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As at the end of the second quarter of 2014, the Maltese economy recorded an estimated net International Investment Position of €2.44 billion.

International Investment Position of Malta: Q2/2014

Cut-off date:
13 January 2015

The International Investment Position (IIP) statement shown in this release is presented in accordance with the guidelines provided in the Sixth Edition of the IMF's Balance of Payments and International Investment Position Manual (BPM6). In addition, the statement is incorporating for the first time data for special purpose entities. Consequently, these updates do not allow for comparison with data from previous IIP News Releases.

Total foreign assets as at the end of the second quarter of 2014 showed an increase of €4.50 billion when compared to the corresponding quarter in 2013, while total foreign liabilities rose by €3.80 billion. This resulted in an overall increase of €0.70 billion in the IIP.

The level of Malta's total foreign assets abroad at the end of the second quarter of 2014 amounted to €212.90 billion. Portfolio Investment accounted for 43.6 per cent of total foreign assets while Other Investment represented 30.6 per cent. The increase in Malta's foreign assets was characterised mainly by a €7.08 billion increase in equity and investment fund shares classified under Portfolio Investment. A €5.28 billion decline in Other Investment, mainly due to a fall in loans generated by other MFIs, mitigated this increase.

At the end of the second quarter of 2014, Malta's foreign liabilities were estimated at €210.46 billion. Direct Investment totalled €152.49 billion from €150.12 billion recorded at the end of the corresponding quarter in 2013, accounting for 72.5 per cent of total foreign liabilities ■

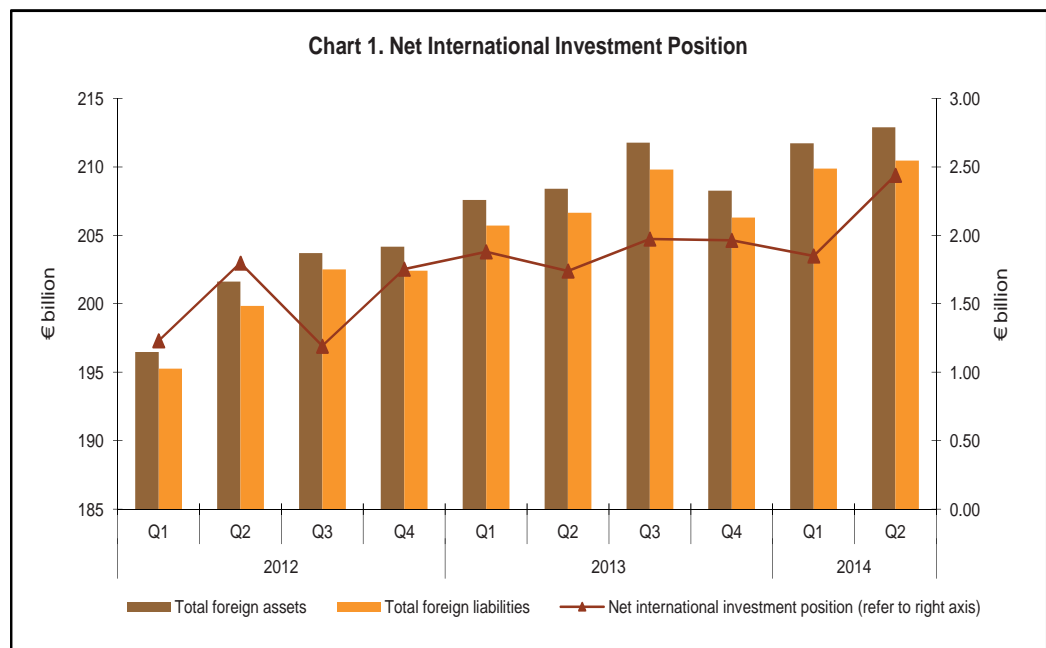
Compiled by:

**Unit A3: Balance of
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**Directorate A: Economic
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...Table 1. International Investment Position: Q1/2012-Q2/2014

€ million

	2012				2013				2014	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
4.3.3 General government:	69.2	91.7	103.7	133.9	99.3	111.0	120.7	120.7	128.4	136.3
4.3.3.1 Long-term	12.0	11.6	11.3	11.0	10.7	10.4	10.1	9.7	9.4	9.1
4.3.3.2 Short-term	57.2	80.1	92.4	123.0	88.7	100.6	110.7	111.0	119.0	127.2
4.3.4 Other sectors:	27,536.8	27,145.3	26,831.4	26,412.5	27,636.3	27,239.8	26,834.5	26,470.3	27,690.6	27,363.4
4.3.4.1 Long-term	26,140.1	25,756.6	25,371.6	24,987.0	26,181.3	25,797.3	25,413.3	25,029.4	26,223.4	25,839.4
4.3.4.2 Short-term	1,396.7	1,388.7	1,459.8	1,425.5	1,455.0	1,442.5	1,421.2	1,440.9	1,467.2	1,524.0
4.4 Other accounts receivable/payable	6,666.5	7,000.9	7,359.6	7,709.4	8,043.0	8,384.8	8,746.3	9,100.4	9,622.8	9,929.5
4.4.1 Central Bank:	22.8	14.0	15.1	15.8	15.3	15.5	15.8	15.6	16.1	16.3
4.4.1.1 Long-term	22.8	14.0	15.1	15.8	15.3	15.5	15.8	15.6	16.1	16.3
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
4.4.2 Other MFIs:	51.7	77.4	92.0	91.9	68.2	58.9	82.3	87.4	76.1	90.4
4.4.2.1 Long-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4.4.2.2 Short-term	51.7	77.4	92.0	91.9	68.2	58.9	82.3	87.4	76.1	90.4
4.4.3 General government:	1.7	2.0	2.0	25.6	25.6	37.4	37.5	49.2	49.3	2.5
4.4.3.1 Long-term	1.7	2.0	2.0	25.6	25.6	37.4	37.5	49.2	49.3	2.5
4.4.3.2 Short-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4.4.4 Other sectors:	6,590.3	6,907.4	7,250.6	7,576.2	7,933.8	8,273.0	8,610.7	8,948.2	9,481.3	9,820.3
4.4.4.1 Long-term	6,258.2	6,592.2	6,926.3	7,260.3	7,598.0	7,932.1	8,266.1	8,600.2	8,937.9	9,272.0
4.4.4.2 Short-term	332.1	315.2	324.3	315.9	335.8	340.9	344.6	348.0	543.4	548.3
5. Reserve assets	512.2	549.8	555.0	533.8	486.7	449.3	433.7	435.4	694.6	857.8
5.1 Monetary gold	11.8	11.9	8.7	12.0	12.9	11.7	12.6	11.1	11.9	6.8
5.2 Special drawing rights	105.6	109.7	108.6	106.1	104.6	102.9	101.7	100.1	100.3	101.3
5.3 Reserve position in the IMF	54.5	57.1	57.1	55.8	56.4	56.6	57.5	57.7	57.7	58.3
5.4 Other reserve assets	340.2	371.2	380.6	359.8	312.8	278.0	262.0	266.6	524.7	691.4
5.4.1 Currency and deposits	50.6	72.9	83.5	81.7	40.4	9.5	13.4	32.2	236.6	376.7
5.4.2 Securities	282.9	307.0	286.6	271.2	274.3	268.0	242.8	230.0	284.8	317.2
5.4.3 Financial derivatives	6.7	-8.8	10.5	6.9	-1.8	0.5	5.8	4.3	3.3	-2.5
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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
B. Liabilities	195,258.7	199,834.3	202,509.0	202,409.1	205,708.4	206,655.8	209,794.2	206,295.8	209,870.8	210,456.4
1. Direct Investment	141,406.7	143,169.3	145,097.4	146,892.4	149,378.4	150,116.4	151,704.0	150,860.1	152,684.4	152,490.7
1.1 Equity and investment fund shares	110,785.5	112,074.7	113,600.6	114,899.2	116,879.8	117,108.5	118,231.5	116,844.0	118,143.1	117,374.8
1.2 Debt instruments	30,621.2	31,094.6	31,496.8	31,993.1	32,498.6	33,007.9	33,472.6	34,016.1	34,541.3	35,115.9
2. Portfolio Investment	5,070.5	5,941.7	6,038.8	5,423.3	4,884.5	4,623.3	4,360.4	4,471.5	5,009.0	5,108.6
2.1 Equity and investment fund shares	4,733.4	5,606.7	5,697.8	5,084.8	4,505.7	4,237.0	3,973.1	4,087.5	4,618.1	4,683.1
2.1.1 Central bank	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.1.2 Other MFIs	78.2	81.3	79.9	78.7	86.4	88.8	82.4	81.0	74.4	20.4
2.1.3 General government	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.1.4 Other sectors	4,655.2	5,525.4	5,617.9	5,006.1	4,419.3	4,148.2	3,890.7	4,006.5	4,543.8	4,662.7
2.2 Debt securities	337.0	335.0	341.0	338.5	378.7	386.3	387.3	384.0	390.8	425.5
2.2.1 Long-term	337.0	335.0	341.0	338.5	378.7	386.3	387.3	384.0	390.8	425.5
2.2.1.1 Central Bank	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.2.1.2 Other MFIs	4.0	5.1	6.0	4.5	4.3	4.3	5.1	6.8	7.3	12.2
2.2.1.3 General government	111.4	112.5	114.3	116.9	154.0	158.7	158.3	162.9	165.5	198.6
2.2.1.4 Other sectors	221.6	217.4	220.7	217.1	220.4	223.2	223.9	214.2	218.0	214.7
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
2.2.2.1 Central Bank	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.2.2.2 Other MFIs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.2.2.3 General government	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
3. Financial derivatives (other than reserves) and employee stock options	551.2	691.3	688.4	587.1	581.4	508.2	531.9	468.1	606.9	510.2
3.1 Central Bank	0.0	4.3	0.0	0.0	1.4	0.0	0.1	0.0	0.1	0.3
3.2 Other MFIs	365.6	464.9	480.5	455.1	432.2	379.9	412.4	358.5	422.0	375.9
3.3 General government	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3.4 Other sectors	185.6	222.1	207.9	131.9	147.8	128.3	119.3	109.6	184.8	134.0

...Table 1. International Investment Position: Q1/2012-Q2/2014

€ million

	2012				2013				2014	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
4. Other Investment	48,230.3	50,032.0	50,684.4	49,506.3	50,864.1	51,407.9	53,197.8	50,496.1	51,570.6	52,346.8
4.1 Currency and deposits	29,754.0	31,189.5	31,258.9	30,334.9	32,059.2	32,384.4	33,179.1	30,246.5	31,050.8	31,888.7
4.1.1 Central Bank	1,105.1	1,141.7	539.4	206.0	766.0	929.7	899.7	674.6	1,120.8	1,896.5
4.1.2 Other MFIs ^c	28,505.9	29,885.1	30,537.0	29,926.7	31,071.2	31,213.0	32,017.9	29,290.6	29,617.7	29,648.9
4.1.3 General government	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4.1.4 Other sectors	143.0	162.7	182.5	202.3	222.0	241.8	261.5	281.3	312.3	343.3
4.2 Loans	3,389.9	3,288.1	3,621.2	3,340.5	2,938.0	3,051.6	2,732.2	2,591.1	2,465.0	2,310.8
4.2.1 Central Bank:	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4.2.1.1 Long-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4.2.1.2 Short-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4.2.2 Other MFIs ^c :	0.0	0.0	0.0	0.0	0.6	0.0	0.0	0.0	0.0	0.0
4.2.2.1 Long-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4.2.2.2 Short-term	0.0	0.0	0.0	0.0	0.6	0.0	0.0	0.0	0.0	0.0
4.2.3 General government:	130.3	165.4	167.6	197.9	203.3	216.6	219.9	223.5	223.5	223.0
4.2.3.1 Long-term	130.3	165.4	167.6	197.9	203.3	216.6	219.9	223.5	223.5	223.0
4.2.3.2 Short-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4.2.4 Other sectors:	3,259.6	3,122.7	3,453.6	3,142.6	2,734.1	2,835.0	2,512.3	2,367.7	2,241.5	2,087.8
4.2.4.1 Long-term	2,387.9	2,281.5	2,175.9	2,079.2	1,970.3	1,897.1	1,797.8	1,683.8	1,580.4	1,469.3
4.2.4.2 Short-term	871.7	841.2	1,277.8	1,063.5	763.8	937.9	714.5	683.8	661.1	618.5
4.3 Trade Assets and advances	8,852.9	9,201.2	9,472.8	9,579.2	9,821.0	10,065.3	10,290.1	10,623.6	10,771.1	10,948.7
4.3.1 Central Bank:	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4.3.1.1 Long-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4.3.1.2 Short-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4.3.2 Other MFIs:	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4.3.2.1 Long-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4.3.2.2 Short-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4.3.3 General government:	247.4	304.7	339.7	276.8	276.2	302.8	266.3	265.3	210.0	165.7
4.3.3.1 Long-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4.3.3.2 Short-term	247.4	304.7	339.7	276.8	276.2	302.8	266.3	265.3	210.0	165.7
4.3.4 Other sectors:	8,605.5	8,896.5	9,133.0	9,302.4	9,544.8	9,762.5	10,023.8	10,358.2	10,561.1	10,783.0
4.3.4.1 Long-term	6,359.4	6,480.5	6,601.6	6,722.4	6,843.3	6,964.7	7,086.1	7,209.4	7,327.1	7,448.2
4.3.4.2 Short-term	2,246.1	2,416.0	2,531.5	2,580.0	2,701.4	2,797.8	2,937.7	3,148.8	3,233.9	3,334.8
4.4 Other accounts receivable/payable	6,233.5	6,353.2	6,331.6	6,251.6	6,046.0	5,906.6	6,996.5	7,035.0	7,283.8	7,198.5
4.4.1 Central Bank:	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5	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
4.4.1.2 Short-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5	0.0
4.4.2 Other MFIs:	108.8	118.5	136.2	128.2	109.1	138.0	247.2	297.6	371.1	253.8
4.4.2.1 Long-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4.4.2.2 Short-term	108.8	118.5	136.2	128.2	109.1	138.0	247.2	297.6	371.1	253.8
4.4.3 General government:	1.3	1.3	1.2	1.1	1.1	1.0	0.9	0.9	0.8	0.8
4.4.3.1 Long-term	1.3	1.3	1.2	1.1	1.1	1.0	0.9	0.9	0.8	0.8
4.4.3.2 Short-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4.4.4 Other sectors:	6,123.4	6,233.5	6,194.2	6,122.3	5,935.8	5,767.6	6,748.4	6,736.5	6,911.4	6,944.0
4.4.4.1 Long-term	6,123.4	6,233.5	6,194.2	6,122.3	5,935.8	5,767.6	6,748.4	6,736.5	6,911.4	6,944.0
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

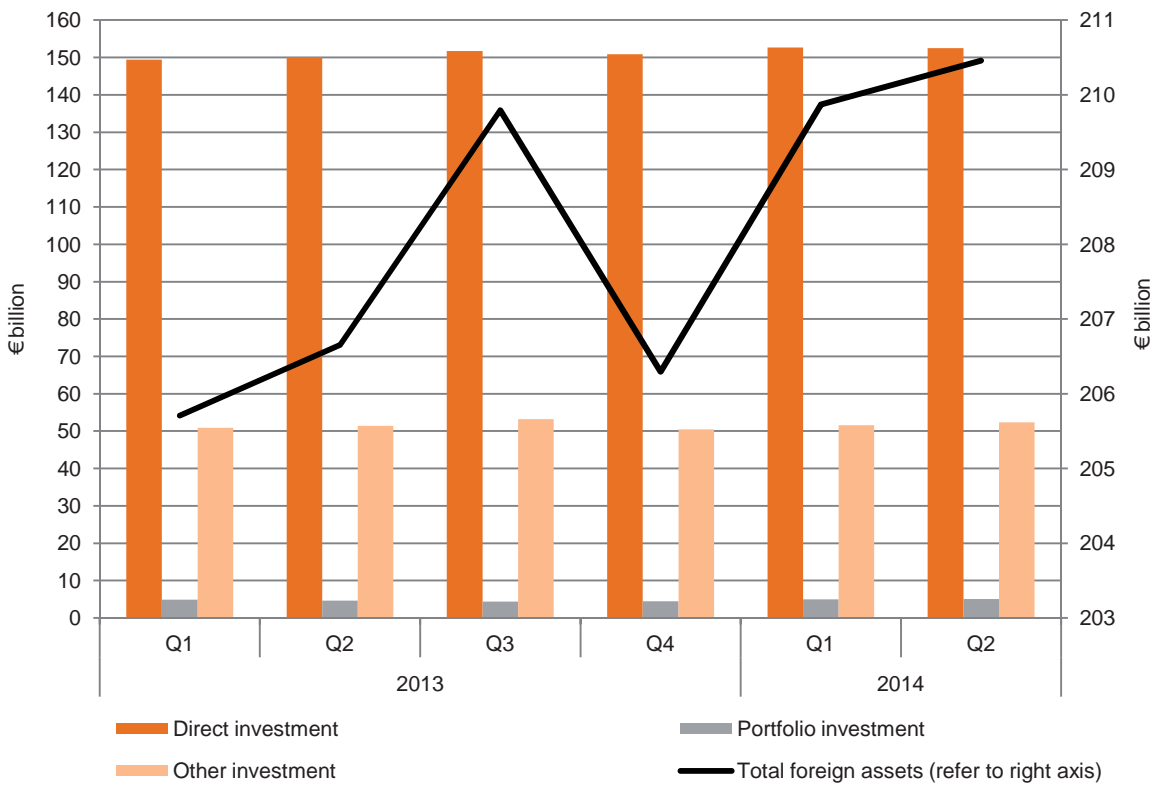
Notes:

^a figures may not add up due to rounding^b deposits of the banking sector are being classified under loans^c loans of the banking sector are being classified under currency and deposits

Chart 2. Total foreign assets by component



Chart 3. Total foreign liabilities by component



Methodological Notes

1. The collection, compilation and presentation of both the International Investment Position (IIP) and the Balance of Payments (BoP) statements of Malta fall under the responsibility of the National Statistics Office (NSO), with the co-operation of the Central Bank of Malta (CBM).
2. The statement presented in this release is based on the Sixth Edition of the IMF's Balance of Payments and International Investment Position Manual (BPM6). Changes include the different nomenclatures for a number of instruments. For instance, 'bonds and notes' is presented as Long-term Debt Securities. Also, Other MFIs sector includes deposit money banks and money market funds (MMFs) while 'other sectors' now include other financial and non financial institutions.

Furthermore, Direct Investment is indicated on an asset and liabilities basis rather than on a directional basis, that is inward and outward, as presented in previous releases. In addition, as from this release, the statement incorporates data relating to special purpose entities. This inclusion has brought about significant changes in the IIP statement, hence, resulting in non comparability of data from previous news releases.
3. 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.
4. The IIP at the end of a specific period reflects the financial transactions, valuation changes, and other adjustments, denoted by instrument.
5. 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.
6. 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. For this reason, 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, similarly to what 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 part of the country's external reserves.
7. Data included in this release are provisional and are subject to change.
8. More information relating to this news release may be accessed at:

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

Metadata: <http://nso.gov.mt/metadata/reports.aspx?id=6>