



Malta – a brief overview

Malta is a small island in the Mediterranean Sea, which became a EU member in 2004 and also joined the eurozone in 2008. It has been a democracy ever since independence from the UK in 1964, and it became a republic in 1974. The proximity to Africa leads to a high influx of immigrants. Malta has the highest refugee burden per capita in Europe, which has increased social tensions.

Economy of Malta

Following two years of moderation, the Maltese economy picked up pace in 2013 and is expected to maintain momentum in the coming two years. The Maltese economy is fairly diversified and the high degree of openness makes it export driven. Malta's economy has proven resilient to the downturn in the eurozone, as its economic growth has outperformed the EU average since the financial crisis. A strong export sector, driven by diversification in terms of structure and destination, supported such a development.

In 2013, economic growth is estimated to have double paced to 1.8% of GDP, on the back of a recovery in domestic consumption. In 2014, domestic demand is expected to strengthen on the back of improved labour market conditions (especially due to increased participation of women and elderly workforce) and the implementation of a 25% reduction of the administered electricity price.

Key Industries of Malta

The key industries of Malta includes tourism, electronics, ship building and repair, construction, food and beverages, pharmaceuticals, footwear, clothing, tobacco, aviation services, financial services, information technology services.

Malta's major trading commodities and partners

Malta's main merchandise exports include machinery and mechanical appliances; mineral fuels, oils and products; pharmaceutical products; printed books and newspapers; aircraft/spacecraft and parts; toys, games, and sports equipment. The merchandise imported by Malta includes mineral fuels, oils and products; electrical machinery; aircraft/spacecraft and parts thereof; machinery and mechanical appliances; plastic and other semi-manufactured goods; vehicles and parts thereof.

Economic Relations between Pakistan and Malta

As member of the European Union, Malta looks at EU-Pakistan relations with particular interest. Malta and Pakistan share similar global concerns and are both active members of important institutions as the United Nations and the Commonwealth – two good reasons to maintain and intensify our excellent relations in areas of common interest. Pakistan and Malta have signed a convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income on October 8, 1975.

Bilateral Trade Relations between Pakistan and Malta

Pakistan and Malta share good bilateral relations where increasing trade volume between the two countries reflects further room for trade enhancement. The bilateral relations can be further strengthened through greater interaction between the respective Chambers of Commerce as well as with Malta Enterprise and its counterpart in Pakistan.

During Fiscal Year 2014, Pakistan exported goods to Malta of \$ 5.88Mn where its import stood at \$ 18.79Mn making the trade balance favourable for Malta by \$ 12.92Mn. There is significant room for improvement in the trade balance of the two countries.

Trading Commodities between Pakistan and Malta

Pakistan imports electrical generating sets and rotary converters, radar apparatus, ferrous waste and scrap, electrical appliance for switching, refractory bricks, blocks, tiles, knitting machine, machinery parts, waste and scrap of paper and paperboard from Malta. On the other hand, Malta imports other textile articles, woven cotton fabrics, men's or boy's suits ensembles, knitted apparel & clothing, rice, woven terry fabrics & tufted textile fabric, vegetable saps & extracts.

Potential for enhancing bilateral trade relations between Malta and Pakistan

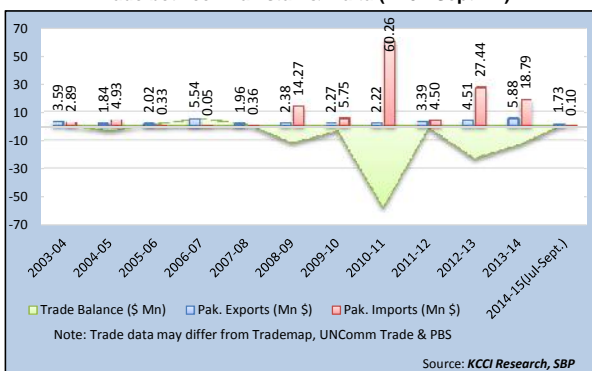
- The quantum of bilateral trade between Pakistan and Malta is low which needs to be enhanced by exploring the potential sectors with comparative advantage of the two countries.
-Rubber and plastics processing sectors are one of the largest sectors of Malta where it is also involved in the manufacturing of plastic toys. Pakistan can collaborate with Malta in the field of Plastics and rubber industry. Similarly pharmaceuticals and electrical items are also one of the expertise that can be availed by Pakistan.
-Pakistan can also cooperate with Malta for student exchange programs as Malta's education sector is one of the renowned where students from all over the world come for attaining educational services. Recently, Malta has also launched diploma course for the polymer process providing technical education of plastics.
-Malta imports various commodities like knitted and not knitted woven cotton fabrics, cotton yarn, cotton waste and cotton sewing thread from South Asian region. By enhancing cooperation with the country, Malta can import the said items from Pakistan.

Economic Indicators

Table with 5 columns: Indicators, Unit, 2012, 2013, Change. Rows include GDP (PPP), GDP per Capita, GDP growth, Forex Reserves, External Debt, Exports, Imports, Trade Balance, Current Account, CPI, Unemployment, and Discount Rate.

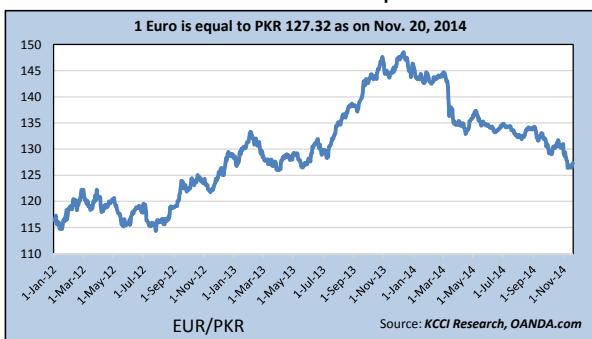
Sources: KCCI Research, CIA Factbook, TDAP, SBP

Trade between Pakistan & Malta (FY04-Sept.'14)



Source: KCCI Research, SBP

Euro Vs. Pakistani Rupee

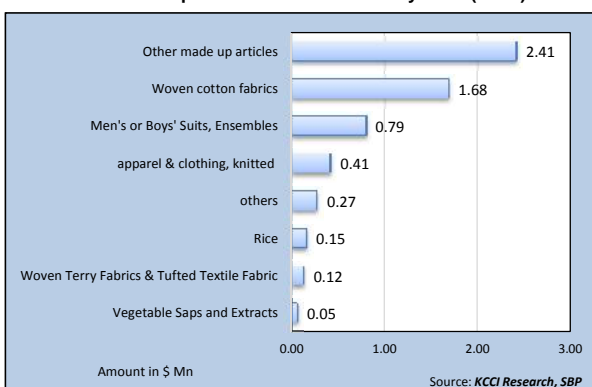


Source: KCCI Research, OANDA.com

Key Memberships

Malta has its membership in FAO, IAEA, IBRD, ICAO, ICRM, IDA, IFAD, IFC, IFRCs, ILO, IMF, IMO, IMSO, Interpol, IOC, IOM, IPU, ISO, ITSO, ITU, OPCW, OSCE, PCA, PFP, Schengen Convention, UN, UNCTAD, UNESCO, UNIDO, Union Latina (observer), UNWTO, UPU, WCO, WHO, WIPO, WMO, WTO

Pakistan Exports to Malta - Commodity Wise (FY14)



Source: KCCI Research, SBP

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