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Media Release

National Budget 2024 is rich in social measures, but rather lacking in long term vision – MEA

In its initial reactions to the national budget speech, the Malta Employers' Association described the national budget placing an emphasis on social measures but does not really address the need for economic restructuring to have a sustainable and competitive economy through private investment and higher value added activities.

The MEA noted with satisfaction that government intends to continue with its efforts to shield households and businesses from the brunt of high energy prices. This assistance may become more critical in the months to come if energy prices become unstable as a result of unrest in the Middle East, but could come at a higher cost which may generate pressures on the budget deficit. The budget includes diverse positive measures aimed at protecting vulnerable groups. The measures to incentivise pensioners to remain active in the labour force are welcome and should yield positive results. The MEA also looks favorably on the incentives announced for family businesses.

Regarding Air Malta, MEA waits with anticipation for a complete reorientation of the new airline to ensure that it is run on commercial lines, and that the mistakes of the past are not repeated.

With respect to education, there is little emphasis on investment in vocational skills to have a better match between the output of students and the requirements of industry.

The budget commits to a strong investment in infrastructure, which is a good sign given the various shortcomings that both businesses and households face. On tourism, the budget is rather vague and does not present a clear strategy about any re-orientation in this industry to attract higher value tourists.

COLA will be an issue in 2024. The unprecedented increase - even though muffled by the energy subsidies – will affect many businesses negatively and may fuel further inflation. The licensing of outsourcing agencies is welcomed as a means to avoid exploitation of TCN workers.