

The stock position of Foreign Direct Investment in Malta as at the end of June 2016 stood at €156.7 billion, while Direct Investment abroad amounted to €61.8 billion.

Direct Investment in Malta and abroad: January-June 2016

Cut-off date:

2 February 2017

Foreign Direct Investment (FDI) in Malta

During the first six months of 2016, FDI flows in Malta went up by €1.9 billion. This is equivalent to an increase of €455.6 million over the corresponding flows in 2015 (Table 1). The main contributors to total FDI flows were financial and insurance activities with a total contribution of 95.6 per cent (Table 2).

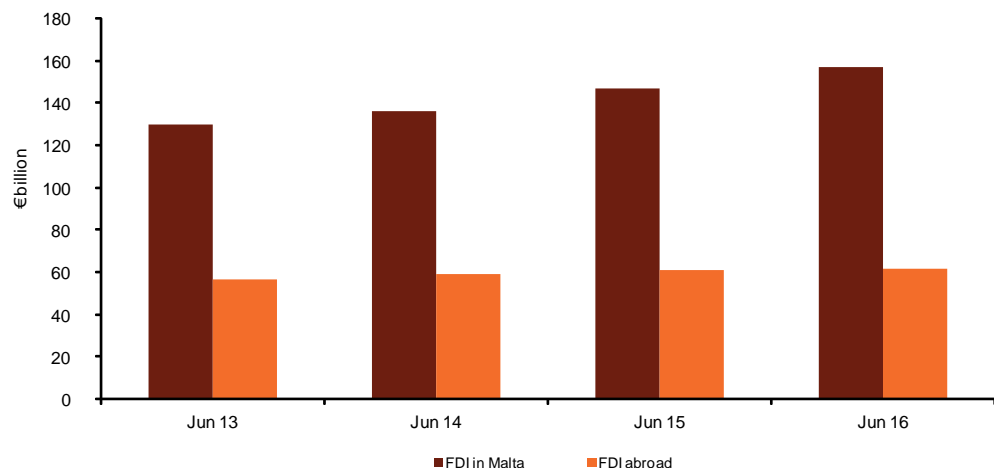
As at June 2016, the stock position of FDI amounted to €156.7 billion, an increase of €10.0 billion over the corresponding period the previous year. Similarly to previous years, financial and insurance activities accounted for 98.1 per cent of FDI stocks in June 2016 (Table 3).

Direct Investment abroad

During the first six months of 2016, direct investment flows abroad accounted for €2.5 billion, a marginal decline over the amount registered during the corresponding period in 2015. These changes are attributed to decreases in other capital, mainly in claims on direct investors (Table 4).

Stock position of direct investment abroad was €61.8 billion in June 2016, up by €676.0 million over the stock position in June 2015. 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



Compiled by:

Unit A3: Balance of Payments

Further information on data:

Mr Ray MICALLEF

T. +356 2599 7260

E. ray.micallef@gov.mt

Kindly indicate source when quoting from this release.

The advance release calendar may be consulted at www.nso.gov.mt

Issued by: **Dissemination Unit, National Statistics Office, Lascaris, Valletta VLT 2000, Malta.**

T. +356 2599 7219 F. +356 2599 7205 E. nso@gov.mt

<https://twitter.com/NSOMALTA/> | <https://www.facebook.com/nsomalta/>

Table 1. Foreign Direct Investment flows in Malta

€000

	2013	2014	2015	2013 Q1-Q2	2014 Q1-Q2	2015 Q1-Q2	2016 Q1-Q2
	Inward FDI			Inward FDI			
Equity capital	-2,264,837	-2,955,291	-404,059	-311,029	-3,129,666	-731,408	-224,365
Reinvested earnings	459,166	688,423	479,041	54,142	171,623	103,733	114,321
Other capital	10,893,053	10,639,063	3,966,052	5,339,956	5,281,421	2,024,482	1,962,501
Claims on direct investors	8,639,512	8,368,462	1,544,853	4,228,860	4,123,358	781,284	734,246
Liabilities to direct investors	2,253,542	2,270,601	2,421,199	1,111,095	1,158,063	1,243,199	1,228,255
Total	9,087,381	8,372,195	4,041,034	5,083,068	2,323,378	1,396,808	1,852,457

Notes:

Figures may not add up due to rounding.

Increase in assets and decrease in liabilities are denoted as negative (Debit flows).

Decrease in assets and increase in liabilities are denoted as positive (Credit flows).

Table 2. Foreign Direct Investment flows in Malta: Economic activity

€000

Economic Activity	2013	2014	2015	2013 Q1-Q2	2014 Q1-Q2	2015 Q1-Q2	2016 Q1-Q2
	Inward FDI			Inward FDI			
Manufacturing	100,985	47,911	138,881	62,185	17,824	34,923	28,753
Transportation, Accommodation and Real Estate Activities	46,898	34,754	69,631	19,493	5,763	11,680	17,181
Financial and Insurance Activities	8,841,562	8,261,647	3,746,351	4,955,940	2,294,318	1,314,759	1,771,823
Information and Communication	3,655	10,087	69,867	-3,779	-2,257	32,787	19,862
Professional, Scientific and Technical Activities	11,286	9,274	8,510	5,576	5,066	4,238	4,248
Other Activities	82,995	8,521	7,795	43,653	2,663	-1,578	10,589
Total	9,087,381	8,372,195	4,041,034	5,083,068	2,323,378	1,396,808	1,852,457

Notes:

Figures may not add up due to rounding.

Increase in assets and decrease in liabilities are denoted as negative (Debit flows).

Decrease in assets and increase in liabilities are denoted as positive (Credit flows).

Table 3. Foreign Direct Investment in Malta - stock position: Economic activity

€000

Economic activity	Dec 13	Dec 14	Dec 15	Jun 13	Jun 14	Jun 15	Jun 16
	Inward FDI			Inward FDI			
Manufacturing	904,600	978,422	1,142,580	876,267	884,717	1,032,412	1,171,758
Transportation, Accommodation and Real Estate Activities	1,149,528	1,138,515	1,258,322	1,119,928	1,112,089	1,149,606	1,265,029
Financial and Insurance Activities	130,961,681	140,141,994	148,993,264	127,308,414	133,796,957	143,995,559	153,719,106
Information and Communication	28,005	26,682	93,499	20,895	14,620	56,690	113,116
Professional, Scientific and Technical Activities	390,667	123,232	131,779	385,672	142,612	127,504	135,961
Other Activities	372,258	453,121	298,707	328,752	244,136	288,069	290,277
Total	133,806,740	142,861,966	151,918,151	130,039,926	136,195,131	146,649,841	156,695,246

Note:

Figures may not add up due to rounding.

Table 4. Direct Investment flows abroad

€000

	2013	2014	2015	2013 Q1-Q2	2014 Q1-Q2	2015 Q1-Q2	2016 Q1-Q2
	Outward FDI			Outward FDI			
Equity capital	-704,485	-346,720	-826,770	-345,397	60,050	-441,871	-361,450
Reinvested earnings	-8,180	-8,183	-8,952	-5,271	-4,546	-4,486	-3,283
Other capital	-1,280,212	-1,403,009	5,571,945	-573,405	-774,092	2,751,474	2,818,162
Claims on direct investors	-1,314,597	-1,464,674	5,621,539	-624,036	-764,101	2,729,940	2,812,910
Liabilities to direct investors	34,385	61,665	-49,594	50,632	-9,991	21,534	5,252
Total	-1,992,876	-1,757,912	4,736,223	-924,074	-718,588	2,305,117	2,453,429

Notes:

Figures may not add up due to rounding.

Increase in assets and decrease in liabilities are denoted as negative (Debit flows).

Decrease in assets and increase in liabilities are denoted as positive (Credit flows).

Table 5. Direct Investment flows abroad: Economic activity

€000

Economic activity	2013	2014	2015	2013 Q1-Q2	2014 Q1-Q2	2015 Q1-Q2	2016 Q1-Q2
	Outward FDI			Outward FDI			
Manufacturing	1,048	-166	2,052	-279	767	2,762	921
Transportation, Accommodation and Real Estate Activities	-8,624	-12,064	-7,742	-7,196	-8,778	-2,588	-5,297
Financial and Insurance Activities	-1,970,229	-1,739,635	4,756,208	-909,584	-700,171	2,309,015	2,465,780
Information and Communication; Professional, Scientific and Technical Activities	-504	-12,087	-9,184	-171	-13,451	-3,446	-3,093
Other Activities	-14,566	6,040	-5,112	-6,843	3,045	-626	-4,882
Total	-1,992,876	-1,757,912	4,736,223	-924,074	-718,588	2,305,117	2,453,429

Notes:

Figures may not add up due to rounding.

Increase in assets and decrease in liabilities are denoted as negative (Debit flows).

Decrease in assets and increase in liabilities are denoted as positive (Credit flows).

Table 6. Direct Investment abroad - stock position: Economic activity

€000

Economic activity	Dec 13	Dec 14	Dec 15	Jun 13	Jun 14	Jun 15	Jun 16
	Outward FDI			Outward FDI			
Manufacturing	19,584	19,510	17,303	20,922	17,911	16,741	16,268
Transportation, Accommodation and Real Estate Activities	154,407	187,169	182,664	145,357	181,421	192,879	190,501
Financial and Insurance Activities	57,607,937	60,384,411	61,210,540	56,128,966	58,958,494	60,817,230	61,474,994
Information and Communication; Professional, Scientific and Technical Activities	28,667	46,031	54,705	29,156	50,312	48,512	57,608
Other Activities	265,463	32,714	37,101	244,185	51,509	32,977	45,005
Total	58,076,056	60,669,835	61,502,313	56,568,585	59,259,647	61,108,339	61,784,376

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

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>

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

[EUROSTAT Website/Homepage/Statistics Database](#)

>Economy and finance

>Balance of payments - International transactions (bop)

>European Union direct investments (bop_fdi)

For further assistance send a request from:

<https://nso.gov.mt/en/Services/Pages/Request-for-Information.aspx>