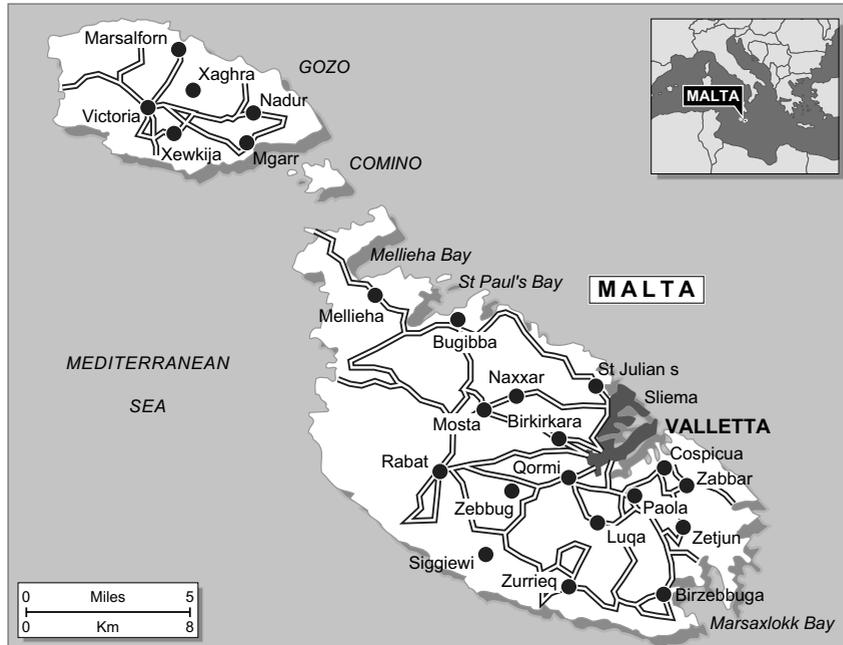


# Malta



Independent since 1964, Malta was the smallest of the 10 countries to join the European Union (EU) in May 2004. It adopted the euro as its national currency in 2008. At first glance, Malta would seem to be coping with the effects of the global financial crisis admirably. Unemployment of only 6.4 per cent is half the euro-zone average, public debt at 77 per cent of gross domestic product (GDP) and the national deficit are both comfortably contained. In 2013 Prime Minister Joseph Muscat had been at pains to distance Malta from the EU's other Mediterranean island republic, Cyprus. None the less, Malta's banking sector is seriously disproportionate to the size of its economy – turnover of Malta's banking sector is eight times its GDP. Were there to be a capital flight, the consequences could be frightening. The question of African refugees is a high profile issue, but is probably less important than that of water supplies. Both the main island of Malta, as well as the smaller Gozo, suffer water shortages. Half of Malta's water supplies come from its expensive desalination

plants. Without these, Malta would only have an estimated four days' water supply.

## Surprise change

Malta held its general election in March 2013. The result was a surprise to both parties. The Partit Laburista (PL) (Labour Party) came out victorious with a total of 167,533 first count votes, surpassing the Partit Nazzjonalista (PN) (Nationalist Party) by more than 35,000 votes – the largest gap since Malta gained its Independence in 1964. The PL – led by Joseph Muscat – for whom this was the first election as party leader – won a total of 39 seats, comfortably ahead of the PN headed by the incumbent – now former – prime minister, Lawrence Gonzi, with 26 seats. Under Malta's system of proportional representation, which includes the so called casual election process – under which there is a re-count of votes where the difference in seats does not mirror the number of votes actually cast – Malta's Electoral Commission awarded an additional four seats to the PN making sure the number of seats was proportional to the

## KEY FACTS

- Official name:** Republic of Malta
- Head of State:** President George Abela (from 4 Apr 2009)
- Head of government:** Prime Minister Joseph Muscat (from 9 Mar 2013)
- Ruling party:** Partit Laburista (PL) (Labour Party) (from 9 Mar 2013)
- Area:** 316 square km
- Population:** 417,000 (2012)\*
- Capital:** Valletta
- Official language:** Malti (Maltese) and English
- Currency:** Euro (€) = 100 cents (from 1 Jan 2008; previous currency Maltese lira, locked at MIO.43 per euro)
- Exchange rate:** €0.75 per US\$ (Jul 2013)
- GDP per capita:** US\$20,852 (2012)\*
- GDP real growth:** 0.82% (2012)\*
- GDP:** US\$8.69 billion (2012)\*
- Labour force:** 183,000 (2012)
- Unemployment:** 6.30% (2012)\*
- Inflation:** 3.23% (2012)\*
- Balance of trade:** -US\$1.22 billion (2012)
- Annual FDI:** US\$474.50 million (2011)

\* estimated figure

number of first count votes gained. The two main political parties were in effect the only parties contesting the election. The only other party was the Alternattiva Demokratika (AD) (Democratic Alternative), a so-called 'Green' party, seeking to elect its first MP. A small number of independent candidates also ran for election.

### The economy

In its May 2013 assessment of the Maltese economy, the International Monetary Fund (IMF) noted that Malta 'had shown remarkable resilience in the face of a major crisis in Europe and its main challenge was to preserve this macro-economic stability'. The average growth of the Maltese economy has been the best in the euro-zone since the beginning of the crisis and Malta's unemployment rate remains one of the lowest, underpinned by robust export growth and a sound banking system. The current account balance has improved gradually turning into surplus in 2012. However, economic growth slowed to about 0.75 per cent in 2012 and remained below potential, reflecting the weak external environment and depressed domestic demand. However, the fiscal position has deteriorated and the level of public debt is uncomfortably high.

The IMF projected a moderate acceleration in real GDP growth for 2013–15, which meant that Malta would continue to out-perform the euro-zone average. Private consumption is expected to increase as policy uncertainty diminishes. The IMF expects the current account balance to remain slightly positive. Any protracted period of slower growth in Europe,

or the re-emergence of euro-zone financial stress, would negatively affect the Maltese economy. Malta's close financial links with the euro-zone creates a 'spill-over' risk. However, strong fundamentals in Malta, including a comfortable external position, low reliance on external financing by the government and a resilient financial system limit Malta's vulnerability.

The Maltese economy has, in the view of the IMF, greatly benefited from its business-friendly tax regime.

Recent events in Europe – particularly those relating to Cyprus – heightened perceptions about risks of hosting a large banking sector in a small country. In the case of Malta, these risks have been contained because the large international banking segment has limited balance sheet exposures to the Maltese economy. The authorities should, in the view of the IMF, continue monitoring banking developments, including the links between foreign parent banks and their Maltese entities. The Maltese authorities need to be ready to take action if spill-overs from abroad become likely or Malta's internationally-oriented banks increase their exposure to the domestic economy. Despite turbulence in the euro-zone, the performance of Maltese banks has been satisfactory. In contrast to many European countries, banks' deposits and credit to the private sector continued to increase in 2012, albeit at a slower pace than in 2010–11. Malta's banks were heavily exposed to the property market in 2012 and non-performing loans were on the rise. Any significant decline in house prices

could have a sizeable impact on the domestic banking sector.

The IMF considers the government's objective to balance the budget over the medium term remains essential, but it requires a credible and sustainable consolidation effort. After progress in 2011, the fiscal deficit widened to 3.3 per cent of GDP in 2012 during the election cycle, triggering a reassessment of Malta's public finances. Discretionary measures in the 2013 budget are expansionary although tax revenues appear optimistic in the light of the moderate growth outlook. The IMF urged the Maltese authorities to adopt additional measures to ensure that the deficit falls below 3 per cent of GDP in 2013 and public debt is put back on a sustainable path. Restoring the profitability and viability of large public corporations is crucial to alleviate fiscal pressures. The high level of government-guaranteed debt and delicate financial position of the energy utility, Enemalta, and Air Malta heightened concerns about fiscal sustainability. Progress on the restructuring of Air Malta appears to be on track and the restructuring plan of Enemalta was approved in December 2012. In the view of the IMF, the Maltese authorities need to undertake reforms to ensure that the country's fiscal framework meets EU requirements. Fiscal discipline and governance should also be strengthened by establishing an independent fiscal council to guide and assess the government's consolidation efforts.

Pension reform remains a priority to ease long-term fiscal pressures. In particular, the retirement age needs to be aligned with life expectancy, said the IMF. Continued efforts are also needed to improve female labour participation and educational attainment. Continuing efforts to incentivise and support job search are also welcome. Education reforms should focus on promoting greater social inclusion and linking vocational training more closely with labour market needs.

The IMF concluded its assessment by observing that Malta's growth model has become increasingly dependent on financial and niche services; this means that measures to broaden competitiveness are needed to help diversify the economy. The government needs to ensure better alignment of wages and productivity, promote foreign direct investment (FDI), improve the judicial system and implement structural reforms. These are particularly important at a time when many of Malta's trading partners are undergoing internal devaluation, fiscal consolidation and structural reforms to restore their

## KEY INDICATORS

## Malta

	Unit	2008	2009	2010	2011	2012
Population	m	*0.41	*0.42	*0.42	0.42	*0.42
Gross domestic minus gold	US\$bn	8.40	8.00	8.30	8.90	*8.69
GDP per capita	US\$	20,281	19,111	19,746	21,028	*20,852
GDP real growth	%	4.1	-2.7	2.3	2.1	*0.8
Inflation	%	4.7	1.8	2.0	2.4	*3.2
Unemployment	%	6.0	6.9	6.8	6.6	*6.3
Exports (fob) (goods)	US\$m	3,177.0	2,383.0	3,088.0	3,549.6	4,231.5
Imports (fob) (goods)	US\$m	4,844.0	3,594.0	4,317.0	4,967.1	5,450.8
Balance of trade	US\$m	-1,667.0	-1,211.0	-1,229.0	-1,417.6	-1,219.3
Current account	US\$m	-469.0	-491.0	-415.0	-46.0	*25.0
Total reserves minus gold	US\$m	368.3	532.1	535.8	542.2	688.3
Foreign exchange	US\$m	288.3	329.7	340.5	328.3	474.8
Exchange rate	per US\$	0.68	0.78	0.76	0.75	0.77

\* estimated figure

competitiveness. More generally, these reforms should make the economy less vulnerable to any sectoral setbacks and more resilient to any potential harmonisation of EU tax rates at the EU level.

### Risk assessment

Economy	Good
Politics	Good
Regional stability	Good

### COUNTRY PROFILE

#### Historical profile

1814 Malta became a crown colony of the UK, with limited self-government. 1942 The islanders were awarded the George Cross for heroism during a three-year siege and severe bombing by Germans and Italians in the Second World War. 1947 Malta was granted full internal self-government. 1956 In a referendum, a majority voted in favour of integration with the UK as proposed by the Partit Laburista (Malta Labour Party) (MLP) under Dominic (Dom) Mintoff. 1959–62 Disturbances followed the rejection of Mintoff's integration proposals by the British, leading to his resignation. The British reinstated direct rule. 1964 Malta was granted full independence. It became a member of the Commonwealth, reinforced by defence and aid treaties with UK. 1971 A Labour government was elected under Dom Mintoff, who signed co-operative treaties with Eastern and Western countries and established close relations with Libya. 1974 Malta declared itself a republic. 1981 The MLP gained more seats but fewer votes than the Partit Nazzjonalista (PN) (Nationalist Party), which mounted a campaign of civil disobedience and boycotted the House of Representatives for over a year. 1987 Following constitutional amendments, the PN, led by Eddie Fenech Adami, worked to maintain non-aligned status, while seeking closer ties with the West. 1990 Malta applied to join the EU. 1996 The EU application was frozen by Alfred Sant (MLP) when he took office as prime minister. 1998 Prime Minister Adami (PN) renewed the island's application to join the EU. 2003 The ruling PN won the parliamentary elections. 2004 Prime Minister Fenech Adami stepped down and Lawrence Gonzi was sworn in as prime minister. Eddie Fenech Adami took office as president. Malta joined the EU.

2005 The Maltese parliament ratified the European constitution in a unanimous vote. 2006 Increasing numbers of illegal immigrants from Africa forced Malta to seek stronger commitment from EU partners. 2007 The EU formally invited Malta to join the third stage of the European Monetary Union (EMU). Malta became a member of the European Union Schengen area whereby all travellers may cross borders without a passport or visa. 2008 Malta adopted the euro as its official currency. In parliamentary elections the PN won 49.3 per cent of the vote (35 seats out of 69), the MLP 48.8 per cent (34); turnout was 93 per cent. 2009 By unanimous approval, parliament elected George Abela as president. 2011 A referendum held in March was won by pro-divorce supporters. A bill was presented to parliament, and passed (by 52 votes to 11) on 25 July, making divorce legal so long as the couple have been separated for at least four years, that there was no chance of reconciliation, and adequate maintenance was agreed and the children were protected. It came into effect in October. Malta's call for a suspension of the 'Dublin regulation' and more help from the EU to cope with the unprecedented number of migrants and refugees arriving from North Africa since January, was given limited approval at the 23–24 June summit meeting. Malta argued that as the 'Dublin regulation' requires all EU members to return migrants and refugees to the first country of entry and as Malta was a frontline country of the EU it was likely to be disproportionately hit hard by the numbers to be processed. However, the summit did agree to a 'safeguard mechanism', which allowed the temporary re-introduction of border controls in exceptional circumstances in individual cases. 2012 On 13 January, the international credit ratings agency, Standard & Poor's, lowered its long term sovereign ratings for Malta from A to A- and its short term rating from A- to A-2, with a negative outlook, due to what it considered was the impact of deepening political and economic problems in the euro-zone. On 20 August, Dom Mintoff died, aged 96 years. He was one of Malta's prime movers for, and first prime minister after, independence. The international credit ratings agency, Fitch, confirmed Malta's rating of A+ on 25 September, with a stable outlook following a largely positive report by the International Monetary Fund in May. On 10 December parliament defeated the budget bill and the government fell. 2013 The elections held on 9 March were won by the opposition Partit Laburista (PL) (Labour Party) with 54.8 per cent of the

vote (39 seats out of 65), followed by the former ruling Partit Nazzjonalista (PN) (Nationalist Party) with 43.3 per cent (26 seats).

#### Political structure

##### Constitution

The independence constitution of 1964 was amended on 13 December 1974, to provide for the creation of the office of president to replace that of governor general.

##### Independence date

21 September 1964

##### Form of state

Parliamentary democratic republic; it is a member of the Commonwealth.

##### The executive

The House of Representatives elects the president as constitutional head of state for a five-year term. The president appoints the prime minister and, on the latter's advice, the cabinet, which holds executive power.

##### National legislature

The unicameral Kamra tad-Deputati (House of Representatives) has 65 members elected by proportional representation in multi-seat constituencies, to serve for five-year terms. Should a party polling a majority of votes fail to gain a majority of seats in the House, extra seats are allocated until a majority of one seat is achieved.

##### Legal system

The judiciary is independent. Public law is based on English common law.

##### Last elections

1 April 2009 (presidential); 9 March 2013 (parliamentary).

**Results:** Presidential: George Abela was unanimously voted into office by the House of Representatives. Parliamentary (2013): Partit Laburista (PL) (Labour Party) 54.8 per cent (39 seats out of 65); Partit Nazzjonalista (PN) (Nationalist Party) 43.3 per cent (26 seats), Alternattiva Demokratika (AD) (Democratic Alternative) 1.8 per cent (no seats).

##### Next elections

2013 (parliamentary); 2014 (presidential).

#### Political parties

##### Ruling party

Partit Laburista (PL) (Labour Party) (from 9 Mar 2013)

##### Main opposition party

Partit Nazzjonalista (PN) (Nationalist Party)

#### Population

417,000 (2012)\*

**Last census:** 27 November 2005: 404,962

**Population density:** 1,184 inhabitants per square km. Urban population 95 per cent (2010 Unicef).

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**Annual growth rate:** 0.6 per cent, 1990–2010 (Unicef).

### **Ethnic make-up**

Most Maltese are descendants of Phoenicians, with strong elements of Italian and other Mediterranean influences.

### **Religions**

Roman Catholic (98 per cent).

### **Education**

Primary education lasts for six years; secondary schooling lasts for five years, divided into a three-year orientation cycle and a two-year cycle of specialisation. There are two types of secondary education schools – junior Lyceums and area secondary schools; following either of these leads to a choice between academic or technical courses. Over 54 per cent of students continue with their education and training after the age of 16. Church schools are funded through the government and tuition is free.

Higher education is mainly provided by the University of Malta. The quality of education in Malta is high and attracts students from the Mediterranean and the Middle East.

**Literacy rate:** 92.6 per cent total; 93.4 per cent female, adult rates (World Bank).

**Compulsory years:** Five to 16.

**Enrolment rate:** 108 per cent (boys); 107 per cent (girls) gross primary enrolment of the relevant age group (including repetition rates) (World Bank).

### **Health**

Public hospital services are adequate although there have been concerns over the long waiting times. Total bed capacity is around 2,000. An increasing number of doctors are resigning due to poor working conditions and wages. Due to the low numbers of doctors, some health centres have stopped operating on a 24-hour basis.

A programme of refurbishment and modernisation was undertaken in all government hospitals.

### **HIV/Aids**

**HIV prevalence:** 0.2 per cent aged 15–49 in 2003 (World Bank)

**Life expectancy:** 79 years, 2004 (WHO 2006)

**Fertility rate/Maternal mortality rate:** 1.3 births per woman, 2010 (Unicef)

**Child (under 5 years) mortality rate (per 1,000):** 7 per 1,000 live births (WHO 2012)

**Head of population per physician:** 3.18 physicians per 1,000 people, 2003 (WHO 2006)

### **Welfare**

The Maltese welfare system is poised for reform. There is a significant welfare gap in society.

The social security contribution rate paid by every Maltese employer is 10 per cent. The self-employed pay a rate of 15 per cent.

A Care Allowance was introduced for children living in institutions and was later extended to foster parents.

### **Main cities**

Valletta (capital, estimated population 5,465 in 2012), Birkirkara (20,552), Mosta (19,644), San Pawl il Bahar (19,276), Qormi (15,300), Zabbar (14,546), Naxxar (13,405), Marsascula (13,328).

### **Languages spoken**

Malti (Maltese), English and some Italian; most business correspondence is in English.

### **Official language/s**

Malti (Maltese) and English

### **Media**

#### **Press**

**Dailies:** Bilingualism has resulted in 50 per cent of the number of newspapers published in either Maltese or English. In Maltese, *L-orizzont* ([www.l-orizzont.com](http://www.l-orizzont.com)) has the highest circulation, followed by *In-Nazzjon* ([www.nazzjon.com.mt](http://www.nazzjon.com.mt)). While *The Times* ([www.timesofmalta.com](http://www.timesofmalta.com)), *The Malta Independent* ([www.independent.com.mt](http://www.independent.com.mt)) and *Malta Today* ([www.maltatoday.com.mt](http://www.maltatoday.com.mt)), are popular English newspapers.

**Weeklies:** In Maltese, *It Torca* ([www.it-torca.com](http://www.it-torca.com)), published on Sunday, has the highest circulation followed by *Kull Hadd* ([www.kullhadd.com](http://www.kullhadd.com)) and *Lehen is-Sewwa* a Catholic publication. English dailies publish Sunday editions.

**Business:** Two publications include, in English, the daily *Business Today* ([www.businesstoday.com.mt](http://www.businesstoday.com.mt)) and *The Malta Business Weekly* ([www.maltabusinessweekly.com.mt](http://www.maltabusinessweekly.com.mt)).

#### **Broadcasting**

The Public Broadcasting Service (PBS) ([www.pbs.com.mt](http://www.pbs.com.mt)) is funded by both a television license and advertising.

**Radio:** There are dozens of local stations broadcasting; however the market is dominated by those operated by either the government, political parties or the Catholic Church. PBS ([www.pbs.com.mt](http://www.pbs.com.mt)) operates three stations including Radju Malta, Radju Parlament and Majic FM. Super One Radio ([www.one.com.mt](http://www.one.com.mt)) is owned by the Maltese Labour Party, Radio 101 ([www.radio101.com.mt](http://www.radio101.com.mt)) is operated by the Nationalist Party, RTK ([www.rtk.org.mt](http://www.rtk.org.mt)) is owned by the Catholic Church and Campus FM (<http://campusfm.um.edu.mt>) is operated by the University of Malta.

**Television:** For revenue, television companies lease airtime to independently

production houses which provided programmes of agreed topics. The TV market is diverse with broadcasts from Italian television received and over 80 per cent of homes subscribing to cable services.

PBS ([www.pbs.com.mt](http://www.pbs.com.mt)) operates TVM, which mainly broadcasts externally produced programmes in both Maltese and English. Super One TV ([www.super1.com](http://www.super1.com)) is owned by the Maltese Labour Party and Net TV ([www.nettv.com.mt](http://www.nettv.com.mt)) is operated by the Nationalist Party.

### **Economy**

The economy is largely structured on trade, tourism and financial services of which the latter two account for over 70 per cent of GDP and give employment to over 65 per cent of the workforce. However, the global economic crisis has affected trade and tourism since 2008, not only because they are both subject to external pressures, but also because Malta had adopted the euro as its currency on 1 January 2008, which made exports costlier and visitor's currencies (unless from the euro-zone) less valuable.

GDP growth in 2008 was 4.1 per cent, falling into recession in 2009 with a rate of -2.7 per cent, before bouncing back in 2010, as tourism and global trade began to pick up, so that annual growth was 2.3 per cent. The rate remained static with an estimated 2.1 per cent growth in 2011. Inflation in 2008 was 4.7 per cent as imports of energy and food had risen; by 2009 it had dropped to 1.8 per cent as domestic demand fell; inflation in 2010 was recorded at 2 per cent.

The government introduced a financial stimulus package in 2009, which included support for the manufacturing and tourism sectors and increased public investment. Female participation in the workforce is the lowest in the European Union (EU) at just over 30 per cent (typically the highest enrolment rates are over 60 per cent) and a personal income tax regime was modified to encourage their uptake of paid employment. Foreign direct investment (FDI) peaked in 2006 at US\$1.84 billion (around 30 per cent of GDP), with much of the investment directed towards the innovation-driven sectors, specifically semiconductor manufacturing. FDI declined to US\$832.6 million in 2008, before recording stronger investment in 2010 of US\$998.9 million.

The financial sector remained relatively stable throughout the economic crisis as Malta's banks had limited exposure to international operations. In 2011, the international ratings agency Standard & Poor's re-confirmed Malta's A/A1 sovereign credit ratings, while the transfer and

convertibility assessment remained AAA, due to the country's stable financial outlook.

Transport-related services, such as trans-shipment and ship repair, are important to the economy. Malta is a flag of convenience state and has been under pressure from the EU to comply with its maritime standards.

### External trade

As a member of the European Union, Malta operates within a communitywide free trade union, with tariffs set as a whole. Internationally, the EU has free trade agreements with a number of nations and trading blocs worldwide. Manufactured commodities provide 75 per cent of total exports, while the tourist sector provides 30 per cent of GDP. Malta's has the world's fourth largest merchant fleet in the world and is actively encouraging growth in international banking and financial services and developing an offshore tax haven.

### Imports

Principal imports are petroleum and vehicles, foodstuffs, electrical and electronic components, machinery, beverages and tobacco, manufactured and semi-manufactured goods.

**Main sources:** Italy (38.9 per cent of total in 2012), France (6.8 per cent), UK (6.8 per cent).

### Exports

Major exports include manufactured electrical and electronic items, general machinery, clothing and footwear, stationery and books and building materials.

**Main destinations:** Hong Kong (11 per cent of total in 2012), Germany (10.3 per cent), Singapore (8 per cent).

### Agriculture

The agricultural sector accounts for around 2.5 per cent of GDP and employs less than 2 per cent of the population. Agricultural production supplies only about 20 per cent of Malta's food needs. There is a limited area of land available for agriculture and freshwater supplies are scarce. Potatoes and onions are the largest vegetable crops; potatoes are also the largest export crop. Grapes are the largest fruit crop and flower cultivation is flourishing.

Malta has decided to implement the reform of the EU Common Agricultural Policy (CAP) on 1 January 2007. The reform was introduced throughout most of the EU in 2005, when subsidies on farm output, which tended to benefit large farms and encourage overproduction, were replaced by single farm payments, not conditional on production. The change is expected to reward farmers who provide and maintain a healthy environment, food safety and animal welfare standards. The changes

are also intended to encourage market conscious production and cut the cost of CAP to the EU taxpayer.

Around 1,000 tonnes of marine fish are landed annually, while aquaculture produces 2,000 tonnes. Around 370 people are registered as full-time fishermen, with 300 registered fishing vessels in operation. Another 1,500 boats are owned by part-time fishermen.

### Industry and manufacturing

The industrial sector contributes approximately 30 per cent to GDP and employs 35 per cent of the labour force. Manufactures include textiles, clothing, synthetic fibres, footwear, wines and beer, furniture, electronic goods, automobile components, measuring/controlling equipment and tobacco products. Ship-repairing is an important foreign exchange earner, but the Malta Drydocks company suffered falling revenues during the 1990s as worldwide shipping activity declined. As a result, the government has decided to end subsidies to both the Malta Drydocks and Malta Shipbuilding companies by 2008.

### Tourism

Malta, strategically located in the middle of the Mediterranean, has been occupied or colonised down the ages by the Phoenicians, the Romans, Byzantines, Arabs, Normans, Crusaders, Napoleonic troops and the British. Each succeeding occupation left behind evidence of their passing. The Germans were the last to attack the islands, in the 1940s, subjecting the people to a blockade the privations of which earned the islands a Victory Cross (the highest award for bravery given by the UK). The capital Valetta is a UN World Heritage Site, which includes 320 monuments within an area of 55 hectares (one of the most concentrated historic areas in the world). Malta and Gozo's megalithic temples are also on the UN list.

With tourist numbers of over one million annually, for a population of some 415,000, the travel and tourism industry is a major component of the economy, which constituted over 12 per cent of GDP in 2011 and typically employs 25 per cent of the total workforce. The downturn in the world economy had the effect of depressing the tourist trade by -0.3 per cent in 2008 and further still in 2009 to -8.3 per cent before recovering strongly to 6.4 per cent in 2010, as most countries came out of recession and travel plans were reinstated.

Malta invests in its tourism industry and of total capital investment, travel and tourism has consistently attracted between 10–15 per cent per annum. Cruise ships dock at the Port of Valetta at newly refurbished

buildings that once belonged to the Knights Hospitaller of Malta.

Malta's long association with the UK provides elderly Britons with a winter destination for longer stays. However, in 2010 the market saw an increase in younger visitors (up to 24 years) attracted by competitive prices in a euro-zone country.

### Mining

Malta has no exploitable natural resources.

### Hydrocarbons

There are no known oil or gas reserves although oil and gas exploration is ongoing. All hydrocarbon needs are met by imports; consumption of oil was 19,000 barrels per day in 2008.

The Enemalta Corporation is responsible for imports, storage and distribution of oil and liquefied petroleum gas (LPG), as well as liquefied natural gas (LNG). In 2007 and 2008 Heritage Oil and Malta Oil were given exclusive rights to explore in Malta's territorial waters up to 2010 and 2011 respectively.

What little reserves of coal Malta may have is not commercially recorded.

### Energy

Total installed generating capacity was 570MW in 2007, producing 2.13 billion kilowatt hours. The Enemalta Corporation generates and distributes electricity nationwide. There are three traditional thermal power stations supplying electricity throughout Malta and by sub-marine cables to Gozo and Comino.

Many households buy bottled supplies of liquefied natural gas (LNG) for cooking and heating.

The government set a target of 5 per cent of total generating capacity to be supplied by renewable energy sources (RES) by 2010, and agreed to an EU target of 10 per cent by 2020. However by 2008 solar power and biofuels were only in minimal use.

### Financial markets

#### Stock exchange

Borza ta' Malta (Malta Stock Exchange) (MSE)

#### Banking and insurance

There are two major commercial banks — Bank of Valletta and the HSBC Bank Malta plc.

#### Central bank

Central Bank of Malta

#### Time

GMT plus one hour (daylight saving, late March to late October, GMT plus two hours)

#### Geography

The largest and only inhabited islands of the Maltese archipelago in the

Mediterranean are Malta, Gozo and Comino. The main island, Malta, lies 93km (58 miles) south of the Italian island of Sicily and 290km (180 miles) north of the Libyan coast, with Tunisia to the west. Malta is typically limestone rock with a series of low hills and slopes running toward the north-west and low-lying land to the south-east. The soil can be thin producing heathland, while terraced hills produce much of Malta's agricultural produce.

### **Hemisphere**

Northern

### **Climate**

Mediterranean, with hot summers and warm winters. Temperatures range from about 29 degrees Celsius (C) down to about 10 degrees C. January and February are the coldest months, July and August the hottest. August and September tend to be hot and humid, but usually with sea breezes in evening.

### **Dress codes**

European clothing is suitable for winter, spring and autumn; tropical weight for summer.

### **Entry requirements**

#### **Passports**

Required by all, excepted for citizens of EU and EEA with national ID cards. Passports must be valid for three months beyond the length of stay.

#### **Visa**

Required by all, except nationals of EU and Schengen area signatory countries, North America, Australasia and Japan. For further exceptions contact the nearest embassy or see [www.foreign.gov.mt](http://www.foreign.gov.mt) and follow the link to travel advice. A Schengen visa application (offered in several languages) can be downloaded from <http://europa.eu/abc/travel/> see 'documents you will need'.

#### **Currency advice/regulations**

The import and export of local currency is limited to Lm5,000; the import of export of foreign currency is unlimited. Travellers cheques are widely accepted.

#### **Customs**

Personal items are duty-free. There are no duties levied on alcohol and tobacco between EU member states, providing amounts imported are for personal consumption.

### **Health (for visitors)**

Nationals of the European Economic Area (EEA) countries and Switzerland can access reduced cost and sometimes free medical treatment using a European Health Insurance Card (EHIC) while visiting the EEA. Exceptions include nationals of the 10 countries, which joined the EU in 2004, whose EHIC is not valid in Switzerland. Applications for the EHIC should be made before travelling.

### **Advisable precautions**

There are no special requirements.

### **Hotels**

Classified from five-star to one-star. All hotel staff speak English and many are multi-lingual.

### **Credit cards**

All major credit and debit cards are accepted; ATMs are widely available.

### **Public holidays (national)**

#### **Fixed dates**

1 Jan (New Year's Day), 10 Feb (St Paul's Shipwreck), 19 Mar (St Joseph's Day), 31 Mar (Freedom Day), 1 May (Labour Day), 7 Jun (Commemoration of the 1919 Uprising), 29 Jun (Feast of St Peter and St Paul), 15 Aug (Assumption Day), 8 Sep (Victory Day), 21 Sep (Independence Day), 8 Dec (Immaculate Conception), 13 Dec (Republic Day) and 25 Dec (Christmas Day).

#### **Variable dates**

Good Friday

### **Working hours**

#### **Banking**

Mon-Fri: 0830-1230; Sat: 0830-1200. Summer and winter opening hours may vary.

#### **Business**

Mon-Fri: 0830-1245 and 1430-1730.

#### **Government**

Mon-Fri: 0745-1230 and 1315-1715 (Jun to Sep Mon-Fri: 0730-1330).

#### **Shops**

Mon-Sat: 0900-1300 and 1600-1900.

### **Telecommunications**

#### **Mobile/cell phones**

GSM 900 and 1800 services are available throughout the islands.

### **Electricity supply**

240V AC

### **Weights and measures**

The metric system is the main one in use. Sometimes the imperial system is also used and, on rare occasions, the old local measures.

### **Getting there**

#### **Air**

**National airline:** Air Malta.

**International airport/s:** Malta (MLA) at Luqa, 5km from Valletta, facilities include *bureau de change*, duty-free shops, car hire and restaurant. Taxis and buses are available.

**Airport tax:** None

#### **Surface**

**Water:** There are regular car ferry services from Sicily and the Italian mainland.

### **Getting about**

#### **National transport**

**Air:** Internal flights (by helicopter) operate between Malta and Gozo.

**Buses:** Regular bus services run from Valletta to most towns and villages on Malta and Gozo.

**Water:** Gozo Channel Company operates a regular round-the-clock daily ferry service between Malta and Gozo.

#### **City transport**

Metered taxis are available.

#### **Car hire**

Self-drive cars are available at daily, weekly and monthly rates with unlimited mileage and fully comprehensive insurance. A national or international driving licence is required, which must be endorsed at the Police Licensing Office, Floriana. Speed limits are 40kph in built-up areas and 64kph elsewhere. Driving is on the left.

## **BUSINESS DIRECTORY**

The addresses listed below are a selection only. While World of Information makes every endeavour to check these addresses, we cannot guarantee that changes have not been made, especially to telephone numbers and area codes. We would welcome any corrections.

### **Telephone area codes**

The international direct dialling (IDD) code for Malta is +356 followed by subscriber's number.

### **Useful telephone numbers**

Police: 191

Ambulance: 196

Fire brigade: 199

Directory enquiries: 190

Overseas operator: 194

Time check: 195

### **Chambers of Commerce**

Malta Chamber of Commerce and Enterprise, Exchange Buildings, Republic Street, Valletta VLT 05 (tel: 2123-3873; fax: 2124-5223; e-mail: [admin@chamber.org.mt](mailto:admin@chamber.org.mt)).

Maltese-American Chamber of Commerce, Exchange Buildings, Republic Street, Valletta VLT 05 (tel: 2124-7233; fax: 2124-5223; e-mail: [president@malta-uschamber.com](mailto:president@malta-uschamber.com)).

### **Banking**

APS Bank Ltd, 275 St Paul Street, Valletta VLT 07 (tel: 247-547; fax: 238-698).

Bank of Valletta Ltd, 58 Zachary Street, Valletta VLT 04 (tel: 243-261/7; fax: 230-894).

Bank of Valletta Group, BOV Centre, High Street, Sliema, SLM 16 (tel: 336-224; fax: 346-160; internet site: [www.bov.com](http://www.bov.com)).

HSBC Bank Malta plc, 233 Republic Street, Valletta VLT 05 (tel: 485-713; fax: 489-425).

HSBC Bank Malta (Overseas) plc, 15 Republic Street, Valletta VLT 05 (tel: 249-801/4; fax: 249-805).

Investment Finance Bank Ltd, 168 Strait Street, Valletta VLT 07 (tel: 232-017, 233-349; fax: 242-014).

Lombard Bank (Malta) Ltd, Lombard House, 67 Republic Street, Valletta VLT 05 (tel: 248-411/8; fax: 246-600).

Valletta Investment Bank Ltd, 144 St Christopher Street, Valletta VLT 02 (tel: 2235-246; fax: 234-419).

#### **Central bank**

Central Bank of Malta, Pjazza Kastija, Valletta CMR 01 (tel: 2550-0000; fax: 2550-2500; e-mail: info@centralbankmalta.com).

#### **Stock exchange**

Borza ta' Malta (Malta Stock Exchange) (MSE), www.borzamalta.com.mt

#### **Travel information**

Air Malta, Head Office, Malta International Airport, Gudja (tel: 2299-9984, 2299-9885; fax: 2299-9368; internet site: www.airmalta.com).

Malta International Airport Ltd, Luqa LQA 05 (tel: 249-600; fax: 243-042; internet site: www.maltairport.com).

#### **National tourist organisation offices**

Malta Tourism Authority, 280 Republic Street, Valletta CMR 02 (tel: 224-444, 225-048/9; fax: 220-401; e-mail: info@visitmalta.com; internet site: http://www.visitmalta.com).

#### **Ministries**

Ministry of Investment, Industry and Information Technology, 168 Triq id-Dejqa, Valletta CMR 02 (tel: 2122-6808; fax: 2125-0700; email: miti@gov.mt).

Ministry of Foreign Affairs, Palazzo Parisio, Merchants Street, Valletta CMR 02 (tel: 2124-2853; fax: 2123-5032; email: info.mfa@gov.mt).

Ministry of Finance, Maison Demandols, South Street, Valletta CMR 02 (tel:

2124-9640/6; fax: 2122-4667; email info.mfin@gov.mt).

Ministry of Resources and Infrastructures, Block B, Floriana CMR 02 (tel: 2122-2378; fax: 2124-3306).

#### **Other useful addresses**

British High Commission, Whitehall Mansions, Ta'Xbiex Seafront, Ta'Xbiex, MSD 11, (tel: 2323-0000; fax: 622-001).

Department of Industry, St George's, Canon Road, St Venera (tel: 446-259).

Department of Information, Auberge de Castille, Valletta (tel: 225-241, 224-901; fax: 237-170).

Department of Trade, Lascaris, Valletta (tel: 224-411).

Embassy of the United States of America, PO Box 535, Valletta CMR 01 (tel: 2561-4000; fax: 2124-3229; email: usembmalta@state.gov).

Hotels and Restaurants Association, 7 Frederick Street, Valletta (tel: 336-843; fax: 237-253).

Malta Broadcasting Authority, National Rd, Blata l-Bajda (tel: 221-281).

Maltacom (telecommunications), Spencer Hill, Marsa HMR12 (postal address: PO Box 40, Qormi, QRM01) (tel: 240-000; fax: 246-369; e-mail: mcintrel@maltacom.com; internet site: www.maltacom.com).

Malta Development Corporation, PO Box 141, Marsa GPO 01; head office: Triq l-Industrija, Qormi (tel: 441-888; fax: 441-887; e-mail: info@mdc.com.mt; internet site: www.investinmalta.com).

Malta Drydocks, The Docks (tel: 822-451, 822-491; fax: 800-021).

Malta Export Trade Corporation, Trade Centre, PO Box 8, San Gwann SGN 01 (tel: 446-186/7/8; fax: 496-687; internet site: www.metco.com.mt/main.htm).

Malta Federation of Industry, Development House, St Anne Street, Floriana VLT

01 (tel: 222-074, 234-428; fax: 240-702).

Malta Financial Services Centre (MFSC), Attard (tel: 441-155; fax: 441-188).

Malta Freeport Corporation Ltd, Freeport Centre, Port of Matsaxlokk, Kalafrana BBG 07 (tel: 650-200; fax: 684-814).

Malta Investment Management Co Ltd (MIMCOL), Trade Centre, San Gwann Industrial Estate, Birkirkara SGN09 (tel: 497-970; fax: 499-568).

Malta Maritime Authority, Maritime House, Lascaris Wharf, Valletta VLT 01 (tel: 250-360/4; fax: 250-365).

Malta Shipbuilding Co Ltd, Marsa (tel: 220-051, 237-297; fax: 240-930).

Malta Stock Exchange, Pope Pius V Street, Valletta VLT 11 (tel: 244-051/5; fax: 244-071).

Malta Trade Fairs Corporation, The Fair Grounds, Naxxar NXR 02 (tel: 410-371/4; fax: 414-099).

Maltese Embassy (US), 2017 Connecticut Avenue, NW, Washington DC 20008 (tel: (+1-202) 462-3611; fax: (+1-202) 387-5470; e-mail: malta\_embassy@compuserve.com).

Parliamentary Secretariat for Maritime and Offshore, House of Four Winds, Valletta (tel: 241-570).

Privatisation Unit, Ministry of Finance and Economic Affairs, Trade Centre, San Gwann Industrial Estate, San Gwann SGN 09 (internet site: www.maltacom.com).

Sea Malta Co Ltd, Sea Malta Building, Flagstone Wharf, Marsa HMR 12 (tel: 232-230/9; fax: 225-776).

#### **Internet sites**

Malta Government: <http://www.magnet.mt/>