Interview: Denis Borg – Secretary General, Maltese Italian Chamber of Commerce, Malta

"Malta is an English-speaking country, with a strategic location as the last frontier of the EU towards the African continent."

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Denis Borg, secretary general of the Maltese Italian Chamber of Commerce, discusses the central role of the chamber in developing business between Malta and Italy and explains how Malta's attractiveness for Italian companies originates from being a welcoming entrepreneurial environment with a favorable location.

Can you describe the role and the mission of the Maltese Italian Chamber of Commerce?

The Maltese Italian Chamber of Commerce is the only official Italian Chamber of Commerce on the island of Malta and it is recognized as an official representative body by the Italian government. The Chamber was established in 1988 and ever since it has been part of the network of Italian Chambers of Commerce worldwide; this network consists of 77 chambers in 54 countries globally. Its primary mission is to develop business between Italy and Malta by offering different types of services to entrepreneurs who want to establish business in Malta. These services include organizing conferences, orientation meetings and promotional events aiming to enhance the knowledge of business environment and conditions on the island of Malta. Every month we ensure to host events that aim to provide Italian entrepreneurs with the information on the Maltese system of taxation, licenses, real estate, work conditions etc. The Chamber recruits professional consultants for specific areas that are able to pass on the knowledge and advise entrepreneurs in the best possible way.

One of the Chamber's missions is to attract more business to Malta. What do you think makes Malta attractive for Italian companies?

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Malta is an English-speaking country, with a strategic location as the last frontier of the EU towards the African continent. In addition to that, Malta is indeed a business-oriented country that is known for its efficiency. The government is welcoming and offering different incentives to potential investors and entrepreneurs. Although Malta is sometimes described as a tax haven, its tax system is comparable to the EU countries, with 35 percent of corporate tax. However, Malta has a favorable social security and operational cost – for example, all costs of the company in Malta are lower than a cost of an employee in Italy. All these mentioned conditions create a very advantageous and favorable environment for companies setting up their businesses.

Indeed, the challenge that Italians face refers to their tendency of thinking that Malta as a country is very similar to Italy. This is certain to some extent, as indeed a lot of population speaks Italian, however, the system differs being more Anglo-Saxon oriented, although Malta is relatively close to Sicily. That being said, one of the main barriers is certainly a language barrier. As previously mentioned, Maltese indeed tend to speak Italian, nevertheless, it is not possible to live and set up business operations in Malta without possessing certain level of English language. This is why the Maltese Italian Chamber of Commerce also offers English courses to its members to help them enhance their business English that will certainly be necessary in the business environment. Our priorities are indeed based on members' needs.

Even though Malta remains the attractive destination for Italian companies, there are certain challenges that the country should also address. In this regard, Malta needs to attract more innovation and enhance its research and development sector. In order to do so, Malta should attract high-calibre human resources.

How do you promote the attractiveness of Malta to Italian companies?

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Collaboration with Italian institutions is a priority for us. Through intensive collaboration and communication, we are able to pass on the message on doing business and vice versa, we assist companies in Malta who want to establish their operations in Italy. Promoting business on the island of Malta in Italy is an important part of our tasks as well. We have around 30 Italian entrepreneurs attending the presentations we host in Italy with the same purpose; giving detailed

insights into doing business in Malta. At the moment, construction is the sector that is gaining on importance on the island. In fact, even though Italy is famous for food or fashion industry, construction, machinery and plant design and installations are actually the leading industries in the export of Italy.

Malta has been experiencing a constant growth in its export capacity. What are the competitive advantages of the Maltese export?

Malta prides in having high-value added products for export. Pharmaceutical industry as well as electronics and microchips are very competitive industries, therefore, the Maltese export rates in these specific areas are continuously growing. It is particularly surprising that the export rates have recently been growing in the area of education due to increased demand. Indeed, Maltese educational system follows the Bologna Process to ensure comparability in the standards and quality of educational systems. Due to this alignment with the European countries, Malta's educational qualification have a recognition in the EU countries and the Commonwealth countries. Certainly, having education from Maltese University is greatly recognized worldwide and as a high-quality education system, it allows Maltese to start their careers in many countries globally.

How important are pharmaceutical activities within the Chamber?

Few Italian companies involved in the pharmaceutical industry are members of our Chamber. Nevertheless, we have a lot of distributors and logistics companies. Most of the pharmaceutical brands from Italy though are not present on the island as Italian pharmaceutical industry is more oriented towards local market rather than the exports. However, as tendency towards internationalization has been a growing trend in Italy, while Malta has been fostering the mentality of openness and attracting new investors, it will be a bright future for intensifying the commercial ties between the two.

What would be your advice to someone who is willing to setup a business in Malta?

Learn what potential Malta has, identify the opportunities it can offer and transform your ideas into feasible projects. I have seen many people coming here without having a clear idea on their business, thinking that Malta offers beneficial conditions – which it does- however, if an entrepreneur is not good at doing particular professional activity in their own country, the outcome will be the same in Malta. Certainly, the competition on the island has grown exponentially. Therefore, it is mandatory to come to Malta with the idea that has economic sense. Nevertheless, opening up a business here will certainly encounter on the support of the government, which has shown openness to analyzing any business plan and discussion on the areas where they can be of

help. Finally, this is what Malta represents: a welcoming environment to new investors and entrepreneurs.

You have been working in the Maltese Italian Chamber of Commerce for 15 years. What has been your proudest achievement to this date?

Seeing the chamber grow and being involved more in the activities of members. Seeing entrepreneurs succeeding and growing their businesses in the island is certainly the most pleasing aspect of the job.

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