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Provisional estimates show that during the second quarter, Malta's current account recorded a net surplus of €179.5 million.

## International Economic and Financial Transactions: Q2/2014

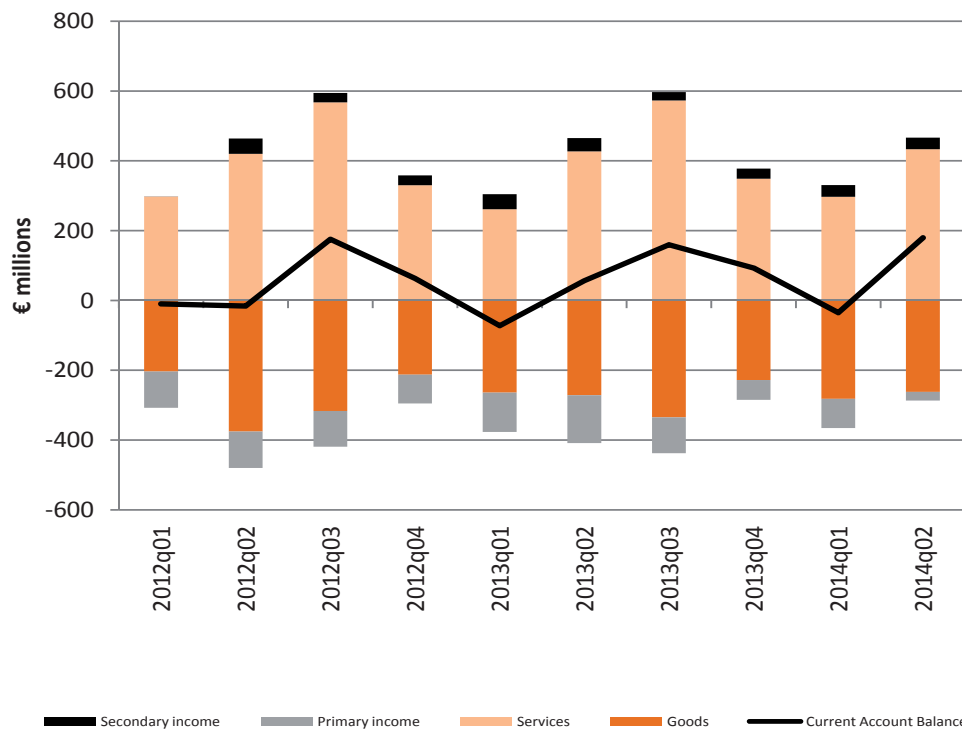
Cut-off date:  
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This is the first BoP statement produced according to the guidelines provided in the 'Sixth Edition of the IMF's Balance of Payments and International Investment Position Manual (BPM6)'. For the first time, the statement is including data for special purpose entities (SPEs). Therefore these updates do not allow for comparison with previous periods. As this release presents the first results of the transition to the BPM6, the current and capital accounts covering the period from 2012 to the second quarter this year are being shown. Application of the new methodology to coverage of the financial account is in hand.

The main drive behind the increase of €123.0 million in the current account surplus over the corresponding quarter last year is the primary income account. This increased on account of lower re-invested earnings by the banking sector. The other accounts remained in line with last year (Table 1).

When comparing the first half of the year with the corresponding period a year ago, the primary income account was also the main cause for the improvement in the current account surplus. The services account also showed improvement, mainly from foreign tourist expenditure in Malta (Table 2) ■

**Chart 1. Current Account Balance**



Compiled by:

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**Table 1. Balance of Payments Summary: June Quarter**

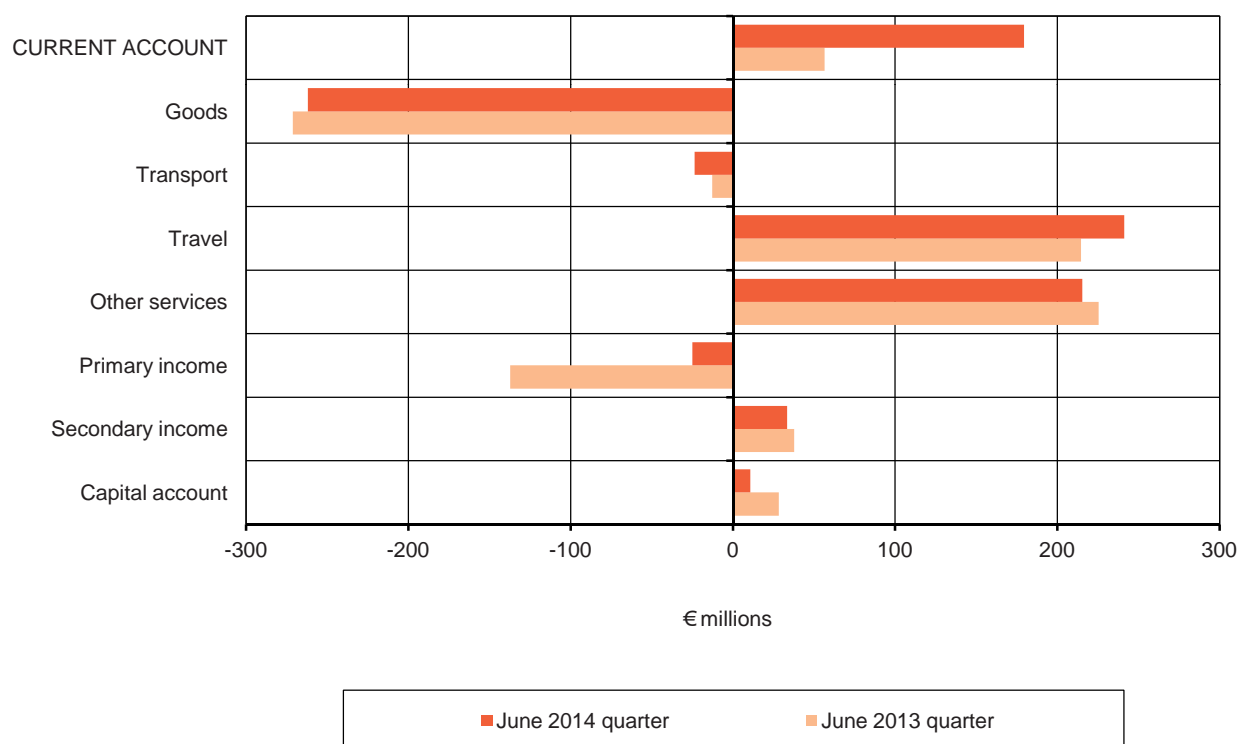
€000

	June 2013 Quarter*			June 2014 Quarter*			Change in balance
	Credit	Debit	Net	Credit	Debit	Net	
<b>Current account</b>	<b>56,548</b>		<b>56,548</b>	<b>179,544</b>		<b>179,544</b>	<b>122,996</b>
<b>Goods and services</b>	2,932,845	2,776,968	155,877	2,983,793	2,812,673	171,120	<b>15,243</b>
<b>Goods</b>	668,905	940,249	-271,344	657,546	919,531	-261,986	<b>9,358</b>
<b>Services</b>	2,263,940	1,836,719	427,221	2,326,247	1,893,141	433,106	<b>5,885</b>
Transport	101,734	114,501	-12,768	93,180	116,716	-23,536	<b>-10,768</b>
Travel	274,440	59,817	214,623	300,230	58,946	241,284	<b>26,661</b>
Other Services	1,887,766	1,662,401	225,366	1,932,837	1,717,480	215,358	<b>-10,008</b>
<b>Primary income</b>	2,326,785	2,463,956	-137,171	2,389,067	2,414,011	-24,944	<b>112,227</b>
<b>Secondary income</b>	452,167	414,325	37,842	449,031	415,663	33,368	<b>-4,474</b>
<b>Capital account</b>	29,595	1,381	28,213	39,856	29,087	10,769	<b>-17,445</b>

\*provisional

The figures may not add up due to rounding.

**Chart 2. Main Accounts in the Balance of Payments Statement**



**Table 2. Balance of Payments Summary: January to June**

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	January to June 2013*			January to June 2014*			Change in balance
	Credit	Debit	Net	Credit	Debit	Net	
<b>Current account</b>		<b>15,792</b>	<b>-15,792</b>	<b>144,617</b>		<b>144,617</b>	<b>160,409</b>
<b>Goods and services</b>	5,745,453	5,592,145	153,308	5,726,237	5,540,010	186,228	<b>32,919</b>
<b>Goods</b>	1,392,371	1,927,573	-535,202	1,271,026	1,815,036	-544,010	<b>-8,808</b>
<b>Services</b>	4,353,082	3,664,571	688,510	4,455,211	3,724,973	730,238	<b>41,728</b>
Transport	181,514	215,750	-34,236	177,956	220,878	-42,922	<b>-8,686</b>
Travel	394,310	113,366	280,944	429,674	114,957	314,717	<b>33,773</b>
Other Services	3,777,258	3,335,456	441,802	3,847,581	3,389,138	458,443	<b>16,641</b>
<b>Primary income</b>	4,757,809	5,007,978	-250,169	4,738,844	4,847,191	-108,347	<b>141,822</b>
<b>Secondary income</b>	931,118	850,049	81,069	898,062	831,326	66,736	<b>-14,333</b>
<b>Capital account</b>	47,923	2,763	45,161	70,403	30,706	39,697	<b>-5,464</b>

\*provisional

The figures may not add up due to rounding.

**Table 3. Balance of Payments Summary: January to December**

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	January to December 2012*			January to December 2013*			Change in balance
	Credit	Debit	Net	Credit	Debit	Net	
<b>Current account</b>	<b>212,243</b>		<b>212,243</b>	<b>236,458</b>		<b>236,458</b>	<b>24,215</b>
<b>Goods and services</b>	11,964,773	11,458,233	506,539	11,840,502	11,328,633	511,870	<b>5,330</b>
<b>Goods</b>	3,195,073	4,303,464	-1,108,391	2,853,755	3,951,856	-1,098,101	<b>10,290</b>
<b>Services</b>	8,769,700	7,154,770	1,614,930	8,986,748	7,376,777	1,609,970	<b>-4,960</b>
Transport	394,910	418,881	-23,972	380,002	424,782	-44,779	<b>-20,808</b>
Travel	988,747	265,340	723,407	1,057,186	288,762	768,424	<b>45,018</b>
Other Services	7,386,044	6,470,548	915,495	7,549,559	6,663,234	886,326	<b>-29,170</b>
<b>Primary income</b>	9,964,840	10,358,314	-393,474	9,528,525	9,938,211	-409,687	<b>-16,212</b>
<b>Secondary income</b>	1,822,756	1,723,578	99,178	1,815,498	1,681,224	134,275	<b>35,097</b>
<b>Capital account</b>	140,722	5,434	135,289	135,604	5,526	130,078	<b>-5,211</b>

\*provisional

The figures may not add up due to rounding.

## 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 quarterly figure for re-invested earnings (a component of both the income account as well as the direct investment account) reported as from 2004 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) is being measured from the c.i.f. INTRASTAT import data (as from 2004) while data for the travel account are collected from TOURSTAT and CRUISTAT surveys carried out by the NSO.
8. As from 1 January 2008, following Malta's entry into the euro area, a reclassification of the external reserves of the country has been carried out. Indeed, 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. As a result of this, the portfolio investment account, the financial derivatives account and the other investment account recorded significant changes in their net balances.
10. Adjustments for exports and imports of goods have been made for BoP and National Accounts purposes, since merchandise trade data included 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 have been subtracted from the totals. Where necessary, oil imports by Maltese resident companies have been imputed.
11. Figures and graphical representations are not seasonally adjusted.

The statement contained in this release is based on the Sixth Edition of the IMF's Balance of Payments and International Investment Position Manual (BPM6). Apart from a different representation of the reports, the statement is also incorporating data extracted for special purpose entities as well as adopting a new treatment for international banks. Currently, conversion to BPM6 format only covers the current and capital accounts for the period from 2012 to 2014. Work for extending the series is in progress. The time series data accessible through the online statistical database at [http://www.nso.gov.mt/statbase/data\\_table\\_catalogue.aspx](http://www.nso.gov.mt/statbase/data_table_catalogue.aspx) will in due course be updated to show the statement according to BPM6 guidelines.

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

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>Economy and finance

>Balance of payments - International transactions (t\_bop)

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