



BANK ĊENTRALI TA' MALTA
—EUROSISTEMA—
CENTRAL BANK OF MALTA

ECONOMIC UPDATE

MAY 2016

Date of issue: 25 May 2016

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ISSN 2410-8294 (online)

ECONOMIC UPDATE MAY 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. Buoyant economic activity is being reflected in the labour market, with employment expanding and the unemployment rate remaining at historically low levels. More recent data point to continued growth in the exports of tourism services during the first quarter of 2016, offset partly by a decline in manufacturing output. Meanwhile, unemployment fell further. Price pressures were moderate. The annual rate of inflation, based on the Harmonised Index of Consumer Prices (HICP) eased to 0.8% in April. Maltese residents' deposits continued to expand at a rapid annual rate in March, while the annual rate of growth of credit to residents eased slightly further, to 5.2%. As regards fiscal developments, the general government deficit narrowed substantially in 2015. On the other hand, the deficit on the cash-based Consolidated Fund widened. In the first three months of 2016, the Fund showed a larger deficit compared with a year earlier, mainly due to lower 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 fourth quarter of 2015, 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.

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

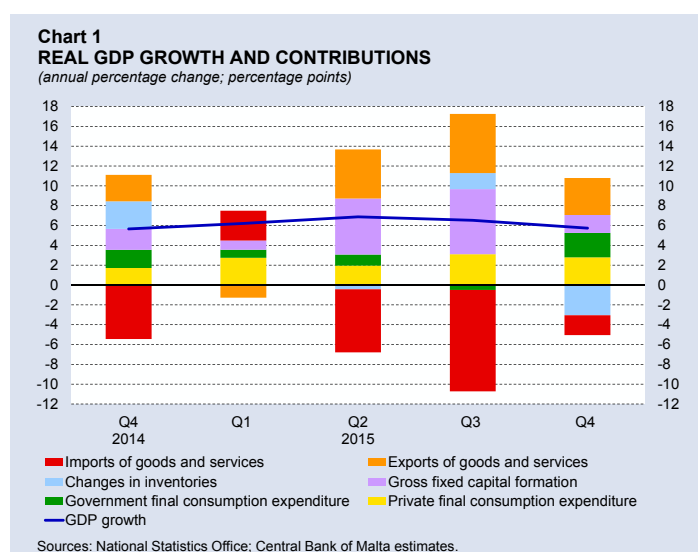
⁽¹⁾ Chain-linked volumes, reference year 2010.

Source: National Statistics Office.

¹ The cut-off date for information in this note is 20 May 2016.

In turn, the main drivers were a rise in private consumption and in government consumption, which 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, supported by 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 increases 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 three months of 2016 indicates a further decline in manufacturing activity and continued growth in tourism.

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.

As regards manufacturing, the index of industrial production fell by 4.9% in year-on-year terms in March 2016, following a 2.8% fall in February.³ Thus, during the first quarter of 2016 as a whole, industrial production fell by 5.3% on a year earlier. A substantial fall was registered among firms involved in the printing and reproduction of recorded media and in the pharmaceutical sector. Output also fell among firms involved in the production of food, computer, electronic and optical products as well as energy. Developments in these sectors offset increased production in the beverages and rubber and plastics sectors.

Turning to incoming tourism, the positive performance of the industry persisted in March as arrivals rose by 14.2% on a year earlier, while nights stayed and expenditure also increased at double digit rates. During the first quarter of 2016, arrivals were up by 12.7% on the same period of 2015, while expenditure rose by 9.3%.

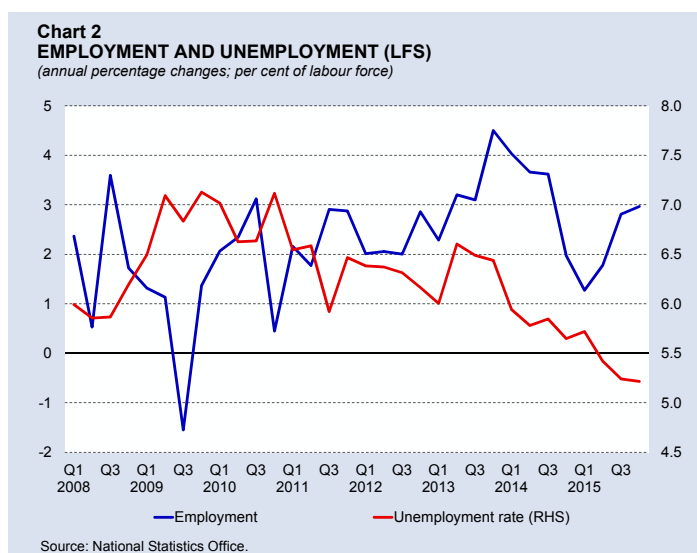
Meanwhile, during the first quarter of 2016, cruise liner calls stood at 17, up from 9 in the first three months of 2015. As a result, the number of foreign passengers almost doubled to 39,303.

As regards the labour market, 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 mainly reflected developments in the number of employed on a full-time basis. On the other hand, the number of part-time employees fell for the third consecutive quarter, although at a lower rate compared with recent quarters.

On the basis of records maintained by the Employment and Training Corporation (ETC), employment increased even more strongly. In November 2015 the gainfully occupied population rose by 4.4% on a year earlier, following 4.0% growth in October.⁴

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.⁵

The available information suggests that labour market conditions remained favourable in the first three months of 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.

Indeed, Eurostat's estimate of the seasonally-adjusted unemployment rate fell to 4.7% in March from 5.2% 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, down from 5,568 in the corresponding month of 2015.

Prices, costs and competitiveness

In April, the annual rate of HICP inflation eased to 0.8% from 1.0% in March. As a result, the twelve-month moving average rate edged down by 0.1 percentage point to 1.2% (see Chart 3).

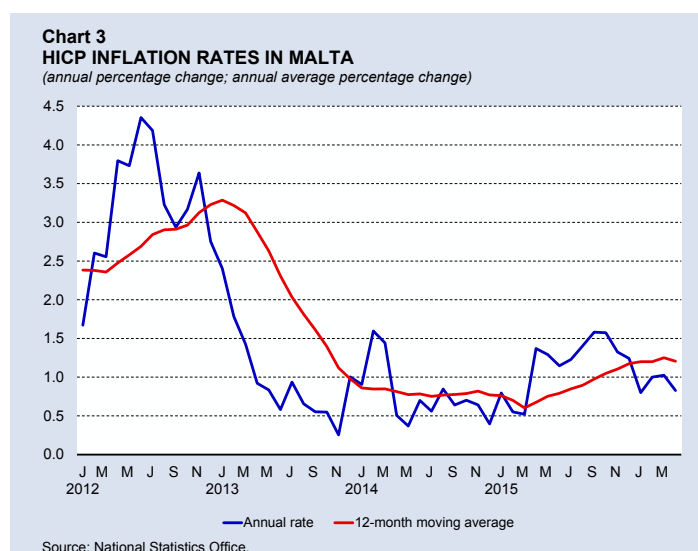
The lower annual rate of inflation in April mainly reflected a larger negative contribution from the energy component and a smaller positive contribution from non-energy industrial goods (NEIG).

The annual rate of change of energy prices fell to -4.3% in April from -2.4% in March, largely reflecting lower prices of fuels for personal transport. At the same time, NEIG inflation eased from 1.3% in March to 0.9% in April, partly reflecting a faster drop in the prices of clothing.

The annual rate of change of processed food prices eased to 2.2% from 2.5% in March, owing to lower inflation on alcoholic beverages. Moreover, the annual rate of change of services prices also eased slightly, falling to 1.0% in April from 1.1% in March. This reflected lower prices for transport services, and further decreases in communication services prices.

On the other hand, prices for unprocessed food rose at an annual rate of 1.6% in April, up from 0.5% in March, reflecting faster increases in fish and seafood prices as well as a smaller decrease in vegetable prices.

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 This was the first annual drop in ULCs since 2005, and was the result of continued 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%



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.

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.

Eurostat's House Price Index for Malta – which is based on actual transactions covering terraced houses, apartments and maisonettes – indicates that residential property prices increased by 1.0% in the fourth quarter of 2015 compared with the same quarter of the previous year. This followed 6.7% growth in the third quarter.

The Central Bank of Malta's advertised property price index shows faster growth in advertised house price in the last quarter of 2015, of 10.0%. This was followed by a 9.9% increase during the first quarter of 2016. It is to be noted that advertised property prices may not accurately reflect the prices at which sales actually take place.

Deposits, credit and financial markets

Following a slight pick-up in February, residents' deposits forming part of broad money (M3) slowed down again. Their annual growth rate eased to 10.5% in March, from 13.1% in February (see Chart 4).

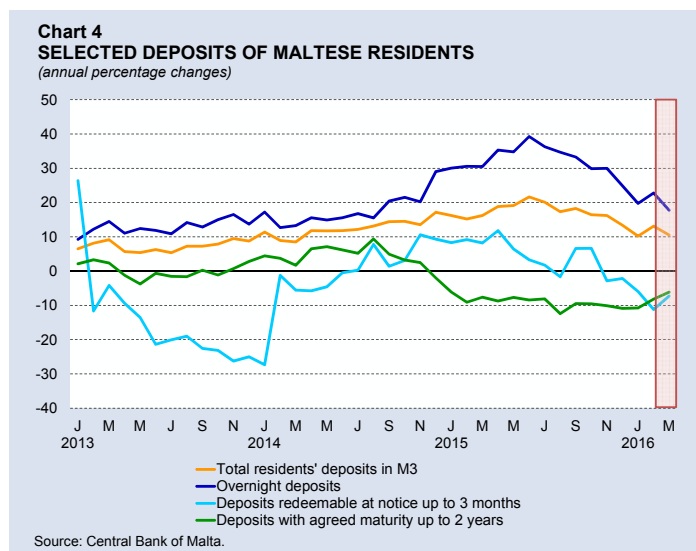
This deceleration was partly driven by overnight deposits, which rose by 17.8% on a year earlier, following a 22.8% increase in February. Demand for overnight facilities is high, reflecting the low opportunity cost of holding liquid assets in an environment of low interest rates. Despite slowing down in March, 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, declined at a slower pace, with the annual rate of change rising to -6.1% in March, from -8.2% in February. 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 slowed once more in March, to 5.2% from 5.7% in February (see Chart 5).

The annual rate of growth of credit to general government eased to 14.8%, from 16.8% in February. The year-on-year increase in this credit component in March was partly driven by an increase in the Central Bank'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



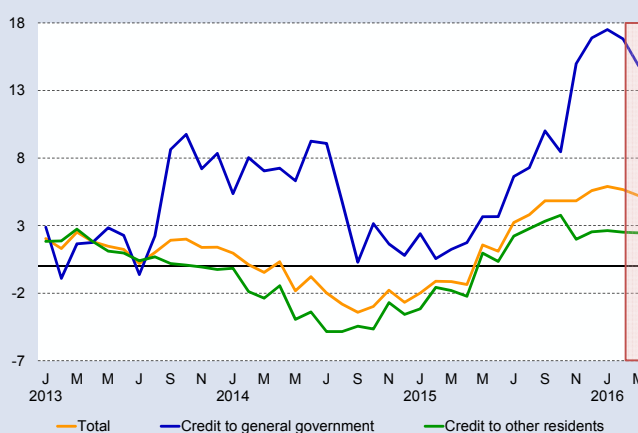
institutions (OFIs) – grew by 2.5% year-on-year in March, unchanged from February. The annual increase in March was mainly driven by greater bank holdings of equities and increases in loans. Loans, the bigger component, grew at an annual rate of 0.7%, following a 0.9% rise in the previous month.

In more detail, NFC loans, which comprise lending to both public and private NFCs, contracted by 6.3% on an annual basis in March, after a 5.5% drop in February (see Chart 6). This partly reflected a continued decline in loans to public NFCs. Furthermore, the annual growth rate of loans to private NFCs turned negative for the first time since February 2015. In contrast, loans to OFIs, the other component of corporate loans, continued to expand. Meanwhile, annual growth in loans to households remained stable at 6.4% in March (see Chart 6). As in recent months, year-on-year growth in loans for house purchase remained strong, though it edged down marginally to 8.2% in March. Strong growth in house loans offset continued drops in consumer credit and other lending.

Bank deposit rates extended their downward trend in March, with the composite interest rate paid by monetary financial institutions (MFIs) on all euro-denominated deposits belonging to resident households and NFCs dropping by 3 basis points to 0.64%. The comparable rate charged on outstanding loans also dropped, down by 1 basis point to 3.77%. As a result, the composite deposit rate was 29 basis points below its level one year ago, while the corresponding lending rate went down by 20 basis points.

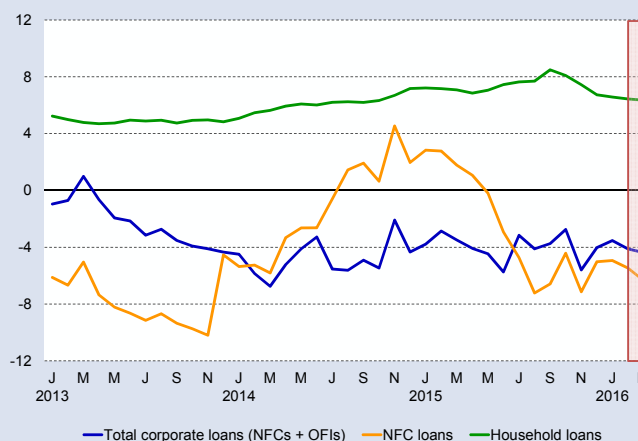
In the secondary capital market, the yield on ten-year government bonds rose in April when compared to a month earlier, standing at 1.10% from 0.90% in March (see Chart 7). This increase mirrored developments in the comparable euro-area benchmark yields. Meanwhile, equity prices rose once more in April, with the MSE index gaining 0.4%.

Chart 5
CREDIT TO RESIDENTS OF MALTA
(annual percentage changes)



Source: Central Bank of Malta.

Chart 6
LOANS BY SECTOR
(annual percentage changes)



Source: Central Bank of Malta.

No major developments took place in the primary capital market during April.

Public finance⁷

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 increase the absorption rate of EU funds under the 2007-2013 EU financing programme.

Chart 7
TEN-YEAR MALTA GOVERNMENT BOND YIELD
(ISMA yield; percentages per annum; end of month)



Table 2
GENERAL GOVERNMENT BALANCE

EUR millions

	2014	2015	Change		2014	2015	Change	
	Q4	Q4	Amount	%	Q1-Q4	Q1-Q4	Amount	%
Revenue	1,043.6	1,154.7	111.1	10.6	3,330.3	3,683.1	352.8	10.6
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 ⁽¹⁾	84.7	100.6	15.9	18.8	272.4	332.6	60.2	22.1
Expenditure	965.2	1,059.4	94.2	9.8	3,493.8	3,812.1	318.3	9.1
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 ⁽²⁾	-3.3	-8.8	-5.5	-	-1.2	-4.4	-3.2	-
Primary balance	137.2	153.4	16.2	-	67.4	98.6	31.3	-
General government balance	78.4	95.3	16.9	-	-163.4	-129.0	34.4	-

⁽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: National Statistics Office.

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.

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

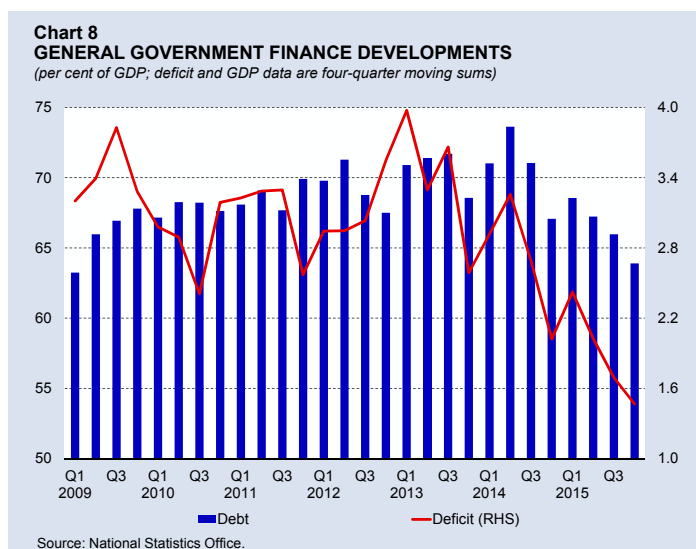
Capital expenditure was significantly higher during the quarter under review, fuelled by higher spending on gross fixed capital formation as well as capital transfers. These two components were also boosted by higher outlays relating to EU-funded projects.

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).⁸ While government debt rose compared to a year earlier, GDP grew even faster. Consequently, the debt-to-GDP ratio fell to 63.9% from 67.1% in 2014. This implies that the Government's deficit and debt targets announced in the Budget 2016, of 1.6% and 66.6%, respectively were surpassed.

Consolidated Fund data for March 2016 show a deficit of €96.1 million compared with a deficit of €135.0 million a year earlier. Consequently, a deficit of €123.3 million was recorded in the first quarter of 2016, up from €85.3 million a year earlier. The widening in the deficit stems from a drop in grants received from exceptionally high levels in 2015. This fall outweighed an increase in tax revenue, resulting in a 1.9% drop in total revenue.⁹ At the same time, expenditure grew by 3.0% on the back of higher recurrent expenditure mainly in the form of contributions to government entities and staff salaries and wages.

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).¹⁰ 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



⁸ 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 041/2016.

⁹ Government contributions to the social security account in terms of the Social Security Act 1967 are excluded from both revenue and expenditure.

¹⁰ 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.

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.

€22.7 million.¹¹ These developments were partly offset by a widening of €33.6 million in the merchandise trade deficit as imports increased more than exports. 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.

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.¹² As a result, during the entire year the merchandise trade deficit narrowed by €101.1 million when compared with 2014, to €2,561.0 million.

In the first quarter of 2016 the merchandise trade gap widened compared to the same period of 2015, as imports increased whereas exports contracted. This widening is partly attributable to an increase in registrations of boats, which normally have only a limited impact on balance of payments data but boosted Customs imports. At the same time, fuel exports fell more sharply than imports, whereas non-fuel exports increased.

¹¹ 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.

¹² 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

(annual percentage changes; non-seasonally adjusted data)

	2013	2014	2015	2014	2015	2015	2015	2015	2016	2015	2015	2015	2015	2015	2015	2015	2016	2016	2016	2016	2016
				Q4	Q1	Q2	Q3	Q4	Q1	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.
Prices and costs																					
HICP	1.0	0.8	1.2	0.6	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
Unit labour costs, whole economy ⁽¹⁾	1.0	2.2	-1.2	2.2	1.8	0.5	-0.6	-1.2	-	-	-	-	-	-	-	-	-	-	-	-	-
Compensation per employee ⁽¹⁾	1.4	0.9	1.5	0.9	1.4	1.8	2.1	1.5	-	-	-	-	-	-	-	-	-	-	-	-	-
Labour productivity (per person) ⁽¹⁾	0.3	-1.3	2.7	-1.3	-0.5	1.1	2.7	2.7	-	-	-	-	-	-	-	-	-	-	-	-	-
Residential property prices (NSO)	-0.4	2.7	3.1	6.2	2.9	2.1	6.7	1.0	-	-	-	-	-	-	-	-	-	-	-	-	-
Residential property prices (CBM)	2.1	7.0	6.3	4.7	5.3	4.8	5.0	10.0	9.9	-	-	-	-	-	-	-	-	-	-	-	-
Economic activity																					
Nominal GDP	6.0	5.7	8.8	8.1	8.1	9.3	9.2	8.6	-	-	-	-	-	-	-	-	-	-	-	-	-
Real GDP	4.1	3.7	6.3	5.7	6.2	6.9	6.5	5.7	-	-	-	-	-	-	-	-	-	-	-	-	-
Real private consumption	2.3	2.4	4.9	3.1	4.9	3.6	6.0	5.2	-	-	-	-	-	-	-	-	-	-	-	-	-
Real government consumption	0.2	7.2	4.8	9.4	3.9	5.3	-2.9	12.3	-	-	-	-	-	-	-	-	-	-	-	-	-
Real gross fixed capital formation	-1.7	7.3	21.4	11.7	4.2	33.5	44.7	9.2	-	-	-	-	-	-	-	-	-	-	-	-	-
Real exports of goods and services	0.4	0.1	2.4	1.7	-0.6	3.3	4.1	2.6	-	-	-	-	-	-	-	-	-	-	-	-	-
Real imports of goods and services	-0.8	-0.2	3.0	3.8	-1.6	4.5	7.7	1.4	-	-	-	-	-	-	-	-	-	-	-	-	-
Tourist arrivals	9.6	6.8	6.0	2.5	7.7	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	-
Labour market developments (LFS)																					
Unemployment rate (% of labour force)	6.4	5.8	5.4	5.6	5.7	5.4	5.2	5.2	-	-	-	-	-	-	-	-	-	-	-	-	-
Total employment	3.3	3.3	2.2	2.0	1.3	1.8	2.8	3.0	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance of payments																					
Current account (as a % of GDP) ⁽²⁾	3.6	3.4	9.9	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	29.0	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	-
Deposits with agreed maturity up to 2 years	2.8	-2.0	-10.9	-2.0	-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	-
Total residents' deposits in M3	8.8	17.2	13.4	17.2	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	-
Credit to general government	8.3	0.8	15.2	0.8	1.2	3.7	10.0	15.2	14.8	3.7	3.7	6.6	7.3	10.0	8.5	15.0	16.9	17.5	16.8	14.8	-
Credit to other residents	-0.2	-3.6	2.5	-3.6	-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	-
Total credit	1.4	-2.7	5.2	-2.7	-1.1	1.1	4.8	5.2	5.2	1.6	1.1	3.2	3.8	4.8	4.8	5.6	5.9	5.7	5.2	5.2	-
10-year interest rate (%) ⁽³⁾	3.2	1.9	1.4	1.9	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
Stock prices: Malta Stock Exchange Index ⁽⁴⁾	14.8	-9.6	33.0	-0.1	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
General government finances (% of GDP)																					
Surplus (+) / deficit (-) ⁽²⁾	-2.6	-2.0	-1.5	-2.0	-2.4	-2.0	-1.7	-1.5	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross debt ⁽⁵⁾	68.6	67.1	63.9	67.1	68.6	67.2	66.0	63.9	-	-	-	-	-	-	-	-	-	-	-	-	-

⁽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.