

As at the end of June 2017, the stock position of Foreign Direct Investment in Malta stood at €165.5 billion, while Direct Investment abroad amounted to €62.2 billion.

Direct Investment in Malta and Abroad: January-June 2017

Cut-off date:
2 February 2018

Foreign Direct Investment (FDI) in Malta

During the first six months of 2017, FDI flows in Malta went up by €1.2 billion. This is equivalent to a decrease of €498.3 million over the corresponding flows in 2016 (Table 1). The main contributors to total FDI flows were financial and insurance activities with a total contribution of 97.1 per cent (Table 2).

In June 2017, the stock position of FDI amounted to €165.5 billion, an increase of €8.8 billion over the corresponding period in 2016. Similarly to previous years, financial and insurance activities dominated, accounting for 98.1 per cent of FDI stocks in June 2017 (Table 3).

Direct Investment abroad

During the first six months of 2017, direct investment flows abroad totalled €3.1 billion, a €662.8 million increase over the amount registered during the corresponding period in 2016. These changes are attributed to increases in other capital, mainly in claims on direct investors (Table 4).

Stock position of direct investment abroad was registered at €62.2 billion in June 2017, up by €421.0 million over the stock position in 2016. Financial and insurance activities constituted 99.0 per cent of the total FDI abroad (Table 6) ■

FDI in Malta and abroad: stock positions as at the end of June 2017

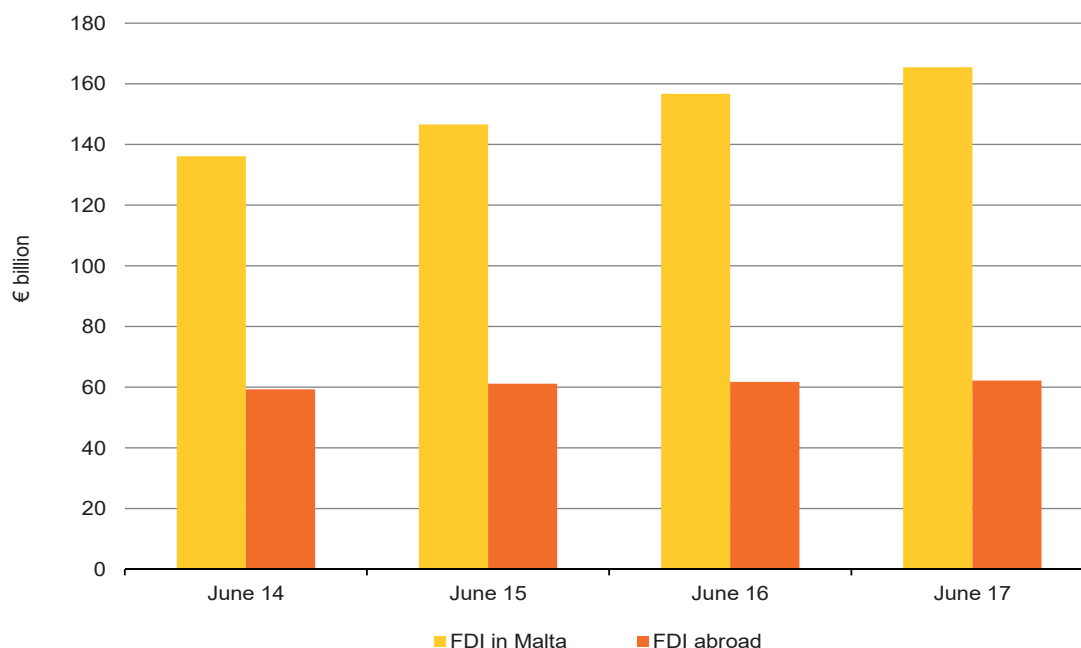


Table 1. Foreign Direct Investment flows in Malta

	€000						
	2014	2015	2016	2014 Q1 - Q2	2015 Q1 - Q2	2016 Q1 - Q2	2017 Q1 - Q2
	Inward FDI			Inward FDI			
Equity capital	-2,949,614	-397,851	-608,469	-3,126,832	-728,534	-223,161	15,386
Reinvested earnings	884,016	695,548	463,760	196,091	250,819	39,332	140,308
Other capital	10,615,072	3,888,120	3,589,277	5,269,780	2,022,971	1,909,025	1,071,248
Claims on direct investors	8,366,216	1,475,305	1,198,027	4,123,306	784,088	689,958	-101,585
Liabilities to direct investors	2,248,876	2,412,816	2,391,250	1,146,477	1,238,883	1,219,069	1,172,833
Total	8,549,498	4,185,820	3,444,571	2,339,036	1,545,251	1,725,196	1,226,940

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						
	2014	2015	2016	2014 Q1 - Q2	2015 Q1 - Q2	2016 Q1 - Q2	2017 Q1 - Q2
	Inward FDI			Inward FDI			
Manufacturing	45,204	137,944	48,485	16,595	34,452	28,924	-47,962
Transportation, Accommodation and Real Estate Activities	32,731	69,397	89,271	3,984	11,562	15,369	68,264
Financial and Insurance Activities	8,457,489	3,894,704	3,256,910	2,320,126	1,464,178	1,653,767	1,191,133
Information and Communication	4,006	63,817	33,980	-5,439	29,763	20,041	9,349
Professional, Scientific and Technical Activities	-6,206	1,689	6,480	-2,860	827	3,240	2,752
Other Activities	16,275	18,269	9,446	6,630	4,469	3,855	3,404
Total	8,549,498	4,185,820	3,444,571	2,339,036	1,545,251	1,725,196	1,226,940

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 14	Dec 15	Dec 16	Jun 14	Jun 15	Jun 16	Jun 17
	Inward FDI			Inward FDI			
Manufacturing	960,780	1,123,479	1,203,317	868,600	1,013,584	1,171,930	1,119,694
Transportation, Accommodation and Real Estate Activities	1,132,063	1,251,560	1,329,175	1,105,918	1,142,999	1,260,548	1,403,096
Financial and Insurance Activities	140,150,571	148,999,741	158,241,355	133,806,476	144,003,891	153,651,359	162,289,893
Information and Communication	12,168	72,983	130,194	2,951	39,189	116,941	139,576
Professional, Scientific and Technical Activities	38,505	48,232	133,617	63,867	48,341	130,374	137,215
Other Activities	479,225	369,811	354,836	250,076	337,097	358,824	361,815
Total	142,773,312	151,865,806	161,392,494	136,097,888	146,585,101	156,689,977	165,451,290

Note: Figures may not add up due to rounding.

Table 4. Direct Investment flows abroad

€000

	2014	2015	2016	2014 Q1 - Q2	2015 Q1 - Q2	2016 Q1 - Q2	2017 Q1 - Q2
	Outward FDI			Outward FDI			
Equity capital	-340,008	-829,108	-760,646	60,334	-444,002	-361,451	-357,245
Reinvested earnings	-9,819	-11,168	-6,621	-5,237	-5,598	-3,324	-3,471
Other capital	-1,414,657	5,561,106	5,619,686	-780,329	2,746,046	2,818,171	3,476,948
Claims on direct investors	-1,469,925	5,615,568	5,617,351	-766,606	2,726,955	2,812,784	3,488,678
Liabilities to direct investors	55,263	-54,467	2,331	-13,723	19,098	5,394	-11,723
Total	-1,764,486	4,720,830	4,852,419	-725,231	2,296,455	2,453,406	3,116,232

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

Economic activity	2014	2015	2016	2014 Q1 - Q2	2015 Q1 - Q2	2016 Q1 - Q2	2017 Q1 - Q2
	Outward FDI			Outward FDI			
Manufacturing	2,094	3,991	-76	2,056	3,730	921	2,428
Transportation, Accommodation and Real Estate Activities	-13,318	-8,163	-9,077	-9,794	-2,804	-5,363	-13,665
Financial and Insurance Activities	-1,746,107	4,741,471	4,886,994	-706,690	2,300,945	2,465,760	3,135,995
Information and Communication; Professional, Scientific and Technical Activities	-13,268	-10,259	-16,759	-13,987	-3,977	-3,426	-4,260
Other Activities	6,114	-6,211	-8,664	3,183	-1,439	-4,486	-4,267
Total	-1,764,486	4,720,830	4,852,419	-725,231	2,296,455	2,453,406	3,116,232

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

Economic activity	Dec 14	Dec 15	Dec 16	Jun 14	Jun 15	Jun 16	Jun 17
	Outward FDI			Outward FDI			
Manufacturing	12,040	7,822	18,610	11,447	8,266	16,268	8,145
Transportation, Accommodation and Real Estate Activities	185,873	181,514	197,700	180,062	191,651	189,491	454,360
Financial and Insurance Activities	60,439,575	61,277,150	61,821,883	59,008,455	60,878,447	61,480,664	61,559,464
Information and Communication; Professional, Scientific and Technical Activities	47,884	56,223	62,222	51,494	49,742	47,971	112,966
Other Activities	42,395	45,297	51,505	61,554	41,406	46,928	67,359
Total	60,727,767	61,568,006	62,151,921	59,313,013	61,169,513	61,781,322	62,202,293

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:

Sources and Methods:

https://nso.gov.mt/en/nso/Sources_and_Methods/Unit_A3/Balance_of_Payments/Pages/Balance-of-Payments.aspx

Statistical Concepts: <http://nso.gov.mt/metadata/concepts.aspx>

Metadata: <http://nso.gov.mt/metadata/reports.aspx?id=6>

8. Any quotations from this news release are to be cited and/or referenced.

9. A detailed news release calendar is available on

https://nso.gov.mt/en/News_Releases/Release_Calendar/Pages/News-Release-Calendar.aspx

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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