



## **MALTA EMPLOYERS' ASSOCIATION**

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### **Talking Point**

#### **An Important Step**

The upcoming Budget shall be an important indicator as to how our Government shall be tackling the Country's exit from the economic slowdown that has plagued the Globe and especially Europe for the past months.

Recent economic indicators are showing that the worse is over and that our Economy, as that of the rest of Europe, is showing healthy signs of recovery. The only downside to this is that Economic Growth does not necessarily translate into a fast moving economy that will attract investment, create jobs and give people the necessary money to spend. The social partners will very soon start meeting Government to discuss the pre-budget document and also table their own wish-list for the forthcoming budget. What one has to look into is the fact whether this will give the necessary results that will provide the required boost the economy so badly needs. In a few words the next budget shall be an important step for our Government to prove to us all that it is capable of injecting some good DNA into our system.

The discussion is recently being focused on COLA and the ultimate purchasing power for individuals which shall most definitely create a very interesting discussion but will this alone be adequate to stimulate the required economic growth to support the country's future needs for its Social Welfare system. With an aging population facing a worker to pensioner ratio of 2:1 by 2050, Malta really needs to get its act together if we are to survive the effects of this recent economic stagnation and hope to have adequate levels of sustainability in the future. Stimulating investment that shall result in job creation and an increased level of wealth for the country in general is by far the most important objective.

Putting the Government books in order is also a top priority where spending must be curtailed and the public sector employment must also be kept under stringent control. The decrease in the size of the public sector that we had so much longed for, and were finally seeing the desired results, is now out of control once again and this not to mention the last Collective Agreement increases put into effect at a time when the rest of Europe was passing through a reduction process to curb public spending and bring huge deficits back on track. This is in sharp contrast to what was being done in the private sector where we have even seen some collective agreements accepting a reduction in benefits in favour of investment and long term planning for the organization involved.

Another important area is that of enforcement where Malta has a very lackluster track record to say the least. The recent incident involving the CABS mission in Malta was but only an indicator that we are incapable of keeping our house in order even in such circumstances where bird welfare is involved. Do we actually need a foreign organization to show our Authorities how things are done? It would have been nice if the mission proved to us all that enforcement was being done in an effective manner giving the results that it was initially intended to give.

We have seen the similar occurrence in a recent statement by the Ministry of Rural Affairs involving incentivizing the purchase and use Electric Vehicles. The social partners had suggested a similar arrangement two years ago where Government was asked to give Fiscal benefits to those companies that actively involve themselves in reducing Malta's carbon footprint by buying electric delivery vans and cars. We were also promised that we would have electric vehicle charging bays made available in due course and till this very day we have seen nothing implemented. Here again we required the push from a foreign organization to finally study how this may really help us as a Nation.

It is now high time that our politicians step up their act and deliver truly tangible ideas that will give our great country the opportunity to grow and prosper in the decade to come.

Pierre Fava,  
President