

SPEECH

17th February 2017

Speech by Mr Anton Borg, President of the Malta Chamber of Commerce, Enterprise and Industry addressing a Business Delegation from Turkey

H.E. Binali Yildirim, Prime Minister of Turkey
H.E. Joseph Muscat, Prime Minister of Malta
Honourable Ministers,
Your Excellency,
Mr Ömer Cihad Vardav, President of DEIK,
Distinguished Guests, Ladies and Gentlemen,

It is my pleasure to welcome you today to our historic Building and, on behalf of the Malta Chamber of Commerce, Enterprise and Industry, allow me to briefly share our ambitions to contribute towards a future of business collaboration between Malta and Turkey.

The presence of the Prime Ministers of both countries at today's business forum is testament of the commitment and genuine intentions that exist at both ends to take our solid relations to the next level. I honestly believe that we share numerous commonalities which can be developed for the mutual benefit of both countries.

Although Turkey and Malta established formal diplomatic ties exactly half a century ago (in 1967), contact between the two countries date back centuries. However, relations between the two countries strengthened considerably over the last decade, due to growing business interests and the support of effective political commitment at both ends.

In 2007, growing commercial ties led us to establish a Maltese-Turkish Business Council (MTBC), which we further strengthened to its present format about two years ago. Today, under the Chairmanship of Dr. Mark Bencini, the MTBC works tirelessly to bring together business people from the two countries to collaborate and build on each other's knowledge and experiences. To this end, MTBC leverages its contacts with DEIK and other stakeholders to promote business and investment ties between the two countries. Moreover, the MTBC is supported in its initiatives by Trade Malta which is the executive agency responsible for supporting Malta-based companies to penetrate new markets abroad for their products and services. Trade Malta was established in 2015 as a public private partnership between Government and our Chamber and my predecessor, David G. Curmi was entrusted to be the first Chairman. David will elaborate on the work of Trade Malta shortly.

Statistics clearly indicate that the integration between our economies is growing steadily. Trade between the two countries currently stands at eur22 million in terms of our exports from Malta and eur325 million in terms of imports from Turkey.

Meanwhile, we have both seen a steady increase of tourist traffic both ways with people travelling for leisure and business purposes. It is safe to say that this marked improvement is directly attributable to Turkish Airlines' increased presence in Malta offering direct connection

between Malta, Istanbul and beyond. This contributed in no uncertain way to the opening up of business gateways between the two countries in various sectors such as maritime.

It is certainly pertinent to mention the strong presence of Turkish investment in Malta's maritime sector. Yildirim Holding invested €200m in 2011 to acquire a 50 per cent stake in the container terminal at Malta Freeport. Four years later, in November 2015, Global Liman Isletmeleri acquired a majority stake in the cruise liner terminal, Valletta Cruise Port.

In the banking sector, one cannot fail to mention the strong presence of Turkish banks operating in Malta (including Akbank, Türkiye Garanti Bankası A.Ş, Finansbank (Malta) Ltd, Yapi Kredi). I am certain that Kenneth Farrugia, Chairman of Finance Malta will elaborate on this during his intervention later on.

Having said that, as a Chamber we believe we are only scratching the surface and that there is more that we can achieve together. Our two countries can bring specific elements to the table that may be valuable to the other party. With a population of 78 million people and a recent history of robust economic expansion, Turkey is an immense country of great resources. Malta makes up for its diminutive size by its excellent strategic geographical position, and membership in the European Union and the eurozone.

Malta's Economic performance in the recent past has been veritably solid. The development of a diversified economy, which is responding to the challenges of an ever-increasingly globalized world, has brought about a record GDP growth of 6.3% in 2015. GDP growth for 2016 is also expected to be extremely encouraging as the Central Bank forecasts it to be in the region of 5%. These statistics resonate the hard work of our sterling business community, and the pro-business environment which Malta enjoys.

The Malta Chamber takes a central role in this scenario. With the aim to provide a business plan to Government, in 2013, the Malta Chamber carried out a detailed study on identifying 11 sectors where potential for growth lies.

The Economic Vision for Malta for the period 2014-2020, outlines a detailed plan for Economic growth in these sectors which in our researched opinion are best placed to prosper in the coming years. Some of these sectors have already registered steady growth in the past years, while others are earmarked for imminent growth. All recommendations in the document are addressed at making the necessary policy changes to allow for the growth in a number of sectors.

I start with the Financial Services sector which is now a major force in the country's economy. Malta has significant strengths to offer the industry such as a well-trained, motivated workforce, a low-cost environment and an open and transparent yet advantageous tax regime backed up by more than 60 double taxation agreements. Malta enjoys an excellent reputation internationally in this sector, as it boasts a position as an international market player featuring some of the most competent and skilled professionals in the area, comparing very well to other leading much larger jurisdictions.

Other sectors, are being identified as sectors that are most likely to grow in the coming years. The Health services sector in Malta has attracted Foreign Direct Investment which is expected to reinvent already existing infrastructure and give rise to Health tourism. Building on a long and strong tradition of excellent health care in Malta, this sector is bound to grow as the potential is remarkable.

Large scale investment is also in the pipeline in the Education sector in Malta. This sector, also a long-time area of excellence in Malta, has only in the past decade opened its doors to

international students who were welcomed to further their studies at the University of Malta. Through another public private partnership with Government, we have recently established Education Malta with a view to attract further investment in this sector and to build an international brand for Malta in this field of business.

Similarly, we are in the final process of establishing ICT Malta – again in partnership with Government to support Malta-based companies to internationalise their operations and export their intellectual property. The local ICT Sector has experienced considerable growth in the past years. It has benefitted from being flexible and dynamic enough to predict changes in trends, and has proven an ability to remain innovative, in an ever-changing international scenario.

Ladies and Gentlemen, all these sectors are flourishing thanks to the development of an excellent scenario which is conducive to growth. Our Chamber through its officials and organized internal structures, makes it a point to promote the necessary policy changes in order for Malta to remain competitive on the international business and investment scene. Prime Minister Yildirim, let me assure you that our Chamber is committed to sustain and promote the excellent relations between our two countries. We believe that your effort and that of the Government of Malta to bring our two nations closer and promote business collaboration will undoubtedly result in a prosperous future not only for the business communities but also for the people of both countries.

Thank you.

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