

# A South African's guide to moving to and making it in Malta: An economy of fireworks

By  Marcus 'The Maltese Falcon' Brewster

9 Feb 2018

Although I have lived long enough to be aware of the inevitability of economic cycles, I am always oddly proud whenever I read about Malta's strong economic performance - as if I had something to do with it! After a decade's diet of negative South African politico-economic views, I'd forgotten that curious feeling of civic optimism, the effervescence of possibility and the Candidean sense of living in the best of all possible worlds that good news cultivates.



© [viewingmalta.com](http://viewingmalta.com) | Franklin Balzan | Malta Tourism Authority

To wit: The Central Bank of Malta (CBM) has stated that the island's economy is likely to grow faster than first expected over the next couple of years.

## Positive outlook

As noted in the [Times of Malta report](#) on the outlook for the 2017-2020 period, the Central Bank revised its projections upwards and said it expected to see 6.8% GDP growth this year, falling to 4.8% in 2019 and 4% in 2020.

That compares to the 5.6% growth it previously expected to see in 2018 and 4.5% in 2019.

The upward revision came on the back of what the bank called a "positive surprise" in growth data for the third quarter of last year, which bumped GDP growth during that year to 7%.

Aside from revising GDP figures upwards, the Central Bank said its projections for the government balance were also looking better than first expected, with the debt-to-GDP ratio falling to 44.6% by 2020.

## Key projections

Some key projections the Central Bank has made for the period up to 2020:

- Domestic demand to replace net exports as the main driver of economic growth
- Projected output growth to outpace GDP in 2019 and 2020
- Unemployment to rise marginally to 4.1% in 2019 and 4.2% in 2020
- Wages to rise in 2018 by 3.5%, before growth decelerates in 2019 and 2020, as productivity growth slows
- Major health and education construction projects to temporarily boost private investment
- Government budget to remain in surplus, though the surplus will decline to 0.6% by 2020 as gross saving deteriorate and capital expenditure picks up pace
- Export of services will moderate from "very high rates", though that will be compensated by an increase in the export of goods
- Inflation to rise slightly and settle at around 2%

GDP projections, the Central Bank noted, could turn out to be overly cautious if services exports continued to perform extremely strongly or if wages picked up more than expected, lifting private consumption.

Conversely, geopolitical factors or delays in major health and education projects could lead to figures lower than those it was projecting. "Moreover, the rapid growth the Maltese economy has experienced in the last few years may impinge on infrastructure such that physical constraints may limit future expansions," the CBM added.

The government welcomed the Central Bank projections, saying the projections now predicted Malta's debt-to-GDP to fall below 50% – the first time in more than 20 years it was expected to do so.

With its bright colours, loud noises and a little whisp of smoke, the Central Bank report is analogous to the typical Maltese pyrotechnic displays which grandify our festa (festival) calendar and make most summer nights here both joyously patriotic and celebratory. It feels appropriate to make the claim that Malta enjoys a fireworks economy!

The business takeout: It would be naïve to assume that Malta does not have its leadership scandals and political corruption – SA certainly doesn't hold the monopoly on that! At least half the populace (the half that voted the current government into power) find it expedient to look the other way because their wallets are getting fatter and island life is materially better than it used to be.

The social take-home: In our back garden at the Lace House, surrounded by high limestone walls, the lemon tree is bearing fruit. Candide would be proud.



Marcus 'The Maltese Falcon' Brewster 2 Feb 2018



---

## ABOUT MARCUS 'THE MALTESE FALCON' BREWSTER

marcusbrewster is a brand synonymous with PR excellence in SA. An industry innovator, leader, and inspiration, Brewster affiliated his multi-award winning boutique firm with larger Level 1 BBBEE marketing/comms agency MediaRevolution for scale in 2016 and went on to launch Marcus Brewster International in Europe the following year. Marcus currently lives on - and actively promotes - the Mediterranean island of Malta. For African, S. African and European PR enquiries, contact [marcus@marcusbrewster.com](mailto:marcus@marcusbrewster.com) or WhatsApp on (+356) 9931 3322

- A South African's guide to moving to and making it in Malta: A mark, a yen, a buck or a pound - 7 Dec 2018
- A South African's guide to moving to and making it in Malta: The Brexodus Effect - 23 Nov 2018
- A South African's guide to moving to and making it in Malta: The parish priest and the Porsche - 16 Nov 2018
- A South African's guide to moving to and making it in Malta: Go robot! - 9 Nov 2018
- A South African's guide to moving to and making it in Malta: When Daphne met Dropbox - 2 Nov 2018

[View my profile and articles...](#)

For more, visit: <https://www.bizcommunity.com>