

SME Chamber

ANNUAL REPORT.

2021

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HORIZONTAL ISSUES

COVID Impact

The year 2021 started with a positive economic outlook. Business sentiment was at a high as the perception was that Covid would be left behind.

2021 did in fact offer much needed stability yet the Covid impact was still present and the restrictions made it difficult for some businesses to operate. The biggest impact Malta suffered was from lack of tourists and various efforts were put in place in order to boost local consumption to mitigate this factor.

The Malta Chamber of SMEs continued the good work started in 2020 on this subject. A number of information sessions were organised

Malta Chamber of SMEs: COVID wage supplement needed till March

Small business lobby group says new virus wave has changed the game



PHOTO: DOI - Jason Borg

Two of three believe business will not survive beyond 2021 - survey

Putting onus on rental accommodation operators is madness - Paul Abela

Five Baffling Inconsistencies In Malta's COVID-19 Rules Flagged By Small Business Chamber Head



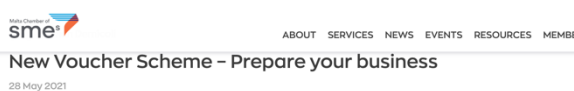
By **Tim Diacono**
June 14, 2021 at 8:31 pm

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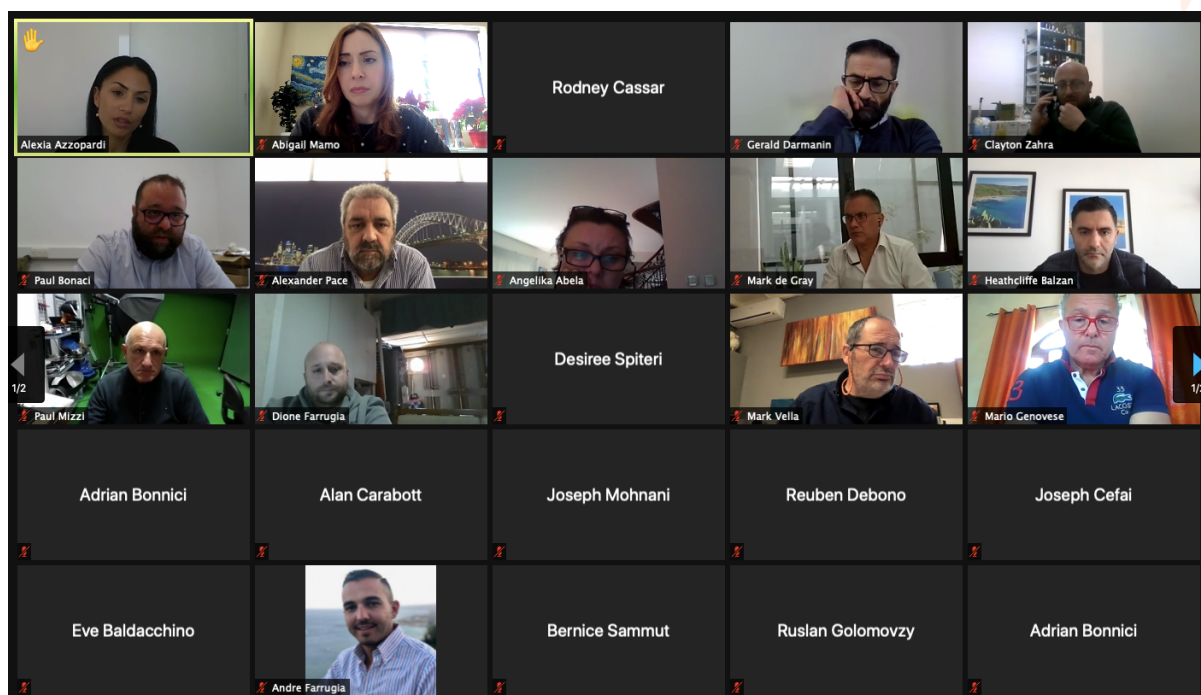
with very good attendance and a number of results were achieved:

1. Aid package for Bars and Clubs increased by Eur 1 million
2. Extension of aid for the Wedding sector including a special deposit refund scheme
3. Extension of Covid Wage Supplement throughout the year
4. Extension of Tax Deferrals and Moratoria allowances
5. Improvement of Covid restrictions to enable business functioning resulting from representation of various sectors
6. Handling employment related issues caused by the Covid impact
7. New round of vouchers



Covid also brought about a number of changes in consumption and business operational behaviour. The main investments needed were related to digitalisation and online presence, obviously however, being it a very hard patch for business, it was difficult for them to find the necessary funds for investments. The Chamber of SMEs held discussions with the authorities to find the best financing solutions and create schemes which were also brought to the attention of members via the Chamber's communication tools.

The SME Chamber continued to also raise awareness and communicate with members about the support measures available to mitigate the Covid impact.



Logistics Crises & Increases in Costs

An important subject that the SME Chamber dealt with during 2021. Early signs of the problem started being felt at the end of 2020, yet at the beginning of the year it was very clear that the problem was becoming a very serious one.

This is a problem that was not just present in Malta but on an international level, Malta was however one of the countries to be worst hit due to the limited size of the market and our dependency on importation. What first started off as a temporary crisis resulting from the blockage in the Suez Canal and pent-up demand following the initial Covid shock, continues to linger and became combined with resource shortages and grave delays in production and distribution systems.

Given the global complexity of the problem, there were no easy or complete solutions that could be found in order to address the entire issue. The Chamber of SMEs has however raised the item on the national agenda and highlighted information of how this problem was affecting businesses and Malta as a whole.

Importers had explained how difficult dealing with the shipping issue had been. Finding available containers was a big struggle and when, after some time, this was successful, they end up paying a premium for the empty container.

Several new tactics further exasperate the situation. This included being asked for a substantial sum upfront as a deposit to secure the space. It had unfortunately

also become common practice that importers are asked to pay a top-up even when a commitment had been taken and given a choice to take it or leave it.

Importers adopted various mitigation measures at the 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 for as long as possible for their products to remain competitive.

Apart from the cost aspect businesses were 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.

Press Release: Malta must address its insularity issues for Maltese businesses to be competitive

10 September 2021

THE SME CHAMBER SUPPORTS THE PROPOSAL PRESENTED BY THE OPPOSITION TO ADDRESS MALTA'S INSULARITY AND MARKET LIMITATION



The ultimate impact rests on how competitive our businesses can be in their offering. The SME Chamber had foreseen that, apart from the already present disruptions, Malta would be visibly experiencing price inflation on a multitude of goods across many sectors. This included 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.

Numerous meetings were held with the government in order to discuss the matter and seek solutions. The most tangible achievement in this respect was the extension of the rent subsidy scheme that enabled business to import in larger quantities to mitigate many of the actors being experienced, at least in part.

The Malta Chamber of SMEs will continue to carry on this subject into 2022. At the close of this report the SME Chamber was advocating to increase Malta's resilience and make better use of State Aid Financing in order to be able to support industries and decrease Malta's dependency on imports, especially on essential goods.

Regulatory Compliance

I. Impact of Grey Listing

Over the last years we have seen Malta's reputation taking one blow after another, and, in tandem, doing business, across the board, became increasingly difficult. With EU and international supervisory authorities following Malta's every step, the government was placed under pressure to fast-track institutional reforms. This was however deemed to be insufficient, with the result of Malta becoming grey listed, and the business environment continued to worsen.

The impact of the greylisting on local businesses had started to be felt for a number of years prior to this actually developing, especially with banking related services. The SME Chamber recommended that rather than



seeking to penalise operators, authorities should seek to achieve and incentivise compliance through alternative means.

The SME Chamber has also maintained its emphasis that whilst compliance should be ensured and everyone paying the dues they should be paying, it was certainly not in favour of suffocating businesses, treating them all like they are criminals and taking every opportunity to elicit fines and fees through the process.

During the last budget, the SME Chamber put forward a number of recommendations aimed at addressing the crux of the issue, without adding further bureaucracy and administrative burdens on members.

Proposals included:

- the setting up of a centralised system which reduces duplication of efforts and resources
- a complete overhaul of MBR is required in order to be user centric and help in the compliance efforts
- a special grant to be made available for CSPs and other service providers to upgrade their due diligence process.

During 2022, the SME Chamber will continue to monitor the situation and propose ways on how Malta can come out of the greylisting and also monitor that added compliance measures do not impact members negatively.

II. MBR

The SME Chamber has continued its efforts to improve the line of communication with MBR and remove added beuraucracy and paperwork which is creating a daily struggle for businesses. The SME Chamber poisitvly notes that the communicaiton line with MBR has imporved throughout the past year.

Additionally the SME Chamber maintained its fight over unjustified penalties imposed by the Malta Business Registry. The SME Chamber had in the previous year represented hundreds of companies who have been fined excessive and unjustified daily penalties, when members where not even notified with the initial penalty itself.

During 2021, the SME Chamber continued meeting with both MBR and the Minister for Economy over this issue.

To date, although the issue has not yet been resolved, the SME Chamber maintains its position with its members, that penalties related with the late submission of BO Forms, specifically those which had been imposed with a daily penalty without the pre-advise of the penalty itself, should not be settled.

In the coming year the SME Chamber, will continue to fight this injustice and seek other possible avenues to resolve this issue.



Sustainability and pro-environment Initiatives

The Malta Chamber of SMEs leads by example. While it has taken up a number of environmental initiatives for the service of the country it is also a main facilitator to cause change in business in the same direction.

- I. Energy assessment in the supermarket and mini-market sector – MERCA project

The Malta Chamber of SMEs and the Energy & Water Agency signed a memorandum of understanding for a new pilot project “MERCA” (Managing Essential Resources in Retail through Consumption Analysis).



Photo: DOI - Pierre Sammut

Through this project, the Malta Chamber of SMEs has started a process of supporting a number of retail outlets in the food and beverage sector to help them become more energy and water efficient, whilst gathering best practices and identify replicable areas of recommendations.

The project, will spread over two years focusing on shops within NACE G which have a mix of space heating/cooling equipment, refrigeration, lighting and

process water. The project engaged with a significant number of enterprises and findings will be applicable and relevant to other retail groups.

The MERCA pilot project will, amongst other actions carry out a number of energy audits within the identified establishments to characterise the energy and water usage in these sub-groups, whilst assisting these outlets with the available opportunities to implement audit recommendations. The Agency will also gather information on the consumption patterns and savings achieved. In this way, enterprises will be able to assess their performance and potentially, similar enterprises can identify the opportunity cost of changing their approach. This pilot project will cost €50,000 and will be implemented over two years. During these two years, data will be gathered, where practices and processes will be identified to make the necessary recommendations.

II. Towards a Greener Transport Sector

The SME Chamber together with the participation of different committees representing the transport sector (Car Rental & Leasing, Chauffeur Driven, New Car Importers, Unscheduled Bus Service, Minivan Operators, Cargo Haulers, Supply Chain Distributors, Gas Distributors, Milk Distributors and Fuel Stations) have presented a position paper on the challenges in place and the proposals to encourage businesses to shift towards the use of Greener Transport.

The document identifies a number of issues encountered by members and aimed to address a number of thematic objectives, mainly: to Identify current Issues and

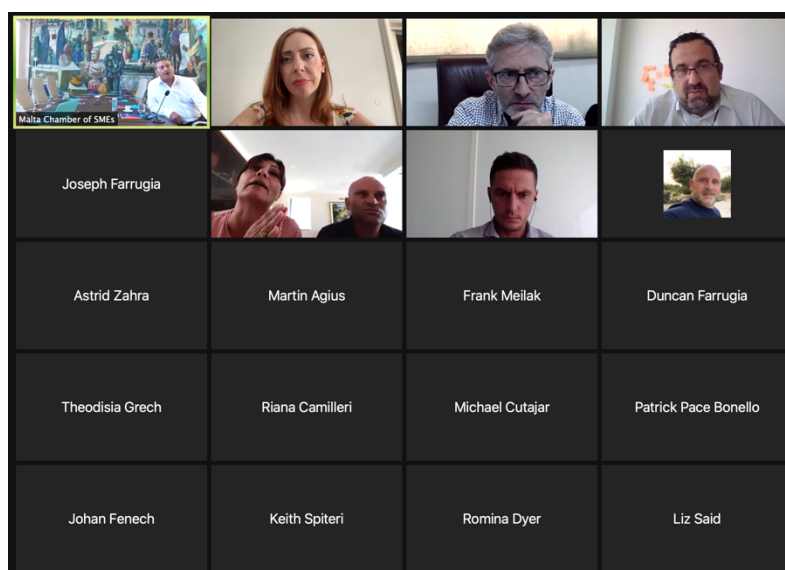
difficulties, improving current measures in place and proposal for new business friendly incentives.

III. BCRS

Preparations for the start of the implementation of the Beverage Container Refund Scheme featured heavily in 2021.

Apart from contributing directly towards the milestones of the company itself, the SME Chamber also worked to resolved the initial issues that were causing concern at member level. The SME Chamber mainly created opportunities and fora to discuss this challenge and seek to find solutions.

Similar work will take us into 2022, which the aim of closing off most of the issues still pending.



Banking

I. Banking Services

During 2021 the Malta Chamber of SMEs continued its efforts and pressures on authorities to tackle the banking issues, which is partly a result of the implications of the grey listing.

Members have continued to report added bureaucracy, checks, excessive charges and a hostile encounters when dealing with banks. Additionally, the SME Chamber also assisted members with issues related with Access to Finance with the assistance of the Malta Development Bank.

The SME Chamber also held several meetings with different authorities which include the banks themselves, the Finance Minister, Finance Malta, the Central Bank, MFSA and MDB.



During these various meeting the SME Chamber discussed:

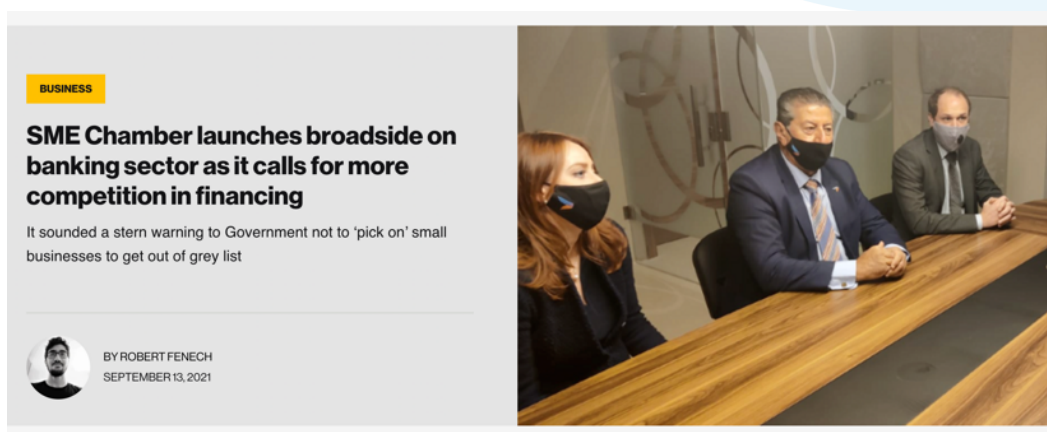
- Excessive Bank charges

The SME Chamber regularly raised concerns on the frequent increase in bank charges, these mainly relate with cash deposit, cash handling fees, account maintenance and other administrative charges. The SME Chamber also highlighted the fact that the main banks in Malta have an obligation to provide basic services, given their dominant position in the Market. This was also included as one of the budget proposals put forward.

- Burdensome Administrative and Bureaucratic Procedures

Throughout this year the SME Chamber emphasised that the increase in paperwork and bureaucratic procedures are slowing their productivity and increasing costs for businesses. Although the SME Chamber fully understands that certain procedures needed to be in place (especially following Malta's grey listing), processes can be improved in order to alleviate additional administrative procedures.

Members regularly note that such requirements increase indirect costs and take a toll on business resources, which resources can be put to better use.



○ General Issues with Banking

Members represented by the SME Chamber in particular Company Service Providers regularly complain on the ever-increasing issue to set-up bank accounts for a number of businesses in particularly start-ups wishing to start operation. During various meetings the SME Chamber also raised its concern on this becoming more problematic in the coming months in light of the FATF Grey listing.

Finally, during the meeting with the Minister for finance the Malta Chamber of SMEs had called on the Minister for Finance to seek other alternatives and possibly find a long-term solution for this ever-growing issue.

○ Banking Technical Working Committee

On an initiative of Finance Malta, the SME Chamber was also invited to sit on a committee made up different stakeholders specifically; the Central Bank. Malta

Bankers Association, FIAU, Finance Malta, IFSP and MFSA. The committee focused its efforts on the main issues revolving around the opening of bank accounts and how the situation can be mitigated.

- Assisting Individual / Group Issues

The SME Chamber has also assisted a number of members with specific and individual issues related with opening of bank accounts, delays with communication and also excessive charges that our members could not avoid, which threatened their livelihoods. Notably the SME Chamber assisted a number of tobacco distributors and vending machine operators with finding a workable solution when Bank of Valletta had imposed a 2% charge on all coin deposits.

During 2022, the SME Chamber will reaffirm its position to follow this issue and seek a workable solution for its members. The SME Chamber will also continue keeping an open line of communication with the entities.

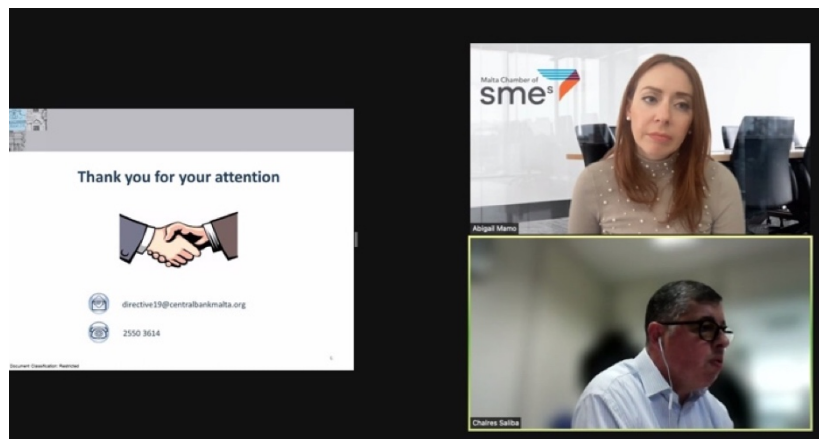
II. Regulating Cheques and Bank Drafts

An online information session was organised with the Central Bank of Malta in order to explain the new regulation and address any questions.

The Central Bank of Malta has during 2021 issued a very important regulation that established new rules on the use of Cheques and Bank Drafts. This includes:

- Information provided,
- Maximum or minimum limits,
- Validity and Penalties.

The Directive came into force on the 1st of January 2022.



Human Resources Issues

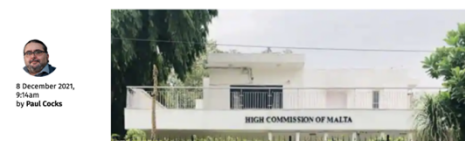
I. Third Country Nationals (TCNs)

The SME Chamber has in the past year continued its efforts to ensure that the bottlenecks in place with regards to

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Visa cartels block Indian workers seeking Malta jobs

Staff shortages in Malta's High Commission in India, as well as a 'mafia' of private middlemen controlling the flow of visa applicants in India, have resulted in huge delays in visa processing for people wanting to come to work in Malta



TCN sourcing and application process are addressed.

A number of meetings have been organised with different entities, all addressing a particular issue. The SME Chamber regularly works with Identity Malta, IDPC, JobsPlus, The Ministry for Internal Affairs and The Ministry for Foreign Affairs.

Of the issues dealt with the SME Chamber achieved the following important milestones on this issue:

- the re-opening of embassies following the pandemic,
- the re-acceptance of general student visa applications,
- reducing the delays with the processing of single work permit,
- facilitating the process of the change in employer,
- reducing the bureaucracy,
- extending the grace period in place for the possibility of employers to employ TCN employs who are not in employment

The SME Chamber also assisted and represented members individually with authorities on various issues and delays encountered. During 2021, Malta Chamber of SMEs has managed to establish a steady and centralised point of contact with different authorities to ensure that issues and bottlenecks are dealt with in the shortest time possible.

In 2021 the SME Chamber aims to continue building a strong relationship with these entities and plans to organise a number of informative meetings aimed at guiding members on how to source the right TCNs and the fastest routes in place.

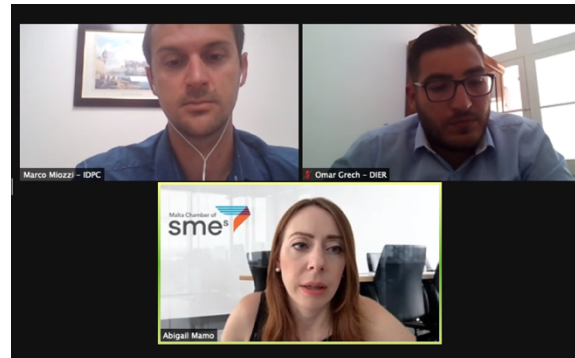
II. Employment with the Public Sector

The Malta Chamber of SMEs was among the main business organisations calling on government to put an immediate halt on the drain of human resources from the private sector, to be employed in the public sector including state appointed bodies.

More and more members of the organisation were voicing their concern about employees who resign haphazardly to take up, what was perceived to be a more secure job, with less work pressure in government entities. Some companies reported having to reduce their operations as a result of a shortage of manpower. Many have had to resort to replacing Maltese employees lost to the public sector with other nationalities. This was changing the distribution of the labour force, as government was employing a greater percentage of the Maltese labour force, with companies compensating for labour shortfalls by engaging more foreign labour. The SME Chamber is convinced that, in many cases, there is no real need for these persons in the public sector. It must be borne in mind that public sector employment was financed by the output and taxes generated by entrepreneurs and their employees, and depleting the private sector of human resources will spell trouble even for tax revenue generation.

III. Working conditions

Through its newly launched advisory service on employment law, the Malta Chamber of SMEs is working closely with members in order to provide them with support when they have queries, but most especially when issues with employees and tribunal cases are opened against them.



The SME Chamber also holds regular information sessions for members on this subject. In July 2021 the SME Chamber collaboration with the Department of Industrial and Employment Relations (DIER) and the Office of Information and Data Protection Commission (IDPC), in a webinar entitled Covid and Vaccinations.

During this webinar we interpreted the requirements of the regulations on employment and personal data in relation to Covid-19 and vaccinations. This webinar focused on assisting businesses on how to handle situations arising at the place of work. Both DIER and IDPC representatives replied to issues arising and replying to questions such as:

- can I force my employees to get vaccinated?
- can I ask my employees if they have been vaccinated?
- Can I ask employees to carry out routine swabbing?

BREXIT

During 2021 the Malta Chamber of SMEs has addressed a number of issues which came as a result of BREXIT.

Members across the board have been negatively impacted due to changes in UKs status. The SME Chamber always maintained its position that even-though UK is now considered as a third country, the historic relations Malta has with the UK need to be taken into consideration as this is heavily reflected in the commercial relations of the country. This is also a result of the spoken language, which makes it easier for local wholesalers to import products from the UK rather from other EU countries.

The SME Chamber also focused its efforts on the need for Malta to negotiate a special derogation that would facilitate imports coming in from the UK. The need for such derogation is required, given Malta's insularity, logistical limitations and economies of scale, with the majority of members highlighting that the need to use UK wholesalers is essential due to our size and limitations.

Throughout the past year, the SME chamber has assisted a number of members through various meetings particularly with the Special Commissioner for Economic, Financial and Trade Relations and the Customs department to address general and individual issues

In the next year, we aim to continue addressing the topic as necessary.



Cyber Security

Cyber security has been identified as an area of concern with reported incidents amongst members. Increasingly, businesses big and small alike, are constant targets and falling victims of cyber security. Apart from awareness raising more support was necessary to help businesses move towards protecting themselves against cyber-treats.

The SME Chamber took up this discussion with Microsoft during an exchange with the country area manager during their visit to Malta.

The SME Chamber also carried out an awareness campaign in cooperation with Cybergate International. Training sessions were held for SME Chamber members.



Malta Enterprise Schemes to better support business

The Malta Chamber of SMEs has been a prime mover behind positive developments for businesses in terms of schemes.

I. Rent Subsidy Scheme widened in scope

In order to mitigate part of the issues encountered by members, as a result of the excessive increase in shipping, transportation and freight costs, during the last budget, the SME Chamber proposed a number of short, medium and long term solutions to address issues related with this.

One of the short-term measures proposed which was taken onboard was the recommendation to extend the rent subsidy in place for the wholesale and retail sector. The rent subsidy was initially open for businesses in the manufacturing; maintenance and Repairs of Motor Vehicles; repair of Machinery and Equipment and industrial activities. With the new amendment the rent subsidy is now open also for business activities requiring temporary storage facilities to optimise supply chains, and/ or mitigate supply and cost fluctuations.

Companies seeking to rent an industrial premises can receive a subsidy of up to €75,000 spread over three years.

The SME Chamber will continue to follow the implementation of this measure and request amendments, should there be the need in order to ensure adequate assistance for members.

II. Business Re-Engineering And Transformation Scheme to Include Self-Employed And Micro Enterprises (Previously Ineligible)

The Business Re-Engineering scheme is mainly aimed at business to re-engineer their business model to grow and become sustainable.

Unfortunately, the initial scheme introduced was only open for businesses employing 10 or more employees. The Malta Chamber of SMEs has voiced its concern on the need to have a scheme open for all businesses including self-employed. The SME Chamber also emphasised on the need of assisting business in their implementation phase rather than focusing solely on the advisory aspect. Following this feedback, a new scheme was created to address these gaps.

The Change to Grow scheme is a grant specifically created to assist businesses with re-organising their business processes, optimising performance, digitalise processes or increase environmental performance.

The grant covers a maximum of Eur 10,000 or 75% of the cost.

III. Smart and Sustainability Scheme

Open to All business sizes - Small, Medium & Large businesses. The smart and sustainable investment grant addressed issues identified by the SME Chamber, for members to invest in sustainable means, in order to facilitate such investments, including investment to digitalise processes, thus reducing energy consumption.

The maximum grant that can be awarded to support an eligible investment shall cover 50% of the eligible expenditure up to a maximum grant of €50,000 per project. This is also something the SME Chamber emphasised on, as members regularly mention the need for cash grants.

Furthermore, a Tax Credit of up to €20,000 per project may be awarded as an additional 10% (to 60%) if the project meets one of the below criteria and 20% (to 70%) if the project meets any two of the below criteria:

- The project results in new investment (including expansion of existing investments) in Gozo;
- The project is carried out by an undertaking which has been established for less than three (3) years. (This shall be calculated from the date of registration).
- The project is supported by an independent carbon footprint audit and assessment demonstrating a significant reduction in the applicant's carbon footprint.

The costs eligible under this grant are;

- Waste Minimisation - Reducing materials use per unit of production

- Sustainable materials - Cost Reducing impact of product on global environment
- Energy Efficiency - Reducing energy use per unit of production.
- Water Efficiency - Reducing water use per unit of production
- Sustainable Digitalisation - Adopting digital solutions to enhance environmental performance

IV. Outreach with members

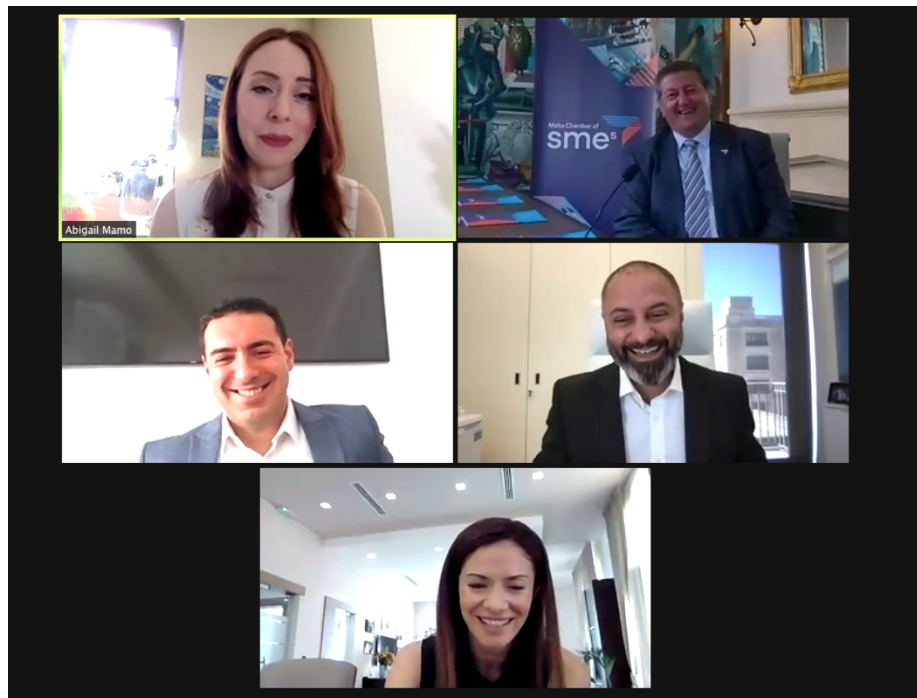
Regularly, the SME Chamber holds outreach activities in collaboration with Malta Enterprise to ensure the schemes made available are well understood by members.

On the 19th of May 2021 the SME Chamber, Ministry for Energy and Enterprise and Malta Enterprise held a joint webinar entitled: New business support schemes 2021. The webinar was held with the participation of Minister Miriam Dalli.

The following were explored:

- Extending the Rent Support Scheme,
- Extending the Electricity Support Scheme,
- Direct cash injection for businesses affected by extended closures,

- Opening business re-engineering and transformation scheme to include self-employed and micro enterprises (previously ineligible),
- Guided investment schemes with aggressive aid package and Policy direction for new economic niches



EU FUNDING

The Malta Chamber of SMEs is committed to ensure full access to EU funding and incentives. Apart from being a prime beneficiary, the Malta Chamber of SMEs works hard to ensure funding opportunities are within reach for Maltese businesses.

Recovery and Resilience Funds

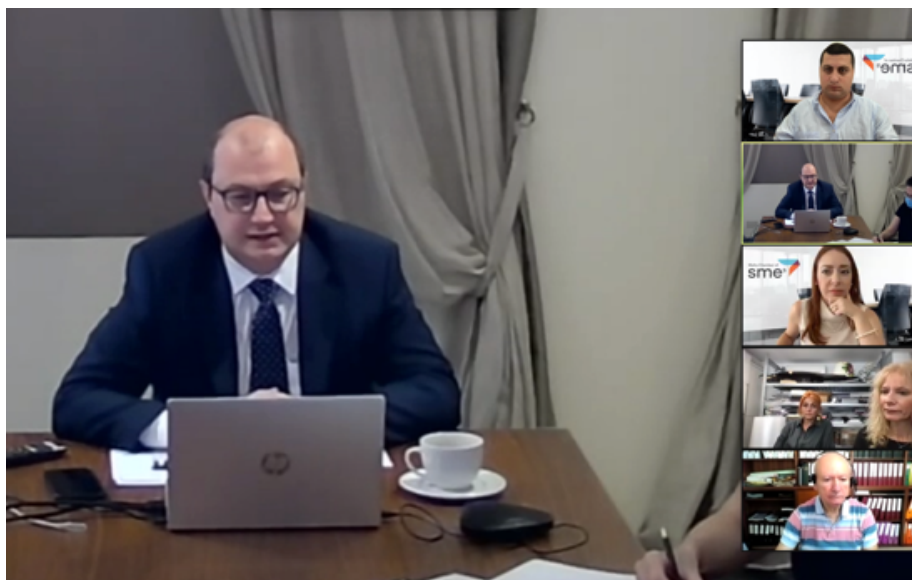
Upon being presented with a fait accompli recovery and resilience plan, the Malta Chamber of SME's immediately realised that almost no funds had been allocated to the private sector. The SME Chamber protested heavily in this regard during the MCESD meeting where the presentation was held. Following this incident an urgent meeting with the Prime Minister was held, which resulted in the re-allocation of funds in favour of the Private Sector.

As a result of this initiative the private sector will be benefitting from a totally new set of funds, namely green initiatives, greening of buildings, digitalisation projects.

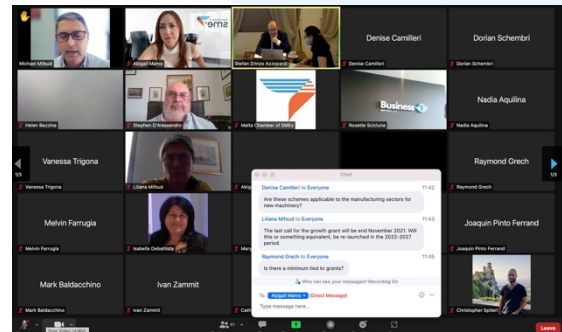
EU Funding 2022-2027

Another initiative undertaken in 2021 is to plan ahead the opportunities that will become available with the next tranche of funds 2022-2027, which will take us beyond the 5 years to come. The Malta Chamber of SMEs organised an online consultation meeting with members in collaboration with Hon Stefan Zrinzo Azzopardi, Parliamentary Secretary responsible for EU funding.

The Multi-Annual Financial Framework (MFF) 2021-2027, through the ERDF, CF and JTF funds, provides an opportunity for Malta to invest in a number of areas, including research and innovation (R&I), competitiveness and digitalisation, natural resources and the environment, transport, education, employment, health, tourism and urban development, which are of significant importance in the socioeconomic development of the country.



The consultation meeting was attended by 100 attendees from the private sector and members expressed their opinions on how the funds should be disbursed. Members also mentioned the main difficulties they face when applying for such funds.



The Malta Chamber of SMEs took note of all the comments and suggestions made by its members during this consultation meeting and submitted its feedback for the consultation document to the Strategy and Consultation Division within the EU Funds section.

SME Chamber as a Beneficiary

I. SMILES

On Thursday 16 September 2021, the SMILES project held its final conference on SMEs' Involvement in the European Semester: stocktaking and the way forward. The 2-year EU-funded project closed with a rich debate among SMEunited members and the cross-industry social partners, contributing to useful conclusions for the future of the European Semester. The Malta Chamber of SMEs EU and Communications Executive, Fabian Demicoli, participated in this project

from the very beginning and provided input on consultation within Malta's Government structures.

The purpose of SMILES was to create a better understanding of the state of play of SME organisations' awareness, consultation and involvement in the European Semester and promoting it further through the exchanged of good practices, mutual learning and recommendations for future action.

The event brought together the European Commission, Member States, SME organisations representatives and European and national social partners to exchange on how to improve and strengthen the role of social partners and SME organisations in the European Semester.



II. NORWAY GRANTS

The Malta Chamber of SMEs organised a conference entitled “The new world of Work and Employment – Fostering improved working relations for Micro and Small businesses” aimed at giving participant a legal overview of how employers should position themselves in the light of how the place of work has changed since the start of Covid.

The conference which had an attendance of close to 100 participants, tackled issues related to employee shortages and sourcing of TCNs.

This conference was organised by funds from the EEA Grants and Norway Grants.

Following a professional training supported by the Norway Grants the Malta Chamber of SMEs is now also offering a new service for its members related to Employment Law in Malta and the EU.

Malta Chamber of SMEs staff are now trained professionally to offer assistance to its members related to employment issues such as employment contracts, working hours, leave, wages, termination of contracts, harassment and discrimination at work, disability, health and safety at work, data protection and work and residency permits.

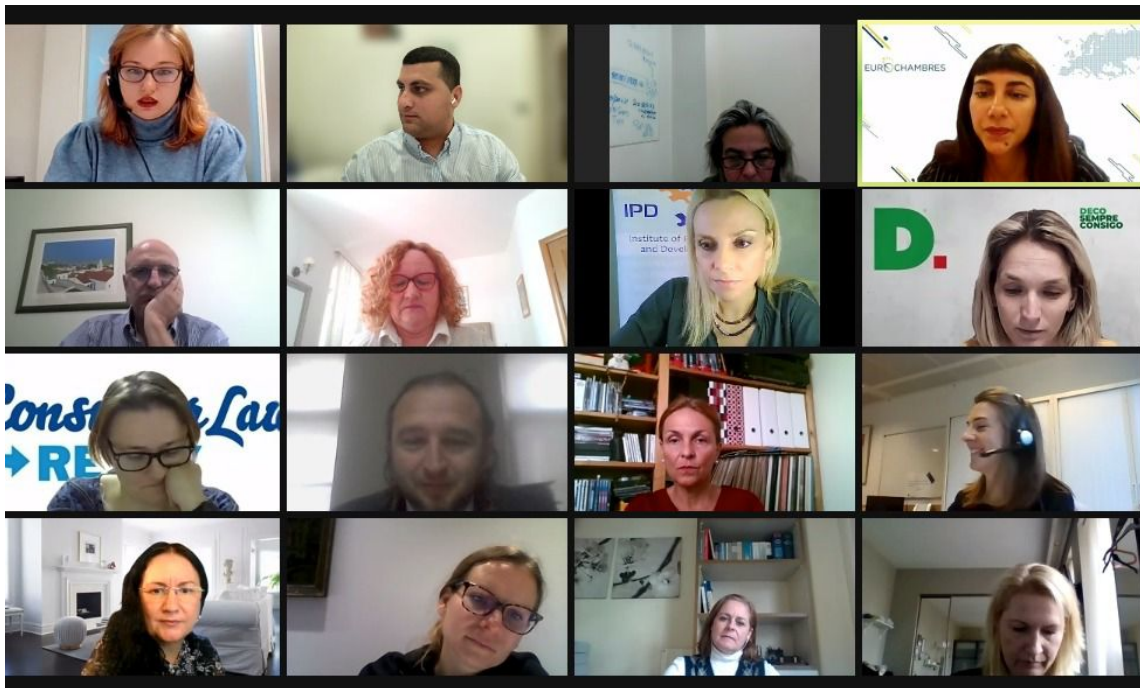


III. Consumer Law Ready

Once again, Via an EU level project, the SME Chamber embarked on a contract called 'Consumer Law Ready'.

This entailed having a trainer trained at EU level and re-training SMEs and local trainers in order to increase the level of awareness of Consumer law at National level. The SME Chamber hosted 1 training for members about consumer law in Malta. Each training participant was accredited by the European Commission.

Funds related to this project are based on training carried out. The project will be ongoing in 2022.



IV. LADDER

The Malta Chamber of SMEs is currently implementing another EU project under the European Social Funds dedicated for social partners. Through this project the SME Chamber aims to upgrade its IT infrastructure in order to be in a better

position to assist its members, thus strengthening social dialogue. The total project value is of 124,500. Through this project the SME Chamber

- Has upgraded the IT equipment of Staff in order to ensure that work can continue remotely
- Has invested in Video Conferencing equipment to ensure that all meetings held can be accessed remotely by members.
- Is currently working on a backend support system to ensure that data stored is secure and that the system becomes fully remote and independent.
- Is invest in bespoke software which would lead in upgrading the Client Relationship Management system thus ensuring that the Malta Chamber of SMEs follows all members issues and also be able to gauge members' concerns better and more effectively.

The project ultimately aims to strengthen the SME Chamber as a Social Partner thus becoming more pro-active and in line with the actual needs of our members.

V. STAR

During this period the SME Chamber concluded another EU funded project, S.T.A.R. Following the rebranding exercise which was launched in January 2020, the Malta Chamber of SMEs and the contractor worked on a social media campaign which included a 4 week marketing campaign on Malta's leading portals and a 3 week radio advert campaign on 2 national radio stations.

VI. CROSSWORKS

Crosswork is a project which forms part of the Interreg Italia-Malta program which the SME Chamber will be participating in as a partner.

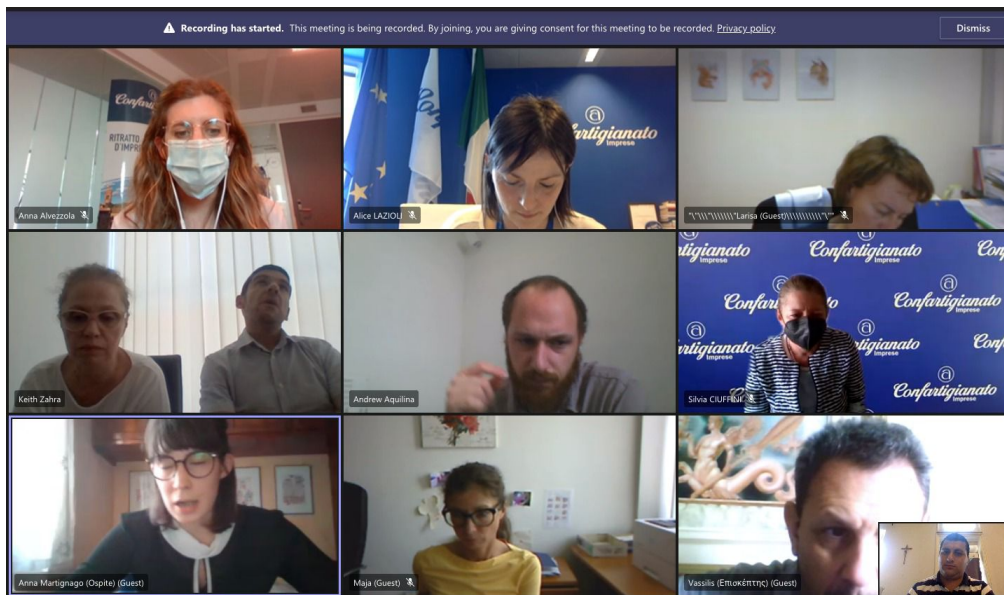
The project's deliverables are projected to be a provision of 36 vouchers for the activation of internships for young and new graduates, who can either be first job seekers, unemployed, or also disadvantaged young people in MSMEs. The aim is for the creation of a highly qualified cross-border network to offer targeted services of cross-border scouting and matching between the supply and demand of labour. To do so, 6 young Maltese candidates will benefit from 6 work placements in Sicilian companies, and on the other hand, 30 young Italian candidates will benefit from 30 work placements in Maltese companies.

VII. IORSME

The SME Chamber was awarded a new project funded by the European commission as a lead partner. The name of this project is Increasing SME Organisations Representativeness for more Effective Social Dialogue (ioreSME).

Through this project, The Malta Chamber of SMEs, as coordinator of the consortium, together with the other project partners will be embarking on a project aimed at strengthening social dialogue, through further enhancing their representativeness. The objective of the project is to raise awareness of and give visibility to the activity/function/responsibility of SME employer organisations in the EU and foster their role as social partners. Additionally, this project aims to

support the Malta Chamber of SMEs and the project partners to become a stronger and more representative, and impactful employer organisation.



Outreach with Members

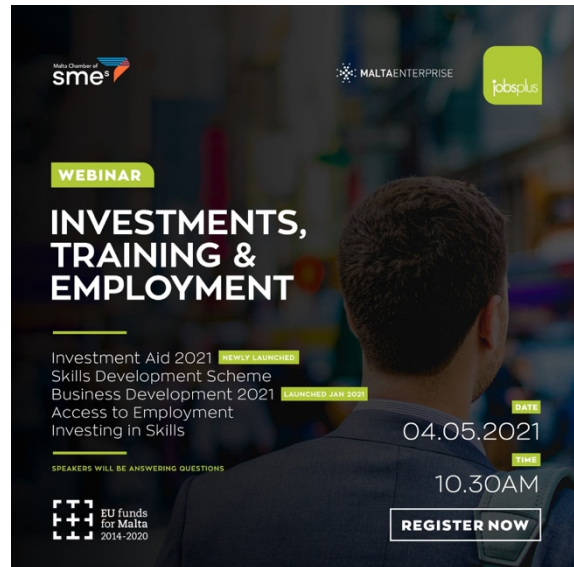
On the 4th of May the SME Chamber held a webinar entitled: Investments, Training & Employment. This webinar targeted at guiding members in the support available for any investment, training and employment needs. The webinar was held in conjunction with Malta Enterprise and Jobsplus.

Current circumstances make it difficult to invest any kind of funds and any support that business can get is currently essential. This webinar was also seen as important in view of what is expected to be a gradual recovery and businesses increasing their level of activity.

The following schemes were explained:

- Investment Aid 2021
- Skills Development Scheme
- Business Development 2021
- A2E & Investing in Skills

On the 14th of December, the Malta Chamber of SMEs hosted a joint webinar together with the Malta Council for Science and Technology (MCST) on the schemes and incentives available to support SMEs in innovation.



Together with Malta Council for Science and Technology experts we went through both the schemes within reach of any business seeking to innovate and also those which are more ambitious. Participants were given a full overview of available support.

Key Yearly Milestones

Budget 2022

A total of 26 proposals were presented which aim at accelerating the economic recovery, help businesses become future proof, support those businesses still heavily suffering the effects of Covid and to help Malta move into normality.

The following is a summary of the main proposals presented:

- Widening Of Existing Tax Brackets

Extending the middle 25% tax bracket for up to Eur 100K income to help businesses in their recovery.

- Removal Of Sisa

Excise to be removed for all goods that do not carry the excise identifier marker to avoid unfair competition.

- Rescue Package For Worst Covid Hit Businesses

Extending existing moratoria and lengthened repayment periods.

Extended Covid Support Assistance – Wage Supplement, Rent, Electricity.

Scheme for converting accumulated debt 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 – Refurbishments, change in business structure, marketing, re-employment, stocks.

- Addressing The Averse Banking Environment

Banking services supervision through the setting up of a task force with the ultimate aim of establishing a Charter for Banking Services and the appointment of a separate Banking Services Supervisory Board that will act as a redress mechanism for disproportionate action or treatment.

The government is also asked to attract more competition in the banking sector.

- The Workplace

The SME Chamber is calling for a revamp of the quarantine financial mechanism and the legalisation of requesting information about vaccine status and travel plans at the workplace.

- a. Unvaccinated employees by choice would not be eligible for any quarantine leave

- b. No Quarantine leave for travellers to areas where quarantine will be necessary upon their return
- c. Legalise the requirement to share information – Vaccination and Travel

Incentives for employers to create safe and professional team building activities to mitigate increase in mental health and marginalisation issues.

- Accredited Training

A full financed training scheme based on the training necessities of employers. With resources being very limited at the moment a strong incentive is necessary in order to increase training levels.

- Digitilisation Strategy

A grant scheme that would help businesses cover costs linked to the successful execution of a website. This includes:

- b. Building/updating/replacing of content which includes products or services for sale.
- c. The optimization of client experience
- d. 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

A scheme specifically aimed at raising awareness and supporting businesses investing in cyber security via a tax-credit.

- Reforming Microinvest

50% of the eligible tax credit convertible to a (Max. Eur 5,000) grant.

Extend the duration to use tax credit from 3 to 5 years.

Increase capping from 50K to 70K for all businesses and from 70K to 90K for businesses currently falling under the preferential categories.

- Imports & Exports

Addressing the high shipping costs at Macro Level through discussions at the EU to negotiate matters as a continent, and at Member State level to negotiate shipping agreements that would reduce importation costs.

Incentives that would help local businesses produce products previously imported in a sustainable manner.

Malta to present its case at EU level to get specific exemptions on Brexit procedures.

Incentivise Exports to Africa through a state facilitated Guarantee Scheme or Insurance.

- Mitigating The Greylisting

Compliance authorities to implement enforcement fairly and to focus on educating and supporting users to increase compliance.

A specific grant should be made available for CSPs and other service providers to invest and upgrade their due diligence system.



PHOTO : DOI - Jason Borg

- Carbon-Neutral Strategy

More aggressive grants for the private sector to purchase EVs and creating opportunities for companies to invest in multiple charging stations in several spots, including fast chargers within the business.

Greener Special Type vehicles scheme should include the possibility to upgrade fleets to the latest Euro Engine.

Scrappage scheme should be extended to vehicles which are not for private use.

- Gozo

Proposal for Gozo include a clear ban on the development in ODZ areas as well as a scheme to renovate unutilised properties. A mutli-storey car-park in Victoria and incentivising clean transport by reduction the ferry cost for Maltese residents with electric vehicles and having the installation of electric chargers in all villages.

A topic which however topped our agenda was the increasing effect of the greylisting on businesses.

Over the last years we have seen Malta's reputation taking one blow after another, and, in tandem, doing business, across the board, became increasingly difficult. With EU and international supervisory authorities following Malta's every step, the government fast-tracked institutional reforms. This was however deemed to be insufficient, with the result of Malta



Budget 2022
Latest for
businesses coming
out of the Budget

WEBINAR
Time 16:00
Date 19.10.2021

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Malta Chamber of
sme^s

becoming greylisted, and the business environment continued to worsen.

We are living through a time when institutions are expected to show they are active and make a sound. Was this however working in the way it should be working? The Chamber of SMEs believes it was not.

Whilst the Malta Chamber of SMEs was all for compliance and everyone paying the dues they should be paying, it was certainly not in favour of suffocating businesses, treating them all like they are criminals and taking every opportunity to elicit fines and fees through the process.

The Authorities, Institutions and Banks are expected to do better. They were they are treating businesses, especially small businesses was paramount to abuse. It seems that these entities have stepped up their reform but basic etiquette of how to deal with users and clients was nowhere to be seen. Instead of focussing on the real problems they are carpet bombing all businesses to show they are making noise.

No proportionality was being adopted, no risk-based approach. Compliance had become the biggest nightmare for businesses. It was affecting the mental health of business owners and challenging the spirit of entrepreneurship. Coupled with that, compliance was being used as an excuse and an opportunity to increase fees and charges and to fine businesses. Businesses are being faced with hostility, unjust enrichment, abuse of dominance and a service that continues to worsen.

Driving the SME Chamber Forward

I. Taking the digital leap

The Malta Chamber of SMEs is an advocator for digital advancements and apart from supporting its members towards this milestone, the SME Chamber also leads by example and ensures that it does not stay behind.

During 2021 the SME Chamber was able to continue on a major investment programm, started in 2020, to become a digitally advanced organisation. Such investments fall under one of the EU funded projects the SME Chamber is implementing.

After having upgraded its hardware, enabling a strong level of connectivity and flexibly in workflows and communication systems, followed by the purchase and installation of a new server and backup system, the SME Chamber started implementing the final part of the project. Thanks to EU funding the SME Chamber has during 2021 conducted all preparatory work in relation to the new CRM system and initiated implementation together with the service provider.

This project will be concluded to a high extent during 2022 and this should result in a major advancement to the SME Chamber's capabilities and services.

II. Service Development

Through an outreach campaign with members, during 2021 the Malta Chamber of SMEs ensured that members were fully aware of the wide variety of services offered and presented them with the opportunity of support.

The Malta Chamber of SMEs today has developed a comprehensive number of services and continues to work towards launching others in the very near future.

Apart from this, the Malta Chamber of SMEs continues providing its members with a wholistic service approach through its subsidiary Services company. This is delved into further in a separate section.

During 2021 the Malta Chamber of SMEs launched its advisory service on employment law and working conditions. This service was launched following a



detailed course delivered by a specialised legal firm in Malta and followed by all the team at the Chamber of SMEs.

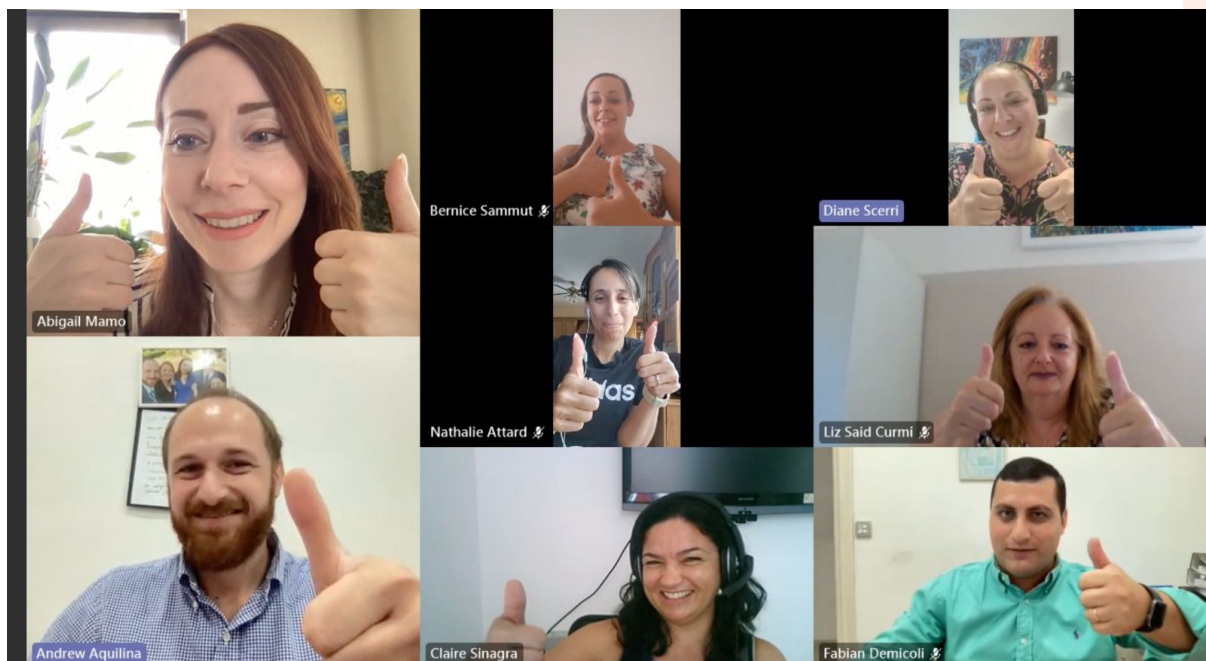
Malta Chamber of SMEs staff are now trained professionally to offer assistance to its members related to employment issues such as employment contracts, working hours, leave, wages, termination of contracts, harassment and discrimination at work, disability, health and safety at work, data protection and work and residency permits.

This was a great opportunity for the Malta Chamber of SMEs since employment issues have increased drastically since the start of the Covid-19 pandemic and work-related issues increased following the arrival of the Covid-19 vaccine. This training was supported by the Norway Grants 2014-2021, in the framework of the Social Dialogue and Decent Work Programme and was delivered by Fenech and Fenech Advocates.

During 2022 the Malta Chamber of SMEs aims to continue expanding its list of services. A service that we will seek to re-instate in a more effective manner is the free legal advice. We will also seek to explore additional form filling services for EU funds and Schemes, the viability of expanding our services in relation to TCN applications and potentially foster collaborations that will add value to the services we already offer.

III. Human Resources

During 2021 the SME Chamber was operating at full staff complement. By the end of 2021 however an opportunity arose to start thinking of increasing the headcount of the organisation, something that is surely needed. This will be made possible thanks to the success achieved on the funding part, once again.



SME Conference – Being one step ahead

On the 18th of November, Malta Chamber of SMEs, Malta Enterprise and Business First have once again co-organised the annual SME Conference. This conference was a major milestone as it marked our return back to physical events and re-experienced networking.

This year's SME Conference was organised at The Xara Lodge and over 200 people participated during the conference which was entitled "Being one step ahead, the opportunities for SMEs" focusing mainly on sustainability and the new economy. The aim of the conference was to give SMEs a springboard that will launch them directly into the challenges and opportunities post-Covid.



The conference was addressed by 3 Ministers, Hon. Miriam Dalli, Minister for Energy, Enterprise and Sustainable Development, Hon. Silvio Schembri, Minister for Economy and Industry and Hon. Aaron Farrugia, Minister for the Environment, Climate Change & Planning. During the conference Malta Chamber of SMEs CEO Ms Abigail Agius Mamo announced the results of a survey which focused on Business Investment Priorities carried out by the SME Chamber during a panel discussion with the participation of Malta Enterprise CEO, Mr Kurt Farrugia and Business first CEO, Ms Marika Tonna.

The survey showed that the majority of businesses are prepared to move towards a sustainable economy and digitization





Awards

I. Civil Solidarity Prize winner

In 2021 the European Economic and Social Committee (EESC) has awarded the Civil Solidarity Prize to the Malta Chamber of SMEs for its support to SMEs during the uncertain COVID-19 times.

The EESC, an advisory body representing Europe's civil society at the EU level, selected the Malta Chamber of SMEs as the best Maltese candidate for the Prize, saying its entry stood as a shining example of remarkable solidarity during the COVID-19 crisis.

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NEWSBOOK EN MT

NEWS

Watch: High Five to Malta Chamber of SMEs, recognised in Europe

Awarded for its support to SMEs during pandemic

By Cedric Farrugia - February 15, 2021 1:54 PM



The winners were selected from a total of 250 applications submitted by civil society organisations, individuals and private companies. All of the projects had solidarity as their driving force and displayed creative and effective ways of rising to the often-daunting challenges posed by the crisis.

II. National Supporting Business Awards 2021 Winner in 1st place

The Malta Chamber of SMEs was awarded the National Supporting Business Award 2021 for the constant support to its members.

The NSBA awards were organised by the Commerce Department within the Ministry for Economy and Industry.

The Malta Chamber of SMEs nomination submission was entitled 'With You All the Way', which provided online advice and peer support to help thousands of SMEs adapt to a changed business environment. Hundreds of SMEs have benefitted from this assistance, provided through a number of webinars, information sessions and virtual meetings, to increase their online presence and digitalise their services and operations. Thanks to the efforts and initiatives by the Malta Chamber of SMEs, amongst others, many of these small and medium-sized enterprises which face a number of hardships throughout the pandemic, have managed to overcome hurdles and then transform them into new opportunities to evolve and grow into stronger and more resilient businesses.



Black Friday 2021

This year's Black Friday was launch in conjunction with the Minister of the Economy, Minister Silvio Schembri.



A survey concluded by the Malta Chamber of SMEs has confirmed that this year many businesses decided to extend their offers beyond just the day of Black Friday and while this led to a calmer 26th of November – Black Friday, it also gave businesses a strong November and results which left the majority satisfied overall.

In terms of the period during which offers were available, most popular was Black Friday Week starting the 22nd of Nov with 35%. This was followed by the Weekend at 27% and those opting to run offers throughout the month of November at 23%.

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November and results which left the majority satisfied overall.

In terms of the period during which the Black Friday offers were available, most popular was Black Friday Week starting the 22nd of November with 35% of businesses opting for this option. This was followed by the 'Black Friday Weekend' at 27% and closely followed by those opting to run offers throughout the month of November at 23%.

Surveys

I. State of Business Survey 2020

Published January 2021. From the survey results, the SME Chamber had concluded that 2020 was not a good year for small and medium enterprises, and if they would not have received the help they need, a good number of them would have ended up shutting up shop. At the end of 2020, only one third of the businesses believe that they can survive beyond 2021 in the prevailing circumstances.

This was stated during a press conference detailing the results of the State of Business survey for 2020, which is undertaken every year. The survey highlights

certain aspects of small and medium enterprises which show the state of their businesses and prospects for it.

The State of Business survey interviewed 230 businesses. These include a wide variety of enterprises from various business sectors.

The survey showed that the biggest concerns in terms of financial constraints were low sales levels (26%), cash flow (17%), and problems in collecting payment (15%), among others.



13% of businesses surveyed said that they can only survive in the current situation for up to 3 months, while 32% said they can last longer than 12 months.

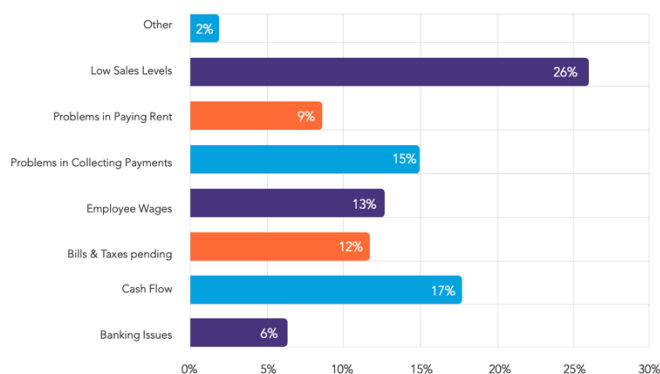
One of the outstanding features is that 69% of the businesses said that they would require the wage supplement for up to 12 months.

In terms of how long businesses need an extension to the bank moratorium (which includes only businesses who were already benefiting from it), 48% said longer than 12 months and 43% said that they need up to 12 months.

A number of businesses are also not confident that the vaccine will have a great affect, with 49% saying that Covid-19 will be with us for much longer.

Another grim feature in the survey results is that 82% of businesses reported a decrease in their sales; 43% of the businesses surveyed said that their sales had decreased by up to 50% or more.

**What are your
business'
biggest
concerns at
the moment
in terms
of financial
constraints?**



II. Continued effects of the Covid-19 on business

Published May 2021. The study conducted by the Malta Chamber of SMEs among 250 business owners showed that 47% felt that the experience of businesses with the closures this year were worse than last year because they were in a weaker position and closing made it even harder.

The survey carried out between May 10th and 18th, asked business owners how they would describe the experience of being closed during 2021.



A quarter of the respondents said the impact was comparable to 2020 while 11% claimed there was confusion because some were unsure if they were allowed to open or not. This, they said, led to unfair competition because others “opened

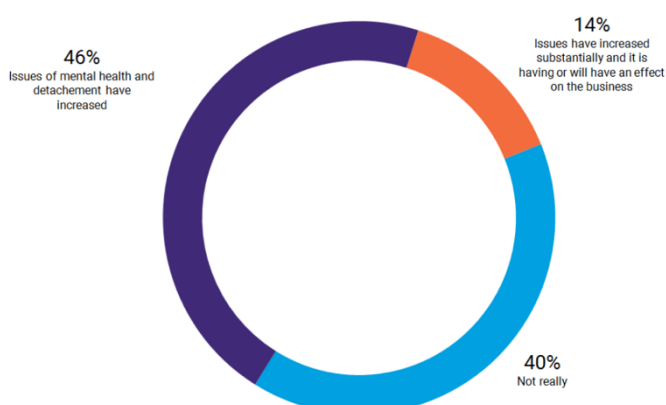
regardless". A further 13% said they were able to continue with their business through their online platforms. They were allowed to reopen again on April 26th.

On the days following the reopening last month, almost 40% said business was "very slow" while 27% said it was "slow". A further 34% said business was satisfactory.

The majority of business owners that participated in this survey, 59%, said they did not make use of the government's tax scheme at any point since the start of the pandemic. A further 30% on the other hand, opted for the scheme, while 11% claimed to not know about it.

The study also flagged worrying trends related to employees' mental health. Owners said 60% of their employees reported mental health issues, with 14% saying this was negatively impacting business.

**Do you think
issues of mental
health and
detachment
amongst employees
have increased
compared to pre-
Covid times?**

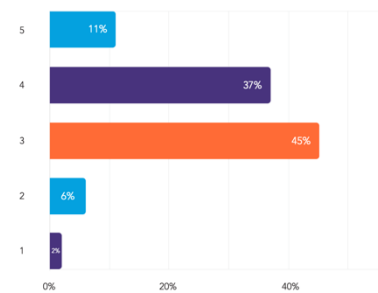


III. Business investment priorities

Published in November 2021. During the conference Malta Chamber of SMEs CEO Ms Abigail Agius Mamo announced the results of a survey which focused on Business Investment Priorities.

Do You Believe
You Have Enough
Knowledge and
Resources in
Order to Be Able
to **Make Changes**
That Will Lead to
Strengthening
Your Business?

1 BEING NO CAPACITY
5 BEING FULL CAPACITY

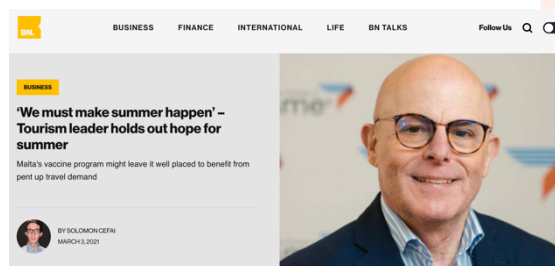


The survey shows that the majority of businesses are prepared to move towards a sustainable economy and digitization.

Sectors in Focus

Tourism, Hospitality and Leisure

The impact of the Covid pandemic on Tourism persisted throughout its second year, with 2021 escalating into various restrictions on travelling/the airline industry and operations in the hospitality and leisure industry.



We now know, for certain, that 70% of retail of goods and services depends directly or indirectly on Tourism. It was the hardest hit economic sector. EU figures show that Malta was the most hit in this sector compared to other EU countries because of our exposure on Tourism.

The Tourism sector representatives were in daily contact with this hard hit sector, passing on to government their shortcomings and mitigating the impact.

Benefits negotiated were mainly:

- MTA suspension of licences payments,
- Grants for working capital/ perishable stocks during lock downs,

- Rent, water & electricity subsidies

The wage supplement payments throughout the whole year was a saver for employees.

2021 was marked as another year of stop go, stop go, for this sector, as pandemic figures went up and down. Never has this sector shown such resilience with catering establishments adapting to the situation by strengthening their takeaway services.

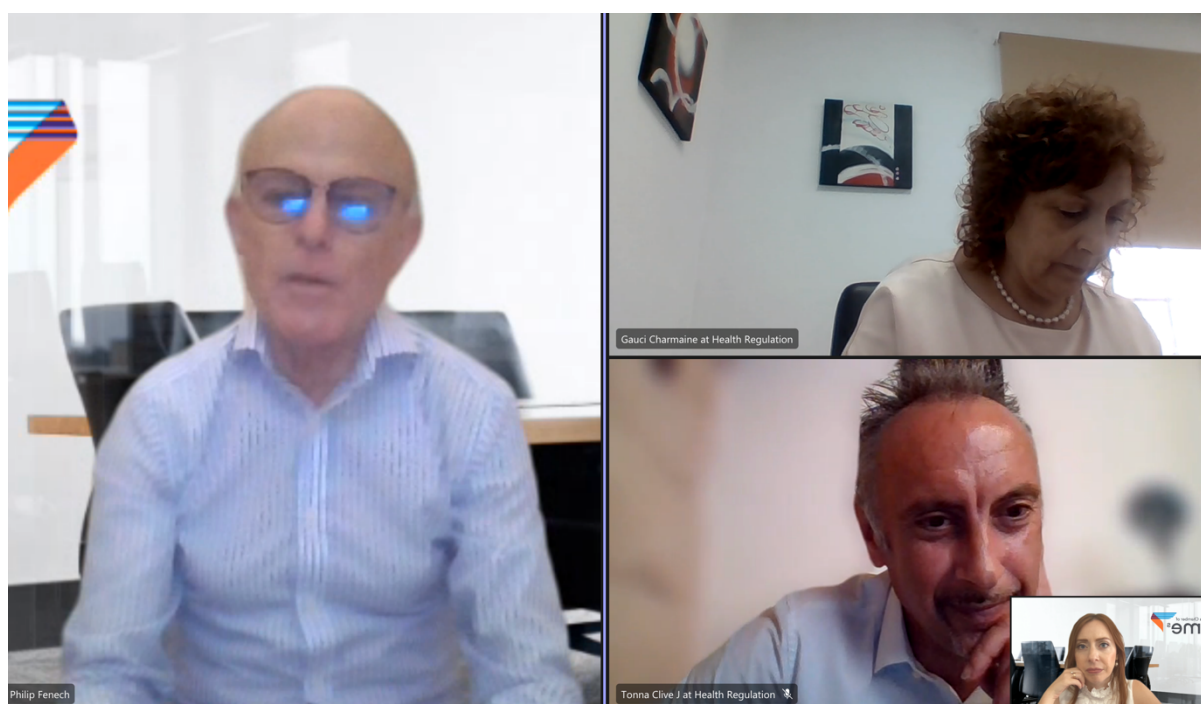
Bars, Dance Clubs, events, had to adjust to a seated audience, mainly turning their establishments/services into lounges. The bigger nightclubs and the very smaller establishments and the bigger events organisers had further difficulties not being able to operate at all.

At the end of the year 2021 Malta positively showed that it was on the very fore front of a fully 85% vaccinated population. This encouraged airlines to plot back their planes to Malta, after a retrenchment of over 45% capacity, now back to 80%.

Entry regulations are still more compliant than other EU competing destinations something our organisation has been mitigating strongly not to put Malta in a disadvantages position mostly because Malta can now sell itself as a safe destination with less restrictions in place.

Year 2022 is looking very positive. With people's Covid pent-up tensions lockdown subsiding, it is expected that many will be traveling again.

Imported inflation which is Covid related and the war looming in Ukraine are further challenges the Tourism industry will be facing in 2022.



Transport and Logistics

The SME Chamber has in the past year continued to represent this sector on a number of different levels and across a number of different sectors. The Malta

Chamber of SMEs also continued to work closely with its transport lobby group to identify issues of common concern and address these accordingly.

IV. Car Rental, Leasing, Chauffeur Driven and Large Passenger transport

Through dedicated sub-committees and active participation of the Unscheduled Bus Service association, the SME Chamber has during 2021 represented a number of issues and safeguarded a number of members.

The SME Chamber continued to assist the highly tourist dependent sector in order to ensure survival and sustainability. The SME Chamber was a catalyst in ensuring that the Wage supplement is maintained in Full throughout 2021, with the aim is to continue this assistance during 2022 until the Wage Supplement remains in place.

Issues regarding the purchase of Electric Vehicles also persisted, revolving around the De Minimis regulation and the barriers in place for these sectors. This has resulted in an un-level playing field within the sector.

The Malta Chamber of SMEs also voiced its concern on the need for adequate funding to be made available through the National Recovery and Resilience Fund for the decarbonising of the Transport Sector.

During the upcoming year the SME Chamber will focus its representation on the need for more funds to be made available for the purchase of Electric Vehicles, Equipment, Training of staff and the issues with the current labour shortage.

V. Hauliers and Logistics activities

2021 has continued to prove to be a challenging year for the logistics sector having to deal with a number of challenges as a result of both the pandemic and the increase in shipping costs.

Through the representation and active participation of Hauliers Sub-Committee, the SME Chamber has addressed a number of issues revolving around the Malta Freeport Terminal Limited, Customs and Malta Freeport Corporation. The issues dealt with, normally revolve around long waiting times, added bureaucracy and daily issues encountered.

The SME Chamber held various meetings with all entities involved in order to identify ways on how the system can be optimised and improved. Finally, the Hauliers Sub-Committee, was also consulted on a number of new health and Safety procedures, so as to ensure the health and safety of those working within the Malta Freeport is safeguarded.

The SME Chamber through the sectional committee, will in the coming year continue to ensure that the freeport operations continue to improve while establishing adequate representation of hauliers on disciplinary issues within the Freeport terminal Limited and Corporation.

VI. Traffic Control Committee

The Traffic Control Committee is a dedicated committee made up of different stakeholders i all related to the transport sector. Chaired by Transport Malta, representatives include, the Malta Public Transport, Infrastructure Malta, LESA, The Malta Police Force, CRPD and the Local Council Association. Through the permanent representation on the Traffic Control Committee, the SME Chamber representative attended a total of 11 meeting during 2021.

Through the active participation in this committee, the SME Chamber has ensured that a number of issues are heard and that any measures implemented do not negatively impact our members and adequate pre-announcements are in place.



VII. Foundation for Transport

Following the setting up of the Foundation for Transport during 2020, which the SME Chamber is a founding member of, the Malta Chamber of SMEs ensured an active role within this foundation. This is to safeguard a number of players operating within this sector.

During 2021, the SME Chamber continued its outreach with members in the transport sector coming from different areas. The outreach included a series of focus groups with members coming from: the Car Rental and Leasing, Chauffeur Driven, Large Passenger Transport, Car importers and Hauliers. Through these focus groups the SME Chamber was able to identify issues in place and identify future challenges in place, specifically those related with skilling and up-skilling of workforce.

The SME Chamber in collaboration with the Foundation for transport also conducted a questionnaire with SME Chamber members, to gauge the members' interest in participating in a pilot project aimed at encouraging members to shift to EVs. Findings of this survey have been analysed and will be used for the implementation of future projects.

In the coming year, the SME Chamber will be working with the foundation on a number of issues, specifically to continue to analyse the challenges in place for the sector to shift to EVs and ensure that all the industry is future ready, through the upskilling of workforce and through ensuring that there are no barriers for entry. Finally seek funding to implement a pilot project for the testing out of

Electric Vehicles. The idea is for members to be given the opportunity to try out an EV for a short period, before actually purchasing one.

VIII. Position Papers

The transport lobby group also submitted two position papers pertaining the transport sector:

- Towards Greener Vehicles on Our Roads

Through its representation of the transport sector as a whole, the SME Chamber submitted its position on a number of areas outlined in this consultation, specifically on: the issues, challenges and recommendations revolving around charging points; Cleaner air quality focusing on the proposed low emission zones and the impact on the retail sector; issues related with skilling and upskilling of the workforce; and incentives and disincentives that should be taken to ensure greener vehicles on our roads.

- Electric Vehicles, Public Charging Infrastructure

In this consultation, the SME Chamber provided feedback on the need for the government to ensure a level playing field in the rates and feed in tariffs published, particularly focusing on public charging pillars vis a vis private ones to be used by the general public. This is to ensure a level playing field and also to eliminate any barriers for entry.

The paper also focused on the need of involving all stakeholders, including businesses in ensuring a fair and adequate distribution of charging pillars around Malta and Gozo.

Licensed Education Institutions

18th January - Malta Chamber of SMEs together with the committee representing Licensed Educational Institutions, held an introductory meeting with Hon. Justyne Caruana.



The Malta Chamber of SMEs has in the past year established official representation of Malta Further and Higher Education (MFHEA) Licensed Educational Service Providers.

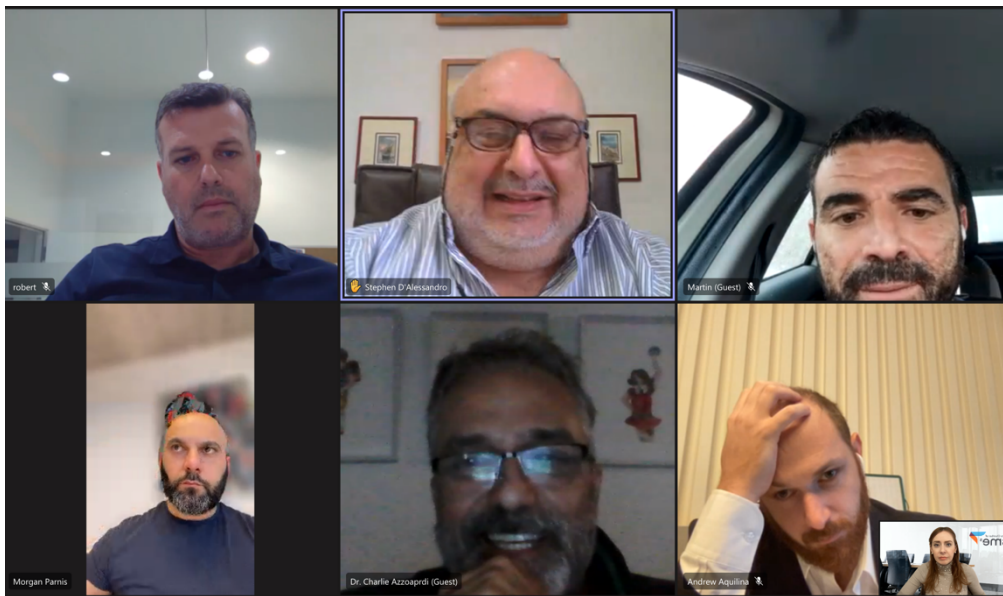
Through the creation of a dedicated sub-committee, Malta Chamber of SMEs has been raising and addressing a number of issues, impacting the sector in general. In particular, the past year the dedicated committee has submitted a number of recommendations aimed at; helping the sector recover; and improve the quality of educational services in Malta.

I. Establishing Representation

The sub-committee met with Hon. Justyne Caruana, previous Minister for Education to discuss a number of issues, in particular, the state of play of MFHEA and how this authority can be improved. During the meeting it was agreed that the SME Chamber and the Ministry for Education, will work closely with the aim of improving the sector.

The sub-committee through its spokespersons has also met with the top management of MFHEA to sound a number of concerns, in particular, issues related with transparency, delays and representation. The Malta Chamber of SMEs has also gained official representation of the sector through a permanent seat in MFHEAs Advisory Committee. This will further enhance the SME Chamber's work in voicing its concerns and improving the sector.

Finally the SME Chamber has also represented the sector with Identity Malta in order to address issues pertaining Student VISAS. The SME Chamber has since become a recognised single point of Contact for this sector. In this regard, the SME Chamber will be informing members directly with new market opportunities established by the government. This will assist members with making the necessary preparations before Central Visa Units are fully established, thus offering a advantageous position for its members.



The Malta Chamber of SMEs also participated in the implementation plan of a number of National Strategies. This included Adult Learning. Initially the private sector did not feature in the plan. The Chamber of SMEs called on the importance of injecting funds and resources through greater cooperation and support to the

private sector should be in place in order not to compete but to support the private sector.

II. COVID-19, Looking Ahead

The pandemic, as in other sectors, has hit this sector negatively particularly due to the travel restrictions in place, which halted the whole student VISA process. Additionally, initially the Wage Supplement was also not open to licenced education institutions. Since the pandemic, the processing of application from this market was closed off, leaving a number of licensed institutions which heavily depend on this market in a dire state.

Through numerous meetings with the sub-committee the SME Chamber has put forward a number of recommendations through a position paper presented to the Minister for Education and the Minister for Energy, Sustainability and Enterprise in order to address a number of issues and identify new possible markets and also re-instate the Student VISA approval process.

Given that the absolute majority of lectures had shifted to online, the SME Chamber proposed a dedicated fund to cover additional expenses, similarly to the fund made available to independent, church and state schools.

The SME Chamber also proposed a dedicated fund to assist licenced institutions to promote their product internationally, with the aim of attracting a new niche, that of educational tourism.

The SME Chamber also proposed the creation of a scheme for locals to upskill their competences through a fully funded scheme.

Together with JobsPlus the SME Chamber had since worked to develop a Training scheme which offers up to 75% back to students undertaking a course. This scheme now serves as an excellent platform both for licensed educational institutions (making courses more reachable) but also to Employers, with the aim of up-skilling their workforce.

III. Strengthening the Sector

Through its numerous meetings, the SME Chamber together with the dedicated committee aimed to raise a number of issues encountered by members and highlight the difficulties and issues in place. In particular the lack of resources present to process accreditation applications.

Members believe that the license associated should be further promoted and the value added associated with being a licensed service provider. This should include tax incentives and other benefits which would add value to the license acquired, which normally involves a number of license and audit fees.

In the next year, the SME Chamber will seek to continue enhancing its service to this sector by offering further opportunities to its members and ensuring that this important sector is adequately represented. The SME Chamber will also continue to work on a number of pressing issues which include, the issue with Student Visas and measures to enhance the sector, through adequate measures and support.

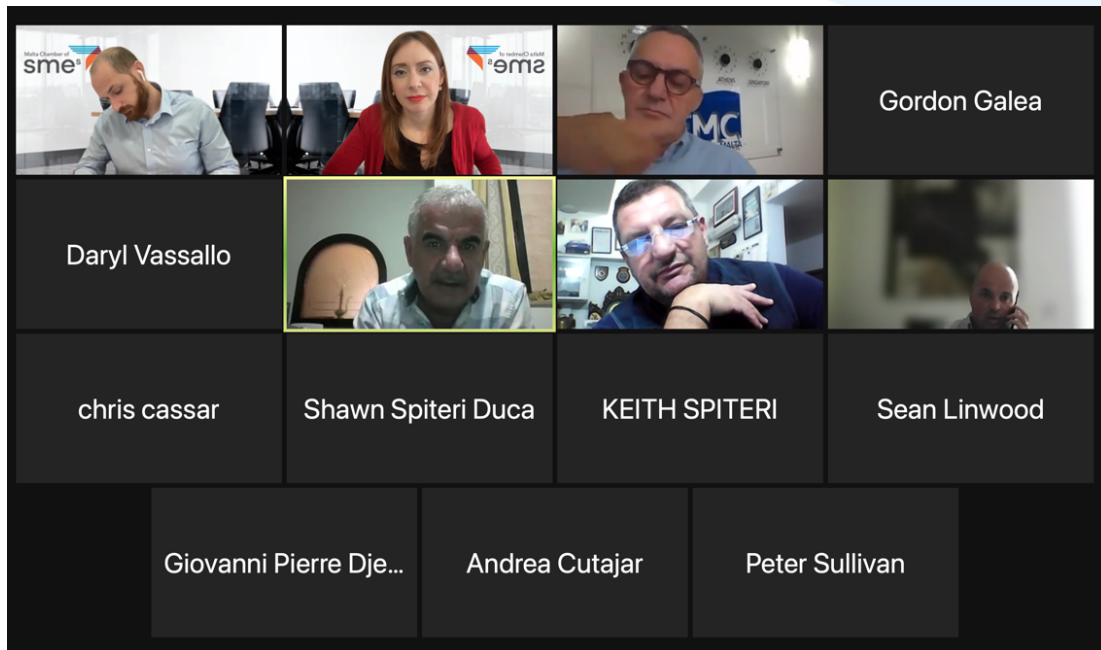
Ship Agents

The Malta Chamber of SMEs has established discussions and representation of shipping agents. The representation came in light of a draft legislation targeting Shipping Agents who to date are not yet regulated. Following the submission of an initial position paper, the Malta Chamber of SMEs consulted with its members on the updated legislation published by Transport Malta.

The SME Chamber believes that this sector is an important one for Malta and our members agree on the need to ensure and maintain quality. In this regard the SME Chamber also structured a ship agents committee made up of different members all representing different areas. The SME Chamber positively notes the pro-activeness of this committee which led to a number of milestones in its year of inception.

Notably the Committee has held a number of meetings followed by a number of follow-up meetings with Transport Malta and other stakeholders.

The SME Chamber positively notes that following a number of position papers the draft updated legislation addresses a number of concerns raised in earlier feedback by the SME Chamber. Moreover, a number of recommendations put forward by Malta Chamber of SMEs have been upheld and taken on-board. This said, a number of changes are still required to ensure a level playing field amongst industry players and also ensure that no barriers for entry are in place.



The committee aims to continue meeting with different authorities with the aim of improving the sector.

During 2022 the committee aims to continue following closely the draft legislation in place in order to ensure an adequate regulatory framework that does not impinge on the market.

Lift Installers

The lift installer sector is a new sector that joined the SME Chamber during 2021.

The SME Chamber started assisting this sector in the consultation to the reformed regulations that would impact their operations.

A number of key points were put forward in consultation with the sector in order to improve on their operating landscape. Discussions with MCCAA were held in this regard and they will continue during 2022, until the matter is closed.

Lotto Agents

The work with lotto agents mainly focused on addressing operational issues as well as the preparation in what resulted in a changeover in the main operator of the concession.

Prior to the concession the SME Chamber and the Lotto Committee, including the LRU, met the MGA in order to pass on key requirements that were needed in order to improve key principles that will safeguard the interest of Lotto Agents for the 10 year concession ahead. This exercise was a successful one.

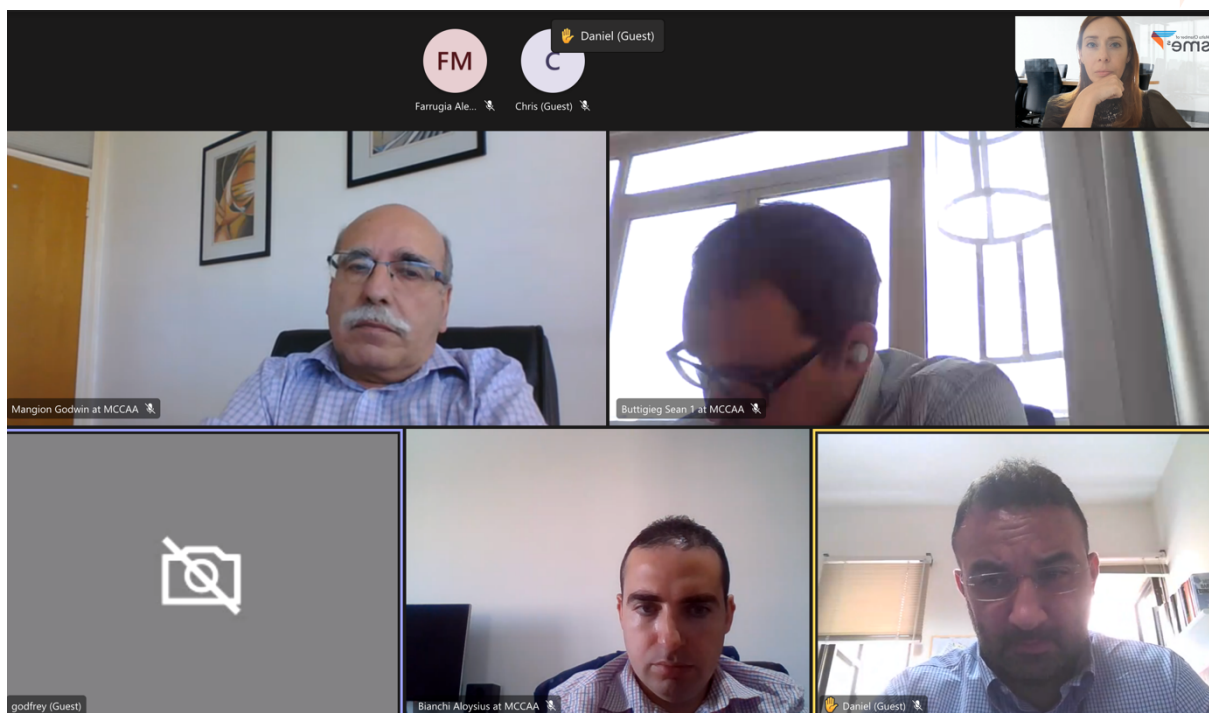
During 2022 work with the sector will be focused on the changeover between operators and safeguarding the interest of the Lotto Agents.



Tourism Boat Operators

Prior to the pandemic hitting Malta, this sector was aided through judicial procedures, in order to fight back on an unjust concession that would result in a big impairment for the sector to operate.

Work on this matter continued and follow-ups were carried out with the MCCA, including on related issues that would have had negative repercussions following mergers between the companies.



Valletta Businesses

Cooperation with the Valletta Cultural Agency continued. Following the very big efforts the previous year, which saw the best possible measures adopted to encourage visitors in Valletta, 2021 focused on the return to normality.

2021 still presented a significant number of challenges due to Valletta's dependence on tourism and limited tourists being in Valletta. The VCA, understanding this challenge, waived all contributions required by the private sector for the decorations in relation to the festivities.

Dive Centres

The Professional Diving Schools Association of Malta become fully incorporated within the Malta Chamber of SMEs during 2021.

The work with this sector mainly revolved around dialogue between the sector and the authorities in order to ensure the Covid safeguards continue.

Fuel Stations

The fuel station committee was very active during 2021. Most of the issues handled revolved around the requirements to upgrade the fuel stations as per refurbishment legally required by Law. As is true with any project, the implementation of the refurbishment projects came with many complications.

The fuel station representatives entered into discussions with a number of authorities in order to ensure that the projects are not held up and where necessary considerations were needed in order to cater for delays caused by a wide variety of reasons.

Amongst which the fuel station committee engaged with the Minister on multiple occasions in order to seek assistance for cooperation needed from other entities. This included Enemed due to the piping system required to distribute fuels by the bowzers. A lot of work was carried out with REWS in order to stop the entity from holding back the license pending the refurbishment and also assist members in removing the fines that had been incurred.

A topic of main concern was also the franchise which is putting some stations at a disadvantage.

These issues will continue to be handled in 2022.



Pharmacy Owners Section

This was a year of turmoil and great achievements for the pharmacy and pharmaceutical division of the CSME's. The Pharmacy section again was at the forefront of the fight against COVID. Our members, despite not being able to close when needed, were roundly praised by the Health Ministry and worked hand in hand in programmes to ensure that the pandemic would be handled. In order

to be able to give the best support possible to our members, the committee led by Mario Debono, with Jojo Grima and Claire Shoemake, held many meetings with the Health Authorities on subjects such as COVID procedures, training pharmacists in vaccination and post vaccination issues, advice on quarantine issues, and also training in how to administer COVID testing to patients. Our members served a record 170,000 patients on POYC, many of whom would visit the pharmacies once or twice monthly for advice and support.

It can be said that POYC is the only PPP that actually works, because it is a partnership between the Government, the Chamber of SME's and the Chamber of Pharmacists. This was further enhanced by the conclusion of the new POYC agreement, where the Chamber managed to negotiate a far better financial package for its members. The negotiations were long, hampered by COVID, but in the end, persistence won. In financial terms, the remuneration per patient that was achieved was a 244% increase. This was achieved after a record 106 meetings with Government over two years, simply to iron out a new and enhanced agreement.

Pharmacy licencing continued to be a bone of contention. Although Malta has had pharmacy licence regulations since 2007, defining when and where pharmacies can open, this did not stop some actors from taking the Government up to court in order to strike down these regulations. One has to remember that all throughout the EU, Pharmacy licences are given out according to geographic and demographic criteria. But some people do not seem to want to understand this, and the section actively participated in court cases in order to safeguard the members' interest in the matter. Pharmacies also started to open

on Sunday afternoons, after an agreement with Government. Although not strictly necessary, one has to move ahead with the times. Many people work on Sundays as well, and this measure has improved accessibility of medicines to patients. The Section also had to work hard in order to uphold the Sunday roster rule, which rule was being consistently broken by one of Malta's largest shopping centres. The Government in this case had to be threatened to ensure the law was upheld.

The section also has a number of its members who are importers. Brexit wreaked havoc on their business, because most medicines that are imported into Malta come from the UK for reasons of language. Along with Ireland and Cyprus, Malta successfully lobbied for a derogation from the EU in order to be allowed to continue importing medicines from the UK. The Chamber of SME's was instrumental in bringing this about, and lobbied hard with both the Maltese Government and the concerned bodies in the EU. What was achieved is something no other sector has achieved, mainly because of hard work by all the members of the committee. The section also gave daily advice and support to members on matters regarding the Falsified Medicines Directive and the new law on Medical Cannabis, as well as recreational cannabis.

The collaborative platform the Chamber has with the Chamber of Pharmacists, something that has existed since 1995, again worked very well. Meetings were held almost daily, in order to address the many issues that members have, ranging from forced closures due to COVID, to shifting of premises, support with MEPA, tax issues, abusive patients and many other day to day minor issues. This year sees the return of Dr Claire Shoemake to the Chamber's main council, and also the 20th year since Mario Debono was elected Chairman of the section, after the

death of the much missed Eric Zammit. The section will keep on growing as one of the more dynamic parts of our Chamber, with many plans for the future.

Our biggest disappointment this year was the fact that no pharmacy, or wholesaler of medicines was eligible for any COVID related aid, simply because they could not close. This is unfair, because many suffered financially mainly due to staff shortages and staff infections. Pharmacies are risky places, and many patients come in with various ailments, some infective. COVID did not spare us.



Waste Carriers

The waste reform brought together the operators in the sector. Whilst the operators looked forward to elevating the waste sector they were concerned that an aggressive reform would put them out of business.

Discussions with the Ministry started early on and it was agreed that the reform would include a transitionary period as well as a gradual scaling up of the requirements imposed on waste carriers.



Meetings with distinguished guests

Opposition Leader Bernard Grech

The Malta Chamber of SMEs officially met Opposition Leader Dr Bernard Grech in January 2021 to discuss issues related to members of the Malta Chamber of SMEs.



SME Chamber President Paul Abela augured Dr Grech for being elected as PN and Opposition Leader and stated that the SME Chamber considers the opposition as alternative Government.

SME Chamber President Paul Abela emphasized how important it is to give businesses the necessary breathing space at the moment, giving them the ability to extend their loan repayments on a long time-frame to give them time to make up for this year.

EU Commissioner Mariya Gabriel

Malta Chamber of SMEs President Mr Paul Abela, alongside Malta's employers representatives, had a very fruitful meeting with EU Commissioner for Innovation, Research, Culture, Education and Youth Ms. Mariya Gabriel about innovation and the barriers faced by SMEs in Malta.

This meeting was facilitated by Mr Stefano Mallia, President of the Employers' Group at European Economic and Social Committee.



SME United's General Assembly

Malta Chamber of SMEs President Mr. Paul Abela participated during SMEUnited's Administrative Council and General Assembly as Vice President of the SME's umbrella organisation in Europe with around 65 member organisations from over 30 European countries.

SMEUnited is a recognised employers' organisation and European Social Partner and acts on behalf of crafts and SMEs in the European Social Dialogue and discussions with the EU institutions.

The General Assembly was addressed by the Vice-President of the European Commission, Maroš Šefčovič.

In their conclusions, SMEUnited members called for a speedy recovery that can support the twin transition. Moreover, they asked for a better regulatory environment and skills development as prerequisites for SMEs' competitiveness.

- Concretely, SMEUnited members stress that National Recovery and Resilience Plans should include the necessary reforms to improve investment attractiveness, the quality of public services, and the efficiency of administrations.
- Secondly, on the "Fit for 55 Package", they urge the EU institutions for a regulatory environment that ensures competitiveness, a level playing field, predictability for investors and which encourages innovation.

- In addition, SME organisations focus on life-long learning and continuous training, as key factors to increase the employability of people and the competitiveness of companies. These programmes are best designed and implemented at the national, regional, and/or sectoral level in close cooperation with social partners.
- As a fourth element, SMEUnited members raise the issue of fairness when it comes to relations with digital platforms, emphasising access to data.
- Finally, SMEs demand Smart regulation. They are concerned that new regulatory burdens will hold back the recovery and hinder an effective transition to a green and digital economy.

The bureaucratic burden of every proposal should be analysed systematically, making use of the SME test and the One-in-One-Out principle. “The recovery must contribute to remodel our economy in light of the green and digital transition. Policy measures must strengthen the capacity of SMEs to innovate and invest and must avoid new regulatory burden to allow for a successful recovery and transition”, emphasised President Alban Maggiar.

He concluded: “It is time to move from words to action. The ambitious European goals are made reality on the ground by SMEs. Crafts & SMEs are the heart of Europe, we must provide them with the appropriate framework and give them the chance and resources to put these objectives into practice”.

Later during the year Petri Salminen was elected as the new President for 2022-2023 of SME United. Mr Salminen stated the focus would remain on the recovery

of SMEs following the pandemic crisis and allowing them to make the digital and green transformation.

Mr Paul Abela was re-elected as Director after receiving 68% of the eligible votes. Mr Abela thanked everyone and stated he'll keep on working for SMEs at this European platform.



First Secretary at the Embassy of Switzerland

A delegation led by Malta Chamber of SMEs President Paul Abela met with Mr Andrea Francesco Clementi, First Secretary at the Embassy of Switzerland.

Mr Abela and Mr Clementi discussed potential new avenues of cooperation between Malta and Switzerland.

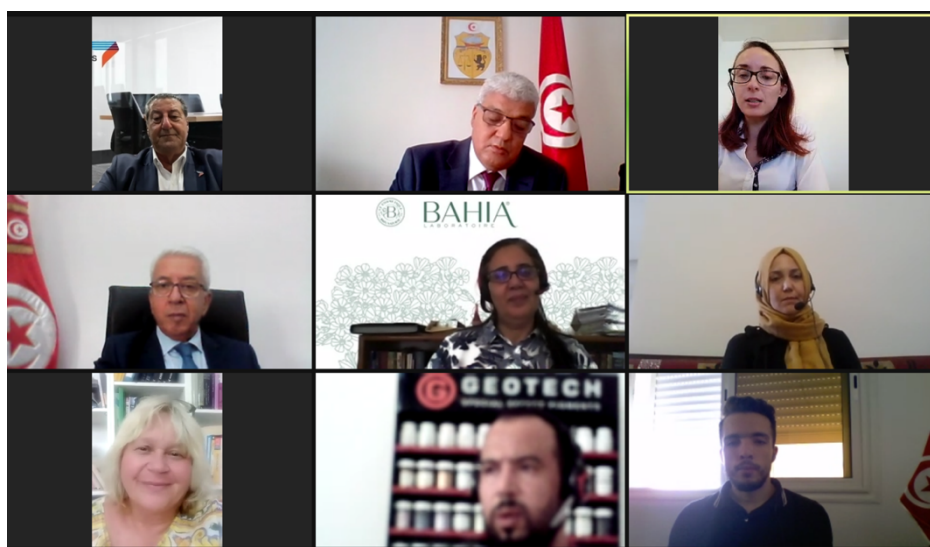
On behalf of the Malta Chamber of SMEs Mr Abela was accompanied by Vice President for International Affairs Mr Christian Vassallo and Head of EU Affairs Mr Fabian Demicoli.



Virtual networking with Tunisian businesses

The SME Chamber organised the first virtual networking forum with Tunisia for its members. During this virtual forum, our members had the opportunity to explore direct business collaborations and common interests with other businesses based in the area.

This online forum was first addressed by the Malta Chamber of SMEs President Mr Paul Abela and the President of the Chamber of Commerce and Industry of the Center of Tunisia Mr Nejib Mellouli, the forum was then addressed by his Excellency Mr. Yassine Eloued, Ambassador of Tunisia to Malta. Following these introduction, both countries presented their business environment and all businesses were split into rooms according to sectors and interests. We hope to have more similar opportunities for our members as we're currently planning other business forums with Ankara and Abu Dhabi.



MEP Dr Miriam Dalli

Before Dr Dalli took up her position in parliament a meeting was held in order to exchange views on the topics of environment and sustainability. The meeting also contributed to the Labour Party's document collating different ideas.



Associated Entities

GRTU Services Ltd

This company is a fully owned subsidiary of the SME Chamber which carries out functions that are complimentary to the role of the SME Chamber.

During 2021 the main tasks carried out by the Services company focusing on:

- Executing corporate sponsorships
- Carrying out educational campaigns, events and other activities
- Form filling service

Business 1st

Business 1st Limited was set up almost 5 years ago. It is a partnership between Malta Enterprise and the Malta Chamber of SMEs. Business 1st provides a one

stop shop for entrepreneurs thereby providing a seamless experience for businesses interacting with Government.

Apart from disseminating information and guidance on the incentives administered by Malta Enterprise, Business 1st helps entrepreneurs to make the best use of the various online services offered by Government. In particular, the services are sought after by the self-employed and start-ups.

I. Most important developments and figures

One of the main entities housed at Business 1st is the VAT customer care services unit. This unit is now fully integrated within the Business 1st set up at Mriehel. Formerly they were offering customer care services from the Birkirkara VAT head office premises. VAT officials have a daily presence at Business 1st. Inland Revenue Department also have a permanent representation.

VAT and the Inland Revenue Services were merged into the Integrated Revenue Services under the Commissioner for Revenue, in order to improve synergies in the administration of the collection of revenue streams. Both entities now offer daily customer care services from the Business 1st office. The presence of these two important entities is crucial in order to build the one-stop-concept in Malta.

The Malta Tourism Authority is another anchor entity that has a regular presence at Business 1st offering support for applications for MTA licences. More entities

will gradually be returning to the one stop shop as the effects of the pandemic recede, however many entities can meet clients at business 1st by appointment.

During 2021, Business 1st customer care staff made no less than 110,995 engagements. These include:

- Number of emails answered: 37,687
- Calls answered by 144 Call Centre: 53,691
- Call-backs by Business 1st staff: 7,734
- Visitors at Business 1st: 11,843
- TOTAL CLIENT CONTACTS: 110,995

The number of engagements have doubled over the pre-pandemic years as the centre additionally provided support for enquiries concerning the Wage Supplement schemes which have sustained thousands of enterprises and self-employed that operate in the sectors most affected by the pandemic.

II. MENT+ - A Mental Health project

In a collaboration between government entities, business representatives and the Richmond Foundation, a mental health assistance service was made available.

MENT + was an initiative launched after several businesses recognised the impact of the pandemic on mental health.

The agreement was signed between Malta Enterprise, Business First, Malta Chamber of SME's, the Chamber of Commerce and the Richmond Foundation, in the presence of Minister for Energy, Enterprise and Sustainable Development Miriam Dalli.



PHOTO : DOI - Jason Borg

The MENT+ service will be provided in two ways: firstly, through the website www.mentpreneurial.com, where training will be provided in the form of short clips tackling topics such as how one can adapt to changed, mental health and resilience, amongst others.

Secondly, for those who would like further assistance, the Richmond Foundation will be providing more aid through one-to-one sessions to address further the needs of the individual.

Minister Miriam Dalli explained that during the past months, Business First was instrumental in supporting enterprises, working together with Malta Enterprise. "The pandemic had not only impacted our economy but also the mental health of many people, employers and businesses.

Therefore, with this agreement, we provided the MENT+ service, to assist enterprises in an effective and realistic way”, said Minister Dalli.

Chief Executive of Business First, Ms Marika Tonna, said that, “Business First had direct experience with businesses and enterprises. During the pandemic, Business First assisted more than 146,000 clients. Apart from the financial assistance provided by the government – such as the wage supplement and other schemes – businesses needed guidance on how to cope with mental health and how to address the changes that were brought about by the pandemic, which impacted employees, clients and businesses”. “One’s wellbeing was not complete if one was not taking care of their mental health, as this will affect productivity and innovation. Therefore, it was crucial to integrate mental health with business. This service will meet the needs of employers and directors in various businesses”, stated Richmond Foundation Chief Executive Ms Stephania Dimech Sant.

I. Malta Energy

Malta Energy Ltd is a joint venture between the WSC (51 percent shareholding) and the Malta Chamber of SMEs (49 percent shareholding).

During 2021 Malta Energy has launched two new solar farms in Gozo that will generate enough electricity to cater to around 500 families per year. The farms

will generate two million kWh per year. The farms, at Ta' Ċenċ, are being developed by the joint venture, Malta Energy, on Water Services Corporation (WSC) reservoirs. They cover an area of 9,360m², with 2,871 panels.



Energy Minister Miriam Dalli visited the site accompanied by the Malta Chamber of SMEs and Malta Energy officials, led by President Paul Abela and WSC CEO Ivan Falzon. These projects are part of this government's vision to continue to incentivize renewable energy in our country", Dalli said. She said the government will continue to incentivize entities to keep producing clean energy, which will

contribute to more sustainable economic growth and allow Malta's targets to be achieved by everyone.

WSC CEO Ivan Falzon said the corporation will continue working on projects of added value, where which will result in generating more clean and renewable energy. Malta Energy CEO Noel Gauci said the venture will, in the future, also be able to invite families who do not have space to install panels to buy a portion of future projects. Malta Energy plans to expand its operations to areas outside of the Water Services Corporation's facilities, which are owned by other government entities and can provide more value to the entity hosting the installations. The panels can offer shelter, electric vehicle charging, and other infrastructure utilities. Thank you to everyone who supported us in tuning this into a tangible project.

Green MT Ltd

Calendar year 2021 was once again a strong year for Green mt in delivering for members on all key compliance objectives, meeting all national and EU packaging recycling targets. It was also the year when we realigned its strategic objectives to face the challenges ahead, with the introduction of the Circular Economy Package (CEP) and the Single Use Packaging Directives (SUP) currently being implemented at National Level.

As a Collective Organisation, the past five years has seen Green mt develop from a Packaging Compliance Scheme to a leading Environmental Collective Organisation, representing its members, consumers, and the waste packaging industry in the protection of our environment. This, together with prudent financial planning, places Green mt in a position to deliver on future environmental challenges and in light of the post Covid-19 pandemic, this is now more important than ever in supporting Members.

Members funded 14587 tonnes of packaging waste collected in Malta, a 3.5% (14109 tonnes) increase on 2020, resulting in an increase of 5.2% final recycling of 10759 tonnes in 2021.

2021 EU Recycling & Recovery targets were met except for collection of wood and metal /aluminium which remain problematic. WSM Malta Limited have no recycling facilities for wood and metal / aluminium is mostly directed towards scrap metal facilities. As for Carton/ Paper, Glass and Plastic targets were met or exceeded. Gate fees from Wasteserv were reduced by 25 % in 2021 due to a new policy introduced by WSM, thus affecting the Collective Organisation total revenue. Commodity prices as thus for recycled material lost their last eight years stability.

1283 Green mt Members contributed a fee Income to 31 December 2021 of Euro 2,008,654 (inclusive of WSM gate fee income) compared to Euro 2,231,386 in 2019 (a decrease of 10% on 2020). This decrease is due to net decrease of 74 Members, and of a general decrease in packaging placed on the market from

existing Members. However primary reason of income loss remains Wasteserv's decision to decrease revenue of gate receiving fees by 25%.

Green mt Member numbers continued to decrease in 2021. The COVID pandemic was instrumental in a closure or a decision to cease importation during 2021. It is to be noted that the majority were very small SME's. At the end of the year 2021, we had 1283 members. A full list of Green mt Members can be viewed at www.greenmt.org.

In 2021 there was a slight increase in fees for Members. In June 2021, the Management, for the first time since 2009, approved the introduction of a fee increase to mitigate losses due to reduced revenue from Wasteserv Malta. This came into effect in October 2021, despite the fact the WSM reduced income to us as of March 01, 2021.

Plastic recycling targets, whilst 12.5% ahead of the European target of 22.5%, are one of the bigger challenges facing Green mt on behalf of Members, as we aim to achieve the new recycling targets of 50% by 2025 and 55% by 2030. This will have major cost implications and infrastructure requirements to ensure we achieve these new targets. An additional challenge is the introduction of the Beverage Container Refund System which when implemented will reduce Scheme POM by approximately 3000 tons from approximately 70 members, thus reducing income by a further Euro 275K.

In 2021, Green mt serviced 27 Local Councils across Malta and Gozo with approximately effecting 2184 collection trips from Local Councils, 1093 collection

trips from private producer members , by 24 subcontractors, thus an average collection of 4.45 tons per trip.

Looking forward into 2022, Green mt aims to deliver on the following priorities:

- Concluding a new Agreement with Wasteserv Malta Limited for sale of recyclables,
- Prioritise the prevention of plastic packaging waste through diverse public awareness campaigns,
- Support Malta to deliver on the Single Use Plastics Directive,
- Support Malta to effectively design new Deposit Return Systems in other sectors and other waste streams,
- Setting in place EPR obligations (through legislation and guidelines)for Tobacco Products, Wet Wipes, Sanitary Towels, and Paper Products for implementation in January 2023,
- The new EPR obligations present challenges which are environmentally beneficial. Tackled with prudence they present new avenues to the Collective Organisation with the aim of producers meeting their obligations

Supporting the implementation of the 2021-2030 National Waste Management Plan will remain a focus for Green mt on behalf of its members, in line with the European Green Deal launched on 11 December 2019, reaffirming and

strengthening the EU Commission's ambition in tackling climate and environmental related changes.

WEEE Malta

In 2021, the Collective Organisation represented 368 EEE producers placing 6454 tonnes on the market in the previous calendar year. A collection rate of 65% of the average of the market placement of the previous three years, 18, 19 and 2020. The average market placement thus results in 6086 tonnes.

WEEE Malta has an aggregate 54% of the market placement declared by all producers in Malta and the Collective organisation leads in temperature Exchange Equipment, Lamps and Large Equipment. In 2021 WEEE Malta welcomed one of Malta's largest Air Conditioning Suppliers to the market.

A Market Placement Comparative of the last five years follows:

- 2017: 6377 tonnes
- 2018: 5328 tonnes
- 2019: 6649 tonnes
- 2020: 5328 tonnes

- 2021: 5331 tonnes

The COVID 19 pandemic has seen a growth in this sector and as thus this resulted in an increased collection of 215 tonnes in 2021 over 2020. A 12.5% increase in collection has finally resulted in a 30% collection rate against the EU rate of 65%. It is to be however noted that only two EU members states reached the target in 2021 and a revision of the targets is on the EU Plan in the WEEE 3 Directive consultation phase

Members funded 1779 tonnes of electronic waste collected collected in Malta, out of which 998 tonnes were collected from Wasteserv Malta under a proportional ratio allocation agreement established with WEEE Recycle, and 780 tonnes from our own take back system.

696 tonnes of refrigeration were exported by the Collective organisation in 2021 (87 trailers) at a cost of Euro 462per tonne.

2021 EU Recycling & Recovery targets were not met except for refrigeration. This results from a number of issues mostly related to lack of enforcement by authorities of positive contributory electrical waste being laundered by scrap metal facilities amongst other issues, such as scavenging by waste carriers who collect from bulky refuse. Malta also lacks a WEEE Generation Survey which takes into consideration the attitudes of the Maltese Consumer and also the life span and hoarding analysis of such equipment. WEEE Malta is a Part of the WEEE Flows project undertaken by the WEEE Forum of whom the Collective organisation is also a full member.

368 Members contributed a fee Income to 31 December 2021 of Euro 1, 030,320 (inclusive of compliance fees, additional fees and business to business collections) compared to Euro 922, 886 in 2020(an increase of 11% on 2020). The increase results from fee increases in 2021 for refrigeration and the inclusion of a new member who places the majority of air conditioners on the Maltese market.

WEEE Malta Member numbers stood at 368 in 2021. The COVID pandemic has led to increased purchases of electrical and electronic equipment which will result in higher Market placements in future years and as such further collections. It is also to be noted that this market is full of ecommerce on line traders who have as yet not registered with the Authorities and as thus considered as free riders. We have been in the process of examining WEEE Ireland's National register and extrapolating foreign firms that sell to that market and are duly registered in order to follow suit.

The Collective Organisation has a permit for three years until end 2023 and a storage facility permit which has currently been renewed for four calendar years. Through the take back system operated by a subcontractor the CO (Collective Organisation) collected 780 tons in 2021 thus 15 tonnes weekly from our producer members.

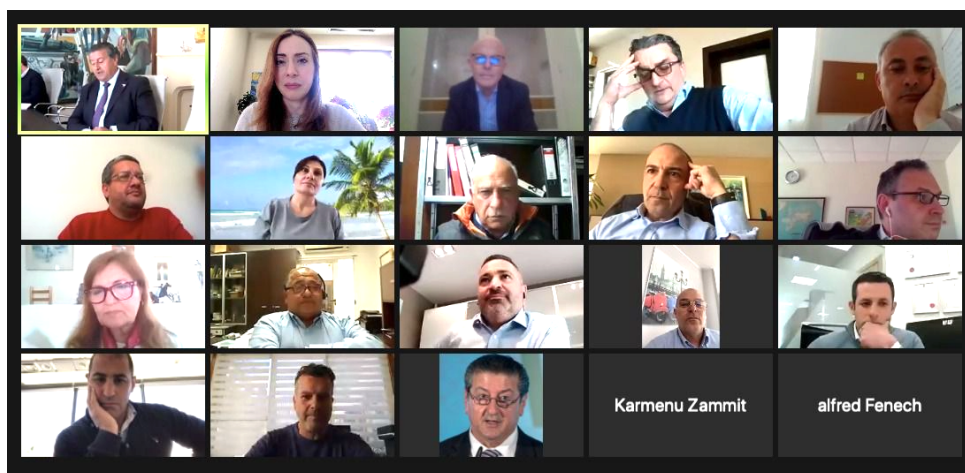
Looking forward into 2022, WEEE Malta aims to deliver on the following priorities:

- Verticalization of Refrigeration Exports
- To this extent we have come to terms with a waste management facility in North Italy where exports will be sent after concluding a permitting process which normally takes five calendar months.

- Verticalization of collections from at least one Region as a pilot project to reduce scavenging issues and non delivery of positive contributory items to the loop.
- Continuing our efforts at National level to set up a Clearing House for WEEE and other waste streams.
- Supporting the WEEE Forum resolve towards an 'all actors approach' in this sector by the spreading of responsibilities to more stakeholders across the board.

SME Chamber Council

Albeit sometimes difficult due to the disruption caused by the pandemic, the executive council meetings were still regular, sometimes online and sometimes physical.



	14 TH JAN	4 TH FEB	24 TH MAR	7 th APR	22 nd APR	27 TH MAY	1 st JUL	9 TH SEP	20 TH OCT	P	E
Abela Paul	P	P	P	P	P	P	P	P	P	9	0
Camilleri Sergio	E	E	E	P	E	E	P	P	P	4	5
Ciantar Mario	NA	NA	NA	P	P	P	P	P	P	6	0
Cutajar Patrick	P	E	P	P	E	P	P	E	P	6	3
Debono Mario	P	P	P	P	P	E	P	P	E	7	2
Fino Dino	E	E	E	P	E	P	P	E	E	3	6
Fenech Alfred	P	E	E	P	E	E	P	E	E	3	6
Fenech Philip	P	P	P	P	P	P	P	P	P	9	0
Galea Michael	P	P	P	P	P	P	P	E	P	8	1
Gauci Noel	P	P	P	P	P	P	P	P	P	9	0
Haber Joan	P	P	P	P	P	P	P	P	P	9	0
Micallef Marthese	P	P	P	P	P	E	P	P	P	8	1
Micallef Robert	P	P	E	P	P	E	P	P	P	7	2
Mizzi Marcel	P	P	P	P	P	P	P	P	P	9	0
Shoemake Claire	P	P	P	NA	NA	NA	NA	NA	NA	3	
Muscat Beppe	NA	NA	NA	P	P	E	P	P	P	5	1
Vassallo Christian	E	P	E	P	P	P	E	P	P	6	3
Vella Salvu	E	E	E	NA	NA	NA	NA	NA	NA		3
Zammit Carmel	E	E	E	P	E	E	E	P	E	2	7
Zerafa Joseph	E	E	P	P	E	P	E	E	E	3	6

Notes

