2. OUTPUT AND EMPLOYMENT

Annual real GDP growth rose by 3.9% in the first quarter of 2026. Growth was mainly driven by domestic demand. When adjusting for imports, the growth in GDP was more broadly balanced between domestic demand and external trade.

Sectoral data show that the expansion in output was mainly driven by the sector consisting of wholesale and retail trade, repair of motor vehicles and motorcycles, transportation and storage and services related to accommodation and food service activities. In nominal terms, compensation of employees contributed most to GDP growth.

During the first quarter of 2026, the labour market continued to perform positively with activity and employment rates rising. The unemployment rate increased but remained well below that in the euro area.

The labour market remained tight. Indeed, both the number of job vacancies and the vacancy rate increased when compared to the first quarter of 2025. The labour tightness indicator, which is the ratio of the job vacancy rate to the unemployment rate, remained elevated.

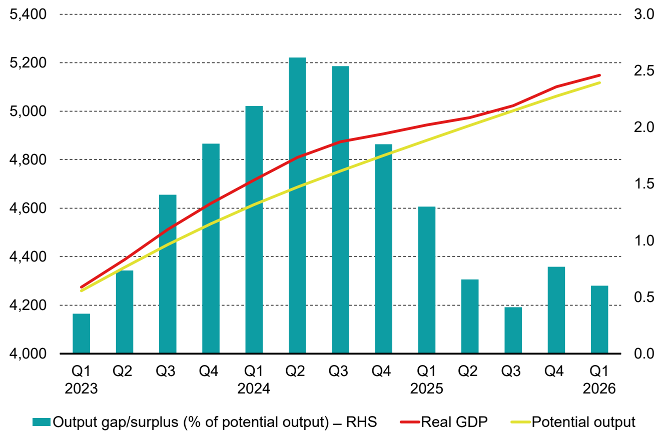
Potential output and business conditions

Potential output growth remains strong

The Bank estimates that potential output grew by 4.4% in the first quarter of 2026, below that of 4.9% estimated for the previous quarter.

On a four-quarter moving average basis, the level increase in potential output relative to the previous quarter exceeded that in GDP. As a result, the output surplus decreased to 0.6% from 0.8% (see Chart 2.1).

Chart 2.1
CYCLICAL POSITION OF THE MALTESE ECONOMY
(four-quarter moving averages; EUR million; as percentage of potential GDP)



Sources: NSO; Central Bank of Malta estimates.

BCI continues to stand above its historical average

The Bank's BCI rose slightly from the previous quarter, thereby indicating that the pace of economic activity remained above its long-run average (see Chart 2.2).[1] This reflects above

[1] The BCI is a synthetic indicator, which includes information from a number of economic variables such as the term-structure of interest rates, industrial production, an indicator for the services sector, economic sentiment, tax revenues and private sector credit. By construction, it has an average value of zero over the estimation period since 2000. A full time series can be found on the Bank's website. For further details on the methodology underlying the BCI, see Ellul, R., (2016), "A real-time measure of business conditions in Malta," *Working Paper* 05/2016.

average growth in most indicators included within the BCI, particularly building permits, tax revenue and economic sentiment.

Chart 2.2
BCI
(standardised)

Source: Central Bank of Malta.

GDP and industrial production

Real GDP growth increases at a slower pace

In the first quarter of 2026, real GDP rose by 3.9% on an annual basis, following a 6.5% increase in the previous quarter, with growth being driven largely by domestic demand (see Table 2.1).

Domestic demand rose by an annual 4.5% in the quarter under review, following an increase of 3.6% in the last quarter of 2025. It contributed 3.6 percentage points to GDP growth in the first quarter of 2026, up from 3.0 percentage points in the previous quarter.

Table 2.1
GDP[(1)]

	2025				2026
	Q1	Q2	Q3	Q4	Q1
	Annual percentage changes				
Private final consumption expenditure	3.7	3.1	4.2	3.4	3.7
Government final consumption expenditure	7.2	4.8	4.1	4.0	8.5
GFCF	-3.2	2.1	0.8	1.0	3.6
Domestic demand	**3.5**	**3.6**	**3.9**	**3.6**	**4.5**
Exports of goods and services	0.8	6.8	4.3	6.0	4.9
Imports of goods and services	0.6	8.7	4.4	3.7	5.6
GDP	**3.1**	**2.5**	**3.8**	**6.5**	**3.9**
	Percentage point contributions				
Private final consumption expenditure	1.7	1.3	1.9	1.6	1.6
Government final consumption expenditure	1.2	0.8	0.6	0.8	1.5
GFCF	-0.6	0.4	0.2	0.2	0.6
Changes in inventories	0.6	0.3	0.4	0.5	-0.1
Domestic demand	**2.8**	**2.9**	**3.1**	**3.0**	**3.6**
Exports of goods and services	0.9	8.0	5.1	7.3	5.6
Imports of goods and services	-0.6	-8.4	-4.3	-3.9	-5.3
Net exports	**0.3**	**-0.4**	**0.8**	**3.4**	**0.3**
GDP	**3.1**	**2.5**	**3.8**	**6.5**	**3.9**

Sources: NSO; Central Bank of Malta calculations.

[(1)] Chain-linked volumes, reference year 2020.

The acceleration in domestic demand mainly reflected higher growth in government consumption which rose by 8.5%, up from 4.0% in the previous quarter. In the quarter under review, growth was mainly driven by outlays on intermediate consumption within the residential care and health sectors. Overall, government consumption added 1.5 percentage points to GDP growth.

At the same time, private consumption expenditure increased by an annual 3.7%, up from 3.4% in the previous quarter. It added 1.6 percentage points to real GDP growth in the quarter under review. Data on the Classification of Individual Consumption by Purpose (COICOP) show a year-on-year increase in almost all expenditure categories.[2]

Real GFCF rose by 3.6% year-on-year after increasing by 1.0% in the previous quarter. When measured in absolute terms, the increase in the quarter under review was largely driven by higher outlays on intellectual property products and investment in non-residential construction. These offset declines in dwellings investment and in machinery and equipment. GFCF contributed 0.6 percentage points to GDP growth.

Overall, changes in inventories had a marginal negative impact on GDP growth in the first quarter of 2026.

Meanwhile, imports rose by 5.6%, while exports rose by 4.9% on a year earlier. Nonetheless, when expressed in absolute terms, the increase in exports exceeded that in imports. Consequently, net exports contributed positively to GDP growth, although its impact – at 0.3 percentage points – was less than the 3.4 percentage points registered in the previous quarter.

Import-adjusted contributions confirms that growth was mainly driven by domestic demand (see Table 2.2).[3] Within domestic demand, private consumption and government consumption remained the largest contributors to GDP growth.

Table 2.2
IMPORT-ADJUSTED CONTRIBUTIONS TO GDP GROWTH[(1)]

	2025				2026
	Q1	Q2	Q3	Q4	Q1
Private final consumption expenditure	1.2	0.4	1.2	1.2	0.9
Government final consumption expenditure	1.0	0.6	0.5	0.7	1.2
GFCF	-0.2	-0.1	0.0	0.3	0.2
Changes in inventories	0.2	0.2	0.2	0.2	0.0
Domestic demand	**2.2**	**1.1**	**1.9**	**2.4**	**2.2**
Exports of goods and services	**0.9**	**1.4**	**2.0**	**4.1**	**1.7**
GDP	**3.1**	**2.5**	**3.8**	**6.5**	**3.9**

Source: Central Bank of Malta estimates.
[(1)] Chain-linked volumes, reference year 2020.

[2] COICOP data measure domestic consumption and thus, include the expenditure of non-residents in Malta while excluding the expenditure of Maltese residents abroad. The latter increased in year-on-year terms.
[3] The contributions shown in Table 2.1 are consistent with the approach normally followed in official databases and economic publications. However, this approach does not account for the fact that the import content varies across different expenditure components. Consequently, it does not accurately represent the true underlying relative contribution of domestic and external demand to economic growth.

Table 2.3
CONTRIBUTION OF SECTORAL GVA TO REAL GDP GROWTH
Percentage points

	2025				2026
	Q1	Q2	Q3	Q4	Q1
Agriculture, forestry and fishing	-0.1	-0.1	-0.3	0.1	-0.1
Mining and quarrying; utilities	0.2	0.3	0.1	-0.4	0.2
Manufacturing	0.0	0.1	-0.1	-0.3	0.1
Construction	-0.1	0.0	0.1	0.2	0.1
Services	4.4	3.0	3.2	4.4	3.2
of which:					
Wholesale and retail trade; repair of motor vehicles; transportation; accommodation and related activities	1.4	0.9	1.6	2.2	0.8
Information and communication	1.0	0.8	0.5	1.1	0.7
Financial and insurance activities	0.2	0.1	0.5	-0.2	0.6
Real estate activities	0.2	0.0	-0.2	-0.3	0.2
Professional, scientific, administrative and related activities	0.5	-0.1	0.4	0.6	0.3
Public administration and defence; education; health and related activities	1.0	0.9	0.5	0.7	0.6
Arts, entertainment; household repair and related services	0.2	0.3	0.0	0.2	0.1
GVA	**4.5**	**3.2**	**3.0**	**3.9**	**3.4**
Taxes less subsidies on products	**-1.4**	**-0.7**	**0.8**	**2.5**	**0.4**
Annual real GDP growth (%)	**3.1**	**2.5**	**3.8**	**6.5**	**3.9**

Source: NSO.

Services remain the main driver of economic growth

Data based on the output approach show that in the first quarter of 2026, real GVA rose by 3.7% in annual terms and contributed 3.4 percentage points to GDP growth (see Table 2.3).[4]

Services added 3.2 percentage points to real GDP growth and was mainly spurred by the sector consisting of wholesale and retail trade, repair of motor vehicles and motorcycles, transportation and storage and services related to accommodation and food service activities. This sector contributed 0.8 percentage points to GDP growth. Other significant contributions came from the information and communication sector, the financial and insurance activities sector and public administration.

Overall, non-services sectors exhibited a small positive contribution to GDP growth during this quarter. Similarly, the contribution from taxes on products was marginally positive.

Nominal GDP growth increases at a slightly slower pace

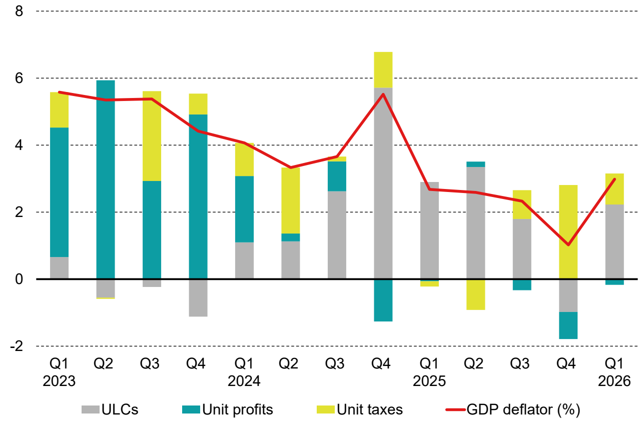
Nominal GDP rose by 7.0% in annual terms in the first quarter of 2026, after increasing by 7.5% in the preceding quarter. All components from the income side – compensation of employees, operating surplus and net taxes – contributed positively to nominal GDP growth with the largest

[4] The difference between GDP and GVA is made up of taxes on products, net of subsidies.

contributor being compensation of employees. The contribution from the latter was significantly bigger when compared to the previous quarter, which was affected by a base effect stemming from the implementation of collective agreements in the public sector.

The contributions from gross operating surplus and net taxes were less positive compared with the previous quarter.

Chart 2.3
CONTRIBUTIONS TO GDP DEFLATOR
(annual percentage change; percentage point contribution)



Source: NSO.

Chart 2.3 shows the main contributors to growth in the GDP deflator. This rose by 3.0% in the first quarter of 2026, after increasing by 1.0% in the previous quarter. Growth was mainly driven by the contribution of ULCs. The contribution from unit profits turned less negative while the contribution from net taxes decreased.

Production in industry and services increases

Industrial production rose by 1.1% on a year-on-year basis in the first quarter of 2026, after having declined for the first time in more than a year in the last quarter of 2025.[5]

Production in the manufacturing sector rose marginally at an annual rate of 0.1%, after having contracted by 4.3% in the preceding quarter. Meanwhile, production in the energy sector accelerated and rose by an annual 14.9% in the first quarter of the year, compared with a 5.2% increase a quarter earlier.[6] Production in the quarrying sector accelerated.

In the manufacturing sector, the strongest increases were reported by firms that manufacture computer, electronic and optical products, those involved in the printing and reproduction of recorded media, pharmaceutical products, wearing apparel, rubber and plastic products. These offset declines among other manufacturing subsectors.

Meanwhile, the index of services production – which measures the volume of activity in services industries excluding trade, financial and public services – grew at a faster pace. It rose by 5.1% on an annual basis, following a marginal increase of 0.4% in the last quarter of 2025. This expansion in services production indicates a turnaround as growth has been muted during most of last year.

Higher activity levels were recorded in sectors related to real estate, accommodation and food services, administrative and support services, information and communication, as well as transportation and storage services. These increases offset lower activity reported by firms involved in services related to professional, scientific and technical activities.

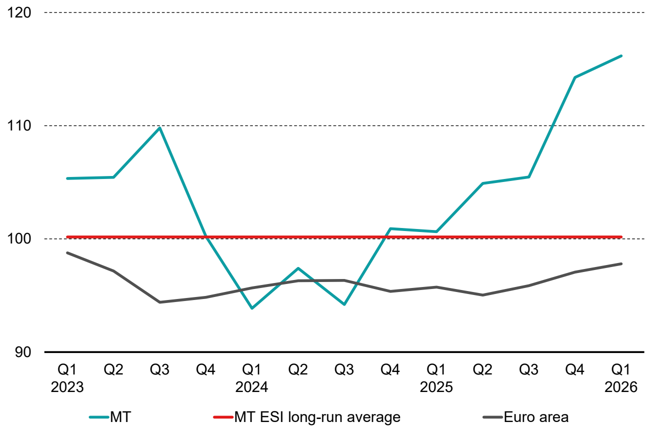
[5] Methodological differences may account for divergences between developments in GVA in the manufacturing sector and industrial production. GVA nets input costs from output to arrive at value added and is expressed in nominal terms. Industrial production is a measure of the volume of output and takes no account of input costs. The sectoral coverage between the two measures also differs since industrial production data also include the output of the energy and quarrying sectors.
[6] Industrial production in the energy sector excludes energy generated abroad and imported through the interconnector.

Business and consumer surveys

Economic Sentiment Indicator (ESI) increases

During the first quarter of 2026, the European Commission's ESI for Malta increased to 116.2, from 114.3 in the preceding quarter, and thus moved further above its long-term average of around 100.0. As a result, the overall indicator stood significantly above that in the euro area, which averaged 97.8 (see Chart 2.4).[7,8]

Chart 2.4
ESI
(seasonally adjusted; percentage points)

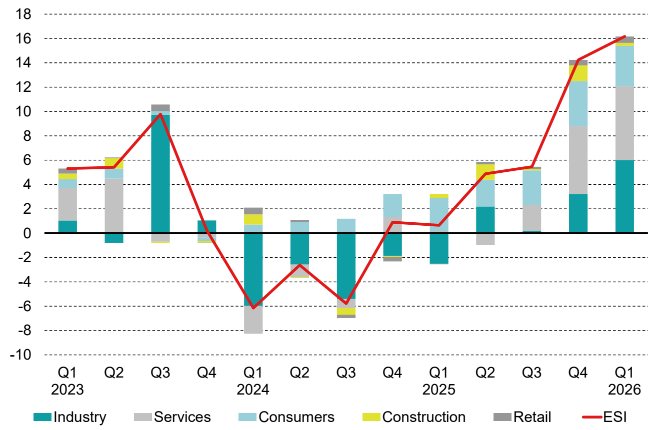


Source: European Commission.

When compared with the last quarter of 2025, confidence improved across all sectors, bar in the construction sector and among consumers. The strongest increase was recorded in industry.

When accounting for the weights assigned to each sector, and the time variation of the confidence indicator for each sector, the increase in the ESI relative to the fourth quarter of 2025 was mainly driven by industry.[9] All sectors, particularly the services sector and industry, explain why the overall ESI stood above the long-term average (see Chart 2.5).

Chart 2.5
ESI BY SECTOR
(seasonally adjusted; demeaned)



Sources: European Commission; Central Bank of Malta workings.

The industrial confidence indicator increased to 12.2, from an average of 5.2 in the previous quarter and remained well above its long-term average of -4.1.[10] Fewer respondents assessed their stocks of finished products to be above normal and production expectations for the months ahead improved.

[7] The ESI summarises developments in confidence in five surveyed sectors: industry; services; construction; retail; and consumers. Quarterly data are three-month averages.

[8] Long-term averages are calculated over the entire period for which data are available. For the consumer and industrial confidence indicators, data for Malta became available in November 2002, while for services and construction 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. The long-term average of the ESI is computed from November 2002.

[9] Weights are assigned as follows: industry 40%; services 30%; consumers 20%; construction 5%; and retail trade 5%.

[10] 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.

The confidence indicator in the services sector increased to 45.0, from 42.8 in the previous quarter.[11] Sentiment in this sector moved further above its long-term average of 20.3, with firms' assessment of the business situation over the past three months being the key driver.

The sentiment indicator in the retail sector stood at 16.1 in the first quarter of 2026, up from 14.7 in the previous quarter, and remained above its long-term average of 0.8.[12] Fewer retailers assessed their stocks of finished goods to be above normal levels and business expectations for the next three months improved.

The consumer confidence indicator averaged 4.0 during the first quarter of 2026, below the 5.8 recorded in the previous quarter, but above its long-run average of -9.4.[13] Compared with the previous quarter, there was a decline in all forward-looking components of the indicator.

The indicator measuring confidence in the construction sector turned negative but stood above its long-term average of -6.6.[14] This reflected strong decreases in order book levels and in employment expectations. Sentiment for this sector needs to be interpreted with caution, due to a low response rate among enterprises.

Employment Expectations Indicator (EEI) declines

The EEI – which is a composite indicator of employment expectations in industry, services, retail trade and construction – decreased in the first quarter of 2026. During the first quarter of 2026, it averaged 108.6, below 114.6 in the preceding quarter, but stood above its long-term average of around 100.0. The index also stood above the euro area average of 97.3.[15]

During the quarter under review, employment expectations were positive across all productive sectors. The most positive reading was recorded in the services sector.

Demeaned data suggest that the decrease relative to the preceding quarter was largely driven by the services sector (see Chart 2.6). This sector also mostly explains why the overall EEI stood above its long-term average.

Economic Uncertainty Indicator (EUI) decreases

The European Commission's EUI is a composite indicator which measures how difficult it is for sectors to make predictions about their future financial or business situation. In Malta, this indicator decreased to -12.1 in the first quarter of the year, from 6.9 in the preceding quarter and

[11] 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.

[12] 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.

[13] 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.

[14] 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 to employment expectations over the subsequent three months.

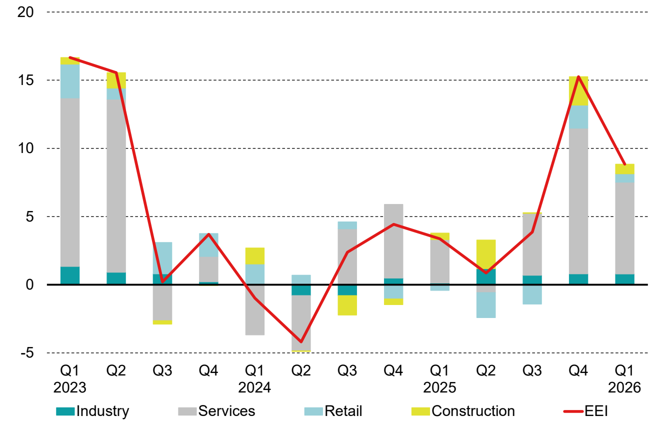
[15] The EEI is based on question 7 of the industry survey, question 5 of the services and retail trade surveys and question 4 of the construction survey, which gauge the respondent firms' expectations as regards changes in their total employment over the next three months. Before being summarised in 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*.

remained well below its average level in recent years (see Chart 2.7).[16] This indicates a greater ability of respondents to make predictions about their future financial or business situation. The indicator also remained below that in the euro area, which averaged 18.7.[17]

In the first quarter of 2026, lower uncertainty was recorded across all surveyed sectors, except for the construction sector, while uncertainty among consumers remained unchanged. The strongest decrease was recorded in the services sector.

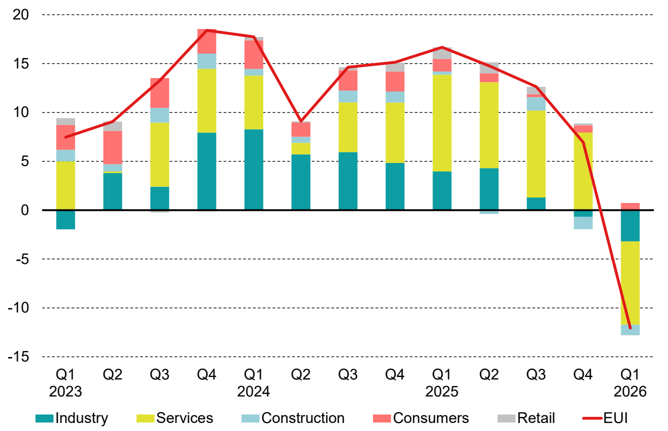
When considering each sector's weight in each component of the EUI, the decrease is mainly attributed to the services sector.

Chart 2.6
EEI
(seasonally adjusted; demeaned)



Sources: European Commission; Central Bank of Malta workings.

Chart 2.7
EUI[(1)]
(not seasonally adjusted)



Sources: European Commission; Central Bank of Malta.

The labour market[18]

Labour force and activity rate rose

Labour Force Survey (LFS) data show that in the first quarter of 2026, the labour force grew by 11,402 persons, or 3.4% on an annual basis, following a 3.3% increase in the previous quarter (see Table 2.4).[19]

[16] Data on consumer uncertainty became available in October 2020, while data for industry, services, retail, and construction became available in May 2021.

[17] 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 series are not seasonally adjusted. The five-balance series are summarised in one composite indicator using the same weights used to construct the ESI. The questions asked correspond to Q51 of the industry survey, Q31 of the services survey, Q41 of the retail trade and construction surveys and Q21 of the consumer survey.

[18] This section draws mainly on labour market statistics from two sources: the LFS, which is a household survey conducted by the NSO based on definitions set by the International Labour Organization (ILO) and Eurostat; and administrative records compiled by Jobsplus according to definitions established by domestic legislation on employment and social security benefits.

[19] The LFS defines the labour force as all persons aged 15 and over who are active in the labour market. This includes those in employment, whether full-time or part-time, and the unemployed, defined as those persons without work but who were actively seeking a job during the previous four weeks and available for work within two weeks of the reference period.

Table 2.4
LABOUR MARKET INDICATORS BASED ON THE LFS
Persons; annual percentage changes

	2025 Q1	2026 Q1	Annual change %
Labour force	**334,373**	**345,775**	**3.4**
Employed	323,048	333,682	3.3
By type of employment:			
Full-time	285,861	294,973	3.2
Part-time	37,187	38,709	4.1
Unemployed	11,325	12,093	6.8
Activity rate (%)	**81.6**	**82.6**	
Male	87.3	87.7	
Female	74.6	76.2	
Employment rate (%)	**78.8**	**79.6**	
Male	84.4	84.5	
Female	71.9	73.7	
Unemployment rate (%)	**3.4**	**3.5**	
Actual hours worked (per week)	**35.3**	**35.0**	

Source: NSO.

The activity rate stood at 82.6% in the quarter under review, higher than the 81.6% recorded a year earlier.[20] This reflects a higher activity rate for both males and females. Overall, both rates exceeded the corresponding rates for the euro area, with the rate for males exhibiting a larger difference.

Employment increases at a faster pace

Employment rose by 3.3% in annual terms, following a rise of 2.9% in the previous quarter. The increase in absolute terms was driven by a 3.2% rise in full-time employment. The strongest increases in full-time employment occurred within the sectors comprising arts and entertainment and the accommodation and food service activities. The number of persons in part-time jobs – which also includes those employed full-time on reduced hours – increased by 4.1% in annual terms.

In the first quarter of 2026, the overall employment rate increased to 79.6%, 0.9 percentage points higher than the rate prevailing during the same period of 2025.[21] This reflects a higher employment rate for both females and males, which respectively stood at 73.7% and 84.5%.

During the quarter under review, average actual weekly hours worked derived from the LFS decreased slightly to 35.0, from 35.3 a year earlier (see Table 2.4).[22]

[20] The activity rate measures the number of persons in the labour force aged between 15 and 64 as a proportion of the working age population, which is defined as all those aged 15 to 64 years.

[21] The employment rate measures the number of persons aged between 15 and 64 employed on a full-time or part-time basis as a proportion of the working-age population.

[22] Actual hours refer to the number of hours actually spent at the place of work during the reference week for LFS. A person may work extra hours (e.g. overtime, variable hours) or work less hours than usual (e.g. vacation leave, education, sick leave or slack work) due to various reasons. Owing to increased flexibility at workplaces coupled with technology, the place of work may also include one's home. In this regard, actual hours worked also include the hours of work carried out by persons who telework.

The unemployment rate increased

The unemployment rate based on the LFS increased from a year earlier (see Table 2.4).[23] However, labour market conditions remained more favourable than those in the euro area, where the unemployment rate on average stood at 6.5%.

Chart 2.8
REGISTERED UNEMPLOYED
(number of persons)

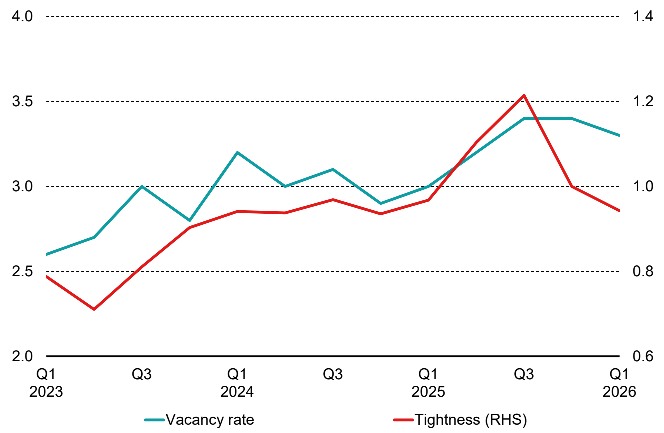
Source: NSO.

Jobsplus data show that the number of persons on the unemployment register increased both on a quarterly basis and in annual terms. During the first quarter of 2026, the average number of persons on the unemployment register stood at 1,297, compared with 1,194 in the fourth quarter of 2025 and with 1,083 a year earlier (see Chart 2.8). Unemployment among services and sales workers and clerical support workers, rose the most when compared to the fourth quarter of 2025.

Labour market tightness remained elevated though slightly moderating

In absolute terms the number of vacancies increased from 8,841 in the first quarter of 2025 to 10,022 in the quarter under review, that is, a 13.4% increase. The sector comprising wholesale and retail trade, transport, accommodation and food service activities accounted for nearly 60% of this increase and the sector comprising professional, scientific, technical, administration and support service activities accounted for most of the remainder. Overall, when compared with the average level since 2017, the number of vacancies remained elevated.[24]

Chart 2.9
VACANCY RATE AND LABOUR MARKET TIGHTNESS INDICATOR
(per cent)



Sources: Eurostat; NSO; Central Bank of Malta.

NSO's job vacancy rate for industry, construction and services also increased standing at 3.3% from 3.0% a year earlier (see Chart 2.9).[25] The highest vacancy rates were recorded in the construction sector (5.3%),

[23] According to the LFS, the unemployed comprise persons aged between 15 and 74 years who are without work, available for work and who have actively sought work during the four weeks preceding the Survey. In contrast, the number of unemployed on the basis of the Jobsplus definition includes only those persons registering for work under Part 1 and Part 2 of the unemployment register. Unemployment data in this section is not seasonally-adjusted and hence may differ slightly from figures shown in the chapter on external developments and the euro area.

[24] Data for Malta are available since 2017.

[25] The job vacancy rate measures the number of job vacancies as a percentage of total jobs (occupied and vacant).

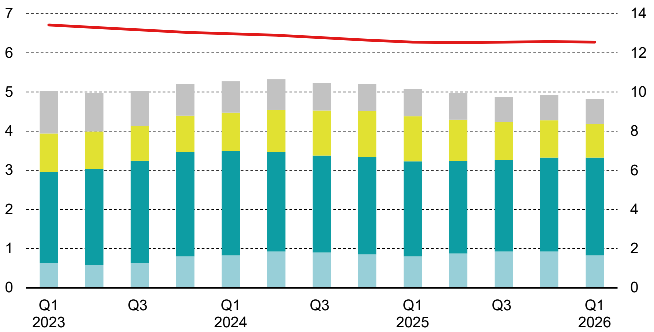
and the professional, scientific, technical, administration and support service activities sector (4.8%).

The ratio of the job vacancy rate to the unemployment rate is an indicator of the imbalance between labour demand and supply and, therefore, of labour tightness. During the quarter under review, this ratio stood at 0.9, slightly lower than the 1.0 recorded in the previous quarter and a year earlier. This contrasts with developments in the euro area, where the tightness indicator stood at 0.4.

On a four-quarter moving average basis, labour market slack was equivalent to 4.8% of the extended labour force in the first quarter of the year (see Chart 2.10).[26] This rate stands well below its average of 7.7% estimated since 2010. It is also significantly lower than the rate of 12.6% recorded for the euro area over the four quarters to March 2026.

The Bank estimates that during the four-quarters ending in March, around 65% of the labour market slack in Malta stemmed from unemployment (primarily from short-term unemployment). The remaining part of slack was skewed towards underemployed part-time workers, i.e., those working part-time but willing and able to work additional hours, and the 'other' component, which accounted for a slightly smaller share (see Chart 2.10).

Chart 2.10
LABOUR MARKET SLACK
(percentage of extended labour force; four-quarter moving average)



Sources: ECB-SDW; Eurostat; Central Bank of Malta's estimates.
(1) Persons seeking work, but not immediately available and Persons available to take up work but not seeking.

[26] The term "labour market slack" reflects the stock of unemployed and underutilised labour. In addition to the unemployed, the term also includes persons available to take up work but not seeking it, persons seeking work but not immediately available, and underemployed part-time workers. For further details on the methodology underlying the measure of labour market slack, see Ellul, R. (2019). "Labour Market Slack," *Quarterly Review* 2019:1, pp. 37-41, Central Bank of Malta. Given that this methodology partly relies on internal estimation, the slack indicator reported in this *Review* may differ slightly from that published by Eurostat.