



THE GOZO BUSINESS CHAMBER



PR GBC – GTA 04/2020

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Press Release: The Gozo Business Chamber, and the Gozo Tourism Association note with satisfaction the changes made to the COVID-19 Guarantee Scheme

On Saturday 4 April 2020, the Gozo Business Chamber and the Gozo Tourism Association (GTA) had highlighted in a joint press release that the COVID-19 Guarantee Scheme (CGS) launched by the Malta Development Bank was not enough to inject the required liquidity that businesses needed in order to survive. A 1% point reduction as was being earmarked in the same scheme was both unattractive and did not go far enough to provide the access to finance that businesses at this crucial point in time required. This public health crisis which is affecting all sectors of the economy required bold measures that at that point were not being implemented.

Today both the GBC and the GTA note with satisfaction that Government has entered into the prerogative of guaranteeing 90% of the loans to businesses, and of covering 2.5% of the interest that is being charged by commercial banks for the first two years. These are positive steps which will ensure that Malta's economy and its businesses will continue to weather the storm, and that they will be prepared to continue competing once this crisis is over. Both the GBC and the GTA positively note that their suggestions were taken on board providing better access to finance, and completing the fiscal and financial package that is being offered by the Government.

The matter is now in the hand of the local Banks. GBC and GTA are convinced that the local Banks will shoulder with responsibility their duty to make funds accessible to local businesses at very low rates, given that the loans are Government guaranteed. It is suggested that arrangement fees are also waived. As we have already stated, unprecedented events need an unprecedented response and Banks are invited to be participative in this collective effort.
