

Budget 2022

Malta Chamber of SMEs` 26 proposals

August 2021

Preamble



2021 was an unexpectedly trying year. Businesses had been gearing up for a year that would make up for the difficult 2020 and looking at 2021 as a year when stability would be restored.

It was however a year full of unexpected surprises and fluctuations. Even though businesses are still in the very early stages of recovery, some ground was gained and many are seeing recovery as slow but within reach.

The advancements on the health front with the efficacy of the vaccine, coupled with the economic support provided to businesses has led enterprises to survive this difficult period. Keeping the illness under control and achieving stability is the highest achievement that one could hope for and Malta has somewhat reached that. An important achievement that will not go unnoticed.

The reality remains however that Malta is far from self-sufficient. Malta depends on the rest of the world achieving stability and this means that achieving sustainability and security will take much longer. Malta is however a leader and doing as far as it can to stabilise the situation.

Businesses need to be helped to move from survival mode to profitability, to be innovating, to invest and to employ and much encouragement is needed on that front.

The SME Chamber's proposals are geared towards providing the encouragement necessary and to put SMEs on the path towards economic development.

The SME Chamber Budget priorities for 2022

- Widening of existing tax brackets
- Rescue package for worst COVID hit businesses
- Removal of SISA
- Addressing the adverse banking environment
- The Workplace, Accredited Training and Accessibility
- Digitalisation Strategy
- Extending MicroInvest benefits
- Imports and Exports
- Mitigating the impact of Malta's Greylisting
- Carbon neutral strategy
- Incentives for Gozo

Widening of existing tax brackets

2021 has translated differently to different categories of businesses. It has however resulted in an overall difficult year for the absolute majority.

With Covid making its way far into 2021 businesses found themselves facing a very difficult year with no resources to rely on. For many 2021 only started gaining momentum a few weeks ago, for others 2021 has not yet started as yet. Malta's dependency on Tourism is testament to this. Tourism is important for all businesses as a whole. Both business which are entirely tourism dependent and those which are not, have felt the effect of the very weak tourist numbers.

While demand has picked up it was still lower and very inconsistent overall.

Businesses have entered 2021 with very big debts and these have continued to accumulate along the year. These debts are now reaching a stage where they need to start to be repaid and at the same time businesses desperately need to start recuperating, for their own good and that of our economy.

Debts accumulated include tax deferrals, moratoria on bank loans, MDB loans and private arrangements.

Widening the tax brackets would encourage business greatly and result in businesses retaining profits that they can use to strengthen their currently fragile position, initiating a faster recovery.

Proposal 1	Income tax brackets by extending the middle 25% tax bracket for up to Eur 100K income.
------------	---

Rescue package for worst COVID hit businesses

Through tax data available, Government is able to identify those businesses that have been the hardest hit by Covid, businesses for whom 2021 will be another year of distress. These are the businesses that were impacted first and are also

those that, a year and a half, since the start of Covid are still struggling to function. To add on to this, these businesses are those that are also facing the greatest level of uncertainty.

Operators in certain segments have struggled to change business models and to redirect their market. The harsh reality is that there is no sustainable market that would support the changed model and the only painstaking option would be to change sector completely. This would have a negative effect on Malta's economy as it would lead to certain sectors, that had been elaborately built during many long years, cease to exist.

Looking only at the tourism angle, the peak month has not even led to a basic level of sustainability for our economy. This when not taking into consideration all the business disruptions and limitations in working capacities which require greater incomes to sustain.

Taking the example of the bank loan moratoria, the SME Chamber is aware that this is the very last resort for businesses and other alternatives were sought, also as a result that banks were very demanding on the return to repayments. Without looking into this in great detail however, it is good to note that a relatively small percentage made use of this facility and fewer are still making use of it. It is surely however not enough to side with the majority. Those still requiring some form of moratoria cannot be left on their own to accomplish the almost impossible task of saving their business without the needed assistance. Just because their business is not compatible with Covid and because their market is non-existent during Covid times, it does not mean that we should be complacent by the fact that the majority will make it.

The current present picture is not sustainable for these businesses, even when considering only today's picture and not going into the past accumulated debts. These businesses have a significant ripple effect on the many other enterprises that depend on them.

Proposal 2	A Rescue Package for the worst hit Covid businesses to be implemented in 2022, consisting of the following: <ul style="list-style-type: none">- Extending existing moratoria and lengthened repayment periods
------------	--

	<ul style="list-style-type: none"> - Extended Covid Support Assistance - Wage Supplement, Rent, Electricity - Scheme for converting part of the debt accumulated due to the Covid impact into a non-repayable grant based on specific criteria - Aggressive grants to support the strengthening of the business to the post-Covid scenario - This includes refurbishments, change in business structure, marketing, re-employment, stocks)
--	---

Removal of SISA

SISA is an unfair hidden tax. Unfair on businesses and unfair on consumers. It is an indirect way for the collection of public revenue, which is not fitting the current economic situation when consumption should be incentivised and not disincentivised.

When costing what SISA means for business, one not only needs to quantify the additional expense placed on the product that will make Maltese goods, when compared to online and undeclared goods, uncompetitive, one also has to cost the intense bureaucratic process that this entails and the situation is worse for goods that do not carry the identifying marker and therefore their illegality cannot be easily detected. Excise Tax is also paid upon importation which causes pressures on the cash-flow.

In Malta the government needs to find ways to address the gap in competition between Maltese goods and foreign businesses. Malta's lack of economies of scale, insularity issues, limitations in options related to freight costs make goods more expensive in Malta. SISA adds to this difficult situation.

It should also be noted that SISA is imposed on many personal care and personal hygiene products, which use has been encouraged and has increased during Covid. It is not ethically correct to charge SISA on such consumer products.

Proposal 3

The SME Chamber calls for **excise to be removed for all goods that do not carry the excise identifying marker.**

Addressing the adverse banking environment

With escalating proceedings negatively affecting Malta due to governance and issues related to financial soundness, doing business in Malta is becoming increasingly difficult. This is prominently more evident in dealings between SMEs and the banks. The situation had started taking a very negative turn when the EU and Moneyval's eyes were closely on Malta and regulations on banks started increasing.

Whilst the Malta Chamber of SMEs appreciates that banks are also going through their fair share of difficulty, we cannot help but feel that ultimately it is SMEs that are footing the bill. Any bureaucracy, cost and risk is being loaded on local SMEs and most of it is unjustified and being imposed from a position of dominance.

The relationship and quality of service given by our dominating banks is extremely poor and is heavily affecting the competitiveness of Maltese businesses.

Banks are resorting to taking a very one-sided approach, always to the detriment of businesses. In order to drive businesses in a specific direction they impose heavy fees to change businesses patterns whilst also at the same time also imposing fees on those businesses that comply. One simple example is when banks introduced heavy fees to make the use of cheques unattractive, while at the same time imposing substantial fees on electronic transactions. Giving SMEs the raw deal from both ends, it is always a lose-lose situation.

Businesses also complain of the consistent and unjustified bureaucracy, the length of procedures to be completed causing loss of business and also difficulty in opening and retaining bank accounts. Reforms undergone by banks are carried out with the highest incompetence, lack of guidance, systems not being fully functional and inconsistent information between branches.

While Malta awaits good banking competitors to enter the market and challenge the status quo, local businesses are left to work in this sorry state. One should also not forget that the standard of banking affects our ranking in terms of doing business and is evaluated by interested foreign investors.

In addition, the Central Bank of Malta should be more tactful in how it addresses non performing or poorly performing businesses that have taken a big hit due to COVID. At the moment, the credit register is being used to deny valid businesses the refinancing that they need. This practice has to be reviewed.

<p>Proposal 4</p>	<p>Banking services supervision:</p> <ul style="list-style-type: none"> - Establish a Task Force chaired by government high-ranking officials with the involvement of the most dominant local banks and national SME representatives. The aim of this task force would be to draft a Charter of Banking Services position to SMEs and following this monitor the implementation of it. This would include the creation of centralised and shared information points, streamlining of information requirements, etc... - Setting up of a Banking Services Supervisory Board. This Board should as a minimum consist of members from the Ministry for Finance, the MFSA, the Central Bank of Malta, the Competition Watchdog, SME national representatives and the Advocate General. This Board should be entrusted to regulate as far as possible the way dominant banks deal with their clients, especially important changes to the service given and charges imposed.
<p>Proposal 5</p>	<p>Creating Competition in the banking sector:</p> <ul style="list-style-type: none"> - Create alternative solutions to those depending on the local dominant banks by attracting competitors in the market and also create supplementary vehicles that can provide a high level of service where procuring such a service from the banks comes at an unsustainable cost. - Exploring what opportunities lie in using social partners as a vehicle for basic financing services should be one of the priorities.

The Workplace, Accredited Training and accessibility

The employment market has been very resilient in Malta and it has remained strong throughout Covid. While small surges in unemployment were experienced these were insignificant and this was mainly due to the support measures and also the resilience of employers to retain staff. Covid has however meant great disruptions in the workplace and also a significant level of turnover that will necessitate support to gain some of the ground lost.

In fact, whilst still enduring the effect of Covid, many employers are experiencing difficulties in recruitment and in parallel have strong requirements for training. This is surely a very good economic sign.

Remote working has proven very rewarding on many aspects but lacking on some important parts. Employees are still suffering from Covid fatigue and employers report lower productivity rates, increase in detachment issues and lower levels of team spirit.

The SME Chamber believes that some schemes and measures need to be fine-tuned to the Covid reality in order to support employers and employees fairly in this important juncture of re-building of individual and re-growing our economy.

In addition, education should be looked into in a wider scope. The education sector offers an untapped opportunity to create a stronger niche in Malta for education tourism and making Malta the centre for excellence for Educational Services. In view that Malta should be planning to diversify its economic dependence this is surely a sector that should take priority.

On the topic of accessibility, the Malta Chamber of SMEs has always encouraged its members to ensure businesses are accessible for all both as a workplace but also to serve clients. The SME Chamber notes that a number of issues are still present when it comes to both physical and virtual accessibility.

Members have regularly noted that although they would like to make their workplace accessible, it is not always possible to do so due to a number of issues encountered. The SME Chamber has come up with a list of proposals which aim to assist members in converting their workplace into a fully accessible one both physically and virtually, thus ensuring accessibility for all and a better return for businesses.

Proposal 6	<p>Quarantine Leave Reform:</p> <ul style="list-style-type: none"> - Re-alignment of the quarantine leave where employees which choose to remain unvaccinated would not be eligible for any quarantine leave. - Employees that choose to travel to areas where quarantine will be necessary upon their return, will automatically forfeit their right to quarantine leave. - Legalise the requirement to share information with employers in terms of vaccination status and any travel plans in order to keep work-places safe. Employers would be required to comply with GDPR rules.
Proposal 7	<p>Training Schemes:</p> <ul style="list-style-type: none"> - A full financed training scheme based on the training necessities of employers that would offer all the flexibility necessary as long as the training is accredited. - Upgrading the Get Qualified Scheme <ul style="list-style-type: none"> ○ Increase MQF 5 GET QUALIFIED TAX REBATE TO 100% from current 70% and capping of €5500 from the current €3500. ○ Increase MQF 6 GET QUALIFIED TAX REBATE TO 85% from current 70% and capping of €13,500 from €12,500 ○ Make the scheme eligible to have a grant requested instead of a tax credit with pre-financing, for cases such as those not currently in employment.
Proposal 8	<p>Create a new economic pillar through accredited institutions which can make a bigger name for Malta and attract more value added into the country. This should come with further reforms of MFHEA and schemes that specifically support the sector.</p>
Proposal 9	<p>Incentives for employers to create safe and professional team building activities, the aim of this would be to re-ignite the sense of purpose of employees within the business and also to address</p>

	mental health and detachment issues – all having an impact on productivity.
Proposal 10	<p>Accessibility Initiatives</p> <ul style="list-style-type: none"> - Revamp of the 2% Quota - The Malta Chamber of SMEs believes that the quota enforced for businesses who employ more than 20 employees, should be converted into a positive measure. The SME Chamber therefore proposes that a fixed percentage from the annual contribution paid, should be converted into a grant for employers to tap into, in order to make their workplace more accessible (beyond any minimum legal requirements) and also used for training of employees in inclusivity. The grant should cover both improvements in accessibility at the workplace (for employees) and also upgrades to at retail outlets which ensure accessibility for all. - The Quota funds will be administered by a board of trustees (similar to the Maternity Trust Fund board of trustees) composed mainly of employer bodies, together with other representatives. The aim of this board is to launch, administer and inform employers of the schemes available based on the above. - A grant would be specifically set up to assist members in building a fully accessible websites in line with FITA guidelines. The grant should be available both to upgrade existing website and also make new websites fully accessible.

Digitalisation Strategy

It has never been clearer to businesses that digital is the way forward, eCommerce gaining the most in terms of priorities for business. Enterprises have in fact, even in the constrained times of Covid, invested in their digital presence in the hope

that this will mitigate the Covid impact. Still, not everyone who invested was successful and will be successful on a longer-term. We attribute this problem mainly to the fact that a larger and better thought out plans and investments would be necessary in order to make the digital strategy really attractive.

Encouraging businesses in going digital requires a horizontal strategy. Aggressive incentives are very necessary in the current situation businesses are in, in terms of resources. It unfortunately however does not stop there. Malta needs to own up in addressing inherent handicaps causing Maltese to be uncompetitive in their online efforts.

eCommerce businesses are competing on a very uneven playing field with foreign sites and we want to overcome the following disadvantages:

- Possibility to apply a totally different business model where the only costs are of cheap warehousing and a delivery system
- Economies of scale having a larger market to depend on as a starting point
- A quarter of the postal charges (and outside the EU even none) when compared to what is charges to Maltese businesses that they would need to take into consideration in deliveries.

Being a small island economy, Malta has to sometimes get creative in order to help its own economy and we are asking policy makers to think outside the box and help Maltese eCommerce. It is entirely in the interest of the state to reduce the billions of euros being exported outside our county by consumers purchasing online and directing them to local online purchases in order to benefit from taxes collected and money reinvested in our economy.

Apart from eCommerce businesses have ample room for improvement when it comes to digitising processes, automation and the use of Artificial Intelligence. Limitations in support measures that do not support subscription based on cloud bundles is a significant limitation. Businesses should be encouraged not to re-invent the wheel and given the support necessary to see what is available on the market and to improve on that via customisations and refinement to achieve excellence.

A digital strategy cannot today ignore the implications of cybercrime. Cybercrime has become an increasing danger for all businesses and it is affecting large to small operators alike. The economic cost of cyber-crime has so far not been quantified in Malta, yet international figures indicate that this cannot go unaddressed. With

the increased online activity due to remote-working and eCommerce businesses are increasingly being targeted. Their level of protection is however not at par to the risk. Businesses are still sceptical in investing in something they consider so intangible, there is lack of understanding of the risk involved due to the digital barrier.

Proposal 11	<p>A grant scheme that would help businesses cover costs linked to the successful execution of a website. This should include:</p> <ul style="list-style-type: none"> - Building/updating/replacing of content which includes products or services for sale. - The optimization of client experience - Linking the site to stocks and having a fully fledged integrated system that can also include the upgrade of the point of sale system and backend functions - Marketing campaign
Proposal 12	<p>Incorporation of all subscription cloud-based solutions that businesses can benefit from in all incentives and schemes.</p>
Proposal 13	<p>A scheme specifically aimed at raising awareness and supporting businesses investing in cyber security via a tax-credit.</p>

Extending MicroInvest benefits

The MicroInvest scheme is, without a doubt, one of the most successful schemes that serves its purpose very well.

The initial allowance for conversion into a tax grant is very important and should be extended further as a principle to encourage investments in business.

Apart from this, a problem we frequently encounter is the duration of the tax credit which should also be addressed to encourage businesses to continue making investments backed by the micro-invest scheme.

With Covid most businesses are slow in making profits and will take longer to redeem their certificates.

Proposal 14	Reform the MicroInvest Scheme as follows <ul style="list-style-type: none">- Make 50% of the eligible tax credit convertible to a grant, up to Eur 5,000- Extend the duration to use the tax credit to 5 years instead of the current 3 years.- Increase the incentive capping from 50K to 70K for all businesses and from 70K to 90K to the groups that are currently eligible for a higher incentive.
-------------	--

Imports and Exports

Over the last months, the cost of importation has skyrocketed drastically. There are two main reasons behind this. One is Brexit and the other is the cost of international shipping going drastically up.

Malta being so reliant on importation and also being dependent on importation by sea means that Malta has been more hit than other countries from such increases. Economies of scale also result in Maltese businesses being unable to control the cost and retain supply agreements.

The increases Maltese businesses have experienced have more than doubled the cost of shipping and the cost is not the only factor that was heavily affected. Members report that having no lead time is resulting in very difficult circumstances to manage the business and disruptions in consumer agreement. It is anticipated that the current high prices will take long to go down, if they ever will.

Brexit has continued adding onto this problem. The importation regime has resulted in so much bureaucracy that Maltese businesses are losing English suppliers because the level of bureaucracy is not worth the small market of Malta has to offer. This is leading to consumer goods which Maltese consumers have

become long accustomed to exit the market. Obviously long-standing business agreements and investment in brands are going down the drain.

Apart from looking at export, the government should also look at the opportunities at incentives to exports. Having finance and insurance backing from the Maltese Government through an export guarantee scheme gives companies the edge they need to win and fulfil contracts and withstand risk of non-payment in international markets, on a evaluated risk-based approach. This allows companies to access export finance and manage payment risks besides helping companies win export contracts by offering competitive terms to buyers. An Export Guarantee Scheme can work with banks and other financial institutions, namely insurances, to support exports for any size of company and across all sectors, from capital goods to services and intangibles such as intellectual property.

Proposal 15	<p>Addressing Shipping at Macro level</p> <ul style="list-style-type: none"> - Malta must address the current international shipping situation at EU level in order to explain the particular situation of Malta that would allow specific state intervention. - Malta must also attempt to reach out to ally member states to strike shipping agreements that would benefit local importers. This can be done also through Maltese importation hubs, strategically placed in specific member states.
Proposal 16	<p>Malta's dependence on importation to be addressed by putting in place incentives that would help local businesses produce products previously imported locally in a sustainable manner.</p>
Proposal 17	<p>Malta to present its case at EU level to get specific exemptions on Brexit procedures, based on Malta' dependence and market limitations, on the paperwork required to import from the UK.</p>
Proposal 18	<p>Incentivise Exports to Africa through a state facilitated Guarantee Scheme or Insurance</p>

Mitigating the impact of Malta's Greylisting

Following Malta's greylisting the Malta Chamber of SMEs has carried out a number of consultation sessions with its members and kept a close contact with them in order to better analyse the impact on small businesses coming from different sectors.

From the feedback received, it is clear how serious this result is being perceived and that businesses are ready to cooperate and do their fair share to get Malta off the grey list. This said, micro businesses in particular are concerned with the added burden and that ultimately, they will be the ones paying the price, through over regulation and added costs in conducting their day-to-day business.

Malta's seriousness in governance issues has improved greatly over the last number of months. Many institutions have been built and given the resources necessary to take action. Businesses have seen the beefing up of a number of entities with whom the interaction has been established on a regular basis. These include the MBR, MFSA and FIAU, primarily.

Although members expect to be regulated rigorously (after all they act as gatekeepers), members call for more coordination, accountability and communication between the different institutions. It is clear that these entities reacquire greater synchronisation and a wholistic strategy. The Malta Chamber of SMEs has now had a good level of experience in dealing with these entities and unfortunately our first impressions were not positive. Measures taken were heavy handed and treated any administrative issue as a big criminal offence. Interaction by the Malta Chamber of SMEs with these entities has borne fruit and attitudes are adapting, which goes to show that one can go about their business in a different way as long as the same result is achieved.

The SME Chamber also notes that the ultimate aim of the different entities involved is to achieve compliance, it is therefore recommended that rather than seeking to penalise operators, authorities should seek to achieve and incentivise compliance alternative means. The SME Chamber calls for a learning approach whereby companies are given the chance to be made aware and adapt before escalating measures.

Finally, members believe that this change needs to be from the bottom up, and a complete overhaul is required. The Industry needs to see visible progress for Malta to get off the grey list, and collaboration between all stakeholder is essential.

Proposal 19	<p>Institutional reforms as follows:</p> <ul style="list-style-type: none"> - The SME Chamber calls on the government to set up a centralised system which reduces duplication of efforts and resources. In this regard, a system should be in place whereby documents and forms requested by one authority, are easily accessible by other authorities. - A complete overhaul of MBR is required in order to be user centric and help in the compliance efforts. It is unfortunate that this authority is very demanding of businesses, yet the standard of its own operation leaves much to be desired. - Together with the company registry, the BO forms registry should be available for service providers to be able to do the required due diligence and review before onboarding a client.
Proposal 20	<p>A specific grant should be made available for CSPs and other service providers to invest and upgrade their due diligence system, which grant should include the possibility to purchase software and licenses.</p>

Carbon neutral strategy

The Malta Chamber of SMEs and its members are all geared up towards moving towards a greener and cleaner method of operation and supporting the government's drive towards carbon neutrality. A main area of concern is obviously transport. The SME Chamber believes that the government should take a more holistic approach in order to ensure that the funds available as part of the green deal are utilised effectively and reach the broader society, including businesses.

In order to successfully achieve the desired results, the SME Chamber believes that everyone should pull the same rope and everyone should be incentivised to make the shift. The SME Chamber regularly raised the issue, that current grants are

consumer centric and do not address the business needs. It is a reality that a significant space for improvement lies within the public sector and the only way to get there is by having the necessary incentives in place.

The Malta Chamber of SMEs believes in a wider and more holistic approach. Members of the SME Chamber have all agreed that any measure introduced needs to be backed with both the internal capacity of the business and also the general infrastructure of the country.

Proposal 21	<p>Electric Vehicles:</p> <ul style="list-style-type: none">- Grants to purchase EVs - A dedicated scheme, separate from the one currently offered, aimed towards commercial type vehicles such as N1, N2 and N3 type vehicles. More aggressive than the ones in place (in proportion with the cost to purchase larger vehicles) and should not be tied with scrapping vehicles older than a particular age (commercial vehicles are changed more frequent than private vehicles)- to create opportunities for companies to invest in multiple charging stations in several spots around the island where electricity is generated, stored and used for EV charging. The system would then allow for excess production to be placed on the grid. This would cater for individuals who live in apartments, thus no access for charging facilities at home, and those who work in areas like Valletta and use the park and ride in blata l-bajda. These systems use the electricity at source, i.e. on the same spot where it is created, thus relieving the grid from excessive current. Failure to deliver such systems will result in increased power cuts year on year (as we are already witnessing) due to increase in charging of EV through the grid.- Incentives to install charging points within their business. Business unlike private households, will require fast chargers and multiple charging points (for those with large fleets).
-------------	---

Proposal 22

Replacement of vehicles:

- Greener **Special Type vehicles** (heavy vehicles) Given that the cost to upgrade certain vehicles is still very costly and technology is still limited, schemes should be aimed to offer an interim, half-way solution to ensure that the shift to lower emitting engines. This should include the possibility to upgrade fleets to the latest Euro Engine (similar to the 'Construction Industry Scheme', Grants for retrofitting and more aggressive grants for the purchase of electric vehicles where possible and viable.
- The scrappage scheme currently in place for passenger **private vehicles**, should be extended to vehicles which are **not** for private use. Vehicle types such as N2 and N3 vehicles should also be included in order to further encourage businesses to make use of this scheme. The SME Chamber is suggesting that new leased vehicles will also be able to qualify under this measure (should the criteria requested be met).

Incentives for Gozo

○ Sustainable Development:

In the last months Gozo has been experiencing a lot of criticism on the way the environment is being handled. This goes to show that the situation can no longer be neglected or overlooked. Blocks of apartments have been mushrooming everywhere, be it close to squares and other rural locations and this is fast destroying the island's urban fabric.

The property market is a huge contributor to Gozo's economy, around 10% of GDP - much more than Malta. So as an industry it is important but the only solution lies in sustainable development as well as balancing out development with the preservation of the island's character. Looking forward Gozo needs a clear planning policy dictating the long-term vision of the island.

○ Digitalisation:

The economy of Gozo is heavily dependent on the tourism sector. Tourism contributes to over 50% of the Gozitan economy. Tourism is an important sector and as a Chamber we are in favour in the continuous of this sector, however we are also aware with the over reliance of the Gozitan economy on this sector.

The economy needs to diversify and an opportunity is tapping the digitization sector. The infrastructure to invest in both HR and operations is there. Gozo today has a functional second fibre optic link and a state of the art digital hub that offers over 3000 square meters of rentable space where to date only 600 square meters are being rented. The government and Malta Enterprise needs to work on a strategy to increase the number of tenants for this hub. This will create an opportunity to the Gozitan economy to tap into this sector and could be the first step in having a new important sector contributing to the island's economy.

Create a package to companies operating in the Digitisation sector to open shop in Gozo.

The rates that are currently being offered to rent space at the digital hub are way above the average going rate for Gozo. These rates need to be re-visited and launch more attractive packages to prospective tenants.

- Transport and Connectivity:

Transport and connectivity between the islands is the life line of Gozo. The introduction of the fast ferry service was a step in the right direction. Looking forward this service has ample room for growth such as tapping in the cruise liner business. The cruise line business was a great success in Malta and hopefully when we are back on track after this pandemic this business will again start to be a contributor in the tourism sector. The fast ferry service can be the right channel for these tourists who choose to come for a one day visit to Gozo.

The permanent link is also another project that as a chamber we are lobbying in favour.

Proposal 23	Sustainable Development: <ul style="list-style-type: none">- No more buildings in ODZ areas, accept ones directly related to agriculture and controlled by some form of licence which is renewed yearly.
-------------	--

	<ul style="list-style-type: none"> - A study to make better use of quarries should be undertaken. A number of unused ones should be turned into gardens similar to the “ Villa Rundle” in Victoria. - Create a scheme specific for Gozo targeting the renovations of old unused houses around the villages and the capital city. In Gozo there a big number of unused buildings where owners are not interested in investing to upgrade them due to costs. this scheme will encourage such investment to take-off. This scheme will have a two fold advantage; i) create work in this sector ii) These houses are a part of Gozo’s character and charm. Renovating such buildings will contribute to the beautifying of the island. - In Gozo there is a huge supply of apartments and a shortage of houses. Demand for houses is much higher than the supply. The drive by developers and house owners is to convert these houses into apartment blocks. exactly what Gozo does not need. A new reduced property tax scheme needs to be created to target houses that are not bought for re development but to be used as houses to be lived in.
Proposal 24	<p>Digitalisation opportunities:</p> <ul style="list-style-type: none"> - Create a package to companies operating in the Digitisation sector to open shop in Gozo. - The rates that are currently being offered to rent space at the digital hub are way above the average going rate for Gozo. These rates need to be re-visited and launch more attractive packages to prospective tenants.
Proposal 25	<p>Transport and Connectivity:</p> <ul style="list-style-type: none"> - Re-start the air link connection with Malta. - Change completely the public service transport vehicles to smaller and possibly electric. - Reduction in the cost of ferry tickets for Maltese residents crossing to Gozo with electric vehicles.

	<ul style="list-style-type: none"> - Installation of electric chargers in all villages across the island. This could be extended to certain business premises such as supermarkets. so whilst the customer is purchasing the car is charging.
Proposal 26	<p>Infrastructure:</p> <ul style="list-style-type: none"> - Sustainable multi story car park in Victoria. - Start a process for the extension of the Mgarr Harbour. - A new hospital for the Island to compliment the Queen Mary University