

As at the end of 2018, the stock position of Foreign Direct Investment in Malta stood at €180.9 billion, while Direct Investment abroad amounted to €61.0 billion.

Direct Investment in Malta and Abroad: January-December 2018

Cut-off date:
30 September 2019

Foreign Direct Investment (FDI) in Malta

During the year 2018, FDI flows in Malta went up by €3.4 billion. This is equivalent to an increase of €353.0 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 86.1 per cent (Table 2).

In December 2018, the stock position of FDI amounted to €180.9 billion, an increase of €8.8 billion over the previous year. Similarly to previous years, Financial and Insurance Activities dominated, accounting for 97.1 per cent of FDI stocks in December 2018 (Table 3).

Direct Investment Abroad

During the year 2018, direct investment flows abroad totalled €6.3 billion, a marginal decline over the amount registered in 2017. These changes are attributed to lower flows in equity capital and other capital, mainly in claims on direct investors (Table 4).

Stock position of direct investment abroad was registered at €61.0 billion in December 2018, down by €0.7 billion over the stock position in 2017. Financial and Insurance Activities constituted 99.4 per cent of the total FDI abroad (Table 6) ■

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

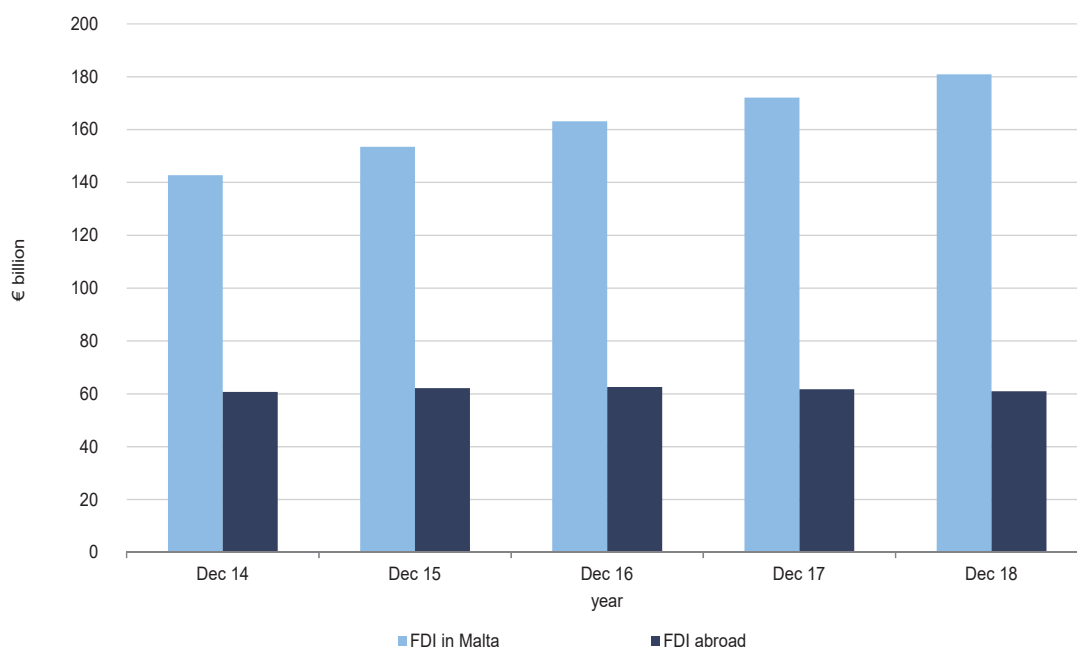


Table 1. Foreign Direct Investment flows in Malta

€000

	2014	2015	2016	2017	2018
	Inward FDI				
Equity capital	-2,949,610	-318,391	-568,539	196,493	345,026
Reinvested earnings	884,016	421,452	428,323	428,136	602,380
Other capital	10,615,092	4,509,678	3,853,057	2,410,008	2,440,277
Claims on direct investors	8,366,216	1,089,158	995,185	-496,471	-564,711
Liabilities to direct investors	2,248,876	3,420,520	2,857,871	2,906,479	3,004,988
Total	8,549,498	4,612,738	3,712,841	3,034,637	3,387,683

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	2014	2015	2016	2017	2018
	Inward FDI				
Manufacturing	45,204	28,424	-3,726	3,962	170,180
Transportation, Accommodation and Real Estate Activities	32,731	124,098	159,918	106,761	131,651
Financial and Insurance Activities	8,457,489	4,284,746	3,259,190	2,789,410	2,915,803
Information and Communication; Professional, Scientific and Technical Activities; Arts, Entertainment and Recreation	-2,200	127,649	191,883	98,172	138,753
Other Activities	16,275	47,821	105,576	36,332	31,296
Total	8,549,498	4,612,738	3,712,841	3,034,637	3,387,683

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 14	Dec 15	Dec 16	Dec 17	Dec 18
	Inward FDI				
Manufacturing	960,780	757,060	840,639	916,927	1,040,934
Transportation, Accommodation and Real Estate Activities	1,132,063	1,769,672	1,895,421	1,911,021	2,072,600
Financial and Insurance Activities	140,150,571	150,241,156	159,294,898	167,733,461	175,736,263
Information and Communication; Professional, Scientific and Technical Activities; Arts, Entertainment and Recreation	50,673	358,609	313,095	549,445	786,615
Other Activities	479,225	369,418	816,081	1,045,063	1,295,303
Total	142,773,312	153,495,915	163,160,134	172,155,917	180,931,715

Note: Figures may not add up due to rounding.

Table 4. Direct Investment flows abroad

€000

	2014	2015	2016	2017	2018
	Outward FDI				
Equity capital	-340,006	-904,124	-756,959	-702,123	-745,362
Reinvested earnings	-9,819	15,333	-6,379	-7,883	-8,133
Other capital	-1,414,662	5,525,546	5,601,300	7,056,355	7,048,227
Claims on direct investors	-1,469,925	5,554,584	5,593,082	7,045,057	7,020,658
Liabilities to direct investors	55,263	-29,038	8,218	11,298	27,568
Total	-1,764,486	4,636,755	4,837,963	6,346,349	6,294,731

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	2014	2015	2016	2017	2018
	Outward FDI				
Manufacturing	2,094	-4,720	3,293	8,771	8,757
Transportation, Accommodation and Real Estate Activities	-13,318	-8,490	-9,290	-19,256	-11,319
Financial and Insurance Activities	-1,746,107	4,704,446	4,891,468	6,357,449	6,301,884
Information and Communication; Professional, Scientific and Technical Activities; Arts, Entertainment and Recreation	-13,268	-47,370	-28,535	-22,924	-15,402
Other Activities	6,114	-7,111	-18,973	22,309	10,811
Total	-1,764,486	4,636,755	4,837,963	6,346,349	6,294,731

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 14	Dec 15	Dec 16	Dec 17	Dec 18
	Outward FDI				
Manufacturing	12,040	18,006	5,608	-3,239	-12,369
Transportation, Accommodation and Real Estate Activities	185,873	182,359	211,103	236,393	253,454
Financial and Insurance Activities	60,439,575	61,850,424	62,235,104	61,348,914	60,624,326
Information and Communication; Professional, Scientific and Technical Activities; Arts, Entertainment and Recreation	47,884	86,349	80,286	99,283	100,812
Other Activities	42,395	32,878	70,574	53,608	43,099
Total	60,727,767	62,170,016	62,602,675	61,734,959	61,009,322

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, i.e. 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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