

During the third quarter of 2021, Malta registered a current account deficit of €151.1 million.

International Economic and Financial Transactions: Q3/2021

Cut-off date:
07 December 2021

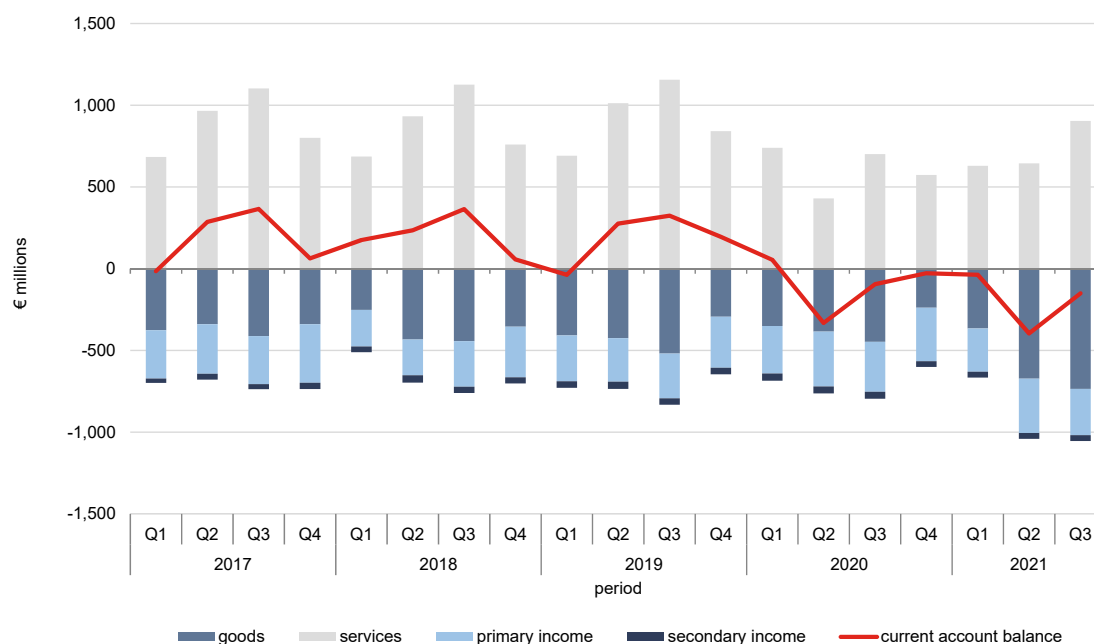
Provisional figures for Malta's external transactions show that during July-September 2021, the current account balance recorded a deficit of €151.1 million, compared to a deficit of €94.6 million in the same quarter of the previous year. This deficit was primarily the result of negative net balances recorded in the goods account (€735.5 million), the primary income account (€283.0 million) and the secondary income account (€36.1 million). This was partly offset by a positive net balance of €903.5 million recorded in the services account.

During the third quarter of 2021, the capital account registered a positive net balance of €59.7 million, €28.2 million higher than the figure recorded in 2020.

The financial account was shaped by net asset increases of €108.7 million, an increase in the balance of net assets of €110.7 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 (€1,661.2 million) and other investment (€584.4 million). Reserve assets also increased by €190.1 million during the same period. This was partly offset by negative net asset balances recorded in direct investment (€2,277.8 million) and financial derivatives (€49.2 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 by quarter

€ 000

Balance of Payments	July-September 2020 ^P			July-September 2021 ^P			change in balance
	Credit	Debit	Net	Credit	Debit	Net	
Current account	6,680,037	6,774,674	-94,637	6,809,360	6,960,451	-151,090	-56,453
Goods and services	4,273,416	4,019,558	253,858	4,451,763	4,283,775	167,988	-85,869
Goods	688,623	1,135,816	-447,193	655,415	1,390,941	-735,526	-288,333
Services	3,584,793	2,883,742	701,051	3,796,348	2,892,834	903,514	202,464
Transport	196,011	130,415	65,596	294,953	152,475	142,478	76,882
Travel	136,703	28,940	107,763	343,808	80,050	263,759	155,996
Other services	3,252,078	2,724,387	527,691	3,157,587	2,660,309	497,278	-30,414
Primary income	2,348,461	2,654,626	-306,166	2,303,724	2,586,737	-283,013	23,153
Compensation of employees	5,178	17,603	-12,424	5,150	20,370	-15,220	-2,796
Secondary income	58,160	100,489	-42,329	53,873	89,939	-36,066	6,263
Capital account	31,960	466	31,494	61,794	2,103	59,691	28,197
	Assets	Liabilities	Net	Assets	Liabilities	Net	change in balance
Financial account	1,316,014	1,317,968	-1,953	886,977	778,268	108,709	110,662
Direct investment	-1,465,579	1,018,404	-2,483,983	-1,221,199	1,056,608	-2,277,807	206,177
Portfolio investment	1,996,715	117,475	1,879,240	1,766,142	104,928	1,661,214	-218,026
Financial derivatives	0	117,510	-117,510	0	49,158	-49,158	68,352
Other investment	761,315	64,579	696,737	151,979	-432,425	584,404	-112,333
Reserve assets ¹	23,563		23,563	190,056		190,056	
Net errors and omissions			61,189			200,109	

^P Provisional¹ Blank cells denote not applicable

Table 2. Balance of Payments summary by year

€ 000

Balance of Payments	2019 ^P			2020 ^P			change in balance
	Credit	Debit	Net	Credit	Debit	Net	
Current account	28,264,998	27,508,412	756,586	26,608,084	27,008,847	-400,763	-1,157,349
Goods and services	18,633,871	16,578,970	2,054,900	17,097,251	16,074,207	1,023,045	-1,031,856
Goods	3,449,799	5,095,614	-1,645,815	2,954,779	4,376,342	-1,421,563	224,252
Services	15,184,072	11,483,357	3,700,715	14,142,472	11,697,865	2,444,607	-1,256,108
Transport	1,085,153	656,733	428,421	726,990	492,056	234,934	-193,487
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	11,093,709	1,956,940	-91,086
Primary income	9,411,983	10,545,028	-1,133,045	9,282,647	10,543,422	-1,260,775	-127,730
Compensation of employees	21,168	72,330	-51,163	20,780	69,050	-48,271	2,892
Secondary income	219,144	384,414	-165,270	228,185	391,218	-163,033	2,237
Capital account	108,988	1,826	107,163	83,575	1,912	81,663	-25,500
	Assets	Liabilities	Net	Assets	Liabilities	Net	change in balance
Financial account	1,374,925	1,330,653	44,273	3,327,073	3,644,500	-317,427	-361,700
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 ¹	-237,482		-237,482	-37,521		-37,521	
Net errors and omissions			-819,476			1,674	

^P Provisional¹ Blank cells denote not applicable

Table 3. The Current Account, geographical breakdown by quarter

€ 000

Current account	July-September 2020 ^P			July-September 2021 ^P		
	Credit	Debit	Net	Credit	Debit	Net
Current account - World	6,680,037	6,774,674	-94,637	6,809,360	6,960,451	-151,090
<i>of which:</i>						
EU	3,865,615	3,647,473	218,141	3,858,270	3,867,221	-8,952
Extra EU	2,814,422	3,127,200	-312,778	2,951,091	3,093,230	-142,139
Euro Area	3,391,840	2,995,287	396,553	3,357,182	3,233,679	123,504
Extra Euro Area	3,288,197	3,779,387	-491,190	3,452,178	3,726,772	-274,594
Goods - World	688,623	1,135,816	-447,193	655,415	1,390,941	-735,526
<i>of which:</i>						
EU	265,372	513,041	-247,669	223,965	772,873	-548,909
Extra EU	423,251	622,776	-199,524	431,451	618,068	-186,617
Euro Area	224,913	468,911	-243,998	187,503	742,369	-554,866
Extra Euro Area	463,710	666,905	-203,195	467,912	648,572	-180,660
Services - World	3,584,793	2,883,742	701,051	3,796,348	2,892,834	903,514
<i>of which:</i>						
EU	2,183,143	1,455,395	727,748	2,261,242	1,492,517	768,725
Extra EU	1,401,650	1,428,348	-26,698	1,535,106	1,400,317	134,789
Euro Area	1,958,418	1,135,879	822,540	2,015,414	1,182,309	833,106
Extra Euro Area	1,626,375	1,747,864	-121,489	1,780,934	1,710,525	70,408
Primary income - World	2,348,461	2,654,626	-306,166	2,303,724	2,586,737	-283,013
<i>of which:</i>						
EU	1,390,864	1,624,186	-233,323	1,347,296	1,553,414	-206,118
Extra EU	957,597	1,030,440	-72,843	956,428	1,033,323	-76,895
Euro Area	1,202,442	1,367,947	-165,505	1,148,624	1,293,419	-144,794
Extra Euro Area	1,146,019	1,286,679	-140,660	1,155,100	1,293,318	-138,219
Secondary income - World	58,160	100,489	-42,329	53,873	89,939	-36,066
<i>of which:</i>						
EU	26,236	54,852	-28,616	25,767	48,417	-22,650
Extra EU	31,924	45,637	-13,713	28,106	41,522	-13,416
Euro Area	6,067	22,549	-16,483	5,641	15,582	-9,942
Extra Euro Area	52,093	77,940	-25,846	48,233	74,357	-26,124

^P Provisional

Table 4. The Current Account, geographical breakdown by year

€ 000

Current account	2019 ^P			2020 ^P		
	Credit	Debit	Net	Credit	Debit	Net
Current account - World	28,264,998	27,508,412	756,586	26,608,084	27,008,847	-400,763
<i>of which:</i>						
EU	15,427,033	15,036,573	390,460	15,150,150	14,715,770	434,380
Extra EU	12,837,965	12,471,840	366,126	11,457,934	12,293,077	-835,143
Euro Area	13,431,738	12,539,723	892,015	13,243,154	12,056,320	1,186,834
Extra Euro Area	14,833,260	14,968,690	-135,430	13,364,930	14,952,527	-1,587,597
Goods - World	3,449,799	5,095,614	-1,645,815	2,954,779	4,376,342	-1,421,563
<i>of which:</i>						
EU	1,281,165	2,619,849	-1,338,684	1,104,339	2,220,000	-1,115,661
Extra EU	2,168,634	2,475,764	-307,131	1,850,440	2,156,342	-305,901
Euro Area	1,124,417	2,464,043	-1,339,626	924,699	2,061,813	-1,137,114
Extra Euro Area	2,325,382	2,631,571	-306,189	2,030,080	2,314,529	-284,449
Services - World	15,184,072	11,483,357	3,700,715	14,142,472	11,697,865	2,444,607
<i>of which:</i>						
EU	8,626,265	5,730,914	2,895,351	8,550,550	5,945,883	2,604,667
Extra EU	6,557,807	5,752,443	805,363	5,591,922	5,751,983	-160,060
Euro Area	7,635,277	4,514,254	3,121,023	7,671,118	4,611,946	3,059,172
Extra Euro Area	7,548,794	6,969,103	579,691	6,471,354	7,085,919	-614,565
Primary income - World	9,411,983	10,545,028	-1,133,045	9,282,647	10,543,422	-1,260,775
<i>of which:</i>						
EU	5,416,338	6,481,467	-1,065,129	5,389,515	6,337,389	-947,874
Extra EU	3,995,646	4,063,561	-67,916	3,893,132	4,206,033	-312,901
Euro Area	4,649,430	5,497,360	-847,930	4,624,990	5,315,490	-690,500
Extra Euro Area	4,762,553	5,047,668	-285,115	4,657,657	5,227,931	-570,274
Secondary income - World	219,144	384,414	-165,270	228,185	391,218	-163,033
<i>of which:</i>						
EU	103,264	204,343	-101,079	105,747	212,499	-106,752
Extra EU	115,880	180,071	-64,191	122,439	178,719	-56,281
Euro Area	22,614	64,066	-41,453	22,347	67,071	-44,724
Extra Euro Area	196,531	320,348	-123,817	205,839	324,148	-118,309

^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. 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

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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