

During the first quarter of 2018, Malta registered a current account surplus of €390.5 million.

International Economic and Financial Transactions: Q1/2018

Provisional figures for Malta's external transactions show that during January-March 2018 the current account balance recorded a surplus of €390.5 million from a surplus of €247.2 million in the comparable quarter of 2017. Leading towards this surplus was primarily a positive net balance of the services account of €722.8 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 €58.1 million. These were partially outweighed by declines in the goods and primary income accounts of €227.8 million and €162.6 million respectively. (Table 1).

During the first quarter this year, the capital account registered a positive net balance of €21.7 million, an increase of €4.1 million, when compared to a positive balance of €17.6 million in 2017 (Table 1).

The financial account was shaped by net asset decreases of €166.9 million, a decline in net balance of assets of €562.3 million over the March quarter last year. The development in the financial account balance was mainly the result of lower net direct investment assets and net portfolio investment assets by €2,236.7 million and €52.6 million respectively partially outweighed by an increase in net other investment assets. As a direct effect of the above shifts in the statement, the reserve assets of the country increased by €28.3 million compared to a decrease of €25.2 million during the comparable quarter in 2017 (Table 1) ■

Chart 1. Current account balance

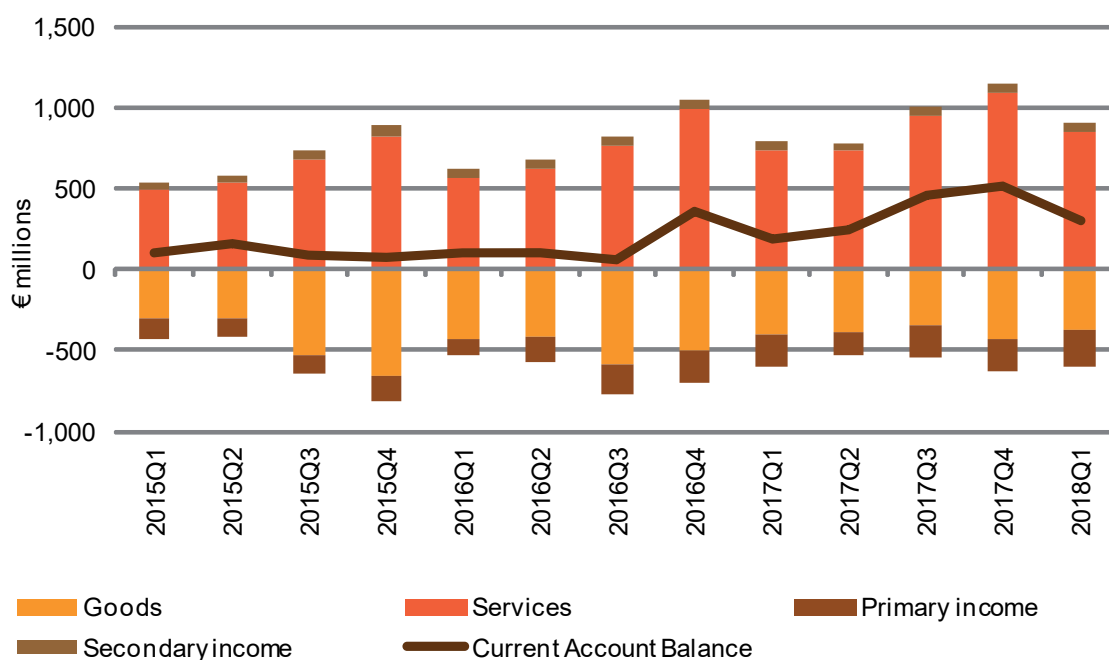


Table 1. Balance of Payments summary: Quarter 1

€ 000

Balance of Payments	Quarter 1 2017 ^P			Quarter 1 2018 ^P			change in balance
	Credit	Debit	Net	Credit	Debit	Net	
Current account	6,169,577	5,922,403	247,174	6,248,513	5,858,026	390,487	143,313
Goods and services	3,518,629	3,170,345	348,284	3,623,825	3,128,771	495,055	146,771
Goods	675,633	1,058,664	-383,031	703,698	931,473	-227,776	155,256
Services	2,842,996	2,111,681	731,315	2,920,128	2,197,298	722,830	-8,485
Transport	195,708	144,507	51,201	223,773	143,741	80,033	28,832
Travel	175,805	75,019	100,786	195,908	81,717	114,191	13,405
Other services	2,471,483	1,892,154	579,328	2,500,446	1,971,840	528,606	-50,722
Primary income	2,398,376	2,545,535	-147,159	2,367,124	2,529,766	-162,641	-15,482
Compensation of employees	4,320	12,123	-7,803	4,310	15,624	-11,314	-3,512
Secondary income	252,573	206,524	46,049	257,563	199,489	58,074	12,024
Capital account	18,541	982	17,559	22,182	492	21,690	4,131
	Assets	Liabilities	Net	Assets	Liabilities	Net	change in balance
Financial account	2,421,146	2,025,727	395,419	-764,388	-597,468	-166,919	-562,338
Direct investment	-1,501,336	597,072	-2,098,408	-1,460,756	775,938	-2,236,694	-138,287
Portfolio investment	1,590,081	-71,032	1,661,112	-6,757	45,876	-52,634	-1,713,746
Financial derivatives	0	61,671	-61,671	48,427	0	48,427	110,098
Other investment	2,357,559	1,438,016	919,543	626,357	-1,419,283	2,045,640	1,126,097
Reserve assets	-25,158		-25,158	28,341		28,341	
Net errors and omissions			130,686			-579,096	

^P Provisional

Table 2. Balance of Payments summary: Annual

€ 000

Balance of Payments	2016 ^P			2017 ^P			Change in balance
	Credit	Debit	Net	Credit	Debit	Net	
Current account	24,961,174	24,249,517	711,657	25,792,725	24,276,219	1,516,506	804,849
Goods and services	14,096,710	12,896,802	1,199,908	15,193,368	13,095,279	2,098,089	898,181
Goods	2,575,276	4,485,809	-1,910,532	2,891,832	4,416,994	-1,525,162	385,371
Services	11,521,434	8,410,993	3,110,440	12,301,535	8,678,285	3,623,250	512,810
Transport	785,005	582,345	202,661	882,286	609,011	273,275	70,614
Travel	1,306,491	368,719	937,772	1,525,240	414,307	1,110,933	173,161
Other services	9,429,938	7,459,930	1,970,008	9,894,010	7,654,967	2,239,043	269,035
Primary income	9,829,548	10,548,497	-718,948	9,573,273	10,355,299	-782,026	-63,077
Compensation of employees	25,050	46,156	-21,107	19,867	61,612	-41,745	-20,638
Secondary income	1,034,915	804,218	230,697	1,026,084	825,641	200,443	-30,254
Capital account	46,416	2,374	44,041	68,941	3,956	64,985	20,944
	Assets	Liabilities	Net	Assets	Liabilities	Net	change in balance
Financial account	-1,044,058	-2,389,745	1,345,687	8,454,269	7,148,683	1,305,586	-40,101
Direct investment	-6,048,109	2,251,587	-8,299,696	-6,078,256	3,070,190	-9,148,446	-848,750
Portfolio investment	4,809,007	52,792	4,756,215	6,829,709	109,510	6,720,200	1,963,985
Financial derivatives	0	6,379	-6,379	0	106,844	-106,844	-100,465
Other investment	106,763	-4,700,503	4,807,266	7,556,382	3,862,139	3,694,242	-1,113,024
Reserve assets	88,281		88,281	146,434		146,434	
Net errors and omissions			589,989			-275,905	

^P Provisional

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

€ 000

Current account	Quarter 1 2017 ^P			Quarter 1 2018 ^P		
	Credit	Debit	Net	Credit	Debit	Net
Current account - World	6,169,577	5,922,403	247,174	6,248,513	5,858,026	390,487
<i>of which:</i>						
EU	3,973,794	3,900,062	73,732	4,147,030	4,203,316	-56,286
Extra EU	2,195,783	2,022,341	173,442	2,101,483	1,654,709	446,773
Euro Area	2,836,103	2,671,192	164,911	2,937,567	2,959,045	-21,478
Extra Euro Area	3,333,474	3,251,211	82,263	3,310,946	2,898,981	411,965
Goods - World	675,633	1,058,664	-383,031	703,698	931,473	-227,776
<i>of which:</i>						
EU	325,647	611,476	-285,828	346,511	571,766	-225,255
Extra EU	349,986	447,188	-97,203	357,187	359,707	-2,520
Euro Area	279,502	494,475	-214,973	304,264	457,595	-153,332
Extra Euro Area	396,132	564,189	-168,058	399,434	473,878	-74,444
Services - World	2,842,996	2,111,681	731,315	2,920,128	2,197,298	722,830
<i>of which:</i>						
EU	1,939,269	1,451,707	487,562	2,085,001	1,521,803	563,198
Extra EU	903,726	659,973	243,753	835,127	675,495	159,632
Euro Area	1,223,227	901,465	321,762	1,297,519	945,206	352,313
Extra Euro Area	1,619,769	1,210,216	409,553	1,622,609	1,252,091	370,517
Primary income - World	2,398,376	2,545,535	-147,159	2,367,124	2,529,766	-162,641
<i>of which:</i>						
EU	1,490,208	1,668,593	-178,385	1,492,972	1,951,214	-458,242
Extra EU	908,167	876,942	31,225	874,152	578,552	295,600
Euro Area	1,134,778	1,142,781	-8,003	1,136,967	1,423,749	-286,782
Extra Euro Area	1,263,597	1,402,754	-139,157	1,230,158	1,106,017	124,141
Secondary income - World	252,573	206,524	46,049	257,563	199,489	58,074
<i>of which:</i>						
EU	218,669	168,286	50,383	222,546	158,533	64,013
Extra EU	33,904	38,237	-4,334	35,017	40,956	-5,939
Euro Area	198,596	132,471	66,125	198,817	132,495	66,323
Extra Euro Area	53,977	74,052	-20,076	58,746	66,995	-8,249

^P Provisional

Table 4. The Current Account, geographical breakdown: Annual

€ 000

Current account	2016 ^P			2017 ^P		
	Credit	Debit	Net	Credit	Debit	Net
Current account - World	24,961,174	24,249,517	711,657	25,792,725	24,276,219	1,516,506
<i>of which:</i>						
EU	16,099,276	15,829,747	269,529	16,657,198	16,093,437	563,761
Extra EU	8,861,898	8,419,771	442,127	9,135,527	8,182,783	952,744
Euro Area	11,352,270	11,326,532	25,738	11,755,947	11,147,447	608,500
Extra Euro Area	13,608,904	12,922,985	685,918	14,036,778	13,128,772	908,006
Goods - World	2,575,276	4,485,809	-1,910,532	2,891,832	4,416,994	-1,525,162
<i>of which:</i>						
EU	1,083,588	2,481,094	-1,397,505	1,337,382	2,695,457	-1,358,075
Extra EU	1,491,688	2,004,715	-513,027	1,554,450	1,721,537	-167,086
Euro Area	873,357	2,011,885	-1,138,528	1,147,549	2,206,805	-1,059,256
Extra Euro Area	1,701,919	2,473,924	-772,004	1,744,283	2,210,189	-465,906
Services - World	11,521,434	8,410,993	3,110,440	12,301,535	8,678,285	3,623,250
<i>of which:</i>						
EU	7,977,888	5,814,111	2,163,777	8,540,080	5,966,398	2,573,682
Extra EU	3,543,546	2,596,882	946,664	3,761,455	2,711,887	1,049,568
Euro Area	4,994,244	3,709,394	1,284,850	5,318,244	3,737,566	1,580,678
Extra Euro Area	6,527,190	4,701,599	1,825,591	6,983,291	4,940,719	2,042,572
Primary income - World	9,829,548	10,548,497	-718,948	9,573,273	10,355,299	-782,026
<i>of which:</i>						
EU	6,135,031	6,888,006	-752,976	5,892,542	6,770,399	-877,857
Extra EU	3,694,518	3,660,491	34,027	3,680,732	3,584,901	95,831
Euro Area	4,688,697	5,078,290	-389,593	4,495,344	4,672,728	-177,385
Extra Euro Area	5,140,852	5,470,207	-329,356	5,077,930	5,682,571	-604,641
Secondary income - World	1,034,915	804,218	230,697	1,026,084	825,641	200,443
<i>of which:</i>						
EU	902,769	646,536	256,234	887,194	661,183	226,011
Extra EU	132,146	157,683	-25,537	138,889	164,458	-25,569
Euro Area	795,973	526,963	269,009	794,810	530,348	264,462
Extra Euro Area	238,943	277,255	-38,312	231,274	295,294	-64,020

^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 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, 2016 and 2017 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:

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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