

# 28 Malta

This country profile describes current inclusive entrepreneurship policy issues and recent developments in Malta. It also benchmarks the self-employment rate and the proportion of self-employed workers who are employers against the European Union average for women, youth, seniors and immigrants.

## Conditions for inclusive entrepreneurship

Overall entrepreneurship conditions improved over the last decade. Labour market indicators are generally positive with a growth rate more than triple the European Union (EU) average in 2018. While ranking among the top 50 innovative economies in the world according the Global Innovation Index (2019) and 4<sup>th</sup> in new business density (2018 and 2019), administrative burden remains an issue for entrepreneurship, notably challenges such as resolving insolvency, accessing credit and registering property.

## Recent trends

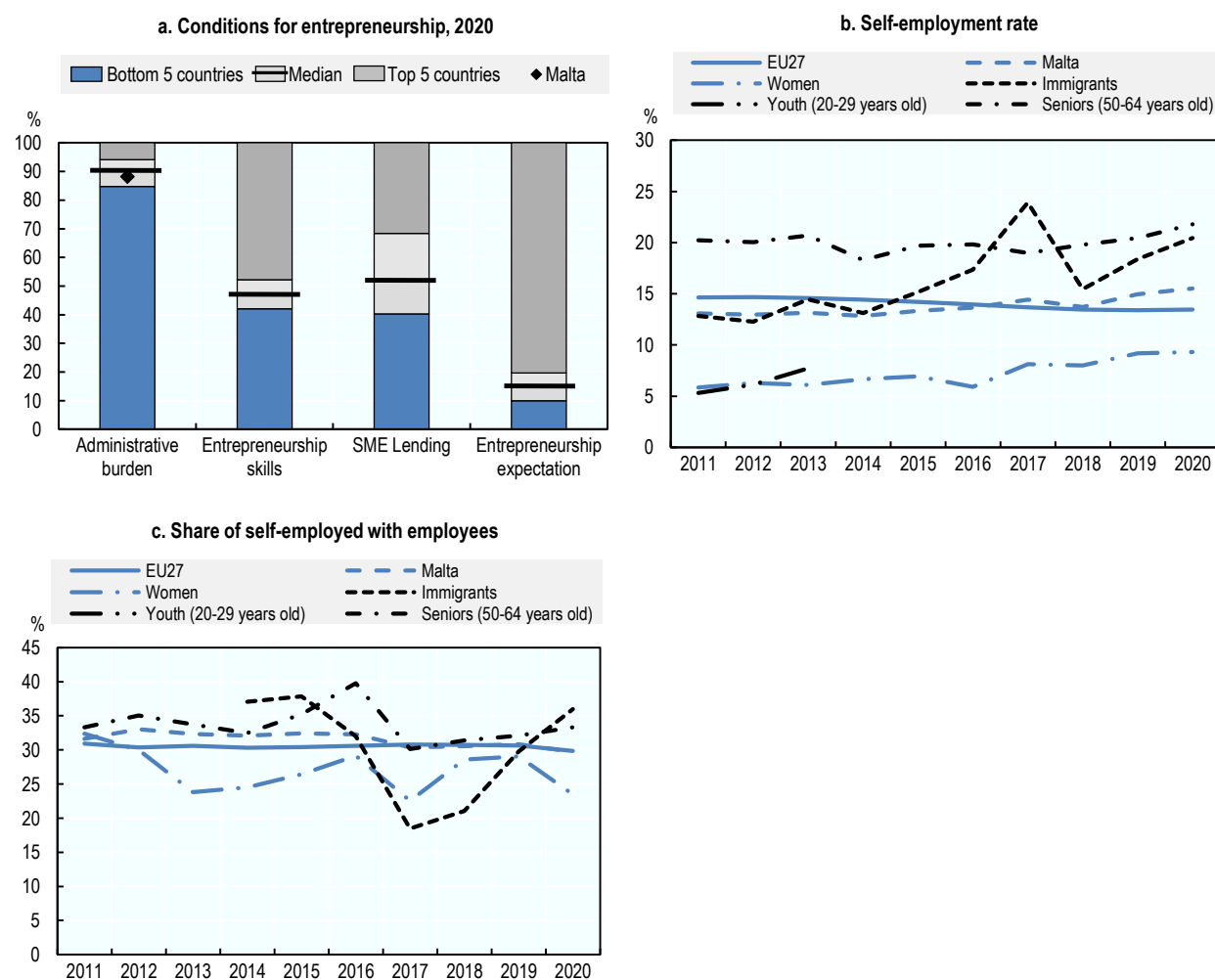
Self-employment gradually increased, converging with the EU average in 2017. In 2020, the self-employment rate was 2 percentage points higher than the EU average (16% vs. nearly 14%). The self-employed differ from the EU average in several ways, such as seniors (50-64 years old) (33%) and immigrants (36%) employing others at higher rates than on average in the EU. Moreover, immigrants account for a quarter of self-employed – more than three times the EU average. The self-employed also tend to be younger than on average in the EU due to higher shares of youth (20-29 years old) (13% vs. 7%) and lower shares of seniors (50-64 years old) (30% vs. 17%). A gender gap is also present as women account for only 25% of the self-employed relative to 33% on average in the EU. Eliminating all of the gaps in entrepreneurship activity rates across population groups (i.e. applying the early-stage entrepreneurship rate of core-age men to the whole population) would result in 5 700 more entrepreneurs. Almost all of these “missing” entrepreneurs are young females between the ages of 20 and 29 years old.

## Hot policy issue

Malta Enterprise introduced many policy measures during the COVID-19 pandemic. These included the Investment Aid for the Production of COVID-19 Relevant Products Scheme, which provided entrepreneurs with grants, and the Skill Development Scheme, which assisted businesses with fewer than 50 employees in up-skilling their workforce through a EUR 5 million fund. In addition, the Micro-Invest Cash Conversion Scheme permitted qualifying businesses to convert tax credits into grants (up to EUR 2 000) - female entrepreneurs, family-run enterprises and entrepreneurs located in Gozo (i.e. smaller sister island) received EUR 2 5000. Overall, SMEs have received around EUR 5 million in support. Sector specific assistance was also made available with the State Aide Temporary Framework in partnership with the European Commission (EUR 720 000 in total). Bluefin tuna fishermen received grants of up to EUR 120 000 to compensate for the drop in market price and to support the continuation of their activities.

## Inclusive entrepreneurship indicators

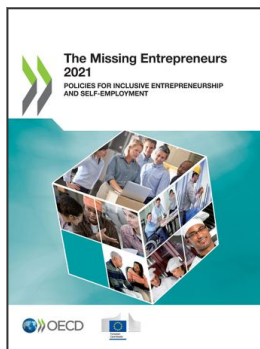
Figure 28.1. Entrepreneurship and self-employment in Malta



Note: Please see Chapter 9 for notes on the figures.

Source: Panel a: (World Bank, 2020<sup>[1]</sup>; Global Entrepreneurship Monitor (GEM), 2021<sup>[2]</sup>; OECD, forthcoming<sup>[3]</sup>); Panels b-c: (Eurostat, 2021<sup>[4]</sup>). Please see Chapter 9 for the full citations.

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