



DISCLAIMER: Please note that SME Fact Sheets are not standalone instruments, do not constitute a comprehensive assessment of Member States' policies and should be regarded as a supplement to, and not a substitute for, available national publications. **Please refer to the methodological note before reading this SME Fact Sheet.**

1. SMEs in Malta – a brief fact check:

The Maltese economy is one of the smallest economies in the EU. As it might be observed in other similar cases, this also translates into an elevated importance of SMEs for the domestic economies given that the size of the economy has put an almost natural limit to the emergence of larger businesses. In return this means that more than for any other EU-Member State, SMEs represent the backbone of its economy. Due to the small number of businesses in some categories and also confidentiality issues, relatively few data are disclosed by public authorities.

	Number of enterprises			Number of persons employed			Value added (MEUR)		
	Value	%	EU-26 average	Value	%	EU-24 average	Value	%	EU-26 average
Micro	ND	ND	91,8%	ND	ND	29,6%	ND	ND	21,1%
Small	ND	ND	6,9%	ND	ND	20,6%	ND	ND	19,0%
Medium	ND	ND	1,1%	ND	ND	16,8%	ND	ND	17,8%
SMEs	ND	ND	99,8%	ND	ND	67,1%	ND	ND	57,9%
Large	ND	ND	0,2%	ND	ND	32,9%	ND	ND	42,1%

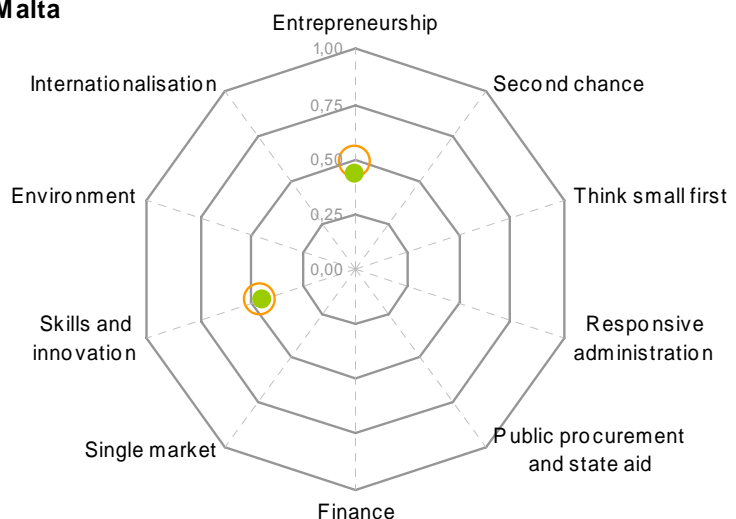
Source: Eurostat SBS data base, 2004 and 2005 data. (ND: no data available)

2. Malta's SBA profile¹

The limited data available hinders the constructions of a complete profile for Malta. Hence, the analysis of Malta's performance in the different SBA categories is narrower than in the case of other EU Member States. The few existing figures, however, suggest that further improvements are needed to keep up with the EU average.

○ EU average

● Malta



¹ It should be noted that the different dimensions of the radar correspond to the set of 10 principles foreseen in the European Commission's Small Business Act.



I. Entrepreneurship: The average data available in this section places Malta just below the EU average. Two of the five relevant indicators were performing better than the EU average, most notably related to the views on entrepreneurship as an opportunity and the positive influence of school education in helping to develop an entrepreneurial attitude, where Malta ranks among the top EU-countries. The other three indicators give a less positive picture, especially the entrepreneurship rate. Only 5% of former businesses owners still running an active business or having started a new one (EU average: 23%).

II. Second chance: The only available indicator in this category – the degree of support for allowing a second chance – shows a mark for Malta just below the EU average (77% to almost 80%).

III. Think small first: there is not enough information in this section to calculate an average, but the available indicators hint at a good performance in this area, in particular as regards the comparatively short time it takes to comply with administrative obligations (3% of total SME working time as opposed to the EU-average of 8%).

IV. Responsive administration: The data available for this category is limited. Therefore it is not enough to assess Malta's performance in this regard. There is only one indicator available which shows a very high value for e-government availability in Malta. Data on start-up conditions from Directorate General for Enterprise and Industry (European Commission) suggest that Malta is positioned below the EU average in this area. The information available is not enough to come to a more general assessment of Malta's performance as regards "responsive administration".

V. Public procurement and State aid: The share of state aid going to SMEs in Malta is the only indicator available in this category and it is considerably below the EU-average (1% as opposed to 11%), although in general Malta has the EU-wide highest share of state aids relative to GDP.

VI. Finance: The available information is also limited for this category, which hampers a detailed analysis. It can only be stated that the planned share of structural funds dedicated to stimulating entrepreneurship and SMEs is below EU-average (2,8% to 7,8%) as is the share of SMEs experiencing problems with access to finance (35% as opposed to 21%).

VII. Single market: The existing data for this area hint at a good performance of Malta. All three indicators related to the implementation and transposition of EU rules in national law are well above EU average. Actually, on one of those indicators Malta is the best ranked among all EU Member States (6,1 months of average transposition delay for overdue directives as opposed to 9,5 months on average for the EU).

VIII: Skills and innovation: The figures for this section place Malta within reach of the EU-average. In both policy areas covered in this segment, innovation as well as education and skills, the relevant indicators yield a mixed picture. As regards innovation the best performance relates to the share of SMEs introducing marketing innovation (42% to 36%) while for skills and education it is the participation rate in learning in micro-enterprises (59,3% to 46,8%). On the other end of the scale are the indicators measuring the share of SMEs cooperating with others with a view to innovation (as a percentage of all SMEs) and the share of SMEs offering training in all SMEs (52,5% versus 66,5% for the EU-average).

IX: Environment: There is no sufficient information for this category to allow for a general assessment, given that only two indicators are available. It only can be noted that on both accounts, Malta's SMEs perform relatively close to the EU average.

X: Internationalisation: There is only information available for three indicators in this category, and they show a mixed picture. Malta ranks highest among all EU member states when it comes to the inputs purchased abroad by SMEs (46% versus 12% for the EU), which can be explained by the particular setting of its economy.



Reducing administrative burdens and government induced costs to SMEs

Until 2007, an archaic systems of licensing and registration led to discrimination between shops in different localities and even between shops in the same street. Licensing fees varied not only by location but also by rental value and type of commercial activity.

The new measure - which went into effect as from 1 January 2007 onwards - is eliminating this discrimination by applying fixed registration rates on the footprint of the shop only, e.g. 0 to 200 m², 201 to 400 m², 401 to 800 m², Lm30, Lm60 & Lm180 respectively. Due to this, many shops in city centres are expected to benefit from reductions amounting to hundreds of Lm in registration fees irrespective of the type of activity and locality. Also the time for issuing a new licence has been reduced from 8 weeks to 10 working days.

Source: DG ENTR, based on extracts from DG's ENTR's catalogue of Good Practices to Improve the Business Environment for Small and Medium-Sized Enterprises, collected under the EU's Charter for Small Enterprises.

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