

During the first quarter of 2021, Malta registered a current account deficit of €42.6 million.

## International Economic and Financial Transactions: Q1/2021

Cut-off date:  
31 May 2021

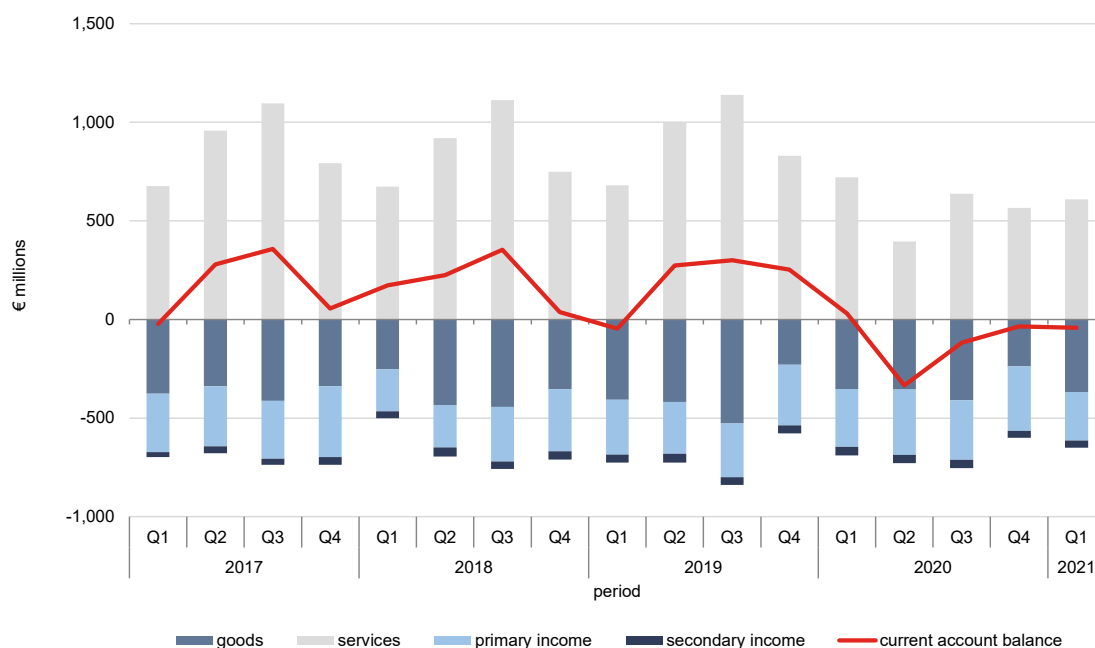
Provisional figures for Malta's external transactions show that during January-March 2021, the current account balance recorded a deficit of €42.6 million, as compared to a surplus of €29.8 million in the comparable quarter of 2020. This deficit was primarily the result of negative net balances recorded in the goods account (€369.0 million), the primary income account (€245.3 million) and the secondary income account (€37.0 million). This was partly offset by a positive net balance of €608.8 million recorded in the services account.

During the first quarter of 2021, the capital account registered a positive net balance of €7.2 million, €16.1 million lower than the figure recorded in 2020.

The financial account was shaped by net asset increases of €57.6 million, an increase in the balance of net assets of €159.2 million when compared to the value recorded in the same quarter of 2020. The development in the financial account balance was mainly brought about by positive net asset balances in portfolio investment (€1,621.8 million) and other investment (€468.9 million). This was partly offset by negative net asset balances recorded in direct investment (€1,958.9 million) and financial derivatives (€112.7 million). Reserve assets increased by €38.4 million during the same period (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

€ 000

Balance of Payments	January-March 2020 <sup>P</sup>			January-March 2021 <sup>P</sup>			change in balance
	Credit	Debit	Net	Credit	Debit	Net	
<b>Current account</b>	6,956,086	6,926,284	29,802	6,679,559	6,722,191	-42,632	-72,434
<b>Goods and services</b>	4,557,293	4,188,763	368,530	4,310,747	4,071,043	239,704	-128,825
<b>Goods</b>	761,308	1,113,458	-352,150	665,427	1,034,472	-369,045	-16,896
<b>Services</b>	3,795,985	3,075,305	720,679	3,645,321	3,036,571	608,750	-111,929
Transport	250,872	154,382	96,490	171,229	106,109	65,120	-31,370
Travel	158,377	62,855	95,522	23,312	13,061	10,251	-85,271
Other services	3,386,736	2,858,069	528,667	3,450,780	2,917,402	533,379	4,711
<b>Primary income</b>	2,340,289	2,634,794	-294,505	2,316,437	2,561,770	-245,333	49,172
Compensation of employees	5,315	15,413	-10,098	5,154	17,847	-12,693	-2,595
<b>Secondary income</b>	58,504	102,726	-44,222	52,375	89,378	-37,003	7,219
<b>Capital account</b>	23,757	467	23,290	7,660	468	7,193	-16,097
	<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>	836,581	938,264	-101,683	1,191,314	1,133,762	57,552	159,235
Direct investment	-1,484,670	953,352	-2,438,022	-1,211,216	747,686	-1,958,902	479,121
Portfolio investment	581,815	55,281	526,534	1,689,070	67,274	1,621,797	1,095,263
Financial derivatives	0	48,015	-48,015	0	112,653	-112,653	-64,639
Other investment	1,824,135	-118,384	1,942,519	675,046	206,149	468,897	-1,473,622
Reserve assets <sup>1</sup>	-84,699		-84,699	38,413		38,413	
<b>Net errors and omissions</b>			-154,776			92,990	

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

Table 2. Balance of Payments summary

€ 000

Balance of Payments	2019 <sup>P</sup>			2020 <sup>P</sup>			change in balance
	Credit	Debit	Net	Credit	Debit	Net	
<b>Current account</b>	28,269,952	27,491,356	778,596	26,468,442	26,925,722	-457,281	-1,235,877
<b>Goods and services</b>	18,638,823	16,573,333	2,065,489	16,956,140	15,995,845	960,295	-1,105,195
<b>Goods</b>	3,468,366	5,052,129	-1,583,763	2,938,382	4,294,740	-1,356,358	227,405
<b>Services</b>	15,170,457	11,521,205	3,649,252	14,017,758	11,701,105	2,316,653	-1,332,599
Transport	1,085,153	663,887	421,267	627,451	470,277	157,175	-264,092
Travel	1,698,110	473,842	1,224,268	364,832	112,100	252,733	-971,535
Other services	12,387,194	10,383,476	2,003,718	13,025,474	11,118,729	1,906,746	-96,972
<b>Primary income</b>	9,411,983	10,533,606	-1,121,623	9,284,105	10,538,072	-1,253,967	-132,345
Compensation of employees	21,168	72,330	-51,163	22,019	63,314	-41,295	9,867
<b>Secondary income</b>	219,146	384,417	-165,271	228,197	391,805	-163,608	1,663
<b>Capital account</b>	109,072	1,826	107,247	82,946	1,912	81,033	-26,214
	<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>	1,493,276	1,330,653	162,623	3,300,476	3,615,133	-314,658	-477,281
Direct investment	-5,906,789	3,800,225	-9,707,014	-5,903,532	3,839,334	-9,742,865	-35,851
Portfolio investment	5,077,172	354,584	4,722,588	6,713,725	302,198	6,411,527	1,688,939
Financial derivatives	0	208,050	-208,050	0	131,269	-131,269	76,781
Other investment	2,432,253	-3,032,206	5,464,458	2,520,184	-657,667	3,177,851	-2,286,608
Reserve assets <sup>1</sup>	-109,359		-109,359	-29,901		-29,901	
<b>Net errors and omissions</b>			-723,220			61,590	

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

Table 3. The Current Account, geographical breakdown

€ 000

Current account	January-March 2020 <sup>P</sup>			January-March 2021 <sup>P</sup>		
	Credit	Debit	Net	Credit	Debit	Net
<b>Current account - World</b>	6,956,086	6,926,284	29,802	6,679,559	6,722,191	-42,632
<i>of which:</i>						
<b>EU</b>	3,903,238	3,870,014	33,223	3,948,643	3,721,645	226,998
<b>Extra EU</b>	3,052,848	3,056,269	-3,421	2,730,916	3,000,546	-269,630
<b>Euro Area</b>	3,423,259	3,193,966	229,294	3,488,469	3,046,710	441,759
<b>Extra Euro Area</b>	3,532,827	3,732,318	-199,491	3,191,090	3,675,481	-484,391
<b>Goods - World</b>	761,308	1,113,458	-352,150	665,427	1,034,472	-369,045
<i>of which:</i>						
<b>EU</b>	286,873	598,045	-311,172	298,286	542,157	-243,872
<b>Extra EU</b>	474,436	515,413	-40,978	367,141	492,315	-125,174
<b>Euro Area</b>	256,933	559,872	-302,939	262,293	496,973	-234,679
<b>Extra Euro Area</b>	504,375	553,586	-49,211	403,134	537,500	-134,366
<b>Services - World</b>	3,795,985	3,075,305	720,679	3,645,321	3,036,571	608,750
<i>of which:</i>						
<b>EU</b>	2,226,029	1,510,099	715,931	2,269,588	1,521,769	747,819
<b>Extra EU</b>	1,569,955	1,565,207	4,749	1,375,732	1,514,802	-139,070
<b>Euro Area</b>	1,990,175	1,181,295	808,880	2,046,811	1,182,086	864,725
<b>Extra Euro Area</b>	1,805,809	1,894,010	-88,201	1,598,509	1,854,485	-255,976
<b>Primary income - World</b>	2,340,289	2,634,794	-294,505	2,316,437	2,561,770	-245,333
<i>of which:</i>						
<b>EU</b>	1,361,715	1,702,481	-340,766	1,356,813	1,609,875	-253,062
<b>Extra EU</b>	978,574	932,313	46,261	959,624	951,895	7,729
<b>Euro Area</b>	1,170,461	1,439,455	-268,994	1,173,483	1,351,956	-178,472
<b>Extra Euro Area</b>	1,169,827	1,195,338	-25,511	1,142,953	1,209,814	-66,861
<b>Secondary income - World</b>	58,504	102,726	-44,222	52,375	89,378	-37,003
<i>of which:</i>						
<b>EU</b>	28,621	59,391	-30,769	23,957	47,845	-23,888
<b>Extra EU</b>	29,883	43,336	-13,453	28,418	41,533	-13,115
<b>Euro Area</b>	5,689	13,343	-7,654	5,881	15,696	-9,815
<b>Extra Euro Area</b>	52,815	89,384	-36,569	46,494	73,682	-27,188

<sup>P</sup> Provisional

Table 4. The Current Account, geographical breakdown

€ 000

Current account	2019 <sup>P</sup>			2020 <sup>P</sup>		
	Credit	Debit	Net	Credit	Debit	Net
<b>Current account - World</b>	28,269,952	27,491,356	778,596	26,468,442	26,925,722	-457,281
<i>of which:</i>						
<b>EU</b>	15,429,276	15,006,734	422,542	15,121,619	14,683,467	438,152
<b>Extra EU</b>	12,840,676	12,484,622	356,054	11,346,823	12,242,256	-895,433
<b>Euro Area</b>	13,454,742	12,522,094	932,648	13,223,646	12,024,142	1,199,504
<b>Extra Euro Area</b>	14,815,210	14,969,262	-154,052	13,244,796	14,901,580	-1,656,784
<b>Goods - World</b>	3,468,366	5,052,129	-1,583,763	2,938,382	4,294,740	-1,356,358
<i>of which:</i>						
<b>EU</b>	1,283,408	2,583,472	-1,300,064	1,087,266	2,192,891	-1,105,625
<b>Extra EU</b>	2,184,957	2,468,657	-283,699	1,851,116	2,101,849	-250,733
<b>Euro Area</b>	1,128,093	2,433,073	-1,304,980	909,343	2,036,030	-1,126,687
<b>Extra Euro Area</b>	2,340,273	2,619,056	-278,783	2,029,039	2,258,710	-229,671
<b>Services - World</b>	15,170,457	11,521,205	3,649,252	14,017,758	11,701,105	2,316,653
<i>of which:</i>						
<b>EU</b>	8,626,265	5,742,799	2,883,467	8,538,957	5,943,987	2,594,970
<b>Extra EU</b>	6,544,192	5,778,406	765,786	5,478,801	5,757,118	-278,317
<b>Euro Area</b>	7,653,936	4,527,809	3,126,126	7,666,872	4,608,653	3,058,219
<b>Extra Euro Area</b>	7,516,521	6,993,395	523,126	6,350,886	7,092,452	-741,566
<b>Primary income - World</b>	9,411,983	10,533,606	-1,121,623	9,284,105	10,538,072	-1,253,967
<i>of which:</i>						
<b>EU</b>	5,416,338	6,476,118	-1,059,780	5,389,639	6,333,503	-943,864
<b>Extra EU</b>	3,995,646	4,057,488	-61,843	3,894,466	4,204,569	-310,103
<b>Euro Area</b>	4,650,094	5,497,123	-847,029	4,625,082	5,312,388	-687,306
<b>Extra Euro Area</b>	4,761,889	5,036,483	-274,593	4,659,023	5,225,684	-566,661
<b>Secondary income - World</b>	219,146	384,417	-165,271	228,197	391,805	-163,608
<i>of which:</i>						
<b>EU</b>	103,264	204,346	-101,082	105,756	213,086	-107,330
<b>Extra EU</b>	115,882	180,071	-64,189	122,441	178,719	-56,279
<b>Euro Area</b>	22,620	64,089	-41,469	22,349	67,071	-44,722
<b>Extra Euro Area</b>	196,526	320,328	-123,802	205,848	324,735	-118,887

<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.
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. Any reference to the EU in tables 3 and 4 refers to the formation excluding UK.
12. More information relating to this news release may be accessed at:  
Statistical Concepts: <https://metadata.nso.gov.mt/concepts.aspx>  
Metadata: <https://metadata.nso.gov.mt/Default.aspx>
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](https://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&plugin=1)

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