

COVID-19: BUSINESS & EMPLOYMENT PROJECTIONS

SURVEY II

Chapter 1: Introduction

The survey which the Malta Employers' Association conducted towards the end of March 2020 was instrumental in measuring the extent of the damage of the crisis, coping mechanisms which are being adopted, and also employers' outlook for the months ahead.

We are now at juncture where once again we need to take stock of the situation to determine the extent to which the situation has evolved over the past weeks and also employers' projections for the coming months.

The Malta Employers' Association is engaging with employers to minimise as much as possible the impact of the COVID pandemic on businesses. Our strategy is based on the following activities:

- Lobbying with the authorities on behalf of our membership
- Giving advice to our members
- Setting up and updating the COVID Resource Handbook
- Keeping our members informed through a series of webinars
- Conducting research activities to measure the impact of the crisis and disseminate the information

1.1 The Survey

The survey was designed on the basis of information obtained from queries by MEA members and schemes issued by government up to end of June 2020.

The survey was distributed online through Google Forms, to all MEA members and other companies coming from different industry sectors.

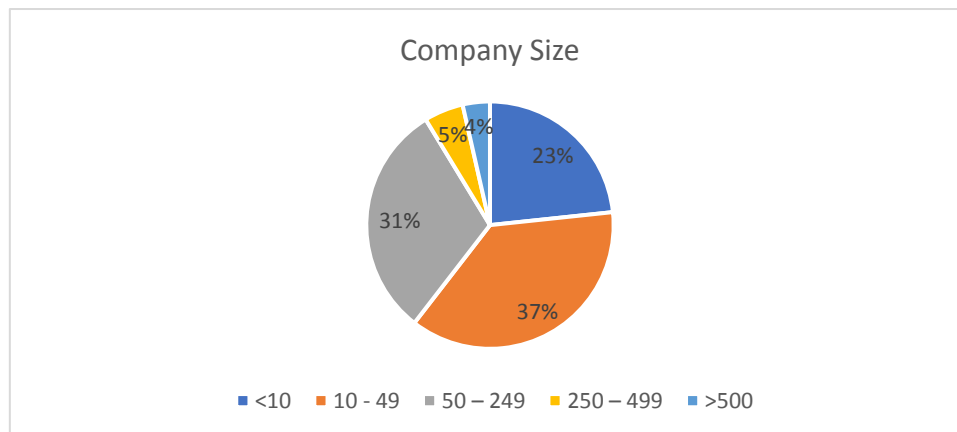
The survey contained seventeen (17) questions, some of which are closed-ended and others are open-ended. Through the open-ended questions, respondents were given the possibility to explain further their responses, by adding comments to their answers. A copy of the survey can be found in Appendix I.

There were two-hundred and fifty-three (253) responses to the survey. The survey was restricted to one submission per user and was left open for a period of one week.

Chapter 2: General Results

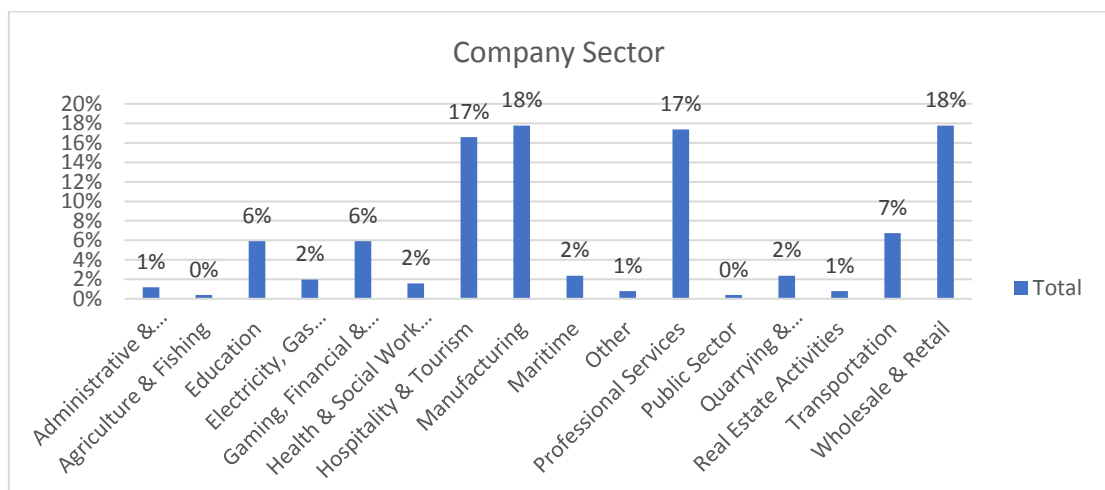
2.1 Company Size

Out of two-hundred and fifty-three (253) survey respondents, 23% of companies employ less than 10 employees, 37% employ between 10-49 employees, 31% employ between 50-249 employees, 5% employee between 250-499 employees, and 4% employ more than 500 employees.



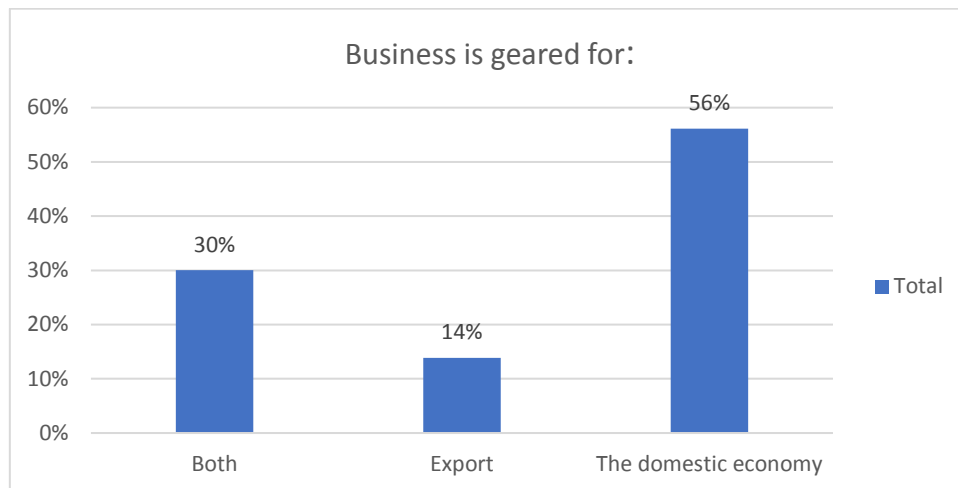
2.2 Company Sector

The data below shows the number of respondents by sector. Out of two hundred and fifty-three (253) respondents, the highest company representations comes from the Wholesale & Retail and Manufacturing with 18%, followed by Hospitality & Tourism and Professional Services with 17%. The Transportation sector is represented by 7%, Education by 6% and Gaming, Financial & Insurance by another 7%.

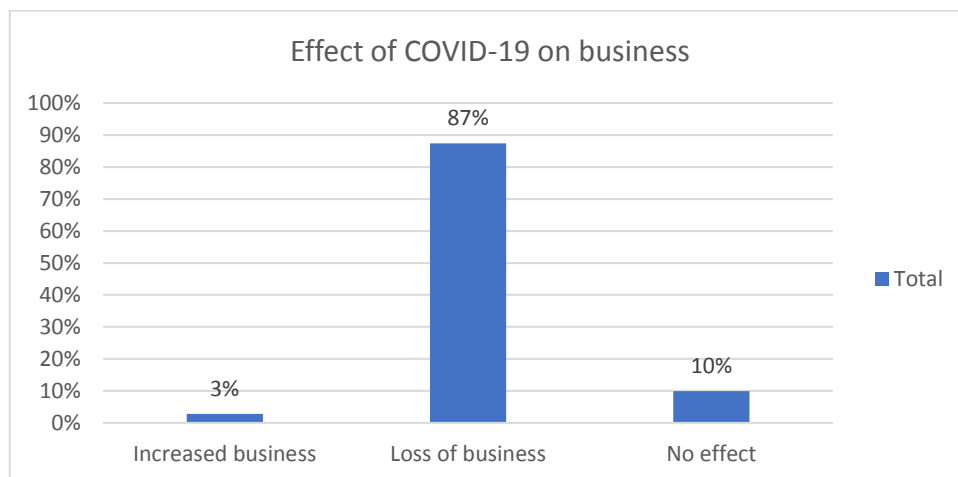


2.3 Businesses Operations

Out of 253 respondents, 56% of the companies are geared for the domestic economy, whilst 14% are geared for export. 30% of respondents claim that their business is geared for both the domestic economy and export.

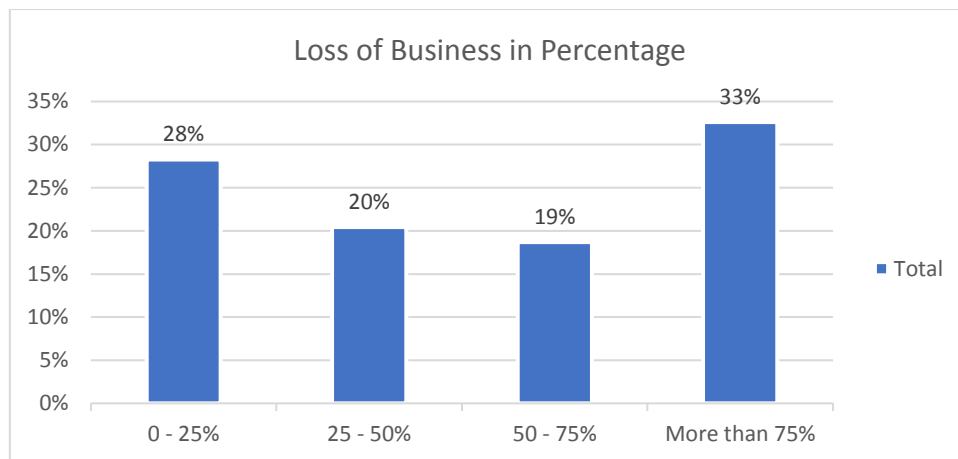


2.4 Effect of COVID-19 on Business Operations



When asked how the COVID-19 pandemic affected business, seven respondents (3%) claim that they have increased business, whilst two-hundred and twenty-one respondents (87%) claim that they have registered a loss of business.

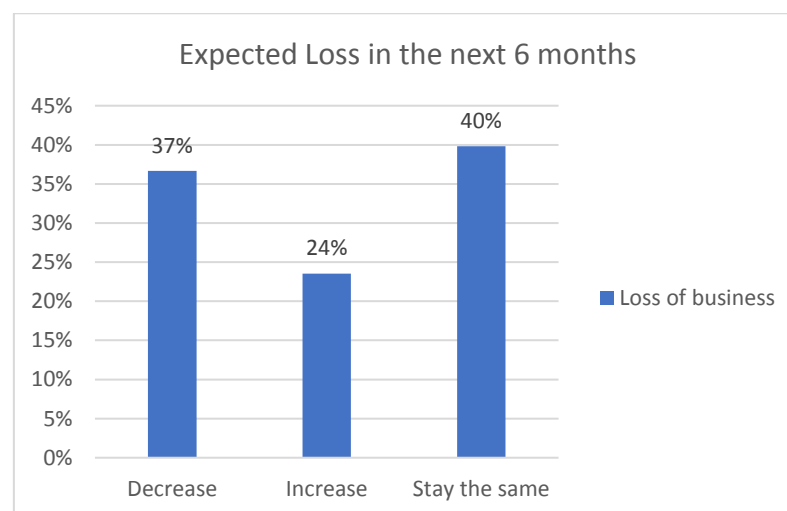
Twenty-five respondents (10%) claim that they have not been affected by the pandemic. However, out of these 25 respondents, 9 of them claim that they have registered a loss in business of between 0-25% in the following question.



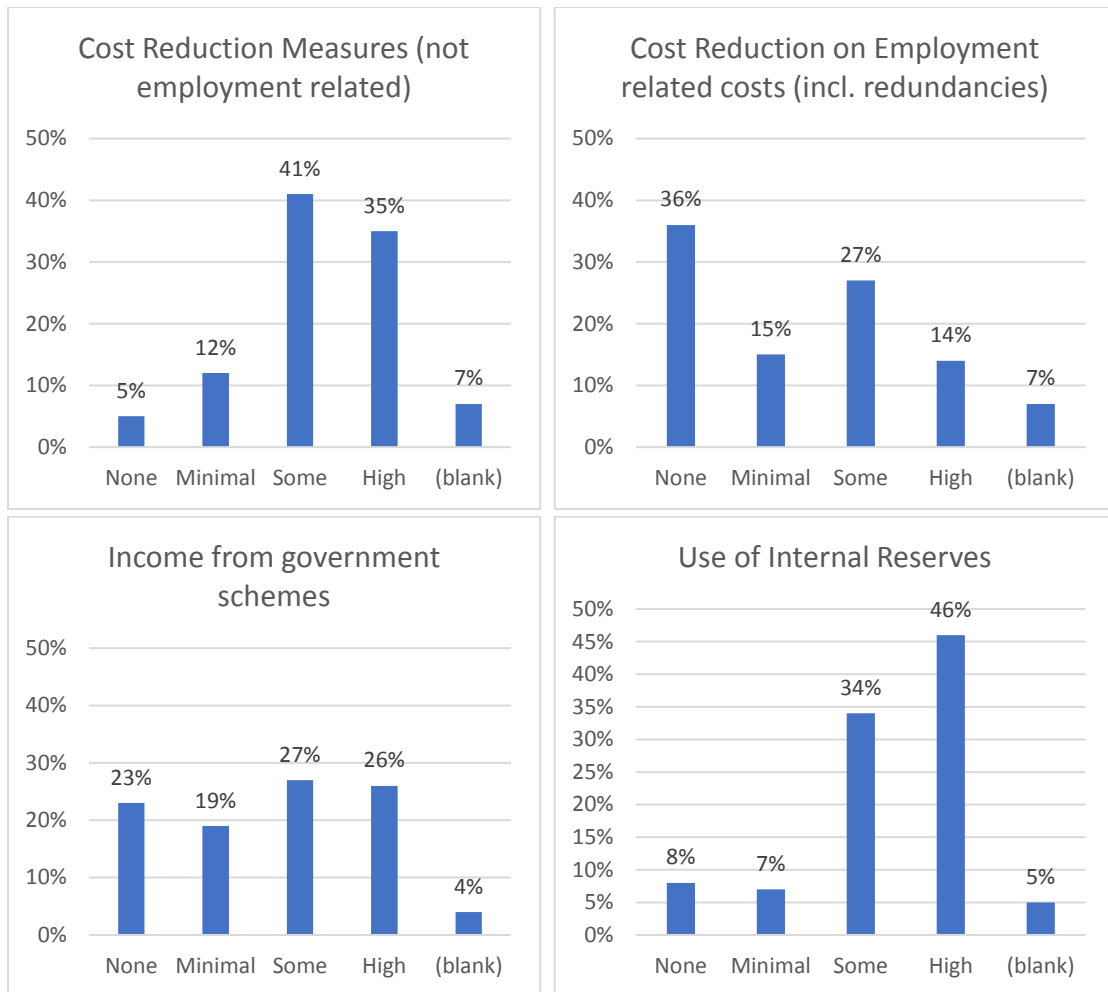
Out of the 221 respondents that have claimed a loss of business and the other 9 respondents that have filled-in this question (230 responses in total), 28% registered a 0-25% in loss; 20% registered a 20% in loss; 19% registered a 19% in loss; and 33% have registered more than 75% in loss of business.

2.5 Expected Loss in the next 6 months

When asked about the expected loss in the next 6 months, 37% of those who have answered that they have experienced a loss in business during to COVID-19 claim that the expected loss will decrease in the next 6 months. 40% claim that it will stay the same; and 24% claim that it will increase.

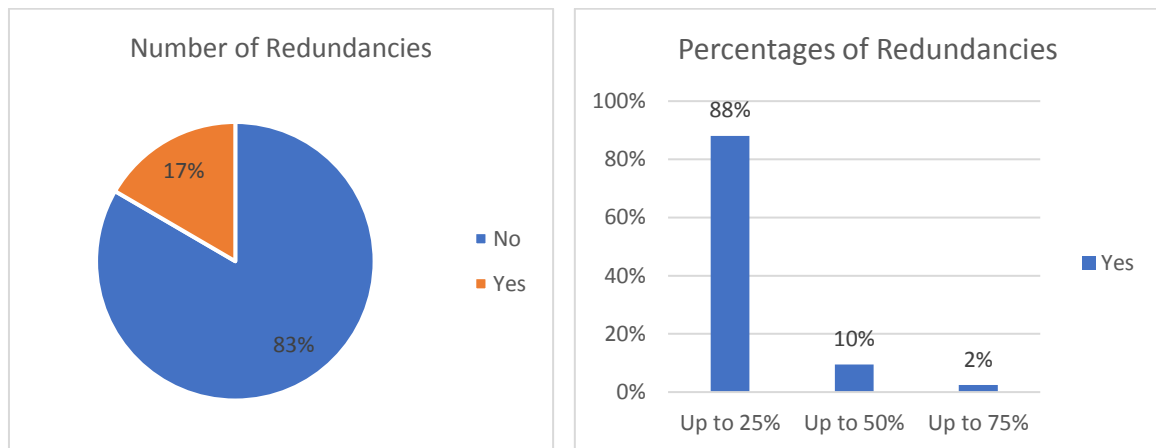


When asked about how companies are managing the loss in business, the majority of (76%) respondents that have experienced a loss in business due to COVID-19 commented that they were highly effected in cost reduction measures (those not related to employment) and when it comes to use of internal resources (80%).



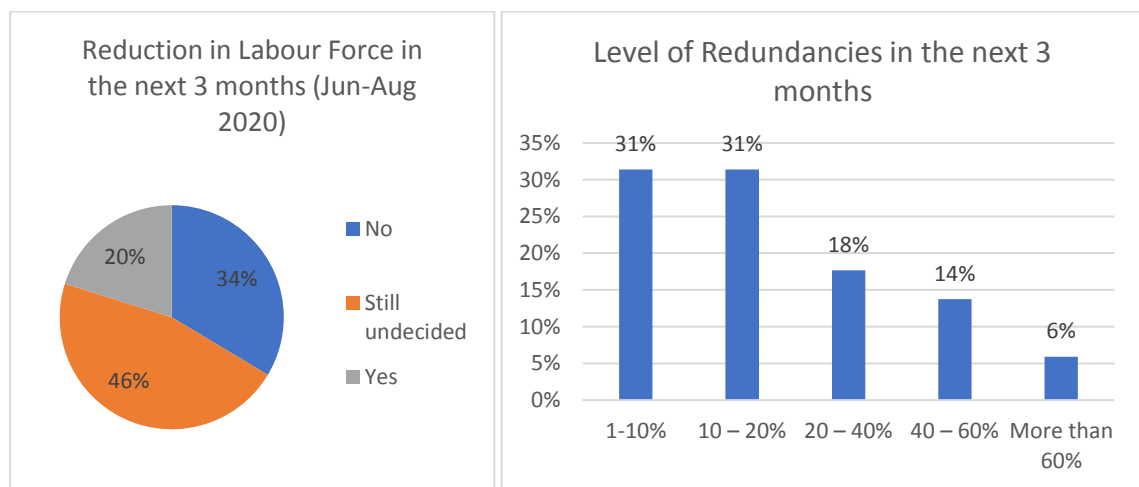
2.6 Redundancies

83% of respondents state that they have not made any redundancies in their company. The other 17% (amounting to 43 companies) have made some redundancies by different percentages – 88% by up to 25%; 10% by up to 50%; and 2% by up to 75%.



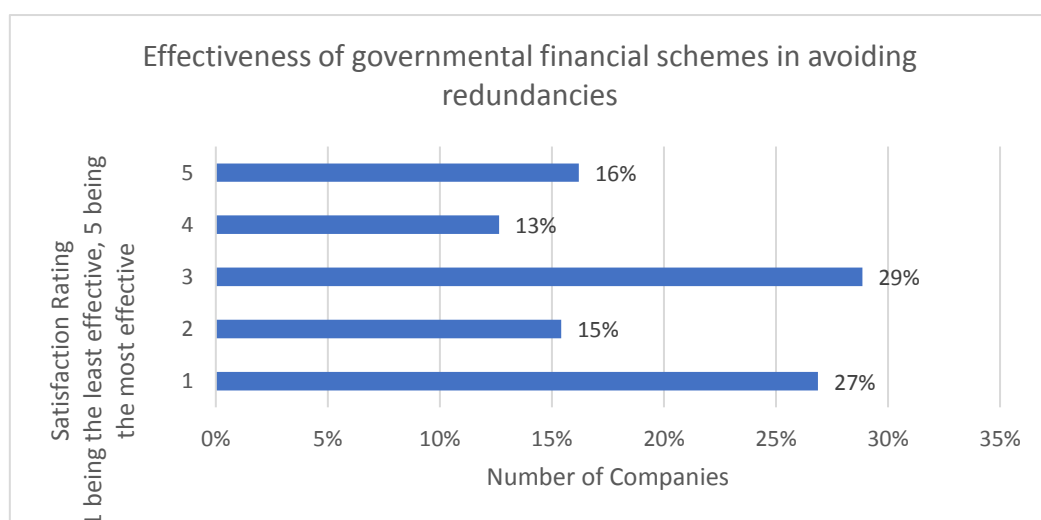
When asked if companies see an increase in redundancies in the next three months (June-August 2020), 34% of respondents have answered 'No'. 20% of respondents have answered 'Yes' and 46% are still 'Undecided'.

Out of the 20% of respondents that answered 'Yes' (amounting to 51 companies), 31% of respondents believe that they will reduce their labour force by 1-10%; another 31% of respondents believe that they will reduce their labour force by 10-20%; 18% of respondents believe that they will reduce their labour force by 20-40%; 14% of respondents believe that they will reduce their labour force by 40-60%; and 6% of respondents believe that they will reduce their labour force by more than 60%.

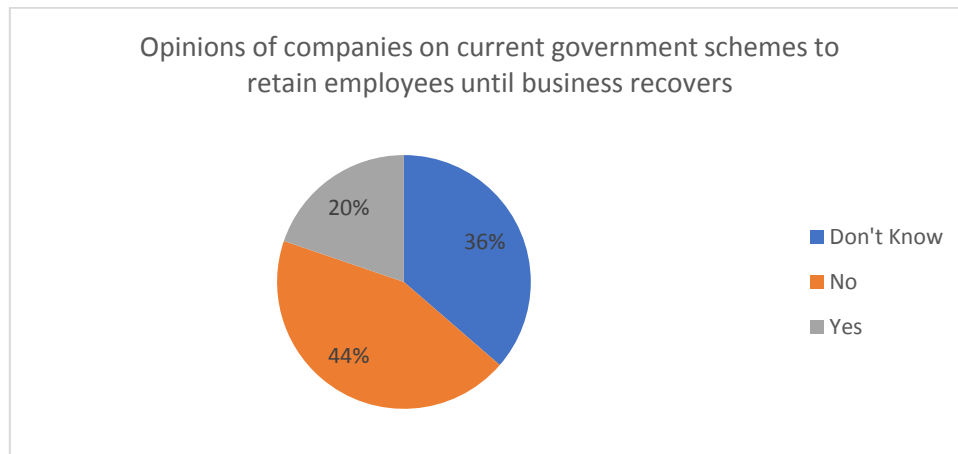


2.7 Effectiveness of Government Measures

Most companies that responded to this survey do not rate high scores for the effectiveness of government schemes in avoiding redundancies.



The above table shows the level of satisfaction of companies, with 1 being the most effective and 5 being the least effective. 29% of respondents claim that the government schemes are very effective and effective, 29% of respondents claim that the measures have neither been effective nor ineffective, and 42% of respondents claim that the measures are not very effective to their business.



When asked whether the current schemes should be sufficient to enable companies in retaining idle employees until their business recovers, 44% of respondents stated 'No', 20% of respondents stated 'Yes', while 36% of respondents are still 'Undecided'.

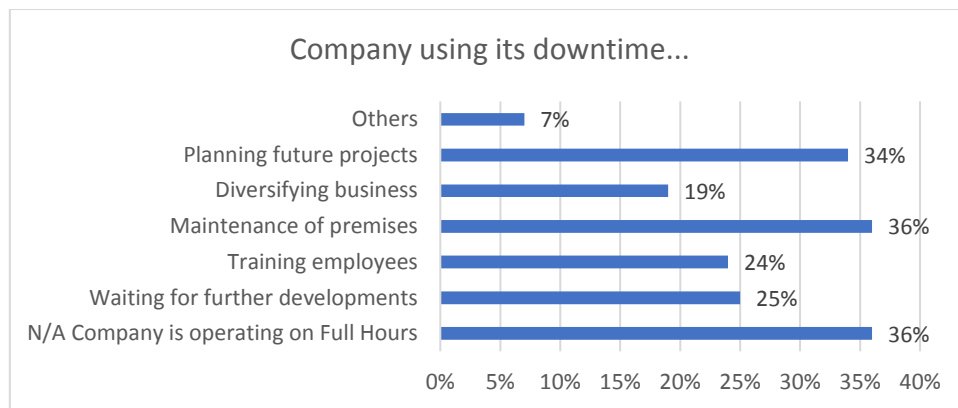
2.8 Recommendations to Government

A set of recommendations to government in providing additional support was given by survey respondents. The main points were related to:

- Extension of schemes
- Increase financial assistance to more sectors
- Introduction to other financial schemes
- Subsidies for commercial rents
- Subsidies for company Taxes
- Reduction in utility bills
- Efficiency of Managing Authorities

The full set of answers can be found in Appendix II.

2.9 Companies using downtime due to COVID-19



36% of companies that participated in this survey do not have downtime, as they are still operating on full hours. Another 25% are waiting for further development. However, the others are using their downtime to carry out other work.

36% of respondents state that they are carrying out maintenance of premises; 34% are planning future projects; 24% are training employees; whilst 19% are diversifying business.

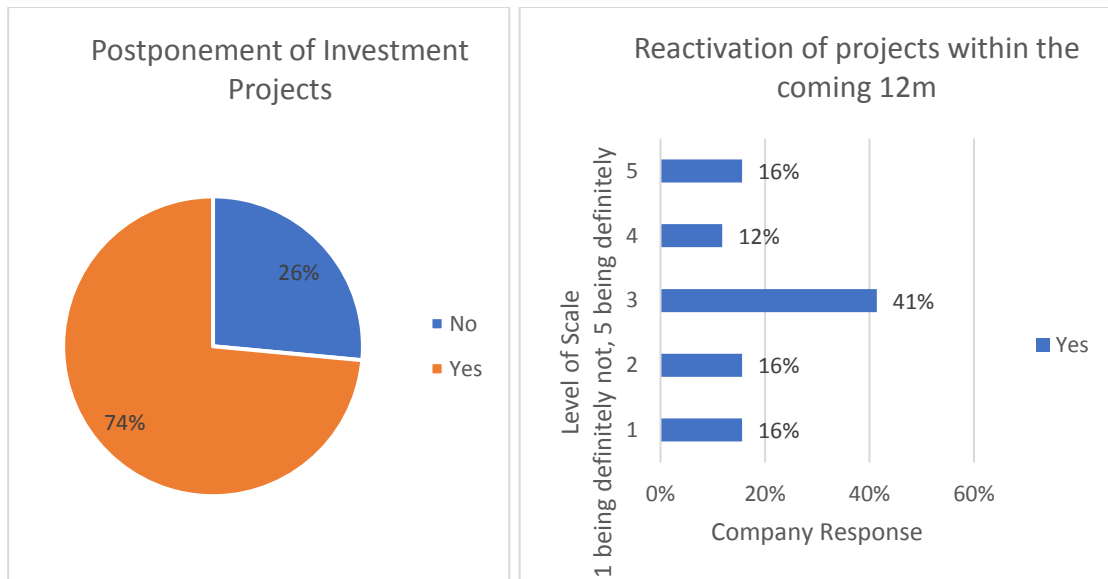
Other respondents claimed that they have:

- Encouraged employees to take vacation leave
- Improved internal processes, systems and costs control
- Been getting up-to-date with old work
- Uploaded activities online
- Conducted restructuring
- Implemented housekeeping improving processes
- Reduced subcontracting personnel

2.10 Postponement of Investment Projects

When asked whether companies have postponed any investment projects due to the COVID-19 outbreak, 74% of survey respondents have answered 'Yes' while 26% have answered 'No'.

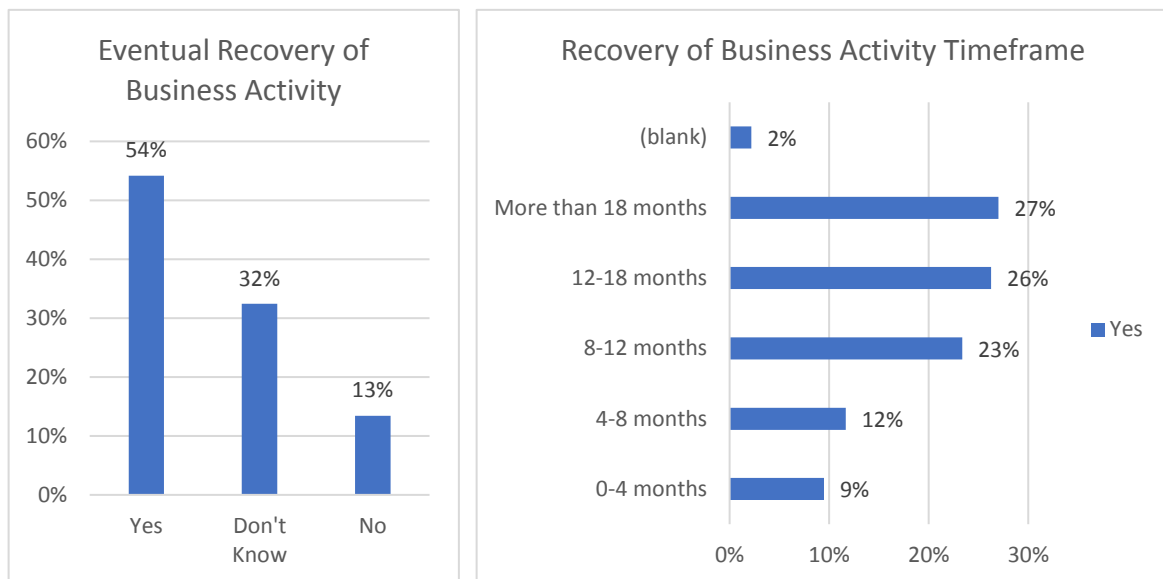
Out of the 74% of survey respondents that answered 'Yes', 28% answered that they will definitely be reactivating their projects within the coming 12 months; 32% have answered that they will definitely not be reactivating their projects within the coming 12 months; while 41% are neutral and therefore could be that they are still undecided.



2.11 Recovery of Business Activity

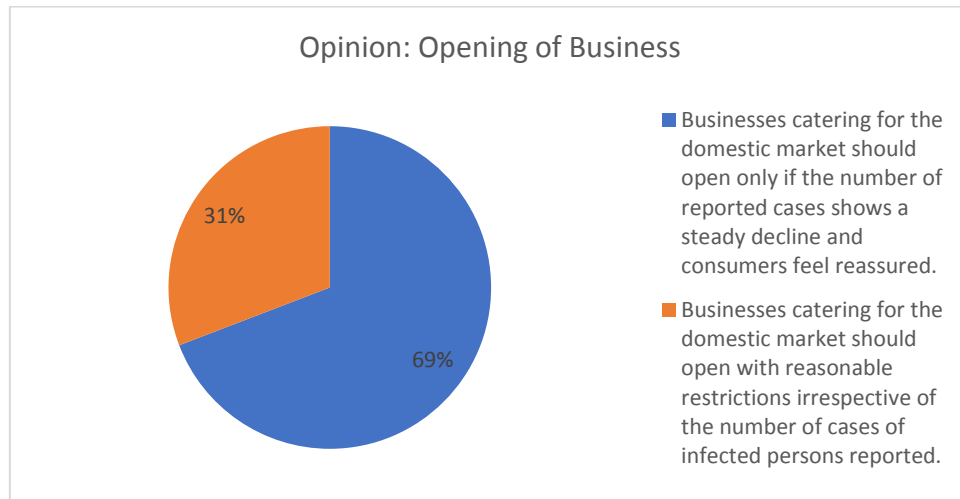
When asked whether companies are expecting an eventual recovery of business activity to pre-COVID-19 levels, 54% of respondents claimed 'Yes', 13% claimed 'No', while 32% of respondents still 'Don't Know'.

Out of the 54% respondents that answered 'Yes', the majority of them (27%) needed more than 18 months to recover to pre-Covid levels. 26% claim that they need between 12-18 months to recover, 23% need between 8 – 12 months to recover; 12% need between 4 – 8 months to recover; and 9% needs between up to 4 months to recover.



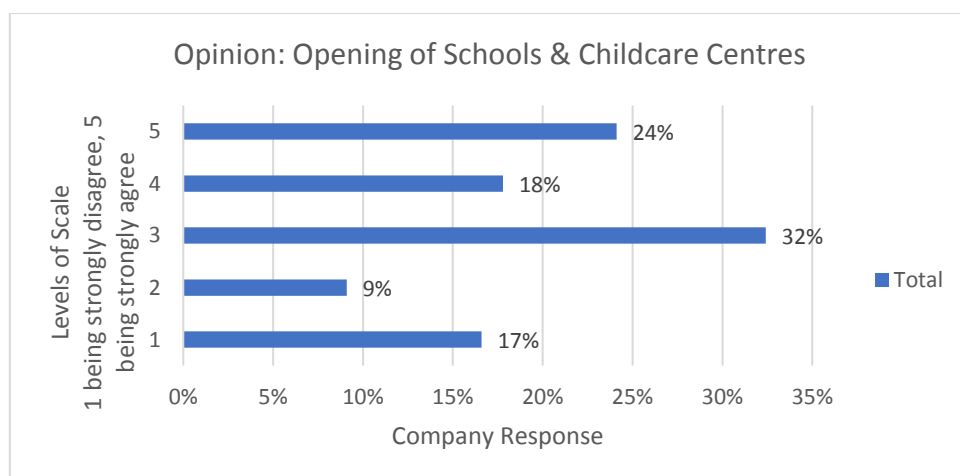
2.12 Opening of Businesses

When asked about the opening of business establishments, 69% of respondents agree that businesses catering for domestic market should open only if the number of reported cases shows a steady decline and consumer feel reassured. On the other hand, 31% of respondents agree that businesses catering for the domestic market should open with reasonable restrictions irrespective of the number of cases of infected persons reported.



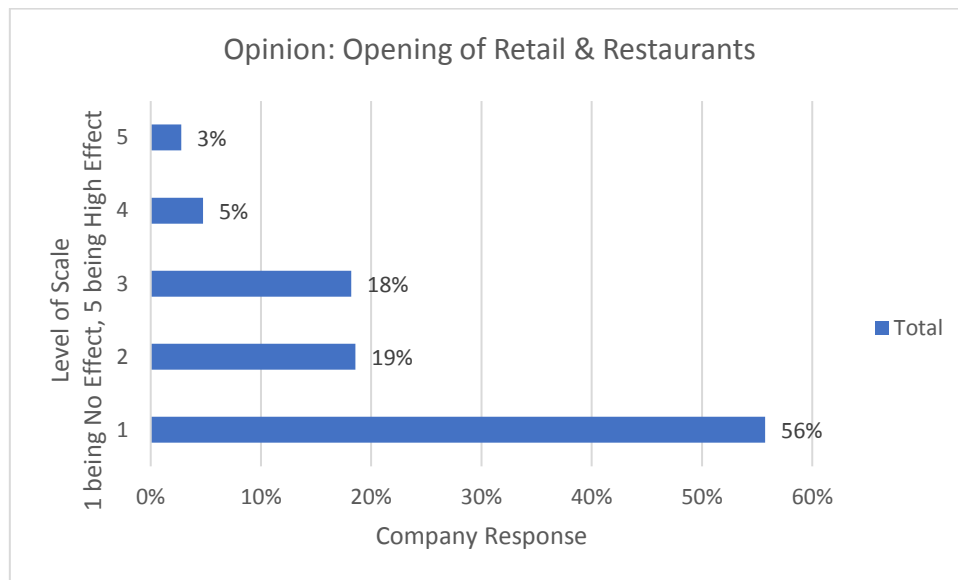
2.13 Opening up of Schools & Childcare Centres

When asked whether the opening up of schools and childcare centres is important for companies to resume normal operations in business, 42% of respondents state that they 'Agree' and 'Strongly Agree'; while 26% of respondents state that they 'Disagree' and 'Strongly Disagree'. 32% of respondents are 'Neutral', could be that their business has not been affected with the closure of schools and childcare centres.



2.14 Opening of Retail & Restaurants

When asked whether the recent opening of most retail and restaurants have had a positive effect on their business, 75% of survey respondents state that they did not have a positive effect on their business, while 8% have had a positive effect on their business. 18% of respondents are neutral, as they might not be dependent on retail and/or restaurants.

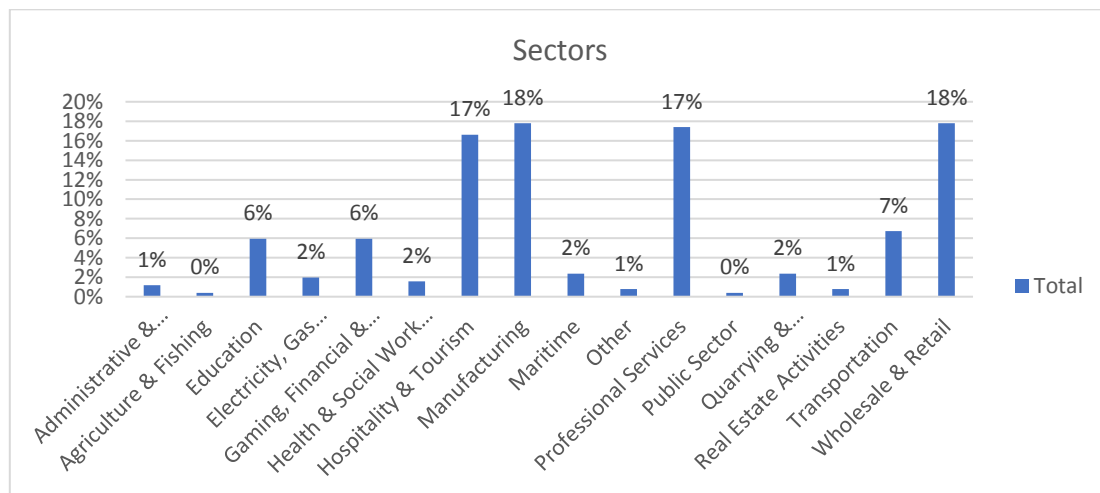


Chapter 3: Sectoral Analysis

3.1 Company Sectors

The data below shows the number of respondents by sector. Out of two hundred and fifty-three (253) respondents, the highest company representations comes from the Wholesale & Retail and Manufacturing with 18%, followed by Hospitality & Tourism and Professional Services with 17%. The Transportation sector is represented by 7%, Education by 6% and Gaming, Financial & Insurance by another 7%.

For the purpose of this chapter, sector with less than 10% representation will not be considered. Thus, the sectoral analysis will focus on the Hospitality & Tourism (17%), Manufacturing (18%), Professional Service (17%) and Wholesale & Retail (18%).



3.2 Sectors by Company Size

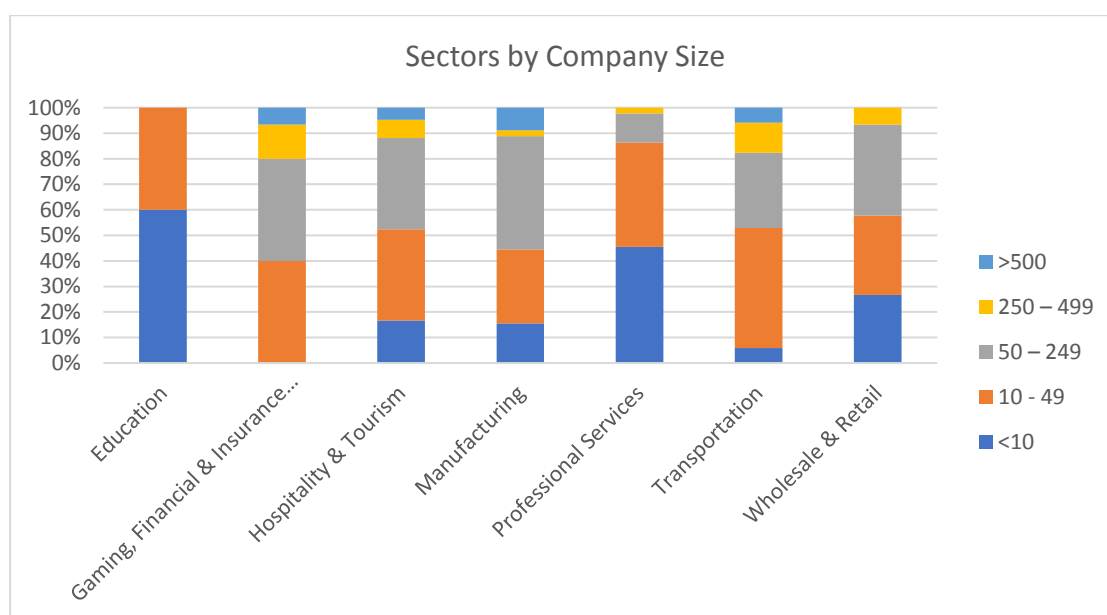
Considering that the biggest percentages of companies in Malta are SMEs, most companies that participated in this survey employ between 10-29 and 50-249 employees.

The highest number of micro enterprise employing less than 10 employees can be found in the Education sector with 60% of companies; followed by the Professional Services with 45% of companies. Sectors like the Gaming, Financial and Insurance and Transportation have the least percentages considering that these sectors tend to employ more than 10 employees.

Companies employing 10-49 employees are seen to have the highest percentage in Transportation with 50%, followed by Professional Services, Education and Gaming, Insurance and Finance with 40% in all three sectors.

The highest representative sample for companies employing 50-249 employees lies in Manufacturing with 46%, followed by Gaming, Finance & Insurance with 40%, Hospitality & Tourism with 37% and Wholesale & Retail with 34%. The sector with the least representation in this group is Professional Services with 12%.

The largest companies employing 250-499 employees are representatives of Gaming, Finance & Insurance with 13% and Transportation with 11%. Companies employing more than 500+ employees are representatives of the Manufacturing Industry with 8%.

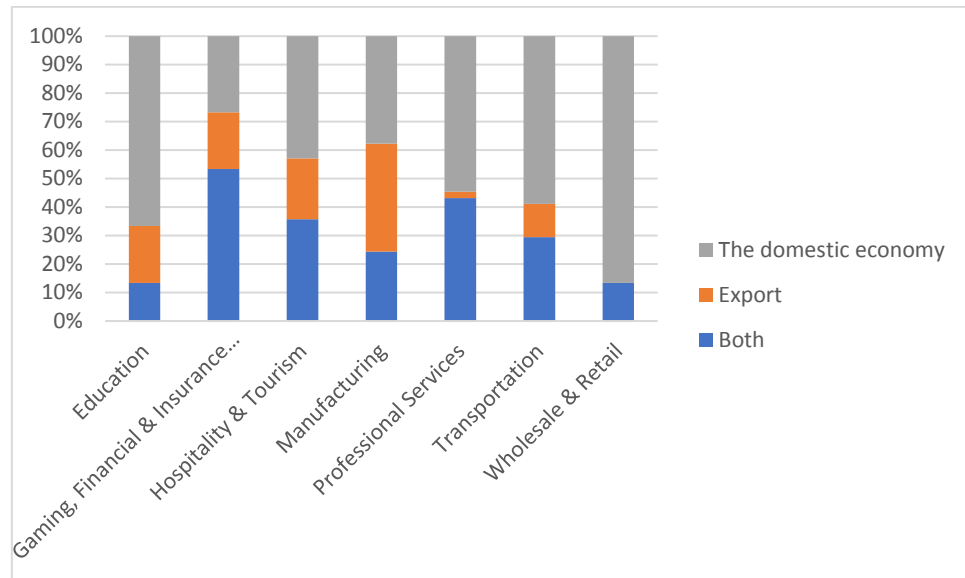


3.3 Business Target Operations by Sector

As described in Chapter 2, the greatest number of respondents (56%) have their business geared for the domestic economy, especially those in Wholesale & Retail (88%) and Education (68%).

The greatest number of respondents that have their business geared for export comes from the manufacturing industry (39%).

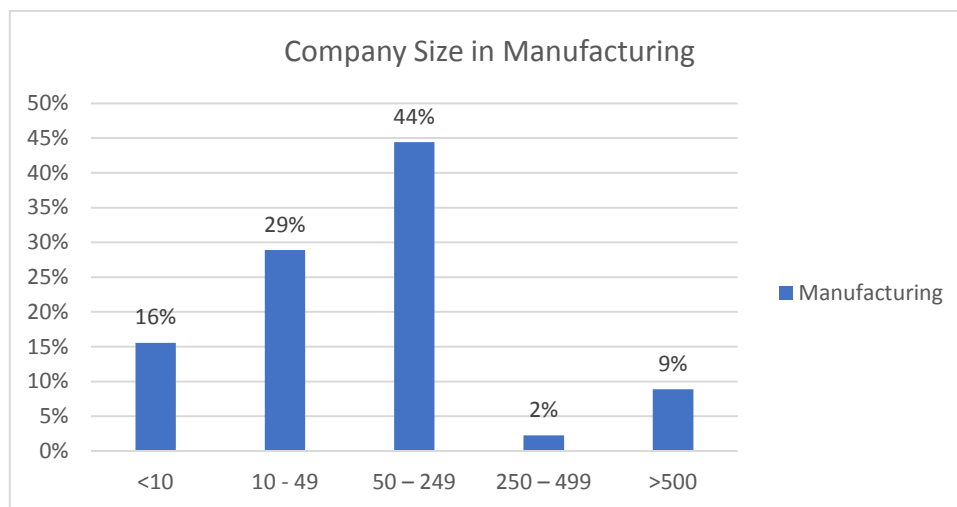
Other businesses that participated in this survey target both the domestic economy and economy. The greatest percentages can be seen in the Gaming, Finance & Insurance (52%), Professional Services (42%) and in Transportation (29%).



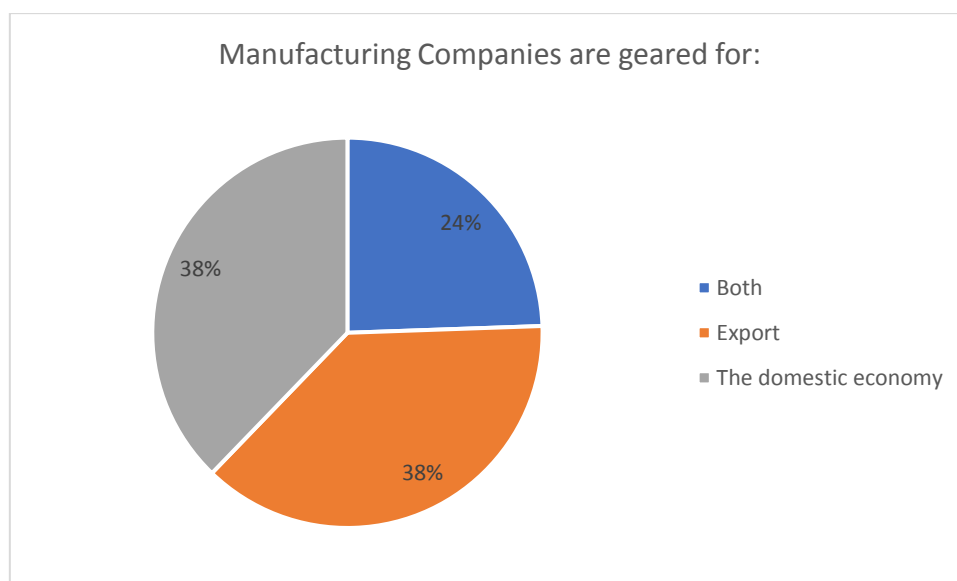
Sector A: MANUFACTURING

The manufacturing industry represents 18% (45 companies) of survey respondents.

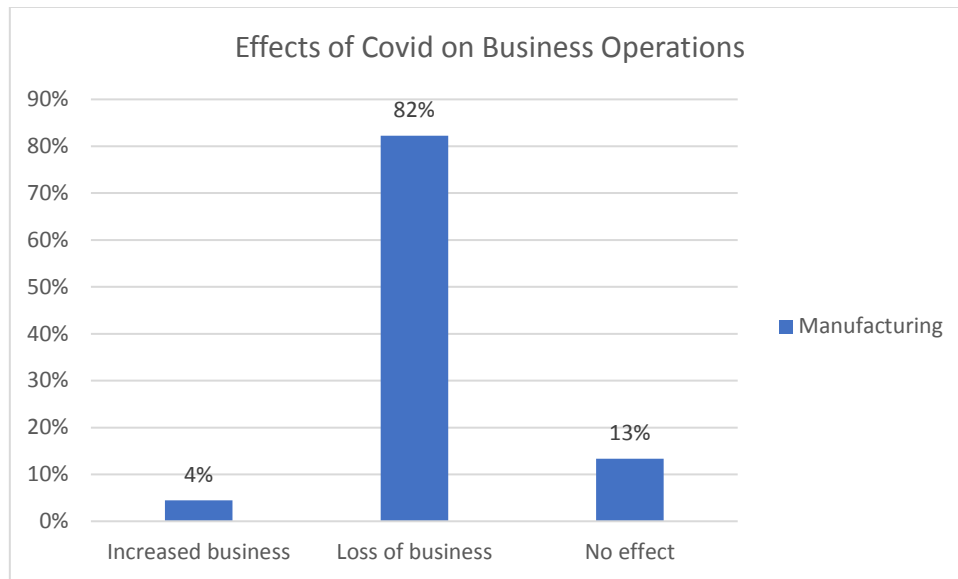
Most respondents (44%) employ between 50-249 workers; 29% employ between 10-49 workers; and 16% employ less than 10 workers. The lowest percentages can be seen for companies employing between 250-499 workers with 2% and 9% for companies employing more than 500 workers.



38% of survey respondents in the manufacturing industry are geared for the domestic economy and other 38% are geared for export. 24% are geared for both the domestic economy and export.

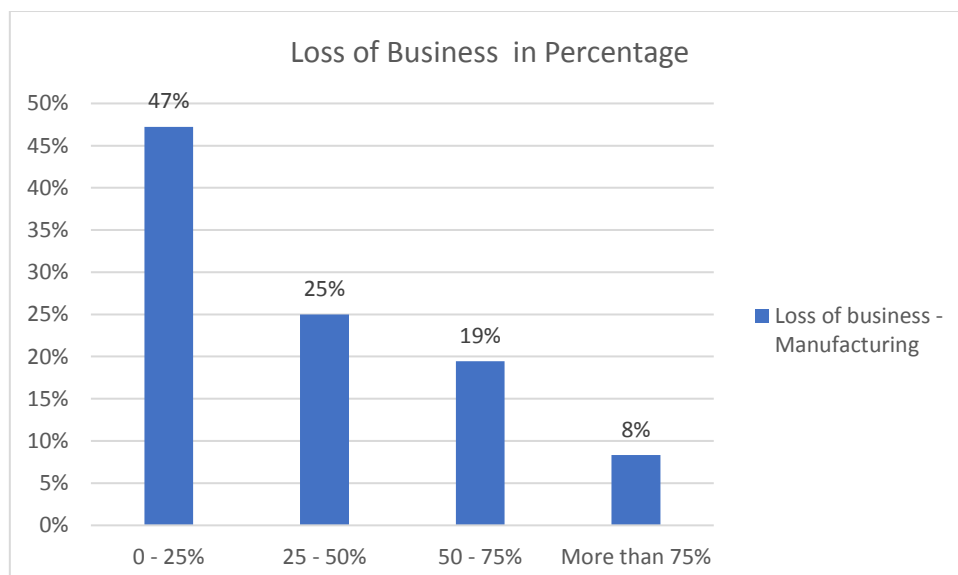


A 3.1.1 Effect of COVID-19 on Business Operations



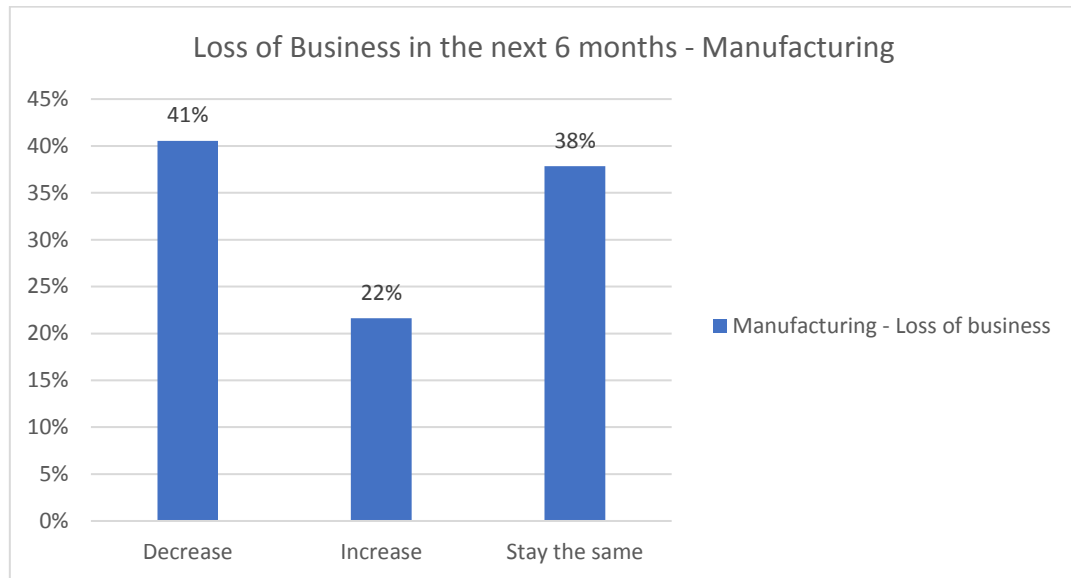
When asked how the COVID-19 pandemic affected business, 82% of survey respondents in the manufacturing industry stated that they had a loss of business. 4% stated that they have increased their business, while 13% stated that the COVID-19 didn't have an effect on their business operations.

Out of those that reported a loss in business (82%), 47% experienced between 0-25% loss; 25% between 25-50%; 19% between 50-75% and 8% more than 75%.

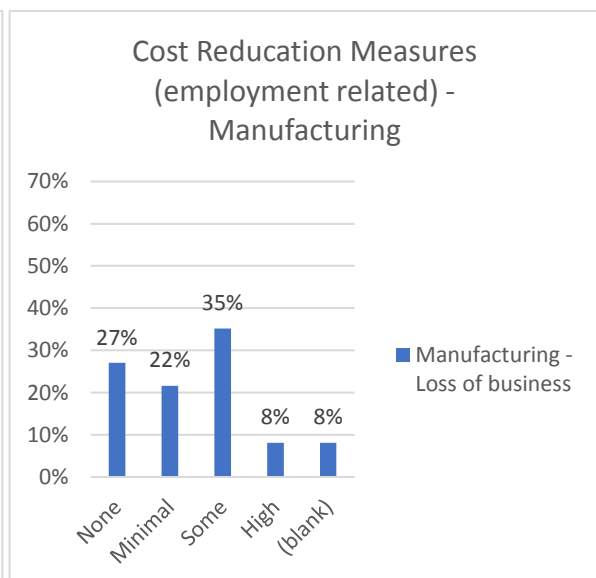
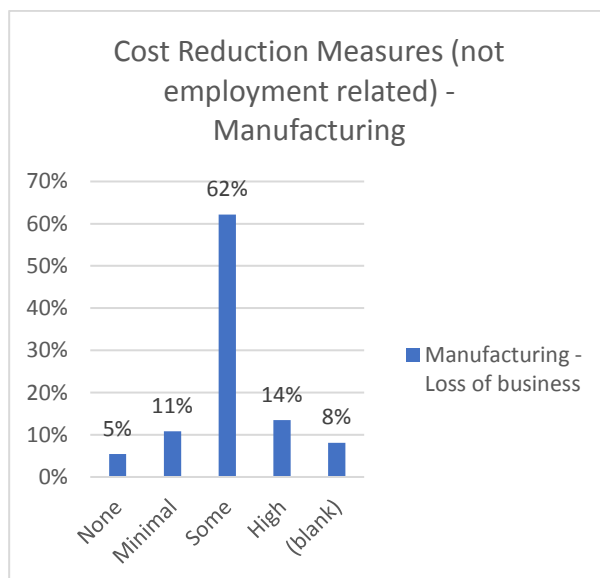


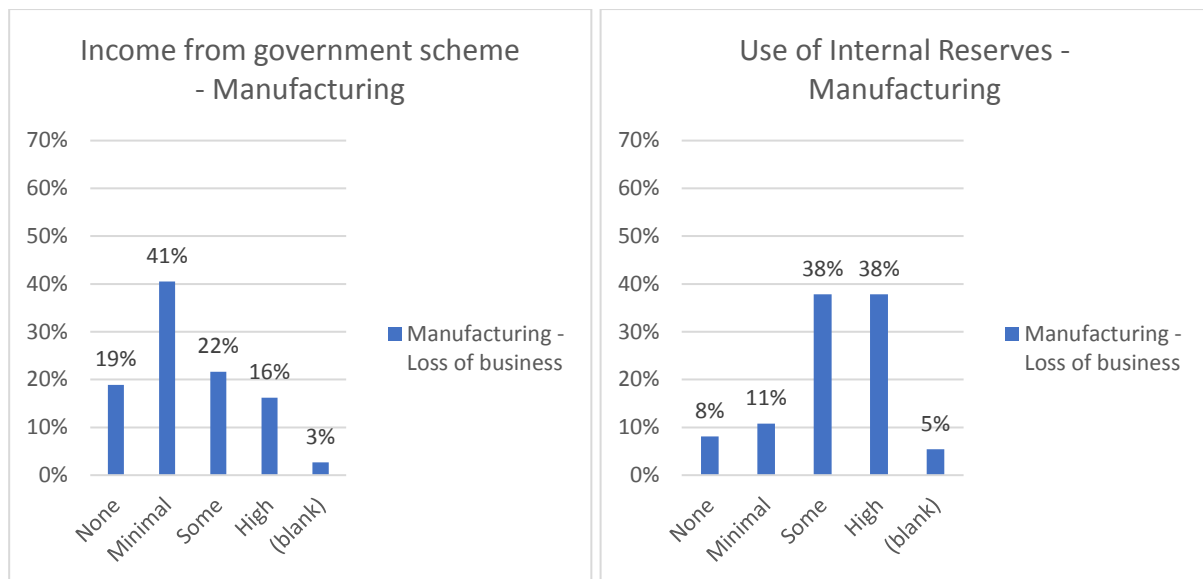
A3.1.2 Expected Loss in the Next 6 months

When asked about the expected loss in the next 6 months, 41% of those who have answered that they have experienced a loss in business during to COVID-19 claim that the expected loss will decrease in the next 6 months. 38% claim that it will stay the same; and 22% claim that it will increase.



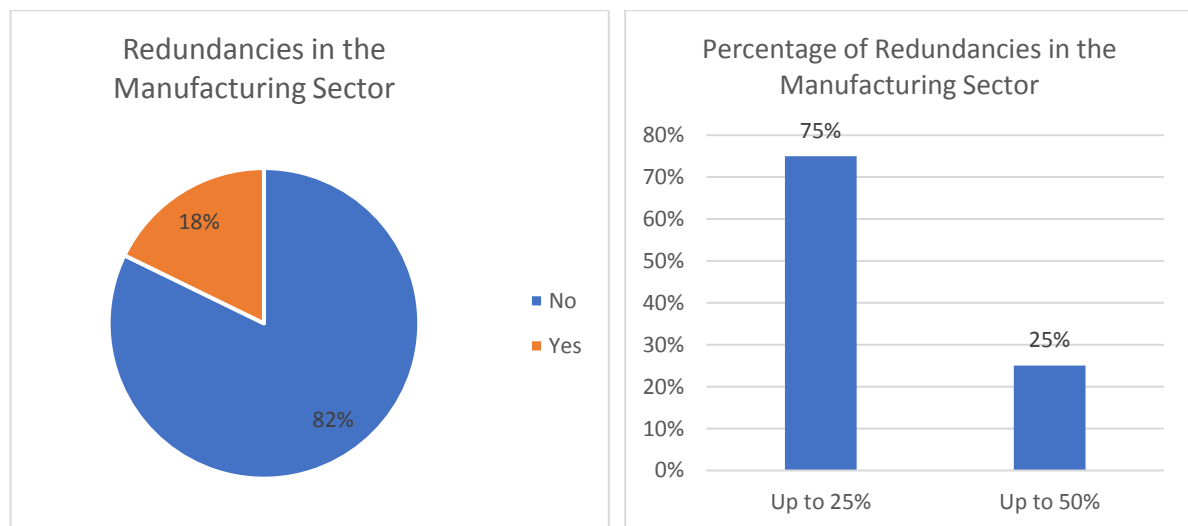
When asked about how companies are managing the loss in business, the majority of (76%) respondents that have experienced a loss in business due to COVID-19 commented that they were highly effected in cost reduction measures (those not related to employment) and when it comes to use of internal resources (76%).





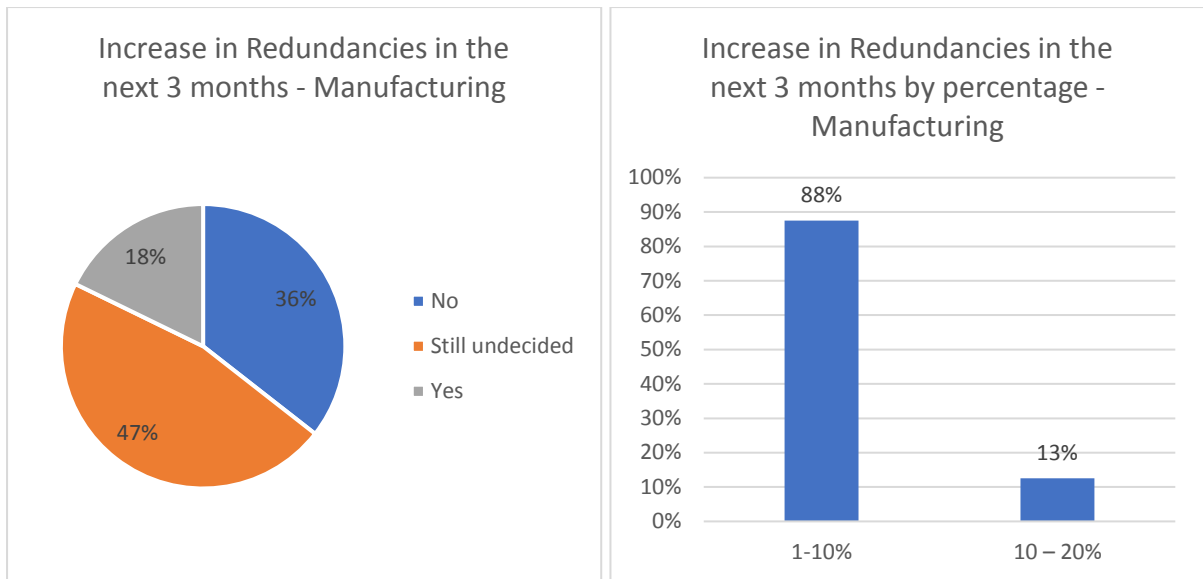
A 3.1.3 Redundancies

82% of respondents that are coming from the manufacturing industry state that they have not made any redundancies in their company. The other 18% (amounting to 8 companies), have made some redundancies up to 25% (75% - 6 companies) and by up to 50% (25% - 2 companies).



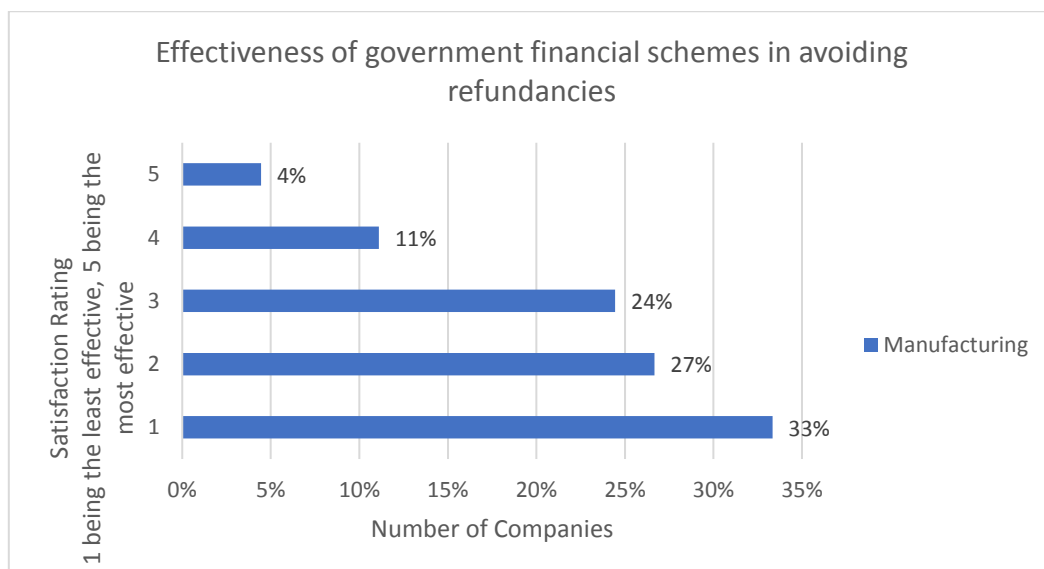
When asked if companies see an increase in redundancies in the next three months (June-August 2020), 36% of respondents have answered 'No'. 18% of respondents have answered 'Yes' and 47% are still 'Undecided'.

Out of the 18% of respondents that answered 'Yes' (amounting to 8 companies), 88% of respondents (7 companies) believe that they will reduce their labour force by 1-10%; and 13% (1 company) believe that they will reduce their labour force by 10-20%.

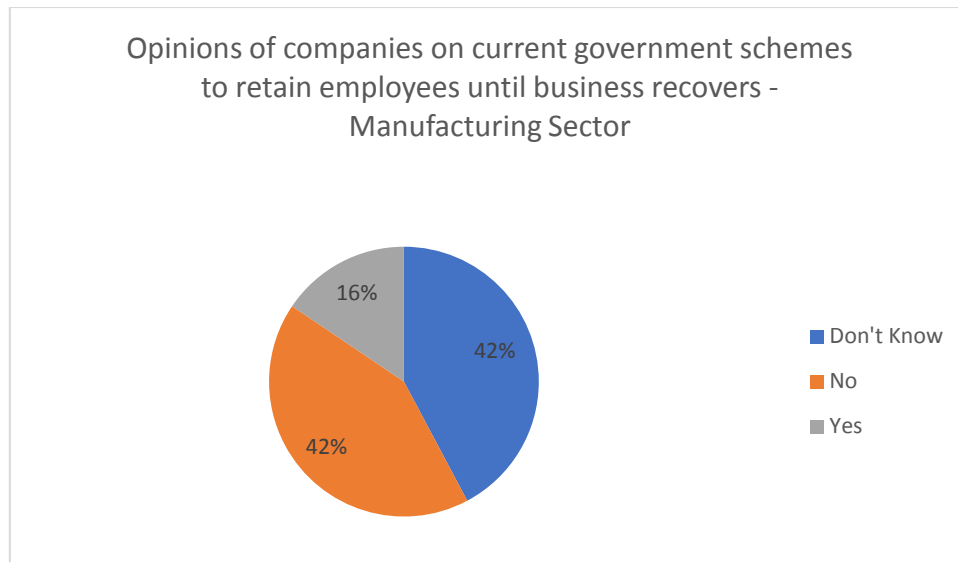


A 3.1.4 Effectiveness of Government Measures

Most companies in the manufacturing sector that responded to this survey do not rate high scores for the effectiveness of government schemes in avoiding redundancies.

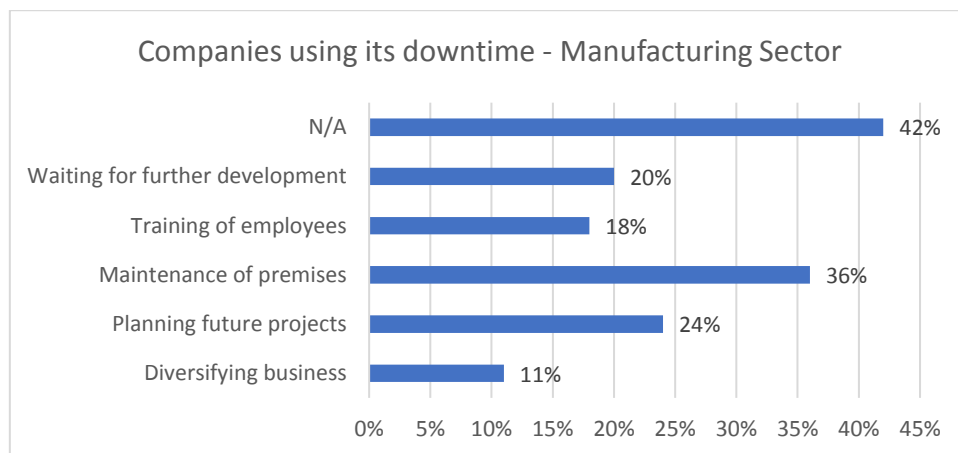


The above table shows the level of satisfaction of companies, with 1 being the most effective and 5 being the least effective. 15% of respondents from the manufacturing sector claim that the government schemes are very effective and effective, 24% of respondents claim that the measures have neither been effective nor ineffective, and 60% of respondents claim that the measures are not very effective to their business.



When asked whether the current schemes should be sufficient to enable companies in retaining idle employees until their business recovers, 42% of respondents stated 'No', 16% of respondents stated 'Yes', while 42% of respondents are still 'Undecided'.

A 3.1.5 Companies using downtime due to COVID-19



42% of companies that participated in this survey do not have downtime, as they are still operating on full hours. Another 20% are waiting for further development. However, the others are using their downtime to carry out other work.

36% of respondents state that they are carrying out maintenance of premises; 24% are planning future projects; 18% are training employees; whilst 11% are diversifying business.

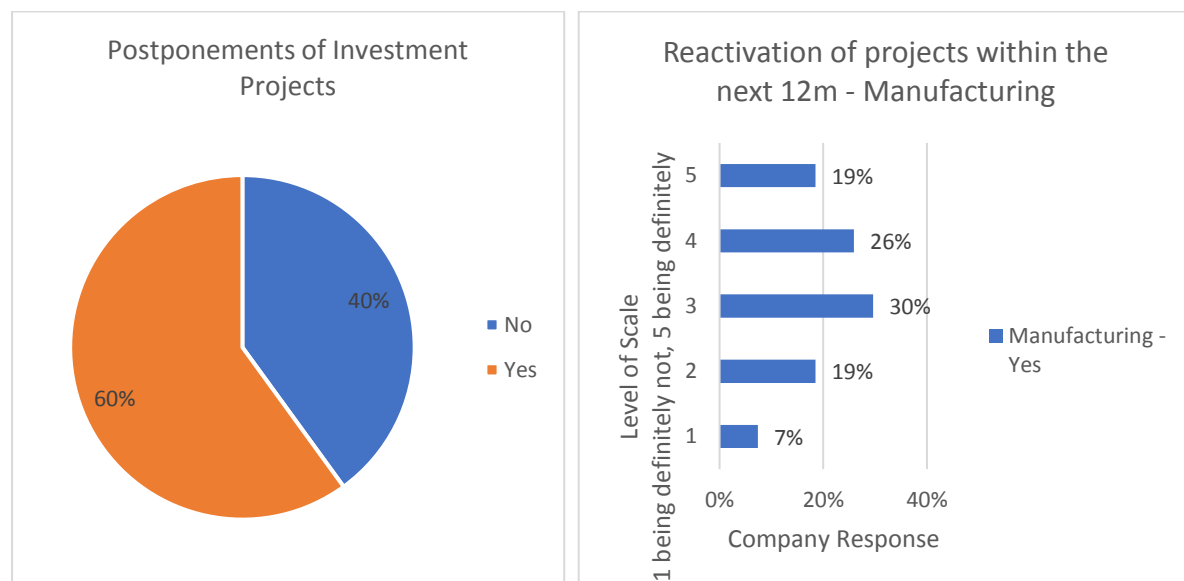
Other respondents claimed that they have:

- Improved internal processes
- Reduced subcontracting personnel

A 3.1.6 Postponement of Investment Projects

When asked whether companies have postponed any investment projects due to the COVID-19 outbreak, 60% of survey respondents in the manufacturing sector have answered 'Yes' while 40% have answered 'No'.

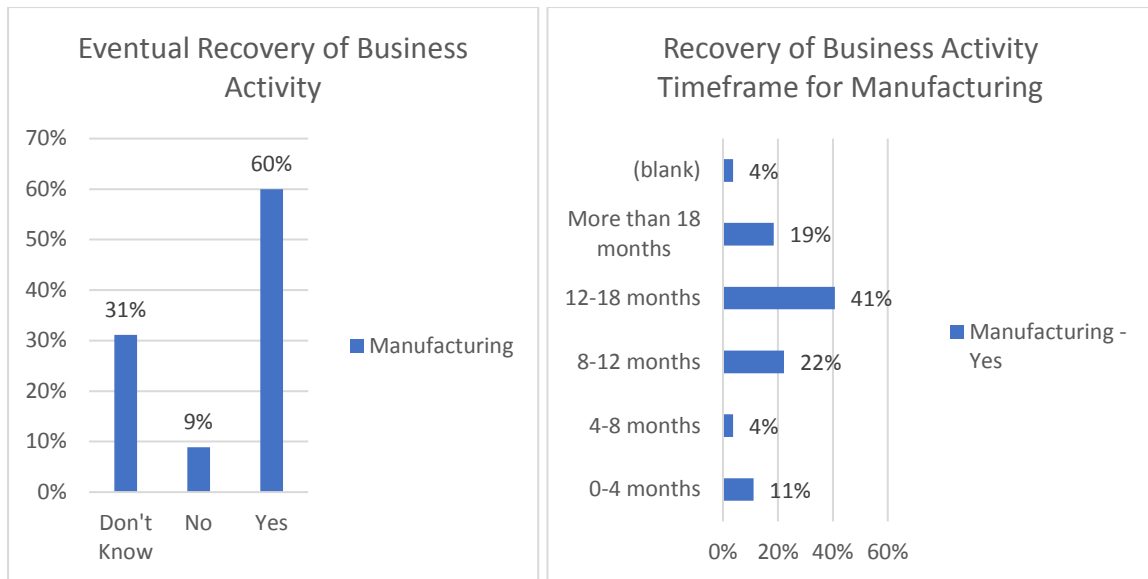
Out of the 60% of survey respondents that answered 'Yes', 45% answered that they will definitely be reactivating their projects within the coming 12 months; 26% have answered that they will definitely not be reactivating their their projects within the coming 12 months; while 30% are neutral and therefore could be that they are still undecided.



A 3.1.7 Recovery of Business Activity

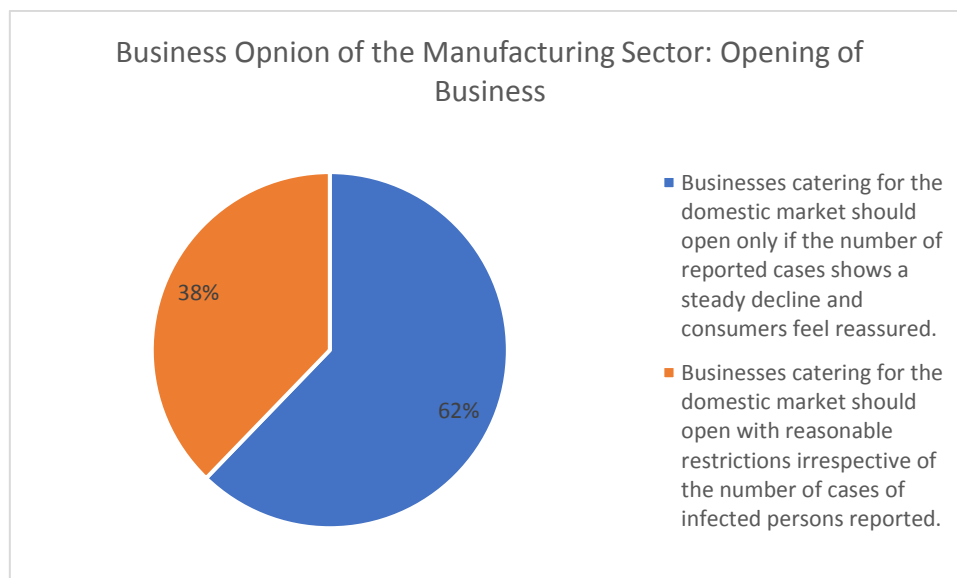
When asked whether companies in the manufacturing sector are expecting an eventual recovery of business activity to pre-COVID-19 levels, 60% of respondents claimed 'Yes', 9% claimed 'No', while 31% of respondents still 'Don't Know'.

Out of the 60% respondents that answered 'Yes', the majority of them (41%) needed between 12-18 months to recover. 22% need between 8 – 12 months to recover; 4% need between 4 – 8 months to recover; and 11% needs between up to 4 months to recover. 19% of respondents in the manufacturing industry need more than 18 months to recover their business activity.



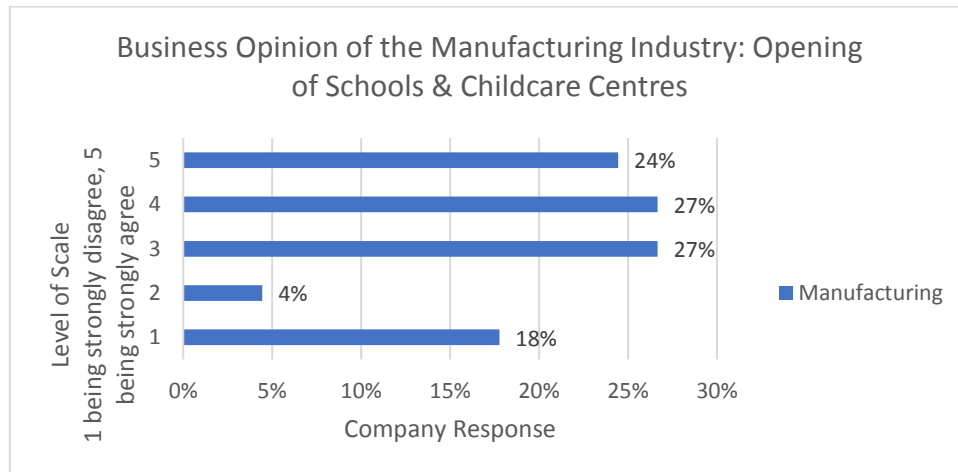
A 3.1.8 Opening of Businesses

When asked about the opening of business establishments, 62% of respondents in the manufacturing industry agree that businesses catering for domestic market should open only if the number of reported cases shows a steady decline and consumer feel reassured. On the other hand, 38% of respondents from the manufacturing sector agree that businesses catering for the domestic market should open with reasonable restrictions irrespective of the number of cases of infected persons reported.



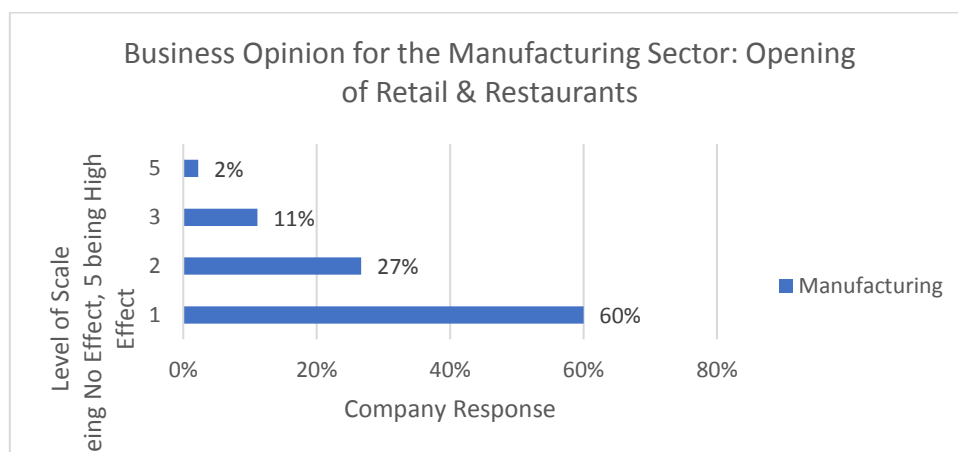
A 3.1.9 Opening up of Schools & Childcare Centres

When asked whether the opening up of schools and childcare centres is important for companies in the manufacturing sector to resume normal operations in business, 51% of respondents in the manufacturing industry state that they 'Agree' and 'Strongly Agree'; while 22% of respondents state that they 'Disagree' and 'Strongly Disagree'. 27% of respondents are 'Neutral', could be that their business has not been affected with the closure of schools and childcare centres.



A 3.2.0 Opening up of Retail & Restaurants

When asked whether the recent opening of most retail and restaurants have had a positive effect on their business, 87% of survey respondents in the manufacturing sector state that they did not have a positive effect on their business, while 2% have had a positive effect on their business. 11% of respondents are neutral, as they might not be dependent on retail and/or restaurants.



Sector B: WHOLESALE & RETAIL

The wholesale and retail industry represents 18% (45 companies) of survey respondents.

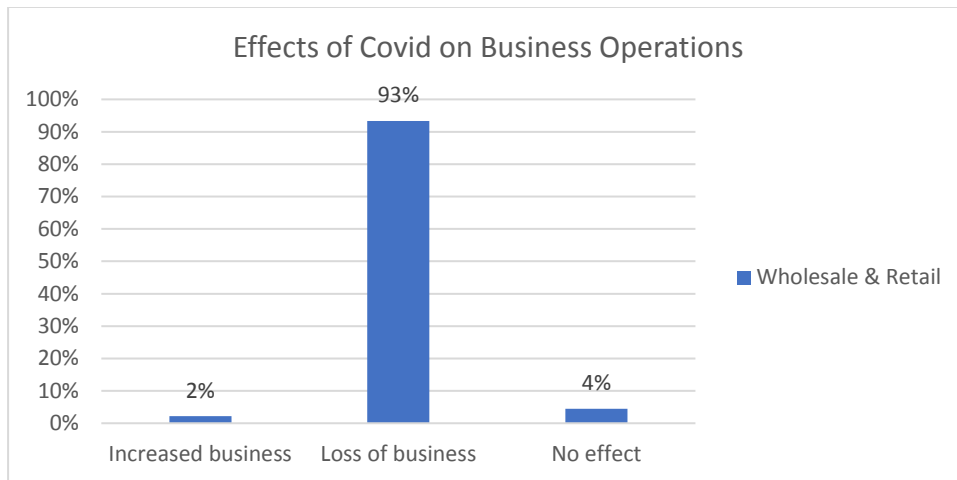
Most respondents (36%) employ between 50-249 workers; 31% employ between 10-49 workers; and 27% employ less than 10 workers. The lowest percentage can be seen for companies employing between 250-499 workers with 7%. None of the survey respondents from the wholesale and retail sector employ more than 500 employees.



87% of survey respondents in wholesale and retail are geared for the domestic economy and other 13% are geared for both export and the domestic economy. None of the survey respondents in this sector is geared exclusively for export.

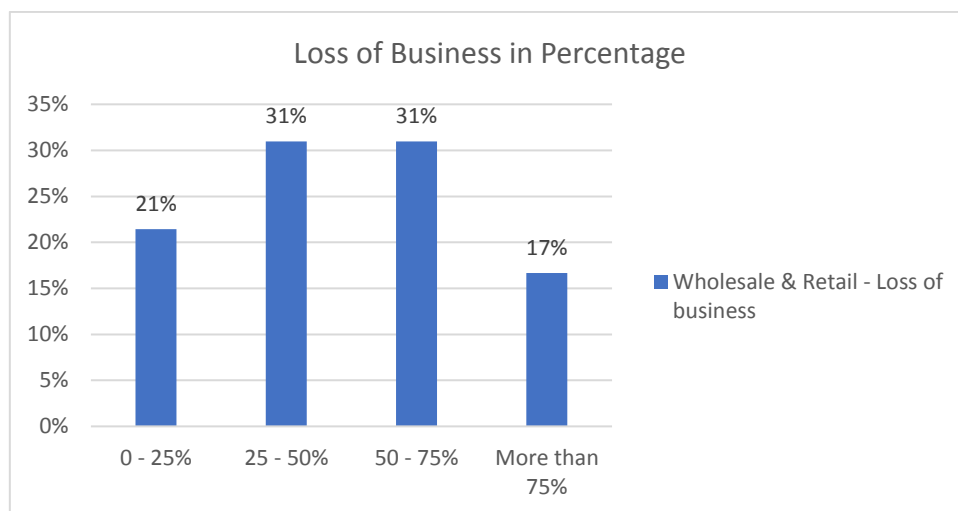


B 3.1.1 Effect of COVID-19 on Business Operations



When asked how the COVID-19 pandemic affected business, 93% of survey respondents in the wholesale and retail industry stated that they had a loss of business. 2% stated that they have increased their business, while 4% stated that the COVID-19 didn't have an effect on their business operations.

Out of those that reported a loss in business (93%), 24% experienced between 0-25% loss; 31% between 25-50%; 31% between 50-75% and 17% more than 75%.

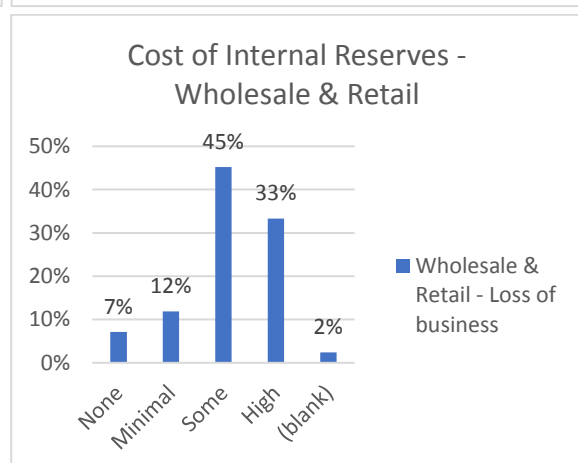
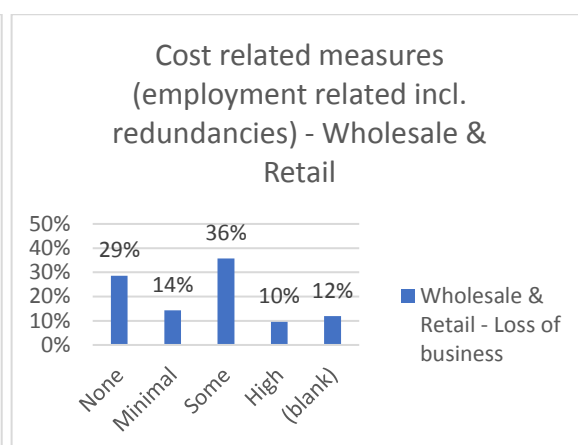
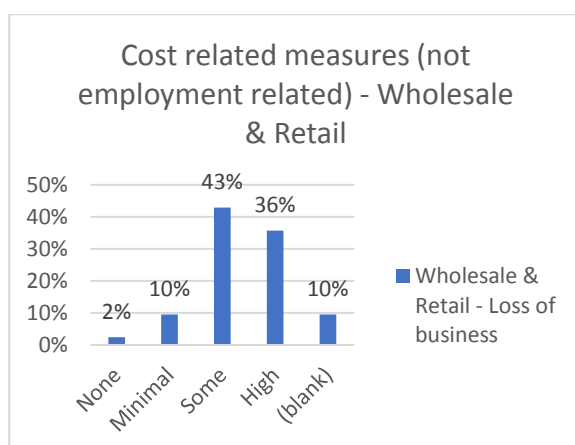


B 3.1.2 Expected Loss in the Next 6 months

When asked about the expected loss in the next 6 months, 45% of respondents from the wholesale and retail industry claimed that it will decrease; 40% of respondents claim that it will stay the same; and 14% of respondents claim that it will increase.

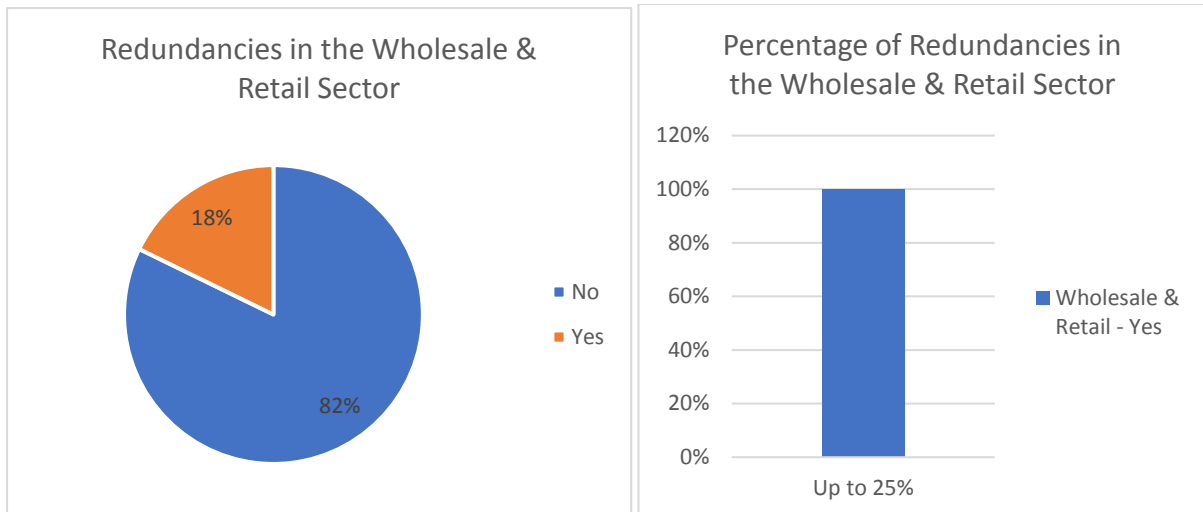


When asked about how companies are managing the loss in business, the majority of (76%) respondents that have experienced a loss in business due to COVID-19 commented that they were highly effected in cost reduction measures (those not related to employment) and when it comes to use of internal resources (76%).



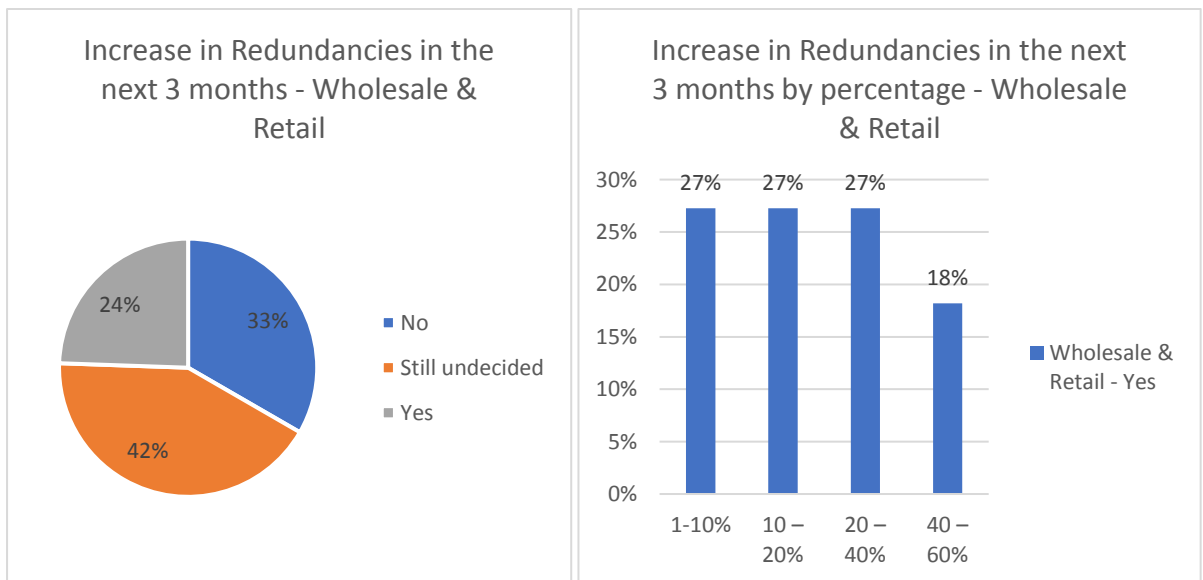
B 3.1.3 Redundancies

82% of respondents that are coming from the wholesale & retail sector state that they have not made any redundancies in their company. The other 18% (amounting to 8 companies), have all made some redundancies up to 25%.



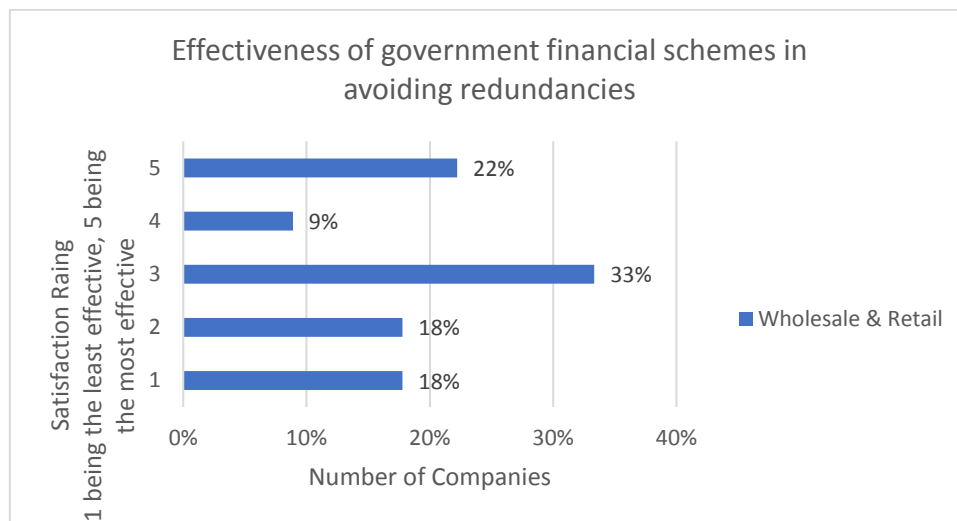
When asked if companies see an increase in redundancies in the next three months (June-August 2020), 33% of respondents have answered 'No'. 24% of respondents have answered 'Yes' and 42% are still 'Undecided'.

Out of the 24% of respondents that answered 'Yes' (amounting to 11 companies), 27% of respondents believe that they will reduce their labour force by 1-10%; another 27% believe that they will reduce their labour force by 10-20%; another 27% believe that they will reduce their labour force by 20-40%; and 18% believe that they will reduce their labour force by 40-60%.

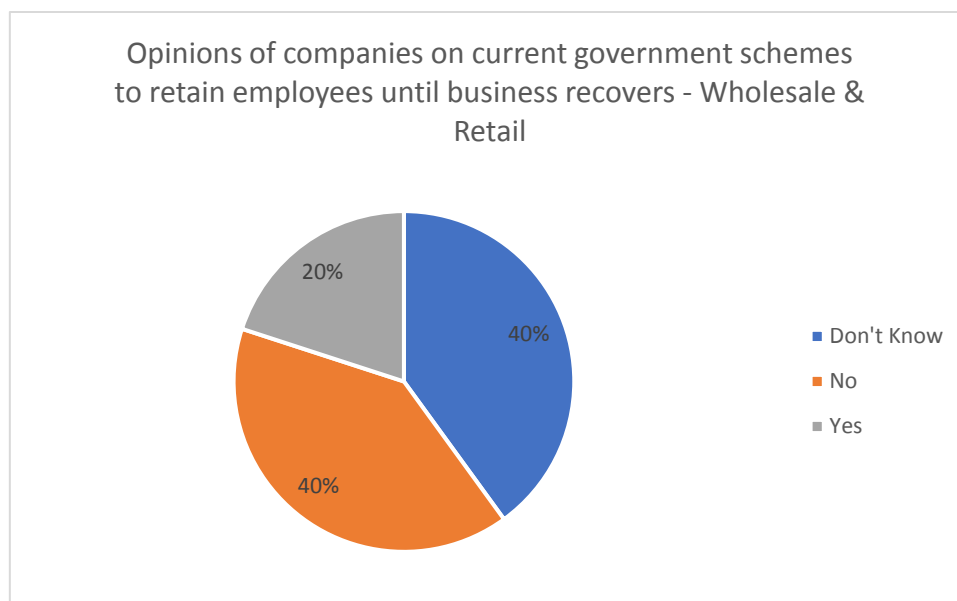


B 3.1.4 Effectiveness of Government Measures

The majority of companies from the wholesale and retail sector that responded to this survey do not rate high scores for the effectiveness of government schemes in avoiding redundancies.

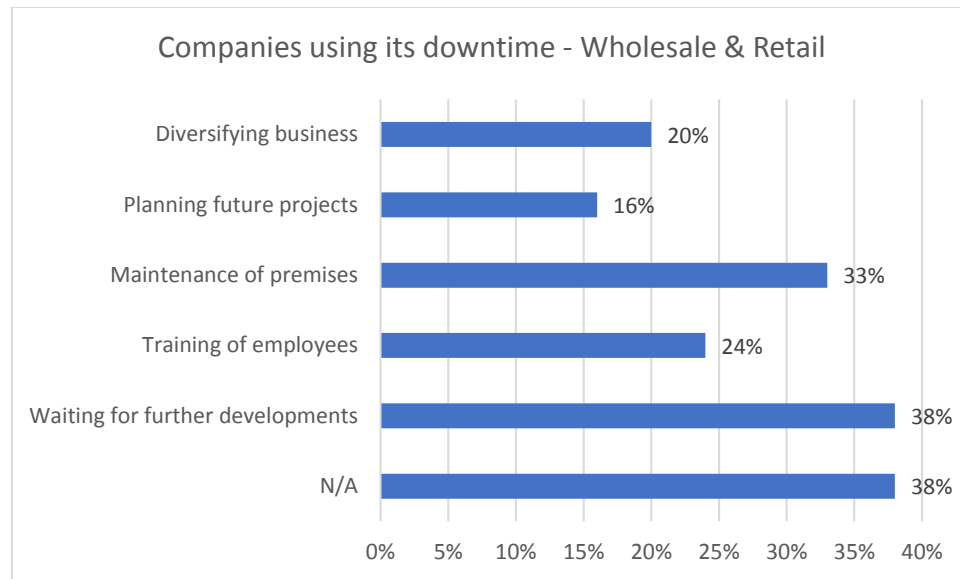


The above table shows the level of satisfaction of companies, with 1 being the most effective and 5 being the least effective. 31% of respondents from the wholesale & retail sector claim that the government schemes are very effective and effective, 33% of respondents claim that the measures have neither been effective nor ineffective, and 36% of respondents claim that the measures are not very effective to their business.



When asked whether the current schemes should be sufficient to enable companies in retaining idle employees until their business recovers, 40% of respondents stated 'No', 20% of respondents stated 'Yes', while 40% of respondents are still 'Undecided'.

B 3.1.5 Companies using downtime due to COVID-19



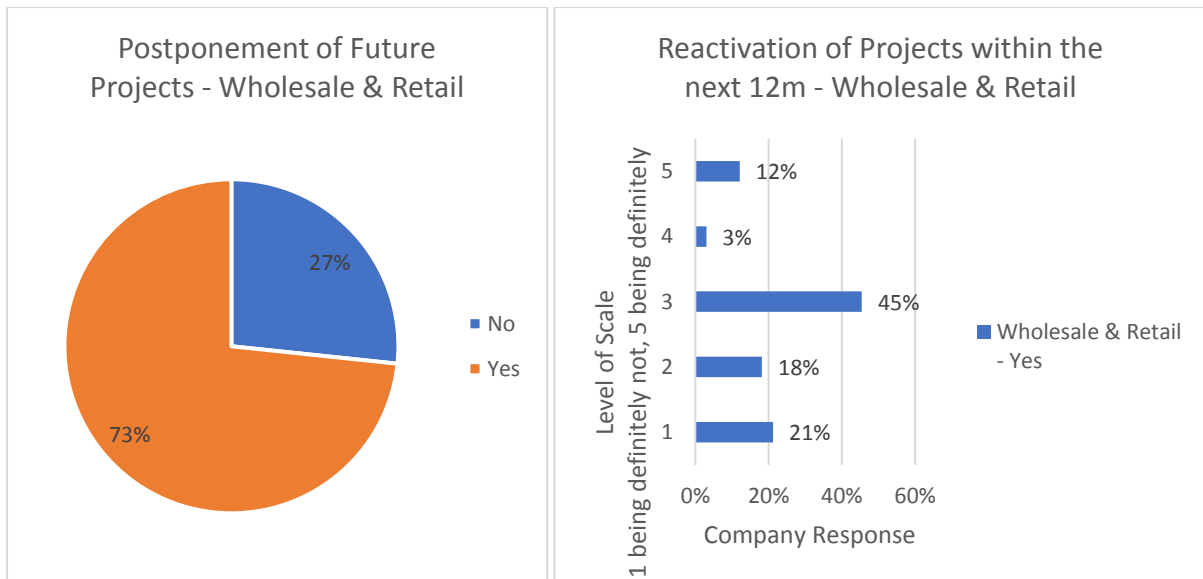
38% of companies that participated in this survey do not have downtime, as they are still operating on full hours. Another 38% are waiting for further development. However, the others are using their downtime to carry out other work.

33% of respondents state that they are carrying out maintenance of premises; 16% are planning future projects; 24% are training employees; whilst 20% are diversifying business.

B 3.1.6 Postponement of Investment Projects

When asked whether companies have postponed any investment projects due to the COVID-19 outbreak, 73% of survey respondents in the wholesale & retail sector have answered 'Yes' while 27% have answered 'No'.

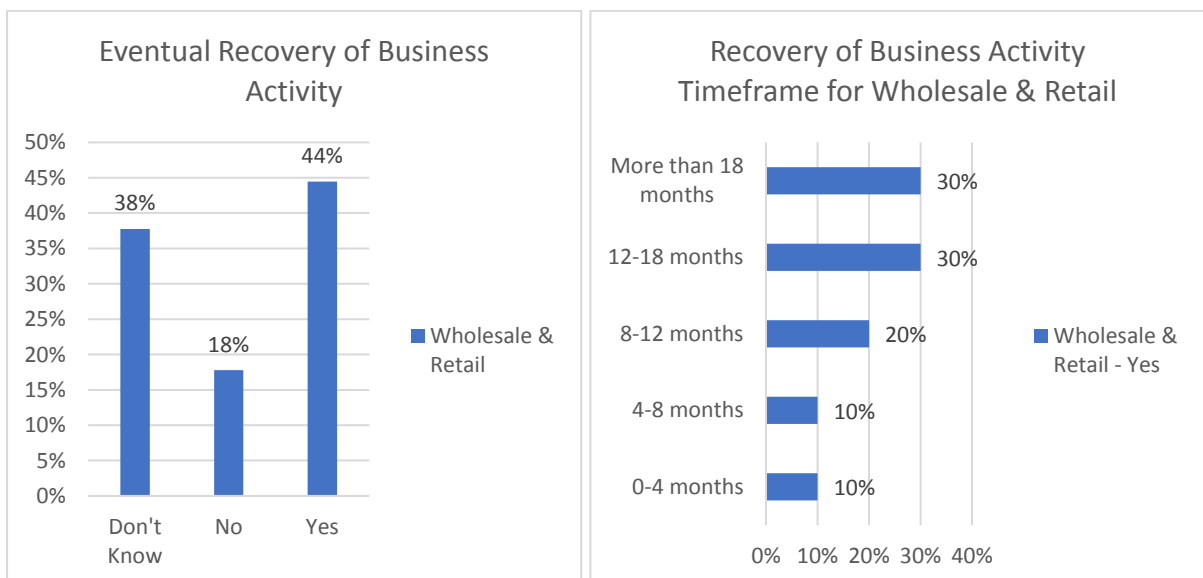
Out of the 73% of survey respondents that answered 'Yes', 15% answered that they will definitely be reactivating their projects within the coming 12 months; 39% have answered that they will definitely not be reactivating their their projects within the coming 12 months; while 45% are neutral and therefore could be that they are still undecided.



B 3.1.7 Recovery of Business Activity

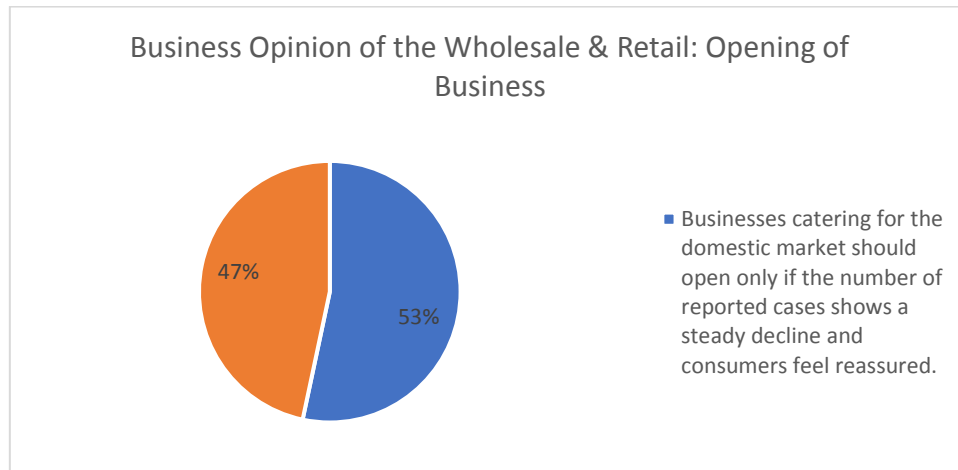
When asked whether companies in the wholesale and retail sector are expecting an eventual recovery of business activity to pre-COVID-19 levels, 44% of respondents claimed 'Yes', 18% claimed 'No', while 38% of respondents still 'Don't Know'.

Out of the 44% respondents that answered 'Yes', the majority of them (30%) needs between 12-18 months to recover and another 30% needs more than 18 months to recover. 20% need between 8 – 12 months to recover; 10% need between 4 – 8 months to recover; and 10% needs between up to 4 months to recover.



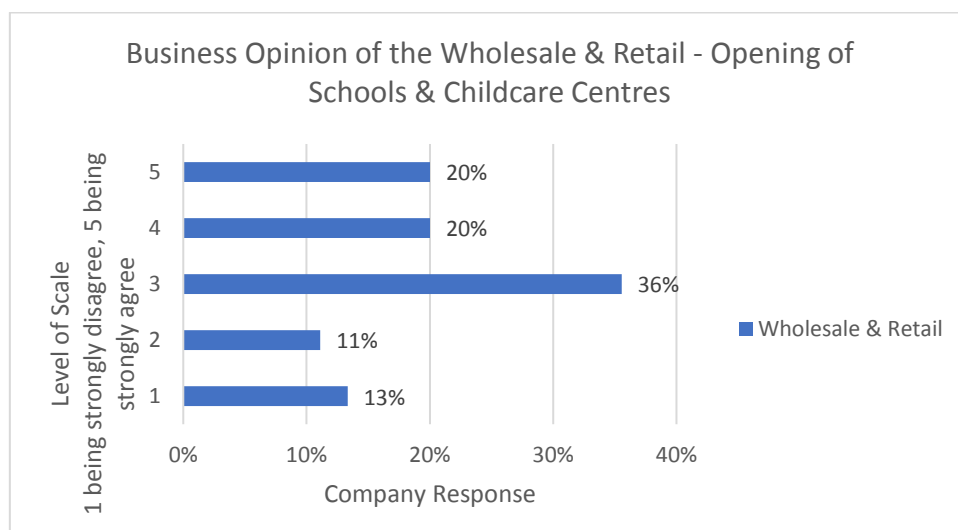
B 3.1.8 Opening of Businesses

When asked about the opening of business establishments, 53% of respondents in the wholesale & retail sector agree that businesses catering for domestic market should open only if the number of reported cases shows a steady decline and consumer feel reassured. On the other hand, 47% of respondents from the wholesale & retail sector agree that businesses catering for the domestic market should open with reasonable restrictions irrespective of the number of cases of infected persons reported.



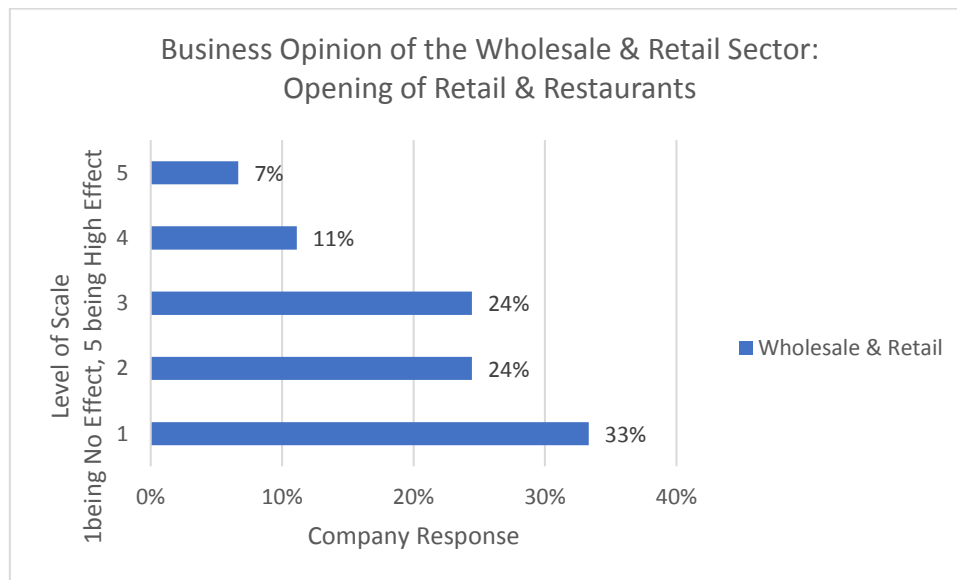
B 3.1.9 Opening up of Schools & Childcare Centres

When asked whether the opening up of schools and childcare centres is important for companies in the wholesale and retail sector to resume normal operations in business, 40% of respondents in the wholesale & retail state that they 'Agree' and 'Strongly Agree'; while 24% of respondents state that they 'Disagree' and 'Strongly Disagree'. 36% of respondents are 'Neutral', could be that there business have not been effected with the closure of schools and childcare centres.



B 3.2.0 Opening up of Retail & Restaurants

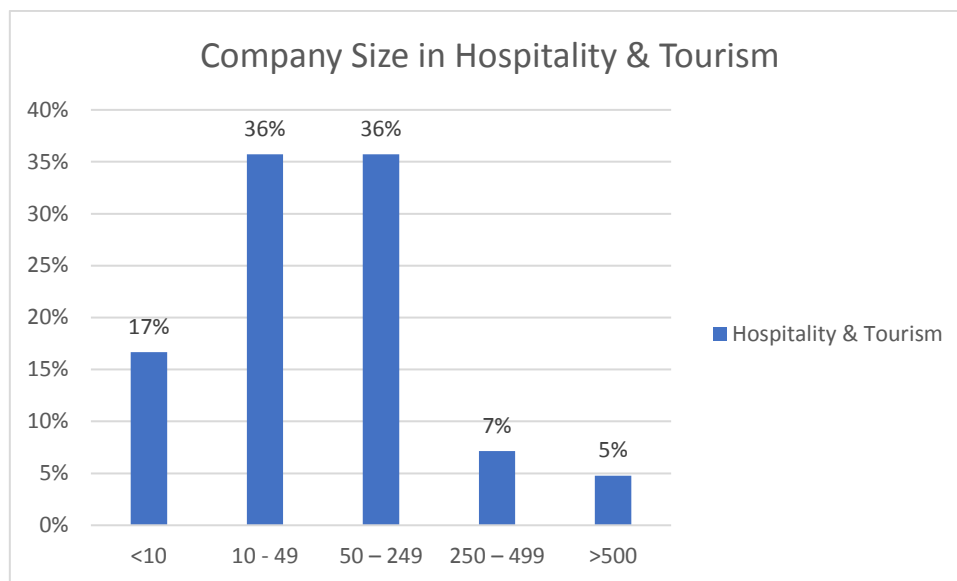
When asked whether the recent opening of most retail and restaurants have had a positive effect on their business, 57% of survey respondents in the wholesale and retail sector state that they did not have a positive effect on their business, while 18% have had a positive effect on their business. 24% of respondents are neutral, as they might not be dependent on retail and/or restaurants.



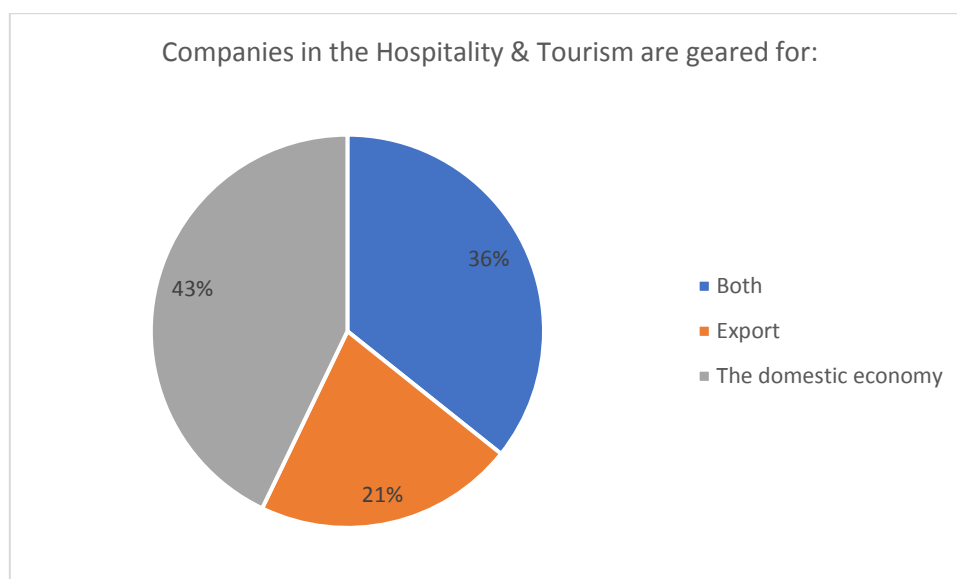
Sector C: HOSPITALITY & TOURISM

The hospitality and tourism industry represents 17% (42 companies) of survey respondents.

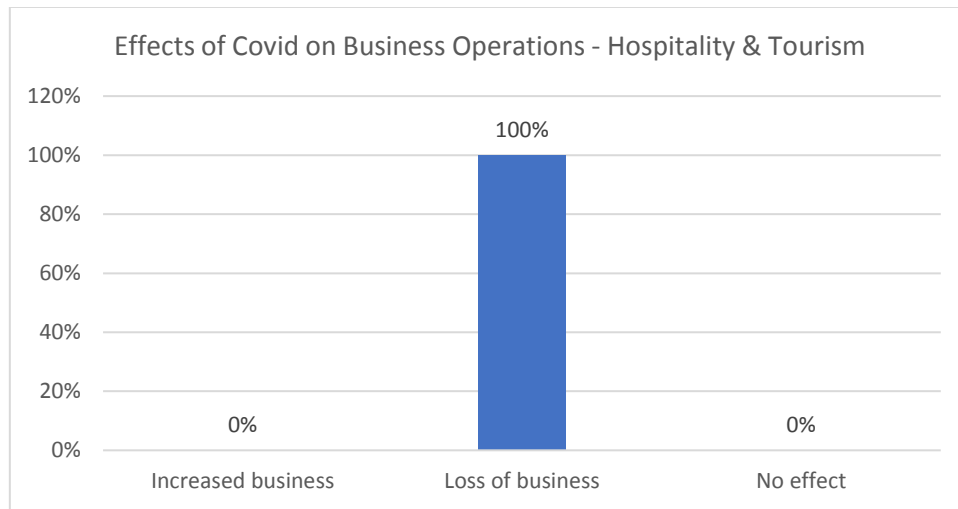
Most respondents (36%) employ between 10-49 workers and another 36% employ between 50-249 workers. 17% of respondents from the hospitality and tourism sector employ less than 10 workers. The lowest percentages can be seen in companies employing between 250-499 workers with 7% and for companies employing more than 500 employers with 5%.



43% of survey respondents in the hospitality and tourism sector are geared for the domestic economy and other 21% are geared for export. The other 36% of survey respondents in the hospitality and tourism sector are geared for both the domestic economy and export.

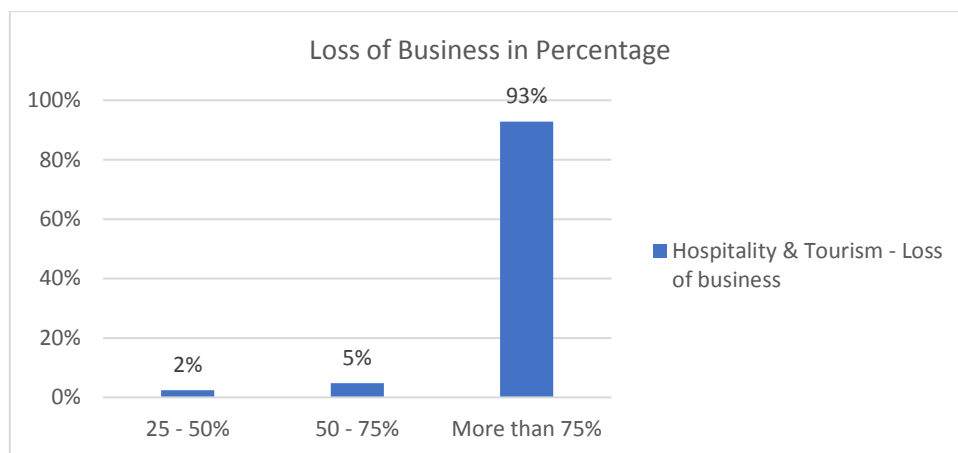


C 3.1.1 Effect of COVID-19 on Business Operations



When asked how the COVID-19 pandemic affected business, all survey respondents in the hospitality and tourism sector stated that they reported a loss of business.

Out of all those that reported a loss in business, 2% reported between 25-50% loss; 5% between 50-75% and 93% more than 75%.

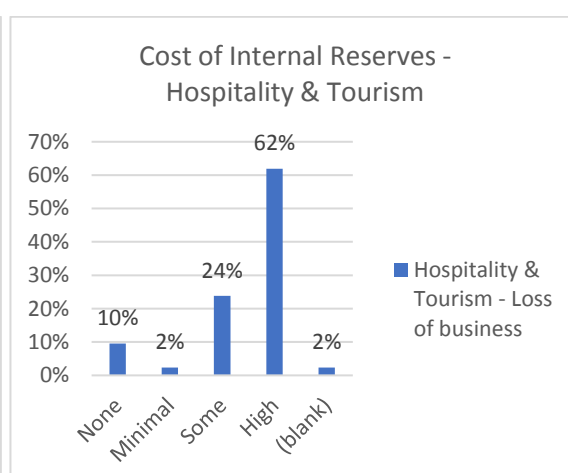
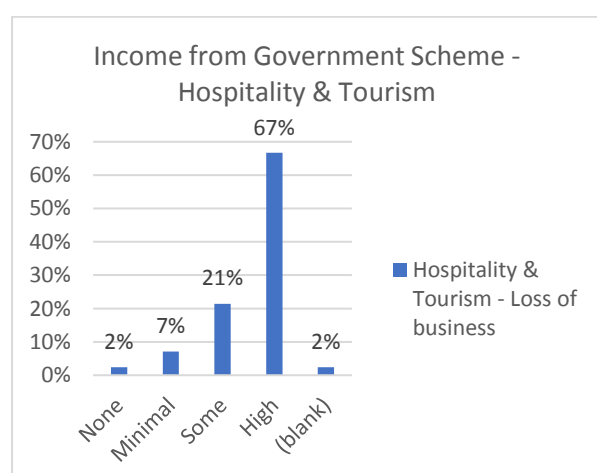
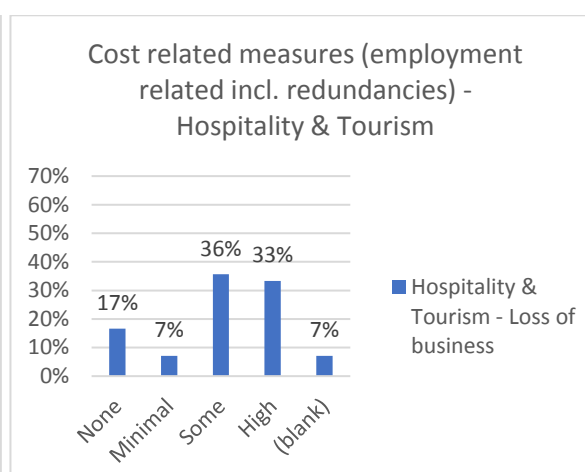


C 3.1.2 Expected Loss in the Next 6 months

When asked about the expected loss in the next 6 months, 26% of respondents from the hospitality and tourism industry claimed that it will decrease; 50% of respondents claim that it will stay the same; and 24% of respondents claim that it will increase.

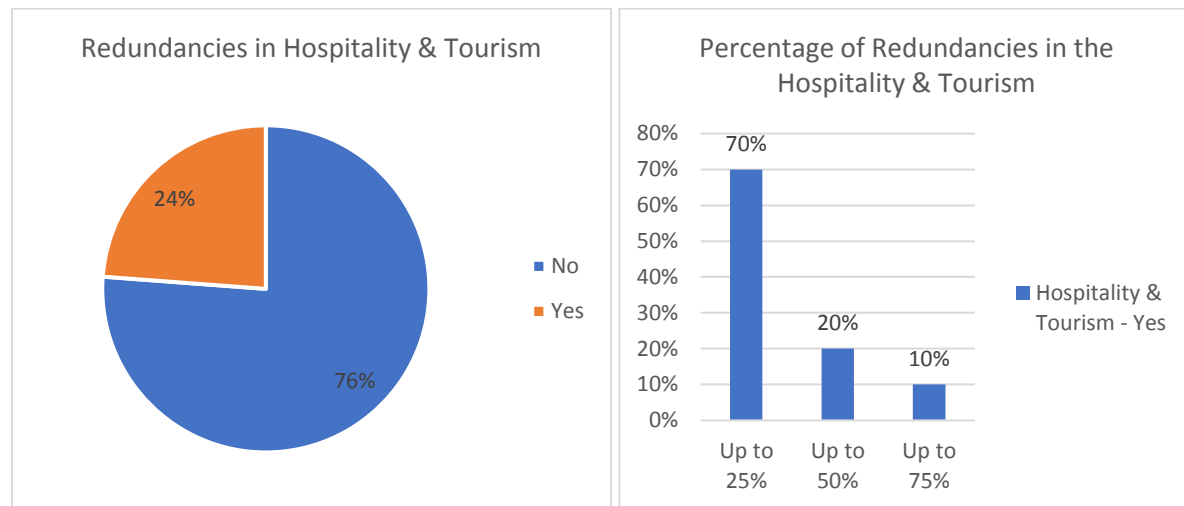


When asked about how companies are managing the loss in business, 81% of respondents claimed high costs for measures (those not related to employment). Another 81% claimed high percentage for income from government schemes and 84% claimed a high percentage for costs of internal reserves.



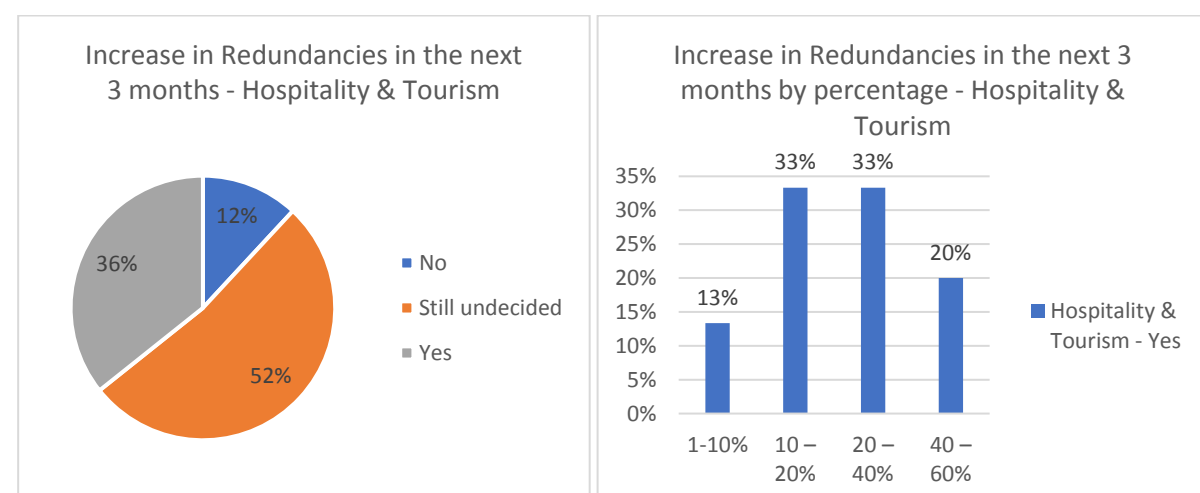
C 3.1.3 Redundancies

76% of respondents that are coming from the hospitality and tourism sector state that they have not made any redundancies in their company. The other 24%, have all made some redundancies. Out of the 24% that made redundancies, 70% (amounting to 7 companies) have made up to 25%; 20% (amounting to 2 companies) have made up to 50%; and 10% (amounting to 1 company) have made up to 75%.



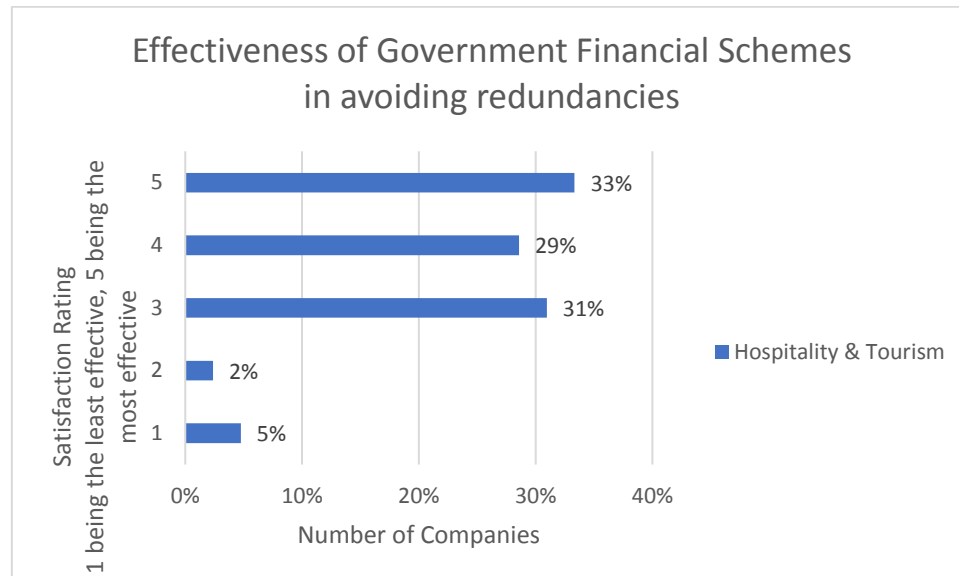
When asked if companies see an increase in redundancies in the next three months (June-August 2020), 12% of respondents have answered 'No'. 36% of respondents have answered 'Yes' and 52% are still 'Undecided'.

Out of the 36% of respondents that answered 'Yes' (amounting to 15 companies), 13% of respondents believe that they will reduce their labour force by 1-10%; another 33% believe that they will reduce their labour force by 10-20%; another 33% believe that they will reduce their labour force by 20-40%; and 20% believe that they will reduce their labour force by 40-60%.

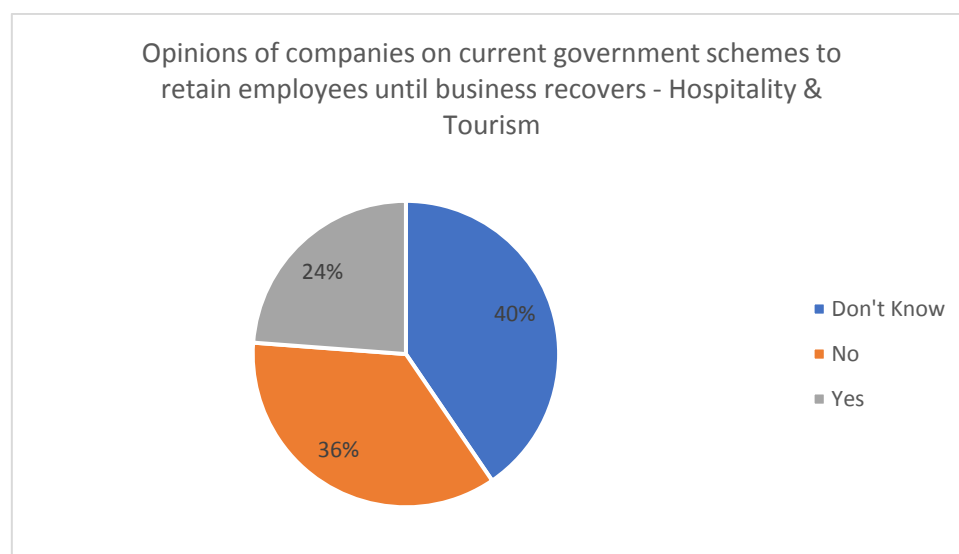


C 3.1.4 Effectiveness of Government Measures

Most companies from the hospitality and tourism sector that responded to this survey rate high scores for the effectiveness of government schemes in avoiding redundancies.

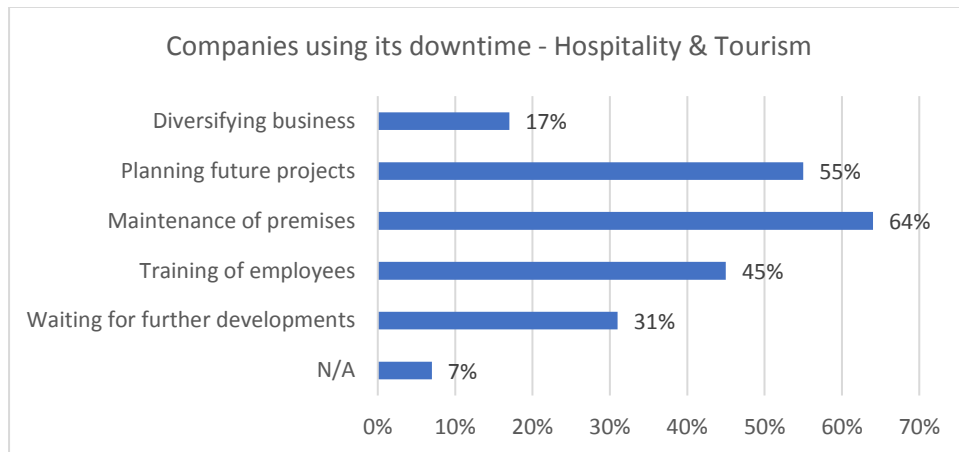


The above table shows the level of satisfaction of companies, with 1 being the most effective and 5 being the least effective. 62% of respondents from the hospitality and tourism sector claim that the government schemes are very effective and effective, 31% of respondents claim that the measures have neither been effective nor ineffective, and 7% of respondents claim that the measures are not very effective to their business.



When asked whether the current schemes should be sufficient to enable companies in retaining idle employees until their business recovers, 36% of respondents stated 'No', 24% of respondents stated 'Yes', while 40% of respondents are still 'Undecided'.

C 3.1.5 Companies using downtime due to COVID-19



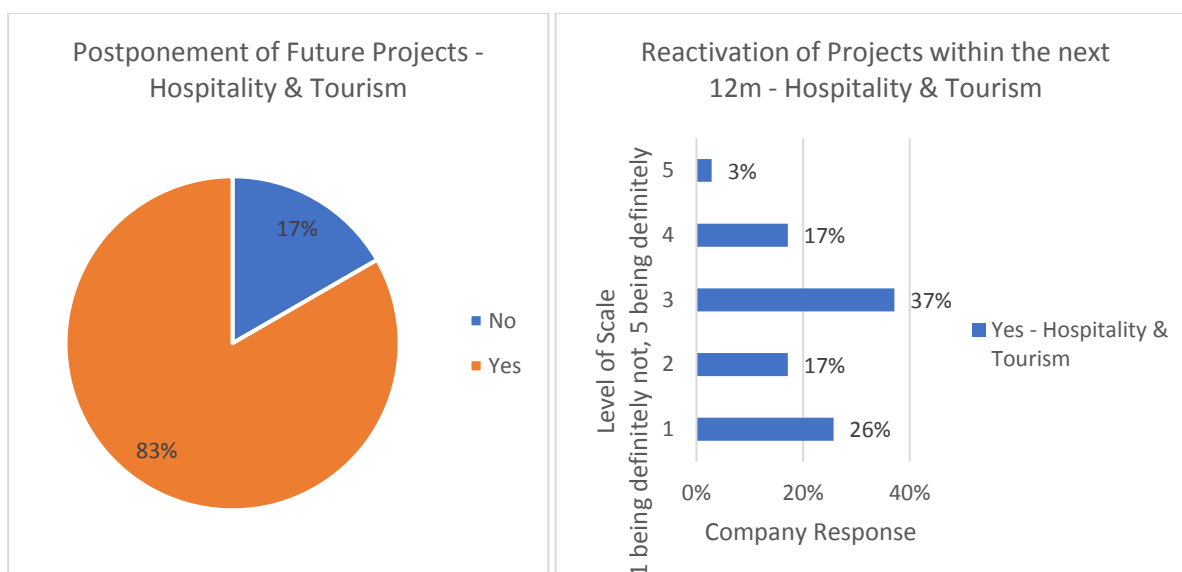
7% of companies that participated in this survey do not have downtime, as they are still operating on full hours. Another 31% are waiting for further development. However, the others are using their downtime to carry out other work.

64% of respondents state that they are carrying out maintenance of premises; 55% are planning future projects; 45% are training employees; whilst 17% are diversifying business.

C 3.1.6 Postponement of Investment Projects

When asked whether companies have postponed any investment projects due to the COVID-19 outbreak, 83% of survey respondents in the hospitality & tourism sector have answered 'Yes' while 17% have answered 'No'.

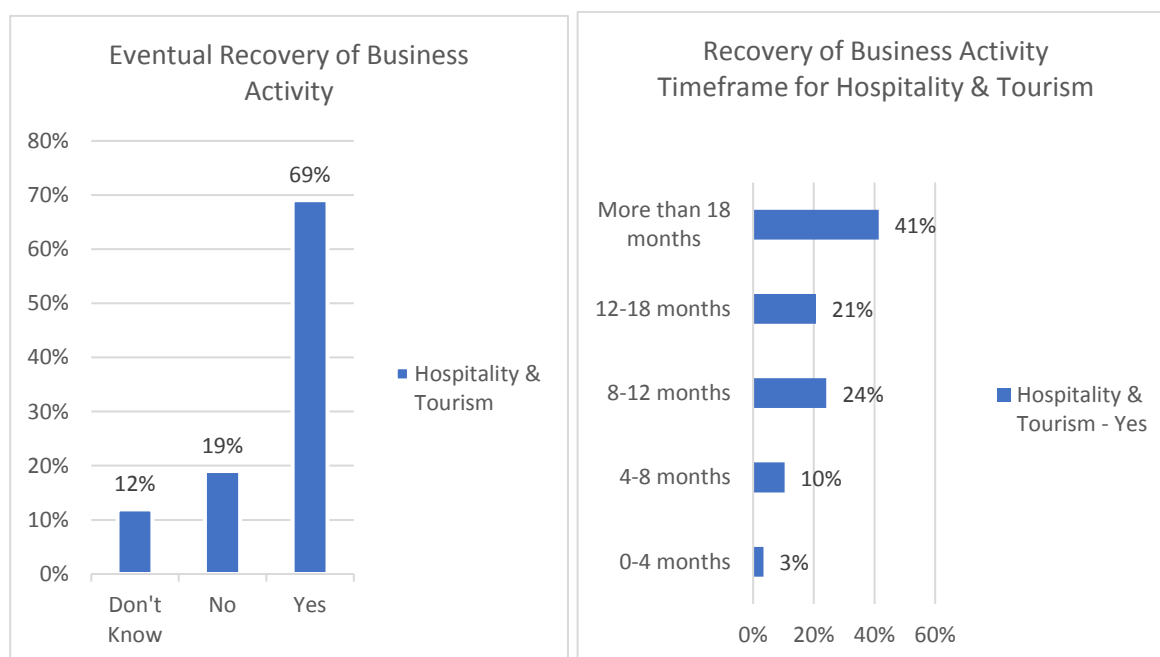
Out of the 83% of survey respondents that answered 'Yes', 20% answered that they will definitely be reactivating their projects within the coming 12 months; 43% have answered that they will definitely not be reactivating their their projects within the coming 12 months; while 37% are neutral and therefore could be that they are still undecided.



C 3.1.7 Recovery of Business Activity

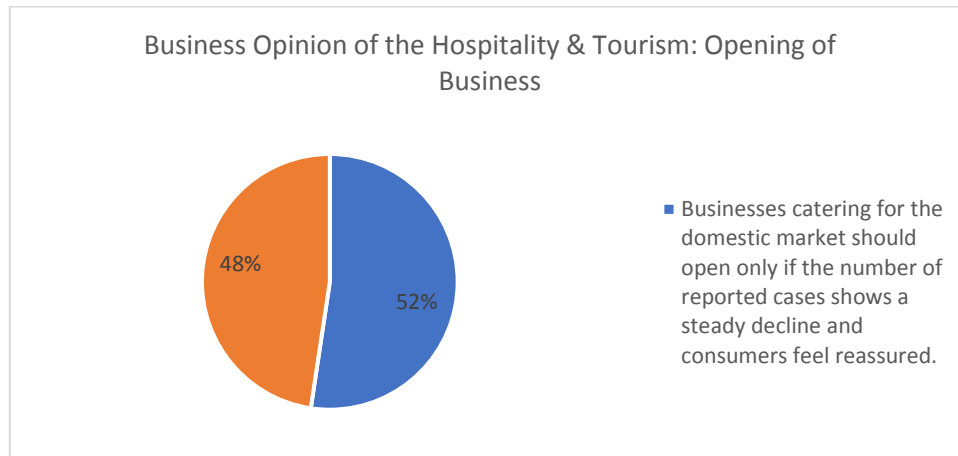
When asked whether companies in the hospitality & tourism sector are expecting an eventual recovery of business activity to pre-COVID-19 levels, 69% of respondents claimed 'Yes', 19% claimed 'No', while 12% of respondents still 'Don't Know'.

Out of the 69% respondents that answered 'Yes', the majority of them (42%) needs more than 18 months to recover. 21% need between 12-18 months, 24% need between 8 – 12 months to recover; 10% need between 4 – 8 months to recover; and 3% need between up to 4 months to recover.



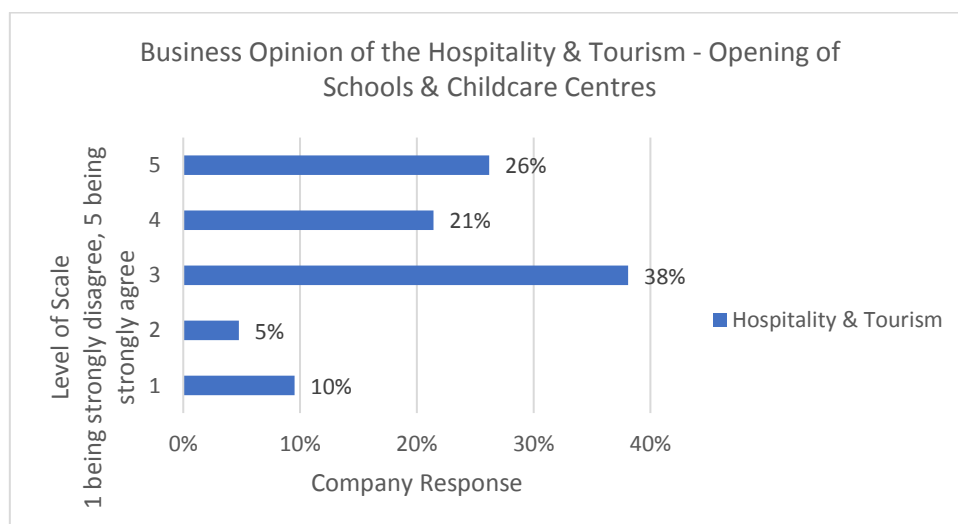
C 3.1.8 Opening of Businesses

When asked about the opening of business establishments, 52% of respondents in the hospitality & tourism sector agree that businesses catering for domestic market should open only if the number of reported cases shows a steady decline and consumer feel reassured. On the other hand, 48% of respondents from the hospitality & tourism sector agree that businesses catering for the domestic market should open with reasonable restrictions irrespective of the number of cases of infected persons reported.



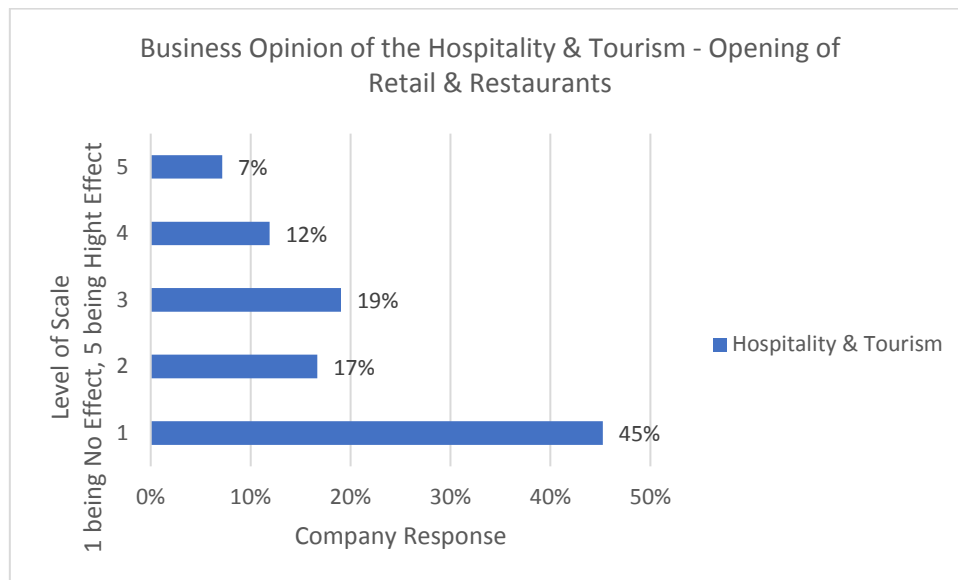
C 3.1.9 Opening up of Schools & Childcare Centres

When asked whether the opening up of schools and childcare centres is important for companies in the hospitality & tourism sector to resume normal operations in business, 47% of respondents state that they 'Agree' and 'Strongly Agree'; while 15% of respondents state that they 'Disagree' and 'Strongly Disagree'. 38% of respondents are 'Neutral', could be that there business have not been effected with the closure of schools and childcare centres.



C 3.2.0 Opening up of Retail & Restaurants

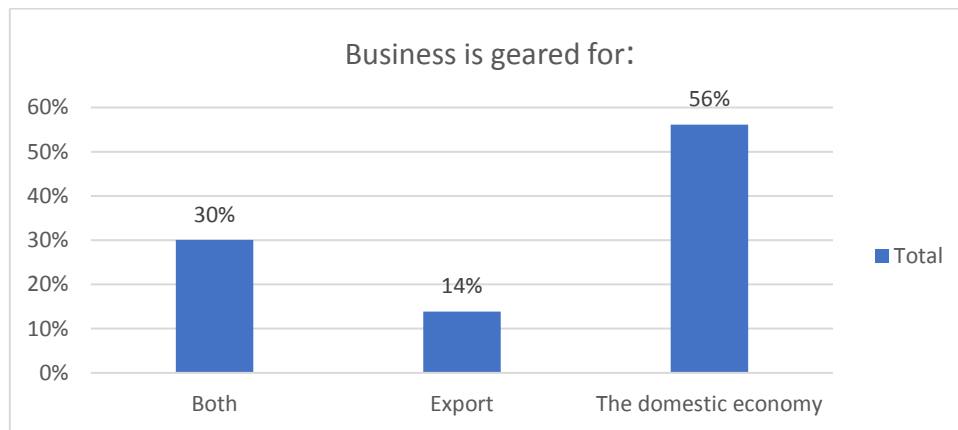
When asked whether the recent opening of most retail and restaurants have had a positive effect on their business, 62% of survey respondents in the hospitality and tourism sector state that they did not have a positive effect on their business, while 19% have had a positive effect on their business. 19% of respondents are neutral, as they might not be dependent on retail and/or restaurants.



Chapter 4: Companies geared for Export

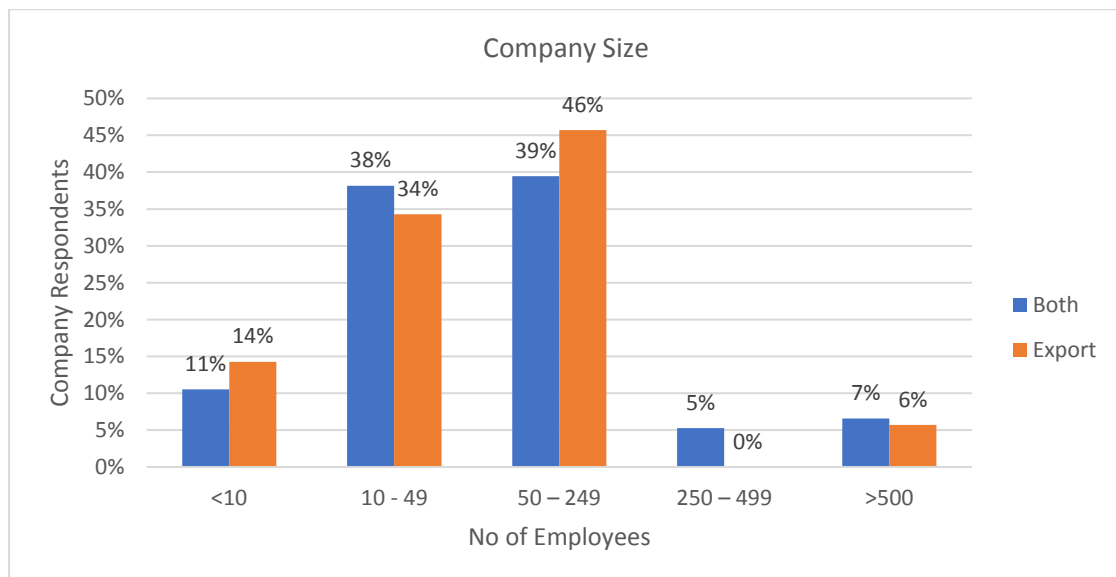
4.1 Businesses Operations

As described in Chapter 1, out of 253 respondents, 142 companies (56%) are geared for the domestic economy, whilst 35 companies (14%) are geared for export. 76 companies (30%) claim that their business is geared for both the domestic economy and export.



For the purpose of this analysis, this document will be focusing on businesses geared for export (14%) and those geared for both (30%).

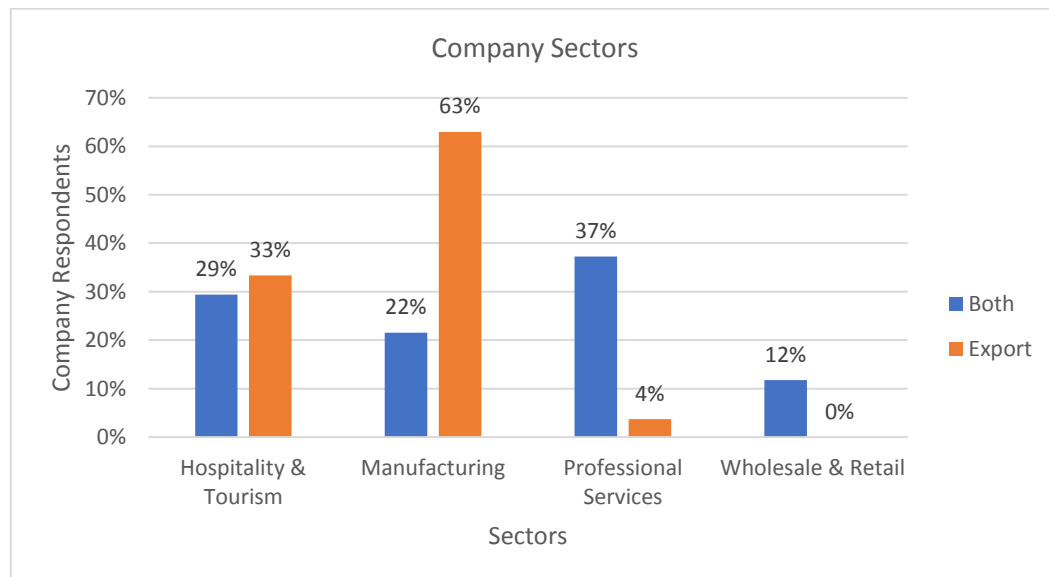
4.2 Businesses Operations by Size



Out of the companies which business is geared for the export economy, 14% employ less than 10 employees, 34% employ between 10-49 employees, 46% employ between 50-249

employees and 6% employ more than 500 employees. When it comes to companies whose business is geared for both the domestic economy and export, 11% employ less than 10 employees, 38% employ between 10-49, 39% employ between 50-249, 5% employ between 250-499, and 7% employ more than 500 employees.

4.3 Business Target Operations by Sector



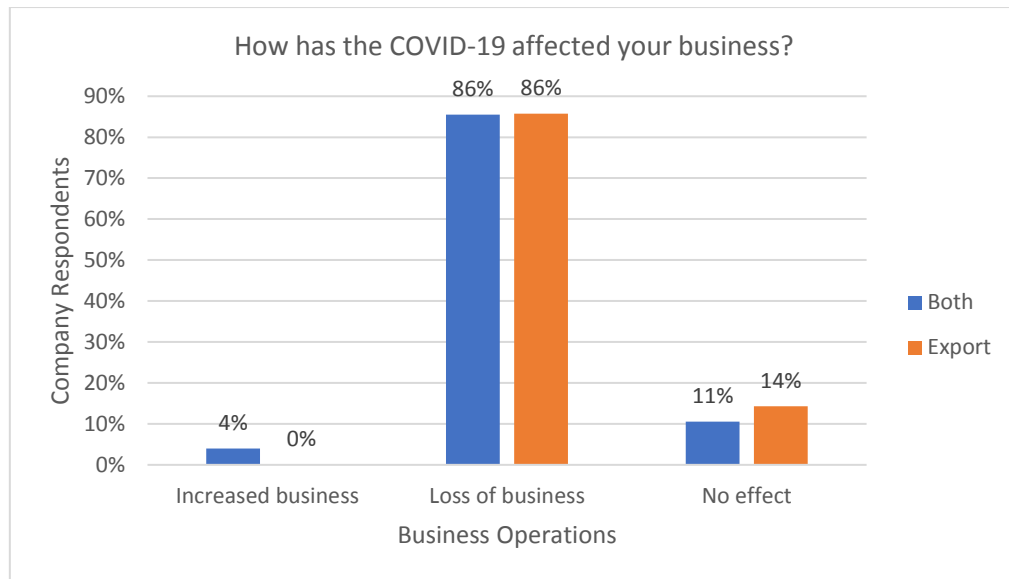
The above-mentioned sectors are the ones which are the most represented in the survey. Out of the survey respondents, companies geared for export are representatives by 33% in Hospitality & Tourism, 63% in Manufacturing and 4% in Professional Services. Companies whose business is geared for both the domestic economy and export are representatives by 29% in Hospitality & Tourism, 22% in Manufacturing, 37% in Professional Services and 12% in Wholesale & Retail.

4.4 Effect of COVID-19 on Business Operations

Survey respondents that have experienced an increase in business are companies geared for both export and the domestic economy (4%).

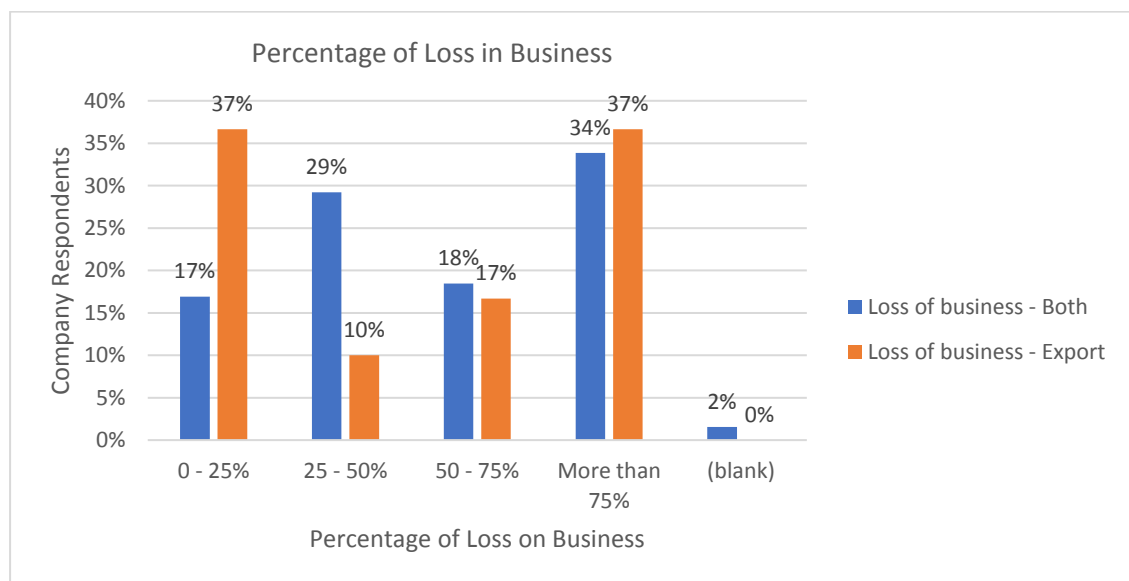
For companies that have experienced a loss in business, 86% are representatives of businesses geared for both the domestic economy and export and another 86% are representatives of businesses geared for export.

A small percentage of survey respondents have not been affected by the outbreak of COVID-19. Out of this, 11% are companies whose business is geared for both export and the domestic economy, and 14% are companies whose business is geared for export.



Out of those companies that have registered a loss in business, 37% of representatives whose business are geared by export have experienced between 0-25% loss, 10% have experienced between 25-50% loss, 17% have experienced between 50-78% loss and 37% have experienced more than 75% loss.

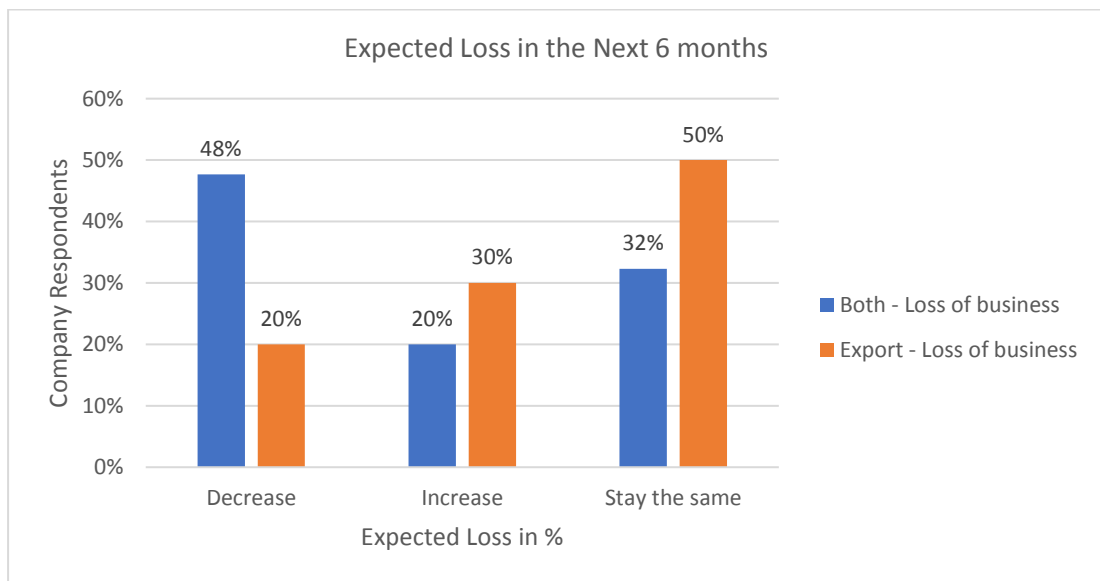
Out of those companies that have registered a loss in business 17% of representatives whose business are geared for both export and domestic economy have experienced between 0-25% loss, 29% have experienced between 25-50% loss, 18% have experienced between 50-75% loss and 34% have experienced more than 75% loss.



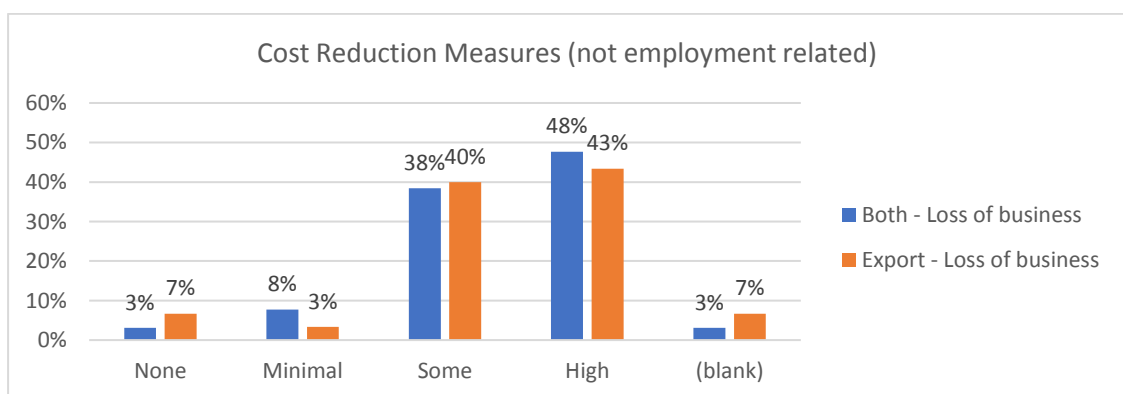
4.5 Expected Loss in the next 6 months

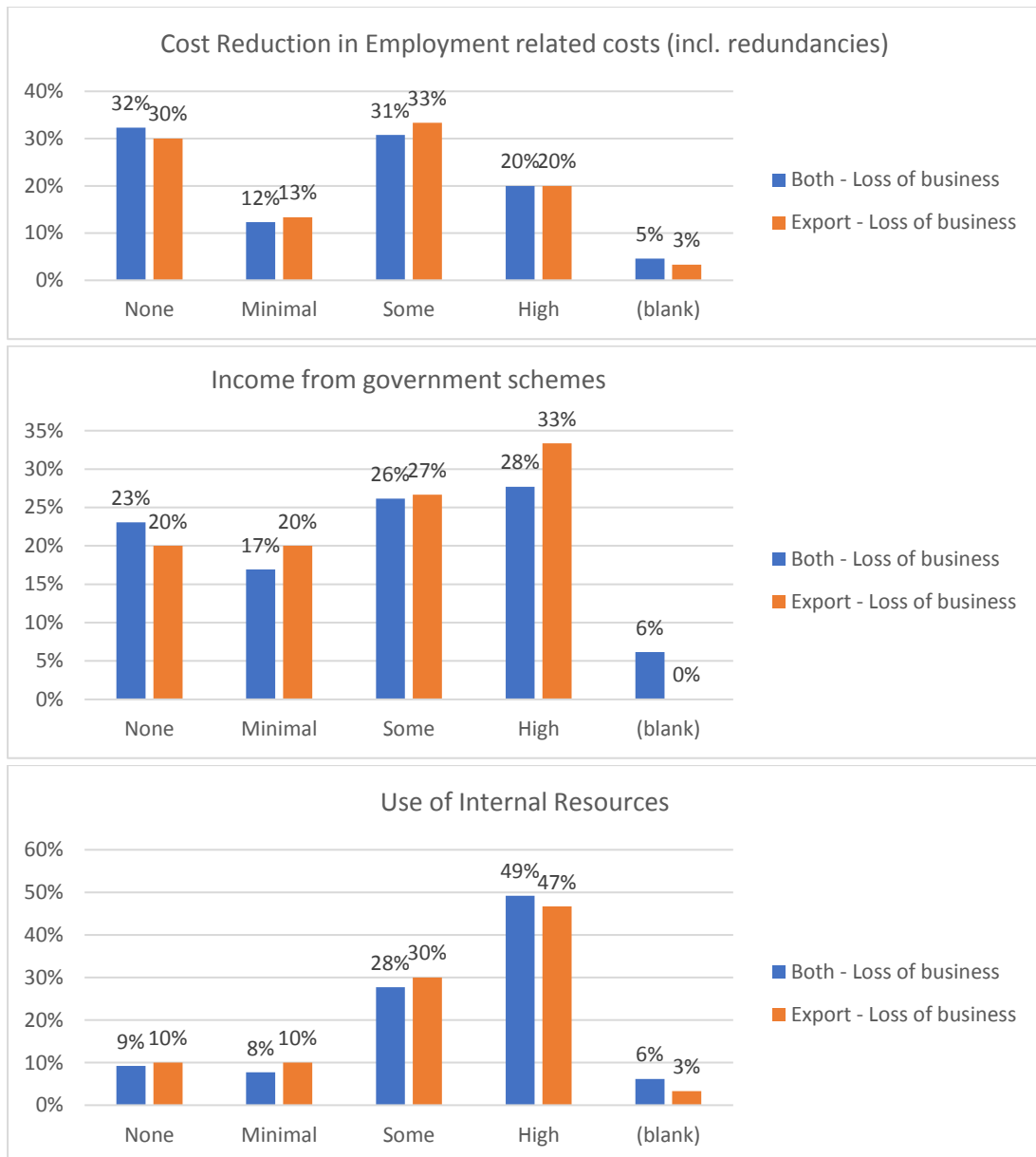
When asked about the expected loss in the next 6 months, 20% of companies whose business is geared for export stated that it will decrease, 30% stated that it will increase and 50% stated that it will remain the same.

For companies whose business is geared for both export and the domestic economy, 48% of survey respondents stated that it will decrease, 20% stated that it will increase and 32% stated that it will remain the same.



When asked about how companies are managing the loss in business, companies have answered the following:

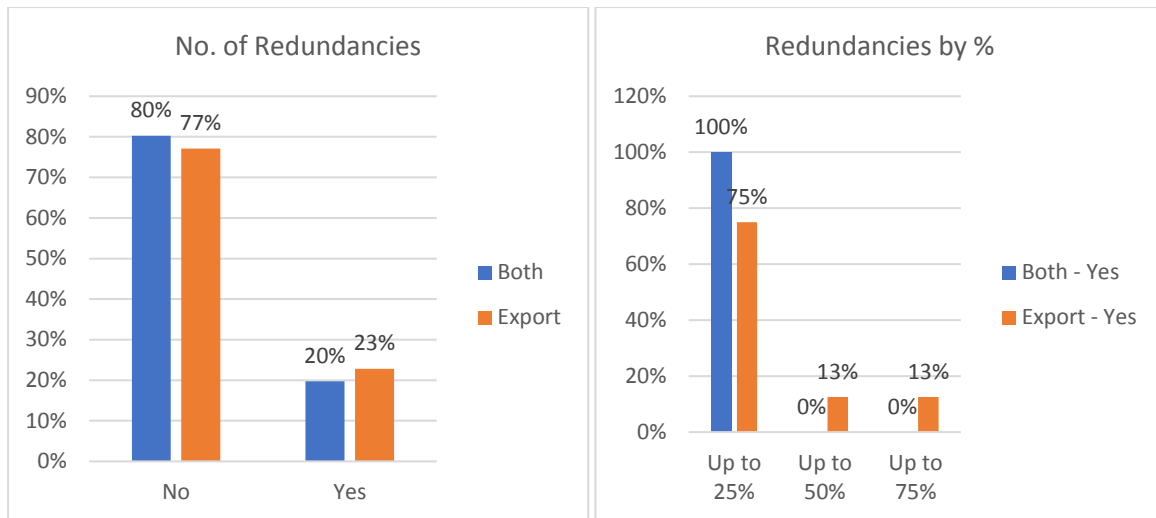




4.6 Redundancies

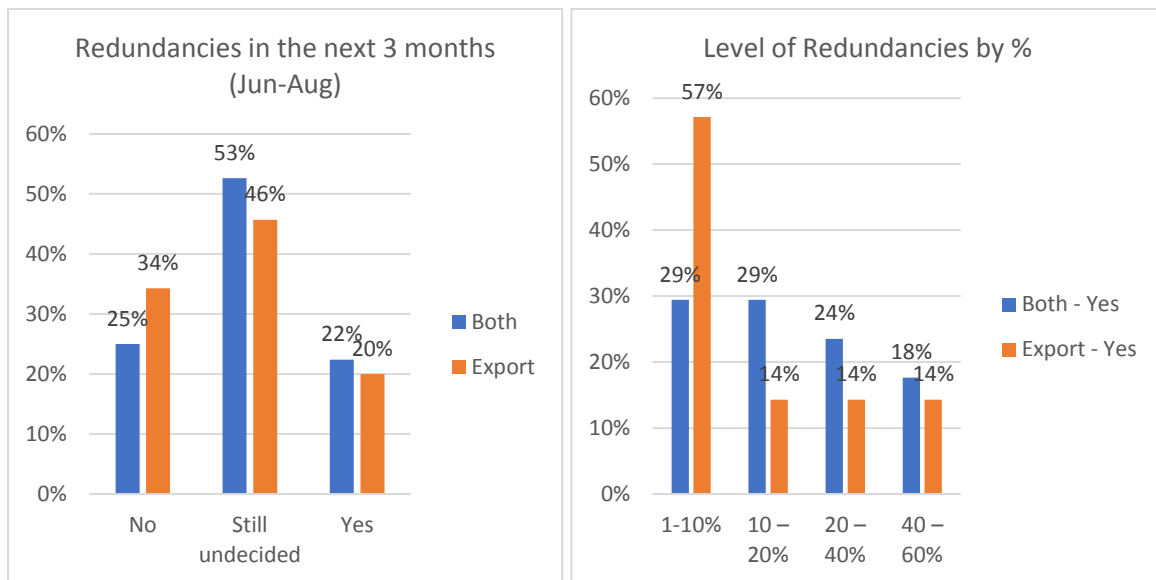
77% of companies which are geared for export stated that they have not done any redundancies and the 23% stated that they have. Out of the 23% that have done redundancies, 75% made up to 25%, 13% up to 50% and 13% up to 75%.

The majority of companies (80%) geared for both the domestic economy and export have not made any redundancies, whereas the other 20% made redundancies which where up to 25%.



When asked if companies see an increase in redundancies in the next three months (June-August 2020), 34% of businesses geared for export answered 'No', 20% answered 'Yes' and 46% are 'Still Undecided'. Out of the 20% that answered 'Yes', the majority of them (57%) will do between 1-10% of redundancies between June-Aug 2020.

When it comes to companies whose business is geared for both export and the domestic economy, 25% of respondents have answered 'No', 22% have answered 'Yes' and 53% are 'Still Undecided'. Out of the 22% that answered in the affirmative, the majority of redundancies will be between 1-40% as explained below.

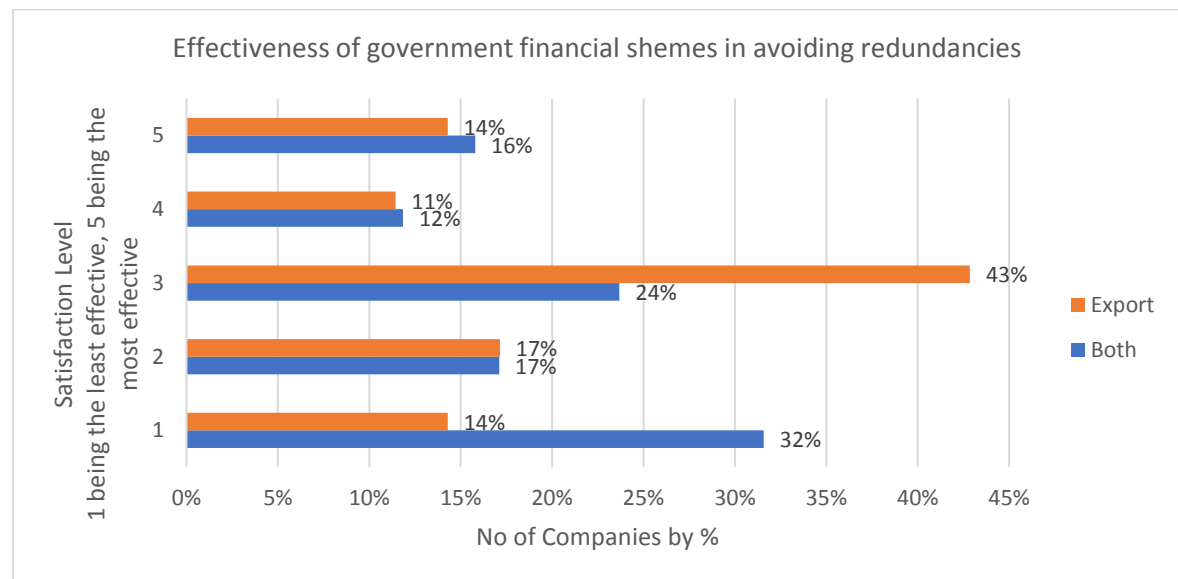


4.7 Effectiveness of Government Measures

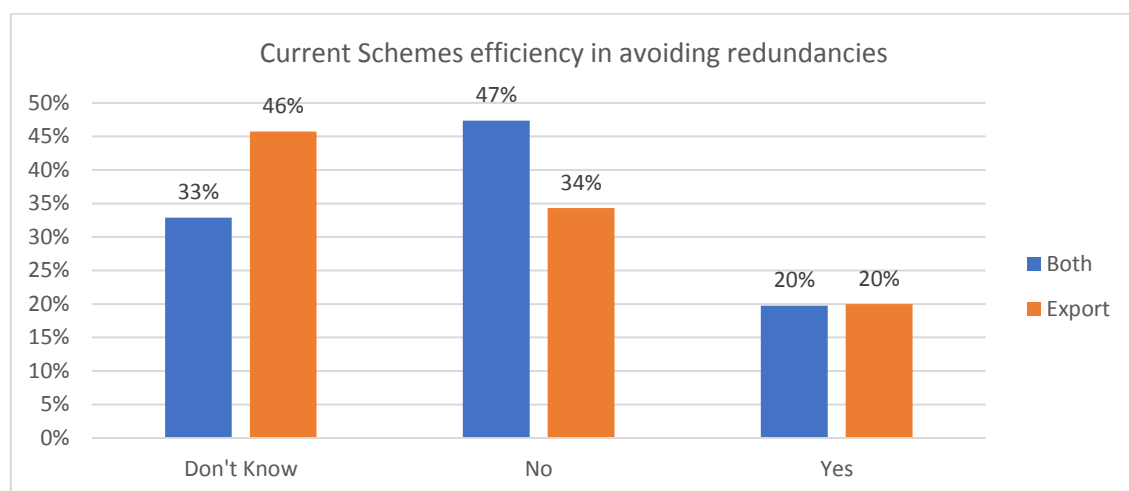
Most companies that responded to this survey do not rate high scores for the effectiveness of government schemes in avoiding redundancies.

25% of companies whose business is geared for export expressed that government financial schemes did not help them avoid redundancies. The other 31% stated that it did help them avoid redundancies and 43% remained neutral.

When it comes to companies whose business is geared for both export and the domestic economy, 49% of survey respondents stated that government financial scheme helped them in avoiding redundancies, while 28% states that it did not. 24% of respondents remained neutral.



When asked whether the current schemes should be sufficient to enable companies in retaining idle employees until their business recovers, the majority of companies geared for export (34%) answered 'No', 20% answered 'Yes' and 46% are 'Still Undecided'. For companies whose business is geared for both export and domestic economy, 57% answered 'No', 20% answered 'Yes' and 33% are 'Still Undecided'.



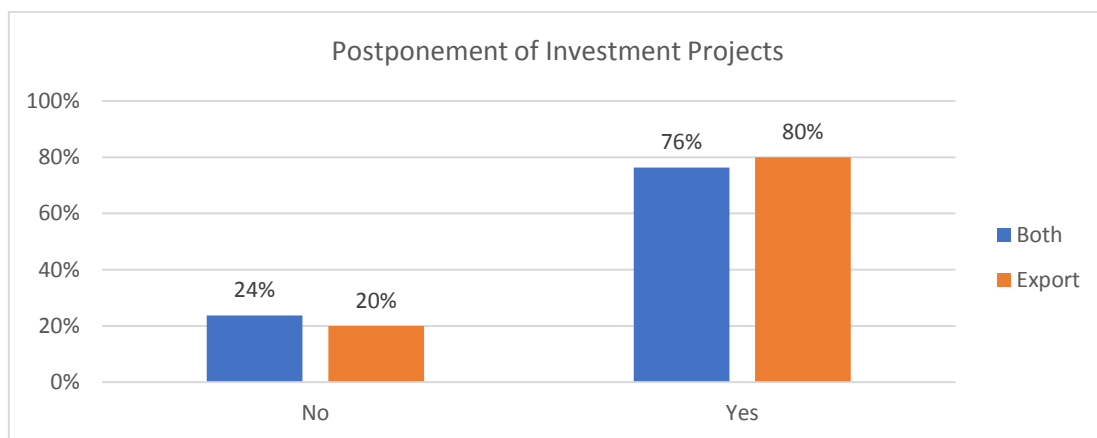
4.8 Recommendations to Government

A set of recommendations to government in providing additional support was given by survey respondents. The main points were related to:

- Extension of schemes
- Increase financial assistance to more sectors
- Introduction to other financial schemes
- Subsidies for commercial rents
- Subsidies for company Taxes
- Reduction in utility bills
- Efficiency of Managing Authorities

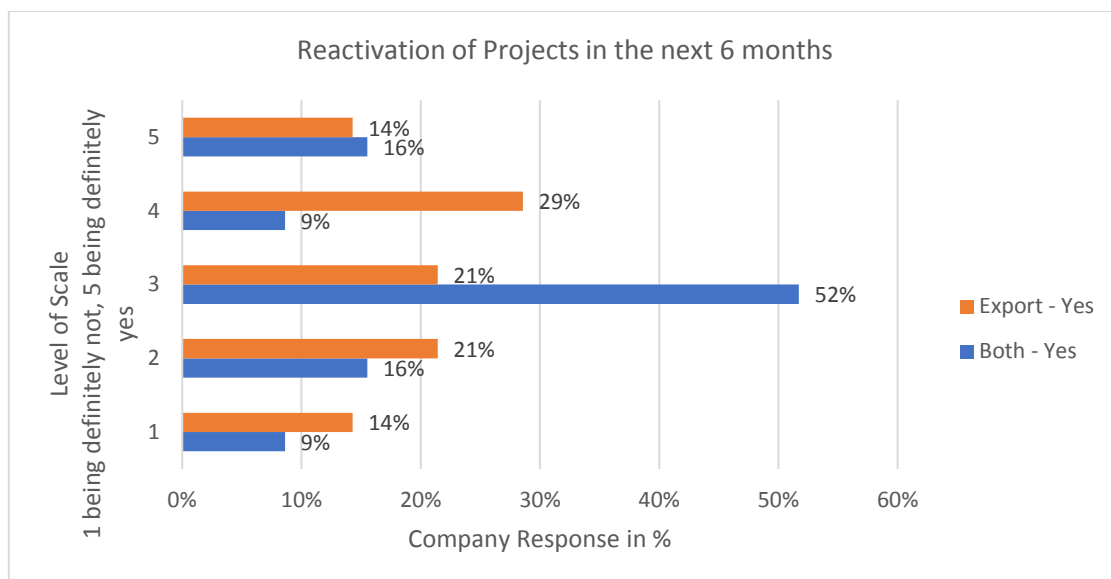
4.9 Postponement of Investment Projects

When asked whether companies have postponed any investment projects due to the COVID-19 outbreak, 74% of survey respondents have answered 'Yes' while 26% have answered 'No'.



Out of the 74% of survey respondents that answered 'Yes', the majority (80%) of survey respondents whose business is geared for export claimed that they have postpone their projects, while 20% claimed that they have not.

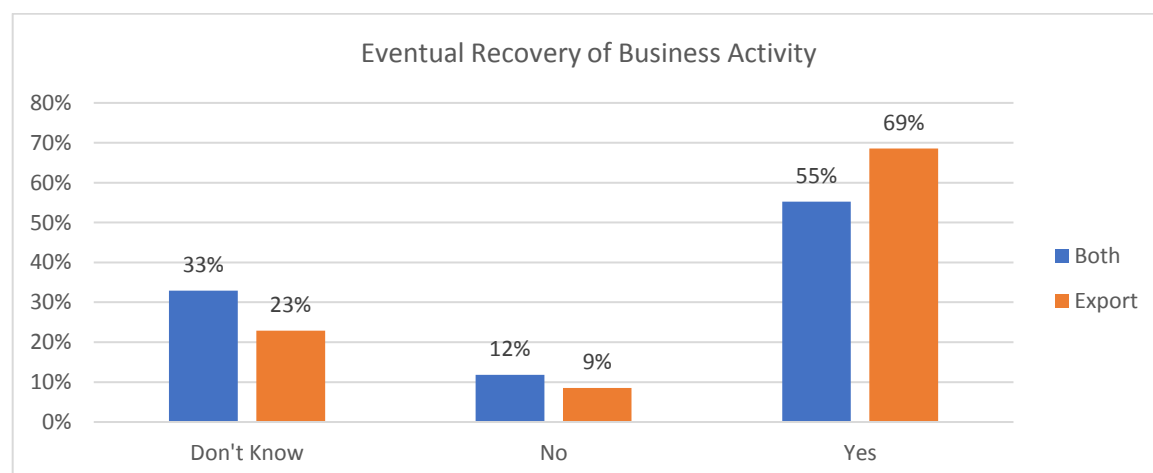
When it comes to businesses geared for both the domestic economy and export 76% claimed that they have postponed their investment projects, while 24% claimed that they have not postpone their projects.



When asked on the reactivation of projects, 43% of businesses geared for export stated that they will be definitely be reactivating their projects in the next 6 months, 35% stated that they will not, and 21% are still uncertain. When it comes to businesses that are geared for both export and the domestic economy, 25% stated that they will be definitely be reactivating their projects in the next 6 months, 25% stated that they will not, and 52% are still uncertain.

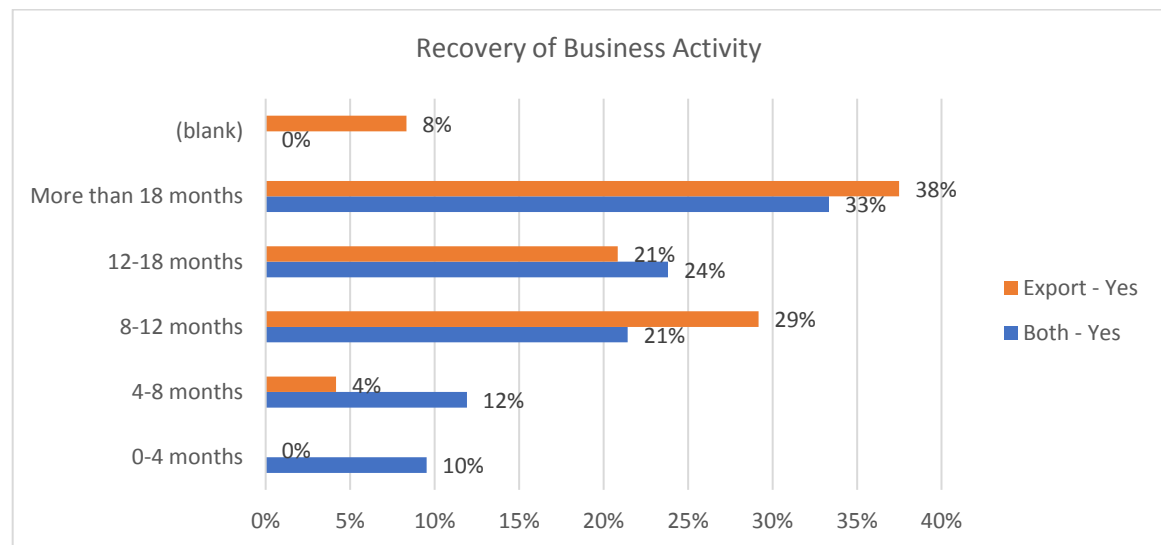
4.10 Recovery of Business Activity

69% of companies whose business is geared for export claim that their business will recover to pre-COVID levels, 9% stated 'No' and 23% are 'Still Undecided'. When it comes to businesses geared for both export and the domestic economy, 55% stated 'Yes', 12% stated 'No' and 33% are 'Still Undecided'.



Out of the 69% respondents whose business is geared for export, 38% will take more than 18 months to recover, 21% will take between 12-18 months, 29% will take between 8-12 months, and 4% will take between 4-8 months.

Out of the 55% respondents whose business is geared to both export and the domestic economy, 33% will take more than 18 months to recover, 24% will take between 12-18 months, 21% will take between 8-12 months, 12% will take between 4-8 months and 10% will take between 0-4 months.



Appendix I: Survey Questions

These are the set of questions which were included in the survey:

1. Number of Employees

- ☐ <10
- ☐ 10 - 49
- ☐ 50 – 249
- ☐ 250 – 499
- ☐ >500

2. Company Sector

- ☐ Agriculture & Fishing
- ☐ Hospitality & Tourism
- ☐ Quarrying & Construction
- ☐ Professional Services
- ☐ Manufacturing
- ☐ Public Sector
- ☐ Wholesale & Retail
- ☐ Electricity, Gas Steam, Air Conditioning & Water Supply
- ☐ Transportation
- ☐ Education
- ☐ Gaming, Financial & Insurance Activities
- ☐ Real Estate Activities
- ☐ Administrative & Support Services, Info & Communication
- ☐ Health & Social Work Activities
- ☐ Maritime
- ☐ Other, please specify: _____

3. Is your business geared for:

- ☐ Domestic Economy
- ☐ Export
- ☐ Both

4. (a) Has the COVID-19 outbreak affected your business?

- ☐ Increased business
- ☐ No Effect
- ☐ Loss of Business

(b) If there is a loss in business, what is the loss actual to date?

- ☐ 0 - 25%
- ☐ 25 - 50%
- ☐ 50 - 75%
- ☐ More than 75%

(c) In the coming 6 months, do you think the expected loss will:

- ☐ Increase

- ☐ Decrease
- ☐ Stay the same

(d) How is the company managing the loss in business?

	None	Minimal	Some	High
Cost reduction measures – not employment related				
Cost reduction measures on employment related costs including redundancies				
Income from government schemes				
Use of internal reserves				

5. (a) Has the company made any redundancies?

- ☐ Yes
- ☐ No

(b) If yes, by how much?

- ☐ Up to 25%
- ☐ Up to 50%
- ☐ Up to 75%
- ☐ More than 75%

6. (a) Is your company likely to reduce its labour force from current levels in the coming 3 months?

- ☐ Yes
- ☐ No
- ☐ Still Undecided

(b) If yes, to what extent?

- ☐ 1-10%
- ☐ 10 – 20%
- ☐ 20 – 40%
- ☐ 40 – 60%
- ☐ More than 60%

7. To what extent have the financial schemes issued by government been effective in avoiding redundancies?

- ☐ 1 – Not Very Effective
- ☐ 2 – Not Effective
- ☐ 3 - Neutral
- ☐ 4 – Effective
- ☐ 5 - Very Effective

8. Will the current schemes be sufficient to enable you to retain idle labour until your business recovers?

- ☐ Yes
- ☐ No
- ☐ Don't Know

9. Recommendations to government in providing additional support:

10. How is the company using its downtime, if applicable? (tick were applicable)

- ☐ Not applicable, as the company is still operating on full hours
- ☐ Waiting for further development
- ☐ Training of employees
- ☐ Maintenance of premises
- ☐ Diversifying business
- ☐ Planning future projects
- ☐ Other actions, please specify:

11. (a) Have you postponed any investment projects due to the COVID-19 outbreak?

- ☐ Yes
- ☐ No

(b) If yes, do you intend to reactivate these projects within the coming 12 months?

- ☐ Definitely Not
- ☐ Not Likely
- ☐ Don't know
- ☐ Likely
- ☐ Definitely Yes

12. (a) Are you expecting your business to experience an eventual recovery of business activity to pre-COVID-19 levels?

- ☐ Yes
- ☐ No
- ☐ Don't Know

(b) If yes, within which timeframe?

- ☐ 0-4 months
- ☐ 4-8 months
- ☐ 8-12 months
- ☐ 12-18 months
- ☐ More than 18 months

13. Which of these statements do you agree with the most:

- ☐ Businesses catering for the domestic market should open with reasonable restrictions irrespective of the number of cases of infected persons reported.
- ☐ Businesses catering for the domestic market should open only if the number of reported cases shows a steady decline and consumers feel reassured.

14. Opening up schools and child care centres is important to resume normal operations in my business.

- ☐ Strongly Disagree
- ☐ Disagree
- ☐ Neither Agree nor Disagree
- ☐ Agree
- ☐ Strongly Agree

15. Has the recent opening of most retail and restaurants had a positive effect on your business?

- ☐ No Effect
- ☐ Minimal Effect
- ☐ No Effect
- ☐ Some Effect
- ☐ High Effect

16. Additional Comments:

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Appendix II: Recommendations to Government by Survey Respondents

This is a list of recommendations to government given by survey respondents:

Extension of schemes

Extend further the schemes
Our main income is from the tourism industry and seems that tourism is going to take some time for numbers to start rising. Wage supplement should be extended beyond the opening of ports & airports to help us against loss of income as business isn't going to be sustainable.
Keeping schemes for rest of year
As a hotelier we ask the government to decide ASAP when the airport will open and to continue with the wage supplement at least until March 2021
To continue until business picks up
The continuation of subsidizing teleworking and continuation of some wage supplements for companies who had significant losses can be encouraged to maintain their current labour force and/or possibly rebuild to previous levels.
We need the wages aid supplement to be extended to the end of the year when we should see business picking up
Without the Wage Supplement Scheme the company will have no means of maintaining current employment levels and will need to revert to redundancies.
Retaining current support, on a reduced basis, for a longer period until businesses recover
To keep support till the end of December even if airport re-opens and increase it to €1,200.
Prolonging Wage Support measures is imperative
Extension of financial scheme in regards to employment costs
At least pending re evaluation of schemes disagreed with should be done immediately
To continue the grants until economy picks up
Extend help to end of September (minimum), help with rents and provide businesses with a holistic plan.
Keep EFL schools closed until October and keep providing the wage supplements until the schools reopen.
Extend the employer/employee eu800pcm support scheme and inform relevant employers now about dates extended to.
Continue providing financial support until march 2021 minimum, or until language schools can stand on our own feet
If the current Wage supplement scheme is terminated early, redundancies will be inevitable.
Support needs to be kept in place for a period even after reopening as first months will be difficult for recovery. Any additional funding from EU must be accessed as soon as possible to help recovery.
Unless additional support is provided after June 2020 we will have to take drastic action.
Wage Supplement Scheme should be extended to after June 2020

Keep the Covid Wage Supplement until business returns towards normality; Ensure reduction of rents by landlords
Extend the government scheme
Especially for the hospitality business it would be essential that the government schemes are at least extended over the summer, would even include still September and October. Additionally, if hotels would be allowed to close for 1-2 month in winter for this year, that would help too in order to keep redundancies to a minimum. If the scheme is stopped by end of June, I am sure that every hospitality company will have to let employees go - between 15-40% I assume of their current workforce! But, I also take the opportunity to praise the government, this crises was very well handled so far! Well done.
Extend the schemes as long as possible to avoid redundancies
Extend schemes
Continued support for businesses who have up to a certain percentage of decrease in income
Financial scheme to continue even when Government says back to normal
Continue to provide assistance to the department/departments effected
More grants
Continue past June 2020
Wage supplement to remain in place while this situation persists and in spite of uplifting certain measures; Increase wage supplement for highly paid roles
Extend wage subsidies until business fully recovers
Continuation of covid supplement
The current Covid19 Wage Supplement will have to remain in force as otherwise we will not be in a position to sustain the workforce and pay salaries - rent of respective outlets is also an issue as the current and projected business scenario will not sustain payments.
To continue with wage supplement past June.
Extending the COVID19 supplement till at least August and then review it for the next three months.
Continuing to provide Wage Supplement to a lesser degree perhaps but for a longer period - until business is back on solid ground
Continue with Covid19 wage supplements.
Wage Supplement should be given until activity resort itself as pre-covid levels, especially in our industry.
Wage support is extremely important together with other incentives such as reduced electricity bills.
Pay the full wage supplement.
Continue providing Wage Supplement
It would be great if they can help us beyond June
To keep the Wage supplement scheme going for more few months
Continue to provide support to everyone - everyone has been affected
160 euros/month for our sector is a joke. We managed to keep all our employees, but it's unfair to give 800 euros to some sectors and 160 euros to others less effected. We lost 40 % of our Sales. How could we maintain the same business measures with 160euros.
I believe that the ME managed COVID Wage Supplement should be extended by at least end of Q3 2020
Support should be extended also to Part timers, grants should have a quicker response rate.

Extend the support to business with the wage supplements, support and understand the business necessities on case by case order.
Additional support provided is sufficient
€160 per employee per month falls way short to address the current situation. There are several sectors which should fall under Annex A instead of Annex B amongst which import companies. So far we didn't stop employees, we have a human capital equipped enough to handle all sales requirements in the hospitality sector, yet everyone knows that this industry needs months to recover. We believe that these companies should be incentivised to retain its employees otherwise they will soon become redundant.
To keep some form of wage supplement going until business regains normality
Extend the duration of the covid wage supplement till when trading gets back to pre-covid levels
Support should keep going to make up for the recession that will hit.
To keep the wage grants till end of summer especially for hotels
Not to abruptly stop grants and possibly increase these in line with loss of business.
Extending the wages subsidy.
Keep granting the wage supplement until 2021
Our business is actually seeing effects now, given the nature of the supply chain we operate in. Therefore government support should ensure to extend for a sufficient period beyond the period of the initial outbreak since the effects will extend for months to come
Supplement to be given until business recoperate
Extension of support until situation is completely back to normal.
Extend Scheme beyond June
An extension of the COVID-Supplement for sectors such as Tourism
Provide wage supplements until the business reopens to accepted income
Continuing with the schemes beyond June, moratoria on govt. induced payments
The grants should continue and in addition there should be a "capital Injection" that helps the business per se. The tourism industry is expected to take a slow process. until then the business shall keep on incurring a loss. Moreover, if the grants stop then redundancies could be considered.
Require same level of support for July essential for August and September tapering slowly
For those members that received annex a support these measures are to remain in place until the end of year.
To keep on sustaining the current schemes. This will help businesses in the Tourism Industry. i.e. our Company's main market is UK. Therefore, the government scheme will be a great asset to us until our business resumes on full force which is unlikely to happen during the summer period.

Increase financial assistance to more sectors

Businesses should be seen case by case for further assistance until they are fully recovered again
In my opinion hotels and restaurants are to be given some type of help for the government for the employees that they have retained and for those (if any) that they will employ. That the grant for these business will stop gradually and not at once and by percental.
Shift from Annex B to Annex A for the sector of retail/wholesale

We think that support by the government was limited to only a number of sectors (those which were hit the most) however it should have been aimed to involve a lot more sectors as it's not fair the way it was.
To analyse the present situation and to establish which sector/s are actually being more effected. Then new measures will be implemented by the government to balance the support justly
Increase and update the lists of Malta Enterprise (Annex A & B) that will get financial wages help.
Extend the list on Annex A / B to include more sectors.
Covid Wage Supplement for Annex B companies increased
Government has to open the schemes to all sectors of the labor market
Assist for employees who are not working in all sectors
More sectors should be included in the wage supplement scheme
Support limited to specific sectors
Analyse more in-depth the industry sectors not only by NACE code
Take into consideration also employees working in other sectors such as professional services
All sectors should be given opportunity together with self-employed and also case by case
Considering other sectors for help
More financial aid to Manufacturing companies in Annex B.
Open the schemes to all businesses
Support for all companies in different sectors
We have been completely left out and cannot benefit from any of the scheme, which I find unfair and discriminatory, since we have contributed as much or more than many who are entitled to receive benefits.
If a business is not directly connected with covid (like are web agency), but all the clients are, still it is a problem.
We have not been effected due to our online presence and Eshop. However should sales drop we would need to be considered with Annex A and not B as the later will not be enough to maintain idle staff.
Some our customers have been severely impacted by COVID-19, and are eligible for government assistant for wages, however, IT projects have been put on hold, which directly affect our business. We have been indirectly severely affected by COVID-19. None of the government schemes consider the suppliers to the industries on the "front-line"
Better assessment of the added value of the segment of business/es a company is delivering the services.
We haven't received any support! even though our business is based 100% on foreigners and there aren't here so far.
Wider help beyond annex A and B and to be more informative on scheme deadlines
This is time to help, later on we're RIP
Businesses which were not forced to close down must be considered for financial aid
Not sure as we did not receive any approval of Annex's let alone funding
Can spread more among employers the additional support .
Supporting increased expenses related to infection control
We are a company not listed neither in annex A nor in Annex B so technically we dont qualify officially for wage grants. We had been told to apply in any case giving reasons.

Thats what we did more than 1 month ago. To date we did not receive any reply from MaltaEnterprise. With covid restrictions we have lost 70% of our revenue and there is lost business which went to other countries and it wont come back easily. The government is taking it too slow with companies like us with the existent grants..let alone with any additional ones. This creates huge uncertainties to businesses like us.
Not all the industries were given help although the business was effected
Support across all sectors. Acknowledgement that home working is not a preferred solution and hence not impose costs and liabilities on employers to allow such a privilege to employees. An employer should not be expected to double costs and provide home equipment as well as to what is already available at the office
Support for companies who are tourism dependent needs to be implemented. Assistance with costs relating to fuel, W&E, rent etc. need to be given to businesses
We offer staff outsourcing to third parties such as hotels, restaurants and factories. for us a 7 euro per day support is not enough as each employee get 199 per month from support and we have to pay the difference. Also these bank guarantee loans, bank are making it difficult to all those who are mostly in the need.
Evaluate more deeply the impact on business by sector
More help to companies with loss of work
Revise the grants (Covid Wage Supplement) to help the manufacturing industry to keep in employment the highly skilled employees. Some of our employees are losing their motivation since our order book is low by 35%.
Financial assistance to manufacturing companies facing a reduction in orders
To include all sectors

Introduce Other Financial Assistance

Tax credits for new products or production lines transferred to Malta during current crisis to retain existing labour force – same as was done during 2009 financial crisis
Additional help on financials
Being the company is focused on hospitality and tourism, we are currently attempting to diversify and thus any support in this manner will be greatly appreciated
Lower government induced costs
Some form of incentives to those business that cannot go online (rent reductions, decreased VAT, profit retention, subsidies on utilities
Schemes should be similar to those given to restaurants / hotels / etc.
To date we have not received any support from the wage supplement and the introduction of other measures which would include support for teleworking initiative for all workers not just for Gozitan workers
Long term strategy to assist with costs employment especially for foreign workers. More assistance for home working such as tax allowance etc:
Better incentives for those in customer facing roles whose work demand is extremely low thus having to utilize leave/time off
Provide more financial help to employers and employees.
Pay the wage difference (or portion of) to employees who have had their employment time reduced say from 5 day week to four day week – i.e. the state pays part of the lost day salary directly to the employee
Grants for teleworking - considering working remotely after the Covid

Government to grant assistance on additional costs that need to be incurred to operate re-opening of establishments in line with health authority regulations; waive off deferred payments
Further support of retaining remote working mindset and educating the workforce and management to continue to gear it towards remote working
Grants not loans
Assist with elevated shipping/export costs
Low-interest loans that can be used for refinancing debt and for growth projects
Financial grants for imposed measures required.
Schemes have to be related also to the benefit of the company in order that it can suffice costs, as an example rental rates form MIP
Provide financial help in providing COVID related resources
It would be ideal if the government subsidizes payroll costs for the few months to come.
More effective measures to reduce loss of work places
Support by means of being flexible with business needs, support further with telework agreements, and ensure that EU funds do reach local businesses through funding schemes, upskilling and diversification of skills.
Do something to cap freight costs
Provide support schemes for employees who are idle even if the firm is open for business due to impact of economic fallout, for the firms that really need such assistance and not through blanket segmentation.
Support needed for working parents with school aged kids who are unable to telework
The government could help subsidize the additional costs incurred in implementing more hygienic measures such as perspex, providing masks and consumables to walk in customers etc.

Subsidies for commercial rents

Commercial rents
Private commercial rents legislation-March 2020 to March 2021- lessee only pays 25% of rent for 1 year- 75% value of rent is added to the last year of the present contracts. This way the landlords retain same lessee and if contract is terminated earlier, the 75% is still paid at end of term. Landlords will gain as commercial contracts have increase mechanism in the contract over the years of lease plus cost of living increases so by postponing this year's 75% portion to end of contract, the landlord gains. If there are loans of landlords attributable for these premises, then a moratorium to be given by Banks and likewise loan extended on same premises. Government legislation to be made in place to save guard both lessors and lessees. Only this can guarantee continuation of businesses.
Remove rent especially to government entities (mcast , gozo channel)
Rent support
I do understand the delicate balance. I would suggest more long term support like reducing taxes. Let us remember that real estate (renting) pay only 15% tax on rental income, Foreigners competing with Maltese get the 6/7th refund. We common mortals pay 35%
Rent Subsidiary
Force a reduction in rents and offer property owners tax reductions to share impact, reduce utilities (fuel, gas, electricity, water), offer incentives to business that invest this year
Help with commercial property rent!

Wavering of rent
Rental subsidy/ Bank loan interest relief
I would try and make business cost neutral and offer rent support
Support to the rent
Reduction in rent
To provide subsidy for office rent + reduction in taxes (not moratorium, cause the latter will hit the business when it's recovering, which might eventually kill it) + more support on teleworking (at the moment there is a scheme that EUR4K will be refunded to businesses utilizing teleworking. However, for large business, like us, we will not manage to make any investments with EUR4K, cause we would need to buy more than 150 laptops costing around EUR112K.
Commercial Rent - I suggest that the government offers subsidies on renting new commercial spaces/or incentivise remote working, so as to give some power to those renting commercial spaces. Example if I know we can get 30% of the rent, if I rent a new place; I would either go and find a new place, or use this excuse with my current landlord to negotiate the current rental price. We are still paying full price for an office which we didn't use for the past 12 weeks. He doesn't want to reduce our rent even though we are not at the office. This is all money down the drain.
Importance given to rent rates
Some kind of incentive on rents for tenants and landlords.
Government to incentivise landlords who support tenants in this period as rents are not sustainable at 20/30% of normal revenue.

Subsidies for Company Taxes

Increase the COVID-19 Wage Supplement or at least remove the tax/Ni costs
It would be great if – instead of postponing payments (like VAT), the government would waive a %. These bills will be accumulating and they're going to create cashflow problems in the future as the loss of business has dented cashflow for business. The minute businesses will start to recover, they're going to have to pay hefty bills to the government.
Reduce VAT
Cancellation of VAT & NI for COVID 19 period of 3/4 months
Support in converting tax credits against amounts due on FSS and VAT as tax credits are likely to remain unutilised for the next year or two.
To minimize the tax rate on overtime.
Increase incentives and allows 2020 losses to be deducted from 2019 tax liability
Reduction in VAT to help keep prices stable
Relief from VAT and provision for rent reduction
Reduction in Fuel prices and extensions in payment of VAT, provisional tax, NI
Further assistance in payments of taxes, vat and social security contributions
A lower VAT rate for a stipulated time. This will encourage clients to revert to cancelled work
Waiving taxes
To pay taxes and others in more reasonable time
National Insurance contributions that have to be paid for the weeks we had no income at all ! I have used a good amount of financial resources to implement all that was

necessary to re open - paying all my employees NI will not allow me to work on new projects right now.
Reduce taxes and VAT to encourage spending
Tax credits on previous financial year
Tax and NI payments deferred without interest
Waving of employers NI for a few months
More support in relation to tax not postponing but reducing especially in relation to investments
Wage supplements should be commensurate with FSS payment levels pre-Covid as opposed to a one size fits all sum across the industry spectrum
Reduction in VAT on Catering to encourage people spending and change in Hotel & Catering working regulations on double time on Sundays and Public Holidays and overtime rates.

Reduction in utility bills

Reduce utilities, fuel, rents and stimulate spending
Reduction in Electricity Rates as well as Fuel Costs
Reduce W&E
Utility bills reductions, land authority rent reductions, wage supplement not stopped in the next 6 months
Postponement/ reduction of utility bills; acceleration of VAT refunds; government to help with issue of rents since affected businesses do not have control over the current situation
Reduction in Water & Electricity.
Subsidize water and electricity costs to impacted businesses.
Reduced utility bills such as electricity, telecommunications & transportation cost, tax reductions and training funds
Reduction of tariffs re electricity / fuel prices
Exempt us from utility bills, and VAT
Reduce utility rates, diesel and MIP rents for at least 6 months. Possibly Gov pays NI of employees for 3 months.
Reduction in utility bills

Efficient Managing Authorities

Even though the COVID wage supplement has been introduced, Malta Enterprise often needed chasing in view of payments or approval. Emails to ME were never acknowledged. It was very hard to get through to ME via phone.
Have processes in place to give answers in a timely manner
Support must be correlated to actual loss not by segments.
Securities at 100%, covid wages not yet supplied, liquidity
More clear and concise communication
Our application has been rejected. I have appealed but have received no information.
Be timely in your support to whoever really needs it but do not squander resources
Be clear and consistent in direction
More clear instructions we are a nursery and it feels like we re left hanging.

General Comments

Wage Supplement was a good measure but still not enough to cover the costs. We do not have only employment costs but also loads of other expenses which are still ongoing to keep the business running for the time being including water & electricity bills, loans, in our case monthly hire purchase installments, telephony rents and other monthly subscriptions which cannot or not worthed to terminate.
Urge hoteliers (the secot who has been given the most state aid) to settle long outstanding dues (2019, prior to Covid-19 outbreak) with their creditors as not to have a negative domino effect on other businesses who unfortunately were minimally assisted by the state.
We need alot of help. I have put all my money in stock for the coming 5months because it is the peak season for us and all of a sudden we had to close .It is in the shop I do not know for how long before occasion start to happen.
Financial because, as we do waterproofing and sports facilities, and domestic turf, at the moment people are not pleased to let workers at home, if not emergencies. Our service is not an emergency.
Remove the directive to Govt entities to order all their printing requirements from the Govt Printing Press
Increased economic activity has to be throttled as not to end up having a resurgence of the pandemic, as this will have a marked negative psychological effect on customers at large, including the way the country is seen by potential tourists.
My clinic remained open throughout the duration of covid 19 till present day , the problem is people were advised to call 111 and not to attend clinics and my patient contact lessened. I am a gp with two part time employees and have clinics to rest such as a dentist who closed down and per agreement I am not charging rent.
And clarity when restrictions are lifted as well as enough time to implement the changes as at the moment there is nothing but confusion. The issue of fitting rooms does not make sense, if people are to be allowed to try on and cleaning after each customer takes place, the items should be able to have contact with the skin, especially since clothes need to be quarantined afterwards!
Re-opening of airport to European flights and re-start of normal life under health safety precautions
Open the airport!!
Any Support helps
Where is the surplus?
We need increased air freight routes to major hubs.
The longer we take to open, the harder it is going to be to get Tour operators to start selling Malta as a destination once again. We are also being pressured to offer significantly reduced rates for our services
The current economic situation is very fragile, and the need for additional government support is still being felt for many businesses to survive. Though the extent of the need for support differs from one industry to another.
Open up the economy and remove most of the restrictions asap, nothing else!
Release the directive on e-residence with the capping of €30K wages for construction skilled workers
Be more flexible in providing support that reflects each company's situation.

Keep airport closed to prevent the second wave of Covid-19.
Releasing the vulnerable workforce because some of them are needed.
Help kick start the economy
To open childcare centres
Invest in professional outdoor sports to attract sports tourism - second golf course is needed - indoor tennis - bring competitive sports to Malta to bring new type of tourist. Young tourists want experienced and activities - museums are for past generations and older type of tourism - younger generations have no interest and we have to adapt fast to what the younger generation of tourist wants or we will be stuck in time - younger generations are more aware. They are traveling the world and want to walk on the Great Wall of China, or see Niagara Falls or fly over the gran canyon more then standing Infront of Caravaggio in St John's Co Cathedral. We don't have these attractions but can focus on giving experiences, Promote rock climbing and scuba diving more, address second golf course and promote professional competitions that will bring thousands of tourist for events that are televised and serve as the best form of marketing for other nations to know the location hosting the sporting event watched by millions. Ryder Cup, Soleheim Cup, Australian Tennis Open, etc attract millions of tourist and we need to invest as the future of tourism is events driven by competitive sports, whilst museums will be empty, and a thing of the past, and expensive to run as is already happening in other European countries that have more to offer then the local cultural heritage. Think ahead and act now.
Government is opening sectors too quickly. Should have been more phased in approach. Short term economic benefits could lead to serious health crisis down the line with a far worse economic impat. MEA must warn a more cautious approach is needed with 3 weeks at least between each opening-up phase.
Understand each business situation thoroughly, business by business. We provided facts on how business activities went down to an absolute minimum for the first months and we still were not granted any good assistance.
It is hard to be equal in all sector, but in all fairness this pandemic effected each and every one of us. Employee should respect more there employer . This matter should be more addressed from government.
Recommendations were put forward to government by representatives of the Professional Services sector including Kamra tal-Periti.
Support should be means based and in line with the national development pillars, not supporting companies whose businesses are not sustainable and/or those that have not been paying into the system
We are presently in the process of constructing a long-term care home for older persons and the COVID-19 pandemic has not effected progress significantly. However, notwithstanding a myriad of public statements affirming their 100% support to business and CSRs, banks have continued to aggressively charge fees e.g., commitment fees on unutilised project finance balances; and interest. It would help if public statements of support were translated into actual value-added actions. Moreover, all service-providers e.g., ARMS, GO, Melita, etc have maintained their invoice-issuing capacity to the full - again despite their public commitment to assisting businesses. Government policy could have been more focused here.
Allowing working parents or single parents to benefit from parental subsidies until schools open in September due to many parents not being comfortable with sending their children to summer school or child centers at this point but risk loosing their job if they do not. If

children get sick or have flu-like symptoms and the summer schools require children to be kept at home, working parents should be eligible to use their personal sick leave to care for their children or work from home in such cases.

Will await new support being introduced next week than we will evaluate.

Appendix III: Additional Comments by Survey Respondents

This is a list of additional comments given by survey respondents:

"No business is built for zero revenue" - if the government wants the employer to sustain wages with zero revenue, then the government must transfer his focus on how to help businesses maintain their cash flow. Banks are not being helpful with the schemes launched. These are schemes between two private parties, so the bank is taking the right to refuse to give assistance. The postponement of taxes is a laugh in the face: postponement of provisional tax for a year where majority of businesses would be declaring a loss or maybe break-even; postponement of FS5 payments where the government is already retaining the NI from the wage supplement, and many of those who qualified are on a reduced week, so income tax is less; acceleration of VAT refunds has not happened yet. For hotels, eco tax for Q1 still had to be paid by its deadline of 15/05. So all the figures the government published about postponement of taxes is there to be swallowed by the donkeys only. This means that the government is not offering real help to businesses, but only wants to milk them.

And please advise the government to stop treating the employers like criminals. All we hear about are threats and deadlines. After all there are professions where they are hardly doing any work at all (teachers mainly) and they are still being paid in full. While someone like myself who is an employer and a mother, I have to continue with my children's education on a daily basis, continue fulfilling my role as an employer and having to submit all mandatory reports on time. And all I am receiving on a monthly basis is €800, just like my employees!

30% of our workforce is currently receiving parental benefits, so the opening of childcare centres and Skolosajf should make our lives easier

As human beings, everybody has his/her agenda to follow. When MAM objects to open up the economy or restrictions, it does not do so because it cares about human lives but predominantly not to increase the workload on doctors! Their income is guaranteed but those people who lost their jobs, are one who are desperate most, and these people cannot be ignored!

Childcare is essential yet no consultation included owners and providers and Parents have high anxiety. Many prefer to keep th child home while home working

Covid - 19 had a very bad effect on our business and we expect 'normality' some time around Christmas 2021.

Employers should be incentivised to encourage work from home and teachers should be giving lessons online to relieve parents working full time from schooling and homework duties

Government is encouraged ti address the problem of a disfunctioning MBR ,which is burdening the businesses with heavy fines for seemingly unnecessary petty information which is already filed. Gov promised any dues to businesses to be speeded up and paid to assist failing ones. But nothing is done to prevent other unnecessary financial burdens.

Government must review situation and allow business operations to resume and give permission to hold events up to 300-350 persons, under regulated, safe and sanitised environment, with controlled list of guests and providing all health guarantees
Greater help required to ensure safeguarding work places
Keep airport closed for at least till September
KEEP EFL SCHOOLS CLOSED UNTIL OCTOBER
Labour cost reductions. We have re-deployed staff, and restructured O/T to achieve better efficiency.
Manufacturing will feel the full pinch of Covid-19 in the coming months
MEA MUST SUPPORT STANCE OF MAM FOR MORE CAUTIOUS APPROACH. I AM VERY WORRIED. PLEASE SPEAK OUT
Measures were being lifted but no clear guidance was being given to sectors concerned and people were being left with a lot of question marks hence, putting more pressure and tension on the general public/ companies/ shop owners.
Open Airports.
Other than Wholesale and Retail we also operate Car Rental & Lease. The Car Rental business which is heavily dependent on the tourism market is still at a complete standstill and even though there is the possibility of the airport opening we will expect to return to some form of normality within a timeframe of more than 18 months. Sustaining the operation is not easy at this time and in this case we had to resort to redundancies.
Our company was 100% dependent on tourism and flight operations. Without tourists and flights we have no business at all. We have in recent years invested a lot in our business, and the longer we wait to start the thinner we stretch especially since our rentals and expenses have not stopped. Only our income has stopped.
our economy is based on co-dependencies, and a lot of revenue is tourism generated so in reality, until we open our ports (air & sea) i don't think we will see a big improvement. As a printing company the current moves to more online services actually reduce demand for our services so i don't see any quick improvements.
Our industry will need support in months to come because we come further down the chain. Building finishes will be affected more later when the spending power of people will be less if there is a lot of unemployment. People / businesses will not be willing to spend on improvements unless absolutely necessary.
Please offer personal support to companies who are asking questions and are not being answered. Our application was rejected. We are an internet, e-commerce business not in the IT sector, and therefore we should have been eligible for support. Application ID is WS/18753 if anyone can offer any support.
Pleased do not rush into this as a return will be more devastating than the beginning!
Politics are taking over health decisions. The general public is not yet confident to resume the previous activities. The public has been released to enjoy the "normality" at a very very big cost; Health. The Government should be more realistic and help out the businesses by taking the right decisions and not try to satisfy the few. In the transition there should be more financial help given by the government.
Re question 4a - I would have chosen another option, namely that we had to diversify, we had to be ready to change our normal routines, especially since court is not holding sittings, we had to move towards remote working, holding meetings with clients using virtual platforms. Thankfully most clients co-operated.

Since the construction industry was not effected with restrictions, it had to continue with the commitments and projects, however the pandemic still had a big effect on the sales and production and to our commitments with clients especially when pre COVID 19 we were in a stage of increasing our workforce to meet the demand. Now our situation we lack human resources to meet the deadlines of our commitments

stop this fake pandemic

Study travel tourism will not flow in as it was pre-Covid for many months. hence, we need govt financial support even after airports and schools open and until the numbers of students are a healthy number.

The economy will only recover once we have our Airport and Ports operating fully as then Tourism can kick start this. Safe travel corridors, overcoming the fear of the virus spread. Today airlines announced updates <https://www.birminghammail.co.uk/news/midlands-news/ryanair-easyjet-british-airways-jet2-18310465>

The government must support more those businesses that are most in need to eliminate any chance of bankruptcy before its too late.

The major impact on Maltese economy is tourist based so opening of ports is vital!

The vulnerable age group should be amended to above 75 years of age with the next lot of opening up measures

These are uncharted waters, admittedly. But Government is adding to the uncertainty through seemingly conflicting decisions - for example opening restaurants and bars, but then postponed exams from the May June period all the way to September! It is so much riskier to go to entertainment spots then sitting on a desk writing an exam with distances between desks measured and controlled. The Government, instead of brightening the light at the end of the tunnel, is obscuring it by policies that block even the twilight seeping in.

This COVID 19 virus has been a major disruption to our business. Though we are grateful to health authorities for their support at the outset of the virus. Now that it is clearly under control and clearly not the threat people thought it to be. It is critical that businesses resume businesses practices without any restrictions what so ever. The only restriction i believe should be made is social distancing for those individuals that suffer from morbidities. Everyone else should be allowed to live a happy and normal life, without any further distrupctions to their freedom, as has been the case with quarntining and social distancing.

This virus is here to stay for the time being, so it is pointless staying inside. What is the point of being healthy and having only one new case a day if we cannot work and resume a semi-normal life? There are mental health issues to consider, and also, people cannot live on air, they might not die of Covid but will die of hunger if they are unable to work. Savings only last a certain amount of time. There should be an advertising campaign with an emphasis on buying from local retailers, local tourism, buying local produce etc. in order to help the economy. And in the near future, a great marketing campaign focussing on tourism. There also needs to be enforcement to ensure measures (the reasonable ones!) are adhered to in order to ensure that people do resume their lives, but still take the necessary precautions.

To help reduce the large uncertainties that our organisations face today we need more direction and firm plans from Government. We are hearing to much of case by case decision making process.

Unfortunately printing presses are facing lack of sales since our main clients are coming from the tourism and entertainment sector. Our company lost between 70 - 80% of our sales However since we fall under annex B, we are not receiving enough help.

Us as employers had a very difficult time during the closure, we had recently invested in a new project which was meant to open in April, which had to be postponed, this left us with less cash flow and more worries on how to make ends meet.

We are able to operate as long as the number of cases remains low and under control. If there were widespread infection, the risk to our operation would increase as a consequence of people being ill, under quarantine, scared to work, areas on shut down due to decontamination, etc. This would also affect our service providers who would have the same problems and the net result would be an exacerbation of issues (eg. if our transport agents cannot give us a service because their workforce is ill, we will have difficulties in moving raw materials and products; if our equipment servicing companies cannot give us a service because their workforce is ill, our machines will stop). Therefore, it is imperative that we ensure that viral spread in Malta remains low and under control.

We are having problems with employees. Employees are refusing to work because themselves and their families have to follow quarantine period each time they stay on a ship to do work..so even this is a huge problem for our business. The government lately opened this part of our business but with the quarantine measurements in place employees are refusing to work and we have to refuse the job..so even that is a loss of business which is difficult to get back. And with the opening of shops and restaurants less people are willing to do regular quarantine for work reasons. Furthermore right now we are not giving redundancies but employees leaving the company are not being replaced.

We are now feeling a decline in sales since people are consuming what they have bought during the pandemic.

We are small family business and i hope that we will find all the help from the government to carry on in the future

We cannot use changing rooms so we were open with no sales whatsoever.

We will not recover until wedding receptions are held again like before.

While the initial reactions of the government were positive in isolating the vulnerable in society, we need to now focus on getting the majority of the population back to work and normal life so that the government can afford to continue to support the most vulnerable.

While we understand the difficulties our customers face, we still need to get paid. We need the government to help impacted businesses and entities pay us the money we are owed.

With restriction, people are still not going to restaurants, mostly those who have indoors only.