

During the first quarter of 2020, Malta registered a current account surplus of €200.0 million.

International Economic and Financial Transactions: Q1/2020

Cut-off date:
31 May 2020

Provisional figures for Malta's external transactions show that during January-March 2020, the current account balance recorded a surplus of €200.0 million as compared to a surplus of €127.9 million in the comparable quarter of 2019. This surplus was primarily the result of a positive net balance of the services account of €857.3 million marked by improvements in the net balances of the other services, transport and travel accounts. This was partially outweighed by negative net balances in the primary income account (€317.0 million), the goods account (€307.2 million) and the secondary income account (€33.1 million).

During the first quarter of 2020, the capital account registered a positive net balance of €22.5 million as compared to a positive balance of €41.5 million in 2019.

The financial account was shaped by net asset increases of €10.9 million, an increase in the net balance of assets of €90.9 million over the same quarter in 2019. The development in the financial account balance was mainly brought about by higher other investment (€1,978.6 million) and portfolio investment (€526.2 million). This was partially offset by lower direct investment (€2,408.2 million). Financial derivatives liabilities increased by €48.0 million whereas the reserve assets of the country went down by €37.7 million (Table 1) ■

Chart 1. Current account balance



Statistics in this News Release should be interpreted in context to the unprecedented developments related to COVID-19.

Table 1. Balance of Payments summary

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| Balance of Payments | January-March 2019 ^P | | | January-March 2020 ^P | | | change in balance |
|---------------------------------|---------------------------------|--------------------|------------|---------------------------------|--------------------|------------|--------------------------|
| | Credit | Debit | Net | Credit | Debit | Net | |
| Current account | 6,802,633 | 6,674,696 | 127,937 | 6,621,440 | 6,421,392 | 200,048 | 72,111 |
| Goods and services | 4,379,881 | 3,896,456 | 483,425 | 4,249,848 | 3,699,731 | 550,118 | 66,693 |
| Goods | 854,407 | 1,224,159 | -369,752 | 692,312 | 999,465 | -307,153 | 62,600 |
| Services | 3,525,474 | 2,672,296 | 853,177 | 3,557,536 | 2,700,266 | 857,270 | 4,093 |
| Transport | 235,371 | 153,587 | 81,785 | 252,763 | 156,665 | 96,099 | 14,314 |
| Travel | 201,473 | 90,688 | 110,784 | 158,377 | 62,855 | 95,522 | -15,263 |
| Other services | 3,088,630 | 2,428,021 | 660,609 | 3,146,397 | 2,480,747 | 665,650 | 5,041 |
| Primary income | 2,367,605 | 2,684,992 | -317,387 | 2,315,525 | 2,632,498 | -316,973 | 414 |
| Compensation of employees | 5,296 | 16,281 | -10,985 | 5,313 | 14,014 | -8,701 | 2,284 |
| Secondary income | 55,147 | 93,248 | -38,102 | 56,067 | 89,164 | -33,097 | 5,005 |
| Capital account | 41,752 | 260 | 41,492 | 22,959 | 458 | 22,501 | -18,991 |
| | Assets | Liabilities | Net | Assets | Liabilities | Net | change in balance |
| Financial account | 98,171 | 178,190 | -80,019 | 1,080,997 | 1,070,112 | 10,885 | 90,904 |
| Direct investment | -1,408,463 | 1,033,320 | -2,441,783 | -1,422,037 | 986,193 | -2,408,229 | 33,554 |
| Portfolio investment | 1,140,029 | 46,079 | 1,093,949 | 581,593 | 55,346 | 526,247 | -567,702 |
| Financial derivatives | 0 | 90,217 | -90,217 | 0 | 48,015 | -48,015 | 42,203 |
| Other investment | 409,042 | -991,427 | 1,400,469 | 1,959,190 | -19,441 | 1,978,631 | 578,162 |
| Reserve assets ¹ | -42,437 | | -42,437 | -37,749 | | -37,749 | |
| Net errors and omissions | | | -249,447 | | | -211,664 | |

^P Provisional

¹ Blank cells denote not applicable

Table 2. Balance of Payments summary

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| Balance of Payments | 2018 ^P | | | 2019 ^P | | | change in balance |
|---------------------------------|-------------------|--------------------|------------|-------------------|--------------------|------------|--------------------------|
| | Credit | Debit | Net | Credit | Debit | Net | |
| Current account | 27,657,758 | 26,286,388 | 1,371,369 | 28,288,471 | 26,983,911 | 1,304,560 | -66,810 |
| Goods and services | 17,905,904 | 15,255,537 | 2,650,367 | 18,691,706 | 15,965,167 | 2,726,538 | 76,171 |
| Goods | 3,205,991 | 4,654,485 | -1,448,494 | 3,440,933 | 4,992,789 | -1,551,856 | -103,361 |
| Services | 14,699,913 | 10,601,052 | 4,098,861 | 15,250,772 | 10,972,378 | 4,278,394 | 179,533 |
| Transport | 1,079,094 | 632,178 | 446,917 | 1,078,206 | 677,963 | 400,243 | -46,674 |
| Travel | 1,573,784 | 440,506 | 1,133,278 | 1,698,110 | 473,842 | 1,224,268 | 90,989 |
| Other services | 12,047,035 | 9,528,368 | 2,518,666 | 12,474,457 | 9,820,574 | 2,653,883 | 135,217 |
| Primary income | 9,534,286 | 10,658,500 | -1,124,214 | 9,378,900 | 10,641,402 | -1,262,502 | -138,288 |
| Compensation of employees | 21,186 | 67,155 | -45,969 | 21,168 | 71,622 | -50,454 | -4,485 |
| Secondary income | 217,568 | 372,351 | -154,784 | 217,865 | 377,342 | -159,477 | -4,693 |
| Capital account | 117,159 | 1,897 | 115,262 | 116,385 | 1,639 | 114,746 | -515 |
| | Assets | Liabilities | Net | Assets | Liabilities | Net | change in balance |
| Financial account | 996,427 | 476,586 | 519,841 | 2,302,033 | 1,808,208 | 493,824 | -26,016 |
| Direct investment | -5,738,615 | 4,020,571 | -9,759,187 | -5,637,697 | 3,996,546 | -9,634,242 | 124,944 |
| Portfolio investment | 3,209,065 | 249,288 | 2,959,777 | 5,076,876 | 354,832 | 4,722,043 | 1,762,266 |
| Financial derivatives | 180,371 | 0 | 180,371 | 0 | 208,050 | -208,050 | -388,421 |
| Other investment | 3,177,655 | -3,793,273 | 6,970,928 | 2,995,354 | -2,751,220 | 5,746,574 | -1,224,354 |
| Reserve assets ¹ | 167,951 | | 167,951 | -132,501 | | -132,501 | |
| Net errors and omissions | | | -966,791 | | | -925,482 | |

^P Provisional

¹ Blank cells denote not applicable

Table 3. The Current Account, geographical breakdown

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| Current account | January-March 2019 ^P | | | January-March 2020 ^P | | |
|---------------------------------|---------------------------------|-----------|----------|---------------------------------|-----------|----------|
| | Credit | Debit | Net | Credit | Debit | Net |
| Current account - World | 6,802,633 | 6,674,696 | 127,937 | 6,621,440 | 6,421,392 | 200,048 |
| <i>of which:</i> | | | | | | |
| EU | 3,566,533 | 3,960,361 | -393,828 | 3,495,211 | 3,702,601 | -207,390 |
| Extra EU | 3,236,099 | 2,714,335 | 521,765 | 3,126,229 | 2,718,791 | 407,438 |
| Euro Area | 2,862,286 | 3,370,768 | -508,481 | 2,795,898 | 3,115,085 | -319,187 |
| Extra Euro Area | 3,940,346 | 3,303,928 | 636,418 | 3,825,542 | 3,306,307 | 519,235 |
| Goods - World | 854,407 | 1,224,159 | -369,752 | 692,312 | 999,465 | -307,153 |
| <i>of which:</i> | | | | | | |
| EU | 326,877 | 621,255 | -294,379 | 259,826 | 508,270 | -248,444 |
| Extra EU | 527,531 | 602,904 | -75,374 | 432,486 | 491,195 | -58,709 |
| Euro Area | 295,141 | 577,294 | -282,153 | 233,314 | 474,608 | -241,294 |
| Extra Euro Area | 559,267 | 646,865 | -87,599 | 458,998 | 524,857 | -65,859 |
| Services - World | 3,525,474 | 2,672,296 | 853,177 | 3,557,536 | 2,700,266 | 857,270 |
| <i>of which:</i> | | | | | | |
| EU | 1,866,589 | 1,480,404 | 386,185 | 1,876,180 | 1,474,567 | 401,613 |
| Extra EU | 1,658,885 | 1,191,892 | 466,993 | 1,681,357 | 1,225,700 | 455,657 |
| Euro Area | 1,415,018 | 1,240,898 | 174,120 | 1,417,546 | 1,229,488 | 188,059 |
| Extra Euro Area | 2,110,455 | 1,431,398 | 679,057 | 2,139,990 | 1,470,778 | 669,212 |
| Primary income - World | 2,367,605 | 2,684,992 | -317,387 | 2,315,525 | 2,632,498 | -316,973 |
| <i>of which:</i> | | | | | | |
| EU | 1,347,636 | 1,810,104 | -462,468 | 1,332,729 | 1,675,365 | -342,636 |
| Extra EU | 1,019,969 | 874,888 | 145,081 | 982,796 | 957,132 | 25,664 |
| Euro Area | 1,146,857 | 1,537,102 | -390,245 | 1,139,527 | 1,399,942 | -260,415 |
| Extra Euro Area | 1,220,748 | 1,147,890 | 72,858 | 1,175,998 | 1,232,556 | -56,558 |
| Secondary income - World | 55,147 | 93,248 | -38,102 | 56,067 | 89,164 | -33,097 |
| <i>of which:</i> | | | | | | |
| EU | 25,431 | 48,597 | -23,166 | 26,476 | 44,400 | -17,923 |
| Extra EU | 29,715 | 44,651 | -14,936 | 29,591 | 44,764 | -15,173 |
| Euro Area | 5,270 | 15,474 | -10,204 | 5,511 | 11,048 | -5,537 |
| Extra Euro Area | 49,876 | 77,774 | -27,898 | 50,556 | 78,116 | -27,560 |

^P Provisional

Table 4. The Current Account, geographical breakdown

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| Current account | 2018 ^P | | | 2019 ^P | | |
|---------------------------------|-------------------|------------|------------|-------------------|------------|------------|
| | Credit | Debit | Net | Credit | Debit | Net |
| Current account - World | 27,657,758 | 26,286,388 | 1,371,369 | 28,288,471 | 26,983,911 | 1,304,560 |
| <i>of which:</i> | | | | | | |
| EU | 14,616,335 | 14,733,927 | -117,592 | 14,818,956 | 15,254,800 | -435,844 |
| Extra EU | 13,041,423 | 11,552,461 | 1,488,962 | 13,469,515 | 11,729,111 | 1,740,404 |
| Euro Area | 11,852,184 | 12,511,697 | -659,513 | 11,911,375 | 12,943,479 | -1,032,104 |
| Extra Euro Area | 15,805,574 | 13,774,692 | 2,030,883 | 16,377,096 | 14,040,432 | 2,336,664 |
| Goods - World | 3,205,991 | 4,654,485 | -1,448,494 | 3,440,933 | 4,992,789 | -1,551,856 |
| <i>of which:</i> | | | | | | |
| EU | 1,390,127 | 2,631,083 | -1,240,956 | 1,321,454 | 2,571,691 | -1,250,237 |
| Extra EU | 1,815,864 | 2,023,402 | -207,538 | 2,119,480 | 2,421,098 | -301,619 |
| Euro Area | 1,274,802 | 2,471,481 | -1,196,679 | 1,164,695 | 2,418,331 | -1,253,635 |
| Extra Euro Area | 1,931,189 | 2,183,004 | -251,815 | 2,276,238 | 2,574,458 | -298,220 |
| Services - World | 14,699,913 | 10,601,052 | 4,098,861 | 15,250,772 | 10,972,378 | 4,278,394 |
| <i>of which:</i> | | | | | | |
| EU | 7,748,257 | 5,792,298 | 1,955,959 | 8,038,379 | 6,049,660 | 1,988,719 |
| Extra EU | 6,951,656 | 4,808,754 | 2,142,902 | 7,212,393 | 4,922,718 | 2,289,675 |
| Euro Area | 5,944,892 | 4,869,755 | 1,075,137 | 6,145,634 | 5,049,962 | 1,095,672 |
| Extra Euro Area | 8,755,021 | 5,731,297 | 3,023,724 | 9,105,138 | 5,922,416 | 3,182,722 |
| Primary income - World | 9,534,286 | 10,658,500 | -1,124,214 | 9,378,900 | 10,641,402 | -1,262,502 |
| <i>of which:</i> | | | | | | |
| EU | 5,375,670 | 6,111,101 | -735,431 | 5,356,652 | 6,434,562 | -1,077,910 |
| Extra EU | 4,158,617 | 4,547,400 | -388,783 | 4,022,248 | 4,206,840 | -184,592 |
| Euro Area | 4,611,129 | 5,110,984 | -499,856 | 4,579,215 | 5,414,221 | -835,006 |
| Extra Euro Area | 4,923,158 | 5,547,516 | -624,359 | 4,799,686 | 5,227,181 | -427,496 |
| Secondary income - World | 217,568 | 372,351 | -154,784 | 217,865 | 377,342 | -159,477 |
| <i>of which:</i> | | | | | | |
| EU | 102,281 | 199,445 | -97,164 | 102,471 | 198,887 | -96,416 |
| Extra EU | 115,287 | 172,906 | -57,620 | 115,395 | 178,455 | -63,060 |
| Euro Area | 21,361 | 59,477 | -38,116 | 21,831 | 60,966 | -39,135 |
| Extra Euro Area | 196,206 | 312,874 | -116,668 | 196,034 | 316,376 | -120,342 |

^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:
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