



THE MALTA CHAMBER

## PRESS RELEASE

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### **Efficient use of resources and comprehensive digitalisation of public services is imperative**

The Malta Chamber of Commerce, Enterprise and Industry has taken note of several announcements made over the past few days that are worthy of attention because they may prove critical to how much our economy will manage to weather the present challenges.

Last week, Finance Minister Clyde Caruana said that his ministry was conducting an exercise to try to cut costs against the backdrop of rising energy costs that Government has committed to subsidise in order to maintain energy price stability and mitigate systematic inflation.

Minister Caruana's statement was followed by another crucial assertion made by the outgoing Principal Permanent Secretary Mr. Mario Cutajar. He said that cuts on government spending could impact public service employment and work processes, if the review finds that there is waste. While no detail was given as to how any such waste will be trimmed or reallocated more productively, the acknowledgement that there may be waste and that we cannot continue to finance it in the current circumstances is already a step in the right direction.

Yesterday cabinet has approved Mr. Tony Sultana as the new Principal Permanent Secretary. While The Malta Chamber, congratulate Mr Sultana for his appointment, his appointment is being seen as a commitment to implement the digital transformation of the public service that has been on the cards for several years. Malta was one of the first movers on eGovernment, but has been overtaken by many countries in recent years.

The Malta Chamber of Commerce believes that a comprehensive digital transformation of public services could address many of our operational weaknesses as a country. If done well, it will save businesses, citizens and Government a lot of time and money that is wasted on duplication of data inputting with various Government entities. It will also render the processes more transparent and less prone to manipulation and clientelism. It will ultimately improve the ease of doing business, strengthen governance and enforcement capabilities, and improve our attractiveness as a location for foreign investments. Hopefully, it will also help identify waste, and free excess human resources for more productive employment in the private sector, where labour shortages are hampering the recovery of several industries.

There are tough decisions to be made in the coming months, but it is imperative to make them. Given the current international scenario, delaying tough decisions further could backfire badly because energy prices are bound to remain high for a prolonged period and supply chain bottlenecks will not ease before the economic growth of large economies starts buckling under inflationary pressures. We have managed to contain a significant portion of the impact on the Maltese economy so far, but we

should not be naïve to think that we can do so indefinitely. A judicious approach to public spending is warranted, and a smarter allocation of resources in both the public as well as the private sector is necessary to safeguard our competitiveness and mitigate long-term adverse effects of the current global challenges.

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