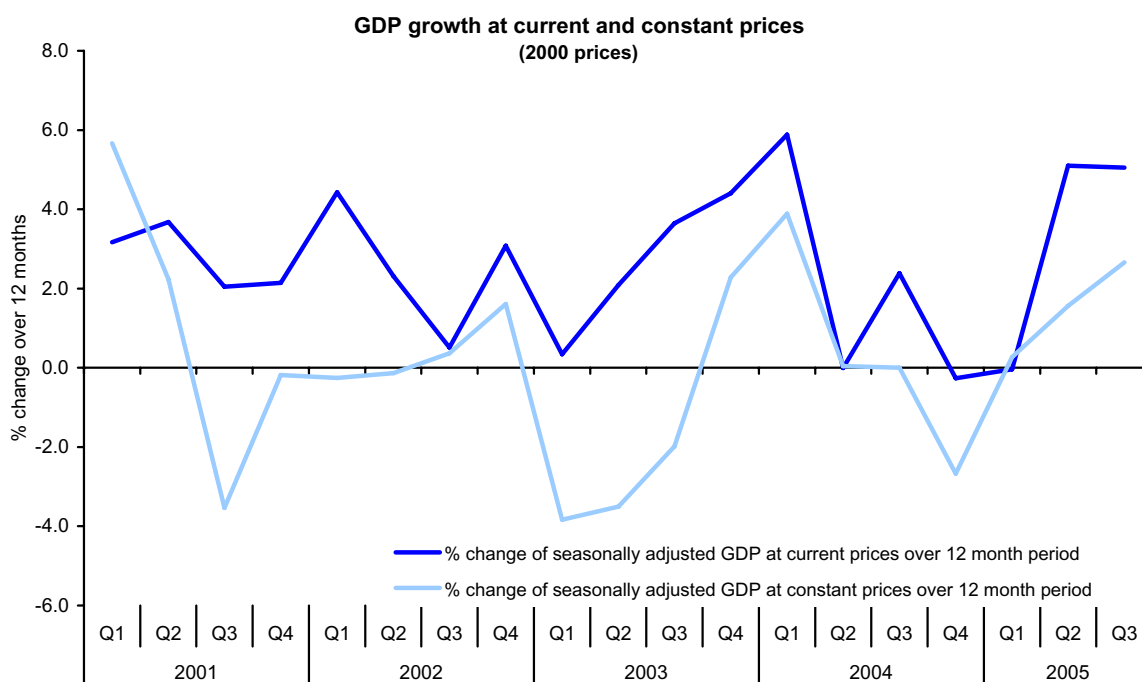


Structural Indicators

3rd quarter 2005

GROSS DOMESTIC PRODUCT



Gross Domestic Product (seasonally adjusted figures)

Year	Quarter	Current prices		Constant (2000) prices	
		Lm ' 000	annual % change	Lm ' 000	annual % change
2000		1,657,958	-	1,657,715	-
2001		1,703,602	2.8	1,673,380	0.9
2002		1,747,366	2.6	1,679,778	0.4
2003		1,793,065	2.6	1,649,779	-1.8
2004		1,828,369	2.0	1,654,275	0.3
2004	Q1	464,361	5.9	416,717	3.9
	Q2	448,585	0.0	414,250	0.0
	Q3	460,174	2.4	412,817	0.0
	Q4	455,249	-0.3	410,491	-2.7
2005	Q1	464,179	0.0	417,842	0.3
	Q2	471,462	5.1	420,734	1.6
	Q3	483,409	5.0	423,790	2.7

Source: NSO news release 269/2005

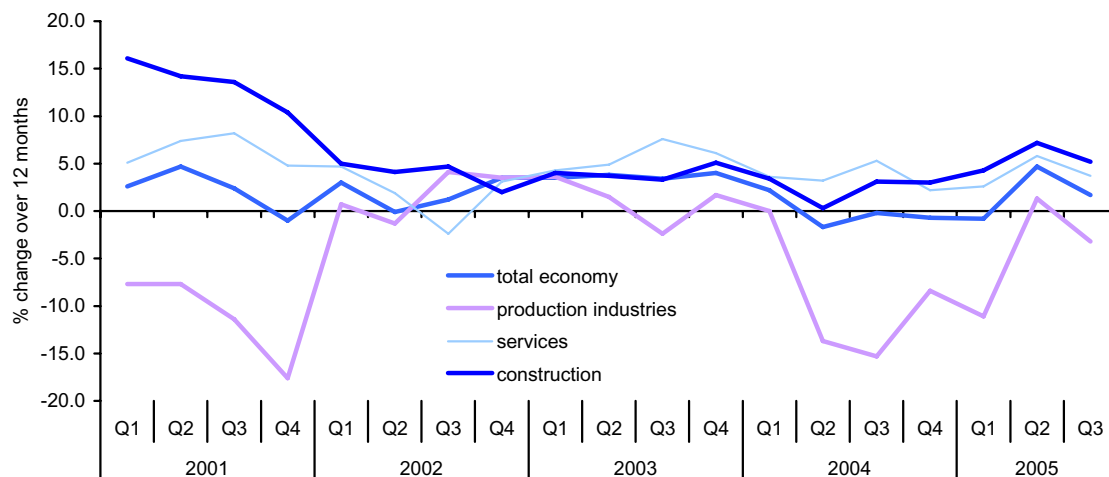
The Maltese economy began to recover slightly in 2004, showing evidence that it was returning to its pre-2003 levels of performance in terms of economic growth. Thus, in the previous year, the seasonally adjusted constant price figure GDP registered a 0.3% growth, distinctly contrasting with the negative growth of -1.8% in the 2003 period.

In the third quarter of this year, the chained volume measure (at constant 2000 prices) of GDP rose by a mere 0.7% on the preceding quarter. However the percentage change over the comparable quarter of 2004 amounted to 2.7% when using the same volume measure of GDP.

GROSS DOMESTIC PRODUCT BY INDUSTRY

GDP by industry is measured by gross value added (GVA). This aggregate is a measure of the value of output of an industry less the value of intermediate inputs used by that industry.

Gross Value Added by industry



Gross Value Added (GVA) at market prices

Year	Quarter	Annual % change				
		Total economy	Production industries	Services	Agriculture, hunting and fishing	Construction
2000		-	-	-	-	-
2001		2.2	-11.2	6.4	15.1	13.5
2002		1.8	1.7	1.6	1.0	3.9
2003		3.7	1.0	5.8	-0.4	4.0
2004		-0.1	-9.5	3.6	-4.5	2.4
2004	Q1	2.2	0.0	3.6	-0.5	3.4
2004	Q2	-1.7	-13.7	3.2	-2.0	0.3
2004	Q3	-0.2	-15.3	5.3	-7.3	3.1
2004	Q4	-0.7	-8.4	2.2	-7.6	3.0
2005	Q1	-0.8	-11.1	2.6	3.1	4.3
2005	Q2	4.7	1.3	5.8	5.5	7.2
2005	Q3	1.7	-3.2	3.7	8.3	5.2

Notes: for the purpose of this table FISIM has not yet been allocated over the individual industries; however, for the whole economy, it has been subsequently incorporated as a deduction from the gross value added of the total economy.

'Production' includes mining and quarrying, manufacturing, electricity, gas and water supply, but excludes construction

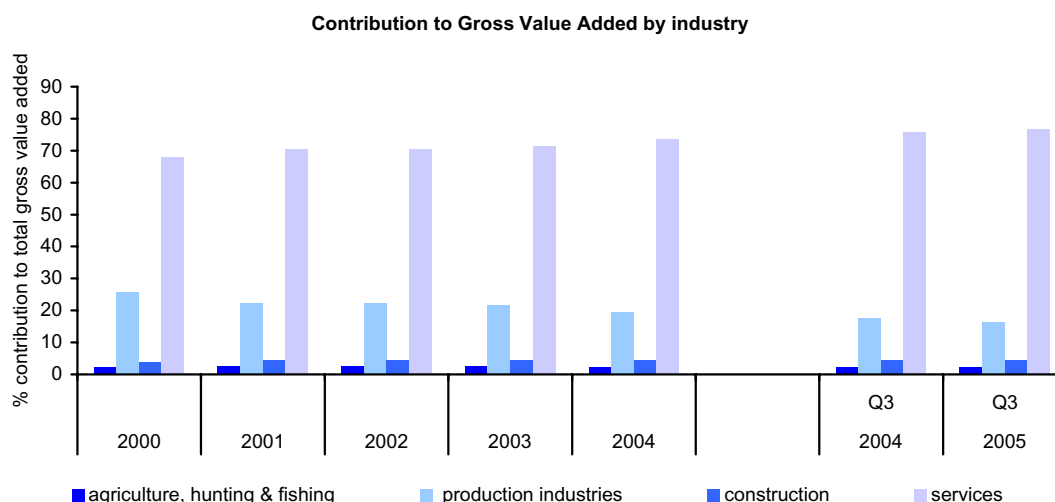
'Services' incorporates all other industries not falling under the other headings above

Figures for 2004 and 2005 are to be considered provisional

Source: News Release 267/2005

In the third quarter of 2005, all the major industries (with the exception of agriculture, hunting and fishing) reported a slowdown in the rate of growth of gross value added. In the case of the extraction, manufacturing and energy sectors viz. production, which previously had shown promising signs of modest recovery in the second quarter of this year (following a consistent decline in performance over the preceding four quarters), the gross value added of the production industry was once again marked by negative growth.

SECTORAL CONTRIBUTION PRODUCT TO GROSS VALUE ADDED



Contribution to Gross Value Added

Year	Quarter	% Contribution to total Gross Value Added* by industry			
		Agriculture, hunting & fishing	Production	Construction	Services
2000		2.3	25.8	4.0	67.9
2001		2.6	22.4	4.4	70.6
2002		2.6	22.4	4.5	70.5
2003		2.5	21.6	4.5	71.4
2004		2.3	19.5	4.6	73.6
2004	Q1	2.3	22.0	4.9	70.9
2004	Q2	2.5	19.0	4.5	74.0
2004	Q3	2.2	17.5	4.4	75.9
2004	Q4	2.4	19.6	4.6	73.3
2005	Q1	2.4	19.6	5.1	72.9
2005	Q2	2.5	18.3	4.6	74.6
2005	Q3	2.3	16.5	4.5	76.7

* Gross Value Added of the whole economy excludes the deduction of FISIM, in order to reconcile the total gross value added (of 100%) with the sum of the individual industries' % contribution to gross value added (since FISIM has not yet been allocated to the individual industries).

Source: News Release 267/2005

In 2004, services accounted to 73.6% of total gross value added, when compared to 71.4% in 2003. The significant importance of this sector to the Maltese economy can also be further confirmed by the substantial increment in the quarterly relative contribution from the beginning of 2004 to the current quarter of this year – approximately a six percentage point jump in less than two years.

Production (including mining and quarrying, manufacturing, electricity, gas and water supply but excluding construction) accounted for 19.5% in 2004, in comparison to 21.6% in 2003; the progressive decline in the contribution to total gross value added made by this sector over the recent years is also confirmed by the quarterly decrease in the relative contribution (of more than five percentage points), again during an interval of less than two years (between the first quarter of 2004 and the current quarter).

Between 2003 and 2004, a marginal increase of 0.1% was registered by the construction sector in the share of gross value added; the share of the agriculture, hunting and fishing sector dropped slightly during the period under consideration. The quarterly relative contribution of these two sectors remained relatively unchanged when comparing the first quarter figure of 2004 with the third quarter value of 2005.

DETERMINANTS OF GDP GROWTH

Determinants of real GDP growth at constant (2000) prices

(Lm'000)

	Household final consumption expenditure	NPISH final consumption expenditure	General Government final consumption expenditure	Gross Fixed Capital Formation	Changes in inventories	Acquisitions less disposals of valuables	Net exports	GDP (2000 prices)
2000	1,046,348	25,816	324,279	371,321	51,475	2,746	-167,276	1,654,709
2001	1,043,722	25,314	326,670	321,112	-19,807	11,989	-39,891	1,669,109
2002	1,034,521	26,556	339,814	254,450	-17,669	5,130	40,213	1,683,015
2003	1,054,393	27,169	349,702	326,814	-5,820	3,131	-101,801	1,653,588
2004	1,049,767	26,800	352,228	341,960	14,852	5,435	-136,541	1,654,501
2004 Q1	245,539	6,715	89,322	74,802	-8,182	1,359	-14,547	395,008
Q2	256,362	6,790	88,415	87,972	4,083	1,359	-34,880	410,101
Q3	275,762	6,518	84,806	87,145	-13,570	1,359	-14,820	427,200
Q4	272,103	6,778	89,686	92,042	32,521	1,359	-72,294	422,195
2005 Q1	239,231	6,735	83,364	79,376	31,545	1,371	-45,785	395,837
Q2	261,056	6,791	87,819	97,556	7,305	1,371	-44,063	417,835
Q3	283,982	6,703	84,733	89,328	-11,238	1,371	-15,379	439,500

Source: NSO News Release 267/2005

In 2004, household final consumption expenditure registered a nominal increase of Lm31.5 million, or 2.9 per cent, from the figure of Lm1,094.2 million in 2003. Whilst there was a slight decline in the consumption of food and non-alcoholic beverages, increases in nominal expenditure outlays were registered on alcoholic beverages and tobacco, clothing and footwear. Other nominal increases were recorded for housing, water, electricity, gas and other fuels, whilst spending decreased on furnishings, household equipment and routine maintenance of the house. Expenditure during the relevant period also increased on health, education, transport, communication, recreation and culture, and miscellaneous goods and services. In contrast, a decline was noted in the case of nominal expenditure outlay on items falling under restaurants and hotels.

The 2004 final consumption expenditure by households decreased in real terms by Lm4.6 million, or 0.4 per cent, from the figure of Lm1,054.4 million in 2003.

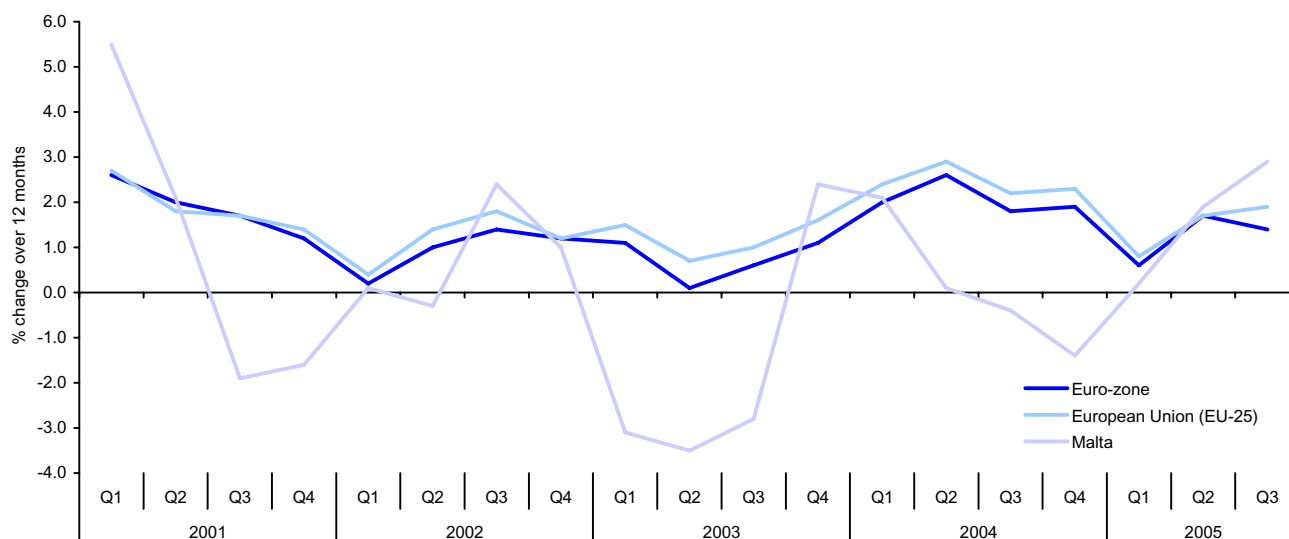
During the third quarter of 2005, household final consumption registered a nominal increase of Lm11.4 million, or 3.8 per cent from the figure of Lm297.8 million in the corresponding quarter of 2004. At constant 2000 prices, this is equivalent to an increase of 3.0 per cent.

In nominal terms, general government final consumption expenditure amounted to Lm412.0 million in 2004, an increase of Lm15.7 million or 4.0 per cent over the previous year's figure. The increase was mainly the result of higher outlays on health, education, and economic affairs. The other functions of government also reported similar increases during the same period. At constant prices, general government final consumption increased by 0.7 per cent from 2003 to reach Lm352.2 million in 2004. General government final expenditure (at constant 2000 prices) declined from Lm84.8 million in the third quarter of 2004 to Lm84.7 million in the comparable quarter of this year, representing a decrease of slightly less than 0.1 per cent.

Exports of goods and services at current prices dropped by 4.2 per cent to Lm1,386.3 million during 2004 when compared to 2003. When expressed in real terms, however, this represented a decline of only 0.1 per cent, or Lm1.8 million. Imports of goods and services increased by Lm1.9 million (representing 0.1 per cent) in nominal terms during the period 2003 - 2004; this amounted to an increase in real imports of Lm32.9 million, or 2.0 per cent over the same period. During the third quarter of 2005, the nominal value of exports of goods and services increased by 4.1 per cent to Lm382.8 million when compared to the corresponding quarter of 2004. In real terms, this was equivalent to a gain of 1.1 per cent. In 2005 Q3 nominal imports of goods and services went up by 3.3 per cent when compared to the corresponding quarter of the previous year. The equivalent increase in real terms for this same variable amounted to 1.2 per cent.

GDP INTERNATIONAL COMPARISONS

GDP growth at constant prices (Q/Q-4): International Comparisons
(based on non-seasonally adjusted data)



**GDP at constant (2000) prices -
percentage change on previous year
(non-seasonally adjusted figures)**

**GDP at constant (1995) prices -
percentage change on previous quarter
(seasonally adjusted figures)**

Country	annual % change (Q/Q-4)					% change quarter on quarter (Q/Q-1)						
	2001	2002	2003	2004	2005	2004				2005		
						Q1	Q2	Q3	Q4	Q1	Q2	Q3
Euro-zone	1.9	0.9	0.7	2.1	1.3	0.7	0.4	0.3	0.2	0.3	0.4	0.6
European Union (EU-25)	1.9	1.2	1.2	2.4	1.5	0.8	0.5	0.3	0.3	0.3	0.4	0.6
United Kingdom	2.2	2.0	2.5	3.2	1.6	1.0	0.7	0.3	0.5	0.3	0.5	0.4
Germany	1.2	0.1	-0.2	1.6	0.8	0.5	0.2	-0.1	-0.1	0.6	0.2	0.6
Italy	-0.8	0.4	0.3	1.2	0.2	0.5	0.3	0.4	-0.4	-0.5	0.7	0.3
France	2.1	1.2	0.8	2.3	1.5	0.5	0.8	0.0	0.7	0.3	0.1	0.7
Ireland	6.2	6.1	4.4	4.5	4.4	0.1	-0.2	-0.4	2.4	0.3	1.6	-
Malta	0.9	0.8	-1.7	0.1	0.8	-1.2	-0.6	-0.4	-0.6	1.8	0.7	0.7
Cyprus	4.1	2.1	1.9	3.8	3.9	0.9	1.0	0.8	0.7	1.3	0.7	-
Czech Republic	2.6	1.5	3.2	4.4	4.8	1.2	1.1	1.2	1.2	1.3	1.3	-
Hungary	4.3	3.8	3.4	4.6	3.7	1.1	1.0	0.8	1.1	0.9	1.2	-
Slovenia	2.7	3.5	2.7	4.2	3.8	1.7	0.8	1.2	-0.4	1.2	2.6	-
Slovakia	3.8	4.6	4.5	5.5	5.1	1.5	1.4	1.2	1.5	1.3	1.4	1.5
Lithuania	7.2	6.8	10.5	7.0	7.0	2.1	0.9	1.8	1.6	0.2	3.3	2.7

Note: (i) the annual 2005 data are shown in italics to indicate that they are provisional figures based on Eurostat forecasts;

(ii) the Eurostat database provides the countries' comparative annual growth rates of non-seasonally adjusted GDP at constant (2000) prices; the equivalent quarterly non-seasonal and seasonally adjusted figures are, however, provided at constant (1995) figures.

Source: Eurostat/National Accounts Statistics, NSO

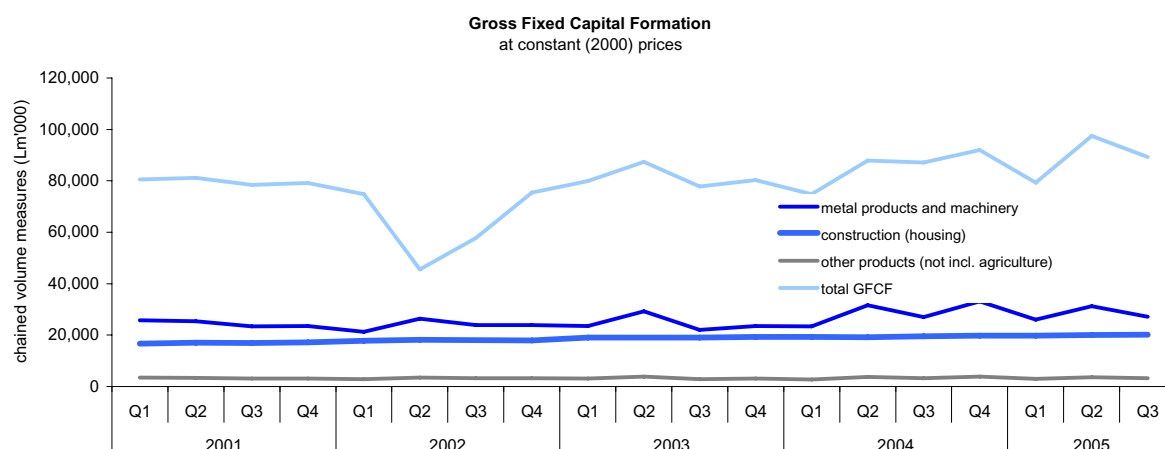
According to recent data, many large economies continued to register positive growth in the third quarter of this year. Whilst Germany and France reported significant increases when compared to the second quarter, the United Kingdom and Italy have experienced reduced, albeit still positive growth in the current quarter; this slowdown is more marked in the case of Italy, which for the first time in three consecutive quarters, had reported significant positive economic growth in real terms in the second quarter of this year.

Growth in the euro-zone and EU-25 countries in the second and third quarters of 2005 showed signs of returning back to the former levels which existed in the beginning of 2004 (following a slight decline observed in these regions in the latter half of 2004). Significantly, growth in the euro-zone and the EU-25 group of countries has remained positive throughout the last four quarters, even though some of the major industrial economies have featured negative growth during the earlier part of this period.

Many of the new Member States have consistently reported positive real GDP growth approximately equal to, and in many instances, greater than unity, from the fourth quarter of 2004 onwards.

GROSS FIXED CAPITAL FORMATION ...

Gross fixed capital formation consists of resident producers' acquisitions, less disposals, of fixed assets during a given period plus certain additions to the value of non-produced assets realised by the productive activity of producer or institutional units (definition: Eurostat ESA 1995). Non-produced assets consist of those tangible and intangible non-financial assets that come into existence other than through processes of production, and incorporate costs of ownership transfer on, and major improvements to, these assets.



Chained volume measures*, reference year 2000, non-seasonally adjusted data

Year	Quarter	Transport equipment	Metal products and machinery	Construction (other buildings and structures)	Construction (housing)	Other products (not incl. agriculture)	Total GFCF**	Annual % changes in GFCF
Lm '000								
2000		40,319	148,501	116,367	53,343	11,174	369,703	-
2001		15,089	98,063	125,172	67,840	13,051	319,216	-13.7
2002		-47,818	95,551	121,004	72,123	12,706	253,566	-20.6
2003		20,148	98,413	117,633	76,429	12,787	325,410	28.3
2004		20,764	115,114	114,428	77,924	13,623	341,854	5.1
2004	Q1	4,219	23,392	25,101	19,298	2,768	74,779	-6.5
2004	Q2	5,693	31,562	27,753	19,200	3,735	87,943	0.7
2004	Q3	4,877	27,038	32,434	19,571	3,200	87,120	11.9
2004	Q4	5,975	33,123	29,140	19,854	3,920	92,012	14.6
2005	Q1	4,691	26,005	25,743	19,836	3,050	79,324	6.1
2005	Q2	5,641	31,276	36,886	20,024	3,668	97,496	10.9
2005	Q3	4,886	27,089	34,002	20,121	3,177	89,274	2.5

*for the purpose of this table, the overall deflator for machinery and equipment was used to derive the constant price figure of the sub-components transport equipment, metal products and machinery; similarly, the overall deflator for construction was used to obtain the separate constant price figures for the other buildings and structures, housing sub-components of construction.

**Total GFCF excludes (i) the amounts representing products of agriculture, forestry and fisheries (such as livestock used for breeding, plantations etc.), as well as (ii) capitalised production.

Source: National Accounts Statistics

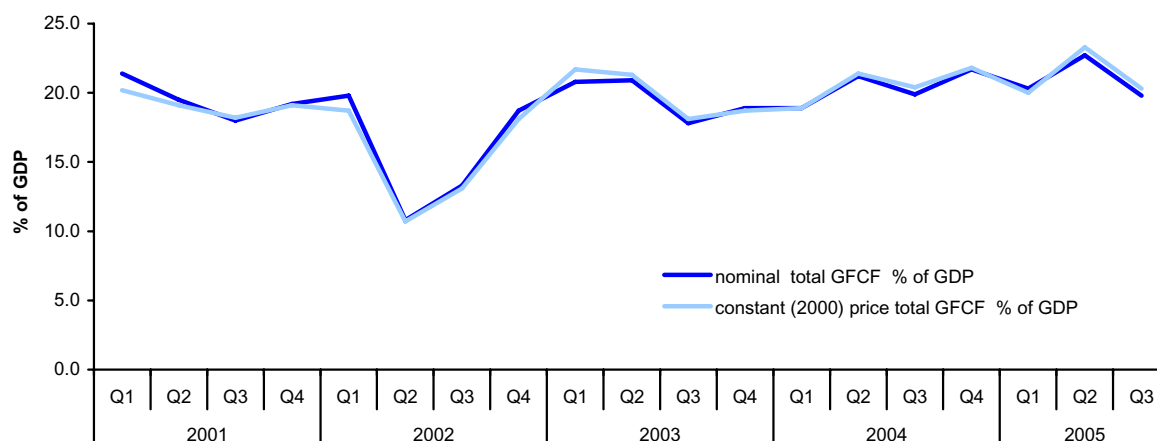
Expenditure on gross fixed capital formation (transport equipment, metal products and machinery, construction, and other products, but not including agriculture and capitalised production) increased nominally by Lm 21.9 million, or 6.2%, when comparing the 2004 figure with the previous year. In the current quarter of this year, GFCF exhibited a growth of 4.3% over the corresponding third quarter of 2004. Whilst still positive, GFCF during the current quarter has suffered a decline in the growth rate of more than eight percentage points when compared with the corresponding annual growth rate in the preceding quarter of this year.

In real terms, GFCF increased by Lm 16.4 million, representing an increase of 5.1% in 2004 when compared to the previous year. The same constant price figure grew by 2.5% when the third quarter value of 2005 is compared with the corresponding quarter in 2004. Thus the decline in current price GFCF growth referred to beforehand is again reflected in magnitude in constant price terms.

The quarterly individual series depicted above incorporates both private and public expenditure on the relevant components of GFCF. At constant (2000) prices, investment in construction for housing purposes remained relatively stable over the three quarters of 2005, with negligible increases being registered from quarter to quarter; this trend is also clearly reproduced by the consecutive quarterly figures of 2004. Investment in total equipment (incorporating the following major categories: transport equipment, and metal products and machinery) experienced a substantial decline of approximately slightly more than 13% in the third quarter of 2005 when compared with the second quarter of this year. The same constant price figure for the current quarter, however, remained approximately stable when compared to the figure of the same quarter of 2004.

... GROSS FIXED CAPITAL FORMATION

Nominal and Constant (2000) Price Total GFCF % of GDP



Gross Fixed Capital Formation (GFCF) and GDP

Period	At current market prices				At constant (2000) prices				
	Total GFCF Lm '000	Annual % changes total GFCF	GDP Lm '000	Total GFCF % of GDP	Total GFCF Lm '000	Annual % changes total GFCF	GDP Lm '000	Total GFCF % of GDP	
2000	369,703	-	1,654,709	22.3	369,703	-	1,654,709	22.3	
2001	330,626	-10.6	1,699,645	19.5	319,216	-13.7	1,669,109	19.1	
2002	271,706	-17.8	1,750,520	15.5	253,566	-20.6	1,683,014	15.1	
2003	351,490	29.4	1,796,735	19.6	325,410	28.3	1,635,587	19.9	
2004	373,437	6.2	1,827,154	20.4	341,854	5.1	1,654,502	20.7	
2004	Q1	81,611	-5.5	432,430	18.9	74,779	-6.5	395,008	18.9
	Q2	96,151	1.7	452,880	21.2	87,943	0.7	410,099	21.4
	Q3	95,070	13.2	478,261	19.9	87,120	11.9	427,200	20.4
	Q4	100,604	16.1	463,583	21.7	92,012	14.6	422,195	21.8
2005	Q1	88,086	7.9	434,857	20.3	79,324	6.1	395,837	20.0
	Q2	108,278	12.6	477,096	22.7	97,496	10.9	417,838	23.3
	Q3	99,178	4.3	501,481	19.8	89,274	2.5	439,500	20.3

Note: Total GFCF excludes amounts representing products of agriculture, forestry and fisheries, as well as capitalized production.

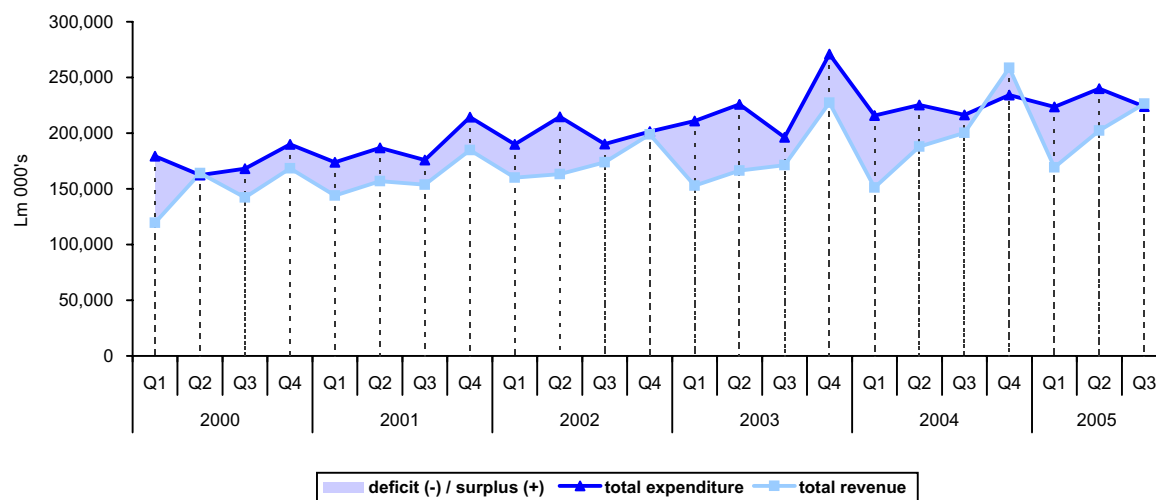
Source: National Statistics Office

The graph above clearly depicts that an extraordinary decline in total GFCF (both in nominal and constant price terms), expressed as a percentage of GDP, occurred during the second quarter of 2002. This is also evident in the previous graph which showed the absolute amounts of total GFCF. This occurred as a result of the disposal of aircraft by the air transport sub-sector during this particular quarter (also refer to the first column in the preceding table, where this particular movement in the GFCF component of transport equipment is clearly shown in more detail).

The graph above also shows a significant decline in the total GFCF as a percentage of GDP figure in the third quarter of 2005, when compared to the preceding quarter. This occurred as a consequence of the combined opposite movements of the numerator and denominator of the ratio in question during the period - when compared with the previous quarter, total GFCF has decreased, while GDP has increased, regardless of whether these two variables are expressed in current or constant prices. The reason for this drop in GFCF from the second quarter can be attributed chiefly to a fall of 13.4 per cent in the nominal value of imports of capital goods.

GOVERNMENT FINANCE

General Government Sector data 2000-2005 Q3



General Government Sector data: annual and quarter changes

Year	Total revenue	Change	Total expenditure	Change	Deficit (-) / Surplus (+)	Change	Debt (*)	
	Lm000's	%	Lm000's	%	Lm000's	%	Lm000's	
2000	594,336		699,671		-105,335		950,399	
2001	639,452	7.6	750,878	7.3	-111,426	5.8	1,072,925	
2002	696,053	8.9	796,202	6.0	-100,149	-10.1	1,100,541	
2003	717,638	3.1	903,799	13.5	-186,161	85.9	1,304,734	
2004	797,899	11.2	891,764	-1.3	-93,865	-49.6	1,401,725	
2004	Q1	151,183	-1.1	215,798	2.2	-64,615	10.9	1,327,453
	Q2	187,903	12.9	225,341	-0.2	-37,438	-36.9	1,379,358
	Q3	200,311	17.0	216,342	10.3	-16,031	-35.7	1,393,476
	Q4	258,502	13.8	234,282	-13.5	24,220	-155.5	1,401,725
2005	Q1	169,179	11.9	223,462	3.6	-54,283	-16.0	1,426,205
	Q2	202,413	7.7	240,051	6.5	-37,638	0.5	1,436,148
	Q3	226,455	13.1	223,815	3.5	2,639	-116.5	1,428,907

(*) Position at end of period.

Data are based on ESA95 methodology and are provisional.

Source: National Statistics Office

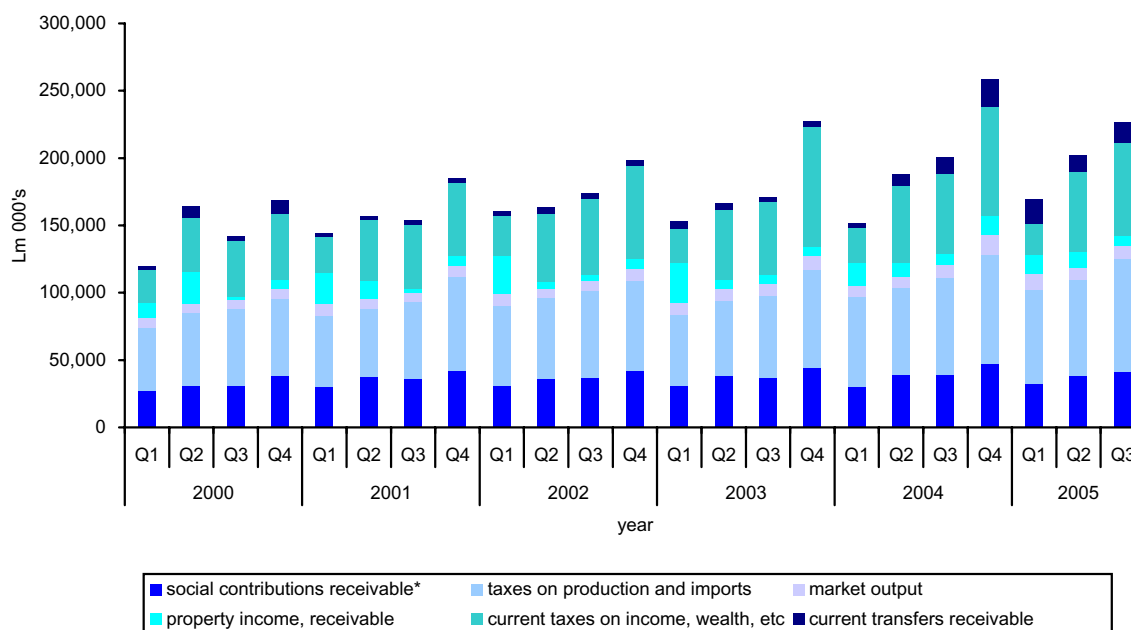
The tables on Government finance data on this and the following sheets present aggregates (revenue, expenditure and debt positions and flows), which are based on ESA95 methodology. Therefore the data covers all the accounts of budgetary central government, the extra budgetary units (EBUs), as well as the local councils. The cash data from the Departmental Accounting System (DAS) has been adjusted for accruals.

The debt and deficit data are in line with the Maastricht criteria. Indeed the end of year deficit data above corresponds to the figures in the table on government deficit and debt.

The data in this release are based on the latest available sources, and contain updates to the previous release in this series.

GOVERNMENT REVENUE

Components of General Government Sector's revenue 2000-2005 Q3



Year	Market output	Taxes on production and imports	Property income, receivable	Current taxes on income, wealth, etc.	Social contributions receivable*	Current and capital transfers receivable	Total revenue	
Lm000's								
2000	28,338	214,432	43,301	155,349	128,367	24,550	594,336	
2001	31,385	229,800	46,764	174,481	146,067	10,956	639,452	
2002	32,790	249,881	43,830	206,786	146,799	15,967	696,053	
2003	36,312	242,885	49,350	221,506	150,094	17,492	717,638	
2004	41,060	285,189	49,694	222,486	155,101	44,371	797,899	
2004	Q1	8,328	67,428	16,591	25,922	29,839	3,074	151,183
	Q2	8,562	64,327	10,527	56,483	39,108	8,895	187,903
	Q3	9,535	72,074	8,093	59,658	39,097	11,854	200,311
	Q4	14,635	81,359	14,482	80,423	47,056	20,547	258,502
2005	Q1	11,156	70,315	14,288	22,849	32,295	18,275	169,179
	Q2	8,561	71,797	11,636	59,877	38,086	12,457	202,413
	Q3	10,155	83,882	7,475	68,778	41,101	15,063	226,455

Data are based on ESA95 methodology and are consolidated.

Data are provisional.

* Revenue Category 'Social contributions receivable' includes the Government's Treasury Pensions (as imputed social contributions).

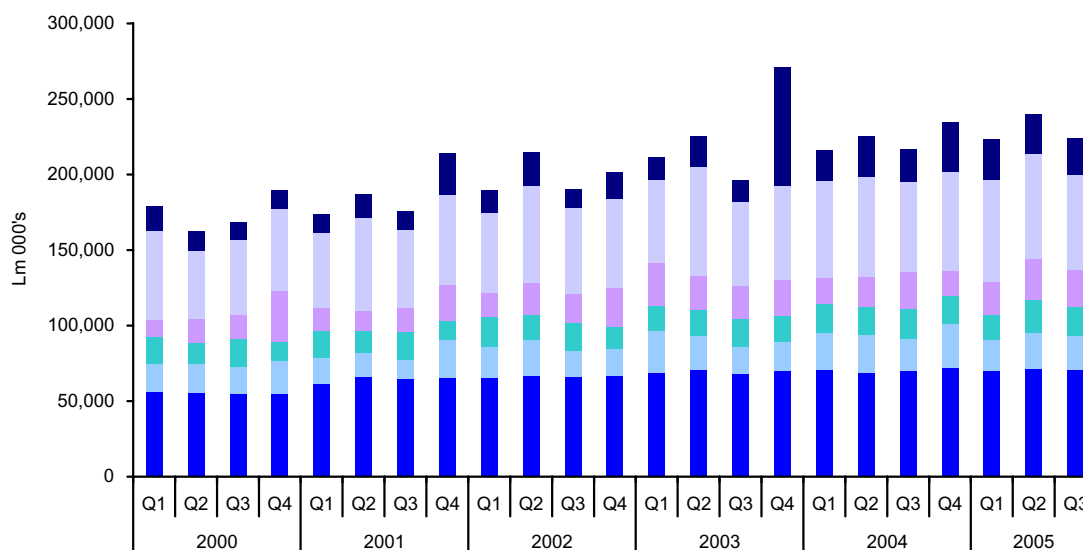
Source: National Statistics Office

Total General Government revenue for the third quarter of 2005 amounted to Lm226.5 million, an increase of Lm26.1 million, or 13.1 per cent compared to the third quarter of 2004. The main increases were reported under Taxes on Production and Imports (+Lm11.8 million or 16.4 per cent) due to higher revenue from VAT, and under Current Taxes on Income and Wealth (+Lm9.1 million or 15.3 per cent).

The data in the table above include updates, which were essentially due to the reclassification of certain transactions covering transfers from Central Government to the Extra Budgetary Units.

GOVERNMENT EXPENDITURE

Components of the General Government Sector's expenditure 2000-2005 Q3



■ compensation of employees	■ intermediate consumption
■ property income (incl interest)	■ gross capital formation
■ social benefits and social transfers in kind	■ other*

Year	Compensation of employees	Intermediate consumption	Property income, payable (incl interest)	Gross capital formation	Social benefits and social transfers in kind	Other*	Total expenditure
Lm000's							
2000	221,219	76,874	64,015	76,188	208,047	53,329	699,671
2001	257,704	71,853	63,568	67,227	222,901	67,624	750,878
2002	265,227	79,919	69,314	82,293	232,497	66,952	796,202
2003	277,623	87,685	69,242	96,670	245,420	127,161	903,799
2004	282,070	99,740	75,985	78,407	254,923	100,639	891,764
2004 Q1	70,950	24,371	18,942	17,471	64,315	19,749	215,798
2004 Q2	69,029	24,633	18,996	19,766	65,971	26,947	225,341
2004 Q3	69,938	21,585	19,481	24,562	59,629	21,146	216,342
2004 Q4	72,154	29,151	18,566	16,608	65,007	32,797	234,282
2005 Q1	70,101	20,425	16,871	21,491	67,663	26,911	223,462
2005 Q2	71,663	23,230	21,911	27,699	69,644	25,904	240,051
2005 Q3	70,574	22,545	19,146	24,998	62,270	24,282	223,815

Data are based on ESA95 methodology and are consolidated.

Data are provisional.

* Expenditure Category 'Other' includes subsidies payable, recurrent and capital transfers.

Source: National Statistics Office

Total expenditure during the third quarter of 2005 amounted to Lm223.8 million, an increase of Lm7.5 million, or 3.5 per cent over the third quarter of 2004.

The main increase was due to the Other category (+Lm3.1 million or 14.8 per cent), mainly due to higher expenditure on recurrent and capital transfers. Other comparative increases were reported under social benefits (+Lm2.6 million or 4.4 per cent) and intermediate consumption (+Lm1.0 million or 4.4 per cent).

GOVERNMENT DEBT

General Government debt and debt guarantees

Lm 000's

Debt position of Central Government Sector (S.1311) (Including EBU's)						
		Domestic		Foreign		Total Central Government debt outstanding
		short-term	long-term	short-term	long-term	
2003	Q1	265,616	845,671	0	68,681	1,179,967
	Q2	289,716	854,585	0	90,227	1,234,528
	Q3	269,502	898,954	0	88,337	1,256,793
	Q4	287,549	927,054	0	89,435	1,304,038
2004	Q1	311,128	931,637	0	83,996	1,326,761
	Q2	317,087	978,924	0	82,661	1,378,671
	Q3	310,136	1,001,728	0	80,930	1,392,794
	Q4	283,222	1,035,322	0	82,503	1,401,048
2005	Q1	274,133	1,073,919	0	77,475	1,425,526
	Q2	250,963	1,108,550	0	76,253	1,435,468
	Q3	211,527	1,141,621	0	75,076	1,428,224

Debt position of Local Government Sector (S.1313)						
		Domestic		Foreign		Total Local Government debt outstanding
		short-term	long-term	short-term	long-term	
2003	Q1	229	354	0	0	583
	Q2	206	416	0	0	622
	Q3	182	477	0	0	659
	Q4	158	538	0	0	696
2004	Q1	164	527	0	0	691
	Q2	171	516	0	0	686
	Q3	177	504	0	0	682
	Q4	184	493	0	0	677
2005	Q1	184	495	0	0	679
	Q2	185	496	0	0	681
	Q3	185	497	0	0	683

Lm000

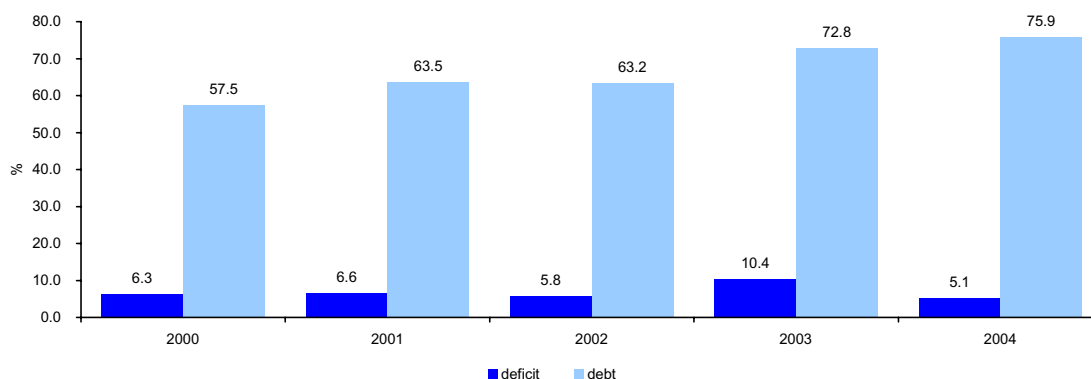
Debt position of General Government Sector (S.13) and guaranteed debt							
		Domestic		Foreign		Total General Government debt outstanding	Outstanding balances on Government guaranteed debt
		short-term	long-term	short-term	long-term		
2003	Q1	265,845	846,025	0	68,681	1,180,550	344,159
	Q2	289,922	855,001	0	90,227	1,235,150	325,480
	Q3	269,684	899,431	0	88,337	1,257,452	324,085
	Q4	287,707	927,592	0	89,435	1,304,733	273,312
2004	Q1	311,292	932,164	0	83,996	1,327,453	265,722
	Q2	317,257	979,439	0	82,661	1,379,358	304,261
	Q3	310,313	1,002,232	0	80,930	1,393,476	305,034
	Q4	283,406	1,035,816	0	82,503	1,401,725	303,534
2005	Q1	274,317	1,074,414	0	77,475	1,426,205	299,907
	Q2	251,306	1,108,589	0	76,253	1,436,148	297,630
	Q3	211,713	1,142,118	0	75,076	1,428,907	327,378

Notes:

- ¹ Debt Position is taken at Nominal Value, in line with Maastricht debt provisions; at the end of the period indicated.
- ² All debt positions are consolidated between the different sub-sectors of general government.
- ³ As from Q4 2003, the debt assumption of the ex shipyards' loans has been included with the debt balances of Central Government.
- ⁴ Data are subject to revision.

GOVERNMENT DEFICIT AND DEBT

General Government deficit and debt as a % of GDP 2000-2004



Transition between Consolidated Fund deficit and General Government deficit

	2000	2001	2002	2003	2004
	Lm000's				
Structural Deficit of Consolidated Fund Transactions	-94,727	-85,292	-87,675	-105,445	-94,018
Adjustments to the Consolidated Fund:					
Loans granted (+)	11,807	10,984	9,539	4,095	0 ¹
Loans repayments (-)	-1,658	-2,873	0	-153	-114 ²
Equities, acquisitions (+)	250	286	35	12	12 ³
Equities, sales (-)	0	0	0	0	0
Other financial transactions	-1,689	-769	-397	0	-1,458 ⁴
Difference interest paid (+) and interest accrued (-)	-3,941	1,447	361	-2,279	-1,545 ⁵
Other accounts receivable (+) and payable (-)	1,526	1,727	3,760	-13,100	5,074 ⁶
Net Borrowing (-) / Net Lending (+) of public entities forming part of Central Government	-13,955	-15,119	-15,189	-19,085	-3,896 ⁷
Other adjustments (+/-)					
Treasury Clearance Fund flows in deposits accounts	-2,045	-4,766	-127	748	-802
Treasury Clearance Fund flows in advance accounts	-11,424	-11,255	364	651	760
Treasury Clearance Fund flows in unallocated stores	9,549	0	2	106	17
Sinking Fund interests' received	-21	0	0	1,756	1,905
Loan Cancellation in Kalaxlokk Co. Ltd	0	-6,686	0	0	0
Malta International Airport special dividend	0	0	-11,287	0	0
Malta Shipyards adjustment	0	0	0	-52,933	0
Net Borrowing (-) / Net Lending (+) of Central Government (S.1311)	-106,328	-112,316	-100,614	-185,626	-94,065
Net Borrowing (-) / Net Lending (+) of Local Government (S.1313)	993	890	465	-534	200
Net Borrowing (-) / Net Lending (+) of General Government (S.13)	-105,335	-111,426	-100,149	-186,161	-93,865
as a % of GDP*	6.3	6.6	5.8	10.4	5.1
General Government (S.13) Debt	950,399	1,072,925	1,100,541	1,304,734	1,401,725
as a % of GDP*	57.5	63.5	63.2	72.8	75.9

- Consolidated Fund loans to Malta Drydocks, Malta Shipbuilding and Gozo Ferries Co. Ltd. (all 100% Government owned).
- Repayments of loans made by Malta Government Investments Ltd / Malta Development Corporation, Malpro Ltd and Water Services Corporation
- Acquisition of shares in Multilateral Investment Guarantee Agency (subscription shares), European Bank for Reconstruction and Development (subscriptions shares), and Malta Government Privatisation plc. (increase in shareholding).
- Non-trading profits among Central Bank of Malta transfers to Government
- Difference between the interest paid and accrued of the Treasury Bills, Malta Government Stocks and Foreign Loans
- Accruals adjustment for the main revenue earning and spending departments.
- The net borrowing (-) / net lending (+) of the extra budgetary units forming part of the central government sector (based on a delimitation exercise).

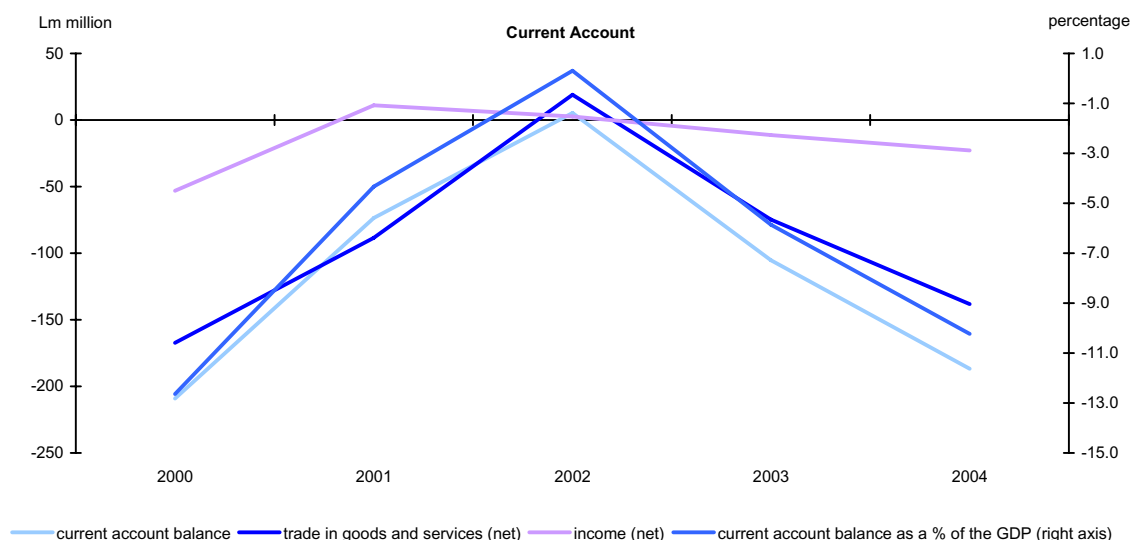
* GDP (at current market prices) as at 1st September 2005.

Data for 2001 to 2004 are half finalised.

This table explains the transition from the structural deficit of the consolidated fund, to the deficit position for the General Government sector. At the end of 2004, the nominal General Government gross consolidated debt amounted to Lm1,401.7 million, or 75.1 per cent of the GDP, while the deficit for the year was of Lm93.9 million, or 5.1 per cent of GDP.

Malta reports its debt and deficit levels twice a year. The data on this sheet are extracted from the last update submitted to the Commission on 1st September 2005.

BALANCE OF PAYMENTS



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			
2000	-330,994	163,717	-167,277	-53,094	347	10,814	11,161	-209,210	1,654,710	-12.6
2001	-254,665	166,164	-88,501	11,107	3,595	170	3,765	-73,629	1,699,647	-4.3
2002	-154,247	173,236	18,989	2,554	3,152	-19,288	-16,136	5,407	1,750,516	0.3
2003	-259,148	184,360	-74,788	-11,343	8,927	-28,060	-19,133	-105,264	1,796,735	-5.9
2004 ^P	-289,388	151,242	-138,146	-22,833	-693	-25,205	-25,898	-186,877	1,827,153	-10.2
2003 Q1	-65,798	16,041	-49,757	8,624	-492	-5,546	-6,038	-47,171	414,516	-11.4
Q2	-76,682	55,436	-21,246	-4,777	5,013	-4,702	311	-25,712	451,984	-5.7
Q3	-63,837	77,170	13,333	6,424	2,806	-8,063	-5,257	14,500	471,682	3.1
Q4	-52,831	35,714	-17,117	-21,614	1,600	-9,749	-8,149	-46,880	458,552	-10.2
2004 ^P Q1	-31,408	20,142	-11,266	-5,747	2,222	-8,971	-6,749	-23,762	432,429	-5.5
Q2	-85,210	48,293	-36,917	19,971	561	-6,294	-5,733	-22,679	452,880	-5.0
Q3	-66,665	58,416	-8,249	-35,468	-126	-3,918	-4,044	-47,761	478,261	-10.0
Q4	-106,105	24,391	-81,714	-1,591	-3,350	-6,022	-9,372	-92,677	463,583	-20.0
2005 ^P Q1	-80,750	26,328	-54,422	9,791	-5,380	-1,338	-6,718	-51,349	434,857	-11.8
Q2	-94,878	52,525	-42,353	-16,156	342	-1,503	-1,161	-59,670	477,096	-12.5
Q3	-78,468	72,885	-5,583	-12,596	4,680	-1,619	3,061	-15,118	501,481	-3.0

^P provisional

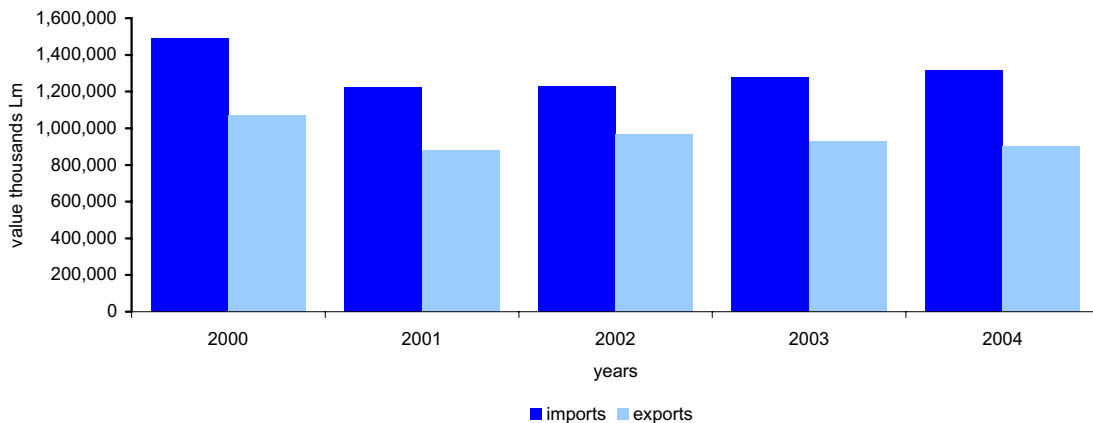
Provisional indicators on the international economic and financial transactions of Malta during the third quarter of 2005 reveal an improvement in the current account balance of Lm32.6 million, from a net deficit of Lm47.8 million during the September 2004 quarter to one of Lm15.1 million during the relative quarter in 2005.

Accounting for this improvement was essentially an amelioration in the net balances of the income account, the services account as well as the current transfers 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 third quarter of 2005 improved to a level of -3.0 percent as opposed to a level of -10.0 percent recorded during the same quarter in 2004.

MERCHANDISE TRADE

Imports and total exports



Balance of trade

	Imports		Exports		Trade gap	
	Imports	% change	Exports	% change	Excess of imports	% change
		over prev. year		over prev. year	over exports	over prev. year
2000	1,492,377	31.4	1,072,446	35.6	419,931	21.8
2001	1,225,159	-17.9	880,648	-17.9	344,511	-18.0
2002	1,227,458	0.2	960,728	9.1	266,730	-22.6
2003	1,281,279	4.4	928,312	-3.4	352,967	36.2
2004 ^P	1,315,377	2.7	903,817	-2.6	411,560	16.6
2004 ^P Q1	312,506	1.6	235,753	6.7	76,753	-11.4
Q2	333,148	-0.4	223,524	-4.3	109,624	9.9
Q3	310,447	-2.8	221,280	-3.8	89,167	0.3
Q4	359,276	12.0	223,259	-8.4	136,017	76.3
2005 ^P Q1	291,771	-6.6	184,657	-21.7	107,114	39.6
Q2	330,395	-0.8	205,816	-7.9	124,579	13.6
Q3	317,689	2.3	200,801	-9.2	116,888	31.1

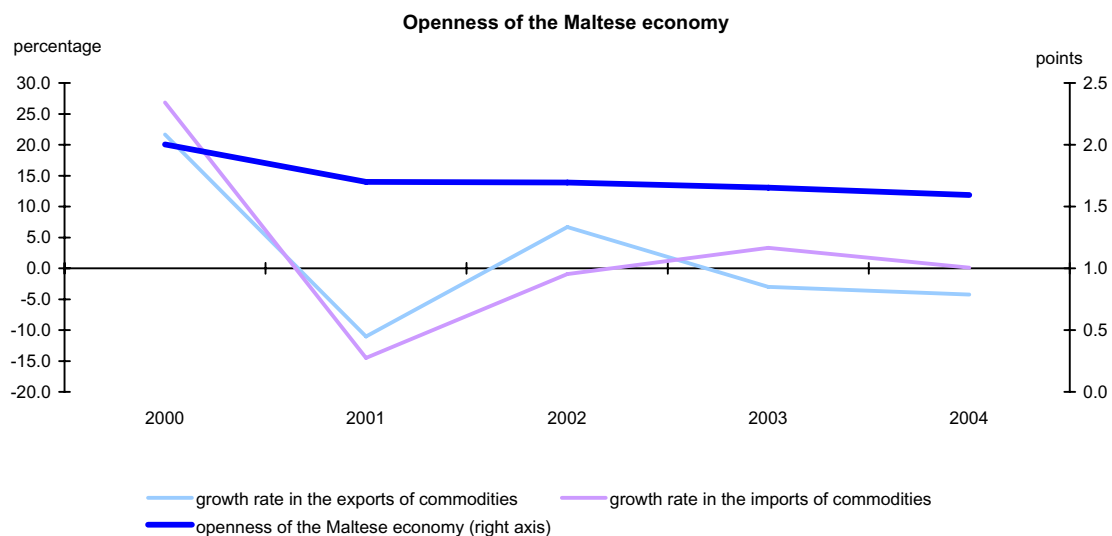
At the end of 2004, imports amounted to Lm1,313.5, thus showing a steady increase of 2.7 per cent or Lm34.1 million over 2003. Exports, on the other hand, did the opposite and narrowed down by Lm24.5 million or 2.6 per cent.

The visible trade gap widened by Lm58.6 or 16.6 per cent from Lm353.0 million in 2003 to Lm411.6 in 2004.

During the July-September quarter 2005, imports went up by 2.3 per cent or Lm7.2 million over the corresponding quarter in 2004. Exports went down by Lm20.5 million or 9.2 per cent.

The visible trade gap stood at Lm116.9 million, which is 31.1 per cent higher than the corresponding quarter trade gap.

OPENNESS OF THE MALTESE ECONOMY



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
2000	1,572,823	21.7	1,740,100	26.8	1,654,710	2.0
2001	1,399,132	-11.0	1,487,633	-14.5	1,699,647	1.7
2002	1,492,598	6.7	1,473,609	-0.9	1,750,516	1.7
2003	1,447,776	-3.0	1,522,564	3.3	1,796,735	1.7
2004 ^P	1,386,305	-4.2	1,524,451	0.1	1,827,153	1.6
2004 ^P Q1	327,480	3.7	338,746	-7.4	432,429	1.5
Q2	354,099	-3.9	391,016	0.3	452,880	1.6
Q3	367,538	-8.5	375,787	-3.2	478,261	1.6
Q4	337,188	-6.8	418,902	10.6	463,583	1.6
2005 ^P Q1	286,215	-12.6	340,637	0.6	434,857	1.4
Q2	341,940	-3.4	384,292	-1.7	477,096	1.5
Q3	382,772	4.1	388,356	3.3	501,481	1.5

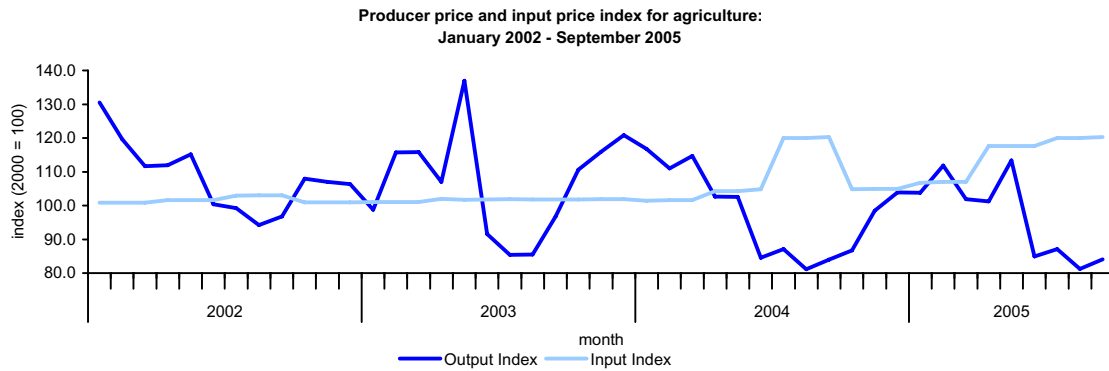
^P provisional

By the end of the third quarter of 2005, the total earnings from exports of goods and services amounted to Lm382.8 million, an increase of Lm15.2 million or 4.1 per cent over the total receipts registered during the same quarter in 2004 of Lm367.5 million.

Likewise, during the third quarter of 2005, the total outlays on imports of goods and services amounted to Lm388.4 million, a rise of Lm12.6 million or 3.3 per cent over the total outlays recorded during the relative quarter in 2004 of Lm375.8 million.

Notwithstanding this, however, the degree of openness of the Maltese economy to world trade diminished from a level of 1.6 points during the September 2004 quarter to one of 1.5 points during the corresponding quarter in 2005.

AGRICULTURE



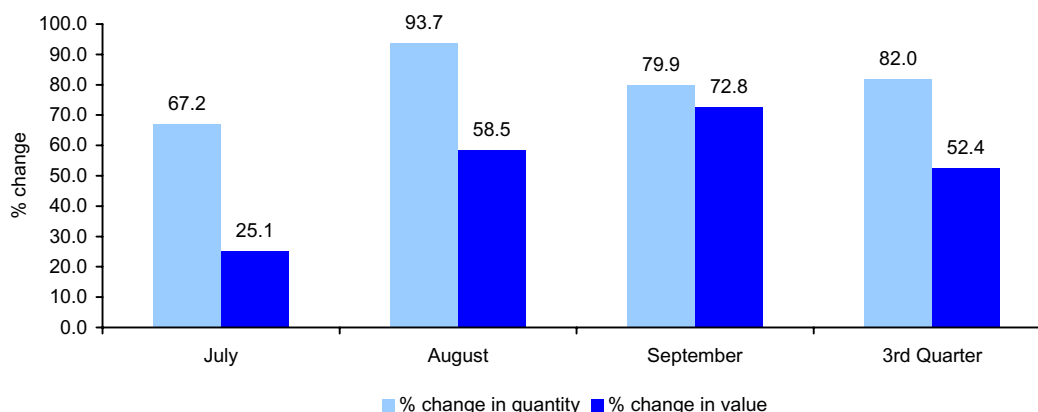
Producer price index (2000 = 100)							Agricultural input price index (2000 = 100)		
Year	All items	Potatoes	Fresh vegetables	Fresh fruit	Animals	Animal products	All items	Goods and services consumed in agriculture	Machinery and investment
2000	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	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
2004	98.84	98.07	108.97	97.51	91.28	100.46	107.86	107.96	101.44
2004									
July	87.15	51.22	78.29	110.08	91.46	100.70	120.02	120.40	94.46
August	81.24	50.83	59.77	86.08	91.64	100.46	120.05	120.43	94.46
September	84.04	48.98	73.13	77.60	91.58	99.66	120.32	120.70	94.46
2005									
July	81.35	59.14	64.66	90.31	92.75	88.93	109.12	109.39	90.91
August	83.19	84.28	65.22	73.30	92.80	89.36	109.12	109.39	90.91
September	92.17	94.34	94.93	74.04	92.78	90.39	109.12	109.39	90.91

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
2004	-6.84	-16.19	-14.48	-23.54	1.64	0.11	6.01	6.08	1.12
2004									
July	2.05	-32.21	26.84	-21.39	1.94	0.92	17.80	18.03	1.21
August	-4.93	-48.42	9.89	-35.90	2.50	-0.50	17.87	18.10	1.21
September	-13.18	-62.96	-14.36	-40.91	1.76	-1.28	18.13	18.37	1.21
2005									
July	-6.66	15.46	-17.40	-17.96	1.41	-11.70	-9.08	-9.15	-3.76
August	2.39	65.80	9.12	-14.84	1.27	-11.05	-9.10	-9.17	-3.76
September	9.68	92.59	29.82	-4.59	1.31	-9.31	-9.31	-9.37	-3.76

The producer price index for agriculture in September 2005 stood at 92.17, or 9.68 per cent higher than in the same period last year. This increase was mainly due to an increase in the average prices of fresh vegetables when compared to the same month in 2004. The increase in the average prices of the main animals slaughtered pushed up the animals index by 1.31 per cent. The 'all-items' input price index decreased by 9.31 per cent when compared to September in 2004. This was due to a decrease in the average prices for 'goods and services' and 'machinery and investment' used in the production of agricultural products.

FISHERIES

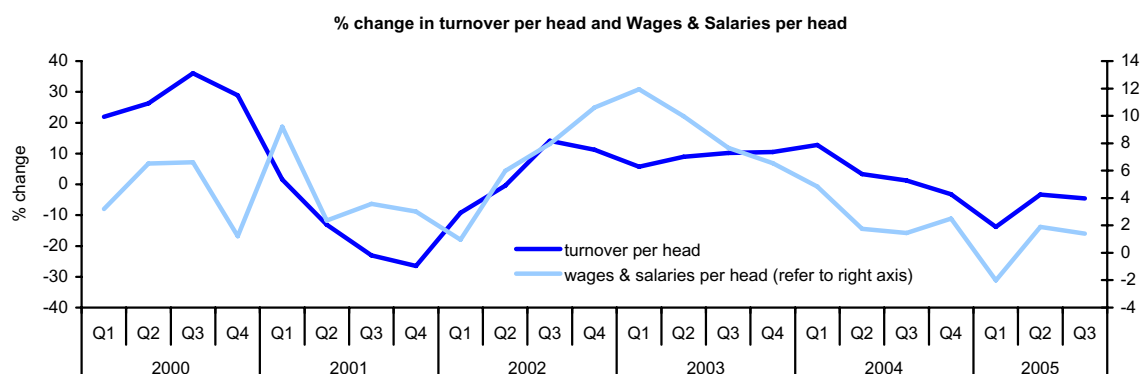
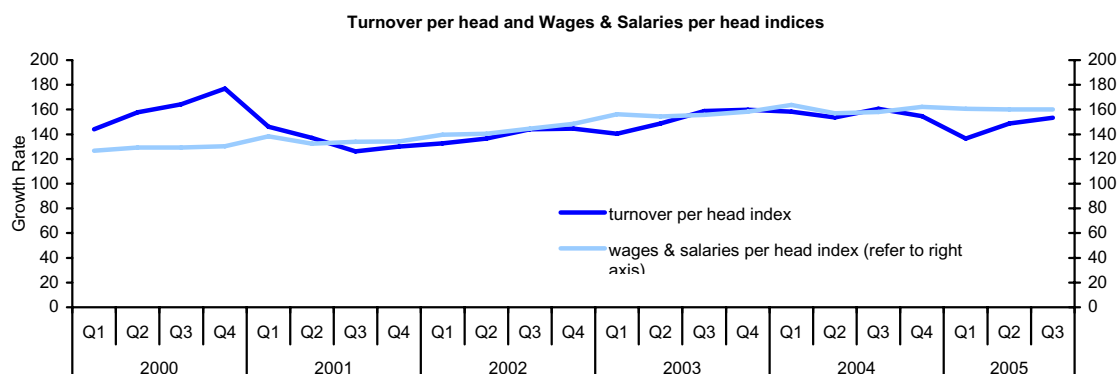
Monthly and quarterly percentage changes in wholesale quantities and value of fresh fish: 2005/2004



Fresh fish through organised market			Fresh fish index (1995 = 100)			
Year	Quantity / Kg	Value / Lm	Price index	Percentage annual change	Volume index	Percentage annual change
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
2004	1,067,822	1,826,101	118.98	-8.14	115.35	-0.22
2004						
July	65,616	164,748	125.56	1.09	46.07	-19.09
August	107,233	192,232	129.49	15.88	75.29	18.38
September	138,799	164,154	117.01	4.53	97.46	-29.18
2005						
July	109,696	206,123	120.45	-4.07	77.02	67.18
August	207,746	304,619	104.00	-19.69	145.87	93.73
September	249,662	283,604	106.65	-8.86	175.30	79.87

The 3rd quarter fresh fish price index stood at 106.65 points, 8.86 per cent lower than in September of 2004. This decrease was the result of lower unit prices for most of the species when compared to the same month in 2004. The fresh fish volume index increased by 79.87 per cent, from 97.46 points in September 2004 to 175.3 points in September 2005. This was due to an increase in the landings with the most noticeable increase being the Dorado and Swordfish landings which registered an increase of 71.3 and 81.3 per cent respectively.

MANUFACTURING INDUSTRY



Turnover and wages & salaries per head indices

	Turnover per head		Annual	Wages & Salaries per head		Annual	
	Value	Index	% change	Value	Index	% change	
2000	52,447	160.8	28.5	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	5,446	143.2	6.3	
2003	49,498	151.7	8.8	5,936	156.1	9.0	
2004	51,145	156.8	3.4	6,093	160.2	2.6	
2004	Q1	12,916	158.3	12.8	1,557	163.8	4.8
	Q2	12,529	153.6	3.3	1,493	157.1	1.8
	Q3	13,111	160.7	1.3	1,502	158.0	1.4
	Q4	12,613	154.6	-3.2	1,541	162.1	2.5
2005	Q1	11,137	136.5	-13.8	1,526	160.6	-2.0
	Q2	12,400	152.0	-1.0	1,533	161.2	2.7
	Q3 ^P	12,512	153.4	-4.6	1,523	160.2	1.4

^P provisional

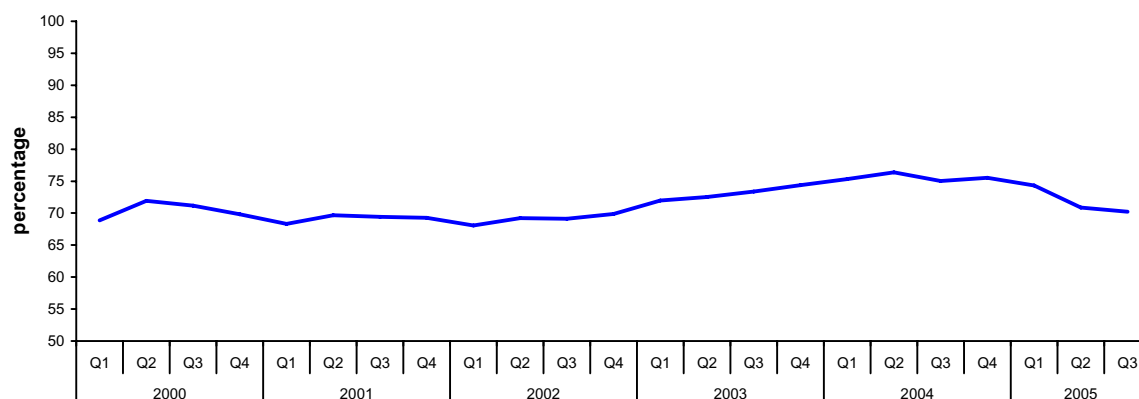
The base year used for the Turnover and Wages & Salaries per head Indices is the average for the whole year 1995 (1995=100). This series is not seasonally adjusted.

The Turnover per Head Index across the manufacturing industry during the third quarter 2005 has decreased by 4.6% when compared to the same period of 2004. On the other hand, it has registered an increase of 1% when compared with the second quarter of 2005.

When comparing the percentage change between the third quarters 2004 and 2005, in the Wages and salaries per head index for the manufacturing industry, an increase of 1.4% was registered.

MANUFACTURING CAPACITY UTILISATION

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	
2000	70.1	1.6	59.7	4.4	101.2	-11.3	72.9	64.6	138.5	85.5	
2001	67.7	-3.4	41.3	-30.8	113.4	12.1	71.4	-2.1	81.4	-41.2	
2002	67.3	-0.3	32.7	16.4	114.7	-3.3	59.6	2.4	86.1	28.6	
2003	73.1	8.6	27.3	-16.4	115.4	0.6	59.4	-0.3	86.2	0.1	
2004	75.6	3.5	19.8	-27.5	116.3	0.8	51.0	-14.3	81.5	-5.4	
2003	Q1	72.0	5.8	26.9	-11.4	116.4	0.7	55.7	-19.4	82.0	5.0
	Q2	72.5	4.8	26.2	-6.6	114.9	-1.7	54.2	-15.9	92.2	23.4
	Q3	73.4	6.1	34.6	-1.0	109.8	-2.3	83.5	41.2	103.8	5.9
	Q4	74.4	6.5	32.3	-14.2	116.4	2.4	54.7	20.4	78.0	-17.1
2004	Q1	75.3	4.7	18.6	-31.0	115.1	-1.2	60.4	8.5	95.5	16.5
	Q2	76.4	5.3	24.3	-7.2	118.5	3.1	55.8	3.1	71.7	-22.3
	Q3	75.0	2.3	25.7	-25.7	117.8	7.3	35.5	-57.5	83.3	-19.8
	Q4	75.6	1.6	11.5	-64.4	119.3	2.5	53.5	-2.1	78.8	1.1
2005	Q1	74.3	-1.3	22.1	19.2	119.6	3.9	45.8	-24.2	71.2	-25.5
	Q2	72.9	-4.5	19.4	-20.0	121.5	2.5	28.7	-48.6	69.0	-3.8
	Q3 ^P	70.2	-6.4	25.9	0.9	120.1	1.9	47.7	34.5	64.2	-22.8

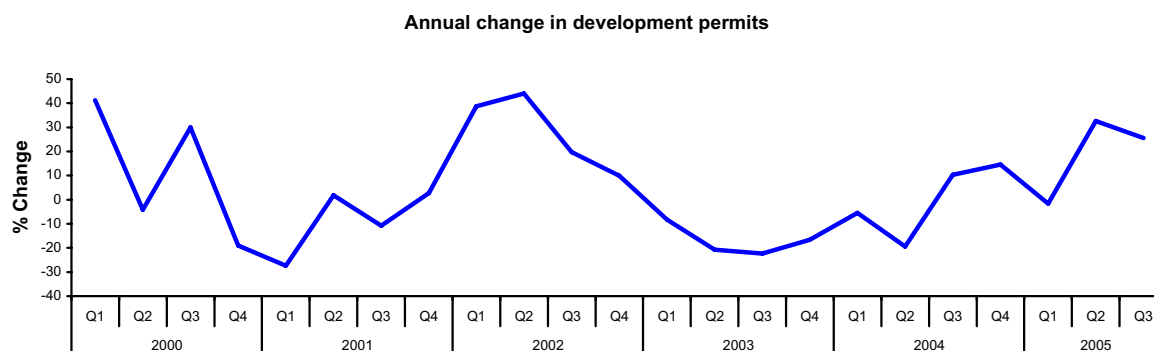
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The base year used for the indices for Constraints to Capacity Utilisation is the average for the whole year 1995 (1995 = 100).

Capacity utilisation in the manufacturing industry registered a decrease of 6.4 per cent from 75 per cent in the third quarter 2004 to 70.2 per cent in the second quarter 2005.

Throughout the whole time series, respondents indicated the Market as the main constraint for their capacity under utilisation. During the third quarter 2005, the Labour shortage and material shortage constraints were still being pointed out, yet they had only reached 2.7% and 2.4% respectively of the total constraints indicated.

DEVELOPMENT PERMITS



Year	New dwellings*	Annual % change	Commercial	Annual % change	Other	Annual % change	Total	Annual % change	
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	-6.0	658	-25.1	3,289	-20.1	5,283	-17.7	
2004	1,423	6.5	657	-0.2	3,112	-5.4	5,192	-1.7	
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	264	-1.1	135	-8.8	572	-23.6	971	-16.6
2004	Q1	360	9.1	156	4.7	721	-13.1	1,237	-5.5
	Q2	331	-12.9	147	-31.3	791	-19.3	1,269	-19.4
	Q3	427	18.3	199	25.2	948	4.5	1,574	10.3
	Q4	305	15.5	155	14.8	652	14.0	1,112	14.5
2005	Q1	350	-2.8	150	-3.8	693	-3.9	1,217	-1.6
	Q2 ^P	487	47.1	194	32.0	1,002	26.7	1,683	32.6
	Q3 ^P	597	39.8	226	13.6	1,154	21.7	1,977	25.6

^P provisional

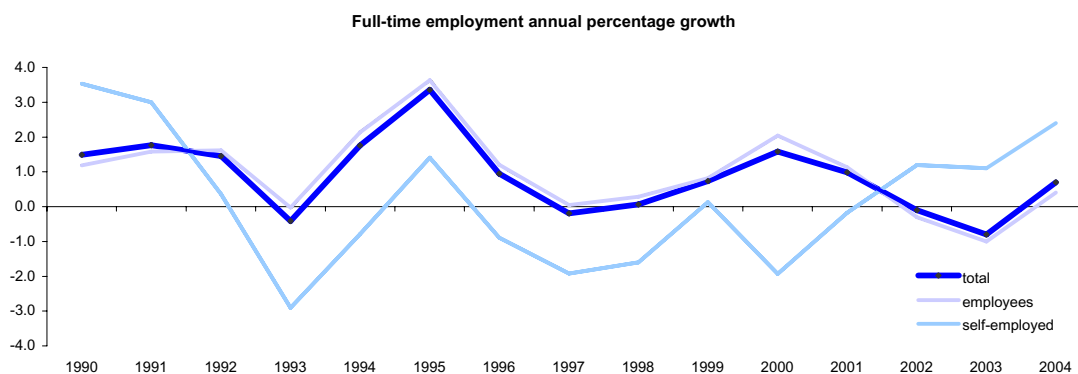
* (including by conversions)

** 'Other' includes: installation of satellite dishes and swimming pools;

alterations and demolitions; permits relating to recreational and educational activities.

During the third quarter of 2005 the Total development permits increased by 25.6% to 1977 from 1574 the previous year. For the period under review, the New Dwellings permits increased by 39.8% from 427 in 2004 to 597 in 2005. The Commercial permits and the Other permits increased by 13.6% and 21.7% respectively.

FULL-TIME EMPLOYMENT



Growth in full-time employment

Year	Total	Annual % change	Employees	Annual % change	Self-employed	Annual % change
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
2004	137,149	0.7	121,117	0.4	16,032	2.4
2004 January	136,059	-0.9	120,368	-1.3	15,691	2.0
February	136,201	-1.0	120,474	-1.4	15,727	2.2
March	136,346	-0.9	120,577	-1.3	15,769	2.3
April	136,650	-0.8	120,873	-1.1	15,777	2.1
May	137,242	-0.5	121,347	-0.8	15,895	1.7
June	137,548	-0.2	121,683	-0.4	15,865	2.1
July	138,229	-0.4	122,248	-0.7	15,981	2.1
August	138,177	0.1	122,153	-0.2	16,024	2.3
September	137,708	0.5	121,761	0.4	15,947	1.9
October	137,267	0.2	121,257	-0.1	16,010	2.3
November	137,402	0.7	121,377	0.4	16,025	2.4
December	137,149	0.7	121,117	0.4	16,032	2.4
2005 January	137,213	0.8	121,181	0.7	16,032	2.2
February	137,176	0.7	121,154	0.6	16,022	1.9
March	137,094	0.5	121,044	0.4	16,050	1.8
April	134,142	-1.8	118,079	-2.3	16,063	1.8
May	137,696	0.3	121,574	0.2	16,122	1.4
June	138,200	0.5	122,021	0.3	16,179	2.0
July	138,860	0.5	122,639	0.3	16,221	1.5
August	138,892	0.5	122,660	0.4	16,232	1.3
September	138,958	0.9	122,709	0.8	16,249	1.9

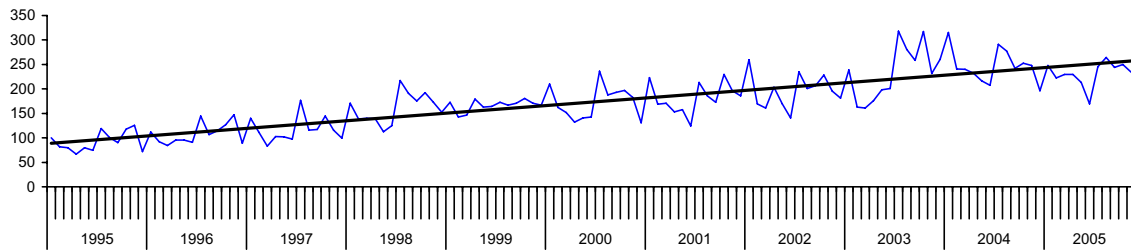
Shares in full-time employment

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
2004	66.7	33.3

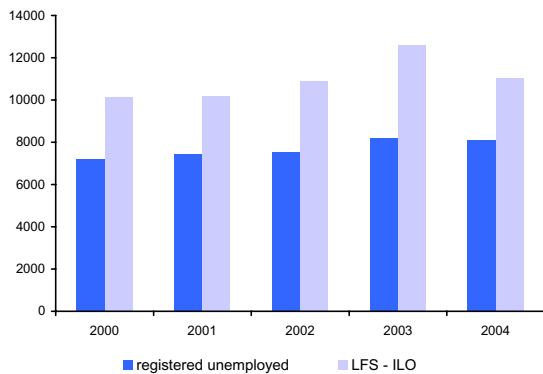
Over the past ten years the gainfully occupied population has increased by 7.4 per cent. Larger changes were recorded amongst employees over the same period between 1995 and 2004. Employment in the private sector increased whereas engagement in the public sector showed an opposite trend.

REGISTERED UNEMPLOYMENT

Index of new unemployment registrants



Unemployment: registered and ILO



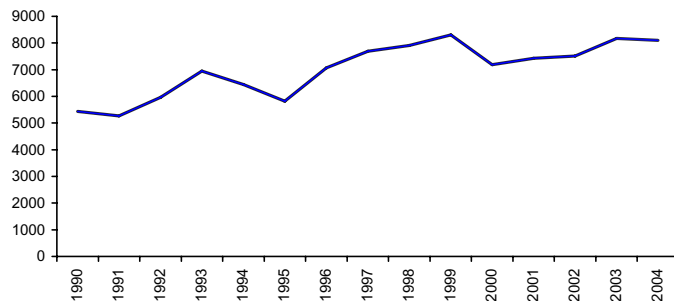
Index of applications made during the month
January 1995=100

Months	2000	2001	2002	2003	2004	2005	Annual % change
January	210.2	223.2	259.9	238.8	315.5	247.7	-21.5
February	162.4	168.8	169.4	162.7	240.8	222.6	-7.6
March	151.8	171.0	160.9	161.2	239.8	229.7	-4.2
April	132.3	153.1	203.6	175.7	232.0	229.7	-1.0
May	141.0	157.9	169.4	198.3	216.4	213.5	-1.3
June	142.5	124.0	140.7	201.0	207.7	169.1	-18.6
July	236.1	213.2	235.0	317.8	291.3	245.5	-15.7
August	187.8	185.6	200.7	280.4	277.4	264.4	-4.7
September	193.2	172.5	207.0	258.6	242.1	244.2	0.9
October	196.9	229.9	228.0	317.5	252.8		
November	182.2	196.6	195.7	231.3	247.7		
December	130.7	185.8	180.9	260.3	196.6		

Registered unemployment

Year	Unemployed	rate (%)
2000	7,188	5.0
2001	7,433	5.1
2002	7,516	5.2
2003	8,175	5.7
2004	8,103	5.6
2004 January	8,794	6.1
February	8,830	6.1
March	8,420	5.8
Q1	8,681	6.0
April	8,339	5.8
May	8,104	5.6
June	7,942	5.5
Q2	8,128	5.6
July	8,131	5.6
August	7,953	5.4
September	8,140	5.6
Q3	8,075	5.5
October	8,172	5.6
November	8,125	5.6
December	8,103	5.6
Q4	8,133	5.6
2005 January	8,180	6.0
February	8,094	5.9
March	8,018	5.8
April	7,716	5.6
May	7,245	5.3
June	6,930	5.0
July	7,091	4.9
August	7,177	4.9
September	7,210	4.9

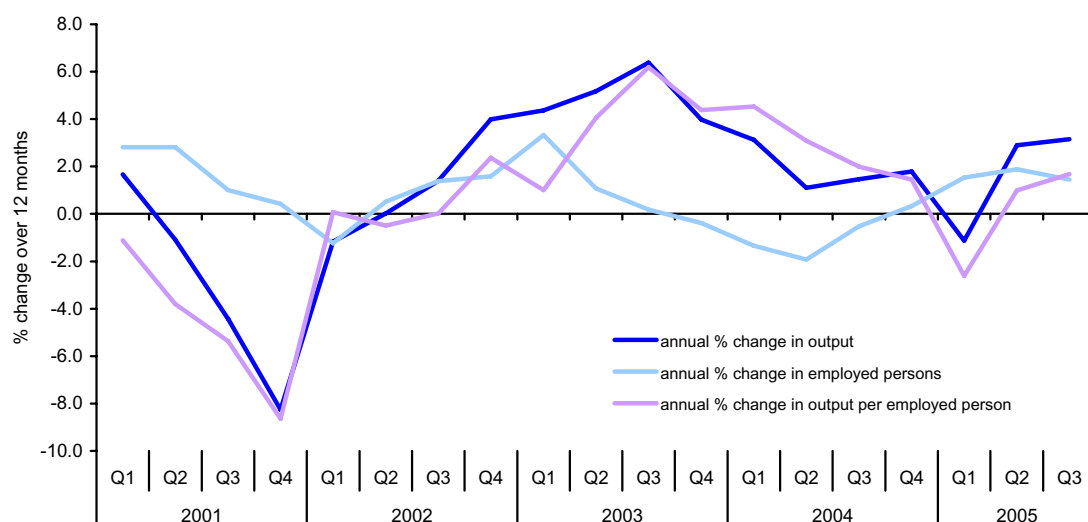
Registered unemployed



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 number of persons registering for work with the ETC has been on the increase between 1995 and 2005. Decreases in unemployment registrants were recorded from April 2005. 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.

PRODUCTIVITY

Output, employment and productivity in the Maltese economy



Total Maltese Economy: Annual Productivity Changes

Year	Quarter	Annual % change in output	Annual % change in employed persons*	Annual % change in output per employed person
2000		-	-	-
2001		-3.2	1.8	-4.9
2002		1.1	0.6	0.5
2003		5.0	1.0	3.9
2004		1.8	-0.9	2.7
2004	Q1	3.1	-1.3	4.5
	Q2	1.1	-1.9	3.1
	Q3	1.5	-0.5	1.9
	Q4	1.8	0.3	1.5
2005	Q1	-1.1	1.5	-2.6
	Q2	2.9	1.9	1.0
	Q3	3.2	1.5	1.7

Source: National Statistics Office

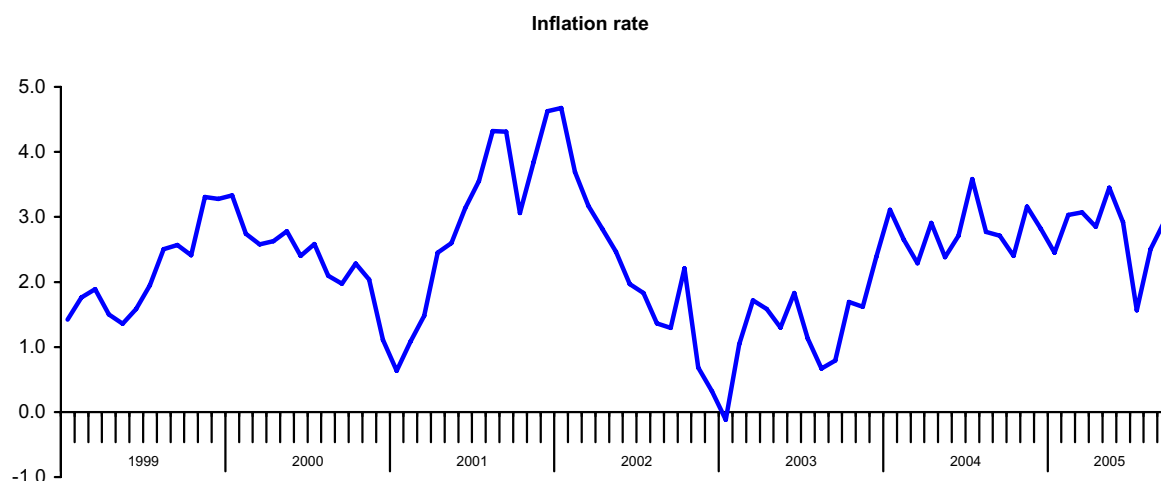
* employed persons represents the number of both full-time and part-time self-employed and employees

Productivity across the whole economy, measured by means of output per employed person (incorporating both full-time and part-time self employed/employees) is estimated to have grown by 2.7% in 2004, down by 1.2% from the previous year's figure. However, the 2003 and 2004 figures compared very favourably with the figures of 2001 and 2002, which experienced a pronounced negative and negligible positive growth in these years respectively.

Productivity growth actually contracted by 2.6% in the first quarter of 2005, after having registered positive, but otherwise declining growth, from the second quarter of 2004 onwards. This was caused by the dual effect of the economy experiencing in this quarter a slight contraction in output for the first time since the beginning of 2002, whilst at the same time it was still accompanied by a significant increase in the number of employed persons. The second and third quarters of 2005, however, showed a resumption of increasingly positive productivity growth due to steadily increasing output growth, and stable, but otherwise positive, employment growth.

For the economy as a whole, productivity growth has averaged slightly less than 2.0% every quarter over the last eight quarters.

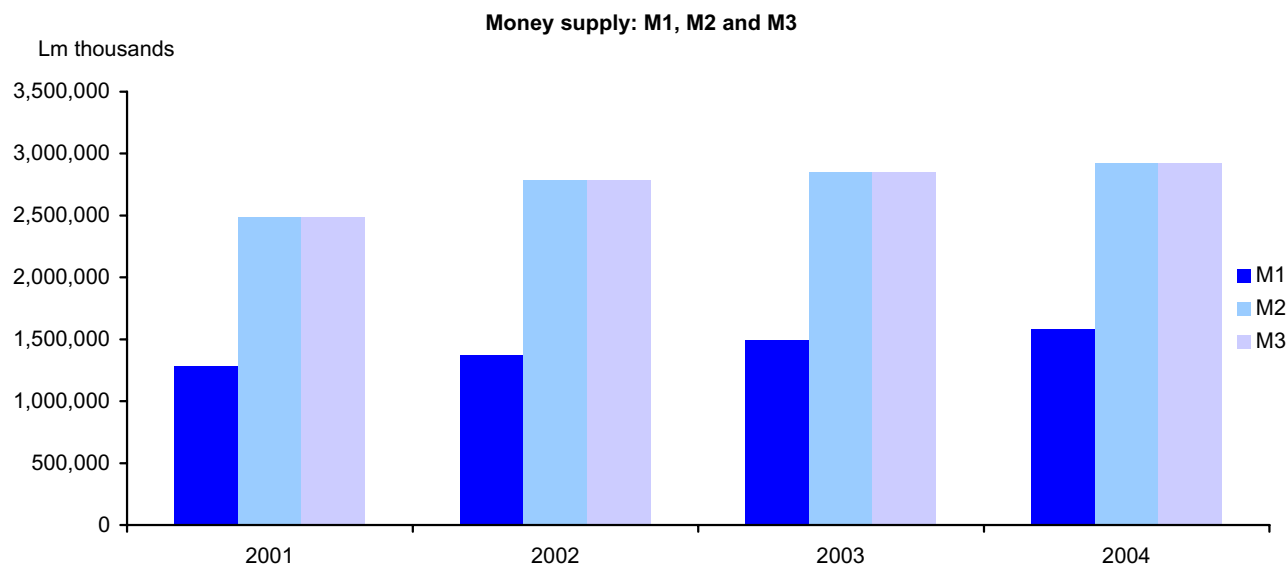
INFLATION



Year	Month	All items	Annual inflation	12-month moving average
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
2004		123.38	2.79	2.79
2004	January	121.76	3.11	1.57
	February	121.80	2.65	1.71
	March	122.31	2.29	1.75
	April	123.10	2.91	1.86
	May	122.87	2.38	1.95
	June	123.45	2.71	2.03
	July	124.07	3.58	2.23
	August	123.01	2.77	2.41
	September	123.38	2.71	2.57
	October	124.33	2.40	2.63
	November	125.05	3.16	2.75
	December	125.42	2.82	2.79
2005	January	124.74	2.45	2.74
	February	125.49	3.03	2.77
	March	126.07	3.07	2.83
	April	126.61	2.85	2.83
	May	127.11	3.45	2.92
	June	127.06	2.92	2.93
	July	126.01	1.56	2.77
	August	126.09	2.50	2.74
	September	126.99	2.93	2.76
	October			
	November			
	December			

The 12-month moving average rate was on the increase in the first half of 2005. In the third quarter the rate fell to the same levels registered in the beginning of the year. Indices for January 2003 to September 2005 are linked with base 1995=100.

MONEY SUPPLY



Money supply

Lm thousands

	Narrow Money (M1)		Intermediate Money (M2)		Broad Money (M3)	
	Position at end of period	12 month change (%)	Position at end of period	12 month change (%)	Position at end of period	12 month change (%)
2001	1,282,933	6.8	2,481,141	10.0	2,481,141	10.0
2002	1,367,373	6.6	2,781,488	12.1	2,781,488	12.1
2003	1,490,948	9.0	2,849,218	2.4	2,849,244	2.4
2004	1,580,944	6.0	2,918,320	2.4	2,918,320	2.4
2004 Q1	1,543,341	11.1	2,904,751	4.2	2,904,751	4.2
2004 Q2	1,578,989	8.6	2,939,288	3.4	2,939,288	3.4
2004 Q3	1,596,237	8.5	2,960,436	3.7	2,960,436	3.7
2004 Q4	1,580,944	6.0	2,918,320	2.4	2,918,320	2.4
2005 ^P Q1	1,585,664	2.7	2,925,283	0.7	2,925,295	0.7
2005 ^P Q2	1,641,173	3.9	2,979,359	1.4	2,979,359	1.4
2005 ^P Q3	1,647,800	3.2	3,004,044	1.5	3,004,056	1.5

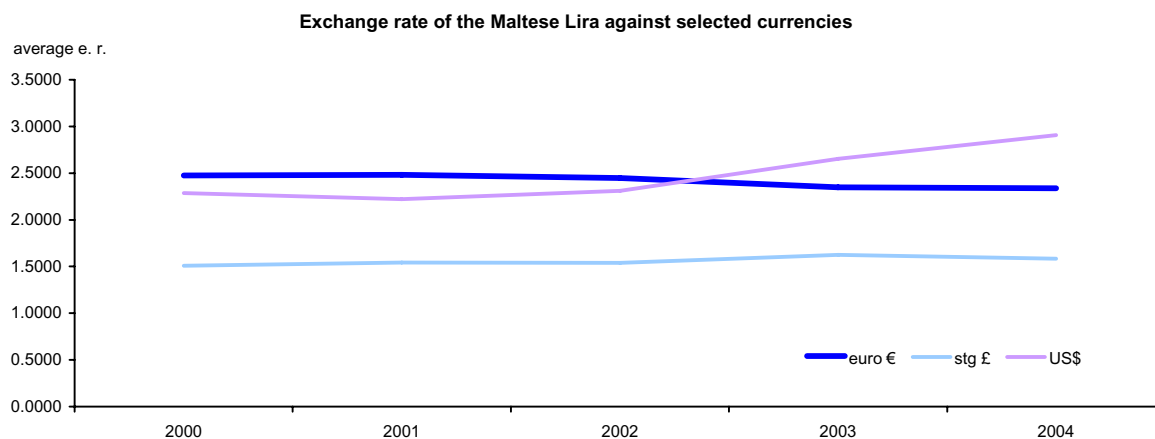
^P provisional

By the end of third quarter of 2005, the total narrow money supply M1 (which includes currency in circulation, demand deposits and savings deposits withdrawable on demand) reached the total of Lm1,647.8 million. This meant an increase of 3.2 per cent over the money supply M1 registered by the end of the same quarter in 2004 of Lm1,596.2 million.

Also, the intermediate money supply M2 (which includes M1, savings deposits redeemable at notice up to 3 months and time deposits with agreed maturity up to 2 years) stood at a total of Lm3,004.0 million; a rise of 1.5 percent over the total recorded during the comparable month a year earlier of Lm2,918.3 million.

Also, by the end of the September 2005 quarter, the broad money supply M3 (which includes M2, repurchase agreements and debt securities issued up to 2 years) amounted to Lm3,004.1 million. Indeed, this implied an increase of 1.5 per cent over the money supply M3 recorded during September 2004 period of Lm2,918.3 million.

EXCHANGE RATE



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 (%)	
2000	2.4741	5.4	1.5080	-2.5	2.2855	-8.7	246.2671	-13.5	3.8529	2.6	
2001	2.4815	0.3	1.5430	2.3	2.2226	-2.8	269.9722	9.6	3.7488	-2.7	
2002	2.4468	-1.4	1.5378	-0.3	2.3100	3.9	288.8785	7.0	3.5899	-4.2	
2003	2.3470	-4.1	1.6237	5.6	2.6543	14.9	307.3846	6.4	3.5683	-0.6	
2004	2.3368	-0.4	1.5853	-2.4	2.9061	9.5	314.1912	2.2	3.6085	1.1	
2004	March	2.3443	-0.7	1.5723	-2.5	2.8875	13.0	313.5396	3.5	3.6762	6.0
	June	2.3512	0.8	1.5608	-4.8	2.8537	4.8	312.2211	-3.1	3.5696	-0.6
	September	2.3379	-0.3	1.5928	-2.5	2.8579	8.5	314.6597	4.0	3.6077	-0.6
	December	2.3117	-0.5	1.6075	-1.4	3.1022	8.7	321.7288	4.6	3.5510	-1.7
2005	March	2.3162	-1.2	1.6044	2.0	3.0590	5.9	321.5978	2.6	3.5885	-2.4
	June	2.3294	-0.9	1.5579	-0.2	2.8337	-0.7	307.9274	-1.4	3.5848	0.4
	September	2.3294	-0.4	1.5788	-0.9	2.8532	-0.2	316.8772	0.7	3.6099	0.1

The average exchange rate of the Maltese lira against the Euro during September 2005 stood at a level of one lira equivalent to 2.3294 Euro. Indeed, this implied a depreciation of the lira against the Euro of 0.4 percentage points over the average exchange rate registered during the same month in 2004 of one lira equivalent to 2.3379 Euro.

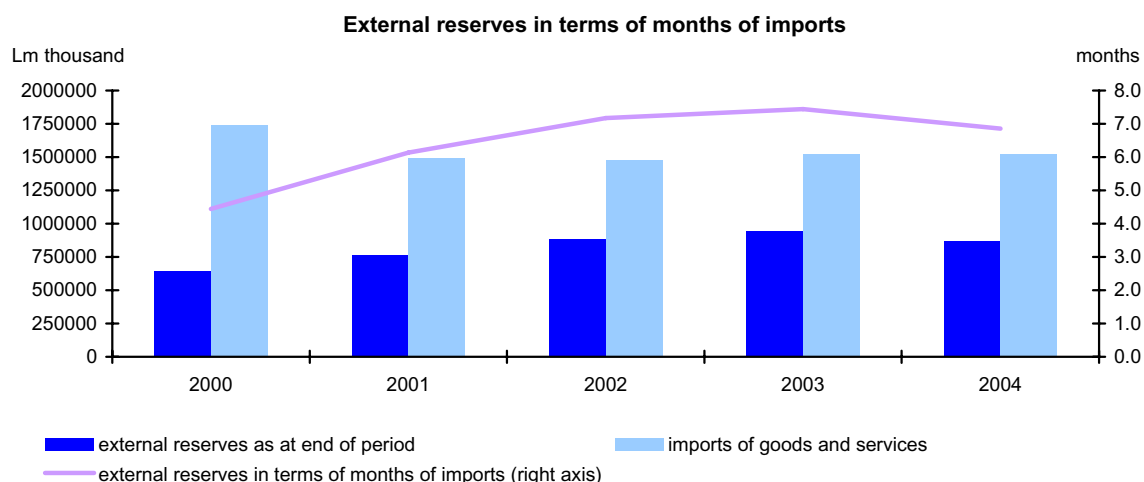
Also, the average exchange rate of the lira against the sterling during September 2005 stood at a level of one lira equivalent to 1.5788 sterling; a depreciation of 0.9 percentage points over the average exchange rate registered during September 2004 of one lira equivalent to 1.5928 sterling.

Similarly, the average exchange rate of the lira against the US dollar depreciated by 0.2 percentage points, from an average exchange rate of one lira equivalent to 2.8579 dollars during September 2004 to an average exchange rate of one lira equivalent to 2.8532 dollars during the relative month in 2005.

On the contrary, the average exchange rate of the lira against the Yen during September 2005 stood at a level of one lira equivalent to 316.8772 Yen; an appreciation of 0.7 percentage points over the average exchange rate registered during the same month in 2004 of one lira equivalent to 314.6597 Yen.

Also, the average exchange rate of the lira against the Swiss franc appreciated by 0.1 percentage points, from an average exchange rate of one lira equivalent to 3.6077 Swiss francs during September 2004 to an average exchange rate of one lira equivalent to 3.6099 Swiss francs during the comparable month in 2005.

EXTERNAL RESERVES



External reserves expressed in terms of months of imports

Lm thousand

Year	External reserves as at end of period ¹	12 month change (%)	Imports of goods and services	12 month change (%)	External Reserves in terms of months of imports
2000	644,144	-13.0	1,740,100	26.8	4.4
2001	760,429	18.1	1,487,633	-14.5	6.1
2002	880,847	15.8	1,473,609	-0.9	7.2
2003 ^P	944,608	7.2	1,522,564	3.3	7.4
2004 ^P	870,952	-7.8	1,524,451	0.1	6.9
2004 ^P					
Q1	939,942	6.3	338,746	-7.4	8.3
Q2	908,648	-1.9	391,016	0.3	7.0
Q3	937,992	-0.6	375,787	-3.2	7.5
Q4	870,952	-7.8	418,902	10.6	6.2
2005 ^P					
Q1	830,950	-11.6	340,637	0.6	7.3
Q2	820,762	-9.7	384,292	-1.7	6.4
Q3	912,102	-2.8	388,356	3.3	7.0

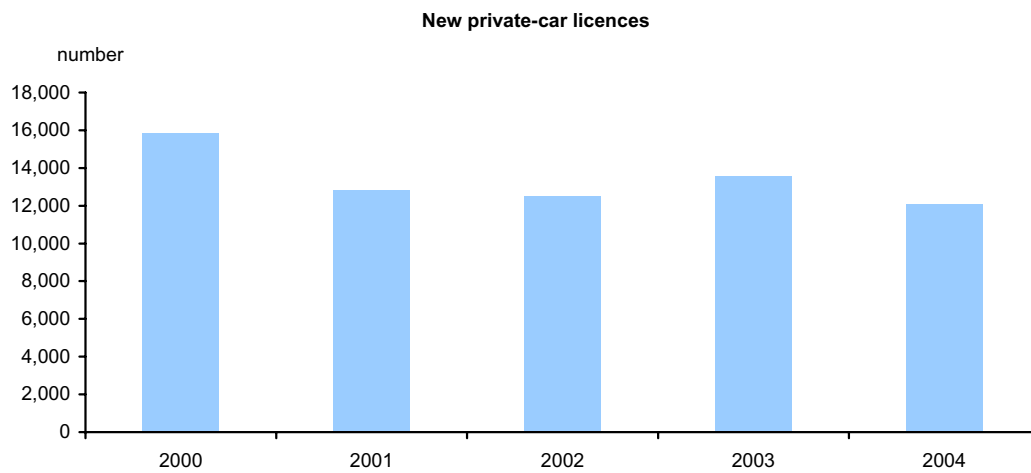
^P provisional

¹ Source: Central Bank of Malta

By the end of the September 2005 quarter, the total external reserves of the country stood at a level of Lm912.1 million. This implied a decline of Lm25.9 million or 2.8 per cent over the total external reserves held by the economy during the same period a year earlier of Lm938.0 million.

Indeed, when expressed in terms of months of imports of goods and services, it can be seen that, while the reserve assets of the country stood at 7.5 months of sustenance during the September 2004 period, Malta's reserve assets dropped to a level of 7.0 months of sustenance during the comparable period in 2005.

CAR LICENCES



New private-car licences

		Number	Annual % change
2000		15,822	-4.5
2001		12,784	-19.2
2002		12,484	-2.3
2003		13,559	8.6
2004		12,090	-10.8
2004	Q1	2,936	6.2
	Q2	3,206	-7.8
	Q3	3,210	-12.5
	Q4	2,738	-24.9
2005	Q1	3,023	3.0
	Q2	3,521	9.8
	Q3	3,404	6.0

In the third quarter 2005 there was an increase of 194 or 6.0 per cent in new car licensing over the same quarter last year.