



BANK ĊENTRALI TA' MALTA  
EUROSISTEMA  
CENTRAL BANK OF MALTA



# CENTRAL BANK OF MALTA ECONOMIC UPDATE

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8/2021

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## ECONOMIC UPDATE 8/2021

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

In July, business conditions were again positive, reflecting the fact that most macroeconomic variables continued to improve from the very low levels observed in 2020. This is reflected in large annual percentage changes for several indicators. Nevertheless, the level of economic activity generally still remains below pre-pandemic levels.

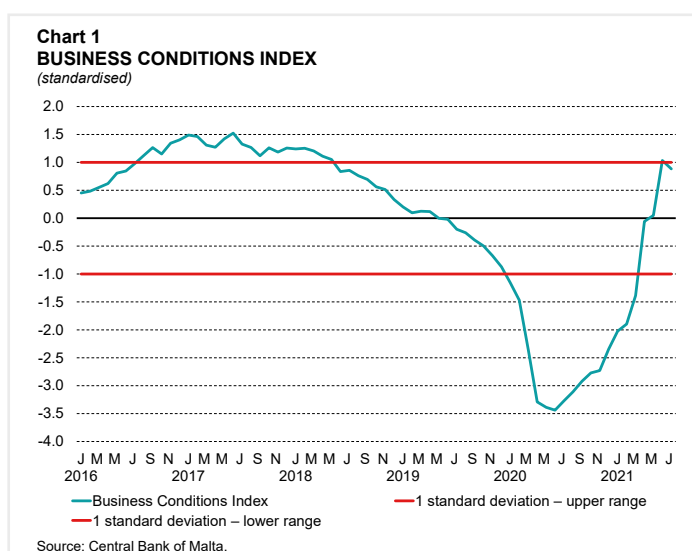
On the other hand, although European Commission data show that sentiment eased again in July, it remained above its year-ago level and its long-term average.

In June, industrial production rose at a faster annual rate compared with a month earlier, while the volume of retail trade rose at a slower pace. Activity in the residential property market remained brisk. The number of registered unemployed fell, while the unemployment rate has virtually returned to its pre-pandemic level.

The annual inflation rate based on the Harmonised Index of Consumer Prices (HICP) stood at 0.2% in June, unchanged from May. Inflation based on the Retail Price Index (RPI) rose to 1.5% in June from 1.3% a month earlier. Maltese residents' deposits expanded at an annual rate of 6.5% in June, following an increase of 6.3% in the previous month, while annual growth in credit to Maltese residents eased to 8.9%, from 9.1% a month earlier. In June, the deficit on the cash-based Consolidated Fund narrowed when compared with a year earlier, reflecting an increase in government revenue and a decline in government expenditure.

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

The Bank's BCI indicates that in recent months business activity continued to improve on a year-on-year basis (see Chart 1). However, it is important to note that this improvement is from a very low base, as the second quarter of 2020 marked a historical low point for most economic variables, with activity remaining very weak also in the third quarter of the year. The BCI continues to be supported by very strong annual growth



<sup>1</sup> The cut-off date for information in this note is 10 August 2021. Most of the data reported in this issue of the *Economic Update* refer to June 2021 and reflect the further relaxation of COVID-19 containment measures during the month. However, the latest data for the European Commission's confidence indicators, the Bank's BCI and the COVID-19 Government Response Index refer to July 2021.

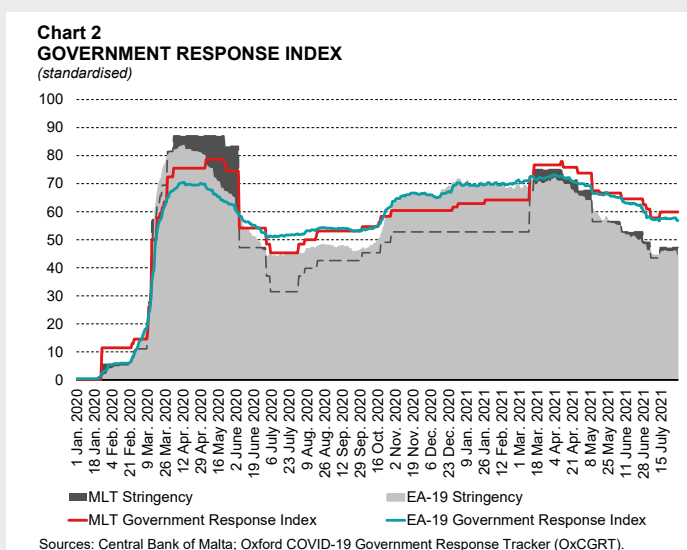
<sup>2</sup> The methodology underlying the BCI can be found [here](#). A zero value of the BCI is consistent with average business conditions, which in the case of Malta tends to be consistent with a real GDP growth rate of close to 4%. When the value of the BCI falls repeatedly below -1, economic activity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

rates recorded in its components in recent months, reflecting positive base-effects from the low levels seen a year earlier. This was mostly evident in the case of tourist arrivals, economic sentiment and selected government revenue items. Moreover, the unemployment rate continued to fall in annual terms.

Although the latest readings of the BCI indicate that the economy is expanding at a similar pace to that seen before the pandemic, such rates of expansion follow a period of subdued activity and thus the level of the BCI should not be interpreted as implying that economic activity necessarily returned to pre-pandemic levels. Rather, at the current juncture, the BCI readings should be interpreted as indicating an improvement from the trough of 2020.<sup>3</sup>

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

Malta's COVID-19 Government Response Index (GRI) at the end of July stood at 59.9, a 2.6-point decrease when compared to its level at the end of June (see Chart 2). The drop reflects an easing of guidelines on mask wearing, and lower restrictions for public events. These preceded the imposition of mandatory quarantine for unvaccinated inbound travellers and the closure of language schools which came into effect on 14 July following a surge in COVID cases.



Following the latest developments, the stringency index stood at 47.2, down from 49.1 at end-June.

The response and stringency levels in Malta both stood around 3.0 points higher than the respective euro area average.

## Business and consumer confidence indicators

In July, the European Commission's Economic Sentiment Indicator (ESI) eased to 110.0, from 113.5 in June (see Table 1). Notwithstanding this decline, sentiment remained well above its

<sup>3</sup> Furthermore, 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.

**Table 1**  
**BUSINESS AND CONSUMER SURVEYS**

*Balances; percentage points; seasonally adjusted*

	2019	2020	2020				2021			
			July	Jan.	Feb.	Mar.	Apr.	May	June	July
<b>ESI</b>	<b>102.4</b>	<b>81.4</b>	<b>72.8</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>
<i>Construction confidence indicator</i>	<b>26.2</b>	<b>-5.7</b>	<b>-5.9</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>
Evolution of your current overall order books	19.7	-6.2	-5.0	-3.4	-13.6	-12.0	4.0	4.7	11.7	-13.5
Employment expectations over the next 3 months	32.6	-5.2	-6.9	0.9	-3.0	-5.0	15.3	39.0	6.1	4.0
<i>Industrial confidence indicator</i>	<b>-6.7</b>	<b>-25.1</b>	<b>-35.6</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>
Assessment of order-book levels	-23.0	-48.8	-73.2	-41.4	-53.8	-41.4	-16.7	-30.1	-39.0	-12.0
Assessment of stocks of finished products	15.5	27.2	40.4	36.0	28.6	-11.3	-42.5	-21.0	0.8	-1.1
Production expectations for the months ahead	18.4	0.8	6.8	5.5	26.6	26.7	82.1	37.2	65.9	20.0
<i>Retail trade confidence indicator</i>	<b>4.2</b>	<b>-31.0</b>	<b>-53.6</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>
Business activity, past 3 months	18.9	-22.2	-49.2	-51.6	-42.2	-58.6	-70.3	-43.3	-46.9	-1.5
Stocks of finished goods	17.4	31.9	46.3	50.3	33.5	37.2	42.4	-3.5	3.5	3.1
Business activity, next 3 months	11.1	-38.8	-65.3	-52.4	-71.4	-18.7	-38.1	34.2	24.4	-33.2
<i>Consumer confidence indicator</i>	<b>4.5</b>	<b>-5.6</b>	<b>-3.3</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>
Financial situation past 12 months	11.3	-1.6	-2.7	-15.4	-15.5	-18.6	-15.9	-11.7	-11.0	-6.8
Financial situation next 12 months	11.2	0.8	6.1	4.3	-0.7	0.4	11.5	15.0	10.4	8.4
Economic situation next 12 months	20.9	-0.9	13.9	8.7	4.5	3.6	30.7	35.3	31.3	19.4
Major purchases next 12 months	-25.1	-20.5	-30.5	-10.4	-15.8	-16.8	-5.5	-5.6	-6.5	-5.6
<i>Services confidence indicator</i>	<b>20.7</b>	<b>-24.9</b>	<b>-41.1</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>
Business situation development over the past 3 months	16.7	-36.3	-68.9	-12.3	-12.4	-11.0	-1.1	16.6	19.6	29.5
Evolution of the demand over the past 3 months	21.5	-34.9	-60.2	-10.5	-16.8	-19.1	-5.1	25.1	44.5	29.4
Expectation of the demand over the next 3 months	24.0	-3.7	5.7	6.7	17.9	-3.1	22.5	50.8	46.0	45.2
<b>EEl</b>	<b>102.7</b>	<b>86.0</b>	<b>78.1</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>
Services	17.5	-2.4	-7.1	-1.6	-11.8	-9.9	13.0	31.0	37.3	46.5
Retail	4.7	-11.6	-25.6	-5.4	-5.7	14.5	-18.4	7.3	6.0	6.0
Construction	32.6	-5.2	-6.9	0.9	-3.0	-5.0	15.3	39.0	6.1	4.0
Industry	12.8	-12.5	-34.9	-5.7	10.3	-8.1	18.0	9.3	21.4	15.3
<b>ESI demeaned</b>	<b>2.4</b>	<b>-18.6</b>	<b>-27.2</b>	<b>-14.2</b>	<b>-11.9</b>	<b>-5.0</b>	<b>17.3</b>	<b>15.2</b>	<b>13.5</b>	<b>10.0</b>
<b>EEl demeaned</b>	<b>2.7</b>	<b>-14.0</b>	<b>-22.1</b>	<b>-11.2</b>	<b>-12.9</b>	<b>-11.7</b>	<b>-3.1</b>	<b>8.2</b>	<b>10.8</b>	<b>13.3</b>

Source: European Commission.

long-term average of around 100.0, though it stood below that in the euro area, where the index reached 119.0 and exceeded the long-term average by a wider margin.<sup>4,5,6</sup>

The month-on-month fall in sentiment was broad-based across all components of the index. The largest decline was recorded in the construction sector, followed by weaker sentiment in industry and among retailers. Sentiment was positive in industry and services as well as among consumers. However, it was negative in the construction and retail trade sectors.

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 July was mainly driven by the decline in confidence in industry (see Chart 3). The positive contribution of the services and construction sectors, as well as of consumers, declined in the month under review, though moderately. At the same time, the contribution of the retail sector stood slightly more negative than in June.

<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%.

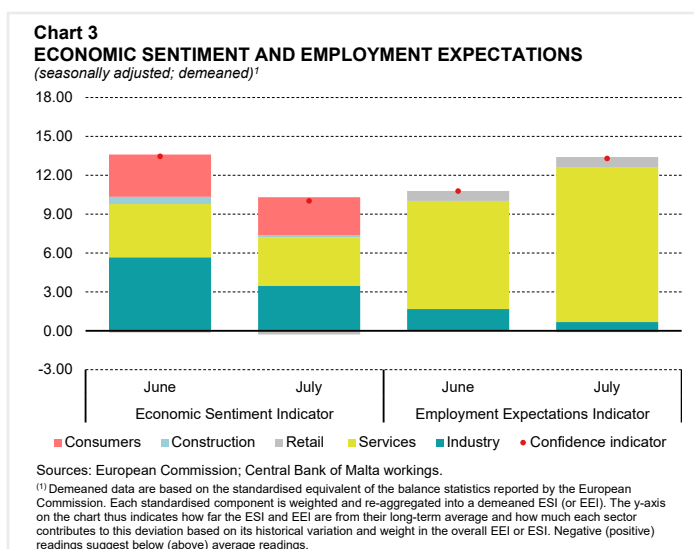
<sup>5</sup> Long-term averages are calculated over the entire period for which data are available. For the consumer and industrial confidence indicators, data became available in December 2002, while the services and construction confidence indicator data became available in May 2007 and May 2008, respectively. 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 2021, data were revised for previous periods following the annual updating of country weights and the inclusion of 2020 in the standardisation sample.

Demeaned data show that the ESI is above its long-term average, primarily due to relatively strong sentiment in the services sector and in industry.

In July, confidence within the construction sector turned negative. It stood at -4.8, down from 8.9 a month earlier. Notwithstanding this decrease, sentiment remained above its long-term average of -10.8.<sup>7</sup>

The recent fall largely reflected a decline in firms' overall order book levels. Although employment expectations also weakened in the month under review, they remained positive. Additional survey data indicate that a higher share of respondents expected prices to increase over the coming months.



Industrial confidence also declined but remained positive. It fell to 3.0, from 8.7 a month earlier but stood well above its long-term average of -4.2.<sup>8</sup> Weaker sentiment was driven by firms' production expectations, which – though still positive – were just a third of their level a month earlier. By contrast, while firms reported above normal stocks levels in June, stocks were assessed to be below normal in the month under review. At the same time, a smaller net share of participants reported falling order books. Supplementary data show that the number of firms anticipating selling prices to rise in the coming months, increased relative to June. Expectations of increases in selling prices now stand well above the historical average.

Confidence within the retail sector fell to -12.6. from -8.7 in June, and thus moved further below its long-term average of -2.4.<sup>9</sup> The recent fall in sentiment was driven by negative expectations about business activity during the coming months. This offset retailers' improved assessment of sales over the past three months, although the latter remained in negative territory. Meanwhile, the share of participants reporting above normal stock levels declined marginally.<sup>10</sup> At the same time, price expectations continued to rise sharply in July and are well above their historical average.

Consumer confidence edged down to 3.8 in July, from 6.0 a month earlier, but remained well above its long-term average of -10.8.<sup>11</sup> The fall in sentiment was largely driven by weaker expectations of

<sup>7</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.

<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 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>10</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>11</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.

the general economic situation and, to a lesser extent, about their financial situation, over the next 12 months. At the same time, a smaller share of consumers anticipated fewer major purchases over the same period, while their assessment about the financial situation over the past months stood less negative than before.

Sentiment within the services sector eased to 34.7, down from 36.7 in the previous month. Notwithstanding this decline, sentiment remained well above its long-term average of 19.1.<sup>12</sup> Weaker sentiment largely reflected developments in respondents' assessment of demand during the past three months. Participants' expectations of demand for the months ahead also deteriorated slightly. By contrast, firms' assessment of the business situation over the past three months improved further. Additional survey data show that, on balance, the share of respondents anticipating a rise in prices in the coming months edged down but remained strongly positive.

The European Commission's Employment Expectations Indicator (EEI) – which is a composite indicator of employment expectations in industry, services, retail trade and construction – increased in July.<sup>13</sup> The EEI stood at 113.4, up from 110.8 in June and above its long-run average of around 100.0. It also stood 1.7 points higher than the euro area average. Employment expectations were positive across all sectors.

Demeaned data suggest that the services sector largely explains why the overall EEI remained above its long-term average in recent months and was the main contributor to the increase in sentiment in July (see Chart 3).

## Activity indicators

In June, annual growth in the index of industrial production – which is a measure of economic activity in the quarrying, manufacturing, and energy sectors – rose for the third consecutive month. In part, this reflects base effects from the declines experienced during the second quarter of 2020. The index rose by 13.7% in annual terms, following an increase of 7.2% in May (see Table 2).<sup>14</sup> Industrial production is 6.2% above the level observed in June 2019.

The recent increase in industrial production primarily reflected higher production by firms involved in the 'other manufacturing' sector – which includes firms involved in the production of medical and dental instruments, toys and related products – and pharmaceutical firms. Output also increased among firms involved in the manufacture of motor vehicles, trailers and semi-trailers, as well as textiles and apparel. On the other hand, output fell among firms producing certain non-metallic mineral products, chemicals and chemical goods, fabricated metal products, as well as food products.

Production in the energy sector increased in annual terms for the third consecutive time.

<sup>12</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>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 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

	2019	2020	2020							2021					
			June <sup>(1)</sup>	July <sup>(2)</sup>	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June
Industrial production	1.2	-0.2	-6.6	-2.3	-3.7	-3.0	2.5	-1.9	-4.8	-6.8	-12.9	-4.3	16.1	7.2	13.7
Retail trade	6.9	-6.1	-6.0	-10.9	-9.0	-10.4	-7.8	-4.6	3.7	-4.5	-10.6	-0.6	18.2	22.1	3.3
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	-	-	-
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	-	-	-
Rented accommodation	4.6	-76.8	-	-84.3	-67.4	-81.8	-82.5	-88.0	-86.6	-89.0	-91.8	-75.0	-	-	-
Collective <sup>(3)</sup>	-0.1	-76.5	-	-85.4	-66.9	-81.2	-81.9	-91.6	-91.9	-92.1	-94.1	-88.5	-	-	-
Other rented <sup>(4)</sup>	13.5	-77.3	-	-82.7	-67.9	-82.9	-83.5	-80.6	-79.5	-82.4	-86.3	-40.0	-	-	-
Non-rented accommodation <sup>(5)</sup>	1.6	-52.8	-	-31.4	-38.3	-57.1	-53.3	-53.8	-33.5	-48.9	-52.9	-20.7	-	-	-
Tourist expenditure	5.7	-79.5	-	-88.1	-71.3	-84.5	-84.5	-90.3	-86.6	-87.6	-90.4	-76.1	-	-	-
Package expenditure	-8.2	-84.5	-	-93.5	-79.5	-90.5	-89.8	-	-	-	-	-	-	-	-
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	-	-	-
Other	5.9	-75.9	-	-83.7	-65.3	-78.7	-79.8	-86.5	-82.0	-83.5	-88.1	-71.9	-	-	-

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.

<sup>(2)</sup> The inbound tourism News Release has been issued since July following the reopening of Malta International Airport in the beginning of July.

<sup>(3)</sup> Collective accommodation comprises hotels, guesthouses, hostels, tourist villages, holiday complex, bed & breakfast and campsites.

<sup>(4)</sup> Other rented accommodation comprises holiday furnished premises (farmhouses, flats and villas), host families, marinas, paid-convents, rented yachts and student dormitories.

<sup>(5)</sup> Non-rented accommodation includes own private residence, staying with friends or relatives and other private accommodation (e.g. free-convents or timeshare).

In June, the volume of retail trade – which is a short-term indicator of final domestic demand – increased by 3.3% on an annual basis, after rising by 22.1% in May. Retail trade remains 3% below the level observed in the same month of 2019.

The tourism sector continued to be severely impacted by travel-related restrictions. The number of inbound tourists stood at 70,300 in June. While much better than in June 2020, this is nevertheless only around a quarter of 2019 levels.<sup>15</sup> Guest nights stood at 0.64 million, a third of their June 2019 level, with collective accommodation explaining most of this gap. Total tourism expenditure stood at €60.1 million in June, 25.5% of total expenditure levels recorded in the corresponding month in 2019.

In June, 260 development permits for commercial buildings were issued, 2.8% more than a year earlier (see Table 3). This follows a year-on-year increase of 4.2% in May. Meanwhile, at 429, new residential permits declined by 13.2% in annual terms in June, a sharper decline relative to the 3.2% recorded in May.

**Table 3**  
**PROPERTY MARKET**

Levels

	2019	2020	2020							2021						
			June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July
<b>Permits</b>																
Commercial permits	3,474	2,687	253	268	92	301	267	241	183	209	249	205	267	228	260	-
Residential permits	12,485	7,837	494	620	664	475	657	672	549	784	654	569	763	667	429	-
<b>Residential transactions</b>																
Promise of sale	11,614	11,262	961	1,366	1,074	1,054	1,300	1,044	1,145	981	1,350	1,650	1,428	1,479	1,166	1,105
Final deeds of sale	14,019	11,057	746	1,149	940	974	1,054	961	1,134	1,010	984	1,285	1,185	1,174	1,239	1,354

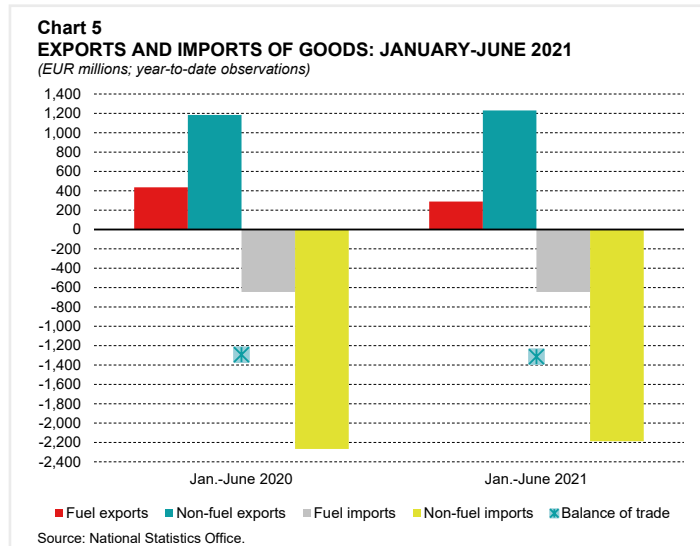
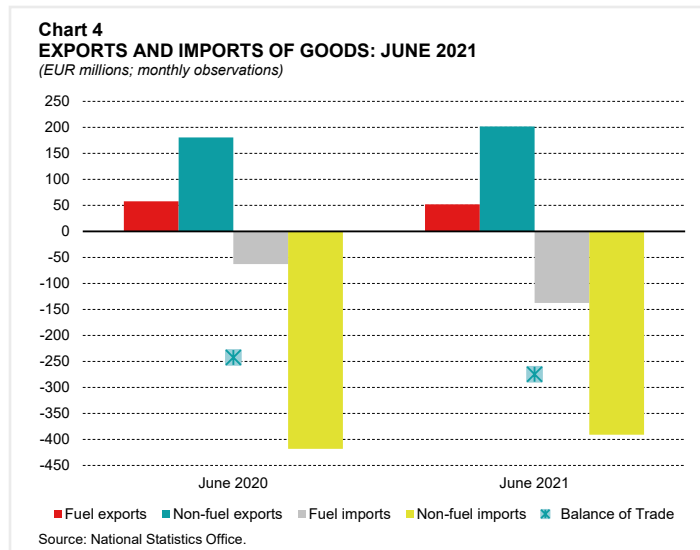
Sources: National Statistics Office; Eurostat.

<sup>15</sup> Comparisons are made with 2019 as scheduled passenger flights were not in operation in May 2020.



Data on residential property transactions show that there were 1,354 final deeds of sale in July, almost a fifth more than a year earlier. Conversely, at 1,105, the number of promise-of-sale agreements were around 18.0% less than the amount registered in July 2020. Promise-of-sale agreements, however, were still around 16.0% higher than in July 2019.

Customs data show that the merchandise trade deficit stood at €274.7 million in June, up from €242.3 million a year earlier. The larger deficit reflected a €47.5 million rise in imports which outweighed a €15.2 million increase in exports (see Chart 4). Higher imports were largely driven by a substantial increase in the fuel import bill and by an increase in registration of sea vessels. A rise in imports of electrical machinery and pharmaceutical products also contributed – but to a lesser extent. Together these outweighed fewer registrations of aircraft and lower imports of organic chemicals, fish and vehicles.



The rise in exports was due to an increase in re-exports of pharmaceutical products and organic chemicals. These offset a fall in fuel re-exports and lower exports of aircraft parts, books and newspapers, and tobacco.

In the first six months of this year, the visible trade gap widened to €1,314.3 million from €1,293.1 million in the corresponding period of 2020, as exports fell more than imports (see Chart 5).

## Labour market

Jobsplus data show that the number of persons on the unemployment register stood at 1,711 in June 2021, down from 2,001 in May and 3,981 a year earlier when the labour market was heavily impacted by the first restrictions introduced because of the pandemic (see Chart 6).

The seasonally-adjusted unemployment rate stood at 3.6% in June, the same rate as that registered in the previous month, but lower than the rate of 4.5% registered in the same month of the preceding year. The unemployment rate has virtually returned to its pre-pandemic level and remains well below its historical average.

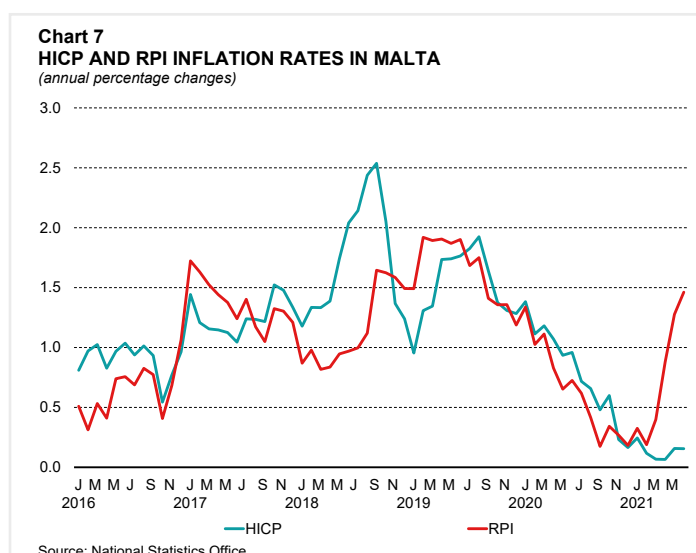
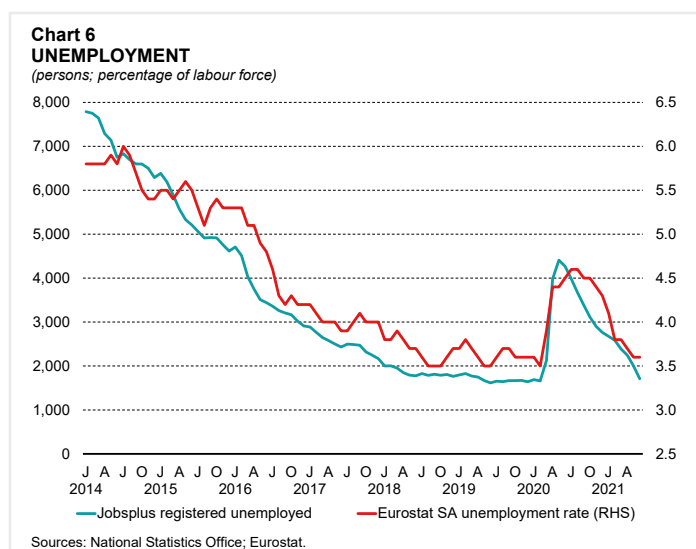
## Prices, costs and competitiveness

Annual HICP inflation stood at 0.2% in June, unchanged from the previous month (see Chart 7). Higher inflation in food and a smaller decrease in energy prices were offset by a marginal decline in non-energy industrial goods (NEIG) inflation during the month under review. Services inflation was broadly unchanged when compared to May.

Annual inflation according to the RPI was much higher. Indeed, it stood at 1.5% in June, up from 1.3% in May (see Chart 7).<sup>16</sup> This mainly reflects faster growth in the prices of housing,

a slower decline in the prices of transport and communication and, to a lesser extent, an increase in prices of household equipment and house maintenance as well as recreation and culture inflation. Similar to the previous month, higher inflation when compared to recent months is largely driven by higher inflation in the food and recreation and culture sectors.

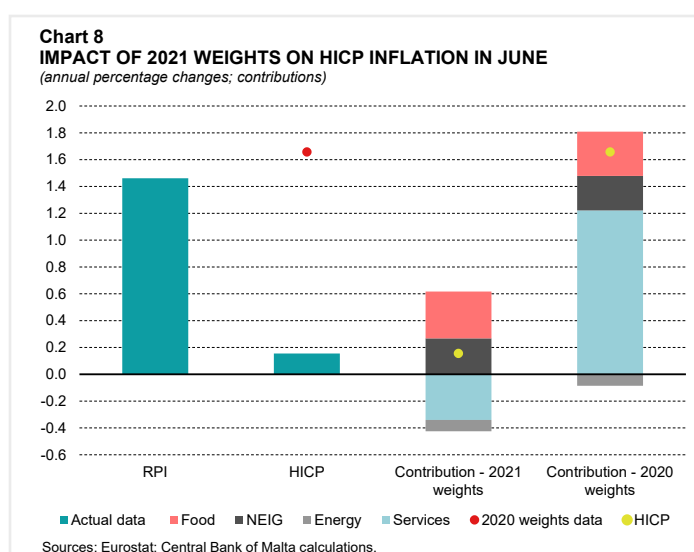
The growing gap between the two measures of inflation is related to the large change in HICP weights in 2021 due to the COVID-19 pandemic.<sup>17</sup> On the other hand, the weights of the RPI are not updated annually and are hence not affected by such changes. Indeed, annual HICP inflation for June using the 2020 weights (which are based on pre-pandemic spending patterns) would



<sup>16</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>17</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](#).

have stood at 1.7% as opposed to the actual rate of 0.2% using the 2021 weights, which would have been even higher than the RPI outcome. The main difference lies in the services contribution to the HICP (see Chart 8). Whereas services contributed negatively to HICP inflation in June, these would have contributed positively had the old weights been applied. Thus, the changes to certain components of services in HICP are negatively impacting headline HICP inflation, which is in turn being reflected in a growing gap with the RPI-based measure.



Producer output inflation, measured by the industrial producer price index, rose to 2.2% in June, from 1.7% in May.<sup>18</sup> This largely reflected a further pick up in intermediate goods prices and a marginally faster increase in producer prices of consumer goods. On the other hand, capital goods prices rose at a marginally slower rate compared to May. Similar to the previous months, energy prices remained unchanged when compared to their level a year earlier.

Malta's nominal harmonised competitiveness indicator (HCI) increased by 0.7% in the year to June, down from 1.7% in May.<sup>19</sup> This deterioration in international competitiveness over the year to June reflects an appreciation in the euro exchange rate against currencies of trading partners. The real HCI, which also considers relative price changes, fell by 1.3%, suggesting that the loss in international competitiveness arising from a stronger euro was offset by favourable developments in relative prices vis-à-vis trading partners.

## Public finance

In June 2021, the Consolidated Fund recorded a deficit of €177.2 million, a reduction of €45.1 million when compared to the deficit registered in June 2020 (see Table 4). This reflects an increase in government revenue, coupled with a decrease in government expenditure. In turn, the primary deficit reached €160.8 million, an improvement of €42.1 million when compared with a year earlier.

Government revenue increased by €30.2 million, or 10.5% in annual terms, reflecting a surge in tax revenue. Revenue from direct taxes increased by €30.1 million, on the back of a rise in income tax revenue as well as social security contributions. Inflows from indirect taxes rose by

<sup>18</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>19</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.

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

EUR millions

	2020	2021	2020	2021	Change	
	Jan.-June	Jan.-June	June	June	Amount	%
<b>Revenue</b>	<b>1,697.4</b>	<b>1,979.6</b>	<b>287.7</b>	<b>317.8</b>	<b>30.2</b>	<b>10.5</b>
<b>Direct tax</b>	<b>847.1</b>	<b>1,075.8</b>	<b>165.0</b>	<b>195.2</b>	<b>30.1</b>	<b>18.2</b>
Income tax	557.0	746.7	118.3	142.1	23.8	20.1
Social security contributions <sup>(1)</sup>	290.1	329.1	46.8	53.1	6.3	13.5
<b>Indirect tax</b>	<b>627.6</b>	<b>749.9</b>	<b>72.7</b>	<b>96.0</b>	<b>23.3</b>	<b>32.0</b>
Value Added Tax	361.6	461.1	27.6	43.1	15.5	56.1
Customs and excise duties	118.2	133.6	23.1	31.6	8.4	36.4
Licences, taxes and fines	147.8	155.2	22.0	21.3	-0.6	-2.8
<b>Non-tax<sup>(2)</sup></b>	<b>222.7</b>	<b>153.9</b>	<b>49.9</b>	<b>26.6</b>	<b>-23.2</b>	<b>-46.6</b>
<b>Expenditure</b>	<b>2,593.0</b>	<b>2,828.5</b>	<b>509.9</b>	<b>495.0</b>	<b>-14.9</b>	<b>-2.9</b>
<b>Recurrent</b>	<b>2,206.1</b>	<b>2,559.9</b>	<b>433.2</b>	<b>452.2</b>	<b>19.0</b>	<b>4.4</b>
Personal emoluments	454.4	516.0	80.9	88.5	7.6	9.4
Operational and maintenance	131.2	127.4	49.8	18.4	-31.5	-63.2
Programmes and initiatives	1,227.0	1,492.7	231.1	269.1	38.0	16.5
Contributions to entities	300.5	333.3	52.0	59.9	7.8	15.1
Interest payments	93.1	90.5	19.4	16.4	-3.0	-15.4
<b>Capital</b>	<b>386.9</b>	<b>268.5</b>	<b>76.7</b>	<b>42.8</b>	<b>-33.9</b>	<b>-44.2</b>
<b>Primary balance<sup>(3)</sup></b>	<b>-802.5</b>	<b>-758.3</b>	<b>-202.9</b>	<b>-160.8</b>	<b>42.1</b>	<b>-</b>
<b>Consolidated Fund balance</b>	<b>-895.6</b>	<b>-848.9</b>	<b>-222.2</b>	<b>-177.2</b>	<b>45.1</b>	<b>-</b>

Source: National Statistics Office.

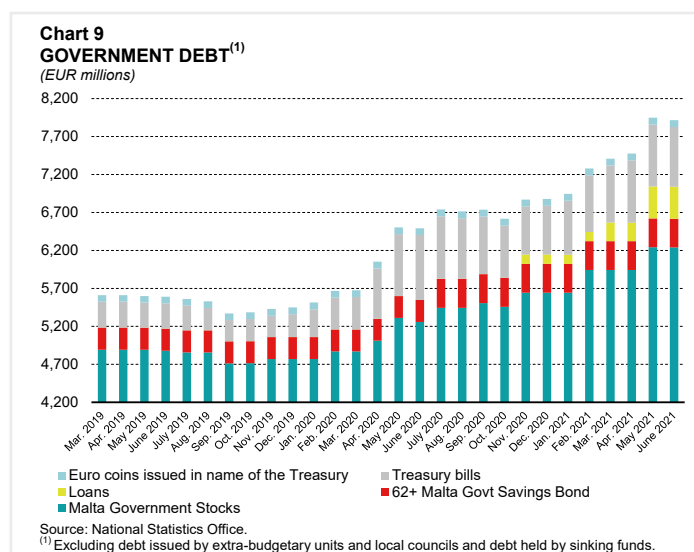
<sup>(1)</sup> Government contributions to the social security account in terms of the Social Security Act 1987 are netted out from both revenue and expenditure.

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

€23.3 million, mainly due to an increase in VAT receipts. On the other hand, non-tax revenue fell by €23.2 million, mainly due to lower inflows from grants.

Government expenditure decreased by €14.9 million, or 2.9% when compared to the corresponding period in 2020. This was due to a drop in capital expenditure, which more than offset a rise in recurrent expenditure. The former declined by €33.9 million and mainly reflects the reclassification of outlays on certain COVID-related support measures, including the Wage Supplement Scheme, from capital to current expenditure in 2021.

Overall, recurrent expenditure rose by €19.0 million, largely due to outlays on programmes and initiatives, which in turn reflects the above-mentioned reclassification of COVID support measures, outlays on the COVID voucher scheme and the



timing of transfers to the EU budget. The month under review also featured higher spending on contributions to government entities and personal emoluments. On the other hand, operational and maintenance expenses declined by €31.5 million reflecting base effects from very high outlays in 2020 due to COVID-19 mitigation efforts.

In June 2021, the total stock of government debt amounted to €7,797.8 million, a decline of €32.3 million when compared with May (see Chart 9). This was mainly due to a fall in Treasury bills outstanding.

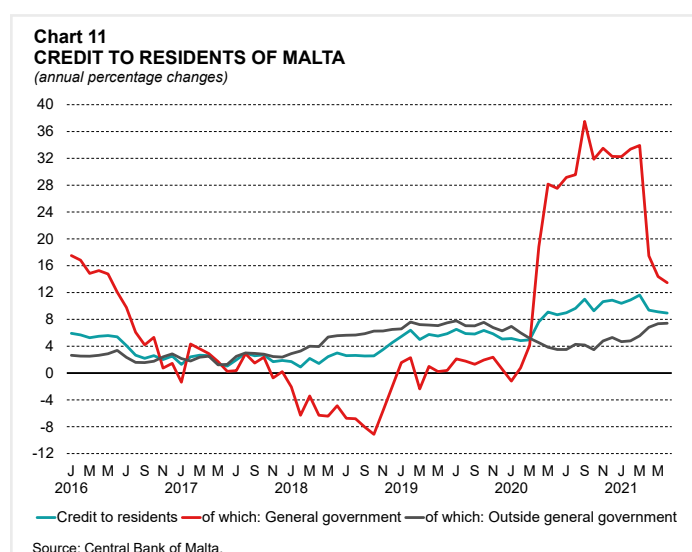
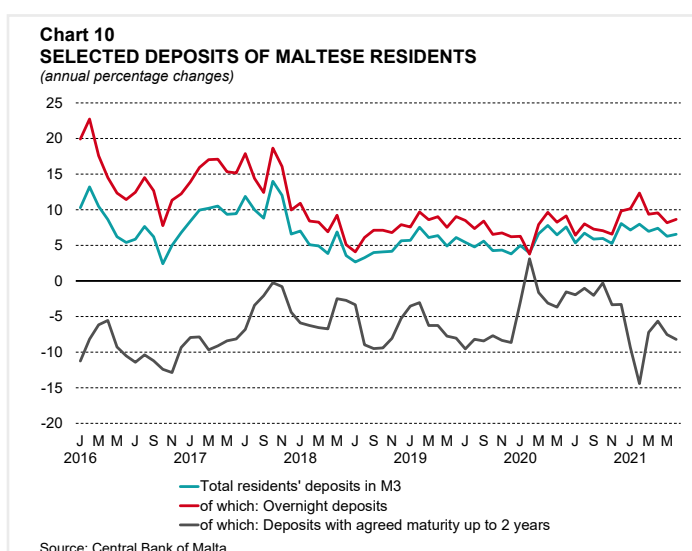
## Deposits, credit and financial markets

In June, residents' deposits held with monetary financial institutions (MFI) and forming part of broad money (M3) expanded at an annual rate of 6.5%, marginally above the 6.3% recorded a month earlier (see Chart 10).

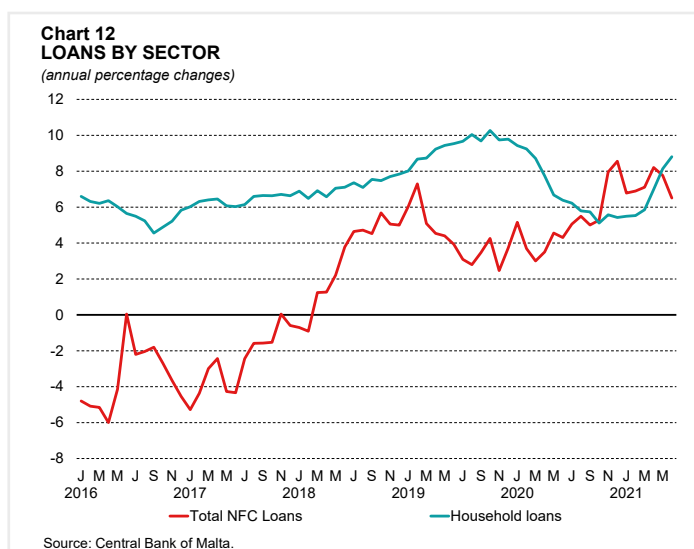
Overnight deposits remained the largest component of residents' M3 deposits, comprising over 86% of their M3 balances. This deposit category – which is the most liquid – grew by 8.6% in the year to June, after rising by 8.2% in the previous month. Meanwhile, time deposits with a maturity of up to two years – the second largest deposit category – fell by 8.2% in annual terms, following a contraction of 7.5% in May.

Credit to Maltese residents grew at an annual rate of 8.9% in June, slightly below the 9.1% recorded a month earlier (see Chart 11). The deceleration in credit during June was driven by slower growth in credit to general government. Annual growth in this component stood at 13.5% in June, following a 14.4% increase in the previous month. By contrast, credit outside general government rose by 7.4%, marginally above the 7.3% recorded in May.

The annual rate of change in loans to non-financial



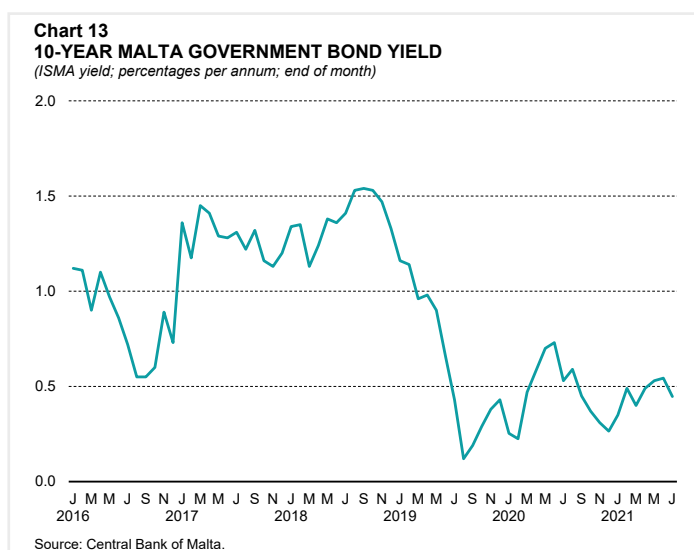
corporations stood at 6.5% in June, down from 7.8% a month earlier (see Chart 12). The deceleration was largely due to slower growth in loans to the construction and real estate sector, followed by the sector comprising professional, scientific and technical activities, though the latter was more moderate. This was followed by a decline in credit issued to administrative and support service activities, as well as the manufacturing sector, and the wholesale and retail trade sector. Furthermore, loans to the education, health and social sector contracted in the year end to June. These developments were partly offset by an increase in loans to the sector comprising accommodation and food service activities, followed by a smaller contraction in credit issued to the energy sector. Moreover, loans issued to the arts and entertainment sector also increased in the month under review.



Meanwhile, the annual rate of change of loans to households stood at 8.8% in June, above the 8.1% recorded in May. Mortgage lending rose by 10.1% in June, up from 9.4% a month earlier. At the same time, consumer credit and other lending fell by 3.7%, following a contraction of 3.6% in May.

As regards interest rates, the composite interest rate paid by MFIs on Maltese residents' outstanding deposits eased to 0.18% in June, from 0.19% in May. The composite rate charged on outstanding loans also edged down. It stood at 3.30% in June, from 3.31% a month earlier. Hence, the spread between the two rates was broadly unchanged at 312 basis points.

In the capital market, the secondary market yield on 10-year Maltese government bonds decreased by 10 basis point from a month earlier, to 0.45% at the end of July (see Chart 13). Meanwhile, the Malta Stock Exchange (MSE) Equity Price Index fell by 1.8% during the same period. Meanwhile, the MSE Total Return Index, which accounts for dividends as well as changes in equity prices, decreased by 1.7%.



## 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 Table 5).<sup>20</sup>

In June 2021, loans subject to a moratorium continued to decline sharply, as the moratoria period is gradually expiring for many loans, and economic activity is beginning to normalise in most sectors.

Indeed, by the end of the month, only 214 loans were subject to a moratorium on repayments compared to 340 loans a month earlier. The value of such loans declined by €29.8 million and stood at €126.1 million, or 1.0% of total outstanding loans to Maltese residents. Loans subject to a moratorium have fallen consistently since August 2020. During June, declines in both value and volume terms were observed across all sectors. However, the largest

**Table 5**  
**LOANS SUBJECT TO MORATORIUM – AS AT END-JUNE 2021**

*Number of loans; EUR millions; percentage*

	Volume of loans <sup>(1)</sup>	Outstanding amounts <sup>(2)</sup>	Share in sector's outstanding loans <sup>(3)</sup>
Households	124	10.6	0.2
Manufacturing	1	0.1	0.1
Construction	9	11.1	1.7
Wholesale and retail trade; repair of motor vehicles and motor cycles	6	1.4	0.2
Transportation and storage and information and communication	3	0.1	0.0
Accommodation and food service activities	29	39.8	7.0
Real estate activities	9	6.8	0.7
Other <sup>(4)</sup>	33	56.1	2.7
<b>Total</b>	<b>214</b>	<b>126.1</b>	<b>1.0</b>

Source: Central Bank of Malta.

<sup>(1)</sup> The number of loans subject to moratorium.

<sup>(2)</sup> Outstanding amounts of loans subject to moratorium as at end of month, in EUR millions.

<sup>(3)</sup> The percentage of loans subject to moratorium in total outstanding loans held by the sector as at end of month.

<sup>(4)</sup> Includes loans to agriculture and fishing, mining and quarrying, public administration, education, health and social work, financial and insurance activities (including interbank loans), professional, scientific and technical activities, administrative and support service activities, arts, entertainment and recreation, other services activities and extra-territorial bodies & organisations, and the electricity, gas & water supply sector.

<sup>20</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.

decreases in value terms were registered in the real estate, wholesale and retail, and the accommodation and food services sectors as well as among households.

The outstanding value of loans subject to a moratorium of Maltese households fell to €10.6 million – equivalent to 8.4% of the total value of loans subject to a moratorium and 0.2% of outstanding household loans. This is down from a peak of €635.0 million in July 2020.

Meanwhile, the accommodation and food services activities sector held €39.8 million in loans subject to a moratorium. This is the sector most affected by the containment measures and, indeed, 7.0% of the loans held by this sector were subject to a moratorium by the end of June. This contrasts with the end of 2020, when over 40.0% of outstanding loans of this sector were subject to a moratorium.

The real estate sector held €6.8 million in loans subject to a moratorium, equivalent to 0.7% of the sector's outstanding loans. Moreover, as at end-June, the construction sector held €11.1 million in loans subject to a moratorium, or 1.7% of loans held by the sector.

These three sectors jointly accounted for almost 46.0% of all loans covered by moratoria.

The 'other category' sector which contains loans subject to a moratorium in agriculture and fishing, education, health, and financial and insurance activities among others, held €56.1 million in loans subject to a moratorium – 44.5% of loans subject to a moratorium – but only 2.7% of the outstanding loans held by the sectors falling under this category.

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>21</sup>

By end-June, 606 facilities were approved under the CGS, covering total sanctioned lending of €451.5 million (see Table 6). 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 June, €372.5 million were disbursed, up from the €364.4 million disbursed by the end of May. Thus, by the end of the month, 58.0% of the scheme was sanctioned, while 47.9% was disbursed.

In terms of the number of facilities, the sector comprising wholesale and retail activities applied for the largest number of facilities and had €95.2 million in sanctioned loans. This was followed by accommodation and food services activities, with 142 facilities or €107.4 million in sanctioned loans.

<sup>21</sup> The CGS was approved by the European Commission on 2 April 2020. See <https://mdb.org.mt/en/Schemes-and-Projects/Pages/MDB-Working-Capital-Guarantee-Scheme.aspx> for further details.



In value terms, these were followed by the sector comprising transportation, storage, information and communication, and by the construction sector, with €50.3 million and €41.4 million, respectively.

**Table 6**  
**MALTA DEVELOPMENT BANK COVID-19 GUARANTEE SCHEME – AS AT JUNE 2021**  
*Number of facilities; EUR millions*

	Total number of facilities <sup>(1)</sup>	Sanctioned amount <sup>(2)</sup>
Manufacturing	52	23.6
Construction	36	41.4
Wholesale and retail trade; repair of motor vehicles and motor cycles	165	95.2
Transportation and storage and information and communication	41	50.3
Accommodation and food service activities	142	107.4
Professional, scientific and technical activities	37	21.7
Administrative and support service activities	36	13.5
Real estate	17	6.4
Other <sup>(3)</sup>	80	92.1
<b>Total</b>	<b>606</b>	<b>451.5</b>

Source: Malta Development Bank.

<sup>(1)</sup> The number of facilities taken by various sectors.

<sup>(2)</sup> The total number of loans sanctioned under the scheme as at end month, in EUR millions.

<sup>(3)</sup> Includes loans to education, health and social work, financial and insurance activities, arts, entertainment and recreation and other services activities, activities of households, electricity, gas & water supply sector and agriculture, forestry and fishing, and public administration and defence.

MACROECONOMIC INDICATORS FOR MALTA																									
Annual percentage changes: non-seasonally adjusted data																									
	2018	2019	2020	2019	2020	2020	2020	2020	2020	2021	2021	2020	2020	2020	2020	2020	2020	2020	2021	2021	2021	2021	2021	2021	
				Q4	Q1	Q2	Q3	Q4	Q1	Q2		June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July
<b>Prices and costs</b>																									
HICP inflation	1.7	1.5	0.8	1.3	1.2	1.0	0.6	0.3	0.1	0.1		1.0	0.7	0.7	0.5	0.6	0.2	0.2	0.2	0.1	0.1	0.1	0.2	0.2	-
RPI inflation	1.2	1.6	0.6	1.3	1.2	0.7	0.4	0.3	0.3	1.2		0.7	0.6	0.4	0.2	0.3	0.3	0.2	0.3	0.2	0.4	0.9	1.3	1.5	-
Industrial producer price inflation	4.4	2.2	0.3	1.8	1.2	0.3	0.2	-0.4	0.8	1.7		-0.2	1.2	0.5	-1.0	-0.6	-0.5	-0.1	0.8	0.5	1.1	1.2	1.7	2.2	-
HCI (nominal)	2.6	-0.7	1.8	-1.1	-0.2	1.2	2.8	3.5	2.7	1.3		1.3	2.3	2.7	3.3	3.3	3.3	3.9	3.8	3.6	0.8	1.6	1.7	0.7	-
HCI (real)	2.1	-1.1	1.5	-1.6	-0.9	1.3	2.4	3.2	1.4	-0.6		1.3	1.9	2.4	2.9	3.1	2.9	3.5	2.8	2.4	-0.8	-0.2	-0.4	-1.3	-
Unit labour costs, whole economy <sup>(1)</sup>	3.7	3.3	8.8	4.0	5.0	8.9	10.2	11.4	10.5	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Compensation per employee <sup>(1)</sup>	2.9	2.8	1.1	2.9	2.7	1.6	0.4	-0.2	0.2	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Labour productivity (per person) <sup>(1)</sup>	-0.7	-0.5	-6.8	-1.1	-2.0	-6.3	-8.6	-10.4	-9.5	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Property Price Index (Eurostat)	5.8	6.1	3.4	5.7	5.5	3.9	2.7	1.7	4.7	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Economic activity</b>																									
Nominal GDP	7.5	7.9	-6.5	8.3	3.7	-13.5	-8.9	-6.6	-0.5	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Real GDP	5.2	5.5	-7.8	5.8	1.9	-14.7	-9.9	-7.8	-1.8	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Real private consumption	9.1	4.5	-8.0	3.4	-2.1	-16.8	-7.7	-5.4	-4.8	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Real government consumption	12.1	14.7	15.2	11.5	2.9	19.9	20.9	17.3	24.6	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Real gross fixed capital formation	3.2	8.5	-7.1	2.5	-7.4	-2.6	-5.0	-12.8	-11.8	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Real exports of goods and services	-0.6	7.0	-7.0	6.9	4.0	-11.4	-12.4	-7.7	-4.3	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Real imports of goods and services	0.5	8.5	-3.3	6.3	1.5	-3.7	-6.7	-4.2	-2.9	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Labour market developments</b>																									
LFS unemployment rate (% of labour force)	3.7	3.6	4.3	3.5	3.6	4.4	4.6	4.4	3.9	-		4.5	4.6	4.6	4.5	4.5	4.4	4.3	4.1	3.8	3.8	3.7	3.6	3.6	-
LFS employment	7.8	7.1	2.7	7.0	7.3	2.8	1.3	-0.8	-1.1	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Jobsplus gainfully occupied	6.9	6.3	5.7	7.2	8.6	6.9	5.1	2.6	-	-		6.3	5.5	5.1	4.6	4.1	2.1	1.6	-	-	-	-	-	-	-
<b>Balance of payments</b>																									
Current account (as a % of GDP) <sup>(2)</sup>	6.3	5.7	-3.6	5.7	6.2	1.9	-1.3	-3.6	-4.2	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Credit and financial indicators</b>																									
Maltese residents' deposits and loans																									
Overnight deposits	7.9	6.2	9.8	6.2	7.9	9.1	7.3	9.8	9.4	8.6		9.1	6.4	8.0	7.3	7.1	6.6	9.8	10.1	12.3	9.4	9.6	8.2	8.6	-
Deposits with agreed maturity up to 2 years	-5.3	-8.7	-3.3	-8.7	-1.6	-1.5	-2.0	-3.3	-7.2	-8.2		-1.5	-1.9	-1.0	-2.0	-0.3	-3.3	-3.3	-9.4	-14.4	-7.2	-5.7	-7.5	-8.2	-
Total residents' deposits in M3	5.6	3.8	8.1	3.8	6.6	7.6	5.9	8.1	7.0	6.5		7.6	5.3	6.7	5.9	6.0	5.3	8.1	7.2	8.0	7.0	7.4	6.3	6.5	-
Credit to general government	-2.0	0.6	32.3	0.6	4.1	27.5	37.5	32.3	33.9	13.5		27.5	29.2	29.6	37.5	31.9	33.5	32.3	32.3	33.4	33.9	17.5	14.4	13.5	-
Credit to residents (excl. general government)	6.5	6.3	5.3	6.3	5.2	3.5	4.2	5.3	5.5	7.4		3.5	3.5	4.3	4.2	3.5	4.8	5.3	4.7	4.8	5.5	6.8	7.3	7.4	-
Total credit	4.5	5.1	10.9	5.1	5.0	8.7	11.0	10.9	11.6	8.9		8.7	9.0	9.6	11.0	9.3	10.6	10.9	10.4	10.9	11.6	9.4	9.1	8.9	-
10-year interest rate (% <sup>(3)</sup> )	1.3	0.4	0.3	0.4	0.5	0.7	0.5	0.3	0.4	0.5		0.7	0.5	0.6	0.5	0.4	0.3	0.4	0.5	0.4	0.5	0.5	0.5	0.5	0.5
Stock prices: Malta Stock Exchange Index <sup>(4)</sup>	0.1	4.4	-12.4	-4.0	-19.5	6.8	12.6	16.7	-8.3	3.0		1.7	-3.5	-5.9	-3.8	-2.1	6.9	11.4	-2.4	-4.8	-1.3	6.2	-1.8	-1.3	-1.8
<b>Liquidity support measures related to COVID-19</b>																									
Outstanding loans subject to a moratorium <sup>(5)</sup>	-	-	695.9	-	493.5	1,704.9	1,586.8	700.8	426.6	126.1		1,704.9	1,796.2	1,769.4	1,586.8	1,148.1	888.9	700.8	697.9	663.6	426.6	282.4	155.9	126.1	-
Sanctioned amount under the MDB COVID-19 Guarantee Scheme <sup>(5)</sup>	-	-	408.1	-	-	161.1	343.7	408.1	439.6	451.5		161.1	238.0	285.1	343.7	351.1	388.5	408.1	412.7	420.1	439.6	444.4	451.3	451.5	-
Disbursed amount under the MDB COVID-19 Guarantee Scheme <sup>(5)</sup>	-	-	287.1	-	-	64.9	165.6	287.1	340.5	372.5		64.9	88.9	121.4	165.6	204.6	252.7	287.1	306.6	320.7	340.5	354.9	364.4	372.5	-
<b>General government finances (% of GDP)</b>																									
Surplus (+) / deficit (-) <sup>(2)</sup>	1.9	0.4	-10.2	0.4	-2.1	-5.3	-7.3	-10.2	-10.6	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross debt <sup>(6)</sup>	44.8	42.0	54.8	42.0	43.3	50.1	52.8	54.8	59.0	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-

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.