
Chapter 1

Malta - A Profile

Geography and climate

Malta lies in the centre of the Mediterranean Sea, 93 kilometres south of Sicily and 290 kilometres north of the nearest point on the African coast.

The total area of the Maltese Islands is 316 square kilometres. Malta is the larger Island, occupying 95 square miles. Gozo lies to the north-west, less than half an hour away by ferry. The topography of the islands is low-lying to the south-east and hilly toward the north-west. At various points the 192-kilometre shoreline is deeply indented, providing excellent natural harbours. Although it has some sandy beaches, the coast of Malta is predominantly rocky, including some spectacular hills. Valletta, the capital and a UNESCO world heritage city, lies on a promontory between the two main natural harbours.

Malta has a mild climate. The hottest summer month is August, having an average maximum temperature of 31°C (87°F). The coldest winter month is February, with an average minimum temperature of 9°C (49°F). The average annual rainfall is 520 millimetres (21 inches). There are about 300 days of sunshine each year.

The population of the Maltese Islands as at the end of 2010 is just under 418,000, with a density of over 1,300 persons per square kilometre, the highest in the EU.

History

Malta was inhabited even in prehistoric times, as is evidenced by its numerous megalithic temples and other sites, which are among the oldest free-standing buildings in existence and, of these, among the finest. In recorded history the Phoenicians were the first foreigners to occupy the islands, and they were followed by the Carthaginians. Following the destruction of Carthage, Malta was absorbed into the Roman Empire. St. Paul the Apostle was shipwrecked on the islands in A.D. 60, and the country has been Christian ever since. In the later years of the Roman Empire, Malta formed part of the Byzantine bloc.

The Arab expansion reached Malta in A.D. 870. The country remained under Arab domination until 1090, when Count Roger of Normandy added Malta to his conquest of Sicily. Malta shared in the fortunes of Sicily until 1530, when, in an attempt to strengthen the southern frontiers of his domains against Islam, Charles V of Spain offered Malta to the Knights of St. John of Jerusalem, an international order of chivalry founded in the early years of the Crusades. For the next three centuries the destinies of Malta and the Knights of St. John were linked.

The Knights of St. John were driven out of Malta by Napoleon in 1798, and the French ruled for two years. Malta became a British Crown Colony in the early nineteenth century and remained so until September 21, 1964, when it became an independent sovereign state. In 1974 Malta was declared a republic. Malta is a member of the Commonwealth and of the United Nations. Soon after independence Malta was admitted to the Council of Europe.

In 1990 Malta applied for European Union membership. Accession negotiations were concluded in December 2002 and the accession treaty signed in April 2003. Malta became an EU Member State in May 2004.

Political system

Malta is a parliamentary democracy. The head of state is the President, who is appointed by the House of Representatives and whose role is mainly ceremonial. The House of Representatives is elected by universal suffrage for a five-year term. The Prime Minister is usually the leader of the party commanding the greatest measure of support in the House. Ministers are nominated to the Cabinet by the Prime Minister from among the elected members. Various local administrative matters are delegated by specific legislation to local councils.

Legal system

The legal structure is based on the civil-law pattern of continental Europe, but most administrative, financial and fiscal legislation is based on British laws. There are three principal jurisdictions—civil (including commercial), criminal and voluntary. There is one Court of Appeal for all jurisdictions. The Constitutional Court, however, is the ultimate competent court for judgements on the conformity of laws and administrative action with the Constitution. There are a number of administrative tribunals from whose decision an appeal can be made (usually on a point of law only) to the Court of Appeal.

Malta recognises the right of individual petition to the European Courts of Justice, and the European Convention on Human Rights forms part of Malta's domestic law.

Judges are appointed by the government. They cannot be removed before retirement age, except for proved inability to exercise their functions properly and following a two-thirds vote in the House of Representatives.

Language

The official languages in Malta are Maltese and English.

Maltese is a Semitic language in structure. Today, however, it contains many European words (mostly Italian and English). The language has its own distinct characteristics and its own literature. It is written in Latin script.

Practically all Maltese people are bilingual. Official publications, including laws, are issued in both English and Maltese. Legal documents may be drawn up in Maltese or in English. Most commercial and banking documents are drawn up in English, and most correspondence, official or otherwise, is in English.

Maltese and English are taught at primary school level. Subjects at secondary school level include at least another language, with Italian, French and German being the most widespread.

Religion

A large majority of Maltese residents are Roman Catholics. However, there are several other religious denominations, both Christian and non-Christian, many of whom have their own places of worship.

Education

School attendance is compulsory up to the age of 16. Education is provided by a number of government and private schools. A substantial majority of secondary school leavers continue with their education in the university and in a number of technical and vocational institutes. At present, over 10,000 students attend the University of Malta, including some 750 students from 80 different countries.

State schools are free while a number of schemes provide for financial assistance to University and other tertiary school students. A large number of university graduates follow specialisation courses abroad.

The Economy

General description

The Maltese economy has grown in recent years with GDP at constant prices growing at an average of over 4.3 percent per annum during the years 2007 – 2010 (based on estimates), except for 2009 when the economy contracted. The annual rate of inflation was 1.51% in 2010. Unemployment in February 2011 stood at 4.5%. Gainfully employed persons include a relatively high percentage in the public sector (27.6 percent as at March 2011). The government maintains an ongoing review of human-resources development in the public sector, aimed at improving systems and efficiency in public service. The Employment and Training Corporation (ETC) provides specialised training in various employment sectors in addition to its primary function as a recruitment agency.

The Maltese economy is based on the free-enterprise system. While a major part of the economy is privately controlled, public utilities are mostly provided through government-controlled entities.

Manufacturing

The manufacturing sector accounts for 17% percent of GDP. Following the strong growth registered during 2007, total manufacturing turnover increased further in 2008. As expected, value added dipped in 2009, but recovered again in 2010. Average full-time employment in the manufacturing sector was 20,803 in 2010, a decline of 1.2 per cent over 2009. The local manufacturing industry continues to be characterised by a large number of small firms (those with less than 10 employees). The larger firms, however, account for over 90 percent of total manufacturing output. Apart from ship repair and aircraft maintenance, the contributing manufacturing industries produce light consumer goods and electronic and engineering components. Electronics and high-tech industries are the fastest growing sector.

Over 200 export-oriented foreign companies operate profitable manufacturing subsidiaries in Malta, benefiting from attractive incentives.

In May 2004, with Malta's accession to the European Union, goods produced in the EU, or goods that are already in free circulation in the EU, are exempt from the payment of customs duties, and only goods exported to non-EU countries are subject to the payment of export duties.

Tourism

The tourist industry is a major source of foreign-currency earnings. Overall, some 12 percent of employed persons are involved in tourism-related activities.

Since the early 1990's the number of tourist arrivals has exceeded one million per annum. Arrivals are predominantly from the United Kingdom, followed by Germany and Italy. Cruise liner passengers have increased by an average of 18.3% per annum over the past 10 years. Malta projects itself as both a holiday and a cultural resort. It is also becoming increasingly popular as a venue for conferences and English-language study. A number of leading hotel chains in the five-star category are represented in Malta.

Service industries

Malta has strengthened and modernised the legislative framework regulating financial services. Over the past years Parliament has revised existing legislation and enacted new laws on banking and financial institutions, insurance, companies, trusts, financial services, shipping and taxation. Complemented by an efficient regulatory regime, including laws against money laundering, and supported by highly qualified human resources, ideal geographical location and efficient infrastructure, these measures have contributed towards the development of a modern and successful financial services centre.

Malta is also a competitive yachting centre and a popular cruise-liner hub.

Transport and communications

Roads: Towns and villages, industrial and business centres, and holiday and leisure resorts are linked by an adequate road network. There are no highways, railroads or internal waterways.

Malta boasts some of the finest natural harbours in the world. Extensive conventional and roll-on/roll-off services by national and international shipping lines carry freight and cargo from Malta directly to Mediterranean, north European, Middle Eastern and Asian ports. All factories are located within 30 minutes of a harbour and the airport.

The Freeport: The Malta Freeport Corporation embraces three prime activities namely, container handling, industrial storage and oil products handling. The corporation is recognised as a high profile transshipment hub and presently enjoys third place amongst all Mediterranean transshipment ports. It handles over one million TEUs per annum and has network connections to over 95 ports world-wide.

Air transport: Air connections with major European destinations are efficient and frequent. Twelve legacy carriers operate scheduled air services to 37 destinations. The national airline, Air Malta, operates regular scheduled flights to the major European cities—a total of over 45 direct destinations with 200 flights a week. Low-cost carriers are gaining in popularity, accounting for over 25 per cent of all departures. The Malta International Airport, which handles some 2.5 million passengers annually, is a modern, spacious and efficient terminal.

Postal services: Postal services are efficient and reliable. Letters to Europe normally take two days to reach their destination. For faster service the major international courier service companies operate to and from Malta. The Malta Post Office operates an Expedited Mail Service (EMS Datapost) with guaranteed delivery times.

Mineral and energy resources

Malta has few natural resources other than its geographical position, climate and adaptable labour force. Most of its industrial inputs and consumer goods are imported.

Following seismic and geological analyses and studies, several onshore and offshore oil wells have been drilled but the quantities found were not deemed commercially viable so far.

Agriculture and fishery

Agriculture and fishery contribute only about 2% to national GDP, although the share is higher in Gozo. Agriculture is beset by inherent constraints such as land fragmentation and scarcity of rainwater for irrigation purposes. Schemes are in place to improve the income of farmers and fishermen and thus preserve these traditional, indigenous activities. The development of fish farming for export is of recent origin.

Telecommunications

The telecommunications system has been upgraded according to plans drawn up by the International Telecommunications Union. International connections have been significantly expanded through satellite technology and a high-capacity fibre-optic cable linking Malta with Europe. A mobile cellular telephone service including GSM and a pager system are in place. Internet usage by enterprises stood at 94 per cent in 2010, while 70 per cent of households had access to internet at home.

Foreign trade and balance of payments

In a small island economy like that of Malta, increased export and domestic economic activity are automatically reflected in the level of imports. International trade activity results in visible trade imbalances. However, as a result of surpluses arising from services, principally tourism, and from net investment income from overseas, Malta generally ends up with a surplus on current account. Similarly, net capital inflows have been invariably positive. Malta has a strong external reserves position, representing about eight months' imports.

Malta's main trading partners are the members of the EU, which account for more than 50 percent of exports and 69 percent of imports of goods and services.

Currency

Since 1 January 2008, the unit of currency is the euro (€).

Hints for the business visitor

Visitor's visas

Citizens from a number of countries do not require a visa to enter Malta provided that their stay does not exceed three months. These countries include all western European states, Australia, Canada, Japan, New Zealand, Singapore, and the United States. Citizens of other countries may apply for an entry visa at a Maltese embassy or consulate before proceeding to Malta. Where no embassy or consulate is available, a written request should be made to the Commissioner of Police. Since 2008 Malta's requirements on visas are in line with EU policy and Malta became part of the Schengen area in January 2008. For people from outside the EU, details of visa-exempt countries and visa application procedures are available on the website of the Ministry for Justice and Home Affairs at www.mjha.gov.mt

International time

Maltese time is the Central European Time (CET), which is one hour ahead of Greenwich Mean Time (GMT) and six hours ahead of U.S. Eastern Standard Time (EST). In line with the CET, Malta switches to Summer Time, which is one hour ahead of normal time, from the last week of March to the last week of October.

Business hours

With few exceptions, employees in private industry generally work a 5-day, 40-hour week. Normal working hours are as follows.

Industry: 7:00 a.m. to 4:30 p.m., with various arrangements for the midday breaks.

Commerce (retail): Shop opening hours are from 9:00 a.m. to 7:00 p.m. At the option of the shop licensee, hours may be extended to 10:00 p.m. on any day. Many shops close for a lunch break.

Government departments: Public hours vary, but staff works as follows: 7:45 a.m. to 5:15 p.m. with a 45 minutes' break.

From June 16 to September 30,
7:30 a.m. to 1:30 p.m. with no break.

Banks: HSBC Bank
Monday to Thursday 8:30 a.m. to 1:30 p.m.
Friday 8.30 a.m. to 4.30 p.m.
Saturday 8.30 a.m. to 12.30 p.m.

Bank of Valletta
Monday to Thursday 8.30 a.m. to 2 p.m.
Friday 8.30 a.m. to 3.30 p.m.
Saturday 8.30 a.m. to 12.30 p.m.

APS Bank
Monday to Thursday 8.15 a.m. to 1.30 p.m.
Friday 8.15 a.m. to 1.30 p.m.
Saturday 8.15 a.m. to 11.45 a.m.

Most banks make exchange bureaux for foreign-currency transactions available from 4:00 to 7:00p.m. Monday through Saturday. Automated exchange bureaux operate on a 24-hour basis.

Statutory holidays

The statutory holidays are as follows:

New Year's Day	January 1
Feast of St. Paul's Shipwreck	February 10
Feast of St. Joseph	March 19
Freedom Day	March 31
Good Friday	Variable
Workers' Day	May 1
Sette Giugno	June 7
Feast of St. Peter and St. Paul	June 29
Feast of the Assumption	August 15
Feast of Our Lady of Victories	September 8
Independence Day	September 21
Feast of the Immaculate Conception	December 8
Republic Day	December 13
Christmas Day	December 25

Weights and measures

Weights and measures are calculated under the metric system.

Dates and numbers

Dates are written in the sequence of day, month and year: 30 September 1997; 30/09/97 is a common abbreviation.

In writing numbers, commas denote thousands and points denote fractions, thus 100,000.79.