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# Malta

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Malta Report 2007



Record levels of investment are flowing into Malta as the international business community discovers the advantages of doing business from this ambitious Mediterranean island. An EU state on the doorstep of North Africa, Malta has developed one of the most progressive and efficient business locations in Europe, and is well on its way to achieving its vision to become the Regional Centre of Excellence in ICT, Services and high value added industrial activities. Attracting investors with its strong pro-business environment, its world class legislative and regulatory frameworks and its multi-lingual and highly skilled workforce, Malta is looking ahead to a very positive future in its hard-won role as the major business hub in the Mediterranean.

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## EXECUTIVE SUMMARY

A tiny island nation with no natural resources bar its people, Malta has long been determined not to allow size to dictate success. Small but highly ambitious, Malta is now one of the most attractive investment locations in the region, and well on its way to achieving its vision of becoming the regional centre of excellence in IT and financial services.

Indeed, three years into European Union membership, the tiny island state of Malta is beginning to enjoy the results of years of sustained efforts to transform its economy into a sharply-tuned instrument of growth, custom designed to address the challenges of the globalised world. Positioned strategically between Europe and North Africa, the island promotes itself as a stepping stone between the two continents, and is building a strong reputation as the ideal regional hub for expansion-focussed businesses.

The island's legislative and regulatory systems, formulated and implemented over the last fifteen years to create a solid yet flexible framework for business, its state-of-the-art telecoms infrastructure



# Aiming for Success

and wealth of highly skilled professionals in every field, plus the injection of EU structural funds accelerating the upgrading of the general infrastructure, combined with its central Mediterranean location and unique sun-kissed lifestyle are coming together to help Malta win both investment and international recognition.

## Mediterranean Location

Just over 100 square miles in area, the Maltese islands, comprising Malta, Gozo and Comino, lie midway between Europe and North Africa, 60 miles south of Sicily and 120 miles north of Libya. Malta's 390,000 inhabitants are among the most international of peoples. With a 7000-year history that has seen a succession of foreign conquerors ruling the island until 1964, when Malta won Independence from Britain after 160 years, the islanders have acquired a unique ability to adapt to new ideas and adopt, and improve, the best of them to their ultimate advantage.

In the four decades since Independence, Malta's leaders have laid the foundations for a sustainable economy based on tourism, industry and services. Apart from the natural beauty of the islands, with their golden limestone, crystal clear sea and charming rural landscape, Malta has no natural resources bar its people. And, while from the mid-Sixties to the mid-Eighties, Malta sold itself as a manufacturing base for products like textiles and electronics, using low wages and plentiful supply of labour as its main selling point, by the end of the Eighties it was recognised that educating the workforce to include highly qualified professionals would attract higher value added products and services to the island.

## Embracing Change

Transitioning the economy to fit the vision, however, was not always easy, especially post 2001. Privatisation

of many government enterprises, radical restructuring of state-owned companies, tight control on government expenditure, higher effective taxation and a stringent tax compliance regime, all measures aimed at reducing the country's deficit and establishing a stable fiscal platform for the island's economy, also caused various problematic economic reverberations. At the same time, the strategic decision to move away from the low cost manufacturing and package tourism that drove the island's economy up to as recently as ten years ago, coupled with a relative slowdown in tourism as operators struggled to adapt to changing realities within the international market, caused even further economic jitters.

However, over the last couple of years Malta has finally been seeing the hard-won results of these policies. New industry sectors, knowledge-based activities that barely even existed two decades ago, such as ICT and financial services, are now jostling the shoulders of the upgraded traditional leading sectors of tourism and manufacturing as they compete for the title of fastest growing sector.

## Reaching the Euro Goal

EU membership since 2004 and efforts to meet the criteria for adoption of the Euro in January 2008 caused some of the challenges as Malta's government introduced often unpopular measures to reduce the deficit to below 3%, cut back levels of public debt to below 60% of GDP and rein in inflation and unemployment.

All the Maastricht criteria have now been reached, including keeping interest rates within Eurozone levels and maintaining a stable rate of exchange between the Euro and the Maltese Lira, and the EU's final assessment currently underway is widely expected to result in the green light for Malta to adopt the Euro on January 1<sup>st</sup> 2008 as planned.



## MALTA: KEY FACTS

**Official name:** Republic of Malta

**Capital city:** Valletta **Area:** 316 sq km

**Location:** Southern Europe- Mediterranean Sea

**National elections due:** 2008

**Population:** 400,000

**Legal system:** English common law and Roman civil law

**Prime Minister:** Dr Lawrence Gonzi

**Currency:** Maltese Lira (Lm)

**Languages:** Maltese (official) English (official)

**Unemployment rate:** 4.5% (2006)

**GDP growth:** 2.9% (2006)

**Inflation:** 2.77% (2006)

**Economic sectors:** Agriculture 3%

Services 73%, Industry 24%,

**Main trading partners:** Italy, Germany, UK

**Sovereign Rating:** AA (Finch 2006)

**European Union:** Member (May 2004)



### Winning Investment

The adoption of the Euro, now within touching distance, has long been seen as a key element in Malta's potential attractiveness to investors, and as official reports over the last two years confirmed that Malta was on target for achieving the Maastricht criteria, foreign direct investment figures for 2006 bear this theory out.

The latest verified data available indicate that Malta attracted Lm488 million (close to Euros1.15 billion) in the first nine months of 2006. This is more than double the Lm219 million for the whole of 2005, and well over three times the Lm143 million for 2004.

### People Power

But while Euro-anticipation can be credited with at least part of this success, other essential elements have also been instrumental in ensuring the increased stream of investment into the country. These include the dedicated and sophisticated legislative and regulatory systems put in place over the last decade and a half, and, very significantly, human resources.

Most investors and business operators already based in Malta cite their staff as being the main reason they keep their investment in Malta: highly educated, multi lingual and extremely flexible as well as cost-effective, Malta's workforce is one of its greatest strengths. And as government and education authorities step up their efforts to marry the output of educational institutions with industry needs, Malta's university and vocational colleges are producing an ever-increasing stream of qualified professionals to fuel the growing financial services, ICT and the expanding health, pharmaceutical and electronics related manufacturing sectors.

### Opportunity Sectors Driving the Economy

Malta's accession to the EU in 2004 has also brought significant sector-specific advantages. For example, one of the main reasons Malta has become such an

attractive domicile to many financial services firms is the passporting rights firms enjoy to other EU and EEA areas, which has led to Malta becoming a magnet for insurance and fund management firms.

Other areas are also doing well. Remote gaming is fast becoming a major revenue earner and employer, again driven for the most part by effective regulation. The ICT sector is also on a roll, with Malta based firms enjoying success on an international stage. Malta-developed software is making substantial leaps forward, and the new SmartCity project, with an investment of US\$300 million by the developers of Dubai Internet City, Tecom, can only accelerate that trend.

Tourism, despite disappointing results in 2006, seems to have turned a corner, and new investment in five-star hotels and conference and incentive travel facilities over the last year and a half continues to strengthen the island's product offering. Financial Services, ICT and tourism, as well as high-end manufacturing are the drivers of the economy at the moment, and all of them tap into the one resource Malta has to offer: its people.

### Signpost to Success

Performing better than it has for years, Malta's economy is beginning to reflect the value that only a couple of years ago seemed chimerical. While official statistics put the island's growth rate for 2006 at 2.9%, perhaps even more effective as a barometer to the island's state of economic health is the construction industry. The Maltese put a lot of their wealth into property, an asset class that has never so far lost any value on the islands. As the economy begins to perform well and generate wealth, new investment flows into the sector. This has happened in the past – notably in the 1960s after independence and in the late 1980s to the mid 1990s. Now, informal estimates by

leading architects value the ten or so large, high profile development projects planned for the coming five years, excluding the SmartCity project, at more than Lm1 billion.

### The Bottom Line

Malta's strengths lie mainly in the resilience and ambition of its people, qualities that are a direct result of the chequered history that makes Malta fascinating. Offering foreign investors the security and ease of operating within EU borders yet within easy reach of the emerging markets of North Africa and the Middle East, supported by top class legislative framework, a stable political and economic environment, and a cost-effective, driven workforce, Malta is moving ahead rapidly. And for foreigners working in Malta, the combination of an efficient business climate and excellent infrastructure enhanced by the relaxed holiday environment in which they operate offer a unique and magical experience to do business in the sun successfully. ■



# Moving towards the future

## Interview with the Prime Minister of Malta, Dr Lawrence Gonzi



### Three years after Malta's accession to the EU, how would you describe the state of Malta's economy and what steps are you taking to ensure the growth registered last year continues?

The growth rate last year was 2.9%, which compares extremely well with the rest of Europe and some major economies in the rest of world, so the indicators are very positive. Government revenues as a result of economic activity were even higher than we predicted, and we are seeing a sustained level of investment, particularly Foreign Direct Investment, which is growing at a fascinating rate.

The economy is stable, it's moving forward and Malta will soon be certified as joining the 12 existing best economies of the 27 EU member states. This achievement will certify Malta as an excellent place to locate investment and will therefore continue to guarantee economic growth.

### In the first nine months of 2006 Malta attracted over LM488 million in foreign direct investment, more than double the amount invested in the whole of 2005 (LM219 million) and over three times the sum for 2004 (LM143 million). What changed in 2006?

This experience was the natural process of joining the EU, one which needed time and an overall government policy focussed on changing the economy for it to make the best out of membership. Our success in attracting investment is the result of our efforts to make Malta competitive, of economic stability, the result of a policy that took the right decisions, even when they were unpopular, that gave results.

And in 2006, as outlined in the convergence plan we presented in 2004, my first year as Prime Minister, our policy started to bear fruit. It gave us the results and will continue to give results: all indications are that 2007 will be an even better year.

### Which particular sectors do you see as being most interesting in terms of potential future growth to foreign investors?

Our targets is to focus on five specific areas, some of which are already proving very successful. These are ICTs, Financial Services, High End Manufacturing, Maritime and Tourism. At the same time, we have identified two other sectors that we see as having enormous potential for growth: these

are Education and Health or health tourism.

In the ICT sector, Smartcity is a crucial ingredient and it will be our brand flagship that has already put us on the global map. The investment of 300 million US dollars by the developers of the renowned Dubai Internet City to set up Smartcity@Malta, an IT village destined to become by 2008 the European outpost for global ICT and media companies that want to establish a presence in Europe as well as North Africa, is proof of Malta's investment credentials and also confirmation that we are on track to achieve our vision to become the most advanced ICT centre in the whole of Europe.

Financial Services is also already a success story. We are recognised in the world as one of the best as far as reputation, laws and regulations are concerned. We had an issue we needed to clarify with the EU, regarding ITC's (International Trading Companies) which we won last year after three tough years of negotiations in which we were opposed by some major economic powers. The Maltese system has now been accepted by the European Union and as a result, all indications are that this already growing sector will become even stronger.

### With the Maastricht criteria for joining the single currency met, Malta should be adopting the Euro on January 1 2008. What are the advantages for investors and businesses based in Malta once Malta adopts the Euro?

Well, the final assessment will take place in April/ May of this year, but its looking good. We are on target, and what this means is not simply that we are on target by April, but also that this will be sustainable for the next 12 months and that is the encouraging point.

Being part of the eurozone promises less bureaucracy and expenditure. On many levels it promises to make business easier and reduce costs, but the main thing for me is that this will indicate to investors that Malta has a strong economy and forms part of the group of best performing countries in the world and this in itself is the most powerful marketing tool for the promotion of Malta as an investment location we could ever have.

### What are Malta's unique selling points as an international financial centre?

First of all I think, is the fact that we have very good laws, excellent human resources among whom are some of the best internationally recognised accountants

and lawyers in the world, who are fluent in English, and easy to communicate with. An important point is that our parliament approves laws in both the Maltese and the English language. These laws are available for all to see, easily accessible, open and transparent: in fact, the entire package is what is making Malta such a success in this area, and now, with the agreement reached last year with the European Union, I fully expect the sector to grow even further.

### Italy is well known for design, Germany for quality, the Asian countries for their low cost. From your point of view, what concepts should the brand "Malta" transmit?

Without doubt the excellence of our human resources. Our strength is our people. If you asked the chairman of CMA CGM, operators of the Freoport, what keeps them here, he would answer human resources. ST Microelectronics would say human resources, Lufthansa Technik, Dubai Internet City would say human resources. If you ask the same thing of any of the financial sectors companies, they won't say our tax rate, they'll say human resources.

### What personal message would you like to convey to the international business community about Malta and its opportunities?

I would suggest that readers take a look at the testimonials of people who have been successful in doing business with us. There are good reasons why Lufthansa, for example, is doing business in Malta and four years into our short history of partnership it decided to expand its activity many times over.

The international business community is looking at Malta for growth in their activities for a variety of reasons, including our status as an EU member and the island's strategic location midway between Europe and North Africa. And, as the CEO of Lufthansa Technik would tell you, Malta's strengths lie in the resilience, flexibility and ambitions of its people as well as in the unique combination of an efficient business climate, excellent infrastructure and flexible workforce, and the relaxed holiday environment which make working here a unique and magical experience.

Malta has been defined by a foreign journalist as "Europe's best kept secret" and my message to all is "to come to Malta and discover this secret for yourselves". ■



FINANCE



## Towards the Euro

Malta's journey towards adopting the Euro in January 2008 has entailed hard work and tough decisions, but all indications are that the benefits for business and investment will be instrumental in determining future economic success.

The target date of 1<sup>st</sup> January 2008 for Malta's adoption of the Euro is drawing closer, and many in the local business community and the international investment market are keeping a close watch on the economic indicators that will ultimately decide whether this particular date with destiny will be kept or not.

At this point, it's looking good. Malta submitted its application to join the Euro in March 2007. All the criteria have been achieved: interest rates are within the Maastricht limit and thus in line with the Euro-zone. The Euro-Malta Lira exchange rate has been stable the past four to five years, with few pressures for change. The criteria for inflation and budget deficits have been attained and look likely to be maintained, while public debt is moving in the right direction.

### Inherent Advantages

If all remains as is, on January 1<sup>st</sup> 2008, Malta should be adopting the Euro. The value this will bring to businesses is considerable. Besides fostering macro economic stability, it will lower the costs of borrowing and costs on foreign exchange transactions, as well as improve trade prospects with Eurozone members. The sale of services outside Malta should be a lot easier without having to take exchange rate risks or charges into account, to start off with. However, the psychological comfort factors will also be important. It is easier to sell a service if the buyer does not have to calculate equivalent values in different currencies.

For Malta these benefits are expected to outweigh the potential problems which may arise from a mismatch between

Euro monetary policy and interest rates, suited to larger countries, and Malta's needs. And given that Malta is already subject to inflationary and monetary pressures from abroad, this is not a great risk. Malta – and the companies operating from Malta – stand to benefit.

### Consensus on the Economic Benefits

This expectation is strengthened by the fact that the Central Bank of Malta has been making the case for an early adoption of the Euro, particularly since the Maltese Lira entered ERMII in 2005. This goal now appears to be within reach; a direct result of the government's steadfast commitment to fiscal consolidation, and political consensus on the euro.

The adoption of the euro is expected to enhance the economy's potential for accelerated economic growth through the elimination of exchange rate risk and currency conversion costs which should fuel increased trade, while the low interest rate and inflation environment of the euro area should make for reduced business costs and greater macroeconomic stability.

Combined with the fiscal discipline associated with monetary union, this is expected to translate into higher credit ratings and overall better investment prospects. A key benefit of euro area membership will be the elimination of the costs inherent in managing a small, vulnerable currency like the Maltese lira and their replacement by the greater security and credibility afforded by a strong international currency

### Watchful Eyes

Meanwhile, on a micro level, entrepreneurs are already making preparations and implementing the necessary changes for the Euro changeover. These include adapting IT

and accounting systems, including salaries and tax payments, as well as marketing and pricing strategies. Malta's National Euro Changeover Committee (NECC), set up to ensure a smooth transition to the single currency, has published various informational handbooks for businesses, as well as providing a continuous stream of information via the local media and direct consultations.

Fears that the Euro changeover might lead to some one-off, unjustified price increases have prompted government to take preventative action well in advance of actual adoption date. The NECC is carrying out an on-going, wide-reaching educational campaign to ensure consumers are armed with enough information, such as familiarity with conversion rates and alertness in price monitoring to avoid any such abuses. At the same time, the authorities have announced stiff penalties for any retailers or businesses attempting to artificially raise prices.

### Be Prepared

As Malta moves closer to E-Day, all of these initiatives take on ever-greater significance: while the benefits of joining the single currency are achievable, they are not guaranteed and ensuring a smooth changeover with little or no major upsets is essential if the island is to leverage maximum advantage from the changeover. For businesses the challenge is to be prepared and informed well in advance of the actual date, thus minimizing the risk of changeover confusion and increasing their opportunities to reap the benefits. The final countdown may not have officially begun yet, but Malta's local and foreign communities alike are already keeping a close watch on their calendars. ■



## FOREIGN DIRECT INVESTMENT

The pace of investment in Malta is rapidly gaining momentum as knowledge-based and high value added industries discover the worth of the island's most valuable resource: people.

Malta's commitment to achieving a reputation for excellence in the ICT, financial services and high value added industry sectors is paying off rapidly as two internationally renowned industry leaders choose this Mediterranean island as the location for key multi million dollar investments. Two major projects that constitute the largest investments ever made in Malta, Germany's Lufthansa Technik and Dubai's Tecom, developers and operators of Dubai Internet City, are firmly cementing Malta's claim to priority billing on any investor's agenda.

Just over a decade after Malta's government took the strategic decisions to transform the island's economy by shifting the focus away from low-cost manufacturing and package tourism to knowledge-based industries and high-end manufacturing, the declared vision of seeing Malta take the lead as the regional centre for ICT excellence is becoming a reality. Tecom Investments will be spending US\$300 million on developing SmartCity, an IT village expected to create over 5000 new jobs and that is planned to open in 2008. The significance of this development, in light of Tecom's phenomenal success with their world-renowned Dubai Internet City, is underlined by Malta's Prime Minister, Dr Lawrence Gonzi, who described the project as being: 'destined to become the European outpost for global ICT and media firms who want to establish a presence in Europe as well as Africa.'

Concurrently, Lufthansa Technik is to invest €60 million in new aircraft maintenance facilities to handle the Airbus A330 and A340 aircraft. Its Malta subsidiary, which currently employs 150 workers, already carries out C-checks on smaller A320 and Boeing 737 planes. A new hangar,

expected to be among the first in the world able to take the new Airbus A380, is to be built for the company, and the expanded operation will eventually create over 500 new jobs for specialised personnel already being trained in preparation.

### Right Time, Right Place

Malta's key location mid-way between Europe and North Africa gives the island added advantage as an investment location; with its western European business environment, sophisticated infrastructure and highly skilled workforce, Malta is targeting investment from high value added industries and service providers... and it is succeeding. Worries that accession to the EU would prove a hindrance to investment from abroad have proved to be unfounded. Figures for 2006 register record levels of investment, with the latest verified data available indicating that Malta attracted Lm488 million (close to Euros1.15 billion) in the first nine months of 2006. Compared to Lm219 million for the whole of 2005, and Lm143 million for 2004, it is clear that the rate of growth is spectacular.

### Top Billing

So what is giving Malta its winning edge? Flexibility, innovation, competitiveness and adaptability have been key elements of Malta's economic strategies since the island began to fend for itself after Independence from Britain in 1964. And today, foreign investors are also attracted by the modern business infrastructure, excellent telecommunications, comprehensive incentive package, competitive labour costs, highly skilled and educated workforce and truly enviable quality of life. These advantages are further enhanced by the island's strategic location in the Mediterranean between Europe and North Africa that makes it an ideal location for economic activity between the two continents.

# Investing in Excellence

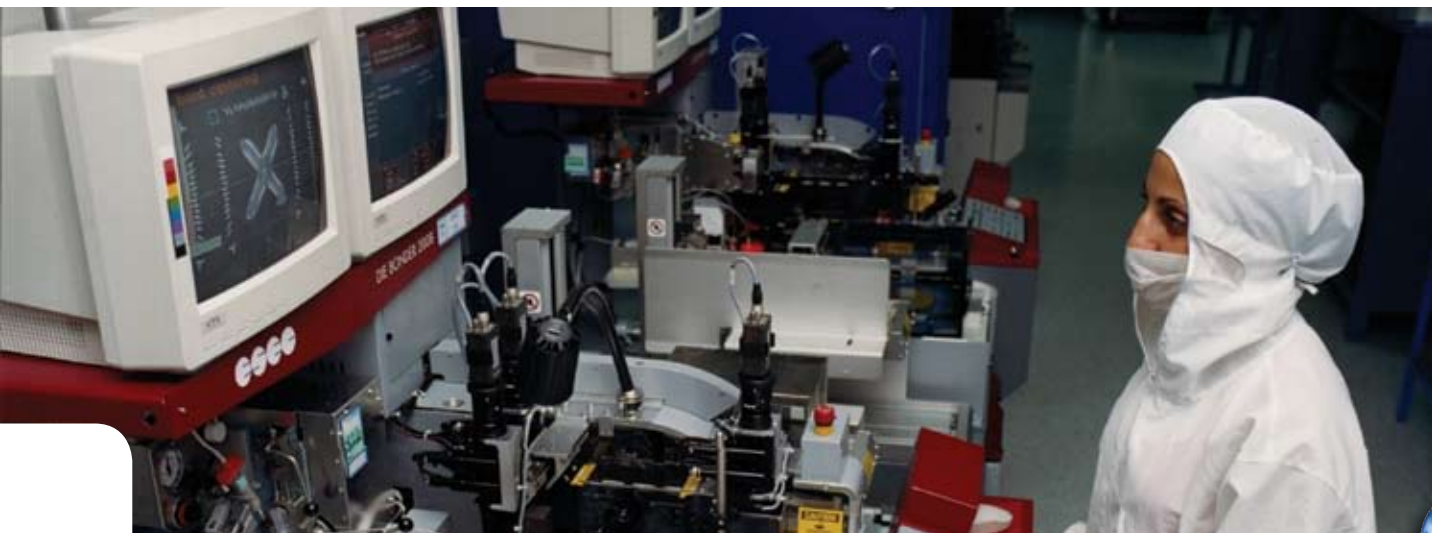
### Diversifying Industry

Today, Malta's industrial sector comprises some 200 foreign and some 400 locally-owned manufacturing companies, with new companies setting up in Malta are more likely to be software developers, pharmaceutical companies or manufacturers of high value electronic components. Both large enterprises like ST Microelectronics, one of the world's most profitable chip manufacturers, and small outfits like Creditinfo Malta, an Icelandic business information company employing four people, are already present in Malta, and De La Rue, Dowty, Baxter, Methode Electronics, Lufthansa Technik and Brandstatter all have major production plants in Malta. The range of activities is equally eclectic: Products made in Malta and exported worldwide include semi conductors, electrical components and sub-assemblies, pharmaceuticals and medicinals, rubber and plastics, fabricated metal products and machinery, software, garments, food products and others. Malta offers a highly competitive investment location for niche activities, particularly in the medical, bio-tech, pharmaceutical, automotive, film, maritime activities, contact centres, aviation services, e-business and iGaming, back office services, electronics and software industries. The island's proximity to and cultural links with North African markets such as Libya, Egypt, Tunisia and the Middle East is attracting companies that are using Malta as a stepping-stone for trading, distribution and marketing for international operations in Southern Europe and North Africa.

### Targeting Generic Pharmaceuticals

Malta is fast becoming recognised as a particularly attractive centre for the generic pharmaceuticals industry, and the island's favourable legal environment for generics producers has attracted a number of leading international names to migrate to Malta.

Including Activis, Arrow Pharmaceutical Group, Siegfried Holdings and Combino Pharm, all of whom were attracted by the Maltese patent law that allows firms to experiment on



patented drugs before the patent expires, a provision known as the Bolar Exemption. This trend is expected to continue over the next ten years at least, with the industry being encouraged through the creation of a suitable infrastructure, to expand further and make itself viable and self-sustainable in the long-term.

### Expanding Investment

ICTs and the transport sectors are also enjoying strong growth. Malta's two main ports – the Malta Freeport at Marsaxlokk and the Grand Harbour – are now both operated by foreign companies. Both have seen considerable investment in plant and equipment in what is likely to be an ongoing process, adding capacity and economic potential. Lufthansa Technik, an aircraft maintenance provider, has bought out Air Malta's shares in its Maltese subsidiary, and towards the end of 2006 also embarked on the substantial investment programme detailed above.

In the telecommunications field, the Government has sold its 60% share in Maltacom to Tecom Investments, the Dubai based company that is also involved in the development of the SmartCity project. The sale represents a sizable inward investment, and is expected to be followed by further investment

in the national telecoms company's capabilities.

### Taking the Lead

Encouraged by government initiatives and the state-of-the-art telecoms infrastructure, Malta offers one of the most progressive environments in the world for ICT, iGaming and e-Business activities. Investment in this area is increasing at a rapid pace and the SmartCity project earmarked to come online in 2008 will be instrumental in ensuring Malta's international reputation matches the strength of its overall ICT infrastructure and human resources.

This fits in well with Malta's aspirations in the ICT sector. Ranked 27th in the world in its potential for IT development by the World Economic Forum, Microsoft, Cisco, and Oracle have all established a significant presence on the island with the aim of using Malta as a research and development testing ground for e-government solutions. The first companies to take advantage of what Malta offers were the offshore betting and gaming companies, of which over 140 have already established a presence on the island, and Malta has now set its sights on attracting business such as disaster recovery, data processing, software development, data storage, payment gateways, database

management, supply chain management centres and a variety of related services.

### Supporting the Oil Industry

Malta's excellent geographical location, its modern infrastructure and its status as an EU member allows it to offer numerous advantages as a location for regional oil and gas operations, and the island specialises in providing residency facilities in a safe environment for families and expatriates working in North Africa as well as serving as a logistics base for transshipment, supplies, storage, warehousing and other services, and offering an ideal regional base for international companies.

Located right at the heart of the considerable offshore oil and gas activity in the region, with close proximity to the main ports in Algeria, Tunisia, Libya and Egypt, Malta has served as a base for the major oil operators, drilling contractors and pipe laying contractors in and offshore North Africa, particularly Libya, and offers a state-of-the-art transshipment terminal and distripark facilities within a free zone environment; storage and warehousing facilities including an oil terminal; expertise in manufacture, repair and conversion of ships as well as rigs; and excellent telecommunications facilities.

## Vade mecum

**When thinking of investing in Malta, you may be envisaging some sort of development. This will inevitably involve applying for building permits with the Malta Environment and Planning Authority. The following is a quick brief on how to prepare oneself so that the planning process is speeded up as much as possible.**

1. Request a pre-submission meeting. This is a meeting prior to actually submitting an application. Come prepared with :
  - a. a dossier of what you have in mind,
  - b. possible sites you may have earmarked,
  - c. list of requirements for your operations, including if possible, concept designs, backing literature, tentative block plans and similar material.
  - d. photographs of the site you have in mind and similar facilities abroad.
  - e. prior consent from relevant authorities (eg: tourism if in the hospitality industry)
  - f. a reliable architect, suitable for the kind of project you have in mind
2. In submitting an application, make sure

that you and your architect have given all the requested information. A checklist of the required information should be given to you during the pre-submission meeting but is also available on [www.mepa.org.mt](http://www.mepa.org.mt)

3. Be available, even plan for a preliminary site visit. This will help MEPA officials get the feel of your needs and constraints.
4. Be aware of environmental aspects. These might need to be addressed separately. MEPA will direct you to with regards to studies such as Construction Management plans, Restoration Method Statements, Traffic Impact Statements and such like. The website also

contains information on Environmental Impact Assessment regulations.



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# Malta

## A Centre of Excellence in the Mediterranean

There's a place where North meet South, where East meets West, at the crossroads of the Mediterranean Sea. A small group of Islands rich in heritage and history.

MALTA - the friendly heart of the Mediterranean.  
The ideal location for regional operations and easy access to global markets.

Today Malta has already attracted hundreds of foreign manufacturing, trading and service companies since the island boasts a highly productive workforce within a well developed economic and industrial structure.

As a centre for investment and trade in the Mediterranean, Malta is one of Europe's secret success stories.

English as the business language, European time zone and lifestyle, a competitive incentives package, excellent telecommunications, together with frequent air and sea connections to Europe, North Africa and the Middle East, make Malta a sure choice for foreign direct investment and international trade.

So come and see for yourself - MALTA, the Mediterranean's most vibrant, welcoming and profitable business location.



**Malta Enterprise**

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### Stability and Profitability

Through government's investment promotion agency, Malta Enterprise, the island offers investors a comprehensive package of incentives including tax incentives, soft loans, investment allowances, training grants, and the provision of ready built specialised factory space. Beyond this however, the island's infrastructure is of a world standard and can cater to all investors' requirements relating to telecommunications, transport, financial services and power generation. Furthermore, while Malta's flexible and highly trained, multi-lingual workforce is the island's most valuable asset, wages in Malta remain below the Western European average, and the island is considered by Eurostat to be one of Europe's most profitable investment locations.

At the same time, living in Malta offers an excellent lifestyle in a glorious Mediterranean climate, the island is politically stable and within a few hours flying time of most major European cities. These combined advantages make Malta one of the most attractive investment locations in the region, and international attention is fast being drawn to the island and its ever-growing potential.

### Productive and Driven Workforce

Malta's flexible and highly trained, multi-lingual workforce is the island's most valuable asset. Wages in Malta remain below Western European average, and the island is ranked in 19<sup>th</sup> place out of 102 countries by the World Economic Forum for its high growth competitiveness potential. The Maltese workforce has over the years proved itself to be hard working, diligent and highly

productive. Foreign companies based in Malta all comment favourably about their experiences with the local employees in terms of productivity, profitability, dependability and rapid response times.

### Practical Assistance

Charged with the task of attracting foreign investment to Malta, Malta Enterprise is a government agency that offers assistance to foreign investors thinking of setting up in Malta. The island offers investors a comprehensive package of incentives under the Business Promotion Act, which can be accessed in full at [www.maltaenterprise.com](http://www.maltaenterprise.com). Incentives include soft loans, investment allowances, tax incentives, training grants, and the provision of ready built specialised factory space. New provisions provide incentives for those industries demonstrating growth and employment potential that are engaged in manufacture, repair, improvement or maintenance activities, and there are specific incentives aimed at encouraging activities in the growth-targeted pharmaceutical, plastics, biotechnology, electronics, electrical equipment and IT enabled service sectors. Tax incentives include a reduced rate of income tax (valid up to end 2008), investment tax credits and reduced rates of Value Added Tax as well as tax deductions on plant and machinery and industrial buildings or structures.

### Planning Ahead

The Malta Environment and Planning Authority (MEPA) is the agency responsible for protecting Malta's cultural heritage and the environment. Commenting on Malta's

current influx of FDI, MEPA Chairman Mr. Andrew Calleja said that MEPA works closely with incoming investors to help them realise their visions while ensuring the continual safeguarding of Malta's cultural heritage and environment. MEPA points out that Malta has adopted a strategy of industry clustering and this forward planning has resulted in the creation of dedicated zones that are specifically designed to cater for the needs of every sector, from pharmaceuticals to high-tech ICT projects like SmartCity. Integrating environmental protection with sustainable economic growth enhances Malta's competitiveness as an attractive destination, and provides a healthy platform for future development.

### Complete Package

Important as they may be however, it takes more than financial incentives to attract foreign investment and over the years successive Maltese governments have done their best to ensure that the whole environment is conducive to such investment. The island's infrastructure is of a world standard and can cater to all investors' requirements relating to telecommunications, transport, financial services and power generation. At the same time, living in Malta offers an excellent lifestyle in a glorious Mediterranean climate, the island is politically stable and within a few hours flying time of most major European cities. These combined advantages make Malta one of the most attractive investment locations in the region, and international attention is fast being drawn to the island and its potential. ■



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## FINANCIAL SERVICES

# Making a Mark

Rapidly gaining international recognition as a world class financial services sector, Malta is actively promoting its competitive advantages: a strong and positive legislative framework coupled with a flexible, pro-business attitude providing the island with a winning formula for success.

Since Malta's entry into the EU in 2004, the financial services sector has been making significant inroads into the European financial services scene, particularly in the investment and insurance industries. Malta's competitive attractions are being increasingly recognized internationally, helped in no small measure by Malta's heightened international profile. Malta is being seen as offering a thorough and detailed regulatory regime ideal for both professional and institutional investors seeking a domicile in the EU.

### Traditional Trade Hub

Malta's geographical location has always attracted trade and commerce and this has been significantly enhanced by EU accession, which is seen as granting it greater stability and a growing economy as well as raising international interest. Today Malta interacts with the EU and the Mediterranean with all the strategic, multicultural potential involved, making the island a very real and major link between Europe, North Africa and the Middle East. Malta, being an independent island state, situated as it is at the periphery of Europe, is naturally perceived as a gateway to neighbouring regions. The promotion of Malta as an intermediary between Europe and North Africa may lead to the country achieving enhanced prosperity, trade and co-operation for itself and for its European partners.

### Serving the Financial Sector

From a financial services aspect Malta is being favored because of its prompt regulatory process, experienced lawyers, auditors, service providers and a highly skilled, multilingual work force (often

speaking three or four languages), many of whom are native Maltese. Furthermore it offers a very high level of service, with a meaningful cost advantage. Prof. J. V. Bannister, chairman of the Malta Financial Services Authority (MFSA), speaks very highly of Malta's secondary and tertiary institutions and their financial courses, which provide the growing industry with a constant stream of top quality professionals. Malta's financial industry employs more than 6100 people, and presently contributes considerably to the country's GDP, with expectations that it will contribute over 24% within the next few years.

### Efficient and Effective

One of Malta's most appreciated advantages is the accessibility to the regulator, the speed at which licenses are processed, getting feedback from government officials and the ease in organizing logistics such as suitable office space and all the requisite connections. Business CEOs and managers find that the authorities are easily accessible and quick to respond to requests for meetings. In addition, the island is benefiting from growing word-of-mouth recommendations, particularly since the recent launch of a number of high-profile hedge funds from Malta heightened the island's ever-increasing credibility even further.

### Fund Management

A change in the MFSA guidelines in the first two months of 2006, allowing leverage in property products has allowed single funds investing in property to go to Malta adopting the PIF format. As at December 2006, the MFSA had authorised 93 professional investor funds and 21 UCITS. Malta's regime for these funds has attracted hedge funds as well as more traditional types of funds sold to high net worth and institutional investors. Regulation in this area is geared to ensure the highest standard

of probity while not being overly prescriptive – ideal for professional and institutional players who want a domicile in the EU.

### Administration Services

Furthermore, unlike other financial centers, Malta does not insist on local service providers for their professional investor funds, although the local providers are adding on services to compete globally. In addition, Malta is attracting a new wave of administration service providers such as the Dutch mutual and hedge fund administrator TMF. Proponents in favour of local administrators have argued that besides offering very competitive rates for fund administration business, clients find they encounter fewer issues with the local administrators because they approach business with a can do attitude. In fact funds are showing increasing interest in locally provided administration services as more servicing capacity comes on stream. As at December 2006 there are 11 fund administrators recognized and licensed by the MFSA.

### Fiscal Advantages

Costs for registering a PIF in Malta are cheaper than those incurred in established jurisdictions. Furthermore, hedge funds can also save on tax. While Malta's corporate tax rate is 35%, a qualifying company may end up with an effective tax rate of 4.17%.

A big advantage of Malta is the ability for funds to redomicile themselves into the Mediterranean, possibly winning UCITS compliance and an EU-wide passport. A fund that wins UCITS status in any one EU member state can be freely distributed in other EU jurisdictions without having to negotiate from scratch with other regulators.

Another important issue is the Markets in Financial Instruments Directive (MiFiD), the EU-inspired law which is due to take effect in November 2007. In the case of a hedge fund, Malta has essentially introduced self managed funds, to which MiFiD may not apply. Thus far, it is the only onshore EU jurisdiction to have this option.

### Malta Stock Exchange

Although still relatively small in size, the MSE has large funds players among the 300 funds listed on their boards. These include names such as Fidelity, HSBC and Société Générale to name a few.

The 14-year-old Malta Stock Exchange (MSE) has passed through many developments. A lot has been achieved during these years, not least the fact that Malta can today speak meaningfully of a local capital market. Also welcome is the shift in investor attitude, from one based purely on savings considerations towards an investment culture which accepts and seeks to manage risk for the sake of higher returns. The MSE is now utilizing the experience gained over the past 14 years to assist other fledgling markets, amongst which is the Qatar Financial Authority.

Although the growth of the Malta Stock exchange has been rather disappointing, its performance has been rewarding for investors. The value of the Exchange measured in terms of its total Market Capitalisation reached an all-time high of just under Lm3.5 billion (EURO 8.15 billion) in 2006.

Management from the MSE has

actively sought out companies and funds to explain to them the benefits of being listed. They have examined the possibility of linking with other exchanges within the region, and other exchanges within the European Union. They plan to take full advantage of Malta's new Securitisation Act to add new instruments to the equities and bonds currently listed on the MSE boards.

### Captive Insurance Sector

Recent independent research has confirmed Malta to be the best up-and-coming captive insurance jurisdiction in Europe, once again attributed to Malta's entry into the European Union which is being seen as the turning point in attracting the Captive business to Malta. Although EU standard regulation for insurance companies is applied in this sector, Malta's accessibility, tailored regulation and cost efficiency have earned it a mention alongside the best ranked overall domiciles in the world.

It also follows on the latest amendment to Malta's legislation, which was introduced in the Companies Act Regulations in 2004, and allows for the formation of Protected Cell Companies (PCCs) for captive insurance management. A PCC consists of a number of

cell structures, each with their own balance sheet, assets and income. The cells are in many ways autonomous, but all form part of the main PCC company. What is important is that liabilities incurred by one individual cell do not impinge on the other cells, and profits from one cell stay with that cell. Each cell can have different shareholders, which means that cells can be rented out to different companies or people.

Malta is today a jurisdiction recognised for the formation or re-domiciliation of Captive Insurance Companies. The quality of regulation is one reason Malta has become an attractive captive insurance domicile. A number of captive and third party insurance companies have been authorized by the MFSA, the most obvious advantage being the ability to write cross-border insurance business directly from Malta. On the other hand, tailored regulation in the form of protected cell company legislation, company redomiciliation provisions, and an International Financial Reporting Standards (IFRS) standard accounting environment, together with the possibility to extend authorization to cover third party risks have provided other major reasons for companies to set up in Malta. ■



## Captive Insurance Facilities in an ideal setting

### Malta at the crossroads of the Mediterranean

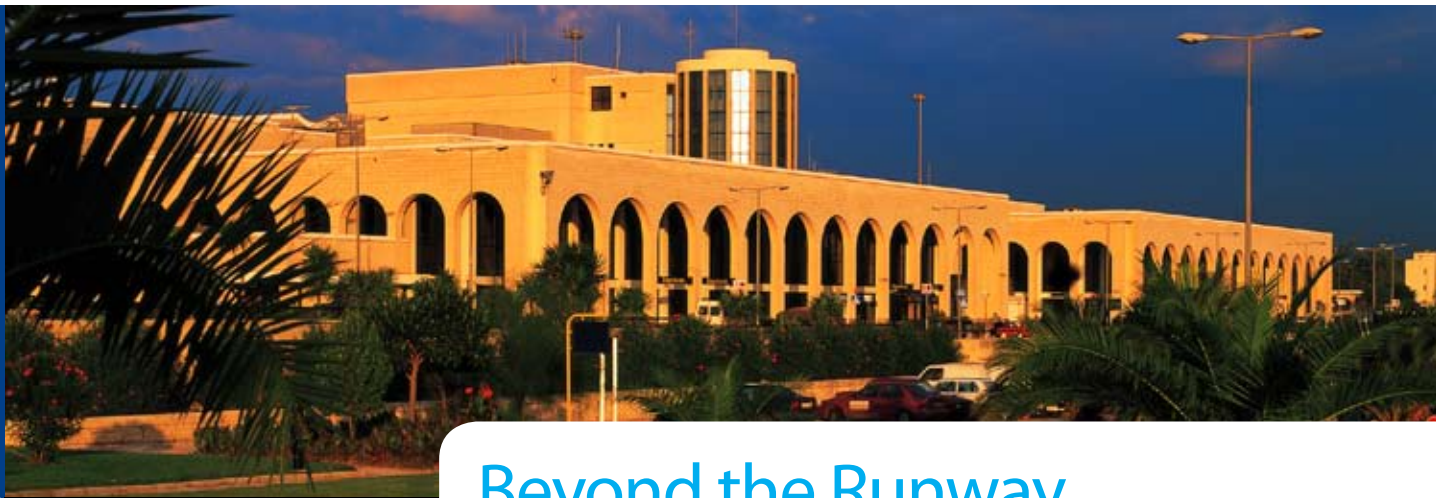
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MALTA INTERNATIONAL AIRPORT

## Beyond the Runway

A sharp eye for opportunity has helped Malta International Airport to diversify its operations and lay the groundwork for a future packed with exciting potential.

The only airport in Malta, Malta International Airport plc (MIA) has a crucial role to play in the development of the Maltese economy. Since it first started operating in 1992, replacing the 35-year-old Luqa airport terminal, the MIA has functioned as Malta's most important gateway to the world, providing general passenger and cargo services to all travelers or goods arriving or departing from Malta by air. However, the success of Malta's state-of-the-art airport goes beyond the core terminal services offered: much of the MIA's success lies with the astute decisions to add ancillary functions and services to its portfolio, thereby creating a stream of new business opportunities for itself and its partners as well as new revenue streams to beef up its end-of-year profits even during periods of slackened tourism.

Today airlines serving Malta fly to over 50 different countries, and the intention is to continue to increase this figure both in terms of new destinations and in terms of frequency of flights and number of available seats. The recent advent of low cost airlines such as Ryan Air, Meridiana and German Wings brought a welcome

upsurge in both areas and the MIA, in tandem with the Government of Malta, is now offering incentives to attract more low cost airlines, particularly those serving the Iberian Peninsula, Scandinavia and Poland.

Initially government owned, Malta International Airport was partially privatized in July 2002 when the government of Malta signed an agreement with the Malta Mediterranean Link Consortium Ltd (MML) for the sale of 40% of Malta International Airport plc in a deal worth LM 40 million (100 million Euro). With Flughafen Wien AG, the operators of Vienna Airport holding 57% of MML shares, and SNC-Lavalin Inc holding 39%, the deal promised to bring key expertise in both airport management and market leadership in the transport sector to bear in the development of Malta's airport. The Government of Malta went on to sell a further 20% of its shares in an Initial Public Offering in November 2002 and another 20% in November 2005.

In 2006, Malta International Airport handled 2.7 million passengers and 28,000 aircraft movements. Tourism remains the most significant factor and inevitably a shift in the number of tourist arrivals has an immediate and direct impact on MIA's operating performance. Thus, MIA's management consider it crucial to continually strengthen the retailing arm of its business, recognizing that increased revenue from retailing not only compensates for any decline in passengers, but also helps to absorb the negative effects of rising operational costs.

At the same time, it is also venturing even further beyond the traditional airport core operations. As an investor in VISET, the consortium responsible for the operation of Malta's brand new cruise liner terminal and surrounding retail and leisure area, the MIA is promoting the development of an emerging tourism segment: Cruise and Fly. As efforts to attract cruise ships to home port in Malta begin to show

promising results, this is one area where MIA can expand both its core business and its ancillary operations at the same time.

The policy to zero in on opportunity has led to the creation of the MIA Cargo Village, currently under construction over an area of 1000 sq. m. within the airport site. With MIA reporting a 6% increase in cargo throughput in 2006, this new facility, which should be operational later this year, goes a long way towards achieving MIA's objective of becoming a leading regional cargo hub. DHL Express, a global market leader of the international express and logistics industry have already announced that their Malta operation will be relocated to a new processing facility at the MIA Cargo Village.

Another area of interest to the Company is the development of its surrounding land. The development of the Mediterranean Business Park though still at concept stage, will involve the development of an area of 77,340 square metres, located on the airport premises, into an international trade centre of a high standard of excellence, featuring a suitable combination of business, retail, leisure and hotel accommodation facilities.

As Lufthansa Technik emphasises its success in Malta by investing a further 60 million Euros to significantly expand their operation on the island, MIA sees the opportunity to signal to other aircraft service and maintenance companies: the airport has the space, the expertise and the resources to provide the same kind of success to them as Lufthansa Technik has enjoyed since it located its operations in Malta.

Malta International Airport is keeping a close watch on the progress of its ambitious plans. And with the inauguration of the new Arrivals Area, the first phase of the Lm 1.8 million project that Malta International Airport has embarked upon to comply with Schengen Treaty requirements, the MIA is looking ahead to a future that promises growth across all its activities, both traditional and innovative. ■





MARITIME SERVICES

## Leading Maritime Centre

Safe ships and clean seas are the priority for the growth of Malta's maritime industry building on a centuries old tradition and offering an ideal maritime infrastructure and environment. Malta's maritime sector is going from strength to strength.

Malta's long maritime tradition and culture has led to the country becoming a well-established, reputable, open ship register. But while its lengthy and distinguished maritime history dates back through the Millennia, the Malta flag itself is still relatively young: the register was only opened in the early 1970s. Since then, however, it has gone from strength to strength and now vies with Cyprus for the position of second largest flag fleet in Europe, and ranked sixth worldwide.

### Flag of Confidence

Malta's ideal geographical location at the centre of the Mediterranean, means it lies just off the main shipping lanes and supports feeder services to some 50 Mediterranean ports. Since accession to the European Union in 2004, the pace of development in the industry has picked up smartly. According to the Malta Maritime Authority (MMA), regulator of the sector, the fleet is growing at about 2% per year and Malta's membership of the EU is widely seen as carrying positive opportunity for the industry in Malta.

The Maltese flag is the 6th largest fleet in the world and 2nd largest in Europe after the Greek register, with just over 25 million tons of shipping registered under its flag, or just under 1150 vessels. Dedicated legislation, tighter registration criteria and improved regulation, all in line with EU Directives and IMO conventions, have spearheaded Malta's determination to protect the reputation and image of the Register, and the MMA emphasises that Malta is not a flag of convenience but rather a flag of confidence.

### White List Flag

Substantially reduced detention rates have been achieved as a result of increased

inspections and tighter documentation processes and in January, 2006, Malta was one of four flag states that attained the highest quality ranking following the Paris Memorandum on Port State Control's latest inspections. Malta has now been placed on The Paris MoU "White List", which represents quality flags with a consistently low detention record.

A significant development over the last few years was the MMA's introduction of a 'sliding' fee structure that provides a reduction on registration fees and tonnage tax to young vessels, while a surcharge is applied to vessels over 15 years of age. According to Dr. Bonello, Chairman of MMA: "we have tuned our tonnage tax according to the realities of what is going on in our flag – Serious ship owners that require less inspection and thus present less of a cost to the Flag are rewarded for their efforts".

This policy is now paying dividends with the average age of vessels on the register reduced to just over 11 years old. The Maltese registry also offers the possibility of bareboat charter of foreign ships under the Maltese flag, or of Maltese ships under a foreign flag.

### 24/7 One stop shop

Offering a 24/7 service for registration, the MMA feels that ship owners do not choose the Maltese flag purely to get their names on a register, but because they are confident of the service they will receive. Technical staff are on hand to guide ship owners and managers through whatever problems might arise and ensure that vessels are not delayed longer than necessary.

A select number of international classification societies and a world-wide network of appointed flag state inspectors extend the technical arm of the Maltese Administration to practically all ports in the world. In addition ship owners benefit from attractive tax incentives, a flexible approach to crewing and preferential treatment at many ports.

### International Maritime Service Centre of Excellence

Malta has a flourishing international shipping centre, and is regarded as an efficient jurisdiction in which to establish ship management operations. The island provides a convenient base for shipping companies that take advantage of the low costs involved in operations from the Island, and from the beneficial tax regime which exists and is able to provide a wide variety of quality financial and corporate services.

The development of the shipping register has encouraged the establishment of several Malta based international ship management and ship owning companies, which activity is supported by numerous shipping related service providers, including marine lawyers, accountants and banks offering comprehensive services to the owners and operators of ships worldwide.

### Reaching the Top

Malta's shipping industry now ranks among the world's best. Ship and yacht owners and operators around the world have recognized that the island is an economic and efficient centre for the ownership and management of their vessels. ■





## TOURISM



## Basking in Sunshine

Malta's credentials as a unique travel destination are rooted in the island's 7000-year history and its convenient location in the centre of the Mediterranean, while the excellent facilities on offer add credence to its bid for top billing on any holiday or business agenda.

The warmth of the Mediterranean sun, the clarity of the Mediterranean sea and the welcoming smiles of the Maltese people have for years made Malta a popular holiday destination with tourists from mainland Europe. This is not surprising as within the hundred square miles that make up the Maltese archipelago, the visitor will find a host of attractions, ranging from balmy beaches and trendy nightclubs, to magnificent ancient monuments and a stunning legacy of centuries-old art and culture.

The islands consist of Malta, Gozo and Comino (all inhabited), and the uninhabited islets of Cominotto and Filfla. Set in crystal clear waters in the Mediterranean, the Maltese archipelago is situated 93 km south of Sicily and 290 km north of Africa. The peak holiday season is July to September, although the milder temperatures of April, May, June, September and October attract tourists looking for something more than just a sun, sand and sea holiday.

### Historical Treasure Trove

Incorporating over six thousand years of civilization, Malta and Gozo contain fascinating cultural, artistic and natural treasures. Maltese archaeological sites pre-date Stonehenge and the Egyptian Pyramids by more than a thousand years. Indeed the Maltese Neolithic Temples are the oldest freestanding constructions in the world and the Hypogeum is a unique example of prehistoric underground burial chambers. Successive conquerors including the Phoenicians, Carthaginians, Romans, Byzantines, Moors, Normans, the Knights of the Order of St. John,

the French and the British have all left their mark, together with a wealth of architectural and cultural treasures.

The country's capital, Valletta, also features on the UNESCO World Heritage List. With its hilly streets full of stunning Baroque architecture, Valletta is one of Europe's most beautiful cities, replete with museums, churches, galleries, shops, open-air markets and an atmosphere all its own. At its centre lies the remarkable St John's Co-Cathedral (its floors are lined with the marble-inlaid tombstones of long-dead knights) home to Caravaggio's Beheading of St John the Baptist. Plays, concerts and dance can be seen at the city's Manoel Theatre, St James Cavalier Centre for Creativity and the Mediterranean Conference Centre.

The old capital, Mdina, is another Baroque attraction. Much deserving of its name as Malta's 'silent city', it quietly evokes a bygone era, especially in the evening when its cobbled streets are almost deserted. Like Malta itself, Mdina is small, making it instantly accessible and easily explored.

Other attractions on the island include St Paul's catacombs in Rabat, (underground Roman cemeteries), the World War II shelters, and the Forts of St Elmo and St Angelo. In summer, visitors can also enjoy firework fuelled village feasts, or festas, in honour of village saints.

Though small in size, the Maltese islands are blessed with unique natural beauty. The Blue Lagoon in Comino, with its turquoise coloured waters, the Dingli Cliffs, which drop 200 metres into the sea, and the Grand Harbour in Valletta are but three of the many breathtaking beauty spots to be discovered around the island.

### Something for Everyone

Malta prides itself on being all things to all people. It can offer action or relaxation, peace and quiet or excitement. For lovers of music, theatre and the arts, there is an

extensive cultural calendar. For visitors interested in sports, the islands offer practically any activity, from golf and tennis, to skydiving, scuba diving, rock climbing, horse riding, walking or bird-watching.

The seas around Malta and Gozo are clean and clear and offer an unlimited variety of water sports. Sailing, snorkelling and windsurfing are superb while as a scuba diving location Malta ranks among the best in the Mediterranean. Divers can enjoy water with mild temperatures and excellent visibility. The islands' underwater landscape has a unique topographic structure, with a healthy fauna, which offer ideal conditions for underwater photography.

Malta is itself a feast for the 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. Its English-speaking population is characterized by a strong sense of hospitality. While Maltese and English are the official languages, Italian, French and German are widely spoken.

### Island Hopping

Becoming increasingly popular as an added attraction for visitors to Malta, the tiny island of Gozo has a charm that appeals to most. Quieter and greener than Malta, Gozo is just a short 20-minute ferry ride away, and a visit to this quaint island can be a pleasant interlude during a busy week. The gentle, unhurried atmosphere of life on Gozo makes relaxation easy, while the glorious natural attractions of the island, the red sand of Ramla Bay, the magnificent cliffs surrounding the Inland Sea at Dwejra and the stunning views across the island offer plenty of scope for sightseeing. History buffs will also discover some delightful treats on Gozo, with the imposing Citadel



that dominates the capital Victoria, and a plethora of magnificent churches to visit.

### Entertainment and More

When it comes to dining out, visitors can eat at any one of hundreds of restaurants and cafes serving a wide range of local and international cuisine. The island also offers a vibrant nightlife with myriad pubs, wine bars, jazz bars, discos and night-clubs offering distractions for all ages.

There are several casinos on the island and a number of memorable attractions organised throughout the year including a colourful carnival, boat races, a jazz festival and all-night street events held in the capital, Valletta. Concert organisers have had great success in bringing international acts to the island over the last few years. Recent performers include Andrea Bocelli, Sting and Elton John, with Bryan Adams set to appear this summer.

### Looking to the Future

Additional attempts to stimulate tourism include efforts to diversify the industry. This has meant the establishment of a number of language schools catering to large groups of students who come to the island to learn English as a foreign language. Conference and incentive tourists are also playing a part in increasing tourist revenue, as is the burgeoning medical tourist segment of the industry. Furthermore, the industry remains optimistic that Malta's entry into Europe in May 2004 will start to reap rewards for the tourist industry with a European population of 400 million becoming increasingly aware of their small and sunny island neighbour to the south.

### Meeting Place / Conference and Incentive Travel

Not many destinations have thousands of years experience as a meeting place. But Malta has played host to everyone from

St Paul to latter-day presidents, and to gatherings ranging from EU conferences to small groups. 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 your 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 all Europe's major airports are only a few of Malta's attractions as a conference and incentive travel destination. Millions of Liri have been invested in improving and extending the facilities and services offered, and the last few years have seen four and five-star hotels banding together to promote Malta and collectively offer a truly advantageous package to conference organisers.

### Flying South

Malta is easily accessible from Europe and North Africa and lies within the CET zone. The island's central Mediterranean location together with 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 two hours and forty-five minutes (from Frankfurt) to just one hour (from Rome). Malta International Airport offers excellent facilities, and is located only 30 minutes away from most hotels.

### Venues

An impressive selection of function venues are available, any of which would be sufficient alone to turn the occasion into a memorable event. From the 16th Century Mediterranean Conference Centre in Valletta which can seat up to 1,600 people and the Hilton Malta Conference Centre with total space for 3000 delegates to magnificent castles, stunning palazzos and impressive forts, adding a historical accent to the function is easy in Malta, where such venues abound. For a more contemporary note, available venues include theme parks, village squares, luxury yachts and exclusive sea front properties among others.

### Professional Services

The Malta Tourism Authority offers a variety of services designed to help events organisers, both through its **MICE Segment Team** and through its recently upgraded meetings website, **www.visitmalta.com**. The website provides specific information on hotels, facilities, service providers and venues, as well as contact details for destination management companies, audio visual companies, exhibition stand designers and events organisers.

### Perfect Combination

Malta is a destination with excellent conference and incentive facilities, history, culture, sunshine, shopping, food and sports. With its European influence offset by a Mediterranean temperament, and centuries of history set among people who truly welcome visitors, Malta is always an exciting and original place to visit. ■

[www.visitmalta.com](http://www.visitmalta.com)



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