CEDEFOP

European Centre for the Development of Vocational Training

2023 skills forecast
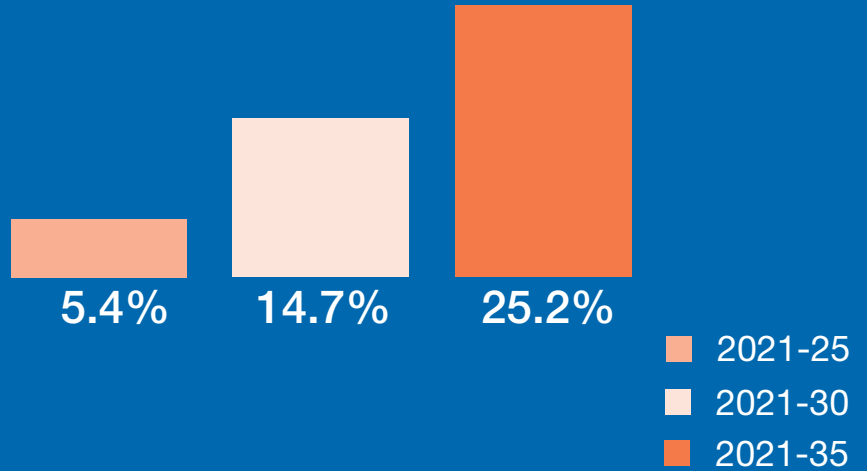## Malta

Employment in 2035

329 000

25.17%

increase 2021-35

% Employment growth 2021-35

5.4%   **14.7%**   **25.2%**

- 2021-25
- 2021-30
- 2021-35

Fastest-growing sectors
2021-35% growth

152%
Electricity, gas, steam &
air conditioning supply

61%
Transportation & storage

Highest-demand occupations
Largest creation of new jobs, 2021-35

8 000
Science & engineering professionals

8 000
Sales workers

8 000
Customer services clerks

increase in
high-skilled
labour demand
2021-35

70%

Total job openings, 2021-35

122 000

- Replacement needs (46%)
- New job openings (54%)

Total job openings by skill level 2021-35

- High-skilled non-manual occupations (47%)
- Skilled non-manual occupations (25%)
- Skilled manual occupations (18%)
- Elementary occupations (9%)

EU overview 2035

3.4%
employment
increase in 2021-35

Fastest growing occupation
Legal, social and
cultural professionals

Fastest growing sector
Information and
communication

Cedefop 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 2020-22, although growth was only 1% pa. Across the forecast period, employment in Malta is forecast to grow by around 1.7% pa compared with growth of 0.2-0.3% pa for the EU-27 as a whole.

Figure 1**. Annual percentage employment growth in Malta and the EU-27, 2015-35**
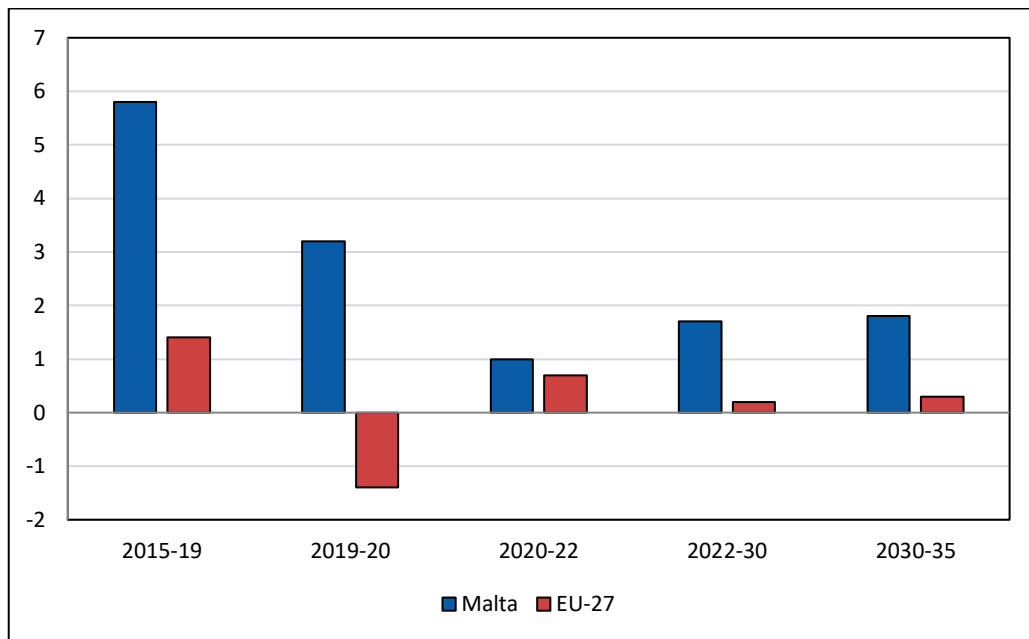
Source: Cedefop (2022 Skills Forecast).
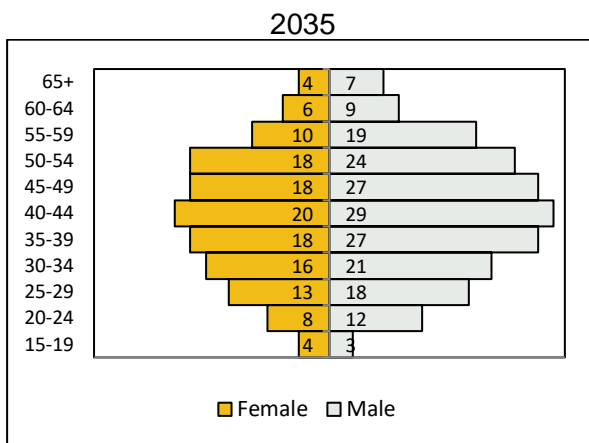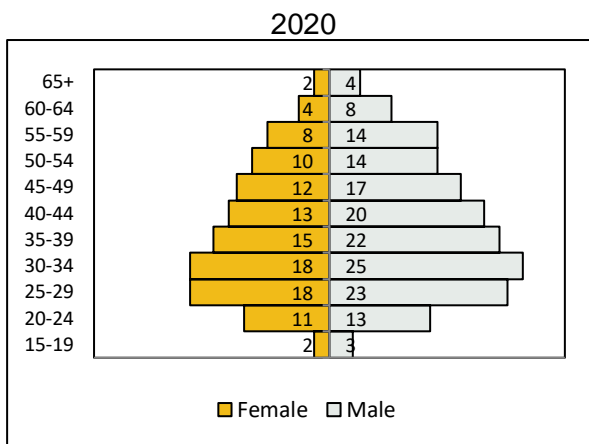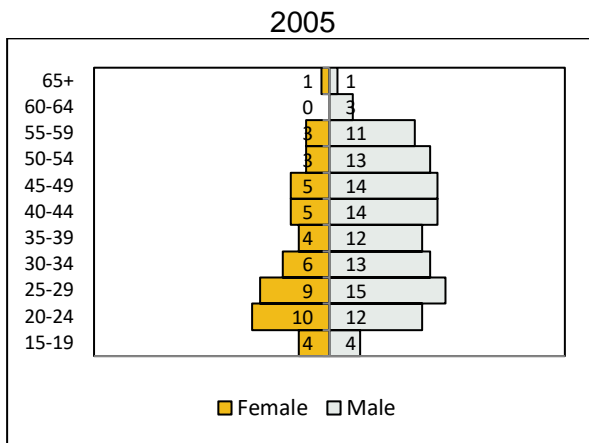
2. Labour force overview

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 22% over 2020-35, compared to an increase of 69% over the previous 15 years. It compares with an expected increase in the labour force of around 3% over 2020-35 for the EU-27. The total participation rate in Malta is forecast to increase by 1 pp over 2020-35, the same as the change projected in the total rate for the EU-27. The total population is forecast to grow by 20% over 2020-35, compared with a 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 almost all age groups in Malta, except 20-29 and 45-49 year olds are forecast to increase over 2020-35, with the strongest increases (8 pp) projected for the 30-34 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 3 pp, while, due to changes in population in key age groups, the total male participation rate is projected to decrease by 1 pp, over 2020-35.

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

2005

Age	Female	Male
65+	1	1
60-64	0	3
55-59	8	11
50-54	8	13
45-49	5	14
40-44	5	14
35-39	4	12
30-34	6	13
25-29	9	15
20-24	10	12
15-19	4	4

☐ Female ☐ Male

2020

Age	Female	Male
65+	2	4
60-64	4	8
55-59	8	14
50-54	10	14
45-49	12	17
40-44	13	20
35-39	15	22
30-34	18	25
25-29	18	23
20-24	11	13
15-19	2	3

☐ Female ☐ Male

2035

Age	Female	Male
65+	4	7
60-64	6	9
55-59	10	19
50-54	18	24
45-49	18	27
40-44	20	29
35-39	18	27
30-34	16	21
25-29	13	18
20-24	8	12
15-19	4	3

☐ Female ☐ Male

Source: Cedefop (2022 Skills Forecast).

3. Sectoral employment trends

Figure **3** shows an 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 *Primary sector & utilities*, *Distribution & transport* and *Business & other services* forecast growth of around 2% pa or more over 2022-30. *Non-marketed services* and *Construction* are forecast to see the slowest growth, although even these broad sectors are forecast to see employment growth of 1% pa and 1.3% pa, respectively, over 2022-30.

Figure 3. **Employment growth by broad sector of economic activity, 2015-35**
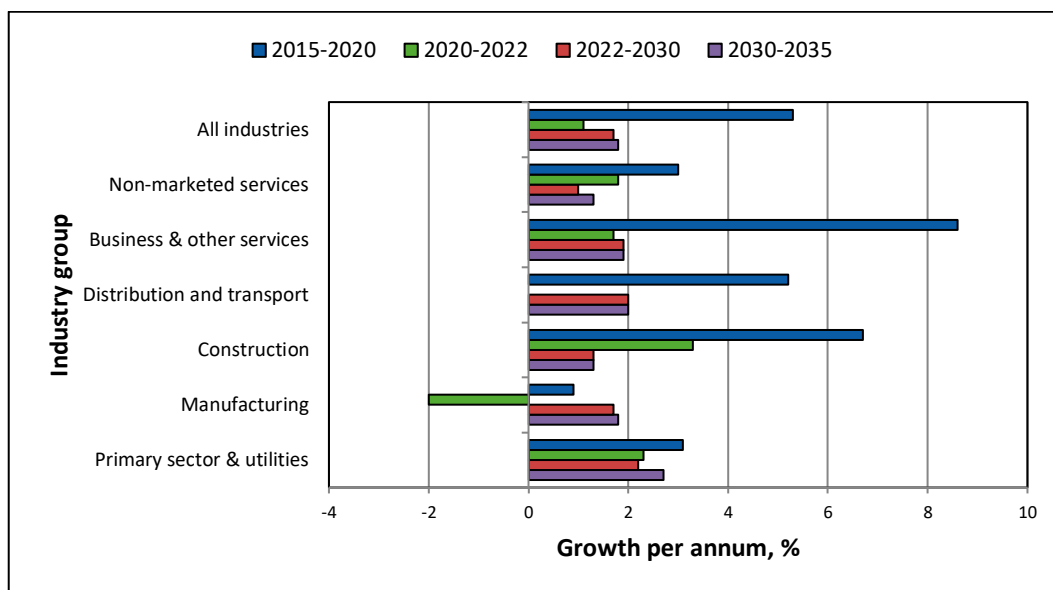
Source: Cedefop (2022 Skills Forecast).

In terms of sub-sectors (i.e. below the level of the six broad sectors discussed above), employment growth in *Distribution & transport* is forecast to be driven by *warehousing & postal services*, *land transport, air transport* and *wholesale & retail trade*, all with a growth of around 2% pa or more over 2022-30. The larger (accounting for 13% of employment in Malta in 2020) sub-sector of *wholesale & retail trade* is forecast to see a growth of 1.8% pa over this period, while *accommodation & transport* (7% of employment) is forecast to grow by 0.5% pa. Among the larger sub-sectors within *Business & other services*, *Computer programming & information services* and *financial & insurance services* are forecast to see particularly strong employment growth over 2022-30, while *legal, accounting & consultancy services*, *arts & entertainment* and *administrative & support services* are also forecast to see relatively strong growth over the same period. On the other hand, employment in *other service activities* is forecast to fall

over 2022-30. In *Non-marketed services*, employment in *public administration & defence* (7% of total employment) and *education* (8% of employment) is forecast to grow by over 1% pa over 2022-30, and in *health* (8% of employment) is forecast to grow by around 0.7% over the same period.
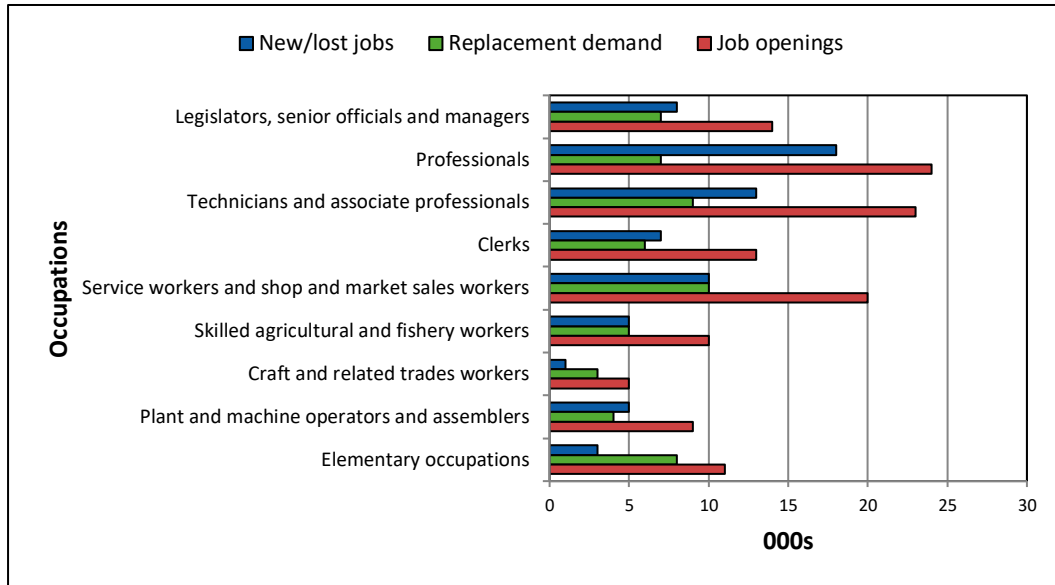
4. Job openings by occupational group

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 jobs 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 the total job openings by broad occupational group over 2020-35. The number of job openings indicates the number of jobs required to be filled due to lost/newly created jobs and those requiring replacement workers. All broad occupations are expected to experience an increase in total jobs, which, combined with replacement demand, will mean a fairly large number of job opportunities over this period. *Professionals* and *Technicians & associate professionals* are forecast to see the greatest increase in jobs, while *Service workers & shop & market sales workers* are projected to see the greatest replacement demand. Overall, the number of jobs is forecast to increase by 70,000 and replacement demand to be 59,000, so there are expected to be around 130,000 job openings over this period.

At the more detailed level, most job openings (taking both new/lost jobs and replacement needs together) are expected to be in skilled non-manual and high-skilled non-manual occupations found mostly in service activities, such as *sales workers business & administration associate professionals*, c*ustomer service clerks* and *science & engineering professionals.* Skilled manual occupations such as *building & related trades workers* and *drivers & mobile plant operators* are also expected to see a relatively large number of job openings. The elementary occupation of labourers in mining, construction, manufacturing & transport is also forecast to see a relatively large number of job openings.

Figure 4**. Job openings by broad occupational group, 2020-35**

Figure 4. Job openings by broad occupational group, 2020-35. Legend: New/lost jobs, Replacement demand, Job openings. Occupations listed: Legislators, senior officials and managers; Professionals; Technicians and associate professionals; Clerks; Service workers and shop and market sales workers; Skilled agricultural and fishery workers; Craft and related trades workers; Plant and machine operators and assemblers; Elementary occupations. X-axis: 000s (0 to 30).

Source: Cedefop (2022 Skills Forecast).

5. Drivers of occupational change

Within the Cedefop skills forecasts, 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 trends of the economy (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/ others).

Increasing specialisation in some sectors will influence the occupational composition of employment in Malta along with differential developments of sector employment. Stronger occupation-specific and industry effects will lead to an increasing share of *directors and chief* executives, some *categories of professionals* and *associate professionals*, but also in occupations which support services and production processes, such as *customer services clerks* and *sales workers, assemblers,* and elementary occupations such as *labourers in mining, construction, manufacturing and transport.*

These changes reflect changes in job organisation in many sectors and, in many cases, an increasing specialisation. Along with these specialisations, there is also a move towards managing these new work forms. Despite the negative industry size effect, *science and engineering professionals* remains the most promising occupation characterised by a very high occupation-specific effect.

Other high-skilled occupations that can benefit from this trend are, for example, *chief executives, senior officials and legislators*, as well as *business and administration associate professionals* and *science and engineering associate professionals*.

Therefore, the overall effect of occupational change depends on several factors that need to be considered together. Increasing automation and digitisation, a move towards a service-oriented economy, even within manufacturing, will lead to a greater use of higher-level occupations.

The employment rate of intermediate and lower-level occupations will experience an overall increase. The only occupations that will slightly decrease are *general office clerks* and *cleaners, refuse, street and related services occupations*. However, it is evident that the occupation-specific effect favours the highly-skilled occupations at the expense of the other levels of occupations and is stronger than the industry size effect.

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 in employment. Three levels are distinguished, high, medium, and low, which correspond to the official ISCED classification. The occupational group also offers an indication of the skill level required, as some occupations (e.g. professionals) typically require high-level skills, while some others (e.g. elementary) typically require only basic ones. Therefore, occupational groups are also linked to a skill level.

As shown in Figure 5, half (51%) of the total job openings expected to be created in Malta over the period up to 2035 are projected to require high, and the other half (49%) medium level qualifications. The structure of the expected changes is such that, at this high level, there is not expected to be a net demand for low level qualifications. Compared to the EU-27 average, Malta is thus slightly below the share for high qualified and above the share for medium qualified.

Total job openings are projected to be highest among Sales workers, Business and administration associate professionals, and Science and engineering professionals.

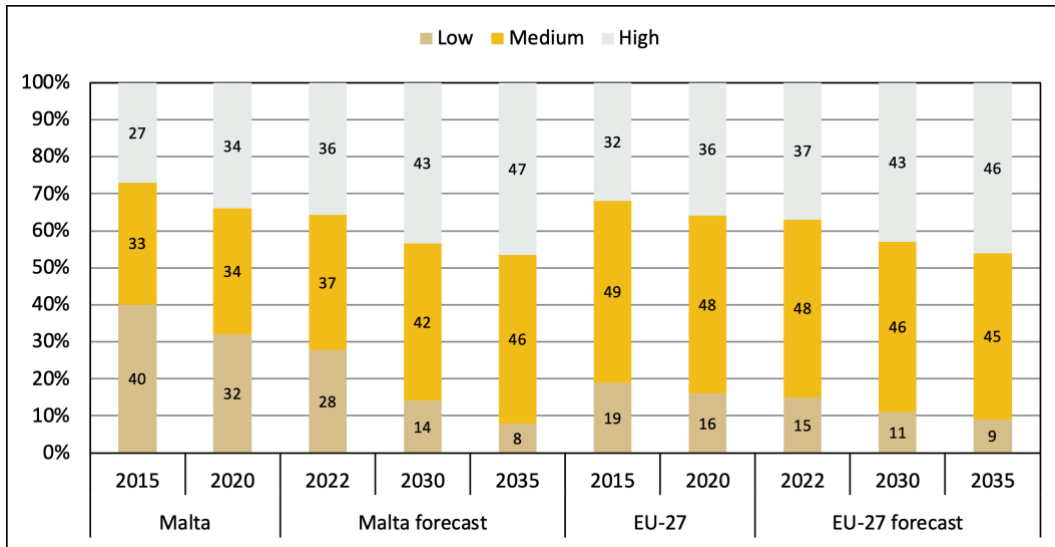Figure 5. **Shares of total job openings by level of qualification, 2022-35**
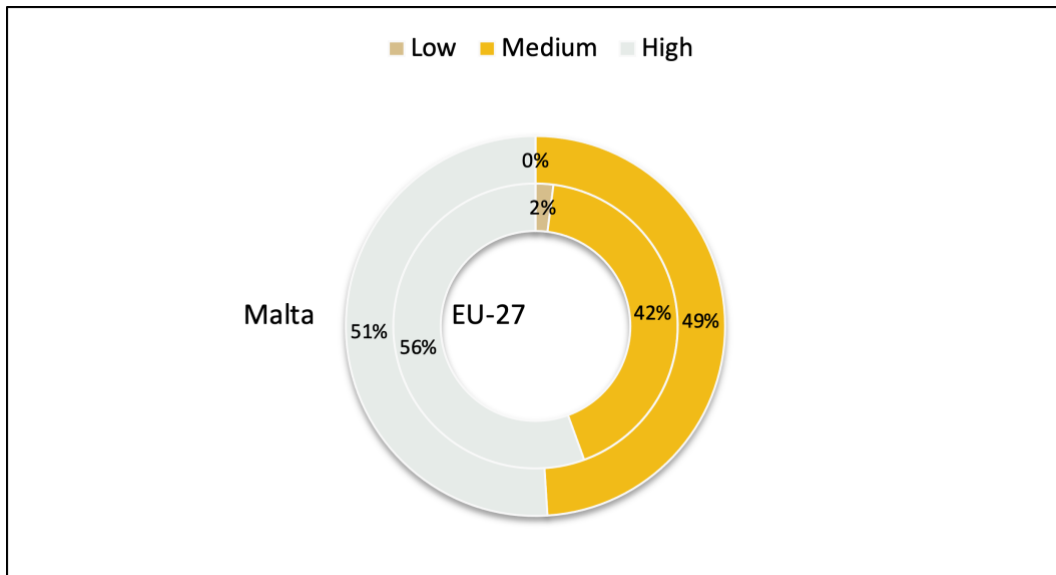
Future labour supply trends depend on the size of the working age population (defined as aged 15 or older), labour market participation rates, and the extent to which people acquire formal qualifications.

The profile of shares of qualifications held by the labour force over 2022-35 is shown in Figure 6. The share of people with high level qualifications in Malta is expected to increase from 36% to 47%, and the share of medium qualified labour force is expected to reach 46% by 2035, being about equal sized to the higher qualification group. The share of those with low levels of qualification is expected to decrease from 28% in 2022 to 8% in 2035.

Figure 6**. Labour force share by level of qualification, 2015-35**

Figure 6 Labour force share by level of qualification, 2015-35

	Low	Medium	High
Malta 2015	40	33	27
Malta 2020	32	34	34
Malta forecast 2022	28	37	36
Malta forecast 2030	14	42	43
Malta forecast 2035	8	46	47
EU-27 2015	19	49	32
EU-27 2020	16	48	36
EU-27 forecast 2022	15	48	37
EU-27 forecast 2030	11	46	43
EU-27 forecast 2035	9	45	46

Source: Cedefop (2022 Skills Forecast).

Figure **7** shows an indicator, *difficulty of hiring*, whose aim is to approximate shortages of supply by qualifications and its impact on occupations. This measure, shown along the vertical axis, indicates increasing difficulties to fulfil demand given the available supply of qualifications used in the occupation. Along the horizontal axis, the *degree of hiring required* in the occupation is depicted. Higher values indicate that to reach the forecast result that occupation will need to adjust more (in terms of workers with

particular qualifications) relative to the base year (2018) levels. These changes (degree of hiring required) can be due to a change in the qualifications required or increases in the number employed. The size of the bubble indicates the *overall employment level*, bigger bubbles indicate more employment while smaller bubbles less employment. Occupations with both a high *degree of hiring required* and a high *difficulty of hiring* (i.e. towards the top right of the figure) are likely to have the most difficulties in achieving a suitable workforce.

Figure 7**. Indicators of future hiring difficulties, 2022-35**
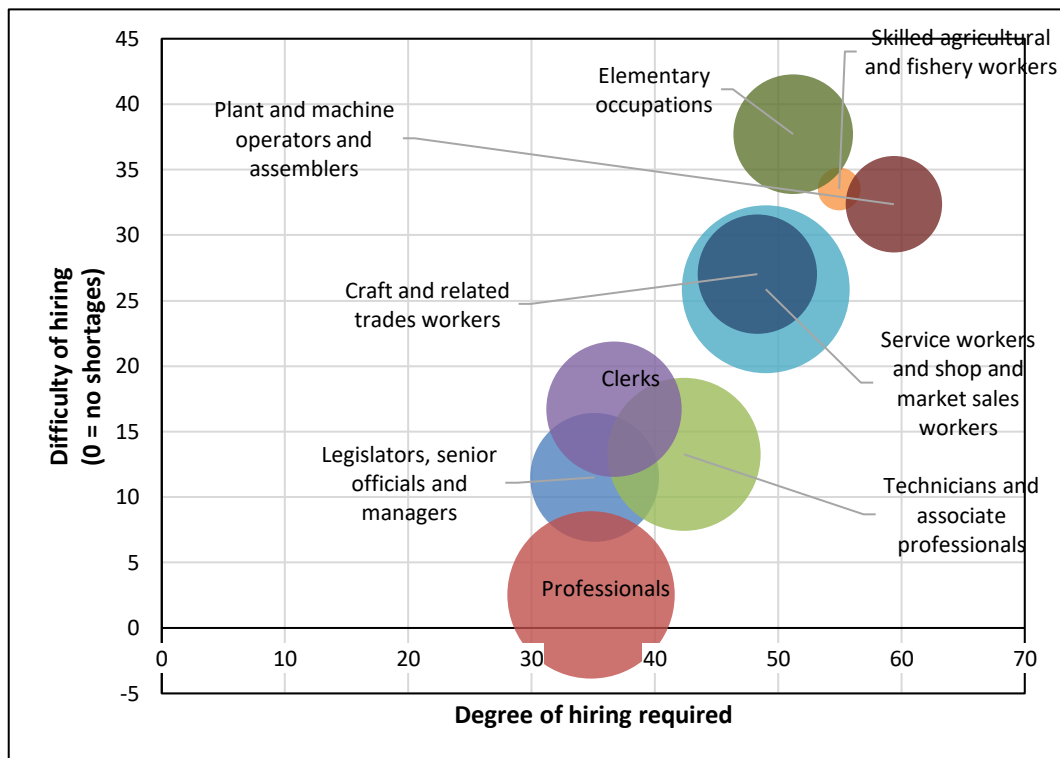
Source: Cedefop (2022 Skills Forecast).
Note: Indicators were calculated at the level of the underlying 2-digit occupation groups. Aggregation was based on the employment weights within each 1-digit occupation group.

The main shortages are projected to lie within medium and especially low qualified. Occupations with lower qualification requirement show, thus, a higher difficulty of hiring, often flanked with a high degree of hiring as the occupations seem to change towards a different qualification mix. Figure **7** shows this in the line-up of such occupations in the upper right-hand corner: *skilled agricultural and fishery workers, elementary occupations,* and *Plant and machine operators and assemblers* are forecast to experience stronger changes that will require hiring new workers along with hiring difficulties.

Professionals as well as *technicians and associate professionals* are expected to experience low levels of hiring difficulties, while there is also less yet still high levels of hiring.

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 May 2022. The European Economy experienced a sharp downturn in 2020 due to the global pandemic, and partially bounced back in 2021. However, the strength of the recovery in the short term is threatened by global factors such as supply chain disruptions, the consequences of the war in Ukraine and high inflation.

The key assumptions of the baseline scenario incorporate the Eurostat population forecast available in May 2022 (Europop 2019) [1], and the short-term macroeconomic forecast produced by DG ECFIN in May 2022 [2]. Several revisions to the data affect the Cedefop Skills forecast 2022, when compared to the 2019 update. For example, the population projections used in the 2022 update are generally more pessimistic than those used in the 2019 update (i.e. Europop 2015), with a corresponding impact on labour force figures. The source of historical labour force data is the European Labour Force Survey, which in 2021 underwent important methodological changes causing a break in the time series for several variables, including labour force. As a consequence, in many Member States the participation rates in 2021 are noticeably above/below historical trends, which causes the Cedefop Skills forecast 2022 to be revised in the same direction, compared to the 2019 update. Moreover, some Member States experienced significant revisions in the historical data series for sectoral employment from the National Accounts.

The Cedefop Skills forecast 2022 is made consistent with the objectives set by the European Green Deal by incorporating suitable assumptions in terms of 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, which therefore incorporate the recent surge in prices.

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[1] https://ec.europa.eu/eurostat/web/population-demography/population-projections/database

[2] https://ec.europa.eu/info/business-economy-euro/economic-performance-and-forecasts/economic-forecasts/spring-2022-economic-forecast_en

For the latest update and access to more detailed Cedefop skills forecast data visit our Skills forecast project page.

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