



THE GOZO BUSINESS CHAMBER

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PR GBC16/2021

Date: 11/10/21

Press Release: The Gozo Business Chamber's reactions to the Budget 2022

The Gozo Business Chamber notes the measures included in this year's budget. Overall this maintains a good balance between the social sphere and the needs of businesses within the strategic direction of sustainability. Since the budget is adopting a horizontal approach it is important that all the social services that are being delineated in the budget, including the services for people with disabilities are offered in Gozo as well. This includes the work of the 'Foundation for Affordable Accomodation' as mentioned in the budget. In the housing market Gozo faces specific challenges caused by an emphasis in these past years on the development of land into blocks of apartments targeted mainly for Maltese residents who are buying their second home in Gozo. This has caused a rise in the price of property for first-time buyers. Such trends on a regional dimension need to be examined and catered for.

The Chamber would also like to note the emphasis in the budget on human resources, and the general direction to align the skills required to those of the green and the digital economy. In this regard Gozo offers significant potential and more emphasis needs to be put in this direction on a regional level. The Budget also mentions the Census of Skills for Workers. This is an important initiative which however also needs to focus on a regional level. Having a stock take of the skills on a regional level, including Gozo, would enable to tackle the challenges faced by every region.

One also notes the renovation and investment being undertaken in various industrial estates around Malta. The budget does not delineate any significant investment in the industrial estate in Gozo.

As regards connectivity, the budget mentions the various initiatives undertaken including the fourth ferry and the fast ferry. These are important initiatives which have shown that any investment on the connectivity between the two islands can sustain Gozo's development. Within these measures, and the overall emphasis on sustainability it is important that one considers the replacement of the Gozo Channel ferries and especially the fourth ferry into hybrid ferries in the coming years. The electrification of the port in Gozo should also be an important project which would fit within the overall direction of making Gozo carbon neutral prior to Malta. The Chamber reiterates its commitment to the permanent link between Gozo and Malta, and that work on this project should continue during 2022.

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The budget puts a lot of emphasis on sustainability. This is a paradigm shift in the way we see economic development, and one which should be sustained. To this end the Chamber positively notes the removal of the capital gains tax and the duty on the purchase of properties which have been built for more than 20 years and have been vacant for more than 7 years, properties which are found in Urban Conservation Areas, and those new properties which are built according to traditional and typical Maltese architectural styles. The Chamber also notes the grant of 15,000 euro to first time buyers of these properties, which in the case of Gozo goes up to 30,000 euro. While excessive development needs to be controlled this is an important measure which incentivises the redevelopment of properties into buildings which are more in line with Gozo's rural environment. This is a measure which the Chamber has been advocating strongly for the property sector.

As regards sustainability one positively notes the increase in the scrapping scheme for polluting vehicles in Gozo from 1,000 euro to 2,000 euro. Overall it is also important to note that public transport will be free as from next year. This is an important measure which in Gozo should be accompanied in the future with the replacement of the public transport fleet with electric vehicles and more frequent services within our rural communities.

As regards the property sector one positively notes the extension of the reduced tax rate on the purchase of properties in Gozo.

From an infrastructural point of view one positively notes the investment in the road infrastructure, the desalination plant in Ffondoq, the new school in Victoria, and the building of new rubble walls around the island. One also notes the planned restoration of the aqueducts, and the modernisation of the heliport facilities. As regards infrastructure the Chamber would like to reiterate the need for a new hospital in Gozo to complement the investment in the Queen Mary University of London Campus, and the extension of the port of Mgarr, which with the new services being offered from this port has become heavily congested.

The Budget mentions the digital connectivity and the advances in the sector. The Budget also mentions the creation of hubs in various sectors including the blue economy. To this end the Chamber would like to reiterate that a new model on how the Digital Innovation Hub in Xewkija is managed is required. The potential of this hub is immense. However, there needs to be a model which attracts start-ups in the digital sector to this hub.

Overall the Chamber would like to comment that although this is a positive budget, the specific needs of Gozo as an island region should be given more attention.
