



**Covid-19 Effect on Business
Survey & Focus Group Results**

April/May 2020

Background

The first case of COVID-19 was recorded in Malta on the 6th March 2020. Up to the 20th April, Malta has registered four-hundred and forty-seven (447) cases on Covid-19. Figure 1 below shows the cases overview, details provided by the Public Health Response Team within the Ministry for Health¹.

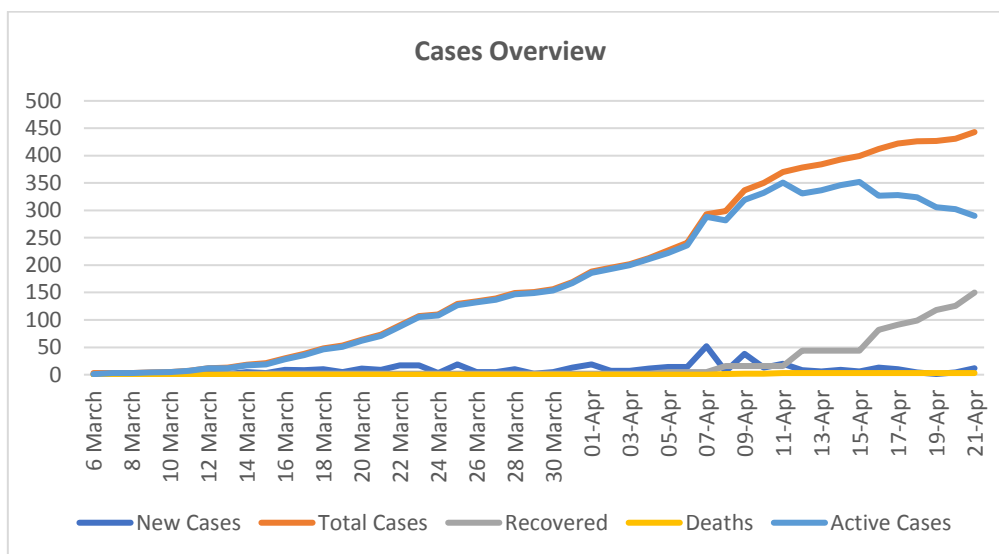


Figure 1: Cases Overview of COVID-19 in Malta between 6th March-20th April

Up to the 20th April 2020, government has announced:

- Period of Quarantine Order under L.N. 40 of 2020 (12.03.2020)
- Closure of Schools under L.N. 41 of 2020 (12.03.2020)
- Travel Ban Order under L.N. 42 of 2020 (12.03.2020)
- Period of Quarantine (Extension to Countries) under L.N. 63 of 2020 (13.03.2020)
- Closure of Schools (Extension of Period of Closure) under L.N.77 of 2020 (17.03.2020)
- Closure of Places open to the Public (Amendment) under L.N. 82 of 2020 (18.03.2020)
- Travel Ban (Extension to all Countries) under L.N 92 of 2020 (20.03.2020)
- Closure of Non-essential Retail Outlets and Outlets providing Non-essential Services under L.N. 95 of 2020 (23.03.2020)
- Self-Isolation of Diagnosed Persons under L.N.99 of 2020 (23.03.2020)
- Suspension of Organised Events under L.N.101 of 2020 (23.03.2020)
- Protection of Vulnerable Persons under L.N 111 of 2020 (28.03.2020)

¹ Infograph

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- Moratorium of Credit facilities in exceptional cases under L.N. 142 of 2020 (13.04.2020)

Till the 20th April 2020, the government has announced three (3) financial packages.

Financial Schemes for employers managed by Malta Enterprise:

- (a) **Covid-Wage Supplement**, provides employee with a basic wage cover to address the disruption caused by the COVID-19 pandemic. Funds will be forwarded to employers who will be obliged to guarantee that the Covid Wage Supplement as established below is forwarded to the employee.
- (b) **Quarantine Leave Scheme**, for employers who have or had a member of their staff (including themselves) on mandatory quarantine leave in accordance with the directives of the Superintendent of Public Health are entitled to a one-off lump sum grant of €350.
- (c) **Facilitating for Teleworking Scheme**, to support employers and self-employed individuals to invest in technology that enables teleworking and to partially cover the costs of teleworking solutions.
- (d) **Deferral of Payment of Taxes**, including the self-employed, to pay Provisional Tax, VAT and National Insurance Contribution on salaries.

Financial Schemes for employees managed by Department of Social Security:

- (e) **Parents' Benefit**, for employees in the private sector who cannot work to take care of their children.
- (f) **Medical Benefit**, for employees of the private sector, who after 27th March 2020, due to COVID-19 are not going to work because they are ordered by the Superintendent of Public Health not to leave their home, are not able to work from home and are not being paid by their employer during their absence from work.
- (g) **Disability Benefit**, for employees with disability employed in the private sector who after 8th March due to the impact of COVID-19 cannot go to work on medical advice and are not able to work from home.

Schemes to Financial Institutions:

- (h) **COVID-19 Guarantee Scheme (CGS) by the Malta Development Bank**, which provides guarantees to commercial banks in order to enhance access to bank financing for a working capital requirements of businesses in Malta facing a sudden acute liquidity shortage as a result of the COVID-19 outbreak. The CGS has

been approved by the European Commission on the 2nd April 2020 under the Temporary Framework for State Aid measures and has not yet been available to companies.

- (i) **Moratorium on Credit Facilities**, licensed by the Malta Financial Services Authority have been directed to offer a six-month moratorium on repayments on capital and interest for borrowers who have been negatively affected by COVID-19.

Chapter 1: Introduction

The main purpose of this research exercise is to discover how business operations have been affected with the COVID-19 pandemic. The survey questions go into reviewing business operations and collect information on how measures being implemented by government are assisting companies in running their day-to-day operations.

By identifying business needs, the Malta Employers Association is able to lobby with government and other social partners in reaching agreements of what needs to be done in order to secure a sustainable future for businesses in Malta and Gozo.

The research exercise has consisted of:

- An online survey among employers from all sectors
- Focus groups by sectors following the analysis of the survey results by sector

1.1 The Survey

The survey was designed on the basis of information obtained from queries by MEA members and schemes issued by government up to the 20th April 2020.

The survey was distributed online through Google Forms, to all MEA members and other companies coming from different industry sectors.

The survey contained fifteen (15) questions, some of which are closed-ended and others are open-ended. Through the open-ended, respondents were given the possibility to explain further their responses, by adding comments to their answers. Appendix I shows the survey format.

There were three-hundred and forty-six (346) responses to the survey, representing a larger number of companies as a number of respondents represented groups of companies, not individual employers. The survey was restricted to one submission per user and was left open five (5) days from the 20th till the 24th April 2020.

A copy of the survey can be found in Appendix I.

1.2 Focus Groups

Following the general analysis of the survey, the Malta Employers Association have presented the sectoral analysis to four different sectors:

Manufacturing Industry	14 th May 2020
Wholesale & Retail Industry	15 th May 2020
Hospitality & Tourism Industry	18 th May 2020
Professional Service Industry	22 nd May 2020

The virtual focus group commenced by delivering a power-point presentation and then opening discussion to participants present, which varied from 15 to 35 company representatives per group.

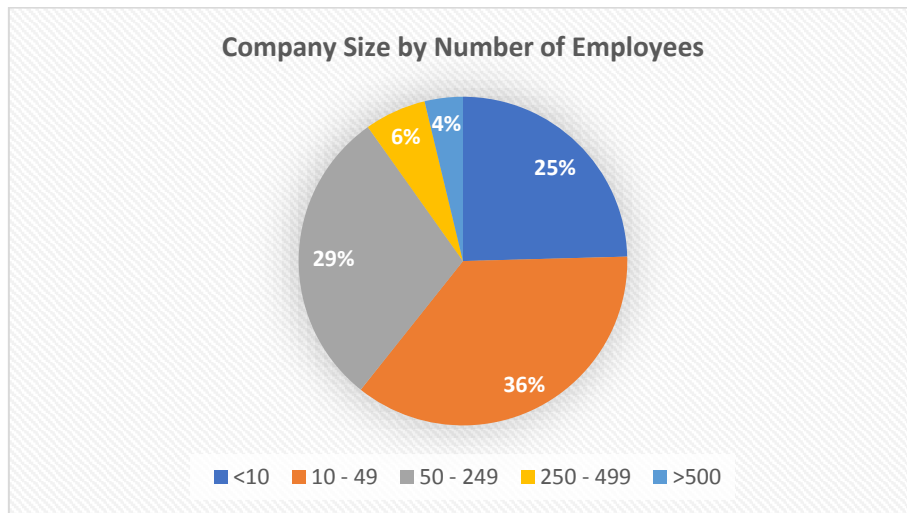
The aim of these focus groups was to provide a space where companies could explain the situation of their business; share their views and thought with other companies in the same sector and explain their needs to the association, so we can assist in lobbying their views amongst other social partners and government.

The minutes of the focus groups can be found after each sector in Chapter 3.

Chapter 2: General Results

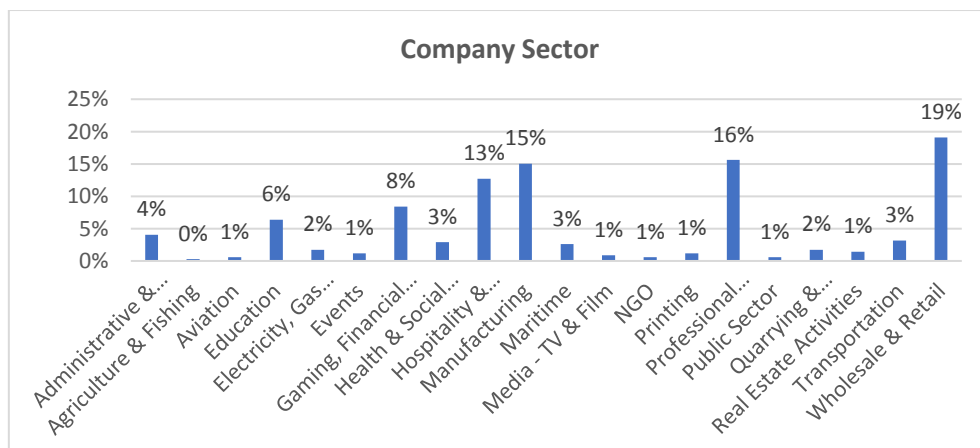
2.1 Company Size by Number of Employees

Out of three-hundred and forty-six (346) survey respondents, 25% of companies employ less than 10 employees, 36% employ between 10-49 employees, 29% employ between 50-249 employees, 6% employee between 250-499 employees, and 4% employ more than 500 employees.



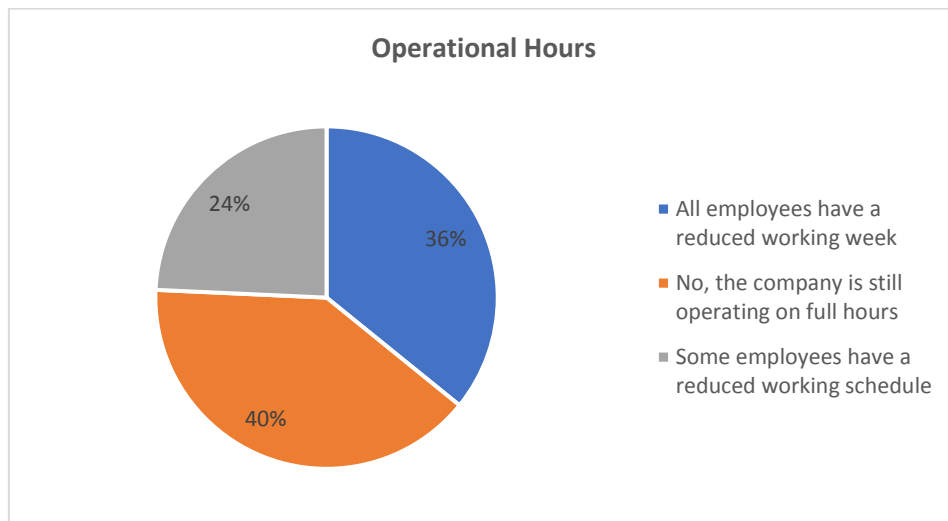
2.2 Company Sector

The data below shows the number of respondents by sector. Out of three hundred and forty six (346) respondents, the highest company representation comes from the Wholesale & Retail industry with 19%, followed by Professional Services with 16% and 15% for the Manufacturing industry. The Hospitality & Tourism industry is represented by 13%.



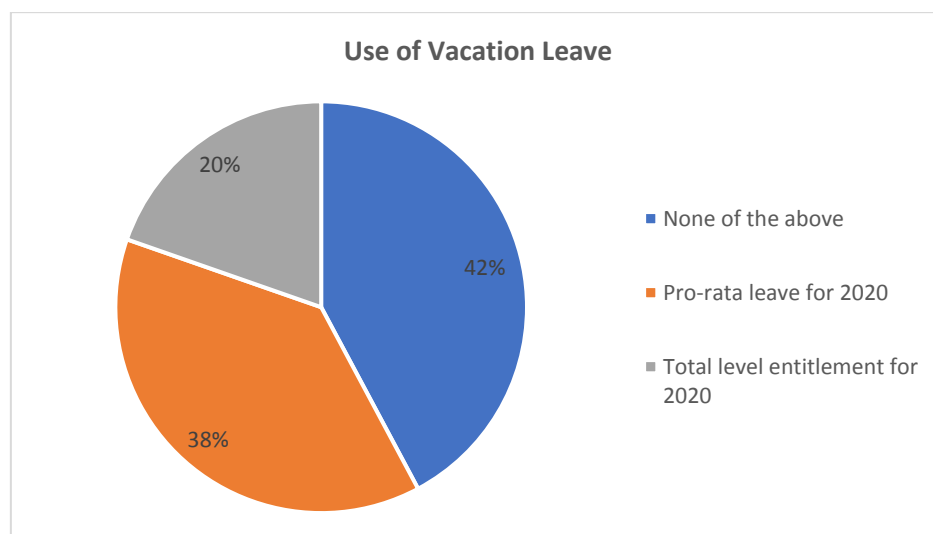
2.3 Operational Hours

Out of 346 respondents, 40% companies claim that their company is still operation on full hours. 24% of company respondents claim that they have put some of their employees on a reduced working schedule, while 36% claim that they have put all their employees on a reduced working week. The survey did not specify the number of days in a reduced working week.



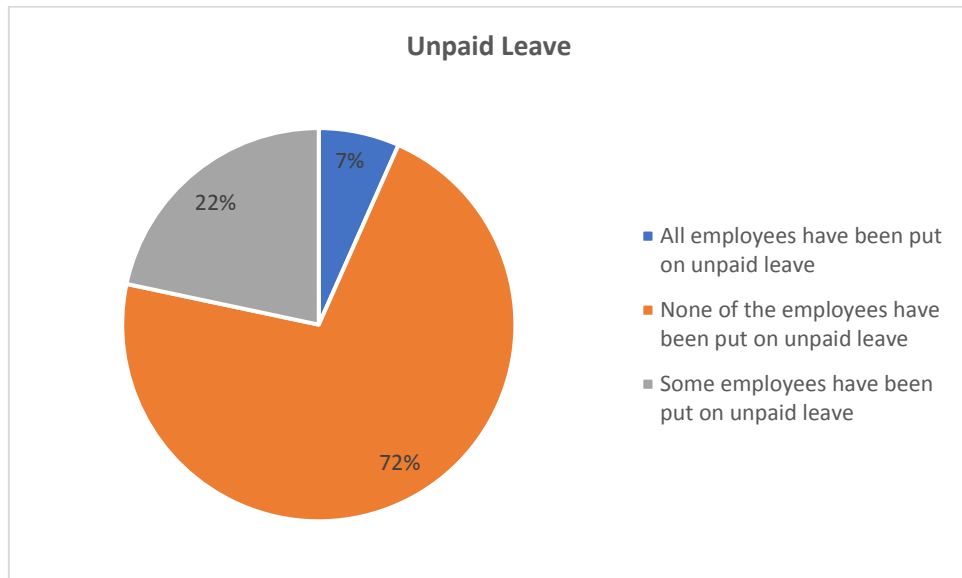
2.4 Use of Vacation Leave

42% of respondents have not asked their employees to make use of their vacation leave. 38% have asked their employees to take pro-rate leave for 2020 and 20% have asked their employees to make use of all their leave entitlements for 2020.

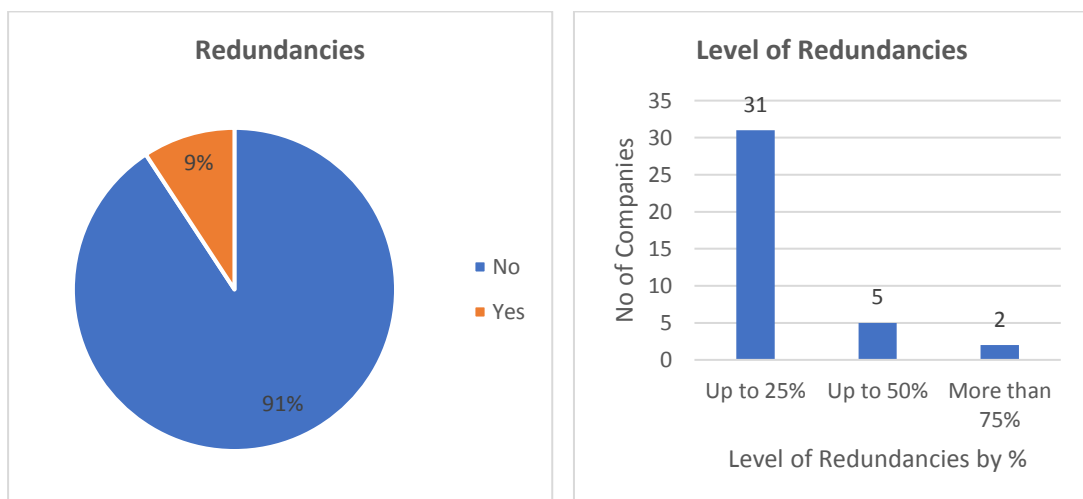


2.5 Use of Unpaid Leave

72% of company respondents state that they have not put their employees on unpaid leave. 22% have put some of their employees on unpaid leave, whilst only 7% have put all their employees on unpaid leave.

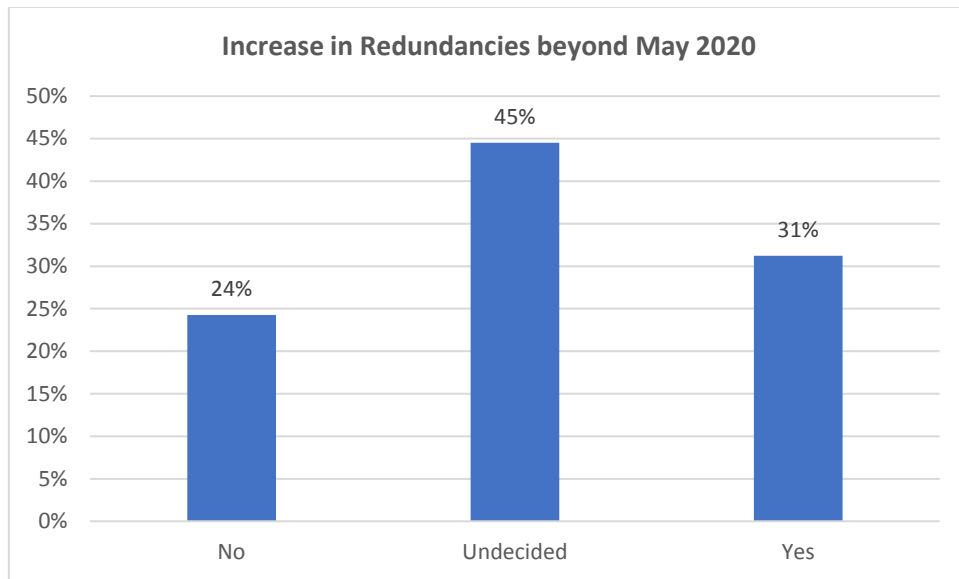


2.6 Number and Level of Redundancies



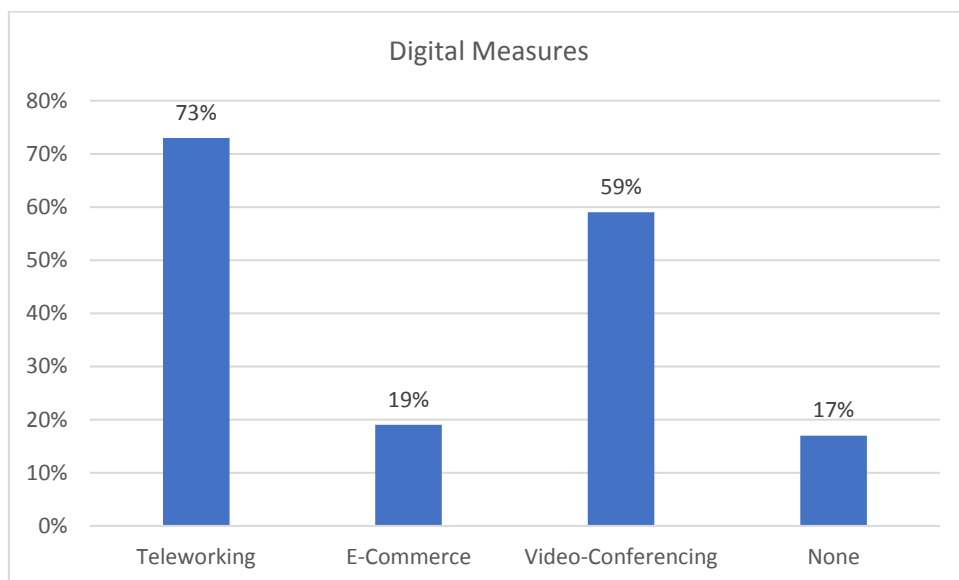
91% of respondents state that they have not made any redundancies in their company. The other 9%, amounting to 38 companies, have made some redundancies by different percentages as shown the below figure.

2.7 Increase in Redundancies beyond May 2020



When asked if they see an increase in redundancies if the COVID-19 situation persists beyond the end of May 2020, 24% of respondents have answered 'No'. 31% of respondents have answered 'Yes' and 45% are still 'Undecided'.

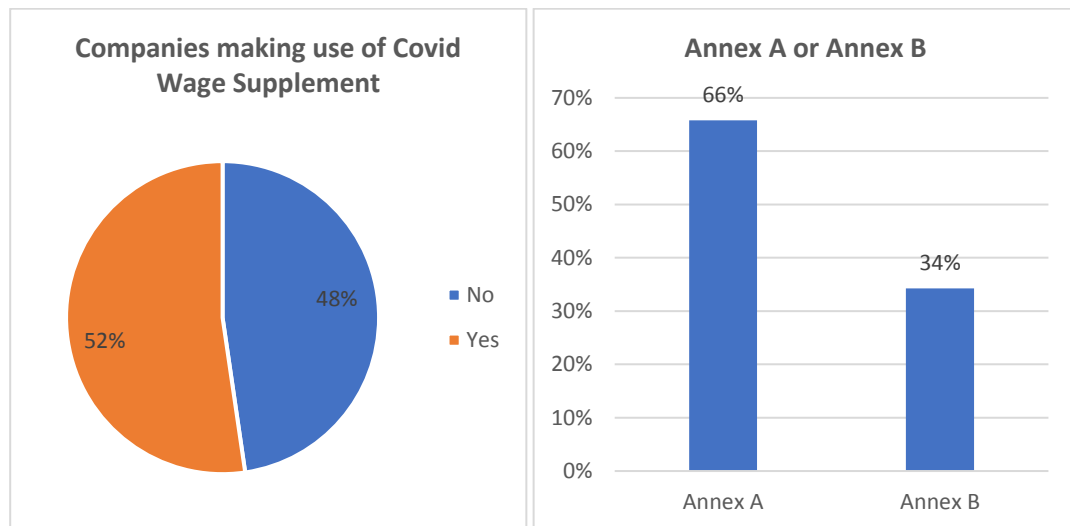
2.8 Digital Measures taken by Companies during COVID-19



Most respondents have been trying to make use of digital measures. So much so that 73% of respondents have some or all their employees on telework and 59% have been making sure of video-conferencing equipment to hold internal meetings or meeting with clients. 19% of respondents are making use of an e-commerce solution like

website and/or online payment system. A good number of companies have also mentioned that they are providing online training to both employees and students.

2.9 Companies making use of Covid Wage Supplement

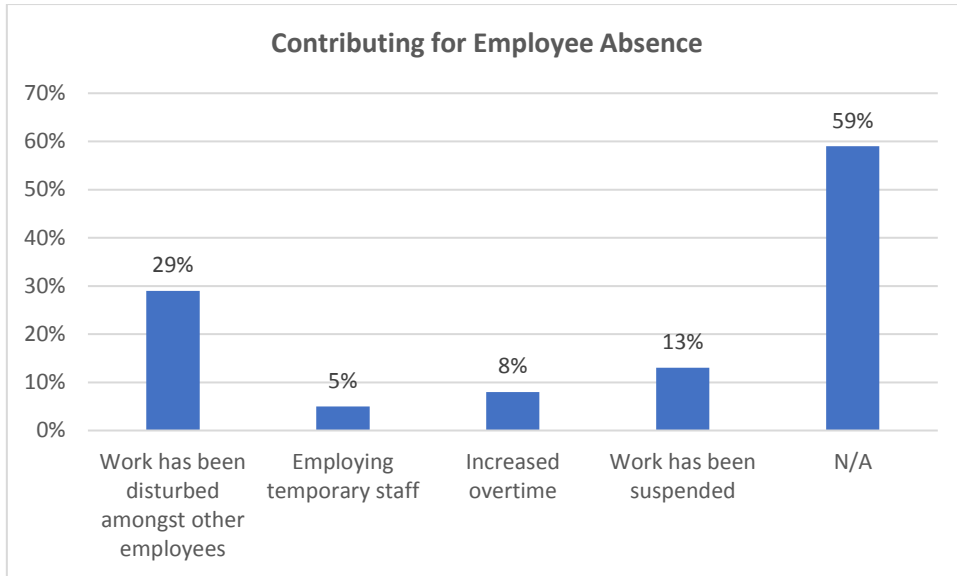


More than half of the respondents (52%) are benefitting from the Covid Wage Supplement being managed by Malta Enterprise. The other 48% of respondents are not benefitting.

Out of the 52% of respondents benefitting from the scheme, 66% (121 companies) fall under Annex A, thus benefitting from €800 per month for every full-time employee and €500 per month for every part-time employee, and 34% (63 companies) fall under Annex B where the company benefits from €160 per month for every employee.

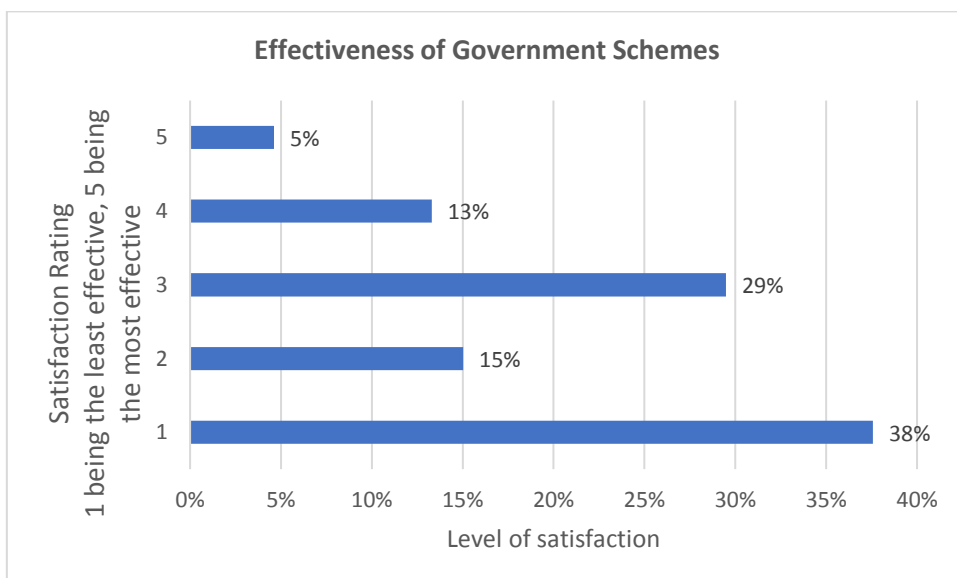
2.10 Measures to contributing towards employee absence

Companies that have employees making use of the schemes being managed by the Department of Social Security, namely the Medical Benefit for vulnerable persons; Parents Benefits for parents to look after children; and the Disability Benefit for persons with disability, are compensating for their employees' absence mostly (29%) by distributing work on other employees. 5% of respondents stated that they had to employ temporary staff, 8% of respondents have increased overtime and 13% have suspended work.



2.11 Effectiveness of Government Schemes

Most companies that responded to this survey do not rate high scores for the effectiveness of government schemes. The above table shows the level of satisfaction of companies, with 1 being the most effective and 5 being the least effective. 18% of respondents claim that the government schemes are very effective and effective, 29% of respondents claim that the measures have neither been effective nor ineffective, and 53% of respondents claim that the measures are not very effective to their business.



2.12 Recommendations to Government

A number of recommendations have been proposed to government by companies who have responded to this survey. Amongst others there are recommendations for:

- Reduction in Utility Bills
- Subsidies for Company Rents
- Introduction of Moratoriums
- Decrease in Interest Rates
- Reduction in VAT & NI/Company Tax
- Exemptions on some Working Conditions
- More efficiency from Managing Authorities
- Amendments in the Covid Wage Supplement – including more sectors, extending supplement, etc.
- Other financial assistance

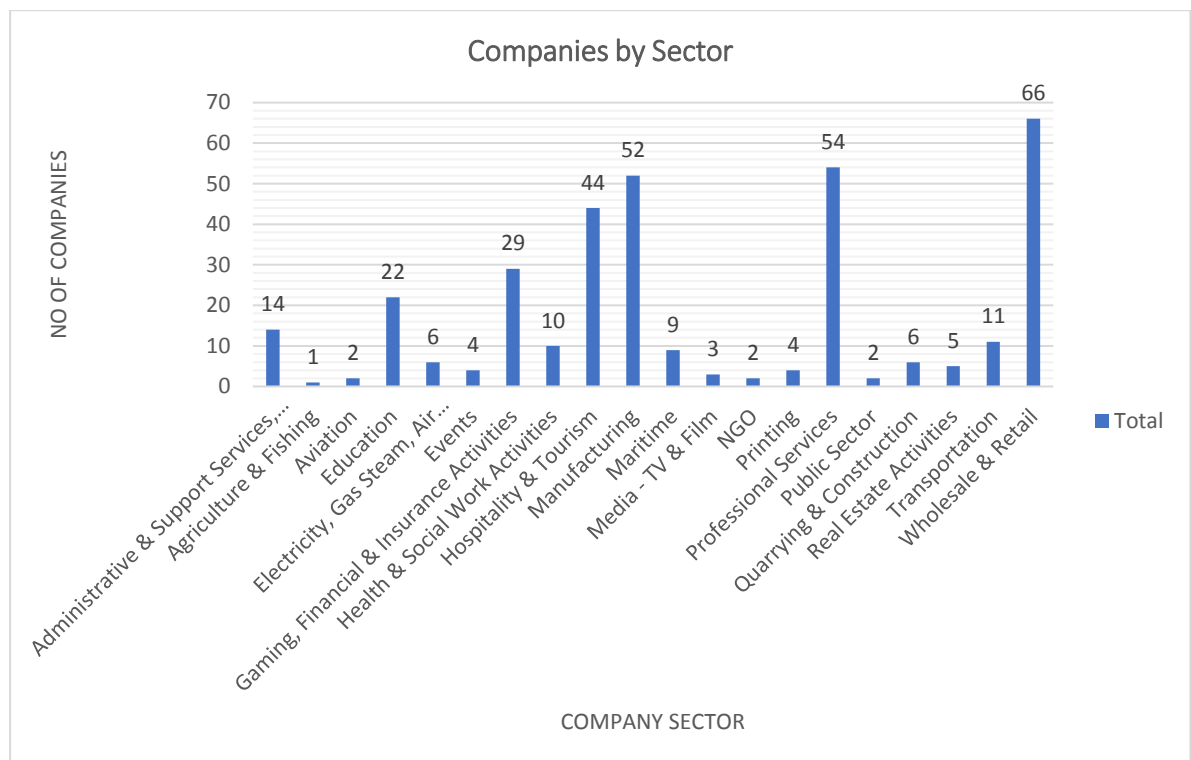
The full list of recommendations can be found in Appendix II.

Chapter 3: Sectoral Analysis

3.1 Company Sectors

The data below shows the number of respondents by sector. Out of three hundred and forty six (346) respondents, the highest company representation comes from the Wholesale & Retail industry with sixty-six (66) companies, followed by Professional Services with fifty-four (54) companies and fifty-two (52) companies from the Manufacturing industry, and forty-five (44) companies from the Hospitality & Tourism industry. Twenty-nine (29) companies come from the Gaming, Financial and Insurance Industry and twenty-two (22) companies come from Education.

Sectors below twenty (20) companies are not being considered in this chapter.



3.2 Sectors by Company Size

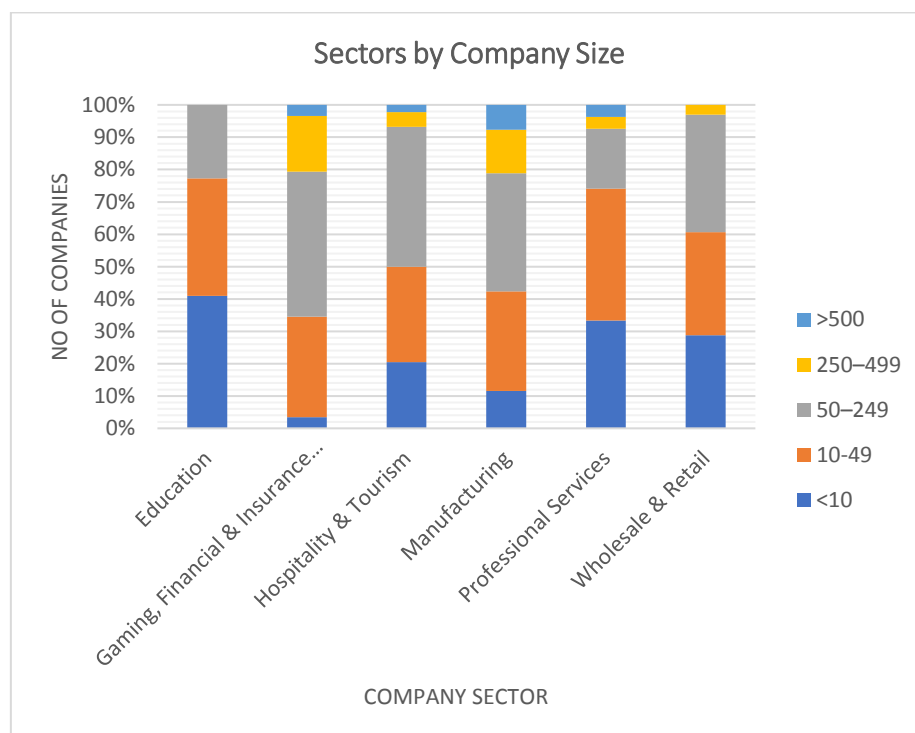
Considering that the biggest percentages of companies in Malta are SMEs, most companies that participated in this survey employ between 10-29 and 50-249 employees.

The highest number of micro enterprise employing less than 10 employees can be found in the Education sector with 41% of companies; followed by the Professional Services with 33% of companies. Sectors like the Gaming, Financial and Insurance and Manufacturing have the least percentage considering that these sectors tend to employ between 50-249 employees.

Companies employing 10-49 employees are seen to have the highest percentage in Professional Services with 41%, followed by Education with 36%, Wholesale and Retail (32%), and Gaming, Financial and Insurance with 31%. Companies employing 10-49 employees in Manufacturing (31%) and Hospitality & Tourism (30%) have a similar representation in this sample.

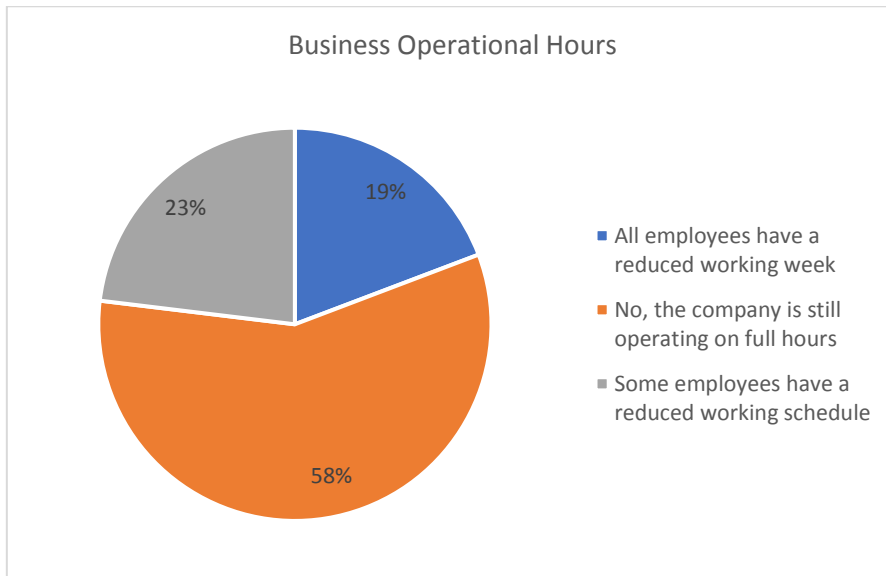
The highest representative sample for companies employing 50-249 employees lies in the Gaming Industry with 45%, followed by Hospitality & Tourism with 43%; Manufacturing with 37% and Wholesale & Retail with 36%. The sector with the least representation in this group is Professional Services with 19%.

The largest companies employing 500+ employees are representatives of the Manufacturing Industry with 8%.

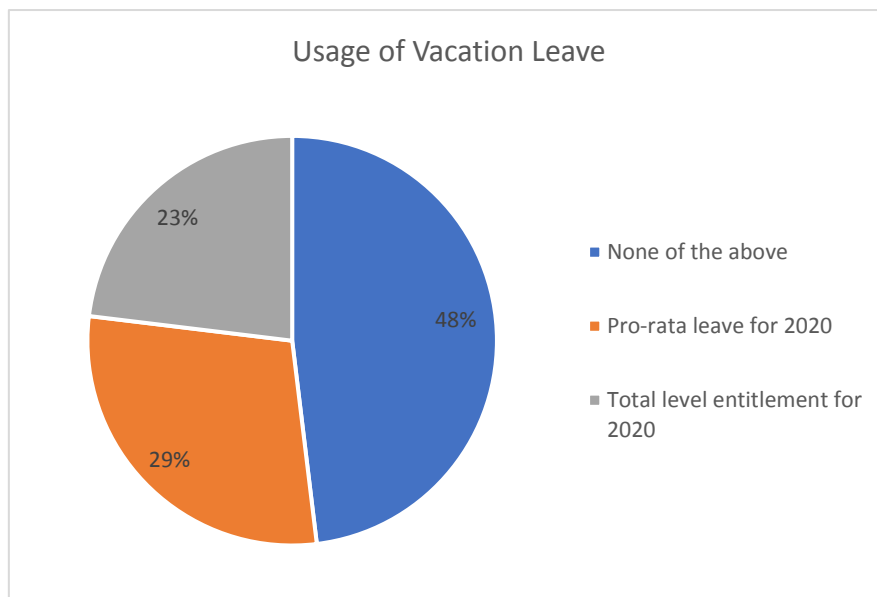


Sector A: MANUFACTURING

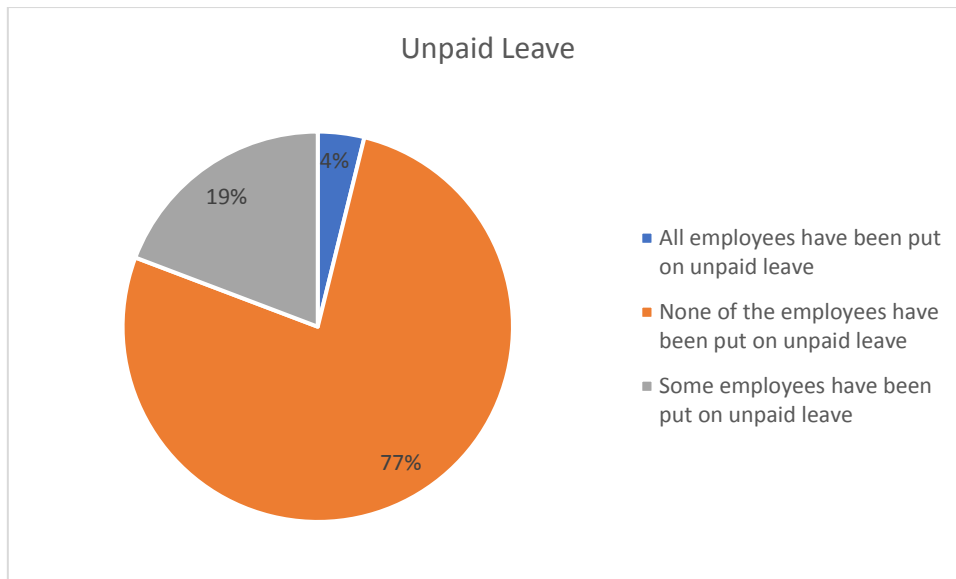
The manufacturing industry represents 15% of survey respondents.



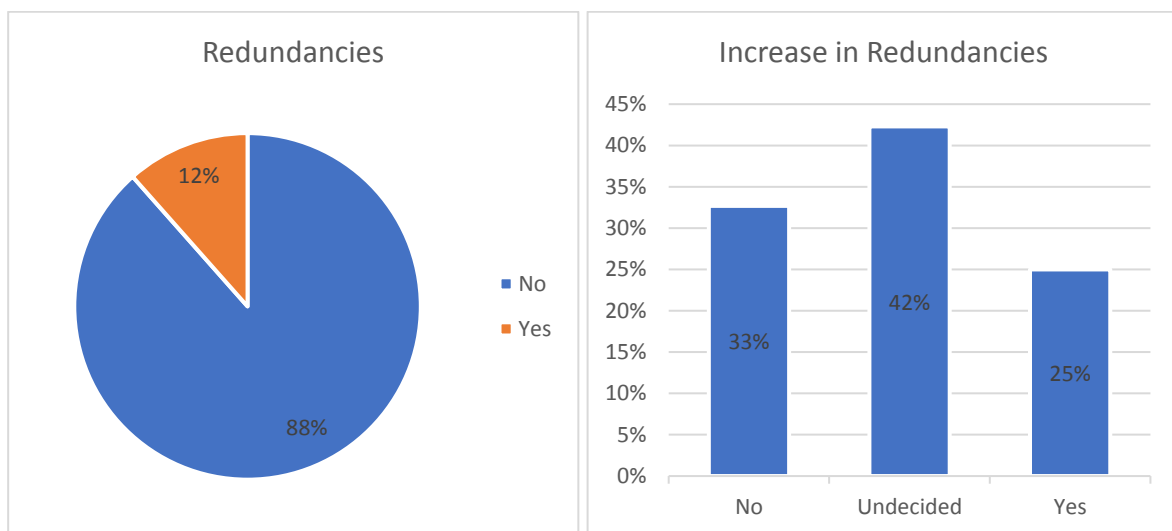
58% of respondents are still operating on full hours. 23% of respondents have some employees on a reduced working schedule. 19% of respondents have all their employees on a reduced working week.



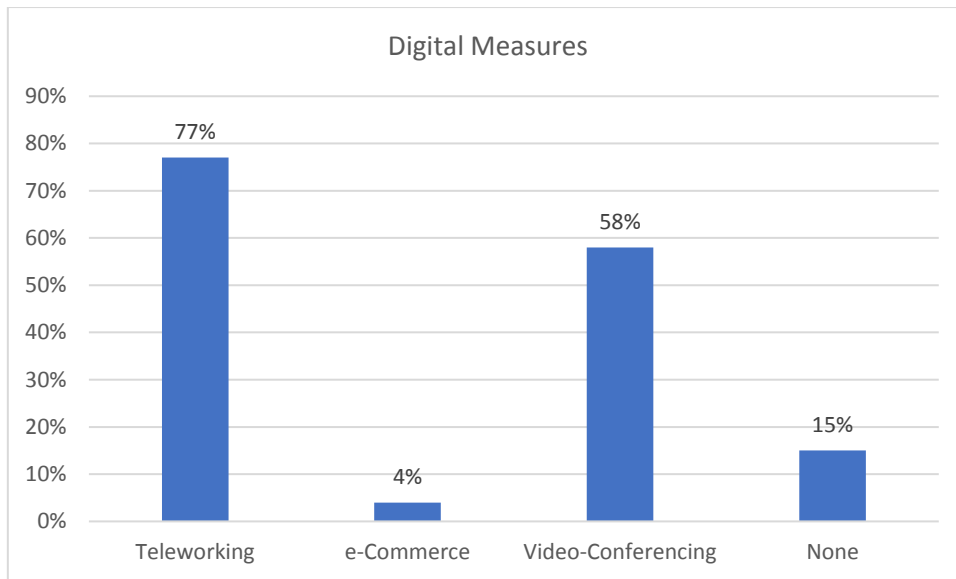
48% of respondents have not asked their employees to make use of their vacation leave. 29% have asked their employees to take pro-rate leave for 2020 and 23% have asked their employees to make use of all their vacation leave entitlement for 2020.



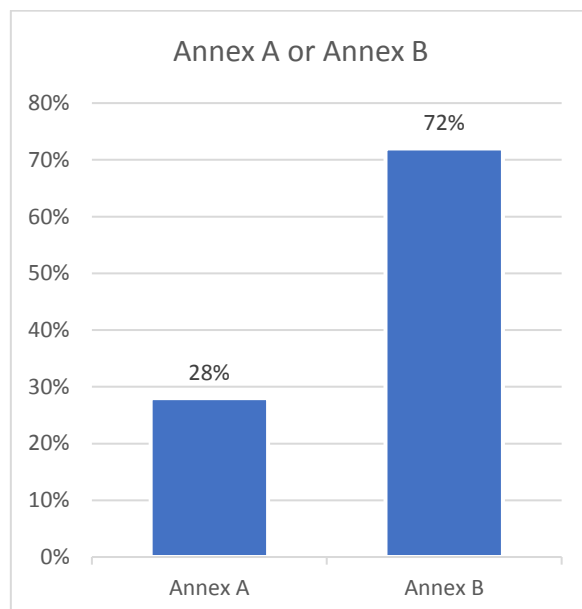
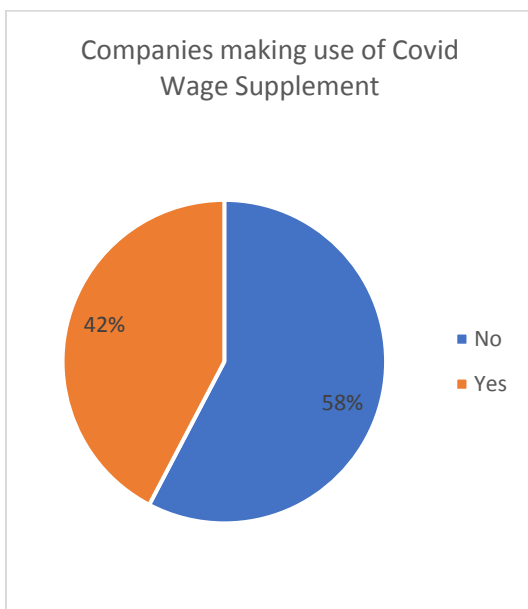
77% of manufacturing companies that responded to this survey state that they have not put their employees on unpaid leave. 19% have put some of their employees on unpaid leave, whilst only 4% have put all their employees on unpaid leave.



88% of respondents state that they have not made any redundancies within their company. The 12% that have made redundancies were between 0-25%. When asked if they see an increase in redundancies if the COVID-19 situation persists beyond the end of May 2020, only 33% have answered 'No'. 25% of respondents have answered 'Yes' and 42% are still 'Undecided'.



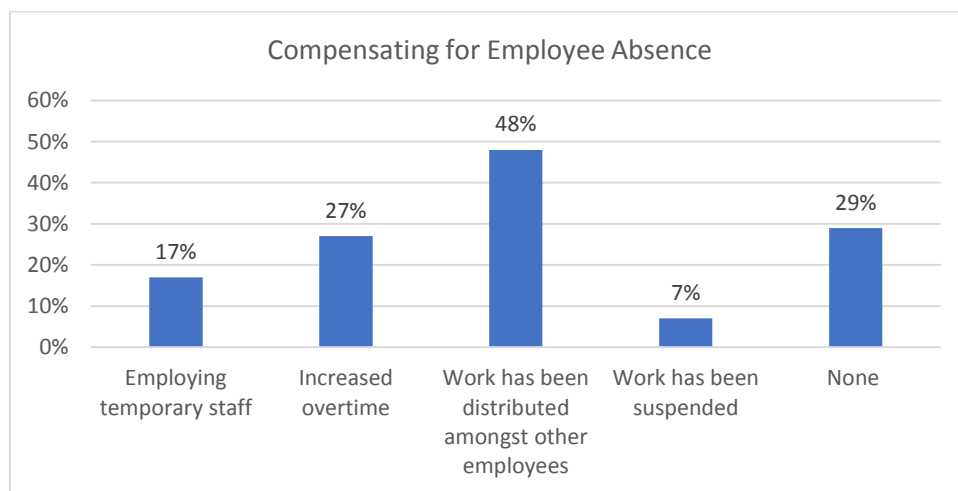
Most respondents have been trying to make use of digital measures. So much so, that 77% of respondents have some or all their employees on telework and 58% have been making use of video-conferencing equipment to hold internal meetings or meeting with clients. 4% of respondents are making use of an e-commerce solution like website and/or online payment system. 15% of respondents have not adopted any digital measures.



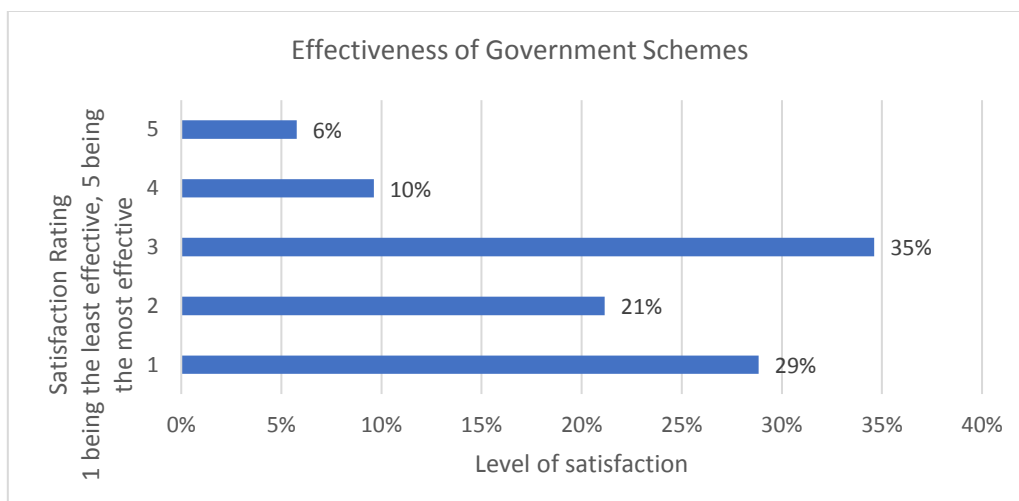
58% of respondents in the manufacturing industry are not benefitting from the Covid Wage Supplement, issued by the government and being managed by Malta Enterprise. The other 42% respondents are benefitting from the Covid Wage Supplement – out of which 28% fall under Annex A, thus benefitting from €800 per month for every full-time employee and €500

per month for every part-time employee, and 72% fall under Annex B where the company benefits from €160 per month for every employee.

Companies that have employees making use of the schemes issued by government and being managed by the Department of Social Security, namely the Medical Benefit for vulnerable persons; Parents Benefits for parents to look after children; and the Disability Benefit for persons with disability, are compensating for their employees' absence mostly (48%) by distributing work on other employees. 27% of respondents state that they have increased overtime and 17% have employed temporary staff. For some companies (7% of respondents), work has had to be suspended.



Most companies in the manufacturing industry that responded to this survey do not rate high scores for the effectiveness of government schemes. The below table shows the level of satisfaction of companies, with 1 being the least effective and 5 being the most effective. 16% of respondents claim that the government schemes are effective, 35% of respondents claim that the measures have neither been effective nor ineffective, and 50% of respondents claim that the measures are not very effective to their business.



A number of recommendations have been proposed to government, by the manufacturing industry who have responded to this survey:

- Amendments in the Covid Wage Supplement – including more sectors, extending supplement, etc
- Increase in Financial Assistance
- Reduction of Utility Bills / Rent
- Measures for Employees to compensate for Parent employees

Following the analysis of the survey, the Malta Employers Association held a focus group to present with the respective sector and presented the survey results.

The focus group with the manufacturing industry was held on the 14th May 2020.

Attendees:

- Ms Doris Sammut Bonnici, President of MEA
- Mr Joseph Farrugia, Director General of MEA
- Mr Jonathan Ferrito from ST Ltd., representative of the manufacturing industry in MEA Council
- Other: 31 participants from the manufacturing industry

Comments:

Operational Hours

- Statistics produced by MEA are in line with that of some companies that were present for the focus group.
- 10% of employees fall under a vulnerable group sector in some companies that participated in the focus group.
- Companies mentioned that employees are not taking vacation leave as people do not have where to go, thus employees are having accumulation of leave. Some questioned whether vacation leave of next year can be used or whether companies can shift unworked hours for next year replacing overtime hours which would hopefully be required. This was recommended due to the reduced production requirements in the food and beverage industry which will remain for the coming months.

Production

- Food production companies had a surge in March as people were panicking in buying food products. However, they saw a decline from mid-May onwards due to a decrease in orders from hotels and restaurants which are now closed.

In other manufacturing companies, like those in the production of carton boxes and production of glass went down by up to 70% in April. Companies that provides B2B had a rather stable production as some of their clients increased operations.

- In the last 3 weeks, some manufacturing companies (e.g. production of glass and carton boxes) have seen an upscale in production. They claimed that they are 55-60% down, in opposition to 70% in April.

On the other hand, some participants fear that the worse is yet to come when seeing projections for June. Companies that rely on B2B and domestic consumers, fear that domestic demand will drop due to an increase in redundancies and due to people having less disposable income.

Additional Expenses for business

- Most companies have been incurring additional expenses due to:
 - Replacement of staff and hiring of new employees to cover employees that are benefitting from the parental/medical/vulnerable benefits;
 - Increased overtime costs as productivity has decreased due to employing new employees which had to be trained;
 - Deliveries have increased by customers (e.g. supermarkets that have been working on shift basis) and this has increased our operational hrs;
 - Health & Safety equipment procured for employees; and
 - Increase in utility bills as some companies are operating on double-time. In other manufacturing companies, costs of energy are fixed due to cold storage facilities.
- Some companies have reported that their employees are taking more sick leave, due to Health Authorities asking for swabbing. It was recommended that the Department of Health should make it a priority to see people with an occupation first, to avoid having employees on a longer duration of sick leave than required.
- A company participating in the focus group suggested that financial assistance should be provided by the government to encourage home working, which could be an option for cost allowance. Mr Farrugia highlighted that employers should make agreements

for teleworking employees. A clause should be added that the agreement is to be revised from time to time, so employees will know that this is a temporary measure.

- A substantial amount of the Maltese workforce are TCNs, which are now being restricted from work due to Identity Malta suspending all new employment. Only change of jobs or change of employer applications are being accepted, and sometimes this is also impossible. Companies are:
 - Finding it hard to extend permits as Identity Malta are asking for additional documents which were not required before the outbreak of the pandemic; and
 - Some low skilled workers were working with other employers with no documents;
 - Getting back TCNs who were on vacation in their home countries before the outbreak of the pandemic.

Mr Farrugia mentioned that this issue has been brought forward to Hon. Carmelo Abela. So far, the undertaken has been that employers would not be punished when retaining TCNs, even if their permit has expired. Authorities are to be reasonable and ensure that employers are not being penalised for something that other Authorities are falling to do.

Returning to Work

- Most employees in the manufacturing industries continued going to work as per before. Other employees which are returning to work are positive as they are going back to normality.
- Most employees in retail and those providing delivery services were reluctant in meeting customers due to health and safety reasons.
- Measures taken by companies to ensure Health & Safety regulations include:
 - Providing masks, visors, sanitizers, cleaning products, etc.
 - Splitting teams, rather than working all together
 - Division of sections with Perspex and other material
- Employees making use of the Parents Benefit have not returned to work as schools and childcare centres are still closed. This is causing a huge problem for employers as some have either employed temporary staff (i.e. costs of training, production is lower), and other have suspended their work or put their work on other employees. Companies are at a loss on what to do if the Parents' Benefit will be extended.

- Employees that are not benefitting from a scheme issued by government, cannot refuse not going to work, as this would be abandonment of work. Mr Farrugia emphasized the importance of taking all the necessary measures to ensure that the workplace is a safe place to work in, and encouraged employers to carry out risk assessments.

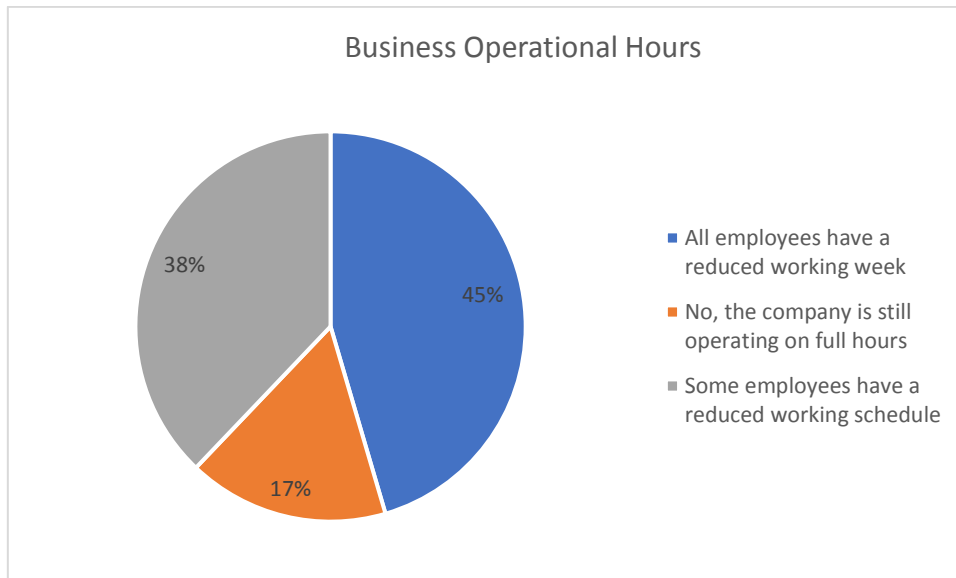
Conclusions

- The manufacturing industry has proved once again that it is one strong pillar for the Maltese economy and the government should make it a priority to provide support and assistance. Participants stated that a more focused approach is needed to ensure that companies which are most in need will be able to recover in the next 3 months or so.
- Companies agree that at this point, financial measures have to be directed to companies not just the safeguarding of jobs.
- Ms Sammut Bonnici, President of MEA stated that in a meeting with Hon Silvio Schembri, government in encouraging companies to follow administrative procedures when applying for the Covid Wage Supplement Scheme in order to make the process more efficient. Companies that have applied for the March-April period will be receiving a letter to review their operations (i.e. whether they still qualify for Annex A or B). Those companies that have not benefited from March-April, but their situation has worsened are being encouraged to apply for the May-June period.
- Mr Farrugia, Director General of MEA encouraged companies to be innovative and start thinking of whether the manufacturing industry needs to be more diversified in the coming months, in attracting a wider audience.
- Companies do not have any visibility to what is happening, they cannot plan for recovery time. It was suggested that social partners should increase discussions with government to get more information.

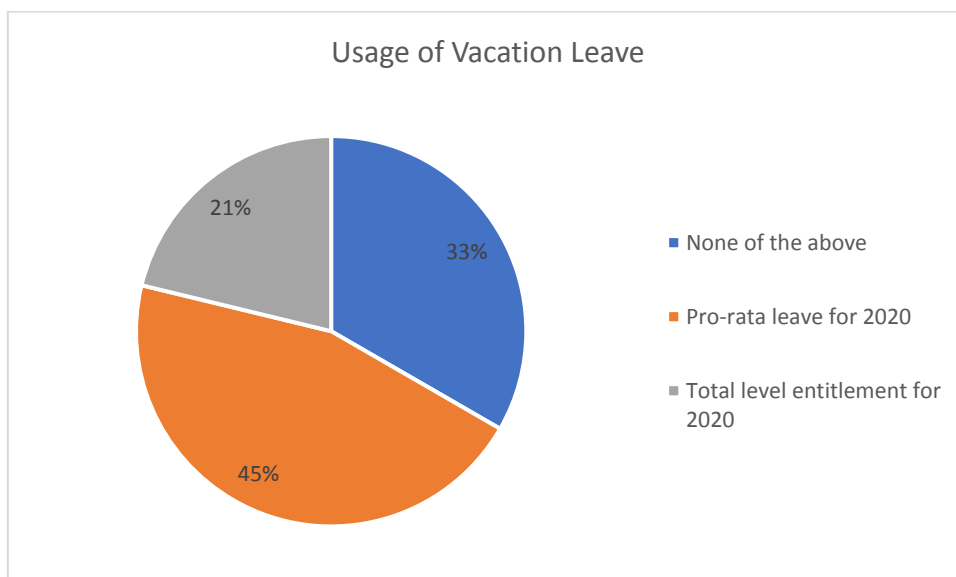
MEA highlighted that it has already presented a set of recommendations to government, amongst which include the provision of financial assistance with utility bills, and reduction in VAT rates. Mr Farrugia, Director General of MEA stated that if necessary MEA will be issuing more recommendations in the near future.

Sector B: WHOLESALE & RETAIL

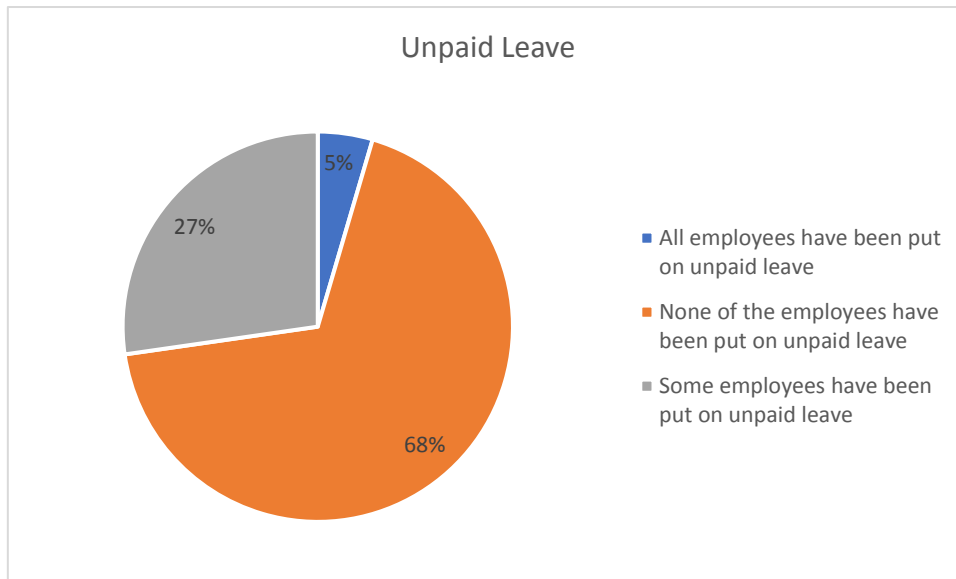
The wholesale and retail industry represents 19% of survey respondents.



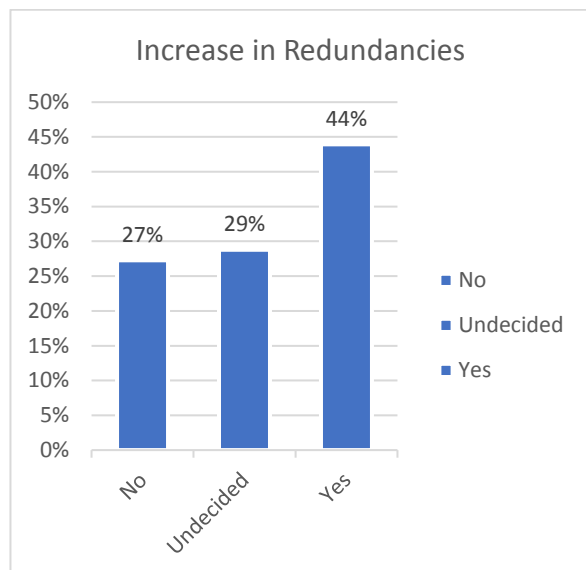
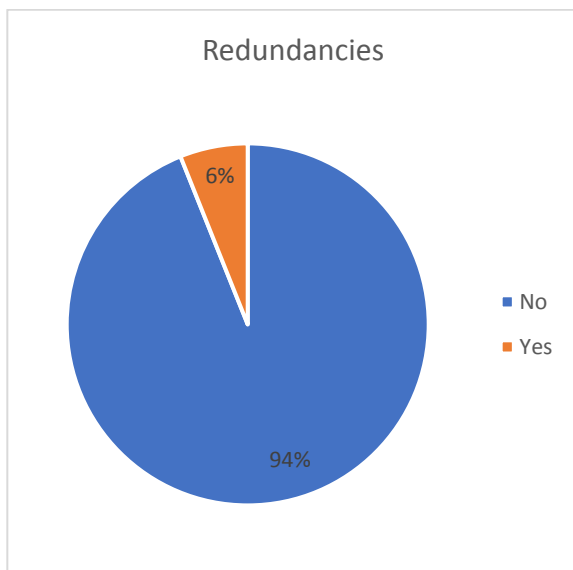
According to survey respondents, 45% of companies in the wholesale & retail industry have all their employees on a reduced working week. 38% state that some employees have a reduced working schedule, while 17% of respondents are still operationing on full hours.



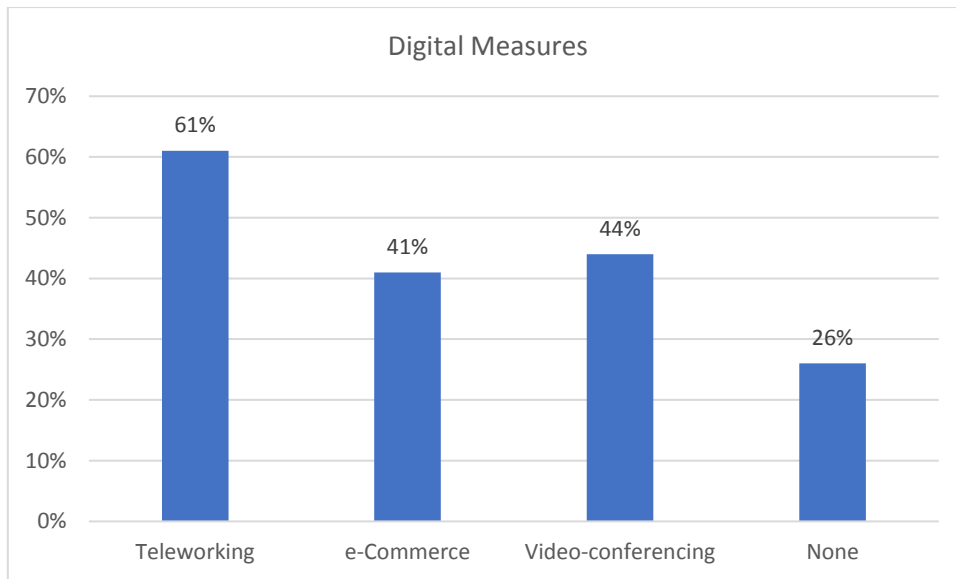
33% of respondents have not asked their employees to make use of their vacation leave. 45% have asked their employees to make use of the pro-rate leave for 2020 and 21% have asked their employees to make use of all their vacation leave entitlement for 2020.



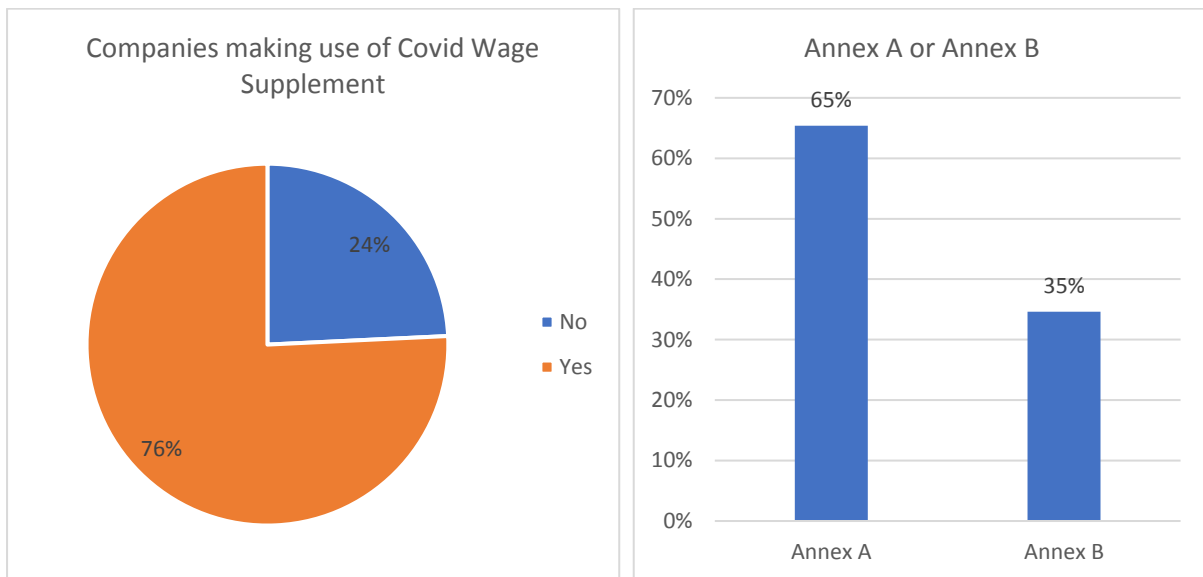
68% of companies in the wholesale and retail industry that responded to this survey state that they have not put their employees on unpaid leave. 27% have put some of their employees on unpaid leave, whilst only 5% have put all their employees on unpaid leave.



94% of respondents state that they have not made any redundancies in their company. The 6% (4 companies out of 66) that have made redundancies were between 0-25%. When asked if they see an increase in redundancies if the COVID-19 situation persists beyond the end of May 2020, only 27% have answered 'No'. 44% of respondents have answered 'Yes' and 29% are still 'Undecided'.



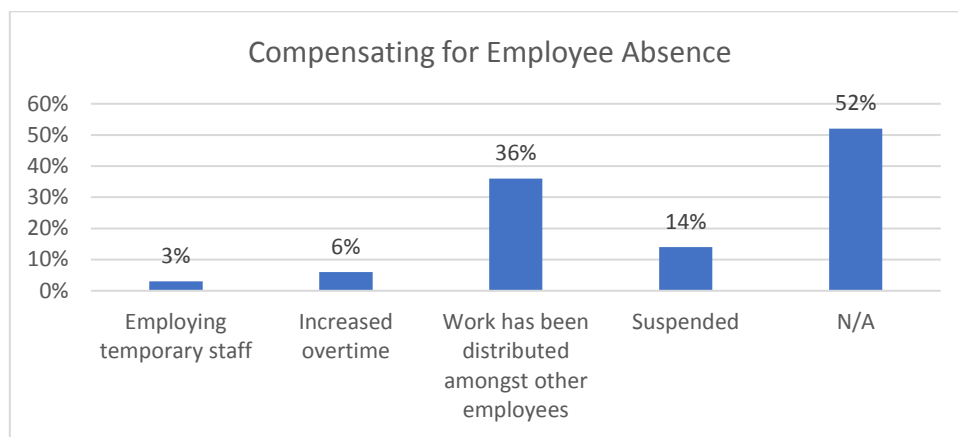
Most respondents in the wholesale and retail sector have been trying to make use of digital measures. So much so that 61% of respondents have some or all their employees on telework and 44% have been making sure of video-conferencing equipment to hold internal meetings or meeting with clients. 41% of respondents are making use of an e-commerce solution like website and/or online payment system. 26% of respondents have not been making use of any digital measures.



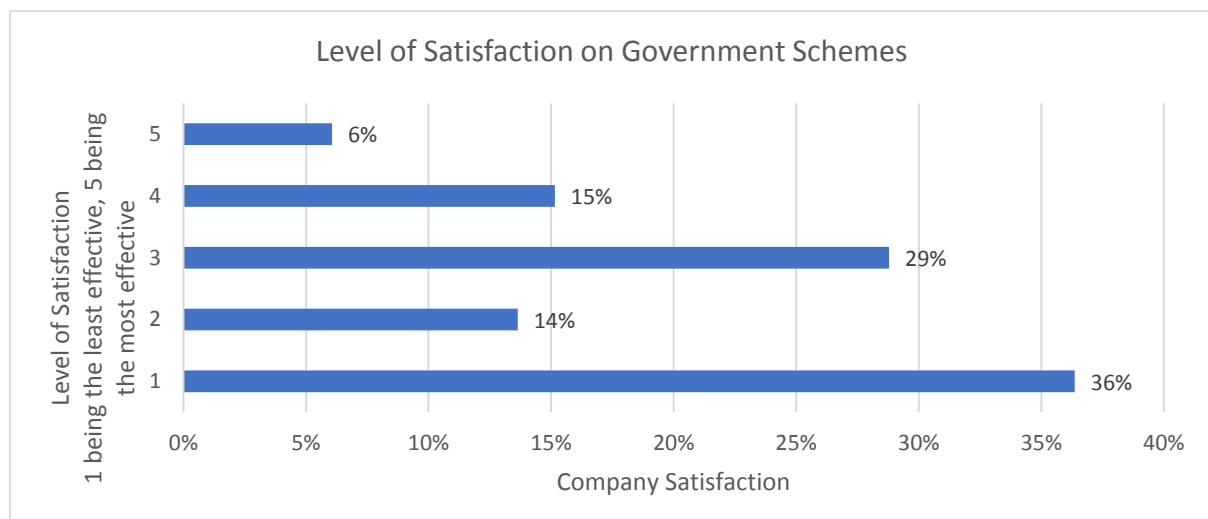
76% of respondents in the wholesale & retail industry are benefitting from the Covid Wage Supplement issued by government and being managed by Malta Enterprise. The other 24% respondents are not benefitting from the Covid Wage Supplement. Out of the 76% which are benefitting from the Covid Wage Supplement, 65% of respondents fall under Annex A, thus benefitting from €800 per month for every full-time employee and €500 per month for every

part-time employee, and 35% fall under Annex B where the company benefits from €160 per month for every employee.

Companies that have employees making use of the other schemes issued by government and being managed by the Department of Social Security, namely the Medical Benefit for vulnerable persons; Parents Benefits for parents to look after children; and the Disability Benefit for persons with disability, are compensating for their employees' absence mostly (36%) by distributing work on other employees. 6% of respondents state that they have increased overtime and 3% have employed temporary staff. 14% of respondents have suspended work carried out by persons who had to make themselves absent from work due to COVID-19.



Most companies in the wholesale and retail industry that responded to this survey do not rate high scores for the effectiveness of government schemes. The above table shows the level of satisfaction of companies, with 1 being the least effective and 5 being the most effective. 21% of respondents claim that the government schemes are effective, 29% of respondents claim that the measures have neither been effective nor ineffective, and 40% of respondents claim that the measures are not very effective to their business.



A number of recommendations have been proposed to government, by the wholesale and retail industry who have responded to this survey:

- Amendments in the Covid Wage Supplement – including more sectors, extending supplement, etc
- Increase in Financial Assistance
- More efficiency from Managing Authorities
- Reduction in Utility Bills
- Subsidies for Company Rents
- Introduction of Moratoriums
- Decrease in Interest Rates
- Reduction in VAT & NI/Company Tax

Following the analysis of the survey, the Malta Employers Association held a focus group to present with the respective sector and presented the survey results.

The focus group with the wholesale and retail industry was held on the 15th May 2020.

Attendees:

- Mr Joseph Farrugia, Director General of MEA
- Mr Stephen L. Muscat from Liquigas, representative of the wholesale & retail industry in MEA Council
- Other: 14 participants from the wholesale & retail industry

Comments:

- Companies within the same sector has been hit differently. Companies within the non-essential retail have been hit much harder than the ones within the essential retail (e.g. food production and gas).
- Many businesses have stocked up on products which will not be sold in the coming months (e.g. ice cream, clothes). However, companies have already paid for the items and are spending more money for storage (i.e. freezers which consumes energy).
- Clients of the wholesale and retail industry (e.g. hotels and restaurants) pay in arrears, some in six months' time, while suppliers require cash and does not accept credit. This is causing a loss of cash liquidity in most companies.
- Retail is going down drastically as people have less money in their hands, so the spending power is less. This can also be seen in the products being purchased. Due to

lack of income, many customers are turning to convenient food such as rice and pasta, and high-end products are not being sold.

- Even though some shops have opened up, people are afraid to go shopping. Some companies commented that their sales have reduced drastically, some of which are at a loss. This applies to all regions, but mostly in touristic areas as tourists will not be coming to Malta.
- Retail companies that have sections which are completely dependent on the Hospitality Sector (e.g. hotels and restaurants) are now out of work and cannot be supported by the company for long.

Conclusions:

- Wholesale and retail companies are appealing to government to increase financial assistance, by changing the eligibility of the Covid Wage Supplement. Companies that have been critically hit should change from Annex B (i.e. €160 per month for each employee) to Annex A (i.e. €800 per month for each employee).

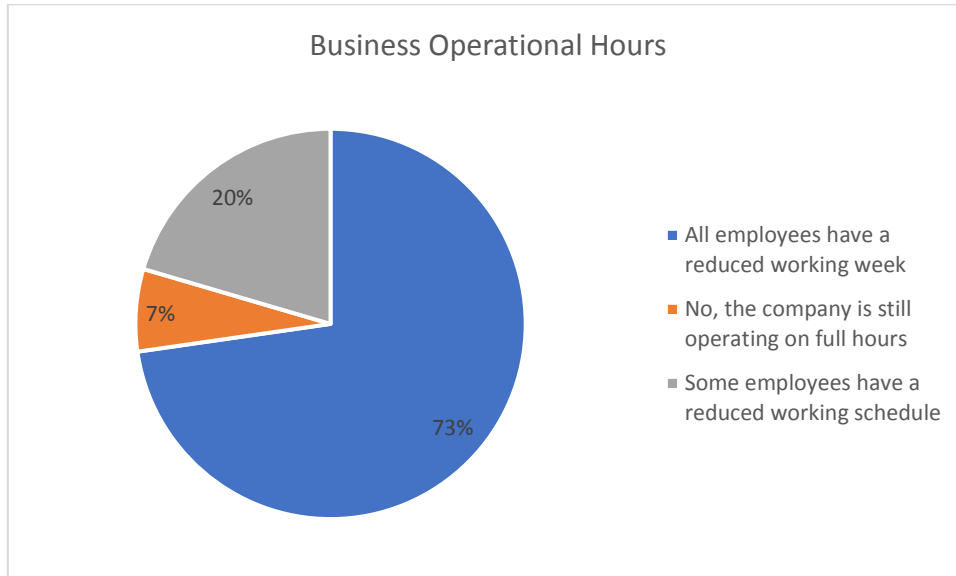
If government will not be providing additional assistance, companies falling under the wholesale and retail sector will have no other choice than to reduce its workforce. The minimum wage of employees in one of the biggest retail companies in Malta start at €1300 per month. Other companies have agreed that the biggest expense of their business are wages and salaries, followed by company rent.

- It was stated that in a meeting with Hon Silvio Schembri, government in encouraging companies to follow administrative procedures when applying for the Covid Wage Supplement Scheme in order to make the process more efficient. Companies that have applied for the March-April period will be receiving a letter to review their operations (i.e. whether they still qualify for Annex A or B). Those companies that have not benefited from March-April, but their situation has worsened are being encouraged to apply for the May-June period.
- Mr Farrugia, Director General of MEA highlighted that MEA has already presented a set of recommendation to government, some of which are:
 - To include all sectors under Annex A as Annex B is no longer being effective
 - To provide financial assistance concerning utility bills and energy costs
 - To decrease company rents

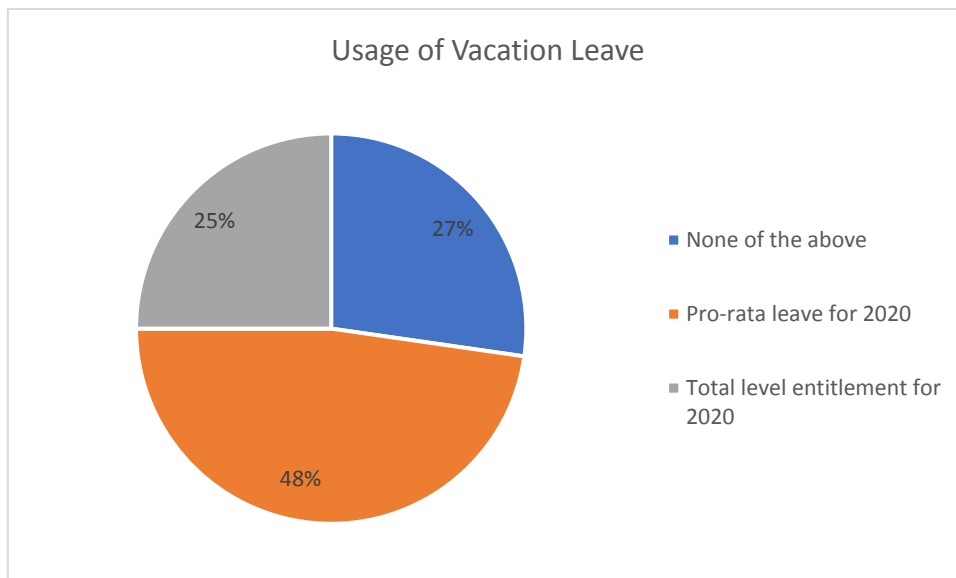
He furthered his argument by stating that if necessary MEA will be issuing more recommendations in the near future.

Sector C: HOSPITALITY & TOURISM

The hospitality and tourism industry represents 13% of survey respondents.

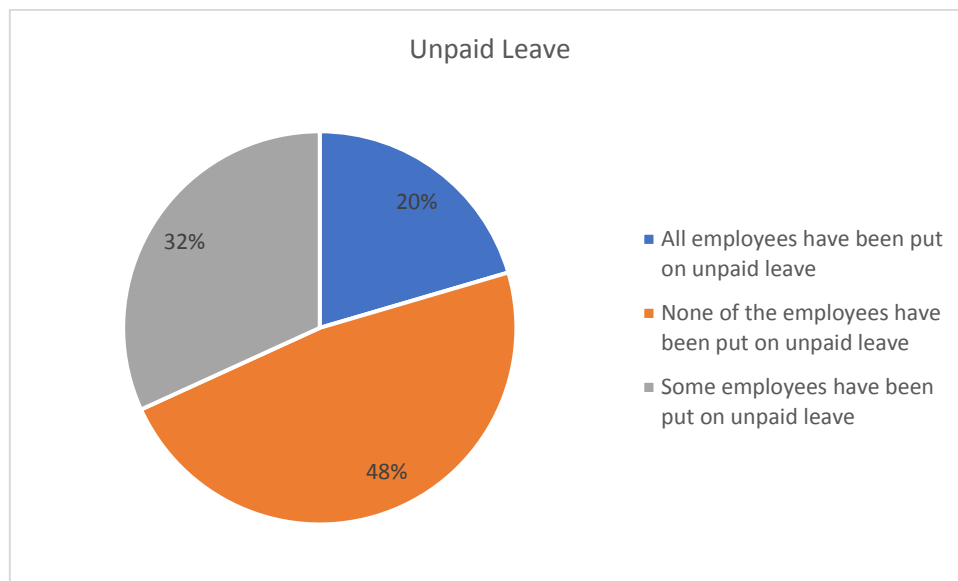


The largest percentage (73%) of companies in the hospitality and tourism sector have put all their employees on a reduced working week. 20% of respondents have put some of their employees on a reduced working schedule. Only 7% of respondents are still operating on full hours. According to L.N. 76 of 2020, mandatory closure of catering establishment has been in effect as from 18th March 2020.

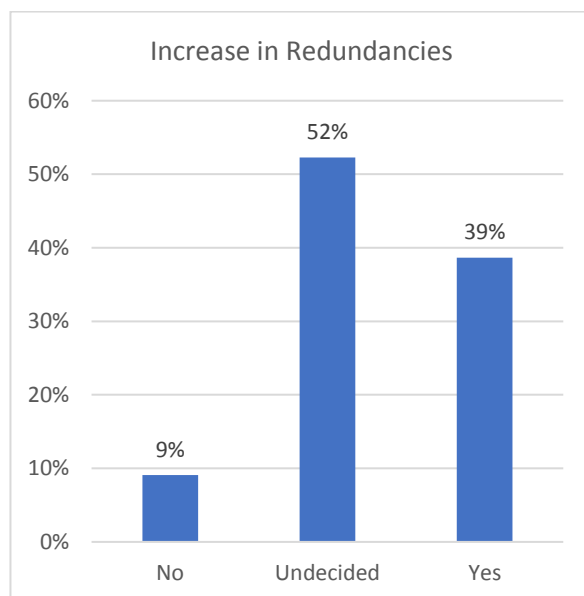
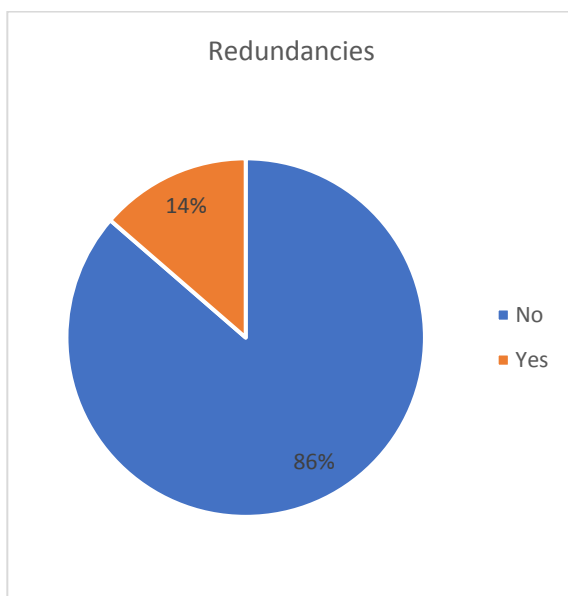


48% of respondents have asked their employees to make use of their pro-rata leave for 2020, whilst 25% of respondents have asked their employees to make use of their total vacation

level entitlement for 2020. The other 27% of respondents claim that they have not asked their employees to make use of their vacation leave.

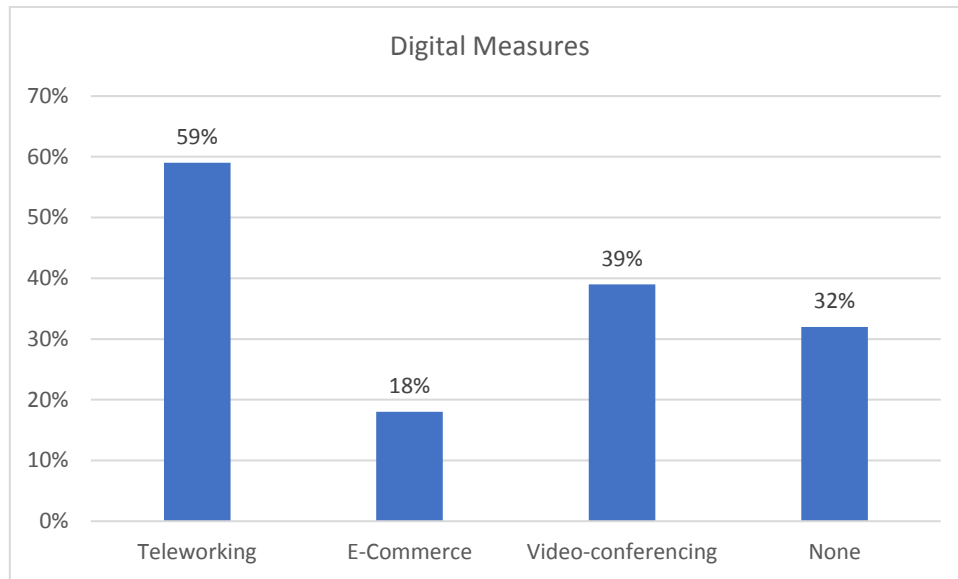


48% of companies in the hospitality and tourism sector that responded to this survey have not put their employees on unpaid leave. 32% have put some of their employees on unpaid leave, whilst 20% have put all their employees on unpaid leave.

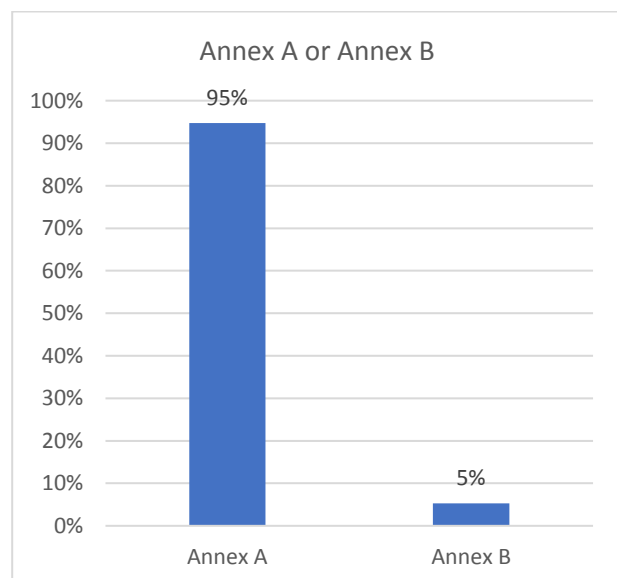
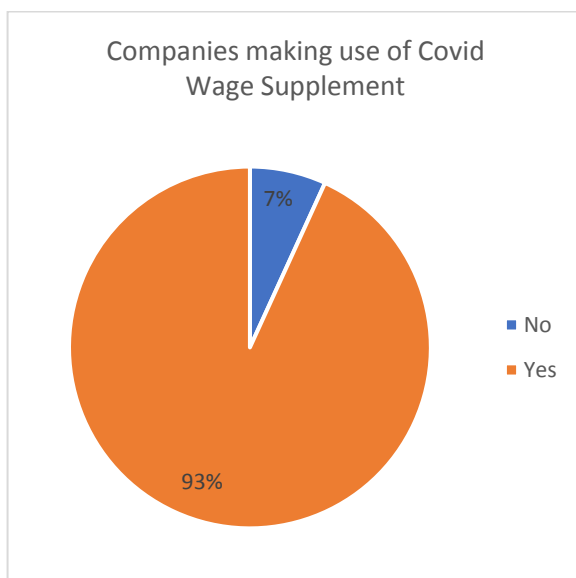


86% of respondents state that they have not made any redundancies in their company. The 14% that have made redundancies were mostly between 0-25% (57%), followed by up to 50% (29%) and more than 75% (14%). When asked if they see an increase in redundancies if the

COVID-19 situation persists beyond the end of May 2020, only 9% have answered 'No'. 39% of respondents have answered 'Yes' and 52% are still 'Undecided'.

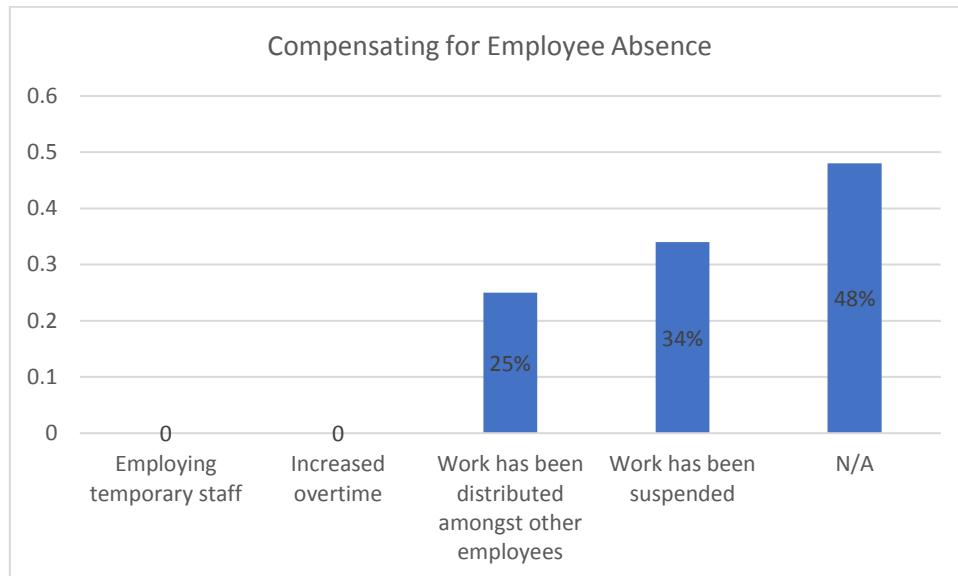


Most respondents have been trying to make use of digital measures. So much so that 59% of respondents have some or all their employees on telework and 39% have been making sure of video-conferencing equipment to hold internal meetings or meeting with clients. 18% of respondents are making use of an e-commerce solution like website and/or online payment system. 32% of respondents have not been making use of any digital measures.



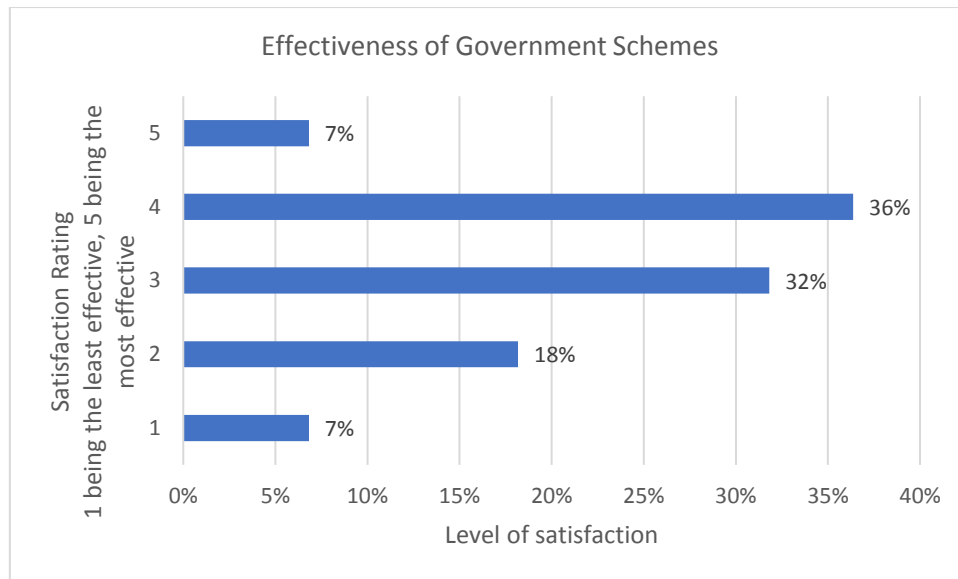
93% of respondents in the hospitality and tourism industry are benefitting from the Covid Wage Supplement issued by the government and being managed by Malta Enterprise. The other 7% of respondents are not benefitting from the Covid Wage Supplement. Out of the

93%, 95% of companies fall under Annex A, thus benefitting from €800 per month for every full-time employee and €500 per month for every part-time employee. The other 5% fall under Annex B and thus are benefitting from €160 per month for every employee.



Companies that have employees making use of the other schemes issued by the government, being managed by the Department of Social Security, namely the Medical Benefit for vulnerable persons; Parents Benefits for parents to look after children; and the Disability Benefit for persons with disability, are compensating for their employees' absence mostly (34%) by suspended work. 25% of respondents that have employees making use of such benefits are distributed work amongst other employees. Considering that a good number of employees have stopped working due to mandatory closure, employing temporary staff and overtime was not seen as necessary in this sector.

Most companies in the hospitality and tourism industry that responded to this survey rate high scores for the effectiveness of government schemes. The below table shows the level of satisfaction of companies, with 1 being the least effective and 5 being the most effective. 43% of respondents claim that the government schemes are effective, 32% of respondents claim that the measures have neither been effective nor ineffective, and 25% of respondents claim that the measures are not very effective to their business.



A number of recommendations have been proposed to government, by the hospitality and tourism industry who have responded to this survey:

- Increase in Financial Assistance
- Reduction in Utility Bills
- Subsidies for Company Rents
- Introduction of Moratoriums
- Decrease in Interest Rates
- Reduction in VAT & NI/Company Tax

Following the analysis of the survey, the Malta Employers Association held a focus group to present with the respective sector and presented the survey results.

The focus group with the Hospitality & Tourism Industry was held on the 18th May 2020.

Attendees:

- Ms Doris Sammut Bonnici, President of MEA
- Mr Joseph Farrugia, Director General of MEA
- Mr Victor Pollacco, representative of the hospitality & tourism industry in MEA Council
- Other: 38 participants from the manufacturing industry

Effects of COVID-19 on the Hospitality & Tourism Industry:

- The hospitality and tourism industry covers a wide spectrum of businesses, namely hotels, restaurants, language schools, diving schools, cultural entities like museums, etc.

- Statistics produced by MEA are in line with that of some companies that were present for the focus group.
- The time of the COVID-19 outbreak have had a direct impact on the employment of seasonal employees like teachers, waiters, tour guides, etc. However, the core employees who provide their full-time service throughout the year have been retained by most companies.
- The main issue of this sector is cash flow (liquidity) – how long companies will afford to keep afloat paying employees' salaries, company rents, utility bills, etc. over a long period of time. It is assumed that the hospitality and tourism sector will take longer to go back to normality pre-COVID. Ernst & Young claimed that it might even take between 2 to 4 years for the sector to recover. It is therefore being recommended that the wage supplement scheme must continue to sustain the industry, as although restaurants will be opening soon, most of them will be operating under less than 40% occupancy.
- A number of foreign workers went back to their country of origin. It was not easy for the sector to engage TCNs and will find it hard to get them back. Local employees do not want to work in this sector.

Looking at the Opening of Business:

- Hotels do not have bookings as yet. Some participants stated that they have been getting some odd bookings for October and November.
- Language schools are concerned that if government gives the green light for schools to open, but operations are still low, this would create a greater problem for this sector. The impact of COVID-19 on language schools is expected to take longer than in other industries, thus government cannot halter allowances just as yet. The relaxation of regulations does not mean that business would be getting back to normal.
- Some restaurants are considering not to open even if restrictions are lifted. If they have 30-40% less occupancy, it will not be sustainable for the business. A participant states that out of 6 outlets in 3 locations, they would possibly consider the one that has outdoor seating only, but the revenues generated would not even breakeven and a possible loss due to the increased costs for sanitisation, etc
- The opening of hotels and restaurants will very much depend on the guidelines put by health authorities, with regards to social distancing, operations, additional costs, etc.

Upon the opening of businesses, both government and companies would need to reassure their clients that the environment they are being invited to is safe with minimal risks. Some of the things that can be done include:

- Wearing masks
 - Social distancing
 - Standards certification e.g. in cleaning
- People are not yet comfortable to go out and tourists will not be getting the same experience, thus will choose not to travel. Companies in the hospitality and tourism sector agree that this year the 2.6m tourist count will not be reached in 2020, and thus they might need to focus on the local market.
 - Depending on the type of restaurants and locations, some businesses might attract local clientele and therefore will not be as affected as others that depend solely on tourists. However, one has to also take into consideration that a lot of employees have lost their jobs and thus going to a restaurant is not their top priority.

Recommendations & Conclusions:

- Companies have mentioned that creating different tourism products might be a good opportunity to survive:
 - Creating specific packages (e.g. diving, heritage, etc.)
 - Expanding on virtual museums
 - Introducing memberships
 - Organising private tours

Participants commented that companies need to think outside the box, to reinvent themselves and get the locals to sustain the business.

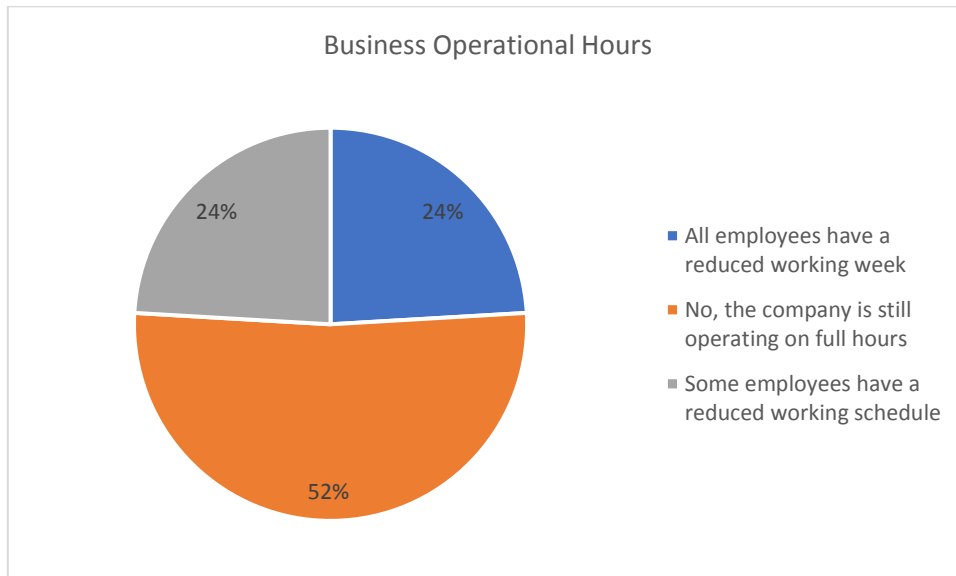
- Furthermore, most businesses should take this opportunity to:
 - Examine business that did not exist
 - Invest in employees by provide training (e.g. courses being provided by the MTA)
 - Elevate products by providing better quality
 - Provide value for money products as money can be a bit scarce
- Businesses in the tourism industry should collaborate together to offer a holistic approach. MTA should create this initiative and work upon launching a National Strategy.

- In order to ensure quality Ms Sammut Bonnici suggested that Malta should take into consideration the introduction of the Duty of Care Act, to have proper legislation and enforcement. Other participants suggested that government can introduce a personal license for one to operate a business.
- Mr Farrugia, Director General of MEA highlighted that MEA has already presented a set of recommendation to government, including:
 - To include all sectors under Annex A as Annex B is no longer being effective
 - To provide financial assistance concerning utility bills and energy costs
 - To decrease company rents

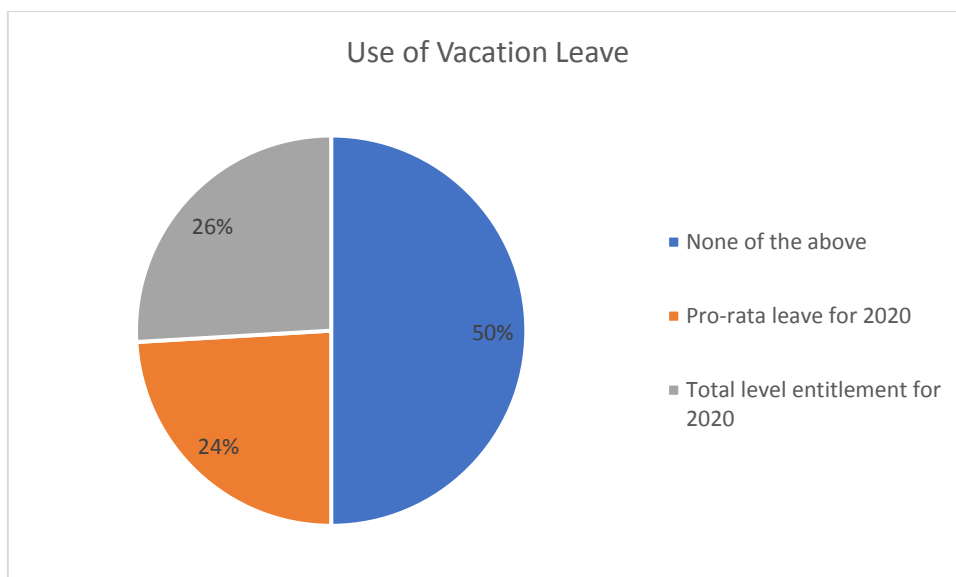
MEA will continue lobbying on behalf of its members and issuing more recommendations in the near future.

Sector D: PROFESSIONAL SERVICES

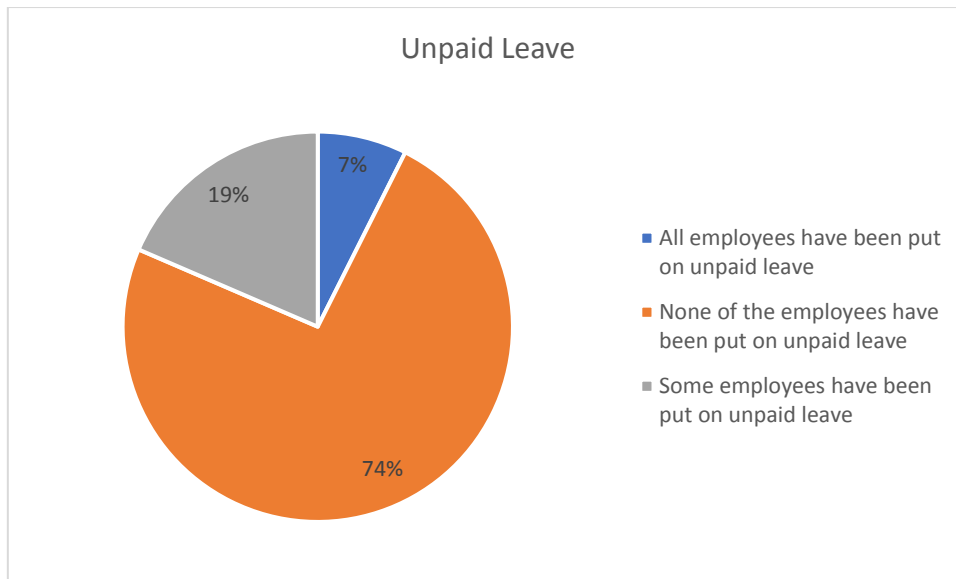
The professional sector industry represents 16% of survey respondents.



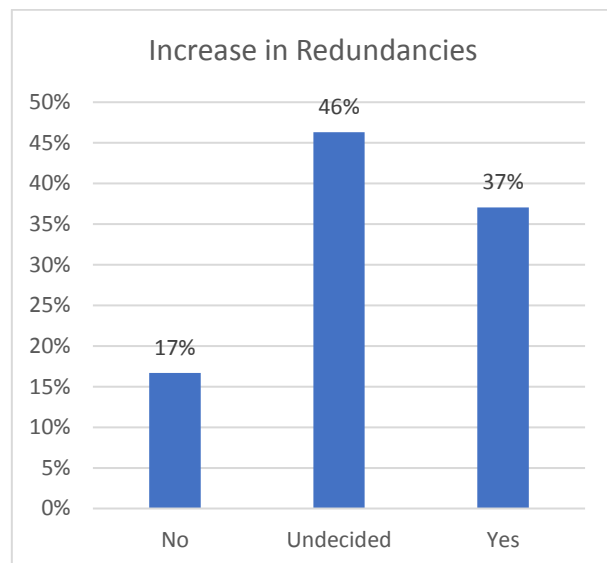
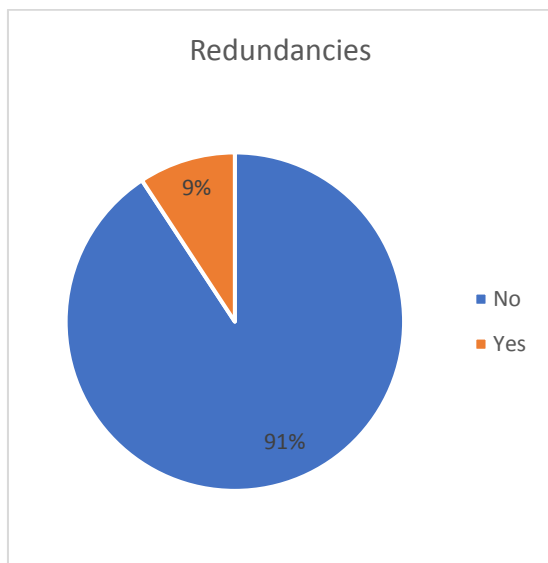
52% of respondents are still operating on full hours. 24% of respondents have some employees on a reduced working schedule. The other 24% of respondents have all their employees on a reduced working week.



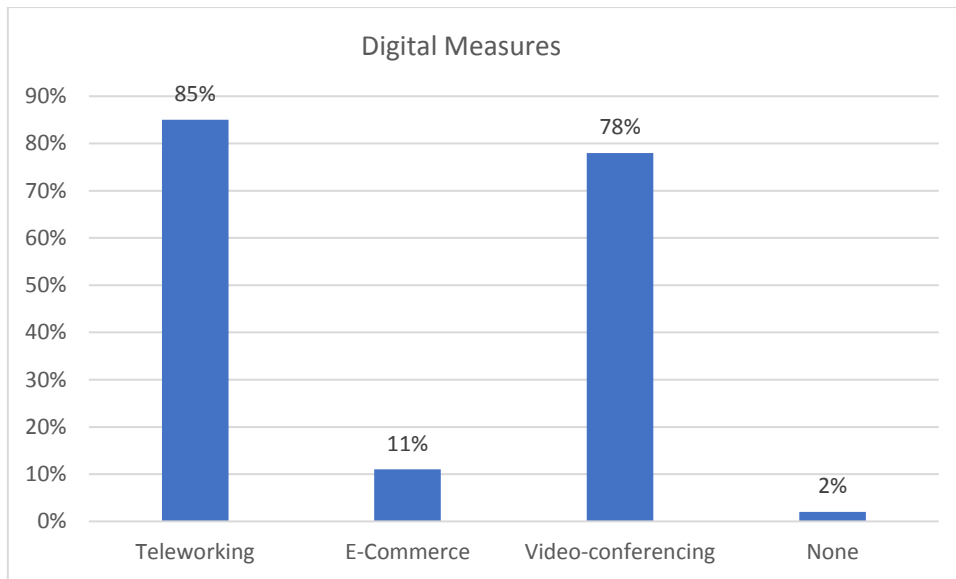
50% of respondents have not asked their employees to make use of their vacation leave. 24% have asked their employees to take pro-rata leave for 2020 and 26% have asked their employees to make use of all their leave entitlements for 2020.



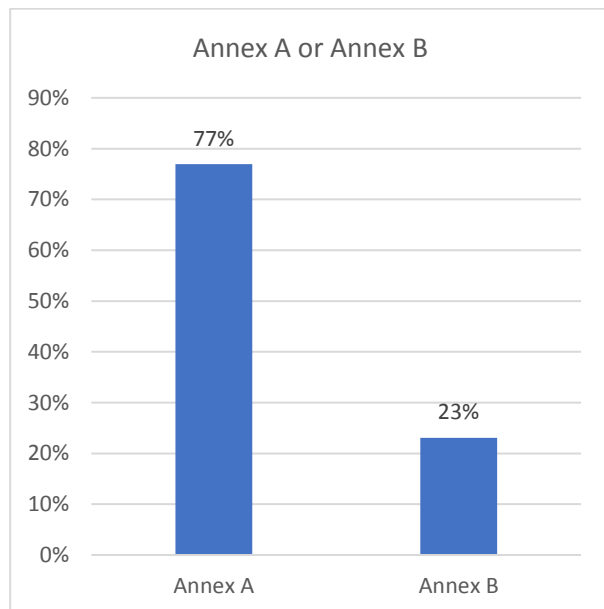
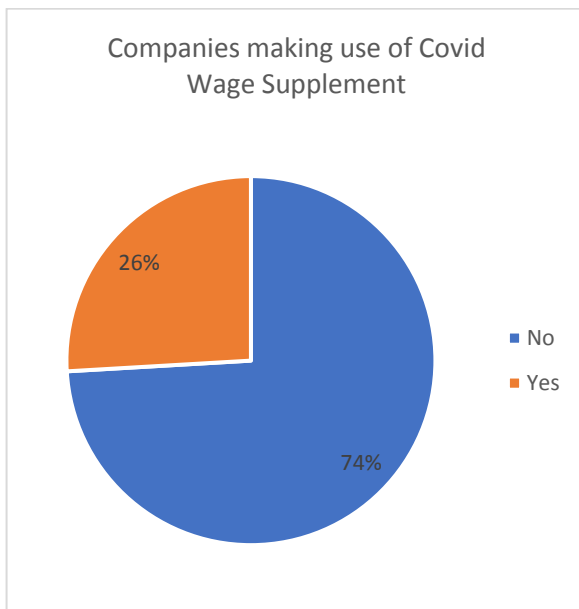
74% of professional service companies that responded to this survey state that they have not put their employees on unpaid leave. 19% have put some of their employees on unpaid leave, whilst only 7% have put all their employees on unpaid leave.



91% of respondents state that they have not made any redundancies in their company. The other 9% that have made some redundancies – 89% up to 25% and 11% up to 50%. When asked if they see an increase in redundancies if the COVID-19 situation persists beyond the end of May 2020, 17% have answered 'No'. 37% of respondents have answered 'Yes' and 46% are still 'Undecided'



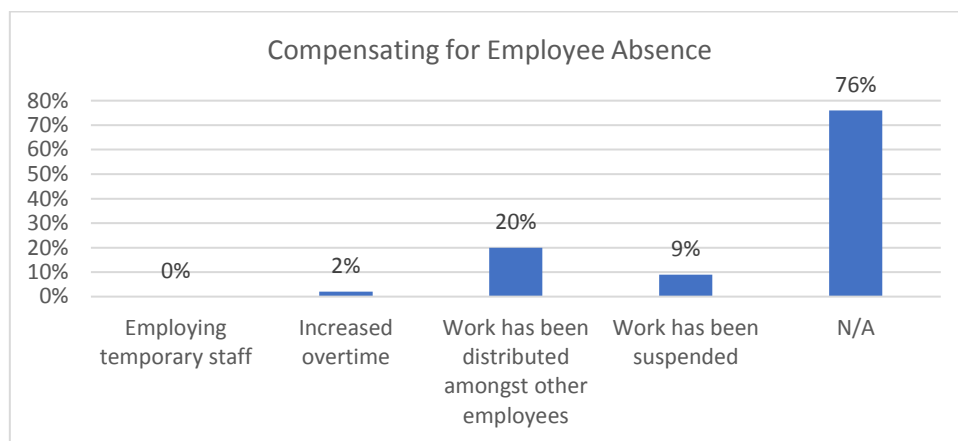
Most respondents have been trying to make use of digital measures. So much so that 85% of respondents have some or all their employees on telework and 78% have been making sure of video-conferencing equipment to hold internal meetings or meeting with clients. 11% of respondents are making use of an e-commerce solution like website and/or online payment system.



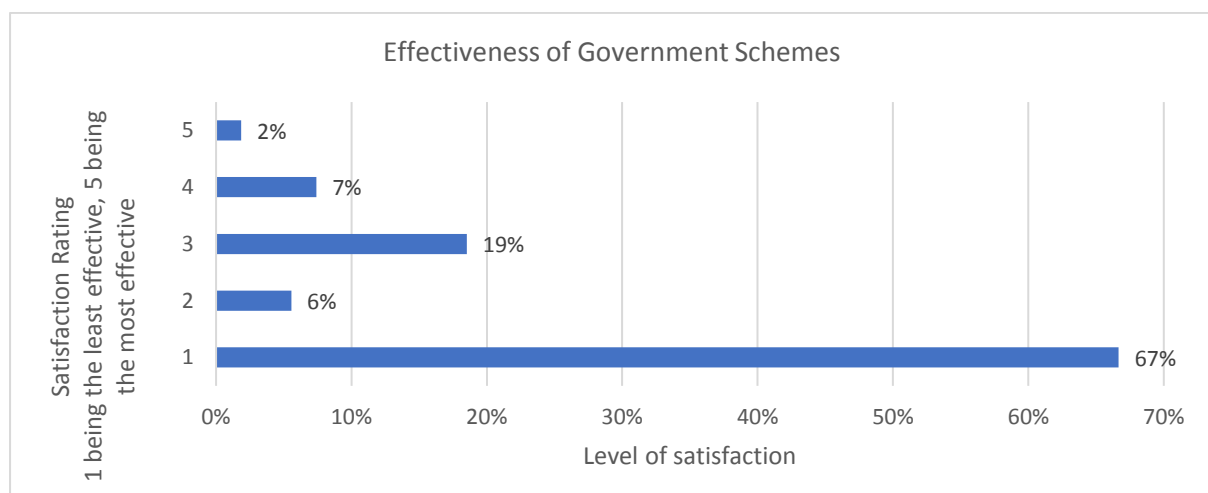
74% of respondents in the professional service industry are not benefitting from the Covid Wage Supplement being managed by Malta Enterprise. The other 26% respondents are benefitting from the Covid Wage Supplement – out of which 77% fall under Annex A, thus benefitting from €800 per month for every full-time employee and €500 per month for every

part-time employee, and 23% fall under Annex B where the company benefits from €160 per month for every employee.

Companies that have employees making use of the schemes being managed by the Department of Social Security, namely the Medical Benefit for vulnerable persons; Parents Benefits for parents to look after children; and the Disability Benefit for persons with disability, are compensating for their employees' absence mostly (20%) by distributing work on other employees. 2% of respondents stated that they have increased overtime and 9% have suspended work. None of the respondents in this sector have employed temporary staff.



Most companies in the professional service industry that responded to this survey do not rate high scores for the effectiveness of government schemes. The below table shows the level of satisfaction of companies, with 1 being the most effective and 5 being the least effective. 9% of respondents claim that the government schemes are effective, 19% of respondents claim that the measures have neither been effective nor ineffective, and 67% of respondents claim that the measures are not very effective to their business.



A number of recommendations have been proposed to government, by the professional service industry who have responded to this survey:

- Include/Extend Professional Services in the Covid Wage Supplement
- Other Financial Schemes
- Reduction in Utility Bills
- Introduction of Moratoriums
- Interest Free loans
- Reduction in VAT/Company Tax
- Exemptions on Conditions of Work

Following the analysis of the survey, the Malta Employers Association held a focus group to present with the respective sector and presented the survey results.

The focus group with the Professional Service Industry was held on the 22nd May 2020.

Attendees:

- Mr Joseph Farrugia, Director General of MEA
- Ms Dolores Sammut Bonnici, President and representative of the Professional Service industry in MEA Council
- Other: 25 participants from the professional services industry

Comments:

- It was highlighted that the professional service industry is made up of a wide spectrum of employees, ranging from cleaning services to architects. However, when one looks at companies within the same profession (e.g. architects), one can also find huge discrepancy between employees. There are companies who are still working at 100% operations, while others have reduced to 4-day weeks and 3-day weeks, while others have also made redundancies.
- Most companies in the professional service industry do not qualify for the Covid Wage Supplement Scheme. However, expenses have increased in this sector. Employers are carrying the burden of employees falling under the vulnerable group list or are parents and are therefore on unpaid leave. The work of such employees has either been suspended (most likely because they are highly skilled workers that cannot be easily replaced) or has been taken by other employees. In the latter situation, employers have increased overtime or are providing a bonus to compensate for the extra hours, thus increasing costs.
- Customers, especially from the hospitality and tourism industry, are delaying payments and professions are not getting paid. However, VAT and other company

taxes are still expected to be paid in time. There is the scheme of not paying VAT if business lost 25% of their operations, however at this stage companies cannot commit to this, as they do not have enough information of what is going to happen in the coming weeks.

- Given that the professional services industry is the most sector with artificial salaries due to shortage of workers, technical people such as home nurses, mechanics, technicians and electricians are very hard to find in Malta. Companies have no other option than to turn to foreign nationals including TCNs, which in most cases can be more costly for the employer. Due to the pandemic, movement of foreign workers is also not possible, so companies are being left empty-handed.
- Companies are asking for flexibility from DIER, with regards to reducing salaries but this is not even being considered. The argument being put is that since the sector attracts high salaries and the economy has shrunk (people have less money to spend), professionals can afford significant pay-cuts of 10-15% while still working the 40-hour week.
- Most participants feel that the situation is getting worse for the professional sector and thus government have to step-up with providing more support for this sector, amongst others.
- It was stated that in a meeting with Hon Silvio Schembri, government is encouraging companies to follow administrative procedures when applying for the Covid Wage Supplement Scheme in order to make the process more efficient. Companies that have applied for the March-April period will be receiving a letter to review their operations (i.e. whether they still qualify for Annex A or B). Those companies that have not benefited from March-April, but their situation has worsened are being encouraged to apply for the May-June period.
- Mr Farrugia, Director General of MEA highlighted that MEA has already presented a set of recommendation to government, some of which are:
 - To include all sectors under Annex A as Annex B is no longer being effective
 - To decrease company rents
 - To deduct VAT and company taxes

He furthered his argument by stating that if necessary MEA will be issuing more recommendations in the near future. The thought of having collective agreements by sector rather than collective agreements by enterprises, was also mentioned and might need to be considered in this situation.

Appendices

Appendix I: Survey Questions

These are the set of questions which were included in the survey:

1. Number of Employees

- <10
- 10 - 49
- 50 – 249
- 250 – 499
- >500

2. Company Sector

- Agriculture & Fishing
- Hospitality & Tourism
- Quarrying & Construction
- Professional Services
- Manufacturing
- Public Sector
- Wholesale & Retail
- Electricity, Gas Steam, Air Conditioning & Water Supply
- Transportation
- Education
- Gaming, Financial & Insurance Activities
- Real Estate Activities
- Administrative & Support Services, Info & Communication
- Health & Social Work Activities
- Maritime
- Other, please specify: _____

3. Has the company reduced its business operational hours since the outbreak of COVID-19?

- No, the company is still operating on full hours
- All employees have a reduced working week
- Some employees have a reduced working schedule

4. Has the company enforced:

- Pro-rata leave for 2020
- Total level entitlement for 2020
- None of the above

5. Do you have employees on unpaid leave due to insufficient business?
- Some employees have been put on unpaid leave
 - All employees have been put on unpaid leave
 - None of the employees have been put on unpaid leave

6. Has the company made any redundancies?
- Yes
 - No

If yes, by how much?

- Up to 25%
- Up to 50%
- Up to 75%
- More than 75%

7. Do you see an increase in redundancies in your company if the COVID-19 situation persists beyond the end of May 2020?
- Yes
 - No
 - Undecided

Comments

8. What digital measures have been implemented, if any, due to COVID-19?
- Teleworking
 - eCommerce for online shopping: website, online payments
 - Video-conferencing for team meetings and requests from clients
 - Others, please specify:

9. Is your company making use of the Covid Wage Supplement?
- Yes
 - No

If yes, under which Annex does it fall:

Annex A

Annex B

10. How is the company compensating for absences caused by Social Security benefits - Parents Benefit, Medical Benefit & Disability Benefit? (tick where applicable)

Not applicable

Employing temporary staff

Work has been distributed amongst other employees

Increased overtime

Work has been suspended

Other, please specify:

11. How effective are the government financial schemes to your company?

1 – Not Effective

2 – Minorly Effective

3 - Neutral

4 - Effective

5 – Very Effective

12. Do you have other suggestions beyond the current schemes for additional financial measures to keep businesses in operation?

13. How do you rate MEA's support to its members in this crisis?

1 - Not at all satisfied

2 - Slightly satisfied

3 - Unsure

4 - Very satisfied

5 - Extremely satisfied

14. Suggestions or recommendation on how MEA can be of more benefit to you in this crisis:

15. Additional Comments:

Appendix II: Recommendations for Government by all Survey Respondents

This is the full list of recommendations to government by all survey respondents:

Reduction in Utility Bills

Reduction in Fuel Prices
Reduction in Utility Bills
Aid for Logistics cost, reduction of utilities bills such as Water, Electricity & Gas
Reduce Utility Bills
ARMS rates reduced and freezing of interests and penalties.
Cut fuel and electricity prices
Electricity bills reduction
Electricity reduction / rent moratorium
Less water & Electricity, Telecommunications firms and more control market
Lower electricity rates
Lower rental and utility costs
Reduce Water & Electricity rates
Delayed payments for utilities till after crisis
Reduction in Energy Rates, employee transportation subsidies and temporary suspension of MIP premises rent.
Reduction in fuel costs, utility bills and widen the moratorium for VAT, NI, maternity contribution & FSS payments to sectors like transportation & haulage companies so that we can still issue salaries as the COVID-19 pandemic effect is impacting our business from this month and in the future.
Reduction in Utility Bills
Reduction of utility rates and telecommunications rates
Reduction of Utility Bills
Reductions in Rent. Reduction in Water & Electricity
Reduce Electricity and water rates or Factory rent
Reduce utility bills drastically - there is ample reason to do so
Reduce water and electricity bills and introduce a rent subsidiary
Reduce the cost of electricity and water bills
Reduced fuel prices, reduction in utility bill tariffs for business
Revision of water and electricity rates, and deferred payments to ARMS
Subsidy on increased tel & comm charges; increased fuel consumption due to deliveries.
Support on Office Rent & Utility Bills
To have reduction in utility rate + support with the office rent + postponement of the payment for settlement tax for basis year 2019 to allow the utilisation of trading losses.
Water and electricity rebates

The suspension of utility bills; better government funding and real support from the banks

Company Rental Fees

Temporary suspension of rental fees by MIP/Land Department on premises/lands/factories etc.

Clear guidelines/measures on rents. Cannot leave it up to discretion of the landlord to decide on whether to give deductions. Although there is the force majeure clause it seems that it is not always clear when it should be enforced.

Commercial rents need to be tackled

Further help companies to sustain their employees and help in alleviating the rents

Help on office rent

MIP should not charge rent or ground rent on sites that are tourist related like the craft village

Rent coverage

Rent deferral

Rents are our biggest headache

Shop rental assistance

Private business rental issues with landlords not decreasing rents

Suspension of rents

To reduce rental fee of premises by Malta Enterprise

Moratoriums/Decrease in Interest Rates

A government subsidy on bank interest rate on loan and overdraft facilities.

Hoteliers and other institutions who have so far been assisted by the state should also be obliged to pay their trade creditors for amounts due prior to January 2020 as failure to meet their obligations due prior to the covid-19 outbreak, would eventually have a negative domino effect on

Banks freeze interest. Landlords compelled to curb a heavy percentage on rental

Interest free loans so business can pay up their past commitments. We have not received any payments from any clients since the lockdown has been imposed

Invest in raising interest of foreigners in Malta

Issue remain timely response for banking measures

Loans backed by government should be interest free, and a pause in business rents

MDB should insist on the local banks to charge a flat rate of 2.5% on the loans being given and guaranteed by MDB.

Moratorium on loan interest payments for business loans

The Government subsidy on business loans is the best scheme for post COVID 19 period.

We need support for an overdraft not a loan to help cash flow

Unsecured loans with low interest to help us restart the economy going

Reduction in VAT & NI/Company Tax

All companies whether or not they apply for financial schemes should be allowed to split VAT payments that are due in May in three installments. It is not fair that companies that have applied for schemes get payment deferrals and those that do not apply have to pay up in full.

Delayed personal income tax returns for our employees

Employers NI rebate for months on forced closure

Extend deferral of statutory payments such as vat and NI/PAYE.

Financial support for all businesses depending on their proven drop in revenue. Absorption of any taxation from 2019 into 2020.

Deferral of VAT and import duty on imports.

Suspension of NI contribution for employees employed in businesses falling under Annexe A

Suspension of Employers NI contribution for businesses falling under Annexe A

More tax payment extensions

NI should be subsidised, Tax on income reduced, measures that would support companies after lifting of sanctions.

No tax and NI should be paid for at least 3 months this year since our work has been suspended by the government. Deferring taxes and NI won't help because what you don't pay now will have to be paid later, but, if the employees were on forced leave why should we pay NI and tax anyway? Unreasonable.

Offsetting of 2020 (probable) losses against tax liability for 2019

Reduced VAT rates to kickstart the economy

Reduction in company tax

Perhaps re considering tax schemes and utility bills and offering very low interest rates for facilities required in order for a business to survive even during the post covid period

Possible decrease in NI employer share, greater financial assistance to retain staff

Reduce income tax and national insurance contributions for 2020

Reduction in government costs e.g. reduction of annual academy license to operate and other services

The tax losses that will be sustained in FY 2020 (Base year) to be offset against profits of previous years rather than future years.

A one time exemption from filing of the Tax Return for YA 2020 (i.e. base year 2019 with a two year tax return in YA 2021 for BY 2019 and BY 2020 so as to offset the losses in 2020 with the profits of 2019 This way the tax payer is not expected to pay tax on profits of last year (at interest of 1 per month) and then incur losses this year which will take years to make up for.

A one time blanket VAT exemption on all consumables for the quarter Apr Jun 2020 to decrease cost of living to the populace of Malta by 18%

VAT & NI should not be due nor payable for the duration. Annex A should apply to all business' that have suffered a 25% or more drop in sales

VAT refund and fuel excise duty refund should be also prioritized.

Because of the reduction in revenue and operating costs not reducing proportionately, rather than only allow the deferral of VAT returns and payments for this quarter, government should assist by guaranteeing quick VAT refunds in the case companies get to the point that their vat return results in a receivable rather than a payable which is highly probable in a situation where revenues will be severely hit downwards.

Tax incentives to Landlords to incentivise rent deferral

Tax reduction

Should reduce national insurance contributions and income tax

Wavering CIR payments for March, April and May instead of inly postponing payment. In addition VAT refunds due are to be settled asap.

Reduction in Salaries

Allow reduction of salaries which is agreed with employees but resisted by DIER. Reducing hours or forcing leave is counter productive, Less hours worked = Less revenue = less cash = more redundancies. How can the government not understand this???? Even employees understand that to retain clients and projects and hence retain employees we had to reduce our prices to keep our clients in business so we need to reduce our main cost which are salaries (in a service industry).

I understand and appreciate the law has parameters to safeguard employees. But if we are not allowed to reduce the salary temporarily until we get back on our feet, we will not be able to keep the current team supplement, and we will have to make redundancies to keep the business.

Mutual agreement on temporary salary reduction

More efficiency from Managing Authorities

A reply to our application from Malta Enterprise

A) New employees are finding it hard to open a bank account.

B) I have a case where the employee had a court decree where bank accounts were frozen due to unpaid bills. Bills have been settled but due to court closure, banks have not been informed. The only way they can get wages is being paid in cash! as they cannot cash cheques.

Companies working within the financial services have to face mostly insitutions like the MFSA, MBR, FIAU and banks. The MFSA has issued directives in relation to electronic

documents, however the same is not applicable for entities like the MBR and Banks. Also the MFSA and FIAU are sticking to their guns in terms of certain deadlines to reporting which is not easy when your staff is scathered around the island working from home.
Have not received any money from government yet
Having more flexibility from ID Malta to get people to work given that we are an essential food manufacturing operation
More clarify in the information as we get a different answer everyone we speak to someone different.
They are fine but settlement of dues needs to be effected in a timely manner
Till today we received no communication re Wage supplement and next week the wages are due and still we still do not know whether we have been given aid.
Very slow process on the MDA loan
To assess effectiveness we have to await feedback from Malta Enterprise as we still have no clue if our application is going to be approved!
We have applied for ME's WS subsidy however have not received any feedback from ME yet, despite our chasing! We need to know ASAP whether our application for the WS subsidy will be accepted or not so that we decide whether we may retain our employees or not!
We need support from the young enterprise to let us know how to issue the current salary. i have asked but they have not replied as yet.....my two employees have received benefits and I want to top up their salary to the usual amount.

Covid Wage Supplement – including more sectors, extending supplement, etc.

800 Euros (Annex A) per month government contribution for all employees
The wage supplement should be Eur 800. across the board and not to a selective few. suppliers who are owed aged accounts. Hoteliers, especially, are using the covid-19 excuse to further delay their payments to their suppliers for goods supplied last year!
All companies should be entitled due to the knock on effects
All companies should have been listed under one Annex
All measures should be extended to all sectors
At least putting us on Annex A and giving rental payment assistance
At least to be able to apply for annex A
Extend to all sectors
Considerable increase in the rate of benefit
Govt must not withdraw COVID wage supplement immediately upon having restaurants open their doors.
As we depend a lot on the tourism industry, we suggest that when current schemes are extended because government says everything back to normal, the covid-wage supplement will still be available to us.

Covid wage supplement - Annex B has to be enhanced otherwise non effective.
Covid Wage Supplement open to other sectors in business that suffer in this crisis. Annex A and B do not cover all affected businesses
Current wage supplement schemes need to be extended to operations beyond those listed in Annex A and B as every business has been impacted somehow or another.
Eur 800.- for all employees and not to selected sectors. Govt to urge Hoteliers and other business who are benefitting most from Govt assistance to honour their credit obligations (which are highly overdue and well before the covid 19 outbreak) as to prevent a domino effect which will in turn harm their suppliers.
Extend the aid to businesses outside the NACE codes listed in Annexes A and B
Extend the annex a and annex b. because if it is true that a digital company still can work , it is also true that the clients of a digital company can be off due to covid, so also the digital company suffer problems.
Financial aid should be in line with normal wage
Financial measures should not be based on NACE codes but the effect on the particular employees in a business. The Govt has categorised its schemes into 3, those which are paid for 5 days a week, those paid for 1 day a week and those who do not get any benefit at all. Our company is in neither of the two Annexes, yet it is suffering from significantly reduced turnover and is not entitled to compensation. Yet we have employees who are at home as they cannot carry out their work, and others who have significantly reduced work loads, working a few days in a week. The financial measures should allow employers to put in requests for compensation for such employees based on the proportion of the week they are actually working. Furthermore the salaries of govt employees should not be fully guaranteed, and a cut in salary should be implemented in solidarity with the private industry.
Give the supplement per capita as all business were hit
Government must pay full staff salaries if redundancies are to be avoided
Government should secure wage supplement for a much wider industry cover and ensures loans for working capital are processes efficiently and effectively.
I as a doctor running, and my 2 part timers a clinic do not qualify per se for any aid
I would like to avail myself of the wage supplements, for self employed (as the business has been ordered to be closed until the end of June) and also for the Kindergarten staff to be eligible for the wage supplement (part-time and full time)
Improving amounts given in Annex B
In our industry the current scheme needs to carry on for at least another year. We will not get any revenue before then.
I believe especially hotels will not be able to carry the full payroll within the next months, hence the government will need to allow redundancies I am afraid. Even if hotel will re-open partly, business will be very slow and occupancies will be below 50% - hence, not all team members are needed back. I think the government scheme should be extended even

beyond opening of hotels to assure they can recover, but certainly with less employees I am afraid of.
Increase in gross amount of wage supplement
It is clear that current schemes will only help a very limited amount of companies.
It seems we (dental clinics) are not covered by wage supplement
It should implement Annex A, B, and C half way
Increase the amount of funding per person
Increased wage supplements as this is the biggest headache for most businesses. We do not want any redundancies but the major shortfall in business is having its impact and even though other parts of the business will suffer, eventually employees will suffer the consequences as well.
Like other countries in Europe, gov is giving 70- 85% of the wage not €800 which is less then 65% of normal wage in most professions
Linking the wage supplement to % drops in business rather than Annex B; and pro rata contribution on quarantine leave when the entire 14 days are not completed
Low supplement compared to other EU countries
Open scheme to companies like ours
Perhaps increase the wage supplement
Reconsider Annexes to evaluate loss of business as a function of turnover
Broaden the companies that claim - Gaming for example
Extending the grants to students who benefit from stipend
Software development is not being included in Annex B. Also, Annex B support is quite weak, almost useless in avoiding redundancies.
The company should be considered under Annex A. The Maritime Sector is suffering 90% loses
The current €400 obligatory salary top-up has to be removed after June 2020 if the COVID-19 situation persists because most business will not be able to afford it.
The €160 benefit linked to reduction in orders/sales should not be included on employees' payslip
Wage subsidy to increase beyond €800 since none of our employees are paid that salary
Wage supplement and tax deferrals extended to all effected business, DIER restrictions relaxed subject to agreements reached with staff, living wage concept introduced by government if situation persists
Wage supplement to Annex B is insufficient
Wage Supplement to increase to 1,200 gross per month.
The scheme as announced by the government has never reached us hence it is irrelevant
The State should consider a wider approach based on figure and not only sectors listed in Annexes A and B
We need the Government to increase or come up with more benefits to sustain our business

We require urgently annex a ie 800 plus 400 euro
We should be entitled €800 per employee like other businesses or closeby that sum.
Supplements to all sectors
We think that the Covid Wage Supplement issued by the government should be revised. It doesn't make any sense that there are industry sectors whose employees will get Eur 800 while others just because they fall under Annex B will only get Eur 160. Since the business got affected to a certain measure the scheme of Annex A should also be applied.
Scheme needs to be increased to include for more businesses and business areas. Our operation is within the professional Building Services area, which are experiencing an indirect impact from the current the situation and slowing down of certain projects and works.
Supplement Wage distributed before cashing out salaries due to cash flow restrictions

Other Financial Assistance

A fund should be established to assist in sustaining the expenses and upkeep of the schools during this crisis.
All special leave paid in full by Government.
As a financial institution our NACE code unfortunately does not qualify our company for the COVID wage supplement. We will definitely be needing state financial assistance in some form to preserve the company's stability into the future. The state needs to widen the net to encompass also organisations like ours apart increasing the value of assistance.
Cash Grants
Bonus for our Support Social Workers
Compensation for additional expenses (overtime, inefficiency)
Compensation to the Company for LOSS of total revenue, rental obligation of company premises.
Expenses to increase social distancing at the workplace with partitioning, sanitizers, alcohol wipes, disposable tissues, additional transport costs.
Incentives for self-employed and the legal sphere
Measures are not sufficient to cover the costs of running an office
More capital injection to kickstart the economy
More financial aid to business that have closed shop completely.
More help for the maritime sector
More help from the government in most sectors
Provide grants/soft loans for companies to invest in staff training and development and possible upgrading of infrastructure
Providing wider support for those companies who could continue working but with largely inflated costs.

Renew and improve microinvest schemes, tax holidays for businesses sme and entrepreneurs
Pro-rata quarantine leave grant
Payments for quarantined staff should be paid by government.
Payments to childcares to keep in operation after the COVID-19 situation due to loss of applications.
Perhaps a subsidy for companies that are not making redundancies and that have moved to teleworking. Not just financial with the assistance for the set-up of teleworking, but a tax deduction or similar to support businesses that have adopted this practice and keeping a full workforce.
Scheme for manufacturing supporting a 2 or 3-day working week until the end of the year
Scheme to cover workers such as cleaners, messengers, drivers etc who cannot telework
Scheme where the Parent Benefit can be used on a staggered / pro rata basis eg for parents where one of them works on a roster basis and they only need time-off to look after children on certain days only.
Short term grants to be able to pay pending invoices to keep other business operational
Supplement for parents needing to reduce their hours during pandemic
Suspend TA24 to a later date

General Comments

Apart from wages and NI we need to pay rent, water and electricity, insurances etc. It is also a good time to do extraordinary upgrades but all this costs even more. We will probably not get any income till April May 2021 and need to survive. Financial assistance in the form of soft bank loans or government grants without much red tape. 2 years with low interest rate and 90% guarantee by government is not enough. We probably won't earn a cent for the 1st year. We need longer, 4 or 5 year loans.
Either help for all or help for none.
Financial aid beyond the lockdown to prevent redundancies during the recession that will follow.
Continuation of current schemes
Since our main clients are in the tourism and entertainment sector, our sales dropped by approx 90%. We came to an agreement with our employees that we needed to change some of the working conditions for the time being. The majority of our clients had to close their business due to the forced closure of shops, hotels, restaurants and travel agents and travel related companies, hence leaving us facing a sharp drop in orders. Hence it would be fair to be added with Annex A, in order to save our employees jobs. We are finding it extremely hard to fill our employees working hours even though we are working only 3 day week. Apart from this we are having big difficulties to collect money that is due to us for past jobs we produced prior the covid pandemic, but that were due to be paid from March

onwards. This January we invested and installed 2 large machines which we paid in full prior to the pandemic and this situation makes our lives much harder.

Besides Wholesale & Retail our Group of Companies also operates Hertz Rent-a-car under licence. The measure has assisted us in some ways but then how long is it going to be there for?

Businesses need more assistance as the situation is becoming extremely challenging

Covid 19 is causing serious immediate repercussions to many businesses but will also create serious repercussions to other businesses who momentarily are only slightly effected. Hopefully there will be other schemes from which these businesses could benefit if they need to.

Create a six month strong circular economy whereby Gov, Employers and All Employees coordinate and collaborate to sustain all jobs in all levels of working areas. Thus securing for a good period of time that with the number of registered workers all kept in employment they can turn around consumption and commerce internally supporting each business to one another.

Due diligence - I cannot believe that companies fired staff overnight in many industries without repercussions or have reduced the hours on paper but have their staff still working normal and paying them less getting the allowance from the government to put in their own pockets!

Due to all sporting events being cancelled, the gaming industry has also been impacted but this seems to be disregarded by the authorities.

Due to poultry sector is facing increase of import prices even before corona viruses and no help from authorities.

Effect on manufacturing still has to be felt - so still too early to say.

Self employed over retirement age get no help I'm told if not listed even if they are employers

Excess vacation leave paid should be compensated by future working hours (reverse of time off in lieu)

Giving us an idea of how long this will last will help us to forecast future incomes and employments.

Government measures are to be more updated

I believe the current schemes need to be reviewed periodically and if necessary adjusted as time passes. It is also very important to ensure that there are a) a means of adjustment at year end if losses turn out to be worse or better than expected, and b) stiff penalties for abuse of the system.

I feel that Government should first assist those companies whereby closure was directly imposed by the Public Health measures and as much as possible protect employment and companies from closing down, then move to helping others accordingly. Employers on the other hand must be held accountable for the claims they make. This is a very extraordinary situation and everyone will suffer an economic impact some way or other.

If the situation is pro-longed, further measures and aids will be necessary
In the case of independent schools Govt is subsidising 35% of the fees payable by parents (we still need to get into the detail of how/when this will be paid), so there indirect assistance with payment of salaries. One now needs to see how independent schools will fare if a considerable number of parents do not pay the 65% of the fees.
In this difficult, Government needs to help companies who bring in Foreign Direct investment to Malta which in turn helps all Maltese
A number of our employees have preferred availing themselves of the parental benefits rather than trying to find a solution to work even flexible hours and help the company's operations. I think it would have been better if employer could have applied on their behalf depending on the hours employees can afford to work.
Increase paid leave entitlement
It would help if some ruling is giving to our industry... construction in general was left to its own measures and people still except the service!
Keep business going as far as possible
Kindly note that in our line of work we have not been effected as yet, and this because we report transactions that took place months ago. However it is a known fact that we are going to to face lack of work from mid may onwards. We hope to find assistance then. We are already facing cash flow problems in that companies/individuals that operate in sectors that have been stopped from operating cannot settle their dues. We certainly would not like to loose the services of any of our employees. We will probably be asked to reduce our charge out rates on some of the services offered. How will we finance this loss of income ?
Lay offs supported by the government in case of need
Loss of earnings caused by operators on leave because they need to take care of children
Making up for loss in income, especially in the case of VOs
The government is just addressing the measures for critically hit in the immediate term and not looking at sectors who fall out of these measures and will suffer critically a bit later. Our sector (architectural services) has work (not new work) but has a problem with collection as not all clients are able to be dues. We will eventually not be able to support salaries. We are trying to address this, but the solutions government is offering are not suitable for the challenges we are facing. We have solutions but we are being given legal advice that government will not accept out suggested terms.
Measures should be applied to all businesses in difficulty.
MIP Ltd should waive part of the rents due. Utility rates should be reduced for a few months. We have had to reduce our workload since people are on schemes and the Company is not compensated. Another issue is that now after at least 2 months unpaid leave, employees will have accumulated vacation leave and they will want to take it when all is over. So we are handicapped now and in the future will be handicapped again as they will expect to take it. Ideally, if these schemes are extended beyond 2 months, then some employee vacation leave needs to be deducted (say 10 days). its not fair on those who

remained working at the moment. We'll have clashes eventually as those currently attending work are not taking leave to be at work to compensate for the absence of their colleagues, however in the future rightfully so, will expect to take their leave. Therefore, any extension beyond 2 months must include a deduction from their personal leave. If government thinks that giving the compensation is saving us money, it is not true as we are losing out now from productive output and will lose out again in the future when leave requests are submitted. It is not fair on the company and colleagues presently going to work as working from home is not an option in our manufacturing environment.

More help with the banks to reduce red tape, and also eliminate the need to use accountants to get all the required papers, example for a forecast they wanted to charge us 750euros.

More support to the employees.

Employees should be better advised of their rights. Some employees think that they can stay at home and get the government grant for doing nothing (even when there's work to be done)

As stated above we do Waterproofing, so NO ONE is accepting people in their home and we also do SPORTS FACILITIES : FTS is not issuing any tenders, MFA closed and so are the clubs. Where domestic jobs occur , again we are not having commitments cause again no needs anyone at home.

Our business has been adversely affected by people holding back on improvements in factories etc and a general slow down of getting things done due to reduced hours and working from home. We would like to see our sector under Annex A for the sake of our employees, as some of them are now on unpaid leave and don't know for how long this situation is going to be sustainable for them.

Our business is really linked to Eu exchanges and EU mobilities

Our business is very much dependent on foreign yacht owners and presently demand has been reduced drastically

Our line of business is not being tackled, as yet , although we were not directly effected with measurement taken so far, country economy is what it is. Economy is a chain. And the end result will be that everything is getting down, one after the other. Funds should be equally distributed, between employee and employers

Our order-book beyond May is practically empty, whereas before COVID-19, we had a full order book till year end. It is difficult to suggest anything unless we will have an idea of how long this situation will last. We rely 100% on orders for export.

Our company (NACE) code is not eligible for any scheme.

Perhaps the government can adopt a job share scheme whereby employers can share employees on temporary basis, for instance if a company lacks expertise in certain areas they can benefit from an employee of another company and share the financial burden until the pandemic is over.

Persons who were eligible for parental benefits and can afford some working hours per week should have been allowed to contribute those hours towards the company instead of

making them illegible for the benefit. This has resulted in parents opting not to come to work at all.

Representation to the banks need to be more forceful

Treat all businesses on equal level playing ground and offer further incentives, bank loans on decently and much reduced rates, further financial support or incentives package

I think that companies who had their business totally effected and are operating at 0 revenue should have their SSC contribution waived as this is an additional cost in order to keep your current work force idle.

I believe it is very unfair, that as an industry we have contributed as much or more than many, but at these times we are left stranded. ZERO benefits for our employees and self employed

Schemes should cover more business

So far no financial assistance has been forthcoming. This is making things difficult to make the right decisions. We are doing our best to keep the company going and keep all the workforce. Feedback from Malta enterprise on schemes applied for would help with decisions we have to take.

Some sectors will continue to feel the repercussions long after the restrictions are lifted, especially those directly related to the tourism and hospitality. The Government should continue aiding these industries as when things get back to normal, there will be no industry to return too. Also manufacturing will also feel the impact of COVID later in the year and these too would need support.

Tests of employees who are working in factories that are still operating should be prioritised over those of people who are working from home or not at all.

The bank is still making it difficult

The company does not only have wages to pay. Rents due, communication expenses, NI etc.... are all still due.

The current schemes are sufficient for the time being however we are waiting too long for the approval of applications. The funds should be made available to companies sooner.

The Financial Burden of COVID-19 must be shouldered by all, i.e. Govt, employers and employees

The government needs to be more proactive and discuss measures with Employer bodies before launching new measures so as to always have consensus and not to introduce half-baked measures

The Government should not distinguish between businesses. We have been closed since March and who is the person deciding whether our businees require assistance or not. On what basis can someone decide that its fine not to assits real estate agencies?

The Government should subsidise with EUR800 all salaries within the private sector, excluding only businesses which are still operating within normal levels such as; food stores, pharmacies, IT etc. Salaries should be capped (including those in the public sector), or implement a temporary high income tax for high earners during the Covid

period. Idle workers should have a decrease in salary (including those in the public sector)
Teleworking parents should be compensated because they are literally juggling with work and schooling!
The problem is that not all schemes are open for all businesses. In our case since we are giving a service in the tourism industry, and investing to sustain the cultural heritage, VAT should be waived. Also up till now we do not have a reply whether we qualify for the grant or not.
The quicker we can resume operations, the better.
The schemes in place are targeted at the worst affected but they may need to be extended if the partial lockdown drags on
The situation is what it is.
The work should create infrastructure projects at fixed rates for architects, engineers and eventually for contractors .. It is always better than to give direct cash injection.
There are many measures that can be implemented; reduced income tax, reduce NI etc.
There should be an all sectors support, at the end all the professions and industries shall get the ripple effect of sectors which are feeling the impact from day one. I envisage the economic slowdown will affect the professional service providers in 2021.
There is nothing for professional services right now
This depends on how long this situation is going to last.
Using past reserves
Unless tourists start returning to Malta, we are out of business
Unfortunately in our situation since we had to close down we don't think there are other suitable measures
Tourism sector depends on opening up of the various countries' borders. Until this happens the Government Aid should continue.
To extend the period of assistance granted by certain Malta Enterprise grants
To increase the wage benefit to include 3 days a week
We are still working but all work is waiting to assemble and no cash is coming.
We have to wait to see developments
We hope that all parties involved will do their part so that this situation is resolved as quickly as possible and get our business back on track so we don't need to rely on financial measures..
We need current measures to be extended without discrimination.
We need more finance help for renting the shop. Although we thank the government for help us for the employees salaries.
We enquired about financial support but none is available to the manufacturing sector!
We will be indirectly hit, once our clients get into trouble that will be felt by us. In other words, the effect will likely be felt in a few months time. I want to see if there are any plans for any assistance when that happens.

When safe to do so, open all local businesses even with the borders closed.

Work is being done but a lot of customers not paying resulting in cash flow problems

Appendix III: Recommendations for Government by all Survey Respondents, by Sector

The below are lists of recommendations to government given by four (4) specific sectors that represent the largest number of survey respondents.

(A) MANUFACTURING INDUSTRY

Financial Assistance:

Expenses to increase social distancing at the workplace with partitioning, sanitizers, alcohol wipes, disposable tissues, additional transport costs
Scheme for manufacturing supporting a 2 or 3-day working week until the end of the year
Schemes should cover more business
At least to be able to apply for annex A
Cash grants
Compensation for additional expenses (overtime, inefficiency)
Improving amounts given in Annex B
It should implement Annex A, B, and C half way
Linking the wage supplement to % drops in business rather than Annex B; and pro rata contribution on quarantine leave when the entire 14 days are not completed
More financial aid to business that have closed shop completely
Pro-rata quarantine leave grant
We enquired about financial support but none is available to the manufacturing sector!
The €160 benefit linked to reduction in orders/sales should not be included on employees' payslip
We think that the Covid Wage Supplement issued by the government should be revised. It doesn't make any sense that there are industry sectors whose employees will get Eur 800 while others just because they fall under Annex B will only get Eur 160. Since the business got affected to a certain measure the scheme of Annex A should also be applied.
As previously explained since our main clients are in the tourism and entertainment sector, our sales dropped by approx. 90%. We came to an agreement with our employees that we needed to change some of the working conditions for the time being. The majority of our clients had to close their business due to the forced closure of shops, hotels, restaurants and travel agents and travel related companies, hence leaving us facing a sharp drop in orders. Hence it would be fair to be added with Annex A, in order to save our employees jobs. We are finding it extremely hard to fill our employees working hours even though we are working only 3-day week. Apart from this we are having big difficulties to collect money that is due to us for past jobs we produced prior the Covid pandemic, but that were due to

be paid from March onwards. This January we invested and installed 2 large machines which we paid in full prior to the pandemic and this situation makes our lives much harder.

Reduction of Utility Bills / Rent:

Aid for Logistics cost, reduction of utilities bills such as Water, Electricity & Gas
Electricity bills reduction
Electricity reduction / rent moratorium
MIP should not charge rent or ground rent on sites that are tourist related like the craft village
To reduce rental fee of premises by Malta Enterprise
Reduce Electricity and water rates or Factory rent
Reduce the cost of electricity and water bills
Reduction in Energy Rates, employee transportation subsidies and temporary suspension of MIP premises rent.
MIP Ltd should waive part of the rents due. Utility rates should be reduced for a few months. We have had to reduce our workload since people are on schemes and the Company is not compensated. Another issue is that now after at least 2 months unpaid leave, employees will have accumulated vacation leave and they will want to take it when all is over. So, we are handicapped now and, in the future, will be handicapped again as they will expect to take it. Ideally, if these schemes are extended beyond 2 months, then some employee vacation leave needs to be deducted (say 10 days). It's not fair on those who remained working at the moment. We'll have clashes eventually as those currently attending work are not taking leave to be at work to compensate for the absence of their colleagues, however in the future rightfully so, will expect to take their leave. Therefore, any extension beyond 2 months must include a deduction from their personal leave. If government thinks that giving the compensation is saving us money, it is not true as we are losing out now from productive output and will lose out again in the future when leave requests are submitted. It is not fair on the company and colleagues presently going to work as working from home is not an option in our manufacturing environment.

Parental Benefit:

A number of our employees have preferred availing themselves of the parental benefits rather than trying to find a solution to work even flexible hours and help the company's operations. I think it would have been better if employer could have applied on their behalf depending on the hours employees can afford to work.
Loss of earnings caused by operators on leave because they need to take care of children
Persons who were eligible for parental benefits and can afford some working hours per week should have been allowed to contribute those hours towards the company instead of

making them illegible for the benefit. This has resulted in parents opting not to come to work at all.

Other Comments:

Excess vacation leave paid should be compensated by future working hours (reverse of time off in lieu)

Representation to the banks need to be more forceful

A) New employees are finding it hard to open a bank account.

B) I have a case where the employee had a court decree where bank accounts were frozen due to unpaid bills. Bills have been settled but due to court closure, banks have not been informed. The only way they can get wages is being paid in cash! as they cannot cash cheques.

Effect on manufacturing still has to be felt - so still too early to say

Having more flexibility from ID Malta to get people to work given that we are an essential food manufacturing operation

Our order-book beyond May is practically empty, whereas before COVID-19, we had a full order book till year end. It is difficult to suggest anything unless we will have an idea of how long this situation will last. We rely 100% on orders for export.

Tests of employees who are working in factories that are still operating should be prioritised over those of people who are working from home or not at all.

The government needs to be more proactive and discuss measures with Employer bodies before launching new measures so as to always have consensus and not to introduce half-baked measures

We are still working but all work is waiting to assemble and no cash is coming.

(B) WHOLESALE & RETAIL INDUSTRY

Financial Assistance:

800 euro (Annex A) per month govt contribution for all employees

Considerable increase in the rate of benefit

Government must pay full staff salaries if redundancies are to be avoided

Perhaps increase the wage supplement

Renew and improve microinvest schemes, tax holidays for businesses sme and entrepreneurs

Subsidy on increased tel & comm charges; increased fuel consumption due to deliveries.

To increase the wage benefit to include 3 days a week

Wage supplement to Annex B is insufficient

We need the Government to increase or come up with more benefits to sustain our business

We require urgently annex a ie 800 plus 400 euro

Eur 800.- for all employees and not to selected sectors. Govt to urge Hoteliers and other business who are benefitting most from Govt assistance to honour their credit obligations (which are highly overdue and well before the covid 19 outbreak) as to prevent a domino effect which will in turn harm their suppliers.

a. The wage supplement should be Eur 800.- across the board and not to a selective few.
b. Hoteliers and other institutions who have so far been assisted by the state should also be obliged to pay their trade creditors for amounts due prior to January 2020 as failure to meet their obligations due prior to the covid-19 outbreak, would eventually have a negative domino effect on suppliers who are owed aged accounts. Hoteliers, especially, are using the covid-19 excuse to further delay their payments to their suppliers for goods supplied last year!

More efficiency from Managing Authorities:

Till today we received no communication re Wage supplement and next week the wages are due and still we still do not know whether we have been given aid.

To assess effectiveness we have to await feedback from Malta Enterprise as we still have no clue if our application is going to be approved!

Supplement Wage distributed before cashing out salaries due to cash flow restrictions

They are fine but settlement of dues needs to be effected in a timely manner

Till today we have not received any grants from Malta Enterprise

More clarify in the information as we get a different answer everyone we speak to someone different.

Company Taxes / VAT Payments:

All companies whether or not they apply for financial schemes should be allowed to split VAT payments that are due in May in three installments. It is not fair that companies that have applied for schemes get payment deferrals and those that do not apply have to pay up in full.

Reduction in company tax

Reduction of taxes

There are many measures that can be implemented; reduced income tax, reduce NI etc.

VAT & NI should not be due nor payable for the duration. Annex A should apply to all business' that have suffered a 25% or more drop in sales

Rents / Reduction in Utility Bills:

Clear guidelines/measures on rents. Cannot leave it up to discretion of the landlord to decide on whether to give deductions. Although there is the force majeure clause it seems that it is not always clear when it should be enforced.

Commercial rents need to be tackled

Reductions in Rent. Reduction in Water & Electricity

Rent coverage

Rents are our biggest headache

Lower electricity rates

Reduce utility bills drastically - there is ample reason to do so

Suspension of rents

Tax incentives to Landlords to incentivise rent deferral

The company does not only have wages to pay. Rents due, communication expenses, NI etc.... are all still due.

Bank moratoriums / Interest Rates:

Banks freeze interest. Landlords compelled to curb a heavy percentage on rental

A government subsidy on bank interest rate on loan and overdraft facilities.

Unsecured loans with low interest to help us restart the economy going

General Comments:

Businesses need more assistance as the situation is becoming extremely challenging

Government measures are to be more updated

Besides Wholesale & Retail our Group of Companies also operates Hertz Rent-a-car under licence. The measure has assisted us in some ways but then how long is it going to be there for?

More help from the government in most sectors

More support to the employees.

We do Waterproofing, so NO ONE is accepting people in their home and we also do SPORTS FACILITIES : FTS is not issuing any tenders, MFA closed and so are the clubs. Where domestic jobs occur , again we are not having commitments cause again no needs anyone at home.

Some sectors will continue to feel the repercussions long after the restrictions are lifted, especially those directly related to the tourism and hospitality. The Government should continue aiding these industries as when things get back to normal, there will be no industry to return too. Also manufacturing will also feel the impact of COVID later in the year and these too would need support

Supplement for parents needing to reduce their hours during pandemic

The current schemes are sufficient for the time being however we are waiting too long for the approval of applications. The funds should be made available to companies sooner.

(C)HOSPITALITY & TOURISM INDUSTRY

Financial Assistance:

Current wage supplement schemes need to be extended to operations beyond those listed in Annex A and B as every business has been impacted somehow or another.
Financial aid should be in line with normal wage
Wage Supplement to increase to 1,200 gross per month.
In our industry the current scheme needs to carry on for at least another year. We will not get any revenue before then.
The current €400 obligatory salary top-up has to be removed after June 2020 if the COVID-19 situation persists because most business will not be able to afford it.
Increased wage supplements as this is the biggest headache for most businesses. We do not want any redundancies but the major shortfall in business is having its impact and even though other parts of the business will suffer, eventually employees will suffer the consequences as well.

Reduction in Utility Bills / Rents:

ARMS rates reduced and freezing of interests and penalties. Govt must not withdraw COVID wage supplement immediately upon having restaurants open their doors.
Private business rental issues with landlords not decreasing rents
Reduction in Utility Bills
Reduction of Utility Bills
Rent deferral
Revision of water and electricity rates, and deferred payments to ARMS
Delayed payments for utilities till after crisis

Bank moratorium / Interest Rates:

Loans backed by government should be interest free, and a pause in business rents
Moratorium on loan interest payments for business loans

Company Taxes:

NI should be subsidised, Tax on income reduced, measures that would support companies after lifting of sanctions
Perhaps re considering tax schemes and utility bills and offering very low interest rates for facilities required in order for a business to survive even during the post Covid period
Suspension of NI contribution for employees employed in businesses falling under Annexe A
Suspension of Employers NI contribution for businesses falling under Annexe A
VAT refund and fuel excise duty refund should be also prioritized.

Wavering CIR payments for March, April and May instead of inly postponing payment. In addition, VAT refunds due are to be settled asap.

Yes, I think that companies who had their business totally effected and are operating at 0 revenue should have their SSC contribution waived as this is an additional cost in order to keep your current work force idle.

General Comments:

Apart from wages and NI we need to pay rent, water and electricity, insurances etc. It is also a good time to do extraordinary upgrades but all this costs even more. We will probably not get any income till April May 2021 and need to survive. Financial assistance in the form of soft bank loans or government grants without much red tape. 2 years with low interest rate and 90% guarantee by government is not enough. We probably won't earn a cent for the 1st year. We need longer, 4- or 5-year loans.

I believe especially hotels will not be able to carry the full payroll within the next months, hence the government will need to allow redundancies I am afraid. Even if hotel will re-open partly, business will be very slow and occupancies will be below 50% - hence, not all team members are needed back. I think the government scheme should be extended even beyond opening of hotels to assure they can recover, but certainly with less employees I am afraid of.

Create a six-month strong circular economy whereby Gov, Employers and All Employees coordinate and collaborate to sustain all jobs in all levels of working areas. Thus, securing for a good period of time that with the number of registered workers all kept in employment they can turn around consumption and commerce internally supporting each business to one another.

Either help for all or help for none

Financial aid beyond the lockdown to prevent redundancies during the recession that will follow.

No, I feel the government has been fair

If the situation is pro-longed, further measures and aids will be necessary

Giving us an idea of how long this will last will help us to forecast future incomes and employments.

The quicker we can resume operations, the better.

This depends on how long this situation is going to last.

Tourism sector depends on opening up of the various countries' borders. Until this happens the Government Aid should continue.

Unless tourists start returning to Malta, we are out of business

The problem is that not all schemes are open for all businesses. In our case since we are giving a service in the tourism industry, and investing to sustain the cultural heritage, VAT should be waved. Also, up till now we do not have a reply whether we qualify for the grant or not.

We have to wait to see developments

Yes, extending the grants to students who benefit from stipend
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(D) HOSPITALITY & TOURISM INDUSTRY

Include/Extend Professional Services in the Covid Wage Supplement

All companies should have been listed under one Annex

To extend the period of assistance granted by certain Malta Enterprise grants

At least putting us on Annex A and giving rental payment assistance

Extend the Annex A and Annex B because if it is true that a digital company still can work, it is also true that the clients of a digital company can be off due to Covid, so also the digital company suffers the problem.

Measures should be applied to all businesses in difficulty
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I as a doctor running, and my 2-part timers a clinic do not qualify per se for any aid
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Financial measures should not be based on NACE codes but the effect on the particular employees in a business. The Govt has categorised its schemes into 3, those which are paid for 5 days a week, those paid for 1 day a week and those who do not get any benefit at all. Our company is in neither of the two Annexes, yet it is suffering from significantly reduced turnover and is not entitled to compensation. Yet we have employees who are at home as they cannot carry out their work, and others who have significantly reduced workloads, working a few days in a week. The financial measures should allow employers to put in requests for compensation for such employees based on the proportion of the week they are actually working. Furthermore, the salaries of govt employees should not be fully guaranteed, and a cut in salary should be implemented in solidarity with the private industry.
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There is nothing for professional services right now
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There should be an all sectors support, at the end all the professions and industries shall get the ripple effect of sectors which are feeling the impact from day one. I envisage the economic slowdown will affect the professional service providers in 2021.
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All measures should be extended to all sectors
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Scheme needs to be increased to include for more businesses and business areas. Our operation is within the professional Building Services area, which are experiencing an indirect impact from the current the situation and slowing down of certain projects and works
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The State should consider a wider approach based on figure and not only sectors listed in Annexes A and B

Scheme to cover workers such as cleaners, messengers, drivers etc who cannot telework

Wage subsidy to increase beyond €800 since none of our employees are paid that salary

We have applied for ME's WS subsidy however have not received any feedback from ME yet, despite our chasing! We need to know ASAP whether our application for the WS subsidy will be accepted or not so that we decide whether we may retain our employees or not!

We need current measures to be extended without discrimination.

Why is our NACE code excluded from the list? No logic at all to the list

Other Financial Schemes:

Measures are not sufficient to cover the costs of running an office

Covid-19 is causing serious immediate repercussions to many businesses but will also create serious repercussions to other businesses who momentarily are only slightly affected. Hopefully, there will be other schemes from which these businesses could benefit if they need to.

Incentives for self-employed and the legal sphere

Moratorium / Interest free loans / VAT rates

Reduced VAT rates to kickstart the economy

More capital injection to kickstart the economy

The work should create infrastructure projects at fixed rates for architects, engineers and eventually for contractors. It is always better than to give direct cash injection.

Interest free loans so business can pay up their past commitments. We have not received any payment from any clients since the lockdown has been imposed.

More help with the banks to reduce red tape, and also eliminate the need to use accountants to get all the required papers, example for a forecast they wanted to charge us 750euros.

Tax reduction

We need support for an overdraft not a loan to help cash flow

Work is being done but a lot of customers not paying resulting in cash flow problems

More tax payment extensions

Conditions of Work - Salaries:

Allow reduction of salaries which is agreed with employees but resisted by DIER. Reducing hours or forcing leave is counterproductive, less hours worked = Less revenue = less cash = more redundancies. How can the government not understand this???? Even employees understand that to retain clients and projects and hence retain employees we had to reduce our prices to keep our clients in business so we need to reduce our main cost which are salaries (in a service industry).

I understand and appreciate the law has parameters to safeguard employees. But if we are not allowed to reduce the salary temporarily until we get back on our feet, we will not be

able to keep the current team supplement, and we will have to make redundancies to keep the business.

Government is just addressing the measures for critically hit in the immediate term and not looking at sectors who fall out of these measures and will suffer critically a bit later. Our sector (architectural services) has work (not new work) but has a problem with collection as not all clients are able to be dues. We will eventually not be able to support salaries. We are trying to address this, but the solutions government is offering are not suitable for the challenges we are facing. We have solutions but we are being given legal advice that government will not accept our suggested terms.

Reductions in Rent / Utility Bills:

Help on office rent

Reduce water and electricity bills and introduce a rent subsidiary

The suspension of utility bills; better government funding and real support from the banks

General Comments:

In this difficult, Government needs to help companies who bring in Foreign Direct investment to Malta which in turn helps all Maltese

Kindly note that in our line of work we have not been affected as yet, and this because we report transactions that took place months ago. However, it is a known fact that we are going to face lack of work from mid may onwards. We hope to find assistance then. we are already facing cash flow problems in that companies/individuals that operate in sectors that have been stopped from operating cannot settle their dues. We certainly would not like to lose the services of any of our employees.

Keep business going as far as possible

Invest in raising interest of foreigners in Malta

We will probably be asked to reduce our charge out rates on some of the services offered. How will we finance this loss of income?

Perhaps the government can adopt a job share scheme whereby employers can share employees on temporary basis, for instance if a company lacks expertise in certain areas they can benefit from an employee of another company and share the financial burden until the pandemic is over.

Using past reserves

We will be indirectly hit, once our clients get into trouble that will be felt by us. In other words, the effect will likely be felt in a few months' time. I want to see if there are any plans for any assistance when that happens.