



BANK ĊENTRALI TA' MALTA  
EUROSISTEMA  
CENTRAL BANK OF MALTA

# CENTRAL BANK OF MALTA ECONOMIC UPDATE

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1/2022

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*The cut-off date for information in this publication is 18 January 2022. Figures in tables may not add up due to rounding.*

ISSN 2410-8294 (online)

## ECONOMIC UPDATE 1/2022

### Summary<sup>1</sup>

*The Bank's Business Conditions Index shows that in December annual growth in business activity receded somewhat from recent historical highs but remained strong from a historical perspective as aggregate economic activity continued to recover from the record low level of 2020.*

*European Commission data show that sentiment declined in December but remained well above its level a year earlier and only marginally below its long-term average. The recent decrease was driven by weaker sentiment across all sectors, bar the retail sector.*

*In December, the European Commission's Economic Uncertainty Indicator (EUI) rose when compared with November. The recent increase in uncertainty was largely driven by developments in industry, the retail and services sectors. On balance, consumers continued to report that they were able to predict their financial situation with relative ease but less so relative to November. Meanwhile, uncertainty fell in the construction sector.*

*In November, industrial production contracted on an annual basis for the fourth consecutive month and fell at a faster pace when compared with October while the volume of retail trade rose at a faster pace. The unemployment rate was unchanged from that recorded in October yet still well below last year's rate.*

*Commercial permits increased in November relative to their year-ago levels while residential permits fell. In December, the number of final deeds of sale rose on an annual basis as did the number of promise-of-sale agreements.*

*The annual inflation rate based on the Harmonised Index of Consumer Prices (HICP) stood at 2.4% in November, up from 1.4% in the previous month. Inflation based on the Retail Price Index (RPI) also rose to 2.4% in November from 2.3% a month earlier.*

*Maltese residents' deposits expanded at an annual rate of 9.4% in November, following an increase of 10.3% in the previous month, while annual growth in credit to Maltese residents stood at 8.4%, slightly below the rate of 8.6% recorded a month earlier. In November, the cash-based Consolidated Fund recorded a smaller deficit when compared with a year earlier as the increase in government revenue more than offset that in expenditure.*

### Central Bank's Business Conditions Index (BCI)<sup>2</sup>

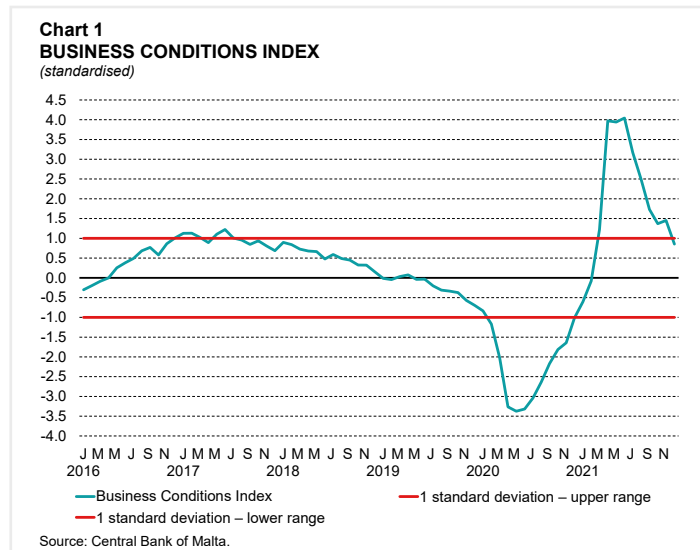
The Bank's BCI indicates that annual growth in business activity has receded from recent historical highs but remains strong (see Chart 1). That said, the economic expansion is from a very low base as 2020 marked a historical low point for most economic variables. As a result, strong annual growth rates are still being recorded in several BCI components reflecting positive base-effects from the low levels seen a year earlier. This was mostly evident in the case of tourist arrivals,

<sup>1</sup> The cut-off date for information in this note is 18 January 2022. Most of the data reported in this issue of the *Economic Update* refer to November 2021. However, the latest data for the European Commission's confidence and uncertainty indicators, the Bank's BCI and the COVID-19 Government Response Index refer to December 2021.

<sup>2</sup> The methodology underlying the BCI can be found [here](#). A zero value of the BCI is consistent with average business conditions, which in the case of Malta tends to be consistent with a real GDP growth rate of close to 4%. When the value of the BCI falls repeatedly below -1, economic activity would be significantly below normal. From June 2020, the BCI methodology was updated to include a new variable: monthly development permits.

economic sentiment, selected government revenue items and gross domestic product (GDP). Moreover, the unemployment rate continued to fall in annual terms.

While still signalling strong growth, the BCI has been returning to levels within one standard deviation of its historical level as economic activity levels are approaching pre-pandemic levels, which implies that growth rates are also beginning to normalise.<sup>3</sup>

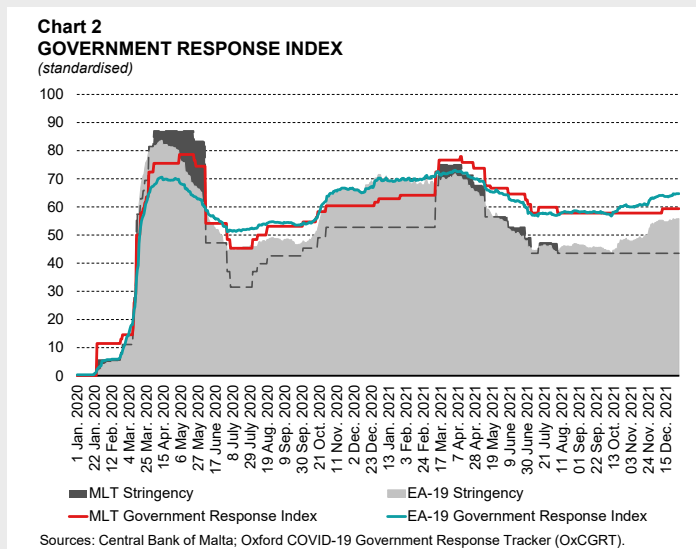


## BOX 1: COVID-19 GOVERNMENT RESPONSE INDEX – MALTA

Malta's COVID-19 Government Response Index at the end of December 2021 stood at 59.4, a 1.6-point increase when compared to November (see Chart 2). This reflects the tightening of some containment measures during the month, as Malta recorded a much higher number of active cases. Some of the measures include the shift of all organised events except weddings and funerals to being seated events, the imposition of a maximum 1 am curfew on various entertainment establishments and the extension of mask-wearing to all public locations regardless of one's vaccination status.

Meanwhile, the euro area average rose slightly from 63.0 at end-November to 64.7 at end-December. Despite these developments, Malta's index ended December 5.4 points below the euro area average.

The stringency index remained unchanged from its level at end-November, at 43.5. It stood 12.3 points below that in the euro area, which rose to 55.8 as several countries increased their COVID-19 restrictions amid rising infection rates.



<sup>3</sup> The volatility caused by the pandemic in most economic variables and the variation in the timing of turning points across indicators implies that as new observations are introduced in the estimation of the BCI each month, estimates of the BCI for earlier periods can be revised significantly. This is due to the filtering process embedded within the BCI.

## Business and consumer confidence indicators

In December, the European Commission's Economic Sentiment Indicator (ESI) fell to 98.0, from 108.6 in November. Following the recent decrease, sentiment stood marginally below its long-term average of around 100.0 and below the euro area average of 115.3. However, sentiment remained well above its level in December 2020 (see Table 1).<sup>4,5,6</sup>

In month-on-month terms, sentiment in Malta fell across all sectors, with the exception of the retail sector. The largest decline was recorded in the services sector – and in most sectors, with the exception of retail and construction, sentiment stood in negative territory.

Demeaned data – which account for the variation in weights assigned to each sector in the overall index – show that the decrease in overall sentiment in December was mainly driven by developments in the services sector, and to a lesser degree, in industry (see Chart 3). The contribution of consumers and the construction sector also edged down in December, but remained positive. By contrast, the contribution of the retail sector increased relative to November. Demeaned data show that the ESI is below its long-term average primarily due to relatively weaker sentiment in the services sector.

<b>Table 1</b>		<b>BUSINESS AND CONSUMER SURVEYS</b>													
<i>Balances: percentage points; seasonally adjusted</i>															
	2020	2021	2020					2021							
			Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
<b>ESI</b>	<b>81.4</b>	<b>105.6</b>	<b>85.4</b>	<b>85.8</b>	<b>88.1</b>	<b>95.0</b>	<b>117.3</b>	<b>115.2</b>	<b>113.5</b>	<b>110.0</b>	<b>115.6</b>	<b>111.5</b>	<b>109.0</b>	<b>108.6</b>	<b>98.0</b>
<b>Services confidence indicator</b>	<b>-24.9</b>	<b>13.5</b>	<b>-16.9</b>	<b>-5.3</b>	<b>-3.7</b>	<b>-11.1</b>	<b>5.4</b>	<b>30.8</b>	<b>36.7</b>	<b>34.7</b>	<b>17.8</b>	<b>32.8</b>	<b>11.8</b>	<b>21.6</b>	<b>-9.0</b>
Business situation development over the past 3 months	-36.3	4.7	-29.6	-12.3	-12.4	-11.0	-1.1	16.6	19.6	29.5	12.6	6.4	4.5	19.7	-16.1
Evolution of the demand over the past 3 months	-34.9	9.9	-35.1	-10.5	-16.8	-19.1	-5.1	25.1	44.5	29.4	14.0	39.0	10.5	14.9	-7.4
Expectation of the demand over the next 3 months	-3.7	26.1	14.0	6.7	17.9	-3.1	22.5	50.8	46.0	45.2	26.9	53.1	20.4	30.1	-3.7
<b>Industrial confidence indicator</b>	<b>-25.1</b>	<b>2.7</b>	<b>-23.9</b>	<b>-24.0</b>	<b>-18.6</b>	<b>-1.1</b>	<b>36.0</b>	<b>9.4</b>	<b>8.7</b>	<b>3.0</b>	<b>22.8</b>	<b>0.1</b>	<b>5.6</b>	<b>-0.3</b>	<b>-8.7</b>
Assessment of order-book levels	-48.8	-28.0	-38.6	-41.4	-53.8	-41.4	-16.7	-30.1	-39.0	-12.0	22.8	-29.2	-26.4	-34.4	-34.9
Assessment of stocks of finished products	27.2	-3.5	22.1	36.0	28.6	-11.3	-42.5	-21.0	0.8	-1.1	-1.1	4.0	-4.8	-21.7	-8.1
Production expectations for the months ahead	0.8	32.8	-11.0	5.5	26.6	26.7	82.1	37.2	65.9	20.0	44.7	33.5	38.3	11.9	0.6
<b>Construction confidence indicator</b>	<b>-5.7</b>	<b>6.6</b>	<b>-4.2</b>	<b>-1.2</b>	<b>-8.3</b>	<b>-8.5</b>	<b>9.6</b>	<b>21.9</b>	<b>8.9</b>	<b>-4.8</b>	<b>5.9</b>	<b>12.5</b>	<b>27.0</b>	<b>10.1</b>	<b>6.4</b>
Evolution of your current overall order books	-6.2	0.8	-7.4	-3.4	-13.6	-12.0	4.0	4.7	11.7	-13.5	-2.9	6.0	22.5	6.5	-0.3
Employment expectations over the next 3 months	-5.2	12.4	-1.0	0.9	-3.0	-5.0	15.3	39.0	6.1	4.0	14.7	19.0	31.5	13.6	13.2
<b>Consumer confidence indicator</b>	<b>-5.6</b>	<b>3.0</b>	<b>-3.7</b>	<b>-3.2</b>	<b>-6.9</b>	<b>-7.9</b>	<b>5.2</b>	<b>8.3</b>	<b>6.0</b>	<b>3.8</b>	<b>9.0</b>	<b>7.4</b>	<b>10.0</b>	<b>4.8</b>	<b>-0.3</b>
Financial situation past 12 months	-1.6	-10.1	-16.3	-15.4	-15.5	-18.6	-15.9	-11.7	-11.0	-6.8	-2.8	-5.7	-2.0	-7.0	-9.0
Financial situation next 12 months	0.8	7.2	5.7	4.3	-0.7	0.4	11.5	15.0	10.4	8.4	11.5	6.8	12.0	6.5	0.2
Economic situation next 12 months	-0.9	18.9	17.8	8.7	4.5	3.6	30.7	35.3	31.3	19.4	24.7	22.3	24.9	15.4	6.5
Major purchases next 12 months	-20.5	-3.9	-22.2	-10.4	-15.8	-16.8	-5.5	-5.6	-6.5	-5.6	2.7	6.4	5.1	4.3	1.0
<b>Retail trade confidence indicator</b>	<b>-31.0</b>	<b>-11.4</b>	<b>-14.2</b>	<b>-51.4</b>	<b>-49.0</b>	<b>-38.2</b>	<b>-50.3</b>	<b>-1.9</b>	<b>-8.7</b>	<b>-12.6</b>	<b>15.2</b>	<b>21.8</b>	<b>2.1</b>	<b>-0.2</b>	<b>35.9</b>
Business activity, past 3 months	-22.2	-18.1	8.9	-51.6	-42.2	-58.6	-70.3	-43.3	-46.9	-1.5	34.3	38.2	-11.7	1.5	35.5
Stocks of finished goods	31.9	14.2	4.7	50.3	33.5	37.2	42.4	-3.5	3.5	3.1	13.6	-2.9	7.4	15.6	-29.5
Business activity, next 3 months	-38.8	-2.0	-46.7	-52.4	-71.4	-18.7	-38.1	34.2	24.4	-33.2	24.8	24.2	25.5	13.4	42.8
<b>EI</b>	<b>86.0</b>	<b>104.6</b>	<b>93.5</b>	<b>88.8</b>	<b>87.0</b>	<b>88.4</b>	<b>96.6</b>	<b>108.4</b>	<b>110.8</b>	<b>113.4</b>	<b>112.6</b>	<b>118.7</b>	<b>115.1</b>	<b>110.3</b>	<b>105.0</b>
Retail	-11.6	3.7	-12.1	-5.4	-5.7	14.5	-18.4	7.3	6.0	6.0	11.2	17.7	-1.7	16.4	-3.4
Services	-2.4	24.6	8.5	-1.6	-11.8	-9.9	13.0	31.0	37.3	46.5	29.7	55.2	45.8	33.3	26.1
Construction	-5.2	12.4	-1.0	0.9	-3.0	-5.0	15.3	39.0	6.1	4.0	14.7	19.0	31.5	13.6	13.2
Industry	-12.5	14.7	7.3	-5.7	10.3	-8.1	18.0	9.3	21.4	15.3	44.2	8.6	27.9	13.8	21.2
<b>EUJ<sup>(1)</sup></b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27.2</b>	<b>32.2</b>	<b>18.4</b>	<b>4.5</b>	<b>21.0</b>	<b>15.8</b>	<b>14.5</b>	<b>36.9</b>
Industry	-	-	-	-	-	-	-	41.6	38.1	-4.6	-5.2	28.6	4.5	13.7	51.4
Retail	-	-	-	-	-	-	-	34.8	56.5	65.4	44.5	40.6	53.1	35.0	60.8
Services	-	-	-	-	-	-	-	32.8	47.3	31.9	12.7	28.2	38.6	23.1	42.8
Consumers	-	-5.4	-8.1	-11.6	-15.8	-9.7	0.3	-6.8	-5.1	22.5	-8.1	-8.7	-11.7	-8.9	-0.9
Construction	-	-	-	-	-	-	-	5.8	19.9	58.6	43.5	16.8	41.9	41.7	12.8
<b>ESI demeaned</b>	<b>-18.4</b>	<b>5.2</b>	<b>-14.6</b>	<b>-13.9</b>	<b>-11.8</b>	<b>-5.5</b>	<b>16.3</b>	<b>14.5</b>	<b>13.0</b>	<b>9.7</b>	<b>15.1</b>	<b>11.1</b>	<b>8.5</b>	<b>7.9</b>	<b>-2.5</b>
<b>EI demeaned</b>	<b>-14.0</b>	<b>4.6</b>	<b>-6.4</b>	<b>-11.3</b>	<b>-13.0</b>	<b>-11.8</b>	<b>-3.2</b>	<b>8.3</b>	<b>10.8</b>	<b>13.4</b>	<b>12.8</b>	<b>18.6</b>	<b>15.2</b>	<b>10.2</b>	<b>5.1</b>

Source: European Commission.

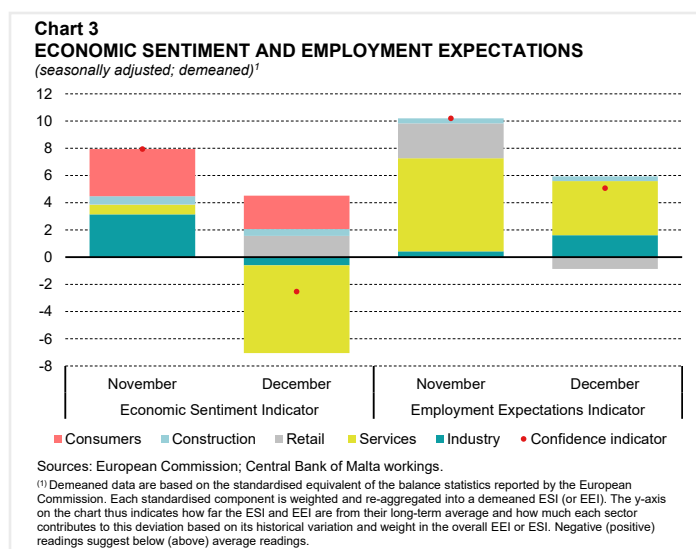
<sup>(1)</sup> Non-seasonally adjusted data.

<sup>4</sup> 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%.

<sup>5</sup> 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 December 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 December 2002.

<sup>6</sup> In January 2022, data were revised for previous periods following the annual updating of country weights and the inclusion of 2020 in the standardisation sample.

In December, confidence within the services sector deteriorated sharply. It fell to -9.0 from 21.6 in the previous month, and thus stood well below its long-term average of 19.0.<sup>7</sup> Firms' assessment of the business situation over the past three months and their demand expectations were the main contributors to the fall in confidence, although respondents' assessment of demand in recent months also weakened. Additional survey data show that, on balance, the share of respondents anticipating a rise in prices in the coming months decreased but remained elevated from a historical perspective.



Sentiment in industry stood at -8.7, down from -0.3 in the previous month, falling below its long-term average of -4.0.<sup>8</sup> The recent fall in sentiment largely reflected firms' assessment of stock levels as well as softer production expectations. Meanwhile, participants' assessment of order book levels was slightly more negative compared to November. Supplementary data show that the share of firms anticipating selling prices to rise in the coming months more than halved, compared to November.

Consumer confidence stood at -0.3, down from 4.8 in November, yet remaining well above its long-term average of -10.4.<sup>9</sup> Lower sentiment was recorded in all components of the indicator, with the largest decline recorded in consumers' expectations about the economy. This was followed by weaker expectations of their financial situation over the next 12 months. Similarly, consumers' assessment of their financial situation over the last 12 months and expectations about major purchases also decreased somewhat, though by much less compared to the aforementioned components. Additional survey data show that price expectations increased slightly from already elevated levels, while a significantly smaller share of respondents anticipated unemployment to decline compared to a month earlier.

Confidence within the construction sector edged down to 6.4 from 10.1 in November.<sup>10</sup> Notwithstanding this decline, sentiment remained above its long-term average of -10.1. The decrease in sentiment was largely driven by developments in respondents' assessment of their overall order book levels, as employment expectations eased marginally relative to November. Additional survey data indicate that price expectations increased further in December.

<sup>7</sup> 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.

<sup>8</sup> 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.

<sup>9</sup> 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.

<sup>10</sup> 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.

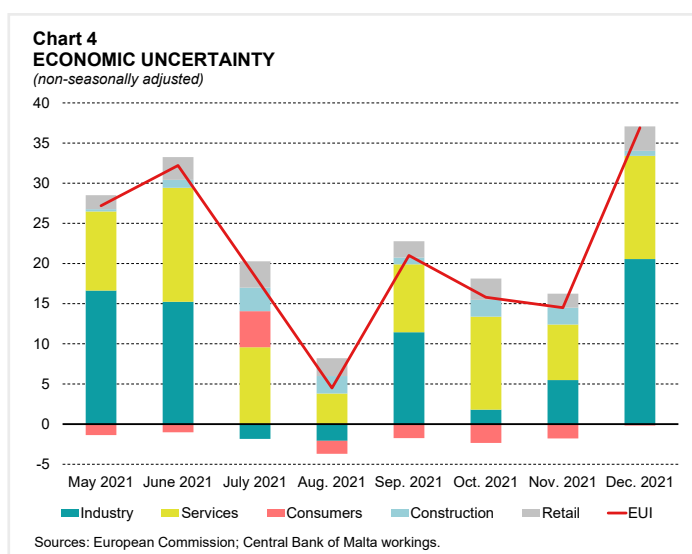
Sentiment in the retail sector turned strongly positive in December. It reached 35.9, up from -0.2 in the preceding month.<sup>11</sup> In contrast to November, retailers now assess their stock levels to be below normal.<sup>12</sup> Furthermore, participants' assessment of business activity over the past three months, and to a lesser extent, their expectations of sales over the next months, improved significantly. Supplementary data show that fewer retailers anticipated prices to increase in December.

The European Commission's Employment Expectations Indicator (EEI) – which is a composite indicator of employment expectations in industry, services, retail trade and construction – decreased in December.<sup>13</sup> The EEI stood at 105.0, below the 110.3 recorded in November, and also below the euro area average of 114.0. Notwithstanding this decline, the indicator remained above its long-run average of around 100.0. Employment expectations eased across all sectors, with the exception of industry.

Demeaned data suggest that the services sector and industry largely explain why the overall EEI remained above its long-term average in December (see Chart 3).

In December, the European Commission's EUI – which is a composite indicator of how difficult it is for sectors to make predictions about their future financial or business situation – stood at 36.9, up from the 14.5 recorded in November and above that recorded in May 2021, when the first reading is available for Malta (see Table 1). Following the latest increase, the indicator rose above that in the euro area, where the index stood at 18.1.<sup>14,15</sup>

In month-on-month terms, the recent increase in uncertainty was largely driven by developments in industry, and to a more limited extent, in the services and retail sectors (see Chart 4). At the same time, consumers on balance continued to report that they were able to predict their household's financial situation with relative ease,



<sup>11</sup> 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.

<sup>12</sup> 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.

<sup>13</sup> The EEI is based on question 7 of the industry survey, question 5 of the services and retail trade surveys, and question 4 of the construction survey, which gauge the respondent firms' expectations as regards changes in their total employment over the next three months. Before being summarised in one composite indicator, each balance series is weighted on the basis of the respective sector's importance in overall employment. The weights are applied to the four balance series expressed in standardised form. Further information on the compilation of the EEI is available in: European Commission (2020), *The Joint Harmonised EU Programme of Business and Consumer Surveys User Guide*.

<sup>14</sup> The EUI is made up of five balances (in percentage points) which summarise managers'/consumers' answers to a question asking them to indicate how difficult it is to make predictions about their future business/financial situation. The five balance series are summarised in one composite indicator using the same weights used to construct the ESI. The series are not seasonally adjusted. The questions asked correspond to question 51 of the industry survey, question 31 of the services survey, question 41 of the retail trade and construction surveys and question 21 of the consumer survey.

<sup>15</sup> Data on consumer uncertainty became available in October 2020, while data for industry, services, retail and construction became available in May 2021.

but less so relative to November. By contrast, the share of participants reporting difficulty in anticipating their business situation in the coming months more than halved in the construction sector.

## Activity indicators

In November, annual growth in the index of industrial production – which is a measure of economic activity in the quarrying, manufacturing and energy sectors – stood at -7.5%. This is the fourth consecutive year-on-year decline and follows a fall of 5.0% in October (see Table 2).<sup>16</sup>

The recent decline in industrial production primarily reflected lower output by firms which fall within the industry that manufactures motor vehicles, trailers and semi-trailers as well as those involved in the production of “other manufacturing” goods – which include medical and dental instruments, toys and related products. Declines were also registered among firms that produce rubber and plastic products, basic pharmaceutical goods, textiles and those that print and reproduce recorded media. On the other hand, higher output was registered in industries that manufacture wearing apparel as well as beverages.

Production in the energy sector increased strongly, with output rising by 29.1% in annual terms.

In November, the volume of retail trade – which is a short-term indicator of final domestic demand – increased by 10.2% on an annual basis, after rising by 9.3% in October.

The tourism sector registered further gains over 2020 in November, although tourist numbers remained below the 2019 levels. The number of inbound tourists stood at 127,183, as against 14,936 registered in November 2020. Nonetheless it was still 33.5% below the 2019 levels. Likewise, guest nights were more than four times the level registered in November 2020, with collective accommodation registering the sharpest rise in absolute terms. Total expenditure was nearly seven times that registered in the corresponding period of 2020, but only slightly more than two-thirds the level registered in 2019.

	2019	2020	2020										2021						
			July	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr. <sup>(1)</sup>	May	June	July	Aug.	Sep.	Oct.	Nov.
Industrial production	1.2	-0.2	-2.2	-3.7	-3.2	2.8	-1.4	-4.5	-7.3	-12.8	-4.6	17.4	9.0	13.8	7.2	-4.1	-3.5	-5.0	-7.5
Retail trade	7.0	-6.1	-11.6	-7.8	-11.0	-8.0	-3.0	2.6	-3.4	-10.2	1.2	18.4	23.0	3.6	11.8	19.3	15.5	9.3	10.2
Number of tourist arrivals	5.9	-76.1	-84.0	-66.0	-82.4	-83.4	-92.2	-91.1	-90.7	-93.7	-86.3	-	-	-	148.9	45.0	216.3	281.5	751.5
Number of nights stayed	4.1	-73.0	-75.3	-62.6	-77.4	-78.6	-82.3	-77.2	-79.8	-86.7	-65.2	-	-	-	87.7	33.1	166.8	239.0	312.9
Rented accommodation	4.6	-76.8	-84.3	-67.4	-81.8	-82.5	-88.0	-86.6	-89.0	-91.8	-75.0	-	-	-	191.2	47.9	225.8	295.8	524.2
Collective <sup>(2)</sup>	-0.1	-76.5	-85.4	-66.9	-81.2	-81.9	-91.6	-91.9	-92.1	-94.1	-88.5	-	-	-	231.7	75.7	263.4	311.7	783.9
Other rented <sup>(3)</sup>	13.5	-77.3	-82.7	-67.9	-82.9	-83.5	-80.6	-79.5	-82.4	-86.3	-40.0	-	-	-	143.7	13.4	162.8	266.4	291.1
Non-rented accommodation <sup>(4)</sup>	1.6	-52.8	-31.4	-38.3	-57.1	-53.3	-53.8	-33.5	-48.9	-52.9	-20.7	-	-	-	-27.8	-7.0	53.5	99.1	38.6
Tourist expenditure	5.7	-79.5	-88.1	-71.3	-84.5	-84.5	-90.3	-86.6	-87.6	-90.4	-76.1	-	-	-	274.0	79.0	277.9	336.8	598.5
Package expenditure	-8.2	-84.5	-93.5	-79.5	-90.5	-89.8	-	-	-	-	-	-	-	-	480.2	126.7	478.4	497.1	1,403.5
Non-package expenditure	17.1	-79.6	-88.7	-71.5	-86.0	-85.1	-90.2	-86.4	-87.7	-89.0	-71.0	-	-	-	288.0	69.3	281.7	347.4	591.3
Other	5.9	-75.9	-83.7	-65.3	-78.7	-79.8	-86.5	-82.0	-83.5	-88.1	-71.9	-	-	-	203.8	68.3	212.2	267.8	466.9

Sources: National Statistics Office; Eurostat.

<sup>(1)</sup> As a result of the COVID-19 situation, it was not possible for the NSO to issue the April, May and June 2020 News Releases for Inbound Tourism. The inbound tourism News Release has been issued since July 2020, following the reopening of Malta International Airport in the beginning of that month. Hence, year-on-year growth rates for April, May and June 2021 cannot be derived.

<sup>(2)</sup> Collective accommodation comprises hotels, guesthouses, hostels, tourist villages, holiday complex, bed & breakfast and campsites.

<sup>(3)</sup> Other rented accommodation comprises holiday furnished premises (farmhouses, flats and villas), host families, marinas, paid-convents, rented yachts and student.

<sup>(4)</sup> Non-rented accommodation includes own private residence, staying with friends or relatives and other private accommodation (e.g. free-convents or timeshare).

<sup>16</sup> 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 3 PROPERTY MARKET																	
Levels																	
	2020	2021	2020		2021												
			Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	
<b>Permits</b>																	
Commercial permits	2,687	-	241	183	209	249	205	267	228	260	249	127	227	293	260	-	
Residential permits	7,837	-	672	549	784	654	569	763	667	429	645	903	615	450	646	-	
<b>Residential transactions</b>																	
Promise of sale	11,261	15,655	1,043	1,145	981	1,350	1,648	1,429	1,479	1,166	1,104	891	989	1,091	1,251	2,276	
Final deeds of sale	11,057	14,349	961	1,134	1,009	984	1,285	1,185	1,174	1,239	1,386	1,170	1,040	1,157	1,330	1,390	

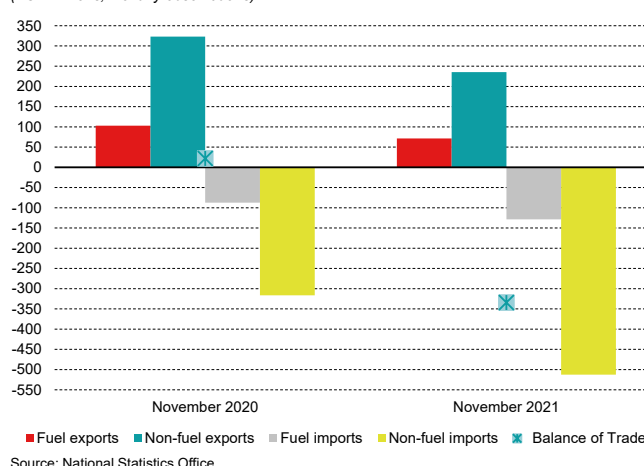
Sources: National Statistics Office; Eurostat.

In November, 260 development permits for commercial buildings were issued, a 7.9% increase over the same month a year earlier (see Table 3). During the month, 646 new residential permits were issued, a decline of 3.9% compared with November 2020.

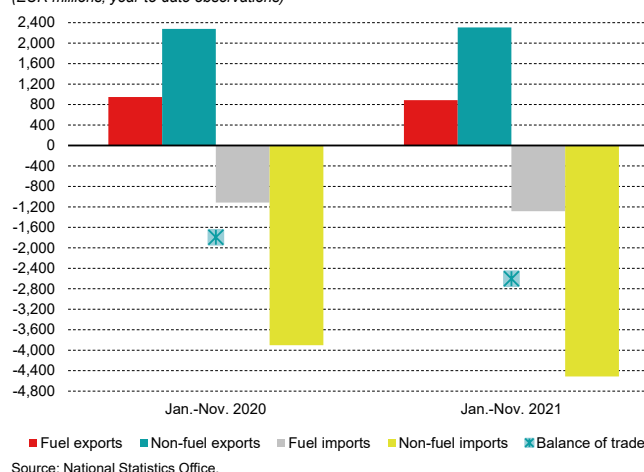
Data on residential property transactions show that 1,390 final deeds of sale were concluded in December, 22.6% more than a year earlier. At 2,276, the number of promise-of-sale agreements was nearly double that registered in December 2020.

Customs data show that the merchandise trade deficit stood at €334.1 million in November, compared to a surplus of €22.0 million a year earlier. This shift was due to a €237.0 million rise in imports and a €119.1 million fall in exports (see Chart 5). Higher imports were largely on account of a significant increase in registrations of aircrafts and sea vessels. A large increase in the fuel-import bill and higher imports of optical instruments also contributed, although to a much lesser extent.

**Chart 5**  
EXPORTS AND IMPORTS OF GOODS: NOVEMBER 2021  
(EUR millions; monthly observations)



**Chart 6**  
EXPORTS AND IMPORTS OF GOODS: JANUARY-NOVEMBER 2021  
(EUR millions; year-to-date observations)



The fall in exports was mainly driven by lower fuel re-exports as well as fewer exports of pharmaceutical products, electrical machinery, and printed material. Lower exports of fish, machinery and mechanical appliances as well as toys were also noted.

Between January and November, the visible trade gap widened to €2,603.5 million, from €1,791.9 million in the corresponding period of 2020, as imports increased while exports declined (see Chart 6).

## Labour market

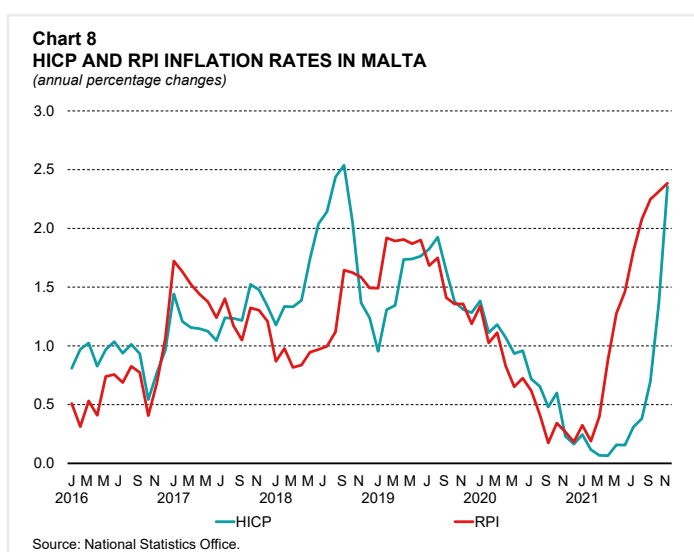
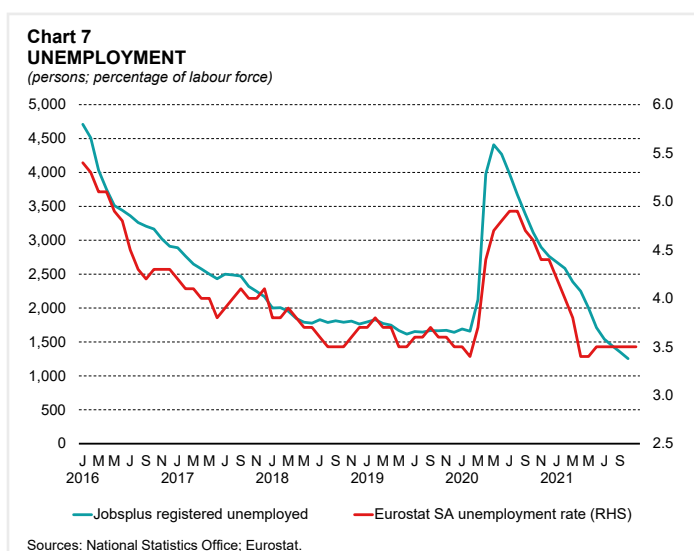
Jobsplus data show that the number of persons on the unemployment register stood at 1,254 in October 2021, down from 1,352 in September and from 3,114 a year earlier – when the labour market was still impacted by the pandemic-related restrictions (see Chart 7). The number of registered unemployed has now stood below pre-pandemic levels for a number of months.

The seasonally-adjusted unemployment rate stood at 3.5% in November, the same rate registered in the previous month, but well below the rate of 4.4% registered in the same month of 2020.

## Prices, costs and competitiveness

Annual HICP inflation stood at 2.4% in November, up from 1.4% in the previous month (see Chart 8). This acceleration was primarily driven by faster growth in services inflation, which had been relatively muted throughout the year due to a negative impact from pandemic-related changes to HICP weights. Moreover, prices of all other components rose when compared to the previous month, except for non-energy industrial goods inflation. The latter moderated, although it remained elevated from a historical perspective. Energy prices remained unchanged in the month under review.

Annual inflation according to the RPI also stood at 2.4% in



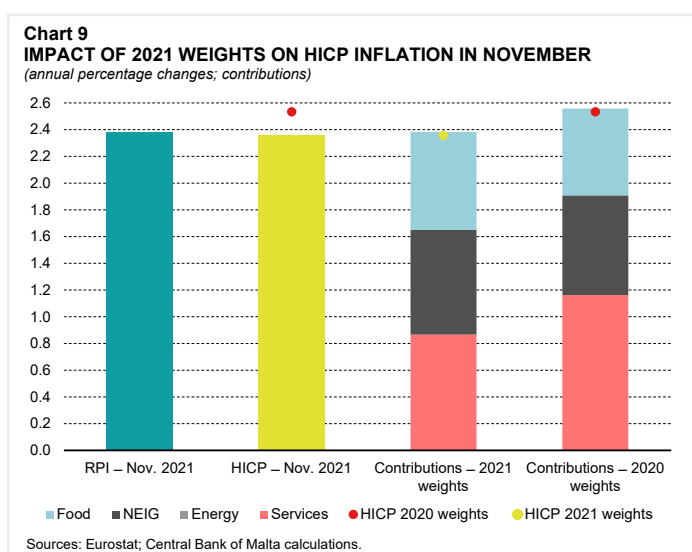
November, marginally up from 2.3% in October (see Chart 8).<sup>17</sup> This mainly reflected faster growth in the prices of food, offsetting slower growth in clothing and footwear, household equipment and house maintenance as well as a marginal slowdown in transport and communication inflation.

The gap between the two measures of inflation registered throughout most of 2021 was primarily related to the large change in HICP weights in 2021 due to the COVID-19 pandemic.<sup>18</sup> On the other hand, the weights of the RPI are not updated annually and are hence not affected by such changes. However, the impact on headline HICP inflation as well as the gap between HICP and RPI has declined sharply in November.

The change in weights had a negative impact of 0.1 p.p. on annual HICP inflation for November, down from a negative impact of 0.9 p.p. in October (see Chart 9). In fact, the gap detected in November was the smallest one since the latest revision in weights. When using the 2020 weights (which are based on pre-pandemic spending patterns), HICP inflation would have stood at 2.5% as opposed to the actual rate of 2.4% using the 2021 weights.

Producer output inflation, measured by the industrial producer price index, rose by 5.5% in November, up from 5.1% in October.<sup>19</sup> This largely reflects faster growth in intermediate goods prices, although consumer goods inflation also rose further. By contrast, capital goods inflation eased slightly compared to the previous month. Energy prices remained unchanged when compared to their level a year earlier. Faster growth in prices means that producer output inflation remains relatively elevated, which might reflect the impact of the rising cost pressures due to ongoing global supply bottlenecks.

Malta's nominal harmonised competitiveness indicator (HCI) declined by 1.9% in the year to December, reflecting the depreciation of the euro exchange rate against currencies of trading partners.<sup>20</sup> The real HCI, which also considers relative price changes, fell by 4.1% in annual terms in December, which suggests that favourable developments in relative prices vis-à-vis trading partners amplified the competitive advantage from a weaker euro.



<sup>17</sup> The RPI and the HICP both measure changes in consumer prices but through different methodologies. The HICP index weights are based on total expenditure in Malta, including that by tourists. In contrast, RPI weights only take into account expenditure by Maltese households. Due to the strong impact of the pandemic on tourist expenditure, the two measures are expected to deviate significantly as weights in the HICP have changed significantly while those of the RPI have not been adjusted.

<sup>18</sup> For more details see Box 1: The implications of the 2021 HICP weights on inflation forecasts, in [Outlook for the Maltese Economy 2021:2](#).

<sup>19</sup> 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.

<sup>20</sup> 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. On top of this, the real HCI also takes into account the relative inflation rate of Malta vis-à-vis its main trading partners. A higher (or lower) score in the HCI indicates a deterioration (or improvement) in Malta's international price competitiveness.

## Public Finance

In November 2021, the Consolidated Fund recorded a deficit of €57.1 million, an improvement of €34.7 million when compared to the deficit registered in November 2020 (see Table 4). This mainly occurred due to an increase in government revenue which more than offset the rise in government expenditure. In turn, the primary deficit reached €42.8 million, €35.7 million lower than the deficit registered a year earlier.

Government revenue increased by €108.9 million, or 28.6% in annual terms, on the back of an increase in both tax and non-tax revenue. Revenue from direct taxes rose by €42.1 million due to higher inflows from income tax paid by companies and, to a lower extent, due to a rise in taxes paid by households. Meanwhile, indirect tax revenue increased by €46.4 million, reflecting higher receipts from all components. At the same time, inflows from non-tax revenue rose by €20.4 million.

Government expenditure increased by €74.2 million or 15.7% when compared to the corresponding period in 2020. This was mainly due to a rise in recurrent expenditure, although a slight increase in capital expenditure also contributed. The latter increased by €3.3 million, as higher capital outlays offset the reclassification of certain COVID-related support measures from capital to current expenditure in 2021.

**Table 4**  
**CONSOLIDATED FUND BALANCE**

EUR millions

	2020		2021		Change	
	Jan.-Nov.	Jan.-Nov.	Nov.	Nov.	Amount	%
<b>Revenue</b>	<b>3,470.5</b>	<b>4,231.9</b>	<b>381.1</b>	<b>490.0</b>	<b>108.9</b>	<b>28.6</b>
<b>Direct tax</b>	<b>1,849.3</b>	<b>2,317.6</b>	<b>188.2</b>	<b>230.4</b>	<b>42.1</b>	<b>22.4</b>
Income tax	1,269.0	1,639.2	132.0	168.1	36.1	27.3
Social security contributions <sup>(1)</sup>	580.3	678.4	56.3	62.3	6.1	10.8
<b>Indirect tax</b>	<b>1,230.6</b>	<b>1,497.8</b>	<b>169.1</b>	<b>215.5</b>	<b>46.4</b>	<b>27.4</b>
Value Added Tax	724.4	924.0	137.1	154.4	17.2	12.6
Customs and excise duties	232.1	270.8	16.0	28.5	12.5	78.2
Licences, taxes and fines	274.1	303.0	16.0	32.7	16.6	103.7
<b>Non-tax<sup>(2)</sup></b>	<b>390.6</b>	<b>416.4</b>	<b>23.8</b>	<b>44.1</b>	<b>20.4</b>	<b>85.8</b>
<b>Expenditure</b>	<b>4,804.5</b>	<b>5,353.9</b>	<b>472.9</b>	<b>547.1</b>	<b>74.2</b>	<b>15.7</b>
<b>Recurrent</b>	<b>3,987.9</b>	<b>4,744.4</b>	<b>371.0</b>	<b>441.9</b>	<b>70.8</b>	<b>19.1</b>
Personal emoluments	823.6	926.5	70.3	82.0	11.7	16.6
Operational and maintenance	253.6	246.4	41.2	29.4	-11.8	-28.6
Programmes and initiatives	2,166.4	2,766.6	180.2	223.5	43.2	24.0
Contributions to entities	579.6	636.7	66.0	92.6	26.6	40.4
Interest payments	164.7	168.2	13.3	14.4	1.1	7.9
<b>Capital</b>	<b>816.6</b>	<b>609.5</b>	<b>101.9</b>	<b>105.2</b>	<b>3.3</b>	<b>3.3</b>
<b>Primary balance<sup>(3)</sup></b>	<b>-1,169.3</b>	<b>-953.8</b>	<b>-78.5</b>	<b>-42.8</b>	<b>35.7</b>	<b>-</b>
<b>Consolidated Fund balance</b>	<b>-1,334.0</b>	<b>-1,122.0</b>	<b>-91.8</b>	<b>-57.1</b>	<b>34.7</b>	<b>-</b>

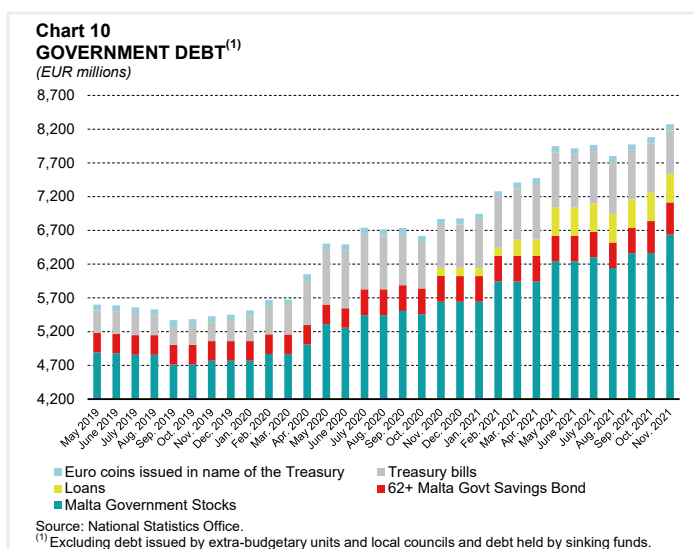
Source: National Statistics Office.

<sup>(1)</sup> Government contributions to the social security account in terms of the Social Security Act 1987 are netted out from both revenue and expenditure.

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

<sup>(3)</sup> Revenue less expenditure excluding interest payments.

Meanwhile, recurrent expenditure rose by €70.8 million. This was largely due to higher expenditure on programmes and initiatives, which increased by €43.2 million, partly on the back of the above-mentioned reclassification and, to a lower extent, the timing of transfers to the EU budget. The month under review also saw higher spending on contributions to entities, personal emoluments and – albeit by a lower extent – interest payments. On the other hand, operational and maintenance expenses declined by €11.8 million.



In November 2021, the total stock of government debt amounted to €8,157.0 million, an increase of €190.3 million when compared with October 2021 (see Chart 10). This increase is mainly attributable to new issues of Malta Government Stocks, which more than offset a drop in outstanding Treasury bills.

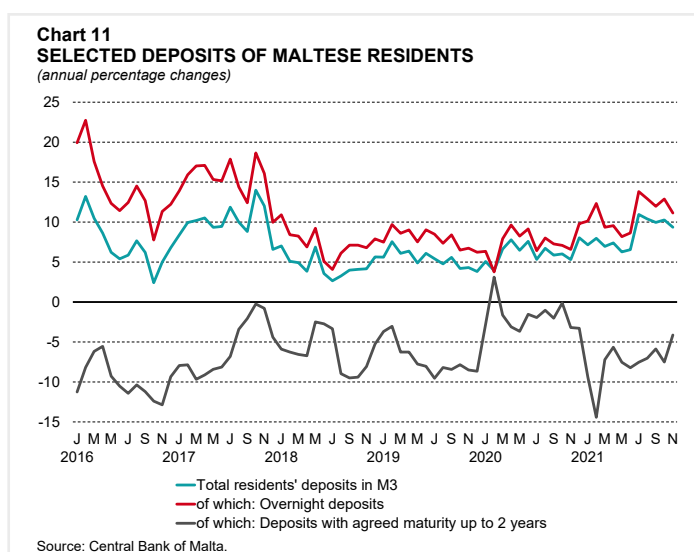
## Deposits, credit and financial markets

In November, residents' deposits held with monetary financial institutions (MFI) and forming part of broad money (M3) expanded at an annual rate of 9.4%, down from 10.3% recorded a month earlier (see Chart 11).

Overnight deposits remained the largest component of residents' M3 deposits, comprising over 87% of their M3 balances.

This deposit category – which is the most liquid – grew by 11.1% in the year to November, after rising by 12.9% in the previous month. Meanwhile, time deposits with a maturity of up to two years – the second largest deposit category – fell by 4.1% in annual terms, following a contraction of 7.5% in October.

Credit to Maltese residents grew at an annual rate of 8.4% in November, marginally below the 8.6% recorded a month earlier

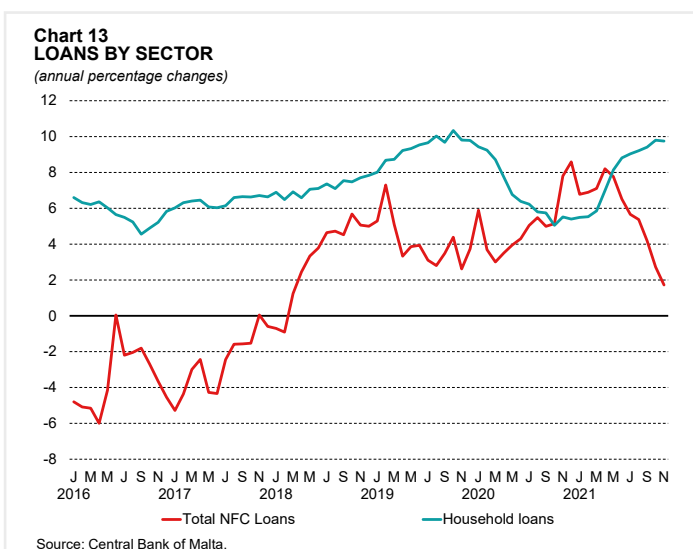
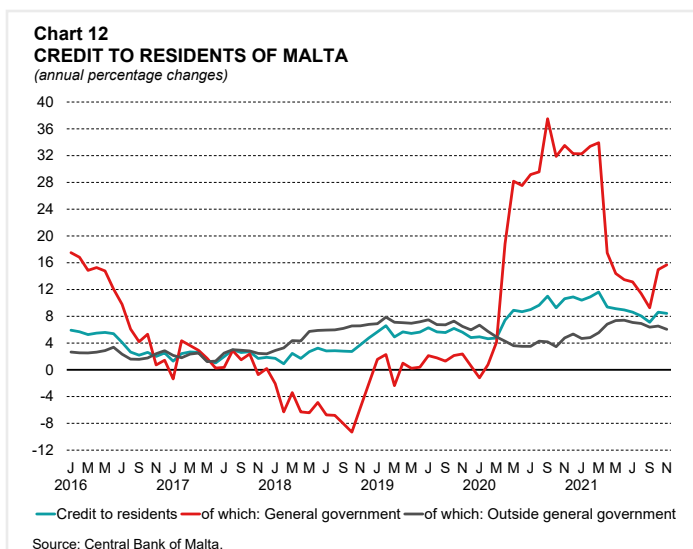


(see Chart 12). The deceleration in credit during November was driven by slower growth in credit to residents outside general government. Annual growth in this component stood at 6.0%, following a 6.5% increase in October. Meanwhile, growth in credit to general government edged up to 15.7%, from 15.0% a month earlier.

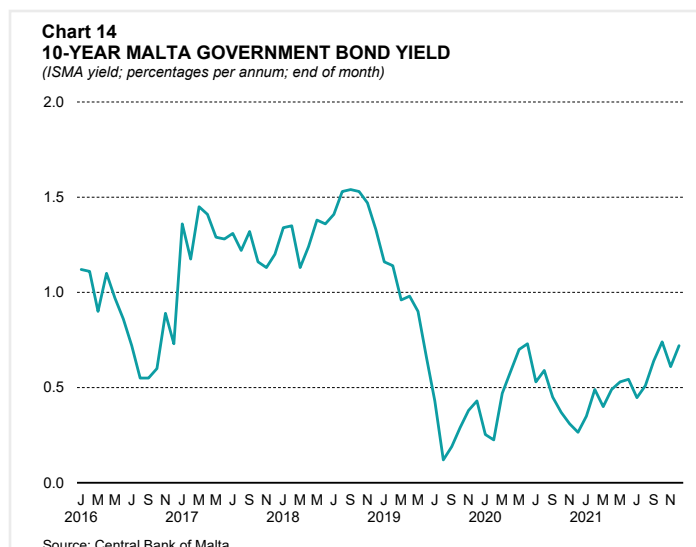
The annual rate of change in loans to non-financial corporations continued to decelerate in November and stood at 1.7%, below the 2.7% recorded a month earlier (see Chart 13). The deceleration was largely due to a contraction in loans to the transportation and storage sector. This was followed by a decline in credit to the construction and real estate sector, and to a lesser extent, to the sector comprising public administration and defence. Additionally, loans to the education, health and social sector, as well as to the manufacturing sector and the sector comprising accommodation and food service activities, increased at a much slower pace. These developments were partly offset by an increase in loans to the wholesale and retail trade sector, and to a lesser extent, to the agriculture sector.

Meanwhile, the annual rate of change in loans to households edged down to 9.7% in November, from 9.8% in October. Consumer credit and other lending fell by 3.1%, following a contraction of 1.6% in October. The annual rate of change in mortgage lending reached 11.0% in November, from 10.9% a month earlier.

As regards interest rates, the composite interest rate paid by MFIs on Maltese residents' outstanding deposits stood at 0.17% in November, unchanged from the previous month. Meanwhile, the composite rate charged on outstanding loans increased to 3.23%, from 3.17% a month earlier. Hence, the spread between the two rates edged up by 6 points to 306 basis points.



On the capital market, the secondary market yield on 10-year Maltese government bonds increased by 11 basis points from a month earlier to 0.72% at the end of December (see Chart 14). At the same time, the Malta Stock Exchange (MSE) Equity Price Index rose by 5.0% during the same period. Similar movements were observed in the MSE Total Return Index, which accounts for dividends as well as changes in equity prices.

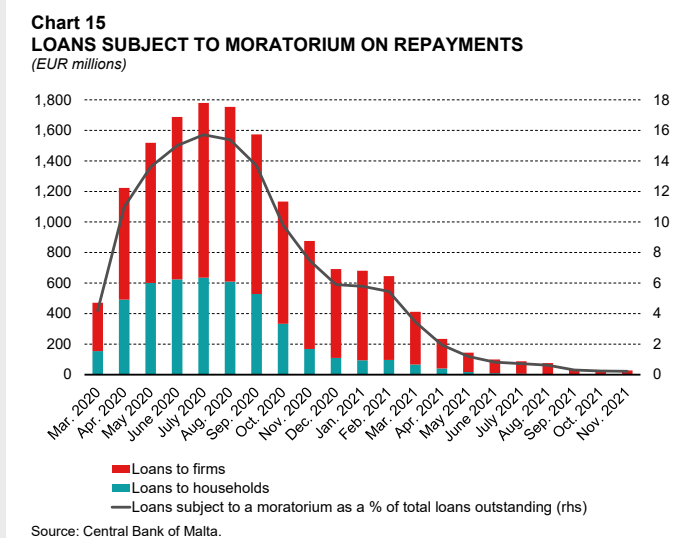


## BOX 2: LIQUIDITY SUPPORT MEASURES RELATED TO COVID-19

In response to the outbreak of COVID-19 and the subsequent containment measures, several businesses and households were faced with liquidity challenges and thus applied with MFIs in Malta for a moratorium on loan repayments (see Chart 15).<sup>21</sup>

Loans subject to a moratorium have fallen consistently since August 2020 reaching very low levels recently, as the moratoria period is gradually expiring for many borrowers and economic activity continued to normalise in most sectors.

Indeed, as at the end of November, only 19 loans were still subject to a moratorium on repayments compared to 30 loans a month earlier. The value of such loans declined by €2.3 million from October and stood at €27.3 million, or 0.2% of total outstanding loans to Maltese residents. All the outstanding loans covered by moratoria were held by firms.



<sup>21</sup> Data on moratoria refer to loans that were issued before the onset of the pandemic and which became subject to a moratorium as a result of COVID-19 in terms of Directive No. 18 of 2020, which entered into force on 13 April 2020 and even before the same Directive entered into force (a number of banks had already started to provide moratorium facilities voluntarily in March 2020). Revised back data are reported in the Annex. In view of the protracted impact of the COVID-19 pandemic, on 14 January 2021, the Minister for Health, in consultation with the Ministry for Finance issued [Legal Notice \(LN\) 15 of 2021 on 'Moratorium on Credit Facilities in Exceptional Circumstances'](#), which relates to the reactivation of moratoria in Malta. This reactivation allowed borrowers to submit their applications for new moratoria or to extend their existing moratoria subject to a number of conditions, before 31 March 2021.

The largest number of loans subject to a moratorium was held in the accommodation and food services activities sectors, with 1.4% of the loans held by this sector subject to a moratorium by the end of November. This contrasts with the end of 2020, when over 40.0% of outstanding loans of this sector were subject to a moratorium. Meanwhile, the sector comprising professional, scientific and technical activities had the highest value of loans covered by moratoria.

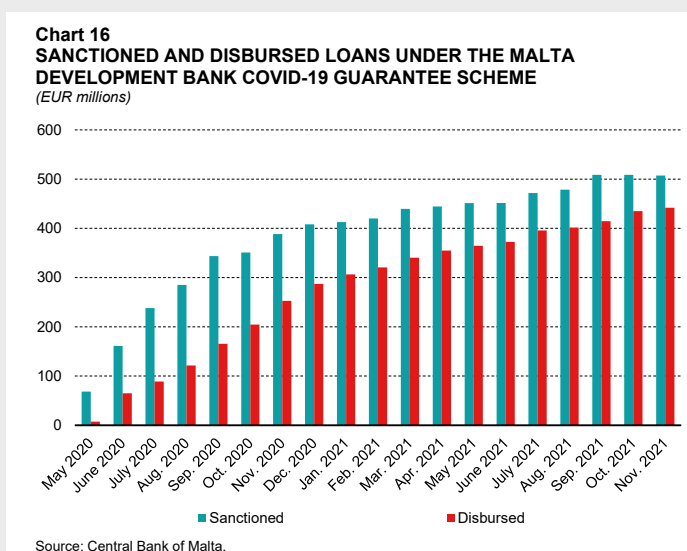
At the end of November, Maltese households held no loans that were subject to a moratorium. This contrasts with a peak of €635.0 million in July 2020.

To further alleviate liquidity challenges, the Government launched the Malta Development Bank (MDB) COVID-19 Guarantee Scheme (CGS) for the purpose of guaranteeing new loans granted by commercial banks for working capital purposes to businesses facing liquidity shortfalls as a result of the pandemic. The scheme enables credit institutions to leverage government guarantees up to a total portfolio volume of €777.8 million.<sup>22</sup>

By end-November, 653 facilities were approved under the CGS, covering total sanctioned lending of €507.3 million (see Chart 16).<sup>23</sup>

As the scheme provides guarantees on new loans for working capital and on loan repayments, the amount of loans disbursed under the scheme may be lower than the sanctioned amount. By the end of November, €441.9 million were disbursed, up slightly from the €434.9 million disbursed by the end of October. Thus, by the end of November, 65.2% of the scheme was sanctioned, while 56.8% was disbursed.

By end-November, the sector comprising wholesale and retail activities applied for the largest number of facilities, followed by the sector comprising of accommodation and food service activities. In value terms, these were followed by the sector comprising transportation, storage, information and communication, and the construction sector.



<sup>22</sup> The CGS was approved by the European Commission on 2 April 2020. See [MDB CGS](#) for further details.

<sup>23</sup> A drop in the number and value of sanctioned facilities compared with the preceding month may imply the repayment in full of the facility by the customer, or else in the latter case, the reduction of the facility value.



# Annex 1

## MACROECONOMIC INDICATORS FOR MALTA

Annual percentage changes; non-seasonally adjusted data

	2019	2020	2021	2020	2020	2021	2021	2021	2021	2020	2020	2020	2020	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	
				Q3	Q4	Q1	Q2	Q3	Q4	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
<b>Prices and costs</b>																									
HICP inflation	1.5	0.8	-	0.6	0.3	0.1	0.1	0.5	-	0.5	0.6	0.2	0.2	0.2	0.1	0.1	0.1	0.2	0.2	0.3	0.4	0.7	1.4	2.4	-
RPI inflation	1.6	0.6	-	0.4	0.3	0.3	1.2	2.0	-	0.2	0.3	0.3	0.2	0.3	0.2	0.4	0.9	1.3	1.5	1.8	2.1	2.2	2.3	2.4	-
Industrial producer price inflation	2.2	0.3	-	0.2	-0.4	0.8	1.7	3.6	-	-1.0	-0.6	-0.5	-0.1	0.8	0.5	1.1	1.2	1.8	2.2	1.2	4.3	5.4	5.1	5.5	-
HCI (nominal)	-0.7	1.8	0.4	2.8	3.5	2.7	1.3	-0.8	-1.7	3.3	3.3	3.3	3.9	3.8	3.6	0.8	1.6	1.7	0.7	-0.1	-1.2	-1.2	-1.6	-1.6	-1.9
HCI (real)	-1.1	1.5	-1.5	2.4	3.2	1.5	-0.6	-2.8	-4.0	2.9	3.1	2.9	3.5	2.8	2.4	-0.8	-0.3	-0.4	-1.3	-1.9	-3.3	-3.3	-3.9	-3.9	-4.1
Unit labour costs, whole economy <sup>(1)</sup>	2.7	8.6	-	10.0	11.7	11.2	5.7	2.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Compensation per employee <sup>(1)</sup>	3.3	1.4	-	0.6	-0.2	0.5	3.6	5.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Labour productivity (per person) <sup>(1)</sup>	0.5	-6.4	-	-8.4	-10.6	-9.7	-2.5	2.8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Property Price Index (Eurostat)	6.1	3.4	-	2.7	1.6	4.6	5.4	5.9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Economic activity</b>																									
Nominal GDP	8.4	-6.9	-	-10.0	-6.6	0.2	16.2	11.9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Real GDP	5.9	-8.2	-	-10.9	-7.8	-0.9	14.9	9.7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Real private consumption	4.5	-10.3	-	-11.2	-7.6	-4.8	14.6	7.5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Real government consumption	14.0	14.9	-	20.6	17.3	21.2	0.3	8.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Real gross fixed capital formation	8.4	-6.9	-	-4.3	-13.6	-6.4	25.2	32.5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Real exports of goods and services	5.8	-6.0	-	-10.6	-6.5	-3.8	13.4	1.6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Real imports of goods and services	6.7	-2.7	-	-5.0	-3.9	-3.2	11.2	2.9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Labour market developments</b>																									
LFS unemployment rate (% of labour force)	3.6	4.4	-	4.9	4.4	3.9	3.5	3.6	-	4.7	4.6	4.4	4.4	4.2	4.0	3.8	3.4	3.4	3.5	3.5	3.5	3.5	3.5	3.5	-
LFS employment	7.1	2.5	-	1.3	-0.8	-1.1	3.2	3.6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Jobsplus gainfully occupied	6.6	4.1	-	3.0	1.9	0.5	2.5	-	-	2.5	2.1	2.1	1.6	0.5	0.2	0.9	1.8	2.6	3.1	3.2	-	-	-	-	-
<b>Balance of payments</b>																									
Current account (as a % of GDP) <sup>(2)</sup>	5.4	-3.1	-	-1.3	-3.1	-3.8	-4.1	-4.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Credit and financial indicators</b>																									
<b>Maltese residents' deposits and loans</b>																									
Overnight deposits	6.2	9.8	-	7.3	9.8	9.4	8.6	12.0	-	7.3	7.1	6.6	9.8	10.1	12.3	9.4	9.6	8.2	8.6	13.8	12.9	12.0	12.9	11.1	-
Deposits with agreed maturity up to 2 years	-8.7	-3.3	-	-2.0	-3.3	-7.2	-8.2	-5.9	-	-2.0	-0.1	-3.2	-3.3	-9.4	-14.4	-7.2	-5.7	-7.5	-8.2	-7.5	-7.0	-5.9	-7.5	-4.1	-
Total residents' deposits in M3	3.8	8.0	-	5.9	8.0	7.0	6.5	10.0	-	5.9	6.0	5.3	8.0	7.2	8.0	7.0	7.4	6.3	6.5	10.9	10.4	10.0	10.3	9.4	-
Credit to general government	0.6	32.3	-	37.5	32.3	33.9	13.5	9.3	-	37.5	31.9	33.5	32.3	32.3	33.4	33.9	17.5	14.4	13.5	13.1	11.4	9.3	15.0	15.7	-
Credit to residents (excl. general government)	6.0	5.3	-	4.2	5.3	5.5	7.4	6.4	-	4.2	3.5	4.8	5.3	4.7	4.8	5.5	6.8	7.3	7.4	7.1	6.9	6.4	6.5	6.0	-
Total credit	4.8	10.9	-	11.0	10.9	11.6	8.9	7.1	-	11.0	9.3	10.6	10.9	10.4	10.9	11.6	9.4	9.1	8.9	8.6	8.0	7.1	8.6	8.4	-
10-year interest rate (%) <sup>(3)</sup>	0.4	0.3	0.7	0.5	0.3	0.4	0.5	0.6	0.7	0.5	0.4	0.3	0.3	0.4	0.5	0.4	0.5	0.5	0.5	0.5	0.5	0.6	0.7	0.6	0.7
Stock prices: Malta Stock Exchange Index <sup>(4)</sup>	4.4	-12.4	-4.5	12.6	16.7	-8.3	3.0	-0.7	1.8	-3.8	-2.1	6.9	11.4	-2.4	-4.8	-1.3	6.2	-1.8	-1.3	-1.8	1.5	-0.4	-0.8	-2.3	5.0
<b>Liquidity support measures related to COVID-19</b>																									
Outstanding loans subject to a moratorium <sup>(5)</sup>	-	691.9	-	1,573.8	691.9	409.1	96.5	34.3	-	1,573.8	1,133.5	875.4	691.9	680.7	645.6	411.7	234.4	144.2	99.6	88.0	76.1	37.4	29.5	27.3	-
Sanctioned amount under the MDB CGS <sup>(5)</sup>	-	408.1	-	343.7	408.1	439.6	451.5	508.8	-	343.7	351.1	388.5	408.1	412.7	420.1	439.6	444.4	451.3	451.5	471.8	478.6	508.8	508.6	507.3	-
Disbursed amount under the MDB CGS <sup>(5)</sup>	-	287.1	-	165.6	287.1	340.5	372.5	414.5	-	165.6	204.6	252.7	287.1	306.6	320.7	340.5	354.9	364.4	372.5	395.7	401.5	414.5	434.9	441.9	-
<b>General government finances (% of GDP)</b>																									
Surplus (+) / deficit (-) <sup>(2)</sup>	0.5	-9.7	-	-7.0	-9.7	-9.9	-8.4	-8.6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross debt <sup>(6)</sup>	40.7	53.3	-	51.4	53.3	57.3	59.1	57.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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

<sup>(1)</sup> Four-quarter moving averages.

<sup>(2)</sup> Four-quarter moving sums.

<sup>(3)</sup> End of period.

<sup>(4)</sup> Period-on-period percentage changes, based on end-of-month data.

<sup>(5)</sup> Stock in EUR millions.

<sup>(6)</sup> GDP data are four-quarter moving sums.