



MALTA EMPLOYERS' ASSOCIATION

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Media Release

MEA warns GWU: Employers should not be held Hostage

The Malta Employers' Association has reiterated its position that companies should not be subject to industrial action on matters in which there is no direct conflict with the trade unions. Employers have received notice of a work to rule that shall take place on the 1st December. The Association warned that employers will exercise their rights as provided by the Employment and Industrial Relations Act to take the necessary action, including the option to deduct remuneration for any production lost due to the work to rule action.

The MEA underscored the fact that the actions ordered by the GWU will place jobs in the private sector in jeopardy, adding that a confrontational approach, particularly with parties with whom it does not have an issue will act against the interests of employees themselves. This is certainly not the time to create uncertainty and instability. Our energies should be directed towards finding ways and means to generate and attract investment through improved competitiveness, and not through senseless industrial actions. Employers are already being burdened with high labour costs arising from an obsolete system of awarding wage increases that are not reflected in productivity. On top of this, this year government has added an additional LM0.50 per week to wages to compensate for energy price increases. Employers are also carrying their share of increased energy prices through higher rates. Increasing these costs further will seriously threaten jobs and deter investment.

The GWU should acknowledge that no amount of protests and industrial actions will create jobs. It is only employers who provide employment and one of the requisites of providing jobs is a stable industrial relations environment. Therefore employers should not be antagonised. This is a clear message to government, employees and unions alike. Employers were more than willing to enter into a social pact agreement, and such an agreement, that would alleviate the hardships created by economic restructuring, was not finalized because of the GWU. The MEA also expressed concern about the situation at Sea Malta, and called on the GWU not to jeopardize the privatization process of Sea Malta, which could endanger hundreds of jobs.

The Association stated that Government should also set an example to safeguard competitiveness. The recent collective agreement in the public sector, which includes substantial wage increases sent the wrong messages and its inflationary effect will have spill over effects on the private sector. This is also creating a situation where there are two classes of employees in Malta, those entitled to lifetime employment and seem to have an automatic right to wage increases irrespective of productivity, and those who have to earn their keep, and who have to register for work if they lose their job. MEA sympathises with employees in the

private sector who are made redundant and who do not enjoy standards that public sector employees get at the taxpayers expense.

The MEA disagrees completely with the GWU statement that the Association only condemns such actions when they are ordered by the GWU. The Association stated that this is definitely not the case, and that it has always been consistent in its position when such issues arise.