

During the third quarter of 2019, Malta registered a current account surplus of €603.7 million.

International Economic and Financial Transactions: Q3/2019

Cut-off date:
6 December 2019

Provisional figures for Malta's external transactions show that during July-September 2019, the current account balance recorded a surplus of €603.7 million as compared to a surplus of €457.2 million in the comparable quarter of 2018. This surplus was primarily the result of a positive net balance of the services account of €1,308.0 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 (€372.4 million), primary income account (€296.6 million) and secondary income account (€35.3 million).

During the September quarter this year, the capital account registered a positive net balance of €26.7 million as compared to a positive balance of €21.2 million in 2018.

The financial account was shaped by net asset increases of €53.6 million, a fall in the net balance of assets of €138.2 million over the same quarter in 2018. The development in the financial account balance was mainly the result of higher portfolio investment (€1,269.1 million) and other investment (€1,204.6 million). These were partially outweighed by lower direct investment (€2,436.2 million). Financial derivatives assets increased by €41.2 million whereas the reserve assets of the country went down by €25.1 million (Table 1) ■

Chart 1. Current account balance

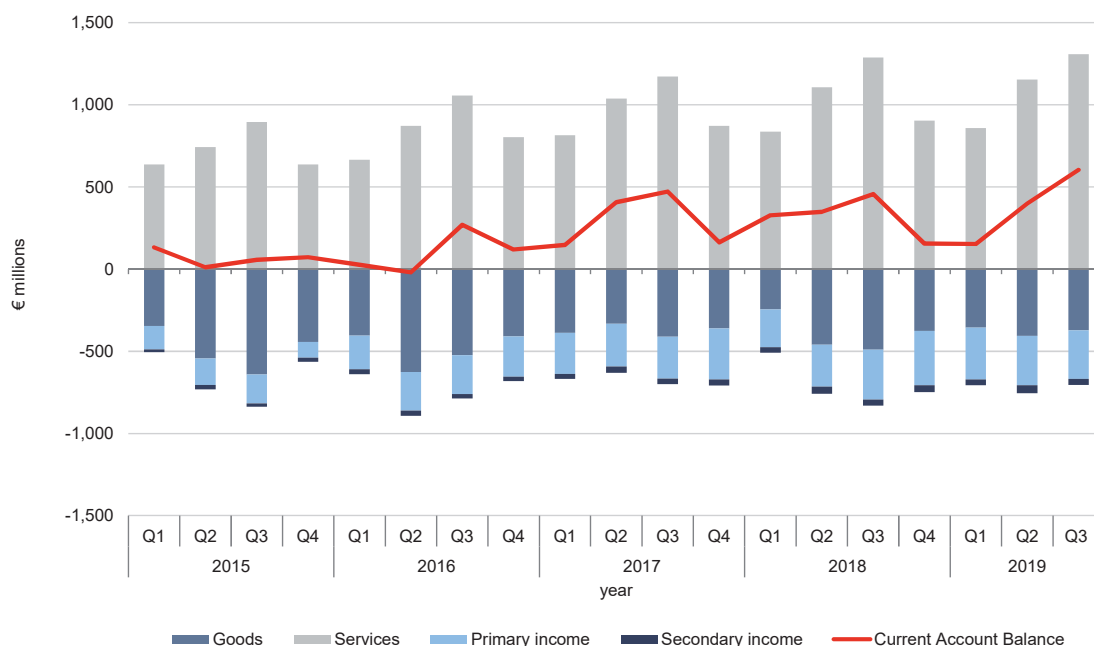


Table 1. Balance of Payments summary

€ 000

Balance of Payments	July-September 2018 ^P			July-September 2019 ^P			change in balance
	Credit	Debit	Net	Credit	Debit	Net	
Current account	7,186,301	6,729,053	457,248	7,350,845	6,747,151	603,694	146,446
Goods and services	4,726,818	3,929,913	796,905	4,954,825	4,019,232	935,594	138,689
Goods	738,026	1,229,090	-491,064	843,243	1,215,691	-372,448	118,616
Services	3,988,792	2,700,823	1,287,969	4,111,582	2,803,540	1,308,042	20,073
Transport	296,208	163,717	132,491	306,181	185,431	120,750	-11,742
Travel	635,626	148,533	487,093	672,959	153,236	519,722	32,629
Other services	3,056,958	2,388,574	668,385	3,132,443	2,464,873	667,570	-814
Primary income	2,404,742	2,707,254	-302,512	2,342,527	2,639,081	-296,554	5,959
Compensation of employees	5,282	16,220	-10,937	5,290	14,041	-8,751	2,186
Secondary income	54,742	91,886	-37,145	53,492	88,839	-35,347	1,798
Capital account	22,235	1,074	21,161	27,183	464	26,719	5,558
	Assets	Liabilities	Net	Assets	Liabilities	Net	change in balance
Financial account	1,013,812	821,950	191,862	862,973	809,360	53,613	-138,249
Direct investment	-1,417,695	963,004	-2,380,699	-1,422,515	1,013,691	-2,436,206	-55,507
Portfolio investment	687,234	48,254	638,980	1,342,129	72,990	1,269,140	630,160
Financial derivatives	73,986	0	73,986	41,150	0	41,150	-32,836
Other investment	1,675,621	-189,308	1,864,929	927,301	-277,320	1,204,621	-660,308
Reserve assets ¹	-5,333		-5,333	-25,092		-25,092	
Net errors and omissions			-286,547			-576,800	

^P Provisional

¹ Blank cells denote not applicable

Table 2. Balance of Payments summary

€ 000

Balance of Payments	January-September 2018 ^P			January-September 2019 ^P			change in balance
	Credit	Debit	Net	Credit	Debit	Net	
Current account	20,764,020	19,631,078	1,132,942	21,212,640	20,057,705	1,154,935	21,993
Goods and services	13,420,735	11,387,722	2,033,012	13,979,194	11,795,531	2,183,663	150,651
Goods	2,252,437	3,450,321	-1,197,884	2,465,044	3,600,710	-1,135,665	62,219
Services	11,168,298	7,937,402	3,230,896	11,514,150	8,194,821	3,319,329	88,432
Transport	812,223	477,327	334,897	816,947	514,581	302,366	-32,531
Travel	1,264,939	324,492	940,447	1,349,993	346,608	1,003,384	62,937
Other services	9,091,136	7,135,583	1,955,552	9,347,211	7,333,632	2,013,579	58,026
Primary income	7,180,908	7,967,168	-786,260	7,069,748	7,982,054	-912,306	-126,046
Compensation of employees	15,902	50,678	-34,776	15,879	50,079	-34,200	576
Secondary income	162,377	276,187	-113,811	163,698	280,119	-116,422	-2,611
Capital account	33,583	1,638	31,945	103,688	1,181	102,507	70,562
	Assets	Liabilities	Net	Assets	Liabilities	Net	change in balance
Financial account	2,147,211	1,480,532	666,679	2,327,734	1,702,475	625,259	-41,419
Direct investment	-4,210,503	3,045,348	-7,255,852	-4,252,362	2,940,208	-7,192,569	63,282
Portfolio investment	2,035,163	144,703	1,890,461	3,860,252	189,235	3,671,017	1,780,556
Financial derivatives	201,714	0	201,714	0	82,130	-82,130	-283,844
Other investment	3,998,491	-1,709,519	5,708,010	2,852,041	-1,509,097	4,361,138	-1,346,872
Reserve assets ¹	122,346		122,346	-132,196		-132,196	
Net errors and omissions			-498,209			-632,183	

^P Provisional

¹ Blank cells denote not applicable

Table 3. The Current Account, geographical breakdown

€ 000

Current account	July-September 2018 ^P			July-September 2019 ^P		
	Credit	Debit	Net	Credit	Debit	Net
Current account - World	7,186,301	6,729,053	457,248	7,350,845	6,747,151	603,694
<i>of which:</i>						
EU	4,781,875	4,595,553	186,323	4,760,301	4,601,666	158,636
Extra EU	2,404,426	2,133,501	270,925	2,590,543	2,145,485	445,058
Euro Area	3,142,295	3,220,163	-77,868	3,079,469	3,155,941	-76,471
Extra Euro Area	4,044,006	3,508,891	535,115	4,271,375	3,591,210	680,165
Goods - World	738,026	1,229,090	-491,064	843,243	1,215,691	-372,448
<i>of which:</i>						
EU	393,017	772,151	-379,134	304,074	701,025	-396,952
Extra EU	345,009	456,939	-111,930	539,169	514,666	24,503
Euro Area	351,899	638,909	-287,010	253,587	542,520	-288,933
Extra Euro Area	386,127	590,181	-204,054	589,656	673,172	-83,516
Services - World	3,988,792	2,700,823	1,287,969	4,111,582	2,803,540	1,308,042
<i>of which:</i>						
EU	2,834,513	1,917,178	917,335	2,931,193	1,981,572	949,622
Extra EU	1,154,279	783,645	370,634	1,180,389	821,968	358,421
Euro Area	1,617,778	1,267,217	350,561	1,673,302	1,278,428	394,874
Extra Euro Area	2,371,014	1,433,606	937,408	2,438,281	1,525,112	913,168
Primary income - World	2,404,742	2,707,254	-302,512	2,342,527	2,639,081	-296,554
<i>of which:</i>						
EU	1,528,525	1,858,676	-330,151	1,499,411	1,873,706	-374,295
Extra EU	876,217	848,578	27,638	843,116	765,374	77,742
Euro Area	1,169,350	1,299,131	-129,781	1,149,385	1,322,674	-173,290
Extra Euro Area	1,235,391	1,408,123	-172,732	1,193,142	1,316,406	-123,264
Secondary income - World	54,742	91,886	-37,145	53,492	88,839	-35,347
<i>of which:</i>						
EU	25,820	47,549	-21,728	25,623	45,362	-19,739
Extra EU	28,921	44,338	-15,416	27,869	43,477	-15,608
Euro Area	5,452	14,906	-9,454	5,380	12,319	-6,939
Extra Euro Area	49,290	76,981	-27,691	48,112	76,520	-28,408

^P Provisional

Table 4. The Current Account, geographical breakdown

€ 000

Current account	January-September 2018 ^P			January-September 2019 ^P		
	Credit	Debit	Net	Credit	Debit	Net
Current account - World	20,764,020	19,631,078	1,132,942	21,212,640	20,057,705	1,154,935
<i>of which:</i>						
EU	13,606,784	13,715,259	-108,475	13,846,955	13,893,029	-46,074
Extra EU	7,157,236	5,915,819	1,241,417	7,365,685	6,164,676	1,201,009
Euro Area	8,997,176	9,641,676	-644,499	9,028,184	9,718,590	-690,406
Extra Euro Area	11,766,844	9,989,403	1,777,441	12,184,456	10,339,115	1,845,342
Goods - World	2,252,437	3,450,321	-1,197,884	2,465,044	3,600,710	-1,135,665
<i>of which:</i>						
EU	1,117,969	2,258,575	-1,140,606	1,061,298	2,140,432	-1,079,134
Extra EU	1,134,468	1,191,746	-57,278	1,403,747	1,460,278	-56,532
Euro Area	1,001,444	1,869,361	-867,918	916,386	1,725,746	-809,360
Extra Euro Area	1,250,993	1,580,959	-329,966	1,548,658	1,874,964	-326,306
Services - World	11,168,298	7,937,402	3,230,896	11,514,150	8,194,821	3,319,329
<i>of which:</i>						
EU	7,876,569	5,580,117	2,296,452	8,187,965	5,778,934	2,409,031
Extra EU	3,291,729	2,357,284	934,444	3,326,185	2,415,887	910,298
Euro Area	4,512,733	3,671,729	841,004	4,656,993	3,788,251	868,743
Extra Euro Area	6,655,565	4,265,673	2,389,892	6,857,157	4,406,571	2,450,586
Primary income - World	7,180,908	7,967,168	-786,260	7,069,748	7,982,054	-912,306
<i>of which:</i>						
EU	4,534,620	5,727,192	-1,192,572	4,520,923	5,826,171	-1,305,247
Extra EU	2,646,288	2,239,977	406,312	2,548,825	2,155,884	392,941
Euro Area	3,466,695	4,056,559	-589,864	3,438,917	4,160,964	-722,047
Extra Euro Area	3,714,213	3,910,609	-196,395	3,630,831	3,821,090	-190,259
Secondary income - World	162,377	276,187	-113,811	163,698	280,119	-116,422
<i>of which:</i>						
EU	77,626	149,375	-71,749	76,769	147,492	-70,724
Extra EU	84,751	126,812	-42,061	86,929	132,627	-45,698
Euro Area	16,305	44,026	-27,721	15,887	43,630	-27,742
Extra Euro Area	146,072	232,161	-86,089	147,810	236,490	-88,680

^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 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 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.
7. 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.
8. 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.
9. Figures are not seasonally adjusted.
10. Figures may not add up due to rounding.
11. 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>
12. References to this news release are to be cited appropriately.
13. A detailed news release calendar is available on:
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](http://ec.europa.eu/eurostat/)

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