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Media Release

A Budget that is focused on Short-term Stability

On a macro scale, the main feature of the budget is government's decision to shoulder increase in fuel, energy and cereal prices on businesses and consumers to maintain economic stability and price competitiveness. This is fundamental in a global scenario where many countries are experiencing rates of inflation which have been unheard of for more than 40 years.

The budget has adopted targeted approach, ensuring discipline in government expenditure whilst taking active measures to support family income without undue burdens on businesses. This appears to have taken precedence over capital expenditure.

Government is fine tuning numerous social benefits to spread a feelgood feeling among a large cross section of the population. It has announced numerous business incentives for better regulation and technical support to adopt ESG criteria in business, and also digitalisation and internationalisation.

In the current situation, government does not have much room for fiscal manoeuvrability, and for the fiscal targets to be attained, it becomes even more imperative that government exercises discipline in its spending, and to curtail unnecessary expenditure such as unproductive employment in the public sector and extravagant activities of dubious national benefit.

The MEA agrees with the Minister's announced objective to have a viable national airline. The Association added that for such an objective to be realised, the airline must be run on a commercial basis, free from politically motivated interference.

All in all, while the budget speech addressed the immediate issues, which might be understandable in an uncertain global situation, the MEA notes that this has to be accompanied with a longer term economic direction. This includes a clear human resources strategy which should follow the exercise of the census of skills, together with a plan for economic transformation to maximise the country's economic potential whilst safeguarding the people's quality of life.