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BUDGET OF CONTINUATION WITH LITTLE TO NO DIRECT REFERENCE TO SMEs

Following today's budget speech, the SME Chamber notes that this is a Budget of continuity. The continuation of energy subsidies is essential for businesses sustainability. The extension of work-life balance measures for the self-employed is a positive step forward. On the other hand, the SME Chamber notes that none of its proposals have been taken up, with businesses barely mentioned in the Budget document.

While the SME Chamber welcomes the widening of tax brackets for the lower bracket, the SME Chamber notes that the electoral manifesto promise to reduce tax for businesses from 35% to 25% has for another year not been fulfilled. This continues to place local businesses at a disadvantage when compared to foreign owned businesses who are effectively taxed at 5%.

While the SME Chamber acknowledges that the subsidy for EVs has been retained, it is being reduced from €11,000 to €8,000. We believe that the adoption of green transportation should be encouraged further.

Unfortunately, the Budget falls short in addressing other critical challenges that businesses are facing. Several serious issues were only briefly mentioned in the Budget speech, lacking the decisive action that Malta urgently needs at this stage of implementation. The serious employment related issues, such as the pressing issue of job-skill mismatch and recruitment challenges, bureaucracy and issues with the countries' overall infrastructure, merited more attention in this budget.

The SME Chamber feels issues seriously affecting productivity have not been given the importance they deserve.