



THE MALTA CHAMBER

# PRESS RELEASE

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## “Announcement of Measure to Further Extend Vacation Leave Entitlement ill-timed and insensitive”

The Malta Chamber calls on Government to postpone implementation of extra day of leave measure or else introduce serious cost-mitigating mechanisms

The Malta Chamber is dismayed by Government’s ill-timed announcement regarding the granting of an additional day of leave during this very sensitive and unprecedented period of the economy for Malta and the rest of the World. This announcement is insensitive to the extraordinary hardship which the country’s productive sector has been placed under due to the Covid pandemic and its devastating effects on demand and the labour market. Beyond the assistance from Government for certain businesses, most employers are making extreme sacrifices to maintain operations and retain their current workforce by seeking re-engineering actions and increased efficiencies with the hope of surviving this economic tsunami.

“Increased operating costs resulting from the implementation of this and similar measures over the years have impacted Malta’s competitiveness and jeopardised its export potential in cost-sensitive sectors” said The Malta Chamber President Perit David Xuereb. “Adding the serious impact that the Covid pandemic has unleashed on most sectors, it continues to paint a bleaker picture. As the country’s economy braces itself to lift itself up from the devastation that this pandemic has brought about to Malta and the World alike, added burdens such as this are the last thing our national competitiveness needs right now” commented Perit Xuereb.

In the past, The Malta Chamber called for this measure to be neutralised by compensating measures to safeguard competitiveness such as a reduction of Employers N.I. contributions, compensation to private companies by means of a refund, or changes in sick leave benefits. The Government should therefore reconsider The Malta Chamber’s past proposals to mitigate the impact of this measure.

Alternatively, Government should seriously consider applying the same “exceptional circumstance” proviso which already exists in the COLA mechanism legislation and postpone this measure until such time when the country is producing acceptable, positive levels of gross domestic product or to when the private sector can at least afford it.

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