

# Malta Low Carbon Development Strategy

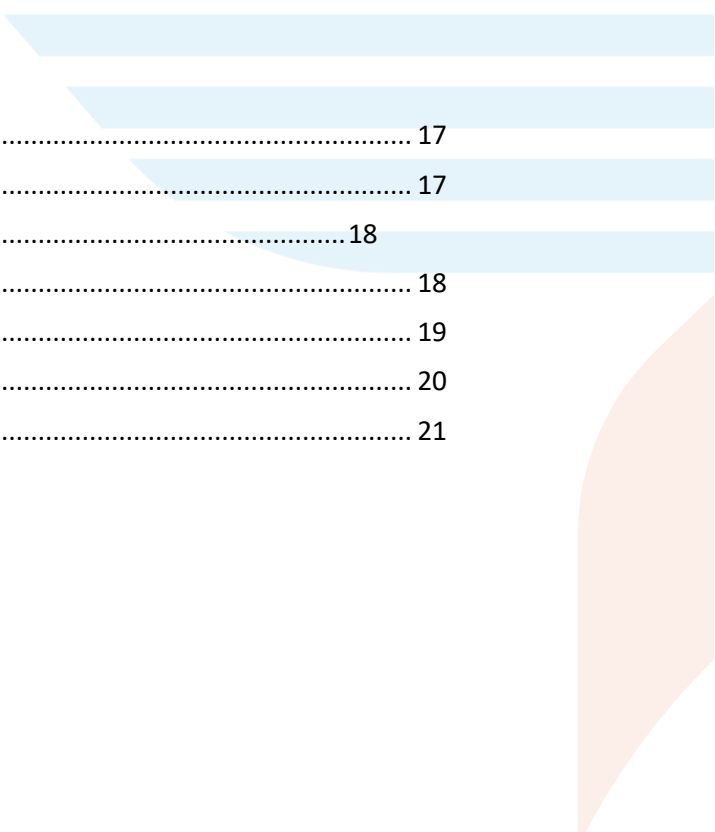
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## Position Paper

July 2021

## Table of Contents

Introduction .....	4
Representation .....	4
Malta Low Carbon Development Strategy .....	5
1. Renewable Energy .....	5
1.1 Tackling over-subscriptions .....	5
1.2 Encouraging more Public Private Partnerships .....	6
2. Transport .....	7
2.1 Current issues and difficulties.....	7
2.1a Ambitious targets Vis a Vis state of play .....	7
2.1b Issues with Current Legislation .....	8
2.1c Consumer Centric Incentives .....	11
2.2 Improving Current Measures.....	11
2.2a Improving the current Scrappage Scheme .....	11
2.2b Importation and Leasing of Second Hand Commercial Vehicles.....	12
2.3 New Incentives for Businesses .....	13
2.3a Upgrade of Fleet .....	13
2.3ai Small / Medium Sized Vehicles .....	13
2.3aii Large Passenger Vehicles .....	14
2.3aiii Heavy Vehicles .....	15
2.3b Internal Capacity.....	15
2.3bi Charging Equipment.....	15
2.3bii Upgrade of Workshops .....	16
2.3biii Training .....	16
2.4 General Infrastructure .....	17



2.4a	Charging Pillar Strategy .....	17
2.4b	Fuel Stations .....	17
2.5	Cut-Off Dates .....	18
3.	Buildings.....	18
4.	Waste .....	19
5.	Financing .....	20
	Final Remarks.....	21



## **Introduction**

The Malta Chamber of SMEs is a registered employer representative representing over 7,000 businesses coming from over 90 different sectors.

In line with Malta's Low Carbon Development Strategy, the SME Chamber has for the past months consulted with its members on possible measures to improve Malta's air quality, quality of life with the ultimate aim of nearing a net zero carbon economic model.

Included in this position paper the Malta Chamber of SMEs is bringing forward a number of proposals which all aim at achieving a sustainability and better uptake of schemes and incentives. Moreover, the below proposals do not seek to benefit only one sector but are aimed at widening the scope to the majority of businesses in Malta.

The below proposals are all aimed at taking a holistic approach in order to ensure that targets are met and implemented in line with national and EU targets.

The SME Chamber together with its members have come up with the below, short to medium term proposals, which aim at ensuring that the local industry makes the shift towards ensuring a greener and more sustainable transport industry.

## **Representation**

In line with the published strategy, The Malta Chamber of SMEs will be representing the views of; Renewable Energy Operator, Waste Collectors and all transport related sectors which mainly include: Car Rental & Leasing, Chauffeur Driven, Car Importers [NEW], Unscheduled Bus Service, Minivan Operators, Cargo Haulers, Supply Chain Distributors, Gas Distributors, Milk Distributors and Fuel Stations

The members vary in size and operation. The majority of members represented are micro to small companies which in their majority employ less than 10 employees.

The sectors represented are organised through different committees, which committees represent a mix of members in terms of size and operation in order to ensure that all businesses in Malta are effectively represented.

The Malta Chamber of SMEs has for the past months discussed the proposals and issues presented through its committees.

## **Malta Low Carbon Development Strategy**

### **1. Renewable Energy**

The LCDS gives a clear overview of the direction the country aims to move forward when it comes to the Renewable Energy sector. This Said, the Malta Chamber of SMEs believes that this can only be achieved with the help of the private sector together with incentives and schemes applicable for both private households but also commercial premises.

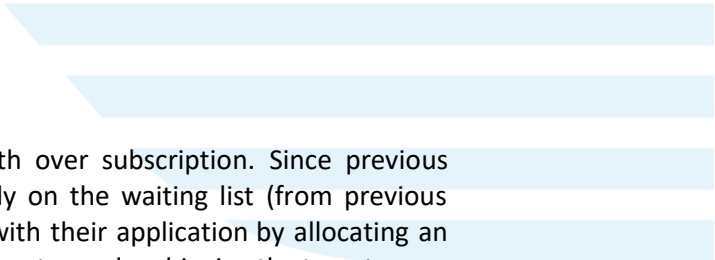
The Malta Chamber of SMEs has consulted with its members in order to gather further information and feedback on the proposed changes to schemes related to Renewable Energy.

From the general feedback gathered, Members feel that the direction the Authority is moving towards is insufficient to reach the full potential of Renewable Energy increase in the mix. However we understand there are limitations, and thus we are proposing the following adaptations in order to increase the uptake of REs.

Since the current schemes described offer different benefits and some schemes are more beneficial and attractive than others, the SME Chamber recommends that all schemes available are reviewed from time to time. The main reason is that if in the case a scheme is undersubscribed, while another is oversubscribed, the Authority can easily shift funds and budgets available in order to ensure the maximum uptake possible.

Since consumers are normally schemes driven, the SME Chamber propose that schemes launched overlap in order to avoid having consumers waiting make the investment, thus stalling the market.

#### **1.1 Tackling over-subscriptions**



Members in the sector have also identified issues with over subscription. Since previous schemes have been oversubscribed, applicants currently on the waiting list (from previous schemes and FIT calls), should be allowed to continue with their application by allocating an additional, separate budget. Apart from further contributing towards achieving the targets, pre-committed projects and investments will not be lost.

From the information available, There are currently around fifty 40kW+ 2020 FIT applications amounting to 11.5 mW on Rews waiting list, and many of these projects are ready to go. These projects were prepared, planned and costed on assumption of 2020 fixed FIT rate. Asking these companies to reapply under new competitive bidding scheme shifts goalposts for these projects. Besides creating more bureaucracy and costs for all concerned, it would at best delay them unnecessarily, or at worse alter fundamental assumptions that went in their planning

## **1.2 Encouraging more Public Private Partnerships**

Following the success story with Energy Malta Ltd. (a public private partnership between Malta Chamber of SMEs and the Water Services) whereby a number of projects have been implemented to develop solar farms.

The Malta Chamber of SMEs calls out for more similar projects to take place in order to further reach the desired targets while further increasing the participation of the private industry when it comes to renewable energy.

In line with the proposed way forward, whereby the government will ‘closely monitor technological developments in the RE sector that could possibly make it cost effective to install further RE systems at sea (i.e., deep sea wind/solar farms, wave technology)’, the SME Chamber strongly proposes the involvement of stakeholders, such as the SME Chamber in order to push projects forward and ensure the successful implementation and uptake.

## 2. Transport

As listed in the LCDS published Transport remains a great contributor and stands out amongst highly pollutant in Malta. In order to ensure the successful implementation of a low carbon transport strategy, the Malta Chamber of SMEs and its members have identified three main pillars, which members believe should all be given the adequate attention and support.

All thematic points mentioned go hand in hand. The pillars identified are:

1. Current Issues and Difficulties
2. Improving Current Measures
3. New Business Friendly Incentives

The aim of these proposals is to incentivise local businesses to continue investing in their business and upgrade their current vehicle fleets.

Although a number of initiatives and foresights are beneficial for the country, The Malta Chamber of SMEs notes that the strategy make almost no reference as to how the private sector will be incentivised to make the shift to EVs and other kinds of means.

### 2.1 Current issues and difficulties

#### 2.1a Ambitious targets Vis a Vis state of play

Malta is currently failing to reach<sup>1</sup> the desired targets and reduce the age of commercial and non-commercial vehicles on the road. In this regard the latest data available reveals that the total average age of vehicles licensed in Malta is of 14.69 years compared to the 9.73 years EU average<sup>2</sup>.

Members, in particularly those operating large and heavy vehicles, all agreed that although the government will be announcing cut-off dates for the importation of ICE Vehicles, and the SME Chamber agrees that this is the way forward when it comes to achieve environmental targets,

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<sup>1</sup> <https://goo.gl/7Axr5p> - News Article dated 14<sup>th</sup> May 2018

<sup>2</sup> <https://goo.gl/uXRUav> - NSO - Malta Transport Statistics 2016

however a few considerations need to be kept in mind in order to ensure the smooth transition of the shift.

When it comes to EVs, members operating heavy vehicles are concerned about the extensive expense this specific technology for such heavy is. This technology in this case is still very limited and coupled with the expense such technology becomes difficult to access. Vehicles such as Cargo Handlers, Coaches and large supply chain vehicles are very expensive and costs can go up to Euro 900,000K per vehicle.

For the above reason, any cut-off date announced should be sensible to the above realities and include timeframes and exemptions as necessary.

## 2.1b Issues with Current Legislation

Members across the board have identified a common issue related with the grant available for the purchase of Electric Vehicles.

Although the current grant offered (open to The General Public, Local Councils, NGOs and Private Companies) is very beneficial, it **does not cater** for Car Rental and Leasing Operators, large fleet operators (including those in the supply chain) and those who require N2 & N3 vehicles.

The issue mainly relates to the **de Minimis regulation**<sup>3</sup>. Following the recent schemes launched by Transport Malta<sup>4</sup> As things stand an operator is only able to purchase a total of 22 N1 vehicles (Eur 9,000 X 22), should one de-register and scraps another ICE vehicle which is at least 10 years old from its year of manufacture) or 25 (Eur 8,000 X 25) should they opt to purchase a vehicle without de-registering, every 3 consecutive fiscal years.

In particular Lease operators will be rendered un-competitive when pricing lease vehicles for units over and above the 22/25 that qualify for the grant and consequently clients will find it more feasible to opt to purchase a vehicle directly, instead of opting for a lease.

Over and above this, the majority of operators would have already benefitted from other grants falling under this regulation (e.g. Micro Invest) and therefore the opportunity of benefitting under de Minimis for this specifically will be further limited.

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<sup>3</sup> The de Minimis regulation state that any undertaking cannot receive more than Eur 200,000 every three consecutive years.

<sup>4</sup> <https://www.transport.gov.mt/land/grant-schemes/transport-schemes-2021/scheme-to-purchase-electric-vehicles-and-plugin-hybrids-4640>



Currently, a number of tenders are being issued for the purchase / lease of electric vehicles and operators are not able to apply. This is mainly due to the fact that members will reach their capped amount (under de-minimis) immediately thus are no longer able to offer this option. Such Tenders are bound to increase in the coming months and years and will add to the un-level playing field, becoming a more serious issue once the government communicates its plans and targets.

Apart from these tenders, operators regularly receive individual enquiries on the lease of EVs, which they cannot commit to due to the limit imposed by the incentive scheme. This is apart from the fact that operators will be limited to add EVs to their own fleet given this capping.

As a remedy, the SME Chamber is proposing the below as a way forward;

Shifting this grant under the **General Block Exemption Regulation** (which requires approval from the state aid monitoring board). This is our opinion would be a possible way forward.

From the research conducted, the GBER Regulation<sup>5</sup> specifically offers MS the possibility to list similar grants either under the 'Aid for environmental protection'<sup>6</sup> or under the 'Investment aid for energy efficiency measures'<sup>7</sup>

**Aid for environmental protection** - as per article 36 of the GBER regulation under clause 4<sup>8</sup>, aid may be granted for:

- a) the acquisition of new transport vehicles for road, railway, inland waterway and maritime transport complying with adopted Union standards, provided that the acquisition occurs before those standards enter into force and that, once mandatory, they do not apply to vehicles already purchased before that date.
  
- b) retrofitting of existing transport vehicles for road, railway, inland waterway and maritime transport, provided that the Union standards were not yet in force at the date of entry into operation of those vehicles and that, once mandatory, they do not apply retroactively to those vehicles

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<sup>5</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:02014R0651-20170710&from=EN> –

GBER

<sup>6</sup> GBER – Article 36, page 63

<sup>7</sup> GBER – Article 37, page 65

<sup>8</sup> GBER, Article 36, clause 4 page 64

The GBER in this case allows an aid intensity of not more than 40 % of the eligible costs which may be increased by 10% for aid, bringing the maximum eligible aid up to 60%.<sup>9</sup>

**Investment aid for energy efficiency measures** – as per article 37 of the GBER regulation under clause 4<sup>10</sup>, aid may be granted for:

the extra investment costs necessary to go beyond the applicable Union standards. They shall be determined as;

- a) where the costs of investing in environmental protection can be identified in the total investment cost as a separate investment, this environmental protection-related cost shall constitute the eligible costs;
- b) in all other cases, the costs of investing in environmental protection re identified by reference to a similar, less environmentally friendly investment that would have been credibly carried out without the aid. The difference between the costs of both investments identifies the environmental protection-related cost and constitutes the eligible costs.

In this case, 20 % of the eligible costs for small undertakings, 15 % of the eligible costs for medium-sized undertakings and 10 % of the eligible costs for large undertakings if the implementation and finalisation of the investment take place more than three years before the date of entry into force of the new Union standard; and 15 % of the eligible costs for small undertakings, 10 % of the eligible costs for medium-sized undertakings and 5 % of the eligible costs for large undertakings if the implementation and finalisation of the investment take place between one and three years before the date of entry into force of the new Union standard.<sup>11</sup>

The SME Chamber proposes that the above regulation should be applied for **all** grants and schemes offered to SMEs which will assist them in reaching targets and adapting to new greener solutions.

At this point, we believe that this matter needs to be treated with urgency as the demand for EVs, and especially Plug-in Hybrid vehicles (both qualify for the EV grant) is on the increase and will increase substantially once the government announces the cut off dates and the schemes forming part of the Green Deal.

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<sup>9</sup> GBER – Article 36, Clauses 6 & 7 – Page 64

<sup>10</sup> GBER – Article 37, clause 3, page 65

<sup>11</sup> Article 37, Clause 4 a & B page 65

## 2.1c Consumer Centric Incentives

The schemes launched by TM recently are very positive and are amongst the most aggressive EU wide. Based on the research conducted, grants launched are normally in the range of Euro 6,000, apart from the Nordic countries who in particular offer even more aggressive incentives.

Although this is a very positive indication, grants offered locally are not catered for commercial entities.

Companies such as those operating Car Rental and Leasing and other large fleet operators such as chauffeur driven, generally change fleets every 4-6 years depending on usage of the vehicle. This is normally calculated on the mileage consumed by the vehicle.

As an example, unlike a standard passenger vehicle, a normal cab can easily register 100,000KMs in any one year therefore within 4 years operators will opt to purchase newer vehicles.

Under current schemes one can opt for the maximum grant (of Euro 9,000) should they scrap a vehicle that is older than 10 years, something which does not make sense for businesses.

The SME Chamber therefore propose that any schemes and incentives launched are launched specifically for the business community thus catering for the specific circumstances of businesses.

## 2.2 Improving Current Measures

### 2.2a Improving the current Scrappage Scheme

The Scrappage Scheme has for a number of years been instrumental for consumers to scrap their vehicle and opt for a new and greener vehicle.

In order to further incentives the end of life of old vehicle, Malta Chamber of SMEs is proposing that the scrappage scheme currently in place for passenger **private vehicles**, will also be extended to vehicles which are **not** for private use.

Vehicle types such as N2 and N3 vehicles should also be included in order to further encourage businesses to make use of this scheme.

The SME Chamber is suggesting that new leased vehicles will also be able to qualify under this measure (should the criteria requested be met). Apart from boosting the new vehicles market, this measure will help decrease the carbon footprint and thus help achieving targets.

## 2.2b Importation and Leasing of Second-Hand Commercial Vehicles

Members acknowledge that the importation of second-hand vehicles can in instances lead to the importation of heavy pollutant vehicles.

Malta Chamber of SMEs is therefore proposing that as is being done in the case of non-commercial vehicles, commercial vehicles which are either leased or rented out and are less than 3,000 Kgs – N1 vehicles (small to medium sized vans) cannot be purchased second hand (i.e. they would need to be purchased new in order to be able to fall under a lease agreement - QZ plate registration). The main environmental issue is that should a 4 year old van be purchased second hand and is in addition leased for 7 years, the van will be 11 years old at the end of the lease terms.

This change in legislation would further help decrease Co2 emissions and the income generated from new vehicles registered. This proposal was also proposed as part of the PSG licence reform implemented recently.

Through these measures one would expect the following results;

- Incentive for local businesses to purchase new vehicles
- Direct injection to local Vehicle Importers
- Direct injection to the Vehicle Leasing Sector
- Increase in New Vehicle registration tax collected
- Less carbon footprint (through decrease in vehicle average age and a move to more fuel-efficient engines conformant with WLTP)

In addition to the above, Malta Chamber of SMEs also supports the proposal to PROHIBIT the importation AND SALE of used **N1 commercial** units **unless these conform to stricter standards** (for example only used N1s vehicles of **current EURO number in any given year**).

The Malta Chamber of SMEs acknowledges that other larger vehicle types (such as N2 & N3 type vehicles are very costly and require a massive investment.

Through this proposal one would indirectly begin to address / eliminate the rampant abuse of rental and leasing of non-QZ plates. Members often have to compete with operators who quote private

plated used UK imported vehicles for leasing whilst because members adhere to the regulations they quote for newly registered QZ plated vehicles.

## **2.3 New Incentives for Businesses**

The Malta Chamber of SMEs believes in a wider and more holistic approach. Members of the SME Chamber have all agreed that any measure introduced needs to be backed with both the internal capacity of the business and also the general infrastructure of the country.

All measures and incentives proposed are all different and based on the specific needs of the particular industry with a realistic approach in mind.

### **2.3a Upgrade of Fleet**

In line with the Governments' strategy of increasing the number of electric cars on the road, Malta Chamber of SMEs is proposing that grants and incentives currently available are made more attractive and accessible for businesses.

Moreover, the SME Chamber would like to point out that in line with any National Targets, operators would need to gear up and make the shift gradually (these would normally need to cater for investment at least 5 years before the national targets are to be reached). It is therefore recommended that any incentives for large fleet operators are introduced in the coming months given that they play an important role in the country's efforts to meet national targets.

Finally the SME Chamber also proposes that those ready to invest and upgrade a large proportion of the current fleet are further assisted in order to incentivise them to make the shift.

#### **2.3ai Small / Medium Sized Vehicles**

The SME Chamber is proposing that grants to purchase EVs, should be directly accessible to local businesses and catering for large fleets which mainly include Rental, Leasing and Chauffeur driven sectors and also supply chain distributors.

The SME Chamber also proposes that schemes for businesses would not require vehicles older than 10 years (as per current schemes) but can possibly include mileage as a form of eligibility.

In their majority businesses make use of larger vehicles which in the majority of cases cost more than lightweight vehicles. The SME Chamber therefore proposes that any subsidy given is more aggressive and reflects the cost of the vehicle. In this regard, if a light passenger vehicle which (normally costing around Euro 25,000) is eligible for Euro 9,000 grant, larger vehicles such as vans (normally costing between Euro 50,000 – 70,000) should be eligible for a larger subsidy.

Finally the SME Chamber proposes a dedicated scheme separate from the one currently offered in order to reflect these specific requirements.

### **2.3a ii Large Passenger Vehicles**

The Malta Chamber of SMEs has also consulted with Passenger Transport Vehicles operators. Vehicles are normally larger ones such as coaches or minibuses.

The main issues with this sector is that such vehicles are normally very costly and to date a fully electric coach ranges between Euro 600,000 – Euro 800,000 while the price of a minivan ranges between Euro 80,000 to Euro 95,000. The SME Chamber therefore proposes that should incentives be offered to operators; these need to more generous in terms of aid.

The below is a list of possible incentives that can be introduced for large passenger transport operators which aim to reduce the impact on the environment but are, in our opinion realistic and achievable:

- Subsidy for innovative solutions, installed on vehicles that aim to reduce Nitrogen Oxide (NOx). This includes a system of PV panels which reduces pressure on the vehicle engine and alternator. Thus reducing fuel costs and emissions. The System costs between Euro 3,000 – Euro 5,000 depending on the size of the vehicle.
- Aggressive subsidy for operators wishing to purchase electric minivans or to upgrade their vehicles to the latest euro engine. The main aim is to make the shift viable which ensures a realistic return on investment over the years.
- A subsidy for operators wishing to retrofit their vehicle engine from a Diesel engine to a Hybrid one. This concept can be done on minivans and the cost ranges between Euro 45,000 – Euro 55,000.

Given that as explained above the cost to upgrade certain vehicles is still very costly and technology is still limited, the above schemes aim to offer an interim, half-way solution to ensure that the shift to lower emitting engines takes place while acknowledging that certain technologies are still very costly and up to a certain extent unreachable.

These proposals encourage investment for more sustainable solutions while acknowledging the realities in place.

### **2.3aiii Heavy Vehicles**

Of the various sectors represented by the SME Chamber, the Malta Chamber of SMEs represents the Hauliers. Hauliers are the lifeline of all imports and exports and have been vital to keep the country going during this pandemic.

Since technology in particular electric vehicles and machinery remains very costly, the Malta Chamber of SMEs is proposing a scheme similar to the one launched for the construction industry earlier last year<sup>12</sup> entitled 'Construction Industry Scheme', to scrap and upgrade their equipment to greener and more environmentally friendly.

As in the case with the construction sector, low emission equipment required by hauliers is very costly and in the majority of cases, members choose to keep using the same equipment given the huge investment required. As an example a standard ICE truck (currently EURO 6) used to carry containers, costs around Euro 100,000 to purchase.

The idea is for the scheme to support the purchase of vehicles and other equipment used in the day to day activities of our members, with the aim of upgrading these to greener energy efficient ones.

Given that as explained, the cost to upgrade certain vehicles is still very costly, the above scheme would offer a realistic approach ensuring a shift to cleaner use of vehicles and equipment.

## **2.3b Internal Capacity**

Members across the board have all made reference to complementary support which would ensure that any upgrade to greener technology can be adequately sustained.

Malta Chamber of SMEs is therefore proposing that business are given assistance which goes hand in hand with other incentives offered to purchase electric vehicles.

### **2.3bi Charging Equipment**

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<sup>12</sup> <https://covid19.maltaenterprise.com/modernisation-of-equipment/>

The SME Chamber believes that Incentives should also be made available for businesses to install charging points within their business.

Business unlike private households, will require fast chargers and multiple charging points (for those with large fleets). The cost to invest in such infrastructure is very high, which continues to discourage business to make the shift.

The support in charging equipment will further sustain the operation and ensure that business operation is not hindered with lack of infrastructure and internal capacity.

### **2.3bii Upgrade of Workshops**

In addition to the above, large fleet companies in particular Car rental, Leasing, Chauffeur driven and supply chain distributors will require additional assistance to the above.

The above industries in particular normally employ dedicated staff for the maintenance and repair of vehicles. The SME Chamber proposes that similar to the scheme offered in the past for repair Garages and car importers, the SME Chamber is proposing that large fleet operators (often employing their own vehicle repair and maintenance personnel) are given additional grants to invest in their workshop and upgrade their repair equipment to be able to cater for EVs.

### **2.3biii Training**

The Sector is also proposing that current staff, repairers (such as panel beater) and mechanics employed with different operators are given adequate training to ensure their readiness to repair and maintain electric vehicles.

This is something which goes hand in hand and from a number of focus groups organized, all members acknowledge the need to re-skill and up-skill the market especially those employing repairers internally such as panel beater and mechanics / electricians.

Moreover given the different vehicles and technologies available in the market, any training given should be specific to cater for the particular need of the industry.

Great effort is already being done with the setting up of the Foundation for Transport of which the SME Chamber is a founding member. The Malta Chamber of SMEs remains committed that through its involvement in the Foundation for Transport, offers its assistance to identify skill gaps and help address them.



## 2.4 General Infrastructure

Members note that the General infrastructure in Malta needs to be upgraded to cater for increase in EVs.

Notably, works are already taking place to ensure that adequate charging points are installed around the island. This will make the investment by both businesses and the general public viable and worth investing.

### 2.4a Charging Pillar Strategy

In line with the national strategy for charging pillars, the SME Chamber believes that strategic points should incorporate current fuel stations in the general strategy and also strategic areas around Malta which would cater for the industry needs.

Strategic areas must include the Airports, Ports and other popular tourist spots visited by mass numbers.

The Malta Chamber of SMEs remains open to assist authorities in identifying strategic points around Malta to ensure effectiveness and success.

**Finally the Malta Chamber of SMEs believes that The public and private EV Charging Infrastructure has to be tackled holistically and in one plan. The public and private pillar infrastructure must complement each other and not compete with each other in terms of location, availability to customers, payable tariffs, ease of use and payment features. Moreover charging opportunity to business/industry players has to be equal, though distinct, from the general public this is to be able to cater for the specific needs.**

### 2.4b Fuel Stations

Apart from operators in the transport sector, the SME Chamber also represents operators of Fuel Stations operators.

In line with the respective directives, members operating in this sector are currently upgrading fuel stations to comply with these directives. An average of Eur 500,000 is normally invested to upgrade these stations. Given this upgrade members are highly concerned with the cut-off dates to be

announced and would like more clarity and assistance in the transition. Although members are highly concerned with this, members have acknowledged that this is the way forward and believe they are key with in providing the infrastructure required.

As mentioned above, fuel stations should be incorporated in the national strategy as they are key in providing the necessary infrastructure required. In this regard the SME Chamber proposes that aggressive assistance is given to members in order to upgrade their fuel stations to new technologies.

Assistance should be given to operators to cover the costs related to the conversion from traditional fuel stations to charging parks and preferential rates in the purchase of electricity

## 2.5 Cut-Off Dates

The Malta Chamber of SMEs believes that any cut-off dates announced are sensible to the requirements of Malta and the industry. When it comes to cut-off dates of ICE vehicles, members operating heavy/special/large passenger vehicles are concerned about the extensive expense this specific technology for such heavy is.

This technology in this case is still very limited and coupled with the expense such technology becomes difficult to access. Vehicles such as Cargo Handlers, Coaches and large supply chain vehicles are very expensive and costs can go up to Euro 900,000K per vehicle.

For the above reason, any cut-off date announced should be sensible to the above realities and include timeframes and exemptions as necessary. The SME Chamber proposes a gradual shift and exempting vehicles types that technology is still very far off. Moreover, before any cut-off date is announced, the general infrastructure and ecosystem need to be ready to handle the increase in EVs. In particular the SME Chamber notes that the industry needs to be skilled and re-skilled and the general infrastructure is able to handle this increase.

Although The SME Chamber is not able to commit to a specific time-frame, believes that the government needs to take all factors into consideration and measure the implementation period required, before committing to a cutoff date

## 3. Buildings

The Proposed measures for both residential and non-residential are all beneficial and should be looked into. In this regard, the SME Chamber believes that any measure needs to be backed with appropriate measures and incentives.

The recent schemes launched by the Ministry for Energy, Enterprise and Sustainable Development is favourable for members and is in line with our proposals to encourage businesses to make the investment.

Whilst construction is an important economic contributor, its impact on the environment and the community have been statistically found to outweigh this. It is therefore essential that the construction industry and specifically buildings are re-directed towards greater quality. There is an obvious over-supply of buildings and therefore the necessity to continue building at the expense of taking more away from our natural surroundings needs to become much more difficult.

Apart from this in terms of moving to efficient buildings, the sector is falling short of achieving what already is in the la, let alone moving ahead of this. A simple example is the energy certificate which is a tick box exercise and not utilised in any way.

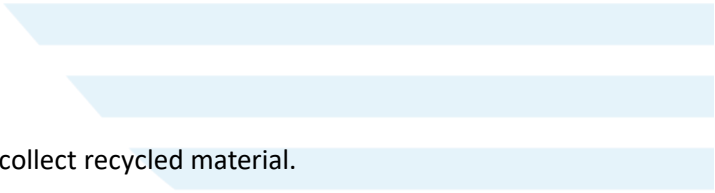
## 4. Waste

The Malta Chamber of SMEs notes that a number of measures proposed are all beneficial and aim to tackle waste from a holistic point of view, which is very positive. This said the SME Chamber believes that any measures introduced need to be introduced and implemented following thorough consultation with industry players.

In this regard, the SME Chamber proposes that before any measure is implemented, the respective ministry consults with the SME Chamber and its members in order to ensure the measures are neither counter-productive nor place a huge burden (both logistical and financially) on our members.

Reference is made to the feedback we supplied in the relation to the Waste Management Plan.

Since the Waste Management plan states: "Reform the collection system to increase economies of scale, harmonise collection practices and modernise the collection fleet", as a strategic objective, our members note that such modern fleets would also mean higher maintenance fees for the collector and therefore higher service fees. Therefore the Government should assist Waste Carriers to modernise their fleet. Incentives may include, removal of VAT and TAX on vehicles and subsidised fuel.



We suggest that waste carriers should be incentivised to collect recycled material.

Finally, as highlighted in previous sections, any measures need to be backed up by supporting initiatives and schemes. Moreover, the necessary awareness raising campaigns in order to promote such measures with the general public and businesses.

## 5. Financing

The SME Chamber notes that although a number of financing mechanisms have been established in order to finance a number of measures highlighted in the strategy, there is little reference on the financing of schemes dedicated for businesses. Therefore, the SME Chamber proposes that any dedicated financing mechanisms, need to be specifically catered for businesses.

The SME Chamber believes that a dedicated budget from the various sources of financing (both EU and National) outlined in the strategy is to be specifically allocated for businesses to tap into.

Moreover any financing schemes to businesses are to ensure that no legislative or administrative barriers (such as de minimis regulation) hold back businesses in accessing such schemes and mechanisms.



## **Final Remarks**

The above proposals are intended to benefit all members of the Malta Chamber of SMEs and indeed the business community in general. The SME Chamber remains open to assist the Government to ensure businesses are on boarded and in line with the national strategies.

The Proposals highlighted are aimed at taking a holistic approach to ensure that national strategies and incentives launched are realistic, effective and successful.

Through the above proposals, the SME Chamber believes that these would ultimately lead towards becoming **cleaner, greener and more sustainable**.

**The Malta Chamber of SMEs remains open to discuss and meet with the relevant authorities in order to ensure to successful implementation of the strategy.**