

PRESS RELEASE

30th January 2019

Damage control in Brussels mitigates Directive's impact

The Malta Chamber reiterates that Government must put all the safeguards needed in place, to mitigate the full impact of the Work-Life Balance Directive once it is transposed into local legislation.

The Chamber, through the Malta Business Bureau (MBB), was a key active player during the consultation process locally and more importantly at a European level. Through the MBB, which the Chamber co-partners with the MHRA, it prepared an extensive dossier with the aim of mitigating the potential impacts of the proposal on European businesses, especially SMEs. This document was submitted to the European institutions and followed upon extensively.

It was in part thanks to the active lobbying and advocacy work of the MBB in the past 18 months, that the full impact was mitigated. This was done through several fora including Business Europe, Eurochambres and directly with the dossier's European Parliament rapporteur MEP David Casa. The MBB office in Brussels liaised with national Chambers of Austria and Luxembourg with a view to find common ground on how to oppose the one-size-fits-all scenario, which would have been detrimental to employers in small countries.

In fact, the provisional agreement reached last week will allow an element of flexibility on how Member States decide to introduce the new measures in their respective countries. The Chamber strongly believes in the principle of subsidiarity and welcomes the fact that the one size fits all scenario for all European Union member states was avoided. Only national Governments can fully understand the peculiarities of their business environment and the Chamber welcomes this development. The Chamber strongly urges the Maltese Government to allow for an extensive discussion on how the directive's measures would be best implemented in the local scenario not least on how parental leave will be compensated which will be decided by each member state.

It is not out of lack of social conscience, that the Chamber is talking of safeguards. In fact, it is fully in favour on the introduction of family friendly measures. Nevertheless, in an economic reality where labour costs are fast increasing beyond productivity levels both in terms of wages and non-wage costs, further labour related impositions would continue to jeopardise the competitiveness and sustainability of businesses in a price-sensitive market.

The Malta Chamber welcomes the Government's announcement that the matter will be discussed within the Employment Relations Board. It is augured that the Maltese Government takes into consideration the needs and realities of our economy, mostly made up of small and micro enterprises and those operating in price sensitive industries. These are the companies which can least handle and absorb such additional burdens.

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