

During the fourth quarter of 2019, Malta registered a current account surplus of €387.3 million.

## International Economic and Financial Transactions: Q4/2019

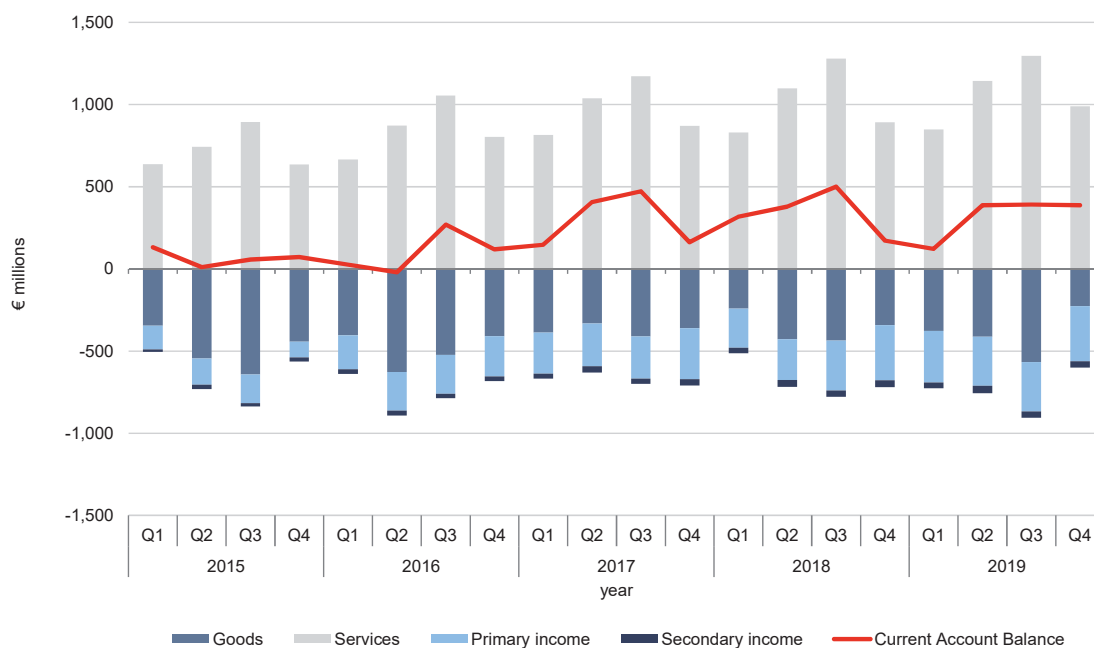
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28 February 2020

Provisional figures for Malta's external transactions show that during October-December 2019, the current account balance recorded a surplus of €387.3 million as compared to a surplus of €171.9 million in the comparable quarter of 2018. This surplus was primarily the result of a positive net balance of the services account of €988.2 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 primary income account (€336.0 million), the goods account (€226.8 million) and the secondary income account (€38.2 million).

During the fourth quarter last year, the capital account registered a positive net balance of €12.2 million as compared to a positive balance of €83.3 million in 2018.

The financial account was shaped by net asset decreases of €194.9 million, a fall in the net balance of assets of €98.2 million over the same quarter in 2018. The development in the financial account balance was mainly brought about by lower direct investment (€2,443.8 million). This was partially outweighed by higher other investment (€1,321.5 million) and portfolio investment (€1,053.7 million). Financial derivatives liabilities increased by €125.9 million whereas the reserve assets of the country went down by €0.3 million (Table 1) ■

**Chart 1. Current account balance**



**Table 1. Balance of Payments summary**

€ 000

Balance of Payments	October-December 2018 <sup>P</sup>			October-December 2019 <sup>P</sup>			change in balance
	Credit	Debit	Net	Credit	Debit	Net	
<b>Current account</b>	6,901,590	6,729,733	171,857	7,079,383	6,692,074	387,309	215,452
<b>Goods and services</b>	4,488,749	3,938,842	549,906	4,710,687	3,949,228	761,459	211,552
<b>Goods</b>	938,309	1,280,139	-341,830	965,594	1,192,359	-226,765	115,066
<b>Services</b>	3,550,440	2,658,704	891,736	3,745,093	2,756,869	988,223	96,487
Transport	271,947	167,021	104,926	268,819	166,282	102,537	-2,390
Travel	308,845	116,014	192,831	348,105	125,531	222,574	29,743
Other services	2,969,648	2,375,670	593,979	3,128,169	2,465,056	663,112	69,134
<b>Primary income</b>	2,357,666	2,694,726	-337,060	2,314,752	2,650,710	-335,957	1,103
Compensation of employees	5,284	16,478	-11,194	5,288	16,985	-11,697	-503
<b>Secondary income</b>	55,175	96,164	-40,989	53,944	92,137	-38,193	2,797
<b>Capital account</b>	83,576	259	83,316	12,609	458	12,151	-71,165
	<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>	-1,070,412	-973,684	-96,727	-4,027	190,897	-194,924	-98,197
Direct investment	-1,476,489	968,897	-2,445,386	-1,386,148	1,057,677	-2,443,825	1,561
Portfolio investment	1,173,902	104,586	1,069,316	1,216,624	162,960	1,053,664	-15,652
Financial derivatives	0	21,343	-21,343	0	125,920	-125,920	-104,577
Other investment	-813,430	-2,068,510	1,255,080	165,801	-1,155,660	1,321,461	66,381
Reserve assets <sup>1</sup>	45,605		45,605	-304		-304	
<b>Net errors and omissions</b>			-351,901			-594,384	

<sup>P</sup> Provisional

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

**Table 2. Balance of Payments summary**

€ 000

Balance of Payments	2018 <sup>P</sup>			2019 <sup>P</sup>			change in balance
	Credit	Debit	Net	Credit	Debit	Net	
<b>Current account</b>	27,676,570	26,306,904	1,369,666	28,188,684	26,902,090	1,286,594	-83,072
<b>Goods and services</b>	17,924,732	15,272,944	2,651,788	18,592,068	15,899,940	2,692,128	40,340
<b>Goods</b>	3,205,994	4,654,485	-1,448,491	3,330,977	4,915,826	-1,584,849	-136,358
<b>Services</b>	14,718,738	10,618,459	4,100,279	15,261,092	10,984,115	4,276,977	176,698
Transport	1,084,170	639,496	444,675	1,085,765	679,633	406,133	-38,542
Travel	1,573,784	440,506	1,133,278	1,698,110	473,842	1,224,268	90,989
Other services	12,060,784	9,538,458	2,522,326	12,477,217	9,830,640	2,646,576	124,250
<b>Primary income</b>	9,534,286	10,661,608	-1,127,322	9,378,979	10,628,600	-1,249,621	-122,299
Compensation of employees	21,186	67,155	-45,969	21,167	71,554	-50,387	-4,418
<b>Secondary income</b>	217,552	372,351	-154,800	217,637	373,549	-155,912	-1,112
<b>Capital account</b>	117,159	1,897	115,262	116,297	1,639	114,658	-603
	<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>	1,055,863	491,831	564,032	2,326,054	1,893,885	432,168	-131,864
Direct investment	-5,686,335	4,020,571	-9,706,906	-5,636,393	3,998,478	-9,634,871	72,035
Portfolio investment	3,209,065	249,288	2,959,777	5,076,876	352,194	4,724,681	1,764,904
Financial derivatives	180,371	0	180,371	0	208,050	-208,050	-388,421
Other investment	3,184,811	-3,778,029	6,962,840	3,018,071	-2,664,837	5,682,909	-1,279,931
Reserve assets <sup>1</sup>	167,951		167,951	-132,501		-132,501	
<b>Net errors and omissions</b>			-920,896			-969,085	

<sup>P</sup> Provisional

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

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

€ 000

Current account	October-December 2018 <sup>P</sup>			October-December 2019 <sup>P</sup>		
	Credit	Debit	Net	Credit	Debit	Net
<b>Current account - World</b>	6,901,590	6,729,733	171,857	7,079,383	6,692,074	387,309
<i>of which:</i>						
<b>EU</b>	4,388,945	4,241,135	147,810	4,448,138	4,519,312	-71,174
<b>Extra EU</b>	2,512,645	2,488,598	24,047	2,631,245	2,172,762	458,483
<b>Euro Area</b>	2,874,132	2,877,960	-3,827	2,876,420	3,078,521	-202,101
<b>Extra Euro Area</b>	4,027,457	3,851,773	175,684	4,202,963	3,613,553	589,410
<b>Goods - World</b>	938,309	1,280,139	-341,830	965,594	1,192,359	-226,765
<i>of which:</i>						
<b>EU</b>	343,316	729,458	-386,142	286,576	684,165	-397,590
<b>Extra EU</b>	594,993	550,681	44,312	679,018	508,193	170,825
<b>Euro Area</b>	285,559	590,044	-304,485	226,917	552,797	-325,880
<b>Extra Euro Area</b>	652,749	690,095	-37,345	738,678	639,562	99,116
<b>Services - World</b>	3,550,440	2,658,704	891,736	3,745,093	2,756,869	988,223
<i>of which:</i>						
<b>EU</b>	2,510,509	1,854,037	656,471	2,649,772	1,953,821	695,951
<b>Extra EU</b>	1,039,931	804,667	235,265	1,095,321	803,048	292,273
<b>Euro Area</b>	1,439,360	1,210,798	228,563	1,503,590	1,259,190	244,401
<b>Extra Euro Area</b>	2,111,080	1,447,906	663,174	2,241,502	1,497,680	743,822
<b>Primary income - World</b>	2,357,666	2,694,726	-337,060	2,314,752	2,650,710	-335,957
<i>of which:</i>						
<b>EU</b>	1,509,691	1,606,006	-96,315	1,486,024	1,833,765	-347,741
<b>Extra EU</b>	847,975	1,088,720	-240,745	828,729	816,945	11,784
<b>Euro Area</b>	1,144,156	1,061,667	82,489	1,140,413	1,252,666	-112,253
<b>Extra Euro Area</b>	1,213,509	1,633,059	-419,549	1,174,340	1,398,044	-223,704
<b>Secondary income - World</b>	55,175	96,164	-40,989	53,944	92,137	-38,193
<i>of which:</i>						
<b>EU</b>	25,429	51,634	-26,205	25,767	47,561	-21,794
<b>Extra EU</b>	29,746	44,530	-14,784	28,177	44,576	-16,399
<b>Euro Area</b>	5,057	15,451	-10,394	5,501	13,869	-8,368
<b>Extra Euro Area</b>	50,118	80,713	-30,595	48,443	78,268	-29,825

<sup>P</sup> Provisional

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

€ 000

Current account	2018 <sup>P</sup>			2019 <sup>P</sup>		
	Credit	Debit	Net	Credit	Debit	Net
<b>Current account - World</b>	27,676,570	26,306,904	1,369,666	28,188,684	26,902,090	1,286,594
<i>of which:</i>						
<b>EU</b>	18,003,866	17,986,189	17,676	18,269,711	18,535,822	-266,111
<b>Extra EU</b>	9,672,705	8,320,715	1,351,990	9,918,974	8,366,268	1,552,705
<b>Euro Area</b>	11,859,385	12,517,894	-658,509	11,867,136	12,885,464	-1,018,329
<b>Extra Euro Area</b>	15,817,185	13,789,010	2,028,176	16,321,549	14,016,626	2,304,923
<b>Goods - World</b>	3,205,994	4,654,485	-1,448,491	3,330,977	4,915,826	-1,584,849
<i>of which:</i>						
<b>EU</b>	1,473,709	3,003,271	-1,529,561	1,328,521	2,921,028	-1,592,507
<b>Extra EU</b>	1,732,284	1,651,214	81,070	2,002,456	1,994,798	7,658
<b>Euro Area</b>	1,274,802	2,471,481	-1,196,679	1,104,606	2,370,890	-1,266,284
<b>Extra Euro Area</b>	1,931,192	2,183,004	-251,812	2,226,370	2,544,936	-318,565
<b>Services - World</b>	14,718,738	10,618,459	4,100,279	15,261,092	10,984,115	4,276,977
<i>of which:</i>						
<b>EU</b>	10,387,078	7,455,956	2,931,122	10,836,734	7,764,033	3,072,701
<b>Extra EU</b>	4,331,660	3,162,503	1,169,157	4,424,358	3,220,082	1,204,276
<b>Euro Area</b>	5,952,093	4,875,952	1,076,141	6,161,574	5,046,202	1,115,372
<b>Extra Euro Area</b>	8,766,645	5,742,507	3,024,138	9,099,518	5,937,913	3,161,605
<b>Primary income - World</b>	9,534,286	10,661,608	-1,127,322	9,378,979	10,628,600	-1,249,621
<i>of which:</i>						
<b>EU</b>	6,040,023	7,325,954	-1,285,931	6,001,572	7,654,415	-1,652,843
<b>Extra EU</b>	3,494,264	3,335,655	158,609	3,377,406	2,974,185	403,222
<b>Euro Area</b>	4,611,129	5,110,984	-499,856	4,579,231	5,407,856	-828,625
<b>Extra Euro Area</b>	4,923,158	5,550,624	-627,467	4,799,747	5,220,744	-420,996
<b>Secondary income - World</b>	217,552	372,351	-154,800	217,637	373,549	-155,912
<i>of which:</i>						
<b>EU</b>	103,055	201,009	-97,954	102,884	196,345	-93,462
<b>Extra EU</b>	114,497	171,342	-56,846	114,754	177,204	-62,450
<b>Euro Area</b>	21,361	59,477	-38,116	21,724	60,516	-38,792
<b>Extra Euro Area</b>	196,190	312,874	-116,684	195,914	313,034	-117,120

<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. 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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