

During the third quarter of 2018, Malta registered a current account surplus of €488.3 million.

## International Economic and Financial Transactions: Q3/2018

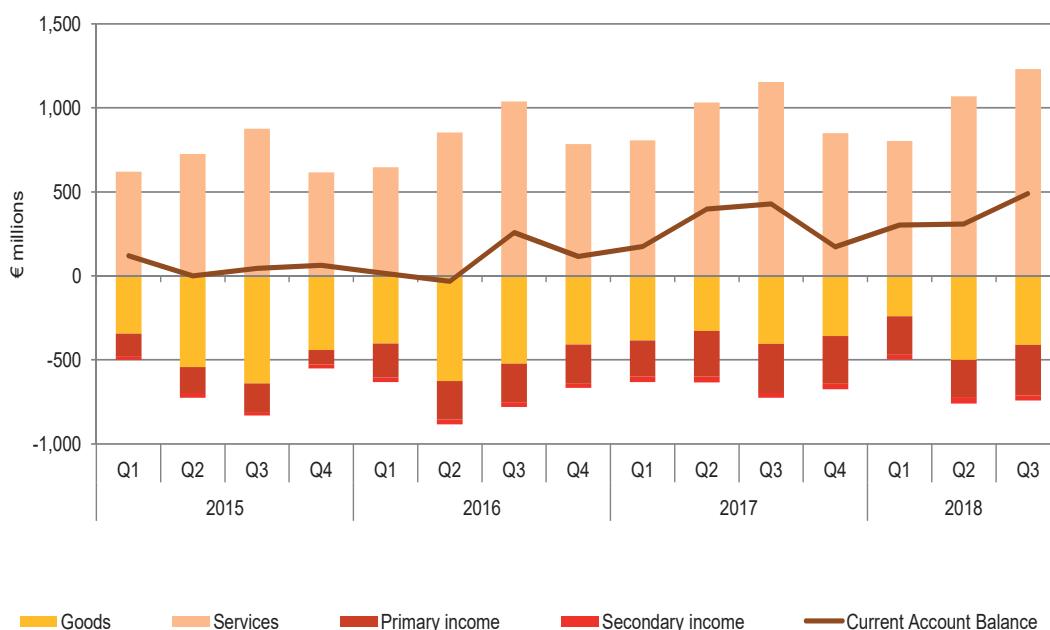
Cut-off date:  
30 November 2018

Provisional figures for Malta's external transactions show that during July-September 2018, the current account balance recorded a surplus of €488.3 million as compared to a surplus of €427.8 million in the comparable quarter of 2017. Leading towards this surplus was primarily a positive net balance of the services account of €1,230.0 million marked by improvements in the net balances of the other services, travel and transport accounts. This was partially outweighed by negative net balances in the goods account (€410.7 million), primary income account (€300.5 million) and secondary income account (€30.5 million). Tax data reported in the secondary income account has been revised and brought in line with national accounts quarterly and annual data. Moreover, past BOP estimates have been recomputed using updated financial statements.

During the third quarter of this year, the capital account registered a positive net balance of €18.8 million as compared to a positive balance of €16.1 million during the same quarter in 2017.

The financial account was shaped by net asset increases of €191.3 million, an increase in net balance of assets of €25.4 million over the same quarter last year. The development in the financial account balance was mainly the result of higher other investment and portfolio investment by €1,842.7 million and €640.4 million respectively. These were partially outweighed by lower direct investment assets by €2,360.5 million. As a direct effect of the above shifts in the statement, the reserve assets of the country decreased by €5.3 million compared to an increase of €40.5 million during the comparable quarter in 2017 (Table 1) ■

**Chart 1. Current account balance**



**Table 1. Balance of Payments summary**

€ 000

Balance of Payments	July-September 2017 <sup>P</sup>			July-September 2018 <sup>P</sup>			change in balance
	Credit	Debit	Net	Credit	Debit	Net	
<b>Current account</b>	6,922,611	6,494,817	427,793	7,135,579	6,647,287	488,292	60,499
<b>Goods and services</b>	4,412,620	3,664,281	748,339	4,668,722	3,849,455	819,267	70,928
<b>Goods</b>	677,408	1,082,814	-405,406	715,880	1,126,624	-410,745	-5,339
<b>Services</b>	3,735,212	2,581,466	1,153,745	3,952,842	2,722,831	1,230,012	76,266
Transport	238,312	159,540	78,772	261,315	154,487	106,827	28,055
Travel	625,041	141,269	483,772	635,446	148,533	486,913	3,141
Other services	2,871,858	2,280,658	591,201	3,056,082	2,419,811	636,271	45,070
<b>Primary income</b>	2,454,629	2,747,459	-292,830	2,413,036	2,713,524	-300,488	-7,658
Compensation of employees	5,013	15,725	-10,712	4,338	16,121	-11,783	-1,071
<b>Secondary income</b>	55,362	83,078	-27,716	53,821	84,308	-30,486	-2,771
<b>Capital account</b>	16,867	756	16,111	19,093	252	18,841	2,730
	<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>	3,275,416	3,109,562	165,855	1,066,030	874,758	191,273	25,418
Direct investment	-1,387,509	1,062,484	-2,449,993	-1,343,280	1,017,193	-2,360,473	89,520
Portfolio investment	1,883,367	54,794	1,828,573	687,254	46,834	640,420	-1,188,153
Financial derivatives	0	34,705	-34,705	73,986	0	73,986	108,690
Other investment	2,739,086	1,957,579	781,507	1,653,404	-189,270	1,842,673	1,061,167
Reserve assets <sup>1</sup>	40,472		40,472	-5,333		-5,333	
<b>Net errors and omissions</b>			-278,049			-315,861	

<sup>P</sup> Provisional

<sup>1</sup> Blank cells denote not applicable

**Table 2. Balance of Payments summary**

€ 000

Balance of Payments	January-September 2017 <sup>P</sup>			January-September 2018 <sup>P</sup>			change in balance
	Credit	Debit	Net	Credit	Debit	Net	
<b>Current account</b>	20,077,394	19,076,385	1,001,009	20,566,346	19,465,612	1,100,734	99,725
<b>Goods and services</b>	12,618,258	10,744,125	1,874,133	13,186,073	11,237,523	1,948,550	74,417
<b>Goods</b>	2,101,344	3,220,631	-1,119,287	2,067,162	3,219,234	-1,152,072	-32,785
<b>Services</b>	10,516,914	7,523,494	2,993,420	11,118,911	8,018,288	3,100,622	107,202
Transport	675,884	412,041	263,842	753,603	462,490	291,113	27,271
Travel	1,212,928	303,250	909,678	1,262,083	324,492	937,591	27,913
Other services	8,628,102	6,808,202	1,819,900	9,103,225	7,231,307	1,871,918	52,018
<b>Primary income</b>	7,299,205	8,077,834	-778,630	7,218,797	7,970,582	-751,785	26,844
Compensation of employees	15,629	35,072	-19,443	12,996	48,528	-35,532	-16,089
<b>Secondary income</b>	159,931	254,425	-94,495	161,476	257,507	-96,031	-1,536
<b>Capital account</b>	31,136	2,327	28,809	30,666	801	29,865	1,056
	<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>	7,553,059	6,411,956	1,141,103	2,400,136	1,572,504	827,632	-313,471
Direct investment	-4,146,713	2,786,360	-6,933,073	-3,988,943	3,201,916	-7,190,859	-257,786
Portfolio investment	5,568,258	53,868	5,514,389	2,035,182	142,994	1,892,188	-3,622,201
Financial derivatives	0	124,010	-124,010	239,283	0	239,283	363,293
Other investment	6,009,979	3,447,718	2,562,261	3,992,269	-1,772,406	5,764,674	3,202,413
Reserve assets <sup>1</sup>	121,535		121,535	122,346		122,346	
<b>Net errors and omissions</b>			111,286			-302,967	

<sup>P</sup> Provisional

<sup>1</sup> Blank cells denote not applicable

Table 3. The Current Account, geographical breakdown

€ 000

Current account	July-September 2017 <sup>P</sup>			July-September 2018 <sup>P</sup>		
	Credit	Debit	Net	Credit	Debit	Net
<b>Current account - World</b>	6,922,611	6,494,817	427,793	7,135,579	6,647,287	488,292
<i>of which:</i>						
<b>EU</b>	4,428,308	4,164,003	264,305	4,759,347	4,525,806	233,541
<b>Extra EU</b>	2,494,303	2,330,815	163,488	2,376,233	2,121,480	254,751
<b>Euro Area</b>	2,946,968	2,902,452	44,517	3,152,436	3,192,427	-39,991
<b>Extra Euro Area</b>	3,975,642	3,592,366	383,277	3,983,143	3,454,860	528,284
<b>Goods - World</b>	677,408	1,082,814	-405,406	715,880	1,126,624	-410,745
<i>of which:</i>						
<b>EU</b>	324,795	619,168	-294,373	394,152	707,312	-313,160
<b>Extra EU</b>	352,613	463,646	-111,034	321,728	419,313	-97,585
<b>Euro Area</b>	281,478	510,211	-228,733	352,927	587,269	-234,342
<b>Extra Euro Area</b>	395,930	572,603	-176,673	362,952	539,356	-176,403
<b>Services - World</b>	3,735,212	2,581,466	1,153,745	3,952,842	2,722,831	1,230,012
<i>of which:</i>						
<b>EU</b>	2,584,522	1,782,551	801,971	2,808,391	1,931,044	877,348
<b>Extra EU</b>	1,150,690	798,915	351,774	1,144,451	791,787	352,664
<b>Euro Area</b>	1,503,098	1,165,330	337,769	1,598,852	1,271,429	327,423
<b>Extra Euro Area</b>	2,232,114	1,416,137	815,977	2,353,990	1,451,402	902,588
<b>Primary income - World</b>	2,454,629	2,747,459	-292,830	2,413,036	2,713,524	-300,488
<i>of which:</i>						
<b>EU</b>	1,492,423	1,720,172	-227,749	1,530,689	1,845,158	-314,469
<b>Extra EU</b>	962,205	1,027,287	-65,081	882,347	868,366	13,981
<b>Euro Area</b>	1,135,663	1,170,173	-34,510	1,174,703	1,271,142	-96,439
<b>Extra Euro Area</b>	1,318,966	1,577,286	-258,320	1,238,334	1,442,383	-204,049
<b>Secondary income - World</b>	55,362	83,078	-27,716	53,821	84,308	-30,486
<i>of which:</i>						
<b>EU</b>	26,567	42,112	-15,544	26,115	42,293	-16,179
<b>Extra EU</b>	28,795	40,967	-12,172	27,707	42,014	-14,307
<b>Euro Area</b>	26,729	56,738	-30,008	25,954	62,588	-36,634
<b>Extra Euro Area</b>	28,633	26,340	2,293	27,867	21,720	6,148

<sup>P</sup> Provisional

Table 4. The Current Account, geographical breakdown

€ 000

Current account	January-September 2017 <sup>P</sup>			January-September 2018 <sup>P</sup>		
	Credit	Debit	Net	Credit	Debit	Net
<b>Current account - World</b>	20,077,394	19,076,385	1,001,009	20,566,346	19,465,612	1,100,734
<i>of which:</i>						
<b>EU</b>	12,829,062	12,479,835	349,227	13,585,385	13,487,451	97,934
<b>Extra EU</b>	7,248,332	6,596,550	651,782	6,980,961	5,978,160	1,002,800
<b>Euro Area</b>	8,605,001	8,667,673	-62,672	9,053,679	9,530,172	-476,493
<b>Extra Euro Area</b>	11,472,393	10,408,712	1,063,681	11,512,667	9,935,440	1,577,227
<b>Goods - World</b>	2,101,344	3,220,631	-1,119,287	2,067,162	3,219,234	-1,152,072
<i>of which:</i>						
<b>EU</b>	991,419	1,926,584	-935,165	1,111,965	2,044,387	-932,423
<b>Extra EU</b>	1,109,925	1,294,048	-184,122	955,197	1,174,847	-219,650
<b>Euro Area</b>	875,741	1,567,201	-691,460	999,363	1,677,309	-677,946
<b>Extra Euro Area</b>	1,225,603	1,653,430	-427,828	1,067,799	1,541,926	-474,126
<b>Services - World</b>	10,516,914	7,523,494	2,993,420	11,118,911	8,018,288	3,100,622
<i>of which:</i>						
<b>EU</b>	7,265,706	5,234,924	2,030,782	7,841,875	5,630,785	2,211,090
<b>Extra EU</b>	3,251,208	2,288,570	962,638	3,277,036	2,387,503	889,533
<b>Euro Area</b>	4,233,329	3,414,182	819,147	4,488,495	3,686,820	801,675
<b>Extra Euro Area</b>	6,283,585	4,109,311	2,174,274	6,630,416	4,331,468	2,298,948
<b>Primary income - World</b>	7,299,205	8,077,834	-778,630	7,218,797	7,970,582	-751,785
<i>of which:</i>						
<b>EU</b>	4,496,220	5,178,615	-682,395	4,553,593	5,679,178	-1,125,586
<b>Extra EU</b>	2,802,985	2,899,219	-96,234	2,665,204	2,291,404	373,800
<b>Euro Area</b>	3,416,532	3,485,606	-69,074	3,482,829	3,968,660	-485,831
<b>Extra Euro Area</b>	3,882,673	4,592,228	-709,555	3,735,968	4,001,922	-265,954
<b>Secondary income - World</b>	159,931	254,425	-94,495	161,476	257,507	-96,031
<i>of which:</i>						
<b>EU</b>	75,717	139,712	-63,995	77,953	133,100	-55,147
<b>Extra EU</b>	84,213	114,714	-30,500	83,524	124,406	-40,883
<b>Euro Area</b>	79,398	200,683	-121,285	82,992	197,383	-114,391
<b>Extra Euro Area</b>	80,532	53,742	26,790	78,484	60,124	18,360

<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
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 current account, capital account and 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 BOP and National Accounts Units are working in close collaboration to strengthen coherence between the two domains. As a result, tax data reported in past BOP statements and news releases have been revised and brought in line with national accounts quarterly and annual data. A time-series from 2004 incorporating these revisions in tax data can be found at the following link:  
[https://nso.gov.mt/en/nso/National\\_Summary\\_Data\\_Page/Documents/External\\_Sector/Balance\\_of\\_Payments\\_141218.xls](https://nso.gov.mt/en/nso/National_Summary_Data_Page/Documents/External_Sector/Balance_of_Payments_141218.xls).  
Moreover, past BOP estimates have been recomputed using updated financial statements.
7. The BOP data for 2015 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 2014 was also updated following new information which was not previously available. Data for 2016, 2017 and 2018 have been revised upwards accordingly but are still based on quarterly indicators rather than on finalised annual data.
8. The quarterly figure for re-invested earnings (a component of both the income account and 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.
9. Shipment data (freight and insurance) are measured from the c.i.f. INTRASTAT import data, while data for the travel account are collected from TOURSTAT and other administrative sources.
10. 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.
11. Figures are not seasonally adjusted and 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>
13. References to this news release are to be cited appropriately.
14. A detailed news release calendar is available on:  
[https://nso.gov.mt/en/News\\_Releases/Release\\_Calendar/Pages/News-Release-Calendar.aspx](https://nso.gov.mt/en/News_Releases/Release_Calendar/Pages/News-Release-Calendar.aspx)

European statistics comparable to data in this News Release are available at:

[EUROSTAT Website/Homepage/Statistics Database](#)

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