

Declaration by Malta on the Country Specific Recommendations

Malta regrets that common agreement could not be reached on the substantive content of the country specific recommendations. Malta fully supports the importance of economic coordination through these instruments, however, it regrets that the process to approve these Council recommendations has failed to instigate the constructive and informed debate which is required between the Council and the Commission in the context of economic policies of common concern as referred to in Article 121 TFEU. Instead of encouraging Member States to agree with and take ownership of the recommendations – thereby increasing the possibility of their implementation – the process has imposed recommendations which are a *fait accompli* from the outset.

In response to Recommendation 2 concerning pension reform, Malta maintains that the Commission's recommendation derails the work already being undertaken on the second phase of pensions reform in Malta by unjustifiably attempting to re-open already implemented reforms. The Commission's recommendation also usurps and undermines social dialogue at a national level by prescribing highly specific policy actions.

In response to the Recommendation 4 concerning wage indexation, Malta holds that this is too specific and is not, in fact, a broad guideline as referred to in Article 121 of the TFEU. The highly prescriptive nature of the recommendation risks disrupting social dialogue. This demonstrates how the inherent difficulties of an island economy which is highly dependent on imports are not being taken into consideration in the recommendations.

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