

During the second quarter of 2019, Malta registered a current account surplus of €361.0 million.

## International Economic and Financial Transactions: Q2/2019

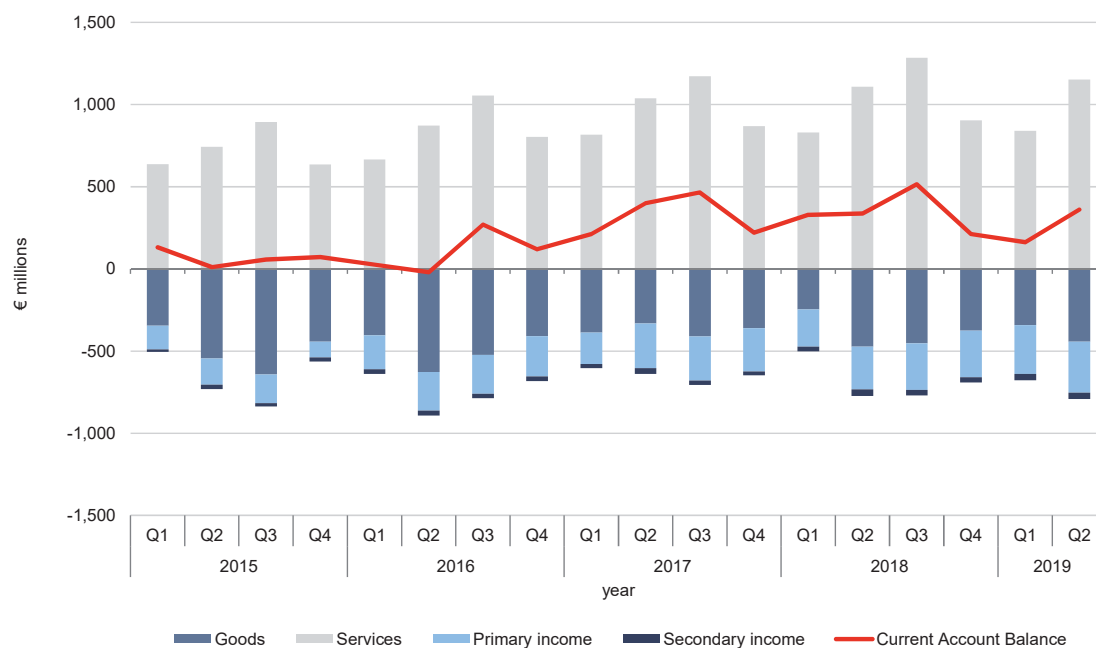
Cut-off date:  
**6 September 2019**

Provisional figures for Malta's external transactions show that during April-June 2019, the current account balance recorded a surplus of €361.0 million as compared to a surplus of €336.7 million in the corresponding quarter of 2018. This surplus was primarily the result of a positive net balance of the services account of €1,152.7 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 (€443.4 million), primary income account (€309.9 million) and secondary income account (€38.5 million).

During the June quarter this year, the capital account registered a positive net balance of €21.3 million as compared to a positive balance of €7.3 million in 2018.

The financial account was shaped by net asset increases of €677.5 million, an improvement in net balance of assets of €46.2 million over the same quarter in 2018. The development in the financial account balance was mainly the result of higher other investment (€1,780.4 million) and portfolio investment (€1,309.2 million). These were partially outweighed by lower direct investment of €2,314.4 million, higher financial derivatives liabilities of €33.1 million and a decline in the reserve assets of the country by €64.7 million (Table 1) ■

**Chart 1. Current account balance**



**Table 1. Balance of Payments summary**

€ 000

Balance of Payments	April-June 2018 <sup>P</sup>			April-June 2019 <sup>P</sup>			change in balance
	Credit	Debit	Net	Credit	Debit	Net	
<b>Current account</b>	6,941,828	6,605,160	336,668	7,007,209	6,646,227	360,982	24,314
<b>Goods and services</b>	4,485,275	3,849,057	636,218	4,590,242	3,880,942	709,300	73,082
<b>Goods</b>	735,769	1,208,292	-472,524	729,343	1,172,777	-443,434	29,090
<b>Services</b>	3,749,506	2,640,765	1,108,741	3,860,899	2,708,165	1,152,734	43,993
Transport	275,521	155,225	120,295	266,188	162,560	103,629	-16,667
Travel	430,009	94,242	335,767	476,245	102,684	373,561	37,795
Other services	3,043,977	2,391,297	652,679	3,118,466	2,442,922	675,544	22,865
<b>Primary income</b>	2,403,061	2,663,935	-260,874	2,368,319	2,678,181	-309,862	-48,988
Compensation of employees	4,027	19,552	-15,525	3,979	14,249	-10,270	5,255
<b>Secondary income</b>	53,492	92,168	-38,677	48,647	87,104	-38,457	220
<b>Capital account</b>	7,620	303	7,317	21,806	458	21,348	14,031
	<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>	1,713,905	1,082,563	631,341	1,420,673	743,154	677,519	46,178
Direct investment	-1,425,801	1,122,605	-2,548,406	-1,429,831	884,520	-2,314,351	234,055
Portfolio investment	1,354,688	50,372	1,304,317	1,378,094	68,847	1,309,247	4,931
Financial derivatives	115,715	0	115,715	0	33,062	-33,062	-148,777
Other investment	1,569,965	-90,413	1,660,378	1,537,078	-243,275	1,780,353	119,975
Reserve assets <sup>1</sup>	99,338		99,338	-64,668		-64,668	
<b>Net errors and omissions</b>			287,357			295,189	

<sup>P</sup> Provisional

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

**Table 2. Balance of Payments summary**

€ 000

Balance of Payments	January-June 2018 <sup>P</sup>			January-June 2019 <sup>P</sup>			change in balance
	Credit	Debit	Net	Credit	Debit	Net	
<b>Current account</b>	13,577,672	12,912,196	665,475	13,836,663	13,313,516	523,148	-142,328
<b>Goods and services</b>	8,657,213	7,435,802	1,221,411	8,983,646	7,775,672	1,207,973	-13,438
<b>Goods</b>	1,487,541	2,205,959	-718,419	1,592,524	2,377,730	-785,206	-66,788
<b>Services</b>	7,169,672	5,229,842	1,939,830	7,391,122	5,397,942	1,993,180	53,350
Transport	514,883	305,711	209,172	510,541	315,727	194,814	-14,358
Travel	626,637	175,959	450,678	676,692	193,372	483,320	32,642
Other services	6,028,152	4,748,172	1,279,980	6,203,889	4,888,843	1,315,046	35,066
<b>Primary income</b>	4,812,823	5,301,243	-488,420	4,755,727	5,363,639	-607,912	-119,493
Compensation of employees	7,992	36,357	-28,365	7,961	31,512	-23,551	4,815
<b>Secondary income</b>	107,635	175,152	-67,516	97,291	174,204	-76,914	-9,397
<b>Capital account</b>	11,349	564	10,784	53,103	718	52,385	41,601
	<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>	1,111,482	644,237	467,245	1,537,159	938,350	598,809	131,564
Direct investment	-2,814,439	2,064,051	-4,878,490	-2,847,849	1,912,956	-4,760,805	117,685
Portfolio investment	1,347,930	96,449	1,251,481	2,519,118	112,288	2,406,830	1,155,349
Financial derivatives	127,728	0	127,728	0	123,280	-123,280	-251,008
Other investment	2,322,584	-1,516,263	3,838,847	1,972,995	-1,210,173	3,183,168	-655,679
Reserve assets <sup>1</sup>	127,679		127,679	-107,105		-107,105	
<b>Net errors and omissions</b>			-209,014			23,276	

<sup>P</sup> Provisional

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

**Table 3. The Current Account, geographical breakdown**

€ 000

Current account	April-June 2018 <sup>P</sup>			April-June 2019 <sup>P</sup>		
	Credit	Debit	Net	Credit	Debit	Net
<b>Current account - World</b>	6,941,828	6,605,160	336,668	7,007,209	6,646,227	360,982
<i>of which:</i>						
<b>EU</b>	4,524,169	4,607,183	-83,014	4,634,087	4,524,461	109,626
<b>Extra EU</b>	2,417,658	1,997,977	419,681	2,373,122	2,121,766	251,356
<b>Euro Area</b>	2,975,876	3,225,948	-250,072	3,010,430	3,161,249	-150,819
<b>Extra Euro Area</b>	3,965,952	3,379,212	586,740	3,996,779	3,484,978	511,801
<b>Goods - World</b>	735,769	1,208,292	-472,524	729,343	1,172,777	-443,434
<i>of which:</i>						
<b>EU</b>	324,143	829,106	-504,963	344,821	708,663	-363,843
<b>Extra EU</b>	411,626	379,187	32,439	384,522	464,114	-79,591
<b>Euro Area</b>	291,663	696,719	-405,057	302,045	605,982	-303,937
<b>Extra Euro Area</b>	444,106	511,573	-67,467	427,298	566,795	-139,497
<b>Services - World</b>	3,749,506	2,640,765	1,108,741	3,860,899	2,708,165	1,152,734
<i>of which:</i>						
<b>EU</b>	2,663,833	1,862,714	801,119	2,750,027	1,909,624	840,403
<b>Extra EU</b>	1,085,673	778,051	307,622	1,110,873	798,541	312,331
<b>Euro Area</b>	1,525,898	1,219,160	306,738	1,558,819	1,246,613	312,206
<b>Extra Euro Area</b>	2,223,608	1,421,605	802,004	2,302,080	1,461,552	840,528
<b>Primary income - World</b>	2,403,061	2,663,935	-260,874	2,368,319	2,678,181	-309,862
<i>of which:</i>						
<b>EU</b>	1,510,164	1,865,126	-354,962	1,518,393	1,862,912	-344,519
<b>Extra EU</b>	892,897	798,809	94,088	849,926	815,269	34,657
<b>Euro Area</b>	1,152,845	1,300,350	-147,505	1,144,258	1,298,618	-154,360
<b>Extra Euro Area</b>	1,250,216	1,363,585	-113,369	1,224,062	1,379,563	-155,502
<b>Secondary income - World</b>	53,492	92,168	-38,677	48,647	87,104	-38,457
<i>of which:</i>						
<b>EU</b>	26,029	50,237	-24,208	20,846	43,262	-22,415
<b>Extra EU</b>	27,463	41,931	-14,468	27,801	43,842	-16,042
<b>Euro Area</b>	5,470	9,719	-4,249	5,308	10,036	-4,728
<b>Extra Euro Area</b>	48,021	82,449	-34,428	43,339	77,068	-33,729

<sup>P</sup> Provisional

**Table 4. The Current Account, geographical breakdown**

€ 000

Current account	January-June 2018 <sup>P</sup>			January-June 2019 <sup>P</sup>		
	Credit	Debit	Net	Credit	Debit	Net
<b>Current account - World</b>	13,577,672	12,912,196	665,475	13,836,663	13,313,516	523,148
<i>of which:</i>						
<b>EU</b>	8,821,921	9,112,444	-290,523	9,013,057	9,272,656	-259,599
<b>Extra EU</b>	4,755,751	3,799,753	955,998	4,823,606	4,040,860	782,746
<b>Euro Area</b>	5,837,211	6,390,013	-552,803	5,883,845	6,495,254	-611,409
<b>Extra Euro Area</b>	7,740,461	6,522,183	1,218,278	7,952,818	6,818,261	1,134,557
<b>Goods - World</b>	1,487,541	2,205,959	-718,419	1,592,524	2,377,730	-785,206
<i>of which:</i>						
<b>EU</b>	696,674	1,472,972	-776,298	674,770	1,423,687	-748,918
<b>Extra EU</b>	790,866	732,987	57,880	917,754	954,043	-36,289
<b>Euro Area</b>	626,827	1,220,581	-593,754	590,560	1,177,257	-586,696
<b>Extra Euro Area</b>	860,714	985,379	-124,665	1,001,963	1,200,473	-198,510
<b>Services - World</b>	7,169,672	5,229,842	1,939,830	7,391,122	5,397,942	1,993,180
<i>of which:</i>						
<b>EU</b>	5,036,790	3,653,872	1,382,918	5,250,902	3,802,345	1,448,557
<b>Extra EU</b>	2,132,882	1,575,970	556,912	2,140,220	1,595,597	544,623
<b>Euro Area</b>	2,890,910	2,385,379	505,531	2,986,345	2,478,166	508,180
<b>Extra Euro Area</b>	4,278,763	2,844,464	1,434,299	4,404,777	2,919,776	1,485,000
<b>Primary income - World</b>	4,812,823	5,301,243	-488,420	4,755,727	5,363,639	-607,912
<i>of which:</i>						
<b>EU</b>	3,036,650	3,892,908	-856,257	3,045,693	3,960,102	-914,409
<b>Extra EU</b>	1,776,173	1,408,335	367,838	1,710,034	1,403,537	306,497
<b>Euro Area</b>	2,308,621	2,764,069	-455,448	2,296,324	2,819,762	-523,438
<b>Extra Euro Area</b>	2,504,202	2,537,174	-32,972	2,459,404	2,543,878	-84,474
<b>Secondary income - World</b>	107,635	175,152	-67,516	97,291	174,204	-76,914
<i>of which:</i>						
<b>EU</b>	51,806	92,691	-40,886	41,692	86,522	-44,829
<b>Extra EU</b>	55,830	82,460	-26,631	55,598	87,683	-32,084
<b>Euro Area</b>	10,853	19,985	-9,132	10,616	20,070	-9,454
<b>Extra Euro Area</b>	96,782	155,167	-58,384	86,674	154,134	-67,459

<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 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.
7. The reported quarterly figure for re-invested earnings (a component of both the income account and the direct investment account) 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) are measured from the c.i.f. INTRASTAT import data, while data for the travel account are collected from TOURSTAT and other administrative sources.
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>
13. References to this news release are to be cited appropriately.
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