

During the fourth quarter of 2021, Malta registered a current account deficit of €224.9 million.

International Economic and Financial Transactions: Q4/2021

Cut-off date:
8 March 2022

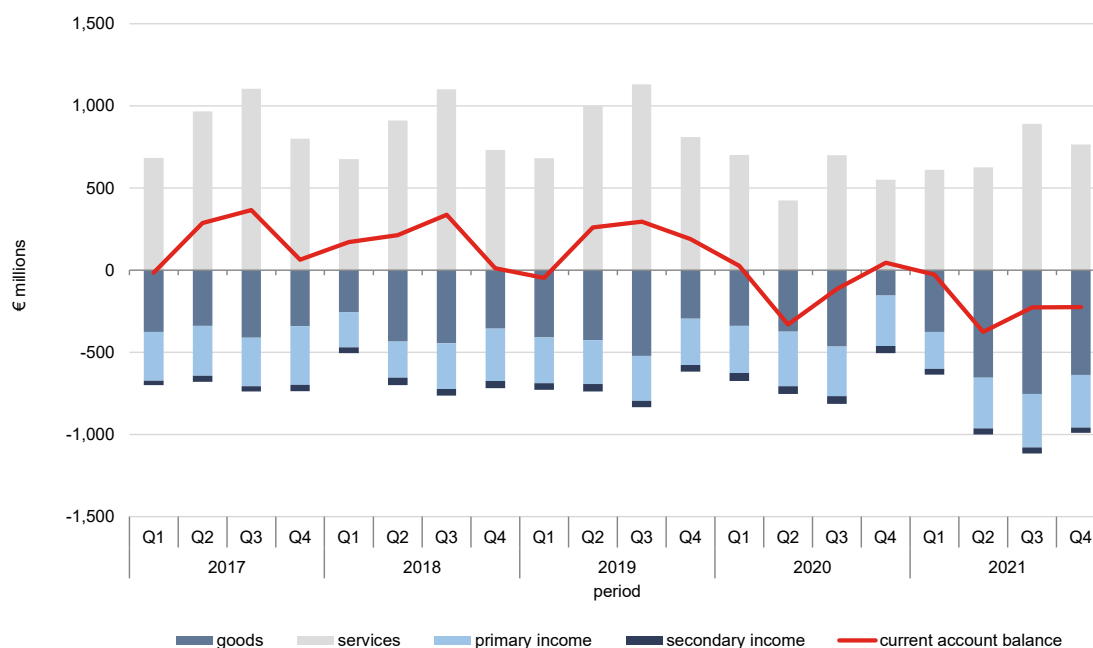
Provisional figures for Malta's external transactions show that during October-December 2021, the current account balance recorded a deficit of €224.9 million, compared to a surplus of €45.1 million in the same quarter of the previous year. This deficit was primarily the result of negative net balances recorded in the goods account (€638.6 million), the primary income account (€319.0 million) and the secondary income account (€32.4 million). This was partly offset by a positive net balance of €765.1 million recorded in the services account.

During the fourth quarter of 2021, the capital account registered a positive net balance of €3.8 million, €0.5 million higher than the figure recorded in 2020.

The financial account was shaped by net asset decreases of €578.4 million, a decrease in the balance of net assets of €465.0 million when compared to the value recorded in the same quarter of 2020. The development in the financial account balance was mainly brought about by negative net asset balances in direct investment (€2,353.4 million) and financial derivatives (€141.4 million). Reserve assets also decreased by €289.3 million during the same period. This was partly offset by positive net asset balances recorded in portfolio investment (€1,797.0 million) and other investments (€408.8 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 by quarter

€ 000

Balance of Payments	October-December 2020 ^P			October-December 2021 ^P			change in balance
	Credit	Debit	Net	Credit	Debit	Net	
Current account	6,666,960	6,621,884	45,076	7,105,315	7,330,193	-224,878	-269,954
Goods and services	4,326,103	3,931,097	395,007	4,710,557	4,584,037	126,520	-268,487
Goods	918,665	1,072,879	-154,214	813,988	1,452,587	-638,599	-484,385
Services	3,407,438	2,858,217	549,221	3,896,569	3,131,450	765,119	215,898
Transport	160,228	112,050	48,178	277,109	163,052	114,058	65,880
Travel	48,537	20,042	28,495	222,638	84,825	137,814	109,318
Other services	3,198,674	2,726,126	472,548	3,396,822	2,883,574	513,248	40,700
Primary income	2,285,735	2,592,564	-306,829	2,341,177	2,660,129	-318,951	-12,122
Compensation of employees	5,178	16,911	-11,733	5,166	19,697	-14,531	-2,799
Secondary income	55,121	98,223	-43,101	53,580	86,027	-32,447	10,655
Capital account	3,805	466	3,338	4,349	467	3,882	544
	Assets	Liabilities	Net	Assets	Liabilities	Net	change in balance
Financial account	237,694	351,048	-113,354	1,223,859	1,802,229	-578,370	-465,017
Direct investment	-1,465,636	947,414	-2,413,050	-1,459,831	893,547	-2,353,378	59,671
Portfolio investment	1,453,518	79,561	1,373,958	1,901,283	104,287	1,796,995	423,037
Financial derivatives	50,694	0	50,694	0	141,437	-141,437	-192,131
Other investment	191,582	-675,926	867,509	1,071,707	662,957	408,750	-458,759
Reserve assets ¹	7,535		7,535	-289,299		-289,299	
Net errors and omissions			-161,768			-357,374	

^P Provisional¹ Blank cells denote not applicable

Table 2. Balance of Payments summary by year

€ 000

Balance of Payments	2020 ^P			2021 ^P			change in balance
	Credit	Debit	Net	Credit	Debit	Net	
Current account	26,613,014	26,986,723	-373,709	27,806,630	28,661,028	-854,398	-480,688
Goods and services	17,102,025	16,062,078	1,039,947	18,256,248	17,789,174	467,074	-572,873
Goods	3,006,987	4,341,062	-1,334,075	2,969,976	5,392,158	-2,422,182	-1,088,107
Services	14,095,038	11,721,016	2,374,021	15,286,272	12,397,016	2,889,256	515,234
Transport	700,232	502,938	197,294	913,026	575,292	337,734	140,440
Travel	343,617	111,837	231,780	659,452	205,155	454,297	222,517
Other services	13,051,189	11,106,241	1,944,948	13,713,794	11,616,569	2,097,225	152,277
Primary income	9,282,644	10,510,279	-1,227,635	9,326,937	10,505,134	-1,178,197	49,438
Compensation of employees	20,780	69,338	-48,558	20,625	77,498	-56,873	-8,314
Secondary income	228,345	414,366	-186,022	223,445	366,720	-143,275	42,747
Capital account	83,575	1,912	81,663	91,935	1,869	90,066	8,403
	Assets	Liabilities	Net	Assets	Liabilities	Net	change in balance
Financial account	3,364,640	3,674,229	-309,590	5,493,905	5,633,145	-139,241	170,349
Direct investment	-5,878,396	3,882,488	-9,760,884	-5,850,686	3,755,715	-9,606,402	154,482
Portfolio investment	6,713,725	302,198	6,411,527	7,396,924	373,017	7,023,907	612,381
Financial derivatives	0	131,269	-131,269	0	291,200	-291,200	-159,931
Other investment	2,566,832	-641,726	3,208,557	3,999,002	1,213,213	2,785,789	-422,769
Reserve assets ¹	-37,521		-37,521	-51,335		-51,335	
Net errors and omissions			-17,543			625,091	

^P Provisional¹ Blank cells denote not applicable

Table 3. The Current Account, geographical breakdown by quarter

€ 000

Current account	October-December 2020 ^P			October-December 2021 ^P		
	Credit	Debit	Net	Credit	Debit	Net
Current account - World	6,666,960	6,621,884	45,076	7,105,315	7,330,193	-224,878
<i>of which:</i>						
EU	3,751,103	3,552,133	198,970	3,947,895	3,964,985	-17,090
Extra EU	2,915,857	3,069,751	-153,894	3,157,420	3,365,208	-207,788
Euro Area	3,256,938	2,897,474	359,465	3,441,625	3,278,283	163,342
Extra Euro Area	3,410,022	3,724,410	-314,389	3,663,689	4,051,909	-388,220
Goods - World	918,665	1,072,879	-154,214	813,988	1,452,587	-638,599
<i>of which:</i>						
EU	309,570	576,825	-267,255	197,764	666,113	-468,349
Extra EU	609,095	496,055	113,041	616,224	786,474	-170,251
Euro Area	237,202	534,774	-297,572	158,777	626,487	-467,710
Extra Euro Area	681,464	538,106	143,358	655,211	826,100	-170,889
Services - World	3,407,438	2,858,217	549,221	3,896,569	3,131,450	765,119
<i>of which:</i>						
EU	2,091,379	1,470,928	620,451	2,334,830	1,589,322	745,508
Extra EU	1,316,059	1,387,290	-71,230	1,561,740	1,542,128	19,611
Euro Area	1,880,365	1,149,732	730,632	2,088,297	1,234,657	853,640
Extra Euro Area	1,527,073	1,708,485	-181,412	1,808,272	1,896,793	-88,521
Primary income - World	2,285,735	2,592,564	-306,829	2,341,177	2,660,129	-318,951
<i>of which:</i>						
EU	1,324,548	1,449,201	-124,653	1,389,817	1,665,196	-275,379
Extra EU	961,187	1,143,363	-182,176	951,360	994,932	-43,573
Euro Area	1,133,895	1,193,568	-59,673	1,189,185	1,403,327	-214,141
Extra Euro Area	1,151,841	1,398,997	-247,156	1,151,992	1,256,802	-104,810
Secondary income - World	55,121	98,223	-43,101	53,580	86,027	-32,447
<i>of which:</i>						
EU	25,606	55,179	-29,574	25,484	44,354	-18,870
Extra EU	29,516	43,043	-13,528	28,096	41,673	-13,576
Euro Area	5,477	19,400	-13,923	5,366	13,813	-8,447
Extra Euro Area	49,644	78,823	-29,179	48,214	72,214	-24,000

^P Provisional

Table 4. The Current Account, geographical breakdown by year

€ 000

Current account	2020 ^P			2021 ^P		
	Credit	Debit	Net	Credit	Debit	Net
Current account - World	26,613,014	26,986,723	-373,709	27,806,630	28,661,028	-854,398
<i>of which:</i>						
EU	15,116,781	14,671,186	445,595	16,047,792	15,726,218	321,574
Extra EU	11,496,233	12,315,537	-819,304	11,758,839	12,934,810	-1,175,971
Euro Area	13,216,370	11,996,818	1,219,551	13,983,723	12,916,194	1,067,529
Extra Euro Area	13,396,644	14,989,905	-1,593,261	13,822,908	15,744,834	-1,921,926
Goods - World	3,006,987	4,341,062	-1,334,075	2,969,976	5,392,158	-2,422,182
<i>of which:</i>						
EU	1,098,388	2,169,119	-1,070,731	1,076,729	2,848,545	-1,771,816
Extra EU	1,908,599	2,171,943	-263,344	1,893,247	2,543,613	-650,366
Euro Area	923,057	2,010,700	-1,087,643	845,630	2,674,146	-1,828,516
Extra Euro Area	2,083,931	2,330,362	-246,432	2,124,346	2,718,012	-593,666
Services - World	14,095,038	11,721,016	2,374,021	15,286,272	12,397,016	2,889,256
<i>of which:</i>						
EU	8,522,972	5,959,808	2,563,164	9,351,433	6,290,808	3,060,624
Extra EU	5,572,066	5,761,209	-189,143	5,934,839	6,106,208	-171,368
Euro Area	7,645,821	4,626,823	3,018,998	8,387,817	4,898,302	3,489,516
Extra Euro Area	6,449,217	7,094,194	-644,977	6,898,455	7,498,714	-600,260
Primary income - World	9,282,644	10,510,279	-1,227,635	9,326,937	10,505,134	-1,178,197
<i>of which:</i>						
EU	5,389,515	6,309,715	-920,200	5,517,021	6,396,133	-879,112
Extra EU	3,893,129	4,200,564	-307,435	3,809,916	4,109,001	-299,084
Euro Area	4,624,990	5,285,440	-660,450	4,728,169	5,282,363	-554,194
Extra Euro Area	4,657,654	5,224,839	-567,185	4,598,768	5,222,770	-624,002
Secondary income - World	228,345	414,366	-186,022	223,445	366,720	-143,275
<i>of which:</i>						
EU	105,906	232,545	-126,639	102,609	190,732	-88,122
Extra EU	122,439	181,821	-59,383	120,836	175,988	-55,153
Euro Area	22,502	73,856	-51,354	22,106	61,383	-39,277
Extra Euro Area	205,843	340,510	-134,667	201,339	305,337	-103,997

^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_10_10_1)

Data Navigation Tree

Database by themes

>Economy and finance

>Balance of payments - International transactions (BPM6) (bop_6)

>Balance of payments statistics and International investment positions (BPM6) (bop_q6)

Tables by themes

>Economy and finance

>Balance of payments - International transactions (BPM6) (t_bop_6)

>Balance of payments statistics and International investment positions (BPM6) (t_bop_q6)

For further assistance send a request from:

<https://nso.gov.mt/en/Services/Pages/Request-for-Information.aspx>