



BANK ĊENTRALI TA' MALTA
EUROSISTEMA
CENTRAL BANK OF MALTA

ECONOMIC UPDATE

5/2019

Date of issue: 16 May 2019

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The cut-off date for information in this publication is 10 May 2019. Figures in tables may not add up due to rounding.

ISSN 2410-8294 (online)

ECONOMIC UPDATE 5/2019

Summary¹

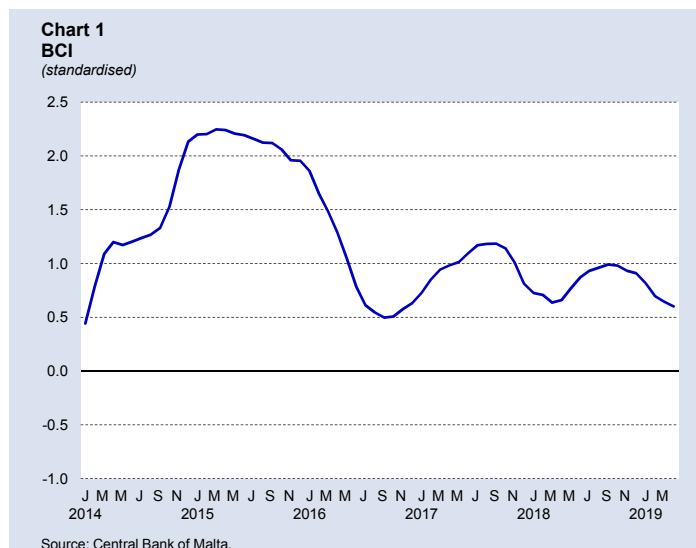
In April, the Bank's Business Conditions' Index (BCI) remained unchanged when compared with the previous month, while continuing to suggest above-average conditions. Economic sentiment, however, decreased further. While consumer confidence improved, confidence in other sectors decreased. In March, annual growth in tourism picked up. Tourist expenditure in Malta also rose marginally on a year earlier, after contracting in February. Industrial production fell when compared with March 2018. In contrast, retail trade increased on a year earlier. Conditions in the labour market remained favourable, with the number of registered unemployed and the unemployment rate remaining low from a historical perspective. The annual inflation rate based on the Harmonised Index of Consumer Prices (HICP) stood unchanged at 1.3% in March. Similarly, inflation based on the Retail Price Index (RPI) was stable at 1.9%. Maltese residents' M3 deposits grew by 5.8% on the same month of the preceding year, while credit to residents rose by 5.1%. As regards fiscal developments, in March the cash-based Consolidated Fund recorded a slightly narrower deficit compared with a year earlier.

Central Bank's BCI²

In April, the Central Bank's BCI remained unchanged from an updated reading of 0.6 in March (see Chart 1). It thus continued to indicate above-average economic conditions. The BCI was affected by lower economic sentiment and industrial production, but was supported by favourable conditions in the labour market.

Business and consumer confidence indicators

In April, the Economic Sentiment Indicator (ESI) fell to 92 from 102 in the preceding month, thus standing below its long-term average of 100 (see Table 1).^{3,4} The ESI stood 12 points lower than that recorded in the euro area. In April, lower sentiment was registered across all



¹ The cut-off date for information in this note is 10 May 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	2018	2019	2019	2019	2019
			Dec.	Jan.	Feb.	Mar.	Apr.
ESI	112	112	108	102	110	102	92
Consumer confidence indicator	8	10	8	4	6	-1	3
Financial situation past 12 months	14	17	15	15	18	11	16
Financial situation next 12 months	9	17	16	13	16	11	13
Economic situation next 12 months	19	29	25	23	24	24	27
Major purchases next 12 months	-8	-23	-25	-34	-32	-49	-43
Retail trade confidence indicator	9	8	-12	-1	5	29	6
Business activity, past 3 months	15	15	-6	0	40	69	32
Stocks of finished goods	5	8	9	11	36	19	18
Business activity, next 3 months	16	17	-22	7	10	35	3
Industrial confidence indicator	8	7	-1	-5	1	-3	-22
Assessment of order-book levels	-5	-1	-13	-15	-3	-20	-31
Assessment of stocks of finished products	-2	6	13	17	4	8	29
Production expectations for the months ahead	27	28	25	18	10	20	-8
Construction confidence indicator	13	21	17	33	38	32	22
Evolution of your current overall order books	2	17	9	39	30	26	9
Employment expectations over the next 3 months	24	26	24	26	46	38	34
Services confidence indicator	31	35	38	25	40	22	21
Business situation development over the past 3 months	27	31	36	20	43	21	25
Evolution of the demand over the past 3 months	33	36	42	22	43	26	21
Expectation of the demand over the next 3 months	32	37	36	32	35	20	16

Source: European Commission.

components with the exception of consumer confidence. The largest declines were registered in the retail sector and industry.

In April, confidence in the retail sector fell to 6 from 29 a month earlier, standing slightly above its long-term average of 3.⁵ The recent fall in sentiment was driven by both firms' assessment of business activity in the last 3 months and expectations of business activity in the near term. Meanwhile, firms' assessment of stock levels edged down marginally. Supplementary data indicate that on balance, more respondents predicted lower prices and a fall in their employment.

Industrial confidence fell below its long term average of -3, reaching -22 in April from -3 a month earlier.⁶ The fall in sentiment was mainly driven by a weaker assessment of stock levels, as a significantly higher share of respondents reported increasing stocks. However, firms' production expectations and order book levels also weakened considerably.⁷ Additional survey data show that a marginally larger share of respondents expected employment levels to rise in subsequent months. The share of firms anticipating selling prices to increase in the 3 months ahead also increased.

Sentiment within the construction sector declined to 22 from 32 in March, but remained well above its long-term average of -14.⁸ The share of respondents reporting increased order book

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 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.

⁷ 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.

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.

levels decreased significantly. However, the recent fall in sentiment also reflected less optimistic employment expectations. Additionally, fewer respondents expected prices to increase in the next three months.

Sentiment in the services sector edged down marginally. It stood at 21 in April, from 22 a month earlier, thus falling further below its long-term average of 23.⁹ Lower sentiment reflected a less upbeat assessment with regard to demand. In contrast, firms' assessment of the business situation in the past three months improved. Supplementary survey data indicate that in April, employment expectations were more optimistic than in the preceding month. Meanwhile, the share of firms anticipating higher prices decreased.

Consumer confidence rose to 3 from -1 in the preceding month, thus standing well-above its long-term average of -12.¹⁰ The recent increase mainly reflected a larger share of respondents expecting to make major purchases over the next 12 months. At the same time, consumers' assessment of their financial situation and the general economic situation also rebounded. Additional data show that, compared with March, a larger share of respondents anticipated prices and savings to increase. The share of respondents foreseeing a fall in unemployment over subsequent months increased marginally.

In March, the index of industrial production, which is a measure of economic activity in the quarrying, manufacturing and energy sectors, fell by 3.3% in annual terms, following a rise of 0.4% in the preceding month (see Table 2).¹¹ This contraction was largely driven by lower production of pharmaceuticals. Smaller declines were also registered among firms producing rubber and plastics, beverages, food as well as electrical equipment. Production also fell in the "other manufacturing"

Table 2
ACTIVITY INDICATORS

Annual percentage changes

	2017	2018	2018												2019		
			Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.		
Industrial production	8.5	1.2	1.6	-2.8	2.4	2.7	2.8	-1.2	-7.0	2.0	10.7	-0.6	0.3	0.4	-3.3		
Retail trade	5.2	0.6	2.0	-1.8	1.1	0.0	-0.5	0.2	-0.6	0.0	1.6	-1.0	4.6	4.5	1.3		
Number of tourist arrivals	15.7	14.3	18.6	17.0	19.3	13.8	15.2	10.2	15.1	10.5	7.8	11.0	2.4	2.3	3.5		
Number of nights stayed	10.3	12.5	26.9	16.9	20.2	15.5	12.9	5.7	10.2	8.0	8.0	10.1	7.6	3.5	2.2		
Private accommodation ⁽¹⁾	16.7	19.7	56.1	26.7	21.9	28.1	18.4	5.1	18.1	18.0	32.2	29.7	33.6	23.1	7.6		
Collective accommodation	6.0	7.1	14.6	11.0	19.0	6.9	8.0	6.3	2.8	1.2	-3.9	-4.8	-10.4	-6.9	-1.0		
Tourist expenditure	13.9	8.0	20.2	3.9	16.6	9.7	9.5	7.2	4.8	3.3	2.6	1.1	3.0	-2.8	0.5		
Package expenditure	3.2	16.6	27.2	15.1	29.7	10.2	41.6	25.4	3.7	-0.3	-7.1	5.4	0.8	-22	-6.2		
Non-package expenditure	19.8	13.3	19.8	3.4	10.6	16.7	5.1	10.9	11.1	23.6	25.2	12.9	-6.8	6.8	4.5		
Other	17.3	-2.2	15.0	-3.6	12.6	3.6	-6.8	-6.5	0.3	-9.0	-7.4	-9.8	13.8	3.2	2.8		

Sources: National Statistics Office; Eurostat.

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

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 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' assessment and expectations of their financial situation, their expectations about the general economic situation and their intention to make major purchases over the subsequent 12 months. The computation of this indicator was changed as reflected in the [January 2019 release](#) of the European Commission.

¹¹ 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.

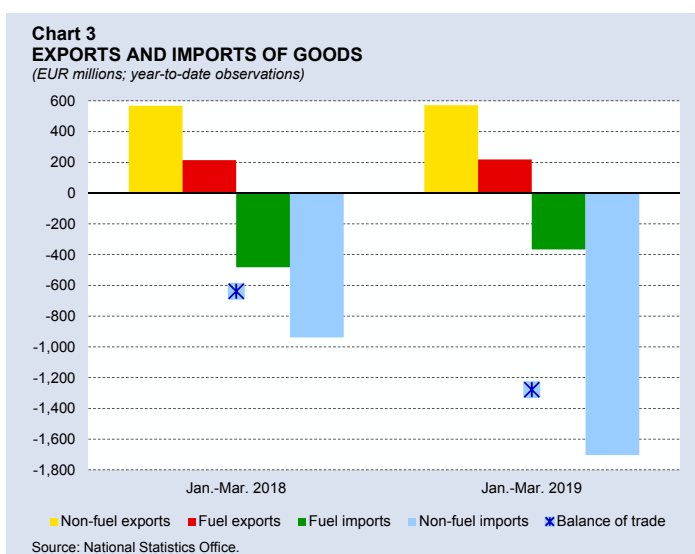
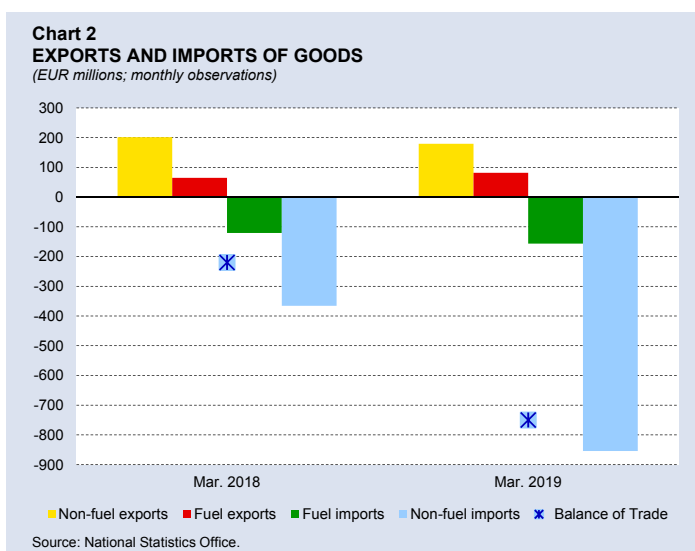
sub-sector, which includes firms involved in the production of medical and dental instruments, toys and related products. These declines offset increased production in the energy sector as well as among firms operating in the printing and reproduction of recorded media and in the wearing apparel sector. Output also rose among firms involved in the repair and installation of machinery and equipment as well as in the production of computer, electronics and optical products.

In March, retail trade, which is a short-term indicator of final domestic demand, rose at an annual rate of 1.3%, down from 4.5% in the preceding month.

Meanwhile, the number of inbound tourists rose by 3.5% in annual terms, following a 2.3% increase in February. Nights stayed grew by 2.2% on the back of an increase in nights spent in private accommodation, as those spent in collective accommodation fell further on a year earlier, although the decline was less pronounced compared with previous months. Tourist spending in Malta rose marginally by 0.5% after decreasing by 2.8% in February. Spending on package holidays continued to fall, offsetting higher expenditure on non-package holidays and the 'other' expenditure category.

Customs data show that the merchandise trade deficit stood at €749.7 million in March. This constitutes a significant widening from €219.9 million a year earlier. The wider deficit in March reflects the fact that imports increased significantly, while exports fell. Imports rose by €524.3 million, predominantly on account of increased registrations of ships. In contrast exports edged down by €5.5 million on the same month of 2018 (see Chart 2).

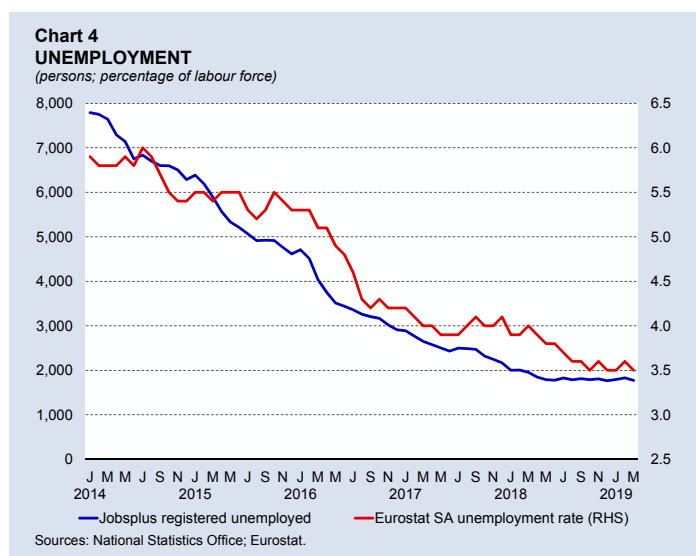
Largely mirroring developments in March, in the first quarter of 2019, the visible trade gap widened by €640.3 million on the same period of 2018, as imports outpaced exports by a wide margin (see Chart 3). While the deficit from trade in fuels narrowed substantially, excluding trade in fuels, the trade balance widened by €760.7 million, largely reflecting the mentioned increase in ship registrations in Malta.



Labour market

Jobsplus data show that the number of persons on the unemployment register stood at 1,772 in March, compared to 1,829 in February, and down from 1,954 a year earlier (see Chart 4).

The official estimate of the seasonally-adjusted unemployment rate edged down to 3.5% from the 3.6% in the previous month, and was also lower than the 4.0% registered a year earlier.



BOX 1: GAINFULLY OCCUPIED POPULATION

Jobsplus records show that in November 2018, the gainfully occupied population, defined to include all persons in full-time employment, rose by 6.3% on a year earlier, reaching 210,613 (see Chart 5). The rate of growth exceeded slightly the 6.1% registered in the preceding month, but was lower than 6.9% 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 share of public sector employment in the gainfully occupied declined further.

The number of full-timers in the private sector went up by 11,288, or 7.4% compared with November 2017. Employment growth in this sector continued to be driven by market services, where the number of full-time job holders increased by 9,977, or 8.5% 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.

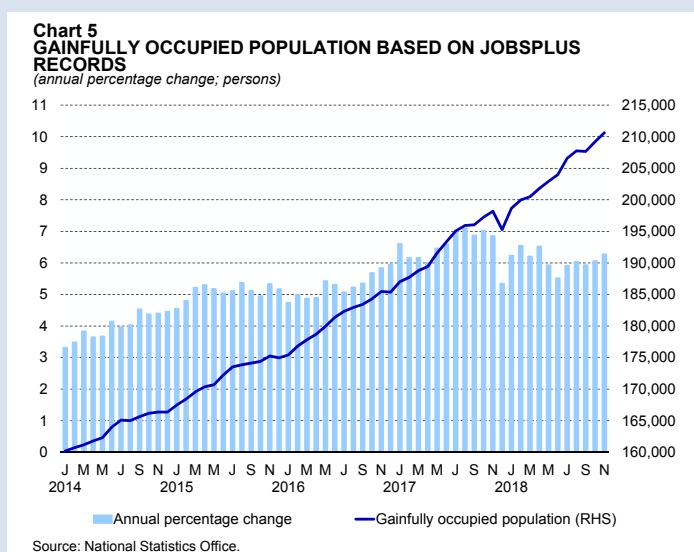


Table 3
LABOUR MARKET INDICATORS BASED ON JOBSPLUS RECORDS

Persons; annual percentage changes

	2017	2018	Annual change	
	November	November	Number of persons	%
Labour supply	200,429	212,421	11,992	6.0
Gainfully occupied ⁽¹⁾	198,183	210,613	12,430	6.3
Registered unemployed	2,246	1,808	-438	-19.5
Unemployment rate (%)	1.1	0.9		
Private sector	151,694	162,982	11,288	7.4
Direct production ⁽²⁾	34,561	35,872	1,311	3.8
Of which:				
Manufacturing	21,319	21,713	394	1.8
Construction	10,549	11,395	846	8.0
Market services	117,133	127,110	9,977	8.5
Wholesale and retail trade	26,423	26,910	487	1.8
Transportation and storage	8,562	9,237	675	7.9
Accommodation and food service activities	12,752	14,056	1,304	10.2
Information and communication	6,791	7,070	279	4.1
Financial and insurance activities	9,219	10,137	918	10.0
Real estate, professional and administrative activities ⁽³⁾	29,676	33,152	3,476	11.7
Arts, entertainment and recreation	8,363	9,369	1,006	12.0
Education	5,474	5,683	209	3.8
Other	9,873	11,496	1,623	16.4
Public sector	46,489	47,631	1,142	2.5

Source: National Statistics Office.

⁽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.

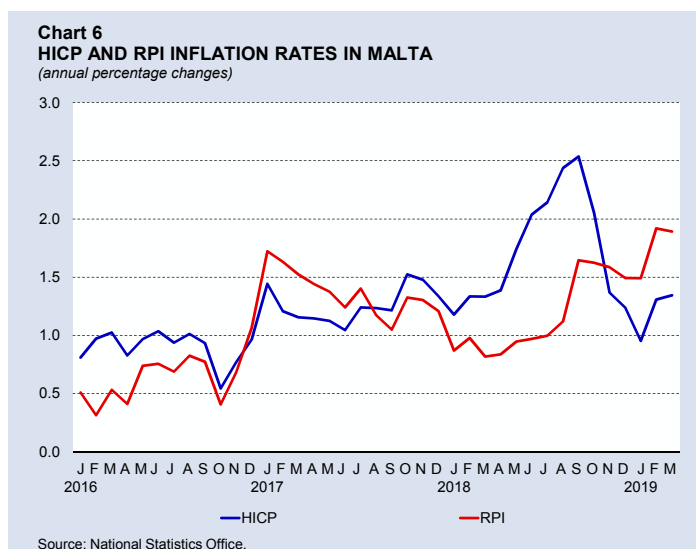
Employed persons in this sector went up by 3,476 in the year to November 2018, and accounted for more than a third of the overall rise in private market services employment. The number of persons employed in the accommodation and food service activities sector also grew significantly in annual terms, going up by 1,304. Employment also increased significantly within the arts, entertainment and recreation sector, in the financial and insurance service activities as well as within the health care sector.

Meanwhile, the number of persons employed in direct production rose by 1,311 persons on a year earlier, or 3.8%. Growth was recorded in both the construction and manufacturing sectors.

Public sector jobs rose by 1,142, or 2.5%, on a year earlier. Employment increased mostly in public administration and defence, in education and within the health care sector. Employment also rose within the transportation and storage sector as well as in professional and administrative activities. These offset falls in construction as well as in sub-sectors such as employment agencies' activities. The share of public sector employment in the total gainfully occupied population edged down to 22.6% in November 2018 from 23.5% a year earlier.

Prices, costs and competitiveness

In March, annual HICP inflation was unchanged compared with February, at 1.3% (see Chart 6). Services inflation remained the main contributor to overall inflation, supported by recreational and housing services. Food inflation eased slightly, though price pressures in this subcomponent remain robust on account of recent price increases in selected processed food items. On the other hand, prices of non-energy industrial goods continued to contract on an annual basis, reflecting weakness in prices for mainly imported products. Energy inflation remained unchanged when compared with February.



Energy inflation remained unchanged when compared with February.

Inflation as measured by the RPI index stood at 1.9% in March, unchanged when compared with February. Price pressures originated mainly from the food component, although food prices decelerated when compared with the previous month. The variation between the headline RPI and HICP inflation rates mainly reflects differences in the consumption baskets used to calculate the two indices.¹²

Annual cost inflation for producers based on the Industrial Producer Price Index eased to 2.0% in March, from 3.1% a month earlier.¹³ As in previous months, producer price inflation was mainly supported by the intermediate goods subcomponent, the largest in the index. However, price pressures have moderated considerably when compared with recent months. At the same time, the contribution of the consumer goods subcomponent remained positive, while that of capital goods and energy remained nil.

Malta's harmonised competitiveness indicators (HCI) continued to signal a recovery in international competitiveness during March, following a long period of deterioration.¹⁴ The nominal HCI contracted by 1.1%, while the real HCI, which also takes into account relative price changes, contracted by 3.0%. This suggests that the recent improvement in Malta's competitiveness was driven by movements in the euro exchange rate, augmented by developments in relative prices vis-à-vis international trading partners.

¹² The 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.

¹³ The Industrial Producer Price Index measures the prices of goods at the factory gate and is commonly used to monitor inflationary pressures at the production stage.

¹⁴ HCIs act as an effective exchange rate measure for countries operating within the euro area monetary union. The nominal HCI tracks movements in the euro exchange rate against the currencies of Malta's main trading partners, weighted according to the direction of trade in manufactured goods. The real HCI also takes into account the relative inflation rate of Malta vis-à-vis its main trading partners. A higher (or lower) score in the HCI indicates a deterioration (or improvement) in Malta's international price competitiveness.

Public finance

During March 2019, the Consolidated Fund balance recorded a deficit of €71.3 million, slightly lower from the €79.6 million deficit registered in March 2018 (see Table 4). This occurred as the rise in government revenue was more pronounced than that in primary expenditure. In turn, the primary deficit improved to €58.3 million, from €60.0 million in the same month a year earlier.

Total government revenue increased by €67.7 million, or 29.0% when compared with the corresponding period of 2018. This mainly reflected higher non-tax income, due to an increase in grants. While revenue from direct taxes declined by €1.6 million, driven by lower income tax inflows, indirect tax income increased by €26.2 million mainly on the back of higher VAT receipts.

Government expenditure increased by €59.4 million, or 19.0% when compared with March 2018, on the back of increases in both recurrent and capital expenditure. Recurrent spending increased by €39.4 million, due to higher outlays on contributions to government entities and programmes and initiatives. The latter is mainly attributed to higher spending on medicine and social benefits.

Meanwhile, capital expenditure increased by €20.0 million on a year earlier, mainly reflecting higher outlays on infrastructural projects.

Table 4
CONSOLIDATED FUND BALANCE

EUR millions

	2018		2019		Change	
	Jan.-Mar.	Jan.-Mar.	Mar.	Mar.	Amount	%
Revenue	858.7	948.7	233.3	301.0	67.7	29.0
Direct tax	389.6	420.1	116.2	114.6	-1.6	-1.3
Income tax	246.5	265.4	71.9	69.2	-2.7	-3.7
Social security contributions ⁽¹⁾	143.1	154.7	44.2	45.4	1.1	2.5
Indirect tax	377.8	410.4	92.3	118.5	26.2	28.4
Value Added Tax	218.4	240.0	40.3	54.7	14.4	35.7
Customs and excise duties	69.5	76.3	20.0	28.4	8.4	41.8
Licences, taxes and fines	89.9	94.2	32.0	35.5	3.5	10.8
Non-tax⁽²⁾	91.3	118.2	24.8	67.9	43.1	173.7
Expenditure	919.6	1,083.0	312.8	372.3	59.4	19.0
Recurrent	872.3	977.0	291.4	330.8	39.4	13.5
Personal emoluments	202.2	222.9	71.2	77.6	6.4	8.9
Operational and maintenance	46.4	56.0	13.3	19.6	6.3	47.0
Programmes and initiatives ⁽¹⁾	474.4	533.5	162.1	177.0	15.0	9.2
Contributions to entities	93.4	114.8	25.3	43.7	18.4	72.9
Interest payments	55.9	49.7	19.6	13.0	-6.5	-33.4
Capital	47.3	106.0	21.4	41.5	20.0	93.4
Primary balance⁽³⁾	-5.0	-84.5	-60.0	-58.3	1.7	-
Consolidated Fund balance	-60.8	-134.2	-79.6	-71.3	8.3	-

Source: National Statistics Office.

⁽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.

In March, the total stock of government debt amounted to €5,502.5 million, an increase of €62.1 million when compared with February 2019 (see Chart 7). This increase was mainly due to a new issue of 62+ Savings Bonds.

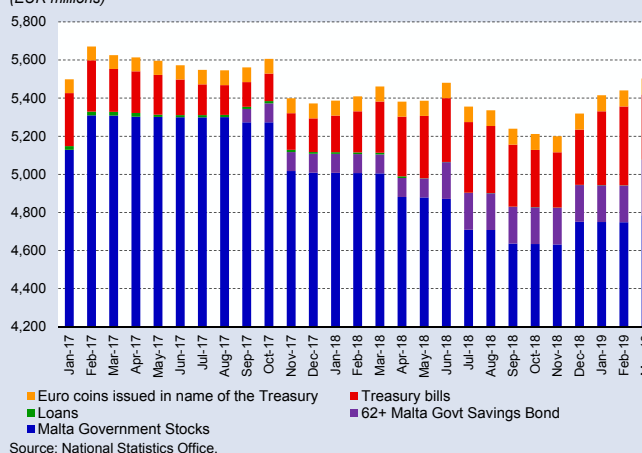
Deposits, credit and financial markets

Residents' M3 deposits held with monetary and financial institutions (MFI) based in Malta continued to expand in March, standing 5.8% above their year-ago level (see Chart 8). Although slightly lower than the rate registered in February, the expansion in deposits continues to reflect the high level of liquidity across sectors, supported by robust income growth and the low interest rate environment.

Overnight deposits remained the largest component of residents' M3 deposits, comprising over 80% of the total amount. This component, which is the most liquid form of deposits, grew by 8.4% in the year to March. On the other hand, time deposits with a maturity of up to two years continued to contract, falling by 6.6% 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.

Credit to Maltese residents grew at an annual rate of 5.1% in March, down from 6.4% in February (see Chart 9). Credit

Chart 7
GOVERNMENT DEBT⁽¹⁾
(EUR millions)



⁽¹⁾ Excluding debt issued by extra-budgetary units and local councils and debt held by sinking funds.

Chart 8
SELECTED DEPOSITS OF MALTESE RESIDENTS
(annual percentage changes)

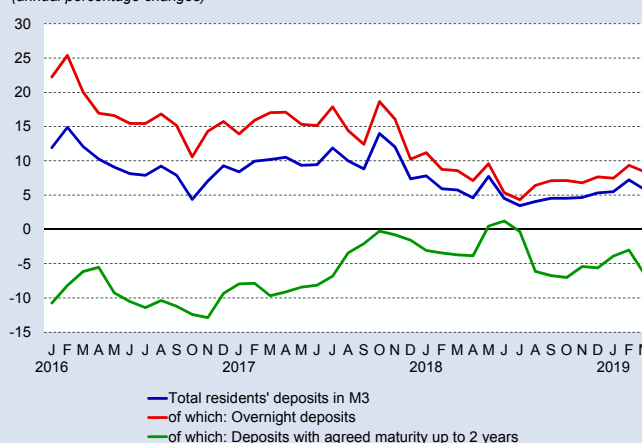
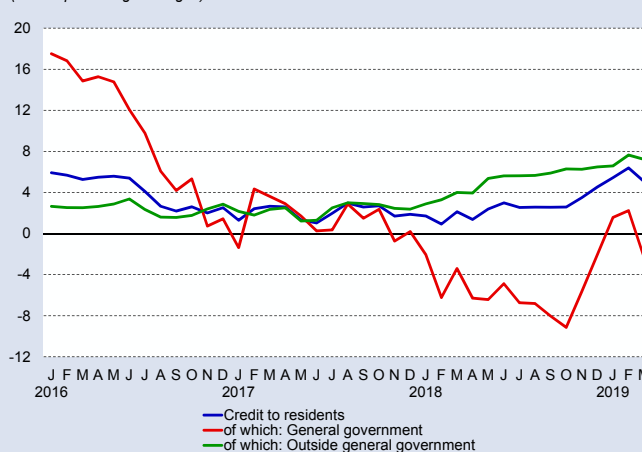


Chart 9
CREDIT TO RESIDENTS OF MALTA
(annual percentage changes)

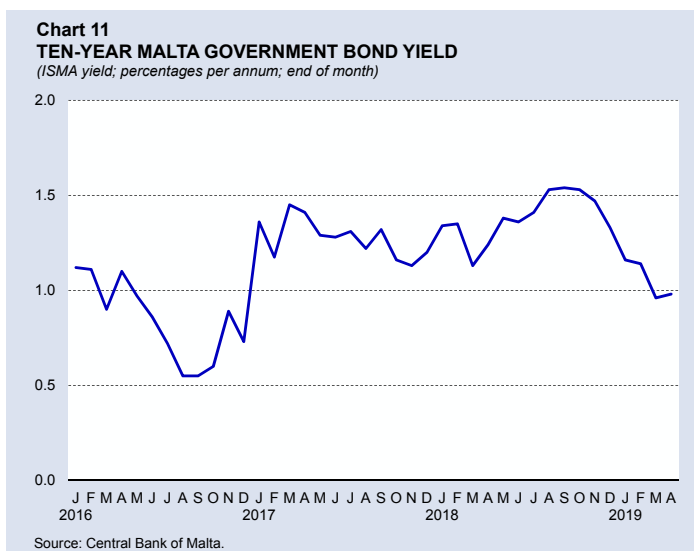
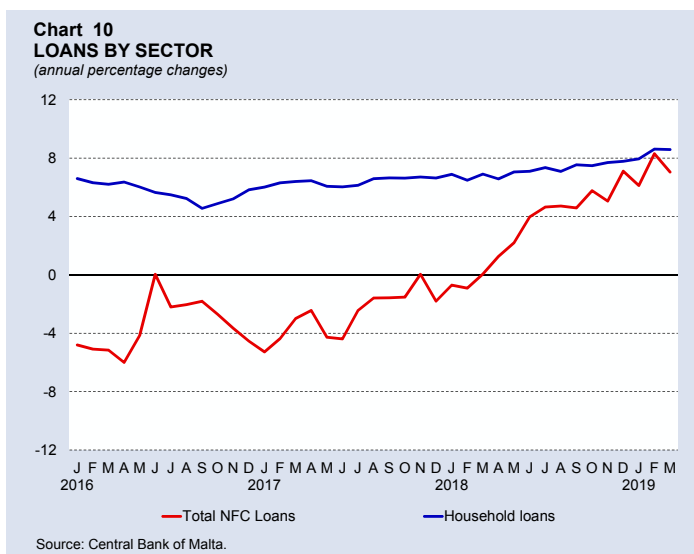


to general government contracted by 2.4%, mainly reflecting an annual decrease in banks' holdings of MGS. Credit to residents outside general government remained robust, with the annual rate of change standing at 7.2%.

The continued strength in credit to residents outside general government is largely underpinned by growth in loans to households and to non-financial corporations (NFCs). Loans to households grew by 8.6%, mainly supported by mortgage lending (see Chart 10). At the same time, loans to NFCs grew by 7.0% on an annual basis. Growth was observed across a number of sectors, including construction and real estate, accommodation and food services, and professional, scientific, and technical activities.

With regard to interest rates, the composite interest rate paid by MFIs on residents' outstanding deposits stood unchanged at 0.32% between February and March. The composite rate charged on outstanding loans also remained unchanged, at 3.52%. Hence, the spread between the two rates stood at 320 basis points, slightly lower than 328 points twelve months earlier.

In the capital market, the secondary market yield on ten-year Maltese government bonds stood at 1.0% in March, unchanged from its February level (see Chart 11). The Malta Stock Exchange (MSE) Equity Price Index gained a marginal 0.1% during the same period. The MSE Total Return Index, which accounts for dividends as well as changes in equity prices, rose by 1.1%.



Annex 1

MACROECONOMIC INDICATORS FOR MALTA

(annual percentage changes; non-seasonally adjusted data)

	2017	2018	2018	2018	2018	2019	2018	2018	2018	2018	2018	2018	2018	2018	2018	2019	2019	2019	2019
			Q2	Q3	Q4	Q1	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.
Prices and costs																			
HICP inflation	1.3	1.7	1.7	2.4	1.6	1.2	1.4	1.7	2.0	2.1	2.4	2.5	2.1	1.4	1.2	1.0	1.3	1.3	-
RPI inflation	1.4	1.2	0.9	1.3	1.6	1.8	0.8	0.9	1.0	1.0	1.1	1.6	1.6	1.6	1.5	1.5	1.9	1.9	-
Industrial producer price inflation	1.6	4.7	6.6	3.9	3.7	2.9	7.0	6.2	6.6	4.1	3.7	3.9	3.4	3.9	3.8	3.6	3.1	2.0	-
HCI (nominal)	1.7	3.6	4.1	2.9	2.1	-0.2	5.8	3.5	3.1	3.0	2.4	3.3	2.6	1.9	1.9	1.1	-0.7	-1.1	-
HCI (real)	1.8	5.2	6.3	4.2	2.4	-1.6	9.4	5.3	4.4	4.3	3.4	4.9	3.3	1.9	2.1	0.4	-2.2	-3.0	-
Unit labour costs, whole economy ⁽¹⁾	0.7	0.9	2.1	2.2	0.9	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Compensation per employee ⁽¹⁾	-0.3	1.7	1.4	2.2	1.7	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Labour productivity (per person) ⁽¹⁾	-1.0	0.9	-0.6	0.1	0.9	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Property Price Index (Eurostat)	5.3	5.7	6.0	5.6	6.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic activity																			
Nominal GDP	9.4	8.9	9.1	9.6	9.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Real GDP	6.7	6.6	6.6	7.1	7.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Real private consumption	3.6	7.3	8.8	7.8	7.8	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Real government consumption	2.1	11.7	11.0	5.7	27.9	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Real gross fixed capital formation	-7.4	-3.7	9.3	0.8	-3.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Real exports of goods and services	5.6	2.1	1.6	4.8	-2.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Real imports of goods and services	0.6	1.3	4.1	2.6	-2.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Labour market developments																			
LFS unemployment rate (% of labour force)	4.0	3.7	3.8	3.6	3.5	-	-	-	-	-	-	-	-	-	-	-	-	-	-
LFS employment	6.0	6.2	6.0	6.8	5.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Jobsplus gainfully occupied	6.5	-	6.0	6.0	-	-	6.5	5.9	5.5	5.9	6.0	5.9	6.1	6.3	-	-	-	-	-
Balance of payments																			
Current account (as a % of GDP) ⁽²⁾	10.4	11.2	10.8	11.5	11.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Credit and financial indicators																			
Maltese residents' deposits and loans																			
Overnight deposits	10.2	7.7	5.4	7.1	7.7	8.4	7.1	9.6	5.4	4.3	6.4	7.1	7.1	6.8	7.7	7.5	9.4	8.4	-
Deposits with agreed maturity up to 2 years	-1.6	-5.6	1.2	-6.7	-5.6	-6.6	-3.8	0.5	1.2	-0.3	-6.1	-6.7	-7.0	-5.4	-5.6	-3.9	-3.0	-6.6	-
Total residents' deposits in M3	7.4	5.3	4.5	4.5	5.3	5.8	4.6	7.7	4.5	3.5	4.1	4.5	4.5	4.7	5.3	5.5	7.2	5.8	-
Credit to general government	0.2	-2.0	-4.9	-8.0	-2.0	-2.4	-6.3	-6.4	-4.9	-6.7	-6.8	-8.0	-9.1	-5.6	-2.0	1.6	2.2	-2.4	-
Credit to residents (excl. general government)	2.4	6.5	5.6	5.9	6.5	7.2	3.9	5.4	5.6	5.6	5.7	5.9	6.3	6.3	6.5	6.6	7.6	7.2	-
Total credit	1.9	4.5	3.0	2.6	4.5	5.1	1.4	2.4	3.0	2.5	2.6	2.6	2.6	3.5	4.5	5.4	6.4	5.1	-
10-year interest rate (%) ⁽³⁾	1.2	1.3	1.4	1.5	1.3	1.0	1.2	1.4	1.4	1.4	1.5	1.5	1.5	1.5	1.3	1.2	1.1	1.0	1.0
Stock prices: MSE Index ⁽⁴⁾	-3.3	0.1	-2.5	0.5	3.0	4.3	-4.3	0.5	1.3	-0.8	-1.1	2.4	1.6	0.6	0.8	-1.8	2.0	4.1	0.1
General government finances (% of GDP)																			
Surplus (+) / deficit (-) ⁽²⁾	3.4	2.0	3.8	3.4	2.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross debt ⁽⁵⁾	50.2	46.0	49.0	46.0	46.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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

⁽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.