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Media Release

MEA sees Government’s decision to provide compensation for Inflationary spike as a Positive Step for Social Dialogue

The Malta Employers’ Association expressed its approval for Government’s decision to issue compensation to vulnerable groups in response to inflationary pressures during the last quarter of 2010 and 2011. The Association stated that although the studies presented at MCESD did not point to extraordinary inflation, the fact that this followed a period of very low inflation meant that many families experienced a fall in their purchasing power as a result of the low COLA adjustment issued for this year. The Association pointed out that it had anticipated this situation and had made a recommendation to issue a welfare benefit in its proposals to the last budget. It added that, following constructive discussions at MCESD, and also once the effects of the inflationary impact on vulnerable families was analyzed, it is wise for Government to resort to taking this targeted fiscal measure to partially alleviate the hardships which lower income families have suffered, even though the COLA mechanism does not oblige it to intervene in such cases. It also said that this bodes well for employers as it expects Government to show the same level of responsiveness to their claims when the time comes.

MEA said that this was yet another example of social dialogue being put to the test and resulting in tangible solutions to problems facing the country. The Association augured that other issues facing the country are approached analytically with an equal degree of maturity by all social partners.