

# Malta's economic outlook 2024

## - will the economy remain resilient?

*Cut-off date for economic statistics is 28 January 2024*

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7 February 2024



# Approach

Assess current economic conditions and prospects

**Economic principles**

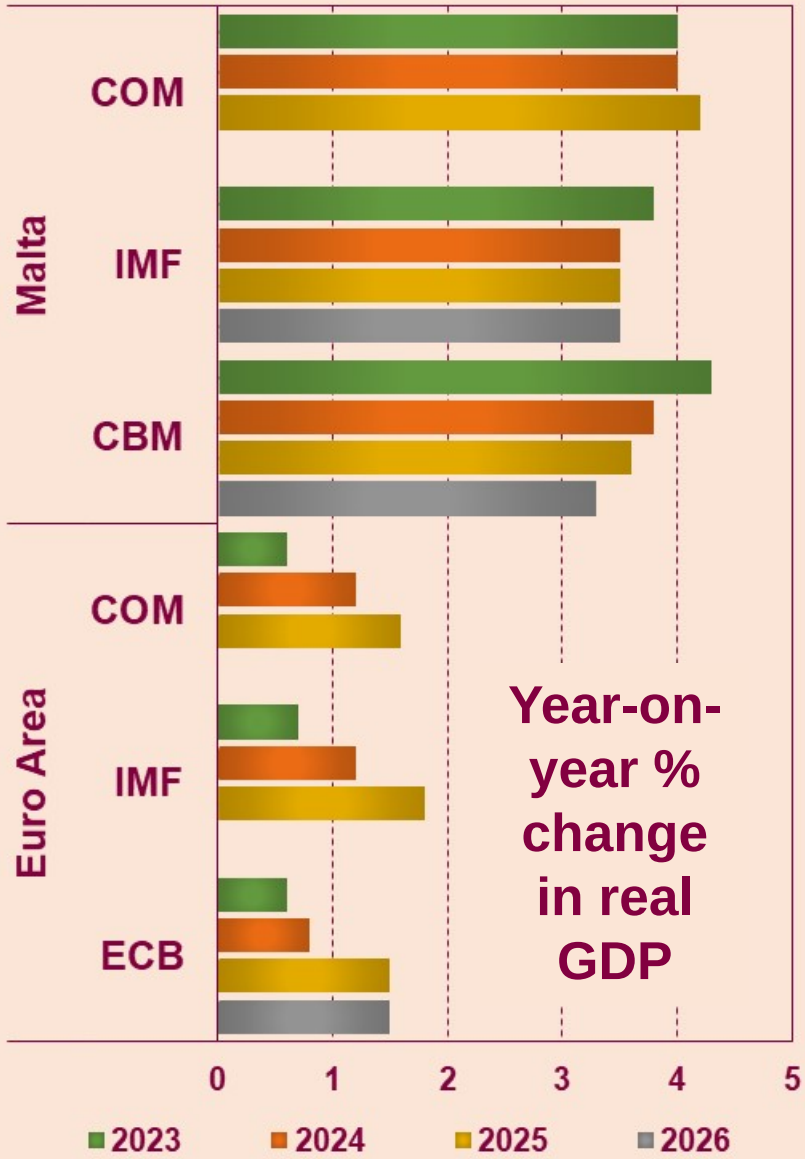
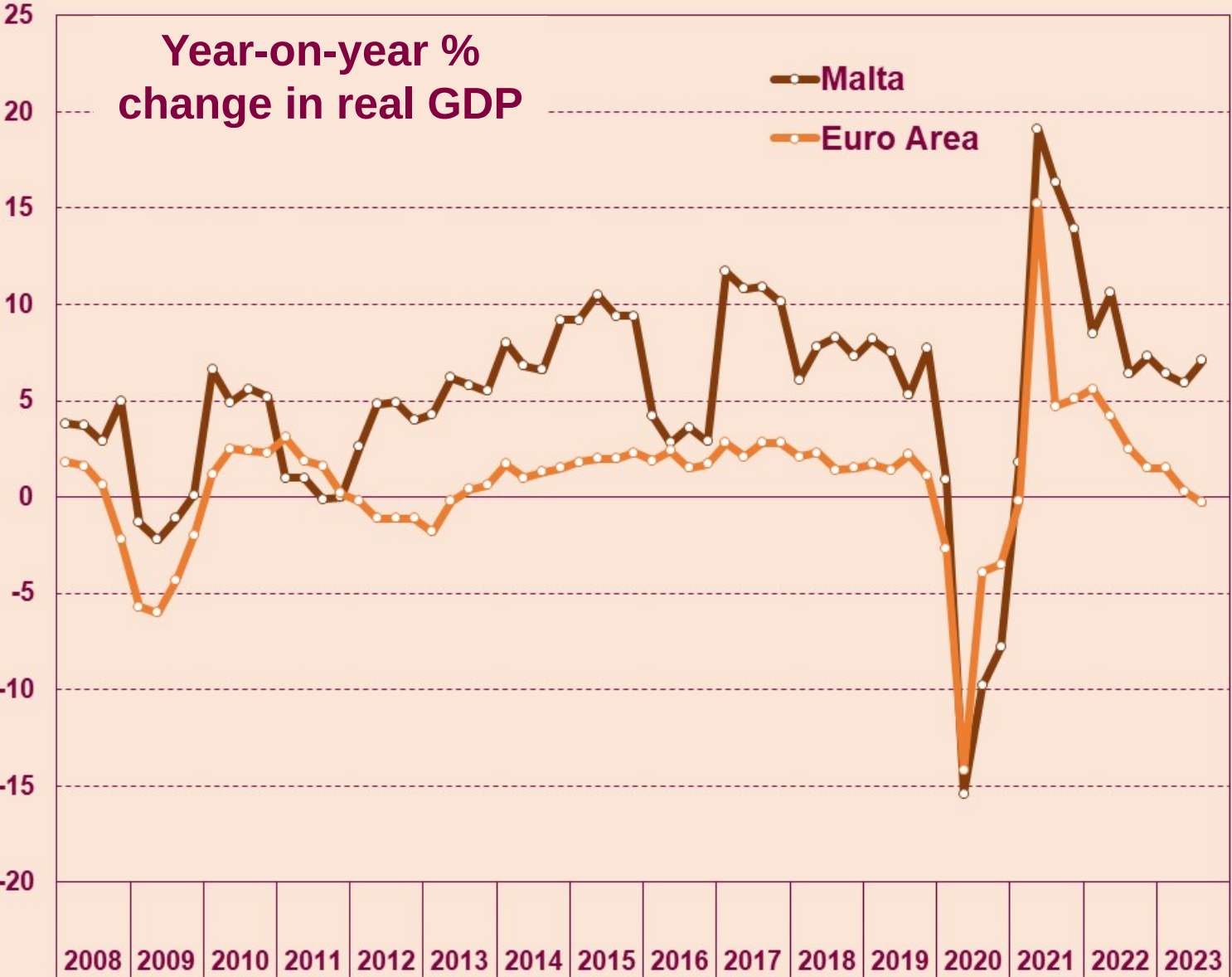
**Recent  
economic patterns**

**Historical  
economic trends**

**Economic judgement**



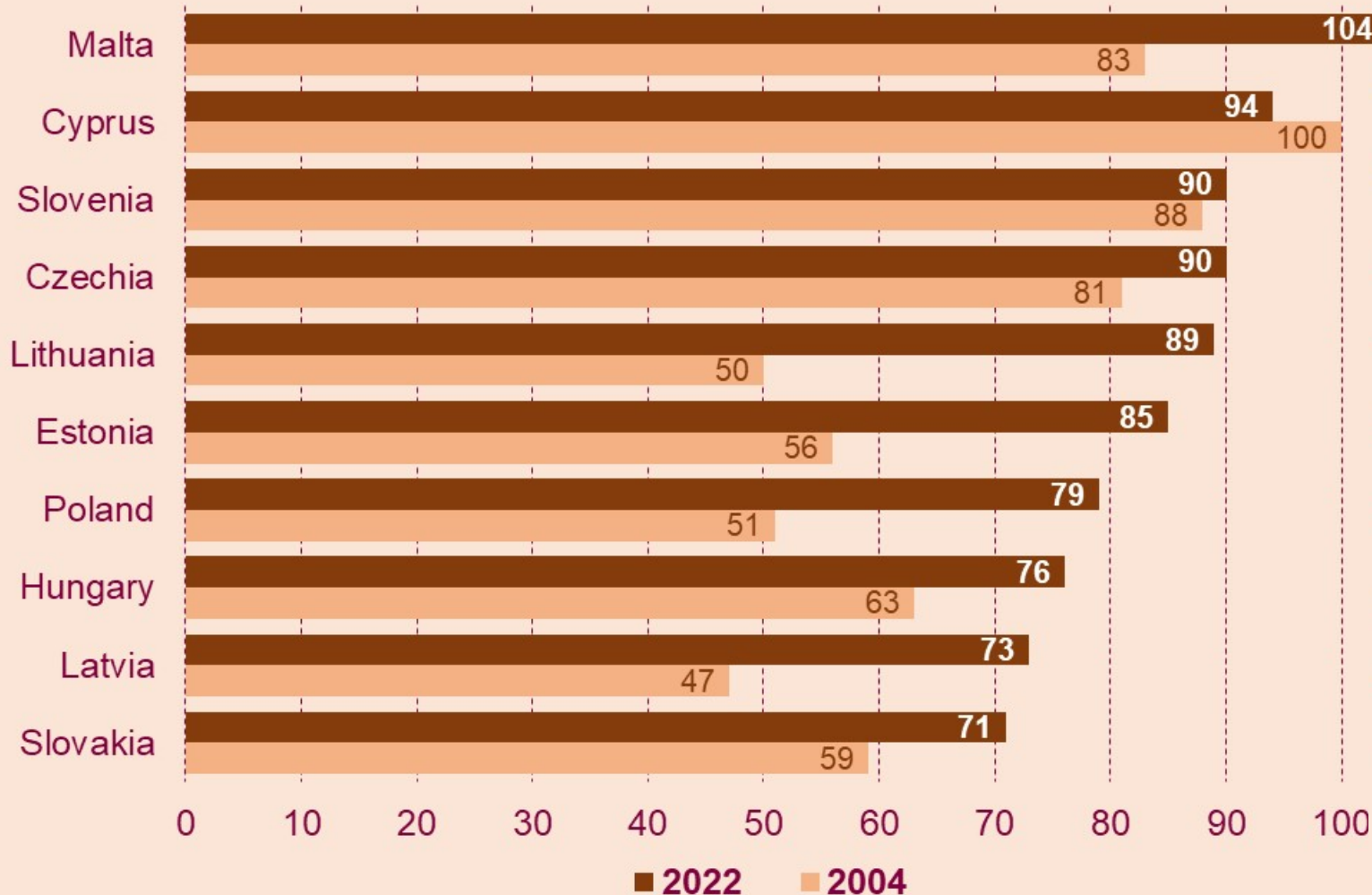
# Economic growth



Source: Eurostat, Central Bank of Malta, European Central Bank, European Commission, International Monetary Fund

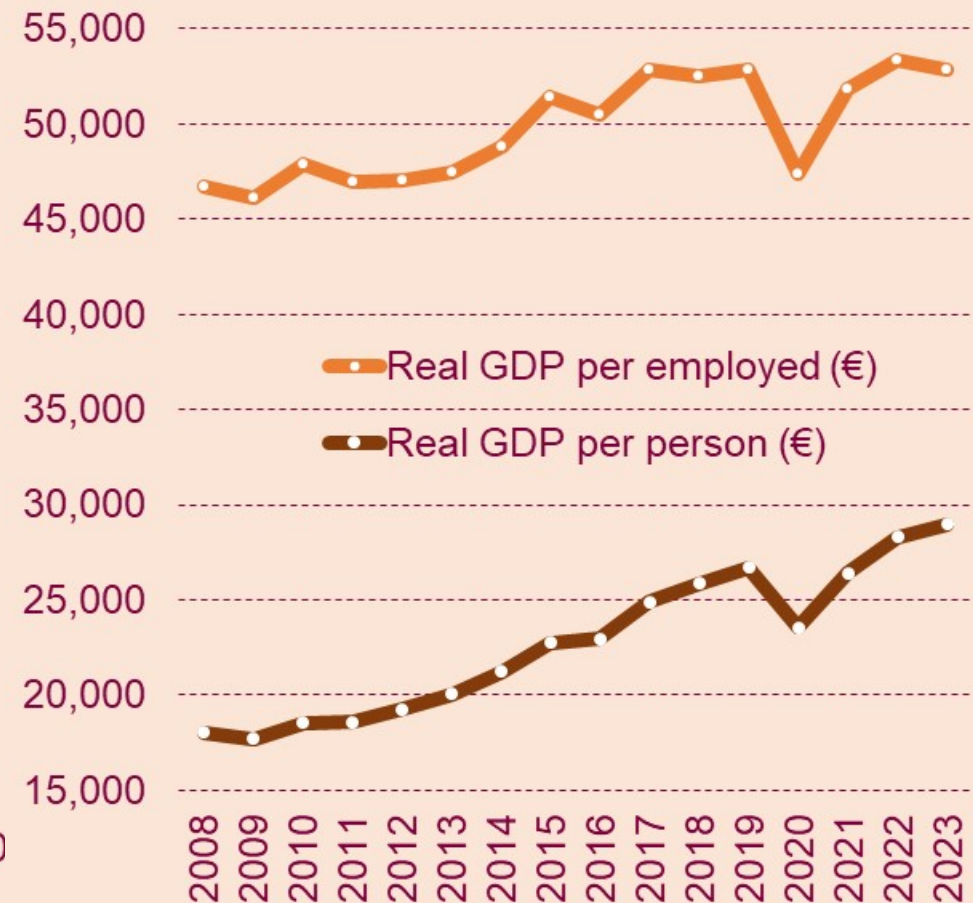
# Economic convergence and productivity

## GDP at PPS EU27 = 100

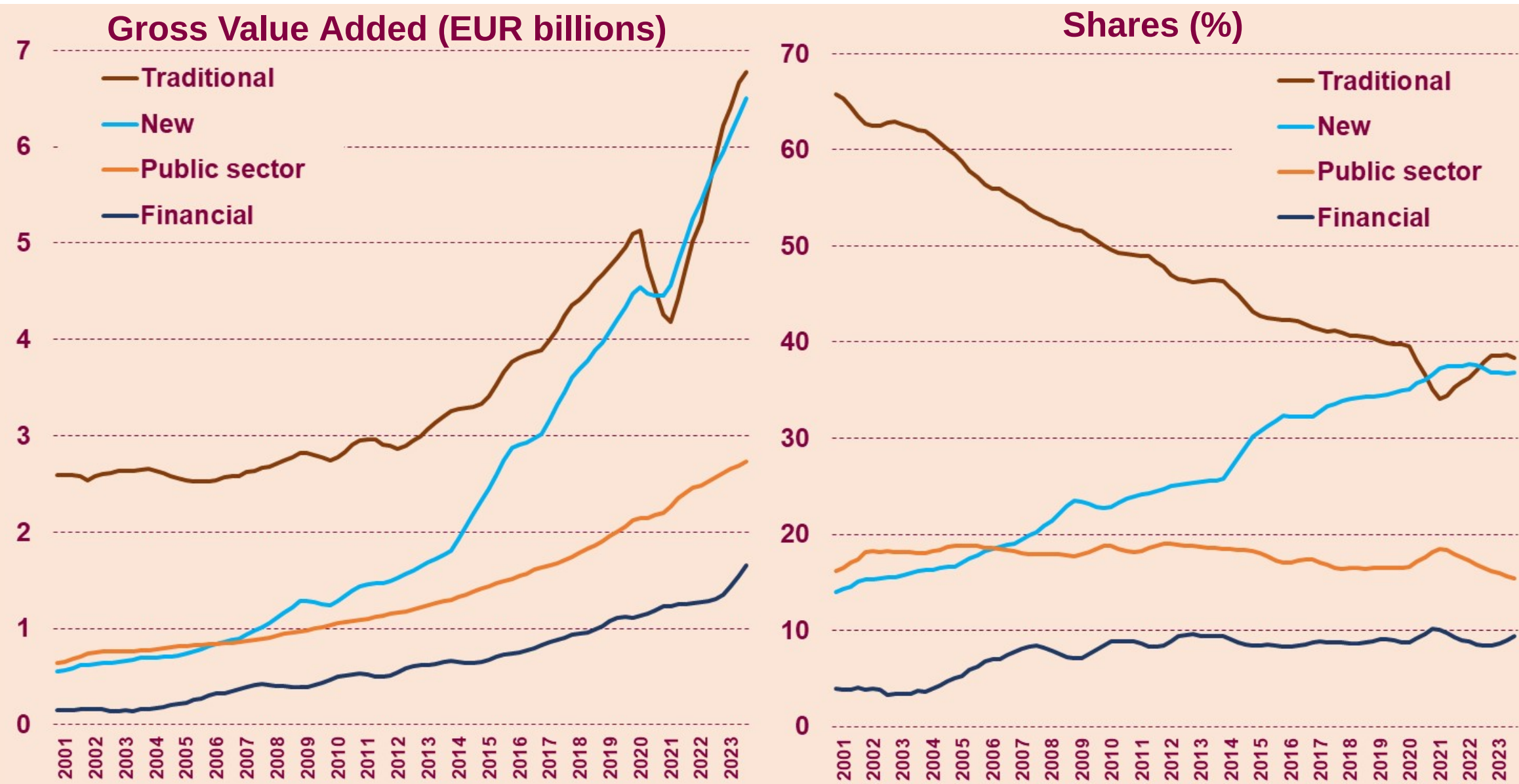


## Productivity

(Figures for 2023 are estimates)



# Economic sectors



Figures based on GVA at current market prices.

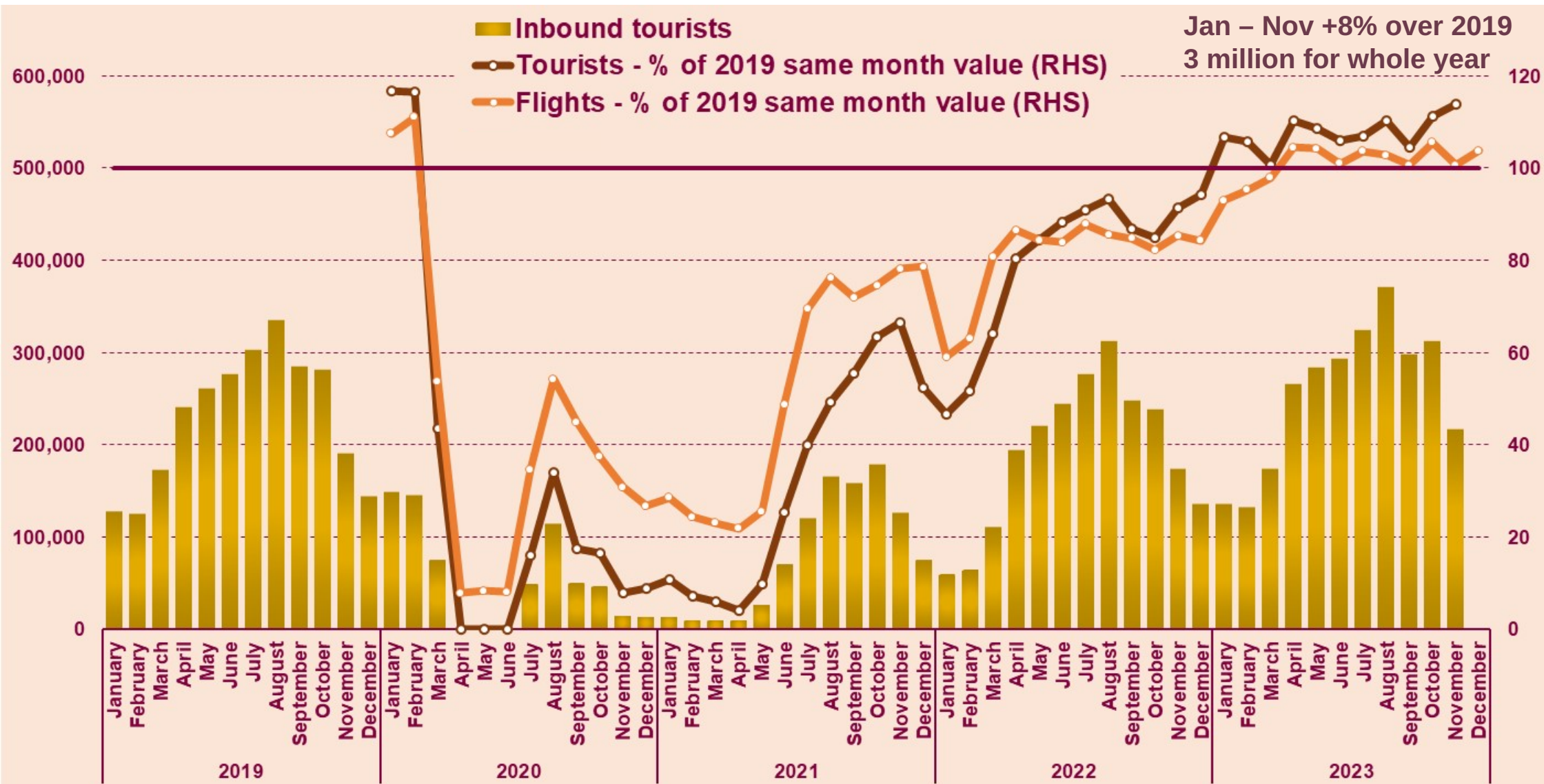
Traditional  
NACE: A; B-E; F; G-I; L.

New  
NACE: J; M-N; R-U.

Financial  
NACE: K.

Public sector  
NACE: O-Q.

# Tourism



European Travel Commission visitor growth forecasts

Southern Europe / Mediterranean

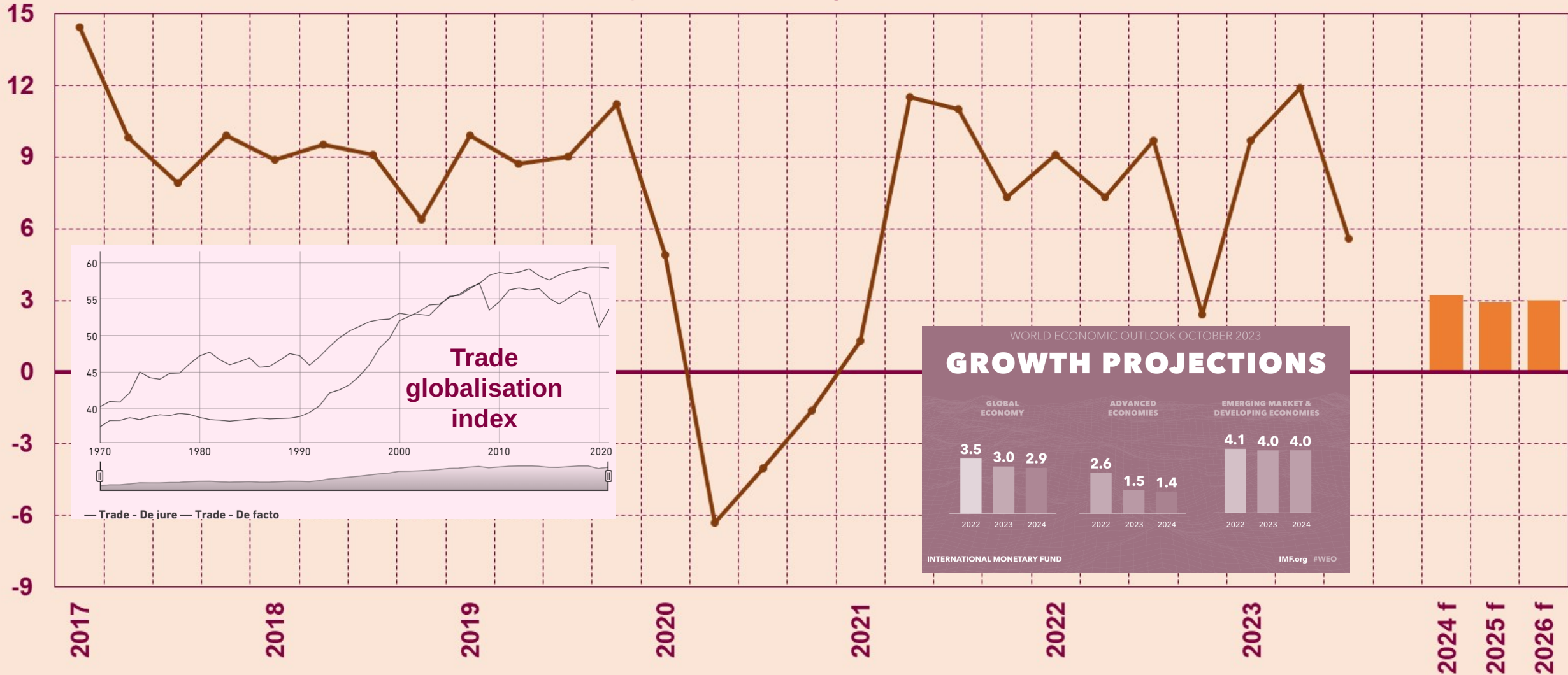
2024  
**8.4%**

2025  
**7.4%**

Source: National Statistics Office, Eurostat, European Travel Commission, own calculations

# Exports of goods and services

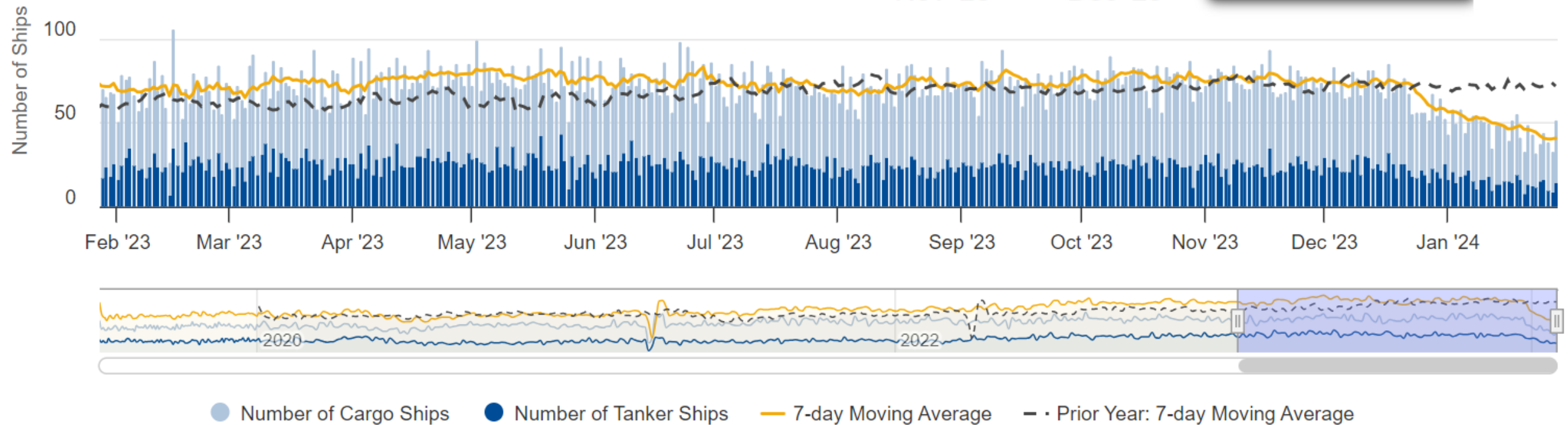
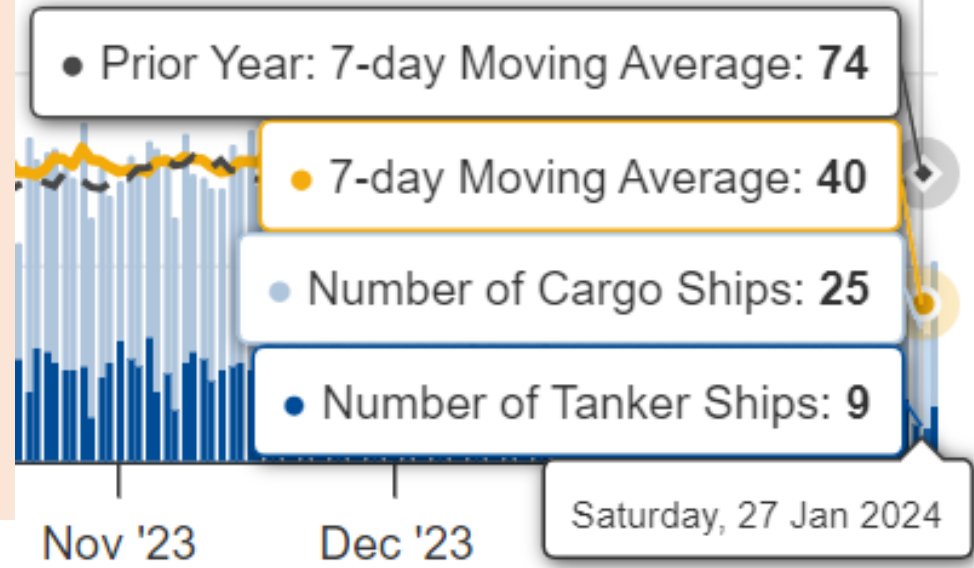
## Year-on-year % change in real terms



Source: Eurostat, Central Bank of Malta, KOF Swiss Economic Institute, International Monetary Fund



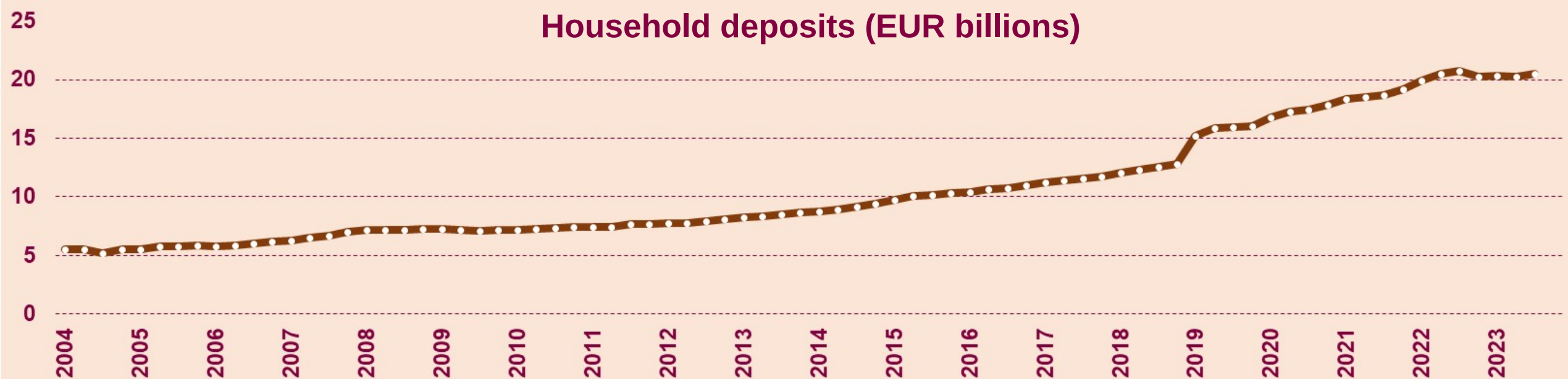
# Trade disruptions in the Red Sea



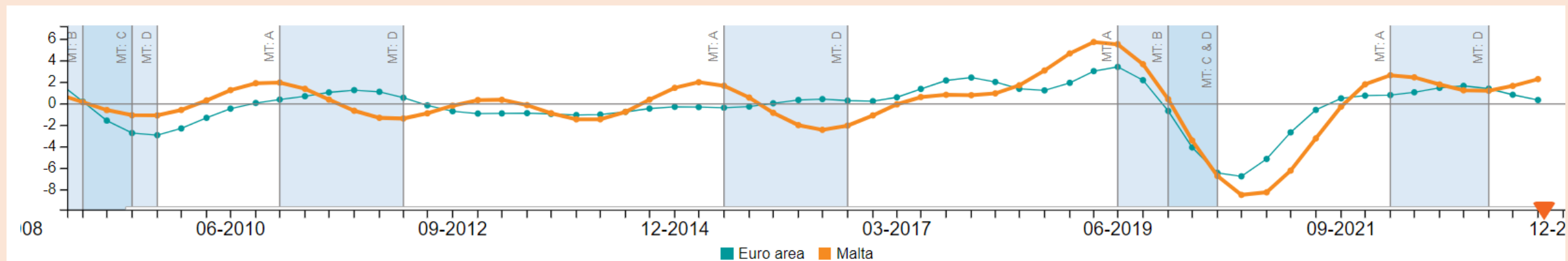
Sources: UN Global Platform; PortWatch.



# Households and the economy



### GDP growth cycle as a percentage of deviation from trend

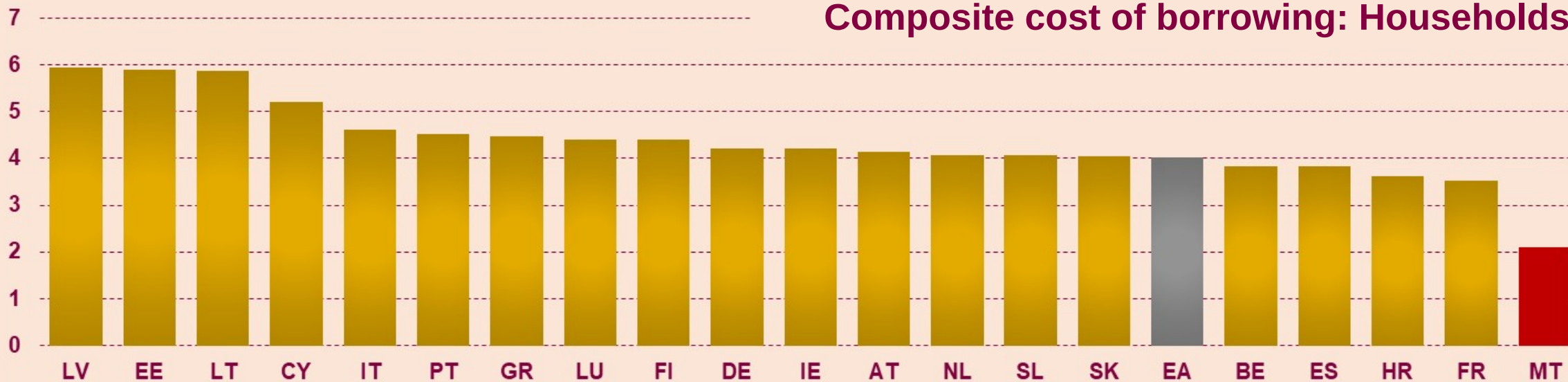


Source: Central Bank of Malta, European Commission

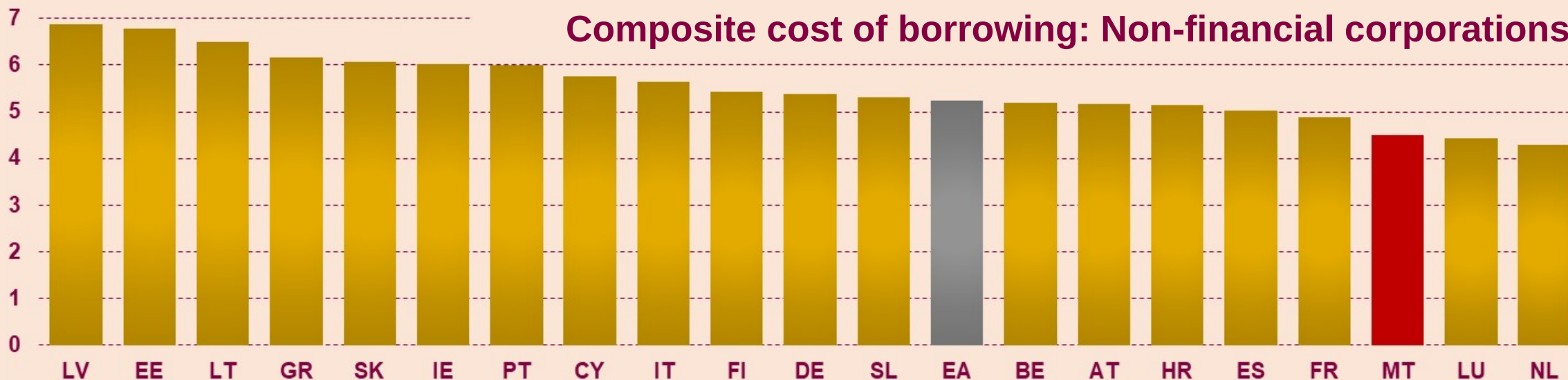
# Interest rates

Interest rates offered during November 2023

### Composite cost of borrowing: Households (%)



### Composite cost of borrowing: Non-financial corporations (%)



# Residential property

Year-on-year % change

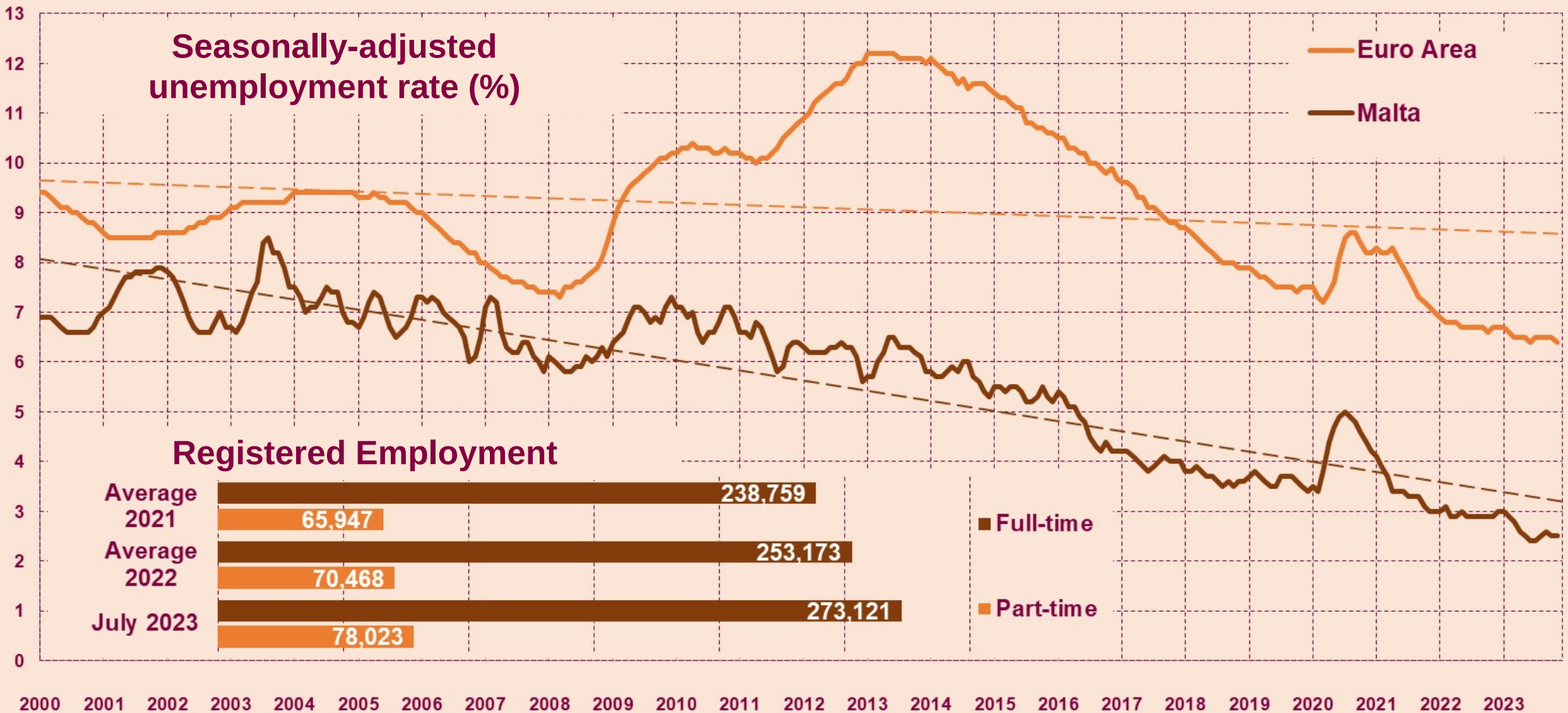


Number of transactions involving households



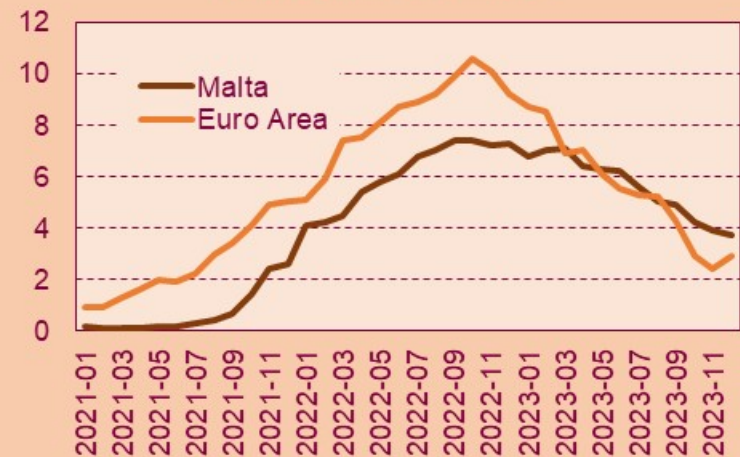
Source: National Statistics Office, Eurostat

# Labour market

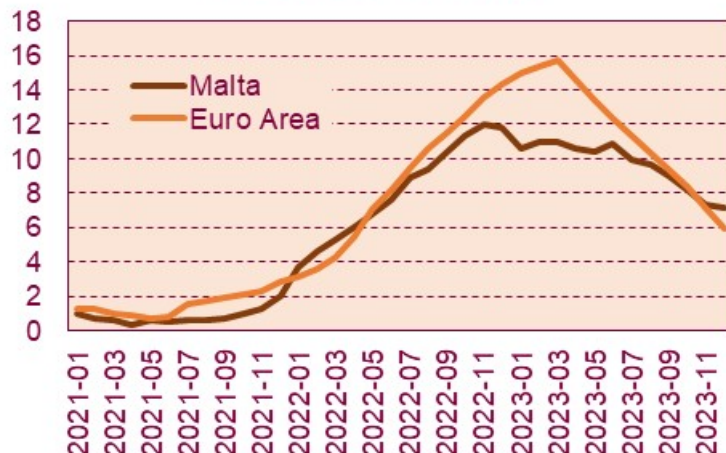


# Inflation

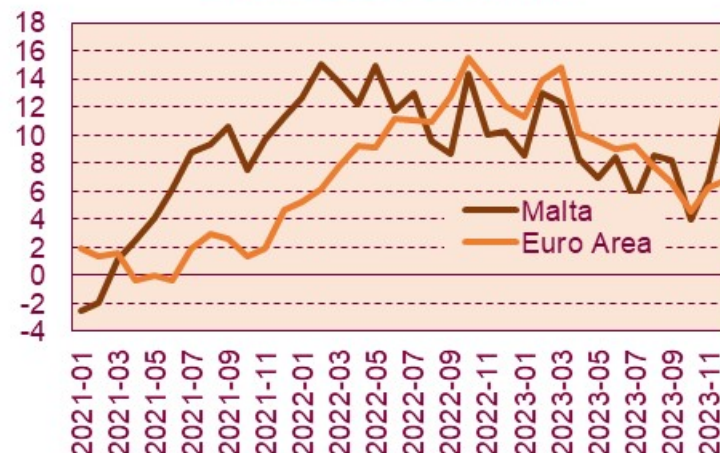
**All-items HICP (%)**



**Processed food (%)**



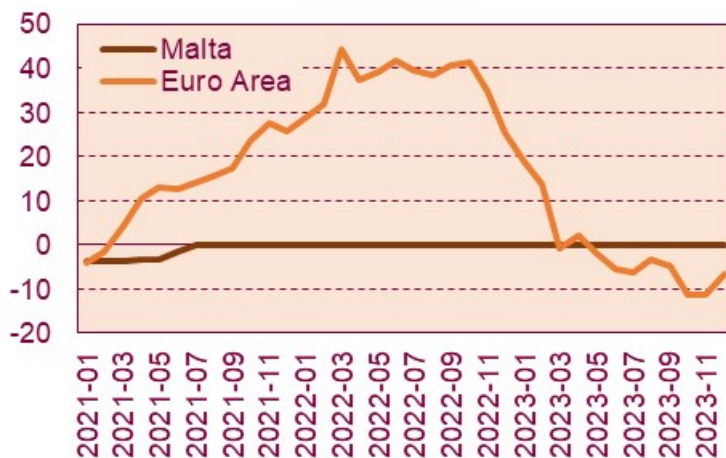
**Unprocessed food (%)**



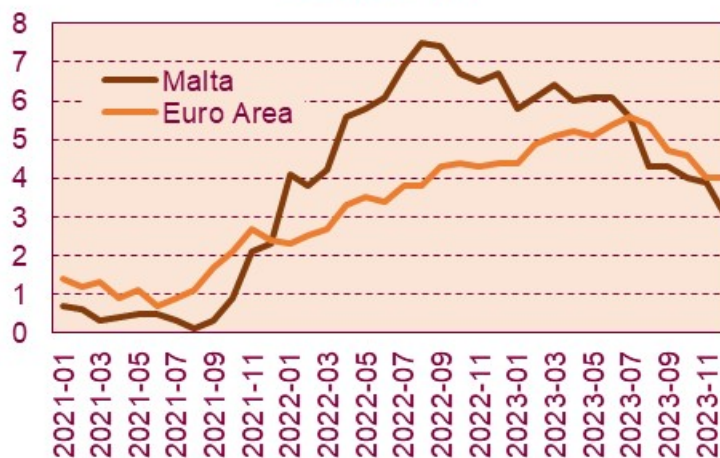
**Non-energy industrial goods (%)**



**Energy (%)**



**Services (%)**

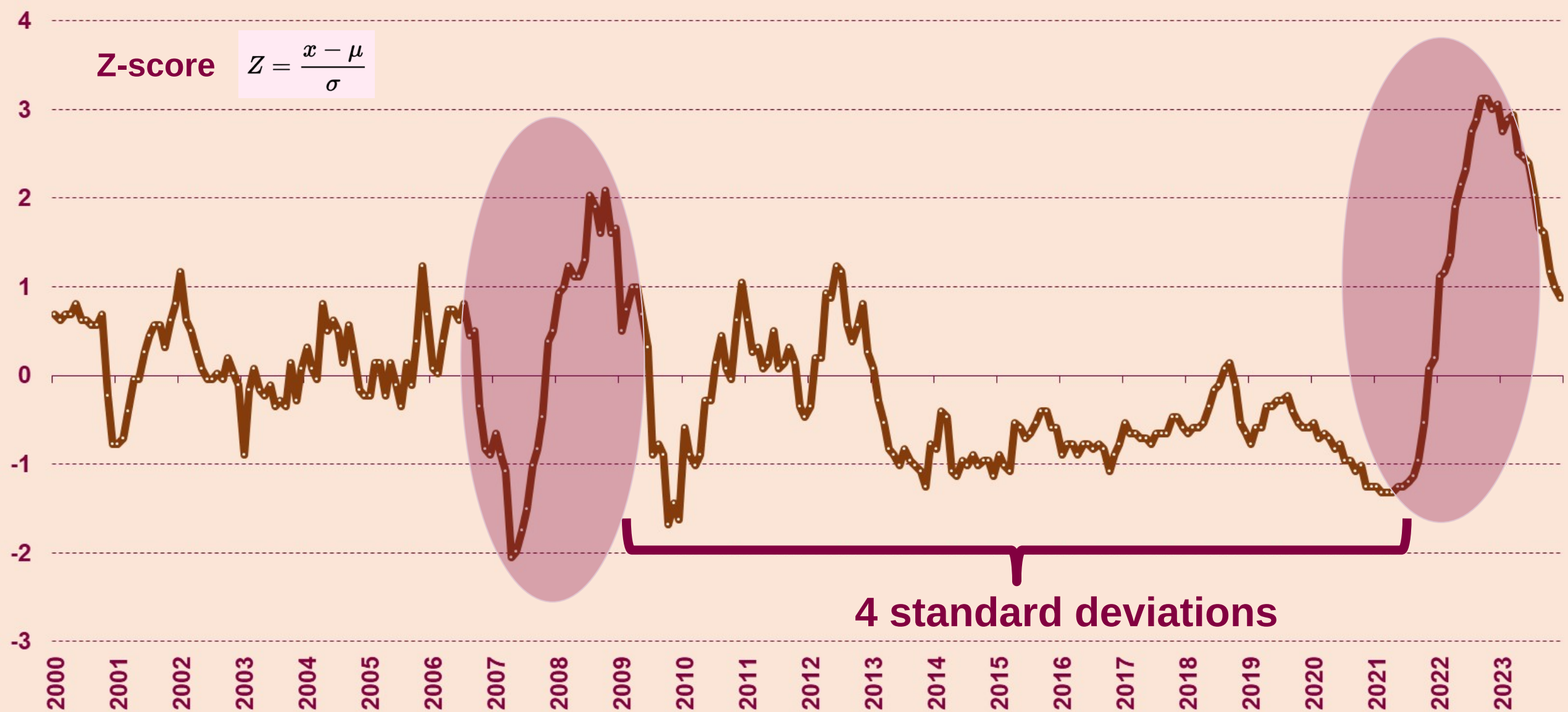


**2024 -2026**  
**Malta**  
**3.0%**  
**2.3%**  
**2.0%**  
**Euro Area**  
**2.7%**  
**2.1%**  
**1.9%**

# Inflation shock in perspective

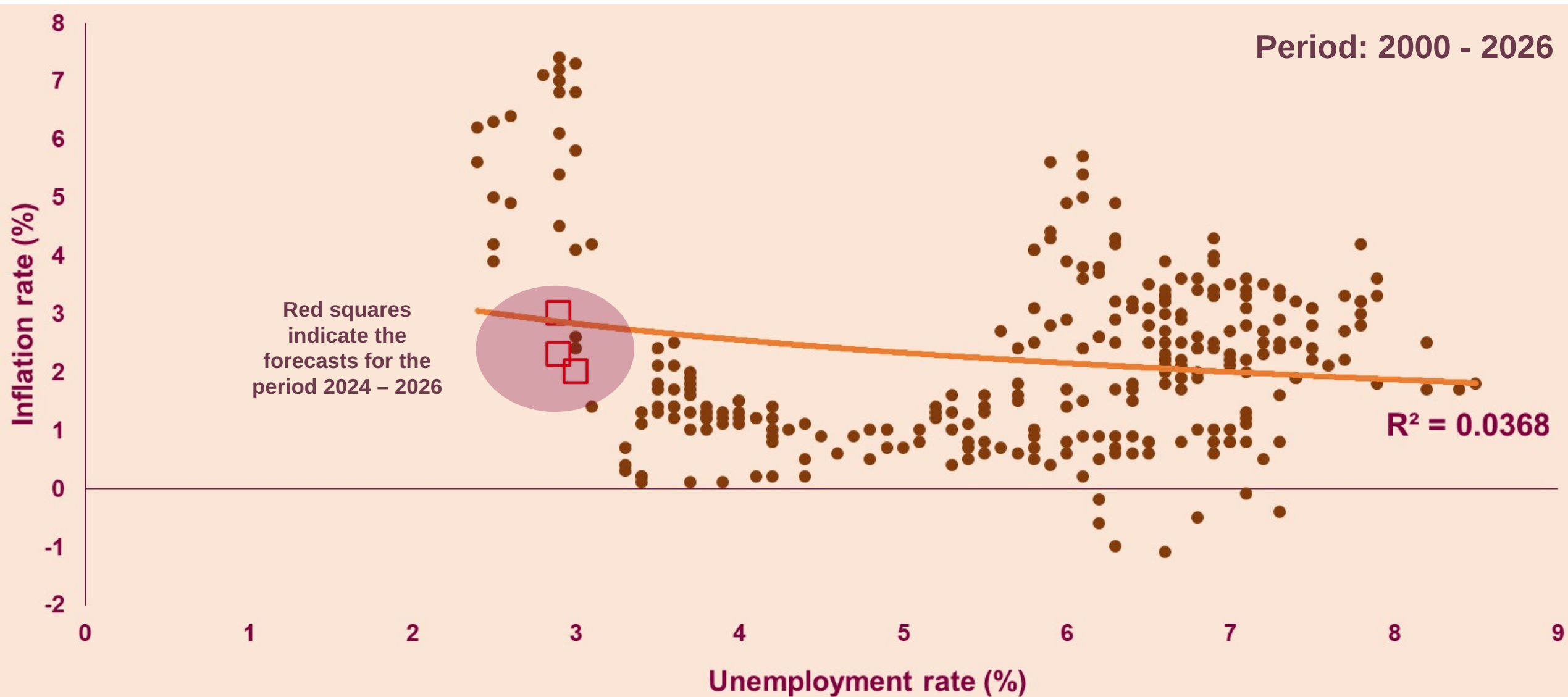
Z-score

$$Z = \frac{x - \mu}{\sigma}$$



Source: Eurostat, own calculations

# Inflation and unemployment in Malta



# Share of Wages in Gross Value Added



**Change compared to 2010 – 2019 (40 quarters) (pp)**

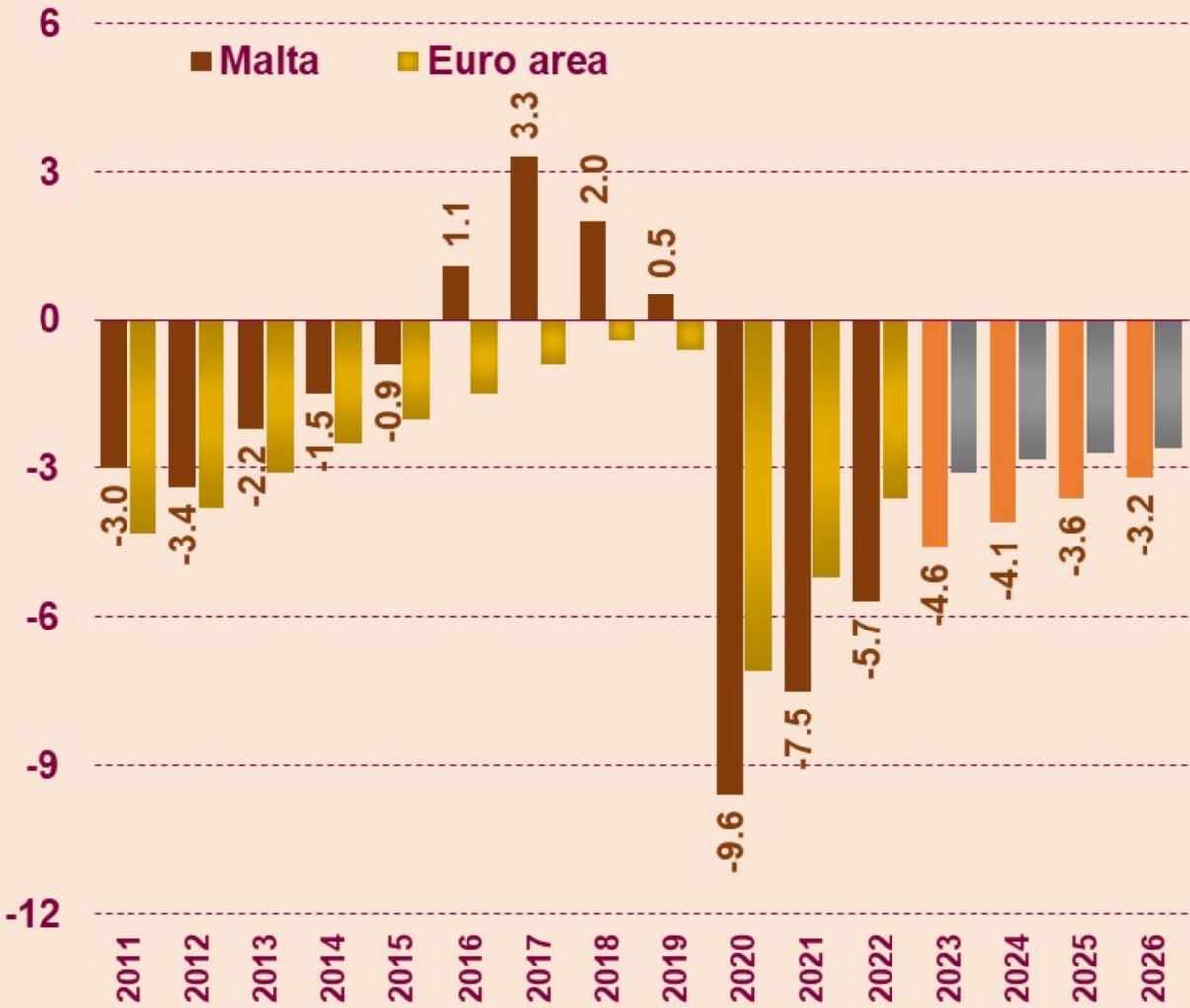


Source: Eurostat, Financial Times, own calculations

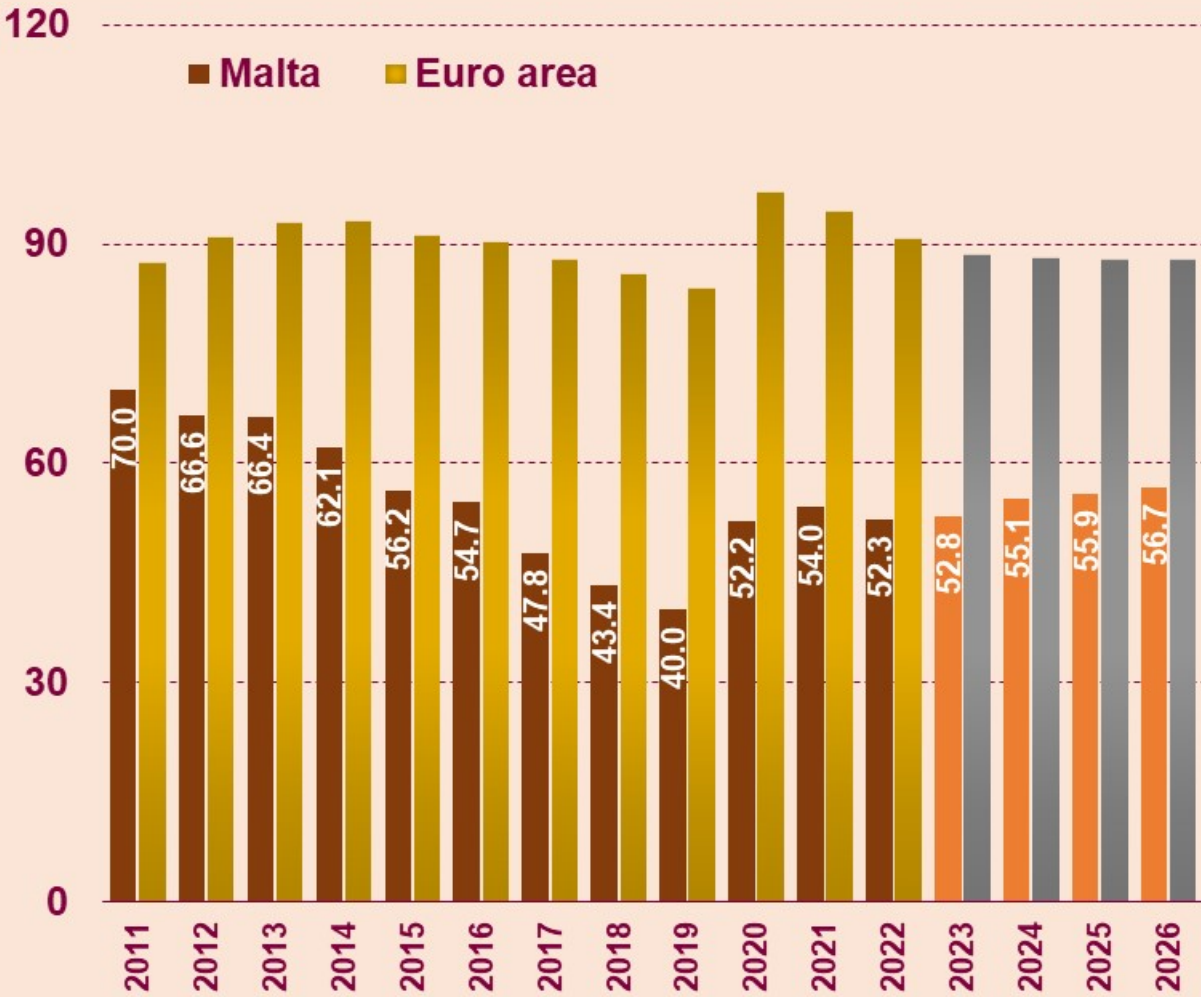


# Public finances

### Fiscal balance (% of GDP)

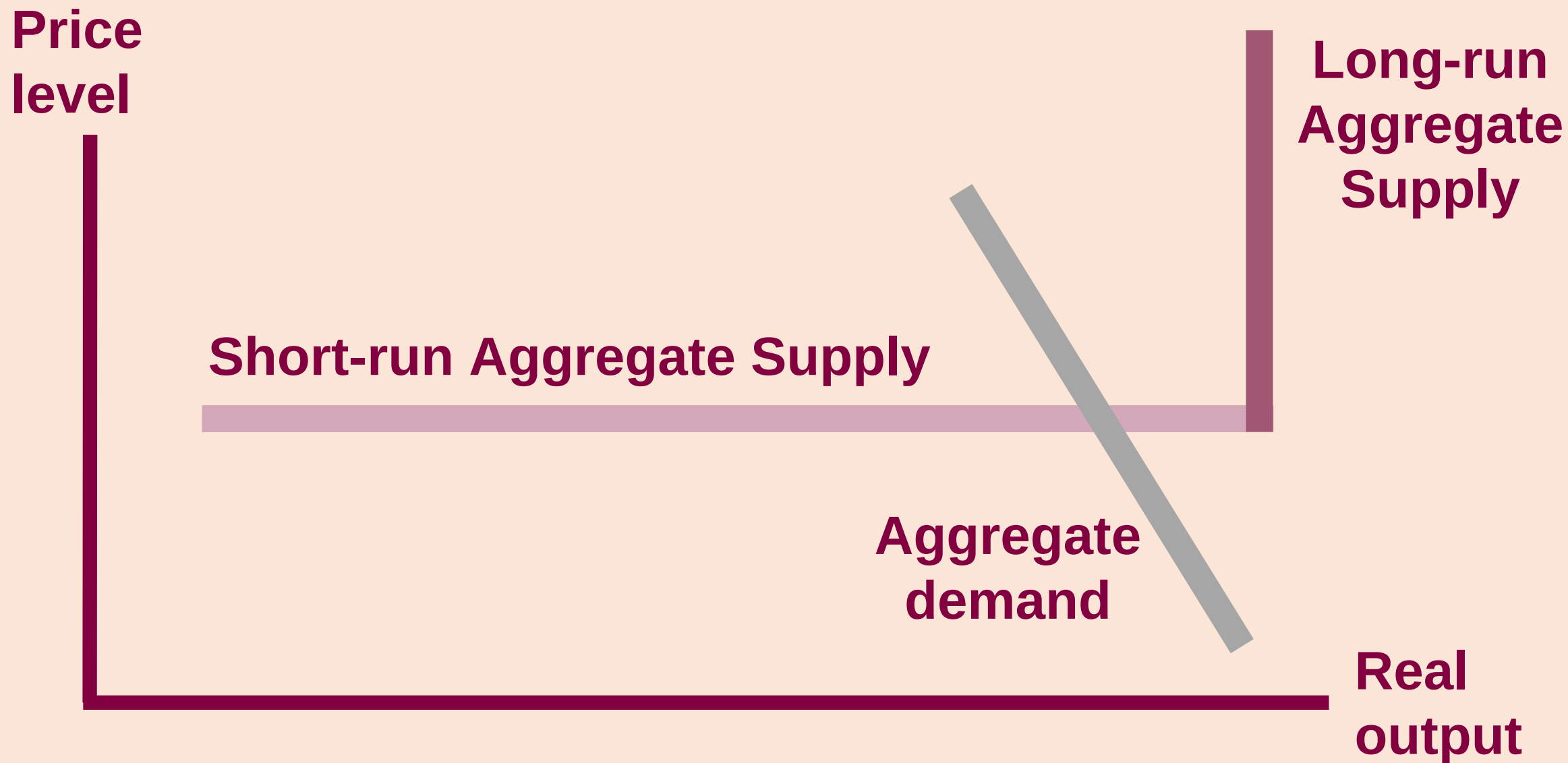


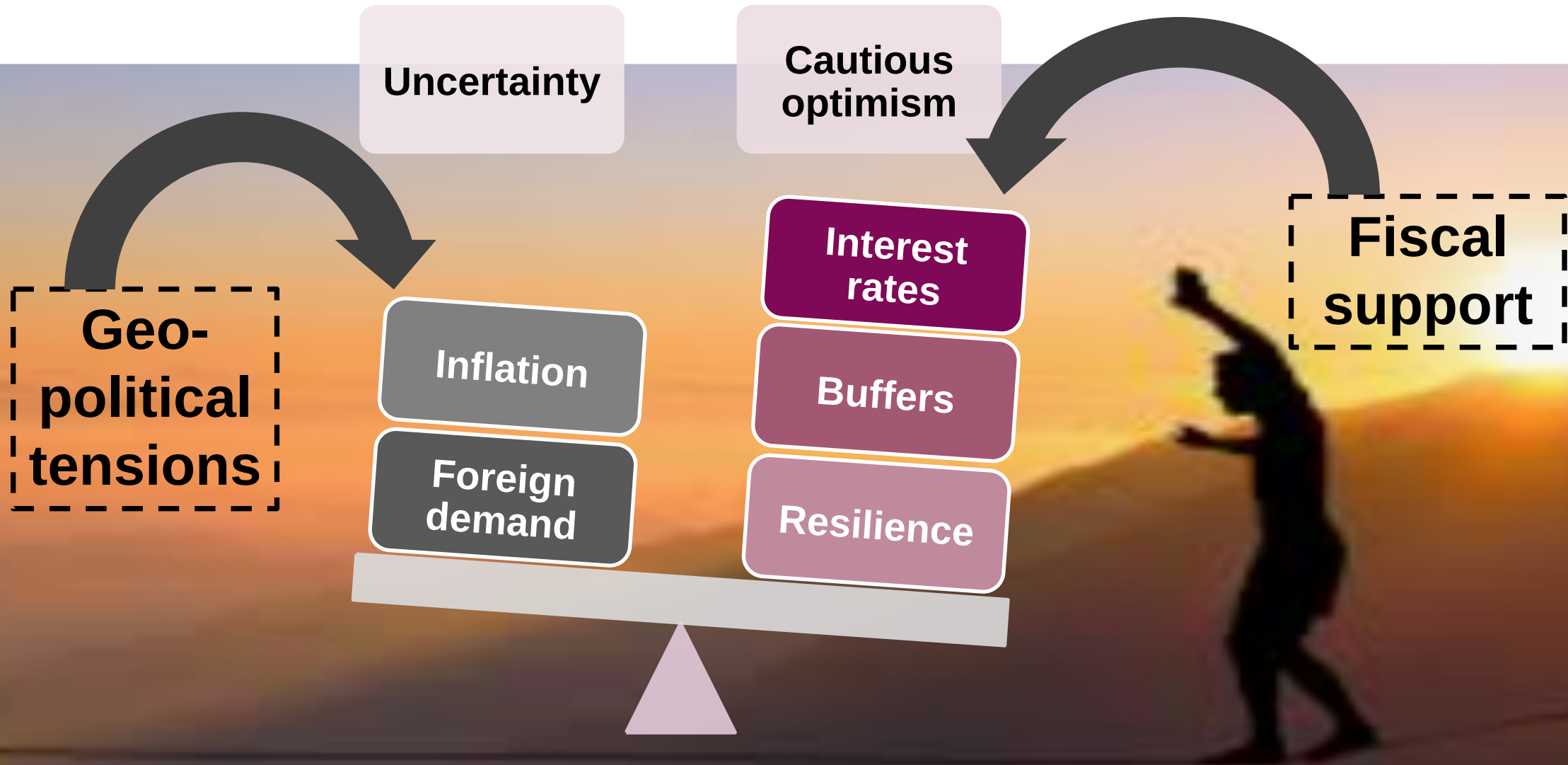
### Public debt (% of GDP)



Figures for 2023 – 2026 are forecasts

# Keep in mind the AS-AD diagram





# Thank you

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