

A South African's guide to moving to and making it in Malta: A capital of knowledge

 By Marcus 'The Maltese Falcon' Brewster

2 Mar 2018

How does a nation get ahead in the global economy if its landmass and population size is small? Although I hadn't thought much about it previously, an article in the *Times of Malta* made me think of my newly adopted homeland rather differently. The answer is to position yourself as a player in the knowledge economy.

According to Angel Gurría, secretary general of the Organisation for Economic Co-operation and Development (OECD), knowledge is the main driver of today's global economy. The most important form of capital is not physical but rather knowledge-capital, which exists in the form of knowledge and experience among people and as organised knowledge in firms.



Mater Dei Hospital in Msida, Malta | (c) Elizabeth Orego - [123RF.com](https://www.123RF.com)

Pharmaceutical exports

A case in point: Pharmaceuticals. Some twenty years ago, Sweden was a leader in this industry while Malta was still in the equivalent of diapers. In the space of half of a generation, the little-island-that-could has developed a robust market segment.

Malta's impressive growth spurt in pharmaceutical exports is best illustrated in numbers. At the turn of the millennium, the exports of the island nation – relative to its population – were only €51 per citizen. This was slightly below the EU-28 average of €56 per citizen and far below the Swedish exports of €434 per citizen. A decade and a half later, the situation looked quite different. In 2015, Malta's pharmaceutical exports amounted to €625 per citizen – more than twice as high as the EU-28 average of €302 and nearly as high as Sweden's €749 per citizen. In 2016, when Malta's pharmaceutical exports boomed, the export level stood at €2,125 per citizen, much higher than Sweden's, at €723 per citizen.

How was this accomplished?

A key reason is smart regulations and patents. Malta is not covered by patents for many pharmaceuticals that were patented pre-2007, allowing its firms to position themselves in the generics sector before international competitors could.

Malta has also moved up the rankings of the global value chain “by encouraging higher education, an attractive business climate, smart regulation and investments in physical and digital infrastructure”, comments Nima Sanandaji, president of the European Centre for Entrepreneurship and Policy Reform and a doctor of technology.

Knowledge capital

Certainly, fields such as biotechnology, which are quite knowledge-intensive, evolve in regions with a strong concentration of knowledge capital. Highly-rated universities attract talent both from their respective countries and abroad. And, as Sanandaji notes, talent concentration allows the regions in which the universities are located to position themselves as attractive regions for pharmaceutical businesses to locate to.

Although Sweden is still full of talent in medicine and biotech, including related sectors such as medical instruments and bioinformatics, Malta has built on an opportunity of patent rights to rapidly advance. Sanandaji recognises that since new patents are now also registered in Malta, the current advantage of the generic sector will gradually fade. Yet the small island nation has a chance to become a knowledge-hub in pharmaceuticals, not least through the newly built and rapidly expanding science park.

Apart from being lauded as the European Capital of Culture 2018, could Malta also become a capital of knowledge?



A South African's guide to moving to and making it in Malta: The culture of connection

Marcus 'The Maltese Falcon' Brewster 19 Jan 2018



The business takeout: This is an illustrative example of how nations, irrespective of size, can ascend the global value chain by focusing on competitive legislation and a business-friendly atmosphere.

The social take-home: Malta's medicine prices are set by the pharmaceutical companies, not the pharmacies themselves. Comparative shopping therefore doesn't exist in this retail sector, as a branded aspirin costs the same wherever you buy it. Like most village shops across the Southern Mediterranean, Maltese chemists often close at midday and only reopen at 4pm on weekdays. Unlike SA, several open on Sunday mornings until noon (list published in *Times of Malta* weekend editions). The airport pharmacy, however, is always open from 8am-10pm seven days a week and because the island is so compact, even at its furthest point, you are never more than 30 minutes away from filling that prescription.

ABOUT MARCUS 'THE MALTESE FALCON' BREWSTER

marcusbrewster is a brand synonymous with PR excellence in SA. An industry innovator, leader, and inspiration, Brewster affiliated his multi-award winning boutique firm with larger Level 1 BBBEE marketing/comm agency MediaRevolution for scale in 2016 and went on to launch Marcus Brewster International in Europe the following year. Marcus currently lives on - and actively promotes - the Mediterranean island of Malta. For African, S. African and European PR enquiries, contact marcus@marcusbrewster.com or WhatsApp on (+356) 9931 3322

• A South African's guide to moving to and making it in Malta: A mark, a yen, a buck or a pound - 7 Dec 2018

- A South African's guide to moving to and making it in Malta: The Brexodus Effect - 23 Nov 2018
- A South African's guide to moving to and making it in Malta: The parish priest and the Porsche - 16 Nov 2018
- A South African's guide to moving to and making it in Malta: Go robot! - 9 Nov 2018
- A South African's guide to moving to and making it in Malta: When Daphne met Dropbox - 2 Nov 2018

[View my profile and articles...](#)

For more, visit: <https://www.bizcommunity.com>