Located in the centre of the Mediterranean, the Maltese islands have been a major regional trading hub throughout their history. Moreover, a strategic location, a clear political commitment to ensure sustainable economic development, and a highly qualified workforce ensured that the country has become increasingly respected as an attractive investment location.

In recent years, Malta has demonstrated both economic resilience as well as an ability to prosper, even in difficult global contexts. In fact, the country has developed a clear strategy for sustainable economic development, identifying key sectors with high growth potential as well as developing plans to support their consolidation and success. These sectors include, but are not limited to, advanced manufacturing, life sciences (including the biotechnological, pharmaceutical and chemical industries), transport and advanced logistics, tourism, international education services, information and communication technology, financial services, and the creative industries.

1.1 Malta’s Economy

Malta’s Gross Domestic Product in 2017 amounted to €11.1 billion. During the same year, Malta’s economy in real terms grew at the rate of 6.6%, contrasting very positively with the EU 28 average of 2.4%. Indeed, Malta was the third fastest growing economy in the European Union. GDP per capita in real terms for 2017 amounted to €22,500. Although it is one of the EU’s smallest economies, it is also one of the most resilient, resulting from a decades-long strategy of ensuring a wide spread of activities within the economic sector so as to minimise negative exposure to outside economic developments.
Malta’s Life Sciences Sector

Malta boasts of a long history in the health care industry, dating back to the hospital built in 1574 by the Knights Hospitaller of St John, which was considered as one of the most advanced hospitals of its time within Europe. Indeed, this tradition was carried forward during the period of British rule based on the need to ensure the good health of a vital military installation for the empire. Malta’s dedication to this sector has been constant, resulting in Malta being dubbed as having one of the best medical services within Europe.

2.1 The Pharmaceutical Sector

To date, the most highly developed sector within the overall life sciences area has been that of the production of generic pharmaceuticals, with exports exceeding €288m in 2017. It is greatly enhanced by the fact that Malta is a European Union reference state which means that any appropriately certified operator may market its products throughout the European Union. Furthermore, legislation allows for the early development, testing and stockpiling of product which ensures that a generic product can be first to the market upon expiration of the patent held by a branded manufacturer. Malta’s pharmaceuticals industry today is host to a number of reputable operators primarily engaged in the production of active ingredients: solid dosage formulations and capsules; as well as batch release, testing and validation.

2.2 Medical Devices

Malta can boast of a healthy cluster in this sector with world-class companies having substantial operations here. The presence of these companies means that there is a well-established workforce, rooted in the ethos required for such sensitive operations. Operators based in Malta report a strong competitive edge based on closeness to market, excellent logistical links and a flexible, highly productive workforce.

2.3 Health Tourism

Another area of interest is health tourism, with a number of private operators offering a wide range of services to customers from Europe and North Africa. The country’s offer is based on the very high quality of health care professionals, the fact that all training/treatment is carried out in English, as well as the very competitive rates when one makes comparisons with much of the Western World. This sector is set to grow further in the coming years with the planned expansion of the general hospital on the island of Gozo in line with the opening of a campus by Barts and The London School of Medicine and Dentistry.
2.4 The Life Sciences Park

In order to take the sector to the next level and to encourage the growth of Research and Development, Malta Enterprise initiated the development of a Life Sciences Park, located alongside Malta’s main general hospital, university and medical school. This establishment currently comprises biology lab spaces, chemistry lab spaces and a digital imaging building, all designed to allow companies to start working with minimal preparation. HEPA filtration is provided as standard throughout all lab spaces together with all required services.

Interest in the facilities has proven to be very high, with a substantial number of laboratory space having already been allocated to various operators, both as R&D facilities for existing companies as well as entirely new projects for the country.

The diagram below lays out the meshing of the various activities which will take place within the centre, all feeding off and contributing to one another:
3.1 Inspection and Licensing of Pharmaceutical Activities

The Authority has acquired a sound reputation for providing all the services required by the local pharmaceutical manufacturing companies efficiently and cost effectively. These include the conducting of inspections of manufacturing plants and laboratories, in accordance with the EU principles and guidance of Good Manufacturing Practices (GMP). GMP certification is granted in a timely fashion to suit the investing company’s start up plans.

3.2 Evaluation and Authorisation of Medicinal Products

Every medicinal product is granted a marketing authorisation before being placed on the market based on a positive risk/benefit assessment of quality, safety and efficacy according to EU and national legislation. The authority processes applications for the granting, withdrawal, variations, renewals and revocation for all medicinal products related to licenses and authorisations. The Authority has also acquired the ability to allow Malta to act as a Reference Member state in the European Union.

More information on the Medicines Authority is available here:

medicinesauthority.gov.mt
Undoubtedly one of Malta’s strong points, a very highly developed logistics sector allows operators to work to “just in time” patterns, avoiding the need to stockpile either raw materials or finished products. Manufacturers in Malta have a number of options via which they can access raw materials and ship their product to their client base.

Operated by CMA-CGM, Malta Freeport is the 3rd largest in the Mediterranean, handling over 3.1m TEUs annually. The Freeport was purposely developed as trans-shipment container terminal and presently provides deep water quays equipped with state-of-the-art handling equipment. Various renowned shipping carriers have chosen the Freeport as their trans-shipment hub and it is presently linked by regular carrier services to over 120 ports worldwide whilst an established feed ring network connects it to over 65 ports in the Mediterranean and the Black Sea.

Malta’s Grand Harbour acts as another logistics asset for the country. Operated jointly by Portek of Singapore and Tumas Group of Malta, Valletta Gateways offers RORO, containers, trailers and conventional cargo facilities.

Malta International Airport (MIA) is connected by direct flights to most major European and regional cities with the majority of destinations less than three hours flying time away. Various airlines and dedicated service providers offer airfreight services via this airport, with daily connections to various important hubs, both within Europe and beyond.
05 Malta Enterprise Support Measures

*Malta Enterprise provides a wide range of incentives in order to ensure that the setting-up process and ongoing operations of a plant in Malta are as cost-effective as possible.*

These schemes are available to enterprises upon the completion of a due diligence exercise on the applicant and the proposed project:

### 5.1 Access to Finance

- **Soft Loans:** Granted by Malta Enterprise, soft loans usually amount to 33% (never more than 75%) of the cost of plant, machinery and equipment at a reduced rate of interest;

- **Loan Subsidies:** Malta Enterprise may subsidize the rate of interest payable on bank loans. Loan interest subsidies are not additional to soft loans and may only be granted where a soft loan has not been granted. Such loans are provided by banks or other financial institutions;

- **Loan Guarantees:** Malta Enterprise can provide a guarantee for up to 75% of bank loans taken by a company to finance acquisition of additional assets to be employed in the company’s business.

### 5.2 Investment Aid

Qualifying companies are entitled to a tax credit based on an initial investment project which is calculated as a percentage of:

- Expenditure in tangible and intangible assets: OR

- The wage cost for the first 24 months of the newly created job in relation to the supported investment project.

### 5.3 Allocation of Industrial Space

Malta Enterprise can approve the allocation of industrial space, be it in one of the 13 industrial estates or within the Life Sciences Park.

### 5.4 Business Development and Continuity Scheme

The scheme is intended to facilitate typically large, high-value adding projects that are likely to offer a significant contribution to the regional development of Malta through substantial job creation.
5.5 Research and Development Schemes

- **Qualifying Employment in Innovation and Creativity (Personal Tax):** This measure facilitates employment of non residents in roles which are currently not addressed by the local labour market by temporarily easing the tax expenses incurred by such persons through a fiscal incentive.

- **R&D Feasibility Studies:** The objective of this incentive is to support undertakings intending to undertake Industrial Research and Experimental Development projects in carrying out R&D Feasibility Studies in preparation for these projects.

- **Research & Development 2014 - 2020:** This measure supports industrial research or experimental development carried out for the acquisition of knowledge leading to the development of innovative products and solutions. Eureka and Eurostars projects are supported through this measure.

A full list of support measures is available here: [maltaenterprise.com/support](http://maltaenterprise.com/support)
Whilst Malta Enterprise has endeavoured to ensure that the information provided herein is accurate and up to date as at the time of issue, it reserves the right to make corrections and does not warrant that it is accurate or complete. Malta Enterprise shall not be liable for any errors or inaccuracies in content or for any actions taken in reliance thereon.