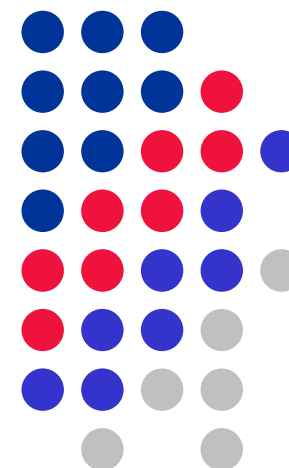


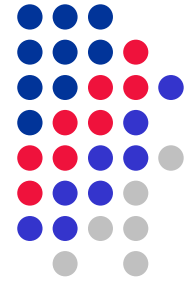
# *The Importance of Lotteries and Gaming Entities in the National Accounts and Balance of Payments Statistics of Malta*

presented by: Jennifer Vassallo - National Accounts Unit  
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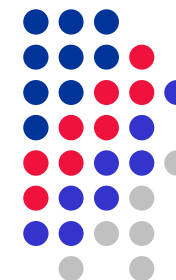
# The National Accounts of Malta



## What is National Accounts?

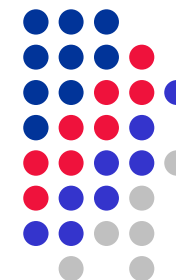
- National accounts is an accounting framework for a systematic and detailed description of a total economy, its components and its relations with other total economies.

# The National Accounts of Malta



In particular, national accounting provides a systematic description of the:

- Production Process
- Generation of Income Process
- Distribution of Income Process
- Use of Income;
- Financial and non-Financial Accumulation
- Balance Sheets

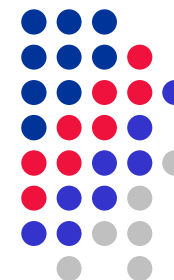


# The National Accounts of Malta

The Role of the National Accounts Unit (NAU) is to calculate and provide users with a set of reliable and timely economic indicators on the:

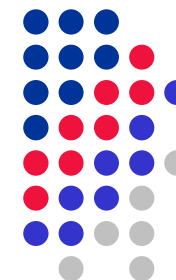
- **Total Output** and **Gross Value Added** generated within the economic territory of a country
- Number of full-time and part-time employees (resident and non-resident) and the compensation paid to them

# The National Accounts of Malta

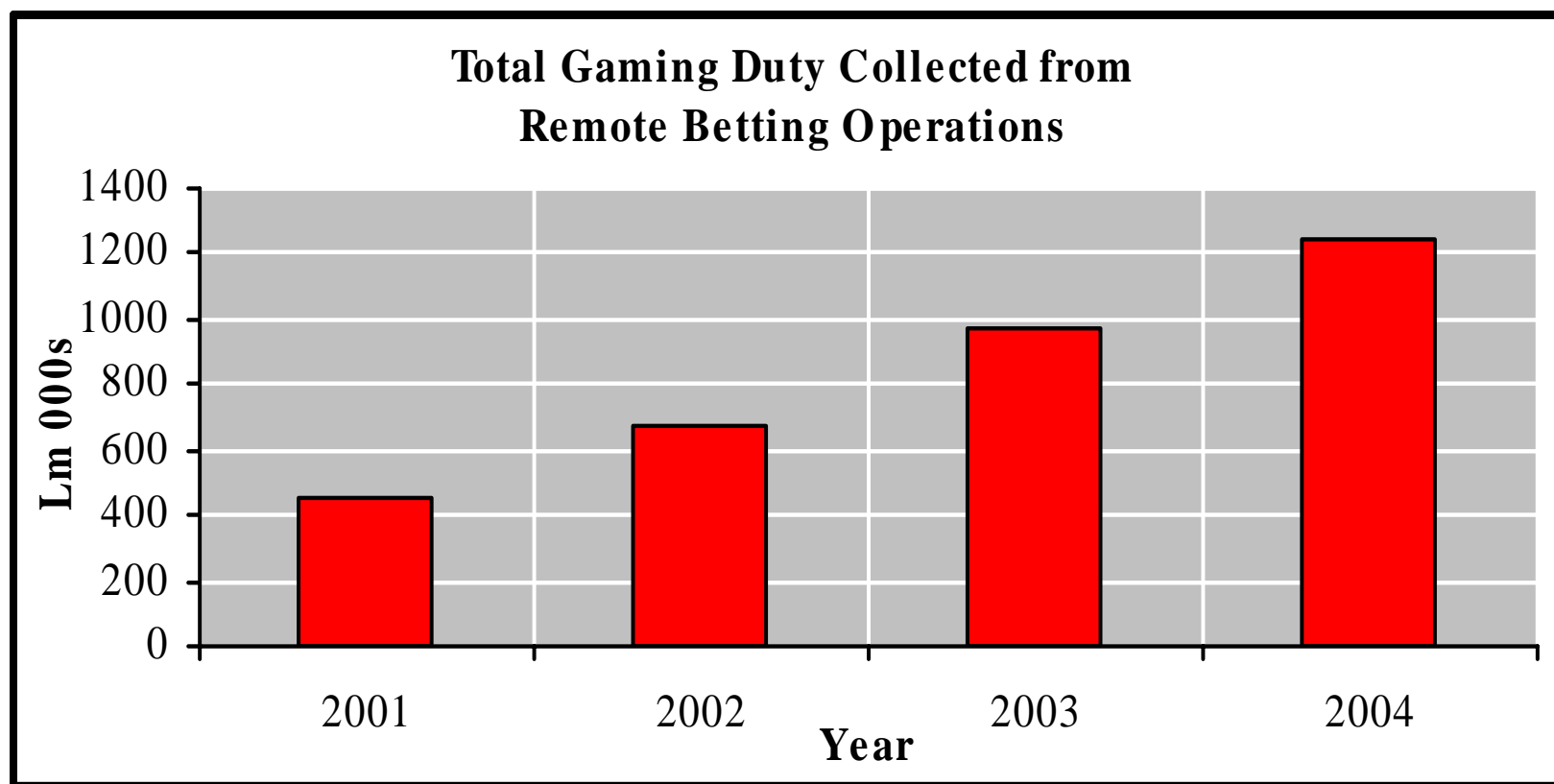


For the gambling and betting industry, the following transactions are of particular interest for national accounting:

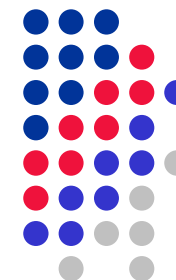
- The difference between total turnover and wins paid out (output)
- The difference between total output and total costs incurred to produce the service (gross value added)
- Number of full-time and part-time employment and the compensation paid to all employees, irrespective of residency



# The National Accounts of Malta



**Source: Lotteries and Gaming Authority, LGA**

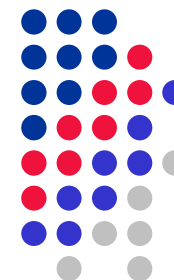


# The National Accounts of Malta

## Users of National Accounting Data

- Policymakers
  - Central Government
  - EU Parliament
- Private Enterprises
- Researchers/Students
- Economists
- Eurostat/International Monetary Fund/United Nations

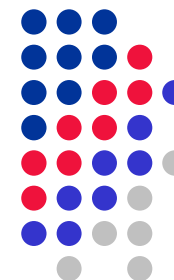
# The National Accounts of Malta



National Accounting Indicators are used to analyse and evaluate:

- Value added and employment by industry
- Income distributed by sector
- Gross value added and inflation growth rates
- Comparison of the industrial structure of the national economy over the long-term



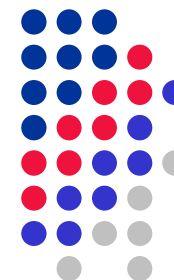


# The National Accounts of Malta

National Accounting Indicators are used to analyse and evaluate:

- The total economy in relation to other total economies:
  - Analysis of the interdependencies between the economies of the European Union
  - Comparison of GDP growth rates or disposable income per capita between countries
  - Formulation and monitoring of the social and economic policy of the EU and its Member States

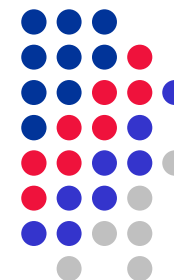
# The National Accounts of Malta



Important specific uses of national accounts figures:

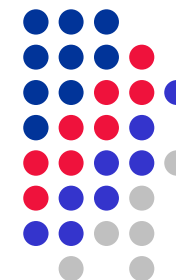
- Monitoring and guiding European monetary policy (convergence criteria such as government deficit, government debt and GDP)
- Granting monetary support to regions in the EU
  - Structural Funds of the EU are partly based on regional national accounts data

# The National Accounts of Malta



Important specific uses of national accounts figures:

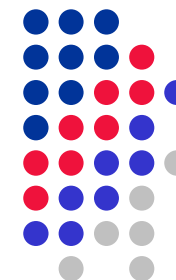
- Determination of the own resources of the EU:
  - Total resources for the EU are determined as a percentage of the Member State's gross national product
  - Contributions by Member States for this resource are determined by national accounts data as they are used to calculate the weighted average VAT rate
  - The relative size of the contributions by the Member States for the fourth own resources of the EU are based on their gross national product



# The Balance of Payments of Malta

What is the Balance of Payments?

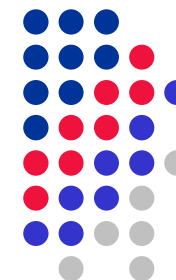
- It is a statistical statement that systematically summarizes, for a specific time period, the economic transactions of the Maltese economy with the rest of the world.



# The Balance of Payments of Malta

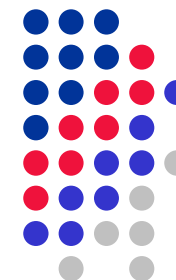
What kind of transactions are recorded?

- Transactions...consist of those involving goods, services, and income; those involving financial claims on, and liabilities to, the rest of the world; and those (such as gifts) classified as transfers, which involve offsetting entries to balance - in an accounting sense - one-sided transactions. (*IMF - Fifth Manual 1993*)



## The Balance of Payments of Malta

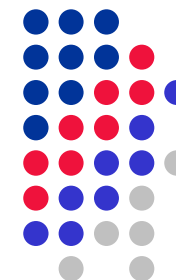
- For Balance of Payments Statistics purposes, **only** those transactions carried out between **residents** and **non-residents** are recorded.
- The information is then compiled in a systematic manner to form a statement that gives a reliable picture of the international position of the economy for policy-makers to make sound decisions.



# The Balance of Payments of Malta

## Recording of Transactions

- Transactions are recorded on an **accruals basis** using the accounting double-entry system.
- **Receipts or inflows are recorded as credit entries.**
- **Payments or outflows are recorded as debit entries.**

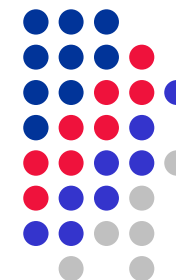


# The Balance of Payments of Malta

## Sources of Data for the Compilation of the Balance of Payments Statement

- The Trade Statistics Section
- The Central Bank of Malta
- The **Direct Reporting Survey**
- The Tourism Statistics Section
- Other sources such as newspaper reports, etc.

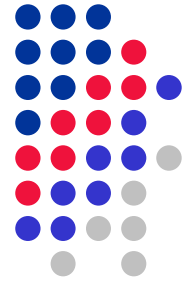




# The Balance of Payments of Malta

The Direct Reporting Survey covers:

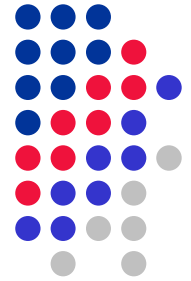
- manufacturing/trading/services companies
- resident insurance companies and agents
- resident and non-resident airline companies
- resident and non-resident shipping companies
- shipbuilding and repair industry
- the Government



# The Balance of Payments of Malta

continued...

- non-profit organizations
- investment service providers
- the Monetary Authority and financial institutions
- exchange bureaux, the Stock Exchange and Collective Investment Schemes
- **Lotteries and Gaming Companies**

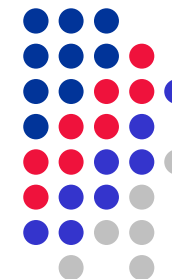


## The Balance of Payments of Malta

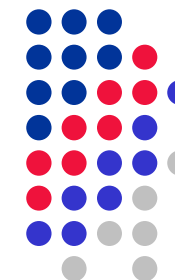
What kind of information is being asked from you?

- The information that is asked relates to the assets, liabilities and services acquired and/or incurred by the lotteries and gaming entity with non-residents during a particular period or year.

# The Balance of Payments of Malta



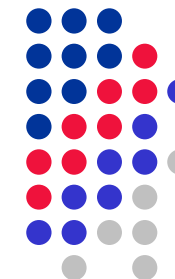
PART A - ASSETS HELD WITH NON-RESIDENTS	Country	Sector of issuer	Position at beginning of period <sup>(a)</sup>	Increase due to transactions	Decrease due to transactions
Loans to foreign parent					
Receivables from foreign parent					
Receivables from other non-residents: long-term					
: short-term					
Deposits held in foreign banks and other institutions					
Current account deposits					
Other assets (please specify)					
.....					



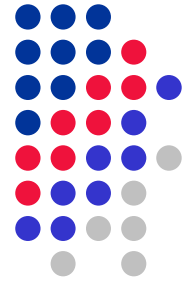
# The Balance of Payments of Malta

PART B - LIABILITIES DUE TO NON-RESIDENTS	Country	Sector of issuer	Position at beginning of period <sup>(a)</sup>	Increase due to transactions	Decrease due to transactions
Loans from foreign parent					
Loans from other non-residents: long-term					
: short-term					
Payables to foreign parent					
Payables to other non-residents: long-term					
: short-term					
Non-resident betting / deposit accounts in Malta					
Called up share capital (of non-residents) of <b>MORE than 10%</b>					
Called up share capital (of non-residents) of <b>LESS than 10%</b>					
Accumulated Profits/Losses					
Other liabilities with non-residents (please specify)					
.....					

# The Balance of Payments of Malta



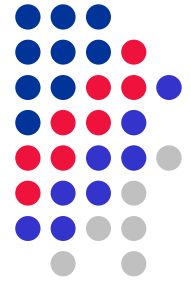
PART C - BUSINESS SERVICES & TRANSFERS	Country
Accounting, auditing, book-keeping and tax consulting services	
Acquisition/disposal of non-produced non-financial assets*	
Advertising, market research and public opinion polling	
Business and management consultancy and public relations services	
Cancellation fees	
Communication services	
Compensation of employees	
Computer and information services	
Financial services	
Insurance services	
Legal services	
Operational leasing	
Purchase of petrol and diesel	
Rents on business premises	
Telephone expenses	
Water and electricity	
Other services (please specify)	
.....	
<b>TRANSFERS</b>	
Taxes	
Bets placed	
Wins paid out	
Penalties and fines	
Other transfers (please specify)	
.....	



## The Balance of Payments of Malta

The collected data will be used also to compile:

- **The Balance of Payments Statement of Malta;**  
**and**
- **The International Investment Position of Malta.**

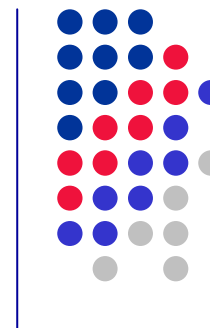


## The Balance of Payments of Malta

The data is being requested in terms of:

- the Malta Statistics Authority Act 24 2000 Part VII
- the BOP Regulation of the European Commission
- the European Central Bank Guideline 2003/7 under the ECB statute and
- ESA 95 Regulation 2223/96 (European System of Accounts)





Thank you for your attention.