



THE MALTA CHAMBER

# PRESS RELEASE

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## **Government and Opposition should join forces and advocate an 'EU Strategic Framework for Islands'**

The Malta Chamber has been actively working on island peripherality economic implications for close to a decade, with facts in hand evidencing how being removed from the 'hub' of activity of the central European market, as a micro island state, is equivalent to extra costs and loss of competitiveness.

The Chamber was reacting to the Opposition's proposal announcing a fund to mitigate added costs impacting our potential to trade internationally, welcoming the recommendation, together with other proposals rendering the Customs Department easier to do business.

"Being the business organisation which best represents manufacturers, importers, distributors, freight forwarders, logistics, ship agents and ports, we welcome the Opposition's fund to alleviate the pressures undergone by these stakeholders in our supply value chain, whose products frequently result more costly just because they originate from an island at the EU periphery. At the same time, we believe that while the Opposition proposal is an effective pain relief, it is not a cure, reason being that the fund compensates for just a fraction of the significant disadvantage being carried by our businesses, reflected into a dire cost for the local economy" remarked Marisa Xuereb, Malta Chamber President.

In a joint statement, the Malta Chamber Chairperson of the Manufacturer's Economic Group, Mr Brian Muscat and Malta Chamber Chairperson of the Importers, Distributors and Retailers Economic Group, Mr Marcel K. Mifsud said that the fund "is an effective first step to bring to the fore a challenge which operators have had to endure for years, which ideally would be complemented with supplementary measures addressing other anti-competitive local costs which have been dragging for years".

The Malta Chamber observes that sourcing funds from the national budget will alleviate pressures on operators in the value chain. It adds that given the larger dimension of compensation required for the current significant disadvantage, a case for Malta as an Island Micro Nation State should be made at EU level.

“At times there are one-size-fits-all policies at EU level which may function imperfectly if such support policies do not allow compensating for various and distinct expressions of EU periphery. We therefore believe that while the Opposition has placed its finger on the right button to address competitiveness, there is much more we should do towards effectively addressing ‘the cure’ of longer travelling times for export, which result into a significant competitive disadvantage for our local industry” – Marisa Xuereb, Malta Chamber President.

The Malta Chamber therefore calls for Government and Opposition to come together to effectively advocate an EU Strategic Framework for Islands.

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