

The stock position of Foreign Direct Investment in Malta as at the end of December 2015 stood at €152.3 billion, while Direct Investment abroad amounted to €61.6 billion.

Direct Investment in Malta and abroad: January-December 2015

Cut-off date:
10 July 2016

Foreign Direct Investment (FDI) in Malta

As at December 2015, the position of foreign direct investment in Malta was estimated at €152.3 billion, an increase of €9.2 billion over the corresponding month in 2014. Financial and insurance activities contributed €149.0 billion or 97.9 percent to the total foreign direct investment position in Malta (Table 3).

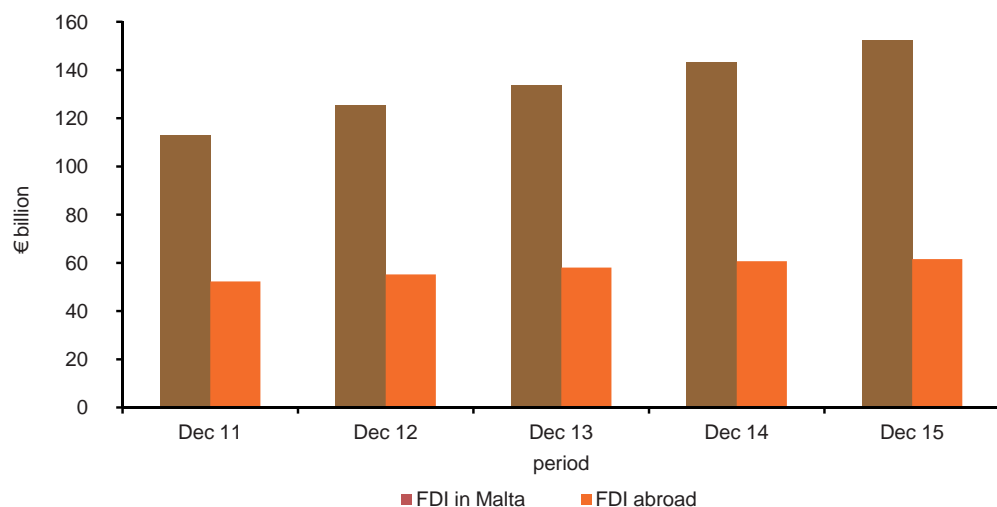
In terms of flows, there was a net increase of €4.1 billion in FDI during 2015, compared to an increase of €8.4 billion in 2014. This increase in FDI flows was mainly driven by increases registered under other capital (Table 1). As for flows classified by economic activity, the largest increase of FDI was registered in financial and insurance activities by €3.7 billion in 2015 (Table 2).

Direct Investment abroad

During 2015, direct investment flows abroad decreased by €4.7 billion, compared to an increase of €1.8 billion during the previous year. This was mainly the result of decreases in claims on direct investors of €5.6 billion (Table 4).

In terms of stock position, as at December 2015 direct investment abroad by resident entities was recorded at €61.6 billion. Entities offering financial and insurance activities accounted for 99.4 percent of the total direct investment abroad (Table 6) ■

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



Compiled by:

Unit A3: Balance of Payments

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Table 1. Foreign Direct Investment flows in Malta

€000

	2011	2012	2013	2014	2015
	Inward FDI				
Equity capital	2,718,405	73,245	-2,265,054	-2,952,961	-419,500
Reinvested earnings	871,827	603,306	459,635	539,092	338,602
Other capital	12,146,329	10,367,502	10,877,490	10,848,544	4,162,103
Claims on direct investors	10,720,581	8,461,101	8,634,286	8,610,922	1,778,423
Liabilities to direct investors	1,425,748	1,906,401	2,243,205	2,237,623	2,383,679
Total	15,736,561	11,044,053	9,072,071	8,434,675	4,081,205

Notes:

Figures may not add up due to rounding.

Increase in assets or decrease in liabilities are denoted as negative (Debit flows).

Decrease in assets or increase in liabilities are denoted as positive (Credit flows).

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

€000

Economic Activity	2011	2012	2013	2014	2015
	Inward FDI				
Manufacturing	138,358	-82,144	101,478	50,599	139,451
Transportation, Accommodation and Real Estate Activities	-6,202	50,285	46,898	34,754	69,578
Financial and Insurance Activities	15,694,225	11,127,873	8,841,562	8,261,647	3,717,891
Information and Communication	-16,370	1,460	3,655	9,691	69,867
Professional, Scientific and Technical Activities	-109,646	-8,243	11,286	9,274	8,510
Other Activities	36,196	-45,178	67,192	68,710	75,908
Total	15,736,561	11,044,053	9,072,071	8,434,675	4,081,205

Notes:

Figures may not add up due to rounding.

Increase in assets or decrease in liabilities are denoted as negative (Debit flows).

Decrease in assets or increase in liabilities are denoted as positive (Credit flows).

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

€000

Economic activity	Dec 11	Dec 12	Dec 13	Dec 14	Dec 15
	Inward FDI				
Manufacturing	898,888	809,490	904,600	978,422	1,142,580
Transportation, Accommodation and Real Estate Activities	1,027,857	1,102,914	1,149,528	1,138,515	1,258,322
Financial and Insurance Activities	110,468,922	122,937,990	130,961,681	140,141,994	149,033,703
Information and Communication	-34,920	34,920	28,005	26,682	93,499
Professional, Scientific and Technical Activities	297,062	349,217	390,667	123,232	131,779
Other Activities	291,504	246,604	372,258	649,621	596,454
Total	112,949,314	125,481,135	133,806,740	143,058,466	152,256,337

Note:

Figures may not add up due to rounding.

Table 4. Direct Investment flows abroad

€000

	2011	2012	2013	2014	2015
	Outward FDI				
Equity capital	-3,711,539	-638,257	-704,484	-381,425	-851,697
Reinvested earnings	-19,044	-8,687	-8,180	-8,185	-8,952
Other capital	-3,246,546	-1,376,531	-1,279,364	-1,401,698	5,577,176
Claims on direct investors	-3,839,061	-1,383,096	-1,314,175	-1,465,250	5,627,287
Liabilities to direct investors	592,514	6,566	34,811	63,552	-50,111
Total	-6,977,130	-2,023,475	-1,992,029	-1,791,308	4,716,528

Notes:

Figures may not add up due to rounding.

Increase in assets or decrease in liabilities are denoted as negative (Debit flows).

Decrease in assets or increase in liabilities are denoted as positive (Credit flows).

Table 5. Direct Investment flows abroad: Economic activity

€000

Economic activity	2011	2012	2013	2014	2015
	Outward FDI				
Manufacturing	-2,668	4,797	1,048	-3,706	2,052
Transportation, Accommodation and Real Estate Activities	-8,657	-3,725	-8,624	-12,064	-7,742
Financial and Insurance Activities	-6,975,378	-2,011,196	-1,970,229	-1,739,635	4,756,208
Information and Communication; Professional, Scientific and Technical Activities	-7,261	-5,015	-504	-12,087	-9,184
Other Activities	16,835	-8,335	-13,719	-23,817	-24,807
Total	-6,977,130	-2,023,475	-1,992,029	-1,791,308	4,716,528

Notes:

Figures may not add up due to rounding.

Increase in assets or decrease in liabilities are denoted as negative (Debit flows).

Decrease in assets or increase in liabilities are denoted as positive (Credit flows).

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

€000

Economic activity	Dec 11	Dec 12	Dec 13	Dec 14	Dec 15
	Outward FDI				
Manufacturing	18,361	16,707	19,584	19,510	17,303
Transportation, Accommodation and Real Estate Activities	120,561	141,423	154,407	187,169	182,664
Financial and Insurance Activities	51,898,367	54,791,276	57,607,937	60,384,411	61,210,540
Information and Communication; Professional, Scientific and Technical Activities	24,630	21,803	28,667	46,031	54,705
Other Activities	224,359	248,394	245,424	64,651	87,637
Total	52,286,278	55,219,603	58,056,017	60,701,772	61,552,849

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.

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

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
Arts, entertainment and recreation
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/metadadata/concepts.aspx>
Metadata: <http://nso.gov.mt/metadadata/reports.aspx?id=6>

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

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