

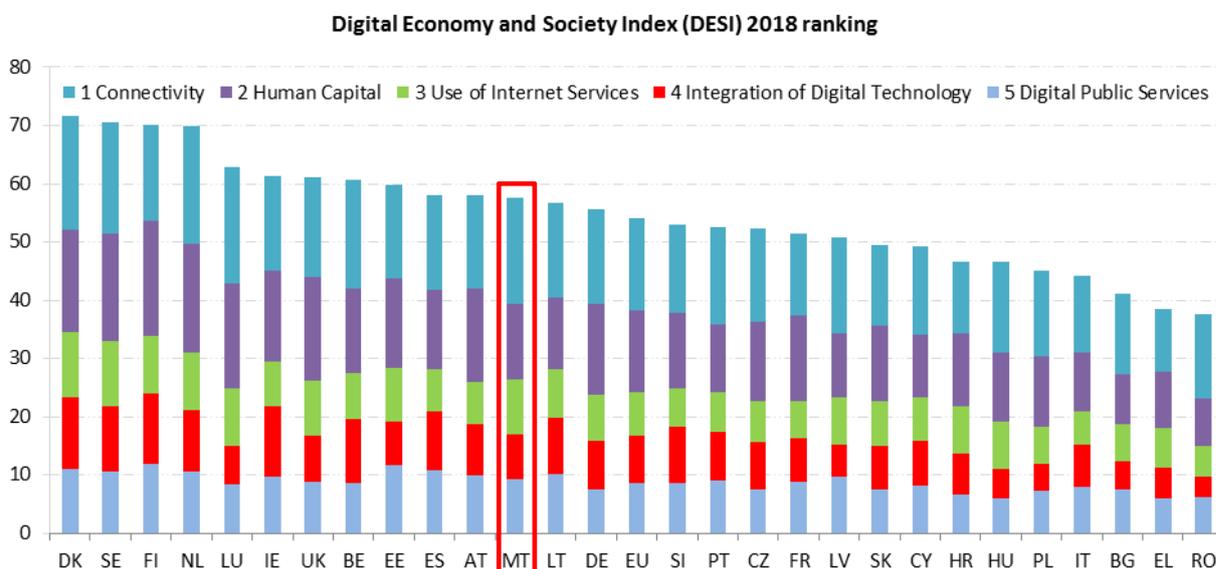
Digital Economy and Society Index (DESI)¹ 2018

Country Report Malta

The DESI report tracks the progress made by Member States in terms of their digitisation. It is structured around five chapters:

1 Connectivity	Fixed broadband, mobile broadband and prices
2 Human Capital	Internet use, basic and advanced digital skills
3 Use of Internet Services	Citizens' use of content, communication and online transactions
4 Integration of Digital Technology	Business digitisation and e-commerce
5 Digital Public Services	eGovernment and eHealth

The DESI was re-calculated for the previous years for all countries to reflect slight changes in the choice of indicators and corrections to the underlying indicator data. As a result, country scores and rankings may have changed from the previous publication. For further information please consult the DESI methodological note at <https://ec.europa.eu/digital-single-market/en/desi>.



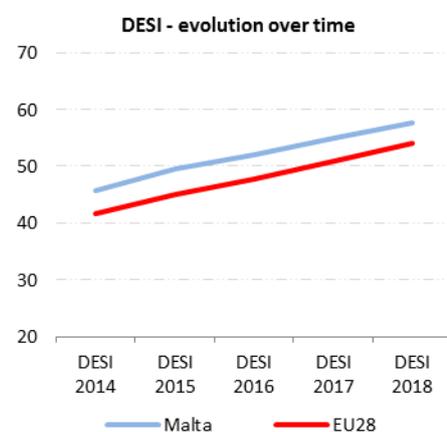
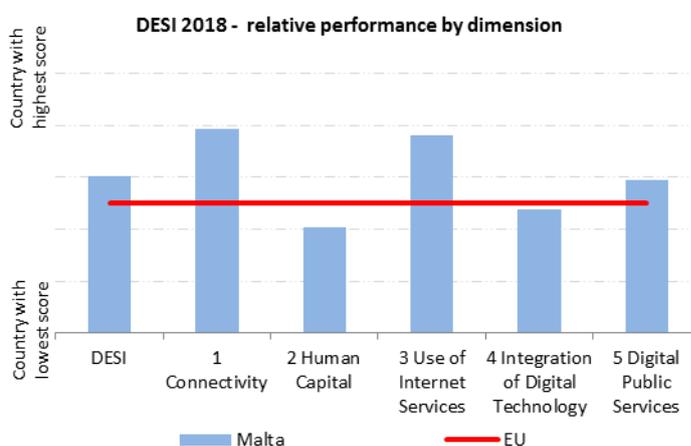
¹ <https://ec.europa.eu/digital-single-market/en/desi>

	Malta		Cluster	EU
	rank	score	score	score
DESI 2018	12	57.7	54.7	54.0
DESI 2017	10	54.9	51.5	50.8

Malta ranks 12th out of the 28 EU Member States. Overall, it progressed at an average pace over the last few years. Malta performs above the EU average in broadband connectivity and the use of internet services by citizens. Malta remains a European leader on the availability of fixed broadband (basic, fast and ultrafast), being the only Member State with full coverage of ultrafast networks. Malta scores also very well in the provision of digital public services. The key challenges are digital skills, especially the low number of STEM (science, technology and mathematics) graduates and open data. The improvement of digital skills is also vital to enhance the integration of digital technologies in enterprises.

Malta belongs to the Medium performing cluster of countries².

The Digital Malta Strategy³ was launched in 2014. This is a policy document to guide the country towards the 2020 Vision that 'Malta will prosper as a digitally-enabled nation in all sectors of society'. The strategy puts forwards 71 actions under three strategic themes, namely Digital Business, Digital Government and Digital Citizen. These vertical strategic pillars are supported by three driving forces, namely Regulation and Legislation, Infrastructure and Human Capital. In 2017, the Malta Communications Authority (MCA) prepared a Strategy update for 2018-2020⁴.



² Medium-performing countries are Spain, Austria, Malta, Lithuania, Germany, Slovenia, Portugal, Czech Republic, France and Latvia.

³ <https://digitalmalta.org.mt/en/Pages/Home.aspx>

⁴ <https://www.mca.org.mt/articles/strategy-update-2018-2020>

1 Connectivity

1 Connectivity	Malta		Cluster	EU
	rank	score	score	score
DESI 2018	6	73.1	62.4	62.6
DESI 2017	6	67.2	58.8	58.5

	Malta				EU
	DESI 2018		DESI 2017		DESI 2018
	value	rank	value	rank	value
1a1 Fixed Broadband Coverage % households	100% → 2017	1	100% 2016	1	97% 2017
1a2 Fixed Broadband Take-up % households	84% ↑ 2017	6	80% 2016	7	75% 2017
1b1 4G Coverage % households (average of operators)	99% → 2017	4	99% 2016	3	91% 2017
1b2 Mobile Broadband Take-up Subscriptions per 100 people	93 ↑ 2017	10	68 2016	24	90 2017
1c1 Fast Broadband (NGA) Coverage % households covered by VDSL, FTTP or Docsis 3.0	100% → 2017	1	100% 2016	1	80% 2017
1c2 Fast Broadband Take-up % homes subscribing to >= 30Mbps	53% ↑ 2017	4	48% 2016	3	33% 2017
1d1 Ultrafast Broadband Coverage % households covered by FTTP or Docsis 3.0	100% 2017	1	NA 2016		58% 2017
1d2 Ultrafast Broadband Take-up % homes subscribing to >= 100Mbps	11.4% ↑ 2017	18	3.4% 2016	23	15.4% 2017
1e1 Broadband Price Index Score (0 to 100)	NA 2017		NA 2016		87 2017

With an overall connectivity score of 73.1, Malta ranks 6th among the Member States on Connectivity, confirming its last year's ranking. Malta performs above the EU average in broadband connectivity: it ranks 1st in terms of fixed Broadband, Fast broadband (NGA) and Ultrafast broadband coverage with 100% of the population covered. Fixed broadband take-up (84%) keeps increasing and is above the EU average (75%). A significant growth was registered in mobile broadband take-up (from 68 subscriptions per 100 people in 2016 to 93 in 2017), and in ultrafast broadband take-up (from 3.4% of the homes subscribing to >=100 Mbps in 2016 to 11.4% in 2017). Underlying the considerable increase in take-up of superfast fixed broadband is the continued drive by service providers to upgrade existing customers to these products and the occasional offers and discounts that characterize this product range, particularly when purchased as part of a bundle. However, the ultrafast take-up rates still appear low in light of the near-universal coverage of such networks

In November 2017 the Maltese NRA (MCA) published its Strategy update for 2018-2020. It, aims *inter alia* at ensuring progress towards the deployment of multiple NGA fixed and mobile networks and improvements in choice and value of retail services, especially in broadband.

Currently, Malta is connected to the global Internet grid by four submarine fibre cables that all land in Sicily. A feasibility study for a new submarine cable connecting Malta to other alternative locations with the objective of enhancing the resilience and quality of the current international electronic communications connectivity was launched by MCA in 2015⁵.

In addition in 2017 GO (one of the main operators in Malta) announced that it will be investing more than EUR100 million in the coming five years to ensure that its infrastructure and systems reflect technological developments and continue to serve the growing demands of the Maltese community and economy. In particular the company is currently upgrading its two submarine cables that connect Malta with mainland Europe via Sicily. These upgrades are near completion, and are expected to (at least) double the data capacity of these links. GO also announced that it is evaluating the feasibility of creating a new link with an existing submarine cable which currently links Tunis with Marseille. It would be the first link that is not entirely dependent on mainland Italy.

As far as spectrum management is concerned, Malta has taken concrete steps in coordinating with EU neighbouring Member States and third countries in view of making the 700 MHz band available for the provision of WBB services. However, the assignment of the 800 MHz band – which was delayed pending the examination of a proposed merger between Vodafone and Melita - should not be subject to further delay after the cancellation of the planned merger. The Maltese authorities should make every possible effort to make progress in ensuring the timely availability of harmonised spectrum on the market.

⁵ The study revealed that a new connection to mainland Europe via a locally-owned, 'government-subsidised' branch to a trans-Mediterranean submarine cable would improve Malta's credibility as a destination for international business investment and ensure that the country's future international telecoms connectivity requirements and competitiveness can be met. The MCA is currently in discussion with the local authorities to establish a programme that facilitates the investment with minimal intervention from central government.

2 Human Capital

2 Human Capital	Malta		Cluster	EU
	rank	score	score	score
DESI 2018	17	51.6	58.6	56.5
DESI 2017	17	50.0	56.5	54.6

	Malta				EU
	DESI 2018		DESI 2017		DESI 2018
	value	rank	value	rank	value
2a1 Internet Users % individuals	79% ↑ 2017	16	76% 2016	18	81% 2017
2a2 At Least Basic Digital Skills % individuals	56% ↑ 2017	14	49% 2016	20	57% 2017
2b1 ICT Specialists % total employment	3.7% ↑ 2016	12	3.6% 2015	13	3.7% 2016
2b2 STEM Graduates⁶ Per 1000 individuals (aged 20-29)	13.1 ↓ 2016	24	16.0 2014	19	19.1 2015

Malta scores below the average on Human Capital, and ranks 17th on this dimension of the DESI. Internet users went up by 3 percentage points and stands slightly below the average. Basic digital skills improved substantially to 56% (57 % in the EU). As for advances in digital skills, the percentage of ICT specialists in the labour force is the same as in the EU. Nevertheless, the share of STEM graduates (Science, Technology and Mathematics) is one of the lowest in Europe.

In 2017, a high number of activities were launched in this area. For example, the MCA together with the Parliamentary Secretariat for Rights of Persons with Disability and Active Ageing launched the Ċavetta Digitali initiative, a new ICT training programme targeting 2000 senior citizens from day care centres and residents in Government elderly homes⁷. The Malta Information Technology Agency (MITA) continued to organise the Student Placement Programme (SPP) to facilitate the creation of temporary work opportunities for students in the ICT sector. The eSkills Malta Foundation plays a key role in improving digital skills. The foundation aims to decrease the digital skills gap by contributing to the policy, the digital education community, the development of ICT professions and the development of skills in the workforce and society. The foundation organised careers sessions for secondary school students, trained teachers and careers advisors, carried out the EU Code Week in Malta, the IT Professionals Day, launched an ICT Skills Audit, as well as industry visits by teachers and students. In cooperation with the European Commission, it organised a conference on the impact of IT Professionalism in the European Economy⁸. The Foundation was also involved in various EU initiatives including the SCALE Project. Promoting the Information Society remains a priority.

⁶ The most recent data has been used in DESI 2018. It may refer to 2016 or 2015 depending on the Member State. This is reflected in the 2018 DESI ranking. Historical data has been updated by Eurostat.

⁷ Other programmes include the promotion on the safe use of the Internet amongst youths and the establishment of Assistive Technology centres for people with disability.

⁸ <http://ictprofessionalism.eu/conference-june-14th-2017/>

One of the strategic objectives of the MCA for 2018-2020 is to achieve widespread e-literacy and digital inclusion. There is a shift in focus from encouraging the first steps in digital accessibility to the applied use of ICTs to maximise benefits of using the internet. The strategy update identifies five key tasks: (1) incentivising digital inclusion via a hardware/connectivity scheme for senior citizens, (2) incrementing schemes for applied ICT learning, (3) managing (and possibly expanding) free wi-fi hotspots initiative, (4) establishing a coding vision for Malta and (5) encouraging e-Business solutions.

3 Use of Internet Services

3 Use of Internet Services	Malta		Cluster	EU
	rank	score	score	score
DESI 2018	6	63.3	48.3	50.5
DESI 2017	8	59.0	45.0	47.5

	Malta				EU
	DESI 2018		DESI 2017		DESI 2018
	value	rank	value	rank	value
3a1 News % individuals who used Internet in the last 3 months	83% ↑ 2017	12	79% 2016	14	72% 2017
3a2 Music, Videos and Games % individuals who used Internet in the last 3 months	90% 2016	4	90% 2016	4	78% 2016
3a3 Video on Demand % individuals who used Internet in the last 3 months	26% 2016	8	26% 2016	8	21% 2016
3b1 Video Calls % individuals who used Internet in the last 3 months	56% ↑ 2017	9	48% 2016	11	46% 2017
3b2 Social Networks % individuals who used Internet in the last 3 months	87% ↑ 2017	1	82% 2016	2	65% 2017
3c1 Banking % individuals who used Internet in the last 3 months	61% ↑ 2017	17	60% 2016	15	61% 2017
3c2 Shopping % individuals who used Internet in the last 12 months	64% ↑ 2017	15	62% 2016	14	68% 2017

Maltese internet users engage in a broad range of services online. Malta scores well above the EU average on this dimension of the DESI: it performs above average on most of the indicators. 90 % of internet users play music, videos and games (78 % in the EU), 87 % use social media (the highest in Europe, EU average is 65 %) and 83% read news online (72 % in the EU). Malta outperforms the EU also in video on demand subscriptions (26 %) and in making video calls (56 %).

However, Malta has an average performance on transactional services such as eBanking and shopping online. 64% of internet users shop and 61 % bank online. Malta has recently reviewed its e-commerce strategy to support businesses in selling online.

All indicators showed an increase during the last year, and Malta managed to improve its rank from 8th to 6th.

4 Integration of Digital Technology

4 Integration of Digital Technology	Malta		Cluster	EU
	rank	score	score	score
DESI 2018	15	38.9	42.1	40.1
DESI 2017	13	38.8	38.5	36.7

	Malta		EU	
	DESI 2018 value	DESI 2017 rank	DESI 2017 value	DESI 2018 rank
4a1 Electronic Information Sharing % enterprises	30% →	17	30%	19
	2017		2015	2017
4a2 RFID % enterprises	6.0% ↓	7	6.2%	5
	2017		2014	2017
4a3 Social Media % enterprises	27% →	8	27%	5
	2017		2016	2017
4a4 eInvoices % enterprises	NA		9.0%	23
	2017		2016	2017
4a5 Cloud % enterprises	NA		14.5%	11
	2017		2016	2017
4b1 SMEs Selling Online % SMEs	16.0% ↓	15	18.0%	12
	2017		2016	2017
4b2 E-commerce Turnover % SME turnover	6.7% ↑	20	5.9%	22
	2017		2016	2017
4b3 Selling Online Cross-border % SMEs	10.2% ↓	9	11.7%	4
	2017		2015	2017

Malta performs slightly below the EU average in the use of digital technologies by enterprises, falling by two places to rank 13th. Maltese businesses are strong in the use of social media (27 %, EU average 21 %) and RFID technology (6 %, EU 4.2 %), but few of them send electronic invoices (only 9 %). Electronic Information Sharing stands at 30 % compared to 34 % in the EU, while the use of advanced Cloud Computing services is slightly above the EU average. In e-commerce, 16 % of SMEs sell online, and e-commerce represents 6.7 % of SMEs turnover, both below the average. At the same time, Malta scores well on cross-border sales of SMEs (10.2 %, compared to 8.4 % in the EU).

In the MCAs mid-term strategy review, the development and uptake of e-commerce and other online services is set as one of the priorities. This includes a number of initiatives targeted at increasing focus on e-commerce uptake by business, launching the EU-funded eLearning portal for SMEs, continuing awareness-raising of digital markets and the cloud in the business community, and providing free training on online transactions to individual citizens.

In 2017, the MCA has conducted a comprehensive review of the National e-commerce Strategy. It identified 11 focus areas aimed at ensuring that businesses have the necessary means and skills to capitalise on opportunities brought about by e-commerce. The review acknowledges among other issues that there is still a resistance to new technologies, mostly by business owners, and that there is a digital skills deficit. E-commerce is also hindered by high postal and shipping costs as well as payment processing costs. The MCA aims to

promote the importance of business process transformation, and new technologies such as Internet of Things (IoT), Big Data, quantum computing, data analytics, cybersecurity and cloud computing. It is also stated in the review that most businesses have not yet developed a mobile commerce and marketing strategy, an area where the MCA will aim to raise awareness through training programmes on the benefits.

To incentivise digital entrepreneurship, the MITA Innovation Hub continued its accelerator programme, which provides a seed investment to help early-stage startups validate, prototype, test and take their business idea to market. This is supported by the Ministry for Financial Services, Digital Economy and Innovation within the Office of the Prime Minister. The programme runs twice a year and offers a pre-seed investment of EUR 22 000 for up to five startups. In 2018, the programme will favour emerging technologies and/or disruptive models such as Blockchain, Artificial Intelligence and Internet of Things.

Highlight 2017: FastTrakk

Fastrakk is an initiative launched in 2017 by the Malta Communications Authority, in collaboration with the Malta Employers' Association (MEA) and the General Retailers and Traders Union (GRTU). This initiative includes hands-on training sessions on the use of digital marketing. It is to help Maltese companies to establish an effective online presence. Training courses were organised free of charge targeting mainly small businesses. The training courses focussed on the e-commerce grant scheme, digital marketing concepts, social media marketing, email marketing, as well as a general overview of the e-commerce market in Malta. 100 retail shops participated in the mentoring sessions of the initiative.

In 2018, the MCA will launch FastTrak2Mobile, a set of mentoring sessions on how to implement mobile marketing both in the promotion phase and in buyer-seller interaction/relationships.

5 Digital Public Services

5 Digital Public Services	Malta		Cluster	EU
	rank	score	score	score
DESI 2018	11	61.3	58.5	57.5
DESI 2017	10	60.0	54.9	53.7

	Malta				EU
	DESI 2018		DESI 2017		DESI 2018
	value	rank	value	rank	value
5a1 eGovernment Users⁹	48%	22	60%	15	58%
% internet users needing to submit forms	2017		2016		2017
5a2 Pre-filled Forms	100	1	98	1	53
Score (0 to 100)	2017		2016		2017
5a3 Online Service Completion	99	1	100	1	84
Score (0 to 100)	2017		2016		2017
5a4 Digital Public Services for Businesses	94	4	94	4	83
Score (0 to 100) - including domestic and cross-border	2017		2016		2017
5a5 Open Data	37%	28	17%	27	73%
% of maximum score	2017		2016		2017
5b1 eHealth Services	6%	28	NA		18%
% individuals	2017				

Overall, Malta ranks 11th in Digital Public Services, which is above the EU average, but the indicators in this dimension of the index show a mixed picture. Malta is a European leader on the supply of government services for citizens. It ranks first on the re-use of information across administrations to make life easier for citizens (Pre-filled Forms) as well as on the sophistication of services (Online Service Completion), where it has the maximum score. Malta scores also well on the online public services for businesses. However, eGovernment and eHealth use by citizens as well as Open data is below the EU average.

In 2017, Malta continued to improve the digital public service user experience. As part of the Mobile Government Strategy, the first wave of applications has been launched focussing on extending and complementing the existing communication channels between the Government and citizens, targeting a variety of services, such as taxation, customs, health and environmental services¹⁰. Malta is developing a National Data Strategy. As part of the strategy, the National Data Infrastructure will be set up to ensure that the once-only principle will be implemented on a national level. To boost trade, MITA together with the Customs Department, started the deployment of the new electronic National Import System (NIS), built on the same technology as the Export System, developed in 2015.

Despite these developments, it remains a challenge to increase the use of digital public services.

⁹ The definition of this indicator has been changed. The new indicator measures eGovernment users as a percentage of those internet users needing to submit forms to the public administration.

¹⁰ MITA has also contributed with the launch of 'Maltapps to enhance the visibility and access of Government mServices and improving public service user experience.