

BANK ĊENTRALI TA' MALTA  
EUROSISTEMA  
CENTRAL BANK OF MALTA

# ECONOMIC UPDATE

## JUNE 2016

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## ECONOMIC UPDATE JUNE 2016

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

Economic activity in Malta continued to expand robustly in the first quarter of 2016, with real gross domestic product (GDP) increasing by 5.2% on a year earlier. Growth was driven by domestic demand. Buoyant economic activity is being reflected in the labour market, with employment expanding and the unemployment rate falling further to new historically low levels. More recent data point to continued growth in tourism during the first four months of 2016, offset partly by a decline in manufacturing output. Price pressures were moderate, though the annual rate of inflation based on the Harmonised Index of Consumer Prices (HICP) edged up to 1.0% in May. Maltese residents' deposits continued to expand at a rapid annual rate in April, while the annual rate of growth of credit to residents picked up slightly to 5.5%. As regards fiscal developments, the general government deficit narrowed substantially in 2015. Meanwhile, the deficit on the cash-based Consolidated Fund narrowed in the first five months of 2016 compared with a year earlier, due to an increase in tax revenue and lower capital expenditure. On the external side, the surplus on the current account of the balance of payments narrowed in the first quarter of 2016.

### Output, demand and the labour market

Economic activity in Malta continued to grow strongly during the first quarter of 2016, with real GDP rising by 5.2% on a year earlier. This follows an upwardly revised annual growth rate of 6.2% in the last quarter of 2015 (see Table 1).

Growth in the March quarter was driven by domestic demand, which rose by 8.3% on a year earlier and contributed 8.2 percentage points to real GDP growth (see Chart 1). Gross fixed capital formation was the primary factor behind the increase in domestic demand, followed by private consumption. Government consumption also contributed positively, though to a lesser extent. Changes in inventories had a negligible impact on economic activity. On the other hand, net exports had a negative impact on GDP growth, as imports rose faster than exports.

**Table 1**  
**GROSS DOMESTIC PRODUCT<sup>(1)</sup>**

*Annual percentage changes*

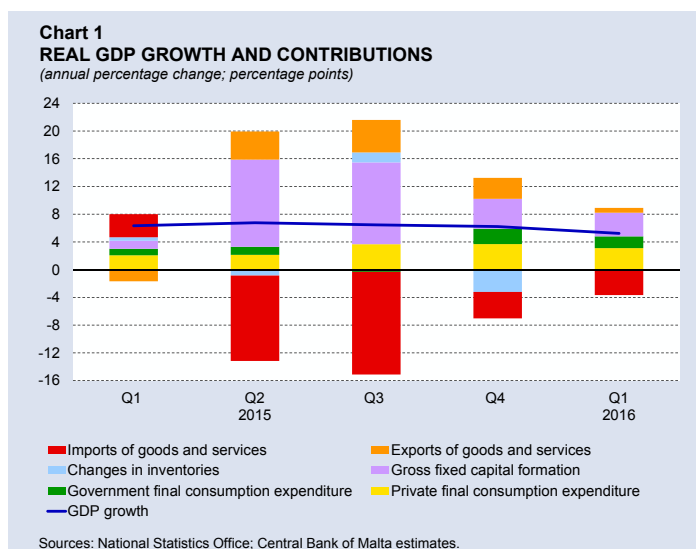
	2015				2016
	Q1	Q2	Q3	Q4	Q1
Private final consumption expenditure	3.7	3.9	7.1	6.9	5.7
Government final consumption expenditure	4.5	5.5	-1.9	11.1	8.4
Gross fixed capital formation	5.3	72.6	80.3	22.4	16.2
<b>Domestic demand</b>	<b>4.7</b>	<b>16.1</b>	<b>20.2</b>	<b>7.5</b>	<b>8.3</b>
Exports of goods and services	-0.9	2.7	3.2	2.1	0.5
Imports of goods and services	-1.8	8.7	11.3	2.7	2.5
<b>Gross domestic product</b>	<b>6.3</b>	<b>6.8</b>	<b>6.5</b>	<b>6.2</b>	<b>5.2</b>

<sup>(1)</sup> Chain-linked volumes, reference year 2010.

Source: National Statistics Office.

<sup>1</sup> The cut-off date for information in this note is 24 June 2016.

Gross fixed capital formation continued to increase strongly during the first quarter, rising at an annual rate of 16.2% and contributing 3.4 percentage points to real GDP growth. The rise mostly stemmed from investment in machinery and transport equipment, which was boosted by the expansion of aviation services. Spending on dwellings and intellectual property also increased. On the other hand, investment in non-residential construction declined in annual terms.



Real private consumption continued to expand in the first quarter, rising by 5.7% on a year earlier, sustained by increases in employee compensation. Private consumption contributed 3.1 percentage points to GDP growth.

Government consumption increased by 8.4% on an annual basis and contributed 1.7 percentage points to GDP growth. In nominal terms, both intermediate consumption and, to a lesser extent, compensation of employees rose on their year-ago levels.

Growth in exports moderated from the previous quarter. Exports rose by 0.5% over a year earlier, as an increase in services exports was partly offset by a drop in goods exports. The rise in domestic demand fuelled import growth, which rose by 2.5%, as both goods and services imports were higher in annual terms. As imports continued to outpace exports, net exports declined, dampening real GDP growth by 3.0 percentage points.

Turning to nominal GDP, this expanded at an annual rate of 7.6% in the first quarter of 2016, moderating from 9.0% in the last quarter of 2015. Services remained the main contributor to growth in GDP, with increases across all-subsectors. The strongest contributions came from the sector comprising wholesale and retail trade, as well as that incorporating professional, scientific and technical activities. The manufacturing sector also supported economic expansion. On the other hand, gross value added decreased marginally in the construction sector.

Available information for April points to a decline in manufacturing activity and further growth in the tourism industry.

As regards manufacturing, the index of industrial production fell by 3.1% in year-on-year terms in April 2016, following a 4.4% drop in March.<sup>2</sup> On a three-month moving average basis, industrial production fell by 3.4% in annual terms, compared to a fall of 5.0% in the preceding month. A substantial decline was registered among firms involved in the printing and reproduction of recorded media and among manufacturers of computer, electronic and optical products. Output also fell in

<sup>2</sup> Based on the industrial production index adjusted for working days.

the food and pharmaceutical sectors. These declines offset increased production in the beverages, energy, and rubber and plastics sectors.

Turning to incoming tourism, the positive performance of the industry persisted in April as arrivals rose by 8.4% on a year earlier, while nights stayed and expenditure also increased. Consequently, during the first four months of 2016, arrivals were up by 11.1% on the same period of 2015, while expenditure rose by 7.0%.

Meanwhile, during the first quarter of 2016, cruise liner calls stood at 17, up from 9 in the first three months of 2015. As a result, the number of foreign passengers almost doubled to 39,303.

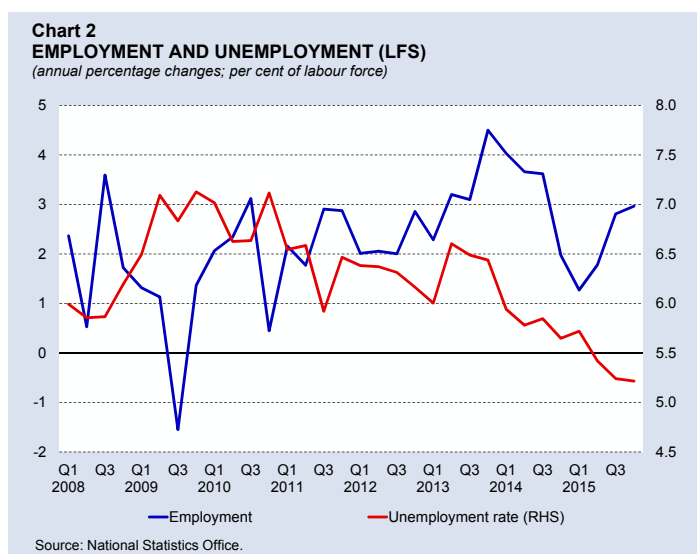
The labour market remained buoyant. According to the Labour Force Survey (LFS), employment expanded by 3.0% during the fourth quarter of 2015 compared with the same period a year earlier. This followed a 2.8% increase in the previous quarter (see Chart 2). Employment growth in the fourth quarter reflected developments in the number of people employed on a full-time basis.

Employment and Training Corporation (ETC) records show that employment increased even more strongly. In December 2015 the gainfully occupied population rose by 4.3% on a year earlier, following 4.4% growth in November.<sup>3</sup> In 2015 as a whole, the gainfully occupied population grew by 4.2% on average, up from 4.0% in the preceding year.

According to the LFS, the unemployment rate stood at 5.2% in the fourth quarter of 2015, unchanged from the preceding quarter and down from 5.6% a year earlier.<sup>4</sup>

The available information suggests that labour market conditions remained favourable in the first four months of 2016. Indeed, Eurostat's estimate of the seasonally adjusted unemployment rate fell to 4.3% in April from 5.1% in December 2015.

ETC data also show a fall in the number of registered unemployed. In April 2016 the number of people on the unemployment register fell further to 3,751, from 5,568 in the corresponding month of 2015.



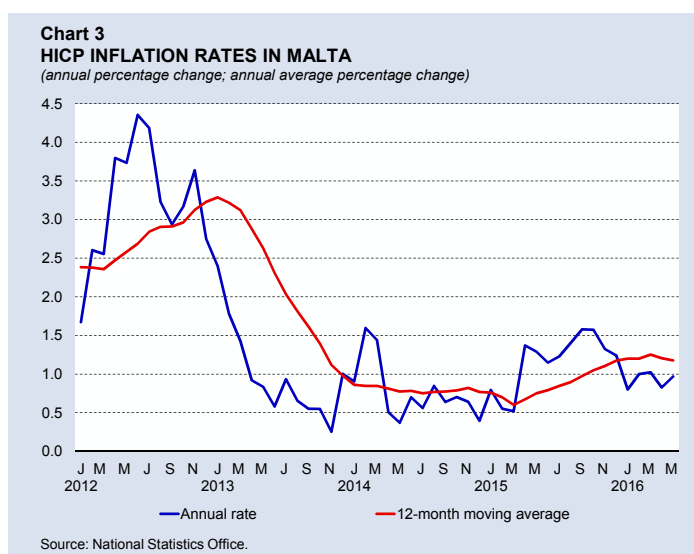
<sup>3</sup> The LFS is a household survey conducted by the NSO on the basis of definitions set by the International Labour Organization and Eurostat. ETC data are based on administrative records according to definitions established by domestic legislation on employment and social security benefits.

<sup>4</sup> 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.

## Prices, costs and competitiveness

In May, the annual rate of HICP inflation edged up to 1.0% from 0.8% in April. The twelve-month moving average rate remained broadly unchanged at 1.2% (see Chart 3).

The higher annual rate of inflation in May reflected a larger positive contribution from the unprocessed food component, with the contributions of all the other main components remaining unchanged compared with the previous month.



The annual rate of change of prices of unprocessed food rose to 3.5% in May from 1.6% in April, reflecting higher prices for vegetables, fish and seafood. In contrast, inflation on processed food items remained unchanged at 2.2%.

At the same time, the annual rate of change of prices of non-energy industrial goods remained unchanged at 0.9%, reflecting offsetting movements between subcomponents – with slower growth in the prices of household appliances and vehicles being offset by less negative inflation on clothing.

The annual rate of service price inflation also remained unchanged, in May, at 1.0%. Although prices for transport services fell faster than they did in the previous month, those of communication services fell at a slower rate. At the same time, prices of certain services, including restaurants and hotels, picked up. The annual rate of change of energy prices also remained constant, standing at -4.3% in May.

As regards cost indicators, Central Bank of Malta estimates show that after having declined at an annual rate of 0.1% in the last quarter of 2015, Malta's unit labour cost (ULC) index edged down by a further 0.2% in the first quarter of 2016.<sup>5</sup> This decline resulted from continued strong productivity growth that exceeded the rise in compensation per employee. Productivity rose by 2.9% in the first quarter of 2016, as GDP growth outpaced employment, while compensation per employee went up by 2.7%.

The Central Bank of Malta's advertised property price index shows house prices rising at annual rates of 10.0% and 9.9%, respectively in the last quarter of 2015 and in the first quarter of 2016. Eurostat's House Price Index for Malta – which is based on actual transactions covering terraced houses, apartments and maisonettes – shows more moderate price increases. The

<sup>5</sup> 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. They are calculated on a four-quarter moving average basis.

transactions-based index indicates that residential property prices registered a 2.6% annual increase during the first quarter of 2016, following growth of 2.7% in the final three months of 2015.

A slower growth rate for contract prices when compared with advertised property prices could reflect methodological differences in the compilation of the two indices, lagged effects and a tendency to boost asking prices during a property market upswing.

## Deposits, credit and financial markets

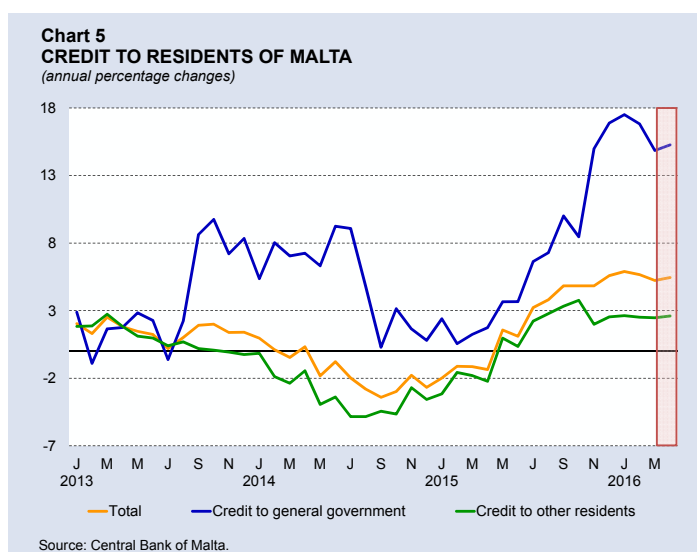
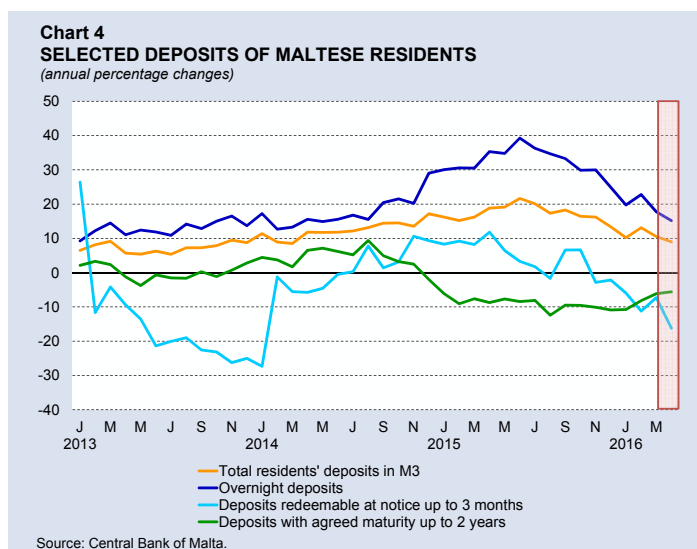
Residents' deposits forming part of broad money (M3) continued to slow in April, with their annual growth rate going to 9.0% from 10.5% in March (see Chart 4).

This deceleration was partly driven by overnight deposits, which rose by 15.2% on a year earlier, following a 17.8% increase in April. Still, demand for overnight facilities is high, reflecting the low opportunity cost of holding liquid assets in an environment of low interest rates. Despite slowing down, overnight deposits remained the main contributor to growth in M3 deposits.

At the same time, the other major component of M3 deposits, those with an agreed maturity of up to two years, continued to decline at a slower pace, with the annual rate of change standing at -5.6% in April, as against -6.1% in March. Deposits redeemable at notice up to 3 months, the smallest component of M3 deposits, also continued to contract in annual terms.

On the asset side of banks' balance sheets, annual growth in credit to Maltese residents remained robust, picking up to 5.5% in April from 5.2% in March (see Chart 5).

The annual rate of growth of credit to general government remained strong at 15.3% in April. The year-on-year increase in this credit component was



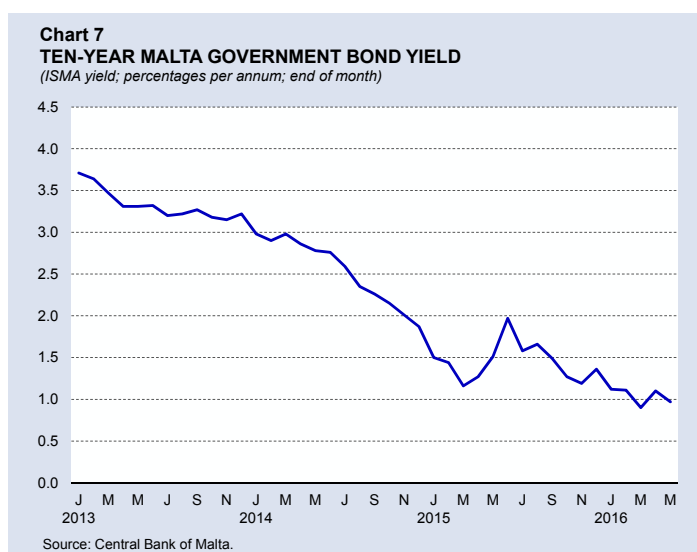
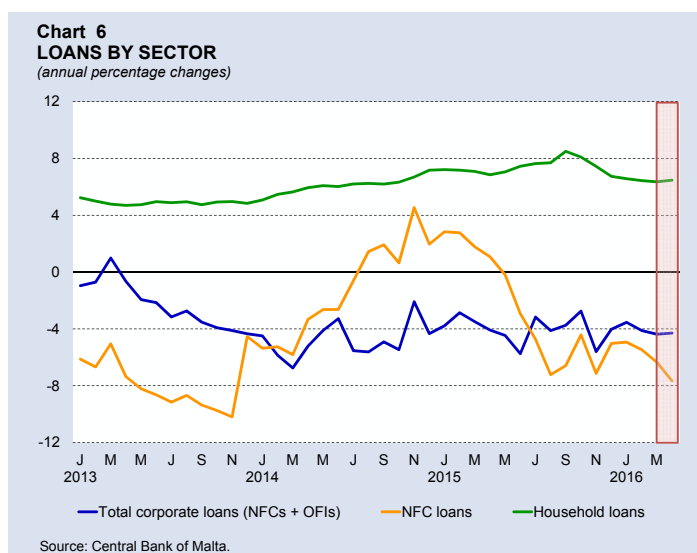
partly driven by an increase in the Central Bank of Malta's holdings of government securities as a result of purchases under the Eurosystem's Public Sector Purchase Programme.

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 April, up slightly from 2.5% in March. This growth was mainly driven by greater bank holdings of equities and increases in loans. Loans, the bigger component, grew at an annual rate of 0.9%, following a 0.7% rise in the previous month.

In more detail, NFC loans contracted by 7.7% on an annual basis in April, after a 6.3% drop in March (see Chart 6). This reflected declines in loans to both public and private NFCs. In contrast, loans to OFIs continued to expand. Meanwhile, annual growth in loans to households picked up marginally to 6.5%. As in recent months, year-on-year growth in loans for house purchase remained strong, offsetting continued drops in consumer credit and other lending.

Bank deposit rates extended their downward trend in April, with the composite interest rate paid by monetary financial institutions (MFIs) on all euro-denominated deposits belonging to resident households and NFCs dropping by 2 basis points to 0.62%. The comparable rate charged on outstanding loans also dropped by 2 basis points to 3.76%. As a result, the composite deposit rate was 28 basis points below its level one year earlier, while the corresponding lending rate went down by 18 basis points.

In the secondary capital market, the yield on ten-year Maltese government bonds dropped to 0.97% in May, from 1.10% a month earlier (see Chart 7). This mirrored developments in the comparable euro-area benchmark yields. Meanwhile, after having increased for four consecutive months, equity prices dropped slightly in May, with the Malta Stock Exchange (MSE) equity index shedding 1.7%.





In the capital market, in May Global Capital plc announced the issue of €10.0 million bonds maturing in 2021 to replace the outstanding 5.6% bonds maturing in June 2016. The bonds were issued at par and carry a coupon rate of 5.0%. The issue was oversubscribed and the bonds were listed on the MSE in June. Meanwhile, in June MIDI plc announced a new €50.0 million euro denominated bond maturing in 2026, the funds from which would be used to redeem its 7.0% bonds denominated in euro and sterling, which are set to mature in December 2016.

## Public finance<sup>6</sup>

In the fourth quarter of 2015, the general government surplus increased by €16.9 million compared with the same period a year earlier, reaching €95.3 million (see Table 2). Revenue grew by 10.6%, boosted by tax revenue as well as inflows under the International Investor Programme. Income in the last quarter of the year was also buoyed by capital transfers as the Government stepped up efforts to absorb funds under the 2007-2013 EU financing programme.

Meanwhile, general government expenditure rose by 9.8% as both recurrent and capital expenditure increased. Growth in recurrent spending stemmed mainly from higher intermediate consumption and compensation of employees. The former was influenced by additional spending related

**Table 2**  
**GENERAL GOVERNMENT BALANCE**

EUR millions

	2014	2015	Change		2014	2015	Change	
	Q4	Q4	Amount	%	Q1-Q4	Q1-Q4	Amount	%
<b>Revenue</b>	<b>1,043.6</b>	<b>1,154.7</b>	<b>111.1</b>	<b>10.6</b>	<b>3,330.3</b>	<b>3,683.1</b>	<b>352.8</b>	<b>10.6</b>
Taxes on production and imports	308.9	347.5	38.6	12.5	1,097.8	1,189.1	91.3	8.3
Current taxes on income and wealth	402.1	385.4	-16.7	-4.2	1,155.4	1,237.6	82.1	7.1
Social contributions	159.6	172.0	12.4	7.7	560.3	596.3	36.0	6.4
Capital and current transfers receivable	88.3	149.2	60.9	69.0	244.5	327.5	83.0	34.0
Other <sup>(1)</sup>	84.7	100.6	15.9	18.8	272.4	332.6	60.2	22.1
<b>Expenditure</b>	<b>965.2</b>	<b>1,059.4</b>	<b>94.2</b>	<b>9.8</b>	<b>3,493.8</b>	<b>3,812.1</b>	<b>318.3</b>	<b>9.1</b>
Compensation of employees	268.6	281.2	12.6	4.7	1,048.6	1,116.4	67.8	6.5
Intermediate consumption	157.5	209.6	52.1	33.1	524.8	596.5	71.7	13.7
Social benefits	261.6	264.2	2.6	1.0	1,004.1	1,033.2	29.1	2.9
Subsidies	27.5	26.6	-0.8	-3.0	105.0	110.6	5.6	5.3
Interest	58.8	58.1	-0.7	-1.1	230.8	227.6	-3.2	-1.4
Other current transfers payable	57.6	47.5	-10.2	-17.6	192.7	200.2	7.5	3.9
Gross fixed capital formation	103.4	130.6	27.2	26.3	297.1	402.3	105.3	35.4
Capital transfers payable	33.5	50.3	16.8	50.3	91.9	129.6	37.6	41.0
Other <sup>(2)</sup>	-3.3	-8.8	-5.5	-	-1.2	-4.4	-3.2	-
<b>Primary balance</b>	<b>137.2</b>	<b>153.4</b>	<b>16.2</b>	<b>-</b>	<b>67.4</b>	<b>98.6</b>	<b>31.3</b>	<b>-</b>
<b>General government balance</b>	<b>78.4</b>	<b>95.3</b>	<b>16.9</b>	<b>-</b>	<b>-163.4</b>	<b>-129.0</b>	<b>34.4</b>	<b>-</b>

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

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

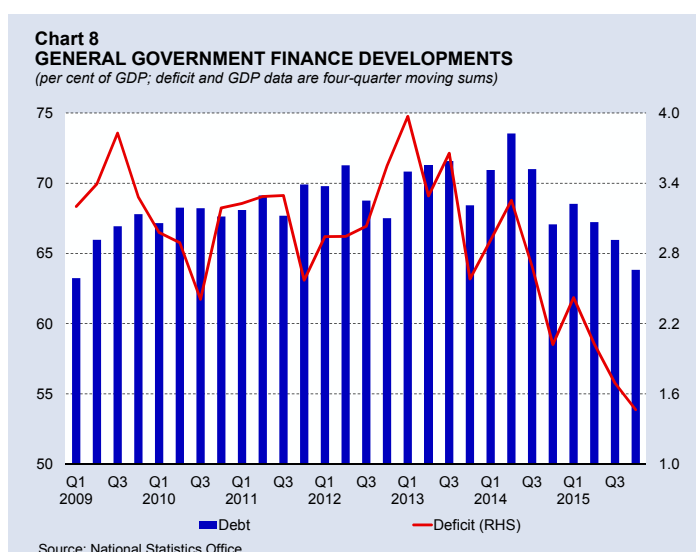
Source: National Statistics Office.

<sup>6</sup> 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.

to EU-funded projects. Social benefits rose marginally, while the other components of recurrent expenditure went down.

Capital expenditure was significantly higher during the quarter under review, fuelled by higher spending on gross fixed capital formation as well as capital transfers. These two components were also boosted by higher outlays relating to EU-funded projects.

Over the year as a whole, the general government balance improved by €34.4 million compared to 2014, as revenue increased faster than expenditure. Consequently, the deficit-to-GDP ratio declined by half a percentage point to 1.5% (see Chart 8).<sup>7</sup> While government debt rose compared to a year earlier, GDP grew even faster. Consequently, the debt-to-GDP ratio fell to 63.8% from 67.1% in 2014.



Consolidated Fund data for May 2016 show a surplus of €6.2 million compared with a deficit of €10.3 million a year earlier. Thus, over the first five months of the year the Consolidated Fund deficit reached €71.3 million, down from €118.8 million a year earlier. During this period, revenue increased by 4.2%, driven by higher tax receipts.<sup>8</sup> Meanwhile, expenditure grew by just 0.4%, as an increase current spending was almost completely offset by a decline in capital outlays.

## Balance of payments

During the first quarter of 2016, the surplus on the current account of the balance of payments narrowed to €39.9 million, from €108.0 million in the corresponding quarter of 2015 (see Table 3).<sup>9</sup> This decline was driven by a widening of €74.9 million in the merchandise trade gap and a rise of €14.3 million in net outflows on the primary income component. These developments were partly offset by an increase of €18.2 million in net services receipts, driven mainly by a shift to a positive balance on transport, while net inflows on the secondary income account went up by €2.9 million.<sup>10</sup> The capital account posted net inflows of €7.4 million, down from €123.9 million in the first quarter of 2015.

The financial account showed net lending of €17.9 million, a decrease of €144.6 million compared with the same period of 2015.

<sup>7</sup> Deficit and debt ratios are based on deficit and debt levels published in NSO *News Release* 066/2016 and GDP data published in NSO *News Release* 091/2016.

<sup>8</sup> Government contributions to the social security account in terms of the Social Security Act 1967 are excluded from both revenue and expenditure.

<sup>9</sup> Balance of payments data for 2015 are sourced from NSO *News Release* 098/2016. Compared with the previous release, the current account surplus was revised significantly up in 2014 and down in 2015. These revisions mainly reflected developments in goods imports and in the primary income account.

<sup>10</sup> 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.

**Table 3**  
**EXTERNAL TRANSACTIONS**

EUR millions

	2014 Q1-Q4	2015 Q1-Q4	2015 Q1	2016 Q1
<b>Current account</b>	<b>576.5</b>	<b>231.3</b>	<b>108.0</b>	<b>39.9</b>
Goods and services	653.2	281.6	95.3	38.6
Goods	-1,117.3	-1,752.5	-298.9	-373.8
Services	1,770.5	2,034.1	394.2	412.4
Primary income	-272.6	-264.8	-39.5	-53.7
Secondary income	195.9	214.6	52.2	55.0
<b>Capital account</b>	<b>140.0</b>	<b>156.5</b>	<b>123.9</b>	<b>7.4</b>
<b>Financial account<sup>(1)</sup></b>	<b>1,205.3</b>	<b>-20.1</b>	<b>162.5</b>	<b>17.9</b>
<b>Net errors and omissions</b>	<b>488.9</b>	<b>-408.0</b>	<b>-69.3</b>	<b>-29.4</b>

<sup>(1)</sup> Net lending (+) / net borrowing (-).

Source: National Statistics Office.

Customs data show that during the first four months of 2016 the merchandise trade gap widened compared to the same period of 2015, as imports increased whereas exports contracted.<sup>11</sup> The widening in the trade gap partly arose because fuel exports fell more sharply than imports. At the same time, an increase in registrations of boats, which normally have only a limited impact on balance of payments data, boosted imports. Non-fuel exports increased.

<sup>11</sup> 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	2015	2015	2015	2016	2016	2015	2015	2015	2015	2015	2015	2015	2015	2016	2016	2016	2016	2016
				Q1	Q2	Q3	Q4	Q1	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May
<b>Prices and costs</b>																					
HICP	1.0	0.8	1.2	0.6	1.3	1.4	1.4	0.9	1.3	1.1	1.2	1.4	1.6	1.6	1.3	1.2	0.8	1.0	1.0	0.8	1.0
Unit labour costs, whole economy <sup>(1)</sup>	1.1	2.5	-0.1	2.2	1.1	0.1	-0.1	-0.2	-	-	-	-	-	-	-	-	-	-	-	-	-
Compensation per employee <sup>(1)</sup>	1.6	0.9	3.0	1.6	2.3	2.6	3.0	2.7	-	-	-	-	-	-	-	-	-	-	-	-	-
Labour productivity (per person) <sup>(1)</sup>	0.5	-1.5	3.1	-0.7	0.9	2.5	3.1	2.9	-	-	-	-	-	-	-	-	-	-	-	-	-
Residential property prices (NSO)	-0.4	2.6	3.5	2.7	1.9	6.7	2.7	2.6	-	-	-	-	-	-	-	-	-	-	-	-	-
Residential property prices (CBM)	2.1	7.0	6.3	5.3	4.8	5.0	10.0	9.9	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Economic activity</b>																					
Nominal GDP	6.2	5.5	8.9	8.3	9.2	9.2	9.0	7.6	-	-	-	-	-	-	-	-	-	-	-	-	-
Real GDP	4.3	3.5	6.4	6.3	6.8	6.5	6.2	5.2	-	-	-	-	-	-	-	-	-	-	-	-	-
Real private consumption	2.2	2.3	5.5	3.7	3.9	7.1	6.9	5.7	-	-	-	-	-	-	-	-	-	-	-	-	-
Real government consumption	0.1	7.2	5.0	4.5	5.5	-1.9	11.1	8.4	-	-	-	-	-	-	-	-	-	-	-	-	-
Real gross fixed capital formation	-1.4	7.9	42.5	5.3	72.6	80.3	22.4	16.2	-	-	-	-	-	-	-	-	-	-	-	-	-
Real exports of goods and services	0.6	0.1	1.8	-0.9	2.7	3.2	2.1	0.5	-	-	-	-	-	-	-	-	-	-	-	-	-
Real imports of goods and services	-0.7	-0.2	5.2	-1.8	8.7	11.3	2.7	2.5	-	-	-	-	-	-	-	-	-	-	-	-	-
Tourist arrivals	9.6	6.8	6.0	7.3	4.2	4.5	10.1	12.7	6.4	3.6	4.7	4.8	3.8	10.5	9.8	9.6	14.2	9.2	14.2	8.4	-
<b>Labour market developments (LFS)</b>																					
Unemployment rate (% of labour force)	6.4	5.8	5.4	5.7	5.4	5.2	5.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total employment	3.3	3.3	2.2	1.3	1.8	2.8	3.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance of payments</b>																					
Current account (as a % of GDP) <sup>(2)</sup>	2.8	7.1	2.6	8.3	6.0	2.9	2.6	1.8	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Credit and financial indicators</b>																					
Maltese residents' deposits and loans																					
Overnight deposits	13.7	29.0	24.9	30.5	39.3	33.3	24.9	17.8	34.8	39.3	36.3	34.7	33.3	29.9	30.0	24.9	19.7	22.8	17.8	15.2	-
Deposits with agreed maturity up to 2 years	2.8	-2.0	-10.9	-7.6	-8.4	-9.5	-10.9	-6.1	-7.7	-8.4	-8.1	-12.4	-9.5	-9.5	-10.1	-10.9	-10.7	-8.2	-6.1	-5.6	-
Total residents' deposits in M3	8.8	17.2	13.4	16.2	21.6	18.3	13.4	10.5	19.1	21.6	20.1	17.3	18.3	16.4	16.2	13.4	10.2	13.1	10.5	9.0	-
Credit to general government	8.3	0.8	16.9	1.2	3.7	10.0	16.9	14.9	3.7	3.7	6.6	7.3	10.0	8.5	15.0	16.9	17.5	16.8	14.9	15.3	-
Credit to other residents	-0.2	-3.6	2.5	-1.8	0.4	3.3	2.5	2.5	1.0	0.4	2.2	2.8	3.3	3.8	2.0	2.5	2.6	2.5	2.5	2.6	-
Total credit	1.4	-2.7	5.2	-1.1	1.1	4.8	5.2	5.2	1.6	1.1	3.2	3.8	4.8	4.8	4.8	5.6	5.9	5.7	5.2	5.5	-
10-year interest rate (%) <sup>(3)</sup>	3.2	1.9	1.4	1.2	2.0	1.5	1.4	0.9	1.5	2.0	1.6	1.7	1.5	1.3	1.2	1.4	1.1	1.1	0.9	1.1	1.0
Stock prices: Malta Stock Exchange Index <sup>(4)</sup>	14.8	-9.6	33.0	13.4	8.3	5.9	2.2	3.0	2.9	5.5	2.9	0.0	3.0	0.1	3.1	-0.9	0.9	1.8	0.2	0.4	-1.7
<b>General government finances (% of GDP)</b>																					
Surplus (+) / deficit (-) <sup>(2)</sup>	-2.6	-2.0	-1.5	-2.4	-2.0	-1.7	-1.5	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross debt <sup>(5)</sup>	68.4	67.1	63.8	68.5	67.2	66.0	63.8	-	-	-	-	-	-	-	-	-	-	-	-	-	-

<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.

<sup>(5)</sup> GDP data are four-quarter moving sums.

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