



THE MALTA CHAMBER

PRESS RELEASE

14th January 2022

Pragmatic Approach is the only way forward for Air Malta – The Malta Chamber

Workers who will be shed from Air Malta should be considered for secondment to the private sector

The Malta Chamber of Commerce, Enterprise and Industry notes the sensible and realistic approach that is being adopted with respect to the national airline. The transparency in reporting the challenges at hand and the commitment to take concrete decisions that are first and foremost in the national interest are apparent. Also, The Malta Chamber notes the stark contrast to the various approaches taken historically with respect to Air Malta. The maturity with which the unions have responded to this is also commendable.

Undoubtedly, gone are the days when we carry forward unsustainable operational practices in any state entity and keep pumping public funds into unviable business models, simply to safeguard jobs or for political convenience. The Malta Chamber hopes that Air Malta's predicament will be an eyeopener for the management of public entities and the rationalisation of public expenditure that needs to prevail going forward. Saving Air Malta will require shedding more than half of its headcount. Other state entities need to ensure that they do not find themselves in the same situation in future, by taking on more employees than what they really require. In this spirit, The Malta Chamber recommends that workers who will be shed from Air Malta will first be considered for secondment to the private sector particularly given the acute shortages of human resources in the private sector. This will avoid shifting the problem of excess employment to other state entities.

The challenges identified with respect to Air Malta highlight the importance of adopting an incoming tourism strategy that promotes Malta as a year-round destination. The policy document issued in November by The Malta Chamber entitled "Rediscover: a New Vision for the Tourism Industry in Malta" advocates this approach. This is also in the interest of improving average occupancy in touristic accommodation and having a more sustainable tourism industry.

The Malta Chamber believes that the proposed actions to improve the financial performance of the airline are reasonable and credible. They acknowledge the particular challenges related

to the size of the airline and the markets in which it operates. The ambition to move forward with implementation at a quick pace is another bold move and will help Malta regaining credibility with the European Commission.

The Malta Chamber is aware that the national airline is of paramount strategic importance. It does not only ensure air connectivity to mainland Europe for business and tourism purposes, but also retains the capability to operate flights to supply essential goods in critical circumstances.

All parties involved in Air Malta's transition need to be reasonable and responsible in their demands to ensure that the country succeeds in saving the national airline. The Malta Chamber hopes that this restructuring plan will ultimately guarantee a sustainable future for Air Malta.

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