

As at the end of 2020, the stock position of Foreign Direct Investment in Malta stood at €196.2 billion, while Direct Investment abroad amounted to €58.8 billion.

Direct Investment in Malta and Abroad: January-December 2020

Cut-off date:
14 September 2021

Foreign Direct Investment (FDI) in Malta

During the year 2020, FDI flows in Malta increased by €3.4 billion (Table 1). The main contributors to total FDI flows were Financial and insurance activities with a total contribution of 90.5 per cent (Table 2).

In December 2020, the stock position of FDI amounted to €196.2 billion, an increase of €8.3 billion over the corresponding period of the previous year. Financial and insurance activities accounted for 97.6 per cent of FDI stocks in December 2020 (Table 3).

Direct Investment Abroad

During 2020, direct investment flows abroad totalled €6.3 billion, mainly in the form of claims on direct investors (Table 4).

The stock position of direct investment abroad stood at €58.8 billion in December 2020, down by €0.9 billion from the stock position in 2019. Financial and insurance activities made up 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 December

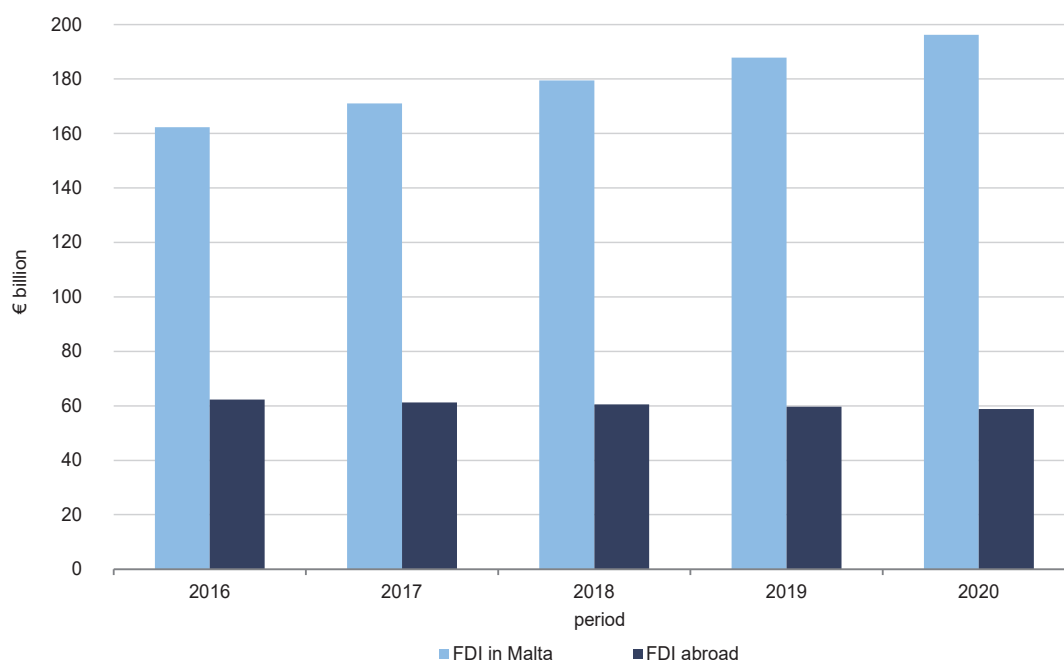


Table 1. Foreign Direct Investment flows in Malta

€000

	2016	2017	2018	2019	2020
	Inward FDI				
Equity capital	-574,433	226,046	373,600	256,810	240,191
Reinvested earnings	729,696	894,712	1,036,349	1,128,543	1,218,327
Other capital	3,517,897	2,031,935	2,073,977	2,012,478	1,949,919
Claims on direct investors	1,159,668	-280,207	-293,450	-389,689	-410,866
Liabilities to direct investors	2,358,230	2,312,142	2,367,427	2,402,168	2,360,785
Total	3,673,160	3,152,693	3,483,926	3,397,832	3,408,436

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	2016	2017	2018	2019	2020
	Inward FDI				
Manufacturing	5,804	49,327	183,444	66,842	13,495
Transportation, Accommodation and Real Estate Activities	136,110	117,724	135,765	188,571	129,134
Financial and Insurance Activities	3,235,833	2,851,471	3,045,747	2,983,686	3,085,583
Information and Communication; Professional, Scientific and Technical Activities; Arts, Entertainment and Recreation	195,842	107,467	81,933	121,493	145,576
Other Activities	99,570	26,705	37,038	37,240	34,649
Total	3,673,160	3,152,693	3,483,926	3,397,832	3,408,436

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 16	Dec 17	Dec 18	Dec 19	Dec 20
	Inward FDI				
Manufacturing	871,848	924,272	1,083,270	1,095,658	991,536
Transportation, Accommodation and Real Estate Activities	1,810,361	1,992,535	2,083,395	2,279,299	2,321,381
Financial and Insurance Activities	158,959,978	167,263,431	175,303,155	183,299,037	191,525,466
Information and Communication; Professional, Scientific and Technical Activities; Arts, Entertainment and Recreation	317,496	436,327	504,449	674,826	758,286
Other Activities	392,561	420,168	456,252	493,276	571,643
Total	162,352,245	171,036,733	179,430,521	187,842,097	196,168,313

Note: Figures may not add up due to rounding.

Table 4. Direct Investment flows abroad

	€000				
	2016	2017	2018	2019	2020
	Outward FDI				
Equity capital	-768,363	-651,621	-756,051	-737,388	-709,495
Reinvested earnings	-4,277	-5,188	-5,188	-4,659	-4,747
Other capital	5,624,752	7,081,371	7,131,598	7,062,501	7,058,422
Claims on direct investors	5,605,984	7,072,761	7,101,936	7,032,953	7,021,698
Liabilities to direct investors	18,768	8,609	29,662	29,548	36,724
Total	4,852,113	6,424,561	6,370,358	6,320,454	6,344,180

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				
Economic activity	2016	2017	2018	2019	2020
	Outward FDI				
Manufacturing	4,711	15,688	15,490	14,076	14,056
Transportation, Accommodation and Real Estate Activities	-11,035	-19,256	-9,558	-8,611	-8,015
Financial and Insurance Activities	4,887,681	6,420,286	6,360,628	6,319,410	6,350,737
Information and Communication; Professional, Scientific and Technical Activities; Arts, Entertainment and Recreation	-14,409	-7,016	321	-796	-8,925
Other Activities	-14,836	14,860	3,477	-3,624	-3,673
Total	4,852,113	6,424,561	6,370,358	6,320,454	6,344,180

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				
Economic activity	Dec 16	Dec 17	Dec 18	Dec 19	Dec 20
	Outward FDI				
Manufacturing	4,618	-11,574	-11,226	-54,820	-68,794
Transportation, Accommodation and Real Estate Activities	212,910	236,397	251,698	262,597	272,972
Financial and Insurance Activities	61,926,722	60,950,487	60,194,151	59,265,716	58,529,613
Information and Communication; Professional, Scientific and Technical Activities; Arts, Entertainment and Recreation	26,142	32,368	10,569	127,828	10,414
Other Activities	65,927	65,103	58,409	64,272	68,377
Total	62,236,319	61,272,781	60,503,600	59,665,592	58,812,582

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

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: <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](#)

>Economy and finance

>Balance of payments - International transactions (bop)

>European Union direct investments (bop_fdi)

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