

# PRESS RELEASE

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## Solutions to labour market challenges presented to cabinet

*Current labour market situation could threaten productivity and competitiveness.*

"The Chamber took a pro-active approach to a problem which is affecting the day-to-day operation of thousands of businesses in Malta, which are finding it increasingly difficult to identify and employ the necessary human resources for their growing operations" said Frank V. Farrugia President as he led a delegation to cabinet on Tuesday, to propose solutions to the current labour market challenges.

Additional active labour market policies, further incentivising active ageing, skills audits, reforms to the country's education curricula, facilitation of recruitment of foreign nationals and an international marketing campaign showcasing employment opportunities in Malta were among the solutions proposed by the Malta Chamber.

'The Labour Market in 2018 and Beyond - Demographics and Trends Characterising Malta's Labour Market and Workable Proposals To Alleviate Labour Gap Pressures' was compiled by the Policy Unit within the Malta Chamber, with the aim to propose solutions to country's policy makers on the subject-matter.

Delivering his presentation to cabinet, Nigel Mifsud, Policy Executive, explained how the challenges most relevant to the business community, as a result of the year-on-year growth experienced by the economy, were the present labour market conditions.

"Malta presently has the largest labour force in its history, a significant increase in the domestic supply of productive hours, the largest cohort of foreign workers and the lowest level of unemployment rates. Despite this, Malta's employers face a severe lack of labour supply further aggravated by falling levels of productivity" Mr Mifsud said.

"The report provides policy makers with a blue print of effective policies designed to ensure that the most fundamental resource required for continued and sustainable economic growth is readily available and well-equipped with the many diverse skillsets required by Malta's economy" he explained.

Mr Mifsud noted how the report examines a number of statistics, such as birth rate, retirement rates, education statistics, labour market participation and retirement rates among others. The exercise revealed that around 2,000 – 3,000 job opportunities were remaining untapped each year. "Therefore", Mr Mifsud explained, "while Maltese workers remain the first preference, we have a situation in which the country is unable to depend on its own resources to meet the demands of the economy. This may threaten sustainable growth" Mr Mifsud warned.

The document presented today, proactively provides a policy blueprint with the solutions to these challenges.

The delegation was led by the Chamber President Mr Frank V. Farrugia, who was flanked by Chris Vassallo Cesareo Chairman of the Importers Economic Group, Patrick Cachia Chairman of the Manufacturers Economic Group, Matthew Sullivan Chairman of the Services Economic Group, Kevin J. Borg Director General, Andre Fenech Head of Policy and Nigel Mifsud Policy Executive.

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