



THE MALTA CHAMBER

PRESS RELEASE

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A budget that preserves our current economic model – The Malta Chamber

Bolder measures needed for a more sustainable economic growth model

It is evident that Government is using all the financial resources it has available to maintain stable energy prices and to safeguard the spending power of lower income groups against the backdrop of persistent inflation. This is essentially a policy of preservation of our economy – with all its strengths and weaknesses. We would have liked to see more ambition with respect to sustainability beyond the continuation of existing schemes for the purchase of electric vehicles. We would also have liked to see more tangible support with respect to innovation and new economic niches that can guarantee sustainable economic growth.

It is positive to note that Government acknowledges that in spite of all the investment in roads and free public transport, traffic congestion has not improved and is therefore seeking to engage with stakeholders to limit circulation of certain service vehicles before 9am. Similarly, it is encouraging to see The Malta Chamber's proposal for the establishment of a Board for the assessment of quality and aesthetics features of new developments taken on board. These two relatively minor proposals are examples that can improve the quality of life of people. The bulk of proposals are actually directed at maintaining spending power rather than improving quality of life. While subsidising energy and maintaining spending power is good for business, the country needs a longer-term strategy to be future-ready.

The financial projections presented rely on Government's ability to raise funds through the issue of Government stocks and presume a modest negative impact on our exports against the prospect of a looming recession in Europe. The extent to which a recession in Europe will impact our manufactured exports as well as tourism will be a determining factor for the performance of our economy in 2023.

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