

# GRTU NEWSTRING



## GRTU holds its Annual General Meeting

GRTU has once again held its annual general meeting this year where it outlined the work it had carried out during 2016, including its successes and the work that will continue in 2017.

GRTU President Paul Abela said that 2016 was another year of hard work for GRTU. He said that in his years of experience heading GRTU he has seen the organisation growing and is today very proud to be heading the organisation GRTU has become.

President Abela also went on to thank the GRTU staff and especially the CEO, Abigail Mamo, for their hard work and dedication.

The GRTU CEO followed on from President Abela's engaging speech by highlighting GRTU's most memorable

achievements from the year 2016:

**Billboards and advertising – €1500 less for any business**

The Legal Notice that was introduced on the 29th of March 2016 by three separate Ministries was unacceptable and came into force without any form of consultation with GRTU as a social partner whose members will be directly and gravely hit by this hurried law.

The law that may have had scope to perhaps organise the billboards that we saw scattered around our roads has stretched to cover any form of advertisement. This in practice literally meant that all advertisements that were visible from a road would be regarded in the same manner, regardless of whether these are placed within one's private

property or on public land, and would require a Planning Authority permit at a fee and over and above that pay a yearly license of €1,500 every year to Transport Malta.

During the consultation process GRTU organised meetings with a number of stakeholders including a large general meeting, as well as smaller working groups for retailers, billboard operators and sign writers. The consultation process was very intensive and complex due to diverging views however one common position was submitted to the government.



Apart from stopping this anti-business law, GRTU immediately achieved a number of positive changes, including the removal of the €1500 on any form of advertisement excluding billboards, a fairer approach by the Planning Authority with billboard operators, as well as easier permitting procedures.

### Paceville Masterplan – back to the drawing board

GRTU immediately welcomed the Government's commitment to develop a masterplan for the area of Paceville. Businesses have shown their appreciation to the sense of positive enterprise that this would give to the whole area when seeing the project proposal in its totality.

Yet the seemingly advanced stage of the masterplan being put forward for consultation, the lack of involvement of MTA in drawing up this plan, accompanied with the hefty media advertisement of the plan as though it is a fait accompli, raised eyebrows in relation to the genuine scope of the project.

GRTU took immediate lead on the matter and commenced consultation with its members over the Masterplan. GRTU organised a private meeting for enterprise with Planning Authority officials and MTA CEO wherein over 100 business operators voiced their opinions and concerns. GRTU has undergone a thorough review of the masterplan on a macro-level whilst holding one-to-one meetings with its members to look into the micro-concerns being put forward. GRTU has also been present on all fronts during this consultation period, including public meetings, BICC discussions, the media, and most importantly the Parliament Environment and Sustainability Committee Sittings.



The idea of a masterplan is a good start as a base for discussion and regeneration of the area but it must be ensured that existing businesses are safeguarded. Following GRTU's efforts the Paceville Masterplan was sent back to the drawing board.

### SME Week Conference

The GRTU 2016 SME Week Event put SMEs at the centre with a motivational conference that focused on the need to bridge the gap to overcome challenges and turn them into opportunities so that no business gets left behind.

The half-day conference was held on the 4th of October with the title 'Gearing Maltese enterprises to foster today's challenges.' Over 150 participants attended the event, which saw the participation of two Ministers – Hon Cardona and Hon Mallia - as main speakers. The event was supported by the Ministry for Economy, Investment and Small Business, the Ministry for Competitiveness, Digital, Maritime and Services Economy, the Parliamentary Secretariat for the EU Presidency and EU Funds, JobsPlus, Malta Enterprise and the Malta Communications Authority.

### 'Il-Fiera I-Kbira' held in 2016

The 2016 edition of the annual 'Il-Fiera I-Kbira' fair took place as planned. GRTU welcomed Government's decision to safeguard the interests of businesses following reports that the fair ought to be cancelled due to boundary issues coming to light. This followed presentations made by GRTU voicing concerns that its members will be harmed if the fair is cancelled. The organisers of the fair had almost called it a day and started contacting exhibitors to communicate the news because the fair was not going to be given the permits needed due to planning issues, prior to GRTU's intervention.



It was important for GRTU to safeguard the interests of its many members exhibiting at the Fiera I-Kbira and thanks to GRTU's intervention a significant amount of resources invested, both in terms of time and money, have been saved from waste and harm to business. Fairs serve an essential economic purpose and are an important platform, especially for the smaller businesses seeking increased exposure to the consumer.

The Fiera I-Kbira was held at Montekristo Estate between the 7th and 17th of July 2016.

### GRTU wins National Enterprise Support Award

GRTU won second place in this year's National Enterprise Support Award with its submission 'Fostering an operational environment that means business'.

GRTU moved ahead from the traditional approach of unions of constantly complaining in response to certain decisions being made. Instead, GRTU worked on putting forward concrete proposals and looking at issues from the point of view of what it can do as an organisation to contribute and assist enterprises to improve their position, in addition to assessing how GRTU can be of use to the Government to help in achieving the desired national goals.

A decision was therefore taken to move from a reactive to a proactive stance. The implementation of this strategy was carried out over a number of years and the effects were both short term and long term.



Policies that did not work adequately for businesses were either revised or removed following GRTU's intervention. The necessity to take such action was related to the inadequacy of certain laws and the disproportionate impact and the overly burdensome pressure placed on the smaller enterprises. The 'Think Small First Principle' was applied to ensure that laws are drafted with the smallest of businesses in mind and implemented by larger businesses and not vice-versa.

Further efforts are planned in relation to e-Commerce through the increased take-up of such opportunities by businesses. GRTU will tackle export barriers and other issues that are still holding businesses from tapping their full potential.

### Equality Act – significant revisions

At the close of 2015, GRTU, together with the other employer organisations, learned that the government was at a very advanced preparation stage on the Equality Acts and



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would be soon presenting them to Parliament for approval.

On the one hand, the Acts seek to implement and consolidate various applicable European Directives and, on the other hand, the Acts also seek to go beyond what is the minimum requirement and the basic standard imposed by the Directives. While GRTU is a strong contender of the principles of equality we advise great caution in going beyond what is binding on us by the EU Directives, especially when it comes to imposing additional measures affecting businesses.



GRTU agrees with the general objectives of the Acts, however the Acts are overly vague and excessive in certain instances. For example, GRTU does not agree that the Acts should seek to regulate word of mouth in relation to recruitment and classify this as advertising. GRTU does not agree that the employer should be held responsible for any person that could be in his/her premises, including a client that carries out an act of harassment.

GRTU also strongly feels that the fines and punishment embedded by the Human Rights and Equality Commission Act are disproportionate. The issue of imprisonment alone is entirely unacceptable and goes against the spirit of decriminalisation that the State has adopted in recent years.

GRTU also objected to the astronomical daily penalty of €500 a day being imposed. This exceeds all other penalty that may be imposed under any Maltese Law. A daily penalty may be imposed however it must reflect the realities of the Maltese society.

Following our official submission a number of consultation meetings were held and the Acts have improved greatly since the absolute majority of GRTU's suggestions seem to have been taken on board. By close 2016 GRTU was still awaiting a copy of the improved version of the Acts.

#### **MCAST Masters for small businesses in collaboration with GRTU**

Falling within GRTU's entrepreneurship initiative and following a successful outreach exercise titled 'Be Your Own Boss' at MCAST with the participation of over 100 students,

GRTU started collaborating with MCAST on their own MBA for small businesses.

Apart from being involved in the drafting of course content GRTU is also involved in lecturing to students. This gives GRTU an opportunity to also expose its members to students.

Another important aspect that is included in this initiative is the element of research. GRTU will be discussing potential research topics that are needed by its members and its sectors that MCAST students can undertake as a thesis study.

#### **GRTU becomes a property owner**

For the first time in GRTU's history GRTU has a property as a fixed asset. This was a very important step for GRTU to consolidate its sustainability in the future.

The property will shortly start to undergo conversion following closure of discussions related to disability access. The plans are for GRTU to be in its new premises in Floriana by 2017.

GRTU is currently operating from a leased property in Valletta where it moved in earlier this year. It is envisaged that through the move in Floriana, GRTU will acquire additional space for its operation, being able to enhance its services to its members. We also envisage that it will be easier for members to park and attend GRTU meetings.



## **GRTU on the importance of EU-to-Business communication**

On the 20th of January, GRTU took part in a round-table discussion about unjustified geo-blocking within the EU. Geo-blocking is an online phenomenon most internet users have faced at least once while surfing the web. It is an action whereby access to specific online content is restricted or changed in certain geographic locations. In many cases, it is used to enforce price discrimination, which often proves to be unfair on consumers in one country paying higher prices than others residing in another country.

That being said, the EU should not make a hasty decision in their attempts to end unjustified geo-blocking. EU representatives must enter into extensive dialogue with SMEs in different Member States that charge cross-border prices according to country. By doing this, they can achieve a deep understanding of the factors that lead some companies to practise price discrimination. These factors can subsequently be addressed in order to encourage businesses to abide by the open vision of the EU's Single Market.

During the recent round-table discussion, Andrew Rizzo Naudi, GRTU EU and International Affairs Executive, placed an emphasis on the need to improve communication efforts between the EU and entrepreneurs in different Member States. Business owners need to be informed about the ramifications of geo-blocking more frequently and in a

concise manner. Furthermore, whilst the initiatives under the EU Digital Single Market strategy are noble in intention, companies that are inadequately informed about them cannot take full advantage of their provisions. After all, the majority of Maltese SMEs are not in a position to hire a full-time legal team that can keep them up-to-date with every emerging EU development that affects them.

Hence, strong EU-to-Business dialogue is vital for local SMEs. In recent years, GRTU has facilitated greater communication through its hosting of Europe Direct Valletta, which is an information point that several Maltese SMEs have already contacted to receive information about available EU funding opportunities. GRTU continues to represent its members' needs at EU level and shall be closely monitoring the EU's decision-making process on unjustified geo-blocking.





# GRTU publishes its 2016 Business Performance Survey

The GRTU Malta Chamber of SMEs depends on the feedback of its members so that it can closely monitor the situation on the ground and assess how government decisions are affecting Maltese entrepreneurs in every sector of the domestic economy.

GRTU collects such feedback over the year through its several one-to-one meetings, information sessions, focus groups and conferences. However, the Chamber is committed to ensuring that its outlook is extensive in the sense that every sector's concerns are pinpointed and that GRTU is rendered as open as possible so that entrepreneurs feel comfortable to come forward with their ideas and issues.

In order to air this feeling of openness, GRTU conducts an extensive Business Performance Survey each year in order to grasp the main setbacks that its members are still encountering, so that it can then map out a plan to address them in the new year. In the results of this survey, the participants remain anonymous to the public

This survey is conducted by the GRTU research unit which is headed by Marcel Mizzi (GRTU Vice President - Finance & Admin). The number of respondents for the 2016 survey

was 175. The survey was conducted online and via telephone.

The online system employed utilises tokens which means that only persons that possess a token can participate and tokens are sent by email to members. This ensures that respondents cannot vote twice and that only persons who are legitimate business owners can actually participate.

The following pages shall provide a summary of the 2016 Business Performance Survey results. In order to view all the graphs that came out from the GRTU's findings, scan the link below with your mobile device:



The first set of questions that were asked to the survey respondents dealt with their reflections on 2016. GRTU felt it was necessary that it had a wide outlook on the success and failures experiences by its members during 2016. Once such an outlook is realised, GRTU can assess how best to represent its members in different sectors.

When asked as to how their 2016 sales compared with their sales in 2015, an encouraging 36% stated that their sales in 2016 had increased by up to 30 per cent and over from 2015. Another 36% claimed that their sales in 2015 and 2016 were both equal. Unfortunately, another 29% of survey respondents recorded a sales decrease of at least 30 per cent during 2016 when compared to their turnover in 2015. More detailed statistics regarding this sales comparison can be found in the graph below.

Respondents who found that their businesses have experienced an upsurge in sales during 2016 were asked whether they knew the main reasons for this increase. 20% believe that it was all down to the introduction of new services and/or products. This statistic is a crucial reminder of the importance of innovation in today's global and technologically-consumed world.

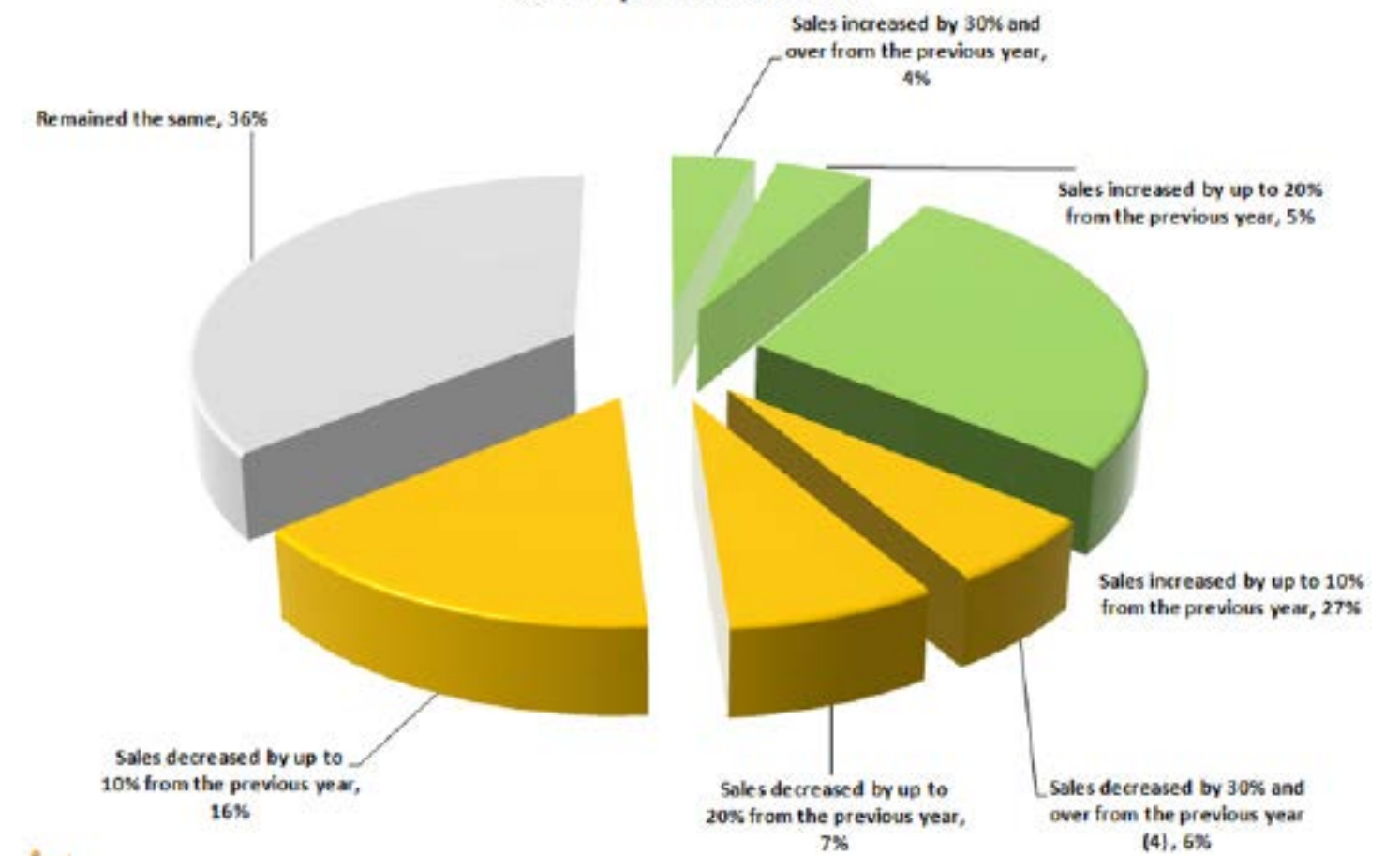
Respondents who noticed diminishing sales during 2016 were asked a similar question, being "What are the main

reasons that you feel led to a decrease in sales in 2016?" The results of this question were particularly varied. 15% stated that increased domestic competition led to lower sales, whilst 14% believe that there is a lot of illicit trading and unfair competition in the Maltese market. It is fascinating to note that another 13% find that they lost sales due to other businesses' offerings of online shopping. This point is linked to the last few questions of the survey, which shall be highlighted later on in this article.

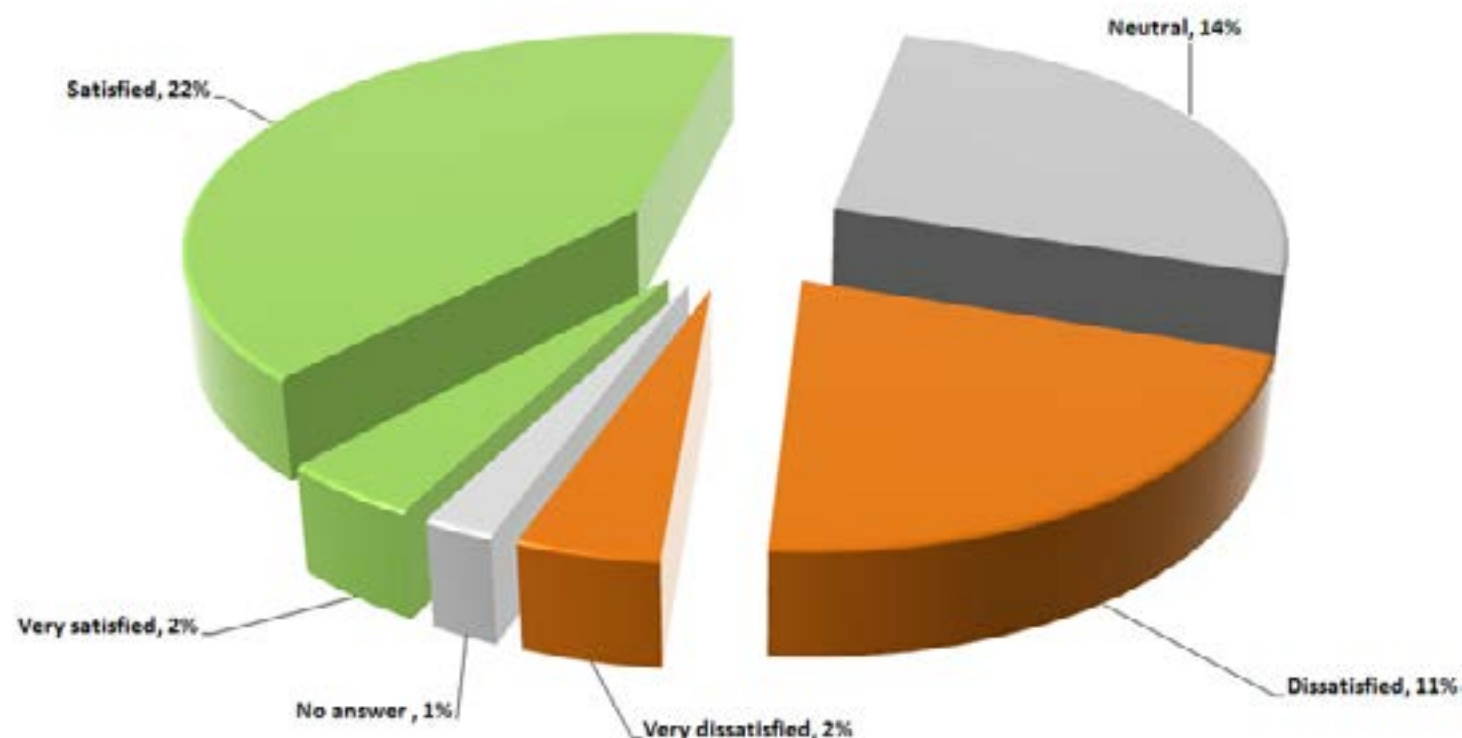
GRTU's survey also addressed expectations for the year 2017. Survey respondents were asked what their expectations for 2017 were. 44% of respondents envisage that 2017 will be the same as the previous year. It is positive to note that a significant 41% are optimistic that 2017 will be better. Only 15% of survey respondents believe that 2017 will be worse than previous years.

The GRTU's survey also dealt with the festive period, essentially consisting of Black Friday and the Christmas season. It is often assumed that companies sell more goods/services during the festive season, and so survey respondents were asked whether their business turnover was affected by festivities. Interestingly enough, only 53% claimed that the Christmas period affects their sales, whilst 47% believe that there is no effect whatsoever. Respondents were also asked about their opinions on their businesses' sales during

How do you compare your sales during 2016 as compared to 2015?



## What are the overall views on your business' sales (turnover) during the festivities (Christmas period)?



the Christmas period, with the results detailed in the graph above.

The survey went into great detail so as to ensure that its findings are extensive. For instance, one of the questions asked was "Which do you think was the best day/week for sales (turnover) during the festive season?", a significant 27% chose the week of 19 to 25 December as many last-minute Christmas shoppers would have more free time from work to buy gifts. 14% chose the option "Some other day." 7% chose 13 December (Republic Day), whilst 4% chose 25 November (Black Friday) as the best day. Another 4% believe that 8 December (Immaculate Conception) brought about the highest turnover. Furthermore, solely 3% feel that the week of 26 December to 1 January brought about the most sales.

The survey also focused on the special offers made by its members during the festive season. Respondents were asked whether they had already started sales and offers during the last week of December: 62% stated that they had not yet begun with sales whilst 38% said they had. Upon being asked whether they had participated in the 2016 Black Friday initiative with special offers and promotions, 72% said "no", whilst a miniscule 28% chose the "yes" option. Black Friday is a relatively new concept for Malta, and so GRTU is interested in evaluating how it impacts company sales. When asked about its impact, none of the respondents stated that sales decreased in any way. On the other hand, 50% stated that their sales increased a lot, whilst 41% believe they had increased a little. Interestingly,

26% found no impact as they said that Black Friday sales were no different than any other day. 4% had no answer to this question.

When asked whether they considered participating in the Black Friday initiative in 2017, the response was not particularly encouraging as a mere 30% said "yes", 26% chose "no", and 43% believe that the initiative does not apply to them. Thus, it appears that the concept is yet to truly catch on in Malta and Gozo. GRTU also aimed to receive more information about the clients its members had been receiving during the festive season. 51% believe that they had an equal amount of male and female clients, 33% stated that they had more female clients, and 17% claimed that they had more male clients.

In terms of average age group, a considerable 61% said that their most frequent buyers were in the 30-49 age range. 23% chose the "Other" option, and 11% stated that their most frequent clients were 50 years and over. A mere 5% chose the "20-29" option, whereas nobody found their most frequent buyers to be in the 15-19 range.

Upon being asked about the average amount spent by their customers, respondents estimated a wide range of results, which can be attributed to the different prices of the goods and services offered by the respondents. 11% chose the "Eur 0-19" option; 29% opted for "Eur 20-49"; another 17% believe the average spent by clients was Eur 50-99"; 14% chose "Eur 100-199"; 8% chose "Eur 200-499"; 7% went for the "Eur 500+" response; and 14% claimed "Oth-

GRTU has recently been pushing for its members to appreciate the business potential of going online and offering their goods and services through the internet. The adoption of eCommerce would allow such companies to reach a wider consumer base, offer an innovative way of doing business, and possible even sell across EU borders more easily.

GRTU thus asked the survey respondents whether they sell online. A disappointing yet unsurprising figure of 78% chose the "no" option, whereas solely 22% stated that they sell online.

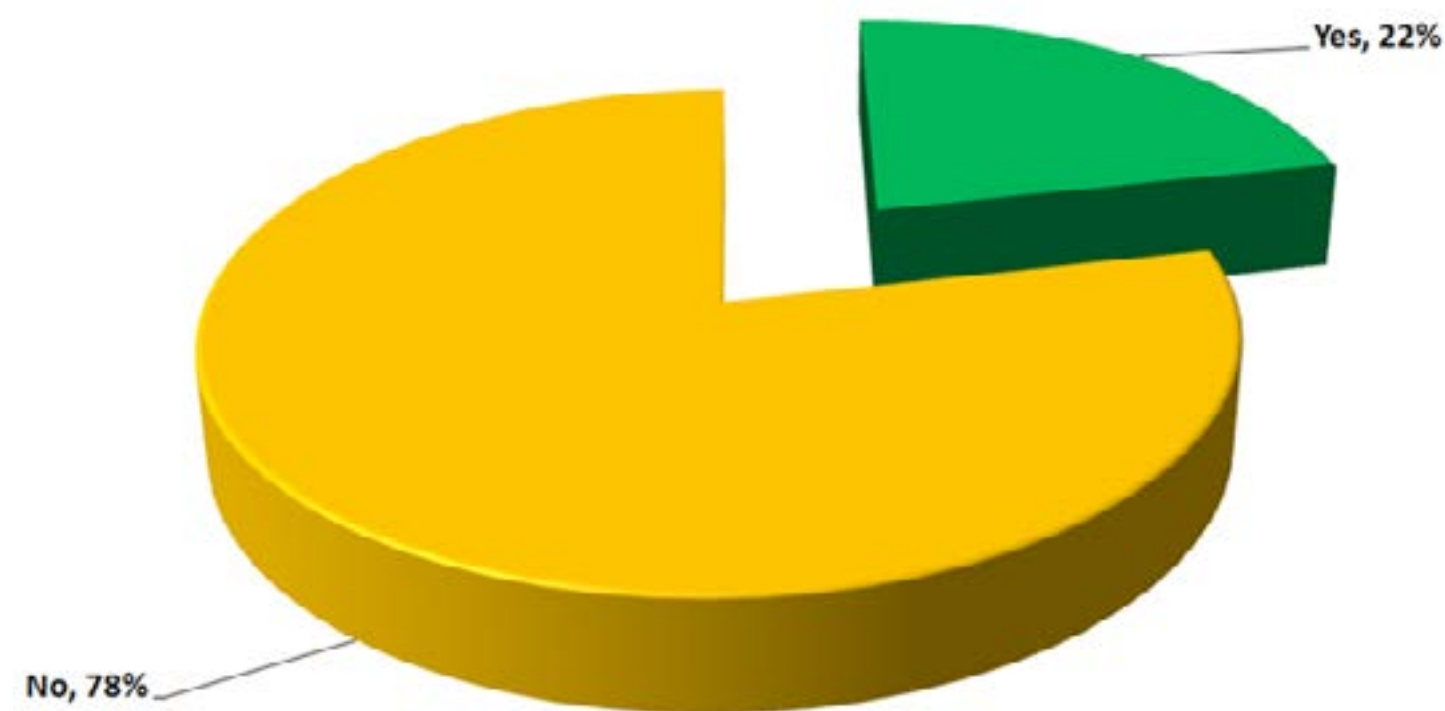


Respondents that do not sell online were asked whether they had a reason as to why they have not yet adopted eCommerce methods. The options that had received the highest response were: "My products cannot be sold online" (37%), "My clients do not buy online" (24%), "It is too difficult or time consuming to keep my site updated" (11%), "It is impossible to sell outside Malta due to shipping costs" (10%), and "I cannot compete with online prices" (9%).

GRTU views the results of the 'online shopping' segment of its survey as an interesting challenge that can be overcome in the years to come. Recent GRTU initiatives through its Digital Marketing strategy and eCommerce one-stop-shop information session have led to greater awareness about the benefits of doing business online.

However, it is clear that more needs to be done, and thus the Chamber of SMEs shall proceed with its promotion of eCommerce methods throughout 2017. Therefore, the results of this annual survey shall be followed up by GRTU, in its mission to ensure that its members' concerns are truly dealt with.

## Do you sell online ?



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# Paul Abela confirmed as GRTU President

On 27 January, the GRTU held its first Executive Council meeting during which **Paul Abela** was confirmed as GRTU President for the year 2017. The Executive Council also elected GRTU's 6 Vice Presidents as follows:

Vice President Policy and Strategy	<b>Philip Fenech</b>	Tourism, Hospitality and Leisure, Business Consultancy Services
Vice President Finance and Administration	<b>Marcel Mizzi</b>	E-Commerce, Web & Software Developer
Vice President Sections	<b>Christian Vassallo</b>	Construction, Real Estate, Elderly Care, Furniture, Hospitality & Catering
Vice President Districts and Localities	<b>Michael Galea</b>	Auto Dealer, Importers & Repairs, Auto Service Station, Marketing Advisor & Real Estate Hifi, TV
Vice President International Relations	<b>Mario Debono</b>	Pharmacy Owner, Pharmaceutical Importer, Healthcare IT Provider & Property Developer
Vice President Training and Development	<b>Sergio Camilleri</b>	Petrol Station owner, Auto Parts, Auto Dealer, Rent a Car & Panel Beater

GRTU's Members on the 2017 Executive Council are: **Emanuel Azzopardi** (Laundry & Dry Clean, Upholstery & Carpet Cleaning), **Matthew Bezzina** (Transport & Logistics / Chauffeur Service), **Patrick Cutajar** (IT Consultant), **Alfred Fenech** (Jewellery Importer, Manufacturer & Retailer & Restaurateur), **Therese Fenech Azzopardi** (Retailer & Manufacturer of Furs & Leather Wear, Importer & Retailer of Swimwear), **Stephen Galea** (President Socjeta' Vitikultura, Agriculture, Farmer & Vine Grower), **Noel Gauci** (Renewable Energy, Culinary Products), **Joan Haber** (Manufacturer of Artistic Crafts & Ceramic Goods, Event Organiser, Crafts Council Representative), **Salvu Vella** (Cargo Haulier, Customs Clearance Agent & Forwarder, Shipping & Travel Agent & VRT), **Carmel Zammit** (Cargo Haulier), and **Joseph Zerafa** (Brown Goods).

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



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