



**BANK ĊENTRALI TA' MALTA**  
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**CENTRAL BANK OF MALTA**

# **MERCHANDISE TRADE DEVELOPMENTS IN 2013**

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## MERCHANDISE TRADE DEVELOPMENTS IN 2013

Customs data show that in 2013 the merchandise trade gap widened by 0.7% to €1,756.2 million, as exports contracted more than imports (see Table 1). Movements in exports and imports were heavily influenced by developments in purchases and sales of fuels (see Table 2).<sup>1</sup>

Over 2013, the value of imported goods fell by €582.3 million or 9.4%, with fuel imports declining slightly more than a fifth, or €576.0 million. Meanwhile, foreign purchases of industrial supplies and consumer goods contracted by 2.3% and 1.4%, respectively. The drop in the former was largely spurred by lower imports of primary and semi-finished goods, whereas the latter mainly reflected

**Table 1**  
**MERCHANDISE TRADE BY BROAD ECONOMIC CATEGORY**

EUR millions; annual percentage changes

	2011 <sup>(1)</sup>	2012 <sup>(1)</sup>	2013 <sup>(1)</sup>	2012	2013
	<i>Amount</i>			<i>%</i>	
<b>Imports</b>	<b>5,338.9</b>	<b>6,183.3</b>	<b>5,601.0</b>	<b>15.8</b>	<b>-9.4</b>
Industrial supplies	1,549.0	1,565.0	1,528.5	1.0	-2.3
Capital goods & others	875.9	810.9	855.5	-7.4	5.5
Consumer goods	980.2	1,019.1	1,004.6	4.0	-1.4
Fuel & lubricants	1,933.8	2,788.3	2,212.4	44.2	-20.7
<b>Exports</b>	<b>3,819.0</b>	<b>4,438.6</b>	<b>3,844.8</b>	<b>16.2</b>	<b>-13.4</b>
<b>Trade deficit</b>	<b>-1,519.9</b>	<b>-1,744.7</b>	<b>-1,756.2</b>	<b>14.8</b>	<b>0.7</b>

<sup>(1)</sup>Provisional.

Source: NSO.

**Table 2**  
**MERCHANDISE TRADE BY MAJOR COMMODITY GROUP**

EUR millions; annual percentage changes

	2011 <sup>(1)</sup>	2012 <sup>(1)</sup>	2013 <sup>(1)</sup>	2012	2013
<b>Imports</b>	<b>5,338.9</b>	<b>6,183.3</b>	<b>5,601.0</b>	<b>15.8</b>	<b>-9.4</b>
Food, beverages and tobacco	489.5	582.0	556.9	18.9	-4.3
Mineral fuels, lubricants & related materials	1,943.2	2,791.3	2,218.4	43.6	-20.5
Chemicals	434.1	447.5	432.8	3.1	-3.3
Semi-manufactured goods	331.1	318.4	304.4	-3.8	-4.4
Machinery & transport equipment	1,695.1	1,567.6	1,650.0	-7.5	5.3
Miscellaneous manufactured articles	379.1	408.7	386.0	7.8	-5.6
Others	66.7	67.7	52.6	1.5	-22.4
<b>Exports</b>	<b>3,819.0</b>	<b>4,438.6</b>	<b>3,844.8</b>	<b>16.2</b>	<b>-13.4</b>
Food, beverages and tobacco	151.5	227.2	248.9	50.0	9.6
Mineral fuels, lubricants & related materials	1,621.7	2,010.8	1,600.7	24.0	-20.4
Chemicals	258.8	321.2	353.3	24.1	10.0
Semi-manufactured goods	132.9	126.5	115.9	-4.8	-8.4
Machinery & transport equipment	1,241.3	1,322.2	1,110.7	6.5	-16.0
Miscellaneous manufactured articles	383.2	400.9	396.8	4.6	-1.0
Others	29.6	29.8	18.5	0.6	-37.8

<sup>(1)</sup>Provisional.

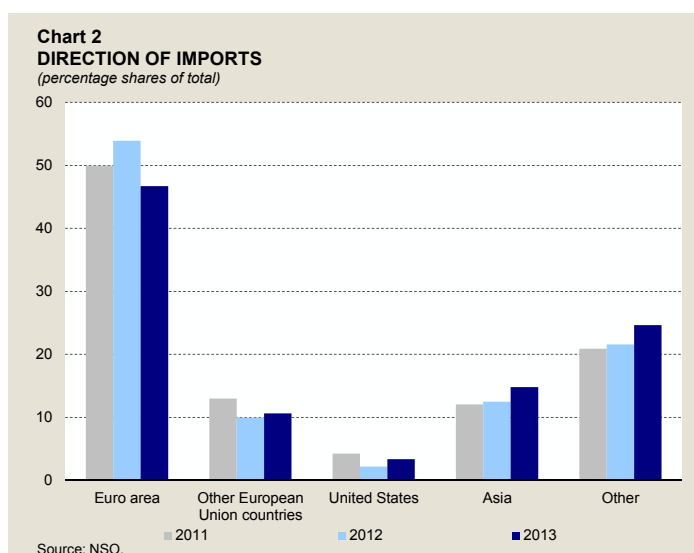
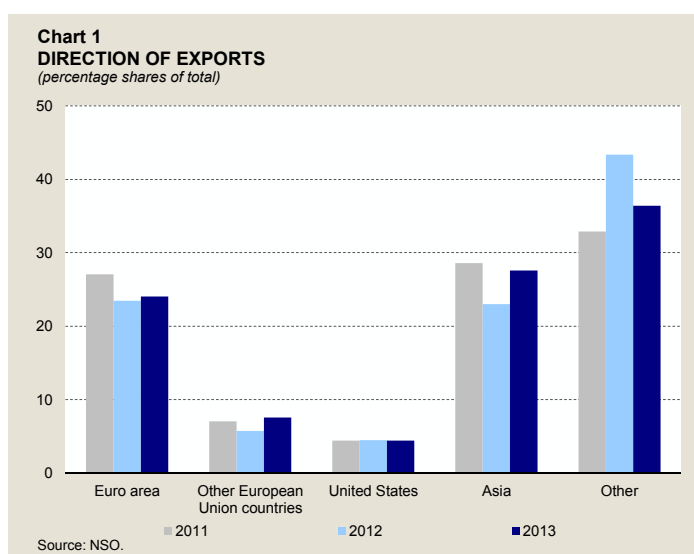
Source: NSO.

<sup>1</sup> Customs data tend to show higher values for imports and exports than balance of payments data for comparable commodity groups. In particular, the former record the physical entry into, and the corresponding exit from Maltese territory of all goods, whereas balance of payments data only capture transactions that entail a change of ownership between residents and non-residents. These differences are especially pronounced in the case of trade in fuel, aircraft and ships.

a decline in purchases of food, beverages and tobacco. On the other hand, “capital goods & other” imports expanded by 5.5%.

In the year under review the value of exports fell by €593.8 million, or 13.4% over 2012. As referred to above, fuel re-exports were a major factor behind this drop, as these declined by €410.0 million, thereby responsible for 69.1% of the drop. Nonetheless, a significant contraction was also recorded in exports of machinery & transport equipment. Almost 40.0% of the fall in this component was caused by a base effect reflecting the exceptional sale of aircraft during 2012. Exports of semi-manufactured goods also recorded a decline. However, sales of organic chemicals and food, the latter mainly comprising fish exports, registered an expansion. Although in absolute terms increases in the above-mentioned two categories were small compared with the drops in fuel and the machinery & transport categories, they were quite significant compared with 2012 levels, at around 10% (see Table 2).

During 2013 the European Union remained Malta's major trading partner, accounting for 57.3% of total goods imported and 31.6% of merchandise exports (see Charts 1 and 2). This compares with 63.8% and 29.2%, respectively, in 2012. Merchandise trade with countries in the euro area accounted for 46.7% and 24.0%, respectively, of the total value of imports and exports, compared with 53.9% and 23.5% in the previous year. Overall, the fall in the value of goods imported from the euro area was mainly driven by lower purchases from Italy, Spain and France. Thus, in the case of Italy, while it remained Malta's main source of imports, its share in goods imported declined notably to 24.6% from 32.1% in 2012. With regard to exports, Germany remained Malta's prime market, although the value of exports declined in nominal terms. Its share in total merchandise exports, however, rose over the year by 0.9 percentage point to



9.0%. Meanwhile, both imports from, and exports to the United Kingdom were below the previous year's levels.

Trade with Asia increased when compared with 2012, as imports rose by 7.5%, while exports edged up by 3.9% on a year earlier. As a result, the Asian markets' share in aggregate imports and exports reached 14.8% and 27.6%, respectively. With regard to the latter, the increase was partly driven by higher sales of electronic components to Singapore and higher exports of fish to Japan.

Exports to the United States declined during the year, while the value of imports increased by more than a third following a contraction in 2012. However, given Malta's limited merchandise trade with the United States, the share of this market in total imports and exports showed only a marginal change from the previous year. Other areas for Maltese merchandise goods were primarily dominated by the African market, which had a share of 9.2% in total trade. Moreover, in line with the decline in trade in fuels, sales to ships & aircraft stores fell by around 40%. Thus, the latter's share in total exports dropped by 5.4 percentage points to 11.1%.