



Press Release

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MALTA AND TURKEY TO STRENGTHEN ECONOMIC AND POLITICAL BILATERAL RELATIONS

Deputy Prime Minister and Minister of Foreign Affairs, Dr. Tonio Borg held bilateral meetings today with the Hon. Egemen Bagis, Minister and Chief Negotiator of EU Affairs of the Republic of Turkey during his official visit in Malta. The talks focused on possible ways how to increase trade and investment opportunities for both countries.

Deputy Prime Minister Dr. Borg said that Malta has maintained excellent relations with Turkey. Turkey opened its first Embassy in Malta in October 2009, whereas Malta opened a Consulate General in Istanbul in March 2009. These developments are a solid platform that should lead to further promote trade and investment between the two countries.

Minister Borg referred to the strong bilateral legal framework between the two countries, which consist of twelve bilateral agreements. The last two agreements signed were the setting up of a Maltese-Turkish Business Council and the Avoidance of Double Taxation Agreement.

Deputy Prime Minister and Minister of Foreign Affairs Dr. Tonio Borg referred to the Double Taxation agreement signed in July 2011, and augured that the Turkish side ratifies this agreement.

Dr. Borg referred to a number of important areas in which Malta and Turkey can cooperate to enhance economic relations. The Maritime sector is a main area of co-operation. He said that Malta now boasts the sixth largest fleet in the world and the largest ship register in Europe. The Malta flag is a reputable flag of choice and for years the country has been on the white list. Turkey has over 165 gross tonnage vessels registered in Malta which represents over 30% of Turkish-owned ships registered abroad.

Referring to the Maltese-Turkish Business Council, Dr. Borg said that this has helped fostering greater initiatives to promote investment. Trade exchanges between the two countries surged to record highs in 2010 nudging the €70 million mark. Imports rose by 80% although they have not yet surpassed the pre-2008 international recession levels.

The signing of the agreement in September 2007 in Malta for the setting up of a Maltese-Turkish Business Council consisting of a Malta Chapter and a Turkish Chapter has helped considerably to promote and assist commercial activities between both countries but also to facilitate direct contact between the respective business communities and to stimulate more opportunities for trade and investment.

Both sides also discussed the intention of Turkey to eventually join the European Union. Dr. Borg said that Malta is fully supportive to Turkey's accession talks provided that all the necessary criteria

Attachments: None

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are fulfilled. Malta believes that the progress in negotiations should be determined by the pace of reforms and changes in Turkey.

Bilateral Trade and investment statistics

Malta – Turkey Comparative Economic Indicators – 2011		
Economic Indicator	Malta	Turkey
Population	416,333	79,749,461
Growth rate - %	0.38	1.20
	€	€

Unemployment Rate in % - 2011	6.5	10.3
Inflation rate 2011 (yoy) - %	2.6	6.0

Trade Statistics 2006 – 11		
Year	Imports	Exports
	€	€
2006	38,062,488	4,193,022
2007	46,543,351	8,823,729
2008	58,543,409	13,504,506
2009	28,584,028	13,164,571
2010	51,505,040	18,281,292
2011	142,269,943	187,193,331

No. of merchant marine vessels listed with the Malta Maritime Authority: 211

No. of companies registered in Malta with Turkish share holding: 379

Trade between the Two Countries

Trade exchanges between the two countries continued to surge in 2011 from already record highs in 2010 rising by almost €260 million to €330 million. The major support to the surge in trade exchanges were mineral fuels which rose from €3.6 million in 2010 to a staggering €239.5 million. The trade deficit in Turkey's favour rose by 35 percent rising from €33.2 million in 2010 to €44.9 million last year.

Imports rose by 176 percent in 2011 mainly due to very sharp increases in the values of mineral fuels (€72 million in 2011 compared to €1.1 million in 2010) and ships and boats (€34 million in 2011 as against €13 million in the previous year). Imports are very broad based and the major product categories are mineral fuels (51%), electrical machinery (4%), machinery and mechanical appliances (3%), iron and steel (3%), plastics (3%), ships and boats (24%), and iron and steel products (3%).

Exports to Turkey are largely limited to five items: mineral fuels (89%), machinery and mechanical appliances (9%), iron and steel (4%), knitted or crocheted fabrics (3%), pharmaceuticals (1%), and organic chemicals (1%).