



BANK ĊENTRALI TA' MALTA
EUROSISTEMA
CENTRAL BANK OF MALTA

ECONOMIC UPDATE

5/2017

Date of issue: 12 May 2017

© Central Bank of Malta, 2017

Address

Pjazza Kastilja
Valletta VLT 1060
Malta

Telephone

(+356) 2550 0000

Fax

(+356) 2550 2500

Website

<https://www.centralbankmalta.org>

E-mail

info@centralbankmalta.org

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

The cut-off date for information in this publication is 9 May 2017. Figures in tables may not add up due to rounding.

ISSN 2410-8294 (online)

ECONOMIC UPDATE 5/2017

Summary¹

The Bank's Business Conditions Index (BCI) continued to signal above normal activity levels in April, reflecting buoyancy in tax revenues and a strong services industry. Economic sentiment increased marginally. In March, the annual rate of change of retail sales turned positive, while industrial production and tourism activity expanded further. Labour market conditions remained favourable, as employment grew and the number of registered unemployed continued to decline. Price pressures remained moderate, with the annual rate of inflation based on the Harmonised Index of Consumer Prices (HICP) stable at 1.2% in March. Maltese residents' deposits rose by 11.8% when compared with the same month of 2016, while credit to residents increased by 2.7%. As regards fiscal developments, the cash-based Consolidated Fund showed a small deficit in the first three months of 2017.

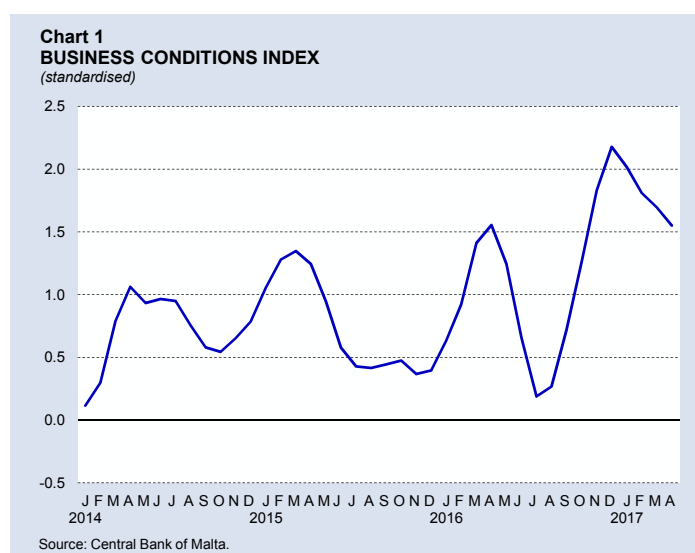
Central Bank's Business Conditions Index

The Central Bank's BCI continues to show above average levels of economic activity (see Chart 1). In April, the index eased slightly to 1.6, from a revised value of 1.7 a month earlier, and was unchanged over April 2016.

The BCI retained support from an indicator linked with the services industry, as well as higher government tax revenues.

Business and consumer confidence indicators

In April, the Economic Sentiment Indicator (ESI) stood at 115, marginally higher than 114 in the preceding month and above its long-term average of 100.^{2,3} Higher sentiment was registered among firms operating in the services sector, while confidence fell within the retail,



¹ The cut-off date for information in this note is 9 May 2017.

² 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%.

³ 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. Since the retail confidence indicator began to be published as from May 2011, its long-term average is calculated since then. The long-term average of the ESI is computed from November 2002.

Table 1
BUSINESS AND CONSUMER SURVEYS

Balances; percentage points; seasonally adjusted

	2015	2016	2017			
			Jan.	Feb.	Mar.	Apr.
Economic Sentiment Indicator	111	109	111	115	114	115
Services confidence indicator	26	26	24	33	25	34
Business situation development over the past 3 months	25	22	28	22	25	30
Evolution of the demand over the past 3 months	28	29	28	40	32	40
Expectation of the demand over the next 3 months	25	27	16	37	20	32
Retail trade confidence indicator	16	7	1	16	8	-2
Business activity, past 3 months	33	17	-3	17	18	-8
Stocks of finished goods	9	9	12	-1	12	9
Business activity, next 3 months	25	14	17	29	17	11
Industrial confidence indicator	0	0	7	7	9	5
Assessment of order-book levels	-23	-18	-9	-7	-5	-9
Assessment of stocks of finished products	-1	2	4	-1	1	1
Production expectations for the months ahead	24	19	33	26	32	26
Construction confidence indicator	11	-8	-8	-13	9	6
Evolution of your current overall order books	1	-22	-24	-34	-1	0
Employment expectations over the next 3 months	22	6	8	10	18	12
Consumer confidence indicator	0	2	0	4	3	3
Financial situation over next 12 months	4	5	3	7	3	4
General economic situation over next 12 months	11	13	13	15	17	15
Unemployment expectations over next 12 months	-10	-13	-12	-17	-12	-17
Savings over next 12 months	-25	-24	-28	-23	-19	-24

Source: European Commission.

industry and construction sectors. Confidence among consumers remained unchanged from the preceding month (see Table 1).

In April, the confidence indicator in the services sector rose to 34, from 25 in the preceding month.⁴ Sentiment thus rose further above the long-term average of 21. The recent increase in sentiment was driven by all sub-components, with expected demand being the main driver. Additional survey data indicate that, overall, both firms' employment and price expectations for the three months ahead were more optimistic compared with March. On the other hand, respondents' assessment of past labour developments deteriorated.

In contrast, sentiment in the retail sector fell for the second consecutive month, turning negative. In April, it stood at -2, down from 8 in March and below its long-term average of 1.⁵ Lower sentiment in April was driven by respondents' assessment of past and expected business activity. Although respondents continued to report above normal stocks of finished goods, their assessment improved from the preceding month.⁶ Additional survey data for this sector indicate that,

⁴ 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.

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 Above normal stocks of finished goods have a negative effect on the overall industrial confidence indicator.

respondents expected both their labour complement and prices to fall in the subsequent three months. On balance, however, firms expected their orders to rise in the following three months.

The industrial confidence indicator also deteriorated, falling from 9 in March to 5 in April. Nonetheless, it remained well above its long-term average of -4.⁷ Weaker production expectations and order books were the contributors behind the fall in sentiment, as stocks of finished goods were unchanged. Supplementary survey data suggest that, on balance, a larger share of respondents expected to increase their employment in the subsequent months. At the same time, fewer respondents expected to lower their selling prices in the following three months.

Similarly, confidence in the construction sector fell to 6, from 9 a month earlier, remaining above its long-term average of -22.⁸ This decline in confidence reflected lower employment expectations for the three months ahead, while respondents' assessment of order book levels increased marginally. Other survey data for the month indicate that, compared with March, a larger share of respondents reported an increase in building activity over the preceding three months. At the same time, a larger share of firms expects a rise in selling prices over the following three months.

Consumer confidence was unchanged from March, at 3.⁹ Consumer confidence thus remained well above its long-term average of -20. Declines in consumers' assessment of the general economic situation and saving expectations were counterbalanced by consumers' improved assessment of their financial situation and unemployment expectations.¹⁰ Additional survey information indicates that in April consumers' inflation expectations strengthened compared with the preceding month. At the same time, a larger share of respondents expected to make fewer major purchases over the subsequent 12 months.

Activity

The index of industrial production, which is a measure of economic activity in the quarrying, manufacturing and energy sectors, went up by an annual 4.4% in March 2017. This followed a 4.9% year-on-year increase in February (see Table 2).¹¹ In March, output increased substantially among manufacturers of beverages and rubber and plastics. Production also increased among firms producing pharmaceuticals, within the energy sector as well as among those involved in the printing and reproduction of recorded media. These increases offset lower production in the food production sector as well as among those producing computer, electronic and optical products.

The annual rate of change of retail trade, which is a short-term indicator of final domestic demand, turned positive in March. Calendar day-adjusted data show that the volume of retail trade increased by 2.9%, after declining by 1.3% in February.

⁷ The industrial confidence indicator is the arithmetic average of the seasonally adjusted balances (in percentage points) of replies to a subset of survey questions relating to expectations about production over the subsequent three months, to current levels of order books and to stocks of finished goods.

⁸ 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.

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' financial situation, their ability to save, the general economic situation and unemployment expectations over the subsequent 12 months.

¹⁰ A decline in unemployment expectations has a positive effect on the overall indicator.

¹¹ The annual growth rates of the industrial production index are based on working-day adjusted data.

Table 2
ACTIVITY INDICATORS

Annual percentage changes

	2015	2016	2016										2017		
			Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
Industrial production	6.1	-3.2	-3.6	-2.2	-3.5	-6.1	-4.8	-2.3	-1.5	-6.1	-0.4	3.0	6.2	4.9	4.4
Retail trade	7.0	2.3	2.7	-1.0	-0.6	0.3	-0.9	4.9	3.3	0.5	4.7	-1.0	2.7	-1.3	2.9
Number of tourist arrivals	5.5	10.2	14.2	8.4	9.8	7.2	9.1	2.8	7.5	9.4	24.2	30.9	22.7	28.3	22.0
Number of nights stayed	4.7	5.7	11.6	7.4	6.6	8.6	3.5	0.7	1.6	3.9	14.2	10.3	12.3	15.7	6.8
Private accommodation	14.9	13.5	18.8	23.8	20.8	26.2	13.3	7.9	6.2	6.1	25.8	9.8	26.9	24.8	9.2
Collective accommodation	-0.7	1.0	8.9	-0.1	0.3	-0.4	-3.5	-5.4	-1.7	2.6	8.5	10.8	3.5	11.8	5.8
Tourist expenditure	7.2	4.3	10.9	3.3	5.0	4.0	4.3	-1.9	1.3	4.1	12.9	16.0	8.6	20.8	11.8
Package expenditure	4.8	-6.5	4.9	-7.4	-6.5	-9.9	-1.9	-13.2	-6.0	-9.6	-3.1	3.1	-12.8	3.1	-4.1
Non-package expenditure	13.1	11.3	16.8	9.2	15.0	17.7	5.7	4.0	8.6	13.7	21.8	18.1	14.8	29.5	26.0
Other	5.2	8.2	12.8	8.4	8.7	6.6	8.3	2.9	1.5	9.6	18.7	22.9	18.0	28.0	16.2

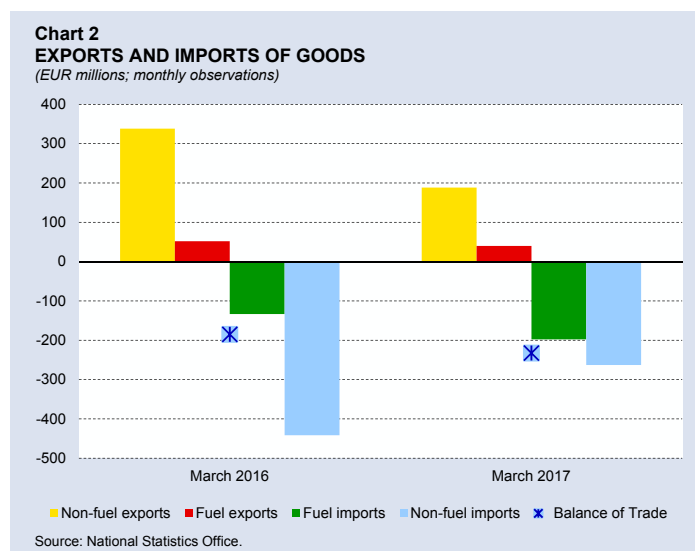
Sources: National Statistics Office; Eurostat.

The number of inbound tourists rose by 22.0% in March year-on-year. Nights stayed grew by 6.8% on a year earlier, largely driven by an increase in collective accommodation, although nights stayed in private accommodation also rose strongly. Meanwhile, tourist expenditure increased by 11.8% in annual terms. Higher spending was recorded across all expenditure components except package holidays.

In February, the overall occupancy rate in collective accommodation establishments stood at 52.4%, 5.7 percentage points higher than in the same month of 2016. The improvement was broad-based across hotel categories, but was most significant among three-star hotels.

In the first quarter of 2017, there were 34 cruise liner calls, 17 more compared with a year earlier. Foreign passengers increased to 85,133, from 39,303 in the same period of 2016.

Preliminary Customs data show that the trade deficit reached €232.7 million in March, a widening of €47.7 million on the same month of 2016. This arose as exports fell faster than imports. The former decreased by €162.0 million, while imports contracted by €114.3 million (see Chart 2). The decline in exports was predominantly attributed to a drop in pharmaceutical products which were exceptionally high in March 2016. The drop in imports was mainly due to a decline in imports of aircraft, ships and boats. This fall was partly dampened by a rise in the fuel-import bill.

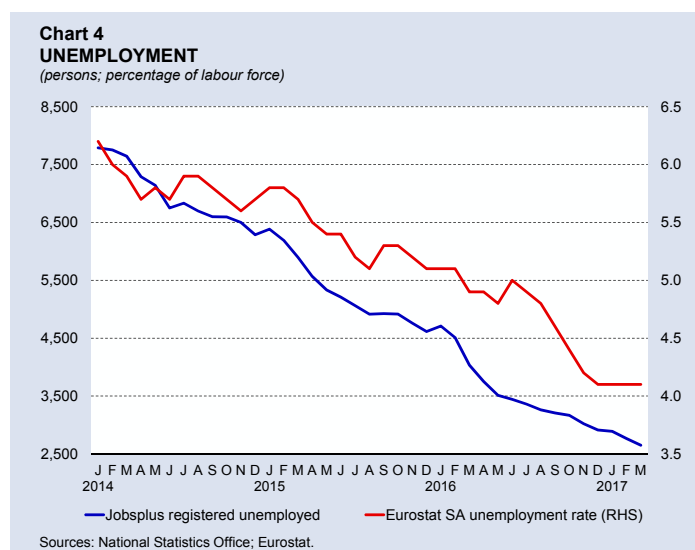
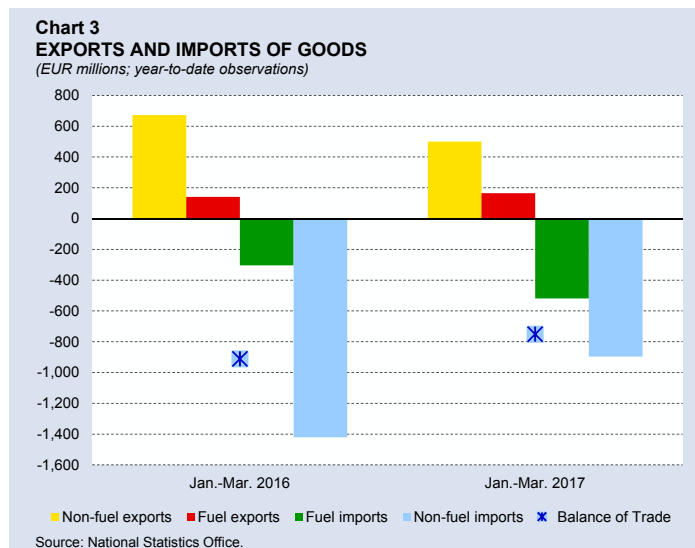


During the first quarter of 2017 imports declined at a faster pace than exports. As a result, the visible trade gap narrowed by €160.9 million when compared with the first three months of 2016, and stood at €750.8 million (see Chart 3). This gap was to a large extent driven by developments in two commodity groups, namely fuels, and transactions involving aircraft.

Labour market

Jobsplus data show a further fall in the number of people on the unemployment register in March. The registered unemployed fell to 2,649 from 4,033 in the corresponding month of 2016 and from 2,766 in February (see Chart 4).

Meanwhile, Eurostat's estimate of the seasonally-adjusted unemployment rate stood at 4.1% in March, unchanged from the preceding three months. Thus, the unemployment rate remained low from a historical perspective and below the 4.9% recorded a year earlier.



BOX 1: GAINFULLY OCCUPIED POPULATION

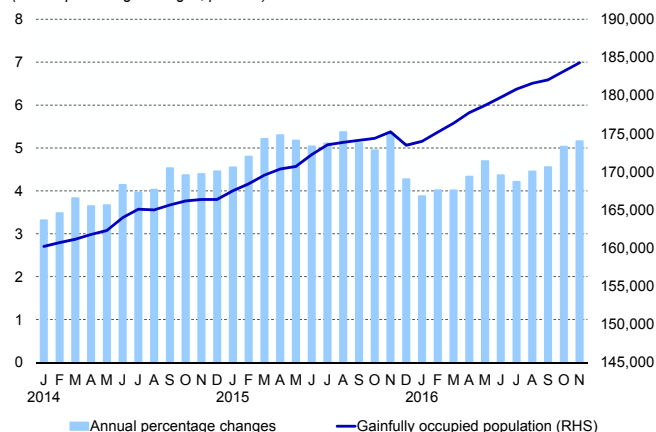
Jobsplus records show that in November the gainfully occupied population, defined to include all persons in full-time employment, rose by 5.2% on a year earlier, reaching 184,288 (see Chart 5). This followed 5.0% growth in October.

Growth in employment in November mirrored developments observed in recent months, as it continued to be mainly driven by the private sector, while the public sector registered a marginal annual increase (see Table 3).

The number of full-timers in the private sector went up by 8,366, or 6.4%, on the same month of the previous year. Employment growth in this sector continued to be driven by market services, where the number of full-time job holders increased by 7,945, or 8.1% in annual terms. This increase was distributed among all major sectors within this category.

Chart 5
GAINFULLY OCCUPIED POPULATION BASED ON JOBSPLUS RECORDS

(annual percentage changes; persons)



Source: National Statistics Office.

The sector incorporating real estate, professional and administrative activities registered the largest absolute

Table 3

LABOUR MARKET INDICATORS BASED ON JOBSPLUS RECORDS

Persons; annual percentage changes

	2015 November	2016 November	Annual change Number of persons	%
Labour supply	180,008	187,309	7,301	4.1
Gainfully occupied ⁽¹⁾	175,248	184,288	9,040	5.2
Registered unemployed	4,760	3,021	-1,739	-36.5
Unemployment rate (%)	2.6	1.6		
Private sector	130,715	139,081	8,366	6.4
Direct production⁽²⁾	32,741	33,162	421	1.3
Market services	97,974	105,919	7,945	8.1
Wholesale and retail trade	25,188	25,661	473	1.9
Transportation and storage	7,717	8,063	346	4.5
Accommodation and food service activities	10,840	11,609	769	7.1
Information and communication	5,856	6,407	551	9.4
Financial and insurance activities	7,906	8,285	379	4.8
Real estate, professional and administrative activities ⁽³⁾	22,511	25,252	2,741	12.2
Arts, entertainment and recreation	5,282	6,957	1,675	31.7
Education	4,977	5,105	128	2.6
Other	7,697	8,580	883	11.5
Public sector	44,533	45,207	674	1.5

⁽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.

Source: National Statistics Office.

increase. Employed persons in this sector went up by 2,741 in the year to November 2016, and accounted for over one-third of the overall rise in private market services employment. The number of persons employed in the arts, entertainment and recreation sector also increased significantly in annual terms, going up by 1,675.

Meanwhile, employment in direct production within the private sector grew by 421, or 1.3%, on a year earlier. Increases were recorded across all sectors, except for the mining and quarrying sector where employment fell marginally.

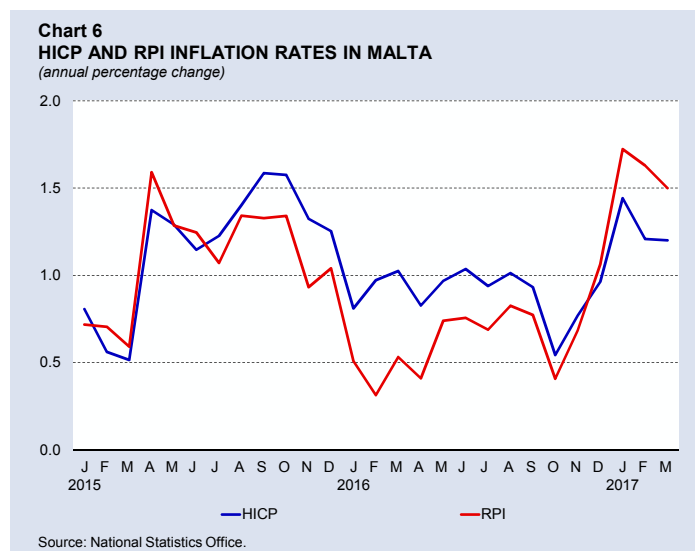
Public sector jobs rose by 674, or 1.5%, on a year earlier, mainly driven by increased employment in public administration and defence as well as in education, with employment increasing by 977 and 338 jobs respectively. These were partly offset by a fall in employment among other sectors, including the health sector, the transportation and storage sector, as well as in the agriculture, forestry and fishing sector.

Prices, costs and competitiveness

The annual rate of HICP inflation remained unchanged in March, at 1.2%, reflecting offsetting developments in the various sub-components (see Chart 6). Unprocessed food inflation continued to ease after peaking in January, reflecting movements in vegetable prices. Non-energy industrial goods inflation also eased slightly. In contrast, services inflation, the largest component of the overall index, picked-up slightly, as did processed food inflation, while energy inflation remained unchanged when compared with February.

Inflation based on the Retail Price Index (RPI) moderated to 1.5% in March from 1.6% in February, mainly driven by weaker price pressures in the food component.¹²

The Industrial Producer Price Index (PPI) continued to signal weak cost pressures, with annual PPI inflation remaining negative. In March it stood at -0.2%, only marginally higher than -0.4% in February.¹³ This extended a pattern of weak or negative inflation rates



¹² The Retail Price Index (RPI) differs from the HICP in that RPI weights are based on expenditure by Maltese households, while HICP weights also reflect expenditure patterns by tourists in Malta.

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

observed in recent years. Prices for intermediate goods, which are the largest component of the index and include items such as electronics and pharmaceuticals, remained the main drag on overall PPI inflation. Annual contributions from the other components of the index, namely energy, capital goods, and consumer goods, were relatively unchanged when compared with February.

With regard to international price competitiveness, Malta's nominal harmonised competitiveness indicator (HCI) dropped by 0.7% in April when compared with a year earlier.¹⁴ Meanwhile, the real HCI dropped by 2.0% when compared with a year earlier, as the improvement in Malta's international competitiveness due to exchange rate movements was accentuated by favourable movements in relative prices during March.

Public finance

During March 2017, the Consolidated Fund balance registered a deficit of €43.4 million, an improvement on the deficit registered a year earlier, which amounted to €96.1 million (see Table 4). This was the result of both an increase in total revenue, as well as a decrease in total expenditure. As a result, the primary deficit narrowed to €24.9 million, from €74.3 million in the corresponding month of 2016.

	2016 Jan.-Mar.	2017 Jan.-Mar.	2016 Mar.	2017 Mar.	Change Amount	%
Revenue	722.9	827.2	198.9	228.5	29.6	14.9
Direct tax	343.1	350.3	100.6	108.4	7.9	7.8
Income tax	195.8	215.4	40.4	65.1	24.8	61.4
Social security contributions ⁽¹⁾	147.2	134.9	60.2	43.3	-16.9	-28.1
Indirect tax	308.1	355.9	75.6	98.6	23.0	30.4
Value Added Tax	167.0	188.2	30.1	43.9	13.8	45.8
Customs and excise duties	63.3	72.9	21.5	22.7	1.3	6.0
Licences, taxes and fines	77.8	94.8	24.1	32.0	7.9	32.9
Non-tax⁽²⁾	71.7	120.9	22.7	21.5	-1.2	-5.2
Expenditure	846.2	840.0	295.0	272.0	-23.0	-7.8
Recurrent	794.1	796.2	275.2	261.0	-14.2	-5.2
Personal emoluments	177.2	183.5	63.8	66.1	2.2	3.5
Operational and maintenance	49.0	45.2	13.7	11.5	-2.2	-15.9
Programmes and initiatives ⁽¹⁾	419.7	421.8	150.3	138.5	-11.9	-7.9
Contributions to entities	90.2	90.3	25.5	26.4	0.9	3.4
Interest payments	58.0	55.3	21.8	18.5	-3.3	-15.1
Capital	52.1	43.8	19.7	11.0	-8.8	-44.4
Primary balance⁽³⁾	-65.3	42.5	-74.3	-24.9	49.4	-
Consolidated Fund balance	-123.3	-12.8	-96.1	-43.4	52.6	-

⁽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⁾ Revenue less expenditure excluding interest payments.
Source: National Statistics Office.

¹⁴ The nominal HCI tracks movements in the country's exchange rate against the currencies of its main trading partners, weighted according to the direction of trade in manufactured goods. The real HCI incorporates both exchange rate changes and the relative inflation of a country vis-à-vis its main trading partners. A higher (or lower) score in the HCI indicates a deterioration (or improvement) in a country's international price competitiveness.

Revenue rose by €29.6 million in annual terms, equivalent to 14.9%. This was mainly driven by higher inflows from income tax and value added tax. Increased inflows from licences, taxes and fines and, to a minor extent, customs and excise duties also contributed towards this improvement.

On the other hand, revenue from social contributions exhibited a substantial decline. This is due to the timing of state contributions, which rose sharply compared with the same month a year earlier. Consequently, social contributions net of state contributions were considerably smaller in March 2017.

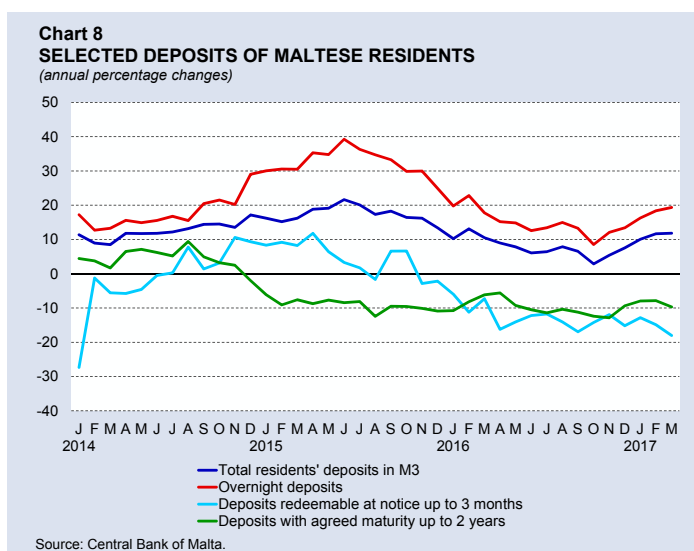
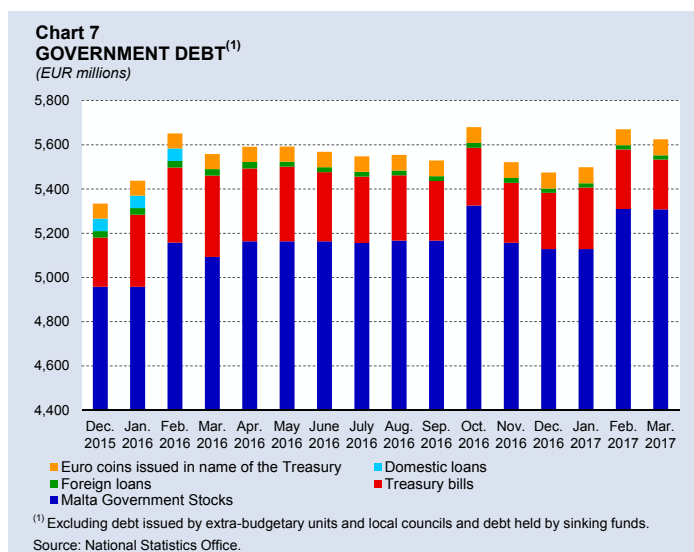
Meanwhile, government expenditure fell by €23.0 million, or 7.8%, when comparing March 2016 to March 2017. This is partly due to the above-mentioned timing of state contributions, which in this analysis are netted out of programmes and initiatives paid as well as social contributions. In the period under review, expenditure also declined due to lower capital outlays, interest payments as well as operational and maintenance expenses.

In March, the total stock of government debt reached €5,625.4 million, €45.0 million lower when compared with February (see Chart 7). The fall was mainly due to a decrease in Treasury Bills outstanding.

Deposits, credit and financial markets

The annual rate of growth of residents' deposits forming part of broad money (M3) rose marginally to 11.8% in March (see Chart 8).

The expansion in M3 deposits continued to be supported by growth in overnight deposits, which accelerated from 18.4% in February to 19.3% in March. On the other hand, time deposits continued to contract. In particular, deposits with maturity of up to two years declined by



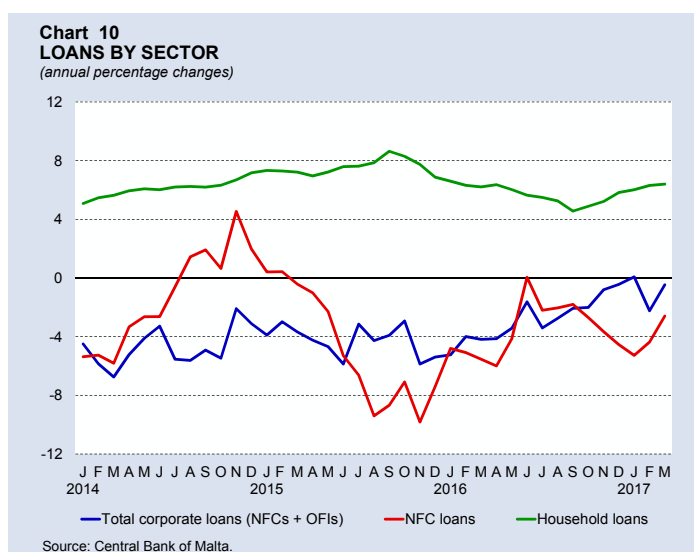
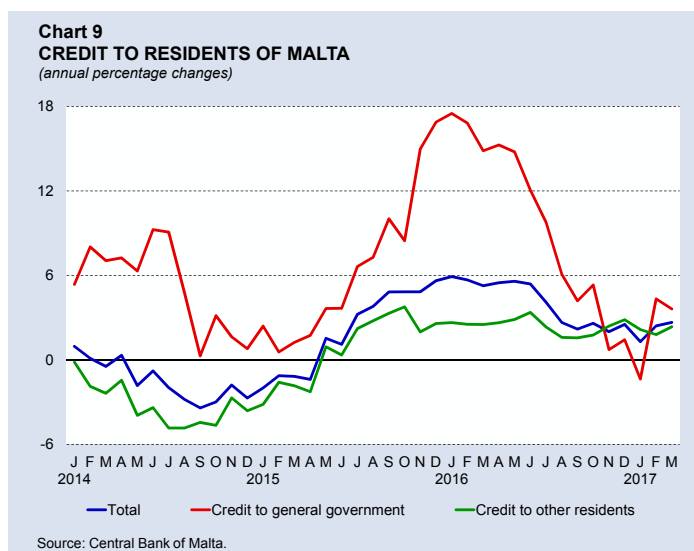
9.7% in annual terms, whilst the smaller component, deposits redeemable at a notice of up to three months contracted by 18.0% on a year earlier. These developments illustrate a continued preference for holding liquid assets in an environment of low interest rates.

On the asset side of banks' balance sheets, annual growth in credit to Maltese residents accelerated to 2.7% in March, from 2.4% in February (see Chart 9). This acceleration was driven by developments in credit to residents outside the general government sector, which grew by 2.4%, following a 1.8% increase in the previous month. On the other hand, growth in credit to general government decelerated to 3.6%.

The acceleration in credit to other residents – which consists of credit to non-financial corporations (NFC), households and non-bank financial institutions (OFI) – was driven by faster annual growth in loans, which expanded at an annual rate of 3.0% in March. Loans to NFCs contracted at a slower pace, with annual growth going to -2.6% from -4.4% in February, with the slower rate of contraction reflecting developments in loans to the transportation and storage, manufacturing, and accommodation sectors.

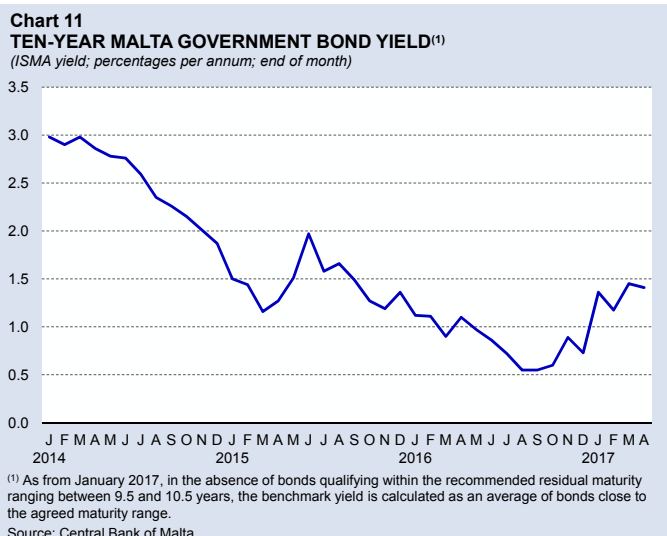
Meanwhile, loans to households and to OFIs continued to support loan growth in March. In particular, loans to households grew by 6.4% in annual terms, marginally faster than in the previous month (see Chart 10). Growth was driven once more by loans for house purchase. In contrast, consumer credit and other lending to households continued to contract.

Bank deposit rates remained stable in March. The composite interest rate paid by monetary financial institutions (MFI) on all euro-denominated deposits belonging to resident households and NFCs stood at 0.45% in March, down by 1 basis point from February. The composite deposit rate was 19 basis points below its level one year earlier. The comparable rate charged on



outstanding loans also edged down, to 3.62% from 3.66% in the previous month. This implies a 15 basis point drop since March 2016.

In the secondary capital market, the yield on ten-year Maltese government bonds ended April at 1.41%, down from 1.45% at the end of the previous month (see Chart 11). Meanwhile, the Malta Stock Exchange (MSE) Index lost 0.9% between March and April.



Annex 1

MACROECONOMIC INDICATORS FOR MALTA																							
<i>(annual percentage changes; non-seasonally adjusted data)</i>																							
	2015	2016	2016	2016	2016	2016	2017	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	2017	2017	2017	2017
			Q1	Q2	Q3	Q4	Q1	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.
Prices and costs																							
HICP inflation	1.2	0.9	0.9	0.9	1.0	0.8	1.3	0.8	1.0	1.0	0.8	1.0	1.0	0.9	1.0	0.9	0.5	0.8	1.0	1.4	1.2	1.2	-
RPI inflation	1.1	0.6	0.5	0.6	0.8	0.7	1.6	0.5	0.3	0.5	0.4	0.7	0.8	0.7	0.8	0.8	0.4	0.7	1.1	1.7	1.6	1.5	-
Industrial producer price inflation	-2.2	-0.6	-1.5	0.1	0.0	-1.0	-0.5	-2.0	-0.9	-1.6	1.3	-0.2	-0.8	-0.2	0.2	0.0	-0.2	-1.1	-1.9	-1.0	-0.4	-0.2	-
HCI (nominal)	-5.5	1.9	1.7	3.1	1.5	1.5	-0.1	0.1	1.9	3.1	4.2	3.0	2.1	2.6	1.4	0.6	1.0	2.5	1.0	0.5	-0.7	0.1	-0.6
HCI (real)	-9.8	2.9	2.5	5.2	2.3	1.8	-1.1	-0.6	2.8	5.3	7.2	5.2	3.4	4.3	2.1	0.5	0.7	3.8	0.9	0.2	-2.5	-0.9	-2.0
Unit labour costs, whole economy ⁽¹⁾	-0.2	1.0	0.0	0.6	1.5	1.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Compensation per employee ⁽¹⁾	3.3	2.4	3.6	3.3	3.7	2.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Labour productivity (per person) ⁽¹⁾	3.5	1.3	3.6	2.7	2.2	1.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Property Price Index (NSO)	5.8	9.2	10.2	13.0	5.5	8.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic activity																							
Nominal GDP	10.0	6.7	8.5	6.1	6.0	6.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Real GDP	7.4	5.0	6.3	4.4	4.5	5.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Real private consumption	5.2	3.8	6.7	3.5	1.3	3.9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Real government consumption	3.8	-3.1	5.7	2.8	-4.3	-15.7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Real gross fixed capital formation	48.8	-1.3	18.3	-0.4	-18.9	2.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Real exports of goods and services	4.1	4.0	5.1	-0.2	2.6	8.6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Real imports of goods and services	7.5	1.1	7.3	-0.6	-5.1	3.7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Labour market developments																							
LFS unemployment rate (% of labour force)	5.4	4.7	4.9	4.9	4.8	4.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
LFS employment	2.3	2.9	2.6	3.5	2.3	3.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Jobsplus gainfully occupied	4.9	-	4.0	4.5	4.4	-	-	3.9	4.0	4.0	4.3	4.7	4.4	4.2	4.5	4.6	5.0	5.2	-	-	-	-	-
Balance of payments																							
Current account (as a % of GDP) ⁽²⁾	5.3	7.9	4.1	3.7	6.6	7.9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Credit and financial indicators																							
Maltese residents' deposits and loans																							
Overnight deposits	24.9	13.4	17.8	12.6	13.3	13.4	19.3	19.8	22.8	17.8	15.2	14.8	12.6	13.4	15.0	13.3	8.5	12.1	13.4	16.3	18.4	19.3	-
Deposits with agreed maturity up to 2 years	-10.9	-9.3	-6.2	-10.5	-11.2	-9.3	-9.7	-10.7	-8.2	-6.2	-5.6	-9.3	-10.5	-11.4	-10.4	-11.2	-12.4	-12.9	-9.3	-7.9	-7.9	-9.7	-
Total residents' deposits in M3	13.4	7.5	10.5	6.1	6.5	7.5	11.8	10.2	13.1	10.5	9.0	7.8	6.1	6.4	7.9	6.5	2.9	5.4	7.5	10.1	11.7	11.8	-
Credit to general government	16.9	1.4	14.9	12.1	4.2	1.4	3.6	17.5	16.8	14.9	15.3	14.8	12.1	9.8	6.1	4.2	5.3	0.7	1.4	-1.4	4.3	3.6	-
Credit to other residents	2.6	2.9	2.5	3.4	1.6	2.9	2.4	2.6	2.5	2.5	2.6	2.9	3.4	2.3	1.6	1.6	1.8	2.4	2.9	2.2	1.8	2.4	-
Total credit	5.6	2.5	5.3	5.4	2.2	2.5	2.7	5.9	5.7	5.3	5.5	5.6	5.4	4.1	2.7	2.2	2.6	2.0	2.5	1.3	2.4	2.7	-
10-year interest rate (%) ⁽³⁾	1.4	0.7	0.9	0.9	0.6	0.7	1.5	1.1	1.1	0.9	1.1	1.0	0.9	0.7	0.6	0.6	0.6	0.9	0.7	1.4	1.2	1.5	1.4
Stock prices: Malta Stock Exchange Index ⁽⁴⁾	33.0	4.5	3.0	0.0	-2.1	3.7	1.9	0.9	1.8	0.2	-0.4	-1.7	2.0	-2.0	-0.7	0.6	1.7	-1.6	3.6	1.8	0.4	-0.4	-0.9
General government finances (% of GDP)																							
Surplus (+) / deficit (-) ⁽²⁾	-1.3	1.0	-0.3	0.4	0.8	1.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross debt ⁽⁵⁾	60.6	58.3	61.8	61.0	59.7	58.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

⁽¹⁾ Four-quarter moving averages.

⁽²⁾ Four-quarter moving sums.

⁽³⁾ End of period. As from January 2017, in the absence of bonds qualifying within the recommended residual maturity ranging between 9.5 and 10.5 years, the benchmark yield is calculated as an average of bonds close to the agreed maturity range.

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

⁽⁵⁾ GDP data are four-quarter moving sums.

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