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Less than 22 years away from competitiveness? Much less

by by Joseph Sammut

Although the European Innovation Scoreboard has given Malta 22 years to catch up, local efforts are having impressive results with cases where for every EUR1 support given by Malta Enterprise results in almost EUR3.5 of industrial research and development.

The recently published European Innovation Scoreboard (EIS 2007) categorises Malta at the top of the "Catching-Up EU countries". Regretfully this is the laggard group all the way behind the "Moderately Innovators", the "Followers" and the "Leaders". From our current growth rates the writers of the report estimate that it would take Malta 22 years to catch up and then only with the EU average.

The EIS 2007 measures all the EU countries on five general criteria. Four of the criteria are what can be termed as economic inputs/indicators. These are Innovation Drivers (Science and Engineering graduates and broadband penetration); Knowledge Creation (Research and Development); Innovation-Entrepreneurship (Venture capital and ICT expenditure) and Intellectual Property (Patents, trademarks and designs). Typically Malta would be two thirds of the way down the classification of each of these four criteria and always well below the EU average.

However the fifth criteria on the EIS 2007 is the only one that measures a realistic economic output and they term that Applications which is measured by the amount of high tech exports (foreign revenue earners) and employment in medium/high tech industries (high value-added contribution). Malta has led this important classification for the past two years and is typically attributed to a strong export of microelectronics but now also more pharmaceutical and general electronics as well.

What is odd is that Malta has surpassed the Nordic countries, which tend to dominate such innovation classifications. One may argue then that the scoreboard model may be flawed in that even with low innovation-input performance we still tend to dominate the innovation-output classification, which surely is more valid. Regretfully the GDP per capita, the mother of all economic indicators, still leaves Malta below average on the EU classification. So the EIS 2007 may not be flawed after all.

What is being done towards improving our innovation and competitiveness levels? One of the efforts by Malta Enterprise over the past two years has been through the Eureka network. The primary goal of Eureka is to raise the productivity and competitiveness of European industry and national economies through its "bottom-up" approach to technological innovation.

Since its inception in 1985, substantial public and private funding has been mobilised to support the research and development carried out within the Eureka framework and the network has grown to now include 38 full members. Malta became a member in June 2006. At the upcoming ministerial conference on 6 June the former Yugoslav Republic of Macedonia will be accepted as a full member.

One local project assisted by ME is in the field of professional broadcast equipment. Ing Mario Ellul of New Energy Ltd, based at Bulebel, saw a need for a battery charger to complement their sophisticated battery management system. The local R&D team successfully developed and launched a new design that also included careful optimisation of the production processes as well as the components used.

The funds from ME encouraged and helped sustain New Energy's development in a timely manner that is so important for the success of such efforts. The red tape on Eureka funds is kept to a minimum. New Energy have kept on innovating and last year launched three new chargers, one of which sporting an entirely new concept of an intelligent interface where the status of the battery can be diagnosed and displayed

continuously.

Over the past two years ME has committed EUR350,000 to leverage over EUR1.2m worth of

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local research and development. The estimated economic benefits from these projects are significantly more. The nine locally based companies that are individually using these funds along with more funds of theirs and of their foreign partners, will ensure that their resulting products are not only commercially viable but also have higher chances on global market at a truly internationally competitive level.

Following the excellent results achieved so far by Eureka locally, the Eureka co-ordinator, Ing. Evan Stringos is retuning back to the manufacturing industry to head the R&D unit of one of the larger locally based companies. Eureka coordination will be taken over by Ing. Samantha Runco.

Ing Sammut is chief officer for Strategy, Knowledge and Innovation at Malta Enterprise. He can be contacted at: joseph.sammut@maltaenterprise.com. More information on Eureka and how enterprises can participate are on www.maltaenterprise.com/eureka and <http://support.maltaenterprise.net>

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