

PRESS RELEASE

7th April 2020

“The most sensitive time yet, the time for the boldest of decisions”

Malta Chamber presents proposal for further economic stimulus to counteract the COVID-19 crisis

In its drive to support businesses counter the effects of the current crisis, The Malta Chamber of Commerce, Enterprise and Industry has once again presented Government with a costed proposal to extend its support to more businesses based on their loss of turn-over rather than a NACE code approach.

In its new proposal, The Malta Chamber argues that assistance at this juncture needs to be provided to all businesses irrespective of the economic sector they operate in, as this should be based on the loss of turnover they are currently experiencing when compared to the corresponding period last year.

Eligibility to Government’s assistance would hence be calculated according to the percentage loss of turn-over experienced by the business. Companies that lose more than half of their turnover are to be supported by wage subsidies equivalent to €800 per month per employee and companies that over a quarter are to be afforded a €400 benefit per month per employee.

At the same time, to ensure a judicious distribution of public funds, the Chamber recommended the possibility of eventual verifications by Government through the VAT returns of beneficiary companies with the possibility of reclaiming funds in the eventuality of ineligible cases.

“At this extraordinary time, The Malta Chamber has been on the front-line to help businesses as well as Government to mitigate the effects of the COVID-19 crisis” said David Xuereb, President of The Malta Chamber. “The assistance provided so far has helped to mend the gushing wounds of the economy, and has already gone a long way, however the country’s economic prospects are far from healthy. Companies and households alike cannot be allowed to run out of money, so it is deemed absolutely essential for Government to ensure that workers’ incomes are sustained and aggregate demand maintained, while minimising costs for collapsing businesses. In order to do so, Government must not be averse to increasing its debt and disregard any previous commendable targets for debt/GDP ratios. The urgent priority at this point of utter emergency is to ensure that the economy survives to see the future. The future will then deal with the debt incurred today for the purposes of ensuring a tomorrow.”

The Chamber’s fresh proposals are covered by detailed costings that refer to the possible needs of a wide cross-section of sectors taken individually which are being affected by contagion from hard-hit sectors to rest of the economy.

The study provided by the Chamber takes a scenario-setting approach and calculates that the measure will cost Government and additional €48.3million per month on top of the measures which Government already put in place.

The Executive Summary of the proposal presented to Government is in attachment.

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