

PRESS RELEASE

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Labour cost figures must include all factors contributing to non-wage expenses

The Malta Chamber wishes to clarify that figures quoted recently, as non-wage expenses for employers in Malta are misleading.

When calculating non-wage costs for employers in Malta, it is imperative to also include mandatory statutory bonuses paid by the employers and the contributions to the maternity leave trust fund alongside national insurance and other costs that do not render productivity.

These contributions paid on the average private sector salary (according to the NSO Labour Force survey), result in a 12.5% non-wage cost.

Moreover, Malta's employers also have to manage with the least productive hours in Europe, as Malta has the highest number of paid vacation days among all European Union countries. Malta has 39 paid vacation days when counting both vacation leave and public holidays, whereas the average across the European Union is 32.5 days.

Workers in Malta, in fact enjoy 6.5 more paid vacation days than their average European counterparts.

In this light, the Malta Chamber states that the real non-wage labour cost for employers in Malta is far higher than the figures quoted recently.

While holding in the highest regard values of social responsibility, the Chamber notes that Maltese employers, unlike their European main-land colleagues have to contend with added costs of operating from an island, ie shipping in raw-materials and shipping-out their finished products as well as the third highest energy rates in Europe besides additional costs imposed by other market frictions that are unique to Malta.

The Malta Chamber notes that no one owes Malta a living and investment will always be attracted towards the most favourable conditions possible.

It is not for lack of social conscience that the Malta Chamber is compelled to make its arguments, but its conviction that only through competitiveness, can the country ensure the economic sustainability of jobs.

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