

As at the end of June 2018, the stock position of Foreign Direct Investment in Malta stood at €176.5 billion, while the stock position of Direct Investment abroad amounted to €61.5 billion.

## Direct Investment in Malta and abroad: January-June 2018

Cut-off date:  
08 February 2019

### Foreign Direct Investment (FDI) in Malta

During the first six months of 2018, FDI flows in Malta went up by €1.9 billion. This is equivalent to an increase of €448.6 million over the corresponding flows in 2017 (Table 1). The main contributors to total FDI flows were financial and insurance activities with a total contribution of 84.1 percent (Table 2).

In June 2018, the stock position of FDI amounted to €176.5 billion, an increase of €8.6 billion over the corresponding period the previous year. Similarly to previous years, financial and insurance activities dominated, accounting for 97.3 per cent of FDI stocks in June 2018 (Table 3).

### Direct Investment Abroad

During the first six months of 2018, direct investment flows abroad totalled €3.1 billion, a €35.8 million decrease over the amount registered during the corresponding period in 2017. These changes are attributed to decreases in equity capital (Table 4).

Stock position of direct investment abroad was registered at €61.5 billion in June 2018, down by €1.4 billion over the stock position in 2017. Financial and insurance activities constituted 99.5 per cent of the total FDI abroad (Table 6) ■

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

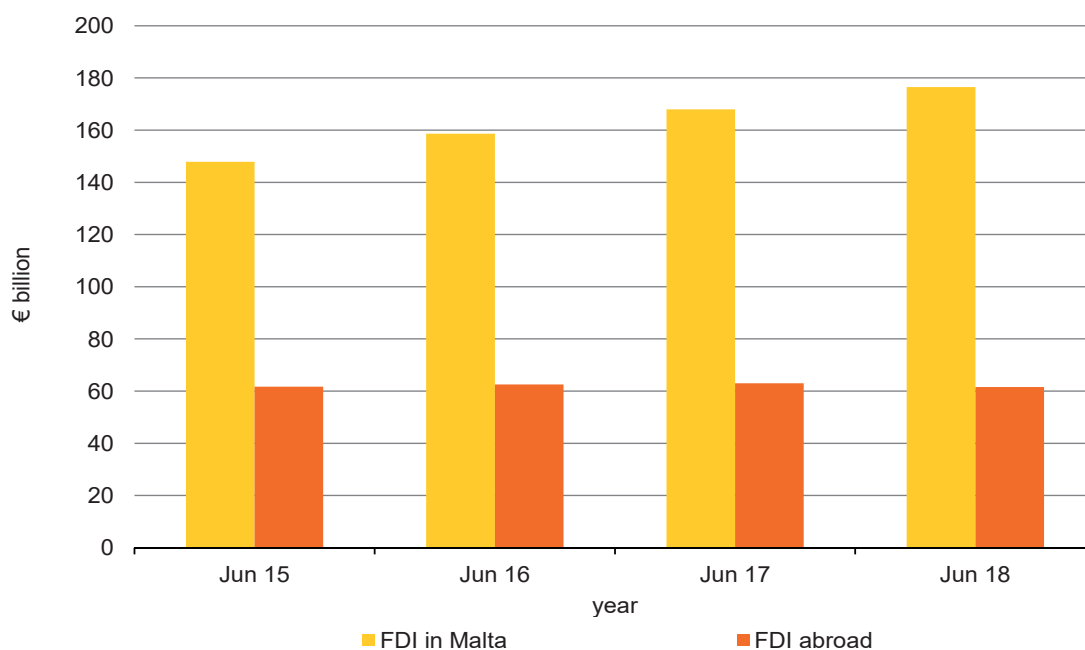


Table 1. Foreign Direct Investment flows in Malta

	€000						
	2015	2016	2017	Jan-Jun 2015	Jan-Jun 2016	Jan-Jun 2017	Jan-Jun 2018
	Inward FDI			Inward FDI			
Equity capital	-318,391	-581,770	258,009	-678,906	-197,129	43,284	340,575
Reinvested earnings	421,452	314,413	371,014	138,163	-33,407	59,269	249,532
Other capital	4,509,678	4,156,795	2,635,596	2,326,682	2,198,828	1,302,615	1,263,650
Claims on direct investors	1,089,158	850,166	-654,223	584,500	518,147	-341,978	-422,283
Liabilities to direct investors	3,420,520	3,306,629	3,289,819	1,742,182	1,680,681	1,644,593	1,685,932
<b>Total</b>	<b>4,612,738</b>	<b>3,889,438</b>	<b>3,264,619</b>	<b>1,785,939</b>	<b>1,968,292</b>	<b>1,405,167</b>	<b>1,853,757</b>

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

Economic Activity	€000						
	2015	2016	2017	Jan-Jun 2015	Jan-Jun 2016	Jan-Jun 2017	Jan-Jun 2018
	Inward FDI			Inward FDI			
Manufacturing	28,424	-11,336	8,000	-441	3,522	-48,702	68,934
Transportation, Accommodation and Real Estate Activities	124,098	134,720	123,332	49,804	60,513	77,666	37,583
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	127,649	389,515	300,958	57,499	193,397	145,832	168,626
Other Activities	47,821	46,376	44,486	19,749	21,910	23,966	20,197
<b>Total</b>	<b>4,612,738</b>	<b>3,889,438</b>	<b>3,264,619</b>	<b>1,785,939</b>	<b>1,968,292</b>	<b>1,405,167</b>	<b>1,853,757</b>

Notes:

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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

Economic activity	€000						
	December 2015	December 2016	December 2017	June 2015	June 2016	June 2017	June 2018
	Inward FDI			Inward FDI			
Manufacturing	757,060	814,925	875,571	712,202	812,726	814,889	1,044,302
Transportation, Accommodation and Real Estate Activities	1,769,672	1,826,647	1,949,569	1,659,940	1,792,059	1,909,356	1,715,654
Financial and Insurance Activities	150,241,156	159,559,700	167,944,434	145,033,625	154,987,106	163,643,986	171,633,925
Information and Communication; Professional, Scientific and Technical Activities; Arts, Entertainment and Recreation	358,609	906,618	1,344,454	143,562	635,850	1,092,424	1,582,057
Other Activities	369,418	445,486	484,827	336,623	418,306	465,015	505,987
<b>Total</b>	<b>153,495,915</b>	<b>163,553,376</b>	<b>172,598,855</b>	<b>147,885,952</b>	<b>158,646,047</b>	<b>167,925,670</b>	<b>176,481,925</b>

Note: Figures may not add up due to rounding.

Table 4. Direct Investment flows abroad

	€000						
	2015	2016	2017	Jan-Jun 2015	Jan-Jun 2016	Jan-Jun 2017	Jan-Jun 2018
	Outward FDI			Outward FDI			
Equity capital	-904,124	-828,475	-774,100	-482,892	-395,368	-391,571	-427,428
Reinvested earnings	15,333	-6,371	-6,936	7,556	-3,210	-3,457	-2,886
Other capital	5,525,546	5,593,985	7,020,691	2,728,212	2,805,449	3,506,943	3,506,386
Claims on direct investors	5,554,584	5,555,268	6,974,003	2,696,401	2,782,029	3,488,867	3,471,236
Liabilities to direct investors	-29,038	38,717	46,688	31,811	23,420	18,076	35,150
<b>Total</b>	<b>4,636,755</b>	<b>4,759,139</b>	<b>6,239,655</b>	<b>2,252,877</b>	<b>2,406,871</b>	<b>3,111,914</b>	<b>3,076,072</b>

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						
	2015	2016	2017	Jan-Jun 2015	Jan-Jun 2016	Jan-Jun 2017	Jan-Jun 2018
	Outward FDI			Outward FDI			
Manufacturing	-4,720	7,624	9,332	-828	4,782	6,289	7,166
Transportation, Accommodation and Real Estate Activities	-8,490	-10,369	-18,665	-2,967	-5,895	-13,652	-5,066
Financial and Insurance Activities	4,704,446	4,826,907	6,291,135	2,282,399	2,435,707	3,139,669	3,098,573
Information and Communication; Professional, Scientific and Technical Activities; Arts, Entertainment and Recreation	-47,370	-57,192	-49,642	-22,538	-25,804	-23,126	-19,014
Other Activities	-7,111	-7,831	7,495	-3,189	-1,919	2,734	-5,587
<b>Total</b>	<b>4,636,755</b>	<b>4,759,139</b>	<b>6,239,655</b>	<b>2,252,877</b>	<b>2,406,871</b>	<b>3,111,914</b>	<b>3,076,072</b>

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 2015	December 2016	December 2017	June 2015	June 2016	June 2017	June 2018
	Outward FDI			Outward FDI			
Manufacturing	18,006	22,838	5,336	14,214	24,375	8,530	5,724
Transportation, Accommodation and Real Estate Activities	182,359	200,468	461,985	192,737	190,930	454,946	3,209
Financial and Insurance Activities	61,850,424	62,457,834	61,741,808	61,382,079	62,114,483	62,191,697	61,249,462
Information and Communication; Professional, Scientific and Technical Activities; Arts, Entertainment and Recreation	86,349	187,215	284,133	61,967	143,459	263,644	255,382
Other Activities	32,878	41,050	47,774	28,768	39,287	49,781	22,006
<b>Total</b>	<b>62,170,016</b>	<b>62,909,405</b>	<b>62,541,036</b>	<b>61,679,765</b>	<b>62,512,534</b>	<b>62,968,598</b>	<b>61,535,783</b>

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](#)

>Economy and finance

>Balance of payments - International transactions (bop)

>European Union direct investments (bop\_fdi)

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