

PRESS RELEASE

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Chamber's Latest Study Indicates that Support Measures Announced So Far Were Positive but More Support is Needed to Sustain Business and Employment

The Malta Chamber of Commerce, Enterprise and Industry reached out to its members once again to obtain feedback on the effects of the Covid-19 pandemic on their businesses while gauging the suitability or otherwise of the latest support measures announced by Government on 24th March.

The Chamber conducted the survey exclusively among its members earlier this week with a view to obtaining first-hand information on their needs and opinions in an effort to be in a better position to make the necessary representations in their favour with the authorities.

Compared to a previous survey conducted on 20-23 March, the forecasts for redundancies as extrapolated on a national level appear to have attenuated by almost one half. In fact, the latest forecast now stands at around 23,000 workers as compared to 45,000, two weeks ago.

This outcome would seem to indicate that the measures put in place so far have had a positive impact on businesses, especially those operating in the hospitality sector, restaurants and non-essential retail segments although it also clearly indicates that more support is needed for other segments.

It's also clear that around one quarter of survey respondents were eligible for the maximum amount of support under the Malta Enterprise Covid-19 wage supplement, also known as Annex A, and these reported less redundancies than two weeks ago. The remaining three-quarters of respondents either do not qualify for the wage subsidy scheme or currently fall under the so-called Annex B, which covers up to 160 euros of an employee's monthly salary. It is clear that a number of operators in these last two categories need similar assistance to that covered by Annex A. Otherwise, these companies will have no choice but to let their employees go or risk folding up.

The largest number of redundancies are forecast in the Wholesale and Retail Trade followed by Manufacturing, Education, Construction and Real Estate, Accommodation and Food Service, Transport and Logistics, Professional Services, and Other Services. Clearly some of these sectors are covered by the support available in Annexes A and B but others are not. This is why the Chamber has made fresh proposals for support to be provided to all businesses irrespective of the economic sector they operate in. The Chamber has maintained that any support given should be based on the loss of turnover they are currently experiencing when compared to the corresponding period last year.

There is reason to believe that the reported decline in redundancy expectations may be influenced by an imprudent assumption that business will return back to normality before summer. The Chamber is duty bound to inform its members that this will most likely not be the case and that they should plan appropriately for a long period of economic closure by reaching out for the support available. They should also be innovative in adapting their businesses to ensure relevance during and after the Covid-19 pandemic.

The Chamber will continue to follow-up its research with members in the coming weeks to ensure that its active representations with Government are well aligned with its members' requirements.

Are you a member of The Malta Chamber? There has never been a better time to become a member of Malta's largest and foremost employer organisation. Make sure your business is given a voice when and where it matters. Contact us today on stefan.bajada@maltachamber.org.mt

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