EMCS TAX > ADVISORY

EU funds for Malta 2014 2020

Stakeholder Consultation Committee

Programming – European Structural and Investment Funds 2021-2027

Gozo

4th August 2020

General Current Situation

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Demographic Trends	Economic Development	Labour Market Developments	Tourism Trends
• Gozo permanent residents amount to **7% of the total population** (2018) • **Growth in population is markedly slower** in Gozo (+6% compared to +18% in Malta since 2012) • **Individuals aged 65+ account for a higher proportion of the population** in Gozo (22% as opposed to 18% in Malta)	• **GDP per capita** in Gozo at €15,997 is **64% of the national economy** (2018) • **Growth in GDP in Gozo has lagged behind** with the average growth rate over the period 2014-2018 amounting to 9.8% compared to 10.29% in Malta	• **About 3,600 Gozitan workers commute on a daily basis to Malta** • **Significant brain drain in Gozo** (whereas 6.8% of total employment reside in Gozo, only 5.3% work in Gozo) • **Average salary in Gozo is about 14.5% lower than in Malta**	• **Gozo depends, to a greater extent than Malta, on the tourism sector for the economic recovery of the region and social development.** • **1.5 million visitors to Gozo in 2019**, up by 6.7% over 2018 • **Inbound tourists stabilise downwards** in 2019 as Region approach capacity limits, whilst tourist to the main island continued to increase. • **Nights spent by inbound tourists in Gozo as a single centre destination amounts to 4% of night spent in Malta**

A smarter economy

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Current situation:

- R&I culture is absent in most business
- Digitisation culture is absent in most micro businesses
- Inaccessibility to markets, human and financial resources

Investment Needs:

- Enhance R&I capacities and encourage the uptake of advanced technologies.
- Promote the use of digitalisation among small and micro businesses to enhance their growth and competitiveness.
- Encourage and support the private sector to invest in Gozo in order to support economic growth and the creation of high-value added employment.
- Encourage the establishment of areas of excellence where Gozo can have an edge over Malta/other regions in Europe.

Greener, low-carbon and resilient Europe

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Current situation:

- Limited green infrastructure, multimodal mobility.
- Vulnerability to climate change in sectors such as infrastructure and land use, natural ecosystems, accessibility.
- Dependence on the private transport sector which is one of the main contributors to GHG emissions.

Investment Needs:

- Scope for expansion of new water infrastructure in Gozo.
- Development of green infrastructure initiatives.
- Support the development of green and smart energy facilities and promote further energy efficiency initiatives.
- Support the development to a shift to decarbonisation.

Connected Europe

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Current situation:

- Gozo is dependent on transport by sea, with increasing number of vehicles and passengers crossing the channel.
- Total dependence on Malta to link to mainland Europe, with often lengthy travel times.
- Increasing strain on Gozo`s sole designated multi-purpose port and ancillary infrastructure.

Investment needs:

- Development of alternative infrastructure to address the dependency on sea transport.
- Further efforts to continue improving road infrastructure to increase Gozo's quality offering.
- Improvement of transport connectivity with the mainland particularly routes to airport.
- Ensuring the shift towards climate resilient, smart, intelligent and secure modes of transport.

Social Europe (Employment)

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Current situation:

- Higher costs faced by Gozitan firms on account of double insularity which dents competitiveness.
- Brain drain and skills mismatches
- Small size of markets and weaker competition resulting in lower wages and living standards.

Investment needs:

- Creation of employment opportunities in line with available skills and the needs of the industry.
- Improve labour market effectiveness and access to quality employment.
- Support the labour market to ensure all year operation.

Social Europe (Education)

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Current Situation:

- High rate of Gozitan students achieving tertiary education qualifications – higher than the national average
- Limited variety of education opportunities in Gozo.

Investment Needs:

- Invest in inclusive and quality services in education
- Intensify the use of education facilities to offer new services and improve access to education
- Develop distinctive educational opportunities in Gozo

Social Europe (Health and Inclusion)

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Current Situation:

- Impeding pressures of an ageing population
- Economic and social pressures for individuals at risk-of-poverty.
- Dependence on health facilities in Malta

Investment Needs:

- Support the most vulnerable and marginalised groups in society through the creation of an environment suitable for persons with a disability, disability community services, etc.
- Provision of support for persons at risk of poverty
- Increasing access to quality healthcare provision

Thank you for your attention.

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