

## **COMMENTARY**

### **MALTA'S FOREIGN TRADE DURING 2003**

During 2003, imports registered an increase of Lm53.8 million when compared to the previous year. On the other hand there was a decrease of Lm40.1 million in total exports between 2002 and 2003.

#### **IMPORTS**

Total imports for 2003 stood at Lm1,281.3 million against Lm1,227.5 million for 2002, representing an increase of 4.4 per cent. The most significant rise was registered in Industrial Supplies, were Lm27.5 million more were recorded. Consumer Goods also registered an increase of Lm17.1 million. Other increases were in the Capital Goods and the Non-Specified and Gold sectors with Lm9.4 million and Lm0.7 million respectively. The only drop in imports was in Fuel and Lubricating Oils sector with a marginal decrease of Lm0.9 million.

#### **DOMESTIC EXPORTS AND RE-EXPORTS**

When compared to 2002, domestic exports figures for 2003 show an increase of Lm19.4 million or 2.4 per cent from Lm797.3 million to Lm816.7 million. The most significant increase was in Machinery and Transport Equipment sector with Lm28.4 million. Other increases were recorded in the Chemicals, Crude Materials and Semi-Manufactures sectors. Drops were registered mainly in the Manufactured Goods, Food, and Beverages and Tobacco sectors with Lm5.3 million, Lm3.0 million and Lm2.1 million respectively.

Re-exports went down by Lm59.5 million or 34.8 per cent from Lm171.1 million for 2002 to Lm111.6 million for 2003. This sharp drop was mainly registered in the Machinery and Transport Equipment sector with a decrease of Lm53.4 million, due to sale of aircraft in 2002. Almost all sectors show a decrease with the exception of the Beverages and Tobacco and other Miscellaneous Transactions sectors.

#### **DIRECTION OF TRADE**

During 2003 the European Union remained the main trading partner as regards imports, with a total of Lm867.4 million or 67.7 per cent of total imports. The main trading partners within the EU were Italy, France, the United Kingdom and Germany with Lm294.4 million, Lm218.9 million, Lm118.6 million and Lm101.0 million respectively. These four countries, registering increases with the exception of the United Kingdom, account to 84.5 per cent of all imports from the European Union.

Increases of Lm2.3 million and Lm1.1 million were registered in imports from EFTA countries and other European Countries respectively. Imports from Asian countries, accounting to 16.4 per cent of all imports, also show a rise of Lm25.2 million. Other increases were from Australia and Oceania, and South America. On the other hand there was a decline in imports from Africa, North and Central America and the West Indies.

Domestic exports to the European Union reached Lm376.2 million or 46.1 per cent. During 2003 the most significant export markets besides the EU were Asia with Lm252.4 million and North and Central America with Lm135.7 million.