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Media Release

A Terrible Autogoal for the Maltese Economy

The news that Malta has been grey listed by the Financial Action Task Force has dealt a devastating blow for the Maltese economy which will stretch its resilience to its limit. Unlike the COVID pandemic, this crisis is entirely self-inflicted and the result of lax and corrupt practices by a minority of dishonest politicians and businesses, compounded with ineffective governance systems. Our justice system has also proven to be strong with the weak, whereas glaring transgressions and crimes, including a murder of a journalist that have made international news remain unresolved or languish in the labyrinth of our judicial system.

Our country has been shaken by too many scandals involving senior politicians and politically exposed persons as well as the major institutions. The best efforts of the current Minister of Finance, Clyde Caruana, to clean up the mess left by his predecessor, failed to impress the FATF.

We need to realise that governance is not just about ticking boxes, but about values. We may have all the governance systems in place, but we will only be allowed to operate without the stifling straightjacket that we are now being forced to wear if we rebuild the trust of the international community to once again judge Malta to be a reliable and trustworthy business partner. This grey listing is unprecedented and humiliating for Malta. The first step of the uphill process to rebuild our national brand has to accept this outcome for what it is. It will be pointless to waste time in political bickering and point fingers in vain attempts to deny or downplay the severity of the grey listing. Rather than blaming the referee, we need to rethink our strategies and hold people to account where necessary, irrespective of who they are or what their connections might be. We are all aware that, as a small economy, the cards are often stacked against us, but we must also wake up to the realisation that we brought this on ourselves if we are truly committed to emerge from this disaster.

Unfortunately, the repercussions of the grey listing will be carried by honest businesses and their employees. The cost of added compliance procedures is already stifling many businesses. MEA has, for years, been campaigning for a reform at political level to have a clean administration, run by competent and trustworthy people. It is unfortunate that such appeals by the Association and other social partners which have also been made at the MCESD have been ignored by government.

Our focus should be on the need for national unity with the involvement of all. We have had to learn our lesson the hard way as a country, that governance is not to be taken lightly.