

SMEs National Forum 2023



GOVERNMENT OF MALTA
MINISTRY FOR THE ECONOMY,
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Main collaborators



Foreign Workers in the Logistics Industry

Addressing HR Challenges

REPORT



October 2023



Foreign Workers in the Logistics Industry

Addressing HR Challenges

REPORT

OCTOBER 2023

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The Malta Employers' Association

It is, in effect, the “trade union” of employers, formally registered as such under the Employment and Industrial Relations Act (2002). The principal purpose for which the Association is created is the regulation of relations between employers, workers and trade unions.

Whilst taking due regard of the wider interests of the whole community, the Association is bound to endeavour to decisively influence the formation of policies at national level which lead to:

- The development of a culture positively encouraging enterprise;
- The creation of economic and social conditions favourable to the profitable growth and competitiveness of Maltese business and also in the interests of employers in general;
- The development of productive employment.

Continuous economic and social developments in Malta have made the role of the MEA even more relevant than before. The labour market is more regulated, with the transposition of EU directives and other legislation being constantly introduced. The labour market is undergoing a transformation where it is becoming more multicultural, and where there is a scarcity of human resources due to emerging demographic trends and economic expansion. Work organisation is also becoming increasingly challenging due to changing attitudes and social pressures. Therefore, employers – irrespective of size of company or economic sector – stand to gain from access to constant professional advice from an Association that is focused in its mission of being the specialist in employment and social policy matters in Malta.

In this scenario there is a new significance to the obvious benefit which the employer can expect to derive from being a member of the MEA. In the face of the challenges ahead, individual strength can only be achieved through unity – and the Malta Employers' Association provides the platform for the unity of Malta's employers in furthering their common aims. Now, more than ever before, membership numbers are important. By becoming a member of the Malta Employers' Association, you will not only be positioning your business more firmly on the chessboard of employment and industrial relations, but you will also be contributing directly to the enhancement of the employer-worker-union relationship in Malta.





The big themes in the Logistics Industry
Addressing its Challenges

July 2023



Message from Ms Joanne Bondin President of the Malta Employers' Association

This is the 11th edition of the SME's National forum, organized by the MEA in collaboration with the Ministry for the Economy, European Funds and Lands, and the Foundation for Transport and Identity, as part of this year's European SME Week and SME Week Malta program of events.

Malta, as a small island nation nestled in the Mediterranean, has witnessed substantial growth in its logistics industry, and this growth has been intricately linked to the increasing numbers of foreign workers, regardless of their national origin, who have played a pivotal role in the sector's expansion.

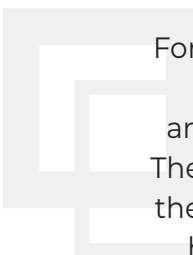
The logistics sector is the lifeblood of any economy, ensuring the seamless flow of goods and services both domestically and on the international stage. In the case of Malta, this sector is no exception, driven by the nation's strategic location as a trade and transshipment hub.

Foreign workers have become indispensable in sustaining and accelerating this growth. They have filled labour gaps in the logistics sector that might have otherwise hindered its development. They augment the labour force, enabling companies to meet the escalating demand for their services. Moreover, the presence of foreign workers in Malta fosters a spirit of cultural exchange. It is an opportunity for Maltese workers to learn from their colleagues with different backgrounds and broaden their horizons. This cultural diversity can also be regarded as an asset in a globalized industry where understanding various cultures and languages is essential.

However, it is imperative to acknowledge and address the challenges associated with the employment of foreign workers, particularly third-country nationals, in Malta's logistics sector. Language barriers, while a source of diversity, can sometimes hinder effective communication. Additionally, concerns about the potential exploitation of these workers must be addressed through the implementation of robust labour regulations and vigilant oversight.

Indeed, foreign workers have evolved into an integral component of Malta's logistics sector, with their contributions being indispensable for its continued growth and success. By embracing the advantages they bring, confronting challenges, and promoting inclusive and equitable employment practices, we can ensure a flourishing and sustainable logistics sector in Malta, promoting diversity and harnessing the talents of workers from various backgrounds.

The topic of foreign workers in Malta's logistics sector is a multifaceted and complex one, which calls for deeper exploration and dialogue. I encourage each of us to actively participate in this crucial conversation, sharing our insights and working collaboratively to find solutions that benefit our nation, economy, and society.



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As we continue this dialogue, I urge you to consider the impact of foreign workers on our logistics sector not only in economic terms but also in social and cultural aspects. Let's reflect on the opportunities for further collaboration, the development of innovative solutions, and the nurturing of an environment where diversity is celebrated and leveraged for mutual benefit.

Thank you, and together, let's embark on this journey of dialogue, collaboration, and progress.



Message from Mr Joseph Farrugia


Director General of the Malta Employers' Association

As an open economy, with vast dependency on the shipping and transportation of goods, most critical of which is the transportation of food, the role and significance of the logistics sector becomes all the more evident.

It is however also true that despite knowing how important this sector is to our economy and to our livelihood, this sector is lacking a competitive edge over other more commonly mentioned sectors, such as the tourism sector, the manufacturing sector and the financial sector. This lack of competitive edge may be a result of lack of visibility, information and attractiveness of the logistics sectors; all factors which we need to mitigate against and work to improve. Greater efforts are to be place in ensuring that our students, led by career guidance teachers, are aware of the conditions, the career prosects and the opportunities that exist in this sector. The sector would thereby benefit from increased workers also coming from through our Maltese cohorts.

Supporting this, it is also evident that the education system needs to support the further growth of this sector, through the development of diplomas or higher-level education programmes, which are specifically developed for the logistics sector. Such courses would promote the sector, improve the information and visibility of the sector and opportunities therein, and hence provide further understanding of what the sector is truly about. Employers in the logistics sector would thereby find suitable skilled people and the need to offer specialised training would diminish.

To address these challenges, we must endeavour to collaborate more. An example of such collaborations is the ongoing work which the Malta Employers Association embarked upon in 2023 with Identita', a collaboration which was pursued on various fronts. A key matter for this subject is the drive to attract quality personnel. The Malta Employers' Association supports all efforts which result and encourage fair competition, and in this regard stands with employers who submit faithful applications for foreign workers. It is worthwhile noting also that it was the Malta Employers Association that initiated the discussions on the need for the regularization of outsourcing companies, as we stand for the ethical employment of TCNs.



We need to look at why foreign workers leave Malta after a short period of time - this is not related solely to wages.

The discussions surrounding foreign workers are vast and important ones to undertake, not only for the logistics sector. The MEA, as it has already done in the past through national conferences, studies and position papers on the subject matter of demographics, emphasises the need for in-depth discussions related to the inclusivity of foreign workers into our labour market such that we avoid at all costs moving towards a two-tier labour market system. Our country needs to a holistic plan for the retention of foreign workers, the quantum, the how and the how long.

Once the collective decisions are made, we then need to fully embrace, facilitate and support foreign workers in their stay in Malta.

Preamble

The labour force is a fluid and dynamic structure that takes the shape and form of the population which establishes it. This ever-changing and evolving socio-economic component determines the skills employers need to work within their enterprises and it also determines the extent and type of investment, via formal and on-the-job training, which enterprises need to undertake to upskill or reskill. Changes in the quantum and quality of the labour force thereby have a direct impact on the industry, its output and value-added, and hence our country's productivity and competitiveness.

The labour market may be affected by changes in both endogenous and exogenous factors, the latter relating to push factors, such as wars, economic turmoil, health emergencies, or changes to labour market regulations which make people from outside Malta want to move. Beyond the shifts in the labour market related to the COVID-19 pandemic, several of the labour market changes over the past decade, have been a result of changes induced locally; the pull factors.

The Maltese labour market was consolidated and strengthened through several reforms, most notably those related to the fast-paced increases in participation rates for all cohorts, especially for women. There have also been several reforms related to ageing cohorts and their continued participation in the labour market. Between 2012 and 2022, Maltese workers increased by 19,000. During the same period, the labour force was also significantly widened through workers from beyond our shores, both of European Union nationality and Third Country Nationals, bringing along a varied mix of cultural norms, experiences, expectations and needs and thereby significant challenges for social and economic adjustment. Indeed, in the last ten years, Malta saw 190,000 foreigners form part of its labour force for a given amount of time. Non-Maltese workers made up 27.9% of the labour force at the end of September 2022.

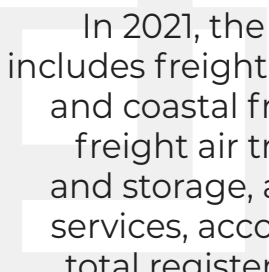
In 2021, the logistics sector, which includes freight transport by road, sea and coastal freight water transport, freight air transport, warehousing and storage, and postal and courier services, accounted for nearly 4% of total registered business

units and 8,185 employees. In the same year, foreign workers accounted for 18.7% of employees, up from 2.9% in 2010. Half of these foreign workers were EU nationals.

The need for foreign workers, resulted from an economy that has grown at phenomenal rates, outpacing the population growth, which is also ailing from low fertility rates. It has also resulted partially from a need for a wide-ranging variety of skills which were unavailable locally. Our desire and will to continue expanding led to these demands. This is a trend being faced by several European countries in search of skilled and highly skilled foreign workers.

In light of these demand factors, the debates on immigration often centre around the control of flows, the length of their stay and potential permanence in our country, their employability if they lose their first employment and thereby their integration. Especially in the case of TCN, where cultural differences are even larger than for European Union citizens, these would typically need a period of adaptation, versus their immediate start in employment upon arrival. Settling permanently in our country would also imply providing the right environment, regulations and tools to build multicultural communities.

Around 25% of non-Maltese workers spend only 12 months in employment and on average 22 months in continuous employment. Issues relating to the length of stay of foreign workers have a direct impact on worker attrition rates, training needs, operational costs, short and long-term profitability, and productivity. Aside from the significant and visible impact that such a fast-paced increase in our population is having on all forms of infrastructure, employers and Human Resource managers are thereby equally concerned about the impact that this influx is having on the



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quality of the labour force and the quality of the service and product offering. High levels of staff turnover also have a lasting impact on the stability of organisations.

Other concerns, particularly for the logistics sector, also relate to licensing and regulations, health and safety, training and education, communication, cultural issues and integration.

It is for this reason that the Malta Employers' Association, as it has done on several matters, is once again bringing together all involved parties, including Government bodies, to lead the discussion at a national level on foreign workers in the logistics sector. The MEA hopes that these discussions act as a catalyst for action, change and future planning.

Theme video of the conference

<https://www.youtube.com/watch?v=ud-qTsvyOpM>

Foreign Workers in the Logistics Industry – Addressing HR Challenges

Theme video: <https://www.youtube.com/watch?v=ud-qTsvyOpM>;

SOURCES

Central Bank, 2023 – Developments in the Logistics sector

<https://www.centralbankmalta.org/site/Reports-Articles/2023/Logistics-sector-developments.pdf?revcount=9853>

Malta Today, 2023 – Foreign workers: One in four leave after one year –

https://www.maltatoday.com.mt/news/national/123269/foreign_workers_one_in_four_leave_after_one_year





Outcomes of focus group

On Friday 29th September the Malta Employers' Association held a focus group to elicit the main issues which are to be discussed on the day of the final conference, identify more stakeholders, and discuss how we can lead to tangible proposals and way forward to try to resolve or create a road map how to overcome certain difficulties related to transport, logistics, and challenges which SMEs are presently facing.

The focus group was successfully attended by the following entities:

Joanne Bondin, *President, Malta Employers' Association*

Anton Vella, *SME Help Desk, Malta Employers' Association*

Kirsten M. Cutajar Miller, *Consultant, Malta Employers' Association*

Michael Callus, *Chairman Transport Malta*

Peter Paul Barabara, *Foundation for Transport*

Ruth De Brincat, *National Skills Council*

Tania Brown, *Indentita'*

Raphael Scerri, *Jobsplus*

Etienne Caruana, *Director General, NSO*

David Abela, *Eurobridge*

Chris Borg Cardona, *Farsons*

Brian Galea, *Toly Products*

Roderick Bajada, *Malta Public Transport*

Steve Philip Borg, *Department of Industrial and Employment Relations*

Keith Zahra, *Corporateid Group*

Nadine Cilia, *MISCO*

The focus group was also critical to confirm the selection of the titles and topics to be discussed during the ten round-table panel discussions, on the day of the final conference. Furthermore, the focus group was meant to address the following research questions:

- Why is there a dependency for foreign workers in the sector?
- The impact on our economy especially on SMEs...are these helping our economy or we are engaging them just because we have no other option?
- What level of education do these foreign workers possess?
- Do they face any language barriers and difficulties in communication at the place of work?
- Is there an impact on the health and safety of employees or third parties as a result of a potential lack of training, know-how or skills?
- What sort of training are we offering to these foreigners, regarding basic English language understanding, Maltese culture and local knowledge? If we are offering it voluntarily, shouldn't we start to introduce it as an obligatory necessity?
- Are we being attentive enough to offer basic training to these foreigners and in such cases even to locals?
- What is the National Skills Council doing about this reality?
- How is Jobsplus dealing with such issues related to foreign workers with no training whatsoever?
- How easy is it to employ TCNs within the logistics sector?

- Are we working hard enough to facilitate their access to finance concerning opening their new bank account?
- Why we are having an influx of TCNs and not Europeans?

Factors which are also impacting the sector's future:

- We also need to look at a holistic perspective to establish a clear strategic vision for our Nation, of how we should act from now on, as a way forward.
- Are we on the right track in continuing to encourage an economy based on numbers and not on quality? Are we being driven by demand and supply reality? Should we put at risk our quality standards?
- How we should lead our labour market towards the ESG objectives?

During this focus group, four key issues emerged repeatedly:

- The need for more research and data related to the subject matter, such that policy-making is truly evidence-based.
- The discussion on foreign workers is closely related and interconnected to the strategic direction which the country is to pursue in the medium to long term. In this regard, future migration strategy needs to be undertaken in the context of the prospects of the wider economy and the face of an ageing population. This will thereafter link to the education and skills policy.
- The wide variety of interconnected variables which are in play and hence the importance of focusing on several issues on the day of the conference and providing clarity, such that the objectives of the conference are achieved.
- A need for sectoral focus, especially on the day of the conference, rather than discussing the topic of foreign workers in Malta for the whole economy.

Other salient points raised during the focus group include:

- Several entities are in the process of gathering data on the issue of foreign workers, across various sectors, as this is important for their operations. It would be worthwhile considering centralising such efforts in order to obtain the widest data capture.
- Data collection with foreigners may at times be difficult, especially as these rarely follow local news or local media campaigns and more interested or conversant with what is happening in their own mother country. Language barriers further contribute to the difficulty in data collection.
- Several initiatives were also mentioned concerning the labour market, of which the National Skills Survey conducted by the National Statistics Office and a

recent study by the Central Bank on the logistics sector.

- A point was also raised relating to the fact that despite critique on the lack of training available, JobsPlus has last year trained 50,000 people, half of whom were foreign. These training courses have been created and established after training needs discussions with employers.

During the focus group, Identita confirmed that it does not allow people to enter the country at a whim, there are controls in place and checks are made with health entities, the Police and Jobsplus. Further to this, Identita's representatives also confirmed that Malta has the legal right to close its doors to further migrants based on an argument of numbers and volumes.

The focus group members also discussed and agreed upon the importance of ensuring that employers carry the full responsibility for the licensing, certification and suitability of employees. In the face of this responsibility, are employers suitably equipped to screen their future employees and assess their skills? Can more be done to benefit from economies of scale when it comes to the proper use of Human Resource practices?

Employer representatives emphasised the point that investment in training has increased considerably over recent years, especially given the short employee attrition rates. This coupled with greater recruitment expenses makes the cost of employing and training foreign workers greater than the relative costs of employing a Maltese worker. Employers however noted that the logistics sector is lacking courses which are targeted specifically to it.





AGENDA OF THE DAY



Foreign Workers in the Logistics Industry

Addressing HR Challenges

October 2023

maltaemployers.com

SMEs National Forum 2023

- 12:00 Buffet stand-up lunch
- 13:30 Theme video, and introduction by event host, **Keith Demicoli**
- 13:35 Welcome Speech by **Joanne Bondin** - *MEA President*
- 13:40 Keynote Speech by **Kirsten C. Miller** - *MEA Consultant*
- 13:50 Presentation by **Col. Mark Mallia** - *CEO Identità*
- 14:00 Presentation by **Kevin Farrugia** - *CEO Foundation for Transport*
- 14:10 Address by **Hon Silvio Schembri**, *Minister for the Economy, EU Funds & Lands*
- 14:20 Main Panel Discussion:
Foreign Workers in the Logistics Industry – Addressing HR Challenges
With the participation of:
David Abela
Peter Paul Barbara
Etienne Caruana
Dr Anne Marie Thake
Col. Claudio Spiteri
Dr Stephanie Fabri
Joseph Farrugia
- 15:05 Round Table Discussions
- 16:05 Feedback from moderators
- 16:50 Closing Remarks by **Joseph Farrugia** - *MEA Director General*



Keynote speech by Kirsten M. Cutajar Miller Consultant, Malta Employers' Association

The scope of this presentation is to provide you with some context such that the discussion is held with focus and clarity. The data in this keynote speech is guided by a report published by the Central Bank of Malta in 2023, titled 'Developments in the Logistics Sector'.

What are we discussing?

The logistics sector has been defined by Kovacs and Kot (2016) as the “planning, organising and coordinating of the flow of materials, information, energy, money and values inside a logistic system”. To gather an understanding of the areas included under this sector and given a lack of internationally accepted statistical definition, the sector may be taken to constitute those sub-sectors of the transportation industry that are unrelated to passenger transport but related to cargo. This includes:

- freight transport by road and removal services (between ports, to warehouses and storage);
- sea and coastal freight water transport (such as the activities of the Freeport and Grand Harbour);
- freight air transport and space transport (such as the activities of the Malta International Airport);
- warehousing and storage;
- support activities for transportation; and
- postal and courier activities.

Delving into further details on this sector we find the following salient information:


- There are 5,210 business units in the logistics sector, which approximately represent 4% of the total registered business units in 2021
- Between 2016 and 2021 the registered business units in this sector increased by 65%, which is far greater than the growth rate in business units for the rest of the economy, at 28.6%.
- 98% of enterprises within the logistics sector were classified as micro and hence employing less than 10 employees.
- Nearly 2% of these enterprises were small and 0.3% were medium or large enterprises.

Moving onto employment in the sector, 8,185 people were employed in the sector in 2021, with 6,320 being full-timers and 1,865 being part-timers. It is to be noted that between 2010 and 2021, full-time employment in the logistics sector increased by 20.7%. Furthermore, only 3.2% of employees were employed in the public sector, implying a large dominance of the private sector in the industry.

Moving further into the details of the labour market for this industry, in 2021 foreign workers represented 18.7%, up from 2.9% in 2010. Of these foreigners, 49% were non-EU nationals, marking a sharp increase since 2018. The logistics activities sector employed one of the highest percentages of Maltese residents (at 78.1%) and indeed may be regarded as comparable to agriculture, fisheries, wholesale and retail activities.

In terms of employee compensation in the sector, the average compensation per employee stood at €26,238 in 2021.

Given this information, and whilst also understanding that we have an ageing



It is also evident that a wave of skills mismatch and obsolescence is being witnessed due to fast technological developments brought about by the twin transitions and a lagging educational system. This is resulting in extensive infrastructural pressures on various levels.

population, a declining natural population, coupled with the continued demand for labour due to economic growth, a gap in the number of people required to sustain our economy is evident. It is also evident that a wave of skills mismatch and obsolescence is being witnessed due to fast technological developments brought about by the twin transitions and a lagging educational system. This is resulting in extensive infrastructural pressures on various levels.

Today, we thereby wish for you to look into the quantum and the quality, and we do so by eliciting some points for discussion.

Starting with the quantum, we are in a tight straightjacket between the need for the availability of people and a wish for less sharing of our strained infrastructure. Which way does the balance tip? We are undoubtedly dependent on foreign workers, is this a short-term or a long-term dependency? Are we in a position to continue growing our turnover, without depending on more people? Can we do more with the same? Can we collaborate, invest, and improve our output?

In terms of quality we ask, are we adequately served by the foreign workers who have been recruited directly by us? If not, how can we improve our recruitment efforts to obtain better quality?

Are we attracting skilled workers or are we seeking to fill low-level jobs?

Are we offering careers, with clear career progression to all workers equally, or are we simply offering jobs? How does this influence attrition rates?

Do we want more EU nationals or TCNs working for us, does it matter, and how can we attract them and retain them accordingly?

Lastly, can this sector serve as an example or propose recommendations to other sectors?



Simplify Your Stay: Introducing the new Expatriates Unit Portal

The new Expatriates Unit Portal has now been extended to non-employment residence documents, providing a user-friendly and convenient solution to manage applications from the comfort of your home or office, whether you are a student, a professional, or joining family members.

expatriates.identita.gov.mt



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Message from event partner



Colonel Mark Mallia – *Chief Executive Officer identità*



I acknowledge Identità's important role in hiring foreigners and at the same time safeguarding our national security and providing local employers with efficient and timely services. Rest assured that we do understand the concerns and responsibilities that rest on your shoulders as employers, who more often than not rely on foreign labour to meet your business needs. As a government agency, we are constantly exploring ways to improve the efficiency of our application process including the logistics industry. It is of

utmost importance that one recognizes the important role that migrant labour plays in the Maltese workforce. Malta's unique position as an EU member state and its growing economy make it an appealing location for job seekers from all over the world.

May I remind you of last week's survey by EY that reaffirms that the second most significant concern for investors is the shortage of labour skills, however, this presents various challenges first and foremost:

- ensuring that we are importing the right people with the right qualifications and
- secondly and most importantly the need to balance our labour market needs with national security considerations.

This brings me to certain queries we have received as of late. We are receiving a lot of emails and telephone calls from people asking whether we are marking time on applications or whether we have put all applications on hold. We have not and we will not. I have promised my commitment at the beginning of my tenure that I will be close to all the employers with genuine applications but this brings me to two key words 'abuse' and 'quality'.

Let me start with 'abuse'; nothing has changed so what we're doing at the moment is applying more rigorous due diligence and checks on every application. We need to ensure that whoever submitting applications with us is a genuine application. We have to identify the skills and the qualities that we need from our potential employees but somehow some employers might have changed them upwards down completely. It seems as though employers are going more for numbers for quantity rather than for quality. We need to ensure is that changes and whoever is applying with us is getting the quality. We need to eliminate abuses.

We read stories on the media, we receive information of certain abuse and I would like to mention some of the models that we regularly face. One of them is getting employees in Malta, offering them employment contracts and once they reach Malta, they will be told there is no job for them, and that they have to go and search for a potential job offer. This is not right. We will not be there to widen anyone's pocket. We also hear of cases where an employment contract gets submitted with us and then that would eventually be changed for much less income.

We also hear of stories that employers would sign a good number of 'declaration of posting' forms, a form which has to be submitted with an application by temping agencies, but these are signed when they are still empty and hence have no particulars on them. Employers would simply be signing empty declarations. This is another abuse. We also hear of cases where employers are asked whether



It is the agency's twin objectives to increase efficiency in the recruitment of foreign nationals while at the same time protecting Malta's national security.

they are fine with submitting more declarations of postings than required by that employer, with the extra workers not joining the employer but having the opportunity to shop around in Malta or flee to other European Union. We are not there to facilitate these kinds of applications.

The second keyword was quality. What we need to ensure is quality and here I remind you of three schemes that have recently been introduced locally. One of them is the requirement for an applicant who would be driving a Y-plate rental car. Before, an international driver's licence was sufficient, now they have to submit a Malta driving license or a European Union driving license. I think we all agree that's a win-win situation as we all take cab trips, us, our families, our children and I think this will ensure that whoever is driving our families has been tried and tested.

Another policy introduced last week was that of the skills card for the tourism and hospitality workers. Once this scheme is launched, following the public consultation period, we as Identita' will require that any application for any of those jobs would also have to present with the application the completed first phase of the online test done by ITS. Only applications submitted and verified by us as having genuine and normal will be processed. Only then would the applicant, if the 'approval in principle' letter is issued, and if any visa is needed, and he or she would travel to Malta, a second test would follow. This second test is a physical test at ITS. We will not issue the work permit until all this has been completed and in order.

We will also be introducing another scheme in the coming days which is an additional corridor to the key employee initiative. We already have the KEI which gives applicants a fast track in our system and over the coming days we will be

introducing a new corridor, which is the specialist employee initiative. This would also be targeting and attracting quality. These requirements will also be gradually applied to other sectors in the future.

As an agency our dedication lies in ensuring that Malta continues to attract skilled labour not only in the logistics sector but also in others, this requirement will strengthen the capacity of foreign workers leading to developments in all sectors, providing a higher service quality and hence improving the total Maltese product. Ongoing training of staff is equally important to address any skill gaps. In the context of recruiting the right employees, Identita' plays an important role in balancing these local labour requirements with the National Security of our country.

We do not take these allegations lightly, in fact, our compliance unit within Identita' is working on every report that we receive and every allegation that we receive in addition to that we're also working with the government to possibly come up with new models that could mitigate these abuses, preferably eradicating them all together. Identita', with its third-party stakeholders is highly committed to safeguarding national security by conducting thorough background checks and due diligence on all applicants.

Over the years the agency has experienced a high rate of applications for residence permits for TCNs to work in the various industries in our islands. It was noted that some employers submit hundreds of applications for just three positions, and this goes against the recruitment principle. This inundates our systems and hinders the applications and due diligence processes.

We are committed to assisting responsible employees in the recruitment process of foreign labour and remain so. Throughout the years the agency has made significant investments in state-of-the-art technologies, resulting in the streamlining of procedures and the strengthening of our online platforms. Only recently, after our rebranding exercise, we have introduced an expatriates portal, which provides a unified online platform for all foreign citizens to apply for their residence documentation based on their purpose of stay. In this regard will remain dedicated to streamlining immigration processes and assisting as much as possible response and genuine employers. Will not support those whose focus is solely on the importation of foreign labour.



Foreign Workers in the Logistics Industry

Addressing HR Challenges

A prevalent issue that deserves attention. A significant number of these workers choose to leave the island after a very relatively short time. This trend presents a considerable challenge not only to you as employers but also to our agency and our stakeholders. The identification of the underlying cause and the creation of strategies to foster long-term employment can create more stable and productive work force benefiting you as employers, the foreign workers themselves, us stakeholders, and the country.

We reiterate and emphasize the agency's unwavering commitment to assist the fullest extent possible to all genuine employers.



The Foundation for Transport is engaged in the following services and activities across all transport modes including:

- **Transport Research and Innovation**
- **Transport Policy Advisory and Consultancy Services**
- **Project Management**
- **Vocational initiatives in the transport sector**

Message from event partner



Mr Kevin Farrugia

Chief Executive Officer – Foundation for Transport



As you might be aware the Foundation was set up three years ago with very limited resources, in fact very recently the Ministry for Transport and Infrastructure together with Transport Malta decided to revamp the Foundation to enable it to provide greater input to government transport policy, as well as research and vocational aspects, professions and skills within the sector. For this reason, very recently several seasoned technical experts with long years of experience in various fields of transport policy and science have been seconded to work within the Foundation for Transport, which very shortly will


be answering to the Permanent Secretary of the Ministry and the Chairman of the Board of Directors of Transport Malta.

Some commentators in the media refer to the foundation as a talking shop. We are making sure that this will not be the case. Our objective is to provide long-term policies and solutions to the government as for sure transport policies would need to be written in a way to serve the country over the medium to the long term, rather than quick disconnected solutions.

Over the last couple of years, months and even days, we have been reading and hearing in the media about the various challenges that the country is facing and will be facing shortly given the current population growth that Malta is experiencing, as well as the future population growth that is expected and the challenges that this phenomenon brings with it. Most notably in terms of our physical spatial capacity and infrastructure. This is not to mention social and cultural challenges. This phenomenon is already here for everyone to see. Everyone goes shopping, goes to restaurants and other entertainment outlets, our hospitals, elderly care people who were our public transport and other transport services offer and so on so forth. In certain cases, Maltese workers are nowhere to be seen.

What is happening? What are the short-term and long-term implications of this state of affairs? One has to admit then indeed the face of the Maltese islands and our society is changing. In the last few years, I would say the fabric of society has been changed and rest assured will continue to change rapidly. It is estimated that there are approximately 50,000 TCN workers currently working and residing in Malta. What is the main reason for this change? I think the reasons for this are obvious but are they so obvious?

On hearing claims made by some employers and business owners one understands that certain vocational skills are limited or absent in Malta or that these workers do not want to work in particular sectors of the economy. Some of these have already been mentioned before and one can add some more, like for example within the construction industry. But is this the case? Or is this an example of a case where the salaries being offered in some sectors are too low for the Maltese workers to take up? Recently it has been reported that in some sectors the wages offered are so low that not even students are applying for these jobs. This in turn creates a vacuum and justification to import labour. Or is it because salaries offered in some sectors are too low to justify the need to import from third countries with even lower salaries? I know with certainty that in some economic sectors, the lack of certain skills with certain working conditions is a stark reality. Employers in the sectors, as opposed to others, need in factor to offer even better wages to attract foreign



Our objective is to provide solutions to serve the country over the medium to long term rather than quick, disconnected solutions.

workers in certain sectors, making their operational costs even higher. It is a fact that certain sectors especially in the logistics chain such as professional drivers, including freight forwarding drivers, drivers working in logistics and delivery of goods, and even public transport professionals, are experiencing a shortage in the labour market. This phenomenon is not only limited to Malta but indeed in many other countries like Canada, Germany and several Scandinavian countries, even as far as New Zealand and Australia where such shortages in the labour supply is a reality. Evidence from several schemes and conditions made by these countries to entice workers to work in any of these specific sectors. Just to name one example earlier this year the Immigration, refugees and citizenship in Canada announced changes to their express entry scheme to category-based selections, such as transport to address current labour shortages and support the economy by issuing a first round of invitations for transport occupations to category-based selection criteria. The targeted sectors include prospective candidates with experience in the transport sector dealing and transport of goods and passengers, such as commercial truck drivers, pilots as well as aircraft assembly, workers aircraft engineers and even seafarers, just to name a few. It is estimated that Canada needs approximately 17,000 more truck drivers from now up to 2025 to satisfy transport demands, and it is estimated to go beyond 30K more over the following years. On the other hand, the aviation sector is expected to require between 40K to 55k additional workers by 2035. The priority of the Canadian government in the issuance of invitations for skilled newcomers with work experience and transport occupation can also be mirrored in Malta. It seems that even the Maltese Government is already moving in this direction as well which we consider as positive.

Just last week we had the government propose that third-country nationals working for the catering and hospitality industry will need to obtain the skill card to enable them to work in Malta as of October 2024. This skills card will become mandatory also

meant for Maltese and Europeans working in the sector as from 2025. The training courses needed for the skills card can be followed in the native countries before they can have the application processed. This will be followed by other assessments on their arrival in Malta. This will also apply to current third-country nationals currently working in the tourism sector who need to have their work permit renewed. The skills card assessment will also include an English language proficiency test. The proposed plan is that the third-country nationals applying for a visa to work in Malta in this sector will need to pass an initial skills card assessment before their work permit applications can be processed. Lately, we have been hearing complaints from drivers across the board as well as from passengers complaining about certain behaviours, especially what seemed to be from third-country nationals, both employed in passenger transport as well as delivery of goods but most notably by third-country nationals cab drivers, as well as food delivery services.

We need to make sure that certain chaotic ways of driving carried out in foreign countries are not imported to our roads to ensure road safety. As far as transport is concerned the main question that should be asked is: Is it time that we approach the same part taken for the hospitality sector to also apply it for transport-related services as well as both passenger and goods delivery services? This is obviously up to Transport Malta as the national regulator if it wants to move in this direction, we believe that there should be a long period of training for such workers including training in driving skills and behaviour in our road ecosystem, training on national legislation and road traffic regulations followed by the appropriate testing. Stopping in the middle of the road to drop off a passenger or at a junction or sudden braking and stoppages committing double parking without notice is not on and this reckless type of behaviour poses risks to the safety of passengers and drivers, not to mention increases in accidents leading to higher insurance premiums.

It is a fact that these last few months we have seen an increase in insurance across the board blaming accident increases. I have been in charge of overseeing the enforcement unit that Transport Malta for the last four years, so I am quite aware of the challenges that exist. To cover all of the network is impossible with the current assets in hand, hence a major challenge. Hence, we must make sure that the drivers being employed are skilled in addition and equipment such as CCTVs and specific software is required to assist in enforcement.

It is a fact that the more the population increases the more transport in Malta increases which also puts more pressure on our infrastructure, energy as well as accommodation as already stated. European and TCN moving towards Malta to make a better living and better salaries would be found working in almost every sector of the economy and in some cases even edge out Maltese workers. So apart from this, workers moving to our shores a good number of them more operating

in transport-related services. Safe to say that the increase in immigration is partly being served by the increase in foreign drivers and thus such has a direct effect on the increase in traffic congestion. We think that this year for the first time there was no letting in longer journey times over the summer period when compared to the rest of the year, particularly when schools open their doors after the summer recess. What does tell us?

Apart from immigration one needs to remember the increase in the number of tourists visiting Malta where the numbers for this year proved to be astronomical and expected to reach the 2019 record of passenger movements. These too add pressure to our infrastructure, as well as to the supply of transport services. Without getting into the current issue brought forward by the captain drivers on the amount of money they are getting from their services, a question to be asked is whether third-country nationals are being exploited as far as salaries are concerned to the detriment of the Maltese workers. Recently during a protest held by several cab drivers has been claimed that their base salary is too low and complained of excessive enforcement and high commission rates charged by various platforms to which trips are booked. Similar complaints were sounded by delivery drivers operating on similar platforms complaining that they cannot make ends meet. This is a tricky question because even if a number of these workers may be exploited with lower salaries, inflation on the other side is still on the high side although in the latest data published on inflation transport prices appear to have increased. In the meantime, according to the latest polls published, Maltese are showing concerns about the increase in the number of foreign workers which has surpassed the concerns shown towards illegal immigration.

Last but not least when it comes to freight and haulage services there are also issues relating to driver exploitation reported in several EU countries over the last few years especially driving countries like Lithuania. A situation was highlighted by both the European Transport Federation as well as European Commission, both issuing statements over the exploitation of workers, especially workers who are third-country nationals, as time also amounting to slavery and human trafficking. In Malta, this does not seem to be the case, as several haulage companies are struggling to find drivers willing to work in the sector and are ending up employing European and third-country nationals forcing them to pay even higher salaries.

To conclude, we stress that a balance needs to be reached between the number of workers being employed in some of the economic sectors. The employment needs of the economic sector that they are employed in as well as the issue of the necessary skills and certification while making sure that the working conditions in which these workers are working are at par with those of Maltese and other European workers and not to the detriment of the latter.



Foreign Worker
Addressing HR Chal

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Key messages from panel speakers

A panel discussion ensued between the following representatives, and led by journalist Mr Keith Demicoli:

Mr Joseph Farrugia – *Director General, Malta Employers' Association*

Prof Vincent Cassar – *Faculty of Economics, Management and Accounts, Department of Management, University of Malta*

Mr Etienne Caruana – *Director General, National Statistics Office*

Dr Anne Marie Thake – *Human Resources Specialist, University of Malta*

Mr David Abela – *Director – Eurobridge*

Colonel Claudio Spiteri – *Head of Compliance – Identita'*



During this discussion, Mr Joseph Farrugia explained how the logistics sector is to be given its due importance as it employs nearly half of what the manufacturing sector employs, which we deem to be one of the economy's strongholds. This sector is often underrated and overlooked, we also fail to acknowledge that there are several careers in this sector and hence we fail to deliver the proper education courses and specialised training for this sector. This leads to the herding of students to the traditional courses.

This sector is critical, especially given the openness of our economy which therefore throws light on the contribution and the dependency on this sector. This supports the reason why MEA decided to provide an opportunity to focus on this area of economic activity. The labour issues in the discussion are not exclusive to Malta but similar to those being faced abroad.



Prof Vincent Cassar explained that through the Labour Employment Policy the role of the non-Maltese was drawn out as future scenarios illustrated therein demonstrated how the non-Maltese worker shall remain critical to the labour market. Skills shortages are a phenomenon which are not solely being felt in Malta, but well beyond. Unfortunately, education is often thought of as a one or two-year investment, but education is a ten- to 20-year plan. Planning for education requires planning for a whole generation. Prof Cassar further explained the developments being undertaken with the Faculty of Economics, Management and Accountancy and the University of Malta, in launching a Masters of Arts in Logistics and Supply Chain. Prof Cassar agreed that the availability of this educational offer but also the demand for it come surprisingly late when compared to the importance the sector has on the survival of our economy. Prof Cassar explained that during his involvement in the write-up of the Labour Employment Policy two years back, they met with over 4000 employers and the issue of foreign workers was already pervasive across sectors. The narrative of the skills gap will always remain and education will often time play catch up with the labour market.

Mr Etienne Caruana explained that the national skills survey included 26,000 foreigners and 100k respondents, the full results of which are expected to be launched soon and will hopefully answer questions related to skills gaps. Preliminary results show little difference between the skills of the locals and those of the foreigners. In terms of communication and leadership skills, foreigners emerged to perform better than their local counterparts, for example, supervision skills. Mr Caruana explained that we need to be able to publish more detailed and timely data through collaborations with research and the ability to link registers between entities.





Dr Anne Maire Thake emphasised the lack of attractiveness of the sector to the younger generation in comparison to other sectors. This could be mitigated through internships, through a reach out from the industry to students and an increased collaboration with education institutions to facilitate this process. Dr Thake confirmed that at the University of Malta, there is only one study unit on this subject.

Mr David Abela explained that the issues that the micro and small enterprises operating in this sector are facing mainly relate to the lack of personnel, their cost, their flexibility and the lack of education. The lengthy and costly recruitment process involved in getting foreign workers makes it hard for such micro and smaller-sized companies to operate smoothly, and aren't able to absorb such costs or develop economies of scale as would a large company. To mitigate such costs, the smaller companies resort to foreign workers already in Malta, which implies having to offer higher wages to attract them. Mr Abela explained that the sector does not typically attract Maltese workers and rarely do they find interest in their job offers from locals, and the despite the higher-than-average salary. The sector is also faced with greater demands for flexibility, which are however not reciprocated on the part of the workers. Mr Abela also noted that the sector has



not yet managed to attract an adequate number of female workers, which works further to limit the labour supply. Finally, Mr Abela reiterated that the education system does not support the logistics sector with adequate know-how, courses or training, especially the younger cohorts.



Colonel Cloudio Spiteri advised employers to ensure that their due diligence is done carefully and properly on the third parties being used for their recruitment process. Similarly, thorough checks are to be undertaken on the employees themselves by crosschecking information, to ensure that employees have the right credentials. Colonel Spiteri advised employers to apply more caution in sharing their ID credentials. Employers must also look into their attrition rates and analyse them carefully. Lastly, Colonel Spiteri encouraged employers to think ahead and send all information to Identita' in the appropriate timeframes and be appropriately prepared.





“Foreign workers in Logistics Industry – Addressing HR Challenges.” Inadequate Training”
Steve Ellul | Financial Analyst, & Project Green | moderator table 01

“Foreign workers in Logistics Industry – Addressing HR Challenges.” Retention of Workers”
Roberta Lepre | Consultant | moderator table 02

“Foreign workers in Logistics Industry – Addressing HR Challenges.” Sector Attractiveness”
Joseph Galea | Aviation Consultant | moderator table 03

“Foreign workers in Logistics Industry – Addressing HR Challenges.” Safety of Workers”
Jareth Grima | SEDQA | moderator table 04

“Foreign workers in Logistics Industry – Addressing HR Challenges.” Company Culture challenges”
Dr Jeannette Axisa | Transport Malta | moderator table 05

“Foreign workers in Logistics Industry – Addressing HR Challenges.” Risk of Falling out of Legislative Compliance”
Tania Brown | Identita’ | moderator table 06

“Foreign workers in Logistics Industry – Addressing HR Challenges.” Poor Communication”
Joseph K Muscat | Consultant | moderator table 07

“Foreign workers in Logistics Industry – Addressing HR Challenges.” Digitisation Transition”
Carm Cachia | Skills Malta Foundation | moderator table 08

“Foreign workers in Logistics Industry – Addressing HR Challenges.” Educational Knowledge”
Ruth Debrincat | National Skills Council | moderator table 09

“Foreign workers in Logistics Industry – Addressing HR Challenges.” Foreign Workers Perspective”
Alexander Tortell | Human Rights Directorate | moderator table 10

“Foreign workers in Logistics Industry – Addressing HR Challenges.” Working Conditions and Wages”
Roger Strickland | Philippines Consulate | moderator table 11

“Foreign workers in Logistics Industry – Addressing HR Challenges.” Social impact and wellbeing of foreign workers”
Rhoda Garland | CRPD | moderator table 12

“Foreign workers in Logistics Industry – Addressing HR Challenges.” Fiscal Regime”
Paul Azzopardi | Malta Development Bank | moderator table 13

“Foreign workers in Logistics Industry – Addressing HR Challenges.” - MEA Members Perspective”
Dolores Sammut Bonnici | Malta Employers’ Association | moderator

Round table reports



ROUND TABLE 1 – INADEQUATE TRAINING

Moderator: Steve Ellul – Chief Executive Officer – Project Green

The most salient points of Round Table 1 were:

- The mismatch between the skills available and skills thought – MG2i might hereby be able to be used to develop more tailor-made courses for industries
- It is important that we distinguish between the labour shortage and skills shortage. The logistics industry might still require unskilled labour, which would then be trained on the job
- Validation of prior learning together with top courses could also be a useful tool to attract and retain personnel and which could be extended to other sectors
- It is important that we devise ways to put the logistics sector on the radar of parents and guidance teachers to allow students to make an informed decision
- Lastly, the importance of internships was also raised

Additionally, we received the below feedback from Jobsplus:

1) Skills Shortages.

- Jobsplus designs new courses based on employer requirements, we try and accommodate training schedules that are convenient for both the employer and the employees and in addition, we can offer courses at the employer's premises or online.
- On the Jobsplus website every employer can view the marketplace, whereby Jobsplus courses as well as other courses offered by private service providers are displayed and employers can select training for their workers.
- Employers wanting to increase the productivity and enhance the skills of their workers through training which comes at a cost can tap into the new Investing in Skills Scheme which offers a subsidy on training costs, wage costs and air travel during the training period.

2) Language Barrier.

Jobsplus offers Maltese and English courses for foreigners, namely:

- Foundation in English for foreigners with 40 contact hours
- Another four accredited courses each with 82 contact hours
- Elementary Award in English for Foreigners
- Award in English for Foreigners
- Elementary Award in Maltese as a Foreign Language
- Award in Maltese as a Foreign Language

All these language courses are held online. Jobsplus can also offer tailor-made courses according to an employer's needs at no extra cost. Therefore, we would greatly appreciate if the employers present at the event would be informed of this.

3) Culture Awareness.

Jobsplus is currently designing a training programme aimed at foreign workers which will be called 'Living and working in the Maltese islands' and it will not be longer than 20 contact hours and covers several topics related to; cultural competence and practical information about living and working on the Islands, work ethics and human rights, among others. All Jobsplus courses are offered free of charge.

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Language and Culture may be an inherent barrier when recruiting non-nationals. For this reason EURES assists employers in their search for suitable candidates from the European Union and in the near future EURES is also setting up a dedicated Internship Placement Function.

Handbook for Job skills related to the Logistics Industry. Jobsplus published an Occupational Handbook which covers 246 occupations covering 90% of the labour force. Amongst these are various occupations related to the logistics industry with the knowledge and skills needed for these specific occupations which include amongst others: Transport and Storage Manager, Warehouse and Transport Clerk, Cargo and Freight Handler, Delivery Person, Heavy Truck and Lorry Driver and many more.





ROUND TABLE 2 – RETENTION OF WORKERS

Moderator: Roberta Lepre – Consultant

The discussion was held within the context of the fact that an additional 190K foreigners moved to Malta in the last 10 years. There is however a high turnover of employees amongst the different sectors and industries, which fact poses a huge challenge to employers and other stakeholders (ex Identita').

In terms of the logistics industry itself, the fact that the jobs available in this sector are not considered as 'sexy' jobs, posed an additional challenge, especially when attempting to attract local employees. The average salary within the industry is considered relatively high (around 26K), and therefore it was mentioned that perhaps more should be done to promote jobs in the logistics industry as possible career paths amongst students.

The group highlighted the fact that we shouldn't be talking about foreign workers - but skilled workers (be it foreign or not). In other industries/sectors, the interaction between different nationalities is an assumption (something normal), ex in shipping.

When asked whether the influx of foreign workers is primarily European or TCNs, the group agreed that Europeans aren't coming because they expect higher salaries (over 30K) particularly given the purchasing power (ie lower salaries were possibly attractive enough when rents and living costs were lower, but now that these are higher, the purchasing power of lower salaries has been greatly diminished). We

are relying on TCNs because we are not ready to pay certain salaries (better wages). Therefore, for the time being, attracting and retaining non-EU workers seems to be a must - it is not a stop-gap solution.

Retention is also considered important by employers when they would have to go through a lengthy process to bring them to Malta in the first place, and the cost of training. Employers are however very conscious of the fact that these employees (TCNs) suffer because they cannot have their families with them here.

The group agreed that in general, employers would prefer permanent employees, however, this also depends on the external factors that we cannot control (ex-price of rented accommodation). However, there is an overall acceptance of the fact that many TCNs come to work in Malta only for some time, until they can save enough money to return home. Since they come with the mindset that they are here only for a short while, they don't mind sharing accommodation, and this makes the salaries on offer sufficiently attractive.

In order to retain foreign workers further in Malta, the group recommended the following potential solutions (to help retention)

- Opportunity for career growth and
- Better salaries
- Allow them to bring families to Malta, although our infrastructure does not currently allow for ever greater influx of people.
- More cultural integration (Employers can also offer cultural integration courses and language training)

It was also agreed that continuous changes in staff results in lower motivation and productivity at the 'team' level. Therefore, retention is key.





ROUND TABLE 3 – SECTOR ATTRACTIVENESS

Moderator: Joseph Galea – Aviation Consultant – IG Tourism Solutions

The working group all agreed that the level of attractiveness depends very much on where the foreign worker originates from and what are his/her expectations when working away from home.

It was agreed that workers coming from Europe, particularly Western Europe, have high expectations and enjoy more ease of mobility, enabling them to travel back to their country within a short time. It was noticed that while we had attracted workers from Europe in the past, in recent years, with economies in their home countries improving significantly, we are no longer attractive to these workers, and many who had come over, have now gone back home.

Workers originating from third world countries are originating from home economies that have no real chance of seeing a market improvement, at least in the short term, so the offer they have in Malta tends to be attractive enough to get them to Malta and to also encourage them to stay. Many of these workers face a lower standard of living back home and Malta is very attractive to them. The remuneration they receive is also adequate as many of them do not have high daily expenses. The weather is not too cold, unlike northern Europe, so it makes the island more hospitable too. The Maltese in general are also welcoming and tend in their majority to treat legal foreign workers well. Overall, many of these workers enjoy the relative job security that Malta offers.

Of course, many of these workers still view a job in Malta as temporary as they all plan to go back one day once they have saved enough for their home. The working group feels that what is lacking in Malta is a framework that can encourage these workers to make their employment in Malta a career rather than a job. We need to create a more permanent “home” for these workers. There needs to be a program to integrate them more into society and supporting them to even facilitate having their family join them here, will go a long way to create more permanence. Having less turnover of workers will save on having to re-train people all the time so it is felt that creating this framework will have both economic and social benefits.

In the case of the logistics industry, the contribution of these foreign workers is vital as the local population has become more demanding and particular in the choice of jobs and does not look favourably on jobs that require work on weekends and nights. The experience of the logistics industry is that many of the workers from third-world countries who came over have mostly given a valid contribution to the growth of this sector of the economy.







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ROUND TABLE 4 – SAFETY OF WORKERS

Moderator: Jareth Grima – Sedqa

The most salient points of Round Table 4 were:

1. Our culture is reactive. First, an accident happens, and then we react with media chaos and stringent enforcement for a short period. Then we go back to the point from where we began.
2. Language and communication barriers that most foreign workers face. Thus, translation of each H&S document is needed. Pictorial literature could be used to facilitate and aid knowledge sharing.
3. Under-reporting from foreign workers regarding health and safety hazards is common, due to fear of their employment and lack of information.
4. Communication could be eased by appointing community leaders to transfer such information. Advocating and promoting train the train-the-trainer approach. Could involve entities like UNHCR in this regard.
5. Enforcement is required. The employer and the employee share the first responsibility. The employer (as duty holder) shall provide all equipment required and rest assured that such tools are being used correctly. This would

reduce issues of liability amongst other costs. Employees shall use the necessary equipment, follow standard operating procedures and empower employees to report hazards.

6. We suggest that health safety officers will be persons from executive and managerial (within various persons from other aspects) positions to implement and execute certain health and safety hazards. This should be compulsory in all organisations.
7. There is a difference between large and small organisations. Usually, Large organisations have structure, investment retainment, set up in place and watchdog if they are a franchise company. Small organisations can handle certain things more practically. However small SMEs face more issues in this regard such as financial capacity, lack of structure, and lack of knowledge/awareness amongst other factors.

Additionally, we have received the following feedback from the Department for Health.

A rapidly increasing population is placing an increased burden on the health system and impacting Maltese and foreign nationals accessing it.

Infrastructure - Our only state hospital can no longer cope with the current population. Increasing population further is only going to make the situation more dire. This is impacting various departments with insufficient space to deal with current requirements. E.g.:

- A&E department
- Medical imaging
- MDH laboratories
- Wards
- Health centres

Human Resources – the amount of Health Care Workers is insufficient to cope with the number of patients utilising the system. This impacts the services provided:

- Waiting times for operations, outpatients' appointments, A&E department, Primary Health Care, investigations, medical imaging are increasing despite best efforts.
- Pharmacy of Your Choice (POYC) scheme and provision of free medicines affected as medicines are going out of stock.

Mental Health Services - increase in mental health issues due to poor lifestyle. The increased population is leading to increased traffic, pollution, lack of proper infrastructure – placing increased demands on mental health services.

Screening of foreign nationals: Screening is currently carried out only for Tuberculosis – with long waiting times due to large volume of people requiring appointment. Screening is not carried out for other diseases (e.g., chronic) so there is no knowledge of what illnesses they may have and what health services they will require as a consequence.

Financial resources – some foreigners are actually coming to Malta because of free health care to get the treatment they need for a condition they are already aware of.

Cultural/Language barriers – Health Care Workers face many language and cultural barriers with no support provided. There is a need to recruit cultural mediators and translators to assist doctors and nurses with these issues that are faced throughout the health system and in all health services provided.

Increased burden of disease - Increase in the number of patients with communicable and non-communicable diseases. Introduction and increased incidence of certain communicable diseases that were not present locally or were very uncommon. E.g.:

- HIV and blood-borne illnesses
- Vectorborne illnesses

Many foreign workers are not living in ideal circumstances with poor social determinants of health (poor housing arrangements, overcrowding, lack of hygiene, poor diet, lack of education, etc). Consequently, more people are reaching the poverty line with a negative impact on their health thus increasing demands on health services. An increase in several accidents occurring - occupational, roads, and sea is leading to increased demand on services, resources and individuals who may require long-term rehabilitation as a requirement and may be left with life-long consequences which impact their quality and life as well as require long-term medical care.

Health care

Although we have a robust private health care system, this needs to be paid out of pocket or through health insurance and since most of our foreign employees are working in the low-income bracket, they do not utilise this system but rather the free national health system.

We have a large number of foreign employees working within the health care to address the increase in human capacity to reach the health care needs of the population but there are cultural and language barriers that negatively impact patients especially elderly patients who are Maltese-speaking only.





ROUND TABLE 5 – COMPANY CULTURE CHALLENGES

Moderator: Dr Jeannette Axisa – Transport Malta

The most salient points of Round Table 5 were:

- Companies need to prepare their foreign workers by providing them with as much information as possible on the values which are practised in Malta and do values checks before employing them. This would lead to a reduction in attrition rates.
- The increase and growth in the logistics sector are fuelled by foreigners, what would happen if this trend is reversed? What would be the repercussions on the local and foreign cohort of workers?
- The landscape of the beliefs carried by the labour markets has changed dramatically, we have more cultures and need to balance different beliefs.
- Schools are the starting point to accepting different beliefs and values.



ROUND TABLE 6 – RISK OF FALLING OUT OF LEGISLATIVE COMPLIANCE

Moderator: Dr Tania Brown – Identita'

The most salient points of Round Table 6 were:

1. Importance for employers to understand and be knowledgeable not only about their legal obligations but also the legal obligations of third-country nationals
2. Employers who will employ TCNs should be fully aware of the legislative framework since they are the first and main and continuous point of contact for their prospective employees and should be in a position to guide them accordingly
3. The obligations arising from the Immigration Act as well as Employment Regulations are more important when employing TCNs, since non-compliance results in a change of migration status
4. When a TCN falls into an irregular migration status, it will result in the loss of a trained employee, in turn having to either re-engage the same employee after he leaves the Schengen territory or engaging new employees will have an effect on expenditure, time, staff morale and productivity
5. When employers fall into a vicious cycle of high attrition rates, they are more likely to be viewed suspiciously by authorities administering residence permit applications



6. Employers, particularly when hiring third-country nationals (TCNs), should focus on enhancing their interviewing skills and refining their recruitment processes. Properly conducted interviews contribute significantly to talent retention, cost efficiency, ensuring business continuity, and facilitating further development.



ROUND TABLE 7 – POOR COMMUNICATION

Moderator: Joseph K Muscat - Consultant

The most salient points of Round Table 7 were:

- Language and culture are interfering in the integration of employees. How can we properly have a properly multicultural workforce if that work permit is constantly renewed?
- Providing internal tools is proving to be critical. Employers are moving towards providing language courses to employees as well as cultural integration courses. How can we alleviate this burden from both employers and employees?





ROUND TABLE 8 – THE DIGITAL TRANSITION

Moderator: Carmel Cachia – Chief Administrator – ESkills Malta Foundation

- The group discussed how despite the high attrition rates companies need to train their workers in future and emerging technologies, indeed this must be viewed as part of a long-term development programme. They also noted how the logistics sector is not very well digitally developed, except for the very large ones.
- Foreign workers must not be treated as temporary workers but as normal workers as the local ones. This increases respect and leads to further retention.
- The group also discussed how the digital transition does not just mean introducing technology but also changing and re-designing work processes. The digital transition involves all roles, from top to bottom of the organisation, so a training programme is needed for all. It must be inclusive, irrespective of status, culture, religion and gender. Hence digital skilling, upskilling and reskilling (not just digital) are needed due to the change in roles.
- As the logistics sector advances in technologies further, it is clear that the need for foreign workers will remain, however, resources must adapt to the changes that technology brings. Skills in the benefits and risks of the use of technology are needed, both for leaders, managers, and operational resources, especially in process automation. AI is bound to have a profound effect on all business processes, therefore specific training AI, especially generative AI, both on its use, risks, and ethics.

- Skills in the use of current and emerging technologies (digital skilling and upskilling), in the use of logistics tools (e.g., Google Maps but also specific logistics apps), in cybersecurity, social media and digital marketing skills and required.
- There is no problem at all with TCNs integrating. The experience is that they integrate with fewer problems than the locals if treated with respect. Indeed, the experience is that TCNs have more respect for their superiors and generally have more initiative and discipline.
- Technology and training are also required to break language barriers.





ROUND TABLE 9 – EDUCATIONAL KNOWLEDGE

Moderator: Ruth Debrincat – National Skills Council

Factors leading to labour and skills shortages

- National challenge common to many sectors given the tight labour market in Malta.
- Sector experienced a fast growth post-COVID which outpaced the supply of workers.
- Sector is overlooked, mostly the high-skilled (high-earning) opportunities in the B2B [There is the tendency to associate the sector with low-skilled/low-earning workers usually working in the B2C]
- Lack of awareness of career paths and opportunities
- Lack of VET (initial and continuous VET/academic routes towards this industry)

Recommendations

1. Acknowledging that the transport/logistics sector is a significant player in the green/blue economy
 - Anticipating and promoting the careers of the future – being forward-looking (collaborate with National Skills Council). Green- blue- tech- careers are the careers of the future and these garner considerable interest amongst the younger generation.

- Involve career guidance professionals
 - Assess the impact of the green and digital transition on the sector
2. Attracting and retaining talent
 - Inevitable resorting to foreign workers to ensure business growth, but there is the need for better selection processes at the onset – should a skill card regime be introduced?
 - More awareness and promotion of the diversity of careers within the transport and logistics sector – in the marine and maritime, air and road realms (our initial perception always tends to focus on road transport and logistics only).
 - Fostering an organisational culture which promotes learning and development, despite many of the players being micro and small enterprises
 - Enhancing the employee value proposition
 - Move further towards digitalisation and automation
 3. Qualifications recognition and validation of informal and non-formal learning
 - Smoother recognition and validation processes through MFHEA
 - Adult career guidance in identifying upskilling pathways
 - Strengthening the HR function promoting learning and development of the worker's example: part-time MQF Level 4 and 5 courses offered by MCAST in logistics.
 4. Exposing learners to different career pathways
 - Work-based learning (WBL) in secondary and higher education through collaboration with VET institutions and even as early as at compulsory schooling age (in senior school, through the VET subjects).
 - Mentioning transport and logistics in the new and emerging careers early on in the educational journey.
 5. Corporate Learning
 - Embracing lifelong learning even as part of collective bargaining
 - Collaborating with social partners
 - Investing more in WBL, including apprenticeship programmes with VET institutions

- Identify different forms of learning and development including learning-in-the-flow-of-work, mentoring and coaching, micro-credentials, etc.
6. Harboring a more inclusive environment
- Training in multi-culturalism to all (Maltese and foreign) should be less overlooked
 - Team-building fostering employee retention.





ROUND TABLE 10 – FOREIGN WORKERS PERSPECTIVE

Moderator: Alexander Tortell – Human Rights Directorate

Proposals for some sort of obligatory two-way integration measures to ensure both social cohesion as well as the needs of newcomers to Maltese society and the economy have been on the table for several years. It is positive that there seems to be convergence amongst key stakeholders that the time is ripe to act. Concerns regarding successful integration, national security, and measures to meet the needs of the economy do not stop when a foreign worker is granted authorization to live and work in Malta. That is only the first stage; another stage then starts. It is naïve to think that successful integration happens on its own.

Another recent development is the introduction of national integration policy frameworks of pre-departure integration measures. A study of which specific measures should be introduced before departure is currently being undertaken by the Human Rights Directorate (within MHSR), the International Organization for Migration, within the DG Reform's Technical Support Initiative programme. Mentoring could be a useful strategy to cope with the incredible diversity challenges within businesses. This would involve workers who have been employed for longer periods being paired with newcomers, in a sort of "buddy" system." In larger contexts, a team could be set up for the purpose.

It was observed that before bringing over new foreign workers employers could consider existing human capital in the Maltese economy, and undertake the necessary upskilling. This approach would also allay concerns of overpopulation and the resulting issues.







ROUND TABLE 11 – WORKING CONDITIONS AND WAGES

Moderator: Roger Strickland – Consul for the Philippines

The salient points discussed during round Table 11 were:

- It is clear that foreign workers are not provided with the same conditions of work as their local counterparts or rather they change depending on the type of job they have.
- The impact of foreign workers on the sector's wages was also discussed. As we are living in an employee's market, could it be that workers coming in are helping in mitigating this?
- The point was also raised as to whether we have a case of two labour markets. It certainly seems so from the outset.
- The point of enforcement was also discussed, enforcement bodies must be given resources to undertake the proper levels of enforcement. This will ensure that a level playing field is created.
- The link is also clear between the increase in salaries for foreign workers and an increase in prices.
- The most common proposal is that we continue with training and upskilling and making employees more employable



ROUND TABLE 12 – SOCIAL IMPACT AND WELLBEING OF FOREIGN WORKERS

Moderator: Rhoda Garland – CRPD

- The group discussed how foreign workers have the same needs as Maltese workers; however, their situations are often very different. If they are on their own and sending money back to their families they have a work-life balance which is not conducive to well-being. Similarly, social circles are restricted due to working longer hours and experiencing some micro-aggression in their communities.
- Foreigners must also be informed about local culture and encouraged to participate in society. They are often accommodated in houses with many other foreign workers who are strangers as they cannot afford the rent of a house on their own. They may be in jobs they are unsuited for which again affects their mental health and well-being. They experience a lack of stability in their jobs and can be abused as the employers know it would be difficult for them to find alternate work.
- One-third of all voluntary and involuntary admissions to Mount Carmel Hospital are of foreign workers
- There needs to be an understanding that they come from a different culture and understanding of cultural differences needs to be understood from both the employer and employee perspective.
- We need to regard these workers as valuable additions to the workforce and not

see them as 'parcels' who are 'imported' into the Maltese economy to work in jobs the Maltese population do not want to do. They need to be informed about services that are available to them maybe with the provision of booklets and translators, this could be done when they are first given their work permit.

- We do not get the best out of these workers if they are shoe-horned into jobs that do not suit them, in addition to not being productive this will also affect their mental health.
- There are two main areas where social integration may be accomplished, through schools and in the workplace.
- There is an opportunity for foreign workers to be included in their communities where they have children in schools. This may be done at the school gate through interactions with other parents. This would also assist with the change in culture of attitudes towards children as foreign workers may not see the investment in their children as important if in their own countries, they have viewed having children as a means of providing additional money coming into the family.
- In the workplace Maltese employees may be unwilling to accept foreign workers into their team at first but the experience of one of the panel members was that after a few weeks, the team felt the foreign worker was a great addition to the team.
- There is a requirement for an inclusive attitude to also come from the management of an organization, which should encourage communication and inclusion in activities of foreign workers.
- In the same way as including disabled people on Boards having a foreign worker representing their group on Boards may assist the management in understanding the issues they face and suggest ways of assisting them.
- In addition to schools and workplaces there should be evening classes provided by Jobsplus or another Government entity for foreign workers to be given information about culture and traditions as well as the available services. One of the panel members said this is already happening but that there are 10,000 on a waiting list – if Malta is to attract foreign workers the investment in foreign workers to provide this sort of evening class needs to be dramatically increased.
- Catering for the needs of foreign workers will improve retention and length of stay.
- Employers need to be able to cater for the cultural or religious practices of foreign workers, e.g. allowing time to pray.
- Attention needs to be paid to the fact that Maltese workers may well feel that foreign workers are getting a better deal if their religious practices are accommodated so care needs to be given to ensure understanding in the workplace. This is similar to the fact that workers who do not have children often have to stand in for workers

who need to take time off to be with their children and also see this as unfair – HR departments should treat these issues with the same delicacy and care.

- The way we treat foreigners has consequences. If we ask them to come to Malta, but then force them to live in shared houses or into jobs they are not suited for, there may be backlash from the foreign workers
- The process of obtaining work permits needs to change if a worker is forced to wait for a long period to get a licence (eg to drive) and cannot be employed (and paid) until they have the licence this may also have consequences as it is very difficult to live in Malta without pay, which may lead to anti-social/criminal behaviour to survive.
- The working conditions for foreign workers are often not those that a Maltese worker would accept, hence the number of jobs that foreigners undertake in Malta which Maltese workers will not consider. An example of this is delivery drivers (e.g. Bolt and Wolt) who only get aid for the deliveries they make, and therefore are forced to work very long hours which may result in dangerous driving which has obvious social consequences.
- Foreign workers due to their working conditions can be seen as vulnerable, in addition to this the colour of their skin may cause microaggression in the community and it should be the responsibility of local councils and social groups to try to ensure inclusion in the community of foreign workers, so they are made to feel comfortable in their surroundings.
- Often distrust of foreigners amongst the Maltese population results from fear of the unknown and when foreign workers are assimilated into the community they are accepted. Activities which encourage this integration should be encouraged, we need to be more welcoming to these people who are providing vital services to Malta often in roles that Maltese workers will not take up.





ROUND TABLE 13 – FISCAL REGIME

Moderator: Paul Azzopardi – Malta Development Bank

This working group stated that: In normal circumstances, there should be no difficulty opening a bank account, a current account or a savings account. Foreign workers should first register for tax and NI with the CFR.

They then present to the bank this information plus the Residency Permit, their work contract and proof of residential address (usually the lease agreement). The bank will then open an account.

Problems arise when many different people present the same address because it would indicate that the address is one of convenience, or that the person is not employed, or some other factor.

Often, self-employed foreign workers do not register for tax and NI, nor have any documents except their home passports. Bank accounts are not opened in such cases. Credit cards are not provided until after several months or years, depending on circumstances.

Commercial banks are under great pressure not to make any exceptions from strict anti-money laundering, terrorist financing, and banking rules including that of opening bank accounts only to those persons and companies with a verified nexus to Malta.



ROUND TABLE 14 – EMPLOYERS’ PERSPECTIVE

Moderator: Ms Dolores Sammut Bonnici – Senior Vice President – Malta Employers’ Association

Members within this group said that:

Agencies are actually bringing TCNs over, placing them on the local market and employing them directly with the agency itself, so that any next employer has to face the long procedure of waiting for the Change of Employer application process to be completed, which still takes several months to be issued for the TCN to start work and be employed.

It was highlighted that for example for TCNs from large countries such as India there is no central office that takes care of the Visa procedures, etc and the corresponding agencies there have to communicate with diverse contacts to finally get to the main government. This entails the payment of each contact and their work in issuing the required documents. It is not unheard of, that to finally reach Malta, the sum of around Eur5,000 is paid by the applicant.

There is a very unstable situation with TCN drivers where the driving licence of heavy goods vehicles are concerned (Not Y number plates). The process to eventually start work takes months, then they have to start on their Certificate of Professional Competence (CPC) which is a 65-hour course, 80% is theory and 20% practical. This costs quite a hefty sum, and the situation at the moment has a 50 % success rate. This is because of the language barrier, and the fact that even Maltese new drivers

are getting the same results, shows that it is not an easy course. This is clogging up the system as Transport Malta has 12 assessors, and the waiting time for the next step ranges from 4 to 6 months. For a TCN driver to be on the road he has to have the CPC, his country's driving licence, or the international driving licence; and this is for the first year, during which he has to apply for the local driving licence (B) car licence, but not before having driven 185 days. Then within a month, they can apply for a licence (C) which permits them to drive heavy passenger or goods vehicles.

The term Quality people and Quality jobs were mentioned by earlier speakers. Maltese people do not apply for jobs with catering, caring, environmental, and construction jobs because Maltese do not want manual, heavy, night shifts, and weekend work! There is no-one to take up this work if we do not have the TCNs. The perception of low wages for the TCNs is wrong. The majority of employers offer the same pay as the other Maltese employees doing the same kind of work. It is illegal to discriminate.

Why is there such a high turnover with TCNs in Malta? They use Malta as a stepping stone to more attractive countries for the following reasons:

- Some EU countries offer them residence permits after 5 years in any EU country
- High rents in Malta
- Single persons might stay longer, but TCN's with families want to get family over and settle down to countries offering a better life wherever they choose in the EU

Skills cards / blue cards help but an urgent re-assessment of the situation is desperately needed. A lot of employers in the prior mentioned sectors and also in the trade and retail sector, shall lose their drivers if the present problems are not addressed. Companies are training and re-training TCNs making them more employable, while Maltese are missing out on this training, and the employers are missing out on investing in people long term.

Recommendations:

- Transport Malta extends the time of compliance from 1 year to 2, since it cannot deliver efficiently the assessing due to the number of applicants.
- TM can introduce the Fit and Proper Person Act which addresses the CPC and makes it for example 50% theory and 50% practical. This was applied when there was registered a high number of failures, due to being illiterate, or there was a language barrier.
- An induction course by the authorities to introduce Malta to the newcomer

preparing them for better integration. The employment duties and rights, our tax and NI system, health and safety standards to comply with, and briefing on what is acceptable and not in our way of life.

- Our Tax department is to shift the employer's responsibility for tax payments and refunds to the employees themselves, or at least if there are any communications, they are done in a short time not years later when the employee has left the island.
- The embassies or high commissions of the applicant countries and Malta can work out a procedure like the one used many years ago when the person emigrates to another country, with a written job guarantee by the progressive employer in Malta, and all the checks and investigations are done before the person leaves their country.



A lighthouse on a rocky island at night, with a beam of light shining across the dark sea. The scene is dimly lit, with the lighthouse and its beam being the primary light sources.

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Addressing the HR challenges of foreign workers in Malta

The rapid increase of foreign labour in Malta has been the talk of the town in recent months. Unsurprisingly and unfortunately, much of this debate focuses on the visible effects of over-population, occasionally with the odd racist overture. However, a far deeper issue, or set of issues, needs to be addressed, particularly as Malta strives to overcome the post-pandemic challenges, strengthen its competitiveness and renew its brand identity.

It is no secret that Malta needs foreign employees to form part of a robust workforce that drives forth an economy which, despite the challenges of recent years, continues to outpace that of its European counterparts. The lack of manpower compounded by wide-ranging skills shortages across most of our economic sectors, perpetuates further our dependence on immigrant workers.

Data presented to the House of Representatives showed that over the last decade, Malta catered for a total flow of 190,000 foreign workers. Additionally, Jobsplus reports show how the annual flow of foreign workers increased from 15,000 in 2012 to 97,000 in 2022, including both full-timers and part-timers. These represented 36% of the 269,000 making up the workforce at the end of 2022, as reported earlier this month by the National Statistics Office. In the private sector, the share of foreign workers is at times higher, in fact, one of the most recent MEA surveys found that one in four firms reported that more than 50% of their employees are non-Maltese.

Although discussions relating to Malta's ability to handle even more foreign nationals are understandable and needed, the MEA is concerned with the rapid transformation of the labour market and the impact that the deterioration of the quality of services offered will have in the long-term. Changes in the workforce, both in quantity and quality, directly impact the industry's productivity, output and our country's competitiveness. We simply cannot afford to lose further ground.

Our country needs to ascertain that in satisfying the immediate human resource requirements identified by employers at their place of work; we are also cautious of the value-added that such human resources bring to our workforce. Foreign workers need to be selected diligently to ensure they have the right language and technical skills, as well as a general aptitude to adapt to the culture and norms of the country. Foreign workers need to also be adequately trained and upskilled.

Unfortunately, the benefits of the endeavours and investments of employers in the conscientious recruitment and training of foreign workers are short-lived, as a large cohort of foreign workers does not see Malta as a long-term home. Indeed, according to data presented recently in Parliament, one in every four foreign workers passes through Malta only for temporary employment, and half of the foreign workers who have entered the country over the past ten years stayed only for a year. Evidently, with such rapid change, it is highly unlikely that these workers have enough time to adapt and commit to their new reality.

The limited duration of foreign workers' stays in Malta also implies a probable low level of economic integration. Studies have shown that most foreign workers rarely switch jobs or enhance their occupational status during their time in Malta. This lack of mobility within our labour force is yet another hurdle to the growth of productivity, as companies frequently need to recruit new employees, losing out on the benefits acquired from on-the-job experience. Consequently, this situation might be discouraging employers from investing in staff training, contributing to this vicious cycle.

Other concerns, particularly for the logistics sector, also relate to licensing requirements and regulations. Employers and employees alike hereby expect that a level playing field is ensured such that requirements are the same for both Maltese and foreign workers.

Decisions must thereby be made which define the type and size of economy we are striving for, the sectors we are seeking to retain and attain a competitive advantage in, the number of people and types of skills needed to make those sectors viable and hence the number of foreign workers required to fill in any jobs and the skills and expertise they need to carry. It is for this reason that the Malta Employers' Association, as it has done on several matters, is once again bringing together all involved parties, including Government bodies, to lead the discussion at a national level on foreign workers. Given the wide-ranging issues at play in this discussion, the event shall focus specifically on the logistics sector, a critical service sector.



Foreign Workers in the Logistics Industry Addressing HR Challenges

The Malta Employers' Association believes that when tackling this intricate problem, all parties engaged need to set aside emotional or adversarial viewpoints and genuinely strive to comprehend the actual state of affairs. They should work together to pursue shared solutions that genuinely enhance the welfare of our nation.



Addressing HR challenges of foreign workers in Malta

Sunday Times of Malta 22.10.23

Addressing HR Challenges Of Foreign Workers In Malta

CDE News23.10.23

Also online:

<https://timesofmalta.com/articles/view/addressing-hr-challenges-foreign-workers-malta.1062333#:~:text=Foreign%20workers%20need%20to%20be,be%20adequately%20trained%20and%20upskilled>

<https://cde.news/addressing-hr-challenges-of-foreign-workers-in-malta/>

Stakeholders call for fair and inclusive employment practices to address foreign worker challenges in Malta

Foreign workers have become an essential element within Malta's logistics industry, with their input being crucial for its ongoing development and prosperity. By embracing the skills and abilities they offer, addressing hurdles while advocating for fair and inclusive employment practices, a thriving and enduring logistics sector in Malta can be guaranteed. This was the key message emerging from the SME National Forum 2023, hosted by the Malta Employers Association, which this year focused on the HR challenges of foreign workers in the logistics industry.

Introducing the event, MEA President Joanne Bondin noted how foreign workers have become indispensable in sustaining and accelerating economic growth. "EU and third country nationals have filled employment gaps in the logistics sector that might have otherwise hindered its development. They augment the labour force, enabling companies to meet the escalating demand for their services".

MEA Director General Joseph Farrugia highlighted how despite soaring numbers of foreign workers, many firms struggle as these tend to leave the island after less than a year. "We need to understand why this is happening, and often, this is unrelated to wages. Rather, it is related to other factors, including the cost of rent, the difficulty to bring their family over and other external costs they face. These are all issues that need to be considered to ensure better worker retention", he explained.

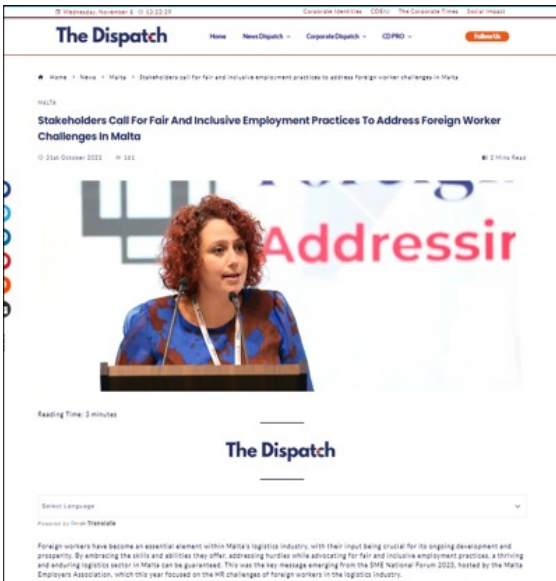
Mr Farrugia also called on the need for a better appreciation of what the logistics sector entailed. "Unfortunately, many associate logistics merely with delivery of goods through land transport, for example. Rather, it includes high-tech and specialised services and jobs with better than average conditions of employment", he argued.

MEA consultant Kirsten Cutajar Miller shared an in-depth presentation giving the context related to the presence of foreign workers in Malta in the logistics industry. She noted how in 2021, out of 8,185 people who were employed in the sector, the share of foreigners, whether full-time or part-time reached 18.7%, up from 2.9% in 2010. The share of third country nationals exceeds 49% in 2021, increasing sharply since 2018.

In the wider private sector, the share of foreign workers is at times higher, with one of the most recent MEA surveys finding that one in four firms reported that more than 50% of their employees are non-Maltese.

The conference brought together industry and institutional leaders from several organisations which relate with the recruitment of foreign workers. Various HR elements were addressed including the recruitment process, training, skills required, language barriers, cultural adaptability, digitalisation and worker retention.

The event, which formed part of the SME Week 2023, was supported by the Ministry of the Economy, European Funds and Lands, Identità and Foundation for Transport.



Stakeholders Call For Fair And Inclusive Employment Practices To Address Foreign Worker Challenges In Malta

CDE.News | 31.10.23

<https://cde.news/stakeholders-call-for-fair-and-inclusive-employment-practices-to-address-foreign-worker-challenges-in-malta/>



Stakeholders Call For Fair And Inclusive Employment Practices To Address Foreign Worker Challenges In Malta

CDE.News | 31.10.23

<https://cde.news/stakeholders-call-for-fair-and-inclusive-employment-practices-to-address-foreign-worker-challenges-in-malta/>

Sejha għal prattiċi aktar ġusti u inklussivi ta' impjieg biex jiġu indirizzati l-isfidi tal-ħaddiema barranin f'Malta

Il-ħaddiema barranin saru element essenzjali fi ħdan l-industrija tal-loġistika ta' pajjiżna, u l-preżenza tagħhom hi kruċjali għall-iżvilupp u l-prosperità tagħha. B'għarfien aħjar tal-ħiliet u l-kapaċitajiet li joffru, l-indirizzar tal-isfidi li jġibu magħhom u rispettt akbar ta' prattiċi ta' impjieg ġusti u inklussivi, is-settur tal-loġistika f'Malta jista' jkompli jikber u jissaħħaħ. Dan kien messaġġ ewlieni li ħareġ mill-SME National Forum 2023, organizzat mill-Malta Employers Association, li din is-sena ffoka fuq l-isfidi tal-ħaddiema barranin fl-industrija tal-loġistika.

Fl-introduzzjoni tagħha, il-President tal-MEA Joanne Bondin tkellmet dwar kif il-ħaddiema barranin saru indispensabbli biex ikun sostnut it-tkabbir ekonomiku. "Ħaddiema mill-UE u minn pajjiżi terzi jimlew in-nuqqasijiet fil-qasam tal-impjieg fis-settur tal-loġistika u li kieku dan ma sarx kien ikun ta' xkiel għall-iżvilupp tiegħu. Huma jippermettu wkoll lill-kumpaniji biex jilħqu d-domanda dejjem akbar għas-servizzi tagħhom".

Id-Direttur Ġenerali tal-MEA Joseph Farrugia rrimarka kif minkejja numru dejjem akbar ta' ħaddiema barranin, bosta jitilqu minn pajjiżna wara' ftit xhur. "Irridu nifhmu għaliex dan qed jiġri, u ħafna drabi r-raġuni ewlenija ma tkunx il-paga. Pjuttost, insibu fatturi oħra bħall-kirijiet, diffikultà biex iġibu l-familjari tagħhom Malta u spejjeż oħra li jsibu hawnhekk. Dawn huma kollha kwistjonijiet li rridu nindirizzaw biex niżguraw li l-ħaddiema ma jitilqux", zied jgħid.

Is-Sur Farrugia tkellem ukoll dwar il-bżonn ta' apprezzament akbar ta' x'jinvolvi s-settur tal-loġistika. "Sfortunatament, ħafna jassoċjaw il-loġistika biss mat-twassil ta' prodotti bit-trakkijiet, per eżempju. Filfatt, jinkludi woll servizzi ta' teknoloġija għolja u speċjalizzati u joffri impjieg b'kundizzjonijiet tax-xogħol aħjar mill-medja", zied jgħid.

Il-konsulenta tal-MEA Kirsten C Miller tat ħarsa lejn statistika fis-settur tal-loġistika li turi kif, sal-2021, minn 8,185 persuna impjegata fis-settur, l-ammont ta' barranin żdied għal 18.7%. Minnhom, kważi nofs huma minn pajjiżi terzi, zieda qawwija fl-aħħar tliet snin.

Fis-settur privat b'mod ġenerali, is-sehem ta' ħaddiema barranin huwa ogħla, bi stħarriġ riċenti tal-MEA isib li kumpanija minn kull erba' rappurtat li aktar minn 50% tal-ħaddiema mhumiex Maltin.

Il-konferenza ġabret flimkien esperti mill-industrija u istituzzjonijiet minn

organizzazzjonijiet differenti li b'xi mod jirrelataw mar-reklutaġġ ta' ħaddiema barranin. Fost is-sugġetti diskussi kien hemm il-proċess ta' reklutaġġ ta' ħaddiema barranin, it-taħriġ, ħiliet, ostakli ta' lingwa u kultura, id-diġitalizzazzjoni u ż-żamma tal-ħaddiema.

L-aweniment kien appoġġjat mill-Ministeru tal-Ekonomija, Fondi Ewropej u Artijiet, minn Identità u Foundation for Transport.



Foreign workers indispensable for sustaining economic growth
Newsbook | 17.11.22

<https://newsbook.com.mt/haddiema-barranin-saru-indispensabli-biex-ikun-sostnut-it-tkabbir-ekonomiku-mea/>

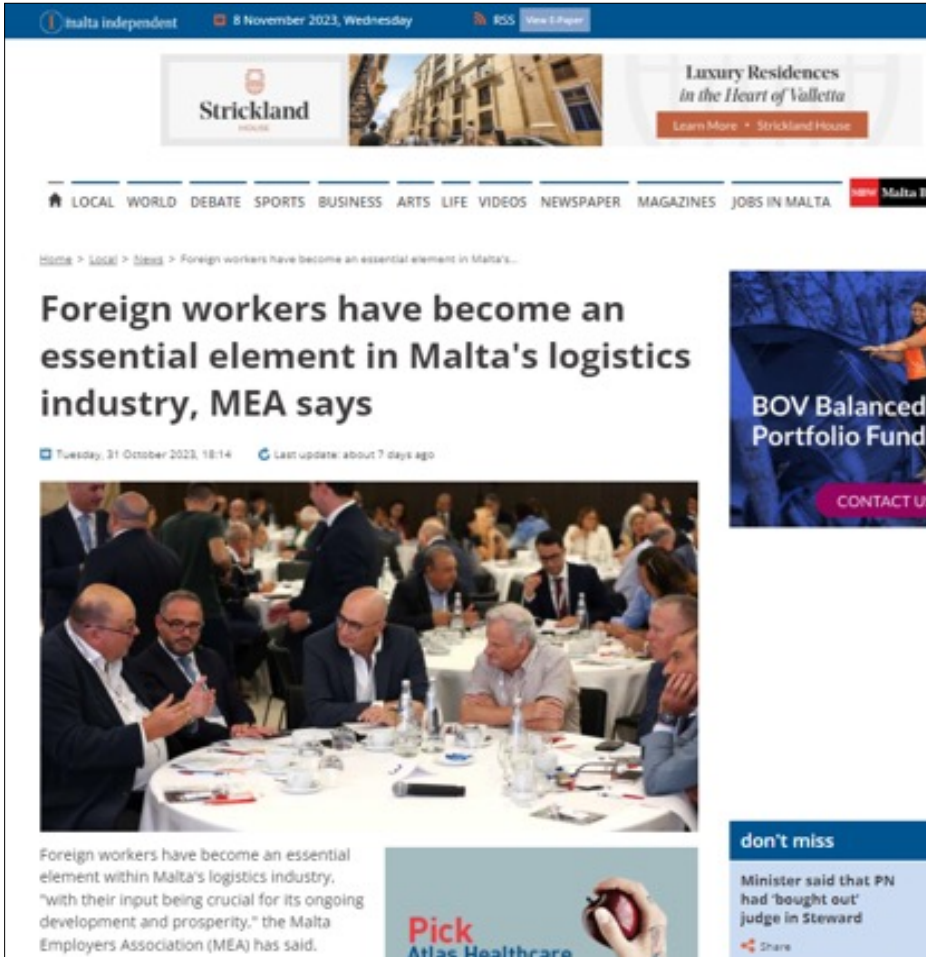
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NET: NET Live
Anton Vella, 20 October

TVM: Illum ma' Steph
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Malta Independent 8 November 2023, Wednesday RSS View Page

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Foreign workers have become an essential element in Malta's logistics industry, MEA says

Tuesday, 31 October 2023, 18:14 Last update: about 7 days ago



Foreign workers have become an essential element within Malta's logistics industry. "with their input being crucial for its ongoing development and prosperity." the Malta Employers Association (MEA) has said.

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Foreign workers have become an essential element in Malta's logistics industry, MEA says

The Malta Independent | 31.10.23

<https://www.independent.com.mt/articles/2023-10-31/local-news/Foreign-workers-have-become-an-essential-element-in-Malta-s-logistics-industry-MEA-says-6736256067>


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Labour market

Foreign workers have become an essential element in Malta's logistics industry, MEA says

By The Malta Business Weekly - Wednesday, 1 November 2023 at 2:12 am



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Last Updated on Wednesday, 1 November, 2023 at 2:13 pm by **Andre Camilleri**

Foreign workers have become an essential element within Malta's logistics industry. "with their input being crucial for its ongoing development and prosperity," the Malta Employers Association (MEA) has said.

Foreign workers have become an essential element in Malta's logistics industry, MEA says

Malta Business Weekly | 01.11.22

<https://maltabusinessweekly.com/foreign-workers-have-become-an-essential-element-in-maltas-logistics-industry-mea-says/24270/>

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Non-EU workers 'subject to four kinds of abuse' by employers

Employers need to focus on 'quality, not quantity'

National Migration Employment

November 5, 2023 | David Emdin | (D&M)

7 min read



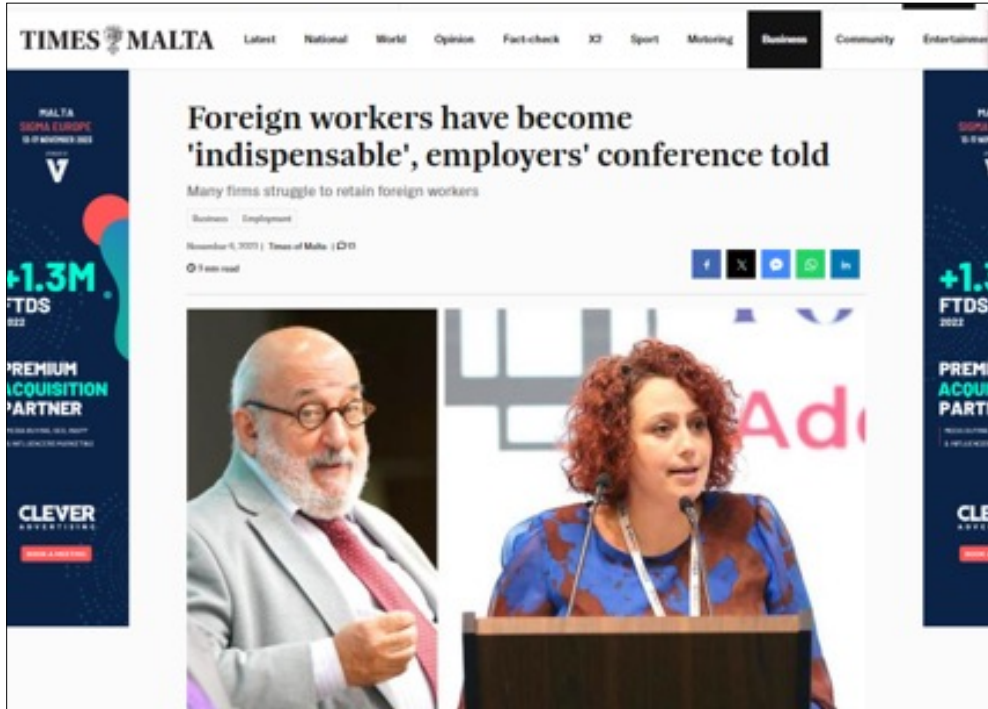
Times of Malta has reported several cases of abuse of third-country nationals. File photo: Chris Sant Fournier

Ministry CEO Mark Mulla has listed four "models of abuse" that employers use when hiring workers from outside the EU. He said he was receiving reports of contracts being offered for jobs that don't exist and workers paid less than agreed.

Non-EU workers 'subject to four kinds of abuse' by employers

Times of Malta | 6.11.23

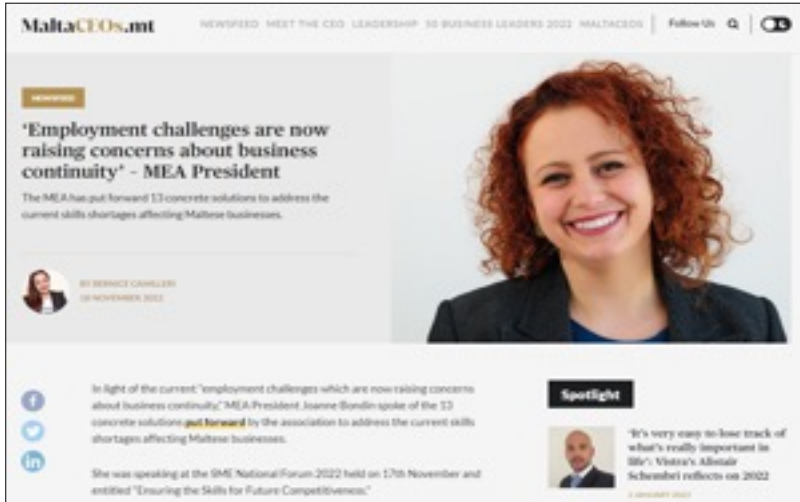
<https://timesofmalta.com/articles/view/noneu-workers-subject-four-kinds-abuse-employers.1065690>



Foreign workers have become 'indispensable', employers' conference told

Times of Malta | 06.11.22

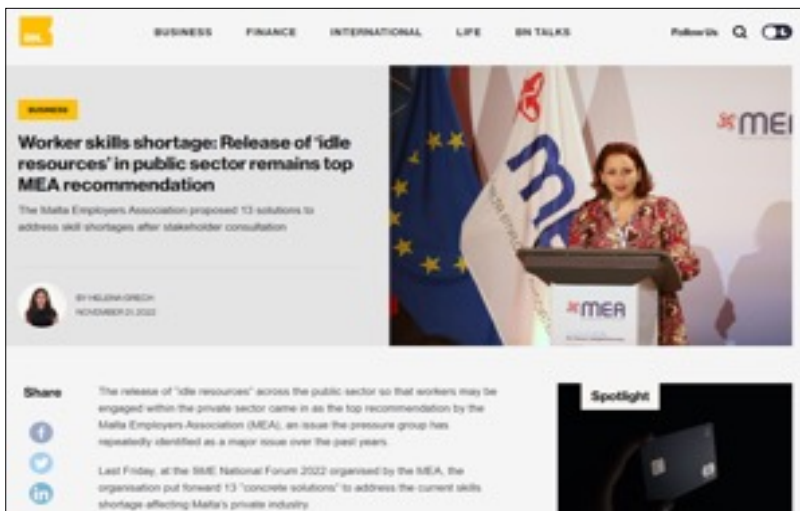
<https://timesofmalta.com/articles/view/foreign-workers-indispensable-employers-conference-told.1065252>



'Employment challenges are now raising concerns about business continuity' – MEA President

Malta CEOs | 18.11.22

<https://maltaceos.mt/employment-challenges-are-now-raising-concerns-about-business-continuity-mea-president/>



Worker skills shortage: Release of 'idle resources' in public sector remains top MEA recommendation

Business Now | 21.11.22

<https://businessnow.mt/worker-skills-shortage-release-of-idle-resources-in-public-sector-remains-top-mea-recommendation/>

News feature| Post-Event PR



NET News | 03.11.23

<https://www.youtube.com/watch?v=foUQZgvyua0>

*content for posts & uploading during event

BUSINESS TODAY 2.11.2023
2 NEWS

FOREIGN WORKER CHALLENGES IN MALTA

Stakeholders call for fair and inclusive employment practices

FROM PAGE 1
Introducing the event, MEA President Jeanette Boudin noted how foreign workers have become indispensable in sustaining and accelerating economic growth. "EU and third country nationals have filled employment gaps in the logistics sector that might have otherwise hindered its development. They augment the labour force, enabling companies to meet the escalating demand for their services."

MEA Director General Joseph Farrugia highlighted how despite soaring numbers of foreign workers, many firms struggle as these tend to leave the island after less than a year. "We need to understand why this is happening, and often, this is unrelated to wages. Rather, it is related to other factors, including the cost of rent, the difficulty to being their family over and other external costs they face. These are all issues that need to be considered to ensure better worker retention," he explained.

Farrugia also called on the need for a better appreciation of what the logistics sector entails. "Unfortunately, many associate logistics merely with delivery of goods through land transport, for example. Rather, it includes high-tech and specialised services and jobs with better than average conditions of employment," he argued.

MEA consultant Kirsten Cutajar Miller shared an in-depth presentation giving the context related to the presence of foreign workers in Malta in the logistics industry.

She noted how in 2021, out of 8,185 people who were employed in the sector, the share of foreigners, whether full-time or part-time reached 18.7%, up from 2.9% in 2010. The share of third country nationals exceeds 49% in 2021, increasing sharply since 2018. In the wider private sector, the share of foreign workers is at times higher, with one of the most recent MEA surveys finding that one in four

firms reported that more than 50% of their employees are non-Maltese.

The conference brought together industry and institutional leaders from several organisations which relate with the recruitment of foreign workers. Various HR elements were addressed including the recruitment process, training, skills required, language barriers, cultural adaptability, digitalisation and worker retention.

The event, which formed part of the SME Week 2023, was supported by the Ministry of the Economy, European Funds and Lands, Identity and Foundation for Transport.



Business Today
02.11.23

**million
energy
2024**

Foreign workers are key element in logistics industry
PAUL COCKE

FOREIGN workers have become an essential element within Malta's logistics industry, with their input being crucial for its ongoing development and prosperity.

By embracing the skills and abilities they offer, addressing barriers while advocating for fair and inclusive employment practices, a thriving and evolving logistics sector in Malta can be guaranteed.

This was the key message emerging from the SME National Forum 2023, hosted by the Malta Employers Association, which this year focused on the HR challenges of foreign workers in the logistics industry.

2023 to €14.8 million in 2024, specifically designated for energy distribution, indicated in the budget estimates, despite the Prime Minister's promise to sell partners in summer.

FTSE 100 **EUR EXCHANGE RATES**



News

Foreign workers have become an essential element in Malta's logistics industry, MEA says

Foreign workers have become an essential element within Malta's logistics industry, "with their input being crucial for its ongoing development and prosperity", the Malta Employers Association (MEA) has said.

"By embracing the skills and abilities they offer, addressing hurdles while advocating for fair and inclusive employment practices, a thriving and enduring logistics sector in Malta can be guaranteed", the MEA said.

This was the key message emerging from the SME National Forum 2023, hosted by the Malta Employers Association, which this year focused on the HR challenges of foreign workers in the

logistics industry.

Introducing the event, MEA President, Joanne Bondin, noted how foreign workers have become indispensable in sustaining and accelerating economic growth. "EU and third country nationals have filled employment gaps in the logistics sector that might have otherwise hindered its development. They augment the labour force, enabling companies to meet the escalating demand for their services."

MEA Director General, Joseph Farrugia, highlighted how despite the soaring numbers of foreign workers, many firms struggle as these tend to leave the Island after less than a year.

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MEA consultant, Kirsten Cutajar Miller, shared an in-depth presentation giving the context related to the presence of foreign workers in Malta in the logistics industry. "She noted how in 2021, out of 8,105 people who were employed in the sector, the share of foreigners, whether full-time or part-time reached 18.7%, up from 2.9% in 2010. The share of third country nationals exceeds 49% in 2021, increasing sharply since 2018", the MEA said.

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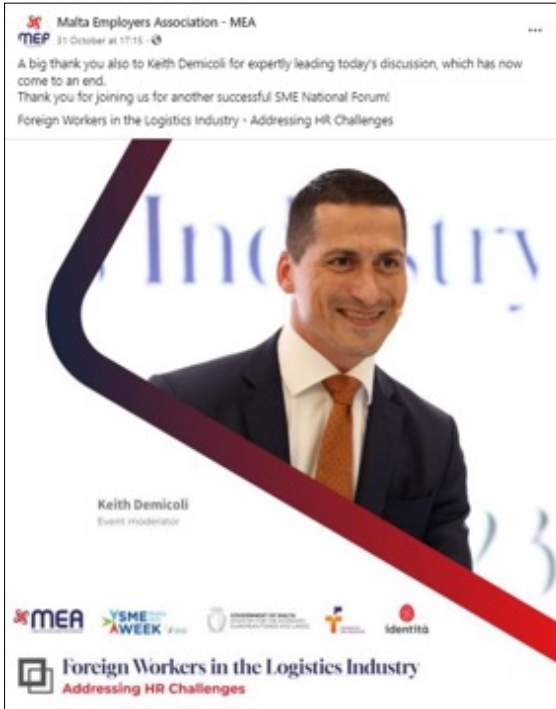
Social Media



Facebook posts



Foreign Workers in the Logistics Industry Addressing HR Challenges



 **Foreign Workers in the Logistics Industry**
Addressing HR Challenges

Design work | 31 October 23



Event Concept & backdrop design



Email signature

Design work | 31 October 23
Foreign Workers in the Logistics Industry
Addressing HR Challenges









The MEA's position

Early in January 2024, the National Statistics Office reported how over the ten years period 2012 to 2022, the resident population of Malta grew 28.6 per cent, from 421,464 to 542,051. The increase in population was attributed primarily to the growth in the foreign population, whereby the share of foreign nationals increased from 5.5 per cent in 2012, to 25.3 per cent in 2022. The Maltese population continued to demonstrate signs of an ageing population, with crude deaths remaining stable over the same ten-year period and crude births declining from 10 to 8 for every 1,000 residents.

The pressure from this growth is being felt across all elements of our daily lives from the overloaded health services, and the continuous traffic jams, to the extensive commercial and residential construction projects which have pervaded the country to allow for this growth to allow these people to work and sleep. The rush to provide enough services, accommodation and food for the new residents, in addition to the record-breaking flows of tourists which reach our shores during the long summer period, in itself fuels a need for further labour inputs to meet this new expected output. Yet, this cycle cannot go on forever, primarily because of the direct impacts on the well-being of our people, but also due to the physical limitations of land and the environment.

The Malta Employers' Association appreciates that the dynamics surrounding Human Resourcing in the logistics sector are wide and complex and that the discussions inherit to a very large extent the undertones of the aforementioned fast-paced growth in population and economy. It is for this purpose that the MEA was keen on undertaking an in-depth analysis to fuse two critical issues; the sustainability of the logistics sector, as a sector which allows our island economy to function smoothly and remain connected, and the country's increasing dependency on foreign workers. The analysis of a cross-cutting horizontal subject across a vertical pillar of the economy allowed us and our stakeholders to dissect a complex matter. Through this event, it became very clear that we, as a nation, must prioritise two keywords; 'planning' and 'quality'

Our recommendations are thereby:

The development of a nationwide strategy which provides our enterprises with a clear action plan for the economy for the medium to long term. The strategy is to be built on the premise of transforming our country's output into one which is of higher value-added and our labour force into one which is increasingly productive. This strategy needs to make the best use of our limited resources, including our human resources, whilst ensuring that we move from growth to sustainable development mantras. Above all this strategy is to be implementable and concrete. A shift from numbers to higher quality is required.

A well-drafted strategy would be a catalyst for the appropriate planning of our labour market needs. In this regard, we recommend the **appointment of an expert task force** having clear terms of reference in the forecasting of all aspects related to demography. This would include the size of our population, birth rates and migration flows. Such a task force would monitor and advise action to mitigate the various demographic crises being faced, as well as be in a position to project different scenarios which meet the country's preferred economic trajectories. If the size, mix of Maltese to foreign and types of skills which we are expecting are defined, we stakeholders along with policy-makers would be able to make the necessary decisions promptly, instead of being caught in a reactive loop.

The logistics sector is a sector which consists of micro and small companies. In this regard, we recommend **adopting a 'pilot-analysis' approach** in this sector and similarly placed sectors to achieve economies of scale both in terms of operations but also for HR planning purposes.



31st October 2023

Foreign Workers in the Logistics Industry – Addressing HR Challenges

Whole fb live stream: <https://www.facebook.com/MaltaEmployersAssociation/videos/731736691639126>;

Foreign Workers in the Logistics Industry – Addressing HR Challenges

Promo: <https://www.youtube.com/watch?v=CLIKRcZdAXU>;

Foreign Workers in the Logistics Industry – Addressing HR Challenges

Theme video: <https://www.youtube.com/watch?v=ud-qTsvyOpM>;

Foreign Workers in the Logistics Industry – Addressing HR Challenges

Post-event video | https://youtu.be/KGgh_-yCTNs



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