

Conclusion

Despite being largely dependent on the rest of the world, Malta was partially immune to the global financial crisis. EU accession, a healthy financial system and the adoption of euro as the national currency were the main factors that have cushioned the economy from the full impact of the external shocks. Malta has benefited a lot as a result of EU accession, despite having to relinquish control over domestic policies. Unlike other small island states, proximity to major markets and its favourable geographical location have brought further benefits to the Maltese economy. Malta's socio-economic success has been remarkable. This small Mediterranean island economy is classed among the top 40 for HDI and like Seychelles, has achieved all the Millennium Development Goals (MDGs). Furthermore, Malta is ranked 52nd out of 133 in the 2009 Global Competitiveness Index. However, despite Malta's great economic success, the island still has some major fiscal issues to be addressed, notably the huge deficit. Malta also has high unemployment rate especially among the unskilled. The greatest challenge to Malta, as is the case for other SIDS, is the impact of climate change. Malta is also faced with the daunting task of preserving the environment, which is greatly affected by pollution. It appears that Malta is finding it difficult to strike a balance between environmental conservation and economic development. More effective policies need to be implemented in order to ensure that polluters bear the full cost. Despite the government's relentless efforts to address the impact of environmental degradation, the cost of sustaining the conservation programme as per the action plan could be a burden on Malta's economy. Malta perhaps can learn from Seychelles' experience in this respect, as the latter has been very successful in implementing effective environmental conservation programmes.

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