

During the first quarter this year, Malta registered a current account surplus of €56.9 million.

## International Economic and Financial Transactions: Q1/2017

Cut-off date:  
9 June 2017

Provisional figures for Malta's external transactions show that during January-March 2017 the current account balance recorded a surplus of €56.9 million as compared to a surplus of €79.1 million in the comparable quarter the previous year. Leading towards this surplus was primarily a positive net balance of the services account of €660.3 million marked by improvements in the net balances of the other services, travel and transport accounts. Moreover, the secondary income account recorded a positive net balance of €57.7 million. These were partially outweighed by declines in the goods and primary income accounts of €416.6 million and €244.4 million respectively (Table 1).

During the first quarter of 2017, the capital account registered a positive net balance of €37.5 million as compared to a positive balance of €7.7 million in 2016 (Table 1).

The financial account was shaped by net asset increases of €437.3 million, an improvement in net balance of assets of €354.7 million over the first three months of 2016. The development in the financial account balance was mainly the result of higher portfolio investment assets and other investment assets by €1,679.6 million and €960.2 million respectively partially outweighed by a decline in net direct investment assets. As a direct effect of the above shifts in the statement, the reserve assets of the country decreased by €16.8 million compared to an increase of €64.6 million during the March quarter last year (Table 1) ■

### Current account balance

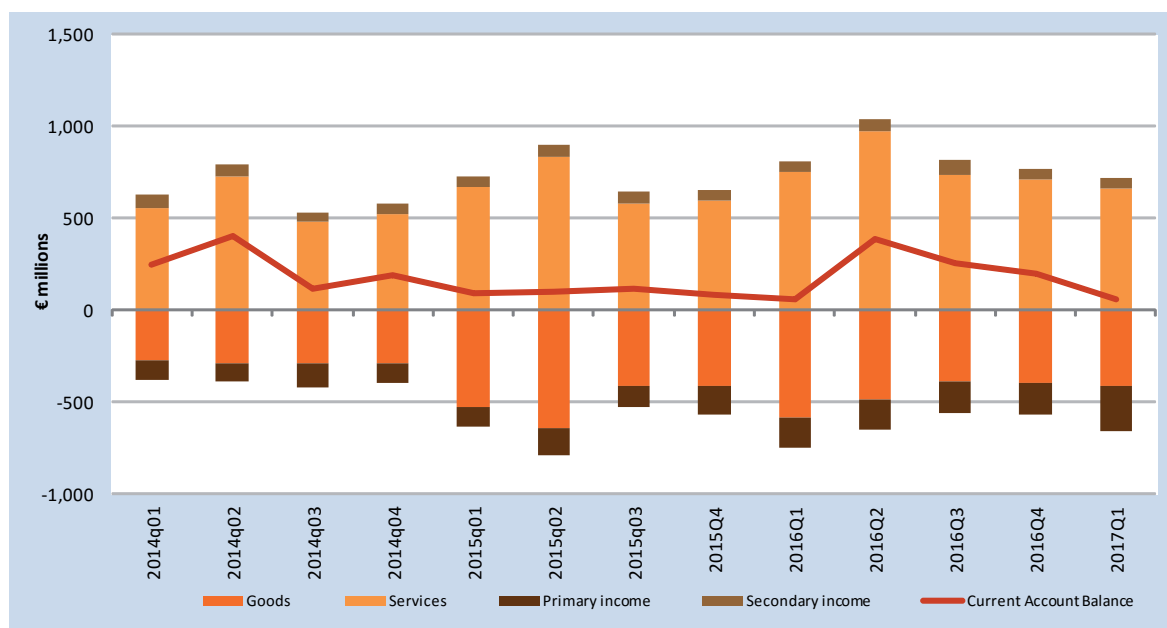


Table 1. Balance of Payments summary: Quarter 1

€ 000

Balance of Payments	Quarter 1 2016 <sup>P</sup>			Quarter 1 2017 <sup>P</sup>			change in balance
	Credit	Debit	Net	Credit	Debit	Net	
<b>Current account</b>	79,065	-	79,065	56,944	-	56,944	-22,121
<b>Goods and services</b>	3,285,768	3,104,936	180,831	3,344,673	3,100,995	243,678	62,847
<b>Goods</b>	581,059	991,091	-410,032	551,744	968,323	-416,579	-6,547
<b>Services</b>	2,704,709	2,113,846	590,863	2,792,929	2,132,672	660,257	69,393
Transport	173,632	155,006	18,627	199,377	149,412	49,965	31,338
Travel	151,327	73,884	77,442	175,805	75,019	100,786	23,344
Other services	2,379,750	1,884,956	494,794	2,417,747	1,908,241	509,506	14,712
<b>Primary income</b>	2,485,473	2,640,956	-155,482	2,407,950	2,652,346	-244,395	-88,913
Compensation of employees	6,251	11,499	-5,248	6,250	11,648	-5,399	-151
<b>Secondary income</b>	253,143	199,427	53,716	252,631	194,970	57,662	3,945
<b>Capital account</b>	8,230	503	7,728	37,994	460	37,534	29,806
	<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>	-2,633,247	-2,715,849	82,602	2,492,639	2,055,300	437,339	354,737
Direct investment	-1,492,225	628,619	-2,120,844	-1,513,364	609,773	-2,123,137	-2,294
Portfolio investment	974,904	13,703	961,201	1,605,014	-74,593	1,679,607	718,406
Financial derivatives	-	136,737	-136,737	-	62,540	-62,540	74,197
Other investment	-2,180,519	-3,494,907	1,314,388	2,417,794	1,457,580	960,214	-354,174
Reserve assets	64,594		64,594	-16,805		-16,805	
<b>Net errors and omissions</b>			-4,191			342,861	

<sup>P</sup> Provisional

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

€ 000

Balance of Payments	2015			2016			change in balance
	Credit	Debit	Net	Credit	Debit	Net	
<b>Current account</b>	481,683	-	481,683	691,969	-	691,969	210,286
<b>Goods and services</b>	13,359,939	12,620,665	739,274	13,924,575	12,777,443	1,147,131	407,857
<b>Goods</b>	2,674,725	4,543,537	-1,868,813	2,461,669	4,323,769	-1,862,100	6,713
<b>Services</b>	10,685,215	8,077,128	2,608,087	11,462,906	8,453,674	3,009,231	401,144
Transport	521,264	516,407	4,857	782,428	621,256	161,172	156,315
Travel	1,246,655	331,885	914,770	1,306,851	368,720	938,131	23,361
Other services	8,917,295	7,228,835	1,688,460	9,373,627	7,463,699	1,909,928	221,468
<b>Primary income</b>	10,059,061	10,525,091	-466,030	9,855,886	10,533,636	-677,751	-211,721
Compensation of employees	25,523	60,126	-34,603	25,050	46,145	-21,096	13,508
<b>Secondary income</b>	948,004	739,566	208,439	1,012,750	790,162	222,588	14,150
<b>Capital account</b>	170,015	2,698	167,316	81,673	2,374	79,298	-88,018
	<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>	-3,672,475	-4,101,750	429,275	-1,008,734	-2,383,512	1,374,777	945,502
Direct investment	-6,258,641	2,656,262	-8,914,902	-6,219,948	2,204,929	-8,424,877	490,025
Portfolio investment	3,945,279	-956,788	4,902,067	4,875,952	43,691	4,832,261	-69,807
Financial derivatives	-	897,979	-897,979	-	56,196	-56,196	841,784
Other investment	-1,285,660	-6,699,202	5,413,543	246,981	-4,688,327	4,935,309	-478,234
Reserve assets	-73,454		-73,454	88,281		88,281	
<b>Net errors and omissions</b>			-219,725			603,510	

<sup>P</sup> Provisional

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

€ 000

Current account	Quarter 1 2016 <sup>P</sup>			Quarter 1 2017 <sup>P</sup>		
	Credit	Debit	Net	Credit	Debit	Net
<b>Current account - World</b>	79,065	-	79,065	56,944	-	56,944
<i>of which:</i>						
<b>EU</b>	22,439	-	22,439	-	61,593	-61,593
<b>Extra EU</b>	56,626	-	56,626	118,537	-	118,537
<b>Euro Area</b>	-	96,146	-96,146	33,786	-	33,786
<b>Extra Euro Area</b>	175,211	-	175,211	23,158	-	23,158
<b>Goods - World</b>	581,059	991,091	-410,032	551,744	968,323	-416,579
<i>of which:</i>						
<b>EU</b>	266,276	597,879	-331,603	268,191	550,615	-282,424
<b>Extra EU</b>	314,782	393,212	-78,429	283,554	417,708	-134,155
<b>Euro Area</b>	220,070	480,623	-260,553	226,831	437,392	-210,561
<b>Extra Euro Area</b>	360,989	510,468	-149,479	324,913	530,931	-206,018
<b>Services - World</b>	2,704,709	2,113,846	590,863	2,792,929	2,132,672	660,257
<i>of which:</i>						
<b>EU</b>	1,052,298	646,721	405,577	1,146,767	673,652	473,115
<b>Extra EU</b>	1,652,410	1,467,124	185,286	1,646,162	1,459,021	187,142
<b>Euro Area</b>	559,468	308,562	250,906	613,018	300,805	312,213
<b>Extra Euro Area</b>	2,145,241	1,805,284	339,957	2,179,911	1,831,867	348,044
<b>Primary income - World</b>	2,485,473	2,640,956	-155,482	2,407,950	2,652,346	-244,395
<i>of which:</i>						
<b>EU</b>	178,573	286,701	-108,128	122,490	435,606	-313,115
<b>Extra EU</b>	2,306,900	2,354,255	-47,354	2,285,460	2,216,740	68,720
<b>Euro Area</b>	125,093	288,416	-163,323	77,440	213,520	-136,081
<b>Extra Euro Area</b>	2,360,381	2,352,540	7,841	2,330,511	2,438,825	-108,315
<b>Secondary income - World</b>	253,143	199,427	53,716	252,631	194,970	57,662
<i>of which:</i>						
<b>EU</b>	220,600	164,007	56,593	220,314	159,482	60,831
<b>Extra EU</b>	32,543	35,420	-2,877	32,317	35,487	-3,170
<b>Euro Area</b>	199,223	122,398	76,825	198,894	130,680	68,215
<b>Extra Euro Area</b>	53,920	77,029	-23,109	53,737	64,290	-10,553

<sup>P</sup> Provisional

Table 4. The Current Account, geographical breakdown: Annual

€ 000

Current account	2015			2016		
	Credit	Debit	Net	Credit	Debit	Net
<b>Current account - World</b>	481,683	-	481,683	691,969	-	691,969
<i>of which:</i>						
<b>EU</b>	-	783,733	-783,733	137,011	-	137,011
<b>Extra EU</b>	1,265,416	-	1,265,416	554,958	-	554,958
<b>Euro Area</b>	-	438,270	-438,270	-	53,222	-53,222
<b>Extra Euro Area</b>	919,953	-	919,953	745,190	-	745,190
<b>Goods - World</b>	2,674,725	4,543,537	-1,868,813	2,461,669	4,323,769	-1,862,100
<i>of which:</i>						
<b>EU</b>	964,500	2,862,824	-1,898,324	1,038,135	2,444,862	-1,406,727
<b>Extra EU</b>	1,710,225	1,680,714	29,511	1,423,534	1,878,907	-455,373
<b>Euro Area</b>	755,270	2,236,824	-1,481,554	844,783	1,982,094	-1,137,312
<b>Extra Euro Area</b>	1,919,455	2,306,713	-387,259	1,616,886	2,341,675	-724,788
<b>Services - World</b>	10,685,215	8,077,128	2,608,087	11,462,906	8,453,674	3,009,231
<i>of which:</i>						
<b>EU</b>	4,478,743	2,413,864	2,064,880	4,833,420	2,694,913	2,138,507
<b>Extra EU</b>	6,206,471	5,663,264	543,207	6,629,486	5,758,761	870,725
<b>Euro Area</b>	2,383,414	1,138,236	1,245,179	2,573,388	1,294,699	1,278,688
<b>Extra Euro Area</b>	8,301,800	6,938,892	1,362,908	8,889,518	7,158,975	1,730,543
<b>Primary income - World</b>	10,059,061	10,525,091	-466,030	9,855,886	10,533,636	-677,751
<i>of which:</i>						
<b>EU</b>	546,107	1,722,910	-1,176,803	627,772	1,464,451	-836,678
<b>Extra EU</b>	9,512,953	8,802,181	710,773	9,228,113	9,069,186	158,928
<b>Euro Area</b>	333,833	790,806	-456,973	432,267	908,204	-475,937
<b>Extra Euro Area</b>	9,725,228	9,734,285	-9,057	9,423,618	9,625,433	-201,814
<b>Secondary income - World</b>	948,004	739,566	208,439	1,012,750	790,162	222,588
<i>of which:</i>						
<b>EU</b>	820,755	594,241	226,514	883,328	641,418	241,910
<b>Extra EU</b>	127,249	145,324	-18,075	129,422	148,743	-19,321
<b>Euro Area</b>	737,134	482,056	255,078	796,548	515,209	281,338
<b>Extra Euro Area</b>	210,870	257,510	-46,639	216,203	274,952	-58,750

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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.
6. The balance of payments data for 2014 was revised by the incorporation of final results from published financial statements covering gambling and betting activities which led to an upward revision in the current and financial accounts as well as gross domestic product (GDP) and gross national income (GNI). Data for 2013 was also updated following new information which was not previously available. Data for 2015 and 2016 have been revised upwards accordingly but are still based on quarterly indicators rather than on finalised annual data.
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 is collected from TOURSTAT and administrative data.
9. 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.
10. Figures are not seasonally adjusted.
11. Figures may not add up due to rounding.
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