



THE MALTA CHAMBER

## PRESS RELEASE

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### **Gross Mismanagement and Failure in Upholding Good Governance - The Malta Chamber**

#### ***Complete breakdown in the distinction between Government, civil service and political party in power***

The Malta Chamber of Commerce, Enterprise, and Industry has long advocated for the principles of good governance, emphasizing transparency, accountability, and the separation of Government, civil service, and political parties. These values are essential for maintaining Malta's reputation as a credible jurisdiction. The Malta Chamber is deeply concerned about the ongoing erosion of these principles, as evidenced by the alleged identity cards racket. Government's silence on this issue raises suspicions about the severity of the scandal and its potential to severely damage Malta's international standing.

The identity card scandal is a symptom of broader governance failures. The Malta Chamber has consistently emphasized the importance of good governance and has issued two documents outlining several recommendations: "Ethical Business Calls for Change" (<https://www.maltachamber.org.mt/wp-content/uploads/2023/03/6d60e58d-286e-47dd-8b1f-12ae7fc20d77.pdf>) and another titled "A Strong Transparency, Accountability, and Ethical Governance Framework for Members of Parliament" (<https://www.maltachamber.org.mt/wp-content/uploads/2023/03/6f97cbac-8f6c-424f-a884-7976c631affd.pdf>). These documents provide recommendations to protect institutional integrity. Unfortunately, these recommendations have largely been ignored, as evidenced by the continuing governance breakdowns.

The fallout from these failures in governance is not only affecting the public sector, but it is also impacting ethical businesses. Businesses rely on official documentation, such as ID cards, for their proper functioning, and management of commercial risk. The lack of good governance has slid to abysmal level, resulting in ethical companies being faced with higher commercial risk arising from uncertainty on the veracity of official document. This situation exemplifies the damaging consequences of poor governance, leaving businesses vulnerable to repercussions from government negligence.

Moreover, The Malta Chamber is alarmed by the blurring of lines between Government, civil service and the political party in power. This lack of crucial separation leads to the collapse of democracy. The lack of transparency in employment contracts, unclear procedures for handling high-ranking officials under investigation, and the frequent turnover of CEOs and Chairpersons within public institutions further destabilise these entities and undermine public trust.

The Malta Chamber warns that the long-term implications of these governance failures could be devastating for Malta's international reputation, business environment and public confidence. The lack of trust in critical systems signals a deeper crisis in governance that threatens the nation's security and stability.

At this crucial juncture, The Malta Chamber demands immediate government action to restore good governance. This includes ensuring transparency in all appointments and processes, addressing the blurring of lines between Government, civil service and the political party in power, and also rebuilding the public's trust in Malta's institutions. Without urgent reforms, the nation risks further damage to its reputation and undermining the foundations of its success.

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