

COMPETITIVENESS

Malta agrees with the EU's guidelines on industrial policy which stress the importance of creating a favourable environment for industry, based on global competitiveness. This year, following consultations with trade unions and constituted bodies, Malta will approve its new industrial policy based on the White Paper "Prosperity in Change: Challenges and Opportunities for Industry". It will also pursue a favourable environment for industry through a policy of privatisation which will be completed by 2005.

STATE AIDS

The chapter on industrial policy includes no EU laws or directives but merely policy guidelines on industrial policy. Issues relating to state aids are not dealt with under the industrial policy chapter but as part of negotiations on the chapter of competition, which are yet to start.

PARTICIPATION IN THE EU PROGRAMME ON RESEARCH AND TECHNOLOGICAL DEVELOPMENT

From this year, Malta will participate fully in the EU framework programme on Research & Technological Development (R&D). This programme supports research in areas such as quality of life, information society, sustainable growth, energy and the environment. It is of particular interest to local researchers, scientists, research centres, university as well as industry, including small businesses. Malta's participation is being co-ordinated by the European Union Programmes Unit (EUPU) and the Malta Council for Science & Technology (MCST). Participation fees will be paid partly from EU pre-accession funds and partly from the Maltese Treasury. Upon membership, Malta's participation will be fully funded from the EU budget to which all Member States contribute.

SMALL AND MEDIUM -SIZED ENTERPRISES

Small businesses dominate Malta in the same way that they do in the EU, where 93% of all businesses employ less than 10 persons and 99.9% less than 250. Malta agrees with the EU policy on small businesses which encourages Member States to adopt policies which are "small-business friendly" and enable them to exploit the opportunities of the EU market.

SMALL BUSINESS UNIT AND IPSE

This year, a Small Business Unit (SBU) was set up within the Ministry for Economic Services which will act as a one-stop-shop for small businesses and the self-employed. The Institute for the Promotion of Small Enterprises (IPSE) helps small businesses involved in manufacturing to adapt to competing in the EU market, whereas METCO continues to support businesses in export marketing. Malta's policy on SMEs will be consolidated in a new law on small businesses.

A CRAFTS COUNCIL

As part of its policy on small businesses, the EU encourages Member States to support the crafts sector. In Malta, by the end of this year, a Malta Crafts Council will be set up in order to consolidate and promote the Maltese crafts sector.

PARTICIPATION IN THE EU PROGRAMME FOR ENTERPRISES

This year, the EU will finalise its new programme for small businesses which will take over from the 3rd Multi-annual Programme on SMEs that will expire in December. Malta will be able to participate in this programme which starts to operate as from next year.