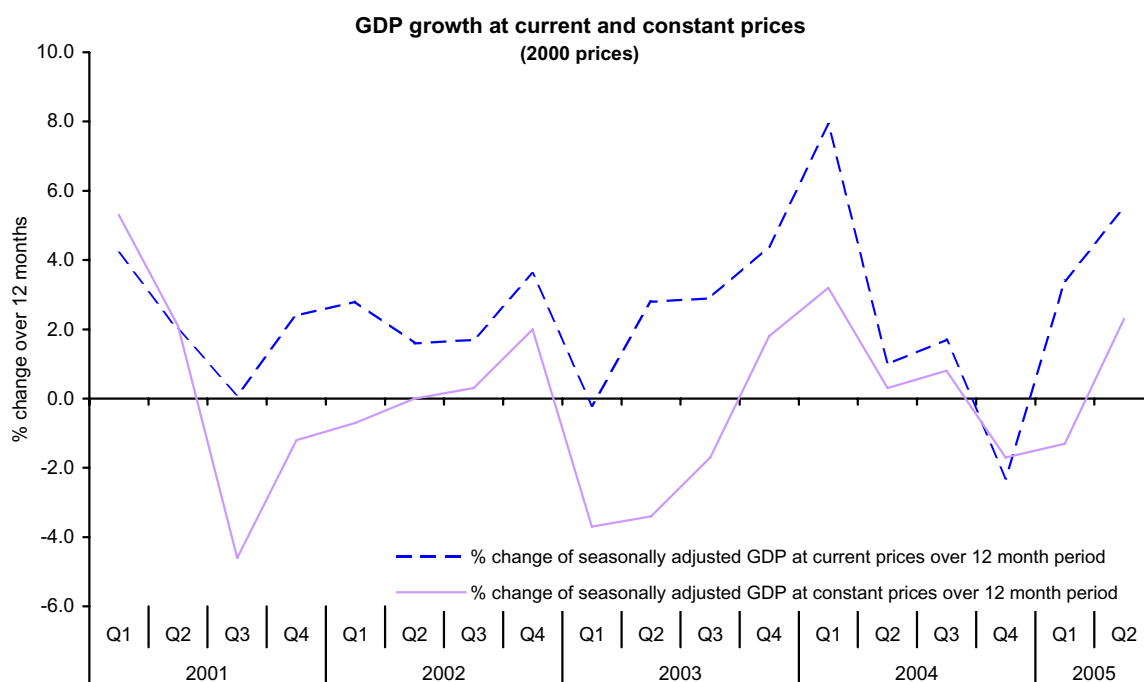


# **Structural Indicators**

April-June 2005

# GROSS DOMESTIC PRODUCT



## Gross Domestic Product (seasonally adjusted figures)

Year	Quarter	Current prices		Constant (2000) prices	
		Lm ' 000	annual % change	Lm ' 000	annual % change
2000		1,664,785	-	1,661,688	-
2001		1,700,162	2.1	1,667,113	0.3
2002		1,741,028	2.4	1,673,180	0.4
2003		1,784,625	2.5	1,643,518	-1.8
2004		1,819,808	2.0	1,653,391	0.6
2004	Q1	456,777	7.9	415,685	3.2
	Q2	458,696	1.0	410,056	0.3
	Q3	456,035	1.7	412,687	0.8
	Q4	448,301	-2.3	414,964	-1.7
2005	Q1	472,192	3.4	410,131	-1.3
	Q2	483,772	5.5	419,622	2.3

Source: NSO news release 207/2005

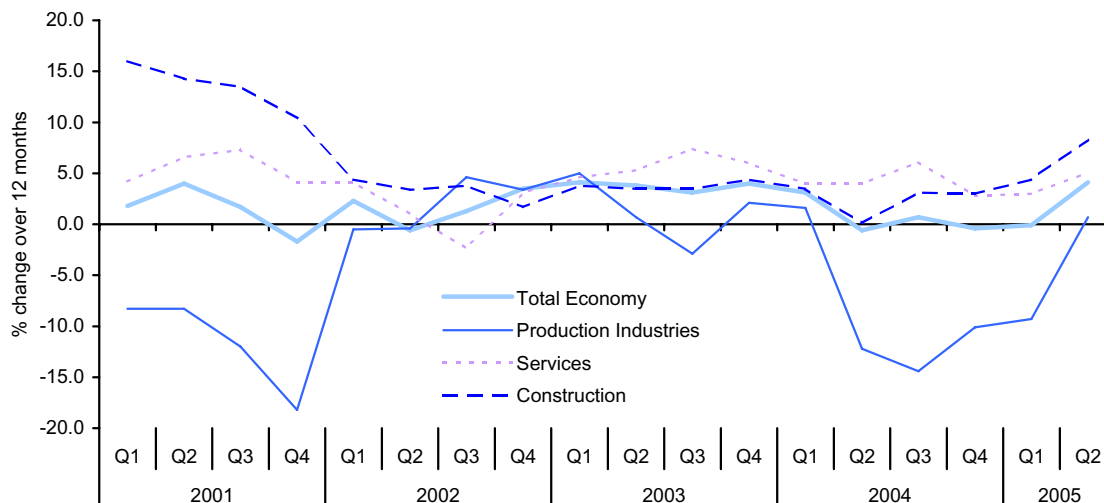
The Maltese economy in 2004 began to show signs of slow recovery, as evidenced by the 0.6 % growth in the seasonally adjusted constant price GDP, when compared to the previous year's distinctly negative growth of -1.7%.

Latest data show that, in the second quarter of 2005, the chained volume measure (at constant 2000 prices) of GDP rose by 2.3% on the preceding quarter; this was approximately similar to the percentage change over the comparable quarter of 2004 exhibited by this volume measure of GDP.

## GROSS DOMESTIC PRODUCT BY INDUSTRY

GDP by industry is measured by gross value added (GVA). This aggregate is a measure of the value of output of an industry less the value of intermediate inputs used by that industry.

**Gross value added by industry**



**Gross Value Added (GVA) at market prices**

Year	Quarter	Annual % change				
		Total economy	Production industries	Services	Agriculture, hunting and fishing	Construction
2000		-	-	-	-	-
2001		1.4	-11.8	5.6	14.5	13.5
2002		1.6	1.8	1.3	1.1	3.3
2003		3.7	1.1	5.9	-0.4	3.8
2004		0.7	-1.2	4.3	3.2	2.4
2004	Q1	3.1	1.6	4.0	8.4	3.5
2004	Q2	-0.6	-12.2	4.0	5.8	0.1
2004	Q3	0.7	-14.4	6.1	0.8	3.1
2004	Q4	-0.4	-10.1	2.8	-1.6	3.0
2005	Q1	-0.1	-9.3	3.0	2.3	4.4
2005	Q2	4.1	0.7	5.1	5.5	8.3

Notes: FISIM has not yet been allocated over the individual industries

'Production' includes mining and quarrying, manufacturing, electricity, gas and water supply, but excludes construction

'Services' incorporates all the other industries not falling under the other headings listed above

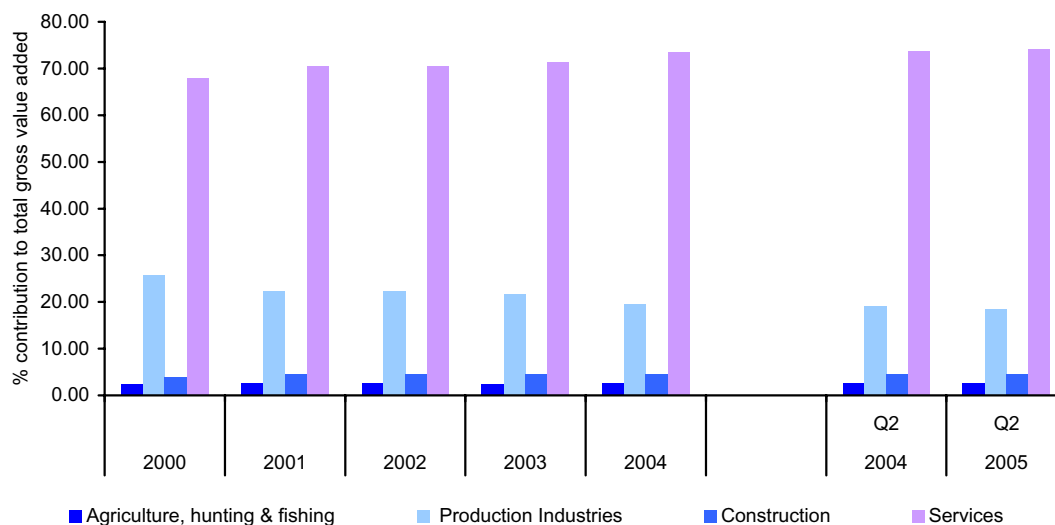
Source: News Release 192/2005

In the second quarter of 2005, the services industry continued to exhibit the characteristically strong growth in gross value added regularly reported by this sector throughout the period 2001-2004. In this respect, a difference of more than two percentage points was in fact recorded for annual percentage changes in gross value added between the first and second quarter of this year.

In the current quarter, the manufacturing sector registered a slight positive growth in gross value added after having consistently exhibiting a strong decline in performance in the preceding four consecutive quarters.

# SECTORAL CONTRIBUTION PRODUCT TO GROSS VALUE ADDED

Contribution to Gross Value Added by Industry



## Contribution to Gross Value Added

Year	Quarter	% Contribution to total gross value* added by industry			
		Agriculture, hunting & fishing	Production	Construction	Services
2000		2.3	25.7	4.0	68.0
2001		2.6	22.3	4.4	70.6
2002		2.6	22.4	4.5	70.5
2003		2.5	21.7	4.5	71.4
2004		2.5	19.5	4.6	73.5
2004	Q1	2.5	22.2	4.8	70.5
	Q2	2.7	19.2	4.6	73.7
	Q3	2.4	17.6	4.3	75.7
	Q4	2.5	19.2	4.6	73.6
2005	Q1	2.5	20.1	5.0	72.4
	Q2	2.7	18.5	4.6	74.2

\* Gross Value Added of the whole economy excludes FISIM, in order to reconcile the total gross value added with the sum of the individual industries' gross value added (since FISIM has not yet been allocated to the individual industries)

Source: News Release 192/2005

In 2004, services accounted to 77.2% of total gross value added, when compared to 74.5% in 2003. Production (including mining and quarrying, manufacturing, electricity, gas and water supply but excluding construction) accounted for 20.5% in 2004, in comparison to 22.6% in 2003 – this continues to confirm the steady decline in the contribution to total gross value added made by this sector over the recent years. Between 2003 and 2004, a marginal increase of 0.1% was registered by the construction sector in the share of gross value added; the share of the agriculture, hunting and fishing sector remained virtually unchanged during the period under consideration.

Gross fixed capital formation consists of resident producers' acquisitions, less disposals, of fixed assets during a given period plus certain additions to the value of non-produced assets realised by the productive activity of producer or institutional units (definition: Eurostat ESA 1995). Non-produced assets consist of those tangible and intangible non-financial assets that come into existence other than through processes of production, and incorporate costs of ownership transfer on, and major improvements to, these assets.

# DETERMINANTS OF GDP GROWTH

## Determinants of real GDP growth at constant prices (2000 prices)

(Lm'000)

	Household Final Consumption Expenditure	NPISH Final Consumption Expenditure	General Government Final Consumption Expenditure	Gross Fixed Capital Formation	Changes in inventories	Acquisitions less disposals of valuables	Net Exports	GDP (2000 Prices)
2000	1,047,544	25,816	327,280	371,406	52,609	2,746	-167,276	1,660,125
2001	1,045,866	25,314	326,670	321,363	-27,558	11,989	-39,892	1,663,752
2002	1,034,307	26,589	339,814	254,027	-25,601	5,130	42,213	1,676,479
2003	1,054,941	27,386	349,702	327,609	-10,220	3,131	-107,433	1,645,116
2004	1,049,695	26,977	352,228	342,842	14,719	5,435	-140,563	1,651,333
2004								
Q1	245,884	6,749	89,322	75,391	-7,963	1,359	-16,462	394,280
Q2	254,571	6,821	88,415	88,015	7,065	1,359	-38,016	408,230
Q3	276,520	6,585	84,806	88,020	-15,994	1,359	-14,276	427,020
Q4	272,720	6,822	89,686	91,414	31,611	1,359	-71,808	421,804
2005								
Q1	228,943	6,843	83,456	79,381	44,121	1,371	-49,063	395,052
Q2	247,437	6,886	85,512	97,013	20,423	1,371	-40,750	417,892

Source: NSO News Release 192/2005

In 2004, household final consumption expenditure registered a nominal increase of Lm30.9 million, or 2.8 per cent, from the figure of Lm1,094.7 million in 2003. The 2004 household final consumption expenditure decreased in real terms by Lm5.2 million, or 0.5 per cent, from the figure of Lm1,054.9 million in 2003. Whilst there was a slight decline in the consumption of food and non-alcoholic beverages, increases in expenditure outlays were registered on alcoholic beverages and tobacco, clothing and footwear.

Other increases were recorded for housing, water, electricity, gas and other fuels, whilst spending decreased on furnishings, household equipment and routine maintenance of the house. Expenditure during the relevant period also increased on health, education, transport, communication, recreation and culture, and miscellaneous goods and services. A decline in expenditure outlays was also noted in the case of restaurants and hotels.

During the second quarter of 2005, household final consumption registered a nominal decline of Lm1.2 million, or 0.4 per cent from the figure of Lm274.5 million in the second quarter of 2004. At constant 2000 prices, this is equivalent to a decline of 2.8 per cent.

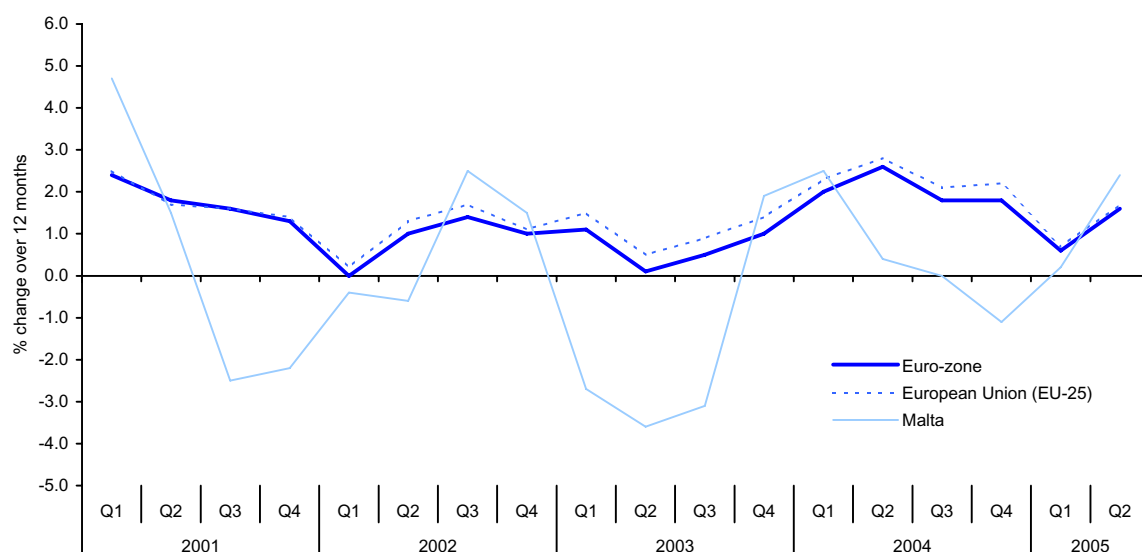
In nominal terms, general government final consumption expenditure amounted to Lm412.0 million in 2004, an increase of Lm15.7 million or 4.0 per cent over the previous year's figure. The increase was mainly the result of higher outlays on health, education, and economic affairs. The other functions of government also reported increases. At constant prices, general government final consumption increased by 0.7 per cent from 2003 to reach Lm352.2 million in 2004. General government final expenditure (at constant 2000 prices) declined from Lm88.4 million in the second quarter of 2004 to Lm85.5 million in the comparable quarter of this year.

Exports of goods and services dropped by 3.8 per cent to Lm1,388.9 million during 2004 when compared to 2003. In real terms, however, exports went up by 0.3 per cent, or Lm4.2 million, to Lm1,560.3 million. Imports of goods and services remained relatively unchanged in nominal terms; however, there was an increase in real imports of Lm37.3 million, or 2.2 per cent during this period. During the second quarter of 2005, exports of goods and services dropped by 4.1 per cent to Lm339.6 million when compared to the corresponding quarter of 2004. In real terms, this was equivalent to a fall of 5.8 per cent. In 2005 Q2 nominal imports of goods and services went down by 3.0 per cent when compared to the corresponding quarter of the previous year. In real terms, this represents a decrease of 4.7 per cent.

GDP by industry is measured by gross value added (GVA). This aggregate is a measure of the value of output of an industry less the value of intermediate inputs used by that industry.

# GDP INTERNATIONAL COMPARISONS

**GDP growth at constant prices (Q/Q-4): international comparisons**



**GDP at constant (1995) prices  
percentage change on previous year  
(non-seasonally adjusted figures)**

**GDP at constant (1995) prices  
percentage change on previous quarter  
(seasonally adjusted figures)**

Country	annual % change (Q/Q-4)				% change quarter on quarter (Q/Q-1)					
	2001	2002	2003	2004	2004				2005	
					Q1	Q2	Q3	Q4	Q1	Q2
Euro-zone	1.8	0.9	0.7	2.1	0.7	0.5	0.3	0.2	0.4	0.3
European Union (EU-25)	1.8	1.1	1.1	2.4	0.8	0.5	0.3	0.3	0.4	0.4
United Kingdom	2.2	2.0	2.5	3.2	1.0	0.7	0.3	0.5	0.3	0.5
Germany	0.7	0.5	0.6	2.1	0.5	0.2	-0.1	-0.1	0.8	0.0
Italy	1.8	0.4	0.3	1.2	0.5	0.3	0.4	-0.4	-0.5	0.7
France	2.1	1.2	0.8	2.3	0.6	0.8	0.1	0.6	0.4	0.1
Ireland	6.2	6.1	4.4	4.5	0.1	-0.2	-0.4	2.4	0.3	1.6
Malta	0.2	0.8	-1.9	0.4	-1.6	-1.4	0.6	0.6	-1.2	2.3
Cyprus	4.1	2.1	1.9	3.8	0.9	1.0	0.8	0.7	1.3	0.7
Czech Republic	2.6	1.5	3.2	4.4	1.2	1.1	1.2	1.2	1.3	1.3
Hungary	3.8	5.1	3.4	4.6	1.1	1.0	0.8	1.1	0.9	1.2
Slovenia	2.7	3.5	2.7	4.2	1.7	0.8	1.2	-0.4	1.2	2.6
Slovakia	3.8	4.6	4.5	5.5	1.5	1.4	1.3	1.4	1.2	1.3
Lithuania	6.4	6.7	10.4	7.0	0.9	1.0	0.8	0.7	1.3	0.7

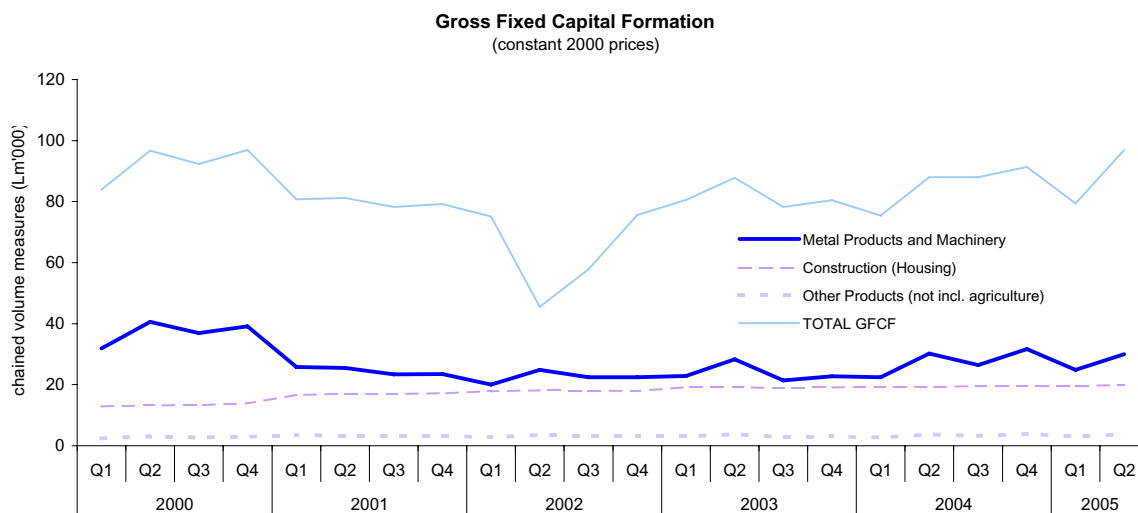
Source: Eurostat-National Accounts Statistics

According to recent data, many large economies continued to register positive growth in the second quarter of this year – this applies even to Italy, which for the first time in three consecutive quarters, reported positive economic growth in real terms.

Growth in the euro-zone and EU-25 countries has remained positive in recent quarters - however, a slight decline was observed from the second quarter of 2004 which persisted till the end of that year. The first two quarters of 2005 appear to indicate a slight rebound of the economies in these areas, albeit they have yet to attain their former levels of economic growth which existed at the start of 2004. Significantly, growth in the euro-zone and the EU-25 group of countries has remained positive despite the fact that the major industrial economies have been beset by negligible, and sometimes even negative growth over the last preceding four quarters.

Many of the new Member States have consistently reported positive real GDP growth approximately equal to, and in many instances, greater than unity, from the latter half of 2003 onwards.

## GROSS FIXED CAPITAL FORMATION ...



### Chained volume measures\*, non-seasonally adjusted reference year 2000

Year	Quarter	Transport equipment	Metal Products and Machinery	Construction (Other buildings and structures)	Construction (Housing)	Other Products (not incl. agriculture)	Total GFCF**	Annual % changes in GFCF
Lm '000								
2000		40,319	148,586	116,367	53,343	11,174	369,788	-
2001		15,145	98,245	125,183	67,840	13,051	319,465	-13.6
2002		-48,030	89,892	127,267	72,123	12,850	254,102	-20.5
2003		17,805	95,248	124,744	76,429	12,787	327,013	28.7
2004		19,645	110,746	120,976	77,874	13,502	342,743	4.8
2004	Q1	3,974	22,404	26,866	19,394	2,732	75,371	-7.3
	Q2	5,362	30,229	29,489	19,223	3,686	87,989	-0.8
	Q3	4,681	26,388	34,069	19,641	3,217	87,997	11.4
	Q4	5,627	31,724	30,551	19,616	3,868	91,387	12.6
2005	Q1	4,418	24,907	27,323	19,673	3,037	79,358	5.3
	Q2	5,314	29,955	38,237	19,828	3,619	96,953	10.2

Source: National Accounts Statistics

\*for the purpose of this table, the overall deflator for machinery and equipment was used to derive the constant price figure of the sub-components transport equipment, metal products and machinery; similarly, the overall deflator for construction was used to obtain the separate constant price figures for the other buildings and structures, housing sub-components of construction.

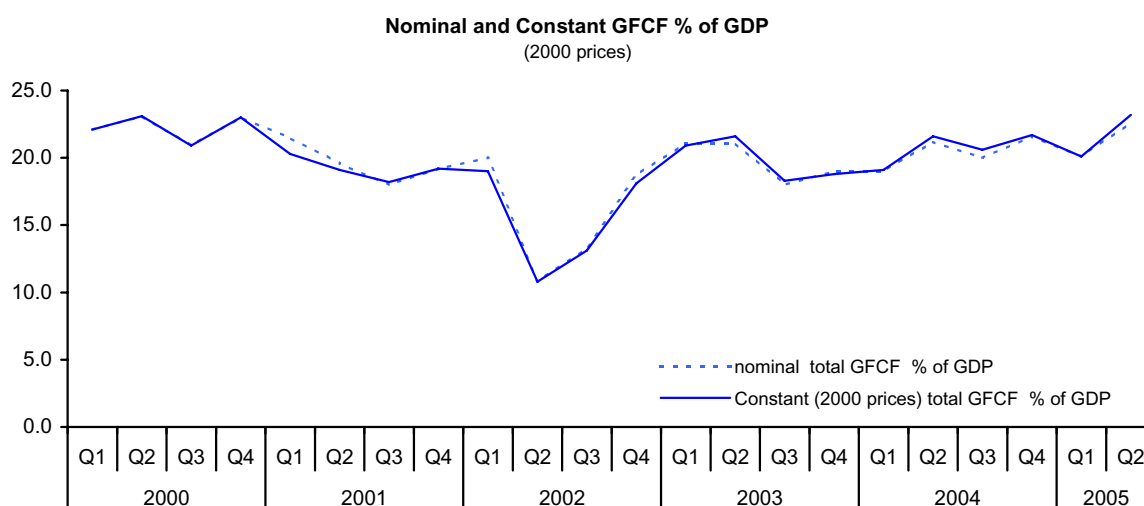
\*\*Total GFCF excludes (i) the amounts representing products of agriculture, forestry and fisheries (such as livestock used for breeding, plantations etc.), as well as (ii) capitalised production.

Expenditure on gross fixed capital formation (transport equipment, metal products and machinery, construction, and other products, but not including agriculture and capitalised production) increased nominally by Lm 21.3 million, or 6.0% when comparing the 2004 figure with the previous year. GFCF exhibited a growth of 12.0% when comparing the nominal figure in the second quarter of 2005 with the corresponding figure in 2004. In real terms, GFCF increased by Lm 15.7 million, representing an increase of 4.8% in 2004 when compared to the previous year. The same constant price figure grew by 10.2% when the second quarter value of 2005 is compared with the same quarter in 2004.

The quarterly individual series depicted above incorporates both private and public expenditure on the relevant components of GFCF. The 'other products' component of GFCF consists of acquisitions, less disposals, of intangible fixed assets such as computer software, as well as entertainment, literary or artistic originals.

At constant (2000) prices, investment in construction for housing purposes remained relatively stable over the last four quarters, with a slight increase being registered in the current quarter; investment in total equipment (incorporating the following major categories: transport equipment, and metal products and machinery) experienced a substantial increase of approximately 20% in the second quarter of 2005 when compared with the first quarter of this year. The same constant price figure for the current quarter, however, represents a marginal decline of less than 1% when compared to the same quarter of 2004.

## ... GROSS FIXED CAPITAL FORMATION



### Gross Fixed Capital Formation (GFCF) and GDP

Period	At Current Market Prices				At Constant (2000) Prices				
	Total GFCF Lm '000	annual % changes Total GFCF	GDP Lm '000	Total GFCF % of GDP	Total GFCF Lm '000	annual % changes Total GFCF	GDP Lm '000	Total GFCF % of GDP	
2000	369,788	-	1,660,126	22.3	369,788	-	1,660,125	22.3	
2001	330,885	-10.5	1,694,119	19.5	319,465	-13.6	1,663,752	19.2	
2002	271,697	-17.9	1,740,853	15.6	254,102	-20.5	1,676,479	15.2	
2003	352,906	29.9	1,787,448	19.7	327,013	28.7	1,645,116	19.9	
2004	374,210	6.0	1,830,496	20.4	342,743	4.8	1,651,334	20.8	
2004	Q1	82,207	-5.4	433,666	19.0	75,371	-6.4	394,280	19.1
	Q2	96,144	1.3	454,268	21.2	87,989	0.3	408,230	21.6
	Q3	95,988	13.8	480,037	20.0	87,997	12.4	427,020	20.6
	Q4	99,871	15.1	462,525	21.6	91,387	13.6	421,804	21.7
2005	Q1	88,115	7.2	438,515	20.1	79,358	5.3	395,052	20.1
	Q2	107,699	12.0	476,132	22.6	96,953	10.2	417,892	23.2

Note: Total GFCF excludes amounts representing products of agriculture, forestry and fisheries, as well as capitalized production.

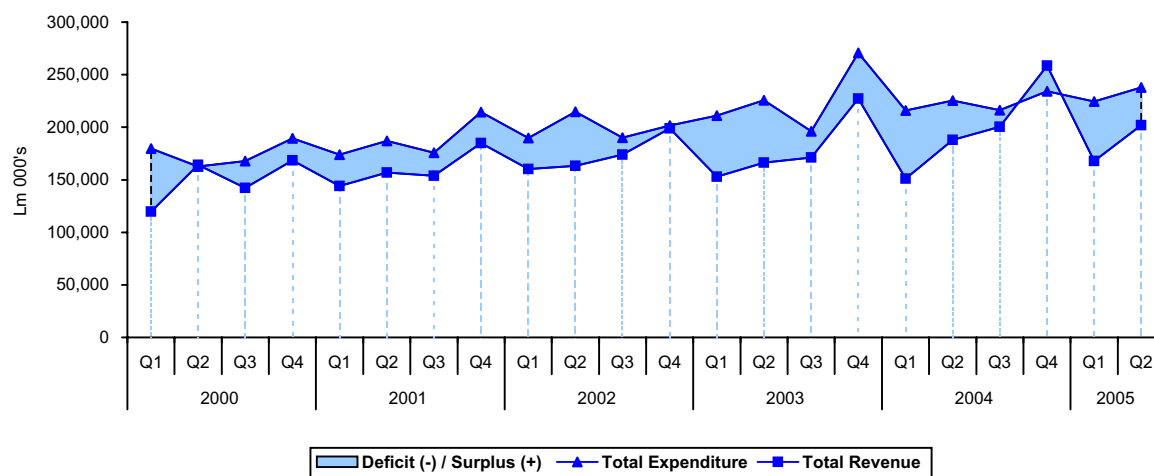
Source: National Statistics Office

The graph above clearly depicts that an extraordinary decline in total GFCF occurred during the second quarter of 2002, both in nominal and constant (2000) price terms. This occurred as a result of the disposal of aircraft by the air transport sub-sector during this particular quarter (also refer to the first column in the preceding table, where the particular GFCF components are shown in more detail).



# GOVERNMENT FINANCE

General Government Sector data 2000-2005 Q2



General Government Sector data: annual and quarter changes

Year	Total Revenue	Change	Total Expenditure	Change	Deficit (-) / Surplus (+)	Change	Debt (*)	
	Lm000's	%	Lm000's	%	Lm000's	%	Lm000's	
2000	594,337		699,671		-105,335		950,399	
2001	639,452	7.6	750,878	7.3	-111,426	5.8	1,072,925	
2002	696,053	8.9	796,202	6.0	-100,149	-10.1	1,100,541	
2003	717,638	3.1	903,799	13.5	-186,161	85.9	1,304,734	
2004	797,899	11.2	891,764	-1.3	-93,865	-49.6	1,401,724	
2004	Q1	151,183	-1.1	215,798	2.2	-64,615	10.9	1,327,452
	Q2	187,903	12.9	225,341	-0.2	-37,438	-36.9	1,379,358
	Q3	200,311	17.0	216,342	10.3	-16,031	-35.7	1,393,476
	Q4	258,502	13.8	234,282	-13.5	24,220	-155.5	1,401,724
2005	Q1	167,956	11.1	224,373	4.0	-56,418	-12.7	1,416,618
	Q2	201,826	7.4	237,867	5.6	-36,042	-3.7	1,427,056

(\*) Position at end of period.

Data is based on ESA95 methodology and is provisional.

Source: National Statistics Office

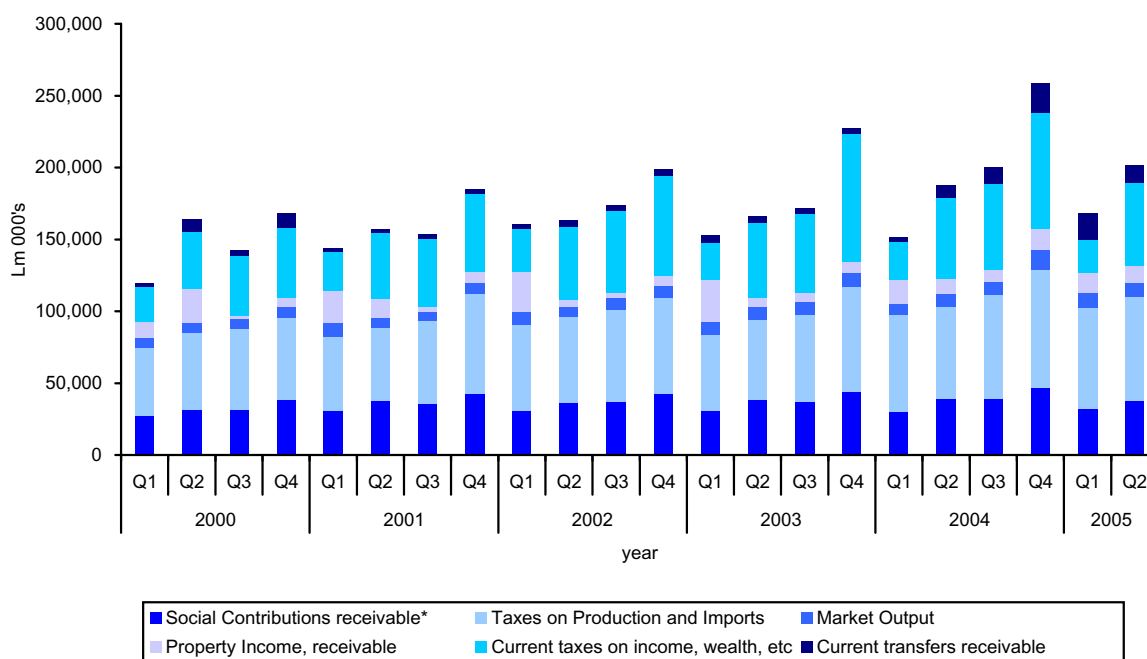
The tables on Government finance data on this and the following sheets present aggregates (revenue, expenditure and debt positions and flows), which are based on ESA95 methodology. Therefore the data covers all the accounts of budgetary central government, the extra budgetary units (EBUs), as well as the local councils. The cash data from the Departmental Accounting System (DAS) has been adjusted for accruals.

The debt and deficit data are in line with the Maastricht criteria. Indeed the end of year deficit data above corresponds to the figures in the table on government deficit and debt.

The data in this release are based on the latest available sources, and contain updates to the previous release in this series.

# GOVERNMENT REVENUE

Components of General Government Sector's revenue 2000-2005 Q2



Year	Market Output	Taxes on Production and Imports	Property Income, receivable	Current taxes on income, wealth, etc	Social Contributions receivable*	Current and capital transfers receivable	Total Revenue	
Lm000's								
2000	28,338	214,432	43,301	155,349	128,367	24,550	<b>594,337</b>	
2001	31,385	229,800	46,764	174,481	146,067	10,956	<b>639,452</b>	
2002	32,790	249,881	43,830	206,786	146,799	15,967	<b>696,053</b>	
2003	36,312	242,885	49,350	221,506	150,094	17,492	<b>717,638</b>	
2004	41,060	285,189	49,694	222,486	155,101	44,371	<b>797,899</b>	
2004	Q1	8,328	67,428	16,591	25,922	29,839	3,074	<b>151,183</b>
	Q2	8,562	64,327	10,527	56,483	39,108	8,895	<b>187,903</b>
	Q3	9,535	72,074	8,093	59,658	39,097	11,854	<b>200,311</b>
	Q4	14,635	81,359	14,482	80,423	47,056	20,547	<b>258,502</b>
2005	Q1	9,952	70,315	14,277	22,849	32,295	18,267	<b>167,956</b>
	Q2	10,035	71,797	11,630	57,863	38,086	12,415	<b>201,826</b>

Data are based on ESA95 methodology and is consolidated.

Data are provisional.

\* Revenue Category 'Social contributions receivable' includes the Government's Treasury Pensions (as imputed social contributions).

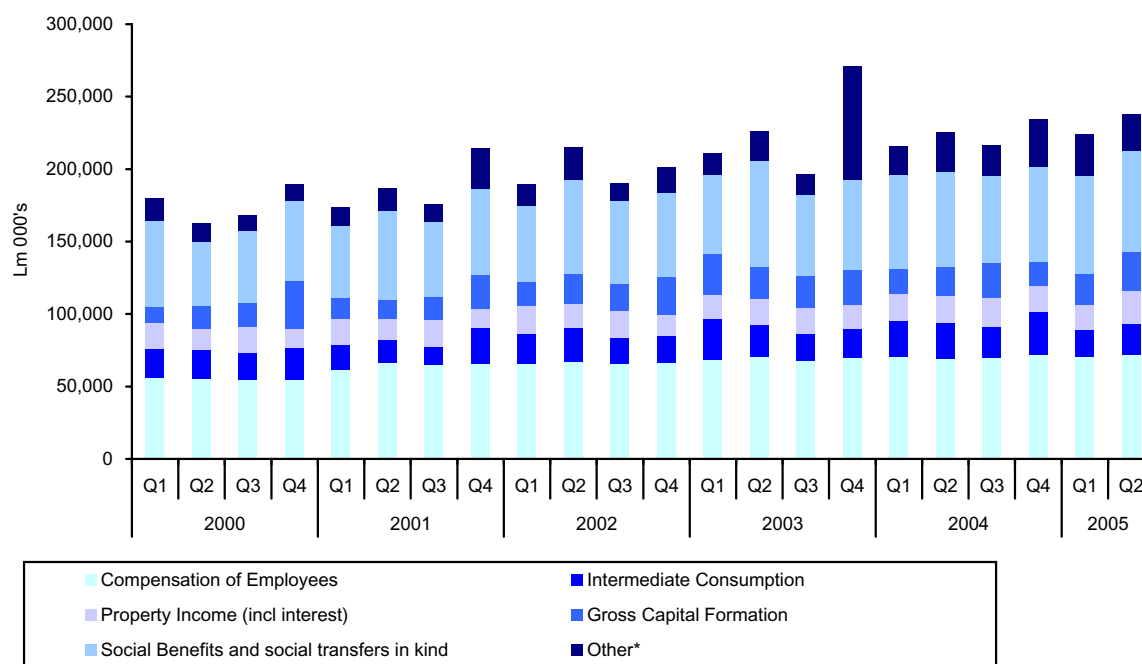
Source: National Statistics Office

Total General Government revenue for the second quarter of 2005 amounted to Lm201.8 million, an increase of Lm13.9 million, or 7.4 per cent compared to the second quarter of 2004. The main increases were reported under Taxes on Production and Imports (+Lm7.5 million or 11.6 per cent) due to higher revenue from VAT, and under Current and Capital Transfers receivable (+Lm3.5 million or 39.6 per cent) due to EU funds.

The data in the table above include updates, which were essentially due to the reclassification of certain transactions covering transfers from Central Government to the Extra Budgetary Units.

# GOVERNMENT EXPENDITURE

Components of the General Government Sector's expenditure 2000-2005 Q2



Year	Compensation of Employees	Intermediate Consumption	Property Income, payable (incl interest)	Gross Capital Formation	Social Benefits and social transfers in kind	Other*	Total Expenditure	
Lm000's								
2000	221,219	79,875	64,015	76,188	208,047	50,329	<b>699,671</b>	
2001	257,704	71,853	63,568	67,227	222,901	67,624	<b>750,878</b>	
2002	265,227	79,919	69,314	82,293	232,497	66,952	<b>796,202</b>	
2003	277,623	87,685	69,242	96,670	245,420	127,161	<b>903,799</b>	
2004	282,070	99,740	75,985	78,407	254,923	100,639	<b>891,764</b>	
2004	Q1	70,950	24,371	18,942	17,471	64,315	19,749	<b>215,798</b>
2004	Q2	69,029	24,633	18,996	19,766	65,971	26,947	<b>225,341</b>
2004	Q3	69,938	21,585	19,481	24,562	59,629	21,146	<b>216,342</b>
2004	Q4	72,154	29,151	18,566	16,608	65,007	32,797	<b>234,282</b>
2005	Q1	70,242	19,219	16,883	21,543	67,663	28,824	<b>224,373</b>
2005	Q2	71,691	22,050	21,923	27,285	69,644	25,274	<b>237,867</b>

Data are based on ESA95 methodology and is consolidated.

Data are provisional.

\* Expenditure Category 'Other' includes subsidies payable, recurrent and capital transfers.

Source: National Statistics Office

Total expenditure during the second quarter of 2005 amounted to Lm237.9 million, an increase of Lm12.5 million, or 5.6 per cent over the second quarter of 2004.

The main increase was due to Capital Formation (+Lm7.5 million), which was in greater part due to higher outlay on road construction. Other comparative increases were reported under property income payable (mainly debt servicing costs), which increased by Lm2.9 million, compensation of employees (+Lm2.7 million), and social benefits (+3.7 million). On the other hand declines were reported for intermediate consumption (-Lm2.6 million) due to a lower outlay on goods and services, and in the 'other' category (-Lm1.7 million).

The quarterly and annual data on government expenditure have been revised from the previous release due to a revision in the treatment of a sub-fund of an extra budgetary unit.

# GOVERNMENT DEBT

## General Government debt and debt guarantees

Lm 000's

<b>Debt position of Central Government Sector (S.1311) (Including EBU's)</b>						
		Domestic		Foreign		Total Central Government debt outstanding
		short term	long term	short term	long term	
2003	Q1	265,616	845,671	0	68,681	1,179,967
	Q2	289,716	854,652	0	90,227	1,234,595
	Q3	269,502	898,954	0	88,337	1,256,793
	Q4	287,549	927,054	0	89,435	1,304,038
2004	Q1	311,128	931,637	0	83,996	1,326,761
	Q2	317,087	978,924	0	82,661	1,378,671
	Q3	310,136	1,001,728	0	80,930	1,392,794
	Q4	283,222	1,035,322	0	82,503	1,401,048
2005	Q1	273,923	1,073,919	0	68,097	1,415,939
	Q2	250,963	1,108,550	0	66,902	1,426,415

<b>Debt position of Local Government Sector (S.1313)</b>						
		Domestic		Foreign		Total Local Government debt outstanding
		short term	long term	short term	long term	
2003	Q1	229	354	0	0	583
	Q2	206	416	0	0	622
	Q3	182	477	0	0	659
	Q4	158	538	0	0	696
2004	Q1	164	527	0	0	691
	Q2	171	516	0	0	686
	Q3	177	504	0	0	682
	Q4	184	493	0	0	677
2005	Q1	184	495	0	0	679
	Q2	185	496	0	0	681

Lm000

<b>Debt position of General Government Sector (S.13) and guaranteed debt</b>							
		Domestic		Foreign		Total General Government debt outstanding	Outstanding Balances on Government Guaranteed Debt
		short term	long term	short term	long term		
2003	Q1	265,845	846,025	0	68,681	1,180,550	344,159
	Q2	289,922	855,068	0	90,227	1,235,217	325,480
	Q3	269,684	899,431	0	88,337	1,257,452	324,085
	Q4	287,707	927,592	0	89,435	1,304,733	273,312
2004	Q1	311,292	932,164	0	83,996	1,327,453	265,722
	Q2	317,257	979,439	0	82,661	1,379,358	304,261
	Q3	310,313	1,002,232	0	80,930	1,393,476	305,034
	Q4	283,406	1,035,816	0	82,503	1,401,725	303,534
2005	Q1	274,107	1,074,414	0	68,097	1,416,618	299,907
	Q2	251,148	1,109,046	0	66,902	1,427,095	297,630

### Notes:

<sup>1</sup> Debt Position is taken at Nominal Value, in line with Maastricht debt provisions; at the end of the period indicated.

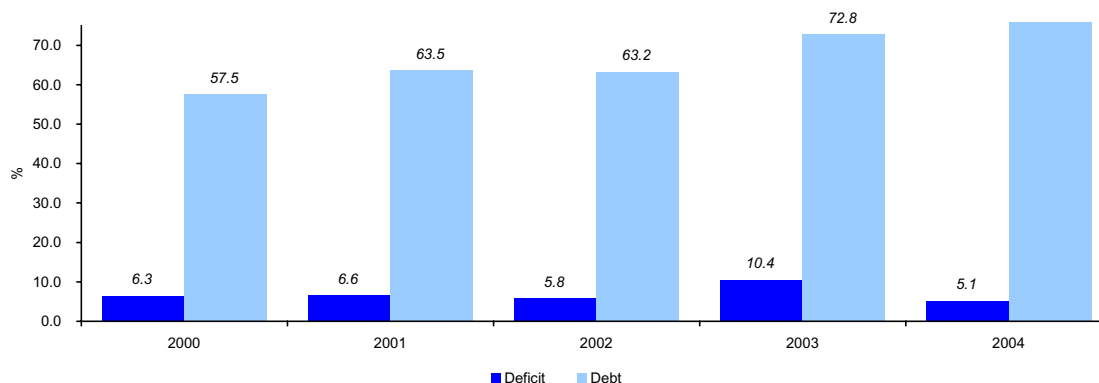
<sup>2</sup> All debt positions are consolidated between the different sub-sectors of general government.

<sup>3</sup> As from Q4 2003, the debt assumption of the ex shipyards' loans has been included with the debt balances of Central

<sup>4</sup> Data are subject to revision.

# GOVERNMENT DEFICIT AND DEBT

General Government deficit and debt as a % of GDP 2000-2004



Transition between Consolidated Fund deficit and General Government deficit

	2000	2001	2002	2003	2004
	Lm000's				
<b>Structural Deficit of Consolidated Fund Transactions</b>	<b>-94,727</b>	<b>-85,292</b>	<b>-87,675</b>	<b>-105,445</b>	<b>-94,018</b>
Adjustments to the Consolidated Fund:					
Loans granted (+)	11,807	10,984	9,539	4,095	0 <sup>1</sup>
Loans repayments (-)	-1,658	-2,873	0	-153	-114 <sup>2</sup>
Equities, acquisitions (+)	250	286	35	12	12 <sup>3</sup>
Equities, sales (-)	0	0	0	0	0
Other financial transactions	-1,689	-769	-397	0	-1,458 <sup>4</sup>
Difference interest paid (+) and interest accrued (-)	-3,941	1,447	361	-2,279	-1,545 <sup>5</sup>
Other accounts receivable (+) and payable (-)	1,526	1,727	3,760	-13,100	5,074 <sup>6</sup>
<b>Net Borrowing (-) / Net Lending (+) of public entities forming part of Central Government</b>	<b>-13,955</b>	<b>-15,119</b>	<b>-15,189</b>	<b>-19,085</b>	<b>-3,896<sup>7</sup></b>
Other adjustments (+/-)					
Treasury Clearance Fund flows in deposits accounts	-2,045	-4,766	-127	748	-802
Treasury Clearance Fund flows in advance accounts	-11,424	-11,255	364	651	760
Treasury Clearance Fund flows in unallocated stores	9,549	0	2	106	17
Sinking Fund interests' received	-21	0	0	1,756	1,905
Loan Cancellation in Kalaxlokk Co. Ltd	0	-6,686	0	0	0
Malta International Airport special dividend	0	0	-11,287	0	0
Malta Shipyards adjustment	0	0	0	-52,933	0
<b>Net Borrowing (-) / Net Lending (+) of Central Government (S.1311)</b>	<b>-106,328</b>	<b>-112,316</b>	<b>-100,614</b>	<b>-185,626</b>	<b>-94,065</b>
<b>Net Borrowing (-) / Net Lending (+) of Local Government (S.1313)</b>	<b>993</b>	<b>890</b>	<b>465</b>	<b>-534</b>	<b>200</b>
<b>Net Borrowing (-) / Net Lending (+) of General Government (S.13)</b>	<b>-105,335</b>	<b>-111,426</b>	<b>-100,149</b>	<b>-186,161</b>	<b>-93,865</b>
<i>as a % of GDP</i>	6.3	6.6	5.8	10.4	5.1
<b>General Government (S.13) Debt</b>	<b>954,476</b>	<b>1,072,925</b>	<b>1,100,541</b>	<b>1,304,733</b>	<b>1,401,725</b>
<i>as a % of GDP</i>	57.5	63.5	63.2	72.8	75.9

1. Consolidated Fund loans to Malta Drydocks, Malta Shipbuilding and Gozo Ferries Co. Ltd. (all 100% Government owned).

2. Repayments of loans made by Malta Government Investments Ltd / Malta Development Corporation, Malpro Ltd and Water Services Corporation

3. Acquisition of shares in Multilateral Investment Guarantee Agency (subscription shares), European Bank for Reconstruction and Development (subscriptions shares), and Malta Government Privatisation plc. (increase in shareholding).

4. Non-trading profits among Central Bank of Malta transfers to Government

5. Difference between the interest paid and accrued of the Treasury Bills, Malta Government Stocks and Foreign Loans

6. Accruals adjustment for the main revenue earning and spending departments.

7. The net borrowing (-) / net lending (+) of the extra budgetary units forming part of the central government sector (based on a delimitation exercise).

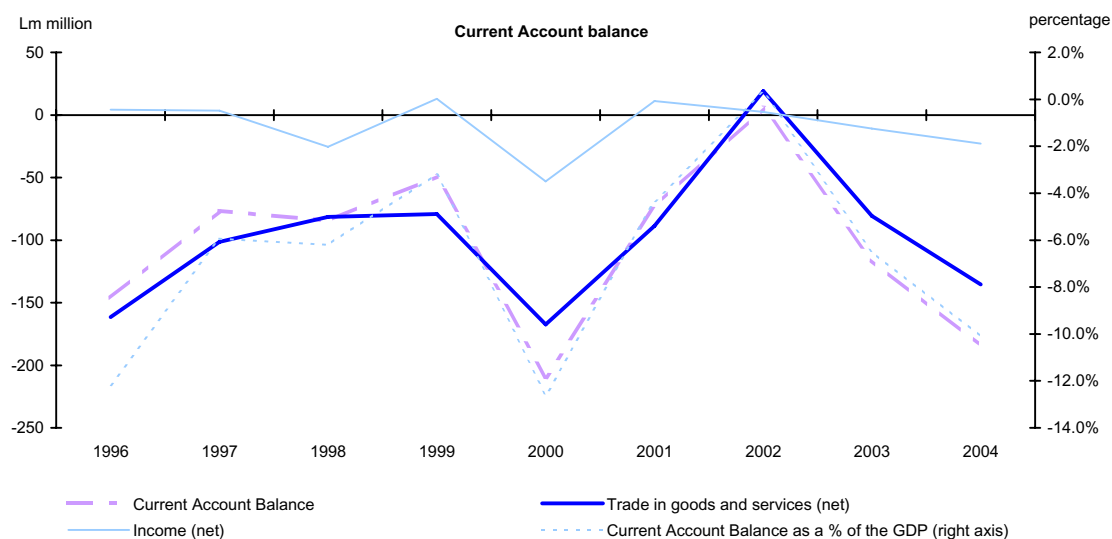
\* Data for 2001 to 2004 are half finalised.

\*\* GDP (at current market prices) as at 1st September 2005.

This table explains the transition from the structural deficit of the consolidated fund, to the deficit position for the General Government sector. At the end of 2004, the nominal General Government gross consolidated debt amounted to Lm1,401.7 million, or 75.1 per cent of the GDP, while the deficit for the year was of Lm93.9 million, or 5.1 per cent of GDP.

Malta reports its debt and deficit levels twice a year. The data on this sheet is extracted from the last update submitted to the Commission on 1st September 2005.

## BALANCE OF PAYMENTS



### Current Account balance

Lm thousand

	Trade in goods and services (net)			Income (net)	Transfers (net)			Current Account Balance	Gross Domestic Product *	Balance as a % of the GDP
	Goods	Services	Total		Government	Other	Total			
1996	-302,134	140,610	-161,524	4,283	-395	11,469	11,074	-146,167	1,201,286	-12.2%
1997	-277,898	176,579	-101,319	3,380	1,719	19,669	21,388	-76,551	1,288,219	-5.9%
1998	-260,638	179,286	-81,352	-25,421	980	21,319	22,299	-84,474	1,362,324	-6.2%
1999	-265,234	186,059	-79,175	12,910	-3,530	20,529	16,999	-49,266	1,546,306	-3.2%
2000	-330,994	163,717	-167,277	-53,094	347	10,814	11,161	-209,210	1,660,126	-12.6%
2001	-254,665	166,164	-88,501	11,107	3,595	170	3,765	-73,629	1,694,114	-4.3%
2002	-154,247	173,236	18,989	2,554	3,152	-19,288	-16,136	5,407	1,740,853	0.3%
2003 <sup>p</sup>	-259,148	178,528	-80,620	-10,907	8,927	-33,312	-24,385	-115,912	1,787,448	-6.5%
2004 <sup>p</sup>	-289,388	153,841	-135,547	-22,792	-693	-25,775	-26,468	-184,807	1,830,495	-10.1%
2003 <sup>p</sup> Q1	-65,798	14,669	-51,129	8,619	-492	-5,439	-5,931	-48,441	412,572	-11.7%
2003 <sup>p</sup> Q2	-76,682	54,874	-21,808	-4,792	5,013	-7,176	-2,163	-28,763	448,930	-6.4%
2003 <sup>p</sup> Q3	-63,837	73,754	9,917	6,565	2,806	-8,775	-5,969	10,513	469,384	2.2%
2003 <sup>p</sup> Q4	-52,831	35,232	-17,599	-21,299	1,600	-11,922	-10,322	-49,220	456,562	-10.8%
2004 <sup>p</sup> Q1	-31,408	20,142	-11,266	-5,736	2,222	-9,161	-6,939	-23,941	433,666	-5.5%
2004 <sup>p</sup> Q2	-85,210	48,293	-36,917	19,982	561	-6,484	-5,923	-22,858	454,268	-5.0%
2004 <sup>p</sup> Q3	-66,665	61,053	-5,612	-35,457	-126	-4,108	-4,234	-45,303	480,037	-9.4%
2004 <sup>p</sup> Q4	-106,105	24,354	-81,751	-1,580	-3,350	-6,022	-9,372	-92,703	462,525	-20.0%
2005 <sup>p</sup> Q1	-78,798	25,174	-53,624	9,804	-5,390	-1,538	-6,928	-50,748	438,515	-11.6%
2005 <sup>p</sup> Q2	-90,484	50,928	-39,556	-2,993	332	-1,703	-1,371	-43,920	476,132	-9.2%

<sup>p</sup> provisional

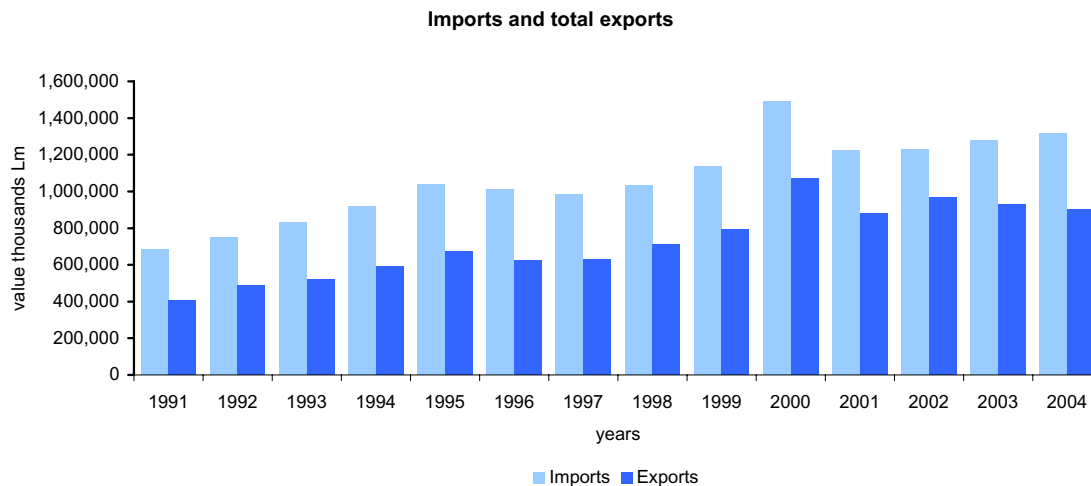
\* GDP for 1996 to 1999 has been scaled backwards; thus retaining the growth rates from the old system of national accounts.

Provisional estimates on the balance of payments transactions of Malta during the second quarter of 2005 indicate a current account deficit of Lm43.9 million; an increase of Lm21.1 million over the net deficit of Lm22.9 million registered during the relative period in 2004.

Generating this outcome was essentially a shift in the net balance of the income account of Lm23.0 million, from a net surplus of Lm20.0 million during the June 2004 quarter to a net deficit of Lm3.0 million during the same period in 2005.

In a mirror reflection to this, the ratio of the current account balance to the Gross Domestic Product at current market prices for the second quarter of 2005 stood at a negative figure of 9.2 percent as against a negative figure of 5.0 percent during the same period in 2004.

# MERCHANDISE TRADE



## Balance of trade

	Imports		Exports		Trade Gap	
	Imports	% Change	Exports	% Change	Excess of Imports	% Change
		Over prev. year		Over prev. year	over Exports	Over prev. year
1997	984,238	-2.3	628,925	0.8	355,313	-7.4
1998	1,034,922	5.1	711,985	13.2	322,937	-9.1
1999	1,135,796	9.7	790,966	11.1	344,830	6.8
2000	1,492,377	31.4	1,072,446	35.6	419,931	21.8
2001	1,225,159	-17.9	880,648	-17.9	344,511	-18.0
2002	1,227,458	0.2	960,728	9.1	266,730	-22.6
2003	1,281,279	4.4	928,312	-3.4	352,967	36.2
2004	1,313,465	2.5	904,629	-2.6	408,865	15.8
2004 Q1	312,506	1.7	235,753	6.7	76,753	-11.4
2004 Q2	331,404	-0.6	223,704	-4.2	107,700	7.9
2004 Q3	310,467	-2.8	221,913	-3.5	88,554	-1.0
2004 Q4	358,714	11.8	223,259	-8.4	135,455	75.6
2005 Q1	291,726	-6.6	184,656	-21.7	107,070	39.5
2005 Q2	329,053	-0.7	205,792	-7.9	123,261	14.5

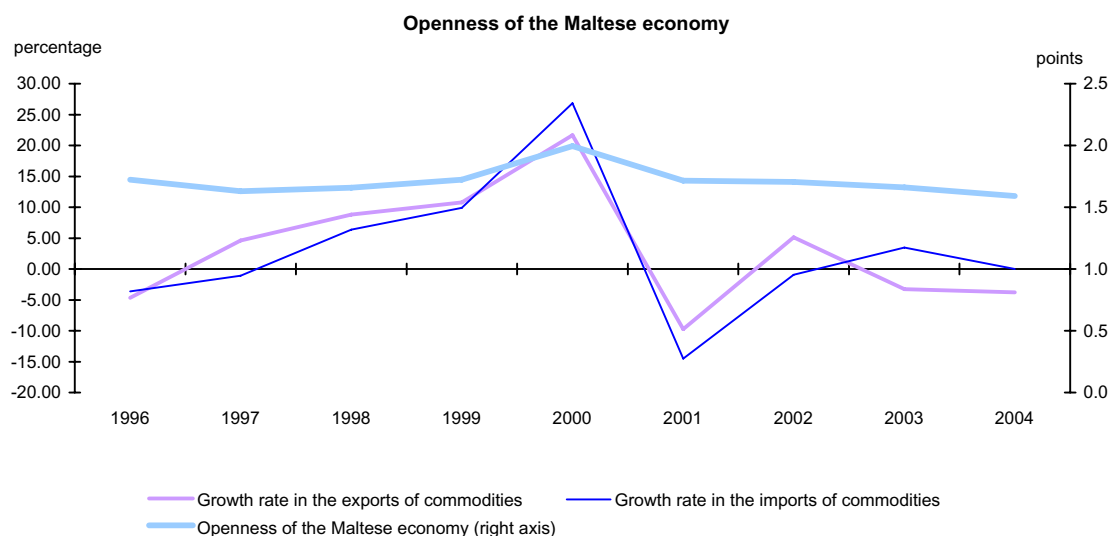
At the end of 2004, imports amounted to Lm1,313.5, thus showing a steady increase of 2.5 per cent or Lm32.2 million over 2003. Exports, on the other hand, did the opposite and narrowed down by Lm23.7 million or 2.6 per cent.

The visible trade gap widened by Lm55.9 or 15.8 per cent from Lm353.0 million in 2003 to Lm408.9 in 2004.

During the January-March quarter 2005, imports slowed down by 7.3 per cent or Lm22.8 million over the corresponding quarter in 2004. Exports followed suit and went down by Lm51.1 million or 21.7 per cent.

The visible trade gap stood at Lm105.4 million, which is 36.6 per cent higher than the corresponding quarter trade gap.

# OPENNESS OF THE MALTESE ECONOMY



## Openness of the Maltese economy

Lm thousand

Year	Exports of goods and services	12 month change (%)	Imports of goods and services	12 month change (%)	Gross Domestic Product (GDP)*	Openness of the Maltese economy
1996	1,024,837	-4.6	1,186,361	-3.6	1,284,212	1.7
1997	1,072,158	4.6	1,173,477	-1.1	1,377,147	1.6
1998	1,166,776	8.8	1,248,128	6.4	1,456,367	1.7
1999	1,292,717	10.8	1,371,892	9.9	1,546,306	1.7
2000	1,572,823	21.7	1,740,099	26.8	1,660,126	2.0
2001	1,419,830	-9.7	1,487,633	-14.5	1,694,118	1.7
2002	1,492,598	5.1	1,473,608	-0.9	1,740,853	1.7
2003 <sup>p</sup>	1,443,815	-3.3	1,524,434	3.4	1,787,448	1.7
2004 <sup>p</sup>	1,388,904	-3.8	1,524,451	0.0	1,830,495	1.6
2003 <sup>p</sup>						
Q1	315,743	-0.1	366,872	10.7	412,572	1.7
Q2	368,458	-5.2	390,266	0.6	448,930	1.7
Q3	398,233	-3.4	388,316	4.9	469,384	1.7
Q4	361,381	-3.7	378,980	-1.4	456,562	1.6
2004 <sup>p</sup>						
Q1	327,480	3.7	338,746	-7.7	433,666	1.5
Q2	354,099	-3.9	391,016	0.2	454,268	1.6
Q3	370,175	-7.0	375,787	-3.2	480,037	1.6
Q4	337,150	-6.7	418,902	10.5	462,525	1.6
2005 <sup>p</sup>						
Q1	284,924	-12.9	338,548	0.9	438,515	1.4
Q2	339,556	-4.1	379,112	-3.0	476,132	1.5

<sup>p</sup> provisional

\* GDP for 1996 to 1999 has been scaled backwards; thus retaining the growth rates from the old system of national accounts.

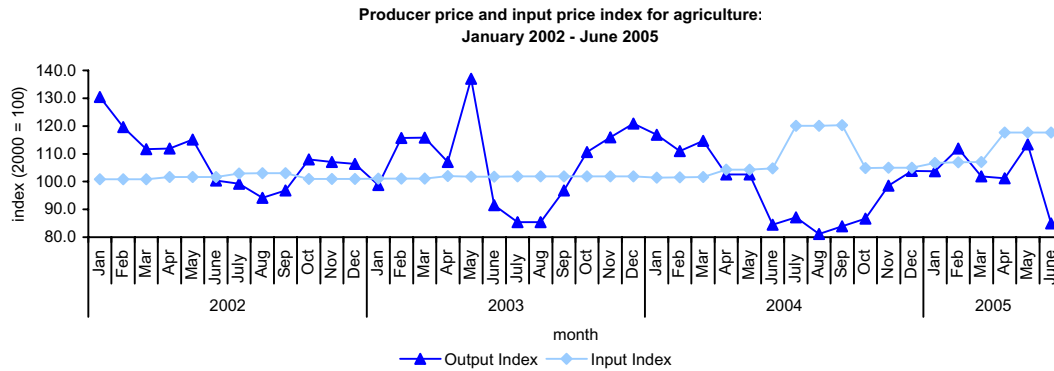
By the end of the second quarter of 2005, the total amount of exports of goods and services amounted to Lm339.6 million; a decline of Lm14.5 million or 4.1 percent over the total figure recorded during the same period in 2004 of Lm354.1 million.

On the other hand, the total amount of imports of goods and services registered during the June 2005 quarter reached the figure of Lm379.1 million; a decrease of Lm11.9 million or 3.0 percent over the total imports bill recorded during the relative period in 2004 of Lm391.0 million.

Subsequently, the degree of openness of the Maltese economy to world trade decreased from a figure of 1.6 points during the June 2004 quarter to one of 1.5 points during the relative quarter in 2005.



# AGRICULTURE



Producer price index (2000 = 100)							Agricultural input price index (2000 = 100)		
Year	All Items	Potatoes	Fresh Vegetables	Fresh Fruit	Animals	Animal Products	All Items	Goods and services consumed in agriculture	Machinery and Investment
2000	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
2001	109.38	141.34	112.44	119.87	101.52	100.79	100.67	100.69	99.16
2002	110.29	138.67	120.99	112.07	99.55	102.13	101.73	101.76	99.50
2003	106.10	117.01	127.42	127.53	89.80	100.35	101.75	101.77	100.32
2004	98.84	98.07	108.97	97.51	91.28	100.46	107.86	107.96	101.44
2004									
April	102.60	115.81	120.24	67.98	91.15	102.59	104.30	104.45	94.46
May	102.55	111.70	118.37	95.35	91.10	101.13	104.26	104.40	94.46
June	84.53	45.44	70.95	104.57	91.55	100.85	104.80	104.96	94.46
2005									
April	101.23	106.77	119.72	83.59	91.94	96.37	117.61	118.01	90.85
May	113.40	115.81	170.18	76.73	92.57	87.79	117.63	118.03	90.85
June	84.92	50.35	82.47	85.07	92.62	88.73	117.63	118.03	90.85

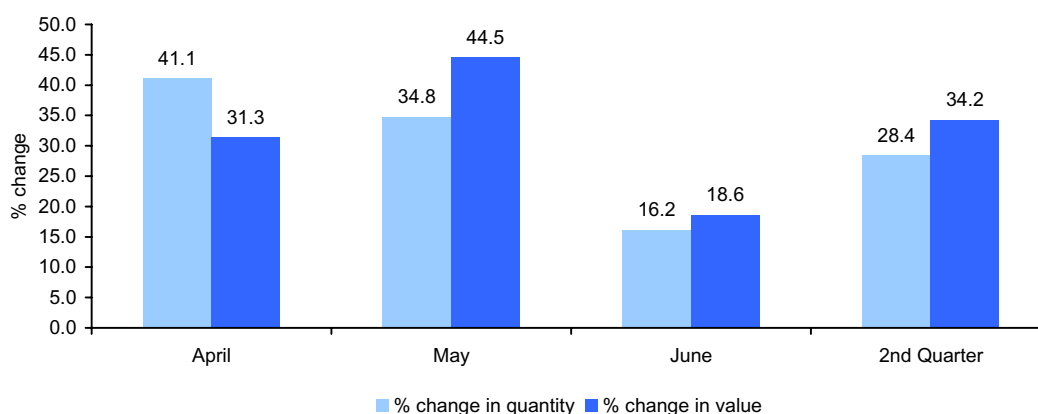
  

Annual percentage change in producer prices							Annual percentage change in input prices		
Year	All Items	Potatoes	Fresh Vegetables	Fresh Fruit	Animals	Animal Products	All Items	Goods and services consumed in agriculture	Machinery and Investment
2000	-	-	-	-	-	-	-	-	-
2001	9.38	41.34	12.44	19.87	1.52	0.79	0.67	0.69	-0.84
2002	0.83	-1.89	7.60	-6.51	-1.94	1.33	1.05	1.06	0.34
2003	-3.80	-15.62	5.32	13.80	-9.79	-1.75	0.03	0.01	0.82
2004	-6.84	-16.19	-14.48	-23.54	1.64	0.11	6.01	6.08	1.12
2004									
April	-21.36	-41.49	-33.10	-13.19	-10.79	-0.31	3.42	3.44	2.34
May	-8.17	-41.63	-9.83	-32.88	-10.89	-0.74	3.38	3.39	2.34
June	-38.63	-62.87	-45.04	-1.42	-10.50	-2.83	3.92	3.94	2.34
2005									
April	-1.34	-7.80	-0.43	22.95	0.87	-6.06	12.76	12.99	-3.82
May	10.58	3.68	43.77	-19.53	1.61	-13.19	12.82	13.05	-3.82
June	0.47	10.82	16.25	-18.65	1.17	-12.02	12.24	12.45	-3.82

The producer price index for agriculture in June 2005 stood at 84.92, or 0.47 per cent higher than in the same period last year. This increase was mainly due to an increase in the average prices of fresh vegetables when compared to the same month in 2004. The increase in the average prices of the main animals slaughtered pushed up the animals index by 1.17 per cent. The 'all-items' input price index increased by 12.24 per cent when compared to June in 2004. This was due to a result of higher average prices for 'goods and services' used in the production of agricultural products.

# FISHERIES

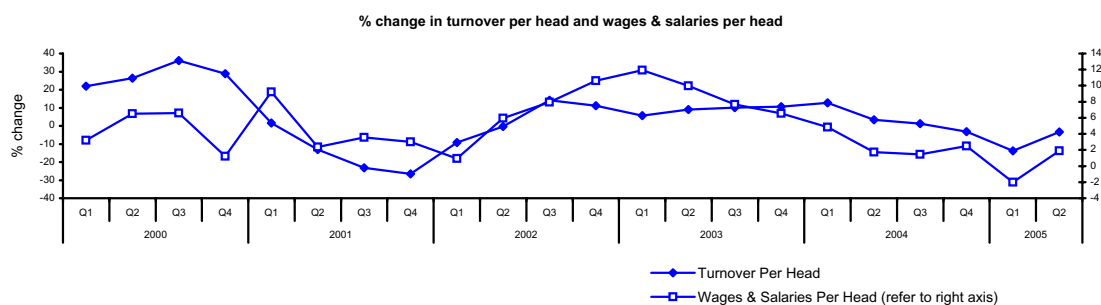
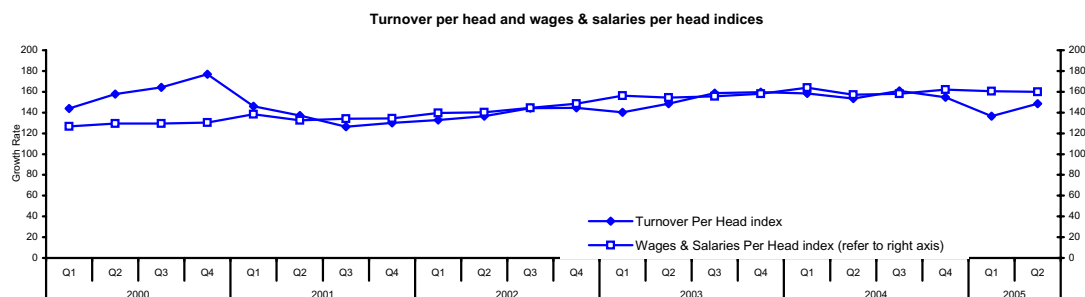
Monthly and quarterly percentage changes in wholesale quantities and value of fresh fish: 2005/2004



Fresh fish passed through organised market			Fresh fish index (1995 = 100)			
Year	Quantity / Kg	Value / Lm	Price Index	Percentage Annual Change	Volume Index	Percentage Annual Change
1995	925,740	1,231,652	100.00	-	100.00	-
1996	840,935	1,408,481	123.67	23.67	90.84	-9.16
1997	887,013	1,549,693	126.24	2.08	95.82	5.48
1998	979,432	1,626,107	115.04	-8.87	105.80	10.42
1999	1,034,070	1,623,026	104.49	-9.17	111.70	5.58
2000	987,294	1,858,433	133.29	27.56	106.65	-4.52
2001	841,289	1,587,036	142.28	6.74	90.88	-14.79
2002	940,864	1,798,869	137.89	-3.09	101.63	11.83
2003	1,070,219	1,831,623	129.52	-6.07	115.61	13.75
2004	1,067,822	1,826,101	118.98	-8.14	115.35	-0.22
<b>2nd QTR</b>						
2004	324,088	785,118	-	-	-	-
2005	415,975	1,053,446	-	-	-	-
<b>2004</b>						
April	23,777	69,501	133.11	-4.86	16.69	-45.28
May	180,677	437,921	159.47	60.85	126.86	422.06
June	119,634	277,696	128.04	12.70	84.00	670.64
<b>2005</b>						
April	33,539	91,260	204.96	53.97	23.55	41.06
May	243,466	632,781	153.29	-3.87	170.95	34.75
June	138,970	329,405	149.26	16.57	97.58	16.16

The 2nd quarter fresh fish price index stood at 149.26 points, 16.57 per cent higher than in June of 2004. This increase was the result of higher unit prices for most of the species when compared to the same month in 2004. The fresh fish volume index increased by 16.16 per cent, from 84.00 points in June 2004 to 97.58 points in June 2005. This was due to an increase in the landings with the most noticeable increase being the Blue Fin Tuna landings which registered an increase of 25.1 per cent.

# MANUFACTURING INDUSTRY



## Turnover and wages & salaries per head indices

	Turnover per Head			Wages & Salaries per Head		
	Value	Index	Annual % Change	Value	Index	Annual % Change
1995	32,623	100.0		3,802	100.0	
1996	32,716	100.3	0.3	4,091	107.6	7.6
1997	34,275	105.1	4.8	4,219	111.0	3.1
1998	37,753	115.7	10.1	4,521	118.9	7.2
1999	40,830	125.2	8.2	4,697	123.5	3.9
2000	52,447	160.8	28.5	4,902	128.9	4.4
2001	43,996	134.9	-16.1	5,122	134.7	4.5
2002	45,496	139.5	3.4	5,446	143.2	6.3
2003	49,498	151.7	8.8	5,936	156.1	9.0
2004	51,145	156.8	3.4	6,093	160.2	2.6
2003 Q1	11,450	140.4	5.7	1,485	156.3	11.9
Q2	12,127	148.7	8.9	1,467	154.4	10.0
Q3	12,947	158.7	10.2	1,480	155.7	7.7
Q4	13,030	159.7	10.5	1,504	158.2	6.5
2004 Q1	12,916	158.3	12.8	1,557	163.8	4.8
Q2	12,529	153.6	3.3	1,493	157.1	1.8
Q3	13,111	160.7	1.3	1,502	158.0	1.4
Q4	12,613	154.6	-3.2	1,541	162.1	2.5
2005 Q1	11,137	136.5	-13.8	1,526	160.6	-2.0
Q2 <sup>P</sup>	12,117	148.6	-3.3	1,521	160.0	1.9

<sup>P</sup> provisional

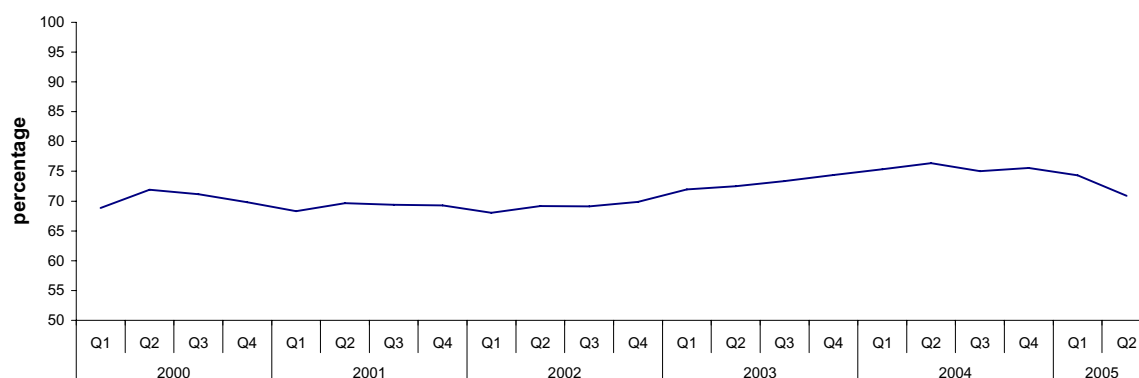
The base year used for the Turnover and Wages & Salaries per head Indices is the average for the whole year 1995 (1995=100). This series is not seasonally adjusted.

Although the Turnover per Head Index across the manufacturing industry has grown by 3.4% during 2004 over 2003, it has been registering a decrease over the last 3 quarters. A decrease of 3.3% during Q2 2005 when compared to the same period for 2004 was recorded.

When comparing the percentage changes on an annual basis between 2003 and 2004, the Wages and salaries per head index for the manufacturing industry registered an increase of 2.6%. During the second quarter 2005 this index increased by 1.9% when compared with same period the year before.

# MANUFACTURING CAPACITY UTILISATION

## Capacity utilisation in manufacturing industry



## Capacity utilisation in manufacturing industry

	Total Capacity Utilisation		Constraints to Capacity Utilisation								
	Capacity Utilisation		Labour Shortage		The Market		Material Shortage		Other Reasons		
	%	12 month % change	Index	12 month % change	Index	12 month % change	Index	12 month % change	Index	12 month % change	
1995	66.9		100.0		100.0		100.0		100.0		
1996	67.4	0.7	72.5	-27.5	106.4	6.4	88.3	-11.7	89.6	-10.4	
1997	68.0	0.9	57.7	-20.4	113.6	6.8	56.6	-35.9	72.3	-19.3	
1998	67.8	-0.3	46.2	-19.9	114.7	1.0	47.0	-17.0	79.3	9.6	
1999	69.0	1.8	57.2	23.8	114.1	-0.5	44.3	-5.7	74.6	-5.8	
2000	70.1	1.6	59.7	4.4	101.2	-11.3	72.9	64.6	138.5	85.5	
2001	67.7	-3.4	41.3	-30.8	113.4	12.1	71.4	-2.1	81.4	-41.2	
2002	67.3	-0.3	32.7	16.4	114.7	-3.3	59.6	2.4	86.1	28.6	
2003	73.1	8.6	27.3	-16.4	115.4	0.6	59.4	-0.3	86.2	0.1	
2004	75.6	3.5	19.8	-27.5	116.3	0.8	51.0	-14.3	81.5	-5.4	
2003	Q1	72.0	5.8	26.9	-11.4	116.4	0.7	55.7	-19.4	82.0	5.0
	Q2	72.5	4.8	26.2	-6.6	114.9	-1.7	54.2	-15.9	92.2	23.4
	Q3	73.4	6.1	34.6	-1.0	109.8	-2.3	83.5	41.2	103.8	5.9
	Q4	74.4	6.5	32.3	-14.2	116.4	2.4	54.7	20.4	78.0	-17.1
2004	Q1	75.3	4.7	18.6	-31.0	115.1	-1.2	60.4	8.5	95.5	16.5
	Q2	76.4	5.3	24.3	-7.2	118.5	3.1	55.8	3.1	71.7	-22.3
	Q3	75.0	2.3	25.7	-25.7	117.8	7.3	35.5	-57.5	83.3	-19.8
	Q4	75.5	1.6	11.5	-64.4	119.3	2.5	53.5	-2.1	78.8	1.1
2005	Q1	74.3	-1.3	21.9	18.2	120.5	4.8	45.4	-24.8	65.8	-31.1
	Q2 <sup>p</sup>	70.9	-7.2	18.6	-23.3	122.2	3.1	25.7	-54.0	66.5	-7.2

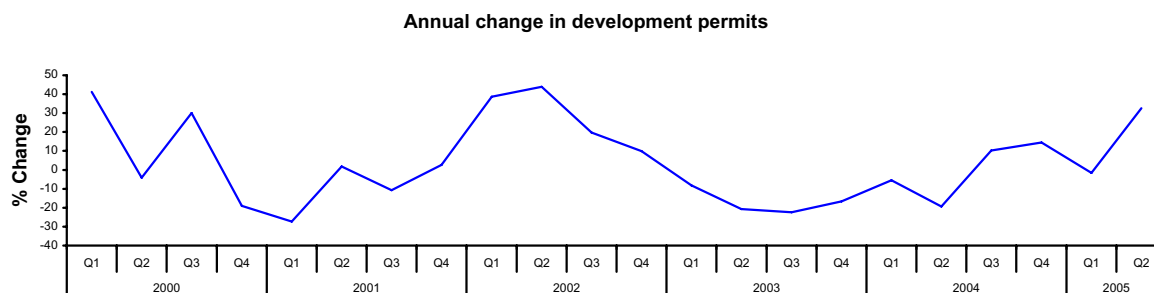
p= provisional

The base year used for the indices for Constraints to Capacity Utilisation is the average for the whole year 1995 ( 1995 = 100 )

Capacity utilisation in the manufacturing industry registered a decrease of 7.2 per cent from 76.4 per cent in the second quarter 2004 to 70.9 per cent in the second quarter 2005.

Throughout the whole time series, respondents indicated the Market as the main constraint for their capacity under utilisation. Though the Labour shortage and material shortage constraints are still being pointed out, they have declined during the second quarter of 2005, with just 1.9% and 1.3% of the total constraints indicated .

# DEVELOPMENT PERMITS



Year	New Dwellings*	Annual % Change	Commercial	Annual % Change	Other	Annual % Change	Total	Annual % Change	
1994	1,969		587		2,545		5,101		
1995	2,417	22.8	805	37.1	3,054	20.0	6,276	23.0	
1996	1,785	-26.1	641	-20.4	3,531	15.6	5,957	-5.1	
1997	1,807	1.2	556	-13.3	3,651	3.4	6,014	1.0	
1998	1,699	-6.0	616	10.8	3,920	7.4	6,235	3.7	
1999	1,262	-25.7	614	-0.3	3,138	-19.9	5,014	-19.6	
2000	1,410	11.7	670	9.1	3,445	9.8	5,525	10.2	
2001	1,299	-7.9	644	-3.9	3,060	-11.2	5,003	-9.4	
2002	1,422	9.5	878	36.3	4,116	34.5	6,416	28.2	
2003	1,336	-6.0	658	-25.1	3,289	-20.1	5,283	-17.7	
2004	1,423	6.5	657	-0.2	3,112	-5.4	5,192	-1.7	
2003	Q1	330	10.7	149	-29.4	830	-9.6	1,309	-8.3
	Q2	380	-6.6	214	-14.7	980	-26.3	1,574	-20.8
	Q3	361	-19.8	159	-40.7	907	-19.0	1,427	-22.4
	Q4	264	-1.1	135	-8.8	572	-23.6	971	-16.6
2004	Q1	360	9.1	156	4.7	721	-13.1	1,237	-5.5
	Q2	331	-12.9	147	-31.3	791	-19.3	1,269	-19.4
	Q3	427	18.3	199	25.2	948	4.5	1,574	10.3
	Q4	305	15.5	155	14.8	652	14.0	1,112	14.5
2005	Q1	350	-2.8	150	-3.8	693	-3.9	1,217	-1.6
	Q2 <sup>p</sup>	487	47.1	194	32.0	1,002	26.7	1,683	32.6

The base year for these indices is the average of 1994 ( 1994=100)

During the second quarter 2005 the total number of development permits registered an increase of 32.6% when compared with the same period last year, from 1,269 permits to 1,683 permits.

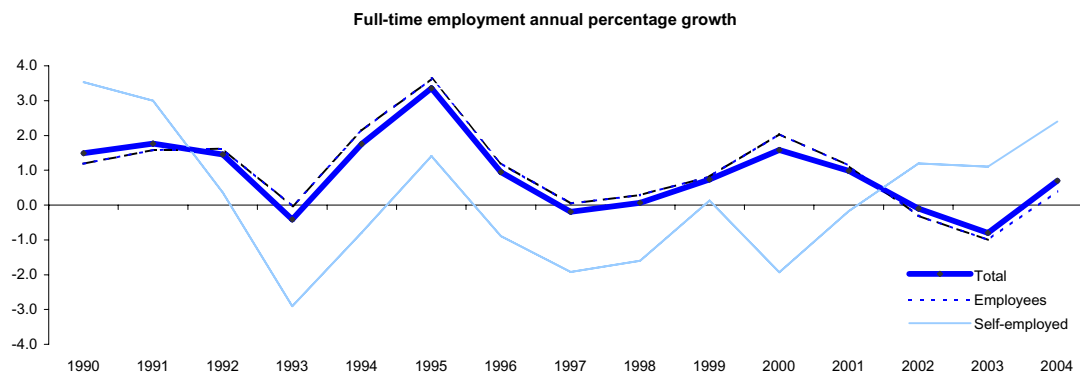
During the period under review, all sub-divisions of the development permits issued registered an increase. the New dwellings increased by 47.1%, Commercial permits by 32% while Other permits by 26.7%, when compared to Q2 2004.

<sup>p</sup> provisional

\* (including by conversions)

\*\* 'Other' includes: installation of satellite dishes and swimming pools; alterations and demolitions; permits relating to recreational and educational activities.

# FULL-TIME EMPLOYMENT



## Growth in total employment

Year	Total	Annual % change	Employees	Annual % change	Self-employed	Annual % change
1996	133,195	0.9	117,026	1.2	16,169	-0.9
1997	132,943	-0.2	117,084	0.0	15,859	-1.9
1998	133,024	0.1	117,419	0.3	15,605	-1.6
1999	134,001	0.7	118,376	0.8	15,625	0.1
2000	136,117	1.6	120,794	2.0	15,323	-1.9
2001	137,452	1.0	122,156	1.1	15,296	-0.2
2002	137,321	-0.1	121,841	-0.3	15,480	1.2
2003	136,234	-0.8	120,580	-1.0	15,654	1.1
2004	137,149	0.7	121,117	0.4	16,032	2.4
2004 January	136,059	-0.9	120,368	-1.3	15,691	2.0
February	136,201	-1.0	120,474	-1.4	15,727	2.2
March	136,346	-0.9	120,577	-1.3	15,769	2.3
April	136,650	-0.8	120,873	-1.1	15,777	2.1
May	137,242	-0.5	121,347	-0.8	15,895	1.7
June	137,548	-0.2	121,683	-0.4	15,865	2.1
July	138,079	-0.1	122,193	-0.3	15,886	2.0
August	137,989	0.3	122,062	0.1	15,927	2.1
September	137,708	0.5	121,761	0.4	15,947	1.9
October	137,267	0.2	121,257	-0.1	16,010	2.3
November	137,402	0.7	121,377	0.4	16,025	2.4
December	137,149	0.7	121,117	0.4	16,032	2.4
2005 January	137,213	0.8	121,181	0.7	16,032	2.2
February	137,176	0.7	121,154	0.6	16,022	1.9
March	137,094	0.5	121,044	0.4	16,050	1.8
April	134,142	-1.8	118,079	-2.3	16,063	1.8
May	137,696	0.3	121,574	0.2	16,122	1.4
June	138,200	0.5	122,021	0.3	16,179	2.0

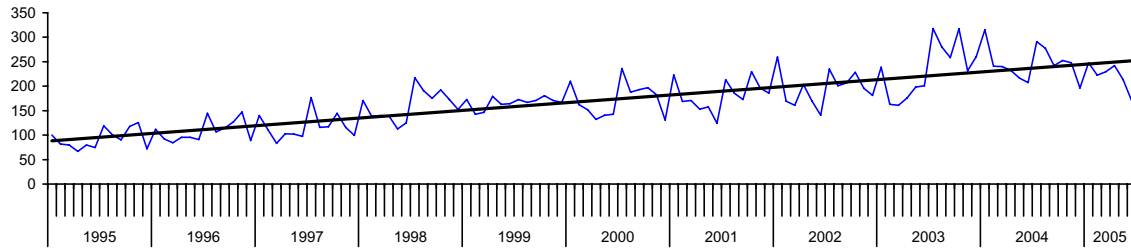
## Shares in total employment

Year	Sectors	
	Private	Public
1995	62.0	38.0
1996	62.0	38.0
1997	62.2	37.8
1998	62.6	37.4
1999	64.6	35.4
2000	64.7	35.3
2001	64.7	35.3
2002	64.9	34.3
2003	65.1	34.2
2004	66.7	33.3

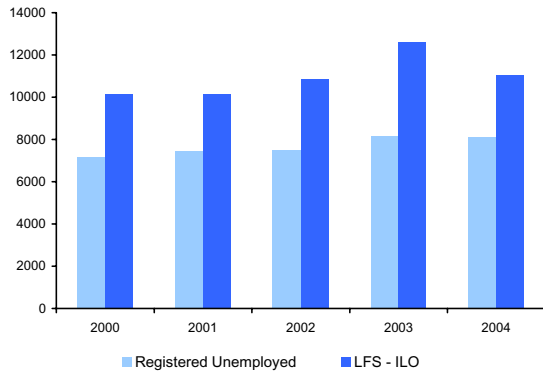
Over the past ten years the gainfully occupied population has increased by 7.4 per cent. Larger changes were recorded amongst employees over the same period between 1995 and 2004. Employment in the private sector increased whereas engagement in the public sector showed an opposite trend

# REGISTERED UNEMPLOYMENT

Index of new unemployment registrants



Unemployment: registered and ILO



Index of new unemployment registrants

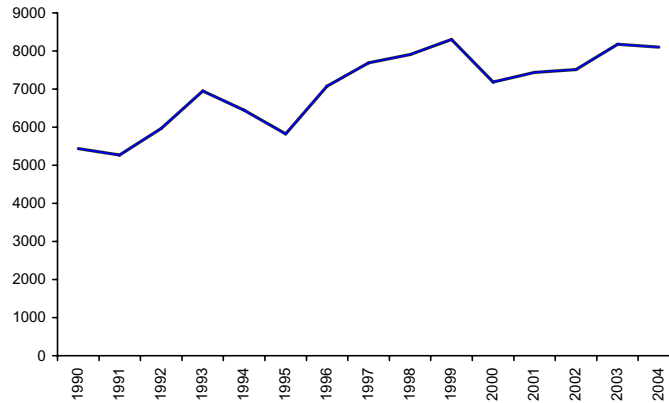
January 1995 = 100

Months	2000	2001	2002	2003	2004	2005	Annual % change
January	210.2	223.2	259.9	238.8	315.5	247.7	-21.5
February	162.4	168.8	169.4	162.7	240.8	222.6	-7.6
March	151.8	171.0	160.9	161.2	239.8	229.7	-4.2
April	132.3	153.1	203.6	175.7	232.0	242.2	4.4
May	141.0	157.9	169.4	198.3	216.4	213.5	-1.3
June	142.5	124.0	140.7	201.0	207.7	169.1	-18.6
July	236.1	213.2	235.0	317.8	291.3		
August	187.8	185.6	200.7	280.4	277.4		
September	193.2	172.5	207.0	258.6	242.1		
October	196.9	229.9	228.0	317.5	252.8		
November	182.2	196.6	195.7	231.3	247.7		
December	130.7	185.8	180.9	260.3	196.6		

Registered unemployment

Year	Unemployed	rate (%)
1995	5,820	4.2
1996	7,072	5.0
1997	7,693	5.5
1998	7,910	5.6
1999	8,306	5.8
2000	7,188	5.0
2001	7,433	5.1
2002	7,516	5.2
2003	8,175	5.7
2004	8,103	5.6
2004 January	8,794	6.1
February	8,830	6.1
March	8,420	5.8
Q.1	8,681	6.0
April	8,339	5.8
May	8,104	5.6
June	7,942	5.5
Q.2	8,128	5.6
July	8,131	5.6
August	7,953	5.4
September	8,140	5.6
Q.3	8,075	5.5
October	8,172	5.6
November	8,125	5.6
December	8,103	5.6
Q.4	8,133	5.6
2005 January	8,180	6.0
February	8,094	5.9
March	8,018	5.8
April	7,716	5.6
May	7,245	5.3
June	6,930	5.0

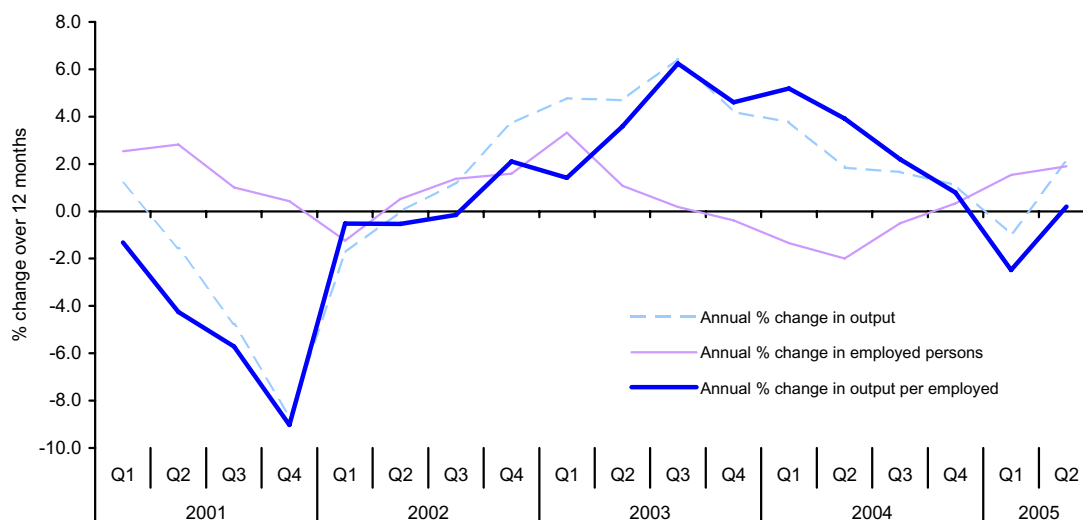
Registered unemployed



In the years from 1995 to 1999, the number of the persons registering for work with the Employment and Training Corporation (ETC) underwent a consistent upsurge. Accordingly, registered unemployment reached the peak of 8,306 in 1999. In 2000, the number of registered unemployed went down substantially, but started to rise again in the following years. The number of persons registering for work with the ETC has been on the increase between 1995 and 2005. The index of new unemployment registrants (January 1995=100) indicates that a substantial increase in new registrants usually occurs in the months of January and July of each year.

# PRODUCTIVITY

## Output, employment and productivity in the Maltese economy



### Total Maltese economy annual productivity changes

Year	Quarter	Annual percentage change in output	Annual % change in employed persons*	Annual % change in output per employed person
2000		-	-	-
2001		-3.6	1.7	-5.2
2002		0.8	0.6	0.2
2003		5.1	1.0	4.0
2004		2.1	-0.9	3.0
2004	Q1	3.8	-1.3	5.2
2004	Q2	1.8	-2.0	3.9
2004	Q3	1.7	-0.5	2.2
2004	Q4	1.1	0.3	0.8
2005	Q1	-1.0	1.5	-2.5
2005	Q2	2.1	1.9	0.2

Source: National Statistics Office

\* employed persons represents the number of both full-time and part-time self-employed and employees

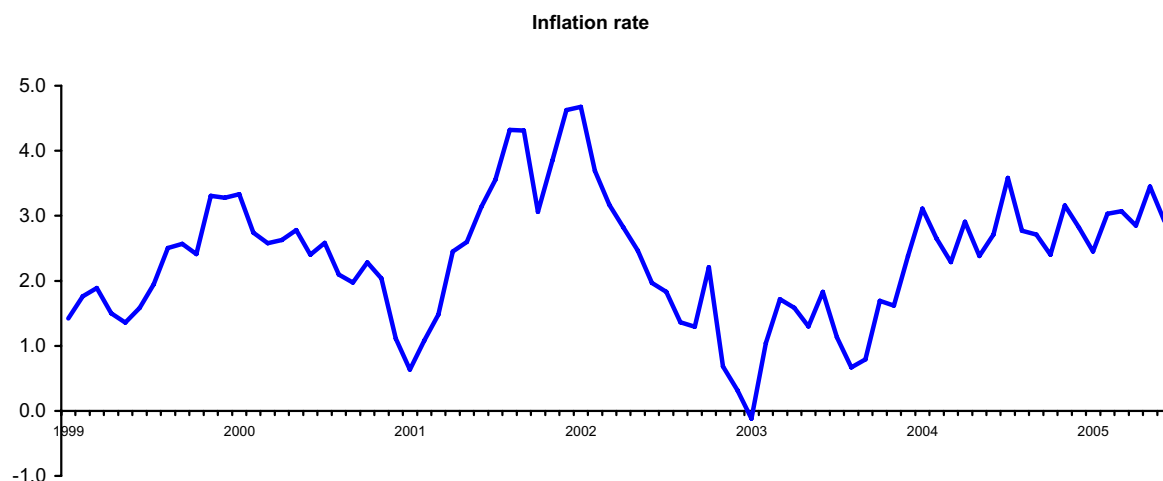
Productivity across the whole economy, measured by means of output per employed person (incorporating both full-time and part-time self employed/employees) is estimated to have grown by 3.0% in 2004, down by 1.0% from the previous year's figure. However, the 2003 and 2004 figures compared very favourably with the figures of 2001 and 2002, which experienced a pronounced negative and negligible positive growth in these years respectively.

Productivity growth over the last four quarters declined sharply from over two per cent in the third quarter of 2004 to negligible, albeit still positive, growth in the second quarter of 2005. The first quarter of 2005 alone accounted for a decline in productivity growth of 2.5%, with only minimal positive growth (less than 1.0%) being registered in the quarters immediately preceding and succeeding this quarter.

For the economy as a whole, productivity growth has averaged more than two-and-a-half per cent every quarter over the last eight quarters.



# INFLATION

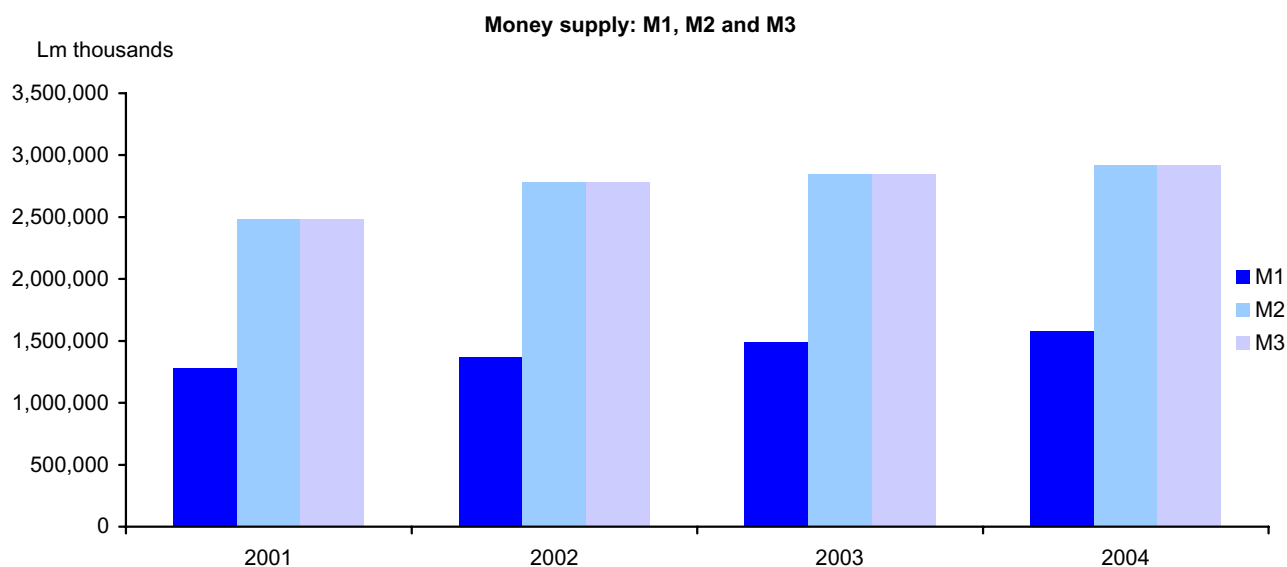


Year	Month	All items	Annual inflation	12-month moving average
1999		110.04	2.13	2.13
2000		112.65	2.37	2.37
2001		115.95	2.93	2.93
2002		118.49	2.19	2.19
2003		120.03	1.30	1.30
2004		123.38	2.79	2.79
2004	January	121.76	3.11	1.57
	February	121.80	2.65	1.70
	March	122.31	2.29	1.75
	April	123.10	2.91	1.86
	May	122.87	2.38	1.95
	June	123.45	2.71	2.03
	July	124.07	3.58	2.23
	August	123.01	2.77	2.41
	September	123.38	2.71	2.57
	October	124.33	2.40	2.63
	November	125.05	3.16	2.75
	December	125.42	2.82	2.79
2005	January	124.74	2.45	2.74
	February	125.49	3.03	2.77
	March	126.07	3.07	2.83
	April	126.61	2.85	2.83
	May	127.11	3.45	2.92
	June	127.06	2.92	2.94

During the first two months of the second quarter for 2005 there was an increase in the 12-month moving average inflation rate, while a slight decrease was registered for the third month of the same quarter.

Indices for 2005 are linked to December 1995=100.

## MONEY SUPPLY



### Money supply

*Lm thousands*

	Narrow Money (M1)		Intermediate Money (M2)		Broad Money (M3)	
	Position at end of period	12 month change (%)	Position at end of period	12 month change (%)	Position at end of period	12 month change (%)
2001	1,282,933	6.8	2,481,141	10.0	2,481,141	9.9
2002	1,367,373	6.6	2,781,488	12.1	2,781,488	12.1
2003	1,490,948	9.0	2,849,218	2.4	2,849,244	2.4
2004	1,580,944	6.0	2,918,320	2.4	2,918,320	2.4
2004 April	1,578,738	11.8	2,933,596	3.8	2,933,596	3.8
2004 May	1,560,560	9.4	2,914,066	3.0	2,914,066	3.0
2004 June	1,578,989	8.6	2,939,288	3.4	2,939,288	3.4
2005 April	1,592,455	0.9	2,928,150	-0.2	2,928,150	-0.2
2005 May	1,608,984	3.1	2,931,434	0.6	2,931,434	0.6
2005 June	1,641,173	3.9	2,979,359	1.4	2,979,359	1.4

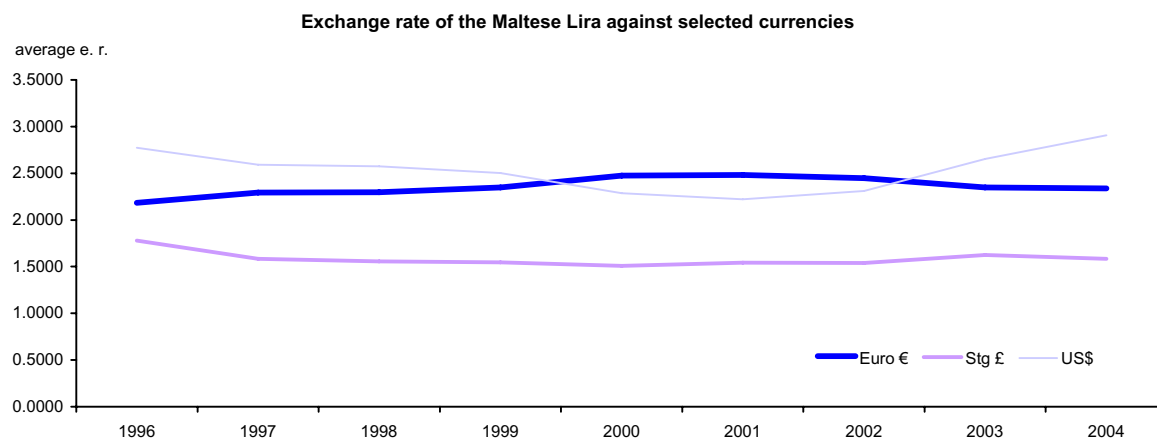
\*provisional

By the end of June 2005, the total narrow money supply M1 (which includes currency in circulation, demand deposits and savings deposits withdrawable on demand) reached the total of Lm1,641.2 million. This was higher by 3.9 percent than the money supply M1 registered by the end of the relative period in 2004 of Lm1,579.0 million.

Additionally, the intermediate money supply M2 (which includes M1, savings deposits redeemable at notice up to 3 months and time deposits with agreed maturity up to 2 years) stood at a total of Lm2,979.4 million; a rise of 1.4 percent over the figure reached during the comparable month a year earlier of Lm2,939.3 million.

Also, by the end of the June 2004 quarter, the broad money supply M3 (which includes M2, repurchase agreements and debt securities issued up to 2 years) amounted to Lm2,979.4 million. This implied an increase of 1.4 per cent over the money supply M3 registered during June 2004 period of Lm2,939.3 million.

## EXCHANGE RATE



### Average exchange rates of the Maltese Lira against major currencies

Lm1 is equivalent to...

	Euro	12 month change (%)	Stg £	12 month change (%)	US\$	12 month change (%)	Yen	12 month change (%)	Sfr	12 month change (%)
1996	2.1852	0.8	1.7780	-1.0	2.7745	-2.2	301.75	13.2	3.428	2.3
1997	2.2921	4.9	1.5825	-11.0	2.5921	-6.6	313.53	3.9	3.758	9.6
1998	2.2957	0.2	1.5547	-1.8	2.5758	-0.6	336.67	7.4	3.730	-0.7
1999	2.3470	2.2	1.5468	-0.5	2.5032	-2.8	284.84	-15.4	3.756	0.7
2000	2.4741	5.4	1.5080	-2.5	2.2855	-8.7	246.27	-13.5	3.853	2.6
2001	2.4815	0.3	1.5430	2.3	2.2226	-2.8	269.97	9.6	3.749	-2.7
2002	2.4468	-1.4	1.5378	-0.3	2.3100	3.9	288.88	7.0	3.590	-4.2
2003	2.3470	-4.1	1.6237	5.6	2.6543	14.9	307.38	6.4	3.568	-0.6
2004	2.3368	-0.4	1.5853	-2.4	2.9061	9.5	314.19	2.2	3.609	1.1
2004 April	2.3529	-0.2	1.5641	-3.7	2.8210	10.3	303.43	-1.1	3.658	3.7
2004 May	2.3476	0.8	1.5772	-5.0	2.8207	4.6	315.88	-0.1	3.616	2.5
2004 June	2.3512	0.8	1.5608	-4.8	2.8537	4.8	312.22	-3.1	3.570	-0.6
2005 April	2.3263	-1.1	1.5884	1.6	3.0101	6.7	322.99	6.4	3.600	-1.6
2005 May	2.3294	-0.8	1.5930	1.0	2.9564	4.8	315.30	-0.2	2.599	-28.1
2005 June	2.3294	-0.9	1.5579	-0.2	2.8337	-0.7	307.93	-1.4	3.585	0.4

The average exchange rate of the Maltese lira against the Euro during June 2005 stood at a level of one lira equivalent to 2.3294 Euro. Indeed, this meant a depreciation of the lira against the Euro of 0.9 percentage points over the average exchange rate recorded during the same month a year earlier of one lira equivalent to 2.3512 Euro.

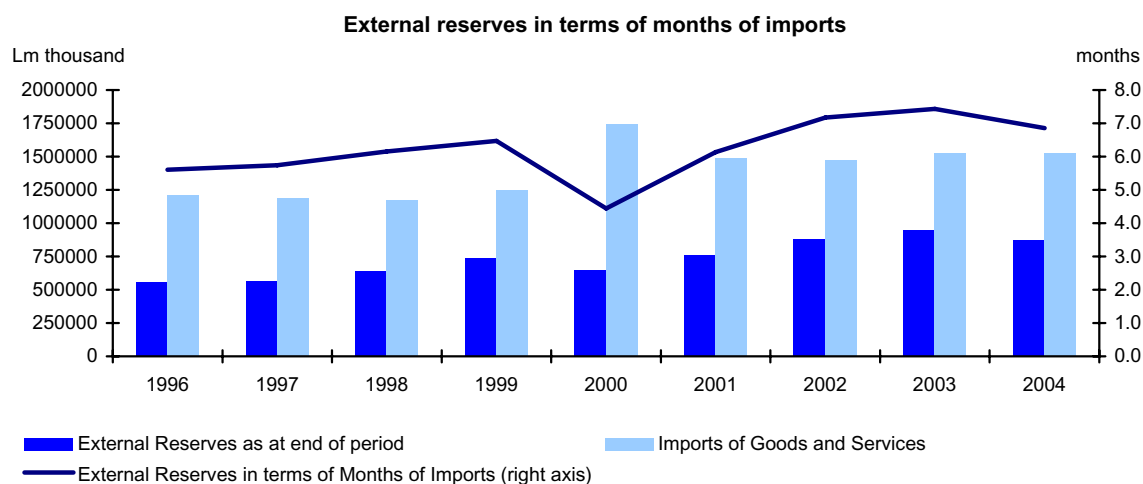
Also, the average exchange rate of the lira against the sterling during June 2005 stood at a level of one lira equivalent to 1.5579 sterling; a depreciation of 0.2 percentage points over the average exchange rate recorded during June 2004 of one lira equivalent to 1.5608 sterling.

Likewise, the average exchange rate of the lira against the US dollar depreciated by 0.7 percentage points, from an average exchange rate of one lira equivalent to 2.8537 dollars during June 2004 to an average exchange rate of one lira equivalent to 2.8337 dollars during the same month in 2005.

In addition, the average exchange rate of the lira against the Yen during June 2005 reached a level of one lira equivalent to 307.9274 Yen; a depreciation of 1.4 percentage points over the average exchange rate recorded during the same month in 2004 of one lira equivalent to 312.2211 Yen.

On the contrary, the average exchange rate of the lira against the Swiss franc appreciated by 0.4 percentage points, from an average exchange rate of one lira equivalent to 3.5696 Swiss francs during June 2004 to an average exchange rate of one lira equivalent to 3.5848 Swiss francs during the relative month in 2005.

## EXTERNAL RESERVES



### External reserves expressed in terms of months of imports

Lm thousand

Year		External reserves as at end of period <sup>1</sup>	12 month change (%)	Imports of goods and services	12 month change (%)	External Reserves in terms of months of imports
1996		554,119	-4.6	1,186,361	-3.6	5.6
1997		561,668	1.4	1,173,477	-1.1	5.7
1998		639,972	13.9	1,248,128	6.4	6.2
1999		740,320	15.7	1,371,892	9.9	6.5
2000		644,144	-13.0	1,740,099	26.8	4.4
2001		760,428	18.1	1,487,633	-14.5	6.1
2002 <sup>P</sup>		880,874	15.8	1,473,608	-0.9	7.2
2003 <sup>P</sup>		944,608	7.2	1,524,434	3.4	7.4
2004 <sup>P</sup>		870,952	-7.8	1,524,451	0.0	6.9
2003 <sup>P</sup>	Q1	884,033	12.4	366,872	10.7	7.2
	Q2	926,282	18.5	390,266	0.6	7.1
	Q3	943,277	12.0	388,316	4.9	7.3
	Q4	944,608	7.2	378,980	-1.4	7.5
2004 <sup>P</sup>	Q1	939,942	6.3	338,746	-7.7	8.3
	Q2	908,648	-1.9	391,016	0.2	7.0
	Q3	937,992	-0.6	375,787	-3.2	7.5
	Q4	870,952	-7.8	418,902	10.5	6.2
2005 <sup>P</sup>	Q1	830,950	-11.6	338,548	-0.1	7.4
	Q2	820,762	-9.7	379,112	-3.0	6.5

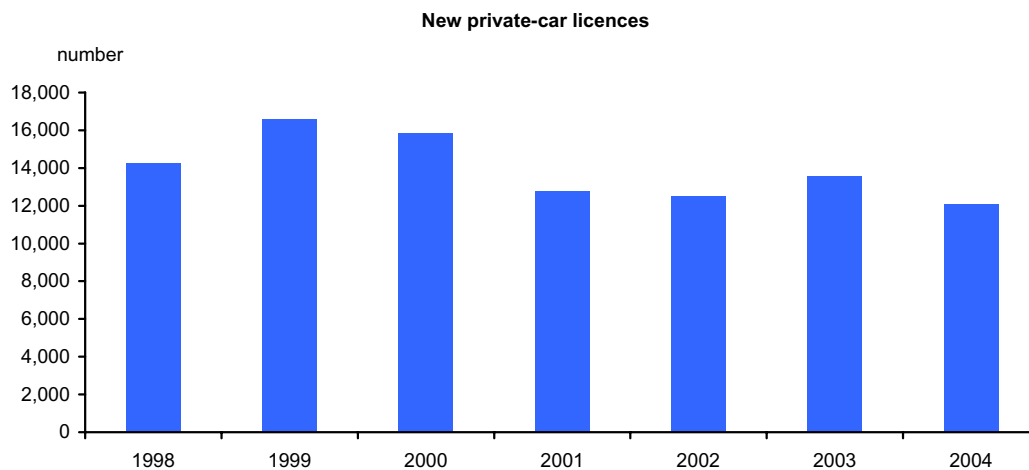
<sup>P</sup> provisional

<sup>1</sup> Source: Central Bank Quarterly Review

By the end of the second quarter of 2005, the total external reserves of the country amounted to Lm820.8 million. Indeed, this was lower by 9.7 percent than the total foreign reserves held during the same quarter in 2004 of Lm908.6 million.

When expressed in terms of months of imports of goods and services, it is shown that, while the reserve assets of the country stood at a level of 7.0 months of sustenance during the second quarter of 2004, Malta's reserve assets fell to a level of 6.5 months of sustenance during the relative quarter in 2005.

# CAR LICENCES



## New private-car licences

		Number	Annual % change
1998		14,233	-4.2
1999		16,566	16.4
2000		15,822	-4.5
2001		12,784	-19.2
2002		12,484	-2.3
2003		13,559	8.6
2004		12,090	-10.8
2004	Q1	2,936	6.2
	Q2	3,206	-7.8
	Q3	3,210	-12.5
	Q4	2,738	-24.9
2005	Q1	3,023	3.0
	Q2	3,521	9.8

In the second quarter 2005 there was an increase of 315 or 9.8 per cent in new car licensing over the same quarter last year.