

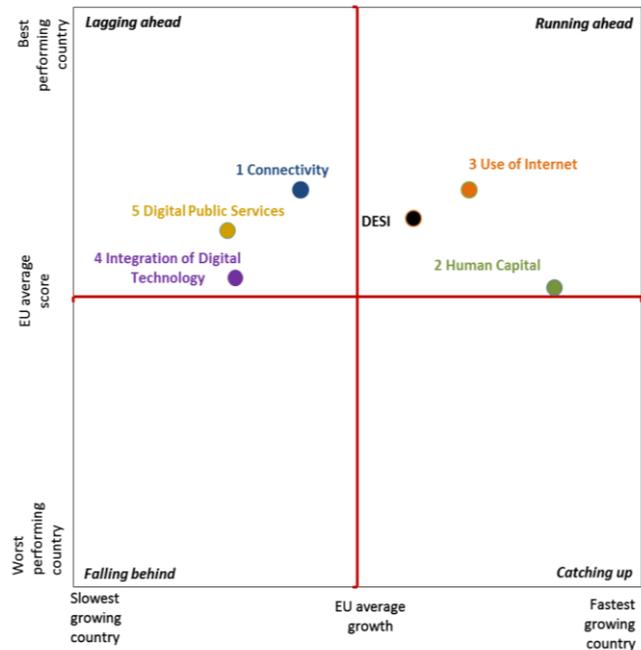
Europe's Digital Progress Report (EDPR) 2016

A report complementing the Digital Economy and Society Index (DESI)¹ country profile

MALTA

In DESI 2016, Malta ranks 11th out of the 28 EU Member States. Malta's Digital Economy and Society Index (DESI) 2016² score is above the EU average and the country developed faster than the EU over the last year, which places it in the **running ahead** cluster of countries³.

Malta scores relatively well in all five dimensions of DESI. Malta is particularly strong in broadband deployment and take-up. All Maltese households are covered by fixed broadband, and all networks can provide 30 Mbps or more. In addition, already more than half (58%) of broadband subscriptions provide a minimum speed of at least 30Mbps. As for the weak points, Malta is lagging behind in the assignment of radio spectrum for mobile broadband and in making government data available for re-use.



Malta's performance in the five DESI dimensions relative to other EU countries

1 – Connectivity

Connectivity is the DESI 2016 dimension where Malta performs best. It ranks 9th among EU countries and above the EU average. However, progress last year was slightly below the EU average. Malta has universal broadband coverage, and the whole population can have access to fast broadband (at least 30 Mbps). Malta has strong platform competition between xDSL and cable broadband. The take-up of fixed broadband is well above the EU average too. The majority of consumers have already migrated to fast broadband services (at least 30Mbps download). Nevertheless, Malta needs to improve its performance in mobile. 4G services are available to close on three quarters of the population, compared with 86% in the EU; and the take-up of mobile broadband is also below the EU average.

The current National Broadband Plan of Malta (called “Digital Malta 2014 – 2020”⁴) was issued in March 2014. Malta's broadband targets are in line with the Digital Agenda targets: 100 % coverage with 30 Mbps, 50% take-up rate for 100 Mbps until 2020. In terms of investments, the National

¹ The Digital Economy and Society Index (DESI) is a composite index developed by the European Commission (DG CNECT) to assess the development of EU countries towards a digital economy and society. It aggregates a set of relevant indicators structured around 5 dimensions: Connectivity, Human Capital, Use of Internet, Integration of Digital Technology and Digital Public Services. It clusters countries in four groups: Running ahead, Lagging ahead, Catching up and Falling behind. For more information about the DESI please refer to <https://ec.europa.eu/digital-single-market/en/desi>

² <https://ec.europa.eu/digital-single-market/en/scoreboard/malta>

³ Other running ahead countries are Austria, Germany, Portugal, the Netherlands and Estonia.

⁴ <https://digitalmalta.gov.mt/en/Documents/Digital%20Malta%202014%20-%202020.pdf>

Broadband Plan mentions the possibility to use public funding and public-private partnerships for the deployment of infrastructures. However, this only applies within areas where market failure exists. Regarding radio spectrum for mobile broadband, Malta has assigned only 37% of the overall harmonised spectrum for broadband (EU average is 69%). Although the unassigned parts of the 1800 MHz band, the 2600 MHz and the 3600-3800 MHz bands have been placed on the market some years ago, the market did not show interest in making use of these bands. Concerning the 800MHz band, the Commission granted a derogation until 31 December 2014 due to cross-border frequency coordination problems with Italy. Malta formally requested in January 2016 that the derogation regarding the 800 MHz band be extended to the end of February 2017. Malta still has to fully transpose the Cost Reduction Directive⁵ which could help to speed up broadband roll-out.

Malta has already achieved the 30Mbps coverage target, but the superfast broadband take-up target (at least 100Mbps) remains a challenge. Although cable networks are already capable of delivering such speeds, the take-up of superfast broadband services is very low in Malta (1% of subscriptions compared with 11% in the EU). In addition, FTTP coverage is only 10% of homes (EU average: 21%).

2 – Human Capital

On Human Capital, Malta ranks 15th among EU countries, slightly above the EU average, and progressed faster than the EU on average last year. Although 74% of people in Malta are regular internet users, up from 70% a year ago, Malta still scores below the EU average. Moreover, 22% of people have never used the internet (EU average: 16%). Malta shows a mixed picture in digital skills: only 52% of individuals have at least basic digital skills (EU average 55%), while ICT specialists have a relatively high share in the workforce (4.6% compared with 3.7% in the EU). Regarding STEM (Science, Technology and Mathematics) graduates, Malta ranks 18th, below the EU average.

Digital Malta, the national ICT strategy for 2014-2020 builds on three themes: Digital Citizen, Digital Business and Digital Government. These themes are supported by three key enablers: regulation and legislation, infrastructure and human capital. Among the 71 actions of Digital Malta, several initiatives concentrate on increasing the percentage of internet users and improving digital skills. For example, Digital Citizenship will be part of the National Education Curriculum so that young people can learn how to use the internet safely and intelligently. Malta is to launch an education and awareness programme to improve basic ICT competences, especially among vulnerable/minority groups and the elderly. The government sees digital as a "social equaliser", and aims to ensure that all citizens have the possibility to benefit from ICTs, as a fundamental right. The strategy also emphasises the importance of local and Maltese language content. As for work-related skills, Malta will develop a Lifelong Learning Programme with digital skills at its heart to improve employability, and will update its eCompetence framework for ICT specialists.

In February 2014, the eSkills Malta Foundation⁶ was launched under the Grand Coalition for Digital Jobs, which is a multi-stakeholder partnership between industry, the educational sector and the government. This partnership may play an important role in the effective implementation of Digital Malta. Funding opportunities to consider include Erasmus+, European Structural and Investment Funds, and the Employment and Social Innovation programme.

⁵ Directive 2014/61/EU of the European Parliament and of the Council of 15 May 2014 on measures to reduce the cost of deploying high-speed electronic communications networks (OJ L155, 23 May 2014, p. 1)

⁶ <http://eskills.org.mt/en/Pages/Home.aspx>

3 – Use of Internet

In terms of the use of Internet services, Malta ranks 11th among EU countries, above the EU average, and it progressed well last year. Internet users in Malta engage in a broad range of online activities. They read news online (81%), listen to music, watch films and play games online (56%) as well as use the Internet to communicate via voice or video calls (45%) or through social networks (78%). For all of these activities, engagement in Malta is higher than the EU average. Malta outperforms the EU also in online banking and shopping. However, regarding the use of video on demand, Malta's score of 9.5% is well below the EU average of 41%.

4 – Integration of Digital Technologies

In the Integration of Digital Technology by businesses, Malta ranks 13th among EU countries, somewhat above the EU average, however it progressed relatively slowly last year. Malta's businesses still need to better exploit the possibilities offered by Electronic Information Sharing, eInvoices and eCommerce. For example, eCommerce represents only 4.2% of the turnover of SMEs (EU average: 9.4%), and only 7.9% of enterprises use eInvoices. On the bright side, 26% of enterprises use social media and the percentage of SMEs selling online to other EU Member States is also high (12%).

ICT is seen as a key enabler of growth and innovation in Malta, a country of small size with limited resources. Within the Digital Business pillar of the Digital Malta strategy, the government defined 14 actions grouped in four categories: transforming businesses, sustaining entrepreneurship and attracting new businesses, eCommerce, and stimulating research and innovation. Actions target both the ICT sector and the use of ICTs by other sectors. A special emphasis is put on SMEs, start-ups, cloud computing and digital gaming. On eCommerce, Malta has the ambition to widen the horizon and target the global market in addition to increasing the adoption of eCommerce within the country.

Continuing collaboration between government, industry and the educational sectors remains very important also in this area to enable Maltese businesses to better embrace digital technologies.

5 – Digital Public Services

In Digital Public Services Malta ranks 11th among EU countries. Malta is well above the average in the sophistication of online public services and in online service completion. Nevertheless, the percentage of eGovernment users is low, as only 28% of internet users engage fully with the public authorities on line. In addition, Malta scores low in making government data available.

Digital government is one of the pillars of Digital Malta with twelve actions grouped in four categories. Under "citizen and business centric government", the government aims to improve the user experience, to make services available also on mobile devices and to implement a one-stop shop concept. "Efficient government" refers to actions to reduce bureaucracy and implement leaner processes through an advanced uses of IT. The third category, "open government" promotes the sharing of government information across the public administration and with the public, as well as the use of ICT to encourage people to participate more in democratic decision-making. Actions under "essential government services" cover use of ICTs to provide services such as education, healthcare, welfare, justice, tourism, utilities and transport. As a key enabler of digital public services, the government decided to renew Maltese citizens' identity cards by launching electronic IDs in 2014. The eIDs are equipped with an electronic chip with the same biographic data visible on the card and a digital image of the citizen. In addition, the chip also includes a digital certificate for authentication, which will enable the citizen to log on securely to eGovernment services and a qualified digital

certificate, which is an enabler for electronic signatures.⁷ A steady increase of users over the coming years will maximise the benefits of digital public services.

Highlight: The ICT Career Exposure Experience (CEE) Week⁸

The ICT Career Exposure Experience (CEE) Week is an initiative of the eSkills Malta Foundation and the Education Psycho-Social Services Section within the Ministry for Education and Employment. The programme targets students, aged 14 - 15 years, who can spend one week at an ICT company. Students will be able to observe the daily routines of ICT professionals and increase their understanding of ICT and ICT-related careers; to begin to identify career interests in one or more ICT-related fields; to gain awareness of the academic, technical, and inter-personal skills required in the ICT and related professions; and to develop an understanding of the critical connections between school and work. The latest ICT Career Exposure Experience (CEE) Week took place between 16 November 2015 and 13 May 2016.

⁷ Source for information on eID:

https://joinup.ec.europa.eu/sites/default/files/ckeditor_files/files/eGovernment%20in%20Malta%20-%20February%202016%20-%202018_00%20-%20v3_00.pdf

⁸ <https://eskills.org.mt/en/careerexposure2015/Pages/The-ICT-Career-Exposure-Experience-Week--.aspx>