



THE GOZO BUSINESS CHAMBER

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Press Release: GBC's reactions to the Measures announced by the Government on the 18th March

Yesterday night Government announced fiscal measures that should help to alleviate businesses in the COVID-19 scenario in the islands of Malta and Gozo. The Gozo Business Chamber would like to note the following:

1. Of the announced 1.9 billion stimulus only less than Eur 200m will trickle down to private sector businesses and their employees. This is very much less than what one expects in the extraordinary circumstances businesses and the country are passing through. Given the present scenario which involves uncertainty and a spiralling downward trend it will be very difficult to kick-start the economy without the economic players who are able to sustain new economic activity.
2. What has been announced are all moves in the right direction, but the present circumstances warrant stronger moves and a more incisive framework, than what has been announced.
3. It is very important that precise details of how loan repayment bridging, loan guarantees, interest rate subsidies and other financial instruments announced will work so that companies can make use of these positive facilities without delay. There should be a single contact point which should offer assistance to businesses on the effective implementation of these schemes. A single online point of application can facilitate the whole process in a remarkable way.
4. It is indeed advisable that Government taps directly into European Investment Bank funds that accord advantageous interest rates, so that Maltese companies can make use of them in the present scenario. The envisaged relaxation of state aid rules should also offer more leeway for Government to offer a more advantageous stimulus package. The stimulus announced will put employees in the private sector in an insecure situation with employers not being able to guarantee their long term employment. It is indeed another occasion where private sector employees are being treated in a different manner from Government's own employees. It is to be remarked that Government employees are paid through the economic activity generated by the private sector through taxation. On the other hand the private sector has to sustain itself completely though its own resources.
5. The Gozo Business Chamber is asking why Government has not even mentioned the subsidizing of utilities, in a scenario where the international prices of oil and gas have plummeted as a result of the same pandemic.
6. Also, while initially the Government mentioned the fast tracking of amounts due from Government, this point was not included again in the Government measures announced yesterday. A simple mechanism can be instituted whereby the private sector / self-employed can decide to still pay what is due to the government by offsetting against pending tax refunds.
7. The Chamber is again asking Government to look into a specific package for Gozo Businesses. Gozo Businesses have been crippled by this pandemic occurrence even more than their counterparts on the mainland and it would be beneficial if Government were to set a different package that will look into the particular disadvantages borne by the companies on the sister island. Gozitan companies have always borne greater costs related to the transportation issue between the two islands, with many schemes rolled out throughout the past years not effectively addressing the situation. The same applies to SMEs in the tourism sector. Given Gozo's heavy dependence on this sector, the effect on the economy will be greater.

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At last, The Gozo Business Chamber would like to commend the work being heroically performed by workers in the health sector and thanks them for the professional way they are dealing with this unprecedented situation. It is commendable of Government to allocate without limitations all the resources needed by the health sector.