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3rd December, 2009

Media Release

POSITION PAPER ON CLIMATE CHANGE

The Malta Employers' Association is presenting its position on climate change and energy prior to the COP15 - United Nations Framework Convention on Climate Change in Copenhagen this December. The MEA has forwarded its position paper to the Hon Prime Minister, and the Minister for Resources and Rural Affairs.

MEA believes that the issue of climate change is an issue that involves all citizens, and that we as employers have a primary role in ensuring that the necessary targets are achieved to one of the most defining challenges of our century. Thus when the global community meets in Copenhagen we strongly believe that the Maltese government should do all that it can, as an island nation and also as a member of the European Union, to ensure that the needed political agreement is achieved. Failure to achieve should not be considered as an option!

From a local perspective MEA is of the opinion that there is still a lot to be done as a nation in countering climate change. It has only been till recent that the state has recognised the importance of the issue, and we hope that the matter shall be truly given its importance and dealt holistically.

The Association raises this concern not because the failure for us as a nation to comply with the targets set by the European Union on carbon emissions will inevitably result in severe penalties and tax burdens on local companies and individuals, but because we believe that as a developed nation and as a member of the European Union we should actively participate in the European vision on climate change.

Our procrastination over the years to act, coupled with the inappropriate decisions done in the energy sector, has placed our country at a disadvantage in terms of EU

targets, Kyoto targets and also on any targets that will be agreed upon in Copenhagen.

The Association will not enter into the merits of the new extension of the power station, we are not a technical body to deliberate and comment on that area, yet experience has thought us that the local adjudication process does not always result in the best of all possible decisions. The fact that the Marsa power station is still operating to date in the midst of the most densely populated area after the new power station was built in pristine countryside at Delimara, is a working monument to why we could have reason to question the decisions taken by Enemalta Corporation. Any decision taken, will have an impact upon all of us as was the case of Delimara phase 1 and 2. The Association is thus urging our political forces to seek advise and ensure the tax payers that whichever the decision taken, is the truly the right choice for the country.

Due to the fact that we are lagging behind in a combating climate change we should look at what other nations are doing and adopt the best practices in combating climate change. For example, in a recent report by Ecofys and Germanwatch for E3g and WWF, there was an evaluation of climate change policies of countries while identifying the best and worst examples and lessons learned. The two best policies came from German being the efficiency-in-buildings programme and their feed in tariff system.

The German efficiency-in-buildings programme is an integrated package of building standards, subsidised loans, grants and retrofit programmes. The programme reduces emissions substantially in the short and long term plus it creates jobs in the construction industry.

The other policy is Germany's feed in tariff (FIT) for renewable electricity. The strength of this system is that it guarantees a producer of renewable electricity a fixed increased price for 20 years. In essence the secret of the German success is that anyone generating electricity from solar PV, wind or hydro gets a guaranteed payment of four times the market rate - currently about 35p pence a unit - for 20 years.

The Association believes that these two policies should be looked at and adopted as part of the country's strategies to control climate change. In a local perspective whereby one can sell energy generated to grid, the system used in German guaranteeing a payment of 4 times the market rate, ensures that the payback time for any investment is faster. This makes it more viable for industry to invest. Thus if Germany's feed's feed-in-tariff system had to be adopted, coupled with Malta Enterprise's ERDF energy grant scheme, we believe that more companies will invest in alternative energy.

In line to the government initiative of privatizing the installation of photovoltaics on public buildings, the same government should set up similar initiatives like T4U but

P4U, i.e Photovoltaic energy for You, where citizens can invest in stocks set up by the government, for massive installations of photovoltaic farms in defined areas of the country, for maximum efficiency and maintenance.

MEA also suggests that the state should set a timeframe for the introduction of Liquefied Petroleum Gas (LPG) as a fuel option for vehicles. Such vehicles along with hybrid cars can also have a significant impact on our efforts to reduce carbon emissions. We also recommend and urge that the change in public transport will also signify a change in the fuel to gas which is cleaner in all senses. Furthermore the state's fleet of vehicles should be switched to gas, along with incentives to individuals and companies wishing to convert their existing vehicles to gas.

The state's policy to use the roofs of government bodies to generate enough electricity for 1500 household units is positive. We believe that the state has a pivotal role and needs to set the example. Real energy consumption figures and the carbon footprint for every department, corporation and agency should be published and a target of 20% reduction in energy consumption over current values. The carbon footprint also includes carbon emissions resulting from the state's fleet of vehicles!

The Association agrees with the state's policy of linking ourselves with the European energy grid while continuing to invest in conventional and alternative energy. In this way, one would be introducing some forms of competition in the energy providing sector which would eventually result in a higher efficiency by Enemalta.

On a positive note the Association applauds and supports the initiative by the Ministry of Resources and Rural Affairs for an Energy Policy for Malta and the National Strategy for Policy and Abatement Measures Relating to the Reduction of Greenhouse Gas Emissions.

The Association highlights in fact that a number of employers have already invested in alternative energy systems to reduce our dependence on conventional energy and improve the environment. This trend by our companies to invest in technology which will reduce the carbon print, will continue in the coming years. The extent of this investment will depend on the assistance that the state will be willing to commit itself.

The Association shall actively encourage its members to act towards combating climate change and shall seek to promote the actions of its members that invest in this direction. Furthermore the Association is also launching a yearly Climate Change Actions Award amongst our members and local enterprise.