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## Issues Tackled

### I. Brexit

During the SME Conference, GRTU held a workshop on BREXIT to attract businesses that would have been heavily affected. As such, participants on the panel included the British High Commissioner Stuart Gill and Head EU Secretariat, Mr Glenn Micallef, who was heading the BREXIT taskforce on behalf of Malta. Additionally, President of the Pharmaceutical sector and GRTU Councillor, Mr Mario Debono, expressed his worry, as a lot of pharmacies and pharmaceutical companies will be heavily affected by the UK leaving the EU. Furthermore, participants were able to convey their worries and ask for further clarifications. However, in October, the UK's future was still very unclear; as such, Mr Micallef assured the attendees that while the situation was still very confusing, the Maltese government were intent to ensure a smooth process for both citizens and businesses.

GRTU also collaborated with Malta Enterprise and organised a business breakfast entitled: 'Brexit: Threats, Challenges & Opportunities' where Hon. Minister Chris Cardona launched the Get Ready Scheme; a fund which supports business undertakings operating in Malta to access advisory services that will help them review and prepare for BREXIT.

Furthermore, throughout these past couple of months, GRTU worked to ensure that its members were informed on the repercussions and opportunities BREXIT brought with it. As such, news related to 'Brexit Preparedness' were all published on GRTU's Newsletter – Newstring. Additionally, GRTU has conducted surveys which have highlighted the concerns businesses had over BREXIT. GRTU will continue informing businesses on the shortcomings of BREXIT through its newsletter and direct contact with members.

### II. Budget 2019

In its Press Release GRTU referred to Budget 2019 as a budget that is void of creativity and that does not reflect economic growth.

While the budget had a few positive aspects about it, GRTU is still very disappointed that the proposals made during the consultations sessions were not upheld and considered by this year's budget. These included proposals such as the setting up of a retail school to refine some much needed skills.

GRTU also feels that whilst the budget continued some of its incentives directed at SMEs, it also noted that no new initiatives were introduced. This results in a negative notion that SMEs were excluded from benefiting from the economic growth, considering the new difficulties they are facing, such as employee retention and labour shortages.

The following were GRTU's proposals for Budget 2019:

1. Clamp down unfair competition
2. Rationalization of taxation
3. Widening the Micro-Invest Scheme
4. Retracting on SISA
5. Facilitating the employment of TCNs
6. Removal of the Death Tax on business
7. Audits on micro companies
8. Creation of a Retail School
9. Reduction in Package Delivery costs
10. Revision of pensions for self-employed

### III. Compulsory Union Membership

A hot topic discussed briefly last year, that will be carried forward, hopefully in a more orderly manner, in 2019.

First off, being an employers' representative and registered as such with the Department of Industrial and Employment Relations, GRTU Malta Chamber of SME's expertise relates solely to represent business owners, SMEs and the self-employed. We do not have the experience and remit to talk on behalf of workers, especially on the case for union membership. This is a clear demarcation line that GRTU respects.

Should workers be unionised is one matter and how this will affect the employer is another. It is however not our aim to discuss this.

Our focus is on whether employers and business entities should or should not be required to register or be a member of a social partner representative.

Governments in many EU, and also non-EU countries, have found different ways to support business representatives. There are 13 EU Countries who's governments have found ways to, either directly or indirectly, support business representation. Some do it through obligatory Union membership and others by committing a small fraction of the corporate tax paid by businesses towards reinvesting it into employer social partners. These are just two of a number of solutions and successful combinations that already exist.

What appears to be the greatest bone of contention is the freedom of association. GRTU has already voiced options on how this could be easily tackled. The general understanding is that compulsory membership is being considered because it is a valuable service that benefits everyone. The principle is therefore that it is a service everyone should contribute towards either directly or indirectly and this contribution can very well be an independent or government structure that reinvests funds towards the benefit of employers themselves.

The initiative is simply a recognition of the important function business representatives have and the economic value this signifies for the whole country. One needs to appreciate what a clear message the consideration of compulsory membership is. For the government to accept and help strengthen social partners and communicating the belief that membership benefits all. Rather than criticising the initiative we would rather rise to the occasion and hold a mature discussion because we believe in the service we offer and the greater contribution GRTU can give should this option materialise.

#### IV. Employment Law

##### Employment Relations Board

The most important development in 2018 in this aspect was when the government implemented 4 very important legal notices on the eve of the summer shut down. GRTU together with the other

employer bodies decided to boycott ERB meeting until the issue is resolved and proper consultation takes place.

The result of this was important improvements in the laws. The laws for instance now requires all employers to issue some form of payslip. Unlike originally planned the format will not be mandatory, employers will be given a grace period to comply and any additional information requested cannot be expected immediately but the employer has adequate time to reply.

### The Work Life Balance Directive

GRTU followed this directive closely as it would have had a massive impact on micro and small enterprises and worked closely with UEAPME now SMEUnited on recommendations. The rapporteur on this directive was MEP David Casa; therefore, GRTU had direct contact with a Maltese representative. As such, we had an initial meeting with him and his team where we discussed possible amendments to the preliminary texts. After the Directive passed, GRTU had a secondary meeting with MEP Casa where he explained the approved document. Later that day, GRTU were present at a public consultation meeting MEP Casa was addressing regarding this directive.

### Transparency and Working Directive

On this directive, GRTU worked closely with Eurocommerce, as the conclusion of this directive could have drastic consequences on SMEs. As such, Eurocommerce were encouraging its members to speak with their respective MEPs to grasp how the European People's Party (EPP) would vote in the European Parliament and what their stance was. Thus, GRTU took the initiative to meet MEP Roberta Metsola to express our concerns, and represent us in a more defined way within the EPP. This directive is still ongoing and GRTU will keep monitoring it as the discussion continues.

## V. Facial Recognition

GRTU has expressed itself positively on the issue of Facial Recognition for the area of Paceville following consultation with members in the area. The main aim behind this is to ensure greater safety in the area and reduce the circulation of drugs.

This however does not mean that GRTU is in favour of the total introduction of the system in Malta and expansion towards other localities needs to be made only following adequate consultation of the stakeholders in the area. Apart from this GRTU also still has a concern about the safety of such data and how this could potentially be wrongly utilized.

## VI. Financial Services for business

This was a main topic where GRTU was very proactive in 2018. Apart from maintaining our complaints against bank charges and interest rates GRTU has broadened its approach.

GRTU has worked on identifying and attracting valuable competitors to the market because we believe that one of the main reason banks lack appetite to expand to new sectors, invest in technology and reduce their costs is because there is not much competition in the market.

This was the reason why GRTU supported Revolut in its market penetration. GRTU has also carried out a study visit to the UK whereby it held discussions with the Federation of Small Businesses, the British Business Bank and other private service providers.

Apart from this GRTU also initiated discussions with the Central Banks of Malta to address shortcoming by the banks and jointly work of achieving advancements in areas essential for our economic growth.

## VII. GDPR

As the General Data Protection Regulation (GDPR) come into force in May 2018, GRTU noted that whilst supporting the rights of citizens and the importance to protect their personal data, we need to give more times for fuller implementation by businesses.

The aim of the GDPR is to bring all member states in line under one common regulation. The GDPR increases privacy for individuals and aims to ensure that personal data gathered is gathered lawfully and with the individuals' full consent. The new regulation also gives regulatory authorities more power to act on those who do not comply. In this regard, local authorities can now impose harsher fines with up to 4% of annual turnover or Euro 20 million, whichever is greater.

In order to prepare its members for this regulation and in light of the serious implications this regulation brings about, GRTU has during 2018 organised a number of information sessions, seminars and conferences for its members. Through these seminars, members were given the necessary information and tools to bring their business in line with this regulation.

GRTU however notes that the GDPR is unfortunately not the easiest legislation to comply to. It is cumbersome in many ways, failing to make a distinction between SMEs and larger organisations. Moreover this regulation is also very subjective and in many ways open to interpretation.

Although GRTU believes that its members are doing their best to comply with this regulation, one cannot expect business to become fully compliant within a short timeframe.

GRTU joins the rest of EU employer organisations, and encourages local enforcement authorities to guide above all and give out warnings rather than impose fines, during the first year of implementation. This is being proposed with full respect toward EU and local legislation and without the aim of undermining such legislation.

As part of its support initiative GRTU also made an informative video available online for GRTU members.



## VIII. Human Resources Crises

Over the last 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 of poaching 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. Employees from other European countries were attracted to higher paying member states and non-EU Nationals were very difficult to engage due to a very bureaucratic administrative process.

During 2018 GRTU has worked very hard on this issue and step by step it helped making the life of employers easier in this sense. GRTU has caused Government to start signing bi-lateral agreements with a number of countries in order to facilitate the acquiring of workers. GRTU has also worked closely with Identity Malta and Jobsplus and has facilitated the permit process for third country nationals and has followed up one-to-one issues with members. A positive step was the introduction of the blue paper for those still abroad. There is an understanding that this should be extended to all TCNs.

Currently GRTU is in the process of establishing links with foreign recruitment agencies that will also help in the sourcing of workers.

## IX. SATABANK

In October 2018 Satabank was closed by the MFSA.

Overnight business depositors learnt that their business, and in many cases, even personal accounts had been frozen. Most of them had no alternative accounts because their attempts to open accounts with other banks were simply turned down because there is no appetite locally to accept businesses that are considered riskier because of their sector, due to having foreign stakeholders, or their structure not being straight forward enough.

Throughout the end of 2018 GRTU has been supporting these businesses through its lobbying efforts. The authorities had immediately put up a wall to keep everyone concerned out. There was absolute secrecy on what had happened and what businesses should expect. These businesses' money was immediately, literally, held hostage and no public information is being provided.

GRTU has made various attempts to address this head to head with the government's highest officials and offer a helping hand to mitigate the devastating impact, and by end 2018 too little progress was registered. GRTU has serious doubts on why the authorities are being so secretive; are they hiding behind a wall because of the seriousness of the situation or because they had not thought about the repercussions businesses have had to face, until GRTU raised the alarm.

When GRTU went to the media things started to slowly move, albeit very slowly. Businesses were so desperate that they themselves started to go to the media to voice their concerns and tell them about their situation. Some even ended up eating take-away at the entrance of the regulator, the competent person, etc... in protest to the way they were being treated.

Satabank happened during the same week Malta was hosting its largest blockchain conference, promoting Malta as the Blockchain Island. Sigma had just taken place as well because this is the economic momentum we work very hard towards. There is however another side of the coin. The investors we celebrate and call upon to invest in Malta are the same ones we have bitten with the closure of Satabank. The harm this has caused and is still causing to our economy is significant and this should have been handled better. Depositors hurt started hitting back at our country and warning other investors and explaining how they have been treated.

Following GRTU's plea Malta enterprise set up the Hardship Fund but this also had its limitations and most of the damage done is irreparable.

As a business representative we feel very disappointed with how Satabank depositors were handled. The authorities played the high and mighty and businesses were regarded as dispensable and individuals not worthy of basic social respect.

GRTU has kept members affected by Satabank in the know with any information that was made available to us. The support GRTU provided to its members in this case was appreciated immeasurably. GRTU avoided business closures and other negative outcomes that were possible.

## Consultations

### I. Daylight Saving Time

President of the EU Commission, Jean-Claude Juncker, vowed to abolish the Daylight Saving Time rule by the end of his reign after a survey among Europeans showed that they are very much against it. Therefore, Juncker is proposing to end the practice of adjusting clocks by an hour.

Daylight Saving Time has proven to disrupt the human's circadian rhythms and this is mostly problematic for the elderly. Industries who work with night shifts also face the issue that an employee always works an hour more or less than the allotted usual shift.

From a business perspective, extra sunlight might encourage more people to go shopping. The change in time also reminds people that the holiday season is around the corner, and this in itself encourages consumers. Less sunlight will however increase businesses spending on electricity.

GRTU has pronounced itself in favour of keeping the summer hours.

### II. Electronic payments

GRTU has participated in a consultation on electronic payments lunched by the central bank. An internal consultation with members was carried out in order to gather feedback.

#### Bank charges

All members consulted highlighted the fact that bank charges on payments made by bank cards on EPoS are currently too high when compared to profit margins of businesses. This has led some of our members to discontinue the EPoS service in some cases – and are now operating on a cash basis only. Others raised their frustration with bank charges being negotiated individually and thus, effectively, resulting in an unfair disadvantage for small businesses with limited turnover.

Our proposal would thus be to revise the legislative framework and introduce a maximum % threshold of the allowable bank charge on EPOS payments. Such a threshold should take into account the profit margins of local businesses in order to truly encourage higher use of electronic payments. In addition, based on the feedback received, we also suggest that the bank charge is capped at a maximum amount in absolute terms in order to further encourage electronic payments for large transactions.

#### Simplification, removal of barriers to entry and support to innovation

As the system currently stands, EPOS devices are provided by the banks to retailers, with the latter having to use different devices depending on the bank card presented by the consumer. For this reason, we suggest that as part of this strategy, EPOS devices are bought for a nominal fee by retailers for their own use. The strategy should therefore set a technical standard which would be compatible with all local banking systems. This measure should also encourage the banks to lower their charging fees due to the reduced cost associated with supplying and maintaining the EPOS devices. It will also enable retailers to conduct all bank card payments using one device, ideally wireless (efficiency).

In addition, our members have pointed out that new entrants to the market have in recent months provided a new technological solution which has however found a major barrier to entry due to permission in using EPOS owned by commercial banks. Such a permission was not even accepted against payment of a fee. Public services also did not adopt these payment possibilities – such as in paying for utility bills. Therefore the strategy should seek to encourage competition between service providers through sharing of infrastructure, similar to what has been implemented in the case of a duopoly in the telecommunications sector. Any new infrastructure should seek to minimize/ remove any barriers to entry, foster a competitive environment and make electronic payments a more advantageous means of payment for all users.

#### Government should lead by example

Whilst acknowledging the recent improvements in online government services, businesses note that crucial services for business are not possible to be paid by means of widely used forms of electronic

payments. In this context, members point out that the Inland Revenue Department, the VAT department and the Customs department do not accept bank card payments by means of an EPOS. We are informed that the customs department is neither accepting payments by bank card nor payment by internet banking. Over the past, GRTU has engaged in discussions with the Customs department to encourage and to facilitate electronic payments for businesses. Discussions, however, did not make progress because the Customs department is not ready to shoulder the charges imposed by the banks.

#### Efficient and user-friendly software

Efficient software applications for electronic payments is a major aspect that the strategy should look into in order to facilitate payments. This includes a major simplification of current internet banking software offered by commercial banks. This would also facilitate the more rapid uptake of electronic payments and facilitate the use of such systems by older age groups – who may be less technologically versed.

Furthermore, commercial banks should be encouraged to develop interoperable software systems for mobile devices. With the use of wireless communication by the PoS to a mobile device, or through QR codes or equivalent, mobile applications could facilitate secure payments and speed up the time to carry out an electronic transaction. The government could also consider creating a common protocol for instant cross bank settlement by setting up a common electronic payment interface.

### III. Rent as a housing alternative

During 2018 GRTU participated in a public consultation launched on Renting as a housing alternative. Following the creation of a sub-committee specifically set-up to discuss this white paper, GRTU agreed that the white paper should only apply to the private rented sector and should not bind luxury properties and premises leased for commercial purposes. GRTU acknowledged that the needs and nature differs to that of private residences and it should therefore remain outside the scope of any potential efforts in this regard.

Moreover GRTU also agreed that renting for secondary residential use, short lets or tourist lets should also remain outside the scope. The exceptions (for short lets) listed in the white paper, are also required especially in the case of temporary workers employed for a short period of time and students enrolled in tertiary or vocational education. This aspect is of great importance especially when one looks at the current situation of the Gozitan students renting in Malta.

Finally through this consultation GRTU aimed to protect the rights of its members in the industry while at the same time ensuring that the rental market remains sustainable and further ensures a healthy balance between the rights and obligations of both tenants and landlords.

#### IV. Revision of the Competition and Consumer Affairs Act

GRTU has submitted a positive position on the revision of the Competition and Consumer Affairs Act. The proposals seek to harmonize the role of the civil court and that of the MCCA in a way that they complement each other's function and ensures greater independence of judgements. The civil court as the higher authority may freeze proceedings and over-rule the decision of the MCCA. All these factors should in principle provide for a higher redress mechanism and guarantee fairness.

The proposed changes should give an undertaking increased rights through, for instance, the removal of power of the Director General to order inspections in business premises without a Court Warrant. An undertaking being investigated will also have his right against self-incrimination protected through the explicit inclusion within the Act, which should clarify the position of that undertaking.

The MCCA will function with increased transparency and flexibility through the proposed changes. This will be achieved for instance through the widening of the settlement options that are no longer limited to only cartels, can increase in intensity depending on the gravity of the case and solutions through settlements can be made at an earlier stage. Publication of decisions is important for a better informed and educated society and will also help strengthen the MCCA as an entity that is seen acting.

The result of the proposed changes should be an entity that is improved, has healthy procedures fit for today's advancements in our judicial system and safeguards against potential abuse and personal interest.

## Positive Initiatives

### I. Accessibility: Awarding Businesses, Overcoming Barriers

GRTU had the pleasure of being part of a conference, organised by the Commission for the Rights of Persons with Disability, better known as CRPD.

During this conference, GRTU chaired a workshop that focused on practicality, reasonability and accessibility. The aim of this workshop focused on the main issue faced by employers when applying for permits. Although the right of persons with disabilities should always be safeguarded, the workshop sought to highlight areas of impracticality and areas which can be improved. This session concluded that there needs to be a change in approach in how we push for the right of accessibility and that new mechanisms need to be introduced.

CRPD, during this conference announced that they would be creating the Malta Disability Business Forum, which GRTU shall form part of, to ensure that all stakeholders work together. It is important that both sides understand each other and come to conclusions which will benefit everyone in a practical and reasonable manner. The aim of this is to provide accessibility for all.

### II. eBiznify

GRTU was one of the entities who has supported the launch of the eBiznify, an eCommerce training programme, an initiative by MCA. The first course commenced in October 2018 and is being delivered online via a dedicated eLearning platform. The aim is to help participants understand eCommerce, and provide guidance on the development of eCommerce-related services.

eBiznify is open to both business-owners and individuals seeking to exploit digital commerce, empowering them to compete effectively in today's global marketplace. Fully accredited by the National Commission for Further and Higher Education (NCFHE), participants will have the opportunity to follow this course via a dedicated eLearning platform, completely free of charge.

This course guides participants through a series of modules, including an Introduction to eCommerce, Taking your Business Online, Promoting Your Online Business, Delivering Your Products, Cross-border eCommerce, Content Design & Development, and Data Analytics.

### III. Educational Visit at Giovanni Curmi Higher Secondary

As part of its outreach, GRTU members and council members participated in an event held at the Higher secondary in Naxxar. The purpose of this visit was to encourage students available to start their own business. GRTU members present gave a testimony on how they started off their business and how they ultimately became a success story. Students present were also able to ask questions to the panel present. These visits are very positive and assist GRTU in its outreach with the General Public.

### IV. Joint Declaration on Mental Health

GRTU was amongst ten unions and social partners who represent employers that have signed a joint declaration with a commitment to protect their employees' mental health at their place of work.

With this declaration social partners have all agreed to increase awareness and fight the stigma against mental health.



## V. National Enterprise Support Awards

GRTU has in 2018 been awarded the first prize with its initiative entitled Enabling the Digital Transformation of Maltese SMEs within the category of Supporting the Internationalisation of Businesses.

Within this initiative GRTU has undertaken many activities for Maltese businesses to increase their online presence and help Malta reap more from being part of the single market. Amongst the initiatives undertaken are financial incentives to help small businesses go online, publication of a guidebook, development of an online learning tool and a themed conference.

GRTU has been working hard to help Maltese businesses take the next steps when it comes to their online presence. Statistical research showed that after only a few years of EU membership, internet penetration for Maltese households was increasing drastically and Maltese consumers buying online increased from 26% in 2007 to 51% in 2010. Unfortunately most of the money of Maltese consumers was being spent abroad without Malta attracting anywhere close to the same numbers.

A challenge that is still on the horizon, and that GRTU will be tackling, is the high delivery costs of online purchases. This unfortunately is much more expensive when compared to the majority of other EU countries. Unless this issue is mitigated Malta's eCommerce success will remain at bay when trying to compete with much larger countries that benefit from economies of scale and other non-EU countries where the government is free to subsidize delivery costs to attract online shoppers.

GRTU's initiative is now also being nominated to compete in the European Enterprise Support Award that will be held in Austria later on this year.

GRTU's joint initiative with government – Business 1st Ltd - also won first in its category of Improving the Business Environment.

## Sectors in focus

GRTU represents a multitude of sectors and with each of these sectors it works on a vast number of issues as the need arises. Every year however there are a few of these sectors that stand out in terms of work and progress.

### I. Burdnara

The Hauliers Section within GRTU, filed a judicial protest in the first hall of civil rights against the Commissioner for Inland Revenue as the legal representative responsible for the Customs Department. Through its judicial protest the hauliers section formally asks for an immediate action to be taken against any persons, being permitted to act as Cargo clearance and forwarding agents, without holding the necessary license. This judicial protest managed to temporarily solve this issue and the Hauliers section within GRTU is currently evaluating its next steps.

The Hauliers Section within GRTU also issued a press release against the Malta Freeport Terminal Limited (MFTL), The Malta Freeport Corporation and the Customs as a result of delays and unnecessary delays. Following this action GRTU held numerous talks with officials and managed to resolve some of the issues raised with unnecessary checks and assistance to hauliers. As a result MFTL, created a dedicated help desk for members to be assisted and guided through this office.

The hauliers section within GRTU is also discussing methods on how unfair competition can be reduced so as to achieve a level playing field for all parties involved.

### II. Childcare Centers

During 2018 a lot of work continued to reach a new agreement for childcare centres. A new rate was successfully negotiated and the difference in rate. The rate went up to 75% by 2020.

Unfortunately the situation continued to worsen with the increase in public childcare centres. This because the difference between the conditions of the FES and the private childcare centres that make it much more attractive to work at the FES centres. Discussions with the Ministry for Education are ongoing.

### III. Furniture Industry

The Procurement Division of the Foundation for Tomorrow Schools (FTS) had approached GRTU ahead of drafting a Framework agreement. The framework agreement – which is to be managed as per standard Public Procurement Regulations, was intended to create a pool of suppliers who will be able to supply school furniture according to the specifications requested.

Since GRTU regularly received complaints and in order to avoid past mistakes of issuing calls and tenders that are either too specific or would only relate to one particular brand or supplier, and to ensure a higher level of transparency and fair competition, FTS asked GRTU to gather as much information as possible on types of school furniture available. This exercise aimed to update the current specifications list and considerably improve the selection process currently in place. This exercise was appreciated by members in the industry and this showed from the number of members participating in this exercise.

### IV. Milk distributors

During 2018 GRTU has assisted milk distributors in the negotiation of their new agreement. This took many months of negotiations, legal advice, clearance from the authorities on competition issues and many meetings with the distributors.

The distributors today have an improved contract and though relations with the company have improved greatly, issues persist. These will be addressed during 2019.

## V. Pharmacies – Falsified Medicines Directive

GRTU, along with two other organisations, has set up the Malta Medicines Verification Organization, or MAMVO as it is known. It was established in 2018 as a non-profit legal entity. MaMVO is authorised to establish, administer and operate the Malta Medicines Verification System (MaMVS), to support all the entities that have the obligation to implement the Falsified Medicines Directive in accordance with the requirements of EU legislation.

The MaMVS is intended to identify falsified medicines being dispensed in Malta. MaMVO's remit extends beyond the project implementation since as an organisation it is also obliged to continuously monitor its successful operation.

Falsified medicines are medicines that pass themselves off as real, authorized medicines. The term 'falsified' refers to all forms of falsification, while the term 'counterfeit' specifically refers to an infringement of intellectual property rights.

Falsified medicines may contain ingredients, including active ingredients, which are of poor quality or in the wrong dose; they may contain too much or too little of the active ingredient. This happens since they have not been properly evaluated to check their quality, safety and efficacy as required and directed by strict EU authorization procedures. Thus, they could be detrimental to the health of people who take them. As falsifications become more sophisticated, the risk that falsified medicines reach patients in the EU increases every year.

Although falsified medicines have not been found to be common in Malta, there have been reports of fake medicines coming through legitimate supply channels in other countries, and so the risk cannot be ignored.

How does the Falsified Medicines Directive tackle this threat?

The EU passed legislation in 2011 – known as the Falsified Medicines Directive (Directive 2011/62/EU) – to prevent falsified medicines infiltrating the legal supply chain and ultimately from reaching European patients. Measures to tackle the threat include:

- A requirement for medicine packs to carry special safety features in the form of an anti-tamper device (e.g. foil seal, breakable cap) and a barcode containing 'unique identifiers' (including a serial number) to enable the authenticity of the pack to be checked prior to dispensing.
- A common, EU-wide logo to identify legal online medicines suppliers, making it easier to distinguish them from illegal operators.

GRTU has held a number of meetings with Pharmacy owners, Wholesalers and Manufacturers in order to explain and implement this directive, which comes in force on the 9th February 2019. The meetings were extremely well attended and many attendees have taken up the various offers for software that GRTU, along with the Chamber of Pharmacists, have negotiated with software developers.

#### VI. Ta' Qali Crafts Village Tenants

Ta' Qali has undergone drastic changes and the project is now starting to take shape. The tenants have received various degrees of support, including Malta enterprise schemes, in order to help them carry out the project.

The majority of the tenants were however reluctant to carry out their investment since the mindset was that at the end of the day no project would really materialize as happened on countless occasions previously. This is however not the case and the tenants that were holding back have now come to realize that the project will occur and therefore each tenant has started progressing. Very few tenants have completed their project but all have started and progress varies. During 2019 GRTU will assist the tenants in completing their project.

Administratively speaking this was a nightmare even for MIP since they had to face issues of long inactivity, changes without title, evictions, and more. Now that these headaches are out of the way MIP is collating the data of all the tenants and will start working with the tenants towards a quality oriented project.

Work will continue in 2019.

## I. Tourism Sector

Throughout the years, GRTU has been working fiercely to improve the tourism sector in Malta. In fact, in 2018 tourism registered the highest GDP contributor to Malta, superseding even the financial sector. GRTU has welcomed the use of low-cost airlines, as they brought competition within the market that has forced airlines to build on their standards and introduce a plethora of routes that now connect Malta to many countries in Europe and beyond, increasing accessibility. This includes our national airline AirMalta, which invested in operating in other main airports and is working on a strategic programme that will flourish in the years to come. As such, this has brought a multitude of tourists from different countries which are good for the economy, as Malta will become more versatile.

In order to boost this, GRTU has worked with the authorities to produce events around the island that are designed to bring in more tourists due to the nature of the event. In fact, tourists in Malta have shifted from the usual ageing demographic and have become more youthful, increasing the 25-40 brackets. This produces a more balanced array of tourists, as it ensures a recurrent variety. The way these events were organised also aided in redistributing the occupancy rate, as off-peak seasons are becoming popular among tourists.

This increase in tourism is important for our economy because it directly and indirectly helps the retail sector in Malta, and provide a much needed investment in our infrastructure which will in turn be beneficial for the Maltese.

Furthermore, GRTU worked with the authorities to improve tourism zones within our country. GRTU has been very vocal on this regard, as it believes that the private sector has invested heavily in this project while the public sector lagged behind. As such, GRTU is content that the government has now implemented this initiative and is working to manage the areas in a more concrete manner. Following the imminent commencement of the Paceville refurbishment project, the government has now shifted its attention onto the Northern area, specifically the Bugibba tourism zone.

In this regard, GRTU has also been very vocal about improving the infrastructure within the area to keep up with the regeneration of the areas and put a lot of pressure on the government to ensure that this is prioritised.

In 2019, GRTU will continue to increase pressure as it believes that the tourism sector cannot be lost, especially due to the continuous success in the area.

## II. VRT Stations

Discussions have taken a few positive steps forward as following a number of meetings and also intention to start taking industrial action, talks were held with the Minister who agreed to increase the rate of the stations should this be recommended by an independent study jointly commissioned.

Since then a lot of work has taken place and now we are in the final stages of concluding the study.

## EU Funding

### i. Civil Society Funds

GRTU along with four other organisations was granted a fund to continue working within the orbit of the EU. Parliamentary Secretary for Voluntary Organisations Clifton Grima said that the government recognizes the importance of such organizations in Malta, and explained that this fund gives them momentum in operating for the good of civil society.

The funds were issued from the Fund for Civil Society, administered by the Maltese Council for the Voluntary Sector. Each organization is entitled to 80% of the expenses relating to for a participation, not only locally but also at EU level.

ii. SMEs: Tuning the art of representation (STAR)

This is a project financed through ESF funds that GRTU is undergoing and is set to boost its tools and capacity to make it a more effective social partner. This will be done through a variety of learning initiatives, as well as working on the concept of social dialogue within the context of the organization itself, addressing the current and imminent future skills gaps that are found within the organization to achieve consistency of the service GRTU is rendering.

The project is built on the principles of strengthening the capacity of GRTU as a stakeholder through investment in its human resources as well as the acquisition of necessary knowledge, through research and studies of key areas GRTU can improve in. A number of skills gaps have been identified that are holding the organisation back from working to its full capacity. The strength of an organisation like GRTU is measured in two ways:

- Human Resources: how skilled the individuals working to deliver the organisation's mission statement and enabling to organisation to be effective are.
- Representation: the differentiation present in our memberships.

In order for the training to reflect and focus on improving these two areas of expertise, GRTU vouches to embark on a series of activities. First and foremost, to increase the knowledge within the HR department in public relations; this will be a year-long intensive training focused on the personnel of GRTU to increase our knowledge in public relations. GRTU will also spend the year focusing on the basics of financial services, as many our members need help on finance matters.

On the self-reflection front, GRTU is determined to reform the way it is perceived to the public by taking part in a scientific analysis aimed at providing a detailed overview of how GRTU is perceived – in order to help its current and potential members. As a chain reaction to the study, GRTU will go through a revamp to create awareness about the organization. These will in-turn change the face of the organization to make it more relatable and to incite new stakeholders to join our cause.

As a proud member of MCESD, GRTU would like to invest in it to ensure its retention in its social dialogue exercises and to strengthen its influence. A study focusing on knowledge based discussions, interviews with outside and internal stakeholders and focus groups are vital to ensure the vitality of this project, in order to bring out great recommendations.



Activities undertaken in 2018:

#### Training in Public Relations

This will be a year-long intensive training that will build the capacity of the human capital within the organisation to drastically increase their expertise in public relations. To date, four sessions have been held. A total of 14 participants are undergoing this training, comprised of GRTU staff and 10 council members.

So far, training has included a number of lessons on how GRTU and its representatives can use the media in their favour; this included instructions on how best to give a speech, how to use a microphone etc...

The feedbacks on these sessions have been positive, as it has been a learning curve, one that we look forward to.

#### GRTU in 2020

GRTU is currently working with Corporate Identities to take into account people's perception of GRTU to be able to address the community more efficiently. Corporate Identities is therefore conducting focus groups and telephone calls to achieve that. GRTU looks forward to the results of these studies.

#### UEAPME Social Affairs Committee

Mr Marcel Mizzi and Mr Andrew Aquilina have been attending UEAPME, now SME United's, Social Affairs Committee where discussions on current issues occur. Both have attended all meetings to date since the start of the project, and are projected to continue doing so.

### Exchange of good practice and knowledge

Six GRTU representatives composed of both staff and council travelled to the UK to visit the British Business Bank and the Federation of Small Business to get a better indication of what mechanisms function well and which do not. The purpose of the visit was mainly to learn new ways in which GRTU can better represent our members with the relevant authorities.

## **Events**

### I. GRTU Annual Conference

On 25th October, over 200 business owners and entrepreneurs met at the stunning venue 'Villa Arrigo' for the occasion of GRTU Malta Chambers of SME's successful event - The SME Conference: Year in Review, co-hosted by Business First. The conference was split into two consecutive parts: The Innovation Panel, where all the attendees could get a taste of the individuals' experience and the breakout sessions.

The Conference started with a welcome speech by the Hon. Minister Chris Cardona, followed by one by GRTU President Mr Paul Abela, while Mr Marcel Mizzi presented the results of our annual survey. Additionally, for this conference, GRTU included a key note speech by Ms Claudine Attard, a Senior Manager at PwC which focused on the benefits of treating employees well to reduce the risk of poaching and combat the issue of human resources.

### The Innovation Panel

Mr Philip Maurice Mifsud, Revolut Brand Ambassador for Malta who focused on the vacuum Maltese banks have created that allowed Revolut to infiltrate the Maltese market so well and attract a record number of customers in a short period of time.

Mr Chris Peregin, CEO and founder of LovinMalta who focused on the importance of a company's brand and the importance of using the right medium to market it and your products.

Ms Joanne Bondin, a Director at MISCO, who spoke about her experience in rebranding the company and her success in making it more effective.

#### EU Funds and Lessons Learnt Workshop

Director General for the Measures and Support Division, Ms Moira Attard, delivered a presentation on what businesses need to do to apply for funding and what the process should be. She also brought along a couple of businesses to share their experience to inspire others to apply and make use of the funds available.

#### Understand and preparing for BREXIT Workshop

One of the continuous issues and the main one at moment of the conference, were the consequences and repercussions of BREXIT. This is why GRTU brought together a super panel formed by the British High Commissioner Mr Stuart Gill, Head of BREXIT Taskforce Mr Glenn Micallef, GRTU's very own Council Member who also represents the Pharmaceutical Industry Mr Mario Debono and Mr Godwin Warr from the Commerce Department.

This workshop highlighted the main issues businesses were facing due to BREXIT, as people expressed their main concerns. These ranged from English language schools to the aviation industry.

#### Human Resources implications, a way forward Workshop

The survey unveiled that companies were finding it difficult to find employees and this is an issue today too. Therefore, it was natural for GRTU to collaborate with JobsPlus who gave light to the situation. The discussion focused on the need to use the available resources and how possible it is to expect the population to grow in a sustainable manner, whilst also sub generating the interest of our country.

### The digital journey and electronic payments

This much awaited workshop included a session with the Malta Communications Authority (MCA) and Revolut. MCA divulged information on how to pay and stay safe online, whilst Revolut introduced Revolut Business for Maltese entrepreneurs. GRTU garnered a lot of interest with Revolut and even organized sessions at GRTU's premises for members who were interested in discovering more. Additionally, a GRTU delegation visited Revolut's offices in London to discuss further collaboration. Legal Remedies in Public Tenders

We have held two sessions in collaboration with Ganado Advocates on this topic as there was a great interest for it from our members. Dr Mifsud Bonnici gave a presentation on the application for a pre-contractual remedy, the traditional letter of objection/appeal and also the new application for declaring a public contract ineffective.

## II. Seminars

### Competition Law in Practice

Former Director General of the Office for Competition, Dr Slyvann Aquilina Zahra, now a consultant with Ganado Advocates gave a presentation on the criteria necessary for an act to be seen as uncompetitive and the ramifications occurred should a business be accused of such.

### Business Enhance ERDF

The Measures and Support Division (MSD) holds monthly sessions at Business First which are supported by GRTU, as they are uploaded on the Business First website and mail shots are sent to members. Representatives from MSD present the different funds available for SMEs, and explain the application process. Throughout 2019, GRTU will continue to promote these sessions and encourage its members to apply for these funds, as they are beneficial to growth.

### Employers' Info Session - Jobsplus

JobsPlus launched an EU funded project known as the 'VASTE Programme' that aims to help persons with disability and vulnerable inactive individuals through a comprehensive choice of evaluation based on training and development to help these persons find employment.

### Family Business Office

An information session was held with the office in order to explain the schemes and benefits under the new law that was passed in order to support family businesses and the takeover by the new generations.

## **Joint Government Ventures**

### i. Business First

2018 marked the first full year of operation of NEW Business First. The need and the success of Business First is measured by the highly encouraging client figures:

- 16,000 walk ins
- 17,000 phone calls
- 3,600 emails
- 400 trained

GRTU has worked very hard to make this office relevant and it was instrumental in equipping it with the resources and composition it has today.

ii. MaltaEnergy Ltd

During the past year, MaltaEnergy Ltd directors and CEO have worked hard to get the other directors, appointed by government, on the same wavelength and understand the importance of working together to achieve the targets set by GRTU.

A tender document for the installation of PV systems on 5 Water Services Corporation owned reservoirs was also drafted. This document is currently being vetted by the Department of Contracts and will be published immediately once approved. This will also set out the basis upon which all new tenders issued by the company will be formulated.

In the meantime, the CEO and some of the directors are working on establishing new agreements with other government departments to acquire new spaces where additional PV farms may be installed.

## **Traffic, Transport and Locality related Issues**

I. Traffic Control Committee

During 2018 GRTU participated in the monthly traffic control committee meetings held by Transport Malta. In this committee GRTU represents the interests of businesses. GRTU this year, took a more pro-active approach and put forward proposals on behalf of its members.

The main proposals raised came from the different transport sectors GRTU represents mainly:

- Chauffeur-Driven
- Car Rental and Leasing
- Coaches (Unscheduled Bus Service)
- Cargo Hauliers (Burdnara)

- Express Freight (such as Courier Delivery Service)
- Airfreight Forwarders
- (Essential) Goods Distributors (such as Gas, Milk)

The transport lobby group is made up of the above sectors and its function is to discuss issues directly related to transport and traffic management. During 2018 the transport lobby group was actively involved in a number of issues. In some areas the discussions and consultations were broadened to include other sectors and other members.

## II. Penalty Points

Although GRTU is still pushing towards a more practical solution which truly addresses the needs of our members. GRTU however has managed to heavily reduce the administrative burden on our members. This was done through increase the time period for one to submit a declaration from 15 days to 21 days,

In the case where a company director has under his name a number of vehicles (which may be either leased or company owned) the director can assign a designated driver for each of these vehicles (in the case of vehicles used by the same driver regularly). Car rental and lease companies can now upload the lease / rental contract under the assigned appointed driver section (In the case of long term agreements) or can upload the rental agreement as a substitute for the declaration (in the case of short term rentals).

Although the above are all a step in the right direction, GRTU is nonetheless still working on finding a more practical less bureaucratic solution for business owners. Of the issues being suggested, GRTU is pushing to have vehicle registration numbers appertaining a company or self-employed and not a natural person. This would eliminate the issue with points being directed at persons which have nothing to do with the actual contravention.

### III. Locality

#### Marsa Junction Project

GRTU has organized meetings with Transport Malta and more recently with Infrastructure Malta to better understand the traffic diversions and the planned timeline for this project. The Marsa junction project has a significant effect on our members. As part of its recommendation for this project the transport lobby group suggested that Transport Malta the 'Bacir' Diversion (which was only being used in the morning) to be used during the afternoon peak hours (direction Marsa). This proposal was upheld and relieved a good number of vehicles travelling to Rahal Gdid from Marsa.

#### Rue D'Argans Msida

The Transport Lobby Group strongly objected to the re-introduction of parking spaces in Rue D'Argens. GRTU was notified that there were plans to remove the existing two lanes in Triq Rue D'Argens in Msida (From Msida Police Station all the way up to Mitsubishi Motors). This following the completion of the Kappara Junction Project. The parking spaces in Triq Rue D'Argens were originally removed as part of the traffic management plan for the Kappara Junction Project. The removal of the said parking spaces has however led to a significant improvement in the traffic flow in this area.

GRTU therefore recommended that the decision to reverse these plans would negatively impact this area and will surely lead to an increase in traffic congestion. This has led to the suspension of use of parking spaces during peak hours to alleviate congestion in the area.

#### Valletta Pedestrianised Zones

A part of a number of changes takings place as a result of V18, GRTU was approached by Transport Malta to revise the timeframes businesses can access the pedestrian zones using their vehicles. From initial discussions it was clear that the government wanted to heavily reduce access. This issue effected parties differently and GRTU had to find a middle ground that would not have a negative



impact on the members it represents but also a proposal that would be accepted by the government.

GRTU held several different meetings with different sectors mainly consisted of retailers operating from inside Valletta Pedestrian Zones and those distributing goods inside these zones. Moreover in the past couple of years we have seen an influx of restaurants operating inside Valletta which continued to increase the complexity of the situations.

The government initially proposed that the timeframes should be reduced to mornings only. This proposal was heavily rejected by members across the board and GRTU counter proposed with the elimination of access during the evening slots, since from the information and feedback received this was the least used time-slot.

Following numerous discussions and meetings with Transport Malta and the Minister for Transport GRTU managed to achieve positive results for its members with the only reduction was that of removing the evening slots (twice a week) and agreeing that Access to Valletta pedestrianised zones during the afternoon will be only accessible through the below routes;

Option 1: Entrance from St. Paul's Street through Melita Street, all the way down through Merchant Street, through old theatre street, leading to Republic Street and exiting through St. Lucia Street.

Option 2: Entrance through St. Paul's Street, through Melita Street, proceeding through Merchant Street and turning Republic Street (from St. John Street) and down from St. Lucia Street (adjacent to Courts of Justice) and exiting St. Lucia Street.

Option 3: Entrance through St. Paul's Street, through Melita Street, proceeding to Strait Street and exiting from St. John Street or St. Lucia Street.

Option 4: Entrance through St. Paul's Street, through Melita Street, proceeding through Merchant Street and down through St. John Street.

The conditions achieved benefitted GRTU members as a whole and those who might have been negatively impacted were assisted to reduce such impact.

### Triq George Borg Olivier – Mellieha

As part of the traffic control committee, Transport Malta were proposing changing this street into a one-way since two way traffic was causing congestion in the area especially during the summer period. This issue had already been brought up previously and from initial consultation GRTU had conducted it was evident that the majority of members opposed the idea of turning this street into a one-way. GRTU officials once again conducted a survey with members in the area and proposed different alternatives to alleviate this problem.

Of the options available, GRTU asked its members, members stated they preferred to introduce a circular bus for Mellieha Core Village area (Mellieha ex Bell view, through Triq Ġorg Borg Olivier, through Ghadira Bay). The proposed shuttle bus will operate every 15 minutes which will take passengers to ex. Belleview / Ghadira bay whereby passengers will be able to take the normal route bus to; Valletta / Gozo / etc.

GRTU presented the results to the Local Council and Transport Malta for their review. Moreover GRTU emphasized that one of the main issues was the lack of enforcement in the area. Following this Transport Malta did not proceed with the original plan and instead opted to enforce the regulations currently in place particularly that of restricting large construction vehicles from passing through this narrow street.

### Triq tal-Balal – San Gwann

GRTU has been informed that road works and road upgrades will be taking place in Triq Tal Balal and Triq Salvu Busuttil. While GRTU is in favour of any road network upgrades, in order to ensure that commercial entities in the area are not impacted negatively with these works, GRTU met with 'Infrastructure Malta' officials to raise any possible imminent and future issues as a result of these works. Through this consultation, GRTU raised possible issues ahead of this project and members were not negatively impacted.

## MEP Elections

During the end of 2018, GRTU met with numerous MEP candidates to discuss what SMEs need from the European Union and how they can help should they be elected to Parliament next May.

At the beginning we discussed the importance of having the MEPs elected in constant contact with us, and not just come when the election is round the corner.

With all candidates we discussed our budget proposals and what we expected the government to propose for the coming year. These included enforcing the checks at the harbor where the Catamaran docks to ensure that VAT is being paid.

Additionally, we discussed proposals put forward by the European Commission that will affect Maltese businesses, such as the Work Life Balance Directive and discussed its implications. Furthermore, we discussed what the European Union could do more of.

GRTU believes that the EU could benefit much more if it protects the interests of SMEs which are the backbone of the Union's economy, as they represent 99% of businesses. Therefore, while its good that measures do exist to protect employees—GRTU believes that it is also important to reduce the burden on SMEs that would allow the business to keep growing.

## 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 7 newsletters were issued this year.

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.

## Surveys

### I. Economic Growth – What is it really meaning for businesses?

The study showed mixed results in terms of which businesses are doing well with respondents split - half saying they are doing well and the other half saying they are not feeling the benefits of the strong economy. Out of those that are doing well 30% said that their turnover increased by 5%, 47% of respondents said by 10% and 16% said that the increase went up to 20%. To the contrary, the other half of the respondents mostly quoted too much competition and increased costs, which are offsetting the benefits of increased demand.

Human resources related issues are a major concern for businesses. When asked about wage levels 85% said that they have experienced wage increases in the last 3 years, out of which 19% said that the increase was of 5% overall, 42% said up to 10% and 21% said it was up to 20%. When asked if wage increases have resulted in increased productivity 42 % ranged between the disagreed and strongly disagreed and 28% agreed with this statement. The remaining respondents were uncertain. Many have also quoted labour shortages as the main reason why their business is not working to its potential.

In relation to their opinion on the overall wealth and economic growth, most businesses have stated that they attribute the economic growth to the gaming sector and the construction sector are the main players; followed by tourism and the influx of foreign workers.

When asked about the new developments of digital currencies and finance such as cryptocurrencies and blockchain, 42% said that they don't know much about them, 21% said they found them confusing and another 21% said that they find them intriguing. 16% said that they are untrusting and that they think it is a scam that will soon end.

## II. Black Friday Sales survey

A survey conducted by GRTU with 100 respondents, representing over 150 outlets and businesses has confirmed what a big success this year's Black Friday was with 85% saying sales were stronger over Black Friday of last year and any other shopping day.

This year was also the first time for 17% of the respondents to participate in the Black Friday activity. Those that reported less sales on the day are almost entirely found within sectors that are not normally associated with Black Friday or sell Business to Business. Even here however 25% of those that did not participate are either seriously considering or surely participating next year.

GRTU CEO Abigail Mamo said that "From our survey results, we can confirm that there was an increase in sales of around 25% on average over last year's Black Friday, amongst the businesses participating. It is also clear that this is a result of both increased preparation by business owners with marketing and price incentives as well as greater consumer awareness".

"From a business perspective it is clear that no stone has been left unturned with more resources deployed at shop level and extension to their shop opening hours made. Good preparation also at the GRTU level helped in making progress on challenges outlined last year. Traffic situation was reported as greatly improved and we thank the authorities for their cooperation. Plans in this respect have already started in order to prepare for what has become the most important shopping day of the year".

Business have adopted offers and discounts on the day. Those answering GRTU's survey said that their offers varied between 15% and 70% off and some even included special gifts and buy-one get-one free offers.

In terms of marketing, various media have been used but advertising on Facebook was indeed the most popular option and most say that this marketing tool proved very effective and 'essential' for the success achieved on the day. Moreover, a good deal of businesses decided to advertise on diverse radio channels.

Apart from the 23rd November – Black Friday - 76% of respondents also extended offer to Saturday and 33% to Sunday. 58% of respondents have extended their normal shopping hours by opening

early, closing later and staying open throughout the day. 37% have extended their Black Friday promotions to online with 65% confirming increase in sales through their website on Black Friday.

There is still a concern with how Black Friday affects other shopping days and the Christmas period as many report slow shopping days in the days leading and following Black Friday. Most respondents however also say that Black Friday results increased overall sales with consumers encouraged by the offers enjoy their shopping day and spend more freely.

As a run-up to this survey, GRTU was proactive in informing the media about the day that businesses were having. As such, many reported early cuing, which lasted throughout the day. "Black Friday is a welcome phenomenon and Maltese businesses are doing their part in being present on the market when consumers want them to be present and offering the advantages expected on Black Friday" concluded Abigail Mamo.

This trend in Malta is likely to continue; as Black Friday becomes more popular among consumers.

### III. End of year and Festive season sales survey 2017

GRTU Malta Chamber of SMEs' end of year Business Performance Survey indicates a positive year in general. Three out of every four respondents did not report a decrease in their turnover. Nonetheless, Labour shortage was once again found to be the topmost concern, with the direct result of slowing down business growth, fuelling higher labour costs and leading to high levels of staff turnover.

32% reported higher sales during the end of year peak season while 29% had lower sales when compared to the same period in the previous year.

Black Friday was reported to have had limited positive or negative effect on the festive season as a whole with only 17% reporting increased turnover because of this phenomenon. 20%, on the other hand, felt that because of Black Friday their total sales during the festive season decreased.

The survey was carried out amongst 200 business owners during the first half of January.

43.5% say their total sales during 2017 increased over previous year levels - but only 32% had higher profits

The biggest number of respondents said that their turnover increased year on year. Of these, 26% attributed this increase to new products introduced in their activity followed by 20% who felt that consumer spending power was better in 2017. Most of those who reported a decline in their turnover during 2017 felt that this was due to stiff online and local competition, followed by those who pointed towards illicit trade, unfair competition and lack of parking facilities.

Only 18% of respondents sold their products online and of these, the majority said that total online sales accounted to less than 10% of their total sales. For 19% of those who sell online, online sales accounted for more than 50% of their sales. Many of those who did not sell online stated that the reason behind this is that their products could not be sold online or their clients do not shop online.

27% had lower profits compared to the previous year while 32% had higher profits. 26.5% fared worse than they had expected at the start of the year and 19.5% fared better.

47% satisfied on the going of sales during the end of year festivities; 29% report lower sales when compared to the same period the year before

47% of those whose turnover is affected by the end of year festivities were satisfied or very satisfied with the 2017 end of year season with 32% reporting higher turnover when compared to the same period a year before. 24% were not satisfied and 25% were neutral.

The week and the weekend leading up to Christmas day seemed to have been, by far, the busiest for businesses, followed by the 8th December long weekend, 13th December and Black Friday. Business owners felt that brand loyalty, the cold weather and consumer spending power were positive factors this season while online competition, traffic and parking facilities and unfair trading contributed negatively to their going of business during the festive season.

Looking back at the whole season, 63% said that Black Friday has not impacted turnover, neither positively or negatively.

Only 28% started offering price reductions before 31st December, with reductions mostly ranging between 20% and 50% of the original price. The client base remained largely Maltese – at 68%; and the average spent by consumers in a given shop was most frequently €20 to €49 followed by the €50 to €99 category.

50% hopeful for a better year

Half of the respondents are expecting a better 2018, with 40% expecting this year to be as last year and 10% expecting to fare worse. 36% plan to keep their business in the same size as it currently is while 26% are planning to expand their business in Malta. 4% are looking overseas for their business expansion this year. 11% intend to set up their ecommerce website. 4% are planning to downsize their business, 6% planning to pass over to next generation or third parties and a further 2% are planning to close down. In 83% of the latter cases, the head of organisation has 56 years of age or more.

Labour shortage and related effects tops businesses' concerns across the board

Labour shortage remained the topmost unresolved concern among businesses across all sectors. That said, in a number of sectors – such as those with a high degree of driving and the catering industry; this problem seems even more pronounced. 52% of respondents are expecting they will have to recruit new employees during 2018 and in 46% of these cases the main reason is expected staff turnover.

Fierce competition and increasing costs in general followed suit, before traffic and infrastructure - including the lack of parking facilities and road works taking too long to complete (such as in established shopping districts like Paola).

## **Boards and Committees where GRTU was represented in 2018**

- Advisory Committee for Vocational Training
- Beverage Container Refund System (BCRS) Steering Committee
- Building Industry Consultative Council
- Business First
- CVA
- Central Business District (Mriehel)
- Cloud Forum
- Digitization Committee
- eBusiness Award Adjudication Committee



- eInvoicing Forum
- eSkills Steering Committee
- Employment Relations Board
- Enterprise Consultative Council
- ETC Intermediate Body Steering Committee
- ETC Stakeholders Meeting
- EuroCommerce Social Affairs Committee
- European Economic and Social Committee
- EY Entrepreneur of the Year Award Adjudicating Committee
- Gozo Regional Committee
- JobsPlus
- Joint Stakeholder Working Committee
- MCESD (Malta Council for Social and Economic Development)
- Malta Development Bank
- Malta Energy
- Malta Enterprise Board
- Malta Enterprise Investment Committee
- Malta EU Steering and Action Committee
- Malta Maritime Forum
- Malta Trade Fair Committee
- Maternity Leave Board of Trustees
- MCCA Servizz Bi Tbissima Adjudication Committee
- Monitoring Committee for Structural Funds
- National Employment Agency
- National Productivity Board
- Occupational Health and Safety Authority Board
- Retail Price Index
- Tourism Zones Committee
- Traffic Management Committee
- Users Committee
- WEEE Malta Ltd
- Youth Guarantee Committee

# GRTU Council Meetings Attendance 2018

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	2 <sup>ND</sup> FEB	5 <sup>TH</sup> MAR	12 <sup>TH</sup> APR	24 <sup>TH</sup> MAY	19 <sup>TH</sup> JUN	12 <sup>TH</sup> JUL	20 <sup>TH</sup> SEP	22 <sup>ND</sup> OCT	29 <sup>TH</sup> NOV	11 <sup>TH</sup> JAN	19 <sup>TH</sup> FEB	P	E
Abela Paul	P	P	P	P	P	P	P	P	P	P	P	11	0
Bezzina Matthew	P	E	E	E	E	E	E	E	E	E	E	1	10
Camilleri Sergio	P	P	P	P	E	E	P	E	E	E	P	6	5
Cutajar Patrick	P	E	P	P	E	E	E	E	E	E	P	4	7
Debono Mario	P	P	E	E	P	E	P	E	P	E	E	5	6
Fino Dino	E	E	P	E	P	E	E	E	E	P	E	3	8
Fenech Azzopardi Therese	P	E	E	E	E	E	E	E	E	E	E	1	10
Fenech Alfred	E	E	E	E	P	E	E	E	E	E	E	1	10
Fenech Philip	P	P	P	P	P	P	E	P	P	E	P	9	2
Galea Michael	E	P	P	P	E	P	P	E	P	E	P	7	4
Galea Stephen	E	P	E	E	E	E	P	E	E	P	E	3	8
Gauci Noel	P	P	P	E	P	E	E	P	E	E	P	6	5
Haber Joan	P	P	P	P	E	P	P	E	P	P	P	9	2
Micallef Marthese	E	P	P	P	P	P	E	P	E	P	P	8	3
Mizzi Marcel	P	P	P	P	P	P	P	E	P	P	P	10	1
Vella Salvu	P	P	P	P	E	E	P	E	P	P	P	8	3
Zammit Carmel	P	E	P	P	E	P	E	E	P	E	P	6	5
Zerafa Joseph	P	P	E	P	E	P	P	E	P	P	P	8	3

P – Present

E – Excused