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INVEST

FOREIGN DIRECT INVESTMENT

Malta is well positioned in terms of foreign direct investment appeal, fueled by a welcoming and progressive regulatory environment and a strong iGaming sector. According to UNCTAD's [World Investment Report 2023](#), FDI inflows to Malta reached USD 4.24 billion in 2022, in line with the figure recorded one year earlier. In the same year, the total stock of FDI was estimated at USD 225.1 billion, almost thirteen times the country's GDP. According to the NSO, foreign direct investment inflows were estimated at EUR 9.9 billion during the first six months of 2023. The main contributors were financial and insurance activities, accounting for 88.8% of the total. The aforementioned sector accounts for 97.7% of the total FDI stock (NSO).

The country offers a number of advantages to foreign investors: it is an EU member; offers a highly-skilled, English-speaking labor force at a competitive cost; holds a geographical position that gives it privileged access to the Mediterranean and North African markets; and has developed niche economies, especially in the area of pharmaceuticals. Malta has signed double taxation treaties with more than 50 countries, and the Government has also established a global pro-investment policy. Even if the corporate tax rate is set at 35%, the tax is actually much lower due to the participation holding shareholders are allowed to have. On the other hand, the country has a small domestic market, it is heavily reliant on the tourism sector, and has sizeable incoming/outgoing financial flows (offshore finance, online gambling industry, citizenship by investment programme). In line with [EU Regulation 2019/452](#), in 2021, Malta enacted the National Foreign Direct Investment Screening Office Act, which gives the [Office](#) authority to screen, assess, investigate, and eventually authorize foreign direct investments carried out by non-EU persons that may affect the security or public order in the country. In June 2022, the Financial Action Task Force (FATF) removed Malta from its grey list. The country ranks 25th among the 132 economies on the [Global Innovation Index 2023](#) and 50th out of 184 countries on the latest [Index of Economic Freedom](#).

Foreign Direct Investment	2020	2021	2022
FDI Inward Flow <i>(million USD)</i>	3,921	4,116	4,240
FDI Stock <i>(million USD)</i>	240,950	231,499	225,185
Number of Greenfield Investments*	7	14	17
Value of Greenfield Investments (million USD)	99	236	182

Source: UNCTAD - Latest available data.

Note: * Greenfield Investments are a form of Foreign Direct Investment where a parent company starts a new venture in a foreign country by constructing new operational facilities from the ground up.

WHAT TO CONSIDER IF YOU INVEST IN MALTA

Strong Points

Malta is a member of the European Union since 2004 as well as the Eurozone since 2008 and has interesting advantages for foreign investors:

- Malta is at a crossroads between the eastern and western Mediterranean and North Africa.
- A stable political environment made of two major political parties, both focusing on attracting foreign investors
- Robust economic growth (estimated at 4.8% in 2021 by the IMF)
- A competitive job market compared to other European Union countries with a productive and bilingual labour force
- A globally positive business environment with strong tax benefits and other investment incentives
- Modern infrastructure: Malta's free port serves 115 ports around the world, the international airport has direct flights to 37 major foreign cities and the country has a strong telecommunications system.
- A surplus in public and external accounts

Weak Points

The main weaknesses of the country are:

- The small size of its domestic market
- An economy devoid of natural resources and dependent on certain sectors, such as tourism (to which Brexit and the Covid-19 raise fears of significant impacts) or e-commerce
- An open economy dependent on global economic conditions
- Road infrastructure still deficient
- Lack of structural reform in R&D and human capital formation to enhance growth potential

Government Measures to Motivate or Restrict FDI

Malta provides incentives in many sectors to attract foreign direct investment. Most investments are in manufacturing, transshipment and servicing industries, in particular the manufacturing of generic pharmaceuticals, information technology and financial services. The government offers generous tax incentives for investments in industrial projects:

- Preferential taxation rates (5% instead of 35%)
- Tax credit on investments (up to 50% of the amount invested or 50% of the first two years' salary of new jobs created)
- Reduced taxes on reinvested profits
- Incentives for job creation
- Soft loans for promoters of industrial projects
- Indefinite work permits for shareholders with more than 40% shares

Additionally, Malta has a free trade zone, [Malta Freeport](#), which offers companies operating within it reduced taxation and investment tax credits.

In 2014, Malta introduced a citizenship programme, entitled the "[Individual Investor Programme](#)" (the "Citizenship Program"), which is targeted towards non-European Union nationals. The Citizenship Programme permits the acquisition of Maltese citizenship by a certificate of naturalisation to foreign individuals and families who contribute to the economic development of Malta.

INVESTMENT OPPORTUNITIES

Tenders, Projects and Public Procurement

[Tenders Info](#), Tenders in Malta

[Ted - Tenders Electronic daily](#), Business opportunities in EU 27

[Globaltenders](#), Tenders & Projects from Malta

[DgMarket](#), Tenders Worldwide

Finding Assistance For Further Information

Investment Aid Agency

[Invest in Malta](#)

Other Useful Resources

[The Maltese Ministry of Economy, Investment and SMEs](#)

Doing Business Guides

[Country Commercial Guide for Malta - ITA](#)

[Malta Tax Guide - Deloitte](#)

[Doing Business in Malta - UHY](#)

[Doing Business in Malta - World Bank](#)
