

3. Employment

The performance of the labour market in Malta during the twelve months to September 2005 indicates the degree of resilience of the domestic economy in view of the relatively slow rate of economic growth registered in recent years. The process of economic adjustment triggered by industrial restructuring in both private and public enterprises, fiscal consolidation as well as sluggish growth in the economies of main trading partners and the steep rise in the international price of oil posed an increased uncertainty that affected domestic economic developments. Set against this context, the expansion in part-time employment and more modestly in the full-time gainfully occupied population, as well as the decline in number of registered unemployed are noteworthy.

As shown in Table 3.1, the full-time gainfully occupied population rose by 213 or 0.2 per cent reaching 137,813 at the end of September 2005, when compared to September last year. Meanwhile, the number of persons with a part-time job as their main occupation stood at 23,138 representing an increase of 2,190 or 10.5 per cent over September 2004. The number of unemployed persons registering under Part I of the Register declined by 874 to 6,508 at the end of the Survey period. Consequently, the unemployment rate under Part I of the Register declined by 0.6 percentage points to 4.5 per cent. Since the expansion in the full-time gainfully occupied population was lower than the drop in registered unemployed, the labour supply declined by 717 or 0.5 per cent over September 2004. It is notable that over the recent years increasing importance is being attached by both economic operators and employees to part-time work as the main occupation. This indicates changing working patterns and the relative degree of flexibility of the labour market.

The trends noted in previous years towards higher private sector employment, especially market services as the main generator of jobs in Malta persisted during the period under review. Additionally the declining share of the public sector is consistent with Government's policy in this area. Employment in the private sector, inclusive of temporary employment, stood at 92,514, an increase of 1,515 or 1.7 per cent over September 2004. This reflected an expansion in private market services of 1,990 jobs that was slightly countered by a decline of 441 in the private direct production category. As a result, the share of total private sector employment in the gainfully occupied population stood at 67.1 per cent, an increase of 1.0 percentage point over the previous comparable period. In the meantime, employment in the public sector, inclusive of temporary employment, stood at 45,299 representing a decline of 1,302 employees or 2.8 per cent over September 2004. Consequently the share of total public sector in

Labour Market Performance

Table 3.1

	2001 Sep	2002 Sep	2003 Sep	2004 Sep	2005 Sep
Labour Supply	145,687	145,631	145,568	145,740	145,023
Males	104,669	104,254	103,832	103,524	102,401
Females	41,018	41,377	41,736	42,216	42,622
Gainfully Occupied	138,703	138,111	137,626	137,600	137,813
Males	98,899	98,180	97,567	97,019	96,830
Females	39,804	39,931	40,059	40,581	40,983
Total Private Sector	89,756	90,141	90,236	90,999	92,514
Private Direct Production	34,731	35,001	33,665	33,229	32,788
Private Market Services	54,276	54,369	55,881	57,144	59,134
Temporary Employment	749	771	690	626	592
Total Public Sector	48,947	47,970	47,390	46,601	45,299
Public Sector	48,693	47,691	47,097	46,338	45,061
Temporary Employment	254	279	293	263	238
Registered Unemployed*	6,984	7,520	7,942	8,140	7,210
Males	5,770	6,074	6,265	6,505	5,571
Females	1,214	1,446	1,677	1,635	1,639
% of Labour Supply	4.8	5.2	5.5	5.6	5.0
of which unemployment under Part I (%)	4.3	4.6	5.0	5.1	4.5
Self-Employed**	15,516	15,566	15,742	15,979	16,180
Males	13,617	13,569	13,669	13,802	13,901
Females	1,899	1,997	2,073	2,177	2,279
% of Gainfully Occupied	11.2	11.3	11.4	11.6	11.7
Memorandum:					
Total Direct Production***	46,904	46,200	44,494	42,959	42,273
Total Market Services***	90,796	90,861	92,149	93,752	94,710
Total Private Sector Share	64.7%	65.3%	65.6%	66.1%	67.1%
Total Public Sector Share	35.3%	34.7%	34.4%	33.9%	32.9%
Part-time Employment as Primary Job	16,851	17,744	18,886	20,948	23,138
*Includes both Parts I and II of the registered unemployed					
**Included in the Private Sector					
***Excluding temporary employees					

Source: Employment and Training Corporation

Box 3.1

The Labour Force Survey

The Labour Force Survey (LFS) is a household survey carried out by the National Statistics Office (NSO) in accordance with the methodologies of the European Union's statistical agency, Eurostat, and of the International Labour Organisation. The LFS provides information regarding the labour market, educational levels, salary conditions and other useful indicators however it is not directly comparable to statistics emanating from the Employment and Training Corporation (ETC) mainly due to differences in definitions and methodologies of the two datasets. Additionally, one must express caution in interpreting LFS results over time as absolute changes in employment of 1,800 or less may be the result of sampling error.

Salient Labour Market Developments

According to the latest LFS statistics, the number of persons employed (inclusive of part-timers and self-employed) stood at 148,333 during April-June 2005, an increase of 2,289 over the comparable period of 2004. The employment rate stood at 53.6 per cent during April-June 2005, an increase of 0.2 percentage points over the comparable period of 2004. The increase was underpinned by higher female employment of 3,124 that countered the decline of 835 male employees recorded during the period. Consequently, the male employment rate stood at 73.5 per cent, a decline of 1.5 percentage points compared to April-June 2004. In contrast, the female employment rate rose by 2.0 percentage points to 33.6 per cent. In spite of this rise, the female employment rate remains relatively low when compared to the prevailing EU average.

The number of unemployed persons reported during April-June 2005 stood at 12,626 of which 62.5 per cent were males while females accounted for 37.5 per cent. During the period, the number of unemployed persons rose by 1,097 as the unemployment rate rose by 0.5 percentage points to 7.8 per cent. During the same period, the male unemployment rate rose by 0.3 percentage points to 7.2 per cent, whilst the indicator for females stood at 9.3 per cent, 1.0 percentage points above the previous year.

The LFS also provides information on the average gross annual salary for employees by main occupation category. During April-June 2005, the highest annual salary related to legislators, senior officials and managers and averaged Lm8,950, while the lowest paid occupation was elementary occupations at Lm4,159 per year. These results suggest a degree of salary compression in the remuneration of different occupational categories. The average gross annual salary stood at Lm5,224 during April-June 2005, reflecting an increase of 3.6 per cent over April-June 2004.

Employment Flexibility

The data emanating from the LFS is useful in providing information on the degree of employment flexibility prevailing in the Maltese labour market. Employment flexibility can be defined as the ability or willingness of employees to change working patterns in order to meet the demands of employers. Flexible working patterns improve the labour market matching between the demand and supply side and are beneficial in increasing labour productivity by enhancing the use of human resources in the economy.

Box 3.1 continued

Part-time employment is associated with employment flexibility in so far as it enables certain groups in society, especially females to enter the labour market by providing a better balance between working life and family responsibilities. LFS data shows that during 2004, the share of part-time employment in total employment stood at 9.4 per cent, up from 7.4 per cent recorded during 2000. Part-time employment is more common amongst females at 20.5 per cent of total female employment. Meanwhile, only 3.9 per cent of males are employed on a part-time basis. During 2004, the share of part-time employment in total employment in Malta was 8.4 percentage points lower than the rate prevailing in EU 25. However the gap has narrowed during recent years.

Another indicator of employment flexibility is the usual hours worked per week. During 2004, the usual hours worked per week in Malta by full-time employees stood at 40.6 hours. Males tend to work longer hours than females as during 2004 males worked 41.4 hours weekly on average while females worked 38.7 hours on average. When compared to the EU 25, Maltese workers work 0.3 hours longer, reflecting a relatively higher contribution of males that counters the relatively lower contribution of females. In general, the Maltese employees work for longer hours than their continental European counterparts, but slightly less than the workers from some of the new Member States.

Limited-duration contracts are also useful in assisting labour market adjustment by enabling workers to move quickly from one job to another. Moreover, during periods of economic uncertainty employers may be more willing to offer limited-duration contracts, thus boosting the overall employment levels. Nevertheless, a high proportion of employees on limited-duration contract may reduce the incentives for employers to offer training and development opportunities. During 2004, the share of employees with limited-duration contract in total employment in Malta stood at 3.9 per cent. This is significantly lower than the rate recorded in EU 25 that stood at 13.7 per cent. In fact the share recorded in Malta is amongst the lowest amongst EU Member States.

Another indicator of employment flexibility is the share of employed persons usually engaged in atypical working hours. According to NSO figures, around 17 per cent and 11 per cent of total employees usually work weekdays during the evening and the night, respectively. Additionally, a significant proportion of employees in Malta usually work during the weekend. In fact, 31.6 per cent and 17.5 per cent of total employees usually work on Saturday and Sunday, respectively. Additionally, work during the evening and night is more common amongst males than females, while no discernible difference is noted regarding the trends for weekend work.

In view of the above, one may conclude that based on these indicators, the Maltese economy displays a moderate degree of employment flexibility relative to the EU 25. In particular, the growth registered in recent years in part-time employment, especially amongst females, is indicative of changing working patterns.

Box 3.1 continued

Employment Flexibility Indicators - 2004

Percentages unless otherwise indicated

	Males	Females	Total
Part-time employment as % of total employment			
EU 25	7.0	31.4	17.8
Malta	3.9	20.5	9.4
Employees with limited duration contract as a % of total employment			
EU 25	13.2	14.4	13.7
Malta	3.0	5.8	3.9
% of total employment usually engaged on:			
Evening (Weekdays between 8 pm-11 pm)	18.4	15.2	17.4
Night (Weekdays between 11pm-5 am)	11.3	11.2	11.3
Saturday	31.8	31.0	31.6
Sunday	17.6	17.3	17.5
Usual hours worked per week by full-time employees			
EU 25	41.2	39.0	40.3
Malta	41.4	38.7	40.6

Source: National Statistics Office
Eurostat

the gainfully occupied population declined to 32.9 per cent. This decline mainly reflects Government's policy to restrict recruitment to non-essential categories in Government Departments as well as the privatisation of Malta Freeport Terminals Ltd during the fourth quarter of 2004.

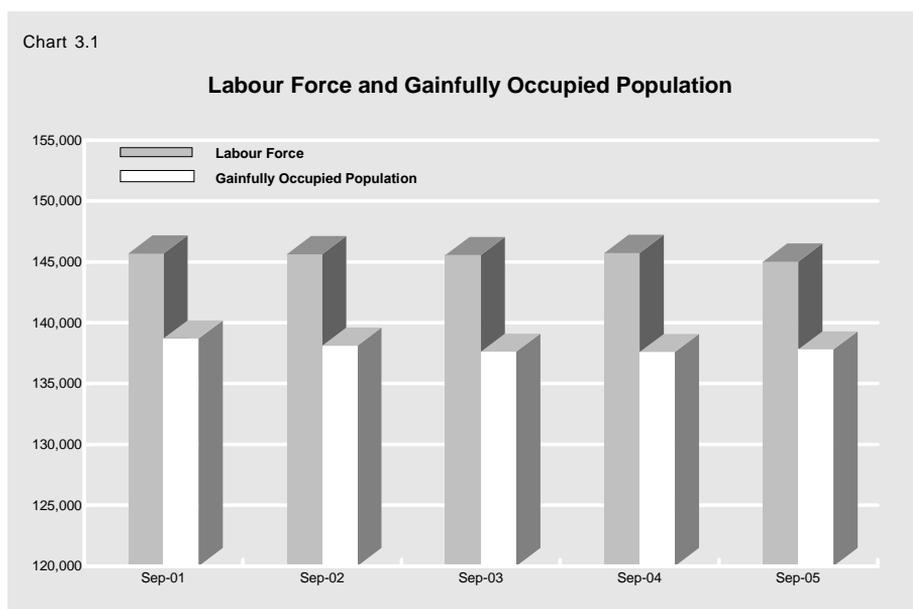
The data presented in this Chapter are based on the administrative records of the Employment and Training Corporation (ETC) which classifies the gainfully occupied population according to the standard NACE classification of economic activities. This classification was introduced during 2005 and was applied to employment statistics as from 1992 onwards. As a result, the data in this Chapter are not directly comparable with those presented in previous issues of the Economic Survey.

It is pertinent to note that the data on registered unemployment is composed of both Part I and Part II of the Register. Part I of the Register includes those persons who are eligible for work and registering with the ETC as unemployed, while Part II incorporates other categories of persons searching for work but not eligible to register under Part I. Such categories include those who were

dismissed from work due to disciplinary action or who left employment at their free will, those who refused work and training opportunities, those who failed to submit the necessary documents required for registration under Part I and those who were struck off the Register after being found in breach of regulations. Thus unemployment under Part I of the Register provides a better indicator for analysing developments in the domestic labour market.

Labour Market Developments

This section provides an analysis of the main labour market developments recorded during the period September 2001 and September 2005. Chart 3.1 shows the main developments in the labour force and the gainfully occupied population over the period under review. The labour supply declined by 664 or 0.5 per cent during the Survey period, thus reaching 145,023 at the end of September 2005. During this period, the labour supply was generally on a downward trend mainly reflecting the implementation of voluntary retirement schemes in public enterprises and declines in the number of registered unemployed who have not joined the full-time gainfully occupied population. Labour supply developments are also marked by different trends in the male and female components. It is noteworthy to highlight that the increase in the number of females in the labour supply partly mitigated the decline in the number of males recorded during the period. In fact, the male labour supply stood at 102,401 at the end of September 2005, a drop of 2,268 over September 2001, as the share of males in the gainfully occupied population declined by 1.2 percentage



points to 70.6 per cent. The female labour supply increased by 1,604 during the four years to September 2005, an increase of around 4 per cent.

The gainfully occupied population stood at 137,813 at the end of September 2005, a decline of 890 or 0.6 per cent over the previous four years. Following the declines recorded during 2002 and 2003, mainly reflecting restructuring being undertaken by both private and public sector, the gainfully occupied population was stable during 2004, while an increase was recorded in 2005.

The number of males in the gainfully occupied population was on a downward trend during the period under review. At the end of September 2005, the number of males in the gainfully occupied population stood at 96,830. On the other hand, the number of females in the gainfully occupied population stood at 40,983. Raising the employment rate, especially for women is one of Government's objectives in the field of employment as set out in the National Action Plan for Employment published in 2004.

The number of unemployed persons under Part I of the Register stood at 6,508 at the end of September 2005, an increase of 293 over September 2001. While the number of registered unemployed under Part I increased by 1,167 between September 2001 and 2004, it noteworthy that a decrease of 874 was recorded during the twelve months to September 2005. As a result, the unemployment rate under Part I of the Register stood at 4.5 per cent at the end of September 2005, 0.2 percentage points higher than that recorded during September 2001.

Private Sector Employment

Employment in the private sector, inclusive of temporary employees was on an upward trend over the period September 2001-September 2005, increasing by 2,758 or 3.1 per cent thus reaching 92,514 at the end of September 2005. In line with long-term trends, this higher employment in the private sector reflects a significant expansion in private market services over the period under review, an increase that was partly countered by a decline in employment in private direct production.

Employment in private direct production stood at 32,788 at the end of September 2005, a decrease of 1,943 or 5.6 per cent over September 2001. Employment in private direct production suffered declines throughout the period except for an expansion recorded during 2002. These developments mainly reflect the restructuring efforts in the manufacturing industry. It also reflects the open

nature of this sector which during the years under consideration had to cope with an unfavourable international economic scenario, as well as trade liberalisation and increasing international competitive pressures. Consequently, the share of private direct production in the gainfully occupied population stood at 23.8 per cent at the end of Survey period, 1.2 percentage points lower than the rate recorded in September 2001. Meanwhile, employment in private market services stood at 59,134 reflecting an increase of 4,858 or 9.0 per cent over September 2001. This increase reflects an expansion in employment in the real estate, renting and business activities, wholesale and retail, transport, storage and communications and other community, social and personal services activities sectors.

The share of private direct production in the total private sector employment stood at 35.4 per cent at the end of September 2005, 3.3 percentage points lower than the share recorded during September 2001. On the other hand, the share of private market services in total private sector employment stood at 63.9 per cent at the end of September 2005, up from 60.5 per cent registered at the end of September 2001. These developments indicate long term trends towards greater reliance on market services as the main source of employment creation in the private sector as the private direct production category registered declines owing to a re-orientation of manufacturing towards less labour-intensive and higher value-added activities as well as increased competitive pressures faced by certain sectors.

Apart from a small rise recorded at the end of September 2002, the number of temporary employees in the private sector was on a downward trend during the four years to September 2005. At the end of September 2005, temporary employment stood at 592, down from 749 recorded four years earlier. As a share of total private sector employment, temporary employment declined by 0.2 percentage points, to 0.6 per cent as the end of Survey period.

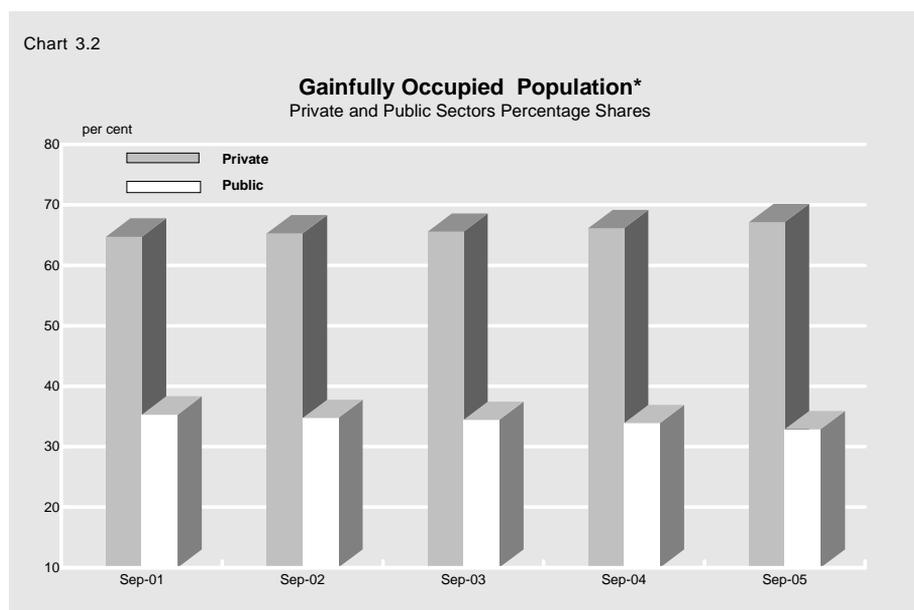
Meanwhile, during the period September 2001-September 2005, the number of self-employed persons followed an upward trend. At the end of September 2005, the number of self-employed persons stood at 16,180 reflecting an increase of 664 or 4.3 per cent over September 2001. The share of self-employed in the gainfully occupied population stood at 11.7 per cent, an increase of 0.5 percentage points over September 2001.

On a gender basis, the number of male self-employed was rising, except for a decline recorded during 2002. The number of male self-employed stood at 13,901 at the end of Survey period, an increase of 284 relative to four years earlier.

The number of female self-employed stood at 2,279 at the end of September 2005 suggesting an increase of 380 or 20.0 per cent over September 2001. Despite this notable increase, the share of females in total self-employed remains relatively low, at 14.1 per cent, when compared to the share of females in the gainfully occupied population.

Public Sector Employment

Over the period September 2001–September 2005, public sector employment was on a downward trend owing to the restructuring of public enterprises, privatisation initiatives as well as Government's policy to restrict recruitment into non-essential categories in Government Departments. At the end of September 2005, public sector employment, inclusive of temporary employees, stood at 45,299, thus representing a decline of 3,648 employees or 7.5 per cent over September 2001. This decline was mainly due to a decrease of 2,468 employees in companies with public sector majority shareholding. Additionally, employment in Government Departments declined by 1,477 over the period September 2001–September 2005. On the other hand, employment with Independent Statutory Bodies rose by 313, while temporary employment in the public sector remained relatively unchanged. Thus as shown in Chart 3.2, the share of public sector employment in the gainfully occupied population declined



*Including temporary employees

from 35.3 per cent at the end of September 2001 to 32.9 per cent at the end of September 2005.

As shown in Table 3.2, at the end of September 2005 public sector employment declined by 1,302 or 2.8 per cent when compared to the same month of 2004. Employment with public sector majority companies declined by 703 or 11.3 over the twelve months to September 2005. This decline was concentrated in the market services category and was mainly due to the privatisation of Malta Freeport Terminals Ltd during the fourth quarter of 2004. Consequently, the share in the public sector accounted for by companies with public sector majority stood at 12.2 per cent at the end of September 2005, a decrease of 1.2 percentage points when compared to twelve months earlier.

Employment in Government Departments stood at 30,960 at the end of Survey period, a decrease of 620 or 2.0 per cent over September 2004. This development reflects Government’s policy to restrict recruitment into non-essential categories of Government Departments. Around a quarter of the decline was concentrated in the direct production category whilst the rest originated from the market services category. As a result, the share of Government Departments in total public sector employment stood at 68.3 per cent, an increase of around 0.6 percentage points when compared to September 2004.

At the end of September 2005, employment with Independent Statutory bodies stood at 8,579, reflecting an increase of 46 over the same period last year. This increase was due to job creation within the market services category, particularly tertiary education institutions that more than offset the decline recorded under direct production during the same period. Consequently, the share of Independent Statutory Bodies in total public sector employment stood at 18.9 per cent at the

	2001 Sep	2002 Sep	2003 Sep	2004 Sep	2005 Sep
Government Departments	32,437	31,956	31,735	31,580	30,960
Companies with public sector majority shareholding	7,990	7,841	7,199	6,225	5,522
Independent Statutory Bodies	8,266	7,894	8,163	8,533	8,579
Temporary Employees	254	279	293	263	238
Total	48,947	47,970	47,390	46,601	45,299

Source: Employment and Training Corporation

end of September 2005, an increase of 0.6 percentage points over September 2004.

Temporary employment stood at 238 at the end of September 2005 representing a marginal decline of 25 over the comparable period of 2004. Consequently, the share of temporary employment in total public sector employment stood at 0.5 per cent down from 0.6 per cent recorded a year earlier.

Sectoral Employment

At the end of September 2005, the share of the direct production category exclusive of temporary employees, in the gainfully occupied population stood at 30.7 per cent, down from 31.2 per cent recorded twelve months earlier. Conversely, the share of market services, exclusive of temporary employees stood at 68.7 per cent of the gainfully occupied population, an increase of 0.6 percentage points compared to September 2004.

The following analysis gives a detailed outline of employment performance of clusters of economic activity in both the direct production and market services categories during the period September 2004 - September 2005.

Direct Production

Table 3.3 provides an overview of the main developments in direct production over the period September 2001-September 2005. Direct production is composed of agriculture, hunting and forestry, fishing, mining and quarrying, manufacturing, electricity, gas and water and construction. At the end of September 2005, employment in direct production stood at 42,273 thus reflecting a decrease of 686 or 1.6 per cent over the same period of 2004. The decline was mainly due to lower employment levels in manufacturing and electricity, gas and water. The decline in manufacturing employment is attributable to enterprise restructuring while lower employment in electricity, gas and water reflects Government's policy to restrict recruitment into non-essential categories in companies with public sector majority and Independent Statutory Bodies. The private sector accounted for around two-thirds of the decline in employment in direct production. The developments in direct production over the period September 2001-September 2005 are illustrated in Chart 3.3.

Employment in agriculture, hunting and forestry stood at 3,111 at the end of September 2005, an increase of 59 over September 2004. This increase was

Employment in Direct Production*

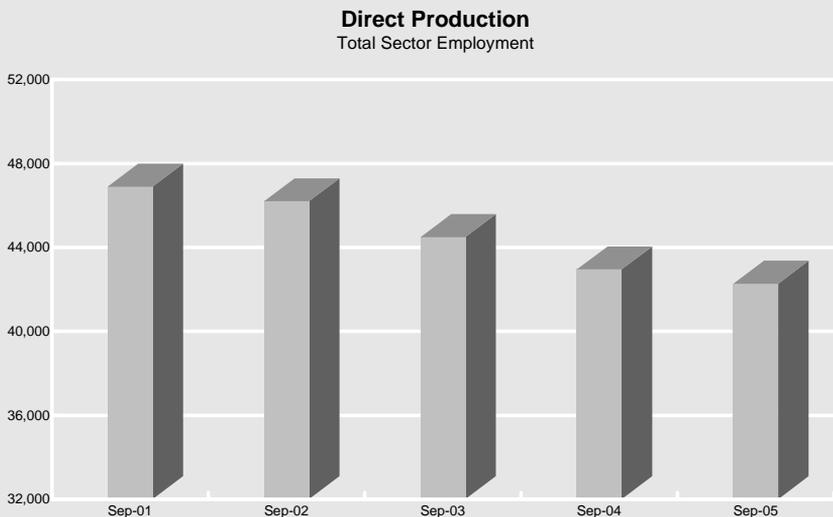
Table 3.3

	2001 Sep	2002 Sep	2003 Sep	2004 Sep	2005 Sep
Agriculture, Hunting and Forestry	2,818	2,829	2,818	3,052	3,111
Private	1,650	1,658	1,672	1,668	1,669
Public	1,168	1,171	1,146	1,384	1,442
Fishing	352	375	407	420	428
Private	352	375	407	420	428
Public	0	0	0	0	0
Mining and Quarrying	503	489	500	495	494
Private	503	489	500	495	494
Public	0	0	0	0	0
Manufacturing	28,874	27,792	26,498	24,945	24,291
Private	25,244	25,007	23,762	23,143	22,542
Public	3,630	2,785	2,736	1,802	1,749
Electricity, Gas and Water	3,186	3,138	3,037	3,518	3,390
Private	4	3	1	1	1
Public	3,182	3,135	3,036	3,517	3,389
Construction	11,171	11,577	11,234	10,529	10,559
Private	6,978	7,469	7,323	7,502	7,654
Public	4,193	4,108	3,911	3,027	2,905
Total Employment in Direct Production	46,904	46,200	44,494	42,959	42,273
Private	34,731	35,001	33,665	33,229	32,788
Public	12,173	11,199	10,829	9,730	9,485

* Excluding temporary employees

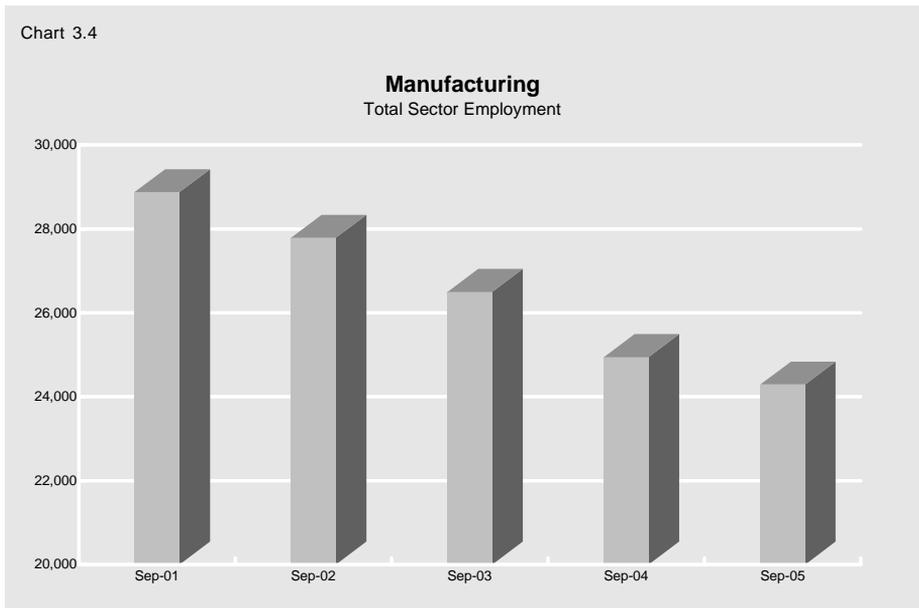
Source: Employment and Training Corporation

Chart 3.3



concentrated in the public sector and reflected the transfer of a number of employees previously classified under the other community and personal services sector. The share of agriculture, hunting and forestry in total employment in direct production stood at 7.4 per cent, an increase of 0.3 percentage points over September 2004. Employment in fishing stood at 428 at the end of September 2005, reflecting a marginal increase over the same period of 2004. The share of fishing in total employment in direct production stood at 1.0 per cent, unchanged from that recorded during September 2004. Meanwhile, the labour complement in mining and quarrying stood at 494 at the end of September 2005, practically unchanged from twelve months earlier. Consequently, at the end of September 2005 the share of mining and quarrying stood at 1.2 per cent unchanged from the comparable period of 2004.

Manufacturing employment which is illustrated in Chart 3.4, stood at 24,291 at the end of Survey period, a decrease of 654 or 2.6 per cent over September 2004. This decline was mainly due to the drops recorded in the manufacturing of electrical machinery and optical equipment, manufacturing of textiles and textile products and manufacturing of leather and leather products. Further declines were also recorded in the manufacturing of food, beverages and tobacco, manufacturing of wood and wood products, manufacturing of basic metals and fabricated metal products, manufacture of rubber and rubber products, manufacturing of transport equipment, manufacture of pulp, paper and paper products, and manufacturing n.e.c. These decreases were partially mitigated



by increases in employment recorded in the manufacturing of chemicals, chemical products and man-made fibres, manufacturing of other non-metallic mineral products and manufacturing of machinery and equipment n.e.c. These changes generally reflect a shift in manufacturing employment towards higher value-added activity.

As shown in Table 3.4, during September 2005 total sectoral gains in manufacturing employment stood at 52, slightly below the level recorded in 2004. These gains were in the private sector, half of which were attributable to manufacturing of chemicals, chemical products and man-made fibres. Meanwhile, sectoral job losses stood at 706 at the end of September 2005, significantly lower than the losses recorded during September 2004. Though still relatively high, the losses recorded during 2005 were the lowest in four years, thus suggesting that the restructuring process of the manufacturing industry is entering into an advanced phase. Job losses were mainly concentrated in the private sector, particularly in the manufacturing of electrical machinery and optical equipment, manufacturing of textiles and textile products and manufacturing of leather and leather products. Employment trends in these sectors are sensitive to cyclical developments in the particular product markets as well as competitive price pressures from Asia. Table 3.5 provides detailed information on employment developments in the manufacturing industry over the period September 2001-September 2005.

Changes in Manufacturing Employment*

Table 3.4

	2002-01 Sep	2003-02 Sep	2004-03 Sep	2005-04 Sep
Total Change	-1,082	-1,294	-1,553	-654
Private	-237	-1,245	-619	-601
Public	-845	-49	-934	-53
Total Sectoral Increases	203	315	76	52
Private	137	251	76	52
Public	66	64	0	0
Total Sectoral Decreases	1,285	1,609	1,629	706
Private	374	1,496	695	653
Public	911	113	934	53

* Excluding temporary employees

Source: Compiled from Employment and Training Corporation data

Manufacturing Employment*

Table 3.5

	2001	2002	2003	2004	2005
	Sep	Sep	Sep	Sep	Sep
Mfg of Food Products, Beverages and Tobacco	3,895	3,851	3,877	3,863	3,805
Private	3,894	3,851	3,877	3,863	3,805
Public	1	0	0	0	0
Mfg of Textiles and Textile Products	3,913	3,854	2,999	2,770	2,612
Private	3,913	3,854	2,999	2,770	2,612
Public	0	0	0	0	0
Mfg of Leather and Leather Products	872	717	507	449	346
Private	872	717	507	449	346
Public	0	0	0	0	0
Mfg of Wood and Wood Products	159	237	176	179	171
Private	159	171	176	179	171
Public	0	66	0	0	0
Mfg of Pulp, Paper and Paper Products; Publishing and Printing	1,861	1,876	1,949	1,921	1,875
Private	1,743	1,825	1,834	1,822	1,808
Public	118	51	115	99	67
Mfg of Coke, Refined Petroleum Products and Nuclear Fuel	25	20	14	4	4
Private	25	20	14	4	4
Public	0	0	0	0	0
Mfg of Chemicals, Chemical Products and Man-Made Fibres	642	636	761	558	585
Private	642	636	761	558	585
Public	0	0	0	0	0
Mfg of Rubber and Plastic Products	1,906	1,867	1,758	1,756	1,665
Private	1,906	1,867	1,758	1,756	1,665
Public	0	0	0	0	0
Mfg of Other Non-Metallic Mineral Products	1,233	1,276	1,258	1,207	1,217
Private	1,233	1,276	1,258	1,207	1,217
Public	0	0	0	0	0
Mfg of Basic Metals and Fabricated Metal Products	1,346	1,334	1,284	1,279	1,273
Private	1,333	1,326	1,276	1,276	1,273
Public	13	8	8	3	0
Mfg of Machinery and Equipment n.e.c	467	444	422	460	475
Private	467	444	422	460	475
Public	0	0	0	0	0
Mfg of Electrical and Optical Equipment	5,477	5,453	5,383	5,366	5,181
Private	5,477	5,453	5,383	5,366	5,181
Public	0	0	0	0	0
Mfg of Transport Equipment	3,862	3,019	3,058	2,180	2,130
Private	364	359	445	480	448
Public	3,498	2,660	2,613	1,700	1,682
Manufacturing n.e.c.	3,216	3,208	3,052	2,953	2,952
Private	3,216	3,208	3,052	2,953	2,952
Public	0	0	0	0	0
Total Manufacturing Employment	28,874	27,792	26,498	24,945	24,291

* Excluding temporary employees

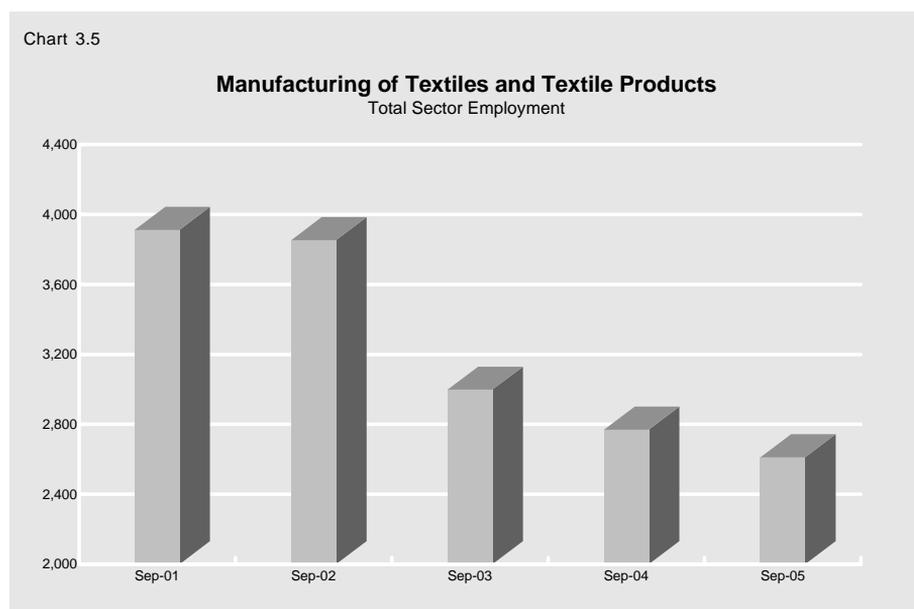
Source: Employment and Training Corporation

Manufacture of Food, Beverages and Tobacco

Employment in food, beverages and tobacco stood at 3,805 at the end of September 2005, a decline of 58 or 1.5 per cent over the comparable period of 2004. The decline is mainly concentrated in the manufacture of food and beverages sub-sector. The share of food, beverages and tobacco in total manufacturing employment stood at 15.7 per cent.

Manufacture of Textile and Textile Products

At the end of September 2005, employment in the manufacture of textile and textile products stood at 2,612, a decline of 158 over the comparable period of 2004. This decline was concentrated in the manufacture of wearing apparel (including dressing and dyeing of fur) sub-sector as employment in the manufacture of textiles was relatively stable. As shown in Chart 3.5, over the recent years, employment in the manufacture of textile and textile products sector has increasingly borne the brunt of increasing price competition particularly from low-cost operators located in Asia. At the end of September 2005, the share of the manufacture of textile and textile products sector in manufacturing stood at 10.8 per cent, 0.4 percentage points lower than the share recorded during the previous year.



Manufacture of Leather and Leather Products

Employment in the manufacture of leather and leather products stood at 346 at the end of September 2005, down from 449 recorded during September 2004. As shown in Table 3.5, employment in September 2005 is less than half the level recorded in the same month of 2001 in the wake of increasing international price competition. At the end of September 2005, the share of manufacture of leather and leather products sector in total manufacturing stood at 1.4 per cent, 0.4 percentage points lower than the share recorded during the comparable period of 2004.

Manufacture of Pulp and Paper Products (including Publishing and Printing)

At the end of September 2005, employment in the manufacture of pulp and paper products (including publishing and printing) stood at 1,875 representing a decrease of 46 over the previous year. On a sub-sectoral level, the decline was evenly divided amongst the manufacture of pulp, paper and paper products and the publishing, printing and reproduction of recorded media sub-sectors. Around two-thirds of the decrease originated in the public sector following the closing down of a company in this sector. Consequently, at the end of September 2005, the share of the manufacture of pulp and paper products (including publishing and printing) sector in manufacturing stood at 7.7 per cent, unchanged from the rate recorded during September 2004.

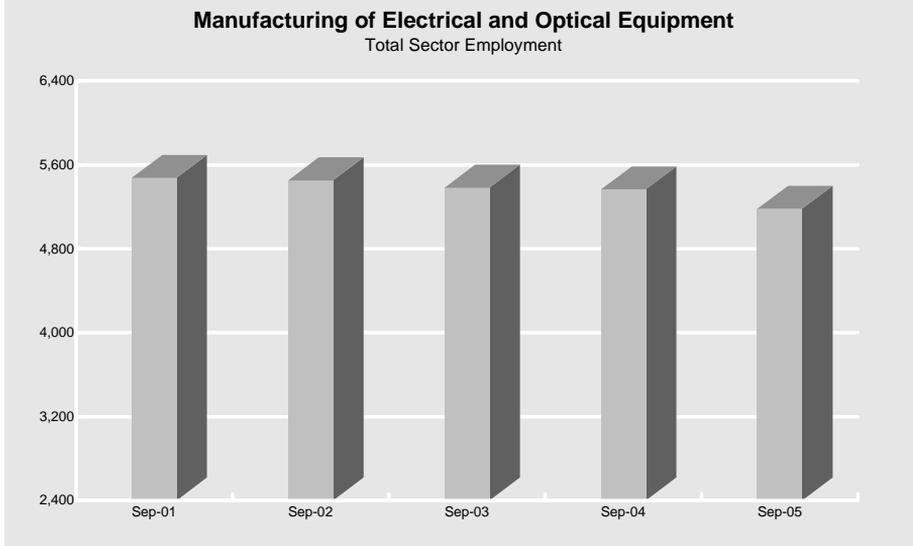
Manufacture of Rubber and Plastic Products

At the end of the Survey period, employment in the manufacture of rubber and plastic products declined by 91 or 5.2 per cent to 1,665 over the comparable period of 2004. A review of the data indicates that employment within this sector is on a downward trend, owing to price-competition offered by low cost locations. As a result, the share of the manufacture of rubber and plastic products sector in total manufacturing stood at 6.9 per cent, 0.2 percentage points lower than the share recorded in September 2004.

Manufacture of Electrical and Optical Equipment

Employment in the manufacture of electrical and optical equipment stood at 5,181 at the end of the Survey period, a decrease of 185 over twelve months earlier. More than half of the decline originated in the manufacture of radio, television and communication equipment and apparatus sub-sector. However, minor declines were also recorded in the manufacture of electrical machinery

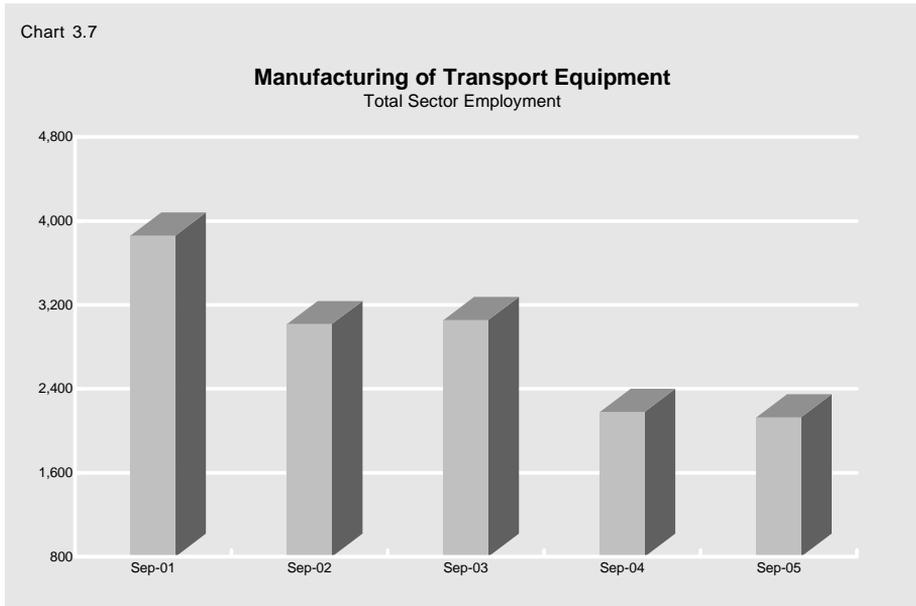
Chart 3.6



and apparatus n.e.c. and the manufacture of medical, precision and optical instruments, watches and clocks sub-sector. Chart 3.6 illustrates the main developments in the sector over the period September 2001-September 2005. In recent years, this sector has been affected by unfavourable international market conditions and in this context the employment performance of operators based in Malta indicates a certain degree of resilience. At the end of the Survey period the share of the manufacture of electrical and optical equipment sector in total manufacturing stood at 21.3 per cent, 0.2 percentage points lower than the rate recorded at the end of September 2004.

Manufacture of Transport Equipment

During the twelve months to September 2005, employment in the manufacture of transport equipment declined by 50, reaching the level of 2,130 at the end of Survey period. Around two-thirds of the decline is attributable to private sector developments. Declines were recorded in both manufacture of other transport equipment and manufacture of motor vehicles, trailers and semi-trailers sub-sectors with the decline in the former slightly higher than the latter. As shown in Chart 3.7, the employment levels in this sector declined significantly over the recent years reflecting the restructuring of the shipyards, which are included in this sector. At the end of Survey period, the share of manufacture of transport equipment in total manufacturing stood at 8.8 per cent, up marginally by 0.1 percentage points over September 2004.

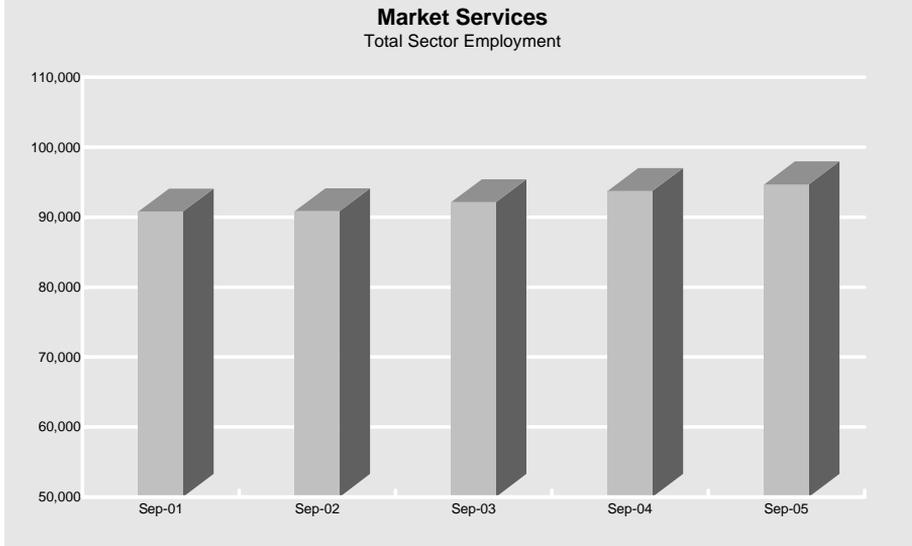


Market Services

As shown in Chart 3.8, market services remained the main generator of employment over the period September 2001–September 2005. This trend continued during the twelve months to September 2005 when employment in market services expanded by 958 or 1.0 per cent to 94,710. The increase in employment was mainly due to an expansion of 1,990 in the private sector while employment in the public sector declined by 1,032. Around half of the decline in market services public sector employment was due to a reclassification following the privatisation of Malta Freeport Terminals Ltd, while other entities within the public sector recorded declines in employment levels.

As shown in Table 3.6, during the twelve months to September 2005, total sectoral increases amounted to 2,287 of which 2,133 originated in the private sector, while the sectoral increases in the public sector amounted to 154. At the same time, total sectoral decreases stood at 1,329, as a result of a decrease of 143 and 1,186 in private sector and public sector employment, respectively. Job increases were concentrated in real estate, renting and business activities, education, and transport storage and communications and wholesale and retail sectors. Other increases were recorded in financial intermediation, other community, social and personal services activities and extra-territorial organisations and bodies. Job losses were recorded in hotels and restaurants, public administration and defence and health and social work sectors. The decline

Chart 3.8



Changes in Employment in Market Services*

Table 3.6

	2002-01 Sep	2003-02 Sep	2004-03 Sep	2005-04 Sep
Total Change	65	1,288	1,603	958
Private	93	1,512	1,263	1,990
Public	-28	-224	340	-1,032
Total Sectoral Increases	1,293	2,022	2,125	2,287
Private	792	1,584	1,367	2,133
Public	501	438	758	154
Total Sectoral Decreases	1,228	734	522	1,329
Private	699	72	104	143
Public	529	662	418	1,186

*Excluding temporary employees

Source: Compiled from Employment and Training Corporation data

in the latter sector partly reflects an internal re-organisation whereby an entity was shifted to another public sector market services sector. Table 3.7 presents the main developments in market services over the period September 2001-September 2005.

Employment in Market Services*

Table 3.7

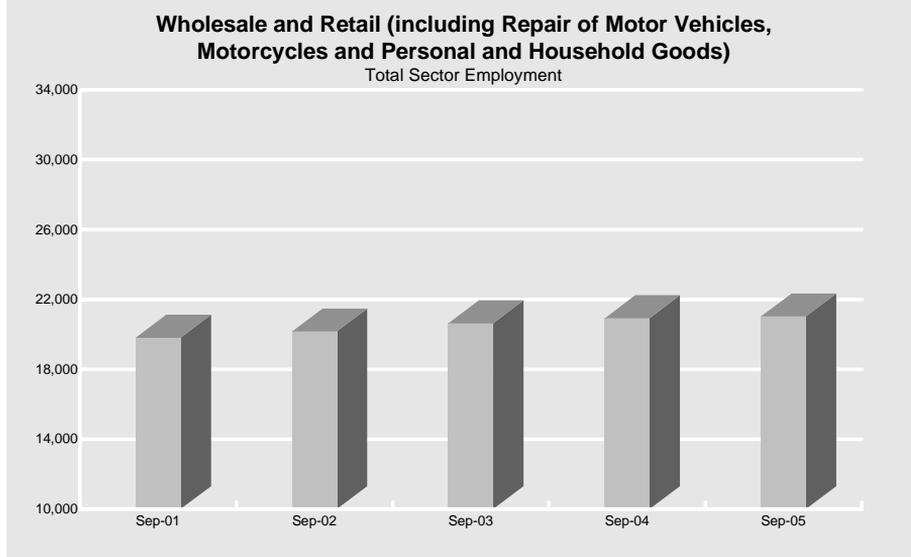
	2001 Sep	2002 Sep	2003 Sep	2004 Sep	2005 Sep
Wholesale and Retail (including Repair of Motor Vehicles, Motorcycles and Personal and Household Goods)	19,804	20,164	20,632	20,934	21,028
Private	19,653	20,017	20,486	20,804	20,942
Public	151	147	146	130	86
Hotels and Restaurants	9,083	8,661	8,613	8,518	8,360
Private	8,723	8,307	8,261	8,192	8,083
Public	360	354	352	326	277
Transport, Storage and Communications	11,318	11,416	11,056	10,931	11,026
Private	5,503	5,417	5,687	5,744	6,401
Public	5,815	5,999	5,369	5,187	4,625
Financial Intermediation	5,156	5,053	5,066	5,047	5,113
Private	4,714	4,576	4,591	4,556	4,610
Public	442	477	475	491	503
Real Estate, Renting and Business Activities	8,180	8,384	8,833	9,807	10,753
Private	7,521	7,695	8,171	8,630	9,577
Public	659	689	662	1,177	1,176
Public Administration and Defence (including Compulsory Social Security)	11,029	10,554	10,726	10,767	10,654
Private	5	8	8	10	3
Public	11,024	10,546	10,718	10,757	10,651
Education	10,938	11,183	11,395	11,657	11,856
Private	2,411	2,538	2,637	2,711	2,768
Public	8,527	8,645	8,758	8,946	9,088
Health and Social Work	9,037	9,295	9,491	9,506	9,222
Private	1,196	1,320	1,369	1,403	1,377
Public	7,841	7,975	8,122	8,103	7,845
Other Community, Social and Personal Service Activities**	5,984	5,906	6,118	6,145	6,196
Private	4,283	4,246	4,452	4,654	4,871
Public	1,701	1,660	1,666	1,491	1,325
Extra-Territorial Organisations and Bodies	267	245	219	440	502
Private	267	245	219	440	502
Public	0	0	0	0	0
Total Employment in Market Services	90,796	90,861	92,149	93,752	94,710

* Excluding temporary employees

**Includes Private Households with Employed Persons

Source: Employment and Training Corporation

Chart 3.9



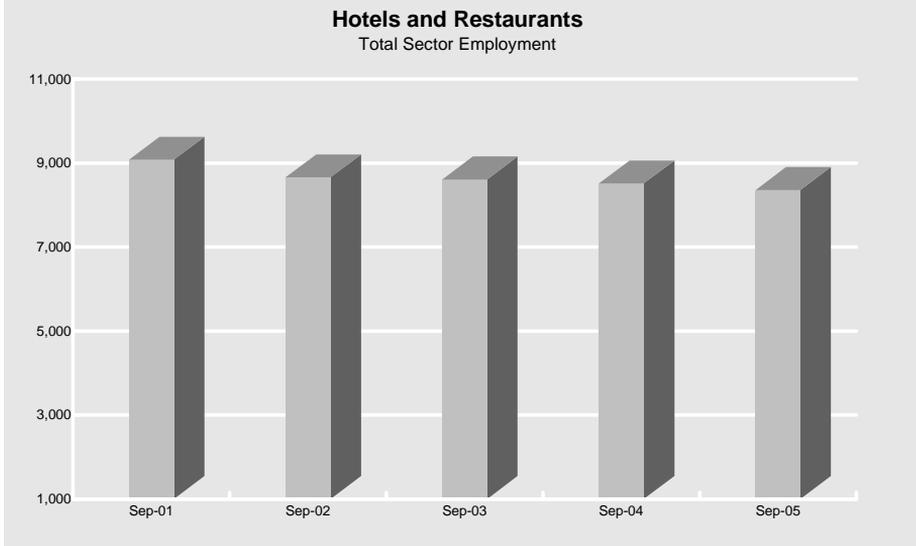
Wholesale and Retail (including Repair of Motor Vehicles, Motorcycles and Personal and Household Goods)

In September 2005, employment in wholesale and retail (including Repair of Motor Vehicles, Motorcycles and Personal and Household Goods) stood at 21,028 reflecting an increase of 94 over the comparable month of 2004. As shown in Chart 3.9, employment in this sector was on an upward trend over the recent years. The increase in employment was mainly due to an increase of 138 recorded in the private sector that more than exceeded the decline in the labour complement in the public sector. The change reported above was due to increases in employment in the sale, maintenance and repair of motor vehicles and motorcycles (including retail sale of automotive fuel) and wholesale trade and commission trade (except of motor vehicles and motorcycles) sub-sectors that exceeded the decrease recorded in the retail trade (except of motor vehicles and motorcycles, but including repair of personal and household goods) sub-sector. The share of employment of the wholesale and retail sector (including Repair of Motor Vehicles, Motorcycles and Personal and Household Goods) in the total employment in market services stood at 22.2 per cent, 0.1 percentage points lower than in September 2004.

Hotels and Restaurants

Employment in hotels and restaurants, which is illustrated in Chart 3.10, stood at 8,360 at the end of September 2005, representing a decline of 158 employees

Chart 3.10

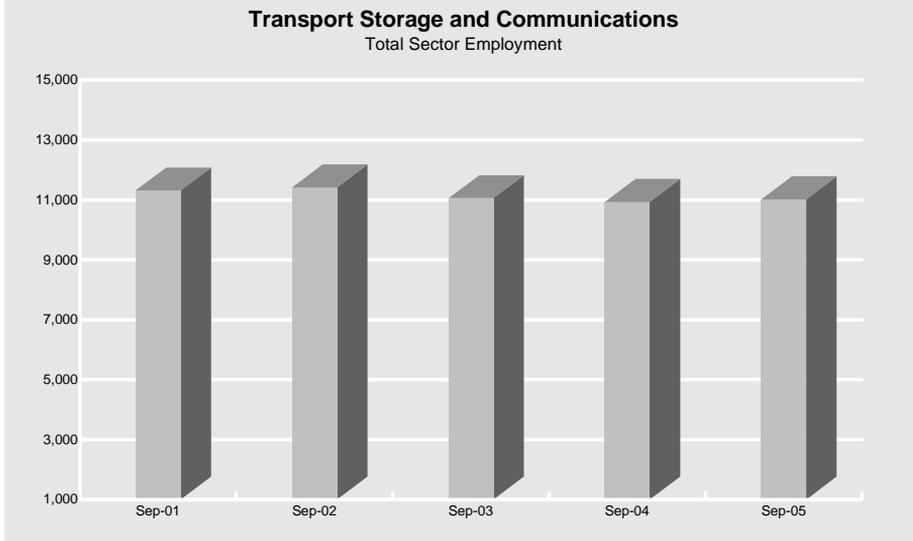


over September 2004. The decrease occurred in both private and public sectors, with the latter accounting for around a third of the drop in employment. In the private sector, some operators converted their investment to service a different type of industry. However, a number of high quality hotels shall be opening later on this year, and these are expected to generate job opportunities in this sector. As a share of total employment in market services, the hotels and restaurants sector accounted for 8.8 per cent at the end of September 2005, down from 9.1 per cent recorded during September 2004.

Transport, Storage and Communications

At the end of September 2005, the employment level in the transport, storage and communication sector stood at 11,026, an increase of 95 employees over the previous year. This reflects an increase of 657 employees in the private sector that more than countered a decrease of 562 employees in the public sector. The drop reported in the public sector is attributable to the privatisation of the Malta Freeport Terminals Ltd and the subsequent re-classification of employees from the public to the private sector. On a sub-sectoral level, the increase in employment was due to land transport (including transport via pipelines) and post and telecommunications sub-sectors that were marginally countered by declines in the air and water transport sub-sectors. Chart 3.11 depicts employment in the transport, storage and communications sector during September 2001-2005. At the end of September 2005, the share of the sector in

Chart 3.11



total employment in market services stood at 11.6 per cent, thus reflecting a marginal decline of 0.1 percentage points over the comparable period of 2004.

Financial Intermediation

Employment in the financial intermediation sector stood at 5,113 at the end of September 2005 reflecting an increase of 66 employees over September 2004. This advance originated mainly in the private sector, though the public sector also recorded a marginal increase. On a sub-sectoral basis, more than half of the increase is attributable to the insurance and pension funding (except compulsory social security) sub-sector, while increases were also recorded in the financial intermediation (except insurance & pension funding) and activities auxiliary to financial intermediation sub-sectors. As a result, at the end of September 2005, the share of the financial intermediation sector in total employment in market services stood at 5.4 per cent, unchanged from the rate recorded in the same month of 2004.

Real Estate, Renting and Business Activities

The labour complement in the real estate, renting and business activities sector stood at 10,753 at the end of September 2005, an increase of 946 over the comparable period of 2004. This was attributable to higher private sector employment. This expansion was mainly driven by an increase of 899 recorded in the other business activities sub-sector as a result of small-scale recruitment

Chart 3.12



by several employers. Other increases were recorded in the real estate activities, renting of machinery and equipment without operator and of personal and household goods and computer and related activities sub-sectors. At the end of September 2005, the share of real estate, renting and business activities stood at 11.4 per cent, an increase of 0.9 percentage points over September 2004. Chart 3.12 depicts the developments in the real estate, renting and business activities sector over the period September 2001-September 2005.

Unemployment

This section focuses on the registered unemployed under Part I of the unemployment Register. The number of registered unemployed stood at 6,508 at the end of September 2005, reflecting a decrease of 874 or 11.8 per cent over the comparable period of 2004. Consequently, the unemployment rate stood at 4.5 per cent, 0.6 percentage points below September 2004. During 2005, the ETC stepped its efforts at eradicating abuses. In particular during the first eight months of the year, inspections by ETC revealed 1,527 persons working irregularly.

The decline in unemployment was mainly concentrated amongst males, as the number of males registering for employment declined by 859, while the drop among females registering for employment stood at 15. At the end of September

2005, the share of males in total unemployment stood at 78.0 per cent, a decrease of 2.4 percentage points over the previous year. Conversely, the share of females went up to 22.0 per cent. The decline in the level of unemployment was mainly concentrated amongst persons registering for employment for 9 to 48 weeks, though declines were also recorded amongst persons registering for less than 8 weeks and persons registering for over 49 weeks. In fact, as shown in Table 3.8, the share of persons registering for employment for 9 to 48 weeks stood at 34.5 per cent, a decrease of 2.8 percentage points. The share of persons registering for over 49 weeks stood at 43.4 per cent, an increase of 1.6 percentage points, despite the absolute decline in the number of unemployed within this category. The share of persons registering for employment for a period less than 8 weeks stood at 22.1 per cent, 1.1 percentage points higher than the share recorded in 2004.

As shown in Table 3.9, the age distribution of registered unemployed at the end of September 2005, was relatively unchanged when compared to twelve months earlier. Nevertheless, the number of persons classified under each category declined in absolute terms. At the end of the Survey period, the share of youth unemployment, defined as the group aged between 16 and 24 in total unemployment stood at 27.1 per cent, unchanged from September 2004. The share of persons aged 25-49 years in total unemployment stood at 55.3 per cent, a drop of 0.4 percentage points over September 2004. Meanwhile, the share of persons aged over 49 years rose marginally by 0.3 percentage points to 17.5 per cent despite the absolute decline of persons classified under this category.

Registered Unemployed*
by duration of registration

Table 3.8

	Registered Unemployed	under 8 weeks %	9 - 48 weeks %	over 49 weeks %
2000	6,583	14.9	29.8	55.3
2001	6,753	19.1	35.4	45.5
2002	6,774	15.8	37.3	46.9
2003	7,494	20.8	41.2	38.0
2004	7,390	16.8	38.6	44.6
2004 (Sep)	7,382	21.0	37.3	41.8
2005 (Sep)	6,508	22.1	34.5	43.4

*Includes Part I of the registered unemployed

Source: Employment and Training Corporation

Registered Unemployed*
by age distribution

Table 3.9

	Registered Unemployed	16 - 24 years %	25 - 49 years %	over 49 years %
2000	6,583	27.5	56.8	15.7
2001	6,753	29.2	55.4	15.4
2002	6,774	28.3	56.2	15.5
2003	7,494	28.4	55.1	16.5
2004	7,390	26.3	56.4	17.3
2004 (Sep)	7,382	27.1	55.7	17.2
2005 (Sep)	6,508	27.1	55.3	17.5

*Includes Part I of the registered unemployed

Source: *Employment and Training Corporation*

Table 3.10 presents a snapshot of the registered unemployed classified by occupation as at the end of September 2005. The developments amongst registered unemployment indicate an increase in the number of persons seeking non-manual work that was more than countered by the decline recorded amongst persons seeking manual employment. At the end of the Survey period, the number of persons seeking manual employment stood at 3,937, a decrease of 1,350 over the previous period. The decline in manual unemployment was mainly concentrated in the labouring category while other decreases were recorded in miscellaneous, construction and metal working. Increases were recorded in the other services category, agriculture, printing and catering. The share of persons seeking manual employment stood at 60.5 per cent, down from 71.6 per cent recorded in September 2004. Males made up 89.3 per cent of the persons seeking manual employment while females accounted for 10.7 per cent.

Non-manual unemployment stood at 2,230 at the end of September 2005, an increase of around 25 per cent over the same month of the previous year. This increase was mainly recorded in the technological and professional and clerical and related workers categories. Meanwhile, decreases were recorded in the supervisory and miscellaneous non-manual categories. The share of persons seeking non-manual employment in total unemployment stood at 34.3 per cent, up from 24.1 per cent recorded in September 2004. The share of males in the persons seeking non-manual employment stood at 58.5 per cent, while the share of females recorded at the end of September 2005 stood at 41.5 per cent.

Registered Unemployed Classified by Occupation*

at September 2005

Table 3.10

	Registered Unemployed			Percentage Share		
	Males	Females	Total	Males	Females	Total
Non-Manual						
Clerical & related workers	377	514	891	7.4	35.8	13.7
Supervisory	35	0	35	0.7	0.0	0.5
Technological & professional	594	176	770	11.7	12.3	11.8
Miscellaneous non-manual	298	236	534	5.9	16.5	8.2
Total Non-Manual	1,304	926	2,230	25.7	64.6	34.3
Manual						
Agriculture	173	1	174	3.4	0.1	2.7
Construction	528	0	528	10.4	0.0	8.1
Textiles	5	9	14	0.1	0.6	0.2
Printing	22	0	22	0.4	0.0	0.3
Metal working	247	0	247	4.9	0.0	3.8
Catering	261	43	304	5.1	3.0	4.7
Other services	328	99	427	6.5	6.9	6.6
Labouring	318	126	444	6.3	8.8	6.8
Miscellaneous	1,632	145	1,777	32.2	10.1	27.3
Total Manual	3,514	423	3,937	69.3	29.5	60.5
Disabled persons	256	85	341	5.0	5.9	5.2
Total	5,074	1,434	6,508	100.0	100.0	100.0

*Includes Part I of the registered unemployed

Source: Employment and Training Corporation

The number of disabled persons registering for unemployment stood at 341, of which 256 were males while 85 were females. At the end of the Survey period, the share of disabled persons in total unemployment stood at 5.2 per cent, up from 4.3 per cent recorded during September 2004.

Part-time Activity

As at the end of September 2005, total part-time employment stood at 41,003, an increase of 3,821 or 10.3 per cent over twelve months earlier. Since September 2001, total part-time employment increased by 10,009 or 32.3 per cent reflecting increases in the numbers of both part-timers holding a full-time job and part-timers as a primary job. It is pertinent to note that over the four years to September 2005, persons holding a part-time job as their primary job increased by 6,287, while part-timers holding a full-time job, increased by 3,722. The trends noted above are related to increasing labour market flexibility in

reaction to changing work organisations within the economy, as well as the increasing participation of females in the labour market.

The number of part-timers holding a full-time job increased by 1,631 over the level recorded in September 2004, representing a rise of 10.0 per cent. At 73.6 per cent, the majority of part-timers holding a full-time job were males, down from 75.4 per cent recorded during September 2004. In fact, while the number of male part-timers holding a full-time job increased by 7.4 per cent in September 2005, the number of their female counterparts increased by 18.3 per cent, thus resulting in an increase in the share of females amongst persons employed as part-timers and having a full-time employment.

The number of persons holding a part-time job as their primary occupation stood at 23,138, of which 9,245 were males, while 13,893 were females. As shown in Table 3.11 the share of persons holding a part-time job as their primary

Part-Time Employment					
Table 3.11	2001	2002	2003	2004	2005
	Sep	Sep	Sep	Sep	Sep
Part-Timers holding a full-time job	14,143	14,795	15,029	16,234	17,865
Males	11,267	11,508	11,566	12,240	13,142
Females	2,876	3,287	3,463	3,994	4,723
Single	1,482	1,840	2,051	2,506	2,972
Married	1,394	1,447	1,412	1,488	1,751
Part-Timers as a primary job	16,851	17,744	18,886	20,948	23,138
Males	6,431	6,782	7,257	8,175	9,245
Females	10,420	10,962	11,629	12,773	13,893
Single	3,687	4,019	4,573	5,407	6,211
Married	6,733	6,943	7,056	7,366	7,682
Total Part-Time Employment	30,994	32,539	33,915	37,182	41,003
Males	17,698	18,290	18,823	20,415	22,387
Females	13,296	14,249	15,092	16,767	18,616
Single	5,169	5,859	6,624	7,913	9,183
Married	8,127	8,390	8,468	8,854	9,433
Part-Timers as a primary job as % of total gainfully occupied					
Males	6.5	6.9	7.4	8.4	9.5
Females	26.2	27.5	29.0	31.5	33.9
Total	12.1	12.8	13.7	15.2	16.8

Source: Employment and Training Corporation

occupation in the gainfully occupied population was on a rising trend over the period September 2001-September 2005. Indeed, for the second successive year, more than 2,000 jobs were created in this category of employment. Compared to September 2004, the number of persons holding a part-time job as their main occupation increased by 10.5 per cent, while the number of males and females holding a part-time job as their main occupation increased by 13.1 per cent and 8.8 per cent, respectively. Nonetheless, the number of females holding a part-time job as their primary job still constitutes 60.0 per cent of the total, suggesting that part-time work offers females the chance of a better balance between working life and family responsibilities. At the end of September 2005, the share of persons holding a part-time job as their main occupation stood at 16.8 per cent of the gainfully occupied population, up from 15.2 per cent recorded in the same month last year. This reflects the increasing importance being attached by both employers and employees to this form of employment in reflection of changing working patterns.