

Malta – An ICT Hub

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Report of the activity organised jointly by Hubmed and the Computer Society of Malta.

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1. Introductions

Karen Scerri, who coordinated the event, welcomed the participants, introduced the topic, and introduced the panel.

Dr Brian Warrington, Chairman of the **Computer Society of Malta**, said that the Society was first established ten years ago but had a checkered history and in recent years had become inactive. Early in 2002 it was revived again and its council took immediate action to strengthen the foundations, setting up offices at KBIC, employing an Office co-ordinator and engaging a Business Development Consultant.

The Society is primarily a professional society for those working in ICT, but it is more than that. Its mission is '**to promote and facilitate the development of the information society, leading to a better quality of life for all**'. It operates in three main areas – the Profession, the Industry, and the Community.

Angele Giuliano spoke about the **HUBMED Foundation**, which is an open network that advocates, identifies, empowers and supports initiatives and projects in a number of sectors that promote and develop Malta as a hub in the European/Mediterranean region. The main areas, in which the Foundation is working so far, are Aviation, Tourism, Education, Financial Services, Maritime and ICT. The main objective of the Foundation is to promote collaboration and work for a mentality change by creating a collaborative community, whereby business people who are competitors in the domestic market collaborate to target and eventually win international markets.

2. Opening Address

Minister Austin Gatt opened the session by highlighting the importance of skills, training and retraining and investment in human resources. These are the main ingredients of a modern economy, and are a common denominator to all successful companies.

The Government's obligation is to address today's needs and anticipate future requirements. The minister emphasised the need for Malta to move away from the manufacturing industry, and shift its efforts towards developing a service industry which depends on the individual skills and

capabilities. The development of ICT, which has exploded in recent years and has been cultivated by recent successive administrations provides a number of opportunities for Maltese industry. Malta can be used as a hub for software development and can be used as a test base for software development and business solutions.

The Hon Minister mentioned that the expenditure on ICT in Europe reached 54 billion Euros and last year there were 2 million vacant jobs in the EU. With the expansion of the EU, it is estimated that there will be 3 million ICT-related vacancies in Europe in two years time.

The E-Government initiative, apart from providing the country with a higher standard of living, will also serve to place Malta as a showpiece of ICT excellence.

The Hon Minister then spoke on the importance of the educational field. ECDL should be the basic certification and the Government is giving the opportunity to 4th and 5th Formers to sit for ECDL later this year. MCAST is one of the best educational institutions not only in Malta but also in the region. The academy provides the opportunity to students to take up theoretical, vocational and industry based certifications. It is imperative to set up the necessary structures where the students are given the right educational base.

Malta has a number of advantages over our competitors, for example:

- a) Most of the population is able to communicate in English, although other countries are catching up in this area;
- b) We have a pleasant climate which attracts foreign investors;
- c) Airline connections 2 / 3 hours away from major cities in Europe and North Africa;
- d) Highly skilled personnel, so much so that the top 20% - 30% graduates are in the same level as those of Cambridge University;
- e) The Maltese are easily trainable and adapted to the industry.

Malta's geographical position provides a number of opportunities due to our proximity to both Europe as well as the African Continent. The latter is still unexploited and is a wide open market, unlike most other continents which are approaching saturation point. It is the government's policy to look at the EU market without ignoring alternative regions.

The current negotiations with Microsoft in setting up Malta as a Centre of Excellence, will make Windows XP Source Code available to Malta, making our country the first in Europe to have this opportunity. The Government is striving to provide the opportunities which need to be exploited by the industry.

Malta can benefit from EU funding such as in the case of PISA, which was granted Lm 5 million to cable 12000 households for the provision of ICT capabilities.

The minister concluded by stating that the new technology will improve the quality of life. Technology will help other industries such as Tourism and provide opportunities to the future generations.

3. Workshop Results - Summary of presentations by workgroups

Moderator 1: Claudine Cassar

- Local enterprises need to make more effort in business development, rather than waiting for manna to fall from heaven;
- It is worth noting that patience and persistence are necessary in business development, and it is often necessary to build relationships for as long as two years before any returns are seen;
- Business fairs tend to be expensive, especially for the smaller companies;
- There is a pressing need to develop an entrepreneurial spirit and culture as opposed to the prevailing copycat mentality;
- IPSE and other government organisations with the mandate of promoting local businesses should strive to avoid unnecessary paperwork and make it easier for small businesses to use their services.

Moderator 2: Antoine Mallia

- Malta can boast very competent human resources in ICT;
- In recent years there have been a number of initiatives aimed at promoting the takeup of ICT amongst the general public e.g. the MyWeb initiative;
- Most of the fundamental building blocks are now in place and it is up to us as a nation to rise to the challenge.

Moderator 3: Alex Borg

- There is a need to promote the takeup of science and technology subjects amongst schoolchildren from the very early stages;
- There is a need to promote the entrepreneurial spirit and culture in Malta;
- There is a need to promote a better level of teaching and training in ICT subjects;
- Promotion of lifelong learning;
- Creativity, innovation & support to those individuals, groups and organisations both in the public and private sectors. We need to understand and listen to each other better instead of speaking only one-way.
- The need of liaison between the public and private sectors. The public sector can learn a lot from the expertise and experience of the private sector and the private sector can benefit from the funds, facilities and other resources of the public sector.
- The need of a culture change for people to work together.

Moderator 4: Paul Vella

- We cannot be complacent and must be aware of similar efforts by our competitors;
- We should be selective in the organisations and business we try to attract, and try to focus on those with high added value.

Moderator 5: Shawn Spiteri Duca

The group focused on current initiatives which are helping Malta to become more competitive in the ICT field:

- ETC is retraining individuals, promoting the ECDL, etc;
- Matsec, ECDL, MOUS - perhaps there are too many options;
- There is a need to promote takeup of internet usage among the population.

Moderator 6: Alfio Mizzi

- The planned agreement with MS to make its source code available in Malta may provide some opportunities to local industry, but further investigation and discussion are necessary before gauging the real value of this;
- There may be opportunities for Malta to act as a hub in various ICT areas such as in Software Development, in Support and Training Services, in Communications, as a testbed for e-Government services, and as an Application Service Provider;
- An evaluation exercise is necessary to focus efforts on the right markets – for example, Palermo is a well-established communications hub with links all over Europe. Should Malta even try to compete in this area? ;
- In the case of Application Service Providers, Malta can play an important role. The experience of the betting industry has been very positive;
- The North African market might provide good business opportunities;
- As in many other areas, the ICT industry has suffered because of an abundance of ideas but a shortage of implementors;
- We should develop a culture of sharing resources and infrastructure; for example, Maltacom and Melita Cable might agree to share the same infrastructure and make it available to the private sector at a reasonable price;
- Can a commission be set up on the same lines as that of the Film Industry Commission and focus exclusively on developing the ICT industry;
- A participant mentioned that one must look at other opportunities such as E-Tourism whereby Internet users can pay to take a virtual tour to our historical sites. This can leave positive effect as people using this service might then be interested to visit Malta.

Moderator 7: Jean Pierre Aquilina

- There is a need to promote greater cooperation between industry and academia;
- There is a need to develop an entrepreneurial spirit;
- It should be borne in mind that a startup will often take two or more years before it starts to turn a profit;
- Malta should look at the possibility of providing software certification services.

Moderator 8: Colin Camilleri (MCA)

- While Malta has been talking about becoming a hub for the past 10 years, comparable countries have been acting and have now overtaken us;
- Malta is currently a stub rather than a hub, with a single comms link to Sicily. This is a disadvantage to us and some level of redundancy as well as more affordable links are required to make Malta more attractive to foreign investment.
- Malta is also at a disadvantage because of the limitations in air links to other countries. While it may be true that London is only 3 hours away, attending a half-day meeting in Brussels is a 3-day round trip.

4. Rounding up

Joe Woods started by thanking the members of parliament, participants, hotel staff and organisers for their efforts in making this event such a success.

Referring to the topic of the day, Mr. Woods mentioned Keyworld as an example of how a small local company can team up with a foreign multinational to offer value-added services in the Mediterranean region . He said that numerous opportunities exist for new business initiatives based on the hubbing concept, and local industry must rise to the occasion. The American phrase “Eat lunch or be lunch” is something we should keep in mind. If we do not seize the opportunity today, tomorrow it may be too late.

Joe Woods mentioned that our culture needs to change to become more receptive to new ideas. Our immediate reaction in such cases is to behead anyone who comes up with ideas and initiatives. Is it merely coincidence that The Beheading of Saint John is the most favorite piece of art for the Maltese?

5. Closing Address

The closing address was delivered by **The Hon Evarest Bartolo**, who said that Malta's geographical location is not as important as it was previously and we cannot depend on this alone for our survival. We should not be deceived into thinking that the world owes Malta a living. Malta has to strive and compete for business and market share like everyone else.

He said that his main preoccupation is that the Education system is preparing tomorrow's generation for the 19th century, instead of training educators and provide them with facilities to prepare tomorrow's generations for the 21st Century.

Picking up on Joe's comment, Mr Bartolo said that while beheading of innovators is not a positive thing, at least the good news is that as long as beheading continues this is an indication that there are still heads around which are coming up with new ideas and who can contribute for a better future.