

21<sup>st</sup> June 2020

## Media Release

### **MEA warns: Malta's reputational damage could be heading to a point of no return**

The Malta Employers' Association warned that the news about the Montenegro Wind farm deal is yet another blow to Malta's international reputation which could have long term repercussions on the economy. As more scandals connected to Malta are hitting the international media, the MEA feared that the situation could hit a point of no return and it will take decades to restore Malta's standing as a reliable investment destination. The country cannot afford to lose its standing and be grey or black-listed by Moneyval as a financial jurisdiction as a result of these scandals.

The Association stated that governance reforms are now critical to reverse this descent towards chaos. It referred to its repeated calls and proposals to reform parliament; to have a transparent system in the engagement of persons of trust and to introduce partial state funding for political parties. The Association said that although there can never be a system that offers complete safeguards against corruption, the current situation whereby members of parliament are also involved in the executive, the dependency of political party financing on corporate donors, the gratuitous manner in which persons of trust are appointed and the proximity of politicians to criminal elements of society are a hotbed for corrupt practices. The Association urged government to adopt a non-compromising stand towards corruption, irrespective of who is involved, and to engage with the social partners to start with much needed institutional reforms. It added that the MCESD should take a more active role to pressure government to take the necessary actions before it is too late.