

Countries: Malta and Cyprus

Commission: Artificial Intelligence

Subject: “How can we frame the development and use (of artificial intelligence) in the European Union, in order to maximize economic and social benefits while guaranteeing the respect for fundamental rights, the safety of all citizens and full transparency of these new Artificial Intelligence systems?”

Malta and Cyprus, as two of the smallest economies in the European Union, recognize the transformative impact of Artificial Intelligence (AI) on economic growth, digital governance, and innovation. Both nations emphasize the necessity of a regulatory framework that ensures AI development aligns with European values, prioritizing transparency, ethical responsibility, and data protection.

Malta has positioned itself as the "Ultimate AI Launchpad", striving to become a global hub for AI innovation. The Malta Digital Innovation Authority (MDIA) oversees AI governance, ensuring compliance with EU standards and ethical AI deployment. The country has introduced the world's first national AI certification framework, reinforcing its commitment to responsible AI use. Malta has also established a Regulatory Sandbox and Data Sandbox to enable controlled testing of AI technologies, promoting experimentation while ensuring adherence to GDPR regulations.

Cyprus, through the Department of Electronic Communications (DEC) under the Ministry of Transport, Communications, and Works, has developed a National AI Strategy aligned with the EU Coordinated Plan on AI. This strategy emphasizes the development of a secure data governance framework, ensuring AI systems operate within ethical and legal boundaries. Cyprus has also created a National AI Ethics Committee to oversee the responsible deployment of AI and mitigate risks associated with bias and automated decision-making.

Both Malta and Cyprus are actively integrating AI into their public sectors. Malta has focused on traffic management, healthcare, education, tourism, and customer service, with AI-driven projects such as predictive analytics for patient healthcare, intelligent traffic systems, and smart governance platforms. Cyprus, on the other hand, has prioritized e-governance, urban planning, and smart infrastructure, implementing AI solutions in public services automation, maritime logistics, and predictive analytics for city management.

Investment in AI remains a critical component of both national strategies. Malta has established incentives for AI-driven start-ups and digital entrepreneurship, particularly in financial technology (FinTech) and regulatory technology (RegTech). Cyprus has taken steps to foster public-private partnerships and establish an AI Center of Excellence to support AI research and innovation. Both nations advocate for greater EU investment in AI R&D, recognizing that their domestic AI industries rely on international collaboration and funding.

Workforce adaptation and AI literacy are central to Malta and Cyprus' policy discussions. Malta has committed to equipping all students in higher education with AI knowledge, integrating AI into vocational training, and fostering lifelong learning initiatives. Cyprus has similarly emphasized digital literacy programs and AI-driven workforce reskilling to ensure that AI adoption does not lead to economic displacement.

As members of the EU, Malta and Cyprus reaffirm their commitment to collective action in shaping a responsible AI future. Both nations actively engage in EU policy discussions on AI, ensuring that smaller Member States contribute to the broader digital transformation agenda. Their strategic engagement underscores their europhile stance, advocating for a unified European approach to AI that fosters innovation while maintaining ethical and legal safeguards.