

10<sup>th</sup> January 2013

**Talking Point** 

## **Fifty Shades of Purple**

Over the past four years, one of the major topics on the national agenda has been that of energy prices. The unprecedented oil prices, coupled with Enemalta's debts which accumulated due to prolonged subsidies, led to an inevitable increase in tariffs. The facts are that the cost of energy to industry is among the highest in the EU and households tariffs were also affected. Energy tariffs became the subject of hot political debate with both major political parties flinging accusations at each other about the manner in which energy policies – or lack of – were managed over the past decades under different administrations.

In 2009, Government issued a public consultation document, which, following extensive consultations with interested stakeholders, has led to the unveiling of a national energy policy a few weeks ago. For the past few years, the PL has pledged to reduce energy tariffs to consumers and industry if given the chance to govern, but kept its cards close to its chest about the implementation of its promises, until this week as part of the run up to the election. During this time, MEA has on numerous occasions underscored the need for a national energy policy at MCESD, and also devoted a section to it in its memorandum to political parties which it published last October.

The national energy policy proposed by Government incorporates various concrete measures to shift Malta's dependency on oil and locally generated electricity. The interconnector to Sicily, the projected gas pipeline, the new power station together with the PV schemes are all positive – and expensive - measures which address our national energy crisis. On the other hand, the Opposition has placed on the table their own energy proposals, which in many ways overlap the government strategy – the interconnector, the gas pipeline, the pv schemes - but with some controversial recommendations of their own, including the generation of energy by private companies, which the MEA has clearly stated 'should be explored in further detail to ensure that consumers and industry benefit from the lowest, stable and sustainable energy rates possible'. MEA did not state that the PL's energy policy should be implemented, nor does it have the professional credentials to do so, as we are not an association of engineers. However, a study that pledges to cut tariffs by 25% cannot be thrown out of the window unless countered with a factual analysis as to why it is faulty, or how to alter it to make it feasible.

It is unfortunate that this debate is being conducted as part of an electoral campaign, where people and institutions are pressured more than ever into classifying arguments into either red or blue with nothing in between. What is required more than ever is an objective evaluation of any proposals by qualified and independent professionals or body to determine which of them, whether coming from the PN, the PL or any other source are worth implementing. This matter should never have been relegated to partisan politics, where emotion and prejudice frequently triumph over reason. Nor should such proposals – by both parties - have been presented just a few weeks before an election which leaves no time for such an evaluation to be carried out. In other words, people will simply be taking a leap of faith on this issue when they vote.

In its Memorandum to Political Parties, MEA has strongly appealed for them to stay clear of empty promises. Any party that binds itself to reduce energy tariffs will be held to task by the Association if it decides to take the electorate for a ride and such commitments are not honoured. In March, the vast majority of voters will be constricted to see the world through either of two colours, red or blue. The true picture, however, is composed of different shades of purple.

Joshua Zammit President Malta Employers' Association