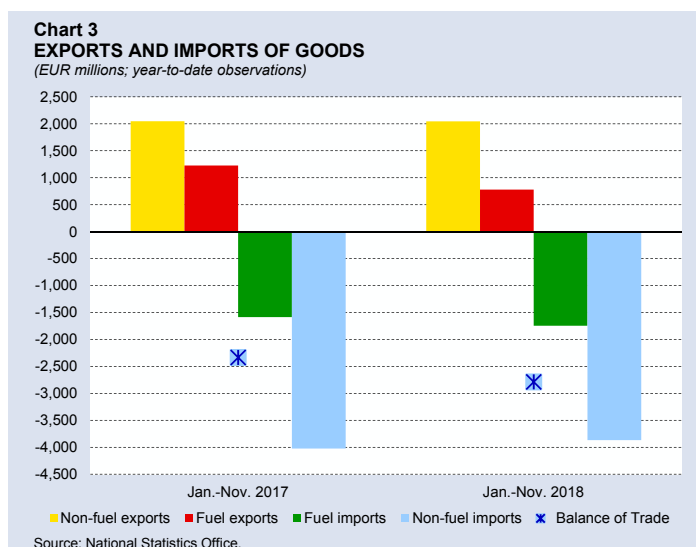


Over the first 11 months of 2018, the visible trade gap widened by €452.5 million on the same period of 2017, as imports rose negligibly while exports fell, largely on account of lower fuel re-exports (see Chart 3). Excluding trade in fuels, the trade balance would have narrowed by €155.0 million, as non-fuel imports declined while non-fuel exports remained practically unchanged on a year earlier.

Labour market

Jobsplus data show that in November the number of persons on the unemployment register dropped to 1,808, from 2,246 a year earlier, but were marginally up from 1,790 in October (see Chart 4).

Eurostat's estimate of the seasonally-adjusted unemployment rate also declined in November, falling to 3.7%, from 4.0% in the corresponding month of 2017.



BOX 1: GAINFULLY OCCUPIED POPULATION

Jobsplus records show that in July 2018 the gainfully occupied population, defined to include all persons in full-time employment, rose by 5.9% on a year earlier, reaching 206,585 (see Chart 5). The rate of growth in July 2018 was higher than the rate of 5.5% registered in the preceding month, but lower than that of 7.0% observed a year earlier.

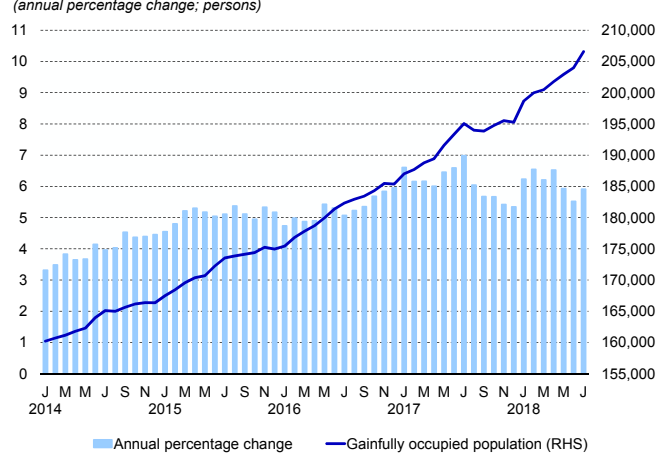
In line with developments in recent months, growth in employment continued to be mainly driven by the private sector, although public sector employment also rose on an annual basis (see Table 3).

The number of full-timers in the private sector went up by 10,089, or 6.8%, on July 2017. Employment growth in this sector continued to be driven by market services, with the number

of full-time job holders increasing by 8,747, or 7.6% in annual terms. This rise 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 2,976 in the year to July

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



Source: National Statistics Office.

Table 3
LABOUR MARKET INDICATORS BASED ON JOBSPLUS RECORDS

Persons; annual percentage changes

	2017 July	2018 July	Annual change	
			Number of persons	%
Labour supply	197,556	208,413	10,857	5.5
Gainfully occupied ⁽¹⁾	195,057	206,585	11,528	5.9
Registered unemployed	2,499	1,828	-671	-26.9
Unemployment rate (%)	1.3	0.9		
Private sector	149,115	159,204	10,089	6.8
Direct production⁽²⁾	34,388	35,730	1,342	3.9
Of which:				
Manufacturing	21,194	21,876	682	3.2
Construction	10,489	11,066	577	5.5
Market services	114,727	123,474	8,747	7.6
Wholesale and retail trade	26,269	26,691	422	1.6
Transportation and storage	8,389	8,990	601	7.2
Accommodation and food service activities	12,768	13,730	962	7.5
Information and communication	6,887	7,059	172	2.5
Financial and insurance activities	9,077	9,960	883	9.7
Real estate, professional and administrative activities ⁽³⁾	28,493	31,469	2,976	10.4
Arts, entertainment and recreation	7,967	9,022	1,055	13.2
Education	5,320	5,632	312	5.9
Other	9,557	10,921	1,364	14.3
Public sector	45,942	47,381	1,439	3.1

⁽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.

2018, and accounted for more than a third of the overall rise in private market services employment. The number of persons employed in the arts, entertainment and recreation sector also grew significantly in annual terms, going up by 1,055 persons. Employment also increased significantly within the accommodation and food service activities sector, as well as within the financial and insurance service activities.

Meanwhile, employment in direct production within the private sector grew by 1,342, or 3.9%, on a year earlier. Growth was recorded in both the manufacturing and construction sectors.

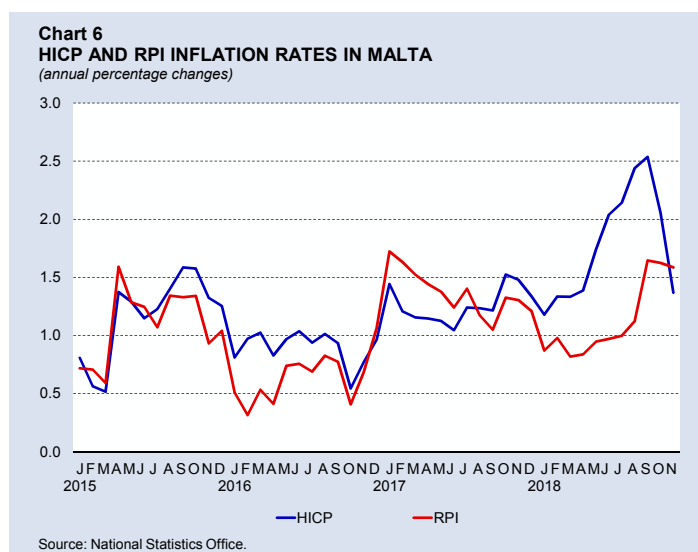
Public sector jobs rose by 1,439, or 3.1%, on a year earlier. Employment increased mostly in public administration and defence, in education as well as within the health care sector. These offset falls in construction as well as in sub-sectors such as employment agencies' activities and those related to services to buildings and landscape activities. Nevertheless, the share of public sector employment in the total gainfully occupied population edged down to 22.9% in July 2018 from 23.6% a year earlier.

Prices, costs and competitiveness

After having accelerated strongly since March, annual HICP inflation continued to moderate in November, falling to 1.4% from 2.1% in the previous month (see Chart 6).

The deceleration in overall inflation mainly reflected an easing of services inflation, which had been the main driver of the pick-up in inflation observed in previous months. In particular, slower growth was observed in prices for recreational services, such as accommodation. Food inflation also moderated when compared with October, though it remained robust. On the other hand, inflation in non-energy industrial goods (NEIG) remained weak despite a slight pick-up in November, reflecting downward pressures on prices for imported goods. Energy inflation was unchanged when compared with the previous month.

Inflation as measured by the RPI index stood unchanged at 1.6% in November when compared with October (see Chart 6), and was supported mainly



by the food component. The contrasting developments between overall HICP and RPI inflation mainly reflect the exclusion of tourist expenditure, such as accommodation services, from the RPI basket.¹³

Cost inflation for producers based on the Industrial Producer Price Index (PPI) accelerated to 4.0% in November.¹⁴ As in previous months, PPI inflation was supported by the intermediate goods subcomponent, which encompasses a wide range of items, such as computers and electronics. The contribution of consumer goods was also positive, while the contribution from capital goods and energy remained nil.

Malta's harmonised competitiveness indicators (HCI) continued to signal a further deterioration in international competitiveness, albeit at a slower pace when compared with earlier months.¹⁵ Annual growth in the nominal HCI, based on trade-weighted exchange rates, stood at 1.9% in November, while the real HCI, which also takes into account relative price pressures, grew by 1.7%. This reflects movements in the euro exchange rate and developments in relative prices vis-à-vis international trading partners over the past year, which have negatively impacted Malta's competitiveness.

Public finance

During November 2018, the Consolidated Fund balance recorded a deficit of €11.0 million, compared with a surplus of €80.3 million in November 2017 (see Table 4). This was due to a surge in primary expenditure, coupled with a slight decline in total revenue. Consequently, the primary balance registered a deficit of €0.9 million, compared with a €95.8 million surplus in the same period a year earlier.

Government revenue declined by €1.9 million or 0.5% compared with the corresponding period of 2017. Tax revenue rose on the back of a €6.0 million increase in income taxes and a €10.3 million growth in VAT inflows. However, these developments were offset by a €17.2 million decline in non-tax income, mainly due to lower inflows from the IIP scheme, and lower excise duties.

Government expenditure increased by €89.4 million, or 27.7% when compared with November 2017, due to higher capital and current outlays. The latter rose by €40.7 million on the back of higher operational and maintenance outlays, spending on health and the timing of Government contributions to church schools. Meanwhile, capital outlays increased by €48.7 million.

In the month under review, the total stock of government debt amounted to €5,199.6 million, a decrease of €12.2 million when compared with a month earlier (see Chart 7). This decline was

¹³ The Retail Price Index (RPI) differs from the HICP in that HICP weights are based on total expenditure in Malta, including that by tourists. In contrast, RPI weights only take into account expenditure by Maltese households, thereby excluding tourism-related expenditure such as accommodation services.

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.

Table 4
CONSOLIDATED FUND BALANCE

EUR millions

	2017		2018		Change	
	Jan.-Nov.	Jan.-Nov.	Nov.	Nov.	Amount	%
Revenue	3,474.7	3,663.5	403.5	401.7	-1.9	-0.5
Direct tax	1,746.4	1,901.1	177.4	183.6	6.3	3.5
Income tax	1,226.1	1,335.7	125.0	130.9	6.0	4.8
Social security contributions ⁽¹⁾	520.3	565.4	52.4	52.7	0.3	0.6
Indirect tax	1,339.2	1,473.5	182.4	191.5	9.1	5.0
Value Added Tax	760.6	842.6	136.4	146.7	10.3	7.6
Customs and excise duties	279.1	284.0	24.7	18.7	-6.0	-24.4
Licences, taxes and fines	299.4	347.0	21.3	26.0	4.8	22.3
Non-tax⁽²⁾	389.1	288.8	43.8	26.6	-17.2	-39.3
Expenditure	3,390.1	3,698.7	323.2	412.6	89.4	27.7
Recurrent	3,120.9	3,291.7	291.0	331.7	40.7	14.0
Personal emoluments	695.7	744.8	67.2	66.7	-0.5	-0.7
Operational and maintenance	161.9	188.9	7.4	28.1	20.7	277.7
Programmes and initiatives ⁽¹⁾	1,714.0	1,764.6	156.5	175.7	19.2	12.3
Contributions to entities	352.0	408.3	44.4	51.0	6.6	15.0
Interest payments	197.1	185.1	15.5	10.1	-5.4	-35.0
Capital	269.2	407.0	32.2	80.9	48.7	151.5
Primary balance⁽³⁾	281.8	149.9	95.8	-0.9	-96.7	-
Consolidated Fund balance	84.6	-35.2	80.3	-11.0	-91.3	-

⁽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.

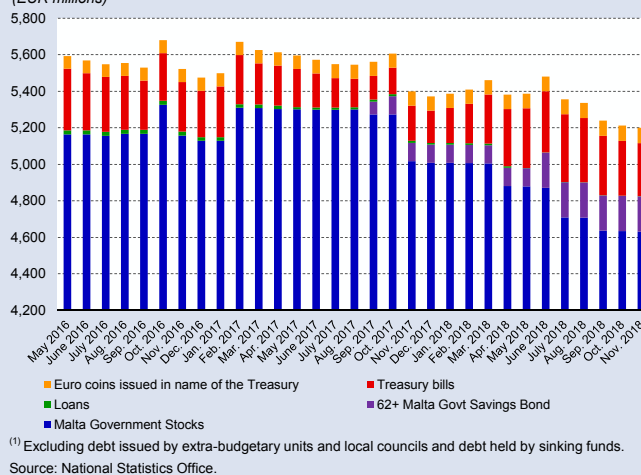
Source: National Statistics Office.

mainly due to a lower volume of Treasury Bills outstanding.

Deposits, credit and financial markets

Residents' M3 deposits held with monetary and financial institutions (MFI) based in Malta continued to expand in November, standing 4.6% higher than the amount registered twelve months earlier (see Chart 8). Although the annual rate of change in deposits has moderated when compared with 2017, the amount of deposits continues to point towards a high level of liquidity, driven by robust economic growth, increased employment, and low interest rates.

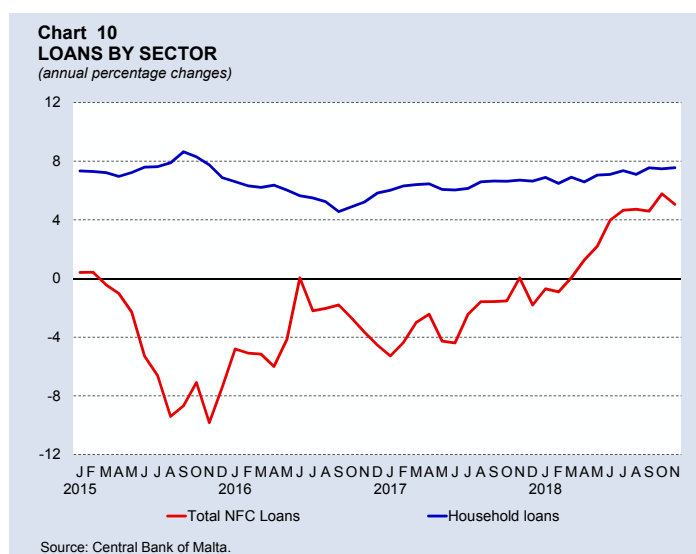
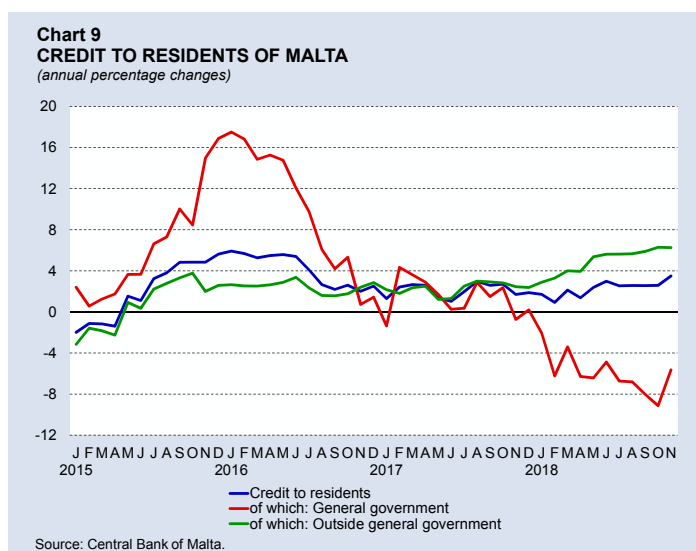
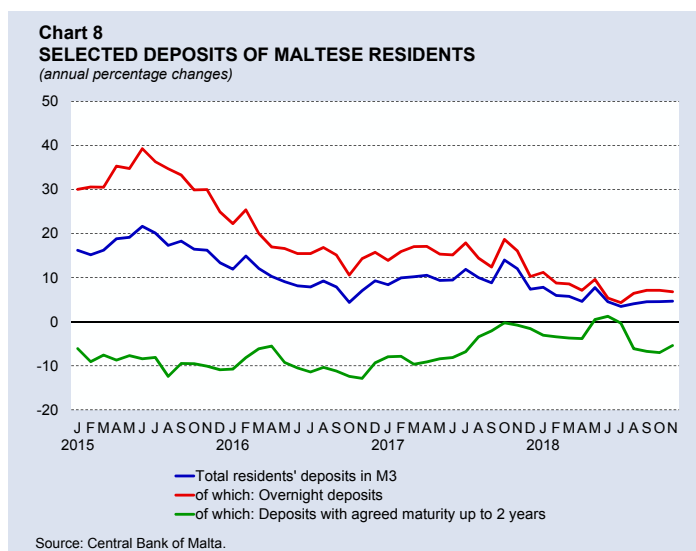
Chart 7
GOVERNMENT DEBT⁽¹⁾
(EUR millions)



The largest component of residents' M3 deposits remained overnight deposits, comprising over 80% of the total amount. This component, which is the most liquid form of deposits, grew by 6.8% in the year to November. On the other hand, time deposits with a maturity of up to two years continued to contract, falling by 5.4% in annual terms. This suggests that residents continued to shift their demand away from longer-term time deposits and towards overnight deposits, a process that has been ongoing for a number of years.

Meanwhile, credit to Maltese residents continued to expand in November, registering an annual growth rate of 3.5% (see Chart 9). Once again, growth in credit was influenced by contrasting developments in credit to general government and credit to residents outside general government. The former continued to contract, while the latter grew at the robust annual rate of 6.3%.

The continued strength in credit growth to residents outside general government is largely underpinned by growth in loans to households and NFCs. Loans to households grew by 7.6% in the year to November, mainly supported by strong growth in mortgages (see Chart 10). At the same time, loans to NFCs grew by 5.1% on an annual basis. Growth was observed across a number of sectors, including construction and real estate, accommodation

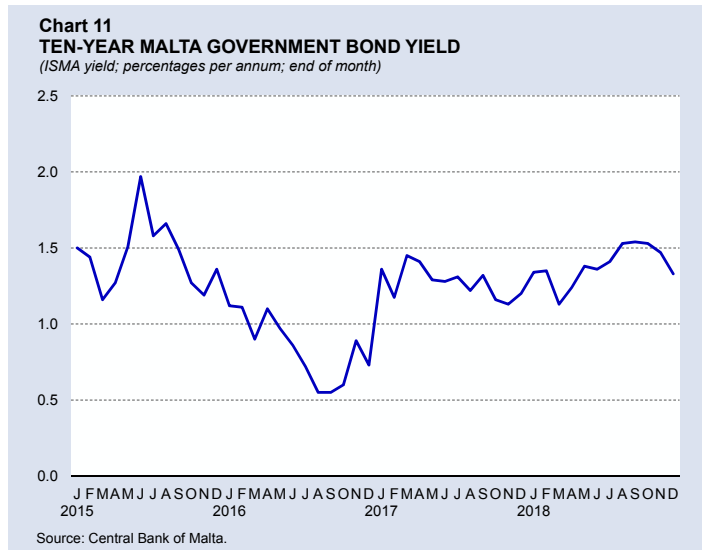


and food services, as well as manufacturing.

With regard to interest rates, the composite interest rate paid by MFIs on residents' outstanding deposits remained unchanged at 0.34% between October and November. The composite rate charged on outstanding loans dropped by 1 basis point to 3.54%. The spread between the two rates thus stood at 321 basis points.

In the capital market, the secondary market yield on ten-year

Maltese government bonds stood at 1.3% in December, thereby ending the year only marginally above the rate registered at the end of 2017 (see Chart 11). Meanwhile, the Malta Stock Exchange (MSE) Equity Price Index rose further during December, going up by 0.8%. The MSE Total Return Index, which accounts for dividends as well as changes in equity prices, rose by 0.9% during the month.



Annex 1

MACROECONOMIC INDICATORS FOR MALTA

(annual percentage changes; non-seasonally adjusted data)

	2016	2017	2018	2018	2018	2018	2017	2018	2018	2018	2018	2018	2018	2018	2018	2018	2018	2018	2018
			Q1	Q2	Q3	Q4	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
Prices and costs																			
HICP inflation	0.9	1.3	1.3	1.7	2.4	-	1.3	1.2	1.3	1.3	1.4	1.7	2.0	2.1	2.4	2.5	2.1	1.4	-
RPI inflation	0.6	1.4	0.9	0.9	1.3	-	1.2	0.9	1.0	0.8	0.8	0.9	1.0	1.0	1.1	1.6	1.6	1.6	-
Industrial producer price inflation	-0.3	1.6	4.5	6.6	3.9	-	3.5	3.3	3.5	6.6	7.0	6.2	6.6	4.1	3.7	3.9	3.4	4.0	-
HCI (nominal)	2.3	1.7	5.2	4.1	2.9	-	4.0	4.1	5.9	5.8	5.8	3.5	3.1	3.0	2.4	3.3	2.6	1.9	-
HCI (real)	3.1	1.9	7.9	6.1	4.0	-	5.8	5.9	9.0	8.8	9.2	5.1	4.2	4.1	3.2	4.7	3.1	1.7	-
Unit labour costs, whole economy ⁽¹⁾	1.3	0.6	1.6	1.8	1.5	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Compensation per employee ⁽¹⁾	2.9	1.8	2.5	2.2	1.9	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Labour productivity (per person) ⁽¹⁾	1.4	1.3	0.9	0.5	0.5	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Property Price Index (Eurostat)	5.5	5.3	5.6	5.7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic activity																			
Nominal GDP	7.3	9.2	7.3	8.8	9.5	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Real GDP	5.7	6.6	4.8	6.2	7.5	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Real private consumption	2.7	3.6	5.2	8.9	8.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Real government consumption	-2.8	2.8	2.2	10.2	1.9	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Real gross fixed capital formation	-0.1	-7.7	-16.9	12.6	0.6	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Real exports of goods and services	4.4	5.3	1.9	0.3	2.6	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Real imports of goods and services	1.4	-0.1	-1.0	4.3	1.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Labour market developments																			
LFS unemployment rate (% of labour force)	4.7	4.0	3.9	3.8	3.7	-	-	-	-	-	-	-	-	-	-	-	-	-	-
LFS employment	5.0	6.0	6.6	6.0	6.8	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Jobsplus gainfully occupied	5.3	6.1	6.3	6.0	-	-	5.3	6.2	6.5	6.2	6.5	5.9	5.5	5.9	-	-	-	-	-
Balance of payments																			
Current account (as a % of GDP) ⁽²⁾	3.4	10.4	11.3	10.3	10.6	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Credit and financial indicators																			
Maltese residents' deposits and loans																			
Overnight deposits	15.7	10.2	8.6	5.4	7.1	-	10.2	11.2	8.8	8.6	7.1	9.6	5.4	4.3	6.4	7.1	7.1	6.8	-
Deposits with agreed maturity up to 2 years	-9.3	-1.6	-3.7	1.2	-6.7	-	-1.6	-3.1	-3.4	-3.7	-3.8	0.5	1.2	-0.3	-6.1	-6.7	-7.0	-5.4	-
Total residents' deposits in M3	9.3	7.4	5.8	4.5	4.5	-	7.4	7.8	5.9	5.8	4.6	7.7	4.5	3.5	4.1	4.5	4.5	4.6	-
Credit to general government	1.4	0.2	-3.4	-4.9	-8.0	-	0.2	-2.1	-6.2	-3.4	-6.3	-6.4	-4.9	-6.7	-6.8	-8.0	-9.1	-5.6	-
Credit to residents (excl. general government)	2.9	2.4	4.0	5.6	5.9	-	2.4	2.9	3.3	4.0	3.9	5.4	5.6	5.6	5.7	5.9	6.3	6.3	-
Total credit	2.5	1.9	2.1	3.0	2.6	-	1.9	1.7	0.9	2.1	1.4	2.4	3.0	2.5	2.6	2.6	2.6	3.5	-
10-year interest rate (%) ⁽³⁾	0.7	1.2	1.1	1.4	1.5	1.3	1.2	1.3	1.4	1.1	1.2	1.4	1.4	1.4	1.5	1.5	1.5	1.5	1.3
Stock prices: Malta Stock Exchange Index ⁽⁴⁾	4.5	-3.3	-0.8	-2.5	0.5	3.0	2.7	-0.7	0.4	-0.5	-4.3	0.5	1.3	-0.8	-1.1	2.4	1.6	0.6	0.8
General government finances (% of GDP)																			
Surplus (+) / deficit (-) ⁽²⁾	0.9	3.5	3.0	3.8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross debt ⁽⁵⁾	55.4	50.2	49.8	48.9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

⁽¹⁾ Four-quarter moving averages.

⁽²⁾ Four-quarter moving sums.

⁽³⁾ End of period.

⁽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.