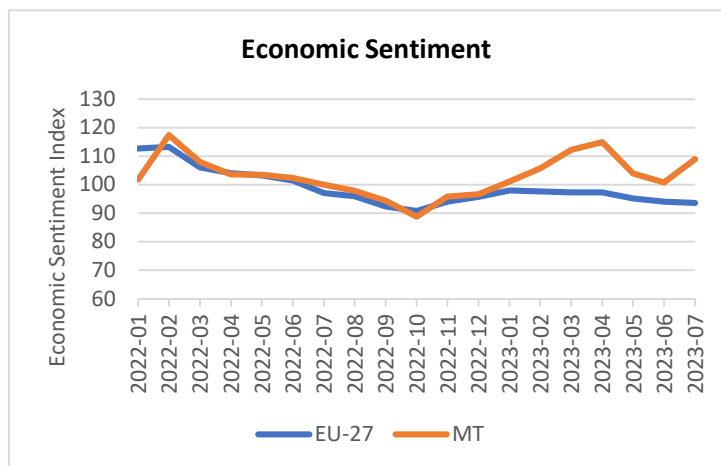
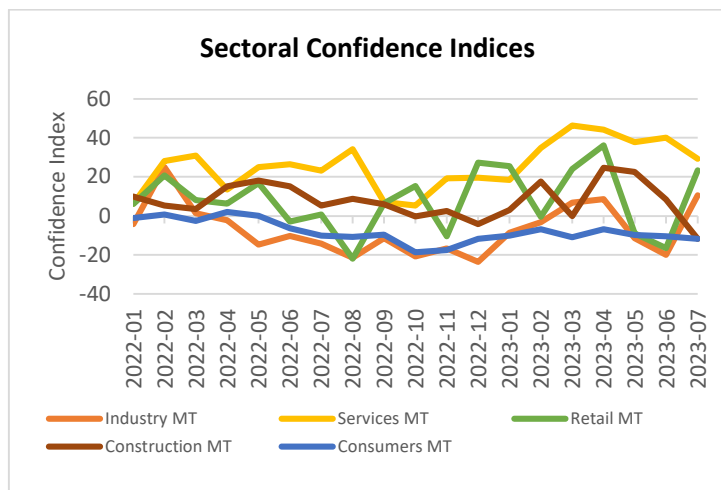




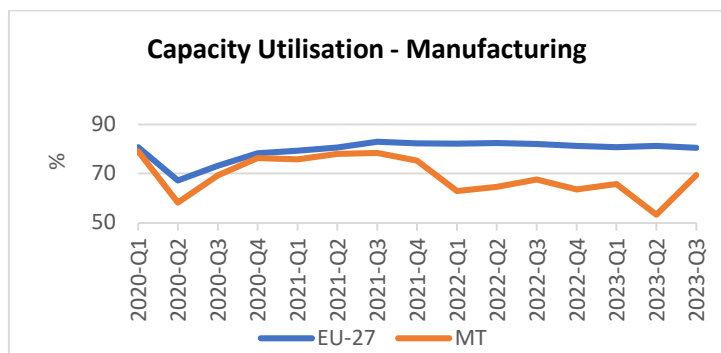
GENERAL OUTLOOK



Economic sentiment in Malta has been broadly in line with the EU-27 between February 2022 and January 2023, but was significantly more positive than the EU-27 index in the last 6 months.

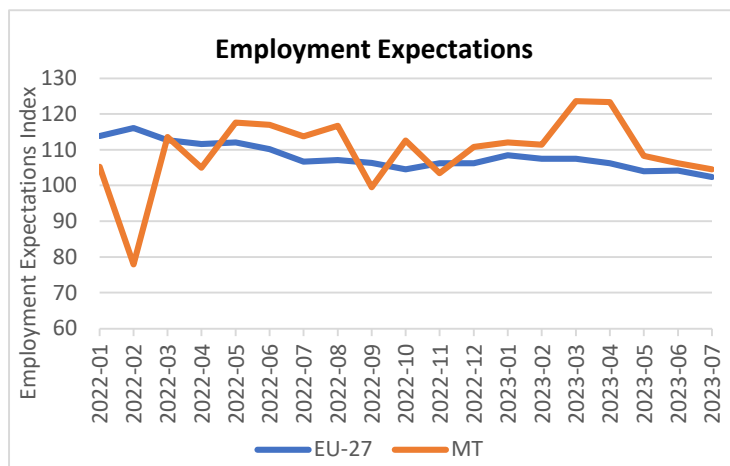


Industry experienced a significant dip between April and June but recovered in July, with Retail following a very similar trend with an even stronger increase in confidence in July. Construction persisted in its sharp downward trend since April, reaching the lowest level registered since January 2022. After peaking last February, Services confidence declined gradually, reaching similar levels to this time last year. Consumer confidence has been consistently low for the past year mirroring higher inflation rates since April 2022.

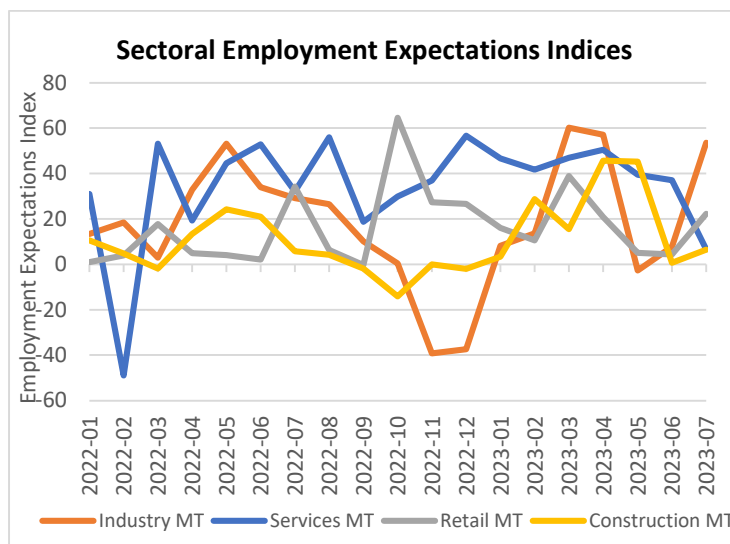


Capacity utilisation in manufacturing has been markedly below the EU-27 average since Q1.2022 but recovered a significant dip registered during last Quarter.

EMPLOYMENT OUTLOOK



Employment expectations have been higher than EU-27 expectations for most of the past year, peaking in March and April 2023, before retracting since May. Employment expectations drastically declined in Services since March and in Construction since May, while strongly recovering in Industry since May and to a lesser extent in Retail since June.



Data used in this review is sourced from Eurostat Business and Consumer Surveys (BCS) data tables. All data is seasonally adjusted.

The Economic Sentiment Index is the weighted average of balances of replies to selected survey questions, scaled to long-term mean = 100.

The Sectoral Confidence Indices are arithmetic averages of balances of replies to selected survey questions of the respective sector.

The Employment Expectations Index is the weighted average of employment expectations of managers, scaled to long-term mean = 100.

The Sectoral Employment Expectations Indices are arithmetic averages of balances of replies on employment expectations of managers.

More detailed information is available online:

<https://ec.europa.eu/eurostat/web/euro-indicators/business-and-consumer-surveys>

The Malta indicators are derived from responses to the monthly sectoral business surveys conducted by the Malta Chamber with the support of PwC, as part of the Joint Harmonised EU Programme of Business and Consumer Surveys (BCS) of DG ECFIN of the European Commission. The Malta Chamber is grateful to all survey respondents for their participation.