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MALTA

STAFF REPORT FOR THE 2014 ARTICLE IV CONSULTATION—INFORMATIONAL ANNEX

February 5, 2015

Prepared By

European Department
(In Consultation with Other Departments)

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FUND RELATIONS

(As of November 30, 2014)

Membership Status

Joined: September 11, 1968; Article VIII

General Resources Account	SDR Million	Percent Quota
Quota	102.00	100.00
Fund holdings of currency	63.75	62.50
Reserve Tranche Position	38.30	37.54
Lending to the Fund		
Borrowing Agreement	11.71	

SDR Department	SDR Million	Percent Allocation
Net cumulative allocation	95.40	100.00
Holdings	84.51	88.58

Outstanding Purchases and Loans

None

Financial Arrangements

None

Projected Obligations to Fund 1/

(SDR million; based on existing use of resources and present holdings of SDRs)

	2014	2015	Forthcoming		2018
			2016	2017	
Principal					
Charges/Interest	0.00	0.01	0.01	0.01	0.01
Total	0.00	0.01	0.01	0.01	0.01

1/ When a member has overdue financial obligations outstanding for more than three months, the amount of such arrears will be shown in this section..

Exchange Rate Arrangement

Member of the euro area since January 1, 2008. Malta maintains an exchange system that is free of restrictions on the making of payments and transfers for current international transactions.

Article IV Consultation

Malta is on the standard 12-month consultation cycle. The previous consultation discussions took place during May 02–13, 2013, and the staff report (Country Report No.13/203, 07/12/2013) was discussed and the consultation was completed on June 19, 2013.

Technical Assistance

Date	Department	Subject
November 2014	FAD	Revenue Administration Mission
March 2014	FAD	Strengthening Public Financial Management
May 2013	STA	Balance of Payments
April 2009	STA	SDDS subscription finalization
November 2006	STA	Producer price index/SDDS preparations (expert visits)
April and December 2007		
June 2005	STA	ROSC Data Module
October 2002– January 2003	MFD	FSAP missions (joint with World Bank)
March 2001	STA	Money and banking statistics
February 1999	MAE	Monetary operations and liquidity Forecasting

Resident Representative

None

STATISTICAL INFORMATION

(As of January 6, 2015)

Data provision is adequate for surveillance purposes. Significant progress in improving macroeconomic statistics has been made in close cooperation with the European Central Bank (ECB) and Eurostat while upgrading statistical systems to meet the euro area standards¹. Most macroeconomic statistics can now be accessed through Eurostat. The country has been a participant in the SDDS since December 1, 2009, with the metadata posted on the IMF's Dissemination Standards Bulletin Board.

Real sector statistics: Malta has compiled its national accounts in accordance with the guidelines of *ESA 2010* since October 2014. The effect of the conceptual differences from *ESA 1995* on the estimated level of GDP in 2010 was a relative small upward revision of 0.5 percent. Data on retail and consumer prices, labor market indicators, and tourism arrivals are released monthly, usually with a short lag. A harmonized index of consumer prices has been published since May 2004. These data are available through Eurostat and via the Internet at the Central Bank of Malta (CBM) and the National Statistical Office (NSO) websites. The NSO releases quarterly national accounts data in current and constant prices with a lag of about two months, annual nonfinancial sectoral accounts in current prices with a lag of about 11 months, and a monthly index of industrial production with a lag of just over a month. However, national accounts data have been subject to substantial revisions, often affecting several years. The reasons for revisions include large statistical discrepancies (captured under changes in inventory stocks), particularly on the first release and revisions of deflators. Furthermore, supply-side GDP estimates by type of economic activity are only available at current prices. The producer price index for manufacturing has been published, but that for services sector is still under discussion. National accounts imports and exports data are not disaggregated into goods and services. Financial balance sheets and transactions by sectors, and data on household debt saving are not available.

Government finance statistics: Fiscal statistics meet basic requirements, with quarterly accrual-based data on general government operations compiled in accordance with the *ESA2010* methodology and disseminated with a one-quarter lag. The general government comprises data from the consolidated fund of government adjusted to include other accounts of government, the accruals elements, and the financial performance of the Extra Budgetary Units and of the Local Councils. The NSO also publishes monthly statistics on the cash operations of the central government, for which the authorities plan to utilize the targeted timeliness flexibility option in light of additional time required for the final month of the fiscal year.

¹ The 2007/08 Eurostat peer review on the implementation of the European Statistics Code of Practice found that the NSO had reached a remarkable compliance with large parts of the Code despite its small size, but underscored the need to improve adequacy of resources and data quality management.

Monetary and financial statistics: Monetary statistics are timely and of good quality. Since the entry into the euro area in January 2008, monetary data for IMF statistical publications are now obtained through a gateway arrangement with the ECB, thus reducing the reporting burden of the country. Malta has reported Financial Soundness Indicators beginning from 2005 along with metadata, which are available on the IMF's website (<http://fsi.imf.org>).

External sector statistics: Summary data (merchandise trade, current account balance, and selected financial account data) are released on a quarterly basis with a lag of about three months. More detailed BOP and IIP data are released annually, the latter with a lag sometimes exceeding one year. The balance of payments data are usually subject to large revisions. Summary trade statistics are released monthly with a lag of about 40 days. The CBM also publishes the external debt templates in line with requirements of the SDDS, including both gross and net external debt. In line with the European regulation, Malta has prepared the first BOP estimates in the *BPM6* format covering the period 2009-onwards; however these data have not yet been approved for publication in the IFS. The country is planning to release historical data, possibly starting from 2004 in 2015. The new BOP data include estimates for SPEs and other coverage improvements.