RIO Country Report 2017: Malta

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Summary

Challenges for R&I policy-making in Malta

Increasing R&I investment in the private sector: Malta’s private sector R&I investments have been in decline since 2012. Several funding schemes have been put in place to encourage business R&I activities (e.g., tax incentives and direct funding, Malta Development Bank).

Funding for R&I has been ringfenced from the ERDF operational programme (€72.1), and from the EAFRD programme (€20.2m), while the European Social Fund (ESF) also contributes to the R&I sector through investments in human capital.

Improving the capacity and quality of the science base: the need to further strengthen the knowledge base is duly acknowledged in the National R&I Strategy. In addition to 2020 targets set for PhD students, Malta has heavily invested in research infrastructure (ERDF). In 2017 the University of Malta upgraded its own research programme (UoM Research Fund), which is a breakthrough as it offers high-value grants. First results and progress from all these efforts are already visible.

Strengthening entrepreneurship support and innovation output: Despite the fact that knowledge-intensive services are an important component of the Maltese economy, these represent considerably smaller share of the Maltese exports. Sales of new-to-market innovations as a share of total turnover is also on a downward trend. Novel initiatives implemented or underway in recent years include the Business Start scheme, SME Growth Grant Scheme, Start-Up Investment Grant Scheme, Venture Capital Malta. These contribute to the improved access to finance. Complementary to that are the various initiatives to develop an entrepreneurship culture at all levels of education.

Smart specialisation

Malta’s Smart Specialisation Strategy (RIS3) was published as in integral part of the National R&I Strategy 2020 in 2014. The Action Plan governing the implementation of the National Strategy and Smart Specialisation Strategy was approved by the EC at the end of 2016, paving the way for tapping into ESI funds ring fenced for R&I.

Subsequently to the adoption of the S3 strategy, the implementation got under way with the publication of the ERDF call in June 2017. This call targeted research infrastructures and the call documentation states that eligible activities should also be in line with the priorities identified in the RIS3 strategy.

With regards to a monitoring mechanism, the national strategy specifies that such will be established and the Action Plan incorporates an ex-ante impact assessment with details of expected outcomes and results. The implantation is not yet in a mature state which would reveal evidence for impact.
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