

During the third quarter of 2020, Malta registered a current account deficit of €107.0 million.

International Economic and Financial Transactions: Q3/2020

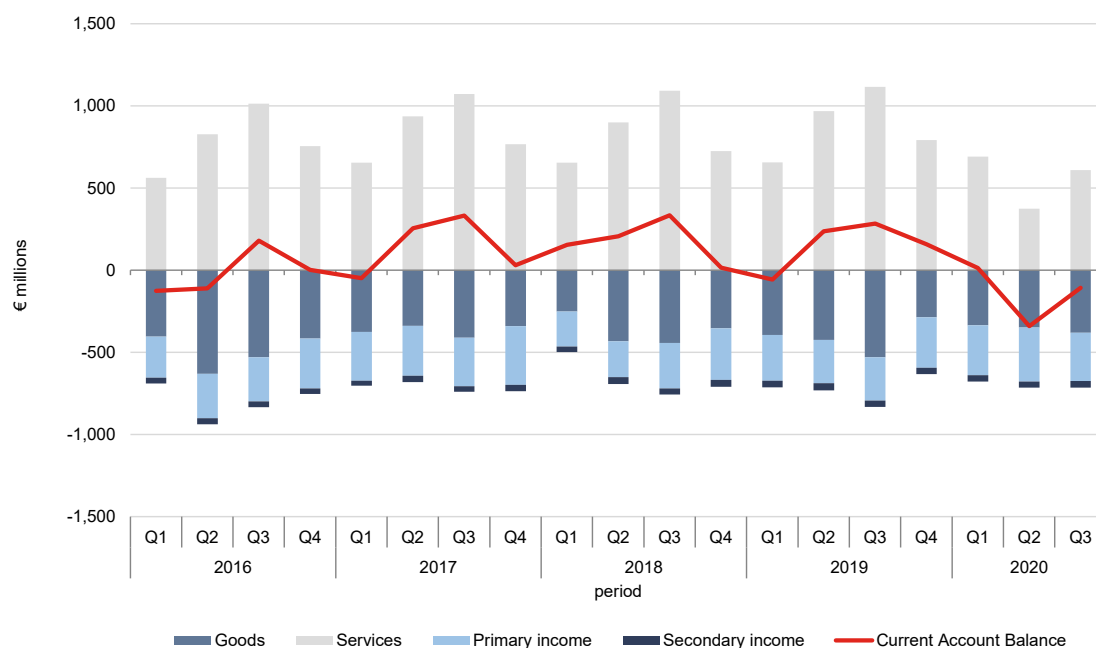
Cut-off date:
30 November 2020

Provisional figures for Malta's external transactions show that during July-September 2020, the current account balance recorded a deficit of €107.0 million, as compared to a surplus of €282.5 million in the comparable quarter of 2019. This deficit was primarily the result of negative net balances recorded in the goods account (€380.4 million), the primary income account (€295.6 million) and the secondary income account (€38.7 million). This was partly offset by a positive net balance of €607.7 million recorded in the services account, mainly brought about by developments in the other services category (€478.8 million).

During the third quarter of 2020, the capital account registered a positive net balance of €31.5 million, as compared to a positive balance of €27.4 million in 2019.

The financial account was shaped by a positive net asset balance of €79.8 million, an increase in the balance of net assets of €42.2 million over the same quarter in 2019. The development in the financial account balance was mainly brought about by positive net asset balances in portfolio investment (€1,879.6 million) and other investment (€724.2 million). Reserve assets increased by €23.6 million during the same period. This was partially offset by negative net asset balances in direct investment and financial derivatives of €2,430.0 million and €117.5 million respectively (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	July-September 2019 ^P			July-September 2020 ^P			change in balance
	Credit	Debit	Net	Credit	Debit	Net	
Current account	7,167,189	6,884,732	282,458	6,368,951	6,475,958	-107,007	-389,465
Goods and services	4,789,667	4,205,301	584,366	4,033,718	3,806,442	227,276	-357,090
Goods	797,774	1,328,113	-530,339	661,230	1,041,605	-380,375	149,964
Services	3,991,894	2,877,189	1,114,705	3,372,488	2,764,837	607,651	-507,054
Transport	304,332	185,947	118,385	138,270	117,151	21,119	-97,266
Travel	672,960	154,938	518,021	136,703	28,940	107,763	-410,258
Other services	3,014,602	2,536,304	478,298	3,097,515	2,618,746	478,769	471
Primary income	2,323,732	2,587,252	-263,520	2,278,353	2,573,933	-295,580	-32,060
Compensation of employees	5,290	17,781	-12,492	5,209	15,212	-10,003	2,489
Secondary income	53,790	92,178	-38,388	56,880	95,583	-38,703	-315
Capital account	27,817	461	27,356	31,763	261	31,502	4,146
	Assets	Liabilities	Net	Assets	Liabilities	Net	change in balance
Financial account	645,372	607,814	37,558	1,305,451	1,225,697	79,754	42,196
Direct investment	-1,501,968	942,646	-2,444,614	-1,493,652	936,391	-2,430,043	14,571
Portfolio investment	1,342,129	72,928	1,269,202	1,997,067	117,475	1,879,592	610,390
Financial derivatives	41,150	0	41,150	0	117,510	-117,510	-158,660
Other investment	789,153	-407,760	1,196,913	778,476	54,322	724,154	-472,759
Reserve assets ¹	-25,092		-25,092	23,560		23,560	
Net errors and omissions			-272,256			155,259	

^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	27,711,248	27,092,551	618,697	-90,710
Goods and services	16,842,453	14,955,669	1,886,784	18,178,163	16,285,549	1,892,614	5,830
Goods	3,203,851	4,686,729	-1,482,878	3,397,800	5,034,122	-1,636,322	-153,444
Services	13,638,602	10,268,940	3,369,662	14,780,363	11,251,428	3,528,935	159,273
Transport	1,068,037	632,862	435,175	1,088,661	680,213	408,448	-26,727
Travel	1,573,784	440,506	1,133,278	1,698,110	473,842	1,224,268	90,990
Other services	10,996,781	9,195,572	1,801,209	11,993,593	10,097,373	1,896,220	95,011
Primary income	9,481,784	10,504,853	-1,023,069	9,315,364	10,428,553	-1,113,189	-90,120
Compensation of employees	21,186	67,311	-46,125	21,168	71,904	-50,736	-4,611
Secondary income	217,568	371,875	-154,307	217,721	378,449	-160,728	-6,421
Capital account	119,274	1,885	117,389	108,468	1,826	106,642	-10,747
	Assets	Liabilities	Net	Assets	Liabilities	Net	change in balance
Financial account	200,282	-174,631	374,914	1,416,642	1,126,107	290,535	-84,379
Direct investment	-6,051,762	3,668,863	-9,720,625	-5,982,048	3,675,921	-9,657,969	62,656
Portfolio investment	3,209,065	249,057	2,960,009	5,076,876	354,584	4,722,292	1,762,284
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	2,454,315	-3,112,447	5,566,762	-1,220,446
Reserve assets ¹	167,951		167,951	-132,501		-132,501	
Net errors and omissions			-451,882			-434,804	

^P Provisional¹ Blank cells denote not applicable

Table 3. The Current Account, geographical breakdown

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Current account	July-September 2019 ^P			July-September 2020 ^P		
	Credit	Debit	Net	Credit	Debit	Net
Current account - World	7,167,189	6,884,732	282,458	6,368,951	6,475,958	-107,007
<i>of which:</i>						
EU	3,952,574	3,701,699	250,874	3,702,578	3,452,839	249,739
Extra EU	3,214,616	3,183,032	31,583	2,666,374	3,023,119	-356,746
Euro Area	3,434,855	3,058,661	376,195	3,233,677	2,806,274	427,403
Extra Euro Area	3,732,334	3,826,071	-93,737	3,135,274	3,669,684	-534,410
Goods - World	797,774	1,328,113	-530,339	661,230	1,041,605	-380,375
<i>of which:</i>						
EU	304,040	633,841	-329,801	239,037	447,483	-208,446
Extra EU	493,734	694,271	-200,538	422,194	594,122	-171,929
Euro Area	261,247	593,265	-332,018	200,135	409,270	-209,135
Extra Euro Area	536,527	734,847	-198,321	461,095	632,336	-171,240
Services - World	3,991,894	2,877,189	1,114,705	3,372,488	2,764,837	607,651
<i>of which:</i>						
EU	2,295,996	1,455,972	840,025	2,115,901	1,408,038	707,863
Extra EU	1,695,898	1,421,217	274,681	1,256,587	1,356,799	-100,213
Euro Area	2,026,209	1,131,697	894,512	1,894,482	1,086,706	807,776
Extra Euro Area	1,965,685	1,745,492	220,193	1,478,006	1,678,131	-200,126
Primary income - World	2,323,732	2,587,252	-263,520	2,278,353	2,573,933	-295,580
<i>of which:</i>						
EU	1,326,618	1,563,299	-236,680	1,321,892	1,549,923	-228,030
Extra EU	997,113	1,023,953	-26,840	956,461	1,024,010	-67,550
Euro Area	1,141,603	1,318,454	-176,850	1,133,464	1,294,087	-160,623
Extra Euro Area	1,182,128	1,268,798	-86,670	1,144,889	1,279,846	-134,957
Secondary income - World	53,790	92,178	-38,388	56,880	95,583	-38,703
<i>of which:</i>						
EU	25,919	48,588	-22,669	25,747	47,396	-21,648
Extra EU	27,871	43,591	-15,720	31,133	48,187	-17,054
Euro Area	5,796	15,245	-9,449	5,597	16,211	-10,615
Extra Euro Area	47,994	76,934	-28,940	51,284	79,372	-28,088

^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	27,711,248	27,092,551	618,697
<i>of which:</i>						
EU	14,652,499	14,150,687	501,812	15,248,879	14,852,216	396,663
Extra EU	11,889,305	11,681,710	207,595	12,462,369	12,240,335	222,034
Euro Area	12,778,662	11,814,501	964,160	13,260,934	12,345,683	915,251
Extra Euro Area	13,763,143	14,017,896	-254,753	14,450,314	14,746,868	-296,554
Goods - World	3,203,851	4,686,729	-1,482,878	3,397,800	5,034,122	-1,636,322
<i>of which:</i>						
EU	1,390,127	2,631,083	-1,240,956	1,277,951	2,574,136	-1,296,185
Extra EU	1,813,724	2,055,646	-241,922	2,119,849	2,459,986	-340,137
Euro Area	1,274,802	2,471,481	-1,196,679	1,121,193	2,420,984	-1,299,791
Extra Euro Area	1,929,049	2,215,248	-286,199	2,276,608	2,613,138	-336,530
Services - World	13,638,602	10,268,940	3,369,662	14,780,363	11,251,428	3,528,936
<i>of which:</i>						
EU	7,817,261	5,239,978	2,577,283	8,550,474	5,693,771	2,856,703
Extra EU	5,821,341	5,028,962	792,379	6,229,889	5,557,656	672,233
Euro Area	6,895,444	4,176,384	2,719,059	7,566,864	4,460,909	3,105,954
Extra Euro Area	6,743,158	6,092,555	650,603	7,213,500	6,790,518	422,982
Primary income - World	9,481,784	10,504,853	-1,023,069	9,315,364	10,428,553	-1,113,189
<i>of which:</i>						
EU	5,342,831	6,080,181	-737,351	5,317,989	6,384,824	-1,066,834
Extra EU	4,138,953	4,424,672	-285,719	3,997,375	4,043,729	-46,355
Euro Area	4,587,055	5,107,159	-520,104	4,551,053	5,402,585	-851,532
Extra Euro Area	4,894,729	5,397,694	-502,965	4,764,311	5,025,968	-261,657
Secondary income - World	217,568	371,875	-154,307	217,721	378,449	-160,728
<i>of which:</i>						
EU	102,281	199,445	-97,164	102,465	199,485	-97,020
Extra EU	115,287	172,430	-57,143	115,256	178,964	-63,708
Euro Area	21,361	59,477	-38,116	21,825	61,205	-39,380
Extra Euro Area	196,206	312,398	-116,192	195,896	317,244	-121,348

^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: <https://metadata.nso.gov.mt/concepts.aspx>
Metadata: <https://metadata.nso.gov.mt/Default.aspx>
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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