

## MALTA

## A Center of Excellence

**AS** a country that scores highly on innovation, competitiveness and economic stability, Malta is currently outpacing many E.U. economies in terms of growth and employment. On course to become a knowledge-based economy by 2015, the Mediterranean's most southerly island nation is emerging as a highly attractive investment destination with an entrepreneurial population.

"What started as a vision has become a work in progress with noticeable results," says forward-thinking Prime Minister Lawrence Gonzi of the Vision 2015 initiative. "We have defined seven sectors for development which will give us an even greater comparative advantage by 2015."

Financial services, creative industries, transport and logistics, high-end manufacturing, life sciences, education and tourism are the sectors that have been earmarked.

The beautiful archipelago, which is enjoying a record number of tourist arrivals this year, is also proud to have been chosen to host ABTA's 2010 Travel Convention on 18-20 October.

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"Our goal is to move away from the concept of being a sun-and-sea destination and focus more on green tourism; developing eco-labels for hotels, and highlighting the fact Malta is an historic island with more than 7,000 years of history and heritage," says Mario de Marco, Parliamentary Secretary for Tourism, the Environment and Culture.

Since it joined the E.U. in 2008, Malta has been recognized as a stable and reputable international financial center, with year-on-year growth throughout the sector. Financial services grew by 22% last year, and are predicted to make up 25% of Malta's gross domestic product within five years.

"Being part of the E.U. has given us a high level of credibility and we have seen the results from international investors, who now consider Malta a country to invest in, without questioning whether we are reliable or not," says Minister of Finance, Economy and Investment Tonio Fenech.

Malta's high skills base is also attractive, with Italy's Con. Nexo' Group recently moving its headquarters there. "Even though Malta is a small island, with a population of just over



400,000, we have a highly elaborate and sophisticated economy and have attracted investment even during the recession," Fenech says. "We have an open-door policy in terms of our ability to respond to business needs, which is why we've attracted Lufthansa Technik, SR Technics, Micro Electronics and other large companies in various fields. We exist to facilitate business operations and we support anyone who generates value within the economy, although we cherish our reputation as a financial center with a high level of repute."

Kenneth Farrugia, head of FinanceMalta, the financial sector's investment-and-promotion body, notes how Malta has significant strength to offer the industry, with its well-trained, motivated workforce, a comprehensive legal and regulatory framework and a competitive fiscal regime backed up by more than 50 double-taxation agreements.

"Malta is also one of the 40 countries praised by the OECD for "substantially implementing" internationally agreed tax standards," he explains.

Local businesses are also supported, with tax credits and a micro-credit scheme that is being rolled out for small and medium-size enterprises. "We need to transform these organizations to contribute toward the chain of value-added services, and upgrade them to develop within ICT, design, software and other areas of the economy," Fenech says.



Malta's new SmartCity, opening October, is a fine example of the government's push for innovation excellence. A joint venture promoted by Dubai Holding members Tecom Investments and SAMA Dubai, SmartCity facilitates success for knowledge-based firms through a thoughtful environment, an intelligent infrastructure and support systems. "We value people in I.T. and the cost of them is two-thirds of what it would be in any other major European city," says Minister of Infrastructure, Transport and Communications, Austin Gatt.

### Sustaining competitiveness

Working hard to sustain Malta's competitiveness in Europe and promote the country's many advantages abroad, Malta Enterprise offers investors an exceptional and professional service.

"Being a small country, we have the flexibility to make decisions in a very short space of time, while at the same time being able to assist investors through their project's lifespan," says Alan Camilleri, the organization's chairman. "In small societies, relationships are very important, and we can provide them, as we can introduce potential investors to anyone in the country through a quick phone call."

Camilleri believes the island nation owes a lot to its British heritage. "We speak perfect English, our time-management skills are outstanding, and our ability to meet deadlines is exceptional," he says. "We need to work harder and be more focused if we are to stay ahead as a competitive nation in

Europe, and the world in general.

"One British investor told me that when he speaks to others who have considered Malta as a domicile, he asks them why they are not already here.

"When you want to set up a business, you look at safety, security, stability and a good quality of life, especially if you have a family. If you are an investor, you look at currency-exchange fluctuations, the stability of the banks, and the financial services available, as you want to be sure you will get a return on your investment. Malta offers the most competitive tax regime in Europe and low labor costs, but our strength lies also in our stability, our lifestyle, civil security and, of course, the beautiful weather."

In the coming years, the government and Malta Chamber of Commerce, Enterprise and Industry will be focusing on boosting productivity. "We want people to be trained in more value-added industries, and we want to increase female participation in the Maltese business community," says Kevin Borg, the Chamber's director-general. "We are excited about a new life sciences park that is due to open in 2013 and are also helping Maltese companies franchise abroad."

Meanwhile, the fierce determination of visionary chairman and CEO Alfred Pisani has seen the Corinthia Group of Companies become an exceptional Maltese success story. From a dream that started with the building of a luxury hotel on the main island some 40 years ago, Pisani now presides over a conglomerate of hotels and residential complexes across Europe and North Africa.

Corinthia's latest venture is the 300-room Corinthia Hotel in the heart of London, overlooking the Thames, which will open soon. "We will have the largest rooms in London, and 45 suites. Seven of these are duplexes ranging from 300-400 sq ft in size," the ultra-dynamic Pisani says.

Also thriving is Bee Insurance Management Ltd. Reborn from International Insurance Management Services Ltd., Bee's new image has set the insurance sector buzzing. "We wanted to get across that we are an ambitious, motivated, young company," says general manager Elizabeth Carbonaro. "We will continue to provide feasibility studies, incorporation services and a comprehensive range of insurance-management services to local firms and insurance or reinsurance companies setting up operations in Malta."

Finally, with its sights firmly set on expansion in Libya and Algeria, the Camilleri Group of Companies dates back to 1843, when present owner Charles Camilleri's great-grandfather began selling sweets from a little shop in Valletta. Today, the organization represents several concerns, including retail franchises BHS and Mothercare and a catering company.



Elizabeth Carbonaro  
General Manager  
Bee Insurance Management



Alan Camilleri  
Chairman  
Malta Enterprise



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**TALENT**

Just like a little sapling, talent grows with time, patience and the pouring of resources. We've long discovered the importance of honing talent... With a 500 year old University and 6% of our GDP poured yearly into education facilities and services, the Maltese workforce has been able to perform, adapt and grow to the expectations of over 200 foreign direct investors, some of which have been steadily expanding over the past 30 years. As a business person, in Malta you will find affordable, available and malleable human capital and world-class education facilities for your children. We put our talent in front of us, because we believe in it as much as you do. Try it!



**MaltaEnterprise**

Enterprise Centre, Industrial Estate, San Gwann SGN 3000 - Malta

T: (+356) 2542 0000 F: (+356) 2542 3401 E: [info@maltaenterprise.com](mailto:info@maltaenterprise.com) W: [www.maltaenterprise.com](http://www.maltaenterprise.com)