

PRESS RELEASE

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Lasting Economic Success Discussed at Malta Chamber AGM

“The country’s present buoyant economy is threatened by two critical factors”. Addressing the Malta Chamber’s Annual General Meeting yesterday, President Frank V Farrugia explained that these factors were represented by labour market challenges as well as preventing and overcoming the constant occurrences of incidents that tarnish Malta’s reputation.

International credit rating agencies and official statistics continue to confirm the healthy economic situation of our country at broad level and across most business sectors. Likewise, members give the Chamber generally positive feedback about their economic prospects. Nevertheless, the country must ensure that it does not take success for granted. The international situation is ever volatile and the country must remain nimble and efficient to respond to internal and/external shocks.

Meanwhile, ever increasing competitive pressures at a global level are constantly squeezing profit margins to the extent that Malta-based export companies are forced to increase output and turnover to maintain a constant bottom-line. Nevertheless, expanding output necessitates an increase in resources - primarily human. The scarcity of skilled human resources across the whole spectrum of employment categories is currently the principal challenge facing business.

Labour Market Challenges

To this end, the Chamber has been proposing a number of urgent interventions in the labour market, including an implementation of a night-shift measure which already operates successfully in Belgium. This scheme reduces the cost of night and shift labour through a national insurance discount mechanism for companies in all industries. The Chamber is also proposing the setting up of other fast-track processing schemes for Visa and work permit procedures for skilled Third Country Nationals on the lines of the Key Employee Initiative. At the same time, it recommended the launch of a coordinated campaign targeted at foreigners promoting Malta as an attractive location for employment and family life. The Chamber further proposed a manpower survey in the public sector to identify possible areas of over-manning. This would be linked to a temporary scheme providing generous fiscal incentives to workers in the public service to shift to the private sector. Above all, the Chamber called for the freezing of any further measures that negatively impact the labour market by reducing effective working time for workers like additional days of leave for Public Holidays and extending parental leave.

Reputational Risks

Malta must also address the constant incidences that intensify reputational risk to continued success in international business – particularly in terms of financial services and yachting.

In the light of the fact that Malta and its structures are firmly under the international spotlight, the Chamber continues to place particular emphasis on the need to avoid any instances which could be interpreted as slip-ups in issues of governance. Similarly, the country must enhance the general sense of discipline in the country and empower the relevant authorities to ensure that no one is to behave as though he/she is above the law. These measures are necessary to safeguard the country's economic future because this relies on Malta's reputation and credibility as a global centre of excellence in a number of lucrative sectors.

The above is an abstract from a speech made by Mr Frank V Farrugia, President of the Malta Chamber of Commerce, Enterprise and Industry at an Annual General Meeting held on 26 March 2018. The full address is available at www.maltachamber.org.mt
