

During the third quarter this year, Malta registered a current account surplus of €443.3 million.

## International Economic and Financial Transactions: Q3/2017

Cut-off date:  
**7 December 2017**

Provisional figures for Malta's external transactions show that during July-September 2017 the current account balance recorded a surplus of €443.3 million as compared to a surplus of €340.1 million in the comparable quarter the previous year. Leading towards this surplus was primarily a positive net balance of the services account of €1,075.9 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 €60.4 million. These were partially outweighed by declines in the goods and primary income accounts of €500.5 million and €192.5 million respectively. (Table 1).

During the third quarter of 2017, the capital account registered a positive net balance of €5.0 million as compared to a positive balance of €0.8 million in 2016 (Table 1).

The financial account was shaped by net asset increases of €100.3 million, a decline in net balance of assets from €538.8 million over the September quarter of 2016. The development in the financial account balance was mainly the result of higher portfolio investment assets and other investment assets by €1,830.8 million and €616.8 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 increased by €40.5 million compared to a decrease of €8.5 million during the comparable quarter last year (Table 1) ■

**Chart 1. Current account balance**

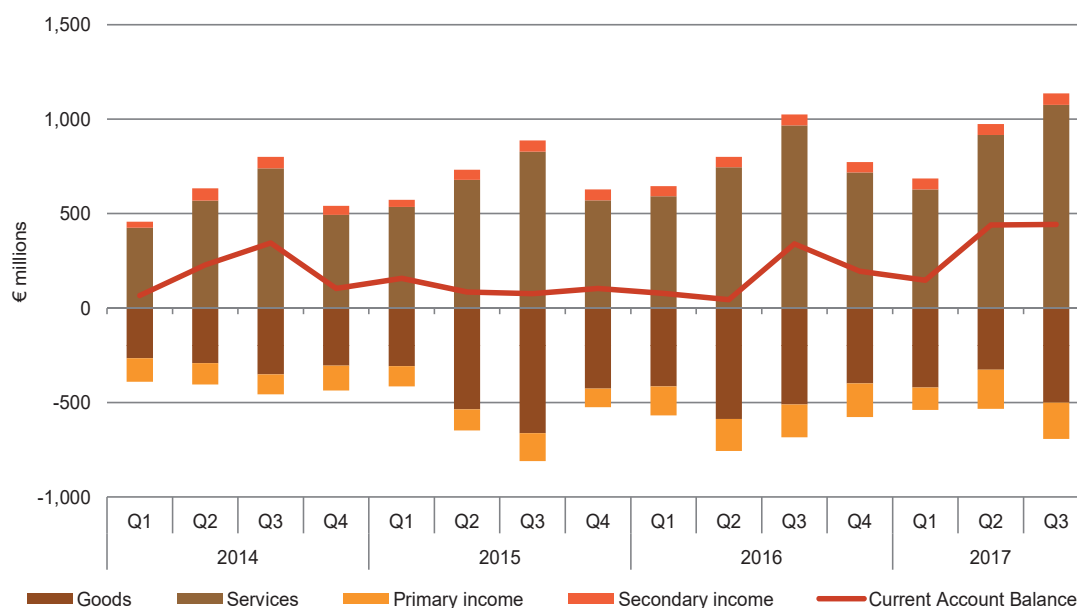


Table 1. Balance of Payments summary: Quarter 3

€ 000

Balance of Payments	Quarter 3 2016 <sup>P</sup>			Quarter 3 2017 <sup>P</sup>			change in balance
	Credit	Debit	Net	Credit	Debit	Net	
<b>Current account</b>	340,080	0	340,080	443,323	0	443,323	103,242
<b>Goods and services</b>	3,711,880	3,246,475	465,405	3,822,218	3,246,768	575,450	110,045
<b>Goods</b>	570,893	1,079,280	-508,388	533,847	1,034,345	-500,498	7,890
<b>Services</b>	3,140,987	2,167,194	973,793	3,288,371	2,212,423	1,075,948	102,155
Transport	217,405	166,002	51,402	219,758	155,415	64,342	12,940
Travel	540,481	128,478	412,003	623,985	141,269	482,716	70,713
Other services	2,383,102	1,872,715	510,388	2,444,628	1,915,739	528,889	18,501
<b>Primary income</b>	2,531,316	2,715,099	-183,783	2,427,663	2,620,194	-192,531	-8,748
Compensation of employees	6,250	11,760	-5,511	4,970	15,796	-10,826	-5,315
<b>Secondary income</b>	254,211	195,753	58,458	254,856	194,453	60,404	1,945
<b>Capital account</b>	1,691	930	762	5,458	475	4,983	4,221
	<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>	-797,246	-1,336,081	538,835	3,041,758	2,941,458	100,300	-438,535
Direct investment	-1,363,664	398,249	-1,761,913	-1,512,314	840,687	-2,353,000	-591,087
Portfolio investment	475,530	32,456	443,074	1,885,209	54,429	1,830,780	1,387,707
Financial derivatives	0	10,546	-10,546	0	34,705	-34,705	-24,159
Other investment	99,362	-1,777,331	1,876,693	2,628,390	2,011,638	616,752	-1,259,941
Reserve assets	-8,474		-8,474	40,472		40,472	
<b>Net errors and omissions</b>			197,993			-348,005	

<sup>P</sup> Provisional

**Table 2. Balance of Payments summary: Quarters 1-3**

€ 000

Balance of Payments	Quarters 1-3 2016 <sup>P</sup>			Quarters 1-3 2017 <sup>P</sup>			Change in balance
	Credit	Debit	Net	Credit	Debit	Net	
<b>Current account</b>	468,026	0	468,026	1,070,445	0	1,070,445	602,419
<b>Goods and services</b>	10,426,115	9,621,476	804,639	10,876,109	9,468,030	1,408,079	603,440
<b>Goods</b>	1,764,929	3,270,784	-1,505,855	1,677,500	2,967,033	-1,289,534	216,322
<b>Services</b>	8,661,186	6,350,692	2,310,494	9,198,609	6,500,996	2,697,613	387,119
Transport	588,680	475,266	113,415	630,736	464,499	166,236	52,822
Travel	1,036,241	273,019	763,222	1,209,832	303,250	906,582	143,361
Other services	7,036,265	5,602,407	1,433,858	7,358,041	5,733,247	1,624,794	190,936
<b>Primary income</b>	7,441,443	7,947,687	-506,244	7,216,919	7,731,064	-514,145	-7,901
Compensation of employees	18,800	34,518	-15,718	15,554	43,403	-27,849	-12,131
<b>Secondary income</b>	761,707	592,076	169,631	761,018	584,508	176,510	6,879
<b>Capital account</b>	44,462	1,935	42,527	94,899	1,435	93,464	50,936
	<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>	-2,315,928	-3,406,914	1,090,986	6,883,834	5,824,362	1,059,471	-31,515
Direct investment	-4,501,631	1,438,882	-5,940,513	-4,539,041	2,174,405	-6,713,447	-772,934
Portfolio investment	3,485,819	26,555	3,459,264	5,576,086	60,683	5,515,403	2,056,139
Financial derivatives	40,894	0	40,894	0	124,010	-124,010	-164,904
Other investment	-1,486,780	-4,872,350	3,385,570	5,725,254	3,465,264	2,259,990	-1,125,580
Reserve assets	145,771		145,771	121,535		121,535	
<b>Net errors and omissions</b>			580,433			-104,437	

<sup>P</sup> Provisional

Table 3. The current account, geographical breakdown: Quarter 3

€ 000

Current account	Quarter 3 2016 <sup>P</sup>			Quarter 3 2017 <sup>P</sup>		
	Credit	Debit	Net	Credit	Debit	Net
<b>Current account - World</b>	340,080	0	340,080	443,323	0	443,323
<i>of which:</i>						
<b>EU</b>	102,273	0	102,273	348,432	0	348,432
<b>Extra EU</b>	237,807	0	237,807	94,890	0	94,890
<b>Euro Area</b>	47,907	0	47,907	265,695	0	265,695
<b>Extra Euro Area</b>	292,173	0	292,173	177,628	0	177,628
<b>Goods - World</b>	570,893	1,079,280	-508,388	533,847	1,034,345	-500,498
<i>of which:</i>						
<b>EU</b>	258,700	646,627	-387,928	297,511	590,870	-293,360
<b>Extra EU</b>	312,193	432,653	-120,460	236,336	443,475	-207,138
<b>Euro Area</b>	208,867	525,346	-316,479	246,357	491,431	-245,074
<b>Extra Euro Area</b>	362,026	553,934	-191,908	287,490	542,914	-255,424
<b>Services - World</b>	3,140,987	2,167,194	973,793	3,288,371	2,212,423	1,075,948
<i>of which:</i>						
<b>EU</b>	1,397,267	718,353	678,913	1,526,228	748,379	777,848
<b>Extra EU</b>	1,743,721	1,448,841	294,880	1,762,143	1,464,043	298,099
<b>Euro Area</b>	739,525	361,306	378,219	821,089	358,667	462,422
<b>Extra Euro Area</b>	2,401,462	1,805,888	595,574	2,467,281	1,853,756	613,525
<b>Primary income - World</b>	2,531,316	2,715,099	-183,783	2,427,663	2,620,194	-192,531
<i>of which:</i>						
<b>EU</b>	198,307	450,566	-252,259	101,781	301,655	-199,874
<b>Extra EU</b>	2,333,009	2,264,533	68,475	2,325,882	2,318,539	7,343
<b>Euro Area</b>	154,867	239,987	-85,120	64,023	85,897	-21,874
<b>Extra Euro Area</b>	2,376,449	2,475,113	-98,664	2,363,640	2,534,297	-170,657
<b>Secondary income - World</b>	254,211	195,753	58,458	254,856	194,453	60,404
<i>of which:</i>						
<b>EU</b>	221,989	158,443	63,546	222,682	158,864	63,818
<b>Extra EU</b>	32,223	37,310	-5,088	32,175	35,589	-3,414
<b>Euro Area</b>	198,818	130,747	68,071	198,864	130,563	68,301
<b>Extra Euro Area</b>	55,393	65,006	-9,613	55,992	63,889	-7,897

<sup>P</sup> Provisional

Table 4. The current account, geographical breakdown: Quarters 1-3

€ 000

Current account	Quarters 1-3 2016 <sup>P</sup>			Quarters 1-3 2017 <sup>P</sup>		
	Credit	Debit	Net	Credit	Debit	Net
<b>Current account - World</b>	468,026	0	468,026	1,070,445	0	1,070,445
<i>of which:</i>						
<b>EU</b>	166,772	0	166,772	536,904	0	536,904
<b>Extra EU</b>	301,254	0	301,254	533,541	0	533,541
<b>Euro Area</b>	0	59,712	-59,712	548,551	0	548,551
<b>Extra Euro Area</b>	527,738	0	527,738	521,894	0	521,894
<b>Goods - World</b>	1,764,929	3,270,784	-1,505,855	1,677,500	2,967,033	-1,289,534
<i>of which:</i>						
<b>EU</b>	780,587	1,861,766	-1,081,179	847,073	1,780,408	-933,335
<b>Extra EU</b>	984,342	1,409,018	-424,676	830,426	1,186,625	-356,199
<b>Euro Area</b>	631,840	1,507,118	-875,278	711,598	1,458,208	-746,611
<b>Extra Euro Area</b>	1,133,089	1,763,666	-630,577	965,902	1,508,825	-542,923
<b>Services - World</b>	8,661,186	6,350,692	2,310,494	9,198,609	6,500,996	2,697,613
<i>of which:</i>						
<b>EU</b>	3,682,898	2,024,828	1,658,070	4,053,157	2,151,743	1,901,414
<b>Extra EU</b>	4,978,288	4,325,864	652,424	5,145,453	4,349,254	796,199
<b>Euro Area</b>	1,960,501	979,195	981,307	2,169,713	1,009,548	1,160,165
<b>Extra Euro Area</b>	6,700,684	5,371,497	1,329,188	7,028,896	5,491,449	1,537,447
<b>Primary income - World</b>	7,441,443	7,947,687	-506,244	7,216,919	7,731,064	-514,145
<i>of which:</i>						
<b>EU</b>	508,782	1,102,030	-593,249	322,875	940,225	-617,350
<b>Extra EU</b>	6,932,661	6,845,657	87,004	6,894,044	6,790,839	103,205
<b>Euro Area</b>	354,544	728,378	-373,834	202,967	267,643	-64,675
<b>Extra Euro Area</b>	7,086,899	7,219,309	-132,410	7,013,952	7,463,422	-449,470
<b>Secondary income - World</b>	761,707	592,076	169,631	761,018	584,508	176,510
<i>of which:</i>						
<b>EU</b>	665,778	482,648	183,130	664,195	478,020	186,174
<b>Extra EU</b>	95,929	109,428	-13,498	96,824	106,487	-9,664
<b>Euro Area</b>	597,714	383,501	214,213	596,706	391,874	204,832
<b>Extra Euro Area</b>	163,993	208,575	-44,582	164,312	192,634	-28,322

<sup>P</sup> 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 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.
12. More information relating to this news release may be accessed at:  
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