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## International Economic and Financial Transactions: Q1/2023

NR113/2023

Release Date: 28 June 2023

Cut off date: 26 June 2023

*During the first quarter of 2023, Malta registered a current account deficit of €5.1 million.*

This news release includes an ad hoc revision as communicated in the [Press Information Notice](#) dated 13/06/2023. The revision involved several changes, including greater reliance on administrative data in the compilation of statistics relating to corporations that are relevant for the scope of BOP and IIP; the use of data relating to the household sector published by the Bank for International Settlements; and new data relating to certain subsectors of the Other Financial Institutions sector.

Due to these modifications, it is not possible to compare the data in this news release with figures previously published.



Provisional figures for Malta's external transactions show that during January-March 2023, the current account balance recorded a deficit of €5.1 million, compared to a deficit of €43.8 million in the same quarter of the previous year. This deficit was primarily the result of a negative balance recorded in the goods account (€516.7 million), primary income account (€502.3 million) and secondary income account (€90.3 million). This was partly offset by a positive net balance in the services account (€1,104.2 million).

During the first quarter of 2023, the capital account registered a positive net balance of €144.3 million, €91.2 million higher than the figure recorded in the first quarter of 2022.

The financial account was shaped by net asset increases of €937.8 million, an increase in the balance of net assets of €2,356.3 million when compared to the value recorded in the same quarter of 2022. The development in the financial account balance was mainly brought about

by positive net asset balances in direct investment (€778.3 million) and portfolio investment (€587.5 million). This was partly offset by negative net asset balances in other investment (€414.8 million) and financial derivatives (€29.4 million). Reserve assets increased by €16.2 million during the same period (Table 1).

### Chart 1. Current account balance

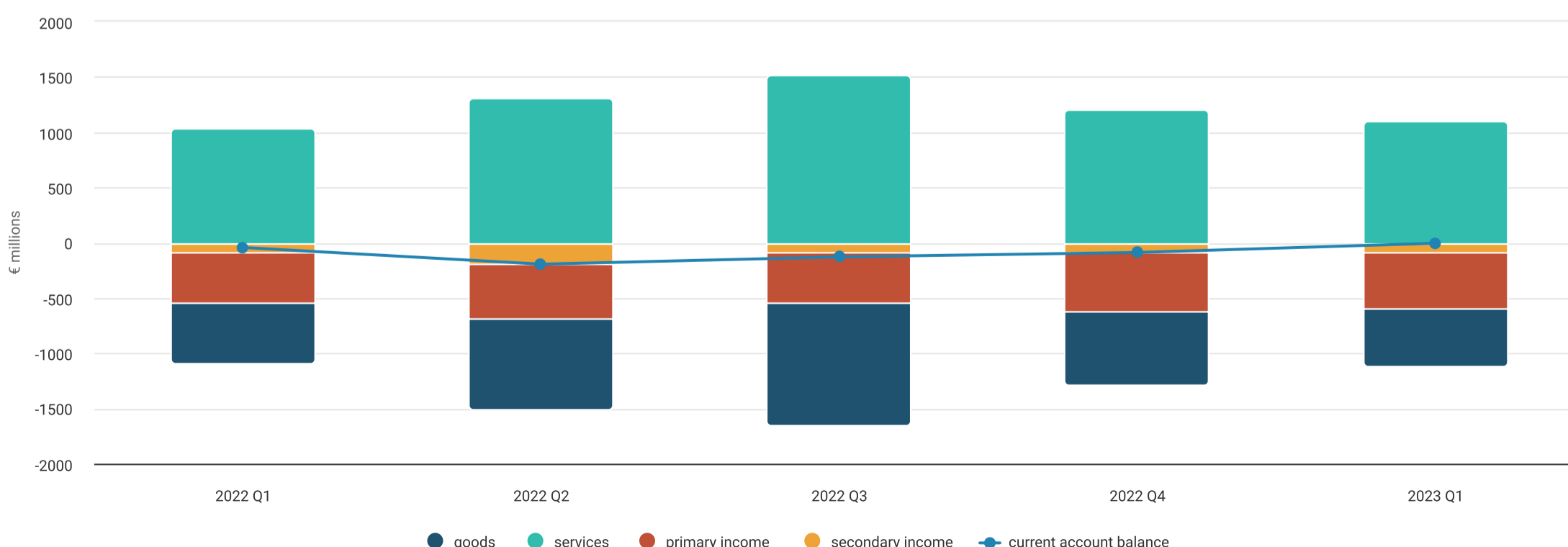


Table 1. Balance of Payments summary by quarter

€ 000

| Balance of Payments             | January-March 2022 <sup>P</sup> |                    |            | January-March 2023 <sup>P</sup> |                    |            | change in balance        |
|---------------------------------|---------------------------------|--------------------|------------|---------------------------------|--------------------|------------|--------------------------|
|                                 | Credit                          | Debit              | Bal        | Credit                          | Debit              | Bal        |                          |
| <b>Current account</b>          | 18,458,878                      | 18,502,697         | -43,819    | 19,051,532                      | 19,056,667         | -5,135     | 38,683                   |
| <b>Goods</b>                    | 923,709                         | 1,464,940          | -541,231   | 915,064                         | 1,431,777          | -516,714   | 24,517                   |
| <b>Services</b>                 | 5,020,967                       | 3,982,781          | 1,038,186  | 5,278,423                       | 4,174,177          | 1,104,247  | 66,060                   |
| Transport                       | 689,829                         | 275,495            | 414,334    | 795,895                         | 316,425            | 479,470    | 65,136                   |
| Travel                          | 130,614                         | 54,948             | 75,666     | 230,576                         | 101,342            | 129,235    | 53,568                   |
| Other services                  | 4,200,523                       | 3,652,337          | 548,186    | 4,251,952                       | 3,756,410          | 495,542    | -52,645                  |
| <b>Primary income</b>           | 12,445,528                      | 12,902,274         | -456,746   | 12,830,782                      | 13,333,130         | -502,348   | -45,602                  |
| Compensation of employees       | 1,540                           | 19,827             | -18,286    | 1,546                           | 24,221             | -22,675    | -4,389                   |
| <b>Secondary income</b>         | 68,674                          | 152,702            | -84,028    | 27,264                          | 117,583            | -90,320    | -6,292                   |
| <b>Capital account</b>          | 53,274                          | 218                | 53,056     | 144,480                         | 218                | 144,262    | 91,206                   |
|                                 | <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>        | 8,566,520                       | 9,985,027          | -1,418,507 | 7,794,793                       | 6,856,974          | 937,819    | 2,356,326                |
| Direct investment               | 6,767,313                       | 6,125,950          | 641,363    | 6,232,402                       | 5,454,107          | 778,295    | 136,932                  |
| Portfolio investment            | 509,320                         | 2,606,912          | -2,097,593 | 683,418                         | 95,935             | 587,484    | 2,685,076                |
| Financial derivatives           | 126,456                         | 0                  | 126,456    | 0                               | 29,352             | -29,352    | -155,808                 |
| Other investment                | 916,446                         | 1,252,165          | -335,719   | 862,745                         | 1,277,579          | -414,835   | -79,116                  |
| Reserve assets <sup>1</sup>     | 246,986                         |                    | 246,986    | 16,228                          |                    | 16,228     |                          |
| <b>Net errors and omissions</b> |                                 |                    | -1,427,744 |                                 |                    | 798,692    |                          |

<sup>P</sup> Provisional

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

Table 2. Balance of Payments summary by year

€ 000

| Balance of Payments             | 2021 <sup>P</sup> |                    |            | 2022 <sup>P</sup> |                    |            | change in balance        |
|---------------------------------|-------------------|--------------------|------------|-------------------|--------------------|------------|--------------------------|
|                                 | Credit            | Debit              | Bal        | Credit            | Debit              | Bal        |                          |
| <b>Current account</b>          | 71,178,722        | 71,376,110         | -197,387   | 75,309,171        | 75,764,254         | -455,083   | -257,696                 |
| <b>Goods</b>                    | 3,005,241         | 5,059,638          | -2,054,397 | 3,745,832         | 6,879,429          | -3,133,597 | -1,079,200               |
| <b>Services</b>                 | 18,908,404        | 15,121,903         | 3,786,500  | 21,264,399        | 16,199,039         | 5,065,360  | 1,278,860                |
| Transport                       | 2,293,537         | 835,446            | 1,458,091  | 2,936,996         | 1,193,703          | 1,743,293  | 285,202                  |
| Travel                          | 659,452           | 205,155            | 454,296    | 1,536,951         | 397,911            | 1,139,040  | 684,743                  |
| Other services                  | 15,955,415        | 14,081,302         | 1,874,113  | 16,790,452        | 14,607,425         | 2,183,028  | 308,914                  |
| <b>Primary income</b>           | 49,024,618        | 50,644,287         | -1,619,670 | 50,074,299        | 52,012,003         | -1,937,704 | -318,035                 |
| Compensation of employees       | 6,462             | 93,920             | -87,457    | 6,465             | 126,674            | -120,209   | -32,751                  |
| <b>Secondary income</b>         | 240,460           | 550,281            | -309,821   | 224,641           | 673,783            | -449,142   | -139,321                 |
| <b>Capital account</b>          | 216,297           | 870                | 215,427    | 266,703           | 871                | 265,832    | 50,404                   |
|                                 | <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>        | 24,970,412        | 25,224,661         | -254,249   | 26,898,618        | 27,059,446         | -160,828   | 93,421                   |
| Direct investment               | 21,970,674        | 20,825,105         | 1,145,570  | 26,241,694        | 21,816,430         | 4,425,265  | 3,279,695                |
| Portfolio investment            | 1,801,823         | 1,076,033          | 725,790    | 2,165,137         | 1,470,010          | 695,127    | -30,664                  |
| Financial derivatives           | 0                 | 147,981            | -147,981   | 0                 | 98,957             | -98,957    | 49,024                   |
| Other investment                | 1,243,217         | 3,175,542          | -1,932,325 | -1,617,945        | 3,674,049          | -5,291,993 | -3,359,668               |
| Reserve assets <sup>1</sup>     | -45,302           |                    | -45,302    | 109,732           |                    | 109,732    |                          |
| <b>Net errors and omissions</b> |                   |                    | -272,289   |                   |                    | 28,424     |                          |

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

Table 3. The Current Account, geographical breakdown by quarter

€ 000

| Current account                 | January-March 2022 <sup>P</sup> |            |            | January-March 2023 <sup>P</sup> |            |           |
|---------------------------------|---------------------------------|------------|------------|---------------------------------|------------|-----------|
|                                 | Credit                          | Debit      | Bal        | Credit                          | Debit      | Bal       |
| <b>Current account - World</b>  | 18,458,878                      | 18,502,697 | -43,819    | 19,051,532                      | 19,056,667 | -5,135    |
| <i>of which:</i>                |                                 |            |            |                                 |            |           |
| <b>EU</b>                       | 11,438,350                      | 10,692,616 | 745,734    | 11,715,214                      | 11,074,262 | 640,952   |
| <b>Extra EU</b>                 | 7,020,528                       | 7,810,081  | -789,553   | 7,336,318                       | 7,982,405  | -646,087  |
| <b>Euro Area</b>                | 10,791,927                      | 9,788,477  | 1,003,449  | 11,045,832                      | 10,110,208 | 935,624   |
| <b>Extra Euro Area</b>          | 7,666,951                       | 8,714,219  | -1,047,268 | 8,005,700                       | 8,946,460  | -940,760  |
| <b>Goods - World</b>            | 923,709                         | 1,464,940  | -541,231   | 915,064                         | 1,431,777  | -516,714  |
| <i>of which:</i>                |                                 |            |            |                                 |            |           |
| <b>EU</b>                       | 355,802                         | 766,246    | -410,445   | 295,023                         | 749,819    | -454,796  |
| <b>Extra EU</b>                 | 567,908                         | 698,694    | -130,786   | 620,041                         | 681,959    | -61,918   |
| <b>Euro Area</b>                | 319,189                         | 719,962    | -400,773   | 266,358                         | 686,888    | -420,531  |
| <b>Extra Euro Area</b>          | 604,520                         | 744,978    | -140,458   | 648,706                         | 744,889    | -96,183   |
| <b>Services - World</b>         | 5,020,967                       | 3,982,781  | 1,038,186  | 5,278,423                       | 4,174,177  | 1,104,247 |
| <i>of which:</i>                |                                 |            |            |                                 |            |           |
| <b>EU</b>                       | 3,230,257                       | 1,760,100  | 1,470,157  | 3,370,037                       | 1,879,676  | 1,490,362 |
| <b>Extra EU</b>                 | 1,790,710                       | 2,222,681  | -431,971   | 1,908,386                       | 2,294,501  | -386,115  |
| <b>Euro Area</b>                | 2,970,824                       | 1,266,232  | 1,704,592  | 3,089,470                       | 1,353,122  | 1,736,349 |
| <b>Extra Euro Area</b>          | 2,050,143                       | 2,716,549  | -666,406   | 2,188,953                       | 2,821,055  | -632,102  |
| <b>Primary income - World</b>   | 12,445,528                      | 12,902,274 | -456,746   | 12,830,782                      | 13,333,130 | -502,348  |
| <i>of which:</i>                |                                 |            |            |                                 |            |           |
| <b>EU</b>                       | 7,794,416                       | 8,080,468  | -286,052   | 8,023,023                       | 8,337,785  | -314,761  |
| <b>Extra EU</b>                 | 4,651,112                       | 4,821,806  | -170,694   | 4,807,758                       | 4,995,345  | -187,587  |
| <b>Euro Area</b>                | 7,445,122                       | 7,718,355  | -273,233   | 7,662,881                       | 7,963,591  | -300,709  |
| <b>Extra Euro Area</b>          | 5,000,406                       | 5,183,919  | -183,513   | 5,167,900                       | 5,369,539  | -201,639  |
| <b>Secondary income - World</b> | 68,674                          | 152,702    | -84,028    | 27,264                          | 117,583    | -90,320   |
| <i>of which:</i>                |                                 |            |            |                                 |            |           |
| <b>EU</b>                       | 57,875                          | 85,802     | -27,927    | 27,130                          | 106,983    | -79,853   |
| <b>Extra EU</b>                 | 10,799                          | 66,901     | -56,101    | 133                             | 10,600     | -10,467   |
| <b>Euro Area</b>                | 56,792                          | 83,929     | -27,137    | 27,123                          | 106,607    | -79,484   |
| <b>Extra Euro Area</b>          | 11,883                          | 68,774     | -56,891    | 141                             | 10,977     | -10,835   |

<sup>P</sup> Provisional

Table 4. The Current Account, geographical breakdown by year

€ 000

| Current account                 | 2021 <sup>P</sup> |            |            | 2022 <sup>P</sup> |            |            |
|---------------------------------|-------------------|------------|------------|-------------------|------------|------------|
|                                 | Credit            | Debit      | Net        | Credit            | Debit      | Net        |
| <b>Current account - World</b>  | 71,178,722        | 71,376,110 | -197,387   | 75,309,171        | 75,764,254 | -455,083   |
| <i>of which:</i>                |                   |            |            |                   |            |            |
| <b>EU</b>                       | 44,107,075        | 41,247,896 | 2,859,179  | 46,375,783        | 43,496,704 | 2,879,079  |
| <b>Extra EU</b>                 | 27,071,647        | 30,128,214 | -3,056,566 | 28,933,388        | 32,267,550 | -3,334,162 |
| <b>Euro Area</b>                | 41,614,422        | 37,760,086 | 3,854,336  | 43,695,835        | 39,870,529 | 3,825,306  |
| <b>Extra Euro Area</b>          | 29,564,300        | 33,616,023 | -4,051,723 | 31,613,336        | 35,893,725 | -4,280,389 |
| <b>Goods - World</b>            | 3,005,241         | 5,059,638  | -2,054,397 | 3,745,832         | 6,879,429  | -3,133,597 |
| <i>of which:</i>                |                   |            |            |                   |            |            |
| <b>EU</b>                       | 1,157,582         | 2,646,476  | -1,488,894 | 1,219,129         | 3,262,854  | -2,043,724 |
| <b>Extra EU</b>                 | 1,847,659         | 2,413,162  | -565,504   | 2,526,702         | 3,616,575  | -1,089,873 |
| <b>Euro Area</b>                | 1,038,466         | 2,486,619  | -1,448,153 | 1,067,878         | 3,061,154  | -1,993,276 |
| <b>Extra Euro Area</b>          | 1,966,775         | 2,573,019  | -606,244   | 2,677,953         | 3,818,275  | -1,140,321 |
| <b>Services - World</b>         | 18,908,404        | 15,121,903 | 3,786,500  | 21,264,399        | 16,199,039 | 5,065,360  |
| <i>of which:</i>                |                   |            |            |                   |            |            |
| <b>EU</b>                       | 12,164,790        | 6,682,784  | 5,482,006  | 13,601,750        | 7,237,369  | 6,364,382  |
| <b>Extra EU</b>                 | 6,743,613         | 8,439,119  | -1,695,506 | 7,662,649         | 8,961,670  | -1,299,021 |
| <b>Euro Area</b>                | 11,187,792        | 4,807,654  | 6,380,137  | 12,450,101        | 5,245,992  | 7,204,110  |
| <b>Extra Euro Area</b>          | 7,720,612         | 10,314,249 | -2,593,637 | 8,814,298         | 10,953,048 | -2,138,749 |
| <b>Primary income - World</b>   | 49,024,618        | 50,644,287 | -1,619,670 | 50,074,299        | 52,012,003 | -1,937,704 |
| <i>of which:</i>                |                   |            |            |                   |            |            |
| <b>EU</b>                       | 30,703,258        | 31,717,629 | -1,014,371 | 31,364,861        | 32,578,573 | -1,213,713 |
| <b>Extra EU</b>                 | 18,321,359        | 18,926,658 | -605,299   | 18,709,438        | 19,433,430 | -723,991   |
| <b>Euro Area</b>                | 29,327,343        | 30,296,256 | -968,913   | 29,991,674        | 31,152,249 | -1,160,575 |
| <b>Extra Euro Area</b>          | 19,697,275        | 20,348,031 | -650,756   | 20,082,625        | 20,859,754 | -777,129   |
| <b>Secondary income - World</b> | 240,460           | 550,281    | -309,821   | 224,641           | 673,783    | -449,142   |
| <i>of which:</i>                |                   |            |            |                   |            |            |
| <b>EU</b>                       | 202,647           | 309,196    | -106,549   | 190,043           | 417,908    | -227,865   |
| <b>Extra EU</b>                 | 37,813            | 241,085    | -203,271   | 34,599            | 255,875    | -221,277   |
| <b>Euro Area</b>                | 198,854           | 302,446    | -103,593   | 186,182           | 411,134    | -224,952   |
| <b>Extra Euro Area</b>          | 41,606            | 247,834    | -206,228   | 38,459            | 262,649    | -224,190   |

<sup>P</sup> Provisional



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## Methodological Notes

1. This news release includes an ad hoc revision as communicated in the [Press Information Notice](#) dated 13/06/2023. The revision involved several changes, including greater reliance on administrative data in the compilation of statistics relating to corporations that are relevant for the scope of BOP and IIP; the use of data relating to the household sector published by the Bank for International Settlements; and new data relating to certain subsectors of the Other Financial Institutions sector.

Due to these modifications, it is not possible to compare the data in this news release with figures previously published.

2. 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.

3. Different data sources have been used in the compilation of the figures presented in this release. The main sources used include: (a) enterprise transactions data collected by the Commissioner for Revenue, which are then complemented with survey data; (b) customs data and INTRASTAT declarations, which are used as a source for merchandise transactions; (c) TOURSTAT and other administrative sources are used to compile data for the travel account; and (d) data published by the Bank for International Settlements, which advanced efforts to capture data on the household sector. These sources cover transactions relating to the current account, the capital account and the financial account.

4. 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.

5. 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.

6. 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. Any reference to the EU in tables 3 and 4 refers to the formation excluding UK.

13. More information relating to this news release may be accessed at:

[Statistical Concepts](#)

[Metadata](#)

14. References to this news release are to be cited appropriately.

15. Statistics in this news release should be interpreted in context to the unprecedented developments related to COVID-19.

16. A detailed news release calendar is available [online](#).