

As at the end of December 2016, the stock position of Foreign Direct Investment in Malta stood at €161.4 billion, while Direct Investment abroad amounted to €62.1 billion.

Direct Investment in Malta and Abroad: January-December 2016

Cut-off date: **Foreign Direct Investment (FDI) in Malta**
11 August 2017

As at the end of 2016, foreign direct investment in Malta was registered at €161.4 billion, an increase of €9.5 billion over the corresponding period the previous year. Financial and insurance activities contributed €158.2 billion or 98.0 per cent to the total stock of FDI in Malta during the period under review (Table 3).

FDI flows in Malta went up by €3.4 billion during 2016, equivalent to a decrease of €0.8 billion over the corresponding flows in 2015 (Table 1).

Direct investment abroad

In terms of stock position, as at December 2016, direct investment abroad by resident entities was recorded at €62.1 billion. Entities offering financial and insurance activities accounted for 99.5 per cent of the total direct investment abroad (Table 6).

During 2016, direct investment flows abroad decreased by €4.9 billion, compared to a fall of €4.7 billion during the previous year. This is mainly attributed to lower claims on direct investors by €5.6 billion (Table 4) ■

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

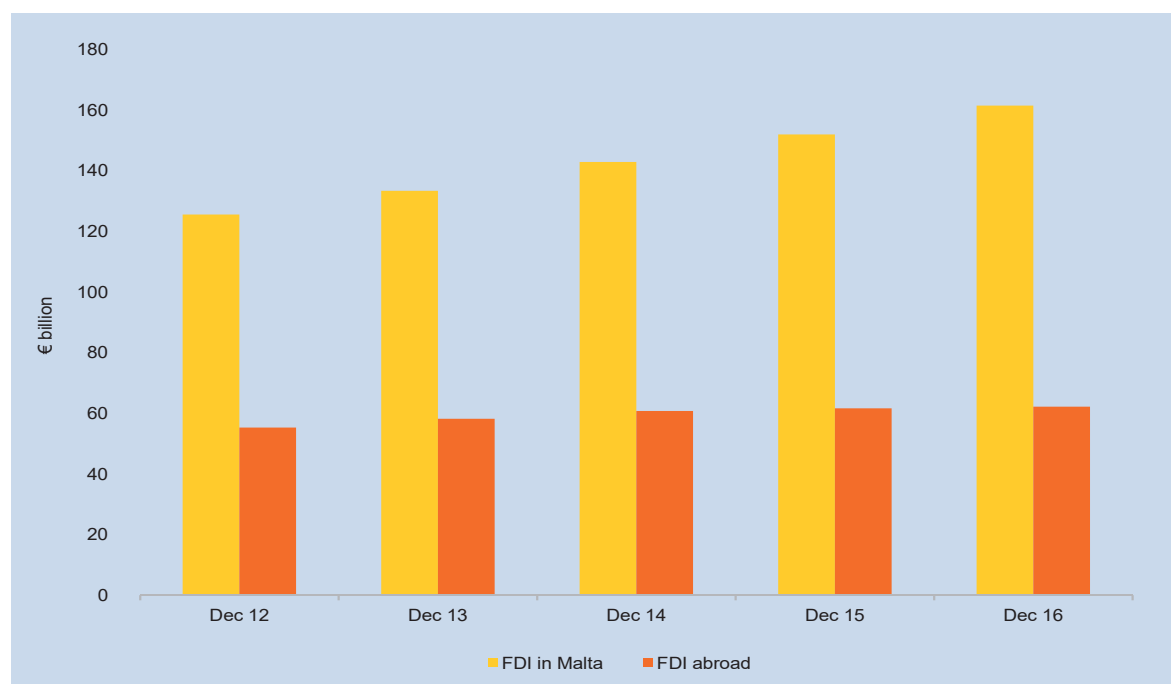


Table 1. Foreign Direct Investment flows in Malta

€000

	2012	2013	2014	2015	2016
	Inward FDI				
Equity capital	72,808	-2,269,407	-2,949,614	-397,851	-634,016
Reinvested earnings	603,446	444,990	884,017	697,562	447,419
Other capital	10,362,977	10,865,654	10,614,472	3,886,356	3,586,512
Claims on direct investors	8,461,304	8,629,268	8,366,216	1,475,340	1,196,675
Liabilities to direct investors	1,901,694	2,236,386	2,248,226	2,411,016	2,389,837
Total	11,039,208	9,041,280	8,548,899	4,186,071	3,399,918

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	2012	2013	2014	2015	2016
	Inward FDI				
Manufacturing	-82,144	101,471	45,204	137,944	47,893
Transportation, Accommodation and Real Estate Activities	50,285	40,987	32,731	69,397	78,139
Financial and Insurance Activities	11,127,590	8,839,329	8,456,890	3,892,941	3,218,147
Information and Communication	1,460	-7,422	4,006	63,817	34,042
Professional, Scientific and Technical Activities	-8,918	-5,576	-6,206	1,689	6,480
Other Activities	-49,064	72,492	16,275	20,283	15,218
Total	11,039,208	9,041,280	8,548,899	4,186,071	3,399,918

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 12	Dec 13	Dec 14	Dec 15	Dec 16
	Inward FDI				
Manufacturing	809,490	882,439	960,780	1,123,479	1,201,780
Transportation, Accommodation and Real Estate Activities	1,102,909	1,104,103	1,132,063	1,251,560	1,318,582
Financial and Insurance Activities	122,937,421	130,983,929	140,149,571	148,997,741	158,210,768
Information and Communication	34,902	7,800	12,168	72,983	130,256
Professional, Scientific and Technical Activities	348,195	64,938	38,505	48,232	133,617
Other Activities	210,298	240,265	480,416	372,689	362,581
Total	125,443,216	133,283,474	142,773,503	151,866,684	161,357,584

Note:

Figures may not add up due to rounding.

Table 4. Direct Investment flows abroad

€000

	2012	2013	2014	2015	2016
	Outward FDI				
Equity capital	-638,257	-696,039	-340,008	-829,108	-760,646
Reinvested earnings	-8,638	-9,947	-9,819	-11,168	-6,621
Other capital	-1,377,129	-1,298,345	-1,414,657	5,561,106	5,627,323
Claims on direct investors	-1,382,981	-1,318,234	-1,469,925	5,615,568	5,624,454
Liabilities to direct investors	5,848	19,884	55,263	-54,467	2,865
Total	-2,024,027	-2,004,334	-1,764,486	4,720,830	4,860,056

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	2012	2013	2014	2015	2016
	Outward FDI				
Manufacturing	4,797	-1,040	2,094	3,991	-76
Transportation, Accommodation and Real Estate Activities	-3,725	-10,707	-13,318	-8,163	-9,069
Financial and Insurance Activities	-2,011,805	-1,974,809	-1,746,107	4,741,471	4,882,134
Information and Communication; Professional, Scientific and Technical Activities	-5,016	-165	-13,268	-10,259	-3,265
Other Activities	-8,277	-17,614	6,114	-6,211	-9,669
Total	-2,024,027	-2,004,334	-1,764,486	4,720,830	4,860,056

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 12	Dec 13	Dec 14	Dec 15	Dec 16
	Outward FDI				
Manufacturing	16,707	14,073	12,040	7,822	18,610
Transportation, Accommodation and Real Estate Activities	141,423	169,008	185,873	181,514	200,877
Financial and Insurance Activities	54,795,115	57,869,195	60,439,575	61,277,150	61,808,614
Information and Communication; Professional, Scientific and Technical Activities	21,676	31,683	47,884	56,223	48,728
Other Activities	261,761	59,508	42,411	45,316	50,165
Total	55,236,682	58,143,467	60,727,783	61,568,025	62,126,994

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/metadata/concepts.aspx>
Metadata: <http://nso.gov.mt/metadata/reports.aspx?id=6>
8. Kindly indicate source when quoting from this release.
9. The advanced release calendar can be accessed at www.nso.gov.mt

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

[EUROSTAT Website/Homepage/Statistics Database](http://ec.europa.eu/eurostat/)

>Economy and finance

>Balance of payments - International transactions (bop)

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