Shaping Malta's Future: the emergence of a new norm

Nation-wide survey to understand Maltese behaviour in the aftermath of the COVID-19 outbreak

June 2020

Foreword

The economic implications and repercussions brought on by the COVID-19 global pandemic are deep and far-reaching, affecting the economy of virtually every nation on earth. The virus has caused severe disruptions across numerous sectors from both the demand side and the supply side.

Malta is no exception, and in order to enable Maltese businesses, policy makers and stakeholders to make informed analyses and decisions, it is crucial that they have at their disposal recent and accurate data that allows them to form a representative picture of the perceptions of Maltese citizens.

This survey was thus launched with one goal in mind – to gain an understanding of Maltese behaviour in the aftermath of the COVID-19 outbreak, with respect to:

- The economy
- Social behaviour
- The environment

The analysis presented in this report is the result of a survey that was conducted between Tuesday 9th June and Friday 19th June, during which 491 valid responses were collected. This survey and its results will be used to inform the discussions that will be held during the Grant Thornton webinars 'Shaping Malta's Future'. These webinars, which will be held between the 7th and 23rd July, will seek to analyse the new norm that is emerging in Malta and the path that lies ahead. For more information, visit the Grant Thornton Malta website: https://www.grantthornton.com.mt/shaping-malta-webinar-landing/

Yours faithfully,
George Vella

Summary of key findings

79% of respondents do not feel comfortable visiting indoor restaurants **over the next few months...**

... **76%** of respondents do not intend on **travelling abroad** for leisure once flights re-open...

...**45%** of respondents attended **online training** or online educational **courses** during the pandemic lockdown...

... **30%** of respondents **began exercising** or practicing a **sport** during the pandemic restrictions...

... **76%** of Maltese people said that they would **avoid using cash** after the pandemic, due to health concerns...

... **71%** of Maltese employees felt that they were **more productive** while tele-working as opposed to working from the office...

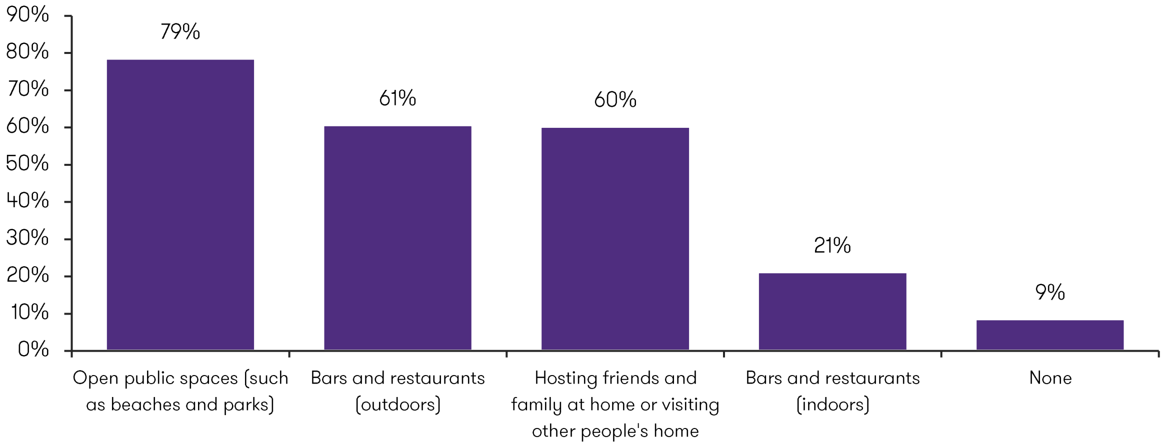
Social behaviour

Due to restrictive measures put in place by Government, Maltese residents had to drastically change the way they go about daily life. Therefore, in order to gauge the impact COVID-19 has had, as well as changes that will remain prevalent post COVID-19, respondents were asked questions relating to the following topics:

- flights and accommodation
- the use of technology
- physical activity

Flights and accommodation

Figure 1: Would you feel comfortable visiting the following over the next few months?



Respondents were asked whether they would be comfortable visiting different types of public spaces. As indicated in the graph above, 79% of respondents feel comfortable visiting open public spaces, 61% of respondents feel comfortable visiting bars and restaurants with outdoor seating, with the latter dropping to 21% when considering bars and restaurants with only indoor seating. 9% of respondents do not feel comfortable visiting any of the mentioned places.

On the other hand, when asked about whether respondents would consider using accommodation in Malta and Gozo, the following was observed:

47%
do **not** intend to use accommodation in Malta and Gozo

35%
Consider staying at a **farmhouse**

27%
Consider staying at a **hotel**

Although 47% of respondents indicated that they do not intend to use accommodation in Malta and/or Gozo, hotels and farmhouses may still experience an increase in bookings due to many respondents' hesitation to travel once flights are resumed.

76%
Do **not** plan on travelling for leisure shortly after flights are resumed

The use of technology

96% of respondents made use of technology to socialize virtually with family and friends during the pandemic.

45% of respondents attended online training and/or courses during the pandemic…

42% … of whom indicated that online teaching/tuition/training is worse or significantly worse than teaching/tuition/training provided face to face. Of these, 60% were below the age of 45.

16% … of whom indicated that online teaching/tuition/training is better or significantly better than teaching/tuition/training provided face to face.

When asked whether respondents will consider substituting face-to-face teaching/tuition/training with their online equivalent in the future, the following results were obtained:

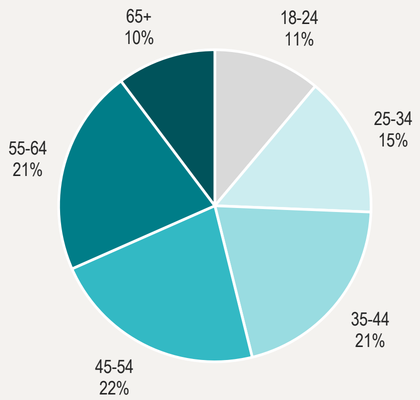
24% Would substitute

39% Would *partly* substitute

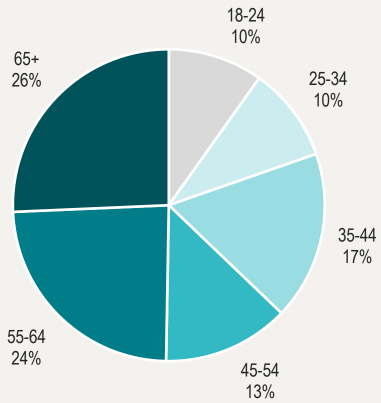
37% Would not substitute

Figure 2: Age breakdown of those who would consider substituting online tuition for face-to-face tuition

Would substitute:



Would not substitute:



Physical activity

Salient points that emerged from respondents' physical activity practices:

48%
exercised and/or practiced a sport before the pandemic

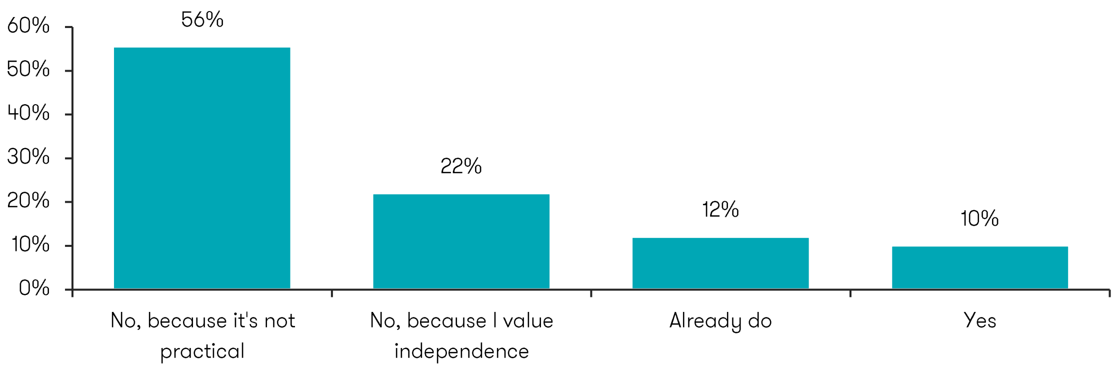
30%
of those who did not exercise before, began exercising and/or practicing a sport **during** the pandemic

52%
of those who regularly exercised before the pandemic reduced frequency or stopped altogether during the pandemic

Environment

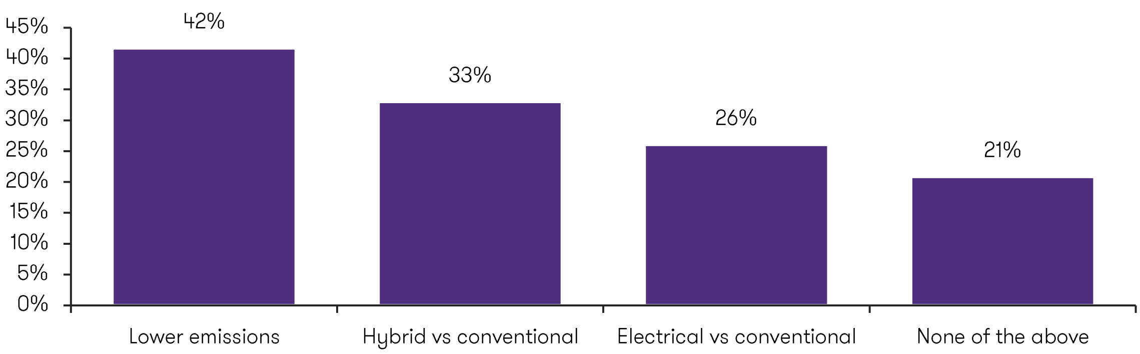
Respondents were also asked a few questions regarding the environment, specifically their preferred means of transport and personal protective equipment. When asking the 82% of total respondents who own a car if they would consider commuting using alternative methods going forward, the following results were obtained:

Figure 3: Going forward, will you consider commuting using 'alternative' transport instead of driving your own car? (e.g. public transport, cycling, etc.)



78% of respondents who own a car indicated that they will not consider using alternative transport since it is not practical and/or because they value independence. Of those who cited practicality as a reason, 30% are parents to school-age children. On the other hand, 12% of respondents indicated they already commute using alternative transport, and the remaining 10% would be willing to consider alternative means of transport.

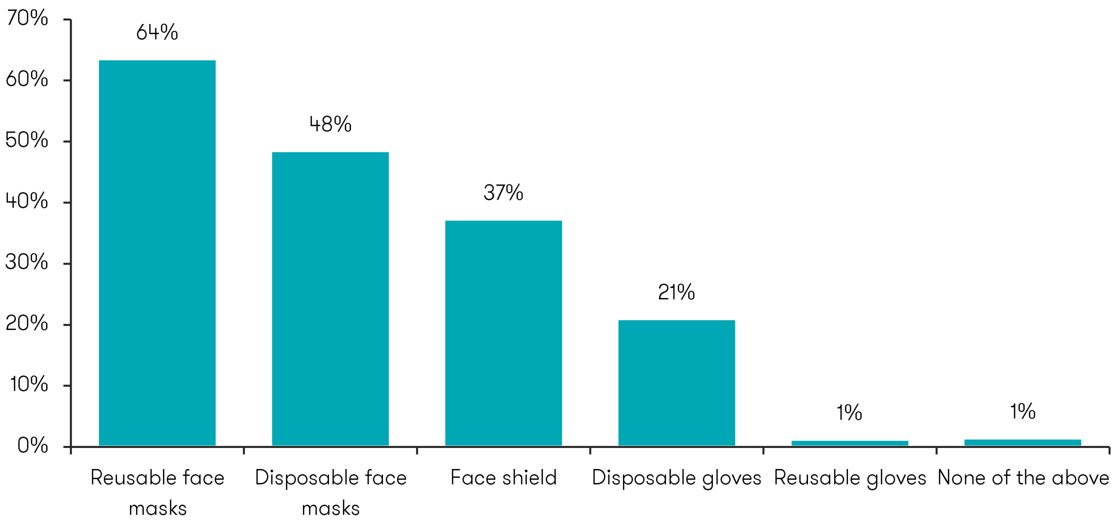
Figure 4: If you had to consider purchasing a new car, which of the following attributes would you give more weight to, post-COVID?



The respondents who indicated that they own a car were then asked which attributes (listed in the graph above) they would give more weight to:

- 42% of respondents indicated that they would give more weight to lower emissions;
- 33% of respondents would give more weight to purchasing a hybrid vehicle;
- 26% of respondents would consider purchasing an electrical vehicle;
- 21% of respondents would not give more weighting to the attributes listed.

Figure 5: Which protective equipment are you using to prevent the spread of COVID-19?



The above graph reveals that reusable and disposable face masks were most commonly used by respondents during the outbreak, followed by face shields, disposable gloves, and reusable gloves. Only 1% of respondents did not use any of the protective equipment mentioned to prevent the spread of COVID-19. In fact:

35%

of total respondents indicated that their use of single-use plastic increased in the past two months

In order to reduce the spread of the virus,

76%

of total respondents would try to avoid handling cash in the future.

Economics and business

This survey sought to gauge the effect that the pandemic and reactionary workplace policies had on both employers and employees. Respondents were asked a few questions regarding the changes they experienced with regard to their employment, specifically their attitude towards work from home arrangements, productivity and cost savings. The first section deals with the employees' perspective, followed by the employers' perspective.

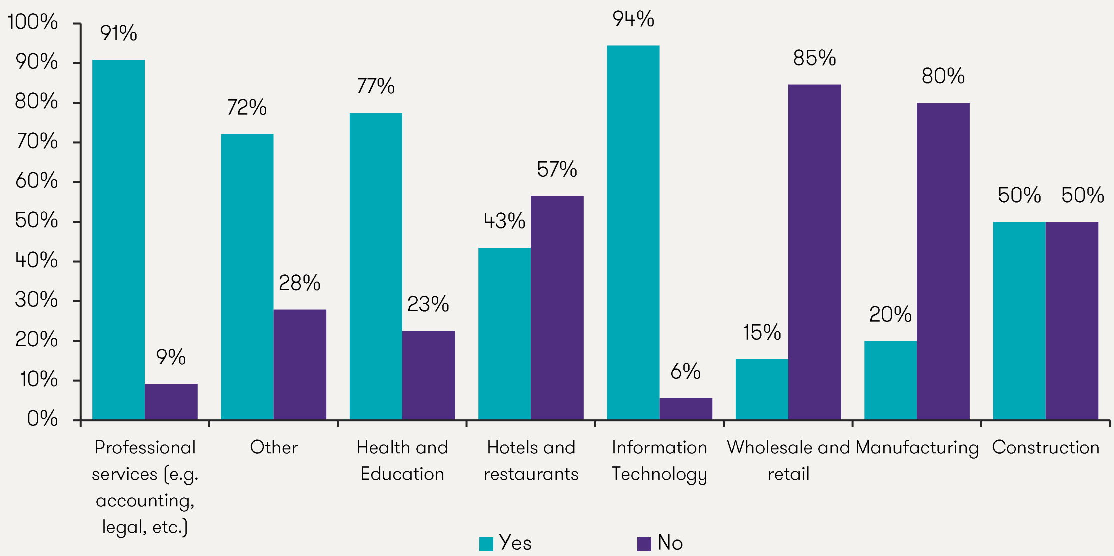
1. Employees' perspective

When asking respondents currently working on a reduced hour or part time basis, if they would switch to full time employment with teleworking arrangements if given the option:

46%

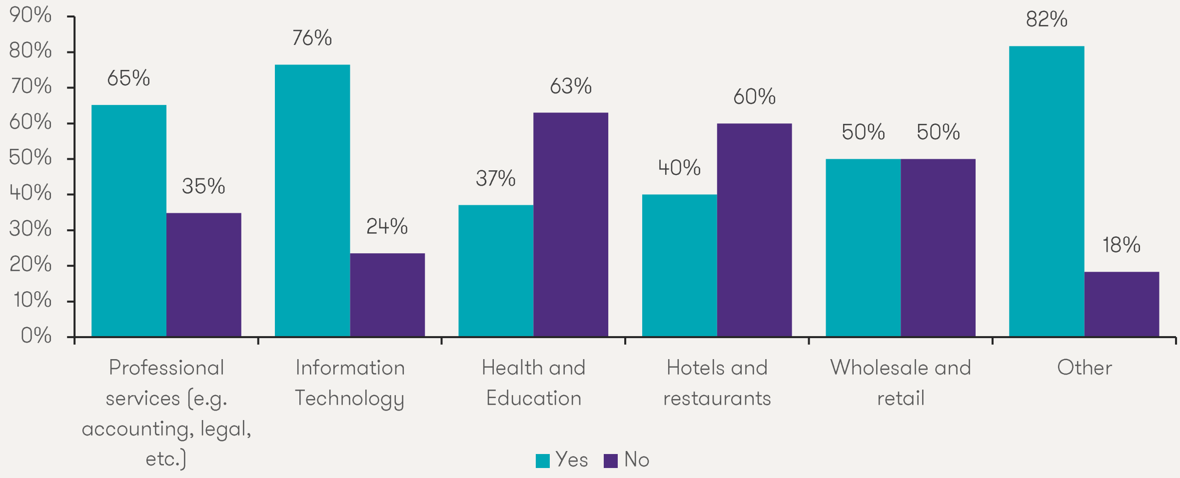
of respondents indicated they would opt to work full-time hours

Figure 6: Employees offered working from home arrangements during the pandemic



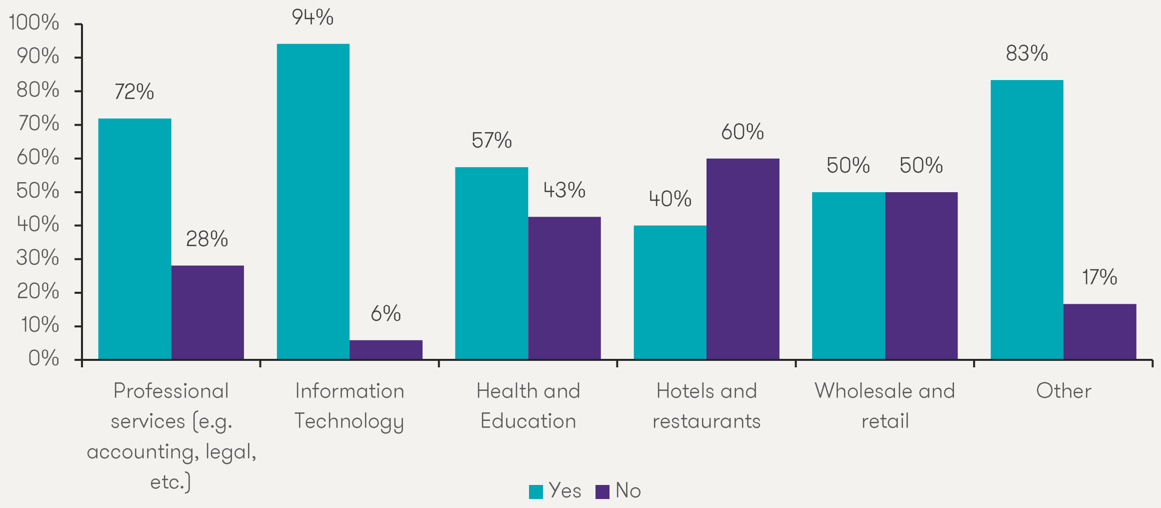
From the graph above, it is evident that employees working in the professional services sector (91%), Information technology (94%), health and education sectors (77%) as well as 'Other' (72%) were given the option to work from home. On the other hand, the wholesale and retail and hotel and restaurants sectors did not offer such arrangements quite as easily. This is consistent with the nature of works and ability to implement such arrangement successfully.

Figure 7: Greater satisfaction by working from home vs going into the workplace



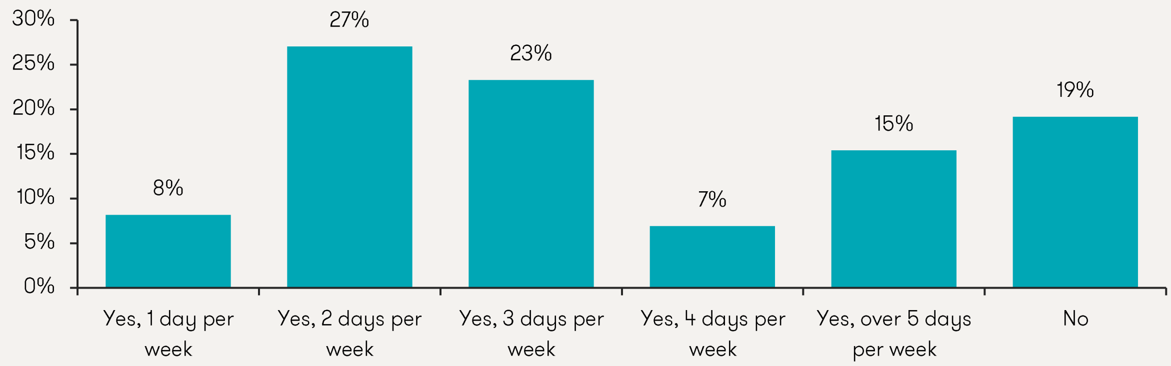
From the graph above, it is evident that many employees working in the information technology sector (76%) and the professional services sector (65%) experienced a higher rate of satisfaction by working from home, as opposed to working from their respective offices. An overwhelming majority of respondents that do not fit into any of the pre-defined categories, represented by 'Other' reported improved work satisfaction with teleworking measures in place.

Figure 8: Do you feel that you were/are more productive working from home than working at the office?



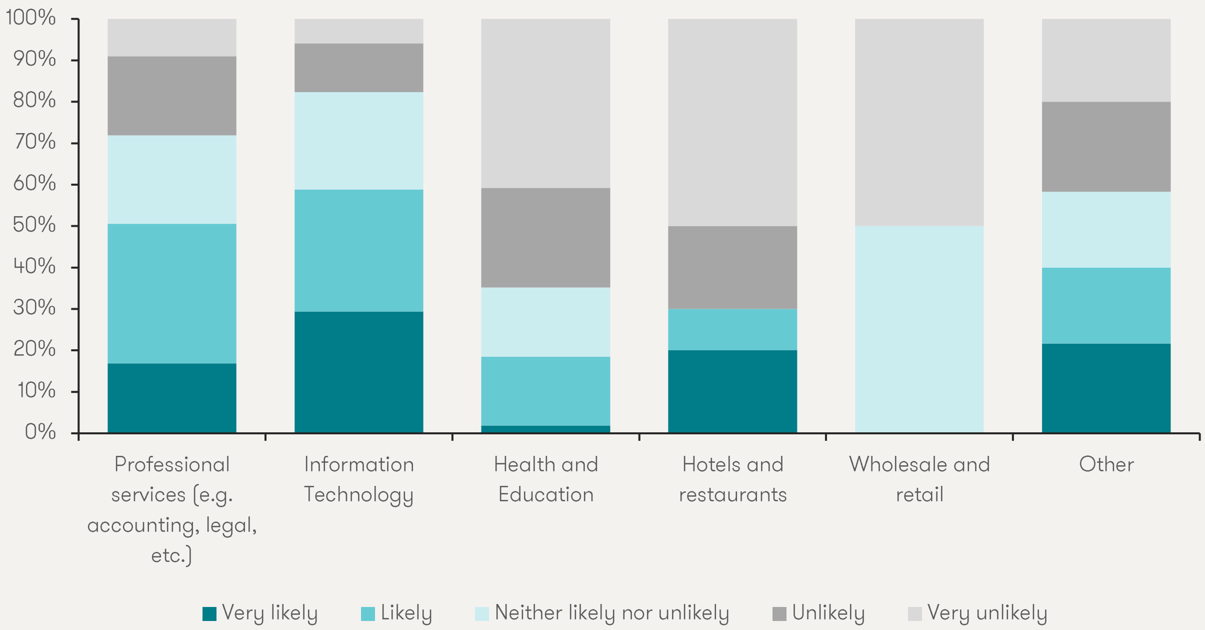
Those respondents that are employed within the IT sector reported the highest rate of productivity improvement as a result of teleworking. 72% of professional services employees also felt a marked increase in their productivity whilst working from home. Similar productivity improvements were noted across numerous sectors, as evidenced by the 83% under 'Other' who reported feeling more productive at home. Across all sectors, 70% of respondents felt an improvement in their productivity.

Figure 9: If offered the option to tele-work/work from home once restrictions are lifted, would you make use of it and, if so, how often?



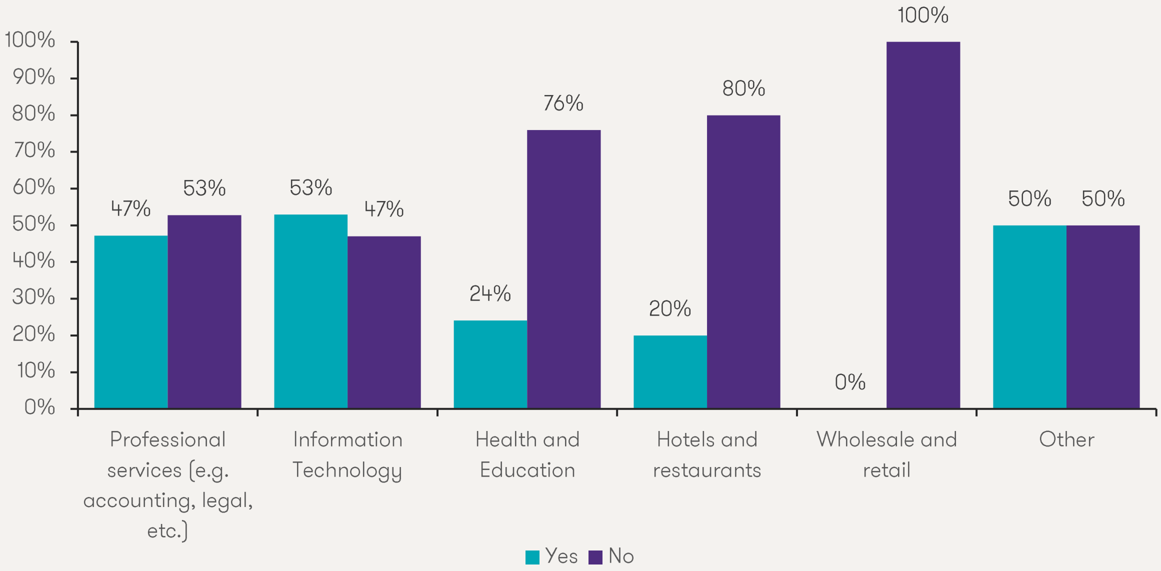
81% of respondents indicated that they would opt to work from home, whilst the remaining 19% would not choose to do so. From the survey it appears that working from home 2-3 days per week are the most popular options, with 62% of those who would opt for tele-working arrangements choosing either of the two.

Figure 10: How likely is it that your employer will offer you the option to work from home?



Employees working within the professional services and information technology industries believe that their employers are most likely to provide the option to work from home. Employees within the wholesale and retail and hotels and restaurants sectors think that it is unlikely or very unlikely that their employers will offer such arrangements, largely due to the nature of their work.

Figure 11: If you are not offered the option to continue to work from home by your employer, would you consider changing job to one which offers such arrangement?

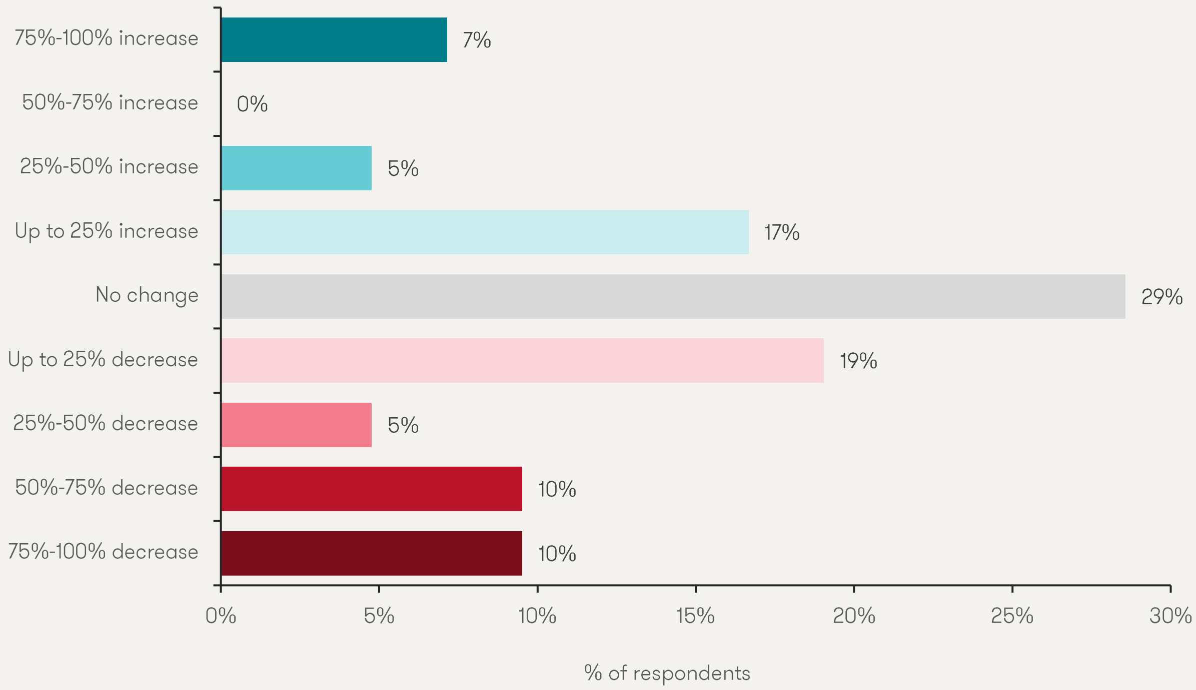


Overall, 41% of total respondents indicated that they ***would consider leaving*** their current job if they were not offered the option to work from home and seek an employment arrangement which offers tele-working. This preference for teleworking is higher within the professional services industry and the information technology industry than the other industries.

Of those who would consider leaving their current job, only 28% of respondents are parents to school age children, thus indicating that having young children is not the main driver of peoples' desire for work-from-home arrangements. Furthermore, only 19% of those who expressed a desire to seek employment with tele-working arrangements are above the age of 55. Otherwise, responses were evenly distributed across the remaining age groups.

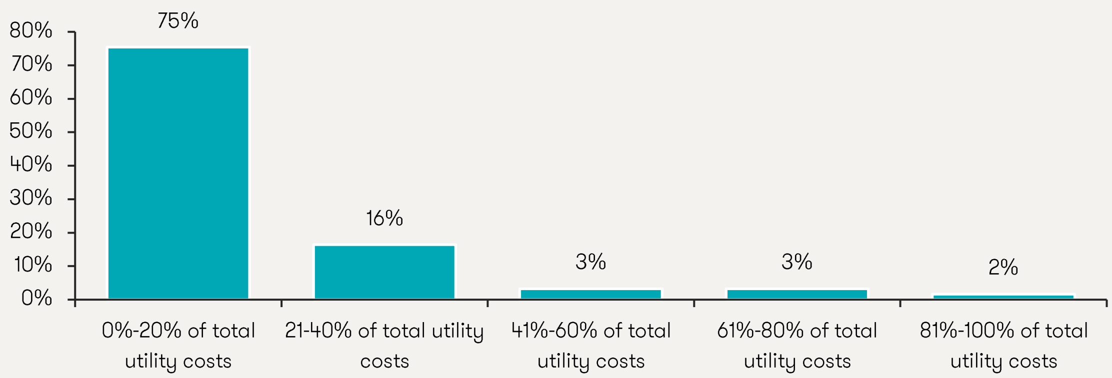
2. Employers' perspective

Figure 12: How has your employees' productivity increased while tele-working?



Employers were asked to give an estimate of the change in the overall productivity of their employees, comparing their productivity with tele-working measures in place as opposed to regular working conditions. Close to 30% of employers did not notice any change in the productivity of their employees. Almost half (43%) of employers felt that employee productivity fell while tele-working, while 29% reported an increase in productivity. This reveals a disparity between the self-reported productivity increase of employees (Figure 8), with 70% of respondents stating an increase in their productivity, while only 29% of employers felt that their staff was more productive during the same period.

Figure 13: How much did you save on utility costs during the pandemic?

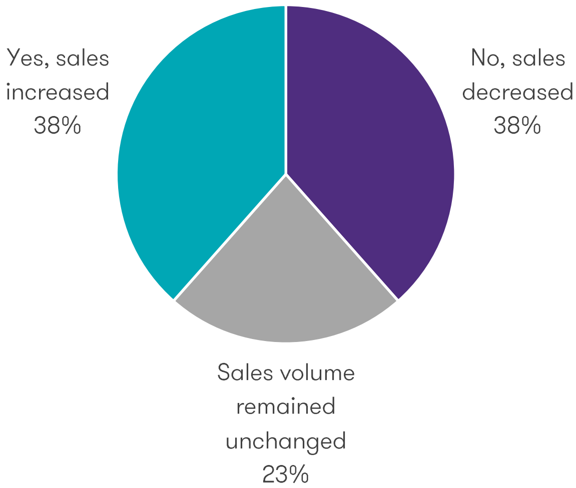


Employers were also asked to provide an estimate of their reduction in utility costs. The vast majority (75%) of employers saw utility costs fall by less than 20%, while a further 16% experienced a reduction of 20%-40% in their utility bill. Only 8% of employers saved more than 40% on their utility costs.

64% of respondents did not have an online sales platform prior to the pandemic...

10% of whom built one in response to the change

Figure 14: Did you register an increase in sales volume on your online platform during the pandemic?



The pandemic and all the restrictions that it brought with it caused noticeable fluctuations in sales volumes, even for those businesses that had operational online sales platform. While almost a quarter of our sample reported no change in the volume of their online sales, the remaining 77% was split down the middle, with one half reporting a sales volume increase and the other half reporting a marked drop in sales.

50%

of respondents who reported a drop in sales volume, saw their sales decrease by 70%-100%

During the pandemic:

85%

of businesses were able to continue operating virtually or with minimum presence

After the pandemic:

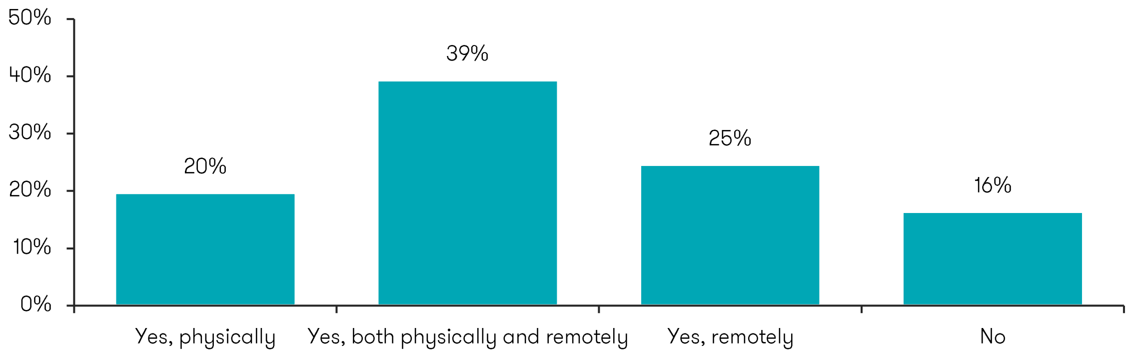
88%

of business owners will encourage customers to continue using their online services

57%

of business owners will encourage employees to continue to work from home

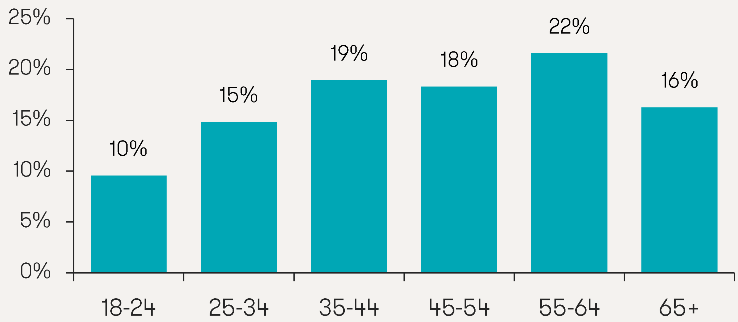
Figure 15: Does your business model allow you to successfully continue to operate if social distancing measures remain in place?



Demographics of respondents

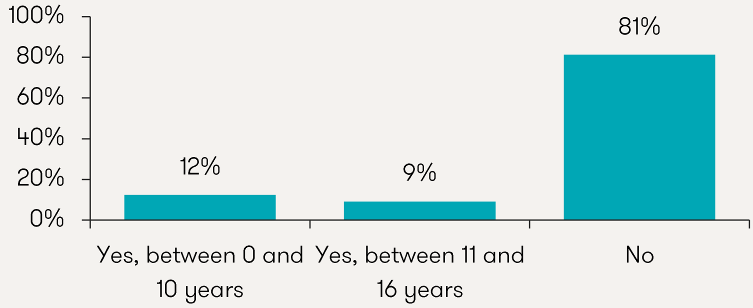
Our survey was targeted at Maltese residents, primarily above the age of 18. Of the 491 respondents to our survey, 66% were female while the remaining 34% were male.

Figure 16: Age of respondents



The adjacent graph shows that we collected responses somewhat equally across those age groups from 18 years and upward (between 10%-22% for each group).

Figure 17: Proportion of respondent with school age children



The adjacent graph illustrates whether the respondents have any school age children, with 21% indicating that they have children below the age of 16.

Figure 18: Proportion of employers, self-employed persons, or business owners

16% of respondents are employers, self-employed or business owners.

Of these respondents:

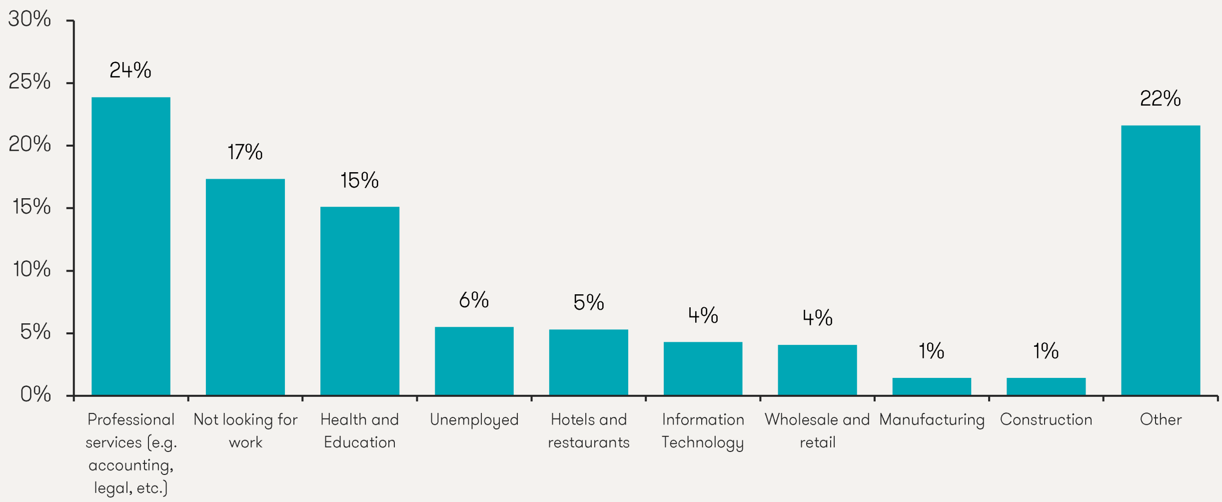
79% are owners of micro businesses

11% are owners of small businesses

8% are owners of medium-sized businesses

2% are owners of large businesses

Figure 19: Sector of employment



The graph above illustrates the sector within which respondents are employed or operate, as well as whether they are looking for work or not. The majority of respondents operate in the professional services industry and the health and education industry. A significant 23% are unemployed, and 17% of the sample are not looking for work.

Of the respondents who are employed:

73% work on a full-time basis

10% work on a full-time (reduced hours) basis

17% work on a part-time basis