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Media Release

MEA calls for an immediate reduction in Utility Rates, a review in Assistance schemes, and a bonus for Health Workers.

The Malta Employers' Association stated that experience of the past few weeks is evidence that, as happened in previous years when Malta faced an international crisis, employers have done their utmost to prevent massive unemployment by retaining people in their jobs, even though many of them may be idle. This is the main reason why predictions of high unemployment have not materialised thus far. The Association said that employers are aware that the economic and social consequences of the Covid-19 crisis have the potential of being as devastating as the health aspect, and are postponing layoffs as much as possible.

This is partly the result of various schemes which have been offered by government to assist companies to bear the brunt of lost production and falling revenues. In spite of some optimistic figures regarding the number of new cases of Covid-19, many businesses expect the negative effects of the virus outbreak to extend for months, if not more in some sectors. It is therefore essential to consult further with the social partners to review, enhance and to make the assistance packages more target specific.

The classification of companies by NACE codes in two groups has worked as an immediate measure, yet numerous companies that fall in Appendix B category have also had their operations at a standstill, perhaps even more so than others who are eligible for the benefits offered to those falling under Appendix A. There are also many cases of companies which do not fall under any Appendix who are paying their employees from their own resources. They cannot do so indefinitely.

The Association is appealing for a re-thinking of the schemes and, at this stage, to adopt a more case by case approach to further mitigate the impact of the economic crisis on businesses and families.

A number of measures can be adopted:

- **Utility rates for both businesses and households should be reviewed with immediate effect. The**

35/1, South Street,
Valletta VLT 1100, Malta
t: (+356) 21 237585, 21 222992
f: (+356) 21 230227
e: admin@maltaemployers.com
www.maltaemployers.com

international price of oil – at less than \$5 a barrel - is the lowest in decades, and this is certainly not reflected in the current rates, at a time when many households are consuming more energy because they are spending more time at home.

- Training grants should be more flexible and enhanced. The 21 day notification for application acceptance needs to be shortened for companies to be more motivated to train their people. Specific grants for online training can be introduced.
- Wage supplements should be extended to cover more employees and sectors. In some cases, there is an anomaly whereby employees are applying pressure on their employer to be made redundant since the unemployment benefit exceeds the supplement they will get if they remain in employment.
- Rents for factories facing difficulties should be temporarily waived.
- Salaries of employees in the public sector who are idle should be reduced. On the other hand a special bonus should be awarded to employees in the health sector for the excellent service they are delivering.

The Association said that thus far, the country has coped reasonably well with this crisis on many fronts, yet the situation calls for constant monitoring and adjustment to enable the economy to bounce back in the shortest time possible.