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EUROSISTEMA
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ECONOMIC UPDATE

9/2019

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ECONOMIC UPDATE 9/2019

Summary¹

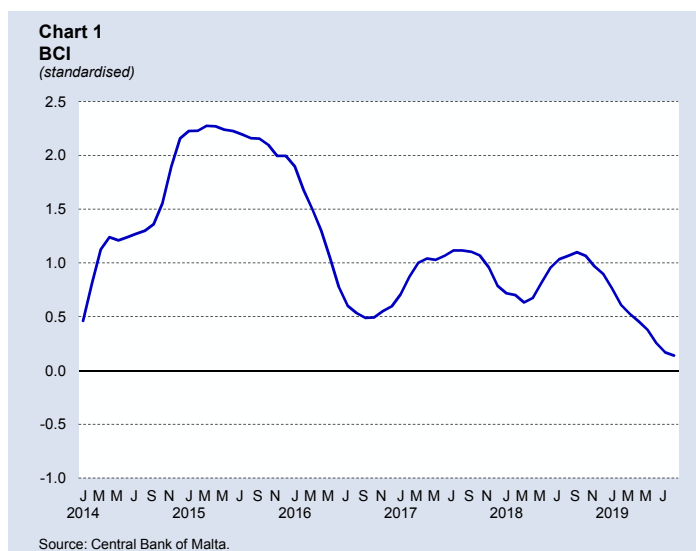
In August, the Bank's Business Conditions' Index (BCI) eased when compared with the previous month, while continuing to suggest slightly above-average conditions. Economic sentiment fell marginally below its long-term average during the month, reflecting lower sentiment across all sub-components. The recent fall in sentiment was mainly driven by the retail and construction sectors. In July, annual growth in the number of tourist arrivals moderated. Industrial production also rose at a slower pace compared with June. In contrast, annual growth in the volume of retail sales picked up. Conditions in the labour market continued to be 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 at 1.8% in July, unchanged from June. Inflation based on the Retail Price Index (RPI) eased to 1.7%, from 1.9% in June. Maltese residents' deposits rose by 5.2% in the year to July, while credit to Maltese residents increased by 6.5% over this period. As regards fiscal developments, the cash-based Consolidated Fund recorded a slightly larger surplus compared with a year earlier.

Central Bank's BCI²

In August, the Central Bank's BCI eased to 0.1 from its updated value of 0.2 in July (see Chart 1). This indicates that economic conditions were just slightly better than their long-term average. 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 August, the Economic Sentiment Indicator (ESI) edged down marginally below its long-term average of 100.0. It stood at 99.9, down from 103.3 in the preceding month (see Table 1).^{3,4} The ESI also stood 3.2 points lower than that in the



¹ The cut-off date for information in this note is 12 September 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	2019					
			Mar.	Apr.	May	June	July	Aug.
ESI	112.5	112.0	101.8	91.8	95.9	102.4	103.3	99.9
Retail trade confidence indicator	8.5	8.2	28.6	5.7	-10.8	5.1	27.8	2.9
Business activity, past 3 months	14.6	15.4	69.4	31.9	-19.3	21.0	58.4	13.4
Stocks of finished goods	5.5	7.7	18.6	17.7	16.9	20.3	9.4	7.9
Business activity, next 3 months	16.4	17.0	35.2	2.9	3.8	14.7	34.5	3.1
Construction confidence indicator	12.8	21.3	32.3	21.7	10.5	37.4	39.2	24.7
Evolution of your current overall order books	1.7	16.9	26.2	9.3	0.1	21.8	37.5	22.4
Employment expectations over the next 3 months	24.0	25.7	38.3	34.2	20.9	52.9	40.9	26.9
Industrial confidence indicator	7.9	6.9	-2.5	-22.4	-9.6	-0.8	-6.3	-9.1
Assessment of order-book levels	-5.4	-1.5	-20.1	-30.7	-14.5	-21.6	-27.1	-34.9
Assessment of stocks of finished products	-2.1	5.8	7.9	28.6	13.5	13.7	14.9	16.5
Production expectations for the months ahead	26.9	27.9	20.3	-7.8	-0.7	32.9	23.1	24.1
Consumer confidence indicator	8.5	10.1	-0.6	3.2	6.6	3.9	8.1	6.5
Financial situation past 12 months	13.8	16.9	11.1	16.3	12.3	10.9	11.1	9.4
Financial situation next 12 months	8.6	17.5	11.4	12.5	11.8	10.6	12.9	10.0
Economic situation next 12 months	19.3	28.9	23.9	27.0	22.7	23.5	21.7	20.4
Major purchases next 12 months	-7.8	-22.6	-48.6	-42.9	-20.4	-29.4	-13.3	-13.5
Services confidence indicator	30.8	34.6	22.4	20.8	10.1	18.0	18.2	16.9
Business situation development over the past 3 months	26.9	30.7	21.2	25.3	12.7	12.9	11.5	10.7
Evolution of the demand over the past 3 months	33.2	35.8	25.8	20.9	10.6	15.4	16.6	19.1
Expectation of the demand over the next 3 months	32.4	37.2	20.2	16.2	7.1	25.7	26.4	20.9

Source: European Commission.

euro area. Lower sentiment was driven by all sub-components, although the largest declines were recorded in the retail and construction sectors.

In August, sentiment within the retail sector declined sharply to 2.9, from 27.8 in the preceding month. It therefore stood marginally below its long-term average of 3.0.⁵ The recent fall in sentiment was driven by retailers' weaker assessment of business activity during the previous three months and their expectations for the three months ahead. The share of respondents reporting above normal stock levels declined marginally. Supplementary data indicate that on balance, retailers' price expectations turned negative, while the share of respondents predicting a fall in employment levels increased.

In the construction sector, confidence fell to 24.7, from 39.2 in July. Notwithstanding this decrease, it remained well above its long-term average of -12.8.⁶ The recent fall in sentiment mostly reflected a lower share of respondents reporting higher order book levels. Employment expectations also weakened compared with the preceding month, although they remained positive. Additional survey data show that the share of respondents anticipating an increase in prices in the next three months declined sharply compared with July, although it remained positive.

Industrial confidence remained below its long-term average of -3.1.⁷ In August it stood at -9.1, down from -6.3 a month earlier. The recent fall in sentiment was entirely driven by a more negative

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 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.

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.

assessment of order book levels, and to a limited degree, by an increase in the share of respondents reporting above normal stock levels. In contrast, production expectations improved marginally.⁸ Additional survey data show that the share of respondents expecting prices to fall in the three months ahead remained broadly unchanged. Notwithstanding weaker orders, on balance, a larger share of respondents expected employment levels to rise in the coming months.

Consumer confidence fell to 6.5 from 8.1 in the preceding month, but stood well above its long-term average of -11.8.⁹ On balance, consumers' assessment and expectations of their financial situation weakened compared with a month earlier. Consumers were also somewhat less optimistic about the economic situation over the next 12 months. Meanwhile, the share of respondents expecting to make major purchases in the 12 months ahead remained broadly unchanged. Additional data show that, when compared with July, a smaller share of respondents anticipated selling prices to increase. Meanwhile, the share of respondents foreseeing a fall in unemployment over subsequent months rose marginally. On balance, the share of consumers expecting an increase in savings turned positive.

Sentiment in the services sector eased to 16.9 from 18.2 in July, thus standing below its long-term average of 23.0.¹⁰ Firms' assessment of demand during the previous three months improved. However, this was offset by weaker demand expectations and a marginally less positive assessment of the business situation over the previous three months. Supplementary survey data indicate that, firms' employment expectations for the next three months remained broadly unchanged, though relatively low compared with the first half of 2019. Meanwhile, a larger share of respondents anticipated higher prices.

In July, the index of industrial production, which is a measure of economic activity in the quarrying, manufacturing and energy sectors, rose by 1.3% in annual terms, following an expansion of 2.1% in the preceding month (see Table 2).¹¹ 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 amongst firms producing pharmaceuticals. Smaller increases were registered among firms involved in the printing and reproduction of recorded media, and in the repair and installation of machinery and equipment. On the other hand, output declined amongst firms producing food, rubber and plastics, computer, electronics and optical products as well as in the energy sector. A smaller decline was also registered among firms that produce beverages.

In July, the volume of retail trade, which is a short-term indicator of final domestic demand, rose by an annual 6.5%, following a 4.8% increase in June.

Meanwhile, the number of inbound tourists increased by 5.2% on the preceding year, following an increase of 8.0% in June. Nights stayed grew by 1.6%, following a 5.1% rise in the previous month. The increase reflected an increase in non-rented accommodation. Tourist spending

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.

⁹ 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; https://ec.europa.eu/info/sites/info/files/esi_2019_01_en.pdf

¹⁰ 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.

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.

Table 2
ACTIVITY INDICATORS

Annual percentage changes

	2017	2018	2019												
			July	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July
Industrial production	8.5	1.3	3.4	-1.6	-6.9	2.3	10.7	-0.7	0.5	-1.5	-4.5	1.8	-2.3	2.1	1.3
Retail trade	5.2	0.6	-0.3	0.5	-0.7	0.5	1.0	-1.6	3.0	3.8	3.2	7.9	-0.4	4.8	6.5
Number of tourist arrivals	15.7	14.3	15.2	10.2	15.1	10.5	7.8	11.0	2.4	2.3	3.5	3.6	2.0	8.0	5.2
Number of nights stayed	10.3	12.5	12.9	5.7	10.2	8.0	8.0	10.1	7.6	3.5	2.2	2.6	-3.6	5.1	1.6
Rented accommodation	10.7	10.7	15.8	5.6	10.1	2.3	2.24	4.7	4.5	3.3	2.5	5.8	-5.0	6.7	-1.7
Collective ⁽¹⁾	6.0	7.1	8.0	6.3	2.8	1.2	-3.9	-4.8	-10.4	-6.9	-1.0	1.1	-10.3	2.0	-2.9
Other rented ⁽²⁾	21.7	18.0	29.1	4.7	22.9	4.8	22.2	22.3	56.4	34.7	12.5	17.0	6.3	15.3	0.0
Non-rented accommodation ⁽³⁾	8.5	22.7	-1.8	5.9	10.3	46.0	49.0	47.8	17.3	4.9	-0.2	-13.7	5.2	-3.9	21.6
Tourist expenditure	13.9	8.0	9.5	7.2	4.8	3.3	2.6	1.1	3.0	-2.8	0.5	7.7	3.3	10.7	1.8
Package expenditure	3.2	16.6	41.6	25.4	3.7	-0.3	-7.1	5.4	0.8	-21.9	-6.2	-11.9	-19.2	6.4	-20.0
Non-package expenditure	19.8	13.3	5.1	10.9	11.1	23.6	25.2	12.9	-6.8	6.8	4.5	23.8	23.8	17.1	21.4
Other	17.3	-2.2	-6.8	-6.5	0.3	-9.0	-7.4	-9.8	13.8	3.2	2.8	9.1	3.4	7.8	3.8

Sources: National Statistics Office; Eurostat.

⁽¹⁾ Collective accommodation comprises hotels, guesthouses, hostels, tourist villages, holiday complex, bed & breakfast and campsites.

⁽²⁾ Other rented accommodation comprises holiday furnished premises (farmhouses, flats and villas), host families, marinas, paid-convents, rented yachts and student dormitories.

⁽³⁾ Non-rented accommodation includes own private residence, staying with friends or relatives and other private accommodation (e.g. free-convents or timeshare).

in Malta grew by 1.8% in annual terms, following a 10.7% rise in June.

Customs data show that the merchandise trade deficit widened to €348.2 million in July, from €211.7 million a year earlier. This widening was driven by an increase in imports, and lower exports (see Chart 2). Imports edged up by €70.1 million, mainly on account of an increase in registrations of aircraft as well as higher imports of fuels. In contrast, exports declined by €66.4 million on the same month of 2018; mainly due to a contraction in fuel re-exports.

In the first seven months of 2019, the visible trade gap widened by €674.9 million on the same period of 2018, reaching €2,451.1 million (see Chart 3). This widening was mostly due to a significant increase in registrations of sea vessels. Excluding transactions related to ships and aircraft, the trade deficit would have widened by €25.1 million.

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

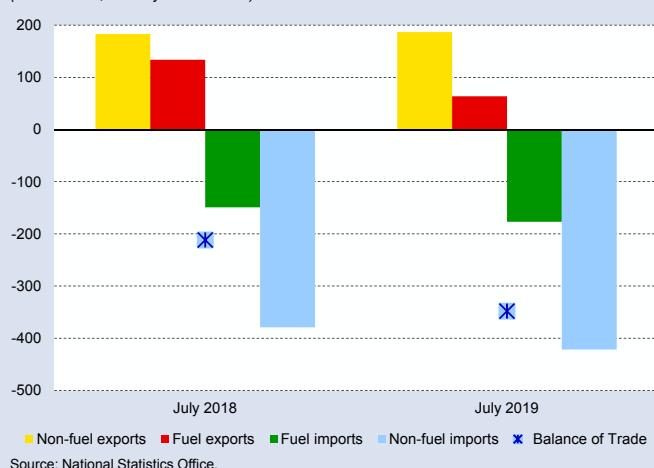
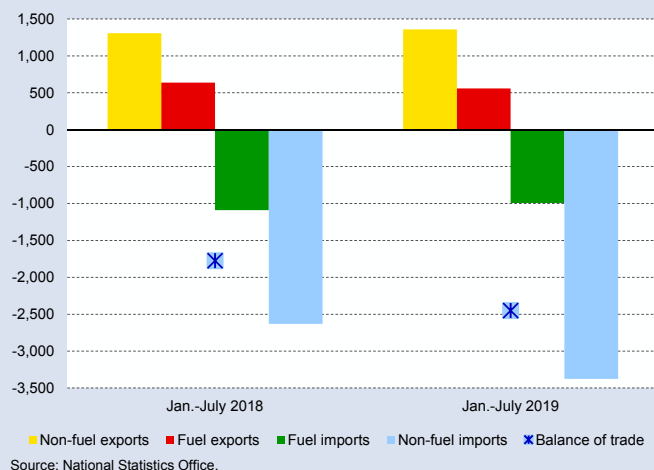


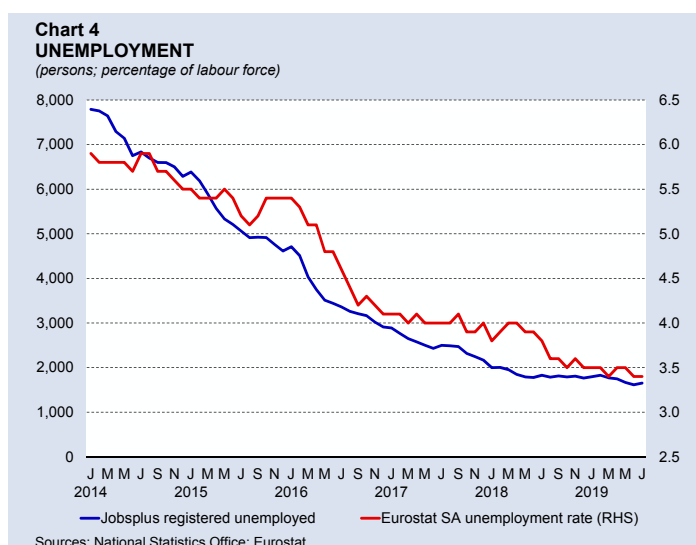
Chart 3
EXPORTS AND IMPORTS OF GOODS
(EUR millions; year-to-date observations)



Labour market

Jobsplus data show that the number of persons on the unemployment register stood at 1,654 in July, slightly up from 1,616 in June, but lower than 1,828 a year earlier (see Chart 4).

The seasonally-adjusted unemployment rate stood at 3.4%, unchanged from the preceding month and down from 3.8% recorded a year earlier.



BOX 1: GAINFULLY OCCUPIED POPULATION

Jobsplus records show that in March 2019, the gainfully occupied population, defined as all persons in full-time employment, rose by 6.1% on a year earlier, reaching 213,978 (see Chart 5). The rate of growth was slightly lower than that of 6.2% registered in the preceding month, and 6.8% observed a year earlier.

In line with developments in recent months, growth in employment continued to be mainly driven by the private sector (see Table 3). Although public sector employment also rose on an annual basis, 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 11,558, or 7.5% compared with March 2018. Employment growth in this sector continued to be driven by market services, where the number of full-time job holders increased by 10,029, or 8.4% in annual terms. This increase was distributed among all major sectors within this category.

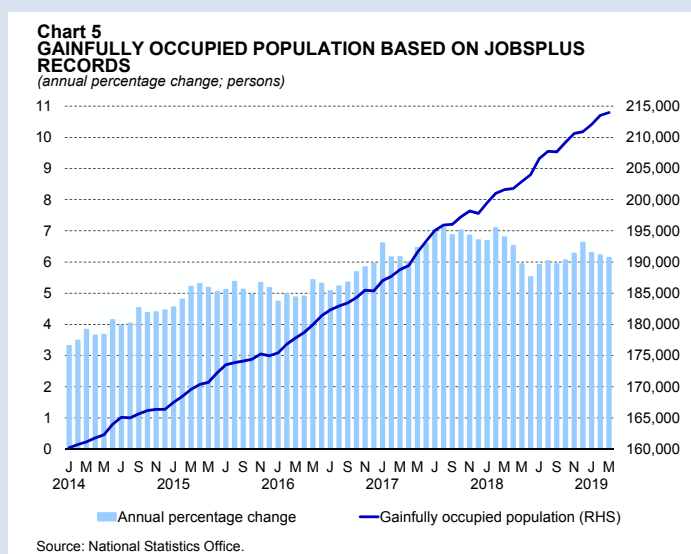


Table 3
LABOUR MARKET INDICATORS BASED ON JOBSPLUS RECORDS

Persons; annual percentage changes

	2018 March	2019 March	Annual change	
			Number of persons	%
Labour supply	203,562	215,750	12,188	6.0
Gainfully occupied ⁽¹⁾	201,608	213,978	12,370	6.1
Registered unemployed	1,954	1,772	-182	-9.3
Unemployment rate (%)	1.0	0.8		
Private sector	154,720	166,278	11,558	7.5
Direct production⁽²⁾	35,085	36,614	1,529	4.4
Of which:				
Manufacturing	21,515	21,713	198	0.9
Construction	10,816	12,027	1,211	11.2
Market services	119,635	129,664	10,029	8.4
Wholesale and retail trade	26,423	27,154	731	2.8
Transportation and storage	8,661	9,449	788	9.1
Accommodation and food service activities	13,163	14,356	1,193	9.1
Information and communication	6,833	7,132	299	4.4
Financial and insurance activities	9,524	10,314	790	8.3
Real estate, professional and administrative activities ⁽³⁾	30,510	34,045	3,535	11.6
Arts, entertainment and recreation	8,682	9,598	916	10.6
Education	5,529	5,788	259	4.7
Other	10,310	11,828	1,518	14.7
Public sector	46,888	47,700	812	1.7

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.

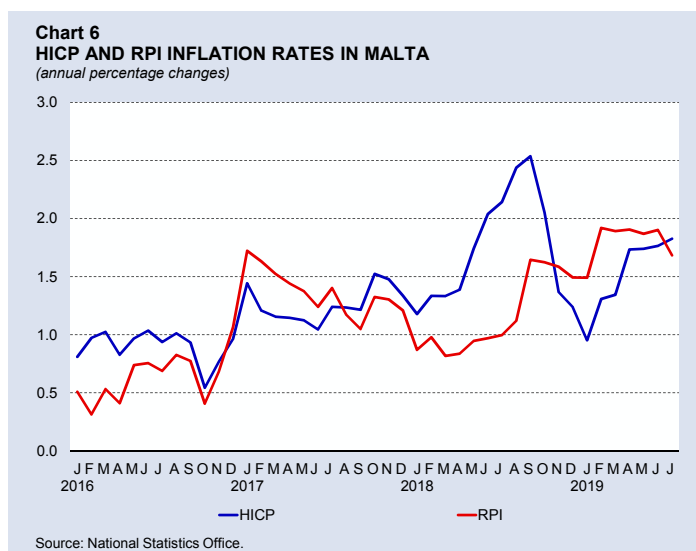
The sector incorporating real estate, professional and administrative activities registered the largest absolute increase. Employed persons in this sector went up by 3,535 in the year to March, and accounted for more than a third of the overall rise in private market services employment. The number of persons employed in accommodation and food service activities also grew strongly in annual terms, going up by 1,193. Employment also increased significantly within the arts, entertainment and recreation sector and in the health care sector.

Meanwhile, the number of persons employed in direct production rose by 1,529 persons, or 4.4% on a year earlier. Growth was recorded in both the construction and manufacturing sectors, though the pace of job creation was much faster in the former.

Public sector employment rose by 812, or 1.7%, 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 22.3% in March 2019, from 23.3% a year earlier.

Prices, costs and competitiveness

Annual HICP inflation stood at 1.8% in July, unchanged when compared with June (see Chart 6). Services inflation reached 2.1%, up from 1.7% in the previous month and remained the main contributor to overall inflation. On the other hand, food and non-energy industrial goods inflation eased, while energy inflation remained unchanged. HICP excluding food and energy stood at 1.5%, up from 1.3% in the previous month.



Inflation as measured by the RPI eased to 1.7% in July, from 1.9% in June (see Chart 6).¹² This partly reflected lower food price inflation, which nonetheless remained the main contributor to this measure of overall inflation.

Annual cost inflation for producers, measured by the Industrial Producer Price Index, edged up to 1.7% in July, from 1.6% in June.¹³ Inflation was mainly supported by the intermediate goods category, though annual price increases for consumer and capital goods also contributed positively. Meanwhile, energy costs were unchanged in annual terms.

Malta's nominal harmonised competitiveness indicator (HCI) contracted by 0.9% in the year to July.¹⁴ The real HCI, which also takes into account relative price changes, fell by 1.2%. This suggests that Malta's international competitiveness was adversely impacted by unfavourable exchange rate movements, as well as by developments in relative prices vis-à-vis trading partners.

Public finance

In July, the Consolidated Fund recorded a surplus of €30.2 million, €5.5 million more than the surplus registered in July 2018, as revenue growth outweighed the increase in primary expenditure (see Table 4). Consequently, the primary surplus reached €45.1 million, from €44.5 million a year earlier.

Total government revenue increased by €90.9 million, or 25.3% in annual terms, mainly due to higher non-tax revenues. The latter rose by €71.8 million; driven by higher EU grants. Concurrently, inflows from direct taxes increased by €22.3 million, largely due to higher income tax

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.-July	Jan.-July	July	July	Amount	%
Revenue	2,128.0	2,466.8	359.8	450.7	90.9	25.3
Direct tax	1,112.9	1,254.8	225.1	247.4	22.3	9.9
Income tax	769.7	877.8	175.4	192.7	17.2	9.8
Social security contributions ⁽¹⁾	343.2	377.0	49.7	54.8	5.1	10.3
Indirect tax	829.9	906.5	105.9	102.7	-3.2	-3.0
Value Added Tax	433.6	493.9	42.4	45.8	3.4	8.1
Customs and excise duties	176.4	182.9	30.2	29.3	-0.9	-2.9
Licences, taxes and fines	219.8	229.8	33.4	27.6	-5.8	-17.3
Non-tax⁽²⁾	185.2	305.5	28.8	100.6	71.8	249.8
Expenditure	2,245.2	2,592.8	335.1	420.5	85.5	25.5
Recurrent	2,058.1	2,310.4	290.7	357.7	67.0	23.1
Personal emoluments	472.0	511.5	65.0	69.9	4.9	7.5
Operational and maintenance	108.4	122.0	16.9	17.2	0.2	1.5
Programmes and initiatives ⁽¹⁾	1,116.1	1,271.2	149.9	182.0	32.1	21.4
Contributions to entities	240.7	296.6	39.0	73.7	34.7	89.0
Interest payments	120.8	109.1	19.8	14.9	-4.9	-24.8
Capital	187.1	282.4	44.4	62.9	18.5	41.5
Primary balance⁽³⁾	3.6	-16.8	44.5	45.1	0.6	-
Consolidated Fund balance	-117.2	-126.0	24.7	30.2	5.5	-

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.

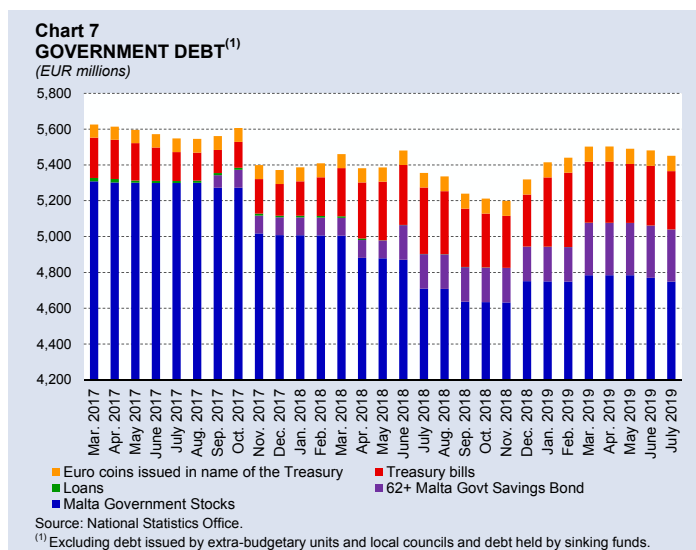
⁽²⁾ Includes grants but excludes proceeds from sale of assets, sinking funds of converted loans and borrowings.

⁽³⁾ Revenue less expenditure excluding interest payments.

revenues. On the other hand, indirect tax intakes declined by €3.2 million primarily due to lower receipts from licences and fines.

Government expenditure increased by €85.5 million, or 25.5% when compared with July 2018, due to higher current and capital spending. The former increased by €67.0 million, predominantly on account of higher expenditure on programmes and initiatives, reflecting the timing of payments to Church schools. Meanwhile, capital expenditure increased by €18.5 million when compared with same month of 2018, reflecting ongoing spending on infrastructural projects.

In July 2019, the total stock of government debt amounted to €5,451.2 million, a €29.7 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.

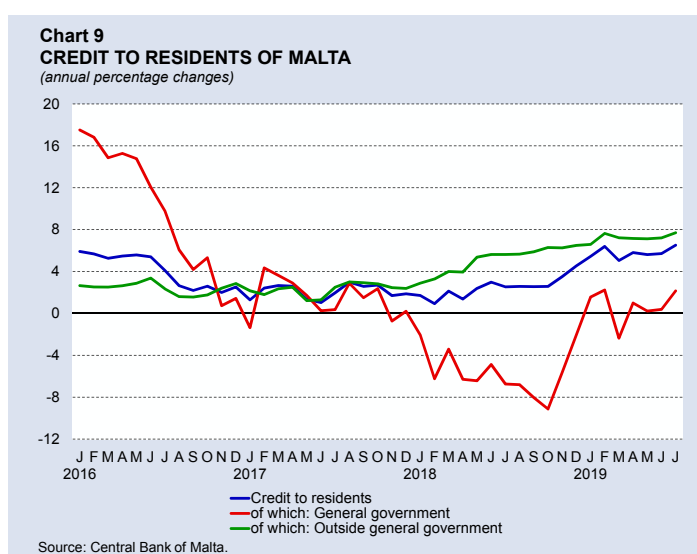
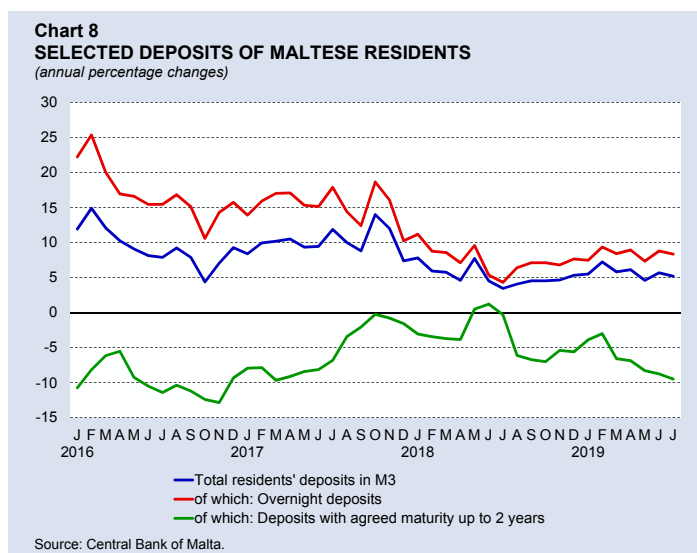
Deposits, credit and financial markets

Residents' M3 deposits held with monetary financial institutions (MFIs) based in Malta continued to expand in July, standing 5.2% above their year-ago level (see Chart 8). This rate of growth was slower than the 5.7% registered in the previous month. The continued strong growth in deposits reflects 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 8.3% in the year to July. On the other hand, time deposits with a maturity of up to two years continued to contract, falling by 9.5% 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 6.5% in the year to July (see Chart 9). Credit to general government rose by 2.1%, while credit to residents outside general government rose by 7.7% in annual terms.

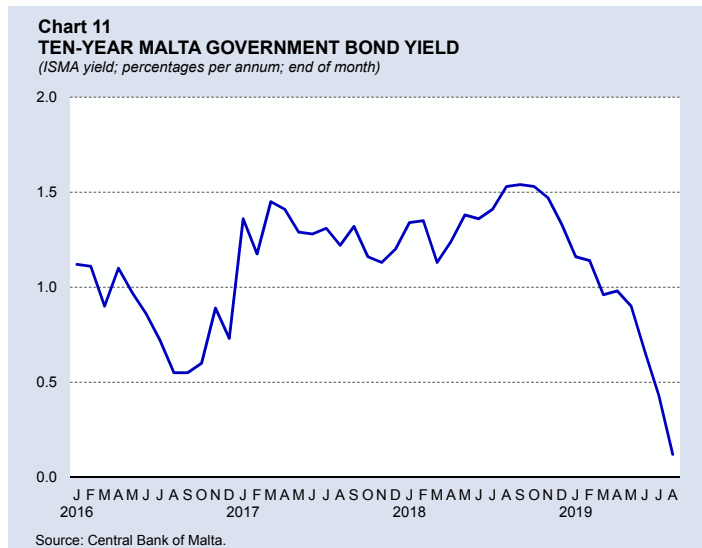
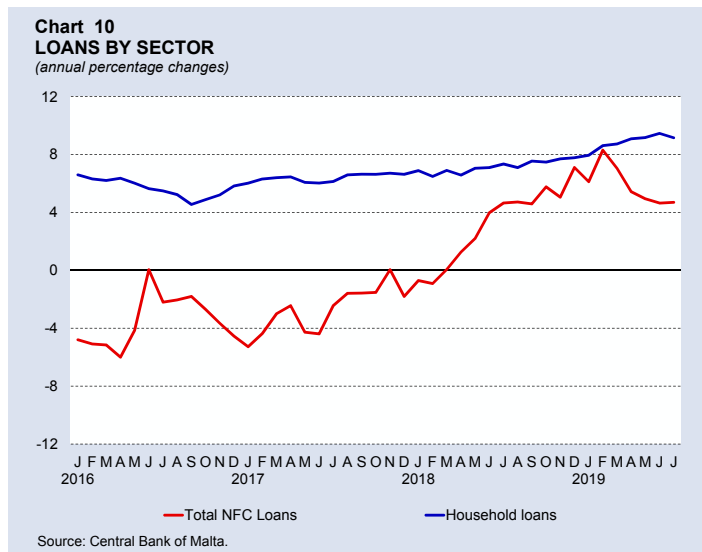
The continued strength in credit to residents outside general government is underpinned by growth in loans to households and, to a lesser extent, loans to non-financial corporations (NFCs). Loans to households grew by 9.2%, mainly supported by mortgage lending (see Chart 10). Meanwhile, loans to NFCs grew by 4.7% 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 MFIs on residents' outstanding deposits eased marginally between June and July, to 0.31%. The composite rate charged on outstanding loans also fell by 1 basis point, to 3.49%. The spread between the two rates stood at 318 basis points, slightly lower than the 321 basis points registered a year earlier.

In the capital market, the secondary market yield on ten-year Maltese government bonds continued to fall, reaching 0.1% at the end of August (see Chart 11). The Malta Stock Exchange (MSE) Equity Price Index fell by 1.0% during the month. The MSE Total Return Index, which accounts for dividends as well as changes in equity prices, dropped by 0.8%.



Annex 1

MACROECONOMIC INDICATORS FOR MALTA

(annual percentage changes; non-seasonally adjusted data)

	2017	2018	2018	2018	2019	2019	2018	2018	2018	2018	2018	2019	2019	2019	2019	2019	2019	2019	2019	
			Q3	Q4	Q1	Q2	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	
Prices and costs																				
HICP inflation	1.3	1.7	2.4	1.6	1.2	1.7	2.4	2.5	2.1	1.4	1.2	1.0	1.3	1.3	1.7	1.7	1.8	1.8	-	
RPI inflation	1.4	1.2	1.3	1.6	1.8	1.9	1.1	1.6	1.6	1.6	1.5	1.5	1.9	1.9	1.9	1.9	1.9	1.9	1.7	-
Industrial producer price inflation	1.6	4.7	4.0	3.8	3.2	1.4	3.8	4.0	3.5	4.0	3.9	3.9	3.4	2.3	1.4	1.4	1.5	1.7	-	
HCI (nominal)	1.7	3.6	2.9	2.1	-0.2	-0.1	2.4	3.3	2.6	1.9	1.9	1.1	-0.7	-1.1	-1.0	0.2	0.5	-0.9	-0.8	
HCI (real)	0.9	3.0	2.4	1.3	-1.0	-0.6	2.0	2.9	1.8	0.9	1.2	0.1	-1.3	-1.8	-1.8	-0.3	0.1	-1.2	-1.3	
Unit labour costs, whole economy ⁽¹⁾	0.5	1.1	2.2	1.1	0.3	0.1	-	-	-	-	-	-	-	-	-	-	-	-	-	
Compensation per employee ⁽¹⁾	-0.7	2.3	2.2	2.3	1.9	0.8	-	-	-	-	-	-	-	-	-	-	-	-	-	
Labour productivity (per person) ⁽¹⁾	-1.2	1.3	0.0	1.3	1.7	0.8	-	-	-	-	-	-	-	-	-	-	-	-	-	
Property Price Index (Eurostat)	5.3	5.7	5.5	6.1	6.5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Economic activity																				
Nominal GDP	9.2	9.0	10.2	9.0	8.1	6.6	-	-	-	-	-	-	-	-	-	-	-	-	-	
Real GDP	6.7	6.8	7.7	7.1	5.4	4.0	-	-	-	-	-	-	-	-	-	-	-	-	-	
Real private consumption	3.3	7.3	8.7	7.5	5.3	3.8	-	-	-	-	-	-	-	-	-	-	-	-	-	
Real government consumption	2.5	12.6	7.7	26.6	20.8	7.3	-	-	-	-	-	-	-	-	-	-	-	-	-	
Real gross fixed capital formation	-7.2	-1.8	3.4	-1.0	29.1	0.8	-	-	-	-	-	-	-	-	-	-	-	-	-	
Real exports of goods and services	4.8	2.6	5.1	-0.5	3.2	-0.2	-	-	-	-	-	-	-	-	-	-	-	-	-	
Real imports of goods and services	-0.4	2.6	5.0	-1.1	6.6	-2.3	-	-	-	-	-	-	-	-	-	-	-	-	-	
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	6.3	6.0	6.3	6.2	-	6.0	5.9	6.1	6.3	6.6	6.3	6.2	6.1	-	-	-	-	-	
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	6.4	7.1	7.1	6.8	7.7	7.5	9.4	8.4	8.9	7.3	8.8	8.3	-	
Deposits with agreed maturity up to 2 years	-1.6	-5.6	-6.7	-5.6	-6.6	-8.8	-6.1	-6.7	-7.0	-5.4	-5.6	-3.9	-3.0	-6.6	-6.9	-8.3	-8.8	-9.5	-	
Total residents' deposits in M3	7.4	5.3	4.5	5.3	5.8	5.7	4.1	4.5	4.5	4.7	5.3	5.5	7.2	5.8	6.1	4.6	5.7	5.2	-	
Credit to general government	0.2	-2.0	-8.0	-2.0	-2.4	0.4	-6.8	-8.0	-9.1	-5.6	-2.0	1.6	2.2	-2.4	1.0	0.2	0.4	2.1	-	
Credit to residents (excl. general government)	2.4	6.5	5.9	6.5	7.2	7.2	5.7	5.9	6.3	6.3	6.5	6.6	7.6	7.2	7.2	7.1	7.2	7.7	-	
Total credit	1.9	4.5	2.6	4.5	5.1	5.7	2.6	2.6	2.6	3.5	4.5	5.4	6.4	5.1	5.8	5.6	5.7	6.5	-	
10-year interest rate (%) ⁽³⁾	1.2	1.3	1.5	1.3	1.0	0.7	1.5	1.5	1.5	1.5	1.3	1.2	1.1	1.0	1.0	0.9	0.7	0.4	0.1	
Stock prices: Malta Stock Exchange Index ⁽⁴⁾	-2.6	0.1	0.5	3.0	4.3	2.2	-1.1	2.4	1.6	0.6	0.8	-1.8	2.0	4.1	0.1	2.2	-0.2	0.7	-1.0	
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	45.9	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.