

PRESS RELEASE

20th October 2016

Chamber far from happy with energy rates

With reference to reports in the media, the Malta Chamber of Commerce, Enterprise and Industry wishes to clarify its position on the issue of energy rates.

As it has gone on record immediately after the Budget speech, the Malta Chamber is far from happy with the current situation.

For completeness' sake, the statement by the Malta Chamber on energy in its entirety follows:

"The Malta Chamber is disappointed to note that that there were no measures to address the further lowering of energy tariffs for business, which was the Chamber's prime recommendation prior to this year's Budget. It is feared that this fact may support further erosion in Malta's competitive position in cost-sensitive sectors relative to other regions and states.

According to official statistics for Industrial Energy Rates for the second half of 2015 - as reproduced by Eurostat last August - electricity prices for industrial consumers including all taxes and levies in the EU28 averaged marginally lower than those available for Maltese industrial consumers. Moreover, Malta's average industrial rate as quoted by Eurostat is 36 per cent higher than the average rate available in countries competing for foreign direct investment, namely Bulgaria, Czech Republic, Estonia, Croatia, Lithuania, Hungary, Poland, Romania and Slovenia. In addition, it is worth noting that Malta is the only EU Member State where commercial rates are higher than domestic. This difference stands at 12 percent. On average, commercial rates in the EU28 are 43 per cent cheaper than domestic rates. It is clear that the current structure of energy rates in Malta runs counter to the principle that wealth is first to be created before distributed and does not bode well for continued economic expansion and wealth creation in the country."

END