

Update

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MEEA: Power Cuts are Crippling Industry and Business

The following Media Release was issued on Friday, 2nd August 2024

Media Release

The Malta Employers' Association stated that the current sporadic electricity outages that are affecting both households and businesses are unacceptable to industry and business. As innocent parties, they are bearing the full cost of the failures of others.

As confirmed by a report published by the National Audit Office last month, the recent power outages result from the fact that "historic investments in the HV (high voltage) network were not entirely sufficient to mitigate the prevailing socio-economic and climatic circumstances."

Business and industry are therefore having to pay the cost of decade of neglect in investment in infrastructure, together with lack of planning to match energy demand increases with a rapid rise in population have created a crisis situation in Malta's energy and distribution systems that are affecting people's quality of life and causing disruptions in many enterprises.

Promising compensation for power cuts does not make up for serious shortcomings, and while one can justify a one-off payment to compensate for what was envisaged to be a temporary crisis during 2023, the situation cannot continue to be remedied by repeated compensation payments.

Business is legitimately entitled to expect a stable energy supply as a very basic pre-requisite for investment in Malta. The MEA is grateful for the work and dedication of Enemalta's employees for working round to clock to alleviate pressure and ensure the least disruption possible. However, at the same time, the use of generators and auxiliary power sources emit clear signals to the country and the rest of the world, that our infrastructure is insufficient, overstretched and unprepared. The country's panic measures are evidence that our authorities are firefighting without a long-term strategy to secure security of power supply.

The MEA Secretariat:

Director General
Kevin J Borg

Consultant
Joseph Farrugia

Consultant
Kirsten Cutajar Miller

Lawyer
Dr Charlotte Camilleri

SME Helpdesk Executive
Anton Vella

EU Projects Coordinator
Kurt Cortis

Office Administrator
Dorianne Azzopardi Cilia

Receptionist
Graziella Gauci

© UPDATE is prepared and circulated by:
MALTA EMPLOYERS' ASSOCIATION
35/1, South Street,
Valletta VLT 1100, Malta
t: (+356) 21237585, 21222992
www.maltaemployers.com

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The inexplicable delays in the implementation of the second interconnector, combined with a deterioration of the distribution systems are turning Malta into a third world country, with a consequent corrosion in competitiveness and reputation as a destination for FDI.

The Association called for a political consensus to address this situation through a long-term holistic energy plan to guarantee an energy infrastructure that matches Malta's current and future requirements.