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Media Release

MEA: Economic facts of Life cannot be Disregarded

The Malta Employers' Association expressed its view that, while the appeal made by the General Workers Union to hold discussions with the Prime Minister and the Leader of the Opposition on competitiveness might be productive, holding meetings outside factory gates is certainly not the way to solve any of the country's problems. If anything, such demonstrations can cause a sense of alarm that in itself can precipitate events for the worse.

It is a fact that, as in other countries, many companies located in Malta are facing global competition and are certainly not in a position to improve conditions of employment without jeopardising the jobs of thousands of workers. One cannot wish this reality away, and this is why there is a need for a clear strategy to make Malta a better investment destination if productive jobs are to be generated.

MEA agrees that part of this strategy should include upgrading of workers' skills and more investment in education, research and innovation. However, one should not lose sight of the fact that such strategies give results in the short to medium term, whereas many companies need to take immediate action to avoid relocation to cheaper destinations than Malta. Unions should realise this and communicate to its members the fragile situation that has resulted from global competition. This situation is not only affecting Malta, but also many developed economies.

Employers have always insisted that any improvement in working conditions needs to be matched by corresponding increases in productivity, and must also factor into the equation the relative costs between Malta and other investment destinations. The restructuring that many companies are implementing may also mean that, as jobs are upgraded, the demand for unskilled jobs will decrease and it will be difficult for persons in such jobs to remain in employment, or to find alternative employment if they face redundancy. Therefore, it might be in their interest to forfeit marginal benefits to retain employment. It is unfortunate that when these issues were discussed at length at MCESD, the unions failed to approve of a package, in the form of a Social Pact, that had as its main objective the safeguarding of Malta's competitive edge. Workers have to realise that such a social pact would have been in their interest to implement, even if it might have meant deterioration in certain conditions of employment. There would be no point in holding any discussions on competitiveness if these economic facts of life are disregarded.