

During the fourth quarter of 2020, Malta registered a current account deficit of €89.8 million.

International Economic and Financial Transactions: Q4/2020

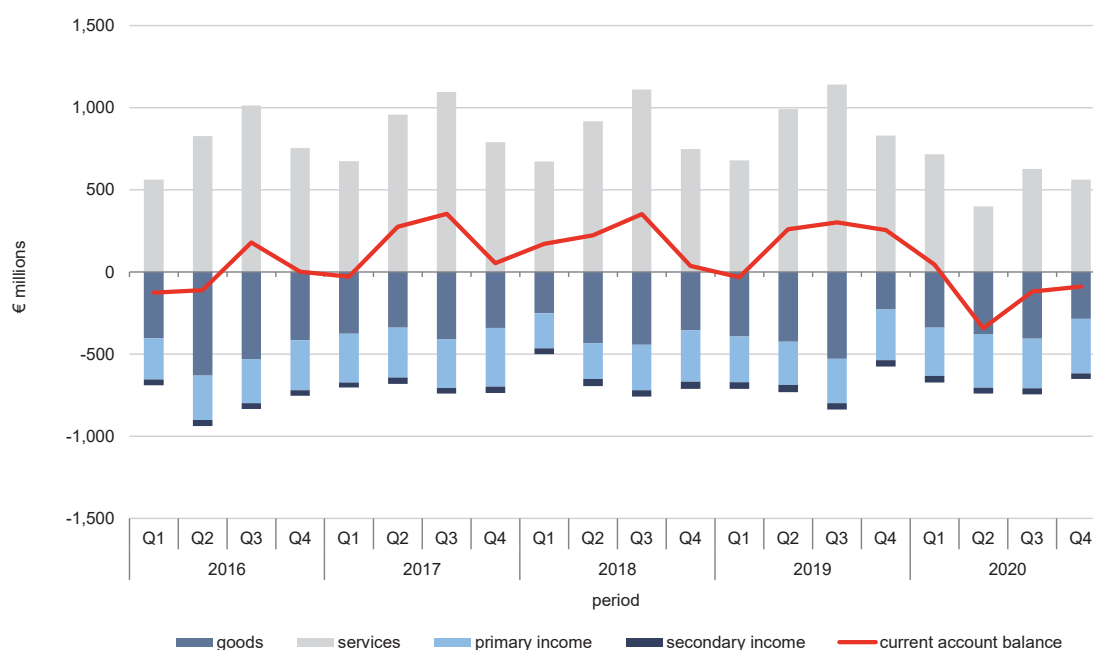
Cut-off date:
28 February 2021

Provisional figures for Malta's external transactions show that during October-December 2020, the current account balance recorded a deficit of €89.8 million, as compared to a surplus of €255.4 million in the comparable quarter of 2019. This deficit was primarily the result of negative net balances recorded in the goods account (€285.4 million), the primary income account (€331.8 million) and the secondary income account (€34.7 million). This was partly offset by a positive net balance of €562.0 million recorded in the services account.

During the last quarter of 2020, the capital account registered a positive net balance of €3.4 million, €9.5 million lower than the figure recorded in 2019.

The financial account was shaped by net asset decreases of €69.1 million, an increase in the balance of net assets of €151.2 million when compared to the value recorded in the same quarter of 2019. The development in the financial account balance was mainly brought about by a negative net asset balance recorded in direct investment (€2,424.4 million). This was partly offset by positive net asset balances in portfolio investment (€1,368.9 million), other investment (€913.7 million) and financial derivatives (€57.5 million). Reserve assets increased by €15.2 million during the same period (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	October-December 2019 ^P			October-December 2020 ^P			change in balance
	Credit	Debit	Net	Credit	Debit	Net	
Current account	7,098,781	6,843,347	255,434	6,490,503	6,580,348	-89,846	-345,280
Goods and services	4,745,040	4,142,388	602,652	4,154,725	3,878,084	276,641	-326,011
Goods	1,069,231	1,297,414	-228,183	767,936	1,053,321	-285,385	-57,202
Services	3,675,809	2,844,974	830,835	3,386,788	2,824,763	562,025	-268,810
Transport	265,523	160,810	104,713	159,700	107,462	52,238	-52,475
Travel	348,105	125,531	222,574	69,752	20,305	49,448	-173,126
Other services	3,062,181	2,558,633	503,548	3,157,336	2,696,996	460,339	-43,209
Primary income	2,299,577	2,607,855	-308,278	2,280,380	2,612,139	-331,759	-23,481
Compensation of employees	5,289	17,301	-12,011	5,176	16,853	-11,677	335
Secondary income	54,164	93,103	-38,940	55,398	90,126	-34,728	4,212
Capital account	13,331	455	12,876	3,617	261	3,356	-9,520
	Assets	Liabilities	Net	Assets	Liabilities	Net	change in balance
Financial account	-211,112	9,132	-220,243	288,572	357,660	-69,088	151,155
Direct investment	-1,463,954	968,263	-2,432,217	-1,467,802	956,564	-2,424,365	7,851
Portfolio investment	1,216,624	165,536	1,051,089	1,453,518	84,658	1,368,861	317,772
Financial derivatives	0	125,920	-125,920	57,526	0	57,526	183,446
Other investment	36,523	-1,250,586	1,287,109	230,174	-683,561	913,735	-373,374
Reserve assets ¹	-304		-304	15,155		15,155	
Net errors and omissions			-488,554			17,401	

^P Provisional¹ Blank cells denote not applicable

Table 2. Balance of Payments summary

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Balance of Payments	2019 ^P			2020 ^P			change in balance
	Credit	Debit	Net	Credit	Debit	Net	
Current account	28,181,617	27,397,314	784,304	26,184,838	26,692,944	-508,106	-1,292,410
Goods and services	18,551,835	16,483,873	2,067,962	16,678,004	15,784,583	893,421	-1,174,541
Goods	3,469,386	5,043,942	-1,574,556	2,800,744	4,209,423	-1,408,678	165,878
Services	15,082,449	11,439,931	3,642,518	13,877,260	11,575,161	2,302,099	-1,340,419
Transport	1,088,661	669,887	418,774	625,439	475,570	149,869	-268,906
Travel	1,698,110	473,842	1,224,268	364,832	112,100	252,733	-971,535
Other services	12,295,679	10,296,203	1,999,476	12,886,989	10,987,491	1,899,498	-99,978
Primary income	9,412,061	10,533,301	-1,121,240	9,278,857	10,533,501	-1,254,643	-133,404
Compensation of employees	21,168	71,904	-50,737	22,017	58,283	-36,266	14,471
Secondary income	217,721	380,140	-162,419	227,977	374,860	-146,883	15,535
Capital account	108,468	1,826	106,643	82,825	1,286	81,539	-25,104
	Assets	Liabilities	Net	Assets	Liabilities	Net	change in balance
Financial account	1,490,024	1,342,126	147,898	3,449,206	3,651,768	-202,562	-350,460
Direct investment	-5,908,072	3,801,773	-9,709,845	-5,912,103	3,844,580	-9,756,683	-46,838
Portfolio investment	5,076,876	354,584	4,722,292	6,713,725	307,295	6,406,430	1,684,138
Financial derivatives	0	208,050	-208,050	0	124,437	-124,437	83,613
Other investment	2,453,721	-3,022,281	5,476,002	2,630,535	-624,544	3,255,079	-2,220,923
Reserve assets ¹	-132,501		-132,501	17,049		17,049	
Net errors and omissions			-743,048			224,005	

^P Provisional¹ Blank cells denote not applicable

Table 3. The Current Account, geographical breakdown

€ 000

Current account	October-December 2019 ^P			October-December 2020 ^P		
	Credit	Debit	Net	Credit	Debit	Net
Current account - World	7,098,781	6,843,347	255,434	6,490,503	6,580,348	-89,846
<i>of which:</i>						
EU	3,721,737	3,642,495	79,242	3,716,776	3,504,443	212,333
Extra EU	3,377,045	3,200,852	176,193	2,773,727	3,075,905	-302,178
Euro Area	3,230,767	3,015,157	215,610	3,231,081	2,861,428	369,653
Extra Euro Area	3,868,014	3,828,190	39,824	3,259,421	3,718,920	-459,499
Goods - World	1,069,231	1,297,414	-228,183	767,936	1,053,321	-285,385
<i>of which:</i>						
EU	295,128	688,982	-393,855	301,738	559,030	-257,292
Extra EU	774,104	608,432	165,672	466,198	494,291	-28,092
Euro Area	250,729	645,629	-394,900	231,431	522,355	-290,923
Extra Euro Area	818,502	651,786	166,717	536,505	530,966	5,539
Services - World	3,675,809	2,844,974	830,835	3,386,788	2,824,763	562,025
<i>of which:</i>						
EU	2,080,815	1,408,864	671,951	2,069,973	1,433,279	636,694
Extra EU	1,594,994	1,436,110	158,884	1,316,815	1,391,484	-74,669
Euro Area	1,840,972	1,096,343	744,629	1,859,995	1,114,162	745,833
Extra Euro Area	1,834,837	1,748,631	86,206	1,526,793	1,710,601	-183,807
Primary income - World	2,299,577	2,607,855	-308,278	2,280,380	2,612,139	-331,759
<i>of which:</i>						
EU	1,320,035	1,496,452	-176,418	1,319,186	1,464,663	-145,477
Extra EU	979,542	1,111,403	-131,861	961,194	1,147,475	-186,281
Euro Area	1,133,532	1,258,559	-125,027	1,133,905	1,209,312	-75,407
Extra Euro Area	1,166,045	1,349,296	-183,251	1,146,475	1,402,827	-256,352
Secondary income - World	54,164	93,103	-38,940	55,398	90,126	-34,728
<i>of which:</i>						
EU	25,759	48,196	-22,437	25,878	47,470	-21,592
Extra EU	28,405	44,908	-16,502	29,520	42,656	-13,136
Euro Area	5,534	14,625	-9,091	5,750	15,600	-9,849
Extra Euro Area	48,630	78,478	-29,848	49,648	74,526	-24,879

^P Provisional

Table 4. The Current Account, geographical breakdown

€ 000

Current account	2019 ^P			2020 ^P		
	Credit	Debit	Net	Credit	Debit	Net
Current account - World	28,181,617	27,397,314	784,304	26,184,838	26,692,944	-508,106
<i>of which:</i>						
EU	15,344,595	14,941,839	402,755	14,984,023	14,478,618	505,405
Extra EU	12,837,023	12,455,474	381,549	11,200,815	12,214,326	-1,013,511
Euro Area	13,356,851	12,434,392	922,459	13,094,870	11,834,677	1,260,193
Extra Euro Area	14,824,766	14,962,921	-138,155	13,089,968	14,858,267	-1,768,299
Goods - World	3,469,386	5,043,942	-1,574,556	2,800,744	4,209,423	-1,408,678
<i>of which:</i>						
EU	1,284,621	2,592,121	-1,307,501	1,088,345	2,134,808	-1,046,463
Extra EU	2,184,765	2,451,821	-267,056	1,712,400	2,074,615	-362,215
Euro Area	1,127,875	2,438,765	-1,310,890	913,914	1,988,187	-1,074,273
Extra Euro Area	2,341,511	2,605,177	-263,666	1,886,830	2,221,236	-334,406
Services - World	15,082,449	11,439,931	3,642,518	13,877,260	11,575,161	2,302,099
<i>of which:</i>						
EU	8,541,096	5,672,993	2,868,103	8,405,752	5,819,225	2,586,527
Extra EU	6,541,354	5,766,938	774,416	5,471,508	5,755,935	-284,427
Euro Area	7,557,645	4,440,092	3,117,553	7,533,620	4,482,896	3,050,724
Extra Euro Area	7,524,804	6,999,839	524,965	6,343,640	7,092,265	-748,625
Primary income - World	9,412,061	10,533,301	-1,121,240	9,278,857	10,533,501	-1,254,643
<i>of which:</i>						
EU	5,416,414	6,476,236	-1,059,822	5,384,384	6,329,127	-944,742
Extra EU	3,995,648	4,057,065	-61,418	3,894,473	4,204,374	-309,901
Euro Area	4,649,506	5,493,959	-844,453	4,625,201	5,305,886	-680,685
Extra Euro Area	4,762,555	5,039,342	-276,786	4,653,656	5,227,615	-573,959
Secondary income - World	217,721	380,140	-162,419	227,977	374,860	-146,883
<i>of which:</i>						
EU	102,465	200,489	-98,025	105,543	195,459	-89,916
Extra EU	115,256	179,650	-64,394	122,434	179,401	-56,967
Euro Area	21,825	61,576	-39,751	22,135	57,708	-35,573
Extra Euro Area	195,896	318,564	-122,668	205,841	317,152	-111,311

^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. Any reference to the EU in tables 3 and 4 refers to the formation excluding UK.
12. 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>
13. References to this news release are to be cited appropriately.
14. 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](https://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&code=sdg_8_10)

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