

# Annual Report

## 2005

National Statistics Office, Malta,  
2005

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9th December 2005

The Chairman  
Malta Statistics Authority

In accordance with the provisions of subsection 5(g) of the Malta Statistics Authority Act XXIV of 2000, I hereby submit to you this report on the operations of the National Statistics Office for the year ended 30 September 2005.

A handwritten signature in black ink, appearing to read 'Alfred Camilleri', with a small flourish at the end.

Alfred Camilleri  
Director-General



## **Our Mission**

*To serve the statistical information needs of Parliament, Government, and the community by striving for excellence through rigorous protection of confidential data, quality information from respondents and a timely, objective and responsive statistical service.*



## INTRODUCTION

The National Statistics Office (NSO) is Malta's official national statistical agency. It provides statistics on a wide range of social and economic matters, covering the population in general, Government and the business sectors. The NSO also has an important coordination function with respect to the statistical activities of other official bodies in Malta.

The NSO was established by virtue of the Malta Statistics Authority Act XXIV of 2000 and replaced the Central Office of Statistics as from 1 March 2001. Section 10 of this Act determines the functions and responsibilities of the Office which include the collection, compilation, extraction and release of official statistics relating to the demographic, social, environmental, economic and general activities and conditions of Malta. Specifically, the brief of the NSO is to:

1. Provide on an impartial basis, quantitative and representative information about the economic, demographic, gender, social and environmental situation in Malta to all users including Parliament, the Government, institutions, social and economic operators, academic institutions and bodies, and the general public. Where possible such data should be provided with a regional perspective.
2. Produce data subject to the principles of reliability, objectivity, relevance, statistical confidentiality, transparency, specificity, and proportionality. In its statistical production, the Office will aim to:
  - portray real situations faithfully;
  - disseminate results to the public and users thereof in a neutral and impartial manner;
  - focus on the phenomena that are essential for the decision-making process;
  - honour citizens' right to public information.
3. Ensure that information collected for statistical purposes is published in an aggregate form with no possibility of identification of individual entities.
4. Make accessible the methods used for the collection and production of official statistics and supply the information necessary to evaluate their quality.
5. Provide technical explanations in order to avoid erroneous interpretation.
6. Carry out research for the further development of statistical methodology and technology.
7. Monitor and coordinate the carrying out of tasks with statistical implications imposed on other public bodies.

8. Coordinate the production of official statistical systems. These include methodologies; timeliness and standardisation of information; accommodation of user requirements; integration of appropriate classifications; and conformity with international standards.

## **ORGANISATIONAL DEVELOPMENT**

Since the enactment of the Malta Statistics Authority Act in 2000 and its subsequent enforcement on 1 March 2001, the NSO has carried out intensive work for the development of an organisation structure that serves its current needs and establishes a sound footing for meeting future challenges.

### **ORGANISATION STRUCTURE**

The Office is organised into four main divisions that are, in turn, sub-divided into a number of functional areas as follows:

#### **SOCIAL STATISTICS**

- Population
- Education and Culture
- Labour Market
- Living Conditions

#### **BUSINESS STATISTICS**

- Business Structures
- Enterprise Short-term Statistics
- Agriculture and Fisheries
- Tourism
- Transport

#### **ECONOMIC STATISTICS**

- National Accounts
- Government and Financial Institutions
- Balance of International Payments
- International Trade
- Consumer Prices and Purchasing Power Parities
- Environment, Energy and Regional Statistics

#### **CORPORATE SERVICES**

- Management Services
- Information Services
- Information Systems

Another unit - Research and Methodology - falls under the direct responsibility of the Director-General. Its objectives include statistical coordination among all public sector organisations.

The creation of the new organisational structure was accompanied by the drawing up of unit descriptions that provide an analysis of the work of each unit as well as by a staff complementing exercise. In addition to this, new staff positions were created while detailed job descriptions in respect of each position were devised.

In the course of the year covered by this Report, a number of new unit managers were appointed, thereby reinforcing the management structure of the Office. More details are given in the Human Resource Management section.

Last year, an International Relations Office was set up within the NSO. This Office is charged with serving as an interface in the ever-developing relationship between the NSO, Eurostat and the other twenty-four EU Member States, with keeping track of all proposals for new legislation that impinge on the statistical field, and with providing the necessary support for consultation with third parties in all matters statistical, both locally and internationally.

In 2005, the organisational structure was further augmented by the appointment of a Communications Officer. The objectives of this function include better coordination in communications between the Office and media organisations as well as an enhancement of the media image and presence of the NSO.

#### **COLLECTIVE AGREEMENT**

The first Collective Agreement for the staff members of the Office expired at the end of 2004. In the course of this year, intensive negotiations were entered into in order to finalise the second Collective Agreement. Albeit difficult, these negotiations were brought to a successful conclusion.

#### **CODE OF CONDUCT AND PRACTICE**

The adoption of this Code aligns the NSO with current developments in more advanced countries. This Code is also deemed to be a natural extension and a reinforcement of the provisions of the Malta Statistics Authority Act. In particular it was established that:

- (a) The Code of Conduct and Practice demands the exercise of the highest professional standards on the part of all MSA employees and encapsulates the enduring principles guiding the production and dissemination of official statistics. These are enshrined in the seven principles of statistical integrity, impartiality, reliability, objectivity, relevance, statistical confidentiality and

transparency - basic principles that the MSA expects all its employees to respect and observe.

- (b) Employees are to conduct themselves in line with the Code of Conduct and Practice.
- (c) In carrying out their statistical work, employees have clear and distinct obligations towards their funding agencies, society at large, data providers and users, and their professional colleagues. Therefore, in carrying out their statistical work, employees are expected to:
  - Operate with the utmost honesty, independence and integrity;
  - Produce statistics in an objective, scientific and unbiased manner;
  - Be open about all aspects of the statistical process;
  - Continuously seek to improve their professional competence, with respect to both their technical and management skills;
  - Set challenging service and quality standards and seek to achieve them;
  - Continuously seek to provide better value for money;
  - Maintain the relevance of their statistical activities to the needs of Parliament, the Government and the wider community;
  - Provide statistics that are fit for the purpose intended;
  - Complement statistics with interpretation and statistical advice;
  - Make statistics accessible to all;
  - Place as minimal a load as possible on data providers and treat them with honesty;
  - Respect the confidentiality of all information given in confidence.

## NEW PROJECTS AT A GLANCE: OCTOBER 2004-SEPTEMBER 2005

- Planning and management of Census of Population and Housing 2005;
- Hosted an IMF mission visiting Malta to report on the observance of standards and codes;
- Prepared the groundwork for Tourism Satellite Account;
- Introduced new services in the Harmonised Index of Consumer Prices;
- Launched new state-of-the-art website;
- Launched Survey on Income and Living Conditions (SILC);
- Launched Structural Business Statistics Survey 2004 ;
- Launched Community Innovation Survey;
- Launched ICT usage survey among individuals and households ;
- Launched ICT usage survey among enterprises;
- Launched Labour Cost 2004 survey;
- Carried out enhancements to Business Register in line with new EU regulation;
- First publication of seasonally adjusted GDP ;
- First publication of regional GDP;
- First publication of Supply and Use Tables;
- First compilation and transmission of specific tax data to the European Commission;
- First compilation of Labour Cost Index;
- First production of monthly employment and unemployment from LFS estimates;
- Acquired partial derogation for R&D statistics.

## STATISTICAL POLICIES

In implementing the provisions of the Malta Statistics Authority Act and the above-mentioned Code, the NSO is involved in an ongoing process of drawing up and introducing a number of statistical and institutional policies to act as guides to its operations and actions. These policies cover a broad range of statistical themes as well as various institutional issues. They are considered to be cornerstones of the operations of the national statistical infrastructure as well as upholders of the National Statistics Office's institutional ethos.

In the course of the year, special attention was paid to the implementation of the various policies that are intended to pave the way for Malta's eventual membership of the International Monetary Fund's Special Data Dissemination Standard (SDDS).

The policies of the Office at the time of writing can be broadly classified into three categories:

- Statistical data
- Institutional
- Outreach

**Table 1 NSO policies by type**

Statistical data	Institutional	Outreach
Confidentiality of personal and commercial data	Environmental policy	Rights and duties of the NSO and the data providers
Dissemination of NSO publications	Environment-friendly purchasing policy	Reducing the burden on data providers
Pricing policy of NSO products	Collection development policy (Library and Information Unit)	Relations with the media
Release of data subject to error		Promoting statistical literacy
Revisions of official statistics		Consultation groups for official statistics
Documentation of data quality and methodology		

Work is in hand with the preparation of a policy regulating third-party access to anonymous statistical micro-data for research purposes. In addition to this, the preparation of a Euro changeover plan for statistics was started. Significant progress has been registered in this area.

A draft policy and procedures for the implementation of the coordinating functions of the NSO have already been drawn up. These have been presented to Government for consultation prior to their adoption and implementation.

## **DATA PROTECTION**

Since its inception, the NSO has operated within the parameters of a culture of strict confidentiality when it comes to the release of individual information to third parties. With regard to this aspect, the Office is fully bound by the Malta Statistics Authority Act. It is also bound by the provisions of the Data Protection Act 2000, which came into effect as from 15 July 2003.

This Act seeks to make provision for the protection of individuals against the violation of their privacy through the processing of personal data. The NSO has in place a Data Controller who is a senior official of the Office. He is responsible for ensuring that all NSO processes involving personal data relating to individual persons conform to all the provisions of the Data Protection Act. In this respect the NSO, in March 2004, submitted the notification of its work processes involving personal data to the Commission of Data Protection in terms of Article 29 of the Data Protection Act.

In the course of the year, the NSO carried out a substantial number of bilateral meetings with public- and private-sector data providers in order to clarify the duties and obligations of all parties involved in aspects of data collection and within the context of the Malta Statistics Authority Act and the Data Protection Act.

## **STATISTICAL INFRASTRUCTURE**

The activities of the National Statistics Office during the past few years have been carried out on two main binaries: the strengthening of the necessary legal framework and the consolidation of the physical and statistical infrastructure of the Office. The latter two prongs involved substantial investments in three important areas of the Office's operations:

### **PREMISES**

The premises housing the NSO are mostly complete. However, in the course of the past year, offices on the ground floor were re-developed to house the office administration and the International and Communications offices. Furthermore, various facilities within the Office were re-located in order to maximise the utilisation of the available spaces.

In addition, the NSO clinched a very favourable deal when it availed itself of unutilised premises at Lascaris for use as a Census Office. The premises were made available by the Lands Department. These premises have been extensively refurbished, virtually

from scratch, but always within the Office's policy of recycling re-usable material both in the way of construction and of furnishings. The acquisition of these premises was crucial to the proper taking of the Census of Population and Housing 2005. The additional spaces are required to house around sixty staff members over an extended period of time in order to manage the Census process and to validate and process the data collected in the course of this major project.

## INFORMATION TECHNOLOGY

In the past few years, the National Statistics Office has placed its extensive computerisation programme to the fore of its activities. This covers a good number of operational areas within the Office and is aimed at providing a varied level of computerisation to support their data requirements. The work carried out included data capture and data repository programmes, local and international reporting facilities and Electronic Data Interchange (EDI) to Eurostat.

In the past year, the NSO continued to strengthen its IT infrastructure through various initiatives. These include the evolving of its own in-house Information Technology services into a fully-fledged IT Unit with the objective of supplementing and complementing the work that has and is being carried out by MITTS Limited.

The NSO is committed to keeping abreast with the latest developments in data capture, analysis and dissemination. During the year, the Office carried on with the implementation of its IT Hardware Strategy.

The IT Unit has established automated procedures for hardware and software support within the NSO. This has generated a greater level of efficiency while reducing the organisation's dependence on MITTS for routine support services. In this regard, the IT staff benefited from a number of training activities directly related to their work.

In the course of the year, the IT Unit embarked on a number of projects aimed at developing data capturing and processing programmes for use by the various thematic units within the NSO.

A substantial number of projects were completed as follows:

- Balance of Payments;
- Cruise Passenger statistics;
- ICT in Enterprises survey;
- ICT in Enterprises (financial sector);
- ICT in Households;
- Use of the Internet by Children survey;
- Job Vacancies survey;

- TAREX programme;
- Innovation survey;
- Farm Structure survey;
- Call-logging system for NSO staff members;
- IT Intranet for NSO staff members.

Additionally, a variety of software programmes were prepared in support of a number of telephone surveys commissioned by a number of local private and public entities.

The IT Unit was also actively involved in the preparations for the Census of Population and Housing 2005. Projects relating to this activity included:

- Census Central Management system;
- Census Data Entry module;
- Census Reporting Tool;
- Census Data Graphical Representation system;
- Census Mapping system;
- Census Information Campaign survey.

The IT Unit also undertook extraneous activities in connection with the Census project. These included Macromedia Flash presentations for use in the public information campaign organised by the NSO to publicise the Census. Another important sub-project related to the Census involved the creation and management of the Census ID Card Production system. Of note is the fact that all facets of the latter system, including the photography and the electronic storage of images, were effected in house.

The staff of the IT Unit also prepared and delivered two courses in MS Access, one for NSO staff and another for external users. Members of the IT Unit also contributed to the creation and ongoing maintenance of the online statistical database - StatDB - launched as part of the new NSO website.

The staff members of this unit dealt with the absolute majority of the internal-support services required for the day-to-day functioning of the Office. During the year covered by this Report, the support staff dealt with 374 calls internally while another 30 calls were referred to MITTS Limited.

### **New NSO Website**

The IT Unit was also a key player in the development of the requirements brief for the new NSO website. A detailed description of this project can be found in the "Statistical Dissemination" section of this Report. Additionally, the team continuously monitored the actual work-stages in the development work.

## **Creation of a Data Warehouse**

The IT team carried out research and provided preliminary support for the drawing up of a development brief for a data warehouse for the NSO. Work on this area is expected to intensify in the coming year.

## **Computer Aided Telephone Interviewing Laboratory (CATI)**

The potential of the Computer Aided Telephone Interviewing (CATI) laboratory within the NSO was enlarged through the deployment of new and better equipment. This facility provides the necessary means for carrying out surveys over the telephone. Appropriate software was devised in support of surveys such as these. It must be added here that these surveys are proving a source of income to the Office while having the added advantage of widening the expertise base of the NSO employees involved in their running. The CATI system enables the automatic dialling of survey respondents and the real-time input of the respondents' answers to survey questions into an electronic database. This process has the twin advantage of doing away with print questionnaires and considerably reducing the lead-time between fieldwork and analysis. Data processing and report generation phases are shortened.

In the course of the year covered by this Report,, various surveys were carried out using CATI. The adoption of CATI has generated greater productivity and has resulted in substantial savings in the taking of surveys.

## **IT Services by MITTS Limited**

A dedicated IT team from MITTS Limited was also a prop to the IT Infrastructure at the Office. The transition from a Windows 98 to a Windows XP operating system was accelerated.

A substantial part of the NSO software requirements continued to be provided and serviced by MITTS Limited. In the course of the past year, MITTS personnel have worked on the following systems:

## **Census Management and Data Entry System**

The Census Management and Data Entry System is being developed using Visual Basic, Blaise and MS SQL 2000 database. The system caters for the management and data entry processes of all questionnaire data collected during the Census. The system will be complete by December 2005.

### **Intra-Community Trade System (INTRASTAT)**

A major statistical project these past two years concerned the introduction of a survey-based International Trade Statistics System that would cater for the statistical needs of the Office in the wake of Malta's accession to the EU in May 2004. Intensive preparations were made for an IT set-up in support of this new system. These were undertaken on two fronts: in May 2004, the INTRASTAT system went live in two different versions: (1) Web-based and (2) Visual Basic front-ends. The web-based system is mostly utilised by enterprises and traders opting for the electronic transmission of merchandise trade data, while the Visual Basic front-end is used by the NSO and the Customs Department for data entry relating to print declarations. All declarations are stored in a relational database hosted at the Office. In the past year, this system and its reporting facilities continued to be developed further in order to cater for current and emerging requirements.

### **Extra-Community Trade System (EXTRASTAT)**

Following the adoption of the INTRASTAT system, the development of the required software for the handling of the merchandise trade transactions between Malta and countries outside the European Union was taken in hand. This is known as the EXTRASTAT system and is targeted towards the capture of Non-EU imports and exports. Data are received electronically from the Customs Electronic System (CES) and from the Asycuda System. The body of raw data received from the Customs Department is uploaded into the database; it is then validated and trans-codified prior to the processing and publication stages carried out by the International Trade Statistics Unit.

### **Labour Force 2005**

The modified Labour Force Survey for 2005 was developed and implemented. Apart from routine support functions, various enhancements to the system were implemented in the course of the year.

### **Survey on Income and Living Conditions (SILC)**

Following the successful implementation of the SILC pilot system in 2004, the live system was launched in 2005 with a newly-added facility of electronic notebooks for data collection purposes. In addition, structural changes were required to both the data entry questionnaire and to the database synchronisation functions in order to ensure the two-way transmission of data from the notebooks to the central server.

The dedicated team from MITTS Limited also provided ongoing application support in the following cases:

### **Business Register and Structural Business Statistics**

A new system written in Blaise was developed and implemented to cater for the new questionnaire for the Structural Business Statistics System.

### **Hotel Accommodation Survey**

The website dedicated to this survey continued to be enhanced by a number of front-end and back-end changes. More reports that are intended to aid the administration of this survey were added to the website.

### **Inbound Tourism Survey**

Support and refinements on the Tourism system are ongoing. The system is hindered by connection failures between the Malta International Airport and the National Statistics Office. Support was provided when these failures occurred while plans for a modified questionnaire are in hand. Support is also provided in the form of SPSS for the generation of reports and publications.

### **Retail Prices Index (RPI)**

#### **Harmonised Index of Consumer Prices (HICP)**

Following two important developments in this system last year, namely the brand-substitution wizard and the chaining-and-linking functionality, the system supporting the RPI and the HICP function has been modified further in order to cater for new requirements. This was undertaken parallel to ongoing support.

### **Balance of Payments**

Support continued to be provided on pending issues with regard to this software data entry functionality while more work was carried out on the System's reporting function. The Balance of Payments system is now complete.

### **University of the Third Age**

The University of the Third Age software system, originally written in Cobol, was re-written and implemented. The System is now written in Visual Basic 6 and uses an MS SQL 2000 database system.

## **Eurostat Applications**

Support continued to be provided on the use of Eurostat programs such as STADIUM, GENEDI and EDIFLOW. Preparations are underway for the implementation of the EDAMIS program. This will replace all the programs mentioned here.

## **MANAGEMENT PRACTICES**

In the year covered by this Report, the NSO continued with its efforts to:

- Improve its productivity and reduce costs;
- Increase its income-earning capabilities.

With a view to this, the Office continued with its critical review of a number of activities. Actions were subsequently taken in order to enhance their cost-effectiveness, thereby improving resource productivity. Simultaneously, attention was given to the type and level of service being provided to our clients. Thorough reviews were undertaken in respect of the:

- IT support services provided both in-house and by third parties;
- Data dissemination practices;
- Data collection practices;
- Use and utilisation of Office facilities and equipment;
- Utilisation of the available human resource base;
- Human resource practices.

These reviews resulted in various amendments to a range of work practices and adjustments to the Office's contractual relationship with its suppliers, notably in the IT field. In particular, the NSO wound up a number of data collection programmes and rationalised others, changed the data collection methodologies in respect of various programmes, and adopted new technologies including Computer Aided Telephone Interviewing (CATI), Computer Aided Personal Interviewing (CAPI) and electronic questionnaires for data collection purposes. The data dissemination programme continued to be reviewed and rationalised with electronic publications gaining a lead over print publications. Increased use continued to be made of electronic dissemination technologies like CD-ROM, the Internet and e-mail for the dissemination of statistical products.

Following a decided drive taken by the Office last year to minimise the use of sick leave, initiatives such as these were also a topmost priority this year. Actions were also taken to promote the most effective use of the Office's human resource base. Reductions in the use of paper were promoted at an institutional level; this included reduced printing and photocopying materials, envelopes and other stationery.

Awareness of the need for economies in the use of water and electricity has gained high-priority status this past year and efforts to instil this awareness on the part of all NSO employees are not stinting. In addition to this, a consciousness to maximise the utility of the existing physical infrastructure is encouraged in employees.

These initiatives have resulted in substantial savings. The latter do not yet include savings made through the use of alternative survey-taking techniques like CATI, CAPI and the use of electronic questionnaires for new projects. CATI is being used more extensively for survey-taking purposes. Electronic questionnaires are now well established in the Tourism, Trade and Balance of Payments statistical domains. The Survey on Income and Living Conditions (SILC) is being carried out by means of computer assisted personal interviewing techniques, thereby bypassing very substantial and expensive data entry practices while reducing the lead-time between the data collection and data dissemination stages of the survey process. In addition to this, increased use is being made of Electronic Data Interchange (EDI) techniques for the collection of statistical information from a range of administrative sources. Apart from savings to the Office, the latter activity is also in line with the Office's policy on the reduction of the response burden on data providers, which states that the Office will endeavour to identify alternative sources of data-gathering e.g., administrative sources.

While retaining savings and efficiency gains as a marked priority, the NSO has succeeded in maintaining and expanding its statistical programme and output.

Alongside the above-mentioned reviews, the NSO has continued to promote its services aimed at generating income for the Office, thereby reducing its dependency on the subvention from Government. This programme is now well established and is reaping the desired results. In this respect, the NSO is providing various services to third parties on a competitive and commercial basis. These include specialised surveys commissioned by third parties, data analysis services and training. This commercial approach is also yielding positive results.

That said, experience elsewhere has shown that commercial activities will only cover a small portion of the funding requirements of national statistical offices. The NSO has social obligations to fulfil. A considerable proportion of its statistical output is in the nature of a public good and must, therefore, be provided to users for free. Beyond this, the NSO is not obliged to provide gratuitously whatever service is required of it. Such an approach is neither efficient nor desirable. Some years back, the Office introduced a cost-recovery programme in respect of various customised services. This programme has proved a success and will be amplified in the coming years.

Furthermore, the NSO is making serious efforts to avail itself of any external funding operations that would help finance some or all of its investments in the physical infrastructure, training and research programmes. In the course of the year, the Office has filed a number of applications with Eurostat for grants in support of various aspects of the national statistical programme. Several of these have been favourably received while others are in the evaluation stage.

**Table 2 Financial grants from Eurostat: 2003-2006 ...**

<b>Description of project</b>	<b>Total cost on project in Euros</b>	<b>NSO contribution in Euros</b>	<b>EU contribution in Euros</b>	<b>Grant total Lm</b>
<b>2003</b>				
Waste Statistics	24,762	6,190	18,572	7,230
	<b>24,762</b>	<b>6,190</b>	<b>18,572</b>	<b>7,230</b>
<b>2004</b>				
Distinction between Eurozone and non-Eurozone of non-domestic indicators output prices	32,399	6,133	26,265	10,944
Development of vocational training policy (LFS)	50,234	10,047	40,187	16,941
Statistics on import and export of waste	24,909	0	24,909	10,379
Packaging waste	24,828	0	24,828	10,345
<b>2005</b>				
Farm structure survey	25,000	0	25,000	10,417
Community subsidies for user support on European Statistics	14,682	4,682	10,000	4,167
TAPAS 2004 – Phase 2 fruit & vegetable production	21,957	6,557	15,400	6,417
TAPAS 2004 – phase 2 Survey on goat and sheep milk production	14,520	1,452	13,068	5,463
Data collection on ICT usage in households and by individuals	38,322	3,832	34,490	14,371
Data collection on ICT usage and e-commerce in enterprises	34,310	3,431	30,879	12,866
Labour Force Survey	33,289	3,329	29,960	12,483
Labour Force Survey ad hoc module on reconciliation of work and family life	41,602	12,696	28,906	12,044
Improvement of the ESSPROS database 2004 in Malta	31,546	8,546	23,000	9,583

... Table 2 Financial grants from Eurostat: 2003-2006

Description of project	Total cost on project in Euros	NSO contribution in Euros	EU contribution in Euros	Grant total Lm
Methodological development and data collection on business services	24,626	2,462	22,164	9,235
Validation system	26,826	2,682	24,144	10,060
EU-SILC for 2005 in Malta	287,682	95,894	191,788	79,912
Implementation of revised methodologies for the collection of data on accidents at work	28,349	4,253	24,096	10,040
Quarterly National Accounts (sector accounts and flash estimates)	18,196	1,820	16,376	6,823
GNI inventory, constant prices, transition from GDP to GNI, treatment of insurance in National Accounts and BOP	56,223	5,623	50,600	21,083
Consumer prices and estate agencies rent survey	60,221	12,044	48,177	20,682
Harmonised data collection on business demography 2005	18,319	1,832	16,487	7,075
Urban audit historical data in Malta	23,834	4,734	19,100	8,200
<b>2006</b>				
Pilot studies on ICT expenditure and investment	17,875	1,788	16,088	6,906
LFS 2006 ad hoc module on transition from work to retirement	39,101	9,644	29,457	12,645
Reduction of unnecessary burdens on business, output prices index	52,136	13,676	38,460	16,510
<b>Total</b>	<b>1,090,510</b>	<b>229,536</b>	<b>860,974</b>	<b>360,051</b>

The table above provides a detailed description of the grants received from Eurostat for the carrying out of statistical projects in the period 2003-2006.

## **HEALTH AND SAFETY**

With a view to the health and safety of employees at work the NSO, in 2003, had commissioned a review of all its facilities in the light of current legislation and standards on this area. This exhaustive review identified a series of corrective actions and recommendations that should help the Office ensure that its premises and operations are entirely in line with the relevant legislation and standards. Apart from the creation of a hazard-free environment for office employees, another priority of the NSO is to safeguard the Malta Statistics Authority against exposure to risks of this kind.

On the basis of this review, actions were taken to implement those priority recommendations that could be readily carried out within the constraints imposed by available resources.

In this context, particular attention continues to be given to the exterior of the Office, some areas of which have loose sections of concrete and masonry. This poses a health and safety hazard. A civil engineer commissioned by the Office to look into the external elevations of the Office advised early remedial action to remove the existing danger.

## **HUMAN RESOURCES AND TRAINING**

The NSO regards its human resource base as its most prized asset. In the reform process of the organisational structure, the Office took care to accord adequate attention and appreciation to the considerable number of experienced staff members who have been working within the Office for a long time. Their experience and willingness to carry forward the change programme for the Office were complemented by an intensive training programme, as well as by the recruitment of a number of appropriately qualified staff who could be trained to assist in bringing about the planned changes.

The more experienced staff members were charged with the implementation of this change programme. Under their guidance and with the assistance of new staff members, the NSO has succeeded in introducing an improved methodological base for national statistics, an expanded and more varied statistical programme, and considerable improvements in service delivery.

### **Human Resource Management**

Following the appointment of unit managers and divisional directors in 2003/04, the management team was strengthened further by the appointment of more unit managers in the course of this year. The new appointees have been entrusted with the:

- Business Statistics Unit;
- Government Finance Statistics Unit;
- National Accounts Unit;
- Population and Social Statistics Unit;
- Tourism Statistics Unit.

Alongside the implementation of the first phase of the new organisational structure, new management practices were introduced. The Human Resource System, which includes an electronic time-recording mechanism, was updated and consolidated in order to cater for emerging management needs. This mechanism is fully integrated with the Office's payroll system. In addition to this, the newly introduced regime governing all authorised absences from the Office was reinforced.

Following the introduction of the system whereby all sick leave availed of by NSO employees would be validated by the Office's medical team, substantial savings were recorded in the period 2003/04 over the corresponding period in 2002/03. In the year focused on by this Report, the taking of sick leave was kept at practically the same level as the comparable period, October 2003-September 2004, that is, 1,153 working days in 2004/05 against 1,130 working days in 2003/04. However, were the number of employees in the previous year to be taken into account, this came up to 126 against 141 in the year being reviewed. Therefore, the ratio of sick-reported days to employees in 2003/04 stood at 9.0:1, while in 2004/05 it stood at 8.2:1.

#### STAFF COMPLEMENT

As at the end of September 2005, the NSO had 141 staff members on its books, 61 men and 80 women. The following table provides a breakdown of NSO staff by age group and sex.

**Table 3 Age structure of NSO staff**

Age group	Men	Women	Total
18-30	27	49	76
31-40	7	17	24
41-50	13	8	21
51+	14	6	20
<b>Total</b>	<b>61</b>	<b>80</b>	<b>141</b>

of which:

2 women	between 18-30 years old	on long-term leave
1 man	between 18-30 years old	on loan to Government entity w.e.f. 16/06/03
1 woman	between 31-40 years old	on loan to Government entity w.e.f. 13/05/03
4 women	between 31-40 years	on long-term leave
1 woman	aged 51+	on loan to Government entity w.e.f. 06/07/04

In 2004, the NSO had a staff complement of 126 employees.

Table 4 provides a breakdown of the NSO staff complement at the time of writing.

**Table 4 NSO staff members by job title and sex: September 2004**

Position	Males	Females	Total
Director-General	1	-	1
Director Corporate Services	1	-	1
Chairman	1	-	1
Advisor	1	-	1
Legal Advisor	-	1	1
Communications Officer	-	1	1
Manager	13	1	14
Financial Controller	-	1	1
Senior Statistician	9	3	12
Statistician	15	20	35
Programmer II	4	-	4
Assistant Statistician	1	3	4
Senior Statistics Executive	4	20	24
Senior Survey Interviewer	-	8	8
Library Assistant	1	-	1
Statistics Executive	-	3	3
Survey Interviewer	2	8	10
Clerk	1	10	11
Senior Messenger	2	1	3
Senior Office Attendant	1	-	1
Watchman	3	-	3
Apprentice	1	-	1
<b>Total</b>	<b>61</b>	<b>80</b>	<b>141</b>

of which:

Senior Statistics Executive	4 women	on long-term leave
Senior Statistics Executive	1 woman	on loan to Government entity
Senior Statistics Executive	1 man	on loan to Government entity
Senior Survey Interviewer	1 woman	on loan to Government entity
Statistics Executive	1 woman	on long-term leave
Survey Interviewer	1 woman	on long-term leave

#### STAFF TRAINING

The NSO is a learning organisation. Its research activities and its varied statistical programme cannot be sustained unless efforts are made to provide staff members with the necessary methodological training and technical expertise in the statistical domains it deals with.

Staff members are encouraged and supported to undertake further studies and to attend a range of local and/or international training courses on a regular basis. In addition to this, staff members are required to participate in a number of international statistical meetings on a regular basis in order to facilitate the harmonisation and integration of the local statistical programme with its international counterpart. Participation in these courses and training is either financed from local resources or through funding that is available under the Euro-Mediterranean programme on statistical cooperation and the EU's pre-accession strategy. The latter source has now become the major source of funding for NSO participation in Eurostat-sponsored training courses and meetings.

Tables 5 and 6 provide a detailed overview of the number of local and international courses and meetings in which NSO staff members participated during the period covered by this Report.

**Table 5 Local training: 2004/05**

Type of course	Men	Women	Total
Masters degree	4	8	12
Diploma course	1	3	4
Post-graduate diploma in actuarial technology	2	-	2
<b>Total</b>	<b>7</b>	<b>11</b>	<b>18</b>

**Table 6 Working groups and meetings: October 2004-September 2005 ...**

<b>Purpose of visit</b>	<b>Duration</b>	<b>Men</b>	<b>Women</b>	<b>Total</b>	<b>Total days</b>
Eurostat meeting of the working group "Health and Safety at Work Statistics"	2	1	-	1	2
Pilot project workshop on Job Vacancies Survey	2	-	1	1	2
Eurostat working group on Wages and Labour Cost Statistics	2	1	1	2	2
Eurostat Task Force meeting on "Social Protection"	2	-	1	1	2
Eurostat UOE sub-group on Education	5	-	1	1	5
Eurostat 60th meeting of the Advisory Committee on Own Resources (ACOR) - VAT	1	1	-	1	1
Phare 2002 project: GNI Inventories Workshop	2	1	-	1	2
Eurostat 8th meeting of the statistical correspondents of the Helsinki Group on Women and Science	1	-	1	1	1
Computer technology institute NEMIS Final Conference	1	1	-	1	1
Eurostat 13th meeting of the working group of local coordinators for data transmission	2	1	-	1	2
Eurostat meeting of the directors of Business Statistics (BSDG)	2	1	-	1	2
European foundation seminar on "Quality of Life in Europe"	2	1	-	1	2
Eurostat 4th meeting of the GNI Committee	1	1	-	1	1
Eurostat meeting of the EPROS working group "Research Activities in Statistics"	2	1	-	1	2
Eurostat 54th meeting of the Statistical Programme Committee	2	1	-	1	2

... Table 6 Working groups and meetings: October 2004-September 2005

Purpose of visit	Duration	Men	Women	Total	Total days
Eurostat meeting of the "Financial Accounts"	2	1	-	1	2
Eurostat meeting of the working group on National Accounts	2	1	-	1	2
Eurostat 44th meeting of the "Committee on Statistics relating to the trading of goods between Member States" and the "29th Meeting of the Committee on Statistics relating to the trading of goods with the non-member countries"	2	1	-	1	2
Eurostat meeting of the "Standing Committee for Agriculture Statistics"	2	1	-	1	2
Eurostat working group Harmonisation of Consumer Price Indices (HICP)	3	1	-	1	3
Council for Europe 8th meeting of the European Population Committee (CAHP)	3	1	-	1	3
Eurostat DAFNE V Project	2	1	-	1	2
Eurostat meeting of the Working Group "Implementation of the Council Regulation No. 1165/98 on Short-term Statistics"	2	1	-	1	2
Eurostat working group "Dissemination of Statistical Information"	2	1	-	1	2
Medstat Directors' Committee	2	2	-	2	2
Eurostat meeting of directors of National Accounts	1	1	-	1	1
Eurostat meeting of the Committee on Monetary, Financial and Balance of Payments Statistics	2	1	-	1	2
Eurostat meeting of the working party on Purchasing Power Parities	1	2	-	2	1

... Table 6 Working groups and meetings: October 2004-September 2005

Purpose of visit	Duration	Men	Women	Total	Total days
Eurostat meeting on Capital Goods	2	2	-	2	2
Eurostat working group Education and Training Statistics	2	-	1	1	2
Eurostat meeting of the working party on Demographic Statistics and Population and Housing Censuses	2	-	1	1	2
Eurostat PPP Southern European Group meeting – European Comparison Programme (ECP) for the calculation of the Purchasing Power Parities	2	1	-	1	2
Eurostat 55th meeting of the Statistical Programme Committee	1	1	-	1	1
Eurostat meeting of the technical group “European Statistics on Accidents at Work (TG ESAW)”	1	1	-	1	1
Eurostat meeting of the working group “Statistics on the Information Society”	4	1	-	1	4
Eurostat working group on National Accounts	1	1	-	1	2
Eurostat workshop on Statistics on Income and Living Conditions	2	1	-	1	2
Eurostat meeting of the Task Force “Financial Partnership with European Statistical System”	2	1	-	1	2
Eurostat meeting of the “Expert Group on Pesticide Statistics”	2	1	-	1	2
Eurostat meeting of the working group on “Management Group on Statistical Co-operation Candidate and Cards Countries”	1	1	-	1	1
Eurostat meeting on the Implementation of current and future Phare/Transition Grants	2	1	-	1	2

... Table 6 Working groups and meetings: October 2004-September 2005

Purpose of visit	Duration	Men	Women	Total	Total days
Eurostat meeting of the Balance of Payments working group	2	1	-	1	2
Eurostat 14 <sup>th</sup> meeting of the working group of local co-ordinators for Data Transmission	2	1	-	1	2
Eurostat meeting of the working Party "Animal Products Statistics"	2	1	-	1	2
Eurostat working group on Demographic Statistics and Population and Housing Censuses	2	1	-	1	2
Eurostat working group "Labour Market Statistics"	3	1	-	1	3
Eurostat 9 <sup>th</sup> meeting of the European Population Committee (CAHP) and the European Population Conference 2005 "Demography challenges for Social Cohesion"	4	1	-	1	4
Eurostat workshop on frontiers in benchmarking techniques and their application to official statistics	2	1	-	1	2
Eurostat working group "Social Protection"	2	1	-	1	2
Eurostat meeting of the working group "Statistics of the Environment" – Sub-Group "Waste"	2	1	-	1	2
Eurostat 9 <sup>th</sup> meeting of the statistical correspondents of the Helsinki Group on Women and Science	1	-	1	1	1
Eurostat working group "Labour Market Policy"	1	-	1	1	1
Phare workshop "Labour Market Policy"	2	-	1	1	2
Eurostat working party "Dissemination of Statistical Information"	2	1	-	1	2

... Table 6 Working groups and meetings: October 2004-September 2005

Purpose of visit	Duration	Men	Women	Total	Total days
Eurostat workshop on Government Finance Statistics	2	1	-	1	2
Plan Bleu regional workshop on "Indicators for Sustainable Development Strategies and Policies in the Mediterranean Region"	3	1	-	1	3
Eurostat Financial Accounts working group	2	1	-	1	2
Eurostat 20th meeting of the working group STNE (Statistics, Telematic Networks and EDI)	2	1	-	1	2
Eurostat OECD workshop on Material Flow Indicators-related measurement tools	2	1	-	1	2
Eurostat training on Material Flow Accounts workshop	1	1	-	1	1
Medstat Environment 2nd Task Force meeting	2	1	-	1	2
Eurostat 56th SPC and 91st DGINS Conference	3	1	-	1	3
Eurostat meeting on the technical group "European Occupational Diseases Statistics (TG EODS)	1	1	-	1	1
Eurostat workshop on Volume Measurement for Government Output	2	-	1	1	2
Phare 2002: Constant Prices Workshop (Final)	2	1	-	1	2
Eurostat meeting of the working group Harmonised Indices of Consumer Prices	2	1	-	1	2
Eurostat EPROS meeting (European Plan for Research in Official Statistics)	2	1	-	1	2

... Table 6 Working groups and meetings: October 2004-September 2005

Purpose of visit	Duration	Men	Women	Total	Total days
Eurostat working group "Structure and Typology of Agricultural Holdings"	2	-	1	1	2
Eurostat working group "Living Conditions"	3	1	-	1	3
Presidency Conference on Taking Forward the EU Social Inclusion Process "Social Monitoring"	2	1	-	1	2
Task Force on COFOG, 1 <sup>st</sup> Meeting	2	1	-	1	2
Phare 2002: Final workshop on GDP-GNI transition	2	-	1	1	2
Eurostat FISIM workshop	1	-	1	1	1
Medstat "Environmental Indicators for Sustainable Development"	5	1	-	1	5
Eurostat meeting of the working party "Milk and Milk Products Statistics"	2	1	-	1	2
Eurostat 5th meeting of the GNI Committee	2	1	-	1	2
Eurostat directors of National Accounts	1	1	-	1	1
Eurostat Committee on Monetary, Financial and Balance of Payments Statistics	2	1	-	1	2
Eurostat meeting of the "Standing Committee for Agricultural Statistics"	2	1	-	1	2
Eurostat meeting of the Balance of Payments working group	1	1	-	1	1
Eurostat meeting of the working group "Structures of the Taxation Systems"	1	1	-	1	1
Eurostat meeting of the NACE/CPA working group	3	1	-	1	3
Eurostat Task Force Net Social Expenditure	1	1	-	1	1

... Table 6 Working groups and meetings: October 2004-September 2005

Purpose of visit	Duration	Men	Women	Total	Total days
Eurostat FATS joint working group	2	1	-	1	2
Eurostat meeting of the working group Harmonised Indices of Consumer Prices	2	1	-	1	2
Eurostat workshop on "Independence, Integrity and Accountability in Official Statistics – Concepts and Reality"	1	1	-	1	1
Eurostat meeting of the CVTS working group	2	-	1	1	2
Southern European group meeting – European Comparison Programme (ECP) for the calculation of Purchasing Power Parities (PPPs)	2	1	-	1	2
Eurostat meeting of European directors of Social Statistics	2	1	-	1	2
<b>Total</b>		<b>78</b>	<b>15</b>	<b>93</b>	<b>175</b>

#### PARTICIPATION IN INTERNATIONAL MEETINGS

This participation is considered an important learning experience for staff members and contributes directly to our efforts to upgrade and harmonise the local statistical system with its international counterparts.

#### STATISTICAL CLASSIFICATIONS

In the past few years, the NSO has taken significant steps towards the alignment of its statistical programme with international methodologies and standards. Such a move would facilitate the integration of the local system in the international statistical scenario, providing improved comparability between local and international statistics as a natural outcome.

A basic and very important step in this direction was the adoption of international statistical classifications. In the course of the year, the NSO continued to participate in and contribute actively to the revisions of the NACE. Apart from providing feedback on the international proposals for this revision, the Office carried out consultations with the Constituted Bodies and other interested parties.

In addition to the adoption of these classifications in its own statistical programme, the NSO continues to take active steps for their adoption by other public sector organisations engaged in the collection and compilation of statistics. In the course of the year, the NSO supported the final adoption of NACE by the Employment and Training Corporation and took initiatives to have NACE adopted by the Inland Revenue Department. Help in this respect was also extended to the Central Bank of Malta.

The following international classifications are already well integrated or are in the process of being introduced in the NSO statistical programme:

- *Nomenclature des Activités Economiques dans les Communautés Européennes* (NACE) Rev 1 and 1.1 for the classification of all enterprises by economic activity.
- Classification of Products by Activity (CPA) for the classification of imported or locally produced products. This classification has been or is being adopted in Business Statistics, International Trade Statistics, the Household Budgetary Survey and the National Accounts.
- Classification of Individual Consumption by Purpose (COICOP) for the classification of consumer expenditure as reported in the Household Budgetary Survey. Modified versions of this classification are also used for Consumer Prices Index purposes and in National Accounting.
- Classification of Types of Construction (CC) for the classification of construction units. This classification is being adopted in the field of Business Statistics.
- Combined Nomenclature (CN) for international trade statistics purposes.
- Country Nomenclature (Geonom) for tourism and trade statistics purposes.
- Malta Geographical Code (MGC) for the classification of Maltese territorial units in accordance with the requirements of the *Nomenclature des Unités Territoriales et Statistiques (NUTS)* as used on the European mainland.
- Government Finance Statistics (GFS) and European System of Accounts (ESA 1995) classifications for all Government budgetary items and revenue and expenditure transactions.
- Classification of Functions of Government (COFOG) for the categorisation of related government activities.
- CORINE Land Use Classification, as adapted to local circumstances and needs, is being used for land use purposes in Environment and Agriculture statistics.

## RESEARCH AND METHODOLOGY

The Research and Methodology Unit of the NSO carries out research and development work in connection with all aspects of the Office's surveying activities and provides related assistance and support to the other statistical units within the Office. The setting-up of this unit was of strategic importance because it focused on and facilitated the development of new and alternative data collection systems and instruments in accordance with new and internationally harmonised methodologies.

In the course of the past year this unit:

- Continued with the design of the survey methodology and the relevant questionnaire for the Survey on Income and Living Conditions (SILC) and carried out a pilot survey of the SILC. A second pilot test of this Survey was undertaken. In addition, the Unit oversaw the development of the necessary IT infrastructure for this survey;
- Designed and launched a cruise passenger survey at the cruise passenger terminal;
- Provided assistance to the KNPD in a survey carried out by the latter.

Throughout, the Unit provided methodological assistance to other NSO units on the carrying out and analysis of various surveys.

Furthermore, in the course of the past year, the Unit continued to undertake consultancy and research work for third parties on a commercial basis. This work included:

- A perceptions survey on pensions and pension reform;
- A survey on the use of the Internet by households;
- A continuous TV and radio audience survey;
- A survey on bird trapping;
- A survey on visitors to historical multi-media presentations;
- A survey on the use of mobile telephony.

As an additional activity, the Unit analysed data and prepared a publication on the use of the Internet by children. This publication was presented in the course of a seminar that was organised for the purpose.

In line with the cost-recovery and commercialisation policy being implemented by the NSO, this Unit provides other proposals for third-party research work.

The Unit also worked on a number of sampling frames that are regularly used for the selection of samples. In a related vein, the Unit is coordinating an internal working

group whose objectives are the harmonisation of questionnaire design and data collection practices, the elimination of overlap between statistical projects and the reduction of response burdens on data providers.

## **INFORMATION SERVICES**

The role of the Library and Information Unit (LIU) within the NSO is strategically important as the horizontal coordination and cooperation with all units is now well established. This allows for the improvement of current services alongside the traditional library services in order to meet the needs of the users, both internal and external.

The main objective of the LIU collection development programme is to provide a physical collection supplemented with access to resources. Together, these are intended to meet the information needs of users. This concept is being developed within the parameters of available resources, both financial and human. Issues such as that of access versus acquisition are a reality faced by most libraries and information services. In view of this, a Collection Development policy has been prepared to ensure that resources are used effectively and for the benefit of users. This policy was published in *Annual Report 2004* and is also available on the NSO website.

With the system now well established, all requests for statistical data are now handled centrally at the LIU. The cooperation of the various units is only sought when the data are not directly available to the LIU staff or the requests require technical or methodological input from the specialised staff within the various units. The NSO is of the firm opinion that the Library and Information Unit should be staffed by persons qualified and trained in library and information studies. Two of the staff members working within the LIU are, in fact, library and information professionals.

The library management system project has not been completed as projected due to other pressing commitments. The System is functioning however, and requires only the implementation of the circulation and web OPAC modules to be fully operational. It is hoped that during the coming months, this service be finally made available to all users.

The NSO launched a new, state-of-the-art website on 1st March 2005. This project required extensive planning and a designated team within the NSO worked very hard in cooperation with the developers to ensure the success of the project. The financial support of the Ministry of Investment, Industry and Information Technology was fundamental to this project. The new website includes various new services such as an online statistical database (StatDB) that allows users to extract data according to their requirements. A notification service is available, providing subscribers to this service with the facility to be notified by e-mail every time a new page with data matching their requirements is uploaded. Online payment for statistical products and services is now possible via the new website. The NSO website is an ongoing project. Various meetings have been held following the site launch and a number of modifications to further improve the website have already been made.

The staff members of the LIU continue to deal with an increasing number of information requests from a wide spectrum of statistical users. In cases where the ad hoc requests include the compilation of specific statistical reports for the client, a cost recovery charge is applicable. In view of this, a pricing policy has been developed that spells out clearly what is considered a public good and what is subject to cost recovery charges.

The following table demonstrates the number of information requests received by the LIU by e-mail, fax and by post for the years 2000-2005:

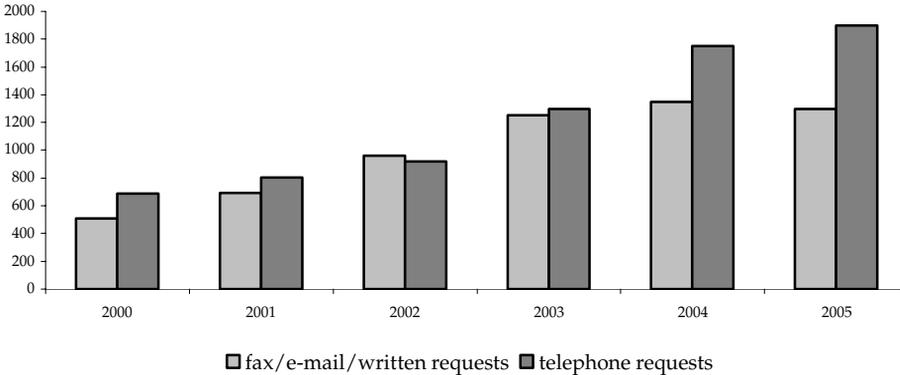
**Table 7 Statistical requests**

Year	Number of requests
2000	510
2001	693
2002	1,060
2003	1,249
2004	1,350
2005	1,300*

\*projected

As is evident from Table 7, the number of information requests for 2005 has not increased at the same rate as in previous years. This is entirely in line with the rationale underlying the structure of the new website and the free dissemination policy adopted by the NSO. These two together aim to make statistical users more autonomous in their need for and use of statistical information.

**Chart 1 User requests 2000-2005**



It is estimated that the number of telephone requests for 2005 will add up to more than 1,900. A number of telephone requests are re-directed to our website as the data requested are often readily available online. When the amount of data required is extensive and not available online, users are asked to send their requests via the online request form available on the NSO website.

#### **DISSEMINATION OF STATISTICAL PRODUCTS**

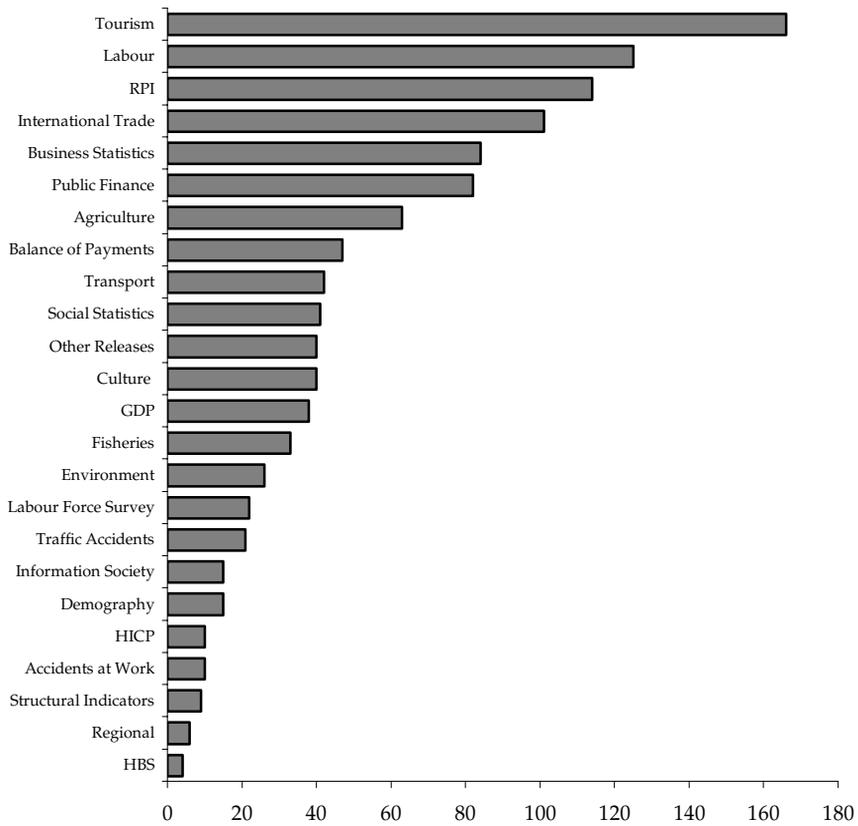
Almost all NSO publications are now being placed on the NSO website, thus maximising accessibility to users.

The NSO is making increased use of CD-ROMs for the release of its statistical publications. The production of electronic publications is more cost-effective and provides for increased flexibility in the storage and use of statistical information. In addition, however, the NSO is providing a Print-on-Demand service to those statistical users who do not have access to electronic publications.

In the course of the past year, the news releases continued to be prepared in accordance with an Advance Release Calendar. The experience gained from the previous years has facilitated the consolidation of work practices and the establishment of procedures within the national statistical system. This has made possible the publication of and adherence to a three-month Advance Release Calendar on the website for the benefit of statistical users.

The Desktop Publishing branch of the LIU is responsible for the layout, publication and dissemination of all NSO publications. As in all years since the inception of this service, the number of news releases published by the NSO has been on the increase in the current year too. Chart 2 and Table 8 show the breakdown by topic and number of a ten-year timespan of news releases.

**Chart 2 News releases by subject: 1996-2005\***



\* up to September 2005

**Table 8 News releases: 1996-2005 ...**

Year	Number
1996	48
1997	56
1998	60
1999	89
2000	100

... Table 8 News releases: 1996-2005

Year	Number
2001	124
2002	147
2003	207
2004	249
2005	279*

\* projected

In 2005, the NSO released the following publications:

- LFS 2003 Printed in house
- Education Statistics 2003 CD-Rom format
- Structural Business Statistics 1999-2001 CD-Rom format
- Trade 2003 CD-Rom format
- Labour Force Survey 2004 Printed in house
- ICT Survey in Enterprises Printed in house
- Agriculture and Fisheries 2003 CD-Rom format
- Survey on the Use of the Internet  
by Students CD-Rom format
- Survey on Sheep and Goats Milk  
Production in Malta Printed in house
- Fruit and Vegetable Production:  
Survey on Direct Sales Printed in house

The following publications are in an advanced state of preparation:

- Demographic Review 2004;
- ICT Survey in Schools;
- Malta in Figures 2005;
- Education Statistics 2004.

## **New NSO Website as a Dissemination Tool**

In the course of the past two years, the NSO carried out extensive preparatory work for the launch of a new website for the Office. This new website was financed by the Ministry for Industry, Investment and Information Technology.

Apart from the improved layout and colour scheme, the new website provides value-added services in addition to those that were already being offered.

## **Bilingual Glossary of Statistical Terms**

Around two years ago the NSO started planning the publication of a bilingual glossary of statistical terms. This glossary is part of the Office's initiative to organise and compile:

- standards and guidelines for the collection, storage, presentation, description and retrieval of official statistics;
- a comprehensive metadata architecture.

The glossary is also meant to support the recognition and use of Maltese as an official language of the European Union.

The objectives of this glossary are to:

- provide a structured subject vocabulary arranged in a logical order;
- provide Maltese translations which adequately and coherently describe the content of the displayed terms;
- enable and facilitate reporting, research, analysis and comparisons in the statistical, social and economic fields in both English and Maltese;
- suppress some natural ambiguities of language that might occur in the statistical, social and economic fields.

The glossary is expected to be coherent, accurate, reasonably comprehensive, user-oriented and effective in establishing semantic relationships between the displayed terms.

The glossary is structured into three main parts, namely:

- an alphabetical listing of English terms with Maltese equivalents;
- an alphabetical listing of Maltese terms with English equivalents;
- a comprehensive index of the English equivalents of the displayed terms. The index will refer the user to both the English and Maltese page locations;

- an additional search aid will be the provision of contexts for each and every term, e.g., 'Demography'; 'Balance of Payments'; 'Retail Prices Index'. The various contexts will be reproduced in the Index.

This product is expected to be particularly useful to the NSO in strengthening its services by implementing its strategic plan of having select bilingual publications in place. It is envisaged to be of particular use to journalists, statistical reporters, parliamentarians, academics, researchers, students and writers.

All the researching, organising, editing, proof reading and layouts are being carried out by the NSO under the direct supervision of the Director-General with the assistance of a qualified and experienced translator.

In the course of last year a substantial body of statistical/economic terms has been translated into Maltese and prepared for eventual publication. A first compilation of terms is due for release in early 2006.

## LEGAL OFFICE

The Legal Office continued with its support of the various statistical units within the NSO. Particular legal support aimed at improving response rates to surveys was provided to the following Units:

- Structural Business;
- Tourism;
- Transport;
- Enterprise Short-Term Statistics;
- Agriculture and Fisheries;
- National Accounts.

In fulfilling its obligations under the Malta Statistics Authority Act, the National Statistics Office must have the full support of data providers. However, although the NSO tries to exhaust all avenues in order to persuade its data providers to supply the required information, it must finally resort to legal assistance in order to achieve its ultimate objectives. The Legal Office does not accept cases referred to it without the necessary evidence that all the available means at the disposal of the statistical units have been exhausted. Moreover, before resorting to legal action, the Legal Office very often makes the necessary contacts with any recalcitrant individuals or enterprises in order to obtain the necessary information. These efforts normally prove successful.

In addition to the above, the Legal Office carried out extensive work in connection with the creation of the necessary legal infrastructure for the introduction of INTRASTAT - the survey-based trade statistics system that replaced the Customs-based system as

from May 2004. The creation of this infrastructure has proved an essential element in the successful introduction and implementation of INTRASTAT.

The Legal Office was also consulted on the drawing up and submission to the Attorney General of the legal adjuncts to the Census Act of 1948 necessary for the carrying out of the Census of Population and Housing 2005.

## **NSO RELATIONSHIP WITH USERS AND PROVIDERS**

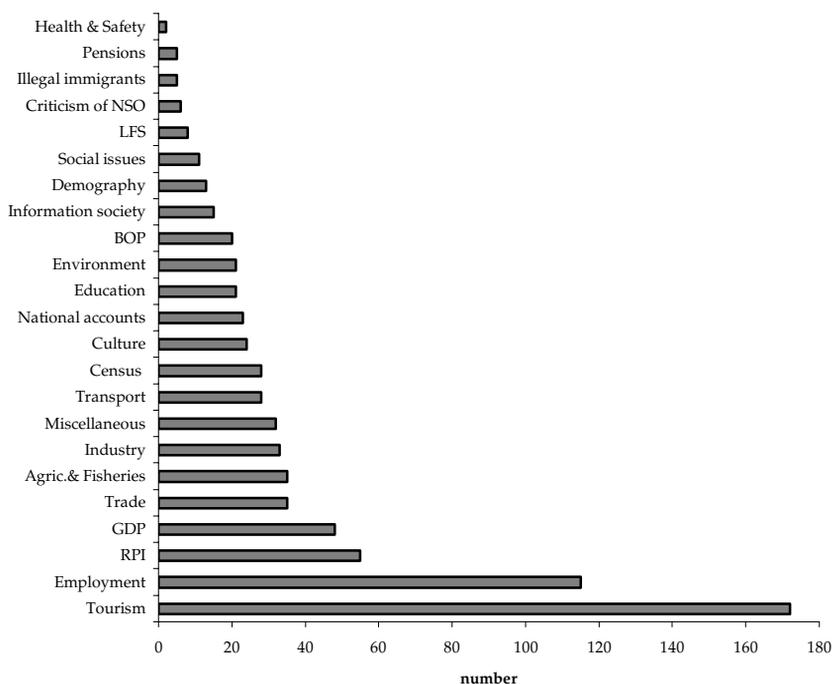
The Office sets great store by the building of a good working relationship as well as the establishment of reciprocal trust with its users and providers. In this respect, it places this aspect of its activities at the top of its agenda.

Specifically in 2005:

- All statistical releases include a section on definitions, guidelines, sources and other metadata;
- The revisions policy drawn up in 2004 by the Office was put to good use in the release of sets of revised data, for example the time series for the gainfully occupied population dating back to 1992;
- An Advance Release Calendar is published on a quarterly basis; internal-operations statistics show that the calendar was defected from on very few occasions and, when this happened, this was due to external circumstances;
- The timeliness of all data releases is being given paramount importance;
- The new NSO website caters primarily for the increased autonomy of users;
- Virtually all of the NSO published output is available free of charge for download on the website;
- The pronounced shift to CD-ROM format with regard to NSO publications has resulted in considerable reductions in the price of these same publications.

In the course of the past year, the NSO continued to build upon its visibility through increased contact with its client groups, the media and the general public. Public accessibility to official statistics continued to improve through a continuous stream of statistical news releases that are subsequently well carried by the print and audio-visual media. Additional reports were carried by the Internet-based media. Furthermore, these releases generated a substantial number of commentaries and feature stories both in the print and in the audio-visual media.

**Chart 3 Press reports of NSO releases by topic: Oct 2004-Sep 2005**



In the one-year period covered by this Report, the regular print media alone carried over 750 reports of NSO published output. These reports covered thematic areas as portrayed in Chart 3.

The NSO follows all media output concerning its work on a regular basis. Particular attention is given to commentaries on and about NSO output. All comments, whether positive or negative, are acted upon and taken into consideration when evaluating the Office's performance and its relationship with both its clients and its data providers.

Efforts were also made to present surveys and statistical collections to the media and the public by means of specially organised media events and seminars. In the past year, the NSO organised or participated in these activities as follows:

- Medstat conference on the environment;
- Launch of the Telecommunications Index;
- Presentation of study on Poverty and Social Exclusion;
- Presentation of institutional environmental policy;

- Launch of Green Leaders at Castille. The NSO was one of the initial batch of entities with its own green leader;
- Press conference launching the Census project;
- Press conference launching the Census mapping exercise held at MEPA offices;
- Press conference launching the Census publicity material held at Government Printing Press.

Increased contacts continued to be made with the Constituted Bodies and various user and provider groups. In this respect, the continued consultation with the data providers in the context of the introduction of INTRASTAT in 2004 merits a particular mention.

For 2006 the establishment of a number of user groups is being planned. A strategy for increased dialogue with data provider groups is also in the offing. These would facilitate and increase the type and amount of dialogue between the NSO and the persons and entities that come into contact with the organisation.

## **ASSESSMENT OF DATA QUALITY**

### **IMF Mission in connection with the Observance of Standards and Codes (ROSC)**

In February 2005, the Maltese Authorities had shown an interest in subscribing to the Special Data Dissemination Standard (SDDS). In this connection, an IMF Mission from the Statistics Department of the International Monetary Fund visited Malta. The visit lasted two weeks, from 22 June to 5 July. One should note here that Malta has been participating in the General Data Dissemination System (GDDS) since September 2000; its metadata are posted on the Fund's Dissemination Standards Bulletin Board (DSSB).

The members of the IMF team which participated in the ROSC Data Module Mission were:

- Mr Keith Dublin - Head of Mission;
- Mr Rene Fievet - Senior Economist, Balance of Payments;
- Mr Louis Venter - Senior Economist Government Finance;
- Ms Silvia Matei - Economist National Accounts;
- Ms Shelley Winston - Economist Consumer and Producer Prices;
- Ms Norma Marotta - Research Officer.

## **The Mission's Objectives**

On the first day of the Mission, a plenary session was convened and chaired by Mr Alfred Camilleri, Director-General, National Statistics Office and attended by Mr Reno Camilleri, Chairman, Malta Statistics Authority. Also present were the technical counterparts within the NSO. The overall programme, objectives and main tasks were elaborated on in the course of the session, while the IMF officials staged a powerpoint presentation in the presence of senior officials from the NSO, the Central Bank of Malta and the Ministry of Finance.

The Mission was mainly tasked with the review of Malta's dissemination practices against the prescriptions of the Special Data Dissemination Standard (SDDS) and with assessing the quality of Malta's macroeconomic statistics based on the Data Quality Assessment Frameworks (DQAFs). The latter were developed by the IMF in consultation with other international organisations and EU Member States. The DQAF lays out internationally accepted practices in statistics, ranging from good governance in data producing agencies to practices specific to datasets. There are five dimensions to the DQAF frameworks; following an assessment of the legal and institutional environment, these are: assurances of integrity; methodological soundness; accuracy and reliability; serviceability; and accessibility. The review conducted by the Mission with regard to statistical practices in the domains of National Accounts, Consumer and Producer Prices, Government Finance and Balance of Payments was underpinned by these frameworks. The agencies that compile the datasets assessed are the National Statistics Office and the Central Bank of Malta.

In the assessment of these four targeted datasets the members of the Mission adopted a direct approach and worked with the NSO technical counterparts in the latter's working environment.

The Mission members also met Mr Michael Bonello, Governor of the Central Bank of Malta and Mr Tonio Fenech, Parliamentary Secretary within the Ministry of Finance, as well as other high-ranking Central Bank Officials.

## **The Aftermath of the Mission**

Towards the end of the Mission, the members prepared a draft report comprising detailed assessments of every dataset. These were the subject of in-depth discussions with the Maltese Authorities. The NSO comments with regard to each dataset were forwarded to the IMF and incorporated with the detailed assessments; these were in turn circulated among the topical divisions within the Statistics Department and the European Department of the IMF. Once this process is complete, a revised draft will be forwarded to Malta for review and comments. Thereafter, the final report will be prepared at IMF Headquarters with an invitation to the Maltese Authorities to submit their official response. The response will also be published as a separate volume in addition to the final report and detailed assessments.

## ENVIRONMENTAL MEASURES

Further to the publication of its Environmental Policy and further to its firm commitment to equitable environmental management, the Office continued to take concrete measures towards the promotion of sound environmental practices. These included:

- half of its printed output in CD-Rom;
- electronic dissemination of news releases;
- extension of electronic data gathering processes to major surveys such as SILC;
- a policy of double-sided printing and copying wherever feasible.

In addition, a total of 9,660 kilos of paper was sent for recycling. Since 2002, a total of 22,680 kilos of paper has been recycled by the Office.

## ORGANISATION OF EVENTS

### Open Day at the NSO

For the first time, the NSO organised an Open Day on 27th January 2005. This represented a concerted effort on the part of all the units within the NSO and was coordinated by the staff within the Library and Information Unit. This event included a series of presentations with various themes as indicated hereunder:

- The European System of Accounts (ESA 95);
- Seminar on Work-Life Balance;
- Research Methods and Business Services offered by the NSO;
- Tourism Statistics;
- The Harmonised Index of Consumer Prices (HICP) and the Retail Prices Index (RPI);
- Eurostat Free Dissemination Policy;
- Statistics in the News - Ethics and Issues for the Media.

Mr. David Marder, Senior Press Officer at the Office of National Statistics (ONS) UK, was invited over for the occasion. He delivered a presentation on statistics in the news that was well attended by the local media.

The event was a success, with over a hundred persons attending one or several presentations, and was marked with an active participation from the audience.

## **SOCIAL STATISTICS**

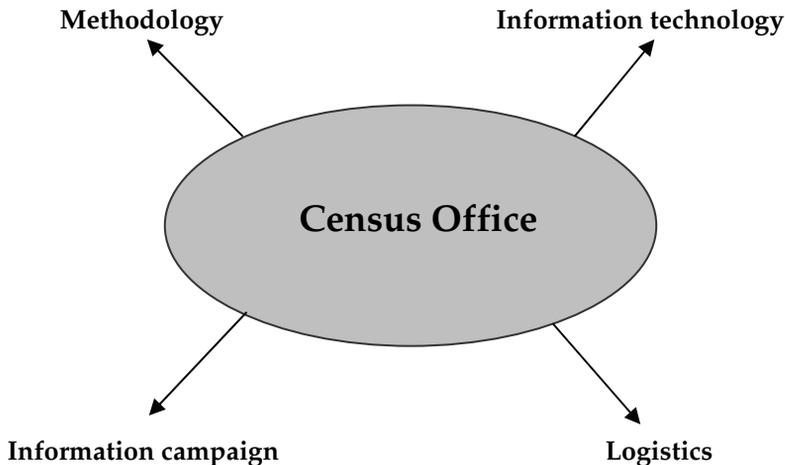


## CENSUS OF POPULATION AND HOUSING

The last Census of Population and Housing having been taken in 1995, the next one is due in the year covered by this Report, specifically, on 27th November 2005. Following a series of consultations with Government and other stakeholders, the decision was taken to hold a census this year and a census in a reduced format five years from now, in 2010. The latter mini-census would bring Malta fully in line with the rest of Europe with regard to the taking of the Census. Most European countries participated in a census round in 2000, making 2010 their next census year.

Preliminary preparations and extensive consultations with Government, ministries, departments, NGOs and other interested parties were started in the latter half of 2004. In February 2005, preparations in earnest were underway within the NSO itself.

The NSO upholds the philosophy that, in the event of a major project such as the decennial Census of Population and Housing, an all-hands-on-deck approach should be adopted. By this we mean that, in order to make doubly sure of the one hundred per cent success of this mammoth and costly exercise, the Office will not hesitate to draw upon the whole resource base of the NSO. That said, early February saw the formation of a core group dedicated to the planning of the Census. The structure is graphically illustrated in the following chart:



The personnel comprising the four teams not only transcended the various NSO units, but also went beyond the Office's boundaries. For example, staff members from MITTS Limited were roped in for service with the IT infrastructure detailed on Page 8, as well as for help and advice with the identification of new roads. The resources of the Malta Environment and Planning Authority (MEPA) were called upon for the drawing up of maps. Then again, the methodology team comprised staff members from the

Demography, Labour Market and Research and Methodology units. The Director-General, Mr Alfred Camilleri, was appointed Census Officer on 19th August 2005.

The four teams started work simultaneously. The methodology team's first priority was the census questionnaire regarding which a lot of background material had to be consulted and re-consultations held with various bodies. The communications team drafted a detailed communications strategy that encompassed the print and audio-visual media, publicity events and printed materials. The projects taken in hand by the I.T. Unit for the purpose of the Census have already been described in the "Information Technology" section. With regard to logistics, the primary workload concerned first and foremost the refurbishment of the census premises. Not to put too fine a point on it, these were derelict and it is a credit to the serious effort made by the NSO that a very respectable refurbishment was accomplished on a shoestring budget.

### **The Census Office**

The methodology team compiled the relevant definitions and other methodological guidelines for the compilation of the questionnaire, while work was also undertaken on the update of the 1995 Census manual. Early on, work was also started on the documentation needed for the management and administration of the questionnaire. This involved around twelve different forms, some of them bilingual.

Two pressing issues were resolved early on in the planning process of the questionnaire:

- The long-and-short-questionnaire method, whereby a long questionnaire would be distributed to 20 per cent of households and a short questionnaire to all the rest, was passed over in favour of one identical questionnaire to be handed to all households;
- In place of the two-in-one census questionnaire relating to 1995, whereby one questionnaire comprised both Maltese and English questions, two separate questionnaires were devised in the two different languages. It is to be noted here that both Maltese and language versions were thoroughly validated for correct language usage by outside experts in the respective languages.

### **The Census Questionnaire: a walk-through**

Although the census questionnaire is basically a count of persons living in the country at a particular point in time, it also collects important demographic, geographic, economic, educational and other information relating to people's characteristics. Various topics are included in the questionnaire – citizenship; literacy; educational attainment; employment and dwellings.

Apart from basic person variables, the Population Section of the questionnaire asks for the country of birth, citizenship, born as and acquired, and internal and external migration. The reference person is key to the questionnaire because he or she is the reference point for the relationships among the members of the households. There are also questions about legal marital status, the language most spoken at home, reading and writing, knowledge of languages and participation in sporting activities. A couple of questions investigate long-term illnesses or health conditions and disabilities in the family.

A set of questions relates to the level of education reached and qualifications attained, while another requests information on, among others, labour status, full-time and part-time work, economic activity of employing organisation and number of hours worked.

The Dwellings Section investigates the type of dwelling lived in by the household, number of rooms, ownership status and the physical condition of the dwelling. There are also questions on the facilities in use by the household. A good number of the questions in this section are carried over to the last section in the questionnaire; this pertains to holiday dwellings.

The Census Office engaged the services of a professional graphic designer for the design of questionnaire.

### **Applications for Census Workers**

The applications for a temporary additional workforce for the carrying out of the Census was issued in July 2005. Only employees from within the Public Service were eligible to apply. In all, the NSO recruited around 1,200 additional workers for the duration of the Census. Of these, there were:

- 995 enumerators;
- 90 supervisors;
- 6 district managers.

### **Census Order and Census Regulations**

The Census Order and Census Regulations were published in the Malta Government Gazette of 4th November 2005. The Legal Notices in question were respectively L.N. 367 and L.N. 368.

### **Communications Campaign**

The first task undertaken by the communications team was to come up with an appropriately-designed census logo and slogan. The logo was designed by the well-known Maltese artist, Luciano Micallef, while a competition was held among staff

members for a suitable catch-phrase. Eventually, a combination of submitted phrases was utilised to coin the slogan: *Sehmek Jghodd*.

Early on, contacts were made with several media organisations with a view to organising a series of TV and radio presences in connection with the Census. An innovation was that a wide variety of programmes was considered; this included talk shows, variety shows and magazine programmes. To this end, the NSO negotiated not only with the stations themselves but also with independent producers who bought air-time for their productions.

The team then set about designing an array of publicity material. In all, 9 items were finalised:

- A laminated ruler cum bookmark;
- A single-sheet brochure;
- A three-leaf leaflet intended for distribution in the households;
- A census comic targeted towards primary-level schoolchildren;
- An educational leaflet entitled *Children in the Census* targeted towards secondary-level schoolchildren;
- A DVD with 5 two-minute promotional features;
- The texts of five census advertisements of different duration. These were subsequently recorded at PBS studios and featured the face and voice of a professional TV presenter;
- A set of children's electronic games featuring some aspect of the Census;
- A set of census posters.

In addition, a website - [www.census2005.gov.mt](http://www.census2005.gov.mt) - was dedicated to the Census. A census freephone - 300 - was also set up. This was due to become operative on 1st November.

### **Participation in the International Fair of Malta**

The first opportunity that the NSO had to publicise the Census was the International Fair of Malta held between 29th June and 10th July 2005. Accordingly, a stand was set up for the duration of the Fair, complete with logo-marked balloons, four laptops made available for the playing of electronic games and for browsing the website, and a continuous showing of the recorded features. The NSO also organised a competition featuring a Census-related question among the public. The ten-day event was a great success with thousands of items being distributed among children and adults and an optimal participation in the competition. On the last day of the Fair, three winning entries were drawn on location and in the presence of a representative of the Department of Public Lotto.

## Participation in *SkolaSajf*

The NSO took up an invitation by the Education Division to organise a number of sessions with children attending *SkolaSajf*. In all, seven sessions were held, six in Malta and one in Gozo. For the purpose, the communications team organised a one-hour info-educational programme that was animated by two census characters, *Ċensinu* and *Ċensina*. The census comic was also distributed. Here again, the children's participation and feedback were very gratifying.

## Other Activities

The same graphic artist entrusted with the questionnaire design was charged with the graphics needed for the publicity materials. Apart from this, participation and talent were totally drawn from the ranks of NSO staff. The actors for the group and thematic photos, the actors for a staged role-play featuring an enumerator and respondent, the artist responsible for the characters in the comic and children's leaflet, and the two animators of the *SkolaSajf* sessions are all members of the NSO complement. So are five individuals who volunteered to position themselves in key public spaces in Malta and Gozo for dialogue with the public and for distribution of census materials.

The Office also held a series of press conferences to mark important points in the Census process. A decentralised approach was adopted in this regard, as this was thought to make the process more interesting. In this respect, the launch of the mapping exercise took place at the MEPA offices while the launch of the publicity materials was held at the Government Printing Press. The initial press conference announcing the Census and the launch of the census questionnaire were held at the NSO offices.

## POPULATION

Up to mid-2005, the Demography Unit was responsible for the collection and compilation of statistics on several aspects of the population. As from 1st July 2005, this Unit was amalgamated with the Education and Culture Statistics Unit to form the Population and Social Statistics Unit.

In the course of the year covered by this Report, data relating to births, deaths, morbidity, marriages and migration were compiled and organised. Statistics on births, deaths and migration have been utilised for the quarterly updates of the Maltese population figures that have the Census of Population and Housing 1995 as their base. In addition, the Unit has compiled statistical updates with regard to child adoptions, as well as a range of demographic indicators such as fertility, death and morbidity rates.

Most of these data are being published in the *Demographic Review 2004*, due for release in December 2005. They have also been used for the completion of a considerable number of questionnaires emanating from Eurostat and other foreign or local entities.

Furthermore, the Unit has worked on a number of thematic news releases. These include:

- International Day of Older Persons;
- Universal Children's Day;
- International Day of Disabled Persons;
- International Day of Families;
- World Refugee Day;
- World Population Day.

These releases were made possible by tapping into the findings of a variety of research projects carried out by other units within the NSO.

Work has been undertaken to establish centralised vital-statistics databases. These now contain information on births, marriages and deaths at micro-data level from 1996 onwards. One of the future projects of the Office concerns the use of this data to conduct a number of time-series analyses in order to monitor trends in these demographic parameters. The mode of the transfer of data from the government entities responsible for the collection of the relevant information has also been revised. For the first time ever, this year has seen the direct transfer of the data from these organisations to the Office's servers. Apart from the increased efficiency, this mode has the advantage of being in line with the environmental policy of the NSO, which seeks to reduce paper use.

This past year, the Unit has continued to work seriously on the refinement of quality migration statistics. The main objectives in this regard were to:

- Establish links between the existent entities responsible for the collection of migration statistics. This is intended to reduce the possibility of double-counting or under-representing current figures of immigration to Malta ;
- Devise new methods of collecting robust emigration statistics. One proposal in this regard concerns a household survey. This will be tested in 2006.

Another important issue is the collection of statistics on internal migration. New methodologies have been proposed that will come in for more in-depth analysis in 2006.

Meanwhile, the Unit carried on with work on its data collection programme relating to social welfare-oriented non-governmental organisations. A publication incorporating these results is in an advanced stage of preparation.

## EDUCATION AND CULTURE

### Education

Up to mid-2005, the Education and Culture Statistics Unit was responsible for the collection and compilation of statistics on several aspects of the educational sector. As from 1st July 2005, this Unit was amalgamated with the Demography Unit to form the Population and Social Statistics Unit.

The bulk of the data collected within the Education Statistics programme has been obtained by means of a postal census among all State, private independent and private church schools. This comprehensive survey makes possible the production of annual figures with regard to the students, teaching staff and support staff in educational institutions. The collection of these data is in line with Eurostat definitions and regulations.

The Unit has also carried out surveys among several educational establishments that fall outside the formal educational system in order to collect data on non-formal education. The latter include adult education, the teaching of English to foreign students and the University of the Third Age. Other statistical information with regard to the financial performance of State and private church schools has been extracted from secondary sources and compiled and organised by the Unit.

In the course of 2005, the Unit has introduced a programme of revisions concerning all existent questionnaires related to formal education. The current data entry programmes have been removed while work on the implementation of new, more efficient versions is in an advanced stage.

The Unit has also published the results of a survey on the state of Information and Communication Technology in all State and private schools during the scholastic year 2003/04. The results include information on the availability of computers at school, access to the Internet and other ICT tools. The familiarity with and access of teaching staff to ICT equipment were also investigated.

Currently in hand is the planning process for a Continuing Vocational Training Survey (CVTS) that will be held next year among all business enterprises employing 10 or more employees. A first with regard to this survey was carried out in 2000. During this year, a newer version of the questionnaire was devised that is fully in line with Eurostat guidelines. In this way there will be a good level of harmonisation with the results of other EU countries.

This year a salient issue across all units within the NSO has been the minimising of the response burden on all respondent individuals and organisations. This applies also to the institutions in the educational and cultural sector. In this respect, discussions with entities such as the Education Division are already underway.

All the data pertaining to the scholastic year 2003/04 have now been published in the annual *Education Statistics 2003/04*. The Unit has also released updates on various themes. These are:

- The University of the Third Age;
- Lifelong Learning;
- Teaching English to Foreign Students;
- Teaching of Foreign Languages in Mainstream Education;
- School Absenteeism.

The Unit also published a number of thematic releases:

- International Women's Day;
- International Youth Day.

## **Culture**

In the course of the year covered by this Report, the Unit has continued to amplify its cultural statistics programme. In this vein the Unit is working on a publication that will incorporate statistics relating to culture from 2003-2005. This publication is scheduled to appear in early 2006. The Unit has also released a series of statistical updates as follows:

- Good Friday Processions;
- Band Clubs 2004;
- Local Councils 2003-2004;
- Dance Schools 2003-2004;
- Museums and Historical Sites 2004;
- Parish *Festas* 2004;
- Sports Organisations 2003-2004;
- Youth Organisations 2004;
- Theatres 2003-2004.

## **LIVING CONDITIONS**

### **Household Budgetary Survey**

In 2005 the methodological preparations for a continuous Household Budgetary Survey (HBS) were taken in hand. The main objectives are:

- To provide quarterly basic income and expenditure data for use in national accounting estimation;
- To provide annual expenditure data for the updating of the weighting frame of the Harmonised Index of Consumer Prices.

Owing to constraints in human resources, this survey was postponed.

### **Survey on Income and Living Conditions (SILC)**

This year the Population and Social Statistics Unit launched the Survey on Income and Living Conditions. Its main objective is to provide basic monetary and non-monetary poverty indicators. The SILC was launched in July and had a gross sample of 6,000 households. It was conducted by means of the Computer Assisted Personal Interviewing (CAPI) technique. Responding households were asked questions in connection with employment, regular income, household characteristics and issues related to quality of life. The information on income was categorised by source in order to monitor household income distribution in Malta. A net response rate of 65 per cent was achieved during the survey.

In 2006, the SILC data will be used for deriving Income, Poverty and Social Exclusion Indicators with 2005 as the reference year. A set of these indicators was first published by the NSO in 2003 using Household Budgetary Survey data. The NSO plans to use the SILC in order to publish these data on an annual basis starting from 2006.

## **LABOUR MARKET**

This Unit is responsible for the collection and compilation of labour market related statistics. Data are gathered on employment, unemployment, labour costs and earnings, conditions of work, accidents at work and employers' and workers' organisation.

### **The Labour Force Survey**

As from January 2005, the NSO started producing monthly employment and unemployment figures from LFS monthly estimates. The main goal of this news release is to produce figures related to the labour force using the most recent LFS. The

monthly estimates are based on three-month rolling averages. Additionally, the Unit continued with the publication of the standard quarterly LFS news releases followed by full annual LFS reports.

During the year 2005 grants were acquired from Eurostat for the improvement of LFS estimate data. Work was done on:

- Improvement of data quality on hours worked;
- Collection of data on monthly wages and salaries from the LFS;
- Production of quality monthly unemployment statistics from the LFS.

### **Employment and Training Corporation**

While continuing with the publication of monthly statistics relating to registered unemployment and based on the administrative records held by the ETC, the Unit has also published a distribution of the gainfully occupied population according to the NACE classification. The basis of these data is also the ETC administrative database. This time series goes back to 1992.

### **Earnings and Labour Cost Statistics**

In 2004, the Unit had carried out a joint Labour Costs and Structure of Earnings Survey. The reference year for the data was 2002. The Unit is currently engaged in the analysis of the body of data emanating from the two surveys. This includes the identification of outliers, imputations for missing data and also benchmarking the data with other units for example, the National Accounts Unit.

In the course of the past year, the NSO prepared the methodological framework for the Labour Cost Survey 2004. Revisions were based on updates of the European Council Regulation No. 530/1999 concerning structural statistics on earnings and labour costs.

This year also, the Labour Cost Index was compiled. The Labour Cost Index (LCI) is defined as the Laspeyres index of labour cost per hour worked; it is chain linked annually and based upon a fixed structure of economic activity at NACE section level. The labour costs are the total quarterly costs incurred by the employer in the employment of labour. Labour cost indices are provided separately for the three labour cost categories identified below:

- Total labour costs;
- Wages and salaries;
- Employers' social contributions plus taxes paid by employer less subsidies received by employer.

The Index is calculated internally using LFS and National Accounts data and is calculated every calendar quarter.

### **Structural Indicators**

The following structural indicators were computed and forwarded to Eurostat:

- Gender Pay Gap;
- Average Hourly and Monthly Labour Cost;
- Low Wage Trap;
- Unemployment Trap;
- Net Earnings & Tax Rates Data;
- Tax Wedge on Low Wage Earners;
- Incidence of Serious and Fatal Accidents at work.

### **Job Vacancies**

A pilot study to test the Job Vacancies survey was conducted during 2005. The main aim was to test out the methodology, the questionnaire, and mode of data collection to be used in an eventual ongoing Job Vacancy survey. The project was directly supervised by an expert appointed by Eurostat.

### **Labour Market Policies**

A completely new task for the Unit concerns the compilation of the Labour Market Policy. This requires the clear identification and analysis of the measures and policies prevalent in the country for incentivising unemployed persons to re-enter the labour market and start work. With this in view, the NSO is participating in a Phare and Eurostat project.

### **Accidents at Work**

During the year covered by this Report, the standard quarterly news release comprising statistics on accidents at work was published regularly according to the variables contained in Phase I and II of European Statistics on Accidents at Work (ESAW). A pilot study to test the feasibility of data collection at Phase III was carried out by means of telephone interviews. At the time of writing Phase III variables are being codified by the Unit on the basis of the existing Department for Social Security injury benefit claims. Meanwhile, the DSS has undertaken the responsibility for revising claim forms with regard to injury benefits and occupational diseases to harmonise with EU requirements.

The Unit also published a number of thematic news releases:

- An Overview of Older Workers;
- Jobless Households in Malta;
- Key Indicators on the Labour Market;
- Temporary Labour Contracts;
- Young and Old People at Work;
- Working -time Arrangements;
- Trade Unions and Employers' Associations.

# **BUSINESS STATISTICS**



## **THE BUSINESS SECTOR**

In the course of 2005, the Business Statistics Unit finalised data for the Structural Business Statistics Survey 2003 according to NACE Rev. 1.1. It also launched its counterpart for 2004, for the first time including NACE divisions 90 and 93 (Cleaning Services; Other Business Services). In the 2004 edition of this exercise, some 8,000 business units are being surveyed. New variables requested by the Balance of Payments Unit, specifically those relating to Foreign Affiliate Trade Statistics (FATS), were included in the questionnaire.

For most NACE divisions, a sample survey is now normal practice for the surveying of enterprises. However, for NACE divisions 72 and 74 (Computer and Related Activities), a census was conducted, with supplementary questions required as a component of the Business Services survey being included. The Survey also includes questions aimed at collecting information on the legal and economic structure of business units; this is in adherence to the European Commission's Regulation with regard to the Business Register. The new methodology allows for a rotating sample of units. Apart from serving to improve the quality of the data, this should also be instrumental in decreasing the response burden upon the smaller units.

### **The Business Register**

In addition to the monthly updates to the Register (approximately 300 births and cancellations monthly), the Unit has carried out enhancements that are in line with the new Regulation referred to above. This requires that key variables for different statistical units be recorded and that links to various administrative registers be maintained. One should note here that the various requirements of the new Regulation translated into the work practices of collecting business statistics are contributing to better quality in the Register, specifically in areas such as Agriculture, where the Register recorded many more full-timers than had previously been recorded by the Agriculture Statistics Unit. The Register is also a source for filling in the annual Business Demography questionnaire and serves as a base for various enquiries regarding the business sector being carried out from time to time within the NSO.

### **Research and Development (R&D) and Innovation Statistics**

With regard to several R&D variables, the Unit has this year applied for and received a partial Derogation as it was apparent from the last survey that, as yet, R&D in the local scenario falls short of the threshold required by Eurostat to make an annual R&D survey viable. Notwithstanding, the Unit collects some R&D variables on an annual basis by incorporating them in other survey questionnaires administered by the same Unit.

With regard to Innovation Statistics, the Unit has in the past year launched the Community Innovation Survey 2004, or CIS4. This exercise is into its second year and,

on the basis of experience of the first Innovation Survey, one may cautiously express expectations of better results, the more so since innovative business enterprises are being accorded special treatment in the country. That said, the first Innovation Survey succeeded in satisfying all R&D requisites for the purpose of an appearance on the European Innovation Scoreboard.

## **INFORMATION SOCIETY**

The NSO programme on Information Society Statistics dates back to 2000. Data are collected on a quarterly basis with regard to television licences; cable TV subscriptions; fixed telephony; mobile telephones; pagers and voicemail; and the Internet. In addition, the surveyed enterprises are required to provide information on wages, employment levels and capital investment.

The scope of this survey has now been widened in order to include the collection of new data that would reflect developments in the ICT sector. Quarterly data with regard to this enlarged aspect are also being released regularly.

### **Post and Telecommunications**

The Unit has continued with the collection of data within the post and telecommunications statistics programme introduced in 2004. The categories include post and courier services. These data are being published on an annual basis.

### **Information and Communication Technology (ICT) in Household Survey.**

In the year focused on by this Report a survey on ICT usage among individuals and households was introduced. The objective is to compile a set of indicators on ICT usage. The results are being transmitted to Eurostat while a publication incorporating these will be ready in 2006.

### **Information and Communication Technology (ICT) in Enterprises Survey**

The ICT Usage in Enterprises Survey was launched among a sample of enterprises early in 2005. This exercise represents a twin activity of the above mentioned survey but carried out in the business sector in order to investigate ICT usage in enterprises and to assess their orientation to e-commerce activities. Results are also being made available to Eurostat and will be ready for publication on a local level in 2006.

## **AGRICULTURE AND FISHERIES**

In the course of the year covered by this Report, the Unit published releases on:

- Economic Accounts for Agriculture 2004;
- Pig Census 2004;
- Cattle Census 2004;
- Sheep and Goats Survey 2004.

Data on the following areas were released on a quarterly basis:

- Fruit and Vegetables;
- Fisheries;
- Animal Products;
- Input/Output Indices.

The annual collection of statistics relating to all statistical areas on agriculture and fisheries for 2003 was published in CD format.

### **Other Activities**

The Unit also concluded the following surveys:

- Pig Survey (headcount);
- Cattle Survey (headcount);
- Sheep and Goats Survey (headcount);
- TAPAS (Technical Action Plan for improving Agricultural Statistics);
- Fruit and Vegetable production;
- Goats' and Sheep's milk;
- Compilation of a new set of Standard Gross Margins for 2004.

The Unit also undertook a number of surveys that had not been laid out in the original work plan related to the Unit. These are:

- Survey on Kitchen Gardens;
- Survey on the Usage of Products for the Protection of Plants.

While the first of these projects has been concluded, the last-mentioned is in an advanced stage of analysis.

A complete set of balance sheets relating to Agriculture and Fisheries and covering the years 2004/05 has been transmitted to Eurostat.

## **TOURISM**

In 2005 the tourist departure survey remained the key source of monthly data on tourism statistics (Tourstat). The Survey is conducted at the airport and seaport and the variables include age, sex, purpose of visit and information related to accommodation and expenditure. The estimates emanating from the Survey are regularly calibrated against the headcount information of passenger departures at the airport and seaport. In view of this, the Unit is confident with regard to the quality of the tourist departure estimates generated by Tourstat.

### **Collective Accommodation Establishments**

The Unit continued to further enhance the online recording system for hotel establishments (Accomstat). These improvements include a drive to ameliorate the response rate for the monthly questionnaire. One would like to note here that the outcome is very positive. It should be stressed that this exercise represents a census not a survey of hotel establishments. All collective accommodation organisations are asked to disclose monthly information relating to bed-places; number of bedrooms; number of arrivals; and number of nights spent. All these variables are broken down by residents and non-residents. The respondent establishments have the option to give their information either by logging into their own secure place on the Internet or by e-mail, fax or post. Information is received also with regard to dormant periods. This is requested by the NSO in order to calculate the difference between the net and gross use of bed-places. The enhancements concerning response rate comprise a system of 3 monthly reminders – 2 automatic ones and a phone call towards the end of each month as and where necessary.

The Unit also furnishes data to the Malta Tourism Authority, especially those relating to collective and private accommodation establishments. For this purpose and others, the registers maintained by the Unit, namely collective accommodation establishments by category; licensed furnished holiday premises by category, etc. are subject to frequent and ongoing reviews.

### **Cruise Statistics**

In the wake of a pilot exercise the Cruistat questionnaire was amended and finalised in collaboration with Malta Cruise Network. Good progress was registered in the setting up of the methodological framework, so much so, that the end of 2005 is being targeted for the publication of additional data in the news release featuring cruise passengers. In this respect, the Unit entered into consultation with executives at the VISET terminal. The additional data will relate to the expenditure of cruise passengers and to other areas which, it is envisaged, will further investigate this emerging niche market.

## **Share of Unit in the Structural Business Statistics Programme**

In the course of 2005, the Unit was involved in the follow-up of SBS data relating to 2003 among collective accommodation establishments; bars; restaurants; catering services; travel agents; and tourist guides. The Unit also launched the 2004 version of the above, undertaking the required follow-up exercise. In this activity, the Unit's main concern was to adopt strategies for ensuring a good response rate as well as quality and timely data.

## **Tourism Satellite Account**

The Tourism Satellite Account (TSA) will study the direct contribution of the tourism sector to the economy in general. It will devote special attention to details, especially when considering a bottom-up approach.

In preparation for the compilation of the Tourism Satellite Accounts, the Unit recognises that an important first step is the tapping of existing sources and registers and the consolidation of these sources. It is a known fact that different sources provide different results, even for the same variables. For example, Tourstat is capable of providing data regarding collective accommodation establishments but the collective accommodation census, i.e. Accomstat, should be tapped further as it provides the distinction between resident and non-resident arrivals (in establishments) and resident and non-resident nights spent.

The Unit continued with its regular transmission of monthly and annual data to Eurostat.

## **TRANSPORT**

The transport sector includes air, sea and land transport and a range of auxiliary activities as well as the activities of transport agencies. In 2005, the NSO continued to refine the statistical programme relating to this sector through an ongoing data collection project on sectoral structure and performance.

In the year covered by this Report, the Transport Unit has continued with the production and release of road transport and related statistics on traffic accidents.

The collection of air and sea transport statistics is currently being carried out within a programme that integrates tourism and transport. However, the NSO has made the necessary arrangements with both the Malta International Airport (MIA) and the Malta Maritime Authority (MMA) for the eventual transfer of the responsibility for the collection of these statistics to these organisations.

The change and development of the necessary capabilities within these organisations for the compilation of these statistics was accompanied by an effort to harmonise local

air and sea transport statistics with international requirements. This programme was facilitated by the Office's participation in the Euro-Mediterranean MEDTRANS statistics project the objective of which is the harmonisation of transport statistics across the participating countries. In implementing this harmonisation project, the NSO sought the assistance of officials from the MIA and the MMA. The NSO has also made it a priority to ascertain the continuous and timely flow of data from these organisations to the NSO. Although difficulties have arisen in the process, various actions to address them have and are still being taken by this Office.

With the assistance of the Police Department and of the Association of Local Councils, the NSO continued with the collection of traffic accident statistics. These are now being organised and released in accordance with international requirements. Other data collection covers the stock and flow of motor vehicles in the country.

Following a decision taken with regard to the lack of viability in the local context of a survey on the transport of goods by road, the NSO is still considering alternative arrangements that would satisfy local and international requirements in this statistical sub-domain but that would not place untenable constraints on the Unit's human resources.

## **ECONOMIC STATISTICS**



## NATIONAL ACCOUNTS

The adoption of and changeover to ESA 95 was a lengthy but meticulous process that required staff training both locally and abroad and the help of Eurostat-appointed experts. The Unit has embarked on an internal analysis of data sources in order to ensure the accuracy of the basic data inputs into the National Accounts.

Over the past year, the National Accounts Unit has continued its process of revising annual and quarterly estimates in the light of revisions in previous data as well as of data emerging from new surveys. This has ensured that all National Accounts estimates are now based on the European System of National and Regional Accounts (ESA 95) as recommended by Eurostat.

The National Accounts Unit has succeeded in meeting all its international commitments and obligations with regard to the transmission of quarterly GDP data to Eurostat within the 70-day timeframe. One should note here that the timeframe has decreased appreciably from the previous 90 days. On average over the past year, the quarterly GDP news releases were published 65 days after the end of the quarter under review.

### **The Unit's Role in the IMF Mission**

The International Monetary Fund (IMF) also conducted a two-week audit of the National Accounts system during a visit to the Office in May 2005. During the Mission, one expert was attached to the National Accounts unit for a whole week, checking working methods and recommending changes wherever necessary.

On the recommendation of the IMF, a new table was introduced in the GDP news release. This shows a more detailed analysis of Gross Value Added by Industry (at A31 level instead of the previous A17). The following tables were also added:

- Household Final Consumption Expenditure by COICOP;
- NPISH Final Consumption Expenditure by COPNI;
- General Government Final Consumption Expenditure by COFOG;
- Gross Fixed Capital Formation classified by Pi6;
- GDP per capita in Maltese Liri and in Euros.

## **Other Activities**

The year 2005 saw the first-ever publication of a quarterly thematic news release on seasonally-adjusted GDP. The scope of this news release is to familiarise users with the concept of seasonal adjustments as applied to the GDP expenditure approach components at current and constant prices. That said, the Unit always includes a recommendation that seasonally-adjusted figures should be interpreted with caution since these depend on the length of the time series and on the level of detail in the breakdown of GDP components.

The Unit also published a first news release on regional GDP, providing details on the two NUTS 3 regions of Malta at A3 level, including regional GDP per capita. This release is planned on an annual basis, as is the publication of Supply and Use Tables (SUT). The latter (reference year 2001) first appeared in January 2005.

The National Accounts unit also worked on the following projects:

- The compilation of weights for the annual PPP exercise;
- Reports on VAT, rents and tips in the service industries;
- The GNI and its supporting quality report for EU Own Resources;
- The calculation of the weighted average rate for VAT Own Resources;
- The collection of data for the process of allocating FISIM.

The National Accounts unit participated in four PHARE projects funded by the European Union, with technical assistance from contracted foreign experts. These projects focused on the treatment of insurance services in National Accounts and the Balance of Payments, the transition from GDP to GNI, the writing of six chapters of the GNI Inventory, and the initiation of data collection for the compilation of constant price GDP from the output approach. Some of these projects will be carried forward to 2006.

## **Meetings**

During the year covered by this Report National Accounts staff members attended various international courses and workshops. In addition, the Unit was represented at the GNI Committee Meetings and the National Accounts working parties held in Luxembourg, in which conferences Malta contributed actively to the decisions taken. Staff members also participated in locally organised seminars and conferences.

## **GOVERNMENT FINANCE**

The primary role of this Unit is twofold: to support the National Accounts unit through the provision of data relating to the General Government sector and to compile the biannual Debt and Deficit Notification. The Unit also compiles tables relating to the General Government Sector based on the ESA95 methodology. All data is submitted

to the European Commission and released locally in line with the NSO publications calendar.

During the year covered by this Report, the Unit has continued with its work on the compilation of the financial accounts related to the General Government sector. This exercise is now at an advanced stage and, apart from that of the NSO, has the support of the Central Bank of Malta. The Unit plans also to provide support and coordination for the compilation of the financial accounts relating to the whole economy; however this is subject to the allocation of adequate human resources.

### **Government Expenditure**

The Unit is also responsible for the measurement of government expenditure and receipts from its programmes on social protection. A full set of 'ESSPROS' data spanning the years 1995-2003 has been compiled with additional enhancements such as the number of beneficiaries of all types of social benefits. This work is being supported by grants from the European Commission.

The Unit is carrying out more in-depth analysis of government expenditure as a whole by means of the COFOG classification which to date has been compiled at single-digit level. As from the end of 2005 this will be compiled at 2-digit level. This development will enable better use of General Government data.

### **Other Activities**

The Unit supports the Economic Policy Division in the compilation and updating of the Convergence Plan, especially in so far as the Extra Budgetary Units (EBUs) are concerned. The Unit also offers support to the Ministry of Finance in the compilation and transmission of specific tax data to DG TAXUD. The first transmission was effected in 2005; plans are underway to include additional data relating to this area in these transmissions during 2006.

The employment levels of the General Government Sector are compiled by the Unit according to ESA95 guidelines, while at the same time, government employment is categorised according to the NACE Rev. 1 classification. VAT revenue data is compiled according to economic activity, the annual data being subsequently used as a validation check for National Accounts purposes.

Over the past year, the Unit carried out a survey across the General Government Sector in order to measure its involvement in Research and Development. Apart from publication at a local level, these results were transmitted to the Commission. This exercise will be held annually, with some enhancements. Another survey - the measurement of Government's outlay on Public Procurement - is planned for 2006.

## **The Unit's Role in the IMF Mission**

The Unit participated in the activities of the IMF Mission that visited Malta during June/July 2005. The Mission assessed Malta's macroeconomic statistics using the Data Quality Assessment Framework (DQAF); the Unit was involved in the facet concerning Government Finance data. As a follow-up to this visit, and in part-fulfilment of SDDS requirements, additional government finance data was included in the quarterly 'Structural Indicators'.

## **BALANCE OF PAYMENTS**

The quarterly Balance of Payments Statement has been compiled and published in a series of news releases according to the NSO publications calendar. The lead-time between compilation and publication was 70 days on average. Most of the material is actually compiled on a monthly basis. The investment income report for 2003 has been compiled by country, while a report on Foreign Direct Investment (FDI) also with 2003 as reference year and also broken down to country level will be available later on in 2005. The Coordinated Portfolio Investment Survey (CPIS) for 2004 is being compiled using the Direct Reporting Survey in use as from 2004.

The IT programme developed for the data capture and compilation of the considerable body of BOP questionnaires is complete. Currently, the reports are being tested with the only outstanding processes being those relating to bulk imports and the generation of GESMES reports that comprise the standard mode of transmission of data to Eurostat.

## **FATS**

Work on the Inward Foreign Affiliates Statistics (I-FATS) for 2002 and 2003 is complete; the reports are now available for analysis. Information for I-FATS with respect to 2004 is being received through a set of questions posted in the Structural Business Statistics questionnaire launched this summer. Information for outward FATS (O-FATS) has also been collected.

## **Publications and Meetings**

The annual Balance of Payments publication (reference year 2003) is at the printing stage. This incorporates also the International Investment Position (IIP) for 2003. The IIP for 2004 is due for publication in an NSO news release.

Staff members from the Balance of Payments Unit continued to participate in appropriate Eurostat working groups and committee meetings, while a delegation from the European Central Bank came over in June to discuss BOP related issues and to verify NSO adherence to ECB guidelines. Furthermore, the Unit held several meetings

with local data providers including the Lotteries and Gaming Authority and the Film Commissioner. The Unit also partook of the benefits of the IMF Mission to the Office during June/July. Together with the delegates, the Unit went over the whole process of collection of information and the compilation of the Statement, as well as issues relating to confidentiality, timeliness, response burdens and storage of data.

## **INTERNATIONAL TRADE**

Following the introduction in May 2004 of INTRASTAT - a survey-based international trade statistics system which replaced Customs documentation upon Malta's entry in the European Union - the Unit worked hard on its consolidation. Compliance with INTRASTAT regulations continues to be very good, well over 90 per cent. Furthermore the applications by traders and agents to submit their data via the INTRASTAT website increased by 80 per cent in the course of 2005.

With regard to the international trade statistical system as a whole, the Office is faced with a challenge in that the Asycuda system is still in continuous use by the Customs Department. Hence, differences in CN codes, units of quantity, etc. are considerably undermining the system.

The Unit also undertook a series of refinements. These include:

- updates of the Country Nomenclature 2005 and Combined Nomenclature (CN) 2005 on the INTRASTAT website;
- capacities for new trade data validation reports developed;
- view facility for complex ad hoc information requests prior to the facility of the flexible view created by MITTS.

The Unit continued with the monthly issue of statistical updates on International trade in line with the NSO Advance Release Calendar. Furthermore the publication *Trade Statistics 2003* was published in CD format in mid-2005. The Unit also supported the Library and Information Unit with data for information requests. It should be noted here that an appreciable percentage of the requests received by the latter deal with trade data.

## **CONSUMER PRICES AND PURCHASING POWER PARITIES**

In the year covered by this Report the Consumer Prices Unit continued with the compilation and publication of the Retail Prices Index (RPI) and of the Harmonised Index of Consumer Prices (HICP). This year saw the introduction into the HICP of newly significant services such as: currency exchange charges; mobile phone calls; and SMSs. These developments have brought the Maltese HICP in line with the European Commission Regulation relevant to this area. Preliminary work is being undertaken by the Unit to re-structure the HICP news release; barring any untoward events, the new version will be published in early 2006.

## **Other Activities**

A range of prices is being collected with a view to the survey on Services. An exercise validating first results is being carried out by the Unit. The same applies to the survey among Hotels and Restaurants and Transport Organisations. The groundwork is being undertaken for additional surveys on the sectors pertaining to (1) Health (2) Furniture, as well as for the Salaries Survey. The Unit worked with the National Accounts unit for the compilation of the Annual Rent Survey. Another joint project is work on the Telecommunications Price Index with the Malta Communications Authority (MCA).

## **Meetings**

Staff members of the Unit attended a series of international meetings on Purchasing Power Parities (PPP) and on the Harmonised Index of Consumer Prices (HICP).

## **THE ENVIRONMENT**

In the year focused on by this Report, the Environment Statistics unit made efforts to maintain and expand the current data collection and dissemination programmes in the following domains:

- waste;
- water;
- biodiversity;
- air pollution;
- energy;
- sustainable indicators.

## **Waste**

In line with the new Commission Regulation on waste statistics, a new series of pilot studies has been carried out with a view to paving the way for detailed and specific waste surveys. To date, the Unit has carried out:

- a study on the collection and dissemination of packaging-waste data;
- a study on the collection and dissemination of import-and-export-of-waste data.

A thorough update of Maltese waste data currently held in various Eurostat databases was undertaken. In the course of 2005, several meetings were held with MEPA and WasteServ with regard to better collaboration in the collection of data on specific waste streams, for instance, hazardous waste.

## **Water**

International commitments with regard to the collection and dissemination of water data have increased. Water statistics for Malta have also been revised and updated for the purpose of the Joint OECD questionnaire and subsequently transmitted to Eurostat and Plan Bleu.

However, lacunae in water data need to be urgently addressed. To this end, an application for financial and technical assistance has been submitted to Eurostat with an eye to the reorganisation of the database maintained by the Water Services Corporation. The components of this database have to be harmonised with the NACE Nomenclature. There are also problems on data relating to wastewater generation. Following a special effort made by the Unit this year, data have been received for the year 2002 only. The Unit will seek to improve this state of affairs in 2006.

## **Biodiversity**

In 2005, the Unit acquired the first set of biodiversity data updated to 2002. Data for the subsequent years are expected to be forwarded in the next few months since the relevant surveys are still in process. This development came in the wake of several discussions which were held with the experts on biodiversity who currently work at MEPA.

## **Air pollution**

This domain also suffers from various data gaps. Again here, a closer collaboration was undertaken with MEPA officials. In the near future, the Unit plans to have a set of good quality data relating to air emissions. Meanwhile, the Unit is liaising with the University of Malta with regard to data for the greenhouse gas emissions inventory. For the calculation of the latter, a different methodology is in the process of being adopted.

## **Energy**

Statistics on the prices of fossil fuel, electricity and energy consumption by sector are being compiled. Where necessary, these are being harmonised with guidelines set by the Energy Directorate within Eurostat. Data on the consumption of fuel, fuel stocks and electricity consumption by households and the industrial sector are being improved upon with the cooperation of Enemalta. To this end, several meetings were

held between Unit members of staff and the hosts of the various energy datasets at Enemalta.

### **Sustainable development**

The upgrading of this set of indicators was a joint project between the NSO and MEPA for the purpose of inclusion in the State of the Environment Report. The Unit has publicised these indicators through a series of presentations and papers given out at local conferences and seminars. The set needs to be adopted for the Sustainable Development Strategy. In view of this, the Unit has applied for a number of Eurostat grants so that the updating of the one hundred and thirty indicators can be undertaken in the shortest time possible.

### **Other activities**

A new project tackled by the Unit within the framework of Eurostat policies is the Urban Audit Project. This has involved the collection of statistics relating to specific localities in Malta in order to evaluate the quality of urban life. A list of variables identified by Eurostat was compiled both as an inter-unit project within the NSO and with the cooperation of outside organisations.

### **A REGIONAL BASIS**

Following the drawing up of the new geographical classification for Malta based on *Nomenclature des Unités Territoriales et Statistiques* (NUTS), the Unit has released a regional statistics publication. In the course of 2005, Eurostat identified additional, more detailed variables with regard to data on a regional basis. The Unit is currently engaged in a stock-taking exercise for the purpose of updating and aligning the current regional statistics database with Eurostat requirements.

### **Meetings**

This year staff members of the Environment Statistics unit attended meetings and workshops on waste and sustainable development. In addition, NSO staff members attended a number of conferences held in Malta which specifically addressed issues relating to waste.

## **FEATURE**

**COTTON: AN INDUSTRY OF THE PAST WITH  
LESSONS FOR THE PRESENT**



Tradition has it that cotton was first brought to Malta by the Arabs in the ninth century. By the fifteenth century, Maltese cotton was an established commodity on the foreign market. In 1414, a regulation was enacted that provided for the strict examination of the cotton bales by customs officials in order to ensure their pure quality. Towards the end of the fifteenth century, a tax of two per cent was levied on Maltese cotton exports, while a series of statutes – *Bandi* - strictly prohibited the exportation of the cotton seed to other countries. Cotton continued to thrive throughout the ensuing centuries. In ten years of production between 1788 and 1798, the Maltese cotton trade amounted to 27,500,000 French francs in exportation and to about three million francs in production for the home market.

Several types of cotton were cultivated in Malta. These included the prestigious red cotton known locally as *Tan-Nankin*; and the white cotton known as *Ta' Gallipoli*. A coarser cotton with a short fibre was grown and exported widely as it was particularly suitable for dyeing. In the nineteenth and early twentieth centuries, Maltese farmers experimented with cotton varieties which were popular in American cotton cultivation. Although the success of these experiments varied with the type of cotton seed, Maltese cotton as a whole was a remarkable product, an acclaimed “wonder of nature” that lent itself beautifully to the manufacture of luxury items and hand-made goods.

**Table F1 The Maltese cotton industry over an eighty-year timespan**

	1851	1861	1871	1881	1891	1901	1911	1921	1931
Spinners	9,753	7,391	5,771	5,535	2,491	782	218	262	86
Weavers	4,693	4,006	4,843	2,857	2,258	1,272	708	221	95
<b>Total</b>	<b>14,446</b>	<b>11,397</b>	<b>10,614</b>	<b>8,392</b>	<b>4,749</b>	<b>2,054</b>	<b>926</b>	<b>483</b>	<b>181</b>

From 1851 to 1931 cotton workers decreased by 98.7 per cent.

The industry in the mid-nineteenth century was the staple activity of the islanders, employing some 15,000 people and generating trade with Spain, Greece, France and Italy. Table 1 clearly illustrates the robustness of the industry and its importance to the Maltese labour market, while Table 2 reveals the important role that cotton continued to play in Maltese trade even when the industry was on the wane.

**Table F2 Maltese cotton exports over a ten-year timespan**

<b>Year</b>	<b>Raw cotton (in rotoli)</b>	<b>Manufactured cotton goods (in £ Sterling)</b>
1910-11	92,473	14,313
1911-12	69,788	20,354
1912-13	370,238	12,731
1913-14	259,501	13,069
1914-15	23,420	5,414
1915-16	13,002	2,578
1916-17	:	:
1917-18	47,095	12,175
1918-19	33,280	31,200
1919-20	34,647	42,595

: Data not available

This plant was also well suited to the thrifty orientation of the Island and its people - nothing was wasted as the seed was mixed with forage and hay to make first-class fodder for livestock, while the rest of the boll and stalk provided fuel for bakers' ovens and stone hearths.

What brought about the recession of this flourishing Maltese industry? There were international factors, but also local ones. The emergence onto the world market of hefty producer-countries such as India, Syria and Egypt made it difficult for tiny Malta to compete. Furthermore, when the spinning jenny was patented in England, the

mechanisation of the industry was inexorably set in motion, a prelude to the era of the machine-made product.

At the same time, the market for luxury or hand-made textiles never disappeared. On the contrary, with the burgeoning of an increasingly wealthy middle class, especially in the countries of Western Europe, this market grew parallel to the one for mass-produced goods. Yet Malta did not guard its golden goose jealously, slowly stifling it with quantities of imported foreign yarn which was vastly inferior in quality to the Maltese product. This process was ably abetted by Maltese legislation. In 1816, the Maltese Government relaxed the regulation by means of which cotton exports had to be stamped by customs officials as a guarantee of superior quality. This facilitated the adulteration of the product with foreign material. Then, in 1837, every tax on imported cotton was abolished, effectively ringing the death knell to the purity of Maltese cloth.

Professor A.P. Vella, in his article, *The Cotton Textile Industry in Malta*, says that the Maltese cotton fields used to look so beautiful that our ancestors used to liken them to carpets of silver, calling the area "*Il-Fiddien*", a derivative of the Maltese word for "silver". The truth is that, with the complete debacle of the Maltese cotton industry, Malta did not only lose something truly distinctive, but also forfeited one of its few chances to try its hand in the modern luxury-good world market. This type of market is proving a powerful counterweight to mass-produced goods, a reality which has been well recognised and acted upon by countries such as Italy, for instance. That a handful of Maltese cotton merchants got rich quickly by dealing in poor-quality textile products tells a sorry tale. In the end, the Government did take steps to try to revive the industry, by reducing the price of local cotton and by removing most of the customs duty on it. In fact, just before the outbreak of the Second World War, a total of 98,850 hundredweights (Cwts.) of cotton seed was imported into Malta. But by then, most Maltese farmers were no longer interested in cotton and the six-year conflict served to seal the general lukewarm attitude towards this promising industry.

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