



CEDEFOP

European Centre for the Development
of Vocational Training

EN



2025 skills forecast

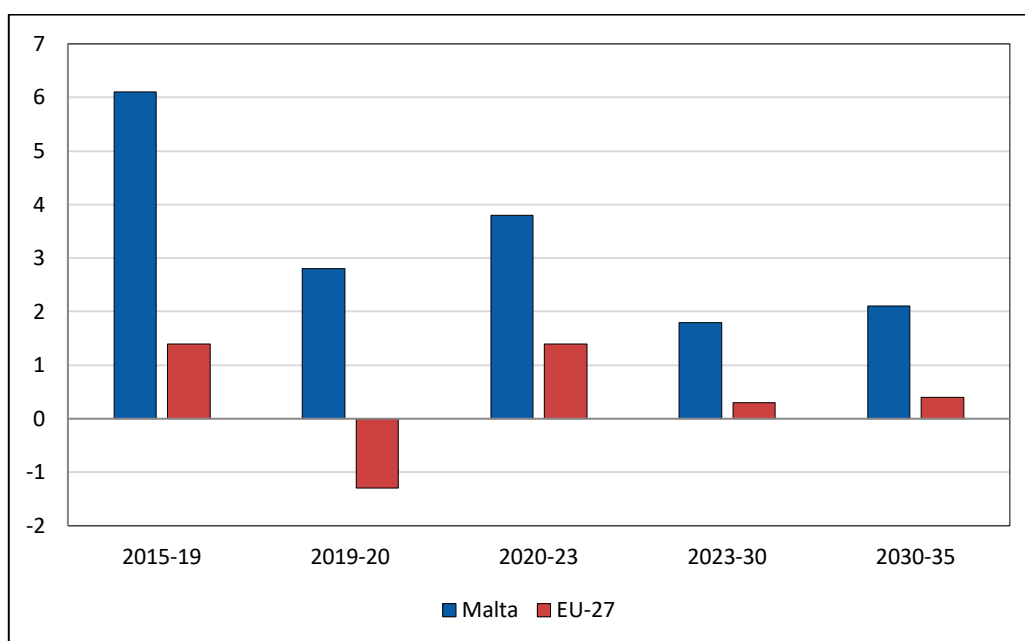
Malta



1. Employment outlook

Employment in Malta is forecast to grow much faster than the EU-27 average, albeit at slower rates than seen over 2015-19. Figure 1 shows that employment in Malta grew much faster than the EU-27 average over 2015-19 and continued growing in 2020 even as the Covid-19 pandemic hit. Employment in Malta is estimated to have grown more strongly than the EU-27 over 2020-23. Across the forecast period, employment in Malta is forecast to grow by around 1.8-2.1% pa compared with growth of 0.3-0.4% pa for the EU-27 as a whole.

Figure 1. **Annual percentage employment growth in Malta and the EU-27, 2015-35**



Source: Cedefop (2025 Skills Forecast).

2. Labour force overview

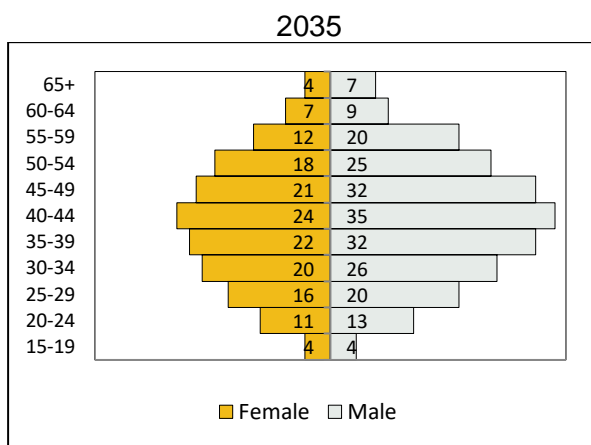
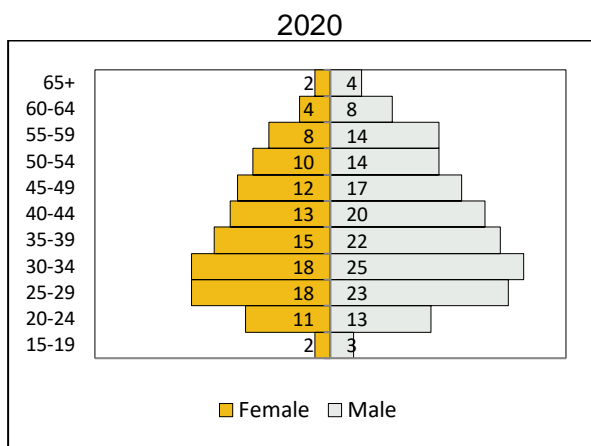
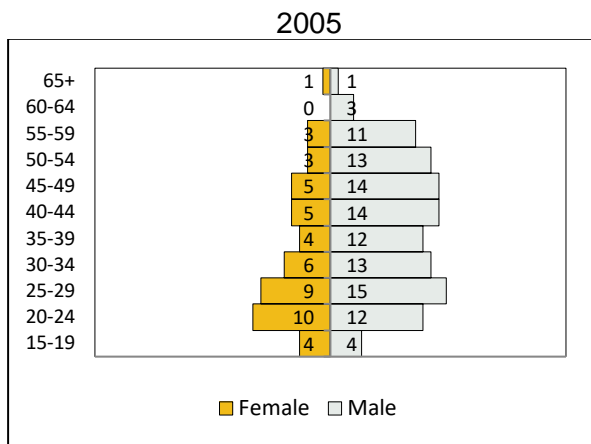
Figure 2 shows the labour force by age group in Malta in 2005, 2020 and 2035. Changes in the labour force in Malta over the forecast period will continue to be driven by the ageing population and increasing participation rates in most age groups. The total labour force in Malta is projected to increase by 40% over 2020-35, compared to an increase of 70% over the previous 15 years. It also compares with an expected increase in the labour force of around 10% over 2020-35 for the EU-27. The total participation rate in Malta is forecast to increase by 6 pp over 2020-35, faster than the increase of 4 pp projected for the total rate for the EU-27. Total population is forecast to grow by 27% over 2020-35, compared with growth of 34% over 2005-20.

The population aged 20-34 in Malta is forecast to decline during 2020-35, but the remaining population age groups are forecast to grow strongly, reflecting trends in the relevant younger cohorts in preceding periods.

The participation rates of all age groups in Malta are forecast to increase over 2020-35, with the strongest increases (10-11 pp) projected for the 20-24 and 60-64 age groups.

As elsewhere, male participation rates in Malta are generally quite a lot higher than female rates, and female participation rates in Malta are generally forecast to increase more than male rates. Overall, the total female participation rate is projected to increase by 9 pp, while the total male participation rate is projected to increase by 3 pp, over 2020-35.

Figure 2. Distribution of the labour force (thousands), 2005-35

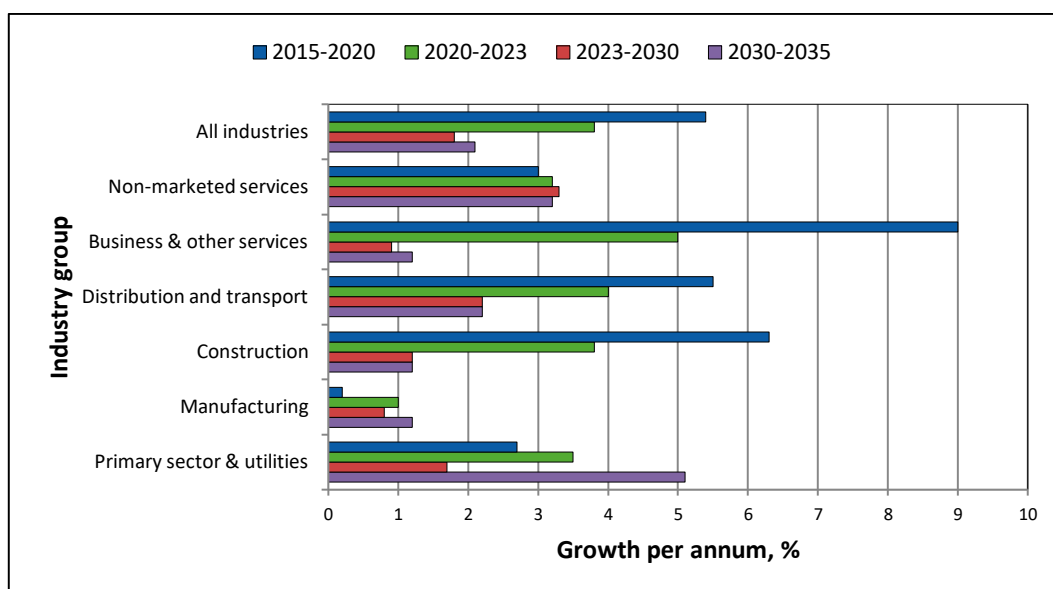


Source: Cedefop (2025 Skills Forecast).

3. Sectoral employment trends

Figure 3 shows annual average employment growth by broad sector in Malta between 2015 and 2035. Employment is forecast to grow relatively strongly in all broad sectors, with *non-marketed services* forecast to see the strongest growth, of just over 3% pa over the whole forecast period, followed by *distribution & transport* and *primary sector & utilities*, with growth of 2.2% pa and 1.7-5.1% pa, respectively, forecast over the same period. Unlike in many other EU Member States, employment in *business & other services* is forecast to be among the slowest growing broad sectors, at 0.9-1.2% pa, with employment in *manufacturing* forecast to grow at similar rates.

Figure 3. Employment growth by broad sector of economic activity, 2015-35



Source: Cedefop (2025 Skills Forecast).

In terms of sub-sectors (i.e. below the level of the six broad sectors discussed above), employment in *non-marketed services* is forecast to be driven by growth in *health*, reflecting the ageing population, and education. Employment in *distribution & transport* is forecast to be driven by growth in *wholesale & retail trade*, *air transport and warehousing & postal services*, all with growth of 2.4% pa or more over the whole forecast period. Among the larger (greater than 1% of total employment in Malta in 2020) sub-sectors within *business & other services*, *market research & other professional services* and *architectural & engineering services* are forecast to see particularly strong employment growth over 2023-30.

4. Job openings by occupational group

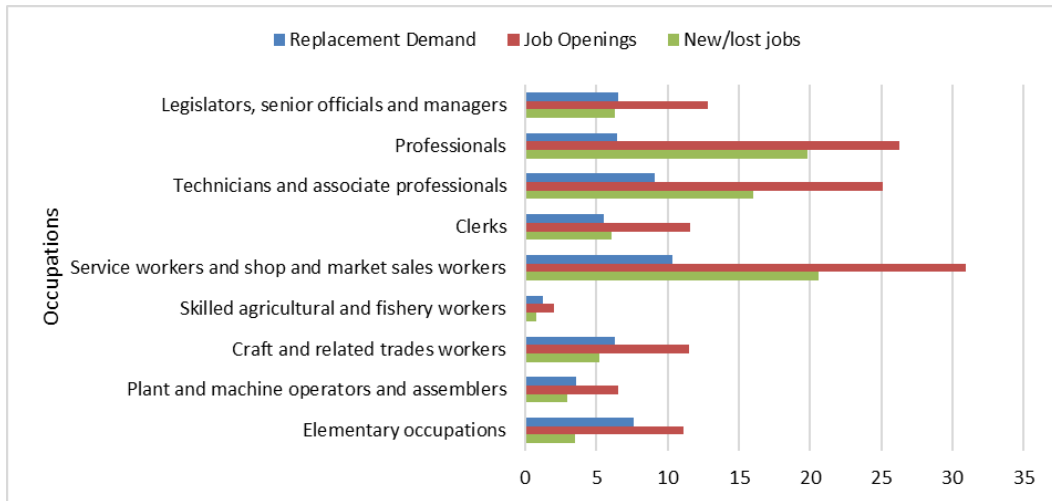
Cedefop skills forecasts estimate the total job openings by occupational group as the sum of net employment change and replacement needs. Net employment change refers to new jobs created or lost due to the expansion or contraction of employment in that sector or occupation. Replacement needs arise as the workforce leaves the occupation due to retirement or career changes. Replacement needs, generally, provide more job opportunities than new jobs, meaning that significant job opportunities arise even in occupations declining in size (i.e. agricultural workers are a typical example, as ageing workers employed in the sector will need to be replaced).

Figure 4 shows total job openings by broad occupational group over 2022-35. The number of job openings indicates the number of jobs that are required to be filled due to lost/newly created jobs and those that need replacement workers. All broad occupations in Malta are expected to experience an increase in the number of jobs over this period, reflecting the forecast by sector. Job creation is expected to be most significant in the occupational groups of *service workers* and *shop and market sales workers*, *professionals*, and *technicians and associate professionals*. replacement demand is expected to surpass new jobs in the occupational groups *skilled agricultural and fishery workers*, *craft and related trades workers*, *plant and machine operators and assemblers* and *elementary occupations*.

Service workers and shop and market sales workers, *professionals*, and *technicians and associate professionals* are the three broad occupations expected to generate the largest number of job openings over the forecast period, accounting for 22%, 19%, and 18% of total job openings, respectively.

At the more detailed level, most job openings (taking both new/lost jobs and replacement needs together) as a share of all job openings are expected to be in the occupations *sales workers* (11%) and *personal care workers* (11%). Of these 2-digit occupations, only *personal service workers* and *cleaners and helpers* are expected to see a decline in the number of jobs.

Figure 4. Total job openings, 2022-35



Source: Cedefop (2025 Skills Forecast).

5. Drivers of occupational change

Within the Cedefop skills forecast, future employment growth (or decline) of occupations is further broken down by separating national economic components from regional industrial and economic effects, helping to interpret what is driving the change. From this perspective, employment growth can be explained by three possible drivers: (a) overall economic trends (i.e., growth or decline), (b) shifts of employment between sectors, and (c) changes in the occupational structure within sectors (i.e., factors making some occupations more important than others).

In Malta, some occupations are expected to increase both due to stronger occupation-specific effects as well as to sector-specific effects. This is true, for example, for the occupations *personal care workers*, *sales workers*, and *science and engineering associate professionals*. For the latter, also a positive shift in highly skilled workers can be observed, while for the two former these shifts are expected to be apparent both in high and medium skilled workers of that occupation.

In contrast to this, the share of highly skilled *teaching professionals* and *business and administration associate professionals* is forecast to decrease both due to sector and occupation-specific trends. Overall, however, *teaching professionals* will profit from a general positive effect of sector development, while

the share of *business and administration associate professionals* in its sector is expected to decline.

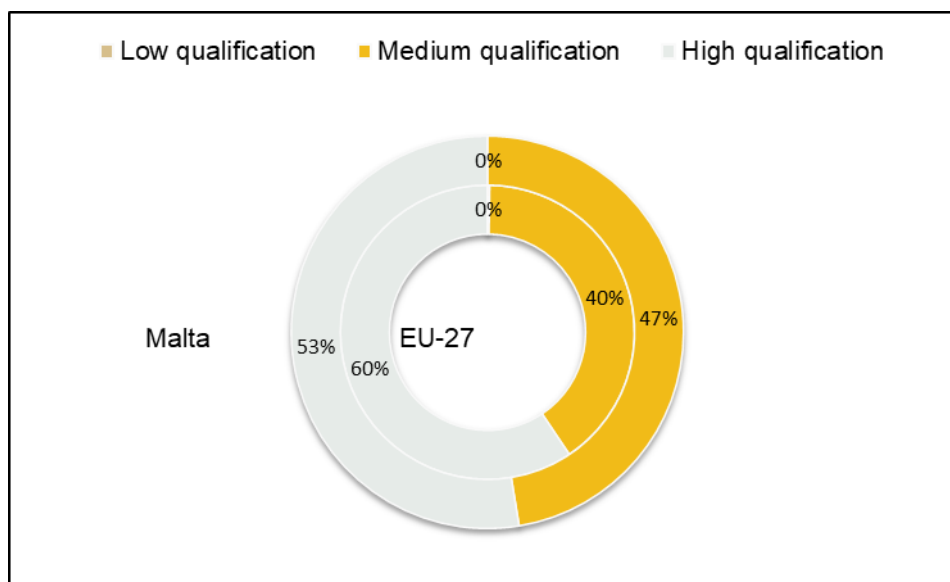
6. Demand for and supply of skills

Within the Cedefop skills forecast, skills are proxied by the highest level of qualification held by individuals in the labour force and employment. Three levels are distinguished: high, medium, and low, corresponding to the official ISCED classification. The occupational group also indicates the skill level required, as some occupations (e.g. professionals) typically require high-level skills, while others (e.g. elementary) typically require only basic ones. Therefore, occupational groups are also linked to a skill level.

Almost half (47%) of the total job openings expected to be created in Malta over the period up to 2035 will require medium-level qualifications, about 7 pp more than the EU-27 average (see Figure 5).

Almost all remaining job openings (53%, around 6 ppt below the EU-27 average) will require high-level qualifications, while the share of job openings that require low qualifications is close to zero and, therefore, similar to the EU-27 average.

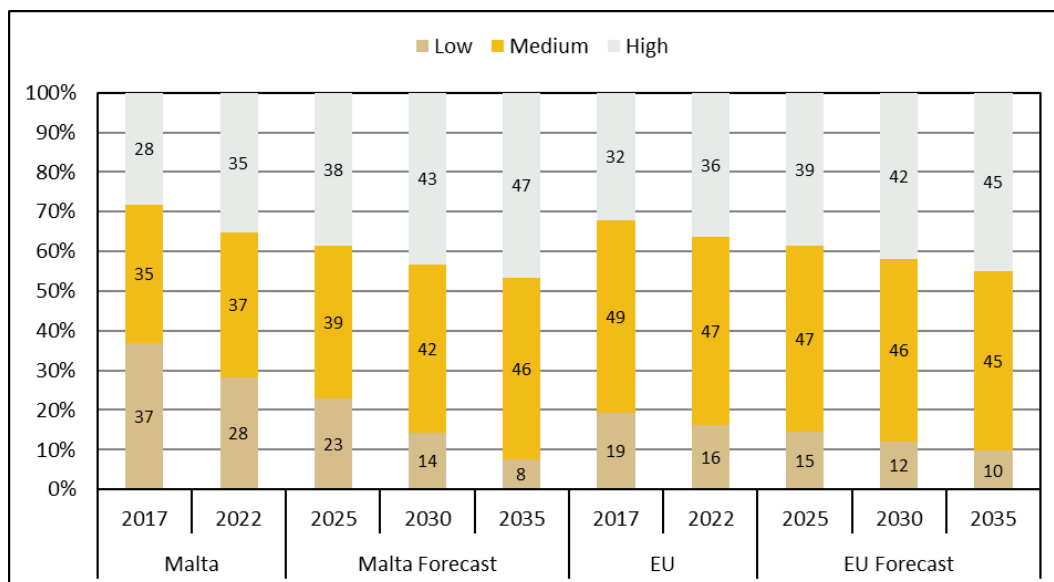
Figure 5. Shares of total job openings by level of qualification, 2022-35



Source: Cedefop (2025 Skills Forecast).

Figure 6. **Labour force by qualification level**

Future labour supply trends depend on the size of the working-age population (defined as those aged 15 or older), labour market participation rates, and the extent to which people acquire formal qualifications.



Source: Cedefop (2025 Skills Forecast).

The Maltese Labour Force is expected to experience a shift towards medium- and high qualifications over 2022-35, as seen in Figure 6. The share of people with high-level qualifications in Malta is expected to increase to 47% in 2035, thereby surpassing the share of labour force with intermediate skill level (46%). Those with low levels of qualification are expected to decrease by around 20 pp to 8%. In 2035, the qualification structure of Malta is expected to closely resemble the EU-27 average.

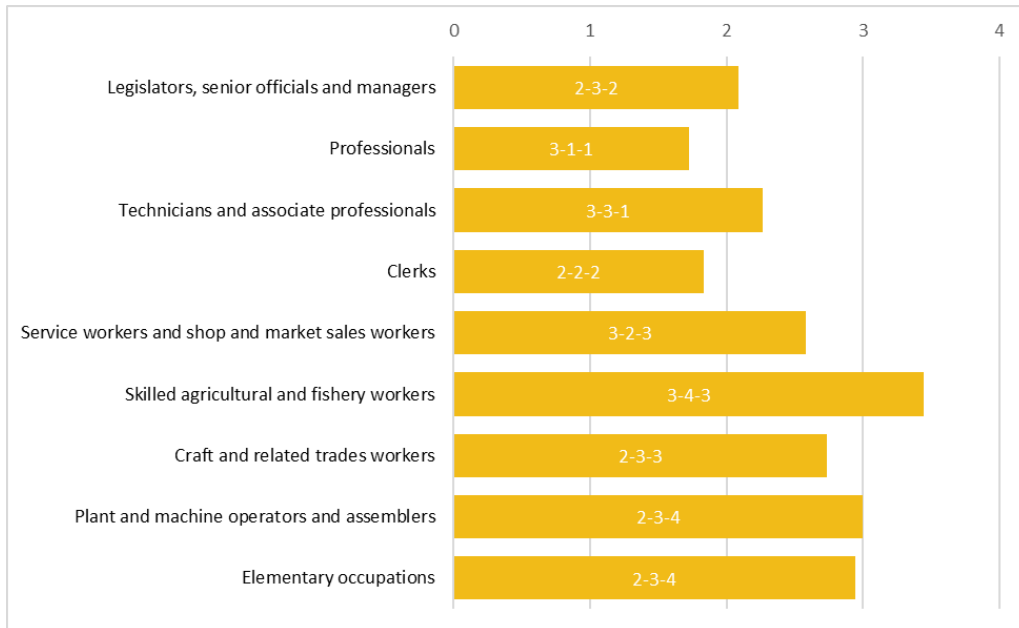
The **labour shortage index** is a method to summarise three elements of potential labour shortage: (1) employment growth, (2) replacement demand, and (3) Supply/Demand imbalance (FIOD). The outcomes at the occupation level are grouped into four quartiles: those with a low indication of shortage get the value 1, and those with the highest indication of shortage will get the value 4. The total outcome of the individual elements is a simple average of the elements. In Figure 6, the length of the bar gives the overall outcome, where higher levels indicate more shortage. The outcomes of the three elements are also given to quickly evaluate the influence of employment growth - replacement demand, and - supply-demand imbalances.

The labour shortage index is calculated at the ISCO 2-digit level and then aggregated to the ISCO 1-digit level. At the ISCO 1-digit level (see Figure 7), the highest level of skill shortages is expected to be found in *skilled agricultural and fishery workers* (3-4-3). Skills shortage in this comparatively small group of workers is expected to be primarily caused by replacement demand, but also employment growth and imbalances will play a significant role.

In Malta, hiring difficulties arise mainly among skilled manual occupations (2-3-3) and elementary occupations (2-3-4). In the former, the causes of labour market tightness lie in replacement demand and supply-demand imbalances, while in the latter, supply-demand imbalances play an even greater role than replacement demand.

At the ISCO 2-digit level, among elementary occupations, the highest shortages are expected among *labourers in mining, construction, manufacturing and transport* (4-4-4), who have among the highest employment growth, replacement demand, and imbalances. Due to a lower level of imbalances, a slightly less pronounced incidence of skills shortage is expected in the skilled non-manual occupational group of *personal care workers* (4-4-3). The skilled manual occupation *market-oriented skilled agricultural workers* (3-4-4) is forecast to be characterised by a high level of skills shortage. However, in this case more due to replacement demand and supply-demand imbalances, and slightly less so because of employment growth. In general, the labour shortage index in high-skilled non-manual occupations is lower than in other groups, however some occupations, like *health associate professionals* (4-4-1) are forecast to be affected by employment and replacement demand growth – the total impact is however mitigated by a low level of supply-demand imbalances.

Figure 7. Labour Shortage Index, 2022-35



Source: Cedefop (2025 Skills Forecast).

Cedefop methodology

The Cedefop Skills Forecast offers quantitative projections of future trends in employment, by sector of economic activity and occupational group. Future trends in the level of education of the population and the labour force are also estimated. Cedefop's forecast uses harmonised international data and a common methodological approach allowing cross-country comparisons between employment trends in sectors, occupations and qualifications. The forecast and methodology is validated by a group of national experts. The forecast does not substitute national forecasts, which often use more detailed methodologies and data, while they also incorporate in-depth knowledge of a country's labour market.

The latest round of the forecast covers the period up to 2035. The forecast takes account of global economic developments up to November 2023. The European Economy is expected to grow despite monetary tightening on phasing out of fiscal support.

The key assumptions of the baseline scenario incorporate the Eurostat population forecast available in June 2023 (Europop 2023) ⁽¹⁾, and the short-term macroeconomic forecast produced by DG ECFIN in November 2023 ⁽²⁾. The source of historical labour force data is the European Labour Force Survey, which in 2022 underwent important methodological changes, causing a break in the time series for several variables, including the labour force. Consequently, in many Member States, the participation rates in 2021 are noticeably above/below historical trends. Moreover, some Member States experienced significant revisions in the historical data series for sectoral employment from the National Accounts.

The Cedefop Skills forecast 2025 is consistent with the objectives set by the European Green Deal by incorporating suitable assumptions about additional investment, power sector technologies, energy balances, and carbon pricing.

Energy and commodity price forecasts from the World Bank and the IEA are used as inputs to the Cedefop Skills Forecast.

(1) <https://ec.europa.eu/eurostat/web/population-demography/population-projections/database>

(2) https://economy-finance.ec.europa.eu/economic-forecast-and-surveys/economic-forecasts/autumn-2023-economic-forecast-modest-recovery-ahead-after-challenging-year_en

For the latest update and access to more detailed Cedefop skills forecast data please visit:

www.cedefop.europa.eu/el/events-and-projects/projects/forecasting-skill-demand-and-supply

For more details, please contact Cedefop's Skills Forecast team at:
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