



BANK ĊENTRALI TA' MALTA
EUROSISTEMA
CENTRAL BANK OF MALTA

ECONOMIC UPDATE

2/2017

Date of issue: 14 February 2017

© Central Bank of Malta, 2017

Address

Pjazza Kastilja
Valletta VLT 1060
Malta

Telephone

(+356) 2550 0000

Fax

(+356) 2550 2500

Website

<https://www.centralbankmalta.org>

E-mail

info@centralbankmalta.org

All rights reserved. Reproduction is permitted provided that the source is acknowledged.

The cut-off date for information in this publication is 13 February 2017. Figures in tables may not add up due to rounding.

ISSN 2410-8294 (online)

ECONOMIC UPDATE 2/2017

Summary¹

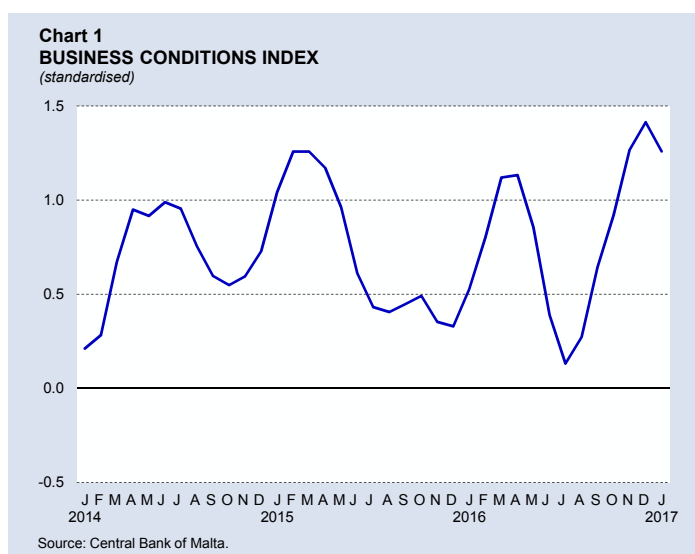
Business conditions remained favourable, with the Bank's Business Conditions Index (BCI) continuing to signal above normal activity levels in January. Economic sentiment decreased during the month. Although retail sales decreased in annual terms in December, industrial production and tourism activity continued to expand. Labour market conditions remained favourable, with the number of registered unemployed falling further during the month. Price pressures remained moderate, although the annual rate of inflation based on the Harmonised Index of Consumer Prices (HICP) edged up to 1.0% in December. Maltese residents' deposits rose at a faster rate in December, while the annual rate of growth of credit to residents reached 2.5%.

Central Bank's Business Conditions Index (BCI)

The Central Bank's BCI continues to show an above average level of economic activity (see Chart 1).² In January, the BCI eased slightly to 1.3, from an updated value of 1.4 a month earlier. It remains substantially above the 0.5 recorded in January 2016. The index continues to be supported by favourable developments related to the services industry.

Business and consumer confidence indicators

In January 2017, the Economic Sentiment Indicator (ESI) stood at 111, down from 115 in the preceding month (see Table 1), but still above its long-term average of 100.^{3,4} Lower sentiment was broad-based across sectors.



¹ The cut-off date for information in this note is 13 February 2017.

² The BCI is a synthetic indicator, which includes variables from each subsequent section of the Economic Update, namely the term-structure of interest rates, industrial production, an indicator for the services industry, the economic sentiment indicator, tax revenues, unemployment, private sector credit and gross domestic product. By construction, it has an average value of zero, implying average business conditions, over its estimation period since 2000. For further details on the methodology behind the BCI, see Ellul, R. (2016), "A real-time measure of business conditions in Malta," *Central Bank of Malta Working Paper WP/04/2016*.

³ 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%. Construction survey data for January 2017 are not available.

⁴ 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.

Table 1
BUSINESS AND CONSUMER SURVEYS

Balances; percentage points; seasonally adjusted

	2015	2016	2016 Dec.	2017 Jan.
Economic Sentiment Indicator	111	109	115	111
Retail trade confidence indicator	16	7	10	1
Business activity, past 3 months	33	17	18	-3
Stocks of finished goods	9	9	1	12
Business activity, next 3 months	25	14	12	17
Services confidence indicator	26	26	30	24
Business situation development over the past 3 months	25	22	27	28
Evolution of the demand over the past 3 months	28	29	35	28
Expectation of the demand over the next 3 months	25	27	29	16
Consumer confidence indicator	0	2	2	0
Financial situation over next 12 months	4	5	5	3
General economic situation over next 12 months	11	13	13	13
Unemployment expectations over next 12 months	-10	-13	-15	-12
Savings over next 12 months	-25	-24	-26	-28
Industrial confidence indicator	0	0	8	7
Assessment of order-book levels	-23	-18	-1	-9
Assessment of stocks of finished products	-1	2	1	4
Production expectations for the months ahead	24	19	25	33
Construction confidence indicator	11	-8	3	-
Evolution of your current overall order books	1	-22	-8	-
Employment expectations over the next 3 months	22	6	13	-

Source: European Commission.

Sentiment in the retail sector fell to 1, after turning positive to 10 in December 2016.⁵ This indicator thus stood at its long-term average of 1. The fall in sentiment in January was driven by respondents' weaker assessment of business activity in the past three months. At the same time, the share of respondents reporting an increase in stocks of finished goods increased. In contrast firms' assessment of business activity for the following three months was more optimistic.⁶ Additional survey data for this sector indicate that, compared to December, a larger share of respondents expected their labour complement to rise in the subsequent three months. On balance firms believed their orders and prices will rise in the following three months, after registering negative responses in the preceding month.

In January, the confidence indicator for firms operating in the services sector was less optimistic, falling to 24, from 30 at the end of 2016.⁷ This still compares favourably with a long-term average of 21. Firms lowered their assessment of demand over the preceding three months and its expected evolution over the three months ahead. However, they were more upbeat with regard to their business situation over the preceding three months. Additional survey data indicate that, overall, firms' assessment of past labour developments as well as expected prices improved

⁵ 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.

⁶ Increased stocks of finished goods have a negative effect on the overall industrial confidence indicator.

⁷ 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.

compared with December. However, a smaller net share of respondents expected to increase their labour component in the following three months.

Consumer confidence fell for the second consecutive month, going to 0, from 2 in the preceding month. Consumer confidence thus remained well above its long-term average of -20.⁸ The decline in January was driven by all subcomponents of the index except respondents' expectations about the general economic situation over the next 12 months, which was unchanged from the previous month. Additional survey information indicates that in January consumers' inflation expectations increased compared to the preceding month. At the same time, a smaller share of respondents expected to make fewer major purchases over the subsequent 12 months.

Similarly, the industrial confidence indicator fell slightly, from 8 in December to 7 in January, but remained well above its long-term average of -4.⁹ The fall in sentiment in January was driven by firms' assessment of order books and stocks of finished goods, which was above normal.¹⁰ Meanwhile, production expectations for the three months ahead increased compared to the preceding month. Supplementary survey data suggest that, on balance, in January a larger share of respondents expected to increase their employment in the subsequent months. At the same time, on balance, respondents expect to keep their selling prices unchanged in the following 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 4.7% in year-on-year terms in December 2016. This followed a 0.4% increase in November (see Table 2).¹¹ In December, output increased substantially among manufacturers of rubber and plastics. Output also rose among firms producing

Table 2
ACTIVITY INDICATORS

Annual percentage changes

	2015	2016	2016											
			Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
Industrial production	6.1	-3.1	-7.7	-2.2	-3.8	-2.3	-3.7	-6.2	-5.1	-2.3	-1.4	-6.2	0.4	4.7
Retail trade	7.0	2.0	6.1	12.7	2.8	-1.5	-0.3	-0.5	-2.0	3.5	3.0	0.4	4.1	-0.7
Number of tourist arrivals	5.5	10.2	14.2	9.2	14.2	8.4	9.8	7.2	9.1	2.8	7.5	9.4	24.2	30.9
Number of nights stayed	4.7	5.7	9.0	10.4	11.6	7.4	6.6	8.6	3.5	0.7	1.6	3.9	14.2	10.3
Private accommodation	14.9	13.5	14.2	15.8	18.8	23.8	20.8	26.2	13.3	7.9	6.2	6.1	25.8	9.8
Collective accommodation	-0.7	1.0	6.0	8.2	8.9	-0.1	0.3	-0.4	-3.5	-5.4	-1.7	2.6	8.5	10.8
Tourist expenditure	7.2	4.3	7.0	9.6	10.9	3.3	5.0	4.0	4.3	-1.9	1.3	4.1	12.9	16.0
Package expenditure	4.8	-6.5	-7.0	0.1	4.9	-7.4	-6.5	-9.9	-1.9	-13.2	-6.0	-9.6	-3.1	3.1
Non-package expenditure	13.1	11.3	10.9	19.6	16.8	9.2	15.0	17.7	5.7	4.0	8.6	13.7	21.8	18.1
Other	5.2	8.2	15.5	10.6	12.8	8.4	8.7	6.6	8.3	2.9	1.5	9.6	18.7	22.9

Sources: National Statistics Office; Eurostat.

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.

⁹ 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.

¹⁰ Above normal stocks of finished goods have a negative effect on the overall industrial confidence indicator.

¹¹ The annual growth rates of the industrial production index are based on working-day adjusted data.

computer, electronic and optical products and within the energy sector. These increases offset declines in the pharmaceutical sector, among firms involved in the printing and reproduction of recorded media, and within the food and beverages sectors.

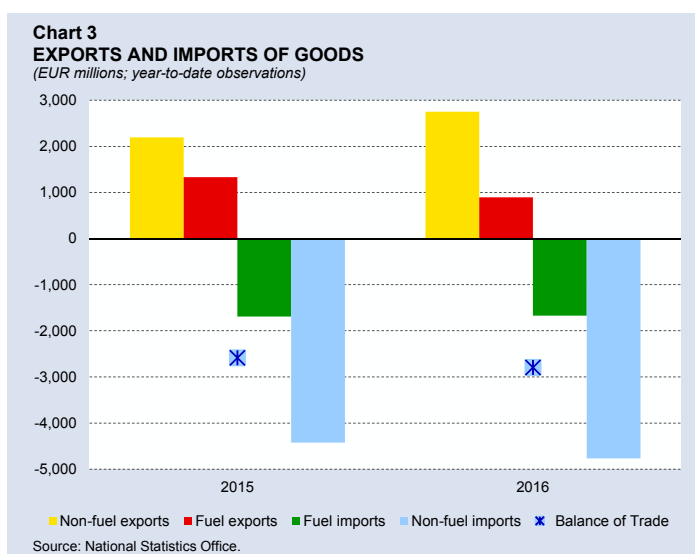
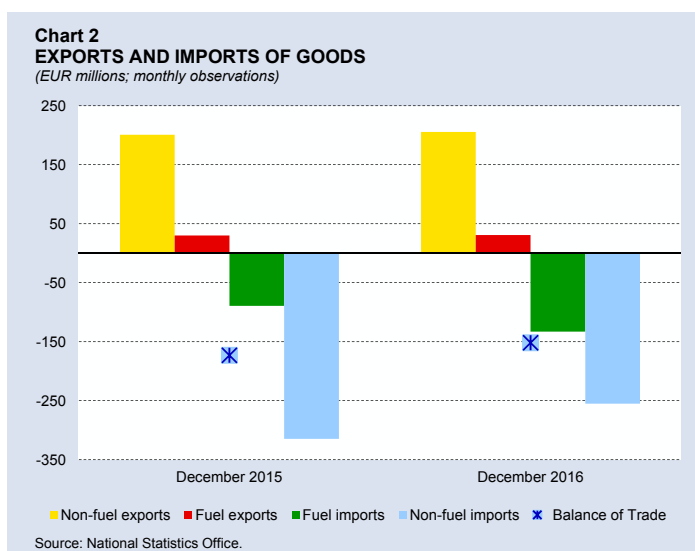
The annual rate of change of retail trade, which is a short-term indicator for final domestic demand, turned negative in December. Calendar day-adjusted data show that the volume of retail trade declined by 0.7% on a year earlier, following a rise of 4.1% in November.

During December, the number of inbound tourists surged by 30.9%, when compared with the same month of 2015. Nights stayed grew by 10.3% on a year earlier, driven by increases in both collective and private accommodation. At the same time, tourist expenditure rose by 16.0% in annual terms, mostly due to higher spending on accommodation and on the 'other expenditure' component. Spending on package holidays and on air/sea fares recorded smaller increases.

The overall occupancy rate in collective accommodation establishments stood at 54.8% in November, 5.4 percentage points higher than in the same month of 2015, with three and five-star hotels recording the largest improvement.

Preliminary Customs data for December show that the trade deficit narrowed by €21.3 million when compared with the same month of 2015, to €151.8 million, as imports declined by €15.8 million while exports rose by €5.5 million (see Chart 2). This increase in exports was largely attributable to exports net of fuels, which grew by €4.7 million. Meanwhile the decline in imports was driven by lower industrial supplies, though imports of capital and consumer goods also decreased. Imports of fuel, on the other hand, rose by €43.7 million

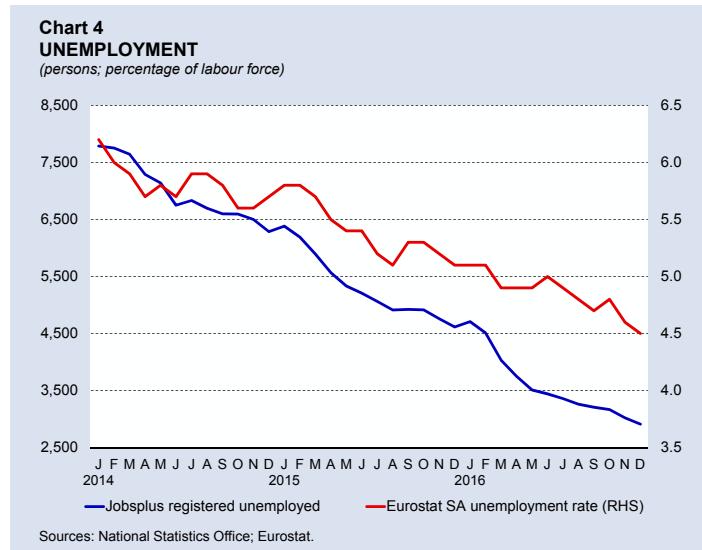
During 2016 as a whole, imports rose at a faster rate than exports. As a result, the visible trade gap widened by €207.4 million when compared with 2015, to €2,794.3 million (see Chart 3). This gap was to a large extent



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 people on the unemployment register in December. Indeed, the registered unemployed fell to 2,912 from 4,615 in the corresponding month of 2015 and from 3,021 in November (see Chart 4).

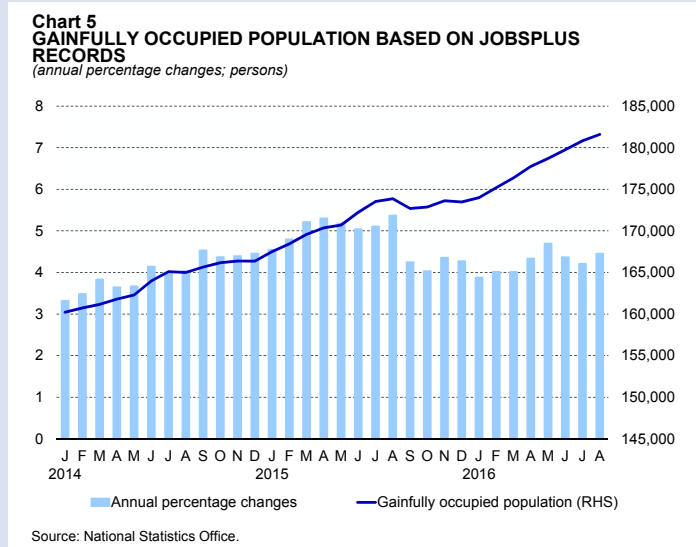


Meanwhile, Eurostat's estimate of the seasonally-adjusted unemployment rate edged down to 4.5% in December, from 4.6% in the preceding month. Therefore, the unemployment rate remained low from a historical perspective and well under the 5.1% recorded a year earlier.

BOX 1: GAINFULLY OCCUPIED POPULATION

Jobsplus records show that in August the gainfully occupied population, defined to include all persons in full-time employment, rose by 4.5% on a year earlier, reaching 181,605 (see Chart 5). This followed 4.2% growth in July.

As in recent months, growth in employment in August was mainly driven by the private sector, with the public sector registering only a marginal annual increase (see Table 3).



The number of full-timers in the private sector went up by 7,648, or 5.9%, on the same month of the previous year. Employment growth in the private sector continued to be driven by market services, with the number of full-time job holders increasing by 7,195, or 7.4% in annual terms. This increase was distributed among all major sectors within this category.

Table 3
LABOUR MARKET INDICATORS BASED ON JOBSPLUS RECORDS

Persons: annual percentage changes

	2015 August	2016 August	Annual change	
			Number of persons	%
Labour supply	178,777	184,866	6,089	3.4
Gainfully occupied ⁽¹⁾	173,863	181,605	7,742	4.5
Registered unemployed	4,914	3,261	-1,653	-33.6
Unemployment rate (%)	2.7	1.8		
Private sector	129,468	137,116	7,648	5.9
Direct production ⁽²⁾	32,633	33,086	453	1.4
Market services	96,835	104,030	7,195	7.4
Wholesale and retail trade	24,745	25,129	384	1.6
Transportation and storage	7,680	8,045	365	4.8
Accommodation and food service activities	11,019	11,655	636	5.8
Information and communication	6,139	6,351	212	3.5
Financial and insurance activities	7,940	8,310	370	4.7
Real estate, professional and administrative activities ⁽³⁾	21,909	24,662	2,753	12.6
Arts, entertainment and recreation	4,962	6,503	1,541	31.1
Education	4,792	4,965	173	3.6
Other	7,649	8,410	761	9.9
Public sector	44,395	44,489	94	0.2

⁽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: National Statistics Office.

The sector incorporating real estate, professional and administrative activities saw the largest absolute increase. Employment in this sector went up by 2,753 in the year to August 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 1,541.

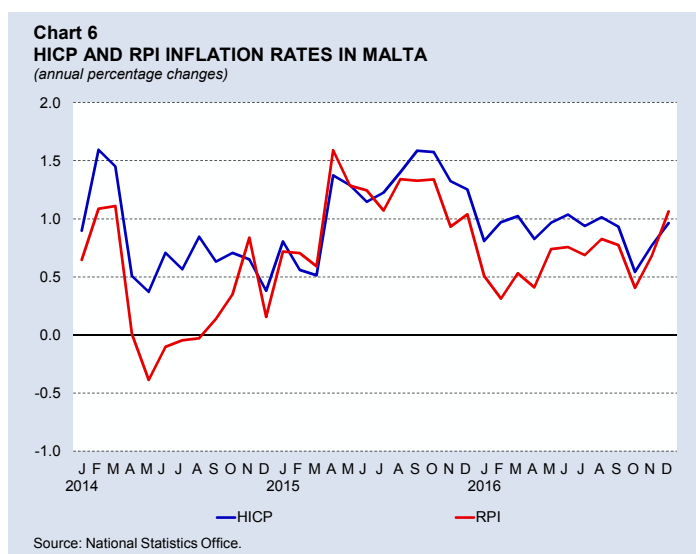
Meanwhile, employment in direct production within the private sector grew by 453, or 1.4%, on a year earlier. Increases were recorded across all sectors, with the exception of the water supply, sewerage, waste management and remediation activities, where employment fell slightly on a year earlier.

Public sector jobs rose by 94, or 0.2%, on a year earlier, mainly driven by increased employment within the education sector.

Prices, costs and competitiveness

The annual rate of HICP inflation rose again in December, going to 1.0% from 0.8% in the previous month (see Chart 6).

The recent increase in HICP inflation was mainly driven by developments in food prices, with prices of vegetables and fruit both rising at a significantly faster pace compared with November. At the same time, NEIG inflation continued to recover from October's low reading, edging up for the second consecutive month. On the other hand, services inflation eased marginally during the month under review. Energy prices continued to contract at an unchanged annual rate, reflecting previous cuts in fuel and gas prices.



Inflation based on the RPI rose for the second consecutive month, from 0.7% in November to 1.1% in December. As with the HICP, the main driver of this increase was food inflation.¹²

The Industrial Producer Price Index (PPI), a proxy measure for cost pressures, weakened further in December, with the annual growth rate falling to -1.9% from -1.1% a month earlier.¹³ As in the previous month, the decrease in producer prices mainly reflected developments in intermediate goods prices, which are significantly affected by the computers, electronics and optical products component. Annual contributions from the other components of the index were broadly unchanged when compared to November. Producer price inflation was weak throughout 2016.

With regard to international price competitiveness, Malta's nominal and real harmonised competitiveness indicators (HCI) respectively gained 1.0% and 0.8% in December when compared to a year earlier.¹⁴ This increasing trend has been observed since the start of the year, and suggests that Malta's international competitiveness has deteriorated when compared to 2015. In part, this could reflect the stronger euro exchange rate against the pound sterling throughout 2016, as well as developments in relative prices.

¹² The Retail Price Index (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.

¹³ The Industrial PPI measures the prices of goods at the factory gate and is commonly used to monitor inflationary pressures at the production stage.

¹⁴ 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.

Deposits, credit and financial markets

The annual rate of growth of residents' deposits forming part of broad money (M3) rose to 7.5% in December, from 5.4% in November (see Chart 7).

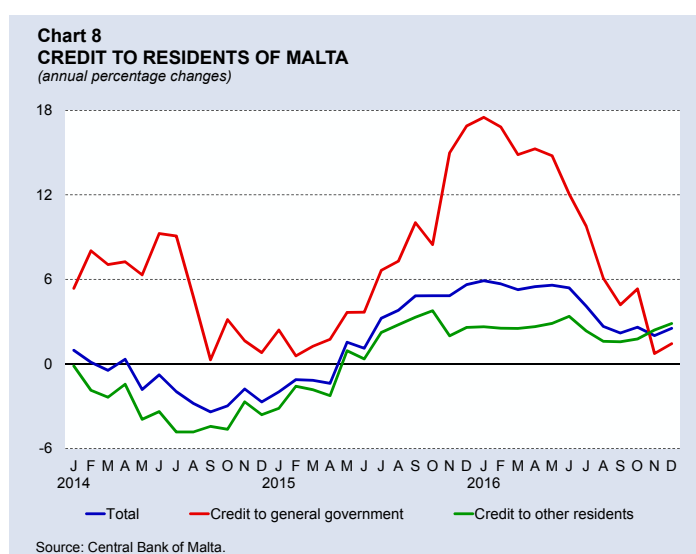
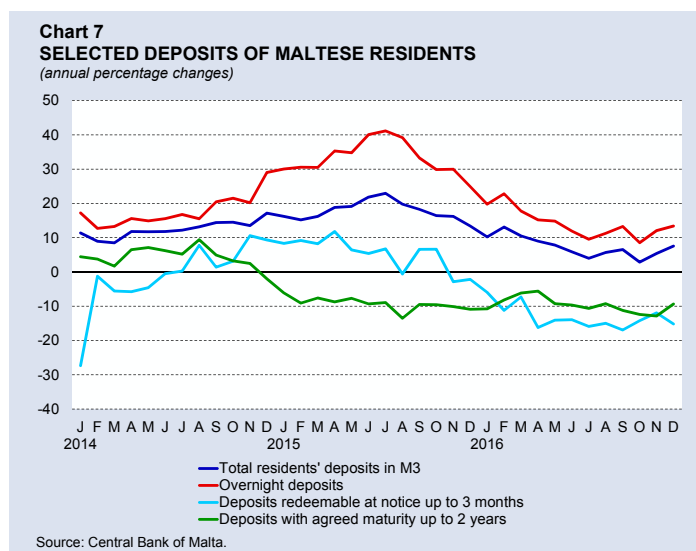
The acceleration in M3 deposits mainly reflected faster growth in overnight deposits. These rose by 13.4% on a year earlier, following a 12.1% increase in November. This faster growth in overnight deposits illustrates a continued preference for holding liquid assets in an environment of low interest rates. At the same time the annual rate of decline of deposits redeemable at notice up to 2 years eased in December.

Deposits with a maturity of up to three months, the smallest component of residents' deposits, also continued to contract in December. These decreased by 15.2% on a year earlier, following a decline of 11.9% in November.

On the asset side of banks' balance sheets, annual growth in credit to Maltese residents picked up slightly to 2.5% in December, from 2.0% in November (see Chart 8). This acceleration was driven by faster growth in credit to both general government and to other residents. Growth in credit to general government, which had been on a decelerating path since April, edged up to 1.4% in December, from 0.7% in the previous month.

Credit to all other residents – which comprises non-financial corporations (NFCs), households and non-bank financial institutions (OFIs) rose at an annual rate of 2.9%, up from 2.4% in November. Year-on-year growth in December was mainly driven by increases in loans, which expanded at an annual rate of 2.7%, following 2.2% growth in the previous month.

Loans to OFIs and households continued to expand. In

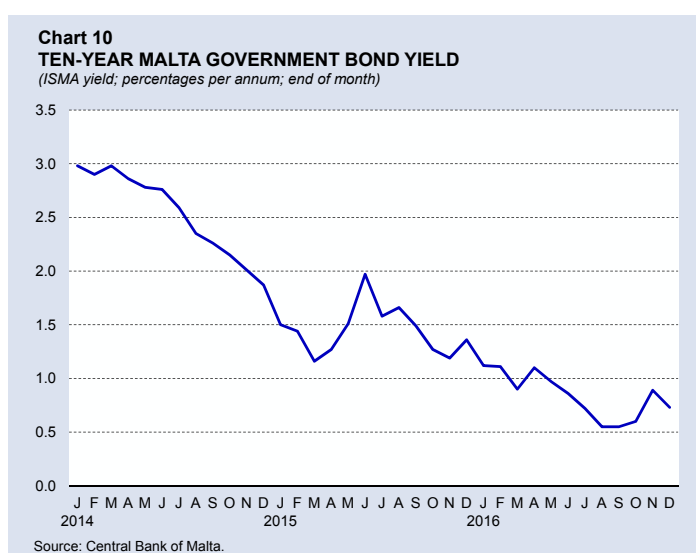
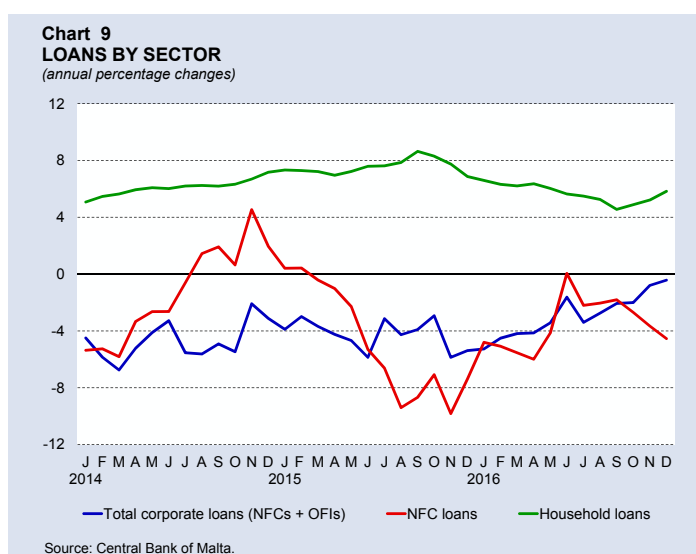


particular, total loans to households grew by 5.8% in annual terms, following a 5.2% increase in November (see Chart 9). Loans for house purchases continued to grow at a robust pace, with the annual growth rate standing at 7.7% in December, up from 7.2% in November. In contrast, consumer credit and other lending to households continued to contract.

Loans to NFCs extended their decline. These went down by 4.5% in annual terms in December, following a 3.7% decrease a month earlier. This faster decline reflected developments in loans to private NFCs, the main component. In December, year-on-year declines in loans to private NFCs were recorded across most sectors, save for energy and real estate as well as the sector comprising professional scientific and technical activities. Loans to public sector NFCs declined at a slower pace compared with the previous month.

Bank deposit rates declined slightly in December. The composite interest rate paid by monetary financial institutions (MFIs) on all euro-denominated deposits belonging to resident households and NFCs stood at 0.48% in December, down by 2 basis points from November. As a result, the composite deposit rate was 21 basis points below its level one year earlier. The comparable rate charged on outstanding loans remained unchanged from the previous month, at 3.68%. This implies a 13 basis point drop since December 2015.

In the secondary capital market, the yield on ten-year Maltese government bonds ended December at 0.73%, down from 0.89% at the end of the previous month (see Chart 10). Meanwhile, the Malta Stock Exchange (MSE) Index gained 3.6%. The MSE Index rose further in January, adding 1.8%.



Annex 1

MACROECONOMIC INDICATORS FOR MALTA																								
<i>(annual percentage changes; non-seasonally adjusted data)</i>																								
	2015	2016	2015	2015	2015	2015	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	2017		
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	
Prices and costs																								
HICP inflation	1.2	0.9	0.6	1.3	1.4	1.4	0.9	0.9	1.0	0.8	0.8	1.0	1.0	0.8	1.0	1.0	0.9	1.0	0.9	0.5	0.8	1.0	-	
RPI inflation	1.1	0.6	0.7	1.4	1.2	1.1	0.5	0.6	0.8	0.7	0.5	0.3	0.5	0.4	0.7	0.8	0.7	0.8	0.8	0.4	0.7	1.1	-	
Industrial producer price inflation	-2.2	-0.6	-1.3	-2.2	-2.2	-2.9	-1.5	0.1	0.0	-1.0	-2.0	-0.9	-1.6	1.3	-0.2	-0.8	-0.2	0.3	0.0	-0.1	-1.1	-1.9	-	
HCI (nominal)	-5.5	1.9	-6.7	-7.3	-4.4	-3.3	1.7	3.1	1.5	1.5	0.1	1.9	3.1	4.2	3.0	2.1	2.6	1.4	0.6	1.0	2.5	1.0	-	
HCI (real)	-9.8	2.9	-12.4	-12.9	-7.7	-5.9	2.4	5.2	2.3	1.7	-0.6	2.8	5.2	7.1	5.2	3.4	4.2	2.1	0.5	0.7	3.7	0.8	-	
Unit labour costs, whole economy ⁽¹⁾	0.0	-	-0.8	-0.8	-1.0	0.0	0.3	1.0	1.8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Compensation per employee ⁽¹⁾	3.8	-	2.1	2.8	3.2	3.8	4.1	3.4	3.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Labour productivity (per person) ⁽¹⁾	3.8	-	2.9	3.5	4.2	3.8	3.8	2.6	1.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Property Price Index (NSO)	5.0	-	2.7	3.6	8.6	5.2	4.3	6.4	4.9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic activity																								
Nominal GDP	9.8	-	9.7	10.0	9.8	9.6	7.7	5.1	4.7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Real GDP	7.4	-	7.8	7.7	7.3	7.1	5.5	3.4	3.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Real private consumption	5.5	-	3.9	3.9	6.9	7.2	6.2	2.2	3.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Real government consumption	4.7	-	3.1	5.0	-0.8	11.2	6.8	3.1	-7.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Real gross fixed capital formation	49.8	-	12.4	75.5	78.9	37.0	17.0	-2.7	-22.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Real exports of goods and services	4.3	-	1.1	5.0	5.4	5.5	4.9	-0.4	0.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Real imports of goods and services	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)	5.4	-	5.7	5.4	5.2	5.2	4.9	4.9	4.8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
LFS employment	2.3	-	1.7	1.8	2.8	3.0	2.6	3.5	2.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Jobsplus gainfully occupied	4.8	-	4.9	5.2	4.9	4.2	4.0	4.5	-	-	3.9	4.0	4.0	4.3	4.7	4.4	4.2	4.5	-	-	-	-	-	-
Balance of payments																								
Current account (as a % of GDP) ⁽²⁾	5.2	-	10.7	8.5	5.2	5.2	4.3	4.2	6.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Credit and financial indicators																								
Maltese residents' deposits and loans																								
Overnight deposits	24.9	13.4	30.5	40.1	33.3	24.9	17.8	11.9	13.3	13.4	19.8	22.8	17.8	15.2	14.8	11.9	9.5	11.3	13.3	8.5	12.1	13.4	-	
Deposits with agreed maturity up to 2 years	-10.9	-9.3	-7.6	-9.3	-9.5	-10.9	-6.2	-9.6	-11.2	-9.3	-10.7	-8.2	-6.2	-5.6	-9.3	-9.6	-10.6	-9.3	-11.2	-12.4	-12.9	-9.3	-	
Total residents' deposits in M3	13.4	7.5	16.2	21.8	18.3	13.4	10.5	5.9	6.5	7.5	10.2	13.1	10.5	9.0	7.8	5.9	4.0	5.7	6.5	2.9	5.4	7.5	-	
Credit to general government	16.9	1.4	1.2	3.7	10.0	16.9	14.9	12.1	4.2	1.4	17.5	16.8	14.9	15.3	14.8	12.1	9.8	6.1	4.2	5.3	0.7	1.4	-	
Credit to other residents	2.6	2.9	-1.8	0.4	3.3	2.6	2.5	3.4	1.6	2.9	2.6	2.5	2.5	2.6	2.9	3.4	2.3	1.6	1.6	1.8	2.4	2.9	-	
Total credit	5.6	2.5	-1.2	1.1	4.8	5.6	5.3	5.4	2.2	2.5	5.9	5.7	5.3	5.5	5.6	5.4	4.1	2.7	2.2	2.6	2.0	2.5	-	
10-year interest rate (%) ⁽³⁾	1.4	0.7	1.2	2.0	1.5	1.4	0.9	0.9	0.6	0.7	1.1	1.1	0.9	1.1	1.0	0.9	0.7	0.6	0.6	0.6	0.9	0.7	-	
Stock prices: Malta Stock Exchange Index ⁽⁴⁾	33.0	4.5	13.4	8.3	5.9	2.2	3.0	0.0	-2.1	3.7	0.9	1.8	0.2	-0.4	-1.7	2.0	-2.0	-0.7	0.6	1.7	-1.6	3.6	1.8	
General government finances (% of GDP)																								
Surplus (+) / deficit (-) ⁽²⁾	-1.3	-	-2.2	-1.8	-1.6	-1.3	-0.2	0.4	0.6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross debt ⁽⁵⁾	60.8	-	65.5	64.2	62.9	60.8	62.1	61.4	60.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

⁽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.