

The monthly Index of Industrial Production (IIP) is a business cycle indicator. It provides an early measure of change in the volume of industrial output produced by domestic businesses in the manufacturing, energy, and quarrying sectors in Malta.

## Index of Industrial Production: January 2023

Cut-off date:  
2 March 2023

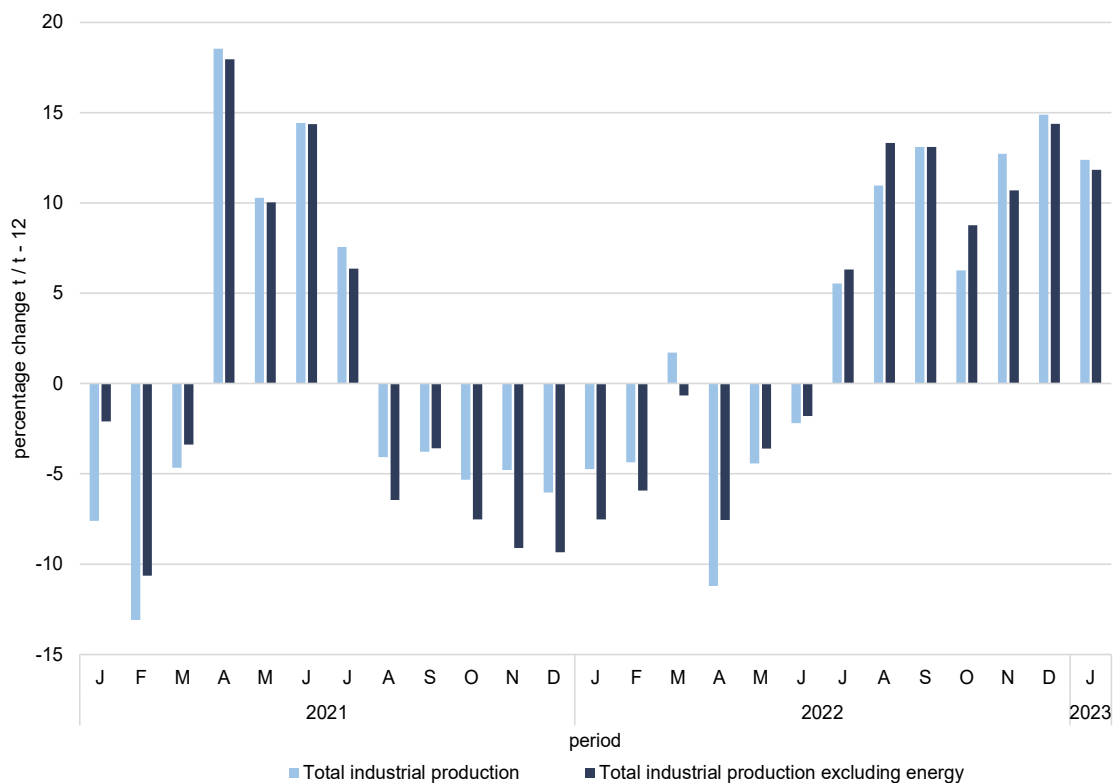
### Main points

- In January 2023, industrial output increased by 12.4 per cent when compared to January 2022.
- The largest upward change in industrial production was registered in the manufacturing of computer, electronic and optical products and transport equipment (46.9 per cent).
- When compared to the previous month, total industrial production decreased by 0.5 per cent.

### Total industrial output – annual comparison

In January 2023, the index of industrial production went up by 12.4 per cent when compared to the corresponding month in 2022. When excluding energy, the index went up by 11.8 per cent (Chart 1, Table 1).

**Chart 1. Annual comparison of the total industrial production**  
*% change compared to the corresponding month of the previous year*



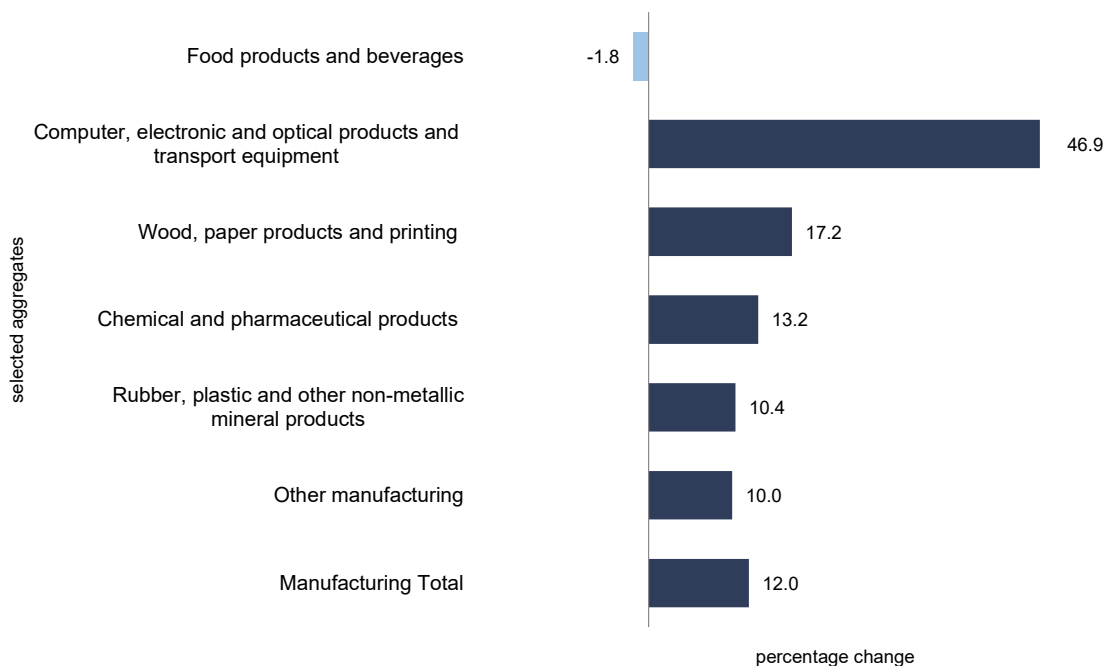
**Table 1. Industrial production indices and annual percentage changes**  
(index 2015=100)

Month	Total industrial production index	Annual % changes	Total industrial production excluding energy	Annual % changes
	<b>2022</b>			
January	96.6	-4.7	91.4	-7.5
February	89.9	-4.4	85.4	-5.9
March	102.9	1.7	97.6	-0.7
April	97.3	-11.2	96.6	-7.6
May	103.3	-4.4	99.6	-3.6
June	111.1	-2.2	105.2	-1.8
July	121.6	5.5	113.4	6.3
August	107.7	11.0	99.1	13.3
September	117.0	13.1	112.0	13.1
October	114.7	6.3	112.6	8.8
November	113.5	12.7	107.6	10.7
December	96.6	14.9	89.6	14.1
	<b>2023</b>			
January	108.6	12.4	102.3	11.8

### Manufacturing output – annual comparison

In January 2023, manufacturing output went up by 12.0 per cent. The largest upward change was registered in the production of computer, electronic and optical products and transport equipment (46.9 per cent), followed by wood, paper products and printing (17.2 per cent) and chemical and pharmaceutical products (13.2 per cent). On the other hand, a downward change was registered in the production of food products and beverages (1.8 per cent) (Chart 2).

**Chart 2. Manufacturing output - annual comparison by selected aggregates**  
% change compared to the corresponding month of the previous year

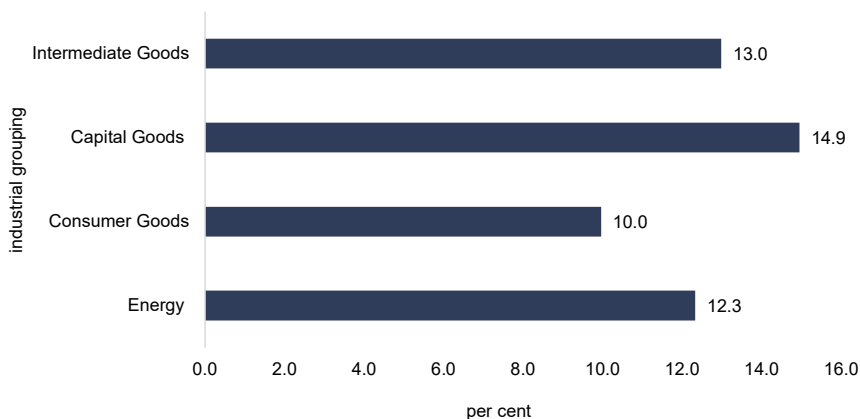


### Industrial output – annual comparison by main industrial grouping

The Main Industrial Groupings (MIGs) provide an alternative statistical breakdown of economic activities classified according to end-use categories. They combine several NACE divisions, groups and classes together (see methodological table for further information).

In January 2023, the production of capital goods and intermediate goods increased by 14.9 per cent and 13.0 per cent, respectively. Moreover, the production of energy increased by 12.3 per cent followed by the production of consumer goods (10.0 per cent) (Chart 3).

**Chart 3. Annual comparison by main industrial grouping**  
*% change compared to the corresponding month of the previous year*

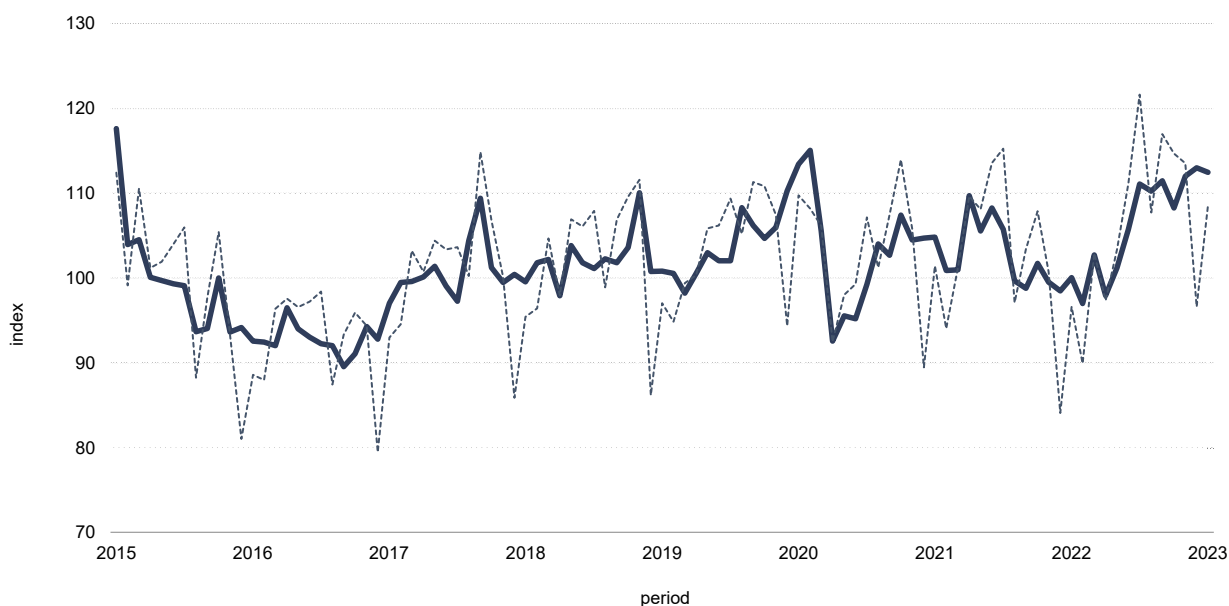


### Seasonally adjusted industrial production – monthly comparison

A clearer picture of the economic developments can be obtained when indices are adjusted for seasonal effects. These recurring effects are removed from the index series to enable month-on-month comparisons (see methodological points 5 and 6).

The seasonally adjusted index of industrial production for January 2023 decreased by 0.5 per cent when compared to December 2022 and stood at 112.4 index points (2015=100) (Chart 4).

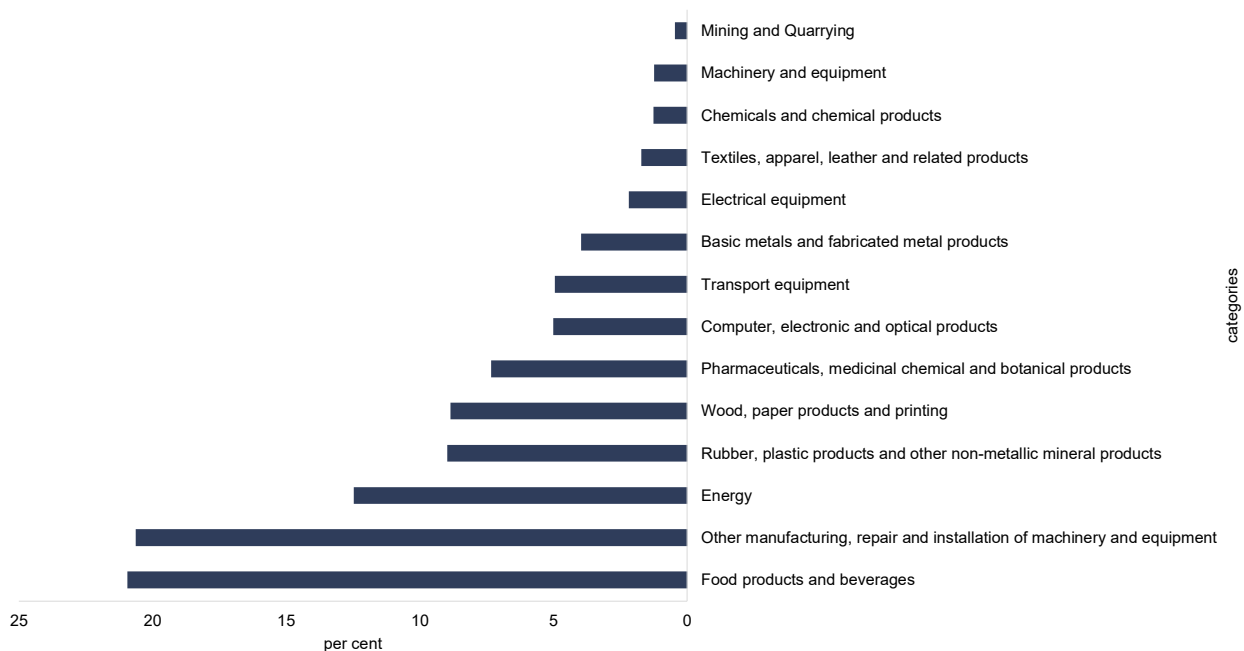
**Chart 4. Seasonally adjusted index of industrial production**  
*Index (2015 = 100)*



Note: Data for reference years 2015-2022 is on an annual basis; data for reference year 2023 is for January.

## Methodological Notes

1. This Index of Industrial Production is a Principal European Economic Indicator (PEEI) and compiled in accordance with Commission Regulation (EU) 2019/2152 and Commission Implementing Regulation 2020/1197 of the European Parliament and of the Council on European Business Statistics. The NSO has also adopted methodologies and guidelines recommended by Eurostat and the United Nations.
2. The Maltese Index of Industrial Production is calculated using a Laspeyres-type index (2015=100). Aggregation weights are updated every five years and the gross value added is used as the weighting variable. The whole series is available from the year 2000 onwards.
3. The sample covers 80 per cent of the total industrial turnover and the number of surveyed businesses every month is around 200. A combination of cut-off and stratified random sampling techniques are used. The volume of industrial production is calculated using three methods: the physical quantities of output, the deflated turnover and the number of hours worked.
4. In this news release, Energy refers to NACE D35 only - Electricity, gas steam and air conditioning supply. It excludes B05 - mining of coal and lignite, B06 - extraction of crude petroleum and natural gas, C19 - manufacture of coke and refined petroleum products and E36 - water, collection, treatment and supply. The index excludes the electricity supply imported via the Malta-Sicily Interconnector.
5. Year-on-year comparisons refer to indices that are calendar adjusted while month-on-month comparisons refer to calendar and seasonally adjusted index numbers. These adjustments aid interpretation of data by removing regularly recurring variations from a time series. The officially recommended software JDemetra+ is used to adjust all series in this news release.
6. The calendar effect is the variation caused by the changing number of working/trading days, fixed and moving holidays, leap year and other calendar-related phenomena. The seasonal effect is the variation caused by any pattern that repeats on a regular basis in the same period each year.
7. The average weighted response rate for this indicators around 80% every month. The data is to be considered as provisional and therefore subject to revision.
8. The aggregation weights (gross value added) of the various categories used for the calculation of the Index of Industrial Production for the year 2015 (base year) are as follows:



## Main industrial groupings description

Main industrial grouping	Description	Example
Capital Goods	Capital goods are physical assets used by businesses to produce consumer (final) goods	Machinery equipment
Intermediate goods	Intermediate goods, also called semi-finished goods are products used as inputs to produce a consumer (final) good	Rubber and plastic products
Consumer goods	Consumer goods, also called final goods are products that are readily available for consumption by consumers. These goods do not undergo further transformation in production	Food products and beverages
Energy	Energy refers to the production of electricity	Electricity excluding supply imported via the Malta-Sicily Interconnector

9. More information relating to this news release may be accessed at:

Sources and Methods:

[https://nso.gov.mt/en/nso/Sources\\_and\\_Methods/Unit\\_B2/Short-term\\_Statistics/Pages/Short-term-Statistics.aspx](https://nso.gov.mt/en/nso/Sources_and_Methods/Unit_B2/Short-term_Statistics/Pages/Short-term-Statistics.aspx)

Statistical Concepts: <https://metadata.nso.gov.mt/concepts.aspx>

Metadata: <https://metadata.nso.gov.mt/reports.aspx?id=13>

Classifications: <https://metadata.nso.gov.mt/classificationdetails.aspx?id=NACE%20Rev.%202>

10. A detailed news release calendar is available on:

[https://nso.gov.mt/en/News\\_Releases/Release\\_Calendar/Pages/News-Release-Calendar.aspx](https://nso.gov.mt/en/News_Releases/Release_Calendar/Pages/News-Release-Calendar.aspx)