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EUROSISTEMA
CENTRAL BANK OF MALTA

ECONOMIC UPDATE

8/2019

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ECONOMIC UPDATE 8/2019

Summary¹

In July, 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 down marginally during the month, mainly reflecting lower sentiment in industry. However, it remained above its long-term average. In June, tourist expenditure rose strongly in annual terms, partly reflecting faster growth in the number of tourist arrivals. Similarly, the volume of retail sales grew on a year earlier. Industrial production rose in annual terms, following a contraction in May. 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) edged up to 1.8% in June. Inflation based on the Retail Price Index (RPI) remained stable, at 1.9%. Maltese residents' deposits and credit to residents, each rose by 5.7% in annual terms. As regards fiscal developments, the cash-based Consolidated Fund recorded a larger deficit compared with a year earlier.

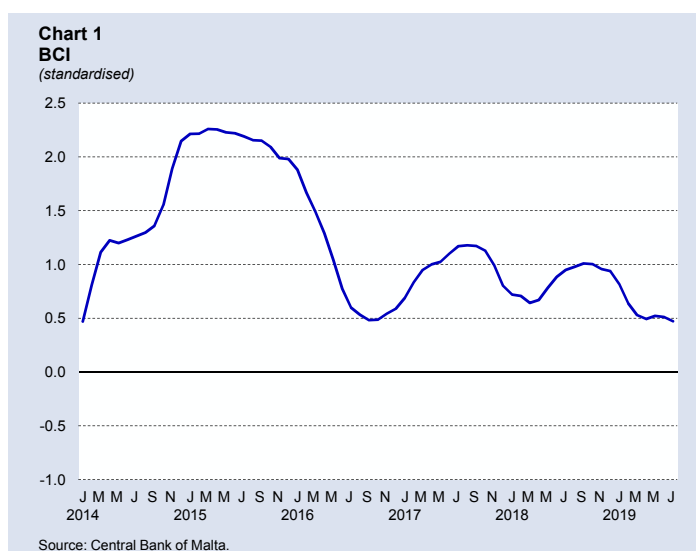
Central Bank's BCI²

In July, the Central Bank's BCI remained unchanged from its updated value of 0.5 in June (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 continued favourable conditions in the labour market.

Business and consumer confidence indicators

In July, the Economic Sentiment Indicator (ESI) edged down marginally to 101 from 102 in the preceding month, but stood above its long-term average of 100 (see Table 1).^{3,4} The ESI stood marginally lower than that in the euro area. Lower sentiment in industry offset higher confidence in the retail and construction sectors.

In July, industrial confidence fell below its long-term average



¹ The cut-off date for information in this note is 9 August 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%. Consumer survey data for July were not available at the time of writing.

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			
			Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July
ESI	112	112	108	102	110	102	92	96	102	101
Retail trade confidence indicator	9	8	-12	-1	5	29	6	-11	5	28
Business activity, past 3 months	15	15	-6	0	40	69	32	-19	21	58
Stocks of finished goods	5	8	9	11	36	19	18	17	20	9
Business activity, next 3 months	16	17	-22	7	10	35	3	4	15	35
Construction confidence indicator	13	21	17	33	38	32	22	11	37	39
Evolution of your current overall order books	2	17	9	39	30	26	9	0	22	38
Employment expectations over the next 3 months	24	26	24	26	46	38	34	21	53	41
Services confidence indicator	31	35	38	25	40	22	21	10	18	18
Business situation development over the past 3 months	27	31	36	20	43	21	25	13	13	12
Evolution of the demand over the past 3 months	33	36	42	22	43	26	21	11	15	17
Expectation of the demand over the next 3 months	32	37	36	32	35	20	16	7	26	26
Industrial confidence indicator	8	7	-1	-5	1	-3	-22	-10	-1	-6
Assessment of order-book levels	-5	-1	-13	-15	-3	-20	-31	-15	-22	-27
Assessment of stocks of finished products	-2	6	13	17	4	8	29	14	14	15
Production expectations for the months ahead	27	28	25	18	10	20	-8	-1	33	23
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.

of -3.⁵ It stood at -6 from -1 a month earlier. The latest fall in sentiment was mainly driven by less optimistic production expectations and to a lesser extent by weaker order book levels. The assessment of stock levels was broadly unchanged.⁶ Additional survey data show that a larger share of respondents expected prices to fall in the three months ahead. On balance, a smaller share of respondents expected employment levels to rise in the coming months.

Sentiment within the retail sector increased to 28 from 5 in the preceding month, and hence remained well above its long-term average of 3.⁷ The recent rise in sentiment was driven by an improved assessment of business activity during the last three months, followed by a more optimistic outlook for business activity in the three months ahead. Furthermore, the share of respondents reporting above normal stock levels fell significantly. Supplementary data indicate that on balance, retailers' price expectations turned positive, while fewer respondents predicted a fall in employment levels compared with June.

In the construction sector, confidence edged up marginally. It rose to 39 from 37 in June, and thus remained well above its long-term average of -13.⁸ The recent rise in sentiment reflected a higher share of respondents reporting increased order book levels. In contrast, employment expectations weakened compared with the preceding month, although they remained positive. Additional survey data show that fewer respondents foresaw an increase in prices in the next three months.

⁵ 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.

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 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.

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.

Sentiment in the services sector remained broadly unchanged, below its long-term average of 23.⁹ Firms' assessment of past demand rose slightly, while their demand expectations remained unchanged. However, their assessment of the business situation over the previous three months fell marginally. Supplementary survey data indicate that, while the evolution of employment over the past three months was better than that reported in the preceding month, fewer firms anticipated employment to rise in the next three months. Meanwhile, a larger share of respondents anticipated higher prices.

In June, the index of industrial production, which is a measure of economic activity in the quarrying, manufacturing and energy sectors, rose by 1.7% in annual terms, following a contraction of 2.2% in the preceding month (see Table 2).¹⁰ This expansion was largely driven by higher production in the "other manufacturing" sub-sector, which includes firms involved in the production of medical and dental instruments, toys and related products. Output also rose strongly in the energy sector as well as in the repair and installation of machinery and equipment. On the other hand, production declined among firms producing food, pharmaceuticals, computer, electronics and optical products as well as among producers of wearing apparel. Smaller declines were also registered among firms that produce beverages, rubber and plastics as well as among firms involved in the printing and reproduction of recorded media.

In June, the volume of retail trade, which is a short-term indicator of final domestic demand, rose by an annual 5.6%, following a 0.8% increase in May. Gains were recorded across all expenditure sub-components.

Meanwhile, the number of inbound tourists increased by 8.0% on the preceding year, following a 2.0% increase in May. Nights stayed grew by 5.1%, following a 3.6% decline in the previous month. The increase reflected primarily a rise in privately rented accommodation, as the increase in nights stayed in collective accommodation was less pronounced. Tourist spending in Malta

Table 2
ACTIVITY INDICATORS
Annual percentage changes

	2017	2018	2018										2019		
			June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June
Industrial production	8.5	1.2	2.7	2.9	-1.2	-7.0	2.0	10.5	-1.3	-0.1	-1.7	-3.7	1.9	-2.2	1.7
Retail trade	5.2	0.6	0.1	-0.3	0.5	-0.8	0.6	1.1	-1.4	2.7	3.5	2.9	8.8	0.8	5.6
Number of tourist arrivals	15.7	14.3	13.8	15.2	10.2	15.1	10.5	7.8	11.0	2.4	2.3	3.5	3.6	2.0	8.0
Number of nights stayed	10.3	12.5	15.5	12.9	5.7	10.2	8.0	8.0	10.1	7.6	3.5	2.2	2.6	-3.6	5.1
Private accommodation ⁽¹⁾	16.7	19.7	28.1	18.4	5.1	18.1	18.0	32.2	29.7	33.6	23.1	7.6	4.7	5.9	8.9
Collective accommodation	6.0	7.1	6.9	8.0	6.3	2.8	1.2	-3.9	-4.8	-10.4	-6.9	-1.0	1.1	-10.3	2.0
Tourist expenditure	13.9	8.0	9.7	9.5	7.2	4.8	3.3	2.6	1.1	3.0	-2.8	0.5	7.7	3.3	10.7
Package expenditure	3.2	16.6	10.2	41.6	25.4	3.7	-0.3	-7.1	5.4	0.8	-21.9	-6.2	-11.9	-19.2	6.4
Non-package expenditure	19.8	13.3	16.7	5.1	10.9	11.1	23.6	25.2	12.9	-6.8	6.8	4.5	23.8	23.8	17.1
Other	17.3	-2.2	3.6	-6.8	-6.5	0.3	-9.0	-7.4	-9.8	13.8	3.2	2.8	9.1	3.4	7.8

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

grew by 10.7% in annual terms, following a 3.3% rise in May.

Customs data show that the merchandise trade deficit widened to €385.7 million in June from €315.8 million a year earlier. This widening reflected an increase in imports, as well as lower exports (see Chart 2). Imports edged up by €51.3 million, predominantly on account of an increase in imports of fuels and consumer products. In contrast, exports declined by €18.5 million on the same month of 2018, mainly due to a fall in semi-finished manufactured goods and other articles.

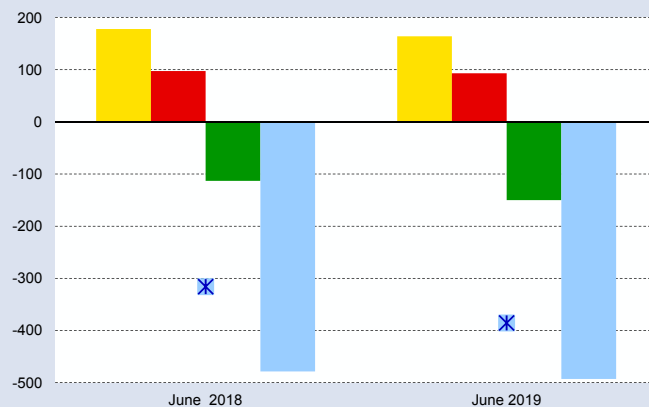
In the first half of 2019, the visible trade gap widened by €516.4 million on the same period of 2018, reaching €2,136.6 million (see Chart 3). Although fuel imports decreased, this drop was offset by a much larger increase in registrations of ships and boats. In fact, excluding trade in fuels, the trade balance would have widened by €653.0 million.

Labour market

Jobsplus data show that the number of persons on the unemployment register stood at 1,616 in June, down from 1,669 in May and 1,778 a year earlier (see Chart 4).

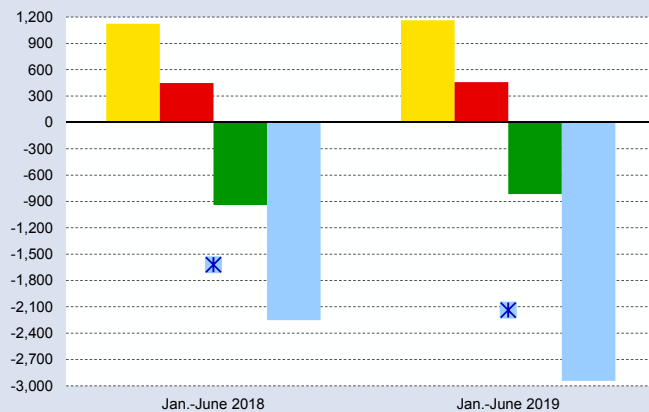
The seasonally-adjusted unemployment rate edged down to 3.4% from 3.5% in the preceding two months, and stood below the rate of 3.9% recorded a year earlier.

Chart 2
EXPORTS AND IMPORTS OF GOODS
(EUR millions; monthly observations)



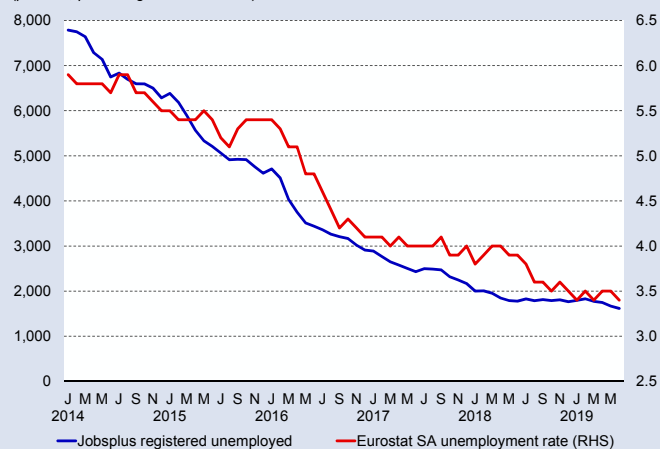
Source: National Statistics Office.

Chart 3
EXPORTS AND IMPORTS OF GOODS
(EUR millions; year-to-date observations)



Source: National Statistics Office.

Chart 4
UNEMPLOYMENT
(persons; percentage of labour force)



Sources: National Statistics Office; Eurostat.

BOX 1: GAINFULLY OCCUPIED POPULATION

Jobsplus records show that in January 2019, the gainfully occupied population, defined as 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 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

Table 3
LABOUR MARKET INDICATORS BASED ON JOBSPLUS RECORDS

Persons; annual percentage changes

	2018	2019	Annual change	
	January	January	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.

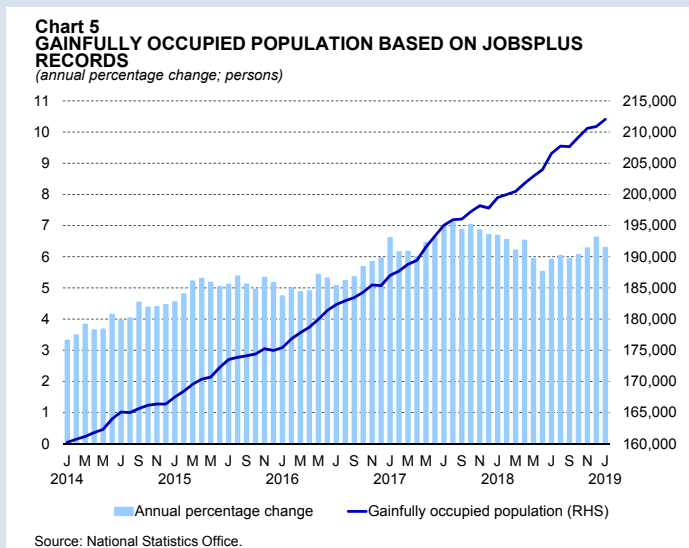
terms. This increase was distributed among all major sectors within this category.

The sector incorporating real estate, professional and administrative activities registered the largest absolute increase. Employed persons in this sector went up by 3,602 in 12 months 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, though the pace of job creation was much stronger in the former.

Public sector employment 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 1.8% in June, marginally above the rate of 1.7% recorded in May (see Chart 6). Inflation continued to be supported by services inflation, while non-energy industrial goods inflation recovered from weak levels.

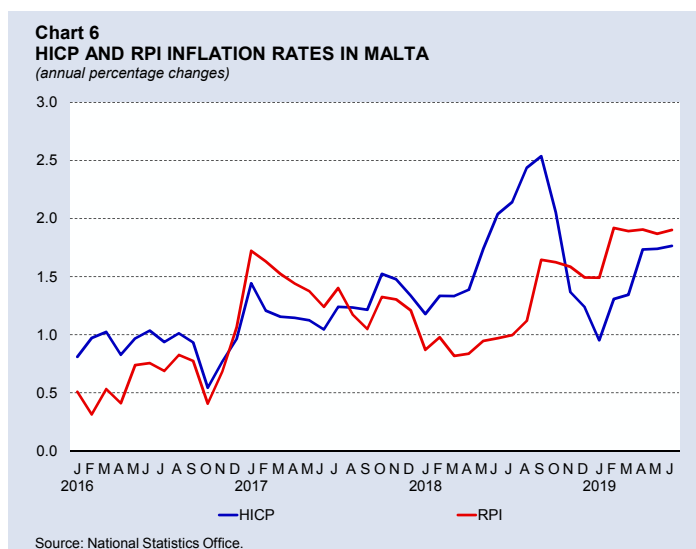
On the other hand, food inflation eased, mainly reflecting weaker year-on-year increases in the prices of fresh vegetables. Energy inflation remained unchanged when compared with May. Excluding food and energy, HICP inflation in June stood at 1.3%.

Inflation as measured by the RPI stood unchanged at 1.9% in June (see Chart 6).¹¹ As in previous months, price pressures originated mainly from the food component.

¹¹ 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.

Annual cost inflation for producers, measured by the Industrial Producer Price Index, edged up to 1.5% in June, from 1.4% in May.¹² Cost pressures were mainly reflected in the intermediate goods category, as increases in producer prices of consumer and capital goods were moderate while energy costs were unchanged in annual terms.

Malta's nominal harmonised competitiveness indicator (HCI) grew by 0.5% in the year to June.¹³ The real HCI, which also takes into account relative price changes, rose by 0.1%. This suggests that the deterioration in competitiveness caused by exchange rate movements was partly offset by favourable developments in relative prices vis-à-vis Malta's trading partners.



Public finance

In June, the Consolidated Fund recorded a deficit of €88.8 million, an increase of €24.8 million on the €63.9 million deficit registered in June 2018 (see Table 4). This was due to a rise in government expenditure which exceeded that in revenue. In turn, the primary deficit reached €71.0 million, up by €22.8 million from the deficit registered a year earlier.

Total government revenue increased by €12.5 million, or 4.3% in annual terms. This predominantly reflected higher non-tax revenues and indirect taxes, which offset a fall in direct taxes. Non-tax revenue increased by €18.1 million mainly due to higher intakes from grants. Indirect taxes increased by €4.7 million as a rise in licences, taxes and fines, and customs and excise duties more than offset a decline in VAT receipts. Direct taxes decreased by €10.4 million, largely due to a fall in income tax revenues.

Government expenditure increased by €37.3 million, or 10.4% when compared with June 2018, due to higher capital and current spending. Capital expenditure increased by €27.0 million when compared with same month of 2018, reflecting ongoing spending on infrastructural projects. Recurrent expenditure increased by €10.3 million, predominantly on account of higher expenditure on programmes and initiatives, reflecting the timing of transfers to the Contingency Reserve.¹⁴

¹² 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.

¹³ 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.

¹⁴ The Contingency Reserve was set up under the 2014 Fiscal Responsibility Act as a means to tap additional resources in the event of temporary and unforeseen circumstances, to ensure that budgetary targets are met. According to the Act, the Reserve should amount between 0.1% and 0.5% of GDP in any given year, and was to be built up over a period of five years from the entry into force of the legislation.

Table 4
CONSOLIDATED FUND BALANCE

EUR millions

	2018		2019		Change	
	Jan.-June	Jan.-June	June	June	Amount	%
Revenue	1,768.2	2,016.1	293.1	305.5	12.5	4.3
Direct tax	887.8	1,007.4	161.0	150.6	-10.4	-6.4
Income tax	594.3	685.2	114.9	103.7	-11.2	-9.7
Social security contributions ⁽¹⁾	293.5	322.2	46.1	46.9	0.8	1.8
Indirect tax	723.9	803.8	104.4	109.1	4.7	4.5
Value Added Tax	391.2	448.1	51.4	43.4	-8.0	-15.6
Customs and excise duties	146.2	153.5	27.2	28.5	1.3	4.9
Licences, taxes and fines	186.5	202.2	25.8	37.2	11.4	44.0
Non-tax⁽²⁾	156.4	204.9	27.7	45.8	18.1	65.6
Expenditure	1,910.1	2,172.2	357.0	394.3	37.3	10.4
Recurrent	1,767.4	1,952.7	345.5	355.8	10.3	3.0
Personal emoluments	407.0	441.6	71.7	76.7	5.0	7.0
Operational and maintenance	91.4	104.8	11.5	13.7	2.2	19.3
Programmes and initiatives ⁽¹⁾	966.2	1,089.2	209.5	221.4	11.9	5.7
Contributions to entities	201.8	222.9	37.0	26.1	-11.0	-29.6
Interest payments	101.0	94.2	15.8	17.8	2.0	12.8
Capital	142.7	219.5	11.5	38.5	27.0	235.7
Primary balance⁽³⁾	-40.9	-61.9	-48.1	-71.0	-22.8	-
Consolidated Fund balance	-141.9	-156.2	-63.9	-88.8	-24.8	-

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.

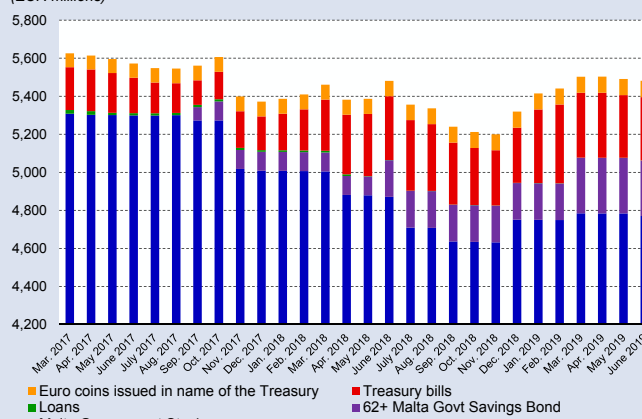
⁽³⁾ Revenue less expenditure excluding interest payments.

In June 2019, the total stock of government debt amounted to €5,480.9 million, a €9.7 million decrease when compared with a month earlier (see Chart 7). This decline is mainly attributable to a lower outstanding amount of Malta Government Stocks.

Deposits, credit and financial markets

Residents' M3 deposits held with monetary financial institutions (MFIs) based in Malta continued to expand in June, standing 5.7% above their year-ago level (see Chart 8). This rate of growth was higher than the 4.6% registered in May. The continued strong growth in deposits reflects the high level of liquidity across sectors, in an environment of robust income growth.

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.

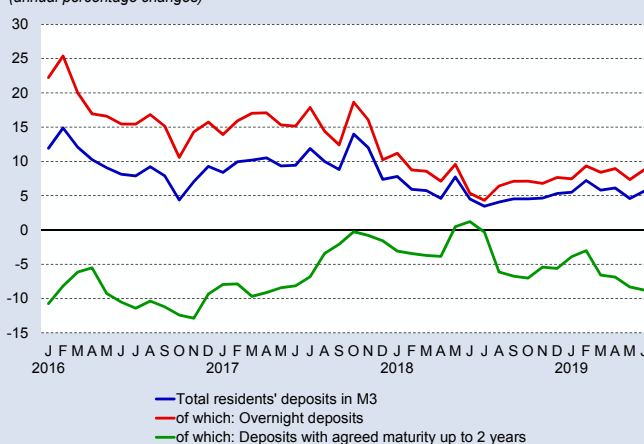
Overnight deposits remained the largest component of residents' M3 deposits, comprising over 80% of their total balances. This component, which is the most liquid form of deposits, grew by 8.8% in the year to June. On the other hand, time deposits with a maturity of up to two years continued to contract, falling by 8.8% 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 by 5.7% in the year to June (see Chart 9). Credit to general government rose by a modest 0.4%, while credit to residents outside general government rose by 7.2% 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 9.3%, mainly supported by mortgage lending (see Chart 10). Meanwhile, loans to NFCs grew by 4.6% on an annual basis. The strongest increases in absolute terms were recorded among firms involved in professional, scientific, and technical activities, in the construction and real estate sector, and in administrative and support services.

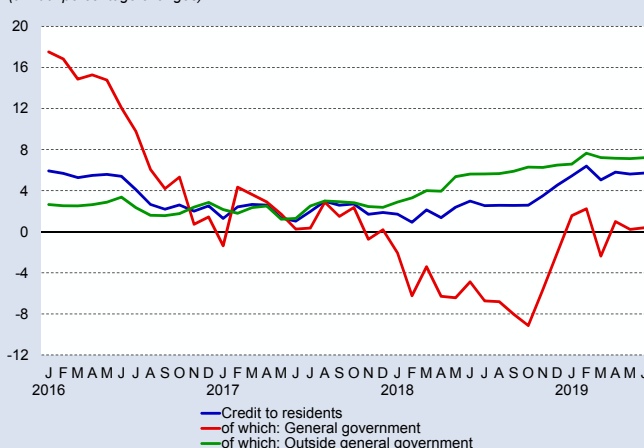
With regard to interest rates, the composite interest rate paid by

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



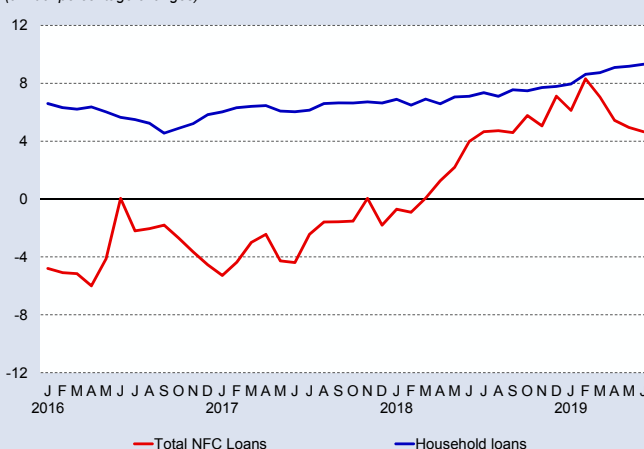
Source: Central Bank of Malta.

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



Source: Central Bank of Malta.

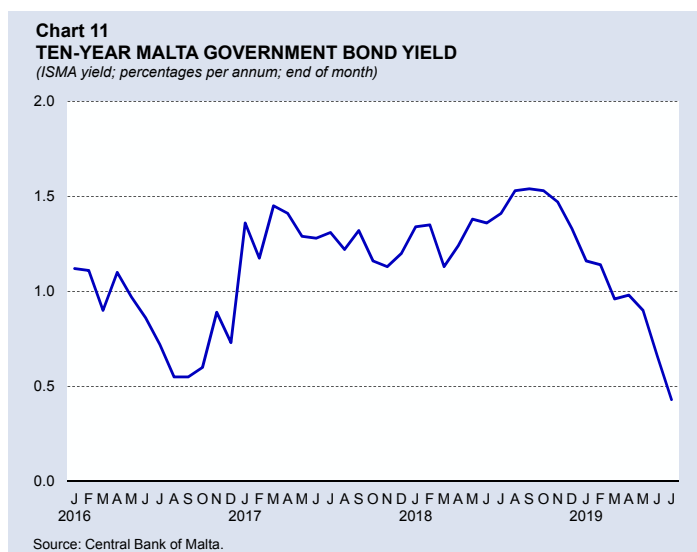
**Chart 10
LOANS BY SECTOR**
(annual percentage changes)



Source: Central Bank of Malta.

MFIs on residents' outstanding deposits remained unchanged between May and June, at 0.32%. The composite rate charged on outstanding loans rose by 1 basis point to 3.50%. The spread between the two rates stood at 318 basis points, slightly lower than the 325 basis points registered a year earlier.

In the capital market, the secondary market yield on ten-year Maltese government bonds continued to fall, reaching 0.4% at the end of July (see Chart 11). The Malta Stock Exchange (MSE) Equity Price Index rose by 0.7% during the same period. The MSE Total Return Index, which accounts for dividends as well as changes in equity prices, also rose by 0.7%.



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	2019	2019	2019	2019	2019	2019	2019
			Q3	Q4	Q1	Q2	July	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July
Prices and costs																			
HICP inflation	1.3	1.7	2.4	1.6	1.2	1.7	2.1	2.4	2.5	2.1	1.4	1.2	1.0	1.3	1.3	1.7	1.7	1.8	-
RPI inflation	1.4	1.2	1.3	1.6	1.8	1.9	1.0	1.1	1.6	1.6	1.6	1.5	1.5	1.9	1.9	1.9	1.9	1.9	-
Industrial producer price inflation	1.6	4.7	4.0	3.8	3.2	1.4	4.2	3.8	4.0	3.5	4.0	3.9	3.9	3.4	2.3	1.4	1.4	1.5	-
HCI (nominal)	1.5	3.7	2.9	2.1	-0.2	-0.1	3.0	2.4	3.3	2.6	1.9	1.9	1.1	-0.7	-1.1	-1.0	0.2	0.5	-0.9
HCI (real)	0.8	3.1	2.4	1.3	-1.0	-0.6	2.3	2.0	2.9	1.8	0.9	1.2	0.1	-1.3	-1.8	-1.8	-0.3	0.1	-1.2
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	-	-	5.9	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	8.8	4.3	6.4	7.1	7.1	6.8	7.7	7.5	9.4	8.4	8.9	7.3	8.8	-
Deposits with agreed maturity up to 2 years	-1.6	-5.6	-6.7	-5.6	-6.6	-8.8	-0.3	-6.1	-6.7	-7.0	-5.4	-5.6	-3.9	-3.0	-6.6	-6.9	-8.3	-8.8	-
Total residents' deposits in M3	7.4	5.3	4.5	5.3	5.8	5.7	3.5	4.1	4.5	4.5	4.7	5.3	5.5	7.2	5.8	6.1	4.6	5.7	-
Credit to general government	0.2	-2.0	-8.0	-2.0	-2.4	0.4	-6.7	-6.8	-8.0	-9.1	-5.6	-2.0	1.6	2.2	-2.4	1.0	0.2	0.4	-
Credit to residents (excl. general government)	2.4	6.5	5.9	6.5	7.2	7.2	5.6	5.7	5.9	6.3	6.3	6.5	6.6	7.6	7.2	7.2	7.1	7.2	-
Total credit	1.9	4.5	2.6	4.5	5.1	5.7	2.5	2.6	2.6	2.6	3.5	4.5	5.4	6.4	5.1	5.8	5.6	5.7	-
10-year interest rate (%) ⁽³⁾	1.2	1.3	1.5	1.3	1.0	0.7	1.4	1.5	1.5	1.5	1.5	1.3	1.2	1.1	1.0	1.0	0.9	0.7	0.4
Stock prices: Malta Stock Exchange Index ⁽⁴⁾	-3.3	0.1	0.5	3.0	4.3	2.2	-0.8	-1.1	2.4	1.6	0.6	0.8	-1.8	2.0	4.1	0.1	2.2	-0.2	0.7
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.