Malta

TOURISM REPORT

Global FDI REPORTS

As published in DIE WELT

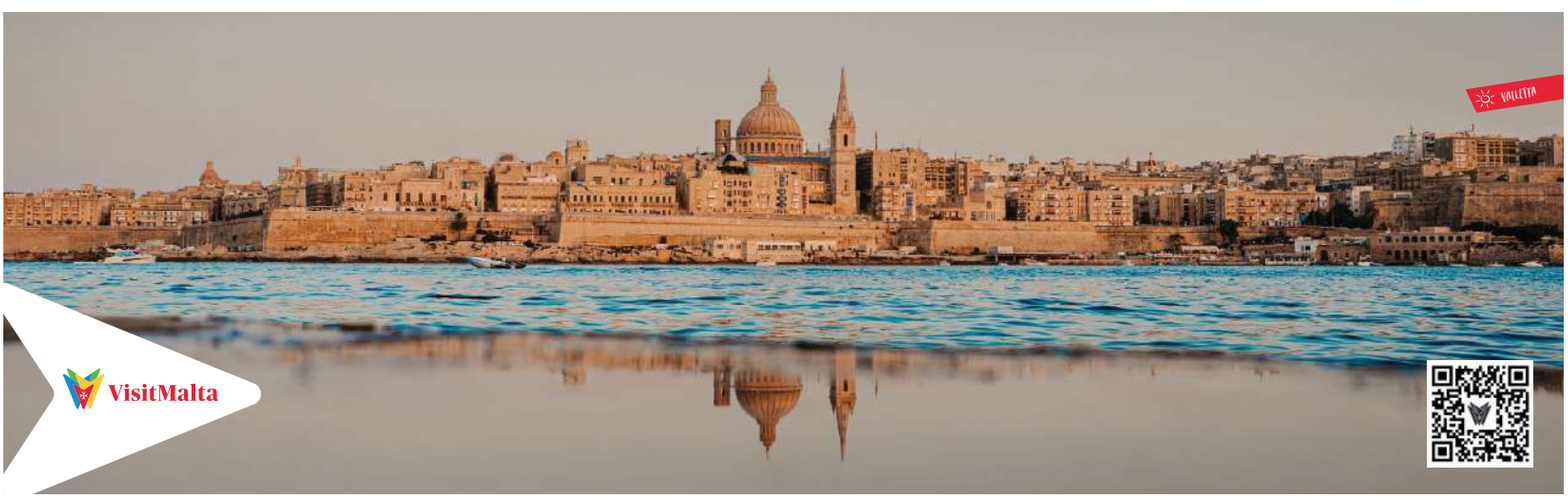
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A bold vision for Malta's future

Productivity gains and quality of life are the drivers shaping the island's long-range plan.

When Malta's Labour Party secured an historic fourth term in May 2026, one of the defining projects of Prime Minister Robert Abela's agenda was already set. In February he launched Malta Vision 2050, a comprehensive national strategy designed to accelerate economic growth through productivity gains and improve the quality of life. "Malta Vision 2050 is not just a plan. It is a new way of living, where development is balanced, where everyone achieves their aspirations, where we will have a country far better than the one we found," Abela said at the policy's launch. "Together, we can build the best Malta."

Drawn from extensive analysis and public consultation, Vision 2050 breaks from traditional planning cycles based around the length of a single parliament in order to drive long-term change, with progress to be tracked through a dedicated government website. Organised around four pillars, three national goals and 100 measures, the plan's stated aim is to create "a safe and resilient nation, inspired by its heritage and driven by progress, which promotes a healthy quality of life for everyone."

In practice, that progress is to be focused on the central pillars of sustainable economic growth, more accessible public services, a more resilient and better-educated society and smarter use of the island's limited land and sea. Of the 100 specific measures, six are identified as flagship projects, from a more efficient transport system and a modernised health service to future-ready education, clean energy and environmental action, a greener island of new national parks and the regeneration of Malta's ports. The mix is deliberate, pairing infrastructure and the environment with health and skills, a definition of progress meant to be as much social as economic. "The time has come for our country's destiny to be written, and for us to begin living it at its very best, for ourselves and for our children," Abela said.

It is an ambition founded on an economy that grew at an average of almost 7% per year from 2014 to 2023. Malta has combined sustained growth with high employment, a diversified services sector and a strong record in attracting international business. Real GDP grew by 4% in 2025, with the European Commission forecasting growth of 3.7% this year and 3.6% in 2027 – among the highest rates in the European Union. Unemployment, meanwhile, is expected to remain close to 3%, with inflation forecast at 2.7%. That reflects an economy built on a broad base, with tourism, financial and professional services, gaming, aviation, maritime activity, advanced manufacturing and the digital economy all contributing to the country's performance.

Malta's relationship with Germany is one of the foundations of that economic strength – and a launchpad for further growth. The two countries marked 60 years of diplomatic relations in 2025, but their connection is increasingly defined by trade, services and investment. Based on Bundesbank balance-of-payments data, bilateral trade in goods and services reached approximately €3.45 billion in 2025, with services accounting for around two-thirds of the total. The figures highlight Malta's position as a European centre for cross-border services as well as the depth of its conventional trading links.

German investment flows are also significant. Direct investment from Germany in Malta stood at approximately €16.3 billion at the end of 2024, the most recent official figure, while around 60 German companies operate on the island and its sister, Gozo. The relationship spans manufacturing, aviation, finance, maritime activity, tourism and specialised services, making Germany one of Malta's most important trade and investment partners. For Malta, Germany brings capital, technical expertise, commercial networks and access to Europe's largest national economy. German companies, in turn, gain an English-speaking EU base, an established regulatory environment and commercial links across the Mediterranean.



"MALTA VISION 2050 IS NOT JUST A PLAN. IT IS A NEW WAY OF LIVING."

ROBERT ABELA, PRIME MINISTER OF MALTA

Tourism represents another key dimension of the relationship. After achieving record total visitor numbers in 2025, Malta is placing greater emphasis on value, visitor experience, premium accommodation and management of the demands placed on infrastructure and the environment. Germany is central to that effort, as a high-value market targeted for further expansion. Malta welcomed 261,939 German visitors in 2025, generating approximately 1.91 million guest nights and €289.5 million in expenditure. Arrivals rose by 5.3%, cementing Germany's position as Malta's fifth-largest tourist origin market, while spending increased by 11.9%. Malta's new positioning as 'an island for connoisseurs' emphasises the distinctive cultural, gastronomic and heritage experiences for visitors to explore, in part designed to shift perceptions of the country in the German market.

Malta welcomed 261,939 German visitors in 2025, generating approximately 1.91 million guest nights and €289.5 million in expenditure

The Vision 2050 agenda supports this through its emphasis on sustainable growth, smarter use of land and sea and the regeneration of port facilities. A greener island and modernised tourism infrastructure are designed to attract higher-spending visitors and increase demand outside of peak months. That builds on Malta's natural appeal as a year-round destination; the island averages around 3,000 hours of sunshine and 300 days of clear skies each year.

All of this dovetails with the plan's domestic focus. As a compact island state that has enjoyed rapid expansion, the government is aware of the need to align economic growth with delivery across housing, transport, healthcare, energy security, education and careful use of available space. At the same time, labour market pressure and a reliance on workforce growth add to the need for higher output per worker. Vision 2050 therefore points towards a productivity-led model based on stronger skills, research, digital technology, advanced manufacturing and higher-value services. The aim is to judge performance less by the scale of activity and more by the value created for companies, workers, families and communities. Technology is expected to support higher wages, expand capacity and help organisations achieve more within the country's physical and demographic limits.

To underwrite delivery, accountability features prominently in the Vision 2050 framework. The plan sets specific targets to be assessed against a group of global benchmarks, with interim targets for 2035. Examples of 2050 targets include reaching the top 10 globally in the Human Development Index, placing Malta in the top five of EU countries for life satisfaction – based on Eurostat's indicator – and increasing median disposable income to 135% of the EU average.

Malta's economic growth gives the government a strong base to work from, while the recent election victory provides a renewed mandate for implementation. With those elements in place, the focus is now on results. In that context, Germany's role as a source of trade, investment, expertise and tourism gives the bilateral relationship even greater importance. As Malta sets about building a nation for the next generation, its ties with a long-standing partner will be a defining feature of the process.

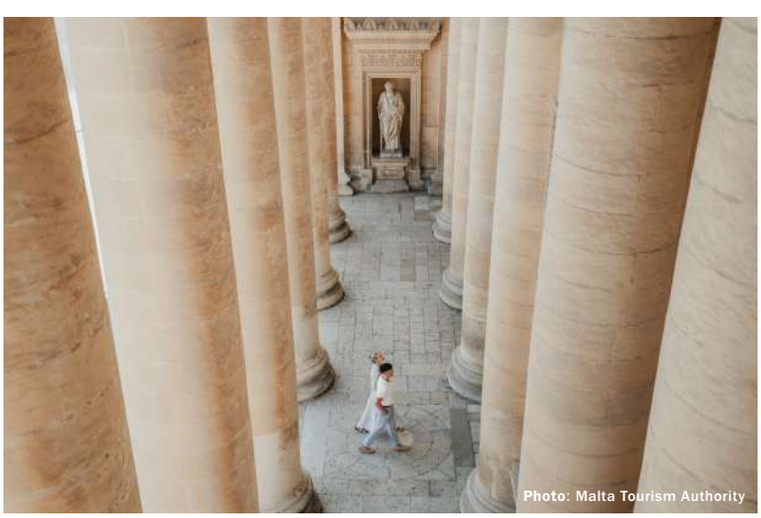


Photo: Malta Tourism Authority

MALTA ENTERPRISE



GEORGE GREGORY,
CEO, MALTA ENTERPRISE

CEO George Gregory explains how Malta's diversified economy, stability and long-standing German partnerships drive investment.

Q: What are the competitive advantages that set Malta apart within the EU?

Diversification, above all. Our economy has no single dominant sector – semiconductors, aviation, pharmaceuticals, maritime, financial services and others all contribute meaningfully. If one area faces headwinds, the others provide balance. What does distinguish Malta is the depth of the ecosystems we have built around each niche.

In semiconductors, our partnership with STMicroelectronics anchors an entire supply chain of designers and service providers. The Malta Semiconductor Competence Centre – developed jointly with academia and industry in under six months – is already accelerating 12 startups.

In aviation, a large aircraft registration base, combined with multiple maintenance, repair and overhaul (MRO) operators and growing interest in finance leasing, has created an integrated cluster. In pharmaceuticals and MedTech, the cycle runs from research – including active work on pancreatic cancer treatments and a next-generation hip replacement – through to production and certification. The gaming industry offers a telling precedent: the talent and knowledge it generated have since spun off into AI and other technology sectors, creating exactly the kind of compounding, high-value economy that Vision 2050 calls for.

Q: How important is innovation to Malta's development?

Innovation must be understood broadly. It includes AI and digital technologies but also manufacturing process innovation – STMicroelectronics will operate the largest back-end semiconductor facility in Europe from Malta, and it will be entirely dark. Budget measures now provide a 175% rebate on qualifying research and development expenditure, and the government is actively incentivising Manufacturing 4.0 and 5.0 approaches. The more automated and knowledge-intensive our operations become, the less exposed the economy is to external shocks and labour shortages.

"Germany has been a consistent partner for Malta since the 1960s, and German companies that have come to Malta have expanded their operations."

Q: Why is now the moment for German investors to consider Malta?

Germany has been a consistent partner for Malta since the 1960s, and German companies that have come to Malta have expanded their operations in Malta and grown into sustainable higher-value-added operations over the years.

The sectors I have described – semiconductors, aviation, pharmaceuticals, maritime, financial services – all have significant German participation, from Lufthansa in MRO to Playmobil in manufacturing. That continuity reflects the fundamental point: Malta is stable, and that stability is measurable. The EU, the IMF and Malta's own projections all point to continued growth through 2030 and beyond.

In the current global environment, where geopolitical uncertainty is reshaping supply chains and investment decisions, operating from a stable, agile, EU member jurisdiction carries real strategic value. The government has demonstrated during both the pandemic and subsequent geopolitical shocks that it will act to protect business conditions. And for any company that wants to understand EU regulation from the inside before scaling across the bloc, Malta offers exactly that – a fully integrated, manageable entry point into a 450-million-person market.

As published in DIE WELT

Maltese tourism scales new heights

Changing perceptions and focused outreach are bringing record visitor numbers to the island.



Malta's record tourism arrivals in 2025 reflect a long-term national strategy that continues to evolve. After topping 4 million visitors last year, Carlo Micallef, CEO of the Malta Tourism Authority, outlines why the island's next steps focus on value over volume, growing the German market and boosting the MICE segment.

"To give a sense of scale, last January outperformed August 2013."

Q: What factors are driving Malta's landmark performance in tourism?
The demand for Malta and Gozo has been phenomenal. It is the fruit of a great deal of hard work – by the MTA team, by the private sector, by the whole ecosystem of the Malta tourism industry and beyond. Tourism cannot exist in isolation because anyone who comes to Malta touches on all other industries, sectors and government bodies that support it.

FAST FACTS MALTA

588,254
Population of Malta at the end of 2025

316
Land area of Malta in square kilometres

4%
Real GDP growth in 2025

€68,804
GDP per capita, PPP equivalent – 10th in Europe

€3.9BN
Tourist expenditure in 2025, around €971 per visitor

We have seen record years consecutively since the pandemic. In 2019, we welcomed 2.75 million tourists. We are now at 4 million – 4,022,000 to be precise. More importantly, tourism expenditure has doubled in the same period. In 2019, it stood at around €2 billion. In 2025, it reached nearly €4 billion.
The numbers are the easiest metric to look at, but what matters most is what that expenditure puts into our economy. Tourism is the driver of many other sectors: food production, services, transport and hospitality. The importance of this became viscerally clear during the pandemic in 2020. When tourism stopped, so did the bakeries, the laundries, the food importers, the taxi drivers and the tour guides. You see the whole system and realise how important tourism is. It is one of the pillars of our economy – it has stood the test of time since the 1960s and accounts for some 20 to 25% of GDP when the multiplier effect is included.

Q: How has MTA managed the balance between growth in volume and growth in value?
We have not been chasing numbers. We have not been discounting prices. Our hotels have raised prices consistently, eating out in Malta has become more expensive and travelling here is not cheap. People are ready to spend more to come to Malta, and our strategy has been to attract tourism that is prepared to spend more throughout the year.
A conscious decision was made to grow tourism in the winter months rather than push for further expansion at peak. The rate of growth in winter has been running at 20% to 30% year on year. To give a sense of scale, last January outperformed August 2013. February 2026 was double February 2019. When a destination fills beds in winter, hotels become more profitable, careers replace seasonal jobs and investment flows into training, upkeep and service improvement. We are also working to slow growth at peak, attract a higher-yielding visitor in summer and protect the destination's quality. The aim is a well-managed, year-round destination – which is what Malta has become. According to Eurostat and UNWTO data, Malta is now the top performer in growth of bed nights in Europe, recording a 15% increase in 2025 against 2024, with Poland second at 9.6%.

Q: How does Malta's Vision 2050 plan influence its long-term tourism strategy?
Vision 2050 is about ensuring that growth continues to be managed, not merely accumulated. The foundation has already been built through careful marketing, careful targeting and investment in route development. As an island nation, Malta relies entirely on air connectivity. We are currently served by 120 to 130 routes across Europe and beyond – to the Middle East, and with a direct service from New York beginning this June.

"Germany is a very important market and one we have identified as a priority for growth in the years ahead."

The next phase is centred on quality, value and niche development. Meetings, Incentives, Conferences and Exhibitions – MICE – is central to the future. We have hotels with conference facilities, the Mediterranean Conference Centre and the MFCC in Ta' Qali, but to compete at scale we need a modern multi-purpose convention centre: one capable of hosting 4,000 to 10,000 delegates, accommodating expos, indoor sports and major concerts. This is infrastructure that exists in Liverpool and Vienna. Malta needs to enter that league now, because conference and incentive visitors spend three to four times what the leisure client spends.
Alongside this, we are working to attract internationally recognised hotel brands to the destination. When luxury brands with loyal global clientele choose Malta, they bring their audiences with them. The investment appetite is already here. There is significant private capital flowing into new properties – boutique hotels, restored palazzos converted into 12-suite luxury stays. Regulatory changes have been introduced to limit new development in lower categories and incentivise four- and five-star investment. The confidence in this market is remarkable.

Q: As a strategically important source market, how are you engaging with Germany?
Germany is a very important market and

one we have identified as a priority for growth in the years ahead. We are conducting an in-depth study of our positioning and strategy there precisely because I believe we are not yet getting the rate of return we should be from this market.

The issue is one of perception. For many years, Malta was sold in the German market primarily as a beach holiday and English language learning destination. That stereotype persists and it does not do Malta justice. When German travel professionals visit Malta for the first time, many are genuinely surprised by what they find. We showed them only a fraction of what Malta offers and they were amazed. That gap between reality and perception is what we need to close.

Malta today is a destination for connoisseurs – people who want authentic experiences, who want to touch and feel the culture, mingle with locals and make lasting memories. It offers gastronomy, opera, active holidays, diving, yachting, history going back 9,000 years, polyculture and a vibrancy that is entirely distinct from the typical Mediterranean island. The German market, with its high purchasing power, its appreciation of depth and its appetite for this kind of offering, is exactly the audience we want to reach. We have the right ingredients; we have simply not been clever enough yet in communicating them.

Q: How are you developing Malta's cultural heritage dimension?

Recent archaeological discoveries in the north of Malta have revised our history: the island was inhabited nearly 9,000 years ago, 2,000 years earlier than previously believed. That is a remarkable asset and one that deserves far wider recognition.

Our fireworks festival is another dimension of this. Three evenings in Grand Harbour and one in Gozo drew attention around the world – the final night was broadcast live on CNN and Fox. Fireworks and the village festa are not events; they are the essence of our culture. They are rooted in faith, family, community and celebration. The festa has now been recognised by UNESCO World Heritage – and rightly so.

Tourism is also playing a direct role in preserving this heritage. We recently co-financed the restoration of the facade of the Church of St Paul in Rabat. We are supporting works on the Rotunda in Mosta and helping establish a museum of religious heritage there. The logic is straightforward: tourism generates the revenue that allows us to maintain and restore what would otherwise be left to deteriorate. In agriculture, the same principle applies. Through agritourism, we are helping keep traditional farmers on the land, preserving skills that might otherwise be lost – honey production, olive oil, lace-making, glass-blowing, the building of traditional luzzus. These cottage crafts cannot sustain a livelihood on their own, but as carefully managed visitor experiences they become economically viable and culturally vital.



Photo: Malta Tourism Authority

> **"Malta is a vibrant European city with all the opportunities that a vibrant European city like Munich or Berlin can offer."**

Q: How are you integrating sustainability principles in the tourism sector?

It cannot be done overnight, but we are moving firmly in that direction. The Blue Lagoon is one example. In the past it was unmanaged – a free-for-all. We now operate a booking system with a cap of 4,000 visitors per six-hour session. We have introduced security and cleaning personnel, improved infrastructure and invested in the experience. Critically, we identified and addressed an environmental problem: accumulated waste was attracting rats that were threatening the nesting bird population. Managing access was not optional; it was necessary.

Across the wider destination, our public transport is free of charge. We have added 40 electric vehicles to the fleet. Gozo's public transport will also be free. We are actively promoting Green Key certification for hotels and catering establishments and aligning with 37 OECD-compatible sustainability indicators. These are not cosmetic measures. The destination's appeal depends on its environment and its authenticity, and both must be actively protected.

Q: How does Malta's status as a testing ground for innovation create investment opportunities for Germany?

German direct investment in Malta already stands at around €17.5 billion, with approximately 60 German companies operating here. But I think the opportunity goes well beyond traditional investment in hotels or tourism infrastructure. Malta is a highly developed, multicultural, cosmopolitan and well-connected small island in the centre of the Mediterranean. It is large enough to test ideas meaningfully, but small enough that a misstep stays contained. I spent several years in the Netherlands and watched it function as a testing ground for marketing campaigns and brand launches: high standard of living, compact market, manageable risk. Malta can play a similar role. A product that works in Malta can go anywhere. A product that does not work in Malta will not break a brand.

What we want to attract are creative minds – innovators, entrepreneurs and startups who want to build something, test something or try something new. Malta Enterprise, the Malta Digital Innovation Authority, the MFSA and other agencies are pro-business and accessible. Tax incentives are in place. The country's quality of life, connectivity and security make it attractive as a base. Malta could be the place where young entrepreneurs set themselves up and begin building their products. These are also the people who will hold conferences here, attract their peers and create the kind of economic ecosystem that supports everything else.

Q: How would you summarise Malta's proposition for German visitors and investors?

Malta is not what many think. Malta is not the typical island; Malta is a vibrant European city with all the opportunities that a vibrant European city like Munich or Berlin can offer – but blessed with the characteristics of a Mediterranean island in a Mediterranean setting, with very hospitable people and a diverse offer that allows people to come in, blend in and shine.

Malta is more than a destination to visit on holiday. Malta is a country that allows you to follow your dreams, that allows you to try and realise your dreams. We invite innovators and entrepreneurs, startups, to consider Malta as their base – to come and build their product here, and from here take it to the world.

VisitMalta
www.visitmalta.com

As published in DIE WELT

MICE

Malta's thriving conferences sector

World-class hospitality, compact geography and a unique character drive Malta's appeal.

For German companies seeking an accessible European destination for meetings, incentives, conferences and exhibitions (MICE) programmes, Malta combines Mediterranean accessibility and efficient logistics with a sophisticated events sector and old-world charm. Located within three hours of Europe's main airport hubs, the island is served by a network of more than 100 point-to-point routes. On arrival, short transfer times bring venues within easy reach.

Across Malta and its sister island of Gozo, organisers will find a wide range of event facilities, from purpose-built venues to historic sites including palaces, museums, forts and coastal locations overlooking the sea. Carefully adapted for conferences and gatherings, these venues pair Malta's cultural heritage with modern infrastructure, providing a distinctive setting. The flagship venue, the Mediterranean Conference Centre, was transformed from a 16th-century hospital into a theatre and conference facility.



Photo: MFCC

Other options range from Fort St Angelo and the Manoel Theatre to archaeological sites, gardens and waterfront spaces across Malta and Gozo.

English is an official language alongside Maltese, while German and other languages are also widely spoken. VisitMalta Incentives & Meetings supports the German-speaking market through its Malta-based team and an overseas office in Germany. The sector's maturity is backed by a quality assurance scheme under which destination management companies undergo regular reviews and full assessments every two years, covering MICE experience, service standards and environmentally responsible event planning.

Malta's geography and character allow formal sessions to be combined naturally with receptions, dinners and incentive activities. Programmes can include sailing, kayaking, heritage visits, traditional crafts and farm-to-fork culinary experiences. Continued investment in high-end accommodation is also strengthening the supporting offer for executive meetings and premium groups.

Malta offers MICE organisers straightforward access, expert local support and considerable flexibility.

With more than 3,000 hours of sunshine each year and a strong tradition of hospitality, Malta offers MICE organisers straightforward access, expert local support and considerable flexibility in the heart of the Mediterranean.

INVESTMENT OPPORTUNITIES

Investing in quality

The transformation of Malta's tourism offer is creating opportunities across premium and conference travel.

Malta's Vision 2050 plan emphasises careful management of the nation's surging tourism sector. With visitor numbers breaking records again in 2025, the goal now is to boost value and increase arrivals outside peak summer months – a strategy that is opening new investment opportunities in the sector.

That includes premium accommodation capacity, and the island's tourism authority is working to attract global hotel brands to Malta – with notable success. In January, Spain's Meliá Hotels International announced it will open nine new properties across Malta and Gozo over the next three years. Meanwhile, the Romègas hotel sees the restoration of a 500-year-old palazzo in Valletta, an example of the opportunity in boutique developments. Occupancy rates at five-star properties rose 1.5 points to 71% in 2025, according to research by Deloitte, while Delta's new direct JFK-Malta service reinforces high-end demand.

Linked to that is the ambition to grow Malta's share of the MICE segment. Beyond hotels, the island is also seeking to develop a modern convention centre, capable of hosting up to 10,000 delegates as well as entertainment and sporting events. While Malta is home to the Mediterranean Conference Centre and Malta Fairs and Conventions Centre, a multipurpose venue would enable it to compete at scale with European rivals. The Times of Malta reported that the government turns down large conventions on a monthly basis due to infrastructure constraints – highlighting both the urgency and the demand.

Beyond hotels, the island is also seeking to develop a modern convention centre.



Photo: MFCC



Photo: Eden Arena



Photo: Malta Tourism Authority

BEACHES, MANAGED & SUSTAINABLE

Amber beaches and hidden lagoons

From the stunning Golden Bay and the amber beaches of Għajn Tuffieħa to the red sands of Gozo's Ramla l-Ħamra and the Inland Sea at Dwejra, Malta's dramatic coastline is as varied as any in the Mediterranean. Above all stands Comino's Blue Lagoon, located a short boat ride from Malta, where crystal-clear waters offer an idyllic spot for swimmers.







Photos: Malta Tourism Authority



Photo: Shutterstock

GOZO

Gozo's natural charms

Malta's sister island, just a 25-minute ferry ride away, Gozo has a greener, more rural character all of its own. With natural landscapes, azure waters and a history steeped in myths and legends – among them its supposed role as the legendary lair of Calypso – Gozo is home to the ancient Cittadella, with views across the island, and some of the archipelago's finest scenery.



Photo: Shutterstock

Photo: Malta Tourism Authority

CULTURE

A unique cultural heritage



Photo: Malta Tourism Authority

Seven thousand years of history have given Malta a cultural heritage of remarkable depth. Its three UNESCO World Heritage Sites comprise the Megalithic Temples, which predate Stonehenge, the Ħal Saflieni Hypogeum and the City of Valletta. St John's Co-Cathedral houses Caravaggio's only signed painting, while watchtowers, palaces and churches recall centuries of faith and conflict. Yet Maltese culture remains vividly alive in village festas, traditional crafts, music and celebrations passed down through generations.

CULINARY & AGRITOURISM

A culinary melting pot

Maltese cuisine reflects the islands' position at the heart of the Mediterranean, with Italian, Arabic and Provençal influences carried into dishes rich in local character. Pastizzi, ġbejniet cheese, fresh seafood, honey and Maltese wines sit alongside a growing fine-dining scene and Michelin-starred restaurants. Beyond the table, vineyards, olive groves and family-run farms offer a closer look at the depth of flavours and traditions in Malta's food.



Photo: Malta Tourism Authority



Photo: Malta Tourism Authority



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Photo: Malta Tourism Authority

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