

Invest **IN** Malta



One of the most beautiful islands in the Mediterranean, Malta's strategic location at the commercial crossroads linking Europe, Africa and the Middle East, has ensured its geopolitical relevance throughout its 7,000 year-history. Once best known as a holiday destination with 300 days of sunshine in a year, Malta has skilfully reengineered its economy. Recognised for its pro-business attitude, state-of-the-art infrastructure and modest costs of doing business, it has become the go-to country for growth-minded entrepreneurs and multinational companies.

COUNTRY PROFILE

Malta's Moment Set to Last

Malta has flourished in the past few years, thanks in no small part to its diversified economy and the 'can-do-attitude' of its people.



Malta's international outlook and skilful economic management are paying big dividends as the island shines as a perfect example of how a small island state can live up to its full potential. Famous for its 7,000-year history and 300 days of sunshine, the country has emerged as one of the most remarkable success stories in southern Europe. Today, the island prides itself on boasting one of the best-performing eurozone economies, registering low unemployment and economic growth. Its sophisticated and sun-kissed lifestyle, coupled with an exceptional business infrastructure, makes it a fascinating destination for investors and travellers alike.

Home to a population of just over 421,000 people and being resource-poor, Malta's development has largely been attributed to its focus on knowledge and value-added industries. With tourism as a key foundation for its growth, in recent years Malta has created a viable and powerful marketplace, supported by sectors such as ICT, financial services, advanced manufacturing, maritime and life sciences. Gaining independence from Britain in 1964, the country's decision to join the EU in 2004, and later the eurozone in 2008, was integral to the expansion

of its horizons and bolstered its status as a key business hub in the Euro-Mediterranean region. With a new government elected in March 2013, Malta has also much to look forward to: the country has been chosen to host the Commonwealth Heads of Government Meeting (CHOGM) in 2015, to hold the EU Presidency in 2017, and its capital, Valletta, has been named European Capital of Culture for 2018.

At the Centre of the Med

Located at the southern tip of Italy and just over 316 square kilometres in area, the Maltese Islands lie virtually midway between Europe and North Africa, some 90 kilometres south of Sicily and 300 kilometres north of Libya. The archipelago comprises Malta, Gozo and Comino. The main island, Malta, is 27 kilometres long and measures 14.5 kilometres at its widest point. It takes just 45 minutes to cross Malta, reducing commuting times and increasing leisure time. The official languages are Maltese and English, with 90 per cent of Maltese being totally bilingual.

A rocky Mediterranean island with a dry and often windy climate, Malta enjoys a typical Mediterranean climate, with the average temperature ranging from 12 degrees in winter and 30

degrees in summer. The capital city Valletta is both the administrative and business centre of the country. Other main towns include: the popular sea-side towns of Sliema and St. Julian's on the west coast; the inland towns of Mosta and Birkirkara, situated in the centre of the island; and Paola in the south. While some 90 per cent of Maltese live in urban settings, there are numerous small villages that still evoke the traditional Mediterranean, rural way of life.

Outward Looking

Descendants of ancient Carthaginians and Phoenicians, with strong elements of Italian and other Mediterranean stock, the Maltese are said to be among the most international of people. With a history that has seen a succession of foreign rulers from the Phoenicians, the Romans, the Carthaginians, the Arabs, the Ottomans, the Knights of St John, the French and the British, the islanders have acquired a unique ability to adapt to new ideas and adopt, and improve, the best of them to their ultimate advantage.

Malta's population is also one of the most politically active in Europe, with elections seeing voter turnout regularly exceeding 90 per cent. Today, Malta is a parliamentary representative

AT A GLANCE



Population:
421,000 (2013)



Currency:
Euro



Sunshine: 300 days
of sunshine a year



Temperature:
Winter 12°C
Summer 31°C



Annual rainfall:
600mm



Time: 1 hour
ahead of GMT

Total GDP 2013: €7.2 bn
Real GDP Growth
Rate 2013: 2.4%

democratic republic, in which executive powers rest with the Prime Minister while the President fulfils the function of Head of State. Elections are contested, for the most part, by the two main parties: the Labour Party led by current Prime Minister Joseph Muscat, and the Nationalist Party headed by Simon Busuttil. The last general elections, in March 2013, resulted in a landslide victory for Labour, at the expense of the centre-right Nationalist Party which had been in power for 15 years. In April 2014, the island also elected a new president, Marie-Louise Coleiro Preca, Malta's second female president.

The Right Balance

The island's small, open economy has proven to be remarkably resilient in the face of the global economic downturn. Malta has posted positive growth figures over the past four years and has regularly been among the best-performing economies in the EU. In 2013, it registered annual real GDP growth of 2.4 per cent (eurozone: -0.4 per cent). The island's economic performance is projected to remain stable in 2014 and 2015, which means that Malta will continue to outperform the eurozone average. While unemployment remains characteristically low, Malta's government intends to achieve even stronger economic growth by reducing energy production costs, boosting employment through free childcare, introducing active labour market policies and reducing bureaucracy.

The former British colony

has earned plaudits from the International Monetary Fund, the European Commission and the international rating agencies for its macroeconomic policies and reform agenda. During the past decades, Malta has pursued powerful sector-specific development plans. Long popular as a safe and sunny tourist destination for sun-starved northern Europeans, Malta attracts 1.6 million visitors each year, and the tourism sector contributes some 25 per cent to the island's GDP. Another high-growth sector is financial services, now accounting for 12 per cent of GDP. Life sciences and digital media are joining the traditional economic generators and creating a solid base of diverse operations from which Malta is competing on an international level. The maritime industry is one of the oldest, and today Malta is home to the largest ship register in Europe and is one of the major logistics providers in the Mediterranean. The country now aims to replicate this success in the aviation sector and has introduced new legislation to help achieve this. Malta's biggest weakness is its dependence on imported energy sources. However, the country has recently attracted foreign investment into its energy sector, while oil and gas finds elsewhere in the Mediterranean are attracting renewed interest in exploration in Maltese waters.

Gateway to Growth

With its successful economic track record, it is no surprise that Malta has constantly attracted steady inflows of foreign direct

investment (FDI) across all sectors of its economy, but with the finance sector accounting for over 80 per cent of the total. Malta's FDI stock position reached €11.4 billion at the end of June 2013. Providing access to the EU's single market, Malta's proximity to, and cultural links with, North African and Middle East countries are particularly attractive to companies that use the island as a stepping stone for trading, distribution and marketing of their international operations in Southern Europe and North Africa. Some prominent companies which have invested in Malta are HSBC, Microsoft, Playmobil, Uniblu, Betfair, Cardinal Health and Lufthansa Technik.

In addition to the historical and strong commercial links with Italy and the UK, Malta also enjoys healthy trade with France, Germany and Greece. Malta's exposure to international commerce is one of the highest worldwide, and the country's leaders are constantly working on developing new ties with foreign governments in order to facilitate worldwide market access for all industries. Trade with Asia (mainly China and Singapore), Russia and the US is increasing.

Moving Forward

Malta has attracted admirers for its success in transforming itself from a British military outpost into a well-functioning economy. The island now pushes itself

towards a more innovation-driven economy, as there is increasing awareness that raising productivity and increasing efficiency are critical if growth is to be sustained. Based on the positive experience of recent years, the island's leaders are optimistic that the ambition and flexibility of its people, qualities that are a direct result of the colourful history that makes the country so fascinating, will guarantee Malta's status as a centre for international business in the years ahead. ■



"Malta has successfully diversified its economy, creating high value-added

job opportunities that have raised the living standards. The performance of the Maltese economy remains positive. While our cost competitiveness was always a key element, we are now gearing up to become more efficient and productive in order to remain competitive." Prof. Josef Bonnici
Governor Central Bank of Malta



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INTERVIEW

A Lasting Relationship

Malta's diverse and growing economy, in combination with its forward-thinking, professional business community, helped the island to win foreign investment, explains Malta's Prime Minister, Dr Joseph Muscat.



The President of Germany, Joachim Gauck, recently described Malta as a trusted, reliable and stable partner in Europe. Could you give us a brief overview of Malta's economic and social profile, and do you believe Malta could be a role model for other states?

The driving force behind Malta's past and current success is that we are open for business. We attract entrepreneurs from all over the world. They come because Malta is a fantastic place to grow a business. We have a skilled workforce, first-class technology and communications, the English language and a pro-business environment. Investors also comment favourably on our 'can-do attitude'. This is perhaps what differentiates us. There is a spirit in Malta to always do better. I often say the best of Malta is yet

to come. Our long-term vision is to be the best we can possibly be within our European family.

Malta celebrated 10 years of EU membership in May 2014. How would you describe Malta's EU experience thus far, and how do you see relations develop in the next years?

2014 also marks the 50th anniversary of independence and the 40th anniversary of being a republic, so it's time to reflect on just how far Malta has come. We play a full part in European affairs. When the EU, led by Germany, came to the aid of Greece, we contributed too. But I do think the EU has to recognise the problem

“Malta has benefited greatly from German expertise, and we are always pleased to see German entrepreneurs arriving and succeeding.”

that Mediterranean countries face with irregular immigration. There needs to be a sharing of the burden and a whole new approach to tackling this problem. We should not tolerate human trafficking and the tragic incidents of overcrowded boats capsizing in the Mediterranean Sea with a huge loss of life. On

the economic front, I would suggest there is a need to shift from austerity towards stimulating the European economy.

Malta's economy, the smallest in the European Union, is set to outperform the European Union. How has Malta been influenced by

the recent turbulences in the eurozone, and do you believe Malta has yet to unleash its full economic potential?

Our economy is performing well. We did not suffer in the way others did. Our banks needed no bailouts. Debt did not soar. We have high levels of employment, and our economy is growing. All sectors of the economy are contributing to this growth, especially finance and manufacturing. Tourist arrivals are at record levels. New companies are setting up, and order books are healthy. And we are keen to diversify further. Our next big project is to develop a maritime

hub. We already have the biggest shipping register in Europe, and the hub will provide state-of-the-art facilities for the shipping industry. It will complement Malta's aviation park, which attracts business from around the world. Malta has enormous potential to develop further. We are investing in education, developing a digital economy, introducing free childcare to increase female participation in the workforce and greatly reducing energy tariffs to increase disposable income for families and reduce business costs.

Malta has close ties with Germany in a diverse number of sectors and has attracted high levels of German foreign direct investment. What makes Malta so attractive to foreign investors?

Malta has benefited greatly from German expertise, and we are always pleased to see German entrepreneurs arriving and succeeding. It is a two-way relationship. Foreign investors find Malta a first-class location to grow a business, and we benefit from job creation and an injection of talent. We are careful to ensure Malta is an attractive proposition. Highly qualified professionals relocating to Malta can benefit from a tax rate of 15 per cent, while Malta Enterprise, our economic promotion agency, guides new arrivals, helping them at every stage. And we as a government listen to business. We are flexible and anti-red tape.



INTERVIEW



Your government has been placing a greater focus on sectors such as energy, life sciences and the digital industries. Which areas provide the most opportunity for foreign investment and cooperation in Malta?

They all do. Malta has a vibrant economy expanding in many directions. The energy sector has proved appealing to Chinese multi-nationals. A multi-million investment in life sciences has begun. And we recently launched Digital Malta, a strategy to keep us ahead of the game in information and communication technology for the coming years.

In particular, Malta's International Finance Centre has flourished in recent years. What are the main reasons for this growth?

We have solid, responsible regulation. That's the bedrock of good

finance. But we don't stifle the sector with bureaucracy. Responsible regulation allows the sector to flourish. The reputation of the financial services sector was actually reinforced because of the resilience and stability it showed during the financial crisis.

Malta will assume the EU Presidency in 2017. What issues will feature high on your agenda, and what are your intentions to encourage member states to be more supportive of each other and work in solidarity together?

It is a little too early to set the agenda yet, but we will work to strengthen Europe and promote economic growth and

“Malta has an important role in bringing the EU and the Mediterranean closer together. We have been supportive of attempts to establish democracy and the rule of law in Libya, and we have good contacts with other Arab Spring states.”

social justice. The Mediterranean region will of course be high on our agenda, and we will keep promoting further cooperation with our southern neighbours.

What can Malta and Germany do to refocus the European Union on the Mediterranean region?

Malta has an important role in bringing the EU and the Mediterranean closer together. We have been supportive of attempts to establish democracy and the rule of law in Libya, and we have good contacts with other Arab Spring states. There are many issues that are important to us all, from energy to immigration and trade. We keep telling our

partners in Europe not to ignore the importance of good relations with countries to the south. The EU – Africa summit held in Brussels in April was a good opportunity to explore the opportunities that stronger relations between the two continents can provide.

How would you like Malta-Germany relations to develop and improve?

We have very good relations, and I hope the relationship strengthens further. It is a particular pleasure for us in Malta to host Germans who come to improve their language skills. Some Germans come for a couple of weeks for intensive courses in English, but that is usually enough to create a lifetime bond. They fall in love with the Mediterranean lifestyle, and we know they will be back, maybe just for a holiday but often to do business.

Valletta has been chosen as the European Capital of Culture in 2018. What is the key message that you would like to get across about your country?

It is a brilliant opportunity for us to showcase Maltese culture. The truth is Valletta is a gem that many people have yet to discover. It is a wonderful place to wander around and absorb. The history is overwhelming. And, of course, German noblemen, as members of the Knights of St John, contributed to its construction. So, the special bond between Germany and Malta has been in existence for a very long time. ■



PALMALI HOLDING

THE PALMALI GROUP OF COMPANIES



10 YEARS OF EU MEMBERSHIP



A Model of Success

Ten years after joining the EU, Malta bucks the trend of EU economic crisis and is set to use its influence at the EU top table to revive the Union's relationship with its Mediterranean neighbours.

Malta is one of the European Union's most astounding success stories. The small Mediterranean island has made incredible strides in transforming itself into a modern, competitive economy since it joined the European club in May 2004. Accession helped the country to open new markets and to win investment from many multinational companies, while capital from the EU has flowed into Maltese businesses and infrastructure projects. Before the island's EU entry, the population was nearly equally divided in a yes and a no camp. However, a decade later over two-thirds of Maltese think that Malta has benefited from its membership.

Today, Malta is a stable and mature European country that speaks confidently for itself in Europe and in the wider world. In Germany, the 2004 enlargement is often referred to as the 'eastern enlargement', even though it had a strong Mediterranean dimension.

Today, Malta's reputation as an interlocutor between the EU and the North African Mediterranean rim states is taking on ever-greater importance as these countries are seeking to bolster their ties with Europe. In 2017, the small island nation takes on the presidency of the Union for the first time and is determined to make the EU's future agenda more innovative and ambitious.

The Road to EU Membership

Malta's road to the EU was long and not an easy one. Having won independence from the United Kingdom in 1964, the island signed an association agreement with the European Economic Community in 1970. Full EU membership was viewed with a mixture of excitement and fear, and it was not until 1990 that the island officially applied for membership under a Nationalist government. Initially, the island's Labour party was sceptical over the impact of joining the EU, and after gaining

power in 1996, it withdrew Malta's application. The government at that time preferred to negotiate a free trade agreement with the EU.

But Malta's EU application was destined to be reactivated when the Nationalist Party was re-elected in 1998 after a snap general election. A referendum was held in March 2003, putting the EU membership issue in the hands of the Maltese people. The pro-side, led by the governing Nationalist Party, won by a comfortable 54 per cent; and in May 2004, Malta became a member of the European Union. Respecting the democratic will of the majority of the population, the Labour Party changed its historic anti-EU policy in the years that followed, and Malta has subsequently achieved cross-party consensus on EU matters.

Competitive Economy

Today, EU membership is an accepted feature of Malta's landscape. It has made Malta part



"The Maltese Government is committed to making the Maltese Presidency one

which will leave lasting results, both in terms of economic growth of EU member states and in terms of improving the lives of all EU citizens. Our geographic location will also play a role and we want to bring the Mediterranean back on the European agenda."

Louis Grech
Deputy Prime Minister / Minister for European Affairs and Implementation of the Electoral Manifesto



"Access to EU funds has changed the face of the Maltese Islands. They have

been used as a strategic tool to support infrastructural requirements, to back educational and training initiatives, as well as to strengthen the health sector and the environment. We always aim to make the best use of EU funds, and are also keen to see more private sector companies to benefit from EU funds."

Dr Ian Borg
Parliamentary Secretary for EU Presidency 2017 and EU funds

10 YEARS OF EU MEMBERSHIP

of the EU's 500 million people-strong single market, and today Malta's economy bears little resemblance to the package-tourism cum mass-production structure it was just two decades ago. Sophisticated knowledge industries, services, niche tourism and high-value added industry now form the core of the economy. In particular, the island excels in areas such as financial services, eGaming as well as transport and logistics, all sectors in which companies service customers across the 28-nation bloc. Its economy is the envy of fellow EU members. It grew by 2.4 per cent last year, and the island posted positive economic growth in eight out of the past ten years, despite the challenging economic times in Europe.

Malta's recent economic results would have been hard to conceive without the impetus of EU membership and the adoption of the euro that followed in 2008. The island undertook wide-ranging, and often painful, reforms such as the public transport liberalisation, the privatisation of the shipyards as well as an overhaul of the energy sector and the tariff structure. International standards and best practices were introduced in all areas of commerce, both to reach compliance with EU regulations and to ensure the island's long-term competitiveness in a rapidly changing world market. The country's agility in adapting and implementing the new legislation, policies and reforms worked to its advantage as it has given Malta a solid base

upon which to conduct business and facilitate investment.

Modern Malta

Naturally, the EU has also left its mark on many areas of public policy from health and safety to food standards and gender equality. In 2007, Malta also became part of the Schengen area, enabling passport-free travel across national borders. The EU's impact on society is today also visible in Maltese students embarking on Erasmus programmes and in the presence of workers from other EU countries. Over 21,000 foreigners, about 5 per cent of the total population, are currently living in Malta and contributing to the island's economy, with the majority of them being European Union citizens. With 300 days of sunshine in a year, idyllic seafront properties and efficient flight connections to many major cities, it is easy to see why Malta is attracting many career-oriented expats who work in the island's growing economy.

Despite initial fears for the capacity of the Maltese economy to compete in this new and more challenging environment, Malta has become a great believer in a Europe based on solidarity and the single market. Although in agreement with most of the current EU policies, Malta has no problem expressing its opposition when it disagrees strongly. As the EU's southern border facing the African continent, Malta continues to seek greater member state solidarity on migration issues and is ready

to stand its ground on issues such as tax harmonisation.

Time to Shine

Malta's second decade in the EU also requires new plans and ambitions. The island's vision is to lift Malta to the upper echelons of the EU in terms of GDP per head and standard of living over the next decade. With a rich history and enduring traditions, Malta has also earned the honour to become the 2018 European Capital of Culture, an accolade that will shine the spotlight on the Mediterranean island and is sure to bolster its already thriving tourism industry.

In 2017, Malta will also hold its first presidency of the European Union which will give the island an opportunity to influence key EU decisions and set the agenda of the 28-nation bloc. In particular, the country would like to focus on the Mediterranean region and the EU's relations with non-EU countries.

A Global Role

Geographic location, culture, history and economic relations are the key principles that have determined Malta's geopolitical relevance as a European and Mediterranean country throughout the years. Rather than losing its influence, EU membership has strengthened this tiny island's role in the Mediterranean. The island today helps to shape the EU's course while pursuing a proactive Mediterranean policy. Malta has clearly shown that even a small country, at the periphery of Europe, can prosper in the EU. ■



"Malta seeks to project the EU's friendly face to its neighbours to the south of the

Mediterranean. Inversely, as a country with a deep understanding of its southern neighbours and the Arab World, Malta seeks to be a voice sensitive to their realities within the EU."

Dr George Vella
Minister for Foreign Affairs



"Malta has a small market but a very open economy. EU initiatives such as

the protection of consumer rights and the harmonisation of product safety standards safeguard Maltese internet consumers while giving clear guidelines to Maltese companies operating in the EU's 500-million people market."

Dr Helena Dalli
Minister for Social Dialogue,
Consumer Affairs and Civil Liberties



FOREIGN DIRECT INVESTMENT



An Island of Inviting Possibilities

Malta is hitting the fast lane with a drive to increase its investment competitiveness and is attracting companies and capital from Europe, Asia and the US.

Malta already has a global reputation for being a high-quality hub for the maritime, manufacturing and financial services industries, but investors are also becoming increasingly upbeat about the opportunities that Malta offers in emerging areas such as life sciences, digital media and aviation. Flexibility and adaptability are key elements of Malta's economic development strategies, and these traits help the island to constantly innovate and diversify its foreign investment landscape. This has encouraged international investors to do business in the favourable environment created and maintained by the Maltese authorities. Among the cornerstones of Malta's appeal is its world-class business environment, cutting-edge technology, competitive labour costs, highly educated workforce and the enviable quality of life. And as many new businesses are discovering each year, Malta is the perfect gateway to European and African markets for international companies.

Investment Magnet

Two decades ago, the country decided to transform its economy by shifting the focus

away from low-cost manufacturing and package tourism to knowledge-based industries and high-end manufacturing in order to keep up with global developments and remain competitive as an investment location. The island's visionary strategy proved successful, and in recent years Malta has attracted investment across a wide range of economic activities, including financial services, digital gaming, high-end manufacturing and aircraft maintenance. At the end of June 2013, Malta's FDI stock position was estimated at €11.4 billion. Malta's key source for FDI is the EU, with €8.4 billion, or 73.2 per cent of the total. Much of the FDI goes into Malta's financial sector. In fact, financial and insurance activities account for almost 80 per cent of total FDI stock.

Some 250 FDI companies operate in Malta. German toy manufacturer Playmobil and French-Italian electronics manufacturer ST Microelectronics were among the first to arrive in the 1970s and 1980s. In more recent times, German heavyweight Lufthansa Technik chose the island as a location for a multi-million euro aircraft maintenance centre, and was followed by Swiss-based aircraft maintenance

company SR Technics. Malta's pharma and biotech sector has attracted a host of companies, including Actavis and the Arrow Pharmaceutical Group, both owned by US-headquartered drug giant Watson Pharmaceuticals.

With finance accounting for the lion's share of FDI in Malta, it comes as no surprise that international banks such as Deutsche Bank, HSBC and Banif Bank, and insurance companies like Munich Re, Aon and Marsh have set up operations in Malta. Fund administrators Amicorp, Citco and Custom House are also present on the island, as well as a selection of Fortune 100 companies that have structured financial operations in the country. Malta's IT sector has probably attracted the largest number of companies. In addition to software developers like Uniblue, many eGaming companies have chosen Malta because it was the first EU country to regulate online gaming. The island is also increasingly ranked on decision makers' shortlists when it comes to choosing the location of their international and regional headquarters. Konica Minolta, FimBank and HeidelbergCement are just some of the corporations that have located corporate management functions on the island.



"By the end of this decade Malta will be a significant international hub in a number

of excellence-driven high value-added sectors. We will be pursuing our foreign direct investment targets precisely and intelligently focusing on niche sectors in which we enjoy clear competitive edge. These niches are situated within the life sciences, digital creativity, bioinformatics, aviation maintenance and overhaul, high-end engineering and the provision of higher education and training for the Markets of Southern Europe and the Mediterranean region."

Prof. Mario Vella
Chairman, Malta Enterprise



"Malta is attractive to foreign investors due to: its geographical position; a

highly skilled workforce with the readiness to learn and train, as well as language abilities; its high level of productivity; and political stability. There were policies which hindered investment as well, but we have already started to address these, by for instance, reducing red tape."

Dr Christian Cardona
Minister for the Economy,
Investment and Small Business

FOREIGN DIRECT INVESTMENT

Innovative Spirit

Never one to rest on its laurels, Malta is seeking to widen and expand a number of economic sectors and push them into the investment world's limelight. While already a major player in the eGaming sector, Malta is now focusing on digital games development and the wider creative industries. Providing research and development incentives, information security and intellectual property rights, Malta has also begun to exploit its advantages as a base for science and technology companies, aiming to attract a diverse range of biotech firms, IT start-ups and corporations engaged in other knowledge-intensive activities. Having built up Europe's largest maritime register, the island is now placing an emphasis on the wider maritime industry. Plans to develop a Maritime Services Park are aimed at attracting foreign and local investment into this lucrative industry.

The Right Environment

Leading the way in attracting foreign investment to the island is Malta Enterprise. The agency is armed with an attractive package of incentives which includes soft loans, investment allowances, training grants, tax incentives and the provision of ready-built specialised factory space. Malta has also introduced a wide range of incentives related to R&D which have attracted investment to this area. While incentives are important elements, the underlying strengths of Malta are its loca-

tion and the ease of access that it offers into surrounding markets.

Situated two to three hours by air from Europe's major cities and well connected to other parts of the world, Malta's EU membership provides companies with access to the Union's massive internal market of over 500 million people. At the same time, the country has sought to promote itself actively in overseas and developing markets and is an ideal jumping-off point for accessing the growing markets of the region, including Libya, Egypt and Tunisia.

Pull Factors

Malta's approach places a strong emphasis on meeting the requirements of the knowledge economy through the creation of clusters of related activities. It already boasts 10 industrial parks and is now focusing on the provision of sector-specific infrastructure and the associated value chains. A cluster development dedicated to the aerospace industry, the Safi Aviation Park, has already been completed, and some €35 million is being invested in the Life Sciences Park, a biotech park that will provide laboratory space to life sciences companies. A Dubai-style IT and media village, SmartCity Malta, is also under development.

Foreign companies based in Malta comment favourably on their experiences with local employees in terms of productivity, profitability, dependability and rapid response times. Indeed, Malta's flexible, highly trained and multilingual workforce is



the country's most valuable asset, with wages below the Western European average. Maltese workers are well educated and qualified, as a result of recognition on the part of the Maltese authorities that higher value-added products require better and more flexible workforce skills.

Big Ambitions

Despite the global decline in investment caused by the international recession, Malta has been successful in sustaining steady inflows of foreign direct investment over the past few years. This bodes well for the island's future performance in attracting FDI. Now also targeting investment in sectors such as creative industries, sciences and technologies, the path for the years ahead has already been laid. The island is also keen to direct future foreign capital into infrastructure-related projects. Sectors such as energy, waste and transport may be developed on a public-private-partnership-basis. In addition, the oil and gas sector has been

singled out as an opportunity area, both in terms of offshore exploration and the provision of services to oil companies, drilling contractors and pipe-laying firms based in Malta. With a host of other sectors, among them education and health, offering similar opportunities for investment, the island is confident that it has found the right niches to compete in for global investment on a level playing field. ■



"Throughout history, Malta's strategic position has been key to the island's fortunes.

Malta is a member of the European Union, has the third largest port in the Mediterranean and is only six miles offshore from the world's biggest shipping route. Malta is set to benefit from the forecast growth in world trade and with its English speaking population is well positioned to serve international companies looking to bridge into Europe or North Africa from the island."

Mark Watkinson
CEO, HSBC Bank Malta

German Investment in Malta: An Ever-Growing Potential

The plane that you are on is very likely to have been serviced at Lufthansa Technik's facility in Malta. To many this is a surprise: how can such a small island like Malta have such an industrial tradition to sustain Lufthansa Technik's second largest maintenance and repair operations facility in Europe, outside of Germany. Lufthansa Technik is symbolic of a whole array of German investment in Malta, which today represents the largest community of foreign direct investment in the country. Important German contributors to Malta's economy include Playmobil, Oil Tanking Deutschland, Prominent Fluids, Siemens, Piltz and IBG Automation - the latter being the latest addition to such a fine list of continuously growing German interest in Malta. For over 50 years, German investment has flourished, especially in mechanical and precision engineering, electronics, IT and medical technology. The German business community in Malta directly employs almost 3 per cent of Malta's working population. Besides German companies, Malta also hosts substantial foreign direct investment from other countries such as the US, UK, France, Italy, the Middle East and China. Such investors benefit from a quality conscious, English-speaking and cost-competitive workforce; business-friendly taxation supported by over 85 double-taxation agreements with most of the industrial countries of the world; and a traditionally stable economic and social climate. Malta is strategically based to support international companies seeking to consolidate their operations and market access to Europe, North Africa and the Middle East.

INTERNATIONAL FINANCIAL SERVICES



Driving Financial Diversity

Malta has developed into a vibrant, popular and respected international finance centre, challenging and competing with the top domiciles in the world.

Malta's financial services sector is the nation's pride as it has propelled the small Mediterranean island into the ranks of the leading finance centres of Europe. Financial services have become one of the country's most important economic generators, registering impressive year-on-year growth and attracting international attention – all achievements made against the backdrop of one of the worst financial crises in history. One reason for the island's resilience is the growing range of activities offered by Malta's International Financial Centre (IFC) which include banking services, insurance, investment funds and wealth management. Attracted by EU-compliant legislation, a competitive business environment, access to key markets and a pool of highly trained professional service providers, some of the world's top-rated financial firms now base their operations in Malta.

Economic Generator

The finance sector has expanded by around 25 per cent annually in

recent years. It now accounts for some 12 per cent of the island's GDP and provides close to 10,000 jobs. While bigger economies have been rocked by the global financial crisis, Malta's finance sector has been given a clean bill of health by rating agencies, the EU Commission and the International Monetary Fund (IMF). The country's banks did not require government assistance, and their strong capital reserves and liquidity ratios continue to serve them well. Offering both security and flexibility to investors, Malta is increasingly being seen as an alternative to established European finance centres such as Dublin, London and Luxembourg.

Financial Diversity

For an island of just 421,000 people, Malta has built up a remarkably diverse financial services portfolio. The country's banking sector was one of the first to embrace an international approach. More than 25 banks have established operations in Malta – although only a handful of these are active in the local market. Most use the island as a platform

from which to conduct specialised asset financing, corporate banking and trade finance services. The insurance sector has also experienced an upsurge of interest due to the presence of expert insurance management services and EU passporting rights. Today Malta is among the leading European captive insurance domiciles.

The fund sector began to expand soon after the introduction of a specialist regime for alternative investment funds, known as Professional Investor Funds (PIFs), in addition to EU-certified UCITS funds. Malta now hosts over 615 funds which had a combined net asset value of €9 billion at the end of June 2013. The strength of Malta's fund sector is evident in the fact that the country was voted as the favoured European fund domicile in Hedge Fund Review's 2013 Service Provider Rankings. Corporate formation has long been one of the most important areas of business, and the island's register today lists around 60,000 companies. More recently, Malta has developed into an important wealth management location. The country's wide range

of investment vehicles, which includes trusts and foundations, are increasingly utilised by high-net-worth individuals, wealth managers and family offices.

Big & Boutique

The island has gained a reputation as a jurisdiction for smaller financial services companies and start-ups, which offer clients more personalised services than those provided by the bigger firms. But as Malta's status as a financial centre has grown, the island has also attracted international credit institutions such as Deutsche Bank, HSBC, Banif Bank and FIMBank. Malta is home to nearly 30 fund administrators and 60 insurance companies, ranging from well-known international



"Companies are being attracted to Malta largely on the basis of a pro-active MFSA which

seeks to combine high-standard regulation with efficient response to industry and consumer needs."

Prof. Joe Bannister
Chairman, Malta Financial Services Authority



"Malta is in my view equally attractive for non-EU based financial services operators,

particularly those in the Middle East, US, Latin America and Hong Kong/ China to do business in Europe through Malta."

Kenneth Farrugia
Chairman, FinanceMalta



INTERNATIONAL FINANCIAL SERVICES



Photo: Alan Cavallaro

names to smaller, niche establishments. Fund administrators such as Citco, Apex and Custom House all have a presence in Malta, along with insurance managers such as Munich Re, Aon and Marsh. In addition, a number of Fortune 100 companies have set up captives on the island, including multinationals such as BMW, Peugeot, Citroën and Vodafone. Malta also boasts considerable expertise in the field of trusts and foundations, including many legal firms with in-house trust companies along with international organisations.

Driven by Regulation

A major part of Malta's success can be credited to the country's robust regulatory framework. Its legislation is in line with EU law and has facilitated a commercially secure business environment from which international investors can operate. The country has gained a reputation for striking a good commercial balance, providing an appropriate legal framework without over-regulating in a way that might inhibit growth and innovation. All financial services are overseen by the Malta Financial Services Authority (MFSA). As a result, companies benefit from streamlined procedures, reduced bureaucracy and lower regulatory fees. The MFSA is open and approachable and offers face-to-face meetings with international companies seeking to operate from Malta – a level of access which is rare in other finance centres.

A Focus on Talent

Human capital investment is at the core of much of Malta's success. From home-grown talent to experienced international financial sector professionals, Malta offers a diverse talent pool. A high proportion (60 per cent) of Maltese students continue to third-level education, with law, accountancy and management among the most popular subjects. In addition, industry-specific training is offered by a number of institutes. The country has also introduced tax incentives for highly qualified foreign professionals working on the island, who benefit from a flat income tax rate of just 15 per cent.

Well Connected

EU membership has provided Malta with access to the Union's massive internal market of over 500 million people, and unsurprisingly, Malta's most important commercial relationship is with the European Union. The island has also sought to promote itself in overseas and developing markets and has negotiated favourable tax treaties with powerhouse growth markets such as China, India, Hong Kong and the US, with some 70 tax treaties in total. Malta's geographic position in the middle of the Mediterranean, and its close proximity to North Africa, also make it a good stepping stone for financial companies wishing to target the Arab world.

Strong Financial Ecosystem

New companies setting up on the island find many helping hands. FinanceMalta; a non-profit public-private initiative set up to promote the financial sector, is the first point of contact for investors and financiers who soon find that the island's professional services firms offer a wealth of knowledge and experience. Most law firms are affiliated with international networks, and many lawyers have post-graduate degrees in finance. In addition, each of the 'Big Four' accountancy firms has a presence in Malta and, together with the smaller accountancy and auditing practices, service international clients. Malta also offers significant cost advantages. Legal and accounting fees are lower than in most other European jurisdictions, as are other operational costs and salaries which are 30 to 40 per cent less than in more established centres.

Emerging Business

With a track record of outstanding recent achievements, Malta still has ambitious plans for the future. The country is expanding its portfolio into profitable niche areas such as the recently developed pensions sector. Malta already hosts 32 retirement schemes. Another emerging area is that of eFinancial services, and it is hoped that more online banks, credit card issuers and foreign exchange businesses will base themselves in the country. The island is

also establishing a presence in the global forex trading market and is positioning itself to become a centre for Intellectual Property (IP) holding companies, international arbitration, Islamic finance and financial software development.

Rising to the Top

Malta's success as an international finance centre is underpinned by its robust regulatory framework. The government remains focused on expanding the sector and developing its reputation as a stable financial centre that is international in outlook and reach. The opportunity is there to ensure that Malta will not only be seen as a financial centre of the Mediterranean but as part of the global financial system. ■



"Malta's strategic position in the centre of the Mediterranean with direct links to Europe, North Africa and the Middle East together with the availability of an Arbitration Centre and a legal regime relating to arbitration which is based on and conforms to international standards makes Malta an ideal venue for international arbitration."

Dr Owen Bonnici
Minister for Justice,
Culture and Local Government

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The Quest for Jets

Flying high – huge investments over the past years have turned Malta into a recognised address for aircraft registration and aviation services.

Malta's aviation sector is buzzing with activity, as the country has built up a cluster of highly respected and well-recognised companies in a short span of time. A new legislative framework contributed towards Malta's transformation into a competitive location for both private and corporate jets, positioning the island as an aviation centre of excellence that offers everything from registration and finance to repair, maintenance and training.

Registration & Leasing

Thanks to an appealing regulatory framework and continued investment from the government, as well as private companies, Malta is well on its way to becoming a serious competitor in Europe's aircraft registration and management industry. More than 150 aircraft are now registered in Malta, up from about 80 at the end of 2010. Corporate charter airlines such as Comlux, Orion Malta and Carree all registered aircraft in the country. Malta's aircraft registration legislation, introduced in October 2010, offers an easy registration procedure for private aircraft and has been designed to accommodate the most demanding structures and trends in aircraft

ownership. The Civil Aviation Directorate at Transport Malta also provides an attentive, personal service to companies choosing to set up on the island due to the current register size. The country has also implemented the Cape Town Convention, now widely recognised as a market standard in aircraft finance transactions. The ratification of the convention places Malta at the forefront of the EU, and the country is the only member state besides Ireland that has done so. In addition, the regulator has developed a procedure for aircraft leasing, and VAT payments are only due for the time an aircraft is being used in the European Union. With 40 per cent of the world's aircraft being leased today, aircraft leasing proves to offer tremendous opportunities for Malta to position itself as a Mediterranean hub alongside established or emerging centres, such as Dublin or Singapore.

Service & Maintenance

Malta also possesses a sound infrastructure for aircraft maintenance, repair and overhaul (MRO). Companies such as Medavia and Aeromaritime have been operating in the country for a long time; but the arrival of Lufthansa Technik, which began servicing aircraft in

Malta in the early 2000s, is considered as an important milestone in this regard, prompting other companies to follow suit. A major boost for Malta's aviation industry was the inauguration of the new €17 million, 200,000-square metre Safi Aviation Park in 2012, which hosts a number of business aircraft operators and MRO facilities. The government sees this development as instrumental in attracting more large aircraft-leasing and charter companies, thus sustaining the industry's upward trajectory. Given the island's strategic location, Malta is also emerging as a key European location for crew and pilot training.

Expansion Mode

Malta has all the right elements in place for aviation to grow and prosper. With a rapidly growing aircraft register and appealing legislation for aircraft finance, Malta's aviation industry looks set to continue its extraordinary expansion. When one adds to that Malta's enviable physical infrastructure, strategic position, established industry base and English-speaking workforce, it becomes clear that invest-

ing in Malta's aviation sector is a unique opportunity. ■



"Our continued investments promoting Malta as an aviation centre of excellence

augur interests from companies from the US and the Far East to set up shop on the island. Malta gives them further reach and accessibility to Europe and Africa. These are not only companies interested in registering aircraft but also design, manufacture and production organisations." Dr Edward Zammit Lewis
Minister for Tourism



"The Maltese aviation sector has been overhauled by introducing novel concepts

such as fractional ownership, the registration of security interests, and the registration of private aircraft and aircraft under construction. This has brought about a significant presence of international operators together with maintenance, repair and overhaul facilities." George Borg Marks
Director General for Civil Aviation, Transport Malta



MARITIME

Powering Global Shipping

Malta, with a population of just over 420,000, controls over 5 per cent of the world's superyacht fleet and has built up Europe's largest flag register.

Photo: Kenneth Serrri / vespa@malta.com

After successfully reinventing its centuries-old shipping industry, Malta's maritime cluster today operates globally. The island has become the flagship register of European vessels, and the island is widely recognised within the industry as an efficient and profitable location to do business. Key to this success has been Malta's well-run international maritime register where high service and safety standards are attracting clients from as far away as Asia and Latin America. In parallel with its strong shipping register, Malta has also cultivated world-class support services to provide the best possible

facilities and expertise for ship owners, financiers and operators who choose to become a part of Malta's rich maritime industry.

Maritime Vocation

The island's strategic location midway between Europe, the Middle East and North Africa has seen it used as a transshipment hub for thousands of years by everyone from the Phoenicians to the Order of St John, with the latter responsible for transforming Valletta into the harbour city it is today. By the 17th century, Malta was a centre for trade, while under British rule in the 19th and 20th centuries it was a major naval

base. The picture today is perhaps less colourful, focusing on commercial and leisure shipping, but history has bequeathed Malta a strong maritime culture, with the island offering some of the best facilities in the Mediterranean.

Cluster Dynamics

The island's rapidly expanding maritime community caters for practically all maritime requirements, and over the years its service providers have become renowned for their knowledge, commitment and attention. The Malta Freeport, the third-largest transshipment and logistics centre in the Mediterranean, is one of

the largest players. It is operated by CMA CGM, with the Yildirim Group of Turkey being a major shareholder. Malta also boasts a wide network of maritime lawyers, agents, brokers, insurers and ship-finance banks. In addition, Turkish company Palmali and Norwegian ship owner Wilhelmsen have a presence on the island, while almost every shipping line and company today has ships on Malta's register.

First in Europe

Malta's maritime sector has long been the jewel in the crown of the island's international business sector. The register and tonnage alone doubled in the past 15 years, with Malta overtaking Greece and Cyprus to top the rankings as Europe's largest in the past three years. Today, over 6,200 vessels sail under the Maltese flag, with some 400 superyachts (vessels over 24 metres in length) registered in Malta at the end of 2013. Over the past ten years, the global luxury superyacht market has expanded beyond all expectations, and the development of a new yacht code has made the registration of commercial and pleasure yachts, including superyachts, in Malta very attractive.

Setting Standards

Dedicated legislation and tight registration criteria, all in line with EU Directives and International Maritime Organisation conventions, as well as a high-level 24/7 administrative service are among the driving forces behind the success of Malta's burgeoning shipping industry. As one of only two open registers in the EU, registration is available to

SHIP MANAGEMENT

Exceeding Expectations

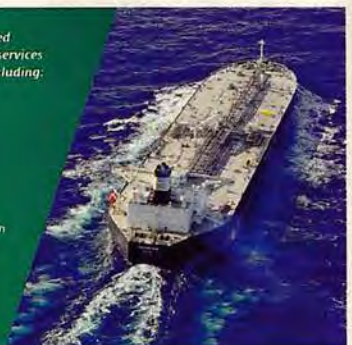


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Nigar Aliyeva Keating, Director - Palmali Shipmanagement Ltd.

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vessels owned by Maltese and non-Maltese persons, and in practice any kind of vessel may be registered, including one under construction. However, Malta has put a premium on quality by introducing regulations which require ships aged 15 years and over to pass additional inspections, and ships over 25 years are simply not accepted on the register. The island now has one of the youngest fleets in the world, with the average age of vessels at registration down to seven years.

Service Culture

Transport Malta, the regulator of the maritime industry, goes to great lengths to emphasise that Malta is a flag of confidence and not one of convenience. The island's status as an EU member state, its state-of-the-art maritime framework and the excellent safety records of Malta-flagged ships helped the island to be officially classified as a low-risk flag. Attracted by minimal bureaucracy and an unparalleled customer service, ship owners appreciate that Transport Malta is on call 24-hours a day to deal with problems from managers or ships' staff.

The authority has technical staff on hand to guide ship owners through whatever issues might arise. Substantially reduced detention rates have been achieved as a result of increased inspections and tighter documentation processes, and the island's flag state inspectorate ensures adherence to

international standards at all times. In addition, documentation can be lodged outside normal Central European working hours – a service which is important for ship owners and financiers coming from the Americas or the Far East. Malta's success is also down to its drive to constantly improve and innovate. Among the initiatives that were recently undertaken is one to protect Maltese registered vessels against piracy by allowing armed guards on board and introducing a licensing regime for private maritime security companies – a first in international maritime history.

Servicing the Yachting Community

The island's regulations are also a big part of Malta's attraction to yacht owners. They can have their yachts registered as commercial vessels, meaning they pay an annual tax on the tonnage, rather than income tax on earnings. For yachts which are not commercially registered, Malta operates an attractive system for purchasing and leasing. This enables yacht owners to pay VAT on their yachts calculated on the percentage of the time that vessels are deemed to have sailed in EU waters. This is based on the assumption that the larger the yacht, the less time it stays in those waters and vice-versa. Recently, the island adopted a reduced VAT rate on short-term yacht charters commencing in Malta. While such charters will continue to be subject to a rate of 18 per cent on the cost of the charter, this will

only be applied proportionally, based on the amount of time the charter is in EU waters. Malta's proximity to North African and Eastern Mediterranean destinations means that a superyacht charter could be undertaken where a significant portion of the time is spent beyond the realms of the EU and its tax rules.

A Bright Future

It is the unique combination of stability, quality and an excellent customer service that has made Malta's maritime sector such a success. Malta's lawyers and corporate service providers are among the most experienced in international circles and can advise on all aspects of registration and operation of vessels and aircraft. The country's legislative and regulatory frameworks rank among the best in the world, offering high standards, high service levels and a quality international reputation which make flying the Maltese ensign a competitive alternative to other maritime locations. This implies that the industry will grow further and create more opportunities for service providers to expand in tandem with the sector. With a growing international finance centre, Malta is destined to see future opportunities arising in ship finance and insurance. Building on its geographic location and a package of financial and operational advantages, many industry leaders believe a bright future lies ahead of Malta and that any other rival destination will find it difficult to compete with it. ■



"A customer-centric competent workforce, a robust and dynamic

legal framework, economic and political stability and the island's strategic geographic location have all contributed to establishing Malta as the leading maritime hub of the region."

Ivan Sammut

Registrar, General of Shipping and Seamen at Transport Malta



"Malta's well-established maritime infrastructure, EU membership and reputable

international shipping register offer a unique set of benefits for ship owners seeking a dynamic and effective maritime centre."

Nigar Aliyeva Keating

Director, Palmali Shipmanagement



Flying the Flag of Confidence

Transport Malta is the Government agency responsible for all modes of transport in Malta including the Register and Administration of the Malta Maritime Flag and the Aviation Register including licensing of Air Operating Companies.

Building on the experience and expertise gained through establishing itself as the largest shipping register in Europe, Transport Malta is now committed to further develop its registers for superyachts and aircrafts.

SUPERYACHT, SHIP & AIRCRAFT REGISTRATION



Transport Malta

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www.transport.gov.mt

TRANSPORT & LOGISTICS

Gateway to the World

Malta has positioned itself as one of the premier Mediterranean transport hubs in the global supply and logistics chain alongside other key centres such as Singapore, Dubai and Rotterdam.

Huge investments over past years have turned Malta into a major hub for international trade and transport, offering efficient and convenient multimode sea and air logistics solutions. The expansion of the berthing facilities at the Malta Freeport has enabled the port to handle the world's largest container vessels and has turned the island into a main port of call for some of the largest shipping firms. Despite the sharp decline in international trade experienced in other parts of the world as a result of the economic recession, traffic at Malta Freeport increased by almost 45 per cent between 2007 and 2013. With its central Mediterranean location, Malta has also emerged as an important warehousing and distribution centre. A broad range of logistics operators are taking advantage of supply-chain connectivity and port efficiency, reinforcing the island's position as a global business base and a gateway to African and European markets.

The Malta Freeport

Located in Marsaxlokk in the southern part of the island, the Malta Freeport was established in 1988 as the first transshipment facility in the Mediterranean region. Backed up by a free trade zone, it quickly became a leading player in the global supply chain. In the run-up to Malta's EU accession in 2004, the Freeport's terminal management was privatised. Malta Freeport Terminals are today

owned and managed by French line CMA CGM and the Yildirim Group, a Turkish container port operator, which bought a 50 per cent stake in the venture in 2012. The entry of private players is seen as a major success story in Malta as it has facilitated investment and growth. Today, the Freeport has a total capacity of 3.2 million twenty-foot equivalent units (TEUs), a total area of container storage of 650,000 square metres and some 14,000 container ground slots. An oil terminal operated by Oiltanking Malta and a logistics base for the offshore oil and gas industry operated by Medserv are also located in the Freeport. The Malta Freeport Corporation is the authority responsible for regulatory compliance and security, as well as the management of the customs-free zone and warehouses. The port currently ranks 12th in Europe and is the third-largest transshipment and logistics centre in the Mediterranean. Connected to around 70 Mediterranean and Black Sea ports and 117 ports worldwide, only 5 to 8 per cent of the Freeport's traffic is cargo originating in or destined for Malta. The transshipment business is based on the 'hub' concept whereby cargo is discharged from large mother vessels and relayed to a network of regional ports by regular and frequent-feeder vessels. In 2013, the Freeport handled 2.75 million TEUs, an 8 per cent increase compared to the previous year. The key to the port's

future success is its depth. As modern deep-sea cargo ships are getting bigger and more powerful than ever before, the water depth at Terminal Two North Quay has already been dredged to 17 metres, while the Freeport is presently dredging its other mainline berths to the same specifications. As part of its master plan, and to sustain its competitive edge, the Malta Freeport is investing further in equipment and infrastructure which will see its capacity increase to 4.2 million TEUs. New cranes were installed and others will be purchased, and one quay was extended to 513 metres to effectively handle vessels up to 18,000 TEUs.

Logistics Hub

As an important link in the transshipment chain, Malta's distripark facilities provide for a seamless cargo flow. In the customs-free zone logistic operators trade in a multitude of products and engage in a wide range of activities including distribution networking, just-in-time inventory management, cargo consolidation, break-bulk and onward shipping, as well as elements of processing such as packaging and labelling. Many logistics providers offer a full suite of regular and customised services that range from simple duty-free storage of products to facilitating customs-cleared, last-minute ordering in European markets.

Trading through Malta can result in increased profitability and competitiveness because EU legislation provides for a number of procedures which offer commercial benefits by suspending customs duties and import taxes. Once goods are cleared, they are free for circulation in the EU, while using Maltese companies can reduce transit times. These advantages have turned Malta also into a preferred point of entry for cargo arriving from India and China to Europe.

Convenient Air Links

Malta's air transport infrastructure also opens up excellent opportunities to exploit air logistics solutions. Malta International Airport (MIA) is set to become a hub for air cargo and passenger traffic, especially between North and West Africa and Europe. Located just six kilometres from the Freeport, the development of a specialised freight village at the airport where time-sensitive exports can be shipped quickly and easily, opens up excellent opportunities to exploit multimode sea and air logistics solutions. Given that the airport has excess capacity, it now seeks to strengthen its role as Europe's gateway to Africa and vice versa. Offering passengers and cargo direct connections, airport and airlines are busy strengthening their feeder functions for the main international hubs.

Supporting Global Trade

Given its strategic location, there's little doubt that Malta has successfully capitalised on its potential as a world-class logistics hub, especially for companies targeting North African and Southern European markets. Malta's role in the Mediterranean also benefits companies that buy and sell at a global level. Today, Malta's large, highly experienced and skilled workforce is ready to support new and expanding operations. With a history facilitating trade and commerce in the Mediterranean region and as the southern-most EU state, Malta is poised to build on its reputation as a centre for international transport as new trade corridors open up. ■



"Since Malta's accession to the EU, there has been substantial investment with financial

assistance from the EU, in the maritime sector, in air and road transport infrastructures. Malta has upgraded its TEN-T network, as well as its vessel traffic management and IT systems aimed at promoting the motorways of the sea, and we intend to continue our port development programme."

Joe Mizzi
Minister for Transport
and Infrastructure

eGAMING & DIGITAL MEDIA



Photo: King.com

Gaming (R)evolution

Having built the largest eGaming centre in Europe, Malta is now setting out to gain the attention of digital media companies.

Malta's rapid expansion over recent years as a global hub for gaming companies is the island's most flamboyant success story. The remote gaming sector in Malta literally leapt from nowhere right to the top of the league. And as the worlds of eGaming and social gaming merge, Malta is fast becoming a force in the

wider digital media industry.

The island was one of the first EU member states to introduce eGaming-specific regulations and is now widely regarded as the most prestigious European tier-1 jurisdiction for gaming operations. It has built its reputation on a solid foundation of legislation, services and technology infrastructure and hosts

many of the world's largest online casinos, bingo platforms and sportsbooks. But the island knows that its past success is by no means a guarantee for the future and seeks to strengthen its regulatory regime by fully embracing the social gaming revolution.

First-Mover Rewards

The first online gaming businesses arrived on the island in the late 1990s, well before the online boom. Unlike many other countries

that protected their monopolies, Malta allowed commercial operators to set up and enter the gaming market. Following the establishment of a regulator for the industry, the Lotteries and Gaming Authority (LGA), Malta introduced its new Remote Gaming Regulations in 2004 under the Lotteries and Other Games Act.

Malta quickly reaped the benefits of its regulatory framework, and online gaming became one of the fastest growing industries. With more than 250 gaming companies now based on this small Mediterranean island holding over 425 licences for online offerings such as casino-style games, lotteries or sportsbooks, the industry is proving that tight regulation and stringent supervision offer the ideal conditions for remote gaming companies to operate in. Among the eGaming companies that have set up in Malta are Betsson, Betfair, Stanleybet, Unibet, Mircogaming, bet-at-home and the German company Tipico. And Malta's gaming sector is growing, with Bwin, one of Europe's leading online gaming brands, recently announcing that it will start operating from Malta.

A Set of Advantages

Malta's strong regulatory regime offers operators a stable and secure framework in which to



King, creators of the Candy Crush Saga, the massively popular Facebook game, opened an outpost in Malta.

carry out their business, adding weight to their reputation and giving them an advantage in dealing with banks, financial institutions and investors. In addition, the LGA's determination to keep criminality out of gaming and to safeguard players is crucial to making consumers feel comfortable.

Malta is regarded as a world-class base because of the high quality of its industry-specific services and infra-

structure. Its established state-of-the-art telecommunications infrastructure delivers round-the-clock connectivity, while the presence of industry support services such as data centres, online payment processors, security auditors, gaming software developers and platform providers, contribute to a tailor-made environment that is conducive to growing a successful business.

Another main benefit of establishing operations in Malta is the quality of human resources. Most positions can be filled from the local labour market, and the island's incredible climate and comfortable lifestyle make it easy to attract foreign talent. Malta has also introduced a 15 per cent tax cap on the salaries of highly qualified foreign professionals in the gaming sector, which allows operators to offer expat employees very competitive packages. As a result, gaming companies benefit from a multinational, multilingual pool of talent.

Social Gaming Boom

While many countries offer online gaming-friendly environments, none have embraced the remote gaming sector with such vision and vigour as Malta. The regulatory framework was drawn up in such a way as to stand the test of time, ensuring that the regulations could cater for

the sector's evolution, in terms of both technology and games. Today, there are an estimated 200 million frequent and 1 billion casual gamers worldwide playing games on consoles, smartphones or social media platforms. There is currently no legal framework for the regulation of service providers in this area. But following allegations of fraud and unethical behaviour, the industry has started to call for regulation. Malta's LGA will shortly launch a new framework for digital games for which one needs a particular skill, rather than chance, to win, and winners receive prizes. The Digital Games Regulations, covering role-playing games, adventure games, action games, sports-simulation games, strategy games and many others, are planned to be introduced in the second half of 2014. Building on the success of Malta's eGaming regulations, the new framework will assure players that games are fair and that a reputable authority is overseeing the operator.

A Digital Hub

Apps for smartphones and tablets, games for Facebook and consoles – the development of new digital products in Malta is unleashing the country's potential as a



Malta's gaming sector is growing, with Bwin, one of Europe's leading online gaming brands, recently announcing that it will start operating from Malta.

creative hub for digital media production. Game development companies are also starting to take notice of the island's credentials. TRC Family Entertainment Ltd picked the island over Canada's creative zone in order to work on a new multi-player game. More recently, King, creators of the



Candy Crush Saga, the massively popular Facebook game, opened an outpost in Malta. The government now hopes to bring similar investments within the mobile, tablet, PC or console-downloadable games fields and has launched a new digital strategy. The worldwide digital gaming industry is predicted to generate revenues of US\$70 billion (£53 billion) per year by 2015, and as players increasingly expect high-quality game content and a secure gaming environment, Malta is confident that it has all the right elements in place to allow gaming and digital media firms to start up, innovate and grow their businesses.

To help build a sustainable base on the island, Malta Enterprise, the business promotion agency for the country, offers a range of incentives that address the needs of digital media companies at the initial conceptual stage and all the way through to the internationalisation and marketing of the digital product. The island is also encouraging start-ups and microenterprises to consider Malta as a base.

A Firm Future

Malta is creating an excellent environment for entertainment firms of many types to thrive, making the country an attractive centre for innovative organisations and creative talent. The country has developed a new roadmap for the establishment of a strong industry cluster. So the prospects are good for Malta to attract investment and to offer a well-resourced platform for growing digital gaming companies. ■



"Malta is currently a top-five remote gaming jurisdiction, and it has

done well over the last 10 years since the jurisdiction was set up. If we focus on our agenda to start regulating other gaming products such as skill-based social gaming, and also venture into new geographical markets such as Asia for example, the sector can grow substantially."

Joseph Cuschieri
Executive Chairman, Lotteries & Gaming Authority



Tech Paradise

As Malta pursues its vision of becoming the Dubai of the Mediterranean, it has created the ideal environment for IT companies and innovative start-ups.

Malta's information, communication and technology (ICT) sector is constantly evolving, with impressive growth being driven by a wide array of segments such as cloud computing, mobile platforms, applications, gaming, social networking and animation. The island's ICT firms realised early on that growth can be achieved by specialisation and moved away from generalised product and service portfolios. Many of them today offer specific solutions and tailor-made products and have become market leaders in their respective niches. The island is now keen to capitalise on its rich technology ecosystem and is reaching out to global tech innovators. Malta's small size and low costs make it an ideal start-up location – a place to form ideas, programme software and design platforms.

A Diverse Sector

Thanks to heavy investment in telecoms infrastructure, Malta has become one of Europe's favoured destinations for foreign direct investment within the ICT industry. The island has attracted not only the large global brands but also smaller, more specialised software developers such as the UK company Crimsonwing, Swedish software developer Uniblue and German-founded

company RS2. All have found the island to be a profitable and productive location. At the same time, opportunities are opening up to young people with high-tech skills as Malta is positioning itself as a hub for research and development in the IT sector. The island has partnered with Microsoft to create the Microsoft Innovation Centre that places Malta at the forefront of new technologies, such as cloud computing, and provides facilities that help tech start-ups to develop their products and overcome initial hurdles to commercialising ideas.

Starting out from Malta

Malta's small size also makes it the ideal test environment for new technologies and ventures in need of a flying start. The island is promoting itself as a base for innovative entrepreneurs and firms seeking a headquarters for their regional operations. The public and private sectors are showing great interest in collaborating with new tech start-ups on pilot projects, the testing of software, hardware and applications as well as the nationwide deployment of new technologies. Companies can also develop and test new products and services on the diverse yet concentrated local market before exporting their services and solutions to Europe or North Africa.

First-class Infrastructure

Malta's diverse ICT workforce, educational infrastructure and strong telecoms industry have supported the growth of the industry, and also helped the island's government to become a leader in Europe, with 100 per cent of government services being available online. Three operators, providing international gateway services via fibre-optic cables to mainland Europe, guarantee international connectivity. They offer high internet speeds and are developing next-generation networks. The local labour pool is deep enough to meet the needs of ICT employers across the range of technical and creative skills, while specialist knowledge can easily be sourced from overseas. A Dubai-style technology park to host IT, communications and media companies, promises to further enhance the supportive environment for IT companies. SmartCity Malta is funded by Dubai Holding's Tecom Investments, which initially invested US\$300 million in the project. After the inauguration of the first building in 2010, phase two of the development, comprising four more buildings as well as a lagoon and a promenade, has now been completed.



"The Government has launched 'Digital Malta', a national ICT strategy. This

is a vision for a digitally enabled country empowering its people, communities and entrepreneurs through the intelligent and universal use of ICT."

Tony Sultana

Executive Chairman, Malta Information Technology Agency (MITA)



"The existence of multiple fixed and mobile multi-play infrastructures has

stimulated competition, with resultant innovation, customer choice and a relatively high quality of service. This is now translating into a swift transition to Next Generation Access (NGA) Networks."

Dr Edward Woods

Chairman, Malta Communications Authority

A Strategic Partner

Malta's IT industry is a versatile and mature cluster that is experiencing an exciting period of consolidation, expansion and recognition. With Malta's government as a partner, local, regional and international companies can be assured of a long-term commitment to the industry. A highly developed ICT infrastructure and affordable business costs in a Mediterranean island setting differentiate Malta from other locations competing to attract new IT talent, and will help the country to develop a burgeoning start-up scene. ■



Nurturing Global Talent

Malta aims to become a regional centre for research and educational services.

With no natural resources bar its people, education has always been central to Malta's development. Today, Maltese employees are hailed for their adaptability and loyalty by foreign investors and local companies alike. Educational services have also found their own place on Malta's export list, and the island has successfully established itself as an English-language teaching destination. Malta now seeks to strengthen its international presence, aiming to become a Mediterranean hub for academic research and higher education.

Higher Level

Malta is one of the few countries in the EU where English is the official language, and thus all courses are taught in English. Further and higher education is today provided by the University of Malta, the Malta College of Arts, Science and Technology (MCAST), the Institute of Tourism Studies (ITS) and a number of smaller non-state educational institutes offering training in areas such as IT, management,

banking, finance and marketing. Two foreign institutes that have recently set up on the island are Middlesex University and Global College Malta which offers degrees delivered by UK universities in key sectors such as oil and gas, IT and management.

Malta's university, the oldest in the Commonwealth outside of Britain, offers a broad range of degree courses across all disciplines including Bachelor, Masters and Doctorate level. Efforts to internationalise courses have attracted students from 77 different countries. A number of international masters programmes are being offered on a dual-degree basis, with each degree accredited by the University of Malta and at least one other American or European university. The vocational college, MCAST, is one of the island's biggest success stories. Many of the school's courses were developed in response to specific industry needs. Among MCAST's offerings is also a degree course in collaboration with Fraunhofer, a leading German educational and research institution.



English Teaching Centre

One area that has been particularly successful is English language courses being offered to mainly European students, who are seeking basic language skills and professionals doing business English courses. Annually, some 80,000 students visit Malta to learn English. The sector consists of some 40 schools, including many locally founded ones, such as AM Language Studio and Easy School of Languages, as well as international players such as Education First (EF). Maltese school English Language Centre (EC) recorded one of the biggest achievements. Founded in 1991 on the island, EC now also runs schools in the US, Canada, the UK and South Africa.

Research Focus

With a growing economy and a focus on knowledge industries and high-value services, Malta also seeks to expand its research base, for instance in the field of life sciences. The island is currently building a Life Sciences Park and is targeting specialist drug developers and start-up biotech companies to establish their research and development units on the island in addition to educational and medical training institutes.

A Centre of Learning

The island's close proximity to Europe, sunny climate and rich cultural and historical heritage, as well as the islanders' proficiency in English, have helped to make Malta a global centre of learning. The country is now inviting international students and professionals to explore the opportunities offered by its higher education and research institutions, while foreign universities and companies are encouraged to establish branch campuses and training centres aimed at international as well as national students. ■



"Being in the EU has helped the mobility of students and academics throughout

Europe. But we are more aware than ever that we are competing globally, and to position ourselves well, we must keep on improving our education system."

Evarist Bartolo

Minister for Education and Employment

Restoring its Prominence

The revitalisation of old spaces and the introduction of technological innovations have become top priorities on the heritage-rich island.

Malta's construction industry is reinventing itself with a focus on heritage-led regeneration projects as the renewal of village and city-centres is gathering pace. Construction firms and urban planners increasingly integrate historic buildings and areas within regeneration schemes to create popular, successful environments in which people enjoy working and living.

Pushing for Quality

EU membership has significantly influenced Malta's approach towards urban planning and development by introducing building standards and environmental policies. The transformation of the island's built environment has seen a shift to high-value and quality property. Lifestyle developments, providing a mix of luxury apartments, commercial outlets and leisure amenities, have provided an important economic stimulus over the past years. These projects have also become catalysts for urban regeneration, encouraging further high-quality re-development. Demand for commercial space has been fuelled by an influx of foreign companies and has spurred the construction of new office blocks and the modernisation of older ones. Industrial estates are being converted into state-of-the-art business parks.

The construction industry is also benefiting enormously from Malta's drive for infrastructural expansion. The upgrading of the road network, many times with the help of EU funds, as well as an €80-million project to transform the historic entrance to the capital, Valletta, including the building of a new parliament, provide many contract opportunities.

Foreign Attraction

Its warm climate and relaxed Mediterranean atmosphere make Malta a top choice for people seeking to purchase property abroad. Almost 5 per cent of real estate is foreign-owned, mostly British, but Malta also attracts buyers from other European countries as well as the US and the Middle East. Malta's rental market has also been gaining ground in recent years due to an influx of foreigners relocating for work purposes. Average rental yields range between 3 and 4 per cent, but yields for prime properties can be much higher. Sales prices have remained largely stable in 2013. Today, the average sale price is €1,500 per square metre for a good-size, well-located apartment, and about €2,500 per square metre for a large detached house.

Regeneration Initiatives

The regeneration of old urban

areas – rather than new development on virgin land – has been identified as the future of the real estate market. Old buildings are no longer seen as a constraint but as an opportunity that can add character and distinctiveness to urban development. The authorities are providing incentives to encourage the renovation and conservation of old buildings. Given that centuries-old houses and palazzos are today sought after as offices and residences, their restoration offers great opportunities for construction firms and investors alike. Investment is also being required in order to upgrade construction methods and techniques. Malta has not yet fulfilled its potential in integrating sustainable energy strategies. From solar and wind energy projects to energy-efficiency concepts for domestic dwellings, this sector offers promising opportunities for local and foreign companies. The Malta Environment & Planning Authority (MEPA) leads the island's push for greener and more sustainable development practices. The Authority is responsible for overseeing the entire sector; however, the plan is to separate the planning and environment departments at MEPA in the coming months for both units to work more efficiently and to focus on their respective areas.

Growth Potential

The country's vision for the future entails developing a cosmopolitan and creative environment for businesses to grow and people to live and work in, without compromising the environment. The construction and real estate sector has huge opportunities to capitalise on this vision by providing houses and offices that meet the demands of Malta's new economy. The predictions for Malta's property market from an investor's point of view are also positive. Property values, income and yields are expected to rise modestly in the coming years, making Malta an attractive investment location for those looking to buy a property that will go up in value, and is easy to rent and resell. ■



"We are focusing on the rehabilitation of our centuries-old town cores. They

can play an important role in our future, and we are turning them into attractive cultural hubs. We are also upgrading our building technologies to more environmentally friendly methods"

Johann Buttigieg
CEO, Malta Environment
and Planning Authority

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FILM

Movie Magic

International directors and producers from around the world discover the unique benefits of this Mediterranean island location.

A string of successful big-budget productions has placed Malta in the spotlight of international filmmakers and producers, and the tiny Mediterranean island has attracted productions from Hollywood to Bollywood. The list of major box-office hits under the island's belt is impressive and includes *The Da Vinci Code*, *Troy*, *Gladiator*, *The Count of Monte Cristo*, *Munich*, *U-571*, *World War Z*, *Captain Philips*, and many others. Attracted by the versatile location, the unique water tanks, English-speaking film crews and the fiscal incentives offered by the government, Malta has become many movie-makers' first choice. But aside from cinema blockbusters, Malta is increasingly attracting producers of documentaries, short films, TV commercials and music videos from as far away as Japan and India.

Movies and Series

To date, some 100 films have been shot in Malta, either entirely or partially. Steven Spielberg, Ridley Scott and Ron Howard are just a few of the award-winning directors who have chosen to film in Malta. A range of commercials have also been produced on the island, including campaigns for Bacardi, Range Rover and Coca-Cola. The most recent box-office hits shot in Malta include Brad Pitt's *World*

War Z and *Captain Philips*, starring Tom Hanks. Sequences for highly popular television series such as *Game of Thrones*; the fantasy adventure TV series *Sinbad*, as well as a number of TV movies for German and Italian TV stations have also been filmed in Malta.

Key Attractions

The ability to double up for multiple locations is one of the country's greatest selling points. Over the years the island has been transformed into ancient Rome, Troy, Marseilles, Tel Aviv and a host of other places. Producers are also attracted by the island's natural beauty and the diverse architecture of Malta's towns and villages, castles, palazzos, towers and farmhouses.

Malta is also home to the Mediterranean Film Studios which offer shallow water tanks that allow the shooting of water scenes in a controlled environment with an unlimited ocean backdrop. Mother Nature also plays her role: with 300 days of sunshine a year, directors can rest assured that filming will not be unexpectedly interrupted. Filmmakers are also given a warm welcome by the Malta Film Commission (MFC), which is responsible for the promotion and development of the industry. It offers assistance and guidance and is usually the first



point of contact for any filmmaker considering Malta as a location. The MFC also runs a number of incentive schemes which offer a rebate on costs for accommodation, transport and location hire.

Film Crew and Production Support

Production companies can call upon a wealth of local talent and an army of enthusiastic extras. Productions have already employed up to 2,000 extras in one day. The availability of English-speaking location scouts, camera operators, sound technicians and assistant directors helps greatly in attracting international productions to Malta. The island has also developed a specialised film infrastructure that includes everything from the renting of trailers to costume-making and special effects. Producers can also tap into expertise in 3D production and animation found in Malta's highly developed games and digital media industry.

A Creative Hub

Although competition among creative hubs is fierce, Malta believes it can continue to compete because of its strong combination of attractions. While cost tops the list these days when production companies select locations because of the financial pressures on producers, Malta also sells itself as a convenient and increasingly creative location. ■



"The cash rebates, the extraordinary filming locations, the climate, the

English-speaking crews and the skilled resources make Malta an attractive location, not to mention the water tanks which are still considered among the best water facilities in Europe." Engelbert Grech
Film Commissioner



Seeds of Change

An emphasis on artisan products is helping Malta's small-scale farmers to distinguish themselves from their big-brand competitors and to compete internationally.

With just 13,000 hectares of agricultural land, Malta's food producers have struggled to maintain their relevance in the consumer age of mass-produced and processed ready meals. But changing consumer tastes for a more authentic natural food experience could be the path to a sustainable economic future for the island's micro-producers.

A Small Sector

Malta's agri-food industry is tiny when measured alongside those of its European neighbours. Agricultural production and fisheries account for a little less than 2 per cent of Malta's GDP. Farms normally cover less than one hectare. While mass-markets are firmly out of reach, the island's micro-producers have notched up some notable export successes in a number of niche areas including: fish, vegetables, beverages, desserts, baking products, confectionery, sauces, dressings, wines and spirits to Europe, Africa and Asia.

With consumers increasingly favouring organic and traditional foods, Malta's agricultural sector

capitalises on its natural food heritage by supplying premium products to international markets. This involves the promotion of traditional delicacies such as goat's cheese, sun-ripened tomatoes, pasta sauces, herbs and spices. The olive oil industry has also been re-established by planting thousands of cuttings from 2,000-year-old indigenous olive trees. The oil has been applauded for its flavour, purity and health-enhancing qualities. Maltese honey is also a sought-after and prized gourmet product. The island's producers believe that it has great export potential and is destined for the shelves of high-end food emporiums for foodies around the globe to enjoy. Malta has also become an important supplier to the Dutch market, with the island's floury-flavoured early season potatoes being exported almost exclusively to the Netherlands at premium prices.

New Rural Income

Agritourism is another way of sustaining rural livelihoods and is increasingly becoming a vibrant part of Malta's tourism product.

Tourists are invited to stay in restored farmhouses in small villages or in the countryside to experience a rural lifestyle. They can engage in hands-on activities such as milking sheep, making cheese pickled in salt, vinegar and pepper, picking and pickling capers, wine-making and fishing in Malta's traditional boats.

Mediterranean Wine

Malta's wine industry is seeking its own niche market and is slowly attracting international attention and accolades. The 16 wineries produce around 1.5 million litres annually from grapes cultivated in Malta and Gozo. Although blessed with suitable soil and a near perfect climate, Maltese winemakers are constrained by the shortage of available land. Nevertheless, efforts over past decades are starting to pay off, and Maltese wines are now finding their way into wine shops as far away as China.

Malta's fishing sector covers both traditional methods and modern aquaculture techniques. While the daily catch from traditional fishing boats mainly supplies local markets,



the introduction of fish farming and tuna penning has resulted in a marked increase in seafood exports. At its peak, Malta was estimated to have supplied around 30 per cent of Japan's frozen bluefin tuna imports; but EU-imposed quotas have seen industry output fall considerably.

Big Potential

Building on its past success, Malta is aiming to develop a thriving aquaculture sector. The Maltese authorities are convinced that further investment could create extensive opportunities. According to a Stirling University study, the aquaculture sector could contribute €120 million to the economy by 2025, of which €73 million alone could be generated by tuna farming. Malta's target is to increase the farming of 'closed cycle species' (CCS), such as sea bream and sea bass, while research is conducted into farming other species such as amberjack. Given Malta's vast offshore region and the increasing global demand for fish, there are few limits on growth. The EU in particular is only 70 per cent self-sufficient in its seafood needs, and Malta is determined to capitalise on this tremendous opportunity. ■



"Malta sees agriculture production as an activity that is connected to land usage,

environmental conservation, and rural development. Such production treads a delicate balance between preserving local production of agricultural products, while allowing for the benefits of global trade to reach consumers"

Roderick Galdes

Parliamentary Secretary for Agriculture, Fisheries and Animal Rights



OIL & GAS SUPPORT CENTRE



An Expanding Service Hub

Major oil and gas discoveries in the Mediterranean are creating a demand for support services, positioning Malta as the ideal country from where key players and service providers are converging to set up and operate.

Malta is poised to become the Mediterranean's top service hub for the oil and gas industry. The island's strategic location at the centre of the Mediterranean, in the midst of intense oil and gas activity, are turning the country into a key management centre, servicing the needs of offshore operators. Discoveries offshore Israel, along with exploration offshore Cyprus, are a testament to increased activity in the region at the moment. And while Malta has no known oil or gas reserves thus far, it is about to join the list of countries that are actively involved in offshore exploration. The island is now gearing up its facilities to expand its role as support base for the oil and gas sector, providing world-class expertise in technology, operations, logistics and maintenance.

A Service Centre

Malta already serves as a base for major companies providing drilling, pipe-laying and other services to energy firms operating both onshore and offshore in the North African region and beyond. Capitalising on the island's maritime assets that have long made it a sheltered and secure base for vessels, Malta offers deep natural harbours as well as an infrastructure geared to servicing the growing oil and gas sector. The island offers a state-of-the-art transshipment terminal, as well as storage and warehousing facilities. In addition, it boasts expertise in the repair and maintenance of ships and oil rigs, and a large pool of specialised workers offering a high level of support is available on the island.

Expert Partner

The Ablecare Oilfield Services Group is one of the key players that have discovered Malta to be an attractive and safe location for the oil and gas industry. Since 2001, with their head office in Malta and with operational experience in various countries, such as Egypt, Tunisia, Cyprus, Israel, Libya, Morocco, Italy, Canary Islands and Spain, Ablecare has been setting the standard as a leading supplier of specialist products and services to the marine, oil and gas industry in the Mediterranean. Ableman International Limited and Maiticare Limited, both registered in the same year and operating in this sector ever since, are the founding companies of the group.

Ablecare Oilfield Services Group specialises in the specific

requirements of drilling contractors, with services ranging from Manpower Planning, Project Recruitment, Contracting of pre-screened and qualified Personnel for the offshore/onshore oilfield industry, Logistics, Supply Chain Solutions, Project Management, Rig Agency Services and Rig Stop Services & Facilities. The company's



"Malta is a perfect strategic location from where the oil and gas industry in the

Mediterranean can operate. With no internal conflicts, modern infrastructure, efficient industry friendly institutions and authorities, service providers and workforce, Malta is at the forefront of this sector's key players."

Paul Abela
Chairman, Ablecare Oilfield Services Group

OIL & GAS SUPPORT CENTRE

staff is on call 24/7, and its expert teams handle the most demanding projects, supporting oil and gas companies of all sizes in exploration and production activities.

Operating to best-practice international standards, the Group's continuous commitment towards quality, safety and development has led to its accreditation in ISO 9001:2008 (DNV) and is presently undergoing the accreditation process for Health and Safety Management System OHSAS 18001:2007. Ablecare maintains a high reputation for its integrity, transparency and high ethical standards and is fully compliant with the US FCPA and the UK Bribery Act.

Expansion Plans

Malta is now seeking to diversify its oil and gas sector, expanding its role as a major regional services and equipment hub. Oil and gas activities could also experience a significant boost because Malta plans to develop a

dedicated maritime services park through a public-private partnership. While the final use of this purpose-built facility still has to be determined, the Government of Malta has identified a number of options for its development, including its use as a base for the oil and gas industry. This initiative has the potential to consolidate an already thriving industry, as it would include the setting up of a rig-servicing centre as well as a learning and training institution.

Add to this the renewed interest in the Mediterranean by oil and gas companies, which is expected to result in a bigger number of service contracts, and Malta's future as a support centre is looking bright. Moreover, Malta's own exploration activities are gaining momentum, and the oil and gas industry in North Africa is expected to pick up again in the foreseeable future, placing the island in the perfect position to reap dividends from a higher level of market activity. ■



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OIL & GAS EXPLORATION

A New Future

With new confidence and fresh interest from abroad, Malta boosts its oil and gas exploration efforts.

Malta's offshore oil and gas sector is soon entering an exciting period through the drilling of an exploration well, 130 km south of Malta. Despite Malta's close proximity to the substantial offshore fields of Libya, Tunisia and Italy, finding recoverable quantities of oil or gas has proven elusive thus far. But following a series of significant natural gas discoveries in the Eastern Mediterranean over the past few years, the global oil industry has put Malta back on its agenda.

Drilling in Malta's waters began in the early 1950s when BP was awarded the first exploration licence. Over subsequent years, oil majors such as Shell, Texaco, Amoco and ENI have explored within the continental shelf of Malta, but failed to make significant discoveries.

New Offshore Potential

The Mediterranean, until recently, was considered by many to have been well explored. But attitudes changed when, in 2010, Noble Energy discovered one of the world's largest gas fields off the coast of Israel, close to earlier discoveries. In late-2011, this was followed by a significant gas discovery off the coast of Cyprus. These success stories have completely changed the indus-

try's view of the region and, along with it, Malta's offshore potential. Bolstered by new technologies and greater analytic capabilities, oil companies are more able than in the past to minimise exploration risks. So the prospects are promising for Malta's current group of licence holders: Heritage Oil plc, Phoenicia Energy Company Ltd (a subsidiary of Genel Energy plc), Melita Exploration Company Ltd (a subsidiary of Mediterranean Oil & Gas plc) and Capricorn Malta (a subsidiary of Cairn Energy).

First Results by Third Quarter of 2014

An independent review on behalf of Mediterranean Oil & Gas has already revealed a potential deposit of 250 million barrels of crude oil off Malta. Encouraged by the opportunity that these waters may offer, Genel Energy plc, headed by former BP chief executive Tony Hayward, has taken a 75 per cent stake in the southern offshore exploration blocks held by Mediterranean Oil & Gas plc. Genel Energy plc, through its company Phoenicia Energy Company Ltd, has agreed to fund the cost of one exploration well within an area that has been identified as being geologically similar to producing fields in Libya and Tunisia. Drilling preparations for the exploration well are currently

being undertaken, and Genel Energy plc and Mediterranean Oil & Gas plc expect to have the first results by mid-July 2014.

In addition, in the summer of 2013, Mediterranean Oil & Gas plc joined forces with Capricorn Malta Ltd for exploration in three blocks located to the north of Malta in the Malta Channel. A seismic survey totalling 1,700 kilometres of modern 2D seismic data has been acquired in that area, using state-of-the-art acquisition and processing techniques that allow for better image definition of the deep sub-surface. The survey data is expected to be processed and interpreted by the end of this year. If future explorations are successful, Malta could move from being a frontier play for independents into a region attracting major international oil companies.

Finding Partners

The government is also keen to encourage international oil companies to bid for the remaining open blocks in Malta's continental shelf, which account for just over half of the total area designated for offshore exploration. In fact, Malta's offshore area designated for oil exploration is over 200 times greater than its land territory. In the near future, the government will be forming an authority to spearhead its efforts in the oil and gas sector. Besides functions related to oil exploration licensing and monitoring, the authority will also aim to promote the oil and gas service sector and to increase training and education in this sector. Should Malta's offshore



waters prove to be as productive as those of its neighbours, the result would be a major game changer. ■



"Malta enjoys economic, political and social stability and offers excellent

quality of life. We look forward to increasing petroleum exploration offshore Malta and to cooperate with oil companies in a sincere effort to harmonise Malta's exploration objectives with those of interested companies. Our aim is to attract investment and activity in this sector."

Joe Mizzi

Minister for Transport and Infrastructure



"Government's aim is to promote petroleum exploration opportunities

offshore Malta with the intention of awarding new exploration licences in areas open for oil exploration. Government is offering favourable contractual and fiscal terms as well as attractive incentives in order to encourage oil companies to invest in Malta and to appraise Malta's offshore potential."

Dr Albert Caruana

Director General, Continental Shelf Department, Ministry for Transport and Infrastructure

Petroleum Exploration Opportunities Offshore Malta

Interested oil companies are invited to contact the Continental Shelf Department for more information on exploration opportunities in Maltese waters.

The Director General
Continental Shelf Department
Ministry for Transport & Infrastructure

Email: dgcs.mti@gov.mt

MINISTRY FOR TRANSPORT AND INFRASTRUCTURE
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A Greener Malta

Malta's environmental infrastructure has undergone radical reform, and now the country is gearing up for the next phase of its development.

Malta is developing a new blueprint for its eco-industries to strengthen its sustainable development. As a small island economy, Malta faced significant infrastructural challenges in dealing with its environmental issues. Recycling was not widely practiced, while air pollution as well as water and energy overuse and wastage had a negative environmental impact. But when Malta decided to join the EU, the decision was taken to turn this challenge into an opportunity. The road to a greener and cleaner environment has seen record investments in waste processing facilities and a seismic shift in peoples' behaviour towards electricity and water consumption. The island is now well on its way to becoming a clean-tech economy, with a host of opportunities emerging for investors.

Fast-Forwarding Success

In the years since Malta joined the EU, the country's environmental management system have been overhauled and upgraded to meet the challenges of the island's growing and increasingly diversi-

fied economy. Old landfills, which were once a stain on the island's landscape, have been closed down. In their place, new and more environmentally friendly, green technologies have been implemented. EU funds have also been used to encourage the installation of solar water heaters and photovoltaic systems. In addition, higher road taxes for old cars have encouraged the purchase of more environmentally friendly vehicles.

To coordinate the island's waste management strategy, government established WasteServ Malta, the country's national waste management agency. WasteServ has been charged with the task of building and operating Malta's entire waste management infrastructure. Key innovation initiatives today include waste reduction as well as energy from waste projects. The Water Service Corporation produces and distributes potable water throughout the Maltese Islands. Due to the country's dependence on reverse osmosis plants for its water needs, Malta has developed plans to improve rainwater storage, the treatment of waste water and the use of second-



class water in homes, for instance, for the flushing of toilets.

Households and businesses have been quick to embrace recycling, and educational efforts are having the desired effect of changing the island's culture and attitude towards environmental issues. Today, the higher EU standards are not just seen as a cost and a burden, but more so as a means to improve quality of life. With this has come a greater recognition of the need for Malta to actively participate in the development of green technologies.

Green Economy

Around the globe, environmental technology and resource efficiency have become powerful drivers of economic growth. The Maltese authorities are promoting the country as an ideal research and innovation test bed. The government is opening up numerous areas of opportunity for qualified industry players to get involved, either through research and development projects or innovative ideas that could help Malta achieve its EU targets. Due to the island's small size and the accessibility to key decision makers, Malta offers companies a unique environment to test and trial products that could be implemented on a nationwide basis and in cooperation with the country's stakeholders. Waste and recycling, water-treatment, energy efficiency and renewable

energy, as well as the testing of new technologies offer the greatest potential in Malta's clean-tech sector. Keen to import technology and know-how, Malta seeks to position itself at the cutting-edge of technology in preventing air pollution, generating water-efficiency and managing waste. ■



"We believe that the wellbeing of the economy and of the environment are interlinked.

EU policies are nowadays setting the standards, and it is our desire and ambition to implement best practices and create green jobs in all areas, including waste management, alternative energy sources, energy efficiencies and new green technologies."

Leo Brincat

Minister for Sustainable Development, the Environment and Climate Change



"Malta has an EU target of 10 per cent share of energy from renewable sources in

gross final consumption by 2020. Original plans projected to meet this target mainly through large offshore wind projects. However, studies and environmental concerns, as well as technological advances in photovoltaics (PV), have led Malta to re-assess its projections, and we now envisage a higher share of distributed solar PV."

Dr Konrad Mizzi

Minister for Energy & Health



VISITING MALTA

Mediterranean Island Paradise

Malta is a place where you can truly have it all: from swimming, boating and diving to relaxing and shopping, and all within the romantic environment that makes the Maltese Islands so special.



Once the home of the noble Knights of St John, the charming island of Malta offers visitors a fun-filled, unique experience packed with the best of all things Mediterranean. Stunning scenery, glorious architecture and a fascinating history plus sparkling blue seas have made Malta one of Europe's most popular travel destinations.

A Unique Island

The tiny island of Malta is located midway between Europe and Africa, 93 km south of Sicily and 290 km north of Africa. Getting to Malta is easy. From most major cities such as London, Frankfurt, Paris, Rome and Istanbul it takes just two to three hours' flying time to reach Malta International Airport, the island's only airport.

The airport has repeatedly been rated as one of the best in Europe and is hitting record highs year-on-year as Malta now attracts 1.6 million visitors per year. The peak holiday season is July to September, although the milder temperatures of spring and autumn attract tourists looking for something more than just a sun, sand and sea holiday. And with temperatures rarely dropping below 17 degrees in winter, Malta is also an ideal holiday escape from the long, harsh winter weather of Northern and Central Europe.

Throughout its 7,000 years of history Malta has been coveted by all the ruling powers of the Mediterranean, from Neolithic man to the Ancient Romans, the Byzantines, the Moors, the Normans, the Knights of St John,

the French and the British, all of whom have left a wealth of architectural and cultural treasures. Maltese archaeological sites pre-date Stonehenge and the Egyptian pyramids by more than a thousand years. The Maltese Neolithic Temples are the oldest freestanding constructions in the world, and the Hypogeum is a unique example of prehistoric underground burial chambers. Then there is the baroque city of Valletta, a UNESCO World Heritage, and the old capital, Mdina, the so-called 'Silent City', that quietly evokes a bygone era with its elegant stone palaces and hushed cobbled streets.

Though small in size, the Maltese islands are also blessed with unique natural beauty. The Blue Lagoon in Comino, with



"Just two decades ago, Malta was viewed as a holiday destination

predominantly in the UK market. Today, we attract visitors from all over the world and apart from a leisure destination are known as a destination for city-breaks, history & culture as well as conferences & incentives that offer value for money." Josef Formosa Gauci CEO - Malta Tourism Authority



"We are not just a beach resort, not just a culture destination, but offer a

mix of a well-established and maintained cultural product with excellent Mediterranean weather. Our membership of the EU has given us more visibility in our EU source markets, and EU funds have been instrumental in the upgrading of our tourism product." Dr Edward Zammit Lewis Minister for Tourism



MALTA IS MORE
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its turquoise the Dingli Cl metres into t Harbour in V of the many t be discovered You can also smaller siste 20 minutes a rural island, and romance charm that e

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its turquoise coloured waters, the Dingli Cliffs, which drop 200 metres into the sea, and the Grand Harbour in Valletta are just three of the many breathtaking spots to be discovered around the island. You can also head to Gozo, Malta's smaller sister island, which is only 20 minutes away by ferry. This tiny, rural island, swirling with myth and romance, has a legendary charm that enchants any visitor.

Something for Everyone

Malta prides itself on being all things to all people. It can offer action or relaxation, peace and quietness or excitement. For lovers of music, theatre and the arts, there is an extensive cultural calendar. For visitors interested in sports, it offers practically any activity, from golf and tennis, to skydiving, horse riding and hiking through Malta's rural landscape. The seas around Malta and Gozo are clean and clear and offer an unlimited variety of water sports. Sailing, snorkeling and windsurfing are superb, and as a scuba diving location Malta ranks among the best in the world.

Malta also offers a feast for all senses. It has a delicious local cuisine and wines, busy open-air markets, great shopping and locally produced handicrafts, including delicate lace and multi-coloured glassware. Its sunny weather and Italian influence give it a café culture and Mediterranean-type lifestyle, while its English-speaking population has a strong sense of hospitality, making every visitor feel welcome. ■

Conference & Incentive Travel

Meet in Malta

Business meetings in Malta offer the chance to explore some of the island's most beautiful treasures and experience the charms of a truly Mediterranean lifestyle. Companies and organisations such as the EU, the Commonwealth, WHO, UNDP, Microsoft, IBM, Bayer, Roche, Cable & Wireless, Cadbury, Sony, Dell Computers, Eriksson, UPS, Opel, Deutsche Telecom and many others have already chosen Malta as their meeting place, and the reason is not difficult to discern: whatever the size, formality or informality of the event, Malta has the expertise, the venues and the track record to ensure an unforgettable experience for all. Excellent facilities, year-round good weather and convenient connections to Europe's major airports are only a few of Malta's attractions as a Meetings, Incentives, Conferences and Events (MICE) destination.

Venues & Hotels

Malta boasts an impressive selection of function venues, any of which would be sufficient alone to turn any occasion into a memorable event. From the 16th century Mediterranean Conference Centre in Valletta,

to magnificent castles, stunning palazzos and impressive forts, adding a historical accent to the function is easy in Malta. For a more contemporary note, available venues include theme parks, village squares, luxury yachts and exclusive sea front properties among others. In addition, many four- and five-star hotels, including most international brands, are able to offer the highest level of accommodation, facilities and services to visiting delegates.

Frequent connections between Malta and all major European cities mean comfort and convenience for the delegates participating in the conference or enjoying an incentive break. Travel times vary from three hours (from London) to just one hour (from Rome). Malta International Airport offers excellent facilities, and is located less than 30 minutes away from most hotels.

Professional Service

The Malta Tourism Authority offers a variety of services designed to help events organisers, both through its MICE Division and through its dedicated microsite www.meet-malta.com, which provides specific information on hotels, facilities, service providers and venues, as well as contact details for destination management companies (DMCs), audio

visual companies, exhibition stand designers and event organisers. The country's DMCs are committed to offering excellent services, and the MTA issues quality seals to those companies that excel in quality and professionalism. Malta is also excellent value for money, distinguishing the island from its European neighbours. Most smaller venues such as palazzos and hotel ballrooms can be rented for around €2,000 a day, while hotel rates in the off-peak season can be as low as €40 a night.

Trending Destination

Excellent conference facilities and an abundance of extra-curricular attractions in addition to its glorious Mediterranean climate make Malta the must-visit destination for thousands of conference delegates every year. With great food, shopping, cultural and musical events, historical sites and sports of all types, all within a few minutes distance of each other, Malta is rapidly taking the lead over competitors in this lucrative sector of the tourism market. With its European heritage and tradition for both professionalism and hospitality, the island remains one of the most interesting and charming MICE destinations available today.



MALTA
INTERNATIONAL
AIRPORT

An Insider's View

The island is a very lively place that is packed with magnificent architecture, history, culture as well as warm and friendly people. There has been a great new spirit since Malta joined the EU, which has made the island even more attractive and easier to visit. We are now connected to over 80 destinations and just a few hours flying time away from all major European cities. As the island's gateway to the world, we are very aware that the airport provides the first and last impression to the majority of visitors to our wonderful island. Our continuous investment to ensure that we provide travellers with a comfortable and efficient environment has resulted in Malta International Airport being continuously ranked in the top five best European Airports in its category. With 300 days of sunshine per year, Malta has been voted the best climate in the world and offers a great opportunity to experience the truly Mediterranean lifestyle.



Markus Klaushofer - CEO, Malta International Airport

CAPITAL OF CULTURE

Living Past, Lively Future

Malta combines its fascinating history with modern culture to perfection. This has earned Valletta the honour to become the European Capital of Culture.



Often described as a “city built by gentlemen for gentlemen”, Valletta, the 2018 European Capital of Culture, offers a treasure trove of historical and cultural experiences. Named after Jean Parisot de la Valette, who was Grand Master of the Order of St John and founder of the city, Malta’s capital is today a UNESCO World Heritage site dotted with museums, art and architecture. To mark its status as European Capital of Culture, numerous projects are aiming to explore the city’s rich heritage, while also looking to its future. Keen to see Valletta flourish in the years ahead, the country’s government is committed towards the regeneration of the capital in terms of its cultural, social and economic life.

History & Culture

The fortified, baroque city is today home to the government, judiciary, 9,000 locals, and the majestic Grand Harbour, always full-to-bursting with luxurious superyachts and cruise liners. Steeped in history, Valletta is like a living museum, boasting churches, galleries, museums, shops, open-air markets and the remarkable St John’s Co-Cathedral. Visitors meandering round the quaint,

narrow streets can follow in the footsteps of the notorious and famous, from Caravaggio, the early 17th Century painter who fled to Malta to escape a murder charge in Rome, to Hollywood stars such as Brad Pitt, Russell Crowe and Tom Hanks who have all spent time in Malta filming blockbuster titles.

True to its Mediterranean nature, Valletta’s events calendar is always full and includes the Malta Jazz Festival, Carnival and the annual music festival Isle of MTV taking place just outside Valletta’s city gate. Built in 1732, Manoel Theatre is Malta’s oldest theatre and Europe’s third-oldest working theatre. Today it stages everything from contemporary plays to opera and attracts performers from around the world. Valletta also boasts an open-air theatre in the ruins of the former Opera House, which was destroyed during the Second World War.

Rethinking Valletta

In spite of all its glory, for many years Valletta has lived in the shadow of Sliema and St. Julian’s, Malta’s main entertainment and shopping districts. Many Maltese also preferred to reside in the surrounding towns and villages due to restrictions on car use

in the capital. But the restoration of buildings that started a few years ago is increasing the value of property, and a host of new wine bars and restaurants have been opened. The Valletta restoration project also includes designs by star architect Renzo Piano. One of Piano’s designs is the new parliament building currently being constructed. The title European Capital of Culture also gives Valletta the opportunity to carry out projects that will breathe new life into the city. Among the initiatives being promoted by the Valletta 2018 Foundation is the regeneration of Strait Street, a narrow side road, that will be turned into a lively night-time location. There is also the desire to restore an old Victorian market site in Valletta, while the government is keen to encourage more starts-up in the creative industry, including photography, digital arts, dance and literature.

Truly Unique

Although Malta put Valletta forward as Capital of Culture, the organisers are committed to making the project a success for all of Malta. Conveniently located within a couple of hours of all main European cities by air, Malta

is now inviting visitors to discover the island and its cultural gem, Valletta. With a strong identity based on centuries of fascinating history where different cultures met and mixed successfully, Malta offers an intriguing blend of characteristics. From its language to its culture, it is probably the only place in the world where north and south meet in total harmony. History and culture come hand in hand with 300 days a year of sunshine, great food and plenty of diverse activities to enjoy that make Malta a truly unique European country. ■



“The title of European Capital of Culture gives Valletta an opportunity to

present itself in an innovative way. The Valletta 2018 Foundation strives to generate a series of creative projects as well as sustainable initiatives intended to promote a process of cultural, economic and social regeneration in Valletta. This programme builds on the unique nature of Valletta as a European city and as an experience to international visitors.”
Jason Micallef
Chairman, Valletta 2018 Foundation

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