



Malta
we're open for business

mca
MALTA COMMUNICATIONS AUTHORITY
innovation



>Welcome
to Malta

We're open for business

Throughout the ages, the Maltese islands have played a critical role in European history and the development of the Mediterranean region. Despite being small, Malta's strategic location in the heart of the Mediterranean has made it an attractive outpost throughout the ages, both for trade and military purposes. Indeed, the Maltese islands played home to the Roman Empire, the Byzantines, the Arabs, the Sovereign Military Order of St. John and the British Empire, amongst others. Over the years, the presence of these colonies and the ensuing geo-political developments, have left an indelible mark on the islands, influencing its people, its culture and its language. Apart from the rich cultural heritage that this left behind, this experience also imbued the islanders with a nature that is both resilient to any oncoming challenges and adaptable to the consequential developments. To this very day, these traits continue to shape the islands' progress.

In 1964, Malta attained Independence following which it was forced to labour through a socio-economic regenerative process that transformed it from an island fortress, into the stable, free-market economy that it is today. Forty years later, Malta was accepted as a Member State of the European Union (EU), adopting the Euro as its currency just four years later in 2008. As a result, today Malta is an island where social progress, political stability and a business-friendly environment are the order of the day, creating a unique value proposition for investment and innovation.

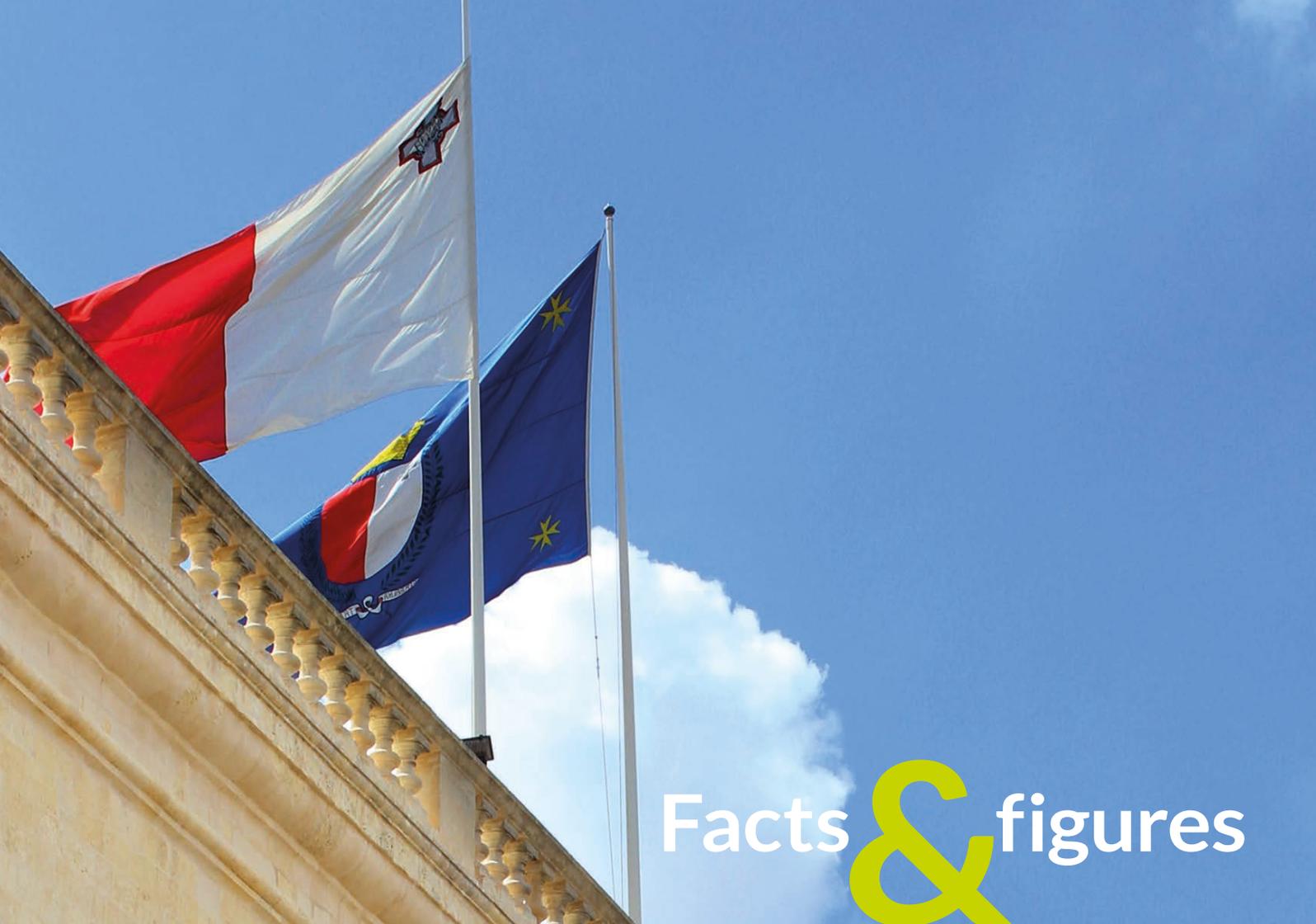
Recent challenges faced in global financial markets certainly tested the mettle of local economies. They are testament to Malta's resilience and willingness to adapt in a nimble manner. The Maltese business environment was, and continues to be, sufficiently robust to withstand the onslaught of the severe financial crisis that crippled other, much larger economies worldwide. On the social front, ongoing developments in civil rights and liberties are fast transforming the island into a global front-runner in equality and human rights. Moreover, Malta's political stability and progressive legislative framework ensure that business operations continue as usual. This combination creates a business environment that is conducive to investment and innovation in all sectors, in particular those where rapid change and disruption are the norm.

This environment provides fertile ground for business development in Information and Communication Technologies (ICT). Over the past decade, the rapid expansion of Malta's ICT industry accelerated national economic growth, with the industry now accounting for more than 5% of GDP, exclusive of the iGaming sector. Such progress continues unabated, in part driven by the Digital Malta Strategy which sets out a number of initiatives for the period 2014 – 2020.

...Malta is served by a highly competitive electronic communications sector...

Today, the ongoing proliferation of networks and services means that Malta is served by a highly competitive electronic communications sector operating resilient networks and offering high quality services. In fact, hefty capital investments made by operators in recent years means that Malta currently boasts four nationwide broadband networks, two of which serve the market through next-generation access networks. The positive broadband indicators, including broadband penetration, where Malta ranks amongst the top 10 EU Member States, have been achieved in a relatively short span of time and reflect the success of national ICT policies on this front. They also indicate the eagerness of the Maltese consumer to embrace ICTs. Ongoing infrastructural developments include the roll-out of Fibre-to-the-Home (FTTH), at an advanced stage of deployment, as well as ensuring the availability of spectrum for mobile broadband, to secure further infrastructure competition for ultra-high speed fixed and mobile broadband products. These developments will no doubt further cement Malta's high ranking in Europe in digital infrastructure.

Not ready to rest on its laurels, Malta offers attractive investment aid initiatives intended to boost infrastructure and foreign direct investment with the aim of making Malta a leading nation in electronic communications. In other words, Malta is open for business.



Facts & figures

Malta

Official Name	Republic of Malta
Capital City	Valletta
Timezone	GMT+1
Area	316 km ²
Population	425,000 (NSO, 2015)
Climate	Mediterranean climate with mild, rainy winters and hot dry summers. Sunny climate with a daily average of 6 hours sunshine in mid-winter to more than 12 hours in summer.
Language	Maltese and English
EU Membership	Member of the EU since 2004
Currency	Euro (€) since 2008
GDP	€8,796.5 million / €20,700 per capita (NSO, 2016)



Communications Infrastructure in Malta

Connectivity	Malta ranks 9th overall in the EU's Digital Economy and Society Index 2016
Fixed Broadband	100% household coverage with a 5th overall placing for fixed BB take-up
NGA Coverage	1st overall in the EU in household coverage by next-generation access coverage
Connection Speeds	4 Mbps minimum nationwide; 500 Mbps highest commercial offering
Nationwide Networks and Service Providers	<ul style="list-style-type: none"> 3 nationwide mobile network providers 2 nationwide fixed networks 3 vertically-integrated nationwide electronic communications service providers (2 quad-play, 1 triple-play) 3 TV transmission networks
Technological Readiness	23rd overall, 3rd for international internet bandwidth, 19th globally for ICT use (WEF GCI, 2016)



Malta's value proposition

Malta offers a harmonious blend of economic and regulatory stability, investment friendly incentives, strategic policy making, as well as a rich culture, great climate and respectable work ethics. Moreover, being an EU State at the intersection of Southern Europe and North Africa, with English as an official language, Malta is exceptionally positioned to host global operations servicing the EU and the Euro-Med region. Its well-trained, motivated workforce, its pool of highly trained ICT professionals, world-class ICT infrastructure and strategic location offer a unique proposition.

Indeed, this proposition is explored in further detail in the next few pages. Malta's key offerings have been highlighted in four key elements, namely, its People, the Enabling Environment, the Incentives and Assistance available and Geo-Political Factors. By leveraging on these elements, substantial business opportunities emerge.

Malta is a good place to set up business. We do not only offer the European open market, and good links with Africa and the Middle East, but we are well positioned on the digital superhighway. We are accelerating in the fast lane of technology and don't intend to take our foot off the pedal.

– Dr Joseph Muscat, Prime Minister

1. People

Regardless of the relentless drive to automate and virtualise operations, it is an inescapable truth that people are at the core of any business operation. No business can succeed without an effective workforce turning the wheels and steering the cart. Hard-working, driven, resourceful and innovative human resources are what separate successful endeavours from failures, and this is why People are an important component in Malta's value proposition.

In this respect, Malta offers a multi-lingual, multi-skilled labour force, with an excellent work ethic which demonstrates flexibility and resiliency. The country also has a good availability of professional, managerial and technical staff, as well as a ready supply of top graduates, most of whom are technology-experienced. Furthermore, operating costs tend to be considerably more advantageous, whilst European delivery standards, are guaranteed.

Multi-Lingual and Multi-Skilled

The Maltese workforce is multi-lingual, with English considered as an official language, alongside Maltese. Practically all Maltese are bilingual and many are also highly conversant in Italian. Some may also have at least a working knowledge of French or German. Foreign language fluency as a percentage of the population is as follows: English 88%, Italian 66%, French 17% and German 6%.

In education, Malta punches above its weight, ranking 13th globally (out of 144) in the World Economic Forum's Quality of Education index (2014), well ahead of several, more developed nations such as the UK, Germany and the USA. This translates into a capable workforce, equipped with the necessary skills and competences to satisfy business needs. In particular, Malta offers a competent and readily available supply of qualified technical, legal, financial and ICT professionals, with a steady stream of new graduates entering the labour market on a yearly basis.

Complementing the Maltese workforce is a good number of professional expats who confidently call Malta their home. A 2015 study by InterNations ranked Malta first in Europe and third globally in terms of expat satisfaction, with high job satisfaction and the healthy work-life balance that working in Malta offers driving the level of satisfaction. In fact, Malta placed first overall in the Working Abroad Index.

Adaptable, Affordable and Culturally Connected

The Maltese workforce exhibits a readiness and willingness to accept, embrace and capitalise on innovation. Businesses established in Malta hold in high esteem, the dedication, professional work ethics and flexibility of Malta's labour supply. In particular, the propensity to adapt and transform to meet new challenges is a prized characteristic of its people, particularly in the highly dynamic technology, communications and media sectors.

Fortunately for investors, good quality human resources come in at a very competitive cost to businesses: in fact, direct labour costs in Malta average between 30% to 50% of comparable costs applied in the older EU Member States. However, when labour costs, productivity and working hours are factored together, the picture is even brighter. Malta's workforce then becomes cheaper than all established EU economies. What's more, when social security costs and other employment taxes are added in, Malta's total labour costs are competitive with the new EU Member States and significantly lower than long-established EU Members.

Moreover, long-standing cultural affinities, both within Europe and within MENA countries means that Malta's workforce makes the nation an ideal regional hub for any business looking to base operations in the Euro-Med region.



2. An Enabling environment

The Maltese business environment for technology and communications operations offers substantial advantages, stemming from EU membership; the progressive legislative and regulatory frameworks; effective and widely available technology infrastructure; and ample business support services. Combined, these result in an enabling environment that is conducive to business growth and innovation.

Malta's success in the iGaming industry is perhaps one of the strongest testimonies of this enabling environment. It is not, however, the only one. The strength of this environment also contributes towards expansion, diversification and internationalisation in other industries, such as the financial services, pharmaceuticals and film sectors. In turn, the growing demands of these industries further fuels growth and innovation in Malta's communications and technology infrastructure and its regulatory and legislative frameworks.

The Legislative and Regulatory Environment

On the supranational front, EU membership gives access to all the benefits associated with being in a Member State (MS), including participation in the world's largest single market and trading bloc to those operations that are based in Malta. Moreover, the Euro (€) currency facilitates cross-border trade, whilst lowering the risks associated with investment and borrowing across the Eurozone. Furthermore, the EU's emphasis on protecting consumer rights, free trade and competitiveness makes high-quality outputs an imperative on all Member States. Malta certainly delivers on this front.

Driven by the vision of a Digital Single Market, the prospects for advancing business in communications are bright across the EU. Malta is by far best-placed to seize such opportunities, particularly because of its progressive legislative and regulatory framework currently in force. In fact, Malta adopts a light-touch regulatory regime that facilitates entry by lowering any barriers to obtain the necessary authorisations and licences. This strikes a productive balance between giving space to new entrants, whilst sustaining existing investment.

FACTBOX: The rules for enabling new entrants into the market are set in a transparent and judicious manner, following careful consideration and analysis of the different markets. The process for new entrants to become authorised to provide new services to the public is based on a straightforward notification process and the MCA provides any clarifications to interested parties in advance. Where scarce resources, such as radio spectrum, are required, the MCA follows pre-set mechanisms to ensure its availability and use in efficient manners and at fair prices.

Communication Technology Infrastructure

An efficient and reliable infrastructure acts as a catalyst for cost-efficient and effective business operations. Additionally, the presence of advanced technology infrastructure engenders innovation by opening up new service delivery opportunities, whilst strengthening connectivity between businesses and customers. Cognisant of these benefits, local operators have continued to invest heavily in the infrastructure, placing Malta amongst the front-runners in the EU in this regard.

The Digital Agenda Scoreboard (2016) published on an annual basis by the EU, once again ranked Malta first, amongst the 28 EU Member States, in next generation access coverage. Malta also retained its ninth position in the connectivity segment of this report, which assesses the deployment of broadband infrastructure and its quality. In this respect, Malta today has 100% coverage of fixed next generation networks, with two competing NGA networks. As a result, Malta has one of the highest availability rates of ultra-high speed broadband services, with speeds of at least 100 Mbps available to all households. With regard to basic broadband, a 4 Mbps connection has been established as part of the universal service for a number of years. This means that Malta has reached the first two of the Digital Agenda for Europe objectives, well before the stipulated target.

Malta also ranks highly in global rankings for technological readiness, consistently retaining high rankings in the World Economic Forum's Technological Readiness Index and third in the world in international bandwidth.

FACTBOX: The Maltese Government has decided to abolish the annual licensing fee structure for the use of the Maltese seabed to make it easier for cable owners to lay submarine cables across the Mediterranean sea.

Support Services

Malta is well prepared when it comes to professional support services, offering the full range of financial, legal and technical business support services. The availability of such services provides businesses with an opportunity to sharpen their focus on core operations, unfazed by concerns stemming from activities of an administrative or technical nature.

The Maltese financial services sector is renowned for its resilience in the Eurozone and beyond. According to the World Economic Forum's Global Competitiveness Report 2014-2015, Malta ranked amongst the top ten out of 144 economies for the soundness of its banking system and 13th for the strength of auditing and reporting standards.

Moreover, there is no shortage of legal, tax, corporate or fiduciary services specialists ready to address both business and private needs. In particular, a number of law firms offer support in specialist ICT fields, including amongst others eCommerce, media, communications, data protection, intellectual property and cyber security, to name but a few.

Last but not least, the strong ICT infrastructure in Malta reflects the ongoing investment and business development undertaken by the country's leading communications providers. The range of ICT business services available ensure that speed of operation and reliability are guaranteed, providing a solid support framework for business operations. Indeed, from 2009 onwards, network reliability is ensured on the back of continuity of service agreements in place between Malta's international internet gateway operators.





3. Incentives & Assistance

Malta offers excellent incentives and assistance packages aimed at both established and early-stage businesses. These include an advantageous taxation regime, as well as incentives for early-stage businesses, investment support and R&D programmes. Together, these combine to present an enticing proposition that tip the balance in favour of investing in Malta.

Advantageous Taxation Regime

Malta has one of the most favourable tax systems in the region. While corporate tax rate is 35%, this may effectively be reduced to 5% upon distribution of dividends. Additionally, Malta has over 60 double taxation agreements, thereby facilitating cross-border business with appropriate reliefs. From an individual taxpayer perspective, Malta also offers incentives to individuals in qualifying employment in innovation and creativity, through a scheme administered by Malta Enterprise.



Early-Stage Business Support

A number of incentive packages targeting early-stage businesses are specifically focused on technology and communications start-ups. Whilst some of these are directly related to specific business incubators on the islands, others are administered by public bodies on behalf of Government and target predetermined policy areas.

Supporting Investment and Growth

Additional investment and growth support measures are administered by Malta Enterprise, the entity responsible to support the development of enterprise in Malta. Amongst others, these include packages targeted at micro enterprises, business advisory and development initiatives, and internationalisation support.

Moreover, the Maltese Government actively supports investment in research and development offering programmes specific to such activity. In this regard, incentives include tax credits and co-financing assistance to innovative companies engaged in areas such as industrial research, experimental development and registration of intellectual property.



4. Geo-Political Factors

Today, the Maltese islands exhibit characteristics that have been shaped over the years by a blend of geo-political factors. Together, these characteristics present an advantageous proposition for businesses in communications. Indeed, geographic characteristics such as its size, climate and high population density have had a positive influence on Malta's socio-cultural and political development. Over time, these factors have translated into an environment where interactions are personal, policy-making is nimble, and the achievement of work-life balance is far from compromised.

The Benefits of being Small

In a small economy like Malta, no investment is too small to attract attention and support. Thus, economic policy in Malta stems from a pro-business mindset, and potential investors can reliably expect support from central government and regulatory authorities. This mindset persists beyond the initial stages of establishing a presence in Malta, forging lasting, personal relationships. When coupled with the certainty offered by the islands' political and regulatory stability, it is unsurprising that investor confidence in Malta is on the increase.

Malta's smallness also facilitates easy access to decision-making fora, ensuring that business needs are rarely out of sight of the policy-maker. Indeed, this imbues Malta with the agility to adapt and react to developments in short order, allowing it to adopt progressive regulation quickly. These abilities create substantial opportunities for those who are creative enough. This is particularly evident in the realm of technology-led disruption.

Furthermore, Malta regularly punches above its weight, despite its small size. By way of example, Malta regularly out-performs many far larger countries in the field of electronic communications. As a result of adequate

foresight and timely policy decisions, capital investment by electronic communications operators was, and continues to be, substantial.

For the Maltese, being small created an environment that is conducive to agile, personal and effective policy-making and consequently, a fertile ground for new and successful business in communications.

Climate and Lifestyle

The Maltese nation is blessed with an enviable climate, characterised by warm summers and mild winters. Coupling such good weather with the minimal travelling distances, provides for ample time outside working hours to indulge in Malta's many attractions and entertainment options. It is thus unsurprising that residents need not compromise on their work-life balance. Single-handedly, this scenario presents a compelling reason to relocate to Malta, and indeed a number of expats on the Island can attest to that. Compounding this with Malta's other advantages elevates the islands' business proposition to new heights.

Better still, the excellent lifestyle is not merely linked to good weather and short commutes, as Malta also scores highly on health, education, safety and cost of living. In fact, healthcare facilities rank amongst the best in Europe, offering first-class service in both public and private hospitals. The same can be said about Malta's education system, with high quality educational facilities available across the islands. The very low crime rate in Malta, and the good natured character of the residents guarantee quality of life beyond the office experience. One can also expect an exceptional standard of living, with an average living cost substantially lower than that of mainland Europe. Put simply, there is very little to stop investors and their families from sampling Malta's wealth of history, culture, and entertainment opportunities. Malta truly offers a work hard, play hard environment!

Getintouch!

In a nutshell...

Malta's value proposition is built on dependable and skilled human resources, a pro-business policy-making environment with excellent incentives, and a reliable support framework. Moreover, EU membership and the islands' strategic location position Malta as an ideal host for businesses in communications. Finally, the enviable climate and excellent standard of living within all residents' reach prove to be the proverbial cherry on the cake.

Come join us and take your slice.

The MCA's role

The MCA is the national regulatory authority responsible for the regulation of the electronic communications sectors, which includes fixed and mobile telephony, Internet and TV distribution services; the postal sector; eCommerce services; and radio spectrum management. The Authority also implements initiatives aimed at ensuring that the Maltese demonstrate the necessary competences to make the most beneficial use of ICT whilst engaging in online activities.

The Authority's objective is to ensure ease of entry to new undertakings, ensure sustainable competition in the sector and that service providers continue to deploy innovative technologies. In addition the Authority ensures value-for-money services so that local businesses and the individual consumer can reap the benefits of technological innovation from an early stage.

The MCA also acts as a national point of reference for strategic expertise and foresight in the domain of communication innovation, such as cloud computing and digital media. We proactively investigate trends in communication innovation with a view to advising Government and stakeholders on future economic and social development opportunities.

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