



EUROPEAN PARLIAMENT

DIRECTORATE-GENERAL FOR RESEARCH

DIRECTORATE A

DIVISION FOR INTERNATIONAL AND CONSTITUTIONAL AFFAIRS

FACTSHEET

MALTA

Chapter 16 - Small and medium-sized Enterprises

1. The *acquis*¹

This chapter covers the area of enterprise policy, distributive trades, tourism and social economy. The *acquis* consists largely of decisions setting up consultation procedures and Community programmes, or of recommendations. These do not require transposition into the national legal order nor implementation and enforcement measures, except in respect of the Directive on tourism statistics (95/97/EC).

The subject of the chapter is important in the context of economic development and the capacity to withstand competitive pressure. Three areas are of particular significance:

- overall enterprise/SME policy formulation and implementation;
- the general business environment in the country concerned;
- the adoption and application of the definition of SMEs.

In April 2002, the candidate countries endorsed the 'European Charter for Small Enterprises' which was adopted in June 2000.

2. The negotiations

The chapter has been closed with ten countries and provisionally closed with Bulgaria and Romania. No transitional arrangements have been requested.

Chapter opened: May 2000

Status: closed in December 2002 (provisionally closed in May 2000)

Transitional arrangements: none

¹ Information largely drawn from the European Commission, DG Enlargement
<http://europa.eu.int/comm/enlargement/negotiations/index.htm>

3. Position of the European Parliament

In its resolution of 4 October 2000¹, Parliament welcomes, in view of the predominance of SMEs in the Maltese economy and the problems in this field, and in the light of the inadequate openness of the economy to date and the lack of competition in some sections of industry producing for the domestic market, the setting-up of an Institute for the Promotion of Small Enterprises (IPSE) as a step in the right direction in the process of restructuring Maltese industry.

In its resolution of 5 September 2001², Parliament suggests that, in its preparatory strategy, Malta should focus particularly on EU funding for the promotion of small and medium-sized firms, since in view of Malta's special economic structure, this might provide the key to economic success within the European Union; welcomes, in this connection, the work of the Institute for the Promotion of Small Enterprises (IPSE).

4. Latest Assessment by the European Commission ³

In the 1999 update of its Opinion, the Commission concluded that for Malta's industry, consisting mainly of SMEs, to withstand the competitive pressure within the EU, a clear industrial restructuring policy must be implemented. It also added that the adoption of the SME-related *acquis* was unlikely to pose any serious problems to Malta.

Since the 1999 update of the Opinion, Malta has made steady progress by dismantling the levies on industrial products and developing restructuring programmes through IPSE. Malta's policy towards SMEs is generally in line with the principles and objectives of EU enterprise policy.

Negotiations on this chapter have been provisionally closed. Malta has not requested any transitional arrangements. Malta is generally meeting the commitments it has made in the accession negotiations in this field.

In order to complete preparations for membership, Malta's efforts now need to focus on reinforcing the capacity of IPSE to help restructure and develop SMEs, and on further simplifying the business regulatory and administrative environment.

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¹ Resolution on the state of negotiations with Malta, § 15: [A5-0243/2000](#)

² Resolution on the state of the negotiations with Malta, § 31: [A5-0262/2001](#)

³ European Commission, Regular Report on Malta 2002, p. 76:

http://www.europa.eu.int/comm/enlargement/report2002/ml_en.pdf