



## **MALTA EMPLOYERS' ASSOCIATION**

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### **Media Release**

## **The Malta Employers' Association proposes Measures to Mitigate effect of International Recession**

The Malta Employers' Association has proposed a set of measures for Government to reduce the negative impact of the economic recession that is affecting numerous companies in various sectors of the economy, particularly in manufacturing and tourism. The fact that the forecasts of real GDP have been revised downwards since December reveals the fragility of the situation which is fraught with many unknowns. Even senior economists are uncertain as to what will be the full extent of the recession, and when recovery will be within reach.

For this reason it is important for Government to be proactive and introduce measures that will serve as a buffer to prevent the Maltese economy from slipping into recession like many other economies worldwide. These actions include:

1. Announcing an immediate reduction of electricity rates to households and business to reflect current international oil prices. This will increase purchasing power of many households and reduce costs to businesses.
2. Introducing a scheme to pay, on a temporary basis, part of the wages lost by employees in manufacturing companies who fall on a four day week. This measure will alleviate the hardships suffered by such employees and the funds spent will serve to retain the level of aggregate demand in the economy.
3. Taking measures, through MEPA, to expedite the processing of developing permits that do not infringe environmental regulations.
4. Allocating more funds to strengthen employment services. The Employment and Training Corporation will play a crucial role in re-training and the implementation of schemes, such as the community work scheme which was mentioned in the last budget speech. The recession will imply further economic restructuring for Malta and those who lose their jobs might be offered employment in jobs that require different skills to the ones they currently have. Empowering ETC will prevent situations of structural unemployment once the international economy recovers.
5. Pumping EU structural funds into important infrastructural projects to improve the general infrastructure and improve the tourism product.

6. Designing a medium to long term job creation strategy with specific action plans for the generation of green jobs, and employment opportunities in potential growth areas such as medical tourism and Islamic banking.
7. Capitalising on the relative economic stability that Malta is experiencing during this recession to promote the country as a safe haven for investment. More frequent visits by business delegations, such as the recent one in Poland, should be organised at this stage to place Malta at the forefront of FDI destinations.

These recommendations are being forwarded with the extraordinary conditions prevailing today, and will act to dampen the economic slowdown and also to place Malta in a better position to grasp economic opportunities that will arise once the international recession subsides.