

FEEDBACK BY THE MALTA CHAMBER

Consultation Feedback by The Malta Chamber on National Skills Strategy 2026 - 2035

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01 Introduction

Malta's long-term economic competitiveness depends on its ability to develop, attract, and retain the right skills, while being able to deploy them effectively across all sectors of the economy. It is within this context that The Malta Chamber welcomes the National Skills Strategy 2026-2035 as a timely and necessary framework, and offers this feedback as a constructive contribution to ensuring that its ambitions translate into practical, measurable outcomes for Maltese businesses and workers alike.

The Malta Chamber is the leading voice of Maltese business, representing enterprises of all sizes and across all sectors of the economy. Our engagement with this consultation is therefore broad in scope and grounded in the day-to-day realities of employers navigating a labour market that is among the tightest in the EU and is also undergoing significant and required structural transformation due to digitalisation, the net-zero transition, and demographic change.

The Malta Chamber acknowledges the strategic direction of the National Skills Strategy and welcomes in particular its emphasis on shared responsibility for skills development among government, employers, and individuals, its focus on adult learning and lifelong upskilling, and its recognition of the need to align educational outcomes more closely with labour market realities. These are the right foundations for a strategy of this ambition and duration.

At the same time, The Malta Chamber's feedback reflects a consistent and firmly held set of concerns. Malta already possesses a range of schemes and initiatives in the skills space. There are also a considerable number of institutions (public and private) offering diverse training opportunities for various skills sets. Malta already boasts a number of relatively well-designed and adequately funded training programmes, with some whose impact is constrained by low awareness, administrative complexity, and insufficient promotion. This document argues repeatedly that the priority must be to unlock the potential of what already exists before layering new instruments on top. It also argues that the burden of skills development should not fall disproportionately on employers, particularly in the current tight labour market context with low productivity outcomes and other challenges which diminish businesses' flexibility. The document also emphasises the role which The Malta Chamber plays in all this, where as the broadest and most representative voice of Maltese business, it must be engaged as a partner in the design, governance, and implementation of the National Skills Strategy.

This consultation document is structured to provide pillar-by-pillar feedback on the 30 recommendations, followed by additional observations on broader strategic priorities including talent repatriation, labour market intelligence, implementation governance, and the question of how skills development should be funded.

02 Feedback on Specific Recommendations

Pillar 1: Identifying Skills Needs Through Better Assessment, Forecast and Foresight Exercises (Recommendations 1-3)

The Malta Chamber welcomes and strongly supports the proposals under this priority topic. Without a clear, evidence-based picture of current and future skills needs, investment in training and education risks being misaligned with the realities of the labour market. This misalignment is essentially a cost incurred by businesses.

Support for the Malta Skills Observatory and National Skills Assessment and Anticipation (SAA) Methodology

The Malta Chamber supports the establishment of the Malta Skills Observatory (Recommendation 1) and the development of a unified national SAA methodology (Recommendation 2). A permanent, coordinated body dedicated to skills intelligence is overdue, and The Malta Chamber believes that if organised and governed correctly, has the potential to improve the quality and consistency of data available to policymakers, educators, and employers. It is encouraged that this observatory would adopt clear and regular output cycles, such that its findings translate into timely, actionable intelligence rather than periodic reports that quickly become outdated.

The Critical Importance of Data Sharing

A national SAA system is only as strong as the data collected. In this regard, we wish to emphasise that effective data sharing between government entities must be treated as a prerequisite. Collaboration between entities such as the National Statistics Office, Jobsplus, Identita`, and the National Skills Council among others is imperative. Therefore, the strategy should include explicit commitments to structured data sharing protocols between relevant government entities, underpinned by clear governance arrangements that define what data is shared, how frequently, and under what conditions. Ideally, all relevant data from the various entities should feed into a single live system that automatically collates the information and generates the corresponding outputs.

Beyond inter-agency sharing, The Malta Chamber also highlights the value of making appropriately anonymised and aggregated data accessible to researchers, academic institutions, and other bodies conducting studies relevant to workforce development and the labour market. Opening skills data to a broader research community generates insights that government alone may not produce.

Concerns regarding Burden on Businesses

While The Malta Chamber supports the objectives of introducing sectoral and firm-level SAA methodologies (Recommendation 3), it urges caution in how data collection at the firm level is designed and implemented. The strategy does not yet specify whether participation in firm-level data collection would be mandatory or voluntary, and this distinction matters significantly for businesses who would bear additional reporting requirements.

The Malta Chamber therefore calls on the National Skills Council to commit to the following principles in designing firm-level data collection:

1. Proportionality: Any reporting requirements should be calibrated to the size and capacity of the business, with simplified processes for SMEs.
2. Transparency: Business should be clearly informed about what data is being collected, how it will be used, and who will have access to it.

3. Confidentiality: Robust safeguards must be in place to ensure that commercially sensitive workforce data cannot be attributed to individual firms.
4. Administrative Simplicity: Any data collection instruments should be designed with the end user in mind, minimising compilation and reporting time and complexity.

We also recommend that The Malta Chamber is actively involved in the design of any firm-level data collection tools, to ensure they are practical, relevant, and proportionate before they are rolled out more broadly.

Pillar 2: Improving The Dissemination of Skills Information and Strengthening Career Guidance Services (Recommendations 4-7)

The Malta Chamber welcomes the proposals under this priority topic and recognises the importance of making skills information more accessible and actionable for learners, workers, educators, researchers, and employers alike. Better informed career decisions, grounded in real labour market data, should over time produce a workforce whose skills are more closely aligned with what businesses actually need. Nonetheless, The Malta Chamber raises a number of concerns and recommendations to ensure these proposals deliver their intended impact.

The Skills Intelligence Platform and the Barometer: Relevance and Consolidation

The Malta Chamber welcomes the proposal to launch a dynamic skills intelligence platform (Recommendation 4) and to publish the Employment and Skills Barometer (Recommendation 5). However, there are two interrelated concerns to be raised.

Firstly, the pace at which required skills are evolving, especially in particular sectors, means that any platform or publication risks becoming outdated quickly. A platform that is not updated with sufficient frequency will lose the trust of its users and fail to serve its purpose as a dynamic resource. It is therefore recommended that the update cycle for the skills intelligence platform be clearly defined and set at a frequency that reflects the pace of change in Malta's priority sectors, rather than defaulting to periodic updates driven by administrative convenience. Ideally, the platform should be designed to collect information continuously and generate outputs in real time.

The same concern applies to the biennial Barometer. A two-year publication window is a significant period in a fast-moving labour market. Skills that are in shortage today may be adequately supplied within that window, while entirely new demands may emerge. The Malta Chamber recommends a model whereby the full Barometer is supplemented by lighter and more frequent updates, for instance quarterly or biannual bulletins, that keep stakeholders informed between editions.

Second, and more importantly, The Malta Chamber questions the need for both a skills intelligence platform and a standalone Barometer as separate instruments. It is also worth noting that CEDEFOP already produces skills forecasts reports covering Malta as part of its EU-wide analysis. Multiple overlapping reports may create confusion and information overload among users about where to look for information, while also placing unnecessary duplication of effort on the institutions responsible for producing them. The Malta Chamber encourages the National Skills Council to consider whether a single, well-resourced, unified reference point (combining real-time data, SAA forecasts, sector-specific intelligence, accessible summaries, and drawing on CEDEFOP's existing outputs where relevant) might better serve the needs of all stakeholders than several separate platforms and reports.

Career Guidance & The Importance of Employer Connectivity

The Malta Chamber strongly supports the vision of a universal career guidance service (Recommendation 6) that is accessible to all individuals throughout their working lives, not only at the point of entering the labour market. For this service to be genuinely effective however, it must be grounded in a continuous and structured dialogue between employers, employment bodies, educational institutions, and career guidance providers. Career advice that is not informed by the lived reality of what industries need (in terms of skills, attitudes, and qualifications) risks steering individuals towards pathways that do not reflect actual demand.

The Malta Chamber is a member of the National Career Guidance Network (NCGN) and firmly believes in its mission and quality of its output. The Malta Chamber sees NCGN as an important mechanism for ensuring that career guidance in Malta remains connected to industry needs, and encourages the National Skills Strategy to explicitly recognise and strengthen its role within the proposed universal guidance service. It is also worth highlighting the importance of structured employer involvement in shaping the content and direction of career guidance services. Employers and employer bodies should be consistent partners that ensure guidance reflects current and emerging labour market realities.

Resourcing & Promotion

The Malta Chamber wishes to raise a broader concern that applies to both the skills intelligence platform and the universal career guidance service. Malta has a record of launching public-facing initiatives that are well-designed in principle but underutilised in practice due to insufficient investment in promotion, user experience, and/or ongoing maintenance. Given the significant draw on public finances that both initiatives represent, it is essential that adequate resourcing is committed not only for their development but for their sustained operation and active promotion.

A platform that exists but is unknown to its intended users, or a guidance service that is available but difficult to access, will not deliver the outcomes which the National Skills Strategy is seeking. The Malta Chamber therefore calls on the National Skills Council to ensure that both initiatives are accompanied by robust communication strategies, clear targets for uptake and engagement, and regular reviews of whether they are reaching the audiences they are designed to serve, and adjusted accordingly

Pillar 3: Empowering Educators and School Leaders for Future-Ready Education (Recommendations 8-12)

As an employer body, The Malta Chamber recognises that while the proposals under this priority topic are primarily directed towards the education system, they are not without relevance to businesses. The quality of educators fundamentally shapes the quality of the talent pipeline that businesses depend on, and we therefore welcome the overall direction of these recommendations while keeping our feedback focused on the areas of most direct relevance to employers.

Teacher Shortages in Key Subject Areas

The proposal to address teacher shortage through targeted information campaigns (Recommendation 12) is one we view with particular interest from a business perspective. Shortages in STEM, digital, technical VET subjects, and transversal skills have a direct downstream impact on the preparedness of school leavers and graduates entering the workforce. Businesses consistently report gaps in foundational skills among young recruits, and insufficient or underqualified teaching in these areas may be one contributing factor to this which should not be ignored. The Malta Chamber therefore strongly supports efforts to attract new entrants into the teaching profession, particularly in shortage subjects.

Digital and Green Skills in Educator Training

The Malta Chamber welcomes the focus on digital and green skills within the proposed Individual Learning Accounts (ILAs) for educators (Recommendation 8) and the competency framework (Recommendation 9). It is more likely that students develop digital skills and confidence if their teachers exhibit the same skills. Hence, ensuring that educators are genuinely equipped with these skills in practice and not just in theory, is important if Malta aims at producing a workforce which is capable of thriving in a digital and net-zero economy. The Malta Chamber also encourages the competency framework to be developed with input from industry to ensure that the skills it prioritises reflect current and emerging workplace realities.

Employer Involvement in Educator Development

The Malta Chamber believes that an underexplored way for strengthening educator development is structured industry engagement for teachers. Exposing educators to real workplace environments keeps them connected to the evolving demands of the labour market and enriches the relevance of what they teach, particularly for VET subjects. In this regard, The Malta Chamber would like to make specific reference to the *Bridge with Industry* initiative, which was designed with exactly the right ambitions in mind. Unfortunately, take-up among businesses was lower than anticipated, partially due to businesses either not having the time or not recognising the benefits of such an initiative.

The Malta Chamber's position is that awareness and administrative simplification alone will not be sufficient to drive meaningful uptake. What is needed is a tangible incentive framework that gives businesses a concrete and immediate reason to participate. This could take the form of:

- Tax credits or financial subsidies for businesses that host educators;
- Recognition schemes that carry reputational value; and/or
- Priority access to other government support programmes for participating employers.

The Malta Chamber calls on the relevant authorities to redesign *Bridge with Industry* around an incentive-led model, complemented by:

- Streamlining the administrative process for participating employers;
- Offering clearer guidance on what participation involves in practice;
- Communicating more effectively the long-term return on investment for employers.

The Malta Chamber wishes to offer a concrete recommendation on the content and delivery priorities that should guide skills development across all levels of education and training. For any training investment to yield a genuine return, its content must be directly relevant to the needs of the economy and designed with real workplace application in mind. In this regard, The Malta Chamber recommends that government support shift progressively towards company-led and sector-specific training, particularly in dynamic sectors where generic courses quickly become obsolete. Foundational transversal skills should also be treated as a cross-cutting priority to all levels, as these are the prerequisite capabilities that enable individuals to continue learning and adapting throughout their working lives.

Pillar 4: Equipping Learners of all Ages with Skills for the Future (Recommendations 13-17)

The Malta Chamber views this pillar as one of the most strategically significant from a business perspective. While the proposals are primarily directed at learners and educational institutions, today's students are tomorrow's workforce, and the quality, relevance, and accessibility of education and training directly determines the talent which businesses depend on.

Malta Skills Museum

While The Malta Chamber appreciates the spirit behind the proposal to establish a future-focused skills museum (Recommendation 13), it has its reservations about whether this represents the best use of what would inevitably be a significantly public investment. There is a real risk that such a facility becomes a costly showpiece with limited sustained reach and impact, particularly if it is not deeply integrated into formal education pathways and workplace realities.

The Malta Chamber argues that the objectives behind this recommendation (developing transversal skills like creativity, critical thinking, and problem solving) could be better served through a different approach. Rather than investing in a new physical or experiential facility, The Malta Chamber suggests that focus and resources be directed towards two more immediately impactful interventions.

Rather than investing in a new physical or experiential facility, The Malta Chamber suggests that focus and resources be directed towards making existing training provision more relevant, accessible, and well-communicated. In this regard, Jobsplus already offers a range of courses covering both transversal and hard skills that represent an underutilised public asset. However, The Malta Chamber wishes to emphasise that the value of these courses is contingent on their quality and relevance. Any investment in expanding or promoting public training provision must therefore be preceded by a rigorous review of course content and relevance, conducted with structured input from employers and industry bodies, to ensure that what is being promoted is genuinely fit for purpose. Promoting courses that do not meet this bar would risk further eroding confidence in public training provision rather than building it.

Beyond quality, many individuals and businesses remain unaware of available schemes, and those who are aware often find the administrative burden of application processes and monitoring requirements off-putting. The Malta Chamber therefore advocates for investment in streamlining these processes and communicating available opportunities more effectively. Consequently, The Malta Chamber advocates for stronger financial support for businesses and employees who invest in training themselves, complemented by simplification of the processes involved in accessing that support. Malta already has a range of incentive schemes in this space, including *Get Qualified* and *Skills Development* offered through Malta Enterprise, and the *Investing in Skills (IIS)* scheme administered by Jobsplus among others. Similar to the free courses offered by Jobsplus, their collective impact may be constrained by low awareness and cumbersome administrative requirements. A streamlined, well-communicated process could result in considerably more training activity than currently takes place, at a fraction of the cost of building and maintaining a new facility.

Critically however, The Malta Chamber wishes to emphasise that any expansion or promotion of publicly funded training provision must be designed to complement rather than crowd out the private training market. Accredited private training institutions play a vital and irreplaceable role in Malta's learning ecosystem, investing significantly in developing and delivering high-quality, up-to-date programmes across a wide range of disciplines. The availability of free or heavily subsidised public

courses must not place these institutions at a structural disadvantage. The Malta Chamber therefore advocates for a model that directs public funding towards supporting individuals and businesses in accessing accredited training, whether delivered publicly or privately, ensuring that the breadth, quality, and competitiveness of Malta's overall training landscape is preserved and strengthened rather than narrowed.

VET Promotion

The Malta Chamber strongly supports efforts to promote vocational education and training as a rewarding and credible pathway (Recommendation 15), and it agrees that changing deeply ingrained cultural perceptions of VET requires more than awareness campaigns alone. Communications have a role to play, but the most powerful way to shift attitudes is to demonstrate the real-world value of VET through direct experience.

In this regard, The Malta Chamber would place particular emphasis on apprenticeships and work-based learning as a means for developing both transversal and hard skills in students. Through apprenticeships, learners acquire practical, employer-relevant skills in a real workplace environment, while businesses benefit from motivated young people contributing meaningfully to their operations. Both parties gain, and the experience of working in a real business environment does more to develop work-readiness than any classroom-based alternative.

However, The Malta Chamber wishes to be frank about a barrier that currently limits employer enthusiasm for taking in apprentices and trainees. Businesses invest real time.

Businesses devote time, resources, and managerial effort to training young people, and there is a legitimate concern that this investment may deliver no return if the individual leaves immediately after completing their training. Hence, the Malta Chamber strongly advocates for a structured framework that provides employers with a degree of protection in this regard, for instance through minimum commitment periods or agreements whereby apprentices contribute to the business for a defined periods following the completion of their training. This need not be punitive or restrictive for young people, but it should give employers the confidence that their investment in developing the next generation will not be entirely lost.

Co-Creation of Post-Graduate Qualifications

The Malta Chamber welcomes the emphasis on co-creation between higher education institutions and employers in developing new post-graduate qualifications (Recommendation 16), and wishes to signal its willingness to engage actively in the process. However, The Malta Chamber stresses that co-creation must mean genuine, structured, ongoing collaboration. Employers and employer bodies need to be involved from the outset in identifying priority qualification areas, defining learning outcomes, and validating that the resulting awards reflect real job roles and skill requirements.

Pillar 5: Encouraging and Incentivising Adults to Participate in Learning Activities (Recommendations 18-20)

The Malta Chamber broadly welcomes the proposals under this priority topic and recognises the importance of fostering a culture of continuous learning among Malta's adult workforce.

National Campaign and Incentives

The Malta Chamber supports the principle of a comprehensive national lifelong learning campaign (Recommendation 18) and the strengthening of existing incentives for adult learners

(Recommendation 19). However, it reiterates the point made under the previous pillar whereby Malta already has a range of schemes designed to encourage training and upskilling, and the primary barrier to their uptake is awareness, administrative burden, and processing time of application and receiving of funds. Any new or enhanced incentives must prioritise simplicity and accessibility above all else.

In this regard, The Malta Chamber proposes the development of a dedicated *Make Training Pay* campaign. This would be a coordinated, high-visibility awareness initiative that actively promotes the tangible benefits of existing fiscal incentives, micro-credentials, and co-funded training programmes to both businesses and individuals. The core message of this campaign should be simple and compelling: investing skills is a direct investment in growth, for the individual, for the business, and for the Maltese economy. By consolidating information about available schemes under a single, recognisable brand and communicating it through channels that businesses and workers use, this campaign could unlock considerably more training activity than currently takes place without requiring significant new public expenditure.

The Malta Chamber would welcome the opportunity to co-design and actively promote such a campaign through its membership networks, given its reach across all sectors of the Maltese economy.

Recognition of Prior Learning (RPL) & Validation of Non-Formal and Informal Learning (VINFL)

The Malta Chamber wishes to express its particularly strong support for Recommendation 20, which proposes increasing the uptake of RPL and VINFL, provided that it is still relevant and applicable to address today's difficulties in the job market. This is an area where The Malta Chamber has advocated consistently and with conviction, and it is pleased to see it feature within the National Skills Strategy.

Malta's workforce includes a significant number of highly skilled individuals, particularly in trade sectors, who have developed deep practical competencies over decades of experience but hold no formal qualification to evidence those skills. Such individuals have spent careers mastering their craft, training apprentices, and delivering high-quality work, yet in the absence of formal credentials they remain invisible to qualification frameworks, unable to demonstrate their competence in formal terms, and excluded from opportunities that require certified skills.

This is not only inequitable for the individuals concerned, but is also economically wasteful. Malta cannot afford to leave practical expertise unrecognised, particularly in sectors that are already facing significant skills shortages and an ageing workforce, as is the case in carpentry for instance. RPL and VINFL offer a practice, cost-effective mechanism to address this.

RPL however will not reach meaningful scale if the assessment and validation process is perceived as complex, time-consuming, or bureaucratic by the individuals it is designed to serve. An older tradesperson who has spent most of their life perfecting their craft should not face a daunting administrative process to have that expertise recognised. The Malta Chamber therefore strongly urges that the design and simplification of the RPL process be treated as a priority equal to awareness raising and outreach, and that the process be made genuinely accessible in terms of language, format, and administrative simplicity.

The Malta Chamber also highlights the importance of engaging trade associations, employer bodies and sector representatives in the design and delivery of RPL pathways, as these organisations are best placed to define what competence looks like in their respective fields and to reach the workers who need to be aware of this opportunity. In this regard, The Malta Chamber would like to assist with this initiative through its several business section committees that can provide insightful contributions.

Pillar 6: Incentivising Employers to Stimulate Learning in their Organisations (Recommendations 21-23)

The Malta Chamber considers this pillar to be the most consequential within the National Skills Strategy from a business perspective, and it therefore engages with it in the most depth. The Malta Chamber urges the National Skills Council to treat the concerns raised not as resistance to reform, but as the informed perspective of an organisation that represents businesses across all sectors of the Maltese economy.

The Structural Context: Malta's Tight Labour Market

Before addressing the individual recommendations, The Malta Chamber wishes to place on record a concern about the framing of this pillar more broadly. The strategy identifies employer underinvestment in training as a problem to be addressed primarily through legislation and mandated obligations. While it does not dispute that local employers could invest more in workforce development, The Malta Chamber believes that strategy underestimates the rational basis for employer caution in Malta's specific labour market context. Malta faces the lowest unemployment rate and one of the highest vacancy rates in the EU. In this environment, the risk of investing in an employee's training only to see them leave (particularly after a relatively short period of having been trained) for a competitor is big concern, as workers take the investment with them and this leaves the business with neither the trained worker nor the resources spent developing them. This is a daily reality for many Maltese businesses, both with local and foreign employees. Employers therefore fail to invest in more training in response to real market conditions. Any legislative or policy intervention in this space must acknowledge and carefully account for this reality.

The Malta Chamber would also like to make a broader point about the distribution of responsibility for workforce development. Training and upskilling are a shared obligation among individuals, employers, and the state. When the state's own contribution to workforce development is insufficiently promoted, administratively burdensome, or inadequately funded (as was outlined in feedback on earlier pillars), it is neither fair nor effective to compensate by legislating additional obligations onto businesses.

Recommendation 21: Legislative Proposals

Each of the three legislative proposals under Recommendation 21 are addressed separately, as they differ significantly in their implications for businesses.

Mandatory Training during Working Hours

The Malta Chamber is of the opinion that straitjackets should be avoided, as not all businesses have the same realities, and this is why we do not believe that training during working hours should be mandatory. While the aspiration of ensuring workers have dedicated time for learning is reasonable, mandating this through legislation in Malta's current labour market context would place a large and counterproductive burden on local employers. This is even more exacerbated in the case of the smaller and micro businesses where the temporary absence of even one employee for training can have a huge impact on its operations. This concern is compounded by the growing number of supplementary leave entitlements already being introduced.

The Malta Chamber's recommended approach is to motivate businesses to train their staff through positive reinforcement rather than legislative obligation. Strengthening the incentive framework through direct financial compensation, tax deductions, or subsidies for businesses that voluntarily

invest in workforce development would make training financially attractive and administratively accessible. Moreover, it does without imposing a mandate that risks being counterproductive in practice. Businesses that are genuinely supported and incentivised to train will deliver better outcomes than those that are compelled to do so through regulation.

Training Leave with Wage Replacement

The Malta Chamber wishes to raise concerns which go beyond the administrative burden of claiming reimbursement, important as that is. While the financial cost of training leave is an issue, the more fundamental issue is the operational impact of having workers away from the workplace, in the absence of a framework that would still allow companies to operate efficiently. In a context where the majority of businesses are already operating understaffed and experience high labour turnover, the prospect of employees being absent for relatively collectively long training periods exacerbates the existing resourcing challenge. A wage replacement scheme addresses the cost dimension but does nothing to resolve the operational gap left by an absent employee. This will immediately have an impact on both clients and colleagues. There is also a tangible risk of misuse, and significant practical challenges in verifying how training time is actually utilised. These are concerns that any implementation model must address.

Furthermore, The Malta Chamber raises a question on what training should qualify for training leave entitlement. If an employee wishes to pursue training in a skill that is entirely unrelated to their current role or workplace, it is difficult to justify why an employer should be obliged to accommodate that absence on the basis of training leave. While the Malta Chamber reiterates its concern about yet an additional leave entitlement being introduced, it acknowledges that if training leave is to be pursued, it should be tied to training that is demonstrably relevant to the employee's role, their sector, or identified national skills shortage areas, and not extended as a blanket entitlement for any learning activity an individual chooses to pursue. Any such policy should also be linked to shared objectives and key performance indicators agreed between employers and employees, to ensure accountability on both sides.

In terms of alternative and more flexible mechanisms, The Malta Chamber would draw the attention of the National Skills Council to two instruments that could achieve the objectives of training leave without the same operational risks. Time Saving Accounts (TSAs) offer an employer-neutral way of enabling paid leave for training purposes by allowing employees to accumulate time that can be drawn upon without disrupting business operations unpredictably.

Similarly, the accelerated adoption of Individual Learning Accounts (ILAs), would provide a more structured, employee-driven alternative that empowers individuals to invest in their own development without placing the full operational burden on employers. They function as personal e-skills wallets that increase the portability of learning, foster individual ownership of development, and are particularly effective in reaching low-skilled, part-time, and gig economy workers who are frequently excluded from traditional employer-led training pathways.

The Malta Chamber encourages the National Skills Council to explore these instruments as part of any feasibility study conducted under this recommendation.

Payback Clauses

The Malta Chamber is strongly supportive of payback clauses as a legitimate and necessary tool to protect employers' significant investment in staff development. The ability of employers to recoup

training investment from employees who leave within a defined periods is one of the most practical and proportionate tools available to protect Maltese businesses within a tight labour market. Payback clauses do not penalise employees. They simply establish a reasonable expectation of reciprocity, whereby an individual who benefits from employer-funded development contributes a period of service in return. This is standard practice in many jurisdictions and its introduction in Malta is long overdue. Critically, The Malta Chamber believes that a well-designed payback clause framework would increase employer willingness to invest in longer-term upskilling, directly addressing one of the root causes of underinvestment in workforce development that this pillar seeks to resolve.

However, this support is conditional on implementation being accompanied by clear national guidelines that ensure clauses are both enforceable and equitable, and that prevent potential misuse such as the imposition of excessive penalties or overly broad applications. The design of these clauses matters enormously and must carefully address:

- How repayment amounts are calculated, ensuring proportionality to the cost and duration of training;
- What the defined service period should be, set at a level that is reasonable for both parties;
- What exemptions apply in cases of redundancy, business closure, or employer/employee breach of contract; and
- How disputes are resolved, through a mechanism that is accessible and administratively light for businesses.

It is equally crucial that the associated administrative processes remain simple and straightforward, avoiding the creation of legal and operational bottlenecks that would deter businesses from making use of the framework.

The Malta Chamber strongly advocates for active and meaningful involvement in the design of this framework, given its breadth of membership across all sectors of the Maltese economy and its longstanding experience in representing employer interests in policy development.

Recommendation 22: Practical Tools for Workplace Learning

The Malta Chamber welcomes this recommendation as the most proportionate and immediately practical of the three under this pillar.

Providing businesses with accessible self-assessment tools to identify training needs, and raising awareness of low-cost informal learning approaches such as job rotation and mentoring, imposes no additional burden while having the potential to deliver real value. As discussed in previous sections, tools and resources that are not actively promoted through channels businesses actually use will go undiscovered and underutilised. Hence, the design and promotion of these tools should involve employer bodies from the outset to ensure they are practical, relevant, and genuinely accessible to the businesses they are intended to serve.

Recommendation 23: Trainer Matching for SMEs

The principle of matching available trainers with businesses that lack internal training expertise is broadly welcome. The Malta Chamber wishes to signal its interest in contributing to the design and implementation of this initiative. As the largest representative body of businesses across all sectors and of all sizes, we believe our involvement is essential to ensuring the scheme reflects the full diversity of Malta's business community.

In this regard, we wish to challenge the SME-centric framing of this recommendation. While we fully acknowledge that SMEs face particular constraints in accessing training expertise, larger businesses are not immune to these challenges. In an increasingly competitive global environment, businesses of all sizes need access to high-quality, relevant training to remain competitive. A trainer matching scheme that is designed exclusively around SMEs risks excluding a significant portion of Malta's business community that would equally benefit from such support. Therefore, The Malta Chamber strongly advocates for this initiative to be open and accessible to businesses of all size, with eligibility criteria based on demonstrated need rather than company size alone.

On the substance of the proposal, The Malta Chamber wishes to offer concrete positions on several key design questions. On the question of trainer quality assurance, The Malta Chamber advocates for a pre-approved register of vetted trainers, maintained by the National Skills Council in collaboration with employer bodies, ensuring that businesses can select from a pool of trainers whose credentials and relevance have already been verified rather than bearing that assessment burden themselves.

On the question of cost, The Malta Chamber believes that the cost of the trainer should be born primarily by the state, at least in the initial phases of the scheme, as a genuine investment in workforce development, rather than an additional expense passed on to businesses that are already being asked to absorb the operational impact of training absences. Introducing a co-funding model may be appropriate over time as the scheme matures and demonstrates value, but front-loading costs onto businesses at the outset will suppress uptake.

On administrative simplicity, the application and matching process should be designed to be completed with minimal bureaucracy, ideally through a single point of contact and a straightforward digital interface.

Pillar 7: Making Better Use of Available Domestic and Foreign Talent (Recommendations 24-28)

The Malta Chamber generally welcomes the proposals under this priority topic and recognises the importance of ensuring that skills, once developed, are effectively deployed and utilised. We offer the following feedback on each recommendation.

Workplace Productivity Practices

The Malta Chamber broadly supports recommendation 24 and welcomes the provision of practical tools and resources to help businesses improve how they organise work and develop their people. It would however reiterate a point made in feedback on earlier pillars, being that this initiative should be designed for and accessible to businesses of all sizes, not exclusively SMEs. Larger businesses equally face productivity and workforce utilisation challenges, particularly in the context of global competitiveness, and excluding them from support based on size alone would be an arbitrary limitation. As with similar initiatives referenced throughout this document, the effectiveness of this proposal will ultimately depend on how well it is communicated and promoted through channels that businesses use, and we would advocate for employer bodies including The Malta Chamber to be actively engaged as communication partners in this regard.

Strategic Foresight and Workplace Innovation Training for Enterprise Leaders

The Malta Chamber supports the objectives of this recommendation (Recommendation 25) but wishes to flag practical challenges in its design. Senior business leaders are among the most difficult audiences to reach through formal training programmes as they are typically busy and need to see immediate

and tangible relevance to their own business context before committing their time. Generic training in innovation management and strategic foresight delivered in a classroom setting is unlikely to attract meaningful uptake from this audience.

The Malta Chamber therefore strongly advocates that the design of this initiative shifts more towards a peer-to-peer system in the form of structured exchanges between business leaders, exposure to international best practice, and facilitated conversations among executives facing similar challenges. These formats tend to generate far greater engagement and behavioural change among senior leaders than formal instruction. The Malta Chamber is well placed to facilitate and host such exchanges within its existing membership network (as it has done numerous times in the past), and would welcome the opportunity to contribute in this capacity.

Enhancing Skills Card Systems

The Malta Chamber supports the expansion and digitalisation of skills card systems (Recommendation 26) and recognises their potential to significantly improve the efficiency of hiring decisions, particularly in sectors that rely heavily on TCNs or where verifying competencies is currently time-consuming and uncertain. A credible, digitally integrates skills card system could reduce friction in the recruitment process and give employers and employment agencies greater confidence in the competencies of candidates.

However, The Malta Chamber wishes to raise a concern about implementation timelines that is particularly acute for businesses operating in a tight labour market. Malta's businesses already face delays and administrative complexity in engaging TCNs and getting them to a position where they can start to contribute to the workplace. Any skills card validation process must be designed to be completed within a timeframe that is genuinely useful to businesses facing urgent staffing needs. A validation process that takes months to complete simply adds another layer of delay to an already long process. Moreover, as iterated throughout this document, any sector-specific skills and standards underpinning skills card systems must be developed with structured employer input to ensure they reflect real workplace requirements.

In terms of how skills validation should be structured, The Malta Chamber advocates for a nuanced two-tier approach that balances the need for standards with the need for practical flexibility. For foundational and general skills, validation passes should be non-expiring. This approach enhances workforce mobility and is particularly practical for TCNs who may exit and re-enter the Maltese labour market, avoiding the unnecessary administrative burden of repeated re-certification for skills that do not meaningfully change over time. For sector-specific skills tied to particular industries or roles, passes should carry defined expiry timelines that reflect the pace of change in that sector. However, these timelines must be determined through ongoing and structured dialogue with industry bodies, including The Malta Chamber, and be subject to regular review rather than set arbitrarily.

It is also important that Skills Cards remain focused primarily on entry-level roles, with optional extensions tied to clear career progression pathways. Employers in sectors such as manufacturing have consistently expressed preference for flexible, internally delivered training over mandated external certification, and overly rigid Skills Card requirements risk discouraging firms from hiring or retaining workers. This outcome is contrary to the National Skills Strategy's objectives. The design of the Skills Card system must therefore be led by employer input at every stage, ensuring it functions as a practical hiring tool rather than an administrative obstacle.

The Malta Chamber also wishes to draw specific attention to the need for targeted training in industry-specific English and Maltese, particularly for TCNs working in sectors such as construction and healthcare. This is not merely a matter of integration or productivity, but a fundamental prerequisite for workplace safety and quality standards.

Transversal Skills Certificate

While The Malta Chamber appreciates the intention behind this recommendation (Recommendation 27), it would like to raise concern on its practical viability. Transversal skills such as communication, problem solving, teamwork, adaptability, and critical thinking among others, are typically quite context dependent. They manifest differently across different workplace environments, roles, and scenarios, and their presence or absence is typically identified through direct observation in practice rather than through a formal assessment process. The idea that these qualities can be meaningfully captured, graded, and certified in a way that is credible to influence hiring decisions is somewhat questionable.

Consequently, The Malta Chamber urges the National Skills Council to test employer appetite for and confidence in such a certificate before investing in its development, and to consider whether the resources required would be better directed towards initiative with a clearer and more demonstrable impact on labour market outcomes.

Brain Drain Study (Recommendation 28)

The Malta Chamber welcomes the recognition that brain drain represents a serious and growing challenge for the Maltese economy and for businesses and the government that invest in developing talent only to see it leave for opportunities abroad.

The Malta Chamber advocates a dual approach, whereby the study happens in parallel to pilot talent repatriation and diaspora engagement measures. Such measures should be based on established international models that have demonstrated effectiveness in comparable contexts, while findings from the study can be used to amend such measures accordingly to better suit the Maltese context.

The Malta Chamber would also like to note that brain drain is indeed a shared responsibility. Businesses themselves have an important role to play in retaining highly qualified professionals through competitive compensation, genuine career development opportunities, and workplace cultures that give ambitious individuals compelling reasons to remain in Malta. Hence, The National Skills Strategy should acknowledge this dimension and consider how businesses can be supported and incentivised to strengthen their own retention practices.

Pillar 8: Strengthening the Governance of the Skills System (Recommendations 29-30)

The Malta Chamber wishes to open its feedback on this final pillar with a statement of strong and unequivocal support for both recommendations. While governance may appear to be the most technical and least visible aspect of the National Skills Strategy, The Malta Chamber argues that it is in fact the most consequential.

The 30 recommendations contained within this strategy are only as impactful as the structures responsible for implementing them. The Malta Chamber therefore urges that the proposals under this pillar be treated not as administrative afterthoughts but as the foundation upon which the success or failure of the entire National Skills Strategy will rest.

Strengthening Skills Coordination through Thematic Committees

The Malta Chamber welcomes the proposal to expand the mandate of existing thematic committees to include a formal skills coordination function, and the commitment to establishing Industry Skills Alliances in sectors not currently covered (Recommendation 29). This represents a meaningful shift from the generic stakeholder consultation model (where businesses are occasionally invited to comment on proposals developed elsewhere) towards a more embedded, ongoing, and influential form of employer involvement in skills governance.

However, The Malta Chamber wishes to be direct about what is needed for this proposal to deliver on its promise rather than becoming a rebranding exercise. The expanded mandate of the thematic committees must be formalised with clear terms of reference, defined output expectations, and regular meeting schedules that are adhered to. The membership of these committees must also encompass representatives of all business sizes to ensure that the skill priorities identified reflect the full range of employer needs within each sector.

Moreover, it is critical that the thematic committees and Industry Skills Alliances have a direct line of influence into policy and training decisions as opposed to an advisory role that is noted and set aside. If businesses invest time and expertise into these committees for their input to have no discernible impact on what is trained, funded, or accredited, engagement is likely to decline. The National Skills Council must therefore be explicit from the beginning about how the outputs of these committees feed into concrete decisions, and must demonstrate through its actions that employer input is taken seriously.

Action Plans and Reporting Mechanisms

The Malta Chamber strongly supports the proposal for shorter, regularly renewed action plans with clear timelines and designated ownership within the National Skills Council (Recommendation 30). Malta has a history of ambitious documents that produce only little change because implementation is not tracked and accountability not clearly assigned.

The designation of a contact point within the National Skills Council for each recommendation is a practical step. In addition, it is also recommended for there to be a clear escalation mechanism for when progress stalls and a transparent reporting process that makes implementation progress visible to all stakeholders (not just government entities). In this regard, The Malta Chamber strongly advocates for a regular, publicly available progress report, published at minimum on an annual basis, that provides an honest assessment of what has been achieved, what has not, and what adjustments are being made in response. Such transparency signals good governance, and maintains trust and continued engagement of the businesses communicate through the 10-year implementation journey.

The provision for minor ad-hoc adjustments to be agreed with stakeholders is sensible and reflects addressing the limitations of long-term planning in a dynamic labour market.

Summary of Recommendation Feedback

The Malta Chamber welcomes the National Skills Strategy 2026-2035 as a timely and necessary framework for addressing Malta's skills challenges. Across all eight pillars, The Malta Chamber's feedback is guided by a consistent set of concerns and principles.

Among these is the observation that Malta already possesses a range of schemes, initiatives, and institutions designed to address skills development, yet their collective impact is often undermined by low awareness, administrative complexity, and insufficient promotion. This must be addressed before new instruments are layered on top.

The Malta Chamber is equally firm in its position that all proposed initiatives should be accessible to businesses of all sizes, not exclusively SMEs, and that employer bodies, particularly The Malta Chamber as the broadest representative voice of Maltese business, must be engaged as genuine governance partners through implementation.

On proposals that place new obligation on employers, The Malta Chamber urges the National Skills Council to proceed with caution and to favour incentive-based approaches over legislative mandates. This is particularly important in the context of Malta's exceptionally tight labour market where employer reluctance to invest in training reflects rational market behaviour rather than lack of ambition.

Above all, The Malta Chamber stresses that the strength of the National Skills Strategy will ultimately be determined not just by the quality of the recommendations, but by the robustness of the governance structures implementing them.

03 Additional Feedback

General Assessment: An endorsement of principles with a call for Pragmatism

The strategic importance of aligning high-level policy with on-the-ground business realities cannot be overstated. A skills strategy that remains purely theoretical will fail to address the pressing needs of the Maltese economy. This section details The Malta Chamber's overall assessment of the OECD's draft policy, highlighting both its commendable principles and its significant omissions.

TMC appreciates the strategy's inclination towards a fair balance of responsibility among all stakeholders. The clear focus on promoting upskilling, championing adult education, and strengthening the link between educational curricula and labour market demands are all positive and necessary steps. These principles form a solid foundation for a more competitive and resilient workforce.

Despite these strengths, our analysis reveals two primary systemic issues that are recurrent within the draft strategy and must be addressed for it to succeed:

- **Brain Drain and Talent Repatriation:** The strategy is conspicuously silent on policies aimed at re-attracting the significant number of Maltese nationals who have emigrated. A comprehensive skills policy must include a data-driven repatriation strategy to help fill critical gaps in high-skill roles, supplemented with compelling fiscal incentives.

- **Data Collection and Labour Intelligence:** The strategy's current emphasis is on disseminating skills information. This focus is misplaced. The priority must be on establishing a robust system for *gathering* relevant, sector-specific, and real-time data directly from industry. Only with this intelligence can policy decisions be truly informed and responsive to dynamic labour market trends.

These omissions represent significant strategic blind spots. The following section will provide a deeper analysis of these critical gaps and TMC specific proposals for addressing them.

Addressing Critical Oversights: Talent repatriation and Labour Market Intelligence

This section provides a detailed analysis of the two most significant strategic oversights in the proposed skills framework. The Malta Chamber believes that addressing the deficits in talent repatriation and labour market intelligence is fundamental to the long-term success and sustainability of any national skills policy.

A. A Strategy for Talent Repatriation

The absence of a data-driven talent repatriation strategy is a significant policy failure that leaves a valuable, high-skill talent pool untapped. This cohort represents a resource that could immediately help address shortages in senior and specialised roles. Skills development is a long-term process; repatriation offers a complementary, medium-term solution.

To bridge this policy gap, skills-related strategies must be reinforced with powerful fiscal incentives. The Malta Chamber has a concrete proposal in its 2026 Pre-Budget Document:

"Provision of tax exemptions for the first 5 years to entice highly qualified Maltese people who are working and residing overseas to return to Malta."

Incorporating such measures would add a crucial and practical dimension to the National Skills Strategy, directly tackling high-level skills shortages.

B. The need for robust Labour Market Intelligence

Currently, Malta lacks a robust system to track emigration trends. There is no reliable data on which sectors Maltese workers migrate to, what drives their decisions, their primary destinations, or the reasons they may or may not return.

This significant data gap has a direct and detrimental impact on national policy: it severely hinders Malta's ability to accurately forecast and proactively address skills shortages. Without understanding the "push" and "pull" factors driving talent outflows, our efforts to retain and re-skill the workforce remain reactive and imprecise. TMC therefore recommends the establishment of a centralised data platform and the collection of more detailed exit data from TCNs, to provide actionable insights for national retention and re-skilling efforts.

This fundamental need for better labour market intelligence directly informs the TMC pragmatic recommendations for the strategy's implementation and monitoring framework.

A Pragmatic framework for Implementation and Monitoring

A successful strategy is defined not by its vision but by its execution.

Its success depends entirely on a robust and realistic implementation and monitoring framework. This section outlines TMC specific recommendations for governance, monitoring tools and training delivery to ensure the strategy is effective in practice, not merely in theory.

A. Centralised Governance and Industry Alignment

The Malta Chamber strongly supports the proposal to centralise the governance of the National Skills Strategy within a single institution, that is, the **National Skills Council (NSC)**. A centralised body would reduce the duplication of efforts, provide a single and clear point of contact for businesses, and facilitate streamlined communication between industry and policymakers.

However, effective governance must be paired with relevant training delivery. TMC's critique of the over-reliance on generic, high-level consultants, which often results in superficial training with limited applicability, is directly addressed by its proposal to shift government support toward **in-house training**. This ensures that public funds are used to build specific, relevant capabilities that deliver measurable ROI, rather than subsidising theoretical exercises with limited value to businesses or their employees.

B. Effective Monitoring without 'Survey Fatigue'

Monitoring the strategy's progress is essential, but it must be done efficiently and intelligently. TMC recommends that monitoring blend quantitative indicators (employment rates, adult learning participation) with qualitative tools, such as structured employer interviews, to capture a complete picture.

High-level intelligence tools like the **Vacancy Monitor Project**, a collaboration between The Malta Chamber, the NSC, and RSM Malta, are fundamentally limited without clean, real-time, low-friction data streams. This speaks to a broader need to reduce administrative burdens through technology.

TMC's proposal to Jobsplus for **API integration** is not just an efficiency idea; it is the foundational plumbing required to make the entire labour market intelligence system effective. Automating the submission of engagement, termination and **position title change forms** would eliminate a significant administrative burden, which currently accounts for **approximately 209,690 submission events annually**, and greatly improve the accuracy of national labour data.

Funding the Future: A Rejection of Levies and an Embrace of Incentives

The financial models underpinning a skills strategy are just as important as its policy goals; they are what ultimately drive or deter participation. This section articulates The Malta Chamber's firm opposition to the proposal of a national training levy and presents its preferred alternatives, which are rooted in positive, incentive-based frameworks.

A. The Case Against an Employer-Funded Training Levy

The Malta Chamber is unequivocally **against** the introduction of an employer-funded training levy. This position is based on several practical realities:

- A levy is an inefficient tax that would misdiagnose the core market failure, which is an information gap, not a funding gap, and would act as a direct disincentive to investment in human capital.
- Existing initiatives, such as those offered by Jobsplus and the Investing in Skills scheme, already provide free or heavily subsidised training. The systemic challenge is a lack of awareness, not a lack of funding.
- An additional levy would be perceived as punitive, especially when employers are already investing heavily to fill gaps left by the formal education system. It would disproportionately harm SMEs, which lack the capacity to absorb such costs.

Imposing a new tax would be a counterproductive measure that fails to address the root problem of low uptake.

04 Conclusion

The Malta Chamber reaffirms its commitment to the success of the National Skills Strategy 2026-2035. A well-skilled, adaptable, and productive workforce is as much in the interest of Maltese businesses as it is of workers, government, and society at large.

The 30 recommendations contained in this Strategy represent a serious and evidence-informed attempt to address longstanding challenges in Malta's skills system. Among them are proposals that The Malta Chamber has itself advocated for over many years, such as:

- The expansion of RPL and VINFL;
- The introduction of payback clauses;
- The promotion of apprenticeships and work-based learning; and
- The strengthening of governance structures that give employers a meaningful voice in skills policy.

The Malta Chamber is also frank about where it believes the policy requires strengthening. The most important of these concerns is the risk of placing a disproportionate burden on employers (through mandatory obligations, additional leave entitlements, and legislative instruments) without first ensuring the state's own contribution to workforce development is fully optimised, accessible, and effectively communicated. In a labour market as tight as Malta's, employers who are already absorbing the consequences of acute staff shortages and high turnover need to be supported and incentivised, not compelled.

The Malta Chamber also wishes to reiterate its call for structured and sustained employer involvement in the implementation of the National Skills Strategy. The Malta Chamber formally commits to playing its part in this process and formally requests to be recognised as a key governance partner throughout this implementation journey.

Malta has a genuine opportunity over the next decade to build a skills system that is among the most responsive, inclusive, and future-ready in the European Union. The foundations are there. The ambition is right. What is needed now is the partnership, the pragmatism, and the political will to implement with the same quality that has gone into designing. The Malta Chamber stands ready to contribute to that effort and looks forward to continued engagement with the National Skills Council as this Strategy moves from consultation to action.



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