

During the fourth quarter of 2014, Malta's current account balance improved by €10.0 million.

International Economic and Financial Transactions: Q4/2014

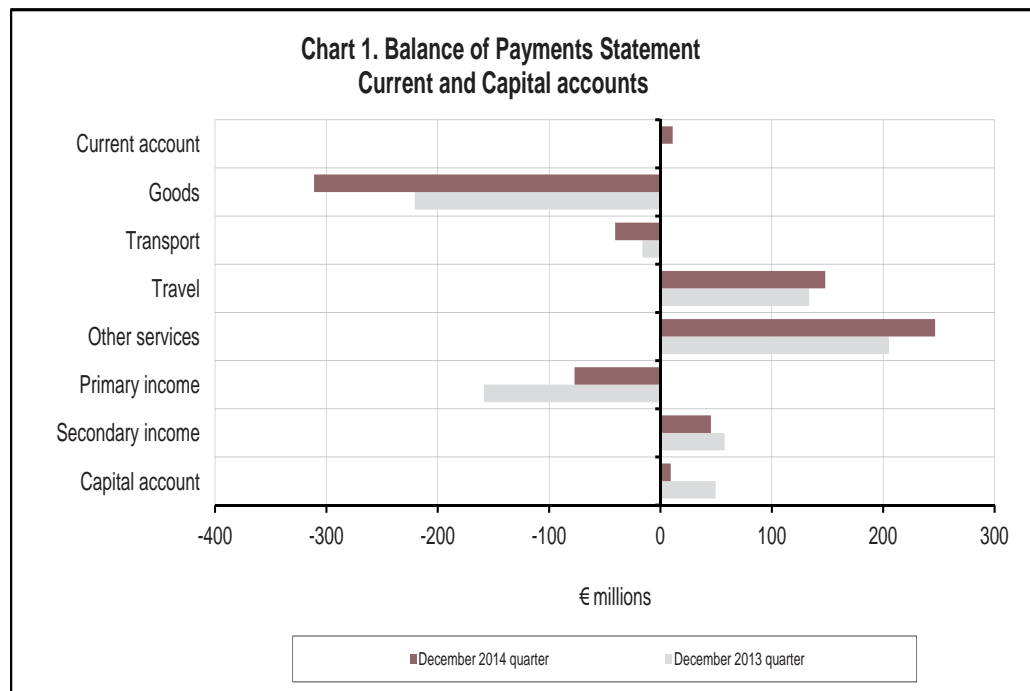
Cut-off date:
18 March 2015

Estimates on Malta's external transactions during the December quarter of 2014 reveal a current account surplus of €10.9 million, showing an improvement of €10.0 million over the surplus registered during the comparable quarter a year earlier. While there were decreases in the goods and the secondary income accounts over the corresponding period a year before, the increases in the services and the primary income accounts compensated for these.

In the financial account of the statement, there were decreases in the net direct investment account and financial derivatives account. These were partially offset by increases in the net portfolio account as well as the net other investment account.

The main accounts affecting the financial account were direct investment and portfolio investment. Direct investment liabilities increased by €675.5 million during the fourth quarter, as a result of increases in reinvested earnings and net debt instruments with parent companies. Net portfolio investment increased by €2,273.6 million as a result of increases in net portfolio assets, mainly equity securities.

As a result of the above shifts, reserve assets registered a decrease of €169.3 million during the December 2014 quarter ■



Compiled by:

Unit A3: Balance of Payments

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Table 1. Balance of Payments Summary: December quarter

€000

	December 2013 quarter ^P			December 2014 quarter ^P			change in balance
	Credit	Debit	Net	Credit	Debit	Net	
Current account	967	-	967	10,941	-	10,941	9,974
Goods and services	2,825,619	2,723,789	101,830	2,785,896	2,743,055	42,841	-58,989
Goods	699,109	919,664	-220,556	630,336	941,400	-311,064	-90,508
Services	2,126,510	1,804,125	322,385	2,155,560	1,801,655	353,905	31,519
Transport	85,802	102,108	-16,306	88,833	129,533	-40,700	-24,394
Travel	204,693	71,280	133,413	224,425	76,477	147,948	14,535
Other services	1,836,015	1,630,737	205,278	1,842,301	1,595,645	246,656	41,378
Primary income	2,453,240	2,611,695	-158,455	2,473,681	2,550,901	-77,220	81,235
Compensation of employees	6,332	7,098	-765	6,262	4,805	1,457	2,223
Secondary income	329,346	271,753	57,592	321,031	275,711	45,320	-12,272
Capital account	51,003	1,381	49,621	10,663	1,416	9,246	-40,375
	Assets	Liabilities	Net	Assets	Liabilities	Net	change
Financial account	-4,030,423	-4,107,922	77,498	721,639	851,884	-130,245	-207,743
Direct investment	-1,638,414	-1,652,124	13,710	-1,569,089	675,455	-2,244,544	-2,258,254
Portfolio investment	-186,483	-435,043	248,560	2,424,714	151,083	2,273,631	2,025,070
Financial derivatives	66,745	-	66,745	-	23,062	-23,062	-89,807
Other investment	-2,295,392	-2,020,755	-274,638	35,332	2,283	33,050	307,687
Reserve assets	23,121	-	23,121	-169,319	-	-169,319	-
Net errors and omissions			26,910			-150,432	

^P Provisional

Note: The figures may not add up due to rounding.

Table 2. Balance of Payments Summary: January to December

€000

	January to December 2013 ^P			January to December 2014 ^P			change in balance
	Credit	Debit	Net	Credit	Debit	Net	
Current account	234,764	0	234,764	215,061	0	215,061	-19,704
Goods and services	11,601,986	11,178,730	423,256	11,497,807	10,990,490	507,317	84,061
Goods	2,861,622	3,952,281	-1,090,659	2,594,498	3,714,463	-1,119,965	-29,306
Services	8,740,364	7,226,449	1,513,915	8,903,309	7,276,027	1,627,282	113,367
Transport	377,718	426,455	-48,737	374,026	516,314	-142,287	-93,551
Travel	1,057,186	288,762	768,424	1,141,873	300,247	841,626	73,202
Other services	7,305,460	6,511,232	794,228	7,387,409	6,459,466	927,943	133,715
Primary income	9,984,313	10,311,684	-327,371	9,839,316	10,323,571	-484,256	-156,884
Compensation of employees	25,377	27,879	-2,502	25,167	22,756	2,411	4,913
Secondary income	1,020,991	882,112	138,879	1,283,933	1,091,934	192,000	53,120
Capital account	135,604	5,684	129,919	144,383	6,387	137,996	8,077
	Assets	Liabilities	Net	Assets	Liabilities	Net	change
Financial account	1,310,738	1,693,094	-382,356	1,767,574	2,426,678	-659,103	-276,747
Direct investment	-6,746,849	-1,426,946	-5,319,904	-6,680,690	-1,343,260	-5,337,431	-17,527
Portfolio investment	8,233,986	-668,988	8,902,974	11,754,022	719,836	11,034,185	2,131,212
Financial derivatives	-	104,400	-104,400	-	578,560	-578,560	-474,160
Other investment	-137,598	3,684,628	-3,822,226	-3,317,733	2,471,541	-5,789,274	-1,967,048
Reserve assets	-38,801	-	-38,801	11,976	-	11,976	-
Net errors and omissions			-747,040			-1,012,160	

^P Provisional

Note: The figures may not add up due to rounding.

Table 3. Current Account, geographical breakdown: December quarter

€000

Current Account	December 2013 quarter ^P			December 2014 quarter ^P		
	Credit	Debit	Net	Credit	Debit	Net
Current account - World	967	-	967	10,941	-	10,941
of which: EU	2,728,223	4,107,143	-1,378,920	2,690,976	3,996,867	-1,305,891
Extra EU	4,260,441	2,880,554	1,379,887	4,270,091	2,953,258	1,316,832
Euro Area	1,701,827	2,875,648	-1,173,821	1657352	2,783,870	-1,126,518
Extra Euro Area	5,286,837	4,112,049	1,174,787	5303715	4,166,256	1,137,459
Goods - World	699,109	919,664	-220,556	630,336	941,400	-311,064
of which: EU	240,067	649,143	-409,076	192,058	606,801	-414,743
Extra EU	459,042	270,522	188,520	438,278	334,599	103,679
Euro Area	184,159	512,351	-328,192	136,978	470,347	-333,369
Extra Euro Area	514,950	407,313	107,637	493,358	471,053	22,305
Services - World	2,126,510	1,804,125	322,385	2,155,560	1,801,655	353,905
of which: EU	948,478	525,878	422,600	960,585	536,337	424,249
Extra EU	1,178,032	1,278,247	-100,214	1,194,974	1,265,318	-70,344
Euro Area	579,990	262,743	317,247	583,805	265,263	318,542
Extra Euro Area	1,546,520	1,541,382	5,138	1,571,754	1,536,392	35,362
Primary income - World	2,453,240	2,611,695	-158,455	2,473,681	2,550,901	-77,220
of which: EU	198,450	1,651,313	-1,452,863	205,462	1,569,154	-1,363,692
Extra EU	2,254,790	960,383	1,294,407	2,268,219	981,747	1,286,472
Euro Area	106,691	1,337,424	-1,230,733	110,337	1,285,167	-1,174,830
Extra Euro Area	2,346,549	1,274,271	1,072,278	2,363,344	1,265,735	1,097,609
Secondary income - World	329,346	271,753	57,592	321,031	275,711	45,320
of which: EU	282,014	221,595	60,419	273,655	225,361	48,295
Extra EU	47,332	50,159	-2,827	47,376	50,350	-2,975
Euro Area	234,219	166,361	67,858	229,463	166,326	63,138
Extra Euro Area	95,127	105,392	-10,265	91,568	109,385	-17,818

^P Provisional

Note: The figures may not add up due to rounding.

Table 4. Current Account, geographical breakdown: January to December

€000

Current Account	January to December 2013 ^P			January to December 2014 ^P		
	Credit	Debit	Net	Credit	Debit	Net
Current account - World	234,764	-	234,764	215,061	-	215,061
of which: EU	10,852,788	16,463,125	-5,610,337	11,064,899	16,182,564	-5,117,665
Extra EU	17,276,338	11,431,236	5,845,101	17,077,993	11,745,267	5,332,726
Euro Area	6,747,625	11,735,497	-4,987,872	6844374	11,281,555	-4,437,181
Extra Euro Area	21,381,501	16,158,865	5,222,636	21298517	16,646,276	4,652,241
Goods - World	2,861,622	3,952,281	-1,090,659	2,594,498	3,714,463	-1,119,965
of which: EU	959,857	2,722,344	-1,762,487	878,692	2,499,216	-1,620,523
Extra EU	1,901,765	1,229,938	671,828	1,715,805	1,215,247	500,558
Euro Area	733,928	2,193,685	-1,459,757	671,896	1,893,414	-1,221,518
Extra Euro Area	2,127,694	1,758,596	369,098	1,922,601	1,821,049	101,553
Services - World	8,740,364	7,226,449	1,513,915	8,903,309	7,276,027	1,627,282
of which: EU	3,927,181	2,204,391	1,722,790	4,034,642	2,178,408	1,856,234
Extra EU	4,813,183	5,022,058	-208,875	4,868,667	5,097,619	-228,952
Euro Area	2,422,132	1,174,758	1,247,375	2,430,578	1,110,417	1,320,161
Extra Euro Area	6,318,231	6,051,691	266,540	6,472,731	6,165,610	307,121
Primary income - World	9,984,313	10,311,684	-327,371	9,839,316	10,323,571	-484,256
of which: EU	847,615	6,564,643	-5,717,027	822,562	6,376,744	-5,554,181
Extra EU	9,136,697	3,747,042	5,389,656	9,016,753	3,946,828	5,069,926
Euro Area	446,275	5,396,588	-4,950,313	450,773	5,224,546	-4,773,773
Extra Euro Area	9,538,038	4,915,096	4,622,942	9,388,543	5,099,025	4,289,518
Secondary income - World	1,020,991	882,112	138,879	1,283,933	1,091,934	192,000
of which: EU	881,277	734,890	146,387	1,092,144	891,339	200,805
Extra EU	139,714	147,222	-7,508	191,789	200,595	-8,806
Euro Area	758,217	583,393	174,824	904,055	666,106	237,949
Extra Euro Area	262,774	298,718	-35,944	379,879	425,828	-45,950

^P Provisional

Note: 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 statement presented in this release is based on the Sixth Edition of the IMF's Balance of Payments and International Investment Position Manual (BPM6).
3. 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.
4. 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.
5. 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.
6. Revisions are conducted on a quarterly basis with the previous data remaining subject to revision.
7. The quarterly figure for re-invested earnings (a component of both the income account as well as the direct investment account) reported 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) is being measured from the c.i.f. INTRASTAT import data while data for the travel account are collected from TOURSTAT and CRUISTAT surveys carried out by the NSO.
9. 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 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.
11. Figures and graphical representations are not seasonally adjusted.
12. 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=4>

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

[EUROSTAT Website/Homepage/Statistics Database](http://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&code=sdg_10_10_10)

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