

SME CHAMBER PRESS RELEASE: ANNOUNCED SUPPORT MEASURES HAVE NO IMPACT

Announced support measures will have no impact and are no way close to what businesses need in order to sustain jobs.

Businesses call for drastic measures and real and immediate support to avoid mass redundancies

A Chamber of SMEs study carried out immediately after the support measures were announced shows clearly that the measures will have no real impact on businesses. The government seems not be understanding the dire situation Maltese businesses are in. Businesses need real measures now and today as they will not be able to sustain their workforce any more. The time for second and third wave of help is needed here and now, otherwise it will be too late.

Members were appalled when they learned that not only the measures that they have been waiting for are unfit but also that the burden of quarantine leave has been secretly placed on businesses, in line with jury leave. This came about through an amended Legal Notice that was published during the night following the meeting with employer bodies with the Prime Minister and preceding the announcement of the measures the following day. No mention of this was made at any point, or consultation took place.

ABOUT MALTA CHAMBER OF SMES

Malta Chamber of SMEs (Formerly known as GRTU) is the largest social partner in Malta representing over 7,000 SMEs from over 90 different sectors. The SME Chamber has been established for over 70 years and its aim is of safeguarding the interest of businesses at large.

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The Chamber of SMEs pertinently points out that this means that government wants employers to bare the cost entirely and for the days to be added over and above the current employee leave entitlement.

The Prime Minister has publicly stated that the economic impact of Covid-19 will be carried by the government, the employer and the employee. Businesses have been contributing to a positive economic outlook with government announcing surplus after surplus. The government must now put money where its mouth is because talk is cheap and time is running out.

Government has to wake up to the realisation that businesses will just collapse if they are not helped and more burdens are placed on them. We are only just in the first real week of impact and 5% of respondents have started redundancies and another 5% have released people on unpaid leave. 20% are experiencing problems in paying their wages. Collectively 35% of respondents will not be able to sustain their employment levels past a couple of weeks and decisions are being taken now. For the rest it will be a matter of a couple of months.

Working remotely does not work for everyone and in all cases this will only take them so far. In the state of affairs sales are very slow or non-existent.

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B2B payments are reaching a halt and the wage bill remains constant. Increasingly businesses are closing their doors with no work and increasing worries of contamination for themselves, their staff and their clients.

The absolute majority of respondents are calling for all efforts to eradicate the virus by closing all borders officially and for these to be kept closed until it is safe to reopen. The majority are also in favour of limiting business operations to only the most essential and for government to give clear messages that this is not a time for meet ups and group recreational activities. A collective effort is necessary for work against the spread of the virus and businesses are ready to do their part.

90% of businesses are worried to very worried about the future of their business. Other countries have already come out with real and tangible rescue measures and the Maltese government cannot keep on dragging its feet. Sectors leaving us will not come back.

There were times were bailouts for other sectors were necessary. Now businesses need bailouts. Below are the most pressing measures necessary

- Government to immediately cover two-thirds of businesses' wage bill across the board including self-employed.

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- Moratoria from banks for loan and overdraft repayments for the next few months
- Suspension of taxation, VAT and social security contribution, mostly without repayment requirements for all businesses. Businesses will not be recouping their loss of business.
- Moratoria from fines and requirements of government entities
- Where government contracts are in place advance payments to be made.
- Guarantees to people coming with good imports to Malta that they can come up to ports to unload and allowed to go back
- Use of Airmalta fleet to transport cargo
- Insurance companies to pitch in beyond legal requirements. These are extraordinary times and everyone needs to carry part of the responsibility. These are measures that must be taken now rather than end up being forced by circumstances and face much damage. They are necessary now to avoid mass unemployment and people ending in a dire situation. Government will have to shoulder the responsibility of measures taken too late.

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