

PRESS INFORMATION NOTICE

27th October 2023

European Productivity Insights: Malta in Focus

Today, the National Statistics Office (NSO) hosted a Workshop showcasing the potential use of granulated insights that the NSO has recently made available for competitiveness and policy-related research. Dr Filippo di Mauro, Chairperson of the Competitiveness Research Network (CompNet), elaborated on the strong collaboration between the NSO and CompNet and shared insights from the 2023 CompNet Firm Productivity Report which featured the first findings on Malta's Competitiveness and Productivity derived from the CompNet project.

The NSO has developed its data capabilities to actively contribute to the CompNet project. Over the past three years, the NSO has assembled datasets specifically for the CompNet data panel by combining granular data from the Structural Business Statistics (SBS) with various business administrative sources and integrating micro-level international trade statistics. Advanced Micro-Data Linking (MDL) tools were deployed to streamline data processes and refine inaccuracies detected in administrative data records. Malta's results were incorporated into CompNet's 9th vintage covering a 10-year period. This marked the country's debut in such comprehensive productivity analyses, enabling longitudinal and international comparison of Malta's market economy within a wider European context for researchers and policy analysts.

Among the key highlights, Dr di Mauro delved into the concerning trend of sluggish productivity growth in Europe over the past decades, with a notable dip recorded in 2020. The impact of COVID-19 on productivity dispersion was also explored, shedding light on the varied responses to the pandemic, technological sophistication levels, and degrees of business dynamism. As elucidated in a recent [VoxEU column by CompNet](#), this is particularly worrisome given the pivotal role productivity plays in shaping the competitive advantage of European firms on the global stage.

The combination of this productivity challenge with the suboptimal performance of within-Europe value chains during crises, suggests a need to reevaluate protectionist inclinations. Instead, the focus should be directed towards critical factors internal to the EU that can enhance firms' productivity, ultimately bolstering their global competitiveness.

Dr di Mauro further expounded on recent initiatives related to more granular business data. Malta has the opportunity to join these endeavors, thereby contributing to the enhancement of its own data infrastructure - a crucial foundation for informed policy work. This strategic move aligns with the broader objective of fostering a resilient and dynamic economic landscape within the European Union.