





2022 SME COUNTRY FACTSHEET'S EVIDENCE BACKGROUND DOCUMENT



Malta

This document faithfully reproduces evidence from various relevant sources, thus providing SME-focused “pure facts” in the form of concise facts. This factual information arises from national evidence, data and insights, such as the SME-relevant recent national studies, surveys, publications, policy measures, etc. (including those published only in the national language) as well as relevant international studies and other relevant sources, indicators and statistics.

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Factual SME-related evidence	Source
KEY NOWCASTS & FORECASTS	 KEY NOWCASTS & FORECASTS
In 2021, SMEs in Malta recovered in terms of value added, growing by 13.1 %, following a drop of 15.8 % in 2020. However, SME employment increased by 3.8 % in both 2020 and 2021.	Estimates produced by JRC, based on figures from the Structural Business Statistics Database as well as provisional data for 2020-2021 from the National Accounts Database and the Short-Term Business Statistics Database.
The <i>construction</i> ecosystem is one of the few ecosystems in Malta that generated positive growth in both 2020 and 2021. In 2021, SME value added grew by 7.9 % and SME employment by 3.6 %, following growth rates of 0.9 % and 11.8 %, respectively, in 2020.	Estimates produced by JRC, based on figures from the Structural Business Statistics Database as well as provisional data for 2020-2021 from the National Accounts Database and the Short-Term Business Statistics Database.
The <i>tourism</i> ecosystem partially recovered from a sharp downturn in SME value added of 25.7 %, increasing by 10.5 % in 2021. The trend is reversed for employment in SMEs. In 2021, SME employment declined by 6.0 %, after increasing by 2.9 % in 2020.	Estimates produced by JRC, based on figures from the Structural Business Statistics Database as well as provisional data for 2020-2021 from the National Accounts Database and the Short-Term Business Statistics Database.
Based on data from early 2022, it was expected that SME value added and SME employment in Malta would grow strongly by 18.6 % and 4.6 % respectively, but Russia's military aggression against Ukraine will affect these estimates.	Estimates and forecasts produced by JRC, based on figures from the Structural Business Statistics Database, provisional data for 2020-2021 from the National Accounts Database and the Short-Term Business Statistics Database and forecasts from the AMECO database.
In 2021, SMEs in Malta accounted for 82.4 % of employment and 71.9 % of value added, significantly exceeding the corresponding EU averages of 64.4 % and 51.8 %.	Estimates produced by JRC, based on figures from the Structural Business Statistics Database as well as provisional data for 2020-2021 from the National Accounts Database and the Short-Term Business Statistics Database.
ENVIRONMENTAL ASPECTS OF SUSTAINABILITY	 ENVIRONMENTAL ASPECTS OF SUSTAINABILITY
A survey conducted by the Energy and Water Agency and published in 2021 found that funding schemes for undertaking energy audits sometimes did not cover the costs of the energy audit, and SMEs often encountered difficulties in obtaining finance to implement the energy efficiency measures identified in the audit.	LEAP4SME, Energy audits market overview and main barriers to SMEs, 2021. https://leap4sme.eu/wp-content/uploads/2021/12/LEAP4SME-D2.3-ENERGY-AUDITS-MARKET-OVERVIEW-AND-MAIN-BARRIERS-TO-SMES.pdf
A survey conducted by the Malta Chamber of SMEs in 2021 revealed that 72% of respondents reported that their key priority following the COVID-19 pandemic is operating more sustainably.	Malta Chamber of SMEs, Business Investment Priorities 2021, 2021. https://www.smechamber.mt/wp-content/uploads/2021/11/SMEs_BusinessPrioritySurvey2021.pdf
In 2020 Malta's share of final energy consumption by the industry sector stood at 11.6% (EU average 26.1%), which is slightly less than the figure of 11.9% in 2015 (EU average 25.7%). In absolute terms, energy consumption by the industry sector in Malta increased by 6.0% over the same period (EU average reduction of 1.1%).	Eurostat, Final Energy Consumption by Sector, 2020. https://ec.europa.eu/eurostat/databrowser/view/ten00124/default/table?lang=en
In order to encourage energy savings in private enterprises, Malta Enterprise Corporation has launched a number of support schemes in recent years. It is estimated that these measures will result in an investment in energy	The Energy and Water Agency, Malta's 2030 National Energy and Climate Plan, 2019. https://www.energywateragency.gov.mt/wp-content/uploads/2021/10/MT-NECP-FINAL-2020-10-05_Corrigendum.pdf

efficiency of circa EUR 62.5 million over the period 2021-2030.	
Construction and Demolition waste accounts for almost 80% of waste generated in Malta (EU 30%). In October 2021, the government adopted a Consultation and Demolition Waste Strategy aimed at reducing the problem and achieving greater sustainability in this important sector.	Environment and Resources Authority, Construction and Demolition Waste Strategy for Malta 2021 – 2030, 2021. https://era.org.mt/wp-content/uploads/2020/02/ERA-Construction-and-Demolition-Waste-Strategy-for-Malta-VIS-4.pdf
SOCIAL ASPECTS OF SUSTAINABILITY  SOCIAL ASPECTS OF SUSTAINABILITY	
In 2021, there were 1,850 voluntary organisations registered with the Malta Council for the Voluntary Sector. Most of these operate in the Social & Humanitarian sector, followed by Culture, Sports & Youth, and Health & Disability sectors.	Malta Council for the Voluntary Sector website. https://maltacvs.org/
In December 2021, the Ministry for Energy, Enterprise and Sustainable Development launched the Environmental Social and Governance (ESG) Platform. This provides information on the ESG credentials of companies listed on the Malta Stock Exchange, thus allowing investors to preferentially finance more sustainable companies.	Ministry for Energy, Enterprise and Sustainable Development, Sustainable Development Directorate, ESG website. https://sustainabledevelopment.gov.mt/esg
DIGITALISATION  DIGITALISATION	
In recent years, the Government of Malta has stepped up its efforts to promote digitalisation. In 2018, it set up the Malta Digital Innovation Authority to promote Distributed Ledger Technology (DLT) and AI technologies, and, in 2019, it partnered with the Malta Chamber of Commerce, establishing Tech.mt as a public private partnership to further support the technology industry in Malta.	Malta Digital Innovation Agency website, mdia.gov.mt https://tech.mt/technology-industry-malta/
A survey conducted by the Malta Chamber of SMEs in 2021 revealed that 53% of respondents reported that their key priority for 2022 is investing more in digitalisation.	Malta Chamber of SMEs, Business Investment Priorities, 2021. https://www.smechamber.mt/wp-content/uploads/2021/11/SMEs_BusinessPrioritySurvey2021.pdf
The Malta Chamber of Commerce, Enterprise and Industry expressed its opinion that the government, business leaders, and educational institutions must give vital importance to technology and innovation as the true backbone to any sustainable economy.	Malta Chamber of SMEs, Tech.MT backs The Malta Chamber's Vision Towards The Digitalisation Of Malta, 2021. https://www.maltachamber.org.mt/en/tech-mt-backs-the-malta-chamber-s-vision-towards-the-digitalisation-of-malta
Use of e-commerce by Maltese enterprises stood at just over 26% in 2020 (18% in 2017) and 5 points higher than the EU average. In 2020, total turnover generated through e-commerce sales amounted to EUR 2.1 billion, an increase of 6.4% over the sales recorded in 2019.	National Statistics Office, ICT Usage and e-Commerce in Enterprises 2020, 2021. https://nso.gov.mt/en/News_Releases/Documents/2021/01/News2021_012.pdf
A 2021 survey by the Malta Chamber of SMEs revealed that while 33% of respondents were using online sales channels, 54% of these were not satisfied with the response through their online platforms. 13% of respondents reported that they are unclear regarding how to establish online facilities.	Malta Chamber of SMEs, Survey on the Continued Effects of the COVID-19 Pandemic, 2021. https://www.smechamber.mt/wp-content/uploads/2021/05/Malta-Chamber-of-SMEs-Business-Survey-May-2021.pdf

INNOVATION  INNOVATION	
R&D business expenditure by Maltese enterprises increased from EUR 43.1 million (0.36% of GDP) in 2017 to EUR 54.4 million (0.42% GDP) in 2020, an increase of 26%. By comparison, the EU27 average stood at 1.53% of GDP in 2020.	Eurostat, Business Enterprise expenditure on R&D, website: https://ec.europa.eu/eurostat/databrowser/view/rd_e_berdindr2/default/table?lang=en
In 2019, most of the business R&D conducted in Malta is either in natural sciences or in engineering and technology, with these two sectors accounting for just under 90% of all business R&D expenditure.	National Statistics Office, Press Release Research and Development in Malta 2017-2019, 2021. https://nso.gov.mt/en/News_Releases/Documents/2021/07/News2021_129.pdf
The number of researchers in the business sector has fallen from 591 in 2017 to 519 in 2020, while the number of technicians and support staff has increased from 472 to 735 over the same period.	Eurostat, R&D personnel by sector of performance, professional position and sex website, 2021. https://www.maltachamber.org.mt/en/tech-mt-backs-the-malta-chamber-s-vision-towards-the-digitalisation-of-malta
SKILLS  SKILLS	
Malta does not have procedures in place for collecting and reporting on skills availability. The last large-scale skills survey was conducted in 2017. In the budget speech for 2022, the Minister for Finance and Employment announced plans for undertaking a comprehensive skills census in 2022.	Cedefop, Skills anticipation in Malta. Skills Panorama Analytical Highlights, 2017. https://skillspanorama.cedefop.europa.eu/en/analytical_highlights/skills-anticipation-malta Ministry for Finance and Employment, Budget Speech 2022, 2021. https://finance.gov.mt/budget2022speech/Documents/Budget_Speech_2022.pdf
Following an extensive consultation process, in the Minister for Finance and Employment published the National Employment Policy in October 2021. Among other things, this puts forward a number of actions aimed at gathering intelligence on workforce skills, analysing the impact of disruptive technologies such as digitalisation and automation, developing career pathways and upskilling workers.	Ministry for Finance and Employment, Minister Caruana launches the National Employment Policy 2021-2030, 2021. https://www.gov.mt/en/Government/DOI/Press%20Releases/Pages/2021/October/05/pr211834.en.aspx
As a result of a booming economy and very high employment rates, finding the required skilled employees has been a major concern for the private sector for a number of years. Although this decreased during the COVID-19 pandemic, recruitment is increasing once again and the challenge to find the required skills and retain specialised personnel has resurfaced. In the EY Attractiveness Survey, 60% of respondents have said to be looking for people with specialised skills, an increase of 24% over the previous year.	EY, Attractiveness Survey Malta, 2021. https://assets.ey.com/content/dam/ey-sites/ey-com/en_mt/events-2020/eymalta-attractiveness-survey-2021.pdf
In 2021, the ICT Skills and Demand Monitor reported that the growth in demand for ICT professionals is not being matched by supply. The ICT services Employment is forecast to increase by over 20% over the next decade, while enrolment in tertiary education is static or decreasing. Numerous government schemes and initiatives aimed at attracting more students into ICT have been met with a low adoption rate, with only 30% of respondents having utilised such programmes.	eSkills Malta Foundation, ICT Skills Demand and Supply Monitor 2021, 2021. https://eskills.org.mt/en/demandsupplymonitor/Documents/ICT_Demand_Supply_Monitor_2021.pdf

A skills analysis of the gaming industry published in 2020 highlighted a high number of unfilled positions as well as the need for specialised training and experience in this sector. There is a high level (37% of engagements) of poaching between firms operating in this sector, while only 15% of the companies recruit fresh graduates.	Malta Gaming Authority, Skills Gap affecting the Online Gaming Industry in Malta, 16 January 2020, page 3: https://www.mga.org.mt/wp-content/uploads/MGA-Skills-Gap-Affecting-the-Online-Gaming-Industry-in-Malta.pdf
In June 2021, the Malta Chamber of Construction Management and leading private higher education institution IDEA Academy signed a Memorandum of Understanding aimed at promoting the upskilling of construction project managers.	MaltaToday, Cooperation agreement between chamber of construction and IDEA Academy to upskill workforce, 2021. https://www.maltatoday.com.mt/announcements/announcements/110270/cooperation-agreement-between-chamber-of-construction-and-idea-academy-to-upskill-workforce#.YaoKRNDMI6Q
In 2020, the proportion of enterprises employing persons with ICT specialist skills was higher in Malta (27.56%) than the EU-27 average (17.63%).	Eurostat, Community Innovation Survey, 2020.
ADMINISTRATIVE BURDEN  ADMINISTRATIVE BURDEN	
In 2014, the Government established the Office of the Commissioner for Simplification and Reduction of Bureaucracy. However, in September 2021, this office was abolished, and its responsibilities were taken over by the Principal Permanent Secretary.	Lovin Malta, Robert Abela Scraps Anti-Bureaucracy Commissioner's Office For Good In Change Of Direction, 16 September 2021: https://lovinmalta.com/news/robert-abela-scraps-anti-bureaucracy-commissioners-office-for-good-in-change-of-direction/
In the past years, the Office of the Principal Permanent Secretary used to publish an annual report on the simplification measures implemented in the previous year. In 2017, it was reported that 500 simplification measures had been introduced during the previous 3 years. The fifth and last report was published in 2019 reporting activities in 2018, when 77% of the planned measures were introduced.	Office of the Principal Permanent Secretary, 500 simplification measures implemented in 3 years, 2017. https://publicservice.gov.mt/en/Pages/News/2017/20170405_SimplificationMeasures.aspx Office of the Principal Permanent Secretary, Mizuri ta' Simplifikazzjoni 2018, 2019. https://publicservice.gov.mt/en/Documents/Mi%C5%BCurita%E2%80%99Simplifikazzjoni2018.pdf
With effect from 1 st January 2021, the Government raised the threshold for VAT registration to EUR 20 000. This was raised again in 2020 to EUR 30 000, thus reducing the administrative burden for a significant number of small operators.	Commissioner for Revenue, Value Added Tax Act (Chapter 406, Laws of Malta) Increase of Threshold for Small Traders (LN 463/2020) – Explanatory Note: https://cfr.gov.mt/en/vat/guidelines-to-certain-VAT-Procedures/Documents/Explanatory%20Note%20-%20Small%20Traders%20Threshold_EN.pdff
REGULATORY OBSTACLES  REGULATORY OBSTACLES	
According to the annual business survey conducted by the Malta Chamber of SMEs, administrative burden is not generally highlighted as a significant cause for concern. In the latest survey published in January 2021, only 5% of respondents mentioned increased regulation and compliance as a challenge.	Malta Chamber of SMEs, State of Business Survey 2020, 2021. https://www.smechamber.mt/wp-content/uploads/2021/01/SME21-StateOfBusinessSurvey.pdf
ACCESS TO FINANCE  ACCESS TO FINANCE	
The preferred source of financing for Maltese SMEs is bank facilities (loans, overdrafts and credit lines) rather than market-based products and other sources of finance. Nevertheless, the	Central Bank of Malta, Annual Report 2020, 2021. https://www.centralbankmalta.org/site/Publications/AR-2020.pdf?revcount=7285

share of SMEs using bank financing has been on a downward trend, falling from 83% in 2016 to 71% in 2020.	
The share of SMEs in Malta that considered grants or subsidised bank loans as being relevant to their enterprise increased from 40% in 2019 to 54% in 2020. This trend is similar to that in the EU (from 31% in 2019 to 44% in 2020). This likely reflects the introduction of policies aimed at supporting the flow of bank credit to enterprises during the COVID-19 pandemic.	Central Bank of Malta, Annual Report 2020, 2021. https://www.centralbankmalta.org/site/Publications/AR-2020.pdf?revcount=7285
Although the relevance and need for trade credit increased compared to 2019, the share of SMEs using such credit fell from 38% in 2019 to 32% in 2020. Nonetheless, this is significantly above that the EU average which stood at 14%.	Central Bank of Malta, Annual Report 2020, 2021. https://www.centralbankmalta.org/site/Publications/AR-2020.pdf?revcount=7285
The Malta Development Bank was established by the Maltese government in late 2017 with the objective of filling market gaps in the financial system. In 2021, it reported that it has provided support to over 650 businesses and facilitated over half a billion euro in loans since the first scheme was launched back in late 2018. SMEs represent 91% of all businesses assisted.	Malta Development Bank Annual Report 2020, 2021 https://mdb.org.mt/en/news-and-media/Documents/MDB-Annual-Report-2020.pdf Press Release, MDB's impact on the ground exceeds half a billion euro since inception. https://mdb.org.mt/en/news-and-media/Pages/MDB-PR-500-Milestone.aspx
LATE PAYMENTS	
In 2019, the Government introduced a scheme whereby private sector entities which are owed money by one government department would be able to offset this against VAT or income tax payments due to the government. This scheme is only applicable for amounts in excess of EUR 10 000.	Malta Today, Companies servicing the government now able to offset tax bill against money owed, 2019. https://www.maltatoday.com.mt/news/national/94787/companies_servicing_the_government_now_able_to_offset_tax_bill_against_money_owed#.Ya8uI9DMI6Q
ACCESS TO MARKETS	
In 2019, Malta experienced major increases in imports, which subsequently fell in 2020, but import levels remain considerably less than pre-pandemic levels. Imported goods for the period January to July 2021 increased by 5.0% when compared to the same period in 2020. The importation of machinery and transport equipment accounted for most of the increase, and this sector made up almost 41% of total imports in 2021. This increase is due to the importation of ferry boats as well as an increase in yacht registrations. Imports from the European Union for the period January to July 2021 accounted for 55% of total imports for that period.	Ministry for Finance and Employment, Malta Economic Survey 2021, 2021. https://finance.gov.mt/en/The-Budget/Documents/The%20Budget%202022/Economic%20Survey%202021/Economic_Survey_2021.pdf
In the first six months of 2021, exports declined by 2.4% compared to the same period in 2020. The exportation of chemicals increased by 47%. However, this was countered by major declines in aircraft/spacecraft and parts category (51%), tuna exports (47%), mineral fuels, lubricants, and related materials (21%) and machinery and transport equipment (9%). Exports to the EU amounted to 44% of total exports, with most exports making their way to Germany, although	Ministry for Finance and Employment, Malta Economic Survey 2021, 2021. https://finance.gov.mt/en/The-Budget/Documents/The%20Budget%202022/Economic%20Survey%202021/Economic_Survey_2021.pdf

such exports declined by 24%. In contrast, exports to Italy rose by 49%.	
The UK is a major trading partner for Malta and local importers and retailers have been very negatively affected by Brexit. Malta's small market does not justify the level of bureaucracy, and additional cost associated with it, for UK businesses to export to Malta.	Malta Chamber of SMEs Press Release, Malta must address its insularity issues for Maltese businesses to be competitive, 10 Sep 2021: https://www.smechamber.mt/wp-content/uploads/2021/09/Press-Release-10.09.21.pdf
In 2020, the proportion of awards for which the winner was a SME was higher in Malta (91%) than the EU-27 average (61.07%).	European Commission, Single Market Scoreboard, 2021.
START-UP ENVIRONMENT  START-UP ENVIRONMENT	
The Malta Development Bank (MDB) was established by the Government in 2017 as a second-tier financial institution that can provide financing when normal private institutions fail to do. In 2021 the MDB reported that SMEs and start-ups are highlighted as one of the target sectors as beneficiaries of the bank's services. The Bank is currently working with external experts on the development of two financial instruments to support equity participation and start-ups, which will contribute significantly to the Bank's efforts to broaden the range of facilities to address these two very important investment gaps in Malta.	Malta Development Bank Annual Report 2020, 2021. https://mdb.org.mt/en/news-and-media/Documents/MDB-Annual-Report-2020.pdf
Crowdfunding was introduced in Malta in 2016 by one small platform, ZAAR, which was set up jointly by the University of Malta and the Malta Business Bureau. ZAAR is the only crowdfunding platform in Malta, and in 2021 it was reported that it has raised around EUR 700,000 for around 130 projects since its launch.	CrowdfundingHub, Malta Current State of Crowdfunding 2021, 2021. https://www.crowdfundinghub.eu/malta-current-state-of-crowdfunding-2021/
In March 2021, Malta Enterprise Corporation, a government entity responsible for promoting foreign direct investments and local enterprise, launched the Business Start scheme. Through this scheme new businesses can benefit from financial assistance of up to EUR 200 000. It was complemented with a new website (StartinMalta.com) providing information on what makes Malta attractive as an investment destination, information on start-up schemes, and testimonials from successful start-ups from Malta.	Ministry for Energy, Enterprise and Sustainable Development Press Release, Innovative startups can benefit up to €1.2 million in incentives from Malta Enterprise, 2021. https://www.gov.mt/en/Government/DOI/Press%20Releases/Pages/2021/March/24/pr210580en.aspx
Between 2015 and 2020, through the BStart scheme, Malta Enterprise assisted 62 companies with a total cash grant of EUR 1.5 million. Between 2017 and 2020, through the Startup Finance scheme, Malta Enterprise assisted 10 companies for a total of EUR 4 million.	Ministry for Energy, Enterprise and Sustainable Development Press Release, Innovative startups can benefit up to €1.2 million in incentives from Malta Enterprise, 2021. https://www.gov.mt/en/Government/DOI/Press%20Releases/Pages/2021/March/24/pr210580en.aspx
SCALE-UP ENVIRONMENT  SCALE-UP ENVIRONMENT	
In 2021, Malta Enterprise Corporation launched a new Startup Festival which included 'From Start-up to Scale-up' sessions. These sessions hosted representatives of different accelerators discussing mechanisms for taking a small business to the next level.	Malta Enterprise Corporation, StartinMalta website, Startup Festival November 2021 Programme of Events, 2021. https://startinmalta.com/start-up-festival-registration-page/

In January 2021, Malta Enterprise Corporation launched the Business Development Scheme targeting small undertakings up to 5 years old. It has an annual budget of EUR 5 million and provides tax credits or cash grants of up to EUR 200,000 to innovative start-ups with demonstrated market potential that are in the process of consolidating their operation. This replaces the earlier Startup Advance scheme which was launched in 2018.	Malta Enterprise Corporation, Business Development 2021 Guidelines, 2021. https://maltaenterprise.com/sites/default/files/Business%20Development%202021%20V1.1%20Final.pdf
IMPACT OF THE COVID-19 CRISIS	
 IMPACT OF THE COVID-19 CRISIS	
The number of companies negatively impacted by COVID-19 has decreased slightly in 2021 compared to 2020. Over 50% of companies expect to make a full recovery to 2019 levels in less than one year.	EY, Attractiveness Survey Malta, 2021. https://assets.ey.com/content/dam/ey-sites/ey-com/en_mt/events-2020/eymalta-attractiveness-survey-2021.pdf
Over the last year, COVID-19-related aid packages (the Wage Supplement Scheme, electricity and rent refunds, teleworking expenses, quarantine leave and other equity measures) have directly assisted half of the labour force.	EY, Attractiveness Survey Malta, 2021. https://assets.ey.com/content/dam/ey-sites/ey-com/en_mt/events-2020/eymalta-attractiveness-survey-2021.pdf
The gaming sector has distinguished itself as one of the economic pillars with the most resilience against the changes brought about by the pandemic. The industry employment rate recorded a growth rate of almost 12% in 2020.	EY, Attractiveness Survey Malta, 2021. https://assets.ey.com/content/dam/ey-sites/ey-com/en_mt/events-2020/eymalta-attractiveness-survey-2021.pdf
The report on the survey conducted by the Malta Chamber of SMEs published in May 2021 revealed that 42% of respondents were ordered to shut their business temporarily because of the pandemic. After being allowed to reopen, their biggest concerns were reduced sales levels (19%) followed by cash flow considerations (15%).	Malta Chamber of SMEs, Survey on the Continued Effects of the COVID-19 Pandemic on Business in Malta, 2021. https://www.smechamber.mt/wp-content/uploads/2021/05/Malta-Chamber-of-SMEs-Business-Survey-May-2021.pdf
NATIONAL RECOVERY AND RESILIENCE PLAN	
 NATIONAL RECOVERY AND RESILIENCE PLAN	
Malta's National Recovery and Resilience Plan has a budget of EUR 345 million and aims to contribute to a sustainable, equitable, green and digital recovery effort.	Government of Malta, Malta's Recovery and Resilience Plan, 2021. https://eufunds.gov.mt/en/Operational%20Programmes/Documents/Malta%27s%20Recovery%20%20Resilience%20Plan%20-%20July%202021.pdf
The National Recovery and Resilience Plan allocates EUR 119 million (54.8% of total budget) to help advance the green transition and decarbonise transport, EUR 55 million (15.9%) to fast-track digital transformation, EUR 50 million (14.5%) to strengthen the health system and EUR 40 million (11.6%) to support quality education and foster socio-economic sustainability.	Government of Malta, Malta's Recovery and Resilience Plan, 2021. https://eufunds.gov.mt/en/Operational%20Programmes/Documents/Malta%27s%20Recovery%20%20Resilience%20Plan%20-%20July%202021.pdf
NATIONAL INDUSTRIAL ECOSYSTEMS *	
 NATIONAL INDUSTRIAL ECOSYSTEMS	
Following contraction in Q2 – Q4 2020, the economy stabilised in Q1 2021 and gross value added expanded by 16.2% in Q2 and 11.9% in Q3 compared to corresponding periods in 2020. This growth was mainly driven by the following sectors: Transportation and storage (87.0%),	National Statistics Office, News Release 29 Gross Domestic Product Q3/2021, November 2021, page : https://nso.gov.mt/en/News_Releases/Documents/2021/11/News2021_217.pdf

Accommodation and food service activities (79.5%), Wholesale and retail trade, repair of motor vehicles and motorcycles (18.8%) and Information and communication activities (13.2%).	
According to the EY Attractiveness Survey 2021, Malta's attractiveness as a foreign direct investment destination has decreased markedly from 62% in 2020 to 37% in 2021. This is mainly attributable to governance issues, problems with the skills base and Malta's grey listing by the FATF.	EY, Attractiveness Survey Malta, 2021. https://assets.ey.com/content/dam/ey-sites/ey-com/en_mt/events-2020/eymalta-attractiveness-survey-2021.pdf
In 2020, Malta Enterprise reported that 39 new Foreign Direct Investment (FDI) projects were approved, with a total investment of EUR 77.2 million and the likelihood of creating 866 new jobs. These projects originated from various regions including the UK, Israel, Italy, Canada, India, the US, Turkey and Germany. Malta Enterprise further reported that expansions and growth were seen in sectors such as digital innovation, life sciences, pharmaceuticals and medical devices.	EY, Attractiveness Survey Malta, 2021. https://assets.ey.com/content/dam/ey-sites/ey-com/en_mt/events-2020/eymalta-attractiveness-survey-2021.pdf
Malta was the first EU Member State to regulate the remote gaming market in 2004 and has since established itself as a significant gaming hub with global relevance. The gaming industry generated EUR 924 million in terms of gross value added during 2020, equivalent to around 8% of the total economy. If linkages to other major sectors (professional services, financial and ICT activities, hospitality, real estate) are taken into account, this contribution is estimated to reach 10.2% of the total gross value added. The industry employment rate recorded a growth of almost 12% in 2020.	EY, Attractiveness Survey Malta, 2021. https://assets.ey.com/content/dam/ey-sites/ey-com/en_mt/events-2020/eymalta-attractiveness-survey-2021.pdf
OTHER RELEVANT TOPICS  OTHER RELEVANT TOPICS	
In 2020, the cost required to transfer property (expressed as the percentage of property value) was higher in Malta (13.5%) than the EU-27 average (4.76%).	World Bank Doing Business, 2020.

* "National industrial ecosystems" refer to the national aspects of the industrial ecosystems as defined by the EC.

<https://op.europa.eu/en/publication-detail/-/publication/6355326c-ae95-11eb-9767-01aa75ed71a1/language-en>