



THE MALTA CHAMBER

PRESS RELEASE

19th October 2020

Rich in social measures, vague on economic recovery

The Malta Chamber has been in constant dialogue with Government throughout the pandemic with a view to minimise its effects on the Maltese economy. To this end, in all its positions and proposal papers issued in the past months, the Malta Chamber called for the 2021 Budget to outline one holistic national vision to achieve a Smart Sustainable Island that seeks to safeguard economic growth while enhancing the quality of life of our people.

The Chamber notes that this budget does not address the massive impact that Covid is having on operating costs for businesses, and introduces no new measures to support businesses that are struggling on this front. It reflects Government's optimism that the economy will recover in the short term, an optimism that is not shared by businesses at large. The Chamber hopes that should the Covid crisis deepen or extend beyond the next six months, further support beyond that included in this budget will be forthcoming.

The Malta Chamber recognizes that the economic stakeholders and decisionmakers must take advantage of the disruption that has been brought about in the past months and seek new opportunities within it. The country must emerge out of this fog more resilient and energized today, for a more competitive Malta tomorrow.

In this regard, the Chamber feels that this budget falls short on the detail on how to achieve this. The Chamber shall continue to pursue such calls but meanwhile comments on the following specific measures announced this evening.

The Malta Chamber welcomes measures related to:

- 1) the extension of the wage supplement scheme linked to the loss in turnover of operators;
- 2) the extension of the voucher scheme which the Chamber believes should have been implemented immediately rather than January;
- 3) the extension of existing liquidity measures;
- 4) a holistic plan to attract the digital and innovative economy such as esports, virtual and augmented reality and 3D printing amongst others,
- 5) innovation incentives aimed at companies employing less than 50 persons
- 6) green economy measures



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The Chamber commends Government's resolve in terms of Good Governance measures such as the strengthening of the Attorney General Office and Office of State Attorney. Furthermore, it is noted that the authorities are addressing the recommendations highlighted in the 2019 Moneyval report. The positive results of latter's assessment will be crucial due to our dependence on foreign investors and the country's importance as a financial jurisdiction.

The Malta Chamber reiterates that Good Governance and succeeding the Moneyval test amongst others should be seen as a shared responsibility and the private sector is willing to offer any assistance required by the authorities to restore the Country's long-term reputation.

In advance of this Budget, the Chamber appealed to Government to implement a long-term action plan to incentivize businesses to drive the wealth and wellness of society, with a shift towards resilience, sustainability and improved quality. This needed be done in tandem with good governance practices, to rise above the current predicament and move ahead with confidence, to restore stability and the country's reputation, as soon as possible.

In the coming days the Malta Chamber shall be assessing the implications of the announced measures on the general economic activity and the various respective sectors. Some of these measures are hinted at but not clearly defined at this stage. Therefore, the Chamber shall be seeking clarifications on these measures for further discussions with all stakeholders.

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