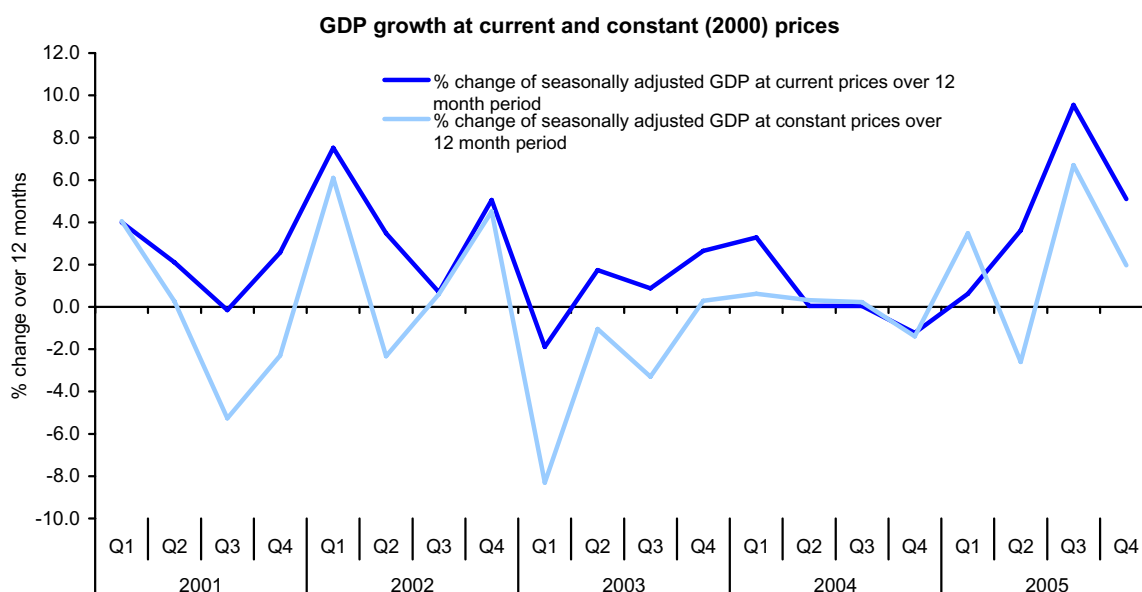


Structural Indicators

4th quarter 2005

GROSS DOMESTIC PRODUCT



Gross Domestic Product (seasonally adjusted figures)

Year	Quarter	Current prices		Constant (2000) prices	
		Lm ' 000	annual % change	Lm ' 000	annual % change
2001		1,749,750	2.1	1,701,402	-0.9
2002		1,822,356	4.1	1,737,752	2.1
2003		1,837,696	0.8	1,683,396	-3.1
2004		1,847,164	0.5	1,682,280	-0.1
2005		1,933,957	4.7	1,721,801	2.3
2004	Q1	465,178	3.3	409,372	0.6
	Q2	460,106	0.0	429,034	0.3
	Q3	454,954	0.1	418,711	0.2
	Q4	466,926	-1.2	425,163	-1.4
2005	Q1	468,054	0.6	423,638	3.5
	Q2	476,782	3.6	417,870	-2.6
	Q3	498,370	9.5	446,793	6.7
	Q4	490,751	5.1	433,500	2.0

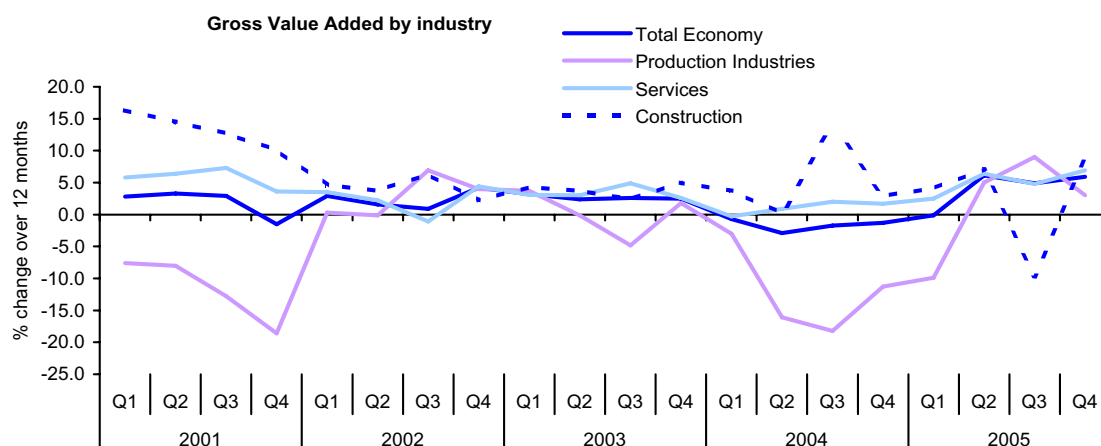
Source: NSO news release 140/2006

In 2005, the Maltese economy began to exhibit positive economic growth, in contrast to the negative growth shown by constant price GDP in the previous two consecutive years. Thus while in 2005, the seasonally adjusted constant price figure of GDP registered a positive 2.3 per cent growth, the same figure stood at -0.1 per cent the year before (albeit being negative, the 2004 negative growth rate showed was less pronounced than the comparable 2003 figure).

In the fourth quarter of 2005, the seasonally adjusted chained volume measure (at constant 2000 prices) of GDP fell by nearly 3 per cent over the preceding quarter. However, the percentage change over the comparable quarter of 2004 amounted to 2.0 per cent when using the same volume measure of GDP, a more than three percentage point improvement from the comparable figure of 2004 (which stood at a negative 1.4 per cent).

GROSS DOMESTIC PRODUCT BY INDUSTRY

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



Gross Value Added (GVA) at market prices

Year	Quarter	Annual % change				
		Total economy	Production industries	Services	Agriculture, hunting and fishing	Construction
2001		4.1	-11.6	5.3	14.9	13.3
2002		2.9	2.5	3.0	2.5	4.2
2003		2.1	0.3	2.6	1.5	3.8
2004		-1.5	-9.9	0.8	-3.4	2.5
2005		3.8	-0.1	4.8	1.3	6.6
2004	Q1	0.0	-0.2	-0.2	0.0	3.7
	Q2	-2.1	-12.8	1.0	-1.9	0.2
	Q3	-2.0	-13.9	1.1	-3.9	3.1
	Q4	-1.9	-12.4	1.2	-7.4	3.2
2005	Q1	-0.1	-10.4	2.8	1.2	4.1
	Q2	4.9	3.1	5.2	4.1	7.9
	Q3	4.9	7.6	4.2	6.6	5.5
	Q4	5.3	0.4	6.7	-6.9	8.9

Notes: FISIM has been allocated to the individual industries; for further details refer to news release 47/2006.

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

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

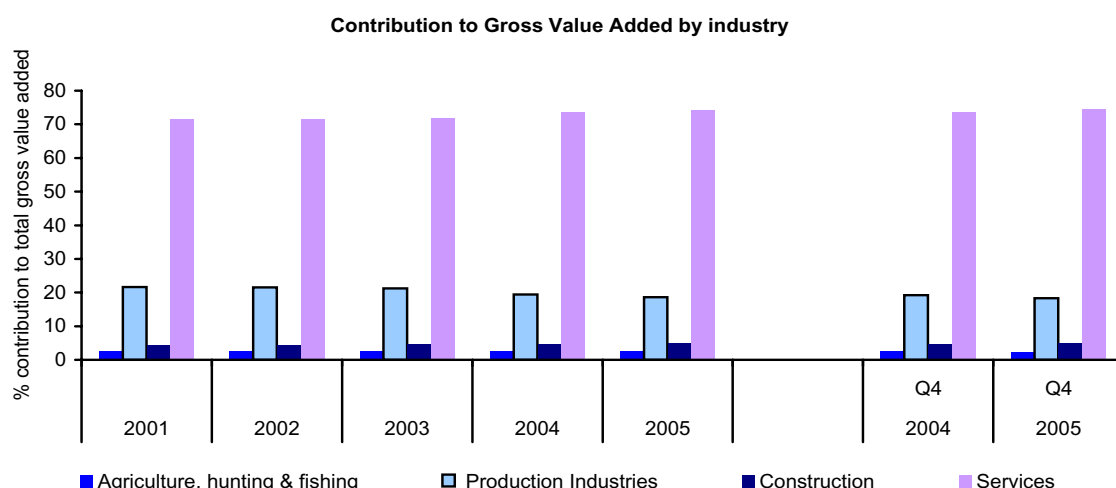
Figures for 2004 and 2005 are to be considered provisional

Source: News Release 127/2006

The gross value added of the total economy was characterized by strong positive growth in 2005, when compared to the distinctly negative growth experienced in 2004. This positive growth in gross value added can be attributed mainly to a markedly positive performance in the services and construction industries, with a slight negative growth in the production sector; the latter in contrast to the marked negative growth exhibited by this industry in the preceding year.

In the fourth quarter of 2005, the gross value added of the total economy reported strong positive growth. Both the services as well as the construction industries reported higher growth rates in their respective gross value added (nearly 7 per cent and 9 per cent respectively), when compared to the comparable quarter in 2004 (less than 2 and 4 per cent respectively). The rate of growth in the production sector in the fourth quarter of 2005 (incorporating the extraction, manufacturing and energy industries), was slightly positive, in contrast to the markedly negative growth of more than 12 per cent experienced by this sector in the same period the previous year. The agriculture, hunting and fishing industry was again characterized by distinctly negative growth in the fourth quarter of 2005, comparable in magnitude to that shown in the corresponding quarter of 2004.

SECTORAL CONTRIBUTION PRODUCT TO GROSS VALUE ADDED



Contribution to Gross Value Added

Year	Quarter	% Contribution to total Gross Value Added* by industry			
		Agriculture, hunting & fishing	Production	Construction	Services
2001		2.6	21.7	4.4	71.4
2002		2.5	21.6	4.4	71.5
2003		2.5	21.2	4.5	71.8
2004		2.5	19.4	4.7	73.5
2005		2.4	18.6	4.8	74.1
2004	Q1	2.4	22.1	5.0	70.5
	Q2	2.6	19.0	4.5	73.9
	Q3	2.4	17.5	4.4	75.6
	Q4	2.5	19.2	4.7	73.6
2005	Q1	2.5	19.8	5.2	72.6
	Q2	2.6	18.7	4.7	74.1
	Q3	2.4	18.0	4.4	75.1
	Q4	2.2	18.3	4.9	74.6

* Gross Value Added of the whole economy now incorporates the allocation of FISIM to the individual industries. For further details refer to news release 47/2006.

Source: News Release 127/2006

In 2005, services continued to increase their already dominant share of the total economy's gross value added (74.1 per cent when compared to 73.5 per cent in 2004). The significance of this sector to the Maltese economy can also be further reaffirmed by the progressive increase in the relative contribution from quarter-to-quarter during most of 2004 and 2005.

Production (including mining and quarrying, manufacturing, electricity, gas and water supply but excluding construction) accounted for 18.6 per cent of total gross value added in 2005, down by more than half-a-percentage point from its corresponding value in 2004. The decline in the contribution of this sector is also confirmed by progressively diminishing quarterly share of total gross value added during much of 2004 and 2005.

The annual share of the agriculture, hunting and fishing industries dropped marginally from 2004 to 2005; whilst that of the construction industry increased somewhat marginally during the period. This pattern was also reflected in the quarterly growth rates when comparing the performance of these two sectors in the fourth quarter of 2005 with that of 2004. Thus for the former sector, the relative quarterly contribution to total gross value added in the last quarter of 2005 declined somewhat when compared to the corresponding quarter in 2004; in contrast, during the comparable period, the construction sector registered a marginal increase in the share of gross value added when compared to the same quarter of the preceding year.

DETERMINANTS OF GDP GROWTH

Determinants of real GDP growth at constant (2000) prices

(Lm'000)

	Household final consumption expenditure	NPISH final consumption expenditure	General Government final consumption expenditure	Gross Fixed Capital Formation	Changes in inventories	Acquisitions less disposals of valuables	Net exports	GDP (2000 prices)	
2001	1,096,383	24,896	328,173	321,221	-3,788	10,328	-70,918	1,706,294	
2002	1,070,606	26,146	340,615	260,490	-13,844	4,579	47,143	1,735,735	
2003	1,105,421	26,848	350,770	335,579	-39,746	1,371	-89,175	1,691,069	
2004	1,114,255	26,524	358,688	332,415	-26,446	-1,951	-121,672	1,681,813	
2005	1,138,789	26,634	360,726	360,758	38,149	-1,515	-202,191	1,721,350	
2004	Q1	264,320	6,645	90,370	73,803	-16,595	-488	-21,866	396,188
	Q2	271,807	6,719	89,108	87,235	-2,169	-488	-35,198	417,014
	Q3	279,993	6,448	86,091	86,223	-39,652	-487	17,565	436,180
	Q4	298,136	6,712	93,120	85,154	31,969	-487	-82,174	432,430
2005	Q1	262,126	6,666	88,066	77,945	21,365	-379	-55,513	400,277
	Q2	280,457	6,726	92,404	97,424	-9,273	-379	-43,322	424,036
	Q3	292,447	6,525	89,692	85,788	-5,912	-379	-13,941	454,220
	Q4	303,759	6,718	90,564	99,602	31,969	-379	-89,416	442,817

Source: NSO News Release 127/2006

In 2005, household consumption expenditure increased by Lm58.5 million or 4.9 per cent in nominal terms to Lm1,255.3 million, from the figure of Lm1,196.7 million a year earlier.

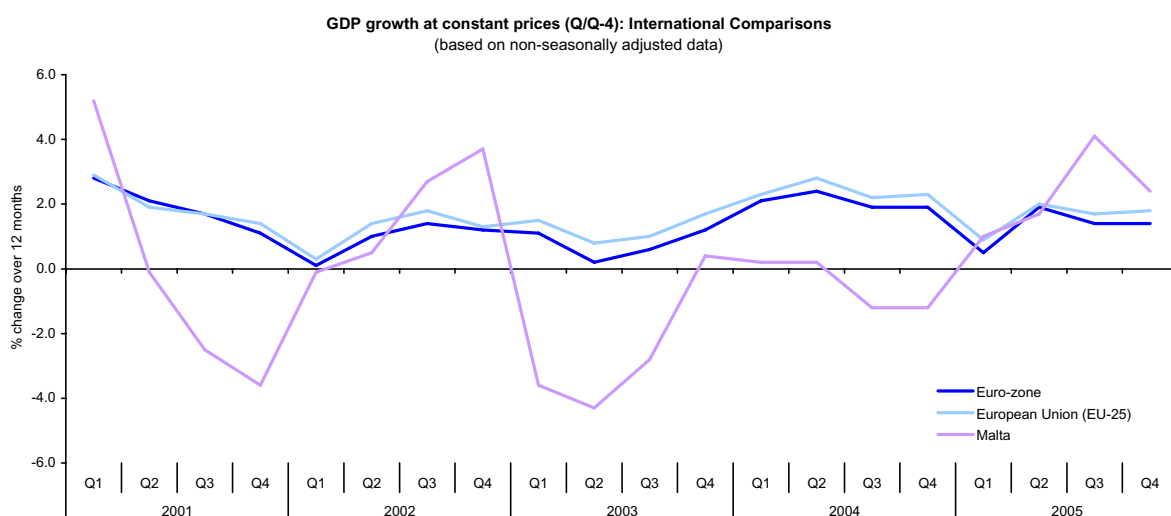
The overall higher increase in private household consumption was spread amongst various categories of expenditure, particularly with regard to outlays on: Food and Non-Alcoholic Beverages, Alcoholic Beverages and Tobacco, Clothing and Footwear, Housing, Water, Electricity, Gas and other fuels, Furnishings, Household Equipment and Routine Household Maintenance, Medical and Health expenses, Transport, Recreation and Culture, Restaurants and Hotels. The most notable increase was registered in expenditure on Miscellaneous Good and Services. A decline in expenditure was registered in communication, as well as in education. The overall growth in household consumption was due in part to an increase in household's expenditure on services, together with an increase in the imports of consumer goods during the period under review

At constant 2000 prices household consumer expenditure in 2005 went up by Lm24.5 million to Lm1,138.8 million, representing an increase of 2.2 per cent from the figure of Lm1,114.3 million last year.

In nominal terms, general government final consumption expenditure amounted to Lm425.4 million during 2005, an increase of Lm9.4 million or 2.3 per cent from the corresponding figure in 2004. In real terms, general government final consumption also increased by 0.6 per cent, from Lm358.7 million in 2004 to Lm360.7 million during 2005.

Exports of goods and services, which stood at Lm1,401.1 in 2004, declined by 4.0 per cent, in nominal terms, to Lm1,345.8 million in 2005. In real terms, from 2004 to 2005, exports went down by Lm97.8 million to Lm1,483.2 million, representing a decline of 6.2 per cent during the period under consideration. Imports of goods and services increased to Lm1,566.0 million in 2005, representing an increase of 2.4 per cent in nominal terms from the corresponding 2004 figure. During the same period, imports at constant 2000 prices decreased from Lm1,702.6 to Lm1,685.4 million, representing a decrease of only 1.0 per cent.

GDP INTERNATIONAL COMPARISONS



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

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

Country	annual % change (Q/Q-4)					% change quarter on quarter (Q/Q-1)							
	2001	2002	2003	2004	2005	2004				2005			
						Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Euro-zone	1.9	0.9	0.8	2.1	1.3	0.8	0.4	0.3	0.1	0.4	0.4	0.7	0.3
European Union (EU-25)	1.9	1.2	1.2	2.4	1.6	0.8	0.5	0.3	0.3	0.4	0.5	0.7	0.4
United Kingdom	2.2	2.0	2.5	3.1	1.8	0.9	0.8	0.3	0.6	0.2	0.5	0.5	0.6
Germany	1.2	0.1	-0.2	1.6	1.0	0.5	0.2	-0.1	-0.1	0.6	0.4	0.6	0.0
Italy	1.8	0.3	0.0	1.1	0.0	0.5	0.3	0.3	-0.4	-0.4	0.6	0.3	0.0
France	1.9	1.0	1.1	2.3	1.2	0.5	0.8	0.1	0.6	0.1	0.0	0.6	0.3
Ireland	6.2	6.1	4.4	4.5	4.7	0.1	-0.2	-0.4	2.4	0.6	1.7	0.6	1.9
Malta	-0.4	1.7	-2.6	-0.5	2.4	-5.1	4.8	-2.4	1.5	-0.4	-1.4	6.9	-3.0
Cyprus	4.1	2.1	1.9	3.9	3.8	0.8	1.0	0.6	1.1	1.1	0.7	1.0	0.7
Czech Republic	2.6	1.5	3.2	4.7	6.0	1.2	1.3	1.4	1.2	1.4	1.7	1.6	1.9
Hungary	4.3	3.8	3.4	5.2	4.1	1.2	1.2	1.0	1.2	1.0	1.1	1.0	1.0
Slovenia	2.7	3.5	2.7	4.2	3.9	1.1	0.3	1.5	-0.1	1.1	2.3	0.7	1.0
Slovakia	3.2	4.1	4.2	5.4	6.1	1.4	1.5	1.2	1.2	1.8	1.3	1.5	2.1
Lithuania	6.4	6.8	10.5	7.0	7.5	1.4	1.5	1.2	2.0	1.8	2.0	2.0	2.0

Note: (i) the Eurostat database provides the countries' comparative annual growth rates of non-seasonally adjusted GDP at constant (previous year's) prices; the equivalent quarterly non-seasonal and seasonally adjusted figures are, however, provided at constant (1995) figures.

Source: Eurostat/National Accounts Statistics, NSO

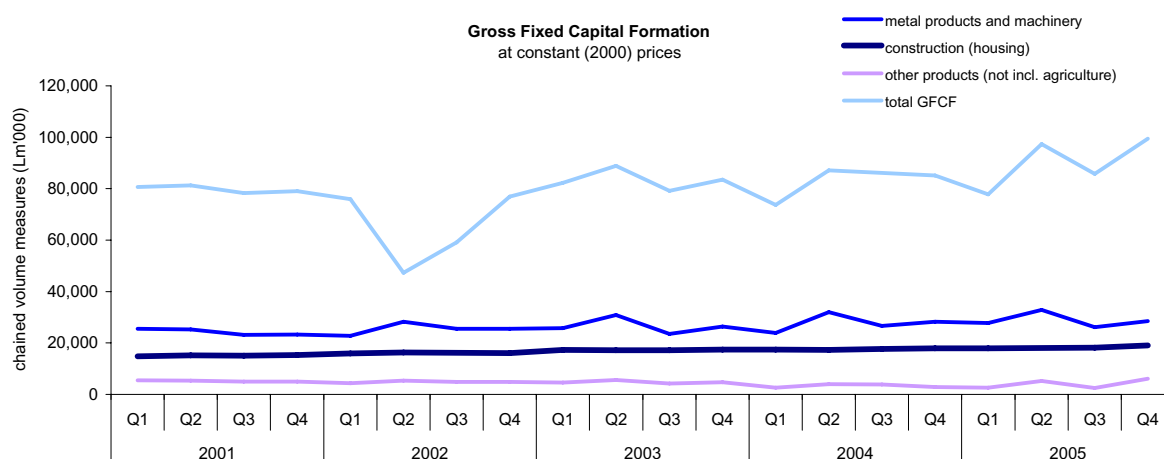
According to recent data, the seasonally adjusted growth rates for most economies, whilst still positive, were significantly lower than those of the previous quarter; notable exceptions were the Eastern European new Member States. In fact, of all the large economies, only the United Kingdom exhibited a growth rate of more than 0.5 per cent, whilst France reported a growth rate equivalent to the EU average; Germany and Italy registered negligible growth during the fourth quarter of 2005.

Growth in the euro-zone and EU-25 countries has remained positive during the last four quarters, even though fourth quarter growth seemed somewhat dampened relative to the previous two quarters. This is probably due to the fact, as highlighted above, that for some of the major industrial economies, growth could only be described as minimal.

Many of the new member states have consistently reported positive real GDP growth, in many cases greater than unity, during most of 2005. In the larger of these economies, fourth quarter growth in 2005 typically exceeded the growth rate in the comparable period of 2004.

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

GROSS FIXED CAPITAL FORMATION ...



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

Year	Quarter	Transport equipment	Metal products and machinery	Construction (other buildings and structures)	Construction (housing)	Other products (not incl. agriculture)	Total GFCF**	Annual % changes in GFCF
Lm '000								
2001		15,091	97,213	125,770	60,389	20,859	319,323	-14.1
2002		-48,059	102,113	121,420	64,526	19,333	259,333	-18.8
2003		19,471	106,546	119,630	69,043	19,213	333,903	28.8
2004		19,759	110,780	117,818	70,398	13,276	332,032	-0.6
2005		21,252	115,331	134,379	73,141	16,301	360,405	8.5
2004	Q1	3,973	23,934	25,651	17,435	2,644	73,637	-10.5
	Q2	5,190	31,949	28,726	17,347	3,936	87,149	-2.0
	Q3	4,437	26,599	33,576	17,684	3,840	86,135	8.7
	Q4	6,159	28,298	29,866	17,932	2,856	85,111	1.9
2005	Q1	3,765	27,747	25,901	17,886	2,553	77,852	5.7
	Q2	5,066	32,922	36,070	18,035	5,228	97,322	11.7
	Q3	4,960	26,141	34,012	18,169	2,432	85,714	-0.5
	Q4	7,462	28,520	38,396	19,050	6,088	99,517	16.9

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

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

Source: National Accounts Statistics

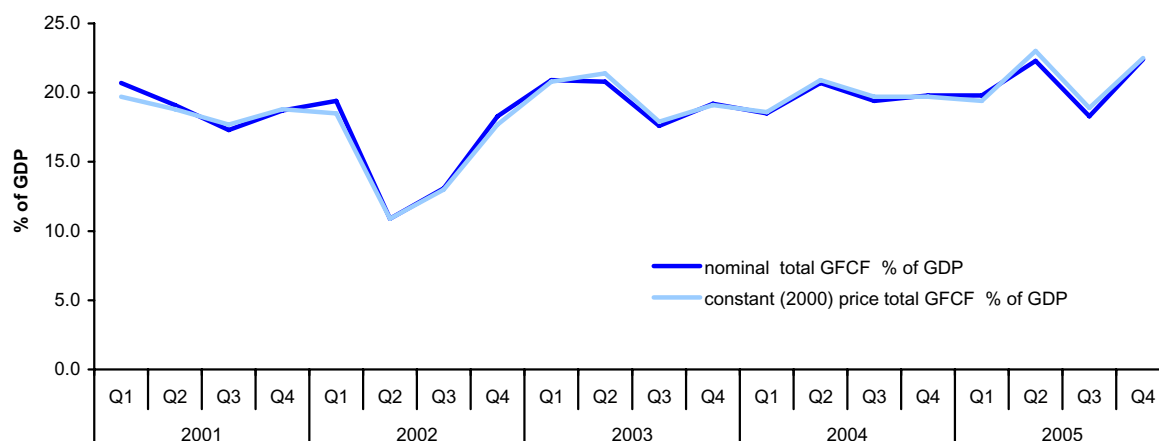
Expenditure on gross fixed capital formation (transport equipment, metal products and machinery, construction, and other products, but not including agriculture and capitalised production) increased nominally by Lm 37.4 million, or 10.3 per cent, when comparing the 2005 figure with that of the previous year. During the last quarter of 2005, nominal GFCF exhibited a growth of 18.8 per cent over the corresponding quarter of 2004. GFCF at current prices grew by an average of more than nine percentage points between each consecutive quarter of 2005.

In real terms, GFCF increased by Lm 28.4 million, representing an annual increase of 8.5 per cent in 2005 when compared to the corresponding figure in 2004. The same constant price figure grew by nearly 17 per cent when the fourth quarter value of 2005 is compared with the corresponding quarter of 2004. The average percentage increase in current price GFCF over the consecutive quarters of 2005, referred to in the preceding paragraph, is once again reflected in magnitude (9.7 per cent) in constant price terms.

The quarterly series depicted above incorporates both private and public expenditure on the relevant components of GFCF. At constant (2000) prices, whilst investment in construction for housing purposes remained relatively stable in the first three quarters of 2005, a substantial increase amounting to 4.8 per cent over the previous quarter was registered in the quarter under consideration. When compared to the same quarter last year, investment in construction for housing purposes in the fourth quarter of 2005 grew by more than 6 per cent. Investment in total equipment (incorporating the following major categories: transport equipment, and metal products and machinery) also grew by 15.7 per cent from the third to the fourth quarter of 2005. However, when the same quarterly figure is compared to the corresponding figure of the previous year, investment in total equipment represented an increase of only 4.4 per cent in real terms.

... GROSS FIXED CAPITAL FORMATION

Nominal and Constant (2000) Price Total GFCF % of GDP



Gross Fixed Capital Formation (GFCF) and GDP

Period	At current market prices				At constant (2000) prices				
	Total GFCF Lm '000	Annual % changes total GFCF	GDP Lm '000	Total GFCF % of GDP	Total GFCF Lm '000	Annual % changes total GFCF	GDP Lm '000	Total GFCF % of GDP	
2001	330,820	-11.0	1,750,536	18.9	319,323	-14.1	1,706,294	18.7	
2002	279,039	-15.7	1,821,244	15.3	259,333	-18.8	1,735,734	14.9	
2003	361,202	29.4	1,845,128	19.6	333,903	28.8	1,691,070	19.7	
2004	362,662	0.4	1,847,437	19.6	332,032	-0.6	1,681,812	19.7	
2005	400,081	10.3	1,933,241	20.7	360,405	8.5	1,721,350	20.9	
2004	Q1	80,386	-9.6	434,958	18.5	73,637	-10.5	396,188	18.6
	Q2	95,298	-1.1	460,619	20.7	87,149	-2.0	417,014	20.9
	Q3	94,001	9.9	483,406	19.4	86,135	8.8	436,180	19.7
	Q4	92,977	2.9	468,454	19.8	85,111	1.9	432,430	19.7
2005	Q1	86,406	7.5	436,698	19.8	77,852	5.7	400,277	19.4
	Q2	108,004	13.3	483,976	22.3	97,322	11.7	424,036	23.0
	Q3	95,196	1.3	519,439	18.3	85,714	-0.5	454,220	18.9
	Q4	110,475	18.8	493,128	22.4	99,517	16.9	442,817	22.5

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

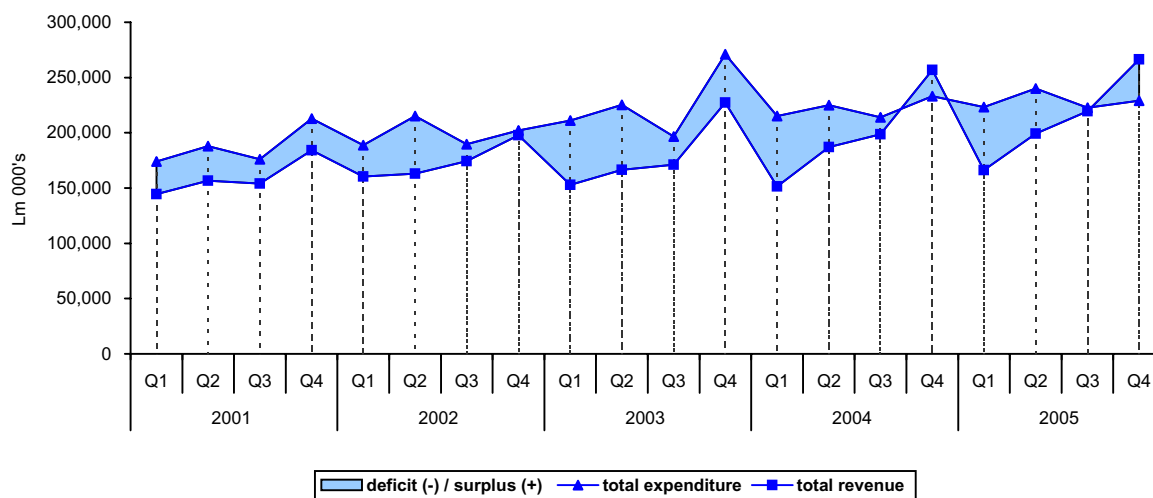
Source: National Statistics Office

The preceding two graphs, (the first showing GFCF in absolute amounts, whilst the second expresses GFCF as a ratio of GDP) clearly demonstrate the extraordinary decline suffered by GFCF in the second quarter of 2002. This occurred as a result of the disposal of aircraft by the air-transport sub-sector during this particular quarter (the first column in the previous table clearly depicts in more detail, albeit on an annual basis, this particular movement in the transport equipment component of total GFCF).

The graph above also shows a significant increase in the total GFCF as a percentage of the GDP figure in the fourth quarter of 2005, following the decline in the same variable which was observed during quarter 3 of that same year. This occurred as a consequence of the combined opposite movements of the numerator and denominator of the ratio under consideration between the third and fourth quarter of 2005. Thus, during the relevant period, when compared with the previous quarter, total GFCF has increased, whilst GDP has decreased, regardless of whether these two magnitudes are expressed in current or constant prices. The percentage of GDP by total GFCF, when comparing the 2005 quarter figure with that of the corresponding quarter in 2004, showed a nearly three percentage point increase in this ratio; this change could be observed irrespective of whether the variables are expressed in current or constant prices.

GOVERNMENT FINANCE

General Government Sector data 2001-2005 Q4



General Government Sector data: annual and quarter changes

Year	Total revenue	Change	Total expenditure	Change	Deficit (-) / Surplus (+)	Change	Debt (*)	
	Lm000's	%	Lm000's	%	Lm000's	%	Lm000's	
2001	639,452	-	750,878	-	-111,426	-	1,072,925	
2002	696,053	8.9	796,202	6.0	-100,149	-10.1	1,100,541	
2003	717,638	3.1	904,034	13.5	-186,395	86.1	1,304,733	
2004	793,791	10.6	887,413	-1.8	-93,622	-49.8	1,394,648	
2005	851,282	7.2	915,028	3.1	-63,746	-31.9	1,439,758	
2004	Q1	151,394	-0.9	215,014	1.9	-63,619	9.3	1,327,452
	Q2	186,936	12.4	225,029	-0.1	-38,092	-35.4	1,379,358
	Q3	198,704	16.0	214,138	9.0	-15,434	-39.0	1,393,476
	Q4	256,756	13.0	233,232	-14.0	23,524	-153.6	1,394,648
2005	Q1	166,146	9.7	223,315	3.9	-57,169	-10.1	1,426,209
	Q2	199,303	6.6	239,921	6.6	-40,618	6.6	1,436,152
	Q3	219,385	10.4	222,607	4.0	-3,222	-79.1	1,428,910
	Q4	266,448	3.8	229,185	-1.7	37,263	58.4	1,439,758

(*) Position at end of period.

Data are based on ESA95 methodology and are provisional.

The quarterly percentage changes are based on the same quarter for the previous year.

Source: National Statistics Office

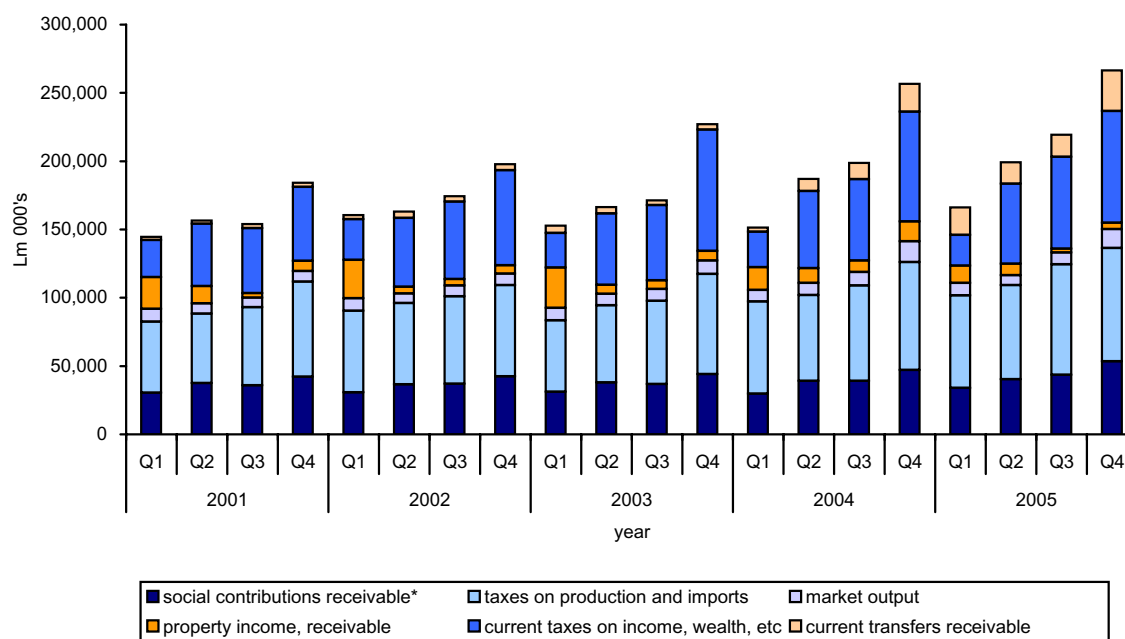
The tables on Government finance data on this and the following sheets present aggregates (revenue, expenditure and debt positions and flows), which are based on ESA95 methodology. Therefore the data covers all the accounts of budgetary central government, the extra budgetary units (EBUs), as well as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

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

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

GOVERNMENT REVENUE

Components of General Government Sector's revenue 2001-2005 Q4



Year	Market output	Taxes on production and imports	Property income, receivable	Current taxes on income, wealth, etc.	Social contributions receivable*	Current and capital transfers receivable	Total revenue	
Lm000's								
2001	31,385	229,800	46,764	174,481	146,067	10,956	639,452	
2002	32,790	249,881	43,830	206,786	146,799	15,967	696,053	
2003	36,312	242,885	49,350	221,506	150,094	17,492	717,638	
2004	42,217	279,240	50,364	222,486	155,101	44,383	793,791	
2005	38,654	300,551	28,892	229,924	171,488	81,772	851,282	
2004	Q1	8,335	67,428	16,759	25,922	29,839	3,111	151,394
	Q2	8,848	62,882	10,693	56,483	39,108	8,921	186,936
	Q3	9,930	69,870	8,260	59,658	39,097	11,889	198,704
	Q4	15,104	79,060	14,652	80,423	47,056	20,460	256,756
2005	Q1	9,108	67,627	12,782	22,438	34,086	20,105	166,146
	Q2	7,135	68,976	8,603	58,591	40,311	15,687	199,303
	Q3	8,675	80,969	2,771	67,141	43,551	16,279	219,385
	Q4	13,737	82,980	4,735	81,755	53,541	29,700	266,448

Data are based on ESA95 methodology and are consolidated within the General Government sector.

Data are provisional.

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

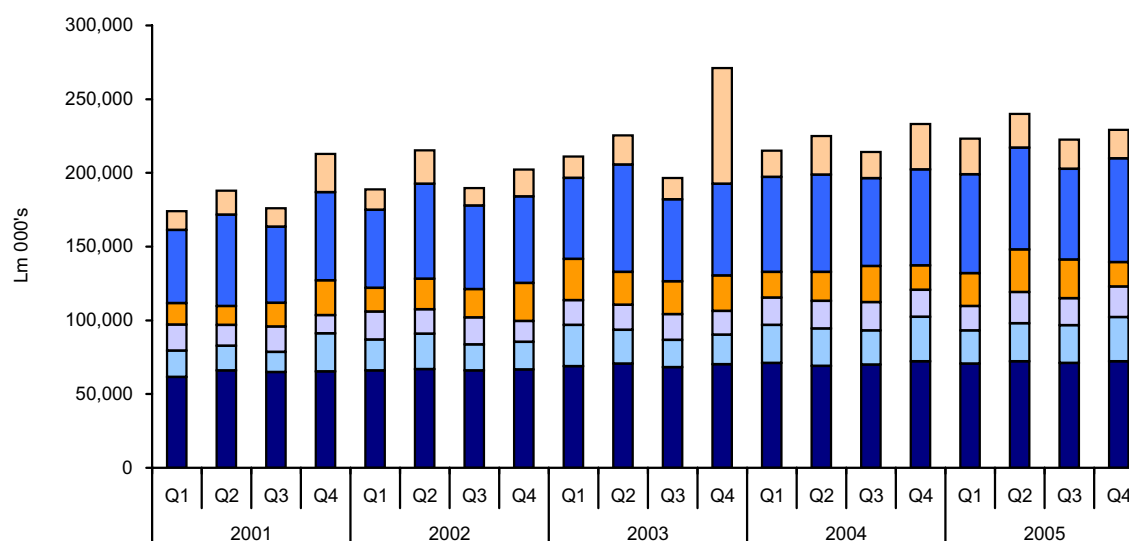
Source: National Statistics Office

Total General Government revenue for the fourth quarter of 2005 amounted to Lm266.4 million, an increase of Lm9.7 million, or 3.8 per cent compared to the fourth quarter of 2004. The main increases were reported under Taxes on Production and Imports (+Lm3.9 million or 5.0 per cent) due to higher revenue from VAT, and under Social Contributions Receivable (+Lm6.5 million or 13.8 per cent) and Current and Capital Transfers receivable (+Lm9.2 million or 45.2 per cent) due to higher revenue from EU funds and from the 5th Italian Protocol.

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

GOVERNMENT EXPENDITURE

Components of the General Government Sector's expenditure 2001-2005 Q4



■ compensation of employees	■ intermediate consumption
■ property income (incl interest)	■ gross capital formation
■ social benefits and social transfers in kind	■ other*

Year	Compensation of employees	Intermediate consumption	Property income, payable (incl interest)	Gross capital formation	Social benefits and social transfers in kind	Other*	Total expenditure	
Lm000's								
2001	257,704	73,853	61,568	67,227	222,901	67,624	750,878	
2002	265,227	81,540	67,693	82,293	232,497	66,952	796,202	
2003	277,623	89,619	67,307	96,670	245,420	127,395	904,034	
2004	282,014	104,930	74,385	78,332	254,923	92,829	887,413	
2005	285,929	103,863	76,645	94,292	267,982	86,317	915,028	
2004	Q1	70,939	25,944	18,537	17,453	64,315	17,825	215,014
	Q2	69,016	25,471	18,592	19,745	65,971	26,233	225,029
	Q3	69,922	23,229	19,059	24,531	59,629	17,768	214,138
	Q4	72,136	30,287	18,197	16,603	65,007	31,002	233,232
2005	Q1	70,537	22,622	16,411	22,443	67,001	24,302	223,315
	Q2	72,224	25,742	21,207	28,930	68,965	22,852	239,921
	Q3	71,028	25,529	18,286	26,274	61,676	19,814	222,607
	Q4	72,140	29,970	20,741	16,645	70,341	19,349	229,185

Data are based on ESA95 methodology and are consolidated.

Data are provisional.

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

Source: National Statistics Office

Total expenditure during the fourth quarter of 2005 amounted to Lm229.2 million, a decrease of Lm4.0 million, or 1.7 per cent over the fourth quarter of 2004.

The main decrease was due to the Other category (-Lm11.7 million or 37.6 per cent), resulting from lower expenditure on recurrent and capital transfers. On the other hand increases were reported under social benefits (+Lm5.3 million or 8.2 per cent) and property income payable (+Lm2.5 million or 14.0 per cent).

GOVERNMENT DEBT

General Government debt and debt guarantees

Lm 000's

Debt position of Central Government Sector (S.1311) (Including EBU's)						
		Domestic		Foreign		Total Central Government debt outstanding
		short-term	long-term	short-term	long-term	
2003	Q1	265,616	845,671	0	68,681	1,179,968
	Q2	289,716	854,585	0	90,227	1,234,528
	Q3	269,502	898,954	0	88,337	1,256,793
	Q4	287,549	930,479	0	86,010	1,304,038
2004	Q1	312,554	930,211	0	83,996	1,326,761
	Q2	318,512	977,498	0	82,661	1,378,671
	Q3	311,562	1,000,302	0	80,930	1,392,794
	Q4	285,221	1,029,487	0	79,259	1,393,967
2005	Q1	274,133	1,073,919	0	77,475	1,425,526
	Q2	251,121	1,108,093	0	76,253	1,435,468
	Q3	211,527	1,141,621	0	75,076	1,428,224
	Q4	223,473	1,142,043	0	73,555	1,439,071

Debt position of Local Government Sector (S.1313)						
		Domestic		Foreign		Total Local Government debt outstanding
		short-term	long-term	short-term	long-term	
2003	Q1	229	354	0	0	583
	Q2	206	416	0	0	622
	Q3	182	477	0	0	659
	Q4	158	538	0	0	696
2004	Q1	164	527	0	0	691
	Q2	171	516	0	0	686
	Q3	177	504	0	0	682
	Q4	187	493	0	0	681
2005	Q1	188	495	0	0	682
	Q2	188	496	0	0	684
	Q3	189	497	0	0	686
	Q4	189	499	0	0	688

Debt position of General Government Sector (S.13) and guaranteed debt							
		Domestic		Foreign		Total General Government debt outstanding	Outstanding balances on Government guaranteed debt
		short-term	long-term	short-term	long-term		
2003	Q1	265,845	846,025	0	68,681	1,180,551	344,159
	Q2	289,922	855,001	0	90,227	1,235,150	325,480
	Q3	269,684	899,431	0	88,337	1,257,452	324,085
	Q4	287,707	931,017	0	86,010	1,304,733	273,312
2004	Q1	312,718	930,738	0	83,996	1,327,452	265,722
	Q2	318,683	978,014	0	82,661	1,379,358	304,261
	Q3	311,739	1,000,806	0	80,930	1,393,476	305,034
	Q4	285,408	1,029,980	0	79,259	1,394,648	303,534
2005	Q1	274,320	1,074,413	0	77,475	1,426,209	299,907
	Q2	251,310	1,108,589	0	76,253	1,436,152	297,630
	Q3	211,716	1,142,118	0	75,076	1,428,910	327,378
	Q4	223,662	1,142,542	0	73,555	1,439,758	308,587

Notes:

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

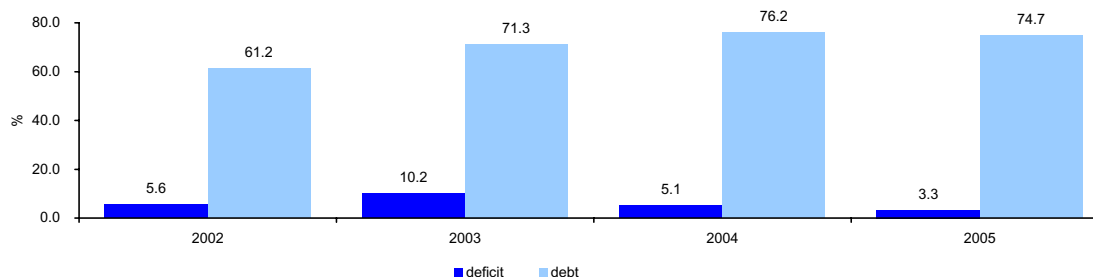
² All debt positions are consolidated between the different sub-sectors of general government.

³ As from Q4 2003, the debt assumption of the ex shipyards' loans has been included with the debt balances of Central Government.

⁴ Data are subject to revision.

GOVERNMENT DEFICIT AND DEBT

General Government deficit and debt as a % of GDP 2002-2005



Transition between Consolidated Fund deficit and General Government deficit

	2002	2003	2004	2005
Structural Deficit of Consolidated Fund Transactions	-87,675	-105,445	-94,018	-75,314
Adjustments to the Consolidated Fund:				
Loans granted (+)	9,539	4,095	0	0 ¹
Loans repayments (-)	0	-153	-114	-300 ²
Equities, acquisitions (+)	35	12	12	12 ³
Equities, sales (-)	0	0	0	0
Other financial transactions	-397	0	-1,458	-676 ⁴
Difference interest paid (+) and interest accrued (-)	361	-2,279	-1,545	-987 ⁵
Other accounts receivable (+) and payable (-)	3,760	-13,100	4,218	-5,363 ⁶
Net Borrowing (-) / Net Lending (+) of public entities forming part of Central Government	-15,189	-19,320	-2,798	11,857 ⁷
Other adjustments (+/-)				
Treasury Clearance Fund flows in deposits accounts	-127	748	-802	4,376
Treasury Clearance Fund flows in advance accounts	364	651	760	8,135
Treasury Clearance Fund flows in unallocated stores	2	106	17	1,085
Sinking Fund interests' received	0	1,756	1,905	1,769
Malta International Airport special dividend	-11,287	0	0	0
Malta Shipyards adjustment	0	-52,933	0	0
Adjustment Stock premium proceeds	0	0	0	-9,665
Adjustment of 3G Licenses	0	0	0	-4,889
Payables charged to the consolidated fund	0	0	0	6,938
Loan Write-off	0	0	0	-64
Debt Cancellation	0	0	0	-545
Privatisation expenses	0	0	0	-317
Net Borrowing (-) / Net Lending (+) of Central Government (S.1311)	-100,614	-185,861	-93,822	-63,948
Net Borrowing (-) / Net Lending (+) of Local Government (S.1313)	465	-534	200	202
Net Borrowing (-) / Net Lending (+) of General Government (S.13)	-100,149	-186,395	-93,622	-63,746
<i>as a % of GDP</i>	<i>5.6</i>	<i>10.2</i>	<i>5.1</i>	<i>3.3</i> ^{**}
General Government (S.13) Debt	1,100,541	1,304,733	1,394,648	1,439,758
<i>as a % of GDP</i>	<i>61.2</i>	<i>71.3</i>	<i>76.2</i>	<i>74.7</i> ^{**}

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

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

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

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

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

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

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

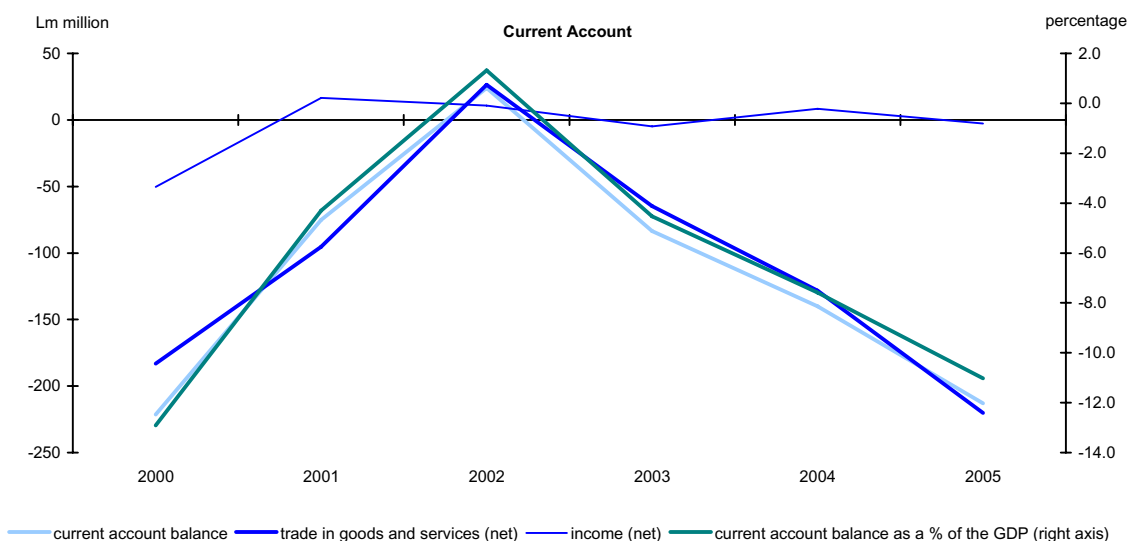
* Data for 2002 to 2003 is final. Data for 2004 to 2005 is half-finalised.

** GDP News Release No. 47/2006 dated 10th March 2006.

This table explains the transition from the structural deficit of the consolidated fund, to the deficit position for the General Government sector. At the end of 2005, the nominal General Government gross consolidated debt amounted to Lm1,439.8 million, or 74.7 per cent of the GDP, while the deficit for the year was of Lm63.7 million, or 3.3 per cent of GDP.

Malta reports its debt and deficit levels twice a year. The data on this sheet is extracted from the last update submitted to the Commission on 1st April 2006.

BALANCE OF PAYMENTS



Current Account balance

Lm thousand

	Trade in goods and services (net)			Income (net)	Transfers (net)			Current Account Balance	Gross Domestic Product *	Balance as a % of the GDP
	Goods	Services	Total		Government	Other	Total			
2000	-330,994	147,800	-183,194	-50,352	347	11,896	12,243	-221,303	1,713,464	-12.9
2001	-254,665	159,274	-95,391	16,509	3,595	74	3,669	-75,213	1,750,536	-4.3
2002	-154,247	180,685	26,438	10,695	3,152	-16,181	-13,029	24,104	1,821,241	1.3
2003	-259,148	194,397	-64,751	-4,866	8,927	-22,843	-13,916	-83,533	1,845,127	-4.5
2004 ^P	-327,211	198,932	-128,279	8,362	-688	-19,463	-20,151	-140,068	1,847,438	-7.6
2005 ^P	-417,735	197,520	-220,215	-2,804	7,355	2,627	9,982	-213,037	1,933,241	-11.0
2003 Q1	-65,798	8,810	-56,988	10,414	-492	-3,745	-4,237	-50,811	425,141	-12.0
Q2	-76,682	54,289	-22,393	-3,004	5,013	-3,094	1,919	-23,478	462,940	-5.1
Q3	-63,837	110,350	46,513	7,852	2,806	-6,255	-3,449	50,916	486,432	10.5
Q4	-52,831	20,949	-31,882	-20,128	1,600	-9,749	-8,149	-60,159	470,614	-12.8
2004 ^P Q1	-36,666	14,941	-21,725	1,777	2,222	-7,367	-5,145	-25,093	434,958	-5.8
Q2	-95,511	60,584	-34,927	27,824	561	-4,529	-3,968	-11,071	460,619	-2.4
Q3	-75,785	101,240	25,455	-28,198	-126	-1,735	-1,861	-4,604	483,407	-1.0
Q4	-119,249	22,167	-97,082	6,959	-3,345	-5,832	-9,177	-99,300	468,454	-21.2
2005 ^P Q1	-87,638	19,317	-68,321	11,938	-5,380	409	-4,971	-61,354	436,698	-14.0
Q2	-100,983	59,958	-41,025	-8,027	342	703	1,045	-48,007	483,976	-9.9
Q3	-100,564	98,350	-2,214	19,176	4,668	577	5,245	22,207	519,439	4.3
Q4	-128,550	19,895	-108,655	-25,891	7,725	938	8,663	-125,883	493,129	-25.5

^P provisional

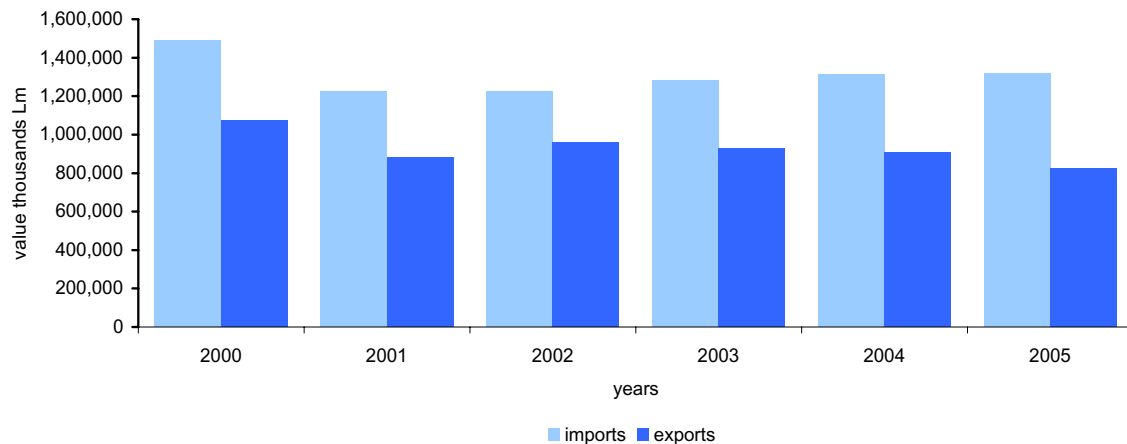
Provisional figures on the international economic and financial transactions of Malta for the last quarter of 2005 reveal a deterioration in the current account balance of Lm26.6 million, from a net deficit of Lm99.3 million during the December 2004 quarter to one of Lm125.9 million during the relative quarter in 2005.

Contributing towards this deterioration was essentially a turnaround in the net balance of the income account as well as an expansion in the visible trade gap of the goods account. In fact, the net balance in the income account worsened by Lm32.9 million, from a net surplus of Lm7.0 million during the fourth quarter of 2004 to a net deficit of Lm25.9 million during the December quarter in 2005; while that in the goods account deteriorated by Lm9.3 million, from a net deficit of Lm119.2 million during the last quarter of 2004 to one of Lm128.6 million during the corresponding quarter in 2005.

As a result, the ratio of the current account balance to the gross domestic product rose from a negative figure of 21.2 per cent during the December 2004 quarter to a negative value of 25.5 percent during the same quarter in 2005.

MERCHANDISE TRADE

Imports and total exports



Balance of trade

	Imports		Exports		Trade gap	
	Imports	% change over prev. year	Exports	% change over prev. year	Excess of imports over exports	% change over prev. year
2001	1,225,159	-17.9	880,648	-17.9	344,511	-18.0
2002	1,227,458	0.2	960,728	9.1	266,730	-22.6
2003	1,281,279	4.4	928,312	-3.4	352,967	36.2
2004 ^P	1,309,608	2.2	906,154	-2.4	403,454	14.3
2005 ^P	1,318,644	0.7	822,098	-9.3	496,546	23.1
2004 ^P Q1	312,880	1.7	235,753	6.7	77,127	-10.9
Q2	327,466	-1.7	223,770	-4.2	103,696	3.9
Q3	310,534	-2.8	222,077	-3.5	88,457	-1.1
Q4	358,728	11.8	224,554	-7.9	134,174	13.9
2005 ^P Q1	292,191	-6.6	186,864	-20.7	105,327	36.6
Q2	332,002	1.4	209,569	-6.3	122,433	18.1
Q3	318,163	2.5	204,314	-8.0	113,849	28.7
Q4	376,289	4.9	221,350	-1.4	154,939	15.5

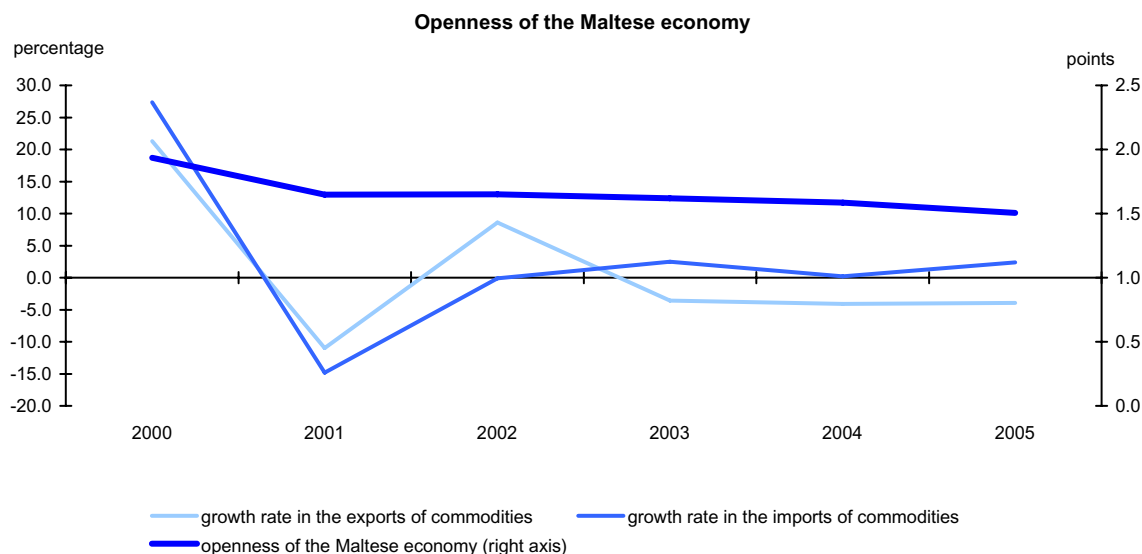
At the end of 2005, imports amounted to Lm1,318.6, showing a minimal increase of 0.7 per cent or Lm9.0 million over 2004. Exports stood at Lm822.1 million meaning Lm496.5 million or 23.1 per cent less than 2004.

The visible trade gap widened by Lm93.1 million or 23.1 per cent to Lm496.5 million.

During the last quarter of 2005, imports went up by Lm17.6 million or 4.9 per cent over the corresponding quarter of last year. Exports went down by Lm3.2 million, which amounts to 1.4 per cent.

The visible trade gap for the last quarter of 2005 stood at Lm154.9 million which is 15.5 per cent higher or Lm20.8 million than the corresponding quarter of 2004.

OPENNESS OF THE MALTESE ECONOMY



Openness of the Maltese economy

Lm thousand

Year	Exports of goods and services	12 month change (%)	Imports of goods and services	12 month change (%)	Gross Domestic Product (GDP)*	Openness of the Maltese economy
2000	1,567,403	21.3	1,750,597	27.4	1,713,464	1.9
2001	1,395,448	-11.0	1,490,839	-14.8	1,750,536	1.6
2002	1,515,694	8.6	1,489,256	-0.1	1,821,241	1.6
2003	1,461,294	-3.6	1,526,045	2.5	1,845,127	1.6
2004 ^P	1,401,125	-4.1	1,529,404	0.2	1,847,438	1.6
2005 ^P	1,345,765	-4.0	1,565,980	2.4	1,933,407	1.5
2004 ^P						
Q1	316,694	2.0	338,419	-7.9	434,958	1.5
Q2	357,753	-3.4	392,680	0.0	460,619	1.6
Q3	400,413	-7.8	374,958	-3.3	483,407	1.6
Q4	326,265	-5.8	423,347	12.0	468,454	1.6
2005 ^P						
Q1	278,403	-12.1	346,724	2.5	436,698	1.4
Q2	346,959	-3.0	387,984	-1.2	483,976	1.5
Q3	385,225	-3.8	387,439	3.3	519,605	1.5
Q4	335,178	2.7	443,833	4.8	493,129	1.6

^P provisional

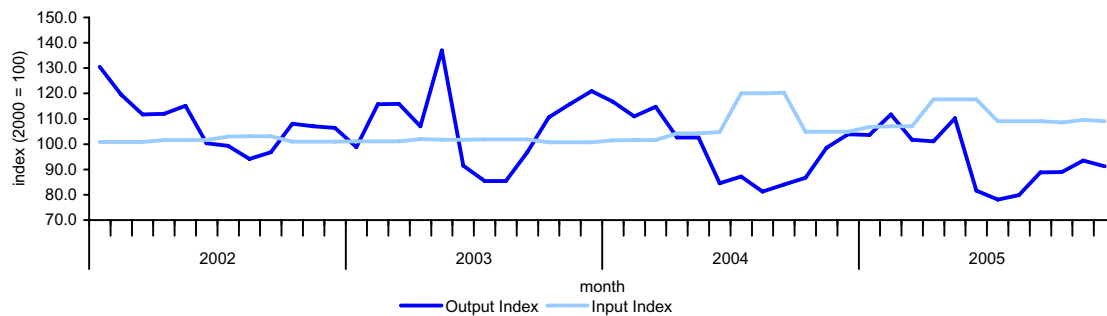
During the last quarter of 2005, the total Maltese exports of goods and services amounted to Lm335.2 million, an increase of Lm8.9 million or 2.7 percent over the total figure recorded during the relative quarter in 2004 of Lm326.3 million.

On the other hand, the total Maltese imports of goods and services recorded during the December 2005 quarter amounted to Lm443.8 million, a rise of Lm20.5 million or 4.8 percent over the total imports bill registered during the same period in 2004 of Lm423.3 million.

Notwithstanding the above increases, however, the degree of openness of the Maltese economy remained unvaried at the level recorded during the December 2004 quarter of 1.6 points.

AGRICULTURE

Producer price and input price index for agriculture:
January 2002 - December 2005



Producer price index (2000 = 100)

Year	All items	Potatoes	Fresh vegetables	Fresh fruit	Animals	Animal products
2000	100.00	100.00	100.00	100.00	100.00	100.00
2001	109.38	141.34	112.44	119.87	101.52	100.79
2002	110.29	138.67	120.99	112.07	99.55	102.13
2003	106.10	117.01	127.42	127.53	89.80	100.35
2004	98.84	98.07	108.97	97.51	91.28	100.46
2005	94.97	98.26	110.12	86.60	91.85	82.54
2004						
October	86.70	41.35	84.09	87.88	91.72	99.61
November	98.53	56.63	125.53	83.79	91.68	98.29
December	103.84	69.50	142.29	82.51	91.66	97.36
2005						
October	88.96	94.40	91.12	98.91	92.26	76.49
November	93.47	108.78	104.56	98.37	92.11	75.34
December	91.28	101.05	100.47	91.27	92.11	74.80

Agricultural input price index
(2000 = 100)

Year	All items	Goods and services consumed in agriculture	Machinery and investment
2000	100.00	100.00	100.00
2001	100.67	100.69	99.16
2002	101.73	101.76	99.50
2003	101.75	101.77	100.32
2004	107.86	107.96	101.44
2005	110.77	110.96	97.71
2004			
October	104.84	105.00	94.46
November	104.94	105.10	94.46
December	104.94	105.10	94.46
2005			
October	108.49	108.74	91.41
November	109.52	109.79	91.41
December	109.06	109.32	91.41

Annual percentage change in producer prices

Year	All items	Potatoes	Fresh vegetables	Fresh fruit	Animals	Animal products
2000	-	-	-	-	-	-
2001	9.38	41.34	12.44	19.87	1.52	0.79
2002	0.83	-1.89	7.60	-6.51	-1.94	1.33
2003	-3.80	-15.62	5.32	13.80	-9.79	-1.75
2004	-6.84	-16.19	-14.48	-23.54	1.64	0.11
2005	-3.92	0.19	1.05	-11.19	0.63	-17.84
2004						
October	-21.62	-74.05	-35.11	-22.32	1.75	-3.25
November	-15.01	-62.14	-18.33	-27.46	1.78	-3.54
December	-14.11	-39.10	-21.78	-39.76	1.75	-3.92
2005						
October	2.60	128.32	8.37	12.54	0.58	-23.21
November	-5.13	92.09	-16.70	17.40	0.47	-23.35
December	-12.10	45.40	-29.39	10.62	0.50	-23.17

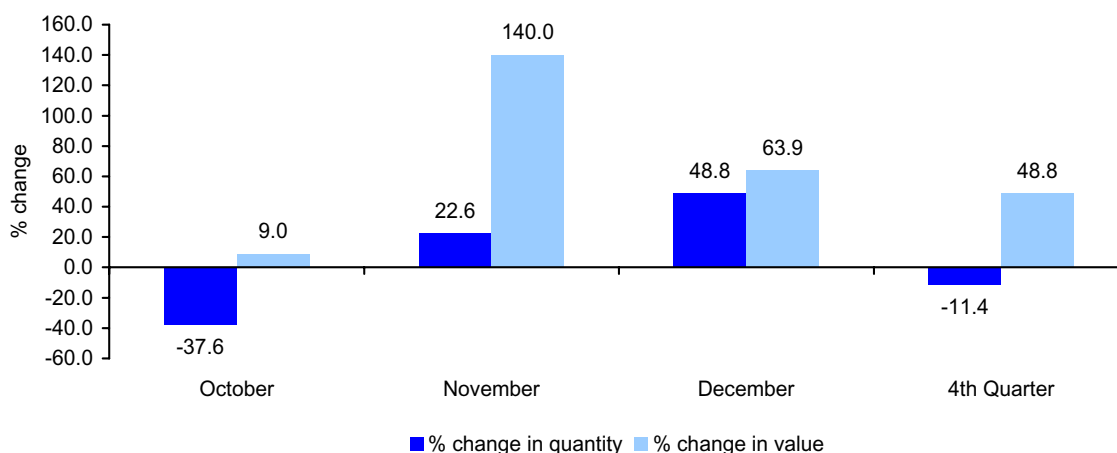
Annual percentage change in input prices

Year	All items	Goods and services consumed in agriculture	Machinery and investment
2000	-	-	-
2001	0.67	0.69	-0.84
2002	1.05	1.06	0.34
2003	0.03	0.01	0.82
2004	6.01	6.08	1.12
2005	2.69	2.78	-3.68
2004			
October	4.15	4.19	1.21
November	4.22	4.27	1.21
December	4.22	4.27	1.21
2005			
October	3.48	3.57	-3.23
November	4.36	4.47	-3.23
December	3.92	4.02	-3.23

The producer price index for agriculture in December 2005 stood at 91.28, or 12.10 per cent lower than in the same period last year. This decrease was mainly due to a decrease in the average prices of fresh vegetables when compared to the same month in 2004. The increase in the average prices of the main animals slaughtered pushed up the animals index by 0.5 per cent. The 'all-items' input price index increased by 3.92 per cent when compared to December in 2004. This was due to an increase in the average prices for 'goods and services' consumed in agriculture.

FISHERIES

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

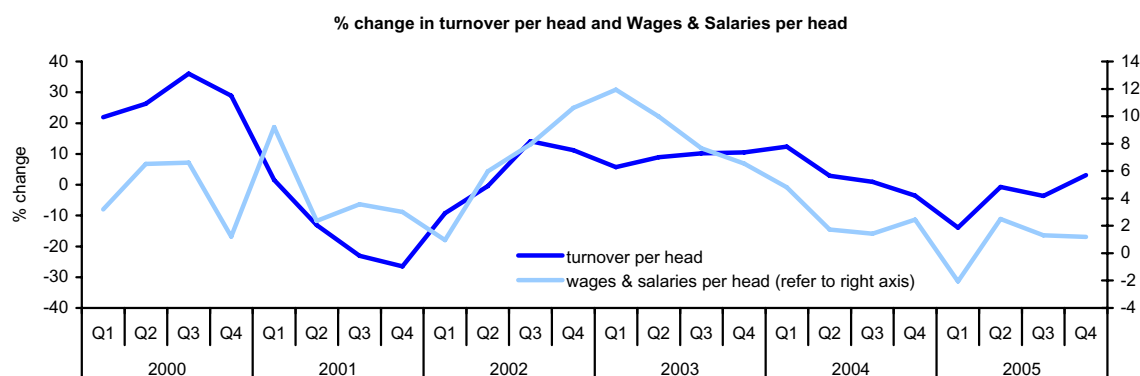
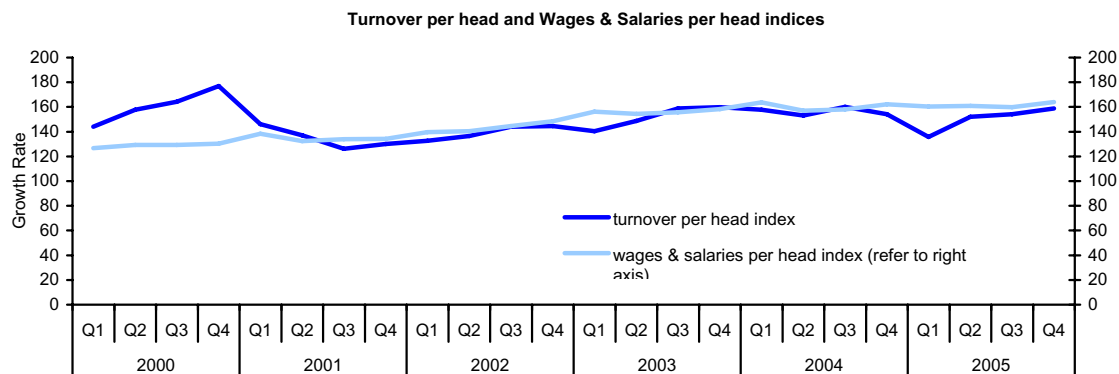


Fresh fish through organised market			Fresh fish index (1995 = 100)			
Year	Quantity / Kg	Value / Lm	Price index	Percentage annual change	Volume index	Percentage annual change
2000	987,294	1,858,433	133.29	27.56	106.65	-4.52
2001	841,289	1,587,036	142.28	6.74	90.88	-14.79
2002	940,864	1,798,869	137.89	-3.09	101.63	11.83
2003	1,070,219	1,831,623	129.52	-6.07	115.61	13.75
2004	1,067,822	1,826,101	118.98	-8.14	115.35	-0.22
2005	1,336,881	2,477,854	128.81	8.27	144.41	25.20
2004						
October	206,398	197,844	105.69	-13.43	144.92	49.20
November	68,175	78,061	117.58	4.32	47.87	-61.97
December	51,311	49,471	115.95	5.78	36.03	115.22
2005						
October	128,807	215,703	124.31	17.62	90.44	-37.59
November	83,608	187,368	148.59	26.38	58.70	22.64
December	76,359	81,085	119.18	2.78	53.61	48.82

The 4th quarter fresh fish price index stood at 119.18 points, 2.78 per cent higher than in December of 2004.

This increase was the result of higher unit prices for most of the species when compared to the same month in 2004. The fresh fish volume index increased by 48.82 per cent, from 36.03 points in December 2004 to 53.61 points in December 2005. This was due to an increase in the landings with the most noticeable increase being the Swordfish landings which registered an increase of 221.44 per cent.

MANUFACTURING INDUSTRY



Turnover and wages & salaries per head indices

	Turnover per head		Annual	Wages & Salaries per head		Annual
	Value	Index	% change	Value	Index	% change
2000	52,447	160.8	28.5	4,902	128.9	4.4
2001	43,996	134.9	-16.1	5,122	134.7	4.5
2002	45,496	139.5	3.4	5,446	143.2	6.3
2003	49,498	151.7	8.8	5,936	156.1	9.0
2004	50,977	156.3	3.0	6,091	160.2	2.6
2005 ^P	48,979	150.1	-4.0	6,133	161.3	0.7
2004 Q1	12,867	157.7	12.4	1,557	163.8	4.8
Q2	12,482	153.0	2.9	1,493	157.0	1.7
Q3	13,063	160.1	0.9	1,501	157.9	1.4
Q4	12,564	154.0	-3.6	1,540	162.1	2.4
2005 Q1	11,070	135.7	-14.0	1,525	160.4	-2.1
Q2	12,396	152.0	-0.7	1,530	161.0	2.5
Q3	12,584	154.3	-3.7	1,520	159.9	1.3
Q4 ^P	12,958	158.9	3.2	1,558	163.9	1.1

^P provisional

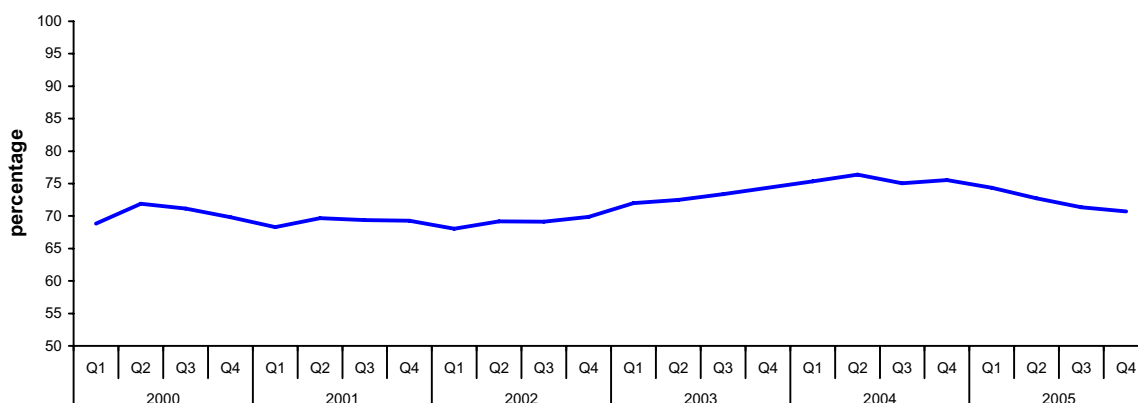
The base year used for the Turnover and Wages & salaries per head indices is the average for the whole year 1995 (1995=100). This series is not seasonally adjusted.

The Turnover per head index across the manufacturing industry during the fourth quarter 2005 stood at 158.9, registering an increase of 3.2% in percentage change when compared to 154.0 for the same period of 2004. On the other hand, a decrease of 4% in percentage change was registered when comparing the turnover per head indices 2004 and 2005.

When comparing the percentage change between the fourth quarters 2004 and 2005, in the wages and salaries per head index, an increase of 1.2% was registered.

MANUFACTURING CAPACITY UTILISATION

Capacity utilisation in manufacturing industry



Capacity utilisation in manufacturing industry

	Total capacity utilisation		Constraints to capacity utilisation								
	Capacity utilisation		Labour shortage		The market		Material shortage		Other reasons		
	%	12 month % change	Index	12 month % change	Index	12 month % change	Index	12 month % change	Index	12 month % change	
2000	70.1	1.6	59.7	4.4	101.2	-11.3	72.9	64.6	138.5	85.5	
2001	67.7	-3.4	41.3	-30.8	113.4	12.1	71.4	-2.1	81.4	-41.2	
2002	67.3	-0.3	32.7	16.4	114.7	-3.3	59.6	2.4	86.1	28.6	
2003	73.1	8.6	27.3	-16.4	115.4	0.6	59.4	-0.3	86.2	0.1	
2004	75.6	3.5	19.8	-27.5	116.3	0.8	51.0	-14.3	81.5	-5.4	
2005 ^P	72.3	-4.4	16.5	-16.5	121.4	4.4	47.1	-7.5	64.5	-20.9	
2003	Q1	72.0	5.8	26.9	-11.4	116.4	0.7	55.7	-19.4	82.0	5.0
	Q2	72.5	4.8	26.2	-6.6	114.9	-1.7	54.2	-15.9	92.2	23.4
	Q3	73.4	6.1	34.6	-1.0	109.8	-2.3	83.5	41.2	103.8	5.9
	Q4	74.4	6.5	32.3	-14.2	116.4	2.4	54.7	20.4	78.0	-17.1
2004	Q1	75.3	4.7	18.6	-31.0	115.1	-1.2	60.4	8.5	95.5	16.5
	Q2	76.4	5.3	24.3	-7.2	118.5	3.1	55.8	3.1	71.7	-22.3
	Q3	75.0	2.3	25.7	-25.7	117.8	7.3	35.5	-57.5	83.3	-19.8
	Q4	75.6	1.6	11.5	-64.4	119.3	1.1	53.5	-2.1	78.8	1.1
2005	Q1	74.3	-1.4	16.5	-11.1	120.5	4.7	45.6	-24.6	70.8	-25.9
	Q2	72.7	-4.7	16.4	-32.2	121.3	2.4	39.7	-28.8	68.2	-4.9
	Q3	71.4	-4.9	24.5	-4.5	120.2	2.1	50.8	43.2	63.1	-24.2
	Q4 ^P	70.7	-6.5	8.4	-26.5	123.7	3.7	52.4	-2.0	55.5	-29.6

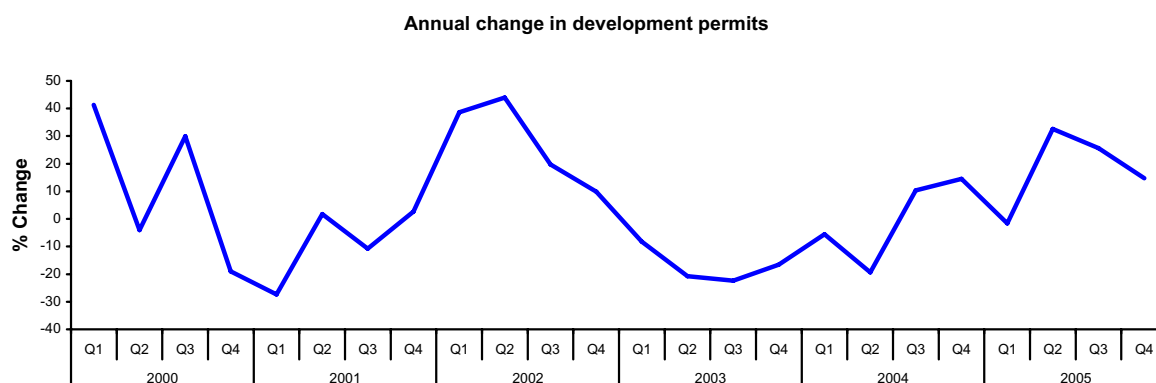
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The base year used for the indices for Constraints to Capacity Utilisation is the average for the whole year 1995 (1995 = 100)

Capacity utilisation in the manufacturing industry registered a decrease of 6.5 per cent from 75.6 per cent in the fourth quarter 2004 to 70.7 per cent for the same period 2005.

Throughout the whole time series, respondents indicated the Market as the main constraint for their capacity under utilisation. Though during the fourth quarter 2005 the labour shortage and material shortage constraints were still being pointed out, yet they had only reached 1.7% and 2.4% respectively of the total constraints indicated.

DEVELOPMENT PERMITS



Year	New dwellings*	Annual % change	Commercial	Annual % change	Other**	Annual % change	Total	Annual % change	
2000	1,410	11.7	670	9.1	3,445	9.8	5,525	10.2	
2001	1,299	-7.9	644	-3.9	3,060	-11.2	5,003	-9.4	
2002	1,422	9.5	878	36.3	4,116	34.5	6,416	28.2	
2003	1,336	-6.0	658	-25.1	3,289	-20.1	5,283	-17.7	
2004	1,423	6.5	657	-0.2	3,112	-5.4	5,192	-1.7	
2005	1,850	30.0	691	5.2	3,587	15.3	6,152	18.5	
2003	Q1	330	10.7	149	-29.4	830	-9.6	1,309	-8.3
	Q2	380	-6.6	214	-14.7	980	-26.3	1,574	-20.8
	Q3	361	-19.8	159	-40.7	907	-19.0	1,427	-22.4
	Q4	264	-1.1	135	-8.8	572	-23.6	971	-16.6
2004	Q1	360	9.1	156	4.7	721	-13.1	1,237	-5.5
	Q2	331	-12.9	147	-31.3	791	-19.3	1,269	-19.4
	Q3	427	18.3	199	25.2	948	4.5	1,574	10.3
	Q4	305	15.5	155	14.8	652	14.0	1,112	14.5
2005	Q1	350	-2.8	150	-3.8	693	-3.9	1,217	-1.6
	Q2	487	47.1	194	32.0	1,002	26.7	1,683	32.6
	Q3	597	39.8	226	13.6	1,154	21.7	1,977	25.6
	Q4	416	36.4	121	-21.9	738	13.2	1,275	14.7

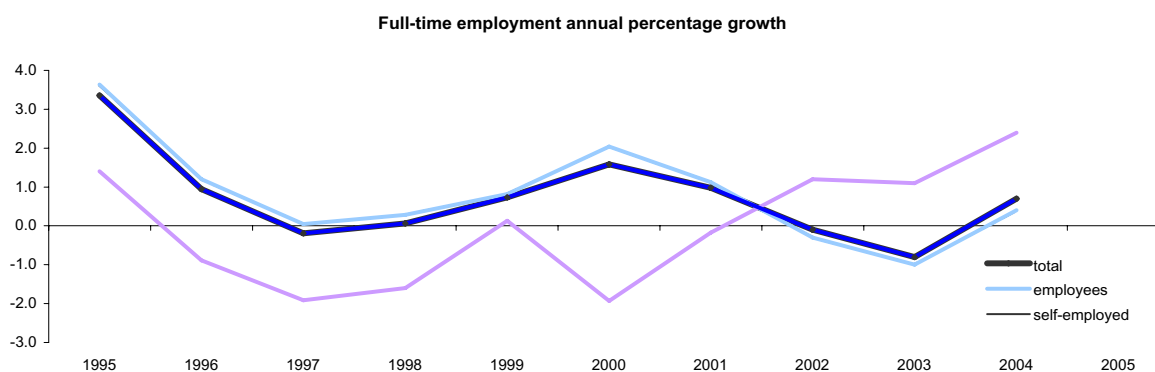
* (including by conversions)

** 'Other' includes: swimming pools; alterations and demolitions; permits relating to recreational and educational activities.

During the fourth quarter of 2005 the total development permits increased by 14.7 per cent to 1,275 from 1,112 for the same period of 2004. For the period under review, the new dwellings permits increased by 36.4 per cent, whilst the commercial permits registered a decrease of 21.9 per cent.

When comparing the total development permits issued during 2004 and 2005 an increase of 960 permits or 18.5 per cent was registered.

FULL-TIME EMPLOYMENT



Growth in full-time employment

Year	Total	Annual % change	Employees	Annual % change	Self-employed	Annual % change
2000	136,117	1.6	120,794	2.0	15,323	-1.9
2001	137,452	1.0	122,156	1.1	15,296	-0.2
2002	137,321	-0.1	121,841	-0.3	15,480	1.2
2003	136,234	-0.8	120,580	-1.0	15,654	1.1
2004	137,149	0.7	121,117	0.4	16,032	2.4
2004 January	136,059	-0.9	120,368	-1.3	15,691	2.0
February	136,201	-1.0	120,474	-1.4	15,727	2.2
March	136,346	-0.9	120,577	-1.3	15,769	2.3
April	136,650	-0.8	120,873	-1.1	15,777	2.1
May	137,242	-0.5	121,347	-0.8	15,895	1.7
June	137,548	-0.2	121,683	-0.4	15,865	2.1
July	138,229	-0.4	122,248	-0.7	15,981	2.1
August	138,177	0.1	122,153	-0.2	16,024	2.3
September	137,708	0.5	121,761	0.4	15,947	1.9
October	137,267	0.2	121,257	-0.1	16,010	2.3
November	137,402	0.7	121,377	0.4	16,025	2.4
December	137,149	0.7	121,117	0.4	16,032	2.4
2005 January	137,213	0.8	121,181	0.7	16,032	2.2
February	137,176	0.7	121,154	0.6	16,022	1.9
March	137,094	0.5	121,044	0.4	16,050	1.8
April	134,142	-1.8	118,079	-2.3	16,063	1.8
May	137,696	0.3	121,574	0.2	16,122	1.4
June	138,200	0.5	122,021	0.3	16,179	2.0
July	138,860	0.5	122,639	0.3	16,221	1.5
August	138,892	0.5	122,660	0.4	16,232	1.3
September	138,958	0.9	122,709	0.8	16,249	1.9
October	138,578	1.0	122,281	0.8	16,297	1.8
November	138,517	0.8	122,228	0.7	16,289	1.6
December						

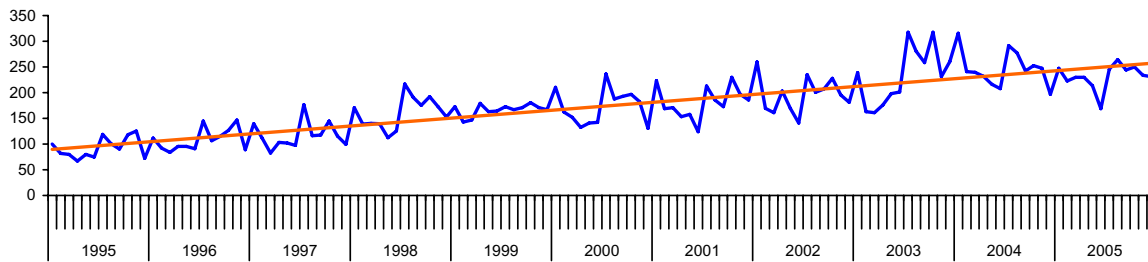
Shares in full-time employment

Year	Sectors	
	Private	Public
1996	62.0	38.0
1997	62.2	37.8
1998	62.6	37.4
1999	64.6	35.4
2000	64.7	35.3
2001	64.7	35.3
2002	64.9	34.3
2003	65.1	34.2
2004	66.7	33.3
2005	67.2	32.8

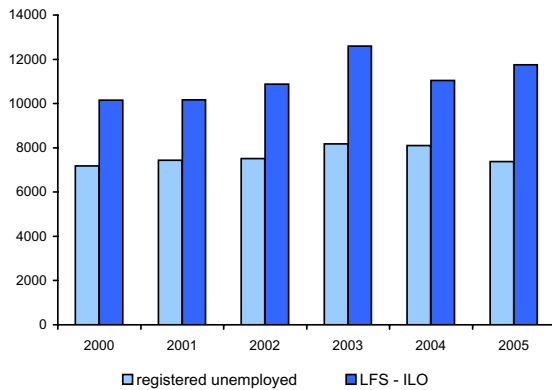
Over the past year the gainfully occupied population has increased by 0.8 per cent. The majority of the changes were recorded amongst employees over the same period between November 2004 and November 2005. Employment in the private sector continued to increase whereas engagement in the public sector showed an opposite trend.

REGISTERED UNEMPLOYMENT

Index of new unemployment registrants



Unemployment: registered and ILO



Index of applications made during the month

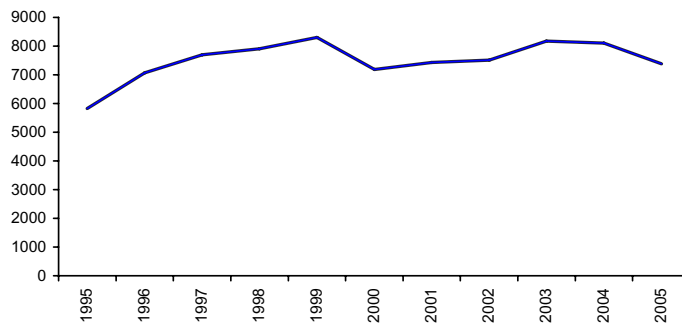
January 1995=100

Months	2000	2001	2002	2003	2004	2005	Annual % change
January	210.2	223.2	259.9	238.8	315.5	247.7	-21.5
February	162.4	168.8	169.4	162.7	240.8	222.6	-7.6
March	151.8	171.0	160.9	161.2	239.8	229.7	-4.2
April	132.3	153.1	203.6	175.7	232.0	229.7	-1.0
May	141.0	157.9	169.4	198.3	216.4	213.5	-1.3
June	142.5	124.0	140.7	201.0	207.7	169.1	-18.6
July	236.1	213.2	235.0	317.8	291.3	245.5	-15.7
August	187.8	185.6	200.7	280.4	277.4	264.4	-4.7
September	193.2	172.5	207.0	258.6	242.1	244.2	0.9
October	196.9	229.9	228.0	317.5	252.8	250.2	-1.0
November	182.2	196.6	195.7	231.3	247.7	234.0	-5.5
December	130.7	185.8	180.9	260.3	196.6	231.2	17.6

Registered unemployment

Year	Unemployed	rate (%)
2000	7,188	5.0
2001	7,433	5.1
2002	7,516	5.2
2003	8,175	5.7
2004	8,103	5.6
2004 January	8,794	6.1
February	8,830	6.1
March	8,420	5.8
Q1	8,681	6.0
April	8,339	5.8
May	8,104	5.6
June	7,942	5.5
Q2	8,128	5.6
July	8,131	5.6
August	7,953	5.4
September	8,140	5.6
Q3	8,075	5.5
October	8,172	5.6
November	8,125	5.6
December	8,103	5.6
Q4	8,133	5.6
2005 January	8,180	6.0
February	8,094	5.9
March	8,018	5.8
April	7,716	5.6
May	7,245	5.3
June	6,930	5.0
July	7,091	4.9
August	7,177	4.9
September	7,210	4.9
October	7,121	4.9
November	7,193	4.9
December	7,379	

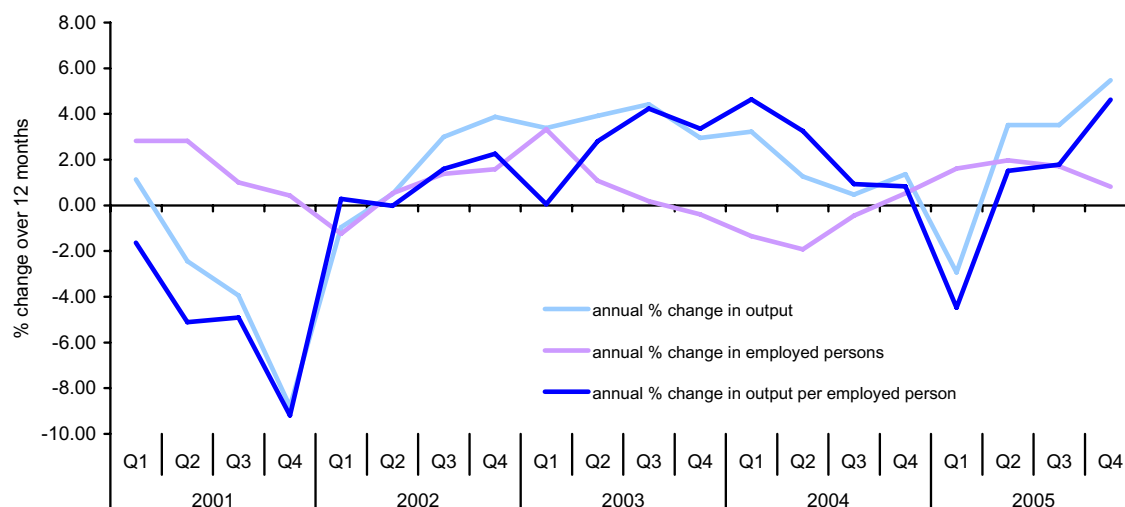
Registered unemployed



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

PRODUCTIVITY

Output, employment and productivity in the Maltese economy



Total Maltese Economy: Annual Productivity Changes

Year	Quarter	Annual % change in output	Annual % change in employed persons*	Annual % change in output per employed person
2001		-3.7	1.8	-5.3
2002		1.6	0.6	1.1
2003		3.7	1.0	2.6
2004		1.5	-0.8	2.3
2005		2.5	1.5	1.0
2004	Q1	3.2	-1.3	4.6
	Q2	1.3	-1.9	3.2
	Q3	0.5	-0.5	0.9
	Q4	1.4	0.5	0.8
2005	Q1	-2.9	1.6	-4.5
	Q2	3.5	2.0	1.5
	Q3	3.5	1.7	1.8
	Q4	5.5	0.8	4.6

Source: National Statistics Office

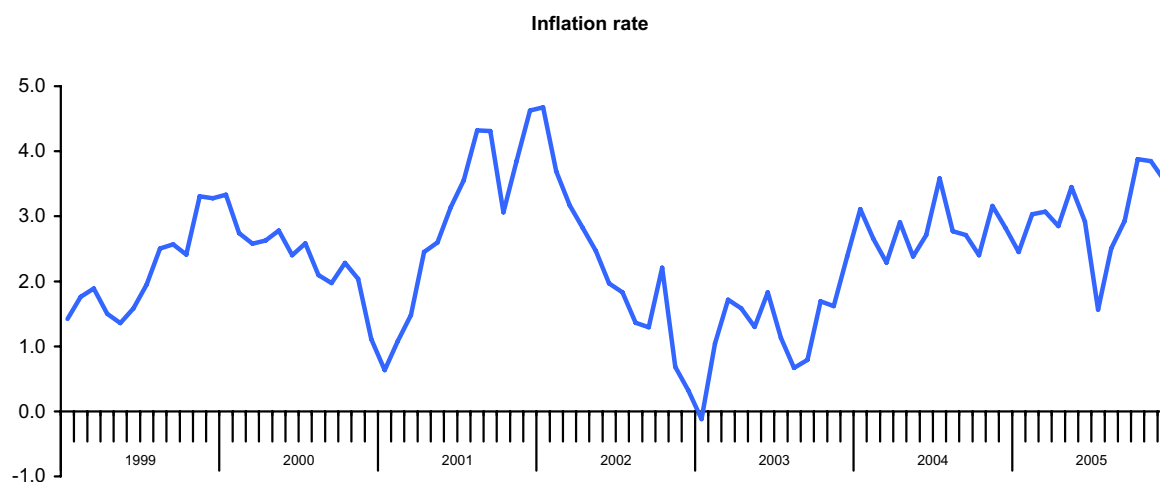
* employed persons represents the number of both full-time and part-time self-employed and employees

Productivity across the whole economy, measured by means of output per employed person (incorporating both full-time and part-time self-employed/employees) is estimated to have grown by 1.0 per cent in 2005, less than half the figure recorded for the previous year; this figure is comparable to that of 2002, which reversed the negative productivity growth observed at the beginning of the five-year period 2001-2005.

Productivity growth, with the exception of the first quarter of 2005, continued to exhibit significant positive values as experienced during 2004. In the fourth quarter of 2005, productivity growth more than doubled when compared with the preceding quarter. This was caused by the dual effect of the economy experiencing the highest quarterly output growth since the beginning of 2004, and a declining, but otherwise still markedly positive, change in employment.

For the economy as a whole, productivity growth has averaged slightly more than 1.6 per cent every quarter over the last eight quarters.

INFLATION



Year	Month	All items	Annual inflation	12-month moving average
2000		112.65	2.37	2.37
2001		115.95	2.93	2.93
2002		118.49	2.19	2.19
2003		120.03	1.30	1.30
2004		123.38	2.79	2.79
2004	January	121.76	3.11	1.57
	February	121.80	2.65	1.71
	March	122.31	2.29	1.75
	April	123.10	2.91	1.86
	May	122.87	2.38	1.95
	June	123.45	2.71	2.03
	July	124.07	3.58	2.23
	August	123.01	2.77	2.41
	September	123.38	2.71	2.57
	October	124.33	2.40	2.63
	November	125.05	3.16	2.75
	December	125.42	2.82	2.79
2005	January	124.74	2.45	2.74
	February	125.49	3.03	2.77
	March	126.07	3.07	2.83
	April	126.61	2.85	2.83
	May	127.11	3.45	2.92
	June	127.06	2.92	2.93
	July	126.01	1.56	2.77
	August	126.09	2.50	2.74
	September	126.99	2.93	2.76
	October	129.15	3.88	2.89
	November	129.87	3.85	2.94
	December	129.89	3.56	3.01

The 12-month moving average for 2005 was 3.01, an increase of 7.9% over 2004. The first five months of 2005 showed a constant increase, while during July and August the moving-average inflation decreased. The last four months of the year under review the moving average inflation picked up again to reach 3.01.

MONEY SUPPLY



Money supply

Lm thousands

	Narrow Money (M1)		Intermediate Money (M2)		Broad Money (M3)	
	Position at end of period	12 month change (%)	Position at end of period	12 month change (%)	Position at end of period	12 month change (%)
2001	1,282,933	6.8	2,481,141	10.0	2,481,141	10.0
2002	1,367,373	6.6	2,781,488	12.1	2,781,488	12.1
2003	1,490,948	9.0	2,849,218	2.4	2,849,244	2.4
2004	1,580,944	6.0	2,918,320	2.4	2,918,320	2.4
2005	1,670,062	5.6	3,041,584	4.2	3,041,584	4.2
2004 Q1	1,543,341	11.1	2,904,751	4.2	2,904,751	4.2
2004 Q2	1,578,989	8.6	2,939,288	3.4	2,939,288	3.4
2004 Q3	1,596,237	8.5	2,960,436	3.7	2,960,436	3.7
2004 Q4	1,580,944	6.0	2,918,320	2.4	2,918,320	2.4
2005 ^P Q1	1,585,664	2.7	2,925,283	0.7	2,925,283	0.7
2005 ^P Q2	1,641,173	3.9	2,979,359	1.4	2,979,359	1.4
2005 ^P Q3	1,647,800	3.2	3,004,044	1.5	3,004,044	1.5
2005 ^P Q4	1,670,062	5.6	3,041,584	4.2	3,041,584	4.2

^P provisional

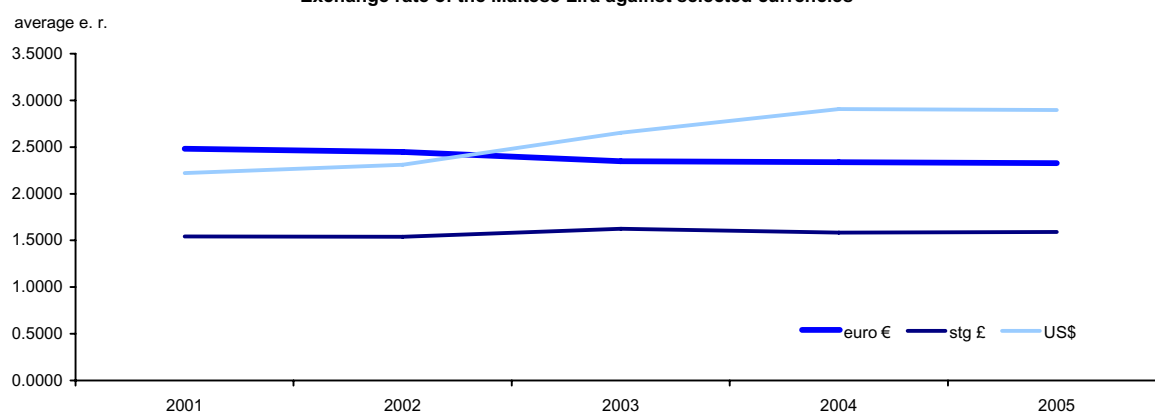
By the end of fourth quarter of 2005, the total narrow money supply M1 (which includes currency in circulation, demand deposits and savings deposits withdrawable on demand) stood at a total of Lm1,670.1 million. This implied an increase of 5.6 per cent over the money supply M1 registered by the end of the same quarter in 2004 of Lm1,580.9 million.

In addition, by the end of the last quarter of 2005, the intermediate money supply M2 (which includes M1, savings deposits redeemable at notice up to 3 months and time deposits with agreed maturity up to 2 years) reached a figure of Lm3,041.6 million; an increase of 4.2 percent over the figure recorded during the corresponding period in 2004 of Lm2,918.3 million.

Also, by the end of the December 2005 quarter, the broad money supply M3 (which includes M2, repurchase agreements and debt securities issued up to 2 years) amounted to Lm3,041.6 million. Indeed, this implied an increase of 4.2 per cent over the money supply M3 recorded during the fourth quarter of 2004 of Lm2,918.3 million.

EXCHANGE RATE

Exchange rate of the Maltese Lira against selected currencies



Average exchange rates of the Maltese Lira against major currencies

Lm1 is equivalent to...

	Euro	12 month change (%)	Stg £	12 month change (%)	US\$	12 month change (%)	Yen	12 month change (%)	Sfr	12 month change (%)
2000	2.4741	5.4	1.5080	-2.5	2.2855	-8.7	246.2671	-13.5	3.8529	2.6
2001	2.4815	0.3	1.5430	2.3	2.2226	-2.8	269.9722	9.6	3.7488	-2.7
2002	2.4468	-1.4	1.5378	-0.3	2.3100	3.9	288.8785	7.0	3.5899	-4.2
2003	2.3470	-4.1	1.6237	5.6	2.6543	14.9	307.3846	6.4	3.5683	-0.6
2004	2.3368	-0.4	1.5853	-2.4	2.9061	9.5	314.1912	2.2	3.6085	1.1
2005	2.3260	-0.5	1.5910	0.4	2.8959	-0.4	318.3459	1.3	3.6015	-0.2
2004 March	2.3443	-0.7	1.5723	-2.5	2.8775	12.6	313.5396	3.5	3.6762	6.0
June	2.3512	0.8	1.5608	-4.8	2.8537	4.8	312.2211	-3.1	3.5696	-0.6
September	2.3379	-0.3	1.5928	-2.5	2.8579	8.5	314.6597	4.0	3.6077	-0.6
December	2.3117	-0.5	1.6075	-1.4	3.1022	8.7	321.7288	4.6	3.5510	-1.7
2005 March	2.3162	-1.2	1.6044	2.0	3.0590	6.3	321.5978	2.6	3.5885	-2.4
June	2.3294	-0.9	1.5579	-0.2	2.8337	-0.7	307.9274	-1.4	3.5848	0.4
September	2.3294	-0.4	1.5788	-0.9	2.8532	-0.2	316.8772	0.7	3.6099	0.1
December	2.3294	0.8	1.5829	-1.5	2.7631	-10.9	327.0887	1.7	3.6070	1.6

During December 2005, the average exchange rate of the Maltese lira against the Euro stood at a level of one lira equivalent to 2.3294 Euro. This implied an appreciation of the lira against the Euro of 0.8 percentage points over the average exchange rate recorded during the relative month in 2004 of one lira equivalent to 2.3117 Euro.

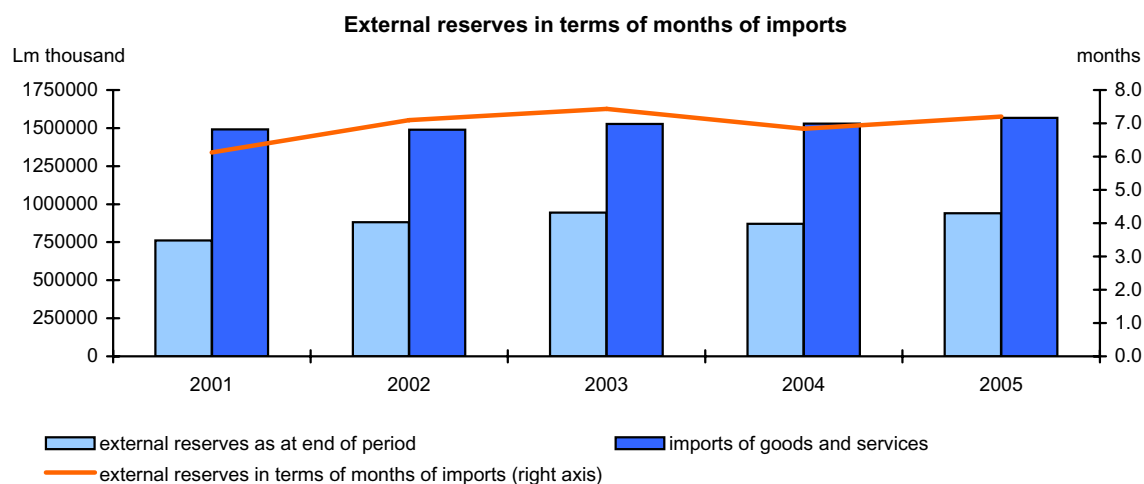
The average exchange rate of the lira against the sterling during December 2005 reached a level of one lira equivalent to 1.5829 sterling; a depreciation of 1.5 percentage points over the average exchange rate registered during December 2004 of one lira equivalent to 1.6075 sterling.

Likewise, the average exchange rate of the lira against the US dollar depreciated by 10.9 percentage points, from an average exchange rate of one lira equivalent to 3.1022 dollars during December 2004 to an average exchange rate of one lira equivalent to 2.7631 dollars during the comparable month in 2005.

On the contrary, the average exchange rate of the lira against the Yen during December 2005 stood at a level of one lira equivalent to 327.0887 Yen; an appreciation of 1.7 percentage points over the average exchange rate registered during the relative month in 2004 of one lira equivalent to 321.7288 Yen.

Similarly, the average exchange rate of the lira against the Swiss franc appreciated by 1.6 percentage points, from an average exchange rate of one lira equivalent to 3.5510 Swiss francs during December 2004 to an average exchange rate of one lira equivalent to 3.6070 Swiss francs during the same month in 2005.

EXTERNAL RESERVES



External reserves expressed in terms of months of imports

Lm thousand

Year		External reserves as at end of period ¹	12 month change (%)	Imports of goods and services	12 month change (%)	External Reserves in terms of months of imports
2000		644,144	-13.0	1,750,597	27.4	4.4
2001		760,429	18.1	1,490,839	-14.8	6.1
2002		880,847	15.8	1,489,256	-0.1	7.1
2003 ^P		944,608	7.2	1,526,045	2.5	7.4
2004 ^P		870,952	-7.8	1,529,404	0.2	6.8
2005 ^P		939,678	7.9	1,565,980	2.4	7.2
2004 ^P	Q1	939,942	6.3	338,419	-7.9	8.3
	Q2	908,648	-1.9	392,680	0.0	6.9
	Q3	937,992	-0.6	374,958	-3.3	7.5
	Q4	870,952	-7.8	423,347	12.0	6.2
2005 ^P	Q1	831,215	-11.6	346,724	2.5	7.2
	Q2	821,718	-9.6	387,984	-1.2	6.4
	Q3	910,688	-2.9	387,439	3.3	7.1
	Q4	939,678	7.9	443,833	4.8	6.4

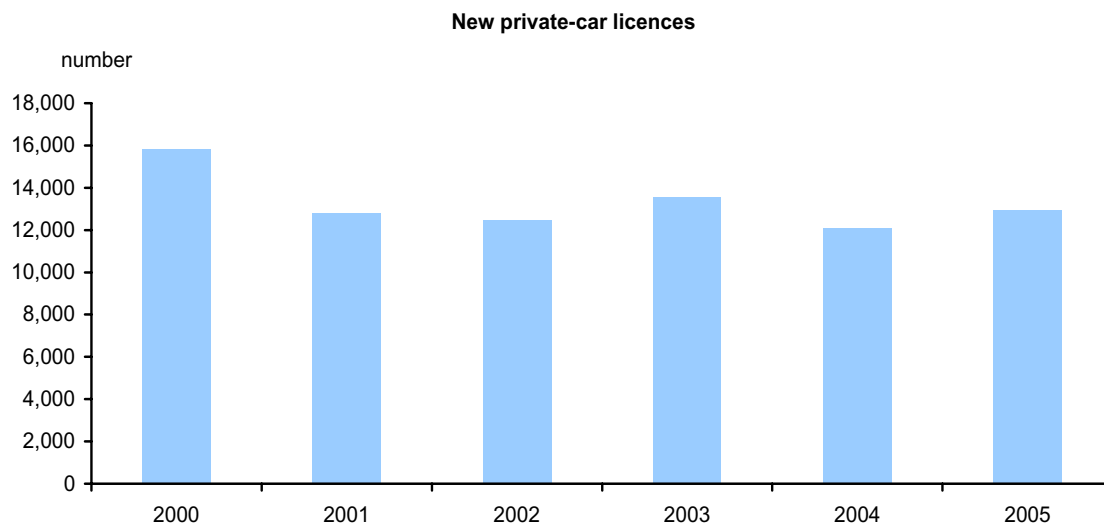
^P provisional

¹ Source: Central Bank of Malta

By the end of the fourth quarter of 2005, the reserve assets of the country rose by Lm68.7 million or 7.9 per cent, from a total of Lm871.0 million during December 2004 to one of Lm939.7 million during the comparable period in 2005.

As a result, the ratio of the external reserves of the country in terms of months of imports of goods and services rose from a level of 6.2 months of sustenance during December 2004 to one of 6.4 months of sustenance during the same month in 2005.

CAR LICENCES



New private-car licences

		Number	Annual % change
2000		15,822	-4.5
2001		12,784	-19.2
2002		12,484	-2.3
2003		13,559	8.6
2004		12,090	-10.8
2005		12,953	7.1
2004	Q1	2,936	6.2
	Q2	3,206	-7.8
	Q3	3,210	-12.5
	Q4	2,738	-24.9
2005	Q1	3,023	3.0
	Q2	3,521	9.8
	Q3	3,404	6.0
	Q4	3,005	9.8

During the fourth quarter 2005, the total number of newly private-car licences amounted to 3,005, an increase of 9.8 per cent over the same corresponding quarter.