

Minimum Wage & Collective Bargaining in Malta 2025

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Malta

Statutory Minimum Wage ✓

• Monthly Min. Wage 961.00€

• Hourly Min. Wage 5.54€

53.00%

• MW as % of Median
Wage

44.00%

• MW as % of Gross
Average Wage

• Gender pay gap 5.10%

50.00%

• Collective bargaining coverage

• Process of transposition:
Transposed

↔ Compare with other countries



Minimum wage system in Malta

National minimum wage legislation was first introduced in Malta in December 1974 in the form of the Conditions of Employment Act; the first minimum wage was set at 23.29 euros (€) per week. Currently, the statutory minimum wage in Malta is regulated by the National Minimum Wage National Standing Order (Subsidiary Legislation 452.71). The legislation specifies that the minimum wage shall be determined on a weekly basis, calculated pro rata for part-time workers. Until the introduction of the Cost of Living Adjustment (COLA) mechanism, described below, the minimum wage was increased on a discretionary basis.

Since 1990, Malta has had an indexation mechanism to tackle rising living costs. Known as the Cost of Living Adjustment (COLA), and implemented following a tripartite agreement, all employees receive an allowance based on the Retail Price Index (RPI) (the average price change of a basket of goods and services over time) and paid by their employer. Part-time workers receive an amount proportional to the hours worked, while those with collective agreements may have wage agreements that are either in addition to, or inclusive of, COLA. In the latter case, employees only receive the pre-agreed rise, but this must at least be equal to COLA.

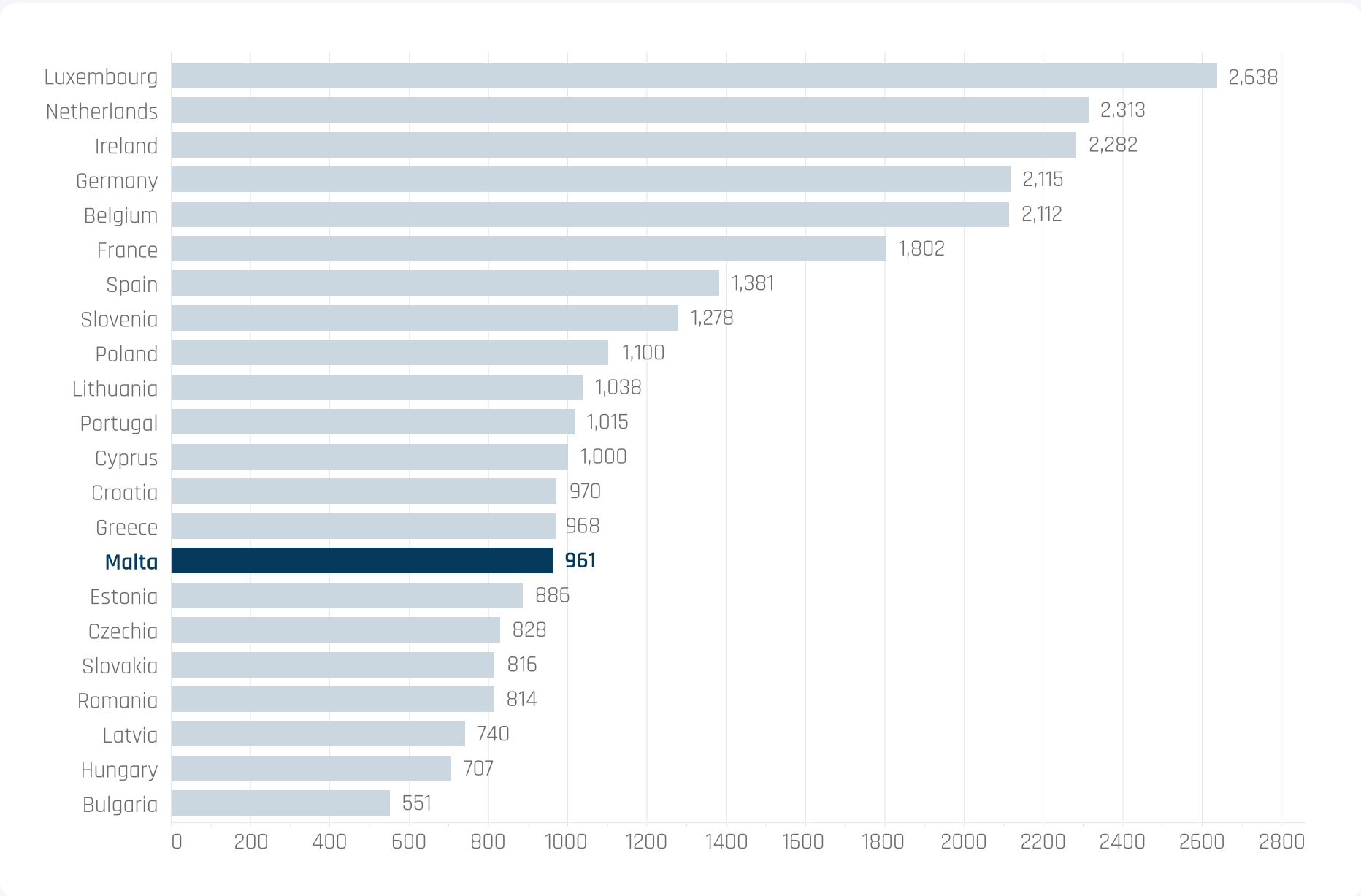
In 2017, a social pact on the minimum wage was agreed upon between the government, opposition and social partners represented in the Malta Council for Economic and Social Development (MCESD). One provision in the pact was the establishment by 2020 of a Low Wage Commission (LWC) to advise the government on any additional increases in the minimum wage and to prepare recommendations by 2023. This commission was actually set up in 2023 via Legal Notice 66 of 2023 - Low Wage Commission Regulations, 2023.

There are a few exceptions to the minimum wage. The National Minimum Wage National Standard Order (Subsidiary Legislation 452.71) specifies a lower statutory minimum wage for workers who are (i) under the age of 17 and (ii) 17 years of age. Minimum wages may also vary by sector. Minimum remuneration and other work conditions specific to occupations within certain sectors can be found in Wage Regulation Orders (WROs): currently, there are 32 of these. Generally, these WROs specify a minimum wage that is equal to or higher than that specified in the National Minimum Wage National Standing Order.

These regulations make no reference to the EU’s Adequate Minimum Wage Directive, but an agreement reached through this Commission in October 2023 does acknowledge the Directive. Via this agreement, increases in the minimum wage were set for 2024, 2025, 2026 and 2027.

The minimum wage in 2025 was laid down as €203.73 per week plus statutory COLA awards for 2024 and 2025, namely €12.81 and €5.24 per week, respectively. Thus the minimum wage for 2025 was €221.78 per week. This equates to a monthly national minimum salary of €961.05; or, based on a 40-hour working week, to an hourly minimum salary of €5.54. The minimum wage in 2025 for people 17 years of age is €215.00 per week and for those under 17 years of age €212.16.

Monthly Minimum Wage (€) per Country



<div>Statutory Minimum Wage</div> <div>Yes</div>	<div>Wage inequality (inter-decile Ratio P90/P10)</div> <div>3.70</div>	<div>Gender Pay Gap</div> <div>5.10%</div>
<div>Hourly Minimum Wage</div> <div>5.54€/hour</div>	<div>Nominal Growth rate of Wages</div> <div>3.90%</div>	<div>In-work poverty rate</div> <div>7.00%</div>
<div>Monthly Minimum Wage</div> <div>961.00€/ month</div>	<div>Real Growth rate of wages</div> <div>1.40%</div>	<div>% of workers covered by minimum wage</div> <div>1.80%</div>



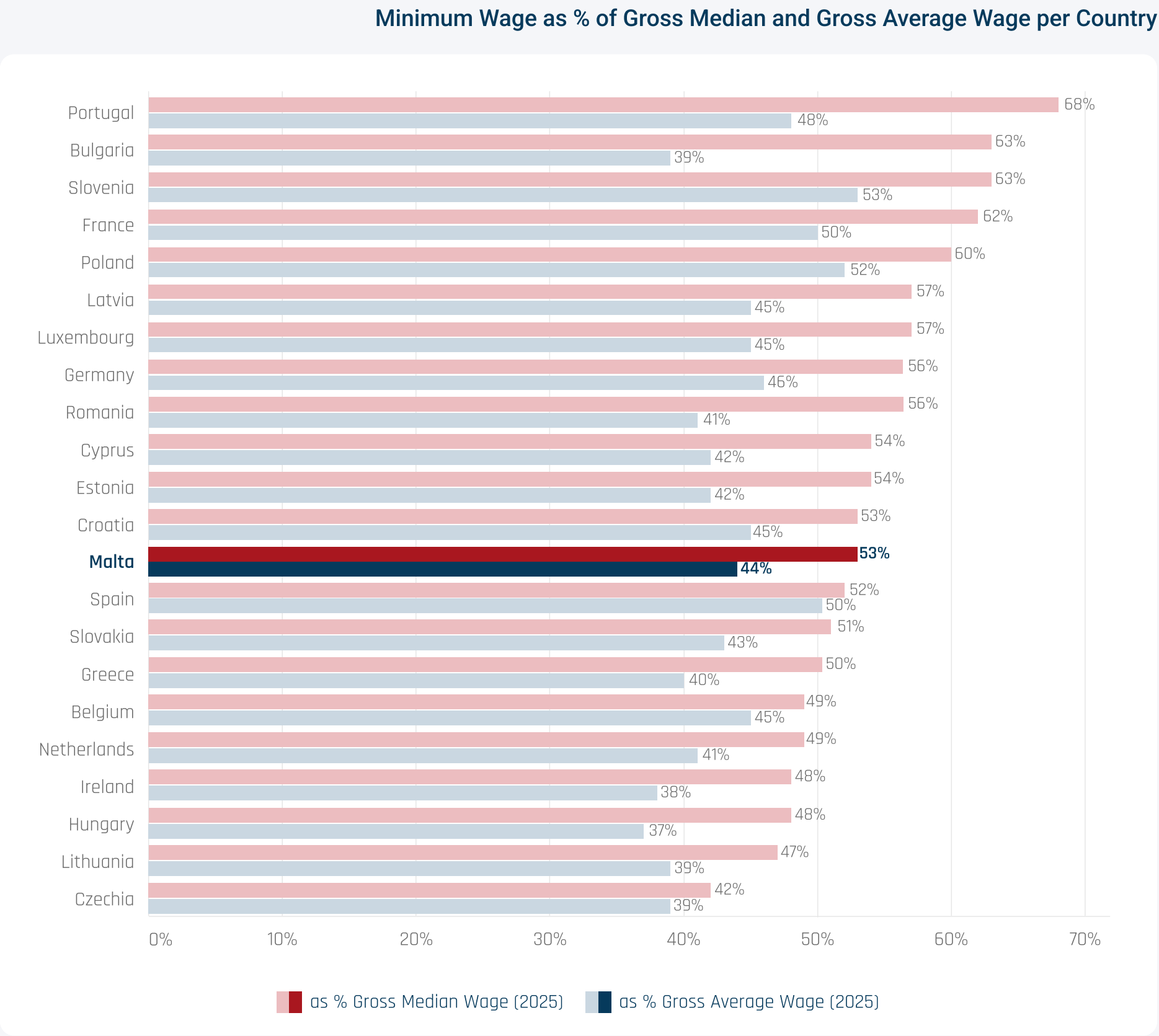
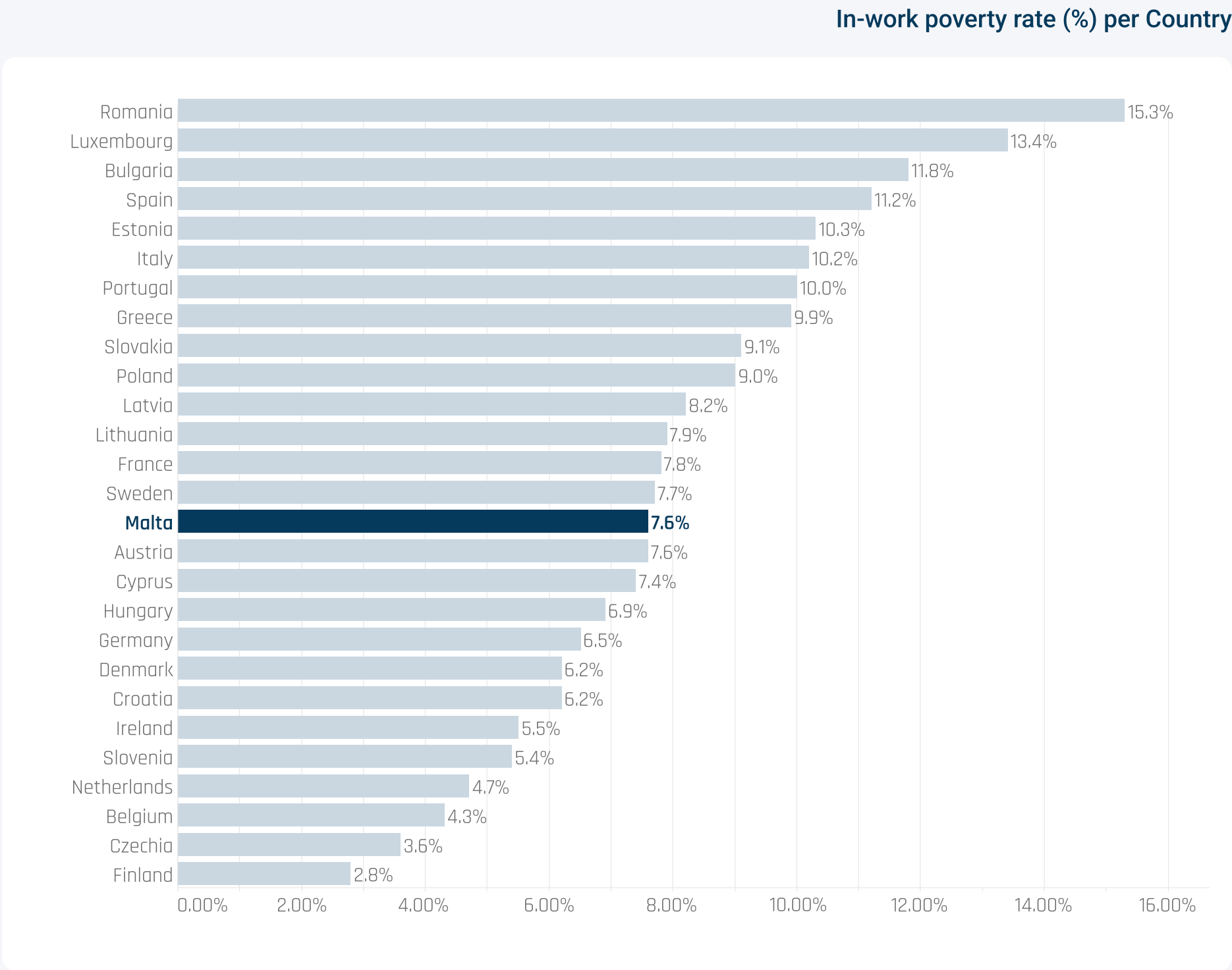
Minimum wage system in Malta

Figures on mean and median gross income for 2025 are not yet available. In order to compare Malta’s minimum income to the Directive’s suggested benchmarks of 60 per cent of the gross median wage and 50 per cent of the gross average wage, the most recent set of figures for 2023 are used. They show that Malta had a median annual basic wage of €19,091 and an average annual wage of €21,978. In 2023, the minimum wage was €192.73 per week (€10,021.96 per year), thus the minimum wage in 2023 represented 52 per cent of the median annual wage and 46 per cent of the average annual wage.

The COLA mechanism has been subject to criticism, primarily that it does not do enough to protect economically vulnerable people. In response to this, the government introduced an additional cost of living benefit in 2023. This measure is financed by the state and targets vulnerable people, calculated as those who earn less than the median income;

the benefit is adjusted depending on the number of people in the household. The benefit paid ranges between €100 and €1,500 per year for 2025.

All workers, including the low-paid and those on a minimum wage, also receive additional income. This includes a statutory bonus and a weekly allowance, both payable by the employer every six months. In terms of the statutory bonus, employees are to be paid €135.10 by the end of June and during December. In terms of the Weekly Allowance, employees are to receive €121.16 at the end of March and September.





Collective Bargaining system in Malta

Collective agreements are defined in Maltese law in the [Employment and Industrial Relations Act \(Chapter 452\)](#) as ‘an agreement entered into between an employer, or one or more organisations of employers, and one or more organisations of employees regarding conditions of employment in accordance with the provisions of any law in force in Malta’. Despite the definition, collective bargaining in the private sector is carried out at enterprise level. Normally, one trade union negotiates with a single employer. There is no sectoral or multi-employer bargaining. Additionally, there is no legal mechanism for the extension of collective agreements to the whole sector. Employers’ associations are not normally involved in collective bargaining, although members may consult them during the process. Collective bargaining within the public sector is more complex and coordinated by the Industrial Relations Unit (IRU). Public service employees are covered by a general collective agreement; the latest agreement (2025–2030) was signed by the government and ten trade unions. [This is complemented by a number of lower-level industrial agreements. Other public sector entities sign enterprise-level agreements.](#)

Prior to collective bargaining, a trade union must be recognised by the employer. [Legal Notice 413 of 2016, Recognition of Trade Union Regulations \(S.L. 452.112\)](#) regulate the award and revocation of recognition as the sole collective bargaining union at the place of work. Recognition depends on whether a trade union’s membership exceeds 50 per cent of employees. The regulation provides for situations in which no trade unions are recognised but one (or more) seeks recognition, as well as situations in which a trade union is already recognised, but another trade union claims to represent 50 per cent of workers. In these cases, verification exercises are carried out by the Department for Industrial and Employment Relations (DIER). Where a requesting trade union is found to represent more than 50 per cent of the employees, the employer is to grant recognition unless a recognised trade union is already present. In the latter case, the recognised trade union is also asked to provide information about its members, and a ballot is carried out. Between 1 July 2022 and 30 June 2023 the DIER conducted 31 verification exercises ([DIER, 2024](#)).

Within fifteen days of signing a collective agreement, the employer is supposed to send a copy to the DIER ([Employment and Industrial Relations Act \(Chapter 452\)](#)). Collective agreements remain active until a new agreement is concluded.

Statistics from the [DIER](#) show that during a 12-month period (1 July 2022 to 30 June 2023), 21 new collective agreements were registered, along with 50 renewals/extensions and six side agreements. This total of 77 agreements exceeds the previously reported annual average of 45 registered agreements [between 2001 and 2018](#). This suggests that the collective agreement regime in Malta is healthy and possibly increasing. Conversely, a parliamentary question in 2023 showed that [31 collective agreements for public sector workers had expired](#), some of which have been pending for three years.

The exact coverage of collective bargaining in Malta is unclear. Historically, Malta has not collected this data regularly, nor does it make it public. Therefore, indications of collective bargaining coverage emanate from sporadic scientific studies and reports. Trends suggest that coverage remains strong but is on the decline. Almost all workers in the public sector are covered by a collective agreement.

The [National Statistics Office \[NSO\] \(2024\)](#) reported that, in July 2024, 52,392 full-time workers were employed in the public sector, representing 18.2 per cent of full-time employment. In terms of the private sector, [Baldacchino and Gatt \(2009\)](#) noted that collective bargaining coverage in the private sector had dropped from 32.6 per cent in 1995 to 26.7 per cent in 2008.

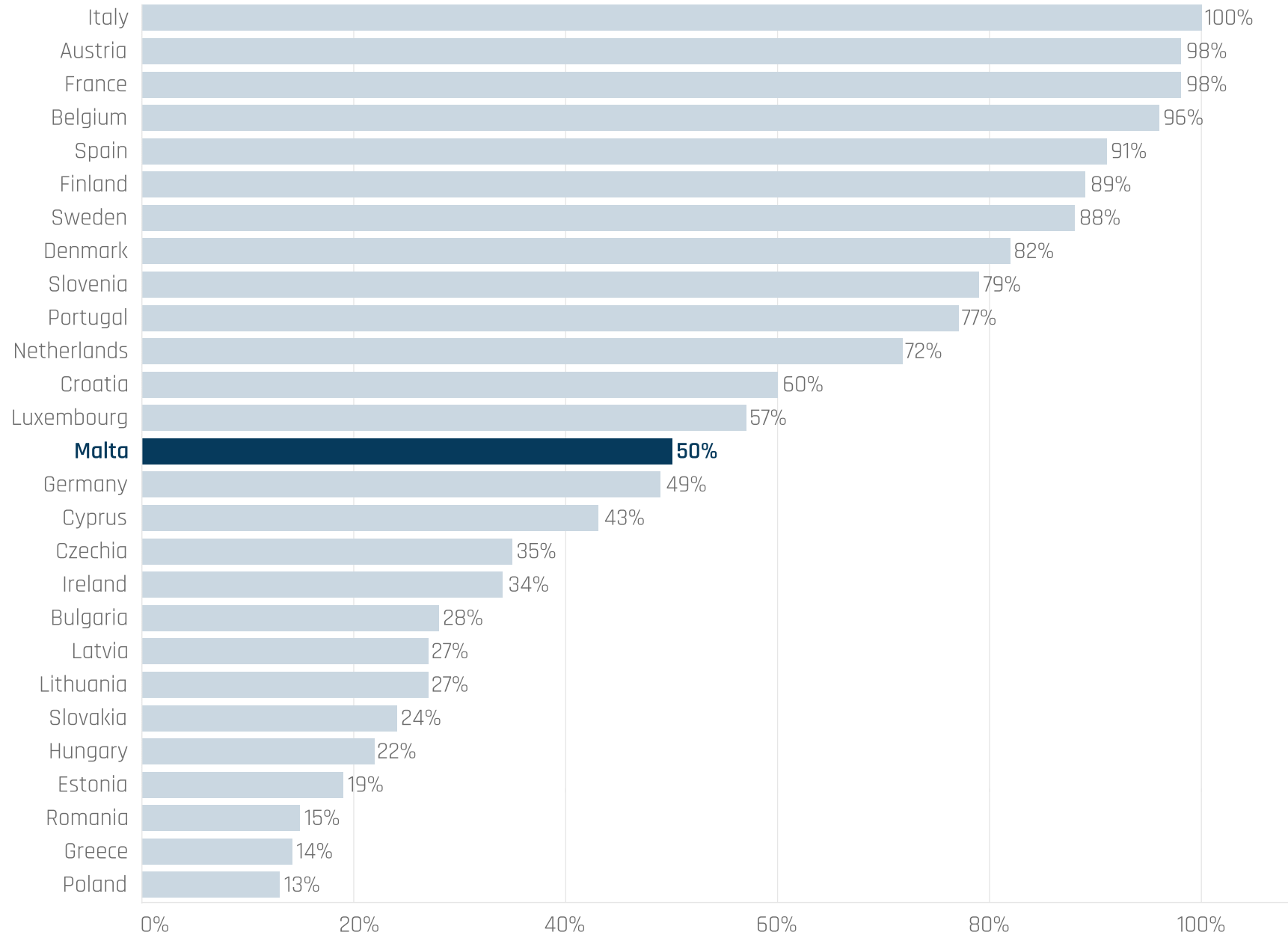
Collective Bargaining Coverage
50.00%

Trade Union Density
42.90%

Extension Mechanism
No Extension Mechanism

Valididy of Collective Agreements after expirations?
Yes

Collective Bargaining Coverage per Country (%)





Collective Bargaining system in Malta

Most of the fall was attributed to shifts in employment, including a loss of manufacturing jobs, whereas new jobs were created in the service sector. Within the private sector, trade unions have traditionally been strongest in manufacturing (45 per cent coverage in 1995, 37.5 per cent in 2008) and weaker in the service sector (22.7 per cent coverage in 1995 and 22.3 per cent in 2008). Overall, collective bargaining coverage has been estimated at 57 per cent in 2002 and 50 per cent in 2016. In view of the Adequate Minimum Wage directive, which requires that countries develop an action plan on how to boost collective bargaining coverage if it falls below 80 per cent, Malta would need to formally determine the level of collective bargaining coverage. This was reflected in Maltese law with the introduction of Legal Notice 332 of 2024, Minimum Wage and Collective Bargaining Regulations 2024, which transposed parts of the directive and states that ‘the Director (of the DIER) shall take the appropriate measures to ensure that the necessary data to determine the rate of collective bargaining coverage shall be gathered at all times’. Prior to transposition of the Directive, an exercise was indeed carried out by the DIER in 2023 to determine the coverage of collective bargaining. However, the results of this exercise were never made public.

Using current full-time employment figures published by the NSO,^[1] assuming that all public sector employees are covered by a collective agreement, and that the proportion of collective bargaining coverage in the secondary and tertiary sectors cited by Baldacchino and Gatt (2009) continues to apply, one can estimate the current percentage of workers covered by a collective agreement. This is probably an overestimate as trends suggest that the percentage coverage in some sectors decreases over time. Additionally, part-time employees, who are typically less likely to work in unionised settings, were not included in this calculation. Based on current assumptions, however, the percentage of workers covered by a collective agreement in 2024 is likely to have fallen to 37.7 per cent.

Figures produced by the Registrar of Trade Unions reveal that the number of trade union members is increasing annually. For example, while trade union membership stood at 91,576 in 2012/2013, it had grown to 109,259 by 2022/2023. While this is positive, employment has increased at a faster rate. Whereas total employment was recorded at 178,241 in 2013, it had grown to 305,218 by 2023. Indeed, trade union density does not appear to have kept up with increasing employment, much of which is fuelled by the private sector and immigration.

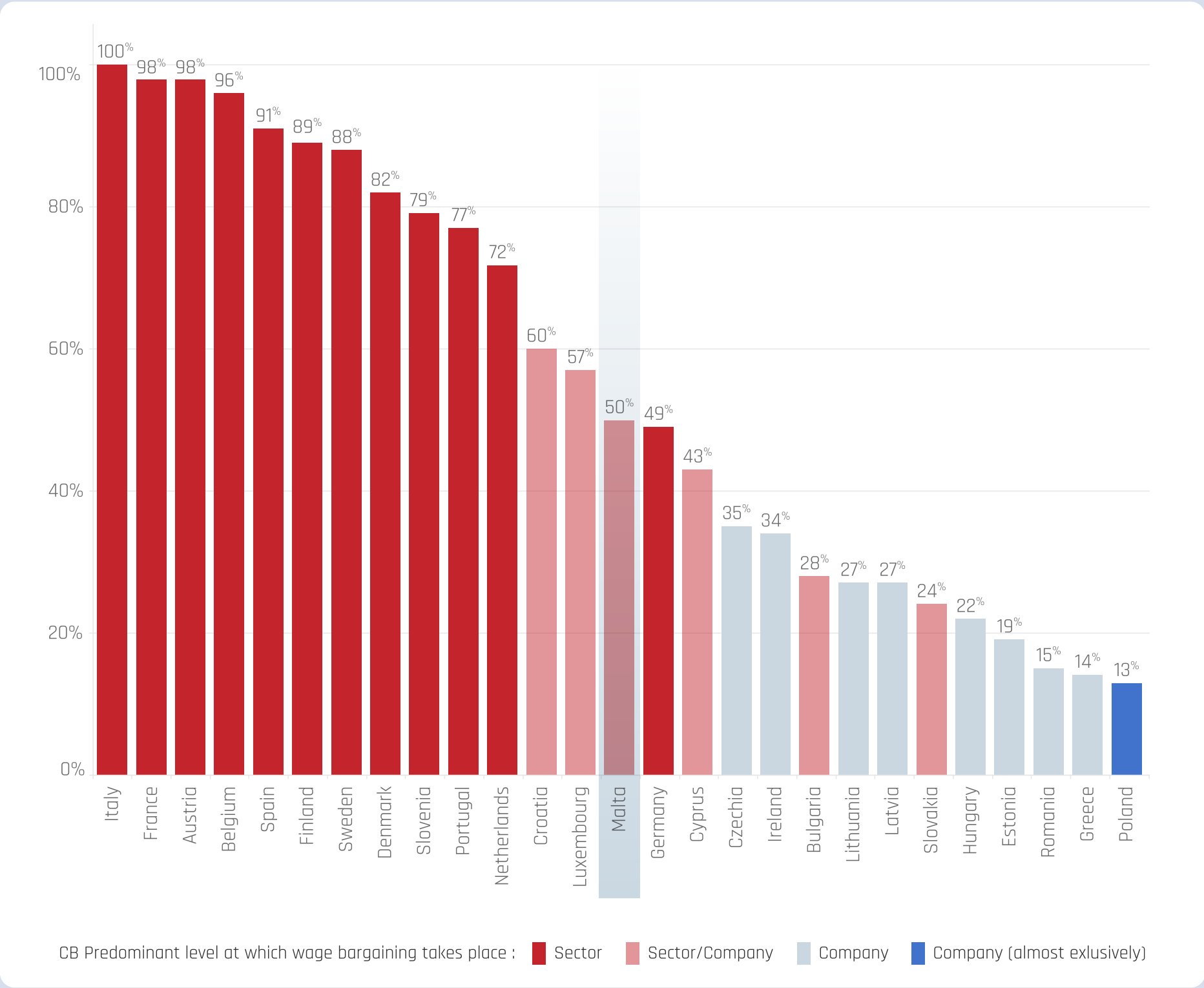
Trade union density had reached 60 per cent in 2000, but this fell to 45 per cent in 2019. Taking the current figures into account, trade union density stood at 36 per cent in 2023 (most recent figures).

There are few restrictions in Malta regarding trade union membership. Freedom of association is protected by Article 42 of the Constitution of Malta, as well as by Legal Notice 413 of 2016, Recognition of Trade Union Regulations (S.L. 452.112). Restrictions on the right to join a trade union for members of the armed forces, the police, the department of Civil Defence and prison wardens were removed from Maltese law in 2015. The Employment and Industrial Relations Act does have some restrictions on membership, however, including for holders of an office in the public service that ‘may be required to represent or advise the Government in industrial relations with the union or unions representing its employees’, as well as for a limited number of employees in managerial or executive positions who are to ‘represent or advise corporate employers in its relation with the union or unions representing its other employees’. A recent study found that some people were not trade union members because their workplace lacked a collective agreement.

This underscores how Malta’s system of enterprise-level bargaining in the private sector, which relies on trade unions securing more than half of the workforce (or a distinct sector) as members, can, in turn, limit both union membership and collective agreement coverage.

In view of falling trade union density and possibly empowered by the Adequate Minimum Wage Directive, trade unions have been pushing for mandatory trade union membership.

CB Predominant level at which wage bargaining takes place per Country



Collective Bargaining system in Malta

The proposal is not novel and pre-dates the announcement of the Directive. Trade unions see this as a solution to the perennial free-rider problem. The government expressed [some support for the proposal in 2018](#). As the deadline for the establishment of an action plan to boost collective bargaining draws nearer, however, public discussions on mandatory membership have intensified. The proposal appears to have garnered concrete government support. Malta’s [Junior Minister for Social Dialogue](#) announced in 2024 that the government plans to implement some form of mandatory union membership ‘well before’ the end of its term in office. The minister stated that discussions with social partners were making progress and that the government was considering one of four models: ‘a system in which every employee is a union member; mandatory union membership only for low-wage earners; obliging third-country nationals to be in a trade union; [and] a sectoral system where mandatory membership applies to just some industries.’ Since then, however, employer associations have vocally opposed the measure, stating that they have never discussed it and will never discuss a measure that enforces mandatory membership.

Indeed, in a [joint statement](#), employer organisations stated that ‘the narrative that mandatory union membership is necessary to meet the targets set by the minimum wage directive is manifestly false, as the directive addresses coverage of collective bargaining and not union membership’.

The employers’ associations have also spoken against the introduction of any form of penalty that would exclude employers who do not have collective agreements [from tendering for public contracts or EU funds](#). Rather, the employers have spoken in favour of measures that support the capacity building of trade unions and employer organisations. The topic of sectoral collective bargaining has not garnered any public discussion, as it seems that neither the trade unions nor the employer associations view it favourably. It should be noted, however, that discussions on this topic take place within the tripartite Employment Relations Board (ERB), and discussions are not public. [A recent study of trade union members and non-members](#) found that people in Malta would like trade unions to be more proactive, purge links with political parties, encourage capacity building, including in relation to communication and promotion, and demand that unions’ internal democracy be enhanced.

[1] Full-time employment figures were used rather than entire employment as a breakdown of public versus private employment was available for the former but not the latter.



Transposition of the European Directive on Adequate Minimum Wages in the EU

The introduction of [Legal Notice 332 of 2024, Minimum Wage and Collective Bargaining Regulations 2024](#), which transposed parts of the Directive into law on 6 December 2024, is aimed at promoting collective bargaining. Among its related sections, it includes clauses to the effect that social partner capacity building will be promoted to enable them to engage in collective bargaining, particularly at sectoral or cross-industry level. Measures to protect the exercise of the right to collective bargaining, including protection of workers and trade union representatives from discrimination, also feature, among other things. In line with the Directive, the threshold of 80 per cent collective bargaining coverage features, as does the establishment of an action plan when the bargaining rate is below this level.

The regulation also states that recognised trade unions are entitled to request negotiations with an employer with the purpose of entering into a collective agreement. Following a request for negotiations in writing, the employer has 30 days to accept it.

The publication of the Legal Notice did not result in public dialogue on the topic. The transposition was discussed between the social partners within the ERB in private. The Directive appears to have had quite an impact, however, even if this was not always acknowledged. As discussed, a Low Wage Commission was set up and the minimum wage was revised. The Directive was acknowledged within the national agreement that emerged from this Commission. The government also conducted an exercise to determine the level of collective bargaining coverage in the country. Finally, discussions on boosting trade union membership (rather than collective bargaining coverage) have featured prominently. It is probable that the Directive has been a driving force in this.



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WAGE-UP is the ETUC Monitoring Tool presenting information on Minimum Wage setting procedures and Collective Bargaining systems in all EU countries, as well as the progress in EU countries toward the transposition and the implementation of all the provisions of the Directive on adequate minimum wages in the EU (2022/2041).

www.wage-up.etuc.org/



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