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## Media Release

### **MEA holds Pre-Budget Consultations with the Opposition whilst calling for Strategic Focus and Investment in Quality, Skills, and Technology**

During a meeting held today, the Malta Employers Association (MEA) presented its proposals for the forthcoming Budget to the Leader of the Opposition and various Shadow Cabinet ministers.

MEA President Joanne Bondin said that the core purpose of the National Budget was to ensure the judicious use of public funds contributed by the taxpayer for the benefit of the entire nation. Cases of misuse and mismanagement of public funds resulted further limitations of resources available for recurrent and capital expenditure across several areas not least, healthcare, electricity infrastructure, sewage systems, research and innovation (R&I) projects at the University, and social benefits.

Ms Bondin said that private employers are expected to carry the cost of certain social measures which, by definition, should fall under the responsibility of the State. These include maternity leave entitlement; the first three days of every episode of employee sick leave; penalties in lieu of employing persons with disabilities; and plans to fund family friendly measures in the coming years.

On his part, the MEA Director General highlighted the main proposals included in the position paper put forward by the Association. He said that the country needed to climb up the value chain while considering the carrying capacity of all sectors. This required strategic focus and investment in quality, skills, and technology. Incentives should be directed towards sectors that contribute to this goal, encouraging businesses to innovate and create high-value products and services.

Mr Borg said that the MEA acknowledged the benefits of reducing tax burdens on middle-income workers but warned that this could have unwanted inflationary effects. The MEA, he said, recommended a study to ensure that the measure will not result in lower tax revenues in an excessive deficit scenario and at a time when the country needs to sustain continued investment in essential infrastructure.

In its proposals, the MEA emphasised that Malta needs a comprehensive plan to maximize the value of its human resources. This can be achieved through the adoption of new technologies, such as AI and automation in new and traditional sectors, as well as by strengthening career guidance structures and adapting to an aging workforce. In terms of the latter, measures should include removing fiscal anomalies, providing incentives to adapt work environments, and enhancing education and training opportunities.

With regards to long-term capital expenditure, the MEA said that this should focus on essential infrastructure, including energy supply and distribution, water resource management, the upgrading of drainage networks and a multi-modal transport infrastructure including intelligent traffic-management systems. Construction activities should be redirected towards strengthening Malta's infrastructure rather than building for speculation purposes, it concluded.