

# News Release



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## Business

### Manufacturing survey: July-September 2006

*Sales and investment in the manufacturing industry increased during the third quarter of 2006, driven mainly by the Radio, TV and Communication equipment sub-sector, whilst employment declined.*

#### Sales

Total manufacturing sales increased by 7.3 per cent to Lm261.3 million during the third quarter 2006 compared to the same period last year. Apart from the Radio, TV and Communication equipment sub-sector, higher sales were also registered by the Chemicals and chemical products, the Publishing and printing, and the Medical, precision and optical instruments sub-sectors.

During the period the Food and Beverage & Tobacco products sub-sectors registered a 12.4 per cent drop in sales. Decrease in sales were also registered in the Electrical machinery and apparatus and the Textiles and textile products sub-sectors.

The broad trends in manufacturing sales observed during the third quarter of 2006 reflect those for the first nine months of the year, where manufacturing sales rose by 7.8 per cent, reaching Lm 755.3 million.

#### Employment, Wages & Salaries

Employment in the sampled enterprises declined by 998 employees to 18,495 between September 2005 and the same month of 2006.

Lower employment levels were recorded mainly in the Textiles and textile products and the Wearing apparel and Clothes sub-sectors. Other decreases were registered in the Leather and leather products, the Rubber and plastic products, the Food and Beverages & Tobacco products and the Fabricated metal products sub-sectors.

Increases in employment were mainly recorded in the Radio, TV and Communication equipment and the Chemicals and chemical products sub-sectors.

Marginal increases in wages and salaries were recorded in the first nine months of 2006 over the same period of 2005.

#### Investment

During the July-September quarter 2006, overall investment in the manufacturing industry amounted to Lm12.2 million, marginally up from that of the same period last year. Higher investment in the Radio, TV and Communication equipment sub-sector offset declines in investment in other sub sectors of the manufacturing industry.

During the first nine months of 2006, investment amounted to Lm46.2 million, an increase of Lm10.4 million over the same period in 2005. The Radio, TV and Communication sub-sector accounted for this increase as other sectors recorded stable on declining levels of investment during the period ■

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Table 1. Total Sales

Lm'000

NACE and sector	July-September			January-September		
	2004	2005	2006	2004	2005	2006
15/16 – Food and Beverages & Tobacco products	42,131	43,933	38,503	113,981	112,347	105,064
17 – Textiles and textile products	6,758	9,006	5,226	19,917	25,286	15,152
18 – Wearing apparel and clothes	7,985	7,298	5,521	28,339	20,602	17,421
19 – Leather and leather products	1,787	1,271	492	5,936	4,350	2,378
20 – Wood and wood products	85	143	58	239	374	229
21 – Paper and paper products	2,085	1,768	1,857	5,669	5,020	5,605
22 – Publishing and printing	11,919	9,772	13,523	35,811	36,502	36,190
24 – Chemicals and chemical products	5,511	13,714	17,603	22,081	32,240	47,296
25 – Rubber and plastic products	9,621	8,841	9,654	29,486	29,130	29,695
26 – Other non-metallic mineral products	3,656	5,387	6,105	10,609	15,699	16,863
28 – Fabricated metal products	3,421	4,770	4,509	9,957	13,764	12,659
29 – Machinery and equipment n.e.c.	3,160	3,703	4,142	9,721	11,251	11,110
31 – Electrical machinery and apparatus	11,682	12,821	8,554	30,359	38,177	30,016
32 – Radio, TV and Communication equipment	126,289	99,028	125,181	371,814	292,108	360,606
33 – Medical, precision and optical instruments	5,595	6,250	7,690	18,507	19,590	21,651
34 – Motor vehicles, trailers and semi-trailers	124	108	63	440	412	429
35 – Other transport equipment	2,568	2,566	1,510	9,618	9,212	7,955
36 – Furniture and Manufacturing n.e.c.	12,094	13,063	11,139	33,568	34,633	35,010
<b>Total</b>	<b>256,471</b>	<b>243,441</b>	<b>261,331</b>	<b>756,051</b>	<b>700,700</b>	<b>755,330</b>

Table 2. Employment

NACE and sector	End September		
	2004	2005	2006
15/16 – Food and Beverages & Tobacco products	3,222	3,189	3,084
17 – Textiles and textile products	1,069	1,083	453
18 – Wearing apparel and clothes	1,572	1,444	1,080
19 – Leather and leather products	410	295	142
20 – Wood and wood products	30	30	31
21 – Paper and paper products	287	269	260
22 – Publishing and printing	1,631	1,583	1,576
24 – Chemicals and chemical products	816	868	920
25 – Rubber and plastic products	1,870	1,713	1,605
26 – Other non-metallic mineral products	651	724	786
28 – Fabricated metal products	653	699	595
29 – Machinery and equipment n.e.c.	437	456	408
31 – Electrical machinery and apparatus	1,160	1,072	1,095
32 – Radio, TV and Communication equipment	3,104	2,973	3,377
33 – Medical, precision and optical instruments	1,156	1,182	1,127
34 – Motor vehicles, trailers and semi-trailers	56	44	51
35 – Other transport equipment	232	235	234
36 – Furniture and Manufacturing n.e.c.	1,542	1,634	1,671
<b>Total</b>	<b>19,898</b>	<b>19,493</b>	<b>18,495</b>

Table 3. Wages and Salaries

Lm'000

NACE and sector	July-September			January-September		
	2004	2005	2006	2004	2005	2006
15/16 – Food and Beverages & Tobacco products	4,633	4,663	4,404	13,686	13,474	13,019
17 – Textiles and textile products	1,406	1,497	774	3,879	4,505	2,321
18 – Wearing apparel and clothes	1,924	1,715	1,208	5,910	5,392	3,912
19 – Leather and leather products	453	343	141	1,433	1,120	657
20 – Wood and wood products	28	27	30	79	81	96
21 – Paper and paper products	471	429	465	1,373	1,298	1,348
22 – Publishing and printing	2,644	2,873	3,129	8,753	8,410	9,362
24 – Chemicals and chemical products	1,464	1,407	1,704	4,041	4,020	4,975
25 – Rubber and plastic products	2,633	2,441	2,515	8,463	8,035	7,689
26 – Other non-metallic mineral products	739	866	938	2,322	2,552	2,831
28 – Fabricated metal products	982	988	858	2,973	2,999	2,632
29 – Machinery and equipment n.e.c.	611	659	608	1,826	1,959	1,763
31 – Electrical machinery and apparatus	1,909	1,844	1,966	5,548	5,592	5,822
32 – Radio, TV and Communication equipment	5,587	5,188	6,540	16,209	15,792	18,632
33 – Medical, precision and optical instruments	1,646	1,577	1,676	5,325	5,169	5,203
34 – Motor vehicles, trailers and semi-trailers	55	41	54	162	164	166
35 – Other transport equipment	403	499	522	1,327	1,478	1,555
36 – Furniture and Manufacturing n.e.c.	2,286	2,550	2,712	7,202	7,641	8,067
<b>Total</b>	<b>29,873</b>	<b>29,607</b>	<b>30,245</b>	<b>90,510</b>	<b>89,682</b>	<b>90,050</b>

Table 4. Investment

Lm'000

NACE and sector	July-September			January-September		
	2004	2005	2006	2004	2005	2006
15/16 – Food and Beverages & Tobacco products	1,271	1,278	632	4,097	4,005	2,989
17 – Textiles and textile products	309	560	170	1,346	1,786	2,403
18 – Wearing apparel and clothes	74	24	0	119	52	41
19 – Leather and leather products	6	4	0	44	11	0
20 – Wood and wood products	0	0	7	0	1	25
21 – Paper and paper products	4	32	19	404	100	106
22 – Publishing and printing	552	771	113	5,101	2,887	1,153
24 – Chemicals and chemical products	1,208	1,187	1,098	7,915	5,037	5,022
25 – Rubber and plastic products	455	174	374	1,049	979	931
26 – Other non-metallic mineral products	28	258	41	76	624	520
28 – Fabricated metal products	17	513	503	108	1,042	602
29 – Machinery and equipment n.e.c.	7	154	37	137	206	65
31 – Electrical machinery and apparatus	621	226	609	1,510	1,131	1,027
32 – Radio, TV and Communication equipment	5,033	5,144	8,035	14,636	14,051	28,747
33 – Medical, precision and optical instruments	53	69	168	997	330	585
34 – Motor vehicles, trailers and semi-trailers	0	8	1	0	33	1
35 – Other transport equipment	31	23	56	65	113	70
36 – Furniture and Manufacturing n.e.c.	735	1,028	365	3,208	3,360	1,876
<b>Total</b>	<b>10,402</b>	<b>11,453</b>	<b>12,227</b>	<b>40,814</b>	<b>35,748</b>	<b>46,165</b>

## Methodological Notes:

1. It is important to note, that during the course of 2005 some enterprises have changed their main activity of production due to restructuring. A re-classification of these enterprises according to their new activity was carried out. This resulted in a shift of enterprises to and from different manufacturing sectors, the exclusion of some enterprises from the manufacturing activity and even in the amalgamation of sectors..

2. For the same reasons stated above, sector 16 was amalgamated with sector 15 to respect the confidentiality of the two remaining enterprises in this sector. Furthermore, the only enterprises which were in NACEs 23 and 27 of sectors 23/24 and 27/28 have changed activity, therefore there is no more activity in sectors 23 and 27. Sectors 24 and 28 will thus be reported on their own from this release onwards.

3. This release is based on a sample survey of 417 enterprises across all sectors of the manufacturing sector. All enterprises are classified in accordance with NACE Rev.1.1 (Nomenclature des Activités Economiques dans les Communautés Européennes).

## STATUS OF THE DATA

The data contained in this release should be considered as current and thereby subject to revision. Each release may include revisions of the past quarterly data in respect of a rolling two year period.

## SUMMARY DEFINITIONS OF KEY VARIABLES:

**Employment** is inclusive of all full-time and part-time employees and outworkers. With regards to Table 3: Employment, the total employment in manufacturing sectors refers to the end-of-month figures marking the end of every quarter, i.e., March, June, September and December.

**Gross wages and salaries** are inclusive of all basic wages and salaries payable at regular intervals, overtime, night shift and other allowances, bonuses and commissions. Employers' social security contributions are excluded.

**Total Sales** are made up of all local sales, which are exclusive of VAT and exports on an FOB basis.

**Investment** refers to new investment during the reference period. These are tangible capital goods for own company use but not for speculative use. They have a useful life of more than one year. Any additions, alterations, improvements or renovations prolonging the service life or to increase the productive capacity of capital goods are taken into account. Excluded from the definition are current maintenance costs as well as investment in capital goods used under rental and lease contracts, intangible goods (patents, trade marks), financial assets and goods acquired through mergers. Computer software is regarded as investment if its life is over one year and if its amount is of a relatively considerable amount.