

SPEECH

24th March 2015

Address by President Mr David G. Curmi, on the occasion of the 167th Annual General Meeting of the Malta Chamber of Commerce, Enterprise and Industry

Past Presidents, Fellow Members,

Introduction

It is indeed my pleasure and honour to address you on the occasion of this 167th Annual General Meeting of our Chamber.

Upon taking over the Presidency, in March 2013, I declared my intention to consolidate the Chamber's position as the leading and foremost private sector representative.

Right at the outset of proceedings today and in all humility, I think you will agree with me that, with the support and contribution of all Council and Board of Management members, we have accomplished our mission.

Milestones Achieved

Since last year's Annual General Meeting we have reached some important milestones including the:

- Publication of our Industrial Policy
- Launching of our Economic Vision and reaching nationwide consensus
- Finalisation of negotiations and inauguration of Trade Malta
- Rolling out of new projects such as the launching of new Business Councils and the strengthening of other internal structures.

All throughout, we sought to keep an open and regular dialogue with our political leaders and fellow constituted bodies. Our views and positions were, in fact, actively sought after by Government. Throughout the past twelve months our Board Members and staff received regular invitations to discuss a multitude of business and economic related matters.

Our increased influence on the country's policy makers was made possible by further developing working relations with the authorities who appreciated our focused, objective and evidence-based approach. This served us well in fulfilling our declared mission as a Chamber to safeguard and protect the interests of our members as well as of our country.

Position of Trust and Leading Private Sector Body

Our professional approach helped us consolidate a relationship based on trust between our Chamber and the Authorities. This manifested itself in many ways throughout the past 12 months.

First of all, our political leaders kindly accepted to address our members on several occasions over the course of this year.

We hosted the President of the Republic for Dinner last January to reciprocate Her Excellency's invitation to San Anton Palace in July.

The Prime Minister accepted three invitations to address our members - in February and October for Dialogue Sessions taking candid questions from participants – and again in November when we organised a "Debate" between Dr Muscat and the Leader of the Opposition, Dr Busuttil on the subject of the Economic Vision Document. As it turned out, we did not have much of a debate on the day (to the disappointment of those amongst us who savour confrontation!). Both Party leaders, in fact, ended up competing on bestowing praise on our Chamber for our proactive endeavors as well as for the content presented in our economic blueprint for the coming six years.

Achieving this level of consensus for our proposed economic blueprint was indeed a milestone achievement to complement all the positive reviews for the document printed in the media. One particular moment of pride came with the leader of the Business Observer (25th September) which described our Economic Vision as "by far one of the most important reports to be published in recent times and ought to serve as a blueprint for development".

Trade Malta

Above all, the Authorities' ultimate sign of confidence in the Chamber was evidenced by the establishment of Trade Malta – a joint venture between our Chamber and Government through Projects Malta Ltd which was rolled out to the public on 13 March by the Prime Minister at Auberge de Castille.

As most of you are probably already aware, our decision to enter into this joint venture was taken by an Extraordinary General Meeting held last November when we explained that Trade Malta was conceived from a proposal drafted by ourselves and submitted to Government with whom we subsequently negotiated. We are currently at the final stages of recruiting a CEO for the company and agreeing terms with the remaining five employees who have already been identified and will come from Malta Enterprise and our Chamber.

We look forward to commencement of operations at Trade Malta in May but meanwhile we will waste no time in organising a trade mission to Algeria for seasoned exporters to North Africa. We are encouraged by a high level of interest from our members for this mission.

As you are also aware, Trade Malta will carry out services related to external trade promotion as we ourselves suggested in our Economic Vision - Recommendation 32. In the document we explicitly said that "Government should partner with the Malta Chamber through the appropriate authorities and assume a far more focused approach directed at increasing successful export markets by local business enterprises."

As I already said at Castille, with the launch of Trade Malta we can therefore effectively tick the first of 52 boxes relating to as many recommendations in our Economic Vision.

Through Trade Malta in fact, our Chamber is more than confident that the services available to businesses in the field of Internationalisation Support will experience a quantum leap.

We are committed to ensuring that Trade Malta will serve as a worthy example of a successful Public Private Partnership in our country for other partnerships to follow.

International Influence

Whilst on the subject of Internationalisation, our Chamber has also sought to exercise its influence abroad and on subjects that are more topical on the global scale than they are locally.

In October, a 10-strong delegation headed by Mr Anton Borg travelled to Brussels where it held high level meetings at the European Economic and Social Committee (EESC) as well as at the European Parliament. In the latter case, our Chamber participated in the European Parliament for Enterprises event, organised bi-annually by Eurochambres where, before 700 European entrepreneurs and a sizable number of European authorities, we made our case for neutralising natural geographical constraints of economic operators in small, peripheral states.

Moreover, earlier this very month we hosted the first public conference in Malta about TTIP – the Transatlantic Trade and Investment Partnership with a distinguished line up of local and international speakers that included the President of Group 1 within EESC, members of the United States’ and European negotiating teams as well as BusinessEurope’s International Relations Director. We organised this conference in conjunction with the EESC’s Employer’s Group – where we are represented by Stefano Mallia. We hope to follow up the event with another conference on Industrial Policy here at the Chamber and another event in Brussels on the competitiveness issues of small, peripheral EU member states, a matter I have just referred to.

Championing National Competitiveness

Throughout my tenure, our Chamber made active and repeated representations aimed at ensuring the right conditions in the country for business to prosper and grow. Likewise, we constantly championed the country’s quest for the continued enhancement of productivity and competitiveness whilst constantly seeking to place the matter at the top of the national agenda because we believe this to be the central theme for developing our long term economic future. Our Chamber has often sought to alert local authorities to internally-generated hindrances to competitiveness, to which the solution lies within the country’s own competence.

Bottlenecks to Growth

We consistently insisted for the decision-making process on economic policy to follow an evidence-based and holistic approach. Under no circumstances must decisions be taken if these, in any way create bottlenecks to growth for business. On the other hand, long overdue decisions on improving our business environment must be taken without further delay. These include addressing our “Ease of Doing Business” rankings; reviewing the COLA formula to reflect productivity growth besides inflation; ensuring comparable utility tariffs to other competing locations; and reviewing our employment and industrial relations laws to bring them in line with the realities of today’s labour market.

Labour Laws

In this respect, our Chamber sought to strengthen its input at the social dialogue level on the subject of labour reforms in general. This need came in anticipation of discussion on possible amendments to the Employment and Industrial Relations Act (EIRA) as well as to elaborate further on our strong recommendation made in our Economic Vision document requiring more flexibility in our labour market as a matter of priority.

For the purpose of formulating our policy, we have teamed up with a legal expert and organised workshops with the participation of over 30 HR managers from diverse economic

sectors including manufacturing, tourism, trading, financial services, remote gaming, and telecoms. Our position which was finalised and approved at the last Council meeting includes additional proposals on industrial action; redundancy procedures, payment of work of equal value, transfer of undertaking, overtime, allowable deductions from wages under strict conditions, sick-leave, secondments, fixed-term contracts and several others. In a country where competitiveness must be driven by our human resources, we regard efficient labour laws as a key ingredient in achieving a flexible labour market which in turn is a key fundamental in ensuring a favourable business environment for business and investment.

Regional Aid Intensities

Meanwhile, the country must unite to address other issues – like Regional Aid Intensities, where the solutions lie beyond our control. Even in such cases, our Chamber did not shy away from making effective representations with the European Authorities in support of Malta's cause. We have researched this subject extensively and, after pressing the matter at MCESD and Malta Enterprise, we are pleased to report that we have found agreement to pursue the issue as a matter of national economic priority.

As I explained, competitiveness was, of course, the central theme in our policy formulation this year as well as our public representations in the media, social dialogue and other high-profile events we were invited to address such as The Economist and the EY Attractiveness conferences.

Abuse in Free Movement of Goods

The competitiveness position of our importing and manufacturing sectors also necessitated our active intervention in insisting on the immediate removal of enforcement discrepancies which result in an unfair level playing field between companies that operate under full legal compliance and others that do not. To this end, we made forceful representations within a number of public and private fora, including the Parliamentary Committee for Economic and

Financial Affairs before which we appeared last May to raise awareness about the fact that the systems currently in place are leading to tax leakages caused by certain importers, as well as evasion of other obligations to the detriment of (a) those who honour their obligations fully; (b) the Government; (c) and the consumer. Futile attempts to intimidate us via the filing of a judicial protest did not hinder us from making continued recommendations in favour of strengthening law enforcement structures in order to, once and for all, safeguard and ensure fair trade within the parameters of the European Single Market of which we form an intrinsic part. The Chamber made its deliberations within the desired framework of a competitive and liberalised environment which is to be fairly and equitably regulated.

Moreover, I am pleased to report on the numerous messages of support for this cause received from members as well as, in certain instances, from their international principals. I am also pleased to report the commitment on the part of Government towards introducing new market surveillance rules which reflect the fact that importation from anywhere within the EU must be treated in the same way and in full adherence to European regulations.

Malta Chamber Foundation and European Projects

In the past year, the remit of the Malta Chamber Foundation which was set up in 2012, was re-dimensioned to focus on identifying relevant EU funding opportunities in-line with the requirements of Malta Chamber members. The Foundation, therefore, experienced a period of transition this year mainly due to the changeover between EU funding periods which resulted in limited opportunities for EU funding project.

The Chamber wasted no time in waiting for new EU funded opportunities to exploit for the Foundation. In fact, our secretariat was successful in securing other project bids for the Chamber. In fact, besides Trade Malta which I already mentioned, this year we were also successful in a milestone bid to jointly operate the Enterprise Europe Network (EEN) for the 2015-2020 period together with Malta Enterprise, Malta Business Bureau and Malta Council for Science and Technology. The services covered by the project will include advisory support to SMEs, Internationalisation, Research and Innovation services and the facilitation of direct consultation with the EU Commission and other institutions. Besides, the Chamber was successful in its bid to conduct Joint Harmonised EU Programme of Business and Consumer Surveys on behalf of the European Commission for a further seven-year period starting next May.

Communications Strategy

Over the course of the past twelve months, our Board of Management agreed to upgrade its External Communications function with the employment of a Manager. This decision was taken in view of the strong messages which the Chamber has to communicate. To this end, a Communications Strategy was recently drawn up and approved – as a result of which the Chamber will consolidate on all its strengths – including our magnificent building – in order to enable us continue raising our profile with all interested parties including the general public.

This initiative has resulted in a notable increased presence and exposure for our Chamber in all media. We have also embarked on a wider use of the social media for the Chamber including regular updates on LinkedIn and Facebook – I sometimes wonder what my first predecessor Sir Agostino would make of that ! More initiatives are expected later on this year as the Chamber has also consolidated its partnership with its Media Partner – Content House.

Conclusion

In conclusion, besides a Facebook page for the Chamber I have made it a point to break tradition even further today by keeping my address brief and to the point. I invite you, however, to read about our efforts over the past year in the comprehensive Annual Administrative Report which all of you have received over the past days.

As I stated at the outset, our endeavours led to the consolidation of our role as prime interlocutors of business, raising our profile considerably in the process. This important role follows from our responsibility and mission as a Chamber to safeguard and protect the interests of our members; and to safeguard the economic interests of our country.

It was by no co-incidence, therefore, that the Times of Malta opined on 29 July 2014 that our Chamber has become “an even more focused and effective organization than it has ever been before”.

Before I conclude I would like to make one appeal. Our Chamber makes a very significant contribution to the economic prosperity of our Nation. The vast majority of the time we do what we do exceptionally well. We are always the first to react and contribute to current issues and we also lead the debate about future issues. I would therefore wish to appeal to more members to get engaged and actively involved with the Chamber because there are still plenty of issues we need to collectively address and resolve for which we will require the skills and experience of a wider cross section of our members.

Our achievements during the past eventful year would not have materialized were it not for the dynamic participation and selfless dedication of the Chamber staff, the Board of

Management, our Council, committees and sectors for their ongoing efforts towards ensuring a prosperous economy for Malta and a favourable business environment for our members. In particular I would like to express my sincere gratitude to the Director General Kevin Borg and to his excellent team as well as to my colleagues on the Board of Management and on Council.

Before closing please allow me to say that it was indeed my great pleasure to lead this glorious organisation for the past two years. As a result of this most enriching experience, the Malta Chamber will always have a special place in my heart and I wish you a great future.

I wish the best of luck to my successor, the incoming Council and Board of Management.

Thank You