

EU PolicyWatch

Database of national-level policy measures

Eurofound's EU PolicyWatch collates information on the responses of government and social partners to the COVID-19 crisis, the war in Ukraine, rising inflation, as well as gathering examples of company practices aimed at mitigating the social and economic impacts.

Overview

Factsheet for measure MT-2020-24/938 – **Updated** – measures in Malta

War in Ukraine

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Vouchers for use in businesses affected by COVID-19

Vouchers li jistgħu jintużaw f'negozji affettwati minn COVID-19

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Country	Malta , applies nationwide
Time period	Temporary, 08 June 2020 – 15 September 2021
Context	COVID-19
Type	Other initiatives or policies
Category	Promoting the economic, labour market and social recovery – Support for spending, stimulus packages
Author	Luke Anthony Fiorini (University of Malta) and Eurofound
Measure added	07 July 2020 (updated 20 June 2022)

Background information

During the initial phases of the COVID-19 pandemic in Malta, several forms of enterprises were ordered to close their doors, resulting in no or limited business being conducted by these organisations.

As retail shops, restaurants and licensed accommodation were allowed to re-open once COVID-19 cases dwindled, these enterprises and their respective associations complained that business remained very poor, with some organisations stating that they were losing more money by opening. In view of this, Government announced that €100 vouchers would be distributed to all individuals aged 16 and over that can be used in a licensed accommodation, restaurants, bars or business that had closed due to the pandemic.

Content of measure

Every resident in Malta and Gozo aged over 16 years old will receive a voucher of €100 which can be used on Malta Tourism Authority (MTA) licensed accommodation, this includes hotels and holiday homes. The voucher can also be used at restaurants, bars and retail outlets. Specifically, five €20 vouchers will be issued to every resident, €80 can be used for accommodation, restaurants or bars, while the remaining €20 can be used in any retail outlets that were closed during the COVID-19 pandemic.

Whilst it was originally announced by Government that only individuals who are registered on Malta's electoral register would receive such vouchers, it was later clarified that foreigners who had a Malta residence permit will also receive them.

Distribution of the vouchers began on the 8 July 2020 via registered mail.

Updates

The following updates to this measure have been made after it came into effect.

07 June 2021 The second round of vouchers were issued on 7 June 2021. All Maltese residents and foreign nationals with residency status over the age of 16 are entitled to €100 worth of vouchers. Of these, €60 could be spent at restaurants, bars, accommodation or diving centres, while €40 could be spent at retail outlets including salons, clothing stores, gyms, and museums, amongst others. The new vouchers will remain valid until 15 September 2021.

Unlike the first round of vouchers which were paper based, the second round of vouchers could be downloaded by means of an app; which those not downloading their vouchers by a certain date instead receiving the vouchers in a paper-based format. Conversely, it was also announced that elderly individuals in care residences were not sent the second round of vouchers, but instead received €100 in their bank account or as a cheque.

01 April 2021 The second round of vouchers announced in Budget 2021, which at the time were expected to be distributed promptly, are yet to be released following the increase of cases of COVID-19 in Malta. Many of the outlets targeted by these vouchers, such as restaurants and retail outlets were forced to close in March 2021 as the number of cases spiralled.

19 October 2020 During budget 2021 it was announced that a new round of €100 vouchers would be issued. A date for this re-issue was not revealed, however it was stated that the next round would vary as €60 could be used towards hotels & restaurants, whilst €40 could be used within retail or service outlets.

Use of measure

440,000 individuals residing in Malta are expected to receive vouchers worth €100. In September 2020 during a press conference, the Prime Minister, Robert Abela, noted that some 60% of the vouchers generated the same expenditure as 40,000 tourists did in August 2019.

The Economy Minister announced that as per 14 October 2020, 98% of Maltese residents, 65% of EU residents, and 83% of non-EU residents had received their vouchers. 81% of all distributed vouchers had been used: 2.23 million vouchers were issued and 1.81 million vouchers were used. It was also stated that the measure cost €44 million over a three month period. A total of 5,720 outlets received vouchers.

In June 2021, it was announced that the first round of vouchers had injected €37 million into sectors hard hit by COVID-19. Furthermore, the Prime Minister announced that the first round of vouchers had resulted in people spending an extra Euro for every Euro of voucher used.

Target groups

Workers	Businesses	Citizens
Self-employed	Sector specific set of companies	Applies to all citizens

Actors and funding

Actors	Funding
National government	National funds

Social partners

Social partners' role in **designing the measure** and form of involvement:

	Trade unions	Employers' organisations
Role	Consulted	Consulted
Form	Direct consultation outside a formal body	Direct consultation outside a formal body

Social partners' role in the **implementation, monitoring and assessment phase**:

- Unknown
- Main level of involvement: Unknown

Involvement

By means of a tripartite agreement, a package of measures to save jobs and organisations was agreed on 24 March 2020. This was the third but most significant package of measures announced by the Government. Following this agreement, social partners remained in direct contact with the government highlighting their proposals of what was felt was still necessary to save the Maltese economy and jobs. In view of this, on the 8 June 2020, the government announced a 'mini budget' to help the Maltese economy to recover from the effects of the COVID-19 pandemic. Essentially, this was the fourth package of measures announced by the government. The current measure formed part of this package. It has not been announced who will administer this measure.

Views and reactions

The fourth package of measures, of which the current measure formed part of, received public support from an array of social partners. Those positive and vocal about it were primarily business associations, including the Chamber of Commerce, the Chamber of SMEs, the Malta Employers' Association, the Malta Hotels and Restaurants Association, and the Association of Catering Establishments. The latter two associations also expressed their specific satisfaction with the introduction of the voucher scheme which is expected to improve liquidity in their sectors whilst also improving perceptions of safety. The feedback on the overall package from unions was more mixed; The Union *Haddiema Magħqudin* (UHM) Voice of the Workers argued that only 6% of €900 million mini-budget will end up benefitting workers directly. Conversely, the General Workers' Union supported the package.

In September 2020 various employer associations called for the voucher scheme to be re-issued. The Malta Employer's Association called for their re-issuing but stated that some should be exclusively for retail and catering outlets. The Chamber of SMEs also called for them to be re-issued but asked for greater focus on retail and those providing services affected by COVID-19.

During a 15 October 2020 panel discussion of employer associations, a general consensus was expressed that the vouchers helped stimulate business, particularly in Gozo. Retailers however expressed hope that any future round of vouchers would be less biased towards restaurants and accommodation, with a greater proportion of the voucher being applicable to retail outlets.

Sectors and occupations

This case is sector-specific (only private sector)



This case is not occupation-specific.

Sources

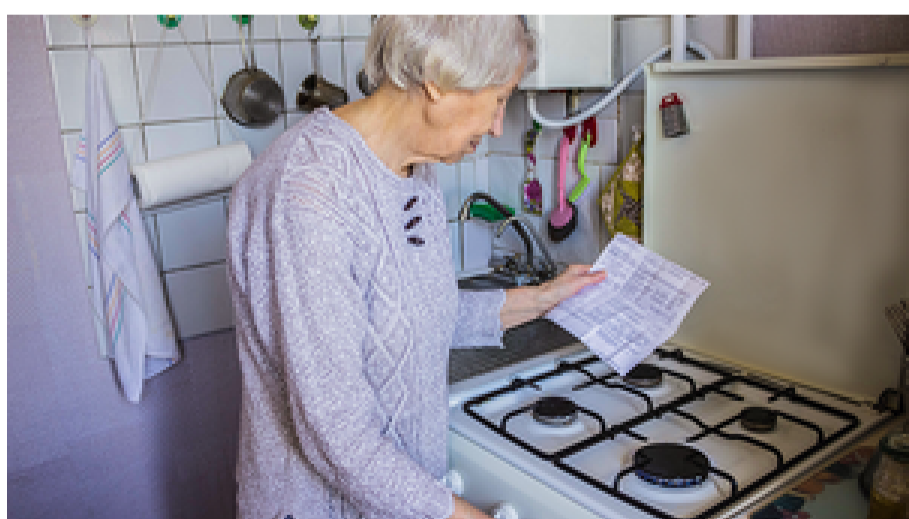
- 08 June 2020: Malta Chamber - COVID regeneration plan
- 07 June 2021: Malta Independent - Businesses to start accepting Covid-19 government vouchers as from today (www.independent.com.mt)

Citation

Eurofound (2020), *Vouchers for use in businesses affected by COVID-19, measure MT-2020-24/938 (measures in Malta)*, EU PolicyWatch, Dublin, https://static.eurofound.europa.eu/covid19db/cases/MT-2020-24_938.html

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