

Thinking out of the box

By CHRISTIAN CARDONA

MINISTER FOR THE ECONOMY, INVESTMENT AND BUSINESS, MALTA



CHRISTIAN CARDONA holds a Doctorate of Law from the University of Malta and a Masters' degree in shipping law from the United Nations International Maritime Organisation. He was first elected to Parliament in 1996 and was subsequently re-elected four times. He also served as a member of the Malta EU Parliamentary Committee during the negotiation process of Malta's application to join the European Union. He was a Senior Partner at law firm CV Advocates before being appointed as Minister for the Economy, Investment and Small Business in 2013.

Foreign direct investment is central to Malta's development and growth strategy today. It is the element of continuity of Malta's economic history since the late 1950s. Obviously, given the very small domestic market, given that we are an island and that we have no raw materials, foreign direct investment is export driven and must necessarily draw value from the quality and productivity of Malta's human resources.

That is where our competitive advantage lies. Retaining and enhancing that competitive advantage in a fiercely competitive global economy is a never ending struggle that – especially in our circumstances – requires us to constantly think out of the box. In practice this means tirelessly investing in training and education, ensuring that our physical and institutional infrastructure is second to none, and guaranteeing to foreign and domestic direct investors that they will not be hampered by bureaucracy and unreasonable government induced costs. Slashing energy costs is a case in point.

Malta Enterprise is Malta's national economic development agency. Its core business is to attract and retain incoming foreign direct investment. It and its predecessor organisations (Malta Development Corporation and the Industrial Development Board) have been in this business since the late 1950s. Indeed the first industrial promotion legislation in this country was enacted in 1959, five years before independence, and was based on a strategy outlined earlier in a report to the Labour government of 1955-1958 by British economists Thomas Balogh and Dudley Seers. Foreign direct investment was central to that strategy.

Although tourism, financial services and i-gaming are very important elements of Malta's brisk economic growth (amongst the highest in the European Union), industry has constantly enabled us not to rely on more volatile sectors. Our major industrial exporters, mainly but not exclusively foreign-owned, have been part of our economic landscape for 30 to 50 years. They have enabled us to survive through various international economic storms. Malta based industry is mainly focused on the export of industrial products, with high value-added quality engineering enjoying a dominant position.

The most significant and fastest growing industrial sectors are aircraft maintenance, repair and overhaul (Lufthansa Technik is a case in point), life sciences driven industries including biomedical technology and bioinformatics (with exciting developments in nuclear medicine, genome sequencing and neuroscience), high-end engineering generally (chemical, electronic, mechanical), information and communications technology and digital creativity (we are strong in the production of digital games).

Over the past two and a half years, Malta Enterprise – true to its vocation to think out of the box – has ventured into the promotion of foreign direct investment in the field of education and training with an eye to regional markets. The decision by one of the UK's finest medical schools, Barts and The London School of Medicine and Dentistry, to set up a fully fledged medical college on the island of Gozo, is certainly a major success for us. Barts will be located within a fully restructured and enhanced Gozo General Hospital. It will attract foreign students and will enhance our resolve to become a major medical tourism and rehabilitation hub. Of course, this would not have been possible without the excellent international reputation of Malta's medical profession and its healthcare system. Malta, after all, was already known as "nurse of the Mediterranean" during the Crimean war.

Which brings us back to the quality of our human resources. Needless to say, that English is one of two official languages (the other being Maltese, of which we are naturally proud) and that it is the language of instruction, and essentially the language of administration and business, is in itself a major element of international competitiveness. It is relevant, of course, that we are a major international ELT (English language teaching) hub. Sometimes, potential foreign investors ask us whether we have enough human resources to keep up with the pace of economic growth. Given our very low unemployment rates, this is a legitimate concern. With the participation rate of women on the increase and a strong emphasis on more and smarter investment in education and training – with ever more effective coordination between private enterprise and the educational institutions – we are keeping pace with demand.

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Malta welcomes the world

By PHYLLIS MUSCAT

HEAD OF THE CHOGM 2015 TASKFORCE



PHYLLIS MUSCAT is an entrepreneur and businesswoman, chosen by the Prime Minister of Malta to head the CHOGM 2015 Taskforce. She is renowned in Malta as a leading entrepreneur within the health and beauty industry. She also serves as Chairperson for the Coordinating Board for Cultural Projects, which aims to establish the first International Contemporary Art Space in Malta. She was the first woman to be appointed Chairperson of a Maltese Media Group and has also served on the executive committee of the Maltese-American Chamber of Commerce, the Malta Association of Women in Business and the Action for Breast Cancer Foundation.

Fort St Angelo
will host the retreat

Malta is ready once again to welcome the Commonwealth of Nations. It is the second Commonwealth Heads of Government Meeting (CHOGM) that we are hosting in a decade and it is an honour to be doing so again. Indeed, Malta is establishing itself as a centre of international diplomacy. Already this month we have held the Valletta Summit, bringing the European Union and Africa together to discuss migration.

We have spent two years preparing for this CHOGM and we look forward to welcoming over 4,000 delegates as well as around 800 journalists from the Commonwealth and beyond.

The theme for this CHOGM is 'The Commonwealth – Adding Global Value'. It has been chosen to illustrate how the Commonwealth makes a real difference to the lives of people around the world, and to give impetus to the 53 Heads of Government gathering in Malta to seek to give a sense of purpose to the Commonwealth at this sensitive juncture.

One way they are doing this is by addressing the issue of climate change. The objective is to produce a message of support and commitment from the Commonwealth when global talks get underway in Paris next month. The Commonwealth leaders will be joined by HRH Prince Charles, The Prince of Wales, the French President, François Hollande, and the United Nations Secretary General, Ban Ki-moon.

There are other relevant issues on the agenda, such as the sustainability of small states. Migration, a phenomenon that is a priority for all countries will also be discussed. Overall, there is a general desire for this CHOGM to be less talk and more action.

CHOGM is about the citizens of the Commonwealth and their everyday concerns as much as it is about diplomacy. This CHOGM will also deliver added value through a new forum. Besides the Business Forum, the People's Forum and the Youth Forum, Malta will be hosting the inaugural Women's Forum, with the theme of Women Ahead: Be All You Can Be. It will be a space dedicated to the celebration of the advancement of women and should inspire all women to reach their full potential. When Malta first suggested a Women's Forum, we were pleased that it was received with great enthusiasm by the Commonwealth Secretariat. We are delighted that it will become a permanent fixture of future CHOGMs.

This CHOGM will showcase Malta's most stunning locations. The main venue is situated at Golden Bay. It is an area of natural beauty characterised by a uniquely Mediterranean landscape; sharp cliffs dominated by garrigue and inhabited by a diverse range of fauna. The retreat will be at the newly restored Fort St Angelo, against the backdrop of the magnificent Grand Harbour. Dating back to the 16th century, the Fort boasts centuries of history and has been the site of momentous events that changed the course of Malta's history.

The participation of four members of the British Royal Family adds to the excitement in Malta. Her Majesty Queen Elizabeth II is being accompanied by His Royal Highness The Duke of Edinburgh, His Royal Highness The Prince of Wales and Her Royal Highness The Duchess of Cornwall.

His Royal Highness The Prince of Wales, will be addressing the Commonwealth Business Forum, and he will also join the CHOGM leaders for their special session on climate action.

Her Majesty Queen Elizabeth II, Head of the Commonwealth, will of course, be central to all ceremonies. She will preside over the spectacular opening ceremony in the Mediterranean Conference Centre in Valletta and will host the traditional CHOGM banquet where especially engraved goblets, one for each country, are raised for the Commonwealth toasts.

The CHOGM Malta Taskforce team, in collaboration with the Ministry for Foreign Affairs and our High Commission in London, have worked incredibly hard to ensure this event goes like clockwork. Lastly, CHOGM would not be possible without the support of the army of volunteers who recognise the importance of the summit and want to be part of history as Malta welcomes the world. **E**

