



BANK ĊENTRALI TA' MALTA
EUROSISTEMA
CENTRAL BANK OF MALTA

ECONOMIC UPDATE

7/2019

Date of issue: 19 July 2019

© Central Bank of Malta, 2019

Address

Pjazza Kastilja
Valletta VLT 1060
Malta

Telephone

(+356) 2550 0000

Fax

(+356) 2550 2500

Website

www.centralbankmalta.org

E-mail

info@centralbankmalta.org

All rights reserved. Reproduction is permitted provided that the source is acknowledged.

The cut-off date for information in this publication is 15 July 2019. Figures in tables may not add up due to rounding.

ISSN 2410-8294 (online)

ECONOMIC UPDATE 7/2019

Summary¹

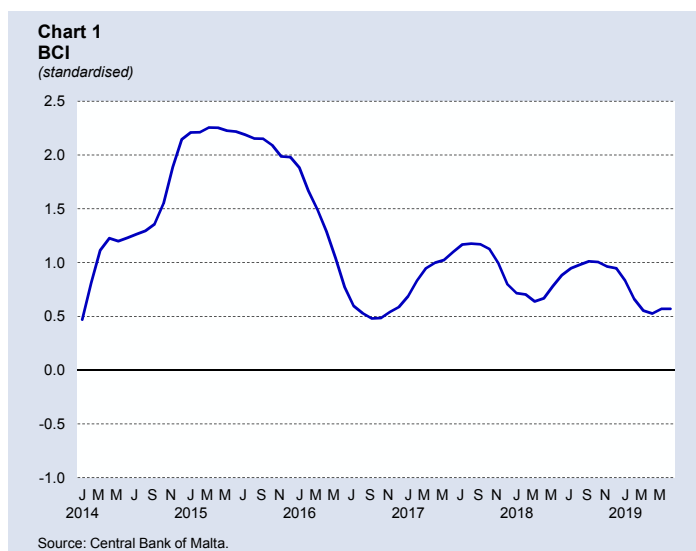
In June, the Bank's Business Conditions' Index (BCI) remained unchanged when compared with the previous month, while continuing to suggest above-average conditions. Economic sentiment edged up during the month. Sentiment improved across all sectors, except amongst consumers. Despite improving in month-on-month terms, economic sentiment remained below its level a year earlier. In May, the number of tourist arrivals and expenditure rose moderately on the preceding year. The volume of retail sales also rose at a moderate pace, whilst industrial production contracted further 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 1.7% in May. Inflation based on the Retail Price Index (RPI) also remained stable, at 1.9%. Maltese residents' deposits rose by 4.6% in annual terms, while credit to residents rose by 5.6%. As regards fiscal developments, the surplus on the cash-based Consolidated Fund widened compared with a year earlier.

Central Bank's BCI²

In June, the Central Bank's BCI remained unchanged from its updated value of 0.6 in May (see Chart 1). It thus continued to indicate above-average economic conditions. The BCI was affected by a year-on-year fall in economic sentiment, but was supported by higher government revenues and favourable conditions in the labour market.

Business and consumer confidence indicators

In June, the Economic Sentiment Indicator (ESI) edged up to 102 from 96 in the preceding month, and rose above its long-term average of 100 (see Table 1).^{3,4} The ESI stood 1 point lower than that in the euro area. Higher sentiment was recorded across all sub components, except amongst consumers.



¹ The cut-off date for information in this note is 15 July 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		2019					
			Dec.	Jan.	Feb.	Mar.	Apr.	May	June	
ESI	112	112	108	102	110	102	92	96	102	
Construction confidence indicator	13	21	17	33	38	32	22	11	37	
Evolution of your current overall order books	2	17	9	39	30	26	9	0	22	
Employment expectations over the next 3 months	24	26	24	26	46	38	34	21	53	
Retail trade confidence indicator	9	8	-12	-1	5	29	6	-11	5	
Business activity, past 3 months	15	15	-6	0	40	69	32	-19	21	
Stocks of finished goods	5	8	9	11	36	19	18	17	20	
Business activity, next 3 months	16	17	-22	7	10	35	3	4	15	
Industrial confidence indicator	8	7	-1	-5	1	-3	-22	-10	-1	
Assessment of order-book levels	-5	-1	-13	-15	-3	-20	-31	-15	-22	
Assessment of stocks of finished products	-2	6	13	17	4	8	29	14	14	
Production expectations for the months ahead	27	28	25	18	10	20	-8	-1	33	
Services confidence indicator	31	35	38	25	40	22	21	10	18	
Business situation development over the past 3 months	27	31	36	20	43	21	25	13	13	
Evolution of the demand over the past 3 months	33	36	42	22	43	26	21	11	15	
Expectation of the demand over the next 3 months	32	37	36	32	35	20	16	7	26	
Consumer confidence indicator	8	10	8	4	6	-1	3	7	4	
Financial situation past 12 months	14	17	15	15	18	11	16	12	11	
Financial situation next 12 months	9	17	16	13	16	11	13	12	11	
Economic situation next 12 months	19	29	25	23	24	24	27	23	24	
Major purchases next 12 months	-8	-23	-25	-34	-32	-49	-43	-20	-29	

Source: European Commission.

In the construction sector, confidence increased to 37, from 11 in the preceding month, and hence remained well above its long-term average of -13.⁵ The recent rise in sentiment mainly reflected more optimistic employment expectations, although the share of respondents reporting increased order book levels also increased significantly. Additionally, a larger share of respondents anticipated an increase in prices in the next three months.

Sentiment within the retail sector turned positive in June. It rose to 5 from -11 a month earlier, and stood slightly above its long-term average of 3.⁶ The recent rise in sentiment was mainly driven by an improved assessment of business activity during the last three months, followed by a more optimistic outlook of business activity in the coming months. The improvement in these two sub-components of the confidence indicator in services was dampened slightly by an increase in the share of respondents reporting above normal stock levels. Supplementary data indicate that on balance, a greater share of retailers anticipated a fall in prices and fewer respondents predicted a fall in employment levels.

Industrial confidence rose to -1 from -10 a month earlier, and thus stood slightly above its long term average of -3.⁷ Higher sentiment was mainly driven by more optimistic production expectations. Meanwhile, the assessment of stock levels remained unchanged.⁸ In contrast, order book levels

⁵ 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.

⁶ 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.

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 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.

weakened compared with the preceding month, with respondents continuing to report, on balance, decreasing orders. Additional survey data show that a larger share of respondents expected employment levels to rise in subsequent months. On balance, a smaller share of respondents expected prices to fall in the three months ahead.

Sentiment in the services sector increased, standing at 18 from 10 a month earlier, but still remained below its long-term average of 23.⁹ Higher sentiment reflected a more positive assessment of past demand, and to a larger extent higher demand expectations for the months ahead. Firms' assessment of the business situation over the previous three months remained broadly unchanged. Supplementary survey data indicate that in June, employment expectations were more optimistic than in the preceding month. Meanwhile, the share of firms anticipating higher prices more than doubled.

Consumer confidence fell to 4 from 7 in the preceding month, but stood well-above its long-term average of -12.¹⁰ On balance, a larger share of respondents expected to make fewer purchases in the 12 months ahead. Consumers' assessment of their financial situation weakened marginally. However, their assessment of the general economic situation improved slightly compared with a month earlier. Additional data show that, when compared with May, a smaller share of respondents anticipated selling prices to increase. Meanwhile, the share of respondents foreseeing a fall in unemployment over subsequent months edged up. More consumers on balance expected an increase in savings.

In May, the index of industrial production, which is a measure of economic activity in the quarrying, manufacturing and energy sectors, fell by 4.9% in annual terms, following a contraction of 1.8% in the preceding month (see Table 2).¹¹ This contraction was largely driven by lower production in the pharmaceutical sector. Declines were also registered among firms involved in the production

Table 2
ACTIVITY INDICATORS

Annual percentage changes

	2017		2018										2019				
	2017	2018	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May		
Industrial production	8.5	1.2	2.4	2.7	2.9	-1.2	-7.0	2.0	10.6	-1.3	0.0	-0.5	-2.9	-1.8	-4.9		
Retail trade	5.2	0.7	1.2	-0.2	-0.3	0.4	-0.6	1.0	1.3	-1.1	5.5	5.1	3.7	8.8	1.4		
Number of tourist arrivals	15.7	14.3	19.3	13.8	15.2	10.2	15.1	10.5	7.8	11.0	2.4	2.3	3.5	3.6	2.0		
Number of nights stayed	10.3	12.5	20.2	15.5	12.9	5.7	10.2	8.0	8.0	10.1	7.6	3.5	2.2	2.6	-3.6		
Private accommodation ⁽¹⁾	16.7	19.7	21.9	28.1	18.4	5.1	18.1	18.0	32.2	29.7	33.6	23.1	7.6	4.7	5.9		
Collective accommodation	6.0	7.1	19.0	6.9	8.0	6.3	2.8	1.2	-3.9	-4.8	-10.4	-6.9	-1.0	1.1	-10.3		
Tourist expenditure	13.9	8.0	16.6	9.7	9.5	7.2	4.8	3.3	2.6	1.1	3.0	-2.8	0.5	7.7	3.3		
Package expenditure	3.2	16.6	29.7	10.2	41.6	25.4	3.7	-0.3	-7.1	5.4	0.8	-22	-6.2	-12	-19.2		
Non-package expenditure	19.8	13.3	10.6	16.7	5.1	10.9	11.1	23.6	25.2	12.9	-6.8	6.8	4.5	23.8	23.8		
Other	17.3	-2.2	12.6	3.6	-6.8	-6.5	0.3	-9.0	-7.4	-9.8	13.8	3.2	2.8	9.1	3.4		

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.

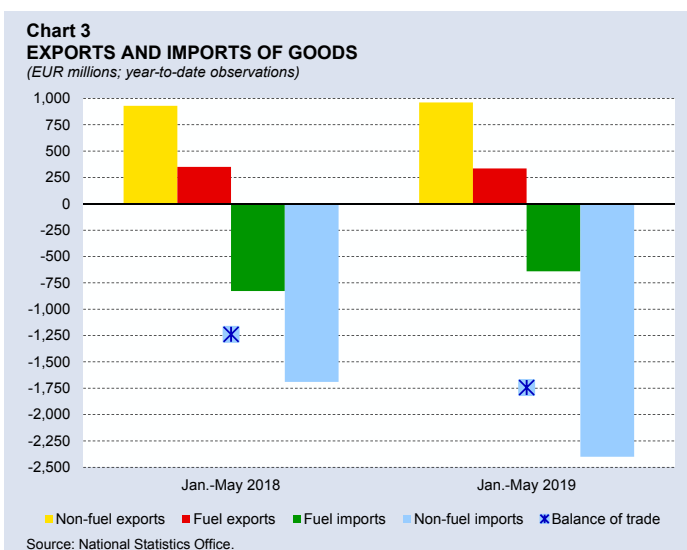
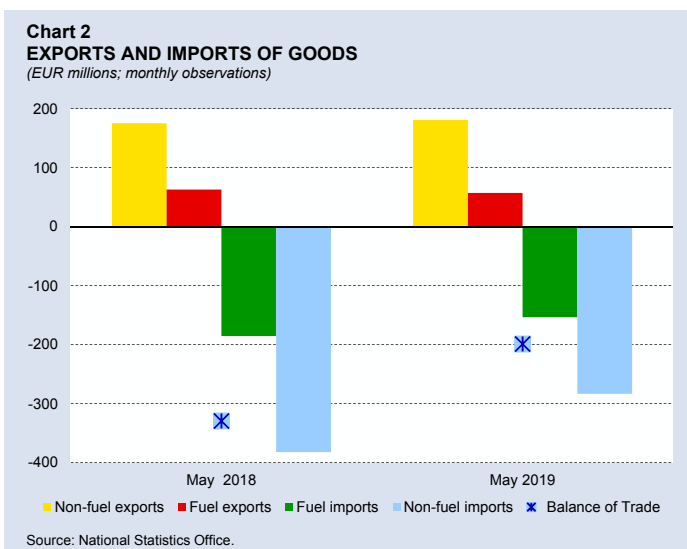
of beverages as well as in the printing and reproduction of recorded media. The “other manufacturing” sub-sector, which includes firms involved in the production of medical and dental instruments, toys and related products, also registered a decline in production on a year earlier. Smaller declines were registered among firms producing rubber and plastics as well as among firms that produce computer, electronics and optical products. On the other hand, output rose in the wearing apparel and food sectors, among firms involved in the repair and installation of machinery and equipment as well as in the energy sector.

In May, the volume of retail trade, which is a short-term indicator of final domestic demand, rose at a more moderate rate of 1.4%, compared with 8.8% in the preceding month.

Meanwhile, the number of inbound tourists increased by 2.0% on the previous year, following a 3.6% rise in April. Nights stayed fell by 3.6%, the first annual decline in almost four years. This reflected a drop in the number of nights stayed in collective accommodation, as those spent in privately rented premises continued to increase. Tourist spending in Malta rose by 3.3% in annual terms, after increasing by 7.7% in April. Spending on package holidays continued to fall, while higher expenditure was recorded on non-package holidays and in the ‘other’ expenditure category.

Customs data show that the merchandise trade deficit stood at €199.0 million in May, a notable decrease on the deficit of €329.5 million registered a year earlier. This narrowing was driven by a decline in imports, whereas exports remained broadly unchanged (see Chart 2). Imports fell by €130.7 million, predominantly on account of a decrease in registrations of ships, lower imports of machinery and mechanical appliances as well as lower trade in fuels. In contrast, exports edged down by only €0.2 million on the same month of 2018, as a contraction in fuel re-exports and lower exports of aircraft parts, printed books and newspapers were almost completely offset by a rise in exports of electrical machinery and pharmaceuticals.

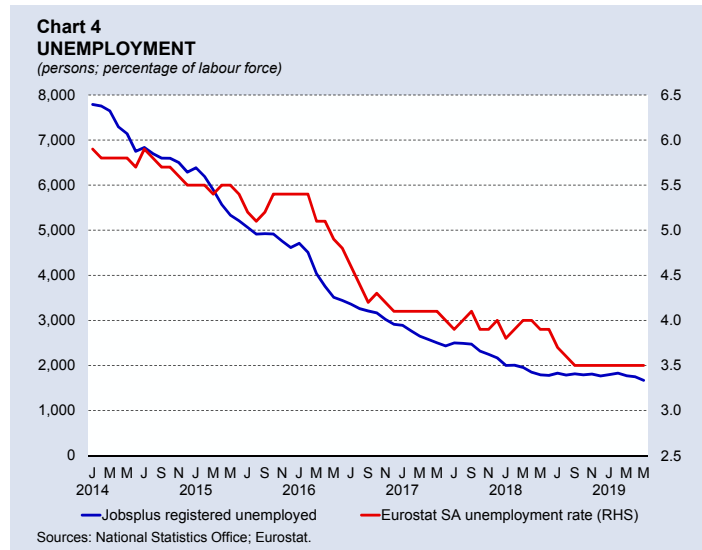
In the first five months of 2019, the visible trade gap widened by €505.4 million on the same period of 2018, reaching €1,743.6 million, as imports outpaced exports by a wide margin (see Chart 3).



Although fuel imports decreased significantly, this drop was offset by an even larger increase in registrations of ships and boats. In fact, excluding trade in fuels, the trade balance would have widened by €678.1 million.

Labour market

Jobsplus data show that the number of persons on the unemployment register stood at 1,669 in May, down from 1,748 in April and 1,791 a year earlier (see Chart 4).



The seasonally-adjusted unemployment rate was unchanged at 3.5%, and below the rate of 3.9% recorded a year earlier.

BOX 1: GAINFULLY OCCUPIED POPULATION

Jobsplus records show that in January 2019, the gainfully occupied population, defined to include all persons in full-time employment, rose by 6.3% on a year earlier reaching 212,046 (see Chart 5). The rate of growth was slightly lower than that of 6.6% registered in the preceding month, and the 6.7% 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 population declined further.

The number of full-timers in the private sector went up by 11,652, or 7.6% compared with January 2018. Employment growth in this sector continued to be driven by market services, where the number of full-time job holders increased by 10,255, or 8.7% in annual terms. This increase was distributed among all major sectors within this category.

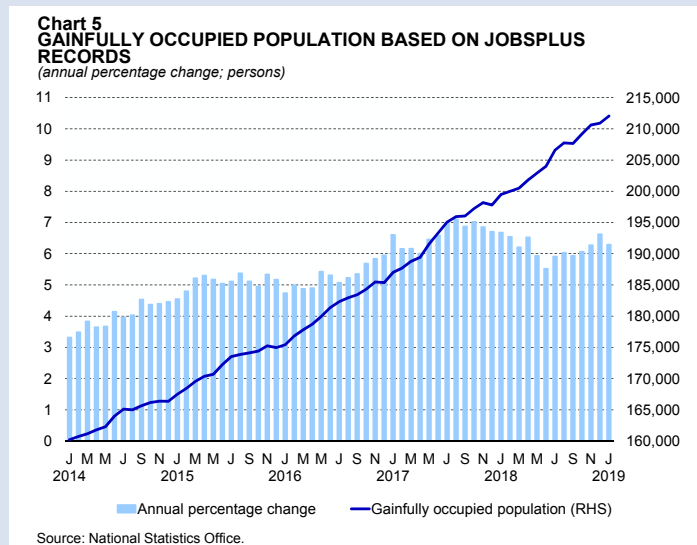


Table 3
LABOUR MARKET INDICATORS BASED ON JOBSPLUS RECORDS

Persons; annual percentage changes

	2018 January	2019 January	Annual change	
			Number of persons	%
Labour supply	201,501	213,842	12,341	6.1
Gainfully occupied ⁽¹⁾	199,501	212,046	12,545	6.3
Registered unemployed	2,000	1,796	-204	-10.2
Unemployment rate (%)	1.0	0.8		
Private sector	152,784	164,436	11,652	7.6
Direct production⁽²⁾	34,714	36,111	1,397	4.0
Of which:				
Manufacturing	21,358	21,615	257	1.2
Construction	10,614	11,683	1,069	10.1
Market services	118,070	128,325	10,255	8.7
Wholesale and retail trade	26,352	26,989	637	2.4
Transportation and storage	8,503	9,320	817	9.6
Accommodation and food service activities	12,834	14,160	1,326	10.3
Information and communication	6,803	7,075	272	4.0
Financial and insurance activities	9,364	10,200	836	8.9
Real estate, professional and administrative activities ⁽³⁾	30,085	33,687	3,602	12.0
Arts, entertainment and recreation	8,525	9,448	923	10.8
Education	5,505	5,774	269	4.9
Other	10,099	11,672	1,573	15.6
Public sector	46,717	47,610	893	1.9

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.

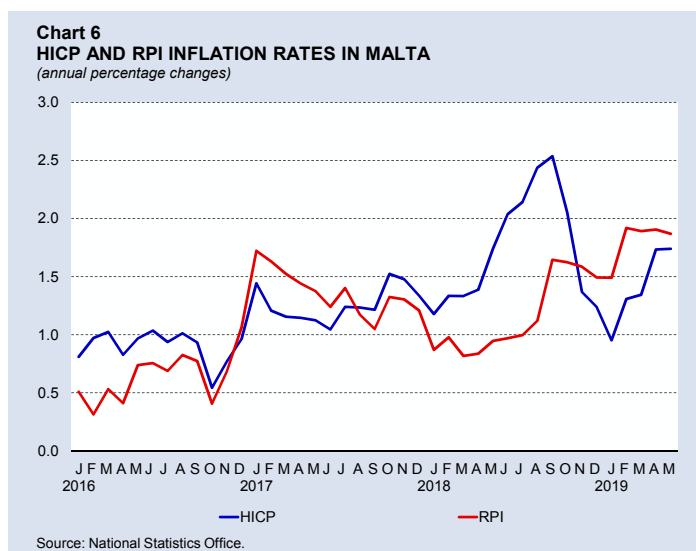
The sector incorporating real estate, professional and administrative activities registered the largest absolute increase. Employed persons in this sector went up by 3,602 in the year to January, and accounted for more than a third of the overall rise in private market services employment. The number of persons employed in accommodation and food service activities also grew significantly in annual terms, going up by 1,326. Employment also increased significantly within the arts, entertainment and recreation sector, in the health care sector as well as in financial and insurance service activities.

Meanwhile, the number of persons employed in direct production rose by 1,397 persons, or 4.0% on a year earlier. Growth was recorded in both the construction and manufacturing sectors.

Public sector jobs rose by 893, or 1.9%, on a year earlier. Employment increased mostly in public administration and defence, education and health care. The share of public sector employment in the total gainfully occupied population edged down to 22.5% in January 2019, from 23.4% a year earlier.

Prices, costs and competitiveness

Annual HICP inflation stood at 1.7% in May, the same rate recorded in April (see Chart 6). Food inflation picked up during the month, on the back of an acceleration in fruit and vegetable prices. At the same time, inflation in non-energy industrial goods turned slightly positive, following four consecutive negative readings. This was offset by slower growth in services prices, partly reflecting developments in recreational services and a faster rate of decrease in transport prices. Energy inflation remained unchanged when compared with April.



Inflation as measured by the RPI stood at 1.9% in May, unchanged when compared with April (see Chart 6).¹² As in previous months, price pressures originated mainly from the food component.

Annual cost inflation for producers, measured by the Industrial Producer Price Index, was unchanged at 1.2% in May when compared with April.¹³ Among the main subcomponents, price pressures were mainly driven by intermediate goods' prices, and to a lesser extent, by prices of consumer goods. On the other hand, the contribution of capital goods and energy remained marginal.

Malta's nominal harmonised competitiveness indicator (HCI) signalled a deterioration in international competitiveness over the year to June, as it rose by 0.5%.¹⁴ In contrast, the real HCI, which also takes into account relative price changes, contracted by 0.3%. This suggests that the recent improvement in Malta's competitiveness was driven by developments in relative prices vis-à-vis international trading partners.

Public finance

In May 2019, the Consolidated Fund recorded a surplus of €76.6 million, a €58.7 million increase on the €17.9 million surplus registered in May 2018 (see Table 4). This occurred as the rise in government revenue significantly exceeded that in expenditure. In turn, the primary balance registered a surplus of €86.8 million, a €58.5 million increase from that registered a year earlier.

Total government revenue increased by €87.6 million, or 27.1% when compared with the corresponding period of 2018. This predominantly reflects higher revenue from direct and indirect taxes. Direct taxes increased by €36.3 million largely driven by higher income tax revenues.

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.

Table 4
CONSOLIDATED FUND BALANCE

EUR millions

	2018		2019		Change	
	Jan.-May	Jan.-May	May	May	Amount	%
Revenue	1,475.1	1,710.5	323.6	411.2	87.6	27.1
Direct tax	726.8	856.8	155.6	191.9	36.3	23.4
Income tax	479.4	581.5	100.8	127.0	26.3	26.1
Social security contributions ⁽¹⁾	247.4	275.3	54.8	64.9	10.1	18.4
Indirect tax	619.5	694.7	153.4	199.7	46.2	30.1
Value Added Tax	339.8	404.7	101.0	137.6	36.6	36.2
Customs and excise duties	119.0	125.0	25.1	27.0	1.9	7.5
Licences, taxes and fines	160.6	164.9	27.3	35.1	7.8	28.5
Non-tax⁽²⁾	128.8	159.1	14.6	19.7	5.0	34.4
Expenditure	1,553.1	1,777.9	305.7	334.6	28.9	9.5
Recurrent	1,421.9	1,597.0	267.7	298.1	30.3	11.3
Personal emoluments	335.3	364.9	64.6	69.8	5.2	8.1
Operational and maintenance	79.9	91.1	18.9	17.4	-1.5	-7.7
Programmes and initiatives ⁽¹⁾	756.7	867.8	137.9	158.7	20.8	15.1
Contributions to entities	164.7	196.8	35.9	41.9	6.0	16.8
Interest payments	85.2	76.4	10.4	10.2	-0.2	-1.8
Capital	131.2	181.0	38.0	36.6	-1.4	-3.8
Primary balance⁽³⁾	7.2	9.0	28.3	86.8	58.5	-
Consolidated Fund balance	-78.0	-67.4	17.9	76.6	58.7	-

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.

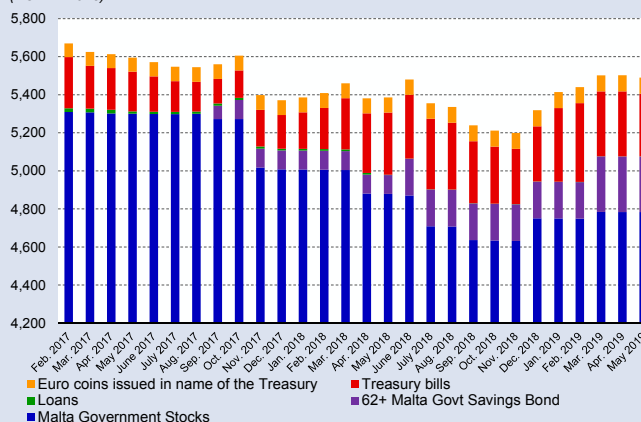
⁽³⁾ Revenue less expenditure excluding interest payments.

Indirect taxes increased by €46.2 million, mainly due to an increase in VAT receipts. Non-tax revenue increased by €5.0 million mainly due to a higher intake from rents.

Government expenditure increased by €28.9 million, or 9.5% when compared with May 2018. This increase is attributable to an increase in recurrent expenditure, which more than offset a slight decline in capital expenditure. In fact, recurrent expenditure increased by €30.3 million, predominantly due to higher expenditure on programmes and initiatives and an increase in contributions to entities. Slight declines were posted in operational and maintenance and interest payments.

Meanwhile, capital expenditure declined by €1.4 million when compared with the same month of 2018, largely due to a marginal reduction in investment.

Chart 7
GOVERNMENT DEBT⁽¹⁾
(EUR millions)



Source: National Statistics Office.

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

In May 2019, the total stock of government debt amounted to €5,490.6 million, a €12.3 million decrease when compared with April 2019 (see Chart 7). This decline is mainly attributable to a lower amount of Treasury bills outstanding.

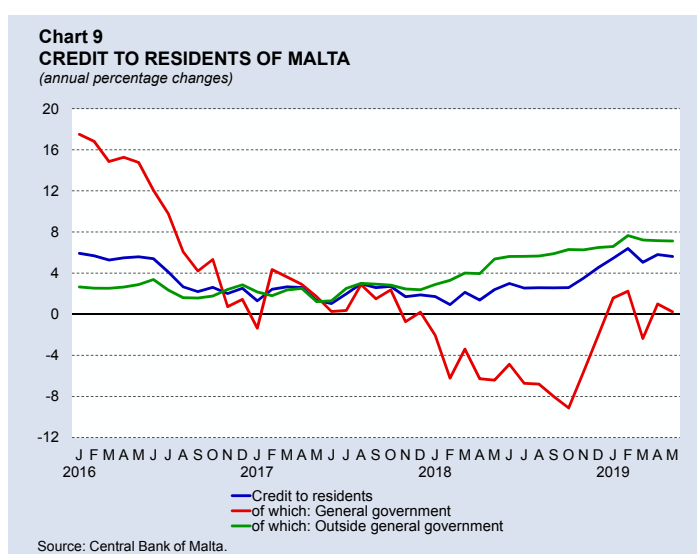
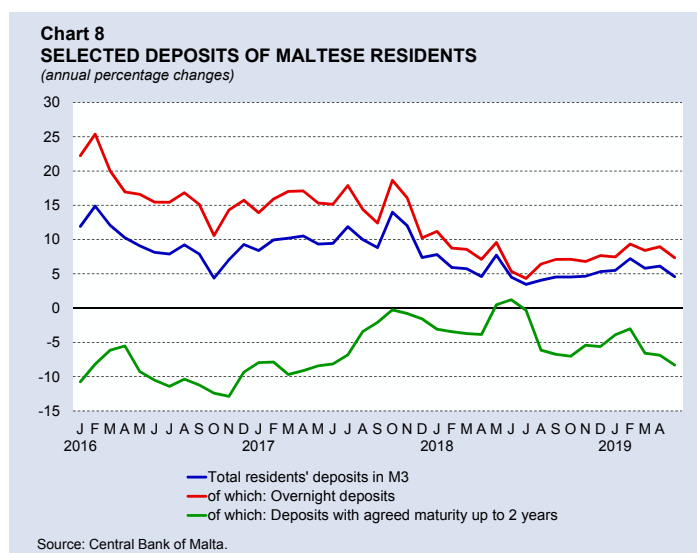
Deposits, credit and financial markets

Residents' M3 deposits held with monetary financial institutions (MFIs) based in Malta continued to expand in May, standing 4.6% above their year-ago level (see Chart 8). This rate of growth was slower when compared with that of 6.1% registered in April. Nonetheless, growth remains robust, reflecting the high level of liquidity across sectors in an environment of robust income growth.

Overnight deposits remained the largest component of residents' M3 deposits, comprising over 80% of their total balances. This component, which is the most liquid form of deposits, grew by 7.3% in the year to May, after growing by 8.9% in April. On the other hand, time deposits with a maturity of up to two years continued to contract, falling by 8.3% 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 5.6% in May (see Chart 9). Credit to general government slowed to 0.2%, while credit to residents outside general government rose by 7.1% in annual terms.

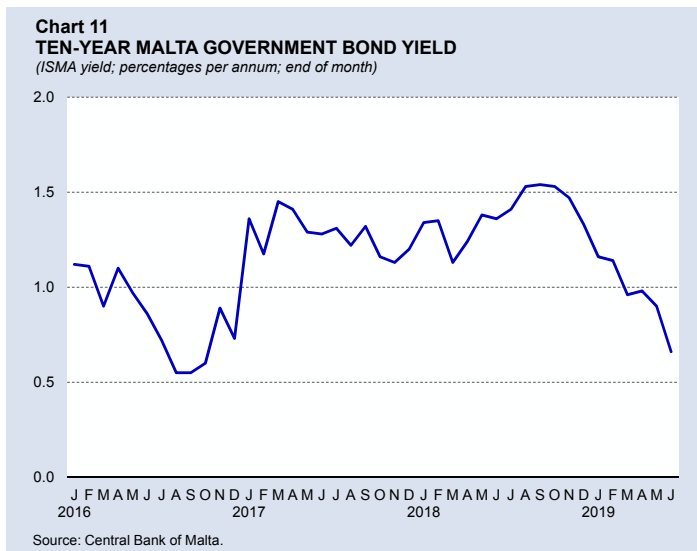
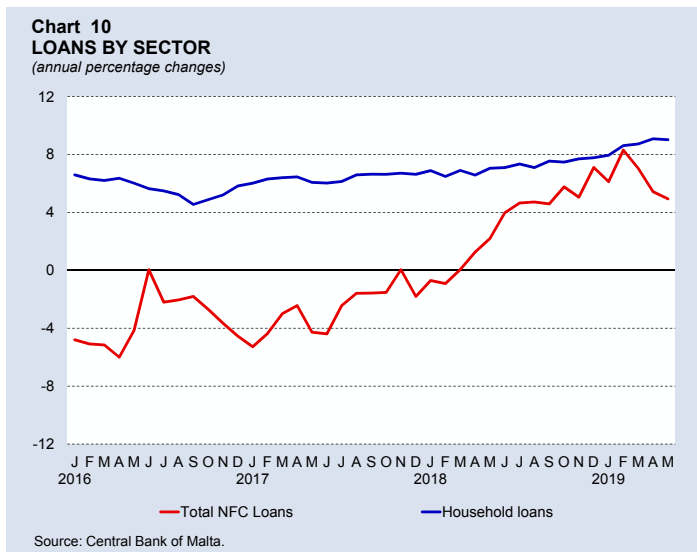
The continued strength in credit to residents outside general government is underpinned by growth in loans to households and, to a lesser extent, loans to non-financial corporations (NFCs). Loans to households grew by 9.0%, mainly supported by mortgage lending (see Chart 10). At the same time, loans to NFCs grew by 4.9% on an annual basis. Growth was driven by sectors such as professional,



scientific, and technical activities, and by lending to firms that provide administrative and support services.

With regard to interest rates, the composite interest rate paid by MFIs on residents' outstanding deposits dropped marginally between April and May, to 0.32%. The composite rate charged on outstanding loans also dropped, going to 3.49%, from 3.51% a month earlier. The spread between the two rates stood at 317 basis points, slightly lower than 320 basis points in April and 325 points twelve months earlier.

In the capital market, the secondary market yield on ten-year Maltese government bonds continued to fall, reaching 0.7% in June from 0.9% in May (see Chart 11). The Malta Stock Exchange (MSE) Equity Price Index fell by 0.2% during the same period. The MSE Total Return Index, which accounts for dividends as well as changes in equity prices, rose marginally, by 0.2%.



Annex 1

MACROECONOMIC INDICATORS FOR MALTA

(annual percentage changes; non-seasonally adjusted data)

	2017	2018	2018	2018	2019	2019	2018	2018	2018	2018	2018	2018	2018	2019	2019	2019	2019	2019	2019
			Q3	Q4	Q1	Q2	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June
Prices and costs																			
HICP inflation	1.3	1.7	2.4	1.6	1.2	-	2.0	2.1	2.4	2.5	2.1	1.4	1.2	1.0	1.3	1.3	1.7	1.7	-
RPI inflation	1.4	1.2	1.3	1.6	1.8	-	1.0	1.0	1.1	1.6	1.6	1.6	1.5	1.5	1.9	1.9	1.9	1.9	-
Industrial producer price inflation	1.6	4.7	3.9	3.8	3.0	-	6.7	4.1	3.7	4.0	3.4	4.0	3.9	3.7	3.2	2.1	1.2	1.2	-
HCI (nominal)	1.7	3.6	2.9	2.1	-0.2	-0.1	3.1	3.0	2.4	3.3	2.6	1.9	1.9	1.1	-0.7	-1.1	-1.0	0.2	0.5
HCI (real)	1.8	5.2	4.2	2.4	-1.7	-1.4	4.4	4.3	3.4	4.9	3.3	1.9	2.1	0.4	-2.2	-3.1	-3.1	-0.7	-0.3
Unit labour costs, whole economy ⁽¹⁾	0.7	0.8	2.2	0.8	0.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Compensation per employee ⁽¹⁾	-0.5	2.1	2.1	2.1	1.6	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Labour productivity (per person) ⁽¹⁾	-1.2	1.3	0.0	1.3	1.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Property Price Index (Eurostat)	5.3	5.7	5.5	6.1	6.5	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic activity																			
Nominal GDP	9.3	9.0	9.6	9.8	7.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Real GDP	6.8	6.7	7.3	7.6	4.9	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Real private consumption	3.4	7.3	8.2	7.5	3.9	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Real government consumption	2.1	12.8	7.0	28.6	24.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Real gross fixed capital formation	-7.5	-1.6	3.7	-0.1	31.8	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Real exports of goods and services	5.4	1.7	4.4	-2.3	0.9	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Real imports of goods and services	0.4	2.4	4.8	-1.7	6.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Labour market developments																			
LFS unemployment rate (% of labour force)	4.0	3.7	3.6	3.5	3.5	-	-	-	-	-	-	-	-	-	-	-	-	-	-
LFS employment	6.0	6.2	6.8	5.4	6.6	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Jobsplus gainfully occupied	6.6	6.2	6.0	6.3	-	-	5.5	5.9	6.0	5.9	6.1	6.3	6.6	6.3	-	-	-	-	-
Balance of payments																			
Current account (as a % of GDP) ⁽²⁾	10.5	9.8	10.3	9.8	7.7	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Credit and financial indicators																			
Maltese residents' deposits and loans																			
Overnight deposits	10.2	7.7	7.1	7.7	8.4	-	5.4	4.3	6.4	7.1	7.1	6.8	7.7	7.5	9.4	8.4	8.9	7.3	-
Deposits with agreed maturity up to 2 years	-1.6	-5.6	-6.7	-5.6	-6.6	-	1.2	-0.3	-6.1	-6.7	-7.0	-5.4	-5.6	-3.9	-3.0	-6.6	-6.9	-8.3	-
Total residents' deposits in M3	7.4	5.3	4.5	5.3	5.8	-	4.5	3.5	4.1	4.5	4.5	4.7	5.3	5.5	7.2	5.8	6.1	4.6	-
Credit to general government	0.2	-2.0	-8.0	-2.0	-2.4	-	-4.9	-6.7	-6.8	-8.0	-9.1	-5.6	-2.0	1.6	2.2	-2.4	1.0	0.2	-
Credit to residents (excl. general government)	2.4	6.5	5.9	6.5	7.2	-	5.6	5.6	5.7	5.9	6.3	6.3	6.5	6.6	7.6	7.2	7.2	7.1	-
Total credit	1.9	4.5	2.6	4.5	5.1	-	3.0	2.5	2.6	2.6	2.6	3.5	4.5	5.4	6.4	5.1	5.8	5.6	-
10-year interest rate (%) ⁽³⁾	1.2	1.3	1.5	1.3	1.0	0.7	1.4	1.4	1.5	1.5	1.5	1.5	1.3	1.2	1.1	1.0	1.0	0.9	0.7
Stock prices: Malta Stock Exchange Index ⁽⁴⁾	-3.3	0.1	0.5	3.0	4.3	2.2	1.3	-0.8	-1.1	2.4	1.6	0.6	0.8	-1.8	2.0	4.1	0.1	2.2	-0.2
General government finances (% of GDP)																			
Surplus (+) / deficit (-) ⁽²⁾	3.4	2.0	3.4	2.0	1.9	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross debt ⁽⁵⁾	50.3	46.0	46.0	46.0	46.6	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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