

As at the end of June 2021, the stock position of Foreign Direct Investment in Malta stood at €200.2 billion, while Direct Investment abroad amounted to €58.5 billion.

## Direct Investment in Malta and Abroad: January-June 2021

Cut-off date:  
9 February 2022

### Foreign Direct Investment (FDI) in Malta

Foreign direct investment flows were estimated to be €1.5 billion during the first six months of 2021. This shows a decline of €183.7 million over the corresponding period in 2020 (Table 1). Financial and insurance activities accounted for 85.8 per cent of FDI flows in Malta (Table 2).

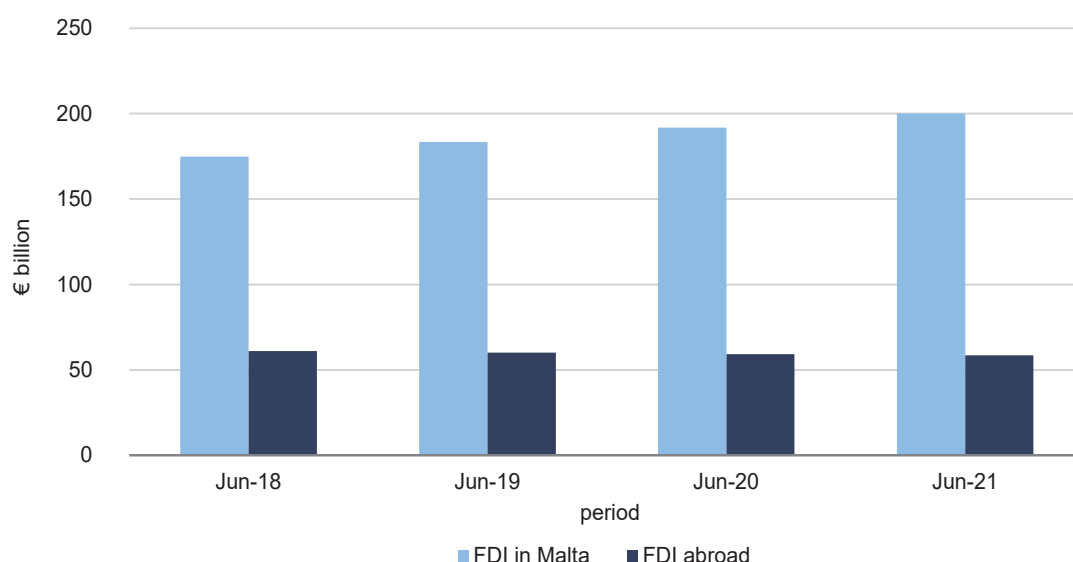
In June 2021, the stock position of FDI in Malta amounted to €200.2 billion, an increase of €8.2 billion over the corresponding month of 2020. Financial and insurance activities recorded the largest share at 97.5 per cent of FDI stocks in June 2021 (Table 3).

### Direct Investment Abroad

During the first six months of 2021, direct investment flows abroad totalled €3.2 billion, an increase of €3.0 million over the amount registered in the previous year. This change was mainly brought about by changes in claims on direct investors (Table 4).

The stock position of direct investment abroad stood at €58.5 billion in June 2021, down by €775.0 million over the stock position in 2020. Financial and insurance activities made up 99.5 per cent of total FDI abroad (Table 6) ■

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



Statistics in this News Release should be interpreted in the context of the COVID-19 situation.

Table 1. Foreign Direct Investment flows in Malta

€000

Economic activity	2018	2019	2020	Jan-Jun 2018	Jan-Jun 2019	Jan-Jun2020	Jan-Jun 2021
	Inward FDI			Inward FDI			
Equity capital	371,480	214,189	287,442	328,015	105,706	147,927	174,497
Reinvested earnings	1,036,349	1,099,709	1,182,753	453,141	518,176	526,064	346,273
Other capital	2,073,977	2,002,425	1,959,057	998,209	1,007,883	1,021,673	991,229
Claims on direct investors	-293,450	-398,822	-436,004	-187,170	-200,872	-202,118	-232,221
Liabilities to direct investors	2,367,427	2,401,246	2,395,061	1,185,380	1,208,755	1,223,791	1,223,451
<b>Total</b>	<b>3,481,806</b>	<b>3,316,323</b>	<b>3,429,251</b>	<b>1,779,365</b>	<b>1,631,765</b>	<b>1,695,664</b>	<b>1,512,000</b>

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

Economic Activity	2018	2019	2020	Jan-Jun 2018	Jan-Jun 2019	Jan-Jun2020	Jan-Jun 2021
	Inward FDI			Inward FDI			
Manufacturing	188,114	52,202	4,426	58,184	11,751	32,556	29,407
Transportation, Accommodation and Real Estate Activities	133,645	124,913	167,310	59,554	90,465	79,197	67,703
Financial and Insurance Activities	3,045,747	2,983,686	3,085,803	1,609,057	1,447,616	1,505,643	1,297,303
Information and Communication; Professional, Scientific and Technical Activities; Arts, Entertainment and Recreation	81,933	122,952	145,602	36,711	67,239	68,172	108,760
Other Activities	32,368	32,570	26,110	15,859	14,694	10,095	8,827
<b>Total</b>	<b>3,481,806</b>	<b>3,316,323</b>	<b>3,429,251</b>	<b>1,779,365</b>	<b>1,631,765</b>	<b>1,695,664</b>	<b>1,512,000</b>

Notes:

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Table 3. Foreign Direct Investment in Malta - stock position: Economic activity

€000

Economic activity	December			June			
	2018	2019	2020	2018	2019	2020	2021
	Inward FDI			Inward FDI			
Manufacturing	1,098,117	1,121,411	1,049,372	973,603	1,102,842	1,072,110	1,074,912
Transportation, Accommodation and Real Estate Activities	2,101,195	2,236,592	2,331,273	2,047,237	2,194,641	2,359,545	2,350,203
Financial and Insurance Activities	175,303,155	183,299,037	191,525,466	171,037,676	179,097,386	186,943,884	195,230,729
Information and Communication; Professional, Scientific and Technical Activities; Arts, Entertainment and Recreation	504,449	674,826	758,286	458,999	577,982	1,004,941	998,753
Other Activities	441,405	473,759	535,931	424,890	461,409	545,458	509,040
<b>Total</b>	<b>179,448,321</b>	<b>187,805,625</b>	<b>196,200,328</b>	<b>174,942,405</b>	<b>183,434,261</b>	<b>191,925,938</b>	<b>200,163,637</b>

Note: Figures may not add up due to rounding.

Table 4. Direct Investment flows abroad

€000

	2018	2019	2020	Jan-Jun 2018	Jan-Jun 2019	Jan-Jun 2020	Jan-Jun 2021
	Outward FDI			Outward FDI			
Equity capital	-756,051	-737,388	-709,495	-396,554	-355,519	-351,895	-354,529
Reinvested earnings	-5,188	-4,659	-4,747	-2,594	-2,289	-2,378	-700
Other capital	7,131,598	7,062,228	7,055,393	3,550,616	3,527,504	3,526,206	3,530,113
Claims on direct investors	7,101,936	7,034,488	7,021,701	3,534,194	3,516,665	3,509,440	3,512,446
Liabilities to direct investors	29,662	27,740	33,692	16,423	10,839	16,766	17,667
<b>Total</b>	<b>6,370,358</b>	<b>6,320,181</b>	<b>6,341,151</b>	<b>3,151,468</b>	<b>3,169,696</b>	<b>3,171,933</b>	<b>3,174,884</b>

Notes:

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Table 5. Direct Investment flows abroad: Economic activity

€000

Economic activity	2018	2019	2020	Jan-Jun 2018	Jan-Jun 2019	Jan-Jun 2020	Jan-Jun 2021
	Outward FDI			Outward FDI			
Manufacturing	15,490	11,802	11,024	10,422	6,292	5,513	5,507
Transportation, Accommodation and Real Estate Activities	-9,558	-10,224	-9,653	-5,052	-5,473	-4,932	-4,830
Financial and Insurance Activities	6,360,628	6,319,410	6,350,737	3,138,882	3,172,618	3,179,459	3,175,093
Information and Communication; Professional, Scientific and Technical Activities; Arts, Entertainment and Recreation	321	221	-14,337	1,842	-3,778	-8,641	-5,623
Other Activities	3,477	-1,026	3,380	5,374	37	535	4,737
<b>Total</b>	<b>6,370,358</b>	<b>6,320,181</b>	<b>6,341,151</b>	<b>3,151,468</b>	<b>3,169,696</b>	<b>3,171,933</b>	<b>3,174,884</b>

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	December			June			
	2018	2019	2020	2018	2019	2020	2021
	Outward FDI			Outward FDI			
Manufacturing	-11,226	-40,243	-51,185	-21,913	-34,881	-45,104	-56,049
Transportation, Accommodation and Real Estate Activities	251,698	252,374	252,526	240,152	257,411	264,425	273,302
Financial and Insurance Activities	60,194,151	59,265,716	58,529,613	60,603,918	59,782,800	58,860,273	58,173,232
Information and Communication; Professional, Scientific and Technical Activities; Arts, Entertainment and Recreation	10,569	121,068	-1,067	14,598	11,477	111,311	22,207
Other Activities	58,409	81,254	99,901	56,699	59,177	68,811	72,022
<b>Total</b>	<b>60,503,600</b>	<b>59,680,169</b>	<b>58,829,789</b>	<b>60,893,453</b>	<b>60,075,983</b>	<b>59,259,716</b>	<b>58,484,714</b>

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](#)

>Economy and finance

>Balance of payments - International transactions (bop)

>European Union direct investments (bop\_fdi)

For further assistance send a request from:

<https://workflow.gov.mt/Runtime/Runtime/Form/01+NSO+Request+for+Statistical+Information/?language=en>