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Media Release

'The Biggest Threat is not the Grey Listing itself, but the Conditions that caused it – MEA'

The results of a survey carried out by the Malta Employers' Association into the perceptions of businesses about the grey listing reveal that 88% of respondents believe that the FATF Grey listing will leave a negative impact on the Maltese economy, with 64% anticipating strong repercussions. 71% anticipate that the grey listing will affect their business directly. The results show that we are on a clock, as 63% of respondents reported that the grey listing will be affecting them within the coming 6 months.

The degree of uncertainty is uneven among sectors, with companies in financial services, gaming and other services expecting stronger repercussions than manufacturing, wholesale and retail, and tourism.

Businesses are also concerned about rising compliance costs, with some companies having resorted to employing additional personnel to deal with the bureaucracy of added compliance.

The survey results conclude that the main reasons attributed to the grey listing are money laundering activities, a defective rule of law and justice system, institutional corruption, lack of transparency and weak institutions.

Amongst the recommendations submitted by the respondents to come out of the grey listing, the most salient are the need for an effective and efficient justice system; the prosecution of corrupt politicians, PEPs and business people; resignation of implicated politicians and the implementation of Moneyval/FATF recommendations.

The MEA warned that, although it does not want to be alarmist as many areas of the economy are performing well, with companies experiencing a shortage of manpower, it is evident that the longer Malta remains grey listed, the more extensive the damage and the longer it will take to recover a tainted international reputation. It said that it is regretful that the Association, together with other social partners, have been flagging governance and reputational issues for years, but little notice was paid to these warnings. There were too many shady deals involving politicians, phantom jobs in the public sector, and a general reluctance to hold perpetrators to account.

The Association stated that although this problem is certainly not caused by the vast majority of businesses, it offers its full commitment to our country to resolve the matter in the shortest time possible. However, the first step is to come to our senses and acknowledge that there is actually a very serious threat to the social and economic fabric of our society. Ultimately, the biggest threat is not the grey listing itself, but the conditions which caused it.