

During the third quarter this year, Malta registered a current account surplus of €339.1 million.

## International Economic and Financial Transactions: Q3/2016

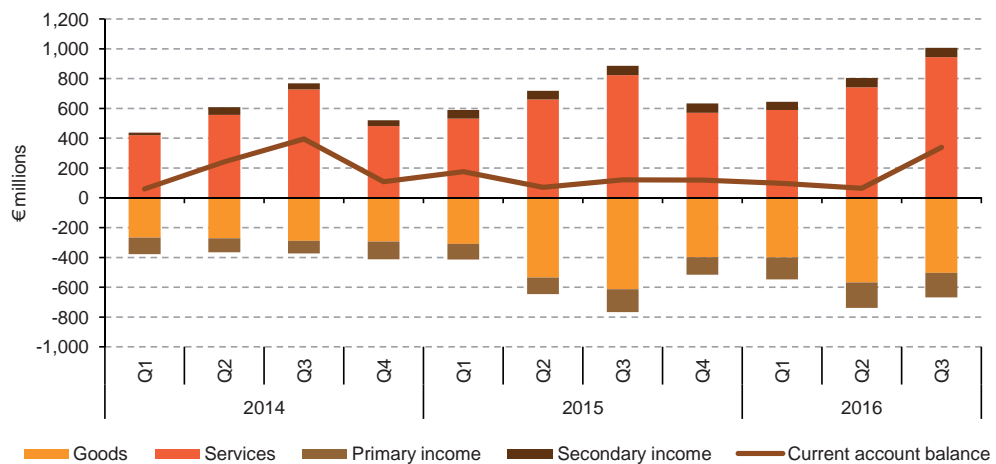
Cut-off date:  
**9 December 2016**

Provisional figures for Malta's external transactions show that during July-September 2016 the current account balance recorded a surplus of €339.1 million as compared to a surplus of €120.0 million registered in the comparable quarter last year. Leading towards this surplus was primarily a positive net balance of the services account of €944.0 million marked by improvements in the net balances of the other services, travel and transport accounts. Moreover, the secondary income account recorded a positive net balance of €62.9 million. These were partially outweighed by declines in the goods and primary income accounts of €503.5 million and €164.3 million respectively. (Table 1).

During the third quarter of 2016, the capital account registered a positive net balance of €0.8 million as compared to a positive balance of €2.2 million last year (Table 1).

The financial account was shaped by net asset increases of €539.6 million as opposed to a negative net balance of assets of €567.6 million during the same quarter of 2015. The improvement in the financial account balance was mainly the result of higher other investment net assets partially outweighed by a decline in net direct investment assets. Moreover, net portfolio investment registered an increase of €342.0 million. As a direct effect of the above shifts in the statement, the reserve assets of the country decreased by €8.5 million compared to an increase of €9.4 million during the September quarter last year (Table 1) ■

**Chart 1. Current account balance**



Compiled by:

**Unit A3: Balance of Payments**

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Table 1. Balance of Payments summary: Quarter 3

€000

Balance of Payments	Quarter 3 2015 <sup>P</sup>			Quarter 3 2016 <sup>P</sup>			change in balance
	Credit	Debit	Net	Credit	Debit	Net	
<b>Current account</b>	119,994	-	119,994	339,146	-	339,146	219,152
<b>Goods and services</b>	3,580,468	3,370,432	210,036	3,635,311	3,194,824	440,486	230,450
<b>Goods</b>	692,827	1,305,124	-612,297	565,932	1,069,460	-503,528	108,769
<b>Services</b>	2,887,642	2,065,308	822,333	3,069,378	2,125,364	944,014	121,681
Transport	148,317	128,835	19,482	218,970	169,965	49,006	29,523
Travel	529,271	121,568	407,704	538,945	128,478	410,467	2,763
Other services	2,210,053	1,814,906	395,147	2,311,463	1,826,921	484,542	89,395
<b>Primary income</b>	2,485,422	2,639,446	-154,024	2,450,025	2,614,289	-164,265	-10,240
Compensation of employees	6,257	8,754	-2,496	6,300	10,114	-3,814	-1,318
<b>Secondary income</b>	251,274	187,291	63,983	250,038	187,113	62,925	-1,058
<b>Capital account</b>	2,765	546	2,219	1,691	930	762	-1,457
	<b>Assets</b>	<b>Liabilities</b>	<b>Net</b>	<b>Assets</b>	<b>Liabilities</b>	<b>Net</b>	<b>change</b>
<b>Financial account</b>	-2,528,929	-1,961,322	-567,607	-892,089	-1,431,639	539,550	1,107,157
Direct investment	-1,531,930	777,529	-2,309,459	-1,516,923	241,793	-1,758,715	550,744
Portfolio investment	512,604	-381,118	893,723	368,007	25,979	342,027	-551,695
Financial derivatives	-	466,105	-466,105	998	-	998	467,103
Other investment	-1,518,997	-2,823,838	1,304,841	264,302	-1,699,411	1,963,714	658,873
Reserve assets	9,393		9,393	-8,474		-8,474	
<b>Net errors and omissions</b>			-689,821			199,642	

<sup>P</sup> Provisional

Table 2. Balance of Payments summary: Quarters 1-3

€ 000

Balance of Payments	Quarters 1-3 2015 <sup>P</sup>			Quarters 1-3 2016 <sup>P</sup>			Change in balance
	Credit	Debit	Net	Credit	Debit	Net	
<b>Current account</b>	366,304	-	366,304	501,411	-	501,411	135,108
<b>Goods and services</b>	10,021,702	9,464,069	557,633	10,286,213	9,482,276	803,937	246,304
<b>Goods</b>	2,036,490	3,491,901	-1,455,411	1,756,758	3,227,366	-1,470,608	-15,197
<b>Services</b>	7,985,212	5,972,168	2,013,044	8,529,455	6,254,911	2,274,544	261,500
Transport	398,446	380,899	17,547	599,366	483,126	116,240	98,693
Travel	1,007,429	248,720	758,708	1,036,889	273,020	763,869	5,160
Other services	6,579,337	5,342,548	1,236,789	6,893,200	5,498,764	1,394,436	157,647
<b>Primary income</b>	7,703,216	8,074,947	-371,731	7,342,085	7,824,591	-482,506	-110,774
Compensation of employees	18,797	25,214	-6,417	18,846	29,692	-10,846	-4,429
<b>Secondary income</b>	745,519	565,117	180,402	747,402	567,422	179,980	-422
<b>Capital account</b>	159,961	1,700	158,262	36,996	1,935	35,061	-123,200
	<b>Assets</b>	<b>Liabilities</b>	<b>Net</b>	<b>Assets</b>	<b>Liabilities</b>	<b>Net</b>	<b>change</b>
<b>Financial account</b>	-5,368,058	-4,755,804	-612,254	-2,465,168	-3,076,334	611,165	1,223,419
Direct investment	-4,597,054	1,417,046	-6,014,100	-4,699,342	1,365,258	-6,064,600	-50,500
Portfolio investment	1,257,101	-1,012,424	2,269,526	3,421,068	18,914	3,402,154	1,132,629
Financial derivatives	-	1,036,456	-1,036,456	10,839	-	10,839	1,047,295
Other investment	-1,972,688	-6,196,882	4,224,194	-1,343,504	-4,460,505	3,117,001	-1,107,193
Reserve assets	-55,418		-55,418	145,771		145,771	
<b>Net errors and omissions</b>			-1,136,819			74,693	

<sup>P</sup> Provisional

Table 3. The Current Account, geographical breakdown: Quarter 3

€ 000

Current account	Quarter 3 2015 <sup>P</sup>			Quarter 3 2016 <sup>P</sup>		
	Credit	Debit	Net	Credit	Debit	Net
<b>Current account - World</b>	119,994	-	119,994	339,146	-	339,146
<i>of which:</i>						
<b>EU</b>	-	187,169	-187,169	52,792	-	52,792
<b>Extra EU</b>	307,163	-	307,163	286,354	-	286,354
<b>Euro Area</b>	-	69,896	-69,896	89,391	-	89,391
<b>Extra Euro Area</b>	187,299	-	187,299	247,163	-	247,163
<b>Goods - World</b>	692,827	1,305,124	-612,297	565,932	1,069,460	-503,528
<i>of which:</i>						
<b>EU</b>	233,960	770,373	-536,413	255,355	609,557	-354,202
<b>Extra EU</b>	458,867	534,751	-75,884	310,578	459,904	-149,326
<b>Euro Area</b>	179,342	632,742	-453,401	206,956	496,085	-289,129
<b>Extra Euro Area</b>	513,485	672,382	-158,896	358,976	573,375	-214,399
<b>Services - World</b>	2,887,642	2,065,308	822,333	3,069,378	2,125,364	944,014
<i>of which:</i>						
<b>EU</b>	1,285,505	614,709	670,796	1,352,190	683,958	668,232
<b>Extra EU</b>	1,602,136	1,450,600	151,537	1,717,189	1,441,406	275,783
<b>Euro Area</b>	669,451	285,558	383,893	724,067	333,527	390,540
<b>Extra Euro Area</b>	2,215,599	1,779,751	435,848	2,342,720	1,791,837	550,883
<b>Primary income - World</b>	2,485,422	2,639,446	-154,024	2,450,025	2,614,289	-164,265
<i>of which:</i>						
<b>EU</b>	131,144	518,560	-387,415	119,500	446,135	-326,635
<b>Extra EU</b>	2,354,278	2,120,887	233,391	2,330,524	2,168,154	162,371
<b>Euro Area</b>	78,349	151,030	-72,681	78,747	159,008	-80,262
<b>Extra Euro Area</b>	2,407,073	2,488,416	-81,343	2,371,278	2,455,281	-84,003
<b>Secondary income - World</b>	251,274	187,291	63,983	250,038	187,113	62,925
<i>of which:</i>						
<b>EU</b>	127,898	62,035	65,863	309,961	244,563	65,398
<b>Extra EU</b>	1,311	3,191	-1,880	56,712	59,186	-2,473
<b>Euro Area</b>	146,784	74,491	72,293	246,486	178,244	68,242
<b>Extra Euro Area</b>	-17,575	-9,265	-8,310	120,187	125,504	-5,318

<sup>P</sup> Provisional

Table 4. The Current Account, geographical breakdown: Quarters 1-3

€ 000

Current account	Quarters 1-3 2015 <sup>P</sup>			Quarters 1-3 2016 <sup>P</sup>		
	Credit	Debit	Net	Credit	Debit	Net
<b>Current account - World</b>	366,304	-	366,304	501,411	-	501,411
<i>of which:</i>						
<b>EU</b>	-	878,412	-878,412	-	215,271	-215,271
<b>Extra EU</b>	1,244,715	-	1,244,715	716,682	-	716,682
<b>Euro Area</b>	-	257,204	-257,204	61,584	-	61,584
<b>Extra Euro Area</b>	617,796	-	617,796	434,116	-	434,116
<b>Goods - World</b>	2,036,490	3,491,901	-1,455,411	1,756,758	3,227,366	-1,470,608
<i>of which:</i>						
<b>EU</b>	710,929	2,208,166	-1,497,237	772,665	1,796,381	-1,023,716
<b>Extra EU</b>	1,325,561	1,283,735	41,826	984,093	1,430,985	-446,892
<b>Euro Area</b>	554,395	1,728,036	-1,173,641	627,469	1,451,880	-824,411
<b>Extra Euro Area</b>	1,482,095	1,763,865	-281,770	1,129,289	1,775,485	-646,196
<b>Services - World</b>	7,985,212	5,972,168	2,013,044	8,529,455	6,254,911	2,274,544
<i>of which:</i>						
<b>EU</b>	3,320,236	1,700,919	1,619,317	3,565,980	1,927,112	1,638,868
<b>Extra EU</b>	4,664,976	4,271,249	393,727	4,963,475	4,327,799	635,677
<b>Euro Area</b>	1,747,225	759,891	987,334	1,894,116	911,761	982,355
<b>Extra Euro Area</b>	6,232,275	5,212,277	1,019,998	6,629,627	5,343,150	1,286,478
<b>Primary income - World</b>	7,703,216	8,074,947	-371,731	7,342,085	7,824,591	-482,506
<i>of which:</i>						
<b>EU</b>	473,256	1,662,577	-1,189,321	395,974	1,414,160	-1,018,185
<b>Extra EU</b>	7,229,960	6,412,370	817,590	6,946,111	6,410,431	535,680
<b>Euro Area</b>	262,737	541,930	-279,193	258,800	560,737	-301,937
<b>Extra Euro Area</b>	7,440,479	7,533,017	-92,538	7,083,285	7,263,854	-180,569
<b>Secondary income - World</b>	745,519	565,117	180,402	747,402	567,422	179,980
<i>of which:</i>						
<b>EU</b>	376,058	187,228	188,830	927,004	739,241	187,763
<b>Extra EU</b>	3,265	11,692	-8,428	170,304	178,087	-7,783
<b>Euro Area</b>	432,127	223,831	208,296	740,577	535,000	205,577
<b>Extra Euro Area</b>	-52,804	-24,910	-27,894	356,730	382,327	-25,597

<sup>P</sup> 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 both current account, capital account as well as 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 balance of payments data for 2014 was revised by the incorporation of final results from published financial statements covering gambling and betting activities which led to an upward revision in the current and financial accounts as well as gross domestic product (GDP) and gross national income (GNI). Data for 2013 was also updated following new information which was not previously available. Data for 2015 and 2016 have been revised upwards accordingly but are still based on quarterly indicators rather than on finalised annual data.
7. The quarterly figure for re-invested earnings (a component of both the income account as well as the direct investment account) reported 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.
8. Shipment data (freight and insurance) is being measured from the c.i.f. INTRASTAT import data, while data for the travel account is collected from TOURSTAT and administrative data.
9. 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.
10. Figures are not seasonally adjusted.
11. Figures may not add up due to rounding.
12. More information relating to this news release may be accessed at:

Statistical Concepts: <http://nso.gov.mt/metadadata/concepts.aspx>

Metadata: <http://nso.gov.mt/metadadata/reports.aspx?id=4>

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

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