

Prioritising Competitiveness Maltese business priorities for the EU Term 2024-2029

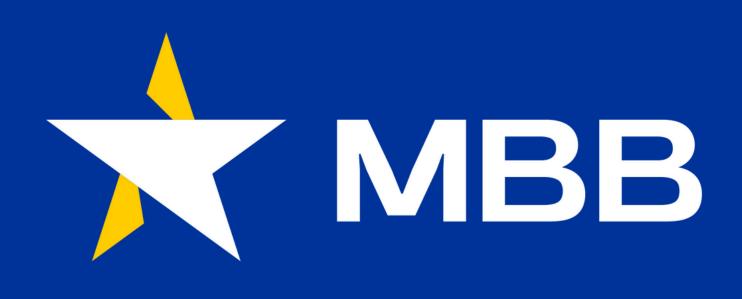
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Presentation by:

Daniel Debono

MBB EU Affairs Manager and Head of Brussels Operations





- ✓ Put the Single Market back on track
- ✓ Competitiveness at the heart of the green transition
- ✓ Keep up the pace of the tech revolution
- ✓ Match EU funding with the climate and digital economy ambitions
- ✓ Europe is at work, supply the workers

- **✓** Consolidate the tourism comeback
- ✓ EU enlargement only through reforms, and with safeguards
- ✓ Provide a regulatory breathing space
- ✓ Integrate insularity in EU policy making
- ✓ More flexible state-aid rules for small peripheral regions



Put the Single Market back on track

- Last year the Single Market celebrated 30 years since its inception.
- > But today the level of integration varies substantially across the four freedoms.
- > Strengthen the Better Regulation agenda by regulating only what is necessary and by applying a robust 'Competitiveness Check'.
- > EU regulations must be coherent and consistent.
- Promote and improve the visibility of EU information portals.



Competitiveness at the heart of the green transition

- ➤ Climate change and environmental degradation are pressing global challenges, with a direct impact on Malta and our businesses.
- Investing in sustainability can be beneficial. But cost remains a primary concern, as businesses must upgrade products or infrastructure to meet stricter sustainability requirements.
- > EU and local funding opportunities already exist, but can be improved.
- Complex regulations increase the cost of doing business, stifle innovation, and make it difficult for new businesses to enter the market.
- ➤ Open strategic autonomy is not about self-isolation, but ensuring that the EU remains competitive as it goes through the green transition: leadership in producing Net Zero products and access to raw materials is key.
- Europe's leading role is commendable but acting alone risks degrading competitiveness against jurisdictions with less stringent environmental standards.



Keep up the pace of the tech revolution

- > Digital transformation of the economy will remain and shall increase in pace.
- Focus on Digital skills, Digitalisation of businesses, Digital infrastructure, and Digitalisation of public services will remain key.
- ➤ Regulations in the digital space during this term has been extensive. The next term should focus on implementation and new regulations only limited to where genuine market failures are identified.
- The next years will be characterised by more disruptive and fast-paced advancements in the space of the industrial metaverse, quantum technologies, data storage and processing infrastructure, advanced semi-conductor technologies, and biotechnology.
- ➤ Relevant legislation must be timely, future proof, and without stifling innovation. Further use of regulatory sandboxes can be useful.



Match EU funding with the climate and digital economy ambitions

- The MFF presents an important means to channel investment towards shaping the EU's immediate as well as long term policy objectives.
- ➤ Before looking at opening discussions on increasing the EU budget, which always prove difficult politically, one must look at improving the efficiency of EU expenditure.
- ➤ 'Steer away from plans as outlined in 'The next generation of own-resources' to generate revenue to the EU budget from a reform of the international corporate taxation framework such as BEFIT.

Europe is at work, supply the workers



- The future labour market will be characterized by employees alternating between jobs, sectors, standard and non-standard types of employment over the span of a career.
- Workers must keep up the pace of the digital transformation or risk to be left behind.
- Continue building on the European Year of Skills and other transversal strategies, and use the EU budget to continue mobilizing funding to provide the necessary resources.

Consolidate the tourism comeback

- During the last term, the EU has rolled out several policies and legislations covering different aspects of the economy impacting operators linked to the tourism sector.
- Moving forward, the EU must build on the 'Transition Pathway for Tourism'.



EU enlargement only through reforms, and with safeguards

- ➤ Last year, the EU reiterated its commitment to the Western Balkan states and granted candidate status to Ukraine and Moldova. The relationship with Turkey remains at a standstill since 2018.
- ➤ On the positive side, EU enlargement will expand the European Single Market resulting in broader market opportunities for businesses and a stronger leverage for the EU on the global stage.
- At the same time, this will bring important challenges for the internal functioning of the EU, particularly given its complex and lengthy decision-making process.
- As the EU will need to reform itself to accommodate a larger Union, certain safeguards are necessary to be retained to ensure the integrity of all member states.



Provide a regulatory breathing space

- > The last European Commission was on a regulatory overdrive.
- > This is not the way you make Europe competitive. Its time for a regulatory breathing space.
- Deliver on the 25% rationalization of reporting requirements and the 'one in one out' legislative approach commitments.
- Focus on subsidiarity, proportionality, 'Think small first', and avoid One-size-fits-all.



Integrate insularity in EU policy making, and More flexible state-aid rules for small peripheral regions

- Together wit the Competitiveness Check', which is a good step, the European Commission should look more closely to specific territorial impacts such as insularity.
- Furthermore, the EU Council and European Parliament must live up to their commitment of conducting impact assessments on substantial amendments introduced during the EU legislative process.
- > State aid and regional aid must be viewed as an instrument not only for promoting the development of less prosperous regions, but also as a means of neutralising systemic regional handicaps of certain regions, including island states.



Maltese business community expectations

- Malta has the least number of MEPs in the European Parliament.
- The volume of legislation is overwhelming which is why MEPs must take up membership of committees strategically of relevance to Malta.

List of European Parliament Committees:

- Agriculture and Rural Development
- Constitutional Affairs
- Culture and Education
- Internal Market and Consumers
- Environment, Public Health & Food Safety
- Regional Development

- Budgets
- Development
- Fisheries
- Petitions
- Industry, Research and Energy
- Transport and Tourism

- Employment and Social Affairs
- Economic and Monetary Affairs
- Legal Affairs
- International Trade
- Civil Liberties, Justice and Home Affairs
- Foreign Affairs

