

During the last quarter of 2018, Malta registered a current account surplus of €190.3 million.

## International Economic and Financial Transactions: Q4/2018

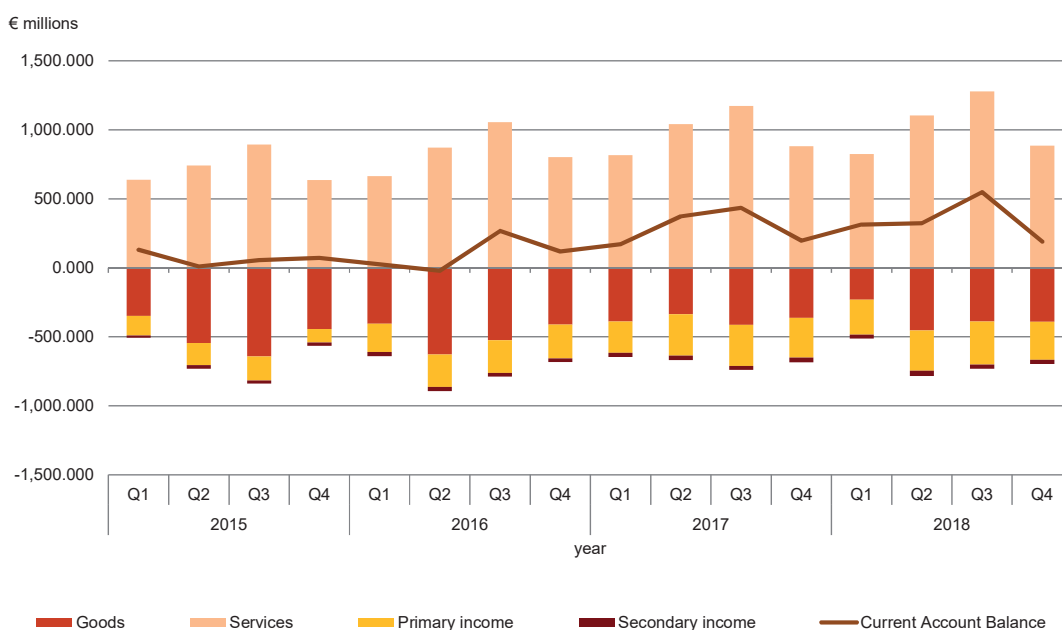
Cut-off date:  
**27 February 2019**

Provisional figures for Malta's external transactions show that during October-December 2018, the current account balance recorded a surplus of €190.3 million as compared to a surplus of €197.8 million in the corresponding quarter of 2017. Leading towards this surplus was primarily a positive net balance of the services account of €885.7 million marked by improvements in the net balances of the other services, travel and transport accounts. This was partially outweighed by negative net balances in the goods account (€390.2 million), primary income account (€275.3 million) and secondary income account (€29.9 million).

During the December quarter last year, the capital account registered a positive net balance of €50.0 million as compared to a positive balance of €31.3 million in 2017.

The financial account was shaped by net asset decreases of €40.6 million, a decline in net balance of assets of €169.4 million over the same quarter in 2017. The development in the financial account balance was mainly the result of lower direct investment by €2,388.6 million which was not entirely outweighed by higher other investment (€1,245.5 million) and portfolio investment (€1,078.2 million). As a direct effect of the above shifts in the statement, the reserve assets of the country increased by €45.6 million compared to an increase of €24.9 million during the comparable quarter in 2017 (Table 1) ■

**Chart 1. Current account balance**



**Table 1. Balance of Payments summary**

€ 000

| Balance of Payments             | October-December 2017 <sup>P</sup> |                    |            | October-December 2018 <sup>P</sup> |                    |            | change in balance        |
|---------------------------------|------------------------------------|--------------------|------------|------------------------------------|--------------------|------------|--------------------------|
|                                 | Credit                             | Debit              | Net        | Credit                             | Debit              | Net        |                          |
| <b>Current account</b>          | 6,826,451                          | 6,628,621          | 197,830    | 6,763,785                          | 6,573,469          | 190,316    | -7,514                   |
| <b>Goods and services</b>       | 4,346,509                          | 3,827,306          | 519,204    | 4,332,949                          | 3,837,458          | 495,491    | -23,713                  |
| <b>Goods</b>                    | 901,282                            | 1,263,993          | -362,711   | 785,751                            | 1,175,918          | -390,167   | -27,455                  |
| <b>Services</b>                 | 3,445,227                          | 2,563,312          | 881,915    | 3,547,198                          | 2,661,540          | 885,657    | 3,742                    |
| Transport                       | 247,345                            | 161,244            | 86,102     | 250,113                            | 159,696            | 90,417     | 4,315                    |
| Travel                          | 315,503                            | 111,057            | 204,447    | 307,843                            | 116,014            | 191,829    | -12,617                  |
| Other services                  | 2,882,379                          | 2,291,012          | 591,367    | 2,989,242                          | 2,385,831          | 603,411    | 12,044                   |
| <b>Primary income</b>           | 2,423,545                          | 2,711,379          | -287,834   | 2,377,018                          | 2,652,312          | -275,294   | 12,540                   |
| Compensation of employees       | 4,347                              | 16,376             | -12,029    | 4,326                              | 16,587             | -12,260    | -231                     |
| <b>Secondary income</b>         | 56,396                             | 89,937             | -33,540    | 53,817                             | 83,699             | -29,881    | 3,659                    |
| <b>Capital account</b>          | 32,110                             | 770                | 31,340     | 50,300                             | 259                | 50,040     | 18,701                   |
|                                 | <b>Assets</b>                      | <b>Liabilities</b> | <b>Net</b> | <b>Assets</b>                      | <b>Liabilities</b> | <b>Net</b> | <b>change in balance</b> |
| <b>Financial account</b>        | 1,727,941                          | 1,599,206          | 128,735    | -1,066,983                         | -1,026,366         | -40,617    | -169,352                 |
| Direct investment               | -1,457,181                         | 1,040,107          | -2,497,288 | -1,473,341                         | 915,290            | -2,388,632 | 108,656                  |
| Portfolio investment            | 1,261,452                          | 53,402             | 1,208,050  | 1,187,674                          | 109,441            | 1,078,232  | -129,817                 |
| Financial derivatives           | 17,166                             | 0                  | 17,166     | 0                                  | 21,343             | -21,343    | -38,509                  |
| Other investment                | 1,881,605                          | 505,697            | 1,375,908  | -826,920                           | -2,072,440         | 1,245,520  | -130,389                 |
| Reserve assets <sup>1</sup>     | 24,899                             |                    | 24,899     | 45,605                             |                    | 45,605     |                          |
| <b>Net errors and omissions</b> |                                    |                    | -100,434   |                                    |                    | -280,973   |                          |

<sup>P</sup> Provisional

<sup>1</sup> Blank cells denote not applicable

**Table 2. Balance of Payments summary**

€ 000

| Balance of Payments             | 2017 <sup>P</sup> |                    |            | 2018 <sup>P</sup> |                    |            | change in balance        |
|---------------------------------|-------------------|--------------------|------------|-------------------|--------------------|------------|--------------------------|
|                                 | Credit            | Debit              | Net        | Credit            | Debit              | Net        |                          |
| <b>Current account</b>          | 27,007,038        | 25,829,293         | 1,177,745  | 27,627,407        | 26,249,919         | 1,377,489  | 199,744                  |
| <b>Goods and services</b>       | 17,067,981        | 14,653,283         | 2,414,697  | 17,810,109        | 15,174,546         | 2,635,564  | 220,866                  |
| <b>Goods</b>                    | 3,006,953         | 4,507,123          | -1,500,170 | 3,001,425         | 4,461,920          | -1,460,496 | 39,675                   |
| <b>Services</b>                 | 14,061,028        | 10,146,160         | 3,914,868  | 14,808,685        | 10,712,625         | 4,096,059  | 181,192                  |
| Transport                       | 944,641           | 620,780            | 323,861    | 1,076,909         | 632,105            | 444,804    | 120,943                  |
| Travel                          | 1,528,432         | 414,307            | 1,114,125  | 1,569,926         | 440,506            | 1,129,420  | 15,296                   |
| Other services                  | 11,587,955        | 9,111,073          | 2,476,882  | 12,161,849        | 9,640,015          | 2,521,835  | 44,953                   |
| <b>Primary income</b>           | 9,722,718         | 10,832,691         | -1,109,973 | 9,601,951         | 10,735,565         | -1,133,614 | -23,641                  |
| Compensation of employees       | 19,975            | 61,659             | -41,683    | 17,299            | 68,172             | -50,873    | -9,190                   |
| <b>Secondary income</b>         | 216,339           | 343,319            | -126,980   | 215,347           | 339,808            | -124,462   | 2,518                    |
| <b>Capital account</b>          | 63,245            | 3,119              | 60,126     | 71,644            | 1,896              | 69,748     | 9,622                    |
|                                 | <b>Assets</b>     | <b>Liabilities</b> | <b>Net</b> | <b>Assets</b>     | <b>Liabilities</b> | <b>Net</b> | <b>change in balance</b> |
| <b>Financial account</b>        | 9,107,610         | 7,823,516          | 1,284,094  | 1,126,530         | 476,717            | 649,813    | -634,281                 |
| Direct investment               | -5,761,621        | 3,661,340          | -9,422,961 | -5,625,557        | 4,021,117          | -9,646,674 | -223,712                 |
| Portfolio investment            | 6,829,712         | 107,271            | 6,722,442  | 3,222,837         | 253,710            | 2,969,127  | -3,753,315               |
| Financial derivatives           | 0                 | 106,844            | -106,844   | 180,371           | 0                  | 180,371    | 287,215                  |
| Other investment                | 7,893,085         | 3,948,062          | 3,945,024  | 3,180,928         | -3,798,110         | 6,979,038  | 3,034,014                |
| Reserve assets <sup>1</sup>     | 146,434           |                    | 146,434    | 167,951           |                    | 167,951    |                          |
| <b>Net errors and omissions</b> |                   |                    | 46,223     |                   |                    | -797,423   |                          |

<sup>P</sup> Provisional

<sup>1</sup> Blank cells denote not applicable

Table 3. The Current Account, geographical breakdown

€ 000

| Current account                 | October-December 2017 <sup>P</sup> |           |          | October-December 2018 <sup>P</sup> |           |          |
|---------------------------------|------------------------------------|-----------|----------|------------------------------------|-----------|----------|
|                                 | Credit                             | Debit     | Net      | Credit                             | Debit     | Net      |
| <b>Current account - World</b>  | 6,826,451                          | 6,628,621 | 197,830  | 6,763,785                          | 6,573,469 | 190,316  |
| <i>of which:</i>                |                                    |           |          |                                    |           |          |
| <b>EU</b>                       | 4,250,732                          | 4,408,272 | -157,540 | 4,383,355                          | 4,110,976 | 272,379  |
| <b>Extra EU</b>                 | 2,575,719                          | 2,220,350 | 355,369  | 2,380,430                          | 2,462,493 | -82,063  |
| <b>Euro Area</b>                | 2,823,886                          | 3,073,918 | -250,032 | 2,873,247                          | 2,758,961 | 114,286  |
| <b>Extra Euro Area</b>          | 4,002,565                          | 3,554,703 | 447,861  | 3,890,538                          | 3,814,508 | 76,030   |
| <b>Goods - World</b>            | 901,282                            | 1,263,993 | -362,711 | 785,751                            | 1,175,918 | -390,167 |
| <i>of which:</i>                |                                    |           |          |                                    |           |          |
| <b>EU</b>                       | 332,196                            | 806,679   | -474,482 | 335,561                            | 662,692   | -327,130 |
| <b>Extra EU</b>                 | 569,086                            | 457,315   | 111,771  | 450,190                            | 513,226   | -63,037  |
| <b>Euro Area</b>                | 292,754                            | 660,772   | -368,018 | 283,987                            | 545,711   | -261,723 |
| <b>Extra Euro Area</b>          | 608,528                            | 603,221   | 5,307    | 501,764                            | 630,207   | -128,443 |
| <b>Services - World</b>         | 3,445,227                          | 2,563,312 | 881,915  | 3,547,198                          | 2,661,540 | 885,657  |
| <i>of which:</i>                |                                    |           |          |                                    |           |          |
| <b>EU</b>                       | 2,393,620                          | 1,772,412 | 621,208  | 2,500,119                          | 1,859,697 | 640,422  |
| <b>Extra EU</b>                 | 1,051,607                          | 790,900   | 260,707  | 1,047,079                          | 801,843   | 245,236  |
| <b>Euro Area</b>                | 1,382,439                          | 1,162,347 | 220,092  | 1,433,372                          | 1,212,761 | 220,610  |
| <b>Extra Euro Area</b>          | 2,062,788                          | 1,400,965 | 661,823  | 2,113,826                          | 1,448,779 | 665,047  |
| <b>Primary income - World</b>   | 2,423,545                          | 2,711,379 | -287,834 | 2,377,018                          | 2,652,312 | -275,294 |
| <i>of which:</i>                |                                    |           |          |                                    |           |          |
| <b>EU</b>                       | 1,498,330                          | 1,781,271 | -282,941 | 1,521,615                          | 1,547,493 | -25,878  |
| <b>Extra EU</b>                 | 925,215                            | 930,108   | -4,892   | 855,403                            | 1,104,819 | -249,416 |
| <b>Euro Area</b>                | 1,143,269                          | 1,239,646 | -96,377  | 1,150,825                          | 990,462   | 160,363  |
| <b>Extra Euro Area</b>          | 1,280,276                          | 1,471,732 | -191,456 | 1,226,193                          | 1,661,850 | -435,657 |
| <b>Secondary income - World</b> | 56,396                             | 89,937    | -33,540  | 53,817                             | 83,699    | -29,881  |
| <i>of which:</i>                |                                    |           |          |                                    |           |          |
| <b>EU</b>                       | 26,586                             | 47,910    | -21,324  | 26,059                             | 41,094    | -15,035  |
| <b>Extra EU</b>                 | 29,811                             | 42,027    | -12,216  | 27,759                             | 42,605    | -14,846  |
| <b>Euro Area</b>                | 5,424                              | 11,153    | -5,728   | 5,063                              | 10,027    | -4,964   |
| <b>Extra Euro Area</b>          | 50,972                             | 78,784    | -27,812  | 48,754                             | 73,671    | -24,918  |

<sup>P</sup> Provisional

Table 4. The Current Account, geographical breakdown

€ 000

| Current account                 | 2017 <sup>P</sup> |            |            | 2018 <sup>P</sup> |            |            |
|---------------------------------|-------------------|------------|------------|-------------------|------------|------------|
|                                 | Credit            | Debit      | Net        | Credit            | Debit      | Net        |
| <b>Current account - World</b>  | 27,007,038        | 25,829,293 | 1,177,745  | 27,627,407        | 26,249,919 | 1,377,489  |
| <i>of which:</i>                |                   |            |            |                   |            |            |
| <b>EU</b>                       | 17,174,071        | 17,001,093 | 172,978    | 18,068,618        | 17,775,157 | 293,462    |
| <b>Extra EU</b>                 | 9,832,967         | 8,828,200  | 1,004,767  | 9,558,789         | 8,474,762  | 1,084,027  |
| <b>Euro Area</b>                | 11,410,172        | 11,686,458 | -276,287   | 11,913,103        | 12,281,857 | -368,755   |
| <b>Extra Euro Area</b>          | 15,596,866        | 14,142,835 | 1,454,032  | 15,714,305        | 13,968,061 | 1,746,243  |
| <b>Goods - World</b>            | 3,006,953         | 4,507,123  | -1,500,170 | 3,001,425         | 4,461,920  | -1,460,496 |
| <i>of which:</i>                |                   |            |            |                   |            |            |
| <b>EU</b>                       | 1,329,645         | 2,778,585  | -1,448,940 | 1,458,749         | 2,782,227  | -1,323,478 |
| <b>Extra EU</b>                 | 1,677,307         | 1,728,538  | -51,231    | 1,542,676         | 1,679,694  | -137,018   |
| <b>Euro Area</b>                | 1,168,918         | 2,280,156  | -1,111,238 | 1,289,001         | 2,293,575  | -1,004,574 |
| <b>Extra Euro Area</b>          | 1,838,035         | 2,226,967  | -388,932   | 1,712,424         | 2,168,346  | -455,922   |
| <b>Services - World</b>         | 14,061,028        | 10,146,160 | 3,914,868  | 14,808,685        | 10,712,625 | 4,096,059  |
| <i>of which:</i>                |                   |            |            |                   |            |            |
| <b>EU</b>                       | 9,747,549         | 7,050,971  | 2,696,579  | 10,424,060        | 7,505,526  | 2,918,534  |
| <b>Extra EU</b>                 | 4,313,479         | 3,095,190  | 1,218,289  | 4,384,625         | 3,207,099  | 1,177,525  |
| <b>Euro Area</b>                | 5,659,744         | 4,611,882  | 1,047,862  | 5,969,061         | 4,901,426  | 1,067,636  |
| <b>Extra Euro Area</b>          | 8,401,284         | 5,534,278  | 2,867,006  | 8,839,624         | 5,811,200  | 3,028,424  |
| <b>Primary income - World</b>   | 9,722,718         | 10,832,691 | -1,109,973 | 9,601,951         | 10,735,565 | -1,133,614 |
| <i>of which:</i>                |                   |            |            |                   |            |            |
| <b>EU</b>                       | 5,994,561         | 6,984,920  | -990,359   | 6,081,762         | 7,314,599  | -1,232,837 |
| <b>Extra EU</b>                 | 3,728,157         | 3,847,770  | -119,614   | 3,520,189         | 3,420,966  | 99,224     |
| <b>Euro Area</b>                | 4,559,812         | 4,751,010  | -191,198   | 4,633,790         | 5,046,789  | -413,000   |
| <b>Extra Euro Area</b>          | 5,162,905         | 6,081,681  | -918,775   | 4,968,161         | 5,688,775  | -720,614   |
| <b>Secondary income - World</b> | 216,339           | 343,319    | -126,980   | 215,347           | 339,808    | -124,462   |
| <i>of which:</i>                |                   |            |            |                   |            |            |
| <b>EU</b>                       | 102,315           | 186,617    | -84,302    | 104,048           | 172,805    | -68,757    |
| <b>Extra EU</b>                 | 114,024           | 156,701    | -42,678    | 111,299           | 167,003    | -55,704    |
| <b>Euro Area</b>                | 21,697            | 43,410     | -21,713    | 21,251            | 40,068     | -18,816    |
| <b>Extra Euro Area</b>          | 194,642           | 299,908    | -105,267   | 194,095           | 299,740    | -105,645   |

<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
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 BOP data for 2015 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 2014 was also updated following new information which was not previously available. Data for 2016, 2017 and 2018 have been revised upwards accordingly but are still based on quarterly indicators rather than on finalised annual data.
7. 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.
8. 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.
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>
13. References to this news release are to be cited appropriately.
14. A detailed news release calendar is available on:  
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