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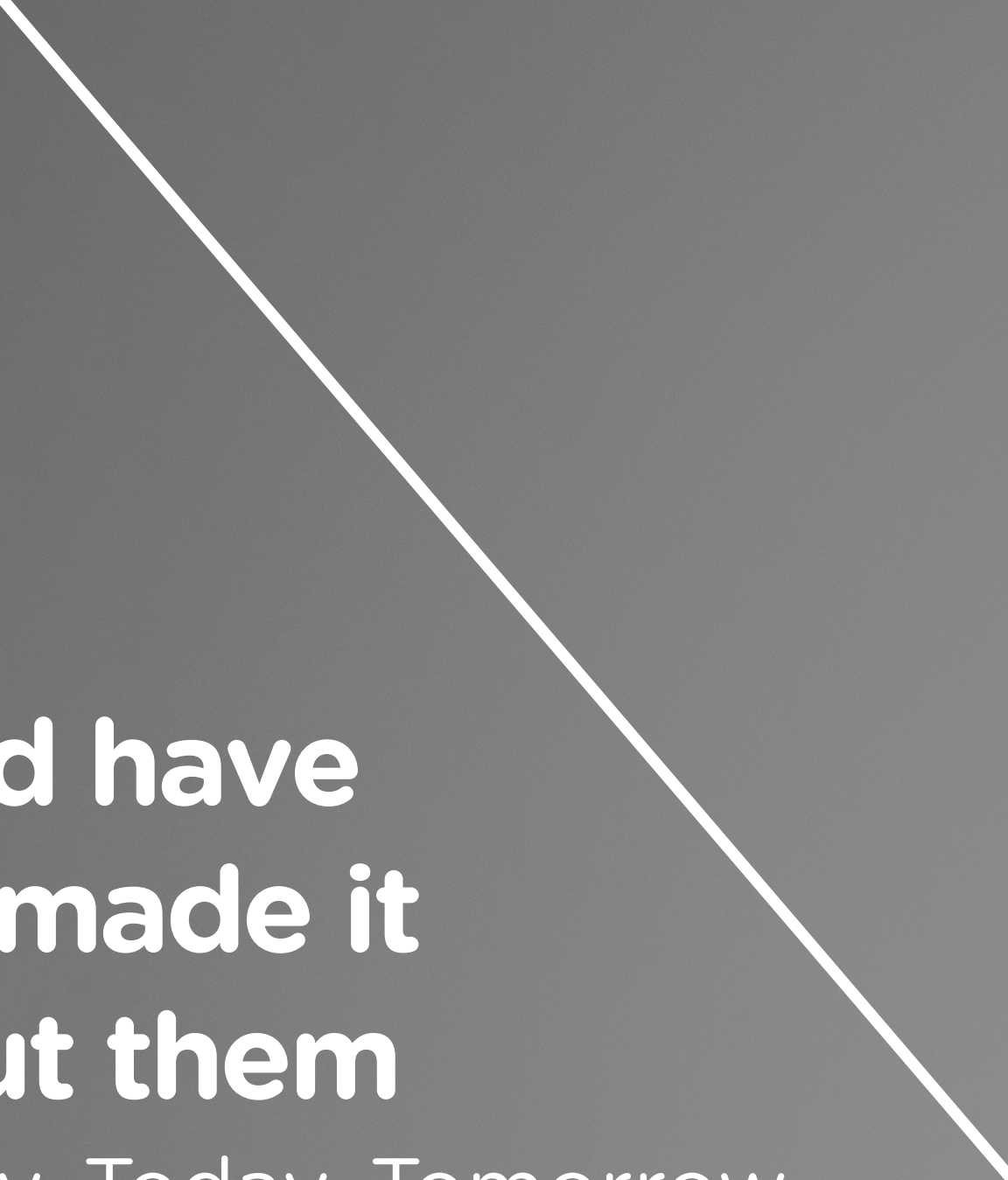
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**THE MALTA CHAMBER**

**Published by**  
The Malta Chamber of Commerce,  
Enterprise and Industry  
64, The Exchange Buildings  
Republic Street Valletta,  
VLT, 1117 – Malta  
T: +356 2123 3873  
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# 2023: Business Unusual

MARISA XUEREB, PRESIDENT OF THE MALTA CHAMBER & DR MARTHESE PORTELLI, CEO

The major bottleneck of the Maltese economy remains the lack of availability of skilled human resources, which is expected to remain in short supply in 2023. The wages of skilled workers will hence continue rising faster than those of the unskilled. The need to upskill and reskill our human resources becomes more pressing every day.

The European energy market is highly fragmented and political consensus on effective ways of curbing energy inflation seems illusive. European governments will have no option but to try to extend support to households and small businesses to contain social unrest, but most energy intensive businesses in Europe will permanently reduce capacity or shut down. The risk of an irreversible process of deindustrialisation of Europe becomes more real as long-term energy supply contracts begin to run out, and large companies will start facing the full financial impact of high energy bills. Against this backdrop, talk of strategic autonomy in Europe rings hollow.

Since most European economies are at full employment, inflation remains a more pressing priority for policy makers. The ECB will continue to increase interest rates in attempt to curb inflation until a contraction in demand has some impact on prices, but inflation is expected to remain significantly above target throughout 2023 to carrying degrees across Europe.

Malta is among the best performers in terms of maintaining inflation well within the single digit range, largely due to the full subsidisation of energy costs to maintain pre-war prices. Local interest rates have so far remained stable as well, but ECB interest rate hikes will eventually be followed by at least partial increases in local interest rates with potential implications for both investment and the property market. Government's cost of borrowing will increase accordingly.

It is in the spirit that The Malta Chamber, while appreciating the positive immediate economic effects of the full subsidisation of energy, will continue to advocate for more investment in energy efficiency and renewable energy generation, and more energy sobriety on the part of households and businesses alike.

The major bottleneck of the Maltese economy remains the lack of availability of skilled human resources, which is expected

to remain in short supply in 2023. The wages of skilled workers will hence continue rising faster than those of the unskilled. The need to upskill and reskill our human resources becomes more pressing every day.

Businesses cannot afford to postpone their digital transformation any longer. Embracing effective digitalisation strategies within each business, irrespective of size and sector, will be key to evaluating productivity in line with wage costs. The integration of digital skills and critical thinking into primary and secondary teaching will hopefully be given urgent priority on the national policy agenda as otherwise the gaps between education and the skills required for earning a living and participating full in society will continue to widen.

The Malta Chamber will continue doing its part in promoting digitalisation, upskilling and reskilling, and in providing support for vocational education and a rethink of compulsory education.

There are some silver linings. Freight costs are expected to stabilise as demand contracts, largely due to the resultant excess capacity. Flights will remain pricey, and businesses will continue to limit travel to mitigate costs and use their limited human resources as efficiently as possible. ESG reporting will become the next big headliner for businesses. Larger businesses will be put under pressure immediately, but smaller businesses forming part of their supply chain will soon feel the ripple effects as well. There will be a proliferation of ESG experts – some competent, others less so – and a steep learning curve for those businesses who want to do it right.



**“The risk of an irreversible process of deindustrialisation of Europe becomes more real as long-term energy supply contracts begin to run out and large companies will start facing the full financial impact of high energy bills.”**



**“We expect to see better enforcement of standards and a higher level of tax compliance so that corporate tax rates can be reduced to a level that is closer to the European average. This will provide for a more level playing field for our businesses.”**

The Malta Chamber will continue to facilitate this learning process through joint collaborations on the topic with a number of leading banks and advisory organisations that have the necessary expertise and that have access to expert resources in countries that are ahead in the ESG journey.

The local market seems ready to invest in green investment products. It is therefore pertinent to provide the right regulatory framework for green bonds to start being launched. The experiences of other countries will prove useful in avoiding green washing and ensuring that ESG reporting will have a tangible impact on the environment and effectively contribute towards the gradual decarbonisation of our economy.

Campaigning for the 2024 MEP elections will gain traction in the second half of the year. The Malta Chamber hopes that all political parties contesting these elections will be fully mindful of the tangible difference that the quality of our MEPs can make in our influencing the European policy agenda and ensuring that the specificities of a small and peripheral island economy like ours can be fully appreciated and catered for.

Politics at the European level is very different from local politics and requires a different kind of politician. Our political parties need to put the national interest first and ensure that the candidates they present to our electorate can deliver at European level.

Geopolitics will be a big concern for Europe. Both the US and the EU will pursue more protectionist trade and investment policies as the uneasiness with respect to China continues to grow. Yet, the EU and the US will need to ensure that in protecting their own markets, they do not strain the commercial relationship between them at a time when both sides need to stand together politically and strategically.

At national level, the most viable strategy to have at the moment is one geared towards the green transition. While some of the larger EU countries have had to fall back on coal to meet their energy requirements as a result of their high dependency on Russian gas, a handful of relatively smaller European countries are quietly increasing their renewable energy capacity in the background. These countries are positioning themselves to be the more competitive countries going forward.

In the grand scheme of things, Malta's national energy requirements are small. Our land space is limited but our territorial

waters are much larger. We do not enjoy the surrounding shallow waters of some of those European countries that are moving fastest on offshore renewable energy generation. But the technology for floating systems is gradually becoming more reachable. So, pursuing this ambition is also becoming more feasible, and realistically, the only long-term solution to being able to provide for the energy requirements of a growing decarbonised economy.

In addition to energy, there are three other big elephants that are having a major impact on our environment and quality of life that need to be addressed with urgency. There are waste management, urban transport, and urban development. These sit within different Ministries but are fundamentally interlinked. Appropriate strategies need to be developed conjointly to provide the policy cohesion required for effective implementation.

On waste, we have a horrible track record. Only 10% of our domestic waste is recycled when we should have reached the 50% mark a couple of years ago.

With regards to urban transport, it is clearly the single biggest drain on the productivity of our economy. We need policies that can deliver quick results, and realistically, the only such policies are those that reduce the number of cars on the road during rush hours. We know free public transport will not do the trick as the price of a bus ticket was never prohibitive. It is affordable door-to-door shared mobility coupled with paid parking in urban areas and a road licence renewal fee that is pegged to the number of kilometres travelled that will send the right price signals for commuters to make the required mobility shift. The Malta Chamber has proposed an e-wallet solution that would enable Government to implement such bold policies effectively without taxing citizens who do their bit in the required shift.

With regards to development, the road is long and admittedly slippery at several junctures. There is clearly no political will to revise any local plans, and even more so to reconsider the implications of Annex 2 of DC15 and recast the height limitations in the true spirit of streetscapes that was the lauded theme of DC15. We should at least start by drafting and implementing a proper aesthetics policy and making sure that those provisions in existing laws that are related to the energy performance of buildings are adhered to before the expected new Energy Performance of Buildings Directive



falls on us like a tonne in a couple of years' time.

The Malta Chamber will continue to maintain a close eye on good governance. It is part of the ESG agenda, but it is also imperative for a Malta's international reputation as a jurisdiction for legitimate business.

We will continue to push for more substance in our economic activity, for more transparency in public procurement and public sector employment, and for a thorough reform of our justice system that ensures that it functions as real deterrent to crime and abuse of all forms. We will also continue to advocate for seamless digitalisation of public services to remove excess bureaucracy, duplication of efforts, and the scope for clientelism that is maintained by the administrative human interaction in the delivery of public service.

Furthermore, we expect to see better enforcement of standards and a higher level of tax compliance so that corporate tax rates can be reduced to a level that is closer to the European average. This will provide for a more level playing field for our businesses. ■



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# 2023: Between light and darkness

RACHEL ATTARD – HEAD OF MEDIA AND COMMUNICATIONS STRATEGIST AT THE MALTA CHAMBER

For us Europeans, last year was unique, truly unique, because two unrelated and diametrically opposed game changing events coincided. When the continent finally emerged from the pandemic it almost instantly came face to face with a war at its doorstep. Leaving the cave after a long, forced hibernation we pined for the sunlight. Yet what greeted us was the unfamiliar sound of explosions and a sky greyed by their devastation.



The year we just started will continue to be driven by the simultaneously confused and creative frame of mind we have acquired from the sharp contrast of these two events.

2023 will be all about guiding our economic, social, and political course between the sunny post-pandemic optimism and hope on one side and the dark pessimism fostered by the uncharted territories of a war in a globalised planet.

Let's start with the energy sector. The war has weaponised energy sources and has wreaked havoc on businesses and homes. Yet at the same time it exponentially intensified the search for alternatives to fossil fuels. From new takes on wind energy in the North Sea to even newer ones entailing the generation of energy from hydrogen, heads are being scratched with promising results.

This year could be the harbinger of a completely new way of powering the planet. It might also make climate change genuinely a political and economic bread and butter issue for politicians, economists, and the public in general.

This year will probably deliver the verdict on the dreaded R-word. Will our world, indeed our country, go into a recession?

In the coming months the age-old debate between fiscal and monetary policy is likely to be revived with a vengeance. Inflation, spearheaded by skyrocketing energy prices, will equally be at the centre stage. Directly affecting people's lives and lifestyles, inflation can lead to unpalatable political thinking and repercussions. As both a consequence and a driver, productivity should also be expected to remain firmly on top of the agenda.

Tourism seems to be the sector where optimism is perhaps the most justified. After being cooped up for two long years, people simply want to travel, seemingly at all

costs. Being one of our cornerstone economic sectors, we should consider ourselves one of the luckier countries.

Yet even here, optimism needs to be mitigated with a healthy dose of realistic pessimism. If prices of goods and services, not to mention travel, continue to rise, and with huge investments in new hotels and restaurants still on the march, tourists are likely to be more price and service conscious.

2023 will also place in a brutally bright light an issue we have always preferred to keep in semi-darkness: the lack of, or mismatch, of labour skills. The pandemic precipitated a not inconsequential exodus of expats working here who either lost their job or no longer saw a future for themselves here. Lack of skills in a rapidly changing world was always an issue in Malta. Unless tackled seriously, the matter will become even more acute this year. The economy cannot continue to steam ahead unless the engine room is properly manned.

Finally, this year can be a fantastic watershed moment for us if we focus more than ever on how current and emergent technology can be the perfect fit for us as a small, European island state. At a time when there is such an unprecedented global craving and assiduous pursuit of the new, for a global drive to make the unthinkable doable, we need to narrow down what our real opportunities are and go for them seriously and without gimmicks.

As always, The Malta Chamber of Commerce, Enterprise and Industry will remain in the thick of things. We shall continue to give our contribution to the national debate, launch ideas and offer solutions.

In 2023 we will be there for all our members and for the country to shed our modest yet crystal clear light wherever there's darkness. ■

**"2023 will be all about guiding our economic, social, and political course between the sunny post-pandemic optimism and hope on one side and the dark pessimism fostered by the uncharted territories of a war in a globalised planet."**



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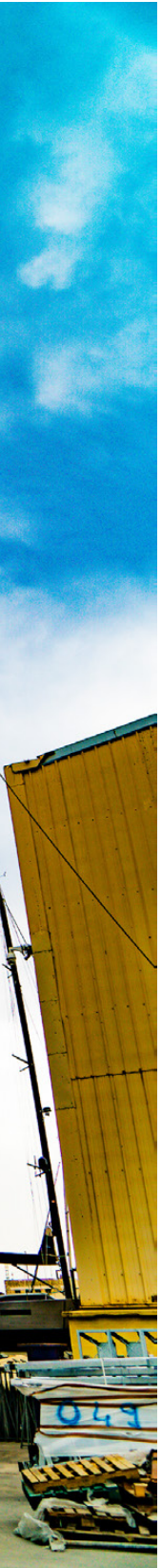
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# Stability and certainty – a vision for 2023

DR ROBERT ABELA – PRIME MINISTER OF MALTA

Many had hoped that after surmounting the difficult challenge of the pandemic, the world would experience a period of calm and enjoy a steady recovery in 2022. Instead, geopolitical tensions exacerbated further, to the extent that war returned to the European continent. At the same time, inflationary pressures reached unprecedented levels with supply bottlenecks and surges in commodity prices that created a cost-of-living crisis.

After investing so much to safeguard their economies during the pandemic, many governments did not have the means to continue sustaining businesses and families. By the end of 2022, electricity, gas, and fuel prices faced by consumers across the EU were nearly 50% higher than they had been the previous year. In Malta, however, the prices remained stable and as a result, Malta was the only country in Europe where businesses and families were shielded completely from this unprecedented shock.

Questions were raised on whether our policy makes economic sense. I believe economic statistics speak for themselves and have proven us right. In the first nine months of 2022, our GDP was 10% higher than it had been in 2019, which is three times the improvement seen across the EU over the same period. Our unemployment rate reached the lowest level ever and for every €4 in bank deposits that households held in 2020, €5 was held by the end of 2022.

This stability and certainty ensured that our economic machine continued to create prosperity. By November, Government revenue exceeded €5.1 billion – half a billion Euro more than in 2021. Meanwhile, despite the increased subsidies to shield consumers and firms from higher energy and fuel prices, the Government

deficit was 44% below what it had been a year earlier.

The success of this administration is a result of the hard work carried out to eschew the politics of austerity. Burdening firms and families, as was done in previous energy price shocks, such as in 2009, has one end result: economic stagnation and excessive fiscal deficits.

This is why in Budget 2023 we not only continued with our policy of shielding the economy from external shocks, but we also redoubled our efforts to build the foundations for future growth. We announced a record capital expenditure programme that will exceed €920 million, which is equivalent to nearly €70 million more than in 2022. On the other hand, previous administrations believed that they could reduce the deficit by reducing capital expenditure. The result? They ended up finding themselves in a position which was much worse.

We will not be repeating these mistakes as we need more public expenditure, and most certainly not less, to ensure and enhance economic growth. Moreover, our future prosperity depends on how successful we are in achieving the twin challenges of the digital transformation and the building of a climate neutral economy.

Cognisant of this, therefore, we are not delaying our plans to invest greatly in the transformation of our public services, with substantial projects aimed at digitalising our health and justice systems, amongst others. Not only will we be improving our public services, but we will also be creating the demand for local technology providers and digital start-ups.

In parallel, we will be forging ahead with massive projects to continue with the electrification of our transport system, the reduction of carbon emissions by the shipping and aviation sectors, the conversion







**“Burdening firms and families, as was done in previous energy price shocks, such as in 2009, has one end result: economic stagnation and excessive fiscal deficits.”**

of waste into energy, and the creation of a more circular economy. These are all investments that will not just improve the quality of life for our families but will also create new catalysts for economic growth.

The new digital and green sectors have substantial potential and are crucial to our plans to deliver a better future for one and all. The public sector will be leading the way, though I do hope that all of us understand how these transformations are not challenges to be feared of, but rather offer the best opportunity faced by our generation.

A more digital and green economy will

be able to sustain demands to continue enhancing social services, making our society more equal, and improving our overall quality of life.

To be successful, however, we will need to bolster our educational system and increase investment to upskill our labour force. We will also need to improve our governance systems and transform our infrastructure.

This holistic approach will enable us to build a new prosperity for our nation as per the five pillars of our economic vision: quality-of-life, education, infrastructure, governance, and climate-neutrality. ■



# Malta is facing two significant challenges for 2023

DR BERNARD GRECH – OPPOSITION LEADER, PN

Over the years all economic and political stakeholders always agreed and acknowledged that the most important resource that our country has is its own work force.

Malta currently faces two significant challenges and in 2023 the Maltese Government must tackle these challenges head on without further procrastination. Throughout the economic spectrum there is consensus that the current economic model, which is based on volume (number of workers) and consumption, has led to economic growth, but fell short of delivering value-added revenue for Government and the much-needed quality jobs to appeal to our young people. Over the last few years, year on year this has led to Malta increasing its national debt. The current economic model has also led to negatively condition our young people who in their absolute majority aspire and actively seek a way to relocate overseas.


A thriving economy is one that offers diversified and high earning jobs. Following the skills census currently being conducted by Government, in 2023, the Government must invest in a stronger educational and workforce training program to effectively prepare the Maltese workforce for future opportunities. In parallel to this, the Maltese Government must seriously embrace and increase its focus on creating much-needed quality added value jobs. This requires vision, strategy and commitment.

The Nationalist Party has on several occasions urged Government to invest in Malta's current economic pillars with a view to consolidate as well as re-invent them and to re-position the Maltese economy for further quality growth. The Nationalist Party has also

proposed and encouraged Government to focus on launching and building new industries and services in a world where opportunities are always evident and available for those who are capable to tap them.

The Nationalist Party has proposed an economic vision for Malta that genuinely safeguards our future, based on the perspective of long termism rather than being limited to what can only be done within the time frame of one legislature. Since the last general election, the Nationalist Party urged the Government to consider and invest in growing Malta's economy. Through an investment in current and new economic pillars, the Nationalist Party is confident that by 2030, the Government can and should create 18,000 new jobs within the current economic industries and 14,000 new jobs through the creation of new economic activities.

In 2023 the Government should, at the very least, outline a forward-looking plan and present a well-studied and meaningful economic vision for Malta and Gozo. In doing so, the Government must articulate and communicate its plans on how it intends to create a minimum of 30,000 quality jobs over the next eight years. Such jobs, apart from generating returns for persons involved in these sectors, would substantially contribute to Malta's gross domestic product to ensure that the Government will have the financial means to service Malta's debt and turn around the current debt trend that has become synonymous with this Government.



In 2023, there is no doubt that Malta will continue to face economic challenges derived from several internal and external factors. The current and forthcoming economic challenges mean that the Government must be creative, transformational and committed to ensure that the Maltese economy grows and delivers





“In 2023 the Government should, at the very least, outline a forward looking plan and present a well studied and meaningful economic vision for Malta and Gozo.”

increased contribution for the individual as well as for Government as a whole.

The Nationalist Party has on several occasions re-invented the Maltese economy and the truth in this statement is still being witnessed and enjoyed today. Malta needs an economic vision and strategy that takes it

beyond general election dates and partisan politics. The world continues to change and in doing so there will always be threats and opportunities. This Labour Government has resorted to a ‘put the blame somewhere else’ strategy such as blaming COVID-19 and the war in Ukraine to mask its shortcomings in

its ability to develop economic opportunities. Going forward, the Nationalist Party remains committed to assist and co-operate wherever required to grow the national economy.

Quality of life for all Maltese citizens remains the Nationalist Party's first and foremost priority. ■





# Going Green, Going Vertical

BY CORYSE BORG

Francois Piccione, Deputy CEO INDIS Malta, speaks to Economic Vision about some of the projects INDIS Malta worked on in 2022, and what is to come in 2023.

INDIS Malta is “constantly engaged with ongoing projects and the preparations of new ones”, according to the organisation’s Deputy CEO Francois Piccione. Their latest completed project is a new factory in Mrieħel, which has already started operating from its new premises. The factory was fully constructed by INDIS Malta – including all its mechanical and electrical installations and finishes.

Mr Piccione says that the above project is a show of teamwork at its best, as it was only made possible with the support of all the various departments within INDIS.

“I strongly believe that the success of the company is our workforce. Without them we would not be able to work on these projects,” he asserts.

One other significant project INDIS worked on in 2022 is the Taxiway Lima in Safi Aviation Park, which will benefit companies’ operations and attract other companies to initiate their operations in Malta. This is part of INDIS’ aim to future-proof their facilities and to attract new investment to Malta and Gozo, Mr Piccione explains.

INDIS has also launched three major CSR projects for those localities whose environment has been impacted in one way or another by the industrial estates.

“We will continue to work on such projects – including green walls and more greenery in general – to help our islands’ environment. It also goes without saying that this includes a lot of upkeep of the areas under INDIS, something we have worked a lot on this year,” he says.







INDIS is also currently preparing various ground works for major expansions and projects, due to be undertaken in 2023.

Moreover, INDIS will keep its promise to continue the upkeep of its industrial estates, which includes new roads and other major works.

“We will also be focusing heavily on the completion of the Ta’ Qali Artisan Village, with a new Incubation and Interpretation Centre that will offer help to artisans, and we will also be aiding tenants to build and finalise their shops,” Mr Piccione says. “As someone who is very interested in technology, I wish to enhance INDIS’s digital system for tenants and the public, and so, next year we will also start to work on this huge project to offer better services online.”

Industry in Malta is seeing a constant growth, thanks to several factors which draw investors to the island. For INDIS, this means that they will continue to accommodate the ever-increasing demand. This, states Mr

Piccione, is a challenge in itself; however, they also aim to not take up new land, but rather keep with the goal of building vertically.

One of the challenges he envisages in 2023 will probably be finding new recruits, since the labour market is currently extremely competitive.

“We also aim to provide more direct help to our tenants, whether they are SMEs or large corporations, by offering aid in setting up, assisting with schemes and grants, and providing information via specialised sessions,” Mr Piccione explains.

In five years’ time, Mr Piccione sees INDIS becoming an entity that has fully embraced the green policy and gone vertical, and continues to act as one of the main companies to sustain local economic growth.

“We will also have the creation of clusters in our industrial estates, which are modernised with new branding. I have a lot of plans for INDIS, and I am extremely excited for the future of this company.” ■

**“I strongly believe that the success of the company is our workforce. Without them we would not be able to work on these projects.”**





# Maypole's Panettone

## A guarantee of freshness, quality, and taste

MASTER BAKER ETIENNE AVELLINO TELLS US WHY.

What would Christmas be without our traditional Yuletide fare? The sweets and pastries that we eat reflect our multi-cultural heritage and history, and recent years have seen the Panettone grow in popularity in Maltese homes. Maypole have put a lot of time and effort into developing their own, high-end quality Panettone to offer to their customers, and last year again, their shelves were decked with the end result of months of preparation. In order to get a behind-the-scenes peek at what has led to this, we spoke with Etienne Avellino, the Master Baker at The Bakery in tal-Handaq, the heart and soul of Maypole's production.

### **Etienne, why Panettone?**

Panettone is originally an Italian confection, but over the past 30 years, we have seen its popularity grow from year to year among the Maltese. Our close proximity to the Italian mainland and its culture, as well as the influence of television, no doubt, have been major factors.

Here at Maypole, our core business is bread in all shapes, sizes, and flavours, over and above our flagship product, the *ħobza tal-Malti*. We also produce a wide variety of cakes and other pastries. The Panettone, an Italian type of sweet bread originally from Milan, comes somewhere halfway between bread and pastries. In fact, its very name indicates that it is a type of bread. Therefore, our venturing into its production was a natural step forward.

### **When did you first start work on this project?**

In reality, we had been toying with this idea since 2014, but then Covid hit in early 2020, and there was quite an impact on all economic activity. The corporate strategy adopted by Maypole to face this new situation was growth, and this included the development of a wider range of home-baked products. So, sometime

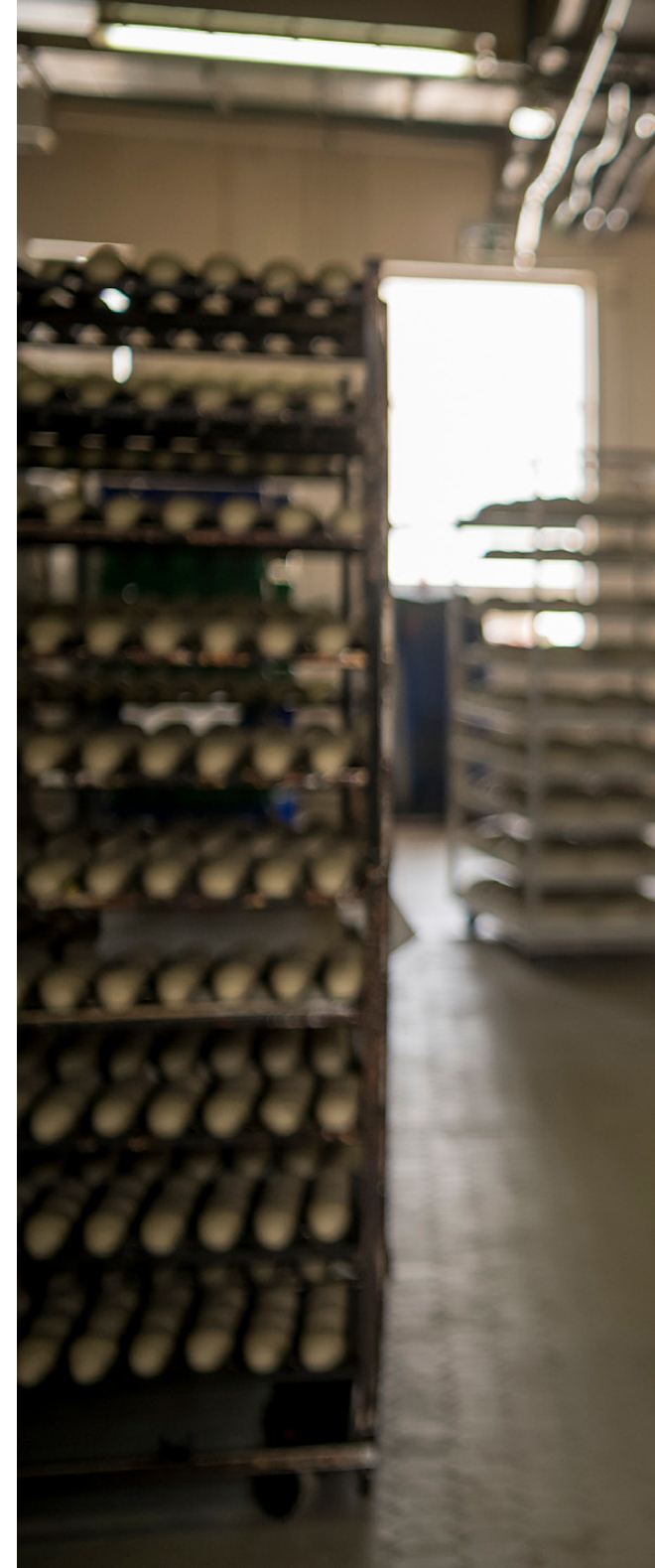
in mid-2020, we decided to try our hand and have a trial run with producing Panettone for Maypole retail outlets all over the Maltese Islands.

Using our own experience in baking, and conducting extensive research on methods and materials, we managed to come up with a test production run for the 2020 Christmas season. This enjoyed a reasonable success, so it was decided that a similar trial production would be repeated for 2021, with more investment and preparation to be invested.

### **What do you mean by more investment and preparation?**


Our aim was always to bake a Panettone that does not roll off an automated production line in large quantities, but is more of a high-quality, artisanal product. Although my team of bakers are all highly qualified and experienced, we saw that making Panettone needed an infusion of know-how from its mothership, so to speak, Italy. We therefore imported Italian expertise, bringing them over to Malta to train us and help us acquire this knowledge.

Another key-factor is the ingredients that we use. Since we were aiming to have a



quality product, we could not make do with mass-produced inferior-quality components. We make sure that we purchase high-end ingredients such as the dried fruit, the almonds, the sugar nibs, the chocolate, and the yeast, especially the yeast. You cannot expect to have an excellent final product if you use mediocre component ingredients. In fact, the 2021 exercise proved to be more successful than that of the preceding year, so we decided that Christmas 2022 would see our Panettone populating our shelves and on offer to our business clientele as part of our wide range of seasonal delicacies.





“Our aim was always to bake a Panettone that does not roll off an automated production line in large quantities, but is more of a high-quality, artisanal product.”

**What would you say makes the Maypole Panettone unique and distinctive?**

Well, first of all, it is not a mass-produced industrial panettone like many of the imported varieties that are on offer. We set much store on the artisanal aspect of our production, with trained and knowledgeable bakers from my team being involved in all stages of production, monitoring each step of the process. Our Panettone does not need to travel hundreds of kilometres to reach our consumers, and our production numbers are not in the vast quantities like those of the imported brands. This means that we can have a more compact

production period, and do not need to start producing tens of thousands of Panettone from months before Christmas. Therefore, we are not compelled to prepare our sweetbread to last for months, thus not needing to use large quantities of preservatives, but only the bare minimum.

With a shorter from-oven-to-shop cycle and distance, we can stock our shelves with a fresher product rather than a more preserved one. You will not see our Panettone selling at slashed prices after the Christmas and New Year season is over, that's for sure!

**What are the timeframes for this season?**

In early October, we started production of sample batches for the control of quality, and its durability over a period of time. This helped us set our production timetable with the optimal time for the actual production to take place towards the end of November. The first week of December saw the Maypole artisanal Panettone boxes gracing our outlet shelves, and we also had a significant demand for them by our corporate clients, who saw this fresh, artisanal product, locally baked to the highest traditional standards as being the perfect gift for their staff or clients. A Maypole Panettone is a guarantee of freshness, quality, and taste. ■



# 2023 PAYROLL



## COST OF LIVING ADJUSTMENT (COLA)

**Full-timers:** €9.90 per week

**Part-timers:** €0.25 per hr\*

## MINIMUM WAGE

**18 yrs and over:** €192.73 per week

(€4.82 per hr\* for part-timers)

**17 yrs:** €185.95 per week

(€4.65 per hr\* for part-timers)

**Under 17 yrs:** €183.11 per week

(€4.58 per hr\* for part-timers)

In addition to COLA, the weekly wage must be revised to reach €3 per week above minimum wage after the first year of employment and €6 per week above minimum wage after the second year.

## PUBLIC HOLIDAYS



January: Sunday 1st

February: Friday 10th

March: Sunday 19th, Friday 31st

April: Friday 7th

May: Monday 1st

June: Wednesday 7th, Thursday 29th

August: Tuesday 15th

September: Friday 8th, Thursday 21st

December: Friday 8th,

Wednesday 13th, Monday 25th

## PUBLIC HOLIDAYS

### FALLING ON A WEEKEND

2023: 2 days

2024: 6 days

2025: 4 days

2026: 3 days

**FOR EVERY PUBLIC HOLIDAY FALLING ON A WEEKEND, 8 HRS OF ADDITIONAL VACATION LEAVE ARE DUE TO FULL-TIMERS.**

## VACATION LEAVE

**2023:** 192 hrs + 16 hrs  
= 208 hrs (**26 days**)

**2024:** 192 hrs + 48 hrs  
= 240 hrs (**30 days**)

**2025:** 192 hrs + 32 hrs  
= 224 hrs (**28 days**)

**2026:** 192 hrs + 24 hrs  
= 216 hrs (**27 days**)

A maximum of **12 days** (96 hrs\*) from annual leave entitlement may be utilised for Shutdowns and Bridge Holidays.

## TAX RATES

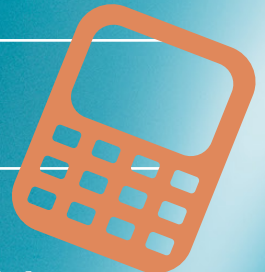
Part-time employment where it is not the main employment:  
**10% on the first €10,000**

Part-time self-employment where it is not the main employment:  
**10% on the first €12,000**

Overtime:  
**15% on the first €10,000 provided annual basic wage is under €20,000**

Full-time employment and all other employment income is taxed according to applicable tax rates:

- ▶ **Single Tax Rates** apply to single persons and married persons whose spouse is in employment and who do not have dependent children (under 18 or under 23 years and full-time students)
- ▶ **Parent Tax Rates** apply to married persons whose spouse is in employment and who have dependent children
- ▶ **Married Tax Rates** apply to married persons whose spouse is unemployed or single parents who have dependent children



\* Based on a standard 40-hr week. Wage Regulation Order may specify different standard working week for certain sectors.



# LEGAL GUIDELINES

## PART-TIMERS

are entitled to vacation leave prorata the average hours worked in the previous quarter (13 weeks: January-March; April-June; July-September; October-December).

## RETIREMENT AGE

Born 1962 or later  
**65 years**

Born 1959-1961  
**64 years**

-----  
**PERSONS WHO ATTAIN THE AGE OF 61 YEARS MAY CHOOSE TO RETIRE EARLIER ON A LOWER PENSION IF THEY HAVE THE REQUIRED NUMBER OF FULLY PAID NI CONTRIBUTIONS:**

▼▼  
Born before 1961  
**35 years**  
(1820 contributions)

▼▼  
Born between 1962 and 1968  
**40 years**  
(2080 contributions)

▼▼  
Born 1969 onwards  
**41 years**  
(2132 contributions)

## TAX COMPUTATION

Marginal Tax Rate (MTR)	Single Tax Rates		Parent Tax Chargeable Income up to	Rates Tax Due= Income x MTR less:	Married Tax Rates	
	Chargeable Income up to	Tax Due= Income x MTR less:			Chargeable Income up to	Tax Due= Income x MTR less:
0%	€9,100	€0	€10,500	€0	€12,700	€0
15%	€14,500	€1,365	€15,800	€1,575	€21,200	€1,905
25%	€19,500	€2,815	€21,200	€3,155	€28,700	€4,025
25%	€60,000	€2,725	€60,000	€3,050	€60,000	€3,905
35%	€60,000+	€8,725	€60,000+	€9,050	€60,000+	€9,905

## NATIONAL INSURANCE CONTRIBUTIONS

Employed Persons	Basic Weekly Wage	Weekly NI Contribution	Weekly
Cat A: < 18	€192.73	€6.62	€0.20
Cat B	€192.73	€19.27**	€0.58
Cat C	€392.76	10% of basic wage	0.3%
Cat C	€515.98	10% of basic wage	0.3%
Cat D	€392.77+	€39.28	€1.18
Cat D	€515.99+	€51.60	€1.55
Cat E: Student < 18		10% up to max €4.38	0.3% up to max €0.13
Cat F: Student 18		10% up to max €7.94	0.3% up to max €0.24

\*\* The employee may choose to pay 10% of the basic weekly wage and be entitled to prorata (lower) benefits. The employer must always pay €19.27 per week.

Self-Employed Persons (Class 2)	Annual Net Income from up €910 (€1,006 for SP)	Weekly NI Contribution payable by self-employed	Full-time Farmers
Cat SP***	€9,901.80	€28.56	n/a
Cat SA	€11,362.80	€32.78****	€21.85
Cat SB born before 1962	€20,423.72	15% of net weekly	10% of net weekly
Cat SB born 1962 onwards	€26,831.00	15% of net weekly	10% of net weekly
Cat SC born before 1962	€392.77+	€58.91	€39.28
Cat SC born 1962 onwards	€515.99+	€77.40	€51.60

\*\*\* Must be single – income from rents, investments or capital gains, but not from a trade, business or profession

\*\*\*\* The self-employed may choose to pay 15% of the basic net weekly income if a part-time woman, a full-time student under 24 yrs working part-time or a pensioner and be entitled to prorata (lower) benefits.

Sickness & Injury Daily Benefit	Single Parent or Married with Spouse not Employed Full-time	Any other person
Sickness Benefit	€23.03	€14.92
Injury Benefit	€34.55	€26.00



# RSM Malta's plans to use the outcomes of 2022 to continue growing in 2023

GEORGE GREGORY – MANAGING PARTNER, RSM MALTA

We cannot look forward and move on to a new year without taking a moment to look back and see all that the previous year has taught us, where we have excelled and where we need to focus and grow.



**“With all the achievements and challenges of 2022, we went into 2023 with a fresh energy for continuous growth”**

## LOOKING BACK AT 2022

We know that every year brings about its challenges, and 2022 did not fail us in that respect. The main challenge that we faced is something that has affected not only our industry, but Malta as a whole; this being recruiting and finding the right people to fill in the vacant positions.

Over at RSM Malta, we consider teamwork to be a key value, and therefore, having gaps in our workforce brings about further pressures on the current workforce, which is something that we try to avoid at all costs given that we are firm believers of the need for a work-life balance.

Despite this challenge, the firm, thanks to the efforts of all its team members, still managed to achieve its targets. This gives us the courage to sustain our business growth journey and continue making a name for ourselves with the business and employee market alike.

RSM's highlights in 2022 were returning to normal business operations post-pandemic. Together with the help of our clients (old and new) and our staff I must say we have returned to normal albeit with some differences. From the pandemic experience we learnt that 'work from home', as well as more 'flexibility', are not only possible but actually beneficial for everyone alike.

Another highlight was our exposure through the sponsorship of Shark Tank which allowed us to continue making a name for ourselves within the start-up cluster, while the renewal of the Malta Chamber's gold sponsorship provided the firm with further opportunities of networking, interaction with the business community and exposure to the services that we provide as a firm.

## LOOKING FORWARD TO 2023

With all the achievements and challenges of 2022, we went into 2023 with a fresh energy for continuous growth, starting from the appointment of Roberta West Falzon as our new audit Partner, therefore growing the pool of knowledge within the Partners group. Additionally, we have several goals lined up, including launching new services, new faces and fresh ideas that continue growing our business and maintain relevance for our current and as well as new clients.

One thing that we will continue insisting upon and providing is our full attention to our clients. We are the kind of firm that listens. Additionally, RSM also listens to its workforce and therefore we will continue encouraging the use of the flexibility program introduced during 2022 that insists on allowing room for work-life balance for all our team members. We also want to invest further in our team leaders through a leadership program, while also providing a mental wellbeing program accessible to employees.

Finally, in 2023 we want to embrace the expertise within our teams and provide services related to ESG (environmental, social and governance plans). Our current partnership with Bureau Veritas is an exciting start to the year and we are thrilled to share our insights with new and existing clients on this matter.

Our promise for 2023 is that of continuing to live and breathe our motto as a firm: 'Power of Being Understood'. We do this by ensuring that our partners make themselves available both to our team members as well as our esteemed clients. Our support is only a phone call or contact form away, at any time of day.

We look forward to seeing what 2023 will bring along with it, and to potentially welcoming you onboard our firm, whether as a client or as a team member. ■



# Investing In Children

MARIE-LOUISE COLEIRO PRECA – FOUNDER AND CHAIRPERSON, THE MALTA TRUST FOUNDATION

The Malta Trust Foundation was set up in 2015, with the sole purpose of addressing gaps in the social system, which impact directly on children and young people's lives and our society at large.



Through its operations, the Foundation also educates and raises awareness on social matters to create a national conversation, with the aim of attracting the attention for the necessary national action, as the case might be.

The Foundation works closely with children and young people coming from disadvantaged and vulnerable backgrounds.

Over these years, The Malta Trust Foundation has taken several important initiatives to empower children and young people, to take charge of their lives, and gain their rightful dignity, to become productive and meaningful citizens.

The Malta Trust Foundation embraces projects in the areas of disability, mental health, formal and non-formal education, psycho-social support, youth participation and empowerment.

The important outcomes and impact from these projects continue to convince us that investing in children and young people is the only way forward for a sustainable future for our country.

We run our projects through corporate social responsibility, and it is remarkable how members of the business community in this country have

warmed up to contribute through their financial support in the best interest of our society. We are pleased to note that over these years, we have seen a growing sense of commitment from the business community to ensure that children and young people can access possibilities of further development and growth.

We are proud of the fact that our projects come from an evidenced based approach, together with the development of a business plan to ensure the sustainability of the project.

We aim to fill gaps and not to replicate and duplicate any endeavours being made by other stakeholders in the social sector.

We are scrupulous in the way the acquired funds are spent. In fact, we ensure that funds invested in our projects definitely go to the core business. We aim to give full value to the funds that we acquire, from the business community.

We therefore also work hand in hand, with professionals, academics, and practitioners to evaluate our outcomes and impact, along the way. Assessing and evaluating our projects is an ongoing process. This ensures that we are not only on track to reach our objectives, but also to tweak where is needed and to strengthen our endeavours as required.

The Malta Trust Foundation is a believer of collaboration and therefore over these years, has managed to bring together a network of important stakeholders over these years. The outcomes and impact from these projects give evidence of an invaluable way of working in collaboration, which intrinsically also include members of the business community.

Working together with the business community ensures that no one is left behind in this country. We need to further our collaboration to empower our children and young people to be productive and meaningful citizens, not only for their own good, but also for their respective families and communities and the entire society.

Businesses will gain from a society that effectively practices social justice, by lending a hand to those who unfortunately are at a disadvantage and support them to stand on their feet and move forward.

The Malta Trust Foundation would like to encourage all businesses in Malta to join in this national endeavour to create a better society for the present and future.

Investing in our children and young people is investing in your business sustainability. ■





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# 2023 should be seen as a bridging year

DR MARIO DE MARCO – MEMBER OF PARLIAMENT, PN

The year 2022 offered a welcomed measure of stability and growth. The resurgence was solid but not strong enough to wipe out the pains of the economic upheaval of the two previous years. The question, looking forward, is whether the onward march will continue or will internal and external factors dampen the economic recovery.

Undoubtedly, one main internal factor that may impinge on growth is the burgeoning government debt. The Government will justify this debt as an investment needed to steer the country through the COVID period. This is not entirely correct, as only a part of this debt is COVID-related.

Since 2013, the Government has shown a colossal lack of prudence when dealing with public finance. Perhaps a better definition would be an almost criminal neglect of public monies. Billions of euros were wasted on dubious public contracts, irregular and unnecessary public service employment and publicity campaigns. The golden passport

scheme funded in part this overspending.

Sadly for the Government, that murky river of water has dried up, exposing a hole in Government finances. Whilst at the end of 2012 Malta's public debt stood at Eur4.8 billion, by the end of 2022 it is expected to surpass the Eur9 billion mark, with the annual deficit for 2022 alone close to Eur1 billion. To balance the books and honour international fiscal obligations, the Government must now search for ways to reduce spending and hope for increased revenue from an uptake in economic activity.



# BOV

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Operational Programme I - European Structural and Investment Funds 2014 - 2020  
"Fostering a competitive and sustainable economy to meet our challenges"  
Project part-financed by the European Regional Development Fund  
Co-financing rate: 80% European Union Funds; 20% National Funds



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InSmall

EERE Malta is co-financed by the Republic of Malta, the European Union under the European Regional Development Fund.



**“Since 2013, the Government has shown a colossal lack of prudence when dealing with public finance. Perhaps a better definition would be an almost criminal neglect of public monies.”**

The good news is that, barring an escalation of the war in Ukraine, economic activity in general in 2023 will continue to grow. More economic activity will produce higher returns from income tax and value-added tax to the Government.

However, the increase in revenue will not be enough to sustain the high debt and deficit levels. The commitments made in the previous years are still around. As a country, we will still need to pay the Stewards of this world just as we still need to fund the 10,000 additional jobs loaded onto the public sector and finance the largess of the bloated Government. Rather than applying the brakes on its recurrent expenditure, the Government pledged to limit its capital spending.

This is very short-sighted.

Much of the economic recovery will depend on the fortunes of our tourism industry. This year, the number of arrivals soared but is still short of those achieved in 2019. A more in-depth look into the tourism statistics will show that we are attracting lower-spending tourists. This is happening, ironically, whilst the government calls for higher quality rather than a higher number of tourists.

The hotel lobby quickly replied to the Government’s call by pointing to the abnormal increase in hotel beds. This new supply can only be satisfied by a substantial increase in the arrivals numbers. This is not the time or place for me to arbitrate between the two, but at the very least, we need the Government and the private tourism sector to sing from the same hymn sheet.



**“A more in-depth look into the tourism statistics will show that we are attracting lower-spending tourists. This is happening, ironically, whilst the government calls for higher quality rather than a higher number of tourists.”**

The inflationary trend that took root at the end of COVID has created a new economic paradigm. This has led to the granting of one of the highest cost-of-living adjustments in recent history. As the year rolls on, one must look out for the impacts of this adjustment on the employers. Equally, we must ensure that the quality of life, especially for low-income

earners, does not deteriorate further. This is a crucial balancing act which must be achieved to avoid social upheaval.

I look at 2023 as a bridging year. It should be a year in which we step away from the prospect of recession. But the Government may very well find that it has somewhat shackled itself, limiting its options on the road to recovery. ■



# Collaborating with key stakeholders and organisations

## 2/5/22 – LAUNCH OF DIPLOMA IN JOINERY AND FURNITURE MAKING

In an event held at MCAST Paola, the Furniture Manufacturing Business Section launched a collaboration with MCAST and MG2I. Through this collaboration 15 new students started MCAST's Diploma in Joinery and Furniture Making Course will be offered part-time employment and on the job training at seven furniture manufacturing companies. These companies, who form part of the membership of The Malta Chamber, will be receiving students at their factories from Wednesday to Friday each week, with students to attend lectures at MCAST in the first two days of the week.



## 23/5/22 – THE MALTA CHAMBER AND XARA PALACE SIGN ALLIANCE AGREEMENT TO PROMOTE SUSTAINABILITY IN BUSINESS PRACTICES

The Malta Chamber of Commerce, Enterprise and Industry signed an Alliance agreement with Xara Collection, aimed at promoting sustainable business practices. Ahead of the signing, The Malta Chamber CEO Dr Marthese Portelli emphasised the importance of implementing sustainable efforts in a business' core growth strategy. "We look forward to embarking on this collaboration which I am sure will be an inspiration to all the local business community. The Xara Gardens has invested in an aquaponics system as a means to provide farm to fork experiences for their guests," said Adrian Tonna, Chief Commercial Officer of Xara Collection.



## 16/6/22 – THE MALTA CHAMBER AND COSTA COFFEE MALTA LTD SIGN ALLIANCE AGREEMENT

The Malta Chamber of Commerce, Enterprise and Industry signed an Alliance Agreement with Costa Coffee Malta. The Malta Chamber would like to thank them for their continued support especially during the iGaming event titled '20 years of iGaming in Malta: are we at a crossroad?'. During this event, which was held earlier this year and attended by over 150 people, Costa Coffee Malta sponsored the networking coffee breaks by supplying The Malta Chamber with freshly brewed coffee, tea and fresh orange juice together with a selection of delicious pastries. CEO Dr Marthese Portelli thanked Costa Coffee Malta Ltd for choosing The Malta Chamber. "This collaboration will be beneficial to our members and their businesses."



## 1/7/22 – THE MALTA CHAMBER AND MONEYBASE SIGN ALLIANCE AGREEMENT

"The Malta Chamber is constantly teaming up with national business champions who share similar principles. In this respect, Moneybase is to be the leading partner with The Malta Chamber in proposing solutions and ideas that aim at improving competitiveness, adding value to society and acting as a catalyst for innovation," Dr Marthese Portelli, The Malta Chamber CEO said ahead of the signing. Moreover, The Malta Chamber and Moneybase will work together to promote next generation banking. "It is a pleasure to form this alliance with The Malta Chamber and to continue to build upon our collaboration. Moneybase will be working closely with the Chamber to identify key themes that can help local businesses to thrive. As a financial institution that is also community-driven, we believe that by working closely with The Malta Chamber and its community we can truly add value, innovate and achieve great things. We are already working with a number of businesses in this respect," said Alan Cuschieri, CEO of Moneybase Ltd.





**1/8/22 – THE MALTA CHAMBER AND FINANCE INCORPORATED LTD SIGN ALLIANCE AGREEMENT**

The Malta Chamber signed an Alliance Agreement with Finance Incorporated Ltd. Finance Incorporated Ltd offers eAccounts to corporate and private clients and provide the full range of transaction infrastructure services including card issuing services. “A digital-first approach towards business is key in today’s fast-changing world and digital solutions are the new way for future generation financial services. It enhances competitiveness by facilitating a more customer-centric approach whilst ensuring better commercial performance and future proof operations,” said Dr Marthese Portelli, The Malta Chamber CEO. “We are proud to be members of The Malta Chamber and view this collaboration as the start of a long and fruitful relationship. We think in terms of what we can bring to the table and, as one of Malta’s largest financial institutions, we have a responsibility towards the nation’s commerce,” said Cenk Kahraman, CEO of Finance Incorporated Ltd.



**22/9/22 – THE MALTA CHAMBER AND IGEN SIGN COOPERATION AGREEMENT**

The Malta Chamber of Commerce, Enterprise and Industry signed a Cooperation Agreement with iGaming European Network (iGEN) with the aim of promoting the prudent and professional growth of the gaming industry. “As Malta’s leading business representative body, we are honoured to be partnering with such an organisation. Through this agreement, both parties will cooperate on matters of national economic policy, especially in relation to the gaming industry and related professions,” said Dr Marthese Portelli, The Malta Chamber CEO. Leveraging The Malta Chamber position and reputation will enhance the effectiveness of our lobbying efforts in order to drive positive change for our member companies, their employees and the iGaming industry as a whole”, said Enrico Bradamante, Founder of iGEN.



**21/10/22 – LAUNCH OF THE POST-DOCTORAL FELLOWSHIP SCHEME 2022**

The Malta Chamber of Commerce, Enterprise and Industry, together with the University of Malta and Parliamentary Secretariat for Youth, Research and Innovation Launched the Post-Doctoral Fellowship Scheme 2022. The objective of this scheme is to offer opportunity to students who graduated with a doctorate to join local businesses to conduct research. Hence, students who obtained their doctorates both locally and abroad, will have the chance to put what they have learned into practice with the aim of helping the local industry while gaining the necessary experience.



**17/11/22 – THE MALTA CHAMBER AND MALTA INSURANCE ASSOCIATION SIGN COOPERATION AGREEMENT**

The Malta Chamber of Commerce, Enterprise and Industry have signed a cooperation agreement with the Malta Insurance Association with the aim of enhancing Malta’s economy, particularly in the field of insurance. Ahead of the signing, Marisa Xuereb, The Malta Chamber President said “together with the Malta Insurance Association, The Malta Chamber will ensure proper take-up and enforcement of insurance policies.” Both parties will cooperate to not only share views, ideas and best practices, but also work on creating initiatives intended to educate and raise awareness on the importance of insurance within the business community.



**21/12/2022 – THE MALTA CHAMBER AND MALTA COMMUNICATIONS AUTHORITY TO WORK TOGETHER TOWARDS KEEPING BUSINESSES UPDATED ON THE LATEST DIGITAL SERVICES DEVELOPMENTS**

The Malta Chamber of Commerce, Enterprise and Industry have signed a Memorandum of Understanding (MOU) with the Malta Communications authority (MCA) with the aim of establishing a collaboration framework to advance digital services and promote regulatory compliance amongst local businesses. Both parties will work towards sharing knowledge and expertise through joint education and awareness initiatives with the objective of keeping businesses abreast with digital services developments and related regulations.





# FROM THE CHAMBER'S DIARY...

## President George Vella Visits The Malta Chamber

**2ND FEBRUARY 2022**

During his visit, President Vella held talks with representatives of the Chamber on several topics and areas related to the commercial sector of our country. At the forefront was the impact of COVID-19 on the Maltese economy and the long-term consequences brought about by the global pandemic. Furthermore, the international transport, and energy supply and price sectors, in light of the latest developments and turmoil on the global stage, were also discussed.



## Level Playing Field At EU Level Is Needed

**25TH FEBRUARY 2022**

Malta's competitiveness is heavily impacted by the small size of its market, its insularity and peripherality. These were the main issues tackled head on and with a united front called for by various speakers emphasised during a debate organised by the European Parliament Office in Malta and The Malta Chamber of Commerce, Enterprise and Industry.



## Time to Step Up

**1ST MARCH 2022**

The Malta Chamber, led by President Marisa Xuereb, presented its Recommendations for the Next Legislature 2022-2027 to representatives of the Labour Party, the Nationalist Party and other small political parties. The document outlined proposals within the following areas: Economic Resilience, Good Governance, Digitalisation, Sustainability and Human Capital.



## Diversity Pays

**7TH MARCH 2022**

The Malta Chamber's Health & Wellness Committee, sponsored by Atlas Insurance, organised a conference titled Diversity Pays, showcasing the science which states that when men and women work together, the results are far greater. Dr Roberta Metsola gave a digital intervention on video in support of the event, promoting the message that women can lead.



## Election Debates

**10TH MARCH 2022**

In the run up to this year's election, The Malta Chamber organised five debates on the following subjects: Human Capital and Education, Economic Segments, Taxes and Energy and Infrastructure. The final debate was between Prime Minister Robert Abela and Leader of the Opposition Bernard Grech. The debates aimed at providing a platform for business leaders to voice their concerns, ideas and challenges.





**The Malta Chamber Highlights Business Concerns With Prime Minister Abela**

**8TH APRIL 2022**

A delegation from The Malta Chamber of Commerce, Enterprise and Industry, led by President Marisa Xuereb, met with Prime Minister Robert Abela as well as Ministers Miriam Dalli, Clyde Caruana and Silvio Schembri. The Malta Chamber President started by congratulating Abela on the government’s electoral success. President Xuereb said that, “it has been a pleasure for The Malta Chamber to see Ministers with whom we have worked well in recent years reconfirmed and other Ministers to be given new portfolios which are of particular interest to business.”



**Labour Market Forecast And Future Skills Project Supported By The HSBC Malta Foundation And The Malta Chamber**

**10TH MAY 2022**

The importance of forecasting the future labour market and the skills required as the country transitions to a more digitalised economy is being led and examined by Dr Rose Marie Azzopardi, an Economist and Prof Alexiei Dingli, Artificial Intelligence expert. This Human Capital Research Project is being supported by The HSBC Malta Foundation and The Malta Chamber of Commerce, Enterprise and Industry. The Project will focus on identifying the future skills required to ensure Malta’s continued competitiveness in the global economy and will examine sectors such as: banking and financial services; information technology and the communication, professional and technical services sectors.



**20 Years Of iGaming In Malta**

**13TH MAY 2022**

The Malta Chamber of Commerce, Enterprise and Industry, in collaboration with WH Partners, Bronze Sponsors of The Malta Chamber, organised the event titled: 20 years of iGaming in Malta: Are we at a crossroad? The event was supported by GamingMalta Foundation. Various local and international leaders and prominent players within the industry addressed the attendees including Silvio Schembri, Minister for Economy, European Funds and Lands and Pontus Lindwall, President and CEO of Betsson AB and Ivan Filletti, CEO of GamingMalta Foundation.



**The Malta Chamber And EY Outline The Current Challenges And Opportunities through ‘Industry Focus’ series**

**19TH MAY 2022**

The Malta Chamber teamed up with one of its Gold Partners, EY Malta, to organise a number of events as part of the Industry Focus series. The three events aimed at bringing together business leaders and industry experts to shed light on current challenges while outlining tangible efforts for a way forward. The events focused on the following areas: manufacturing, retail and healthcare.



**Wine Tasting Evening**

**27TH MAY 2022**

The Malta Chamber of Commerce, Enterprise and Industry organised a Wine Tasting Evening with the participation of Malta’s leading wine producing and importing companies. P Cutajar, M Demajo Wines and Spirits, Farsonsdirect, Charles Grech Company Ltd, and showcased their wines at The Malta Chamber’s Wine Tasting Evening. All proceeds (over Eur2,000) from the event were donated to Hospice Malta and Soup Kitchen OFM Valletta.





## FROM THE CHAMBER'S DIARY...

### **Businesses Of Tomorrow: Training Courses For Family Businesses**

**10TH JUNE 2022**

The Minister for Enterprise Miriam Dalli, together with The Malta Chamber, the Family Business Office and Malta Enterprise, launched training courses aimed for family businesses. The sessions have been drafted by the Chairperson of the Family Business Committee within The Malta Chamber, Silvan Mifsud. He remarked that "challenges brought by the pandemic and the new challenges faced due to geopolitical tensions, family businesses need to have better structure, and take strategic decisions, be more flexible and more efficient to adapt to the market that they operate in. For this aim the committee for family businesses within the Chamber of Commerce felt the need to offer training specifically on this regard".



### **The Malta Chamber And MMLA Organise First-Ever Malta Superyacht Symposium**

**8TH JULY 2022**

The Malta Chamber of Commerce, Enterprise and Industry, together with the Malta Maritime Law Association, organised the Malta Superyacht Symposium: Charting the Future. The aim of the event was to provide a platform for local stakeholders with the input of professionals from the international superyacht community. Transport Malta and Yachting Malta were Supporting Partners for the event. The symposium focused on three objectives;

1. Formulating a future strategy for the superyacht industry for Malta;
2. Building upon Malta's position as a leading yachting jurisdiction;
3. Presenting a formal report to the authorities with practical recommendations resulting from the various panel discussions.



### **Proudly Launching The Academy For Women Entrepreneurs In Malta**

**30TH AUGUST 2022**

During a reception on August 30, U.S. Chargé d'Affaires Gwendolyn "Wendy" Green welcomed over 80 women, who applied for the U.S. Department of State's 2022 Academy for Women Entrepreneurs (AWE). This year, the U.S. Embassy has partnered with The Malta Chamber of Commerce, Enterprise, and Industry to implement the second iteration in Malta of this global entrepreneurship program. The AWE program provides women entrepreneurs around the world with the knowledge, networks, and access needed to start and scale successful businesses. Participants will have the opportunity to engage in a competition, pitching business plans they develop through the AWE training for seed funding to invest in their businesses.



### **The Malta Chamber Summer Event**

**6TH SEPTEMBER 2022**



With over 500 attendees, this year's summer event provided the perfect setting for Chamber members to network in a beautiful setting at the Lower Barrakka gardens in Valletta.

### **Transparency, Accountability And Ethical Behaviour Amongst Members Of Parliament Are Fundamental**

**15TH SEPTEMBER 2022**

The Malta Chamber of Commerce, Enterprise and Industry published its report 'A Strong Transparency, Accountability and Ethical Governance framework for Members of Parliament'. The paper reviews and presents recommendations on a key issue essential to Malta's rule of law; transparency, accountability, and ethical behaviour, which are the fundamental prerequisites of our democratic system.





**We Need To Address The Glaring Limitations Of Our Tourism Supply Chain**

**27TH SEPTEMBER 2022**

The Malta Chamber of Commerce Enterprise and Industry hosted its first Tourism conference titled Rediscover, to mark the occasion of World Tourism Day. During this event the regulator, the tourism operators and the government discussed ways on how they can work together to achieve the common good for this industry. The conference included three panel discussions which included speakers both from the private industries as well as MTA and the Ministry for Tourism. The intention was to focus our energies to improve upon the existing standards. The discussions included:

1. Valletta as a Destination
2. Malta's Competitiveness in Tourism
3. The Right Balance for Niche Tourism



**The Malta Chamber Presents 2023 Pre-Budget Recommendations To Prime Minister and Leader of the Opposition**

**11TH OCTOBER 2022**

The Malta Chamber of Commerce, Enterprise and Industry met with Prime Minister Robert Abela and Leader of the Opposition Bernard Grech to present the 2023 pre-budget recommendations which focus on proposals that aim at supporting businesses by reinforcing the private sector. While presenting the proposals, President of The Malta Chamber, Marisa Xuereb emphasised how this document is forward-looking and was compiled after numerous consultation sessions with economic groups and business sections within The Malta Chamber.



**Employers Cannot Ignore The Mental Health Of The Employees**

**12TH OCTOBER 2022**

"The smoothness of the workflow of a business is dependent on the resilience of the weakest link," President of The Malta Chamber Ms. Marisa Xuereb said during a conference titled Mental Wellbeing – a Priority for Your Business during World Mental Health Day. This position was also echoed by Ms. Catherine Calleja, Chair of the Health and Wellness Committee and Director of Atlas Insurance, who supported this event. During this event Dr Natasha Azzopardi Muscat,



Director of the Division of Country Health Policies and Systems with WHO and Dr Denis Vella Baldacchino, Commissioner for Mental Health, portrayed a sobering reality; around the world, 15% of working age adults suffer from a mental health disorder at any given time, at a cost of \$2.5 trillion in lost economic activity and in costs directly associated to care.

**The Malta Chamber holds three events as part of Malta SME Week 2022**

**8TH NOVEMBER 2022**

This year, The Malta Chamber organised 3 events as part of Malta SME Week 2022. In collaboration with Malta Business Registry, the first event, titled 'Achieving a Sustainable Regulatory Environment', brought together practitioners and businesses who emphasized the importance of striking a healthy balance between the operational and the administrative when running a business to keep the same pace achieved post greylisting. This is within the context of exploring new economic niches and adapting to digitalization. The Young Chamber Network within The Malta Chamber of Commerce, Enterprise and Industry organised the second event as part of Malta SME Week 2022, titled 'Reskilling in the era of AI', with the aim of sharing insights on 3 main areas: Human Resources, Education and best use of AI in business. The third event, titled 'The Road to Decarbonisation', was organised in collaboration with the Dublin Chamber as part of the Enterprise Europe Network, and served as a forum to discuss the opportunities, possibilities and funding available to assist the decarbonisation efforts of the private sector.



**President's Christmas Reception**

**1ST DECEMBER 2022**

This year, The Malta Chamber went the extra mile to truly create a wonderful experience for members to network during the President's Christmas Reception. The Chamber would like to thank the following sponsors: M Demajo Wines and Spirits, FarsonsDirect, P. Cutajar, Corinthia, M & Z, Chemimart and Charles Grech.





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# Labour shortages remain one of the most significant challenges to Malta's economic growth

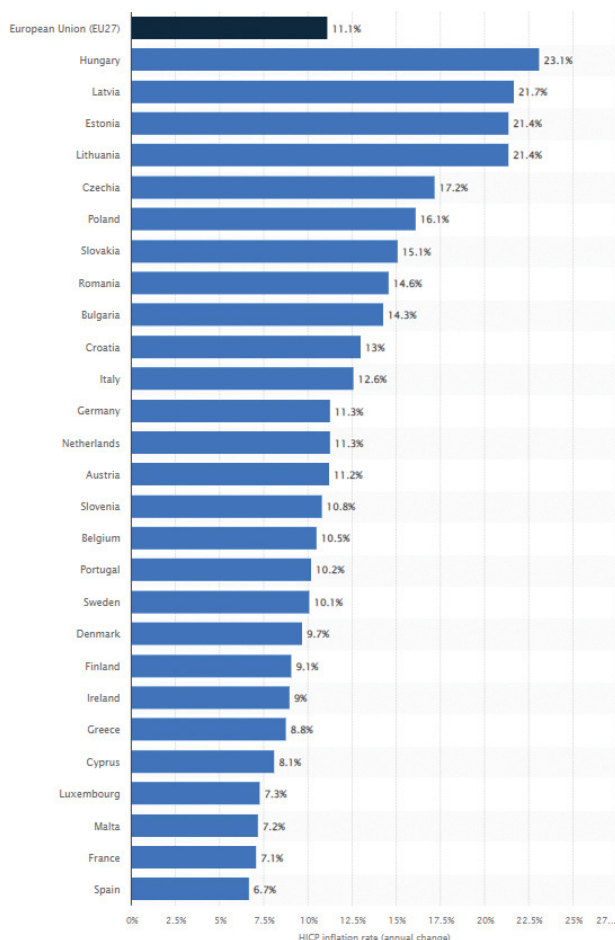
WILLIAM SPITERI BAILEY, COUNCIL MEMBER AND CHAIRPERSON OF THE SERVICE PROVIDERS ECONOMIC GROUP AT THE MALTA CHAMBER

2022 has been an interesting year for Malta. Moving out of the pandemic, removing the Covid-19 restrictions, and exiting the FATF grey list were all positive elements which helped Malta continue to grow economically, notwithstanding the new crisis, the Russia - Ukraine war, which emerged early in the year.



This recent crisis has contributed to hikes in the prices of various products, with the most worrying being the rise in the cost of electricity. Unlike most other European countries, the increase in the cost of electricity in Malta has not been passed on to the consumer. This has resulted in Malta having one of the lowest 'harmonised index of consumer prices inflation rate', (HICP), in the EU, standing at 7.2%, with the EU average at 11.1% as of November 2022(1).

Harmonized index of consumer prices (HICP) inflation rate of the European Union in November 2022, by country



As for 2023, some key macroeconomic variables issued by the Central Bank of Malta show that the GDP Growth (%YoY) is estimated to be 3.7% when compared to 6.8% in 2022, while the inflation rate is estimated to be in the region of 4.5% when compared to 6.1% in 2022. On the other hand, the unemployment rate should remain at 3%(2).

The European Commission economic forecast for Malta as of November 2022 showed that the estimated GDP growth (%YoY) for 2023 to be 2.8%(3) when compared to 0.3%(4) estimated for the euro area. Inflation is also estimated to be 4% (%YoY) (3) when compared to the estimated 7%(4) for the euro area, whilst unemployment remains to be low at 3.1%(3) when compared to the euro area, estimated to be around 6.5%(4).

Malta is expected to maintain its economic growth trajectory, outperforming most EU countries in 2023, with employment to remain stable and inflation rates to continue to be lower than the EU average.

The number and expenditure of tourists in 2022 reached levels that are moving closer to 2019, which augurs well for 2023, where it is expected to show robust growth. On the other hand, the positive contribution of net exports diminishes, and domestic demand growth is expected to slow down due to weakening private consumption and negative growth in government consumption.

Labour shortages remain one of the most significant challenges to Malta's economic growth. It is an area which requires serious thought. Malta continues to attract foreign workers, adding to its labour force, as the demand for labour remains strong in practically all spheres, be it the tourism, retail, professional, health and administrative services sectors, to mention a few. On the other hand, Malta's unemployment rate is forecast to continue to decrease to all-time lows in 2023 and 2024.

Another challenge to Malta in the coming months is the possible introduction of European tax harmonisation. It is hard to determine such a tax system's exact effect and magnitude. It, however, requires a concerted effort between the Government and all those involved to start working on what is needed and how Malta can adapt and evolve to be ready to face this challenge.

The war in Ukraine, the commitment of governments to continue working to bring the world towards a Net Zero Carbonisation, the rising costs and transportation costs, and the rise in interest rates, amongst other factors, all promise that 2023 will be a challenging year. Government, regulators, constituted bodies, industry, and all must continue to work together to ensure that Malta keeps on moving forward and thrives for the benefit of the country and all who live in it. Only through collaboration, where good propositions are acted upon and implemented, will Malta continue to face the waves and succeed in the coming months. ■

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# Bringing Innovation to Education and Industry in their constant struggle to secure talent and skills

MARTIN BORG – EDU ALLIANCE CEO

2023 will see Edu Alliance establishing sites of learning at your place of work through a bespoke solution, as bespoke as it can get.

**M**artin Borg, the CEO of Edu Alliance explains why this start-up has closed a two-year successful business operation, which therefore underlines the needed role of this start-up within the local education and training ecosystem. As an education and training consulting firm, Edu Alliance's mission is to act as facilitators and practical doers to create solutions for quality learning to happen.

'The birth of Edu Alliance was inevitable as I had continued to find myself trying to address the skills gap at the places of work. My vast experience within the education system in Malta, as well as my experiences at the EU and international level, have made me realise the potential of the local industry if it would be guided and assisted in reskilling and upskilling their own workforce.'

Edu Alliance has started off in operating in two main streams; the setting up of academies and educational institutions, as well as servicing educational providers in obtaining their licences and keeping them in check. The next steps for Edu Alliance would now see the services going directly within the industry and assisting them in investing in their talent; upskilling and reskilling their current workforce, by introducing the concept of 'Sites of Learning'.

'I firmly believe that learning happens everywhere, not only in schools and structured delivery of lessons, but particularly in settings at the work place. Learning at the workplace can be of higher value because it is based on experiential learning, and is fully immersed by direct transfer of knowledge and skills by the employers themselves. Establishing a Site of Learning at your place of work requires a number of conditions to be in place. This is where Edu Alliance comes in, to make your place of work a site of learning, of quality learning. This is the real Work-Based Learning we have been looking for', explains Martin very passionately.

Our service focuses on the upskilling and reskilling of the current workforce of the company, in whatever sector it operates in. We offer a bespoke solution, as bespoke as it can get, because the designed learning process is



**“Establishing a Site of Learning at your place of work requires a number of conditions to be in place. This is where Edualliance comes in, to make your place of work a site of learning, of quality learning.”**

according to the needs of the company. Such needs are at the forefront of our services which is highly sought after by employers who are constantly struggling to secure talent and skills.

Martin is a mathematician who has been driven by creating solutions all his life no matter the various roles he had occupied. From directorship positions at MCAST and ITS, and former CEO of the NCFHE, Martin has experienced education provision vis a vis the industry for over 20 years, and from all angles. His contributions to the Bologna process at EU level, to UNESCO and engagement in ESF and Erasmus+ projects, have further consolidated the notion that Malta's education and industry

could ultimately really work together, should critical conditions be created. This is how quality learning at the place of work is designed, and will be the main focus of 2023 for Edu Alliance, explains Martin.

Martin does not only possess experiential learning, but his hard work ethic and principles of integrity are embodied in his daily operations. 'We are now looking to consolidate our services and bring innovation to the worlds of industry and education. In addition, a number of interesting projects in the field of sport, capacity building, and sustainable development are in the pipeline. We are working hard to make them happen.' ■

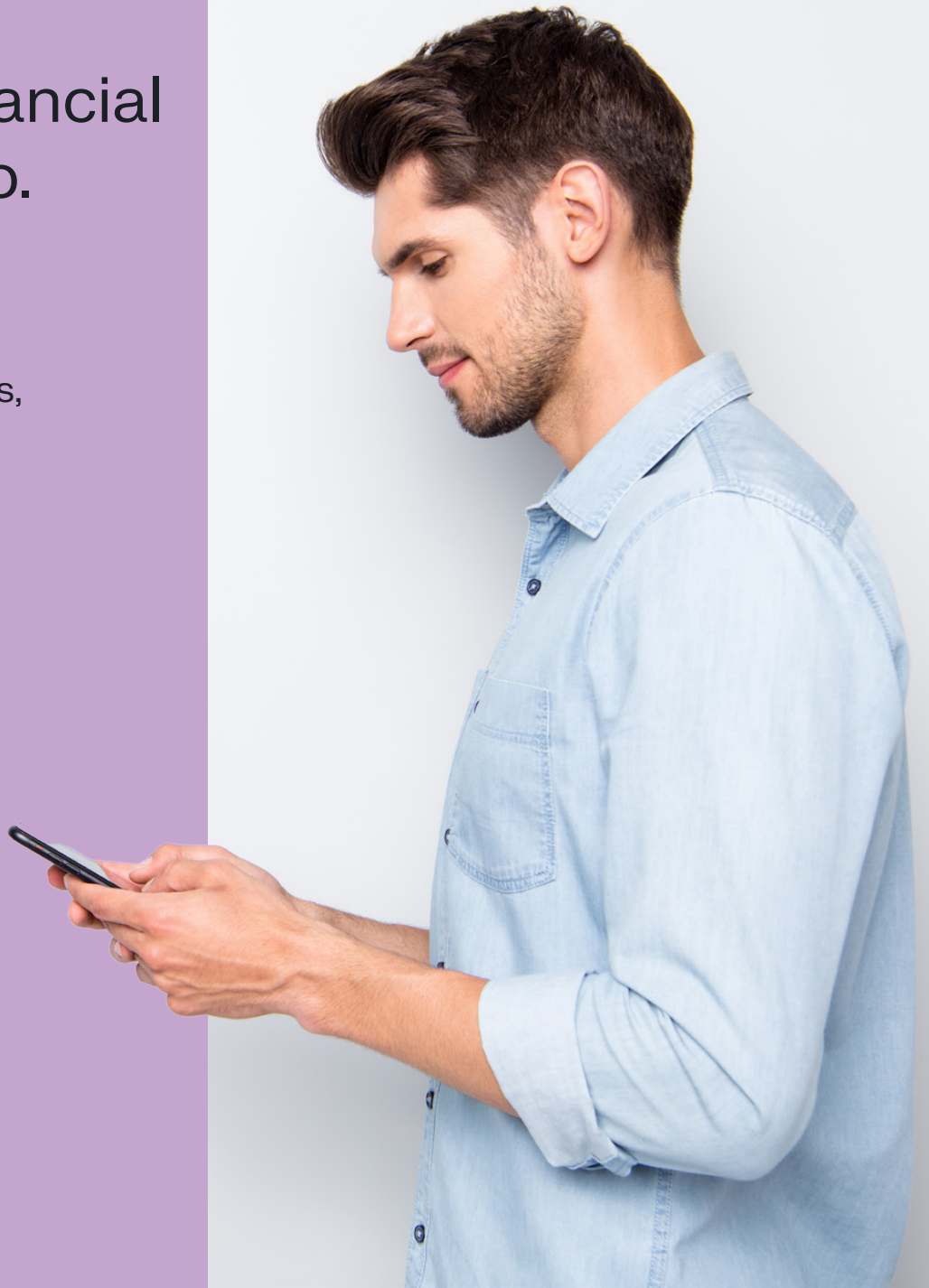



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# Shaping Business Expectations

NORMAN AQUILINA IS A MEMBER OF THE MALTA CHAMBER BOARD OF MANAGEMENT

Businesses have faced huge challenges and have undergone an incredible amount of change over the past few years, and this will not slow down in 2023. Consequently, businesses need to take a hard-nosed approach at the outlook to ensure they are well-placed to effectively address the challenges and ride on top of the opportunities.



Businesses have been hit by multiple adverse shocks, ranging from recurring supply and demand issues, spilling over into ongoing inflationary pressures combined with cost of living concerns, and related subdued consumer spending, to the continuation of an uncertain energy crisis and ongoing international geopolitical tensions.

Additionally, steadily rising bank interest rates have seen some businesses possibly caught out with relatively high gearing, and growing environmental sensitivities along with related compliance costs.

Topping this all up is the increasing level of job mobility, resulting in a talent retention challenge for many employers, placing added pressure to ensure they provide attractive careers and in return secure the needed capabilities and expertise for their businesses.

Paradoxically, one needs to place this within a balancing equation of a structurally tight labour market, with resulting wage growth, which is giving rise to the erosion in competitiveness in some sectors.

All this is to varying degrees contributing, conditioning and clouding the economic outlook, which in return could very well result in potentially declining corporate sentiment, forcing businesses to scale back their 2023 forecasts.

Nonetheless, barring any major unforeseen geopolitical or socioeconomic developments,

the future might surprisingly bring slightly less uncertainty than the recent past. However, the realisation of a downward trend in uncertainty does not in any way ease the necessity for an upward drive in knowledge and preparedness.

With the market remaining difficult to predict, businesses have to adopt a strategy with complementing short and long-term considerations. Being prepared to adopt a swift and responsive approach alongside a long-term outlook is essential. Both are needed and intrinsically linked, in spite of the distinct timelines, given they need to reflect consistency and directional convergence.

Putting this in context, while businesses always need to remain wary of their bottom line, this should never come at the cost of losing sight of the horizon. By staying solely focussed on their bottom line, businesses risk losing track and eventually direction too. Conversely, those that just set their sight on the horizon, while ignoring their bottom line, may very well find themselves running out of steam and ultimately unable to attain the set strategic goals.

If there has been a silver lining around all the cloudy landscape that businesses have had to endure during the recent past, this is the necessity to dig deep into their internal structures and ways of doing business, questioning and challenging both the levels of productivity and ultimately their

competitiveness.

One would hope that after having been seriously tried and tested during the recent unprecedented challenges, businesses have done away with any feather-bedded practices and elements of complacency, having adequately reacted and adjusted, if not outright reinvented themselves.

Businesses need to improve their resilience in any way they can, such as by mapping out their entire supply chains with the aim of reducing exposure to volatile market fluctuations as well as building protective measures to deal with shortages and rising logistical costs.

Rising costs will continue to pose a huge threat, which in return, are fuelling a more competitive environment driven not only on price and quality considerations, but also on ones abilities and timeliness in responding.

Today more than ever, many businesses are opting for flexibly-structured outfits and revolving towards more variable cost-based business models. Models which are more responsive and adaptable to a rapidly changing environment.

Perhaps not out of creativity but more out of necessity, in 2023, we will see a stronger innovation drive, with increases in online presence and accelerated digital transformation.

If businesses want to seriously continue playing the game and competitively stay in the top league, there is no other alternative than ensuring ones business is strategically focussed and aligned with market changes, while also being fully equipped with the necessary resources and prepared to tackle the ongoing changes with the proper set-up and equally important, right mindset.

All this is essential in shaping business expectations for the year ahead. ■







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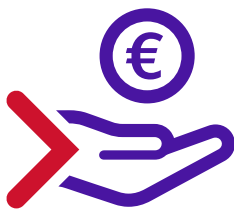
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# A Challenging Year for Both Monetary and Fiscal Policy

PROF. EDWARD SCICLUNA – GOVERNOR, CENTRAL BANK OF MALTA

The harsh reality is that the New Year 2023 found us still at war. This means a continuation of human loss and destruction of property in Ukraine, and global shortages of certain commodities amplified in a big way in the energy market, disproportionately affecting Europe.

While supply bottlenecks have started to dissipate, as reflected in global surveys of supplier delivery times and mainstream freight rates, yet, inflation has remained elevated, with price pressures switching from the original source, of the price spikes to secondary sources especially wages.

In the euro area, inflation increased from

just above 5% in January 2022 to 10.6% in October, moving into two-digit territory for the first time in decades. Thankfully the beginning of the year saw some fallback to a one-digit inflation rate. Meanwhile, HICP excluding food and energy, has broadly doubled, standing at 5.0% in October, in part reflecting indirect effects and lagged effects of rising non-energy costs.

Until September inflation had also remained on an upward trajectory in Malta, despite the generous subsidies which kept wholesale and retail fuel and electricity prices at 2019 levels, peaking at 7.4% in September and falling marginally since then. It must be said they are nowhere near the level of prices experienced in most other euro area countries.



However while food inflation has been only moderately below that in the euro area, non-energy industrial goods (NEIG) and services inflation have exceeded the corresponding euro area averages. In particular, services inflation in Malta averaged 5.8% since the beginning of last year, far above the rate of 3.4% recorded for the euro area.

This reflects the higher cost of imported inputs used to generate services, but it also reflects domestic inflation processes that have been triggered by the strength of demand for services – the latter in the context of a tight labour market, households' strong balance sheet and considerable fiscal support.

While domestic economic activity can be expected to gradually slow down during the current and coming quarters, the European Commission forecasts that Malta is still expected to have the second highest rate of growth in the euro area.

In our view, even this forecast is quite cautious given the resilience of the economy, as shown, for example by the unemployment rate, which is still below the lowest rate recorded pre-pandemic. This of course implies that demand pressures would continue to support inflation over the short and medium-term.

Furthermore, even if trading partners were to enter a mild technical recession during the coming months, imported inflation may not fall significantly. The pass through from higher commodity prices might not have filtered through the entire pricing chain in the economies of our trading partners and though a number of commodity prices have corrected, they still remain high from a historical perspective.

This assessment may seem surprising against the background of a 250 basis points increase in policy rates since July and the intention of the ECB's Governing Council to lift these rates higher as needed.

It is easier to comprehend when one considers that the transmission of the latest policy rate hikes to retail prices is not immediate, the still elevated levels of excess liquidity held by banks and the private sector, and, last but not least, the significant fiscal support aimed at counteracting the effect of high inflation on households and businesses.

In effect, monetary and fiscal policy are no longer at the present juncture pulling in the same direction.

As regards monetary policy, with the latest rate hikes the ECB has already made significant progress in withdrawing monetary accommodation. Furthermore, interest rates are expected to be the main tool for adjusting the stance. But to achieve our objective of anchoring inflationary expectations close to 2% rate normalisation needs to be complemented with balance sheet normalisation.

The reduction in the Eurosystem's

monetary asset holdings is expected to be pursued in a predictable and gradual manner, with the first principles being announced in December. This will undoubtedly change the financing environment which borrowers have grown accustomed to.

The most immediate impact will be on money markets and government bond yields, which later propagate to the cost of bank and corporate debt. Indeed, euro area sovereign yields have already risen markedly since last year and could increase further when balance sheet normalisation starts.

Turning now to Malta, while the transmission of the latest monetary impulses to bank lending and deposit rates appears rather slow, Government bond yields in Malta have already begun to increase. Such increases and tighter financing conditions abroad will eventually be reflected in a higher cost of funding for domestic banks, and eventually, households and corporates.

It is essential to be reminded that on

monetary, financial and economic terms Malta is very much integrated with the rest of Europe and that the decisions taken in Frankfurt ripple across the whole euro area, Malta included.

The transmission of tighter monetary conditions to the interest rates that banks offer to their customers is necessary for inflation to return to the policy target of 2% in a timely manner. But it is not sufficient.

Other policy actors also need to do their part. In particular, fiscal support has to be temporary and targeted, so that it avoids supporting demand for longer than is necessary. No doubt it needs to be complemented with other policies which improve the security of supplies and reduce vulnerability to adverse global conditions.

All in all the resilience which many economies, ours included, are showing is suggesting that past inflationary experience is no useful predictor for the future this time around. That makes monetary and fiscal policy that more challenging. ■

**“While domestic economic activity can be expected to gradually slow down during the current and coming quarters, the European Commission forecasts that Malta is still expected to have the second highest rate of growth in the euro area.”**





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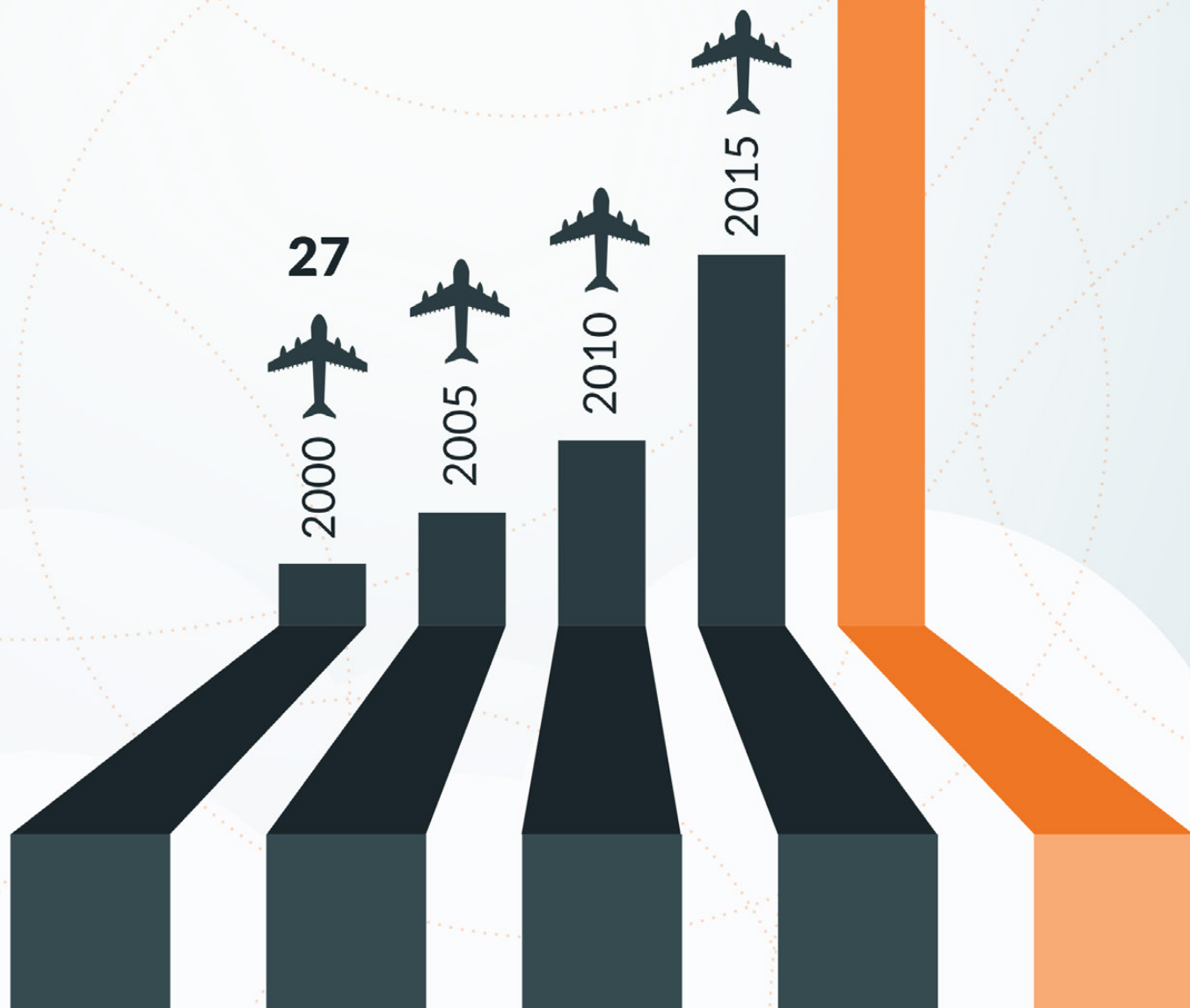


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## BOV Energy Loans

The European Union is playing a key role in mobilising citizens and businesses to adopt a more climate neutral approach in the way we live and run our businesses. The EU is using tools such as regulations and incentives to steer behavioural changes amongst citizens and business.

Various regulations like the “Fit for 55” rule book which is aiming to reduce 55% of the carbon dioxide emitted by 2030 will influence the way companies in various sectors will develop their future investment plans. The launching of various financing schemes to facilitate investments that reduce the amount of carbon dioxide emitted by EU citizens and businesses will be an incentive to adopt greener technologies.

Having successfully bid for the EU’s innovative Energy Efficiency and Renewable Energy financing instrument, Bank of Valletta is providing easier access to finance for green investments. The guarantee and interest rate subsidy offered by the European Union and the Government of Malta permits the Bank to cover the interest cost to the eligible borrowing customer, through an interest rate subsidy for the first 10 years. The loan can also be blended with the various grant schemes offered by the Government subject to the investment being in line with EU funding and state aid rules.

Aware that three of Malta’s main carbon dioxide emitting sectors are the transport sector, the construction sector, and industry, Bank of Valletta developed three products to address investments in these three areas.

Transport - The BOV Personal Energy Loan is targeted to that customer who is seeking an

investment up to a maximum of €50,000 in electric vehicles, plug in hybrids and charging stations. Besides the attractive interest rates and reduced fees, customers opting for a BOV Personal Energy Loan do not require any down payments or placing any security or collateral.

Construction - The BOV HomeEnergy Loan is the second product targeting that customer who has an existing property, or can combine the HomeEnergy loan with a home loan when seeking to purchase a property, and is seeking to invest up to a maximum of €100,000 in various energy efficiency solutions to make the building a more energy efficient dwelling. The product finances solar water collectors, space heating and cooling, energy efficient intelligent lighting solutions, as well as insulation solutions and in specific circumstances photovoltaic solutions. Under this product the homeowner would need to provide the immovable property as collateral and can benefit from reduced interest rates and fees compared to normal home loans as the Bank covers the interest cost to the eligible borrowing customer through an interest rate subsidy for the first 10 years. Customers seeking similar investments up to a maximum of €50,000 may also consider financing under the BOV Personal Energy Loan.

Industry - The BOV Business Energy Loan, is the third product assisting all enterprises,

NGOs and regulated bodies reduce their energy costs. The product finances electric vehicles, plug in hybrid fleets, charging stations, space heating and cooling, as well as numerous measures including insulation solutions and energy efficient intelligent lighting solutions. The 10-year interest free loan together with attractive collateral terms will contribute significantly towards improving the payback of green investments.

At Bank of Valletta we recognise the potential of green investments and their perfect fit into our strategy towards becoming a more sustainable bank. The above three products are the first step towards a greener bank, greener citizen, and greener business. ■

*Loan specialists deployed at BOV branches will be guiding customers in choosing the energy loan that is best for them or their business. Customers are urged to send an email to [businessdevelopment@bov.com](mailto:businessdevelopment@bov.com) or call us on +356 2275 1122.*

*The BOV Personal Energy Loan, the BOV HomeEnergy Loan and the BOV Business Energy Loan are financially supported by the Energy Efficiency and Renewable Energy Malta Fund (EERE) which is co-financed by the Republic of Malta and the European Union under the European Regional Development Fund (ERDF). The objective of this fund of funds and its first loss guarantee combined with an interest rate subsidy scheme is to support the access of the final recipients for their investments in energy efficiency and renewable energy measures. All loans are subject to normal bank lending criteria and final approval from the Bank. The term of the personal and home energy loans must not go beyond retirement age. Further terms and conditions are available from [www.bov.com](http://www.bov.com). Issued by Bank of Valletta p.l.c., 58, Triq San Żakkarija, Il-Belt Valletta VLT 1130. Bank of Valletta p.l.c. is a public limited company regulated by the MFSA and is licensed to carry out the business of banking in terms of the Banking Act (Cap. 371 of the Laws of Malta).*





# The Road to DECARBONISATION

ING STEFAN DE MARCO – POLICY EXECUTIVE ON SUSTAINABILITY, THE MALTA CHAMBER

We have enough scientific evidence showing that due to the extensive use of fossil fuels, Green House Gas (GHG) Emissions are the cause of Global Warming, the latter being one of the factors of Climate Change. The process of reducing GHGs is referred to as Decarbonisation.

Malta, like other 27 EU Member States are committed to turning the EU into the first climate neutral continent by 2050. To get there, they pledged to reduce emissions by at least 55% by 2030, compared to 1990 levels. The key targets for 2030 are:

- At least 40% cuts in GHGs (from 1990 levels)
- At least 32% share for renewable energy
- At least 32.5% improvement in energy efficiency

We thus have a role to play in the global effort to decarbonize and transition to a low-carbon economy, thus create a better and more sustainable future for its citizens. There are several steps that Malta must take to achieve this goal.





**“Overall, Malta has the potential to become a more sustainable country through the implementation of renewable energy, energy efficiency, waste management, and holistic sustainability practices.”**

One key area for action is renewable energy. Malta currently relies heavily on fossil fuels for its energy needs but transitioning to renewable energy sources such as solar and wind can help reduce GHGs. Government is promoting the adoption of renewable energy through financial incentives, such as grants and schemes, however these need to be attractive for businesses and the public to take up, especially when the Maltese economy is at a risk posed by energy prices rising globally.

Another important step is improving energy efficiency. This can be achieved through a variety of measures, such as the retrofitting of buildings to make them more energy-efficient, the adoption of energy-efficient technologies in industry, and the promotion of the use of public transport, cycling, and walking as alternatives to private car use. By using less energy to perform the same tasks, Malta can reduce its energy consumption and GHGs, as well as lower energy costs for businesses and households.

A third area of focus is waste management. Malta can improve its waste management practices by implementing measures such as recycling, composting, and reducing waste generation through the use of reusable products. It is imperative that we all adopt a

circular economy practice, which involves the reuse and repurposing of materials rather than simply discarding them.

Other underrated areas are Water and Land Use. As much as we are focusing on the above, these two areas should also be given the respective attention since our lives depend on such natural resources.

In addition to these specific actions, Malta can also take a more holistic approach to sustainability by incorporating sustainability considerations into all decision-making processes. This can involve the implementation of sustainable development goals, the adoption of environmentally-friendly policies, and the engagement of stakeholders in the decision-making process.

Overall, Malta has the potential to become a more sustainable country through the implementation of renewable energy, energy efficiency, waste management, and holistic sustainability practices. By adopting such practices, individuals and businesses can save money on energy bills, reduce greenhouse gas emissions, and contribute to a more sustainable future.

It is in this context that we need to understand the urgent need for businesses and the public to take on the path to decarbonise. ■

**“Malta currently relies heavily on fossil fuels for its energy needs but transitioning to renewable energy sources such as solar and wind can help reduce GHGs.”**





# The Malta Business Registry's vision for 2023

DR GERALDINE SPITERI LUCAS – MALTA BUSINESS REGISTRY CEO AND REGISTRAR

The year we have just saluted was a significant one for the Malta Business Registry. As an entity, all efforts were put into ensuring that Malta makes it out of grey list in a short span of time by implementing the FATF action plan on MBR. A goal that we achieved together.

2023 will keep on building on the foundations that were laid during 2022. As an entity, we retain our commitment to stand shoulder to shoulder with the business community, guide practitioners and CSPs, share knowledgeable tools and open our horizons to put the MBR amongst its top-tier international counterparts.

Preparations are now in full swing for Malta to host the Corporate Registers Forum (CRF) Annual General Conference. This conference will, for the first time in Malta, bring several representatives from over 60 registries across the globe together to discuss current and future challenges particularly those related to regulation, compliance, and money laundering. The CRF's decision of choosing Malta as its next host demonstrates trust in the Maltese jurisdiction, given that Malta was only accepted



as a full member of this Forum in 2022 forming part of its 60-plus members worldwide.

The Malta Business Registry pursued its mission to ensure Malta's competitiveness and the protection of businesses. In fact, at the end of last year, the Maltese Parliament unanimously approved the legislative proposals which shall reform the Maltese Insolvency Framework. The legislative amendments will provide an efficient and effective insolvency regime for entrepreneurs and at the same time transpose Directive (EU) 2019/1023 of the European Parliament and of the Council of 20th June 2019. The Parliament's approval will bring into effect two new acts and one amending act.

The first act, that is the Pre-Restructuring Act focuses on the early detection of financial distress in businesses, and therefore promotes intervention, which may come in different forms including advisory services offered to

businesses when signs of financial difficulty start to manifest. The second Act, which is the Act relating to practitioners in the field of insolvency, is aimed at providing a regulatory framework to those who practice in this area. The third act brings about important amendments to the Commercial Code aimed at providing an efficient discharge of debts system, maximizing creditor participation and return. Currently, the whole process by which an entrepreneur is declared bankrupt falls under the control of the Court. It involves a painstaking exercise that must be conducted in Court, and which makes it difficult for all involved parties to participate in the complex process. The amendments shift most of the processes which can be conducted by a practitioner, termed as the bankruptcy trustee. This will help to reduce the level of court involvement to a minimum and used only when it is necessary.

As an entity, we firmly believe that education is key. After assessing the feedback from a survey that was done among practitioners and CSPs, the need for educational training was evident. Hence, during 2023 a series of accredited training seminars are being prepared to tackle various common and newer queries particularly providing thorough explanations on forms required by the MBR. In fact, the first training seminar will focus on the incorporation of companies delving into businesses' perspectives and practitioners and will be organized on the 3rd February 2023 at the MBR. Complementing this is an informative campaign aimed at directors to understand better the administrative aspects related to the regulation of a company and the implementation of the Mobility Directive that will affect all businesses. Additionally, the MBR aims at enhancing its digital services to improve its services to the clientele as well as diminish unnecessary bureaucratic procedures. ■





# Revision of the Energy Performance of Buildings Directive

GABRIEL CASSAR- MBB, MANAGER – EU POLICY (SUSTAINABILITY)

The proposed revision to the Energy Performance of Buildings Directive (EPBD) is part of the European Commission's second Fit for 55 package, released in December 2021.



The aim of the Fit for 55 package is to translate the European Green Deal's vision for a climate neutral Europe by 2050 into policy terms, specifically focusing on energy and transport. The proposed revision also ties into other EU initiatives such as the Renovation Wave and the New European Bauhaus.

The EPBD was originally introduced back in 2002 and has been revised several times over the last two decades. Its main objective is to introduce measures contributing towards the improvement of the energy performance of buildings, both in terms of energy efficiency and renewable energy.

This includes, for example, setting minimum performance requirements which all new buildings must meet to be considered compliant. The key targets of the revision will be to significantly raise renovation rates of existing buildings, while also ensuring that all new buildings constructed as from 2030 are zero-emission.

To be precise, a zero-emission building is defined by the proposal as a building with a high level of energy performance, and which meets its energy demand through either:

Renewable energy generation on-site,

A renewable energy community, or  
Through a district heating and cooling system.

The level of energy performance is assessed according to regional differences, with northern and colder areas being afforded a higher energy consumption figure due to heating requirements.

With respect to existing buildings, the Commission's intention is to bring these up to standard over the next few decades. The focus at first will be placed on the least efficient buildings. In terms of proposed targets, the 15% worst performing buildings in the national stock would have to be renovated to meet a higher performance standard by January 2027.

In principle, the MBB welcomes EU proposals seeking to increase the sustainability of business operations. All stakeholders must play their part should we aim to achieve a tangible change. Nonetheless, there are still practical concerns which need to be seriously considered.

For instance, the definition of zero-emission buildings is difficult to apply in the local context for various reasons. Many of urban areas in Malta are characterised by densely

packed buildings with flat and terraced roofs, leaving limited room for PV installations. There are no district heating and cooling systems in place or planned in Malta, for similar reasons.

Meanwhile, energy communities have still not been implemented locally, and space for such projects is naturally limited. There are also other concerns related to the massive financial investment which will be required to both invest in new zero-energy buildings and to renovate almost the entire building stock, and also the seemingly limited value being given to Energy Performance Certificates locally.

The EU legislative process has been well underway for about a year. The EU Council reached its position at the end of 2022. The agreement looks at slightly pushing back the renovation cut-off dates, while also ensuring that all new buildings, and existing buildings undergoing deep renovation are designed to optimize their solar energy generation. This approach stems directly out of the REPowerEU Plan and the EU Solar Strategy published earlier in 2022.

Discussions are still ongoing in the European Parliament, and initial indications are showing a similar approach on solar energy. Nonetheless, MEPs are seeking to increase ambition further by shortening cut-off dates for building renovation and lowering consumption thresholds.

A compromise between the EU Council and European Parliament positions will need to be sought for a final agreement on the proposal. The MBB shall continue following the developments in negotiations at EU level and keep the local business community abreast of the outcomes and subsequent actions that may be required as part of the implementation of the legislation. ■

*For further information, please contact the MBB on [infobrussels@mbb.org.mt](mailto:infobrussels@mbb.org.mt).*





# A Modal Shift to Drive Sustainability in Businesses

CATHERINE CALLEJA, DIRECTOR AND COMPANY SECRETARY OF ATLAS GROUP

Over the past years, ESG and sustainability have become familiar terms as the world is understanding better the need to have business practices and stakeholder alignment in order to contribute to the wellbeing of the planet and the people living on it. Atlas Insurance is one such business that is placing ESG at the heart of the way it operates. We caught up with Catherine Calleja, Director and Company Secretary of Atlas Group of Companies, who explained the company's vision and plan for a sustainable future and the structured way the company is investing in the community.

## **Why is ESG becoming an ever more important aspect of the way companies do business? Why is Atlas placing such high importance on ESG?**

Simply put, ESG is a way of assessing companies on their environmental, social, and governance performance while also considering financial returns. It is fast becoming a measure by which a company's success is defined and which enables investors to evaluate businesses in which they want to put their money.

This consideration is a modal shift which prioritises the purpose of what an organisation does over its financial performance. At Atlas, our "purpose beyond profit" has been part of our vision statement for the past decade. ESG is central to our identity and is increasingly important for our stakeholders, especially our staff members – TeamAtlas.

Under the European Union's Corporate Sustainability Reporting Directive (CSRD), initially larger companies – and eventually almost 50,000 EU companies – will need to publish regular reports on their sustainability related activities.

This will require 'double materiality' which means that we will need to disclose not only the risks we face but the impacts we may cause to the climate and to society. Data will need to be submitted in a standardised manner which will allow our stakeholders to compare us with our peers. We want Atlas to be at the forefront of the road to sustainability not just because we have to report, but

because our stakeholders are demanding this.

We also believe that ESG practices at Atlas are intrinsically linked to mental and physical wellbeing. In this space, Atlas has also been very active through its initiatives spearheaded at The Malta Chamber, as well as initiatives such as Mental Health Awareness Month, which we organise every year in October.

## **What has Atlas been doing in terms of ESG?**

Over the past two years Atlas has developed a concrete ESG strategy with objectives and quantified key results and targets. We have set up an ESG cross-functional team which is spearheading the different initiatives such as putting into action our decarbonisation plan, allocating funding through our Atlas Insurance Community Involvement project, sustainability training for our stakeholders, reduction of the use of paper and so on.

As insurers, the management of risk is fundamental to our business, and the identification of the company's ESG risks, including climate change risks and mitigation plans, are also important. We have reviewed our internal processes, and established roles and responsibilities in relation to ESG. In other words, we have endeavoured to adopt a strategic approach with the support from the top and with staff involvement. This team reports on quarterly basis to the board on the ESG key results through the Risk and Compliance committee.



**"As insurers, the management of risk is fundamental to our business, and the identification of the company's ESG risks, including climate change risks and mitigation plans, are also important."**





**How does an organisation like Atlas, together with its stakeholders – especially TeamAtlas, embrace sustainability and carbon neutrality as a way of life?**

As I said earlier, the involvement of staff and other stakeholders in this journey is key. To achieve our decarbonisation targets, we have calculated our carbon footprint and are investing heavily to reduce it. A substantial investment in additional PV panels has been made, with installation over the coming months

Insurers are also institutional investors, and management of our investment portfolio is a major way we can influence sustainable practices also internationally. We closely monitor the rating of our securities to ensure an increasing proportion has positive ratings on international ESG indices.

Equally important is the collaboration within the local insurance market on climate change awareness and climate change adaptation, which is particularly important in our industry. The development and enforcement of standards in many areas will become increasingly important as we start to see the increasing effects of climate change and, particularly, extreme weather events.

**Why is Atlas' Community Involvement Strategy key to ensure the positive impact of its funding programme? How is Atlas contributing to support the communities it operates in?**

To ensure that the money we give to the community is put to the best possible use, we have developed a strategic approach to giving. Through this fund we are focusing our efforts in specific areas – where Malta is falling short of its Sustainable Development Goals (SDGs).

All of us should be aware of our national progress in these key areas and this site makes a very interesting read: [dashboards.sdginde.org/profiles/malta](https://dashboards.sdginde.org/profiles/malta).

We approached several research organisations, NGOs and other stakeholders who can make a difference in the areas of zero hunger, quality education, achieving gender equality and empowerment of women and girls, responsible consumption and production, clean water and sanitation and climate action.

We have received a number of extremely interesting proposals and 2023 will be a key year of implementation of the first three funding projects under this new programme. ■



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# Road towards Economic, Social and Territorial Convergence

DR DANIELA GRECH – HEAD OF PROJECTS & EU FUNDS WITH THE MALTA CHAMBER

Malta's contribution towards a smarter, greener, and social Europe.



As the independent voice of the private sector in Malta, The Malta Chamber of Commerce, Enterprise and Industry prides itself on its principal mission to actively represent companies from all economic sectors and to present its vision for an economy which is based on resilience and growth, increased sustainability and digitalisation, a better use of human capital, and more transparent governance structures.

It is thus of great satisfaction, albeit no huge surprise, that these driving economic pillars are also reflected in Malta's vision for the most effective and efficient use of EU funds.

Indeed, Malta's Partnership Agreement, which was concluded in 2022 and which covers the 2021-2027 Programme Period, defines the priority areas under Cohesion policy which will contribute towards the achievement of the country's various socio-economic goals.

Almost €800 million, which sum excludes Malta's contribution to said budget, have been allocated towards achieving said goals, with circa €650 million thereof being earmarked towards infrastructural investment. €124 million in EU Funds are being directed towards human capital investment while a respectable €22 million are being allotted towards investment in the Blue Economy.

The budgetary allocations also reflect the attention that will be given to particular areas, with the focus on a greener, more sustainable, Malta taking priority with a targeted allocation of €327 million. The main drive here is towards increased energy efficiency and the use of renewable energy sources (RES), climate change adaptation and disaster risk

prevention, sustainable water and waste-water management, the promotion of a circular economy, sustainable multimodal urban mobility, and sustainable blue investment.

Socio-economic investment is the second most significant focus in Malta's vision for the next decade, with almost €228 million being earmarked for projects aimed at a more 'social' and inclusive society within the island. The envisaged investment here relates to the enhancement of our educational infrastructure through the strengthening of the quality and provision of education, and increased support towards our health and social systems.

Interventions in this area are envisaged to touch upon mental health, child development and the integration of vulnerable groups, amongst others. Culture and tourism are also given importance under this pillar, with due recognition being given to the contribution of this industry towards our economy and the impact of the COVID pandemic thereon.

Finally, EU funds will also be used towards the improvement of employment opportunities through targeted interventions particularly aimed towards youth, women, the long-term unemployed, third country nationals and persons with a disability, with the overall aim of enhancing their opportunities and mobility within the labour market.

A better connected, and smarter, Malta comes next in the list of priorities, with almost €145 million targeted towards an innovative economy which is also based on digital transformation, as well as on a sustainable and climate resilient transport network. Of particular note, especially to The Malta

Chamber, is the focus that is being given, under this policy objective, towards enhancing the competitiveness of SMEs.

In fact, due importance is being given to the support that is necessary to consolidate and reap the benefits of SME investments, in order to remain competitive and diversify. In this regard, EU funded support will be enabled through a combination of grant schemes and financial instruments, which will build on the success achieved under the 2014-2020 period and the substantial take up of both grants and financial instruments under the Business Enhance Schemes and Financial Instruments.

The aim of interventions targeted specifically towards the private sector is that of increasing accessibility to finance, increasing the number of enterprises and start-ups benefitting from such EU support, as well as enhancing business infrastructure with a view to providing holistic support for entrepreneurship and start-ups in particular.

In the coming months, the first calls for project proposals, under all the priorities mentioned above as well as others, will be issued. It will be interesting to see what projects will be successful in tapping EU funding, and the kind of large-scale investment that the country will benefit from in order to achieve the country's vision for the next decade.

The Malta Chamber will be monitoring the implementation of the Cohesion Policy Programmes with great interest, with the hope and expectation that the ambitious targets that Malta has set for itself will be achieved and – where possible – even surpassed.

Of course, these are early days but, if one had to base oneself on the policy objectives presented so far, the outlook seems positive. ■







# Pushing for Sustainable Growth in Tourism

JULIA AQUILINA – POLICY EXECUTIVE AT THE MALTA CHAMBER

**Sustainable growth is at the centre of The Malta Chamber's vision for Tourism in Malta.**

In November 2021, The Malta Chamber published 'Rediscover – A Renewed Vision for Malta's Tourism Industry' including 125 recommendations enabled by keeping three key pillars in mind:

- ▶ Improving the customer journey
- ▶ Encouraging authentic quality experiences
- ▶ Building on our capabilities.

Our recommendations not only centred on building upon our strengths by focusing on continued growth and diversification of our product and niches, but also identified our weaknesses within the supply chain with suggested incentives to increase quality and to increase our competitive advantage with other jurisdictions. Our future focus needs to be to redesign our product and brand to communicate more qualitative experiences focused on authenticity.

To continue pushing our vision and influence government agenda, The Malta Chamber organised its first conference dedicated to the aforementioned subject on World Tourism Day by inviting leading stakeholders to attend and participate in the discussions.

During the conference The Malta Chamber pursued three main themes that aims to strengthen our product.

## **THESE INCLUDED:**

### **Valletta as a Destination**

The Malta Chamber believes that Valletta could be a destination in its own right. It has the potential to be a go-to capital city in Europe and compete with other major destinations by

focusing our marketing strategy on culture and heritage.

This recommendation goes hand-in-hand with Government intensifying its efforts towards the regeneration of Valletta and its inner harbour area.

Furthermore, it could be beneficial to invest in tools that rely on AI to integrate admission data in the most popular attractions with the current VisitMalta app. This will inform users in real-time of peak visiting hours and recommend less busy slots that will assist both tourists and agents plan their itinerary better. It is also recommended that museums in Valletta especially during the busy summer months extend their opening hours and allow for pre-bookings online.

The measures mentioned above are intended to better manage tourist flows, cut down on queues and ultimately provide an overall better tourist experience.

### **Malta's Competitiveness in Tourism**

The Malta Chamber believes that the Malta Tourism Authority (MTA) needs to revisit its role and position itself as an enabler by incentivising local operators and as an active regulator by enforcing standards to ensure quality.

MTA can take an active role in the industry by increasing support for the MICE industry which is known to generate higher than average tourist spend and important tourism traffic in the shoulder months. Furthermore, MTA could increase collaboration with the local private sector to ensure that Malta's ongoing

promotion strategies and campaigns are based on effective and consistent communication and consultation.

### **The Right Balance for Niche Tourism**

Malta's unique selling point is that an individual coming for holiday can diversify their itinerary by including various activities from different niches in a limited amount of time. Therefore, Malta has the capacity to invest in different niches and ensure that they all uphold a high standard to improve a customer's experience.

The Malta Chamber intends to keep pushing its vision of improving Malta's tourism offering.

We are doing so by including our recommendations in our economic vision and by participating in various consultations. We are also holding quarterly meetings with MTA including agenda points such as the Tourism Act to ensure it reflects new realities concerning the industry, accommodation trends and niche segments, discussing airline routes to ensure the local market is effective in the areas it is promoting and discussing methods to improve and incentive niche areas. ■





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## Destination: Malta

BY CARLA ZAHRA

### Yachting Malta Chairman Jonathan Borg speaks to Economic Vision about Malta's potential as a premier yachting destination.

With over 7,000 years of maritime history, Malta's seas have shaped the island as we know it. But the future of the maritime industry is yet to be written. Yachting Malta, established as a public-private partnership in April 2015, is determined to maximise existing opportunities and create new ones, transforming Malta into a premier yachting destination.

Building upon the work that the private sector has achieved so far, Yachting Malta provides further support to local stakeholders working within the industry. The organisation aims to contribute to developing and strengthening Malta's offering to the yachting sector, while also attracting high-profile yachting events and conferences to local shores.

"Malta is best placed to become a premier yachting destination; in line with our new National Yachting policy and through everyone's best efforts coordinated by Yachting Malta, we will attract the yachting business, generate new levels of yachting calls, maintain new heights, and ride a new trajectory of steady new volumes supplementing repeat business for the local maritime economy."

Describing himself as a 'boatman' – he is as passionate about motorboats as he is about sailing boats – Jonathan's 32 years of leadership within the maritime industry led him to an early realisation; yachting is a niche that requires a unique approach. In his new role, Jonathan is applying his personal and professional experience to the industry to focus on developing the attractiveness of the island, while also securing and maintaining business activity.

"Repeat business visitors who sail towards the islands on their yachts are our biggest seal of approval – once they pass the breakwater into

the Grand Harbour, they are fascinated by the fact that Malta has always been a spectacular maritime destination," says Jonathan.

The maritime industry is undoubtedly expanding at a rapid pace, creating the demand for more products in Europe and beyond. In 2022 alone, the maritime sector accounted for 14% of Malta's GDP, employing around 20,000 people and creating positive indirect impacts on other business sectors. According to the Norwegian Maritime Institute, the global maritime industry is set to double by 2030. Yachting Malta is preparing Malta for this growth, which will inevitably lead to opportunities within the local yachting sector.

To uplift the yachting industry holistically, Yachting Malta facilitates dialogue among all industry stakeholders to gain a better understanding of what is required for Malta to meet international standards. Moreover, the organisation has sponsored international events and conferences – such as the Yacht Racing Forum held on the 20th of November 2022 – to generate a significant return for the island's economy.

While sitting for this interview, Jonathan was even preparing for the launching ceremony of 'Viva Malta' – a vibrant Cookson 50 that is now Malta's national racing sailing boat – taking place later that evening. Following an investment of half a million euro, 'Viva Malta' serves as an ambassador to the islands. The boat has now been passed on to Sport Malta and the Malta Sailing Federation for

local sailors to compete in European regattas and strengthen Malta's reputation on the offshore sailing and yachting circuit.

As a yachting destination, Malta ticks all the boxes. The islands offer quality facilities for refits, hard standing, beautiful cruising views, a homeport, a reputable maritime flag, safe wintering conditions and a home away from home for captains, crew, and employees.

"There's no doubt that the Maltese product as a yachting destination has been improving over recent years. This is clear as investors and stakeholders know the standards that Malta is competing with, and they take their investment very seriously," says Jonathan.

Still, elevating Malta's attractiveness to compete with the likes of Monaco, the Amalfi Coast and the South of France will involve cooperation from a wider range of industries.

"Being a yachting destination is not just about our marinas. We need to develop and run in parallel with the international tourism industry," says Jonathan. "We believe in our stakeholders and our nation, and with a history of serving the maritime industry for so long, we can, realistically, achieve this within the next decade."

"Malta has already invested in high-quality tourism products, and yachts serve as an extension of that. A yacht acts as a high-end luxury apartment that offers something unique; different views, whenever you want them," explains Jonathan.

Therefore, the 5-star experience guests can get on land should be available to yacht owners too. To achieve this, Jonathan says that Malta's current focus should be on creating 5-star marina resorts, which grant the same high-end services that yacht travellers get onboard within the actual destination. This includes high-end dining, health spas, fitness centres, business facilities and even medical centres within the

marina. Despite Malta's size and delicate natural base, Jonathan believes that technology can be used to develop marinas to the highest international standards.

As Yachting Malta continues to work towards its ambitious goals, Jonathan says that none of this would be possible without Malta's sailors.

"As a nation, we should be very proud of our sailing community. We boast generations of sailors with Maltese names that have now become household names. We have Maltese sailors who are forever associated with the iconic Rolex Middle Sea Race, with nine editions being won by Maltese

boats, and many more sailors leaving their mark on the international circuit. It is these sailors that give Yachting Malta the motivation and reputation to proudly promote our sector," Jonathan concludes. ■

**"Once they pass the breakwater into the Grand Harbour, they are fascinated by the fact that Malta has always been a spectacular maritime destination."**





## Stark staffing is key challenge face by care services

DR DANIEL CASSAR, POLICY EXECUTIVE, THE MALTA CHAMBER

The private care sectors starts 2023 in much the same place as it was a year ago, that is, severely understaffed. The international shortage in trained staff, particularly nurses and carers, has crippled the industry's growth, an issue which is likely to remain pressing in the years to come as Malta, Europe and the wider international community cater for an increasingly elderly population.

While much has been made and will continue to be stated about the impact of the pandemic upon the healthcare and care sector, it is an inescapable fact that staffing related pressures were not caused by the virus, only thrown into sharp relief as the care system came under strain.

In order to mitigate this crisis and to ensure that 2023 is the year that the care sector takes its first steps towards a sustainable recovery, one must analyse the root factors that lead to this shortage and ensure that the correct short-term and long-term mitigating measures are put in place.

One cannot talk about the shortage of nurses in the current labour market without addressing the dual impact of insufficient nursing graduates to cater for the needs of the combined public and private sector healthcare and social care market, as well as the inability to retain those graduates within the nursing profession.

While providing a competitive salary is undoubtedly a factor that could improve these variables, this must also be balanced against the need to provide affordable care. Given the current inflationary pressure, care homes

must, as with all other companies, retain competitive rates for their services lest they become an unattainable and shrinking market reserved for the wealthiest in society.

A long-term approach will identify those individuals to whom the profession can provide added value, particularly given the fact that nurses in care homes often operate on a shift basis, with flexible time arrangements. These can often suit parents or those with responsibilities of care to other family members.

Providing a better balance with family life may be part of the solution. It is therefore incumbent upon the public and private sector to engage and communicate more effectively these advantages to prospective nurses and carers, whilst simultaneously working to rehabilitate the public perception of elderly care which has too often been maligned as a second-best option for graduates starting their career.

Beyond attracting individuals to the professions of nurses and carers, it is essential that employers retain well-trained and productive staff. In this respect private sector care homes find that their employees are often

poached by the public sector or enticed by overseas competition in the United Kingdom, amongst other countries.

While this is perhaps inevitable, and many would consider it healthy competition, one must note that oftentimes these individuals would have been retained and trained at great expense to the care homes.

Given the precipitous nature of the labour shortages facing the sector, care homes have invested in attracting and employing nurses and carers from overseas, many of whom are third-country nationals. As many employers will have experienced this is a costly, time consuming and laborious process which often brings with it additional training requirements to acclimatise employees to their new setting. This training and ability to communicate in English makes these individuals an attractive prospect for poaching by other countries.

To ensure the short-term viability of the care home sector, Government must commit to pursuing any possible diplomatic intervention to avoid this international poaching.

An example of this kind of intervention occurred in the late summer of last year when the Executive Committee of the Care Home Operators Business Section within The Malta Chamber put pressure on Government to intervene with regard to an active recruitment campaign to poach over three hundred Maltese nurses and relocate them to Ireland. This pressure was successful, with the Government pursuing diplomatic routes which led the agency in question to abandon its campaign.

This concerted effort must be accompanied by other policies targeted at retaining these staff, including modifying the country's approach to family reunification and providing a pathway to citizenship for those working in Malta for several years. ■





# Energy Efficient Houses

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## Energy efficient buildings must become the new normal

The Long-Term Renovation Strategy is a recently launched strategic framework for the renovation of the building stock over a 30-year period, from 2020 to 2050. Energy efficient houses is at the core of this strategy. It is imperative that all those involved in the construction sector embrace this strategy towards the building and construction of energy efficient buildings.

The Building and Construction Authority (BCA) is at the forefront of this strategy. A course, entitled 'Energy Performance of Dwellings in Malta' is being offered to holders of a degree in architecture and/or civil, built environment, building services, mechanical or electrical engineering at MQF level 6 recognized by the University of Malta or equivalent.

Upon the successful completion of this course, which includes a two-day CPD course qualification, one becomes an assessor of buildings. This would enable participants to survey buildings which need to be considered in the Energy Performance Certificate calculations.

Insulation levels, the ventilation features and the type of cooling and heating systems, and apertures, shall be surveyed.

Buildings have a long-lasting effect on the environment – many times years after the

building has been demolished.

Robust economic growth, and affluence, led to a higher demand for dwellings, and dwellings that provide their occupants with the necessary comforts of the modern world. Design and construction changed quickly over a span of a few years. New technologies and materials in the building and construction of dwellings have been introduced. A paradigm shift has been made from the traditional robust architecture to a slenderer one. Buildings have grown taller – six storey buildings, and higher, have become the norm.

The depletion of natural resources happened at a sporadic rate with dependence on energy consumption becoming the norm. This has had its toll on natural resources. Solutions were needed, and fast. Measures had to be taken to lessen the demand on natural resources and ensure sustainability. The reduction of greenhouse gases was deemed urgent and necessary. The sustainable construction movement gained traction and is today international in scope.

**“The depletion of natural resources happened at a sporadic rate with dependence on energy consumption becoming the norm.”**

In 2010, the European parliament approved the Directive on the Energy Performance of Buildings. In 2021, all member states were required to establish National building renovation plans. The European Union's greenhouse gas emissions are expected to be reduced by 55% by 2030.

Consumers are now expected to know the energy performance rating of their property, be it a property they purchase, or one that they rent – with these ratings performed by qualified assessors. The latter have a pivotal role in recommending ways and means on how to improve a buildings energy efficient levels, and in so doing reduce the energy expenses and carbon dioxide emissions from the buildings.

Energy efficient buildings must become the new normal. Our planet demands it. Our natural resources deserve it and our consumers would live in a better, healthier, and more sustainable world when this happens. It is an urgent matter which cannot be postponed. It comes at a high cost, environmentally, and financially, if we do. ■





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# Malta at the Forefront of Digital Innovation

BY CARLA ZAHRA

Chief Officer for Strategy, Policy and Governance at the Malta Digital Innovation Authority, Gavril Flores, speaks about the newly launched organisational strategy that will cement Malta's position at the forefront of digital innovation.

In 2018, the Malta Digital Innovation Authority (MDIA) was set up to enable innovation while fostering trust in technology. Just four years later, the MDIA has earned a reputation as a leader in the field of digital innovation, implementing a regulatory framework that is internationally regarded as the first of its kind. Moreover, the Authority transformed its vision into action by putting forward legislation to regulate the Digital Ledger Technology (DLT) and smart contract sectors, which were previously operating in an unregulated manner.

Now, Malta's approach is being advanced by the European Commission for adoption across the European Union. The MDIA is also well positioned to lead the implementation of an overarching EU regulation on Artificial Intelligence (AI) and to act as the national cyber security certification authority.

When asked about the lessons that the team at the MDIA have learned in this relatively short period, Mr Flores highlights three points. He says:

"Firstly, balance is key to creating an effective regulatory approach that builds trust in innovation while also acting as an enabler. The second lesson was that, to succeed, we need to embrace an expansion of our remit and be a beacon for an array of innovative technologies. Finally, we learned that our portfolio of services needs to continue to cater for both big and small players in the industry."

With these lessons in mind, the MDIA developed a strategic plan for the next three years which will seek to position the Authority as an enabling leader that directs and facilitates the secure and optimal uptake of digital innovation.

"We aim to be the national contact point for the private industry in technology assurance, particularly when deploying innovative technologies. Ultimately, we are guided by our ambition to have a digital, green, and inclusive society," says Flores.



**"We aim to lead as the national focal point which directs and facilitates the secure and optimal uptake of digital innovation."**



Through the strategic plan, the MDIA outlines four main pillars that the organisation will be focusing on between now and 2025, namely Service Provision, Policy, Governance and Public Relations and Communications. The strategy contains 61 actions ranging from strengthening research capacity, to facilitating public-private collaboration, building a high-performance computer and launching an entrepreneurship hub. “One can expect an MDIA focused on the needs and expectations of stakeholders – an Authority which inspires, transforms and enables,” says Flores.

One of the key aspects of the future of the industry is the investment by foreign technology companies, which has proven to be a large contributor to the local economy in recent years. The MDIA will continue to collaborate with foreign direct investment entities such as Malta Enterprise and Tech.mt to focus on maintaining constant innovation. On an international level, the MDIA is seen as an exemplary framework by countries seeking to set up similar institutions. The Authority is collaborating with other entities to be proactively involved in policymaking and standards development on a global scale. A recent example of the international endeavours of the MDIA is a report co-designed and facilitated by Open Loop, which is a global program supported by Meta.

While ensuring that Malta remains attractive as a base for international start-ups, the MDIA is also focusing on harnessing homegrown talent.

“We have some great success stories, and our 316 square kilometre island never ceases to impress,” says Flores. In December 2022, the MDIA also finalised a €5.2 million project plan to create a European Digital Innovation Hub which will serve as a one-stop shop supporting companies to respond to digital challenges and enhance competitiveness.

“One of the roles of the European Digital Innovation Hub in Malta is to enable homegrown digital start-ups to succeed through access to technology for testing in a supportive learning environment. This investment is being carried out as we foresee a growth in the number of start-ups and scale-ups. We believe that for start-ups to be sustainable, they need access to the right expertise. In this regard, the MDIA

is acting as a bridge between academia and industry to build capacity and apply knowledge in real-world scenarios. Recently, we supported 19 projects in fields such as AI and digital health. We also have grants opportunities aimed at further diffusing innovative technology arrangements,” says Flores.

Within the strategic plan, the MDIA identifies its team as one of its major strengths. The organisation places human resources at its core, ensuring it is an attractive workplace through a combination of state-of-the-art offices, employee engagement, company culture and a learning environment which invests in people and sees employees as its primary asset.

“As a public entity, our role is not to compete for a limited talent pool. We introduced a hybrid approach based on internal capacity and engagement of external technical expertise to positively impact people’s lives through technology and policy development,” explains Flores.

Despite the national ‘brain drain’ that many sectors are experiencing, Flores notes that total employment in the sector increased by approximately 70% in the last 10 years, exhibiting growth in both local talent employment and non-Maltese workers. The MDIA is focusing on investing heavily in the future workforce through specialised scholarships, traineeship programmes and the implementation of a wide-ranging strategy.

Over the next few years, the MDIA will continue to focus on making inroads within the field while acting as a base for local and international talent to flourish. Among the initiatives launched by the MDIA is the technological sandbox, an innovative concept which provides a safe environment for individuals or companies developing solutions to enable the correct nurturing of such solutions in line with recognised standards. The sandbox aims to align technology with international standards to reduce the risk of failure, provide a degree of assurance to users and investors to create a competitive advantage, and enhance legal certainty in a sector which is becoming more regulated at a European level. ■

*The full Strategic Plans for 2023-2025 can be accessed through the MDIA website [mdia.gov.mt/publications](https://mdia.gov.mt/publications).*







“One can expect an MDIA focused on the needs and expectations of stakeholders - an Authority which inspires, transforms and enables.”





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# Bringing on a change in culture

BY CORYSE BORG

Throughout 2022, the Family Business Office has continued to focus on the importance of succession planning in family businesses. Economic Vision spoke to Regulator Dr Joseph Gerada about what comes next.



During 2022, the Family Business Office had several discussions with their partners and stakeholders to ensure a long-term vision for family businesses operating locally.

Training sessions and lectures were provided in collaboration with the Family Business Committee within the Chamber of Commerce, and with the support of Malta Enterprise and Business First.

The lectures, which were open to the public and free of charge, discussed and shared first-hand experiences in relation to good governance in family businesses, strategic planning and ensuring that the right environment to create communication channels is created within the family business structure itself. The sessions were all recorded and made available to the public for viewing at their convenience through YouTube.

As a follow up to this, the Family Business Committee prepared a survey which was sent out to family businesses with the main objective being to identify areas where local family businesses need most support. The aim is to investigate the results, which will form the basis of the initiatives that will be launching in 2023.

The focus on succession planning led to the further promotion of one of the most important support incentives they have created over the past two years – the Advisory scheme. This incentive aims to provide family businesses with the financial support required to engage professionals who are able to assist them with their plans to ensure that it is not too late

to ensure a smooth transition of the family business from one generation to the next.

Another initiative the Family Business Office has been working on in collaboration with various partners and stakeholders is the promotion and importance of women in family businesses.

“Women play important roles in society, and the Family Business Office recognises that greater recognition should be afforded. Women playing central roles in family businesses are often taken for granted and not given equal working conditions as male counterparts,” Dr Gerada states.

With the aforementioned in mind, the Family Business Office, with possible collaborations of other government entities, will aim towards launching an educational campaign in this regard, as the Family Business Office believes that this also requires a change in culture.

“Furthermore, we feel that family businesses need to be recognised for their hard work and the important role they play in the local economy, Dr Gerada continues, “For this reason we have been discussing ways of recognising the achievements of family businesses whilst giving them value rather than simple acknowledgment and a pat on the back.”

More details and information will be forthcoming about this in the first quarter of 2023.

Unfortunately, following the Covid period, the Family Business Office had to cancel and postpone a number of events which they had

become accustomed to holding on a yearly basis. One of these events was the yearly visit to the family businesses and stakeholders in Gozo. They are already finalising plans to make sure that the next visit to Gozo will take place in the first quarter of 2023.

Dr Gerada says that one must keep in mind that family businesses are subject to the same obstacles and hurdles faced by businesses in general, with the addition of other intrinsic elements which add further baggage to the management of a business. It is therefore expected that the same worries as those currently being faced by other businesses will also affect family businesses.

“One definite obstacle being faced by family businesses, and business in general, is the lack of human resources, whether skilled or unskilled,” he explains, “The current local labour market, as a result of this shortage, struggles to fill certain positions and this has a direct impact on production/service levels and overall performance of family businesses.”

Inflation is another issue which is causing concern. “Luckily, in Malta we are not feeling the negative impact of energy prices which businesses in our neighbouring countries in Europe are facing and I am confident that the initiatives being taken by the Government to lessen the burden on business will also impact our family businesses positively,” Dr Gerada states.

This year, the Family Business Office hopes to be able to grow their team and to be of better service to local family businesses.

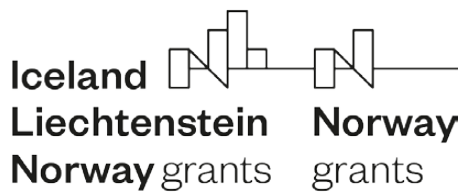
“As stated previously, we also hope to bring on a change in culture in certain areas where I feel we still need to make strides in the family business sector, such as female empowerment and the importance of creating strong governance structures which may lead to better succession planning and transfer of business,” Mr Gerada says.

Over the past year, the Family Business Office has also increased their participation away from our shores. In collaboration with the European Family Businesses, they have embarked on various initiatives which will see them take a more active role in Brussels in support of family businesses across Europe by making their voice heard and contributing to the discussions on issues and topics which will directly affect family businesses.

This will see Mr Gerada visit Brussels and our MEPs more often over the coming two years.

“The importance of the role our office plays in educating and providing the necessary support to family businesses is being recognised more and more since its inception back in 2017. As an office we are still in our infancy, and therefore I see this office as a fully fledged regulatory office in the next five years taking on more responsibilities with the ability of taking more initiatives to fruition, with less dependence on our partners.” ■





# Jobsplus

## Driving Youth Employment in the Green and Digital Economies

Climate change and environmental sustainability have risen to the top of global agenda, and investments in the green economy are going to be the key drive of post-pandemic recovery. By equipping youths with the skills of tomorrow, we can empower future decision-makers to combat some of the biggest challenges that our societies have ever faced.

Climate change and environmental sustainability, along with advancements in technology are set to radically change our economy and society. To ensure that this transformation is inclusive and sustainable, policy makers need to be able to deploy innovative solutions to increase participation at all levels, particularly of the most vulnerable.

As the world rapidly changes, we also need the next generation to steer us in the right direction. The digital economy is already affecting the world of work and this impact is expected to grow exponentially over this decade. New technologies are reshaping millions of jobs and the demand for new skills and competencies is growing fast. This is creating deep structural shifts in the jobs landscape, as new jobs are created, and others are being phased out.

As green policies gain ground globally, these are expected to trigger more job creation in several green economic sectors. Green jobs will create a new job dimension that can absorb a number of workers impacted by technology disruption across multiple industries.

Jobsplus understands its position in such context and remains committed to carry on its mission to enhance accessibility to the labour market through modernised and targeted services. In line with the stated scenarios, Jobsplus also aims to facilitate labour mobility and promoting investment in human capital. On such grounds, it is perhaps worth mentioning the current interventions by the organisation, following funding awards for two transnational collaborations that are under its lead.

**Intercept**  
PROJECT



# SMARTLY



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**“As green policies gain ground globally, these are expected to trigger more job creation in several green economic sectors. Green jobs will create a new job dimension that can absorb a number of workers impacted by technology disruption across multiple industries.”**

The INTERCEPT Project which benefits from a €2.18M grant from the EEA and Norway Grants Fund for Youth Employment and the SMARTLY Project, which benefits from a €400K grant from the ERASMUS+ funding mechanism are testament to the organisation’s commitment to assist the composite of the labour market as new markets emerge and sustainable practices become more prevalent and indispensable.

The initial research phase of the INTERCEPT Project denotes that in 2020, 18.6% of youths aged 25 to 29 in Europe were not in education, employment or training (NEETs). With the INTERCEPT Project, nine partners from across six European countries (Malta, Poland, Slovakia, Lithuania, Italy and Luxembourg) aim to unleash the potential of 300 youths aged 25 to 29 in Italy, Malta and Lithuania. This is being done by diving deep into a structured analysis of their needs and developing as well as evaluating an innovative pilot scheme that facilitates their integration within the green labour market.

The ongoing scheme intends to equip NEETs with training and work exposure opportunities based on research about the key features of the target group, as well as the meta-analysis of previously implemented active labour market policy (ALMP) practices. At the end of the scheme, the INTERCEPT Project aims to have 80 youths gainfully employed within sustainable economic practices.

In similar but distinctive ways, Jobsplus, together with the eight partners on the SMARTLY Project aspire to further strengthen the employability of youths while ensuring that Public Employment Services across Europe enhance the skills of individuals that are not in education, employment or training (NEETs) to meet the needs of the labour market for the Green and Digital Sectors.

SMARTLY Project achieves this by adapting an improved profiling and training approach that aligns NEETs competences to the labour market demands of these niche areas. The partners from the seven European countries (Malta, Poland, France, Italy, Croatia, Cyprus and Luxembourg) working on this project will assist 100 youths across Malta, Cyprus and Croatia throughout the testing of an enhanced profiling tool.

Apart from bestowing in-demand green and digital skills for a more trained workforce, the partners involved will go on to further evaluate the projects and develop policy recommendations for the European institutions at the closing events in Brussels towards end of year 2023. ■

*Employers interested in offering work placements for the INTERCEPT Project can get in contact or submit their applications via the project’s website: <https://interceptproject.eu> or email: [intercept@gov.mt](mailto:intercept@gov.mt). More information on the SMARTLY Project may be attained on <https://smartlyproject.eu> or via email: [smartly@gov.mt](mailto:smartly@gov.mt).*



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# In 2023 there will be NEW MARKETS TO EXPLORE

ANTON BUTTIGIEG – CEO, TRADEMALTA

Established in 2015 as a joint venture between the Government of Malta and The Malta Chamber of Commerce, Enterprise and Industry, TradeMalta has become the go-to place for Malta-based exporters.

The organisation, which has a small but efficient team, provides various forms of assistance to Maltese exporters. The assistance comes in financial and non-financial form and includes support to exhibit in international trade shows, organising trade missions in new and strategic markets, support to carry out market research and international digital marketing campaigns and other related services.

As part of its remit, TradeMalta also organises country information seminars and training programmes on a frequent basis. TradeMalta also invites senior government officials from strategic markets to Malta to directly expose them to the opportunities of the Maltese economy with a view to building long-lasting partnerships with such senior executives and to lay the foundations for further commercial opportunities for Malta-based exporters.

Looking ahead at 2023, TradeMalta is confident that there will be a pick-up in economic activity for Malta-based exporters. This confidence stems from the higher demand from Malta-based companies in the last two-quarter of 2022 to attend international trade shows throughout 2023.

In addition, TradeMalta will be onboarding the largest number of companies ever to 'Global Growth', its flagship programme that supports Maltese exporters to visit international trade shows, organise business development meetings overseas, and carry out market research and digital marketing campaigns, as well as engaging the services of international business development partners.

On top of this TradeMalta will be organising a number of trade delegations, starting with one in Ghana in January, where it shall be leading 25 companies to further enhance Malta's collaboration with this important West-African partners. In February, TradeMalta will be setting up the Malta pavilion at Gulfood, one of the most important food fairs in the world, with the participation of 10 Malta-based food manufacturers exhibiting at the pavilion.

Further on the year TradeMalta will be organising further business delegations to new markets with a view of opening new avenues



for Maltese enterprises.

Despite this optimism, TradeMalta is fully aware of the challenges faced by companies exporting from an island and the southern periphery of the European Union.

With this in mind, TradeMalta has actively involved at European level, becoming one of the founding members of Trade Promotion Europe, a non-profit association of national and regional trade and agrifood promotion organisations, whose goal is to strengthen European trade through better coordination and information sharing.

TradeMalta's initiatives at EU level are surely bearing fruit, as CEO Anton Buttigieg has been appointed Vice President of the Association in November 2022. In his role, Mr Buttigieg will be actively working to promote further collaboration amongst European Trade Promotion Organisation and ensuring that Maltese exporters of good and services have a great voice within European institutions.

Given that TradeMalta is a joint venture between Government and the Malta Chamber, this work plan will be coordinated with both entities. TradeMalta understands the importance of having such strong shareholders backing its long-term objectives and uses

**“TradeMalta is confident that there will be a pick-up in economic activity for Malta-based exporters. This confidence stems from the higher demand from Malta-based companies in the last two-quarter of 2022 to attend international trade shows throughout 2023.”**

this leverage to the benefit of Malta-based exporters.

In today's complex work the executive team realises the importance of having government opening doors and facilitating international contacts at the highest level and the clout of the Malta Chamber with its wide network of international associations including Eurochambres and Business Europe and Enterprise Europe Network. ■





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# Establishing Malta's Framework For A Net Zero Carbon Building

This project provides a framework for net-zero office buildings in Malta based on HSBC's flagship net-zero building in Qormi



The Malta Chamber of Commerce, Enterprise and Industry, together with HSBC Malta Foundation organised an information session regarding a project entitled 'Establishing a Framework for Net Zero Buildings in Malta'. The aim of this project is to guide Malta towards achieving its climate goals by tackling the building and construction sector, with particular focus on operational carbon, i.e. the emissions of carbon dioxide and other global warming gases during the in-use operation of a building.

In her opening statement, The Malta Chamber President Marisa Xuereb said that, "this project provides a framework for net-zero office buildings in Malta based on HSBC's flagship net-zero building in Qormi. Office buildings constitute a high percentage of business buildings and reducing their carbon footprint can have a significant impact on reaching Malta's decarbonisation targets

and helping businesses become more ESG compliant."

The Minister for Environment, Energy and Enterprise Miriam Dalli and the Planning Minister Stefan Zrinzo Azzopardi participated during this event. Minister Dalli reminded that the measures being proposed under Budget 2023 aim to support the green transition: renewable energy, energy efficiency, sustainable products and green investments amongst others. She said that, "these support measures on their own will not be enough, unless professionals come together to adopt the required change to truly transform buildings, from the planning stage to the finishing stage."

Minister Zrinzo Azzopardi said, "it is high time for great change in the construction sector to achieve quality and to reach higher energy efficiency in buildings." He continued to say that energy efficiency in buildings is necessary as part of our positive actions to decarbonize

our economy and achieve the 2050 objectives. It is also a new economic opportunity for various players in the construction and engineering sectors. Minister Zrinzo Azzopardi concluded by assuring the Government's commitment in decarbonizing the economy and encouraged all professionals and businesses to take the lead and invest in energy efficiency buildings.

During this session Ing. Abigail Cutajar in her capacity as the lead technical project manager of this project, presented the work and data obtained so far following the evaluation of existing national building stock and the identification of selected office buildings. In her presentation she explained that the HSBC head office has been selected to perform building energy modelling as a case study to retro fit offices to more efficient buildings.

The Malta Chamber CEO Dr Marthese Portelli in her presentation showcased what The Malta Chamber did to become more sustainable and how the challenges that such a historical prestigious building presents can be overcome to achieve energy efficiency. She also spoke about recommendations that The Malta Chamber issued in relation to sustainable building. She added that the New Regulatory Framework for the Construction Industry with at least a minimum skill licensing for building & road contractors (which should include knowledge on renewable systems) coupled with Points-System and Fast-Tracking for more sustainable buildings.

During this information session, a number of HSBC board directors and senior executives and a number of entities and entrepreneurs participated and discussed how sustainability should be incorporated in the business model and projections that the various local companies embark on. ■



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# Connectivity by Road And Sea Driving a Thriving Post-Pandemic Economy

ROBERT CASSAR, CEO – EUROBRIDGE SHIPPING SERVICES LTD



There's an unproven aphorism here in Malta that if we, for whatever reason stop importing goods, we would only have three days of food to sustain the population. I'm sure no one is willing to test the truth of this statement. But in whatever level, it does hold an important truth in itself; the importance of our connectivity to the two continents that huddle us out from our shores. This is especially so for the continent of Europe which Malta has been building cultural, political, and economic ties since the dawn of time; though the potential of untapping further connections with the African continent is still an opportunity for the taking.

Our location puts an age-old challenge faced by Phoenicians trading in tyrian purple, by Romans in honey, Knights Hospitallers in buccaneering, and the British in 'ruling the waves' onto our 21st century shores; the connectivity of our small islands to the big continents across the sea.

## BY ROAD

Road connectivity is important for Malta because it allows for the movement of goods and people within our Islands and with other countries. A large volume of goods get to Malta by a mix of road and sea transportation from across Europe. These connections are critical for us to be able to continue enjoying the commodities of our modern living. Wine from Bordeaux, blue-grey marble from Carrara, cars from Stuttgart to textiles from Barcelona all make their way via this elaborate road and sea network.

Continental Europe definitely continues to remain very attractive to anyone in Malta looking for suppliers, due to being a location which gives short turnaround times and more reliability and stability, even during

these recent 'unstable' years; for sure more so than other more far-off destinations. These advantages are there too for those exporting from Malta. Brexit also had many in Malta consider looking for suppliers on continental Europe as more look for possibilities to try and source their materials and goods from the EU Market Zone.

## BY SEA

Malta's seas have hosted Ulysses to Saint Paul, Count Roger to Dragut, Napoleon to Nelson, Bush to Gorbachev; yes, our shores have seen their share of distinguished names pass by.

And the people passing by have increased through the years. And here the numbers talk for themselves as sea connectivity plays a crucial role in supporting, among other sectors, Malta's tourism industry. According to the National Statistics Office (NSO), during the first three quarters of 2022, the Maltese Islands were visited by 386,018 cruise passengers of which 59.5 per cent were from the EU.

Travel is also considerable between the two main islands. The NSO also reports that nearly 4.3 million passengers travelled between Malta and Gozo during the first three quarters of 2022; nearly the same amount for the whole of 2021.

On the other side of the Islands, and covering transportation of goods, at the Malta Freeport in 2021, 2.97 million Twenty Foot Equivalent containers passed through our shores.

Undoubtedly these numbers show that after a century of air travel, after over 25 years of internet, and other modes of connectivity, sea transport is still a major aspect of our lives and a key contributor to our economy. One can argue that these other modes of connectivity only

increased and complemented sea connectivity through eCommerce, dropshipping, as well as online marketplaces for lodgings, hotels and cruise bookings.

## BY ROAD & BY SEA

Freight Forwarders like us at EuroBridge, strive to build a service based on the 'best of both worlds' that of road and sea. Though we assist business customers import and export to and from most of the world, and through other modes such as air freight, it's clear that, for reasons here above already discussed, most still prefer to import from countries in Europe by road and sea. With our fleet of trailers we assist businesses to import goods which are driven from anywhere in Europe to the main ports in South Europe, principally through the largest Italian port, that of Genoa.

The COVID19 pandemic did affect us all, and we are in for new challenges too. However, road and sea connectivity remain an essential part of Malta's economic development and play a vital role in maintaining strong ties with other countries in the region. The Island's strategic location, and strong maritime tradition continue to make it an attractive destination for companies looking to do business in the region. This is especially so as we continue looking forward to a 2023 which will assist us to put the difficulties faced in the pandemic years behind us. ■







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# From Stability To Prosperity

MIRIAM DALLI – MINISTER FOR  
ENVIRONMENT, ENERGY AND ENTERPRISE

An unprecedented energy crisis following a global pandemic has fuelled a never-before-seen level of economic and social disruption all across Europe and beyond. Yet, together, we managed to navigate through uncharted territories taking bold decisions all the way. The solutions we devised were stronger than the challenges we faced. Together we can achieve more.

Malta is registering one of the strongest post-covid recovery rates in Europe supported by a record low unemployment number and one of the lowest levels of inflation in the region. These results are a direct reflection of the decisions we took.

We wanted to ensure energy price stability for Maltese families and our business community. We invested millions to shield our consumers and industry players from burdens which would have diluted spending power and our competitiveness as a country.

One of the initial decisions I took as the Minister responsible for Enterprise was to extend the wage supplement scheme for the first two quarters of the year, to allow our business community to recover strongly from the consequences of the pandemic.

At the onset, none of us would have thought the pandemic would bring such a severe disruption to the global world. Even fewer of us would have thought we could endure such a crisis of unprecedented magnitude. However, this country showed remarkable strength, endurance and resilience over the past two years not just during the pandemic, but also as we are living through the ensuing war on Ukraine that only continued to exacerbate the pressures felt on the global economy.

Although the two events combined severely restricted commercial activity, they also accelerated changes in consumer and corporate behaviour which were an afterthought just a few years ago. With this, the demand for sustainability and digitalisation



experienced a steep rise – remote working became move of a norm, global appreciation for sustainability and quality of life increased, and digitalisation efforts improved. Because of this, therefore, the need to implement change has never been so critical.

This is why I will continue to pursue this positive change and will continue steering enterprise towards this change, in order to reach our common goals as a nation. It is now even more important that the two concepts of environment and enterprise must no longer be considered mutually exclusive, but rather go hand-in-hand to help us achieve the country's economic vision.

An instrumental factor in all this is the work of Malta Enterprise that ensures that, as a country, we have the right investment infrastructure that drives and enhances investment towards our economy. Malta Enterprise makes sure there is the right number of incentives to boost business models, boost commercial activity towards the right sectors, while establishing growth-focused initiatives across the country. All while ensuring that enterprise is able to deliver sustainable growth over the long term.

## OUTLOOK

The significance and impact of our carbon-neutrality targets have only intensified this past year – they must be achieved at all costs. Greening our business models and digitizing operations remain at the top of my Ministry's agenda in order to reach our goals and our

mission. The benefit of this is two-fold: it will facilitate access to capital while also opening up revenue opportunities from what has so far been an untapped market in the Maltese economy.

As increased European financial regulation nears, it is up to us to adapt and learn about the upcoming changes and be proactive in implementing them in our business models. Maltese companies are no exception when it comes to these requirements, and therefore the onus is on us to make sure we are leaders and not followers in this change.

In the local context, efforts have intensified in bringing forward a strong green bond framework that will allow Maltese companies to issue sustainable financing vehicles for green projects. We want private investors to move out of their comfort zone and invest in non-traditional, green bonds that will inevitably bring about sufficiently high investment returns while simultaneously increasing awareness in the local financial markets.

In light of this, our focus on companies reporting on their ESG credentials has only continued to rise. With an increase in the number of voluntary reporting participants, and an improvement in these companies' carbon and social footprint, our vision of making the investment community more aware and cognisant of the importance and the effectiveness of companies' environmental reporting requirements.

Together we attained stability, together we shall achieve prosperity. ■



# En Route to Change

## The Future for Sustainable Transport



The shift to electrification, and other cleaner technologies in transport, is leaving anyone in the transport industry asking various questions: “Do we know enough?” “What do we need to do to prepare our businesses?” “Do we need the same financing?” “Is our overall business model still fitting the purpose?”



The en route to change initiative was launched in September 2022 to start addressing these questions in a structured manner. The dialogue pursued is generating awareness and understanding. The Foundation for Transport is working with an extensive range of stakeholders so that we build together a common knowledge and identified knowledge gaps are matched by holistic solutions. Industry players from Malta and Gozo form part of solutions. During 2023, the Foundation is working to bring about wide array solutions to safeguard connectivity and overall competitiveness.







## An exclusive residential neighbourhood for life with more flow

The latest stage of Tigne Point's residential development is well underway and is expected to be launched on the market at the beginning of 2023. The development is being lauded as 'community living reimagined'. This is a place where rich history, contemporary design and cosmopolitan culture come together for people seeking ultimate luxury and breath-taking sea views.

### The apartments

Fortress Gardens is a 16-floor residential accommodation comprising 63 luxury apartments and penthouses situated at one of Malta's most exclusive addresses, Tigne Point, Sliema.

Every apartment is intuitively designed and flawlessly finished. The interiors have a neutral, cool palette of light porcelain tiles, engineered timber flooring, natural stone wall tiles and top-notch finishes.

The block has a stepped profile to accommodate five large penthouses, each with their own terrace and swimming pool. The apartments have generous floor-to-ceiling heights and extensive glazing which open out to large terraces.

The ground floor of the block is mainly dedicated to residential amenities and includes a lobby, a concierge service manned 12 hours a day to greet residents and visitors and a gym for the exclusive use of the residents.

Car parking will be provided in the sub structure comprising of five basement levels underlying the residential block.

The residential block has been superbly

designed by renowned London-based architectural firm LOM Architecture and Design.

### Life at Fortress Gardens

A wealth of coffee shops, restaurants and Malta's finest shopping mall, create a buzzing social hub.

The landscape frames stunning sea views to the north and a restored 19<sup>th</sup> century artillery fortification and a spacious public realm sensitively landscaped to provide fully accessible public walkways and an attractive garden setting with stone terraces and stepped seating to the south.

The residential block and the Garden Battery Plaza will be directly connected to Pjazza Tigné.

### Tigne Point

For those seeking the unique warmth of neighbourhood life with ease of movement and assured security, Fortress Gardens meets every need.

Tigné Point has been transformed over the last 20 years with the development of residential, leisure, retail and office accommodation focused around Pjazza Tigné.

**"... endless possibilities, with a wealth of coffee shops, restaurants and Malta's finest shopping mall, create a buzzing social hub."**



The new landscape realm will unlock pedestrian links connecting Censu Xerri Street and Pjazza Tigné to the Sliema promenade.

This final phase of the development completes MIDI's €300 million development of Tigné Point. ■



# Food for Thought, Food for Action

BY CARLA ZAHRA

CEO Brian Vella speaks to Economic Vision about the role of the Malta Food Agency in adding value to local produce.

When the Malta Food Agency (MFA) was set up in 2021, its aim was to transform and oversee the operations of the local farmer's wholesale vegetable market, 'il-Pitkalija' in Ta' Qali, and the fish market in Valletta, 'il-Pixkerija'. The promise of reform in the Pitkalija was long-awaited; the MFA's first task was the implementation of the reform and they are now working towards rebuilding trust among local farmers, while also acting as a bridge between suppliers and consumers.

To achieve this, the Agency is focusing on modernising the market's systems, regulating the quality of local food products, and valuing the work done by local farmers.

As an island, food security has always been of great importance. The consequences of not being self-sufficient were highlighted during the COVID-19 pandemic and the war in Ukraine. Both events led to increased prices, especially on imported products. While Malta cannot provide enough food to feed the whole island, recent years have shown that more value should be given to the local food production sector. As a result, the government took the much-needed decision to promote local produce and prioritise a sector that is central to our society.

Mr Vella estimates that a high percentage of vegetables in Malta are produced locally, which, he says, is satisfactory for an island like Malta. "Even 500 years ago, Malta was not self-sustained, so aiming for 100% local produce is not realistic nowadays. What we can and should do, however, is focus on the quality of food that is being produced locally. We've talked about it for years, but unless we act now, we cannot progress."

The Pitkalija has been around for more than 50 years, but it is only now entering its second phase. The MFA's plan to reform the market pivots on creating the right conditions for the Pitkalija to thrive. Situated in the heart of the action, in Ta' Qali, the Agency's team are in close contact with the farmers and sellers to ensure that their needs are being heard. "To change the public perception of the Pitkalija, we need to transform the systems on which it operates by introducing good governance, accountability and traceability," says Mr Vella.

With the ball now in their court, the MFA is dedicated to modernising the operations of the Pitkalija. One aspect of this change is based on introducing a farmers' app, which enables each

farmer to access their account and view the prices that their product sells for to eliminate any abuse of the system. Similarly, another app has been introduced for sellers in the market.

Although the operations of the fish market work differently, the Agency will be introducing a common system to ensure good governance throughout the fish market as well. The demand for local fish is at an all-time high, but the MFA aims to promote species of fish that have not been valued highly enough in the past. Working hand-in-hand with fishermen, the MFA assures that the fish market meets European standards which are assessed by external auditors. Looking ahead, they also plan to introduce a domestic shop that caters for consumers rather than hawkers alone. This aims to make local fish even more accessible to individuals.

"Changing a culture is not easy. As CEO, my main priority is earning our farmers' trust because we are working in their interest. Our farmers, as well as cooperatives and NGOs representing farmers, are at the table making decisions alongside us," says Mr Vella.

After trust is established, the Agency will have a solid base on which to bring the market into the modern age. The future of the Pitkalija could look very different, with plans for a new, modernised market building and digital marketing channels being discussed.

Most importantly, the Malta Food Agency is tasked with introducing previously nonexistent marketing standards. Within the next few months, a system for grading products and packaging will be established to act as a benchmark for assessing the quality of local produce.

When asked about what criteria will determine the value of each product, Mr Vella says that a surveillance unit has been set up which will be responsible for introducing marketing standards. The work of the Malta Food Agency will then involve linking what customers are looking for, to what farmers are producing. This includes qualities such as safety, which is a clear sign to move away from using pesticides and to meet growing demand for organic products.

"I hope that organic farming will soon become the norm and we are working with the government to launch an organic plan that will encourage farmers to take this step," says Mr Vella.



**"What we can and should do, however, is focus on the quality of food that is being produced locally."**

Another issue is the environmental impact of products, which is increasingly being seen as a concern among younger generations. "Choosing local produce over imported products is automatically a more sustainable option. Customers are willing to buy local – so our job is to get the message out there and promote the good work our farmers are doing," he says.

In restaurants, the interest in 'Farm to Fork' produce has been surging, with good reason. Fresh, local produce not only tastes better, but it is also ingrained in our culture. Both locals and tourists look out for local produce when dining out, but the supply of fresh vegetables is currently limited since Made-in-Malta products are not yet graded. The aforementioned marketing standards will help the MFA introduce more local produce into restaurants, as graded products will be able to compete with imported products in terms of quality.

"In the last year, we managed to build a structure and bring people on board. We entered with a new approach. To bring all stakeholders on board to trust you is the best achievement we have had. Through the Food Agency, we have increased our farmers' sense of hope. We do this not by talking, but by taking action," Mr Vella concludes. ■



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# Preparing Youths for Industry

BY CARLA ZAHRA

MCAST's CEO Prof Joachim James Calleja and Director for Education and Training Programmes Ramon Mangion speak to Economic Vision about the importance of work-based learning in today's world.

Established in 2001, the Malta College for Arts, Science and Technology (MCAST) was the first institute to formally introduce vocational education and training (VET) to the Maltese Islands. The college – led by CEO Prof Joachim James Calleja – has sought to expand the uptake of apprenticeships across multiple sectors, highlighting the irreplaceable value that they offer to both students and businesses.

In 2018, the Government launched the work-based learning and apprenticeship act which further solidified the important role of apprenticeships in education. The Act provides a regulatory framework for the development of effective work placements, apprenticeships, and internships at a national level.

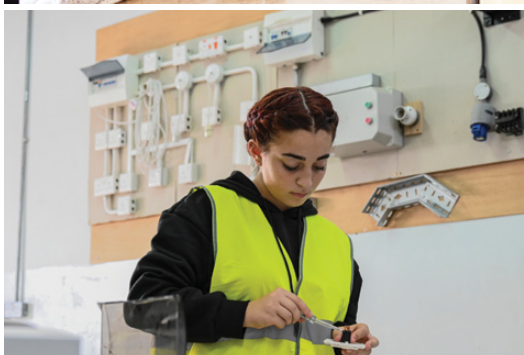
## WHAT IS AN APPRENTICESHIP?

An apprenticeship is a tri-party agreement involving an employer, a student, and an educational institution. This programme format, developed by Don Bosco – the first apprenticeship contract in Europe in 1860 – represents a formal legal agreement that is designed to transform skills provided by the educational institution into competencies through work-based training. Through an apprenticeship, learners develop responsibility and autonomy to be able to carry out the work well, while adhering to broader company regulations.

“Apprenticeship programmes allow human capital to unfold into talent,” says Prof Calleja. Indeed, apprenticeships provide an opportunity for students to see what different industries are offering and pursue a meaningful career in an area they are interested in. By the time students leave secondary school, it may already be too late to introduce them to new industries. In fact, Prof Calleja is emphasising the need for companies to start exposing students to the jobs that are available, including the range of salaries, opportunities, and experiences that each industry provides.

“I believe that it is too late for employers to start engaging with students from the time they leave school, aged 16. We are pushing for companies to start showing young people the variety of jobs that exist nowadays from secondary school,” he continues.

As an institution, MCAST strongly believes that it is important to give students the opportunity to engage in an apprenticeship



**“Apprenticeship programmes allow human capital to unfold into talent.”**

programme as part of their studies. They will now be extending these programmes to students at MQF Level 3.

Apart from the more obvious advantages that apprenticeships provide to students, they also hold many benefits that bring added value to employers. Firstly, offering apprenticeship programmes is a method of investing in the company's future employees.

“Companies can get to know where the talent lies, making them better placed to find the right people to join their team when the time comes,” says Prof Calleja. “Apprenticeships also offer employers the chance to train young people in the philosophy and practices of their sector.”

Enabling two-way communication between education and industry is paramount to ensuring apprenticeships remain relevant to both employers and students. In 2022, MCAST launched Encounter, a series of talks on campus covering key aspects of the dynamic world of work to gain in-depth feedback from industry representatives and students. Among the topics discussed were ‘Exploring 21st Century Key Competences in Industry’ and ‘Perceptions

or Reality: which skills are employers missing?’

“The Encounter series was part of MCAST's efforts to build bridges with industry and ensure that our programmes are meeting the current and future requirements of companies,” says Mr Mangion, Director for Education and Training Programmes.

“The talks were supported by a budgetary measure titled Curriculum with Industry and revolved around different themes. Expressions of interest were issued to attract industry representatives to participate. Proposals were sent to every participant, discussed during the meetings and the feedback we received will now be taken into consideration when updating our programmes to remain relevant for society and industry,” says Mr Mangion.

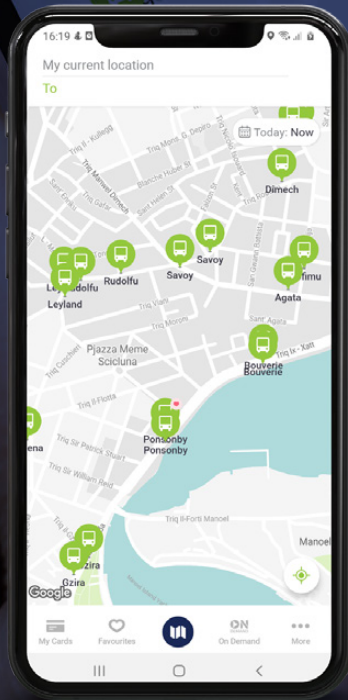
Looking forward, Prof Calleja and Mr Mangion are optimistic that apprenticeships will continue to play a crucial role in Malta's educational system. MCAST will continue to build bridges between education and industry, to ensure young students are entering the world of work with the necessary skills and competencies to make a positive impact. ■



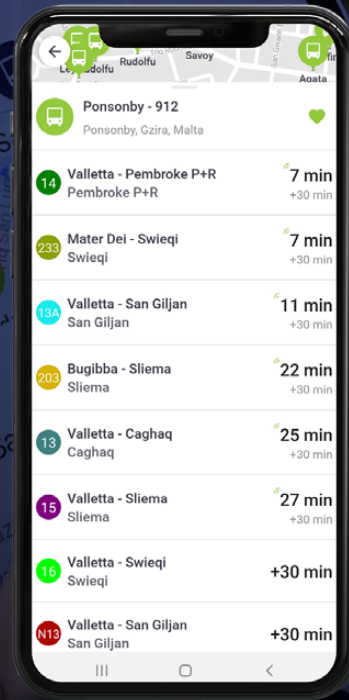
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# Manufacturing punches above its weight

KEVIN MIZZI – HEAD OF POLICY AT THE MALTA CHAMBER &  
BRIAN MUSCAT – COUNCIL MEMBER AND CHAIRPERSON OF THE  
MANUFACTURING AND ECONOMIC GROUP OF THE MALTA CHAMBER

The manufacturing industry in Malta has always been a crucial contributor to the Maltese economy. The sector has managed to overcome numerous challenges and today accounts for approximately 9% of GDP and employs 11% of total employment in Malta.

The pandemic months proved that the local sector is highly resilient while undergoing a significant transition, both globally and even locally, amongst which post-pandemic recovery, insular logistical challenges, sustainability considerations, trade tensions, inflation, and commodity shortages are forcing manufacturers to rethink their strategies and supply chains.

To remain competitive and cope with the challenges ahead, issues such as rising energy costs are not only a result of the war in Ukraine but also due to the EU's energy transition which will have significant impact that needs to be mitigated during this year.

Manufacturing operational costs remain a major stumbling block for industry competitiveness. These costs include importation costs of raw materials, human capital, energy, and overhead costs such as rent and utilities.

The tight labour market conditions in Malta and the rising cost of living have been

pushing employers to raise wages at short intervals. Yet without corresponding increases in productivity and a thorough rationalisation of use of resources in both the private as well as the public sector, we risk a permanent erosion of our competitiveness which will have severe implications for our exports.

The physical 'disconnection' from the mainland is having drastic competitiveness consequence on Malta's manufacturing, logistics and shipping industries. These challenges are worse due to increased dependence on maritime and air transport, combined transport EU legislation, reliability on energy imports and unsustainable transport means, even for very basic activities. The EU state aid rules do not cater for, and hence need to better cater for, the international competitiveness of EU peripheral locations that are disadvantaged in accessing the single market compared with mainland locations.

As a micro-island state, our business needs to cater for permanent challenges impacting its

competitiveness which are over and above what other businesses in mainland Member States need to. Every manufacturer is ultimately also an importer who faces supply chain issues twice, arising from the process of getting materials from overseas and eventually exporting finished or semi-finished goods beyond our shores.

Delays, shortages, quality problems, and higher-than-expected costs impinge on price competitiveness which the local manufacturer needs to factor in, constituting an important part of running the business, and bearing a significant impact on a company's bottom line.

The Malta Chamber is the true voice of manufacturing in Malta, whose work is mainly piloted by a hardworking Economic Group committee. The committee is composed of established operators in the industry who advocate policy measures and incentives towards efficient use of resources through maximised energy consumption and material processes, by devoting more attention to the lifecycle of the product.





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Moving forward, the strategic direction for the industry is focused on more advanced manufacturing to realise the full potential of new technologies and the opportunities of new niches. Managing operations in a sustainable and environmentally responsible manner and its reporting is now also increasingly becoming an important business imperative.

Malta requires a reinvigorated manufacturing vision which is a critical economic sector for our country. Malta is well-placed to benefit from such rethinking to harness the full potential of its established manufacturing industry and attract other niche manufacturing and processing that would consolidate the EU's supply chain in areas such as semiconductors, chemicals, battery and energy storage technology, and the production of alternative fuels.

A concerted effort should be made to reduce the administrative burden on the applicants of various fiscal assistance schemes and make such schemes more tailored for industry requirements with returns on investments. Businesses investing in PV systems on their industrial roofs should be encouraged by the removal of rental charges for installing such on-roof space of INDIS tenants, with the same rationale extended to parking areas which can use space more efficiently. The cost of electrical



Brian Muscat



Kevin Mizzi

**“The physical ‘disconnection’ from the mainland is having drastic competitiveness consequence on Malta’s manufacturing, logistics and shipping industries.”**

infrastructure, such as substations and related trenching costs, which is entirely covered by the private industry, should be partly shouldered by Government.

Yet the major challenge for the industry remains the sourcing and retention of specialised human capital. There are several trends shaping the human resources landscape in the manufacturing industry. One trend is the increasing use of technology and automation, which is changing the way that work is done and the skills that are needed by employees. Another trend is the focus on

diversity, equity, and inclusion, as companies seek to create a more inclusive and equitable work environment for their employees.

Very interesting times lie ahead.

The challenges are great for every sector, not least manufacturing. The Malta Chamber will continue to use its strengths well through sheer work hard to address our major weaknesses so that we can turn the present threats into opportunities for a resilient manufacturing industry in Malta which is, let's say it, accustomed to punching above its weight. ■





INNOVATION | SUSTAINABILITY | R&D

# MALTA THRIVING DESPITE CHALLENGES

CEO of Malta Enterprise Kurt Farrugia looks back at a successful 2022 and explains his plans for 2023.

## If you were to look back at 2022 what would you say were the takeaways?

If there was ever a time where we longed for things to go back to normal it was during the Covid-19 pandemic. 2022 was the first year after the pandemic which brought with it a sense of normality and a return to the way that things were before.

However, we cannot underestimate the effect that the pandemic has left on businesses and the lessons which we have learned from the pandemic. Looking back at these lessons we have worked on improving and aiding the sectors which were already present in Malta while also attracting new companies and new sectors to our island.

Sustainability is also a very important way forward for our businesses and we made sure to focus more on it. Businesses who do not adapt towards being more sustainable will find it increasingly difficult to stay competitive in a world which is changing and adapting towards sustainability.

This saw us pushing forward our Smart and Sustainable scheme which to help businesses move towards sustainability as well as more digitalised processes leading to the enhancement of competitiveness of the enterprises through the optimisation of the use of resources in their activities.

## What would you say were the most memorable moments of?

Looking back 2022 was not a

year without it's far share of struggles with one of these struggles being the high prices of raw materials and freight transport. Through our constant contact with enterprises we realized that this was an area where we needed to provide more support in order for our businesses to remain competitive and for Malta as a jurisdiction to remain attractive to potential investors.

We are especially proud of the Maltese business community for rising to all of these challenges and not only succeeding but also thriving continuing to invest and expand their operations - with thought and strength to take their business up a notch.

We are also proud that we have remained attractive as a country and have brought to Malta new





companies in pharmaceuticals, aviation and even a number of innovative start-ups who are proud to call Malta their home and are using their platform to create solutions that can be used around the world - in areas such as medical technology, artificial intelligence and even digital games.

**Looking forward to 2023 what are you looking forward to and what will you be working on?**

We look forward to having a 2023 which is full of more investment and which sees us continuing to work on the success of the past year. We pride ourselves on the connection that we have with our clients and on always being in touch with them, we plan on continuing to work on this and improving our connections with the business community.

While continuing to improve on the sectors and industries which are already present in Malta we have to keep an open mind and understand what are new opportunities that are developing in different industries and markets which can be advantageous to Malta and which can continue to create a number of high quality

jobs.

Our relationships with different entities that represent our businesses such as the Chamber of Commerce are of utmost importance to us in order to understand any developments that are being made even as an international regulation or from the EU and we prepare for them in advance. We are committed to continue strengthening the fibre of local enterprises with an emphasis on evolving regulations such as the ESG regulations which can help set our businesses apart and make them more competitive.

As a country FDI has always been important to us and will continue to be a priority for us in the work that we do. We will continue to reach out to the international market both through international conferences as well as through a number of visits abroad in order to spread more information about Malta as well as our newly launched schemes. One such scheme is the newly launched Start Up Residence Programme which allows founders, co-founders and core employees of innovative start-ups to obtain a residency permit while operating the company from Malta.

This coming year you will also see a jump in quality in the way businesses relate to Government departments when we are launching the first phase of the Business Portal. This portal aims at continuing to reduce the bureaucracy between different government agencies while ensure an easier process when applying for aid. Malta Enterprise through Business 1st has been involved with this process through its inception stages and we are very proud to be a part of a government initiative which aims to bring support measures closer and make them more accessible to businesses both local and international.

We look forward to what this year will bring and seeing the projects that we have in the pipeline come to fruition.

**“We are also proud that we have remained attractive as a country and have brought to Malta new companies in pharmaceuticals, aviation and even a number of innovative startups who are proud to call Malta their home**



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# Family Businesses Put Your Home in Order

SILVAN MIFSUD, CHAIRPERSON FAMILY BUSINESS COMMITTEE AT THE MALTA CHAMBER

‘Put Your Home in Order’ was the title chosen by the Family Business Committee within the Malta Chamber with regards to free extensive training provided to Family Businesses in 2022. This training was offered for a very particular reason – the time where Family Businesses can be run unprofessionally and still prosper and grow are long over. I repeat, they are long over! The indications are clear for everyone wanting to see them – from a challenging external environment, to fast changing consumer preferences, to ever stringent regulation that is putting the bar up for everyone, like banks and the requirements they have, all means that family businesses need to shape up if they want to remain in business. So, if you haven’t followed this training yet please do so as recordings are still available on the YouTube channel of the Malta Chamber.

Taking the pulse of various family businesses, it seems very likely that come 2023, many family businesses will be involved in digitalising. Many family businesses are realising that they need to become more efficient and make up for the fact that the present tight labour market means that they need to gain efficiencies without relying on

new human resources. However, one word of warning. The most common mistake in any digital transformation project, is when such a project is based on the belief that it is only and exclusively related to investing or buying new technology, without going through the extremely important process as to how this digital transformation will require the business to reinvent itself or at least rethink how it will change the way it goes about doing business, and hence reviewing its internal processes. Not doing so is likely to lead to a failed digital transformation project.

Another area where family businesses urgently need to shape up in 2023, is governance. Towards the end of 2022 the Family Business Committee within Malta Chamber, together with the Family Business Office, carried out an extensive survey research with family businesses. An event in Q1 2023 is being planned to divulge the full results and insights from this survey. However, I will provide a sneak preview of these results that shed some light on the governance situation in family businesses. It transpires that:

20% of family businesses operate without a functioning Board of Directors that meets regularly.

**“20% of family business operate without a functioning Board of Directors that meets regularly. 70% of family business do not have a written Strategic Plan which is regularly updated.”**



70% of family businesses do not have a written Strategic Plan which is regularly updated.

That adding or have independent non-executive directors on the Board of Directors is the second lowest priority for the family business.

This clearly indicates that many family businesses still need to shape up when it comes to corporate governance and the needed strategic direction that family businesses need to have. Many family businesses, keep making the cardinal mistake of getting engulfed in their daily operations without giving much priority to the governance and strategic direction of their business. Such a *modus operandi* will not deliver the bacon in the current realities.

A third area where family businesses need to focus upon in 2023 is training. Now more than ever family businesses need trained employees and especially middle management, that can execute successfully strategic plans and achieve clear objectives. When I say training, I am not just referring to training related to technical skills, but much more than that, I am referring to training related to leadership, communication, delegation, teamwork and prioritisation skills, amongst others.

In essence, family businesses need to shape up. They need to become more professional, more strategic, review business models, training to upskill staff, get leaner and reduce costs by investing in digitalisation and sustainability. After all, Malta’s economic growth is forecasted to slowdown in 2023 (from 6% in 2022 to around 3% in 2023) and so only the fittest family businesses will be poised to perform well in such an environment. ■



# The Malta Chamber Foundation Initiatives Help Temporarily Displaced Ukrainians

The Malta Chamber Foundation, being The Malta Chamber's arm to actively contribute back to society, tangibly assisted a number of Ukrainians that fled from their country due to war.



The first initiative that the Foundation organised was the gathering of funds from its members that supported the delivery of aid to Poland, at the onset of the war. This initiative took place after millions of Ukrainians fled to neighbouring countries. Given this sudden influx, the Foundation liaised with the Polish Ambassador to Malta, Tomasz Czyszczek to better understand the support required to aid displaced Ukrainians. Several entities and individuals donated various beds, mattresses, linen, pillows, sanitisers and soft toys upon the recommendation of the Polish Ambassador.

Amongst the donations received for the purpose of providing relief supplies, The Malta Chamber Foundation also received, in May of this year, a significant donation following an initiative of the Tipico Group of companies, headquartered in St. Julian's. In fact, Tipico donated the amount of €27,000 out of which €7,000 were contributions by its own employees to help all those suffering because of the war. Given the significant contribution, a second initiative could be funded solely by this iGaming operator to offer English courses to Ukrainian war refugees in Malta to help them integrate locally.

The Malta Chamber Foundation collaborated with various local language schools that are members of FELTOM, to implement this project and help displaced Ukrainians learn the English language. These

English Language Schools collaborated with the Foundation and offered a discount of more than half their usual charging rates. These schools are, Alpha School of English, AM Language School, BELS Malta, Clubclass Language School, Sprachcaffe Languages PLUS and Inlingua Malta.

Particularly, BELS Malta offered all tuitions for free. Rebecca Bonnici, BELS' Chief Executive Officer, said that, "having the opportunity to welcome Ukrainian students in our school is an extremely rewarding experience. This program has already helped around 60 Ukrainian applicants who received English tuition. We felt it was a small way to give back to the global community, by not only teaching them English to help them settle in Malta and find jobs, but to also help them build new friendships and feel a sense of belonging." The Malta Chamber Foundation spoke to some of the Ukrainian students that participated in this project.

Olha Vladymyrets, a 53-year-old teacher said that, "it was a good experience for me, because the atmosphere, educational materials, methods used by our mentors helped me overcome language and psychological barriers. On these courses, we made many friends and interacted with like-minded people from different countries of the world."

Volkivskyi Oleg, a 37-year-old sound engineer thanked all involved and said that, "everything was great, and I really enjoyed it.

I think my level of English has improved not to mention communication with others and a sense of purpose in life."

The Malta Chamber Foundation is committed to further support displaced Ukrainians by identifying employment opportunities for them once completed their tuition in liaison with The Malta Chamber members. Alexia Melkonyan, the co-founder of the Foundation for the Ukrainian Community in Malta, helped the Malta Chamber Foundation identify displaced Ukrainians in Malta. ■








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## Reskilling In The Era Of AI

The Young Chamber Network within The Malta Chamber of Commerce, Enterprise and Industry organised an event as part of Malta SME Week 2022 with the aim of sharing insights on three main areas: human resources, education, and best use of AI in business.

In her opening statement, the President of The Malta Chamber, Marisa Xuereb said, “We need to dwell on the reskilling, upskilling and AI, and how these feature within the working life of individuals and the economy alike.”

She noted that we must ensure that we truly accept what AI stands for: “Are we, as human beings, comfortable with accepting the notion that Artificial Intelligence can come up with a more efficient process? Education also plays a vital role. We must ensure that apprenticeships, curriculums, and consultations need to cater for future needs.”

President Xuereb also emphasised that training programs need to be more dynamic to keep up with the times, while also being short enough to efficiently map gaps within the market.

As part of Malta SME Week, Minister for the Economy, EU Funds and Lands Silvio Schembri said, “We have recognised early on the important role that innovative technologies have within this uncertain new world. We greatly endeavour that the latter is embraced by local companies so these can remain ahead of the game while we continue to create the right infrastructure, enabling these same businesses to operate effectively.”

Professor Joshua Ellul, Director at the Centre for Distributed Ledger Technologies, delivered a presentation on the importance of upskilling and reskilling within the automation era. He said, “Bridging the skills gap can only be done by introducing digital literacy at all levels.”

He continued by stating that the next steps are to introduce policies and schemes,

together with awareness efforts to promote and acknowledge the fact that digitalisation is present in all disciplines.

“Due to blockchain, AI, software automation and robotics, disruption is expected. Certain jobs will become obsolete, but new ones will be created, so reskilling needs to be prioritised,” he said.

The first panel during the event discussed education and upskilling. Claudine Attard, Director – Management Consulting at PwC Malta, noted that reskilling is all about having the right attitude and mindset.

“Employers should have the tools to reskill their employees and should acknowledge the cold hard truth that the skills that their employees possess now may not be enough for the future,” she said.

Alistair Buttigieg Vella, CEO at Universal Limited and Jetho Limited highlighted the gap that is currently present regarding soft skills within the education system. “Instilling a mindset of constant upskilling is vital if businesses wish to retain employees,” he noted.

Rachel Falzon, Founder & Owner at Rewired HR Consultants, reiterated the concept that it all boils down to company effort in ensuring that the right training is provided as it ensures that employees not only feel valued at the place of work, but are ready for the world of tomorrow.

Ben Vincenti, Co-Founder & COO of Get Hitched, highlighted the challenges that companies are facing when finding people due to the skills mismatch.

“There is no level playing field whatsoever. Start-ups find it incredibly difficult in finding

the right employees, and when they do, these are poached by the bigger companies,” he noted.

The second panel aimed at highlighting ways in which AI and tech can be further utilised within business practices.

Dr Marthese Portelli, The Malta Chamber CEO, said, “We are in a very important juncture in our country. Investing in attitude and aptitude should be a national priority. Although Malta ranks sixth in the Digital Economy and Society Index (DESI) report, our ratings are still quite low, even though above EU average,” she said. Dr Portelli delivered the message that investing in digitalisation efforts, in the right way, is the way forward.

Jaques Barnard, Business Development Manager at Cleverbit Software, explained that 57% of EU companies are finding difficulty in acquiring digital skills, which in turn, will have a major impact on growth.

Wayne Grixti, CEO at Tech.mt said, “Being future ready is a must in today’s world! Although automation displaces some jobs, it creates others. Hence, it is vital for business leaders to drive and develop new skills for their workforce.”

David Sciberras, CEO & Co-Founder at Invent 3D said, “Education helped in hammering in the management processes, but passion and a positive mindset is what distinguishes the goods from the greats.”

Both panels were moderated by Rachel Attard, Head of Media and Communication Strategy at The Malta Chamber. The event was hosted by Melanie Cuzzoni, Networking Executive at The Malta Chamber. ■



# The Quad Central is setting itself as Malta's Leading Business Destination

The Quad Central, located at Malta's Central Business District, is now operational. Certainly, this stunning mixed-commercial development, sited in the geographic centre of Malta, has become the perfect place where visitors should definitely visit and experience.



The Quad Central features a diverse array of retail and amenity outlets within the piazza levels together with Grade A state-of-the-art commercial office space, boasting modern designs. The concept of this new Business Centre is one that embraces personal well-being and improved lifestyle for anyone working or visiting The Quad Central, through the centrality of the address as well as a unique mix of amenities.

Over the past months, well-known brands and franchises, both locally and foreign, started off their new business venture at the Quad Central such as Greens Supermarket, Starbucks, Ottoman by Posh Turkish, Dr Juice, Mondo, Browns Pharma, Quaddies Childcare Centre, Fort Fitness, Papier, and more retail &

amenity outlets set to be announced shortly.

Additionally this exciting commercial spot has an incorporated car park that caters for 1,500 vehicles, has bike racks and a car wash to cater for tenants and visitors. The Quad Central consists of four interlinked towers, ranging from 13 to 19 floors, surrounding the central piazza with open landscaped spaces of around 6,000 square metres. It has been carefully crafted to foster the best possible tenant and visitor experience, whilst implementing notable green and environmentally friendly building concepts. ■

*Interested in learning more about office space relocation opportunities to The Quad Central? Log on to [www.thequad.com.mt](http://www.thequad.com.mt).*

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# **Are you a large enterprise? (non-SME)**

**This is your reminder to carry out the mandatory full energy audit of your business, by not later than 5th December 2023.**

**The Energy & Water Agency reminds all non-SMEs about this legal obligation.**





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- 7,000m<sup>2</sup> Open Spaces & Piazas
- 6,000m<sup>2</sup> Retail & Leisure Outlets
- 900m<sup>2</sup> Fitness Centre
- 1,400+ Parking Spaces
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