

As at the end of June 2019, the stock position of Foreign Direct Investment in Malta stood at €184.7 billion, while Direct Investment abroad amounted to €60.2 billion.

Direct Investment in Malta and Abroad: January-June 2019

Cut-off date:
06 February 2020

Foreign Direct Investment (FDI) in Malta

Foreign direct investment flows were estimated to be €1.7 billion during the first six months of 2019. This shows a decrease of €166.3 million over the corresponding period in 2018 (Table 1). Financial and insurance activities accounted for 93.9 per cent of FDI flows in Malta (Table 2).

In June 2019, the stock position of FDI in Malta amounted to €184.7 billion, an increase of €8.9 billion over the corresponding month in 2018. As in previous years, financial and insurance activities recorded the largest share at 97.0 per cent of FDI stocks in June 2019 (Table 3).

Direct Investment Abroad

During the first six months of 2019, direct investment flows abroad totalled €3.2 billion, an increase of €51.7 million over the amount registered in the previous year. These changes are mainly attributed to changes in equity capital (Table 4).

Stock position of direct investment abroad stood at €60.2 billion in June 2019, down by €0.9 billion over the stock position in 2018. Financial and insurance activities made up 99.1 per cent of the total FDI abroad (Table 6) ■

Chart 1. FDI in Malta and abroad: stock positions as at the end of June

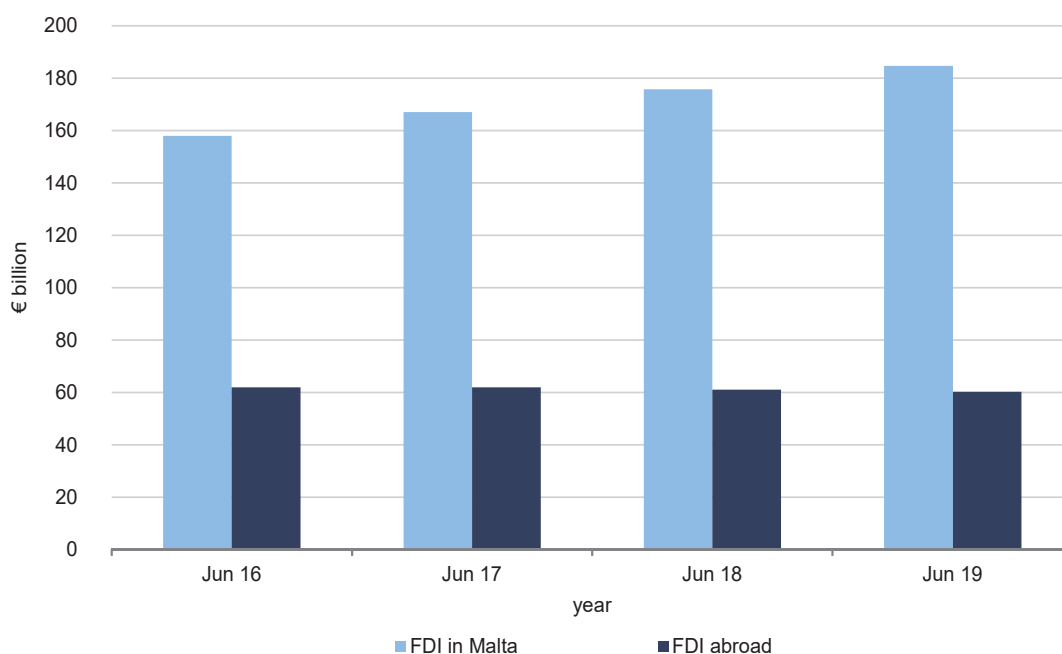


Table 1. Foreign Direct Investment flows in Malta

	€000						
	2016	2017	2018	Jan-Jun 2016	Jan-Jun 2017	Jan-Jun 2018	Jan-Jun 2019
	Inward FDI			Inward FDI			
Equity capital	-612,712	184,631	344,857	-212,593	18,636	296,913	75,297
Reinvested earnings	455,354	454,437	648,520	33,534	106,404	274,213	334,560
Other capital	3,986,420	2,545,828	2,588,216	2,113,560	1,259,152	1,255,493	1,250,481
Claims on direct investors	831,854	-642,826	-778,096	509,236	-335,586	-430,501	-457,893
Liabilities to direct investors	3,154,566	3,188,654	3,366,312	1,604,324	1,594,738	1,685,994	1,708,374
Total	3,829,063	3,184,896	3,581,592	1,934,501	1,384,193	1,826,618	1,660,338

Notes:

1. Figures may not add up due to rounding.
2. Increase in assets and decrease in liabilities are denoted as negative (Debit flows).
3. Decrease in assets and increase in liabilities are denoted as positive (Credit flows).

Table 2. Foreign Direct Investment flows in Malta: Economic activity

	€000						
	2016	2017	2018	Jan-Jun 2016	Jan-Jun 2017	Jan-Jun 2018	Jan-Jun 2019
	Inward FDI			Inward FDI			
Manufacturing	-1,376	51,805	185,462	5,475	-19,020	57,037	15,827
Transportation, Accommodation and Real Estate Activities	136,110	117,761	131,394	61,209	81,398	41,019	72,634
Financial and Insurance Activities	4,284,746	3,330,163	2,787,843	1,659,328	1,688,950	1,206,405	1,558,417
Information and Communication; Professional, Scientific and Technical Activities; Arts, Entertainment and Recreation	354,315	282,734	310,615	175,992	141,801	151,052	157,710
Other Activities	-944,731	-597,567	166,278	32,496	-508,937	371,104	-144,250
Total	3,829,063	3,184,896	3,581,592	1,934,501	1,384,193	1,826,618	1,660,338

Notes:

1. Figures may not add up due to rounding.
2. Increase in assets and decrease in liabilities are denoted as negative (Debit flows).
3. Decrease in assets and increase in liabilities are denoted as positive (Credit flows).

Table 3. Foreign Direct Investment in Malta - stock position: Economic activity

	€000						
	December			June			
	2016	2017	2018	2016	2017	2018	2019
	Inward FDI			Inward FDI			
Manufacturing	860,392	918,384	1,070,069	850,182	858,944	944,742	1,064,422
Transportation, Accommodation and Real Estate Activities	1,810,361	1,911,021	2,056,915	1,775,082	1,891,128	1,954,568	2,231,548
Financial and Insurance Activities	158,959,978	167,263,439	175,303,154	154,344,906	163,000,035	171,036,093	179,098,964
Information and Communication; Professional, Scientific and Technical Activities; Arts, Entertainment and Recreation	731,269	1,143,502	1,573,288	497,289	926,491	1,347,007	1,798,936
Other Activities	404,017	426,056	456,572	481,103	415,850	453,580	476,127
Total	162,766,018	171,662,402	180,459,998	157,948,563	167,092,448	175,735,990	184,669,996

Note: Figures may not add up due to rounding.

Table 4. Direct Investment flows abroad

	€000						
	2016	2017	2018	Jan-Jun 2016	Jan-Jun 2017	Jan-Jun 2018	Jan-Jun 2019
	Outward FDI			Outward FDI			
Equity capital	-768,564	-651,677	-756,140	-365,413	-330,464	-396,779	-355,575
Reinvested earnings	-4,277	-5,188	-5,188	-1,970	-2,594	-2,594	-2,289
Other capital	5,576,036	7,038,474	7,035,683	2,796,870	3,517,429	3,528,493	3,538,710
Claims on direct investors	5,535,685	6,995,216	6,963,460	2,773,087	3,501,474	3,491,096	3,504,714
Liabilities to direct investors	40,350	43,257	72,223	23,784	15,955	37,397	33,996
Total	4,803,195	6,381,609	6,274,355	2,429,487	3,184,372	3,129,119	3,180,847

Notes:

1. Figures may not add up due to rounding.
2. Increase in assets and decrease in liabilities are denoted as negative (Debit flows).
3. Decrease in assets and increase in liabilities are denoted as positive (Credit flows).

Table 5. Direct Investment flows abroad: Economic activity

Economic activity	€000						
	2016	2017	2018	Jan-Jun 2016	Jan-Jun 2017	Jan-Jun 2018	Jan-Jun 2019
	Outward FDI			Outward FDI			
Manufacturing	3,549	8,321	8,757	3,002	5,277	6,749	3,378
Transportation, Accommodation and Real Estate Activities	-10,800	-19,256	-9,558	-6,118	-13,956	-5,052	-4,569
Financial and Insurance Activities	4,887,682	6,420,286	6,308,348	2,466,287	3,202,798	3,138,882	3,209,603
Information and Communication; Professional, Scientific and Technical Activities; Arts, Entertainment and Recreation	-63,562	-49,947	-44,014	-27,051	-21,315	-20,325	-29,436
Other Activities	-13,674	22,205	10,822	-6,633	11,568	8,865	1,871
Total	4,803,195	6,381,609	6,274,355	2,429,487	3,184,372	3,129,119	3,180,847

Notes:

1. Figures may not add up due to rounding.
2. Increase in assets and decrease in liabilities are denoted as negative (Debit flows).
3. Decrease in assets and increase in liabilities are denoted as positive (Credit flows).

Table 6. Direct Investment abroad - stock position: Economic activity

Economic activity	€000						
	December			June			
	2016	2017	2018	2016	2017	2018	2019
	Outward FDI			Outward FDI			
Manufacturing	5,608	-3,239	-12,369	4,834	-60	-9,906	-28,590
Transportation, Accommodation and Real Estate Activities	212,910	236,397	251,698	203,164	229,224	240,152	257,411
Financial and Insurance Activities	61,926,721	60,950,484	60,194,146	61,583,915	61,464,483	60,603,910	59,671,846
Information and Communication; Professional, Scientific and Technical Activities; Arts, Entertainment and Recreation	138,213	204,815	247,919	94,933	167,485	219,497	284,101
Other Activities	64,937	56,768	42,729	57,813	67,543	44,692	43,480
Total	62,348,390	61,445,225	60,724,124	61,944,657	61,928,675	61,098,344	60,228,248

Note: Figures may not add up due to rounding.

Methodological Notes

1. The collection, compilation and presentation of both the International Investment Position (IIP) and the Balance of Payments (BoP) statements of Malta fall under the responsibility of the National Statistics Office (NSO), with the co-operation of the Central Bank of Malta (CBM). Direct Investment is extracted from both statements, compiled in accordance with the international guidelines set out in the sixth manual of the International Monetary Fund (BPM6).

However, the Direct Investment news release is presented on a directional basis, ie. inward and outward, rather than on an asset and liability basis. The statement incorporates data relating to special purpose entities which are classified under financial service activities. This inclusion has brought about significant changes in the FDI statement, hence, resulting in non-comparability of data from previous news releases.

2. Direct Investment is defined as “a category of cross-border investment associated with a resident in one economy having control or a significant degree of influence on the management of an enterprise that is resident in another economy.” (BPM6).

a. Direct investment is sub-divided into two categories:

- Foreign Direct Investment (FDI) in Malta – where a foreign investor owns 10% or more of the ordinary shares (or voting power) of an enterprise in Malta; and
- Direct Investment Abroad – where a Maltese resident entity (or an individual, government or association) owns 10% or more of the ordinary shares of an enterprise in another economy. These companies can be subsidiaries, affiliates or branches.

b. Direct Investment is made up of three basic components:

- Equity Capital - comprising equity investment in subsidiaries, associates and branches. Capital contributions (e.g. provisions of machinery) and purchase of immovable property are also classified under equity capital.
- Reinvested Earnings - consisting of the direct investor's share of earnings not distributed as dividends by subsidiaries and associates; and earnings that branches do not remit to the direct investor. Losses are regarded as negative reinvested earnings.
- Other Capital - including inter-company transactions such as borrowing and lending of funds; and trade debits and credits between direct investors and direct investment enterprises. Transactions between enterprises in different economies that share the same direct investor are also considered as direct investment and included under other capital.

3. Direct Investment flows include transactions occurring during a particular period. Besides accumulated flows, the Direct Investment Stock Position takes into account any market value revaluations, reclassifications and exchange rate changes prevailing at the end of the reporting period.

4. The type of data collection system used to compile the Direct Investment is a composite system based on monthly, quarterly and annual direct reporting (DR) enterprise surveys, as well as various other sources that are identified from time to time by the BoP compilers. No major sectors of the economy are excluded from the aggregate data. The data for all components are compiled from these surveys. Where not directly available, preliminary figures on reinvested earnings are estimates based on an average of the previous four years. The final data on reinvested earnings are then compiled from the annual DR survey.

5. The classification used for economic activity is NACE Rev. 2, which corresponds to the Statistical Classification of Economic Activities in the European Community. Both the data on direct investment abroad and foreign direct investment in Malta are classified on the basis of the industrial activity of the resident direct investment enterprises. Due to confidentiality issues, aggregate economic activities are grouped as follows:

Manufacturing include:

Manufacturing industry

Transportation, Accommodation and Real Estate Activities include:

Land, sea and air transport
Warehousing and support activities for transportation
Postal and courier activities
Accommodation and food service activities
Real estate activities

Financial and Insurance Activities include:

Financial service activities
Insurance, reinsurance and pension fundings
Activities auxiliary to financial services

Information and Communication Activities include:

Publishing activities
Activities connected to audio and video productions
Telecommunications
Computer programming, consultancy and related activities
Information service activities

Professional, Scientific and Technical Activities include:

Legal and accounting activities
Business and management consultancy activities
Architectural, engineering and other technical activities
Scientific research and development
Advertising and market research
Other professional, scientific and technical activities
Veterinary activities

Arts, Entertainment and Recreation

Creative, arts and entertainment activities
Libraries, archives, museums and other cultural activities
Gambling and betting activities
Sports activities and amusement and recreation activities

Other Activities include:

Agriculture and fishing
Mining and quarrying
Electricity, gas, steam and air conditioning supply
Water supply; sewerage, waste management and remediation activities
Construction industry
Wholesale and retail; repair of motor vehicles and motorcycles
Administrative and support service activities
Education, health and social work activities
Other activities not allocated elsewhere

6. Data are to be considered provisional.
7. More information relating to this news release may be accessed at:
Statistical Concepts: <http://nso.gov.mt/metadata/concepts.aspx>
Metadata: <http://nso.gov.mt/metadata/reports.aspx?id=6>

European statistics comparable to data in this News Release are available at:

[EUROSTAT Website/Homepage/Statistics/Data Navigation Tree/Database by themes](http://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&plugin=1)

>Economy and finance
>Balance of payments - International transactions (bop)
>European Union direct investments (bop_fdi)

For further assistance send a request from:

<https://nso.gov.mt/en/Services/Pages/Request-for-Information.aspx>