

As at the end of June 2020, the stock position of Foreign Direct Investment in Malta stood at €191.4 billion, while Direct Investment abroad amounted to €59.2 billion.

Direct Investment in Malta and Abroad: January-June 2020

Cut-off date:
8 February 2021

Foreign Direct Investment (FDI) in Malta

Foreign direct investment flows were estimated to be €1.7 billion during the first six months of 2020. This shows an increase of €72.4 million over the corresponding period in 2019 (Table 1). Financial and insurance activities accounted for 89.4 per cent of FDI flows in Malta (Table 2).

In June 2020, the stock position of FDI in Malta amounted to €191.4 billion, an increase of €8.0 billion over the corresponding month of 2019. As in previous years, financial and insurance activities recorded the largest share at 97.7 per cent of FDI stocks in June 2020 (Table 3).

Direct Investment Abroad

During the first six months of 2020, direct investment flows abroad totalled €3.2 billion, an increase of €5.0 million over the amount registered in the previous year. This change was mainly brought about by changes in equity capital (Table 4).

The stock position of direct investment abroad stood at €59.2 billion in June 2020, down by €0.9 billion over the stock position in 2019. Financial and insurance activities made up 99.4 per cent of total FDI abroad (Table 6) ■

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

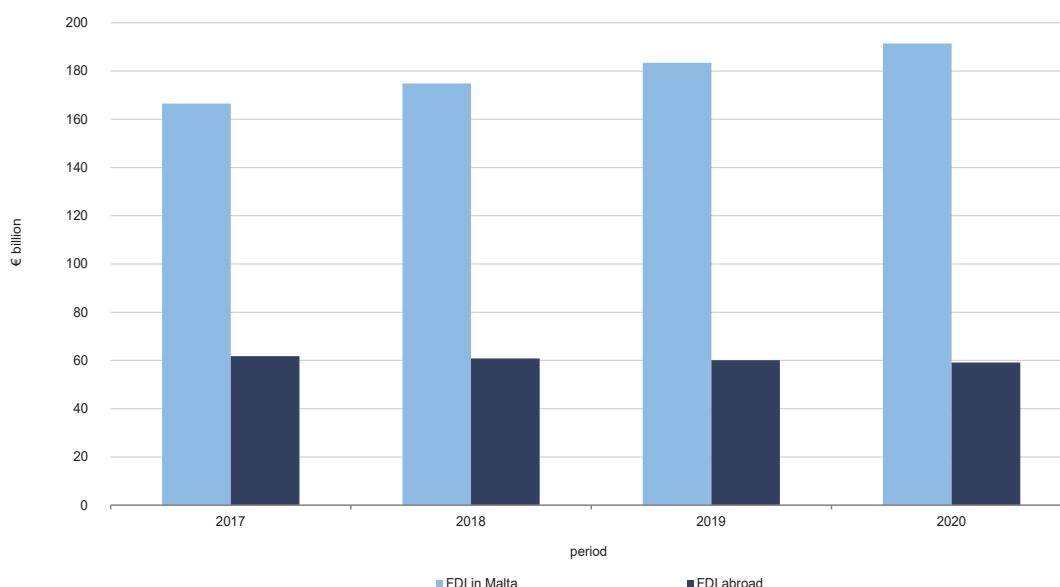


Table 1. Foreign Direct Investment flows in Malta by period

€000

	2017	2018	2019	Jan - Jun 2017	Jan - Jun 2018	Jan - Jun 2019	Jan - Jun 2020
	Inward FDI						
Equity capital	226,046	368,467	254,990	39,344	308,718	85,969	158,808
Reinvested earnings	894,779	1,037,058	1,128,589	320,081	453,496	518,198	537,316
Other capital	2,031,935	2,073,977	2,017,369	1,002,419	998,209	1,008,213	988,647
Claims on direct investors	-280,207	-293,450	-388,187	-154,169	-187,170	-198,936	-191,763
Liabilities to direct investors	2,312,142	2,367,427	2,405,556	1,156,588	1,185,380	1,207,149	1,180,411
Total	3,152,760	3,479,502	3,400,949	1,361,844	1,760,423	1,612,381	1,684,771

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 by period and economic activity

€000

Economic activity	2017	2018	2019	Jan - Jun 2017	Jan - Jun 2018	Jan - Jun 2019	Jan - Jun 2020
	Inward FDI						
Manufacturing	51,803	185,462	72,547	-19,020	57,037	14,311	1,724
Transportation, Accommodation and Real Estate Activities	117,667	130,575	185,542	81,370	40,228	70,700	96,644
Financial and Insurance Activities	2,851,538	3,046,456	2,983,732	1,232,110	1,609,412	1,447,638	1,505,626
Information and Communication; Professional, Scientific and Technical Activities; Arts, Entertainment and Recreation	107,467	81,933	124,307	54,163	36,711	63,862	67,938
Other Activities	24,286	35,077	34,821	13,221	17,034	15,869	12,838
Total	3,152,760	3,479,502	3,400,949	1,361,844	1,760,423	1,612,381	1,684,771

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 by period and economic activity

€000

Economic activity	December			June			
	2017	2018	2019	2017	2018	2019	2020
	Inward FDI						
Manufacturing	918,384	1,070,241	1,100,906	858,944	944,914	1,064,594	1,008,207
Transportation, Accommodation and Real Estate Activities	1,897,205	2,027,039	2,297,522	1,890,078	1,923,660	2,202,858	2,312,699
Financial and Insurance Activities	167,263,431	175,303,155	183,299,037	163,000,033	171,037,676	179,097,386	186,943,884
Information and Communication; Professional, Scientific and Technical Activities; Arts, Entertainment and Recreation	436,327	504,449	674,826	366,016	458,999	567,335	560,373
Other Activities	427,135	470,417	489,221	416,900	454,687	477,292	567,482
Total	170,942,482	179,375,301	187,861,513	166,531,972	174,819,936	183,409,464	191,392,645

Note:

Figures may not add up due to rounding.

Table 4. Direct Investment flows abroad by period

€000

	2017	2018	2019	Jan - Jun 2017	Jan - Jun 2018	Jan - Jun 2019	Jan - Jun 2020
	Outward FDI						
Equity capital	-651,621	-756,051	-737,388	-330,405	-396,735	-355,519	-351,895
Reinvested earnings	-5,188	-5,188	-4,659	-2,594	-2,594	-2,289	-2,378
Other capital	7,081,371	7,131,598	7,062,215	3,538,867	3,550,616	3,526,261	3,527,718
Claims on direct investors	7,072,761	7,101,936	7,032,733	3,540,246	3,534,194	3,515,130	3,509,436
Liabilities to direct investors	8,609	29,662	29,482	-1,380	16,423	11,131	18,282
Total	6,424,561	6,370,358	6,320,168	3,205,867	3,151,287	3,168,453	3,173,445

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 by period and economic activity

€000

Economic activity	2017	2018	2019	Jan - Jun 2017	Jan - Jun 2018	Jan - Jun 2019	Jan - Jun 2020
	Outward FDI						
Manufacturing	8,343	8,757	6,731	5,277	6,749	3,378	3,357
Transportation, Accommodation and Real Estate Activities	-19,256	-9,558	-8,611	-13,956	-5,052	-4,569	-4,025
Financial and Insurance Activities	6,420,286	6,360,628	6,319,410	3,202,798	3,138,882	3,172,618	3,179,327
Information and Communication; Professional, Scientific and Technical Activities; Arts, Entertainment and Recreation	-7,016	321	-1,080	180	1,842	-4,847	-7,066
Other Activities	22,205	10,210	3,719	11,568	8,865	1,873	1,853
Total	6,424,561	6,370,358	6,320,168	3,205,867	3,151,287	3,168,453	3,173,445

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 by period and economic activity

€000

Economic activity	December			June			
	2017	2018	2019	2017	2018	2019	2020
	Outward FDI						
Manufacturing	-3,239	-12,369	-31,796	-60	-9,906	-28,590	-34,500
Transportation, Accommodation and Real Estate Activities	236,397	251,698	262,597	229,224	240,152	257,411	264,425
Financial and Insurance Activities	60,950,487	60,194,151	59,265,716	61,464,489	60,603,918	59,782,800	58,860,273
Information and Communication; Professional, Scientific and Technical Activities; Arts, Entertainment and Recreation	32,368	10,569	133,774	25,617	14,598	11,477	78,672
Other Activities	56,768	59,551	41,638	67,543	44,692	43,101	42,510
Total	61,272,781	60,503,600	59,671,929	61,786,812	60,893,453	60,066,198	59,211,381

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: <https://metadata.nso.gov.mt/concepts.aspx>
Metadata: <https://metadata.nso.gov.mt/Default.aspx>

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

[EUROSTAT Website/Homepage/Statistics/Data Navigation Tree/Database by themes](https://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&plugin=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>