



THE MALTA CHAMBER

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“Cultural Leave” Proposal Risks Further Distorting Malta’s Labour Market

More Leave, More Costs, Less Competitiveness

The Malta Chamber of Commerce, Enterprise and Industry firmly opposes the recent proposal made by Minister for Culture Owen Bonnici and PL MEP Daniel Attard to introduce additional “cultural leave” for public sector employees in relation to feasts, Carnival, and similar events.

Whilst The Malta Chamber acknowledges the importance of keeping Maltese culture alive, one needs to keep in mind all perspectives, notably that currently Malta is operating in an exceptionally tight labour market, coupled with rising wage pressures and persistent skills shortages.

Such a measure would further “gold plate” public sector employment at the expense of businesses and the general public at large and put additional unsustainable pressures on private businesses. The introduction of “cultural leave” would come on top of the cumulative expansion of leave entitlements in recent years, resulting in significantly more paid time off for public sector employees compared to their private sector counterparts, while companies are expected to improve or at least retain their productivity and competitiveness.

The country cannot afford to have a situation where the productive base of the economy is left on its own to shoulder ever-growing burdens.

The financial implications are equally concerning. Government personal emoluments (wages and salaries) are projected to rise from €962 million in 2019 to €1.4 billion by 2025 — an increase of almost 45%. By the end of November 2025, this expenditure had already reached €1.29 billion. Introducing further paid leave at this stage sends the wrong signal about fiscal prudence and long-term sustainability.

Furthermore, the method of financing such measures creates an inequitable situation. The public wage bill is ultimately funded through taxpayer revenue. The private sector must finance its salary bill itself – to do this it must remain competitive through increased productivity and efficiency, have a healthy cash flow, ensure liquidity and generate wealth. It is the private sector that generates the economic value that sustains the public sector — yet it is also the one most adversely affected by unthought and unplanned policies that distort labour dynamics negatively.

A Consistent Position on Leave Entitlements

The Malta Chamber has consistently expressed concern about piecemeal extensions of leave entitlements. It previously called for postponement or cost-mitigation mechanisms when additional leave days were introduced, warning of the cumulative impact on competitiveness. It also cautioned

against premature or poorly studied proposals such as that of the four-day work week suggested by the Opposition.

Family-friendly and cultural policies must be designed responsibly, ensuring that they do not undermine productivity, competitiveness or fiscal discipline. Well-intentioned measures should not come at the expense of Malta's economic sustainability.

The Malta Chamber remains committed to constructive dialogue with policy makers to identify balanced solutions that safeguard both employee well-being and national competitiveness. However, policies that create structural imbalances between the public and the private sectors cannot be supported.

Malta's long-term prosperity depends on fairness, productivity and responsible governance — not on measures that increase costs without increasing value.

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