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National Accounts

Gross Domestic Product (GDP): Preliminary Estimate September Quarter 2005

The preliminary estimate of change in the Maltese economy, as measured through Gross Domestic Product (GDP) at current prices, shows a rise of 4.7 per cent, to Lm501.5 million, in the third quarter of 2005 compared with the corresponding period last year. Preliminary estimates also indicate that in real terms the GDP grew by 2.7 per cent.

Production Approach

Output of goods and services at basic prices in the quarter under review increased by 3.8 per cent to Lm934.8 million. However, intermediate consumption rose by 5.8 per cent to Lm512.0 million, mainly as a direct result of rising oil prices. Taxes on products went up by Lm15.6 million whilst subsidies on products were cut by Lm0.5 million. The definitive Gross Domestic Product figure is taken using this approach.

Expenditure Approach

Household consumption expenditure went up by 2.4 per cent at current prices when compared to the same quarter last year. Final consumption expenditure of non-profit institutions serving households registered a growth of 5.4 per cent. General government expenditure edged up by 0.8 per cent to Lm100.2 million. Gross fixed capital formation increased by 1.7 per cent to Lm98.8 million. There was a slight decline in the overall exports and imports of goods and services, when compared to the same quarter last year.

In real terms, increases were registered in total final consumption expenditure and gross capital formation. On the other hand, exports declined by 4.0 per cent and imports went down by 3.5 per cent.

Income Approach

Compensation of employees went up by 1.5 per cent to Lm220.1 million when compared to the same quarter last year. Gross operating surplus and mixed income rose by 3.6 per cent to Lm203.7 million.

Note: The objective of a "preliminary" estimate is to produce early estimates of main Quarterly National Accounts aggregates on the basis of incomplete information and comprises mainly of a description of the national economy according to national accounts concepts. The advantage of this "preliminary" estimate with regard to other leading indicators is that it offers users a coherent and global picture of the economy as a whole. The incompleteness of the basic data justifies the use of ad hoc statistical methods so as to reduce the margin of error associated with these initial estimates. On 9th December the National Statistics Office will publish a detailed quarterly analysis of the economy with revised estimates for Q3/2005.

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Table 1. GDP and GNI (ESA 95)

ESA 95 code	2002	2003	2004	Lm'000							
				2004 Q1	2004 Q2	2004 Q3	2004 Q4	2005 Q1	2005 Q2	2005 Q3	
PRODUCTION APPROACH											
P1	Output of goods and services (at basic prices)	3,154,180	3,315,275	3,376,094	792,605	846,634	900,460	836,396	786,070	870,285	934,772
P2	Intermediate consumption (at purchasers' prices)	1,638,937	1,746,080	1,804,227	417,298	453,561	484,106	449,262	411,895	458,849	512,016
B1g	Gross value added (at basic prices)	1,515,244	1,569,195	1,571,867	375,307	393,073	416,354	387,134	374,175	411,436	422,756
D21	Taxes on products	242,512	234,685	269,836	61,289	62,923	66,251	79,373	68,458	68,686	81,879
D31	Subsidies on products	9,291	11,192	13,674	3,602	1,894	3,556	4,622	5,373	1,842	3,087
B1*g	Gross domestic product (ESA 95)	1,748,465	1,792,688	1,828,029	432,994	454,102	479,049	461,885	437,260	478,280	501,548
EXPENDITURE APPROACH											
P3	Total final consumption expenditure	1,471,314	1,519,878	1,565,664	369,316	386,473	403,159	406,716	364,453	398,373	411,562
P3	Household final consumption expenditure	1,065,358	1,093,387	1,121,689	256,624	275,254	295,900	293,911	258,793	285,587	303,103
P3	NPISH final consumption expenditure	29,474	31,014	31,949	7,895	8,080	7,875	8,099	8,204	8,397	8,303
P3	General government final consumption expenditure	376,482	395,477	412,026	104,797	103,139	99,384	104,706	97,456	104,389	100,156
P5	Gross capital formation	258,161	350,550	400,511	74,944	104,546	84,139	136,883	128,520	124,582	96,719
P51	Gross fixed capital formation	271,465	359,879	380,264	83,942	97,778	97,057	101,487	90,073	109,541	98,752
P52	Changes in inventories	-18,730	-12,729	14,247	-10,498	5,268	-14,418	33,896	36,947	13,541	-3,533
P53	Acquisitions less disposals of valuables	5,426	3,400	6,000	1,500	1,500	1,500	1,500	1,500	1,500	1,500
P6	Exports of goods and services	1,492,598	1,446,694	1,386,305	327,480	354,099	367,538	337,188	284,924	339,604	364,267
P7	Imports of goods and services	1,473,608	1,524,434	1,524,451	338,746	391,016	375,787	418,902	340,637	384,279	371,000
B1*g	Gross domestic product (ESA 95)	1,748,465	1,792,688	1,828,029	432,994	454,102	479,049	461,885	437,260	478,280	501,548
INCOME APPROACH											
D1	Compensation of employees	826,953	856,199	864,444	213,666	215,173	216,819	218,788	217,723	223,638	220,130
B2g+B3g	Gross operating surplus and mixed income	708,962	733,274	713,909	158,570	185,279	196,610	173,450	159,143	193,246	203,708
D2	Taxes on production and imports	249,881	242,886	285,188	67,428	64,327	72,074	81,359	70,315	71,797	83,882
D3	Subsidies	37,328	39,667	35,517	6,671	10,680	6,455	11,711	9,918	10,397	6,171
B1*g	Gross domestic product (ESA 95)	1,748,465	1,792,688	1,828,029	432,994	454,102	479,049	461,885	437,260	478,280	501,548
D1	Compensation of employees received from the rest of the world	3,459	4,714	5,470	691	744	1,663	2,372	1,669	2,961	2,000
D1	Compensation of employees paid to the rest of the world	3,463	3,774	4,137	789	1,074	1,121	1,153	1,006	1,337	1,400
D2	Taxes on production and imports paid to the Institutions of the EU	0	0	5,988	0	1,446	2,203	2,339	2,723	2,446	2,254
D3	Subsidies received from the Institutions of the EU	0	0	729	0	0	0	729	845	1,508	1,508
D4	Property income received from the rest of the world	357,682	326,663	320,955	76,496	79,482	76,557	88,420	84,148	101,001	101,210
D4	Property income paid to the rest of the world	355,124	338,750	345,073	82,132	59,170	112,554	91,217	75,004	118,765	117,266
B5*g	Gross national income (ESA 95)	1,751,019	1,781,541	1,799,985	427,260	472,638	441,391	458,697	445,189	461,202	485,346

Table 2. Expenditure Approach at constant 2000 prices

		Lm'000								
ESA 95 code		2002	2003	2004	2004 Q1	2005 Q1	2004 Q2	2005 Q2	2004 Q3	2005 Q3
P3	Total final consumption expenditure	1,400,253	1,430,749	1,425,346	341,308	328,749	350,509	350,951	365,470	368,930
P3	Household final consumption expenditure	1,033,850	1,053,631	1,046,033	245,221	238,431	255,243	258,520	274,032	278,434
P3	NPISH final consumption expenditure	26,589	27,415	27,085	6,764	6,862	6,852	6,919	6,632	6,808
P3	General government final consumption expenditure	339,814	349,702	352,228	89,322	83,456	88,415	85,512	84,806	83,688
P5	Gross capital formation	241,230	324,886	366,762	68,837	116,260	95,647	112,383	77,315	87,017
P51	Gross fixed capital formation	253,896	333,630	348,420	76,988	81,107	89,516	98,631	89,017	88,876
P52	Changes in inventories	-17,796	-11,875	12,907	-9,510	33,782	4,772	12,381	-13,061	-3,230
P53	Acquisitions less disposals of valuables	5,130	3,131	5,435	1,359	1,371	1,359	1,371	1,359	1,371
P6	Exports of goods and services	1,595,218	1,556,109	1,560,284	365,669	322,439	394,565	374,806	407,091	390,772
P7	Imports of goods and services	1,553,005	1,663,542	1,700,847	382,131	373,660	432,581	420,644	421,367	406,446
B1*g	Gross domestic product (ESA 95)	1,683,695	1,648,202	1,651,544	393,682	393,789	408,140	417,496	428,508	440,273
	Rate of growth		-2.1	0.2		0.0		2.3		2.7