

During the second quarter of 2021, Malta registered a current account deficit of €382.7 million.

## International Economic and Financial Transactions: Q2/2021

Cut-off date:  
14 September 2021

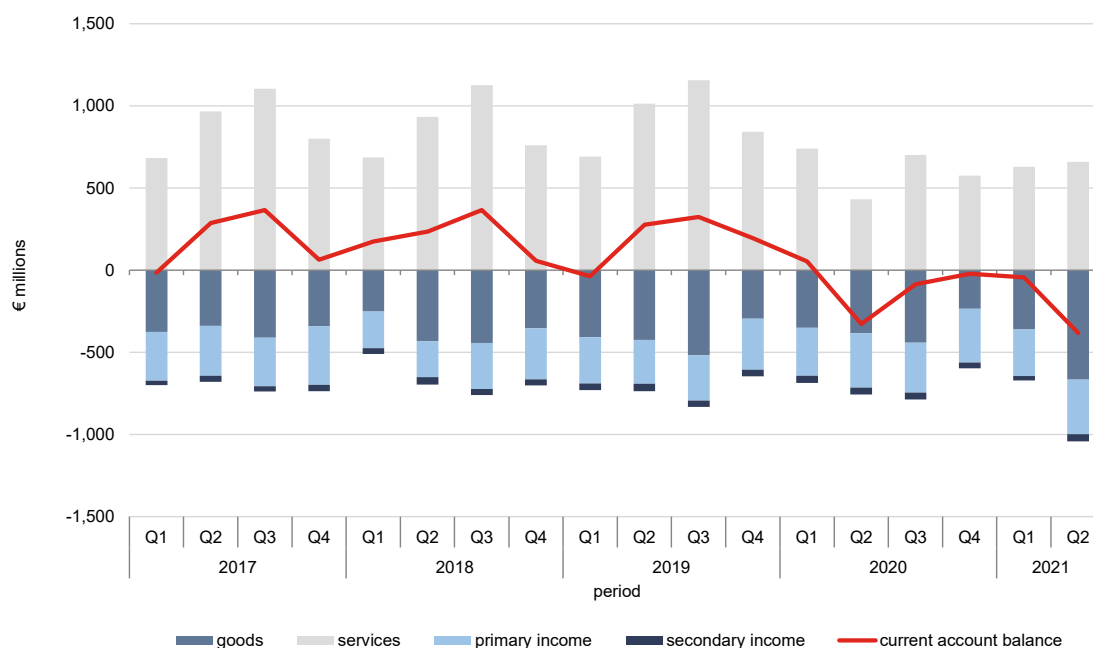
Provisional figures for Malta's external transactions show that during April-June 2021, the current account balance recorded a deficit of €382.7 million, compared to a deficit of €327.5 million in the same quarter of the previous year. This deficit was primarily the result of negative net balances recorded in the goods account (€665.2 million), the primary income account (€333.7 million) and the secondary income account (€43.5 million). This was partly offset by a positive net balance of €659.6 million recorded in the services account.

During the second quarter of 2021, the capital account registered a positive net balance of €15.9 million, €7.5 million lower than the figure recorded in 2020.

The financial account was shaped by net asset increases of €110.4 million, an increase in the balance of net assets of €167.9 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 (€1,952.9 million) and other investment (€742.0 million). This was partly offset by a negative net asset balance recorded in direct investment (€2,599.6 million). Financial derivatives and reserve assets increased by €12.0 million and €3.1 million respectively 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	April-June 2020 <sup>P</sup>			April-June 2021 <sup>P</sup>			change in balance
	Credit	Debit	Net	Credit	Debit	Net	
<b>Current account</b>	6,301,500	6,629,042	-327,542	6,922,504	7,305,210	-382,707	-55,165
<b>Goods and services</b>	3,934,629	3,888,547	46,082	4,384,909	4,390,471	-5,562	-51,644
<b>Goods</b>	611,146	995,280	-384,134	689,414	1,354,624	-665,210	-281,076
<b>Services</b>	3,323,483	2,893,267	430,216	3,695,495	3,035,847	659,648	229,432
Transport	111,294	98,302	12,991	231,325	137,290	94,035	81,044
Travel	0	0	0	69,694	27,221	42,473	42,473
Other services	3,212,189	2,794,964	417,225	3,394,476	2,871,337	523,140	105,915
<b>Primary income</b>	2,310,429	2,642,303	-331,874	2,485,268	2,818,930	-333,662	-1,788
Compensation of employees	7,338	16,974	-9,637	5,156	21,021	-15,865	-6,229
<b>Secondary income</b>	56,443	98,192	-41,750	52,326	95,809	-43,483	-1,733
<b>Capital account</b>	23,896	513	23,383	16,362	467	15,895	-7,488
	<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>	1,005,328	1,062,828	-57,500	2,323,420	2,213,053	110,367	167,867
Direct investment	-1,484,600	903,543	-2,388,143	-1,207,347	1,392,301	-2,599,649	-211,506
Portfolio investment	2,680,528	49,882	2,630,646	2,045,559	92,701	1,952,858	-677,788
Financial derivatives	0	16,438	-16,438	12,049	0	12,049	28,487
Other investment	-215,127	92,965	-308,092	1,470,080	728,051	742,029	1,050,121
Reserve assets <sup>1</sup>	24,528		24,528	3,079		3,079	
<b>Net errors and omissions</b>			246,659			477,179	

<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>	28,264,998	27,508,412	756,586	26,602,125	26,984,680	-382,555	-1,139,141
<b>Goods and services</b>	18,633,871	16,578,970	2,054,900	17,087,613	16,053,719	1,033,894	-1,021,007
<b>Goods</b>	3,449,799	5,095,614	-1,645,815	2,945,141	4,357,050	-1,411,910	233,905
<b>Services</b>	15,184,072	11,483,357	3,700,715	14,142,472	11,696,669	2,445,803	-1,254,912
Transport	1,085,153	656,733	428,421	726,990	490,980	236,010	-192,411
Travel	1,698,110	473,842	1,224,268	364,832	112,100	252,733	-971,535
Other services	12,400,809	10,352,783	2,048,026	13,050,650	11,093,589	1,957,061	-90,965
<b>Primary income</b>	9,411,983	10,545,028	-1,133,045	9,286,327	10,539,742	-1,253,416	-120,371
Compensation of employees	21,168	72,330	-51,163	24,459	65,371	-40,911	10,251
<b>Secondary income</b>	219,144	384,414	-165,270	228,185	391,218	-163,033	2,237
<b>Capital account</b>	108,988	1,826	107,163	83,575	1,912	81,663	-25,500
	<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>	1,374,925	1,330,653	44,273	3,331,057	3,644,500	-313,443	-357,716
Direct investment	-5,906,789	3,800,225	-9,707,014	-5,903,532	3,839,567	-9,743,098	-36,084
Portfolio investment	5,086,944	354,584	4,732,360	6,711,427	302,198	6,409,229	1,676,868
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	2,556,698	-628,533	3,185,232	-2,279,227
Reserve assets <sup>1</sup>	-237,482		-237,482	-33,537		-33,537	
<b>Net errors and omissions</b>			-819,476			-12,551	

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

Table 3. The Current Account, geographical breakdown

€ 000

Current account	April-June 2020 <sup>P</sup>			April-June 2021 <sup>P</sup>		
	Credit	Debit	Net	Credit	Debit	Net
<b>Current account - World</b>	6,301,500	6,629,042	-327,542	6,922,504	7,305,210	-382,707
<i>of which:</i>						
<b>EU</b>	3,616,117	3,600,244	15,873	4,169,323	3,913,183	256,140
<b>Extra EU</b>	2,685,383	3,028,798	-343,415	2,753,180	3,392,027	-638,847
<b>Euro Area</b>	3,160,318	2,917,573	242,745	3,600,899	3,232,269	368,630
<b>Extra Euro Area</b>	3,141,182	3,711,469	-570,287	3,321,604	4,072,941	-751,337
<b>Goods - World</b>	611,146	995,280	-384,134	689,414	1,354,624	-665,210
<i>of which:</i>						
<b>EU</b>	241,662	492,053	-250,391	338,895	661,262	-322,367
<b>Extra EU</b>	369,484	503,228	-133,744	350,520	693,363	-342,843
<b>Euro Area</b>	206,330	459,484	-253,154	222,591	613,130	-390,539
<b>Extra Euro Area</b>	404,816	535,796	-130,980	466,823	741,494	-274,670
<b>Services - World</b>	3,323,483	2,893,267	430,216	3,695,495	3,035,847	659,648
<i>of which:</i>						
<b>EU</b>	2,036,717	1,513,418	523,299	2,289,965	1,531,813	758,152
<b>Extra EU</b>	1,286,766	1,379,849	-93,083	1,405,530	1,504,034	-98,504
<b>Euro Area</b>	1,830,626	1,148,162	682,464	2,056,079	1,197,221	858,858
<b>Extra Euro Area</b>	1,492,857	1,745,105	-252,248	1,639,416	1,838,626	-199,210
<b>Primary income - World</b>	2,310,429	2,642,303	-331,874	2,485,268	2,818,930	-333,662
<i>of which:</i>						
<b>EU</b>	1,312,411	1,544,061	-231,650	1,516,298	1,666,248	-149,950
<b>Extra EU</b>	998,017	1,098,241	-100,224	968,971	1,152,682	-183,712
<b>Euro Area</b>	1,118,209	1,294,836	-176,627	1,314,239	1,406,304	-92,065
<b>Extra Euro Area</b>	1,192,220	1,347,467	-155,247	1,171,029	1,412,626	-241,596
<b>Secondary income - World</b>	56,443	98,192	-41,750	52,326	95,809	-43,483
<i>of which:</i>						
<b>EU</b>	25,327	50,712	-25,386	24,166	53,861	-29,695
<b>Extra EU</b>	31,116	47,480	-16,364	28,160	41,948	-13,788
<b>Euro Area</b>	5,153	15,091	-9,938	5,686	15,613	-9,928
<b>Extra Euro Area</b>	51,290	83,101	-31,812	46,640	80,196	-33,556

<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>	28,264,998	27,508,412	756,586	26,602,125	26,984,680	-382,555
<i>of which:</i>						
<b>EU</b>	15,427,033	15,036,573	390,460	15,139,823	14,700,259	439,563
<b>Extra EU</b>	12,837,965	12,471,840	366,126	11,462,302	12,284,421	-822,118
<b>Euro Area</b>	13,431,738	12,539,723	892,015	13,234,257	12,041,517	1,192,740
<b>Extra Euro Area</b>	14,833,260	14,968,690	-135,430	13,367,868	14,943,163	-1,575,295
<b>Goods - World</b>	3,449,799	5,095,614	-1,645,815	2,945,141	4,357,050	-1,411,910
<i>of which:</i>						
<b>EU</b>	1,281,165	2,619,849	-1,338,684	1,094,011	2,205,722	-1,111,710
<b>Extra EU</b>	2,168,634	2,475,764	-307,131	1,851,130	2,151,329	-300,199
<b>Euro Area</b>	1,124,417	2,464,043	-1,339,626	915,803	2,048,348	-1,132,546
<b>Extra Euro Area</b>	2,325,382	2,631,571	-306,189	2,029,338	2,308,702	-279,364
<b>Services - World</b>	15,184,072	11,483,357	3,700,715	14,142,472	11,696,669	2,445,803
<i>of which:</i>						
<b>EU</b>	8,626,265	5,730,914	2,895,351	8,550,550	5,944,650	2,605,900
<b>Extra EU</b>	6,557,807	5,752,443	805,363	5,591,922	5,752,019	-160,097
<b>Euro Area</b>	7,635,277	4,514,254	3,121,023	7,671,118	4,610,608	3,060,510
<b>Extra Euro Area</b>	7,548,794	6,969,103	579,691	6,471,354	7,086,061	-614,707
<b>Primary income - World</b>	9,411,983	10,545,028	-1,133,045	9,286,327	10,539,742	-1,253,416
<i>of which:</i>						
<b>EU</b>	5,416,338	6,481,467	-1,065,129	5,389,515	6,337,389	-947,874
<b>Extra EU</b>	3,995,646	4,063,561	-67,916	3,896,812	4,202,353	-305,542
<b>Euro Area</b>	4,649,430	5,497,360	-847,930	4,624,990	5,315,490	-690,500
<b>Extra Euro Area</b>	4,762,553	5,047,668	-285,115	4,661,337	5,224,252	-562,915
<b>Secondary income - World</b>	219,144	384,414	-165,270	228,185	391,218	-163,033
<i>of which:</i>						
<b>EU</b>	103,264	204,343	-101,079	105,747	212,499	-106,752
<b>Extra EU</b>	115,880	180,071	-64,191	122,439	178,719	-56,281
<b>Euro Area</b>	22,614	64,066	-41,453	22,347	67,071	-44,724
<b>Extra Euro Area</b>	196,531	320,348	-123,817	205,839	324,148	-118,309

<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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