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ECONOMIC UPDATE

11/2016

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ECONOMIC UPDATE 11/2016

Summary¹

Overall economic sentiment rose marginally in November, reflecting an improvement in sentiment in construction, services and industry. Hard data show that, in September, industrial production went up marginally. Activity in tourism and retail sales continued to increase through October. The labour market performed solidly, with the annual growth rate of the gainfully occupied population rising to 4.7% in May. Registered unemployment fell further in October. Price pressures remained moderate. The annual rate of inflation based on the Harmonised Index of Consumer Prices (HICP) and the Retail Price Index (RPI) stood at 0.5% and 0.4%, respectively, in October. Meanwhile, industrial producer prices declined slightly on an annual basis. Maltese residents' deposits expanded at a slower rate in October, while the annual rate of growth of credit to residents rose slightly to 2.6%. As regards fiscal developments, the deficit on the cash-based Consolidated Fund narrowed in the first ten months of the year, mainly due to an increase in tax revenue.

Business and consumer confidence indicators

During November, the Economic Sentiment Indicator (ESI) stood at 115, marginally up from 114 in the preceding two months (see Table 1) and above its long-term average of 101.^{2,3} Improved sentiment in the construction, services and industrial sectors was only partially offset by a decline in confidence within the retail sector. Confidence among consumers remained unchanged from the previous month.

After falling to -8 in October, confidence in the construction sector increased to -2 in November.⁴ Therefore, sentiment remained well above its long-term average of -23. The rise in sentiment reflected a less negative assessment of order book levels. On the other hand, although positive, firms' employment expectations weakened. Other survey data for the month indicate that, compared to October, a smaller share of respondents reported an increase in building activity over the preceding three months. However, selling price expectations over the following three months increased.

In November, the confidence indicator for firms operating in the services sector rose by 4 points to 30.⁵ This compares favourably with a long-term average of 21. This increase in confidence was driven by more favourable demand expectations for the three months ahead as well as an improvement in firms' assessment of their business situation over the preceding three months. These increases outweighed the decline in firms' assessment of demand over the preceding three months. Additional survey data indicate that, overall, firms' assessment of employment over

¹ The cut-off date for information in this note is 7 December 2016.

² The ESI summarises developments in confidence in five surveyed sectors (industry, services, construction, retail and consumers). Weights are assigned as follows: industry 40%, services 30%, consumers 20%, construction 5% and retail trade 5%.

³ Long-term averages are calculated over the entire period for which data are available. For the consumer and industrial confidence indicators, data became available in November 2002, while the services and construction confidence indicator data became available in May 2007 and May 2008, respectively. Since the retail confidence indicator began to be published as from May 2011, its long-term average is calculated since then. The long-term average of the ESI is computed from November 2002.

⁴ 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.

⁵ 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.

Table 1
BUSINESS AND CONSUMER SURVEY

Balances; percentage points; seasonally adjusted

	2014	2015	2016										
			Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.
Economic Sentiment Indicator	108	112	108	108	106	109	106	110	111	111	114	114	115
Construction confidence indicator	-21	11	-15	-7	-22	-13	-16	-8	-12	0	0	-8	-2
Evolution of your current overall order books	-40	1	-28	-13	-39	-22	-26	-27	-28	-11	-29	-24	-10
Employment expectations over the next 3 months	-3	22	-1	-1	-4	-4	-6	12	3	10	30	9	5
Services confidence indicator	25	26	24	24	27	29	22	28	28	22	23	26	30
Business situation development over the past 3 months	22	25	23	21	28	20	21	20	26	18	16	22	24
Evolution of the demand over the past 3 months	26	28	21	19	29	38	24	32	31	23	34	34	30
Expectation of the demand over the next 3 months	25	25	29	32	23	28	22	33	26	25	19	24	37
Industrial confidence indicator	-1	0	-5	-8	-9	-4	-10	-5	0	2	10	6	9
Assessment of order-book levels	-31	-23	-25	-27	-23	-24	-25	-34	-26	-15	-2	-5	-3
Assessment of stocks of finished products	-3	-1	-2	-2	5	2	6	1	0	2	6	0	10
Production expectations for the months ahead	25	24	10	3	2	14	0	21	25	23	39	22	40
Consumer confidence indicator	-1	0	0	0	0	-1	4	2	2	1	3	4	4
Financial situation over next 12 months	7	4	5	5	4	5	7	3	4	7	3	4	4
General economic situation over next 12 months	11	11	13	12	8	7	13	14	12	14	14	16	18
Unemployment expectations over next 12 months	-2	-10	-9	-11	-13	-10	-13	-15	-12	-12	-16	-17	-16
Savings over next 12 months	-25	-25	-28	-28	-26	-26	-15	-24	-21	-27	-23	-22	-23
Retail trade confidence indicator	-5	16	9	17	15	16	4	11	-1	7	10	5	-14
Business activity, past 3 months	-12	33	30	36	47	35	8	4	6	10	17	13	-26
Stocks of finished goods	14	9	7	7	19	13	0	8	15	3	9	7	18
Business activity, next 3 months	10	25	3	23	16	27	3	37	8	13	23	8	0

Source: European Commission.

the preceding three months as well as their employment expectations improved compared with October. Meanwhile, a larger net share of respondents expected to charge lower prices in the following three months.

The industrial confidence indicator rose from 6 in October to 9 in November, remaining well above its long-term average of -4.⁶ The rise in sentiment was driven by a sharp increase in production expectations for the three months ahead and managers' less pessimistic assessment of current orders. On the other hand, firms reported above normal stocks of finished goods in November, after reporting normal stocks in October.⁷ Supplementary survey data suggest that, on balance, in November a larger share of respondents expected to increase their employment in the subsequent months. At the same time, a larger share of respondents expected to reduce their selling prices.

In November, consumer confidence was unchanged at 4. This compares well with its long-term average of -20.⁸ Although expectations about the general economic situation improved, respondents on balance expected a weaker decline in unemployment. Meanwhile, savings expectations declined compared with October, while consumers' assessment of their financial situation over the next 12 months remained unchanged. Additional survey information indicates that in November consumers' inflation expectations edged up compared to the preceding month. Also, on balance, respondents expressed the intention to make fewer major purchases over the subsequent 12 months.

⁶ 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.

⁷ Above normal stocks of finished goods have a negative effect on the overall industrial confidence indicator.

⁸ The consumer confidence indicator is the arithmetic average of the seasonally adjusted balances (in percentage points) of replies to a subset of survey questions relating to households' financial situation, their ability to save, the general economic situation and unemployment expectations over the subsequent 12 months.

Sentiment in the retail sector turned negative, with the index falling sharply to -14 in November, from 5 in the preceding month.⁹ This lies below the long-term average of 0. The fall in sentiment in November was driven by all subcomponents, with deteriorated business activity in the past three months being the main driver. Additional survey data for this sector indicate that, compared to October, a larger share of respondents expected their labour complement and prices to rise in the subsequent three months. Also, on balance firms expected their orders to fall in the next three months.

Activity

The index of industrial production, which is a measure of economic activity in the quarrying, manufacturing and energy sectors, went up by 0.4% in year-on-year terms in September 2016. This followed a 3.7% drop in August (see Table 2).¹⁰ On a three-month moving average basis, industrial production fell at annual rate of 2.7% in September. On this basis, output fell substantially among manufacturers of pharmaceuticals, food products, clothing and wearing apparel. Output also fell among firms manufacturing computer, electronic and optical products, and beverages, as well as within the energy sector. These declines offset increased production of rubber and plastics, as well as increased output among firms involved in the printing and reproduction of recorded media.

The index of deflated turnover for retail trade, which is a short-term indicator for final domestic demand, increased for the third consecutive month in October. Seasonally and calendar adjusted data show that the volume of retail trade increased by 0.5% on an annual basis, after a rise of 2.6% in September.

In October tourist arrivals rose by 9.4%, when compared to October 2015. Nights stayed and tourist expenditure also increased, up by around 4.0% on a year earlier. Nights stayed increased in both collective and private accommodation, by 2.6% and 6.1%, respectively. At the same

Table 2
ACTIVITY INDICATORS

Annual percentage changes

	2014 2015		2016									
			Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.
Industrial production	-5.4	6.1	-7.8	-2.2	-3.8	-2.3	-3.7	-6.3	-4.9	-3.7	0.4	-
Retail trade	0.5	6.6	5.6	7.5	2.1	1.4	1.6	1.8	-0.6	2.9	2.6	0.5
Number of tourist arrivals	6.8	5.5	14.2	9.2	14.2	8.4	9.8	7.2	9.1	2.8	7.5	9.4
Number of nights stayed	4.9	4.7	9.0	10.4	11.6	7.4	6.6	8.6	3.5	0.7	1.6	3.9
Private accommodation	9.2	14.9	14.2	15.8	18.8	23.8	20.8	26.2	13.3	7.9	6.2	6.1
Collective accommodation	2.8	-0.7	6.0	8.2	8.9	-0.1	0.3	-0.4	-3.5	-5.4	-1.7	2.6
Tourist expenditure	6.1	7.2	7.0	9.6	10.9	3.3	5.0	4.0	4.3	-1.9	1.3	4.1
Package expenditure	6.2	4.8	-7.0	0.1	4.9	-7.4	-6.5	-9.9	-1.9	-13.2	-6.0	-9.6
Non-package expenditure	7.2	13.1	10.9	19.6	16.8	9.2	15.0	17.7	5.7	4.0	8.6	13.7
Other	5.3	5.2	15.5	10.6	12.8	8.4	8.7	6.6	8.3	2.9	1.5	9.6

Sources: NSO; Eurostat.

⁹ 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 on stocks.

¹⁰ Based on the industrial production index adjusted for working days.

time, higher tourist expenditure was mainly attributable to more spending on accommodation, as well as on the 'other' category component.

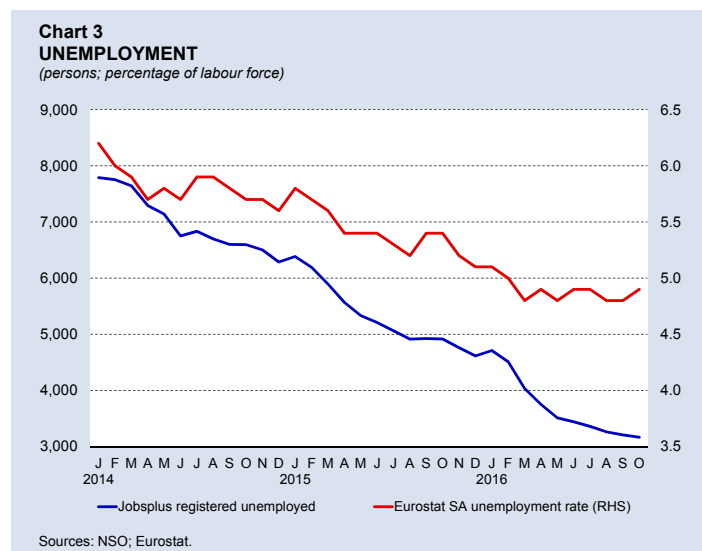
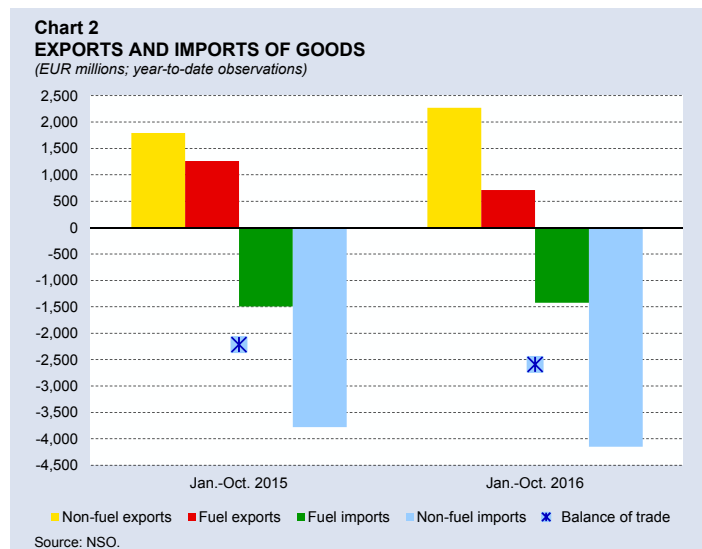
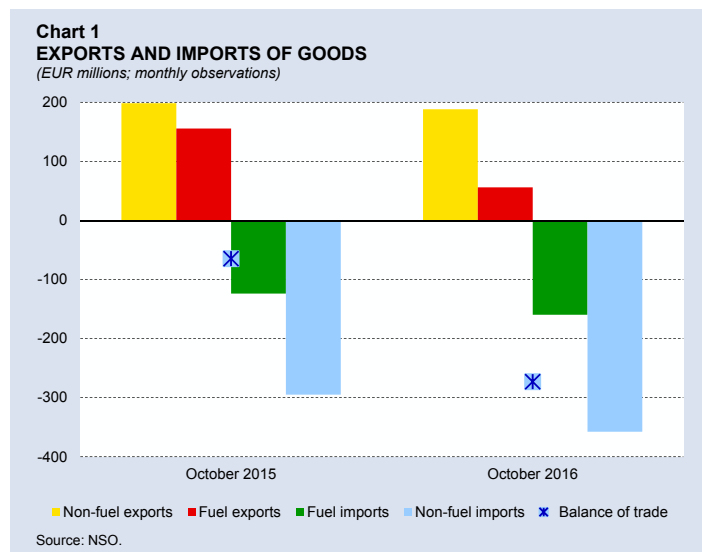
Preliminary Customs data for October show that the trade deficit widened by €208.4 million to €273.0 million, as imports rose by €98.6 million while exports declined by €109.8 million on the corresponding month of the previous year (see Chart 1).

During the first ten months of 2016 imports rose whereas exports contracted. As a result, the visible trade gap widened by €375.5 million when compared to the same period of 2015, to €2,590.7 million (see Chart 2). This gap was primarily driven by developments in two commodity groups, namely fuels and machinery and transport equipment.

Labour market

Jobsplus data show a further fall in the number of registered unemployed in October. Indeed, the number of people on the unemployment register fell to 3,166 from 4,916 in the corresponding month of 2015 and from 3,207 in September (see Chart 3).

Meanwhile, Eurostat's estimate of the seasonally-adjusted unemployment rate edged up to 4.9% in October, from 4.8% in the preceding month. Despite this marginal increase, the unemployment rate remained low from a historical perspective and was well below the 5.4% recorded a year earlier.



BOX 1: GAINFULLY OCCUPIED POPULATION

Jobsplus records show that in May the gainfully occupied population, defined to include all persons in full-time employment, rose by 4.7% on a year earlier, reaching 178,709 (see Chart 4). This followed 4.3% growth in April.

Growth in employment in May was mainly driven by the private sector, with the public sector registering only a marginal annual increase (see Table 3).

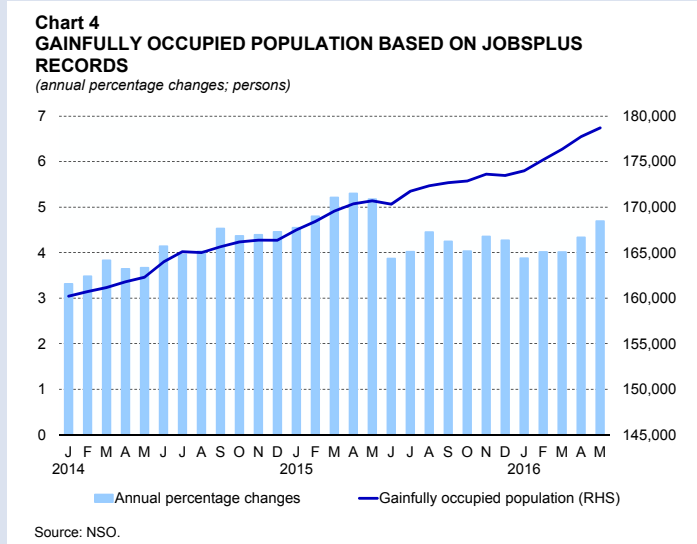


Table 3
LABOUR MARKET INDICATORS BASED ON JOBSPLUS RECORDS

Persons; annual percentage changes

	2015	2016	Annual change	
	May	May	Number of persons	%
Labour supply	176,031	182,220	6,189	3.5
Gainfully occupied ⁽¹⁾	170,698	178,709	8,011	4.7
Registered unemployed	5,333	3,511	-1,822	-34.2
Unemployment rate (%)	3.0	1.9		
Private sector	126,670	134,400	7,730	6.1
Direct production⁽²⁾	32,542	32,770	228	0.7
Market services	94,128	101,630	7,502	8.0
Wholesale and retail trade	24,382	24,970	588	2.4
Transportation and storage	7,538	7,914	376	5.0
Accommodation and food service activities	10,702	11,314	612	5.7
Information and communication	5,767	6,159	392	6.8
Financial and insurance activities	7,743	8,154	411	5.3
Real estate, professional and administrative activities ⁽³⁾	21,018	23,952	2,934	14.0
Arts, entertainment and recreation	4,664	6,049	1,385	29.7
Education	4,801	5,036	235	4.9
Other	7,513	8,082	569	7.6
Public sector	44,028	44,309	281	0.6

⁽¹⁾ This category measures full-time employment.

⁽²⁾ This includes employment in agriculture, fishing, mining and quarrying, manufacturing, electricity, gas and water supply, and construction.

⁽³⁾ This includes employment in real estate activities, professional, scientific and technical activities, and administrative and support service activities.

Source: NSO.

The number of full-timers in the private sector went up by 7,730, or 6.1%, on the same month of the previous year. Employment growth in the private sector continued to be driven by market services, where the number of full-time job holders increased by 7,502, or 8.0% in annual terms. This increase was distributed among all major sectors within this category.

As in preceding months, within services, the sector incorporating real estate, professional and administrative activities saw the largest absolute increase. Employment in this sector went up by 2,934 in the year to May 2016, and accounted for over one-third of the overall rise in private market services employment. The number of persons employed in the arts, entertainment and recreation sector also increased significantly in annual terms, going up by 1,385.

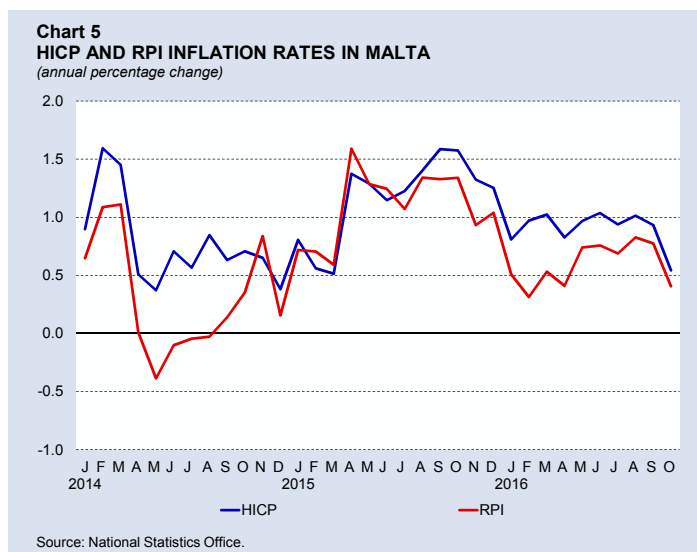
Meanwhile, employment in direct production within the private sector grew by 228, or 0.7%, on a year earlier. Increases were recorded across all sectors, with the exception of the water supply, sewerage, waste management and remediation activities, where employment was unchanged on a year earlier.

Public sector jobs rose by 281, or 0.6%, on a year earlier, driven by increased employment in public administration and defence, education and health. These increases offset lower employment in other areas.

Prices, costs and competitiveness

Annual inflation based on the HICP dipped to 0.5% in October, from 0.9% a month earlier (see Chart 5).

The main contributors to the recent deceleration in HICP inflation prices of non-energy industrial goods, particularly for clothing and footwear, a further weakening in services inflation, and weaker growth in unprocessed food prices, mainly vegetables. Energy prices also contracted at a slightly faster pace, owing to a further decline in fuel for transport, while processed food inflation edged up only marginally. As a result, the annual HICP inflation rate in October fell to its lowest level since the first quarter of 2015.



Inflation based on the RPI index also declined. It halved from 0.8% in September to 0.4% in October.¹¹

The Industrial Producer Price Index (PPI), a proxy measure for cost pressures, weakened once more in October, with the annual growth rate falling from zero to -0.2%.¹² This mainly reflected a deceleration in the intermediate goods component, partly due to developments in the computer, electronic and optical products category. On the other hand, contributions from the other main components of the index remained broadly unchanged when compared to September. Producer price inflation was negative or weakly positive throughout 2016.

With regard to competitiveness, Malta's nominal and real harmonised competitiveness indicators (HCI) remained broadly unchanged in October when compared to a month earlier, following two consecutive increases.¹³ On the other hand, when compared to a year earlier, the nominal and real HCI gained 1.0% and 1.2%, respectively. This suggests that Malta's international competitiveness has deteriorated since October 2015, when measured according to trade-weighted exchange rates and relative prices.

Public finance

During October 2016, the Consolidated Fund balanced registered a deficit of €41.2 million, €1.7 million less when compared with the deficit recorded in October 2015 (see Table 4).^{14,15} This improvement was driven by interest payments, which fell from €22.5 million to €16.8 million. In contrast, the primary deficit widened, as non-interest expenditure outpaced revenue.

Revenue increased by €28.7 million, or 12.4%, when compared to October 2015. All main categories of revenue contributed to this increase. Direct taxes increased principally due to larger inflows from income tax, which grew by €8.9 million. The increase in indirect taxes was mainly driven by higher revenue collected from duty on documents. Growth in non-tax revenue was partly driven by higher inflows from the Individual Investor Programme.

Expenditure rose by €27.0 million, or 9.9%, when compared to a year earlier. Most of this increase was due to the timing of payments related to social benefits and education. Operations and maintenance also contributed to the growth of expenditure, mainly due to higher spending on contractual services. Capital expenditure kept its downward trend, registering a €12.6 million decrease.

During the first ten months of the year, the Consolidated Fund deficit narrowed to €104.8 million, from €204.5 million a year earlier, as revenue increased faster than expenditure. Over this period, the primary balance swung from a deficit of €8.7 million to a surplus of €82.2 million. Revenue increased

¹¹ The RPI differs from the HICP in that RPI weights are based on expenditure by Maltese households, while HICP weights also reflect expenditure patterns by tourists in Malta.

¹² The Industrial PPI measures the prices of goods at the factory gate and is commonly used to monitor inflationary pressures at the production stage.

¹³ The nominal HCI tracks movements in the country's exchange rate against the currencies of its main trading partners, weighted according to the direction of trade in manufactured goods. The real HCI incorporates both exchange rate changes and the relative inflation of a country vis-à-vis its main trading partners. A higher (or lower) score in the HCI indicates a deterioration (or improvement) in a country's international price competitiveness.

¹⁴ The Consolidated Fund covers most of the transactions of central government, excluding extra-budgetary units and local councils, on a cash basis.

¹⁵ Government contributions to the social security account in terms of the Social Security Act 1967 are excluded from both revenue and expenditure.

Table 4
CONSOLIDATED FUND BALANCE

EUR millions

	2015 Jan.-Oct.	2016 Jan.-Oct.	2015 Oct.	2016 Oct.	Change	
					Amount	%
Revenue	2,591.1	2,714.0	231.4	260.1	28.7	12.4
Direct tax	1,284.8	1,429.5	129.4	138.4	9.0	6.9
Income tax	889.8	1,000.6	88.9	97.8	8.9	10.0
Social security contributions ⁽¹⁾	395.1	428.9	40.6	40.6	0.1	0.1
Indirect tax	953.1	1,008.5	75.2	79.5	4.3	5.7
Value Added Tax	509.7	523.6	23.8	24.7	0.9	3.8
Customs and excise duties	211.0	224.6	24.9	25.1	0.2	0.8
Licences, taxes and fines	232.4	260.3	26.6	29.8	3.2	11.9
Non-tax⁽²⁾	353.2	276.0	26.7	42.2	15.5	58.1
Expenditure	2,795.6	2,818.9	274.2	301.3	27.0	9.9
Recurrent	2,454.9	2,588.4	236.9	276.6	39.7	16.7
Personal emoluments	565.3	598.0	51.0	58.1	7.0	13.8
Operational and maintenance	122.2	146.0	10.8	21.3	10.6	98.0
Programmes and initiatives ⁽¹⁾	1,325.9	1,374.5	121.2	158.6	37.4	30.9
Contributions to entities	245.6	282.8	31.5	21.7	-9.7	-30.9
Interest payments	195.8	187.0	22.5	16.8	-5.6	-25.1
Capital	340.7	230.5	37.3	24.7	-12.6	-33.8
Primary balance⁽³⁾	-8.7	82.2	-20.4	-24.4	-4.0	-
Consolidated Fund balance	-204.5	-104.8	-42.9	-41.2	1.7	-

⁽¹⁾ Government contributions to the social security account in terms of the Social Security Act 1987 are excluded from both revenue and expenditure.

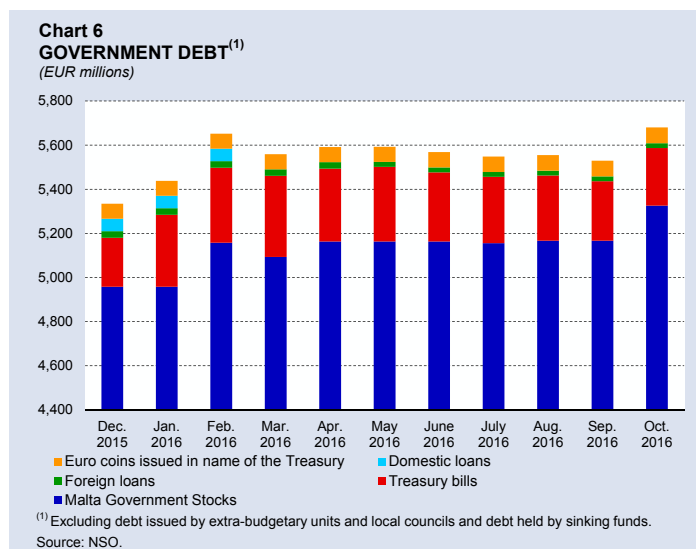
⁽²⁾ Includes grants but excludes proceeds from sale of assets, sinking funds of converted loans and borrowings.

⁽³⁾ Revenue less expenditure excluding interest payments.

Source: NSO.

by 4.7%, as lower non-tax inflows were offset by larger inflows from both direct and indirect taxes. Expenditure grew marginally, as lower capital expenditure and interest payments were offset by increases in other expenditure categories, mainly programmes and initiatives, contributions to government entities and personal emoluments.

During October, the stock of central government debt increased by €150.7 million, to reach €5,679.9 million (see Chart 6). This change was driven by a new Malta Government Stock issue, which amounted to €159.2 million.



Deposits, credit and financial markets

Growth in residents' deposits forming part of broad money (M3) slowed down sharply in October, with the annual rate easing to 2.9% from 6.5% in September (see Chart 7).

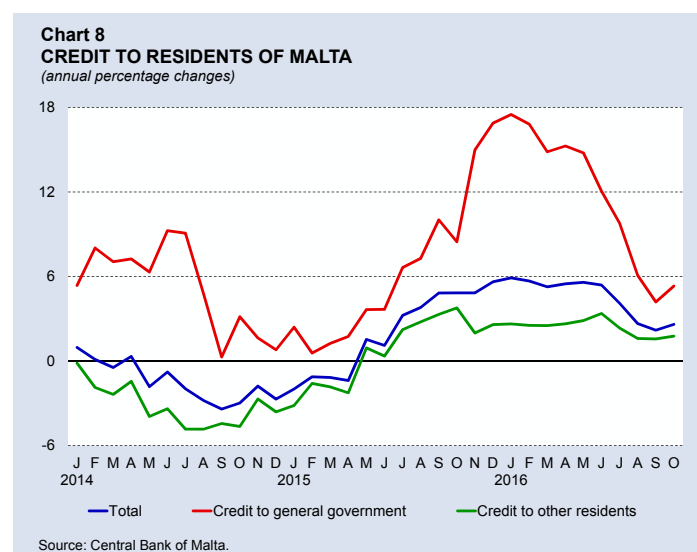
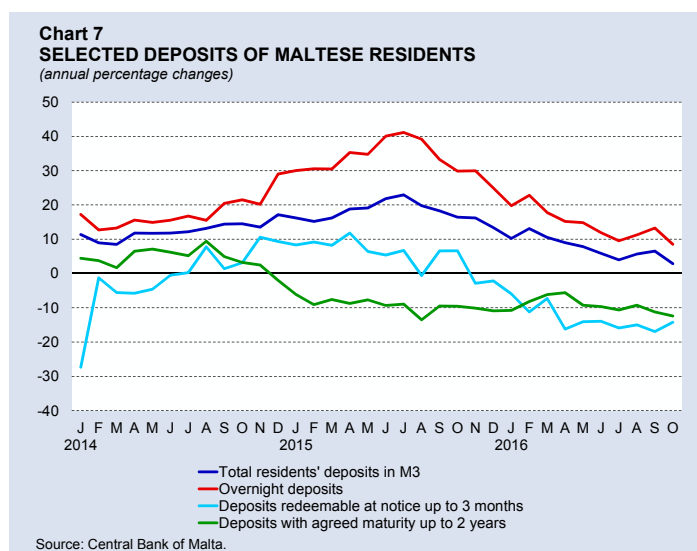
The deceleration in M3 deposits mainly reflected slower growth in overnight deposits. These rose by 8.5% on a year earlier, following a 13.3% increase in September. Notwithstanding these developments, overnight deposits remained the main driver behind deposit growth, illustrating a continued preference for holding liquid assets in an environment of low interest rates.

In fact, deposits with an agreed maturity of up to two years continued to contract in October. These deposits contracted by 12.4% on a year earlier, following a decline of 11.2% during the previous month. Deposits redeemable at notice up to 3 months, the smallest component of M3 deposits, also fell further in annual terms.

On the asset side of banks' balance sheets, annual growth in credit to Maltese residents picked up slightly, to 2.6% in October, from 2.2% in September (see Chart 8). This acceleration was evident in both lending to both general government and the private sector.

The annual rate of growth of credit to general government edged up to 5.3%, from 4.2% in September. This represented the first acceleration in credit growth since April.

Credit to all other residents – which comprise non-financial corporations (NFCs), households and non-bank financial institutions (OFIs) – grew by 1.8% year-on-year in October. This was marginally higher than the 1.6% recorded in September. Year-on-year growth in October was mainly driven by



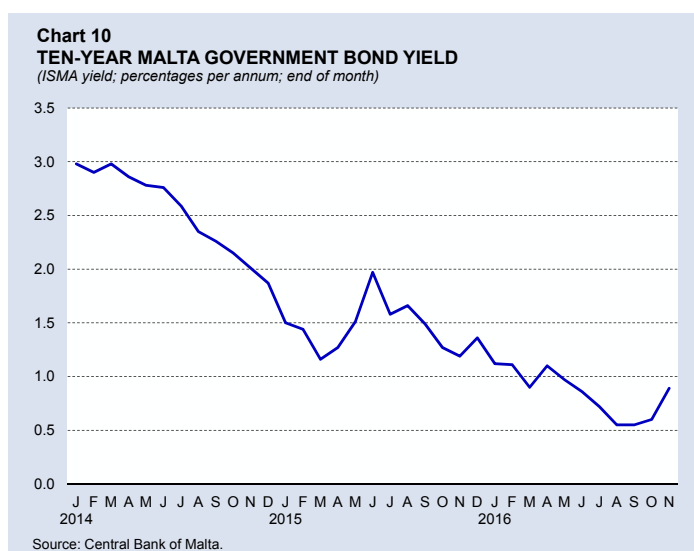
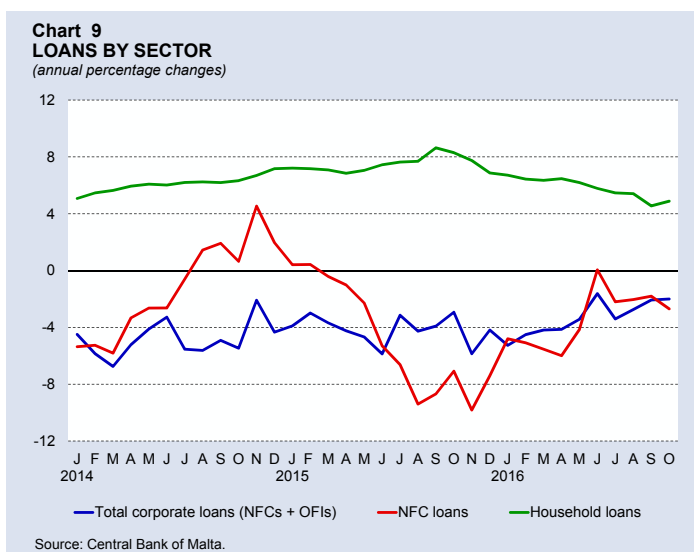
increases in loans, which grew at an annual rate of 1.4%, up from 1.2% during the previous month.

Loans to OFIs and households continued to expand. In particular, total loans to households grew by 4.9% in annual terms, following a 4.6% increase in September. Loans for house purchases accelerated, with an annual growth rate of 6.7% in October following 6.2% growth in September. However, consumer credit and other lending to households continued to contract.

Loans to NFCs also contracted further, going down by 2.7% in annual terms in October, following a 1.8% contraction a month earlier (see Chart 9). This faster decline mainly reflected developments relating to loans to private NFCs. In particular, loans to the construction sector declined at a faster pace in October, though declines were recorded across most sectors.

Bank deposit rates remained stable in October. The composite interest rate paid by monetary financial institutions (MFIs) on all euro-denominated deposits belonging to resident households and NFCs was unchanged from the previous month, at 0.52%. As a result, the composite deposit rate was 21 basis points below its level one year earlier. The comparable rate charged on outstanding loans also remained stable in October, at 3.69%. This implies a 15 basis point drop since October 2015.

In the secondary capital market, the yield on ten-year Maltese government bonds stood at 0.89% at the end of November, up from 0.60% at the end of the previous month (see Chart 10). Meanwhile, in November, the Malta Stock Exchange (MSE) Index lost 1.6%.



Annex 1

MACROECONOMIC INDICATORS FOR MALTA

(annual percentage changes; non-seasonally adjusted data)

	2014	2015	2015	2015	2015	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	
Prices and costs																					
HICP inflation	0.8	1.2	0.6	1.3	1.4	1.4	0.9	0.9	1.0	0.8	1.0	1.0	0.8	1.0	0.9	1.0	0.9	0.5	-	-	
RPI inflation	0.3	1.1	0.7	1.4	1.2	1.1	0.5	0.6	0.8	0.5	0.3	0.5	0.4	0.7	0.8	0.7	0.8	0.8	0.4	-	
Industrial producer price inflation	-0.6	-2.2	-1.3	-2.2	-2.2	-2.9	-1.5	0.1	0.0	-2.1	-0.9	-1.6	1.3	-0.3	-0.8	-0.3	0.2	0.0	-0.2	-	
HCI (nominal)	0.7	-5.5	-6.7	-7.3	-4.4	-3.3	1.7	3.1	1.5	0.1	1.9	3.1	4.2	3.0	2.1	2.6	1.4	0.6	1.0	-	
HCI (real)	-0.1	-9.8	-12.4	-12.9	-7.7	-5.9	2.4	5.2	2.3	-0.6	2.8	5.2	7.1	5.2	3.4	4.3	2.1	0.5	1.2	-	
Unit labour costs, whole economy ⁽¹⁾	-1.6	0.0	-0.8	-0.8	-1.0	0.0	0.3	0.9	1.9	-	-	-	-	-	-	-	-	-	-	-	
Compensation per employee ⁽¹⁾	1.4	3.8	2.1	2.8	3.2	3.8	4.1	3.4	3.1	-	-	-	-	-	-	-	-	-	-	-	
Labour productivity (per person) ⁽¹⁾	3.1	3.8	2.9	3.6	4.2	3.8	3.8	2.5	1.2	-	-	-	-	-	-	-	-	-	-	-	
Property Price Index (NSO)	2.6	4.0	2.7	3.6	6.7	3.1	3.8	5.1	-	-	-	-	-	-	-	-	-	-	-	-	
Economic activity																					
Nominal GDP	10.4	9.8	9.7	10.0	9.8	9.6	7.7	5.1	4.7	-	-	-	-	-	-	-	-	-	-	-	
Real GDP	8.4	7.4	7.8	7.7	7.3	7.1	5.5	3.4	3.0	-	-	-	-	-	-	-	-	-	-	-	
Real private consumption	2.6	5.5	3.9	3.9	6.9	7.2	6.2	2.2	3.1	-	-	-	-	-	-	-	-	-	-	-	
Real government consumption	7.0	4.7	3.1	5.0	-0.8	11.2	6.8	3.1	-7.3	-	-	-	-	-	-	-	-	-	-	-	
Real gross fixed capital formation	8.8	49.8	12.4	75.5	78.9	37.0	17.0	-2.7	-22.3	-	-	-	-	-	-	-	-	-	-	-	
Real exports of goods and services	5.1	4.3	1.1	5.0	5.4	5.5	4.9	-0.4	0.3	-	-	-	-	-	-	-	-	-	-	-	
Real imports of goods and services	1.5	7.7	-0.7	11.1	13.4	7.0	6.6	-1.6	-5.7	-	-	-	-	-	-	-	-	-	-	-	
Labour market developments																					
LFS unemployment rate (% of labour force)	5.8	5.4	5.7	5.4	5.2	5.2	4.9	4.9	-	-	-	-	-	-	-	-	-	-	-	-	
LFS employment	3.3	2.3	1.7	1.8	2.8	3.0	2.6	3.5	-	-	-	-	-	-	-	-	-	-	-	-	
Jobsplus gainfully occupied	4.0	4.5	4.9	4.8	4.2	4.2	4.0	-	-	3.9	4.0	4.0	4.3	4.7	-	-	-	-	-	-	
Balance of payments																					
Current account (as a % of GDP) ⁽²⁾	6.7	2.8	7.7	5.6	2.5	2.8	1.8	1.6	-	-	-	-	-	-	-	-	-	-	-	-	
Credit and financial indicators																					
Maltese residents' deposits and loans																					
Overnight deposits	29.0	24.9	30.5	40.1	33.3	24.9	17.8	11.9	13.3	19.8	22.8	17.8	15.2	14.8	11.9	9.5	11.3	13.3	8.5	-	
Deposits with agreed maturity up to 2 years	-2.0	-10.9	-7.6	-9.3	-9.5	-10.9	-6.2	-9.6	-11.2	-10.7	-8.2	-6.2	-5.6	-9.3	-9.6	-10.6	-9.3	-11.2	-12.4	-	
Total residents' deposits in M3	17.2	13.4	16.2	21.8	18.3	13.4	10.5	5.9	6.5	10.2	13.1	10.5	9.0	7.8	5.9	4.0	5.7	6.5	2.9	-	
Credit to general government	0.8	16.9	1.2	3.7	10.0	16.9	14.9	12.1	4.2	17.5	16.8	14.9	15.3	14.8	12.1	9.8	6.1	4.2	5.3	-	
Credit to other residents	-3.6	2.5	-1.8	0.4	3.3	2.6	2.5	3.4	1.6	2.6	2.5	2.5	2.6	2.9	3.4	2.3	1.6	1.6	1.8	-	
Total credit	-2.7	5.6	-1.2	1.1	4.8	5.6	5.3	5.4	2.2	5.9	5.7	5.3	5.5	5.6	5.4	4.1	2.7	2.2	2.6	-	
10-year interest rate (%) ⁽³⁾	1.9	1.4	1.2	2.0	1.5	1.4	0.9	0.9	0.6	1.1	1.1	0.9	1.1	1.0	0.9	0.7	0.6	0.6	0.6	0.9	
Stock prices: Malta Stock Exchange Index ⁽⁴⁾	-9.6	33.0	13.4	8.3	5.9	2.2	3.0	0.0	-2.1	0.9	1.8	0.2	-0.4	-1.7	2.0	-2.0	-0.7	0.6	1.7	-1.6	
General government finances (% of GDP)																					
Surplus (+) / deficit (-) ⁽²⁾	-2.0	-1.3	-2.2	-1.8	-1.6	-1.3	-0.2	0.3	-	-	-	-	-	-	-	-	-	-	-	-	
Gross debt ⁽⁵⁾	64.3	60.8	65.5	64.2	62.9	60.8	62.1	61.4	-	-	-	-	-	-	-	-	-	-	-	-	

⁽¹⁾ Four-quarter moving averages.

⁽²⁾ Four-quarter moving sums.

⁽³⁾ End of period.

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

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

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