



EUROPEAN CLUSTER
COLLABORATION PLATFORM

Country factsheet

Malta

An initiative of the European Union





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Introduction



This document presents an overview of the cluster policy in Malta. Given its importance to contextualise the cluster policies (and related) analysed in the factsheets, a comprehensive outlook of the country in socioeconomic terms can be consulted in the [European Semester Country Report for Malta](#).

The European Semester was an instrument introduced to coordinate the EU Member States economic policies and address the economic challenges faced by the EU. Its goals are “to ensure sound public finances, to prevent excessive macroeconomic imbalances in the EU, to support structural reforms to create more jobs and growth, and to boost investment”. Thus, it focuses on the following areas: business environment; financial and fiscal stability; green economy; public administration; labour market and skills; and, social protection and cohesion.

The COVID-19 pandemic has caused an unprecedented economic shock to the European and global economy. In response, policymakers at EU and national level have acted decisively and at short notice to make available very significant financial resources, notably through the Recovery and Resilience Facility, to tackle the threat of a prolonged downturn. [National recovery and resilience plans](#) have been drafted in each Member State to ensure a recovery that addresses the challenges identified in the European Semester. Cluster are no mentioned in the National recovery and resilience plan¹.

¹ Malta's Recovery Resilience Plan:
<https://eufunds.gov.mt/en/Operational%20Programmes/Documents/Malta%27s%20Recovery%20%20Resilience%20Plan%20-%20July%202021.pdf>

01

Industrial ecosystems and cluster landscape



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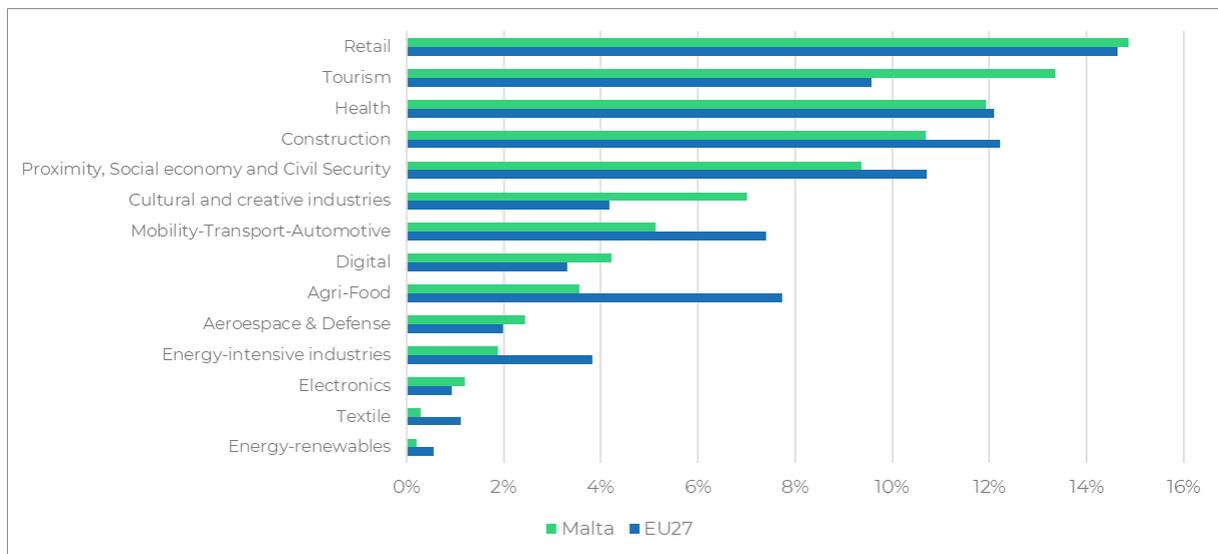


1. Industrial ecosystems and cluster landscape

Employment in the 14 ecosystems in the country

As part of its Industrial Strategy (March 2020), the European Commission has selected 14 industrial ecosystems that are particularly relevant in Europe and encompass all players operating in a value chain. The following graph shows the proportion of the country's employment accounted for by each ecosystem, as well as the equivalent figure for the EU27 on average. The ecosystems are ordered, from top to bottom, according to the amount of employment in the country. When the bar for the country is higher than that of the EU27, it indicates that the country is more specialised in that ecosystem.

Graph 1: Employment in the ecosystems



Source: Own elaboration from Eurostat and National Statistical Offices



Regionally relevant nodes

Economic activity, and therefore employment, is not equally distributed in all regions. Specialisation can be measured through Location Quotients (LQ) that reflect the relative specialisation of an activity in a region compared to the EU average. If the LQ for a given activity-region combination is above 1.5, it is considered a specialisation node, and if the activity accounts for at least 1 % of total employment in the region, it is considered regionally relevant. The following tables show the total number of regionally relevant specialisation nodes in each region in the country and identifies the top five most specialised of these nodes. The first table focuses on the 88 NACE 2-digit activities or sectors, totalling 8 in the country, while the second table is based on the 14 ecosystems, which total 1 in the country.

Table 1: Regionally relevant sectoral nodes

Region	Number of nodes	Node 1	Node 2	Node 3	Node 4	Node 5
MT: Malta	8	R92 - Gambling & betting	C32 - Other manufacturing	K66 - Auxiliary financial activities	I55 - Accommodation	K64 - Financial services

Source: Own elaboration from Eurostat and National Statistical Offices

Table 2: Regionally relevant ecosystem nodes

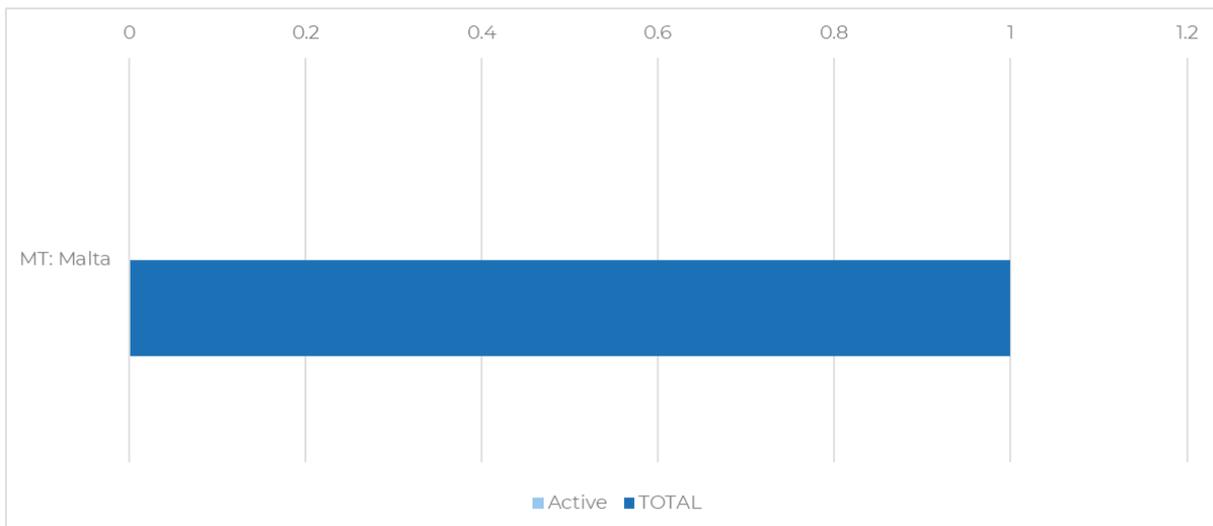
Region	Number of nodes	Node 1
MT: Malta	1	Cultural and creative industries

Source: Own elaboration from Eurostat and National Statistical Offices

Cluster organisations in the country

There is 1 cluster organisation registered on the ECCP in the country, which cannot be considered active on the ECCP, not having updated its profile during the first half of 2021. The following graph shows the presence of cluster organisations in the country.

Graph 2: Cluster organisations profiled and active on the ECCP



Source: Own elaboration from Eurostat and National Statistical Offices

02

National cluster policy, programmes and initiatives



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2. National cluster policy, programmes and initiatives

Policy type:	Broad policy
Policy name:	Integrated Maritime Policy Maritime policies
<p>POLICY OBJECTIVES</p> 	<p>Strengthening cooperation between companies or industry and RTDI actors</p> <p>Increasing competitiveness and boosting scale up of SMEs</p> <p>Supporting internationalisation activities</p> <p>Fostering R&D activities, technology development and implementation</p> <p>Supporting cluster excellence and professionalisation of cluster management</p> <p>Supporting the creation of new cluster organisations</p> <p>Promoting social and sustainable economy and other solidarity-based initiatives</p> <p>Promoting employment and upgrading skills and competences</p> <p>Strengthening the network of cluster organisations/cross-clustering</p> <p>The main objective of Integrated Maritime Policy is to bring industry and government stakeholders together to focus on the continued and enhanced development of the marine and maritime industries. Part of this is done by creating and promoting maritime sectoral clusters and to strengthen the competitiveness and support of these clusters. The Malta Marittima Agency is the national maritime cluster organisation. In this regard, the Agency develops maritime economic clusters that emerge from the four Blue Growth pillars: 1) Logistics Cluster 2) Energy Cluster 3) Food (Fisheries and Aquaculture) Cluster 4) Services Cluster</p>
<p>POLICY FOCUS</p> 	<p>Sectoral</p> <p>The policy focus is on financial growth in the marine and maritime sector, increasing employment, social cohesion, and quality of life, and doing so whilst protecting and maintaining natural and cultural heritage. The part of the strategy that concerns clusters, seeks to enhance co-operation between the maritime industry and Government stakeholders, in order to develop the Maltese maritime industry for the sake of financial growth, enhancing competition, and improving the quality of service.</p>



Policy type:		Broad policy
Policy name:		Integrated Maritime Policy Maritime policies
RESPONSIBLE AUTHORITIES 		<p>In charge of implementation</p> <p>Oversees the implementation</p> <p>Malta Marittima Agency oversees the implementation of the Integrated Maritime Policy and promotes the Maritime Economy at the local, European, and international levels. Cluster development is part of an effort by the Marittima Agency, where they seek to provide the necessary management, networking, and support services for the existing and potential maritime investment opportunities.</p>
BENEFICIARIES 		<p>SMEs</p> <p>Cluster organisations</p> <p>Research organisations</p> <p>Academic institutions</p> <p>Business associations</p> <p>Large firms</p> <p>Technology centres</p> <p>General population</p> <p>The Malta Marittima facilitates coordination between relevant government departments to ensure the development of the blue sector, as well as simplifying interactions between relevant actors by facilitating cluster development. Each cluster is comprised of businesses, industry associations, government departments, and academic and research institutions.</p>
INSTRUMENTS 	Financial	-
	Technical assistance	<p>Support for hard skill development: knowledge transfer, intellectual property, entrepreneurship, export advice, market intelligence</p> <p>Support for networking and partnership building (at national and/or international level)</p> <p>Others: Increased investment in improvement of maritime infrastructure</p>



Policy type:		Broad policy
Policy name:		Integrated Maritime Policy Maritime policies
	Explanation	The part of the policy which focusses on clusters is mainly aimed at technical assistance activities, in particular the facilitation of participation in cluster networking events, workshops, working groups, and conferences. Cluster members are also supported by the Agency when applying to EU call for proposals.
HISTORY 	Period	Unlimited period
	Ending year (for policies with limited period)	-
	Starting year	2016
	Explanation	The publicly available information does not indicate an end date to the policy.
BUDGET 	Overall	Information not publicly available.
	Annual	Information not publicly available.
	Source of funding	Federal Government.
POLICY EVALUATION 	Availability	ex-post
	Results	In 2016 and 2017, annual reports of the Integrated Maritime Policy were produced. By 2017, Malta Marittima had held a number of bilateral meetings with various stakeholders from both the government and private sector. This resulted, among others in the formation of several clusters consisting of 40 different members from both private and public sector.



Policy type:	Broad policy
Policy name:	Integrated Maritime Policy Maritime policies
POLICY ALIGNMENT WITH THE EU PRIORITIES 	-

03

State of play of cluster policy





3. State of play of cluster policy

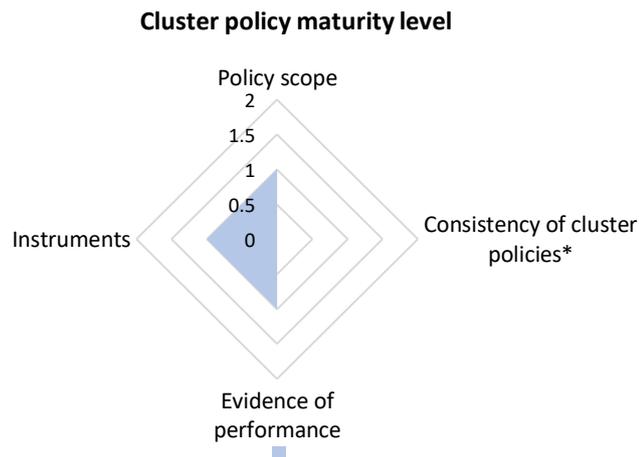
The data below illustrates how the country ranks in terms of maturity of cluster policy. The maturity index is based on a combination of factors presented in Chapter 2 and which are scored based on their existence:

- **Policy scope:** whether the country has a dedicated cluster policy, or cluster creation and/or development is targeted through broader policies (existence of broader policies = 1 point; existence of targeted cluster policies = 2 points)
- **Consistency of cluster policies:** assessment of the duration and experience of the country in doing cluster policies. This dimension assesses only existing cluster policies and not broader policies (no cluster policies available = 0 points; < 10 years of experience or > 10 years (but interrupted) = 1 point; > 10 years (but with clear continuity) = 2 points)
- **Evidence of performance:** the existence of monitoring and evaluation mechanisms determines the degree of policy development in the country (no evaluations = 0 points; existence of evaluations of past policies or in-itinere = 0.5 points; existence of ex-ante and/or ex-post evaluations = 0.5 points)
- **Instruments:** whether the policies provide any instruments to support the policy implementation, being these financial and/or technical assistance (1 point for each type of instrument available)

It is important to note that the maturity does not reflect the performance of a country, but only the degree of development of their cluster policy at the moment when the data was collected (2020 and 2021). The maturity index illustrates how the country scores for each of these four dimensions (policy scope, consistency of cluster policies, evidence of performance and instruments) compared to the maximum score that they can reach.

	Malta	Maximum score
Policy scope	1	2
Consistency of cluster policies*	0	2
Evidence of performance	1	1
Instruments	1	2

* This dimension is scored solely if the country has a dedicated cluster policy and it assesses only cluster policies



State of play of cluster policy in the country

Policy evaluation (for terminated policies)	No policy evaluation
	The current cluster policy is the first of its kind.



Policy approach in the country	<p>Policy support for the activities of cluster organisations</p> <p>Specific policies to support cooperation projects</p> <p>Broad-based framework policies to support cooperation effectiveness</p>
Continuity	<p>Malta does not have a dedicated cluster policy, yet some support is provided through the wider framework, The Integrated Maritime Policy. This policy targets the development of the maritime and marine sector, including cluster-related activities. It is a broad-based framework which seeks to increase blue growth by targeted measures among which the Malta Marittima Agency supports also the cluster cooperation between private and public stakeholders.</p>
Consistency	<p>No cluster policy available</p> <p>The Integrated Maritime Policy of the Maltese government is quite new, However, the Malta Marittima does provide other kinds of support through the broad policy, for instance the support of cluster development and establishment. They also manage the Maritime Proof of Concept Fund, which facilitates innovation and the creation of science-based business ideas in the marine field through research in the University of Malta aiming for commercialisation. The aim is to encourage and financially support academics, entrepreneurs, and students in developing innovative ideas into business concepts through collaborations with several kinds of actors.</p>

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