



Press Release

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Maltese delegation takes part in the European Parliamentary Week 2018

A Maltese Parliament delegation participated in the European Parliamentary Week 2018 which took place in Brussels on 19 and 20 February 2018. The event comprised the European Semester Conference, the Interparliamentary Conference on Stability, Economic Coordination and Governance in the EU co-organised by the European Parliament and the National Assembly of the Republic of Bulgaria as Presidency Parliament, and three Inter-Parliamentary Committee Meetings organised by the European Parliament. This annual event provides a discussion platform for representatives of the European Parliament and the national Parliaments of the EU to discuss the European economic agenda. The Maltese parliamentary delegation was composed of government members Robert Abela and Clayton Bartolo and Opposition members Ivan Bartolo and Anthony Bezzina.

During the opening plenary session of this event, the policy priorities of the 2018 European Semester cycle were discussed, followed by three Interparliamentary Committee Meetings held in parallel. The meeting of the Economic and Monetary Affairs Committee was attended by Clayton Bartolo and the debates in this forum focussed on the future of EU tax policy; the follow-up to the Panama Papers and Paradise Papers, and the completion of the Banking Union. The meeting of the Employment and Social Affairs Committee, which was attended by Ivan Bartolo and Anthony Bezzina, discussed the digitalisation and the future of work and inequalities in member states. Robert Abela attended the Committee on Budgets where the post-2020 Multiannual Financial Framework and the reform of the EU's system of own resources were discussed.

Ivan Bartolo participated in the EMPL Committee Meeting as a panel speaker in the beginning of the session on inequalities in member states. Ivan Bartolo argued that if parents have poor education, a low income, lack of access to good healthcare, and poor-quality housing, their children would probably be in a worse position upon reaching adulthood. He argued that the recent crisis has exacerbated these vulnerabilities and that it is the duty of politicians to support the most vulnerable in society. Ivan Bartolo emphasised that economic growth in the EU reached a ten year high in 2017 and is still increasing at a moderate pace; the rate of job creation varied according to the sectors with some sectors in Malta such as the rental sector, construction and transportation experiencing the highest rate of job creation. Ivan Bartolo also provided an overview of the participation of female workers throughout the past years and stressed that the gender employment gap in Malta is still one of the highest in the EU and called for progress about the participation in the labour market and training of older job seekers. Ivan Bartolo concluded by remarking that locally more middle-aged persons are at risk of poverty now despite increased social protection expenditure. Those in work nowadays, and those joining the labour market in the coming years, will probably pay higher contributions in return for a lower pension. The adequacy of future pensions is likely to be negatively

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affected by career breaks and a general lowering of pension generosity as a result of an increased population.

In the ECON Committee Meeting, Clayton Bartolo argued that Malta's taxation system was approved by the Commission and the OECD and that taxation issues fall within the national competence of sovereign States. He also emphasised that Malta fully endorses the Commission's fight against tax evasion. It does however have a number of reservations as regards the implementation of the proposed Council Directive on a Common Consolidated Corporate Tax Base (CCCTB) which are also detailed in a Reasoned Opinion of the Maltese Parliament. The Maltese Parliament argued that the proposed CCCTB system infringes the principle of subsidiarity. The CCCTB would be optional for companies with global revenues not exceeding 750m euro per year, as a result of which smaller companies would struggle to find the best system to apply to them. The Proposal does not oblige MS to change the tax rate but there is a possibility that MS would have to change the rate to enable the Proposal's implementation. Furthermore, he argued that the Maltese Parliament thinks that less intrusive choices can lead to the achievement of the objectives behind the CCCTB mechanism, both in the short term as well as in the long term, without interfering with the principles of subsidiarity and proportionality. The apportionment formula would lead to a loss of revenue as the components of sale by destinations, employment and salaries, and assets in jurisdiction all militate against small jurisdictions like Malta.

During the second day of the event, three plenary sessions were held: the first on how to strengthen the EMU's resilience and stabilisation; the second on the role of national Parliaments in the establishment of the EMF and the concluding one on the next MFF.

Clayton Bartolo intervened in the second plenary session dedicated to the European Monetary Fund. He argued that the establishment of the EMF is a positive step forward and that the financial and economic crisis could have been warded off had such a fund been in existence when the crisis emerged. He argued that the EU must focus on creating new instruments and mechanisms in case a new crisis hits; however, he raised a number of points as regards the EMF. The name of the Fund is misleading because it would have different functions compared to the IMF. Furthermore, the governance of the ESM should be kept in place when the new Fund is established, in other words, there should be voting by unanimity. Clayton Bartolo also argued that the debate on using the new EMF as a backstop to complete the Banking Union should continue to analyse the full implications of this for the member states.