

A woman with long brown hair, wearing a black leather jacket, light blue jeans, and sunglasses, stands in the center of a large stone archway. She is looking up and to the right. The archway frames a view of a city and a harbor. The city is built on a hillside, with many buildings and a large harbor area. The water is a vibrant blue, and the sky is a mix of blue and white clouds. The archway is made of large, light-colored stone blocks. A yellow and blue geometric shape is overlaid on the left side of the image, containing the text.

Future realized

EY Attractiveness Survey
Malta

October 2025

■ ■ ■ ■
The better the question.
The better the answer.
The better the world works.

The EY logo, consisting of the letters 'EY' in a bold, white, sans-serif font, with a yellow and blue geometric shape above it.

EY

Shape the future
with confidence

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Foreword



Ronald Attard

EY Malta and Cyprus Country
Managing Partner and EY Europe
Central Risk Management Leader

It's once again our pleasure to present our attractiveness survey. This is the 21st edition.

Over these 21 years, our initiative has changed and grown.

And so has Malta. While some elements have been consistent over our 21-year journey, the economic and geopolitical landscape has changed considerably. The past few years have been characterized by a series of global challenges, yet Malta has demonstrated remarkable resilience and adaptability. This survey encapsulates the perspectives of investors who view Malta not only as a destination for foreign direct investment (FDI) but as a dynamic and evolving hub that fosters innovation and growth.

In last year's edition, we noted a cautious optimism among investors, tempered by uncertainties in the global landscape.

The sentiment was clear: while Malta was recognized for its stability and potential, there were also concerns regarding the challenges that lay ahead. This year, we are pleased to report a substantial rebound in investor confidence, with 79% of respondents now viewing Malta as an attractive location for FDI – an impressive increase from 54% last year. This surge in optimism reflects a broader recognition of Malta's unique value

proposition in a world where stability and predictability are increasingly sought after.

Malta's appeal lies in its size, its readiness to embrace the digital age, and a favorable corporate tax regime.

These factors create a conducive atmosphere for business operations, attracting a diverse range of investors. However, this resurgence is not merely a return to the past; it signifies a recalibration of expectations and opportunities. While the overall sentiment remains positive, it's essential to acknowledge the emerging pressures that could impact our attractiveness. Skills shortages, cost competitiveness and infrastructure challenges have been identified as key risks that require our immediate attention.

The survey highlights that 60% of investors cite skills shortages as the top risk, underscoring the urgent need for a strategic focus on education and workforce development. As we reflect on Malta's position within the European context, it's clear that we are not alone in our pursuit of FDI. The competition for investment is intensifying, and investors are becoming increasingly discerning in their choices. While Malta is viewed as a stable location, we must not take our competitiveness for granted.



EY Malta Attractiveness Survey 2025 not only captures the current landscape but also sets the stage for a future where Malta can thrive amid global challenges.

In the previous edition, we emphasized the importance of maintaining our position as a small, yet attractive investment destination.

This year, we must build on that foundation by focusing on the unique value propositions that Malta can offer. Investors are now rethinking how to grow within limits, pivoting to higher-value activities and using automation to reduce dependency on labor. Malta, with the right focus, can continue to play an outsized role in a global economy built not on size but on specialization, agility and execution aligned with foresight.

Moreover, the survey reveals that, while Malta's cost base remains favorable, growth may push certain operating cost advantages to narrow further as demand for talent and services increases.

As we navigate this evolving landscape, it's crucial to invest in education and training programs that equip our workforce with the skills needed to thrive in a rapidly changing economy. Collaboration between the public and private sectors will be vital in addressing these challenges and ensuring that Malta remains an attractive destination for investment.

As we look ahead to 2026 and beyond, the insights gathered in this survey will serve as a guiding framework for policymakers, business leaders and stakeholders.

Together, we must harness the momentum generated by this renewed confidence and work collaboratively to enhance Malta's attractiveness. This requires a concerted effort to address the challenges identified in the survey, while capitalizing on the opportunities that lie ahead. We must also remember and learn from the past to avoid falling into pitfalls such as the previous gray listing.

EY Malta Attractiveness Survey 2025 not only captures the current landscape but also sets the stage for a future where Malta can thrive amid global challenges.

The shift in investor sentiment toward "better and less" emphasizes the importance of focusing on high-value markets, activities and innovation. And this is where a key challenge will lie – prioritizing quality over quantity, ensuring the country is indeed ready for "more" and taking a longer-term view – while recognizing that both economic

and political pressures will create the environment or temptation to just go for more.

By focusing on workforce development, infrastructure investment and innovation we can enhance our attractiveness as a small, yet agile and transformative destination for FDI.

Together, we can shape a prosperous future for Malta, one that reflects our commitment to excellence, resilience and growth.

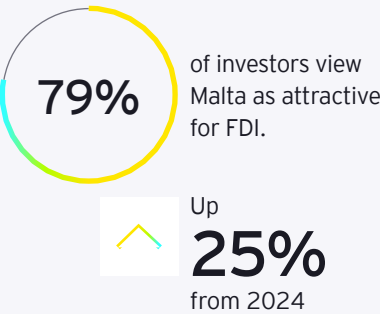
We invite you to explore the findings of this survey and join us in our mission to position Malta as an attractive investment destination in the years to come. The journey ahead may be challenging, but with collaboration, innovation and a shared vision, we can unlock the full potential of Malta's economic landscape.

Executive summary

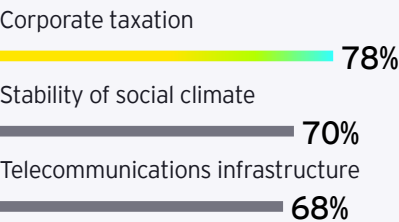
1 Current attractiveness

Confidence rebounds: execution now critical – competitiveness hinges on talent depth and physical capacity.

Malta FDI appeal witnesses a broad-based recovery in sentiment after last year's dip:

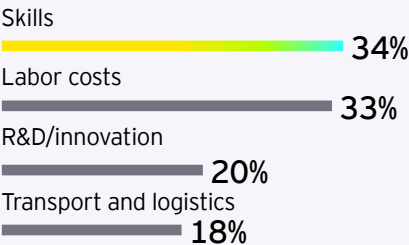


Top three country FDI attractors:



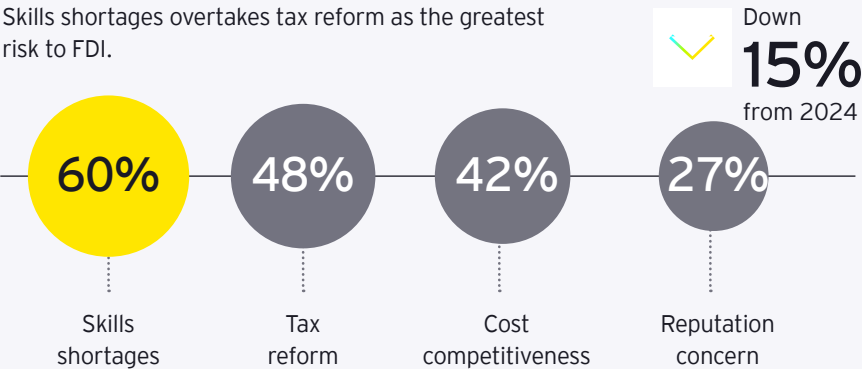
Areas that need improvement:

Malta's R&D and innovation environment, and its transport and logistics infrastructure, remain Malta's least attractive FDI parameters. The FDI attractiveness of labor costs and local labor skills level is increasingly challenged:

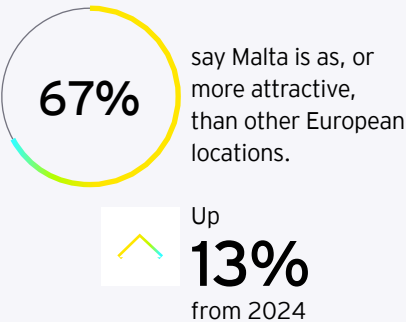


The top risks to Malta's FDI attractiveness over the next three years:

Skills shortages overtakes tax reform as the greatest risk to FDI.



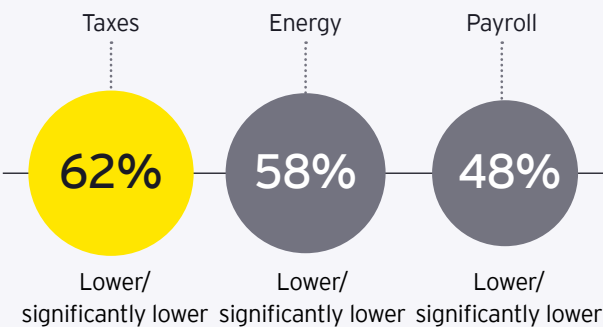
Malta competes creditably with EU peers for their investments:



When choosing an economic development model, quality-led growth is becoming more relevant:



Malta's costs base are lower than other jurisdictions, especially for taxes and energy:



2 Future attractiveness

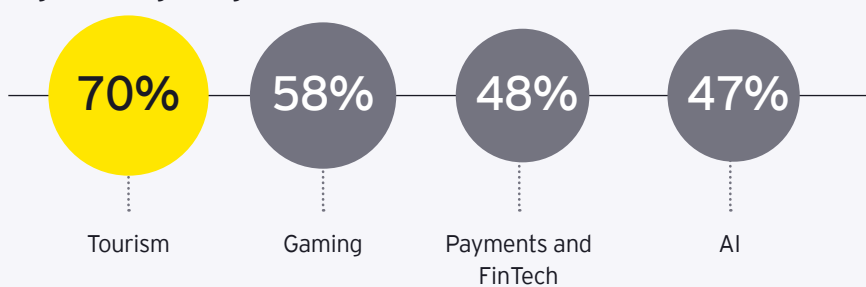
Selective acceleration: AI emerges as a growth bet; infrastructure challenges and skills shortages remain.

Investment horizon:

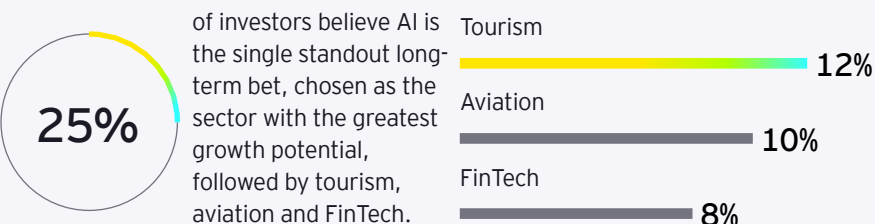


Sectors leading Malta's long-term growth:

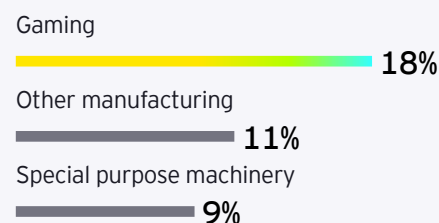
Services remain core: tourism, gaming and fin-tech all significantly important. Engines of long-term growth include:



Single sectors with the greatest growth and decline potential:



Despite being one of the key sectors seen to be driving Malta's growth in the future, gaming is seen by one in five investors as the sector at most risk of decline. Various subsectors of the broader manufacturing sector are also cited.



Malta's economic structure over the next 10 years:

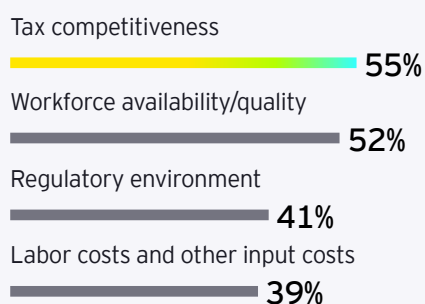
Nearly half choose FDI-driven economy model with services, industry and tourism included.

47% of investors expect economic continuity.

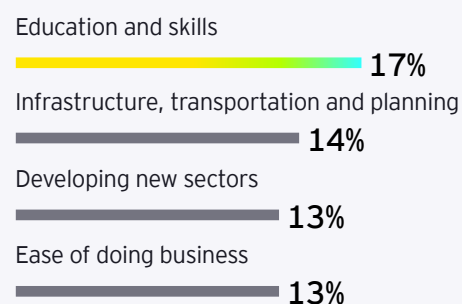
28% see a shift to higher value services.

18% a lifestyle-led model.

The topmost location choice factors are:



Top priorities to remain globally competitive across the next decade:

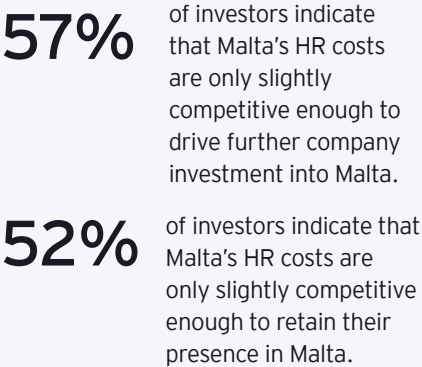


Executive summary

3 Competitiveness enablers

Cost helps you stay: talent and capacity help you grow – enhancing infrastructure and planning for growth is critical.

People and costs:

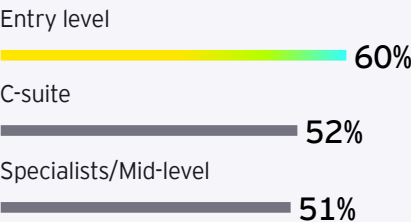


Skills shortages across the board continue:



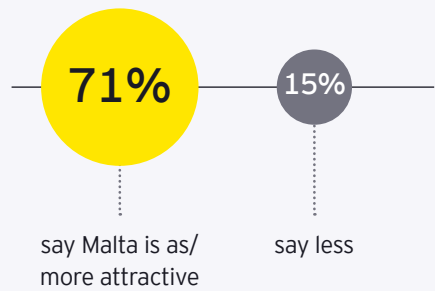
International hiring can relieve pressure, especially at entry/specialist levels.

Malta's attractiveness as a destination for attracting international talent is consistent:

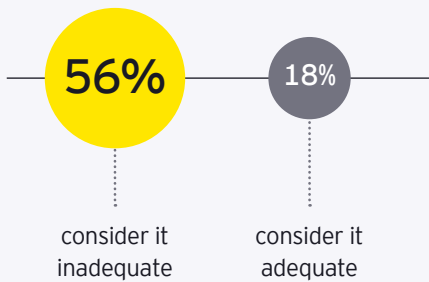


Tech, infrastructure and sustainability.

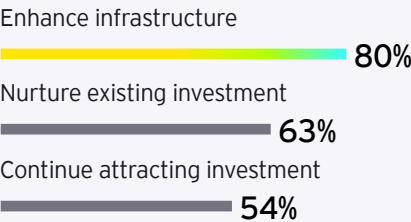
Malta's tech attractiveness vs EU:



Capacity lags growth. Infrastructure preparedness for population growth is low:



Factors fundamental to success:

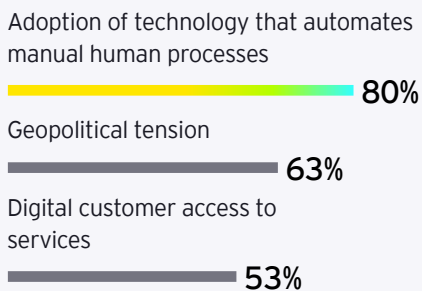


13% ESG influences decisions but rarely decides them, with 13% of investors indicating that Malta's environment and sustainability is critical to investment strategy.

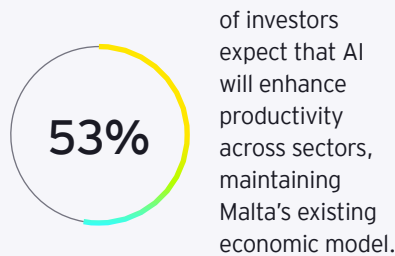
4 Global shift and trade outlook

Rebalancing under uncertainty.

The top three factors expected to accelerate most in the next three years:



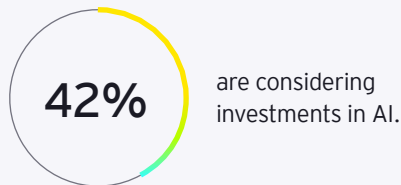
AI trajectory (10 years):



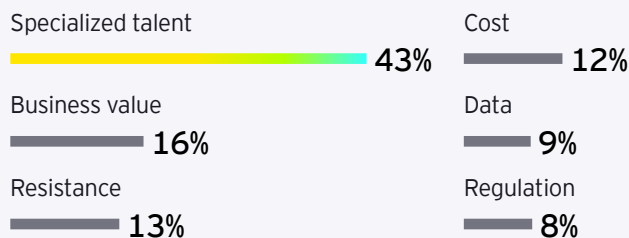
68% expect productivity to improve without major employment reshaping.

18% expect notable job creation.

AI investments:

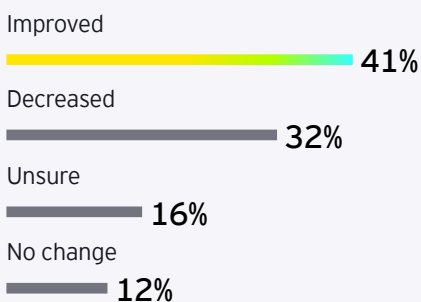


Talent remains the limiting factor. The top barrier to AI adoption is:

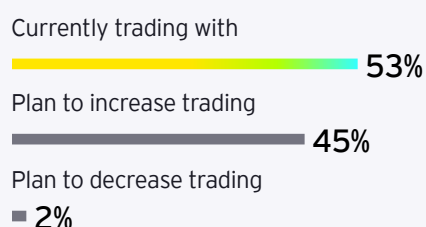


Policy and trade:

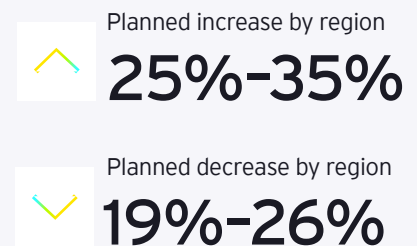
There are mixed feelings on the effect of the Trump administration on Europe's investment attractiveness:



Europe remains a key anchor for respondents.



Outside Europe, firms are eyeing various countries, including the Middle East, North America, Asia, Africa and South America.



The Maltese economy

Area

316 km²

Population¹

574,250

Official languages

Maltese English

Milestones



Unemployment rate²

2.5%

June 2025¹

Inflation³

Harmonized Index of Consumer Prices (HICP)

1.8%

January 2025

2.5%

June 2025

Inbound tourists⁴

3,563,618

January to December 2024



19.8%

over 2023

Imports⁵

€9,743.5m

2024



€980.6m

Main increase from mineral fuels, lubricants and related materials

€4,108.1m

January to June 2025⁶



€256.1m

Exports⁵

€5,109.3m

2024



€444.3m

Main increase from mineral fuels, lubricants and related materials

€2,181.3m

January to June 2025⁶



€211.2m

¹ NSO Malta, World Population Day: 11 July 2025.

² NSO Malta, Unemployment Rate: June 2025

³ NSO Malta, Harmonized Index of Consumer Prices (HICP): June 2025.

⁴ NSO Malta, Inbound Tourism: December 2024.

⁵ NSO Malta, International Trade in Goods: December 2024.

⁶ NSO Malta, International Trade in Goods: May 2025.

Government finance⁷

Government deficit as a % of GDP

-3.7% -3.4%

2024 2025 F*

Government debt as a % of GDP

48.9% 49.6%

2024 2025 F*

GDP (at market prices)⁸

€23b 10.3% 5.6%

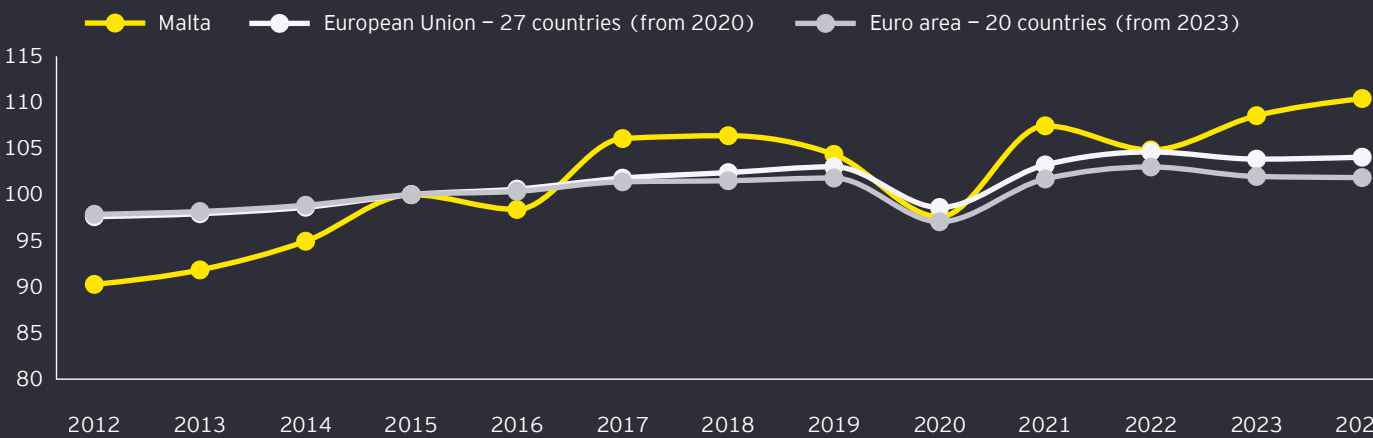
GDP 2024 2024 over 2023 H1 2025 over H1 2024

GDP annual real growth⁹

6.0% 4.0% 3.5% 3.3%

2024 2025 2026 F* 2027 F*

Productivity (real GDP per worker)¹⁰



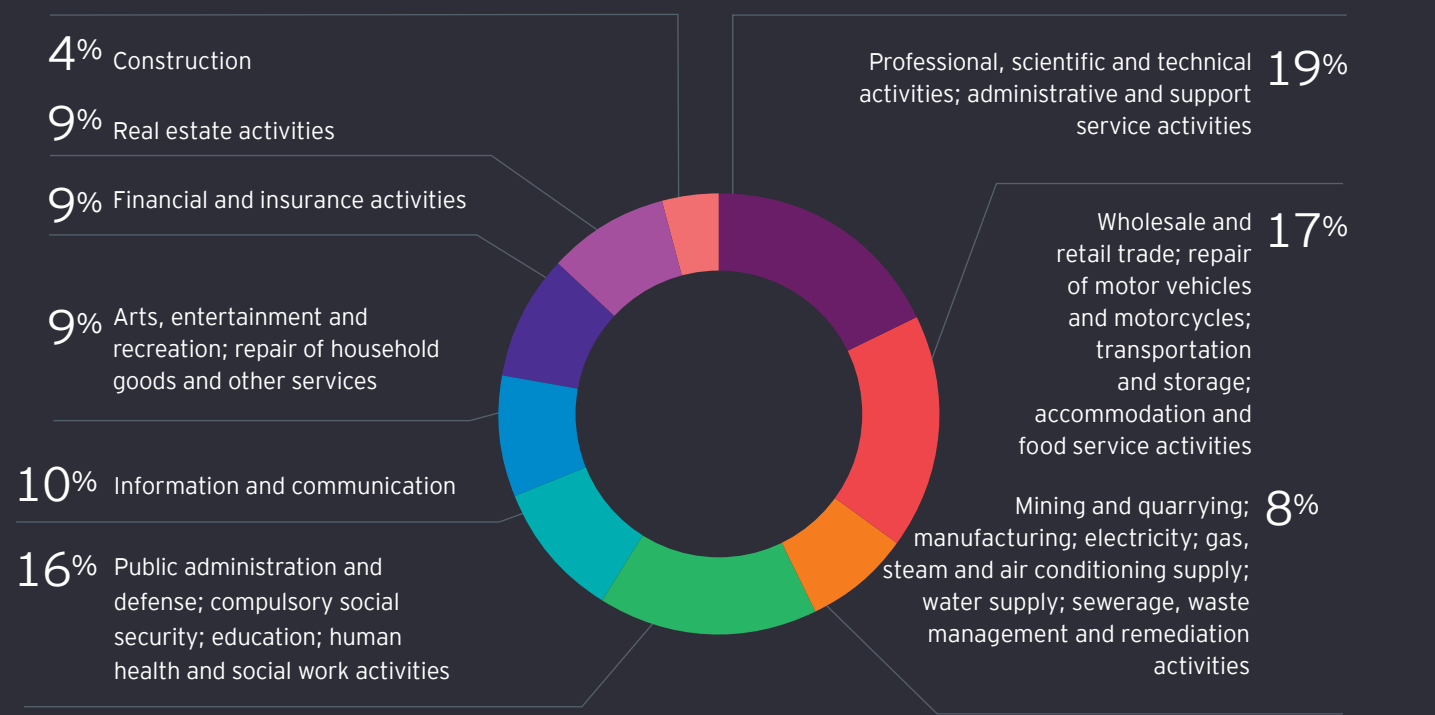
⁷ Annual Report 2024, Central Bank of Malta.

⁸ NSO Malta, Gross Domestic Product: Q1/2025.

⁹ Outlook-2025-2.pdf.

¹⁰ Labor productivity and unit labor costs.
F* relates to Forecast.

Gross value added (GVA) by industry for 2024¹¹



¹¹ NSO Malta | Gross Domestic Product: Q1/2024 - NSO Malta.

The Maltese economy

The Maltese economy continued to demonstrate strong momentum in 2024, with real GDP growth reaching 6.0%, significantly outpacing the euro area average. Growth is projected to moderate to 4.0% in 2025 and 3.5% in 2026, reflecting a gradual normalization of post-pandemic economic activity. In nominal terms, GDP at market prices is estimated at €23 billion in 2024.

This robust performance is underpinned by Malta's service-oriented economic structure. In 2024, the largest contributors to gross value added (GVA) were professional, scientific and technical services (19%), wholesale and retail trade, transportation, accommodation and food services (17%), and public administration, education and health (16%). These sectors, together with information and communication (10%) and financial services (9%), continue to anchor the country's growth trajectory.

Tourism, in particular, has continued to perform strongly, with total arrivals exceeding 3.5 million in 2024, representing a 19.8% increase over pre-pandemic levels. This resurgence has provided a significant boost to related sectors such as accommodation, food services and transport, reinforcing their role as key pillars of the economy. External trade has also remained robust. In 2024, imports totaled €9.74 billion worth of goods, with mineral

fuels, lubricants and related materials accounting for the largest increase. Exports reached €5.11 billion, also driven in part by growth in mineral fuels and related products.

At the same time, inflationary pressures have eased considerably. The Harmonized Index of Consumer Prices (HICP) stood at 1.8% in January 2025 and rose to 2.5% by June 2025, remaining close to the ECB's 2% target in the medium term. This trend reflects ongoing stabilization in global supply chains and energy markets, though food and services remain areas to monitor, driving the uptick.

Labor market conditions remain exceptionally tight. The unemployment rate declined to 2.5% by mid-2025, one of the lowest in the EU, driven by robust job creation and sustained activity. However, job growth is expected to slow in line with broader economic moderation and evolving labor market policies, including stricter entry requirements for foreign workers in certain sectors.

Fiscal dynamics are also improving. The government deficit narrowed to 3.7% of GDP in 2024 and is projected to further improve to 3.4% in 2025, down from 4.9% in 2023. This improvement is largely attributable to buoyant tax revenues and the gradual withdrawal of pandemic-related and inflation

mitigation expenditures. Government debt stood at 48.9% of GDP in 2024 and is projected to rise to 49.6% in 2025, still below the EU's 60% threshold.

Reflecting these fiscal dynamics and underlying economic strength, Malta's sovereign creditworthiness remains strong. In March 2025, Fitch Ratings reaffirmed Malta's A+ rating with a stable outlook, citing robust economic growth, high per capita income and euro area membership. However, Fitch flagged governance challenges, including a deterioration in World Bank governance indicators, and persistent fiscal deficits, as key vulnerabilities. Similarly, Moody's maintains an A2 rating with a stable outlook, while S&P holds Malta at A-, also with a stable outlook.¹²

The principal downside risks relate to weaker external demand, particularly from geopolitical tensions or further trade barriers, which could dampen growth. Renewed supply chain disruptions could also reignite inflationary pressures. Conversely, a stronger-than-expected labor market or further gains in tourism and investment could support higher growth. On the fiscal side, risks are tilted toward higher-than-expected expenditure, especially if energy prices or social spending rises above current assumptions.¹³

¹² Ministry of Finance. (2025). Current Sovereign Credit Ratings. <https://treasury.gov.mt/wp-content/uploads/2025/03/Malta-Credit-Ratings.pdf>

¹³ Central Bank. (2025). Outlook for the Maltese Economy 2025:3. <https://www.centralbankmalta.org/site/Publications/Economic%20Research/2025/Policy-Note-3-25.pdf?revcount=5943>

Perception

1

Current attractiveness

Confidence rebounds – expectations rise too

In a volatile world, Malta’s appeal as a predictable base stands out

Against a backdrop of trade fragmentation, conflict and global uncertainty, investor confidence in Malta has bounced back. Seventy-nine percent of investors now see Malta as attractive for FDI – up from 54% last year and one

of the strongest rebounds recorded since we started conducting this survey.

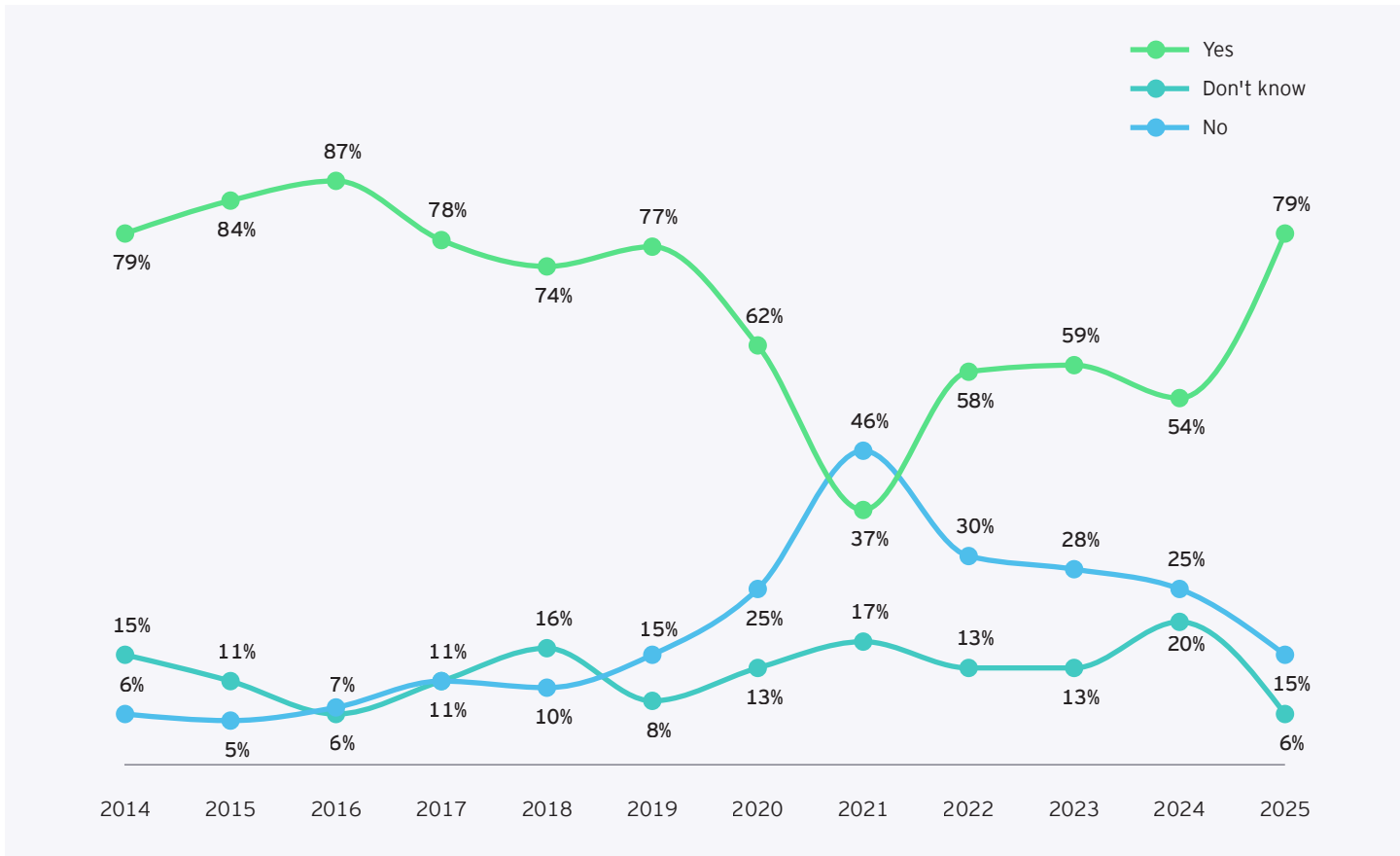
In a world where many countries are navigating inflation, political instability and fractured supply chains, Malta offers relative predictability, continuity and clarity. Investors are responding to that.

But this isn’t a return to the past.

It’s a recalibration. Malta’s business environment is still seen as fundamentally positive – particularly for core sectors such as financial services, Gaming and manufacturing. The overall sentiment is favorable, though investors are flagging areas where pressures are starting to emerge.

Figure 1

Is Malta currently attractive for foreign direct investment (FDI)?



Source: all 2014-25 respondents.

Why investors are positive – and where they still hold back

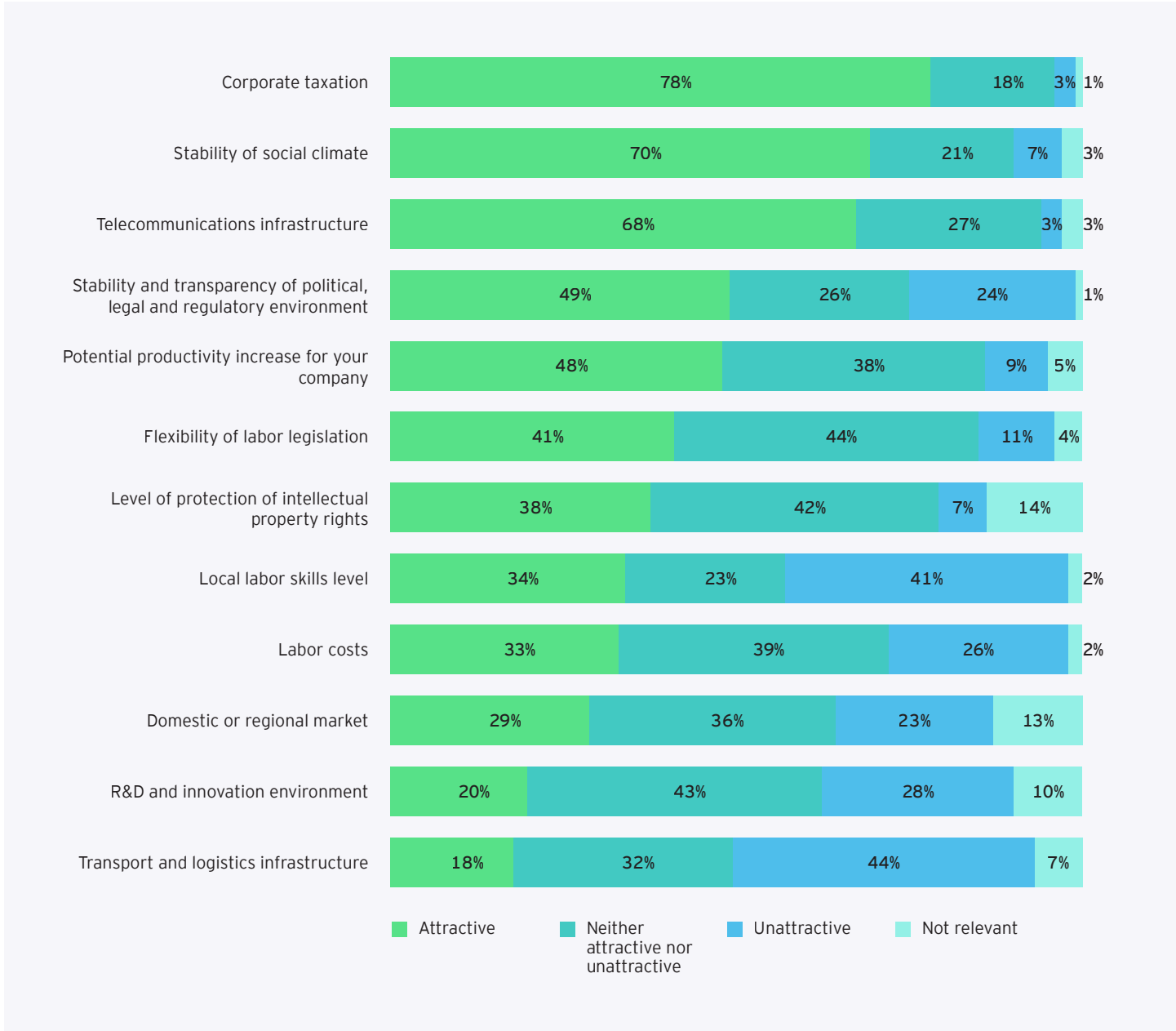
This year, investors highlighted Malta’s corporate tax regime (rated attractive by 78%), social climate stability (70%) and telecommunications infrastructure as the strongest reasons for investing.

Confidence in the stability and transparency of the political, legal and regulatory framework also rose sharply, with nearly half of respondents now rating it attractive – a 20-point increase on last year. At the same time, when identifying the three greatest risks for FDI investment in Malta over the next

three years, concerns persist. Skills shortages were cited by 60% of investors as the top risk, while 42% pointed to cost competitiveness and 31% to infrastructure as the main pressures on Malta’s FDI appeal over the next three years.

Figure 2

Attractiveness scoreboard – Malta’s FDI attractiveness



Source: all 2025 respondents.

These concerns are not new – but they are now rising on the priority list as Malta prepares for continued growth. According to European Commission and International Monetary Fund (IMF) forecasts, Malta remains one of the fastest-growing economies in the euro area. That growth is welcome – but

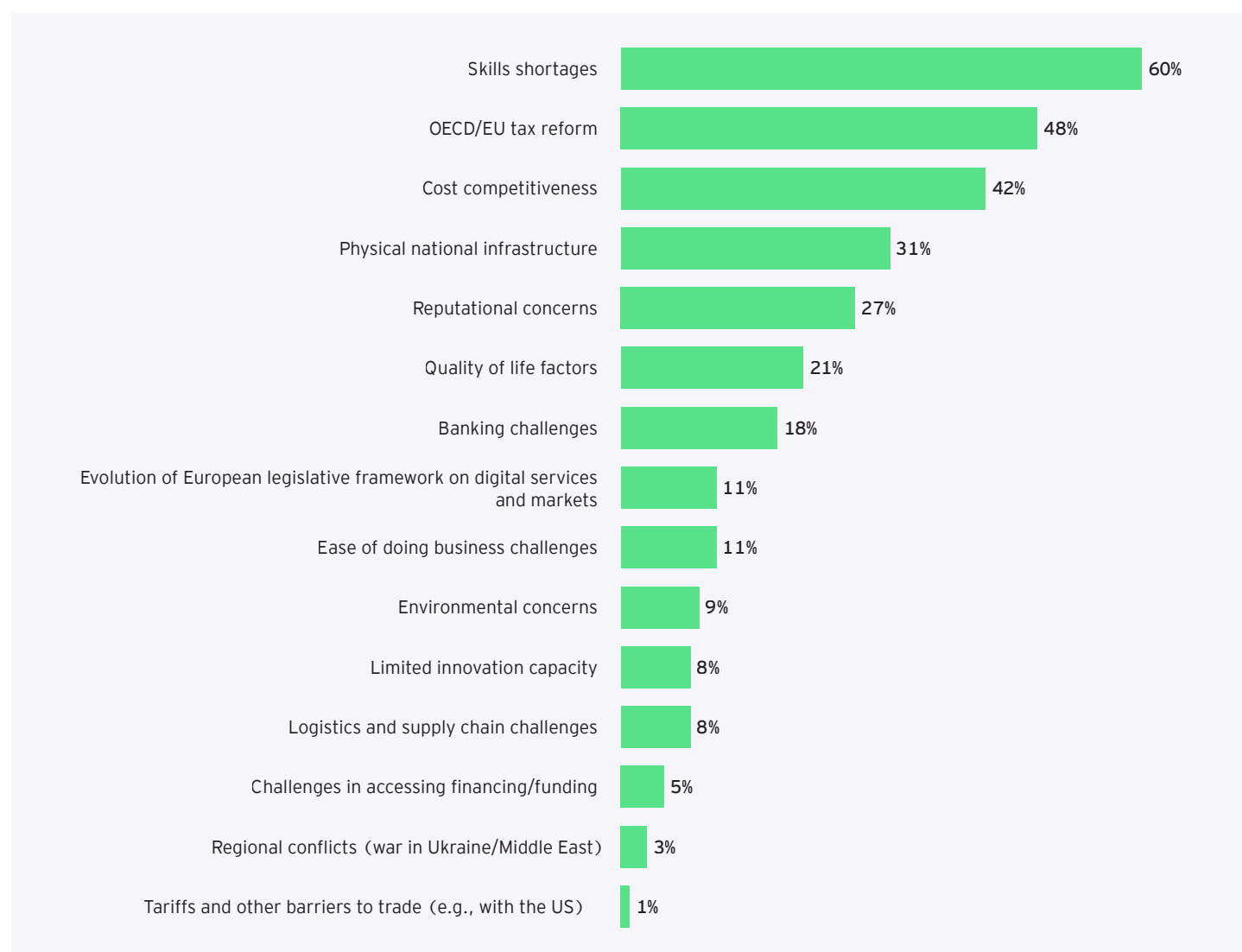
it comes with pressure on transport, utilities and social infrastructure systems, housing and talent.

Two of the highlighted risks in previous editions – reputation and tax reform – have eased this year, helping underpin this year's rebound in sentiment.

Reputation concerns fell from 42% to 27% (-15 pts), while concerns over global tax reforms dropped for the second consecutive year to 48%. Both factors play a critical role in how investors assess Malta's overall attractiveness for FDI.

Figure 3

What are the three greatest risks facing Malta's attractiveness for FDI over the next three years?



Source: all 2025 respondents.

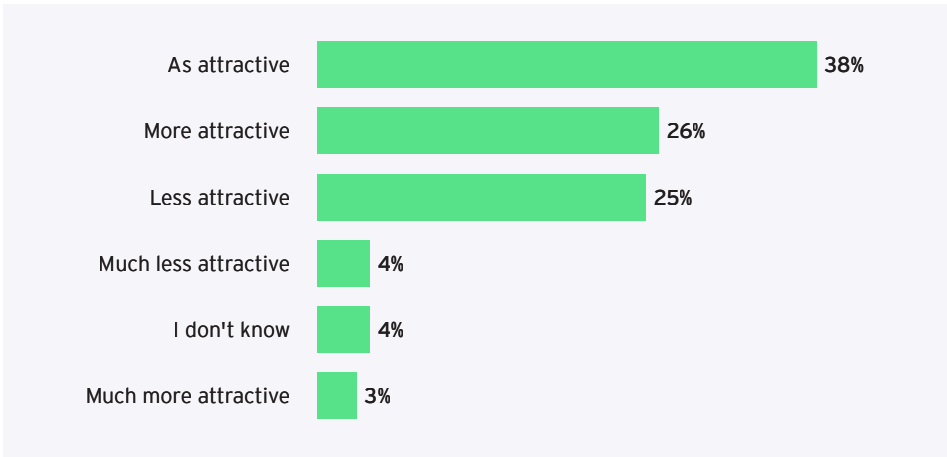
Holding our position – but can we maintain it?

When asked how Malta compares with other European countries, most investors placed it in the middle ground – i.e. broadly on par with other European countries. Smaller groups of respondents see it as more or less attractive than these countries. This balance matters as it signals that Malta is viewed as a stable and credible location but not one that can take its competitiveness for granted.

Despite cost competitiveness being flagged as a top risk, investors note that Malta continues to offer clear cost advantages in key operating areas when compared with other countries with whom they do business. Most notably, payroll costs are rated as lower or significantly lower by 48% of respondents, with just 18% saying they are higher. Energy costs, which have been kept stable at pre-Ukraine war rates through government subsidies, are also viewed favorably. This is particularly so for energy-intensive sectors such as manufacturing, which remains a large sector of private employment, despite service-based sectors having a significantly larger share of total economic output.

Figure 4

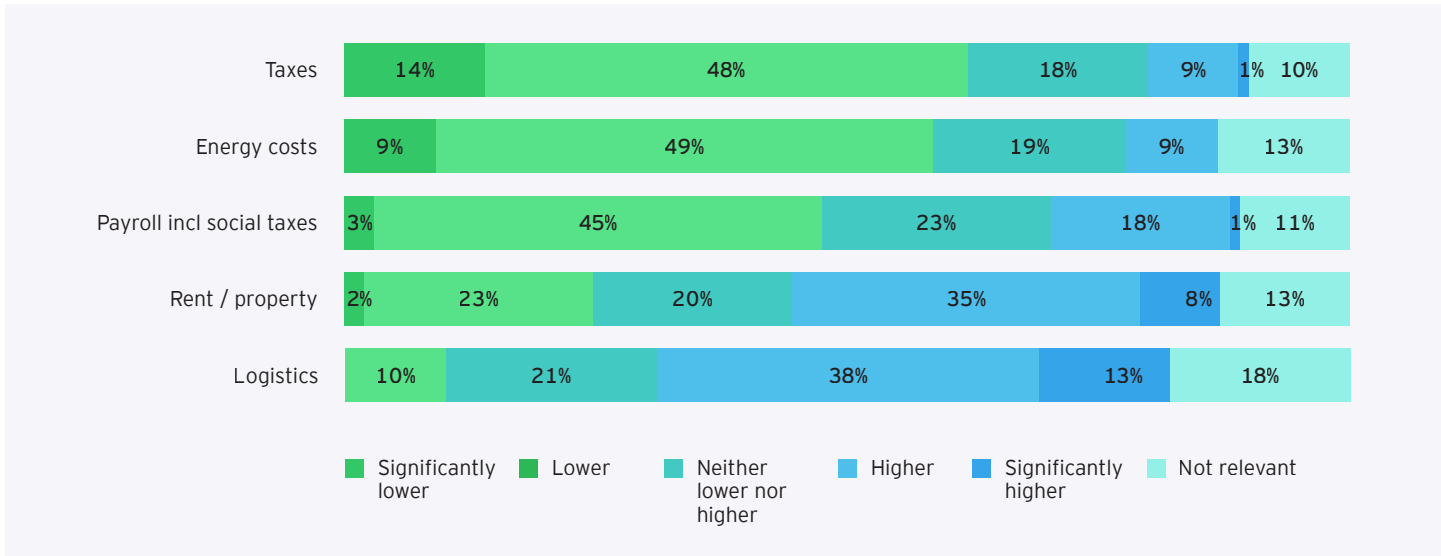
How does Malta compare with other European locations from an investment attractiveness point of view?



Source: all 2025 respondents.

Figure 5

How do Malta's operating costs compare with other locations where you do business?



Source: all 2025 respondents.

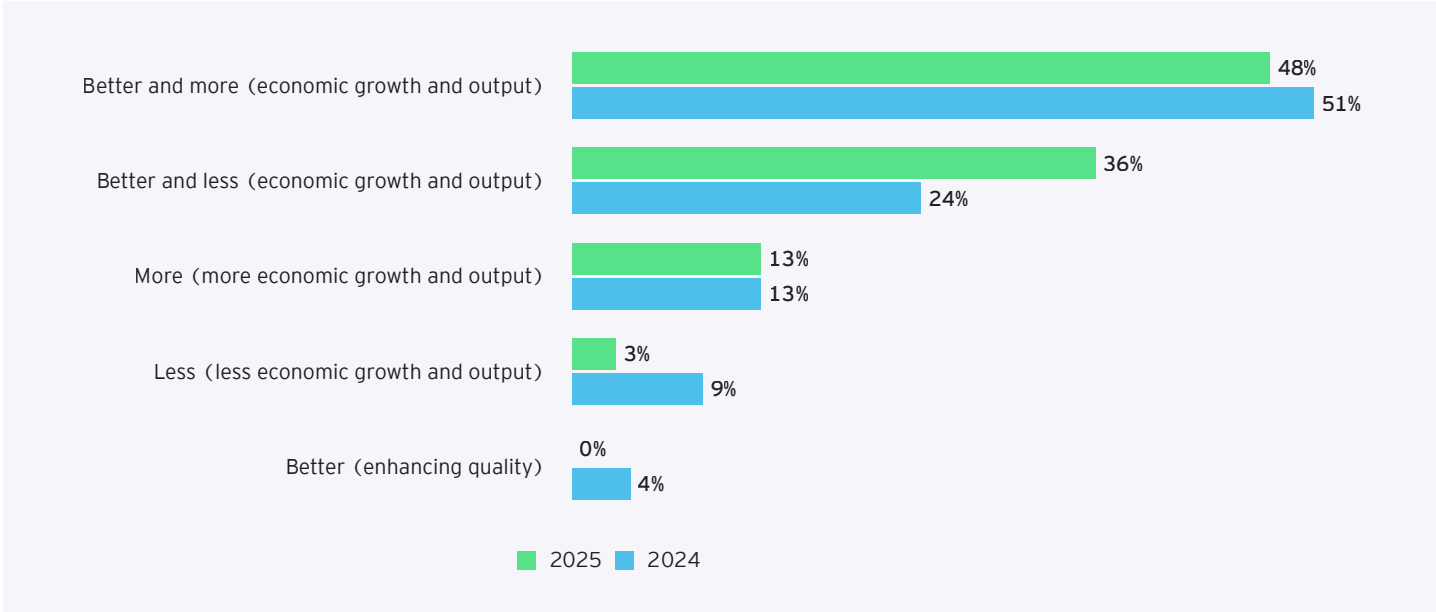
While Malta's cost base remains favorable, growth may push certain operating cost advantages to narrow further as demand for talent, property and services increase further.

As the global landscape evolves, the question is not just where Malta is attractive, but for what and to whom. The growing shift in investor sentiment toward "better and less" reinforces the

need to focus not just on scale, but on where Malta can deliver meaningful competitive advantage.

Figure 6

Compared with the current scenario and from a socioeconomic development point of view, what should Malta do?



Source: all 2024-25 respondents.



through the investor lens

- **Investors already active in Malta are sending a clear message: confidence is back.** The fundamentals are strong, the outlook is positive, but expectations have shifted. Malta's long-term viability will now be judged on its ability to execute – on infrastructure, skills and quality.
- **There's also a growing recognition that Malta's next phase won't be defined by size, but by focus.** In a small economy, scale will always be constrained – whether in talent, infrastructure or market depth. What matters now is how to adapt.

- **The push for “better and less” is gaining traction, with more investors rethinking how to grow within limits:** pivoting to higher-value activity, using automation to reduce dependency on labor, and doubling down on quality over volume.
- **Malta, with the right focus, can continue to play an outsized role in a global economy** – built not on size, but specialization, agility and execution aligned with foresight.

“What they're saying

The momentum is there — now infrastructure and capacity need to match up.

Be selective with FDI — target strategic sectors, not just volume.

Malta still offers stability and opportunity.

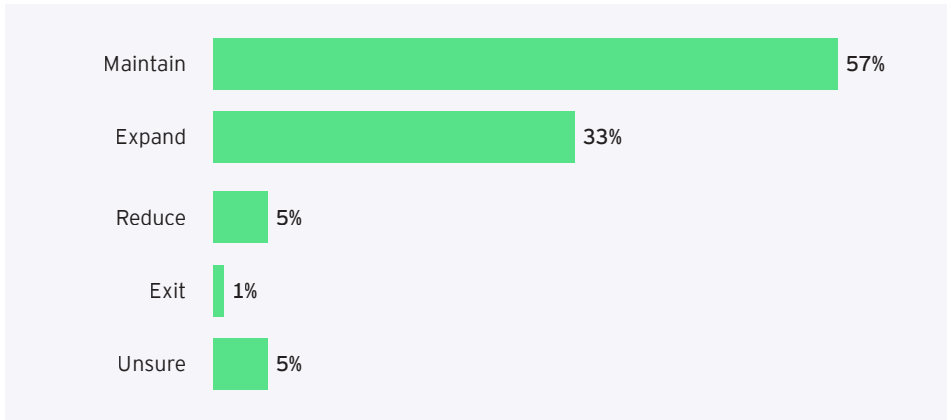
Future attractiveness

Long-term outlook remains strong

This year, we broadened the lens on planned future investment, moving beyond the binary “yes or no” question asked about expansion in previous editions. The updated framing captures a more nuanced view of investor expectations – distinguishing between plans to maintain, expand, reduce or exit operations.

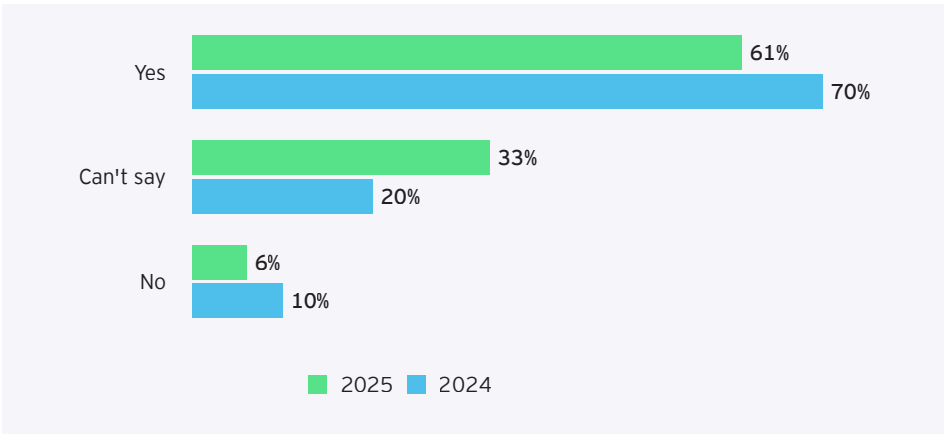
The results are clear: a combined 90% intend to either maintain (57%) or expand (33%), reflecting continued confidence in Malta as an investment location. Only 1% of companies say they plan to exit Malta in the next 12 months, and just 5% expect to reduce their footprint.

Figure 7
What are your company’s investment plans in Malta over the next 12 months?



Source: all 2025 respondents.

Figure 8
Ten years from now, will your company still be present in Malta?



Source: all 2024-25 respondents.

Still, the long-term outlook is less definitive. While most plan to stay, one in three answer they “can’t say” whether they will still be present in Malta 10 years from now – up from 20% last year. This shift is not necessarily a reflection on Malta itself, but a broader signal of how firms are reassessing location strategy in a world of volatile geopolitics, shifting trade alignments and fast-moving technological change.

The message is twofold: investors remain anchored in Malta for the near term, but the assumptions that underpinned long-term presence a decade ago may no longer hold in the same way.

Future growth outlook – which sectors will lead?

This year's survey also offers a clearer picture of where investors see growth coming from – and where vulnerabilities may emerge. Historically, we've asked respondents to select multiple sectors expected to support Malta's future growth. This year, we complemented that with two single-choice questions: one on which sector holds the strongest long-term growth potential, the other on which is most at risk of decline.

The sector outlook is broad-based, but the data points to clear choices about where respondents think growth in Malta will come from and how it can be sustained. The picture is not one of adding more sectors, but of sequencing ambition within the limits of Malta's capacity.

Tourism is in top place in respondents' replies and, as a sector, continues to expand rapidly. The government has now set a trajectory toward 4.5 million

visitors, while tourist arrivals and spend in 2025 were above the numbers in 2024, itself a record year.

Many in the industry expect a further uplift in yield following the introduction of direct flights from Malta to New York, opening access to a higher-spend long-haul market. There are, however, concerns over volumes and the need for infrastructure, housing for workers, and strong tourism management and firm enforcement to keep pace with policy ambition.

In second place is Gaming. Malta remains a global leader in the Gaming sector, given its well-developed ecosystem. However, sector growth is increasingly coming from new markets further afield – the US, Latin America and parts of Asia. This raises a strategic question for investors: should further headcount be concentrated in Malta, or spread across multiple locations closer to end markets? For now, the ecosystem and regulatory framework continue to give Malta a strong pull. But sustaining

that role will depend on whether the talent base and operating environment remain competitive as firms scale internationally.

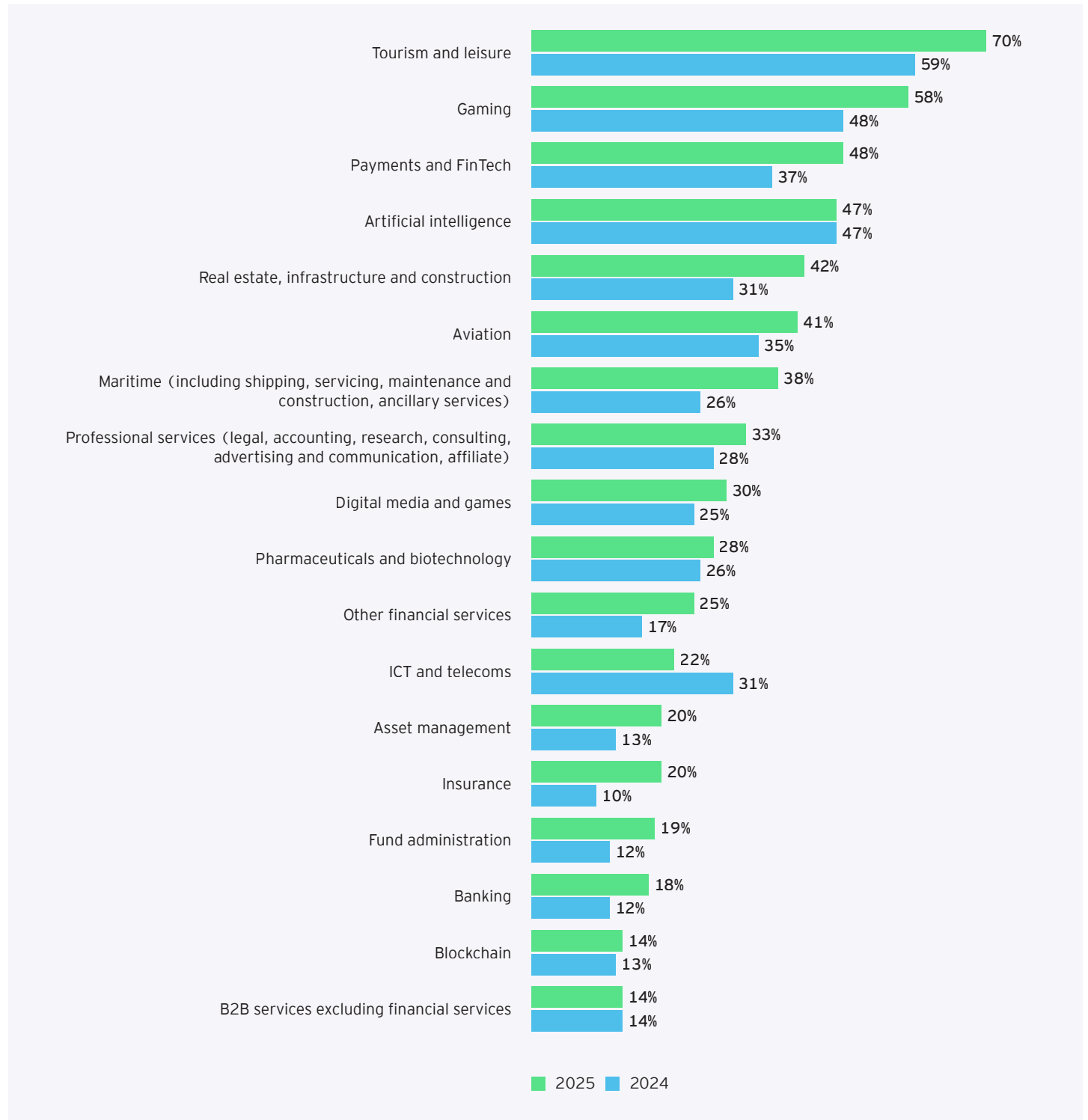
Payments and FinTech have continued to expand in Malta, with steady growth in the number of licensed operators. This sector ranked third in respondents' perceptions of the sectors to drive Malta's growth in the future.

The country's regulatory framework – tested early in areas such as blockchain – has given it credibility within the EU, and parts of the Markets in Crypto-Assets Regulation (MiCA) regime reflect approaches first piloted in Malta. Investors highlight EU passporting rights, the presence of specialized talent and providers, and the ability to operate cross-border with confidence as core advantages. The payments and FinTech sector's outlook depends less on headline volumes and more on maintaining Malta's reputation and deepening its pools of talent.



Figure 9

Which sectors will drive Malta's growth?



Source: all 2024-25 respondents.

When considering the single individual sectors with the greatest growth potential, artificial intelligence (AI) is seen as Malta's strongest long-term growth prospect, with one in four investors selecting it as the sector with the highest potential. Expectations are directional rather than immediate – most anticipate gradual productivity gains rather than rapid disruption. For Malta, the opportunity reflects its positioning as open to start-ups, talent and emerging technologies. What investors now look for is the emergence of a few anchor players that can demonstrate scale and give credibility to the wider ecosystem, supported by continued focus on

specialized talent, a strong compute and data ecosystem.

Aviation continues to build momentum on two fronts: Maintenance, Repair, and Overhaul (MRO) and the aircraft register. These clusters are strong and growing, with investors noting competitiveness relative other European countries.

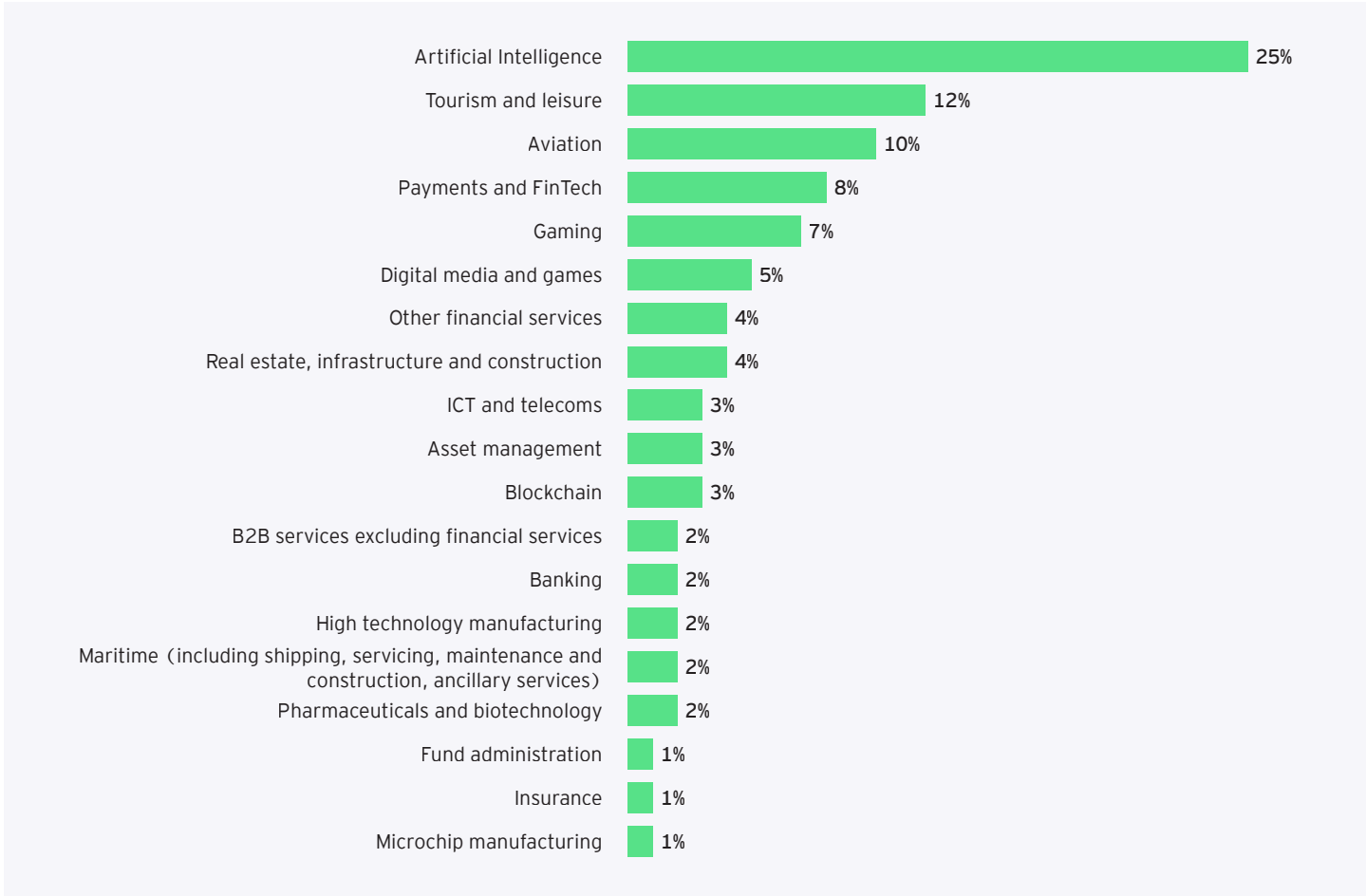
Real estate, construction and infrastructure continue to track Malta's population and tourism growth. Strong demand is evident across residential, commercial and hospitality segments, with housing and development activity closely linked to the country's expanding

workforce and record levels of visitor arrivals. Investors see the sector as a direct reflection of Malta's wider economic momentum, with future growth anchored in how the economy continues to scale.

Maritime remains a stable contributor, with strength in the flag registry and ship repair services, as well as the Freeport as a transshipment hub. The fundamentals are sound, and recent investment to expand the Freeport terminal to enable the facility to handle new types of mega containerhips aims to future-proof the sector.

Figure 10

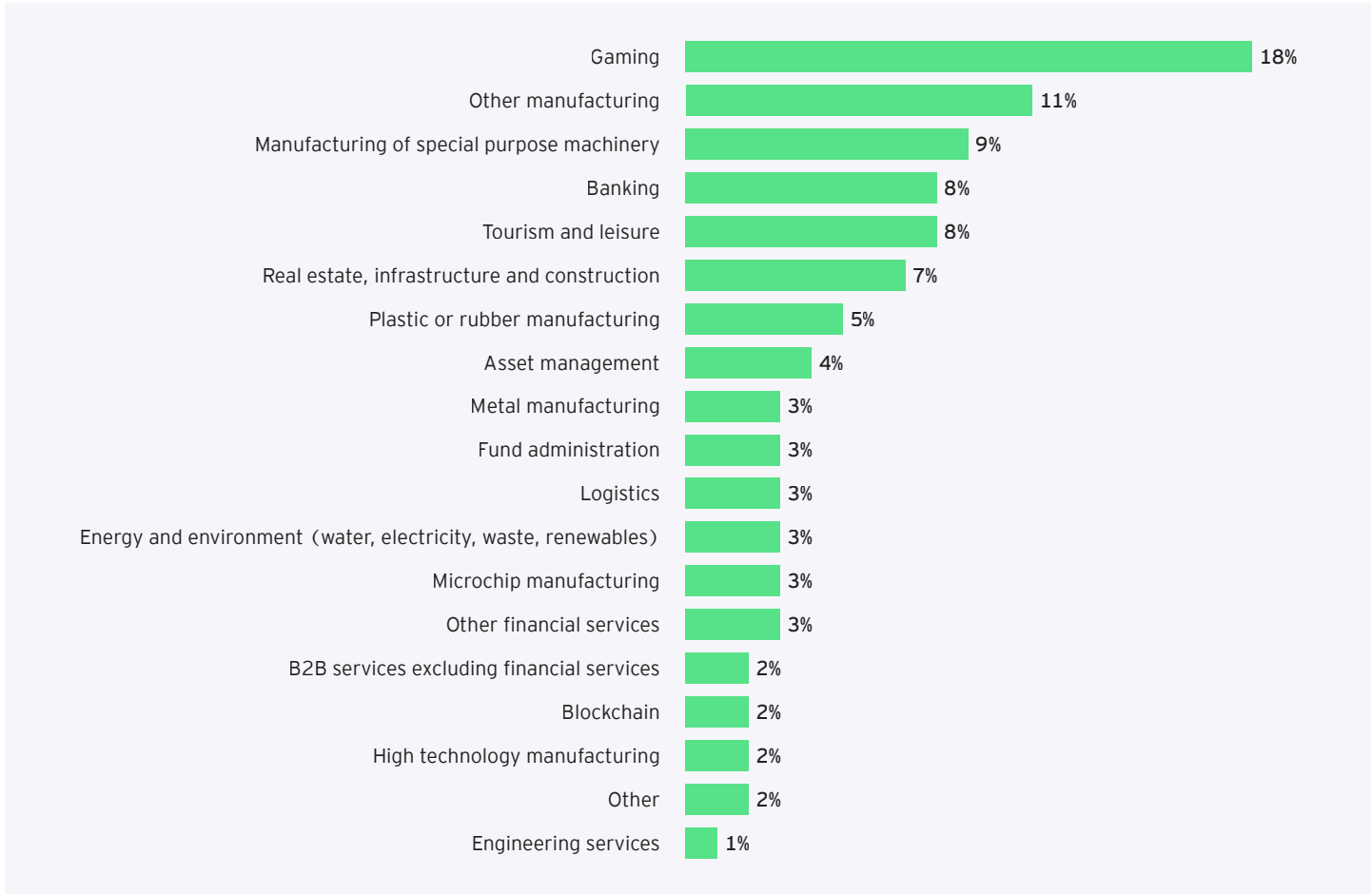
Sectors with the greatest growth potential



Source: all 2025 respondents.

Figure 11

Sectors with highest risk of decline



Source: all 2025 respondents.

Manufacturing is reshaping rather than retreating. Large firms with longstanding operations in Malta are shifting to higher-value, more automated activities. Commitment to the country remains, but future growth will not come from volume; it will depend on productivity, integration with EU value chains and the ability to automate and shift up the value chain.

Taken together, the data highlights three signals. First, Malta's growth is being driven by established clusters – tourism, aviation, Gaming and maritime – alongside emerging sectors such as AI and FinTech. Second, the constraint is not investor appetite, but the capacity envelope skills, housing, infrastructure and regulatory throughput.

Third, success will depend on sequencing: supporting the sectors already driving growth, while building the credibility and capacity needed to scale those that define Malta's next phase.

Location choices – key factors and competing jurisdictions

This year’s survey reaffirms the core factors that shape location decisions for investors. Tax competitiveness (55%) and workforce availability and quality (52%) top the list, followed by the regulatory environment (41%), labor and input costs (39%), and market

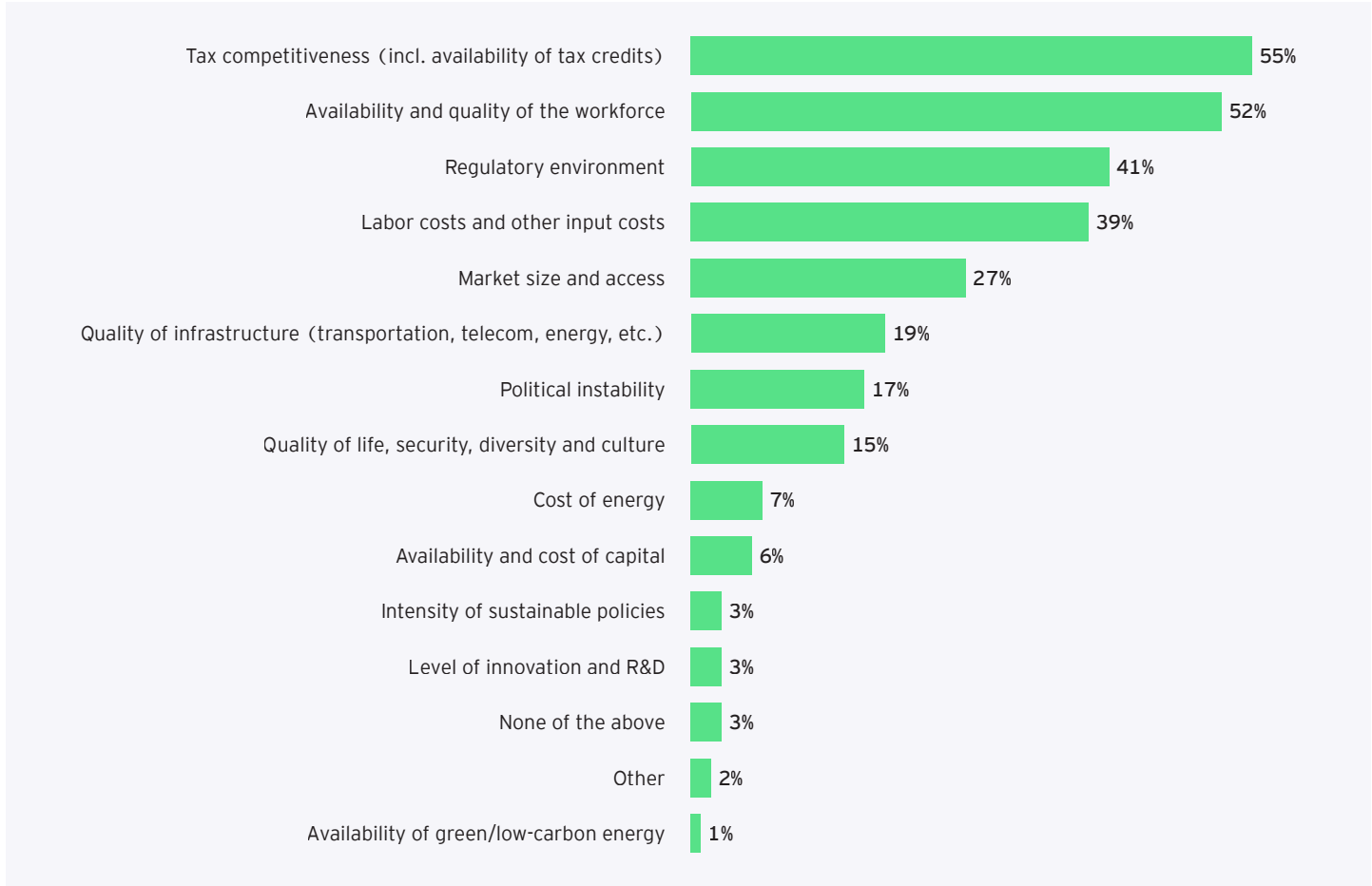
size and access (27%). Infrastructure quality, political stability and quality of life are also considered, though less decisive.

We also asked investors whether there are other jurisdictions they consider competitive for future growth. Cyprus, Ireland, Spain and Switzerland were cited most frequently, followed by a

broader mix including the UK, Portugal, Luxembourg, Poland, the UAE and the US. A few respondents referenced locations in Africa and Asia. These responses do not suggest an intention to relocate. Rather, they reflect the jurisdictions investors view as having attractive fundamentals – whether for expansion, comparison or potential future activity.

Figure 12

From your company’s perspective, which factors are the most important when choosing a country to invest in?



Source: all 2025 respondents.

Long-term economic structure anchored on FDI – but are more local champions needed?

Another new question in this year's survey asked investors how they see Malta's economic structure evolving over the next decade. Nearly half (47%) expect continuity: an FDI-driven economy anchored by a strong services base, a resilient industrial sector and buoyant tourism.

The current model – spanning Gaming, financial and professional services, aviation MRO, manufacturing, logistics and ship services – remains the reference point for most investors, with local firms also continuing to play a key role in servicing international operations.

Beyond that, however, expectations begin to fragment.

Around 28% anticipate a shift in emphasis – high-value service FDI (particularly in finance, tech and professional services) grows, but manufacturing loses momentum due to rising cost and scale pressures. Tourism remains steady, but the industrial base is seen as increasingly constrained.

A further 18% see Malta pivoting more fully toward lifestyle-led growth: tourism, digital nomads and high-spending retirees take center stage, while the FDI base softens and the domestic economy becomes more inward-focused.

Only 6% envisage a scenario where Maltese "champion" firms scale internationally and become more dominant, reducing the reliance on foreign investment. And just 2% anticipate Malta becoming a

manufacturing-led economy, despite national and European focus on industry.

These results raise two forward-looking questions. First, should there be greater national ambition around scaling Maltese champions? Despite growing policy interest in fostering homegrown growth, few investors currently see this as a likely scenario. Second, the divergence between expectations for service-led growth and those for a more industrial trajectory merits attention. While Malta does not yet have an updated industrial policy, recent foreign investment activity – including in semiconductor-related capabilities – and a shift toward more automated, technology-driven production suggest early signs of repositioning within higher-value manufacturing segments.



Future competitiveness – where should Malta focus?

Each year, we ask investors what Malta should prioritize to remain globally competitive over the next decade. The answer remains consistent. Education and skills is once again the top priority. For the third year running, investors see the talent pipeline as central to Malta’s long-term success, particularly as new technologies reshape the skills landscape across sectors.

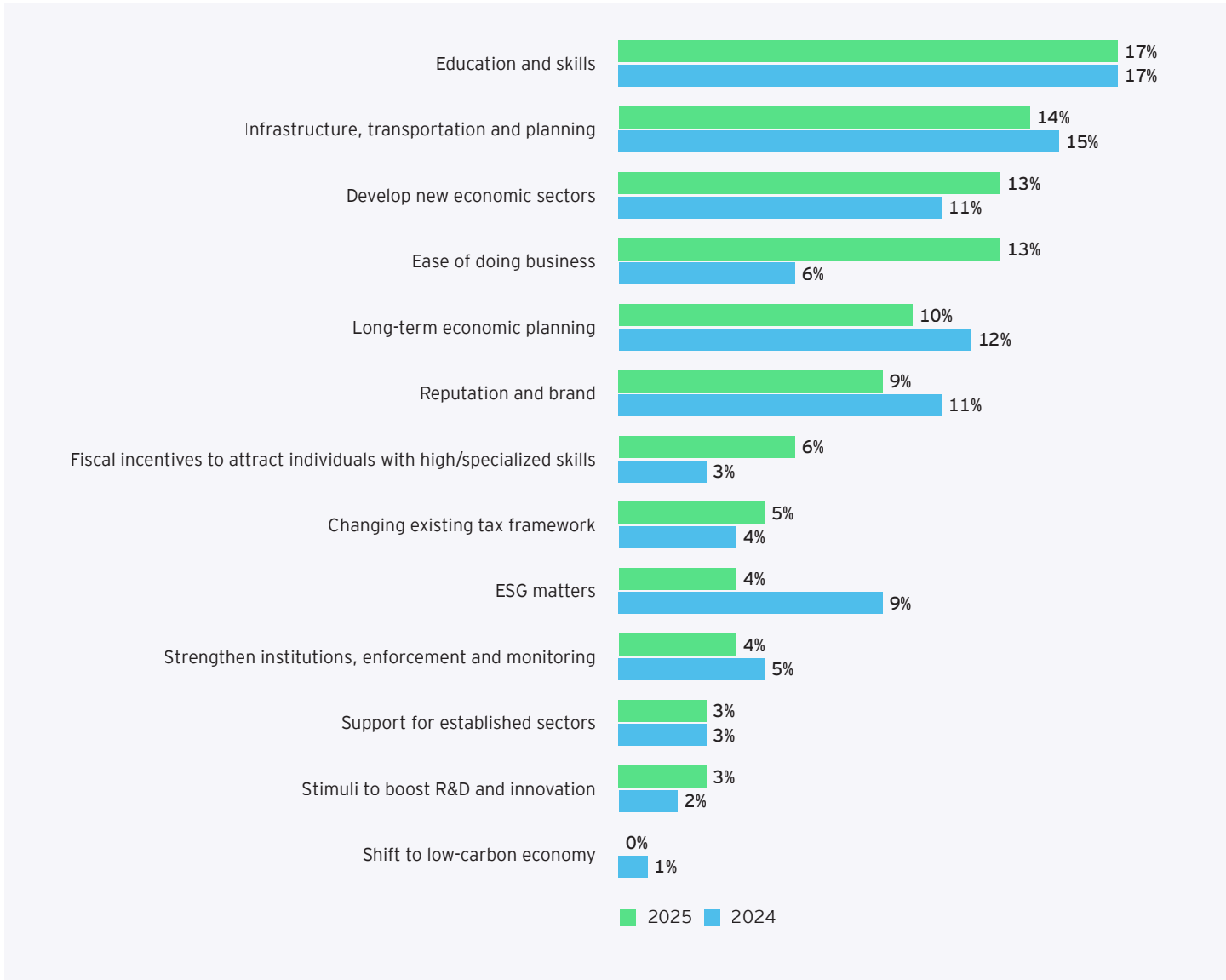
Infrastructure, transport and planning ranks second, reflecting the pressure rapid growth has placed on the physical environment and the expectation that future competitiveness depends on more seamless movement of people, goods and services.

Two areas now sit in joint third. First, the development of new economic sectors. Second, the ease of doing business, which has nearly doubled in importance since last year, suggesting that some pain points may be arising.

Meanwhile, two previously higher-ranked areas have seen a dip in relative importance. Long-term economic planning and the country’s brand and reputation – while still part of the competitive equation – have slipped to fifth and sixth place respectively, suggesting that investors are increasingly focused on near-term enablers of business success.

Figure 13

What should Malta prioritize to remain globally competitive across the next decade?



Source: all 2024-25 respondents.

through the investor lens

- **Investors already active in Malta continue to see Malta positively**, with 90% planning to maintain or expand operations over the next 12 months.
- **The fundamental outlook remains strong** – with investors expecting more growth across key legacy industries such as tourism and Gaming, newer ecosystems such as FinTech, payments and aviation, and developing areas such as AI.
- **But the long-term lens is more questioning**. One in three say they're unsure whether they will still be operating in Malta a decade from now.

The uncertainty reflects a wider shift: in a world of rapid change, driven by shifting trade and economic policies, and significant geopolitical disruption, past strengths aren't assumed to necessarily guarantee future relevance.

- **As the global economy evolves, investors are weighing not just where Malta performs today, but where it has the capacity to be a frontrunner**. Future success may depend less on expanding the model – and more on focusing investment, talent and infrastructure on where they can deliver the greatest strategic impact.

“What they're saying

Malta offers consistency — now it's about keeping pace.

The country cannot grow everything.

The long term is hard to call when the volatile global context is shifting.

Competitiveness enablers

Malta's cost edge endures – long-term growth depends on talent and infrastructure

Beyond immediate perceptions of attractiveness, investors also weigh the fundamentals that underpin long-term competitiveness. Survey results highlight how costs, talent, technology, infrastructure, sustainability and external shocks shape survey respondents' current operations and future investment appetite.

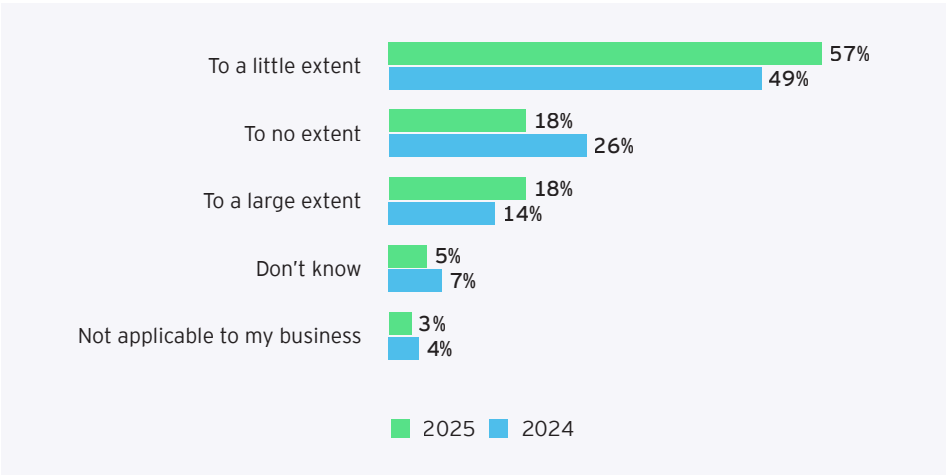
HR costs – competitive but not decisive

Earlier in the report, we highlighted Malta's commonly perceived cost advantage over many European peers. When asked whether HR costs are competitive enough to drive further investment, 75% of investors said to some extent, with 18% selecting to a large extent and 57% selecting to a little extent – broadly in line with last year's results. The percentage who felt HR costs were not competitive at all has declined from 26% to 18%.

By contrast, when asked whether HR costs are sufficient to retain existing operations, 83% said to some extent or to a large extent. Those selecting to a large extent rose slightly from 25% to 31%, suggesting a clearer consensus that, while Malta may not attract growth solely on cost, it remains a sustainable base for current operations.

Figure 14

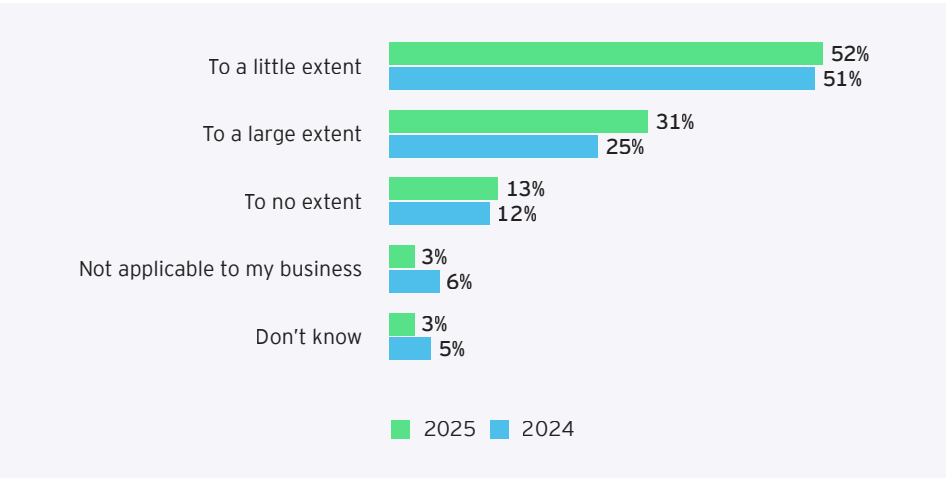
To what extent would you agree with the following statement: Malta's HR costs are competitive enough to drive further company investment into in Malta?



Source: all 2024-25 respondents.

Figure 15

To what extent would you agree with the following statement: Malta's HR costs are competitive enough to retain your presence in Malta?



Source: all 2024-25 respondents.

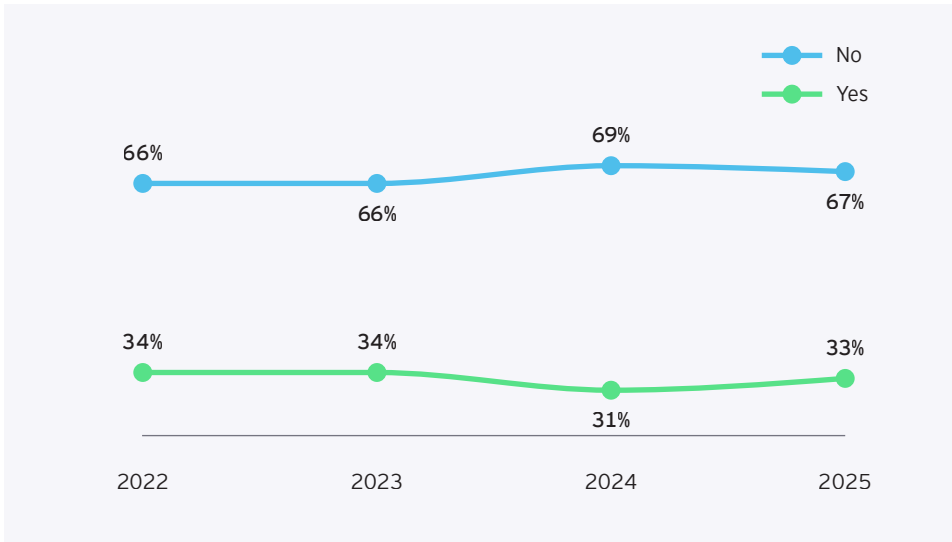
Skills availability and Malta's appeal to international talent

Malta's strong economic growth over the last decade has created pressure on its labor market. Skills availability remains one of the most cited challenges for investors in Malta – not because it's worsening but because it hasn't improved. Over the past four years, around one-third of respondents have consistently said they are unable to recruit the specialized skills they need in the local market (67% in 2025, 69-66% in prior years). This persistence suggests a structural constraint that continues to limit growth.

This year's new question on international talent points to cautious optimism. Nearly half of investors rate Malta as attractive for bringing in talent at different levels, but just 10% say it is very attractive.

Figure 16

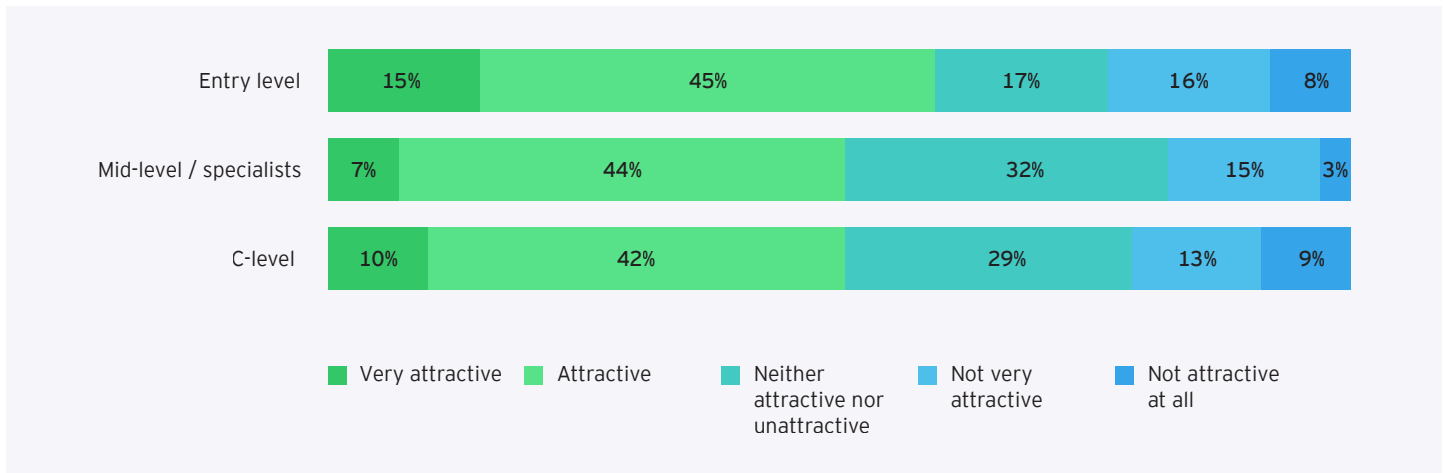
Are you able to find/recruit the required specialized skills in the local labor market?



Source: all 2022-25 respondents.

Figure 17

How attractive is Malta as a destination for attracting international talent at different levels?



Source: all 2025 respondents.

Future workforce – what will strengthen Malta’s skills base?

Education reform stands out as the strongest priority, but not in isolation. Thirty-eight percent of investors rank overhauling Malta’s school system first, and 69% place it in their top three – the clearest result in the data set. This reflects a persistent view that shifting from rote learning to skills in STEM,

problem-solving and entrepreneurship is fundamental to long-term competitiveness.

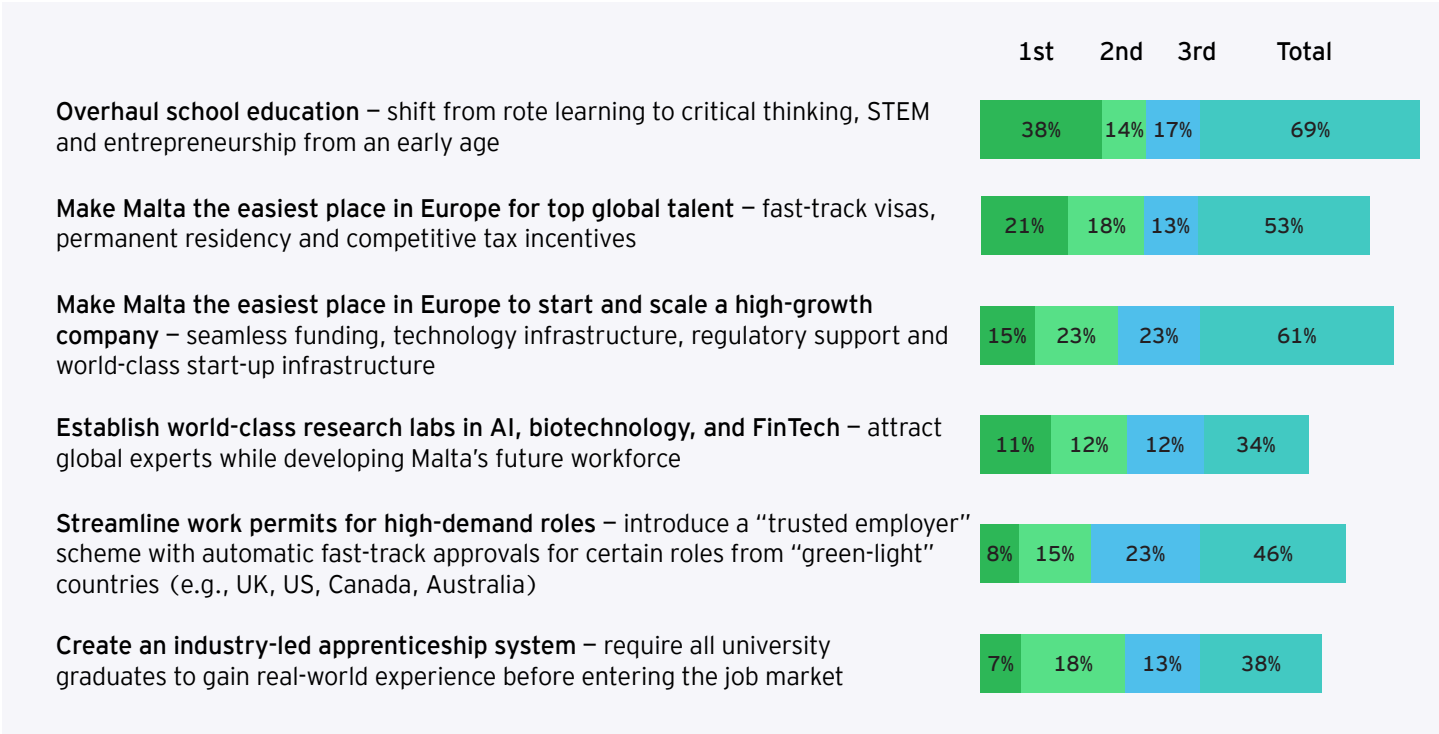
But the spread of responses shows that the issue cannot be reduced to education alone. Sixty-one percent prioritize making Malta the easiest place to start and scale a high-growth company, while 53% highlight attracting top global talent. Work permits (46%), apprenticeships (38%), and research

centers in AI, biotechnology and FinTech (34%) all carry weight.

No single intervention commands overwhelming consensus. The signal is that investors view skills and talent as a complex challenge, where progress depends on moving several levers in parallel rather than relying on one reform alone.

Figure 18

What will strengthen Malta’s skills base?



Source: all 2025 respondents.

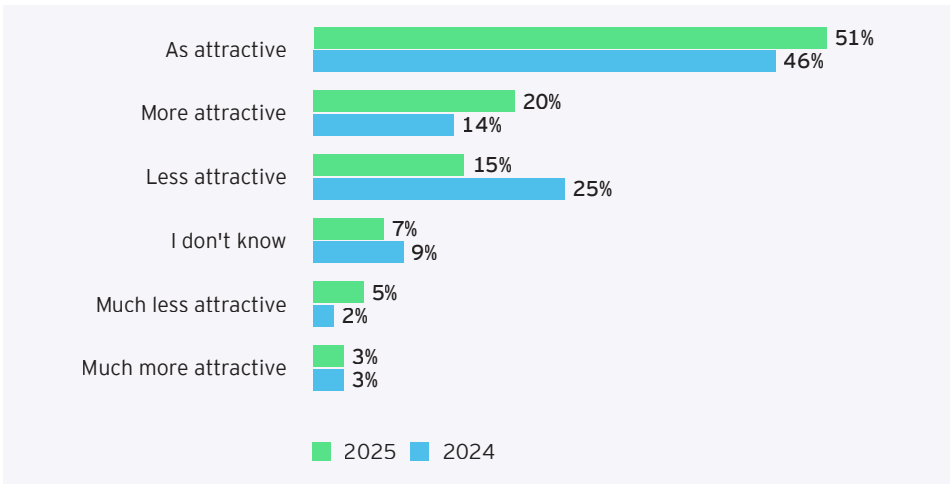
Technology attractiveness – strong and strengthening

Malta is increasingly recognized as a competitive location for technology-related investment. In 2025, 71% of investors rated Malta as an attractive or more attractive than other European countries – an improvement from 63% in 2024. At the same time, those viewing Malta as less attractive dropped from 25% to 15%. For a small economy, this shift in sentiment signals a growing confidence in Malta's technology ecosystem.

When asked which technology factors matter most, investors placed talent availability firmly at the top, with one-third (34%) highlighting skilled scientists, engineers and data analysts as critical. Support from government and regulators (13%) and broad innovation and digital adoption (11%) followed, while other elements such as financing, IP protection and 5G rollout were secondary.

Figure 19

In terms of technology-related factors, how does Malta compare with other European countries for investment?



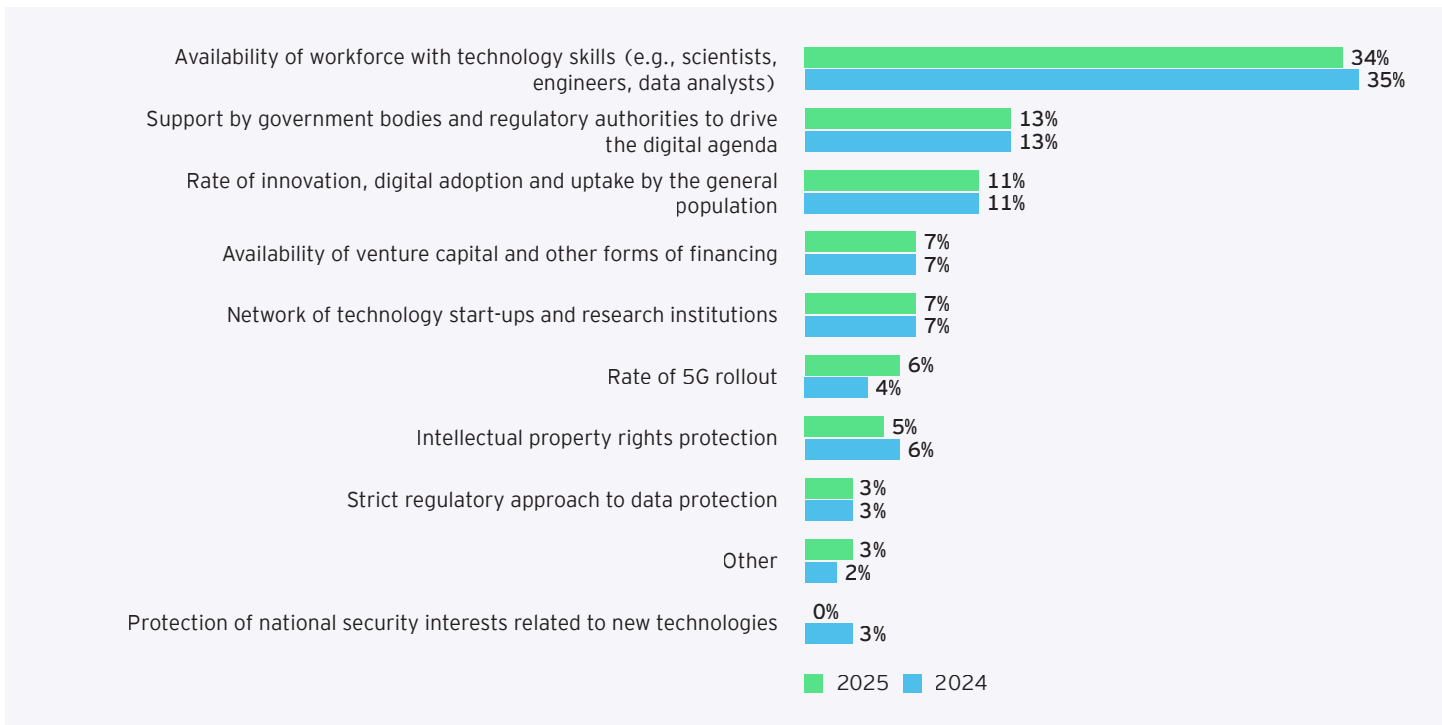
Source: all 2024-25 respondents.

The results indicate that Malta's size does not constrain its competitiveness if it continues to deliver on talent

and digital adoption – areas where perception is already moving in the right direction.

Figure 20

Of the following technology-related factors, which three are most important when choosing a country to invest in?



Source: all 2024-25 respondents.

Emerging technology investment intentions – AI accelerates as digital priorities shift

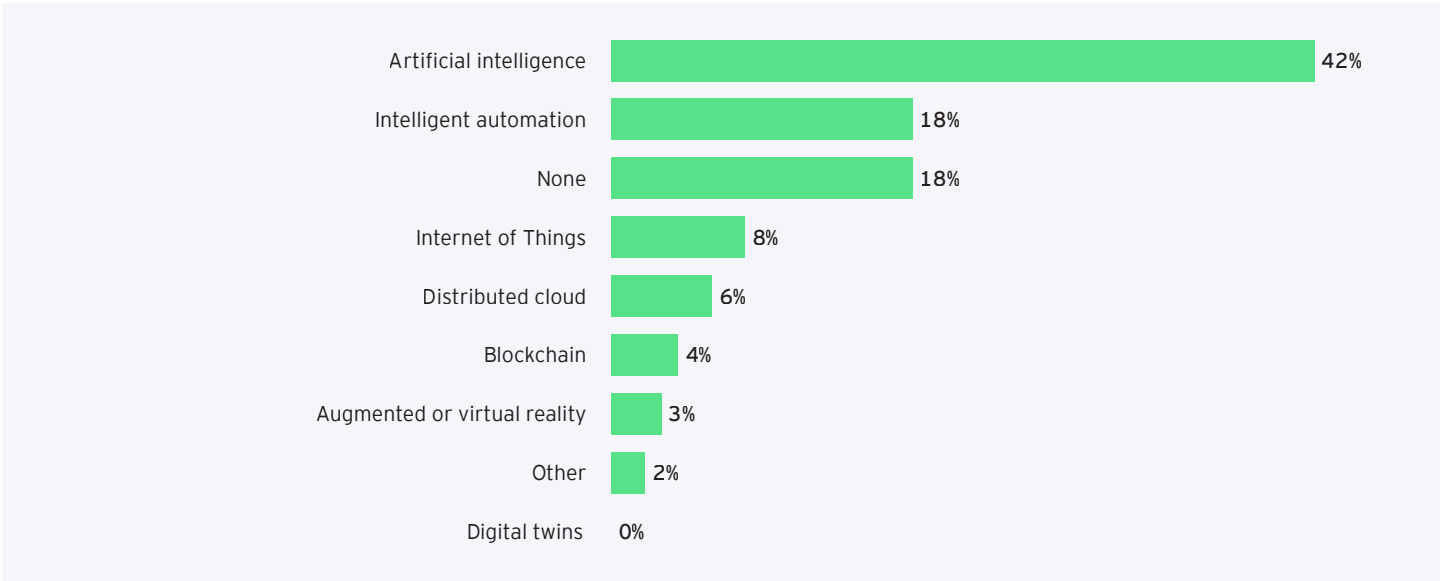
AI has emerged as the leading focus for technology investment among survey respondents in Malta, with 42% indicating plans to invest in AI in 2025. This is the highest level of interest recorded across all emerging technologies surveyed this year, reflecting a strong consensus on AI’s potential to drive business value and enhance Malta’s competitive positioning.

Interest in other technologies is more measured. Intelligent automation is being considered by 18% of companies, while planned investment in the Internet of Things (IoT) and distributed cloud stands at 8% and 6% respectively. Blockchain, augmented or virtual reality and digital twins remain niche, with consistently low levels of planned investment. Notably, only 9% of companies report that they are not considering any emerging technology investments, highlighting a broadening commitment to digital transformation across the business landscape.

These results indicate that while AI is consolidating its position as the technology of choice for value creation, investment in other advanced technologies is more selective and strategically targeted. The data points to a maturing technology ecosystem in Malta, with companies increasingly prepared to invest in transformative solutions, even as they recalibrate priorities in response to evolving market conditions.

Figure 21

Which of the following emerging technologies is your company considering investing in (to deliver greater value to your business)?



Source: all 2025 respondents.

Adoption of next-generation digital connectivity – momentum builds, but a cautious core remains

Building on this broadening digital commitment, survey data on company intentions regarding 5G, IoT and edge computing investments reveals a steady shift toward next-generation connectivity. In 2025, 32% of respondents say their companies are not currently considering these technologies, down from 43% in 2024.

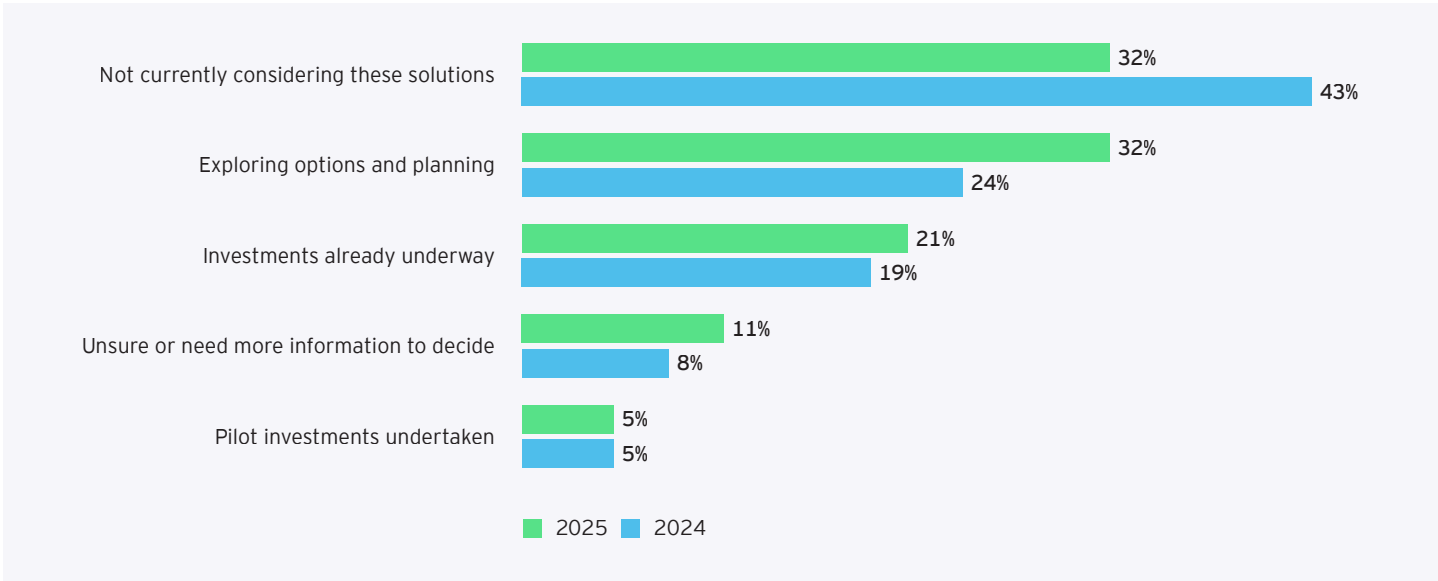
The percentage of companies actively exploring options and planning investments has risen to 32% (from 24% in 2024), and those with investments already underway increased slightly to 21%. Pilot projects remain stable at 5%, while the proportion of respondents who are unsure or need more information to decide has edged up to 11%.

This pattern highlights a gradual but persistent broadening of company engagement with advanced digital infrastructure. The reduction in companies not considering such investments, alongside the rise in

those to invest or already investing, signals growing confidence in Malta's digital ecosystem. However, the data also underscores that a significant segment of the market remains either unconvinced or in need of further clarity, pointing to the ongoing importance of addressing barriers such as skills, business case certainty and regulatory support. As Malta's technology attractiveness continues to improve, the pace of next-generation adoption will be a key indicator of the country's ability to sustain its competitive edge in digital investment.

Figure 22

With the advancement of next-generation digital connectivity technologies, is your company considering investments in 5G, IoT and edge computing over the coming three years?



Source: all 2024-25 respondents.

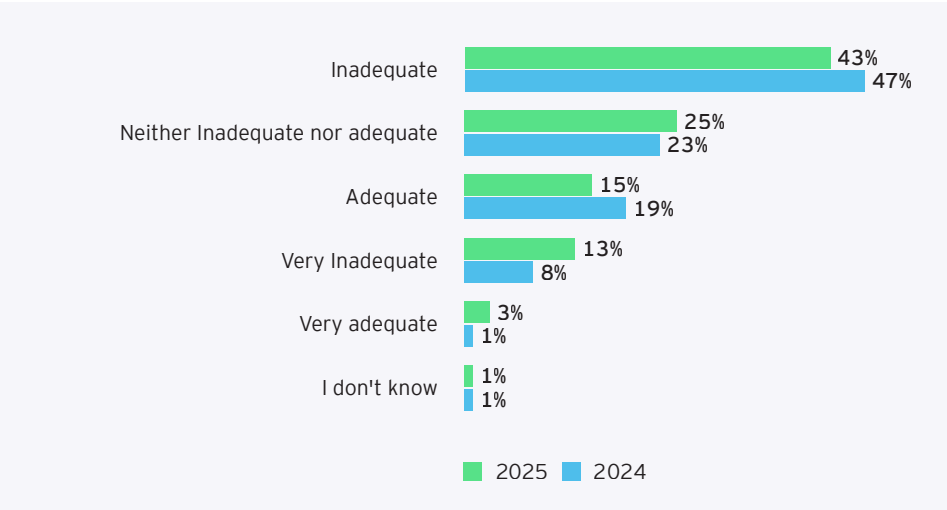
Infrastructure – aligning growth with capacity

As Malta continues to grow, the gap between population trends and infrastructure capacity and readiness remains a recurring concern for investors. This year, 43% described Malta’s planning and preparedness for population growth as “inadequate” – a slight improvement on last year’s 47%, though still the most common response by a wide margin. Only 15% of investors consider current planning to be “adequate.”

Critically, sentiment on this issue remains broadly consistent year-on-year, with negligible movement at either end of the spectrum. Just 13% said infrastructure planning was “very inadequate”, while only 3% called it “very adequate.”

Figure 23

How would you rate Malta’s planning and preparedness for population growth in terms of infrastructure development?



Source: all 2024-25 respondents.



This disconnect comes into sharper relief when looking at what investors say matters most. Eight in 10 (80%) identified enhancing infrastructure as fundamental to Malta's success – the single highest priority across all growth-enablement levers tested this year. Nearly two-thirds (63%) also

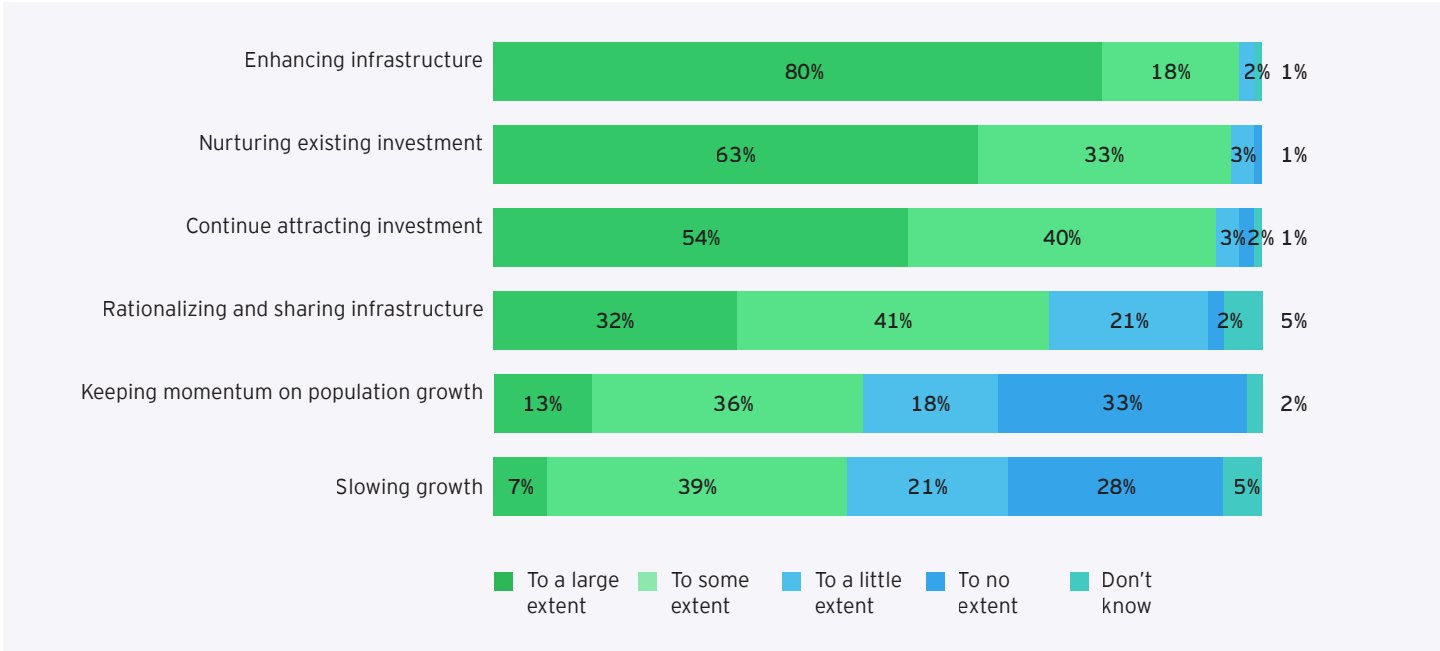
placed strong emphasis on nurturing existing investment, while 54% called for continued efforts to attract new investment.

Taken together, these signals show that infrastructure needs focus to align with the country's growth ambition, with few

investors suggesting that the country slow growth. While rationalizing and sharing infrastructure is considered less important (32% see it as fundamental), the weight placed on physical and operational readiness is high.

Figure 24

How fundamental to success is...?



Source: all 2025 respondents.

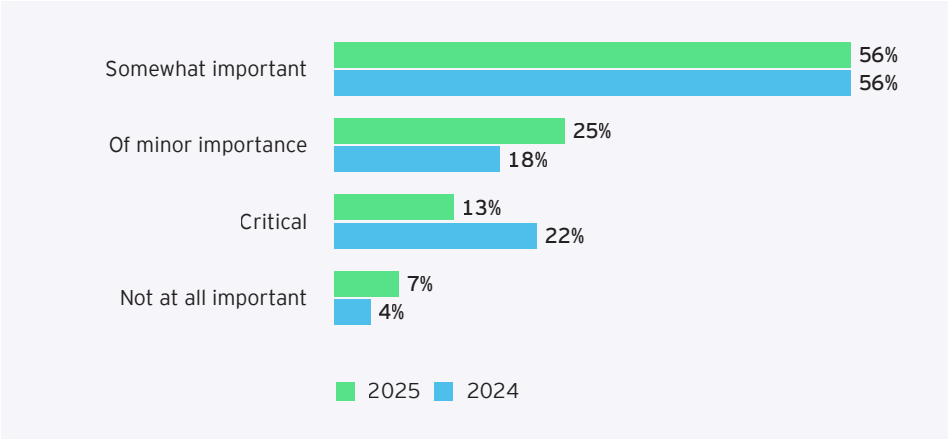
Sustainability matters – but not always critically

While sustainability continues to feature in investment considerations, it is rarely the decisive factor. Just 13% of investors describe Malta's environmental state and broader sustainability context as critical to their investment strategy – down from 22% last year. The majority (56%) still view it as somewhat important, indicating that ESG factors are relevant, but not pivotal, in driving location decisions.

More investors now regard ESG as a moderate influence on strategy. When asked how important ESG is to their company's overall investment strategy, 40% said it mattered to some extent, up slightly from 2024, while those seeing ESG as important to a large extent fell from 29% to 23%. In parallel, the percentage of investors saying ESG was not at all important rose to 10%. The shift suggests a plateauing of ESG influence – still meaningful but increasingly weighed against other economic and operational factors.

Figure 25

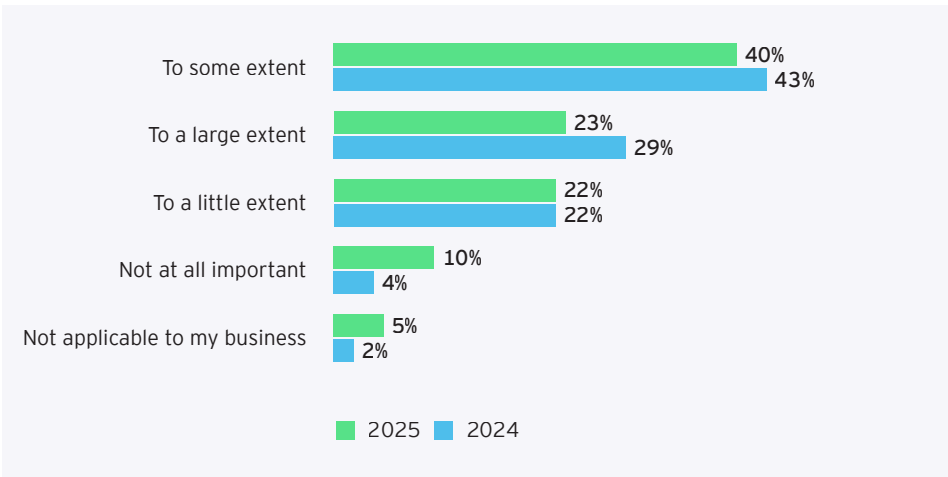
How important is Malta's environment (state of) and sustainability to your company's investment strategy?



Source: all 2024-25 respondents.

Figure 26

How important is ESG to your company's investment strategy?

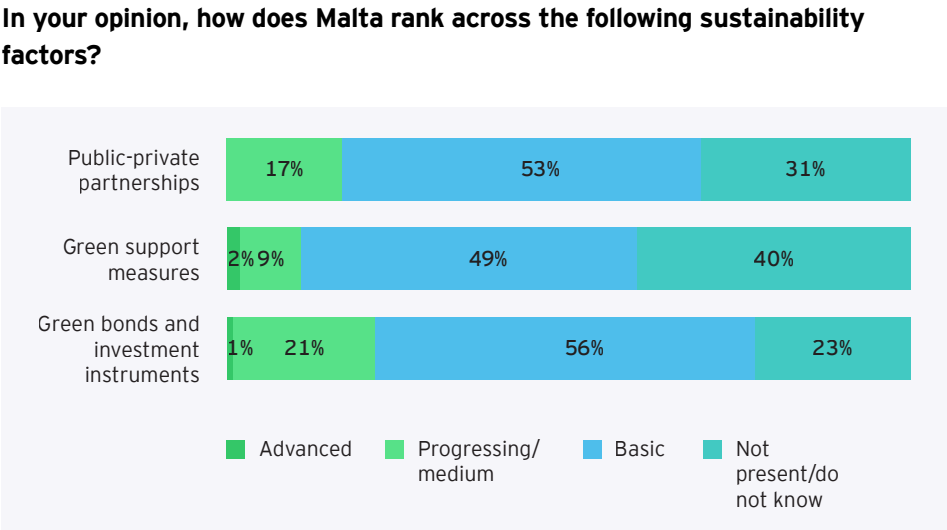


Source: all 2024-25 respondents.

The environment which enables sustainability in Malta is seen as basic across all the sustainability factors. Investors rank Malta's sustainability infrastructure – including public-private partnerships, green support measures and green bonds – as largely underdeveloped. Most respondents describe these areas as either basic or progressing, with very few rating any of them as advanced. This perception remains broadly unchanged from 2024.

When asked where Malta should focus to strengthen its sustainability ecosystem for investment purposes, investors prioritized government financial incentives (24%) and green infrastructure such as transport, waste, energy and water (23%). These practical enablers far outweighed softer interventions such as awareness campaigns (5%) or voluntary partnerships (3%).

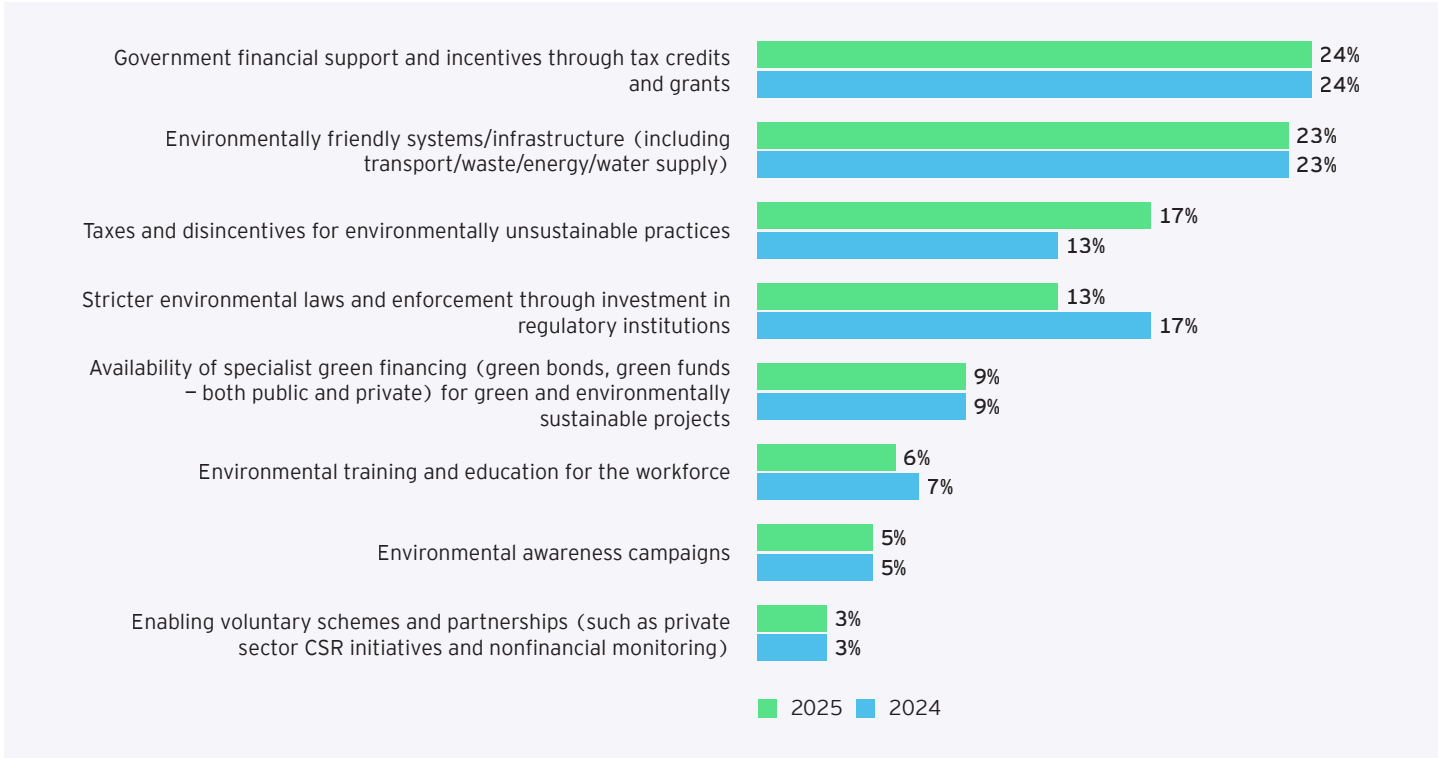
Figure 27



Source: all 2025 respondents.

Figure 28

Where should the country focus to enhance its sustainability ecosystem for investment purposes?



Source: all 2024-25 respondents.

through the investor lens

■ **Investors still see Malta's cost base as an advantage** – but not the factor that will decide its future. Skills are the recurring theme. Openness to international talent and the ease of relocation are recognized strengths, but concerns about the depth and long-term development of the local workforce also bear weight.

■ **Infrastructure** is an area that investors see as a potential constraint on future growth.

■ **Technology and sustainability are important, though more as part of the wider ecosystem than as standalone drivers.** AI adoption is attractive in principle, but the availability of specialized talent is where the country may face a pressure point, given the demand for talent in this area globally.

■ **The message is that Malta's cost edge endures, but investors are looking beyond it.** Competitiveness will also depend on how fast the country can strengthen its skills base and infrastructure.

“What they're saying

Costs help — but they're not the driver anymore.

Talent is the pressure point. Openness is good, but long-term skills reform is critical.

Infrastructure hasn't kept pace — that's what makes people hesitate.

The tech ecosystem is strong — let's hope that focus is sustained.

Global shifts and trade outlook

Shocks are reshaping focus – but the response is varied

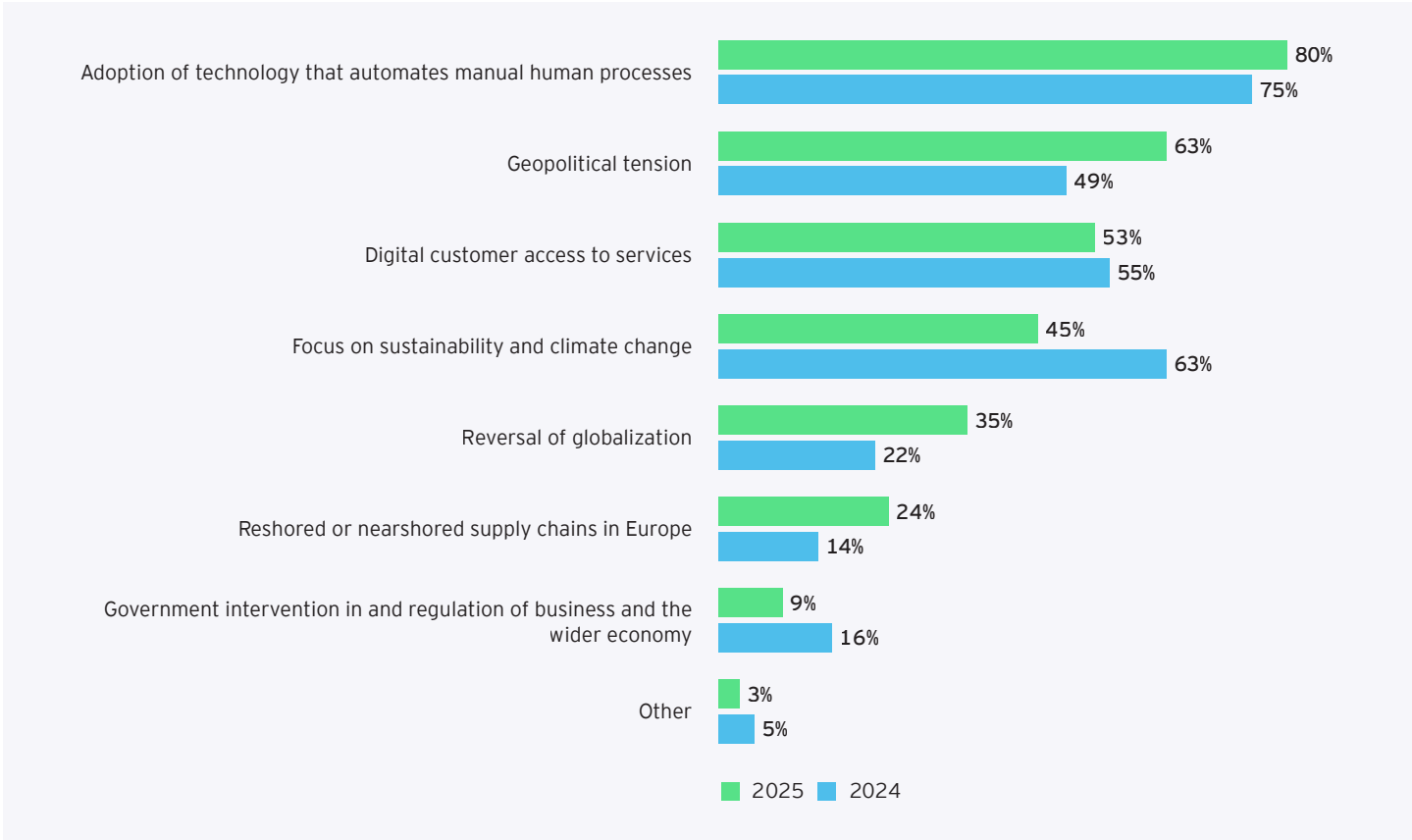
The global operating environment is becoming harder to predict – and investors are adjusting accordingly. When asked which global forces will

most shape business over the next three years, automation, geopolitics and climate change came out ahead. Automation is seen as the most immediate disruptor, cited by over 80% of respondents. Its impact is already

being felt in productivity models, workforce planning and service delivery expectations. Geopolitical instability (63%) and digital customer access to services (53%) follow closely, with over half of respondents selecting these as material factors shaping their outlook.

Figure 29

Which of the following trends do you expect to accelerate most in the next three years?



Source: all 2024-25 respondents.

AI and the future of growth – productivity gains or new sectors

As AI continues to evolve, we asked investors how they see it shaping Malta’s economic and workforce landscape over the next decade. The results suggest cautious optimism, with most investors seeing AI not as a disruptive force, but as a tool to reinforce or modestly reshape Malta’s economic trajectory.

Regarding the economy, 53% believe AI will enhance productivity across sectors while maintaining Malta’s existing economic model. One-third expect AI

to drive growth in high-tech sectors, pointing to the potential for a more structural shift in certain parts of the economy. Very few foresee outright disruption of legacy sectors, but the responses underline that AI is now firmly seen as part of Malta’s growth equation rather than a distant prospect.

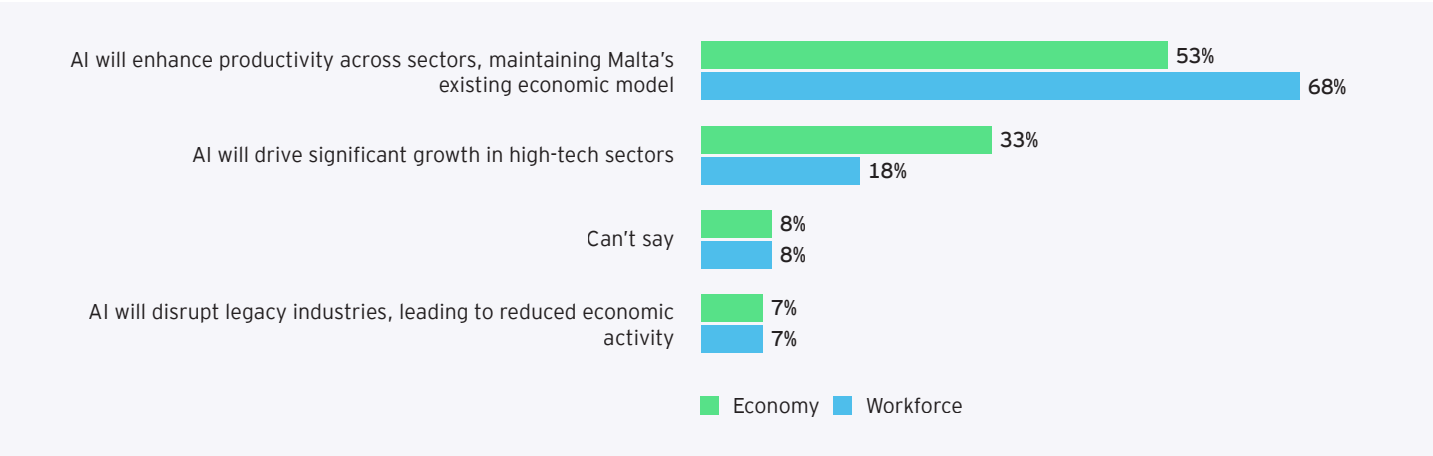
Views on the workforce are more conservative. Sixty-eight percent believe AI will enhance productivity without materially reshaping employment patterns. Just 18% expect substantial job creation in high-tech sectors, and only 7% anticipate disruption in legacy

employment. The difference between the economic and workforce outlooks – particularly the discrepancy between 33% and 18% on high-tech expansion – suggests investors expect change at the business level, but not a full reconfiguration of the labor market in the short term.

The overall message is that AI is seen more as an accelerator of Malta’s current model than a disruptive force. But a sizable minority of investors see opportunities for deeper structural change.

Figure 30

How will AI and automation shape Malta’s economy and workforce over the next 10 years?



Source: all 2025 respondents.

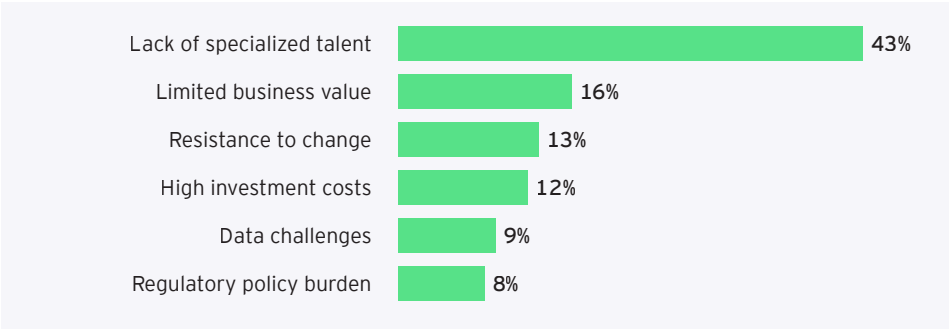
While most investors expect AI to boost productivity and reinforce Malta's current economic model, adoption is not without its barriers. The most significant constraint is the availability of specialized talent. Forty-three percent of respondents cited the lack of AI-skilled professionals as the main challenge, far outweighing other concerns.

Beyond talent, barriers are more fragmented. Sixteen percent said they were unsure of the business value AI could bring to their operations.

Others pointed to internal hurdles – resistance to change, implementation cost, data challenges and regulatory policy burden – as the primary barrier.

Figure 31

What is the primary barrier to AI adoption in Malta?



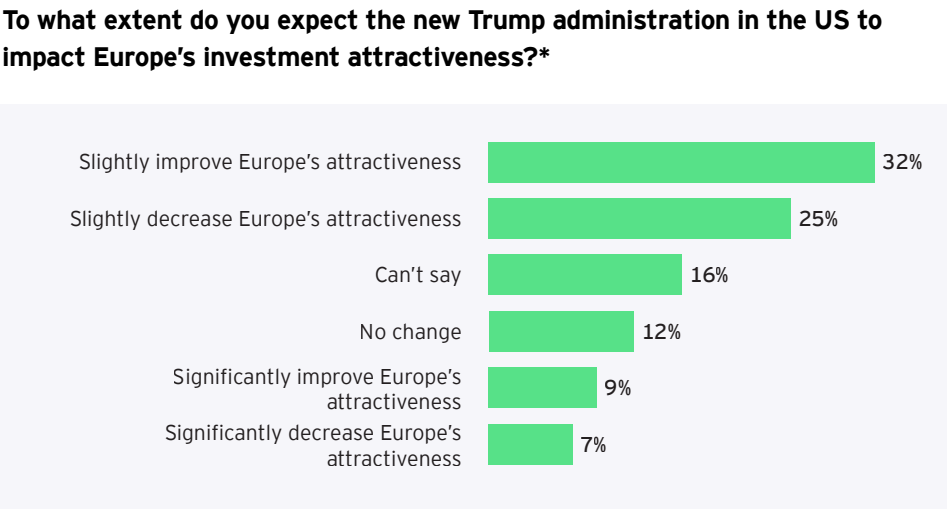
Source: all 2025 respondents.



Trade and geopolitics – recalibrating links under pressure

Donald Trump’s return to the White House is reshaping global trade and investment policy. For Europe, investors see a mixed but slightly more favorable outlook: 41% expect his administration to improve Europe’s investment attractiveness, while 32% see it weakening. At the same time, 12% expect no change and 16% remain unsure – underlining that while sentiment leans positive, uncertainty about the trade implications is still high.

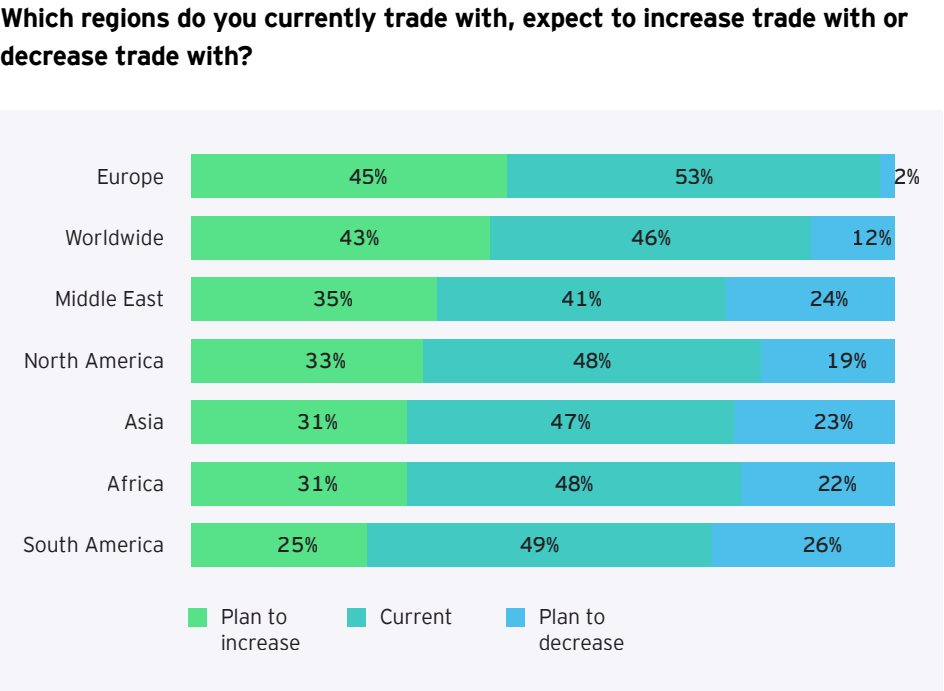
Figure 32



Source: all 2025 respondents.

*This question was asked to both Malta Attractiveness Survey (MAS) 2025 respondents and to respondents of the European Attractiveness Survey (EAS) 2025. The results above are from the MAS survey.

Figure 33



We also asked investors where they see their trade links evolving over the next few years. Europe remains the anchor market – 53% currently trade; 45% plan to increase trade; only 2% plan to decrease trade. Outside Europe, firms signal rebalancing: meaningful percentages plan to grow trade with the Middle East, North America, Asia, Africa and South America (25%-35% planning to increase) but sizeable minorities also plan to reduce exposure (19%-26% planning to decrease). The picture is one of selective diversification – expanding priority corridors while consolidating others, rather than a uniform push into every region.

Source: all 2025 respondents.

through the investor lens

- **Investors view automation, geopolitics and climate as unavoidable pressures that are now central to decision making.** AI is seen less as a disruptor than as a productivity tool, with structural change possible but not dominant – and with skills shortages as the clear brake on adoption.
- **On trade, sentiment is broadly positive for Europe, though uncertainty remains high.** And when it comes to Malta, investors

are balancing stability in European ties with selective diversification into other regions.

- **The key message is that investors are adapting to global shifts rather than retreating from them.** For Malta, the test will be how it anchors in Europe while positioning itself within a more fragmented, regionally diverse trade map.

“What they're saying

AI will boost productivity, but it won't transform the labor market overnight.

Trump's trade stance is a double-edged sword — some see upside, others risk.

Europe is still the anchor — but trade dynamics are shifting.

An aerial photograph of a coastal landscape. In the foreground, a bay with turquoise water is filled with numerous small boats. The bay is bordered by a sandy beach and a steep, rocky cliff. The cliff face shows distinct horizontal geological layers. The water transitions from a deep blue in the upper left to a lighter turquoise near the shore. The sky is not visible, as the image is a full-page background.

FDI trends

2

Taking stock

In 2024, Malta Enterprise (ME) reported approving 15 new FDI projects and 14 foreign expansions. These are expected to generate a total investment of €60.9 million and the creation of over 1,537 jobs in the coming three years.

ME reported that further expansions and growth were seen in digital innovation, life sciences, pharmaceuticals,

biotechnology and aviation. Projects originated from a number of countries including the UK, the US, Germany and Sweden.

During 2024, ME continued focusing its efforts on attracting companies that contribute to Malta's sustainable economic growth. In 2024, geopolitical tensions continued to be a major factor,

with heightened risks of trade wars toward the year's end. On a positive note, interest rates started to gradually decrease from their peak levels. Despite all this, the average investment and expected employment to be generated in the coming three years from the approved foreign projects was higher than in the previous two years.

Figure 34

FDI projects applications approved by ME

Year	New FDI			Foreign expansions			Foreign new FDI and expansions		
	Projects approved	Average investment per application (€m)	Average employment per application	Projects approved	Average investment per application (€m)	Average employment per application	Projects approved	Average investment per application (€m)	Average employment per application
2020	39	2	22	15	1.1	8	54	€1.8	18
2021	29	0.7	20	9	6.4	55	38	€2.1	28
2022	19	1.1	24	12	1.6	18	31	€1.3	22
2023	22	0.6	12	21	1.1	26.5	43	€0.8	19
2024	15	1.4	46	14	2.8	59	29	€2.1	53

Source: ME, 2025.

ME continued to implement a strategy that targets smaller companies with a high disruptive potential in their field, requiring fewer employees but higher wages and a stronger value-added return to the economy. At the same time, it remained proactive in enticing large companies that are high value adding and that can impact significantly the local economy.

This ME strategy reflects the economic needs of the country – primarily development that is driven by sustainability, innovation, and the promotion of quality job creation, which also enables knowledge transfer between expats and the indigenous work force.

The year 2024 was testament to the resilient and competitive economy we have developed over the years. Not only did ME attract sizeable new FDI, but renowned companies already established in Malta (foreign and locally owned) will be investing in projects that run into the tens of millions of euros. These will take place in key strategic sectors such as pharmaceuticals and medical devices.

During the same year, ME applied and was awarded funding under the Chips Act to establish a semiconductor competence center.

Funds allocated to this initiative amount to €8m (50% financed through the Digital Europe Programme).

The consortium for this project is made up of Silicon Catalyst, which has been entrusted to run an incubator program; the University of Malta and the Malta College of Arts, Science & Technology (MCAST), that will design and deliver technical educational programs (including microcredentials); and the Malta Digital Innovation Authority (MDIA) from the technical infrastructure side. This initiative aims to nourish new impetus in Malta's semiconductor ecosystem by also venturing into new areas such as chip design while consolidating the existing companies in this niche.

Malta's stock position

According to the NSO, the stock position of FDI in Malta reached €466.1 billion by June 2024.

The value of the stock position has increased by €35.6 billion over the corresponding period of the previous year.

As in previous years, financial services and insurance activities accounted for the greatest proportion of FDI stock in December 2023, at 98.2%.¹⁴

Figure 35

FDI in Malta – stock position by economic activity

	2022	2023	2024 (Jan–Jun)*
	€000	€000	€000
Manufacturing	2,448,856	2,479,568	448,933
Transportation, accommodation and real estate activities	4,366,231	4,987,142	1,403,025
Financial and insurance activities	405,676,534	420,576,189	457,940,737
Information and communication; professional, scientific and entertainment and recreation	2,033,835	1,418,141	2,267,263
Other activities	1,022,439	1,042,124	4,063,110
Total	415,527,895	430,503,164	466,123,068

Source: NSO Malta, News Release 024/2025 and News Release 179/2024.

*Information for July–December 2024 was not available at time of report publication.

Malta's FDI flows

In 2024, FDI flows were estimated at €13.1 billion.

As in previous years, financial and insurance activities recorded the largest

contribution, with 97.5% of FDI flows in Malta.¹⁵

Figure 36

FDI in Malta – economic activities

	2021	2022	2023	2024 (Jan–Jun)*
	€000	€000	€000	€000
Manufacturing	967,512	829,070	532,473	82,844
Transportation, accommodation and real estate activities	768,081	658,176	772,761	90,334
Financial and insurance activities	20,815,783	17,837,245	18,061,591	12,759,693
Information and communication; professional, scientific and entertainment and recreation	1,566,851	1,342,650	840,911	132,660
Other activities	115,274	98,779	142,665	15,430
Total	24,233,501	20,765,920	20,350,400	13,080,961

Source: NSO Malta, News Release 024/2025 and News Release 179/2024.

*Information for July–December 2024 was not available at time of report publication.

¹⁴ Source: NSO Malta, News Release 024/2025 and News Release 179/2024.

¹⁵ Source: NSO Malta, News Release 024/2025.

Company incorporations

In 2024, the MBR recorded a total of 3,376 new registrations, encompassing both foreign and locally owned enterprises.

This marked an increase of 93 companies compared with the previous year.

Notably, limited companies and investment companies with variable share capital (SICAVs) saw the most significant rise, with 97 more registrations than in 2023.

Figure 37

Annual business registration

	2021	2022	2023	2024
Limited companies and SICAVs	3,386	2,756	3,150	3,247
European Economic Interest Grouping	1	0	1	3
Overseas companies	41	30	42	48
Commercial partnerships	75	68	88	77
Statute for European companies	1	0	2	1
Total new registrations	3,504	2,854	3,283	3,376

Source: MBR, Annual Report 2024 & EY estimates.



Spotlight on gaming

Malta became the first EU Member State to regulate the remote gaming market in 2004 and has since become a key global hub. The sector is a vital part of Malta's economy, providing significant FDI and employment opportunities. The Malta Gaming Authority (MGA) oversees the sector, ensuring regulatory compliance with international standards. Malta's strategic EU location, strong infrastructure and multilingual workforce support the growth and operations of gaming companies.

The industry has experienced steady growth in recent years, positively impacting Malta's economic performance. This is evidenced by the increasing number of licenses issued to online gaming operators,

showcasing the sector's strength despite global economic uncertainties. The industry also contributes to job creation, providing diverse employment opportunities for residents and attracting skilled professionals from overseas.

In 2024, the gaming sector made a significant economic contribution, generating a GVA of €1,386.1 million, which accounts for 6.7% of the country's total GVA. This growth trend underscores the sector's resilience and continuous upward trajectory.

Employment in the industry stands at approximately 18,000 individuals at the end of 2024, representing about 6.2% of Malta's total workforce.

This includes roles in related fields such as IT, data, law, audit firms and other service providers for the gaming industry.

Data indicates a consistent decrease in the number of companies and licenses within the jurisdiction. By the end of 2024, there were 315 companies operating in Malta with 323 gaming licenses.

In 2024, the MGA received multiple requests for various types of authorization, including gaming licenses (28), recognition notices (54) and key function certificates, in addition to requests for modifications to the current active authorizations.

Figure 38

Headline indicators of gaming industry activity

Category	2022	2023	2024
Number of licenses (Note 1)	358	326	323
Number of companies (Note 1)	350	316	315
GVA (€m) (Note 2)	1,285.2	1,339.6	1,386.1
Employment (Note 3)	13,384	13,404	14,357
Land-based	880	910	896
Online - type A	10,365	9,609	10,305
Online - type B	2,139	2,885	3,156
Compliance contribution, license fees, levies and consumption tax (€m)	78.7	80.6	82.4

Source: MGA, Annual Report 2024.

Note 1: The reported number of licenses and companies include both online and land-based, and relates to figures as of the end of December 2024. These figures refer solely to MGA-licensed entities. Figures as of 2022 onward are not directly comparable with those from earlier reporting periods. As outlined in previous reports, this is due to a change in the definition of what constitutes an “active” license or company. From 2022 onward, the classification includes entities that are active, voluntarily suspended, or suspended.

Note 2: The employment figures represent the number of FTEs employed with B2C and B2B licensees, working in Malta, and refer solely to companies holding an MGA license. The figures relate to stock as of the end of December and refer solely to MGA-licensed entities.

Note 3: This figure refers to FTE jobs at the end of each reporting period provided by the land-based gaming operators (including companies holding B2C and B2B licenses) in the IPRs submitted to the MGA.

Spotlight on financial services

The Malta Financial Services Authority (MFSA) reports that, in 2024, Malta's financial services sector continued to be an important segment of the economy, accounting for 8.2% of the total real GVA of the economy.¹⁶

Employment in the sector amounted to 14,745 employees as of October 2024. In total, the MFSA handled 287 applications, of which 257 were successful; 30 refused or withdrawn. The MFSA has seen a steady growth in supervised entities, from 2,304 entities in 2023 to 2,380 entities in 2024.

Supervised entities are subject to regulatory obligations and requirements. In 2023, the MFSA set the resilience of supervised entities, sustainable finance, digital finance and cross-border supervision as high-supervisory priorities.

The MFSA has a number of sectoral supervisory priorities for 2025 that will further enhance the financial services sector in Malta. Governance, risk and compliance, financial crime compliance, and consumer protection and education are the ongoing supervisory priorities.

As at the end of 2024, the MFSA regulated and supervised a total of 2,380 authorized entities falling under its remit. Such entities were of varying sizes and complexity, and included insurance intermediaries, funds, company service providers, investment services, insurance undertakings, trustees and other fiduciaries. The remaining include pension, financial institutions, securitization vehicles, virtual financial assets, recognized persons, credit institutions and financial markets.



¹⁶ Source: MFSA (2024), Annual Report 2024.

Figure 39

Annual business registration total licenses

	2022	2023	2024
Banking			
Credit institutions	21	21	19
Financial institutions	51	53	64
Insurance			
Non-life	52	50	53
Life	10	10	17
Composite	2	2	*N/A
Reinsurance	4	4	*N/A
Insurance intermediaries: companies			
Enrolled insurance managers	10	10	13
Enrolled insurance agents	14	17	17
Enrolled insurance brokers	36	35	34
Insurance intermediaries: individuals			
Registered insurance managers	22	22	22
Registered insurance agents	29	40	36
Registered insurance brokers	125	135	143
Tied insurance intermediaries	352	410	437
Ancillary insurance intermediaries	1	1	0
Pensions			
Authorizations and registrations in terms of Retirement Pensions Act			
Retirement schemes	50	47	45
Retirement funds	2	2	2
Retirement scheme administrators	13	13	12
Investment managers (registered and exempted)	14	12	5
Custodian (registered and exempted)	6	7	3
Virtual financial assets			
Virtual financial asset agents	10	10	0
Virtual financial asset service providers	12	13	23
Investment services			
Investment services	145	142	165

Source: MFSA, Statistical Tables; 4th Quarter - 2024.

*N/A - not available in MFSA latest report.

** Entities transitioned to MiCA regime.

Crypto asset service providers

Following the phased introduction of the MiCA Regulation in 2024, the MFSA oversaw a transition exercise intended to migrate service providers authorized under the previous VFA framework onto the new MiCA regime. A cutoff period and a number of grandfathering provisions were introduced to allow the market adequate time to achieve compliance, with the ultimate result being the orderly phasing out of the VFA framework.

Figure 40

Crypto asset service providers

Crypto asset service providers	6
Issuers of EMTs	2
Issuers of crypto assets other than ARTs or EMTs	48

Source: MFSA, Financial Service Register (as at September 2025).

Securities

Figure 41

Recognized fund administrators

	2023			2024		
	New recognitions	Surrendered recognitions	Total recognitions at end 2023	New recognitions	Surrendered recognitions	Total recognitions at end 2024
Recognized fund administrators	1	1	17	0	1	15

Source: MFSA, Statistical Tables: 4th Quarter - 2024.

Following the success of the Notified Alternative Investment Fund (NAIF) regime, the MFSA launched a similar framework for Notified Professional Investor Funds on 18 December 2023. On 5 September 2024, the MFSA issued a circular detailing the Publication of Frequently Asked Questions on the Notified PIF Framework and updates to the NPIF Rulebook. This circular

aims to clarify key aspects of the framework, particularly focusing on the general structure and the roles and responsibilities of NPIF service providers.

The MFSA is also working to expand the NPIF framework to include self-managed Notified PIFs (SM-NPIFs). While this new framework will largely be based on the existing structure, it will

incorporate specific provisions tailored to the unique internally managed nature of the scheme. Throughout 2024, the MFSA has been finalizing the necessary legislative and regulatory amendments to effectively implement the SM-NPIF concept, which was launched in February 2025.

Figure 42

Notified Alternative Investment Funds

	2023			2024		
	New notifications	Surrendered notifications	Total recognitions at end 2023	New notifications	Surrendered notifications	Total notifications at end 2024
NAIFs	13	27	92	2	1	43

Source: MFSA, Statistical Tables: 4th Quarter - 2024.

Figure 43

Recognized incorporated cell companies and collective investment schemes

	2023			2024		
	New licenses	Surrendered licenses	Total licenses at end 2023	New licenses	Surrendered licenses	Total licenses at end 2024
Recognized incorporated cell companies						
Recognized incorporated cell companies	0	0	3	0	1	2
Incorporated cells	1	4	14			
Collective investment schemes						
Alternative investment funds	5	13	109	0	1	53
Units in collective investments and transferable securities (UCITS)	8	10	112			
Professional investor funds	6	23	198	1	6	93
Retail non-UCITS	0	3	2			
Recognized private schemes	0	0	5	0	0	4
Total	19	49	426			

Source: MFSA, Statistical Tables: 4th Quarter - 2024.

A full-page background image showing a scuba diver in a dark underwater cave. The diver is positioned in the lower right, swimming towards a bright opening at the top. The cave walls are rocky and textured. A large white number '3' is overlaid on the left side, and a horizontal line with a yellow-to-green gradient is positioned above it.

Moving forward

3

As we envision the future of Malta's economic landscape, it is essential to take proactive measures to enhance our appeal as a destination for FDI. The insights from the EY Malta Attractiveness Survey 2025 illuminate both the opportunities and challenges that lie ahead. To successfully navigate this evolving landscape, we must concentrate on several key areas:

1 **Generate** – shaping the future workforce

From skills gap to skills strategy: defining the talent Malta needs to compete.

Sixty-one percent of investors cite skills shortages as the top constraint. This is not about filling vacancies. It's about defining the workforce Malta needs to compete. The real questions are: What kind of economy does Malta want to build – and what talent architecture underpins it? How do we reconcile a small domestic pool with global competition for skills? Where do we double down, how do we push there and what do we let go? And how do we use automation and AI not just to fill gaps, but to rethink work and the economy at scale?

2 **Build** – infrastructure for competitiveness

Investing for impact: long-term choices that determine Malta's growth ceiling.

As Malta continues to grow, infrastructure will be the single largest area of investment over the next decade and the foundation for competitiveness. The challenge is not just building capacity, but anticipating the business activity and workforce patterns Malta wants to enable and sequencing investments accordingly. This requires a 10-20 year view and disciplined prioritization. The opportunity is significant: Can we rethink infrastructure beyond incremental upgrades to deliver transformative impact? Have we stress-tested the cost of inaction if critical projects stall? And how do we sequence investments to maximize economic return while ensuring resilience?

3 **Share** – ecosystems and alliances

Ecosystems for collaboration that scale capability; alliances that open markets.

Malta's ability to compete will hinge on building strong, connected ecosystems in sectors where it can lead. This starts locally – creating clusters where businesses, academia and government work together, supported by shared infrastructure and public-private partnerships. But scale matters, and Malta cannot achieve it alone. The question is how to extend these ecosystems through alliances that open access to markets, talent and research networks. Can we design partnerships that go beyond incremental gains to deliver real specialization and innovation? And have we assessed the risk of falling behind if others move faster? The challenge is not whether to collaborate, but how to structure these ecosystems for maximum impact.

4 **Change** – sustainable growth by design

Design for long-term value today; deliver returns across generations.

If we looked back in 20 years, what would we wish we had done differently? And if we look forward, what would define success? Sustainability should answer those questions – not as a slogan, but as a strategic choice. It goes beyond climate: land use, water security, housing, mobility and resource efficiency will shape Malta's ability to grow and compete. The challenge is to make these decisions early, sequence them well, and ensure they deliver economic and social returns. The opportunity is clear: get this right, and Malta builds an economy that is durable, investable and fit for the next generation.

5 **Engage** – technology and AI

Be agile to lead the digital shift; turn AI into generational advantage.

We are entering one of the most transformative periods in history – driven by AI. This is not just a technology shift; it will redefine how organizations operate, the work they do and the skills they need. Malta has a strong platform to build from, but the question is whether we lead or follow. The opportunity is to position Malta as a hub where AI and digital innovation are embedded into business models, public services and industry ecosystems. That requires agility – not just in tech adoption, but in how we rethink policy, infrastructure and talent to create a competitive advantage. Can we use AI to create new value, not just efficiency? The decisions we take in the next few years will set the pace for the next decade. Are we prepared to be bold – directing investment, policy and focus where it matters?

Conclusion

In summary, the path forward for Malta is filled with both opportunity and challenge. By focusing on workforce development, infrastructure investment, innovation, collaboration and leveraging our size to our advantage, we can enhance our attractiveness as a small yet attractive destination for FDI.

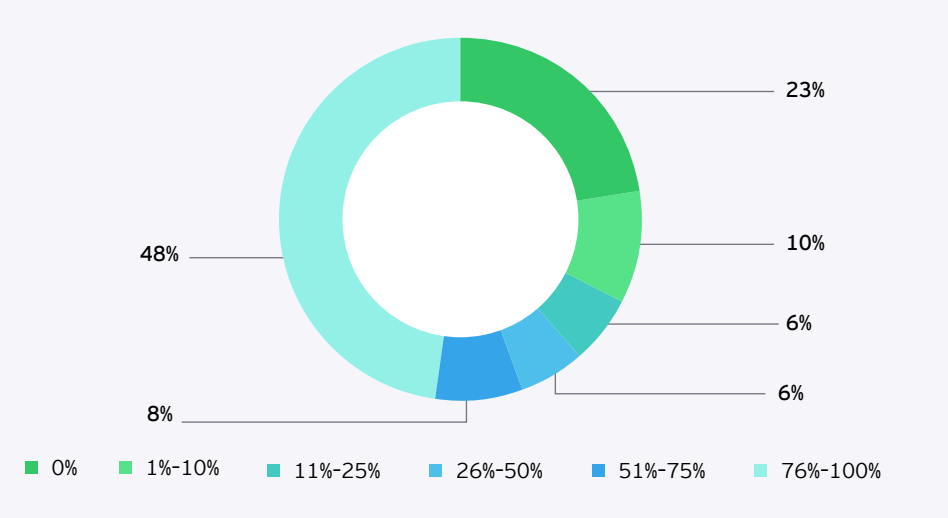
Together, we can build a resilient and dynamic economy that not only meets the needs of today but also anticipates the demands of tomorrow.

Methodology

A total of 120 existing FDI company investors in Malta responded to the EY survey conducted between May and July 2025.

Figure 44

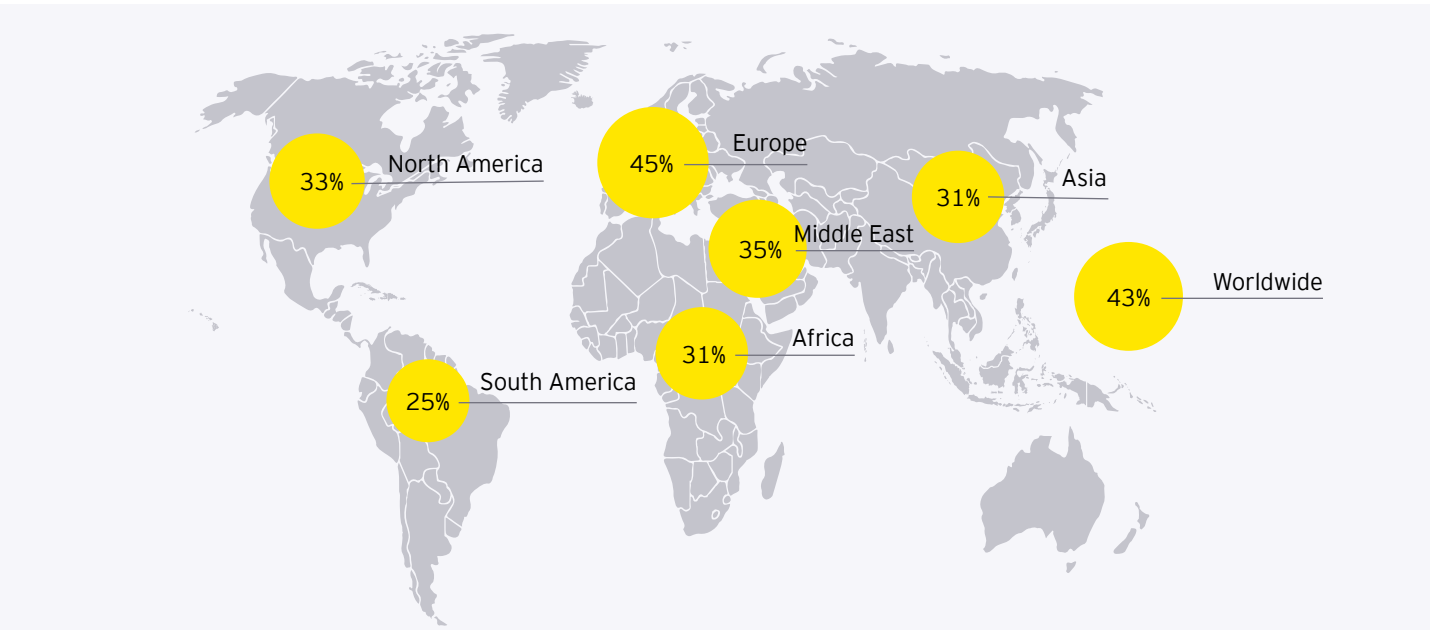
Percentage of revenue exported



Source: all 2025 respondents.

Figure 45

Key target markets



Source: all 2025 respondents.



About the EY Attractiveness program

By examining the attractiveness of a particular region or country as an investment destination, the EY Attractiveness surveys are designed to help businesses make investment decisions and governments remove barriers to growth.

A two-step methodology analyzes both the reality and perception of FDI in the country or region. Findings are based on the views of representative panels of international and local opinion leaders and decision-makers.

The program has a 24-year legacy and has produced in-depth studies for Europe, a large number of European countries, Africa, the Mediterranean region, India, Japan, South America, Turkey and Kazakhstan.

For more information, please visit: ey.com/attractiveness #EYAttract

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