



## SPRING 2011 REFORM BAROMETER- MALTA

	<u>Level</u>			<u>Rank</u>			<u>Gap</u>		<u>Areas of Action</u>	
	2009	2010	Change	2009	2010	change	EU top 5	Gap <sup>1</sup>	2010	
<b>Pillar I</b>	1 GDP per capita (Purchasing Power Parity- PPP)	18386	19342	5,2%	24	23	1	NL IE SE AT DE	-36%	
	2 GDP per capita (€ at 2000 prices)	10873	10940	0,6%	23	23	0	DK SE IE FI AT	-64%	
	3 Labour productivity per hour worked (PPP)	25,4	26,5	4,3%	21	19	2	NL BE FR DE IE	-36%	
	4 Labour productivity per person employed (PPP)	46671	48602	4,1%	21	21	0	IE BE FR SE NL	-27%	
	5 Private investment (excluding non residential, %GDP)	8,4	8,4	0,0	23	22	1	BG BE AT DE IT	-5,2	
	6 Industrial activity (% total value added)	0,0	0,0	0,0	N/A	0	N/A	IE SK CZ FI SI	-32,6	
	7 R&D expenditure (% GDP) *	0,5	0,6	0,0	29	27	2	FI SE DK DE AT	-2,6	
	8 Operating surplus (% total value added)	53,7	55,8	2,1	3	3	0	BG GR MT SK IE	-0,1	
<b>Pillar II</b>	9 Current Account (% GDP)	-6,1	-3,9	2,1	28	26	2	LU SE NL DE DK	-9,8	
	10 Export market share (gain from 2000)	-12,2	-5,2	6,9	26	21	5	RO LT CZ HU BG	-68,7	
	11 Net export contribution to GDP	3,1	0,6	-2,5	11	18	-7	BG IE GR HU CY	-3,3	
	12 Share in global trade	0,0	0,0	0,0	32	32	0	DE FR NL UK IT	-4,3	
	13 Relative unit labour cost (gain from 2000)	9,0	8,3	-0,7	20	21	-1	DE PL AT SE FR	16,1	
	14 High-tech exports (% total exports) **	47,8	45,0	-2,8	1	1	0	MT LU IE HU CY	16,2	
<b>Pillar III</b>	15 Employment rate (% working age population)	54,9	55,6	0,7	13	7	6	NL DK SE AT DE	-13,1	
	16 Employment rate 15-24 (% population 15-24)	44,1	44,0	-0,1	10	10	0	NL DK AT UK DE	-9,6	
	17 Employment rate 55-64 (% population 55-64)	28,1	30,1	2,0	32	32	0	SE DE UK CY DK	-29,6	
	18 Annual hours worked (per capita)	1838	1834	-0,2%	9	11	-2	PL GR HU LV CZ	-7%	
	19 Labour participation (% working age population)	60,0	60,5	0,5	32	32	0	DK SE NL PT DE	-19,5	
	20 Working age population (as % total population)	69,8	69,6	-0,2	6	6	0	SK PL CY CZ RO	1,0	
	21 Unemployment rate (% labour force)	7,0	6,6	-0,4	13	7	6	AT NL LU MT CY	1,0	
<b>Pillar IV</b>	22 Gross debt - general government (% GDP)	68,6	70,4	1,8	21	19	2	EE LU BG RO LT	46,3	
	23 Net debt - general government (% GDP) *	51,2	53,5	2,3	26	23	3	FI EE SE BG CZ	98,5	
	24 Government budget balance (% GDP)	-3,8	-4,2	-0,4	10	10	0	SE EE LU FI DE	-2,1	
	25 Primary balance (% GDP)	-0,6	-1,1	-0,5	7	8	-1	HU SE IT EE MT	-0,7	
	26 Tax burden (% GDP)	36,1	35,3	0,0	18	17	1	LV SK RO BG LT	4,7	
	27 Highest marginal tax rate, individual rate (%)*	35,0	35,0	0	10	11	-1	BG CZ LT RO SK	21	
	28 Public investment (% total public expenditure)	5,5	7,1	0,3	25	18	7	PL CZ RO BG LV	-6,9	
	29 Budgetary adjustment related to age (% GDP)	N/A	3,4	N/A	N/A	19	N/A	PL EE HU BG SE	3,3	
	30 Net foreign assets (% GDP) *	N/A	N/A	N/A	N/A	N/A	N/A	NL BE DE DK FI	N/A	
<b>Pillar V</b>	31 Net financial assets, households (% GDP) *	N/A	N/A	N/A	N/A	N/A	N/A	BE IT NL FR DE	N/A	
	32 Net financial liabilities, non financial corporations (% GDP)*	N/A	N/A	N/A	N/A	N/A	N/A	SK NL DE GR PL	N/A	
	33 Regulatory tier 1 capital to risk weighted assets *	17,7	23,9	6,2	1	1	0	MT LU BE BG EE	6,7	
	34 Non performing loans to total gross loans *	1,7	2,4	0,7	8	9	-1	FI LU SE SI AT	0,7	
	35 Loans to private sector (% GDP)	162,5	157,4	-5,1	19	19	0	RO SK PL CZ HU	110,0	
	36 Bank liabilities (%GDP) *	N/A	N/A	N/A	N/A	N/A	N/A	SK RO PL LT BG	N/A	

	Five best
	Lowest third

1. Percentage points, when not indicated otherwise

\* 2008/ 2009 data  
\*\* 2007/ 2008 data

## PRIORITIES FOR REFORM: ANSWERS FROM MFOI (MALTA)

	Policy Area	Concrete Recommendations	Are the proposed recommendations already in the agenda of your Government?	
			Yes	No
Priority 1	17	Accountability for performance of specific functions; enhance efficiency in public health provision; enhance accessibility to EU business funding schemes		X
Priority 2	1	Implementing Better Regulation initiatives; effectively rationalising and streamlining environmental planning procedures	X	
Priority 3	3	Effective resourcing of National Innovation Strategy; Strategic focus on specific sectors with potential innovation multipliers incl. gaming, health, ICT.	X	
Priority 4	16	Curtailement of unnecessary welfare programmes; rationalisation in health expenditure	X	
Priority 5	13	Tightening of unemployment benefit eligibility rules; linking unemployment benefits to skills acquisition; elimination of minimum wage		X

<u>Policy areas</u>
1. Business Environment - Regulatory barriers to entrepreneurship
2. Business Dynamics - Start-up conditions
3. R&D and Innovation
4. ICT
5. Competition policy framework
6. Sector specific regulation (telecom, energy)
7. Market integration - Openness to trade and investment
8. Active labour market policies
9. Job protection
10. Labour supply measures for specific groups (older workers, women...)
11. Wage bargaining and wage-setting policies
12. Labour market mismatch and labour mobility
13. Making work-pay: interplay of tax and benefit system
14. Pension and health care reforms
15. Quality of fiscal institutions and budgetary framework
16. Consolidation of public expenditures
17. Public sector efficiency
18. Public investment
19. Tax reforms
20. Access to bond markets
21. Access to equity markets
22. Venture capital and SME financing instruments
23. Bank lending conditions
24. Long term investment instruments