

# Converting Economic Growth into THE WELL-BEING OF A NATION

Malta's sovereign wealth fund is investing in the social transformation and liveability of one Europe's most dynamic countries.

Malta's economy has been one of the best performing in Europe, with the country experiencing an economic renaissance and having enjoyed seven years of breakneck GDP growth. The economy is nearing full employment, which has meant the island has had to attract talent from across the world, but despite these windfalls not everyone in society has benefited equally. Malta now wants to ensure that all segments of society reap the benefits of Malta's booming economy, but, more importantly, the people at the bottom of the ladder who are most at risk of social exclusion. To ensure economic growth truly transforms people's lives, Malta's Government set up a sovereign wealth fund, known as the National Development and Social Fund (NDSF), which has been tasked with investing in sectors that provide essential services to society.

## The NDSF

The NDSF is the government agency established to manage and administer 70% of the contributions received from the country's Citizenship-by-Investment scheme, known as the Individual Investor Programme (IIP). The IIP is intended to attract the best and the brightest individuals from around the world, who are not only willing to invest in the country, but also believe in the potential of this small island nation. The Fund has recorded revenues of over €432 million since it was established. It has a wide remit to deliver a positive impact on Malta's society as a whole, including improving access to basic services, enhancing economic opportunities and reducing the vulnerability of the poor.



## First Investments

The health sector has been among the first beneficiaries of the Fund, with the national hospital receiving just under €1 million to allow the cardiology department to upgrade the catheterization suites. Another €5 million has been committed to the construction of new apartments in London for Maltese cancer patients undergoing specialist treatment not available in Malta. Some €50 million will be spent on social housing for low-income families and those most at risk of poverty. The Fund will be investing in many more initiatives aimed at eliminating social exclusion, such as educational and support programmes that have the power to break the cycle of poverty. Other projects that are under consideration are the creation of public parks and the building of recreational facilities to promote an active and healthy lifestyle.

## Going Forward

While the key focus of the Fund will remain on areas such as the environment, education and health, the Fund also has the mandate to invest in sectors that support the social and economic development of the country. The growing population and heightened economic activity are putting ever-increasing pressure on Malta's health, education, housing and recreational facilities. The Fund is willing to enter into strategic partnerships and alliances to help attract private schools to operate in Malta, expanding both public and private health infrastructure, as well as increasing the supply of housing for low-income families. It is also looking at working with universities and institutions to attract researchers to conduct R&D projects in Malta and increase the level of sophistication of work being carried out from Malta.

## An Opportunity for Social Progress

Malta believes that economic growth, as important as it is, will not alone guarantee improvements to all people's lives. Through the NDSF, Malta is clearly not looking at measuring its success by how well the top earners in society are doing, but more by the results the country is achieving in reaching those who need help the most. The NDSF wants to bring about real and sustained changes, so that people feel the difference in their day-to-day life, and to contribute to making Malta a pleasant place to work, live and raise a family. ■



“Our mission is to contribute and support major projects and initiatives, which are intended to develop and improve the economy, public services and the general well-being of present and future generations.”

### David Curmi

Chairman of the National Development and Social Fund



The health sector has been among the first beneficiaries of the Fund, with the national hospital receiving just under €1 million to allow the cardiology department to upgrade the catheterization suites.