

# NATIONAL STRATEGY

2025-2035

for Poverty Reduction  
and Social Inclusion.



## Socio-Economic Gozo Regional Analysis regarding the National Poverty Reduction and Social Inclusion Strategy: 2025-2035

Working Paper to the National Strategy for Poverty Reduction and Social Inclusion: 2025-2035

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### Appendix 11

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<b>ALMP</b>	Active Labour Market Policies
<b>CA</b>	Children's Allowance
<b>CBM</b>	Central Bank of Malta
<b>EU</b>	European Union
<b>GDP</b>	Gross Domestic Product
<b>GGH</b>	Gozo General Hospital
<b>GHG</b>	Greenhouse Gases
<b>GRDA</b>	Gozo Regional Development Agency
<b>GRGS</b>	Gozo Regional Development Strategy
<b>F/T</b>	Full-time
<b>FTB</b>	First-time buyer
<b>HA</b>	Housing Authority
<b>ITDS</b>	Integrated Territorial Development Strategy for Gozo: 2017-2020
<b>LNG</b>	Liquid Natural Gas
<b>MDH</b>	Mater Dei Hospital
<b>MGP</b>	Ministry for Gozo and Planning
<b>MHGA</b>	Mental Health Gozo Association
<b>MS</b>	Member States
<b>MSPC</b>	Ministry for Social Policy and Children's Rights
<b>MTF</b>	Malta Trust Foundation
<b>NACE</b>	Statistical Classification of Economic Activities in the European Community
<b>NGO</b>	Non-government organisations
<b>NSO</b>	National Statistics Office
<b>PFI</b>	Private Financing Initiative
<b>p.p.</b>	Percentage points
<b>PSRI</b>	National Strategy for Poverty Reduction and Social Inclusion: 2025-2035
<b>P/T</b>	Part-time
<b>RIS</b>	Regional Impact Assessment
<b>SA</b>	Supplementary Allowance
<b>SID</b>	Strategy and Implementation Division
<b>TOB</b>	Tapering of Benefits
<b>TTP</b>	Two-Thirds Pension
<b>UCA</b>	Urban Conservation Areas
<b>UNFCCC</b>	United Nations Framework Convention on Climate Change
<b>µg/m<sup>3</sup></b>	Micrograms per cubic metre
<b>YoY</b>	Year-on-year change
<b>WHO</b>	World Health Organisation

## 01. Introduction

As part of the process of preparing the National Strategy for Poverty Reduction and Social Inclusion (PSRI): 2025-2035, the drafting team in the Policy Development and International Affairs Directorate (PDIAD) of the Strategy and Implementation Division (SID) of the Ministry for Social Policy and Children's Rights (MSPC) sought to assess potential poverty and social exclusion impacts in the Gozo. The objective of this analysis is to determine whether recommendations specific to Gozo should be considered besides those proposals covering Malta and Gozo.

The methodology applied was the following:

- Consultation with the Gozo Regional Development Agency (GRDA).
- Consultation with the Ministry for Gozo and Planning (MGP).
- When consulting with government and non-government organisations (NGOs), the potential specificity of Gozo concerning poverty and social exclusion was discussed.
- The preparation of this Working Paper. This Paper is based on desk-top research and complements the Strategy document and the other Working Papers.

As stated in the Strategy document, the primary objective of the Working Papers, including this one, is to allow for in-depth analysis of specific issues, which, if placed in the body of the Strategy, would render the document voluminous and impractical.

## 02. Background

Due to its small geographical size, Gozo has always been a complex net of family connections extending across the island, creating a trusting society where people rely upon each other, and help is there if needed.<sup>1</sup> The Catholic Church plays an important role in the island's social and cultural life.<sup>2</sup> The concept of 'double insularity' has always been a consistent and key notion concerning Gozo, given that it is a small island situated on the periphery of and dependent on another small island of Malta.<sup>3</sup> Gozo's double insularity works against the island in many ways<sup>4</sup>. It has often been touted as a huge disincentive for businesses to invest in Gozo, with residents believing that they have been somewhat in economic development and political assistance compared to Malta.<sup>5</sup> The hardships that Gozitan students and workers experience in commuting daily to mainland Malta are highlighted as a primary impact of Gozo's double insularity.<sup>6</sup>

The Integrated Territorial Development Strategy for Gozo: 2017-2020 (ITDS), amongst double insularity, identified the following as Gozo's regional weaknesses: high input costs for business, high transport costs for business and Gozitan commuters, low employment opportunities, skills mismatches and brain drain, low salaries, low female employment rate, limited emergency and specialised health services, dependence on health care facilities and professionals in Malta.<sup>7</sup> Amongst the threats identified the following were stated: ageing population, decrease in birth rates and working population, increase in the number of persons with health and social issues.<sup>8</sup> Promoting new services for a better quality of life was identified as one of four strategic directions for Gozo in the ITDS.<sup>9</sup> Measures recommended included improved health and social services, adequate social infrastructure including sports and leisure facilities, reducing social disparities through increased services and appropriate training, fighting illiteracy and providing modern facilities for primary education and further and higher education.<sup>10</sup>

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<sup>1</sup> Pg 10, Formosa, M., Social Impact Assessment: Tunnel Link between the Island of Gozo and Mainland Malta, 2017.

<sup>2</sup> Ibid.

<sup>3</sup> Pg 11, Ibid.

<sup>4</sup> Ibid.

<sup>5</sup> Ibid.

<sup>6</sup> Ibid.

<sup>7</sup> Pg 16, Integrated Territorial Development Strategy for Gozo: 2017-2020, Public Consultation, Parliamentary Secretariat for European Funds and Social Dialogue and the Ministry for Gozo, 2017.

<sup>8</sup> Ibid.

<sup>9</sup> Pg 20, Ibid.

<sup>10</sup> Pp 27-30, Ibid.

In 2017, MGP embarked on a process leading to designing a Gozo Regional Development Strategy (GRDS). The design of this Strategy took into account, amongst others, the findings and conclusions of the ITDS. The GRDS was published for consultation in 2021 and approved by Cabinet in 2023. One of the cornerstones underpinning the shared vision for Gozo as established in the approved GRDS is that of re-aligning economic growth with well-being, adding that:

"Standard of living does not depend exclusively on the income and the productivity scale. In some instances, islands like Gozo may offer a better quality of living resulting from higher safety and security. The safety and security of all residents are essential indicators of quality living, and these can flourish in a way that complements sustainable economic activity in Gozo."<sup>11</sup>

Concerning social development, the GRDS identifies the following as strategic goals:<sup>12</sup>

- Strengthen Gozo's society and its social capital.
- Develop secure communities.
- Increase efforts to fight social exclusion and discrimination.
- Facilitate the acceptance of diversity and inclusion of different ethnic and racial minority groups.
- Ensure an adequate social development infrastructure.
- Develop appropriate and effective responses to housing needs.

To meet these goals, the GRDS identifies the following actions:<sup>13</sup>

- Improving migrant support programmes.
- Continue embracing diversity.
- Addressing the needs of the elderly and promoting active ageing.
- Improving the quality of social support services and strengthening the social infrastructure.
- Assessing housing needs and neighbourhood planning.
- Enhancing leisure and sports well-being.

### **03. The Gozo Regional Impact Assessment on the Social Vision for Malta 2035**

A Regional Impact Assessment (RIA) carried out by the GRDA on the Social Vision for Malta 2035 issued by the MSPC concludes as follows:

"Although it is geographically distinct from the Main Island, Gozo still shares many social and economic realities with Malta including its high population density ...

However, the document does not make any specific reference to Gozo. It needs to be accepted that Gozo does face issues that differ from those prevailing at a national level. It must also be accepted that there is an opportunity to try to create (or avoid creating) a social environment more (less) conducive to well-being. ...

The GRDA believes that the 'Social Vision for Malta 2035' is broadly in line with the goals in the Regional Development Strategy. ...

The GRDA broadly agrees with the principles listed in the Consultation Document entitled 'A Social Vision for Malta 2035'... In line with the established methodology, the GRDA has initiated a Screening

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<sup>11</sup> Pg 11, Gozo Regional Development Strategy, Gozo Regional Development Authority, 2023.

<sup>12</sup> Pg 33, Ibid.

<sup>13</sup> Ibid.

Process to determine whether an RIA study is required. From preliminary analysis, the Screening Process does not suggest that the proposed intervention will impact Gozo in a materially different manner from its impact on Malta, thus there is no requirement for a full Regional Impact Assessment Study."<sup>14</sup>

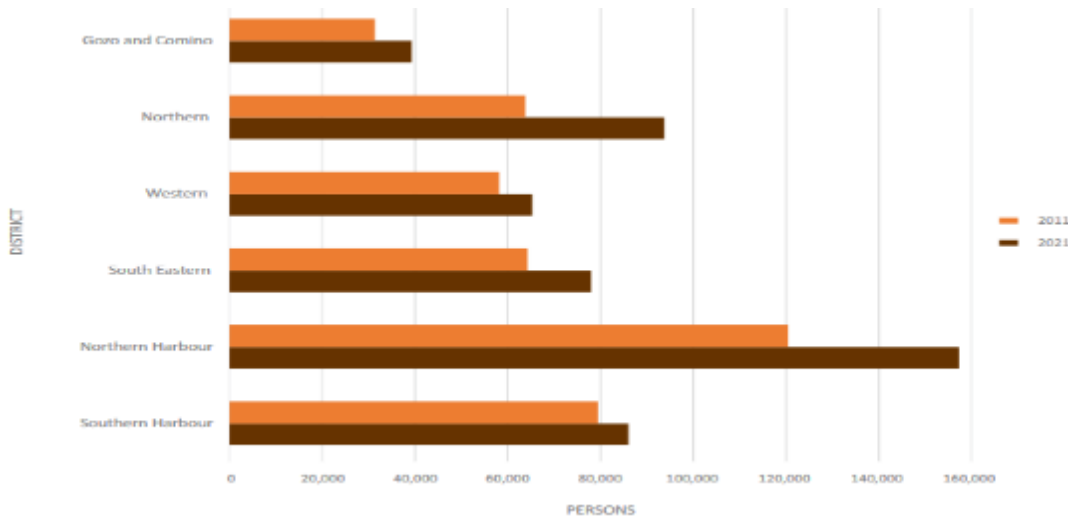
#### 04. Characteristics of Gozo

The following principal characteristics in what constitutes the economic-socio fabric of the Gozo region are reviewed.

##### 04.1 Population in Gozo

Similar to the overall population of Malta, the population of Gozo saw a significant increase, with the population in 2021 increasing by 7,912 more inhabitants or a growth rate of 25.2% compared to 2011.<sup>15</sup> The 2021 Census demonstrates that the Marsalforn and Xlendi, forming part of the Zebbuġ and Munxar local councils, experienced a significant increase in population.<sup>16</sup> In 2020, the localities with the highest ratio of foreign residents were Marsalforn (28.39% of the population), Xlendi (22.7% of the population) and San Lawrenz (20.1% of the population).<sup>17</sup>

**Figure 01: Population by District<sup>18</sup>**



**Figure 02** presents the changes in population age structure in Gozo. As can be seen, all age groups experienced changes. Of note are the significant increases in the 0-9, 20-49, and the 60+ age groups.

The migrant population in Gozo is not necessarily foreign. Maltese households and persons are migrating to Gozo for affordability purposes (as shown in this Paper private rental of property in Gozo is cheaper than in Malta) or enjoy its rurality. Quite a few have changed their primary residence from Malta to Gozo. Whilst data could not be sourced on the number of persons who changed their residency from Malta to Gozo, a recent survey based on a sample population of 89 migrants living in Xlendi and Marsalforn shows the following:<sup>19</sup>

- Forty-three of the sample population in Marsalforn and fourteen in Xlendi were Maltese citizens.
- Fifteen of the sample population in Marsalforn and one in Xlendi were Maltese citizens.

<sup>14</sup> Pg 5, GRDA Feedback Statement on A Social Vision for Malta 2035 issued by the Ministry for Social Policy and Children's Rights, Gozo Regional Development Authority, 2022.

<sup>15</sup> Pg 12, Regional Statistics Malta, 2023 Edition, National Statistics Office.

<sup>16</sup> Pg 92, Cutajar, JosAnn, Migration and Social Wellbeing in Gozo, Perspettivi – Issue 2, Gozo Regional Development Authority, March 2023.

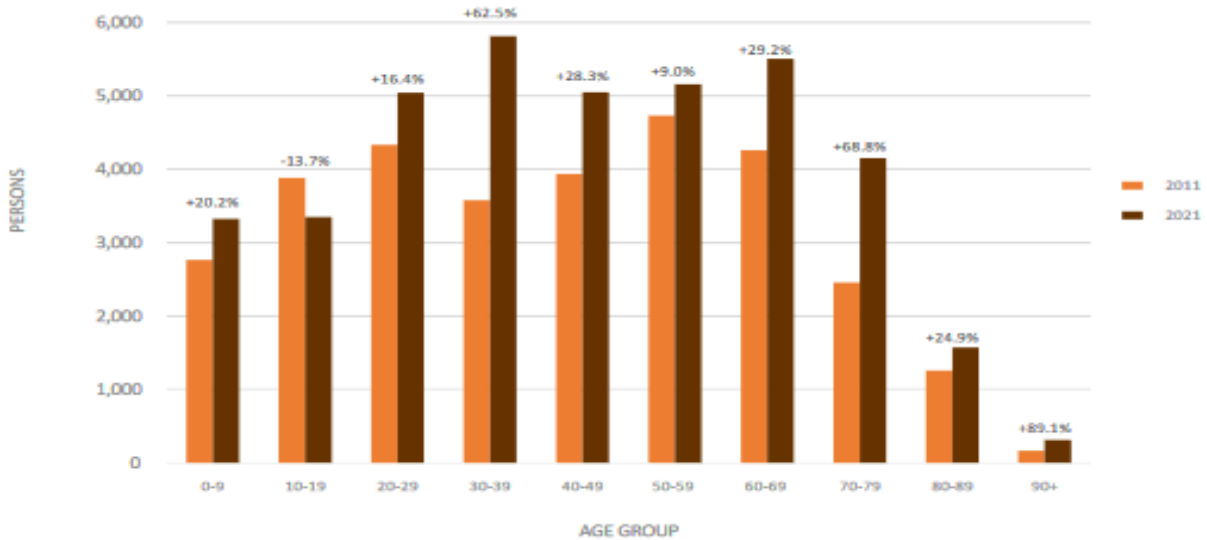
<sup>17</sup> Pg 95, Ibid.

<sup>18</sup> Pg 14, Regional Statistics Malta, 2023 Edition, National Statistics Office.

<sup>19</sup> Pg 98, Cutajar, JosAnn, Migration and Social Wellbeing in Gozo, Perspettivi – Issue 2, Gozo Regional Development Authority, March 2023.

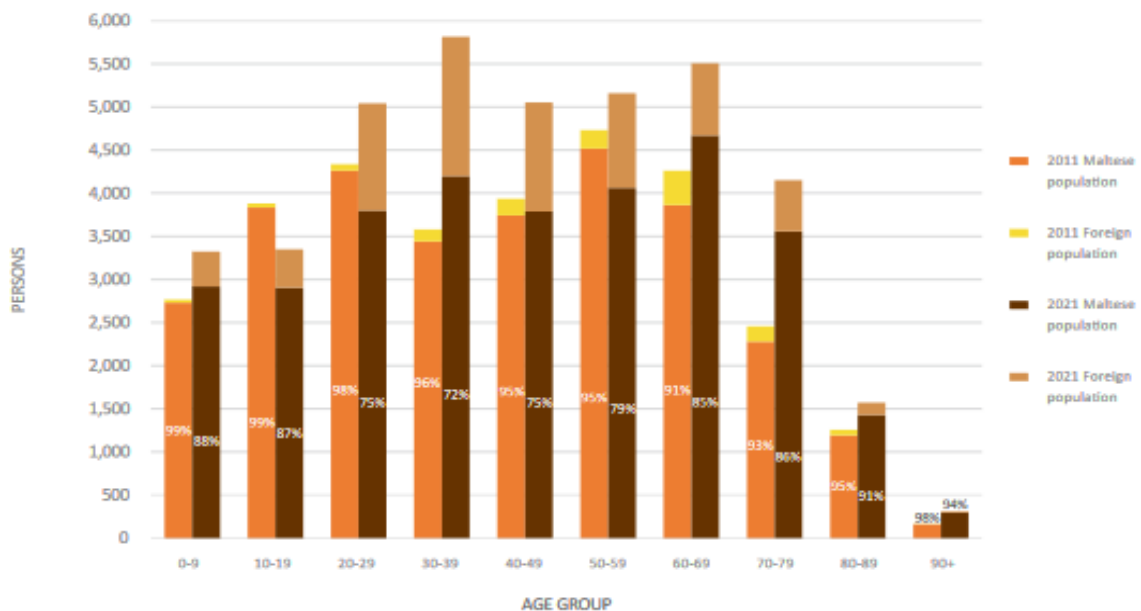
- Twenty-five (28.1%), the sample population of 89 (stated as a reason for the 'natural environment' for living in these two villages).

**Figure 02: Population by Age<sup>20</sup>**



As seen in **Figure 03**, the population change between 2011 and 2021 is primarily the result of the increased foreign migrant population. This is practically the case in all age cohorts. Indeed, in the age cohorts 10 to 29 and 40 to 59, the actual Gozitan population fell in 2021 compared to 2011. The main exception is in the 60+ age cohort, which shows that the Gozitan population of Gozo remains ageing. The old-age dependency ratio stood at 33.5% in 2021, 5.9 percentage points (p.p) higher than in 2011. Registered births in Gozo increased to 187 in 2021, following a low of 75 in 2020 but below the peak of 216 in 2017 from 2015 to 2021.<sup>21</sup>

**Figure 03: Proportion of Maltese-Gozitan to Foreign Population in Gozo<sup>22</sup>**



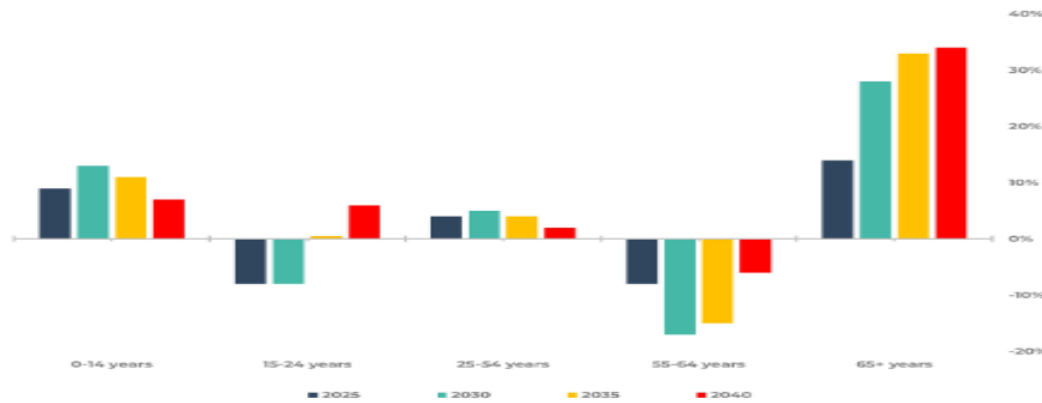
<sup>20</sup> Pg 15, Regional Statistics Malta, 2023 Edition, National Statistics Office..

<sup>21</sup> Pg 26, Ibid.

<sup>22</sup> Pg 17, Ibid.

Population projections by Oxford Economics suggest that Gozo's population will continue to grow up to 2040, which reflects a rise in the 65+ age cohort as the latter is projected to increase considerably over the forecast horizon.<sup>23</sup> On the other hand, when compared to the levels registered in 2021, the number of people of working age is expected to decline up to 2030 and will subsequently increase by approximately 1.0% by the end of the projection period. This is presented in **Figure 03**.<sup>24</sup>

**Figure 04: Gozo's Projected Population (% Change from 2021)<sup>25</sup>**



## 04.2 Education

In 2021, the proportion of young children between the ages of three and four years who participated in pre-primary education stood at 97.3% in Gozo and 91.9% in the Malta region.<sup>26</sup>

In the academic year 2020/21, approximately 25% of students in Malta were enrolled in business, administration, and law courses, while health and welfare was the most popular field of study among students in Gozo, with a percentage of 27.6%.<sup>27</sup> Gozo has a high annual graduation rate, especially at the higher MQF levels, surpassing other regions in Malta. In 2020/21, 502 Gozitans graduated at MQF levels 6, 7, and 8, with females making up the majority at 72.1%.<sup>28</sup> Female graduates from Gozo at MQF level 6 alone amounted to 249 individuals, representing 14.1% of all female graduates.<sup>29</sup> This achievement is noteworthy considering the relatively small population of Gozo.<sup>30</sup> This is presented in **Figure 05**.

**Figure 05: Male graduates per 1,000 population by MQF level and region: 2020/21<sup>31</sup>**



<sup>23</sup> Pg 18, Gozo Regional Development Strategy, Gozo Regional Development Authority, 2023.

<sup>24</sup> Ibid.

<sup>25</sup> Ibid.

<sup>26</sup> Pg 48, Regional Statistics Malta, 2023 Edition, National Statistics Office.

<sup>27</sup> Pg 71, Ibid.

<sup>28</sup> Pg 4, Female Employment: A Regional Analysis, GRDA Note, Gozo Regional Development Authority, 2023.

<sup>29</sup> Ibid.

<sup>30</sup> Ibid.

<sup>31</sup> Pg 75, Regional Statistics Malta, 2023 Edition, National Statistics Office.



## 04.3 Labour Market

Gozo's labour market has several unique features that distinguish it from Malta in many respects: the island's small size, peripherality, and double insularity raise some unique challenges that call for a specific and tailored set of policy interventions.<sup>32</sup>

### 04.3.1 Composition of Full-time and Part-time Employment in Gozo

In 2021, total employed persons (full-time (F/T) and part-time (P/T) as a primary job) in Malta amounted to 276,521, an increase of 4.4% when compared to 2020, with the shares of Gozo by place of residence and place of work standing at 6.9% and 5.5% respectively.<sup>33</sup> Employed persons in Malta (by place of work) exceeded the total number of employed persons resident in Malta (by place of residence).<sup>34</sup> The contrary prevailed in the case of Gozo: the difference representing the net balance of commuter workers across the respective regions. Commuter workers were predominantly Gozo residents working in Malta, accounting for 3,614 employed persons during 2021: approximately one out of every five employed persons resident in Gozo worked in Malta, and 52.4% were females.<sup>35</sup>

In 2021, Gozo residents with F/T jobs totalled 16,784, an increase of 5.9% compared to 2020, and the private sector accounted for 64.5% of the total.<sup>36</sup> The largest share of Gozo residents with an F/T job in the public sector was in the public administration and defence, social security, education, human health and social work activities, amounting to 81.4% of the total public sector. The largest proportion of F/T-employed Gozo residents in the private sector worked in the wholesale and retail trade, repair of motor vehicles and motorcycles, transportation and storage, accommodation and food service activities, accounting for 30.1% of the total private sector.<sup>37</sup>

In 2021, the total P/T employment of Gozo residents amounted to 5,795, of which 58.0% were P/T secondary employment and the remaining were P/T primary. The largest share of P/T employment in Gozo was registered in wholesale and retail trade, repair of motor vehicles and motorcycles, transportation and storage, accommodation and food service), contributing to 31.9% of the total. This featured in both P/T primary and secondary.<sup>38</sup>

### 04.3.2 Graduate Employment in Gozo

Gozitan graduates, male and female, encounter challenges in securing job opportunities, especially in high-skilled roles, given the structure of Gozo's economy. Consequently, many individuals commute to or reside in Malta for work-related purposes.<sup>39</sup> In 2021, Gozo residents employed F/T in Malta region 3,209, of which 57.3% worked in the public sector and the remaining worked in the private sector. The males who worked in the private sector accounted for 26.1% of the total F/T employment of Gozo residents in Malta, while the females who worked in the public sector accounted for 34.9%.<sup>40</sup> However, an emerging trend has recently emerged: more females are finding employment in Malta within the professional, scientific, financial and insurance services sectors.<sup>41</sup>

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<sup>32</sup> Pg 5, Ebejer, I., et al., *Employment and Skills in Gozo*, Discussion Paper, Gozo Regional Development Authority, 2023.

<sup>33</sup> Pg 94, *Regional Statistics Malta*, 2023 Edition, National Statistics Office.

<sup>34</sup> Ibid.

<sup>35</sup> Ibid.

<sup>36</sup> Ibid.

<sup>37</sup> Ibid.

<sup>38</sup> Pg 103, Ibid.

<sup>39</sup> Pg 4, *Female Employment: A Regional Analysis*, GRDA Note, Gozo Regional Development Authority, 2023.

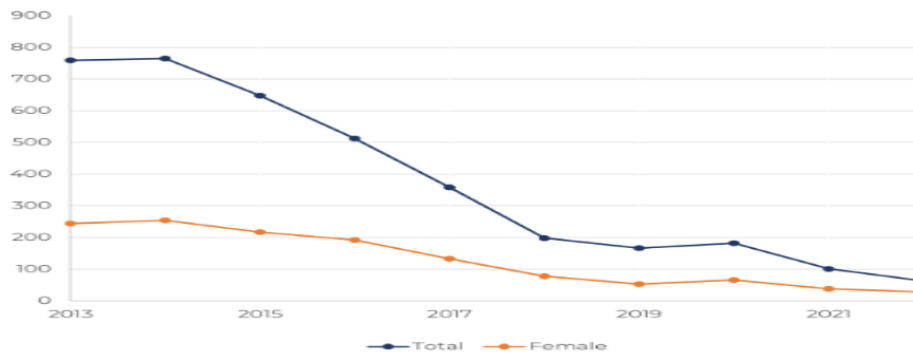
<sup>40</sup> Pg 100, *Regional Statistics Malta*, 2023 Edition, National Statistics Office.

<sup>41</sup> Pg 4, *Female Employment: A Regional Analysis*, GRDA Note, Gozo Regional Development Authority, 2023.

### 004.3.3 Private Sector Structure and Employment in Gozo

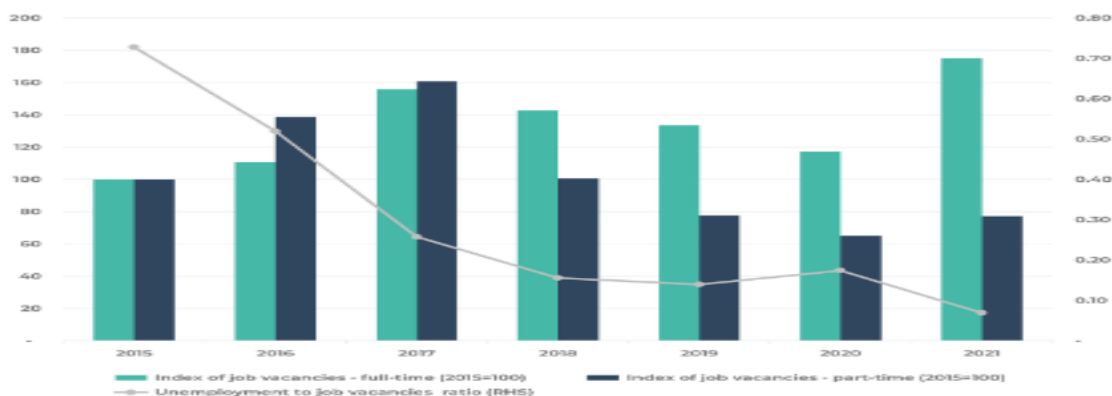
Regarding the private sector, Gozo's business faces unique challenges: its 3,321 enterprises equate to 96 businesses per 1,000 population, compared with a national average of 140.<sup>42</sup> This means there are some 1,500 fewer enterprises compared with what would be the case if Gozo's business density matched the national average.<sup>43</sup> Gozo's business profile also differs significantly from that of Malta: micro enterprises (between 1 and 9 employees) constitute slightly more than half of the business population against one-fifth for Malta, making upskilling and reskilling the workforce more challenging given the inverse relationship between company size and participation rates of employees in learning opportunities caused by capacity constraints such as lack of resources and training difficulties typically faced by micro-enterprises.<sup>44</sup> Job vacancies in Gozo increased between 2015 and 2021.<sup>45</sup> This is presented in **Figure 06**. By occupational group, the largest proportion of job vacancies in Gozo is in low-skill occupations (48%), followed by mid-skilled (36%), while high-skill job openings account for 17% in 2021.<sup>46</sup> The growing labour market environment also led to a sharp decline in the number of Gozitan individuals seeking employment, and, as of the end of 2022, the number of Gozitan registering for work reached record low levels.<sup>47</sup>

**Figure 06: Registered unemployment - Gozo<sup>48</sup>**



Foreign workers are filling the gap between Gozo's labour demand and supply. In 2020, 3,079 foreign workers were working in Gozo, which amounted to 21% of the total labour force in Gozo.<sup>49</sup>

**Figure 07: Job vacancies in Gozo - 2021<sup>50</sup>**



<sup>42</sup> Pg 6, Ebejer, I., Borg, M., and Attard, J., Employment and Skills in Gozo, Discussion Paper, Gozo Regional Development Paper, 2023.

<sup>43</sup> Ibid.

<sup>44</sup> Ibid.

<sup>45</sup> Pg 13, Ibid.

<sup>46</sup> Pg 14, Ibid.

<sup>47</sup> Pg 5, Female Employment: A Regional Analysis, GRDA Note, Gozo Regional Development Authority, 2023.

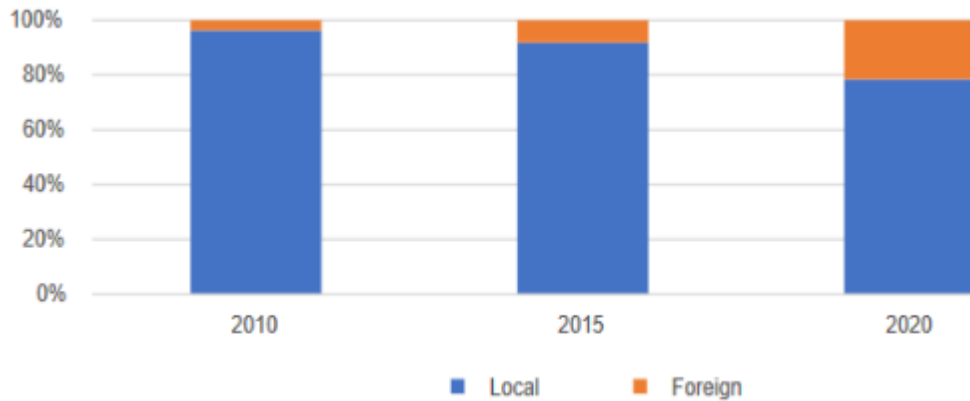
<sup>48</sup> Pg 5, Ibid.

<sup>49</sup> Pg 5, Borg, M, Foreign nationals employed in Gozo, GRDA Note, Gozo Regional Development Authority, 2021.

<sup>50</sup> Pg 14, Ebejer, I., Borg, M., and Attard, J., Employment and Skills in Gozo, Discussion Paper, Gozo Regional Development Paper, 2023.

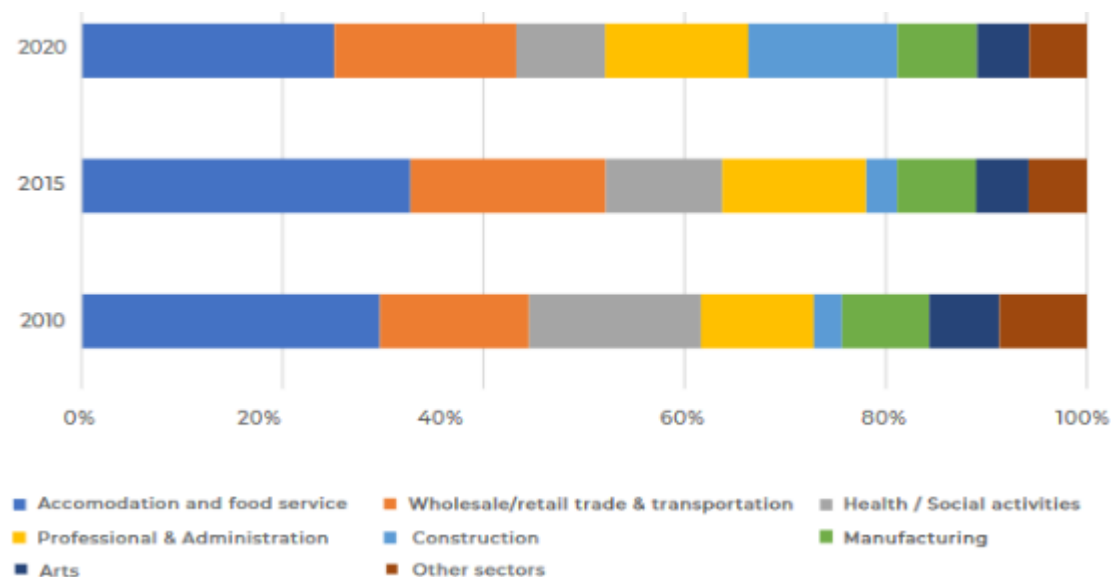
The majority of these foreign workers are from the UK (616), Italy (534), Albania (317), and Serbia (202).<sup>51</sup> The share of foreign workers to total employment in Gozo increased from around 4% in 2010 to around 21% by 2020 - reflecting the economic growth and the resulting increase in worker demand, which the local market could not in.<sup>52</sup> By the end of 2020, 26% of foreign workers occupied elementary jobs, while only 10% had a managerial role.<sup>53</sup>

**Figure 08: Share of Migrants in Employment in Gozo<sup>54</sup>**



**Figure 09** presents the share of foreign employees by the Statistical Classification of Economic Activities in the European Community (NACE). The largest number of foreign employees are in the accommodation and food sector, with foreign workers in the construction sector since 2015 assuming a larger share – reflecting the increase in construction in Gozo over the last decade.

**Figure 09: Share of Foreign Employees in Gozo by NACE<sup>55</sup>**



<sup>51</sup> Pg 95, Cutajar, JosAnn, Migration and Social Wellbeing in Gozo, Perspettivi – Issue 2, Gozo Regional Development Authority, March 2023.

<sup>52</sup> Pg 5, Borg, M, Foreign nationals employed in Gozo, GRDA Note, Gozo Regional Development Authority, 2021.

<sup>53</sup> Ibid.

<sup>54</sup> Ibid.

<sup>55</sup> Pg 6, Borg, M, Foreign nationals employed in Gozo, GRDA Note, Gozo Regional Development Authority, 2021.

#### 04.3.4 Unemployment in Gozo

**Figure 10** presents the number of unemployed by district. Despite the growth of Gozo's economy, in 2021, Gozo and the Northern Harbour district ranked second after the Southern Harbour district regarding the % of persons who have been unemployed for 105 weeks and over. Notably, most of these unemployed persons are over 50 years old.

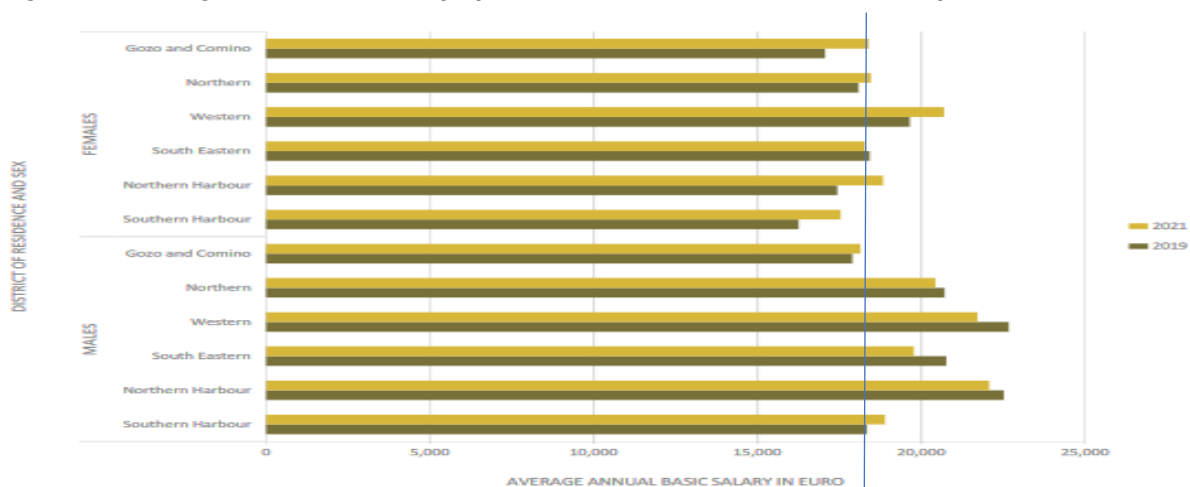
**Figure 10: Distribution of registered unemployed by district<sup>56</sup>**



#### 04.3.5 Average Wage in Gozo

The average annual basic salary for employees was estimated at €19,755 in 2021. As shown in **Figure 11**, the average salary in Gozo for males and females was below the average national salary.

**Figure 11: Average annual basic salary by sex, district of residence and selected years<sup>57</sup>**



<sup>56</sup> Pg 106, Regional Statistics Malta, 2023 Edition, National Statistics Office.

<sup>57</sup> Pg 107, Ibid

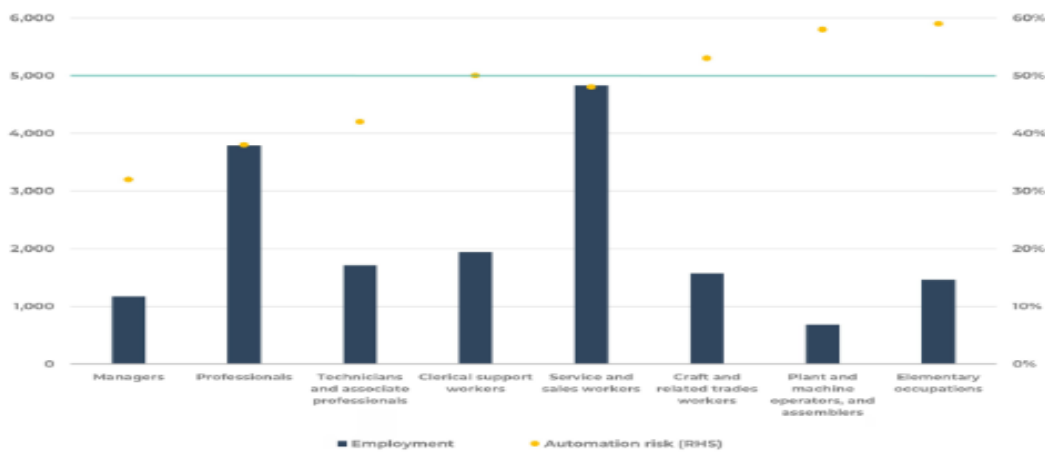
Of note is that in 2021, the discrepancy between the average annual basic salary for males and females was more pronounced in Malta than in Gozo. While in Malta, male employees earned on average €2,076 more than female employees. In Gozo females earned €253 more than male employees.<sup>58</sup>

#### 04.3.6 Impact of Automation on Jobs in Gozo

A discussion paper titled 'Employment and Skills in Gozo' published by the GRDA states that the pattern of automation risk that emerges is one in which occupations comprised mainly of lower level, routine or physical skills have the highest exposure to new technology.<sup>59</sup> Assuming a 50% benchmark for high automation risk, the Paper estimates that 33% of the Gozitan workforce, in line with Malta, could be exposed to the effects of automation.<sup>60</sup>

Accounting for elementary occupations are most at risk, clerical workers (with the largest number of jobs affected (1,946)), service and trade workers (where the risk is estimated at just below the 50% threshold), the authors estimate that the share of jobs vulnerable to automation could rise to 61% of Gozo's current workforce, compared to 53% for Malta.<sup>61</sup>

**Figure 12: Automation Risk by Occupation in Gozo (2021)**



*Data Source: NSO, Nedelkoska and Quintini (2018), Authors' calculations*

#### 04.4 Housing Market

Property prices in Gozo, as presented in **Figure 13**, have been on an upward trajectory for several years: this partly reflects the vibrant economic activity and the introduction of several government measures which have boosted the property market.<sup>62</sup> Concerning the latter, these measures included the first-time buyer (FTB) scheme, schemes aimed at second-time buyers, stamp duty deductions concerning the purchase of properties in Urban Conservation Areas (UCA) and Gozo, grants or targeted support including the equity-sharing scheme and deposit scheme managed by the Housing Authority (HA).<sup>63</sup>

<sup>58</sup> Ibid.

<sup>59</sup> Pg 16, Ebejer, I., et al., Employment and Skills in Gozo, Discussion Paper, Gozo Regional Development Authority, 2023.

<sup>60</sup> Ibid.

<sup>61</sup> Pg 17, Ibid.

<sup>62</sup> Pg 45, Borg, M., and Duca, G., Economic Factors underpinning the real estate market in Gozo, Perspettivi – A Gozo Review, Issue 1, Gozo Regional Development Authority, 2022.

<sup>63</sup> Pg 50, Ibid

Figure 13: Average changes in asking prices on an individual property level<sup>64</sup>

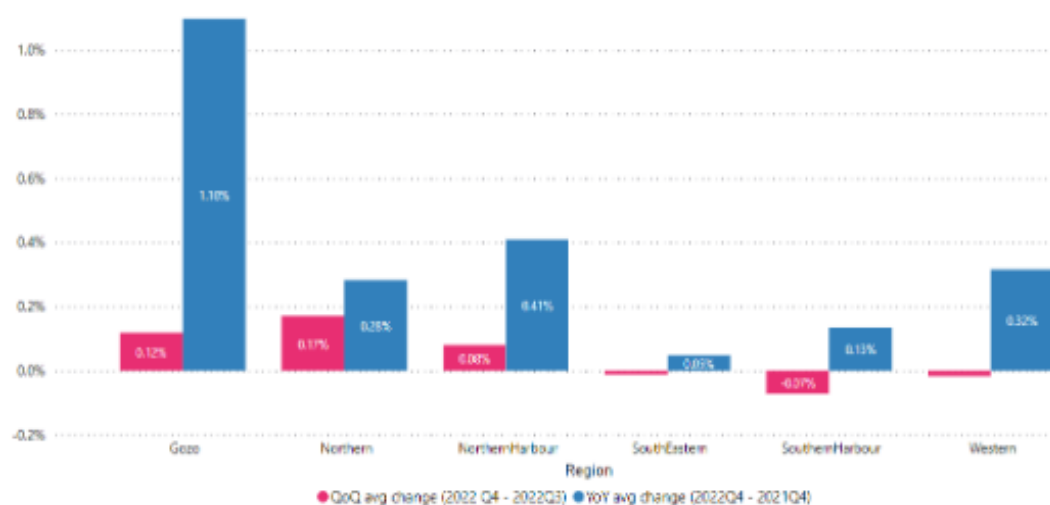


Table 01 shows the average €/sqm asking price by property type across regions and their change in prior year values (YoY change). The data shows that only Gozo experienced increases in all property types, whilst the South Eastern and Northern regions experienced decreases. This could point towards a gradual price convergence, where lower-valued regions converge towards upper-valued regions.<sup>65</sup>

Table 01: Average prices per sqm by property type and region<sup>66</sup>

Region	Apartment	Maisonette	Others	Penthouse	Terraced House	Townhouse
Gozo	€ 1,662	€ 1,529	€ 2,191	€ 2,049	€ 2,395	€ 2,135
	1.28%	0.95%	0.98%	1.35%	0.09%	0.55%
Northern	€ 2,414	€ 2,346	€ 3,144	€ 2,997	€ 3,901	€ 3,806
	0.70%	-0.51%	-0.74%	0.15%	-0.67%	-2.46%
Northern Harbour	€ 3,164	€ 2,598	€ 3,040	€ 3,092	€ 3,963	€ 3,447
	0.57%	-0.33%	-0.19%	0.60%	0.71%	-1.95%
South Eastern	€ 2,151	€ 2,195	€ 2,700	€ 2,494	€ 3,477	€ 2,985
	0.63%	-0.06%	-1.76%	-0.66%	0.15%	-2.45%
Southern Harbour	€ 2,458	€ 2,405	€ 3,167	€ 2,272	€ 3,224	€ 3,233
	0.31%	-0.07%	-1.42%	0.14%	0.45%	-1.78%
Western	€ 2,309	€ 2,420	€ 3,132	€ 2,731	€ 4,153	€ 3,587
	0.68%	0.18%	-1.57%	0.77%	-0.58%	-4.24%

Whilst fiscal schemes and measures broaden the demand of persons seeking to purchase a property to establish their residence, the demand variable does not seem to be reflected in FTB, which remained quite low at 14%.<sup>67</sup>

<sup>64</sup> Pg 6, Djar: Property Market Overview 2022, EY, 2023.

<sup>65</sup> Ibid.

<sup>66</sup> Ibid.

<sup>67</sup> Pg 50, Borg, M., and Duca, G., Economic Factors underpinning the real estate market in Gozo, Perspettivi – A Gozo Review, Issue 1, Gozo Regional Development Authority, 2022.

It is suggested that this stems from the fact that (a) a segment of property demand stems from Maltese persons seeking a vacation residence in Gozo or as an investment for rental, and (b) Gozitans who finish their studies purchase their FTB residence in Malta where they seek to establish their career, and subsequent purchase of a home in Gozo at a later stage.<sup>68</sup>

It is pertinent to underline since July 2021, non-FTB seeking to purchase a second home in Gozo, following changes to Directive 16 (Regulation on borrowing based measures) by the Central Bank of Malta (CBM), the deposit for a non-FTB purchasing a second property in Gozo increased from 15% to 25%.<sup>69</sup> On a property costing €180,000 this means that a non-FTB purchasing a property in Gozo has to place a deposit of €45,000 as against the previous €27,000 – an increase of €18,000.

**Table 02** presents the median rent in 2022 by property type and number of bedrooms across regions. As can be seen from the Table, the median rent for the Gozo region for all types of property with different mixes of bedrooms, with one exception, is lower than that of regions in Malta. The exception concerns a house of character with two bedrooms, where Gozo ranks highest together with the Northern Harbour and Western regions, respectively.

**Table 02: Median rent by property type and number of bedrooms across regions<sup>70</sup>**

Property type	Bedroom	Gozo	Northern	Northern Harbour	South Eastern	Southern Harbour	Western
Apartment	1	€ 595	€ 700	€ 900	€ 700	€ 900	€ 700
	2	€ 650	€ 850	€ 1,200	€ 850	€ 950	€ 900
	3	€ 750	€ 1,000	€ 1,600	€ 900	€ 1,000	€ 1,100
House of Character	1	€ 650	€ 900	€ 700		€ 700	€ 850
	2	€ 1,200	€ 1,000	€ 1,200	€ 825	€ 1,100	€ 1,200
	3	€ 1,300	€ 2,100	€ 2,325	€ 1,613	€ 1,550	€ 2,200
Maisonette	1	€ 575	€ 700	€ 850	€ 700	€ 850	€ 750
	2	€ 650	€ 900	€ 1,100	€ 850	€ 850	€ 950
	3	€ 750	€ 1,100	€ 1,400	€ 950	€ 900	€ 1,102
Penthouse	1	€ 700	€ 800	€ 1,000	€ 750	€ 850	€ 800
	2	€ 750	€ 1,000	€ 1,400	€ 950	€ 1,025	€ 1,200
	3	€ 800	€ 1,350	€ 1,978	€ 1,200	€ 1,100	€ 1,500
Terraced House	1	€ 650	€ 1,000	€ 800	€ 825	€ 725	
	2	€ 750	€ 1,100	€ 1,250	€ 950	€ 800	€ 1,041
	3	€ 950	€ 1,400	€ 1,600	€ 1,300	€ 1,028	€ 1,575
Townhouse	1	€ 650	€ 700	€ 850	€ 750	€ 900	
	2	€ 750	€ 1,000	€ 1,200	€ 900	€ 1,050	€ 1,050
	3	€ 975	€ 1,300	€ 2,100	€ 1,350	€ 1,500	€ 1,600

Showing categories with a minimum of 3 observations.

<sup>68</sup> Pg 51, Ibid.

<sup>69</sup> Ibid.

<sup>70</sup> Pg 7, Djar: Property Market Overview 2022, EY, 2023.

The Table below presents apartment yields by region and locality. As seen practically in all configurations, the yields in Gozo across the four localities are lower than those of districts in Malta.

**Table 03: Apartment yields by region and localities<sup>71</sup>**

Region	Location	Apartment (bedrooms)		
		1	2	3
Gozo	Marsalforn	3.65%	3.55%	3.54%
	Nadur	4.31%	3.55%	3.10%
	Victoria	3.94%	3.82%	3.54%
	Zebbug	4.97%	3.68%	3.10%
Northern	Mellieha	5.64%	4.64%	4.87%
	Mgarr	4.64%	4.36%	3.99%
	Mosta	4.64%	5.18%	4.43%
	Naxxar	4.99%	5.45%	4.87%
Northern Harbour	St Paul's Bay	4.64%	4.36%	4.21%
	Birkirkara	4.64%	4.91%	4.65%
	Gzira	6.13%	6.27%	5.54%
	Msida	5.30%	5.05%	4.87%
	Pieta	5.30%	5.45%	5.76%
	San Gwann	5.47%	5.45%	5.31%
	Santa Venera	5.30%	4.64%	4.43%
	Sliema	6.30%	7.36%	8.53%
South Eastern	St Julian's	6.63%	7.64%	7.75%
	Swieqi	5.97%	6.55%	6.64%
	Birzebbugia	4.64%	4.09%	3.99%
	Marsascale	4.64%	4.64%	4.21%
Southern Harbour	Zurrieq	5.30%	4.36%	3.76%
	Kalkara	6.46%	4.64%	5.31%
	Luqa	5.30%	4.64%	3.76%
Western	Valletta	6.46%	8.18%	7.97%
	Attard	4.64%	4.91%	5.09%
	Balzan	4.31%	4.75%	5.31%
	Lija	6.46%	6.78%	6.20%
	Rabat	5.64%	5.18%	4.21%
Zebbug	4.64%	4.64%	4.21%	

According to the 2021 Dha Malta housing market assessment, property prices in Gozo registered a year-on-year increase of 1.9% during the first quarter of 2021.<sup>72</sup> At 2.8%, the housing cost overburden rate in Malta is one of the lowest in the EU (7.9%), though this increases significantly concerning foreigners - to 25%.<sup>73</sup>

## 04.5 Social Welfare

### 04.5.1 Households, Benefits and At-Risk of Poverty Characteristics

In 2021, the most common household size for people living in the Malta region was the two-person, which applies to Gozo.<sup>74</sup> Gozo had the lowest percentage share of households for all five household sizes in 2021 – suggesting that Gozo continued to be the least populous district in terms of households across different household sizes.<sup>75</sup> Since 2016, Malta has consistently exhibited more females living in households than males. Conversely, gozo has shown a higher percentage share of males to females living in households.<sup>76</sup>

<sup>71</sup> Pg 9, Ibid.

<sup>72</sup> Ibid.

<sup>73</sup> Ibid.

<sup>74</sup> Pg 30, Regional Statistics Malta, 2023 Edition, National Statistics Office.

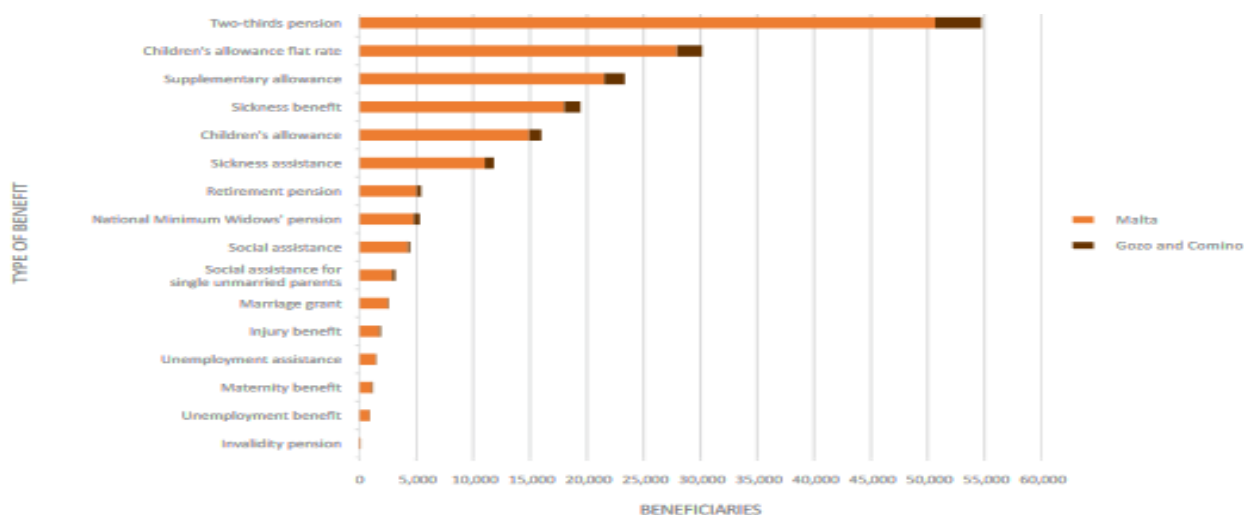
<sup>75</sup> Pg, 38.

<sup>76</sup> Pg 97, Cutajar, JosAnn, Migration and Social Wellbeing in Gozo, Perspettivi – Issue 2, Gozo Regional Development Authority, March 2023.



In Gozo, the Children's Allowance (CA) flat rate benefit and the Supplementary Allowance (SA) followed the Two-Thirds Pension (TTP) regarding the number of beneficiaries during 2021, benefitting 2,223 and 1,799 recipients, respectively.<sup>77</sup> In Gozo, the corresponding expenditure on these benefits was 13.0% and 8.4% of the total social expenditure of the selected benefits (excluding the TTP). In 2021, the National Minimum Widows' pension and the Retirement Pension benefits had the highest percentage distribution of the selected social protection benefits expenditure (excluding the TTP) in Gozo.<sup>78</sup>

**Figure 14: Social protection beneficiaries by type of benefit and region: 2021<sup>79</sup>**



A study of the impact of Tapering of Benefits (TOB), one of the Active Labour Market Policies (ALMP) introduced by the Government in 2014, in Gozo finds that Gozitans have a 12.9% lower probability of finding a job when compared to their Maltese counterparts. The Paper adds that, however, once the "TOB scheme is in place, Gozitan workers experience a great improvement from the scheme, not only in terms of job-finding rates but also in terms of their job duration."<sup>80</sup> Additionally, the Paper states that "the TOB scheme appears to have improved the incentive for Gozitans to seek employment, even if such employment is located in Malta."<sup>81</sup> A paper titled 'Migration and Social Well-being in Gozo' showed that in a survey carried out of people living in Xlendi and Marsalforn, all lived in an apartment, and only 53% owned, fully or partially, the property – with the property ownership rate being significantly lower than that in Malta which approximates 76%.<sup>82</sup> As seen from **Table 04**, seven of the survey respondents stated that they moved to the locality because the accommodation price was low, and the Housing Authority assigned four Maltese persons to social accommodation in Gozo.<sup>83</sup>

**Table 04: Reasons why the participants were living in Marsalforn and Xlendi<sup>84</sup>**

Sent here by Housing Authority	4
Low priced accommodation	7
Good working opportunities	14
To be near family or friends	13
Natural environment	25
Married somebody from Marsalforn	7
Lived here all my life	21
Other	13
The good number of services and facilities available in the area	3
Inherited property	1
Other	1

<sup>77</sup> Ibid.

<sup>78</sup> Pg 36, Ibid.

<sup>79</sup> Pg 39, Ibid.

<sup>80</sup> Pg 77, Sant, K., Enhancing Employment Opportunities for Gozitans: The impact of active labour market policies, Perspettivie – A Gozo Review, Issue 3, 2023.

<sup>81</sup> Ibid.

<sup>82</sup> Pg 97, Cutajar, JosAnn, Migration and Social Wellbeing in Gozo, Perspettivi – Issue 2, Gozo Regional Development Authority, March 2023.

<sup>83</sup> Ibid.

<sup>84</sup> Ibid.

**Table 05** presents the households at risk of poverty (AROP) in Gozo. In 2016, the share of households AROP in Gozo at 18.3 was higher than that of Malta at 16.4 and any district in Malta. In 2021, the share of AROP of Gozitan households is 4.8 p.p. lower than that of Malta and the second lowest district, following the Southern Eastern district at 11.8.

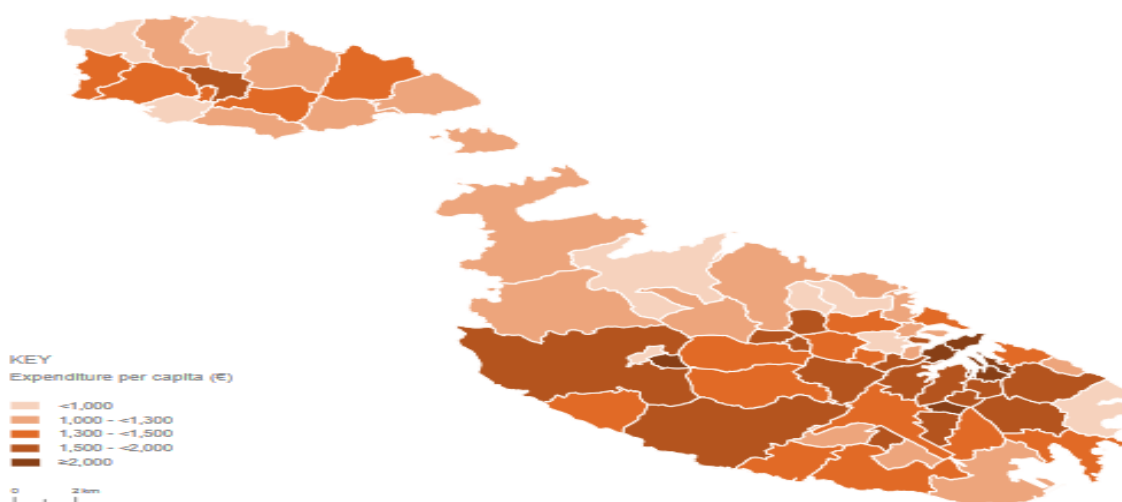
**Table 05: Households At Risk of Poverty in Gozo<sup>85</sup>**

	2016	2017	2018	2019	2020	2021
<b>MALTA</b>	<b>16.5</b>	<b>16.7</b>	<b>16.8</b>	<b>17.1</b>	<b>16.9</b>	<b>16.9</b>
Malta	16.4	16.7	17.0	17.3	17.2	17.2
Southern Harbour	20.7	23.7	18.5	16.6	22.5	17.6
Northern Harbour	16.9	16.1	18.9	20.8	18.4	19.8
South Eastern	16.2	14.0	15.8	16.5	11.5	11.8
Western	13.3	13.4	12.0	13.7	15.0	14.1
Northern	13.6	16.1	16.9	14.8	16.3	19.1
Gozo and Comino	<b>18.3</b>	<b>16.4</b>	<b>14.1</b>	<b>13.9</b>	<b>12.9</b>	<b>12.4</b>
Gozo and Comino	18.3	16.4	14.1	13.9	12.9	12.4

Source: Statistics on Income and Living Conditions (SILC), NSO

In Gozo, the expenditure per capita on the selected benefits was highest in Ir-Rabat, exceeding €1,500. On the other hand, Iż-Żebbug, Il-Munxar and L-Gharb registered the least expenditure per capita of less than €1,000.<sup>86</sup>

**Figure 15: Expenditure per capita on the selected benefits by locality: 2021<sup>87</sup>**



#### 04.5.2 Social Welfare Infrastructure in Gozo

The Gozo General Hospital (GGH) was constructed in the mid-1970s and provides various medical and surgical services. The GGH also accommodates outpatient clinics in different specialities, including ophthalmic and dental clinics, and paramedical services, including laboratory and radiology services, speech-language therapy, physiotherapy, occupational therapy, a Hyperbaric Unit, and ECG support its functions together with an emergency service connect to Mater Dei Hospital (MDH) through ambulance or helicopter.<sup>88</sup>

<sup>85</sup> Pg 36, Regional Statistics Malta, 2023 Edition, National Statistics Office.

<sup>86</sup> Pg 40, Ibid.

<sup>87</sup> Ibid.

<sup>88</sup> Pg 1, Redevelopment of the Gozo General Hospital, Victoria, Gozo, Project Description Services, Version 2, Adi Associates, 2020.

It was recognised that the GGH required considerable re-development so that it would be in a position to meet the health and social needs of Gozo's increased population. The project design brief for the re-development of the GGH identified that for the GGH to meet current and future needs, the following works were required:<sup>89</sup>

- Construct a new 225-bed Gozo hospital with diagnostic treatment, daycare, surgery suites, and a three-storey clinical facility to support all inpatient beds.
- Construct an anatomy centre (on a single level).
- Renovate and upgrade the remaining facilities, including expanded long-term care beds (200 long-term care beds- geriatric and psychiatric) and palliative care beds (6 beds).

In 2015, the Government entered into a private financing initiative (PFI) directed to re-develop the GGH with two other hospitals. In the early 2020s only minor works were made by Steward Health Care Malta. More recently, the contract with Steward Health Care Malta was dissolved following a decision by the Courts that the contract award was subject to malfeasance, with the decision upheld by the Court of Appeal. Currently, the re-development of GGH is at a standstill.

During the consultations held, it was underlined by several NGOs that the shortage of health care and specialised services, for example, concerning children, persons with a mental health condition and disabilities, or elderly persons, is significantly accentuated in Gozo both in terms of public or private provision. The result is Gozitans needing access to such services in the main have to come to Malta increasing the pressures of a Gozitan family in terms of opportunity and financial cost, travel, etc. It was also emphasised that the problems faced in Malta concerning the lack of specialised and allied health professionals in the public service impacting the quality and equity of health care also prevail in Gozo.

Mental health illness has been on the increase in both Malta and Gozo. The Minister for Gozo in 2019 reported that roughly 6,000 people were suffering from mental illnesses in Gozo, adding, at the time, that there was a gap concerning mental health illness data for Gozo. The mental health infrastructure in Gozo up to 2018 primarily consisted of the inpatient psychiatric facility within the GGC, with an average 8-bed occupancy and two mental health professionals.<sup>90</sup> At the time, there was also a limited presence of NGOs specialising in the mental health sector. A concerted effort was undertaken since the late 2010's to establish infrastructure and service provision concerning mental health. In 2018, the Malta Trust Foundation (MTF), in collaboration with the Richmond Foundation, embarked on the Sunrise Project, a community-based programme directed towards Gozitan youths suffering from mental health problems.<sup>91</sup> More recently, Dar il-Kantuniera, a residential home offering mental health services, was opened in Gozo – a collaboration project between MGP, MTF, and the Mental Health Gozo Association (MHGA).<sup>92</sup>

A survey carried out by the Faculty of Social Well-being on mental health services for persons with disabilities in Gozo concludes that the island's smallness, the prevalence of its close-knit communities and its double insularity heightens issues of stigma and discrimination concerning persons with mental health conditions.<sup>93</sup> Additionally, an adequate supply of services required and which may be offered at a community level are lacking.<sup>94</sup>

The OASI Foundation in 2020 stated that, although on a smaller scale, the substance abuse (drugs and alcohol) problem in Gozo is similar to that of Malta.<sup>95</sup> In 2022, drug abuse in Gozo increased to 3% from 2% in both 2020 and 2021.<sup>96</sup>

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<sup>89</sup> Ibid.

<sup>90</sup> Accessed on 22nd April 2024: <https://timesofmalta.com/article/mental-health-service-for-gozitans-leads-to-sharp-drop-in-hospital.823390>.

<sup>91</sup> Ibid.

<sup>92</sup> Accessed on 22nd April 2024: <https://gozo.news/93641/dar-il-kantuniera-opens-in-gozo-offering-mental-health-services-in-the-community/>.

<sup>93</sup> Pg 10, Ibid.

<sup>94</sup> Pg 48, Ibid.

<sup>95</sup> Pg 2, Detoxification Processes in Gozo, OASI Foundation, 2020.

<sup>96</sup> Pg 47, National report on the drug situation and responses in Malta – 2023, National Focal Point for Drugs and Drug Addiction, 2024.

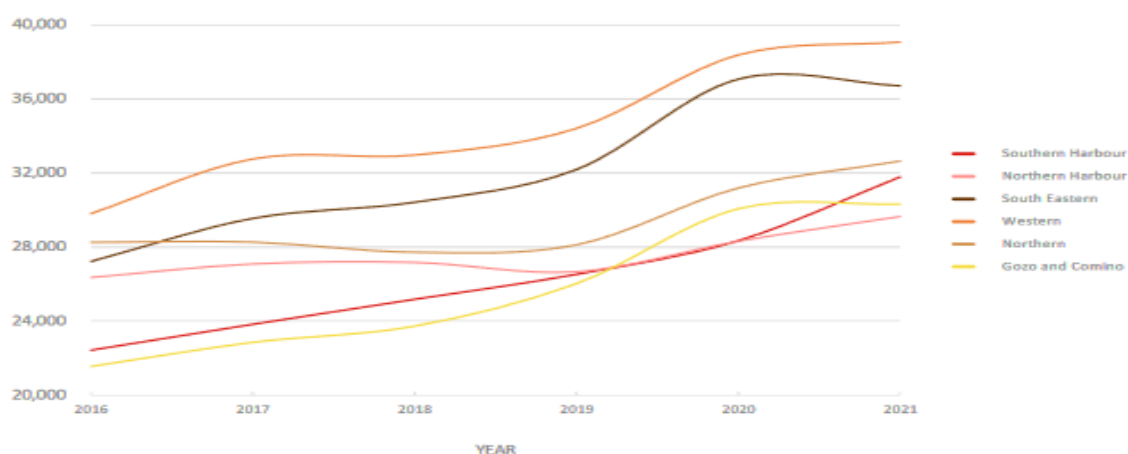
The Foundation adds that persons in Gozo with a substance abuse problem require various specialised services which are not at the same level as those available to persons living in Malta, and thus less effective, with services lacking across the substance rehabilitation value chain (for example, a Gozitan needs to either travel to Malta to be prescribed methadone or else wait for an appointment with the authorised doctor who visits the detox clinic in Gozo one a month).<sup>97</sup> Similarly to mental health, substance users in Gozo are stigmatised.<sup>98</sup>

Dar Padova provides services to assist older persons in Gozo living independently within their communities, including a Dementia Activity centre and a Night Shelter. In 2022, Dar Padova was extensively refurbished, providing new services, including Domiciliary Nursing and Caring Services, Domiciliary Dietitian Services, Clinical Nutrition Services and Psychotherapy Services, community-based services, and free transport services for the elderly.<sup>99</sup> Recently, Dar San Ġużepp, a residential home for the elderly for up to 120 persons, was opened.<sup>100</sup>

#### 04.5.3 Average Household Disposable Income

Between 2016 and 2021, the average household disposable income in Gozo increased from €21,567 to €30,321 – an increase of €8,754 or 40.9%. This, however, is below the average household disposable income in Malta of €32,752<sup>101</sup>. From 2021 to 2020, the average household disposable income in Malta increased by 4.5%, while in Gozo, 0.8%.<sup>102</sup>

**Figure 16: Average household disposable**



#### 04.6 Climate Change

**Figure 17** below presents the GHG trajectory for Malta and Gozo since 1990. As can be seen Greenhouse Gases (GHG) have increased since 1992, and above the European Union (EU) index since. Since 2012, following the introduction of the new 144 megawatts (MW) generating plant, the energy submarine interconnector and the Liquid Natural Gas (LNG) power station GHG fell to their lowest, only 2.9 p.p. higher than the EU average. After that, Malta has experienced an increase in GHG. Concerning tonnes per capita, at 4.6 tonnes per capita, Malta is 2.8 p.p. lower than the EU average, at 7.4 tonnes per capita.

<sup>97</sup> Pg 2, Detoxification Processes in Gozo, OASI Foundation, 2020.

<sup>98</sup> Ibid.

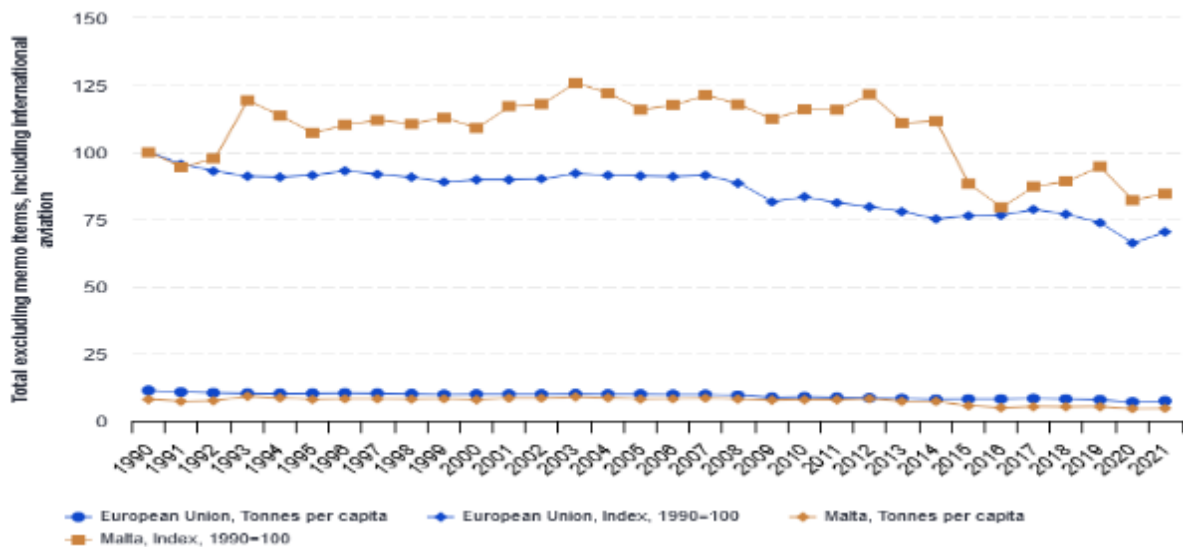
<sup>99</sup> Accessed 22<sup>nd</sup> April 2024: [https://issuu.com/themaltaindependent/docs/first\\_march\\_2023/s/20912613](https://issuu.com/themaltaindependent/docs/first_march_2023/s/20912613).

<sup>100</sup> Accessed 22<sup>nd</sup> April 2024: <https://timesofmalta.com/article/at-last-gozo-dar-san-guzepp-welcome-first-residents.1080959>.

<sup>101</sup> Pg 30 Regional Statistics Malta, 2023 Edition, National Statistics Office.

<sup>102</sup> Ibid.

**Figure 17: Greenhouse Gas Emissions – Malta compared to the EU: 1990-2021**



In the third quarter of 2023, Malta experienced a 7.7% increase in GHG – one of four Member States (MS) to do so. Of these, including Malta, 3 experienced an increase in Gross Domestic Product (GDP). Out of the 23 EU members estimated to have decreased their emissions, 11 also recorded a decline in their GDP (Ireland, Estonia, Austria, Luxembourg, Sweden, Finland, Czechia, Netherlands, Germany, Denmark, Hungary). Italy maintained its GDP at the same level as in the third quarter of 2022 while decreasing its GHG emissions. The other 11 EU countries (Romania, Croatia, Greece, Portugal, Bulgaria, Belgium, Spain, Slovenia, Poland, France, and Lithuania) are estimated to have decreased emissions while growing their GDP.<sup>103</sup>

**Figure 18: Growth Rates of Greenhouse Gas Emissions by the Economy and GDP: Q3 2023 - % change compared with the same quarter of the previous year**



The World Health Organisation (WHO) and the United Nations Framework Convention on Climate Change (UNFCCC) conducted a health and climate change profile in 2021 in Malta. The report states that Malta has experienced increasing air and sea surface temperatures, decreasing annual precipitation, and more frequent intense rainfall events that cause flooding and threaten water resources, agriculture and infrastructure. Climate-sensitive health risks include heat stress, vector-borne and foodborne diseases (such as salmonellosis), and increased risk of deaths and injuries from flash floods.<sup>104</sup>

<sup>103</sup> <https://ec.europa.eu/eurostat/web/products-eurostat-news/w/ddn-20240214-1>.

<sup>104</sup> Pg 2, Health and Climate Change Country Profile – Malta, World Health Organisation and the United Nations Framework Convention on Climate Change, 2021.

The report identifies the following risks:

- The annual mean, maximum and minimum air temperatures show a clear upward trend since 1952; 80% of the warmest 20 minimum night-time temperatures since 1952 occurred during the last 20 years, and since 1952, Malta's annual mean ambient temperature has been about 1.5° C higher, equivalent to an increase of 0.2° C per decade.<sup>105</sup> Projected that Malta will experience between 3.7°C and 4.3°C mean annual temperature rise by the end of the century.<sup>106</sup>
- About 80% of days could be 'hot days' by the end of the century.<sup>107</sup>
- Extended consecutive drought years, especially noticeable since 2000, 25% of the top 20 years with the lowest annual total rainfall were recorded from 2001 onwards and between 1952 and 2020, rainfall decreased by 10.3 mm per decade.<sup>108</sup> Total annual precipitation could decrease by about 25% by the end of the century. Expected reductions in future precipitation will require water from winter rains to be conserved to ensure the maintenance of summer water supplies.<sup>109</sup>
- Large year-to-year variability in drought conditions.<sup>110</sup>
- The number of days with thunderstorms has increased during the period 1952-2020. Autumn is Malta's most thundery season, while November registered the greatest thunderstorm increase. Greater propensity for flash floods.<sup>111</sup>
- The projected change in annual premature deaths due to long-term exposure to heat in Malta will increase from 50 in 2010 to 113 in 2050. High and low-temperature extremes were found to increase the number of deaths, particularly in those aged over 65 years of age, since their thermoregulation is less effective than their younger counterparts.<sup>112</sup>
- Climate change is having a direct impact on vector-borne diseases. For instance, the Asian tiger mosquito, *Aedes albopictus*, was discovered in Malta in 2009. This mosquito is a known vector of many infectious diseases, including West Nile, dengue, chikungunya, and yellow fever. This mosquito species is now endemic to Malta since the climate provides the ideal environment for it to breed.<sup>113</sup>
- All of the cities/towns in Malta for which air pollution data were available had annual mean PM2.5 levels above the WHO guideline value of 5 micrograms per cubic metre (µg/m<sup>3</sup>). Ambient air pollution can have direct and sometimes severe consequences for health. Fine particles, which penetrate deep into the respiratory tract, subsequently increase mortality from respiratory infections, lung cancer and cardiovascular disease. In 2016 187 deaths were estimated to be from ambient air pollution.<sup>114</sup>
- A strong negative trend has occurred, equivalent to 4.7p.p. in relative humidity for 1961-2020. This is equivalent to 0.8p.p. per decade. The strongest negative trends in relative humidity have been seen to occur during the warmer months (May-September). 75% of the years with the lowest 20 relative humidity anomalies have been registered from 2001 onwards.<sup>115</sup>

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<sup>105</sup> Pg 5., The State of the Climate 2022: A multidecadal report and assessment of Malta's Climate, National Statistics Office in collaboration with Professor Charles Galdes., 2022. NOTE: The reference year is 2020.

<sup>106</sup> Pp 7-8, Health and Climate Change Country Profile – Malta, World Health Organisation and the United Nations Framework Convention on Climate Change, 2021.

<sup>107</sup> Pg 6, Ibid

<sup>108</sup> Pg 11, The State of the Climate 2022: A multidecadal report and assessment of Malta's Climate, National Statistics Office in collaboration with Professor Charles Galdes., 2022.

<sup>109</sup> Pp 6- 7, Health and Climate Change Country Profile – Malta, World Health Organisation and the United Nations Framework Convention on Climate Change, 2021.

<sup>110</sup> Ibid.

<sup>111</sup> Pg 29, The State of the Climate 2022: A multidecadal report and assessment of Malta's Climate, National Statistics Office in collaboration with Professor Charles Galdes., 2022.

<sup>112</sup> Pg 6, Health and Climate Change Country Profile – Malta, World Health Organisation and the United Nations Framework Convention on Climate Change, 2021.

<sup>113</sup> Pg 9, Ibid.

<sup>114</sup> Pg 10, Ibid.

<sup>115</sup> Pg 25, The State of the Climate 2022: A multidecadal report and assessment of Malta's Climate, National Statistics Office in collaboration with Professor Charles Galdes., 2022.

A report by the National Statistics Office (NSO) in 2022 summarises the project climate change risks as follows:<sup>116</sup>

- Increased air temperature.
- Increased frequency of heat waves and drought conditions.
- Increased torrential rains, flooding and severe storms.
- Increased sea temperatures.
- The higher probability that groundwater recharge will be reduced.
- Decreased precipitation and warmer temperatures.

The impact of climate change on Gozo will be similar to that of Malta. Nevertheless, these climate change impacts are likely to impact Gozo's economic-socio dimensions negatively, given that it has a more rural dimension than Malta, and agriculture plays a significant role in Gozo's make-up. Apart from its economic contribution, the agricultural sector in Gozo plays a multifunctional role. This ranges from food production and security, culinary tradition, land stewardship, environmental conservation, and recreational landscape while it also serves as a backdrop for the tourism industry.<sup>117</sup>

## **05. Conclusions of the Socio-Economic Gozo Regional Analysis regarding the National Poverty Reduction and Social Inclusion Strategy: 2025-2035**

The conclusions of this Socio-economic Gozo Regional Analysis regarding the PSRI 2025-2035 follow the RIA structure established by the GRDA's RIA process. The conclusions are presented in Table 06.

**Table 06: Conclusions of the Socio-Economic Gozo Regional Analysis regarding the National Poverty Reduction and Social Inclusion Strategy: 2025-2035**

### **01. Do you expect the proposed intervention to have a significant economic impact on Gozo, one or more economic sectors, economic actors or societal group?**

The PSRI 2025-2035 is directed to reduce poverty and social exclusion. The PSRI presents over 100 actions that are clustered across 20 recommendations categorised over 4 strategic principles underpinning the PSRI:

- Thriving together.
- Empowerment.
- Opportunity.
- Dignified quality of life.

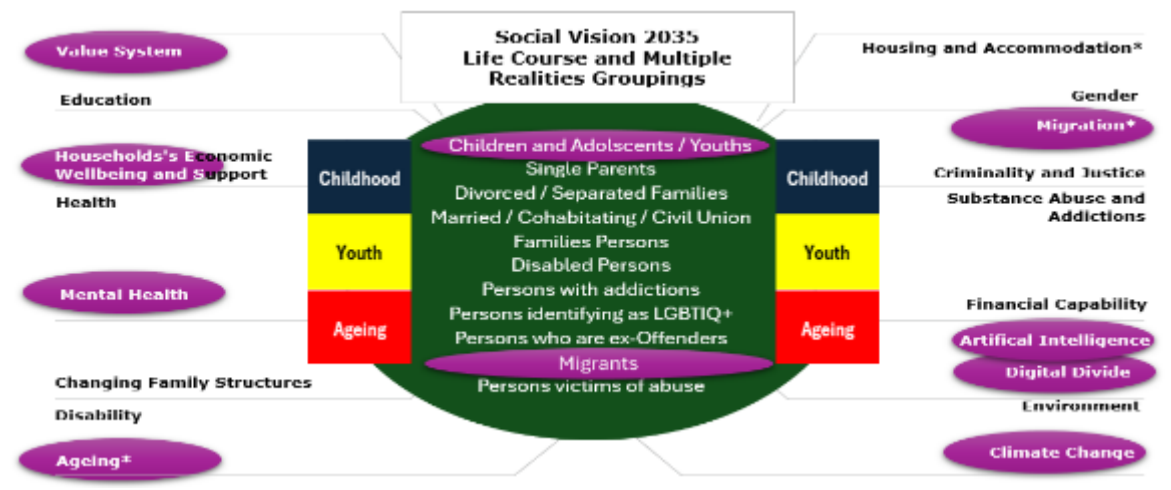
In designing the PSRI following a pre-drafting consultation process and holding of focus groups 17 determinants of poverty and exclusion in Malta's, including Gozo's, society were identified. These are presented in Figure 19.

The PSRI retains and builds on the Social Vision 2024 Life Course and Multiple Realities groupings. As shown earlier in this document, the GRDA carried out an RIA statement which concluded that the "does not suggest that the proposed intervention will impact Gozo in a materially different manner from its impact on Malta, thus there is no requirement for a full Regional Impact Assessment Study".

<sup>116</sup> Ibid.

<sup>117</sup> Ibid.

Figure 19: Determinants of Poverty and Societal Groups at Risk of Poverty and Exclusion: Today and as Expected Evolve between 2024-2035



**02. Do you expect the proposed intervention to have significant social impact on one or more societal groups or geographical area?**

As stated in 01 above, the Strategy builds on the 'Life Courses' and 'Realities Groupings' identified in the Malta Social Vision 2035.

The proposed recommendations and measures are directed to reduce poverty and social exclusion across Malta and Gozo. For this purpose, with one important exception, the Strategy in its recommendations **does not differentiate between Maltese and Gozitans**. The exception is the re-development of the GGH. The Strategy views the reconstruction of the GGH as an important action for Gozitans' increased well-being and quality of life.

**03. Do you expect the proposed intervention to have significant environmental impact on one or more geographical areas?**

As shown in Figure 19, environment and climate change are core determinants that will impact poverty and exclusion over the term of the Strategy. Recommendations concerning these two determinants are presented in the Strategy.

**04. Do you expect the proposed intervention to have significant impacts other than those falling under the categories above?**

The Strategy will be published for national consultation. MSPC will take into account the resulting feedback. It may be that other core determinants of poverty and social exclusion are identified through the national consultation. Should this be the case, the final version of the Strategy will incorporate such determinants.

**05. Was an RIAS of the proposed intervention carried out over the course of last 24 months?**

As stated, the GRDA carried out an RIA on the Malta Vision 2035. The NSRI 2025-2035 strategy builds on the Malta Vision 2035.

**06. If your answer to question 5 is 'Yes', did circumstances or aspects of the intervention change in such way that it influences the impacts of the intervention?**

Yes. The NSPRI 2025-2035 introduces shared social values, climate change and Artificial Intelligence as core determinants that will impact poverty and exclusion and, hence, the social fabric of Malta and Gozo.



**07. Were the key issues and implications of the proposed intervention identified through a broad stakeholder consultation process?**

An in-depth pre-consultation process covered over 50 meetings with government agencies and NGOs. The findings are presented in **Appendix 05** to the Strategy. 6 focus groups complemented these pre-drafting consultation sessions. Furthermore, MSPC worked with the Organisation for Economic Cooperation and Development on piloting strategic foresight as a planning tool in drafting the Strategy. The findings are presented in **Appendix 14** to the Strategy.

**08. Did the consultation process indicate concerns from stakeholders of significant economic, social and environmental impact of the intervention?**

Yes. Kindly note 07 above.

**09. Are there alternatives to achieve the objectives other than the proposed intervention (including the alternative of NOT intervening)?**

The feedback from the pre-drafting consultation sessions, focus groups, etc. and Steering Group members resulted in many recommendations and action measures. In concluding on the recommendation and action measures to be incorporated in the Strategy document the decision was taken that the Strategy should not present an overwhelming number of recommendations that would render the Strategy unimplementable. It was decided the focus of recommendations and action measures proposed would be those considered as essential.

As stated in the Strategy the recommendations and action measures presented complement national and vertical strategies already published by MSPC and Ministries.

**10. Would an RIA study provide information that could improve the decision-making process and the specifications of the intervention?**

No. This document is based on an extensive review of recent data and literature. It is to be noted that a structured review of the NSPI will take place in 2027, 2030 and 2033. These structure reviews aim to ensure that the NSPI 2025-2035 is aligned with change circumstances. At the time of this structured review, a similar analysis will be carried out in this document will be carried out.