

GRTU NEWSTRING



Public outcry to regulate street vendors

In Malta we have unfortunately become accustomed to our authorities' inability to control the blatant unfair competition that takes place on our little island. Unfair competition in Malta cannot even be referred to as the black economy, a more appropriate term is daylight robbery because it happens in broad daylight, in our busiest streets and everyone can see it. Nonetheless, however, the authorities feel powerless, or rather there is lack the political will to do anything about it.

The lack of any kind of enforcement when it comes to unfair competition continues to escalate with more people identifying selling in the street as an opportunity to make a quick buck by taking it out of the pockets of those that would have been waiting all year round for that special feast or occasion to increase their sales and make up for the slower months.

This is not an issue of competition. Competition is something businesses have to deal with on a daily basis and win customers while offering them a reason to choose them as opposed to the many other businesses providing the good or service. The issue is unfair competition. The permits being issued are not legal and the conditions these vendors operate within are not comparable to the conditions and realities faced by businesses operating out of a fixed premises.

Street sellers have no restrictions on opening hours, at a

time when Malta has just started legislating in favour of more flexible opening hours, but still today a shop cannot open 7 days a week without paying Eur 700 for every time they decide to open seven days a week or decide to extend their business hours. Street sellers can sell seven days a week at any hour of the day and night without the need for additional permits or costs.

GRTU has been highlighting this problem for years now and inaction has led to the problem becoming acute. Businesses with fixed premises are questioning how feasible it is for them to continue operating from their premises when they can just choose a spot, and they can choose the busiest prime spots, and open shop there. This way they can do away with costs related to wages, licensing, environmental and health and safety regulations, water and electricity, amongst others.

Is this, however, the Malta we want? Do we want shops to close and turn Malta in a flea market where it is a free for all and selling, selling, selling is the only commandment?

Our enterprises invest millions of euro to make Malta an attractive destination of a high calibre. Their investment is being devalued by the vendors that occupy our roads and litter our prime sites for their own monetary gain without the least consideration for the damage done to the country and other law abiding business people.

GRTU is very aggravated by this and the reason why no solution to this problem has been found is a very simple one. The issue falls within the remit of a multitude of Ministries and nobody wants to take responsibility and take the political steps necessary.

Hon Chris Cardona as Minister for the Economy, regulates commerce and street hawkers, however feels unable to act because Local Councils fall outside his remit and he does not control enforcement.



Hon Owen Bonnici as Minister responsible for local government expressed his reluctance to act since the local councils are already struggling with funds and this provides them with additional income.

In addition, enforcement is done by the police, something that is nonsensical, both because the police are already extremely stretched in terms of human resources and because they do not issue the permits in the first place. The question that therefore arises is how should they enforce them or ensure someone is adhering to the framework under which the permit was issued?

The solution is not a complicated one:

- Local Councils do not regulate commerce, their remit should not go beyond that of the village feasts as they lack the capacity to fulfil such a role.



- Any permits issued for street selling should be regulated by a strict regulatory framework that safeguards businesses in the area and is observant of regulators' requirements of health and safety, sanitary concerns, traffic issues, amongst others.
- The entity responsible with issuing such permits must be the entity enforcing the correct use of such permits.

The country's enforcement system continues to fail us and burden the legitimate businesses with inspections and heavy regulations whilst turning a blind eye to the street traders trading unlawfully and turning our island into one gigantic flea market.

The issue affects a wide range of business sectors:

- the flowers sector that wait for occasions such as Valentine's and Mother's day and are faced with a situation where street vendors occupy our most important and busiest roads and junctions and it is therefore much easier for the consumer to reach them while driving.
- the event organisers who invest in their events, comply with security and health and safety features only to compete with the kiosk that has set-up just outside their door selling junk food and beverages to their patrons.
- Republic Street businesses with stalls set-up in the most expensive street in Malta selling the same goods other businesses located just a couple of doors away are selling, with the difference that those with fixed premises are paying hundreds and thousands of euros a year in rent because of the position they operate from.

Last week GRTU had once again issued a public statement in conjunction with the Malta Hotels and Restaurants Association (MHRA) calling for Government action in the immediate to remove these street traders from our prime sites and ensure they are adhering to regulations. GRTU and the MHRA are currently awaiting a meeting with the Prime Minister.

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GRTU backing Valletta-based businesses during EU Presidency

GRTU Malta Chamber of SMEs is very proud of the fact that Malta is holding the Presidency of the Council of the EU, and it is with great honour that we welcome the leaders of the European Union to our home country. GRTU, however, regrets to say events directly related to the country's Presidency, specifically related to the EU Summit, have resulted in a logistical nightmare for businesses in Valletta.

This comment does not refer to the issue of security, even though some considerations in this regard are also required. All the businesses in Valletta have understood and acknowledged that certain changes might be necessary when Presidency-related events are held, and they are demonstrating this acknowledgement as when required they even remove their outside tables and chairs to make way for the passing visiting dignitaries.

Nonetheless, most of the conditions imposed on these businesses during the EU summit have been nothing short of ridiculous. Businesses in Republic Street were handed not even a day's notice that they would not be allowed to accept customers for a whole four hours during the afternoon. Customers caught in coffee shops were not allowed to exit during this timeframe and restaurants in Archbishop Street had been asked to remain closed for the entire day on 3rd February. As one can imagine this results in a significant loss of business.

GRTU condemns the approach where Maltese businesses of all sizes are expected to dance to whatever tune our

authorities play, no matter how amateurish and anti-business this is. From the outset, it is clear that no consideration as to what impact this has on loss of business and schedules that businesses had already committed to with their customers and employees.

We expect the Presidency to benefit Malta and to contribute a significant amount of money to our economy. We expect our visitors to spend some euro in Malta and take home beautiful memories and gifts for their colleagues and loved ones. However, we certainly do not expect the authorities to raise barricades to keep the commercial activity in Valletta out of sight and reach.

GRTU will not accept that Maltese businesses be treated as second class. Parking spaces for these businesses' customers have been taken away to make way for the residents. The most unsightly structures have been placed in front of their shops in Merchants Street, the most beautiful street in Valletta, when GRTU had worked so hard to clear the area from market stalls. Restaurants have been experiencing a slow down as clients are not dining at their premises seeing as Valletta is a logistical nightmare. Thus, existing and potential clients are staying away from the Maltese capital.

The degree to which Malta fares well in this Presidency will not only be measured by the number of meetings our authorities chair and photos depicting our high officials shaking hands with the leaders of Europe. The Maltese citizens and businesses must be inconvenienced in the least

possible way.

These people live in Valletta, they feed their families and pay their employees from their shops in Valletta. They cannot just hit a 'pause' button until this six month ordeal is over.

The EU Presidents Tusk, Tajani and Juncker all frequently talk about the social crisis the EU is currently experiencing. Many people are already feeling they do not belong in Europe and feel at a distance. They call on our policy-makers to bring the people closer to Europe and drive Europe home.



GRTU asks the Presidents Tusk, Tajani and Juncker to join GRTU in its appeal to the Maltese authorities not to turn the Presidency into a nightmare for Maltese citizens and businesses.

The country and Europe as a whole do not afford to have their citizens and businesses feel even more distanced from the EU because it is simply a headache for them and they are treated as second class.

Logistical planning started at the eleventh hour and we are making a fool of ourselves. GRTU has appealed for proper planning during every single meeting where the Presidency was discussed.

It was evident even back then, over a year ago, that the authorities are so overwhelmed by the number of meetings they will be chairing that logistics were being left by the side. We have unfortunately been proven right and our businesses are suffering.



GRTU appreciates the intense pressure this puts on a small country like Malta and our Police Force's commitment to ensure safety but logistics and the way people and businesses are handled require immediate and drastic improvements.

As part of the Presidency events, GRTU met Commissioner Tajani who remarked about the importance of bringing Europe to the people. He said that the sentiment of togetherness in Europe urgently needs to pick up.

Following its complaint GRTU met Hon Dr Ian Borg, Parliamentary Secretary for EU funds and 2017 Presidency, along with his team, who assured GRTU officials that even though security measures were important, they will be more sensitive in terms of the information given to businesses and also the opportunities the presidency presents.



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Ta' Qali project to see the light of day in the immediate future

Ta' Qali tenants that have been waiting to see a project materialise in Ta' Qali for around 20 years are struggling to believe that finally they will really see the desired upgrade in Ta' Qali.

The Ta' Qali Crafts village that spreads over an area of approximately 63,000 sqm and is currently mostly a dilapidated area and incorporates scattered operators that vary from the genuine crafts, to importers and industrial workers, will undergo a drastic facelift that will revive it into what could potentially develop in a proper crafts village.

The project's main aim is to regenerate the area from an infrastructure aspect, making it more accessible and attractive while transforming it into a hub of excellence for locally manufactured products predominantly those related to traditional Maltese crafts. It should serve as the showcase for traditional work and will assist towards increasing the number of visitors to ensure sustainability of the crafts village.



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The investment of circa EUR 8,595,926 (excl VAT) is expected to be made by MIP in part funded through ERDF Funds to upgrade and embellish the infrastructure of the common areas to improve the environment for the operators

and visitors. This is to be complemented by investment by the crafts operators to construct and/or upgrade their business premises. It is anticipated that this process of restructuring would also bring about more employment opportunities.



The renovated crafts village will incorporate new parking areas, the integration of green areas and the introduction of children play areas.

The project has already started in terms of procurement and the demolition of existing structures and the removal of shrubs and trees. The dismantling of existing Nissen Huts has also already started by MIP to make way for new roads and by the tenants to make space for new units. Works by the contractor will be started just after Easter of 2017, with the main drainage link and the deep excavation and trench-

ing works.

GRTU is currently in the process of setting up a Voluntary Organisation for the tenants that will give them a legal identity and has for the last year been representing tenants and their interests with MIP so as to ensure that the project incorporates their needs.

The people that are currently working on the project at MIP are very reasonable and practical people that first of all are intent on seeing the project go through within the specified timelines so as not to lose any funding, but they also have the greater purpose of the project close to heart and want to see the project develop in a state-of-the-art crafts village where genuine Maltese crafts have the space and the environment to be able to flourish.

Through the discussions that have already taken place the project has already developed to incorporate a larger capac-

ity to park vehicles and coaches to that originally planned. An area that will be dedicated for use by the tenants while the project is ongoing that will be secured by fencing was also incorporated.

This area will accommodate containers that will be utilised for storage facilities by tenants and well as a tent to be used as a retail space by all tenants interested. It was also agreed that the interruptions to tenants will be minimised and at all times workers and owners will be allowed inside the site so that operations are not cut-off for a lengthy span of time due to employment and wage concerns.

Tenants have been given the greenlight to finalize arrangements with the architects and get their DNOs. The design guidelines should be adhered to because the project is a holistic one. The removal of nissen huts and trees should be notified to MIP in advance and any issues encountered should be referred back to GRTU or MIP.



Energy Audit Voucher Scheme for Maltese businesses

Maltese micro, small and medium-sized enterprises make a vital contribution to the country's economy as they conjure up new employment opportunities and add value to the Maltese business environment. This in turn means that the tasks each of these SMEs undertakes comprise a considerable amount of the total national energy demand.

A domestic Energy Audit Voucher Scheme has therefore been established through a collaboration between Malta Enterprise, the Energy and Water Agency and GRTU Malta Chamber of SMEs to help businesses make energy savings. GRTU is chiefly responsible for facilitating the application process for this scheme.

Through this scheme, small businesses whose annual energy consumption rate ranges between **10,000** and **75,000 KWh** can receive an **Energy Audit Voucher**. This voucher can then be used by the beneficiary to engage an engineer

that is certified and qualified to undertake an energy audit of the beneficiary's business operations.

As a result, SMEs that have a relatively high energy consumption rate are given the opportunity to undergo a **High Level Energy Review** that would pinpoint any potential investments and/or actions that would lower the company's energy consumption rate. This initiative is one that supports the country from an environmental and economic point-of-view, as well as Maltese businesses that can make important energy savings.

Approved applicants of this incentive are assigned a certified energy auditor by the Water Services Corporation. Moreover, this energy incentive shall be available until **30 June 2017**. For assistance in applying for this scheme, you may contact GRTU by telephone on **2123 2881** or via e-mail on **admin@grtu.eu**.



GRTU consultation session: A Policy for Retailers

GRTU Malta Chamber of SMEs strives to maintain a healthy working relationship with both the Government of the time as well as the Opposition in Parliament. It is important that the views of both sides are considered in depth so as to extrapolate the best of both worlds and come to a conclusion that would truly benefit Maltese business owners.

Thus, the document "A Policy for Retailers" was drafted by the Opposition in consultation with GRTU and presented to cabinet in late 2016. The document was published last November and includes 51 proposals specifically targeted towards Maltese retailers.

In a nutshell, the policy document is based on four chief economic objectives:

- To assist retailers in achieving an improved return on their investments
- To enable the retail sector to conjure up new and improved jobs, which include higher wages and better working conditions
- To offer retailers a more attractive tax deal that can encourage fiscal regularisation and a long-term increase in tax revenue
- To begin a transformation in the retail sector that turns it into a high-value added segment with more diversity in the products and services it offers to con-

sumers. Linked to this is the scope of generating a new export-oriented e-tailing stream

Among the policy document's proposals are commitments to: remove excise duties on various consumer products, such as toiletries and cosmetics; lower water and electricity bills for traders; extending child-care facility assistance to provide complementary childcare facilities in retail zones; and support improved transport facilities so that retailers can profit from passing trade and greater accessibility.

In arriving to these objectives and proposals, the Opposition referred to GRTU's 2015 Business Performance Survey, which found that solely one-third of businesses based in Malta were planning to expand their operations during 2016. This element of stagnation is one that would be detrimental to the Maltese economy and 'entrepreneurial culture' in the long-term.

Therefore, GRTU supports efforts made by all policy-makers to stimulate enthusiasm in the domestic retail sector. A consultation session was held on 16 February for members of GRTU, so as to hand them an opportunity to learn more about the document's proposals and ask questions.

If you have any comments on this document, kindly send an email on:

carmen.borg@grtu.eu



GRTU's views on the creation of a European Data Economy

On 27 February, GRTU was present at the MEUSAC Core Group meeting, in which the Commission's Communication on "Building a European Data Economy" (COM(2017) 9 final) was discussed. The Minister for Social Dialogue, Consumer Affairs and Civil Liberties, Hon. Helena Dalli, opened the discussion by emphasising the importance of the subject matter and highlighting the fact that a Data Economy would affect all EU citizens in their daily lives.

out a number of factors to be considered in the work towards a European Data Economy. First and foremost, it is stated that "unjustified restrictions on the free movement of data are likely to constrain the development of the EU data economy." This alludes to the issue of geo-blocking, in which access to certain internet content is restricted based upon the user's geographical location.

The "unjustified restrictions" mentioned in this document have a strong link to unjustified geo-blocking, which is a discriminatory practice that does not allow online customers to purchase products or services from certain websites overseas, or simply offers those customers the same products but at higher prices based on their geographical location.

Unjustified geo-blocking of course impedes the practice of selling online, also known as "eCommerce", which GRTU has been strongly promoting in recent months, seeing as around solely 14% of Maltese businesses are conducting online sales. Nevertheless, whilst unjustified geo-blocking should be stopped, the justified reasons for this practice should also be acknowledged.

GRTU advocates the factoring in of justified reasons as the association wants to safeguard Maltese SMEs' right to choose in which markets to be active. After all, several justified reasons for the blocking of cross-border sales exist, and these include excessively high compliance costs or even impractical business solutions.

Therefore, when paving the way towards a European Data



A presentation was delivered by representatives of the Malta Information Technology Agency (MITA) and the Office of the Information and Data Protection Commissioner. This presentation highlighted the implications of the EU's proposals for a European Data Economy and how it would affect data access in Europe.

In its Communication, the European Commission points

Economy from a business perspective, policy-makers must remain prudent and look at the entire picture. In this case, when working against unjustified online restrictions, the Commission must be careful not to forsake justified business-related reasons for geo-blocking.

During the Core Group meeting, GRTU representative Mr Andrew Rizzo Naudi pointed out the need for clarity in the Commission's COM(2017) 9 final document. He explained that on pages 12 and 13 of the document it is asserted that "Access to business data by statistical authorities would typically contribute to alleviating the statistical reporting burden on economic operators."

Maltese lobbyists much clarify whether the term "business data" refers to simple figures, such as the number of employees a company hires, or also to specific information about the businesses' products and services. At a national level we have to be careful to examine how much and what kind of data Maltese businesses would be obliged to share with statistical authorities.

GRTU has been very active in consultations regarding technological developments in recent months and shall progress in the same manner to ensure that the Maltese business community's interests are safeguarded at the local and EU levels.

If you have any comments on this issue, kindly send an email on:

eudesk@grtu.eu

Information Session

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Time: 15.30 registration

Venue: Mtarfa Local Council

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Public consultation session on EU Directive for Defective Products

The Malta-EU Steering and Action Committee (MEUSAC) in collaboration with the Malta Competition and Consumer Affairs Authority (MCCAA) are organising a consultation session on the 'Liability of the producer for damage caused by a defective product.' The event shall be held on Wednesday, 15 March at the Fortress Builders Fortifications Interpretation Centre in St. Mark Street, Valletta.

The public consultation will be held with the aim of gathering stakeholders' feedback on the implementation of the Directive on liability for defective products (Directive 85/374/EEC). This binding document guarantees the liability of the producer in the event of damage caused by malfunctioning products within the EU. In recent times questions have been raised as to whether the document addresses emerging issues related to technological developments sufficiently.

As a result of this uncertainty, a consultation is being held, and stakeholders can contribute via the upcoming public consultation organised by MEUSAC.

It is expected that feedback will specifically address: (1) the extent to which the Directive adequately deals with new technological developments such as the Internet of Things; (2) whether the Directive sufficiently addresses stakeholders' needs; (3) as well as whether and to what degree it fulfils the objectives of guaranteeing at EU level the liability without fault of the producer for damage caused by a defective product.

Those individuals who would like to have their say and participate in this consultation session are requested to register by email at consult.meusac@gov.mt by no later than 14 March 2017.



End of roaming charges within the EU in 2017

Whenever individuals travel overseas, they would normally use a mobile phone containing their domestic SIM card, which means that they are roaming. The use of roaming entails some charges as mobile phone companies in all EU Member States collaborate so that travellers can stay connected, send and receive text messages and calls, as well as download internet content whilst using their home country's SIM card.

Roaming charges derive from payments made between mobile phone companies. The traveller's operator in their home country normally pays the phone company in the foreign country so as to make use of their networks. These payments are sometimes referred to as a wholesale roaming price. In turn, these wholesales costs affect the final bills received by mobile users.

The European Commission has been working to reduce the final price of roaming since 2007. The results of this

work have been positive, seeing as many citizens who previously used to avoid any mobile use whilst overseas now feel more assured that their mobile use will not rack up excessively high charges.

During 2013, the Commission had proposed legislation to abolish roaming charges for travellers within the EU, and two years later the Council and the European Parliament decided that such legislation should be implemented as of 15 June 2017.

Earlier this month, Brussels took the final step towards eliminating roaming charges within the EU once and for all. The wholesale charges that telecom operators pay each other when their customers use their mobile phones abroad are to be capped, thus solving the final piece of the puzzle of a decade-long initiative to allow Europeans to use their phones abroad at no extra cost. The overcoming of this hurdle was a key priority of the 2017 Maltese Presidency.

Two students from the University of Malta are currently conducting SME-related studies that may contribute to the domestic business environment. **Mr Vince Sammut's** research delves into the way Maltese SMEs perceive cyber attacks and whether they take the necessary precautionary measures to evade them. You may participate in the quantitative component of this research by filling in the questionnaire at <https://www.surveymonkey.com/r/CyberSME1617>.

Ms Janice Bugeja's dissertation is aimed at analysing whether there is enough competition in the Maltese banking sector for SMEs that want to borrow funds. As part of her research, Ms Bugeja has prepared a short survey in which respondents remain anonymous. You may fill in this survey at the following link: <https://goo.gl/forms/UwzeJrE567t13RAw2>.



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



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