

SME CHAMBER EXPRESSES CONCERN OVER THE HEFTY INCREASES IN IMPORT COSTS

Currently exploring potential solutions with the Government

The Malta Chamber of SMEs has been monitoring an issue over the past months that is of serious concern to Malta. This matter was raised by members and affects all imports coming from the Far East and Turkey.

Importers have explained to us how, especially since January of this year, their operation has suffered a big shock because of changes that occurred in the shipping industry, within these countries. A number of factors have contributed to great shortages in the availability of containers and coupled with this, substantial increases in their cost.

This problem has not only impacted Malta, however the final resulting effect on Malta is bigger due to our dependency on importation and reliance on the maritime industry. Malta is in fact much more sensitive when compared to other states where importers have more options to rely on.

Importers have explained how difficult dealing with the shipping issue has been. Finding available containers is a big struggle and when, after some time, this is successful, they end up paying at a premium for the empty container. A number of new requirements further exasperate the situation. This includes being asked for a substantial sum upfront as a deposit to secure the space. It has unfortunately also become common practice that importers are asked to pay a top-up even when a commitment has been taken and given a choice to take it or leave it.

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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So far importers have adopted various mitigation measures at business level. Some have tried to hold off on importing, but they are now running low on stocks. Others have tried to absorb the cost as much as possible for their products to remain competitive. Maltese importers were hoping for the situation to resolve itself in the short term. Five months on however they are having to revisit their positions as it has now become unsustainable.

Apart from the cost aspect businesses are having to operate within abnormal settings, being charged much more for work they already had committed to and not being able to satisfy delivery timeframes.

The ultimate impact will be on how competitive our businesses can be in their offering. The SME Chamber foresees that, apart from the already present disruptions, Malta will be visibly experiencing price inflation on a multitude of goods across many sectors. This includes furniture, DIY and home improvement products, healthcare items, cosmetics and medicine, food products, power tools and equipment, tech products, household goods and appliances, clothing and jewellery, amongst others.

The matter has been raised with the Ministry for Enterprise and possible solutions are currently being explored. Businesses experiencing such a problem are asked to get in touch with the Malta Chamber of SMEs.

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