

As at the end of 2019, the stock position of Foreign Direct Investment in Malta stood at €187.9 billion, while Direct Investment abroad amounted to €59.5 billion.

Direct Investment in Malta and Abroad: January-December 2019

Cut-off date:
30 September 2020

Foreign Direct Investment (FDI) in Malta

During the year 2019, FDI flows in Malta went up by €3.3 billion (Table 1). The main contributors to total FDI flows were financial and insurance activities with a total contribution of 87.5 per cent (Table 2).

In December 2019, the stock position of FDI amounted to €187.9 billion, an increase of €8.5 billion over the corresponding period in 2018. As in previous years, financial and insurance activities accounted for 97.6 per cent of FDI stocks in December 2019 (Table 3).

Direct Investment Abroad

During the year 2019, direct investment flows abroad totalled €6.4 billion, mainly in the form of claims on direct investors (Table 4).

The stock position of direct investment abroad stood at €59.5 billion in December 2019, down by €1.0 billion over the stock position in 2018. Financial and insurance activities made up 99.3 per cent of the total FDI abroad (Table 6) ■

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

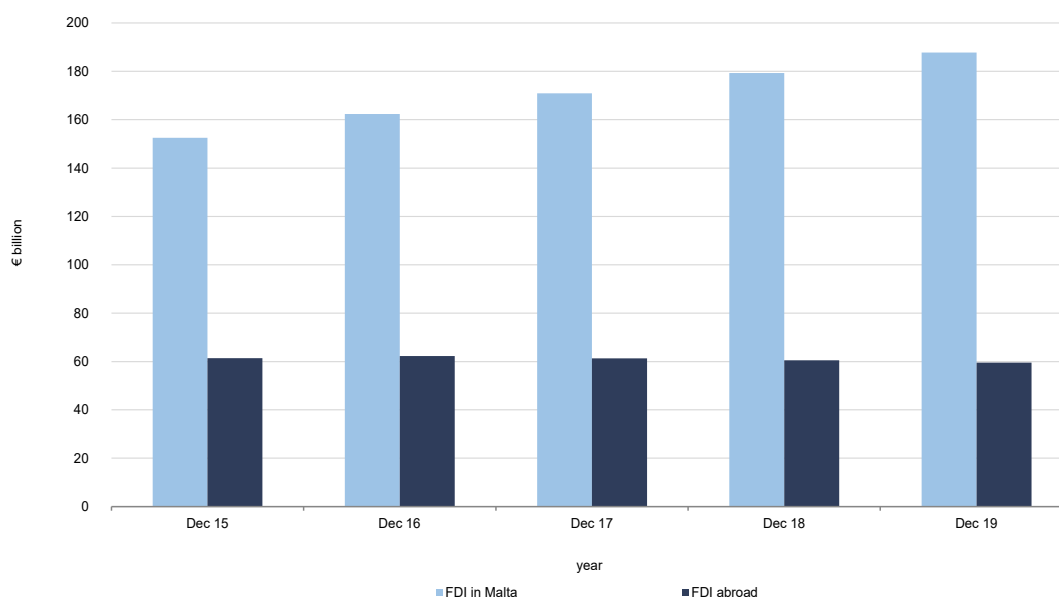


Table 1. Foreign Direct Investment flows in Malta

€000

	2015	2016	2017	2018	2019
	Inward FDI				
Equity capital	-359,284	-574,433	226,046	368,467	254,990
Reinvested earnings	511,409	729,696	777,575	919,854	1,002,737
Other capital	4,379,675	3,517,898	2,031,936	2,073,977	2,017,490
Claims on direct investors	1,231,070	1,159,668	-280,207	-293,450	-388,090
Liabilities to direct investors	3,148,606	2,358,230	2,312,142	2,367,427	2,405,580
Total	4,531,800	3,673,160	3,035,556	3,362,297	3,275,217

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	2015	2016	2017	2018	2019
	Inward FDI				
Manufacturing	53,420	1,193	51,803	185,462	65,365
Transportation, Accommodation and Real Estate Activities	133,497	136,110	117,724	130,632	186,447
Financial and Insurance Activities	4,328,422	3,235,833	2,734,335	2,929,252	2,865,322
Information and Communication; Professional, Scientific and Technical Activities; Arts, Entertainment and Recreation	-28,016	195,842	107,467	81,933	123,459
Other Activities	44,479	104,182	24,229	35,020	34,624
Total	4,531,801	3,673,160	3,035,557	3,362,297	3,275,217

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 15	Dec 16	Dec 17	Dec 18	Dec 19
	Inward FDI				
Manufacturing	839,687	860,392	918,384	1,070,241	1,100,906
Transportation, Accommodation and Real Estate Activities	1,704,685	1,810,361	1,898,284	2,028,175	2,298,715
Financial and Insurance Activities	149,682,031	158,965,485	167,273,616	175,318,001	183,318,556
Information and Communication; Professional, Scientific and Technical Activities; Arts, Entertainment and Recreation	-50,277	317,496	436,326	504,449	674,826
Other Activities	365,579	398,510	415,879	454,434	468,511
Total	152,541,706	162,352,245	170,942,489	179,375,300	187,861,515

Table 4. Direct Investment flows abroad

	€000				
	2015	2016	2017	2018	2019
	Outward FDI				
Equity capital	-844,423	-768,363	-651,621	-756,051	-737,388
Reinvested earnings	-13,436	-4,277	-5,188	-5,188	-4,659
Other capital	5,634,534	5,624,752	7,081,370	7,131,597	7,132,513
Claims on direct investors	5,595,082	5,605,983	7,072,761	7,101,935	7,103,391
Liabilities to direct investors	39,452	18,768	8,609	29,662	29,123
Total	4,776,676	4,852,113	6,424,561	6,370,358	6,390,466

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				
	2015	2016	2017	2018	2019
	Outward FDI				
Manufacturing	5,331	3,549	8,343	8,757	6,731
Transportation, Accommodation and Real Estate Activities	-8,515	-11,035	-19,256	-9,558	-8,611
Financial and Insurance Activities	4,723,240	4,887,682	6,420,286	6,360,628	6,393,379
Information and Communication; Professional, Scientific and Technical Activities; Arts, Entertainment and Recreation	65,116	-14,409	-7,016	321	-4,752
Other Activities	-8,496	-13,674	22,205	10,210	3,719
Total	4,776,676	4,852,113	6,424,562	6,370,358	6,390,466

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				
	Dec 15	Dec 16	Dec 17	Dec 18	Dec 19
	Outward FDI				
Manufacturing	7,828	5,608	-3,239	-12,369	-31,796
Transportation, Accommodation and Real Estate Activities	202,512	212,910	236,397	251,698	262,597
Financial and Insurance Activities	61,236,361	61,926,721	60,950,484	60,194,146	59,117,780
Information and Communication; Professional, Scientific and Technical Activities; Arts, Entertainment and Recreation	-143,118	26,142	32,368	10,569	133,774
Other Activities	35,228	64,937	56,768	59,551	41,638
Total	61,338,812	62,236,318	61,272,778	60,503,596	59,523,992

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](http://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&code=sdg_10_10_1)

>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>