

8 June 2022

## **HSBC Malta, Chamber webinar focuses on 2022 economic outlook**

HSBC Bank Malta and The Malta Chamber recently held a joint webinar on 'The Global Economic Outlook 2022', focusing on how uncertainty and increasing commodity prices are affecting the prospects for the global economy.

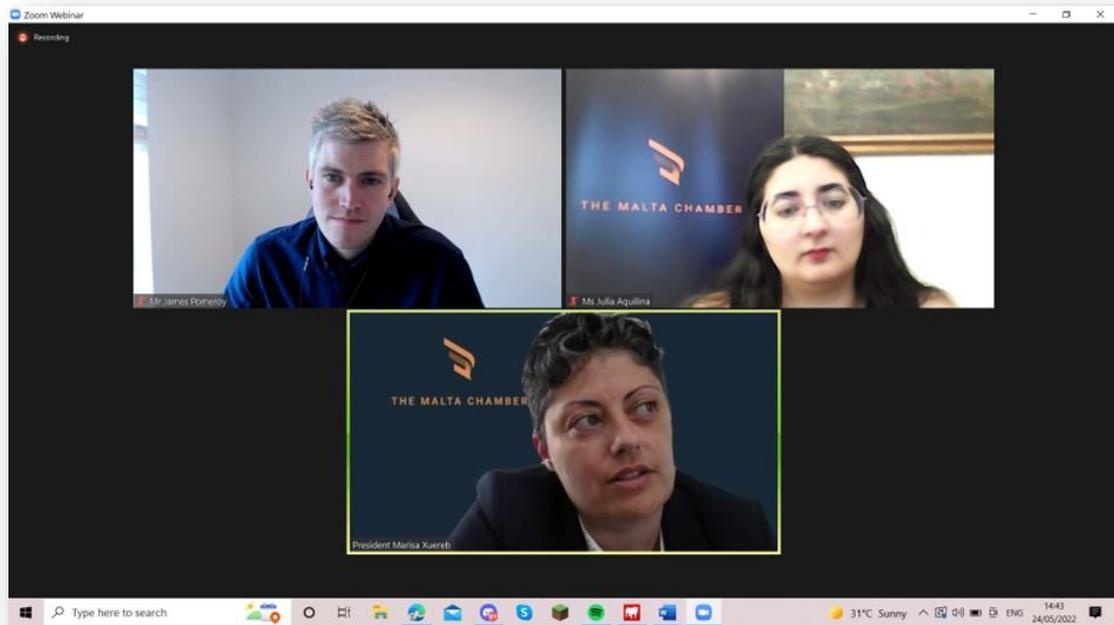
Conflicts and the unfolding humanitarian crises in Europe and around the world have contributed to the slowdown of the post-pandemic economic recovery, increasing inflationary pressure and fuelling significant increases in energy and food prices. According to IMF projections, global growth will slow from 6.1 per cent in 2021 to 3.6 per cent in 2022 and 2023.

James Pomeroy, Global Economist at HSBC Bank in London, said during his presentation: "In this highly uncertain period, it is difficult to have confidence in global growth and normalising inflationary pressures in the short term. As a result, we expect continued volatility in the markets. However, the longer-term outlook may be slightly clearer, as the economy globally is becoming increasingly more digitalised while environmental and social governance, or ESG, issues gain further prominence."

Jesmond Apap, Head of Markets at HSBC Malta said: "While the outlook for the global economy remains uncertain, in the short term, businesses and national economies must find a way to counter inflationary pressure. In the longer term, businesses must focus on their resilience and government policies must focus on tackling the many issues that are negatively impacting global trade as well climate change and health care which also affect economic activity."

Marisa Xuereb, President of The Malta Chamber, said: "Malta has been completely insulated from local energy inflation so far. However, despite our country's investment in keeping local energy prices stable, inflation has started rising and the gap between our national inflation rate and the eurozone's is slowly closing. In this context, the extent to which we can cushion ourselves from inflationary pressures is not just a question of subsidising energy but also a matter of enhancing efficiency and embarking on a transformation of work practices, which we seem rather reluctant to do. Digitalisation and automation will take a leading role in certain organisations' day-to-day operations, and unless we harness the benefits of these technologies, we will face substantial bottlenecks, especially in human resources, which will eventually push wages up."

Dr Marthese Portelli, Chief Executive Officer of The Malta Chamber, said: "The ever-increasing transportation charges, the shortage of raw materials and resources, and skyrocketing fuel and electricity prices are the main factors which are pushing prices up across the board. Malta's geographic position and size are also part of the challenge. Due to our size, our insularity and our peripherality we are disconnected from freight train systems; not plugged into the door-to-door truck delivery ecosystem, and our airfreight options are extremely limited. Furthermore, the frequency of scheduled freight services is constrained by our small volumes. On a national level, businesses are being supported through various subsidisation efforts, while on an EU level, more sensitivity is required relating to the logistical challenges faced by Malta-based businesses."



**PHOTOCAPTION: Top left: James Pomeroy, Global Economist at HSBC Bank London  
Top right: Julia Aquilina, Executive - Policy & Technical Support, The Malta Chamber  
Bottom centre: Marisa Xuereb, President of The Malta Chamber**

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