

**The key measures are:**

- €1.6 billion in liquidity for companies: €700 million in tax deferrals and €900 million in guarantees
- Quarantine leave: Government to pay companies €350 per employee on quarantine leave
- Government will cover additional two months leave for parent who has to stay at home to take care of the children as a result of school closures with an €800 per month benefit.
- A company registering 25% less sales will benefit from 1 day per week per employee. This amounts to around €37 per week, equivalent to around €147 per month per employee. Measure is capped at €800 per month.
- A business that was asked to close as part of the Covid-19 measures will get 2 days of assistance per week per employee. This is equivalent to €300 per month per employee.
- A self-employed person will get the same amount
- A self-employed person who also employs others will get 3 days per week of assistance for himself and 2 days per week for every employee
- A Maltese or EU citizen who becomes redundant will get €800 per month as unemployment benefit
- A third country national who becomes unemployed will get no financial assistance but the national employment agency JobsPlus will help to find alternative work
- People in rental property and who lose their job and did not qualify for rent subsidy, will now benefit from the scheme
- Foreign workers: A company that makes anybody redundant cannot apply for a work permit for a third country national. Malta will stop accepting new third country national work permit applications

*\*For information: €800 is just above Malta's monthly minimum wage.*

**MCCEI reaction:**

The MCCEI and other employer social partners have criticized the package saying that it falls too short of what was called for, particularly the wage subsidy measure, which was key to our proposals, and that it is insufficient to stop job losses. The MCCEI proposal was for companies suffering in excess of 25% loss in turnover for Government to pay 50% of the employees' salary up to a maximum of the average salary, with the employer covering a further 25%. But this Government measure is equivalent to a mere subsidy of 20% of the employee salary at the level of minimum wage.

In a scenario of looming mass layoffs, even the deferment of payment of social security contributions and VAT, which accounts for the bulk of the package, becomes a redundant measure. This amount will not be paid after recovery but lost forever if there are significant job losses and declines in sales.

Government-guaranteed loans were an integral part of our proposal. But it is now feared that their potential effectiveness has been placed in serious doubt by the insufficiency of the wage subsidy measure.