

During the second quarter of 2020, Malta registered a current account deficit of €352.3 million.

International Economic and Financial Transactions: Q2/2020

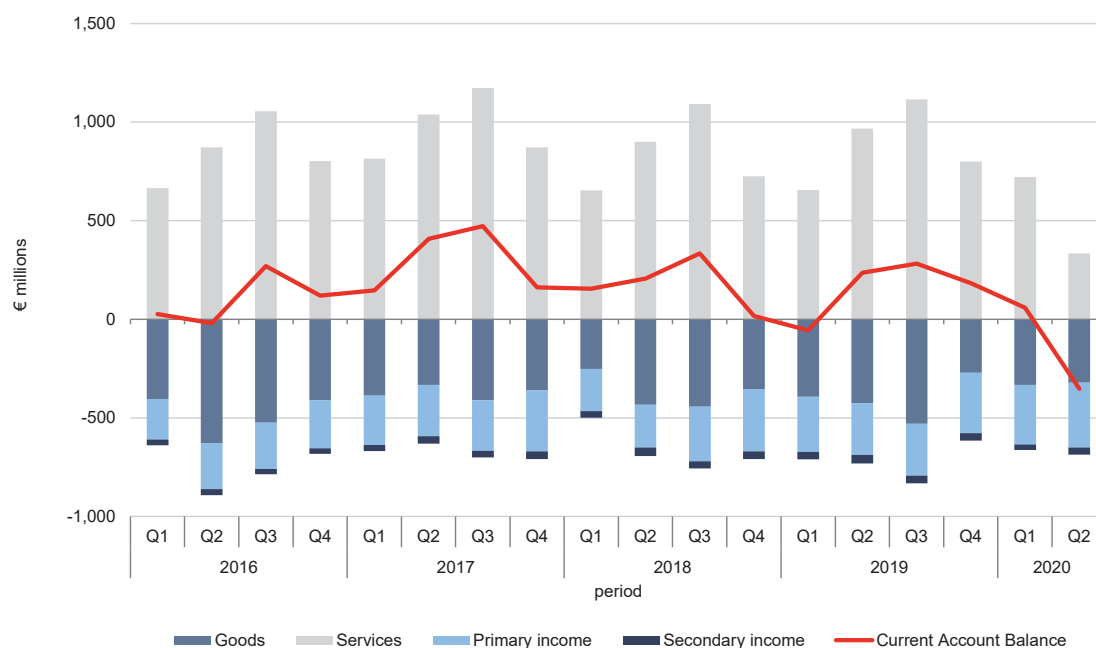
Cut-off date:
31 August 2020

Provisional figures for Malta's external transactions show that during April-June 2020, a deficit of €352.3 million was recorded in the current account, as compared to a surplus of €235.6 million in the comparable quarter of 2019. This deficit was primarily the result of a drop of €634.0 million recorded in the services account mainly due to the travel ban imposed in the second quarter of 2020. Negative net balances recorded in the primary income account (€328.5 million), the goods account (€322.0 million) and the secondary income account (€35.9 million) were partly offset by a positive net balance in the services account (€334.1 million).

During the second quarter of 2020, the capital account registered a positive net balance of €23.4 million as compared to a positive balance of €34.9 million in the corresponding period in 2019.

The financial account was shaped by a negative net asset balance of €90.7 million, which represented a drop in the balance of net assets of €696.8 million over the same quarter in 2019. This development in the financial account balance was mainly brought about by negative net asset balances in direct investment (€2,424.5 million) and other investment (€296.7 million). A negative net asset balance of €16.4 million during the same period was recorded in the financial derivatives liabilities. This was partially offset by positive net asset balances in portfolio investment (€2,633.5 million) and reserve assets (€13.4 million) (Table 1) ■

Chart 1. Current account balance



Statistics in this News Release should be interpreted in context to the unprecedented developments related to COVID-19.

Table 1. Balance of Payments summary

€ 000

Balance of Payments	April-June 2019 ^P			April-June 2020 ^P			change in balance
	Credit	Debit	Net	Credit	Debit	Net	
Current account	6,913,415	6,677,855	235,561	6,050,832	6,403,114	-352,282	-587,843
Goods and services	4,518,611	3,975,228	543,383	3,672,295	3,660,173	12,122	-531,261
Goods	759,356	1,184,065	-424,709	560,907	882,880	-321,973	102,736
Services	3,759,255	2,791,164	968,091	3,111,388	2,777,293	334,095	-633,996
Transport	272,979	169,249	103,730	74,707	87,647	-12,941	-116,671
Travel	475,572	102,684	372,888	0	0	0	-372,888
Other services	3,010,703	2,519,231	491,473	3,036,681	2,689,645	347,035	-144,437
Primary income	2,339,962	2,603,742	-263,780	2,323,497	2,651,988	-328,491	-64,711
Compensation of employees	5,293	20,526	-15,233	6,313	12,134	-5,821	9,412
Secondary income	54,842	98,884	-44,042	55,040	90,953	-35,913	8,128
Capital account	35,388	455	34,933	23,708	301	23,407	-11,527
	Assets	Liabilities	Net	Assets	Liabilities	Net	change in balance
Financial account	1,165,902	559,753	606,149	991,094	1,081,781	-90,687	-696,836
Direct investment	-1,510,348	811,117	-2,321,465	-1,504,118	920,385	-2,424,504	-103,038
Portfolio investment	1,378,094	70,103	1,307,990	2,680,880	47,333	2,633,547	1,325,557
Financial derivatives	0	33,062	-33,062	0	16,438	-16,438	16,624
Other investment	1,362,825	-354,530	1,717,354	-199,106	97,625	-296,731	-2,014,085
Reserve assets ¹	-64,668		-64,668	13,439		13,439	
Net errors and omissions			335,654			238,188	

^P Provisional

¹ Blank cells denote not applicable

Table 2. Balance of Payments summary

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Balance of Payments	2018 ^P			2019 ^P			change in balance
	Credit	Debit	Net	Credit	Debit	Net	
Current account	26,541,804	25,832,397	709,407	27,731,211	27,086,026	645,185	-64,222
Goods and services	16,842,453	14,955,669	1,886,784	18,197,904	16,280,845	1,917,060	30,276
Goods	3,203,851	4,686,729	-1,482,878	3,415,610	5,035,876	-1,620,266	-137,388
Services	13,638,602	10,268,940	3,369,662	14,782,295	11,244,969	3,537,326	167,663
Transport	1,068,037	632,862	435,175	1,088,661	677,177	411,484	-23,691
Travel	1,573,784	440,506	1,133,278	1,698,110	473,842	1,224,268	90,989
Other services	10,996,781	9,195,572	1,801,209	11,995,524	10,093,951	1,901,574	100,365
Primary income	9,481,784	10,504,853	-1,023,069	9,315,364	10,428,316	-1,112,952	-89,882
Compensation of employees	21,186	67,311	-46,125	21,168	71,667	-50,499	-4,374
Secondary income	217,568	371,875	-154,307	217,943	376,866	-158,923	-4,616
Capital account	119,274	1,885	117,389	108,468	1,628	106,840	-10,548
	Assets	Liabilities	Net	Assets	Liabilities	Net	change in balance
Financial account	200,282	-174,631	374,914	1,425,630	1,141,085	284,545	-90,369
Direct investment	-6,051,762	3,668,863	-9,720,625	-5,978,832	3,675,585	-9,654,417	66,207
Portfolio investment	3,209,065	249,057	2,960,009	5,076,876	354,584	4,722,292	1,762,283
Financial derivatives	180,371	0	180,371	0	208,050	-208,050	-388,421
Other investment	2,694,657	-4,092,551	6,787,208	2,460,087	-3,097,134	5,557,221	-1,229,987
Reserve assets ¹	167,951		167,951	-132,501		-132,501	
Net errors and omissions			-451,882			-467,480	

^P Provisional

¹ Blank cells denote not applicable

Table 3. The Current Account, geographical breakdown

€ 000

Current account	April-June 2019 ^P			April-June 2020 ^P		
	Credit	Debit	Net	Credit	Debit	Net
Current account - World	6,913,415	6,677,855	235,561	6,050,832	6,403,114	-352,282
<i>of which:</i>						
EU	3,888,453	3,644,511	243,943	3,546,559	3,490,500	56,059
Extra EU	3,024,962	3,033,344	-8,382	2,504,272	2,912,614	-408,342
Euro Area	3,384,311	3,051,678	332,633	3,093,651	2,819,431	274,220
Extra Euro Area	3,529,104	3,626,176	-97,072	2,957,181	3,583,683	-626,502
Goods - World	759,356	1,184,065	-424,709	560,907	882,880	-321,973
<i>of which:</i>						
EU	368,062	648,172	-280,110	227,941	442,004	-214,063
Extra EU	391,294	535,893	-144,599	332,967	440,876	-107,910
Euro Area	330,244	622,577	-292,333	192,818	411,843	-219,024
Extra Euro Area	429,112	561,488	-132,376	368,089	471,038	-102,949
Services - World	3,759,255	2,791,164	968,091	3,111,388	2,777,293	334,095
<i>of which:</i>						
EU	2,161,881	1,412,866	749,015	1,973,860	1,443,611	530,250
Extra EU	1,597,374	1,378,298	219,076	1,137,527	1,333,682	-196,155
Euro Area	1,913,008	1,119,531	793,477	1,769,529	1,083,445	686,084
Extra Euro Area	1,846,247	1,671,632	174,615	1,341,859	1,693,848	-351,989
Primary income - World	2,339,962	2,603,742	-263,780	2,323,497	2,651,988	-328,491
<i>of which:</i>						
EU	1,333,149	1,529,704	-196,555	1,320,823	1,561,082	-240,260
Extra EU	1,006,813	1,074,038	-67,225	1,002,674	1,090,906	-88,232
Euro Area	1,135,828	1,293,856	-158,028	1,126,337	1,309,662	-183,325
Extra Euro Area	1,204,134	1,309,886	-105,752	1,197,160	1,342,326	-145,166
Secondary income - World	54,842	98,884	-44,042	55,040	90,953	-35,913
<i>of which:</i>						
EU	25,361	53,769	-28,408	23,935	43,803	-19,868
Extra EU	29,481	45,115	-15,634	31,105	47,150	-16,046
Euro Area	5,231	15,714	-10,483	4,966	14,481	-9,515
Extra Euro Area	49,612	83,170	-33,558	50,074	76,472	-26,398

^P Provisional

Table 4. The Current Account, geographical breakdown

€ 000

Current account	2018 ^P			2019 ^P		
	Credit	Debit	Net	Credit	Debit	Net
Current account - World	26,541,804	25,832,397	709,407	27,731,211	27,086,026	645,185
<i>of which:</i>						
EU	14,652,499	14,150,687	501,812	15,250,673	14,851,081	399,592
Extra EU	11,889,305	11,681,710	207,595	12,480,538	12,234,945	245,593
Euro Area	12,778,662	11,814,501	964,160	13,262,808	12,343,081	919,727
Extra Euro Area	13,763,143	14,017,896	-254,753	14,468,403	14,742,945	-274,543
Goods - World	3,203,851	4,686,729	-1,482,878	3,415,610	5,035,876	-1,620,266
<i>of which:</i>						
EU	1,390,127	2,631,083	-1,240,956	1,277,950	2,576,121	-1,298,171
Extra EU	1,813,724	2,055,646	-241,922	2,137,659	2,459,755	-322,095
Euro Area	1,274,802	2,471,481	-1,196,679	1,121,192	2,423,005	-1,301,813
Extra Euro Area	1,929,049	2,215,248	-286,199	2,294,418	2,612,871	-318,454
Services - World	13,638,602	10,268,940	3,369,662	14,782,295	11,244,969	3,537,326
<i>of which:</i>						
EU	7,817,261	5,239,978	2,577,283	8,552,263	5,691,263	2,861,000
Extra EU	5,821,341	5,028,962	792,379	6,230,032	5,553,706	676,326
Euro Area	6,895,444	4,176,384	2,719,059	7,568,733	4,456,551	3,112,181
Extra Euro Area	6,743,158	6,092,555	650,603	7,213,562	6,788,418	425,144
Primary income - World	9,481,784	10,504,853	-1,023,069	9,315,364	10,428,316	-1,112,952
<i>of which:</i>						
EU	5,342,831	6,080,181	-737,351	5,317,989	6,384,799	-1,066,809
Extra EU	4,138,953	4,424,672	-285,719	3,997,375	4,043,517	-46,142
Euro Area	4,587,055	5,107,159	-520,104	4,551,053	5,402,560	-851,507
Extra Euro Area	4,894,729	5,397,694	-502,965	4,764,311	5,025,756	-261,445
Secondary income - World	217,568	371,875	-154,307	217,943	376,866	-158,923
<i>of which:</i>						
EU	102,281	199,445	-97,164	102,471	198,899	-96,428
Extra EU	115,287	172,430	-57,143	115,472	177,967	-62,495
Euro Area	21,361	59,477	-38,116	21,831	60,966	-39,135
Extra Euro Area	196,206	312,398	-116,192	196,112	315,900	-119,789

^P Provisional

Methodological Notes

1. The National Statistics Office (NSO), with the cooperation of the Central Bank of Malta (CBM), is responsible for the collection, compilation and presentation of both the Balance of Payments (BOP) as well as the International Investment Position (IIP) statements of Malta. Both statements are compiled in accordance with the international guidelines set in the sixth manual of the International Monetary Fund (IMF) as well as with the (similarly-set) methodological guidelines established by Eurostat.
2. The type of data collection system used to compile the above statistics is a composite system based on a monthly and annual direct reporting enterprise survey, customs data as well as various other sources that are identified from time to time by the BOP compilers. The surveys provide current account, capital account and financial account transactions conducted by all entities operating in Malta. Also, merchandise transactions conducted by Malta with its world trading partners are captured through INTRASTAT declarations as well as through customs documents.
3. The majority of the transactions that are collected through the above-mentioned sources are broken down by country. The data are subsequently compiled using a standard format and published at a quarterly frequency.
4. The data in this news release do not necessarily correspond to the latest published National Accounts data for the same reference period. This is due to different cut-off dates for the two sets of data.
5. Revisions are conducted on a quarterly basis with the previous data remaining subject to revision.
6. The reported quarterly figure for re-invested earnings (a component of both the income account and the direct investment account) is partly collated annually. Where actual figures are not available, an average of the re-invested earnings quoted for the previous four years is apportioned on a quarterly basis. This figure is then revised once the actual questionnaires are submitted by the surveyed entities.
7. Shipment data (freight and insurance) are measured from the c.i.f. INTRASTAT import data, while data for the travel account are collected from TOURSTAT and other administrative sources.
8. Adjustments for exports and imports of goods are made for BOP and National Accounts purposes, since merchandise trade data include imports and exports of oil made by non-resident companies having a Maltese VAT number. These are not considered as BOP transactions. Consequently, such imports and exports are being subtracted from the totals. Where necessary, oil imports by Maltese resident companies are imputed.
9. Figures are not seasonally adjusted.
10. Figures may not add up due to rounding.
11. More information relating to this news release may be accessed at:
Statistical Concepts: <http://nso.gov.mt/metadata/concepts.aspx>
Metadata: <http://nso.gov.mt/metadata/reports.aspx?id=4>
12. References to this news release are to be cited appropriately.
13. A detailed news release calendar is available on:
https://nso.gov.mt/en/News_Releases/Release_Calendar/Pages/News-Release-Calendar.aspx

European statistics comparable to data in this News Release are available at:

[EUROSTAT Website/Homepage/Statistics Database](#)

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