

GRDA Note

Foreign Nationals Employed in Gozo

2021



GOZO REGIONAL
DEVELOPMENT AUTHORITY

A Note on Foreign Nationals Employed in Gozo

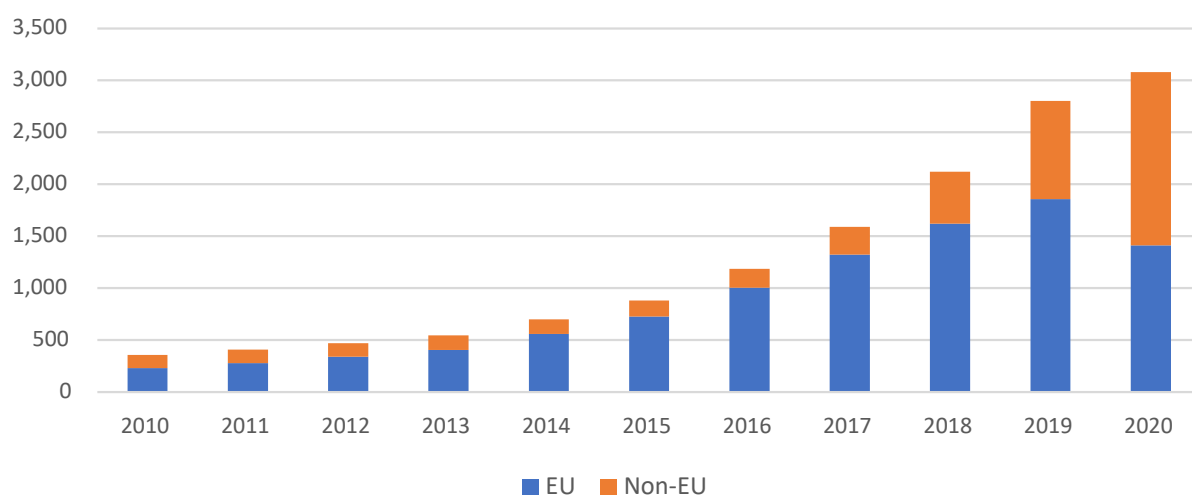
The upward shift in immigration to the Maltese islands over the last ten years has contributed significantly to population growth that surpassed the half a million mark towards the end of the last decade. At the end of 2019, the resident population of Malta and Gozo already stood at over half a million persons, an increase of 24 per cent since 2010. Data from the National Office of Statistics shows that the share of foreigners in the resident population grew from nearly five per cent at the end of 2010 to around 20 per cent by the end of 2019. This development was also reflected in Gozo.

A look at the localities with the highest ratios of foreign residents across the Maltese islands point towards Gozo with Żebbuġ (Marsalforn), Munxar (Xlendi) and San Lawrenz topping the list with 28.3%, 22.7% and 20.1% respectively.

The data for Gozo

The Gozo Regional Development Authority has looked at the data for foreign nationals employed in Gozo over a period of ten years between 2010 and 2020. The figures provide evidence for an interesting scenario in which the upward shift in immigration is reflected in a progressive but rapid increase of foreign nationals' participation in the Gozitan labour market.

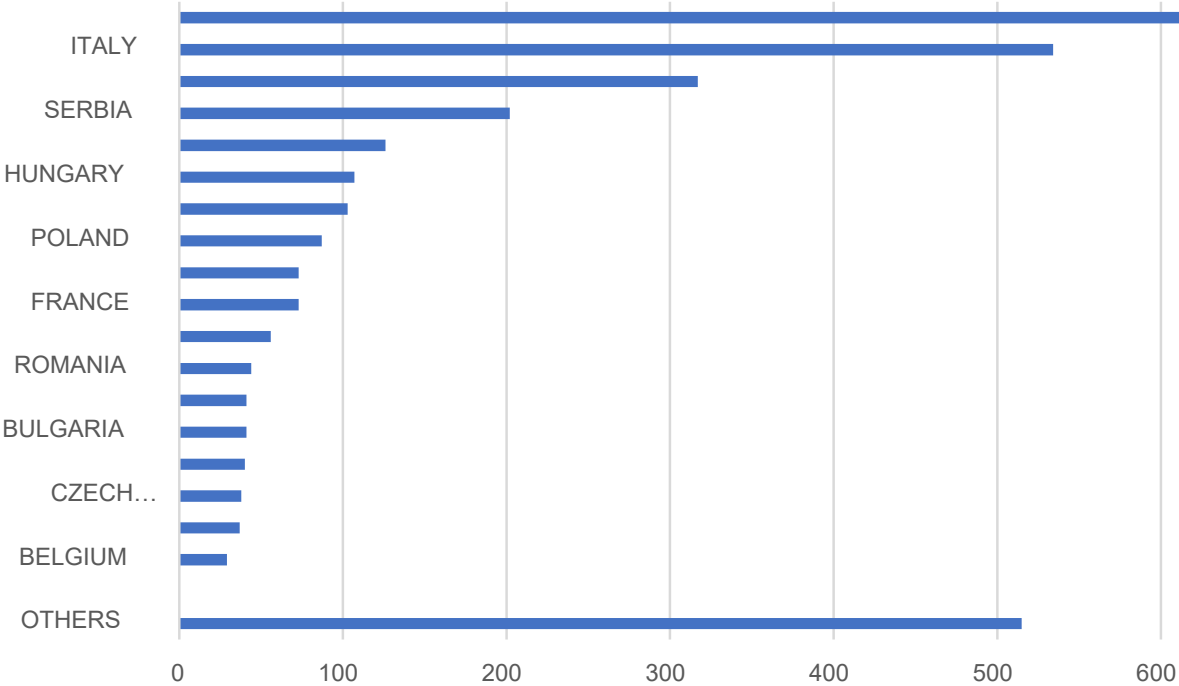
Chart 1: EU and Non-EU Workers in Gozo



Over the 2010 to 2020 period, the number of foreign employed individuals in Gozo increased by an annual average rate of 24%, mirroring the developments identified earlier in the note. In 2010 the number of foreign workers in Gozo amounted to 357

with more than one third of these workers being from the UK and Germany. Following a decade of persistent increases, the number of foreign individuals employed in Gozo reached 3,079 by end 2020. The nationalities with the highest representation of workers in Gozo were the UK with 616 and Italy with 534. This was followed by Albania and Serbia with 317 and 202 workers respectively (see Chart 2).

Chart 2: Foreign Employment in Gozo (2020)



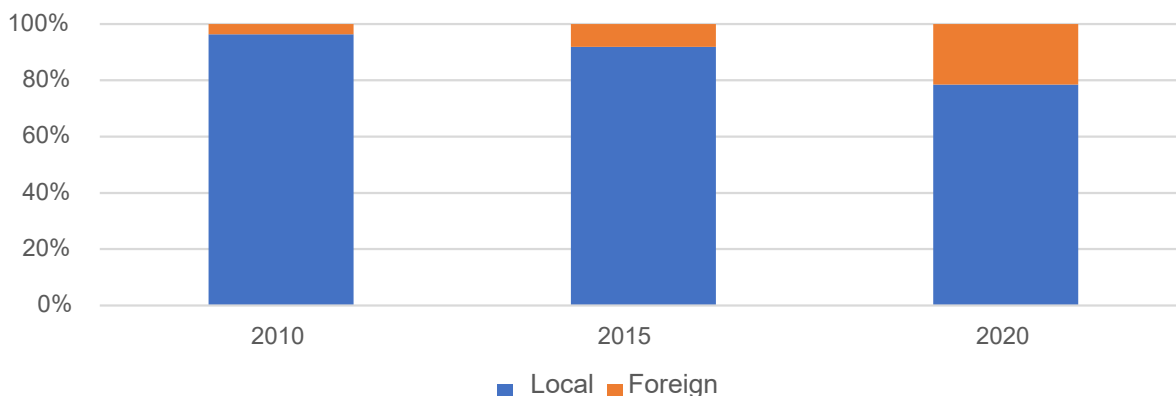
Source: Jobsplus

The rapid rise in foreign workers in Gozo came on the back of an influx of workers from both EU and Non-EU nationals. Notable increases over the last ten years were recorded for British and Italian workers which increased by 528 and 517 respectively when compared to the levels registered in 2010. Other notable increases were recorded for workers from Albania, Serbia and Hungary (which increased by 311, 199 and 102 respectively). On the other hand, a number of countries recorded a decrease in the representation of workers in Gozo over the same ten-year period. While in 2010 there were 14 workers from Australia and the USA, by 2020 these declined to just four and six workers respectively. In a similar manner, while 12 Russian citizens were working in Gozo in 2010, only six were employed in Gozo in 2020.

The above-mentioned increase in foreign workers had a significant impact on the composition of employment in Gozo. In fact, the rapid rise in foreign employment was one the main drivers behind the increase in total employment in Gozo over the last decade. Consequently, the share of foreign workers to total employment

in Gozo increased from around 4% in 2010 to around 21% by 2020 (see Chart 3). This development largely reflects the economic progress and the resulting increase in demand for foreign workers. This influx of workers enabled Gozitan businesses to fill in labour shortages particularly, in elementary occupations. By end 2020 26% of foreign workers occupied elementary jobs while only 10% had a managerial role.

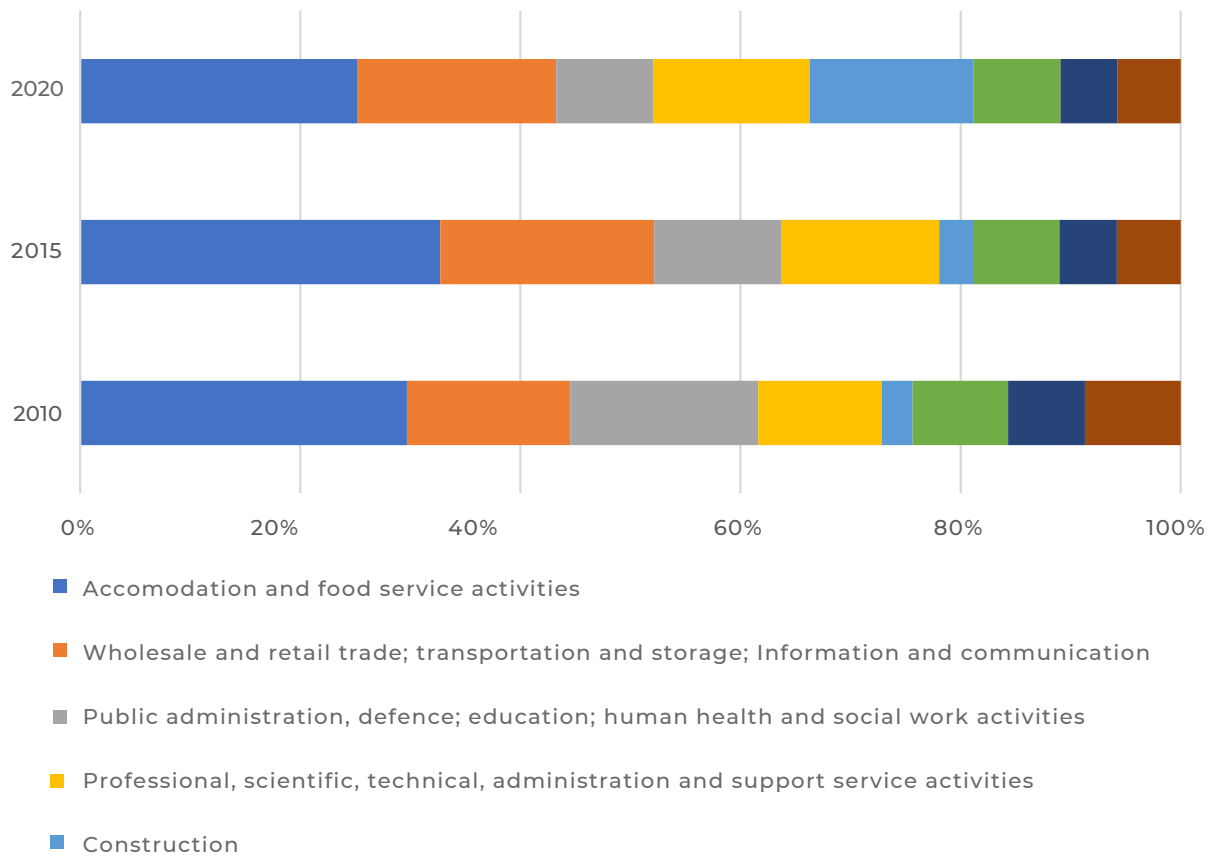
Chart 3: Share of total Employment in Gozo



Source: Jobsplus

The rise in foreign workers was observable across all sectors of the Gozitan economy, although the increase in some sectors was more prevalent than in others. On average, during the 20120 and 2020 period, over 30% of foreign workers were employed within the accommodation and food services activities sector (see Chart 3). However, this share dropped slightly in recent years as the yearly increase in foreign employment in this sector was outpaced by a stronger increase in other sectors. In particular, the number of foreign workers within the construction sector increased strongly in 2019 and 2020. As a result, the share of foreign employees in the construction sector to total foreign employees rose from 7% in 2018 to 14% and 15% in 2019 and 2020 respectively. Other notable sectors which employ several foreign employees include the wholesale and retail trade sector and the professional, scientific, technical, administration and support services sector. In 2020 the latter had a share of 18% of total foreign employees while the former maintained a share of 14%, similar to that registered in 2019.

Chart 4: Share of Foreign Employees by NACE



Source: Jobsplus

Consequences

The increase in net migration is bound to have consequences, some of which are already reflected in today's reality. These can be summarized as:

- They have contributed to the prosperity of the islands and have been an important part of the dynamic that has helped the country achieve considerable economic success.
- The presence of a significant number of foreign workers have had an impact on the demand for residential units, adding upward pressure to prices and rents.
- The economy of Gozo is now open more open than any other instances in its history. Economic openness is a likely key to the success of Gozo as a small island economy.
- Openness also widens horizons, raising the profile of job relevant skills needed by companies competing in global markets.