

During the first quarter of 2016, Malta registered a current account surplus of €39.9 million.

## International Economic and Financial Transactions: Q1/2016

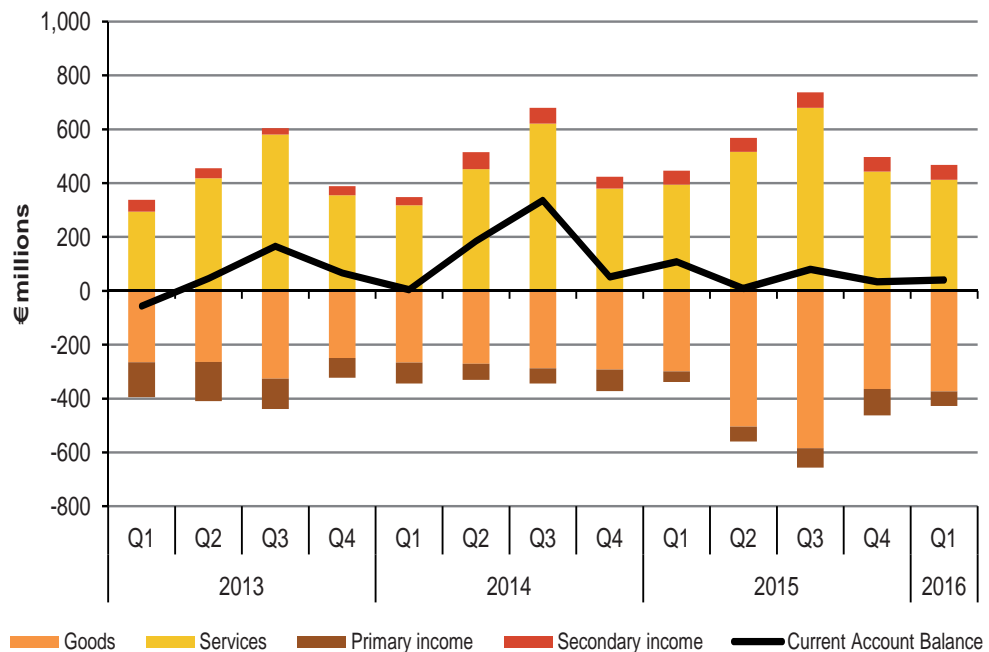
Cut-off date:  
6 June 2016

Provisional figures for Malta's external transactions during the first quarter show a decrease of €68.1 million over the same quarter of the previous year. This resulted mainly from decreases in the goods account as well as in the primary income account. Increases in the services and secondary income accounts mitigated these decreases (Table1).

The capital account registered an increase of €7.4 million during the first quarter of 2016, a decrease of €116.4 million when compared with the corresponding quarter a year before. This is mainly due to the timing of EU funds received from abroad (Table1).

Net asset transactions in the financial account during the same quarter registered an increase of €17.9 million, a decrease of €144.6 million when compared to the same period in 2015. Decreases in net direct investment of €2,234.6 million during the quarter were mitigated by increases in portfolio investment and other investment. As a result of the above transactions, reserve assets registered an increase of €64.6 million during the period under review (Table1) ■

Chart 1. Current account balance



Compiled by:

**Unit A3: Balance of Payments**

Further information on data:

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**Table 1. Balance of Payments summary: Quarter 1**

€ 000

Balance of Payments	Quarter 1 2015 <sup>P</sup>			Quarter 1 2016 <sup>P</sup>			change in balance
	Credit	Debit	Net	Credit	Debit	Net	
<b>Current account</b>	107,960	-	107,960	39,873	-	39,873	-68,088
<b>Goods and services</b>	2,856,761	2,761,506	95,255	2,896,171	2,857,603	38,568	-56,687
<b>Goods</b>	627,155	926,053	-298,898	559,877	933,667	-373,791	-74,892
<b>Services</b>	2,229,605	1,835,453	394,153	2,336,294	1,923,936	412,359	18,206
Transport	113,293	140,914	-27,621	143,997	141,540	2,456	30,077
Travel	142,522	54,801	87,721	154,975	73,884	81,090	-6,630
Other services	1,973,791	1,639,738	334,053	2,037,323	1,708,511	328,812	-5,241
<b>Primary income</b>	2,708,954	2,748,419	-39,465	2,571,245	2,624,966	-53,721	-14,256
Compensation of employees	6,246	6,190	56	6,255	7,473	-1,218	-1,274
<b>Secondary income</b>	240,447	188,277	52,171	292,051	237,026	55,026	2,855
<b>Capital account</b>	124,411	558	123,853	7,926	489	7,437	-116,417
	<b>Assets</b>	<b>Liabilities</b>	<b>Net</b>	<b>Assets</b>	<b>Liabilities</b>	<b>Net</b>	<b>change in balance</b>
<b>Financial account</b>	1,457,047	1294535.1	162,512	-2,429,762	-2,447,694	17,932	-144,580
Direct investment	-1,614,431	888,722	-2,503,153	-1,429,428	805,178	-2,234,606	268,547
Portfolio investment	469,672	-787,704	1,257,376	1,095,639	-127,798	1,223,437	-33,940
Financial derivatives	-	737,431	-737,431	-	239,681	-239,681	497,750
Other investment	2,665,693	456,086	2,209,607	-2,160,567	-3,364,755	1,204,189	-1,005,418
Reserve assets	-63,887		-63,887	64,594		64,594	
<b>Net errors and omissions</b>			-69,301			-29,377	

<sup>P</sup> Provisional

**Table 2. Balance of Payments summary: Annual**

€ 000

Balance of Payments	2014 <sup>P</sup>			2015 <sup>P</sup>			change in balance
	Credit	Debit	Net	Credit	Debit	Net	
<b>Current account</b>	576,502	-	576,502	231,329	-	231,329	-345,173
<b>Goods and services</b>	12,001,605	11,348,401	653,205	12,415,001	12,133,412	281,589	-371,616
<b>Goods</b>	2,618,290	3,735,616	-1,117,326	2,695,411	4,447,874	-1,752,463	-635,138
<b>Services</b>	9,383,315	7,612,785	1,770,530	9,719,590	7,685,538	2,034,052	263,522
Transport	444,225	565,698	-121,474	531,180	516,509	14,671	136,145
Travel	1,145,978	300,227	845,751	1,233,273	324,175	909,098	63,347
Other services	7,793,112	6,746,859	1,046,253	7,955,137	6,844,854	1,110,283	64,030
<b>Primary income</b>	10,260,338	10,532,986	-272,649	10,483,639	10,748,452	-264,813	7,836
Compensation of employees	25,316	26,266	-949	25,103	25,302	-199	751
<b>Secondary income</b>	950,424	754,478	195,946	966,107	751,554	214,553	18,607
<b>Capital account</b>	142,308	2,337	139,971	158,851	2,334	156,517	16,545
	<b>Assets</b>	<b>Liabilities</b>	<b>Net</b>	<b>Assets</b>	<b>Liabilities</b>	<b>Net</b>	<b>change in balance</b>
<b>Financial account</b>	4,864,202	3658871.4	1,205,330	-4,195,937	-4175803.8	-20,133	-1,225,464
Direct investment	-6,757,837	62,530	-6,820,368	-6,500,963	2,860,867	-9,361,830	-2,541,463
Portfolio investment	13,423,787	-88,697	13,512,483	4,250,609	-1,134,299	5,384,908	-8,127,575
Financial derivatives	-	570,180	-570,180	-	967,417	-967,417	-397,238
Other investment	-1,813,723	3,114,858	-4,928,581	-1,872,130	-6,869,789	4,997,659	9,926,240
Reserve assets	11,976		11,976	-73,454		-73,454	
<b>Net errors and omissions</b>			488,857			-407,979	

<sup>P</sup> Provisional

Table 3. The Current Account, geographical breakdown: Quarter 1

€ 000

Current account	Quarter 1 2015 <sup>P</sup>			Quarter 1 2016 <sup>P</sup>		
	Credit	Debit	Net	Credit	Debit	Net
<b>Current account - World</b>	107,960	-	107,960	39,873	-	39,873
<i>of which:</i>						
<b>EU</b>	-	323,349	-323,349	-	164,141	-164,141
<b>Extra EU</b>	431,309	-	431,309	204,014	-	204,014
<b>Euro Area</b>	-	150,658	-150,658	-	153,318	-153,318
<b>Extra Euro Area</b>	258,618	-	258,618	193,190	-	193,190
<b>Goods - World</b>	627,155	926,053	-298,898	559,877	933,667	-373,791
<i>of which:</i>						
<b>EU</b>	228,541	669,164	-440,623	255,554	541,936	-286,382
<b>Extra EU</b>	398,615	256,890	141,725	304,323	391,731	-87,408
<b>Euro Area</b>	186,844	495,296	-308,452	210,012	433,478	-223,466
<b>Extra Euro Area</b>	440,311	430,757	9,554	349,865	500,190	-150,325
<b>Services - World</b>	2,229,605	1,835,453	394,153	2,336,294	1,923,936	412,359
<i>of which:</i>						
<b>EU</b>	751,561	461,262	290,298	770,051	490,506	279,545
<b>Extra EU</b>	1,478,045	1,374,190	103,854	1,566,243	1,433,430	132,814
<b>Euro Area</b>	378,061	266,850	111,211	399,570	301,789	97,781
<b>Extra Euro Area</b>	1,851,545	1,568,603	282,942	1,936,725	1,622,147	314,578
<b>Primary income - World</b>	2,708,954	2,748,419	-39,465	2,571,245	2,624,966	-53,721
<i>of which:</i>						
<b>EU</b>	161,060	389,347	-228,287	103,874	319,271	-215,397
<b>Extra EU</b>	2,547,894	2,359,071	188,822	2,467,371	2,305,695	161,676
<b>Euro Area</b>	83,763	100,232	-16,468	70,039	161,063	-91,024
<b>Extra Euro Area</b>	2,625,190	2,648,187	-22,997	2,501,206	2,463,903	37,303
<b>Secondary income - World</b>	240,447	188,277	52,171	292,051	237,026	55,026
<i>of which:</i>						
<b>EU</b>	212,494	157,231	55,263	247,475	189,381	58,093
<b>Extra EU</b>	27,953	31,046	-3,093	44,577	47,644	-3,068
<b>Euro Area</b>	192,860	129,808	63,051	211,471	148,080	63,391
<b>Extra Euro Area</b>	47,588	58,468	-10,881	80,580	88,945	-8,365

<sup>P</sup> Provisional

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<b>Euro Area</b>	-	150,658	-150,658	-	153,318	-153,318
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## 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. Specifically in this release, figures for special purpose entities in respect of Q2/2014 have been revised on account of the reclassification of instruments.
6. 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.
7. Shipment data (freight and insurance) is being measured from the c.i.f. INTRASTAT import data, while data for the travel account is collected from TOURSTAT and administrative data.
8. 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.
9. Figures in the primary account for 2014 and 2015 include revised estimates when compared with those reported in International Economic and Financial Transaction New Release 047/2016. These revisions reflect routine updates but also amend an element of inaccurate estimates reported in 047/2016. Due to different cut-off dates, compilation of the GNI figures as published in Gross Domestic Product News Releases (041/2016) remain unaffected.
10. In Q1 2016, imports of goods have an element relating to the aviation industry which does not have a counterpart in Q1 2015. Imports of goods of the same nature have been revised as from Q2 2015 onwards.
11. Figures are not seasonally adjusted.
12. Figures may not add up due to rounding.
13. 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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