

EDITORIAL

Holding out for hope

This week's news of two vaccination trials, those for Pfizer/BioNTech and Moderna, exhibiting high efficacy levels in protecting people from transmission of COVID-19, was, understandably, trumpeted across the globe. You could almost hear the collective sigh of relief as governments, businesses and citizens started to stake their hopes on a swift, and full, confirmation of the results and a roll-out announcement.

Yet, while, it is likely that Malta will receive the approved vaccines shortly after distribution starts – with the European Union having said it is very close to signing a contract with Pfizer for 300 million doses while it is also in talks to purchase millions of doses from Moderna – a number of challenges still lie ahead before we are all in the clear. Production and logistical hurdles are but two of the issues, and Governments will also have to address any health concerns populations may have with taking the shots.

Indeed, it will be many months before life will get back to normal. So, what can businesses, who are still reeling from this year's performance, do? In this month's edition of *The Malta Business Observer* we ask several local firms for their insight on how they've adapted to the situation, and how they've had to transform their business as a result of the exigencies of the crisis. The feedback has been positive, with companies thinking outside the box, though how many of their new practices and innovations will be kept in the long-term remains to be seen.

In the short-term, with Christmas just around the corner, we ask retailers whether, on looking at current trends, this festive season can make up for a dismal year. Opinions vary, though it has been heartening to hear the pragmatic and sober assessments these businesses have for the next few weeks. For, while many admit that this year will be like no other, they are attempting to make the best of the

situation and, for some, sales might almost reach those of last year.

However, despite the constructive business plans being put into motion, one thing is clear. Virus numbers need to go down if we're going to be able to have a safe and prosperous Christmas with some good cheer – and, if we are to avoid locking down again. For, this is what businesses are very concerned with: the uncertainty of not knowing whether they can remain open for the festivities. If the numbers stay high, will the authorities decide to shut shops to prevent overwhelming the health system? So far, indications are that they will not. But, as one retailer put it, 'we just don't know'.

And, as people become more afraid with the rise in COVID cases, they will start looking at where the heart is, at protecting their families, and staying home. Without clear leadership and direction, it's every man and woman for themselves. And that's anathema to the Christmas spirit.

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Executive Editor
Rebecca Anastasi

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BUSINESS OPINION

Planning ahead for Gozo's long-term future



Daniel Borg

The COVID-19 pandemic has shown the need for the diversification of the Gozitan economy. During the past months, the Gozo Business Chamber published two important documents: *Post COVID-19 – Strategic and Policy Document*, and *Rethinking our Economy – GBC Budgetary Proposals*. The *Strategic and Policy Document* outlined the Chamber's vision for the diversification of the Gozitan economy – a vision based on the necessity of planning for the long term in order to have a sustainable economy which can benefit Gozitan society as a whole. In its budgetary document, the Chamber focused again on this aspect which, however, did not exclude important short-term measures that will ensure the survival of many businesses on the island.

The effects of COVID-19 on Gozitan businesses

This year, the Gozo Business Chamber conducted two surveys. The first was conducted in March 2020, when the Government had not yet introduced important measures, such as the COVID-19 Wage Supplement. When asked, on a scale from 1 to 5, how the outbreak of the COVID-19 had affected their business – with 5 being very negative, and 1 having no effect – 72.5 per cent of the respondents highlighted that it had affected them very negatively.

In the second survey, conducted between 9th and 14th September 2020, businesses were again asked from a scale of 1 to 5, how the COVID-19 pandemic affected their business, with 5 being very negative, and 1 having no effect. The majority (46.7 per cent) outlined that they were affected in a very negative way. The fact that the Government had introduced a number of measures, which sought to alleviate the impact of the COVID-19 on businesses, may have led to this decrease.

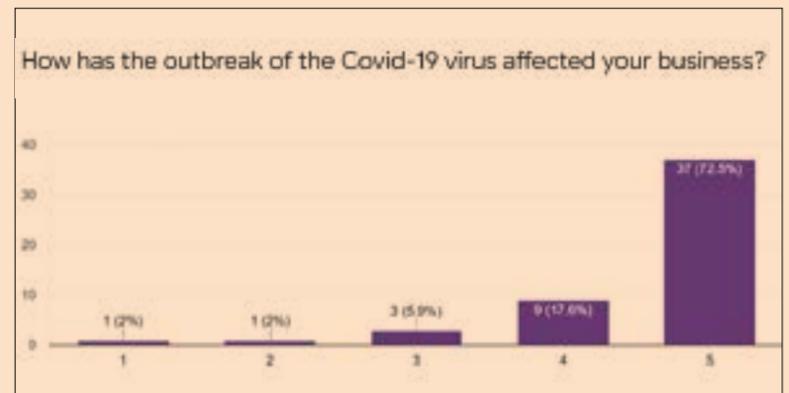
To this end, the Chamber noted positively both the continuation of the COVID-19 Wage Supplement till March of next year, as well as the reissuing of the vouchers which have positively impacted the local Gozitan economy, especially during the summer months.

During the last survey conducted by the Chamber, 75.6 per cent had agreed that the COVID-19 Wage Supplement should be extended beyond the month of October, while 64.4 per cent had agreed with the statement that the Government should issue another round of vouchers to stimulate the economy.

The long-term vision

Budget 2021 held some important items in terms of the Government's long-term vision in the area of transport and connectivity. In this direction, Government renewed its commitment on the permanent link between Gozo and Malta. It also highlighted that the fourth ferry will be established on a permanent basis, and that the fast ferry service between the two islands will be implemented. The Chamber was, and still is, in favour of multi-modal forms of accessibility which would ensure Gozo's long-term social and economic development.

The Government's overall emphasis on digitisation and the Green Economy were also welcome. These were also the pillars on which the Chamber built its budgetary proposals. In the area of digitisation much has been done, mainly the establishment of the digital innovation hub in Xewkija and the fibre optic link between the two islands, which is to become operational in the



coming months. The next step should be a holistic incentive package specifically formulated for the island of Gozo. This would incentivise the creation of an eco-system of companies in the digital sector on the island.

In the area of the Green Economy, the Chamber believes that Gozo can really set the pace. However, in this case, specific incentives for the island need to be drawn up such as a higher refund for electric vehicles to Gozo residents, and reduced ferry tickets on these type of vehicles. In this area, however, protection of what we already have is of utmost importance. The incessant development currently taking place in Gozo cannot continue as is. A specific development policy for Gozo – which would protect its villages and green belts – is necessary.

In terms of infrastructure, attention should be given to the

new breakwater in Marsalforn, a multi-level storey car park in Victoria, and a new hospital for Gozo which should complement the investment already made in the Barts Medical School.

Concluding remarks

The Chamber believes that the right ingredients are there. Gozo now needs a long-term vision. The establishment of the Gozo Regional Development Authority is a step in the right direction and will play an important part in bringing all the entities together in the present multi-level governance scenario. Apart from the establishment of a long-term strategic plan, this Authority will also ensure that Gozo is included in all the national strategic plans issued.

Daniel Borg is the CEO of the Gozo Business Chamber