

News Release

e-stats service



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Economic Indicators

With a view to furthering and facilitating analysis of the national economy, the National Statistics Office is presenting a set of indicators that highlights details of:

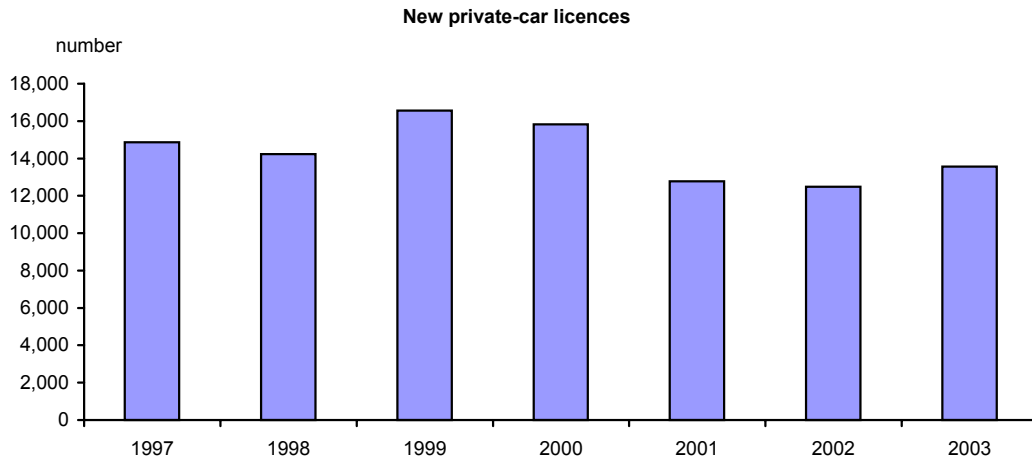
- nominal and real GDP growth;
- determinants of real GDP growth;
- GDP at factor cost and by industry;
- turnover, wage and salary indices;
- capacity utilisation in manufacturing;
- imports, exports and trade gap;
- agricultural producer and input price indices;
- fresh fish index;
- gross fixed capital formation;
- current account, exchange rates and external reserves;
- openness of the Maltese economy;
- government deficit, debt and expenditure;
- taxes and social contributions;
- employment and registered unemployment;
- inflation rates;
- development permits;
- car licences.

The set will be added to as new indicators become available. All indicators will be updated on a quarterly basis.

The monthly calendar of NSO News Releases may be consulted on the Office's website at www.nso.gov.mt

National Statistics Office
Library & Information Unit
Lascaris, Valletta CMR 02, Malta
Tel: (+356) 21239225, 25997219
Fax: (+356) 21249841
e-mail: nso@gov.mt
<http://www.nso.gov.mt>

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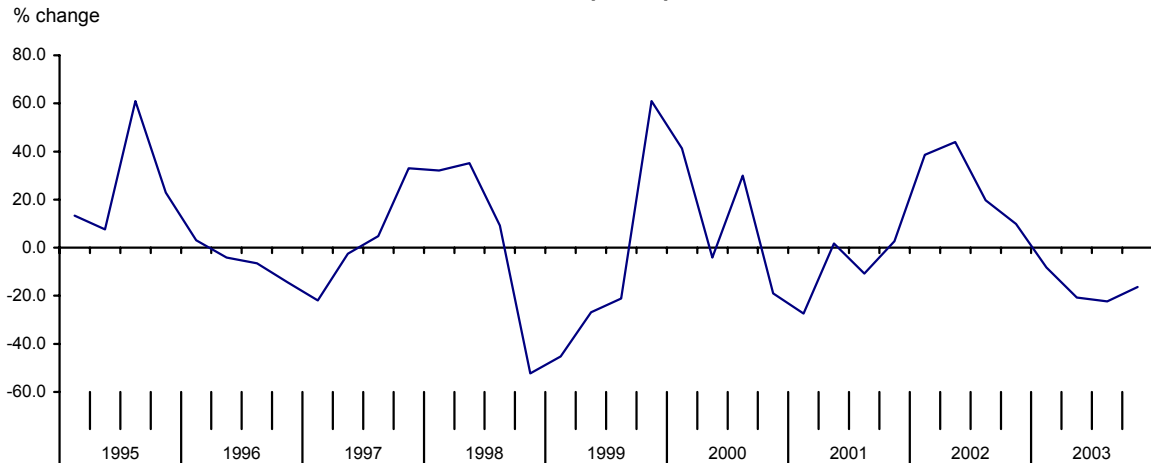


New licences for private cars

		Number	Annual % change
1997		14,858	
1998		14,233	-4.2
1999		16,566	16.4
2000		15,822	-4.5
2001		12,784	-19.2
2002		12,484	-2.3
2003		13,559	8.6
2002	Q1	2,944	-1.7
	Q2	3,251	-4.5
	Q3	3,406	-1.3
	Q4	2,883	-1.8
2003	Q1	2,764	-6.1
	Q2	3,479	7.0
	Q3	3,670	7.8
	Q4	3,646	26.5

In the fourth quarter 2003 there was an increase of 763 or 26.5 per cent in new car licensing over the same quarter last year. Moreover the annual change for 2003 resulted into an increase of 1,075 or 8.6 per cent in newly licensed motor vehicles over the previous year.

Growth in development permits



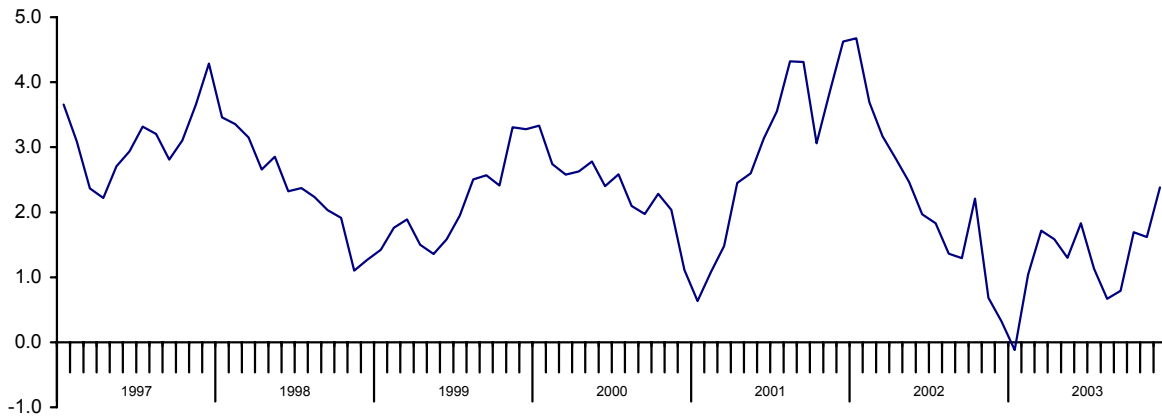
Year	New dwellings*	Annual % change	Commercial	Annual % change	Other**	Annual % change	Total	Annual % change	
1994	1,969		587		2,545		5,101		
1995	2,417	22.8	805	37.1	3,054	20.0	6,276	23.0	
1996	1,785	-26.1	641	-20.4	3,531	15.6	5,957	-5.1	
1997	1,807	1.2	556	-13.3	3,651	3.4	6,014	1.0	
1998	1,699	-6.0	616	10.8	3,920	7.4	6,235	3.7	
1999	1,262	-25.7	614	-0.3	3,138	-19.9	5,014	-19.6	
2000	1,410	11.7	670	9.1	3,445	9.8	5,525	10.2	
2001	1,299	-7.9	644	-3.9	3,060	-11.2	5,003	-9.4	
2002	1,422	9.5	878	36.3	4,116	34.5	6,416	28.2	
2003	1,336	-6.1	658	-25.1	3,289	-20.1	5,283	-17.7	
2002	Q1	298	17.8	211	48.6	918	44.8	1,427	38.7
	Q2	407	33.0	251	45.9	1,329	47.3	1,987	44.0
	Q3	450	-1.7	268	48.1	1,120	25.0	1,838	19.7
	Q4	267	-5.3	148	-0.7	749	19.3	1,164	9.9
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	265	-0.7	136	-8.1	572	-23.6	973	-16.4

* (Inc. by conversions)

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

During the four quarters of 2003 the total number of development permits fell by 8.3%, 20.8%, 22.4% and 16.4% respectively, when compared with the same periods last year. The new dwellings permits fell by 0.7% during the last quarter last year, when compared to quarter four 2002. For the same period under review the Commercial permits and Other permits decreased by 8.1% and 23.6% respectively.

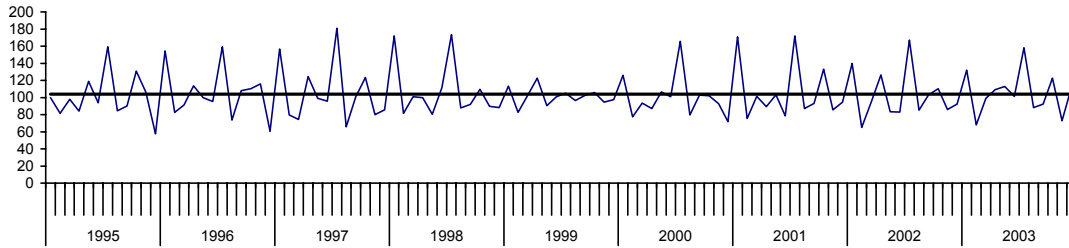
Inflation rate



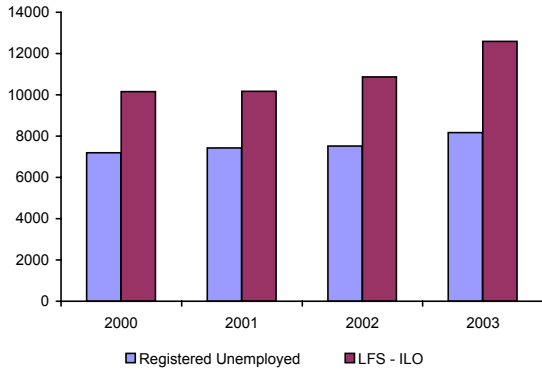
Year	Month	All items	Annual inflation	12-month moving average
1997		105.23	3.11	3.11
1998		107.74	2.39	2.39
1999		110.04	2.13	2.13
2000		112.65	2.37	2.37
2001		115.95	2.93	2.93
2002		118.49	2.19	2.19
2003		120.03	1.30	1.30
2002	January	118.23	4.67	3.27
	February	117.44	3.69	3.48
	March	117.55	3.17	3.62
	April	117.75	2.82	3.65
	May	118.47	2.46	3.64
	June	118.03	1.97	3.54
	July	118.44	1.83	3.39
	August	118.90	1.36	3.14
	September	119.18	1.29	2.89
	October	119.40	2.21	2.82
	November	119.29	0.68	2.55
	December	119.14	0.32	2.19
2003	January	118.09	-0.12	1.79
	February	118.66	1.04	1.58
	March	119.57	1.72	1.46
	April	119.62	1.59	1.36
	May	120.01	1.30	1.26
	June	120.19	1.83	1.25
	July	119.78	1.13	1.20
	August	119.70	0.67	1.14
	September	120.12	0.79	1.10
	October	121.42	1.69	1.05
	November	121.22	1.62	1.13
	December	121.98	2.38	1.30

For the first ten months of 2003 there was a decline in the 12-month moving average inflation rate. An increase was registered in the last two months of the year. Indices for January to December 2003 are linked with base 1995=100.

Index of new unemployment registrants



Unemployment: registered and ILO



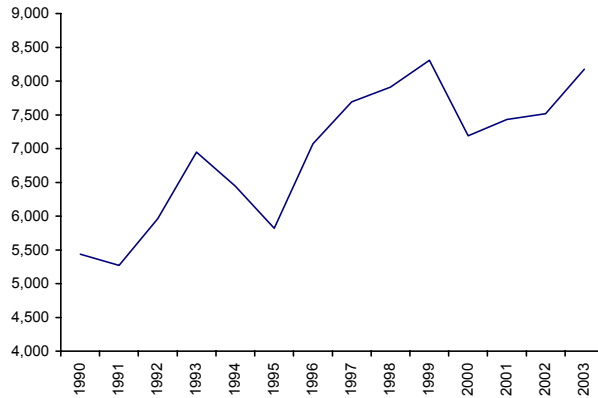
Index of new unemployment registrants
January 1995 = 100

Months	1999	2000	2001	2002	2003	Annual % change
January	113.4	126.1	170.7	139.9	132.0	-5.6
February	82.6	77.3	75.7	65.2	68.1	4.5
March	102.6	93.4	101.3	95.0	99.0	4.3
April	122.5	87.2	89.5	126.5	109.0	-13.8
May	90.6	106.6	103.2	83.2	112.9	35.6
June	101.0	101.1	78.6	83.0	101.4	22.1
July	105.1	165.7	171.9	167.0	158.1	-5.4
August	96.5	79.5	87.1	85.4	88.2	3.3
September	102.5	102.9	93.0	103.1	92.2	-10.6
October	105.7	101.9	133.2	110.2	122.8	11.5
November	94.6	92.6	85.5	85.8	72.8	-15.2
December	97.6	71.7	94.5	92.4	112.5	21.7

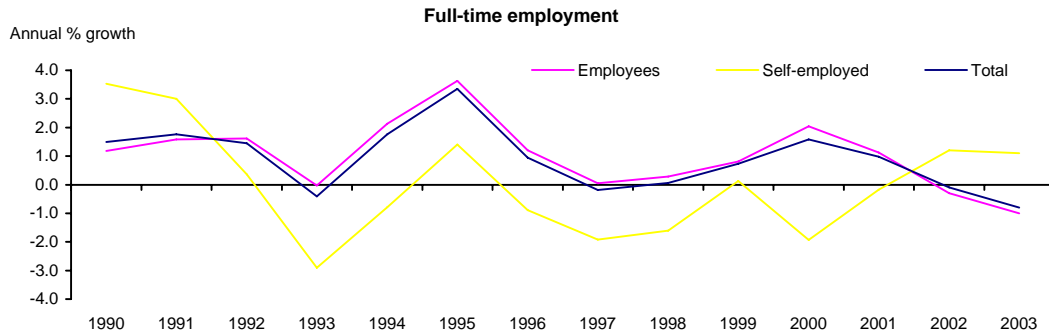
Registered unemployment

Year	Unemployed	rate (%)
1995	5,820	4.2
1996	7,072	5.0
1997	7,693	5.5
1998	7,910	5.6
1999	8,306	5.8
2000	7,188	5.0
2001	7,433	5.1
2002	7,516	5.2
2003	8,175	5.7
2002		
January	7,940	5.5
February	7,941	5.5
March	7,725	5.3
April	7,637	5.3
May	7,423	5.1
June	7,121	4.9
July	7,177	4.9
August	7,412	5.1
September	7,520	5.2
October	7,691	5.3
November	7,866	5.4
December	7,516	5.2
2003		
January	7,879	5.4
February	7,707	5.3
March	7,564	5.2
April	7,480	5.2
May	7,321	5.1
June	7,238	5.0
July	7,914	5.4
August	8,052	5.5
September	7,942	5.5
October	8,249	5.7
November	8,277	5.7
December	8,175	5.7

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 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.



Growth in total employment

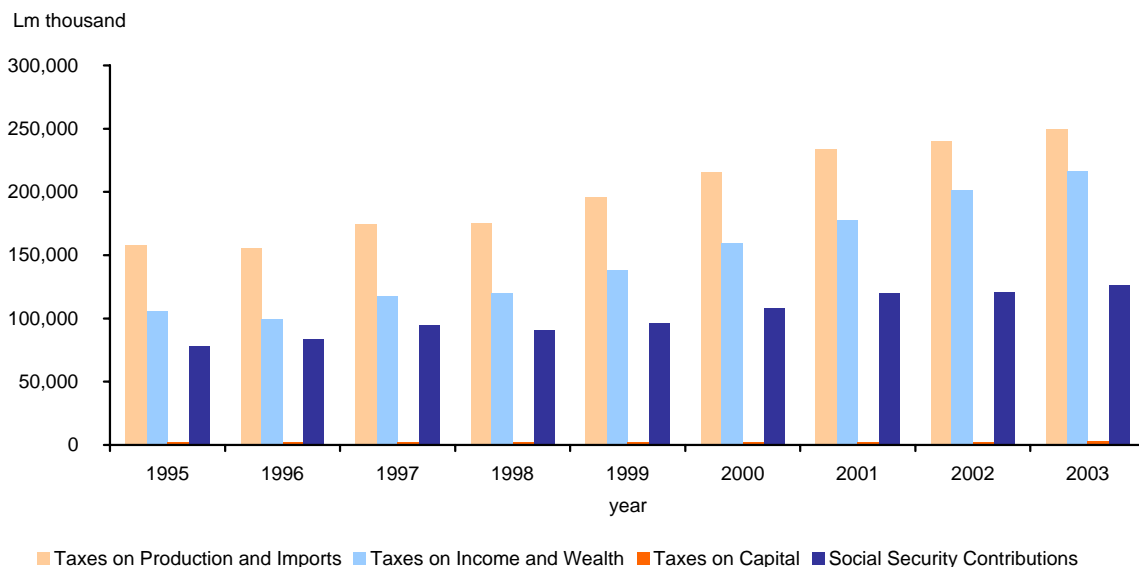
Year	Total	Annual % change	Employees	Annual % change	Self-employed	Annual % change
1994	127,668		111,580		16,088	
1995	131,950	3.4	115,636	3.6	16,314	1.4
1996	133,195	0.9	117,026	1.2	16,169	-0.9
1997	132,943	-0.2	117,084	0.0	15,859	-1.9
1998	133,024	0.1	117,419	0.3	15,605	-1.6
1999	134,001	0.7	118,376	0.8	15,625	0.1
2000	136,117	1.6	120,794	2.0	15,323	-1.9
2001	137,452	1.0	122,156	1.1	15,296	-0.2
2002	137,321	-0.1	121,841	-0.3	15,480	1.2
2003	136,234	-0.8	120,580	-1.0	15,654	1.1
2002 January	137,327	-0.1	122,065	0.0	15,262	-0.5
February	137,256	-0.3	121,985	-0.3	15,271	-0.4
March	136,862	-0.5	121,557	-0.6	15,305	-0.2
April	136,935	-0.7	121,565	-0.8	15,370	0.2
May	137,067	-0.7	121,624	-0.9	15,443	0.7
June	137,636	-0.7	122,163	-0.8	15,473	0.4
July	138,775	-0.4	123,316	-0.5	15,459	0.7
August	138,210	-0.7	122,758	-0.8	15,452	0.7
September	137,721	-0.4	122,249	-0.5	15,472	0.8
October	137,754	-0.5	122,267	-0.6	15,487	0.8
November	137,688	-0.3	122,183	-0.5	15,505	0.8
December	137,321	-0.1	121,841	-0.3	15,480	1.2
2003 January	137,362	0.0	121,982	-0.1	15,380	0.8
February	137,586	0.2	122,192	0.2	15,394	0.8
March	137,619	0.6	122,204	0.5	15,415	0.7
April	137,701	0.6	122,253	0.6	15,448	0.5
May	137,336	0.2	121,862	0.2	15,474	0.2
June	137,758	0.1	122,222	0.0	15,536	0.4
July	138,215	-0.4	122,562	-0.6	15,567	0.7
August	137,637	-0.4	121,984	-0.6	15,592	0.9
September	136,980	-0.5	121,327	-0.8	15,645	1.1
October	137,017	-0.5	121,364	-0.7	15,657	1.1
November	136,513	-0.9	120,860	-1.1	15,653	1.0
December	136,234	-0.8	120,580	-1.0	15,654	1.1

Shares in total employment

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

Since the mid-1990s, total full-time employment tended to go through a positive trend with exception of 1997 and 2002. However, there were differences between employees and self-employed in the direction of their trends. In contrast to employees, the self-employed underwent a more unsure course with many of the years reporting a negative balance. In the years under review, public sector employment was steadily in decline.

Breakdown of taxes and social contributions



Taxes and social contributions as a percentage of GDP

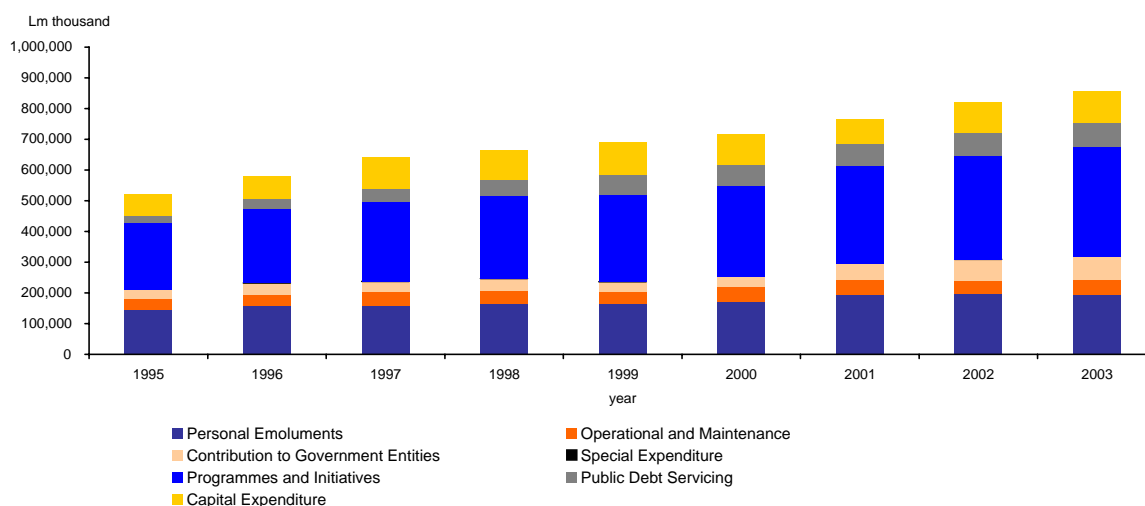
Year	Taxes on Production and Imports		Taxes on Income and Wealth		Taxes on Capital		Social Security Contributions		GDP at current market prices Lm000's
	Lm000's	%	Lm000's	%	Lm000's	%	Lm000's	%	
1995	157,792	13.8	105,795	9.2	1,856	0.2	77,687	6.8	1,145,524
1996	155,575	13.0	99,131	8.3	1,785	0.1	83,690	7.0	1,201,286
1997	174,246	13.5	117,340	9.1	2,137	0.2	94,886	7.4	1,288,219
1998	175,036	12.8	119,618	8.8	1,698	0.1	90,458	6.6	1,362,324
1999	195,881	13.5	138,222	9.5	1,816	0.1	96,202	6.6	1,456,099
2000	215,782	13.8	159,402	10.2	1,901	0.1	108,060	6.9	1,558,233
2001	233,457	14.3	177,277	10.9	1,982	0.1	119,393	7.3	1,630,373
2002	239,678	14.2	201,379	11.9	2,289	0.1	120,790	7.2	1,685,627
2003	249,202	14.6	216,593	12.7	2,681	0.2	125,645	7.3	1,712,165
2002 Q1	54,381	13.7	29,742	7.5	487	0.1	23,542	5.9	395,755
2002 Q2	57,488	13.7	47,094	11.2	657	0.2	29,962	7.1	420,560
2002 Q3	62,119	14.2	57,527	13.1	619	0.1	30,636	7.0	438,709
2002 Q4	65,690	15.3	67,016	15.6	526	0.1	36,650	8.5	430,602
2003 Q1	53,750	13.6	25,627	6.5	502	0.1	24,675	6.3	394,058
2003 Q2	57,837	13.5	52,861	12.3	621	0.1	31,891	7.4	429,462
2003 Q3	62,384	13.9	55,147	12.3	812	0.2	30,690	6.8	449,891
2003 Q4	75,232	17.1	82,958	18.9	746	0.2	38,389	8.7	438,754

GDP data for 2001, 2002 and 2003 are to be considered provisional

Source: Treasury (Government Revenue and Expenditure Data)

The total taxes and social contributions collected during 2003 amounted to Lm594.1 million, an increase of Lm30.0 million or 5.3 per cent on the total for 2002. The structure of the taxes and social contributions for 2003 comprises: taxes on production and imports (41.9%), taxes on income and wealth (36.5%), taxes on capital (0.5%) and social security contributions (21.1%). The total taxes and social contributions as a % of GDP at current market prices amounted to 34.7%. The main components under the heading 'taxes on production and imports' are the VAT, excise duties, levies, motor vehicle registration tax and the duty on documents. Taxes on income and wealth are basically made up of income tax. Social security contributions include the contributions paid by employees as well as by the self-employed. Taxes on capital include death and donation and property transfer duties.

Government expenditure categories



Government expenditure categories as a percentage of GDP

Year	Personal Emoluments		Operational and Maintenance		Contribution to Government Entities		Special Expenditure		Programmes and Initiatives		Public Debt Servicing		Capital Expenditure		Total Expenditure		GDP at Current Market Prices
	Lm000's	% of GDP	Lm000's	% of GDP	Lm000's	% of GDP	Lm000's	% of GDP	Lm000's	% of GDP	Lm000's	% of GDP	Lm000's	% of GDP	Lm000's	% of GDP	
1995	145,307	12.7	35,937	3.1	29,780	2.6	802	0.1	215,948	18.9	24,703	2.2	70,343	6.1	522,820	45.6	1,145,524
1996	157,369	13.1	36,037	3.0	37,601	3.1	858	0.1	243,529	20.3	29,803	2.5	73,527	6.1	578,722	48.2	1,201,286
1997	158,101	12.3	43,833	3.4	34,615	2.7	726	0.1	259,915	20.2	41,088	3.2	103,392	8.0	641,669	49.8	1,288,219
1998	163,611	12.0	43,775	3.2	38,701	2.8	562	0.0	269,744	19.8	52,758	3.9	96,847	7.1	665,998	48.9	1,362,324
1999	163,758	11.2	41,780	2.9	30,095	2.1	916	0.1	283,493	19.5	64,793	4.4	106,131	7.3	690,966	47.5	1,456,099
2000	170,782	11.0	50,014	3.2	29,942	1.9	660	0.0	298,439	19.2	67,841	4.4	98,552	6.3	716,230	46.0	1,558,233
2001	194,961	12.0	45,319	2.8	52,046	3.2	739	0.0	321,562	19.7	71,405	4.4	80,627	4.9	766,658	47.0	1,630,373
2002	196,482	11.7	43,201	2.6	69,132	4.1	611	0.0	336,570	20.0	75,657	4.5	97,672	5.8	819,324	48.6	1,685,627
2003	196,041	11.4	45,451	2.7	75,789	4.4	550	0.0	359,824	21.0	75,781	4.4	103,969	6.1	857,405	50.1	1,712,165
2002 Q1	48,497	12.3	12,877	3.3	13,333	3.4	74	0.0	69,154	17.5	18,292	4.6	22,345	5.6	184,572	46.6	395,755
Q2	49,457	11.8	13,256	3.2	19,243	4.6	181	0.0	89,535	21.3	20,232	4.8	26,267	6.2	218,171	51.9	420,560
Q3	49,194	11.2	9,870	2.2	14,624	3.3	109	0.0	81,579	18.6	16,792	3.8	22,351	5.1	194,519	44.3	438,709
Q4	49,334	11.5	7,195	1.7	21,932	5.1	250	0.1	96,303	22.4	20,341	4.7	26,709	6.2	222,064	51.6	430,602
2003 Q1	48,713	12.4	15,951	4.0	16,836	4.3	168	0.0	77,370	19.6	15,260	3.9	32,468	8.2	206,766	52.5	394,058
Q2	49,770	11.6	12,480	2.9	21,312	5.0	96	0.0	99,255	23.1	22,627	5.3	26,529	6.2	232,071	54.0	429,462
Q3	48,100	10.7	7,745	1.7	18,500	4.1	135	0.0	82,966	18.4	17,131	3.8	25,182	5.6	199,756	44.4	449,891
Q4	49,458	11.3	9,275	2.1	19,142	4.4	151	0.0	100,232	22.8	20,763	4.7	19,791	4.5	218,812	49.9	438,754

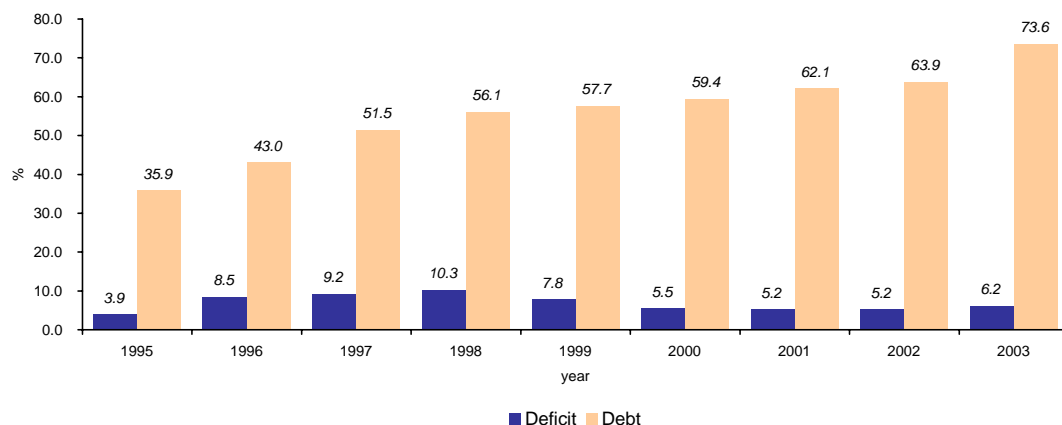
Figures may not add up due to rounding

GDP data for 2001, 2002 and 2003 are to be considered provisional

Source: Treasury (Government Revenue and Expenditure Data)

Personal Emoluments during 2003 amounted to Lm196.0 million, which is by and large on the same level as 2002. The outlay for 2003 does not include personal emoluments within the Culture and the Arts and the Museums votes, as well as the Mount Carmel Hospital Cost Centre and the wages element of the agriculture Public Private Initiative. As from 2003 these are being reported under different expenditure categories. Expenditure under the Operational and Maintenance Expenditure category for 2003 amounted to Lm45.4 million, representing an increase of Lm2.2 million over the 2002 outlay of Lm43.2 million. While at Lm0.6 million expenditure under the Special Expenditure category was more or less equal during both years. The expenditure under the Programs and Initiative category registered a year on year increase of Lm23.2 million, with the major increase being reported within the Social Security Benefits (+Lm10.2 million). Due to the creation of new government entities, the expenditure under the Contribution to Government Entities category during 2003 amounted to Lm75.8 million, up from the corresponding 2002 figure of Lm69.1 million. While the interest portion of the public debt-servicing costs decreased by Lm0.8 million, capital expenditure went up by Lm6.3 million to Lm104.0 million. Within this category, the outlay on the Mater Dei Hospital project during 2003 amounted to Lm27.8 million.

Central Government Deficit & Debt as a % of GDP



Government finance data as a percentage of GDP

		1995	1996	1997	1998	1999	2000	2001	2002	2003
GDP AT CURRENT MARKET PRICES	Lm000	1,145,524	1,201,286	1,288,219	1,362,324	1,456,099	1,558,233	1,630,373	1,685,627	1,712,165
Total Revenue	Lm000	520,506	541,502	684,781	659,112	721,852	642,302	797,421	770,957	873,487
Less Loans	Lm000	33,155	73,222	170,558	110,000	84,000	0	106,823	10,563	132,129
Less Sale of Shares	Lm000	14,586	9	115	35,386	73,291	12,000	0	27,341	0
Less Other Extraordinary Receipts	Lm000	0	0	0	0	2,227	12,650	21,977	13,250	2,137
Net Revenue	Lm000	472,764	468,271	514,108	513,727	562,334	617,652	668,621	719,803	739,221
As % of GDP	%	41.3	39.0	39.9	37.7	38.6	39.6	41.0	42.7	43.2
Total Expenditure	Lm000	522,820	578,722	641,669	665,998	690,966	716,230	766,658	819,324	857,405
Less Cont. to sinking fund	Lm000	5,367	7,155	7,963	11,319	13,801	12,252	11,730	10,900	12,288
Less direct loan repayment	Lm000	483	906	868	840	900	1,148	1,015	947	451
Net Expenditure	Lm000	516,971	570,661	632,838	653,840	676,265	702,831	753,913	807,477	844,666
As % of GDP	%	45.1	47.5	49.1	48.0	46.4	45.1	46.2	47.9	49.3
CENTRAL GOVT. DEFICIT	Lm000	44,206	102,390	118,730	140,113	113,931	85,178	85,293	87,675	105,445
As % of GDP	%	3.9	8.5	9.2	10.3	7.8	5.5	5.2	5.2	6.2
CENTRAL GOVT. DEBT	Lm000	410,790	516,843	663,798	763,595	839,853	924,966	1,012,691	1,076,961	1,259,605
As % of GDP	%	35.9	43.0	51.5	56.1	57.7	59.4	62.1	63.9	73.6

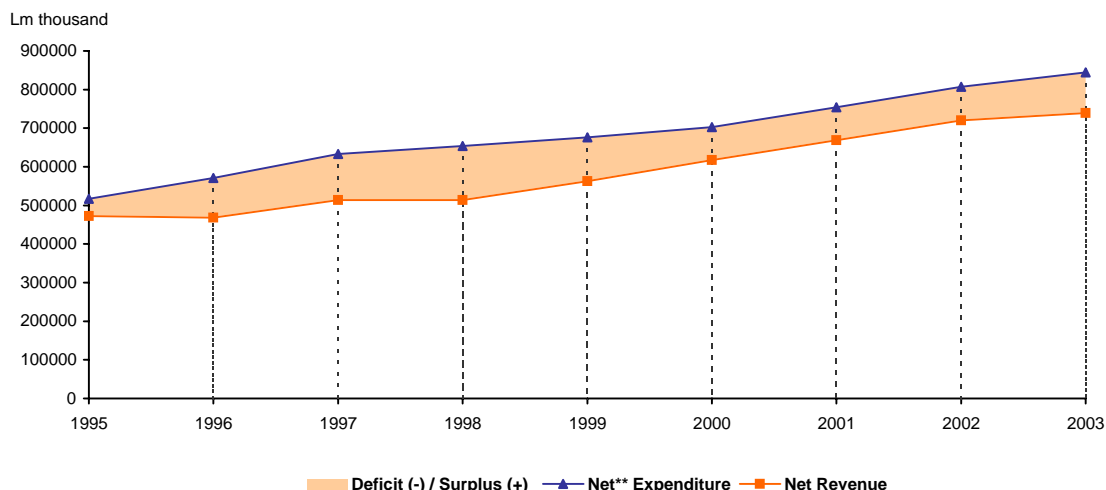
GDP data for 2001, 2002 and 2003 are to be considered provisional

Source: Central Bank of Malta (Government Debt Position)

Treasury (Government Revenue and Expenditure Data)

The Central Government's debt position at the end of 2003 totalled Lm1,259.6 million, an increase of Lm182.6 million or 17.0 per cent, from the Lm1,077.0 million outstanding on the 31st December 2002. This includes the debt assumption as determined by Act No. XV of 2003 on the restructuring exercise of the ex-Malta Drydocks Corporation and the ex-Malta Shipbuilding. The ratio of Government's debt against GDP for 2003 reads 73.6 per cent. This debt was made up of treasury bills (Lm232.3 million), Malta Government Stocks (Lm913.0 million), foreign borrowing (Lm72.6 million) and debt assumptions (Lm41.8 million). Government guaranteed debt at the end of 2003 amounted to Lm315.0 million. The Central Government's deficit, that is the shortfall between recurrent revenue and total expenditure (excluding the contribution to the sinking fund in respect of local and foreign loans and direct repayment of loans), for 2003 was of Lm105.4 million and made up 6.2 per cent of the GDP. The deficit figure represented an increase of Lm17.8 million or 20.1 per cent from a deficit of Lm87.7 million registered in 2002. The debt and deficit figures reported in this series of Government Finance indicators are exclusive to Central Government data, and are not strictly comparable to the Maastricht Criteria (which includes also the extended Government i.e. local councils and extra budgetary units).

Government finance data



Government Finance Data: Annual and Quarter Changes

Year	Total Revenue	Annual Change	Net Revenue	Annual Change	Total Expenditure	Annual Change	Net** Expenditure	Annual Change	Deficit (-) / Surplus (+)	Annual Change	Debt (*)
	Lm000's	%	Lm000's	%	Lm000's	%	Lm000's	%	Lm000's	%	Lm000's
1995	520,506	11.0	472,764	13.6	522,820	10.6	516,971	10.6	-44,206	-13.7	410,790
1996	541,502	4.0	468,271	-1.0	578,722	10.7	570,661	10.4	-102,390	131.6	516,843
1997	684,781	26.5	514,108	9.8	641,669	10.9	632,838	10.9	-118,730	16.0	663,798
1998	659,112	-3.7	513,727	-0.1	665,998	3.8	653,840	3.3	-140,113	18.0	763,595
1999	721,852	9.5	562,334	9.5	690,966	3.7	676,265	3.4	-113,931	-18.7	839,853
2000	642,302	-11.0	617,652	9.8	716,230	3.7	702,831	3.9	-85,178	-25.2	924,966
2001	797,421	24.2	668,621	8.3	766,658	7.0	753,913	7.3	-85,293	0.1	1,012,691
2002	770,957	-3.3	719,803	7.7	819,324	6.9	807,477	7.1	-87,675	2.8	1,076,961
2003	873,487	13.3	739,221	2.7	857,405	4.6	844,666	4.6	-105,445	20.3	1,259,605
2002 Q1	152,693	-13.0	152,693	5.0	184,572	4.2	184,565	4.2	-31,872	0.9	1,045,839
Q2	165,943	-12.7	165,943	2.0	218,173	13.9	212,531	14.9	-46,589	109.0	1,049,648
Q3	205,967	14.2	186,920	17.8	194,518	4.7	194,066	4.4	-7,147	-73.6	1,042,666
Q4	246,354	-2.0	214,248	6.2	222,062	4.7	216,315	5.0	-2,068	-51.9	1,076,961
2003 Q1	173,279	13.5	149,152	-2.3	206,766	12.0	206,766	12.0	-57,613	80.8	1,133,806
Q2	205,519	23.8	169,803	2.3	232,071	6.4	225,876	6.3	-56,073	20.4	1,187,096
Q3	222,051	7.8	177,627	-5.0	199,756	2.7	199,756	2.9	-22,130	209.6	1,209,021
Q4	272,638	10.7	242,638	13.3	218,812	-1.5	212,268	-1.9	30,371	-1,568.6	1,259,605

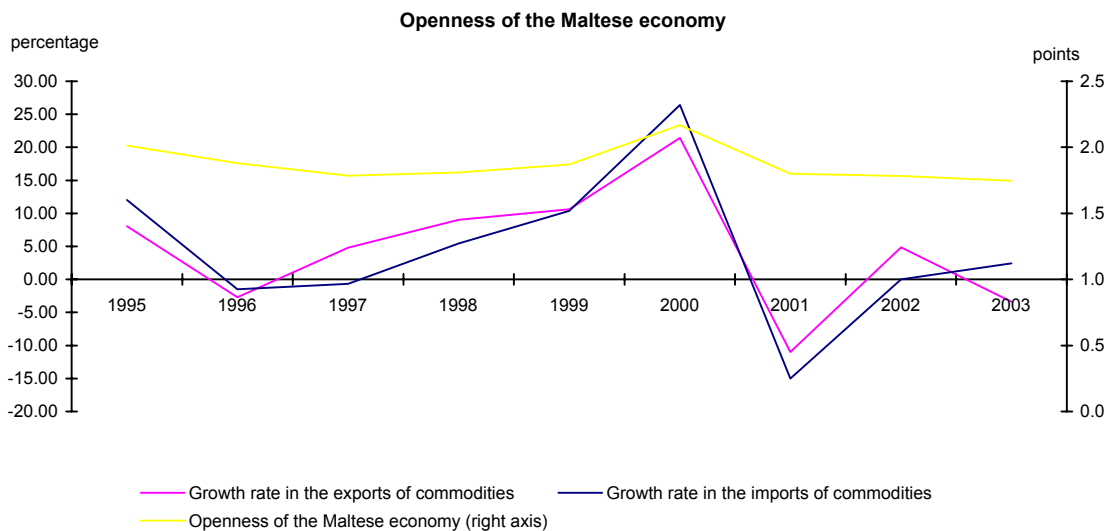
* Position at end of period.

** Made up of total expenditure less contribution to the Sinking Fund in respect of local and foreign loans and less direct repayment of loans.

Source: Central Bank of Malta (Government Debt Position)

Treasury (Government Revenue and Expenditure Data)

During the course of 2003, net (or recurrent) revenue amounted to Lm739.2 million, a year on year increase of almost Lm19.4 million or 2.7 per cent. Although one-off revenues arising out of the part-privatization of the Malta International Airport amounting to Lm21.0 million were not repeated in 2003, increases were registered under Income Tax (+Lm15.0 million), Social Security Contributions (+Lm7.3 million), Customs and Excise Duties (+Lm1.8 million), Licences, Taxes and Fines (+Lm3.2 million), VAT (+Lm6.4 million), Rents (+Lm1.1 million), and Miscellaneous Receipts (+Lm1.5 million). Total Expenditure during 2003 was of Lm857.4 million, an increase of Lm38.1 million or 4.7 per cent over the Lm819.3 million expended one year earlier. The structural deficit between recurrent revenue and total expenditure (excluding contribution to the Sinking Fund in respect of the local and foreign loans and direct loan repayment) during 2003 amounted to Lm105.4 million, an increase of Lm17.8 million from a deficit of Lm87.7 million for 2002. During 2003 the total stock of debt of Central Government increased by Lm182.6 million and the debt position at 31st December 2003 stood at Lm1,259.6 million. Following the assumption of debt by the Government as determined by Act No. XV of 2003, entitled the Dockyard and Shipbuilding Yard (Restructuring) Act, dated 25th November 2003, the loans of the ex-Malta Drydocks Corporation and of the ex-Malta Shipbuilding Co. Ltd are being included in the total.



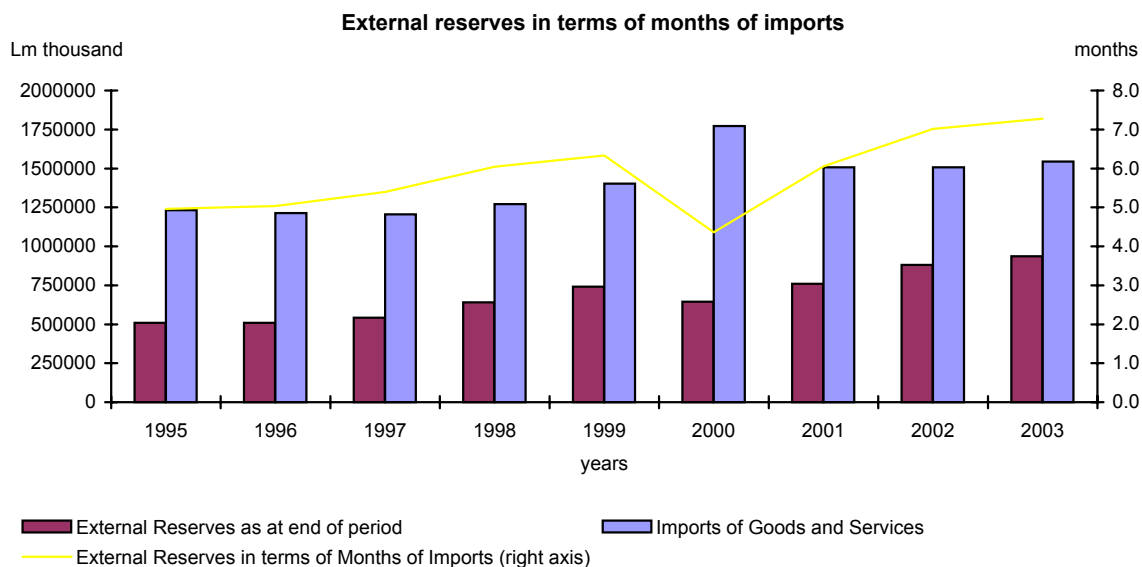
Openness of the Maltese Economy

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
1995	1,074,708	8.1	1,231,172	12.0	1,145,524	2.0
1996	1,045,593	-2.7	1,212,839	-1.5	1,201,286	1.9
1997	1,095,775	4.8	1,204,554	-0.7	1,288,219	1.8
1998	1,194,676	9.0	1,270,297	5.5	1,362,324	1.8
1999	1,321,307	10.6	1,402,167	10.4	1,456,099	1.9
2000	1,604,256	21.4	1,772,601	26.4	1,558,233	2.2
2001	1,428,122	-11.0	1,506,473	-15.0	1,630,373	1.8
2002 ^P	1,497,659	4.9	1,506,973	0.0	1,685,627	1.8
2003 ^P	1,446,747	-3.4	1,543,567	2.4	1,712,165	1.7
2002 ^P						
Q1	322,708	-6.3	342,637	-11.8	395,755	1.7
Q2	397,001	7.2	396,128	5.2	420,560	1.9
Q3	396,122	6.1	378,369	4.3	438,709	1.8
Q4	381,828	12.4	389,839	2.9	430,602	1.8
2003 ^P						
Q1	317,734	-1.5	370,673	8.2	394,058	1.7
Q2	369,169	-7.0	395,697	-0.1	429,462	1.8
Q3	391,840	-1.1	391,490	3.5	449,891	1.7
Q4	368,004	-3.6	385,707	-1.1	438,754	1.7

^P provisional

The total value of exports of goods and services during 2003 stood at a figure of Lm1446.7 million; a decrease of 3.4 percent over the total value of Lm1497.7 million reached during 2002. On the other hand, the total value of imports of goods and services recorded during 2003 amounted to Lm1543.6 million. In fact, this was higher by 2.4 percent than the total recorded during 2002 of Lm1507.0 million. In addition, the degree of openness to trade of the Maltese economy (as measured by the ratio of the summation of exports and imports of goods and services to the GDP) dwindled over the years from a figure of 2.0 points during 1995 to a level 1.7 points during 2003.



External reserves expressed in terms of months of imports

Lm thousand

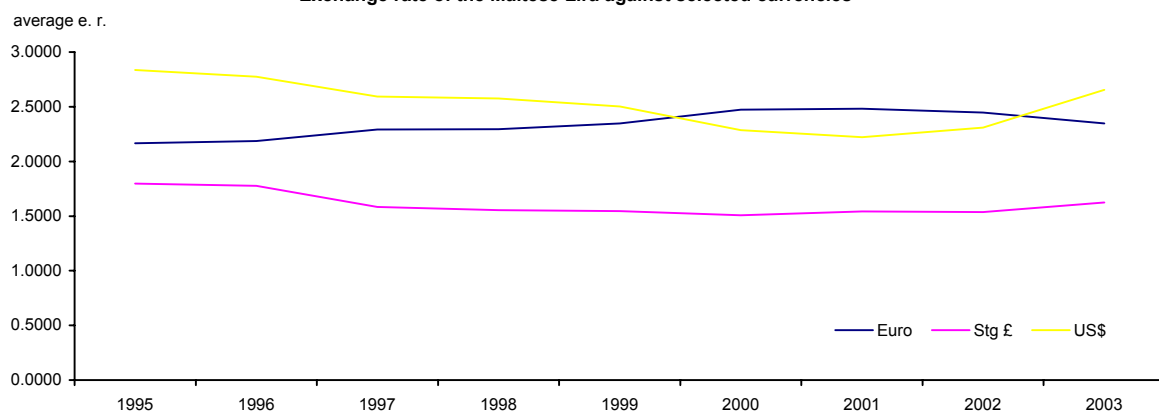
Year		External reserves as at end of period	12 month change (%)	Imports of goods and services	12 month change (%)	External Reserves in terms of months of imports
1995		508,693	-17.6	1,231,172	12.0	5.0
1996		508,577	0.0	1,212,839	-1.5	5.0
1997		541,602	6.5	1,204,554	-0.7	5.4
1998		639,991	18.2	1,270,297	5.5	6.0
1999		740,339	15.7	1,402,167	10.4	6.3
2000		644,163	-13.0	1,772,601	26.4	4.4
2001		760,428	18.0	1,506,473	-15.0	6.1
2002 ^P		880,847	15.8	1,506,973	0.0	7.0
2003 ^P		935,547	6.2	1,543,567	2.4	7.3
2002	Q1	786,456	24.5	342,637	-11.8	6.9
	Q2	780,684	20.5	396,128	5.2	5.9
	Q3	841,860	21.6	378,369	4.3	6.7
	Q4	880,847	15.8	389,839	2.9	6.8
2003 ^P	Q1	884,034	12.4	370,673	8.2	7.2
	Q2	926,283	18.7	395,697	-0.1	7.0
	Q3	943,277	12.0	391,490	3.5	7.2
	Q4	935,547	6.2	385,707	-1.1	7.3

^P provisional

By the end of 2003, the total external reserves of the country amounted to Lm935.5 million. Indeed, this was higher by 6.2 percent than the total foreign reserves held during 2002 of Lm880.8 million.

When expressed in terms of months of imports of goods and services, it is shown that, while the reserve assets of the country stood at a level of 7.0 months of sustenance during 2002, Malta's reserve assets rose to a level of 7.3 months of sustenance during 2003.

Exchange rate of the Maltese Lira against selected currencies

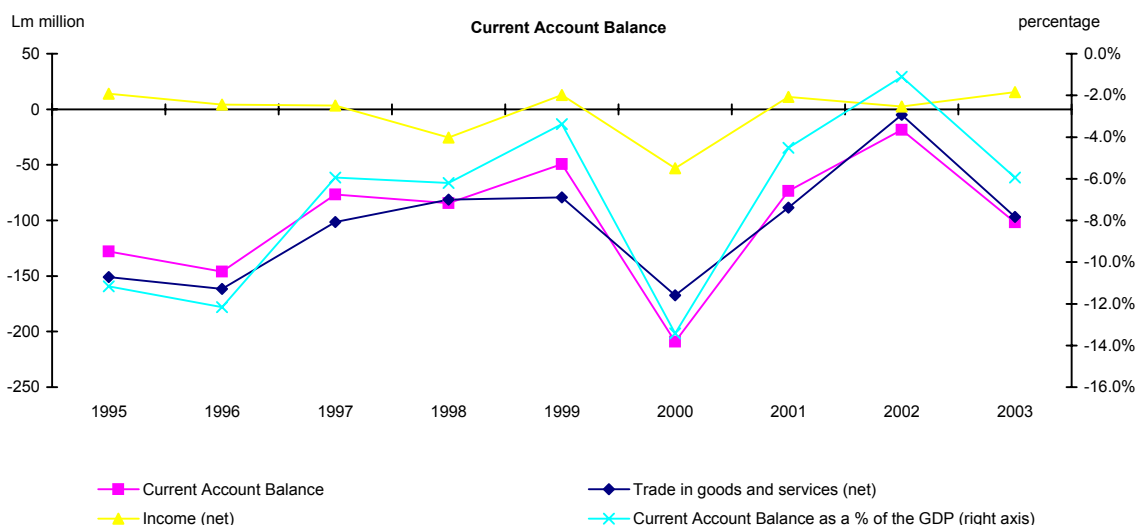


Average exchange rates of the Maltese Lira against major currencies

Lm1 is equivalent to...

	Euro	12 month change (%)	Stg £	12 month change (%)	US\$	12 month change (%)	Yen	12 month change (%)	Sfr	12 month change (%)
1995	2.1669	-2.8	1.7961	3.9	2.8355	7.1	266.46	-1.5	3.350	-7.4
1996	2.1852	0.8	1.7780	-1.0	2.7745	-2.2	301.75	13.2	3.428	2.3
1997	2.2921	4.9	1.5825	-11.0	2.5921	-6.6	313.53	3.9	3.758	9.6
1998	2.2957	0.2	1.5547	-1.8	2.5758	-0.6	336.67	7.4	3.730	-0.7
1999	2.3470	2.2	1.5468	-0.5	2.5032	-2.8	284.84	-15.4	3.756	0.7
2000	2.4741	5.4	1.5080	-2.5	2.2855	-8.7	246.27	-13.5	3.853	2.6
2001	2.4815	0.3	1.5430	2.3	2.2226	-2.8	269.97	9.6	3.749	-2.7
2002	2.4468	-1.4	1.5378	-0.3	2.3100	3.9	288.88	7.0	3.590	-4.2
2003	2.3470	-4.1	1.6237	5.6	2.6543	14.9	307.39	6.4	3.568	-0.6
2002 October	2.4219	-2.0	1.5256	-1.1	2.3763	6.1	294.36	8.4	3.548	-3.0
2002 November	2.4117	-3.1	1.5362	-0.2	2.4146	9.2	293.45	8.4	3.539	-3.1
2002 December	2.4039	-3.3	1.5437	0.2	2.4479	10.4	298.66	5.7	3.528	-3.8
2003 October	2.3358	-3.6	1.6298	6.8	2.7328	15.0	299.35	1.7	3.617	1.9
2003 November	2.3390	-3.0	1.6203	5.5	2.7373	13.4	298.95	1.9	3.647	3.1
2003 December	2.3239	-3.3	1.6306	5.6	2.8539	16.6	307.65	3.0	3.613	2.4

The average exchange rate of the Maltese lira against the Euro during December 2003 stood at a level of one lira equivalent to 2.3239 Euro. This implied a depreciation of the lira against the Euro of 3.3 percentage points over the average exchange rate recorded during the same month a year earlier of one lira equivalent to 2.4039 Euro. On the contrary, the average exchange rate of the lira against the sterling during December 2003 reached a level of one lira equivalent to 1.6306 sterling; an appreciation of 5.6 percentage points over the average exchange rate recorded during the same month in 2002 of one lira equivalent to 1.5437 sterling. Similarly, the average exchange rate of the lira against the US dollar appreciated by 16.6 percentage points, from an average exchange rate of one lira equivalent to 2.4479 dollars during December 2002 to an average exchange rate of one lira equivalent to 2.8539 dollars during the same month in 2003. Also, the average exchange rate of the lira against the Yen during December 2003 stood at a level of one lira equivalent to 307.65 Yen; an appreciation of 3.0 percentage points over the average exchange rate recorded during December 2002 of one lira equivalent to 298.66 Yen. Likewise, the average exchange rate of the lira against the Swiss franc appreciated by 2.4 percentage points, from an average exchange rate of one lira equivalent to 3.528 Swiss francs during December 2002 to an average exchange rate of one lira equivalent to 3.613 Swiss francs during the same month in 2003.



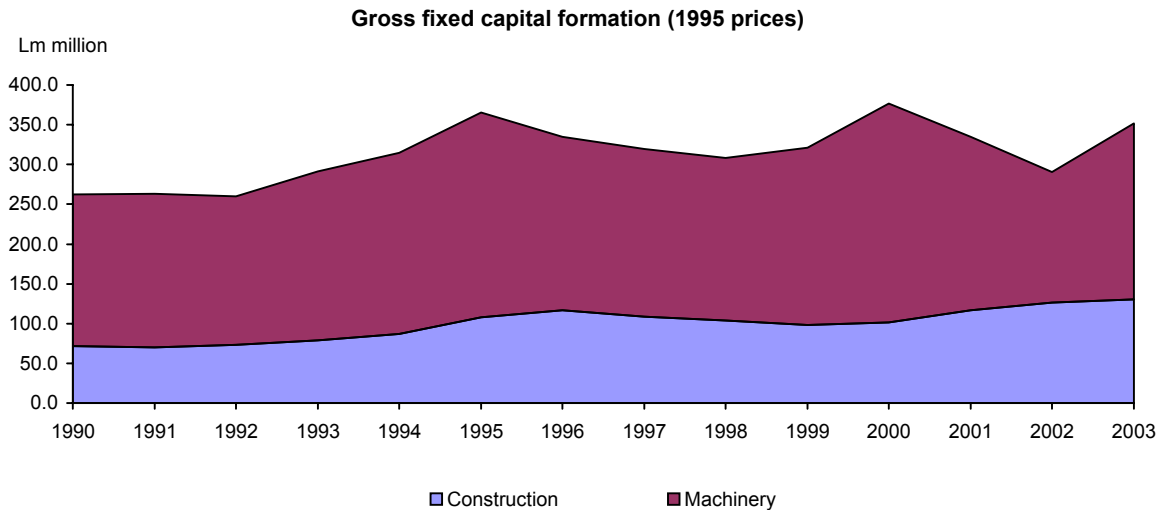
Current Account Balance

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			
1995	-285,821	134,816	-151,005	14,022	-836	9,899	9,063	-127,920	1,145,524	-11.2%
1996	-302,134	140,610	-161,524	4,283	-395	11,469	11,074	-146,167	1,201,286	-12.2%
1997	-277,898	176,579	-101,319	3,380	1,719	19,669	21,388	-76,551	1,288,219	-5.9%
1998	-260,638	179,286	-81,352	-25,421	980	21,319	22,299	-84,474	1,362,324	-6.2%
1999	-265,234	186,059	-79,175	12,910	-3,530	20,529	16,999	-49,266	1,456,099	-3.4%
2000	-330,994	163,717	-167,277	-53,094	347	10,814	11,161	-209,210	1,558,233	-13.4%
2001	-254,665	166,164	-88,501	11,107	3,595	170	3,765	-73,629	1,630,373	-4.5%
2002*	-178,275	173,236	-5,039	2,554	3,152	-19,288	-16,136	-18,621	1,685,627	-1.1%
2003*	-258,569	161,763	-96,806	15,366	8,927	-29,308	-20,381	-101,821	1,712,165	-5.9%
2002* Q1	-39,615	24,448	-15,167	5,625	640	-4,706	-4,066	-13,608	395,755	-3.4%
Q2	-37,699	38,666	967	15,924	1,249	475	1,724	18,615	420,560	4.4%
Q3	-52,333	70,618	18,285	9,075	-132	-8,252	-8,384	18,976	438,709	4.3%
Q4	-48,628	39,505	-9,123	-28,070	1,395	-6,805	-5,410	-42,603	430,602	-9.9%
2003* Q1	-62,079	10,885	-51,194	14,469	-492	-5,843	-6,335	-43,060	394,058	-10.9%
Q2	-75,608	50,097	-25,511	591	5,013	-4,682	331	-24,589	429,462	-5.7%
Q3	-65,292	63,804	-1,488	15,676	2,806	-8,376	-5,570	8,618	449,891	1.9%
Q4	-55,590	36,978	-18,612	-15,370	1,600	-10,407	-8,807	-42,789	438,754	-9.8%

*provisional

Provisional figures on the balance of payments statement of Malta for the year ended 2003 reveal a current account deficit of Lm101.8 million; a deterioration of Lm83.2 million over the net negative balance of Lm18.6 million recorded a year before. This was essentially generated by a worsening in the net balances of the goods account, the services account and the current transfers account that more than offset the improvement recorded in the net balance of the income account of the statement. As a result, the ratio of the current account balance to the Gross Domestic Product (at current market prices) for the year 2003 reached a negative figure of 5.9 percent. Indeed, this was comparably higher than the negative ratio recorded during the same period in 2002 of 1.1 percent.

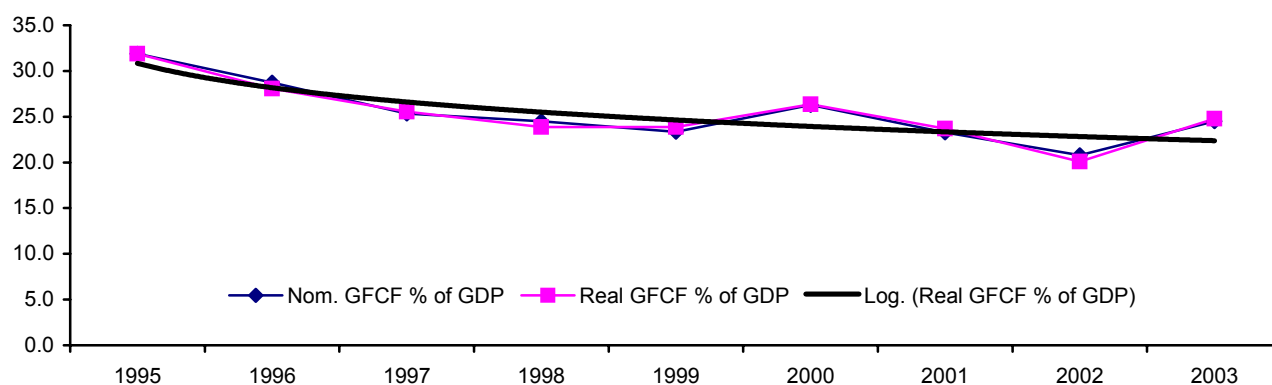


Gross fixed capital formation
Lm million - 1995 prices

	Total	Construction	Machinery	% change		
				Total	Construction	Machinery
1995	365.2	108.0	257.2			
1996	334.5	116.9	217.6	-8.4	8.2	-15.4
1997	319.3	108.8	210.5	-4.5	-6.9	-3.3
1998	308.4	103.8	204.6	-3.4	-4.6	-2.8
1999	320.9	98.1	222.8	4.1	-5.5	8.9
2000	376.7	101.3	275.4	17.4	3.3	23.6
2001	335.0	116.6	218.4	-11.1	15.1	-20.7
2002	290.4	126.2	164.3	-13.3	8.2	-24.8
2003	351.9	130.0	222.0	21.2	3.0	35.1
2002						
Q1	74.6	30.6	44.0	-11.9	10.9	-22.9
Q2	54.7	31.8	22.9	-34.3	12.4	-58.4
Q3	79.0	32.3	46.8	-3.2	8.8	-9.8
Q4	82.1	31.5	50.6	-3.9	1.6	-6.8
2003						
Q1	83.7	31.8	51.9	12.2	3.9	18.0
Q2	96.3	32.5	63.8	76.1	2.2	178.6
Q3	82.0	31.7	50.3	3.8	-1.9	7.5
Q4	89.9	34.0	55.9	9.5	7.9	10.5

Construction expenditure increased by Lm6.2 million or 4.2 per cent, and machinery investment increased by Lm62.4 million, or 30.8 per cent. The extraordinary increase in machinery investment was the result of the disposal of aircraft by the air transport sub-sector, which occurred during 2002. (Gross fixed capital formation is made up of acquisitions less disposals of fixed assets).

Investment

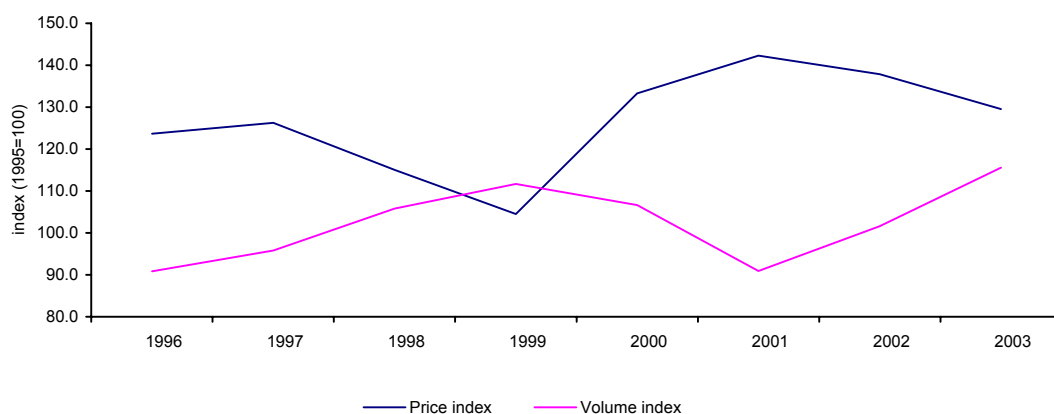


Investment

Period	GFCF (Nominal)	GFCF (Real)	GDP (Nominal)	GDP (1995 prices)	Nom. GFCF % of GDP	Real GFCF % of GDP
1995	365.2	365.2	1,145.5	1,145.5	31.9	31.9
1996	345.3	334.5	1,201.3	1,191.2	28.7	28.1
1997	326.4	319.3	1,288.2	1,249.0	25.3	25.6
1998	333.6	308.5	1,362.3	1,291.8	24.5	23.9
1999	340.0	320.9	1,456.1	1,344.2	23.4	23.9
2000	409.5	376.7	1,558.2	1,428.9	26.3	26.4
2001	379.5	335.0	1,630.4	1,413.0	23.3	23.7
2002	350.7	290.4	1,685.6	1,444.8	20.8	20.1
2003	419.2	351.9	1,712.2	1,419.6	24.5	24.8
2002 Q1	90.2	74.6	395.8	338.1	22.8	22.1
2002 Q2	65.5	54.7	420.6	361.6	15.6	15.1
2002 Q3	95.5	79.0	438.7	376.2	21.8	21.0
2002 Q4	99.4	82.1	430.6	368.8	23.1	22.3
2003 Q1	99.7	83.7	394.1	324.9	25.3	25.8
2003 Q2	114.7	96.3	429.5	355.9	26.7	27.1
2003 Q3	97.7	82.0	449.9	375.0	21.7	21.9
2003 Q4	107.1	89.9	438.8	364.0	24.4	24.7

Expenditure on gross fixed capital formation increased nominally by Lm68.6 million or 19.6 per cent, from Lm350.6 million in 2002 to Lm419.2 million last year. In real terms, gross fixed capital formation increased by 21.2 per cent Lm290.4 million in 2002 to Lm351.9 million last year.

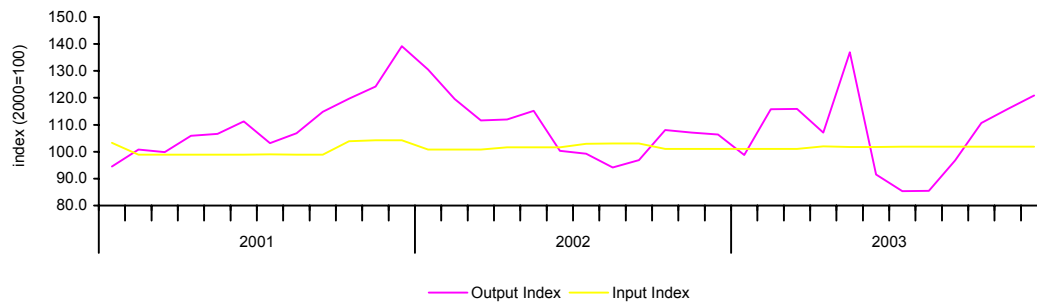
Annual 'All Items' index of fresh fish



Fresh fish passed through organised market			Fresh fish index (1995 = 100)			
Year	Quantity / Kg	Value / Lm	Price index	Percentage annual change	Volume index	Percentage annual change
1995	925,740	1,231,652	100.00	-	100.00	-
1996	840,935	1,408,481	123.67	23.67	90.84	-9.16
1997	887,013	1,549,693	126.24	2.08	95.82	5.48
1998	979,432	1,626,107	115.04	-8.87	105.80	10.42
1999	1,034,070	1,623,026	104.49	-9.17	111.70	5.58
2000	987,294	1,858,433	133.29	27.56	106.65	-4.52
2001	841,289	1,587,036	142.28	6.74	90.88	-14.79
2002	940,864	1,798,869	137.89	-3.09	101.63	11.83
2003	1,070,219	1,831,623	129.52	-6.07	115.61	13.75
4th Qtr						
2002	299,514	460,923	-	-	-	-
2003	341,455	337,078	-	-	-	-
2002						
October	163,598	255,077	143.32	42.41	114.87	40.89
November	81,145	116,706	129.35	1.98	56.98	63.49
December	54,771	89,140	118.61	-11.64	38.46	195.87
2003						
October	138,332	174,471	122.08	-14.82	97.13	-15.44
November	179,286	135,242	112.71	-12.86	125.88	120.95
December	23,837	27,365	109.62	-7.58	16.74	-56.48

The 4th quarter fresh fish price index stood at 109.62 points, 7.58 percentage points lower than in December of 2002. The fall in the index was mainly due to the drop in the prices of dorado and swordfish when compared to the same period in 2002. Declines in most of the species were registered during the same period which contributed to the decrease of the fresh fish volume index by just over 56 per cent, from 38.46 in December 2002 to 16.74 points in December 2003.

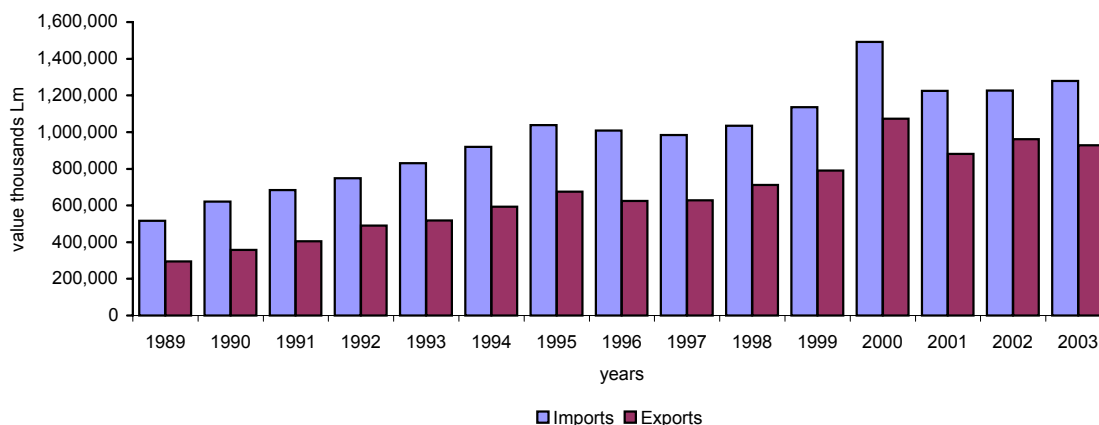
Producer price and input price index for agriculture



Producer price index (2000=100)							Agricultural input price index (2000=100)		
Year	All items	Potatoes	Fresh vegetables	Fresh fruit	Animals	Animal products	All items	Goods and services consumed in agriculture	Machinery and investment
2000	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
2001	109.38	141.34	112.44	119.87	101.52	100.79	100.67	100.69	99.16
2002	110.29	138.67	120.99	112.07	99.55	102.13	101.73	101.76	99.50
2003	106.10	117.01	127.42	127.53	89.80	100.35	101.75	101.77	100.32
2002									
October	108.01	105.95	129.65	121.60	95.73	101.76	100.99	101.11	92.60
November	107.05	119.91	123.56	107.62	95.54	101.92	100.99	101.11	92.60
December	106.34	117.45	120.22	114.20	95.94	101.74	100.99	101.11	92.60
2003									
October	110.62	159.33	129.59	113.14	90.15	102.95	101.84	101.96	93.33
November	115.93	149.59	153.71	115.51	90.08	101.89	101.87	101.99	93.33
December	120.90	114.12	181.90	136.97	90.08	101.34	101.87	102.00	93.33
Annual percentage change in producer prices							Annual percentage change in input prices		
Year	All items	Potatoes	Fresh vegetables	Fresh fruit	Animals	Animal products	All items	Goods and services consumed in agriculture	Machinery and investment
2000	-	-	-	-	-	-	-	-	-
2001	9.38	41.34	12.44	19.87	1.52	0.79	0.67	0.69	-0.84
2002	0.83	-1.89	7.60	-6.51	-1.94	1.33	1.05	1.06	0.34
2003	-3.80	-15.62	5.32	13.80	-9.79	-1.75	0.03	0.01	0.82
2002									
October	-9.86	-41.63	-6.47	6.59	-5.92	-2.49	-2.81	-2.84	0.34
November	-13.77	-23.96	-25.48	2.32	-6.18	-0.96	-3.10	-3.15	0.34
December	-22.79	-30.58	-43.64	12.82	-5.93	-1.73	-3.10	-3.15	0.34
2003									
October	2.42	50.38	-0.05	-6.96	-5.82	1.17	0.84	0.84	0.78
November	8.29	24.74	24.41	7.33	-5.71	-0.03	0.87	0.87	0.78
December	13.69	-2.84	51.30	19.94	-6.10	-0.40	0.88	0.88	0.78

The producer price index for agriculture in December 2003 stood at 120.90, or 13.69 percentage points higher than in the same period last year. Increases in the index was mainly due to an increase in the average prices of fresh vegetables. The average prices of the main animals slaughtered and animal products continued to decline when compared to the same period last year due to the Special Market Policy Programme for Maltese Agriculture (SMPPMA). The 'all-items' input price index increased slightly by 0.88 percentage points when compared to December in 2002. The input price index is not affected by seasonal patterns resulting in a very stable index.

Imports and total exports

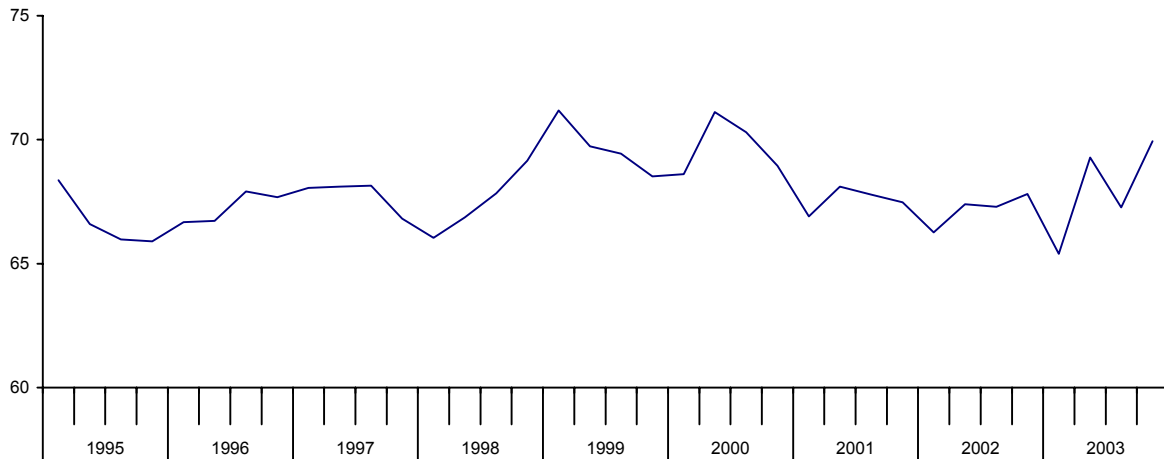


Balance of Trade

	Imports		Domestic Exports		Re-Exports		Trade Gap	
	Imports	% Change Over prev. year	Domestic Exports	% Change Over prev. year	Re-Exports	% Change Over prev. year	Excess of Imports over Total Exports	% Change Over prev. year
1996	1,007,796	-2.9	569,907	-9.5	54,166	19.8	383,723	5.8
1997	984,238	-2.3	563,938	-1.0	64,987	20.0	355,313	-7.4
1998	1,034,922	5.1	664,814	17.9	47,171	-27.4	322,937	-9.1
1999	1,135,796	9.7	712,482	7.2	78,484	66.4	344,830	6.8
2000	1,492,377	31.4	977,536	37.2	94,910	20.9	419,931	21.8
2001	1,225,159	-17.9	790,851	-19.1	89,797	-5.4	344,511	-18.0
2002	1,227,458	0.2	797,295	0.8	163,433	35.9	266,730	-22.6
2003	1,279,175	4.2	816,730	2.4	111,582	-31.7	350,863	31.5
2002 Q1	276,146	-15.9	188,040	-16.0	28,960	62.9	59,146	-31.7
Q2	322,290	4.1	190,419	-5.6	70,102	205.3	61,769	27.2
Q3	307,869	9.6	202,029	13.9	32,683	33.5	73,157	-7.5
Q4	321,153	4.8	216,807	15.5	31,688	28.9	72,658	-22.8
2003 Q1	305,522	10.6	192,829	2.5	28,187	-2.7	84,506	42.9
Q2	333,296	3.4	199,367	4.1	34,170	-51.2	99,759	61.5
Q3	319,519	3.8	208,117	3.0	21,938	-32.9	89,464	22.3
Q4	320,838	-0.9	216,417	-0.2	27,287	-13.9	77,134	6.2

Imports for 2002 stood at Lm1227.5, showing a very insignificant increase of Lm2.4 million or 0.2 per cent increase over the preceding year. Domestic exports too enjoyed a marginal increase of 0.8 per cent from Lm797.3 million to Lm790.8 in 2001. Re-exports totalled Lm163.4 million in 2002, thus showing a positive percentage change of 35.9 per cent.. However this figure is somewhat inflated by the amount of Lm41.4 million accruing from the sale of aircraft in 2002. The visible trade gap narrowed down by 22.6 per cent or Lm77.8 million from Lm344.5 million in 2001 to Lm266.7 in 2002. During 2003, imports went up by Lm51.7 to Lm1,279.2 million as compared with Lm1,227.5 million in the same period of 2002, showing a percentage increase of 4.2 per cent. Domestic exports moved up by Lm19.4 or a 2.4 percentage increase to Lm816.7 million from Lm797.3 million. Re-exports on the other hand, swooped down to Lm111.6 million from Lm163.4 in 2002. This decrease of Lm51.8 million shows a negative percentage change of 31.7 per cent mainly due to the sale of aircraft. In the period January - December 2002-2003 the visible trade gap widened by Lm84.1 million or a 31.5 percentage change.

Capacity utilisation in manufacturing industry

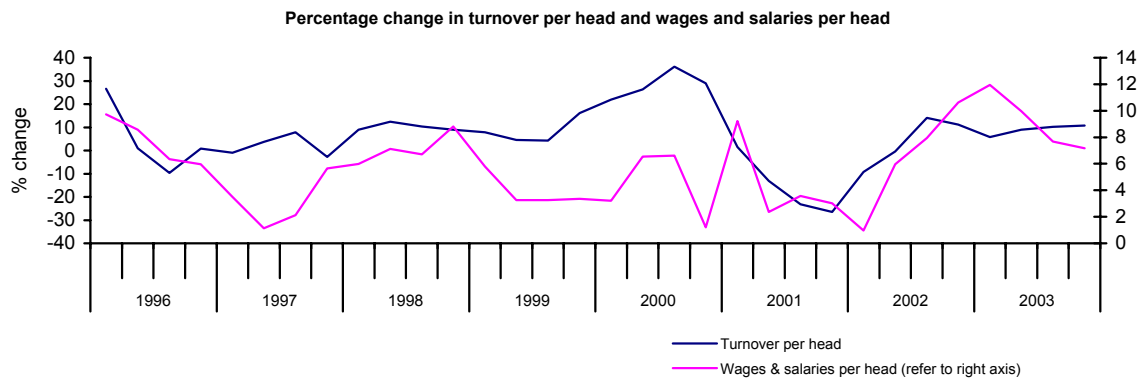
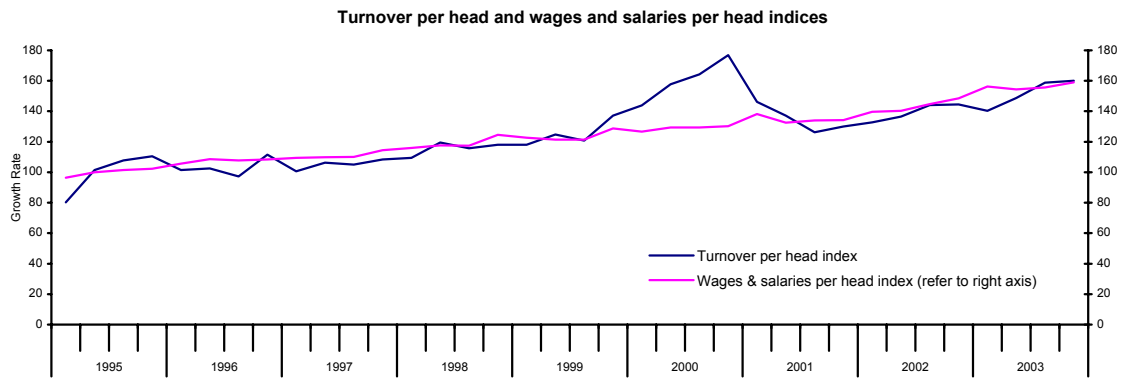


Capacity utilisation in manufacturing industry

	Total capacity utilisation		Constraints to capacity utilisation								
	Capacity utilisation		Labour shortage		The market		Material shortage		Other reasons		
	%	12 month % change	Index	12 month % change	Index	12 month % change	Index	12 month % change	Index	12 month % change	
1995	66.9		100.0		100.0		100.0		100.0		
1996	67.4	0.7	72.5	-27.5	106.4	6.4	88.3	-11.7	89.6	-10.4	
1997	68.0	0.9	57.7	-20.3	113.6	6.7	56.6	-35.9	72.3	-19.3	
1998	67.8	-0.3	46.2	-20.0	114.7	1.0	47.0	-16.9	79.3	9.6	
1999	69.0	1.8	57.2	23.9	114.1	-0.5	44.3	-5.9	74.6	-5.8	
2000	70.1	1.5	59.7	4.2	101.2	-11.3	72.9	64.7	138.5	85.5	
2001	67.7	-3.5	41.3	-30.7	113.4	12.0	71.4	-2.1	81.4	-41.2	
2002	67.3	-0.5	30.4	-26.4	114.9	1.4	59.8	-16.3	86.3	6.0	
2003	68.0	4.0	27.9	-14.7	114.7	0.0	62.3	4.5	88.7	3.1	
2002	Q1	66.3	-0.9	30.3	-42.9	115.7	7.6	69.1	-13.0	78.1	-24.8
	Q2	67.4	-1.1	28.0	-39.6	116.9	1.8	64.4	-16.1	74.7	12.7
	Q3	67.3	-1.1	34.9	-5.9	112.4	-0.6	59.1	-16.0	98.0	12.0
	Q4	67.8	0.1	37.6	33.8	113.6	-4.2	45.4	-22.0	94.0	40.5
2003	Q1	65.4	-1.3	27.0	-11.1	116.4	0.6	55.8	-19.2	82.2	5.3
	Q2	69.3	2.8	26.0	-7.2	114.7	-1.9	59.8	-7.2	91.7	22.7
	Q3	67.3	0.0	29.1	-16.7	112.0	-0.3	72.2	22.1	99.7	1.8
	Q4 ^P	69.9	3.1	29.3	-3.6	114.1	-0.7	65.2	9.2	89.9	4.1

^P provisional

Capacity utilisation in the manufacturing industry maintained a stable level, standing at an average of 68%, between the years 1995-2003. Throughout the whole time series, respondents indicated the market as the main constraint for their capacity under utilisation, with the exception of the year 2000 where most firms registered an increase in their activity and profitability. Although the labour shortage constraint is still being indicated, it has declined during the last four quarters of 2003, with just 3% of the total constraints.



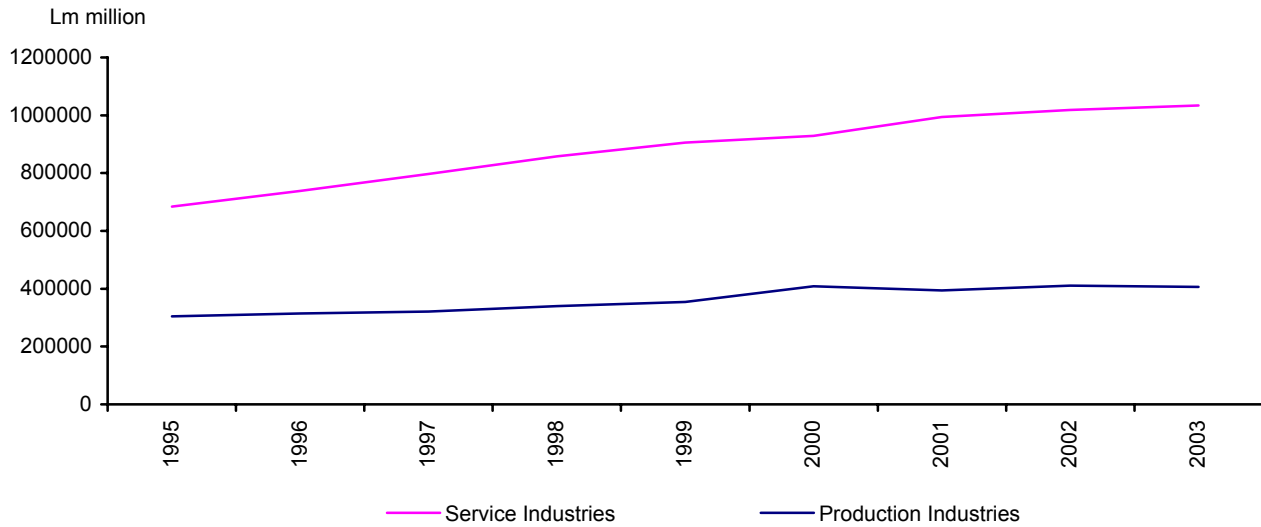
Turnover, wages and salaries indices

	Turnover per head			Wages and salaries per head		Annual % Change
	Value	Index	Annual % Change	Value	Index	
1995	32,623	100.0	*	3,802	100.0	*
1996	32,716	100.3	0.3	4,092	107.6	7.6
1997	34,275	105.1	4.8	4,219	111.0	3.2
1998	37,753	115.7	10.1	4,521	118.9	7.1
1999	40,830	125.2	8.2	4,697	123.5	3.9
2000	52,447	160.8	28.4	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	5,447	143.2	6.3
2003	49,581	151.8	8.8	5,944	156.3	9.1
2002 Q1	10,830	132.8	-9.2	1,327	139.6	1.0
Q2	11,132	136.5	-0.4	1,334	140.4	6.0
Q3	11,752	144.1	14.1	1,375	144.6	7.9
Q4	11,787	144.5	11.2	1,411	148.4	10.6
2003 Q1	11,450	140.4	5.7	1,486	156.3	11.9
Q2	12,127	148.7	8.9	1,467	154.4	10.0
Q3	12,947	158.7	10.2	1,480	155.7	7.7
Q4 ^P	13,057	160.1	10.8	1,512	159.1	7.2

^P provisional

The base year used for these indices is the average for the whole 1995 (1995=100). This series is not seasonally adjusted. The Turnover per Head Index across manufacturing industry has grown by 9.0% between 2002 and 2003 and by 3.4% from 2001 to 2002. The Wages and salaries per Head Index for the manufacturing industry shows a continuous increase on an annual basis. The highest percentage change of 11.9% was registered between 2002 Q1 and 2003 Q1, whilst a 1% change for the comparison between 2002 Q1 and 2001 Q1 is to be considered as the lowest percentage change.

Gross Domestic Product (at factor cost and by industry)



Gross Domestic Product

% changes on year at factor cost

		Total	Production Industries Manufacturing	Services	Agriculture Fishing	Construction
1995		7.6	8.0	7.4	10.4	4.8
1996		6.5	3.0	7.9	8.3	1.1
1997		6.1	1.1	7.9	6.0	3.8
1998		7.2	8.1	7.7	0.2	2.7
1999		5.2	7.0	5.5	-4.1	-8.9
2000		6.1	18.2	2.6	-11.4	12.9
2001		3.8	-6.6	7.0	14.1	13.2
2002		3.0	1.9	2.5	14.2	15.3
2003		1.4	1.7	1.5	-1.2	-0.7
2002	Q1	1.4	-8.1	4.3	-0.2	16.0
	Q2	2.8	-1.1	3.4	-2.1	22.3
	Q3	3.5	10.2	1.2	3.2	12.3
	Q4	4.3	8.2	1.1	54.1	11.3
2003	Q1	0.2	-0.8	-0.1	17.1	1.2
	Q2	2.7	-0.8	3.6	15.7	-2.2
	Q3	3.0	8.3	1.5	7.3	-1.1
	Q4	-0.4	-0.1	0.9	-28.0	-0.4

**Determinants of real GDP growth
(Lm million)**

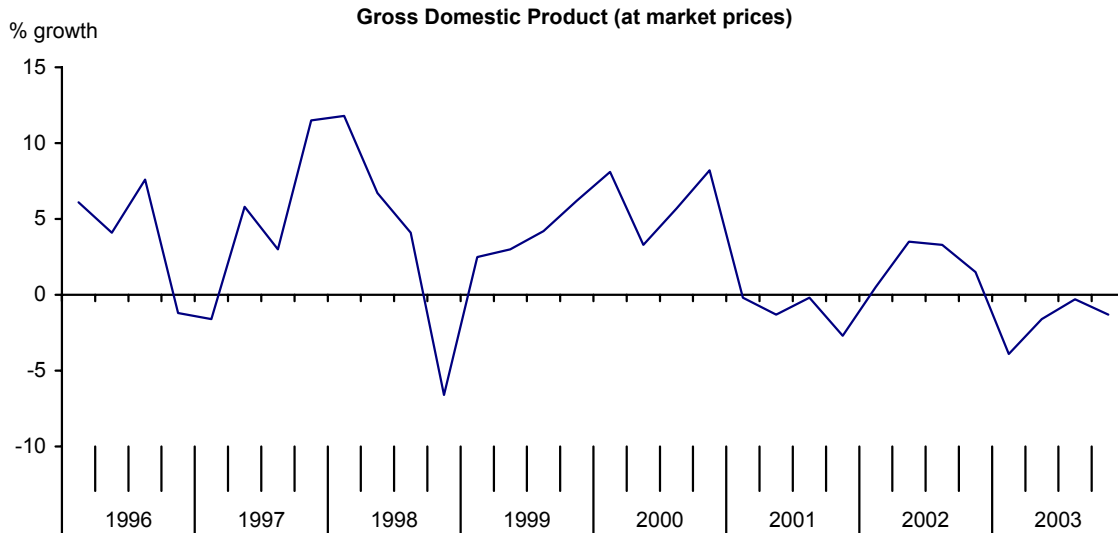
Period	Consumers' expenditure	Government current expenditure	Gross Fixed Capital Formation	Inventory changes	Net exports	GDP (1995 prices)
1995	700.4	235.2	365.2	1.2	-156.5	1,145.5
1996	750.3	254.9	334.5	-1.4	-147.0	1,191.2
1997	762.1	252.0	319.3	2.9	-87.3	1,249.0
1998	781.4	242.0	308.5	-9.8	-30.3	1,291.8
1999	829.0	240.6	320.9	8.6	-54.9	1,344.2
2000	890.1	252.3	376.7	30.1	-120.3	1,428.9
2001	905.1	259.8	335.0	-34.3	-52.7	1,413.0
2002	928.4	267.0	290.4	-63.8	22.9	1,444.8
2003	931.0	283.0	351.9	-59.3	-87.1	1,419.6
2001 Q1	202.9	62.2	84.7	20.4	-34.0	336.2
Q2	228.1	63.9	83.3	-24.5	-1.6	349.3
Q3	240.3	64.2	81.6	-35.0	13.1	364.1
Q4	233.8	69.5	85.4	4.9	-30.1	363.4
2002 Q1	215.7	67.1	74.6	-9.4	-10.2	338.1
Q2	234.2	69.0	54.7	-5.1	8.9	361.6
Q3	248.3	65.2	79.0	-39.4	23.1	376.2
Q4	230.2	65.4	82.1	-9.9	1.1	368.8
2003 Q1	217.2	75.3	83.7	-4.4	-46.9	324.9
Q2	233.5	71.4	96.3	-21.5	-23.8	355.9
Q3	246.0	63.6	82.0	-16.3	-0.3	375.0
Q4	234.4	72.7	89.9	-17.0	-16.1	364.0

Consumers' expenditure's overall performance improved by Lm13.4 million or 1.2 per cent reaching Lm1,092.8 million from Lm1,079.4 million in 2002. At constant 1995 prices consumers' expenditure went up by Lm2.6 million or 0.3 per cent to Lm931.0 million from Lm928.4 million. Moderate increases in expenditure outlays were registered on food, beverages and tobacco, furniture, furnishings and household equipment and operation, medical care and health expenses, transport and communication, recreation, entertainment, education and cultural services. A decline was registered on outlays related to clothing and footwear, gross rent, fuel and power and miscellaneous goods and services.

Government consumption expenditure, previously at Lm339.9 million, increased to Lm366.9 million during 2003. The overall growth in government consumption expenditure amounted to Lm26.9 million, or 7.9 per cent, over last year. This increase is partially attributable to a number of new government entities set up in 2003. Expenditure by government departments increased by 2.5 per cent. In real terms, government consumption expenditure increased by Lm16.1 million, or 6.0 per cent, from Lm267.0 million in 2002 to Lm283.0 in 2003.

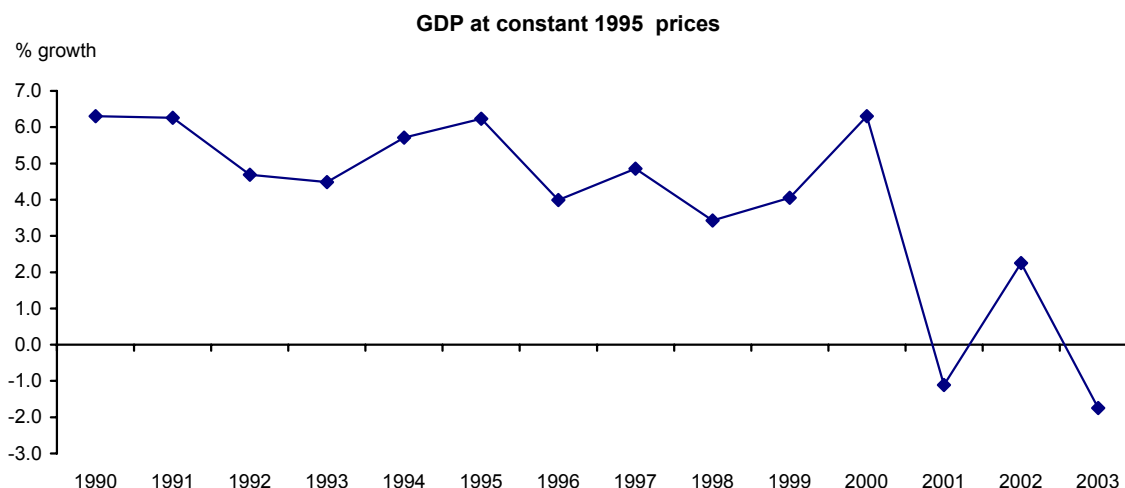
Expenditure on gross fixed capital formation increased nominally by Lm68.6 million or 19.6 per cent, from Lm350.6 million in 2002 to Lm419.2 million last year. Construction expenditure increased by Lm6.2 million or 4.2 per cent, and machinery investment increased by Lm62.4 million, or 30.8 per cent. The extraordinary increase in machinery investment was the result of the disposal of aircraft by the air transport sub-sector, which occurred during 2002. (Gross fixed capital formation is made up of acquisitions less disposals of fixed assets). In real terms, gross fixed capital formation increased by 21.2 per cent Lm290.4 million in 2002 to Lm351.9 million last year.

Exports of goods and services declined by Lm50.9 million to Lm1,446.7 million. However this drop has to be seen in the light of the extraordinary 're-export' of aircraft, amounting to Lm41.4 million, registered in 2002. In real terms, exports fell by Lm28.2 million or 2.2 per cent. Imports of goods and services increased by 2.4 per cent to Lm1,543.6 million. In real terms imports advanced by 6.4 per cent to Lm1,353.0 million, due to a drop in the overall unit values of imports. The net rundown on stocks continued for the third consecutive year.



Gross Domestic Product

	GDP (at current market prices)		GDP (at 1995 prices)	
	Lm millions	% change		% change
1995	1,145.5	11.4		6.2
1996	1,201.3	4.9		4.0
1997	1,288.2	7.2		4.9
1998	1,362.3	5.8		3.4
1999	1,456.1	6.9		4.1
2000	1,558.2	7.0		6.3
2001	1,630.4	4.6		-1.1
2002	1,685.6	3.4		2.3
2003	1,712.2	1.6		-1.7
2002				
Q1	395.8	2.2		0.5
Q2	420.6	4.4		3.5
Q3	438.7	4.3		3.3
Q4	430.6	2.6		1.5
2003				
Q1	394.1	-0.4		-3.9
Q2	429.5	2.1		-1.6
Q3	449.9	2.5		-0.3
Q4	438.8	1.9		-1.3



Gross Domestic Product

	GDP (at current market prices)		GDP at 1995 prices	
	Lm million	% change	% change	
1995	1,145.5	11.4	6.2	
1996	1,201.3	4.9	4.0	
1997	1,288.2	7.2	4.9	
1998	1,362.3	5.8	3.4	
1999	1,456.1	6.9	4.1	
2000	1,558.2	7.0	6.3	
2001	1,630.4	4.6	-1.1	
2002	1,685.6	3.4	2.3	
2003	1,712.2	1.6	-1.7	
2002				
	Q1	395.8	2.2	0.5
	Q2	420.6	4.4	3.5
	Q3	438.7	4.3	3.3
	Q4	430.6	2.6	1.5
2003				
	Q1	394.1	-0.4	-3.9
	Q2	429.5	2.1	-1.6
	Q3	449.9	2.5	-0.3
	Q4	438.8	1.9	-1.3

Malta's Gross Domestic Product (GDP) increased nominally by Lm26.5 million or 1.6 per cent to Lm1712.2 million in 2003 when compared to 2002. In real terms the GDP went down by Lm25.2 million or 1.7 per cent to Lm1419.6 million.