

MALTA

The Mediterranean hub of digital distinction

Malta is taking advantage of its strong potential as a hub for digital activities, with the support of key foreign partners like the US

As popular as it is famous for its sun-soaked climate and island vibes which wholeheartedly capture the lively spirit and cosmopolitan soul of the Mediterranean, Malta has transformed itself of late into a strong magnet for those digital nomads chasing an ideal work/life balance in a low-tax, civil and stable environment.

The pro-business and investment government of Prime Minister, Robert Abela, is working hard to attract the world's best talents in a range of sectors, but particularly leading players in the technology industry. To this end, the administration created the innovative Nomad Residence Permit (NRP), which enables holders to retain their current employment based in another country while legally residing in Malta.

The NRP is available to skilled and determined individuals who can work remotely and independent of location — using the latest telecommunications technologies — and who wish to become entrepreneurial expats in a modern and welcoming country of 500,000 people that lies at a continental crossroads and within comfortable flying time to key cities.

This ambitious blueprint to attract the brightest and the best foreign workers to its golden shores and bustling urban areas fits with the archipelago's drive to optimize its wealth of local pool of talent, while also maximizing assets like its strategic geographical location.

Malta enjoyed an impressive 2022 as its economy roared back from the turmoil and disruption of the COVID-19 pandemic that hit its long-established and lucrative tourism sector. This success certainly caught the eye of international investors and market observers, with top credit ratings agency Fitch recently confirming its A+ credit score with a stable outlook.

“Malta's rating is supported by high per-capita income and a pre-pandemic record of strong growth and sizeable debt reduction,” it noted. “The Maltese economy continued to expand rapidly at 6.9% in real terms in 2022, outperforming the rest of the EU. Private consumption remained sound, supported by the accumulation of past savings and favorable labor market conditions while inflation levels remained relatively contained relative to other EU countries.”

This praise for its past performance and positive outlook was welcomed by the government, including Malta's Minister of Foreign and Eu-

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US Secretary of State, Antony J. Blinken (r), recently met with Malta's Minister of Foreign and European Affairs and Trade, Ian Borg (l).



Robert Abela
Prime Minister

ropean Affairs and Trade, Ian Borg, who in late 2022 visited Washington DC to meet with US Secretary of State, Antony J. Blinken. The pair discussed ways to strengthening bilateral bonds through political, trade and investment ties.

Borg told his American counterpart that he was very pleased to see a growing number of US investors choosing Malta as a base for their business operations and hoped to see commercial links between the two countries deepen. The two statesmen also discussed cybersecurity, climate change, energy-related issues and Africa during their meeting.

“The fact that we are geographically so far away from each other should not let that in-

fluence and keep us away from deepening our relations, not only politically, but also from a business and training standpoint,” he said. “When you're accessing Malta, you're accessing a single market of 500 million people; it's not the half million population of Malta. Our country is also very much seen as the bridge between Europe and the immensely important continent of Africa. We lie there just in the middle of major shipping routes.”

Strong investments flows boost economy

Switching his focus to the inflows of local and foreign direct investment (FDI), Borg mentioned the misconception that Malta depends on some other countries for such investment, when the reality is that its main investors are local.

“We do our best to attract every decent and sustainable foreign investment, but our biggest investor is the Maltese investor,” he confirmed. “They are by far the main contributors to our investment. We then have the Europeans: Germans are our biggest investors; with Italy and the UK behind. We have more investment coming from the US, ahead of India and the China.”

“While we have excellent, long-standing historical relations with China, we have one strategic investment, which sees them hold a 33% stake in our energy provider Enemalta — so not a controlling share. When it comes to capital projects, roads, sports financing, we have no Chinese investment. We're mainly focusing on Maltese money and, especially, on EU funding.”

“There may be this misconception because we are happy with the excellent relations we have with the US, China and the UK, but our

country is dependent on the hardworking Maltese, and we have no foreign debt, which is unique for the Maltese island.” FDI in scientific activities, remote gaming and communications and other sectors, increased by almost €250 million in 2022, according to a recent speech to business leaders by Abela. “This means that for the first time, the total stock of foreign assets in these digital sectors reached €1 billion,” he said, adding that the pandemic showcased how crucial this transformation is as Malta works toward achieving its carbon neutrality goals.

IAN BORG
MINISTER OF FOREIGN AND EUROPEAN
AFFAIRS AND TRADE

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As a pioneering jurisdiction in the maritime industry, Malta attaches great importance to the “Blue Economy” and the need to protect its marine life and water resources. Maritime security in the Mediterranean and Malta's new role — from the start of 2023 — as a UN Security Council member were among the items on the agenda during Borg's trip to the US capital.

“Air connectivity can be exploited positively, as can our huge maritime area,” he stated. “We're now exploring investments when it comes to renewables, solar, wind energy and our maritime area.”

US partnership enters promising new era

Political, trade and cultural ties have come on leaps and bounds in recent years and show no signs of slowing in a win-win situation

During his high-profile visit to the US capital shortly before last Christmas, Minister Borg and his American counterpart, Secretary Blinken, held intensive discussions on a range of issues, including trade — around \$530 million in goods moved between the pair in 2022 — and the two countries' shared commitment to promoting peace, stability, and prosperity in the Mediterranean region.

“We have a strong partnership with Malta, one that on a bilateral basis is growing even stronger,” Secretary Blinken said while welcoming the Maltese politician. “I look forward to discussing that and, of course, we're welcoming Malta as a member of the UN Security Council starting in January. “We very much look forward to partnering with Malta on the Security Council. Virtually all of the critical issues that we have to contend with are going through the council, so I look forward to our collaboration there and to talking about that.”

Minister Borg was equally gracious in his praise of his host, saying: “It's always a pleasure being in company of a seasoned diplomat and a stalwart defender of liberty. Our countries have longstanding and friendly relations bound by shared values and principles, with the ultimate

goal of preserving and upholding the international rules-based order, with the UN being at its forefront.

“We take the opportunity of today's constructive discussions to take our ties to a higher level. The fact that we will also be sitting on the Security Council as a non-member — as a non-permanent member of the Security Council, as an EU member state.

“We're facing also challenging times, particularly with the war in Ukraine. Malta does not stand idle, and that is why we continue to reiterate in the strongest terms possible our condemnation of the unprovoked invasion of Russia in Ukraine.

“Peace is indivisible, and no region is spared of the multitude of threats we're facing. The Mediterranean is also one of them, and that is why we will continue to support all efforts for anything that can contribute towards peace and dialogue. In addition, with the setting up of the Malta/North America Business Council, we're actively discussing with all its members about how we can better connect our business community with the US.

“One of my main goals remain to strengthen our relations with the US and the American people in all spheres. We share the same cul-

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Malta's ancient streets have become a window to the world for leading foreign companies.

ture, the same ideas, the same ideals of democracy, liberty, and rule of law.”

The Maltese government is regularly implementing new policies and incentives to enhance the island nation's appeal as an attractive destination for FDI, with these promising moves putting the country on the global investment map. Ministers are especially eager to secure foreign funding and knowledge from experienced US investors in sustainable areas like net-zero projects, along with advanced manufacturing and digital transformation activities.

According to Minister for Environment, Energy and Enterprise, Miriam Dalli, Malta is the ideal environment for those investors who are looking to launch a business or establish FDI. “When it comes to kicking off a business, Malta Enterprise — the country's economic development agency tasked with attracting new FDI and facilitating the growth of existing operations — offers really good packages for startups,” she says.

“Malta is the ideal place for startups to start their business and continue growing. We've had a number of successes when it comes to startups. The primary area of startups that came to Malta was mainly on the digital side, but there were also on the technical side and on the manufacturing side. The assistance that we provide does not match any other country because the fact that we're small is an advantage in itself.

“We're interested in companies that can help the economy grow, but not only the economy; companies that can create quality jobs and add value to the island, particularly when it comes to digital and the environmental pillar. One of the other positive things that I'm sure investors in the US would be interested in is that people here speak English everywhere, there is no language barrier; far from it.

“Another important asset is that our cultures are similar. People will find themselves in a democracy where they're given a fair chance and can proceed with their business.”

Content by **Business Focus**



MALTA
STARTUP
RESIDENCE PROGRAMME

Start Up and live in the
heart of the Med



Economic diversification drive well underway

Political, economic and social stability and an innovative mind-set make Malta an open, business-centric commercial community that stands tall as an EU member state

After an impressive fiscal performance in 2022 that involved solid inflows of FDI in a broad range of economic sectors, leading officials in Malta are upbeat about its prospects for 2023 and beyond as it concentrates on new knowledge-based sectors as part of its long-term development goals.

Malta Enterprise is a key adviser to the government on economic policy due to its close and constant interaction with the main economic players in the country. The agency is also the national contact point for the Enterprise Europe Network through which companies based in Malta can develop links with counterparts in more than 60 countries.

Malta Enterprise provides holistic support to prospective investors, from the initial provision of information to guidance in the setting up phase, as well as the development of infrastructure and allocation of industrial space. Moreover, Malta Enterprise administers an attractive incentives package aimed at facilitating investment and business.

"There are two main factors for the good economic performance of the island," comments Malta Enterprise CEO, Kurt Farrugia. "Firstly, the economy has diversified in a very healthy way in recent years. There's a misconception that Malta's economy is made out of tourism and gaming; that's not the reality.

"In fact, financial services are a big part, but then again, you have manufacturing, you have information and communications technologies (ICT). Of course, you have the traditional sectors such as tourism, but we also have life sciences, we have aviation. The economy itself is extremely diverse.

"Secondly, being a small island and having a government that views the stability of businesses as one of its priorities, meant that we helped out a lot throughout the pandemic. Our larger com-



Kurt Farrugia
CEO, Malta Enterprise

panies have found we have an extremely stable jurisdiction, because throughout the pandemic, we assisted heavily in keeping all employees at work. Our factories never closed. We helped them put in place safe measures within all their factories to continue running their operations."

Thriving business climate is key conduit

The beneficiaries of that vital fiscal support during an unprecedented era of disruption included the tens of thousands of small and medium-sized enterprises (SMEs) that have established a presence in various industrial sectors, including advanced manufacturing, aviation, digital innovation and data science, ICT and electronics, life sciences and international education services.

According to Farrugia, consolidation of vital economic niches continues to be achieved year-on-year via the attraction of FDI, as well as the



Malta's striking coastline includes the famous and ancient port belonging to Valletta.

facilitation for indigenous enterprises to set up and expand their operations. Legislative innovation in key sectors that can provide new growth has also been a top priority.

"In the past, having large manufacturing companies was important, and still is, of course. We also have pharmaceutical companies, robotics, microchips, and currency printing. Two of the top five currency companies worldwide have an operational base in Malta. We have De La Rue and Crane Currency which is a US company. They are companies that are not only staying in Malta but growing. From the microchips to the currency printers to the pharmaceutical companies, they're all approaching us to expand here, and they come to us because we assist companies throughout the various schemes that we have as Malta Enterprise.

"However, throughout the fact that we have huge growth rates during the past eight to ten years, the situation now is that we need to continue to diversify the economy. Our strategy as Malta Enterprise is, instead of looking at the large companies to set up here, we're looking at technology-based companies that employ fewer people, but are more specialized.

"We're looking at attracting the high-end companies in the various sectors that we have. For instance, from game development to the film industry related to the software and development of software in post-production, etc., sectors such as artificial intelligence (AI) and virtual reality and Metaverse, as well as the companies in research and development, particu-

larly in biotechnology, and medical technology, as well as pharmaceutical technology.

"Our focus now is to attract those companies. Our vision is to continue to diversify in such areas. That is where we link the medium-sized companies to the smaller companies and startups so they can grow."

Minister for Environment, Energy and En-

KURT FARRUGIA,
CEO, MALTA ENTERPRISE

"We need to continue to diversify the economy. Our strategy is to look at technology-based firms [...] who are more specialized."

terprise Dalli acknowledges that while some people may not realize the potential that a very small island might possess, Malta is different as it adopts the mentality of an independent, free country where many ideas have been implemented to ensure it stays autonomous.

"When it comes to the enterprise front, we're working hard to make sure that we continue attracting niche sectors that are high quality and really add value to the island," she says. "We're prioritizing solar and wind offshore technologies as well as areas like the pharmaceutical sector, where you have innovative ideas and innovative technology."

Why Malta? Here are a handful of reasons

Tremendous economic climate is bolstered with investor incentives

Transparent and competitive tax system is an important factor

Highly talented workforce and pool of human resources

Remarkably robust ICT network provides complete coverage

Abundant openings for FDI in key sectors

From well established industries to emerging sectors, Malta is a goldmine for investors

Malta has been welcoming foreign investors and FDI for the past three quarters of a century and this pattern shows no sign of slowing as overseas businesses, individuals and investors continue to explore its promising economy for new openings.

Given its valuable experience in receiving foreign investment and entities over many decades, private and public service providers are well aware of the requirements of an incoming operation. "The process of setting up on the island is a straightforward and transparent one in which the investor is always kept updated as to what is required," Malta Enterprise notes.

"Prospective investors often make use of a service provider from the private sector capable of seeing to all their legal and logistical requirements from company registration, access to banking facilities to recruitment of staff. We have a specialized unit known as 'Business First' tasked with providing a single point of contact to prospective investors or ongoing operations for their interactions with various government departments according to their requirements."

A leading sector for FDI is advanced manufacturing, which has been a mainstay of the fiscal mix since the country first industrialized in the 1950s. Back then, it was as a low-cost, labor intensive destination, but nowadays the sector has made giant strides and focuses on high value-added operations and a skilled workforce.

Another area that has grown substantially in recent years is aviation, with the presence of a

number of established operators in the maintenance, repair and overhaul (MRO) segment. In addition, a growing cluster of companies produces aviation software and back office support for airlines and aviation-related activities.

However, undoubtedly one of the biggest successes of the past few years has been the fast-growing life sciences industry, with the pioneering Malta Life Sciences Park (MLSP) playing a pivotal role in this progress. Conceived by Malta Enterprise, the international class facility for life sciences and information technology development promotes research and development and builds on the base that the country developed in the pharmaceutical industry during the last decade.

"Co-financed through the European Regional Development Funds, MLSP — which is situated close to Valletta — is divided into two main components: Malta Life Sciences Centre and Malta Digital Hub," Malta Enterprise explains. "In total, there are currently 13,500-square-meters of space comprising laboratories, offices, a seminar room, meeting rooms and various shared facilities. The MLSP supports and encourages growth and success among its tenants, offering a stimulating environment for knowledge-intensive companies.

"Regardless of a firm's size or stage of development, MLSP offers access to experienced and professional business and financial advice and assists internationalization. At the MLSP, there are no limits on a company's opportunity to continually improve, develop and grow."

Malta a magnet for world's best talent

Residency Malta Agency is attracting a wave of digital nomads and experienced workers

It is far from just young, dynamic and digital nomads who are flocking to Malta and taking advantage of the attractive jurisdiction for temporary and permanent residency, with a flood of international experts, vastly experienced workers and driven entrepreneurs with stellar resumes also making the move and now calling the country "home".

As the forward-thinking, proactive government entity responsible for managing and promoting a number of residency programs, Residency Malta Agency is at the forefront of efforts to entice the world's best workers to its shores through the Nomad Residence Permit (NRP) and other residence initiatives, including the Malta Permanent Residence Program (MPRP).

Regardless of the type of added value program for interested parties, the same robust due diligence processes are utilized by Residency Malta Agency to ensure the stringent filtering results in only the approval of the best talent and individuals of good conduct. Whereas the NRP allows applicants to live and work in Malta for up to 3 years, the MPRP is based on investments in property and government contributions that allows individuals and family members the right to

CHARLES MIZZI
CEO, RESIDENCY MALTA AGENCY
"We know the first three years is the most difficult period for startups. What we have done is to create a structure, a program, which gives them peace of mind."

settle, stay and reside permanently.

"Our intention was always to attract quality individuals, so while it might not be that high, they would have to earn €32,400 annually for the NRP," explains Residency Malta Agency CEO, Charles Mizzi. "The reality is the average salary of such nomads is €84,000 per year. The majority are well-educated and have degrees and PhDs.

"The majority are coming from the US — around 14%, in fact — the UK, China and India. However, even when we categorize these people, 27% are coming from other countries and represent people of all nationalities, like Nigeria, Ghana or Australia. This is an in-



Charles Mizzi
CEO, Residency Malta Agency

teresting phenomenon." In another exciting development, in October 2022 Residency Malta Agency and Malta Enterprise jointly launched the Malta Startup Residence Program. While around two dozen startups per month are established, the program has a target audience of third country nationals and works to streamline and facilitate the process for them and their families.

"We know that the first three years is the most difficult period for startups," Mizzi adds. "The least these people want is to worry about the renewal of the residence permit. What we have done is to create a structure, a program, which gives them peace of mind. They apply, we conduct due diligence on these individuals. If they make it and their business proposal is thought to be viable, we will give them a three-year permit. That is one thing that they can then put out of their mind.

"If the business goes well and is successful, they can apply for a renewal for a further five years. There will be other permanent or long-term residency options because our intention is to attract new ideas, investments, and businesses to Malta. The intention is to make it comfortable enough for them to remain and to keep their investment in Malta."

The senior executive is confident a bright future awaits applicants and the agency itself. "We have plans to diversify our product portfolio," he adds. "We want to reach new markets and launch new programs; our intention is to make Malta Residency Agency even more relevant in the context of changing trends in global mobility."

Banking and financial services sector in excellent shape

A pro-investment climate and high-incomes have created a thriving arena for banks and leading financial services providers

Now home to some of the safest and most liquid banks in the eurozone, Malta's government and relevant institutions have worked hard over the years to carve out a reputation as one of the continent's leading banking and financial services hubs for the wider Mediterranean region.

The adoption of pro-business and investment legislation, together with the roll-out of cutting-edge ICT infrastructure has helped transform the banking segment from one featuring just a handful of retail banks, to an international finance centre that hosts a broad range of domestic and foreign-controlled banks, including several household names.

Laying the solid foundations for this growth are key entities like industry guardian the Central Bank of Malta, as well as FinanceMalta, a public-private initiative set up to promote the country as an international financial centre. In a groundbreaking development at the end of the first quarter of this year, the National Strategy for Financial Services, prepared by the Malta Financial Services Advisory Council (MFSAC), was launched at a high-profile ceremony.

The strategic priorities of the strategy are focused on streamlining Malta's regulatory processes and institutional architecture, building a national payments infrastructure, consolidating identity management, enabling financial services law reform and harmonisation, modernising Malta's tax structure, and building up Malta's talent pool in the financial services industry, amongst others. In total, the strategy includes upwards of 175 initiatives, developed with the input of 102 professionals who were involved in its development.

According to FinanceMalta's chairperson, George Vella, the strategy represents a unique process as it was initiated by the government



George Vella
Chairperson, FinanceMalta

with the active contribution from the industry and the regulators. It's the result of the work of over 100 professionals who worked together to elaborate concrete actions to address key opportunities and mitigate weaknesses," he notes.

The Valletta-based entity has been a key cog in the engine that is driving the country's financial services sector to successfully compete with other major hubs in the EU. The organization also played a part in Malta's removal from the "gray list" of the inter-governmental Financial Action Task Force (FATF) in June 2022 — with that favorable decision coming just a year after it was controversially added to the list.

Turning his attention to the wealth of opportunities to be found in fintech, Vella highlights this sector as one of the fastest growing segments in Europe, with €340 billion received in 2021 alone. "Malta has, over the years, man-



For financial services players, establishing operations in Malta has been plain sailing.

aged to always punch above its weight because it has found effective ways of how to be innovative from a legislative point of view, and innovative in many other spheres," he says. "Hence, going for digitalization is a continuation of that.

"Malta has much to offer operators in this sector [...] but we must work hard to be more competitive, create the right environment and attract more talent for the ecosystem to flourish. Finance being the guardian of the purse gives one responsibilities. Sustainable finance is one of those areas where it is incumbent to serve as an agent of change in all the other sectors. You have to change the mindset of funders, practitioners and operators in each and every industry and achieve this in a smart way."

Bank of Valletta sets banking benchmark

While its roots stretch back many years into the past, the Bank of Valletta (BOV) is focused firmly on the future as it sets its sights on enhancing its outstanding reputation for first-class customer service and product portfolio.

As the oldest established financial services provider in the country, BOV enjoys a strong presence across the country via its network of 39 branches and agencies in Malta and Gozo that serve personal and commercial customers.

The group delivered solid revenue growth in 2022, with client-driven activities and positive interest rate dynamics helping it post a sharp year-on-year rise in revenues and profits. "In 2020, the board approved a strategy which planned to take BOV on a transformation jour-



Kenneth Farrugia
CEO, Bank of Valletta

ney over three years," comments BOV CEO, Kenneth Farrugia.

"Although external factors such as COVID-19 and the global economic effects from the outbreak of the war in Ukraine posed several challenges, the bank continued moving forward with its strategic ambitions of digitalisation and simplification.

"Malta's resilience and adaptability have allowed it to thrive as a dynamic and competitive economy. With ongoing efforts to enhance its business environment and attract more FDI, Malta is poised to maintain its competitiveness."

Innovative technology hub sets benchmark

Malta's size and agility makes it the ideal place to test new technologies and ventures in need of a flying start

The meteoric rise of fintech over the past decade has seen Malta lead from the front and become a hotbed for innovation and a pioneer in a fast-moving and constantly developing sector, not only from a technology angle, but also from a legal and regulatory perspective.

"The financial industry has expanded its portfolio into profitable niche areas like pensions, payments and securitisation, while opening its doors to fintech entrepreneurs. Malta is fast becoming a hotbed for innovation," states FinanceMalta. "Fintech companies have been drawn to Malta because the island provides a wealth of talent, both tech and finance."

Launched five years ago, the Malta Digital Innovation Authority (MDIA) is both the regulator and promoter of innovative technologies, like Distributed Ledger Technologies (DLT) that involve blockchain, AI and critical systems, among others. A key responsibility is the assessment of the technology, not the service, the MDIA certifies the technology and with Malta being an early adopter of fintech, it has played a vital role in the design of a legal framework.

"We went beyond innovative technology arrangements, our foresight was that now there is another technology which is being part of everyday and everyone's life, which is AI," says the MDIA CEO, Kenneth Brincat. "We even have a national AI strategy. Another important point is that innovation and regulation normally don't go hand in hand as innovation needs space and to be dynamic to grow. Regulation sometimes stifles that type of growth.

"That's one of the biggest challenges which we, as an authority, have. In fact, our remit says that we have to be promoters and facilitators of AI, but on the other hand, regulators, which is the biggest challenge we have witnessed since we came into existence in 2018."

In its short lifetime, the MDIA has overseen policy changes to make the market more attractive for tech activity and ensure transparency and protection. A new legislative framework put forward by the authority is due to go before parliament at some point this year and, if approved, will empower the MDIA with more guidelines and allow it to have other subsidiary legislations for all different types of technology.

"What we're trying to do is to simplify the process in legislating any regulation related to innovative technologies," the former COO

of Malta Business Registry adds. "Sometimes, countries end up creating legal frameworks or regulatory frameworks to attract business. Malta has done that with the cryptocurrency. We want this new economic niche."

Digital push encompasses all players

A public-private partnership between the government and the Malta Chamber of Commerce, Enterprise and Industry, Tech.mt was born in 2019 to promote Malta as a hub for innovation, tech, and digital enterprises, startups or people with cutting-edge tech ideas. It has taken the lead on organizing events focusing on the digital economy to create innovative breakthroughs. Last year, Tech.mt hosted the first Valletta Tech Summit, which attracted more than 1,400 attendees.

"We have four pillars at Tech.mt," reveals chairman, Mark Bugeja. "The first is that we focus on FDI into Malta. The second is internationalization, where we help companies that are already in Malta to expand abroad as well. We help them export their software. Another pillar is the education side and the fourth pillar is innovation. In innovation, we are always on the lookout for the next big thing. We make sure that everybody knows what is coming in the future. We're giving them the whole package."

Bugeja describes Malta as "the best stepping stone" for Europe for investors from the US and elsewhere in the world. "We have a great ecosystem," he adds. "Tech.mt is here to help you from day one, we will hold your hand until you are



Kenneth Brincat
CEO, MDIA



Joseph Cuschieri
Founder and Partner, CP Advisory

settled in and literally guide you to every different problem or obstacle that you think you may have."

Comprising a small and agile team, the tailor-made boutique advisory CP Advisory Malta assists organizations and individuals with practical advice and bespoke solutions to achieve objectives and overcome obstacles. Its package of solutions includes due diligence services and know your client reports, dispute resolution and litigation support, along with protective intelligence and enterprise risk management.

"Our service portfolio also includes business transformation and performance optimisation," says founder and partner, Joseph Cuschieri. "We help clients to transform their business in a structured way, drawing upon our experience in management and business strategy. We aim to achieve a reputation of getting things executed professionally while walking through the program with the client and their teams."

The company helps clients source funding either through national funding programmes or venture capital and private equity funding, and also private bonds, or bonds on the main market of the stock exchange. "When it comes to regulatory development and compliance in gaming and financial services, that is also an area where we can provide clients with a practical approach to address regulatory or compliance challenges and improve their relationship with regulators and make sure they understand that a robust governance structure is not just good for the regulators but also good for business," the ex-CEO of the Malta Financial Services Authority, adds.

"Having a competent board of directors, strong management team, proper governance structures, independence of the board — so that there is proper oversight of the executive management — those are important things to have for your business to succeed, not just to make the regulator happy."



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Renewables energize the economy as part of net-zero drive

An ambitious sustainable development plan aims to transform Malta into climate-neutral, green and blue economy by 2050

Shortly before Christmas last year, a comprehensive strategic document establishing Malta's priorities and objectives for steering sustainable development over the next three and a half decades was launched by Minister for Environment, Energy and Enterprise, Miriam Dalli.

The National Strategy for Sustainable Development 2050 is based on five main strategic goals. These include the transition towards a climate-neutral, green and blue economy; the preservation of sustainable urban development and cultural heritage; healthy lives and well-being for all; digital transformation, smart mobility and connectivity; as well as social fairness and prosperity for all.

Addressing an audience of dignitaries and leading media for the launch of a three-month public consultation period for the long-awaited strategy, Minister Dalli emphasised the need for collective efforts from all the entities concerned, including Maltese society at large to achieve the economic, social and environmental goals.

The sustainable blueprint builds upon the Vision 2050 document, which was adopted in 2018 as well as the United Nations 2030 Agenda for Sustainable Development. Ambitious in both scope and intent, the former sets out a long-term framework for advancing sustainable development while taking into consideration past shortcomings and achievements.

"Our vision is to decarbonize the economy by 2050; though understand that that comes with certain costs to it, but we are making sure that we're supporting enterprises, the private sector, also individuals in making that transition," she says. "This is because we want to make sure that it's a transition that leaves no one behind, a transition that pays the country as a whole. We're not looking at it only as the environmental thing that needs to be addressed, but there are also financial opportunities for people who invest in this direction."

MIRIAM DALLI
MINISTER FOR THE ENVIRONMENT,
ENERGY AND ENTERPRISE

"The ultimate objective is climate neutrality, and the earlier we attain it, the quicker we ensure a sustainable future and a better quality of life."

"Malta is very limited when it comes to land. One of the projects that we're currently working on is in making sure that we ramp up our percentage of renewable energy; we can't just limit ourselves at looking at onshore technology, we need to look at offshore technology. We're doing a lot onshore and now it's the time to push for bigger projects offshore."

"What we are prioritizing, at the moment, is primarily solar and wind offshore technologies. But we're not closed to other kinds of technology because technology is moving so fast. What until a few years ago might have been a pie in the sky and people believed would never happen, today, we're seeing it happening."

"Until a few years ago, floating offshore technology was something people said to avoid as it's so expensive. However, prices have increased, the technology has matured, and we believe that that is something that can work for our country."



Miriam Dalli
Min. for the Environment, Energy and Enterprise

Malta is certainly making solid progress on a number of environmental fronts and earlier this year officials revealed it had succeeded in achieving its 2030 renewable energy target nine years ahead of schedule. Financial incentives for certain green investment opportunities for grid-connected renewable energy systems are giving entrepreneurs a strong push to get involved in the green economy, creating new job opportunities, while contributing to the attainment of Malta's environmental objectives.

One such example is the recent call by the Regulator for Energy and Water Services (REWS) for the development of large-scale renewable energy installations that can provide clean energy for up to 7,000 households. The programme for grid-connected renewable energy systems with a capacity of 1MW or higher was recently launched by Minister Dalli.

Climate neutrality the ultimate goal

"The results of our renewable energy investments in recent years are very encouraging," Minister Dalli adds. "Eurostat figures show that by the end of 2021, Malta was producing 12.15% of its energy requirements from renewable sources. That means that we have already exceeded the 11.5% 2030 target established in our National Energy and Climate Plan; and this is not even including the renewable energy systems connected to the grid last year."

"However, Malta should not be complacent. These results are a clear indication that we can do more than originally envisaged. After all, the 2030 target is not our destination, but a milestone along the way. The ultimate objective is climate neutrality, and the earlier we attain it, the quicker we ensure a sustainable future and a better quality of life for our people."

To this end, last September, the government issued a pre-market consultation, asking investors to come up with ideas on offshore. There was a lot of interest from companies that work in the energy sector and officials are optimistic that a string of rewarding projects will emerge that will provide Malta with the required capacity to achieve its decarbonization aims.

"The 17 sustainable development goals contained in our Vision 2050 blueprint cut right across the whole of government and the country," Minister Dalli adds. "These goals can really and truly put us on the path of achieving our vision and making sure that we give people the balance that ultimately, we all want and require. I will ensure that we continue working fast on this transition towards a cleaner economy."



Enemalta is investing €15 million a year to strengthen its electricity distribution network.

Enemalta is key figure in energy revolution

Power firm future-proofing the country's electricity services

The energy market in Malta has maintained its steady growth since the government reduced and set prices back in 2013-2014. Despite the COVID-19 pandemic and the disruption to international energy markets triggered by the conflict in Ukraine arose last year, the government worked to ensure stability through a series of measures and financial commitments to households and businesses.

The company's overriding goal is to ensure the security of electricity supply and reliable distribution of energy throughout the country for all types of consumers; including residential, commercial and industrial. Electricity supply stability is maintained through a mix of resources: solar panels, gas power stations and the Malta-Italy interconnector, a nearly 100 kilometer submarine cable; one of the longest high voltage alternating current interconnectors of its capacity in the world.

Having recently undergone the complicated replacement of a 1.5km section after a vessel's anchor caused millions of euros of damage in early 2022, the interconnector cable connects Malta to the European electricity grid in Sicily. Electricity from the interconnector forms around 20% of the Malta's electricity energy mix, according to Enemalta. "The interconnector gives stability to meet the country's electricity demand," says Enemalta CEO, Jonathan Cardona. "Malta is now also in the process of having its second interconnector to secure our energy supply to meet future demands, and to tackle the intermittency challenges of an increasing share of renewable energy sources. This will be done through Interconnect Malta Agency."

"We are investing €90 million in six years to upgrade our electricity distribution network. We are studying upcoming energy consumption and demand trends which will change



Jonathan Cardona
CEO, Enemalta

drastically in the next 10 years, to identify areas where our grid needs to be reinforced. Consumption patterns of our clients are changing rapidly, especially during the last years. Post COVID energy Consumption patterns of our customers are changing rapidly, especially during the last few years. We have very ambitious targets for the upcoming years. Our focus is in ensuring that we can meet this fast-increasing demand."

Renewables are also part of Enemalta's service portfolio, with a popular adoption of solar panels in Maltese homes. The company is working alongside the government to integrate more sustainable practices and reduce the country's carbon footprint. "Offshore wind farms on a large scale can also be something of great interest to us, and we look forward to the government's plan to open new international investment opportunities in this sector," Cardona adds.

Enemed's petroleum products fuel growth

The company works around-the-clock to ensure supply of vehicle and aviation fuels

Rapidly approached its tenth anniversary as a leading player in the importation, distribution and wholesale of petroleum products and aviation fuel for the inland market, Enemed is working hard to develop alternative fuels that are cleaner and safer but of the same high-quality.

As a wholly owned subsidiary of state-owned Petromal Company Ltd, the company also offers its storage facilities to third parties. Recent group highlights include the debut of a €15 million new jet fuel storage facility in the grounds of Malta International Airport and the commissioning of a state-of-the-art national fuel distribution center.

With a track record of innovation, new products that aim to exceed customer experience are constantly on the agenda. Not only did the firm create the popular ePower diesel fuel, it also invested heavily in the award-winning SECU MultiTank system to prevent costly cross-fill incidents at its network of gas stations.

Enemed is also working alongside the government to integrate more sustainable practices and reduce its carbon footprint through the on-boarding of new technologies and better energy efficient equipment and working practices. "We want to be a benchmark for other companies to emulate. To do so, we have to be the first in doing things that normally the industry doesn't do or follow," explains Enemed executive chairman, Kevin Chircop.

"Unfortunately, our products are a necessary evil to keep people and industries running but to the detriment of the environment. However, from its inception as a setup, we started off developing fuels which are cleaner, in the sense that we try as much as possible to find fuels which are of high quality so as to reduce the emissions to the minimum possible.

"This comes at a price that our company opts not to pass on to its clients. Conscious of this fact, the company puts more renewable content in its fuels than what is stipulated by the European Commission.



Kevin Chircop
Executive Chairman, Enemed

"The better the quality of the fuel and the more renewable content, the less the emissions hence a cleaner environment. Absorbing the extra cost for a cleaner fuel shows our commitment for sustainability. We want to make enough profit so that we continue investing in new machinery and equipment that is more efficient, has less carbon footprint, and can provide consistency in the quality of the fuels that we are providing. The rest is plowed back into the research that we conduct so that we continue providing these cleaner fuels."

Enemed is certainly proving the old adage of action speaks louder than words, with the company recently securing the prestigious ISO 14001 certification for reducing its environmental impact. "We are the first company working within the fuel industry in Malta to be certified as ISO 14001, so our commitments are there," the senior executive and experienced industry expert adds. "We've even got green roofs. They are covered with grass which bloom in spring. It helps both aesthetically and to reduce the temperature inside, especially in summer."



Cutting-edge technology networks provide a powerfully fast spine to Malta's digital wave.

Digital drive is fourth industrial revolution

Unlike previous industrial revolutions, this time size does not matter, meaning Malta can ride the wave of hardware and software openings

At the end of September last year, the Ministry for the Economy, European Funds and Lands launched five groundbreaking strategies with the ultimate goal of leading Malta to an enviable position at the forefront of the fourth industrial revolution, which is focused on technologies.

"While in previous industrial revolutions there was always a need for natural resources, coal, fuel, land to build machines and large plants, the smallness of our country was an obstacle," says Minister for the Economy, European Funds and Lands, Silvio Schembri. "In this fourth revolution, because the emphasis is on a technological world, our smallness is not an obstacle, and we can ride on the opportunities that this revolution offers."

One of the quintet of strategies aims to expand research on innovative technologies to reflect the needs of today's society. It will be supportive of the government's initiatives when it comes to regulation and compliance using innovative technology, and will identify the risks associated with innovative technologies.

Another key strand's main objectives are that Malta continues to strengthen its economy through digitalization; to accelerate digital and innovative research and make the nation the natural place for innovation; to reduce infrastructural, social and environmental pressure

through technology; and to continue to overcome the digital divide while assisting parts of society.

This "Digital Malta" strategy also aims to continue to increase talent and competences in digital fields in the human resource, to improve trust, security and resilience in digital services and to prioritize investment in digital infrastructure. The five strategies were welcomed by industry leaders and will fit with the acclaimed work to date of the Malta Digital Innovation Authority (MDIA). Since its formation five years ago, the authority has overseen a string of policy changes to make the market more attractive for tech activity and ensure transparency and protection for participants. The authority recently launched its own strategic plan for 2023-2025, as CEO Kenneth Brincat explains.

"After five years, we thought that now we need to have a new strategic plan, which will give us the direction for the three coming years," he says. "Even three years in technology is a lot, because technology, especially innovative technologies, is so dynamic that you need to have not too much long-term strategy; you should have a strategic direction, and you review it every year or even every six months. That was the first line of thought that we went on."

"If you look into the strategy, you will understand that the MDIA, rather than being a reg-



The stunning surroundings of the American University of Malta can only inspire students.

Best in class education

Outstanding education provision includes the coveted American University of Malta

Malta's acclaimed education sector is climbing the international rankings to become a key service export. Its generous rates combined with its location and English-speaking citizens have made it a hub for students from Europe and other parts of the world.

The country's non-state education sector is split into two categories, those educational services offered by church educational institutions and independent institutions, with the latter category having developed very well in the last few years with the help of public and private sector institutions. The sector has flourished, particularly as talented family members of new arrivals in a range of industries have joined schools, colleges and universities.

With a cosmopolitan character, great year-round climate, excellent infrastructure and plenty of bars, restaurants and meeting places in which to socialize, Malta is the ideal destination for local and foreign students after a quiet and safe place in which to gain their qualifications. The country combines education with culture, which is an integral part of education.

One of the newest and most successful universities present on the island is the American University of Malta (AUM), which welcomed its first cohort of students in 2017. Based at the Grand Harbor of Malta in Cospicua, the private, American-style university is dedicated to higher education and research for an international community at the highest standard.

AUM's degree programs, research activities, and service to the community transform lives and serve society by educating ethically knowledgeable citizens, creating knowledge, and putting knowledge to work in a global setting. The popular seat of learning is a comprehensive university based on an US model and curriculum aimed at nurturing those who are inquisitive of mind, ambitious of heart and robust of spirit.



Michel I. Najjar
President, AUM

"We are a university which is relatively young, but this is an asset; that's added value," states says AUM president, Michel I. Najjar. "It's an added value that you are flexible. When you are in a university that is a few hundred years old, you become rigid in the sense that you have heavy inertia, you have resistance to change, to renovation, to innovation."

"We are also a university that will remain current with the time, will follow the trends of technology, trends of marketing, sustainability, what's good for the community and what's good for humanity. We can easily change course. We can easily adjust."

"In addition, we can easily combine the new trends in education and teaching, new trends and technology. We can adapt them in our courses. We can easily maneuver to position ourselves where we should be, to be always the state of the art of our profession. We feel that this should be taken as a plus."



With super fast Internet speeds, it's no wonder fintech players are flocking to the country.

ulator is more looking into providing technology assurance and facilitating the optimal use of technology. This goes with what I was saying before, where I was saying that regulation stifles innovation, and we have to be careful there.

"Our strategic direction is not just 'we want to regulate': there is a technology and we have to do rules how to do this or that, no! We will put on policies and standards, which is different. Standards are important and very popular in technology. If you're speaking about financial services, then there you need regulations. But standards are different from regulations. Rather than putting regulations, we're looking into doing standards: let's assist the businesses by giving them policies in cybersecurity for example, which they can follow, to have a better system, to have more proof system."

"That's why we have four pillars in our strategic plan, which are policy, service provision, communication, and governance. Governance will be associated with regulation, but we've been careful in trying to not use words that could scare off investment actually; that's very important."

Cryptocurrency climate is well regulated

Malta's success in creating robust legal and regulatory frameworks to attract technology-focused businesses, especially in the niche segment of cryptocurrency, has seen the country gain the proud moniker of "Blockchain

Island" over the past few years.

Such a positive tag certainly helps raise the nation's profile in international circles and media and adds to the nation's allure. "Our strategic plan is saying: first attract and offer the assistance and the incentives, then when you have the market, with the industry already there and it needs to be regulated, it needs governance,

KENNETH BRINCAT
CEO, MDIA

"Even three years in technology is a lot, because innovative technologies are so dynamic you need to have not too much long-term strategy."

then provide that," Brincat explains.

"But first, you need to assist by giving grants, tax incentives and assisting in providing expertise, in mentoring, for example, the startups embarking in new technologies. That's the rationale of our strategic plan."

"Obviously, the biggest challenge would be that, being an authority, people look at us like we are a regulatory body; that's why one of our pillars is communication; it's to communicate that we're very much here to help, not to stifle what you're trying to do."

Proud family firm has strong FMCG portfolio

M&Z can help US manufacturers realize Malta's great potential as a hub for exports into Africa

With more than a century of unmatched experience, M&Z plc is an award-winning specialist in the global sourcing, importation and streamlined distribution of leading brands of food, personal care items and cleaning products across Malta. Since its foundation in 1922, the family-run company has enjoyed robust and consistent growth, helped by a string of successful acquisitions. This has enabled its fast moving consumer goods (FMCG) portfolio to expand to nearly 100 brands, which it distributes to its clients in the retail, pharmacy and food-service sectors. Unsurprisingly, the ambitious enterprise's upward trajectory has not gone unnoticed by the biggest names in the industry, such as leading British multinational Unilever, which rewarded M&Z with its popular foodstuffs portfolio in 2007.

Now one of the top-three food distribution companies in Malta, M&Z is seeking to grow its presence and market share with the assistance of US partners, as managing director, Greta Camilleri, explains. "We already work with a few US brands and are certainly very interested in growing this opportunity," she says. "We've represented Ben & Jerry's for nearly a decade, but have come across several US brands that have yet to meet the labeling requirements needed for such products to be sold into Malta and the European Union. However, there are a number of brands from the US that are always a step ahead of the EU, and there are a multitude of US products within the FMCG sector that we would be very keen to represent. Several products would be a perfect complement to our current portfolio both for the local Maltese market and as we look to expand overseas in line with the company's ambitious growth plans."

According to the experienced industry executive, whose father helped build the business and expand its horizons, M&Z is now ideally positioned to market and distribute products beyond its local shores to other European markets as well as the lucrative markets of Africa and beyond. This is due to Malta's strategic location between two continents, which gives M&Z a strong competitive advantage when it comes to bringing brands to these high volume markets. "Many countries in Africa and the Middle East regard Malta as an ally and a friend," Camilleri reveals. "We're open for business and are actively seeking to increase our reach in these new markets with our international portfolio of brands that we represent as well as with any new brands we choose to take on board, especially ones that have a focus on food and that have ambitions beyond Malta, to Africa and further afield."

Sizzling stockmarket debut

M&Z has achieved many milestones along its journey from dealing in ambient mass-market commodity items to representing international brands that serve today's and tomorrow's consumers. One of the most recent was its initial public offering last year that involved 26.25%



Greta Camilleri
Managing Director, M&Z

of the firm's shares. The IPO was well received and M&Z's new presence on the Malta Stock Exchange boosted its public and corporate profile. It also generated the substantial funds the company needs as it prepares to embark on the next exciting chapter in its story — one that will most certainly feature more strategic acquisitions and international alliances.

"In the FMCG market, there's been a lot of consolidation in recent years and we want to remain at the forefront of that consolidation," Camilleri notes; "Today, we still have a massive appetite for growth and would consider acquiring any businesses in the right sectors that have high growth potential."

GRETA CAMILLERI
MANAGING DIRECTOR, M&Z

"There are a multitude of US products within the FMCG sector that we would be very keen to represent."

M&Z passed a second key staging post in 2022: the 100th anniversary of its founding in Malta. Camilleri is just as optimistic about the country's future prospects as she is about the company's: "We are here to stay for at least another 100 years; we made it very clear in our IPO prospectus and business plans that we intend to grow aggressively from Malta."

Another important milestone for the firm has been a shift in management from the third generation of the family to the fourth, with the fifth being nurtured for when its time comes. As Camilleri says: "We've always looked to pass the baton on at M&Z and have always done that successfully. We're looking forward to M&Z's future, because we know the business can continue to grow strongly in a market that is resilient and expanding at a good rate, meaning opportunities abound."

M&Z p.l.c. is a publicly listed company on the Malta stock exchange. It deals with the importation, distribution and marketing of fast-moving consumer goods in the Maltese market. Its portfolio spans various product categories including **ambient, chilled, frozen, home & personal care, baby & kids care, confectionary and wines & spirits.**

Just a few brands we're proud to mention...

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