



European  
Commission

# Monitoring industrial ecosystems

EU MEMBER STATES FACT SHEETS

Malta

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## EUROPEAN COMMISSION

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# Key Highlights

This country report has been developed as part of the 'European Monitor of Industrial Ecosystems' project of the European Commission, Directorate General for Internal Market, Industry, Entrepreneurship and SMEs and the European Innovation Council and SMEs Executive Agency. It provides data insights into the twin transition and the technological performance of industrial ecosystems. The key findings of the report are summarised below:

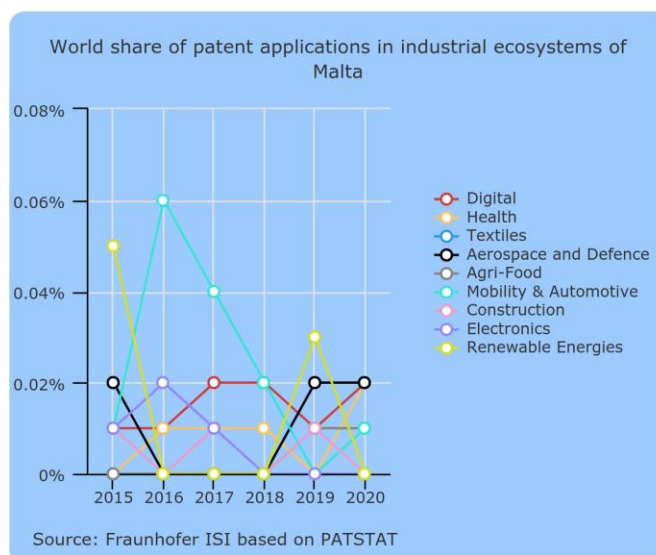


## Technological performance in industrial ecosystems:

- Regarding technology development, Malta had the highest share of its country patent applications in the **Digital and Health industrial ecosystems**. Malta ranked 19th place in the Digital ecosystem among EU countries in 2020, which is a good position given its size.

## Digital and green transition technologies:

- In the field of green technologies, Malta has been the most specialised in generating technologies in **Advanced Materials and Nanotechnology**.
- Trends over time shows that Malta's global share in most fields followed an oscillating trend, especially for what concerns its share in Wind Power and Geothermal, Hydropower and Biomass. In 2020, it had the highest share in Advanced Materials and Nanotechnology.
- Among the digital technologies monitored in this project, Malta has been the most specialised in **Big Data and Artificial Intelligence**.
- Trends over time indicate a steep increase in the world share of Malta in **Big Data** from 2018 to 2020. It has also increased its share in the field of **Artificial Intelligence**.



## Capacity to produce goods based on digital and green technologies:

- Malta's share of production in digital technologies over global production indicates that it created the highest value by the deployment of **Digital Mobility** and **Big Data**. Trends over time show a dynamic increase in its global share only in Big Data and a decrease or stagnation in other digital technology related goods.
- In the field of green transition technologies, the share of production in a certain technology over Malta's total production was the highest in **Advanced Materials**. Trends indicate a slight decrease in Advanced Materials and Nanotechnology from 2010 to 2020, ranking the highest among green technologies.



# 1. Introduction

This country report has been prepared within the '**European Monitor of Industrial Ecosystems**' (EMI) project, initiated by the European Commission, Directorate General for Internal Market, Industry, Entrepreneurship and SMEs and the European Innovation Council and SMEs Executive Agency (EISMEA). The overall goal of the project is to **analyse the green and digital transformation of industrial ecosystems**.

The EU's updated industrial strategy from May 2021<sup>1</sup> has outlined 14 industrial ecosystems that are in the focus of the project. The 14 industrial ecosystems include *aerospace and defence, agri-food, construction, cultural and creative industries, digital, electronics, energy intensive industries, energy-renewables, health, mobility – transport – automotive, proximity, social economy and civil security, retail, textile and tourism*. The industrial strategy defined industrial ecosystems as encompassing all players operating in a value chain: from the smallest startups to the largest companies, from academia to research, service providers to suppliers<sup>2</sup>.

The objective of this report is to **present key findings from data** collected within the framework of this project at country level notably on **patent applications, production data, trade** (available only for ten industrial ecosystems), **private equity and venture capital** investments. Nonetheless, this report does not aim to be comprehensive; the data presented here only complement other important statistics on technology development in each country.

The monitoring framework has a technological focus. Industrial transition is driven by technological, economic, and social changes, and in particular by digital technologies and the shift to a green and circular economy. The green and digital technologies that have been taken into account are presented in the table below.

*Table 1: Technologies monitored in the project by patent, trade and prodcom data*

Green technologies	Digital technologies
Advanced Materials and Nanotechnology	Advanced Manufacturing & Robotics
Biotechnology (for sustainability)	Advanced Manufacturing
Energy Saving Technologies	Robotics
Renewable Energy Technologies	Artificial Intelligence
Solar Power	Big Data
Wind Power	Digital Security & Networks/ Cybersecurity
other (geothermal, hydropower, biomass)	Digital Technology for Mobility
	Internet of Things
	Micro- and Nanoelectronics & Photonics
	Micro- and Nanoelectronics
	Photonics

*Source: Technopolis Group, IDEA Consult and Fraunhofer ISI*

The methodological report that sets the conceptual basis and explains the technical details of each indicator is available on the [EMI website](#). This report was prepared by Kincső Izsak, Technopolis Group for the European Commission. However, it does not necessarily reflect the views of the European Commission.

<sup>1</sup> European Commission (2021). Communication on Updating the 2020 New Industrial Strategy, COM(2021)350 final [https://commission.europa.eu/system/files/2021-05/communication-industrial-strategy-update-2020\\_en.pdf](https://commission.europa.eu/system/files/2021-05/communication-industrial-strategy-update-2020_en.pdf)

<sup>2</sup> European Commission (2020). A New Industrial Strategy for Europe, COM/2020/102 final [Commission Communication: A New Industrial Strategy for Europe | European Commission \(europa.eu\)](#)

## 2. Advanced technologies fostering the green and digital transition of industrial ecosystems

### 2.1. Data sources

This chapter outlines a set of indicators that capture the capacities of EU Member States to generate technologies that foster the green and digital transformation of industrial ecosystems. Industries that are underpinned by a strong technology basis and supported by vibrant entrepreneurial communities have better conditions for success. The production of technology-based products indicates that technologies are commercialised, while a positive trade balance in technologies is a sign of international competitiveness.

**Patent analysis** is a widely used method for tracking technological development activities. With a view to industrial ecosystems under study in this project, technology generation and hence patenting takes place in a relatively limited number of ecosystems, while others mainly profit from technologies generated elsewhere. Technology development drives industrial transformation in a general way. The patent analysis is based on transnational patents, notably those filed through the WIPO PCT procedure<sup>3</sup> or at the European Patent Office<sup>4</sup> directly. They have been localised based on the address of the applicant. The different advanced technologies have been identified based on International Patent Classification (IPC) codes and keyword searches.

**Trade data**, more specifically export data, is a further relevant indicator to document industrial development at higher technology readiness levels. It informs on countries' competitive advantage in specific technology-based product areas. While somewhat simplistic, export strengths in certain technological areas still mark a specific relevance of technology relevant goods for the economy and remain among the reliable indicators of performance. The analysis focuses on trade balances based on UN Comtrade<sup>5</sup> statistics processed specifically for the purposes of this project. The trade balance can help reveal how nations are intricately involved in supply chains with substantial imports and relevant exports. By putting exports in relation to parallel imports, it is possible to assess whether a country displays strength in production.

**Prodcom data**<sup>6</sup> allows the monitoring of technology diffusion. Prodcom provides statistics on the production of manufactured goods carried out by enterprises on the national territory of the reporting countries. It helps measuring the uptake of technology through the production of manufactured goods by focusing on the specific components and elements enabled by green and digital technologies. Production data allows to measure to what extent technology-related products are being produced in the country. The production indicators are calculated based on product-level data from the Eurostat's Prodcom database.

**Crunchbase data**<sup>7</sup> were used to analyse entrepreneurial dynamics and private equity and venture capital investment. Crunchbase is a widely trusted source of information on venture capital backed innovative companies. Technology startups represent key building blocks in the transition towards a more digital, green and resilient economic model. Entrepreneurial activity helps accelerate the diffusion of technologies in industrial ecosystems and startups that provide green and digital solutions are relevant indicators of how the industrial ecosystem is transforming itself to reach environmental sustainability objectives. More information about these data sources can be found in the methodological report of the project.

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<sup>3</sup> World Intellectual Property Organization, WIPO Patent Cooperation Treaty (PCT) <https://www.wipo.int/pct/en/>

<sup>4</sup> European Patent Office, Supporting Innovation and Patents in Europe <https://www.epo.org/en>

<sup>5</sup> United Nations Comtrade, UN Comtrade Plus-International Trade Data Platform <https://comtradeplus.un.org/>

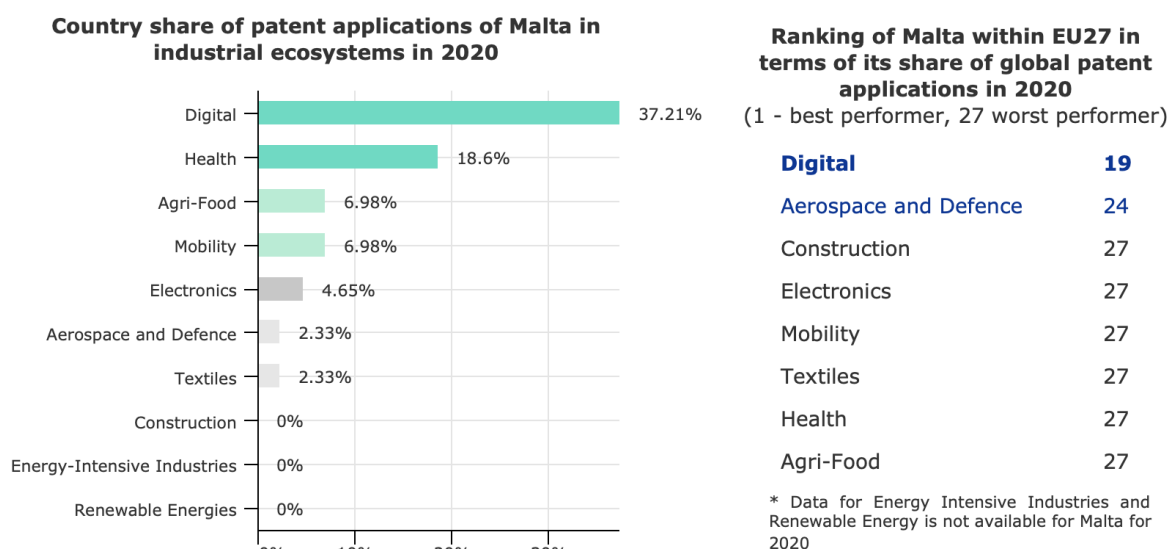
<sup>6</sup> Eurostat, Eurostat PRODCOM-European Union Production and Trade Statistics <https://ec.europa.eu/eurostat/web/prodcom>

<sup>7</sup> Crunchbase, Business Information and Networking Platform <https://www.crunchbase.com/>

## 2.2. Technology development in industrial ecosystems

Regarding technology development, Malta had the highest share of its country patent applications in the Digital and Health industrial ecosystems in 2020. Malta ranked 19<sup>th</sup> place in the Digital ecosystem among EU countries in 2020, which is a good position given its size. This reflects the growing ICT sector in Malta that has accounted for 8.2% in GDP in 2020 according to Eurostat data<sup>8</sup>.

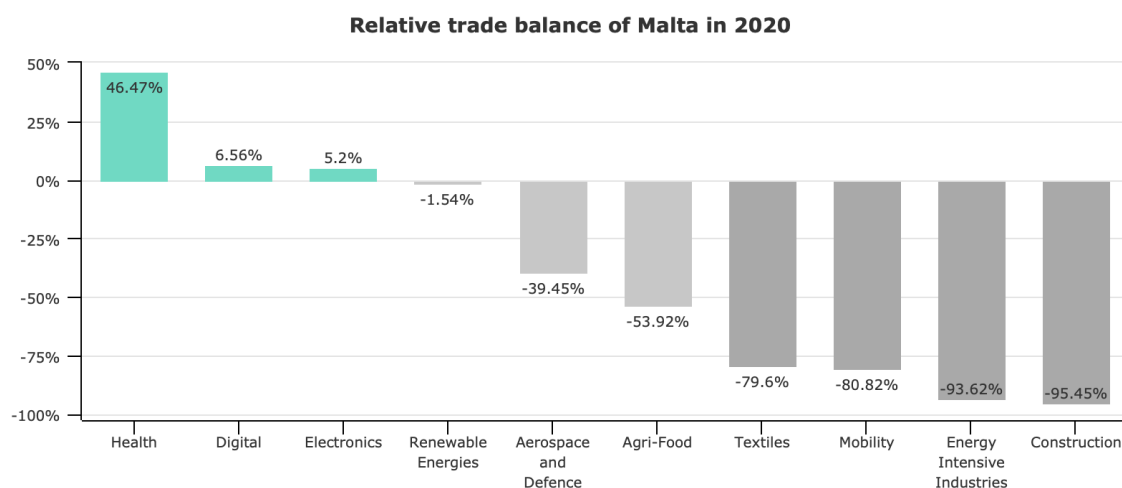
Figure 1: Country share and world share (expressed in terms of ranking) in patent applications in industrial ecosystems related technologies



Source: Fraunhofer ISI based on Patstat

Trade is a common indicator of international competitiveness because it shows how attractive a country's products are outside of its domestic market. Total exports provide evidence about a country's role as a producer, and trade balance captures its sovereignty in certain areas of production. Figure 2 displays the trade balance in relation to overall trade volume by technology development in industrial ecosystems. Malta registered a trade surplus in technology-based products related to Health, Digital and Electronics.

Figure 2: Trade balance in relation to overall trade volume  $((exp - imp)/(exp + imp))$  (2020)

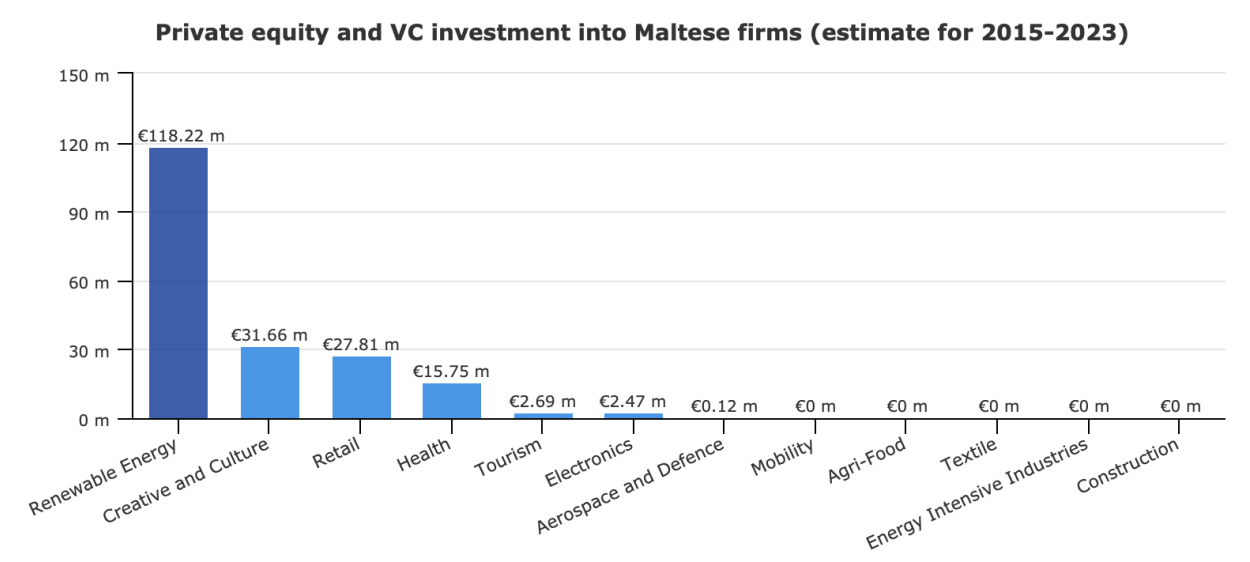


Source: Fraunhofer ISI based on UNCOMTRADE

<sup>8</sup> [https://ec.europa.eu/eurostat/databrowser/view/isoc\\_bde15ag/default/table?lang=en&category=isoc.isoc\\_se](https://ec.europa.eu/eurostat/databrowser/view/isoc_bde15ag/default/table?lang=en&category=isoc.isoc_se)

Most private equity and venture capital investment in Malta went into innovative companies operating in Renewable Energy, followed by Creative and Culture and Retail over the period from 2015 to 2023. Behind the value of renewable energies is mainly an industrial company building the technology metal supply chain, focusing on metals that are essential for various advanced technologies, such as electric vehicles, renewable energy systems, and energy storage devices. In the field of creative and cultural industries, several startups and scaleups are active in Malta, in particular related to tourism services, sports, gambling, casino.

Figure 3: Private equity and venture capital investment into digital/green tech companies related to industrial ecosystems in Malta

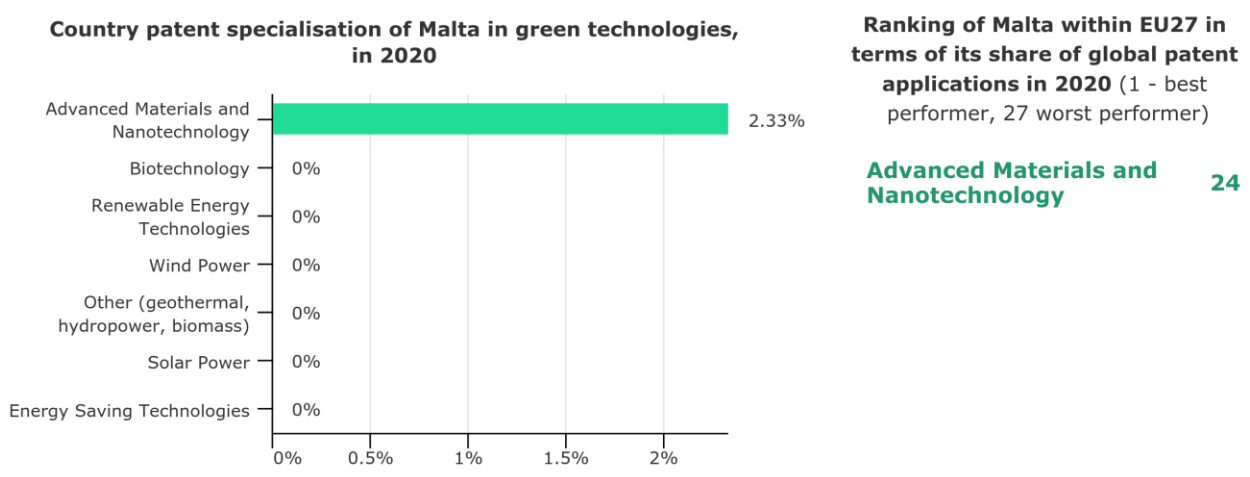


Source: Technopolis Group based on Crunchbase

### 2.3. Green transformation

Within the country, Malta has been specialised in generating technologies in Advanced Materials and Nanotechnology. In a global comparison, Malta ranked at the 24<sup>th</sup> place among the EU27 Member States in generating technologies related to Advanced Materials and Nanotechnology.

Figure 4: Country share and world share (expressed in terms of ranking) of patent applications in green technologies of Malta

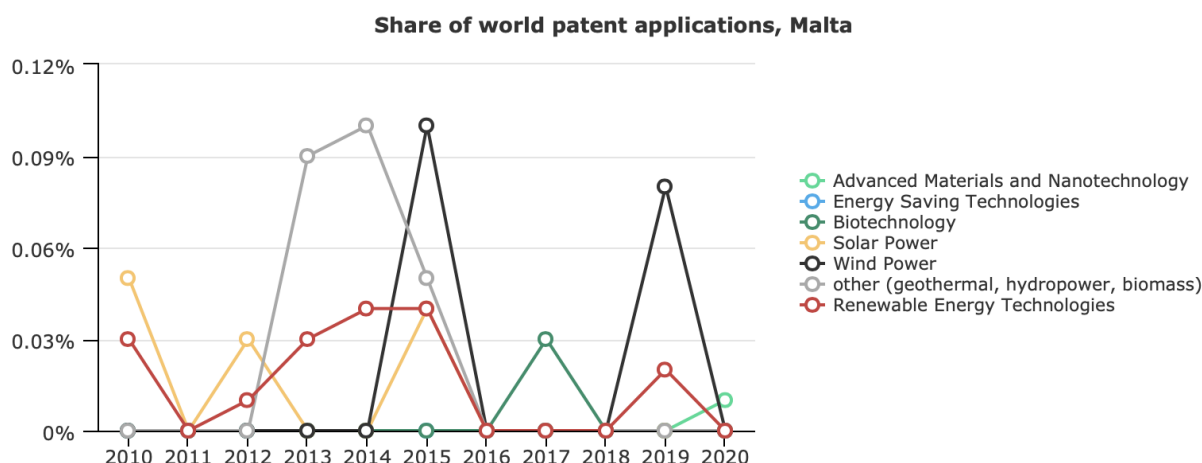


Source: Fraunhofer ISI based on Patstat



Evolution of the world's patent applications between 2010 and 2020 shows that Malta's global share in most fields followed an oscillating trend, especially for what concerns its share in Wind Power and Geothermal, Hydropower and Biomass. In 2020, it had the highest share in Advanced Materials and Nanotechnology.

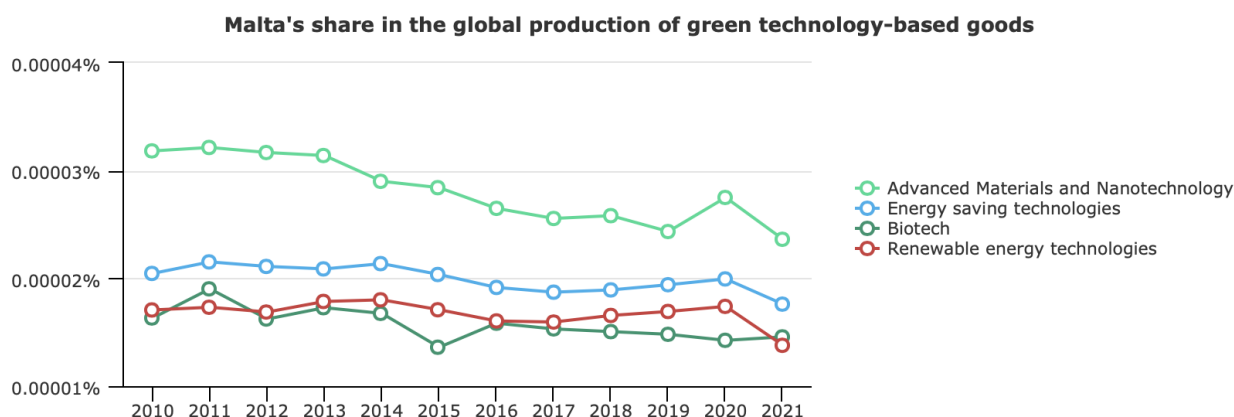
Figure 5: Trends over time in Malta's share in world patent applications



Source: Fraunhofer ISI based on Patstat

The Prodcom-based indicator measures the share of advanced technology-related production in Malta for a given year. The share of production in a certain technology over Malta's total production indicates a slight decrease in Advanced Materials and Nanotechnology from 2010 to 2020, ranking the highest among green technologies.

Figure 6: Production of advanced technology-based products in Malta

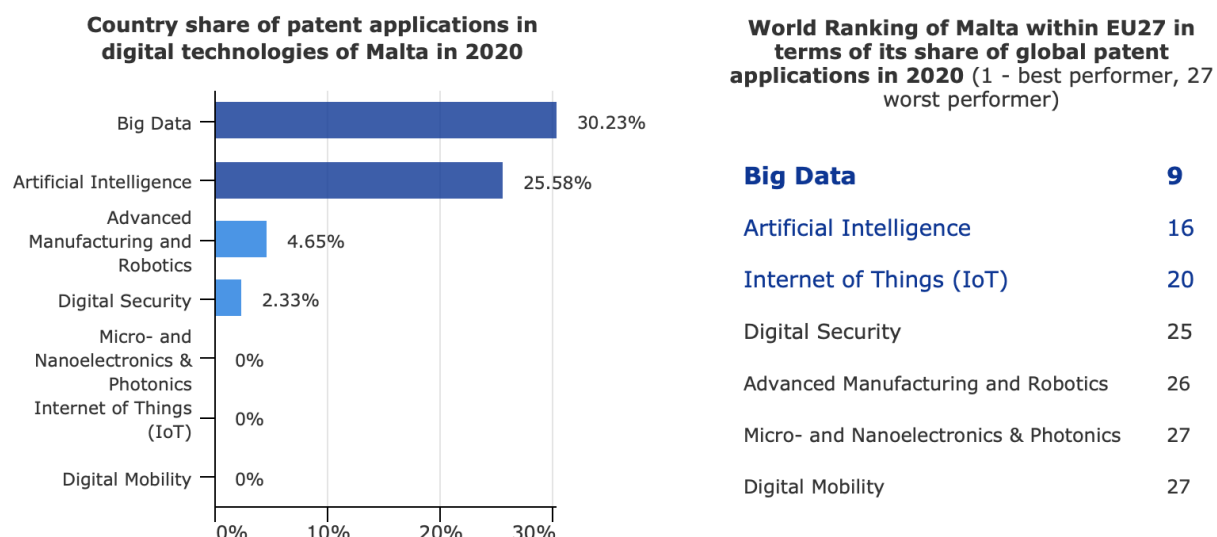


Source: IDEA Consult based on Prodcom data

## 2.4. Digital transformation

Among the digital technologies monitored in this project, Malta has been the most specialised in Big Data and Artificial Intelligence, where it ranks respectively 9<sup>th</sup> and 16<sup>th</sup> place in terms of its global share in patent applications.

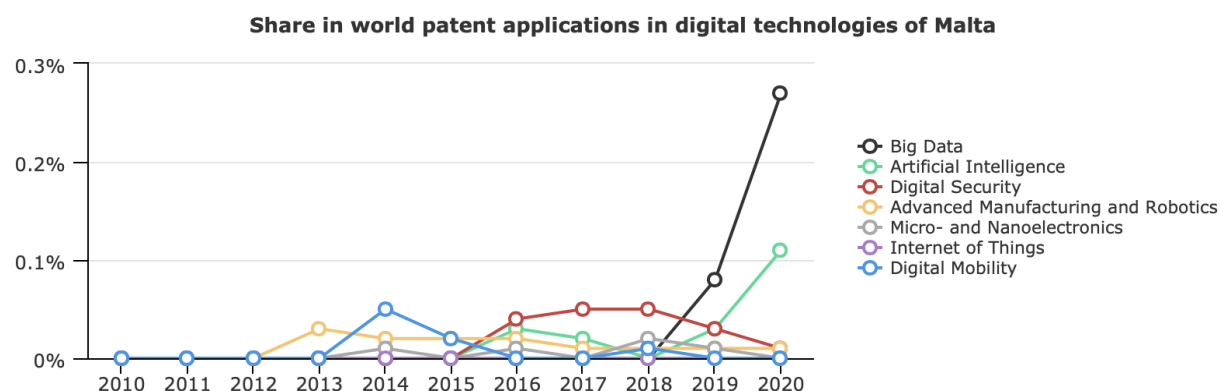
Figure 7: Country share and world share (expressed in terms of ranking) in digital technology related patent applications of Malta



Source: Fraunhofer ISI based on Patstat

Trends over time indicate a steep increase in the world share of Malta in Big Data from 2018 to 2020. It has also increased its share in the field of Artificial Intelligence.

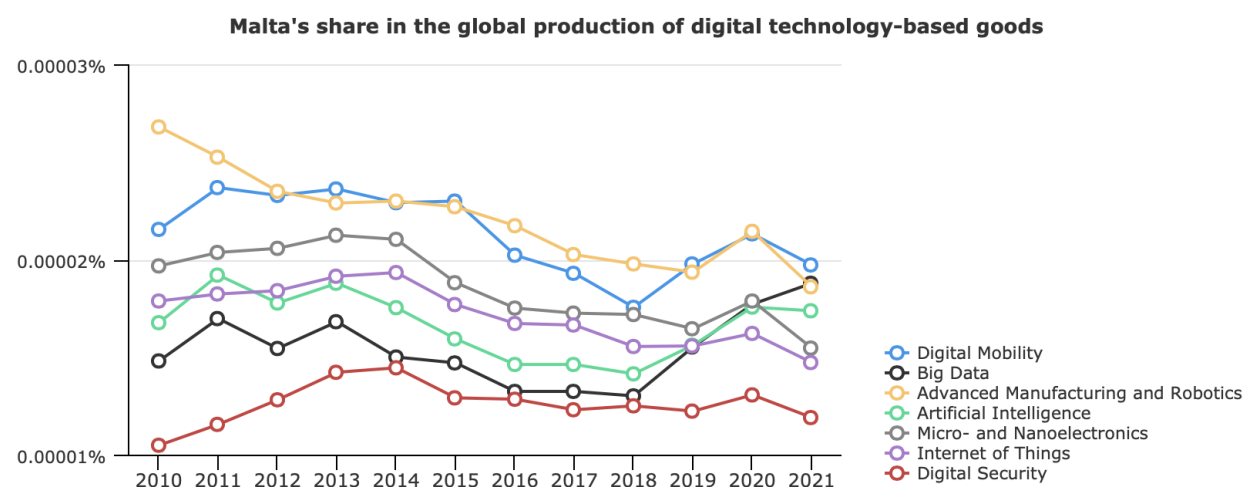
Figure 8: Trends over time in Malta's share of world patent applications



Source: Fraunhofer ISI based on Patstat

The Prodcom-based indicator measures the share of Malta in advanced technology-related production for a given year. The share of production in a particular technology over Malta's total production indicates that Malta has the largest share in the field of Digital Mobility, and Big Data-based products.

Figure 9: Production of digital technology-based products in Malta



Source: IDEA Consult based on Prodcorn data

