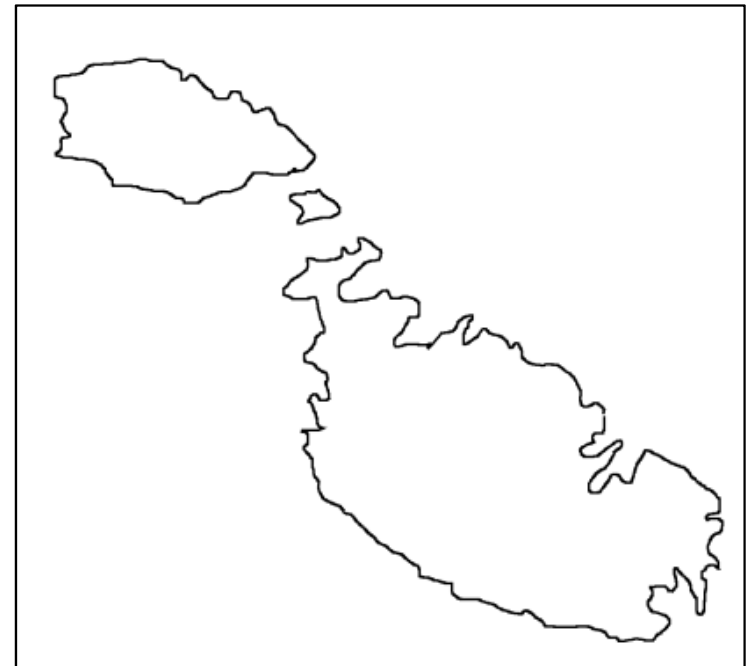


Small States Economic Development

Malta

Philip von Brockdorff & Godfrey Baldacchino



Malta

Economic Development – Historical Background

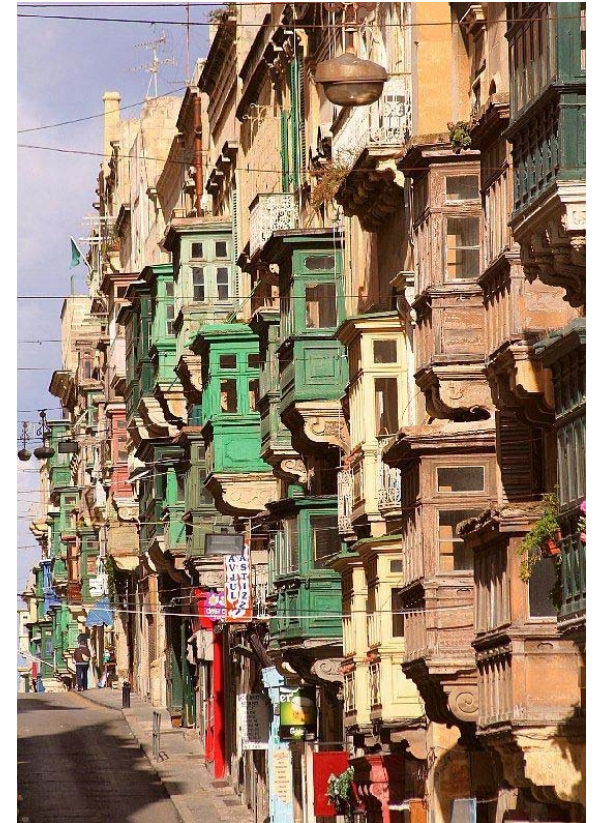
- 'Fortress Economy' until late 1950s
- Development Planning (1959-88): Export-Led Industrialisation
- State-led & Nationalisation (1971-87)
- Market-led & Privatisation (1987-)
- From Labour Exporting to Labour Importing Economy
- Share of Public Sector Employment: 26%
- Recent Annual Economic Growth: 4-6%



Small States

Economic Development– Indicators for MT

- Unemployment Rate = 3.4% (4th lowest in EU)
- GDP per capita (PPP) = US\$ 29,000 (12th highest in EU)
- GDP by sector: Primary (2%); Manufacturing (11%); Services (87%)
- At-Risk-of-Poverty Rate = 19% (esp. youth and elderly)
- Gini Coefficient = 28.7 (Inequality rising since 2010)
- Human Development Index = 0.885 (29th)
- Rate of Early School Leavers = 17.5% (highest in EU)
- Total Fertility Rate = 1.26 (lowest in EU)



Small States

Economic Development– Well-being

- Population Density (1,500/ km²) = 5th Highest in the World
- Home & Car Ownership (Highest in EU)
- Poor Air Quality = Respiratory Illness
- Obesity (Men=28%; Women=24%)
- High Levels of Waste Production
- Major Concerns: Immigration; Congestion; Environmental Degradation, Governance



Small States Economic Development – Country Comparison

Economic Vulnerability

- Exposure Index (Size / Location / Specialisation)
(Population / Marginality / Share of Main Export in GDP)

+

- Shock Index (Homelessness from Natural Disasters / Instability of Agricultural Production / Instability of Exports)

THE ECONOMIC VULNERABILITY INDEX AND SMALL ISLAND DEVELOPING STATES A REVIEW OF CONCEPTUAL AND METHODOLOGICAL ISSUES

Lino Briguglio
University of Malta

Small States

Economic Development: Challenges ahead

Management of Dependency

- Construction: Under-regulated?
- Tourism: Overtourism?
- Electronic Gam(bl)ing – Loss of Competitiveness?
- Foreign Investment – Reputation Management & Rates of Corporate Tax?



Small States Economic Development: Key Recommendations

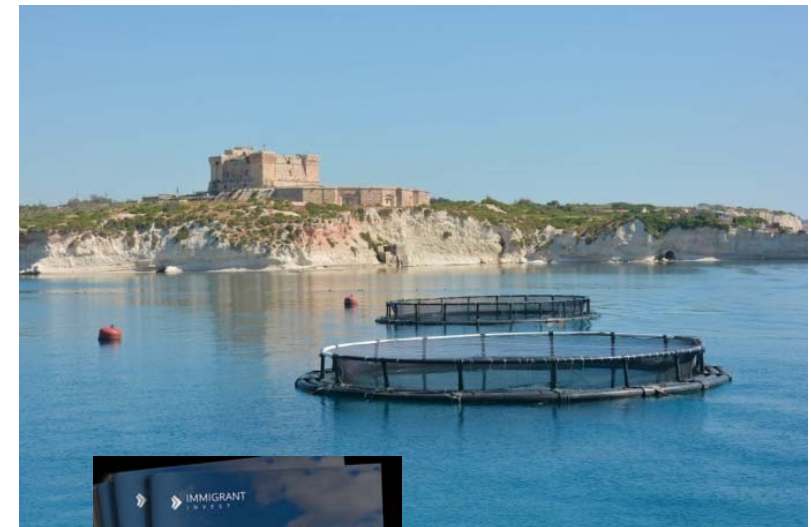
- Mainstream Sustainability
- Invest in Blockchain Technology
 - Promote Renewables
 - Reduce Waste
- Invest in Infrastructure & Multiple Transport Modality



Small States

Economic Development: Current Strategies and Policies

- Maintain Diversification of Economy
- Explore Attractive Niches



Small States Economic Development: Forecast

Economic growth rates forecast to grow well above euro area mean rates.

Labour market remains dependent on influx of foreign workers.

Budgetary surpluses and falling public debt relative to GDP.

(But an economic downturn or international crisis could change that.)