

Direct Investment in Malta and Abroad: January-June 2023

NR028/2024

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As at the end of June 2023, the stock position of Foreign Direct Investment in Malta stood at €477.9 billion, while Direct Investment abroad amounted to €461.3 billion.

Foreign Direct Investment (FDI) in Malta

Foreign direct investment flows were estimated to be €9.9 billion during the first six months of 2023. The main contributors to FDI flows were Financial and insurance activities, accounting for 88.8 per cent of the total (Table 2).

In June 2023, the stock position of FDI in Malta amounted to €477.9 billion, an increase of €36.1 billion over the corresponding period of the previous year. Financial and insurance activities recorded the largest share at 97.6 per cent of FDI stocks in June 2023 (Table 3).

Direct Investment Abroad

During the first six months of 2023, direct investment flows abroad totalled €10.0 billion, mainly in the form of equity and investment fund shares/units (Table 4).

The stock position of direct investment abroad stood at €461.3 billion in June 2023, up by €32.5 billion over the stock position in 2022. Financial and insurance activities made up 99.5 per cent of total FDI abroad (Table 6).

Chart 1. FDI in Malta and abroad

Stock positions as at the end of June

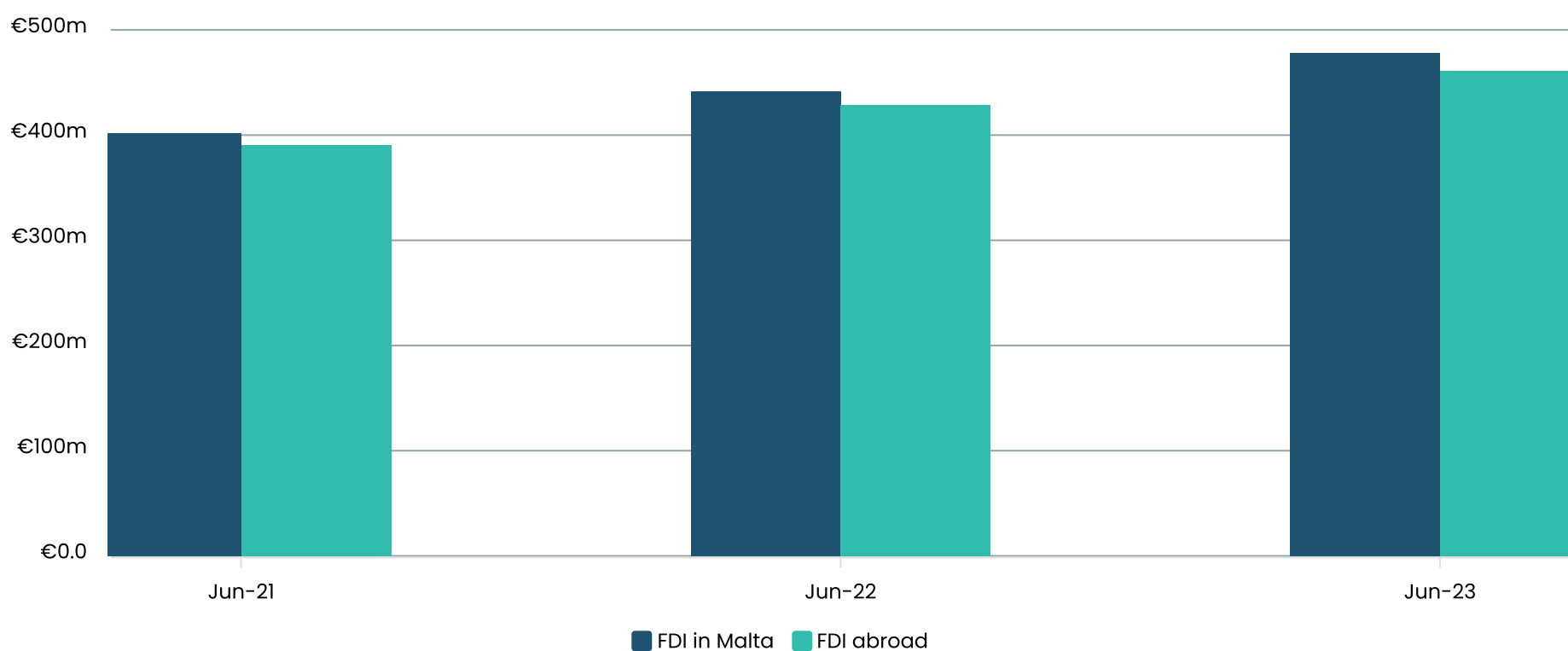


Table 1. Foreign Direct Investment flows in Malta

€000

	2021	2022	Jan-Jun 2021	Jan-Jun 2022	Jan-Jun 2023
	Inward FDI		Inward FDI		
Equity and investment fund shares/units	23,314,354	17,056,696	11,372,856	8,239,950	7,870,558
Debt instruments	919,147	1,856,278	448,364	896,753	2,073,021
Total	24,233,501	18,912,974	11,821,220	9,136,702	9,943,579

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				
	2021	2022	Jan-Jun 2021	Jan-Jun 2022	Jan-Jun 2023
	Inward FDI		Inward FDI		
Manufacturing	967,512	494,862	471,957	239,064	258,123
Transportation, Accommodation and Real Estate Activities	768,081	718,178	374,674	346,946	374,606
Financial and Insurance Activities	20,815,783	16,785,832	10,154,040	8,109,098	8,834,050
Information and Communication; Professional, Scientific and Technical Activities; Arts, Entertainment and Recreation	1,566,851	781,514	764,318	377,543	407,642
Other Activities	115,274	132,588	56,231	64,052	69,159
Total	24,233,501	18,912,974	11,821,220	9,136,702	9,943,579

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. Stock Position of Foreign Direct Investment in Malta: Economic activity

€000

Economic activity	December		June		
	2021	2022	2021	2022	2023
	Inward FDI		Inward FDI		
Manufacturing	2,491,556	2,653,952	2,367,609	2,603,407	2,816,236
Transportation, Accommodation and Real Estate Activities	4,442,365	5,337,878	4,221,371	4,641,792	5,021,260
Financial and Insurance Activities	412,750,307	450,154,476	392,217,290	431,279,533	466,536,754
Information and Communication; Professional, Scientific and Technical Activities; Arts, Entertainment and Recreation	2,069,299	1,517,876	1,966,358	2,162,194	2,338,954
Other Activities	1,019,918	1,115,414	969,180	1,065,704	1,152,826
Total	422,773,446	460,779,595	401,741,809	441,752,631	477,866,030

Note: Figures may not add up due to rounding.

Table 4. Direct Investment flows abroad

	€000				
	2021	2022	Jan-Jun 2021	Jan-Jun 2022	Jan-Jun 2023
	Outward FDI		Outward FDI		
Equity and investment fund shares/un	14,526,471	18,260,329	7,086,083	8,864,237	8,529,816
Debt instruments	6,337,209	5,124,305	3,091,321	2,487,527	1,509,800
Total	20,863,680	23,384,634	10,177,405	11,351,764	10,039,616

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				
	2021	2022	Jan-Jun 2021	Jan-Jun 2022	Jan-Jun 2023
	Outward FDI		Outward FDI		
Manufacturing	5,156	14,764	2,515	7,167	8,144
Transportation, Accommodation and Real Estate Activities	20,653	37,788	10,075	18,344	20,843
Financial and Insurance Activities	20,801,047	23,302,801	10,146,852	11,312,039	9,994,479
Information and Communication; Professional, Scientific and Technical Activities; Arts, Entertainment and Recreation	24,886	23,222	12,140	11,273	12,809
Other Activities	11,938	6,059	5,823	2,941	3,342
Total	20,863,680	23,384,634	10,177,405	11,351,764	10,039,616

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. Stock Position of Direct Investment abroad: Economic activity

€000

Economic activity	December		June		
	2021	2022	2021	2022	2023
	Outward FDI		Outward FDI		
Manufacturing	226,955	155,052	216,146	148,578	80,071
Transportation, Accommodation and Real Estate Activities	1,985,125	1,923,933	1,890,582	1,843,604	1,775,785
Financial and Insurance Activities	406,775,478	444,424,645	387,402,406	425,868,909	458,948,729
Information and Communication; Professional, Scientific and Technical Activities; Arts, Entertainment and Recreation	857,578	456,666	816,735	437,599	57,785
Other Activities	502,437	490,604	478,508	470,120	456,376
Total	410,347,573	447,450,900	390,804,377	428,768,811	461,318,746

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, and 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.

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 and investment fund shares/units – 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. Also consists 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.
- Debt Instruments – 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 debt instruments.

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 includes:

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](#)

[Metadata](#)

8. References to this news release are to be cited appropriately. For guidance on access and re-use of data please visit our [dedicated webpage](#).

9. A detailed news release calendar is available [online](#).

10. For further assistance please submit your query through our [online request form](#).