

Importance of Private Sector Investment in EU, Opening Speech

[Honorable Prime Minister]

Honorable Ian Borg

Excellencies

Distinguished guests

[Mr Paul Abela President Malta Chamber of SMEs

Mr Andrew Agius Muscat, CEO, Malta Hotels & Restaurants Association

Mr Frank Farrugia, President, Malta Chamber of Commerce

Ms Dolores Sammut Bonnici, President, Malta Employers Association]

It is my pleasure to address this collaborative meeting of international delegates, organised by the Employers' Group of the European Economic and Social Committee, together with the Malta Chamber of Commerce, Enterprise, and Industry; the Malta Hotels and Restaurants Association; the Malta Employers Association; and the Malta Chamber of SMEs.

Let me also take this opportunity to commend you for coming together, to take a holistic approach to private sector investment.

When we talk about the importance of private sector investment in the European Union, I believe we must also keep in mind not only the essential cooperation on economic issues, but also, the need for inclusive social development.

I believe that these issues, of economic prosperity on the one hand and of social progress on the other, cannot be separated.

For this reason, I shall focus my remarks on the potential of respectful social investment, to create an environment which is conducive to economic growth.

Hence, I would like to bring into your deliberations some of my thoughts, regarding another important side of economic and financial investment, and subsequent prosperity, namely, issues of inclusive social development.

I consider these two sides as essential, to encourage sustainable private sector investments, and a greater return on investment.

Such returns, resulting in meaningful prosperity, are assured when our objectives include a well-trained and flexible workforce; when education is prioritised; when the proper legislation is in place, to protect both workers and employers; and when other necessary elements for a society are conducive to greater prosperity and wellbeing.

I do believe that the private sector is a motivating force to reach these objectives, for the prosperity and wellbeing of all.

The private sector can be a major catalyst for the social, economic, and cultural renewal which we need, especially at this time of uncertainty, in our European Union, to ensure the full and holistic wellbeing of all European citizens, and our regional prosperity.

It is evident that the private sector has been, and continues to be, a primary driver of inclusive growth and job creation, not only within developed economies but also in the developing world too.

In fact, indicators from the European Commission state that 84% of GDP and 90% of jobs in developing nations are directly produced by private sector activities.

Furthermore, the private sector in both developed and developing countries is an important collaborator, to provide sustainable and socially inclusive strategies for economic development and more resilient communities and nations.

Over the last decade, the European Commission's support for private sector development has averaged 350 million euros per year.

Moreover, the current Multi-Annual Financial Framework for 2014-2020 contains approximately 2 billion euros for private sector development, further highlighting its essential importance.

When we combine these figures with the development assistance from Member States, then it becomes evident that the European Union is a powerful force not only in supporting the development of nationally-based private sectors, but also in supporting development and growth with our partner countries.

The private sector is definitely a crucial component, within an economy, to build employment and nurture the wellbeing of all our families and communities.

Let me share some points, which I hope will stimulate your deliberations further, during today's conference.

I believe that the private sector contributes to wellbeing by incentivising investments in new learning and education, and by encouraging the acquisition of vital skills.

Most importantly, the private sector is the sphere of action where the empowerment of individuals and businesses can take place, and from which women, alongside men, can find themselves in an economically stronger position.

The private sector fosters greater diversification within our economies, and provides a fertile environment for entrepreneurship and socio-economic innovation.

Therefore, we must continue to encourage the efforts of our authorities to stimulate private sector development, by practically and proactively focusing special support on community-level and start-up businesses, as part of a global approach for sustainable development.

For this reason, I must also mention the importance of the United Nations' Agenda 2030 and its Sustainable Development Goals.

The UN's action plan for the future of our world must continue to receive the full support of the European Commission, and of our respective nations.

Indeed, the EU has played an important role in shaping Agenda 2030 and its Sustainable Development Goals, through public consultations and in-depth research.

In this context, let me quote a strong statement released by the European Commission.

“The EU will continue to play a leading role as we move into the implementation of this ambitious, transformative, and universal Agenda that delivers poverty eradication and sustainable development for all.” End quote.

Agenda 2030 and its Sustainable Development Goals, offers a strong framework for the dignified and ongoing development of our societies and nations, whoever and wherever we are, across the world.

As a strategic plan, agreed upon by all our countries, Agenda 2030 proposes the best way forward for governments, civil society, and businesses to collaborate on important issues of critical contemporary concern.

In the light of this much-needed synergy between the private sector and other stakeholders, I would also like to refer to some important indicators, from a 2015 report by PricewaterhouseCoopers, entitled, “*Make it your business: Engaging with the Sustainable Development Goals*”.

This report brings in some good news, as it states that 70% of businesses have already responded to the SDGs, by formulating a five-year strategy to embed the goals within their operations.

Moreover, this same report goes on to say that an overwhelming 90% of citizens believe that it is important for all businesses to implement the SDGs in their spheres of influence.

It is clear that there is a strong voice, from the people in our societies, for businesses to place a powerful focus on sustainable practices.

Sustainability must continue being a visible and effective part of the private sector’s activities, particularly in the area of corporate social responsibility.

Corporate social responsibility is a multi-dimensional concept, and I must note that it is encouraging, that a large number of Maltese businesses are already very engaged in some form of corporate social responsibility initiative.

The SDGs provide an ideal guide for these CSR efforts, by encouraging a proactive approach to development and sustainability.

Our European policies, which are intended to attract, maintain, and sustain foreign investment, must equally prioritise the mandate of the United Nation's Agenda 2030, in order to implement the SDGs fully and effectively.

It is clear that Europeans want trade to deliver real economic results for consumers, for workers, and for businesses.

However, our citizens also believe that open markets should compromise on our core principles, such as Human Rights, and the sustainable development action plan proposed by the United Nations.

I believe that the most effective trade policies are those which are capable of being constantly appraised, updated, and revised, responding, in real time and in an organic way, to new developments on the ground.

Therefore, I encourage you to ensure that your innovative approaches take into account a rapidly changing and developing world, not only in terms of economic flexibility and expanding services, but the movement of people; the movement of expertise; and the corresponding shifts in the market.

We must judge our effectiveness based on the ways in which our trade policies and private sector initiatives are not only responsive to profits and incentives, but, above all, to values.

We need a new approach, now more than ever, which safeguards and promotes Europe's social and ethical foundations.

For this reason let me conclude by emphasising the importance of the United Nations' Agenda 2030 and its Sustainable Development Goals, with its mandate to promote and protect the full and intrinsic dignity of every individual, family, community, and nation.

Lastly, I believe that the more closely our European Union works to promote its core values, alongside the need for investment, then the more

inclusive our efforts shall be, to produce a timely and effective improvement in the lives of all European citizens, and greater prosperity for businesses across our nations.

Thank you, and I augur you a successful conference.