

COMMERCIAL  
**COURIER**

An official publication of  
**The Malta Chamber of Commerce,  
Enterprise and Industry**

# ECONOMIC VISION **2025**



## Perspectives on the Economy

EXCLUSIVE SPONSOR



GOLD SPONSORS



THE MALTA CHAMBER

# EMPOWERING MALTA'S ECOSYSTEM

20 YEARS OF BEING PART OF YOUR SUCCESS

## 10 years of the Malta Enterprise Gozo Office

The Malta Enterprise office in Gozo serves as a hub for local businesses & fostering economic development on the island. It provides assistance to entrepreneurs & companies based in Gozo's unique economic landscape.



2004

## Setup of Malta Enterprise

This new entity consolidated the functions of three organizations the Malta Development Corporation, Malta External Trade Corporation and the Institute for the Promotion of Small Enterprise.

2006



## Inauguration of the Malta Life Sciences Park

MLSP provides an international class facility for life sciences & information technology. It is designed to promote R&D, and to spur the growth of the life sciences sector in Malta.

2011



## 15 years of the Kordin Business Incubation Centre

The Incubation Centre offers working spaces and additional support for start-ups in Malta. KBIC is a key facilitator of the start-up community in Malta.

2016



## The Covid-19 Wage Supplement



2017

The Covid-19 wage supplement has helped around 17,000 businesses protect more than 105,000 jobs. Malta Enterprise invested some €680 million in the wage supplement and other aid schemes for Covid-19.



2021

## Revamping our Schemes

In 2024, Malta Enterprise revamped its' business support schemes, reaffirming its commitment to fostering innovation and growth across Malta's entrepreneurial landscape.

## Inauguration of Business First Ltd.

Business 1st is a single central contact point through which entrepreneurs will be able to carry out all the required procedures for the setting up, running and the development of business in Malta.

2020



## Startin Malta & Startup Festival

Start in Malta, through the Startup Festival, has energized the local startup ecosystem by hosting top entrepreneurial minds from Malta & Europe, drawing hundreds of new local & international businesses to the island.

2024



# contents

**004** **Shaping Malta's Future, A Vision for Sustainable Growth and Strong Governance**  
*Chris Vassallo Cesareo, President, The Malta Chamber of Commerce, Enterprise and Industry*

**007** **Labour Market Challenges, High GDP but Low Productivity**  
*Dr Marthese Portelli, CEO, The Malta Chamber of Commerce, Enterprise and Industry*

**008** **Malta Vision 2025**  
*Dr Robert Abela, Prime Minister of Malta*

**010** **A Nation at a Crossroads, a Vision for Malta's Sustainable Future**  
*Dr Bernard Grech, Leader of the Opposition and of the Nationalist Party*

**013** **Smart Manufacturing The Future Of Malta's Industrial Growth**  
*Keith Azzopardi Tanti, Parliamentary Secretary for Youth, Research and Innovation*

**015** **Manufacturing in 2025 Challenges, Opportunities, & The Global Business Landscape**  
*Nick Xuereb, Deputy President, The Malta Chamber of Commerce, Enterprise and Industry*

**017** **Malta's Economic Vision, Shaping the Next 25 Years**  
*Mark Bajada, Vice President, The Malta Chamber of Commerce, Enterprise and Industry*

**018** **Malta 2025 Pioneering Innovation, Sustainability & Economic Growth**  
*George Gregory, CEO, Malta Enterprise*

**020** **Business First, Supporting Malta's Entrepreneurial Growth**  
*Marika Tonna, CEO, Business 1st*

**021** **Transforming Malta's Infrastructure, A New Era of Urban and Maritime Regeneration**  
*Steve Ellul, CEO, Infrastructure Malta*

**026** **Shaping the Future of Vocational Education in Malta**  
*Interview with Stephen Vella, Principal & CEO, MCAST*

**031** **Bridging the Digital Divide, the Key to Economic and Social Inclusion**  
*Dr Jean-Marie Mifsud, Chief Innovative Technology Officer, MDIA*

**034** **Malta's Economic Evolution in 2025, Connectivity, Sustainability, and Innovation**  
*Brian Muscat, Board Member at The Malta Chamber of Commerce, Enterprise and Industry*

**035** **Pioneering Business Excellence, Key Milestones of the Malta Business Registry & their Impact**  
*MBR*

**036** **Digitalisation & Skilled Workers are key for Malta to shift from Quantity to Quality**

SILVER SPONSOR



BRONZE SPONSORS



# ECONOMIC VISION 2025

**038** **Virtue, Honour,  
and the Future  
of St Edward's College**  
Interview with  
Nollaig Mac an Bhaird,  
Headmaster, St Edward's College

**043** **Future-Proofing Malta's  
Financial Services,  
Innovate or Fall Behind**  
William Spiteri Bailey,  
Vice President, The Malta  
Chamber of Commerce,  
Enterprise and Industry

**044** **Leadership, Legacy &  
the Future of Tumas Group**  
Interview with Ray Fenech,  
CEO and Chairman,  
Tumas Group

**047** **Empowering SMEs for  
a sustainable & resilient  
future the EEN's impact in  
Malta & beyond**  
Fabio Bajada, Projects and Policy  
Coordinator, The Malta Chamber

**048** **Digitalisation Boosts  
Governance, Transparency,  
and Streamlines Processes**  
Business Empowerment  
conference

**051** **European Competitiveness,  
Time to Deliver**  
Mario Xuereb, CEO,  
Malta Business Bureau

**053** **Tourism in Malta,  
an Outlook for 2025**  
Alan Arrigo, Board Member  
of The Malta Chamber of  
Commerce, Enterprise and  
Industry

**054** **Balancing  
Now & the Future**  
Silvan Mifsud, Council Member  
at The Malta Chamber  
and Chair of the Family  
Businesses Committee

**055** **Navigating Growth  
and Human Resources  
in 2025 and Beyond**  
Kevin Rapinett, Board Member,  
The Malta Chamber of  
Commerce, Enterprise  
and Industry



## THE MALTA CHAMBER

**Published by**  
The Malta Chamber of Commerce,  
Enterprise and Industry  
64, The Exchange Buildings  
Republic Street Valletta,  
VLT, 1117 – Malta  
**T** +356 2123 3873  
**E** [info@maltachamber.org.mt](mailto:info@maltachamber.org.mt)  
[www.maltachamber.org.mt](http://www.maltachamber.org.mt)



**Editor**  
Rachel Bondi Attard  
**Content Writer**  
Coryse Borg  
**Production**  
Petra Urso  
**Sales**  
Antoinette Cefai, Marija Mallia Engerer  
& Lisa Darmanin Demajo  
**Photography**  
Albert Camilleri & Gianluca Schembri  
**Design**  
mustard creative



## BRONZE SPONSORS



Join The Malta Chamber and start  
enjoying our benefits and network opportunities.  
**Send us an email now for more details:**  
[membership@chamber.org](mailto:membership@chamber.org)

# SHAPING MALTA'S FUTURE A VISION FOR SUSTAINABLE GROWTH AND STRONG GOVERNANCE

**Chris Vassallo Cesareo,**

President, The Malta Chamber of Commerce, Enterprise and Industry

The Malta Chamber recently held a press conference launching its proposals for Electoral Reform, emphasising the critical need to strengthen Malta's governance framework.

In every thriving democracy, principles of accountability and transparency serve as the cornerstones of good governance. They empower citizens, foster active participation, and ensure that governments remain responsive to the people they serve.

Strong governance and leadership are not just hallmarks of a healthy democracy - they are indispensable for a robust economy.

A nation's ability to navigate crises, adapt to global trends, and drive sustainable growth depends on the integrity and effectiveness of its institutions.

Over the past two decades, Malta has demonstrated remarkable resilience, weathering global economic challenges such as the 2008 financial crisis, the disruptions of the COVID-19 pandemic, and the current pressures of inflation.

These trials tested our economy, but they also reinforced our adaptability. Today, we stand at a pivotal juncture, one where robust governance must underpin our efforts to shape Malta's future economic priorities.

*"When we look to Malta's future, we must turn to the Malta Vision 2050 as a guiding framework. It is crucial that this vision not only addresses any existing shortcomings but also presents a clear, actionable plan to overcome them. We must draw on the lessons of the past as we shape this new direction."*

## Where do we stand?

While Malta's economic achievements are undeniable, it is crucial to assess our current position. Our unemployment rate remains one of the lowest in Europe, and labour force participation, particularly among women, has improved significantly in recent years.

Significantly, these indicators alone do not guarantee long-term prosperity. The global economy remains uncertain, and Malta faces significant challenges, such as addressing skills shortages in within industries, fostering a workforce prepared for the demands of emerging sectors, and ensuring that education and training systems align with the needs of a modern economy.

A well-structured Labour Migration Policy should not merely aim to fill gaps in the workforce but should also support strategic goals for Malta's economic development.

Such a policy must prioritise attracting highly skilled professionals who can drive innovation and productivity in critical sectors. It should include measures to integrate migrant workers effectively into the local economy and society, ensuring they contribute to and benefit from Malta's success.

By addressing these challenges head-on, we can position Malta to sustain its competitiveness while maintaining social cohesion.

We must ask ourselves how Malta can sustain its competitiveness in an increasingly complex global economy? How can we ensure that our economy remains inclusive and sustainable for future generations? And how do we position ourselves to attract investment and talent in a rapidly evolving world?

When we look to Malta's future, we must turn to the Malta Vision 2050 as a guiding framework. It is crucial that this vision not only addresses any existing shortcomings but also presents a clear, actionable plan to overcome them. We must draw on the lessons of the past as we shape this new direction.

A national vision should not only outline a desired future but also provide a clear, actionable roadmap to reach it. A frank assessment of Malta's current state is essential, encompassing the identification of strengths, weaknesses, and opportunities across economic, social, and environmental sectors.

Allow me to outline key areas that merit our focus:

### 1. Sustainability and the Green Economy

Malta's small size does not exempt us from the global responsibility to address climate change. Transitioning to a low-carbon economy is an imperative, and it offers an opportunity to create green jobs, attract sustainable investment, and enhance energy security. Initiatives such as renewable energy projects and circular economy practices should be prioritised.

### 2. Digital Innovation and Technology

The world is undergoing a digital revolution, and Malta must stay ahead of the curve. By investing in emerging technologies such as artificial intelligence, blockchain, and advanced data analytics, we can solidify our position as a global hub for innovation.



### 3. Workforce Development

A competitive economy requires a skilled and adaptable workforce. Malta must address skills shortages in key areas such as STEM, healthcare, and the green economy. By fostering a culture of lifelong learning and enhancing vocational training, we can ensure our workforce remains future-ready.

### 4. Economic Diversification

While gaming and financial services have driven much of our recent growth, we must explore other high-value sectors such as life sciences, creative industries, and digital health. Diversification is critical for building resilience and reducing dependency on a narrow range of industries.

### 5. Inclusion and Social Equity

Economic progress must benefit all members of society. Policies aimed at reducing income inequality, improving access to affordable housing, and supporting vulnerable groups are essential. A fair and inclusive economy is a stronger and more sustainable one.

What should the role of the Malta Chamber be? These priorities require not only vision but also collaboration. The Malta Chamber has always been a key partner in shaping Malta's economic landscape.

Our role is to bring together ethical businesses together to drive growth and inspire innovation while adhering to solid values of fairness and sustainability.



*Buy Yourself a Gift  
That Keeps on Giving*



**Join the Club Today**  
[lavaletteclub.com](http://lavaletteclub.com)



# TIED INSURANCE INTERMEDIARY



Home



Travel



Pet



Motor



Business



Boat



Pensions



Savings  
& Investments



Life



Health

[maltapost.com/insurance](https://maltapost.com/insurance)

For personal or business inquiries, contact us on  
2596 1555 or [insurance@maltapost.com](mailto:insurance@maltapost.com)

**PostaInsure**  
AGENTS FOR MAPFRE MIDDLESEA

**ivalife.**  
GET LIFE RIGHT

MaltaPost p.l.c. (C 22796) is an enrolled Tied Insurance Intermediary for MAPFRE Middlesea p.l.c. (MMS) through Postalsure Agency Ltd. Postalsure Agency Ltd (C 5655) is enrolled under the Insurance Distribution Act to act as an Insurance Agent for MMS. MMS (C 5553) is authorised under the Insurance Business Act. All entities are regulated by the Malta Financial Services Authority. The General Business Products are manufactured by MAPFRE Middlesea p.l.c. and distributed by MaltaPost p.l.c.

MaltaPost p.l.c. (C 22796) is authorised under the Insurance Distribution Act, Cap. 487, to act as an enrolled Tied Insurance Intermediary for IVALIFE Insurance Limited (C 94404). IVALIFE Insurance Limited is authorised under the Insurance Business Act, Cap. 403 to carry on long term business of insurance in Malta. Both entities are regulated by the Malta Financial Services Authority. The Long Term Products are manufactured by IVALIFE Insurance Limited and distributed by MaltaPost p.l.c.



# LABOUR MARKET CHALLENGES

## HIGH GDP BUT LOW PRODUCTIVITY

### ADDRESSING VALUE-ADDED AND QUALITY REMAINS CRUCIAL.

The Malta Chamber of Commerce, Enterprise and Industry has consistently underscored the critical challenges impacting our economy that need to be addressed. Among the most pressing is the labour market. While our country has experienced significant economic expansion, this growth has not been matched by corresponding productivity gains. This raises the question: Are we growing in the right way?

According to Eurostat data (European Commission Autumn 2024 Economic Forecast), Malta's productivity (the real GDP per employee) between 2024 to date is way below the EU average. It is also envisaged to remain well below the EU average even in 2026.

#### Addressing the Labour Market

Labour migration has played a pivotal role in supporting economic growth, yet the sheer influx of Third-Country Nationals (TCNs) has not translated into the higher value-added that the country needs.

Merely increasing the workforce will not enhance productivity – the country needs to attract the right talent with the necessary skills that can increase our value-added.

Government recently issued the 'Malta Labour Migration Policy' for public consultation. It marks a positive significant step forward in addressing Malta's workforce challenges. If implemented effectively, it can drive improvements in workforce quality.

*"A comprehensive review of job roles and responsibilities within all government ministries, entities and departments needs to be carried out to identify areas of duplication, streamline processes and eliminate unnecessary bureaucratic layers to improve efficiency and reduce costs."*

The Malta Chamber has analysed it thoroughly and after consulting with our members, we submitted our feedback in a 32-page document.

However, apart from addressing labour migration, Government must also seek to strengthen the labour market by offering businesses more incentives for skills development, retraining and upskilling as well as by providing greater support for digitalisation investments aimed at boosting productivity.

A comprehensive review of job roles and responsibilities within all government ministries, entities

and departments needs to be carried out to identify areas of duplication, streamline processes and eliminate unnecessary bureaucratic layers to improve efficiency and reduce costs.

This review should also serve to elicit surplus personnel; a job with government cannot continue to be perceived as a cushy job for life. Ultimately, optimising workforce distribution, both within the private and the public sector, could help redirect talent to areas that contribute more directly to economic productivity.

A sustainable labour market must prioritise efficiency and productivity, a skills-driven approach over a numbers-driven one. High-value industries require properly skilled professionals who can deliver premium services and products.

Sectors such as tourism, healthcare and financial services rely heavily on expertise rather than just manpower. Ensuring a balance between labour availability and skill levels is essential to improving overall productivity.

Another point that The Malta Chamber constantly advocates for, focuses on enhanced collaboration between businesses, academia and policymakers to create a seamless transition from education to employment.

A robust training and upskilling ecosystem will better prepare the workforce for the evolving economic landscape.

#### Quality Over Quantity

The term 'quality' is often overused, overquoted and misinterpreted. We need to ask ourselves, what exactly do we mean when we refer to quality? Quality does not mean luxury. Quality goes beyond luxury.

The Malta Chamber's understanding of quality is tied to standards and quality experiences whereby the customer feels a high level of satisfaction in receiving the services, product or offering.

#### The Number of Tourists & Net Value

While Malta has experienced an increase in the number of tourists, the net value generated per visi-



#### Dr Marthese Portelli

CEO, The Malta Chamber of Commerce, Enterprise and Industry

tor has declined when compared to 2019 (pre-Covid). This trend raises an important concern: Are we focusing too much on volume rather than value?

Let us not forget that an increase in the number of tourists also means increased costs, both direct and indirect – a bigger strain on our utilities infrastructure and transport network, a bigger expenditure to properly maintain public areas and manage waste disposal effectively, just to mention a few.

Rather than pursuing record-breaking visitor numbers, Malta should prioritize sustainable tourism models that enhance per capita visitor spending. A well-planned approach, focusing on quality and sustainable tourism practices will contribute to long-term economic stability without overburdening resources.

Malta's economic success must not be measured solely by growth figures but by the productivity and sustainability of that growth. Addressing labour market inefficiencies, ensuring a skills-based workforce strategy, and prioritising quality tourism are just some of the essential elements that need to be addressed in order to achieve long-term economic resilience.

Malta needs to build a future that balances growth with productivity, ultimately benefiting businesses, workers, and the economy as a whole.

# MALTA VISION 2050

Dr Robert Abela, Prime Minister of Malta

**“Malta has experienced remarkable growth over the past decade, primarily driven by export-oriented service industries.... growth is expected to remain among Europe’s highest”. These are the words of the economic experts of the International Monetary Fund (IMF).**

At a time when economic growth across Europe is faltering, and many of our counterparts on the continent are increasingly gripped by pessimism, this positive independent assessment is truly heartening.

However, our success did not happen automatically. The IMF said it reflected “proactive supply-side policies”. Malta, in fact, is not immune from the challenges that are dragging down economies around us.

Our demography, for instance, is like that of the rest of the southern part of the EU, with a declining working age population contributing to increased labour shortages.

While we are lucky to be part of the single market, like other European countries our firms face hurdles that firms in countries such as the USA do not face, such as small financial markets which are very risk averse towards new technologies.

Climate change is an important challenge for us, with the Mediterranean region being one of the most prone to its impacts.

While the IMF lauded us, saying that “Malta excels in digitalisation” and is “well-positioned to harness the potential benefits of AI”, yet still too many of our youths do not pursue their full potential.

We have made giant strides in recent years, converging largely to the EU GDP per capita, but part of that reflects the fact that the EU has stagnated. For our welfare to continue improving, we will increasingly need to achieve more than most of our peers have managed to do till now.

Take the labour market. We used to be the country with the second lowest employment rate. We are now the country with the second highest employment rate.

We raised the participation rate of women in the labour market through innovative, and expensive, social policies such as free childcare and tapering. We increased the participation of older workers not by increasing the pensionable age, but by offering financial incentives.

These policies have worked wonders, but now further increases in employment will no longer enhance much our nation’s welfare. Increasingly, job

creation will benefit foreign workers since as a nation we are fully employed. This is why the policies we had since 2013 need to be supplemented with new initiatives. We need to increase productivity. To achieve that we will need to not just invest a lot more but also come up with new approaches.

In a world where the required skills change all the time, can we rely on formal education alone to provide the lifelong capabilities for our workforce? In a world where employees change jobs frequently, can we assume that employers will continue to invest in training employees?

These are but few of the questions that as a nation we need to start answering. Our workers are the foundation of our economic model. We need to move from the creation of new jobs to the development of new skills.

While investing in formal and academic education, we need to direct more resources towards vocational training and on-the-job learning.

Like we support workers to save and invest in financial assets and property, we need to start supporting them to devote time to invest in their skills and capabilities.

This is crucial if our country is to successfully achieve the digital and green transitions.

Recent political changes have made these transitions even more important than they were before. They offer us the best economic opportunity for our generation. An opportunity to not just create new sectors, but also to revolutionise existing ones. For this to happen, we will increasingly need a different labour force to what we have today.

The labour migration policy that we are introducing will help us move towards a less labour-intensive model of development that reflects the demographic realities of our society.

Similarly, the changes in our industrial and tourism promotion policies, to shift emphasis from absolute growth to per capita growth, are meant to address this.

This philosophy of aligning all the different national strategies underpins our Malta Vision 2050.

I look forward to all to contribute towards this vision so that we can build together a better future for our country.



*"The labour migration policy that we are introducing will help us move towards a less labour-intensive model of development that reflects the demographic realities of our society."*

# A NATION AT A CROSSROADS

## A VISION FOR MALTA'S SUSTAINABLE FUTURE

---

As Malta celebrates a number of economic achievements in recent years, it is clear that our nation is at a critical juncture. We have seen thriving growth rates, record-low unemployment, and promising strides in tourism and digital services. These are achievements we should all be proud of.

However, behind the impressive numbers lies a reality that many Maltese families and businesses face daily: a significant erosion in the quality of life.

As the Leader of the Opposition, my mission is not to criticise but to offer hope. Real actionable hope grounded in a vision for a better, more sustainable Malta.

This is a time for courage, for leadership, and for a clear plan to address the challenges choking our nation's progress. Together, we can build a future where growth is not just measured in GDP but in the wellbeing of every Maltese citizen.

### The Challenges Facing Our Nation

Let us first confront the realities we face. Malta's economic growth, while commendable, has come at a cost. Growth driven predominantly by consumption has fuelled an unprecedented rise in population.

This surge, while boosting immediate economic activity, has placed immense strain on our infrastructure, public services, and environment. The result? A significant decline in the quality of life for Maltese families.

**A health sector in crisis** - Our health professionals and care workers have shown incredible dedication and resilience, but they are operating in an unsustainable system. Exponential population growth has outpaced investment in healthcare infrastructure, leading to longer waiting times, reduced access to services, and burnout among medical staff. This is not just a problem for today, it threatens the long-term health and well-being of our nation.

**Collapsing infrastructure** - From energy outages to inadequate water distribution and drainage systems, our nation's infrastructure is buck-

ling under the pressure of population growth. Instead of addressing these challenges with foresight, Government has relied on rushed, patchwork solutions. This lack of strategic planning has led to inefficiencies, inflated costs, and above all, a frustrated population living amid endless construction.

**Digital innovation without a workforce plan** - Malta has immense potential to lead in digital innovation, but potential alone is not enough. While global opportunities beckon, our workforce lacks the reskilling and upskilling necessary to meet the demands of these emerging industries. Without a clear, actionable strategy, we risk falling behind in the race to create high-value, sustainable jobs.

*"This is a time for courage, for leadership, and for a clear plan to address the challenges choking our nation's progress. Together, we can build a future where growth is not just measured in GDP but in the wellbeing of every Maltese citizen."*

**Rising national debt** - Economic growth should serve as a foundation for strengthening public services, building resilient infrastructure, and safeguarding pensions and social welfare. Yet, despite a growing economy, Malta's national debt continues to rise. Worse still, this debt is not being invested in critical sectors like health, education, or long-term economic development. Instead, we are burdening future generations with unsustainable interest costs, jeopardising the very social systems that define our nation.

### A vision for change

The Nationalist Party believes Malta deserves better. Our vision is not simply to maintain economic growth but to fundamentally shift the economic and social model to one that is sustainable, inclusive, and beneficial to every Maltese citizen. Here is how we will achieve it:

**Investing in healthcare** - We will prioritise healthcare as a national emergency. Our plan includes increasing investment in hospital capacity, upgrading medical technology, and introducing targeted incentives to retain and attract healthcare professionals. By reallocating resources toward health, we will build a system that meets the needs of both today's population and future generations.

**Building strategic infrastructure** - Malta cannot thrive on stopgap solutions. We will introduce a 10-year National Infrastructure Plan focused on sustainable energy, water, and waste management systems. This will not only address the current crisis but lay the foundation for a resilient, efficient, and environmentally friendly Malta. In parallel Malta must shift the focus of the economic model from one of consumption (population growth) to one of quality and value.

**Preparing the workforce for the future** - We must embrace digital transformation as an opportunity to empower our workforce. The Nationalist Party will launch a National Skills Program offering free, industry-relevant training to reskill and upskill workers in technology, renewable energy, and advanced manufacturing. By partnering with the private sector and leveraging technologies such as AI, we will ensure these programs align with real market demands, creating new opportunities for Maltese workers and businesses and in doing so reduce cost for our SMEs.

**Fiscal responsibility for sustainable growth** - Debt is not inherently bad, but debt without purpose is reckless. Our plan involves redirecting government spending toward projects with clear, measurable returns in health, education, and economic development. By reducing waste,

increasing efficiency, and fostering private-public partnerships, we will ensure Malta's debt is both sustainable and growth-oriented. Above all, we will protect pensions and social welfare by prioritising long-term financial stability.

### **Why Change Is Needed, And Why We Can Deliver It**

The Maltese people have every reason to feel frustrated, but they also have every reason to hope. Change is not only possible, it is necessary.

The Nationalist Party is ready to lead that change, and we will do so with a constructive, forward-looking approach that prioritises the needs of every citizen.

*"The Nationalist Party in government under my leadership will foster a technocrat government culture to ensure that all the necessary skills and talent is deployed to deliver solutions that will resonate in restoring quality of life for all our citizens."*

I understand the doubts some may have about our ability to deliver. Trust is not earned through promises; it is earned through action. That is why I pledge to work together with experts, business leaders, and communities to implement these plans effectively. Together, we will build a Malta that does not just grow but thrives.

The Nationalist Party in government under my leadership will foster a technocrat government culture to ensure that all the necessary skills and talent is deployed to deliver solutions that will resonate in restoring quality of life for all our citizens.

### **A Call To Action**

This is not a time for division or complacency. It is a time for bold ideas, honest dialogue, and collective effort. The challenges we face are significant, but so too are the opportunities. Malta can lead the way in sustainable growth, innovation, and quality of life. But to do so, together, we must embrace change.

The Nationalist Party is ready to lead this transformation. Let us move forward with hope, determination, and a shared commitment to building a brighter future for all Maltese citizens.

**Now is the time to act. Malta deserves no less.**



**Dr Bernard Grech,**  
Leader, the Opposition and  
of the Nationalist Party

# A banking partner you can rely on, giving you the power to succeed.

Sparkasse believes in building and keeping strong relationships with customers, which is why our banking services are all about you.

At Sparkasse you will find a team of professional bankers willing and competent to meet your specific Private and Corporate Banking needs.

Banking & Investments - a personalised service through one relationship.

Speak to an advisor today.

T: +356 21 335 705

E: [info@sparkasse-bank-malta.com](mailto:info@sparkasse-bank-malta.com)

Sparkasse Bank Malta plc, 101 Townsquare, Ix-Xatt ta' Qui-si-Sana, Sliema SLM3112, Malta.

Sparkasse Bank Malta public limited company (the 'Bank') is a public limited liability company registered in Malta with registration number C27152 and registered office at 101 Townsquare, Ix-Xatt ta' Qui-si-Sana, Sliema SLM3112, Malta. Sparkasse Bank Malta public limited company is licensed by the Malta Financial Services Authority to carry out the business of banking in terms of the Banking Act (Cap. 371 of the Laws of Malta), to provide investment services and custody and depositary services in terms of the Investment Services Act (Cap. 370 of the Laws of Malta), and is authorised to act as custodian of retirement schemes in terms of the Retirement Pensions Act (Cap. 514 of the Laws of Malta).

# SMART MANUFACTURING

## THE FUTURE OF MALTA'S INDUSTRIAL GROWTH

Malta's industrial sector is undergoing a significant transformation, with smart manufacturing emerging as a key driver of innovation and economic growth. As industries worldwide shift towards automation, digitalisation, and data-driven decision-making, Malta is embracing these advancements to enhance efficiency, sustainability, and competitiveness.

Smart manufacturing is more than just an evolution of traditional production methods; it represents a fundamental shift in how industries operate.

By integrating technology and innovation, businesses can optimise processes, reduce waste, and improve overall productivity. This shift is not only reshaping industrial operations but also creating high-value jobs that require advanced skills and expertise.

In recent years, Malta has been focusing on fostering an ecosystem that supports industrial innovation. The adoption of automation, artificial intelligence, and digital technologies is becoming increasingly common across different sectors, reinforcing the country's position as an attractive location for advanced manufacturing.

"We are witnessing a shift in the way manufacturing operates, and Malta is committed to being at the forefront of this transformation. By supporting companies that embrace innovation, we are ensuring that our economy remains competitive in a rapidly evolving global landscape."

*"As more companies adopt smart manufacturing practices, Malta continues to strengthen its reputation as a forward-thinking industrial hub."*

As more companies adopt smart manufacturing practices, Malta continues to strengthen its reputation as a forward-thinking industrial hub.

The government recognises that the success of smart manufacturing relies on a strong commitment to research, development, and innovation. Investment in these areas is essential to ensure that businesses can integrate new technologies into their operations, remain competitive, and drive economic growth.

"Innovation is at the heart of our economic strategy. We are creating an environment where companies can invest, expand, and modernise their operations through research and cutting-edge technology. This will not only strengthen our in-

dustrial sector but also generate high-quality employment opportunities."

As part of this commitment, we are placing a strong emphasis on fostering collaboration between businesses, academic institutions, and research centres. By ensuring that companies have access to the latest technological advancements, we are positioning Malta as a leader in industrial innovation.

Sustainability also remains a key focus. Encouraging industries to implement green manufacturing practices aligns with Malta's long-term vision for a more sustainable and resilient economy.

In line with our Smart Specialisation Strategy 2021-2027 (RIS3), we are taking tangible steps to support innovative research initiatives that will directly impact Malta's industrial future.

We recently launched a new government-funded smart manufacturing research project, in collaboration with the University of Malta's Engineering Department.

This project, backed by a €75,000 government investment, will explore how emerging technologies such as artificial intelligence, collaborative robots, and the Internet of Things (IoT) can be effectively implemented in Malta's manufacturing sector.

"This research is not just theoretical - it has the potential to directly impact the way companies operate, making manufacturing processes smarter, more efficient, and more sustainable."

This project is just one of 10 innovative research initiatives that the government is currently supporting across various sectors.

As new technologies are introduced, the demand for professionals with expertise in engineering, automation, data analytics, and digital manufacturing continues to grow.

"Technology and innovation are only as strong as the people driving them. That is why we are investing in skills development, so that our workforce is prepared for the future of manufacturing."

To address this need, we are expanding initiatives in STEM education, vocational training, and up-



**Keith Azzopardi Tanti,**  
Parliamentary Secretary for Youth,  
Research and Innovation

skilling and reskilling programmes. Encouraging young people to pursue careers in these fields is essential, as they play a critical role in driving industrial transformation.

The adoption of smart manufacturing is paving the way for a more competitive and sustainable industrial sector.

"We are building a smarter, more resilient industrial sector - one that aligns with sustainability goals and embraces cutting-edge solutions to remain competitive. This is not just about economic growth; it is about shaping a future that is innovative, sustainable, and full of opportunities."

As industries continue to evolve, Malta is positioning itself as a leader in smart manufacturing. With a clear vision for the future and a strong foundation for innovation, the country is well-equipped to embrace new opportunities and drive economic development in the years ahead.

By continuing to invest in research, skills development, and sustainable practices, we are reinforcing our commitment to a future driven by industrial excellence and technological progress.

**BOV SME Grow**  
Supporting Your Vision **green**

- » **Variable interest rate of 2.80%\***
- » Low contribution
- » Low collateral requirements

\*Business Lending Bank Base Rate presently at 2.15%, Interest Margin and EIF Guarantee Fee.

The BOV SME Grow and the BOV SME Grow Green are funded by the European Union through the European Regional Development Fund with the financial backing of the Republic of Malta under the InvestEU Member State Compartment for Malta. All loans are subject to normal bank lending criteria and final approval from the Bank. Issued by Bank of Valletta p.l.c., 58, Triq San Ķakkarija, il-Belt Valletta, VLT 1130. Bank of Valletta p.l.c. is a public limited company regulated by the MFSA and is licenced to carry out the business of banking in terms of the Banking Act (Cap. 371 of the laws of Malta).



**CONTACT US**



# MANUFACTURING IN 2025

## CHALLENGES, OPPORTUNITIES, & THE GLOBAL BUSINESS LANDSCAPE

As we step into 2025, the global business landscape is shaped by shifting economic policies, geopolitical developments, and the continuous pursuit of efficiency.

The unprecedented mandate secured by President Trump has set the stage for significant policy changes, particularly with the potential increase in tariffs on Mexico and China.

While this has created uncertainty, businesses should closely watch the potential for enhanced efficiencies and economic strengthening.

### Global Economic Trends

Europe, still grappling with government instability and regulatory burdens, continues to struggle with competitiveness. Regulatory costs have increased at a faster pace than in China and the US, prompting the EU to reconsider and delay certain laws that negatively impact business competitiveness.

Meanwhile, inflation has steadily declined, with interest rates following suit. This signals an opportunity - especially in Europe - to re-energise major economies such as Germany, which has faced challenges in returning to growth.

*"[...]Malta's economy remains a strong performer. With GDP growth of around 5% in real terms - far outpacing the EU average of 0.7% - the country continues to expand across various sectors, including financial services, gaming, and tourism."*

### Malta's Economic Resilience

Against this backdrop, Malta's economy remains a strong performer. With GDP growth of around 5% in real terms - far outpacing the EU average of 0.7% - the country continues to expand across various sectors, including financial services, gaming, and tourism.

One of the pillars of Malta's economic resilience is its manufacturing sector, which has demonstrated remarkable stability even in times of crisis, such as during the COVID-19 pandemic.

Gross Value Added (GVA) in manufacturing has more than tripled since Malta joined the EU in 2004. However, its share of total GVA has declined from 15% to 7%, indicating that while

the sector remains crucial, other industries have grown at a faster rate.

This shift underscores the importance of nurturing the manufacturing sector to ensure continued economic diversification and long-term sustainability.

### Challenges Facing the Manufacturing Sector

Despite its strength, Malta's manufacturing sector faces several challenges that require immediate attention. Among these are:

**Inflated port charges** and logistical disadvantages due to Malta's geographical location, which hinder competitiveness against central European manufacturers.

**Labour shortages and rising costs**, particularly in technical roles, as the local education system struggles to produce enough skilled professionals. This has led to salary inflation, with employees frequently switching jobs for higher wages, putting pressure on businesses.

**Global competition**, where Maltese manufacturers must compete with the best in class, necessitating continuous investment in digitalization and lean processes to remain competitive.

### Opportunities for Growth

While challenges exist, 2025 also presents significant opportunities for Maltese manufacturers willing to innovate and invest.

### Key areas of potential growth include:

**Export Market Expansion:** Despite stagnation in the EU, other markets such as the US present strong growth potential. Many industries are experiencing rising demand, making it an opportune time for Malta's export-driven companies to explore new business avenues.

**Nearshoring Trends:** Global brands are shifting towards nearshoring to comply with sustainability regulations and reduce logistics costs. Large multinational companies - key customers of Malta's manufacturing industry - are increasingly looking to produce closer to their markets. This shift could position Malta as a competitive manufacturing hub if businesses focus on efficiency and sustainability.

**Favourable Exchange Rates:** Trump's electoral victory has strengthened the US dollar, which is now approximately 10% stronger than a year ago.



**Nick Xuereb,**

Deputy President, The Malta Chamber of Commerce, Enterprise and Industry

For export companies selling in USD while maintaining a euro-based cost structure in Malta, this translates to a direct margin improvement. This pricing advantage could make Maltese manufacturers more competitive on a global scale.

### The Road Ahead

As we navigate 2025, the manufacturing sector must prioritise digitalisation, automation, and workforce development. Businesses must embrace technology not only on the shop floor but across all functions, from HR and finance to customer service.

Investing in higher-skilled jobs and reducing reliance on repetitive manual tasks will be crucial for long-term competitiveness.

The road ahead is not without its challenges, but for those bold enough to invest in innovation and efficiency, the opportunities are abundant.

The future of Malta's manufacturing sector lies in its ability to adapt, compete, and seize the advantages presented by global economic shifts. With the right strategy, 2025 could mark a turning point for businesses ready to thrive in an evolving marketplace.



# Connecting MALTA to the world



## INFO & RESERVATIONS:

[cargo@grimaldi.napoli.it](mailto:cargo@grimaldi.napoli.it) | [info@sullivanmaritime.com](mailto:info@sullivanmaritime.com)

<https://www.grimaldi.napoli.it> | <https://sullivanmaritime.com> | <http://www.mmos.com.mt>

# MALTA'S ECONOMIC VISION

## SHAPING THE NEXT 25 YEARS

**As Malta embarks on the next quarter-century, its economy is poised to navigate an era defined by rapid technological advancement, evolving global challenges, and opportunities for sustainable growth.**

Reflecting on the transformative developments of the past 25 years, such as the digital revolution and the emergence of specialised industries, Malta's resilience and adaptability have consistently been its greatest strengths.

These qualities will remain central to shaping a future that balances innovation, sustainability, and inclusivity.

Globally, technology has been the most impactful force over the last two decades, revolutionising industries through artificial intelligence (AI), big data, and cloud computing.

Locally, Malta has capitalised on these trends by fostering start-up ecosystems and becoming a regulatory leader in sectors like iGaming. The next 25 years, however, will bring even greater challenges and opportunities, particularly in addressing climate change and technological transformation.

*"Sustainability must become a cornerstone of the nation's identity, aligning economic growth with ecological balance. Carbon neutrality and regenerative practices can position Malta as a model for other small economies."*

Climate change poses systemic challenges, including resource scarcity and economic restructuring, but it also offers opportunities for Malta to lead in renewable energy and circular economies. Investments in green technologies, energy storage, and sustainable infrastructure can position Malta as a leader in climate resilience.

Simultaneously, advances in AI and automation will redefine industries and the workforce. By prioritising upskilling and workforce empowerment, Malta can ensure its population thrives in this tech-driven future while fostering innovation and inclusivity.

As Mahatma Gandhi once said, "The future depends on what you do today," a sentiment that

underscores the importance of strategic foresight for Malta's path ahead.

Malta's unique selling point lies in its strategic adaptability. Its geographical location, multilingual workforce, and pioneering regulatory frameworks make it a bridge between regions and a leader in niche markets.

By continuing to innovate in green technologies, fintech, AI, and sustainable tourism, Malta can build specialised ecosystems that drive economic growth and resilience. Addressing resource management challenges, such as energy and water scarcity, will also be critical to sustaining progress.

Manifesting a vision for 2050 requires Malta to actively shape its future rather than react to external forces.

Sustainability must become a cornerstone of the nation's identity, aligning economic growth with ecological balance. Carbon neutrality and regenerative practices can position Malta as a model for other small economies.

Ethical principles must guide the development of AI and robotics to ensure technology empowers humanity. Resilient communities, supported by localised solutions and global collaboration, will be essential for long-term success.

The working landscape will evolve significantly by 2050, with young founders experiencing a balance of purpose, flexibility, and wellbeing. Businesses will prioritise meaningful impact, enabling entrepreneurs to align professional goals with personal values.

Dynamic work models and remote options will create a more inclusive and balanced entrepreneurial ecosystem. Mental health, community collaboration, and lifelong learning will underpin a work culture that values humanity as much as productivity.

The international workforce will continue to play a critical role in Malta's economy. Migration has already reshaped the business landscape, bringing diversity, skills, and innovation.



**Mark Bajada,**  
Vice President, The Malta Chamber  
of Commerce, Enterprise and Industry

To fully harness the benefits of a growing international workforce, Malta must promote equitable opportunities, recognise foreign qualifications, and invest in sustainable infrastructure. This approach will ensure that migration enriches the economy while maintaining social harmony.

Guiding Malta into this envisioned future requires collective action. Each citizen, policymaker, and business leader must embrace sustainability, lifelong learning, and innovation.

Strengthening Malta's global identity as a leader in adaptability, inclusivity, and resilience will be critical. By taking intentional action and making strategic investments, Malta can manifest a future that balances economic prosperity with environmental and social wellbeing.

Over the next 25 years, Malta has the potential to thrive as a beacon of sustainable growth and innovation. Through shared commitment and strategic foresight, the nation can chart a path towards a thriving, inclusive, and resilient economy that serves as a model for the global community.



**George Gregory,**  
CEO, Malta Enterprise

# MALTA 2025 PIONEERING INNOVATION, SUSTAINABILITY & ECONOMIC GROWTH



**From navigating the complexities of a post-pandemic world to addressing the pressing demands of global climate action, the past few years have presented the business community with an unprecedented array of challenges. Yet, these obstacles have also underscored the critical importance of adaptability and collaboration**

Central to Malta's response has been Malta Enterprise, the national economic development agency, which has played a pivotal role in guiding the nation's strategic vision.

By fostering an environment that attracts investment, nurtures innovation, and supports businesses in their growth journey, Malta Enterprise has helped the country leverage its strengths to establish itself as a hub for high-value industries such as digital technology, life sciences, and the green economy.

As we step into 2025, Malta continues to seize new opportunities and set bold ambitions for the future. Building on a history of resilience and adaptability, the country is positioning itself as a global leader in innovation, sustainability, and economic diversification.

## **Looking Forward: Plans for 2025**

### **Diversifying the Economy: New and Emerging Sectors**

To ensure long-term economic resilience, Malta is actively exploring new and emerging industries.

While continuing to foster the sustainable growth of established sectors, it is essential to create the right local ecosystem for emerging industries to thrive, including providing legislative clarity and certainty.

George Gregory, CEO of Malta Enterprise, emphasised the Corporation's ongoing commitment to high-value-added industries, particularly those in the technology, manufacturing and sustainable sectors, amid Industry 4.0, integrating intelligent digital technologies into business and industrial processes.

Malta has a proven track record of successfully attracting diverse economic sectors, and this success can be replicated with current emerging industries. Malta Enterprise will continue to play a leading role in supporting these sectors.

As global economies continue to be reshaped by technology, Malta must seize this momentum to establish itself as a digital powerhouse. With Malta Enterprise leading efforts to attract tech-driven investment, the country is creating an ecosystem that encourages innovation in fields such as

artificial intelligence, fintech, and digital game development.

In 2025, the Corporation will launch revamped schemes that reflect its commitment to nurturing the growth of a sustainable business ecosystem.

"We are dedicated to encouraging innovation across all sectors of Malta's business landscape. By updating and designing our schemes, we ensure they align with the evolving economy and help drive it forward," explained Mr Gregory.

### **Talent Development and Workforce Upskilling**

Malta Enterprise recognises the importance of investing in human capital to address the evolving demands of today's work environment and high-value industries.

Without a skilled and adaptable workforce, economic transformation is not possible. In collaboration with educational institutions, Malta Enterprise is creating pathways for workers to upskill in critical areas such as digital technology, green energy, and advanced manufacturing.

Furthermore, Malta Enterprise is committed to fostering strong connections between academia and industry to ensure that local educational institutions equip students with the skills necessary for both current and future demands.

Through its various initiatives, the corporation offers schemes designed to upskill and reskill employees, such as the Skills Development Scheme and the Get Qualified programme.

These schemes provide employers and workers with tools to encourage lifelong learning and help them meet the demands of the ever-changing labour market.

Additionally, the CEO of Malta Enterprise highlighted that Malta's workforce plays a key role in advancing research activities, which are central to fostering high-added-value operations in the country.

To support this, Malta Enterprise has implemented the Innovate Scheme, which promotes collaboration between academia and industry for research and development projects.

This scheme helps SMEs carry out product, process, and organisational innovation by providing access to funding for secondments of highly qualified personnel, as well as innovation advisory and support services.

These initiatives are a clear reflection of Malta's economic direction, and the support Malta Enterprise provides to help businesses and workers meet future challenges.

#### **Sustainability and Digital Transformation**

Sustainability is no longer a choice – it is a necessity. Businesses that fail to prioritise sustainability risk falling behind in the eyes of consumers. Today, sustainability is crucial across various aspects of business, including technological innovation and green practices.

In line with Malta's commitment to the EU's Green Deal and climate neutrality goals, Malta Enterprise remains focused on advancing initiatives that promote a green economy. Investments in renewable energy, energy-efficient technologies, and circular economy practices are at the forefront of this effort.

Malta is actively encouraging businesses to adopt sustainable models by offering incentives for companies investing in green technology and carbon-neutral operations.

Key initiatives like the Smart and Sustainable Investment Grant Scheme, which covers up to 50% of eligible investments, support projects in areas such as waste minimisation, energy efficiency, and sustainable digitalization.

On the topic of sustainable digitalisation, Mr Gregory emphasised its importance in ensuring local businesses remain competitive on an international level.

This focus is also mirrored within Malta Enterprise itself. In 2025, the Corporation plans to further digitalise its internal processes to en-

hance response times and improve customer-centric services.

Embracing sustainable digitalisation is key not only for businesses to stay competitive globally but also for enhancing the efficiency and effectiveness of Malta Enterprise's own operations, "making it as easy as possible for businesses to navigate regulations and access the support they need", explained Mr Gregory.

#### **In Conclusion**

With Malta Vision 2050 on the horizon - an initiative launched by the Government to shape the country over the coming 25 years - Mr Gregory explained, "This is a vision for the country, and we aim to align with Malta Vision 2050, setting the foundation for a prosperous future."

As Malta looks toward 2025, it is evident that the country is not merely responding to change but actively shaping its future. Through its commitment to sustainability, digital transformation, economic diversification, and talent development, Malta is positioning itself as a global leader in innovation and resilience.

*"We are dedicated to encouraging innovation across all sectors of Malta's business landscape. By updating and designing our schemes, we ensure they align with the evolving economy and help drive it forward."*

Malta Enterprise plays a central role in this transformation, helping businesses seize emerging opportunities while fostering an ecosystem that promotes long-term growth and adaptability.

By investing in high-value industries, empowering its workforce, and capitalising on its strategic advantages, Malta is not just securing its economic future - it is setting a benchmark for what a forward-thinking, dynamic economy can achieve.

As Mr Gregory noted, businesses, government, and the community working together can propel Malta into a new era of innovation, sustainability, and prosperity.

This reinforces once again that, despite its small size, Malta has an outsized capacity to adapt, lead, and thrive in an ever-evolving global landscape.





# BUSINESS FIRST SUPPORTING MALTA'S ENTREPRENEURIAL GROWTH

**In Malta's dynamic business landscape, Business First stands out as a key support system for entrepreneurs and small business owners. A collaboration between Malta Enterprise and the Malta Chamber of SMEs, Business First acts as a central contact point, helping micro-enterprises navigate the process of starting and growing their businesses.**

### **A Vision for Business Support**

Business First was established to simplify procedures and provide a one-stop shop for entrepreneurs navigating the regulatory landscape. From business registration and licensing to guidance on trademarks and incentives, Business First is a trusted partner for Malta's business community.

Continuously evolving to meet the needs of an ever-changing market, Business First remains committed to guidance, collaboration, and ensuring that both clients and employees receive the support they need to thrive.

### **Enhancing Efficiency and Service Delivery**

Maintaining high service standards while adapting to a growing client base requires adaptability and innovation. To meet this challenge, flexible operational strategies have been introduced, including cross-training employees so that back-office staff can assist with front-office tasks when needed.

This approach minimises waiting times and ensures entrepreneurs receive prompt, efficient service.

Training remains a key priority, with a strong emphasis on both technical skills and hands-on

engagement with clients, including artisans and micro-enterprises.

By working directly with business owners, employees gain valuable insights into the real-world impact of their support, enhancing the overall quality of service.

This dedication to excellence has been widely recognised. It was one of the first entities to receive the Quality Mark and in 2023, Business First received the Quality Award at the Is-Servizz Pubbliku Awards, recognising its commitment to outstanding client service and operational efficiency.

### **A Commitment to Malta's Economic Growth**

Fostering youth entrepreneurship is a key focus, with a growing number of young people launching businesses right after school or university, particularly in sustainability-driven sectors. This shift reflects a changing economic landscape where innovation and adaptability are essential for success. Beyond supporting young entrepreneurs, efforts are also being made to expand business support services to Gozo. Collaboration with the Ministry for Gozo and the Gozo Business Chamber aims to ensure that enterprises on the sister island, receive the same level of assistance as those in Malta.

The number of businesses establishing themselves in Gozo has been increasing, signalling a strong entrepreneurial drive on the island.

### **Strengthening Collaboration and Future Plans**

To better support Malta's entrepreneurial ecosystem, efforts have been made to expand partnerships with key institutions such as the Family Business Office, MTCA, and the Commerce Department. These collaborations provide businesses with greater access to essential resources and expertise.

Looking ahead, there are plans to extend support services to previously underserved sectors, and also understanding better the entrepreneurial ambitions of Gen Zs.

### **A Leadership Approach Rooted in People**

A people-centric approach is key to fostering a workplace culture of collaboration and continuous improvement. Prioritising open communication and feedback ensures that employees feel heard and valued, ultimately enhancing the quality of service provided to clients.

Experiences over the years, including navigating challenges such as the COVID-19 pandemic, have reinforced the importance of adaptability in business. Despite economic shifts, Malta's business landscape remains vibrant, with successful enterprises finding opportunities to grow and diversify into new areas.

*"By supporting innovation and enhancing efficiency, Business First continues to foster Malta's entrepreneurial growth and economic success, with a people-centric approach that drives a responsive, thriving business environment."*

Business First remains an essential pillar of Malta's business community, ensuring that entrepreneurs have the resources, guidance, and support they need to succeed.

The organisation has continuously adapted to new challenges, expanded its influence, and maintained a strong commitment to service excellence.

As Malta's economy evolves, Business First is well-positioned to help businesses navigate complexities and seize new opportunities. With a clear vision and unwavering dedication to supporting entrepreneurs, its future looks as promising as the enterprises it nurtures.



# TRANSFORMING MALTA'S INFRASTRUCTURE

## A NEW ERA OF URBAN AND MARITIME REGENERATION



**From navigating the complexities of a post-pandemic world to addressing the pressing demands of global climate action, the past few years have presented the business community with an unprecedented array of challenges. Yet, these obstacles have also underscored the critical importance of adaptability and collaboration**

From the regeneration of Bugibba Square Regeneration Project - to the modernisation of the Grand Harbour; from the creation of pedestrian-friendly environments under the Vjal Kulhadd initiative to the Msida Creek redevelopment, these projects reflect the commitment to sustainable development, economic growth, and improved quality of life for residents and visitors alike.

The long-awaited **Bugibba Square Regeneration Project** has officially commenced, marking a major investment in one of Malta's most vibrant tourist

and leisure destinations. This initiative, led by the Malta Tourism Authority (MTA) and Infrastructure Malta, seeks to enhance the square's appeal for both locals and visitors.

MTA has overseen the design phase, engaging with local businesses and stakeholders to ensure that the regeneration aligns with community needs. Infrastructure Malta, in parallel, has been working closely with utility providers to upgrade essential underground infrastructure, ensuring long-term sustainability.

The works will introduce major improvements to the square, including enhanced pavement, upgraded lighting, new seating areas, and a dedicated pedestrian zone. A key feature of the project is the introduction of additional greenery.

With an allocated budget of €10 million, the project commenced in January 2025 and is scheduled for completion within a year. MTA will finance

the surface finishes and street furniture, while Infrastructure Malta will handle substructure upgrades and the installation of new utilities.

The works will be carried out in multiple phases to ensure a smooth transition, beginning with site preparation, excavation, and underground structural work before moving on to paving, landscaping, and street furniture installation.

The final stages will focus on enhancing surrounding roads to improve accessibility and pedestrian safety.

The Bugibba Square Regeneration Project - project is expected to encourage further private sector investment in the area, with local businesses enhancing their offerings to match the upgraded public space.

The **Grand Harbour** is undergoing one of the most extensive redevelopment efforts in its history, with multiple projects designed to modernise its mid-20th-century infrastructure for 21st-century



*Msida Creek Project Renders*



*Hompesch Road, before and after, as part of the Vjal Kulhadd initiative*

demands. IM has been leading these efforts for several years, with some projects now entering various stages of construction while others remain in the study and permitting phases.

One of the most significant initiatives is the On-shore Power Supply Project within the northern side of the Grand Harbour and Boiler Wharf which aims to reduce air pollution by introducing shore-to-ship electricity connections.

This project enables cruise liners vessels to switch off their fuel-powered engines while berthed, drastically reducing emissions.

The North Harbour and Boiler Wharf project which was co-financed through the Connecting Europe Facility of the European Union, involved a €33 million investment to provide shore power to five key cruise ship quays. This phase is expected to reduce cruise liner carbon dioxide emissions by 39.6%.

A second onshore power supply project is currently underway and will provide shore power connections to the Southern region of the Grand Harbour and Lascaris.

*"The Vjal Kulhadd project is focused on reclaiming public spaces for people, prioritising pedestrian-friendly environments over vehicle-dominated roads."*

The project is co-financed through the JUST Transition Facility and the Connecting Europe Facility.

Another key element of the Grand Harbour upgrade is the Wave Climate Improvement Project, which aims to mitigate the impact of waves on port operations.

The modernisation of Pinto 4, 5, and Lascaris Wharves is another crucial project, funded by the EU Cohesions Funds. Infrastructure Malta is extending and reconstructing these berths to create a continuous 350-metre quay.

With a €25 million budget, the project includes seabed excavation, concrete seawall construction, and the installation of security fencing and high-mast lighting.

Meanwhile, the regeneration of Sally Port in Cottonera is completed. A once-neglected sea-front area has been transformed into a pedestrian-friendly promenade, with new underground networks, improved public facilities, and enhanced safety measures.

This €5 million project has been executed in collaboration with the Grand Harbour Regener-





ation Corporation, which is adding a public garden and decorative lighting to complement the new recreational space.

Infrastructure Malta is planning an extension of Boiler Wharf in Senglea. This initiative will facilitate berthing for both cargo and passenger vessels while improving overall efficiency.

The project will involve extending the quay by 5.5 metres and dredging the seabed to a depth of 11 metres to accommodate larger ships.

The **Vjal Kulhadd** project is focused on reclaiming public spaces for people, prioritising pedestrian-friendly environments over vehicle-dominated roads.

The first phase includes 14 projects across Malta, each aimed at enhancing public squares, pedestrian zones, cycling lanes, and green spaces. These projects respond to urbanisation challenges by fostering healthier lifestyles, promoting environmental sustainability, and encouraging social interaction.

Among the notable projects are the transformation of Attard's central square, a major renovation of Triq John Ayde in Naxxar, the redevelopment of the Hal Mula area in Żebbuġ, and the redesign of Triq Mons. Mikiel Azzopardi in Siggiewi.

In Msida, a temporary pedestrianisation of Triq Oscar Zammit is underway to promote urban mobility and community engagement. Meanwhile, in Rabat, the Saqqajja area is being converted into a biodiverse public space.

This initiative has already made a visible impact in localities such as Żejtun and Gudja, where advanced works are transforming town centres into pedestrian-friendly environments.



Buġibba Square Regeneration Project

Another major development under Infrastructure Malta's portfolio is the **Msida Creek Project**, which aims to improve traffic flow and connectivity in the area. The first phase, which began in late 2024, focused on site mobilisation and preliminary works, including concrete piling and sheet piling to form the new canal opening and reconstruction of the existing quay.

Subsequent phases will involve the demolition and reconstruction of retaining walls along Triq M.A. Vassalli and the construction of the route and flyover connecting Ta' Xbiex and Pietà.

The final phase will include the construction of a new flyover, significantly reducing congestion and improving road safety. The entire project is expected to be completed by early 2026.

*"The long-awaited regeneration of Buġibba Square has officially commenced, marking a major investment in one of Malta's most vibrant tourist and leisure destinations."*



# Your Gateway to the Maltese Financial Services Community

## Membership Benefits:



List your company on the  
FinanceMalta Members Directory



Have your say in our Newsletter



Participate in international events



Publish your thought leadership  
articles on our portal



Feature in our podcast series



Influence the market



Connect with industry key players



### Our Members Are:

- › FinTechs
- › Banks
- › Corporate Service Providers
- › Wealth Management Companies
- › KYC Companies
- › Payment Solution Providers
- › Neobanks
- › Investment Advisory Firms
- › Audit Firms
- › Fund Administrators
- › Insurance Companies
- › Law Firms

JOIN OUR COMMUNITY

› [financemalta.org](https://financemalta.org)





**Stephen Vella,**  
Principal & CEO, MCAST

# SHAPING THE FUTURE OF VOCATIONAL EDUCATION IN MALTA

**As the global economy evolves, driven by technological advancements and shifting industry demands, vocational education plays an increasingly critical role in preparing the workforce of tomorrow. In Malta, the Malta College of Arts, Science and Technology (MCAST) is at the forefront of this transformation.**

For more than 30 years, Principal and CEO of MCAST Stephen Vella has been deeply immersed in Malta's vocational education sector, witnessing and driving its transformation firsthand.

Over the years, he assumed key leadership roles within MCAST, leading institutes, overseeing apprenticeships, and strengthening ties with industry partners.

In September 2024, he was appointed Principal and CEO, becoming the first to rise through the institution's ranks, rather than being an outside hire.

"I practically saw MCAST being 'born.' I have been here throughout its journey, witnessing the exponential growth from around 1,000 students in 2010 to approximately 8,000 students today, plus those undertaking part-time courses," he says.

With technological disruption creating new career opportunities while rendering others obsolete, the ability to adapt and upskill is more critical than ever. MCAST addresses this need

by curating a curriculum, designed in collaboration with industry experts, that blends technical proficiency with theoretical understanding, ensuring students are job-ready in a dynamic landscape.

"Technology is reshaping the workforce of tomorrow, and what we teach must reflect that," Mr Vella explains. "We must ensure our students are equipped with the right skills to meet industry demands."

Over the years, MCAST has expanded its offerings in response to market needs, introducing courses in emerging fields such as renewable energy, digital technology, artificial intelligence, cybersecurity and creative media, amongst others.

Additionally, Mr Vella stresses the importance of analysing international trends.

"We need to see what other countries are doing in fields such as data analysis, healthcare, vocational teaching, urban planning, mental health,



*"We must take the discussion about the jobs of the future seriously, [...] As an island nation, Malta faces unique challenges, making it critical to anticipate future skill demands. We must be proactive in equipping our students with the right expertise to thrive in a rapidly evolving global economy."*

and business intelligence. These are the industries that will define the future job market."

In its drive to align education with economic requirements, MCAST collaborates closely with industry stakeholders, governmental bodies, and international partners.

By maintaining an open dialogue with industry leaders - including The Malta Chamber - MCAST can anticipate changes in job markets and adjust its programmes accordingly.

"We must take the discussion about the jobs of the future seriously," he asserts. "Thirty-five years ago, mobile phones were a novelty in Malta. In the next 35 years, emerging technologies will reshape industries in ways we can't yet fully predict. As an island nation, Malta faces unique challenges, making it critical to anticipate future skill demands. We must be proactive in equipping our students with the right expertise to thrive in a rapidly evolving global economy."

The strategic role of vocational education in bolstering Malta's economy cannot be overstated, Mr Vella states:

"By producing a workforce that aligns with current and future market needs, MCAST significantly reduces skill shortages, providing a sense of reassurance to local businesses about the availability of a competent workforce."

Furthermore, the focus on hands-on learning and practical experience at MCAST means that graduates can transition seamlessly into the workforce, reducing the time and cost associated with on-the-job training for employers.

MCAST organises various activities to ensure ongoing exchanges and encounters with industry. In January, it held an onboarding event at all three of its campuses. The event connected students with industry partners, offering a unique opportunity to explore potential apprenticeships and prepare for their professional journey.

In recent years, with the support of EU funds, MCAST has invested in state-of-the-art facilities, including buildings for the Institute of Engineering, the Resource Centre which houses the library and the soon-to-be-inaugurated Institute for Information and Communication Technology. The opening of the Institute of the Trades in October 2025 marks another significant milestone, reinforcing the College's commitment to strengthening the role of trades in education.

Additionally, plans are underway for a dedicated building for the Institute for the Creative Arts (ICA); the plan is for students currently at the Mosta campus to relocate to Paola within the next five to six years.

Another key development is the establishment of a Youth Hub - a communal space designed to foster interaction and collaboration.

"We are creating a place where students can meet, engage, and share ideas," Mr Vella explains. "Beyond buildings, MCAST is growing as a community, ensuring a more interactive and hands-on learning environment."

As the former head of MCAST Gateway to Industry (MG2i), Mr Vella played a crucial role in broadening MCAST's reach, particularly in attracting international students and fostering partnerships. MG2i functions as the commercial arm of MCAST, promoting its courses and facilitating industry connections.

"MG2i is more than just a platform for selling courses; it's about promoting internationalisation," he explains. "We are also exploring the possibility of establishing our own residency for foreign students, which will further enhance MCAST's appeal as a global educational institution."

Over the past decade, MG2i has grown substantially, now operating with a dedicated team of 18 employees and serving as a vital link between MCAST and the international education sector.



Looking ahead, Mr Vella acknowledges that the future presents both challenges and opportunities.

“Lifelong learning, reskilling, and upskilling will become even more critical as industries evolve,” he notes. “We are seeing more students beyond the age of 16 enrolling at MCAST, driven by the need to adapt to new career demands.”

He remains committed to fostering an inclusive and dynamic educational environment, ensuring that MCAST continues to serve as Malta’s leading institution for vocational education.

“Our goal is to remain at the forefront of industry needs, providing students with the best possible education and opportunities. The landscape is changing rapidly, and MCAST is ready to evolve with it.”

*“We need to see what other countries are doing in fields such as data analysis, healthcare, vocational teaching, urban planning, mental health and business intelligence. These are the industries that will define the future job market.”*

As Malta navigates the challenges and opportunities of the 21st-century economy, the role of institutions like MCAST will continue to evolve. By staying ahead of industry trends and maintaining a strong relationship with both the public and private sectors, vocational education will serve the immediate needs of the economy and lay the foundation for sustainable growth and prosperity.

With a forward-looking vision and a commitment to excellence, MCAST is poised to lead Malta into a brighter, more innovative future.



 **QUICK·STEP®**



*Quick-Step's real wood floors from*



Mriehel Bypass Qormi | 21 499 699 | [info@rliving.com.mt](mailto:info@rliving.com.mt) | [rliving.com.mt](http://rliving.com.mt)



## Our Services



**Trade Finance**



**Corporate Finance**



**Treasury Services**



**Cash Management**

The value of a dependable banking partner goes beyond the delivery of financial solutions. We strive to provide a high-quality banking experience to our customers, by building relationships and offering products and services designed to enable their business to achieve sustainable growth.

+356 21322100 [www.fimbank.com](http://www.fimbank.com) [info@fimbank.com](mailto:info@fimbank.com)





**Dr Jean-Marie Mifsud,**  
Chief Innovative Technology Officer, MDIA

# BRIDGING THE DIGITAL DIVIDE THE KEY TO ECONOMIC AND SOCIAL INCLUSION

**In today's technology-driven world, digital technology has become the underlying fabric facilitating our access to information, the medium over which we engage with our friends, family, colleagues. Consequently, digital skills are no longer a luxury but a necessity for every individual to thrive in the digital era.**

Achieving at least a basic level of digital skills - such as the ability to navigate digital tools like smartphones, computers, and online platforms - has become crucial for participating in the job market and fostering lifelong learning.

According to the latest Digital Economy and Society Index (DESI), Malta performs well in terms of basic digital skills, with 78.8% of individuals attaining at least a basic level of digital skills, in contrast to the EU average of 55.56%.

However, there is still more that can be done to narrow the gap between those with access to digital tools and knowledge and those without i.e. the digital divide.

This divide poses significant challenges, exacerbating social and economic inequalities and limiting opportunities for education, employment, and civic engagement. Bridging this gap is critical to ensuring that no one is left behind.

**Malta's Commitment to Digital Advancement**  
Since its establishment, the Malta Digital Innovation Authority (MDIA) has been at the forefront of fostering digital literacy and innovation.

Several initiatives have been launched to encourage early exposure to digital technology, particularly for young people. These include summer schools and bootcamps designed to spark interest in digital fields among teenagers and even younger age groups.

Beyond early education, MDIA has played a pivotal role in supporting advanced digital studies through scholarships for individuals pursuing a Master's or PhD in digitally innovative fields. These efforts aim to strengthen Malta's digital workforce by equipping individuals with specialised knowledge in emerging technologies.

*"MDIA has played a pivotal role in supporting advanced digital studies through scholarships for individuals pursuing a Master's or PhD in digitally innovative fields. These efforts aim to strengthen Malta's digital workforce by equipping individuals with specialised knowledge in emerging technologies."*

Moreover, through DiHubMT - Malta's European Digital Innovation Hub, a project managed and operated by MDIA, the Authority is actively supporting the upskilling and reskilling of the workforce.

Apart from developing short-term training programmes, MDIA has invited key stakeholders such as representatives from the education sector, labour and economic market to participate in the Digital Skills Education Consortium (DSEC). The goal of the DSEC is to facilitate engagement between the parties which are shaping tomorrow's workforce.

These initiatives are vital in preparing employees for the evolving demands of the digital economy and ensuring that businesses remain competitive in an increasingly tech-driven landscape.

Our goals are closely aligned with the EU target defined in the Digital Decade Policy to increase the number of employed ICT Specialists and women's participation in a sector which has a direct impact on every individual.

With the recent integration of eSkills Foundation into MDIA, efforts to address the digital divide and boost ICT specialization have been further consolidated.

This integration allows MDIA to serve as a one-stop-shop for digital competence, offering assistance to both the private sector and the wider society - including children, professionals, and the elderly.

Through comprehensive training programs, digital awareness campaigns, and direct support to businesses, MDIA is reinforcing Malta's position as a leader in digital innovation.



# MSIDA & TA' XBIEX MARINA

World-class berthing for leisure yachts in Malta's most sheltered, secure and central Marina.

Exceptionally well located in the protected heart of Msida Creek, the Msida & Ta' Xbiex Marina makes an ideal all weather base for cruising the Mediterranean.

Together with the optimal position and unique year round shelter, the Marina offers multi-lingual staff, high levels of security, 24/7/365 marina

assistance, easy access to yacht service providers and comfortable land-side facilities.

Whether visiting the Maltese Islands, berthing a day boat, registering under the Malta flag, over-wintering, picking up charters or just provisioning, Creek Developments Plc has a tailor-made solution.

**For further information and reservations, contact:**

**Creek Developments Plc**, Office No 1, Crown Marina Apts  
Ta' Xbiex Seafront, Ta' Xbiex, XBX 1027

T: +356 21337049 | Marina 24h: +356 79337249

E: [info@creekdevelopments.com](mailto:info@creekdevelopments.com) | W: [marinamalta.com](http://marinamalta.com) | VHF Ch 13



**CREEK**  
DEVELOPMENTS PLC

# Central Bank of Malta Publications

## A Commitment to Sharing Professional Economic and Financial Analysis

<b>Weekly</b>	Money Market Report	Weekly Bulletin Report	Weekly Malta Government TBills Report	Weekly CBM MGS Turnover
<b>Monthly</b>	Economic Update			
<b>Quarterly</b>	Quarterly Review	Economic Projections	CBM Business Dialogue	The counter-cyclical capital buffer rate
<b>Annual</b>	Annual Report	Research Bulletin	Financial Stability Report	Interim FS Report
<b>Occasional</b>	Working Papers series	Policy Notes series	Books	

 [www.centralbankmalta.org/publications](http://www.centralbankmalta.org/publications)



BANK ĊENTRALI TA' MALTA  
EUROSISTEMA  
CENTRAL BANK OF MALTA

# MALTA'S ECONOMIC EVOLUTION IN 2025

## CONNECTIVITY, SUSTAINABILITY, AND INNOVATION

Malta's economy in 2025 is set to undergo a significant transformation, leveraging its strategic location, robust financial sector, and technological advancements.

At the core of this evolution is connectivity - spanning digital infrastructure, physical logistics, economic diversification, and trade facilitation. These elements will collectively shape Malta's future as a competitive and sustainable economic hub.

Investments in 5G and fiber-optic networks are rapidly turning Malta into a digital innovation hub. These advancements are strengthening key sectors such as gaming, fintech, and blockchain while fostering an environment conducive to technological growth.

Cutting-edge technologies like artificial intelligence (AI) and the Internet of Things (IoT) are set to revolutionize industries, enhancing efficiency in manufacturing, logistics, and healthcare. Automation and smart solutions will drive innovation, increasing Malta's global competitiveness.

Despite digital advancements, physical connectivity remains a crucial pillar of Malta's economy. The expansion of Malta International Airport and improvements in maritime logistics are essential to sustaining tourism and trade.

*"Malta's economic growth is closely tied to international collaboration. Strengthening ties with North African and Mediterranean countries will position Malta as a regional bridge, enhancing trade and investment opportunities."*

Furthermore, the transition to electric vehicles and an enhanced public transport system will align with the island's sustainability commitments and EU mandates, ensuring a cleaner, more efficient transport network.

Economic resilience is best achieved through diversification. Investments in renewable energy and sustainable practices will position Malta as a leader in the green economy.

Given its strategic location as a gateway between Europe and North Africa, Malta has the potential to strengthen regional supply chains, providing cost-effective and efficient solutions. The adoption of digital trade platforms will further streamline

global transactions, boosting the island's competitiveness.

As Managing Director of Multi Packaging Ltd and a board member of The Malta Chamber, I am committed to driving sustainable manufacturing and optimizing logistics.

Multi Packaging Ltd is adopting circular economy principles, offering recyclable and compostable packaging solutions. Innovations such as biodegradable coatings and lightweight packaging designs align with sustainability goals, reducing waste and environmental impact.

Investing in renewable energy - such as solar installations at production facilities - will not only cut costs but also support Malta's environmental targets. Through The Malta Chamber, I can advocate for incentives that encourage green technologies, helping establish an eco-conscious manufacturing sector.

Optimising logistics is another critical focus area. The integration of digital tools like blockchain for supply chain transparency and AI for demand forecasting can enhance Malta's competitive edge in manufacturing and logistics.

Collaboration within industrial estates - such as shared warehousing and transport solutions - can provide collective benefits for stakeholders, improving efficiency and reducing costs.

Malta's economic growth is closely tied to international collaboration. Strengthening ties with North African and Mediterranean countries will position Malta as a regional bridge, enhancing trade and investment opportunities.

Leveraging platforms within The Malta Chamber, Malta Enterprise, and the Malta Business Bureau will help attract foreign investment by showcasing Malta's stability, advanced connectivity, and skilled workforce. Knowledge exchange programs can further introduce innovative techniques and best practices to Malta's industries.

Policy advocacy and strategic planning are crucial in driving national progress. Representing the manufacturing sector, I aim to influence policies that prioritize infrastructure investment, local production incentives, and digital connectivity.



**Brian Muscat,**  
Board Member, The Malta Chamber  
of Commerce, Enterprise and Industry

Through my role within The Malta Chamber, I support initiatives that enhance Malta's position as a logistics and trade hub while fostering technology-driven industries.

By aligning Multi Packaging Ltd's operations with sustainability goals and leveraging my influence in key organizations, my aim is to position Malta as a leader in sustainable practices, connectivity, and economic resilience.

Strengthening the island's role in European and Mediterranean supply chains will create a robust model for small economies navigating global challenges such as climate change and supply chain disruptions.

Challenges remain, including the need to upskill the workforce for digital and green economies, manage infrastructure demands, and maintain competitiveness in an evolving global market.

However, through collaboration and strategic initiatives, Malta has the potential to become a benchmark for how small economies can thrive by integrating sustainability, connectivity, and international cooperation.

By working together, we can showcase Malta as a model for economic resilience and sustainable innovation, ensuring a prosperous future for generations to come.

# PIONEERING BUSINESS EXCELLENCE

## KEY MILESTONES OF THE MALTA BUSINESS REGISTRY (MBR) & THEIR IMPACT

**The Malta Business Registry (MBR) has made remarkable strides in modernising Malta's corporate landscape, driving efficiency, transparency, and accessibility.**

Its groundbreaking initiatives - including the launch of a fully integrated online system with high-quality qualified electronic signatures, the introduction of a robust insolvency regime, the development of a central data repository as well as APIs for Company Service Providers (CSPs) - have established new benchmarks for corporate services.

These advancements deliver significant benefits to businesses, professionals, and regulatory authorities alike.

One of MBR's most transformative achievements is the introduction of its comprehensive online system, **BAROS**, designed for all forms of commercial partnerships and companies.

*"Recognising the need for a structured and transparent approach to insolvency, the MBR has implemented a comprehensive regime encompassing the accreditation of Insolvency Practitioners and the launch of a self-assessment risk tool."*

This platform revolutionises interactions with the registry, enabling digital submissions, approvals, and verifications, thereby eliminating the need for physical documentation.

Businesses can now perform essential tasks such as company registration, document filings, and amendments far more efficiently compared to traditional paper-based methods.

The incorporation of qualified electronic signatures ensures secure authentication and document integrity, significantly mitigating risks of fraud or tampering.

Furthermore, stakeholders enjoy round-the-clock access to the platform from any location, removing the need for in-person visits or postal correspondence. This not only reduces administrative burdens but also translates into tangible cost savings for businesses and the MBR.

This milestone aligns Malta with global best practices, underscoring the nation's commitment to leveraging digital innovation for improved governance and service delivery.

Recognising the need for a structured and transparent approach to insolvency, the MBR has implemented a comprehensive regime encompassing the accreditation of Insolvency Practitioners and the launch of a self-assessment risk tool.

This initiative ensures that insolvency cases are handled with professionalism and integrity, safeguarding the interests of creditors, debtors, and other stakeholders.

The accreditation system guarantees that only qualified professionals manage insolvency processes, while the innovative self-assessment tool empowers businesses to evaluate their financial health and proactively address potential insolvency risks.

By offering a user-friendly interface, the tool enables companies to identify and mitigate issues early, thereby preserving business continuity and minimising financial losses.

Streamlined processes, clear guidelines, and professional oversight result in faster resolution of insolvency cases, reducing the burden on courts and other institutions.

A strong insolvency framework enhances investor confidence and fosters economic growth, positioning Malta as a leader in corporate governance and financial stability.

MBR's ongoing work on the **central data repository (CDR)** and **APIs for CSPs integration** marks a significant step towards a unified, accessible, and secure corporate data management system.



These initiatives aim to consolidate all business-related data into a single, reliable hub accessible to authorised stakeholders via APIs.

The CDR will serve as a reliable central source for corporate records, enhancing data accuracy, transparency, and compliance. Real-time access to reliable data enables faster decision-making and more efficient operations.

By simplifying regulatory compliance, businesses can reduce the risk of penalties or legal challenges. APIs, on the other hand, facilitate automation across industries, fostering innovation and reducing manual workloads.

This centralised approach minimises discrepancies and ensures that all stakeholders operate with consistent, accurate information. By embracing cutting-edge technology, the MBR demonstrates its dedication to creating a business environment that is both future-ready and adaptable to the ever-changing needs of the global market.

The MBR's milestones represent a transformative shift in Malta's corporate services framework. As these initiatives continue to develop, they lay the groundwork for sustained economic growth, enabling businesses and professionals to flourish in an increasingly competitive global economy.

# DIGITALISATION & SKILLED WORKERS ARE KEY FOR MALTA TO SHIFT FROM QUANTITY TO QUALITY

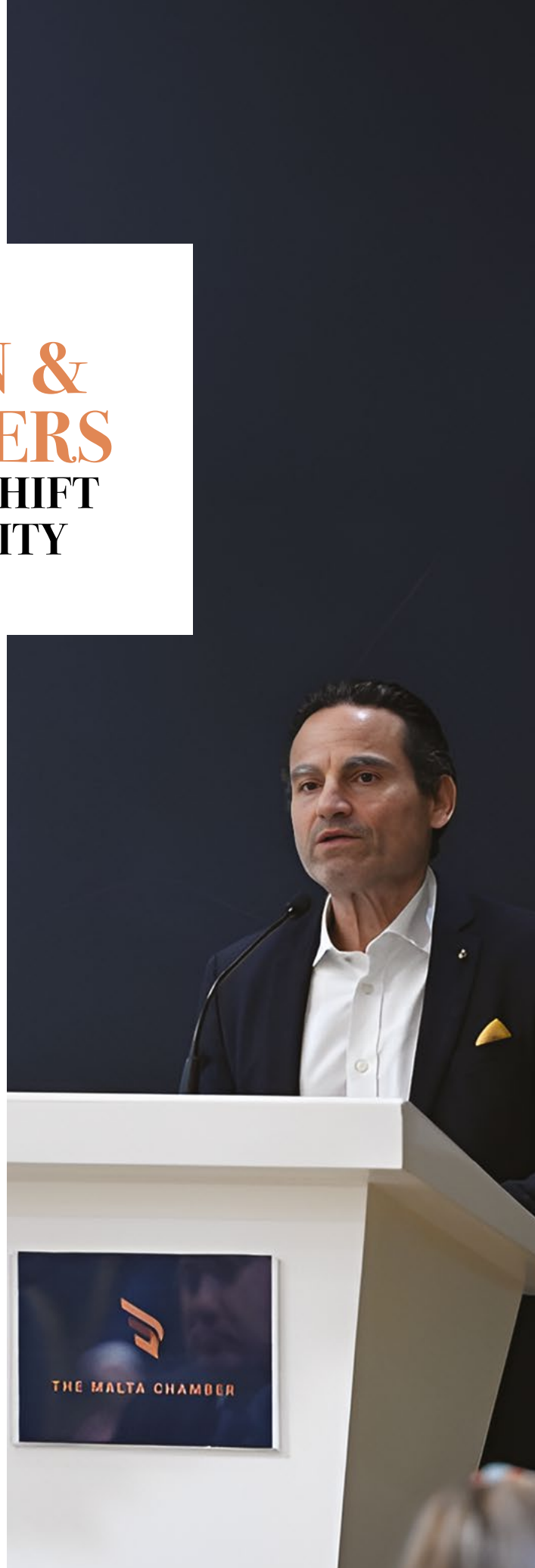
The Malta Chamber of Commerce, Enterprise and Industry, in collaboration with Bank of Valletta (BOV), organised a conference titled 'Diagnosing the Maltese Economy', bringing together key stakeholders to explore Malta's economic trends, future developments, and critical challenges.

In his opening speech, President of The Malta Chamber, Chris Vassallo Cesareo, noted that, "strong governance and leadership are not just hallmarks of a healthy democracy - they are indispensable for a robust economy. A nation's ability to navigate crises, adapt to global trends, and drive sustainable growth depends on the integrity and effectiveness of its institutions."

He also emphasised that the global economy remains uncertain, and Malta faces significant challenges, such as addressing skills shortages within industries, fostering a workforce prepared for the demands of emerging sectors, and ensuring that education and training systems align with the needs of a modern economy.

In his closing remarks, the CEO of Bank of Valletta, Kenneth Farrugia, who also participated in the panel discussion, highlighted the role of governance, saying that, "governance is not just about compliance but about ensuring the resilience and sustainability of an organisation. By fostering clear lines of responsibility and planning for generational leadership transitions, we can safeguard both operational continuity and strategic vision. At a time when global economic and social dynamics are shifting, it is critical for boards and executive teams to work collaboratively, with a focus on diversity, risk management, and long-term success."

**Chris Vassallo  
Cesareo,**  
President,  
The Malta Chamber  
of Commerce,  
Enterprise and  
Industry





Diagnosing the Maltese Economy - conference, January 2025



**Kenneth Farrugia,**  
CEO, Bank of Valletta

This annual event which the business community anticipates from The Malta Chamber in collaboration with BOV, serves as a pivotal platform for industry leaders, policymakers, and experts to examine Malta’s economic trajectory, identify emerging opportunities, and assess potential risks.

Head of Economics at BOV, Malcolm Bray, shared his assessment on Malta’s economic developments and prospects. During his keynote presentation he noted that, “if we want to understand outcomes, we need to explore economic behaviour and how this is shaped by incentives.”

Mr Bray suggested that there is potential for greater use of capital and more entrepreneurship. He concluded that Malta’s economic outlook remains cautiously optimistic but stressed “the importance of closely monitoring long-term forces such as higher life expectancy, shifts in global power, technological improvements, and climate change, as these create challenges if not well prepared for.”

During the panel discussion, moderated by Head of Media and Communications Strategy, Rachel Bondi Attard, The Malta Chamber CEO Dr Marthese Portelli said that, “over the past four years, The Malta Chamber has consistently pointed out several key challenges that the country needs to address, including productivity, the labour market, and infrastructure. Despite the country’s exponential GDP growth, we failed to take the necessary steps to manage this growth effectively.”

Additionally, she stated that while we often hear the terms ‘quality’ and ‘innovation,’ it is important to ensure that everyone has a clear understanding of what we aim to achieve with these concepts. “The Malta Chamber has emphasised the need to provide tourists with a quality experience. Regarding ‘innovation,’ it should address current challenges and prepare us for the future.”

Nick Spiteri Paris, CEO at BigBon Group emphasised that the biggest pain point in the retail industry is talent acquisition. He said that, “one of the most significant challenges in the retail industry today, and for the past several years, has been employment and labour.”

Mr Spiteri Paris added that, “blending digital and physical retail is imperative as consumers today expect a seamless interplay between digital convenience and physical experiences.”

Natalie Briffa Farrugia, Chairperson at Vassallo Group, noted that as of 2024, only 24% of the workforce in her Group consists of Maltese and EU nationals. This begs the question: Where are the Maltese workers?

She added that, “while regulation is important, we must be careful not to create additional barriers, both as a country and as employers. Our goal should be to foster a balanced and sustainable workforce that benefits everyone.”

*“By fostering clear lines of responsibility and planning for generational leadership transitions, we can safeguard both operational continuity and strategic vision.”*

# VIRTUE, HONOUR, AND THE FUTURE OF ST EDWARD'S COLLEGE



A graduate of Trinity College, Dublin, Nollaig Mac an Bhaird has held senior leadership positions in international schools across the globe. As Headmaster of St Edward's College, he brings a wealth of experience to an institution steeped in tradition while preparing it for a dynamic and inclusive future.

Since its founding in 1929, St Edward's College has maintained a steadfast commitment to its motto, Virtus et Honor - Virtue and Honour. These values remain at the core of the school's mission, shaping not only its academic approach but also its emphasis on character development.

Current Headmaster Nollaig Mac an Bhaird believes these principles are more relevant than ever in today's world.

"Keeping to the ideals of **virtue** and **honour** is core to how we do business here," he states. "These are two simple words that encapsulate what a good person should be. We want to instill these characteristics in all our students, because, while we all know their importance, we often let them slip, especially once we are adults."

Mr Mac an Bhaird describes how the school reinforces these values through daily actions, citing a recent moment when a student stepped up to assist a classmate with special needs during a presentation.

"We all want to change the world... but do I throw rubbish on the floor? Do I pick it up? If I witness bad behaviour, do I speak up or let it slide? These are the types of constant reminders we give our students."

This philosophy extends to the entire school community - students, parents, and staff - whom he likens to a "three-legged stool." Their collective effort, he asserts, is essential in delivering a balanced and holistic education.

**Nollaig  
Mac an Bhaird,**  
Headmaster





At the heart of St Edward's College's academic strategy lies the **'Think, Understand, Learn'** (TUL) framework. This approach, Mr Mac an Bhaird explains, is rooted in common-sense pedagogy.

"It's not rocket science - just good teaching," he says. "Modern education isn't about rote memorisation. Before you learn something, you need to understand it, and before that, you need to think about it. This methodology can be applied to any subject at any level."

A key element of the St Edward's experience is its boarding programme, which offers students from diverse backgrounds a structured yet nurturing environment. With a capacity of between 24 and 26 boarders from countries as varied as China and Chile, the boarding facilities are designed to provide both stability and comfort.

"The first school I ever worked in was a boarding school," Mr Mac an Bhaird recalls. "Structure, stability, and safety are paramount, but so is emotional support. Our staff go far beyond their job descriptions to ensure boarders feel truly cared for."

Beyond the facilities, he highlights the profound impact of boarding on students' worldviews.

"If you are boarding here, you are likely not Maltese. The experience of studying in Malta is pivotal for these students. The people who have walked these corridors have been exceptional; and to board, teach, and work here is a privilege."

Of course, maintaining strong connections between boarding students and their families is essential. St Edward's ensures open communication through a dedicated boarding coordinator, regular online academic updates, and, in cases of concern, direct parental outreach.

"If a boarder is feeling down over several days, parents can be contacted online, and in extreme cases, they may even fly over," he says.

One of the most significant changes on the horizon for St Edward's is its **transition to full co-education by 2025**. While this marks a historic shift for the institution, Mr Mac an Bhaird sees it as a natural evolution.

"This is the first single-gender school I've ever worked in, so co-ed is as normal to me as night

and day," he remarks. "After all, St Edward's was founded by a woman - Baroness Strickland, Countess della Catena. **Inclusivity** has always been ingrained in our ethos, so extending our teaching to female students makes perfect sense."

The transition is being implemented gradually, starting with KG2 in September 2025.

"We're taking a phased approach. In 11 years, we will be fully co-educational," he explains. "Our goal isn't to be the biggest school in Malta - just the best, as Tina Turner put it! We are already a good school, that is given and acknowledged. But we want to change: we aim to become a great school! Change is good and it is a stimulus for growth, not necessarily in size but in quality. We currently have around 650 students, and we want to maintain our quality without losing sight of our mission statement."

St Edward's College has long been known for its diverse student body. Promoting inclusivity is a fundamental priority, both in daily interactions and within the curriculum itself.

"My background is international, so fostering inclusivity is second nature to me," Mr. Mac an Bhaird states. "Real inclusivity happens when students engage with different cultures in the curriculum and discuss world events openly. We have students from Ukraine, Palestine, and Israel - all learning together. It is very difficult to harbour hate or prejudice when you have shared a classroom with someone from another nationality."

Education at St Edward's extends beyond academics. The school also offers a range of extracurricular activities, from young scientist programmes to rugby, alongside summer schools for different age groups.

A new 'weaning class' has been introduced for families who wish to integrate their youngest children into the St Edward's community early on.

The College is also collaborating with the Malta Digital Innovation Authority (MDIA) on computing skills, and they have an artist coming in to teach a wide range of artistic disciplines.

"Students participate in live-in experiences and overseas trips from Year 6 onwards - our recent trip to **CERN** was both educational and fun," Mr Mac an Bhaird shares.

*"Real inclusivity happens when students engage with different cultures in the curriculum and discuss world events openly... It is very difficult to harbour hate or prejudice when you have shared a classroom with someone from another nationality."*

As St Edward's College approaches its centenary, its mission remains clear: to uphold its legacy while embracing contemporary advancements in education.

"It's amazing that our buildings have withstood two world wars," Mr Mac an Bhaird reflects. "St Edward's has continued to grow and thrive. Our goal is to remain true to our **core values**, producing good citizens who contribute meaningfully to society and understand the difference between

*"Modern education isn't about rote memorisation. Before you learn something, you need to understand it, and before that, you need to think about it. This methodology can be applied to any subject at any level."*

right and wrong. At the same time, we are committed to keeping education contemporary, ensuring our students are well-prepared for life beyond school."

Under Mr Mac an Bhaird's leadership, St Edward's College is poised to honour its rich heritage while confidently stepping into the future, equipped with a progressive vision and an unwavering dedication to excellence.





Lidl Malta is  
**Top Employer 2025!**



Proudly Maltese.  
Proudly Yours.



Become a MeDirect  
customer today.



 [medirect.com.mt](https://medirect.com.mt)

 2557 4400

Save. Invest. Pay. Borrow.

MeDirect Bank (Malta) plc, company registration number C34125, is licensed by the Malta Financial Services Authority to undertake the business of banking in terms of the Banking Act (Cap. 371) and investment services under the Investment Services Act (Cap. 370).



# FUTURE-PROOFING MALTA'S FINANCIAL SERVICES

## INNOVATE OR FALL BEHIND

**As 2025 begins, Malta's financial services sector stands at a crucial turning point where focus shifts to economic resilience and innovation. Global disruptions, stricter EU regulations, and accelerating digital transformation demand urgent action.**

With GDP growth projected at 4.3% in 2025 (European Commission forecast), Malta has an opportunity to strengthen its financial services sector through automation, digitisation, and sustainability.

The time to act is now - or we risk falling behind.

For years, Malta has relied on tourism, manufacturing, financial services and iGaming, but these industries alone cannot secure the future. To build a resilient economy, Malta must invest in green finance, fintech, AI-driven financial services, and blockchain.

Digital banking and AI-powered finance are already transforming operations, while institutions should shift to ESG-driven investments to align with EU sustainability goals.

The Malta Financial Services Advisory Council (MFSAC) is implementing 170 strategic reforms to modernise regulatory and compliance frameworks. AI and automation are revolutionising fraud detection, compliance, and financial risk management.

*“Malta must evolve or stagnate. The financial sector is moving towards automation, digital finance, and ESG-driven investments - Malta must lead rather than follow.”*

If Malta capitalises on these changes, it will attract investment, create high-value jobs, and strengthen its global position.

The global financial industry is rapidly digitalising, and Malta must keep pace. In 2023, the sector grew by 11.8%, demonstrating its potential. However, staying competitive requires full-scale adoption of automation, AI, and digital finance.

Automation is already cutting costs, reducing errors, and streamlining processes. RegTech is enabling seamless compliance with evolving regulations, while AI and machine learning enhance fraud detection, customer analytics, and risk management. Blockchain technology is improving transaction security and transparency.

By leading in digital finance, Malta will attract investors and reinforce its position as a top fintech hub.

With stricter EU regulations, Malta must leverage AI-driven compliance solutions to stay ahead. Strengthening anti-money laundering (AML) and know-your-customer (KYC) verification through AI is essential.

Aligning with ESG standards ensures financial institutions meet EU sustainability rules, while navigating to maintain an attractive tax environment. By adopting smart compliance technologies, Malta will minimise risk, boost investor confidence, and enhance global credibility.

A tech-driven financial sector requires a highly skilled workforce. Malta must invest in digital education and upskilling. AI and fintech training will equip professionals with expertise in blockchain, cybersecurity, and digital finance.

Industry-academia partnerships will ensure universities align education with financial sector needs. Attracting and retaining top talent is crucial, ensuring Malta has the expertise to drive financial transformation.

Financial strength depends on modern infrastructure. Malta must expand 5G and digital public services to strengthen cybersecurity, digital banking, and AI-driven financial security.

AI-powered risk analysis will improve fraud detection and compliance, while green finance and renewable energy investments will encourage sustainable business models. Aligning financial growth with sustainability will secure long-term economic stability.

Malta has long been a top financial hub, but global competition is increasing. To remain attractive, Malta must maintain regulatory stability, strategic location advantages, and business-friendly policies.

Clear financial regulations, its Mediterranean gateway position, and government-backed fintech incentives and startup grants give Malta an edge. By offering tax benefits, strong governance, and cutting-edge financial solutions, Malta will continue attracting global investment.



**William Spiteri Bailey,**  
Vice President, The Malta Chamber  
of Commerce, Enterprise and Industry

Malta must evolve or stagnate. The financial sector is moving towards automation, digital finance, and ESG-driven investments - Malta must lead rather than follow.

Embracing automation, AI, and blockchain will ensure regulatory frameworks keep pace with global financial advancements. Strengthening financial transparency and compliance through RegTech will maintain investor trust, while expanding green finance and ESG investments will align Malta's financial sector with sustainability goals.

Equipping the workforce with digital skills and refining tax and investment policies will help attract high-value businesses. If Malta stays ahead in digitalisation, sustainability, and compliance, it will remain a financial powerhouse.

Malta stands at a crossroads. The world is not waiting - automation, digital finance, and ESG-driven investments are the future. AI, blockchain, and compliance technology are not optional - they are essential.

The choices made in 2025 will shape Malta's financial services for decades. Now is the time to lead, innovate, and secure Malta's position in the global financial ecosystem.



## LEADERSHIP, LEGACY & THE FUTURE OF TUMAS GROUP

As Chairman and CEO of Tumas Group, Ray Fenech leads one of Malta's most influential businesses, built on a legacy of vision, innovation, and resilience. Under his leadership, the Group continues to expand across key industries. But in an ever-evolving market, how does he strike the right balance between honoring the Group's rich heritage and driving it toward sustainable growth?

Chairman and CEO of Tumas Group, Ray Fenech says that he can never forget where the Group started - a humble shop in the middle of a village on the island of Malta.

"What kept us going is our aspirational level and adaptation to the markets and hard work, but above all quality. Quality is at heart of everything we did, everything we do and everything we will do," he asserts.

People, he says, want high standards and high-quality end-results - be it a restaurant, a hotel or real estate - the outcome needs to be the same - an excellent experience that is shared with their clients, many of whom are repeat customers.

"If we keep this mantra in anything we do, then the legacy is preserved, and the future is a bright one. Rest assured," he adds.

Mr Fenech says that he always enjoys when people mention Portomaso, as that was a groundbreaking mixed use real estate project that put them on the map and shaped the hospitality industry on the Maltese Islands.

**Ray Fenech,**  
CEO and Chairman, Tumas Group



“Portomaso was the first complex of its kind as it offered a destination experience, something that was never seen before in Malta. The project also brings a lot of memories of my late brother George as Portomaso was his vision.”

The long-term vision for the group is simple: to offer unique and memorable experiences that align with the expectations of today’s customer.

“Be it a client in one of our hotels or an individual or family that buys property from the Group, everyone seeks high-quality, immersive experiences blending culture, leisure, luxury and sustainability. Our projects’ aim at that in everything we do,” he states.

Tumas Group is a leader in its field, ensuring that the right structures are always in place. These structures are composed of individuals with extensive experience in their respective areas, as well as a strong sense of integrity.

“As a result, all the group’s activities are carefully scrutinised by a team of highly principled professionals who uphold the highest standards. I am grateful to have them on board and thank them for their hard work and dedication,” Mr Fenech says.

How does the Board and Audit Committee uphold rigorous oversight, and what steps are taken

to reinforce investor confidence in the Group’s corporate integrity?

According to Mr Fenech, the answer to this question boils down to one simple word - integrity.

*“Be it a client in one of our hotels or an individual or family that buys property from the Group, everyone seeks high-quality, immersive experiences blending culture, leisure, luxury and sustainability. Our projects’ aim at that in everything we do.”*

“The Group breathes and lives that on a day-by-day basis. Structures like the Board of Directors, as well as the Audit Committee, are there to reinforce this mantra. Both implement strict governance and supervisory structures that make sure that regulatory and ethical standards are upheld,” he explains.

Regular audits, independent valuations are also in place in order to make sure that risks are identified and also mitigated. The Board is also structured around a number of Non-Executive Directors (NEDS) who, in addition to the executive directors, independently oversee the strategies in place and give guidance to the Group’s management team and shareholders.

“Apart from the above, it all boils down to accountability, ethical leadership and a clear open channel of communication,” he notes. “It also obliges timely financial reporting, clear disclosure of business practices and communication with stakeholders.”

Additionally, the Audit Committee composed of NEDS acts as a safeguard to ensure that decisions are made with integrity by fostering a culture accountability of compliance and ethical responsibility across the organisation’s financial operations.

“If one had to narrate The Tumas Group’s story, one would notice immediately that ethical standards and an ethical leadership always formed part of what we do. The level we are in, how far we’ve come and the respect we have from the business community, local and foreign is a testament to this,” Mr Fenech concludes.

# Annual General Meeting 2025

---

**25 March 2025, 17:00 Onwards**  
The Malta Chamber, Valletta

**REGISTER HERE**





# EMPOWERING SMEs FOR A SUSTAINABLE & RESILIENT FUTURE

## THE ENTERPRISE EUROPE NETWORK'S IMPACT IN MALTA & BEYOND



**SMEs and enterprises are vital for achieving a sustainable, digital, and resilient modern economy, as well as ensuring long-term economic prosperity.**

The European Union has launched initiatives that can support this transformation, creating new business opportunities and better jobs while helping the EU secure a competitive advantage in global markets.

Such initiatives also recognise the challenges SMEs face, such as the costs associated with green and digital transformation, access to finance, barriers to cross-border operations, and the difficulties of expanding within the Single Market beyond.

The Enterprise Europe Network (EEN) is one of the initiatives that seeks to assist European SMEs in effectively addressing these challenges and achieving sustainability, growth, resilience, and digitalisation.

Through various initiatives, this cross-border network aims to help SMEs navigate current economic challenges by offering advice and assistance regarding the Single Market, new market opportunities, funding options, awareness of emerging technologies, digitalisation, and sustainability.

This network includes over 450 partner organisations across several consortia in each country that make up the EEN network. Partners within each consortium may include chambers of commerce, regional development organisations, research institutes, and innovation agencies.

Its 15 years of experience and the numerous success stories from various countries, including Malta, attest to the importance and relevance of the EEN. The scope and objectives of the EEN reflect the recognition that SMEs are the key driving force behind the European economy.

Continuous investment in innovation, sustainability, and digitalisation is vital for ensuring economic resilience and navigating current and future challenges. Maximising the opportunities this network offers to local SMEs and fostering meaningful collaborations with other significant European partners is essential.

This is why the Malta Chamber of Commerce, Enterprise, and Industry is a partner within the Maltese Consortium of this network.

In June 2025, the current EU co-funded project supporting the Maltese EEN consortium will conclude. Thanks to the invaluable work of the Maltese partners, the consortium is confident in successfully achieving its intended targets.

This success was also made possible due to the dedication and professionalism of the Chamber's EEN advisors, who, throughout this project, have supported our clients, particularly in the areas of internationalisation and sustainability.

*"In June 2025, the current EU co-funded project supporting the Maltese EEN consortium will conclude. Thanks to the invaluable work of the Maltese partners, the consortium is confident in successfully achieving its intended targets."*

2024 was a particularly successful year for the Malta Chamber's EEN advisors. Thanks to the efforts of the sustainability EEN advisor, Malta ranked second in the number of projects submitted per million inhabitants for the EENergy grant.

The SMEs awarded this grant received up to €10,000 for sustainability initiatives aimed at increasing energy efficiency. The second call opened in December 2024, and our sustainability advisor once again assisted interested SMEs in applying for this opportunity.

**Fabio Bajada,**  
Projects and Policy Coordinator,  
The Malta Chamber

Furthermore, our internationalisation EEN advisor organised a series of 'Doing Business With' events in 2024. These well-attended events provided local SMEs with the opportunity to engage with our EEN advisors and other international guests to explore access to new markets. In fact, these events led to several potential partnership opportunities for Maltese SMEs with foreign ones.

We began 2025 with a B2B event attended by several French companies in Malta, organised by our international advisor. Further events are already in the planning stages, designed to provide Maltese SMEs with new avenues to access emerging markets.

With the backing of our partners, we are confident that the Malta Chamber will continue to play a pivotal role within the Maltese consortium. Additionally, our EEN advisors, thanks to the developing working relationships with other EEN partners abroad, will keep expanding the opportunities accessible to Maltese SMEs.

As we approach the conclusion of this project, we are pleased to announce that the Maltese Consortium will remain a part of the Enterprise Europe Network, with a new project commencing in July 2025.

This achievement results from the commitment of our sustainability and internationalisation EEN advisors, strong partnerships with Maltese collaborators, and the interest of Maltese SMEs in utilising this support.



*Dr Geraldine Spiteri Lucas, speaking at Business Empowerment conference*



*Chris Vassallo Cesareo, speaking at Business Empowerment conference*

## DIGITALISATION BOOSTS GOVERNANCE, TRANSPARENCY, AND STREAMLINES PROCESSES

**The collaboration between the Malta Business Registry (MBR) and The Malta Chamber of Commerce, Enterprise and Industry has resulted in improved communication and initiatives aimed at enhancing MBR's services to the local business community.**

MBR, in collaboration with The Malta Chamber, held a conference entitled Business Empowerment as part of SME Week 2024 under the auspices of the Ministry for the Economy, Enterprise and Strategic Projects.

MBR's CEO and Registrar Dr Geraldine Spiteri Lucas explained, "Desk Officers are now more specialised, which consequently led to streamlining guidelines, regulations, and requirements. The IT infrastructure has been strongly upgraded, leading to shifting services online as well as paving way for seamless integration between government agencies for the provision of standard documents and information within the limits allowed by the GDPR."

Dr Spiteri Lucas added, "Crucially, the effectiveness of communication is clearly demonstrated by allowing sufficient lead time before the implementation of new regulations. By conducting training seminars, we ensure that CSPs and practitioners are equipped with the necessary knowledge and tools for a swift adaptation to these changes."

President of The Malta Chamber, Chris Vassallo Cesareo said that the integration of systems be-

tween government agencies to facilitate the provision of standard documents and information is a critical step toward eliminating repetitive, time-consuming tasks that drain resources and frustrate users.

He insisted that "businesses need a cohesive ecosystem where data flows securely and efficiently across entities, minimising redundancy and creating value for all."

During a fireside chat, moderated by Head of Media and Communication Strategist Rachel Bondi Attard, both MBR CEO Dr Geraldine Spiteri Lucas and The Malta Chamber CEO Dr Marthese Portelli emphasised that digitalisation does not only contribute to better governance, transparency and accountability, but also contributes to cleaner and more efficient processes.

Dr Spiteri Lucas delved into MBR's recent initiatives which strongly boosted digitalisation. The launch of the new online platform BAROS, Business Automation Registry Online System, introduced digital methods aimed at enhancing efficiency, such as the online submission of all types of company incorporations and other forms.

Additionally, a call for tenders has been issued for the development of the Central Data Repository, an initiative intended to reduce unnecessary bureaucratic procedures.

These initiatives align with MBR's goal of promoting an entrepreneurial mindset, as seen in the recent launch of the self-assessment tool, which provides businesses with a free service to analyse their financial capability and seek help if necessary.

Dr Portelli emphasised that ongoing dialogue with the MBR is essential.

"Maintaining open communication benefits not only the business community but also the country as a whole. At The Malta Chamber, we remain committed to providing input and support whenever needed. While we appreciate the MBR's receptiveness to our feedback, we now look forward to seeing tangible implementation of the proposed measures," said Dr Portelli.

Minister for the Economy, Enterprise and Strategic Projects Silvio Schembri said that this month dedicated to businesses will serve as a forum for discussion so that "as a government, we can pave and implement Malta Vision 2050".

"Vision Malta 2050 is not only about economic growth, but a plan to provide a better quality of

life for everyone. The process has begun to establish strategic goals until 2035 that will lead Malta to a better future with clear goals and a long-term plan. This must be a vision of a country that looks at the needs of the people, quality jobs, sustainable growth, and national unity.

“Together we can build a stronger and more inclusive Malta. Above all, a strong country that, as announced in the Budget, gives a better quality of life and creates that balance from which we really reap the fruits of the unprecedented economic growth that our country is experiencing. Vision Malta 2050 is our roadmap for the next 25 years, with key goals to be achieved in the next 10 years to ensure we stay on the right track.” said Minister Schembri.

*"The launch of the new online platform BAROS, Business Automation Registry Online System, introduced digital methods aimed at enhancing efficiency, such as the online submission of all types of company incorporations and other forms."*

At the conference, a panel discussion led by MBR's COO and Deputy Registrar, Ms Annalise Zammit, focused on the upcoming Corporate Sustainability Reporting Directive (CSRD).

Panelists Mr Norbert Vella from PWC, Mr Mark Micallef from BNF Bank, and Dr Damian Paul Cassar from MBR discussed the implications of the directive in helping companies implement sustainability reporting.

The panel noted that while CSRD presents challenges, it also offers opportunities for enhancing sustainability practices and stakeholder engagement. By approaching compliance strategically and collaboratively, organisations can lead in sustainability within their industries.

The conference also commemorated the 60th anniversary of Malta's Companies Act, which has evolved with EU directives and digitalisation over time. This milestone was celebrated with a documentary featuring past registrars, academics, and MBR employees who have contributed to its development.

*Business Empowerment conference, November 2024, MBR*



*Annalise Zammit, Dr Damian Paul Cassar, Norbert Vella & Mark Micallef*



*Hon. Silvio Schembri, Minister for the Economy, Enterprise & Strategic Projects*



*Rachel Bondi Attard, Dr Geraldine Spiteri Lucas & Dr Marthese Portelli*





# A LEGACY BORN ON THE WATER

Image credit Andrew Schembri / Alex Turnbull



+356 2568 6220



sales@jripard.com



www.jripardshipping.com



John Ripard & Son  
(SHIPPING) LIMITED

# EUROPEAN COMPETITIVENESS TIME TO DELIVER

The new European Commission has set its sights firmly on restoring European competitiveness during this mandate. After navigating a series of unprecedented crises in recent years the EU now seeks to strengthen its economic position while addressing structural challenges.

Despite showing resilience during these turbulent times, Europe faces a fragile economic recovery. High public debt, modest growth, demographic decline, and labour shortages persist.

The European Commission recently published a roadmap, entitled 'Competitiveness Compass', to guide its mission in the coming years, aimed at addressing the challenges outlined by Enrico Letta and Mario Draghi in their respective reports published last year on the current state of the European Single Market and European Competitiveness.

The objective is to ensure Europe remains competitive in an increasingly challenging global environment. Ensuring that Malta's unique economic characteristics are taken into account will be key to maximising the country's growth potential.

One of the Commission's key priorities is reducing bureaucratic burdens to create a more business-friendly environment.

The Simplification Omnibus proposal aims to streamline recently adopted regulations, particularly in areas like sustainable finance reporting and supply chain due diligence.

Smaller companies stand to benefit from this initiative, although it remains to be seen how ambitious it will be.

In addition, the Commission is set to create a new enterprise category for small midcaps, which may become subject to tailored regulatory measures for businesses that exceed SME criteria but remain far smaller than multinational corporations.

By simplifying processes for these firms, the EU aims to foster innovation and growth. This may be beneficial for several Maltese companies that could become subject to less administrative burdens and possibly gain access to more EU funding.

Europe continues to lag as global competitors in innovation. Start-ups in the EU struggle to access venture capital, which is far more readily available in the US and China. To address this, the Commission will launch an EU start-up and scale-up strategy.

This initiative will focus on:

- Removing barriers within the Single Market to encourage cross-border growth.
- Improving infrastructure and skilled labour mobility across the EU.

- Enhancing access to risk finance for start-ups, ensuring promising European firms are not forced to relocate in search of funding.

Malta's growing fintech and digital innovation sectors stand to gain from these efforts, provided that public and private funding instruments and regulatory frameworks support their development.

The EU will also continue prioritising decarbonisation and resource efficiency. The Clean Industrial Deal, to be implemented in stages from 2025, will lay the groundwork for a greener, more energy-secure economy by:

- Diversifying energy sources to reduce reliance on fossil fuels from third countries.
- Building infrastructure for renewable energy and ensuring more affordable prices for households and businesses.

The Commission will also introduce a Circular Economy Act, promoting the optimal use of resources and reducing dependency on imported raw materials.

Investments in renewable energy infrastructure and sustainable resource management could play a significant role in supporting Malta's long-term economic and environmental goals.

Trade remains vital to the EU, with external trade accounting for 45% of GDP. However, growing geopolitical tensions and increasing reliance on a small number of countries for critical raw materials pose risks to economic security.

*"The Simplification Omnibus proposal, to be introduced in early 2025, aims to streamline recently adopted regulations, particularly in areas like sustainable finance reporting and supply chain due diligence."*

In 2025, the EU will:

- Establish a platform for the joint purchase of critical raw materials to reduce vulnerabilities in key supply chains.
- Propose a European preference in public procurement for critical sectors, reinforcing technological security and strengthening domestic supply chains.

The Commission will also continue to expand its network of trade agreements to provide EU businesses with greater market access and ensure fair competition globally, particularly looking at a distinct pos-



**Mario Xuereb,**  
CEO, Malta Business Bureau

sibility of trade wars due to the shift in policies by the incoming US administration.

Failure to understand these shifts and their impact could leave the EU at a critical disadvantage.

Access to diversified markets for Maltese businesses and ensuring that Malta remains attractive to foreign investment will be essential for sustaining economic growth.

To support its ambitious goals, the EU is looking to mobilise more investment. European households boast a high savings rate, yet over €300 billion in savings is invested in markets outside the EU each year.

To reverse this trend, the Commission will propose a European Savings and Investment Union in 2025, designed to channel capital into innovation and infrastructure projects within the EU. This initiative aligns with the recommendation in Draghi's report that investment must reach 5% of GDP annually to sustain growth and competitiveness.

Such EU efforts to channel investment within Europe could create new opportunities for Malta's financial sector and firms.

By simplifying regulations, fostering innovation, driving sustainability, and addressing economic security, the EU has outlined a robust plan for 2025.

However, these commitments must translate into action. The productivity gap between Europe and its competitors is widening, and the time to act is now.

For Malta, active engagement in these discussions will be key to securing policies that reflect the island's unique economic structure and long-term development priorities.

*The Malta Business Bureau is the EU business advisory organisation of The Malta Chamber and the Malta Hotels and Restaurants Association.*

# Built Differently

Because redefining standards  
is our commitment

Accounting

Advisory

Audit &  
Assurance

Corporate

Global  
Mobility

Legal

Private  
Clients

Tax

With half a century of experience,  
we streamline operations, drive  
growth and ensure your business  
runs smoothly.



Get in touch: [info@clamalta.com](mailto:info@clamalta.com)



# TOURISM IN MALTA

## AN OUTLOOK FOR 2025

**As we step into 2025, Malta's tourism sector is on the brink of another year of growth, driven by rising tourist arrivals and the launch of new real estate developments in the accommodation sector.**

However, this growth brings challenges that call for strategic management and foresight from both operators and public stakeholders. Addressing these structural issues is essential for ensuring long-term sustainability and safeguarding Malta's reputation as a premium destination.

### **Rediscovering Growth and Opportunities**

Malta has long charmed travelers with its rich history, vibrant culture, and breathtaking Mediterranean landscapes, all nestled within a compact, easily accessible area.

The addition of new hotels and short-term accommodations promises to attract a broader array of visitors. However, anticipated growth in arrivals risks outpacing air seat capacity and straining Malta's infrastructure. If these limitations are not addressed, the quality of the experience for both tourists and residents will inevitably decline.

As competition for limited air capacity intensifies, visitor spending may drop, and only operators committed to delivering high-quality experiences will succeed in such a competitive landscape.

*"As competition for limited air capacity intensifies, visitor spending may drop, and only operators committed to delivering high-quality experiences will succeed in such a competitive landscape."*

### **Navigating Malta's Tourism Challenges.**

#### **Labour Shortages**

Labour shortages are one of the most pressing challenges for Malta's tourism industry, exacerbated by the increased demand for skilled workers to support the expanding accommodation sector.

Beyond the hospitality workforce, critical roles such as coach drivers and tourist guides - key to delivering culturally rich and language-specific experiences - are also in short supply.

To address this, operators should adopt technology-driven solutions to boost efficiency and productivity. At the same time, a comprehensive framework to attract and retain talent in crucial roles, such as guiding and coach driving, is necessary.

Encouraging locals to pursue careers in tourism can help sustain the sector while preserving the high standards of hospitality that Malta is renowned for.

#### **Rising Pressures**

The dominance of low-cost airlines in Malta's air travel market has spurred growth but placed downward pressure on visitor spending. Inflation-adjusted tourist expenditure remains below 2019 levels, with only slight improvements since 2023.

Combined with rising operational costs and heightened visitor expectations, these dynamics pose significant challenges for operators. Failing to deliver high-quality products and services risks leaving visitors dissatisfied, particularly as regional competitors grow more appealing.

#### **Infrastructure and Environmental Concerns**

Malta's infrastructure is under increasing strain from rising tourist numbers. Transportation bottlenecks, delayed waste collection, overcrowded streets, and overstretched public facilities are common during peak seasons, negatively affecting both the visitor experience and residents' quality of life.

To mitigate these issues, upgrading infrastructure and implementing sustainable practices must be prioritised.

#### **Avoiding Overtourism**

As tourist arrivals continue to grow, the risk of overtourism becomes ever more pressing. A bold and comprehensive approach is needed. The Malta Chamber's proposed action plan provides a clear roadmap, emphasising sustainable practices and prioritising value over volume.

Redirecting visitors to explore lesser-known areas can alleviate pressure on popular hotspots, while updated regulations, aligned with modern needs, can ensure fairness and compliance.

By delivering high-quality experiences, operators can help preserve Malta's cultural heritage, sup-



**Alan Arrigo,**  
Board Member, The Malta Chamber  
of Commerce, Enterprise and Industry

port local communities, and promote sustainable tourism.

#### **Modernising for Sustainable Growth**

Structural reform is vital to bringing Malta's tourism sector in line with global trends. This includes streamlining permitting processes for new developments, leveraging technology to enhance efficiency and customer satisfaction, and fostering greater collaboration among stakeholders.

Aligning efforts to manage growth sustainably will be key to the industry's long-term success. Rediscovering Malta's Tourism Potential

As we step into 2025, Malta's tourism sector holds immense potential. However, realising this requires a proactive and unified approach. Labour shortages, rising pressures, and infrastructure limitations are challenges that demand immediate attention.

The Malta Chamber's 'Rediscover' document, published in 2021, offers a visionary roadmap for sustainable tourism. It advocates diversification, directs visitor traffic to lesser-known areas, and promotes modernised regulations tailored to societal shifts and technological advancements.

By embracing these strategies, Malta can cement its leadership in sustainable tourism, benefiting both visitors and residents while preserving the island's unique character and ensuring its long-term prosperity.

# BALANCING NOW & THE FUTURE

**In 2025, Malta's economy is projected to experience continued growth, although at a more moderate pace than in previous years. The Central Bank of Malta (CBM) forecasts a real GDP growth of 3.9% in 2025, a decrease from the 4.9% expected in 2024. Similarly, the European Commission projects a 4.3% GDP growth for 2025, while the IMF projects 4.1%.**

These projections indicate a general consensus that while growth will remain robust, it will be lower than the 7.5% growth seen in 2023. The CBM notes that this moderation is a convergence towards potential output growth. The IMF also notes that medium-term growth is expected to be around 4%, which is significantly higher than the EU average but lower than pre-pandemic averages.

Employment growth is expected to remain strong, although at a decelerated rate compared to 2024. The European Commission and CBM anticipates a 3.1% employment growth in 2025. The unemployment rate is projected to remain low, at around 3.1% by the European Commission and by the IMF.

The CBM anticipates that labour market demand is expected to moderate, due to a projected easing in economic growth and an assumed recovery in productivity.

HICP inflation is expected to moderate further in 2025. The European Commission and CBM forecast an average inflation of 2.2%, while the IMF projects inflation at around 2% by mid-2025. Food and services inflation are expected to be the main contributors.

The government deficit is expected to decrease further in 2025. The European Commission and IMF projects a deficit of 3.5% of GDP. The CBM, in its assessment of the 2025 budget, notes that newly announced measures are likely to increase the deficit while revenue is set to decline.

Public debt is expected to remain below the 60% Maastricht Treaty threshold, with the European Commission forecasting 50.4% of GDP and the IMF forecasting 49.7%.

The IMF notes that risks to the outlook are tilted to the downside, with potential spillovers from regional conflicts, global economic slowdowns, and higher-than-expected wage growth.

Overall, the Maltese economy is expected to continue its growth trajectory in 2025, with a moder-

ate pace. Domestic demand is expected to become the main driver of growth in 2025, with private consumption and investment playing key roles.

Net exports, particularly in services, are also expected to contribute positively, although their contribution will be smaller compared to 2023.

Tourism is expected to continue growing, though it may taper off. The European Commission highlights that tourism arrivals continue to grow, and the strong employment and recovering real wages are supporting consumption. The IMF projects that non-tourism exports will be supported by a modest recovery in Europe.

Having said that, there is I believe an underlying challenge which is extremely important. The IMF clearly stresses the need for continued structural reforms to boost productivity and achieve sustainable long-term growth. This includes a focus on innovation, education, training and environmental sustainability.

This means that economic policy makers in Malta have to balance short-term economic growth measures with long-term structural reforms, to ensure more sustainable economic growth in the future. Malta needs to increase its productivity.

In 2022, the average GVA per person employed in the EU was €50,300, while in Malta it was €36,675. Enhancing productivity rather than increasing the workforce will be crucial for Malta to achieve sustainable economic growth.

Over the past 10 years, Malta's productivity increased by around 24%, compared to the EU average of 21%. Since Malta started at a lower base than other EU member states, productivity growth must accelerate. Many Eastern European countries that joined the EU with Malta have seen productivity gains ranging from 40% to 80% in the last 10 years.



**Silvan Mifsud**

*Council Member, The Malta Chamber and Chair of the Family Businesses Committee*

*“Overall, the Maltese economy is expected to continue its growth trajectory in 2025, with a moderate pace. Domestic demand is expected to become the main driver of growth in 2025, with private consumption and investment playing key roles.”*



# NAVIGATING GROWTH AND HUMAN RESOURCES IN 2025 AND BEYOND

---

**Malta's economy is currently facing the dual challenge of sustaining economic growth while addressing the effects of a rapidly increasing population.**

The existing economic model, which relies heavily on expanding the workforce - particularly through Third Country Nationals (TCNs), is not sustainable.

Despite no fewer than 19 visions and strategies published by the government between 2019 and 2024, there remains uncertainty about what the new economic model should be.

Malta Vision 2050 offers another opportunity to define the country's future direction, and all stakeholders should contribute and unite behind shared goals.

Malta has experienced significant population growth, particularly from third-country nationals (TCNs), but this has not led to corresponding productivity improvements. A decline in productivity could impact Malta's competitiveness.

The Malta Chamber has noted progress in establishing a policy on TCNs, but changes to this policy should be cautiously implemented to avoid unnecessary shocks to the economy. Furthermore, the TCN policy should be aligned and integrated with Malta Vision 2050.

Businesses in Malta are struggling to find workers due to a tight labour market affecting operations and investment decisions. Unemployment is at record lows, female workforce participation has risen, and the working-age population is expected to decline by 15,000 in the next decade.

This shift, partly due to Malta's low fertility rate, increases reliance on imported labour. Wage-induced inflation is rising as employers increase salaries to attract talent, while productivity drops due to high turnover and mismatched skills.

Skills imbalances highlight the need for strategic human resource management and skills development. A skills forecasting policy, implemented by educational institutions focusing on STEM, is essential.

Collaboration between educators and employers is necessary to align curricula with industry needs. Businesses must actively shape and support this educational vision.

The government plays a pivotal role in rebalancing Malta's economy. Over the past decade, public sector jobs increased by 23%, pulling talent away from the private sector and causing labour shortages.

Reducing public sector jobs can release skilled workers into the private sector, improving productivity and reducing wage-induced inflation. This should be paired with upskilling, reskilling, and career mobility policies for a smooth transition.

Businesses must also adapt to evolving workforce expectations with flexible work arrangements, continuous learning opportunities, and a focus on sustainability. Employers need to create inclusive environments to attract and retain talent.

The future of work will rely on technological advancements and human adaptability, underscoring lifelong learning and skill development for new technologies.

Malta must align its workforce strategies with global trends, as highlighted in the World Economic Forum's 2025 Future of Jobs Report. Technology, the green transition, and socio-economic trends will cause job displacement and opportunities. Adapting to these changes is vital.

For a prosperous future, Malta needs a high value-added economy, focusing on productivity, innovation, and addressing labour market challenges. Balanced immigration aligned with skills development and employment trends is essential.

Malta Vision 2050 must provide a comprehensive plan addressing immediate and long-term growth and prosperity challenges. It's time to turn plans into action.

---



**Kevin Rapinett,**  
Board Member, The Malta Chamber  
of Commerce, Enterprise and Industry

---

*“The Malta Chamber has noted progress in establishing a policy on TCNs, but changes to this policy should be cautiously implemented to avoid unnecessary shocks to the economy. Furthermore, the TCN policy should be aligned and integrated with Malta Vision 2050.”*

THE MALTA CHAMBER

# PODCAST



LISTEN ON SPOTIFY



PRESENTED BY

**RACHEL  
BONDI  
ATTARD**

Head of Media & Communication  
Strategist, The Malta Chamber

# Your message, delivered with precision.

Strategic door-drop solutions  
that get your brand seen.

[postpro.mt](https://postpro.mt)

+356 9910 6366 | [info@postpro.mt](mailto:info@postpro.mt)





# A window of new opportunities

## **Empowering local businesses to expand internationally**

We believe Malta-based businesses have the potential to succeed internationally. That's why we do our very best to support you and guide you on your internationalisation journey, whether you're an established exporter or just starting out.

Start your journey  
[www.trademalta.org](http://www.trademalta.org)

**10**  
YEAR ANNIVERSARY  
**TRADEMALTA**