Rethinking our Economy: The Impact of COVID-19 on the Gozitan economy and the Way Forward

Daniel Borg
Chief Executive Officer

GBC

Standing Committee on Gozo Affairs – 16 September 2020

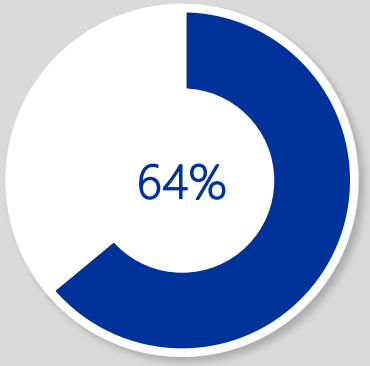
THE WAY FORWARD

"At the same time I hope that, with the **converging commitment** of all **political** and **economic leaders**, work might resume: families and society cannot continue without work . . . It is and will be a problem in the aftermath of the pandemic: poverty and lack of work. A lot of **solidarity** and **creativity** will be needed to resolve this problem"

Pope Francis (2020), *Angelus Saint Peter Square, Sunday 2 August 2020*

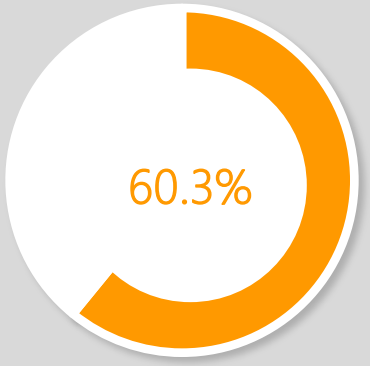
GOZO'S UNDERLYING ECONOMIC STRUCTURE

GOZO'S UNDERLYING ECONOMIC STRUCTURE



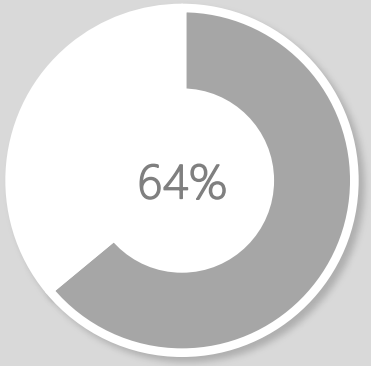
Employment

In 2018, 64% of the people in full-time employment in Gozo were in the private sector, while 36 % were in the public sector



Business Units

60.3% of the business units in Gozo employed between 1 to 9 persons (2019)



GDP per capita

GDP per capita in Gozo at Euro 15,997 is 64 % of the national economy (2018)

GOZO'S UNDERLYING ECONOMIC STRUCTURE

9.8%

Average Rate of Growth – GDP – Gozo

2014 - 2018

Malta: 10.29%

7.5%

Contribution of Construction to Gozo's Regional GVA -

Malta: 3.5%

8.9%

Contribution of Real Estate Activities to Gozo's Regional GVA -

Malta: 4.6%

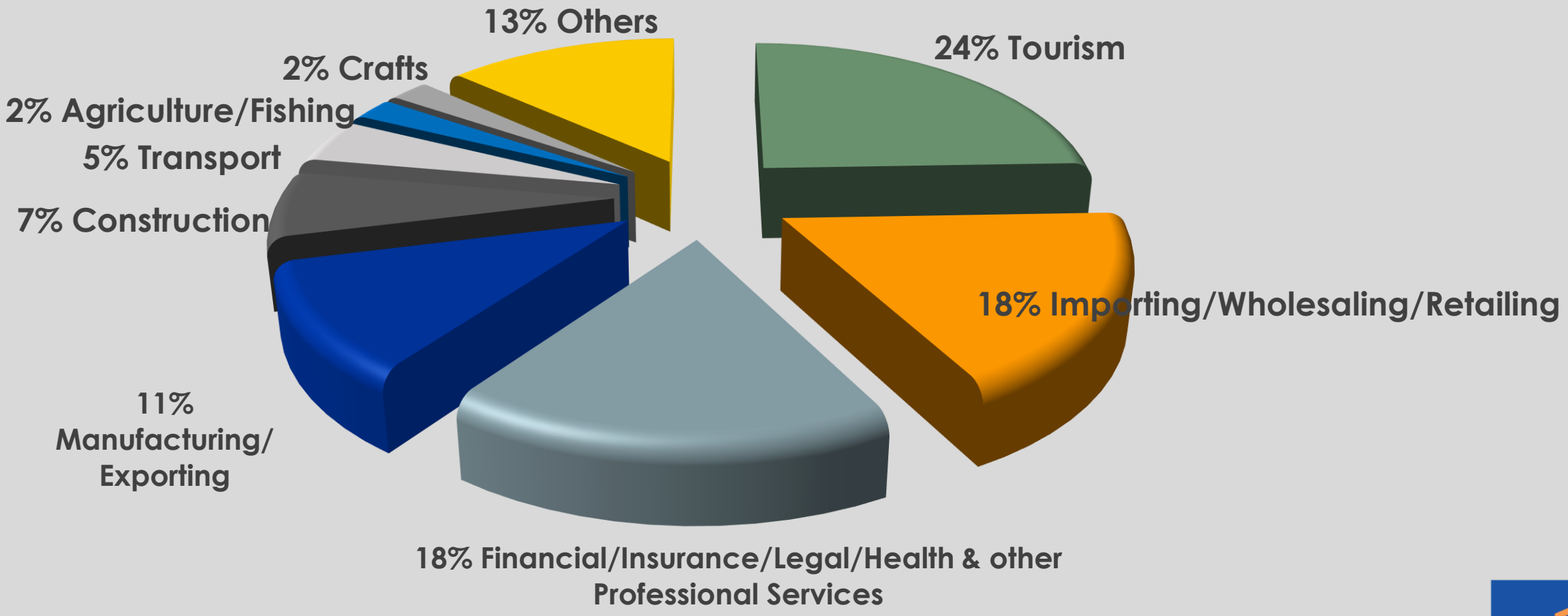
Tourism 50%

Estimated Contribution of Gozo' s GDP

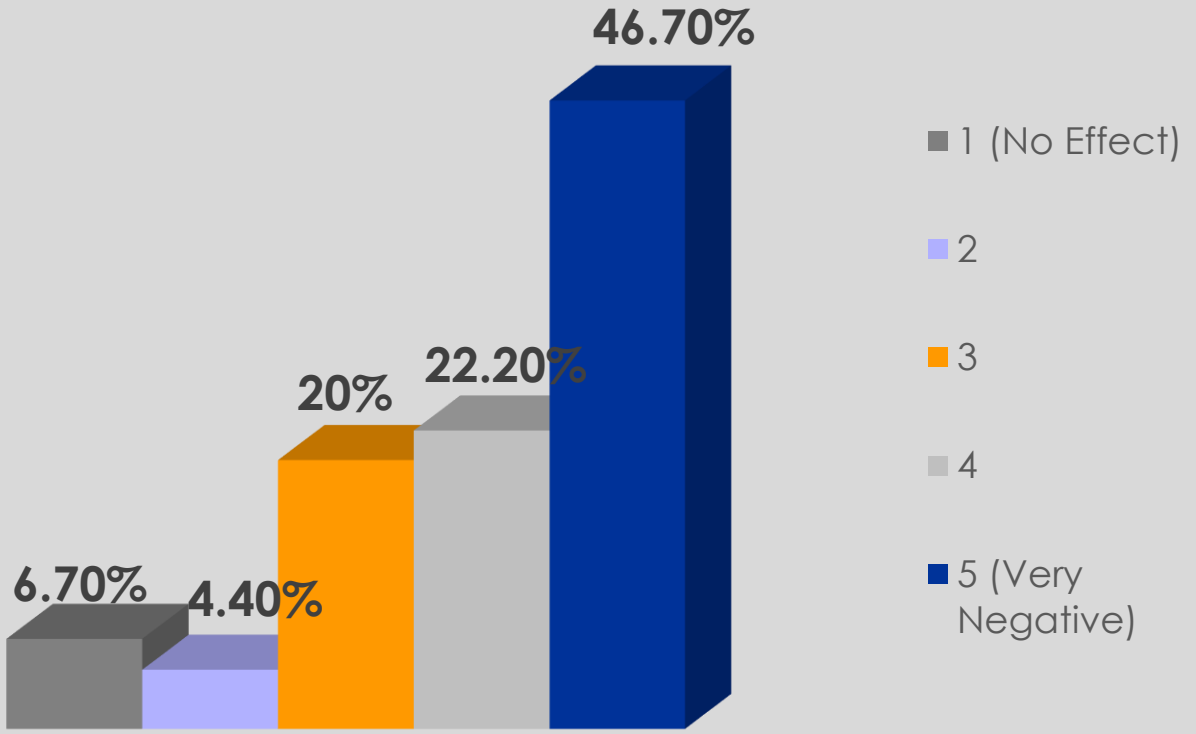
Domestic Tourists (2019)	215,272
Foreign Inbound Tourists (2019)	180,979
Same day visitors (2019)	1,346,550

CURRENT BUSINESS SENTIMENT

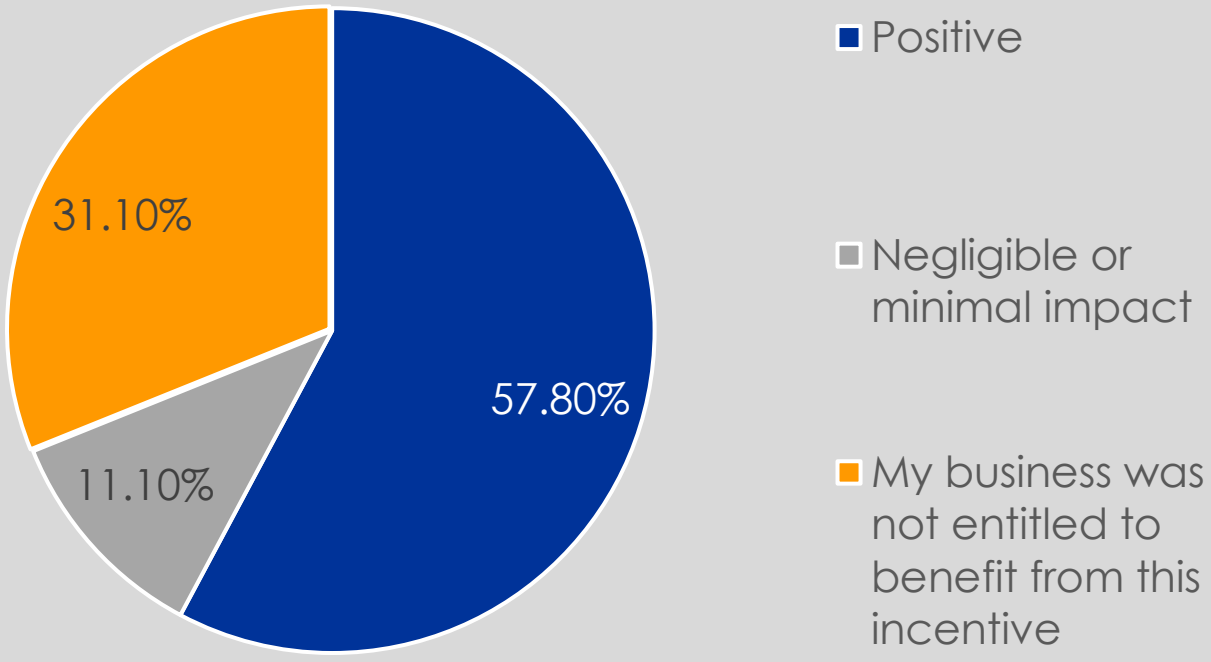
WHAT IS THE SECTOR IN WHICH YOU ARE OPERATING?



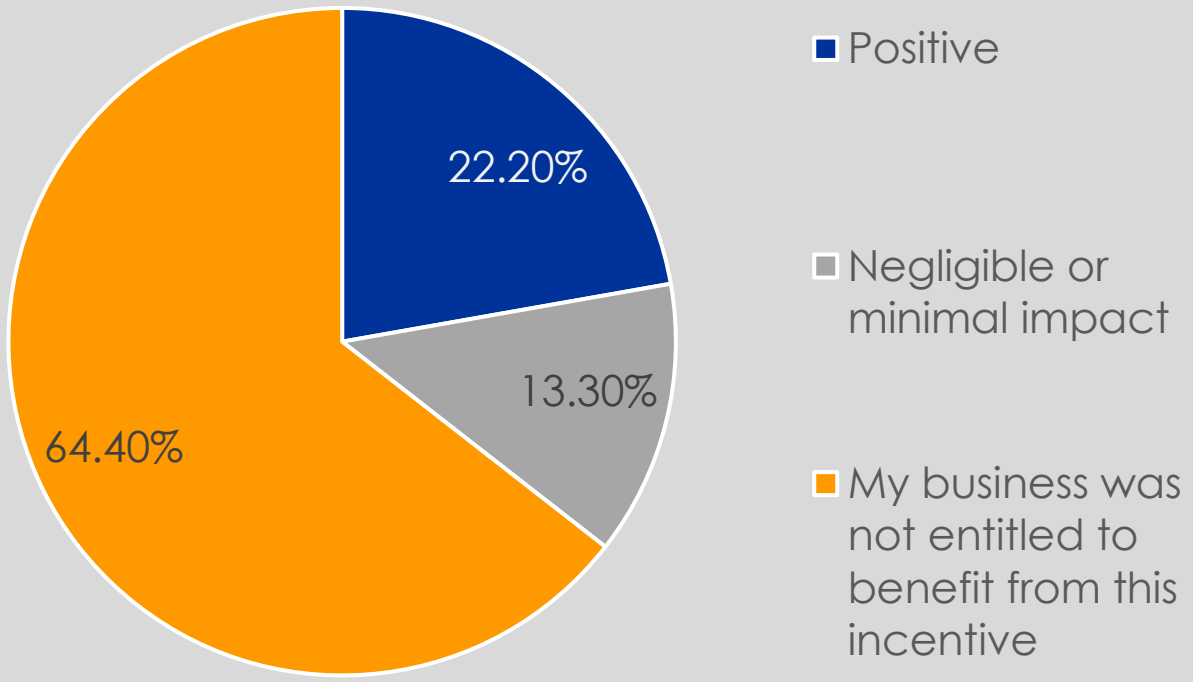
HOW HAS THE OUTBREAK OF THE COVID 19 AFFECTED GOZITAN BUSINESS?



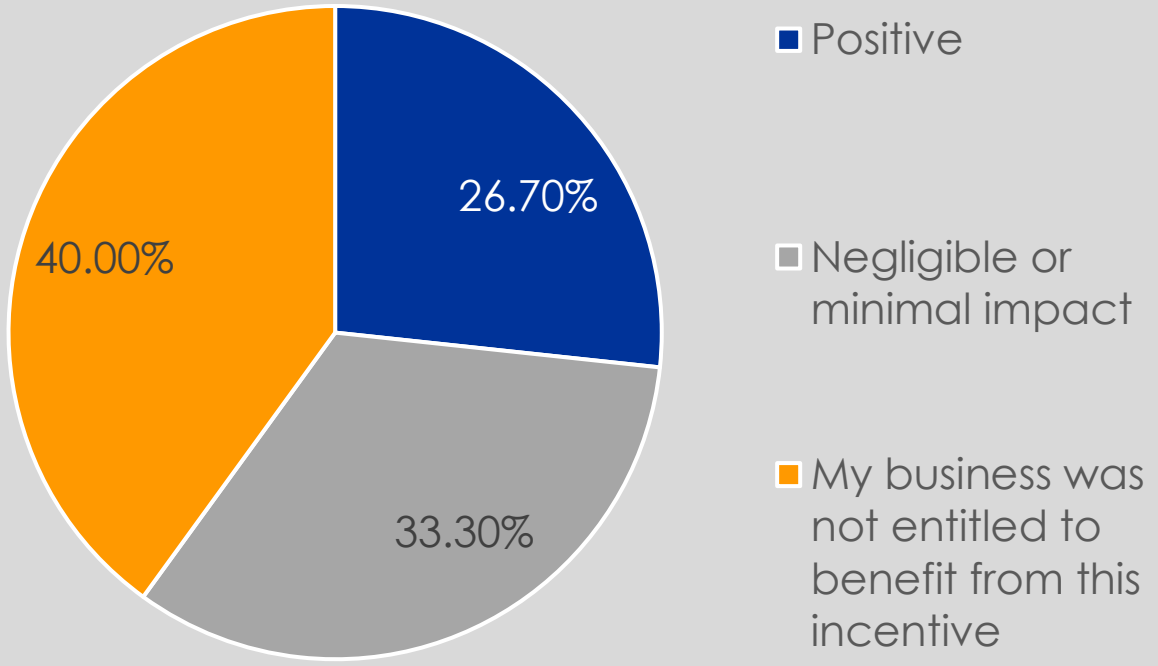
THE IMPACT OF THE COVID 19 WAGE SUPPLEMENT ON GOZITAN BUSINESSES



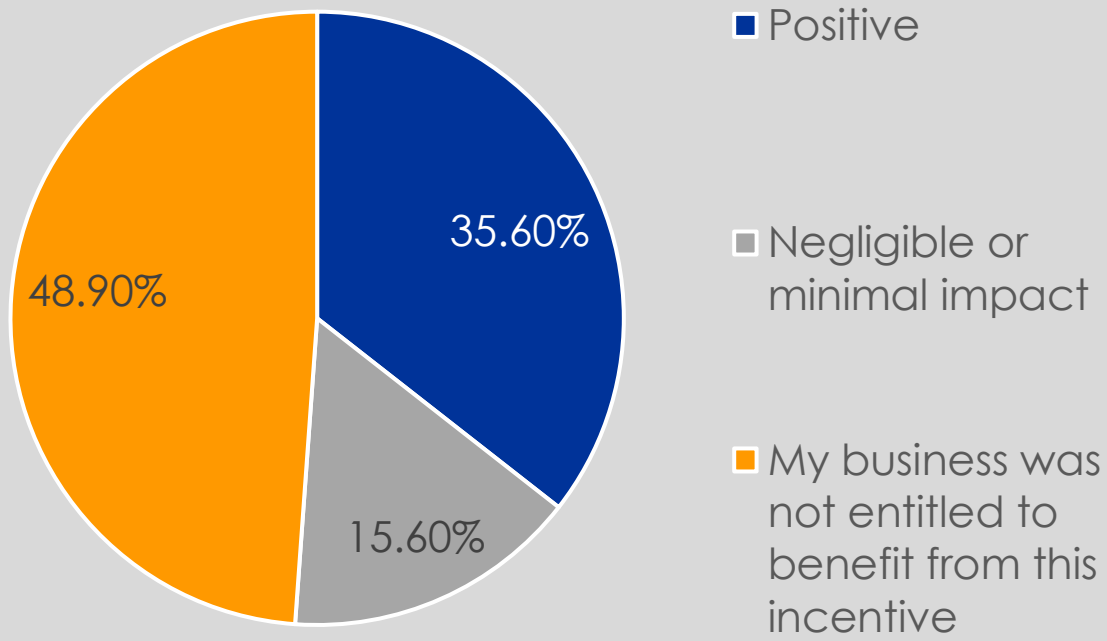
THE IMPACT OF THE RENT REFUND SCHEME ON GOZITAN BUSINESSES



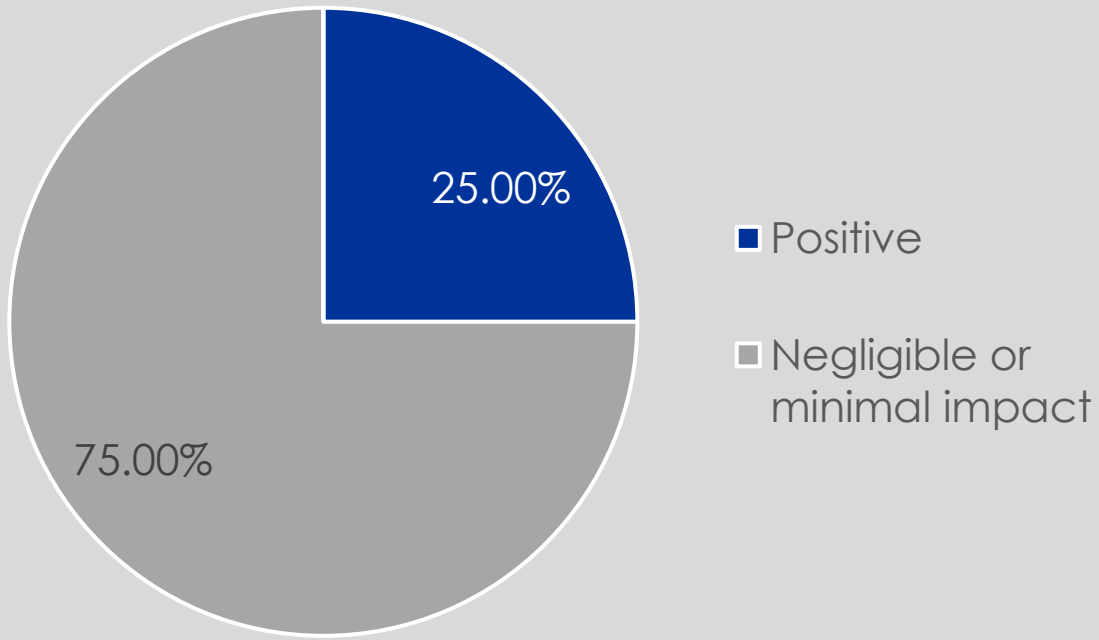
THE IMPACT OF THE ELECTRICITY BILL REFUND ON GOZITAN BUSINESSES



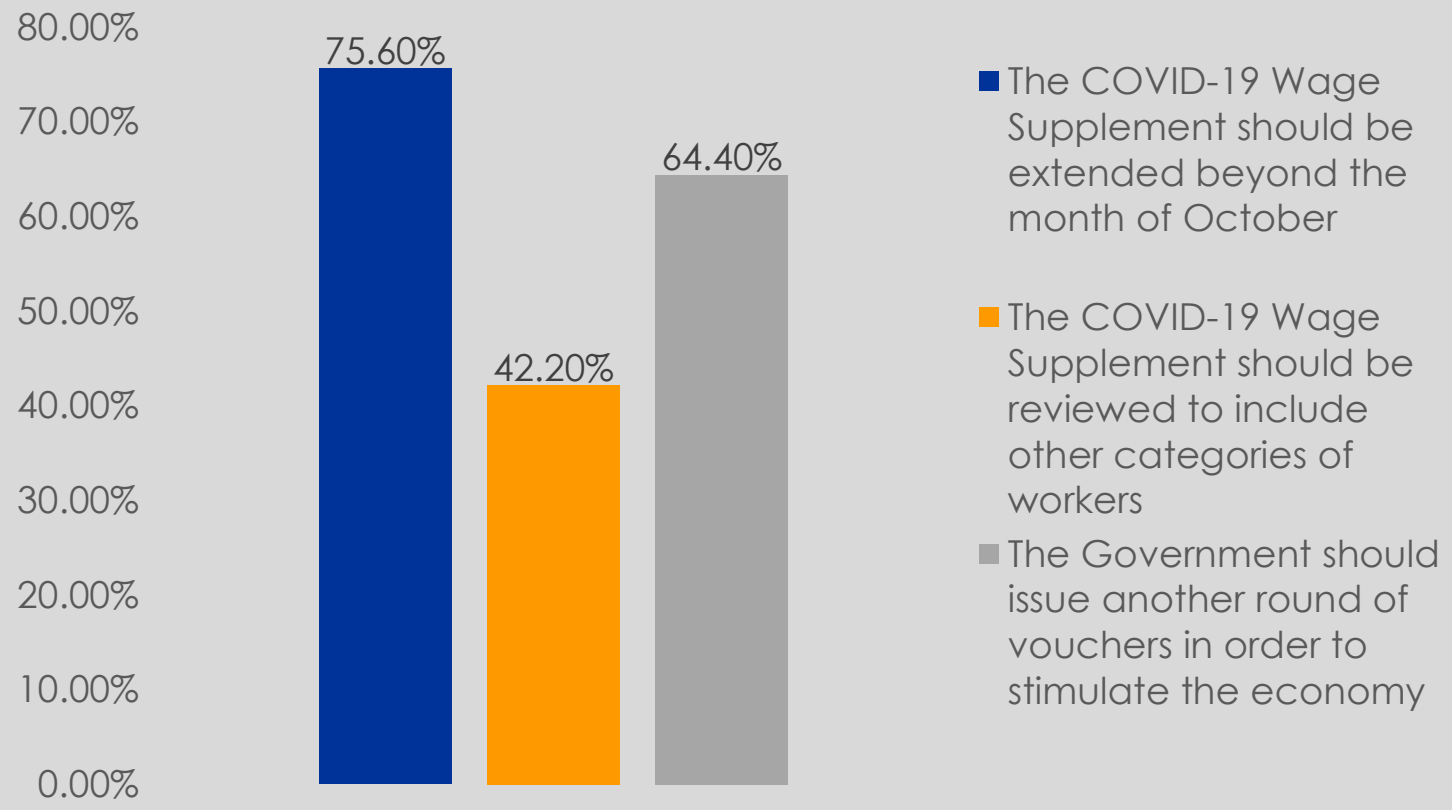
THE IMPACT OF THE VOUCHER SCHEME ON GOZITAN BUSINESSES



THE IMPACT OF THE OTHER MEASURES ANNOUNCED BY GOVERNMENT ON GOZITAN BUSINESSES



WAY FORWARD


80.00%
70.00%
60.00%
50.00%
40.00%
30.00%
20.00%
10.00%
0.00%
75.60%
42.20%
64.40%
The COVID-19 Wage Supplement should be extended beyond the month of October
The COVID-19 Wage Supplement should be reviewed to include other categories of workers
The Government should issue another round of vouchers in order to stimulate the economy

WAY FORWARD

MAIN MEASURES BEING PROPOSED BY THE GBC

Digital Sector

- Provide a tax holiday for companies in the digital sector to establish themselves here in Gozo.
- Grant a subsidy on rent for companies in the digital sector which establish themselves in the Digital Innovation Hub.
- Creating an eco-system of incentives specific for Gozo, for business enterprises within the wide spectrum of the digital technology sector alongside a holistic strategy for Gozo in this sector..

Public Infrastructure

- The building of a new hospital for Gozo.
- The building of an underground multi-storey parking in Victoria that would not impinge on Victoria's historic and authentic landscape.
- The building of a new breakwater for Marsalforn Harbour.

Sustainability

- Replace the present leased ferry with a hybrid ferry. This should also be considered for the other Gozo Channel vehicles as a long-term approach when coming to replace the existing fleet.
- Electric vehicles of Maltese residents crossing over to Gozo are to pay a reduced fare. On the other hand Gozitan residents with electric vehicles would cross for free on Gozo channel ferries.
- Refund on electric vehicles for Gozo residents to be raised to € 9,000 instead of the present maximum of € 7,000.

.

Transport and Connectivity

- Continue with important projects for Gozo including enhancing further maritime and air links between Gozo and Malta.
- Continuation of the permanent link project between Gozo and Malta.

THANK
YOU