



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>

9th January 2013

Media Release

MEA's reaction to the PL's energy proposals

The Malta Employers' Association stated that the energy proposals by the Partit Laburista are well researched and ambitious, and include novel recommendations that should be explored in further detail. The Association said that energy prices are a fundamental element in the determination of the country's competitiveness and social well-being and that all avenues should be explored to ensure that consumers and industry benefit from the lowest, stable and sustainable energy rates possible.

The MEA added that the shift to gas fuelled energy plants is commendable from a cost and environmental perspective, although the option to switch to fuel oil should be retained. The Association expressed its satisfaction that the PL has taken on board the recommendation in its memorandum to political parties to create a parliamentary position responsible for energy. The MEA is also satisfied that 4 important elements listed in its memorandum have been taken into consideration. These are: (1) lower electricity tariffs, (2) greater involvement of the private sector, (3) environmental consideration and (4) health considerations.

The statement by Dr. Joseph Muscat that energy and enemalta are not a political ball and that it is the intention of the Partit Laburista to ensure that this does not happen is well received by the Association. The fact that these energy proposals are part of a more encompassing energy policy is also well received as this is something which the Association has been lobbying for for years.

Regarding the contents of the PL recommendations, the MEA said that the road map presented is ambitious and courageous and will require all hands on deck to ensure that it becomes a reality. The MEA fully supports any efforts to reduce unnecessary bureaucracy to get the plan running if it is approved. The Association added that the job guarantee given to EneMalta employees needs to come with a guarantee to Government from employees and their representatives that there will be no issues whatsoever when the required flexibility is asked for by the Company and they would be able to adapt to new exigencies of power generation in Malta, including secondment to private operators in the energy sector.

The MEA also suggested that, if the plan is implemented, the PL should consider reviewing its intentions to reduce the consumer utility bills during the first year of implementation, to be followed by a revision in commercial tariffs. The MEA would like to have the opportunity to discuss with the PL, as in its opinion it would be more economically beneficial, if both tariffs are reduced at a staggered rate. This recommendation is being made in view of the fact that commercial tariffs are among the highest in the EU.

MEA urged political parties to be open to each other's ideas. A constructive and mature debate can only strengthen the country's democratic process and, in the case of energy, all stakeholders need to devote their collective resources to produce the best outcome for the country.