

During the second quarter of 2022, Malta registered a current account deficit of €255.9 million.

International Economic and Financial Transactions: Q2/2022

Cut-off date:
12 September 2022

Provisional figures for Malta's external transactions show that during April-June 2022, the current account balance recorded a deficit of €255.9 million, compared to a deficit of €347.9 million in the same quarter of the previous year. This deficit was primarily the result of negative net balances recorded in the goods account (€758.9 million), the primary income account (€267.3 million) and the secondary income account (€140.1 million). This was partly offset by a positive net balance of €910.4 million recorded in the services account.

During the second quarter of 2022, the capital account registered a positive net balance of €40.2 million, €24.3 million higher than the figure recorded in 2021.

The financial account was shaped by net asset increases of €438.4 million, an increase in the balance of net assets of €219.9 million when compared to the value recorded in 2021. The development in the financial account balance was mainly brought about by positive net asset balances in portfolio investment (€2,238.4 million), other investment (€819.8 million) and financial derivatives (€10.8 million). This was partly offset by negative net asset balances recorded in direct investment (€2,484.8 million). Reserve assets also decreased by €145.8 million during the same period (Table 1) ■

Chart 1. Current account balance

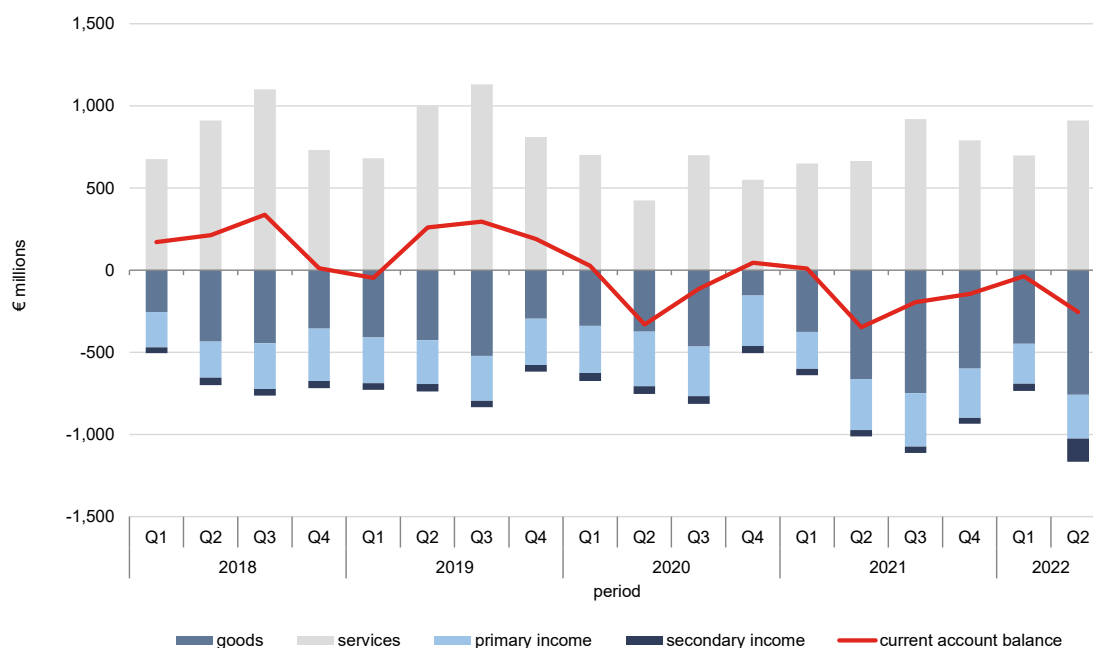


Table 1. Balance of Payments summary by quarter

€ 000

Balance of Payments	April-June 2021 ^P			April-June 2022 ^P			change in balance
	Credit	Debit	Net	Credit	Debit	Net	
Current account	6,886,229	7,234,146	-347,918	7,473,133	7,729,013	-255,880	92,038
Goods and services	4,528,101	4,527,865	236	5,093,821	4,942,310	151,511	151,275
Goods	730,880	1,394,057	-663,177	819,861	1,578,760	-758,899	-95,722
Services	3,797,221	3,133,809	663,413	4,273,960	3,363,550	910,410	246,997
Transport	203,844	138,571	65,273	171,374	144,427	26,946	-38,327
Travel	69,694	27,221	42,473	401,181	91,269	309,911	267,438
Other services	3,523,683	2,968,017	555,666	3,701,406	3,127,854	573,552	17,886
Primary income	2,304,144	2,613,152	-309,008	2,327,770	2,595,088	-267,319	41,690
Compensation of employees	5,156	18,739	-13,583	5,159	16,471	-11,312	2,271
Secondary income	53,984	93,129	-39,145	51,542	191,614	-140,072	-100,927
Capital account	16,365	467	15,898	40,695	468	40,228	24,330
	Assets	Liabilities	Net	Assets	Liabilities	Net	change in balance
Financial account	2,237,276	2,018,773	218,502	2,128,872	1,690,499	438,373	219,870
Direct investment	-1,463,328	1,204,867	-2,668,196	-1,477,465	1,007,317	-2,484,781	183,414
Portfolio investment	2,043,346	88,878	1,954,468	2,355,743	117,315	2,238,427	283,959
Financial derivatives	12,049	0	12,049	10,751	0	10,751	-1,298
Other investment	1,635,714	725,028	910,686	1,385,638	565,868	819,770	-90,916
Reserve assets ¹	9,495		9,495	-145,795		-145,795	
Net errors and omissions			550,522			654,025	

^P Provisional

¹ Blank cells denote not applicable

Table 2. Balance of Payments summary by year

€ 000

Balance of Payments	2020 ^P			2021 ^P			change in balance
	Credit	Debit	Net	Credit	Debit	Net	
Current account	26,613,014	26,986,723	-373,709	28,249,199	28,927,867	-678,669	-304,959
Goods and services	17,102,025	16,062,078	1,039,947	18,698,956	18,064,187	634,769	-405,177
Goods	3,006,987	4,341,062	-1,334,075	3,035,597	5,421,492	-2,385,894	-1,051,820
Services	14,095,038	11,721,016	2,374,021	15,663,359	12,642,695	3,020,664	646,642
Transport	700,232	502,938	197,294	913,026	575,026	338,000	140,707
Travel	343,617	111,837	231,780	659,452	205,155	454,297	222,517
Other services	13,051,189	11,106,241	1,944,948	14,090,881	11,862,514	2,228,367	283,419
Primary income	9,282,644	10,510,279	-1,227,635	9,326,789	10,486,891	-1,160,102	67,532
Compensation of employees	20,780	69,338	-48,558	20,623	76,865	-56,242	-7,684
Secondary income	228,345	414,366	-186,022	223,454	376,790	-153,335	32,686
Capital account	83,575	1,912	81,663	152,755	1,869	150,886	69,224
	Assets	Liabilities	Net	Assets	Liabilities	Net	change in balance
Financial account	3,364,640	3,674,229	-309,590	6,194,427	5,418,982	775,445	1,085,034
Direct investment	-5,878,396	3,882,488	-9,760,884	-5,908,568	3,688,639	-9,597,207	163,677
Portfolio investment	6,713,725	302,198	6,411,527	7,399,361	373,017	7,026,344	614,818
Financial derivatives	0	131,269	-131,269	0	291,200	-291,200	-159,931
Other investment	2,566,832	-641,726	3,208,557	4,747,329	1,066,126	3,681,202	472,645
Reserve assets ¹	-37,521		-37,521	-43,695		-43,695	
Net errors and omissions			-17,543			1,303,227	

^P Provisional

¹ Blank cells denote not applicable

Table 3. The Current Account, geographical breakdown by quarter

€ 000

Current account	April-June 2021 ^P			April-June 2022 ^P		
	Credit	Debit	Net	Credit	Debit	Net
Current account - World	6,886,229	7,234,146	-347,918	7,473,133	7,729,013	-255,880
<i>of which:</i>						
EU	4,039,753	3,827,414	212,339	4,270,227	4,530,414	-260,187
Extra EU	2,846,475	3,406,732	-560,257	3,202,906	3,198,599	4,308
Euro Area	3,460,727	3,123,972	336,755	3,735,059	3,811,162	-76,103
Extra Euro Area	3,425,502	4,110,174	-684,673	3,738,074	3,917,851	-179,777
Goods - World	730,880	1,394,057	-663,177	819,861	1,578,760	-758,899
<i>of which:</i>						
EU	356,460	735,284	-378,824	323,029	921,175	-598,146
Extra EU	374,419	658,773	-284,354	496,832	657,585	-160,753
Euro Area	237,506	680,782	-443,276	279,963	879,112	-599,149
Extra Euro Area	493,374	713,275	-219,901	539,898	699,649	-159,750
Services - World	3,797,221	3,133,809	663,413	4,273,960	3,363,550	910,410
<i>of which:</i>						
EU	2,299,289	1,557,913	741,376	2,615,564	1,676,406	939,158
Extra EU	1,497,932	1,575,896	-77,964	1,658,396	1,687,144	-28,748
Euro Area	2,064,876	1,211,916	852,959	2,329,009	1,297,573	1,031,435
Extra Euro Area	1,732,346	1,921,893	-189,547	1,944,951	2,065,977	-121,026
Primary income - World	2,304,144	2,613,152	-309,008	2,327,770	2,595,088	-267,319
<i>of which:</i>						
EU	1,358,179	1,482,893	-124,714	1,308,171	1,783,036	-474,865
Extra EU	945,964	1,130,259	-184,294	1,019,599	812,052	207,546
Euro Area	1,152,649	1,215,664	-63,015	1,120,747	1,517,318	-396,570
Extra Euro Area	1,151,495	1,397,488	-245,993	1,207,022	1,077,771	129,252
Secondary income - World	53,984	93,129	-39,145	51,542	191,614	-140,072
<i>of which:</i>						
EU	25,824	51,324	-25,500	23,463	149,797	-126,334
Extra EU	28,160	41,805	-13,645	28,079	41,817	-13,738
Euro Area	5,697	15,610	-9,914	5,340	117,159	-111,819
Extra Euro Area	48,287	77,518	-29,231	46,202	74,455	-28,253

^P Provisional

Table 4. The Current Account, geographical breakdown by year

€ 000

Current account	2020 ^P			2021 ^P		
	Credit	Debit	Net	Credit	Debit	Net
Current account - World	26,613,014	26,986,723	-373,709	28,249,199	28,927,867	-678,669
<i>of which:</i>						
EU	15,116,781	14,671,186	445,595	16,060,420	15,847,185	213,235
Extra EU	11,496,233	12,315,537	-819,304	12,188,779	13,080,682	-891,903
Euro Area	13,216,370	11,996,818	1,219,551	13,988,713	13,020,831	967,881
Extra Euro Area	13,396,644	14,989,905	-1,593,261	14,260,486	15,907,036	-1,646,550
Goods - World	3,006,987	4,341,062	-1,334,075	3,035,597	5,421,492	-2,385,894
<i>of which:</i>						
EU	1,098,388	2,169,119	-1,070,731	1,087,851	2,947,855	-1,860,004
Extra EU	1,908,599	2,171,943	-263,344	1,947,746	2,473,636	-525,890
Euro Area	923,057	2,010,700	-1,087,643	853,990	2,771,990	-1,918,000
Extra Euro Area	2,083,931	2,330,362	-246,432	2,181,607	2,649,502	-467,895
Services - World	14,095,038	11,721,016	2,374,021	15,663,359	12,642,695	3,020,664
<i>of which:</i>						
EU	8,522,972	5,959,808	2,563,164	9,353,962	6,291,024	3,062,938
Extra EU	5,572,066	5,761,209	-189,143	6,309,397	6,351,672	-42,275
Euro Area	7,645,821	4,626,823	3,018,998	8,390,111	4,898,579	3,491,532
Extra Euro Area	6,449,217	7,094,194	-644,977	7,273,248	7,744,116	-470,868
Primary income - World	9,282,644	10,510,279	-1,227,635	9,326,789	10,486,891	-1,160,102
<i>of which:</i>						
EU	5,389,515	6,309,715	-920,200	5,515,988	6,407,501	-891,512
Extra EU	3,893,129	4,200,564	-307,435	3,810,800	4,079,391	-268,590
Euro Area	4,624,990	5,285,440	-660,450	4,722,506	5,288,879	-566,373
Extra Euro Area	4,657,654	5,224,839	-567,185	4,604,283	5,198,012	-593,729
Secondary income - World	228,345	414,366	-186,022	223,454	376,790	-153,335
<i>of which:</i>						
EU	105,906	232,545	-126,639	102,618	200,806	-98,187
Extra EU	122,439	181,821	-59,383	120,836	175,984	-55,148
Euro Area	22,502	73,856	-51,354	22,106	61,383	-39,277
Extra Euro Area	205,843	340,510	-134,667	201,348	315,406	-114,058

^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. Statistics in this news release should be interpreted in context to the unprecedented developments related to COVID-19.
15. 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](#)

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