

Malta

1. EU Competitiveness

Question 1	To what extent do you consider the European Commission's overall policy stance supportive of competitiveness and growth compared to 12 months ago?	Unchanged
Question 2	In light of the legislative changes introduced and implemented by the European Commission, how would you evaluate the evolution of administrative burden compared to a year ago?	Increased significantly
Question 3	How do you think the EU investment environment is seen by global firms compared to 12 months ago?	Slightly better
Question 4	What does your federation see as the three main challenges threatening the attractiveness of the EU as an investment environment vis-a-vis international competitors?	<ol style="list-style-type: none"> 1. Quality of human capital 2. Environmental policies 3. Tax regime

2. National Recovery and Resilience Plans

Question 8	How satisfied or dissatisfied are you with the way your country is implementing the national recovery and resilience plan?	Neutral
Question 9	How satisfied or dissatisfied are you with the involvement of social partners in the implementation so far of your national recovery and resilience plan?	Dissatisfied
Question 10	How effective do you think the European Commission is being in ensuring strong implementation of the reforms in the national recovery and resilience plans across the EU?	Somewhat confident

3. Assessment of Country Specific recommendations 2023 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	Wind down the emergency energy support measures in force, using the related savings to reduce the government deficit, as soon as possible in 2023 and 2024. Should renewed energy price increases necessitate new or continued support measures, ensure that such support measures are targeted at protecting vulnerable households and firms, are fiscally affordable and preserve incentives for energy savings. Ensure prudent fiscal policy, in particular by limiting the nominal increase in nationally financed net primary expenditure in 2024 to not more than 5,9 %. Preserve nationally financed public investment and ensure the effective absorption of grants under the Facility and of other Union funds, in particular to foster the green and digital transitions. For the period beyond 2024, continue to pursue a medium-term fiscal strategy of gradual and sustainable consolidation, combined with investments and reforms conducive to higher sustainable growth, in order to achieve a prudent medium-term fiscal position.	Important	Mixed	The MCCEI believes that Malta should gradually reduce energy subsidies giving a 6-month advance notice for each reduction, and shift focus on education, energy frugality, and sufficiency. At current levels of energy subsidization it is likely that excessive consumption is also being subsidised. The Malta Chamber reaffirms that units that are over and above the eco-reduction entitlement should not be subsidised with immediate effect.
CSR 2	Continue the steady implementation of its recovery and resilience plan and, following the recent submission of the addendum, including the REPowerEU chapter, rapidly start the implementation of the related measures. Proceed with the speedy implementation of cohesion policy programmes, in close complementarity and synergy with the recovery and resilience plan.	Important	Mixed	---



		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 3	Effectively address features of the tax system that may facilitate aggressive tax planning by individuals and multinationals, including by ensuring sufficient taxation of outbound payments of interest, royalties and dividends, and amend the rules for non-domiciled companies.	Helpful (but not a priority)	Satisfactory	Aggressive tax planning is not tax evasion and one should make a clear distinction between the two. The MCCEI supports fair rules but also rules that respect the economic diversities of EU member states between the core activities taking place at the centre of the Single Market, and the competitiveness challenges of small member states on the periphery of the EU.
CSR 4	Reduce reliance on fossil fuels by accelerating the deployment of renewable energies, including offshore wind and solar energy, and upgrade and expand the capacity of the electricity grid system, including transmission, distribution and battery storage. Reduce energy demand through improved energy efficiency, in particular in residential buildings. Reduce emissions from road transport by addressing traffic congestion through improved service quality in public transport, intelligent transport systems and investment in 'soft mobility' infrastructure. Step up policy efforts aimed at the provision and acquisition of skills and competences needed for the green transition.	Extremely important	Mixed	Steps have been taken in addressing energy efficiency in buildings and deployment of renewables. Urgent work is however required to upgrade the national electricity distribution system to ensure ongoing supply throughout the year.

4. Reform Progress in your Member State in 2023

How would you assess reform progress in 2023, for the following broad areas:

Taxation and Public Finances	Mixed
Business environment (regulation/access to markets)	No progress
Labour market	No progress
Innovation and skills	No progress
Access to finance and Financial stability	Mixed

Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2024 Reform Barometer?

5. Reform priorities for 2024

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 1	Active labour market policies	Embrace flexible retirement and part-time working for older employees address labour challenges caused by increasing economic old-age dependency and a growing population	yes
Priority 2	Business Environment - Regulatory barriers to entrepreneurship	Introduction of a Due Diligence Portal with access to authorised entities to cut unnecessary KYC admin	yes
Priority 3	Tax reforms	More coherent tax treatment between FDI & local enterprises + map out implementation of Pillar 2	yes
Priority 4	Consolidation of public expenditures	Addressing high GDP Deficit, rethinking subsidies in a balanced way to accelerate twin transitions.	yes
Priority 5	Competition policy framework	Alignment of Single Market Regulations against a One-Size-Fits all approach.	yes
