



MALTA EMPLOYERS' ASSOCIATION

35/1, South Street, Valletta VLT 1100, Malta.

Tel: (+356) 21 237585, 21 222992

Fax: (+356) 21 230227

E-mail: admin@maltaemployers.com

Web Site: <http://www.maltaemployers.com>

17th October, 2008

Media Release

MEA urges Government to postpone the Revision in Utility Rates

The Malta Employers' Association is calling on government to postpone any plans to revise utility rates until March 2009. The Association stressed that the business community is already facing considerable uncertainty because of a drop in order books caused by the international recession, and such uncertainty should not be exacerbated by an increase in electricity charges.

The world economy is in a state of flux: a fluctuation in oil prices which has not been experienced in decades; a collapse in financial institutions that hark back to the Great Depression; and crumbling consumer confidence that is creating havoc in consumer and business markets alike. Proceeding with drastic changes in utility rates at this stage is like running in a fog, and it would be wiser to wait until the dust settles before taking any action.

These international developments are manifesting themselves locally. The recent announcement by a major manufacturing company that it will operate on a four day working week is but the first sign that Malta will be affected by the ripple effects of the unstable international climate. Other major companies are also considering similar measures. Hotels are likewise reeling from the negative impact of reduced bookings and cancellations from important markets. In such circumstances, the best option is to shift the target of a balanced budget to the back burner and focus on shielding industries from the global crisis. This is clearly what other governments are doing and is manifestly expressed by the leaders of major economies in the outcome of the EU summit held this week. The Association stressed that, in this situation, safeguarding Jobs and investment should rank higher on the list of national priorities than balancing Enemalta's books.

What the MEA is asking for is caution, not procrastination. Employers understand that there are issues at Enemalta that need addressing, and the social partners should use the time available to prepare their studies for a measured and studied response to the domestic and global situation which will also reflect the developments in the international economy at that stage.