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The stock position of Foreign Direct Investment in Malta as at end December 2014 stood at €141.9 billion, while Direct Investment abroad amounted to €36.7 billion.

Direct Investment in Malta and Abroad: January-December 2014

Cut-off date:
10 July 2015

Foreign Direct Investment (FDI) in Malta

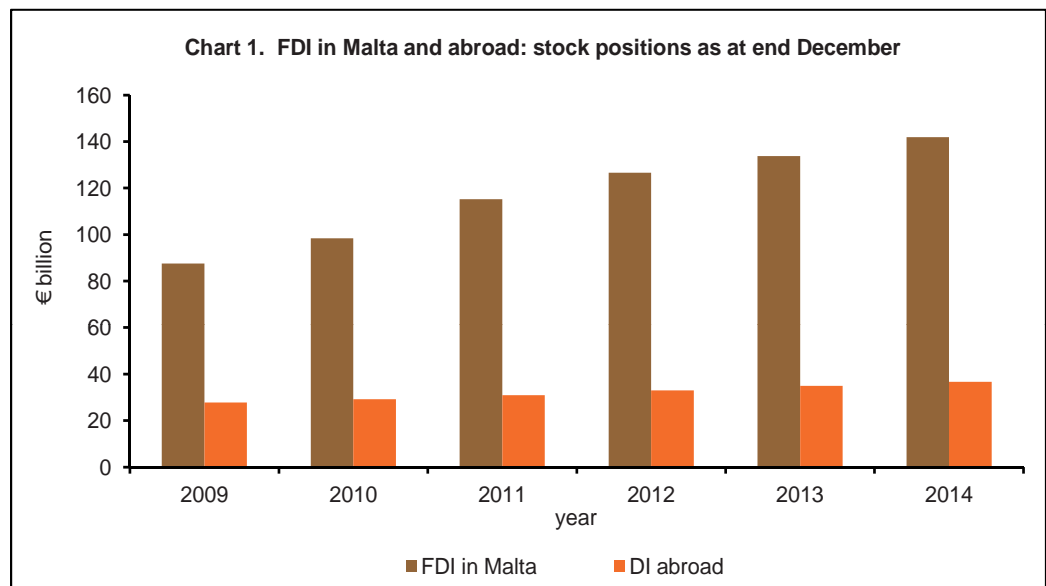
As at December 2014, foreign direct investment in Malta was estimated at €141.9 billion. This amounts to an increase of €8.2 billion over the corresponding month in 2013. It can be noted that €139.1 billion originated from financial and insurance activities, accounting for 98.0 per cent of foreign direct investment in Malta (Table 3).

There was a net increase of €7.0 billion in FDI flows during 2014, compared to an increase of €7.4 billion during 2013 (Table 1). Increases in claims on direct investors were the main contributors to this increase, with decreases in equity capital having a mitigating effect.

Direct Investment abroad

During 2014, direct investment abroad increased by €1.8 billion, compared to an increase of €2.0 billion during the previous year. This was mainly the result of increases in claims on direct investors of €2.3 billion (Table 4).

In terms of stock position, in December 2014 direct investment abroad by resident entities was estimated at €36.7 billion (Table 6) ■



Compiled by:

Unit A3: Balance of Payments

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Table 1. Foreign Direct Investment flows in Malta

€ 000

	2009	2010	2011	2012	2013	2014
Inward FDI						
Equity capital	-12,063,975	-2,841,120	-2,785,229	-1,463,878	-3,801,673	-4,592,619
Reinvested earnings	380,329	-485,441	871,830	621,867	503,023	1,092,717
Other capital	5,460,668	4,498,877	13,077,060	10,339,920	10,726,106	10,518,732
Claims on direct investors	1,769,579	1,773,458	11,844,794	8,429,097	8,711,135	8,390,343
Liabilities to direct investors	3,691,089	2,725,419	1,232,266	1,910,823	2,014,971	2,128,389
Total	-6,222,978	1,172,317	11,163,661	9,497,909	7,427,456	7,018,829

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

€ 000

	2009	2010	2011	2012	2013	2014
Inward FDI						
Manufacturing	-18,597	49,630	138,358	-78,026	101,433	38,498
Transportation, accommodation and real estate activities	12,552	-17,506	-6,202	48,570	55,672	67,835
Financial and insurance activities	-6,093,910	1,144,340	11,121,325	9,580,692	7,209,994	6,883,272
Information and communication	12,593	-1,506	-16,370	676	-8,457	9,676
Professional, scientific and technical activities	13,855	-23,391	-109,646	-8,534	13,015	9,519
Other activities	-149,471	20,751	36,196	-45,469	55,800	10,029
Total	-6,222,978	1,172,317	11,163,661	9,497,909	7,427,456	7,018,829

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

€ 000

	Dec 09	Dec 10	Dec 11	Dec 12	Dec 13	Dec 14
Inward FDI						
Manufacturing	688,700	734,888	898,888	808,815	901,657	878,464
Transportation, accommodation and real estate activities	985,085	1,032,244	1,027,857	1,080,944	1,138,881	1,135,941
Financial and insurance activities	85,069,411	95,907,811	112,698,860	124,026,709	130,965,428	139,096,566
Information and communication	142,521	98,599	-34,920	34,135	27,793	34,509
Professional, scientific and technical activities	410,521	389,780	297,062	348,290	372,420	291,958
Other activities	216,291	253,835	292,345	247,932	332,577	489,874
Total	87,512,528	98,417,158	115,180,092	126,546,825	133,738,756	141,927,311

Note: Figures may not add up due to rounding.

Table 4. Direct Investment flows abroad

€ 000

	2009	2010	2011	2012	2013	2014
Outward FDI						
Equity capital	906,680	-708,809	2,520,291	244,201	196,226	519,514
Reinvested earnings	3,997	1,228	-19,044	-8,719	-9,698	-8,732
Other capital	4,170,402	-828,533	-3,164,350	-2,238,733	-2,147,081	-2,267,889
Claims on direct investors	3,401,007	-4,161,254	-3,742,310	-2,223,115	-2,151,906	-2,302,400
Liabilities to direct investors	769,395	3,332,721	577,960	-15,618	4,825	34,511
Total	5,081,079	-1,536,114	-663,103	-2,003,251	-1,960,553	-1,757,107

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

	2009	2010	2011	2012	2013	2014
Outward FDI						
Manufacturing	-2,261	5,729	-2,668	3,769	401	-2,068
Transportation, accommodation and real estate activities	-12,256	3,035	-8,966	4,132	-5,226	-8,959
Financial and insurance activities	5,176,299	-1,458,770	-661,043	-1,996,984	-1,956,390	-1,736,766
Information and communication; Professional, scientific and technical activities	-44,035	-44,174	-7,261	-5,766	-1,597	-2,959
Other activities	-36,669	-41,934	16,835	-8,401	2,260	-6,355
Total	5,081,079	-1,536,114	-663,103	-2,003,251	-1,960,553	-1,757,107

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

	Dec 09	Dec 10	Dec 11	Dec 12	Dec 13	Dec 14
Outward FDI						
Manufacturing	13,090	17,044	18,361	18,522	13,175	17,298
Transportation, accommodation and real estate activities	83,494	115,462	120,561	147,432	166,708	196,873
Financial and insurance activities	27,071,198	28,523,503	30,504,799	32,514,171	34,442,584	36,398,200
Information and communication; Professional, scientific and technical activities	255,705	211,582	24,630	26,206	25,582	30,188
Other activities	332,917	370,489	232,806	259,960	257,787	26,076
Total	27,756,404	29,238,080	30,901,157	32,966,291	34,905,835	36,668,635

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 included in 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 are 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 is 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 is 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 includes:

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 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 is to be considered as 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_8_10)

>Economy and finance

>Balance of payments - International transactions (bop)

>European Union direct investments (bop_fdi)

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