

Malta Chamber of SMEs

Annual Report 2023

March 2024

Abigail Agius Mamo
Chief Executive Officer

President Forward



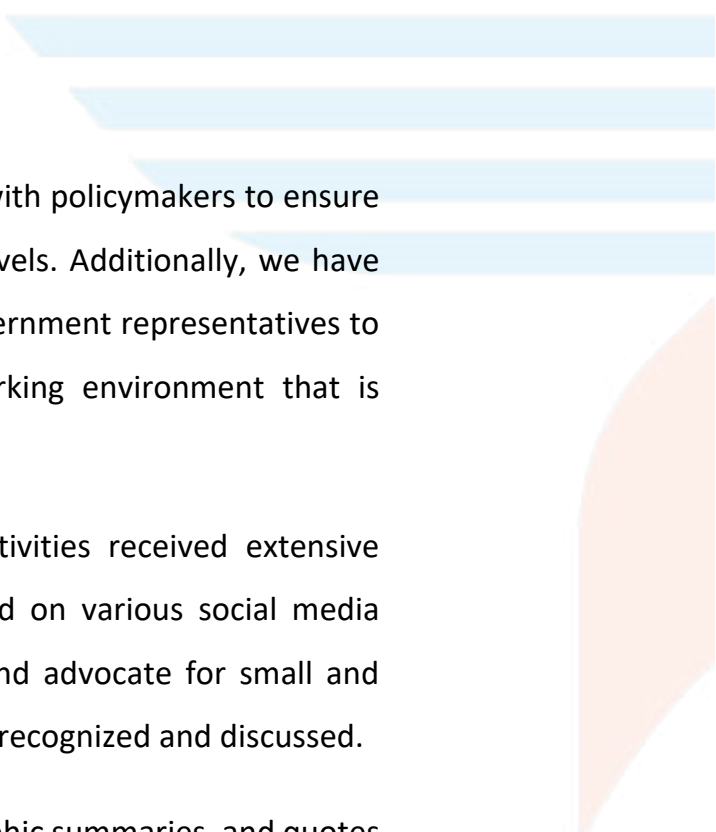
2023 was a year of intense activity for the Malta Chamber of SMEs. Our efforts have been focused on providing our members with the necessary tools and support to recover in a post-pandemic economic landscape, adapt to evolving market conditions, and seize new opportunities for growth.

Through a series of advocacy initiatives, educational events, and networking opportunities, we have continued to champion the interests of small and medium-sized enterprises across the nation.

In a year where global turmoil has clearly had an impact on our daily lives, no least businesses, the SME Chamber has championed their representation and put a human face to businesses.



Advocacy and Policy Work



Over 2023, the Chamber has actively engaged with policymakers to ensure the voices of SMEs are heard at the highest levels. Additionally, we have hosted several roundtable discussions with government representatives to address ongoing challenges and foster a working environment that is sensitive to business needs.

The Malta Chamber of SMEs reports and activities received extensive coverage in both traditional media outlets and on various social media platforms. The chamber's efforts to support and advocate for small and medium-sized enterprises in Malta were widely recognized and discussed.

The SME Chamber shared key statistics, infographic summaries, and quotes from their reports to engage with their audience and spark conversations around the challenges and opportunities for SMEs in Malta.

Banking

I. Banking Services

During 2023 the Malta Chamber of SMEs continued to assist members and pressuring authorities to tackle the various banking issues encountered by members.

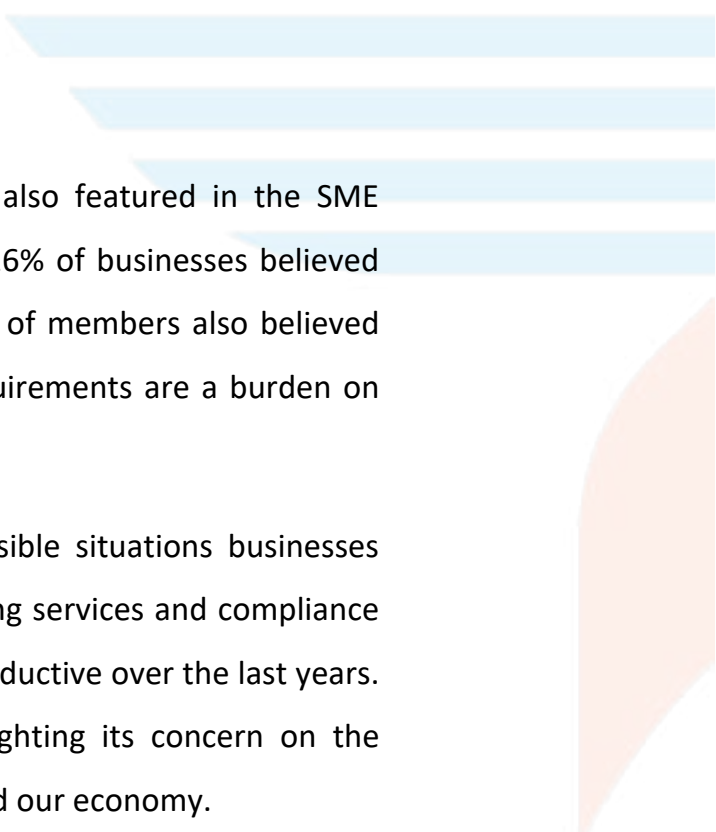
Members on various occasions encountered issues related to the services offered and level of quality that keeps going down. Members have continued to report added bureaucracy, checks, excessive charges and a hostile encounter when dealing with banks.

During 2023, the Malta Chamber of SMEs also held a meeting with the Arbiter for Financial Service in order to understand how members experiencing issues with local banks can be assisted.

The Arbiter can assist Individuals and Micro companies (till 9 employees and less than 2M turnover). Although larger companies do not fall within the remit of the Arbiter, the Malta chamber of SMEs suggested that the Arbiter should extend its remit to cover all companies and businesses in Malta.



Meeting held with the Arbiter for Financial Service



The issues with banking and regulatory, was also featured in the SME Barometer conducted each quarter, whereby 16% of businesses believed that Bank Charges are Excessive a further 10% of members also believed that Banking Information and Compliance Requirements are a burden on their businesses.

The immense bureaucratic burden and impossible situations businesses have been facing in relation to access to banking services and compliance have only become more serious and counterproductive over the last years. The Malta Chamber of SMEs has been highlighting its concern on the situation and how this is harming businesses and our economy.

During 2023, the Malta Chamber of SMEs continued its periodic meetings with the Malta Bankers Association whereby Malta Chamber of SMEs officials and member representatives met the Malta Bankers Association to discuss banking services and issues which are currently impacting SMEs on a regular basis.

The SME Chamber highlighted and discussed several issues such as bank's attitudes, charges, opening of bank accounts, bureaucracy and other issues impacting SMEs.

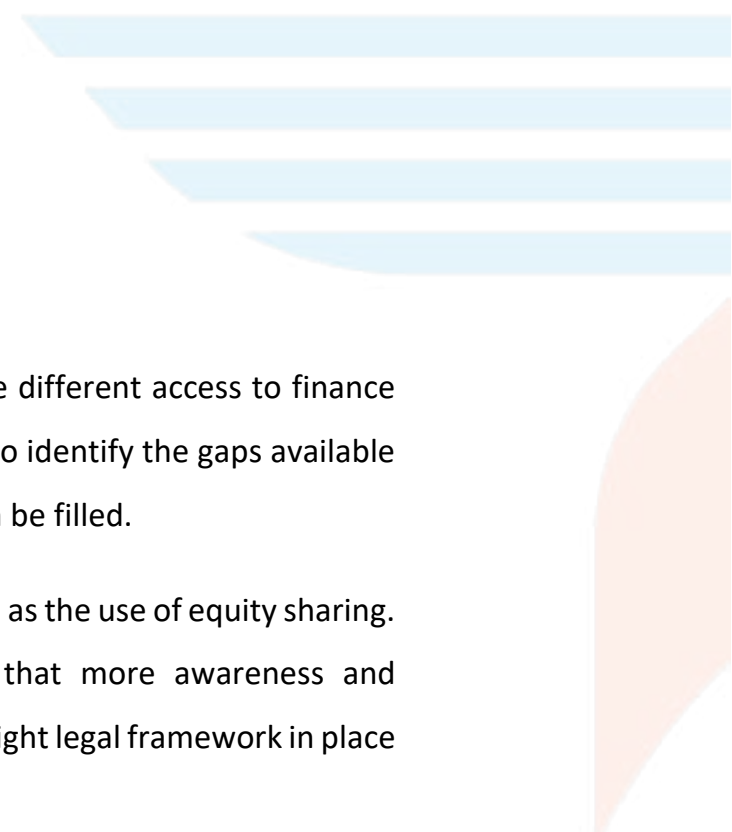


A delegation from the Malta Chamber of met the Malta Bankers' Association new President Mr Marcel Cassar and Secretary General Mr Karol Gabarretta

Apart from this, as has been done in the past, the SME Chamber also asked the government to intervene to protect corporate bank clients from the abuse of dominant position, from unfair treatment and the imposition of unjustified costs and charges.

Moreover, a bigger effort was done to enter directly into discussions with the respective banks. In fact, during 2023 the SME Chamber organised several meeting with Bank of Valletta, to raise a number of issues encountered by members.

During 2024, the SME Chamber aims to continue enhancing its collaboration with the local banks and also explore other possibilities with other banks in order offer other alternatives to our members.



II. Access to Finance

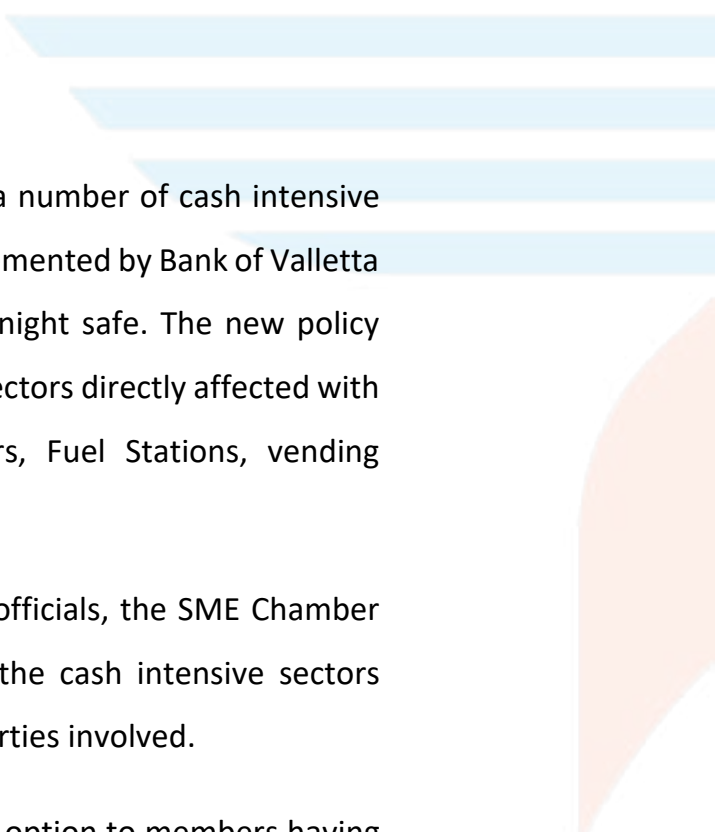
The Malta Chamber of SMEs also spoke on the different access to finance options available for businesses and the need to identify the gaps available and find innovative ways on how such gaps can be filled.

This includes other different financial tools such as the use of equity sharing. Additionally, the SME Chamber also noted that more awareness and education is needed, together with having the right legal framework in place to offer the safeguards needed.

The Malta Chamber of SMEs continued to work closely with the Malta Development Bank to develop tools that help businesses to finance projects and investments through favourable interest rates and guarantees.

III. Assisting Individual / Group Issues

During 2023, The SME Chamber has also assisted a number of members with specific and individual issues related with opening of bank accounts, delays with communication and also excessive charges that our members could not avoid, which threatened their livelihoods.



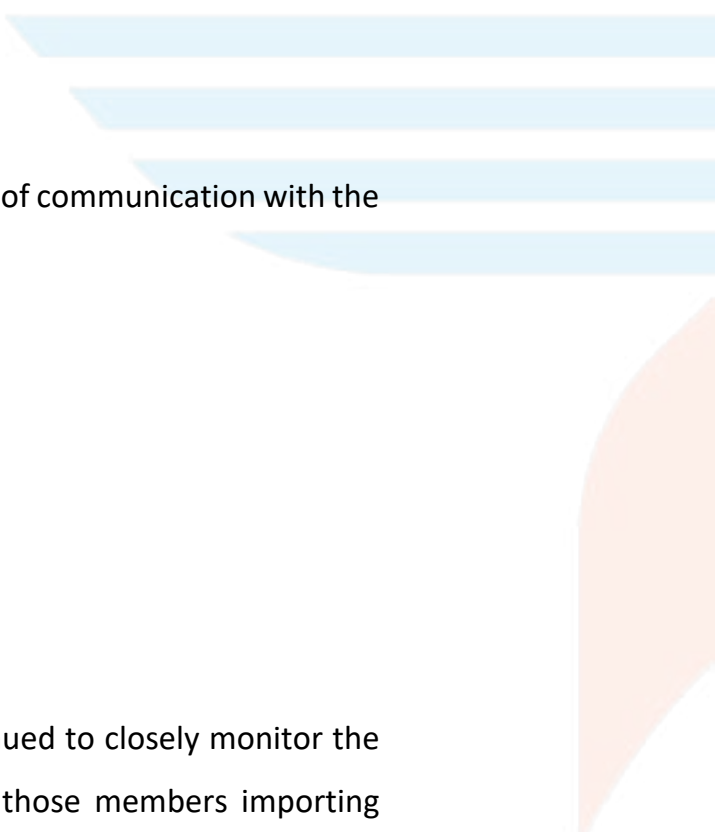
Notably the SME Chamber continued to assist a number of cash intensive business operations following a new policy implemented by Bank of Valletta on daily cash deposits through the use of the night safe. The new policy limited the daily cash deposits to Euro 10,000. Sectors directly affected with this new policy included Tobacco Distributors, Fuel Stations, vending machine operators and Lotto Receivers.

Following meetings held with Bank of Valletta officials, the SME Chamber managed to extend the extension offered to the cash intensive sectors subject to finding a workable solution for the parties involved.

Additionally, the SME Chamber also offered the option to members having cash intensive operations, including coins, to engage private companies in order to avoid the fee (of Euro 2.00) per bag charged.

The Malta Chamber of SMEs continued to voice its concern over the account maintenance fees increase announced by Bank of Valletta in December 2022. Maintenance fees increase to Euro 30.00 monthly per account, something which the SME Chamber believe was unjustified and unproportionate. This was also raised in the meeting with the arbiter for financial services. This continues to remain a burden on businesses and the SME Chamber is seeking remedies in order to remove this unjustified fee.

During 2024, the SME Chamber will reaffirm its position to follow this issue and seek a workable solution for its members. Additionally, the SME



Chamber will also continue keeping an open line of communication with the different entities and stakeholders involved.

BREXIT

During 2023 the Malta Chamber of SMEs continued to closely monitor the impact of BREXIT on its members, specifically those members importing goods from the UK.

As a result of members experienced an added layer of bureaucracy similarly encountered with goods coming from their countries, only to note the strategic and historical ties Malta has with the UK.

The Malta Chamber of SMEs continues to keep an open line of communication with customs to ensure that issues encountered are dealt with in the shortest time possible.

Three years on, Brexit a 'horrendous experience' for Maltese businesses

'Opportunities lost for the Maltese'

Malta | Brexit | Business

10 January 2021 | Anna Cummings | 10:08

3 min read



An anti-Brexit protest in London last year. File photo: AFP

Brexit has been "a horrendous experience for Maltese businesses," according to the CEO of the Malta Chamber of SMEs.



Article from the Times of Malta featuring SME Chamber CEO comments

Digitalisation

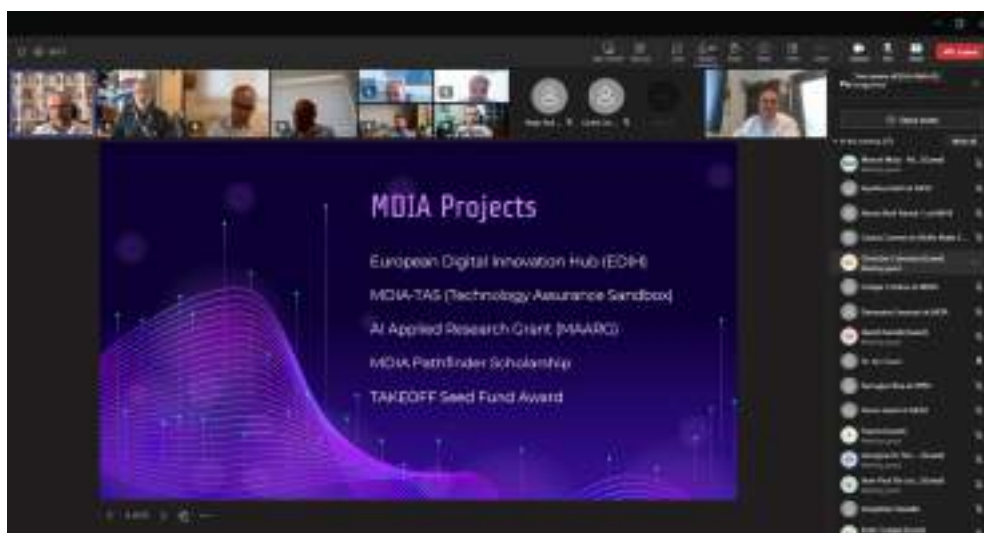
The interests of SMEs on the Digital Transformation were adequately represented in numerous fora in Malta and abroad throughout last year. The Chamber is always striving to make SMEs aware of the competitive advantage that can be gained through the correct use of today's digital tools. Besides disseminating knowledge of the possibilities, the Chamber also ensures that SMEs are made aware of the numerous Government Schemes designed to assist in the Digital Transformation.



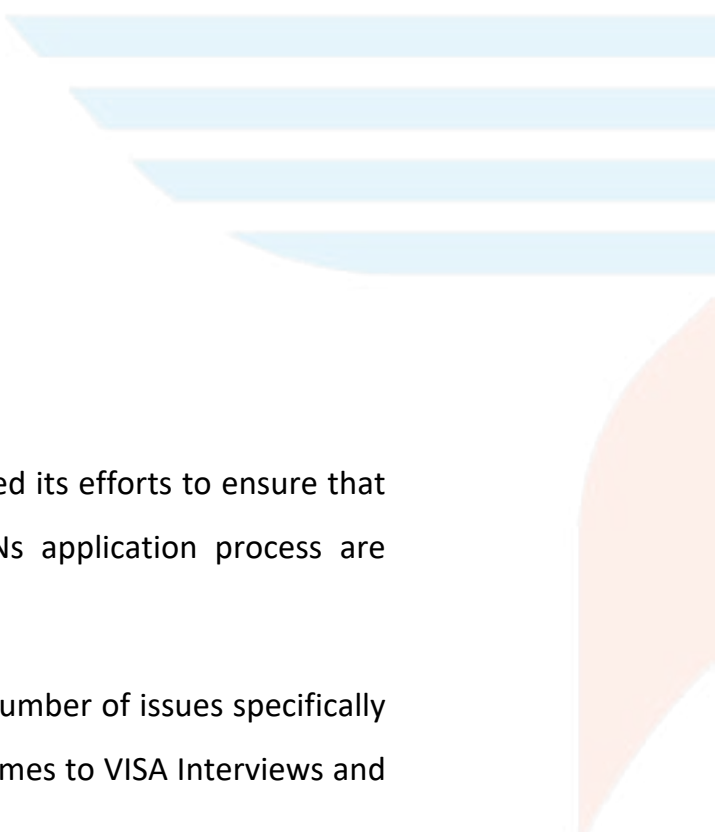
The Official Launch of the European Digital Innovation Hub - DiHubmt. The launch featured two panels discussing Start-Ups and SMEs and the impact of digital transformation.



Discussing the Autonomous Framework Agreement on Digitalisation in Brussels together with SME United



One of the numerous online meeting of the AI Strategy and Vision Expert Group



Employment matters

I. Third Country Nationals (TCNs)

The SME Chamber has in the past year continued its efforts to ensure that the bottlenecks in place with regards to TCNs application process are addressed.

During the past year members encountered a number of issues specifically focused on the lengthy waiting time, when it comes to VISA Interviews and the bottlenecks in place.

Throughout this year one must note that Identita' have altered the process of VISA processing to reduce abuse particularly related to VFS offices abroad. This improved the facilitation the interview and appointment date process and also addressed the VISA approval process via embassies.

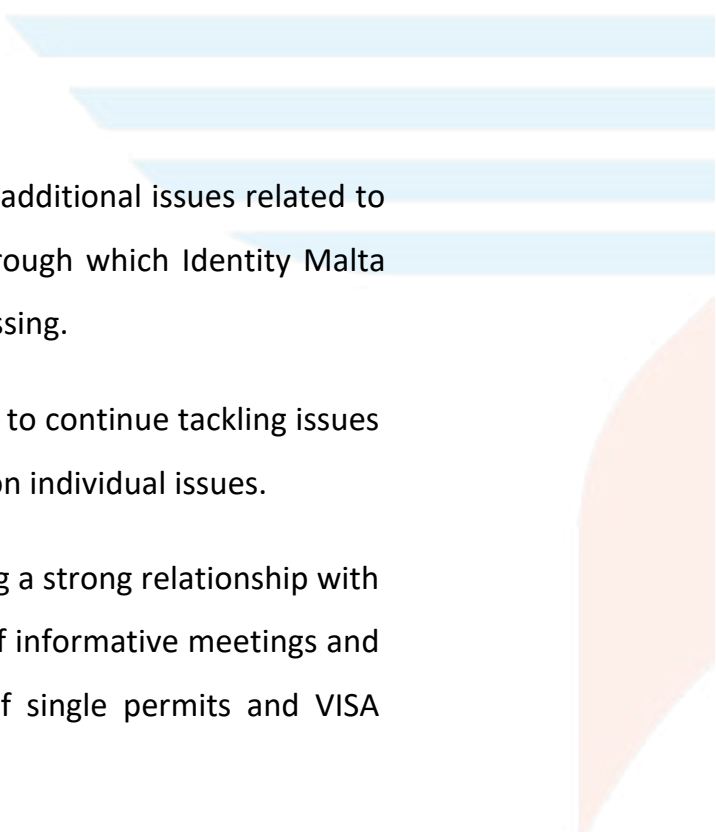
A number of members were assisted individually through a dedicated line of communication with Identita'. Additionally, the SME Chamber also organised a Webinar for members on how the new system will work and the new procedures in place. The webinar was very well attended with over 400 business registering for this event. The webinar focused specifically on Single work permits and Student VISAS.

Additionally, throughout the past year, the SME Chamber also focused its efforts on acquainting members with the overall process to apply for a single work permit. This included a number of information sessions in collaboration with a number of different entities including Identity Malta and Jobs Plus. The information sessions planned, are mainly focused on attracting and sourcing the right TCNs and also applying for Student VISAS.



An information session organised by the SME Chamber on how to best source the right TCNs

The Malta Chamber of SMEs continued its efforts to assist a number of licensed educational institutions with the student visa application process.



Educational institutions were also experiencing additional issues related to the courier services transporting passports, through which Identity Malta had resolved through the new method of processing.

During 2024, the Malta Chamber of SMEs, plans to continue tackling issues related to TCNs, specifically assisting members on individual issues.

The SME Chamber also aims to continue building a strong relationship with these entities, continue to organise a number of informative meetings and ensuring a facilitated method of processing of single permits and VISA applications.

II. Work Life Balance Directive

The implementation of the Work Life Balance Directive followed very lengthy discussions where the SME Chamber pushed for the least possible impact on businesses.

Following the implementation of the Work Life Balance Directive. The Malta Chamber of SMEs worked on ensuring that, employers were able to claim back funds in relation to the new employee benefits.

Thus, the Maternity Trust Fund was adjusted to Work Life Balance Fund to include reimbursement of wages during the paternity and parental paid leave in cases of birth and adoption and in the case of parental the benefits are extended to fostering too.

During 2024, the SME Chamber ensured that the services offered to members with respect to Paternity and Parental Leave.

Menstrual leave is not practicable or justified, employers' organisations say

 Semina Abbas Sholan

 Saturday, 11 February 2023, 09:10

 Last update: about 2 years ago



Article in The Malta Independent featuring the SME Chamber's reactions on the topic of menstrual leave

III. Skilling and Re-Skilling

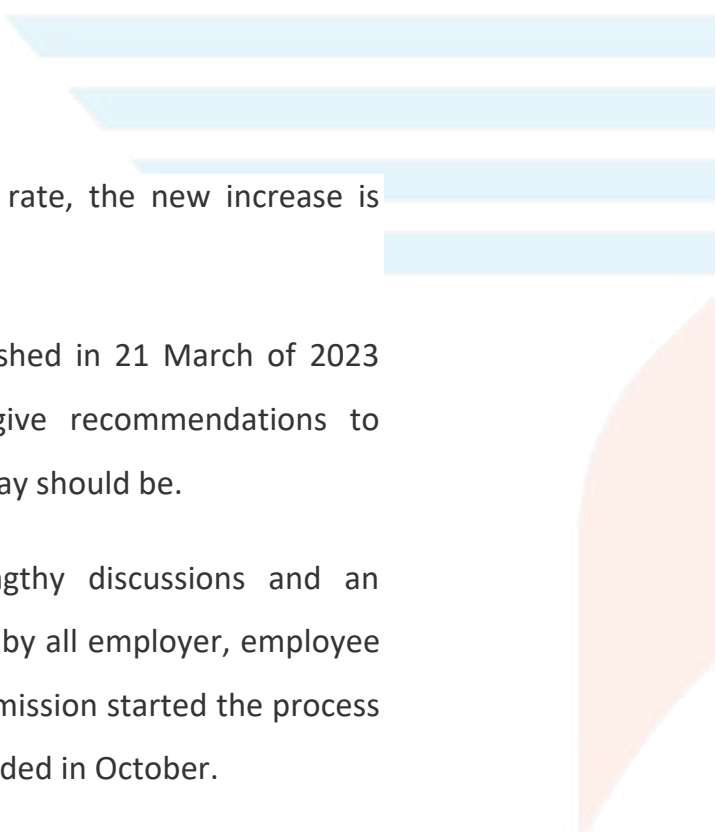
The Malta Chamber of SMEs was consulted on the National Education Strategy, bringing together a number of Further and Higher Education Entities. This was an initiative undertaken by the Malta Chamber of SMEs in order to ensure that Licensed Education Institutions in Malta are included in the overall strategy.

One should note that initially only state funded institutions were included. Additionally, the Malta Chamber of SMEs also emphasised on the need of creating a level playing field when it comes to state funding of educational institution, which continue to compete directly with the private industry.

During 2024 the SME Chamber aims to continue following the strategy closely and also aims to organise a consultation meeting for its members in relation to this strategy.

IV. National Minimum Wage

The increase of Malta's minimum wage - which stood at €192.73 per week, equivalent to €4.81 per hour was adjusted to €200.73, plus the COLA given



in 2024, amounting to €213.54. At an hourly rate, the new increase is equivalent to €5.34 per hour.

The Low Wage Commission (LWC) was established in 21 March of 2023 through a Legal Notice, so that it could give recommendations to government as to what the national minimum pay should be.

The SME Chamber participated in very lengthy discussions and an agreement was signed unanimously in October by all employer, employee and government representatives after the Commission started the process of revising the minimum wage in April, which ended in October.

A lot of hard work was involved by all parties to reach a balance, in favour of more productivity, a decent pay for workers, and transparency over minimum wage increases up until the end of 2027.

Prior to this, another agreement was reached in 2017, which entailed that those on minimum wage would receive an increment of €3 per week after they've been working with the same employer for a year.

Based on estimates made in the labour force survey in 2022, there are around 2,000 full-time individuals on basic minimum wage. An additional 2,000 fall under the bracket of basic minimum pay with the additional increments, and around a further 2,000 receive a wage between €198.73 and €200.73.



Meeting of the low wage commission – Employers group

V. Malta Business Disability Forum

2023 saw the revival of the Malta Business Disability Forum. The SME Chamber, being a founding member of the forum ensured that proposals brought forward make sense for businesses while ensuring inclusion for all.

During this year the forum brought forward a number of recommendations which mainly relate to making the best possible use of funds available. The forum proposed the need to revamp the 2% quota and allocate these funds to improve accessibility within businesses.

As part of its presence on the business disability forum, the SME Chamber also participated in the CAVETTA Key conference aiming at bridging the gap between Employers and Employees.



CAVETTA Key Conference 2023: Malta Chamber of SMEs Head of Policy, Andrew Aquilina, during one of the interventions.

Budget 2024

The Malta Chamber of SMEs during 2023 has outlined its Budget proposals for 2024, this was done as part of the SME Chambers' annual workplan. Focusing on key priorities to address national challenges. The priorities included;

- Reducing tax burdens on businesses;
- tackling the human resource crisis;
- mitigating the impact of inflation;
- eliminating the death tax on businesses;
- ensuring good governance in public procurement;
- enhancing Malta's quality of life and tourism; and
- promoting energy sustainability

The proposals aims to align with Malta's priorities and mitigate global challenges affecting the nation. Key fiscal measures proposed included;

- Widening tax brackets;
- reducing corporate tax;
- lowering VAT on essential goods and services; and

- reforming the public procurement system for greater efficiency and accountability

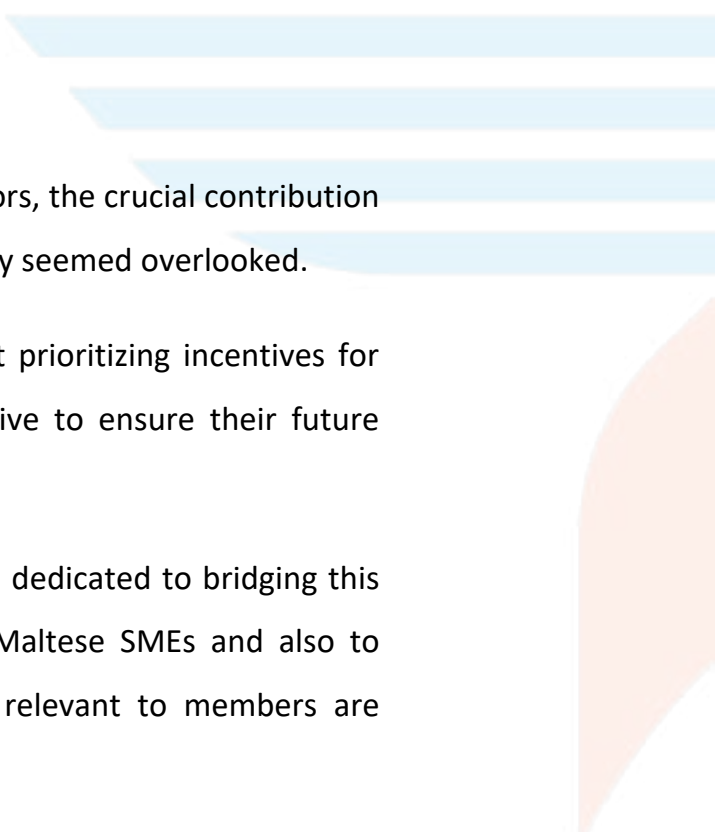
Additionally, initiatives to address the human resource crisis include secondment plans, stakeholder coordination for engaging third-country nationals (TCNs), retention programs, and the revitalization of trade schools.

The Malta Chamber of SMEs council, met with the Prime Minister in order to present the budgetary proposals on behalf of the organisation.



Presentation of the Pre-Budget document

Following the Budget announcement, the SME Chamber observed a lack of emphasis or new incentives in the Budget speech aimed at strengthening small and medium-sized enterprises (SMEs). While there was a focus on



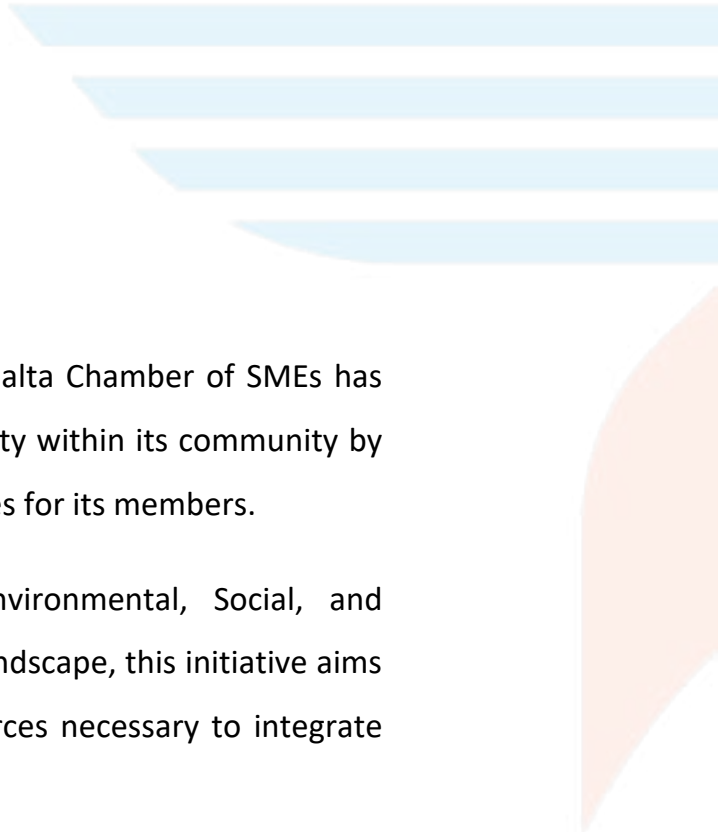
attracting economic growth from high-end sectors, the crucial contribution of the majority of businesses to Malta's economy seemed overlooked.

The SME Chamber maintained its position that prioritizing incentives for SMEs to innovate and modernize are imperative to ensure their future resilience.

During 2024, the SME Chamber aims to remain dedicated to bridging this gap and advocating for the advancement of Maltese SMEs and also to ensure that budgetary measures announced, relevant to members are implemented accordingly.

Environment, Sustainability & ESG

The Malta Chamber of SMEs has during the past year increased its efforts when it comes to the environment, sustainability and ESGs. This is being conducted both in terms of the number of collaborations launched but also in terms of the level of awareness raised with members.



I. Launch of the ESG Advisory Service

In collaboration with Weave Consulting, the Malta Chamber of SMEs has taken a innovative step in fostering sustainability within its community by introducing complimentary ESG advisory services for its members.

Recognizing the growing importance of Environmental, Social, and Governance (ESG) factors in today's business landscape, this initiative aims to equip SMEs with the knowledge and resources necessary to integrate sustainable practices into their operations.

Through personalized one to one consultation meeting with an expert, members receive guidance on developing ESG strategies tailored to their unique needs and goals. By embracing sustainability, these SMEs can not only enhance their long-term resilience and competitiveness but also contribute to the greater societal and environmental good, aligning with Malta's commitment to sustainable development.

This forward-thinking initiative underscores the Malta Chamber of SMEs' dedication and commitment to empowering its members to thrive in a rapidly evolving global economy while promoting responsible business practices for a brighter, more sustainable future.



Malta Enterprise CEO, Mr. Kurt Farrugia and Environment, Energy and Enterprise Minister, Hon. Miriam Dalli during the launch of the free Advisory Service for Members

In addition to providing free ESG advisory services, the Malta Chamber of SMEs will complement its initiative with an educational campaign and a series of informative sessions in collaboration with Weave.

These sessions aim to raise awareness among members about the importance of integrating Environmental, Social, and Governance (ESG) principles into their business strategies. Through engaging workshops, seminars, and informational materials, SMEs will gain insights into the tangible benefits of sustainability and learn practical approaches to implementing ESG practices within their operations.



Dr. Roberta Lepre, founder of Weave Consulting and SME Chamber CEO, Ms. Abigail Agius Mamo during the launch of the ESG Advisory Service

II. ESG Grant

During 2023 the government, through Malta Enterprise, launched the ESG Grant that aims to help with Environmental, Social, and Governance (ESG) reporting among Small and Medium Enterprises (SMEs).

The grant, spread over a three-year period, offers financial support to companies seeking assistance in engaging ESG reporting advisors. In its inaugural year, eligible businesses can access a cash grant of €3,000, covering up to 75% of advisor costs for portal reporting. Subsequently, in both Year 2 and Year 3, recipients will receive an additional €1,000 cash

grant each. The ESG framework serves as a structured approach for assessing and reporting a company's impact on the environment, stakeholders, and governance practices. The ESG Grant, tailored to facilitate reporting and evaluation processes, aims to empower businesses to embrace sustainability practices effectively.

The SME Chamber has helped a number of ESG Advisors in ensuring that they are included in the list of approved service providers, authorised to conduct this service.

Since the scheme closed during October 2023, during 2024, the SME Chamber will work towards ensuring that the scheme is re-launched for the benefit of its members.



Malta Enterprise CEO during the launch of the ESG Grant

III. Collection of recycled waste generated by SMEs

Working Closely with the Southern Regional Council, the Malta Chamber of SMEs has collaborated on promoting a number of initiatives in order to ensure the correct collection of recycled waste.

During May 2023, the Regional Councils have introduced provisions to include the collection of Recycled Waste (Grey Bag). While previously, commercial entities were excluded from such collections, concerted efforts, including meetings and complaints on behalf of businesses, have led to a new arrangement. Under this arrangement, commercial entities are now permitted to dispose of Recycled waste on a weekly basis, specifically every Thursday.

There are no limitations on the amount of recycled waste that can be collected. However, it is essential to ensure compliance with the designated disposal methods to facilitate collection.

The Mala Chamber of SMEs also worked on creating more awareness amongst commercial entities on the importance of waste separation.



SME Chamber EU Affairs and Funding Executive, during an outreach campaign held in collaboration with the Sothorn Regional Council.

IV. MERCA Project

Under the collaborative initiative known as the MERCA project, a partnership in collaboration with the Energy & Water Agency (EWA), during 2023, EWA undertook an number energy and water audits in 14 food retail establishments across Malta, representing a diverse range of sizes and

operations. Upon completion of these audits, participating companies received comprehensive reports detailing their consumption patterns, along with tailored strategies to mitigate and reduce energy and water usage.



EWA Engineer during one of the audits conducted for members

Furthermore, the insights garnered through the MERCA project will offer valuable sector-specific data, contributing to a deeper understanding of the challenges and opportunities within the food retail industry. A number of case studies were presented during the SME Conference 2023.

During 2024 a number of Information sessions will be conducted to provide guidance and support to stakeholders within the sector, facilitating informed decision-making and promoting sustainable practices. This collaborative effort underscores the commitment of both the Malta Chamber of SMEs and the Energy & Water Agency to foster resource efficiency and sustainability within the food retail sector, ultimately driving positive environmental and economic outcomes.



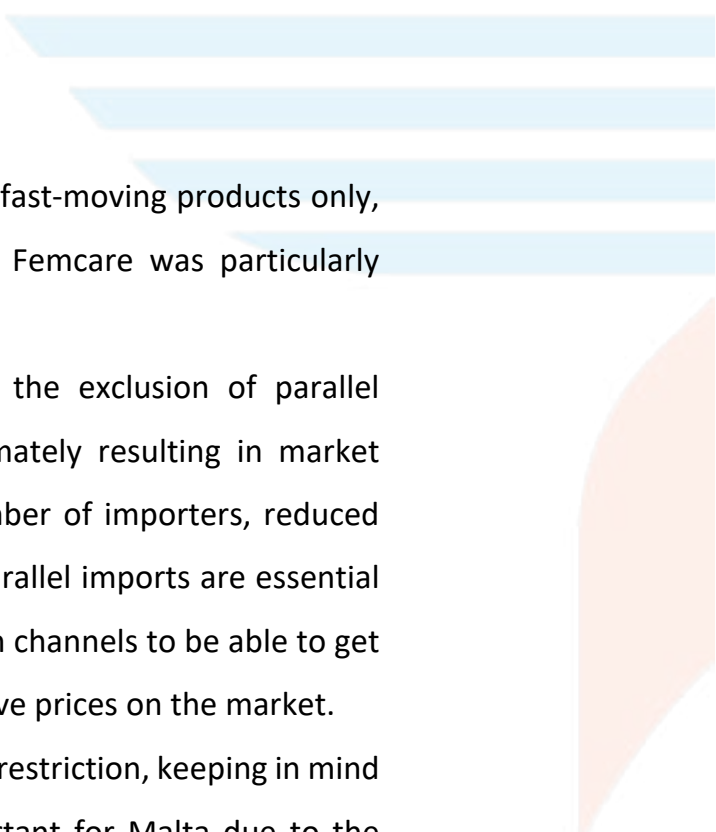
EWA Session during the SME Week Conference

V. Waste legislation

The SME Chamber touched with multiple waste related legislations during 2023, most prominent however was the Single Use Plastics Directive.

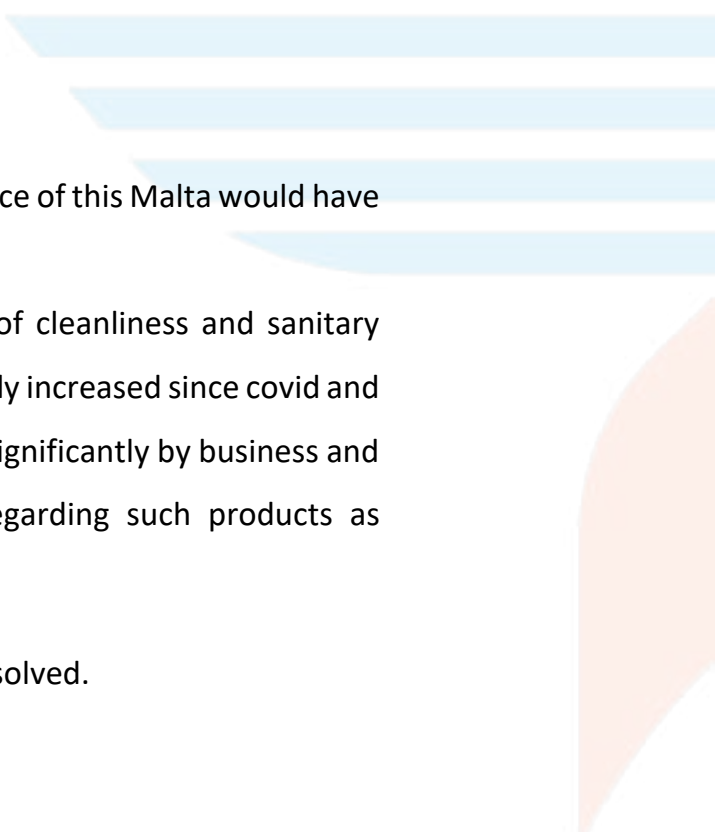
In a letter to Minister Miriam Dalli the SME Chamber reported of increasing reports of concern related to the impact of the implementation of the single use plastic requirements. This regulation has unfortunately caused a significant degree of distortions in the market of such goods and the concerns are outlined below:

- The primary issue we are facing is related to the SUP product markings. The regulations require that the text within the packaging must be in both Maltese and English, rather than either one of the languages. The marking can no longer be sticked, the latter is a major problem.
- The above has had immediate negative results, with more to come as enforcement continues to escalate. It has led to market distortions.
- Many importers are saying that their ability to supply goods on the local market has been dramatically reduced. Some manufacturers are refusing to run product packaging prints with the local wording requirements for Malta's market size



and others have chosen the most fast-moving products only, restricting selection dramatically. Femcare was particularly impacted.

- This situation is also leading to the exclusion of parallel importers from the market, ultimately resulting in market dominance by a very limited number of importers, reduced competition, and higher prices. Parallel imports are essential for Malta, parallel traders use such channels to be able to get deals and products with competitive prices on the market.
- This has resulted in another Brexit restriction, keeping in mind that the UK market is very important for Malta due to the commonality in language. Unfortunately, imposing Maltese cuts the British market completely.
- Relying on a handful of importers and excluding all other players from the market, decreasing the choice of products and competition, is not in Malta's interest and certainly not the result this regulation sought to achieve. The same goals can be achieved in a much more sensible way.
- There are many other goods which have specific language requirements, including sensitive items to consumers – medicine and food. Here, adding a sticker onto the packaging has led to Malta managing to adhere well with very limited



impact on the market. In the absence of this Malta would have been thrown into despair.

- Kindly note that the importance of cleanliness and sanitary items such as wipes has dramatically increased since covid and therefore the impact is being felt significantly by business and also by the consumer who is regarding such products as essential nowadays.

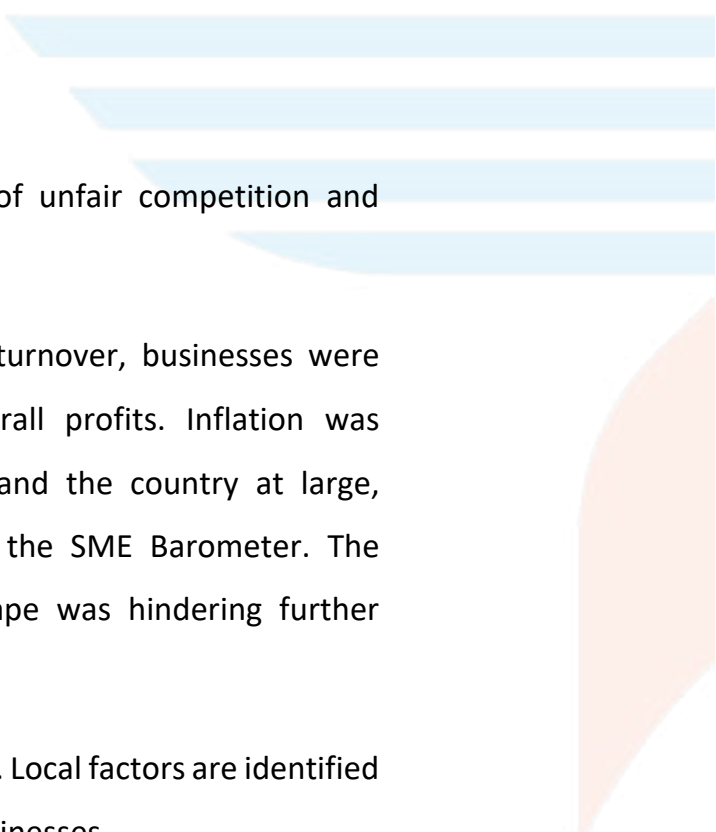
As at the close of 2023 the issue remained unresolved.

Inflation

The spiralling inflation resulting from the difficult global circumstances have negatively impacted local businesses and consumers.

Businesses made concerted efforts to absorb the impact to maintain sales levels.

The challenges, including persistent employee wage and salary costs, along with rising costs of imported goods, have led to the SME Chamber calling for



urgent government action to address issues of unfair competition and governance.

Despite increased efforts to boost sales and turnover, businesses were grappling with a continued decrease in overall profits. Inflation was emerged as the top concern for businesses and the country at large, surpassing issues like employee shortages in the SME Barometer. The prevailing uncertainty in the business landscape was hindering further investment.

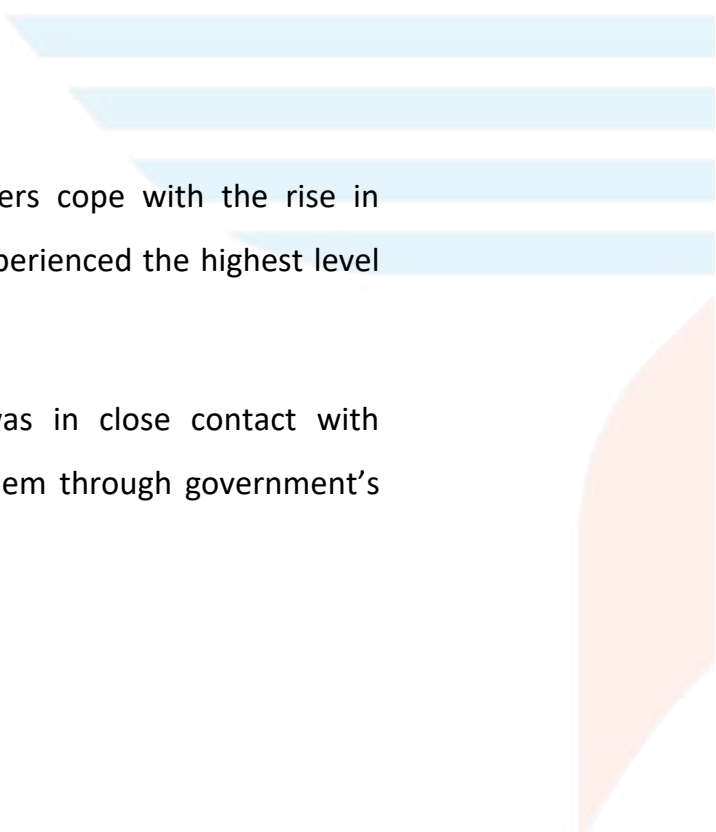
The real cost of doing business in Malta has risen. Local factors are identified as key contributors to price increases within businesses.

The SME Chamber also presented a number of proposals to mitigate the impact of inflation. The proposals included prominently the reduction of VAT to 15% from the current 18%.

At the same time however businesses were severely under attack not just as a general negative public sentiment but certain politicians also singled out businesses and even a certain category of businesses as the source of inflation and accusing them of abuse. The SME Chamber pushed back on this attack forcefully.



Snapshot taken from social media of false claims being made about the Malta Chamber of SMEs due to its efforts to protect local enterprises



Measures to help wage earners and consumers cope with the rise in inflation were discussed in 2023. Employers experienced the highest level of COLA increase which further fuelled inflation.

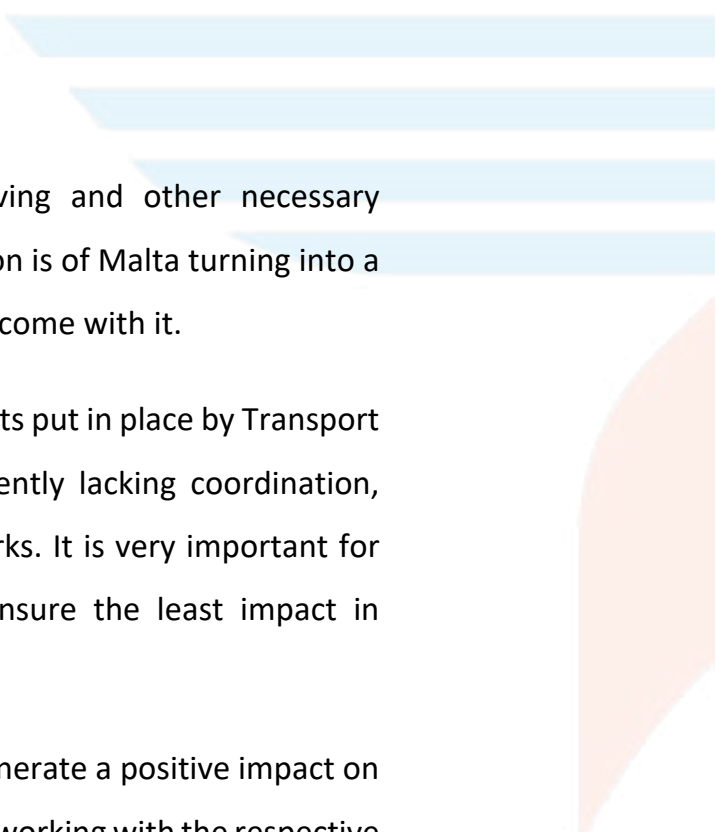
Till the close of 2023 the SME Chamber was in close contact with supermarkets and grocery shops to support them through government's intention of fixing prices of certain food items.

Infrastructural Issues

I. Road Works

The SME Chamber pushed greatly in 2023 to improve the standard in road works and mitigate the disruptions one had to face on a daily bases due to such works, a substantial part of which were unnecessary.

While upgrading Malta's road infrastructure, embellishment projects, improving traffic flows, certainly were all good and needed, the problem many times was not the aim but how things were being implemented. Such needed works should not come at such a high price of disruption and



collateral damage on Malta's standard of living and other necessary economic activity. The unacceptable repercussion is of Malta turning into a construction site, with all the ripple effects that come with it.

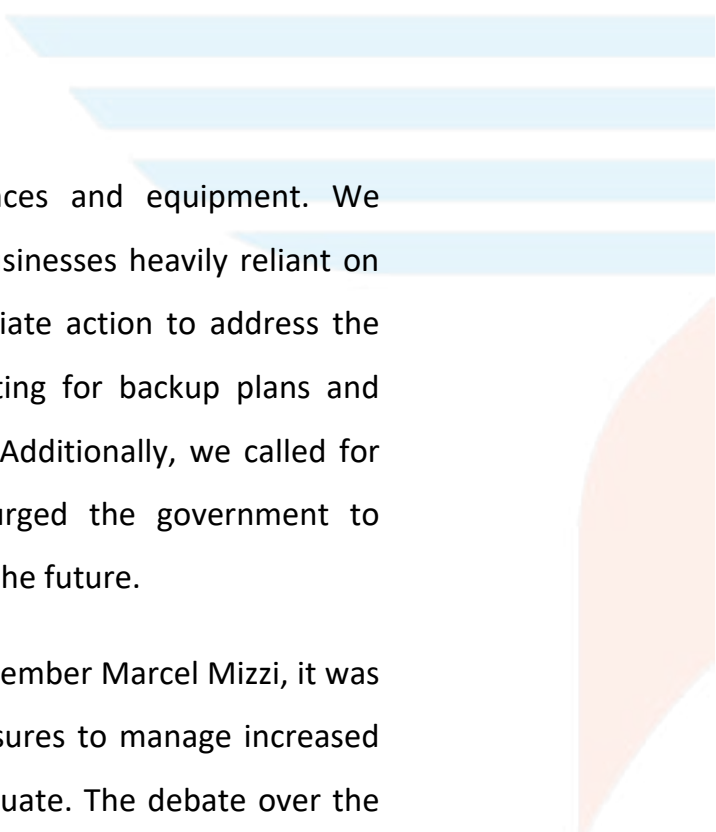
The Malta Chamber of SMEs welcomed the efforts put in place by Transport Malta in order to establish essential and currently lacking coordination, visibility and higher quality service in these works. It is very important for Malta to manage such projects better and ensure the least impact in implementation.

The SME Chamber said that these efforts will generate a positive impact on everyone's experience and commits to continue working with the respective authorities to secure favourable outcomes.

II. Electricity

July 2023 was marred by excessively prolonged electricity outages that impacted business operations greatly.

The SME Chamber highlighted the detrimental impact of recent power outages on businesses in Malta, particularly during the peak tourist season. These disruptions have led to financial losses, operational challenges, and customer dissatisfaction, with some businesses forced to close temporarily



and others experiencing damage to appliances and equipment. We emphasized the disproportionate impact on businesses heavily reliant on tourism and underscored the need for immediate action to address the country's infrastructure shortcomings, advocating for backup plans and meetings with Enemalta to address the issue. Additionally, we called for compensation for affected businesses and urged the government to prioritize solutions to prevent such incidents in the future.

In an article penned by SME Chamber Council member Marcel Mizzi, it was highlighted that it is evident that current measures to manage increased demand and extreme temperatures are inadequate. The debate over the cause of the power cuts, whether due to extreme weather or system overload, was unproductive and politically charged. The reality is that cable capacity diminishes in extreme heat, compounded by outdated infrastructure from colonial times. Immediate action was required to maintain the current network, although this will strain the budget. Long-term planning must incorporate technological advancements and international best practices. Resistance to change is hindering progress, despite the urgency posed by climate change. Implementing higher capacity cables and renewable energy sources are proposed solutions, but limitations on renewable energy incentives hinder progress. Transparency, accountability, and proactive solutions are advocated to address recurring issues effectively.

The SME Chamber participated in intense discussions on the issue of compensation for businesses impacted by the outages. The final outcome was something we could accept.



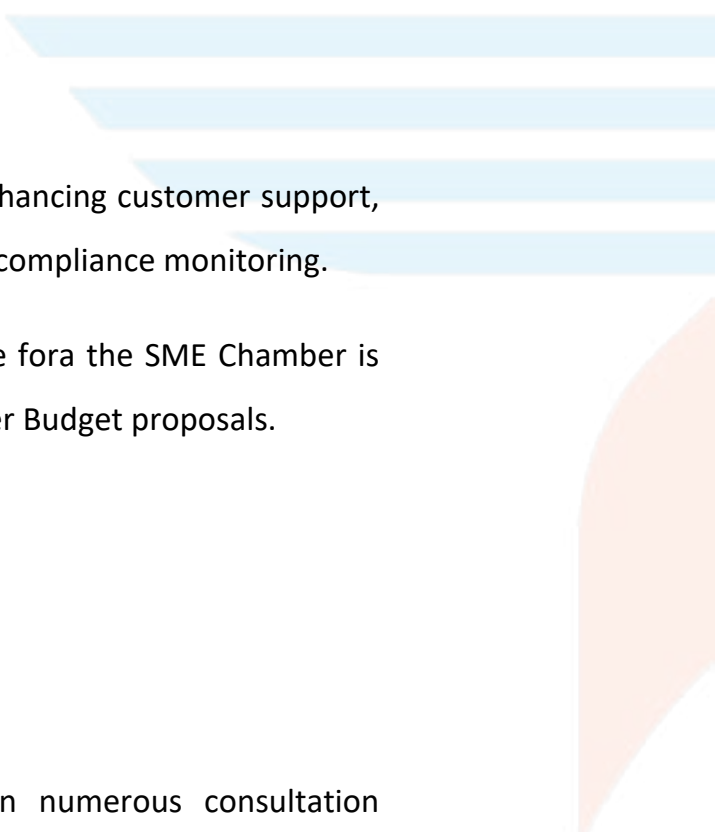
Opinion piece in the Times of Malta, written by SME Chamber Council Member Marcel Mizzi

Public Procurement

A public procurement working group was initiated during 2023 and discussions between members were held in order to identify all the pain points in the system and draft a plan of action.

Several issues and trends related to public procurement practices in Malta were identified. One significant trend is the increasing prevalence of direct commissioning of projects during market research stage, irrespective of their size, which raises concerns about adherence to public procurement regulations and the lack of sanctions for non-compliance. Tailored specifications for certain contractors, a decline in published tenders, and discrepancies between local procurement practices and EU directives were also highlighted. Issues such as the use of 'lowest price' contracts undermining quality, an anti-competitive environment resulting from direct orders, and barriers to entry for smaller companies due to financial guarantees were discussed.

Additionally, concerns regarding the clarity of clarifications, the implementation of green public procurement policies, competence in tender writing, and verification of tender completion were also raised. Suggestions for improvement include introducing sanctions for non-compliance, safeguarding equal opportunity and open competition,



implementing sustainable quoting practices, enhancing customer support, and allowing photos during site visits for better compliance monitoring.

These issues were raised and highlighted in the fora the SME Chamber is present and also included with the SME Chamber Budget proposals.

Reform of the Construction Sector

The Malta Chamber of SMEs participated in numerous consultation meetings in collaboration with officials from the Building Construction Agency (BCA). The focus was the licensing within the construction industry and how to move toward the goal of starting the licensing process and elevating the quality of workers in the industry, with the ultimate aim of conducting business with higher standards and lower risk.

The Malta Chamber of SMEs submitted a paper including input and observations regarding the subject to the same authorities. In its position paper the SME Chamber advocated in favour of higher standards, recognised the limitations in relation to human resources and gave input on the requirement of an insurance and also the efficacy of enforcement.

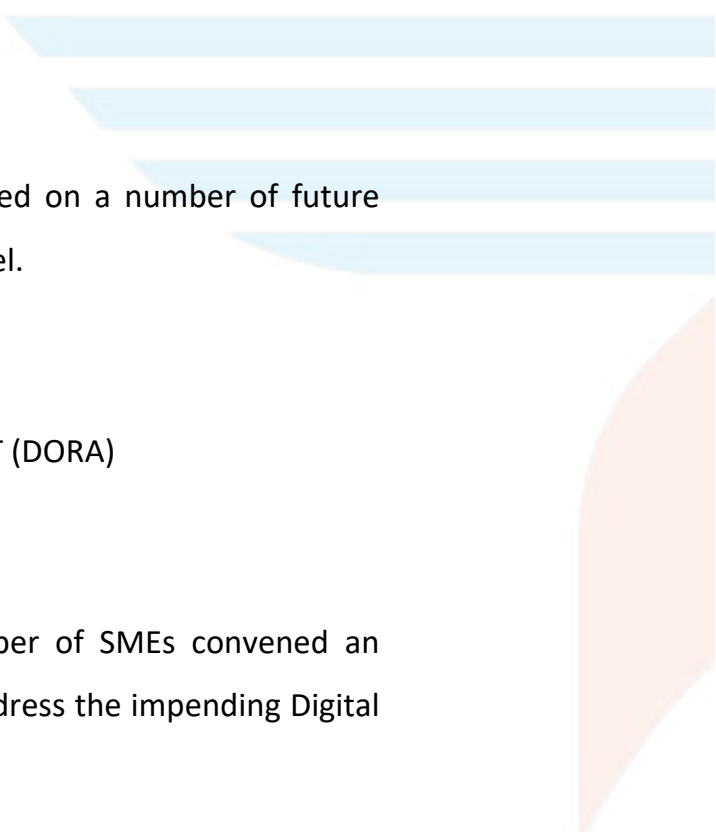
The SME Chamber also gave evidence during the enquiry into the death of Jean Paul Sofia.



Consultation meeting between members and the Building Construction Agency

Regulatory Compliance – Corporate and Financial Services

During 2023 the Malta Chamber of SMEs has worked on a number of initiatives. The Malta Chamber of SMEs represents a number of sectors consisting of Financial Services Institutions, CSPs, Insurance Brokers and Advisors and and Audit Firms as part of a number of regulatory requirements.



The Malta Chamber of SMEs was also consulted on a number of future legislations, currently being discussed at EU Level.

I. Digital Operational and Resilience ACT (DORA)

In collaboration with MFSA, the Malta Chamber of SMEs convened an insightful consultation meeting yesterday to address the impending Digital Operational and Resilience ACT (DORA).

This regulation, with direct implications for Financial Entities including Credit Institutions and Investment Firms, among others, was delved into detail. Members operating within this sector were also able to provide feedback to the authority on its implementation and to gain a comprehensive understanding of DORA and explore avenues for support in its implementation.

The Chamber reaffirms its commitment to assisting SMEs in navigating regulatory frameworks, fostering resilience, and facilitating adaptation to evolving digital landscapes. Through collaborative efforts and proactive

engagement, the Chamber managed to inform its members in order ensure regulatory compliance.



Consultation meeting on DORA in collaboration with MFSA

II. Introductory Meeting with MFSA Chairman

A formal introductory meeting was held with the Malta Financial Services Authority (MFSA) Chairperson, Mr Jesmond Gatt and MFSA CEO, Mr Kenneth Farrugia.

The SME Chamber was represented by CEO Abigail Agius Mamo, Head of Policy Andrew Aquilina and Council Member Marthese Micallef. The SME Chamber was also accompanied by a number of members representing different sectors.

The SME Chamber and MFSA discussed closer cooperation in order to support each other on a number of areas as well as experiences different sectors go through that can be worked on to improve the ease of doing business and make operations more sustainable.

During 2024, the SME Chamber aims to continue working closely with the Authority to ensure compliance and proportionality within the sector.



SME Chamber representatives' together with MFSA Chairman and CEO

III. MBR Fines related to BO Forms

Following a number of Complaints on the unfair and inadequate fines and penalties issued by the MBR over failure to submit BO Form on time, during 2023 the Malta Chamber of SMEs has finally reached an agreement with the MBR which is proportionate and in line with what was expected.

Fines issued on daily penalties amounting to thousands of euros have been waived following this agreement. Members who in the past followed the SME Chambers' directive not to settle the fines issued in relation to the BO forms were asked to settle only the initial fine issues, amounting to Euro 200 euros, rather than being required to settle the initial fine together with a daily penalty of Euro 2.00 which in instances amounted to more than Euro 2,000 in accumulated fines.

IV. VAT in the Digital Age (ViDA Package)

During 2023, a consultation meeting convened focusing on a new legislative initiative termed "VAT in the Digital Age" (ViDA), comprising three key proposals which mainly include;

- a Council Directive amendment concerning VAT regulations for the digital era;
- a Council Implementing Regulation revision pertaining to information requirements for specific VAT schemes; and
- a Council Regulation amendment regarding VAT administrative cooperation frameworks suited for the digital landscape.

The feedback was provided by representatives from the SME Chamber, including council members Mr. Marcel Mizzi, Mr. Muscat, and Ms. Micallef, along with chamber members Ms. Muscat and Ms. Camilleri, also saw the participation of Head of Policy Mr. Aquilina and EU Affairs & Funding Executive Mr Tanti.

During 2024, the SME Chamber aims to continue following this topic closely in order to ensure proportionality and effectiveness.



A brief overview of the VIDA package

Taxation

Malta's taxation system presents both opportunities and challenges. Discussions on the potential revision of Malta's tax system, also in view of developments emanating at EU level, was well underway in 2023.

The SME Chamber organised a working group to work on the Tax Reform. The Working group is made up of Beppe Muscat – Council member and CEO at NM Group, Marthese Micallef – Council member and Owner of Sparkle Image, Miriam Camilleri – Managing Director at MC Consult and Associates and Wayne Pisani – Partner at Grant Thornton.

The Working Group held a number of meetings including with the Commissioner for Revenue on the implementation of the Pillar II and the wider tax reform as well as a meeting with IMF officials of the Tax Reform.

In an article penned by Mr Beppe Muscat, he discussed the imminent need for a major reform of Malta's tax system, prompted by increased scrutiny and criticism due to recent events. While acknowledging the necessity for change, caution was advised to ensure that any reforms maintain Malta's attractiveness for foreign investment and support local businesses. The economic relevance of Malta's tax system, its role in fostering industries, and the importance of fairness were emphasized. Strategic action, effective communication, and stakeholder involvement were highlighted as crucial

aspects of the reform process, alongside the need for perception change regarding taxation and the potential transition of tax authorities into an autonomous agency. Lastly, the article advocated for unity among stakeholders and emphasizes the role of SMEs in contributing to the reform process.



Mr Beppe Muscat, SME Chamber Council Member, taking part in a panel discussion during a conference organised by the Malta Business Registry

Eventually the hype about the Tax Reform died down with the Minister putting it on a back burner. The work of the Committee will resume when the issue picks up again since at the close of 2023 plans appeared uncertain.

The 6/7th tax incentive was also high on the agenda. The problems with Malta's current tax model in terms of undesired repercussions continued to increase with major foreign chains announcing their launch in Malta and their intention to open multiple stores. The institutionalised unfair competition was many times criticised and raised with both the Minister for Finance as well as the Prime Minister. Both declined to take action on the matter or make plans in that direction.



Opinion piece in the Times of Malta, written by SME Chamber Council Member Beppe Muscat



Events and Networking

75th Annual General Meeting in March

The chamber organized its 75th Annual General Meeting where members discussed key issues and plans for the upcoming year. Topics included aligning human resources with organizational needs, focusing on skills development and addressing workforce challenges.

The AGM was held at The Notch Conference Centre, San Gwann and all members of the SME Chamber were invited.

During the opening address at the 75th Annual General Meeting, SME Chamber President Mr Paul Abela marked the achievements by the SME Chamber throughout 2022, such as events, lobbying and high-level meetings.

Following Mr Abela's address, Vice-President Mr Marcel Mizzi read and approved the minutes for the 2021 Annual General Meeting.

Malta Chamber of SMEs CEO Ms Abigail Agius Mamo presented the annual report and highlighted the main points.

During the AGM amendments to the SME Chamber statutes were approved, followed by the auditors' report and appointment of auditors.

Following the Annual General Meeting, an election was held to elect 6 members to the council.



75th Annual General Meeting

Women in Business networking event in March

The Malta Chamber of SMEs in collaboration with SHE Malta organised an all women event on the occasion of International Women's Day, highlighting the achievements of female entrepreneurs within our community.

During this event, entitled 'Cracking the code to success' business women had the opportunity to discuss 'business burnout & coping mechanisms' and 'innovation and technology for gender equality'.

The first panel, discussing 'Business burnout & coping mechanisms' was moderated by Ms Sarah Woods and included Ms Yasmin De Gior

gio, CEO at Stanya & Shireburn Software, Ms Charlene Camilleri Duca, Clinical Psychologist, Gestalt Psychotherapist & Director at paths & Ms Justine Pergola, Owner & Business Development at Palazzo Parisio.

The second panel, moderated by SME Chamber CEO Ms Abigail Agius Mamo included the participation of Ms Shelley Brown, B2B Senior Sales Manager at EPIC, Ms Ruby Muscat, HR & Operations Director at Aspira Global, Ms Audrey Farrugia, IT Business Consultant & Certified Scrum Master and Ms Bettina Falzon, Co-Owner & COO at Lovin Malta.



The Women's Day Event at Palazzo Parisio

Hosting German Business Delegation in May

Members of the Malta Chamber of SMEs had the privilege of engaging with a business delegation from Germany that visited Malta to explore business opportunities.

Malta Chamber of SMEs CEO Ms Abigail Agius Mamo welcomed the delegation and following this, individual B2B meetings were held between the German delegation and the esteemed members of the Malta Chamber of SMEs.

The German delegation was led by Mr. Detlef Bischoff, the Honorary Consul for the Land Saxony-Anhalt and the Free State of Saxony.



B2B meeting with the German Delegation at the Phoenicia

FLOW – the digital transformation event in June

The Malta Chamber of SMEs once again supported 4sight technologies is organising the 2nd edition of Flow 23 – The Digital Transformation Event, an event focusing on digital transformation for businesses, providing insights on the latest technologies and strategies for success.

The conference included the participation of over 150 delegates from various sectors to learn about the latest technologies, such as AI and automation, and how they can help businesses streamline their operations and improve efficiency. Participants had the opportunity to network with other business leaders and learn from their experiences.



FLOWevent held at Giardini Lambrosa

Skills Seminar in June

A half day seminar on the topic of Aligning human resources with organisational needs. The seminar focused on skills and solutions to lack of skills with the participation of various key government entities. The conference was organised as part of the EU Crosswork project.

Amongst the topics touched were the results of the SME Barometer, the EU project results, employer and job seeker platforms, skills forecasts and strategies to tackle skills issues.

The insights gained from this event will contribute to ongoing efforts in addressing workforce challenges and fostering a resilient and skilled workforce in Malta.



Skills Seminar held at Villa Arrigo

Launching the Malta Business Awards in June

The Malta Chamber of SMEs in collaboration with Malta Enterprise launched the 2nd edition of the Malta Business Awards.

The launch was carried out by Enterprise Minister Dr. Miriam Dalli together with Malta Enterprise Chief Executive Kurt Farrugia, President of the Chamber of SMEs Paul Abela and Chief Executive Abigail Agius Mamo.

Businesses were urged to apply for the Malta Business Awards by the 31st July, 2023 at www.maltabusinessawards.mt



Photo: DDI - Gisleigh O'Neill

Minister Miriam Dalli launching the 2nd edition of the Malta Business Awards

75th Anniversary celebrations in July

On Friday the 8th of July the Malta Chamber of SMEs celebrated its 75th anniversary during a reception organised at Villa Bighi, Kalkara.

During this event, among members of the Malta Chamber of SMEs, entities and other stakeholders, a documentary about the history and achievement of the Malta Chamber of SMEs (formerly GRTU) was aired which included the participation of various key persons within the Chamber and former Prime Ministers Alfred Sant and Lawrence Gonzi.

The event was addressed by H.E President Dr George Vella, Parliamentary Secretary at the Office of the Prime Minister Hon. Andy Ellul, Opposition Spokesperson for Social Dialogue Hon. Claudette Buttigieg and Malta Chamber of SMEs President Paul Abela.

During the event, Malta Chamber of SMEs recognised the Malta Chamber of SMEs former Presidents and current Executive council members.

The Malta Chamber of SMEs produced a 40 minutes documentary on the Malta Chamber of SMEs history. The documentary included contribution from former Prime Ministers, former council members, current officials and several other key people.



The SME Chamber Council and CEO cutting the 75th anniversary cake held at Villa Bighi



The Malta Independent reporting the President of Malta's Speech for the 75th anniversary



Part of the SME Chamber's Anniversary documentary



Commemorative gifts for the past Presidents

During the 75th Anniversary, we had the opportunity to recognise all Presidents of the Malta Chamber of SMEs, formerly GRTU.

- In memory of Anthony Gixti, the founder of the organisation, who served as GRTU President from 1948-1955.
His daughter Antoinette Pace received a commemorative gift on the 75th Anniversary of the organisation 🏅
- In memory of Charles Rausi, who served as GRTU President from 1962-1965.
His son John Rausi received a commemorative gift on the 75th Anniversary of the organisation 🏅
- In memory of Carmelo Grech, who served as GRTU President from 1966-1970, 1972-1974, 1976-1977.
His grandson Jerome Grech received a commemorative gift on the 75th Anniversary of the organisation 🏅
- In memory of Victor Eminyan, who served as GRTU President in 1971.
His son Alexander Eminyan received a commemorative gift on the 75th Anniversary of the organisation 🏅
- Dr. Maurice Zarb Adami, served as GRTU President from 1984-1988.
He received a commemorative gift on the 75th Anniversary of the organisation 🏅
- In memory of Charles Camilleri, who served as GRTU President in 1989.

His brother Tonio Camilleri received a commemorative gift on the 75th Anniversary of the organisation 🏆

- Mario Cutajar, served as GRTU President from 1990-1991.
He received a commemorative gift on the 75th Anniversary of the organisation 🏆
- Anthony Camilleri, served as GRTU President from 1992-1993.
He received a commemorative gift on the 75th Anniversary of the organisation 🏆
- In memory of Carlo Cini, who served as GRTU President in 1994-1997, 2000.
His granddaughter Elizabeth Delic received a commemorative gift on the 75th Anniversary of the organisation 🏆
- Charles Busuttil, served as GRTU President from 1998-1999, 2001-2004.
He received a commemorative gift on the 75th Anniversary of the organisation 🏆
- Paul Abela, is serving as the SME Chamber President from 2005 to date.
He received a commemorative gift on the 75th Anniversary of the organisation 🏆

SME Conference 2023 in November

The chamber hosted the SME Conference 2023 entitled Renewing our Future Growth in collaboration with Malta Enterprise and Business First. The conference aimed to renew future growth for SMEs and included sessions on the latest trends in the industry as well as business networking.

The conference attracted over 250 business people for a half-day conference and organised networking.

The conference also hosted 4 different workshops which discussed retention of employees, sourcing of employees & skills match, governance in business and sustainability, ESGs and digitalisation.



Panel discussion moderated by the CEO of Business 1st Ms Marika Tonna, with the participation of the CEO of Malta Enterprise, the CEO of the Malta Chamber of SMEs, one of the Directors of Maypole and a representative of SAW Ltd



Snapshots from the SME Conference in the conference hall and outside in the networking area where SME Chamber President Paul Abela is conversing with Council Member Dino Fino and Ms Maria Xuereb from the Malta Development Bank

Black Friday 2023 in November

During the 2023 Black Friday campaign the SME Chamber has once again presented the website www.blackfridaymalta.eu with this year's offers. This platform is designed to promote businesses' Black Friday offers while also providing an easy tool for customers to search for deals.

Customers had the opportunity to win and benefitting even further, simply by registering on www.blackfridaymalta.eu as over 200 vouchers will be drawn.

This initiative was inaugurated during a press conference addressed by the Minister for Inclusion, Voluntary Organisations, and Consumer Rights, Hon. Julia Farrugia Portelli, and MCCA Director Ms. Grace Stivala.

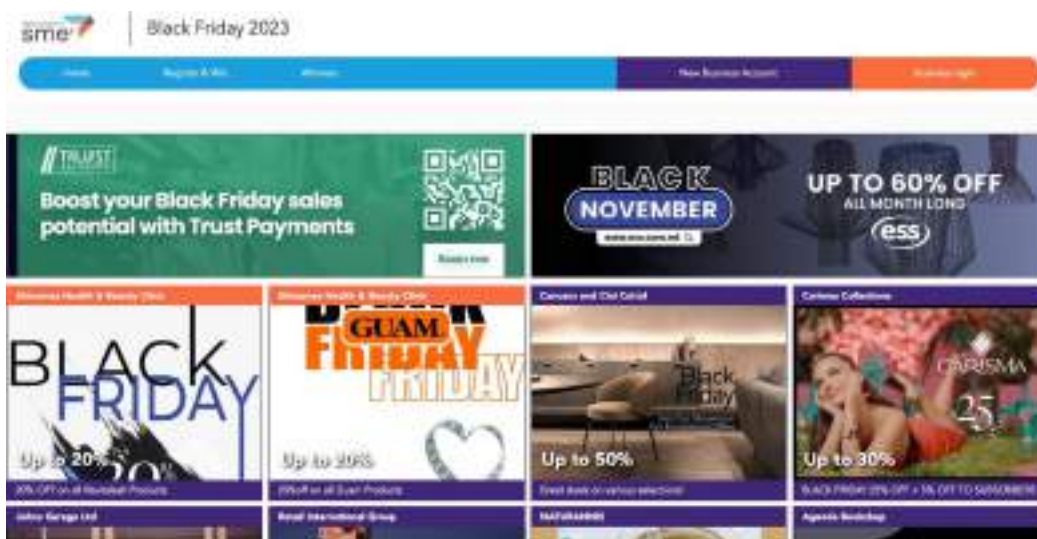
Paul Abela, President of the SME Chamber, emphasized that Black Friday makes November a crucial month for businesses. He encouraged more businesses to showcase their offers on the new website.

Over 170 businesses are participating in this initiative from over 25 different sectors.

Customers will have the opportunity to search for offers either by category and sector or by the percentage of the discount, with available discounts of up to 70%, including free services.



Launching Black Friday together with Minister Julia Farrugia Portelli and the MCCA in Paola Square



The Black Friday SME Chamber website

Malta Business Awards in December

The Malta Chamber of SMEs in collaboration with Malta Enterprise organises the 2nd edition of the Malta Business Awards

On Friday 1st December 18 local businesses received the highest honours in the local business scene during the 2nd edition of the Malta Business Awards which took place at the Mediterranean Conference Centre in Valletta.

The Malta Business Awards were organized by the Malta Chamber of SMEs in partnership with Malta Enterprise to recognize the work of Maltese businesses, honouring some of the best businesses in various prestigious categories including the SME of the Year, Local Cultural Contributor, Gozo Business of the Year and the highest honour, the President's Choice Award.

With a record of over 400 nominations in the different categories presented, 90 were shortlisted by independent judges during the first round, during the second phase of adjudication, each shortlisted nomination participated in a one-to-one interview with the adjudication committee and 54 finalists were selected, including the Gold, Silver and bronze award winner. The event was attended by over 550 people representing local businesses and major stakeholders in the industry.



Snapshots from the 2nd edition of the Malta Business Awards during the award ceremony and together with the gold winners



Online sessions

The chamber conducted numerous online information sessions and consultation meetings to support businesses in being involved, understand opportunities, improve operations, and tackle challenges effectively.

Customs - IT Infrastructure Changes in January

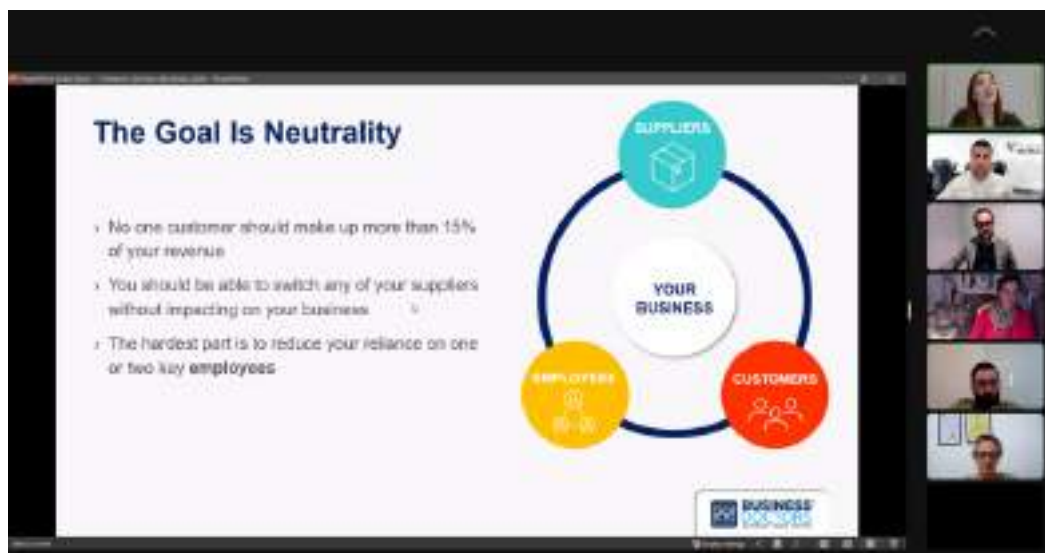
During 2023, the Customs department introduced changes in its IT systems, which brought about a number of changes to the current procedure. The aim was to achieve a paperless customs environment by 2025.

As part of the EU customs work program all customs procedures were planned to use electronic data-processing techniques. A new coding system and new data requirements according to the EU Customs Data Model (EUCDM) were to feature in the new Automated Import System (AIS).



Freedom Seminar in collaboration in April

The Malta Chamber of SMEs organised a webinar in collaboration with Business Doctors Malta. The webinar was aimed to inform business owners understand how they can remove themselves from the day-to day business operation.



Current and upcoming grant schemes for businesses in May

This webinar focused on schemes launched for businesses as part of the EU Funds programming period and included the participation of the DG at the Managing Authority. The aim was to support businesses in their planning to

tap into the brand new financing opportunities that will be available for the coming years.



Customs Declaration of non-harmonised Goods in May

The Malta Chamber of SMEs in collaboration with the Customs Department organised a Webinar on the recent changes in Declaration of Non-Harmonised Goods (Excise Duty).

The session included information on the new process of the Simplified Customs Declaration Scheme and the revision in the concession timeframes.



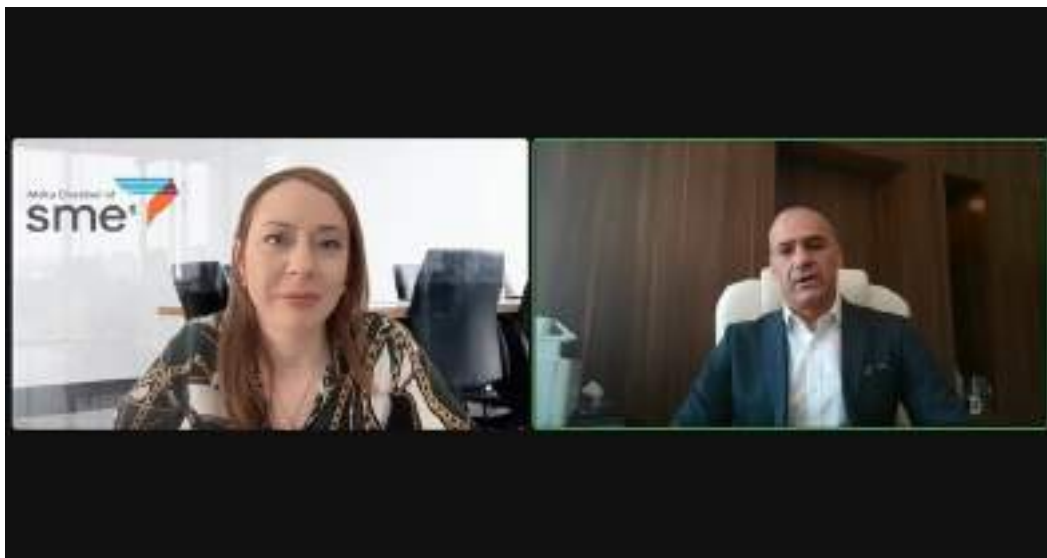
Identity Malta – single work permit/ student visa in June

Over 200 members participated in the webinar organised in collaboration with Identity Malta.

During this session, our members were provided with valuable insights into the new procedures for the single work permit and student VISA for TCNs.

During the Webinar, officials from ID Malta went through the process of the new procedure recently implemented.

This webinar gave attendees a clear overview of the process from start to finish to Apply for a Single Work Permit of TCNs and Applying for a student VISA



Funds and schemes available in collaboration with SHE in June

This Malta Chamber of SMEs and SHE joined forces in order to support Female Entrepreneurs. Focusing on the numerous funds and schemes that are available.

This time focusing on the numerous funds and schemes that are available, specifically on the new ones that had just opened starting in June. Funds and Schemes can greatly support business investments and these have never been accessible as they are today.

The support discussed included Building Business Plans and Systems Reviews, Growth, diversification and innovation, Purchase of tools necessary to run the business, Hardware, software, eCommerce website, cybersecurity, cloud, subscriptions, Apertures, insulation, heating, cooling, ventilation, lighting and hot water.



Quality employment in the Hospitality and tourism industry in November

In a first of a series of consultation sessions on the subject, ITS were invited to explain the process being planned prior to implementation.

Even though the SME Chamber always agreed with a quality trajectory for tourism in Malta, we needed to make sure than the plan was a sustainable one and really contributed to quality without impacting this important sector negatively.

Several important suggestions were put forward, which were implemented in 2024 prior to its launch.



Employment Law Webinar in December

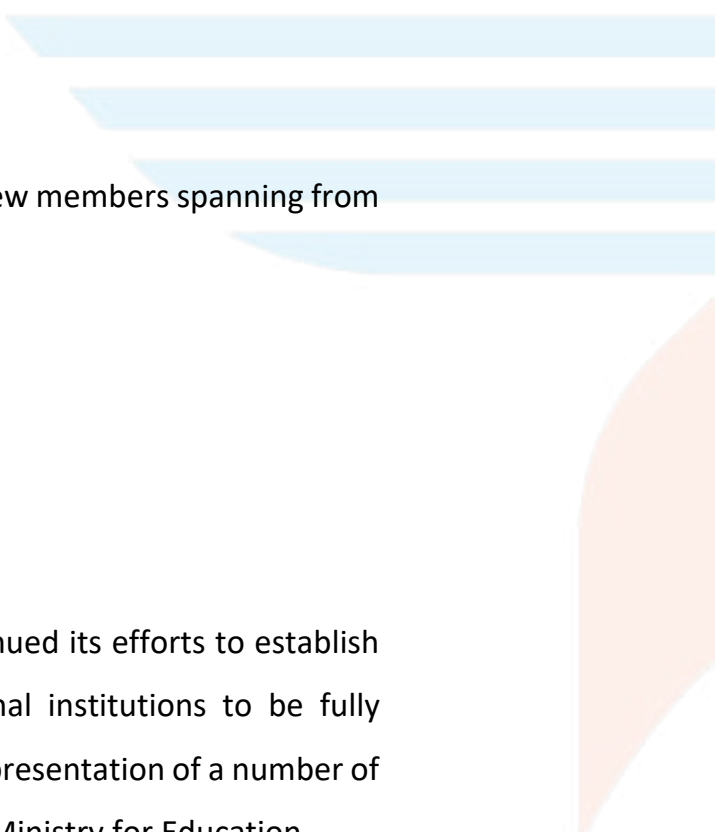
Over 260 people registered for this webinar which focused on issues businesses often encounter and delved into the latest developments in employment regulations with a focus on topics such as contracts and probation periods.

The webinar was delivered by Dr Sarah Demicoli, a Lawyer at [Gonzi & Associates, Advocates](#).





Sectors in Focus



Our membership base continues to grow with new members spanning from various sectors.

Licensed Education Institutions

The Malta Chamber of SMEs during 2023 continued its efforts to establish and adequate platform for licensed educational institutions to be fully represented. The Malta Chamber of SMEs, in representation of a number of sectors directly dependent and affected by the Ministry for Education.

The SME Chamber in its feedback as part of the National Education Strategy has emphasised on the need to remove the un-level playing field for licensed education institutions as opposed to the publicly funded institutions. These is creating a market unbalance and the SME Chamber is seeking ways on how this can be mitigated.

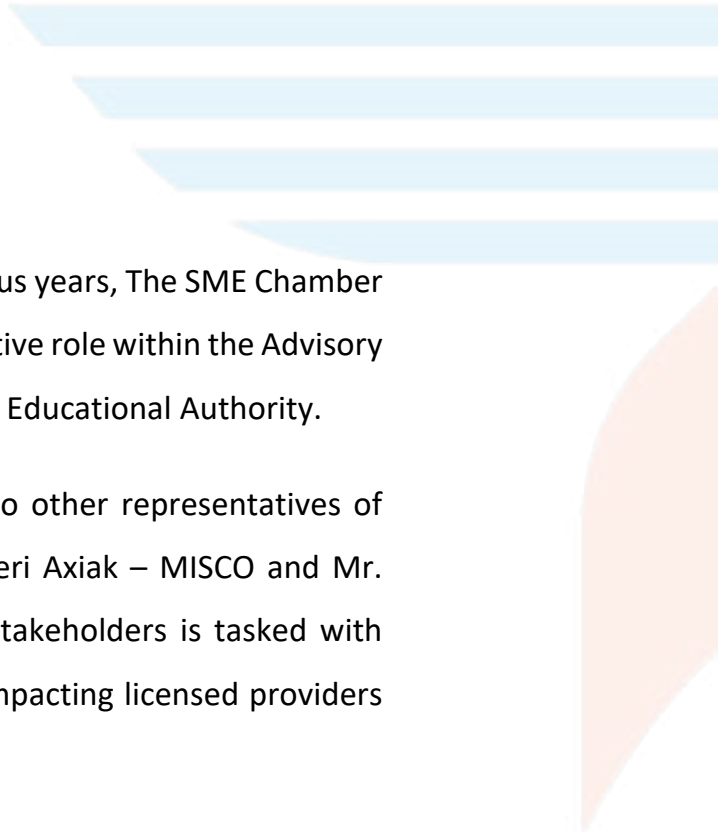
During the year, licensed educational institutions committee held a number of meetings particularly with Minister for Internal Affairs, Hon. Byron and Identity Malta CEO, Col. Mark Mallia in order to raised issues related to Student VISAS and rejection issues encountered.



Minister for Internal Affairs Hon. Byron Camilleri together with Identity Malta CEO, Col. Mark Mallia during a meeting with the Licenced Educational Institutions Committee, including Council Member Mr Robert Micallef

During 2024, the SME Chamber seeks to continue ensuring that Licenced educational institutions are given the right resources in order to offer a a higher quality service and also to ensure, institutions are not subject to unfair competition.

I. MFHEA Advisory Committee



As a result of the efforts made during the previous years, The SME Chamber continued to contribute towards and keep an active role within the Advisory Committee within the Malta Further and Higher Educational Authority.

The Malta Chamber of SMEs together with two other representatives of private educational institutions (Ms. Ilaria Spiteri Axiak – MISCO and Mr. Charlo' Bonnici – Learning Works) and other stakeholders is tasked with providing advice to the Authority on matters impacting licensed providers and students.

As part of its work representing licensed service providers, and together with the two other representatives the SME Chamber ensured that issues and introduction of new modalities and procedures in order to ensure that the negative impact on Licensed Education Institutions is minimised as much as possible. The efforts and participation in this Committee has also helped to improve drastically the communication channel with the Authority, through its representation in this committee.

During 2024 the SME Chamber aims to continue representing members' interest to the best of its ability, through its representation on this committee.

II. Student VISAS

The Malta Chamber of SMEs, continued its efforts to ensure that educational institutions are not faced with additional delays when accepting students from third countries.

Throughout 2023, members sourcing Student TCNs from Asian countries such as India and Nepal faced a number of issues and rejections in the processing of applications. The Malta Chamber of SMEs together in discussions with Identity Malta has managed to change the procedure in place to reduce drastically the time of processing of student VISAS. The average processing is between 6-8 weeks down from the previous 4 months.

The Malta Chamber of SMEs also informed members on a number of do's and don'ts one could do to avoid and reduce rejections as much as possible.

During 2024, the SME Chamber aims to continue its discussions with the relevant authorities to identify a more efficient and smooth process for licenced education institutions to enrol TCN students.

MARITIME

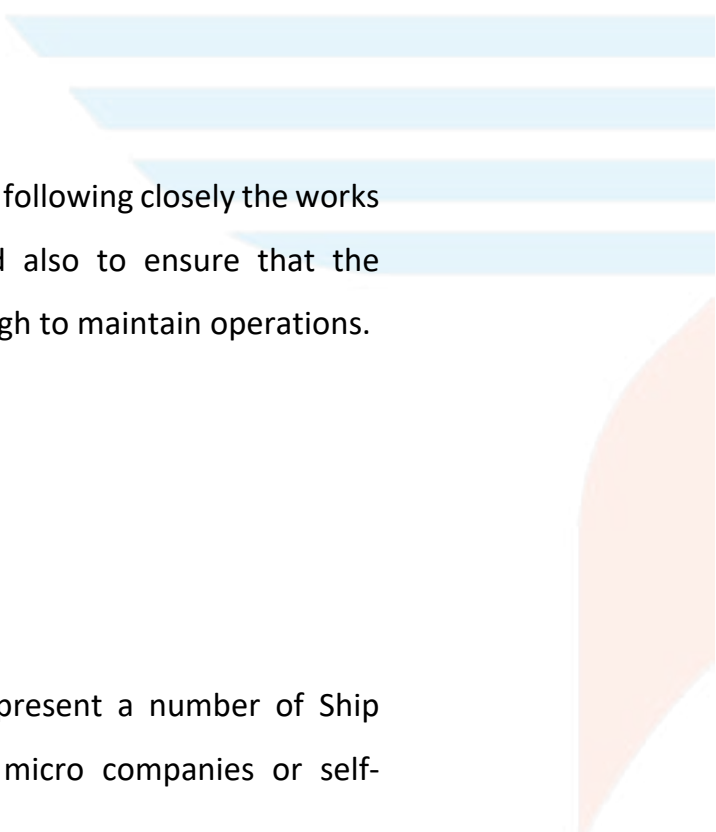
During 2023 the SME Chamber enhanced its representation of the Maritime sector with the aim of improving this industry. The sectors represented vary from servicing, re-fits, repairs, retail and manufacture.

During 2024, the SME Chamber aims to continue strengthening this sector in order to ensure that this sector is well represented.

I. Pleasure Boat Operators

Operators of pleasure boats, operating from Bugibba Jetty, were in 2023 faced with the sudden announcement on the works on the new project. The SME Chamber initiated negotiations with both Infrastructure Malta and Transport Malta, together with the respective operators in order to ensure that their livelihoods are not impacted with the works conducted.

Through its discussions the SME Chamber managed to find an alternative location for its members, to be able to continue to operate with minimal interruptions.



During 2024, the SME Chamber aims to continue following closely the works so as to ensure that time-lines are kept and also to ensure that the alternative solutions offered are adequate enough to maintain operations.

II. Ship Agents

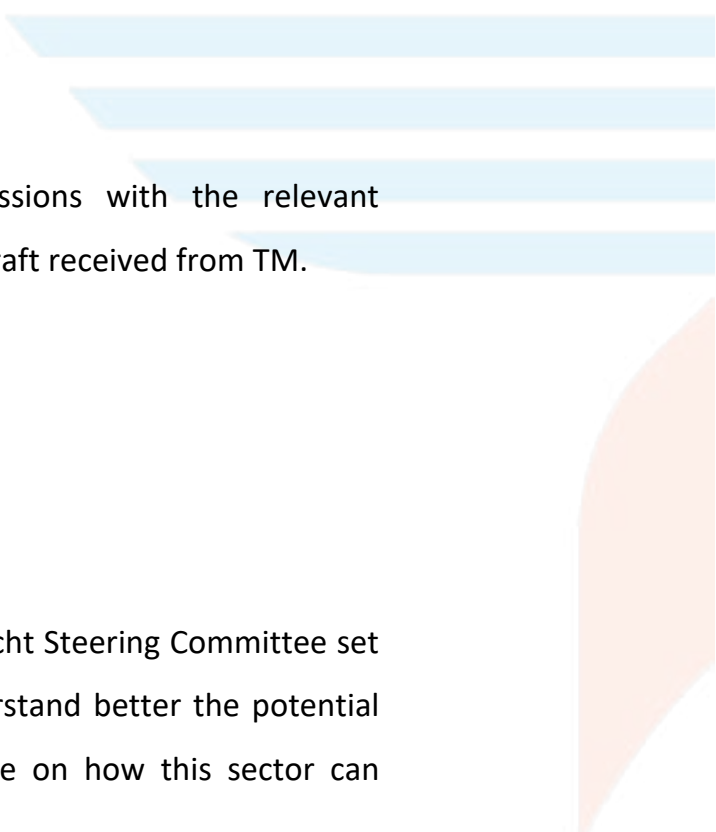
The Malta Chamber of SMEs continued to represent a number of Ship Agents which in their absolute majority are micro companies or self-employed.

The SME Chamber represented their interests and concerns in light of TM efforts to legislate the industry.

The SME Chamber notes that a number of positive improvements have been made and is in discussion with TM to discuss the other provisions that concern ship agents, particularly those having a small operation.

During 2023, the SME Chamber and its members met with all stakeholders being consulted and also with the authority.

Following a number of consultation meetings, it was agreed that TM will be reverting back with a revised proposal in line with the proposals presented.



The SME Chamber aims to continue discussions with the relevant authorities during 2024, following the revised draft received from TM.

III. Super-Yacht Steering Committee

The SME Chamber was involved in the Superyacht Steering Committee set up by the Transport Ministry in order to understand better the potential involved in this industry and propose measure on how this sector can flourish.

The SME Chamber was requested to nominate two representatives to work on this committee, tasked with identifying the main challenges in place and to recommend changes aimed at improving the Superyacht industry. Mr. Christopher Curmi (Elon Marine) and Mr. Andrew Aquilina (Head of Policy, SME Chamber) actively participated in this committee and also ensured that members operating within this sector are consulted effectively.

As part of its task, the SME Chamber led the Re-Fits, Technical and Infrastructure aspect of this policy in light that the majority of its members operate within this field.

The consultation involved the direct consultation with the super yacht committee within the SME Chamber and also the organisation of a number of Focus Groups with members.

The consultation involved the direct consultation with the super yacht committee within the SME Chamber and also the organisation of a number of Focus Groups with members.



The Superyacht committee lead by Minister for Transport Hon. Aaron Farrugia



SME Chamber representative Mr. Christopher Curmi and SME Chamber Official, were present for the launch of the Superyacht strategy following a number of focus groups which the SME chamber led

Following this, the SME Chamber drafted and presented a paper, highlighting the Strengths, Weaknesses, Opportunities and Threats revolving around this important niche.

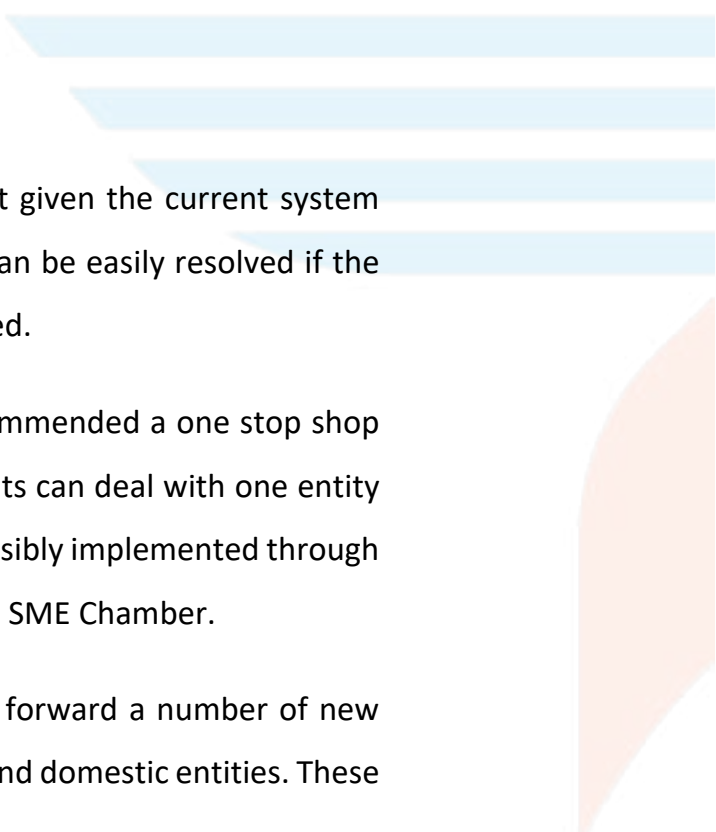
During 2024, the SME Chamber looks forward to see the implementation of the strategy following its publication, the SME Chamber aims to continue following this sector closely to ensure adequate representation of all stakeholders involved.

Renewable Energy Sector

During 2023, the Malta Chamber of SMEs continued its discussions following the submission of a position paper submitted to the Ministry for Energy Enterprise and the Environment, the SME Chamber has held a number of discussions with the Ministry for Energy, Enterprise and the Environment. REWS and ENEMALTA, in order to explain better the difficulties and challenges in place when it comes to renewable energy, particularly on the issues revolving around calls, which are in general holding them back from applying and investing in the renewable energy sector.

The issues highlighted specifically focused on;

- Issues with the Grid Connection - Members noted that one of the main issues when applying for the project is the Grid Connection. More often than not, a project is not feasible because the grid connection costs are too high. As a recommendation, the SME Chamber proposed a pro-rata cost based on KW Allocation.

- 
- Land Speculation - Members argued that given the current system there is a lot of land speculation which can be easily resolved if the way grid connection is charged is amended.
 - One-Stop-Shop - The SME Chamber recommended a one stop shop for such large projects, whereby applicants can deal with one entity handling all the process. This could be possibly implemented through Business 1st, a subsidiary company of the SME Chamber.

Moreover, the SME Chamber continued to put forward a number of new grants specifically focused on both commercial and domestic entities. These included;

- Commercial energy storage schemes - The Current domestic battery scheme is a resounding success. A similar scheme is being recommended to incentivise businesses to invest in energy storage, including in microgrids. Such schemes should cater for all levels, from energy storage for small businesses like kiosks or retail outlets, to larger industrial installations.
- More Aggressive Grants for the purchase of Heat Pumps- Grants available for heat pumps should be more aggressive to reflect the prices of heat pumps in the market.

During 2024, the Malta Chamber of SMEs remains committed to see this sector grow and also to ensure that the proposals put forward are implemented. Additionally, the SME Chamber will continue to follow issues closely in order to ensure a smooth transition towards a greener energy sector.



SME Chamber President Mr Paul Abela and Council Member Noel Gauci discussing with Minister Miriam Dalli

Mosta Businesses

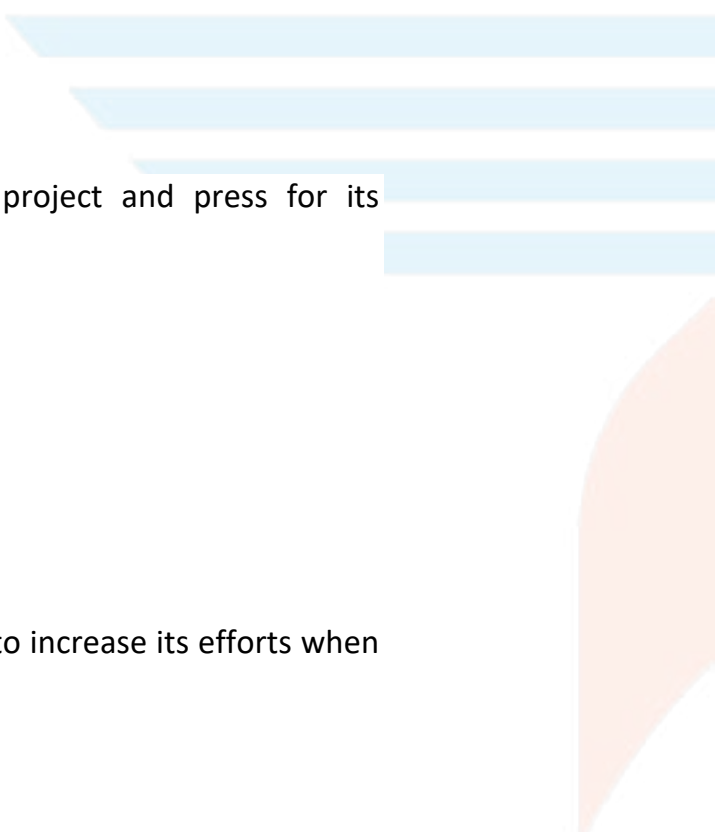
Following a meeting organized by the Local Council as part of the consultation in January, and prior to works commencing, the SME Chamber held a meeting for members halfway through the project.

The meeting was very positive and a number of proposals were discussed with good quality feedback being put forward by members.

The project timeframes were once again explained with concerns raised and addressed. The SME Chamber passed on constructive feedback in order to adapt to the needs of the business community, especially in the run up to the festive season.



SME Chamber Council Member Joseph Zerafa and CEO Abigail Agius Mamo with Mosta Mayor Christopher Grech



The SME Chamber continued to follow the project and press for its immediate completion.

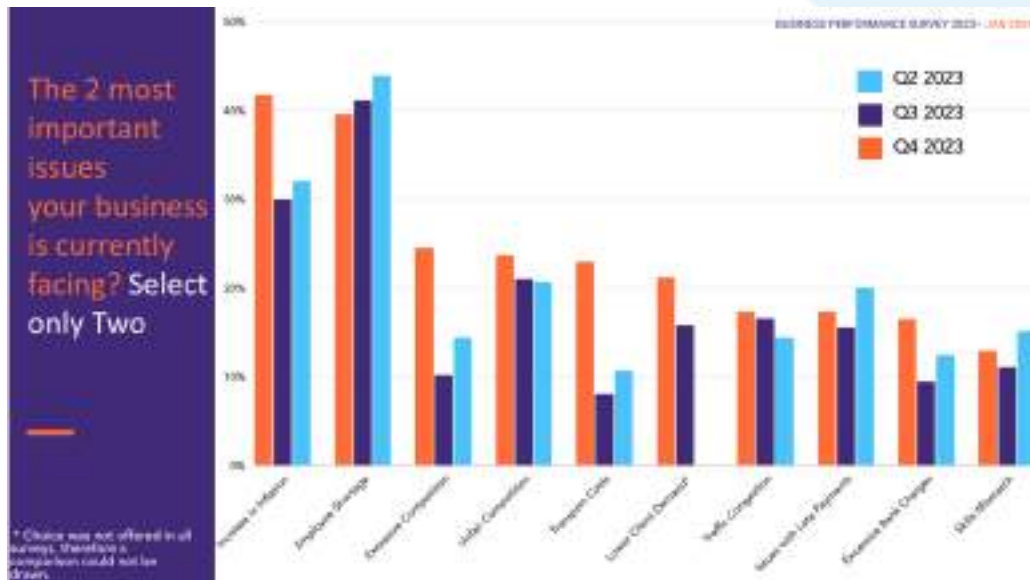
Transport & Logistics

Throughout 2023 the SME Chamber continued to increase its efforts when it comes to the Transport and Logistics Sector

I. Shipping Costs and Logistics

2023 continued to be characterised with a number of uncertainty when it comes to shipping and logistics. After a few months of stability, members experienced once again a rise in shipping and freight costs across the board. This mainly resulted as a result of the red-sea conflict as a result of the extended routes shipping lines had to take in order to avoid this conflict.

Members had reported a number of increased costs when it comes to logistics. This continued to add to the increase in inflation. SME Barometer results show that closer to Q4 2023, transport cost have once again increased with over 20% of respondents noting this.



Apart from the increases in costs there are a number of other considerable difficulties businesses encountered when importing. These included:

- Delays and unreliable timeframes – this is also a cost to business and creates difficulties in supplying work and participating in tendering.
- Connectivity to Malta
- Product availability
- Customs and TARIC system bureaucracy, this includes inconsistent and lack of clear approach of customs and their limitations in working hours

- Storage space limitations due to having to stock more also affecting their cashflow

II. Transport

During 2023 the Malta Chamber of SMEs, continued its representation on a number of areas related to the transport and logistical sector. This included different aspects and different stakeholders.

The SME Chamber kept its constant line of communication with the Ministry for Transport and Infrastructure in order to ensure that pending issues are resolved. Issues included in transport sectors based on the below;

- Chauffeur-driven
- Car Rental and Leasing
- Goods Distributors (supply chain)
- Pleasure Boat Operators
- Vintage Vehicles (Y-Plates)
- Ship Agents
- Superyachts

- VRT Operators
- Large Passenger Transport
- New Car importers
- Second hand Car Importers
- Cargo Hauliers

Throughout this year SME Chamber representatives held various meetings with different entities in order to tackle each sectors' specific issues.



An introductory meeting held with Hon. Aaron Farrugia, and Infrastructure Malta CEO, Ivan Falzon on issues related to road closures

Throughout the year SME Chamber officials continued to follow up on the individual issues through separate meeting and efforts.

During 2023, TM has also changed leadership, where the SME Chamber also held an introductory meeting with TM CEO in order to ensure a smooth transition on a number of pertaining issues encountered.



An introductory Meeting held with TM CEO, Mr. Jonathon Borg

III. Transport Malta Traffic Control Committee

Through its participation in the Monthly Traffic Control Committee organised by Transport Malta, the Malta Chamber of SMEs continued to represent the interest of its Members. As part of the Traffic Control Committee the SME Chamber also raised a number of issues on behalf of members or groups. The monthly meeting includes all relevant stakeholders including LESA, TM, Malta Police Force, Infrastructure Malta and the Local Council Association.

Particularly issues directly raised, related to the Works in Mosta, the various boarding and alighting / Loading and Un-loading, Illegal road closures and issues encountered by different transport sectors.

IV. Individual / Collective Issues

The SME Chamber assisted members on issues related to Unfair contraventions, Loading and Un-loading Bays and issues with road works.

Additionally, the SME Chamber assisted members operating within certain localities, encountering issues related to different loading and un-loading



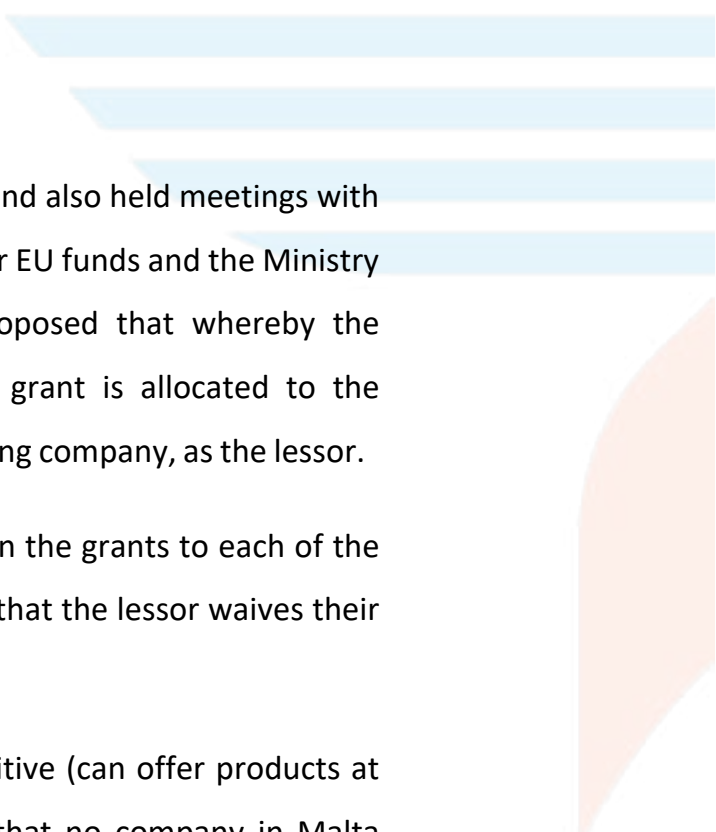
bays and also organised a number of meetings with Infrastructure Malta on ongoing road works in order to plan ahead and consult with members on how to keep the impact minimal.

Consultation on road works included; Sliema Road, Gzira, Triq Gwan Maniscalco, Marsaxlokk and Re; works in Mosta.

The SME Chamber also represented members on issues related to MIA parking structure payment, whereby the system implemented was proportionate and not burdensome on operators. Whereby MIA have agreed that although MIA have the right to charge customers on abuse.

V. Car Rental & Leasing

Members operating within the Car Rental and Leasing Market. The current grant schemes issued for the purchase of EVs. Namely: since the grant for those opting to make use of the grant under the De Minimis regulation (less than 10 vehicles) is of Euro 11,000 and those opting to make use of the GBER (more than 10 vehicles) are qualifying for a smaller grant is creating an imbalance.



The SME Chamber continued its efforts on this and also held meetings with Transport Malta, The parliamentary secretary for EU funds and the Ministry for Transport whereby the SME Chamber proposed that whereby the government creates a mechanism where the grant is allocated to the lessee's de minimis eligibility and not to the leasing company, as the lessor.

In this case lease operators will be able to assign the grants to each of the companies / sole traders, they lease to, by way that the lessor waives their own subsidy on that particular vehicle.

This would allow the sector to; remain competitive (can offer products at par with the EV grants available) and ensure that no company in Malta benefits from more than Euro 200K in state aid. Through the below proposal, each individual client / company will not be able to claim more than the overall euro 200k in line with the current de minimis regulation.

In this regard, in the case of a signed leasing contract, the subsidy can be paid directly to the lessee upon presentation of the lease agreement, provided that:

- The owner of the vehicle (lessor) waives the subsidy;
- The vehicle is registered in Malta; and
- The Lease agreement signed is for a minimum duration of three (3) years (in line with the current EV grant retention period).

VI. Chauffeur-Driven Services Sector

The main issue this industry dealt with is the lack of human resources and the bureaucratic delays in employing individuals who are willing to work. To make matters worse, non-EU driving licenses issued to third-country nationals have a 12-month validity period.

A person must stop working and wait for the process to retest, re-license, and re-tag. Members noted that this is extremely disruptive to their operations.

Another issue we dealt with is the goal of transitioning to an EV fleet. The new EV investment schemes, particularly for businesses looking to invest in more than ten vehicles, are discriminatory when compared to the incentives available below this threshold.

Members in this sector were also faced with the new requirements for TCNs. Following a number of consultation meetings with the sector and Transport Malta, it was agreed that the new licensing regime for TCNS would only be applicable for light passenger transport up to 7 passengers, whereby those driving vehicles of more than 7 passengers would be required to have a valid special License (D) which would avoid the requisite to obtain a Maltese or EU license immediately on arrival.

VII. Large Passenger Transport

The SME Chamber assisted members within the Large Passenger transport particularly on the logistics and route planning aspect. Members within the industry are being faced with inadequate actions when it comes to enforcement. This particularly relates with issues encountered with Short interval trips, whereby drivers are being penalised unfairly.

The SME Chamber has been proposing a change in legislation which specifically states that Large Passenger vehicles may be parked in an appropriate area which is not within twenty meters from any side of a building, whether inhabited or otherwise or any other structure of historical or cultural value.

The SME Chamber also assisted members with regards to finding adequate space for parking close to the airport grounds, liaising with Indis. Discussions are still ongoing.

Additionally, the SME Chamber also assisted the sector on bottlenecks related to Licence tests, their employees encounter to undergo varies tests to obtain the D license. Following discussions with TM it was agreed, that the administrative processing of those requiring a Licence D would be treated separately to the rest of the candidates, in order to ensure a swifter process.



VIII. Vintage Vehicles

Members operating within this sector are still encountering issues and faced with exorbitant license fees to keep vintage vehicles (which in their absolute majority are only used as wedding vehicles) on the road.

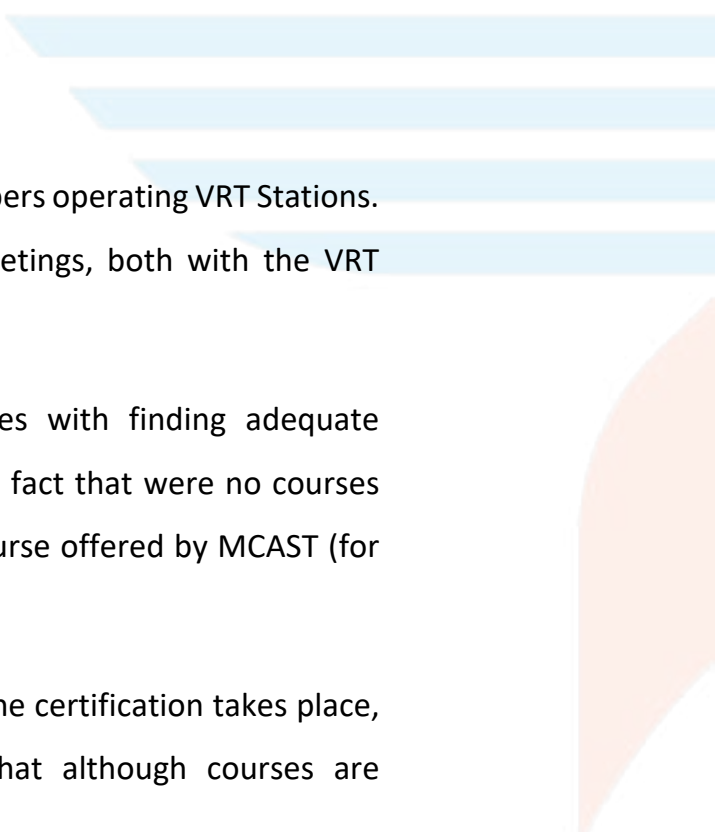
The licence fees are normally around Euro 1,125.00 per annum. These vehicles are normally very well maintained, are part of Malta's history and patronage.

These vehicles are well over 30 years of age and go up to 100+ years. Unfortunately, some members are opting to garage a number of these vehicles given the running costs in place vis à vis their occupancy rate.

The Malta Chamber of SMEs proposed that TM create a special category for these vehicles, similar to other special categories created from time to time.

During 2024, the SME Chamber will continue to follow this issue.

IX. VRT



The SME Chamber continued to represent members operating VRT Stations.

The SME Chamber organised a number of meetings, both with the VRT stations committee and also with the authority.

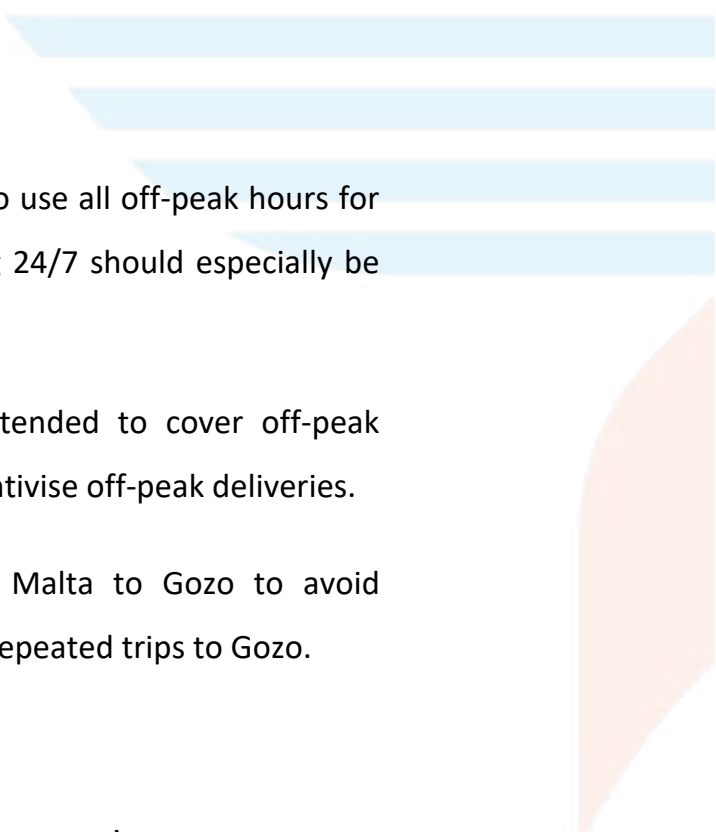
Members operating VRT Stations, faced issues with finding adequate personnel to employ. The issue stems from the fact that there were no courses being offered for VRT technicians, while the course offered by MCAST (for mechanics) is not being certified by TM.

During 2023, TM had managed to ensure that the certification takes place, while the committee is currently ensuring that although courses are available, the standard and quality remains.

X. Supply Chain (goods distributors)

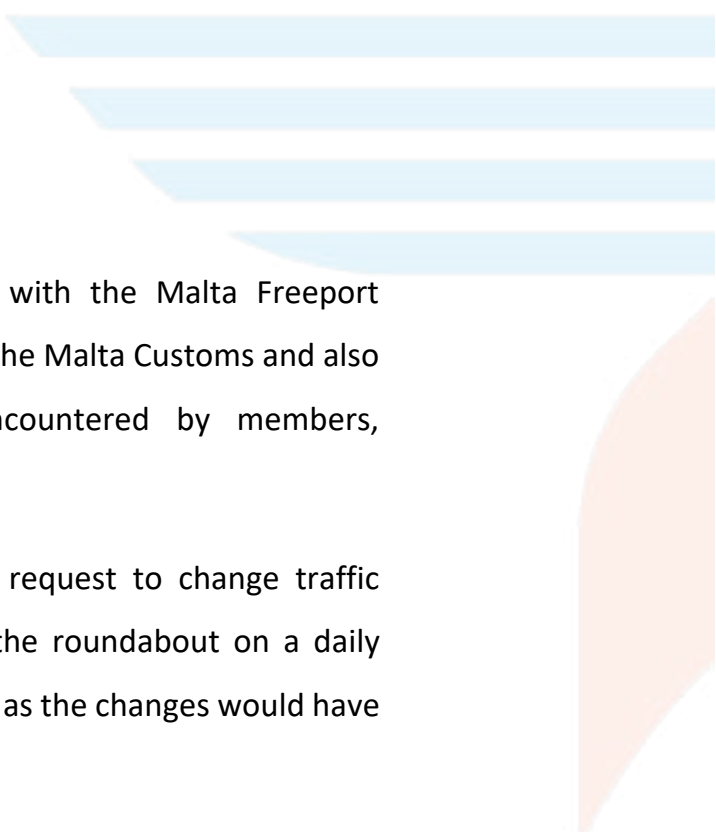
The SME Chamber put forward a number of recommendations to ensure that we make efficient use of the available and limited resources.

The level of complications make this very unattractive. Moving the delivery time means moving the time along the whole supply chain, entailing changing operational models across industries and significant costs. Human resources are already very difficult to find shifting these to odd hours would make it even more difficult and costly. The SME Chamber proposed;

- 
- Businesses should be incentivised to use all off-peak hours for their delivery. Businesses operating 24/7 should especially be targeted.
 - Freeport operations should be extended to cover off-peak hours in order to facilitate and incentivise off-peak deliveries.
 - Additional departure points from Malta to Gozo to avoid travelling to the north of Malta for repeated trips to Gozo.
 - Garbage collection after 19.00 hrs
 - Creating delivery hubs for joint delivery services.
 - Cameras on loading and unloading spaces to tackle the abuse of parking in spaces where delivery vehicles are supposed to park in order to supply businesses. This will result in having large vehicles stopping in the middle of the roads leading to congestion.

XI. Hauliers

During 2023, the SME Chamber, continued representing members operating within the Cargo Haulier and Customs Clearance Service.



The Malta Chamber of SMEs held meetings with the Malta Freeport Corporation, the Malta Freeport Terminals Ltd, the Malta Customs and also Transport Malta to ensure that issues encountered by members, particularly with regards to their operations.

The SME Chamber were also consulted on a request to change traffic management in Paola, where containers exit the roundabout on a daily basis. The SME Chamber re-affirmed its position as the changes would have negatively impacted members.

The SME Chamber were also consulted on the re-organisation of Ras il Hanzir Hill (VGT Terminal) on the issues pertaining this area and regarding the clamping down of illegal trailers parked in the area and on the possibility of giving control of the area to VGT to maintain. The SME Chamber held meeting with TM to propose how the area.

The SME Chamber also assisted members on a number of individual issues encountered at the Malta Freeport, liaising with the responsible persons within the terminal.

During 2024, the Malta Chamber of SMEs will continue to work on the daily issues encountered liaising with the various responsible authorities.



The current situation in Ras Hanzir Hill

XII. Foundation for Transport

The Malta Chamber of SMEs, continued its work within the Foundation for Transport, particularly meeting with the new director general, Mr. Kevin Farrugia. During 2023 the SME Chamber attended all board meetings organised by the foundation and also met with the foundation to discuss future collaborations. The Malta Chamber of SMEs also held a meeting with the Foundation for Transport, Chairman Mr Michael Callus and former

Director General Ms Jeannette Axisa to discuss the possibility of future collaborations. Malta Chamber of SMEs Deputy President Mr Philip Fenech and Head of Policy Mr Andrew Aquilina participated during this meeting.



A meeting with the Foundation held in order to explore future collaborations

During 2024, the SME Chamber aims to continue collaborating and supporting the work of the foundation for Transport as one of its founding members particularly on studying further the concept of off-peak hours.

XIII. Traffic Strategy Proposals

The SME Chamber was also extensively consulted on the Governments' initiative to alleviate traffic issues in Malta. The SME Chamber presented a document highlighting the main proposals. These included proposals for;

- Alternative Modes of Transport;
- Incentives for Employees;
- Enhancing public transport;
- Improving Infrastructure; and
- Improving the Supply Chain



A meeting held with Minister Hon Aaron Farrugia, presenting the Traffic Reduction strategy following consultation with the SME Chamber

XIV. Timed Parking Proposal

During 2023 the Malta Chamber of SMEs has conducted a brief questionnaire with its members in order to analyse better the consideration of timed parking within their locality. This is to be in a better position to understand the needs of each locality (focusing on localities having concentrated commercial activity) and to get a better understanding of the issues in place.

The Survey was conducted with members in general, ranging from different sectors and representing different niches. Respondents in their majority operate within the different localities, with others distributing / servicing various localities. From the initial research the SME Chamber notes that 63.9% of businesses agree with some form of timed parking being introduced within the locality they operate.

This said the needs and requirements of each locality differ. Additionally, in some localities the majority of members are against the introduction of timed parking. Businesses were asked who uses on-street parking the most (Employees or Clients).

Those businesses whose main users are employees, while 55% agree with some sort of timed parking, around 52% believe that time slots should be a minimum of 2 hours or longer. 71% of businesses whose main users are

clients agree with some form of timed parking which in general believe that parking would be between 1.5 to 2 hrs.

This said each locality needs to be seen on its own account, given the variances noted in the survey conducted. Although there seems to be a level of resistance from businesses that have limited interaction with clients, the issue seems to be related to employers already struggling with employee shortage and would assume that this will have a negative effect on their recruitment/retention capabilities.

During 2024, the SME Chamber aims to continue following this proposal and ensure that should TM decide to implement this initiative.

Locality	% of timed Parking within Core Area	Minimum duration of Timed Parking
Mosta	60% – 80%	1 – 2 Hours
Ta Xbiex	40%	2.5 Hours
Naxxar	50% – 60%	1 – 1.5 Hours
Bugibba	50% – 60%	1 – 1.5 Hours
Mellieha	Over 60%	1 – 1.5 Hours
Zabbar	Under 40%	1 – 1.5 Hours
Tarxien	Under 40%	1 – 1.5 Hours
Rabat (Malta)	80%	30 minutes - 1 Hour
St. Julian's	60% – 70%	1 – 2 Hours
St. Venera	50% – 70%	2 – 2.5 Hours
Qormi	50% - 70%	1 Hour
H'Attard	50%	1.5 – 2 Hours
Birkirkara	70%	1 – 1.5 Hours
Floriana	50%	2.5 Hours
Paola	70%	1 – 1.5 Hours
Sliema	60% - 70%	2 – 2.5 Hours
Valetta	60%	2 – 2.5 Hours
Gzira	50%	1.5 – 2 Hours
Victoria, Gozo	60% - 70%	1.5 Hours
Fgura	50%	1 – 1.5 Hours

Extract of the main results obtained from the survey

Tourism

In 2022 the SME Chamber had forecasted that 2023 was envisaged as going to be a very good year for Tourism and would be taking us back to pre-pandemic record levels. This not only happened but superseded 2019 figures of 2.7 Million arrivals taking us to the best record ever of over 3 Million tourists.

This success was brought about by entrepreneurs resilience in keeping their position in the market and further investing in their product. MTA's Route Development committee worked hard in bringing back Airlines that were in retrenchment and developed also new untapped routes. This increased our marketing mix in tourism by nationality, age and value chain.

Business confidence in tourism has never been so strong translating into a lot of further investment in the supply side, hotels, apartments, restaurants, bars and clubs, retail, entertainment, etc... This is raising our standards in a lot of our tourism product but in certain aspects there is a lot of repetitive investment and oversupply in more of the same.

The next five years we will be seeing some of the most modern and biggest projects we have ever seen before particularly in the Paceville/St Julians area. We are also seeing more investment in our villages, charming and distinctive properties of traditional character over 300 years old like

palazzinos and Maltese town houses, Boutique hotels, discreate and intimate with unique architectural features of the period keeping our Maltese traditional character preserved while other modern investment is ongoing in our more commercial areas.



SME Chamber Deputy President Philip Fenech during a panel discussion in a Tourism Conference

While our arrivals are increasing our challenge is to increase the value chain in tourism and while new investment is important in renewing our product and raising standards we need to be careful in certain areas not investing more of the same on the average product which will not help in improving our quality and further creating unwarranted over capacity.

Skilled human resources shortages will remain a challenge. The new tourism skills pass is something the SME Chamber has worked intensively on at the close of 2023. Whilst welcoming the initiative to move to greater quality, the change comes also with a level of concern in relation to not unbalancing an already delicate and difficult aspect of operating a business. With an increase in cost and additional bureaucratic steps there is a real risk and the

SME Chamber was working side-by-side ITS in order to improve the proposal into one the SME Chamber members could be comfortable with.



SME Chamber Delegation composed of Deputy President Philip Fenech, Council Member Robert Micallef, CEO Abigail Agius Mamo and members, meeting ITS officials Pierre Fenech, Francis Fabri and Andrew Debattista

Temping Agency Regulations

The Malta Chamber of SMEs was a proud prime mover to start regulating the sector. Our aim was to support the members that run seriously in the sector, that were suffering from a significant level of unfair competition due to rogue players in the market who also made a very bad name for the

sector. A lot of work was involved in ensuring that the new regulations still permitted serious operators to function.

The SME Chamber was critical in ensuring that all businesses are given a chance to work in the sector as long as they meet the necessary standard. We also made sure the regulations are proportionate with the size of the enterprise and the guarantee overall became much more workable. The SME Chamber also worked to successfully reduce the exorbitant licensing fees. On the other hand it ensured that experience withing the sector would become mandatory, that enforcement would have a strong arm to act and that a local licence and presence in terms of a local office would be required in order to operate.



One news reporting reaction of member Daniel Coppini owner of a Temping Agency



EU Funded Projects

ARESME Project

SME Chamber's total project budget – Eur 80,067.03

Adapting national social partners' capacities to pursue inclusive and responsive social dialogue following crisis situations in EU.

ARESME, a collaborative initiative involving employers' organizations, trade unions, and EU social partners, aims to address the profound changes in labour markets catalysed by digitalization and the pandemic. By focusing on issues such as platform work, work-life balance, pay transparency, and minimum wages, ARESME seeks to enhance social dialogue and propose actionable recommendations for national implementation. Over a two-year period, ARESME aims to modernize and intensify social dialogue, strengthen the capacities of national social partners, and provide recommendations for addressing key labour market challenges, ultimately fostering a more inclusive and resilient labour environment in Europe.

What has been done in 2023:

The Malta Chamber of SMEs is one of the partners in this project. The Chamber developed guidelines for conducting the stocktake, including the methodology for data collection and deadlines for each task. The focus of the stocktake was to identify and assess the prevalence and current status

of new forms of work, such as platform work, telecommuting, and part-time work arrangements, within the partners. Additionally, the SME Chamber established procedures for presenting the situation in these countries to the Project Consortium, as well as for preparing individual presentations. The final methodology was agreed upon after consulting with the Project Consortium.

In December 2023, as stipulated by the grant agreement, the consortium convened in Malta for a two-day Exchange Visit. During this visit, a steering committee meeting was held to make decisions regarding various aspects of the project. Additionally, presentations were made on the methodologies of WP2 and WP3, followed by feedback from partners and subsequent discussions.



Crosswork Project

SME Chamber's total project budget – Eur 92,280

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

The project was concluded in October 2023 and 23 Italian interns came for internships with companies in Malta while 1 Maltese intern travelled for an internship in Sicily.

Eligible interns were young and new graduates, who can either be first job seekers, unemployed, or also disadvantaged young people in MSMEs.

Host companies were prepared to be able to support Italian stagiers in navigating social aspects and addressing work placement challenges. Ongoing monitoring activities, facilitated through an IT platform, ensured effective communication and support throughout the mobility period. The number of Italian and local stagiers was reduced from the originally foreseen amount due to several challenges. While in Malta, the foreign interns were under the SME Chamber's supervision. The SME Chamber had to take over this part of the project due to a problem encountered by another partner.

The successful completion of the project activities highlights the commitment and effectiveness of the project in promoting cross-border mobility and fostering valuable connections within the network. The initiative's multifaceted approach has laid the foundation for sustained support beyond the initial funding period.

As part of the crosswork project, the SME Chamber also organised a conference which discussed the Crosswork Project, employer and jobseeker platforms, SME Chamber Barometer results, and strategies for tackling skills issues.



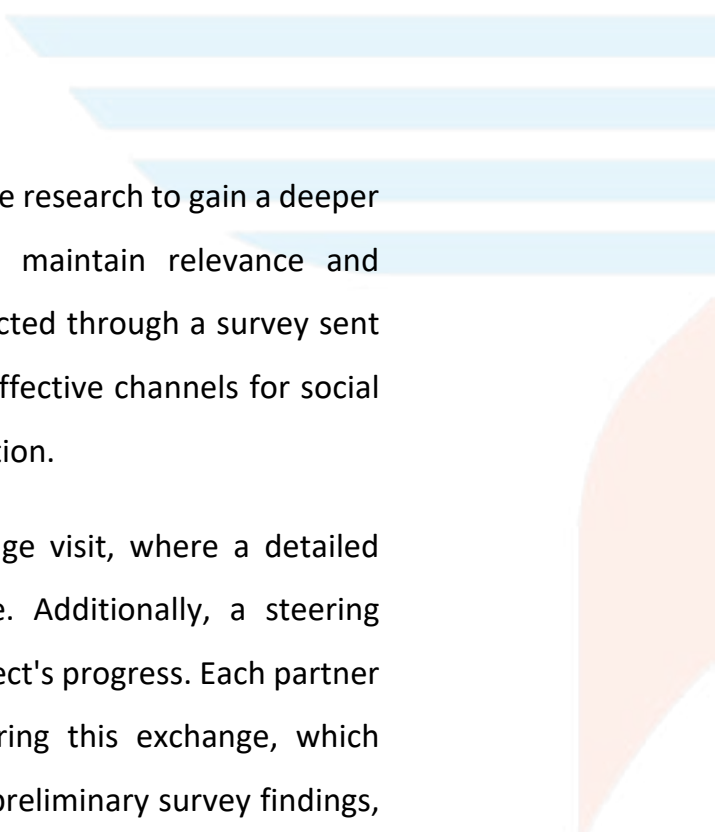
loreSME

SME Chamber's total project budget – Eur 180,032.85

Increasing SME Organisations Representativeness for more Effective Social Dialogue

The Malta Chamber of SMEs is leading a project to bolster social dialogue by enhancing representation at national and EU levels. The project aims to raise awareness of SME employer organizations in the EU, strengthening their role as social partners. It also seeks to empower the Malta Chamber of SMEs and partner organizations to become more impactful. The consortium will develop a campaign template to engage SMEs effectively and provide tools for outreach. Additionally, the project aims to enhance the capacity of national and cross-industry social partners, particularly post-COVID, to contribute effectively to EU initiatives like the EU Semester and National Recovery and Resilience plans. It also aims to inform SMEs about EU initiatives related to the European Pillar on Social Rights and the EU Green Deal, ultimately aiming to increase representation and strengthen social dialogue in the EU.

What has been done in 2023:



The Malta Chamber of SMEs conducted extensive research to gain a deeper understanding of how social partners could maintain relevance and enhance membership. The research was conducted through a survey sent to all members. It aimed to explore the most effective channels for social partners to remain relevant and gather information.

The Consortium came to Malta for an exchange visit, where a detailed examination of the main findings took place. Additionally, a steering committee meeting was held to review the project's progress. Each partner country was represented by two officials during this exchange, which featured three main activities: presentation of preliminary survey findings, in-depth focus group discussions among consortium partners on the same topic, and a steering committee meeting involving all consortium members. Upon completion of the surveys, the selected subcontractor presented the preliminary findings during the exchange visit. Subsequently, project partners engaged in focus group sessions to conduct thorough discussions and analysis based on the preliminary findings, contributing to the research report.

Moreover, as part of the project, all partners participated in the SME United Social Affairs Committee, sending two officials per consortium partner. This aimed to enhance representation of national social partners at the EU level, particularly SME United. Additionally, SME Chamber officials attended three social affairs committees, two physically in Brussels and one online. Through

this project, the SME Chamber was also provided resources to establish an EU desk, with activities including increased contribution to the EU Semester and National Recovery and Resilience Plans (NRRPs), dissemination of EU-related information to members, and providing assistance for accessing schemes and incentives related to the EU Pillar on Social Rights and the EU Green Deal. In 2023, the SME Chamber had more than 40 one-to-one meetings. Following the survey results, a template campaign was done by the subcontractor so that each partner, including the SME Chamber will conduct a six month campaign with the aim of increasing the visibility. The outreach campaign was compromised of sponsored content, infographics and a corporate video.



Ladder

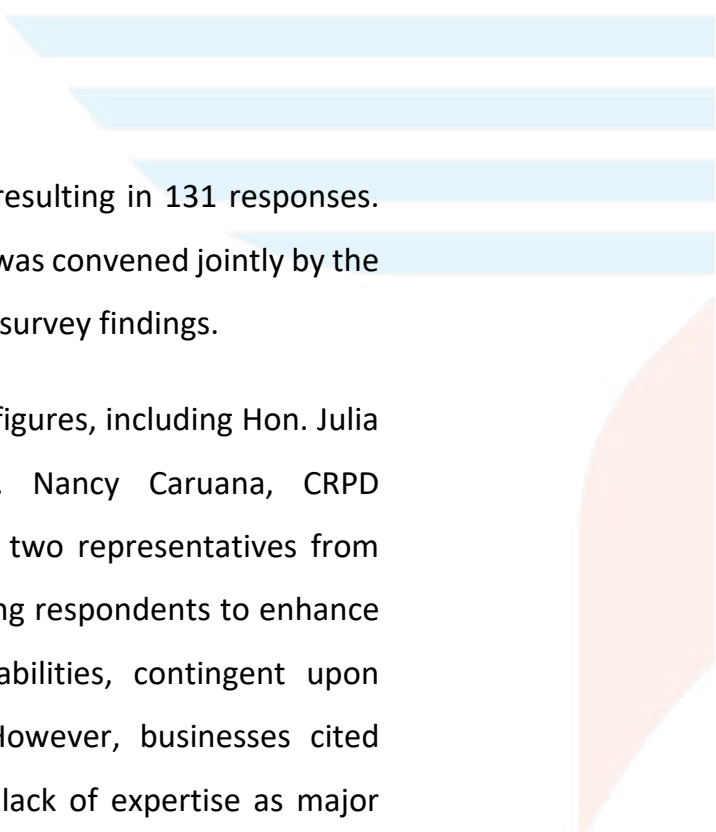
SME Chamber's total project budget – Eur 124,575

Leading and Delivering Dialogue Effectively, Representatively (LADDER)

The project LADDER is a capacity building exercise that seeks to address the weaknesses of the Malta Chamber of SMEs in conducting social dialogue. It is an approach to improve the capabilities and overall capacity of the organisation through a series of investment, analysis, studies and training. Through the project the SME Chamber and its staff members will be able to grow in their outreach and their level of productivity and assessment. The result will be that the organisation would have adapted to new challenges and become able to function in line with today's standards and the years to come. Its network of members will be greatly strengthened and the output of social dialogue elevated.

What has been done in 2023:

In a collaborative effort, CRPD partnered with the Malta Chamber of SMEs to enhance web accessibility for businesses. CRPD assisted the Chamber in designing a questionnaire. The aim of the survey is to gather effective results by addressing known gaps and guiding the study towards identifying areas of improvement. The survey, focusing on web accessibility, was



circulated among all SME Chamber members, resulting in 131 responses. Subsequently, on May 26th, a press conference was convened jointly by the Malta Chamber of SMEs and CRPD to unveil the survey findings.

The press conference was attended by notable figures, including Hon. Julia Farrugia Portelli, Permanent Secretary Ms. Nancy Caruana, CRPD Commissioner Ms. Samantha Pace Gasan, and two representatives from FITA. Survey results revealed a willingness among respondents to enhance website accessibility for individuals with disabilities, contingent upon financial assistance and support programs. However, businesses cited financial constraints, staffing shortages, and a lack of expertise as major obstacles to improving accessibility. The results were also shared in the EU Business Disability Forum.

During the press conference, both entities offered recommendations based on the survey results, emphasizing the need for:

- Simplifying web content accessibility guidelines.
- Collaborating with the government to conduct outreach activities aimed at educating businesses on web accessibility.
- Introducing a quality mark to recognize businesses with accessible websites.

- Providing additional financial assistance to help businesses comply with accessibility laws.
- Establishing a help desk for businesses seeking to enhance website accessibility.
- Compiling a list of service providers, facilitated by FITA or other organizations, to aid businesses in this process.



*Ms. Nancy Caruana, Permanent Secretary, Hon. Dr. Julia Farrugia Portelli, Minister for Inclusion,
Ms. Abigail Agius Mamo, SME Chamber CEO and Ms Samantha Pace Gasan, CEO, CRPD*

Norway Grant

SME Chamber's total project budget: Eur 11,400

2022/348124 'Encouraging better working conditions within SMEs'

The duration of the project was of one year, from January 2023 till the end of the year. The project's key goals are to give greater visibility to the importance and practical use of social dialogue, help increase the level of preparedness at a national level for labour market issues, establish fair work practices, and enhance the implementation of laws and policies related to decent work and social dialogue. This will be accomplished by developing an outreach initiative targeting local SMEs and employees by communicating key aspects of employment regulations and also how to acquire further information.

Additionally, the outreach will be directed at increasing awareness among business owners of the advisory services the Malta Chamber of SMEs provides in relation to employment law.

What has been done in 2023:

The awareness campaign comprised 15 infographics, each corresponding to one of 15 mini campaigns spread over a six-month period. The infographics covered topics such as employment law, employment terms, employment

contracts, types of contracts, breach of contract, among others. The campaign reached a total of 341,000 individuals with 430,000 impressions. Following the conclusion of the six-month campaign, a webinar on employment law was held on December 7th. The webinar, conducted in collaboration with Gonzi & Associates, attracted over 260 attendees.

Iceland Liechtenstein Norway grants

Innovation Norway

Job Related Warnings

Document contract breaches with written warnings sent via durable medium or confirmed receipt.

sme



Spreading Knowledge, Raising Awareness



SME Barometer®

The Malta Chamber of SMEs during 2023 officially launched the SME Barometer®. The aim of the SME Barometer is a quarterly survey that aims to provide scientific insights into economic trends, business sentiment, and the state of enterprises in Malta.

The SME Barometer is a comprehensive survey and report that offers valuable insights into the small and medium-sized enterprises (SME) sector. It encompasses data on the current economic conditions, challenges, and opportunities faced by SMEs. The reports highlight trends in business performance, and growth prospects.

The SME Barometer has become a crucial resource for policymakers, business owners and other important economic stakeholders seeking to understand the pulse of the SME sector, providing key indicators for decision-making and strategies to foster SME growth.

During 2023 the SME Barometer has managed to become a vital tool for evaluating the health and vitality of SMEs in various economies.

This initiative plays a crucial role in identifying potential future challenges. By making this information available to the public and stakeholders, the

SME Barometer® becomes an essential tool for addressing and proactively managing the economic and business landscape in Malta.

The SME Barometer is conducted in Collaboration with MISCO.



Ms Abigail Agius Mamo (right) Mr. Paul Abela (Center) and Mr. Lawrence Zammit (Left) on the signing of the collaboration agreement between SME Chamber and Misco

In total the SME Chamber organised a total of three quarterly surveys with Q4 also including the annual performance survey conducted annually.

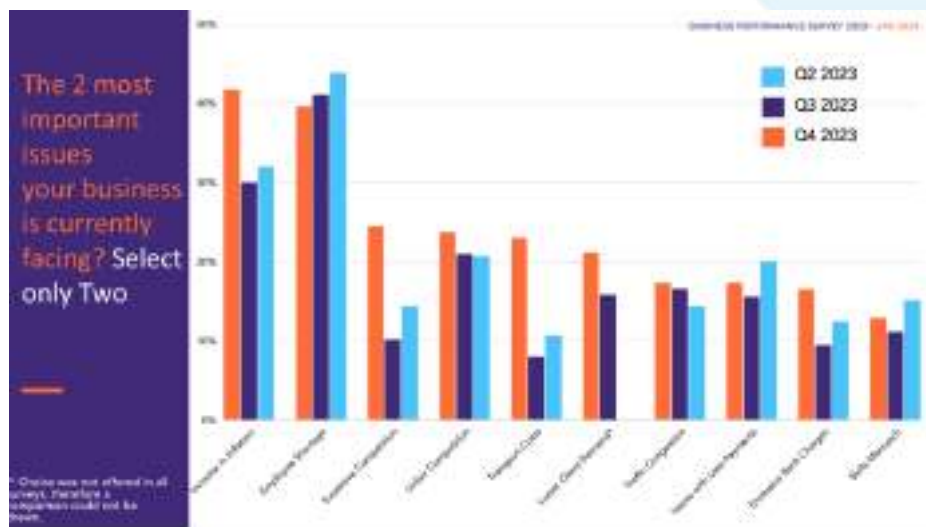
The SME Chamber positively notes that the response rate is very high having an average of over 400 replies.



One of the press conferences held, presenting the results of the SME Barometer

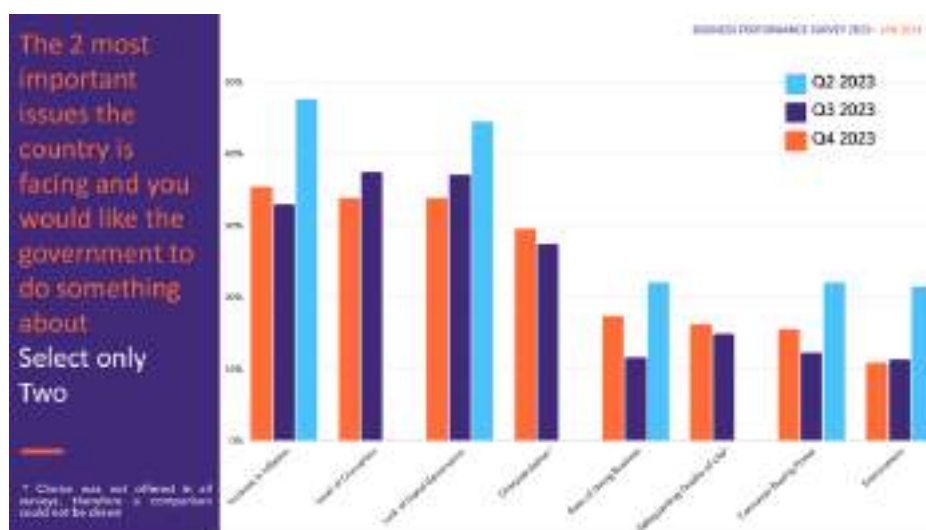
A look at the main results obtained, members were asked to identify the two main issues pertaining their business and the two issues the country is facing and they would like the government to do something about.

Inflation, Employee shortage continued to feature in all surveys conducted. When it comes to issues faced by businesses.



A snapshot of the results obtained, comparing results from the different surveys

Additionally, the level of corruption and the lack of good governance also featured highly in all surveys as being a top most issue the country was facing.



A snapshot of the results published for Q4 2023, where respondents were asked on the 2 most important issues the country is facing



Results of individual surveys can be obtained through the below links:

Q2 – 2023 –

<https://www.smechamber.mt/wp-content/uploads/2023/05/SME-BAROMETER-Q1-2023-Results.pdf>

Q3 – 2023 –

<https://www.smechamber.mt/wp-content/uploads/2023/10/SME-Barometer-Q3-2023-Compiled-Report.pdf>

Q4 – 2023 –

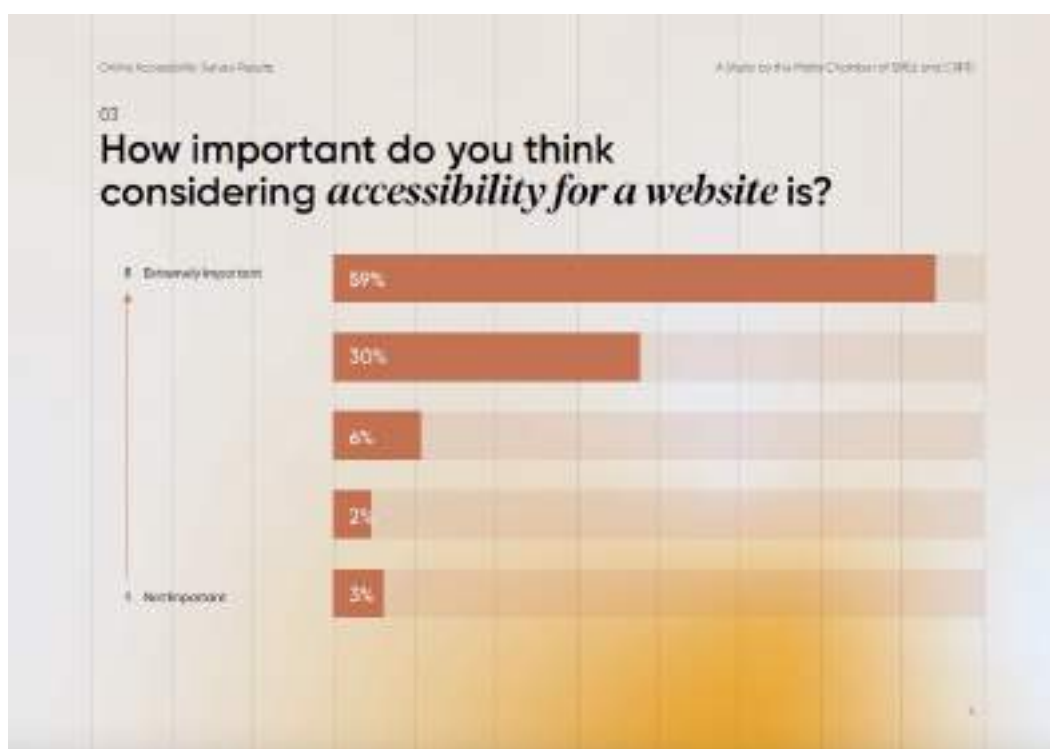
<https://www.smechamber.mt/wp-content/uploads/2024/02/Business-Performance-Survey-Final-Version-1.1.pdf>

During 2024 the SME Chamber aims to continue conducting this survey, shedding light on the state of play in Malta.

Web Accessibility Directive – Study

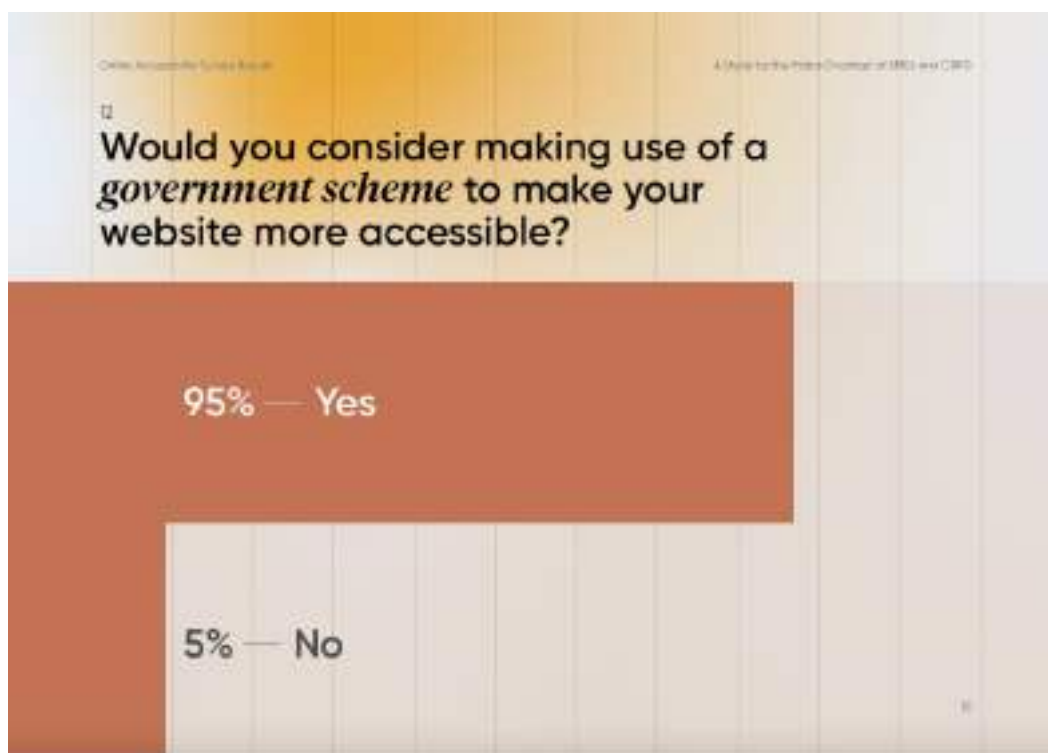
In collaboration with CRPD as part of LADDER ESF project conducted a study on the level of awareness of web and digital accessibility amongst SMEs.

The survey findings underscored the paramount importance of website accessibility among respondents, with a notable 59% stated that web accessibility is extremely important.



Slide: How important do you think considering accessibility for a website is?

A significant majority of respondents expressed readiness to enhance their websites for improved accessibility, particularly should funding through grants and schemes be available. Out of the 131 responses received 95% indicated their willingness to utilize such initiatives.

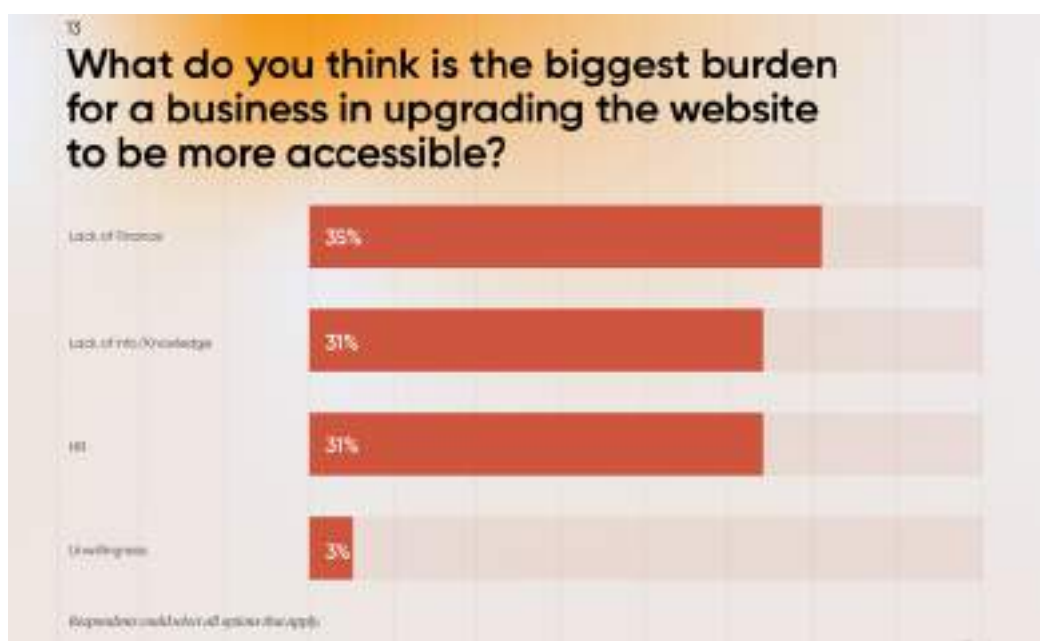


Slide: Would you consider making use of a government scheme to make your website more accessible?

The study also highlighted substantial obstacles hindering businesses in their efforts to improve website accessibility. Of the challenges highlighted, respondents noted;

- Financial constraints:

- Human Resource Shortages; and
- lack of information and expertise on accessibility methods.

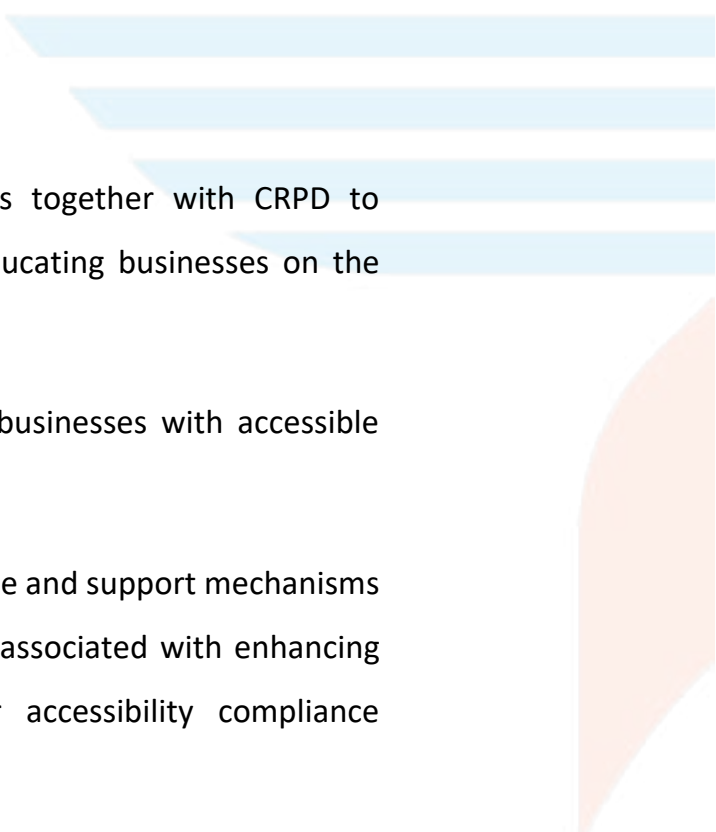


Slide: What do you think is the biggest burden for a business in upgrading the website to be more accessible?

These barriers underscored the need for targeted support and resources to facilitate meaningful progress in this area.

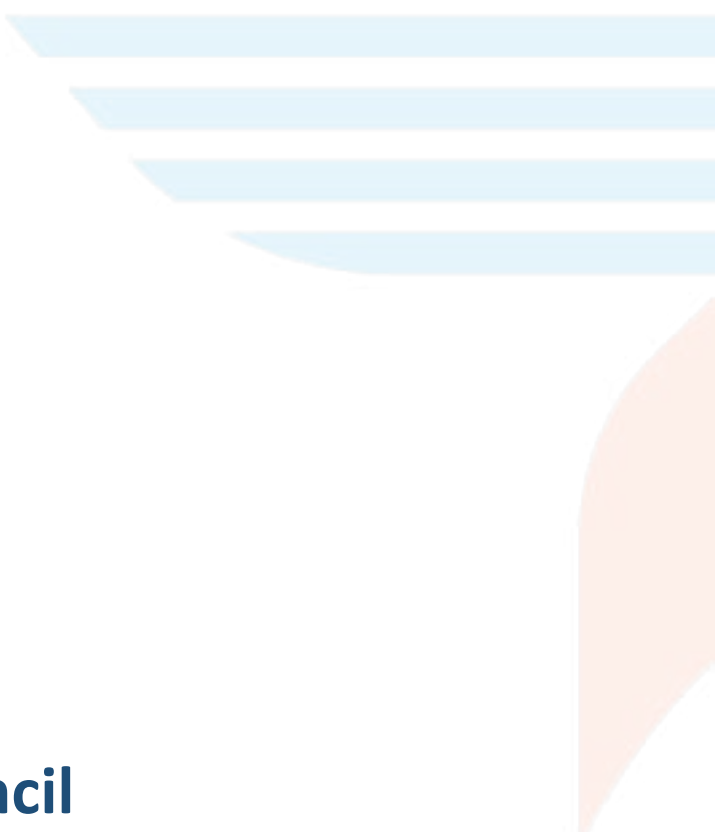
During a press conference, held in collaboration with CRPD, a number of recommendations' were put forward which included;

- The simplification of the web content accessibility guidelines to enhance usability and comprehension for businesses;

- 
- The importance of collaborative efforts together with CRPD to conduct outreach activities aimed at educating businesses on the importance of web accessibility;
 - The introduction of a quality mark for businesses with accessible websites;
 - the need for additional financial assistance and support mechanisms sought to alleviate the financial burden associated with enhancing website accessibility, ensuring greater accessibility compliance among SMEs; and
 - Compiling a list of service providers, facilitated by FITA or other organizations, to aid businesses in this process.

Finally, the proposal to compile a comprehensive list of service providers, facilitated by FITA or similar organizations, aimed to connect businesses with specialized expertise and support, streamlining the process of enhancing website accessibility and fostering a more inclusive digital landscape.

Attendees during the press conference included Hon Julia Farrugia Portelli, Permanent Secretary Ms. Nancy Caruana, CRPD Commissioner Ms. Samantha Pace Gasan, and representatives from FITA.



The SME Chamber Council and Team



A Council meeting at the Malta Chamber of SMEs in Floriana



The SME Chamber team getting together after organising the annual SME Conference (missing Nathalie Attard)

Council Attendance Sheet – 2023

	5 th Apr	3 rd May	14 th June	5 th July	8 th Aug	6 th Sep	18 th Oct	29 th Nov	25 th Jan	8 th Feb	12 th Mar	P	E	S
<i>Abela Paul</i>	P	P	P	P	P	P	P	P	P	P	P	11	0	
<i>Camilleri Sergio</i>	P	E	P	E	E	E	E	E	P	E	P	4	7	
<i>Ciantar Mario</i>	P	P	E	P	P	P	P	E	P	E	P	8	3	
<i>Cutajar Patrick</i>	P	P	E	P	P	P	E	P	P	E	E	7	4	
<i>Debono Mario</i>	P	P	E	E	E	S	S	S	S	S	S	2	3	5
<i>Fino Dino</i>	P	P	E	P	E	E	P	E	E	E	P	5	6	
<i>Fenech Philip</i>	P	P	P	P	P	P	P	P	P	P	P	11	0	
<i>Galea Michael</i>	P	P	P	E	P	P	P	P	P	P	P	10	1	
<i>Gauci Noel</i>	P	P	P	P	P	P	P	P	P	P	P	11	0	
<i>Haber Joan</i>	P	E	E	P	P	P	P	P	P	P	P	9	2	
<i>Micallef Marthese</i>	P	P	P	P	E	P	P	P	P	P	P	10	1	
<i>Micallef Robert</i>	P	P	P	E	E	P	P	P	E	E	E	6	5	
<i>Mizzi Marcel</i>	P	P	P	P	P	P	P	P	P	P	P	11	0	
<i>Muscat Beppe</i>	P	P	P	E	P	P	P	P	P	E	P	9	2	
<i>Shoemake Claire</i>	E	E	P	E	P	E	P	E	P	P	P	6	5	
<i>Vassallo Christian</i>	P	P	E	P	E	E	E	E	E	E	E	3	8	
<i>Zammit Carmel</i>	P	P	E	E	E	P	E	P	P	P	P	7	4	
<i>Zerafa Joseph</i>	P	P	E	E	E	P	P	P	P	P	P	8	3	

P – Present
E – Excused
S – Suspended