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## GRTU's top 10 achievements for 2016

## 1. Billboards and advertising – Eur 1500 less for any business

GRTU protested against the 'Billboards and Advertisements Regulations, 2016' and the clandestine move by which this was introduced.

The Legal Notice that was introduced on the 29th of March 2016 by three separate Ministries was unacceptable and came into force without any form of consultation with GRTU as a social partner whose members will be directly and gravely hit by this hurried law.

The law that may have had scope to perhaps orderly organise the billboards that we saw scattered around our roads has stretched to cover any form of advertisement. This in practice literally meant that all advertisements that was visible from a road would be regarded in the same manner, irrelevant if these are done within one's private property or on public land, and would require a Planning Authority permit at a fee and over and above that pay a yearly license of Eur 1,500 every year to Transport Malta.

GRTU was shocked that the law went as far as including shop signs and other advertisements that might be affixed to the façade. This with the exception of signs not more than 0.5 square meters in area that are fitted flat against the façade or fascia and are not classified as a projecting sign and as long as there are no more than two such advertisements per shop.

GRTU was aggravated by the fact that the Legal Notice had overnight placed great strain on the sector that was faced with a situation where it was not able to honor advertisement commitments made before the law was published. Operators were put under pressure to resubmit the paperwork of their permits with the Planning Authority by Monday 11th April after Planning Authority officials reportedly called the clients of billboard operators informing them that if the billboard is not regulated a fine of between Eur 1000 and Eur 5000 will be applied.

GRTU condemned the method in which this law came into force in total disrespect of the principles of transparency and consultation. The law hastily attempted to address an issue that had been in existence for a lengthy amount of years in the most incorrect of manners. Moreover, the Planning Authority had been sitting on the permit applications for over two years without giving any form of feedback.

During the consultation process GRTU organized meetings with a number of stakeholders including a large general meeting, as well as smaller working groups for retailers, billboard operators and sign writers. The consultation process was very intensive and complex due to diverging views however one common position was submitted to the government.

The law was not repealed as initially requested by GRTU, however it was not implemented either. Numerous consultation meetings were held and the Government is still reviewing the Legal Notice.

However apart from stopping this anti-business law, GRTU immediately achieved a number of positive changes, including the removal of the Eur 1500 on any form of advertisement excluding billboards, a fairer approach by the Planning Authority with billboard operators and easier permitting procedures.

## 2. Paceville Masterplan – back to the drawing board

GRTU immediately welcomed government's commitment to develop a masterplan for the area of Paceville. Businesses have shown their appreciation to the feel of positive enterprise that this would give to the whole area when seeing the project proposal in its totality. Yet the seemingly advanced stage of the masterplan being put forward for consultation, the lack of involvement of MTA in drawing up this plan, accompanied with the hefty media advertisement of this plan as though it is a *fait accompli*, raised eyebrows in relation to the genuine scope of the project.

Amidst feelings that some proposed big structures might dwarf or push out existing businesses both in the long process of implementation as well as upon completion, we had also deeper concerns related to the methodology with which the Masterplan was devised. Genuine questions related to transparency and objectivity were raised as to how the proposal presented seems to benefit certain entrepreneurs in a possible bid to eliminate existing competition.

With hard work, risks, time and investment, Paceville has developed into the entertainment mecca generating business as well as shouldering tourism over the past thirty-five or so years. The Paceville hub attracts over 20,000 punters during peak times opting for entertainment services. GRTU acknowledged that perhaps the development has occurred on an individual basis with the various individual efforts building on each other to provide an economic ripple effect on the area and generating a stimulus for further growth. This is where GRTU believes that it is a positive idea to consider building on what has been achieved until today through the idea of a holistic masterplan to bring all players together and spearhead forward strategically rather than piecemeal method. Touching the synergy of the area in certain pockets has to be handled sensitively as it would have collateral damage.

Entrepreneurs in the area have commented that the present equilibrium found in the sense of the island's entertainment hub has insofar worked and catered for the entertainment industry demands. It is not only the size but also the style and nature of the area. Some have quoted the area as being a Mediterranean-island style of entertainment whereas the 'Manhattan-ization' of the area may not necessarily be the ideal way forward. The present topography and charm which has worked so far is being forced to change into a new dynamic which some businesses fear that it will not necessarily guarantee the same success. This stance is felt to be pushed forward as what is necessary, whereas it seems to be only necessary to accommodate the interests of development proposals that have been put forward for the area concerned rather than being backed by studies that ensure that it will retain the value it has today.

GRTU has taken immediate lead on the matter and commenced consultation with its members over the Masterplan. GRTU organised a private meeting for enterprise with Planning Authority officials and MTA CEO wherein over 100 business operators voiced their opinion and concern. GRTU has undergone a thorough review of the masterplan on a macro-level whilst holding one-to-one meetings with its members to look into the micro-concerns being put forward. GRTU has also been present on all fronts during this consultation period, including public meetings, BICC discussions, the media, and most importantly the Parliament Environment and Sustainability Committee Sitings.

The Paceville Masterplan seems to have been designed onto what appears to be a tabula rasa, a blank slate, which is certainly not the case in practice. A simple decision of whether one building is allowed certain heights and others more or less, or whether one business is to be expropriated to accommodate one particular road to be widened instead of another, has already diminished the value of property and business of specific entrepreneurs which have been employing people, paying VAT and taxes consistently and continuously over the years. This is why the questions are raised as to how decisions were taken. It is being seen as a retro-fit for new establishments – accommodating the new and in some cases eliminating those that are already successfully operating, leaving them either totally out of business or crippled.

The proposal has affectively destabilized businesses in the area. Business owners that have invested thousands and millions in their business with set projections to get back their investment were extremely worried with how policy makers could even consider putting them out of business. Employees were also raising their concerns on whether they should start thinking of finding other employment.

There are also going concerns in terms of return on investment whereby businesses have highlighted how they have risked and opted to enter into business in Paceville to build a reputable name and business within the area to be able to service clients emanating from the area and surroundings such as Pender, Portomaso and other high-end potential clients – to now have their business potentially liquidated when the investment has arrived to a time when it can start bringing in return-on-investment. One needs to also take into account that businesses would have chosen specific areas to invest in order to enjoy prominence and any such change to where they operate from could alter completely their business model due to changes in marketing potential. This could be detrimental or devastating to specific businesses.

Changes in this area would also affect recently purchased property which previously enjoyed potential according to the Local Plan which is now being changed to accommodate the Master Plan. This has a direct impact on the use of recently purchased property and existing business plans that will negatively impact business which is already up and running and employing hundreds.

There were also specific concerns raised by both operators and landowners in terms of the area close to the St. George's Bay as businesses in this area currently enjoy permits for outside tables and chairs upon which they have invested and depend on for the dynamic of their business which would otherwise run them out of business.

There are also businesses that have expressed with GRTU that they have no intent to be expropriated no matter what, whilst others have expressed that they would consider if compensation is devised in fair and reasonable manner. Moreover there is a growing concern as to what compensation is going to be given to both landlord and tenant. Landlords have entered into commitments and are concerned about what will happen with their property. They feared that tenants would not extend or continue to invest in their business or that they may face stretches of time during implementation without tenancy.

Tenants on the other hand have invested over the years and are now in a time of fruition or expecting returns on their investments which such sudden changes would be totally unfair in terms of the spirit of encouraging businesses to take risks and invest in order to eventually reap benefits and sustain the economic cycle.

Others were concerned with what effect the actual implementation of the project will have on the area itself – whereby such a Masterplan is expected to take years to implement and would therefore disrupt totally the entertainment and tourism scene. There also needs to be an idea of coordination and how government works and private works would be undertaken to ensure coordination of works and minimise disruptions to the area concerned.

The intrinsic position at this point is that at a bird's eye-view this masterplan provides an impetus to create, imagine and develop a stellar renewed Paceville. This however should not justify in any way, any form of distortion to the present economic equilibrium, which recipe has insofar more than worked, solely through business effort, in the success it is today.

The idea of a Master Plan is a good start as a base for discussion and regeneration of the area but it must be ensured that government is not simply paying lip service when we say it is not cast in stone.

GRTU is always on the side of progress but remain adamant that businesses that have invested over time cannot be overlooked but rather fully integrated in the core of policy-making.

### 3. SME Week Conference

The GRTU 2016 SME Week Event put SMEs at the center with a motivational conference that focused on the need to bridge the gap to overcome challenges and turn them into opportunities so that no business gets left behind.

The half-day conference was held on the 4<sup>th</sup> of October with the title: Gearing Maltese enterprises to foster today's challenges. Over 150 participants attended the event.

GRTU President Paul Abela stated that "the SME Week provides an opportunity across Europe to bring light to the importance of SMEs and that it is an ideal occasion to celebrate how SMEs are the cornerstone for the success of our economy". He continued saying that "SMEs are the ones taking time and money to invest and innovate, and most of all take the plunge and risk".

During the conference a detailed overview was given by GRTU CEO Abigail Mamo and GRTU Vice President Marcel Mizzi, of how GRTU can be of service to businesses as a platform they can use to further their goals and aspirations. Motivational speaker Nathan Farrugia encouraged businesses to be more innovative and to make the necessary changes to better cater for consumer demands and restructure in order to be more effective in today's economic and digital scenario.

Enterprises present were also given an overview of the funding opportunities that will become available in the next five years. They learned how to better utilize the opportunities available of digital marketing and in a separate workshop discussed the numerous challenges they encounter in trying to find people that are willing to work.

Minister for the Economy, Investment and Small Business Chris Cardona said that "keeping things into perspective is essential and we must remain conscious of the competition and actively identify the challenges SMEs face as we continue to increase our presence further as we compete globally".

Minister for Competitiveness, Digital, Maritime and Services Economy Emmanuel Mallia stressed the necessity for businesses to adapt to the current digital age. "Digitalization has revolutionized the way we access information acting as the main threat to organizations or the solution they need to embrace in order to survive. It is foreseen that 75% of today's businesses would not have the same format in ten years' time," said Minister Mallia.



Both Minister Cardona and Minister Mallia commended the GRTU for organizing a conference which aimed at challenging the attending businesses' current set-ups, whilst also giving them the necessary encouragement and tools.

The event was supported by the Ministry for Economy, Investment and Small Business, the Ministry for Competitiveness, Digital, Maritime and Services Economy, the Parliamentary Secretariat for the EU Presidency and EU Funds, JobsPlus, Malta Enterprise and the Malta Communications Authority.



Gearing **MALTESE ENTERPRISES** to conquer today's challenges  
Digital | Human Resources | Financing | International  
**Tuesday 4th October 2016 | 08:30**  
*Radisson Blu Resort, St Julians*

**08.30 REGISTRATION & WELCOME COFFEE**

**09.00 WELCOME AND INTRODUCTION**  
Mr Paul Abela, President, GRTU

Hon Christian Cardona, Minister for the Economy, Investment and Small Businesses

Hon Manuel Mallia, Minister for Competitiveness and Digital, Maritime and Services Economy

**09.20 RESTRUCTURING AND INNOVATION**  
Nathan Farrugia, Business Performance Coach

**10.00 WHAT DOES GRTU DO FOR YOUR BUSINESS?**  
Abigail Mamo, CEO, GRTU

Marcel Mizzi, Vice President, GRTU

**10.30 COFFEE BREAK**

**10.45 WORKSHOPS**

- Digital Marketing
- Employment Needs
- EU Funds
- Enterprise schemes and Internationalisation

**12.45 CONCLUDING ADDRESS**  
Abigail Mamo, CEO, GRTU

**13.00 NETWORKING LUNCH**

#### 4. 'Il-Fiera I-Kbira' held in 2016

The 2016 edition of the annual 'Il-Fiera I-Kbira' fair took place as planned. GRTU welcomed Government's decision to safeguard the interests of businesses following reports that the fair ought to be cancelled due to boundary issues coming to light. This followed representations made by GRTU voicing concerns that its members will be harmed if the fair is cancelled. The organisers of the fair had almost called it a day and started contacting exhibitors to communicate the news because the fair was not going to be given the permits needed due to planning issues, prior to GRTU's intervention.

The Ministry for the Economy, Investment and Small Business has taken into consideration the importance of this essential event for businesses exhibiting at the fair in terms of annual sales. Cancelling the fair at the eleventh hour would have driven businesses into a precarious financial situation after having made preparations, orders and investment. The numerous exhibitors participating in the fair would not have been aware of the venue's boundary situation and cancelling the fair at that stage would have resulted in an unmerited penalization of the invested stakeholders.

An agreement of cooperation signed between GRTU Malta Chamber of SMEs and Il-Fiera I-Kbira promises successful organization of the nation-wide fair. The aim of the collaboration focuses on improving quality and standards whilst reflecting evolving practice that can serve business exposure and benefit consumers alike.

The long-term agreement is an echo of collaboration in the past years between fair organizers and GRTU as an organization representing the interest of businesses. GRTU's involvement is set to upstage an already prominent important event on Malta's commercial calendar with plans to solidify the fair and ensure that its full adherence to regulations and improved level of quality give an even better showcase to consumers in the years to come.

It was important for GRTU to safeguard the interest of its many members exhibiting at the Fiera I-Kbira and thanks to GRTU's intervention a significant amount of resources invested, both in terms of time and money, have been saved from waste and harm to business. Fairs serve an essential economic purpose and are an important platform, especially for the smaller businesses seeking increased exposure to the consumer.

The management of il-Fiera I-Kbira said that although the fair has always been controlled by several rules and regulations, formal collaboration with an organization with the standing of GRTU will directly result in the strengthening of quality and standards, increasing the success of the fair for the benefit of everyone involved.

The Fiera I-Kbira was held at Montekristo Estate between the 7th and 17th of July 2016.

## 5. National Enterprise Support Award

GRTU won second place in this year's National Enterprise Support Award with its submission 'Fostering an operational environment that means business'.

As a country Malta has always struggled to improve the operational environment in which Maltese businesses operate. It has become today an accepted principle that ease of doing business is closely associated with economic advantage and therefore enterprises operating in countries where business is supported and encouraged fare significantly better than their counterparts that operate within drastically more difficult environments. Year on year, comparative statistics reveal that the country ranks poorly when it comes to ease of doing business.

In addition, operating in a highly regulated environment creates multiple challenges. On the one hand, the bureaucratic machine constantly generates laws that though mostly useful are not always adequate to the needs of their users and sensitive to the realities of businesses. On the other hand unfair competition makes the regulatory burden heavier on compliant enterprises.

The importance of this discussion needs to be understood in terms of what is the cost we are paying to have an operational environment within which our businesses struggle to survive. The economic result is the wastage of resources, both from the side of the regulator who will keep trying to regulate and enforcement will be a constant battle and also from the businesses end. Businesses should be allowed to devote the least time possible to compliance issues, because every hour spent on compliance is an hour that could have been better utilised to generate more business and as a result jobs.

When looking at what is the impact this has outside our shores and comparing similar business scenarios across countries, we can see what a disadvantage our businesses are facing. They might have an even better business idea but implementing it will take them longer to go through the legal requirements and they will pay more to finance their project.

Other challenges require changing the status quo and up to a certain extent mentalities related to the perception of business and how the various important stakeholders deal with them. There are a number of significant stakeholders that businesses must interact with and up to a certain extent depend on. Unfortunately the level of understanding of businesses amongst these stakeholders is very limited and their attitude is many times challenging.

In order to tackle this situation GRTU understood that a holistic and sustainable long-term approach was necessary. In order to be effective a general lobbying strategy was devised and a number of key issues were identified in order to target the most urgent issues that were affecting the competitiveness of Maltese businesses

The lobbying strategy developed went beyond that usually found in the Maltese system of traditional social dialogue. It aimed at ameliorating the environment in which businesses operate through the traditional lobbying tactics but also through a more constructive approach.

GRTU moved ahead from the traditional approach of unions of always complaining to putting forward concrete proposals and looking at issues from the point of view of what we as an organisation can contribute and do to help and how we can assist enterprises to ameliorate their position and how we can be of use to the Government to help in achieving the desired goals.

A decision was therefore taken to move from a reactive to a proactive stance. The implementation of this strategy was carried out over a number of years and the effects were both short term and long term.

Policies that did not work adequately for businesses were either revised or removed following GRTU's intervention. The necessity to take such action was related to the inadequacy of certain laws and the disproportionate impact and the overly burdensome pressure placed on the smaller enterprises. The 'Think Small First Principle' was applied to ensure that laws are drafted with the smallest of businesses in mind and implemented by larger businesses and not vice-versa.

Moving outside of its comfort zone, GRTU exposed itself to different stakeholders and took up a role whereby it provided a platform for value added assistance. GRTU approached specialised Government officials on different subjects to directly explain issues and consult. This exercise gave enterprises a better understanding of proposals and Government's vision on a number of policy areas. It also served as a sensitisation exercise because policy makers became more responsive to the needs of their target group, being the users they will impact with their decisions, through hearing their experiences and worries.

Education was another main pillar that was required to implement this proactive strategy. An evaluation was carried out to analyse the skills required by enterprises in order to progress in the digital economy. A number of activities and tools were utilised in order to achieve the desired goals. The education campaign aimed at supporting enterprises through the provision of the necessary skills and competences that would provide them with the strength they needed to carry out the changes that would secure the viability of their enterprise by remaining competitive.

Cooperation with stakeholders is important because while GRTU specialises in dealing with businesses, it requires the expertise of the enterprises themselves within their particular field and also representatives of Government departments and Ministries that are important for the organisation because of the potential impact their decisions might have.

The strategy is built on a model that is based on direct and close cooperation. Stakeholders played different but equally important roles in this strategy. Some Government representatives were involved as a result of GRTU's lobbying initiatives and their potential to influence policy. Others were asked to cooperate with the organisation to help support enterprises in their efforts to restructure and change.

This strategy was found very effective and worked well for all the stakeholders involved. The feedback received was extremely encouraging and it is evident that such initiatives are lacking in our country. GRTU will therefore continue with its efforts of improving the business environment through its expertly developed strategy consisting of a mixture of lobbying, sensitizing the Government to the needs of its users and educating enterprises to improve their resource capacity.

Further efforts are planned in relation to e-Commerce through the increase take-up of such opportunities by businesses. GRTU will tackle export barriers and other issues that are still holding businesses from tapping the full potential.

## 6. Equality Act – significant revisions

At the close of 2015 GRTU, together with the other employers organizations, learned that the government was at a very advanced preparation stage on the Equality Acts and would be soon presenting them to Parliament for approval.

GRTU believes that equality is a necessity today and we therefore lead by example, we believe that our country's quest for Equality should not pose unnecessary and excessive burdens on business. GRTU has submitted a detailed position paper in reaction to the Equality and the Human Rights and Equality Commission Act. Both Acts seek to strengthen the principles of Equality in Malta across the board. The so called protected characteristics are in brief: age; belief; disability; family responsibilities and status; gender identity; HIV status; maternity; pregnancy; race; sex and sexual orientation.

On the one hand the Acts seek to implement and consolidate various applicable European Directives and on the other hand the Acts also seek to go beyond what is the minimum requirement and the basic standard imposed by the Directives. While GRTU is a strong contender of the principles of equality we advise great caution in going beyond what is binding on us by the EU Directives, especially when it comes to imposing additional measures affecting businesses. GRTU agrees with the general objectives of the Acts however, in certain instances, the Acts are overly vague and excessive. For instance, GRTU does not agree that the Acts should seek to regulate word of mouth in relation to recruitment and classify this as advertisement. This, GRTU believes, could lead to abusive action and places the accused party in a quasi-impossible position to defend him/herself. The responsibility placed on the employer is also too far reaching.

The employer is held responsible for any person that could be in his/her premises, including a client that carries out an act of harassment. If the employer fails to suppress such acts it would be considered as discrimination in itself. The Equality Act also states that 'gender identity' is a protected characteristic and this includes 'dress' and 'mannerisms'. While GRTU agrees that one should not be discriminated against on the basis of gender identity, a degree of discretion needs to be allowed to an employer in relation to dress and mannerisms at the workplace. Respect to the work place ethos needs to be a person's prerogative and consequently the Act cannot allow for abuse of work environment protocol by claiming freedom of dress or mannerisms. In addition, GRTU strongly feels that the fines and punishment embedded by The Human Rights and Equality Commission Act are disproportionate. The issue of imprisonment alone is entirely unacceptable and goes against the spirit of decriminalisation that the State has adopted in recent years. GRTU strongly objects to the imposition of imprisonment and this must be removed in absolute terms. We also object to the astronomical daily penalty of

Eur500 a day being imposed. This exceeds any other penalty that may be imposed under any Maltese Law. A daily penalty may be imposed however it must reflect the realities of the Maltese society.

GRTU does not agree that the Commission is granted powers to act *ex officio* without prior complaints having been lodged before it by an injured party. GRTU believes that alternatively the *ex officio* powers of the Commission should be limited to recommendations. Similarly, it is for us unacceptable for the Commission to have powers that enable it to enter any premises at any time it deems fit and conduct an investigation. GRTU believes that this should only be possible if a Magistrate grants a Search Warrant. Finally, GRTU believes that the Acts should aim above all at increasing awareness on the principles of equality and teach the community at large about the effects of discrimination in a modern culture. As such the Commission should give priority in providing employers with the necessary knowledge and skills that will help them implement the Equality Act. Revising the proposed Acts as advised by the GRTU is in the interest of the legislator if the aim is to increase Equality without harming business. One must keep in mind that the absolute majority of enterprises in Malta are SMEs, out of which 94% are micro enterprises with less than 10 employees. These enterprises struggle sufficiently with bureaucracy and trying to keep up with the multitude of laws that affect them, while at the same time trying to keep their business afloat. The Government should avoid loading businesses with unnecessary and excessive burdens if it believes that SMEs are the backbone of our economy.

Following our official submission a number of consultation meetings were held and the Acts have improved greatly since the absolute majority of GRTU's suggestions seems to have been taken on board. By close 2016 GRTU was still awaiting a copy of the improved version of the Acts.

## **7. MCAST Masters for small businesses in collaboration with GRTU**

Falling within GRTU's entrepreneurship initiative and following a successful outreach exercise titled 'Be Your Own Boss' at MCAST with the participation of over 100 students, GRTU started collaborating with MCAST on their own MBA for small businesses.

GRTU gave a lot of input to this course in order to ensure that a course offered in Malta at this level would be practical and would truly put entrepreneurs or aspiring entrepreneurs in a better position to do business.

Apart from being involved in the drafting of course content GRTU is also involved in lecturing to students. This gives GRTU an opportunity to also expose its members to students.

Another important aspect that is included in this initiative is the element of research. GRTU will be discussing potential research topics that are needed by its members and its sectors that MCAST students can undertake as a thesis study.

## **8. GRTU becomes a property owner**

For the first time in GRTU's history GRTU has a property as a fixed asset. This was a very important step for GRTU to consolidate its sustainability in the future.

The property will shortly start to undergo conversion following closure of discussions related to disability access. The plans are for GRTU to be in its new premises in Floriana by 2017.

GRTU is currently operating from a leased property in Valletta where it moved in earlier this year. It is envisaged that through the move in Floriana, GRTU will acquire additional space for its operation, being able to enhance its services to its members. We also envisage that it will be easier for members to park and attend GRTU meetings.



## 9. PV Joint venture

GRTU is currently in the final stage of closing discussions on the setting up of a joint venture with the government that aims at helping Malta reach its EU 2020 renewable energy targets.

Through a significant number of installations that will be required, Maltese businesses within this sector, members of GRTU, that are interested in participating will see an increase in business that will help them sustain their operations for the 20 years to come, especially during the slow months.

One of the biggest challenges Malta, like many other countries, faces today is the security of energy supply. Unlike other countries Malta however has very scarce resources and this puts our country in an even more precarious situation to overcome this challenge. It is however also true that the country, its residents and enterprises, cannot afford not to have an aggressive and constant energy policy that increases Malta's independence when it comes to energy supply and drives down energy prices for users. In addition Malta is also under pressure to reach the EU 2020 targets for energy generated from renewable energy.

We feel proud to say that both the GRTU and its members in the private sector have been both very instrumental and of service to our country in contributing to the energy policy, reaching the EU set targets, reducing our dependency of imported resources and driving down prices for those who saw the value of such investments. This however could not have been possible without the essential contribution of the public sector that has helped in directing and driving investment in the renewable energy sector. GRTU firmly believes that the experiences undertaken so far have been positive for all involved and that the public sector has found a valuable partner in the private sector to support it in its initiatives.

## 10. One-stop-shop

GRTU has during 2016 consolidated government's commitment to give Malta's single point of contact, the one-stop-shop, in the hands of GRTU.

The need for a one-stop-shop for businesses in Malta has been addressed some years ago with the creation of Business First. On paper this appeared to be a very good exercise that included the incorporation of all social partners; however it fell short on implementation and reaching the results it sought to achieve.

GRTU believes that the reason behind this lack of success is one that is inherent to its operation, that Business First is made up exclusively of civil servants and it is public-sector led. GRTU believes that in order for the one-stop-shop to be successful, the people that are the heart and soul of the entity need to be knowledgeable in enterprise affairs and leadership should be in the hands of those that make improving the operational environment of business their daily goal.

The idea is to have a one-stop-shop for enterprise that is as dynamic as the business itself. It is as far away as possible from the concept of the public service and is not there to simply give answers but to provide enterprises with the tools they need to succeed and give them the necessary motivation and inspiration through knowledge and advice to take the leap and advance.

The one-stop-shop will act as a business partner to business. It will have a strong element of hand-holding where businesses are assisted in a tangible manner and enterprises do not feel alone in going through processes. It will be the first port of call for any business.

The services the entity would offer would be multiple and would provide a holistic service to all enterprises however a special focus and effort will be done in order to aid the self-employed, micro-enterprises and start-ups.

The services provided will be the following:

- Government's one-stop-shop. This service will bring together all of Government's services that touch with enterprise under one roof. This includes the supply of information as well as services related to registrations, licensing, etc...
- Fast-track. The service will ensure that demands and services utilized by enterprises are fast-tracked and new services are set-up that will give enterprises the red-carpet treatment they

deserve to cater for their needs concerning use of utilities, planning applications, sanitary issues, disability access, etc..

- Complaints. A specific desk will receive complaints related to difficulties encountered by businesses, reports on public sector inefficiency and bureaucracy, etc.. Such will be handled by the one-stop-shop and internally tackled by relaying with different officials within the government.
- Marketing. The one-stop-shop will be Government's communication arm when it comes to advertising incentives and schemes as well as making enterprises aware of important information such as consultations, changes in legislation, etc..
- Courses. The one-stop shop will offer essential courses to businesses including e-learning on entrepreneurial skills and mindset, marketing, legal and taxation, trade marks and IP, pitching, and export readiness, amongst others.
- Start-up hub. The one-stop-shop will house the start-up hub that will provide maximum assistance to start-ups that are anywhere in the period from inception to two years in operation. In addition to the other services provided by the one-stop-shop, the hub would also assist start-ups with professional advice, mentoring and guidance in relation to business plan, market research, export opportunities, digital opportunities, logo and branding, access to finance, available funding and incentives. The hub would also house a state-of-the-art business incubation space.
- Innovation. The one-stop-shop will also offer value added services such as networking exercises, innovation and social innovation think tanks with links to research and academia.
- Second Chance. The one-stop-shop would house an Early Warning Foundation within which consultants offer free advice to enterprises in difficulty on the improvement of the management skills and helps them in their banking negotiations. The aim would be to help enterprises in difficulty avoid bankruptcy and help those that have no other choice to come out of impossible situations and live to fight another day. The Foundation will be entrusted with catering for emotional support to the entrepreneurs going through the ordeal and to initiate a campaign in favour of entrepreneurship and against the stigma of failure.

GRTU is currently discussing the relevant details with the government. Operation is earmarked to start in 2017.

## New Sectors

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## Crafts village

Operators in the Ta' Qali crafts village have welcomed news that the EU funded ERDF project is set to start early next year.

The Malta Industrial Parks, the operator of the land in Ta' Qali, called a meeting for all tenants and announced the approval of funds received under the European Regional Development Fund for the long awaited regeneration of the crafts village in Ta'Qali.

The purpose of the introductory meeting was to discuss the way forward for the realisation of this project. The involvement of the tenants is important. First and foremost because the work on their properties needs to be carried out in tandem with the general work on infrastructure. Secondly also because they are the heart and soul of the crafts village and they should feel ownership for the project and provide the necessary input for the project to meet their needs.

GRTU is the business organisation that is representing the Ta' Qali tenants. In the past there had been several attempts to organize the voices and interest within the crafts village, however these always failed either because the operators found difficulty in coming together around a table or because the plans for Ta' Qali never materialised and people lost interest.

This time round however the conditions are favourable and GRTU's expertise has led to effective representation. An 11 person Committee has been set up representing the different categories of operators.

GRTU will be assisting the Committee in channelling their needs for Ta' Qali in an organised way based on the sound principles of consultation. GRTU's work with the Committee will be instrumental in the development of a crafts village that reaches the desired expectations.

Under the guidance of GRTU, the Committee has presented a number of proposals that aim to add value to the current project. Amongst which the Committee is proposing the possibility to include artisanal food which they feel is currently lacking and would be an attraction in itself for tourists and local visitors alike. The Committee is also in favour of developing a concept for Ta' Qali that can be branded and marketed. Ta' Qali should be regarded as a team park and it should be marketed as a

place of entertainment to learn about genuine crafts and a unique location for the enjoyment of families and tourists.

Another proposal that the Committee will be working on is the setting up of a makeshift fair comprising of a large tent and different stalls from where operators can sell their products to be used for the duration of the works so that their economic activity can continue.

GRTU and the Committee will also be working on improving the standards of the goods sold within the village. We want to revive crafts and we want to encourage all operators to work on their own productions and, at least, partially sell their own genuine Maltese crafts. This will be difficult because many have had to stop production because they were losing too much money out of producing and the poor state of the crafts village has stretched their efforts to unsustainable levels. With the right fiscal incentives, a marketing campaign and the drastic improvement of the village, GRTU is positive that the production of genuine crafts will slowly increase.

## **Private training providers and education institutions**

GRTU started supporting private training providers and education institutions in a bid to improve their operational environment, especially with regards to the authority that regulates them – the National Council for Further and Higher Education (NCFHE).

Earlier in 2016, all licensed education institutions and training providers have been informed through a mere e-mail circular that a new additional fee of minimum Eur2,100 shall apply with immediate effect. As representative of operators within the education provision industry, GRTU – Malta Chamber of SMEs has immediately opposed and issued directives to its members to ignore these new unfair exuberant fees. The new External Quality Assurance fees start off at a basic Eur2,100 which can be further topped to sums of Eur5,000 or more depending on NCFHE parameters. These fees were introduced with no consultation, thus going totally against the principles laid out in the Small Business Act. These fees follow the introduction of fees for home-grown courses as well as the licensing fee per institution.

GRTU has taken this matter up directly with Education Minister Hon Evarist Bartolo who has understood legitimate concerns voiced by GRTU on the entire regulation of the private education sector. GRTU has also held a meeting with NCFHE's new Chairman Godfrey Vella as well as CEO Edel Cassar wherein the need for NCFHE to tune itself to the market it regulates was discussed. GRTU has conducted a three-week-long consultation exercise with license holders most of which have since become full members of the Malta SME Chamber.

The Union has put forward these main points to NCFHE and Minister Evarist Bartolo:

1. The one-size fits-all approach needs to change, possibly even updating legislation.
2. Lack of Adequate Communication, Guidance and Follow-Up by NCFHE affects operators negatively.
3. To instill a private-provider approach and transparency, GRTU (the private sector) needs to be represented throughout the structures of NCFHE.
4. NCFHE needs to produce the mechanism it uses to arrive to fees. If any, fees should be minimal and applied through the think-small-first principle. Government should seek to finance these fees through schemes.
5. Adequate guidance and support for QA procedures needs to be in place and need to be built according to context. Existing IQA and EQA procedures need to be taken into account.
6. NCFHE needs to maintain good quality assurance systems for itself.
7. Uneven playing field: between state-owned providers and the private sector. GRTU is currently awaiting NCFHE for feedback on the matters raised. In a context of ever-increasing demands for human resources by industry, and a government's vision to develop education as a strong economic sector, GRTU hopes that common sense prevails.

Discussions with the Ministry and NCFHE have already led to a change in approach from the government side and an improvement in conditions. Work will continue in 2017.



## **Web developers**

During 2016 GRTU has restarted its representation of web development service providers. This in lieu of an eCommerce scheme that would be launched later on during the year.

Thanks to GRTU representation web developers were involved from the very first instances of the drafting of the scheme and thanks to this collaboration a number of requirements to be able to offer services under the scheme. This amongst others included the relevant experience required as well as the qualification.

Apart from this service providers were also given a detailed overview of how to apply as service providers and well in time of the scheme opening.

GRTU is currently working with service providers in order to ameliorate the eCommerce grant scheme that has been launched late in 2016. Amongst the already apparent problems are the length that clients have to wait in order to be given the go ahead and the bureaucracy to apply.

## **Billboard operators and Sign Writers**

These are two sectors that have become very active in GRTU following the publication of the Billboards and Advertisement Regulations in 2016.

These sectors came to GRTU for help in order to assist them with the developments in the law that had affected them very negatively.

Lengthy consultation meetings were held in order to come up with a common position and through the process two associations within GRTU were formed, both having a committee, in order to continue working of standards and improvements in the sector.

## Events

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## **BOV JAIME (Joint Assistance Initiative for Maltese Enterprises) – March 2016**

GRTU held an information session on access to finance during which BOV outlined the brand new Financing Package called JAIME that seeks to finance enterprises with advantageous conditions. BOV JAIME (Joint Assistance Initiative for Maltese Enterprises) BOV JAIME Financing Package builds on the success stories of the BOV JEREMIE financing package.

This financing package is designed to assist SMEs to obtain financing, up to a maximum of €500,000 to bring their projects to fruition. The BOV JAIME Financing Package supports businesses to grow in various ways, including:

- Improve the performance of your operations through capital investment and related working capital;
- Invest in Reserach&Development&Innovation which will contribute towards the launching of new products and services; and
- Tap into new export markets by expanding and improving your Malta based operations. The interest rate under the BOV JAIME is significantly reduced, with businesses being able to take out a loan at a 3.5% interest rate. This is 2% cheaper than the normal rate given by the local banks. When it comes to collateral, the bank will seek to secure only 25% of the loan amount as opposed to the usual 100%.

The Package is available to all SMEs established and operating in Malta, with the exclusion of agriculture and fisheries, gaming and pure real estate development. The maximum loan term is of 10 years and the minimum loan term is 2 years.

The repayment is done monthly and a moratorium of up to 6 months may be considered. The processing fee of 0.3% is waived and the renewal fee of 0.1% is applicable. GRTU also invited Malta

## **Information session with Customs – April 2016**

Members were informed by Customs officials about the new electronic procedures that will be coming into force later on during the year in order for businesses to be able to prepare for these changes.

## **EU funding information sessions – July and November**

The first EU funding calls targeting businesses for the period 2014-2020 came out in July 2016. The grants available for businesses within this period are mainly 6:

1. Start-up Investment;
2. Expansion Investment;
3. Diversification and Innovation;
4. Internationalization Initiatives;
5. External Consultancy Services;
6. e-Commerce.

Information sessions on this topic are held on a regular basis in order to keep GRTU members up to date on funding opportunities.

For more information about the schemes and how to apply, kindly access <http://www.businessenhance.gov.mt>.

## **eCommerce**

Entrepreneurs can benefit from applying ICT in their businesses' modes of operation. eCommerce, for instance, presents a great opportunity for SMEs to reach new customers and increase profits. It is for this reason that the GRTU Malta Chamber of SMEs collaborated with the Malta Communications

Authority (MCA), Europe Direct Valletta and the Ministry for European Affairs to host a one-stop-shop information session about eCommerce.

The hall was packed with entrepreneurs who were looking to hear about and discuss the importance of eCommerce strategies today's businesses.

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

Its total budget amounts to €5 million, with each SME able to receive a maximum grant of €5,000. This grant part-finances 50% of the eligible expenditure for eCommerce implementation. Eligible actions under this scheme include the design, development and implementation of an eCommerce website. If a business already has a website, it can apply for funding to upgrade it in a way that allows for online sales.

Ms Denise Borda, an eCommerce analyst representing the MCA, delivered the second presentation of the session. She explained how SMEs could benefit from embracing digital innovations seeing as the number of internet users and eCommerce customers is so considerable. In a recent study conducted by the MCA, it was found that 71% of Maltese respondents used the internet in 2014. The MCA's study also depicted an increase in the number of respondents that purchase goods and/or services via the internet. In 2014, 54% of respondents practised eCommerce, as opposed to the relatively lower figure of 26% in 2007. Trends are changing and in this Digital Age it is clear that innovation is king.

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

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

## Issues

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## Access to Finance

GRTU's intense efforts and pressure have led to two investigations by the Malta Financial Services Authority and the Malta Competition and Consumer Affairs Authority into local bank lending practices to businesses.

GRTU believes that commercial banks, as the only vehicles offering access to finance in Malta, have an obligation to enable local businesses to grow and compete. On the contrary however the banks have for years been acting inconsiderately securing excessive profits in total disregard of the pressure they were putting on local businesses particularly SMEs. This is besides the prevailing trend for local banks to lend on safe products like home loans and personal credit in lieu of financing for local businesses.

GRTU maintains that bank-lending policies are detrimental to Maltese businesses and their loan interest rates are amongst the highest in the EU. The reports not only confirm that the interest cuts by the European Central Bank, aimed at encouraging lending to businesses to grow and generate jobs, have only been partially passed on to businesses, but, adding insult to injury, the banks also took their time to lower their rates and did so after being placed under pressure.

The MFSA report also delves into the issue of bank charges. Bank charges are grossly excessive and one of the major sources of income of banks, estimated at around 40% of total revenue. The Regulator rightly points out that there is no plausible reason to justify the level and even the existence of certain charges, mentioning in particular the charges imposed on retail outlets for using debit and credit cards on their EPOS machines. GRTU has been relentlessly arguing against this percentage charge that is so truly not based on actual transaction cost that it can be negotiated.

Maltese businesses have costs that EU counterparts do not. Each and every day that passes, businesses are paying for costs that they could instead reinvest in their business and engage more employees. They are paying for costs that their counterparts in other EU countries are not. It is pertinent to note that Maltese businesses have been paying loans at an interest rate of 5-6% on average. How can they compete with businesses in countries in which interest rates on commercial finance can be as low as 2%?

The reports led to a number of requests by the regulators to improve the lending conditions and some have already been acted upon. It also led to the authorities realizing the extent of the problem and that mitigation efforts were needed. In addition to this a number of measures and schemes have started to be implemented by the government in collaboration with the private sector.

GRTU is also currently working on its own solution to this issue.

## Budget 2017

The positive growth being experienced by our economy has produced wealth giving rise to the possibility of spreading economic benefits across sectors. Nevertheless continuous tangible incentives and measures are necessary in the implementation phase to ensure that the positive economic results are not only achieved but sustained.

### WIDESPREAD FISCAL BENEFITS

GRTU sees that direct fiscal measures targeted at wider sectors such as pensioners and those on minimum wage are expected to increase disposable income to generate economic benefit across the board.

### TRAFFIC AND TRANSPORT

GRTU's calls and proposals for immediate solutions to the traffic crisis have led to a number of commitments and measures in this Budget. Private collective transport is being incentivised by tax deductions to employers that organise free transport for their employees and large government entities are to provide transport for their own. The urgent need to give a full focus on the Kappara Junction Project to increase the rate of work drastically in order to reduce the negative impact of the length of the project seems to have been heard with a renewed commitment. Incentives to increase parking areas through Projects Malta and Planning Authority proposals to attract public car parks also echo GRTU proposals to solve the traffic crisis. Measures addressing organised school transport which are key for imminent improvement have unfortunately been left out.

### ENERGY

GRTU fails to understand how yet for another year, possible savings to business by reduction of energy bills has not been transcended to boost the economy. Following last year's call by GRTU to decrease utility tariffs, one of GRTU's main proposals was that of opening up the energy market to more operators in a bid to increase competition and reducing cost to businesses.

Renewable energy initiatives such as the PV Farm project have always been advocated by the GRTU and is once again welcomed as it is being committed to in the Budget. It is however the second year to see this proposal in the Budget and now GRTU awaits immediate implementation.



## BUREAUCRACY

It is welcoming to note that GRTU's proposal on removing senseless compulsory audits for micro-SMEs has partially been taken up by introducing this option for the first two years for start-ups. This is the very first time this concept has been introduced in Malta. This incentive is however only tied to post-graduate start-ups and should definitely be extended to all start-ups if we want all youths to feel empowered on an equal level and not discriminate between business ideas based on educational attainment.

GRTU constantly advocates for the reduction of bureaucracy and therefore welcomes the announcement of removal of trading licenses.

## HUMAN RESOURCES

The positive results of decreasing unemployment rates have led to human resources evidently becoming more of a key growing concern to employers across the majority of sectors. GRTU expected to see tangible aggressive measures to address the imminent situation with solutions to a problem that can no longer wait to be tackled.

## PENSIONS

GRTU's proposal for a mandatory pension for self-employed with voluntary opt-outs has resulted in voluntary pension incentives for employers and their employees. In GRTU's opinion this is a positive step yet the take-up is expected to be weaker than that of the original GRTU proposal.

## EXTENSION OF THE VALLETTA SHOP SCHEME

GRTU is pleased to note that the successful 45-year emphytheusis scheme for businesses operating in rented publically-owned premises, negotiated by GRTU in the case of Valletta shops, is now being extended beyond Valletta.

## FAMILY BUSINESS TRANSFER

The measure for family business transfer stamp duty to be reduced from 5% to 1.5% from parent to child is a tangible implementation of the Family Business Act concept. GRTU however asks why this is only being launched for 12 months where such timeframe does not allow for planning and execution.

### JOINT ENFORCEMENT TASK FORCE (UNFAIR COMPETITION)

GRTU sees initiatives under a new name which are once again supposedly targeted at addressing unfair competition. GRTU hopes that the launch of the Joint Enforcement Task Force would be a tangible initiative this time round as this is a long-awaited essential point to be tackled for SMEs and enterprises that are being driven out of business due to unfair competition.

### OPENING HOURS

The flexibility of opening hours according to business needs is another long-awaited commitment by government which has been dragged from one Budget to the other. GRTU asks that after exhaustive consultation and such a long wait, this is implemented by the end of the year.

### EXCISE DUTIES

GRTU has noted the increase in specific excise duties such as toiletries, non-alcoholic drinks, glass, iron and tiling, and shall be looking into the expected effect on various sectors. After years of being hindered by eco-contribution tax, these businesses are now being castigated with the introduction of excise duty.

### OTHER INCENTIVES

Other incentives noted positively by GRTU include the introduction of the Risk Inventing Scheme for Investment in SME companies which will receive tax incentives of up to Eur250,000 and the stamp duty reduction from 5% to 2% in the case of Gozo.

## **Human Resources**

Over the last two years human resources proved to be amongst the biggest challenges facing enterprises. Lack of skilled and available human resources provided to be one of the biggest constraints that led to many enterprises not being able to expand and limitation of operation. It also led to inflation of wages because there was a lot of poaching going on and the businesses that paid most attracted the necessary human resources even though this did not equate to increase in skills.

At the same time Malta has been experiencing the lowest unemployment rate, meaning there remained very little, if any at all, Maltese that were available and ready to work. Coupled with a

scenario where getting employees from other European countries was difficult because of the administrative processes involved mainly.

GRTU had a long series of discussions with the government and the process of getting a permit for a third country national has greatly improved. Apart from this, GRTU also set up a specific service to help businesses apply for vacancies and permits.

## Local Wardens

GRTU was a full participant in the consultation that was carried out by Government with the aim of reforming the Local Warden system. GRTU supported this initiative because we felt business was being hampered by the current system and it made it especially difficult for the delivery people that already had to fight traffic and parking issues on a daily basis and felt that wardens sometimes aggravated matters.

GRTU's recommendations reflected the situations its members encountered on a daily basis. Despite wide consultation in 2014 and updates to the law to establish the Local Enforcement System Agency (LESA) however, the sorry situation remains unchanged. GRTU dubbed the reformed warden system to be a cosmetic exercise and called on decision-makers to go back to drawing board.

There was still lack of consideration to those working on the road to conduct deliveries or transport passengers, amongst others. Productivity is already affected by growing traffic and lack of parking. Irrational fines continued to hinder rather than improve the situation.

GRTU emphasized that the starting point for devising and implementing enforcement needs to be based on the reality of those whose livelihood depends on the road, where a regular day for delivering perishable goods or driving tourists to catch their flight, are such that traffic causes constant delays. Delivery-persons conduct difficult goods-carrying work often in undesirable weather conditions in both summer and winter. The service needs to be effected as close to destination as possible. In a constant battle against time, local wardens need to be there to support and not to reap on the traffic and parking situation by issuing of senseless fines.

GRTU welcomed Transport Malta's move towards setting out a Master Plan and Transport Strategy for the whole country, to which GRTU has put forward a document with concrete proposals. This however still did not tally with how the local enforcement system is operating in practice.

Being flexible and practical are key. Whilst abuse should not be tolerated, parking for a few minutes in places where there is no inconvenience or obstacle should be allowed and guided by local wardens rather than fined. Unloading and boarding bays need to be respected.

GRTU suggested a system which educates first-time offenders and punishes frequent offenders. The private operator needs to invest in training of those engaged in wardens to communicate effectively, educate and give directions instead of simply issuing fines, which is at times accompanied by arrogance. Local wardens need to understand the importance of their role when aiding during traffic diversions and road closures and have to be seen acting accordingly.

Most of all setting up of agencies that control enforcement needs to be tied with government self-financing rather than leaving it up to the operation itself to finance the authority or enforcement. Enforcement cannot be driven by the need to collect funds but rather towards understanding, educating and ultimately improving the situation. The goal is not to issue more fines, but to provide a better service to the community.

Concrete proposals have been present on these lines and discussions are still ongoing.

## **Shop opening hours**

During 2014 GRTU, in agreement with Honourable Chris Cardona, conducted an extensive survey. GRTU carried out this consultation exercise after the Government announced plans to amend the law regulating opening hours restrictions. Government needed to discuss possible amendments to the law since it currently distinguishes between types of business, and in some cases this raised possible discrimination on certain businesses. Furthermore the law left no discretion to the shop owners.

It transpired that the majority of the shop owners surveyed wanted a more flexible legal framework in which to operate regarding commercial opening hours, claiming amongst others that today's consumers need to be able to shop at different times of the day. Six in every ten GRTU members surveyed have claimed they do not agree that shop opening hours should be restricted.

Minister Chris Cardona described the survey's outcome as positive when launched in March 2014, since instead of resisting amendments in law, shop owners were opening themselves up to changes that were in line with today's realities.

GRTU is awaiting for the government to proceed in the direction that businesses need. Owners know what is best for them and their business and they should be left to decide within the parameters. It is expected that the system is not a free for all but the legal framework needs to be more flexible according to today's needs.

## Traffic and parking

Traffic and parking are two of the most important challenges facing businesses today. GRTU has over the past years represented various sectors of trade which are directly or indirectly related or affected by issues of transport and logistics. Rather than complaining, GRTU has in 2015 taken an active stance by bringing together the various types of operators involved. Over the past months this has proved to provide hands-on expertise from those who are constantly operating on the road – knowing the ins and outs of the situation, and ultimately being able to provide solutions. GRTU is bridging the concerns to find common solutions that can be brought forward and implemented both for the short-term and the long-term approach – something which will not only benefit business but our economy and society as a whole.

Our representation includes, amongst others:

- Chauffeur-Driven
- White Taxi Service
- Coaches (Unscheduled Bus Service)
- Cargo Hauliers
- Express Freight (such as Courier Delivery Service)
- Airfreight Forwarders
- (Essential) Goods Distributors (such as Gas, Milk, Bread)

The traffic situation has evolved to an unbearable and unacceptable situation. GRTU has been inundated by members' concerns from across widespread business sectors that the alarming situation is not just one of frustration and tardiness, but profitability and competitiveness.

The situation is affecting business across the board and the lack of effective planning and effective implementation are resulting in each and every one of us paying the price. Chauffeur-driven transport is choosing not to operate during specific peak times, transport and delivery costs are plummeting due to inefficiencies caused by heavy traffic, customers are giving up driving to go shopping, and workers are becoming less efficient per day of work due to time wasted in traffic.

GRTU proposals are presented on transport for a as well as part of the GRTU Budget proposals. A number of GRTU's proposals in this area have been taken up including planned incentives for the private sector to introduce transport schemes for their employees, other incentives such as car pooling and the strengthening of sea transport as well as the exploration of alternative means of

transport. GRTU had also proposed increased parking facilities, a measure also present in this Budget speech. GRTU will continue working with the Ministry to continue increasing incentives to the private sector that can provide concrete solutions to Malta's traffic problems.

## **Unfair Competition**

Over the last few years GRTU has stepped up its efforts by putting pressure on government to tackle the problem of unfair competition. During the last 2 years Government started taking concrete action against evasion. What has been achieved is far from being enough however it constitutes an important first step because through intense pressure placed by the GRTU, Government's policy shifted from one where it was arguing that goods coming from Sicily should be treated in the same manner as those coming from Gozo to one that involved a stronger regulatory framework and a degree of enforcement.

In addition, following GRTU's campaign against the sporadic licensing of 'occasional sellers' Government abolished the exemption threshold of Eur 7,000. This created a lot of opportunity for tax evasion especially in the case of street vendors.

## **Valletta Market**

GRTU has supported the shop owners of Merchants Street in their battle against having the market move further up in Merchants Street. A meeting was held at the GRTU offices and GRTU accompanied the representatives of the shops in a meeting with the Hon Chris Cardona.

The shops' objections relate to the fact that their investment will be diminished if market stalls are left to open in front of their shops and they had an agreement with Government that the market would not be moved further up.

Legal steps were taken by the shops in Merchants Street to stop the market from moving but the Ministry said no decision had yet been taken and therefore their legal complaint fell through.

Discussions and representations continued in 2016 with the result that the market shifted to another area of Valletta, where the impact on the business community is minimal.

## EU funded project

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## East Invest

East Invest is an EU-funded project that began in September 2014 within the EU4Business framework. The general aim of East Invest 2 is to facilitate the development of a competitive private sector in Eastern Partnership countries and encourage economic cooperation between them and the 28 EU Member States. The Eastern Partnership countries are Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine.

East Invest is chiefly targeted towards Business Support Organisations and SMEs in Eastern Partnership countries who can cooperate with entrepreneurs and business organisations, such as the GRTU, within the EU. So far the project has proven to be a useful forum for dialogue between SME representatives in the EU and Eastern Partnership countries. GRTU Malta Chamber of SMEs looks towards East Invest 2 as an exciting opportunity, since it encourages the sharing of best practices between business organisations throughout Europe and serves as a bridge towards enhancing the GRTU's continental presence.



# Others

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## Boards and Committees where GRTU was represented in 2016

- JobsPlus
- Bord ta' l-Ghazla – Premju Nazzjonali Haddiem tas-Sena
- Building Industry Consultative Council
- Committee for Places of Entertainment
- CVA
- Digital Malta Governing Board
- Employment Relations Board
- Enterprise Consultative Council
- ETC Intermediate Body Steering Committee
- ETC Stakeholders Meeting
- EuroCommerce Board
- EuroCommerce Social Affairs Committee
- European Economic and Social Committee
- Family Business Act
- Gozo Regional Committee
- Joint Stakeholder Working Committee
- MCESD (Malta Council for Social and Economic Development)
- Malta Enterprise Board
- Malta EU Steering and Action Committee
- Malta Maritime Forum
- Malta Trade Fair Committee
- Maternity Leave Board of Trustees
- MCAST Industry Committee
- Monitoring Committee for Structural Funds
- MCCA PV Installations Technical Committee
- Occupational Health and Safety Authority Board
- Retail Price Index
- Tourism Zones Committee
- Traffic Management Committee
- UEAPME
- Valletta Live Foundation - Governors' Board

## **GRTU NewSTRING**

GRTU has once again this year continued to deliver news to its members at the end of each month through its electronic newsletter with what we deem is the most valuable information for businesses. Around 12 newsletters were issued this year and the last issue in 2016. As every year a special edition was included which consisted of a summary of the main Budget 2017 measures of interest to businesses.

Each newsletter contains the latest information on what GRTU has been doing during that particular week, important developments for business that occurred at national and EU level as well as notices of important meetings and events. The newsletter is also utilized by the private sector for advertising purposes at a cost.

In 2016 the newsletter was revamped and given a fresher and more corporate look.

## **Surveys**

- End of year and Festive season sales survey 2016

# GRTU Council Meetings Attendance 2016

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	22 <sup>nd</sup> JAN	24 <sup>th</sup> FEB	22 <sup>nd</sup> MAR	29 <sup>th</sup> APR	10 <sup>th</sup> MAY	27 <sup>th</sup> MAY	28 <sup>th</sup> JULY	14 <sup>th</sup> SEP	17 <sup>th</sup> OCT	23 <sup>rd</sup> NOV	14 <sup>th</sup> DEC	P	E
Abela Paul	P	P	P	P	P	P	P	P	P	P	P	11	0
Azzopardi Emanuel	P	P	P	P	P	P	P	E	P	P	P	10	1
Camilleri Sergio	P	E	P	E	E	E	E	E	E	E	E	2	9
Cutajar Patrick	P	P	P	P	P	P	P	E	E	P	E	8	3
Debono Mario	P	P	E	E	P	E	E	P	P	P	E	6	5
Fenech Azzopardi Therese	P	E	P	E	E	E	P	E	E	P	P	5	6
Fenech Alfred	P	P	P	E	E	P	E	E	E	E	P	5	6
Fenech Philip	P	P	P	E	E	E	P	P	P	P	P	8	3
Galea Michael	P	P	P	P	P	E	E	E	P	P	P	8	3
Galea Stephen	P	E	P	E	E	P	E	E	E	E	E	3	8
Gauci Noel	P	P	P	P	P	P	P	P	P	P	P	11	0
Haber Joan	E	P	P	P	P	P	E	P	E	P	P	8	3
Mizzi Marcel	P	P	P	P	P	P	P	P	P	P	P	11	0
Vassallo Christian	P	P	E	P	P	P	P	P	P	E	P	9	2
Vella Josette	E	E	E	P	E	P	P	P	E	E	E	4	7
Vella Salvu	E	E	P	P	E	P	P	E	E	P	P	6	5

P – Present

E – Excused