

Malta is 'still not visible' to foreign investors by Noel Grima

Finance Minister Tonio Fenech had barely finished giving a presentation to the ambassadors of Malta, gathered together for their annual high-level meeting, saying that Malta 'is on the map', when a High Commissioner among those present pointed out that Malta suffers from 'a lack of visibility'.

People abroad know that Malta is a place for holidays but they do not know that Malta is a place where they can invest profitably, said the High Commissioner, before the media were unceremoniously ushered out.

Mr Fenech was no doubt reacting to the recent Ernst & Young Attractiveness Survey and the conference launching it where many of Malta's top level entrepreneurs had loudly complained that Malta is 'off the map'.

Not so, argued Mr Fenech, the City of London's 2008 annual study of finance centres worldwide defined Malta as the only EU and only Western finance centre rated to become more significant over the next two to three years. The others are, in order, Dubai, Shanghai and Singapore.

Over the past years the government has been striving to turn the Maltese diplomatic missions abroad to serve as poles to attract foreign investment. That is why, among their many discussions on aspects of Malta's foreign policy, time was found for the Minister of Finance to make a presentation to enable Maltese diplomats to understand the selling points of Malta as a venue for investment. The minister's presentation served, one could say, as a model for a presentation that the ambassadors could make about Malta's attractive points for investment.

Mr Fenech quoted a top local CEO who told him that while the countries of Eastern Europe can have working populations on a lower wage, and that thus the cost of an employee in Malta is higher, "for what I could get one worker in Malta to do, I would need four in Poland."

The minister spoke on Malta's operating costs. Our weekly wages as regards managers vary from e215 to e425, for a clerk between e190 and e330, for a skilled labourer

between e175 and e280 and for an unskilled labourer between e155 and e265.

Malta, however, is not competing on low wages, as it did in the 1970s. That is why the number of people working in the manufacturing sector, some 28,000, is now less than the number of people working in the services sector (also including firms like Lufthansa Technik, and all e-gaming and call-centre facilities) which now numbers some 50,000. In services our workforce is now based on ICT and connectivity where we do not face the negative impact of transport logistics. The minister, apparently, did not even unconsciously consider the terrible impact that a day without internet connectivity has on such a big sector of Maltese industries, but his listeners must have made the wry connection.

The way forward, the minister continued, is competitiveness, especially through an insistence on quality. This, too, is the reason why the government is determined to see to fruition the Renzo Piano plan for City Gate. The essential point about this plan is to give back to Valletta a sign of quality, civic pride, and the way the country looks at itself. "I do not think," the minister said, "that City Gate as it is today impresses anybody who enters Valletta about the quality of the Maltese."

While Malta takes even less than the EU average to start up a business, this regards the regulatory systems such as VAT registration and to set up a company. It does not include getting a Mepa permit for which anything between six months and a year are to be expected, the minister said.

Speaking later, Malta Enterprise chairman Alan Camilleri, according to a DOI press release, announced the setting up of a communication unit to foster closer relations with all Malta's ambassadors. Each month, he announced, the Malta embassies worldwide help no less than 50 Maltese companies.
