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EUROSISTEMA
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ECONOMIC UPDATE

MARCH 2016

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ECONOMIC UPDATE MARCH 2016

Summary¹

Economic activity in Malta continued to expand robustly in the fourth quarter of 2015, with real gross domestic product (GDP) increasing by 5.7% on a year earlier. Growth was driven by domestic demand. Tourism indicators point to further expansion in January 2016. Buoyant economic activity is being reflected in the labour market, with employment expanding and the unemployment rate remaining at historically low levels. Price pressures were moderate. The annual rate of inflation, based on the Harmonised Index of Consumer Prices (HICP), edged up to 1.0% in February. Maltese residents' deposits continued to expand at a rapid annual rate in January, while the annual rate of growth of credit to residents edged up to 5.9%. As regards fiscal developments, the general government deficit narrowed substantially in the third quarter of 2015, while the deficit on the Consolidated Fund also decreased during the first eleven months of the year. In January, the Consolidated Fund deficit widened on the same month a year earlier, mainly due to the timing of grant receipts. On the external side, the surplus on the current account of the balance of payments increased in the fourth quarter of 2015.

Output, demand and the labour market

Economic activity in Malta continued to grow strongly during the fourth quarter of 2015, with real GDP rising at an annual rate of 5.7%, following an upwardly revised growth rate of 6.5% in the previous quarter (see Table 1).

Over 2015 as a whole, the Maltese economy expanded by 6.3% in real terms, following 3.7% growth in 2014. This acceleration largely reflected faster growth in private consumption and investment, which rose by 4.9% and 21.4%, respectively. In contrast, net exports had a negative impact on GDP growth during the year as whole, as imports outpaced exports.

During the quarter under review, growth was driven mainly by domestic demand, which rose by 4.3% on a year earlier and which contributed 4.0 percentage points to the increase in GDP. In turn, the main drivers were a rise in private consumption and in government consumption, which

Table 1
GROSS DOMESTIC PRODUCT⁽¹⁾

Annual percentage changes

	2014		2015		
	Q4	Q1	Q2	Q3	Q4
Private final consumption expenditure	3.1	4.9	3.6	6.0	5.2
Government final consumption expenditure	9.4	3.9	5.3	-2.9	12.3
Gross fixed capital formation	11.7	4.2	33.5	44.7	9.2
Domestic demand	9.1	4.4	8.9	13.0	4.3
Exports of goods and services	1.7	-0.6	3.3	4.1	2.6
Imports of goods and services	3.8	-1.6	4.5	7.7	1.4
Gross domestic product	5.7	6.2	6.9	6.5	5.7

⁽¹⁾ Chain-linked volumes, reference year 2010.

Source: National Statistics Office.

¹ The cut-off date for information in this note is 18 March 2016.

both rose strongly when compared with the last quarter of 2014. In contrast, changes in inventories had a negative impact on growth.²

Private consumption expanded at an annual rate of 5.2% in the fourth quarter, reflecting continued growth in compensation of employees. It added 2.8 percentage points to GDP growth.

Government consumption increased at an annual rate of 12.3% in the final quarter of 2015, following a year-on-year drop in the third quarter.

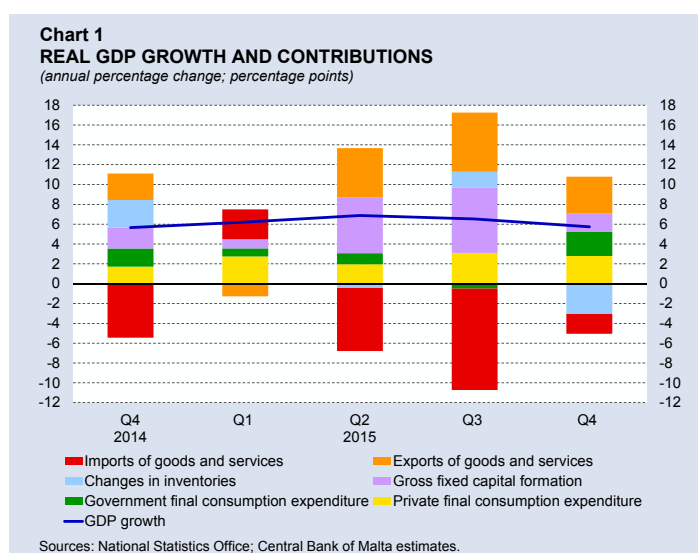
Gross fixed capital formation rose less steeply compared with the previous quarter, but maintained a high growth rate. In the fourth quarter it increased by 9.2% on a year earlier. This mostly reflected higher spending on machinery and transport equipment and dwelling investment. 'Other' investment, which includes investment in software, also contributed to the increase. In contrast, non-residential investment declined. Overall, investment contributed 1.8 percentage points to real GDP growth (see Chart 1).

Net exports of goods and services also had a positive effect on GDP growth during the last quarter of the year. Exports rose by 2.6% year-on-year, mainly as a result of an increase in foreign sales of goods. Meanwhile, imports rose by 1.4%, supported by goods imports in particular. With exports growing faster than imports, net exports rose, adding 1.7 percentage points to GDP growth.

Nominal GDP expanded at an annual rate of 8.6% in the fourth quarter of 2015, slower than the 9.2% recorded in the third quarter, largely reflecting developments in the annual rate of growth of gross value added (GVA). The latter eased to 7.7%, from 10.2% in the previous quarter. Services remained the main contributor to growth in GVA, with growth across all sub-sectors. In particular, the strongest contributions came from the sector comprising wholesale and retail trade and the sector incorporating professional and scientific activities. The energy and water sector, as well as construction, also contributed positively to GVA growth. In contrast, GVA in manufacturing decreased slightly.

The available information for the first quarter of 2016 indicates continued growth in tourism and weaker activity in manufacturing.

As regards manufacturing, the index of industrial production fell by 8.1% in year-on-year terms during January 2016,



² The contribution to GDP growth of changes in inventories, which includes both the statistical discrepancy and acquisitions and disposals of valuables, is based on the Bank's calculations.

following a 5.4% increase in December.³ As a result, the three-month moving average growth rate fell to -0.7%, from 4.4% a month earlier. Annual growth in industrial production during the last three months mainly reflected a strong increase in output in the rubber and plastics sectors. A smaller increase was also recorded in the electricity, gas, steam and air conditioning supply sector. In contrast, output fell among firms involved in the production of printing and recorded media, pharmaceuticals, food as well as computer, electronic and optical products.

Turning to tourism, the buoyancy in the industry continued in January as arrivals rose by 14.2% on a year earlier, while nights stayed and expenditure also increased. Although package expenditure declined on a year earlier, this was offset by increases in non-package spending and “other” spending. As a result, expenditure by tourists in Malta rose by 7.0% compared with January 2015.

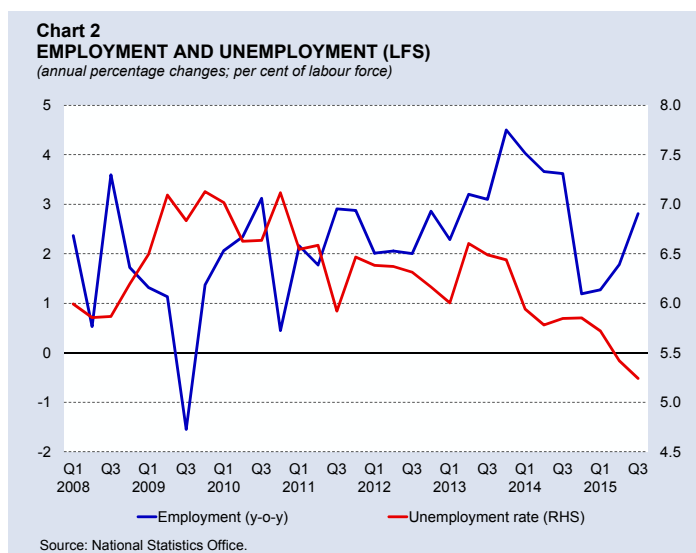
Meanwhile, during the last quarter of 2015, cruise liner calls declined to 88 from 100. Nonetheless, foreign passengers increased to 175,355, up by 15.2% on a year earlier. Partly reflecting these developments, over 2015 as a whole, the number of foreign cruise passengers went up by 27.1% to 591,682.

As regards the labour market, according to the Labour Force Survey (LFS), employment expanded by 2.8% during the third quarter of 2015 compared with the same period a year earlier. This followed a 1.8% increase in the previous quarter (see Chart 2). Similar to the second quarter, employment growth in the third quarter solely reflected developments in full-time employment, as the number of part-time employees and those working on reduced hours fell.

On the basis of records maintained by the Employment and Training Corporation (ETC), employment increased even more strongly. In September 2015 the gainfully occupied population rose by 4.2% on a year earlier, following 4.5% growth in August.⁴

According to the LFS, the unemployment rate stood at 5.2% in the third quarter of 2015, down from 5.8% a year earlier.⁵

The available information suggests that labour market conditions improved further in the last quarter of 2015 and at the start of 2016. Indeed, Eurostat’s estimate of the seasonally-adjusted unemployment rate was 5.1% in the fourth quarter, and remained stable at that rate in January 2016.



³ Based on the industrial production index adjusted for working days.

⁴ The LFS is a household survey conducted by the NSO on the basis of definitions set by the International Labour Organization and Eurostat. ETC data are based on administrative records according to definitions established by domestic legislation on employment and social security benefits.

⁵ This unemployment rate is based on the number of unemployed aged 15 and over, which is consistent with NSO data on employment and the labour force. It may differ slightly from that published by the NSO, which is based on the number of unemployed in the 15-74 age bracket.

ETC data also show a fall in the number of registered unemployed. In January 2016 the number of people on the unemployment register decreased by 1,674 compared with the corresponding month of 2015, to 4,710.

Prices, costs and competitiveness

In February, the annual rate of HICP inflation edged up to 1.0%, from 0.8% a month earlier. At 1.2%, the twelve-month moving average rate was unchanged when compared with January (see Chart 3).

The increase in the annual rate of inflation in February reflected faster growth in the prices of services, non-energy industrial goods (NEIG) and processed food. Moreover, energy inflation was less negative compared with January. In contrast, the annual rate of inflation of unprocessed food turned negative.

The annual rate of change of services prices rose from 1.1% in January to 1.3% in February, partly reflecting faster growth in the prices charged by restaurants. At the same time, the annual rate of change of transport and communication services was less negative compared with January.

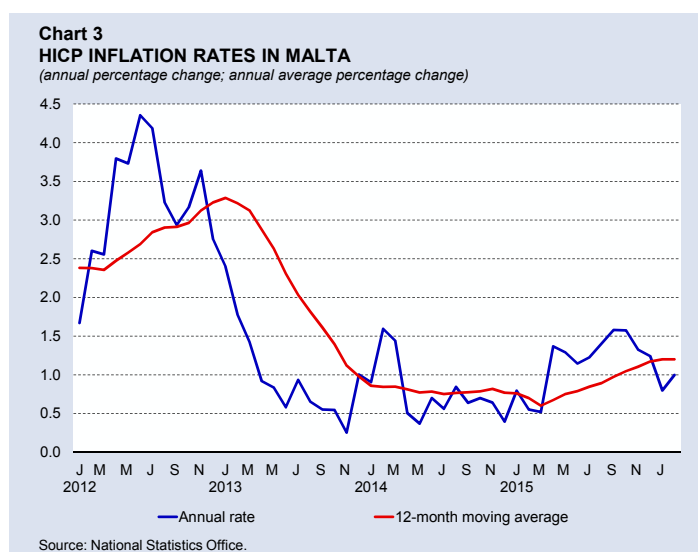
NEIG inflation rose to 1.5% from 1.3%, mainly reflecting faster rates of growth in prices of furniture and furnishings and household appliances.

Processed food inflation picked up to 2.5% in February, from 2.3% in January, mainly reflecting faster growth in the prices of non-alcoholic beverages as well as bread and cereals.

Meanwhile, energy inflation stood at -4.0% in February, compared with -5.7% in the previous month. This reflects a base effect stemming from movements in prices of fuel for personal transport a year earlier.

In contrast, during the month under review, the annual rate of change of unprocessed food inflation turned negative at -0.4%, after standing at 0.9% in January. Vegetable prices declined more strongly in annual terms, while prices of meat and fish increased at a slower pace.

As regards cost indicators, Central Bank of Malta estimates show that following a 2.2% increase in 2014, Malta's unit labour cost (ULC) index declined by 1.2% in 2015.⁶



⁶ Unit labour costs measure the average labour cost of a unit of output and are based on the ratio of compensation per employee to productivity.

This was the first annual drop in ULCs since 2005, and was the result of strong productivity growth that exceeded the concurrent rise in compensation per employee. Productivity rose by 2.7% in 2015, as GDP outpaced employment. This was a marked improvement from the negative 1.3% seen in 2014. At the same time, compensation per employee picked up, rising by 1.5% in 2015 from 0.9% in the previous year.

Residential property prices continued to rise during the last two quarters of 2015. Eurostat's House Price Index for Malta – which is based on transactions covering terraced houses, apartments and maisonettes – indicates that residential property prices increased by 6.7% in the third quarter compared with the same quarter of 2014. The Central Bank of Malta's advertised property price index also shows growth in house prices extending into the following quarter. It rose at an annual rate of 10.0% in the last quarter of 2015, following a 5.0% increase in the third quarter. Prices of apartments – the major component – continued to grow strongly, though at a moderating pace. However, the remaining property categories recorded significantly higher inflation than in the previous quarter. Although they indicate trends, advertised property prices may not accurately reflect the prices at which sales actually take place.

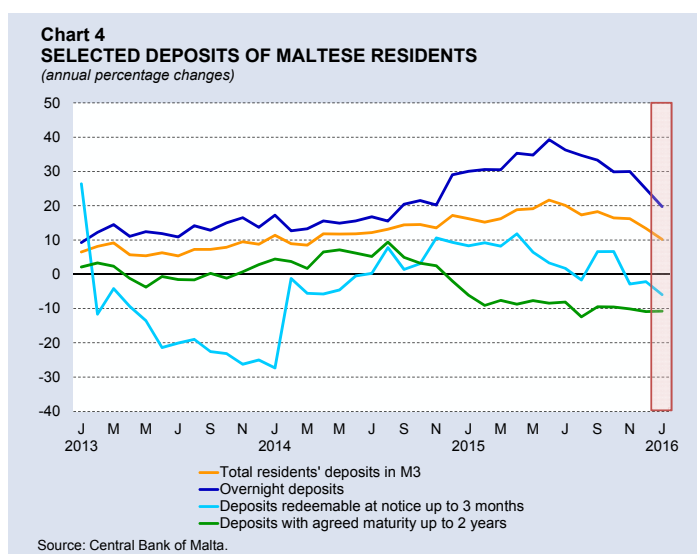
Deposits, credit and financial markets

The annual growth rate of residents' deposits forming part of broad money (M3) slowed down further in January 2016, falling to 10.2% from 13.4% in December. Nonetheless, growth remains robust from a historical perspective.

The year-on-year increase in M3 deposits in January continued to be supported by overnight deposits, which rose by 19.7% on a year earlier, following a 24.9% increase in December (see Chart 4). Growth in this category has slowed down from its peak of 39.3% in June 2015. Nonetheless, demand for overnight facilities remains high, reflecting the low opportunity cost of holding liquid assets in an environment of low interest rates. In January, households remained the main contributors to the year-on-year increase in overnight deposits.

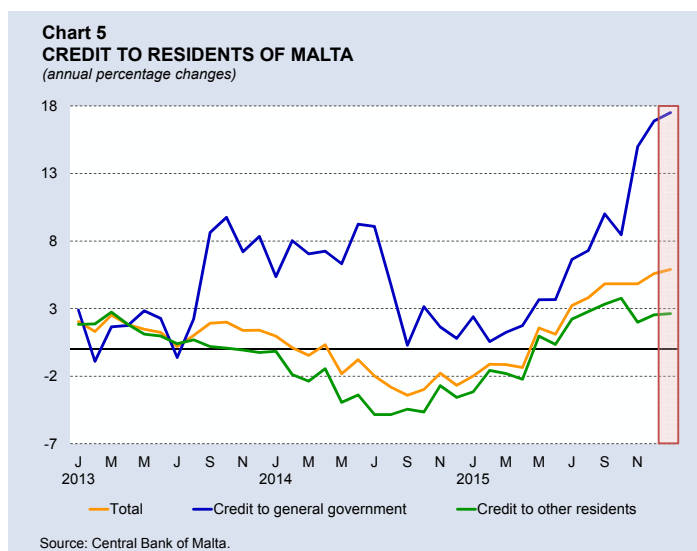
In contrast, the other major component of M3 deposits, those with an agreed maturity of up to two years, continued to decline, with the annual rate of change at -10.7% in January, marginally less negative than the -10.9% recorded in December. Deposits redeemable at notice up to 3 months, the smallest component of M3 deposits, also continued to contract in annual terms.

On the assets side of banks' balance sheets, annual growth in credit to Maltese residents rose



to 5.9% in January, from 5.6% in December (see Chart 5). This acceleration reflected continued robust growth in credit to government although credit to other residents also picked up slightly.

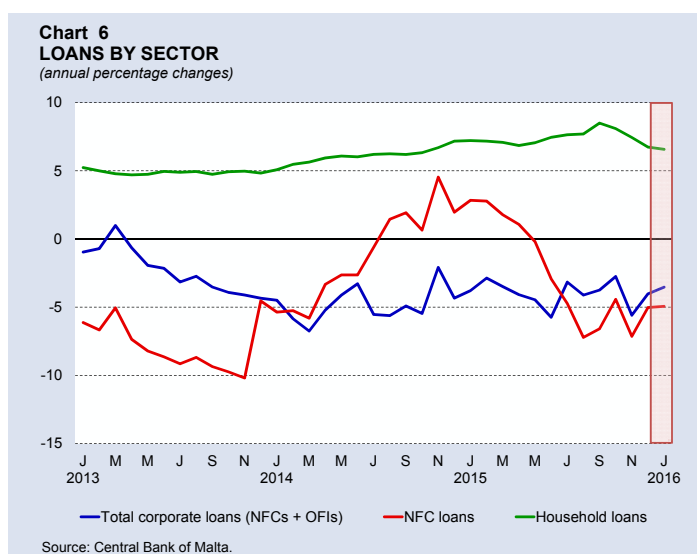
The annual rate of growth of credit to general government reached 17.5% in January, from 16.9% a month earlier. This was driven by an increase in banks' holdings of government securities. In turn, this partly reflected Central Bank of Malta purchases of government debt under the Eurosystem's Public Sector Purchase Programme as well as the take-up of primary market issues of Malta Government Stocks by the banks in recent months.



Credit to all other residents – which comprise non-financial corporations (NFCs), households and non-bank financial institutions (OFIs) – grew by 2.6% year-on-year in January, up from 2.5% in December. The year-on-year increase was mainly driven by greater bank holdings of equities and increases in loans. Loans, the bigger component, grew at an annual rate of 1.3%, up from 1.2% in the previous month.

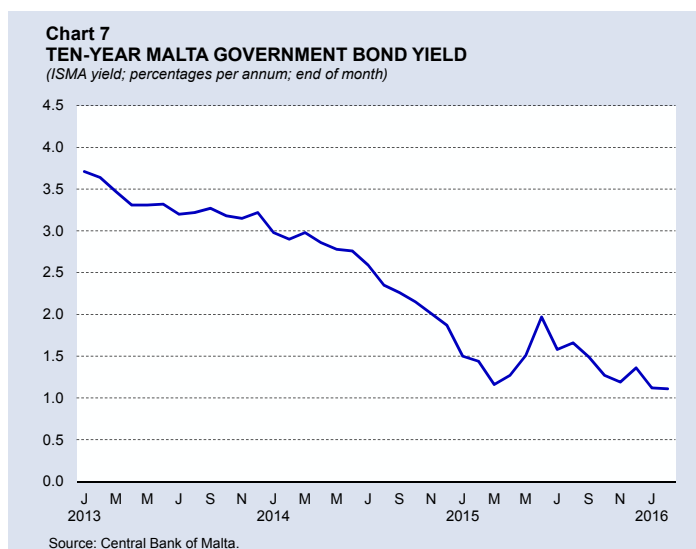
In more detail, NFC loans, which comprise lending to both public and private NFCs, contracted by 4.9% on an annual basis in January, following a similar drop of 5.0% in December. A decline in loans to public NFCs offset a moderate expansion in lending to private firms, partly reflecting developments in the energy sector. Meanwhile, annual growth in loans to households remained robust, standing at 6.6% in January, only marginally lower than 6.7% a month earlier (see Chart 6). As in recent months, year-on-year growth in loans for house purchase remained strong, though it edged down marginally. It offset drops in consumer credit and other lending to households. Meanwhile, loans to OFIs, the other component of loans, expanded at a faster pace than in the previous month.

Bank deposit rates extended their downward trend in January, with the composite interest rate paid by monetary financial institutions (MFIs) on all euro-denominated deposits belonging



to resident households and NFCs dropping by 1 basis point to 0.68%. The comparable rate charged on outstanding loans remained unchanged from December, at 3.81%. As a result, the composite deposit rate was 31 basis points below its level in January 2015, while the corresponding lending rate went down by 18 basis points.

In the secondary bond market, the yield on ten-year government bonds remained roughly unchanged in February when compared to a month earlier, standing at 1.11% (see Chart 7). On the other hand, the comparable benchmark yields in the euro-area dropped by 23 basis points to 0.11%. Meanwhile, equity prices continued to rise in February, with the MSE index gaining 1.8%.



In February, the Government issued two Malta Government Stocks (MGS) for a total amount of €199.7 million: €3.0 million were allotted to the 1.50% MGS 2022 (IV) and €196.7 million to the 2.50% MGS 2036 (I), at issue prices of €105.0 and €101.5, respectively. With regard to private issues, Bank of Valletta plc announced the issuance of the second tranche of its Subordinated Debt Issuance Programme. This tranche consists of €50 million in notes issued at par, offering a coupon rate of 3.50% and maturing in 2030. Also in February, Corinthia Finance announced the issue of €40.0 million in bonds maturing in 2026, which will be used to redeem its 6.25% Unsecured Bonds 2016-2019.

Public finance⁷

In the third quarter of 2015, the general government deficit narrowed by €35.0 million compared with the same period a year earlier, to €6.5 million (see Table 2). As a result, the deficit-to-GDP ratio, computed on the basis of four-quarter moving sums, declined to 1.7% from 2.2% in the previous quarter.⁸

During the third quarter of 2015, general government revenue grew by 11.2%, boosted by tax revenue as well as inflows under the International Investor Programme. Income tax receipts increased strongly, growing by 17.6%, while social security contributions rose to a lesser extent. Meanwhile, intakes from taxes on production and imports grew by 2.9%. On the other hand, receipts from capital and current transfers contracted by 20.1% mainly because of a drop in current transfers.

General government expenditure rose by 6.4% on a year earlier, mainly reflecting higher current spending. In turn, this was mainly driven by increased outlays on compensation of employees and

⁷ The general government accounts, which are compiled in line with the ESA 2010 methodology, cover central government, including extra-budgetary units, as well as local councils, on an accrual basis. The Consolidated Fund captures most of the transactions of general government on a cash basis.

⁸ Deficit and debt ratios are based on deficit and debt levels published in NSO *News Release* 004/2016 and GDP data published in NSO *News Release* 041/2016.

Table 2
GENERAL GOVERNMENT BALANCE

EUR millions

	2014	2015	Change	
	Q3	Q3	Amount	%
Revenue	790.9	879.3	88.5	11.2
Taxes on production and imports	295.2	303.9	8.7	2.9
Current taxes on income and wealth	242.1	284.8	42.7	17.6
Social contributions	132.3	144.1	11.8	9.0
Capital and current transfers receivable	64.5	51.6	-13.0	-20.1
Other ⁽¹⁾	56.8	95.0	38.2	67.1
Expenditure	832.4	885.8	53.5	6.4
Compensation of employees	265.6	282.4	16.7	6.3
Intermediate consumption	119.5	125.7	6.2	5.1
Social benefits	236.7	256.5	19.8	8.3
Subsidies	24.2	29.4	5.2	21.5
Interest	58.0	56.9	-1.2	-2.0
Other current transfers payable	49.1	32.9	-16.3	-33.1
Gross fixed capital formation	68.2	87.6	19.5	28.5
Capital transfers payable	13.9	15.6	1.7	12.3
Other ⁽²⁾	-3.0	-1.1	1.9	-
Primary balance	16.5	50.3	33.8	-
General government balance	-41.5	-6.5	35.0	-

(1) "Other" revenue includes market output as well as income derived from property and investments.

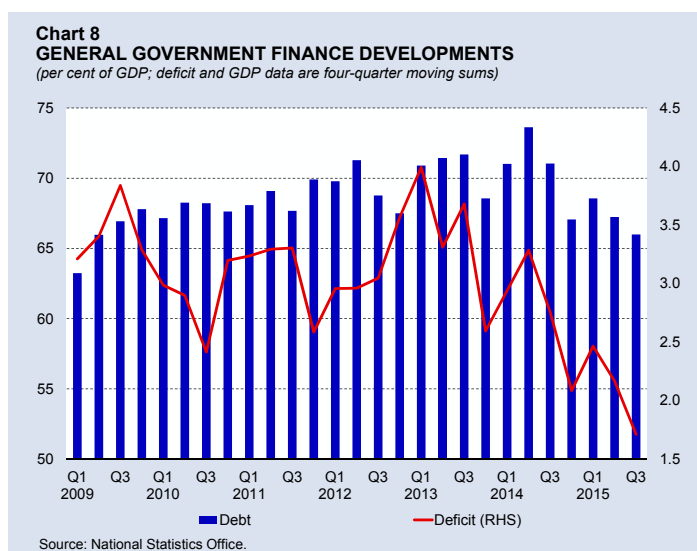
(2) "Other" expenditure principally reflects changes in the value of inventories and in the net acquisition of valuables and other assets.

Source: NSO.

social benefits, which rose by 6.3% and 8.3%, respectively. Growth in the former mainly reflected increased outlays on public administration, health and education. Spending on intermediate consumption and on subsidies also rose. Conversely, current transfers payable contracted. Capital expenditure was significantly higher during the quarter under review, propelled by higher spending on gross fixed capital formation.

In the third quarter of 2015, the general government debt-to-GDP ratio stood at 66.0%, down from 67.2% in the previous quarter (see Chart 8).

Consolidated Fund data also show an improvement in the



fiscal balance. In the first eleven months of 2015, the Consolidated Fund deficit narrowed by €27.9 million when compared with the same period of 2014, to €160.9 million. Revenue grew by 8.5%, mainly on the back of higher intakes from taxes.⁹ Total expenditure went up by 7.0%, driven largely by higher recurrent spending.

The latest Consolidated Fund data show a deficit of €48.8 million for January 2016, as against a surplus of €12.1 million a year earlier.¹⁰ The swing stemmed from a drop in grants received, which were exceptionally high in 2015. The latter outweighed an increase in tax revenue, leading to a 24.2% drop in revenue. At the same time, expenditure fell by 2.3% on the back of lower capital spending, as recurrent expenditure rose marginally.

Balance of payments

During the fourth quarter of 2015, the surplus on the current account of the balance of payments widened to €205.9 million, from €2.1 million in the corresponding quarter of 2014 (see Table 3).¹¹ This increase was driven by a positive swing of €132.3 million on the primary income component. At the same time, net services receipts increased by €82.5 million, driven mainly by a shift to a positive balance on transport, while net inflows on the secondary income account went up by €22.7 million. These developments were partly offset by a widening of €33.6 million in the merchandise trade deficit as imports increased more than exports.¹² The capital account posted net inflows of €7.9 million, slightly down from €9.9 million in the fourth quarter of 2014.

The financial account showed net lending of €86.4 million, in contrast to net borrowing of €24.1 million during the same period of 2014.

Table 3
EXTERNAL TRANSACTIONS

EUR millions

	2014 Q4	2015 Q4	2014 Q1-Q4	2015 Q1-Q4
Current account	2.1	205.9	274.7	866.6
Goods and services	82.7	131.6	635.3	607.5
Goods	-293.8	-327.4	-1,118.0	-1,484.6
Services	376.5	459.0	1,753.3	2,092.2
Primary income	-124.6	7.7	-556.6	34.6
Secondary income	44.0	66.7	195.9	224.4
Capital account	9.9	7.9	140.0	156.5
Financial account⁽¹⁾	-24.1	86.4	454.3	912.1
Net errors and omissions	-36.1	-127.4	39.7	-110.9

⁽¹⁾ Net lending (+) / net borrowing (-).

Source: National Statistics Office.

⁹ Government contributions to the social security account in terms of the Social Security Act 1987 are excluded from both revenue and expenditure.

¹⁰ Consolidated Fund data for December 2015 and, hence, the year as a whole are due to be published at the end of March 2016.

¹¹ As from September 2014, the NSO started publishing the balance of payments statement according to the guidelines provided in the Sixth Edition of the IMF's BOP and IIP manual (BPM6). The most notable difference resulting from the implementation of the latest manual relates to the inclusion of Special Purpose Entities as residents of Malta.

¹² The primary income account shows income flows related mainly to cross-border investment and compensation of employees. The secondary income account shows current transfers between residents and non-residents.

During 2015 as a whole, the current account surplus widened by €591.9 million to €866.6 million. A sharp swing on the primary income account, together with an increased surplus on trade in services and higher net inflows on the secondary income account, outweighed an increase in the deficit on the goods account. At the same time, inflows on the capital account rose by €16.5 million, whereas net lending was €457.8 million higher than it was a year earlier.

Customs data show that the visible trade gap narrowed in the last quarter of 2015, as exports contracted at a substantially slower pace than imports.¹³ As a result, during 2015 as a whole the merchandise trade deficit narrowed by €132.2 million when compared with 2014, to €2,529.9 million. Customs data for January 2016 show that the merchandise trade gap continued to narrow. Although both imports and exports declined, the former fell at a faster pace, largely mirroring reductions in the value of fuel transactions.

¹³ Goods exports and imports in the balance of payments differ from merchandise trade data from Customs sources due to adjustments for differences in coverage, valuation and timing. For example, Customs data cover all goods which cross Maltese borders, whereas balance of payments data only include transactions involving changes in ownership. These differences are especially pronounced in the case of trade in fuel, aircraft and ships.

Annex 1

MACROECONOMIC INDICATORS FOR MALTA																						
<i>(annual percentage changes; non-seasonally adjusted data)</i>																						
	2013	2014	2015	2014	2014	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015						
				Q3	Q4	Q1	Q2	Q3	Q4	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	
Prices and costs																						
HICP	1.0	0.8	1.2	0.7	0.6	0.6	1.3	1.4	1.4	0.5	1.4	1.3	1.1	1.2	1.4	1.6	1.6	1.3	1.2	0.8	1.0	
Unit labour costs, whole economy ⁽¹⁾	1.0	2.2	-1.2	2.1	2.2	1.8	0.5	-0.6	-1.2	-	-	-	-	-	-	-	-	-	-	-	-	-
Compensation per employee ⁽¹⁾	1.4	0.9	1.5	0.5	0.9	1.4	1.8	2.1	1.5	-	-	-	-	-	-	-	-	-	-	-	-	-
Labour productivity (per person) ⁽¹⁾	0.3	-1.3	2.7	-1.6	-1.3	-0.5	1.1	2.7	2.7	-	-	-	-	-	-	-	-	-	-	-	-	-
Residential property prices	2.1	7.0	6.3	7.6	4.7	5.3	4.8	5.0	10.0	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic activity																						
Nominal GDP	6.0	5.7	8.8	5.0	8.1	8.1	9.3	9.2	8.6	-	-	-	-	-	-	-	-	-	-	-	-	-
Real GDP	4.1	3.7	6.3	3.0	5.7	6.2	6.9	6.5	5.7	-	-	-	-	-	-	-	-	-	-	-	-	-
Real private consumption	2.3	2.4	4.9	2.2	3.1	4.9	3.6	6.0	5.2	-	-	-	-	-	-	-	-	-	-	-	-	-
Real government consumption	0.2	7.2	4.8	5.2	9.4	3.9	5.3	-2.9	12.3	-	-	-	-	-	-	-	-	-	-	-	-	-
Real gross fixed capital formation	-1.7	7.3	21.4	3.0	11.7	4.2	33.5	44.7	9.2	-	-	-	-	-	-	-	-	-	-	-	-	-
Real exports of goods and services	0.4	0.1	2.4	-2.5	1.7	-0.6	3.3	4.1	2.6	-	-	-	-	-	-	-	-	-	-	-	-	-
Real imports of goods and services	-0.8	-0.2	3.0	-4.3	3.8	-1.6	4.5	7.7	1.4	-	-	-	-	-	-	-	-	-	-	-	-	-
Tourist arrivals	9.6	6.8	6.0	7.2	2.5	7.7	4.2	4.5	10.1	4.1	2.5	6.4	3.6	4.7	4.8	3.8	10.5	9.8	9.6	14.2	-	-
Labour market developments (LFS)																						
Unemployment rate (% of labour force)	6.4	5.9	-	5.8	5.9	5.7	5.4	5.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total employment	3.3	3.1	-	3.6	1.2	1.3	1.8	2.8	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance of payments																						
Current account (as a % of GDP) ⁽²⁾	3.6	3.4	9.9	3.1	3.4	5.2	6.2	7.7	9.9	-	-	-	-	-	-	-	-	-	-	-	-	-
Credit and financial indicators																						
Maltese residents' deposits and loans																						
Overnight deposits	13.7	29.0	24.9	20.4	29.0	30.5	39.3	33.3	24.9	30.5	35.3	34.8	39.3	36.3	34.7	33.3	29.9	30.0	24.9	19.7	-	-
Deposits with agreed maturity up to 2 years	2.8	-2.0	-10.9	4.9	-2.0	-7.6	-8.4	-9.5	-10.9	-7.6	-8.7	-7.7	-8.4	-8.1	-12.4	-9.5	-9.5	-10.1	-10.9	-10.7	-	-
Total residents' deposits in M3	8.8	17.2	13.4	14.4	17.2	16.2	21.6	18.3	13.4	16.2	18.8	19.1	21.6	20.1	17.3	18.3	16.4	16.2	13.4	10.2	-	-
Credit to general government	8.3	0.8	15.2	0.3	0.8	1.2	3.7	10.0	15.2	1.2	1.7	3.7	3.7	6.6	7.3	10.0	8.5	15.0	16.9	17.5	-	-
Credit to other residents	-0.2	-3.6	2.5	-4.4	-3.6	-1.8	0.4	3.3	2.5	-1.8	-2.2	1.0	0.4	2.2	2.8	3.3	3.8	2.0	2.5	2.6	-	-
Total credit	1.4	-2.7	5.2	-3.4	-2.7	-1.1	1.1	4.8	5.2	-1.1	-1.4	1.6	1.1	3.2	3.8	4.8	4.8	4.8	5.6	5.9	-	-
10-year interest rate (%) ⁽³⁾	3.2	1.9	1.4	2.3	1.9	1.2	2.0	1.5	1.4	1.2	1.3	1.5	2.0	1.6	1.7	1.5	1.3	1.2	1.4	1.1	1.1	-
Stock prices: Malta Stock Exchange Index ⁽⁴⁾	14.8	-9.6	33.0	1.1	-0.1	13.4	8.3	5.9	2.2	9.5	-0.2	2.9	5.5	2.9	0.0	3.0	0.1	3.1	-0.9	0.9	1.8	-
General government finances (% of GDP)																						
Surplus (+) / deficit (-) ⁽²⁾	-2.6	-2.1	-	-2.8	-2.1	-2.5	-2.2	-1.7	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross debt ⁽⁵⁾	68.6	67.1	-	71.0	67.1	68.6	67.2	66.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-

⁽¹⁾ Four-quarter moving averages.

⁽²⁾ Four-quarter moving sums.

⁽³⁾ End of period.

⁽⁴⁾ Period-on-period percentage changes.

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

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