

25<sup>th</sup> September 2015

## MEA meets EU Commissioner Bienkowska

On the initiative of the Hon. Miriam Dalli MEP, a seminar was organised with the topic: **“Maltese Micro Enterprises – How to thrive in an EU Environment”** at the Mediterranean Conference Centre on Thursday, 24<sup>th</sup> September 2015. The main guest was the Commissioner for the Internal Market, Industry, Entrepreneurship and SMEs, Ms. Elżbieta Bieńkowska who addressed the seminar and also engaged in a discussion with the audience present. The seminar was organised in conjunction with the MEA and the GRTU.

Before the seminar, Commissioner Bieńkowska took the time for a brief meeting with MEA Council members. During this occasion she was briefed with the operations and history of the Malta Employers' Association. The Commissioner took particular interest in the HR Handbook which was circulated among numerous micro-businesses as part of the outreach programme which the MEA conducted a few years ago, and which was instrumental in winning the National Enterprise Support Award this year.

Besides the Commissioner, the seminar was also addressed by the Hon. Minister Edward Scicluna, Minister of Finance, The Hon. Miriam Dalli MEP, Ms. Abigail Psaila Mamo (GRTU) and Joseph Farrugia (MEA).

### Address by Mr. Joseph Farrugia

Mr. Joseph Farrugia, the Director General of the Malta Employers' Association said that micro businesses have certainly been a source of employment growth in Malta, and that they have also acted as a buffer during the international recession through a general culture of job retention which resulted in a slower downturn and a faster recovery than that experienced in many other developed countries.

Mr. Farrugia said that regretfully many regulations and legislative measures are designed with large companies in mind and it is only relatively recently that more attention is being given to smaller companies in spite of the fact that they make up more than 95% of companies in Malta and the EU. He emphasised the need to activate the SME Test measure in Malta through which the impact of any legislation or regulation on small businesses will have to be assessed before implementation. As an example, he mentioned the legislation which is being contemplated locally concerning the setting up of collective bargaining units through which any six persons can opt for a separate collective agreement. This, he claimed, will make the management of SMEs an impossible task.

He referred to the diversity of Maltese SMEs and said that one should remove the stereotype that micro business operate mostly in

retailing. He said that most companies in the financial services sector, the fastest growing sector of the economy, are also SMEs and generating high value jobs through the employment of professional and graduate personnel. He added that the educational sector has to stress more the importance of entrepreneurship in secondary curricula.

Mr. Farrugia mentioned the findings of the Public Consultation on the New SME Policy and remarked that many of the concerns of SMEs and microbusinesses across the EU are similar to those prevailing in Malta, but in Malta some issues are more pronounced, for example the limitations of the domestic market. He said that Malta must also be in a position to grasp opportunities for financing for SMEs through the mobilisation of funds allocated the financial instruments under COSME.

He concluded by saying that MEA plays an important role in promoting SMEs interests in general, in particular on matters related to employment, social dialogue and social policy. Many employers lack the necessary specialisations to deal with many issues in these areas and MEA is in constant contact with these employers to supply them with professional back up. Through these services, the MEA was awarded the National Enterprise Support Award in 2015.

There were some questions from the floor. MEA council member Mr. Lawrence Mizzi mentioned that there are still some problems related to the professions which need to be addressed, especially with regards to the certification of the qualifications and professional status. He also referred to many employers' preoccupation with recent decisions taken by the European Court of Justice, which is often taking the role of a legislator rather than interpreting the legislator's intentions. He referred to the cases involving sales commissions payable during vacation leave, and travel time from home to work in cases where employees do not have an office.

MEA council member Ms. Doris Sammut Bonnici commented about the excessive bureaucracy experienced by SMEs, and that besides of the cost of compliance, many businesses face an un-level playing field because of weak or non-existent enforcement which is creating situations of unfair competition.

**The Association expresses its thanks to MEP Dalli for taking this important initiative.**