



# **Prioritising Competitiveness**

## **Maltese business priorities for the EU Term 2024-2029**

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- Competitiveness and Growth**
- Green Transition**
- Digital Transition**



- ✓ **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 with 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



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