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GRTU NEWSTRING



GRTU meeting the Minister for Transport and Infrastructure - Hon. Ian Borg

Transportation and infrastructure is an important facet for the better functioning of local SMEs. For this reason an introductory meeting organised by GRTU Officials with Minister Ian Borg gave GRTU the opportunity to explain the functions of the organisations and its direct interest within his remit. GRTU represents chandlers, chauffeur driven services, courier services, bus operators and enterprises which are all important for facilitating services and delivery of other sectors such as Retail and Wholesale, which are also represented by GRTU.

Hon Ian Borg acknowledged the important role GRTU has played in making proposals for the improvement of the aforementioned sectors as well as advocating the uptake of initiatives issued by Government to the public. President Paul Abela,

thanked Dr Borg for his positive comments and informed the Minister that GRTU is open to collective dialogue as a representative body of different and sometimes conflicting areas of business. Therefore prior work and conflict resolution carried out by GRTU itself has always resulted in reaching a collective agreement prior to making informed proposals to Government.

GRTU Officials mentioned the importance of optimization of time and space in Malta's transport network due to its limitations. Minister Dr Borg, exclaimed his concern and informed GRTU that new proposals for leveraging traffic congested areas are being considered, such as in Mgarr, St Lucija and Marsa. Furthermore, GRTU Officials also insisted on the importance of creating a pricing mechanism which latches certain transportation

GRTU's introductory meetings with Ministers and Parliamentary Secretaries

Following the General Election, GRTU has held a series of meetings with Ministers following their appointment to new or diverse roles. During this month of August, GRTU has met with Minister Michael Farrugia, Minister Konrad Mizzi, Minister Ian Borg and Silvio Parnis. These meetings GRTU officials were able to hand over and discuss a way forward of issues which were pending under the previous Minister.

zones which render a greater opportunity cost to businesses if closed or blocked for individual private events or projects.

Cont'd from page 1 > Apart from the concern of major businesses to find and retain delivery persons, the cost of human resources to operate in such a congested transportation infrastructure has increased. Especially since most enterprises are employing dual delivery persons to make a single delivery. Moreover, GRTU exclaimed that it is in favour of timed parking in busy areas such as Mosta centre as this would increase the turnover of customers visiting retail outlets. Unfortunately, Government is bound not to introduce timed parking according to a Manifesto pledge.

On a positive note, GRTU Officials are highly consulted in the management of touristic zones such as Paceville, which is a pilot project for future projects. GRTU has also exclaimed its willingness to participate in generating awareness of and increased investment in the number charging points for electronic car mobility.

Finally, GRTU officials asked whether a contingency plan for the Malta Freeport was being considered, in the light that the current Freeport has now reached its full capacity. The Minister informed GRTU that this was in the pipeline and further analysis of potential zones was required to allocate the exponential demand for the use of a Freeport facility.

Laqgħa kordjali mall-Onorevoli Parnis

Il-GRTU ricentament iltaqgħet mall-Onorevoli Silvio Parnis, Segretarju Parlamentari għal Gvern Lokali u l-Komunita'. Kienet laqgħa korjali hafna fejn Paul Abela, President tal-GRTU informa li l-GRTU tirrappreżenta l-maggorparti kbira ta' negozzji gejjien minn fost diversi setturi fosthom; t-turizmu, importaturi u esportaturi, ohrajn li joffru u jagħtu diversi servizzi, kostruzzjoni, s-settur tal-farmaceutika u l-bejjiegha diversi tal-hwienet, bars u ristoranti.

Il-GRTU thoss li l-komunita' kummercjali ma hijiex tkun involuta bizzegjed u dan mhux sew il-ghaliex hija l-istess komunita' li tiggenera x-xogħol



f'okkazjonijiet bħal f'jum l-Omm u f'jum San Valentinu etc, bi ksur tal-Ligi u għad-detriment ta' sidien ta' hwienet ohra. Il-GRTU infurmat lil Onorevoli Parnis li flimkien mall-Ministeru għal Ekonomija, Investiment u Negozzji Zghar u Medji, d-Dipartiment tal-Kummerc u d-Dipartiment tal-Gvern Lokali qegħda fi process sabiex jigi amendat kapitolu 10 mis-SL 441. 04 – Aktivitajiet li jirrikjedu per-

mess mill-Kunsill Lokali bil-ghan li dan l-abbuz jigi ikkontrollat.

Issue ohra li giet diskussa kienet *r-road safety* fejn l-GRTU tibqa tinsisti li l-gwardjan lokali għandu jgħin l-operat tat-traffiku biex ikun aktar effiċjenti u mhux biss bħala ġbir ta' finanzi. L-gwardjan lokali għandu jkun li jgħin u jeduka lin-nies u biex jeżerċita xogħlu ma' dawk in-nies li ma jkollhomx kontroll fuq t-triq.

Il-GRTU hija favur li jiġu ppenelizzati dawk li jabbużaw, u mhux dawk l-intraprizi li xogħolhom

hu ffukat fuq il-qadi ta' dmirijiet permezz tal-użu tat-triq. L-infurzar għandu jiffoka fuq dawk li qegħdin jkunu ta' periklu u mhux dawk li qegħdin joperaw xgħolhom (*d-delivery man*). Kulhadd jaf li hawn nuqqas ta' parkegg, għaldaqstant l-*stakeholders* għandhom jagħmlu distinzjoni ċara bejn dak li l-ħobża ta' kuljum jaqlagħha billi jsuq u jdur fit-toroq u ħaddiehor.

L-Onorevoli Parnis wiegħed li kien se jagħmel dak kollu li jista' sabiex tinstab l-aħjar soluzzjoni bejn l-*stakeholders* kollha nvoluti.

Hospitality and Leisure Division

GRTU believes that touristic destinations in Malta should be managed in a more structured manner, starting off with Paceville and the St Julians area, which are the most activity intense touristic zones in Malta. During the meetings held with Ministers, a number of proposals were discussed by GRTU's working group for Paceville. The themes covered during these meetings included police and security, health and safety, better organisation of logistics and changes in legislation to increase the quality level of the product, changing social behaviour patterns in the leisure industry and legislation against the practice of unfair competition.

During these meetings Vice President Philip Fenech explained that the fact that tourism figures have increased 2/2million per year, this has created a greater strain on the infrastructural wear and tear which required urgent attention. Even though the overall work on the management of the area has already commenced. The Paceville and St Julians area will be leading to a better model of management that could be adapted for other touristic areas such as Bugibba and Valletta, in the future.

Regarding the issue of tables and chairs allocated across Malta and Gozo in open air spaces- GRTU is in favour of facilitating this practice in tourism zones and elsewhere. Vice President Mr Fenech believes that the Mediterranean climate determines that establishment



need to have were possible tables and chairs in the open space too, these are added selling points to visit these establishments. GRTU is against any kind of abuse of the allocated areas approved by the authorities.

Since most tables and chairs are placed on Government land, a pricing policy applies to each allocated area. Comparative pricing of the commercial areas to government land differs, hence creating a situation of unfair pricing mechanisms when comparing these areas. Nonetheless, businesses are content to be given this opportunity since it gives value added to their business.

In August, discussions were held between high police officials and Mr Fenech regarding extraordinary sectoral measures to arrange logistics vis-à-vis British supporters frequenting the leisure industry in Paceville, St Julians and Qawra. Mr Fenech extended his thanks to the police force for their hard work and collaboration with GRTU.

GRTU's Budgetary Proposals for 2018



The Maltese economy is now healthy and encourages investment. GRTU believes that the National Budget should reflect the stock of what has happened over the past year and a way forward towards the improvement of a thriving economy. GRTU's 13 pro-business budgetary proposals reflect the need for business growth in the Maltese economy.

Safeguard fair competition

GRTU is unaware of the works carried out by the task-force established by government and on the ground no tangible improvements have been registered.. In addition a major pillar of commercial enforcement rests on the police force which is already very limited in terms of resources. **GRTU seeks a commitment to tackle first and foremost imports coming through the catamaran channel to ensure that we know**

what is coming into our island and that everything is above board. Secondly, local councils should no longer be allowed to act ultra vires and issue permits for commercial activities.

Rationalization of taxation

GRTU has welcomed the news that Malta has now reached an economic surplus. and agrees with the principle of redistribution of wealth as a result of private sector investment is reinvested in the companies through lower taxes. This will increase economic activity and still result in significant revenue generation for government. **GRTU requests for income tax for businesses is reduced to 10%.**

Reclassification of the 6/7 tax incentive

GRTU understands and supports the country's need to attract foreign investment to create the right conditions to attract enterprises that will create value

added in our economy. At no point however must Maltese enterprises be disadvantaged by this. GRTU has discussed this issue with the Prime Minister and he told us that a solution needs to be found. **GRTU therefore expects the legislator to identify specific sectors that we do not need more of in the Maltese economy to be exempt from this advantage.**

Retracting on SISA

Excise tax has developed into the most unfair tax in Malta. SISA is yet another burden placed on businesses that are known to government and are already law abiding, those working under the radar have been given yet another advantage. To make matters worse it is also unenforceable. Excise tax is a sword that cuts from both ends because on the one hand without stickers excise is widely evaded and on the other hand the sticker is a significant bureaucratic burden. **GRTU expects the next find alternative solutions to this cowardly tax on all the products that have been added to it over the last years.**

Addressing the Human Resources crises

Businesses are suffering from lack of human resources and wage inflations as a consequence. Malta has a national crisis that is holding back our economy and threatening the livelihood of businesses. The efforts being done by the government to simplify the bureaucracy of employing third country nationals is a first step however a higher level of intervention is required if we are to come out of this crises soon.

GRTU believes that the private sector repre-

sentatives together with the government should set up a joint task force to work on measures that will address this issue. One of the first tasks would be to agree on the countries to target to source potential workers and the skills/jobs needed.

Removal of the Death Tax on business

GRTU believes that one of the most unfair taxes we have in our country that unjustly take capital out of the business to lucratively finance the government's consolidated fund is the tax paid when a business is transferred to the next generation. When the head of the business passes away those taking over are faced with a significant bill and these are sometimes even students and individuals that cannot afford the cost. **GRTU requests that dues related to the transfer tax on businesses would be reduced as a percentage and payable on a long term.**

Reduce cost of access to finance

GRTU has over the years campaigned heavily on the concern of access to finance for SMES and micro enterprises and it is now on the national agenda. GRTU has garnered support from the Governor of the Central Bank, MCCAA and the MFSA and very recently the government itself. GRTU is eager to witness the functioning of the Development Bank, which however will address only part of the national problem of access to finance.

So far no major tangible results have however been achieved and enterprises are footing the bill for government's inaction on the subject. Nonbank instruments are the way forward.

GRTU has requested for the legislator to put in place strong incentives to encourage banking

competitors to enter the market. GRTU requests for access to Venture Capital to be supported and respective legislation updated to reflect facilitation. GRTU also requests a structure that would support the formal introduction of business angels investors, similar to the system that is successful in Belgium.

Audits on micro companies

Very recently, the EU has very clearly encouraged member states to diminish the burden related to financial statements, most recently through its Directive 2013/34/EU. The Directive specifically stipulates that 'the annual financial statements of small undertakings should not be covered by this audit obligation, as audit can be a significant administrative burden for that category of undertaking'. EU gave a clear signal that it looks favourably at the long standing initiative proposed by GRTU. **GRTU insists that micro companies and start-ups should no longer carry the financial burden of audits. As such a grant should be set-up for these companies to recoup audit costs.**

Reduce the price of Electricity

GRTU contends that considering all the factors that have come to play in our energy market the price of electricity should have gone down by 30%. **GRTU has requested for the reduction of the price of electricity for the commercial sector by 30%.**

Liberalisation of the electricity market must move from on-paper to in practice. **GRTU requests the next legislator to source a separate operator to operate the interconnector and a second**

operator in the distribution of electricity to cater for the private sector. GRTU also requests the opening up of possibilities for the private sector to set-up micro generation independent from Enemalta and integrated with the national distribution system. New private investors should also be given the opportunity to buy the remaining Enemalta shares on the same terms of Shanghai Electric.

GRTU has asked for business safeguard when it comes to the dominance of Enemalta/Arms. GRTU requests a **Code of Ethics of how they deal with businesses should be drafted and the Code of Ethics would be overseen by a board composed of Enemalta, MCCAA and GRTU.**

Malta Freeport

Investment levels in our ports have not been kept and today we invest only around 50% of what the EU average invests in their port facilities. GRTU is concerned that most of this problem is stemming from non-implementation of contractual obligations of the private operators. **Private operators that should invest in the port must be made to invest as otherwise the contract would be reassigned and overall the government must ensure that Malta maintains its stronghold in port facilities.**

Malta's Freeport facilities are praised for their standard and efficiency however as the Freeport facilities become more in demand the space available for local operators has become limited and increasingly these operators are being faced with delays. **GRTU requests the next legislature to allocate an additional area for the operation of**

the Malta Freeport for exclusive use of local operators.

Creation of a Retail School

Retail and Sales remain important economic sectors in the Maltese economy. These are however often supported by human resources who are most commonly unqualified and untrained. **GRTU has therefore requested for the government to partner with GRTU for the setting up of a Retail School** within which we would develop a set of short and full courses on part-time and full-time basis based on the findings of the analysis as well as following pilot initiatives. The scope is to build an education and training route for existing and potential human resources for the sector with the aim of having a clear training pathway for the retail sector and develop careers in retail.

Reduction in package delivery costs

A significant amount of effort has been invested by different stakeholders to push businesses to sell

online, with the result that numbers have increased. There are still however a number of barriers that are impeding the full implementation of the Digital Agenda and mainly this boils down to expensive postage fees. Until postage fees remain high Maltese businesses stand little chance of competing and selling online. **GRTU has requested a remedial solution such as tax credits or subsidies that would be put in place so that Maltese enterprises would be able to deliver their goods free of charge.**

Revision of pensions for self-employed

The short term business decision to undeclared earnings based on the need to reduce business costs –results in a reduced pension income to business owners and their spouse. **GRTU has proposed that through the Malta Financial Services Authority, an automatic enrolment scheme is introduced for self-employed persons and their staff. GRTU has already worked out a framework of how this can be implemented.**

Assessing the Issue of Sexual harassment at the Place of Work

At the time being MAV (Men Against Violence) and WRF (Women’s Right Foundation) are working on a noble cause, through conducting research as part of a project dealing with sexual harassment at the place of work, funded by the **MCCF** (Malta Community Chest Fund).

This survey will give the Foundations a clear idea of how sexual harassment at the place of work is currently understood, by employers and employees, what prevention systems already exists and what more could be done on the level of employers policies. **This will enable them to create educational tools and training materials needed on how to create healthier and safer work environments in Malta.**

The below is an anonymous online questionnaire: <https://tinyurl.com/y6vmghr8>

Respondents are reassured that data collected, which will be used for the purposes of the project only



Save the date

Tuesday — 10 October



let's evolve

Growth through Innovation

Grand Hotel — Excelsior

This year the GRTU Malta Chamber of SMEs will be organising its annual half day event on the 10th of October. GRTU's yearly conference attracts approximately 200 SMEs from various sectors and sizes in Malta and Gozo.

The name of the conference is Let's Evolve and its aim is to raise awareness among SMEs about the potential of innovative practices within their business and kick start some of these innovative practices.

Innovation is for any business, independent of whether it is just starting out, has been long in business, its size or the goods or services it deals with. Innovation is for everyone and it's no rocket science. The conference will provide a walkthrough of possible innovative practices that can be implemented in your business both in the short and long term.

Innovation = less costs and bigger profits. Let's explore this together.

If you would like to register your interest kindly fill in the following form :
<http://www.grtu.eu/registration/>

We need your opinion

GRTU Malta Chamber of SMEs has just launched a survey focusing on Local Innovative practices in Business. The aim of the survey is to analyze how local businesses visualise Innovation and in what ways do they implement innovative practices in their business if any at all.

GRTU is aware that Malta lags behind other countries in innovation. Following this study, GRTU will publish a policy paper through which it will urge authorities to act towards.

We strongly encourage you to participate, as we would like to know more!

Kindly in this survey by clicking on this [link](#).



Employing Third Country Nationals to become easy-IER

GRTU has been putting significant pressure on the authorities and working with them to resolve the complicated and lengthy process to properly engage third country nationals.

At a point the process took up to even one and a half years to have a single permit issued and with the work of GRTU and other stakeholders the problems were gradually addressed.

The process is in fact much shorter today and less bureaucratic. The government has however committed itself to reduce this timespan to not longer than 15 days within its political manifesto. GRTU has set up a system whereby it will help its members fill in application forms so as to make sure the paperwork is done correctly.

A number of consultation meetings have led to a good number of proposals to be taken up and the system will therefore be fine-tuned further. Identity Malta will soon be introducing the following measures:

1. Increase the investment within the Expatriates Unit in order to keep up with the increasing amount of applications for single permit;
2. Set up a second front office to deal specifically with renewal applications and approved still-abroad applications;
3. Accept applications for a single permit at the Gozo offices in Victoria;

4. Remove the experience/qualifications requirement for the following occupations: cleaners, room attendants, machine operators, waiters, nannies, housekeepers, plasterers and labourers;

5. Simplify the requirement on employers to make efforts to recruit Maltese/EU nationals and consolidate the vacancy requirement exemption list;

6. Replace the weekly capping on the submission of applications for a single permit by a demand-based approach;

7. Give individual assistance to employers who plan to recruit foreign workers directly with their offices;

Increase the promotion of the Key Employee Initiative and the Outreach Initiative.

In the meantime employers can also at any time approach Identity Malta in order to discuss the specific labour needs of their business by contacting the Expatriates Unit on **eresidence.ima@gov.mt**.

GRTU is aware that this will not solve the national crises we have in Malta with lack of human resources and therefore it has presented a proposal for Budget 2018 for the government to work together with the social partners to identify countries from where we can source human resources as well as skills and jobs for which employees are needed.

A Survey on the influential factors of Investor's decisions

Antionette Bonello is currently undertaking a Masters by Research Degree in Insurance and Risk Management at the University of Malta. The research consists in investigating the factors that influence the decisions of Maltese investors when they buy and sell stocks and /or shares on the Malta Stock Exchange. I am particularly interested in what makes an investor risk his/her capital and why s/he is willing to risk. Kindly follow the link to complete the survey, replies are in the form of 'tick-the-box'.

The survey is **ANONYMOUS** and consists of **34 questions**. It can be answered using a computer or mobile phone as long as one **ENABLES COOKIES**. <https://www.surveymonkey.com/r/ProfileofMalteseInvestor>

KNOW YOUR MONEY

The Central Bank of Malta has reported a decrease in the number of counterfeit euro banknotes during the end of year 2017.

At 422 pieces, the overall quantity of counterfeits withdrawn from circulation was 34% lower than the aggregate figure withdrawn between July to December 2016, and also lower than that reported between January to June 2016.

When compared with the number of genuine euro banknotes in circulation in Malta, slightly above 10.39 million on average for the first half of 2017, the proportion of euro counterfeits remains insignificant. It is also low (0.13%) as a proportion of the total number of counterfeits seized in the euro area as a whole over the same period, amounting to 331,000 pieces.

Of all the counterfeit euro banknotes seized in Malta over the first half of the year, the largest number continued to be those of the middle denominations, the €20 and €50 amounting to 73.5% of all counterfeits. During this period, the

share of the €20 and €50 denominations increased, whilst that of the €10 denomination decreased from 36.9% in the previous half year to 17.3% during this period.

GRTU reminds its members that the new €50 banknote, with its innovative security features, was issued on 4 April 2017. GRTU has held an informative session on its introduction and ways to combat counterfeits.

The Central Bank of Malta advised the public especially businesses with regard to the banknotes received in cash transactions. Businesses can easily apply the "FEEL-LOOK-TILT" test to determine the genuinity of their bank notes, which is described on the Bank's website. Furthermore, for the public's perusal, Central Bank offers an online list of certified software for machinery which can detect the most recent kinds of counterfeit bank notes. We would like to remind our members, that the Central Bank of Malta also offers on-site training for business staff, as well as monitoring of authentication equipment for detection of such euro banknotes.

Contact GRTU Malta Chamber of SMEs on **21232881 / 3** or e-mail **admin@grtu.eu**



Operational Programme II – Cohesion Policy 2007 – 2013
Empowering People for More Jobs and a Better Quality of Life
Project may be part-financed by the European Union
European Social Fund (ESF),
Co-financing rate: 85% EU Funds; 15% National Funds



Investing in your future