

During the second quarter this year, Malta registered a current account deficit of €5.3 million.

International Economic and Financial Transactions: Q2/2016

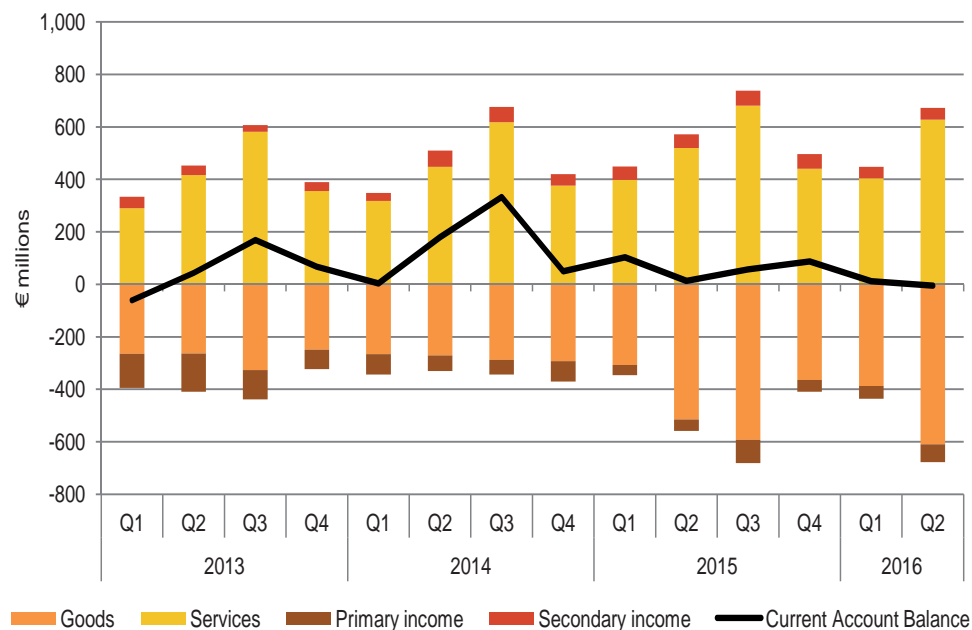
Cut-off date:
9 September 2016

Provisional figures for Malta's external transactions show that during April-June 2016 the current account balance recorded a deficit of €5.3 million as compared to a surplus of €13.0 million registered in the comparable quarter last year. Leading towards this deficit were primarily net negative balances in the goods and the primary income accounts of €609.8 million and €68.3 million respectively. Conversely, surpluses in the services and secondary income accounts of €627.4 million and €45.4 million respectively partially outweighed these decreases. The services account was marked by improvements in the net balances of the travel, other services and transport accounts (Table 1).

During the second quarter of 2016, the capital account registered a positive net balance of €26.6 million from a positive balance of €31.9 million last year (Table 1).

The financial account was shaped by net asset increases of €202.8 million as opposed to net increases of €105.0 million during the same quarter of 2015. The improvement in the financial account balance was mainly the result of higher portfolio investment assets partially outweighed by a decline in net direct investment assets. Moreover, net financial derivatives assets registered an increase of €175.3 million. As a direct effect of the above shifts in the statement, the reserve assets of the country increased by €89.7 million compared to a decline of €0.9 million during the same quarter last year (Table 1) ■

Chart 1. Current account balance



Compiled by:

Unit A3: Balance of Payments

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Table 1. Balance of Payments summary: Quarter 2

€ 000

Balance of Payments	Quarter 2 2015 ^P			Quarter 2 2016 ^P			change in balance
	Credit	Debit	Net	Credit	Debit	Net	
Current account	12,984	-	12,984	-	5,288	-5,288	-18,271
Goods and services	3,139,843	3,135,144	4,700	3,178,820	3,161,212	17,608	12,909
Goods	716,402	1,231,481	-515,079	573,625	1,183,429	-609,805	-94,725
Services	2,423,441	1,903,662	519,779	2,605,196	1,977,782	627,413	107,634
Transport	136,831	117,986	18,845	268,178	165,069	103,109	84,264
Travel	337,892	72,352	265,540	345,225	70,658	274,567	9,027
Other services	1,948,718	1,713,324	235,394	1,991,792	1,742,055	249,737	14,343
Primary income	2,543,991	2,587,214	-43,223	2,474,846	2,543,164	-68,319	-25,096
Compensation of employees	6,291	6,419	-128	6,266	7,559	-1,293	-1,165
Secondary income	240,653	189,145	51,507	241,028	195,605	45,423	-6,085
Capital account	32,514	604	31,910	27,115	496	26,619	-5,292
	Assets	Liabilities	Net Assets	Assets	Liabilities	Net Assets	change
Financial account	-4,038,505	-4,143,486	104,981	1,233,214	1,030,391	202,824	97,843
Direct investment	-1,551,304	-224,329	-1,326,975	-1,751,154	556,457	-2,307,611	-980,636
Portfolio investment	313,544	33,052	280,493	2,223,753	34,647	2,189,106	1,908,613
Financial derivatives	166,435	-	166,435	175,267	-	175,267	8,832
Other investment	-2,966,257	-3,952,209	985,952	495,698	439,286	56,411	-929,541
Reserve assets	-924		-924	89,650		89,650	
Net errors and omissions			60,087			181,493	

^P Provisional

Table 2. Balance of Payments summary: Quarters 1-2

€000

Balance of Payments	Quarters 1-2 2015 ^P			Quarters 1-2 2016 ^P			change in balance
	Credit	Debit	Net	Credit	Debit	Net	
Current account	116,373	-	116,373	7,017	-	7,017	-109,356
Goods and services	5,987,267	5,892,916	94,350	6,083,354	6,049,204	34,151	-60,200
Goods	1,343,663	2,166,777	-823,114	1,142,682	2,139,641	-996,959	-173,845
Services	4,643,604	3,726,140	917,464	4,940,672	3,909,562	1,031,110	113,645
Transport	250,129	252,064	-1,936	402,064	303,470	98,595	100,530
Travel	480,365	127,153	353,212	500,152	144,543	355,610	2,397
Other services	3,913,110	3,346,923	566,188	4,038,456	3,461,550	576,905	10,718
Primary income	5,220,186	5,301,445	-81,258	4,970,107	5,087,230	-117,123	-35,865
Compensation of employees	12,540	12,733	-194	12,516	15,390	-2,875	-2,681
Secondary income	481,104	377,824	103,281	481,924	391,935	89,989	-13,291
Capital account	157,275	1,162	156,112	35,383	985	34,398	-121,714
	Assets	Liabilities	Net Assets	Assets	Liabilities	Net Assets	change
Financial account	-2,944,249	-2,935,052	-9,197	-1,724,096	-1,741,516	17,421	26,618
Direct investment	-3,186,245	539,683	-3,725,928	-3,300,337	1,131,442	-4,431,779	-705,851
Portfolio investment	744,388	-631,338	1,375,726	3,199,999	48,567	3,151,431	1,775,706
Financial derivatives	-	570,351	-570,351	35,116	-	35,116	605,467
Other investment	-437,581	-3,413,749	2,976,167	-1,813,117	-2,921,526	1,108,408	-1,867,759
Reserve assets	-64,811		-64,811	154,244		154,244	
Net errors and omissions			-281,682			-23,994	

^P Provisional

Table 3. The Current Account, geographical breakdown: Quarter 2

€000

Current account	Quarter 2 2015 ^P			Quarter 2 2016 ^P		
	Credit	Debit	Net	Credit	Debit	Net
Current account - World	12,984	-	12,984	-	5,288	-5,288
<i>of which:</i>						
EU	-	290,003	-290,003	-	85,970	-85,970
Extra EU	302,986	-	302,986	80,683	-	80,683
Euro Area	-	191,906	-191,906	-	168,218	-168,218
Extra Euro Area	204,889	-	204,889	162,931	-	162,931
Goods - World	716,402	1,231,481	-515,079	573,625	1,183,429	-609,805
<i>of which:</i>						
EU	246,308	759,453	-513,146	229,323	564,140	-334,817
Extra EU	470,094	472,028	-1,934	344,302	619,289	-274,987
Euro Area	186,124	591,879	-405,755	178,968	460,419	-281,451
Extra Euro Area	530,278	639,602	-109,325	394,657	723,011	-328,354
Services - World	2,423,441	1,903,662	519,779	2,605,196	1,977,782	627,414
<i>of which:</i>						
EU	918,395	486,262	432,132	966,914	521,012	445,903
Extra EU	1,505,047	1,417,400	87,647	1,638,281	1,456,771	181,511
Euro Area	474,769	276,942	197,826	499,430	318,881	180,548
Extra Euro Area	1,948,673	1,626,720	321,952	2,105,766	1,658,901	446,865
Primary income - World	2,543,991	2,587,214	-43,223	2,474,846	2,543,164	-68,319
<i>of which:</i>						
EU	161,442	425,622	-264,180	172,490	417,885	-245,395
Extra EU	2,382,548	2,161,592	220,957	2,302,356	2,125,280	177,076
Euro Area	91,653	138,730	-47,077	120,913	251,686	-130,773
Extra Euro Area	2,452,337	2,448,484	3,853	2,353,933	2,291,478	62,454
Secondary income - World	240,653	189,145	51,507	241,028	195,605	45,423
<i>of which:</i>						
EU	212,724	157,533	55,191	213,142	164,803	48,339
Extra EU	27,929	31,612	-3,683	27,886	30,802	-2,916
Euro Area	192,950	129,850	63,100	193,358	129,900	63,458
Extra Euro Area	47,703	59,295	-11,592	47,670	65,705	-18,035

^P Provisional

Table 4. The Current Account, geographical breakdown: Quarters 1-2

€ 000

Current account	Quarters 1-2 2015 ^P			Quarters 1-2 2016 ^P		
	Credit	Debit	Net	Credit	Debit	Net
Current account - World	116,373	-	116,373	7,017	-	7,017
<i>of which:</i>						
EU	-	797,447	-797,447	-	375,811	-375,811
Extra EU	913,820	-	913,820	382,827	-	382,827
Euro Area	-	455,587	-455,587	-	331,602	-331,602
Extra Euro Area	571,959	-	571,959	338,618	-	338,618
Goods - World	1,343,663	2,166,777	-823,114	1,142,682	2,139,641	-996,959
<i>of which:</i>						
EU	476,969	1,437,793	-960,824	485,773	1,146,288	-660,515
Extra EU	866,694	728,983	137,710	656,909	993,353	-336,444
Euro Area	375,053	1,095,293	-720,240	389,302	928,840	-539,539
Extra Euro Area	968,610	1,071,483	-102,874	753,381	1,210,801	-457,420
Services - World	4,643,604	3,726,140	917,464	4,940,672	3,909,562	1,031,110
<i>of which:</i>						
EU	1,660,393	936,274	724,119	1,728,331	1,012,401	715,930
Extra EU	2,983,211	2,789,865	193,345	3,212,341	2,897,162	315,179
Euro Area	843,154	533,288	309,866	883,678	615,834	267,845
Extra Euro Area	3,800,450	3,192,852	607,598	4,056,994	3,293,729	763,265
Primary income - World	5,220,186	5,301,445	-81,258	4,970,107	5,087,230	-117,123
<i>of which:</i>						
EU	344,339	1,015,133	-670,794	345,976	872,727	-526,751
Extra EU	4,875,847	4,286,312	589,536	4,624,131	4,214,503	409,628
Euro Area	186,149	357,297	-171,148	247,266	425,125	-177,859
Extra Euro Area	5,034,037	4,944,148	89,889	4,722,841	4,662,105	60,735
Secondary income - World	481,104	377,824	103,281	481,924	391,935	89,989
<i>of which:</i>						
EU	425,218	315,166	110,052	425,874	330,350	95,524
Extra EU	55,886	62,658	-6,772	56,050	61,586	-5,535
Euro Area	385,809	259,874	125,935	386,540	268,589	117,951
Extra Euro Area	95,295	117,949	-22,654	95,384	123,346	-27,962

^P Provisional

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 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 are not seasonally adjusted.
10. Figures may not add up due to rounding.
11. 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](#)

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