

Malta's Simplified Solution to Going Green

In this article, we consider eco-friendly projects and the opportunities that are available in Malta.

By **Jonathan Vassallo**, 7th April 2022

Malta is a popular choice for companies and new businesses as it is a reputable EU jurisdiction and 'sunshine' island, with an 'outdoor' lifestyle in a clean and safe ecological environment.

The sustainability movement exemplifies the positive impact that individuals can have on their environment. Dixcart aim to contribute to this cause by supporting the island's foremost organisations which are working towards preserving our environment.

In this article, we consider eco-friendly projects and the opportunities that are available in Malta.

1. Corporate Social Responsibility (CSR) projects

If you are looking for a way to enhance your company's CSR profile, we can provide an opportunity for your team to make a positive change that will last much longer than their trip to Malta. Set up a company in Malta, with Dixcart's assistance, and drive research and development to focus on eco-friendly projects.

Specific financial support is available to reduce single-use plastic usage at events taking place in Malta. Over the past few years, businesses in Malta have done much to reduce the amount of single-use plastic at events. Biodegradable alternatives to plastic cutlery, plates, and straws, for outdoor events, is in demand.

Currently there is a financial aid scheme, that offers shops in Malta up to **€20,000** to transition to retailing plastic-free and reusable packaging alternatives.

This eco-friendly retail investment grant will cover up to 50% of the expenses incurred in moving away from single-use packaging to a more sustainable method of consumption.

At the beginning of 2022, the Maltese Government stopped the importation of plastic cotton bud sticks, cutlery, plates, straws, beverage stirrers, balloon sticks, and polystyrene containers and cups.

The project also aims to incorporate innovative and sustainable technology, such as solar paving, smart benches, and smart solar bins.

- **Encourage enterprises to invest in sustainable and digitalised operations**

The demand for greener travel will continue to increase in the future, and so will the expectations of 'green' travellers, who will demand more than the traditional water and energy-saving measures. These developments will put destinations and travel companies under increased scrutiny by discerning holidaymakers, and destinations and service providers who demonstrate a tangible commitment to the natural environment will become even more attractive.

To further encourage enterprises to invest, businesses in Malta can benefit from up to **€70,000** to implement projects which lead to more sustainable and digital processes.

The 'Smart & Sustainable Scheme', managed by Malta Enterprise, incentivises more competitiveness and better use of resources, enhancing the economic activity of these businesses.

Through the Smart & Sustainable Scheme, businesses are entitled to receive 50% of the total eligible costs, up to a maximum **€50,000** for each relevant project.

Businesses fulfilling the criteria for this scheme may also benefit from a tax credit of up to **€20,000** for each product which satisfies at least two of the three conditions, as detailed below:

1. New investment or an expansion in Gozo.
2. A project that an enterprise will implement in a start-up phase.
3. A reduction in carbon usage by the enterprise, as determined through an independent auditor.

If a project satisfies one of the above criterion, the tax credit will be a maximum **€10,000**

3. Water quality and Blue Flags awarded local beaches

The quality of water is also an essential aspect of the sustainability of tourism. Following the investment in the purification process of sewage water at various outfall treatment centres, the quality of sea water around the Maltese Islands has improved. It is now considered one of the best in Europe. This is also being reinforced by the increase in the number of Blue Flags awarded to local beaches.

€150 million funding the biggest ever, for a project in Malta, is enabling the Water Services Corporation to produce more water, recycle used water, and improve energy efficiency.

Desalination plants are being upgraded, and more seawater can be processed. This means that far less water will need to be taken out of ground-based sources – about four billion fewer litres each year. In Gozo, a plant using advanced ‘reverse osmosis’ technology boosted daily water production by nine million litres a day.

These initiatives are known collectively as the ‘Net Zero Impact Utility’ project, and they are cutting edge in terms of sustainable water production usage across Malta and Gozo. EU investment in this project has helped make this “holistic” and sustainable approach possible.

Malta Tourism Authority’s ‘Eco-certification Scheme’ creates more awareness and promotes sound environmental practices amongst hotel operators and other providers of tourist accommodation. This voluntary national scheme has now expanded from initially being just hotels to include other forms of accommodation. As a result, it is credited with raising standards in environmental practices within this highly important sector.

The Future of the Green Economy in Malta

In 2021, the European Commission unveiled the ‘New European Bauhaus’ initiative, an environmental, economic, and cultural project aimed to design ‘future ways of living’ in a sustainable manner. The new project is about how we live better together with the environment, after the pandemic, while respecting the planet and protecting our environment. In addition, it is about empowering those who have potential solutions to the climate crisis.

The Malta Government plays an active role in deciding how financial resources are allocated between competing uses, at present and in the future. Infrastructure development is one such future-focused investment, including plans to invest in Malta’s

industrial zones and estates. There are also schemes to support start-ups through venture capital. The support and strategies aimed at a green transition feed into and support a greener economy.

Your eco-friendly start-up or extending an existing business in Malta, can be part of these exciting changes and a 'new page' in the NextGen post-pandemic economy.

Additional Information

If you would like further information regarding eco-friendly projects for research and development and the opportunities available through Malta, please speak to Jonathan Vassallo: advice.malta@dixcart.com at the Dixcart office in Malta, or to your usual Dixcart contact.

This article has been prepared by Dixcart for the information of clients and associates. Whilst every care has been taken in its preparation, no responsibility can be accepted for inaccuracies. Readers are also advised that the law and practice may change from time to time.