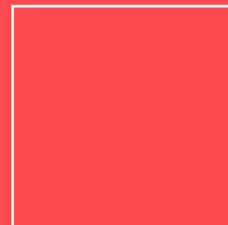


Enterprise in Malta

Malta - a country of business opportunities



MaltaEnterprise

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So Much to Offer



Malta's heritage as an English-speaking island in the Southern Mediterranean, located at the crossroads of Europe, North Africa and the Middle East, has long made it a popular holiday destination. But today the beautiful island of Malta offers more than a sophisticated tourist resort.

Malta has carved itself an important presence within the business community. Its highly productive manufacturing sector is home to more than 200 international manufacturing and distribution companies, a fifth of which have undergone major expansion in the past five years. And new foreign investment continues to swell Malta's growing economy.

So why is this small island, 60 miles south of Sicily and 220 miles north of Libya, emerging as a major business hub? The reason is simple. Malta offers foreign businesses more than many of its European neighbours.

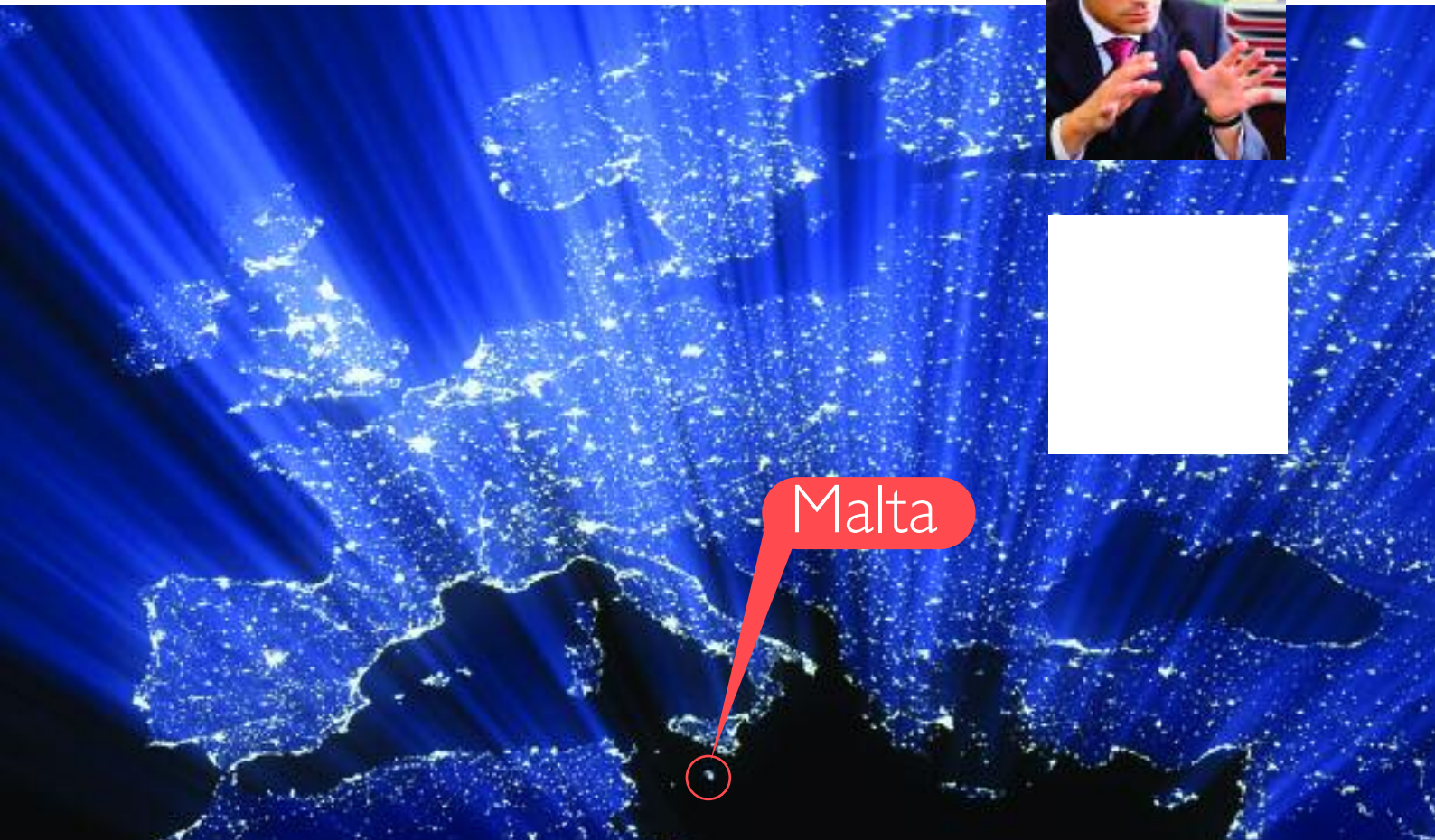
A highly attractive incentive package, a stable economic and political environment, excellent language skills, and a productive labour-force are just some of the reasons why so many companies are now looking to Malta as their first choice for foreign investment.

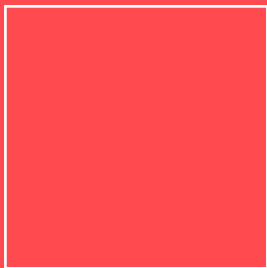
“Malta was a natural choice when De la Rue came to decide where to locate its new company to produce biometric passports. The industrial incentives package along with worker's skills and flexibility were the major pluses for the company”

Ron Feenan, General Manager, De La Rue Currency & Security Print

KEY FACTS:

- Member of the EU and adoption of the Euro in January 2008
- Manufacturing and financial services make up a third of the country's GDP
- Highest percentage share of hi-tech imports and exports within the EU
- High inward Foreign Direct Investment (FDI) performance and high inward FDI potential (World Investment Report 2007)
- Economy rated as A+/Stable by Standard & Poor (2007); AAA by Moody's (Sept 2007); and 'mostly free' by the Heritage Foundation in Washington (2007)
- Malta is an open economy with a high level of imports and exports with visible exports amounting to 42% of GDP
- Established trade links with Europe, North Africa and the Middle East





Malta's Vibrant Economy

Malta enjoys a balanced, vibrant economy in which manufacturing makes up 17% of GDP and financial services 13%. This is a remarkable achievement given that little more than 40 years ago, when Malta gained independence from Britain, economic activity was minimal. So how has the country achieved such rapid and sustained economic growth?

Through the successful combination of a dedicated and highly productive workforce, and a series of industrial policies expressly designed to support foreign export-oriented investment.

The story doesn't end there. Malta fully intends to build on this remarkable economic achievement and ensure the country's brisk economic growth continues into the next 40 years and beyond.

As an established member of the EU, and with adoption of the Euro in 2008, Malta is in good shape to achieve this.

Sound economic policy

Testament to Malta's sound economic principles and attractive investment opportunities is the country's ranking in the top 20 global countries most likely to sustain economic growth over the medium and long term. Malta ranks 6th globally in inward Foreign Direct Investment (World Investment Report 2007, UNCTAD). Over and above, the country's stable political climate means it is a secure place to do business.



Close ties to Europe

Of course Malta also has the benefit of working in a Central European Time zone. This, together with the country's strategic location in Europe, has further helped to foster a healthy economy and ensured a ready supply of raw materials and imports into the country, as well as providing excellent market opportunities for Maltese exports within Europe.



And let's not forget the island's traditional trade links with North Africa and the Middle East, which have long allowed the easy flow of goods to these regions.

Gross Value Added

Sectoral Contribution



* Includes fishing and operation of fish hatcheries and fish farm



“Malta will retain its status as one of the world's best small economies.”

World Research Centre 2004

A Centre of Excellence



The results of Malta's solid economic opportunities speak for themselves. Eurostat (2006) identifies Malta as a high profitability location delivering 15% plus return on European FDI. What's more, foreign shareholders report their Maltese companies have performed well beyond their original expectations.

Malta excels in high value-added industries and has wasted no time in turning its small size to its advantage by focusing on those sectors where it can become a centre of excellence.



This strategy is paying off in a number of respects.

In ICT, for example, Malta is now a member of INEC, an elite group of ICT cities and locations worldwide. Malta has also been chosen by the developers of Dubai's 'internet city' as the world's next high-tech village, under what's known as the SmartCity scheme. And in healthcare, Malta has established a reputation for being an important hub for pharmaceutical and medical device companies.



A healthy industrial base

How has Malta achieved this? By successfully moving from labour-based to knowledge-based industry and in so doing, attracting Foreign Direct Investment from countries including the UK, Germany, Italy, France, Spain and the United States. Malta's favourable industrial climate and pro-business policies have been the pillars on which foreign companies have built their success. So much so, that today Malta is home to more than 200 world-class companies, predominantly in five target sectors:



- Healthcare, pharmaceuticals and medical devices
- High-precision engineering
- ICT and electronics
- Front and back office knowledge-based operations; and
- Logistics-based services

Together, these firms employ more than 30,000 people and account for more than 85% of Malta's business output.

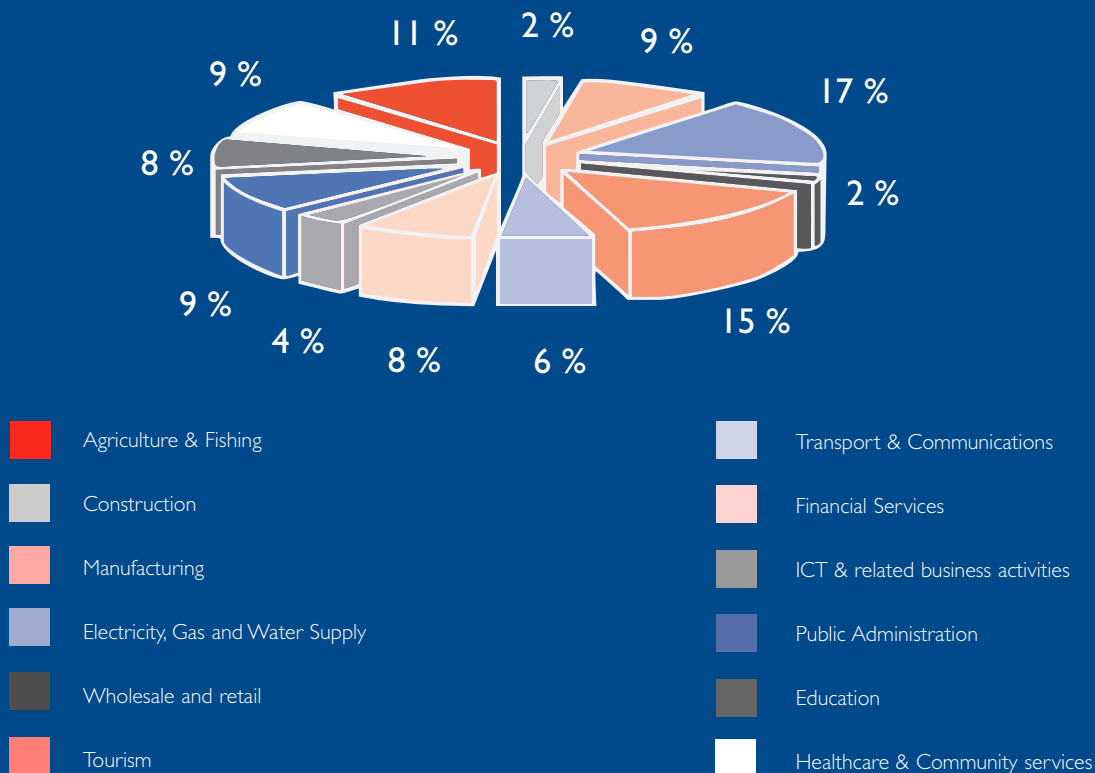
The results speak for themselves.

Without doubt, new companies locating to Malta will be joining a growing band of successful world-class organisations.

KEY FACTS:

- Foreign shareholders report their Maltese facilities have performed well beyond original expectations
- More than 200 foreign companies have successful operations in Malta
- Companies enjoy a 15% plus return on their direct investment in Malta
- Malta has positioned itself as a centre of excellence and a hub for knowledge-based industry
- The country is a member of INEC, an elite group of ICT cities
- Under the SmartCity scheme, Malta will become home to the second 'internet city' after Dubai

Employment per sector



“ What we are doing is taking the creativity we have developed in Malta and implanting that around the world. Malta will continue to lead the rest of the group. ”

Andy Gatesy, Chairman & CEO, Toly Products

It's Our People Who Count

The success of Malta's foreign businesses is testament to the unwavering hard work, loyalty and ambition of its people. Maltese employees are reputed for their high levels of productivity and excellent work ethic.

Multilingual workforce

Unlike many other destinations, Malta has the significant advantage of a workforce fully familiar with business terminology and colloquial English, and who can speak it without the impediment of a thick accent. Indeed, as English is the official language of business and academia, it is spoken fluently by 90% of the population.

The country has a rich history of colonisation – by every Mediterranean power from the Phoenicians and Carthaginians, to the Knights of the Order of St John and the British – and this has had an unexpected advantage – it has led to the Maltese being fluent in a number of European languages. Not without justification have the Maltese earned the reputation for having some of the best multilingual skills of any EU country.

“We are very impressed by the quality of the staff that we were able to recruit in Malta. Two of Malta's main advantages are the investment made in IT and extremely high standards of graduates available.”

Kevin Dean, Group Managing Director, Fraser Eagle



Knowledge and flexibility

But it doesn't end there. The Maltese are multi-skilled, well educated and, equally importantly, experienced with technology.

Malta is one of the few countries to encourage tertiary education through the use of stipends to students and this policy is paying dividends. Each year Malta has a steady influx of undergraduates and new students entering further and higher education. The island's centuries old University of Malta, dating back to 1592, together with the new university, have more than 10,000 undergraduates, all educated under the British model and with internationally recognised degrees. In fact, the standard of degree courses is highly regarded outside Malta, in particular in the fields of engineering, pharmacy, computer science, medicine, commerce and related subjects.

At the more practical level, there is an ample supply of employees with internationally recognised diplomas from the vocational college, the Malta College of Science, Arts & Technology (MCAST).

Here again, Malta's small size works to industry's advantage. If there is a skills shortage in any area, courses will quickly be introduced. This may even happen before the company requiring these skills has actually set up base in Malta!

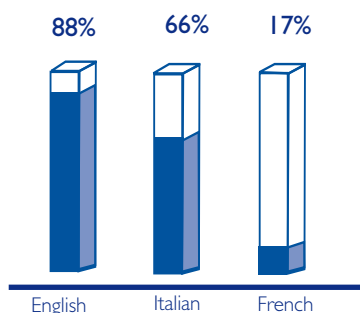
KEY FACTS:

- 90% of the workforce is fluent in English, both colloquial and business terminology
- Among the highest level of multilingual skills in the EU
- Ready supply of top graduates
- Technology-experienced workforce

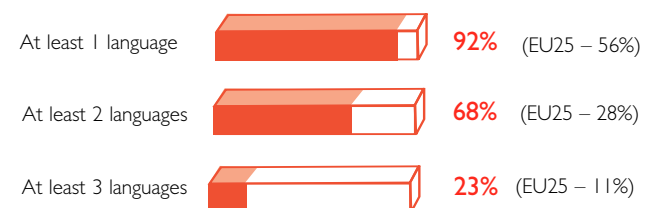


Foreign Language Diffusion

The most widely known languages – % of population



Foreign languages spoken well enough in order to be able to have a conversation – % of Maltese



Scalability – no problem!



Within a five-year timeframe, a fifth of all companies in the manufacturing and distribution sector in Malta completed major expansion programmes. This was successfully achieved without the need to recruit or poach staff from other key sectors.

How was this accomplished? It was simple. Malta's small size works to industry's advantage when firms are looking to upsize.



Let us take the strain

Malta Enterprise helps companies scale-up by ensuring that the skill requirements of expanding sectors are readily met. How does it do this? By reacting promptly to the infrastructural and human resource requirements of each and every industry, and if operational difficulties arise, by escalating them to Ministerial or Cabinet level for early resolution.

To keep abreast of each sector's human resource requirements, Malta Enterprise works closely with the Malta Federation of Industry. It will even ensure that tertiary educational institutions, both academic and vocational, introduce new courses, modules and incentives to expand student numbers in those fields where there may be a future shortage.

For example, when pharmaceutical companies expressed the need for laboratory technicians, Malta Enterprise made it possible for the sector to collaborate with MCAST to create a laboratory science course.

Even the University of Malta is responsive to the needs of industry and, under the guidance of Malta Enterprise, will introduce degree courses to cater for the skill requirements of new or existing industries.

Malta's public employment service, the Employment and Training Corporation, also provides invaluable help to companies. It puts on free training courses as and when required by industry, maintains a register of people seeking employment which it matches with job vacancies from employers, and runs the state financed apprenticeship schemes.



An untapped human resource

But this is not all that is being done to maintain successful business growth. Conscious of the need to ensure the labour needs of the country's growing industrial sector, the government has instigated a new programme of financial and social incentives to encourage married women back to the workplace, thereby providing another pool of skilled workers not included in official figures.

KEY FACTS:

- Malta Enterprise works with companies to ensure that all skill requirements are met
- Human resource needs can be rapidly escalated to Ministerial or Cabinet level for early resolution
- Tertiary and degree courses will be quickly introduced to cater to the developing needs of industry
- Companies can work with Malta Enterprise and the educational institutions to tailor-make courses that will cater to their business needs
- Government initiatives are in place to encourage married women back to the workplace

“It took us 16 weeks to take this disused building and turn it to what is now a four storey building, and completely refurbish, equip, recruit people, train them and get them on the phones (HSBC Call Centre). This was done with Malta Enterprise's assistance.”

Shaun Wallis, CEO, HSBC Bank Malta

Wages, Salaries and Hidden Costs



As Malta has the *most productive workforce in Europe*, it is not surprising that attrition and absenteeism are so low. The country's strong work ethic is further reflected in its climate of peaceful industrial relations.

Employment Costs

Direct labour costs also hold up well, at a competitive 30% to 50% of those in the older EU Member States. However when labour costs, productivity and working hours are factored together, the picture is even better: Malta's workforce then becomes cheaper than all established EU economies.

What's more, when social security costs and other employment taxes are added in, Malta's total labour costs are competitive with the new EU Member States, and significantly lower than established EU members.

Crime, Communication and Travel

Malta also fares better than most countries on the hidden costs of doing business. Its very low crime rate means there are no costs incurred from fraud or other white-collar crime.

Nor are there any hidden communication costs, as Malta has the advantage of a workforce fluent in English and business terminology, and a legislature, insurance and financial system based on the Anglo Saxon model.

And with the UK a mere 3-hours away by air, and most other major European destinations less than 2 hours distant, no time is lost in reaching business destinations.



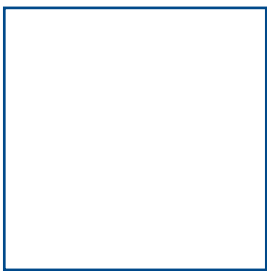
KEY FACTS:

- Attrition in the workplace and absenteeism rates are very low
- Salaries are around a third of those in Northern Europe and employer social security contributions just 10%, capped to a maximum of Euro 1,650 per annum
- Accounting standards, trade practices and legal institutions are similar to those in the UK
- 3 hours away by air from most major European destinations

“If you need qualified and highly trained labour at a reasonable cost to carry out product development, sales and marketing as well as production, then Malta is the place to invest.”

Helga Ellul, CEO, Playmobil Malta

Communications



The island's excellent air, sea and road infrastructure and long-standing trade links with major ports in Europe, North Africa and Asia mean that goods and raw materials are easily imported and exported.

The Malta Freeport is the country's leading transshipment facility, strategically located on the main trade routes in the Mediterranean, and providing regular network connections to over 115 ports worldwide.



The country's modern, spacious and efficient international airport handles 2.5 million passengers annually, and has direct flights to 37 major centres in Europe, North Africa and the Middle East. Major cities like London, Rome and Paris are less than 3 hours away.

Telecommunications

Malta also has a sophisticated telecommunications infrastructure with large bandwidth networks providing high capacity communications to and from the island. Networks are digital and international connections have been significantly expanded through satellite technology and high capacity fibre-optics linking Malta with Europe.

Mobile telephony operators provide wireless Internet connections based on GPRS technology, and Voice Over Internet Protocol Services (VOIP), WiMax and 3.5G are widely available, enabling companies to make substantial cost savings on telecommunications expenses.

Malta also has two forms of broadband delivery technologies – DSL and Cable modem access.

KEY FACTS:

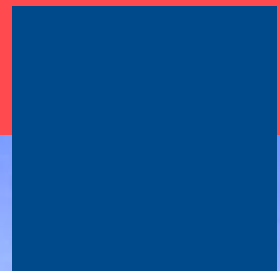
- Malta Freeport is one of the key players in the transshipment business in the Mediterranean and has services to 115 ports worldwide including regular feeding links to 60 ports in the Mediterranean and Black Sea
- The international airport has direct flights to 37 major centres
- Malta enjoys a modern, fully developed telecommunications system

“The air and sea links to Malta are excellent.”

Martin Hignett, Managing Director, Trelleborg Sealing Solutions Malta

“Malta is very geographically central and it’s very easy to access the rest of Europe and indeed the rest of the world.”

Hilary Rogers, Public Relations Manager, Uniblue Systems Ltd



A Seductive Lifestyle



For most of the year the beautiful island of Malta is bathed in sunshine. This land of contrasts, with its rocky surface of pink and ochre festooned with free-stone fences rambling over pockets of grass, and dotted with baroque churches, is home to bustling towns and peaceful, picturesque villages. On the water, the island's harbours and tiny inlets are home to the small multi-coloured luzzu fishing boats – with the eye of Osiris painted on their bows to ward off the evil – as well as luxury yachts and cruise ships. And of course wherever you are on the island the tempting aqua-blue Mediterranean is never far away.

At your leisure

Leisure time can be spent enjoying the pleasures of the warm sandy beaches, the rock bathing and myriad water sports or discovering the island's rich and fascinating past.

Thousands of years of history and numerous ancient settlements are compressed into this Mediterranean island. You can explore the eerily fascinating prehistoric sites, such as the oldest dwellings at Skorba, with its religious temple and farmers' huts settled back in 4000BC, or the spectacular temple of Hagar Qim, with its complex series of rooms built almost entirely of globigerina limestone; or discover the mysterious 'silent city' of Mdina, where Malta's aristocracy still live in palaces within the seemingly deserted narrow Roman streets; or the splendid harbour city of Valletta, whose bright stone bastions and buildings dazzle in the sunlight.

If you can draw yourself away from this beautiful isle, there's also the idyllic island of Gozo just under half an hour away by boat.

The common use of English and the many reminders of Malta's past links with Britain, often make it feel like home-from-home for English speaking people. The Maltese are renowned for being

friendly and hospitable and non-residents are readily welcomed and accepted, so it is easy to become involved in a wide range of sporting, social and cultural activities. The Maltese are also known for their sense of fun and it's been said will celebrate anything at the drop of a hat. So the summer months are ablaze with religious feasts, outdoor concerts, wine & beer festivals, dancing and the like. The strong work ethic is balanced healthily by a fun outlook on life.

There's also plenty going on after the cocktail hour!

Quality of life

But a relaxing haven in which to live and work is not the only benefit Malta has to offer. Residents enjoy an exceptional standard of living, with annual living costs substantially lower than countries like the UK, Spain, Germany, Austria, France, Italy and Scandinavia, and high standards of affordable accommodation.

At the same time, the island's very low crime rate means it is a safe place to bring up children. Adults can feel equally assured that they can walk down any street at night on their own with complete confidence.

Healthcare

In the area of healthcare, there are first-class facilities available in private and public hospitals. Malta ranks 6th among the EU25 regarding total expenditure on health as percentage of gross domestic product (WHO, 2004). Not without reason is Malta establishing itself as a centre for health, medical and dental tourism!

Education

And of course the education system is also first rate, with numerous private, international and public schools.

As a business destination Malta has much to offer. And as a home, there can be few places more idyllic!

“The message I would give to companies who are looking to invest in Malta is – why aren't you here?”

David Walsh, CEO, Crimsonwing Malta



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