

Malta offers compelling incentives for investors in 2026, driven by strong economic growth projections (forecasted at 4.1% GDP growth) and specific government schemes aimed at fostering innovation, digitalisation, and business expansion.

### Enhanced Tax Credits and Financial Support

- **MicroInvest Scheme Expansion:** The maximum tax credit available to businesses has increased to **€65,000** for Malta-based enterprises and **€85,000** for those in Gozo, covering up to 65% of eligible investment costs. This scheme now explicitly includes investments in digital solutions.
- **New Investment Tax Credit:** Enterprises investing in productivity-enhancing capital expenditure like new machinery, IT equipment, software, and cybersecurity solutions over the next two years can claim a generous **60% tax credit** on the investment value, claimable over four years.
- **Wage Support Mechanism:** To encourage talent retention, the government will co-finance **65% of wage increases** for employees who have been with the same employer for over four years, up to an annual cap of €780 per employee. This rises to 80% for Gozo-based employees.
- **SME Acquisition of Industrial Garages:** A new scheme provides grants of up to **€300,000** for self-employed individuals and SMEs to acquire industrial garages, promoting long-term physical expansion.

### Innovation and Digitalisation Focus

- **R&D Super Deduction:** Businesses can claim a substantial **175% tax deduction** on eligible research and innovation expenditures, significantly reducing their taxable income.
- **Accelerated Depreciation:** Investments in key technological areas such as Artificial Intelligence (AI), digitalisation, automation, and cybersecurity will benefit from accelerated tax depreciation over just **two years**.
- **€100 Million Digitalisation Budget:** A significant fund has been allocated to incentivise the adoption of emerging technologies like AI, Internet of Things (IoT), augmented/virtual reality (AR/VR), and blockchain through various schemes administered by Malta Enterprise.

### Strategic & Stable Business Environment

- **Robust Economic Growth:** Malta continues to be one of the fastest-growing economies in the EU, with a projected GDP growth of 4.1% for 2026, offering a stable and thriving market for investment.
- **Access to EU Markets:** As a full EU member state, Malta offers a reliable and clear pathway for investors and families seeking a stable base within the European single market.
- **Startup Ecosystem Support:** The government is extending existing startup programmes (B-Start, Accelerate, Startup Finance) and facilitating access to high-performance computing resources via the European Digital Innovation Hub.

*Article penned by Melvyn Mangion from Malta.*