

As at the end of June 2015, the stock position of Foreign Direct Investment in Malta stood at €148.2 billion, while Direct Investment abroad amounted to €62.3 billion.

Direct Investment in Malta and Abroad: January-June 2015

Cut-off date:
22 January 2016

Foreign Direct Investment (FDI) in Malta

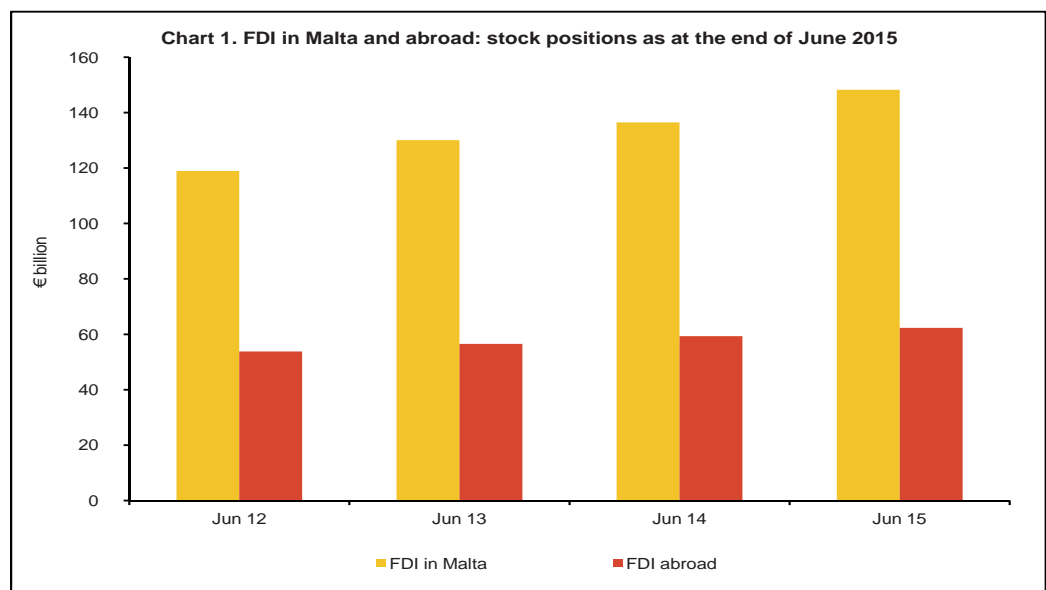
Foreign direct investment flows in Malta was estimated to be €5.2 billion during the first six months of 2015. This shows an increase of €3.0 billion over the corresponding months in 2014 (Table 1). Financial and insurance activities accounted for 98.1 per cent of FDI flows in Malta (Table 2).

In June 2015, the stock position of FDI in Malta amounted to €148.2 billion, an increase of €11.8 billion over the corresponding month a year before. As in previous years, financial and insurance activities dominated, accounting for 97.9 per cent of FDI stocks (Table 3).

Direct Investment abroad

During the first six months of 2015, direct investment flows abroad totalled €1.2 billion, an increase of €0.5 billion over the amount registered during the corresponding period a year before. These flows are mainly due to increases in equity capital and in claims on direct investors (Table 4).

Stock position of direct investment abroad stood at €62.3 billion in June 2015, increasing by €3.0 billion over the position in June 2014. The main contributors, accounting for 99.4 per cent, were entities offering financial and insurance activities (Table 6) ■



Compiled by:

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Table 1. Foreign Direct Investment flows in Malta

				€000			
	2012	2013	2014	2012 Q1-Q2	2013 Q1-Q2	2014 Q1-Q2	2015 Q1-Q2
	Inward FDI			Inward FDI			
Equity capital	72,691	-2,265,285	-3,054,176	1,467	-311,046	-3,229,716	-732,603
Reinvested earnings	621,892	480,497	736,343	89,427	64,108	79,130	430,421
Other capital	10,350,435	10,861,988	10,794,800	5,228,655	5,318,428	5,360,729	5,546,912
Claims on direct investors	8,439,605	8,618,881	8,548,420	4,194,992	4,214,653	4,216,279	4,320,362
Liabilities to direct investors	1,910,841	2,247,243	2,247,568	1,033,679	1,104,354	1,145,622	1,226,556
Total	11,045,071	9,086,600	8,476,781	5,319,559	5,081,514	2,209,901	5,244,732

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			
	2012	2013	2014	2012 Q1-Q2	2013 Q1-Q2	2014 Q1-Q2	2015 Q1-Q2
	Inward FDI			Inward FDI			
Manufacturing	-78,026	101,800	50,946	-79,335	62,083	20,829	11,855
Transportation, Accommodation and Real Estate Activities	48,277	47,001	29,890	12,375	19,596	2,557	6,257
Financial and Insurance Activities	11,127,984	8,841,569	8,292,289	5,412,637	4,955,943	2,143,374	5,146,272
Information and Communication	676	4,390	10,371	1,376	-3,331	-2,312	32,838
Professional, Scientific and Technical Activities	-8,534	11,351	9,274	-5,135	5,642	5,066	4,238
Other Activities	-45,306	80,488	84,009	-22,359	41,581	40,387	43,272
Total	11,045,071	9,086,600	8,476,781	5,319,559	5,081,514	2,209,901	5,244,732

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

Economic activity				€000			
	Dec 12	Dec 13	Dec 14	Jun 12	Jun 13	Jun 14	Jun 15
	Inward FDI			Inward FDI			
Manufacturing	808,815	904,773	977,620	816,012	876,016	949,727	1,011,361
Transportation, Accommodation and Real Estate Activities	1,080,350	1,149,528	1,133,652	1,047,011	1,120,524	1,109,531	1,138,583
Financial and Insurance Activities	122,938,990	130,961,681	140,141,994	116,426,990	127,308,414	133,796,957	145,151,559
Information and Communication	34,135	28,543	27,909	34,970	21,146	15,507	60,062
Professional, Scientific and Technical Activities	348,290	390,667	123,232	343,806	385,672	142,612	127,504
Other Activities	247,298	407,066	699,560	269,735	353,562	440,700	743,032
Total	125,457,878	133,842,259	143,103,968	118,938,524	130,065,334	136,455,034	148,232,100

Note: Figures may not add up due to rounding.

Table 4. Direct Investment flows abroad

				€000			
	2012	2013	2014	2012 Q1-Q2	2013 Q1-Q2	2014 Q1-Q2	2015 Q1-Q2
	Outward FDI			Outward FDI			
Equity capital	-638,257	-704,678	-381,425	-350,415	-345,592	42,697	-455,904
Reinvested earnings	-8,719	-9,682	-8,216	-4,338	-6,023	-4,562	-4,879
Other capital	-1,370,457	-1,282,984	-1,403,921	-683,751	-574,857	-776,353	-735,829
Claims on direct investors	-1,380,649	-1,317,429	-1,468,080	-669,027	-625,331	-768,719	-729,448
Liabilities to direct investors	10,188	34,509	64,152	-14,723	50,546	-7,633	-6,381
Total	-2,017,436	-1,996,735	-1,793,566	-1,038,502	-925,858	-738,216	-1,196,611

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

				€000			
	2012	2013	2014	2012 Q1-Q2	2013 Q1-Q2	2014 Q1-Q2	2015 Q1-Q2
	Outward FDI			Outward FDI			
Manufacturing	3,769	-706	-3,877	1,046	-532	-2,944	2,384
Transportation, Accommodation and Real Estate Activities	4,131	-8,243	-12,064	5,893	-6,815	-8,778	-2,588
Financial and Insurance Activities	-2,011,228	-1,970,261	-1,739,781	-1,024,189	-909,600	-700,187	-1,179,433
Information and Communication; Professional, Scientific and Technical Activities	-5,766	-548	-12,091	-3,652	-201	-13,456	-3,446
Other Activities	-8,341	-16,977	-25,753	-17,600	-8,709	-12,851	-13,527
Total	-2,017,436	-1,996,735	-1,793,566	-1,038,502	-925,858	-738,216	-1,196,611

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

				€000			
	Dec 12	Dec 13	Dec 14	Jun 12	Jun 13	Jun 14	Jun 15
	Outward FDI			Outward FDI			
Manufacturing	18,522	17,887	19,510	22,699	19,194	84,610	16,741
Transportation, Accommodation and Real Estate Activities	147,432	154,407	187,169	141,203	145,357	181,421	192,879
Financial and Insurance Activities	54,790,190	57,606,819	60,378,035	53,376,136	56,127,864	58,957,360	61,961,118
Information and Communication; Professional, Scientific and Technical Activities	26,206	32,373	49,656	25,956	32,848	53,937	52,137
Other Activities	248,512	249,334	70,497	241,576	236,658	70,692	83,113
Total	55,230,862	58,060,818	60,704,867	53,807,570	56,561,920	59,348,020	62,305,988

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 with 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

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:

<http://ec.europa.eu/eurostat/data/database>

>Economy and finance

>Balance of payments - International transactions (bop)

>European Union direct investments (bop_fdi)

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