

# GRTU NEWSTRING



## GRTU demands answers following complaints on PRS Ltd licences

GRTU Malta Chamber of SMEs has over the last weeks been inundated with complaints and queries in relation to PRS Ltd imposing licensing and fees on businesses for playing music in their shop. It is evident that specific business sectors have become the target of PRS Ltd and their requests on Maltese businesses has increased drastically.

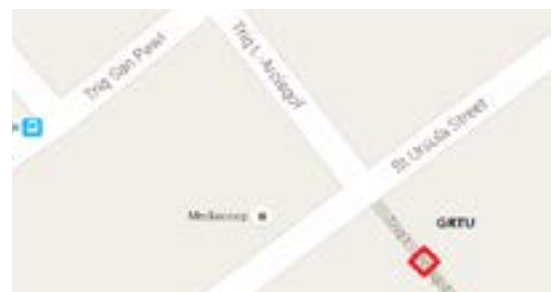
Members report that the direction that is given to them by PRS is that if they refuse to make the license or remove the licence they have to eliminate any kind of music from their premises and if this is not done legal action will be taken against them.

The Performing Rights Society Ltd (PRS Ltd) is a registered private company claiming to represent musicians all over the world. Having been recognised by the Copyright Board it has been collecting such fees over the years but recently it has been much more aggressive in

### GRTU Relocation of Offices

Kindly be informed that GRTU Malta Chamber of SMEs has relocated from Exchange Building, Republic Street Valletta location to our new temporary premises located at:

**157, Archbishop Street, Valletta**



its efforts to collect what it perceives as its dues.

The licence needs to be paid yearly and is applicable to all forms of music being played. This includes playing background music in a shop or waiting area, even if music is played from original CDs that have been bought and utilised in the premises only frequented by employees on the basis that music increases staff performance and improves morale.

The fee is far from being a standard one since it is calculated by PRS Ltd and the enterprise is sent a quotation, without recourse. The basis of the calculation is made on the square metres of premises, the type of premises and the nature and extent in which the music is used.



Turning on the television in commercial premises, playing music in a taxi, and even the ice-cream van jingle also require a license. The licence fee could cost hundreds of Euros and runs in the thousands for larger establishments. In the case of restaurants, fees could go up to Eur8.24 per seat/cover annually just for background music, excluding addi-

tional fees in cases of live performances and other.

GRTU is concerned as to how these 'approved' tariffs are drawn up. The calculation of these fees must be done in a transparent manner and be subject to scrutiny. The approval of such tariffs as well as future increases seems to be undertaken without any impact assessment on businesses and without any consultation whatsoever. It is also evident that the copyright board, which is the entity approving of PRS Ltd's operation and fees, does not have a member representing businesses and retailers, who are the major stakeholders in this issue.

Business owners are very frustrated and are finding difficulty in justifying the needs for this hefty, yearly running cost and licence when the country is moving in a direction where even the basic trade license is being removed to diminish the burden on business. In this digital age where music is borderless and is available to anybody through the smartphone enterprises are finding having to pay for the use of this music incomprehensible. Businesses in fact are already paying for both for the music and the technology and they work very hard to get clients and no law secures their enterprises' viability.

Apart from this PRS Ltd is only one operator carrying out such work. More operators could apply with the copyrights board to represent musicians not already represented by PRS. Will Maltese businesses start receiving other quotes they need to pay?

GRTU has requested its members to forward copies of any related correspondence or invoices from PRS Ltd to GRTU with immediate effect. GRTU has also written to the Copyright Board, which is part of the Ministry for the Economy, Investment and Small Businesses portfolio, to request an urgent meeting to discuss this matter.



## GRTU encouraging SMEs to take advantage of eCommerce Grant Scheme

Entrepreneurs can benefit from applying ICT in their businesses' modes of operation. eCommerce, for instance, presents a great opportunity for SMEs to reach new customers and increase profits.

It is for this reason that the GRTU Malta Chamber of SMEs collaborated with the Malta Communications Authority (MCA), Europe Direct Valletta and the Ministry for European Affairs to host a one-stop-shop information session about eCommerce. The hall was packed with entrepreneurs who were looking to hear about and discuss the importance of eCommerce strategies today's businesses.

Solely 14% of Maltese enterprises currently conduct online sales, meaning that the country's businesses have been slow to react to the emerging digital trend. During the information session which was held on the 22nd of November, Ms Moira Attard, representing the Ministry for European Affairs, announced a new EU grant targeted at encouraging businesses to sell goods and/or services on the internet.

This scheme is called the eCommerce Grant Scheme. Its total budget amounts to €5 million, with each SME able to receive a maximum grant of €5,000. This grant part-finances 50% of the eligible expenditure for eCommerce implementation. Eligible actions under this scheme include the design, development and implementation of an eCommerce

website. If a business already has a website, it can apply for funding to upgrade it in a way that allows for online sales.

Ms Denise Borda, an eCommerce analyst representing the MCA, delivered the second presentation of the session. She explained how SMEs could benefit from embracing digital innovations seeing as the number of internet users and eCommerce customers is so considerable. In a recent study conducted by the MCA, it was found that 71% of Maltese respondents used the internet in 2014.

The MCA's study also depicted an increase in the number of respondents that purchase goods and/or services via the internet. In 2014, 54% of respondents practised eCommerce, as opposed to the relatively lower figure of 26% in 2007. Trends are changing and in this Digital Age it is clear that innovation is king.

GRTU Head of Finance and Administration Mr Marcel Mizzi delivered the final presentation at the event with an inspiring explanation about achieving a competitive edge through digital marketing. Mr Mizzi emphasised the importance and relatively low cost of having a professional-looking website.

For more information about the recently-launched eCommerce Grant Scheme and how to apply, kindly access <http://bit.ly/2gLnHwj>

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## GRTU welcomes much needed focus on the retail sector

GRTU Malta Chamber of SMEs hails the launch of a policy document that specifically focuses on the retail sector of our economy. GRTU feels that a sector that has often been given the cold shoulder from policy makers is finally being given the importance it deserves. GRTU has long been highlighting the needs and concerns for the sector to successive governments and considers the PN's initiative as a long-awaited step in the right direction.

The policy document was presented yesterday to the GRTU National Executive Council by the Leader of the Opposition, Dr Simon Busuttil and his delegation. GRTU President Paul Abela said that GRTU commends the effective consultation process whereby many of the proposals put forward by the GRTU over the years have been integrated into the retail policy. The document's proposal for a 10% tax capping for businesses on their first Eur50,000 of operating profit is a particularly welcome concrete positive measure. 'GRTU is certain that the financing generated through this will definitely be reinvested by businesses in further business, leading to a positive effect within the economy and employment. This will certainly eventually lead to increased tax generation', emphasized GRTU President Paul Abela.

The retail sector has been sustaining our economy and employment for a long number of years, but it has always been taken for granted by successive legislations. The latest NSO statistics record around 35,000 direct employment in

the wholesale and retail industry alone, making up a staggering 15% of total gainfully occupied in Malta. The sector has however been slowing down and in some instances contracting.

GRTU represents over 96 economic sectors yet retail remains one of the core industries for the SME Chamber. In its Budget 2017 Proposals GRTU warned that even though economic figures were positive, not all economic sectors have in fact been performing favourably.

Retailers operate in a scenario of fierce competition with several similar activities within a very limited market. This forces them to more than ever constantly gauge consumer demands and continuously innovate accordingly or find oneself losing customers and ultimately going out of business. Unfair competition and barriers to export coupled with increasing traffic and dire parking infrastructure challenges also make online competition an ever-growing central threat.

GRTU applauds a number of commitments made by the Opposition in the policy document, mainly the lowering of water and electricity tariffs, the fostering of a level playing field, the exploitation of opportunities offered by the digital economy and tackling barriers to access finance.

GRTU believes that a number of these commitments will

however need to be aggressive to work. The setting up a retail academy should take shape in a stand-alone specialised school for individuals seeking to make a career out of retailing. Significant effort and real-time measures will be needed to improve the lending conditions for the smallest businesses. When it comes to human resources the measures should go further. Proposals should not only cater for skills mismatches but also address the current crises facing

all economic sectors today, retail being no exception, of the chronic basic shortage of human resources.

The retail document also takes on board GRTU's stance on the need to immediately repeal the unfair and unjustified introduction of excise duties. Excise is an antiquated anti-business tax on retail and GRTU is strongly campaigning to have it removed.



## Employer Organisations call for caution over raising Minimum Wage

Malta's private sector organisations represented on MCESD (MEA, Malta Chamber and GRTU) jointly express their concern on the direction taken with regard to discussions on poverty and the minimum wage. The Employer Bodies believe that the country's efforts should be targeted specifically at eradicating poverty whilst safeguarding competitiveness and long-term economic growth.

In the current economic scenario, the employer bodies believe that it is unacceptable to find certain cohorts of the population that are still beset by poverty and deprivation. They believe that it is the joint responsibility of government, politicians, social partners, employers, employees and civil society to ensure dignity for the entire population. All stakeholders have a role to play and important responsibilities to carry.

A professional report commissioned by the MCESD was recently presented to social partners. This report sheds doubt as to whether raising the minimum wage is the ideal measure to solve. The report, in fact, suggests that it would be more meaningful to use more direct and targeted action.

Besides, Malta has an extremely positive track record of wage-bargaining at enterprise level which is a rarity in the context of the EU. Through this system, wages are determined fairly on the basis of social considerations but also on the basis of productive and competitive constraints. This

established and recognised structure explains why only a small percentage of the workforce in Malta earns a minimum wage.

The issue of employers is not in fact with raising the minimum wage, but rather on the spiral effect this will trigger on wages across the board and because of this, raising the minimum wage has serious consequences on national competitiveness. It is the duty of all social partners to act responsibly on this matter. All stakeholders must understand that these consequences are well understood by all. Private business is the motor of our economy and it is the private sector which finances the country's social security system. Endangering the private's sector's competitiveness and the Malta's export potential may indeed harm the very basis of our economy and with it the potential to sustain the country's safety net.

Lip service by both the political parties on raising the minimum wage without consultation with employer representatives and pre-empting the discussion process seriously prejudices the situation and does not bode well for discussions in which the social partners have now been invited to participate. These tactics are short-sighted, irresponsible and unacceptable. Employer bodies appeal to all stakeholders to refrain from political games that risk the livelihood of employees and the country's long-term economic and social development.



## Warning to Businesses:

# Ransomware virus threat on the increase

ICT companies providing support services to local businesses report an increase of systems being infected by what is known as Ransomware here in Malta. Ransomware reports have sky-rocketed round the globe but businesses in Malta are also starting to feel the pinch. GRTU warns businesses to be on the alert. Traditional antivirus solutions are simply not enough.

### What is Ransomware?

Ransomware is a relatively new type of malware or virus that puts the user, in this case the business, in a situation where the criminal (creator of the virus) prevents the user from accessing his data and requests payment to give back the access to the user. This includes all data such as documents, spreadsheets, PDFs and many application software packages such as accounting software and other popular products. The criminals developing these new threats are not asking for payment through methods such as credit cards or Paypal. They are opting for payments through systems such as Bitcoins in order to avoid traceability. There is of course no guarantee that the usability will be reinstated once payment has been affected.

### How do you get infected?

The most common method of infection is through email often disguised under trustworthy sources such as job va-

cancies, ecommerce shipping details, or even appearing as though coming from familiar contacts. Another method being reported is through Remote Desktop Connections or even through macros within word processor documents or other. Once infected the malware will typically display a splash screen giving you instructions on how to pay the ransom and get your data back.

### What can you do to protect your data?

In most cases not opening such emails is the first and basic step, yet this is not always achievable. It is therefore essential to keep regular backups of your data and in such a way that Ransomware does not encrypt your backups as well. Furthermore, it is imperative that all software is kept updated regularly, especially when security updates are detected by software houses like Microsoft, Google and Apple.

The best solution is to use a backup system that backs up to a device that is not usually accessible through your operating system. This includes "Windows Server Backup" in the latest versions of Windows Server Operating Systems. One can otherwise back up on external USB drives and disconnect after back up. It is advisable that one keeps more than one copy of the backup.

Standard Anti-Virus software usually do not detect this type of threat, but recently, security software applications

have been developed that can detect and prevent this type of threat before damage is done.

### Some examples are:

<https://www.foolishit.com/cryptoprevent-malware-prevention/>

Or <http://www.surfright.nl/en/hitmanpro>

Hitmanpro also have a free version which works in the same way.

### What is being done by authorities?

Europol, the European Union law enforcement agency,

created a cybercrime Centre in 2013 to fight and protect people against digital crimes. Ransomware is one of the crimes that is being followed and action is being taken. There is some good and bad news about this situation, whereas some decryption tools have been developed but at the same time, new threats are being developed by digital criminals. A website has been created by Europol and security organizations to help and give guidance accordingly. The website address is <http://www.noransomware.org> and is managed by Europol, Politie and security companies. If you became a victim of ransom you can report the crime to Europol through this site.

For more information on this new threat and to receive further support contact GRTU Malta Chamber of SMEs on 21232881 or [admin@grtu.net](mailto:admin@grtu.net)

# GRTU continues with its follow-ups on Traffic Management

## Kappara Project

The GRTU Malta Chamber of SMEs is in constant contact with its members in the area in order to ensure a smooth transition in the works being carried out. GRTU reports to the Traffic Management Board (TMB) that falls under Transport Malta, and meets on a regular basis.

Following its members' request to partially or fully open Sliema Road during the festive season, GRTU has brought up the issue to the TMB. The Board will be discussing this issue during an upcoming meeting to decide the way forward.

Sliema Road has been closed since June of this year, after Transport Malta decided to close it fully with the aim of having project works carried out in the shortest amount of time possible. At the time of its closing, new diversions were introduced to accommodate the surrounding area, with the objective of facilitating access to businesses in the area.

GRTU has continued to gather suggestions from businesses in the affected area and surroundings to be able to fully represent businesses' interests, as well as ensure that measures to mitigate negative effects are taken in full by government and the respective authorities.

## Iklin

In mid-November, GRTU was informed by the Iklin Business Community that the Water Services Corporation (WSC)

notified businesses operation from the service road that works will be taking place in the road. According to the WSC notice, works had to commence between October and mid-November.

Due to previous experiences, GRTU did not want to risk allowing the works to commence as they would negatively impact businesses in the area during the festive season. After several discussions with the TMB and the WSC, an agreement that safeguarded businesses operating from the service road was reached. The agreement is that works will be carried out from alternative roads with minimum inconvenience to businesses in the area, and that works will be finalised by January 2017.

## Żebbuġ

After the Żebbuġ Primary School informed the TMB that it will be making changes regarding the school entrance from Isqof Caruana Street to Sciortino Street, GRTU informed the businesses concerned about the new changes and also from where loading and unloading will be taking place.

These changes will solely apply during the time of school entry in the morning and the time when students finish for the day, with both periods lasting around 45 minutes.

GRTU will continue with its proposals and communication with businesses and government on upcoming projects in order to ensure that businesses' interests are safeguarded.



# GRTU Feedback on MJCL Consultation Document entitled "Towards More Road Safety"



GRTU Malta Chamber of SMEs confirms its commitment towards support to adherence of the law and enforcement. Time and again, however, in its public positions and consultation meetings held with Government officials such as the Minister responsible for Transport, the GRTU has expressed its concern that reasonable enforcement of law has to be carried out with a sense of contextual understanding.

Whilst the GRTU is all in favour of penalising abuse, particularly that which poses health and safety concerns, it believes that enforcement needs to be built around educating and improving the situation, rather than simply applying a 'tick-the-box' approach. GRTU has consulted with its members in the Transport Lobby Group – within which members from transport and logistics sectors are represented – to listen to their concerns.

The feedback of this consultation led to four main conclusions:

1. There is a general consensus on ensuring that adequate enforcement is applied in terms of ensuring better road safety. Members have expressed agreement with points related to **stronger deterrents** in terms of driving without a licence or under alcohol/drug influence.

Rather than merely increasing punishments on their own, GRTU is more in favour of **positive incentives**. There is a clear need for an education campaign across the board, particularly in relation to those that have had their driving licence for a long time.

2. The ultimate goal of enforcement must be the result of **betterment** and **improvement** through education. Unfortunately, however, enforcement is often based on poor judgement and lack of logical common sense. The scope of the warden service remains finance-driven, as opposed to supporting the system of transport in traffic and congestion within the context it operates.

This leads to an enforcement system based on the easiest-to-catch offences which are most often not the most serious ones. Enforcement should be focused on perpetrators causing health and safety hazards, and not on deliverymen on the job that have nowhere to park adequately in the course of their work. What is more, being a self-financing-driven service, local wardens should not have their role and authority increased in a manner that overlaps with the competences of police officials.

3. The points system has to be amended in a way that

reflects reality. It is unacceptable to consider that someone loses his driving licence, and potentially ending up unemployed in certain sectors, in cases of parking badly while on the beat at work. Due to the lack of infrastructure and parking spaces and the generally poor state of Maltese roads, workers in the delivery and transport sectors often have no choice. The point system should be more triggered towards **serious offences** that threaten health and safety, such as driving under the influence of drugs or alcohol, or the use of mobile phones.

4. There needs to be a clear distinction between driving for **private purposes** and driving under any form of **commercial operation**. Fines should be issued on the driver and not the owner of the vehicle, and if it is impos-

sible to stop the vehicle to issue a fine, points cannot be applied to the owner. Business owners may have numerous vehicles registered on their name but cannot be held accountable for the points generate by the driving personnel under their employment.

There needs to be a reasonable variation in the system in terms of commercial and private-use vehicles. A vehicle used for commercial purposes is expected to spend substantial amounts of time on the road in the course of duty. In the present traffic crisis and considering the inadequate road infrastructure, commercial vehicles will often be subject to more minor contraventions. This would run several companies out of business and numerous driving workers out of employment.

## GRTU meets CNA officials from the Sicilian region of Ragusa

The GRTU Malta Chamber of SMEs recently met with officials from the Confederazione Nazionale dell'Artigianato e delle Piccole e Medie Imprese (CNA), which is an SME representative based in Ragusa, Sicily.

The CNA representatives expressed their interest in cooperating with the GRTU, seeing as both entities are members of UEAPME, which is the European Association of Craft, Small and Medium-sized Enterprises and serves as an umbrella group for European associations of SMEs.

Such meetings serve as an example of how GRTU, despite having over 50 years of experience, continues to strive to improve the level of representation it offers its members, through the exchange of best practises with similar organisations overseas.

Internationalisation is a concept that cannot be overlooked and thus GRTU is committed towards cooperating with foreign organisations that can indicate new market opportunities and assist GRTU members in offering goods and/or services in their respective countries.

GRTU is intent on forming collaborative relationships with European counterparts, inter alia, because:

- Cooperating organisations can give each other advice



and provide organisational support for participation in workshops and international business fairs.

- Meetings can be organised between entrepreneurs from the countries of both SME representatives.
- Overseas training can be offered to entrepreneurs of all ages to help them adopt measures that are more often implemented abroad, such as eCommerce technology.

# Paceville masterplan should complement existing success and not replace it

Representing businesses with direct operation in Paceville, as well as businesses with indirect involvement such as goods delivery and passenger transport, the GRTU has taken central and thorough involvement in the Paceville Masterplan Consultation.

Over this consultation period GRTU has organised a private meeting for over 100 business operators in the presence of Planning Authority officials and the MTA CEO. GRTU has undergone an extensive 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 been present on all fronts during this consultation period, including public meetings, BICC discussions, the media, and most importantly the Parliament Committee Sitings.

GRTU has been advocating that our tourism zone areas and town centres need to be managed and therefore the discussion for a strategic vision for Paceville is deemed healthy. Nonetheless, this should by no means put forward a fait accompli which is centered round some proposed big structures which dwarf or push out existing businesses, which have invested and risked over the years to build the success Paceville is today. Some have also quoted that the 'Manhattan-ization' of the area may be departing from the Mediterranean-island style of entertainment which has worked so far and that this is being undertaken only to accommodate the interests of development proposals.

This masterplan has also raised implications on existing going concerns. Landlords have commitments towards tenants, where tenants have invested and built their businesses based on those commitments. Businesses have commitments to banks, third-party businesses, their em-

ployees, and their own families.

The effect is already being felt with a simple decision of whether one building is allowed certain heights and others more or less, or whether one businesses is to be expropriated to accommodate one particular road to be widened instead of another, having already diminished the value of property and business of specific entrepreneurs. These entrepreneurs have been employing people, paying VAT and taxes consistently over the years. This is why it is being seen as a retro-fit for new establishments - accommodating the new and in some cases eliminating those that are already successfully operating, leaving them either totally out of business or crippled.



Business that have invested and are now reaching or are still to reach their return on investment find this an unfair deal. Businesses cannot plan in this situation. Expropriation concerns are also raised on the methodology to be applied if businesses are to comply such as goodwill, return on investment.

Businesses are also concerned on the effects of the actual implementation phase of the project which is expected to take years and totally disrupt the entertainment and tourism scenes. One must also not forget all the spill-over which the present rate of activity in Paceville brings on other operators which service the Paceville hub.

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

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Operational Programme II – Cohesion Policy 2007-2013  
Empowering People for more Jobs and a Better Quality of Life  
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