

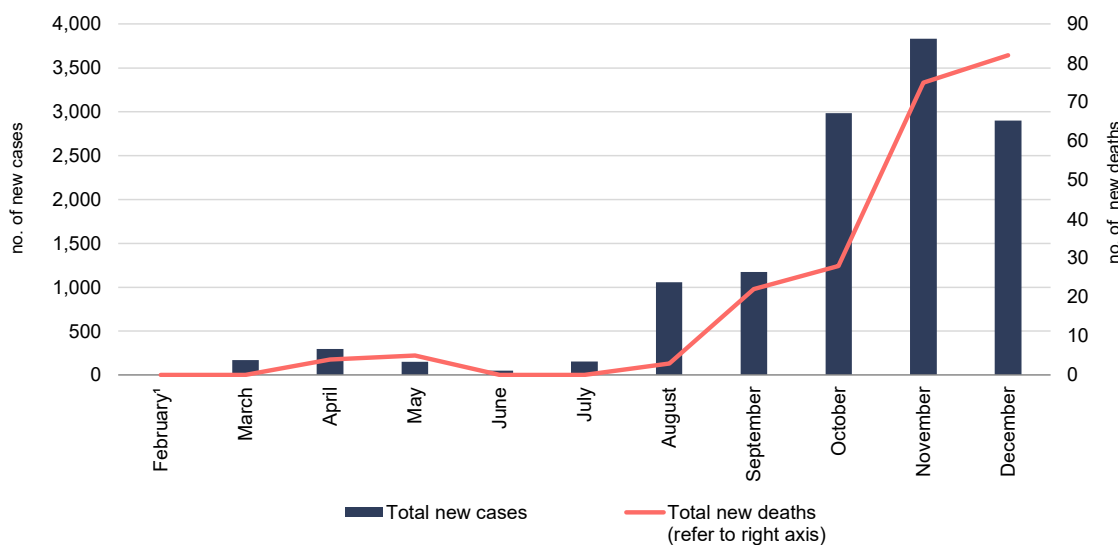
The COVID-19 pandemic affected many socio-economic sectors bringing about disruptions on a global scale. This news release lists a number of indicators that were directly affected by this pandemic and illustrates how these figures developed up until the end of 2020.

Social and Economic Impact of COVID-19: 2020

Overview of the pandemic in 2020

The first case of COVID-19 was identified in Malta on 6 March 2020. By the end of March, the total number of new cases had reached 169, while by the end of the year, this number stood at 12,774. On 8 April 2020 the first person passed away while COVID-19 positive. This reached 219 persons by the end of the year. Chart 1 shows the total number of new cases and deaths per month. The number of new cases detected peaked in November (3,831), whereas the highest number of deaths was recorded in December (82).

Chart 1. Number of COVID-19 cases and deaths: 2020



* Swabbing started in February 2020.

Source: COVID-19 response team - Data management.

Most of the indicators affected by the pandemic were impacted mostly during the second quarter of 2020, with slight improvements observed in the third and fourth quarters. Table 1 shows annual data from 2016 up until 2020, while Table 2 presents quarterly developments for 2019 and 2020.

Tourism

The tourism industry was negatively hit predominantly by travel restrictions and a reduction in demand among travellers.

Up until 2019, inbound tourism was registering a year-on-year increase, with an adverse trend being brought about by the pandemic. Total inbound tourists for 2020 amounted to 658,567, declining by 76 per cent from 2019.

Decreases were also registered for total nights spent by inbound tourists and total expenditure, with drops of 73 and 80 per cent respectively. During the second quarter of 2020, all passenger flights were suspended due to restrictive measures, resuming operations in July. Despite the reopening of the airport, the second half of the year saw a drop of 81 per cent in total inbound tourists, resulting in a decline of 74 per cent in total nights spent and 83 per cent in total expenditure, when compared to the second half of 2019.

Economy, Public Finances, and Businesses

As expected, the COVID-19 pandemic also had a negative impact on key macroeconomic indicators. In 2020, nominal Gross Domestic Product (GDP) amounted to slightly less than €13 billion, a contraction of nearly six per cent over 2019. Economic activity was most severely affected in the second quarter of 2020, declining by more than 13 per cent. During the last two quarters of the year, the economy started showing signs of gradual recovery, but still registered declines compared to the previous year.

Subdued economic activity resulted in weaker price pressures. In 2020, the annual rate of inflation as measured by the Retail Price Index (RPI) averaged 0.64 per cent, down from 1.64 per cent in the previous year. Inflation had been on a downward trend since the third quarter of 2019, however continued to ease since the onset of the pandemic, reaching a low of 0.27 per cent by the fourth quarter of 2020.

In 2020, a trade in goods deficit of €1,978 billion was registered, 45 per cent lower than the deficit recorded in the previous year. This improvement was the result of a drop in imports which exceeded two billion euro, which was partially offset by the decline in exports of less than €500 million. With regard to quarterly developments, exports exhibited a decrease in the last three quarters of 2020 when compared to 2019, after registering an increase in the first quarter. On the other hand, imports recorded a decrease in all quarters of the year under review. The largest decline in both exports and imports was observed in the third quarter of 2020.

The Government's Consolidated Fund registered a deficit of nearly €1.5 billion in 2020, compared to a surplus of around nine million euro recorded in 2019. This reflected lower revenue as a result of weaker economic activity, coupled with higher expenditure to mitigate the adverse impact of the pandemic. In 2020, a total outlay of €384 million related to the COVID-19 Business Assistance Programme, a further €45 million was spent on the COVID-19 Economic regeneration voucher scheme and more than €14 million were directly related to COVID-19 Social benefits. A deficit was reported in all quarters of 2020, with the largest being that of the second quarter, which nearly amounted to €600 million. Developments in Government's fiscal balance translated into a rise in government debt, which reached almost seven billion euro by the end of 2020, an increase of 27 per cent over the corresponding period of 2019.

The index of Industrial Production declined marginally in 2020 by 0.3 per cent over the previous year. This index was at its lowest during the second quarter of 2020. Concurrently, the index of services turnover decreased by 14.5 per cent in 2020 when compared to 2019. The services industry index also reached its lowest levels in the second quarter of 2020.

Transport

The unprecedented decreases in inbound tourism, accompanied by changes in lifestyle and consumer behaviour, impacted road transport patterns. The number of newly licensed motor vehicles in 2020 stood at 19,480, the lowest in recent years. This represented a decrease of slightly more than 27 per cent over 2019. The second quarter of 2020 registered the lowest number of newly licensed motor vehicles, at 3,679. This same pattern could be observed in road traffic accidents, which dropped by 25 per cent in 2020 when compared to 2019 levels to 11,950 accidents.

Sea transport data showed that the number of passengers and vehicles travelling between the Maltese islands during 2020 totalled 3,773,981 and 1,552,138, respectively. This meant a decrease of 36 and 13 per cent respectively, when compared to 2019. Once again, the largest disruption occurred during the second quarter of 2020, when a decrease of almost one million passengers and 172,372 vehicles was recorded over the same quarter of 2019. Although increasing slightly in subsequent months, a substantial decline was still witnessed in comparison to the corresponding period of the previous year.

Labour Market

Data from the Labour Force Survey showed that the share of employed males in 2020 stood at 68 per cent, a decrease of 0.6 percentage points when compared to 2019. Conversely, the share of unemployed males increased by 0.6 percentage points whereas those inactive remained at the same level recorded during the previous year. The share of employed females aged 15 years and over reached almost 51 per cent, an increase of 1.4 percentage points when compared to 2019. The share of unemployed females rose by 0.3 percentage points while the share of inactive females declined by 1.7 percentage points.

Turning to the number of actual hours worked, on average, employed persons worked 33.8 hours per week in 2020, the lowest in recent years. This was largely influenced by the considerably low number of hours worked during the second quarter of the same year. In this regard, in the second quarter, this average stood at 31.6 hours per week.

Broken down by sex, in 2020, the average working hours for males stood at 35.9, a decrease of 3.5 hours over 2019. Furthermore, the average working hours for males in full- and part-time employment were 37.1 and 15.9 respectively. On the other hand, the average working hours in 2020 for females stood at 30.8. Similar to the situation among males, females also experienced a significant reduction in their working hours. Those employed in full-time jobs worked almost three hours less while those in part-time employment worked just over two hours less, when compared to the previous year.

Non-fatal accidents at work for persons aged 15 to 64 years exhibited a decline, with 2020 registering 2,328 accidents. This was a decrease of 930 accidents over the previous year. The lowest number of non-fatal accidents at work was registered in the second quarter of 2020 and stood at 516.

Chart 2. Inbound Tourism

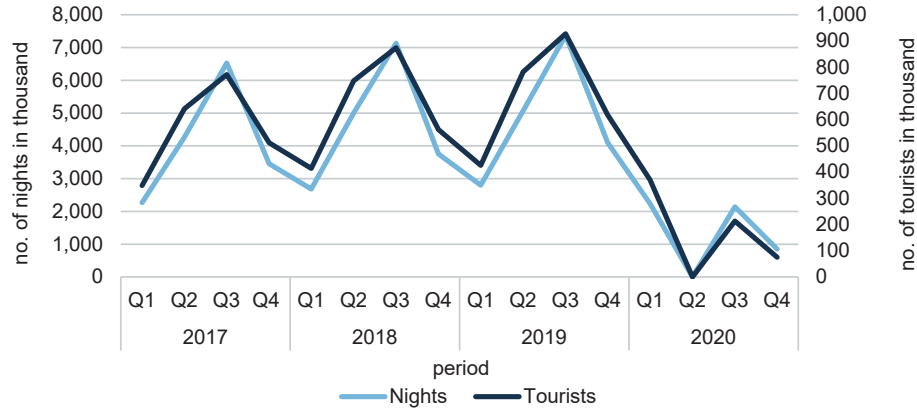


Chart 3. GDP in nominal terms

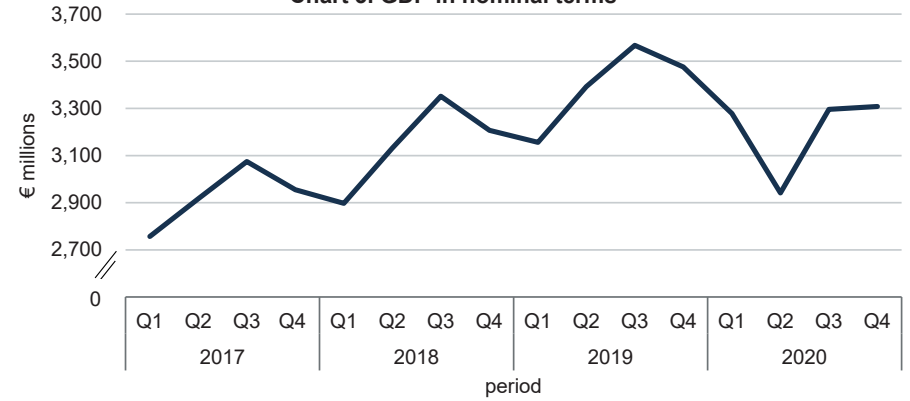


Chart 4. Short-term business indicators

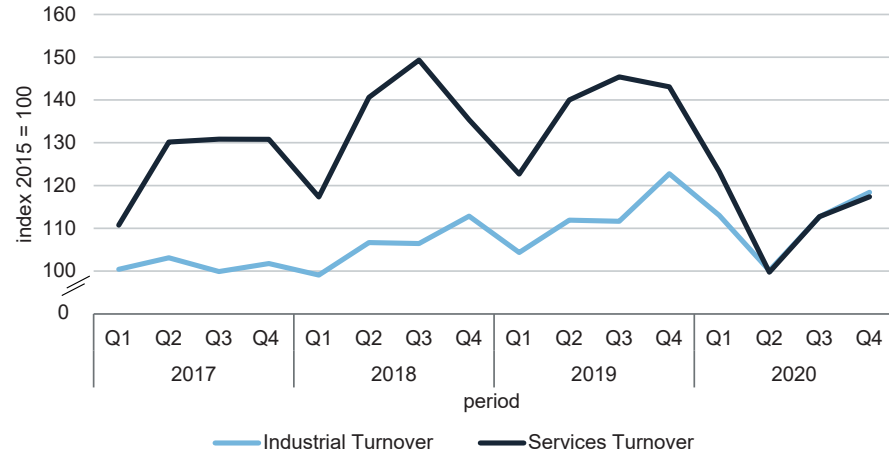


Chart 5. Central Government Debt

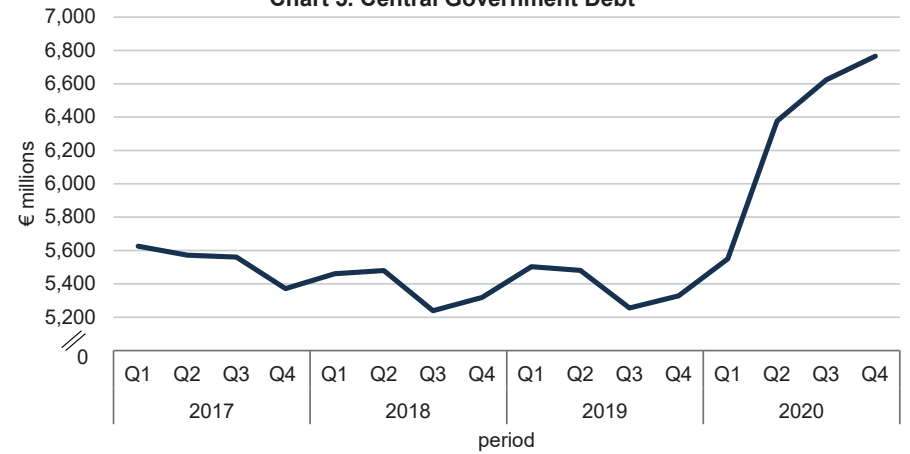


Chart 6. Employed Males and Females



Chart 7. Inflation rate



Table 1. Main Economic and Social Indicators impacted by COVID-19 by year and indicator ...

Indicator	Measure	2016	2017	2018	2019	2020
TOURISM						
Total inbound tourists	No.	1,965,928	2,273,837	2,598,690	2,753,239	658,567
Total nights spent by inbound tourists	No.	14,961,366	16,509,141	18,569,716	19,338,860	5,227,229
Total expenditure by inbound tourists	€ 000	1,708,952	1,946,894	2,101,765	2,220,627	455,108
ECONOMY, PUBLIC FINANCES AND BUSINESSES						
Gross Domestic Product in nominal terms	€ 000	10,589,223	11,703,493	12,587,439	13,592,198	12,823,785
Inflation Rate ¹	%	0.64	1.37	1.16	1.64	0.64
Balance of trade in goods	€ 000	-2,525,190	-2,419,799	-2,841,482	-3,611,382	-1,978,012
<i>of which</i>						
Exports	€ 000	3,927,901	3,707,963	3,440,853	3,798,024	3,356,330
Imports	€ 000	6,453,091	6,127,762	6,282,336	7,409,407	5,334,342
Consolidated Fund Surplus/Deficit	€ 000	8,870	182,672	-70,217	9,354	-1,467,906
Central Government Debt	€ 000	5,474,901	5,371,757	5,318,985	5,328,195	6,765,235
COVID-19 Business Assistance Programme	€ 000	-	-	-	-	384,232
COVID-19 Economic regeneration voucher scheme	€ 000	-	-	-	-	45,329
COVID-19 Social benefits	€ 000	-	-	-	-	14,522
Index of Industrial Production ²	Index	93.26	101.17	102.47	103.75	103.49
Index of Services Turnover ²	Index	104.94	115.43	124.14	127.17	108.68
TRANSPORT						
Newly licensed motor vehicles	No.	22,730	24,888	26,497	26,797	19,480
Total road traffic accidents	No.	15,017	15,003	14,378	15,829	11,950
Total road traffic fatalities	No.	23	19	18	16	12
Sea transport between Malta and Gozo						
<i>of which</i>						
Passengers	No.	5,133,000	5,383,840	5,758,318	5,917,780	3,773,981
Vehicles	No.	1,459,114	1,544,022	1,659,902	1,782,909	1,552,138

¹ 12-month moving average

² Base Year is 2015. Data is working-day adjusted

... Table 1. Main Economic and Social Indicators impacted by COVID-19 by year and indicator

Indicator	Measure	2016	2017	2018	2019	2020
LABOUR MARKET						
Distribution of persons aged 15 and over <i>of which by sex and labour status</i>	No.	384,918	396,646	412,049	429,796	438,118
Males	No.	193,554	200,289	209,976	221,585	227,029
Employed	No.	126,088	132,440	141,821	152,272	154,650
Unemployed	No.	5,765	5,278	5,550	5,270	6,757
Inactive	No.	61,701	62,571	62,605	64,043	65,622
Females	No.	191,364	196,357	202,073	208,211	211,089
Employed	No.	82,044	88,049	96,692	102,484	106,777
Unemployed	No.	4,466	3,906	3,509	4,285	5,001
Inactive	No.	104,854	104,402	101,872	101,442	99,311
Distribution rate of persons aged 15 and over <i>of which by sex and labour status</i>						
Males	%	100.0	100.0	100.0	100.0	100.0
Employed	%	65.1	66.1	67.5	68.7	68.1
Unemployed	%	3.0	2.6	2.6	2.4	3.0
Inactive	%	31.9	31.2	29.8	28.9	28.9
Females	%	100.0	100.0	100.0	100.0	100.0
Employed	%	42.9	44.8	47.9	49.2	50.6
Unemployed	%	2.3	2.0	1.7	2.1	2.4
Inactive	%	54.8	53.2	50.4	48.7	47.0
Average actual hours worked of employed persons <i>of which by sex and type of employment in main occupation</i>	No.	36.2	35.7	35.8	36.9	33.8
Males	No.	38.8	38.4	38.4	39.3	35.9
Full-time job	No.	40.3	39.7	40.0	41.0	37.1
Part-time job	No.	20.3	21.8	20.0	19.5	15.9
Females	No.	32.1	31.6	32.0	33.3	30.8
Full-time job	No.	36.1	35.4	35.5	36.9	34.2
Part-time job	No.	20.6	20.3	20.1	20.3	18.2
Non-fatal accidents at work (15-64 years)	No.	3,220	3,182	3,252	3,258	2,328

Table 2. Main Economic and Social Indicators impacted by COVID-19 by quarter and indicator ...

Indicator	Measure	2019				2020			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
TOURISM									
Total inbound tourists	No.	425,892	782,176	927,358	617,814	370,216	n/a	213,560	74,790
Total nights spent by inbound tourists	No.	2,798,282	5,072,583	7,370,856	4,097,139	2,239,226	n/a	2,142,694	845,309
Total expenditure by inbound tourists	€ 000	272,371	611,131	871,548	465,577	224,582	n/a	168,253	62,273
ECONOMY, PUBLIC FINANCES AND BUSINESSES									
Gross Domestic Product in nominal terms	€ 000	3,155,880	3,392,462	3,567,890	3,475,966	3,278,097	2,941,768	3,295,872	3,308,048
Inflation Rate	%	1.77	1.89	1.61	1.30	1.16	0.74	0.40	0.27
Balance of trade in goods	€ 000	-1,287,217	-885,043	-1,011,588	-427,534	-592,368	-668,624	-587,741	-129,279
<i>of which</i>									
Exports	€ 000	853,861	838,422	933,002	1,172,738	953,888	666,776	730,082	1,005,583
Imports	€ 000	2,141,078	1,723,466	1,944,591	1,600,272	1,546,256	1,335,400	1,317,823	1,134,862
Consolidated Fund Surplus/Deficit	€ 000	-134,214	-21,951	194,037	-28,517	-311,727	-583,915	-243,336	-328,928
Central Government Debt ¹	€ 000	5,502,507	5,480,928	5,255,427	5,328,195	5,550,331	6,376,620	6,623,351	6,765,235
COVID-19 Business Assistance Programme	€ 000	-	-	-	-	35,000	104,000	98,000	147,232
COVID-19 Economic regeneration voucher scheme	€ 000	-	-	-	-	-	-	45,329	-
COVID-19 Social benefits	€ 000	-	-	-	-	-	13,649	825	48
Index of Industrial Production ²	Index	98.80	103.83	106.81	106.75	108.12	96.99	103.53	105.23
Index of Services Turnover ²	Index	127.25	126.21	124.88	130.45	131.26	95.30	101.32	109.77
TRANSPORT									
Newly licensed motor vehicles	No.	6,525	7,439	6,679	6,154	5,268	3,679	5,160	5,373
Total road traffic accidents	No.	3,656	4,145	4,187	3,841	3,357	2,255	3,167	3,171
Total road traffic fatalities	No.	1	6	3	6	2	5	4	1
Sea transport between Malta and Gozo									
<i>of which</i>									
Passengers	No.	1,146,490	1,575,472	1,840,575	1,355,243	1,038,142	581,311	1,278,474	876,054
Vehicles	No.	363,460	454,818	538,864	425,767	356,997	282,446	521,914	390,781

¹ Figures denote the position at the end of the quarter

² Base Year is 2015. Data is working-day adjusted

Note: Following the closure of the airport from 21st March till 30th June, the Tourism Statistics Survey (TOURSTAT) has been suspended and data is not available for this period.

... Table 2. Main Economic and Social Indicators impacted by COVID-19 by quarter and indicator

Indicator	Measure	2019				2020			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
LABOUR MARKET									
Distribution of persons aged 15 and over <i>of which by sex and labour status</i>	No.	422,989	427,420	432,387	436,308	439,512	438,415	436,979	437,003
Males	No.	216,950	220,412	223,117	225,876	227,765	227,194	226,674	226,424
Employed	No.	147,892	149,576	154,233	157,446	157,699	153,595	152,456	154,772
Unemployed	No.	5,382	5,009	5,279	5,414	6,217	6,673	7,218	6,939
Inactive	No.	63,676	65,827	63,605	63,016	63,849	66,926	67,000	64,713
Females	No.	206,039	207,008	209,270	210,432	211,747	211,221	210,305	210,579
Employed	No.	100,182	102,930	102,064	104,647	108,550	105,928	107,275	105,337
Unemployed	No.	4,193	4,258	4,555	4,136	3,774	5,358	5,371	4,947
Inactive	No.	101,664	99,820	102,651	101,649	99,423	99,935	97,659	100,295
Distribution rate of persons aged 15 and over <i>of which by sex and labour status</i>									
Males	%	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Employed	%	68.2	67.9	69.1	69.7	69.2	67.6	67.3	68.4
Unemployed	%	2.5	2.3	2.4	2.4	2.7	2.9	3.2	3.1
Inactive	%	29.4	29.9	28.5	27.9	28.0	29.5	29.6	28.6
Females	%	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Employed	%	48.6	49.7	48.8	49.7	51.3	50.2	51.0	50.0
Unemployed	%	2.0	2.1	2.2	2.0	1.8	2.5	2.6	2.3
Inactive	%	49.3	48.2	49.1	48.3	47.0	47.3	46.4	47.6
Average actual hours worked of employed persons <i>of which by sex and type of employment in main occupation</i>	No.	37.8	37.0	35.6	37.3	34.9	31.6	34.0	34.6
Males	No.	39.8	39.4	38.6	39.6	37.1	33.6	37.1	35.6
Full-time job	No.	41.4	40.8	40.2	41.5	38.7	34.8	38.2	36.9
Part-time job	No.	21.2	20.2	19.2	17.6	16.0	10.0	18.9	17.4
Females	No.	34.8	33.5	31.0	33.8	31.8	28.7	29.7	33.1
Full-time job	No.	38.9	37.3	33.9	37.5	35.1	33.0	32.4	36.2
Part-time job	No.	20.3	20.0	20.4	20.8	19.5	14.1	19.1	20.6
Accidents at work 15-64 years	No.	713	866	903	776	592	516	639	581

Methodological Notes

Further information on the compilation practices and related methodology for each indicator can be obtained from the sources and methods below.

1. **Inbound Tourism**

https://nso.gov.mt/en/nso/Sources_and_Methods/Unit_C3/Tourism_Statistics/Pages/TOURSTAT-Survey.aspx

2. **International Trade in Goods**

https://nso.gov.mt/en/nso/Sources_and_Methods/Unit_A4/International_Trade/Pages/External-Trade-Statistics.aspx

3. **Public Finance**

Consolidated Fund Surplus/ Deficit

https://nso.gov.mt/en/nso/Sources_and_Methods/Unit_A2/Public_Finance/Pages/Government-Finance-Data.aspx

Central Government Debt

https://nso.gov.mt/en/nso/Sources_and_Methods/Unit_A2/Public_Finance/Pages/Government-Finance-Data.aspx

Social Security Benefits

https://nso.gov.mt/en/nso/Sources_and_Methods/Unit_A2/Public_Finance/Pages/Government-Expenditure-on-Social-Security-Benefits.aspx

4. **Gross Domestic Product**

https://nso.gov.mt/en/nso/Sources_and_Methods/Unit_A1/National_Accounts/Pages/Gross-Domestic-Product.aspx

5. **Short-term**

Index of Industrial Production and Index of Services Turnover:

https://nso.gov.mt/en/nso/Sources_and_Methods/Unit_B2/Short-term_Statistics/Pages/Short-term-Statistics.aspx

6. **Population**

https://nso.gov.mt/en/nso/Sources_and_Methods/Unit_C5/Population_and_Migration/Pages/Demography.aspx

7. **Transport**

Sea Transport between Malta and Gozo

https://nso.gov.mt/en/nso/Sources_and_Methods/Unit_02/Regional_and_Geospatial_Statistics/Pages/Sea-Transport-between-Malta-and-Gozo.aspx

Motor Vehicles

https://nso.gov.mt/en/nso/Sources_and_Methods/Unit_B3/Environment_Energy_Transport_and_Agriculture_Statistics/Pages/Motor-Vehicles.aspx

Road traffic accidents

https://nso.gov.mt/en/nso/Sources_and_Methods/Unit_B3/Environment_Energy_Transport_and_Agriculture_Statistics/Pages/Road-Traffic-Accidents.aspx

8. **Labour Market**

Labour Force Survey

https://nso.gov.mt/en/nso/Sources_and_Methods/Unit_C2/Labour_Market_Statistics/Pages/Labour-Force-Survey.aspx

Accidents at work

<https://metadata.nso.gov.mt/reports.aspx?id=198>

9. **Retail Price Index**

https://nso.gov.mt/en/nso/Sources_and_Methods/Unit_A5/Price_Statistics/Documents/RPI_and_HICP_Manual.pdf