ŻGĦAŻAGĦ

GĦALL-BIDLA

6th Meeting

REPORT

ECONOMICS & FINANCE

Mosta Local Council Hall

28th July 2026

MEETING BRIEF

Finance and economics are part of youths' worries and opportunities. Be it work, accommodation, or simply recreation, one cannot separate the importance of finances in our lives. Economics, on the other hand, carries a social and political weight. The economic model chosen, the quality of life, and how money is distributed in society all impact the lives of young people. That said, we have decided to dedicate a meeting to the aforementioned subject.

Present for our meeting were Dr Aaron George Grech (chief economist at the Central Bank of Malta) and Mr Frederick Aquilina (accountant and minority leader in Luqa Local Council). Together, both speakers provided important insights tailored to the audience present.

This meeting sparked several discussions and questions, making it clear that this was a well-sought subject for young people. The speakers did their utmost to answer and explain every question.

Ultimately, the meeting turned out great, with a new member joining. After the finance and economics talk, we continued the discussion on the future of the group, with more people on board serving different roles.

Luke Fenech

Founder of Żgħażagħ għall-Bidla

INITIAL QUESTIONS

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After introducing the speakers, we started the discussion by asking the audience 3 questions:

1. Raise your hand if you think you'll need family help to buy or even rent your own place in Malta.
2. Raise your hand if you expect to be still living with your parents at age 25 or older.
3. Raise your hand if you feel you've had enough guidance on personal finance - saving, investing, budgeting - from the education system.

Afterwards, 5 questions were asked for each speaker (alternating between each other):

Dr Aaron George Grech

1. Malta has grown rapidly over the past years; how would you describe our current economic model, and what are its main strengths and weaknesses from the perspective of young people?
2. How do you see the balance between tourism, construction, gaming/financial services and emerging sectors (like renewable energy) over the next 10-20 years? Where should young people focus their skills?
3. As a chief economist within the Central Bank, what can you tell us about its relation with the European Central Bank (ECB), and possibly, the direction that the ECB is heading monetarily?
4. How exposed is Malta to global economic shocks (ex: energy prices or geopolitical tensions), and what risks or opportunities do these create for young people planning their education and careers?
5. Last week, in an interview with the Economist, Elon Musk mentioned that: "Within 5 years, AI systems may surpass the sum of all human intelligence. Within 10 years, robots in the workplace will create an era of 'amazing abundance' that money will become meaningless." How prepared do you think Malta is to handle Musk's predictions?

Mr Frederick Aquilina

1. Many young people work part-time or gig jobs. As an accountant, what do you think are the most important financial habits that young people should adopt to build financial security?
2. Saving has always been a Maltese characteristic. Does it still apply to young people nowadays, given rent/purchasing costs and the standard of living?
3. As a local councillor, what are the financial challenges that local councils encounter?
4. What does it mean for you to be a young accountant in Malta, a local councillor, and a recent political candidate? How do you balance it?
5. What should a young person understand about taxes in Malta (income tax, social security, self-employment obligations) to avoid problems later on?

DISCUSSION POINTS

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- Member 1: "Malta as a country is developing the tourism sector too much instead of others like agriculture, and the Maltese are losing interest in their country, so maybe filling other sectors could help it balance out and give people opportunities to live in greener, countryside areas. Do you see this happening?"

- Member 2: "As an economist, do you feel that Malta has the potential due to sun exposure that solar panels would help the economy, in the sense that the money could go to other sources? Do you believe Malta could become a more urbanised country?"

    - The potential is there, but there are limitations. The Maltese population is getting older, so there will be fewer workers. As long as society changes, I think success will persevere.

- Member 3: "How did your education system get you to where you are? Since you're a different generation, how is budgeting compared from then to now, and how can you recommend the new generation to budget?"

    - Education is an important thing. It's the surest way of having a better life. It's becoming a constant thing more and more. Nowadays, every job requires constant improvement. Now, rather than just learning facts, it's more important to acquire skills. You have to train yourself to always be on the lookout, and you cannot just stop.

- Member 4: "Do you think it's harder now to live your life than back in the day?"

    - Today, people are living much more relaxed and don't plan too much since finances are a lot simpler to manage. There are more options, such as investing, when it comes to buying properties. In terms of cost of living, it's more difficult to buy things than before, due to rising inflation.

- Member 5: "It's good to invest in a pension plan, but how do you know whom to trust?"

    - With all the choices you make in life, you have to be careful because of risk. Try to diversify because if you put all your money in one place, you never know what will happen. People used to invest in fixed products, but now people invest in more diverse products. The government is starting to give pensions as well, but it's also risky due to the economy. In Malta, there hasn't been an economic crash, but unfortunately for other countries, there has, which poses a risk.
    - In summary, never rely on one thing. Get a government and private pension, since that decreases the risk of losing money. Don't take risks; taking risks is important, but don't throw all your money in one place.

- Member 6: “Do you think it’s still expensive now in our generation, or that jobs are paying less, even with budgeting?”
    - Yes. Before, a house for 5 people didn’t cost that much. Now, it costs an indescribable amount, like 1 million euros. Sacrifices need to be made, especially in budgeting, like choosing to go on one holiday instead of a year. In life, you need to know what you’re doing, or else you’ll run out of money quickly. People don’t realise how much money is being spent on subscriptions that aren’t even used. People need to get a grip on numbers. There are videos online of people who get 50k euros and don’t save, and people who get 30k euros and save 2k; small things like saving can drastically improve a life. Youths have to start keeping track of their spending and saving money to build the habit. It’s also a good idea to start looking into interest, and even if you save a small amount when you’re young, the amount will build up. Even with property, it’s better to buy early; even if it’s not your final property, it will gain value.
    - Even though things were cheaper before, nowadays discipline has changed. Maltese used to save a lot more than now, and people tend to spend more than save in this generation.
    - Loans should only be taken out to buy assets which will help you gain more money in the future, like getting a loan for a house; the value will rise, which benefits you in the future, but getting a loan for a car is bad because as soon as it leaves the showroom it instantly loses value. Loans should be the last resort.
- Member 7: “As an accountant, would you recommend, and which would you advise and wouldn’t advise?”
    - Property loans that would give you returns, or any assets to buy shares or assets to give you more interest than you’re giving. The loan that you will pay for boats, watches, designer bags. Watches maybe if they will rise in value, but it’s always risky. The only thing you should take a loan for is houses, depending on your income. Don’t take a bigger loan than you can afford.
- Member 8: “What are some tips for starting a business, and what would you recommend?”
    - Actually think it out and don’t start a business without doing research. Please plan everything before initiating the idea, including plans. Banks take companies with stable ideas more seriously.

DISCUSSION POINTS

- Our economy is a mixed economy, with a market which decides on most goods and services. The difference between the private sector and the public sector is that in the private sector you have to pay for what you want, and in the public sector it provides it to everyone. In Europe, the public sector is larger than in other continents. In Malta, wealth is made by selling things to foreigners since we are a small country and cannot trade between ourselves. We make things that foreigners would have. E.g., tourism and providing services like taxation and consultancy. Over time, Malta has managed to develop a lot of these sectors in terms of exports. In time, economies change, and it's not always profitable to do things in a certain country over a long period of time. The important thing in economies is that you jump from one thing to another quickly and easily adapt to that change.

- For example, Sicily used to be richer than Malta, but now it is not, because over time their sectors died down, but Malta's didn't. Malta's economy grew because our governments were careful to change laws to ensure that new sectors could arise easily (like aviation), and every so often, a new sector emerges. The disadvantage of our economy is that it's small. It's risky for investors due to a lack of resources, and companies overpower others. Training is also an issue due to a lack of people, which affects employment. We filled the gap with foreign workers, which is problematic because they don't plan to stay long-term. The wealthier you become as a nation, the slower you grow.

- At his age, he had to learn everything from his parents instead of at school. "50 per cent of what you earn has to be kept in a separate account", he says, to keep the money for more important assets, for savings, for assets that can become other income. 30 or 20 per cent of money for fun and to have a good time—20 or 30 per cent for emergencies, like car emergencies, medical fees, etc. Banks are giving interest rates. Banks today give good rates, and you can access the money whenever you want. Put money in an account which will give you compound interest over time.

- Luke Fenech: Don't forget about collaboration. We learned a lot today regarding money and competitiveness. In a world of ever-growing competition, we should remember to be human. Focus on your path, but don't just stay by yourself. Remember that we are living with other humans. Keep in mind that money and success are good, but we have to remember that we belong to one another - collective success is as important as individual success.

SNIPPETS












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