

23 July 2014 | 1100 hrs | 139/2014

As at the end of December 2013, the Maltese economy recorded an estimated net international investment position of €1.71 billion.

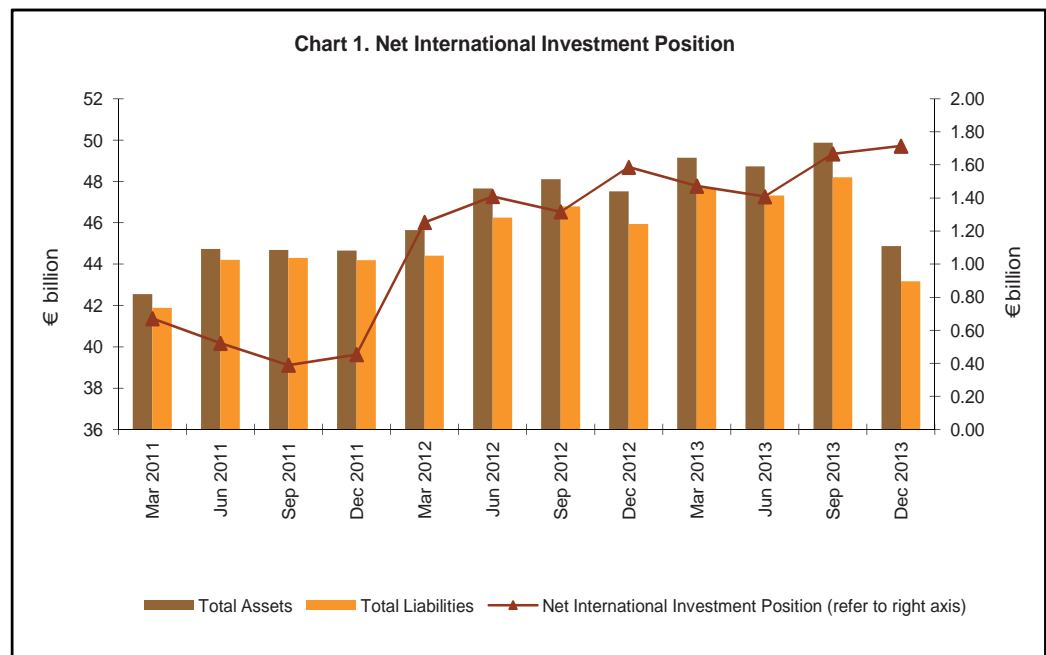
International Investment Position of Malta: December 2013

Cut-off date:
1 July 2014

As at December 2013, total foreign liabilities decreased by €2.78 billion over the position prevailing a year earlier. As a consequence, total foreign assets declined by €2.65 billion during the same period, resulting in an overall increase in the IIP of €0.13 billion.

Malta's total foreign assets abroad (Chart 2) amounted to €44.88 billion as at end December 2013. Other Investment accounted for 51.9 per cent while Portfolio Investment represented 43.9 per cent of total foreign assets. Decreases of €2.55 billion and €0.70 billion in loans generated by the banking sector and in debt securities respectively were the main contributors to the overall decline in foreign assets.

At the end of December last year, Malta's foreign liabilities (Chart 3) were estimated at €43.16 billion. Other Investment totalled €32.66 billion, accounting for 75.7 per cent of total foreign liabilities. The overall decline in foreign liabilities was characterised by a drop in the foreign direct investment equity of a financial intermediary ■



Compiled by:

Unit A3: Balance of Payments

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... Table 1. International Investment Position: March 2011-December 2013

€ million

	2011				2012				2013			
	March	June	September	December	March	June	September	December	March	June	September	December
4.2.3 Banks:	23,707.3	25,992.1	25,628.2	23,835.9	23,980.7	24,485.1	24,612.3	23,328.4	23,941.0	23,308.6	23,415.1	20,753.9
4.2.3.1 Long-term	14,968.2	14,467.7	14,177.5	14,386.3	14,150.6	14,438.8	13,886.3	13,298.9	12,786.0	11,318.5	10,707.5	9,130.7
4.2.3.2 Short-term	8,739.1	11,524.4	11,450.8	9,449.6	9,830.1	10,046.3	10,726.0	10,029.5	11,155.1	11,990.1	12,707.7	11,623.2
4.2.4 Other sectors:	109.4	104.8	105.3	125.6	118.3	121.8	123.6	137.1	127.2	128.1	119.6	127.6
4.2.4.1 Long-term	74.7	74.4	78.2	77.5	77.1	81.2	81.2	77.7	80.3	80.5	80.1	77.0
4.2.4.2 Short-term	34.7	30.5	27.1	48.1	41.3	40.6	42.3	59.3	46.8	47.6	39.5	50.6
4.3 Currency and deposits	983.8	1,438.9	1,032.1	960.0	890.9	905.2	868.2	885.6	1,506.5	1,264.0	1,361.0	1,084.3
4.3.1 Monetary authorities	278.8	721.4	296.6	204.8	123.0	124.9	76.4	87.7	656.4	417.4	498.0	202.5
4.3.2 General government	0.3	0.2	0.2	0.2	0.2	0.1	0.1	0.2	0.2	0.1	0.1	0.2
4.3.3 Banks	5.0	5.6	5.6	6.7	5.7	6.7	6.2	6.0	6.2	6.5	6.0	4.8
4.3.4 Other sectors	699.6	711.7	729.8	748.3	761.9	773.4	785.5	791.7	843.8	840.0	856.9	876.8
4.4 Other assets	94.7	83.9	71.1	73.4	82.9	100.1	115.7	139.9	115.8	118.5	142.2	158.9
4.4.1 Monetary authorities:	13.1	13.0	16.7	16.3	22.8	14.0	15.1	15.8	15.3	15.5	15.8	15.6
4.4.1.1 Long-term	13.1	13.0	16.7	16.3	22.8	14.0	15.1	15.8	15.3	15.5	15.8	15.6
4.4.1.2 Short-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4.4.2 General government:	0.5	1.6	1.6	1.7	1.7	2.0	2.0	25.6	25.6	37.4	37.5	49.2
4.4.2.1 Long-term	0.5	1.6	1.6	1.7	1.7	2.0	2.0	25.6	25.6	37.4	37.5	49.2
4.4.2.2 Short-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4.4.3 Banks:	74.4	62.6	46.1	48.8	51.7	77.4	92.0	91.9	68.2	58.9	82.3	87.4
4.4.3.1 Long-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4.4.3.2 Short-term	74.4	62.6	46.1	48.8	51.7	77.4	92.0	91.9	68.2	58.9	82.3	87.4
4.4.4 Other sectors:	6.6	6.6	6.6	6.6	6.6	6.6	6.6	6.6	6.6	6.6	6.6	6.6
4.4.4.1 Long-term	6.6	6.6	6.6	6.6	6.6	6.6	6.6	6.6	6.6	6.6	6.6	6.6
4.4.4.2 Short-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
5. Reserve assets	413.0	372.2	350.1	395.9	512.2	549.8	555.0	533.8	486.7	449.3	433.7	435.4
5.1 Monetary gold	6.4	6.6	7.6	9.6	11.8	11.9	8.7	12.0	12.9	11.7	12.6	11.1
5.2 Special drawing rights	107.0	104.7	104.8	107.7	105.6	109.7	108.6	106.1	104.6	102.9	101.7	100.1
5.3 Reserve position in the Fund	43.8	45.5	49.9	54.4	54.5	57.1	57.1	55.8	56.4	56.6	57.5	57.7
5.4 Foreign exchange	255.9	215.4	187.7	224.3	340.2	371.2	380.6	359.8	312.8	278.0	262.0	266.6
5.4.1 Currency and Deposits	69.0	34.9	23.3	47.4	50.6	72.9	83.5	81.7	40.4	9.5	13.4	32.2
5.4.1.1 With monetary authorities	6.8	2.0	3.0	6.2	10.8	43.1	42.9	35.2	9.2	4.6	2.5	2.6
5.4.1.2 With banks	62.2	32.9	20.3	41.2	39.7	29.8	40.6	46.5	31.2	5.0	10.8	29.7
5.4.2 Securities	170.8	173.5	179.7	179.1	282.9	307.0	286.6	271.2	274.3	268.0	242.8	230.0
5.4.2.1 Equities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
5.4.2.2 Bonds and notes	170.8	173.5	179.7	179.1	282.9	307.0	286.6	271.2	274.3	268.0	242.8	230.0
5.4.2.3 Money market instruments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
5.4.3 Financial derivatives	16.1	7.1	-15.2	-2.2	6.7	-8.8	10.5	6.9	-1.8	0.5	5.8	4.3
5.5 Other claims	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
B. Liabilities	41,884.1	44,206.8	44,303.5	44,197.3	44,399.9	46,244.4	46,797.8	45,940.4	47,670.7	47,326.6	48,208.1	43,164.8
1. Direct Investment in reporting economy	11,773.4	11,812.5	11,819.9	12,024.3	11,995.9	12,155.3	12,491.5	12,605.1	12,500.8	11,763.7	11,731.6	9,613.2
1.1 Equity capital and reinvested earnings	11,295.5	11,258.0	11,278.5	11,403.3	11,328.4	11,412.7	11,758.9	11,919.8	11,803.3	10,958.9	10,888.9	8,740.5
1.1.1 Claims on direct investors	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.1.2 Liabilities to direct investors	11,295.5	11,258.0	11,278.5	11,403.3	11,328.4	11,412.7	11,758.9	11,919.8	11,803.3	10,958.9	10,888.9	8,740.5
1.2 Other capital	477.9	554.5	541.5	621.0	667.6	742.7	732.6	685.4	697.5	804.9	842.6	872.7
1.2.1 Claims on direct investors	1,098.1	1,116.8	1,195.2	1,231.1	1,342.5	1,369.5	1,465.8	1,603.9	1,669.8	1,654.9	1,712.4	1,792.3
1.2.2 Liabilities to direct investors	1,575.9	1,671.3	1,736.7	1,852.1	2,010.0	2,112.1	2,198.4	2,289.3	2,367.3	2,459.8	2,555.0	2,665.0

... Table 1. International Investment Position: March 2011-December 2013

€ million

	2011				2012				2013			
	March	June	September	December	March	June	September	December	March	June	September	December
2. Portfolio Investment	502.2	520.5	501.2	472.0	460.4	461.9	466.8	458.9	528.6	532.2	530.5	528.9
2.1 Equity securities	169.1	185.6	172.4	142.8	123.3	126.8	125.7	120.3	149.9	152.4	148.2	146.0
2.1.1 Banks	81.4	76.8	77.1	77.2	78.2	81.3	79.9	78.7	86.4	88.8	82.4	81.0
2.1.2 Other sectors	87.8	108.8	95.3	65.5	45.2	45.5	45.8	41.7	63.5	63.6	65.8	65.0
2.2 Debt securities	333.1	334.9	328.8	329.2	337.0	335.0	341.0	338.5	378.7	379.8	382.3	382.9
2.2.1 Bonds and notes	333.1	334.9	328.8	329.2	337.0	335.0	341.0	338.5	378.7	379.8	382.3	382.9
2.2.1.1 Monetary authorities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.2.1.2 General government	102.0	102.8	103.0	106.6	111.4	112.5	114.3	116.9	154.0	158.7	158.3	162.9
2.2.1.3 Banks	15.2	15.8	3.9	4.0	4.0	5.1	6.0	4.5	4.3	4.3	5.1	6.8
2.2.1.4 Other sectors	215.9	216.4	221.9	218.6	221.6	217.4	220.7	217.1	220.4	216.8	218.9	213.2
2.2.2 Money market instruments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.2.2.1 Monetary authorities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.2.2.2 General government	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.2.2.3 Banks	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.2.2.4 Other sectors	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3. Financial derivatives	250.2	215.7	355.5	377.3	369.2	472.8	480.5	455.1	434.0	379.9	412.5	358.5
3.1 Monetary authorities	0.0	0.0	0.0	1.2	0.0	4.3	0.0	0.0	1.4	0.0	0.1	0.0
3.2 General government	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3.3 Banks	246.5	215.7	355.3	376.0	365.6	464.9	480.5	455.1	432.2	379.9	412.4	358.5
3.4 Other sectors	3.6	0.0	0.1	0.2	3.6	3.6	0.0	0.0	0.3	0.0	0.0	0.0
4. Other Investment	29,358.4	31,658.1	31,626.9	31,323.7	31,574.4	33,154.4	33,359.0	32,421.3	34,207.3	34,650.8	35,533.5	32,664.1
4.1 Trade credits	997.9	1,022.8	1,081.6	1,049.0	1,092.5	1,204.9	1,338.9	1,277.0	1,352.0	1,429.5	1,415.8	1,476.8
4.1.1 General government:	247.6	245.2	277.9	222.4	247.4	304.7	339.7	276.8	276.2	302.8	266.3	265.3
4.1.1.1 Long-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4.1.1.2 Short-term	247.6	245.2	277.9	222.4	247.4	304.7	339.7	276.8	276.2	302.8	266.3	265.3
4.1.2 Other sectors:	750.4	777.5	803.7	826.6	845.1	900.2	999.1	1,000.2	1,075.8	1,126.7	1,149.6	1,211.4
4.1.2.1 Long-term	11.5	10.8	10.8	10.0	11.2	12.8	14.4	15.7	17.2	19.1	21.1	24.9
4.1.2.2 Short-term	738.9	766.7	792.9	816.6	833.9	887.3	984.8	984.5	1,058.7	1,107.6	1,128.5	1,186.5
4.2 Loans	679.2	680.5	683.2	650.5	634.9	674.6	675.2	748.5	771.5	800.6	810.2	779.3
4.2.1 Monetary authorities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4.2.1.1 Use of Fund credit and loans from the fund	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4.2.1.2 Other long-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4.2.1.3 Short-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4.2.2 General government	91.2	89.2	89.0	90.1	130.3	165.4	167.6	197.9	203.3	216.6	219.9	223.5
4.2.2.1 Long-term	91.2	89.2	89.0	90.1	130.3	165.4	167.6	197.9	203.3	216.6	219.9	223.5
4.2.2.2 Short-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4.2.3 Banks	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.6	0.0	0.0	0.0
4.2.3.1 Long-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4.2.3.2 Short-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.6	0.0	0.0	0.0
4.2.4 Other sectors:	588.0	591.2	594.2	560.3	504.7	509.1	507.6	550.6	567.6	584.0	590.3	555.8
4.2.4.1 Long-term	573.6	573.6	576.6	542.1	481.3	483.9	483.6	524.9	537.6	555.3	560.7	523.5
4.2.4.2 Short-term	14.4	17.7	17.6	18.3	23.3	25.3	24.0	25.7	30.0	28.7	29.6	32.2
4.3 Currency and deposits	27,535.0	29,838.0	29,747.5	29,507.7	29,736.9	31,155.3	31,207.5	30,266.5	31,973.6	32,281.7	33,059.3	30,109.6
4.3.1 Monetary authorities	1,307.4	1,865.4	582.8	426.0	1,105.1	1,141.7	539.4	206.0	766.0	929.7	899.7	674.6
4.3.2 General government	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4.3.3 Banks	26,112.1	27,854.6	29,044.1	28,958.5	28,505.9	29,885.1	30,537.0	29,926.7	31,071.2	31,213.0	32,017.9	29,290.6
4.3.4 Other sectors	115.5	118.0	120.6	123.2	125.9	128.5	131.1	133.8	136.4	139.1	141.7	144.4

... Table 1. International Investment Position: March 2011-December 2013 ...

€ million

	2011				2012				2013			
	March	June	September	December	March	June	September	December	March	June	September	December
4.4 Other liabilities	146.3	116.9	114.6	116.6	110.1	119.7	137.4	129.3	110.2	139.0	248.1	298.5
4.4.1 Monetary authorities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4.4.1.1 Long-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4.4.1.2 Short-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4.4.2 General government	0.5	1.5	1.4	1.4	1.3	1.3	1.2	1.1	1.1	1.0	0.9	0.9
4.4.2.1 Long-term	0.5	1.5	1.4	1.4	1.3	1.3	1.2	1.1	1.1	1.0	0.9	0.9
4.4.2.2 Short-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4.4.3 Banks	145.8	115.4	113.1	115.2	108.8	118.5	136.2	128.2	109.1	138.0	247.2	297.6
4.4.3.1 Long-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4.4.3.2 Short-term	145.8	115.4	113.1	115.2	108.8	118.5	136.2	128.2	109.1	138.0	247.2	297.6
4.4.4 Other sectors	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4.4.4.1 Long-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4.4.4.2 Short-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

^a figures may not add up due to rounding

Chart 2. Total Foreign Assets by component
March 2012-December 2013

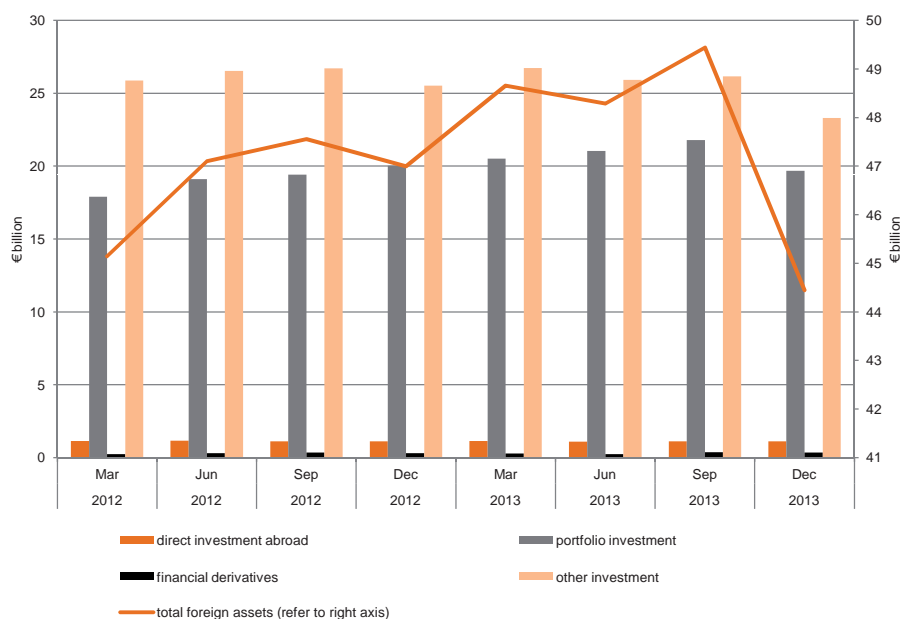
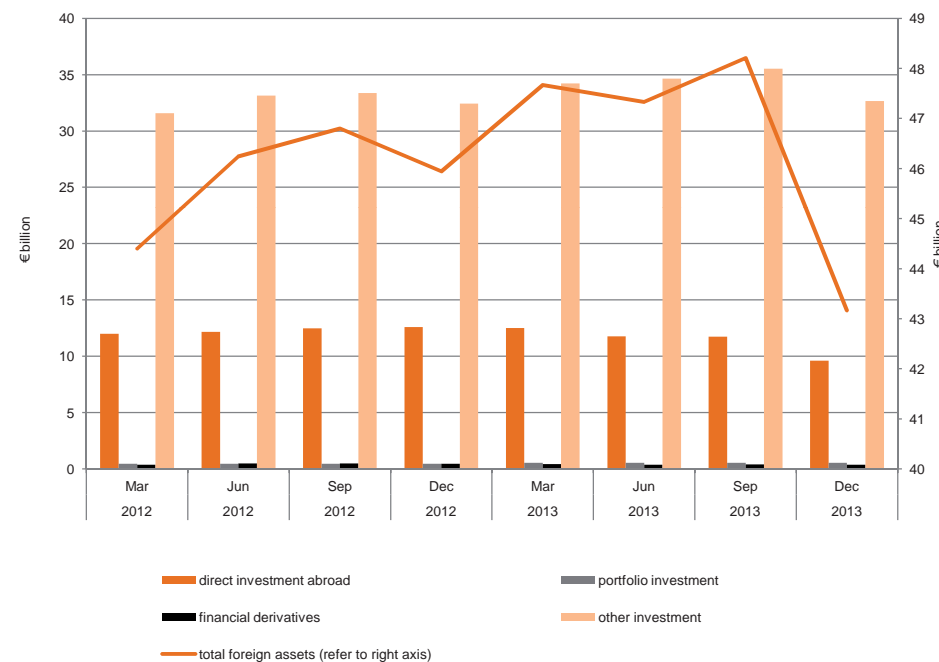


Chart 3. Total Foreign Liabilities by component
March 2012-December 2013



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 International Investment Position (IIP) as well as the Balance of Payments (BoP) statements of Malta. Both statements are compiled in accordance with the international guidelines provided in the fifth BoP Manual of the International Monetary Fund (IMF) as well as with the guidelines drawn up by Eurostat, the European Union statistical agency.
2. The IIP is compiled periodically to show the position of foreign assets and liabilities, by instrument, at the end of a particular period. These are classified under direct investment; portfolio investment; financial derivatives; other investment; and reserve assets.
3. The IIP at the end of a specific period reflects the financial transactions, valuation changes, and other adjustments, denoted by instrument.
4. Data are collected through a direct reporting (DR) survey covering all sectors of the economy, excluding the household sector. The latter is based on administrative data, which is also used to complement the DR system.
5. Data are provisional and are subject to change.
6. As from January 1 2008, following Malta's entry into the euro area, a reclassification of the external reserves of the country has been carried out. This meant that as from this date, all cross-border claims that Malta has within the euro area as well as all claims that the country has in euro-denomination are no longer considered as being part of Malta's reserve assets. In addition, as happened in other euro area Member States, Malta has transferred a fraction of its external reserves to the European Central Bank (ECB) in exchange for a claim on the ECB; which, being an intra-Eurosystem asset, is also not considered as being part of the country's external reserves.
7. Reverse transactions by the monetary authorities conducted under a repurchase agreement had been classified under "loans" up to the previous release (News Release 015/2014 of 23 June 2014). This was done in line with common practice. However, following further discussions and consultations, these particular repos have now been reclassified under "deposits". The ensuing totals of Other Investments (Liabilities), where both instruments are categorised, are not affected; nor is the IIP position.

Note: Later this year, the Balance of Payments and the International Investment Position will be compiled based on the guidelines of the Balance of Payments Manual (Sixth Edition), as recently published by the IMF. This will result in several instruments being presented in a different format. Moreover, special purpose entities (SPEs) will also start to feature in the Statement and a benchmark session will be incorporated. The updated compilation will lead to significant changes in the current statements.