

Table 3: Reporting on main reform plans for the next 12 months¹

Table 3. Overview of main reform commitments for the 12 months		
Main (new or updated) commitments in the NRP for the next 12 months	Foreseen main measures and indication on whether they are CSR relevant	The estimated impacts of the measures (qualitative and/or quantitative)
Euro Plus Pact commitments		
Euro Plus Pact commitments	<p>Clamping Down on Tax Evasion</p> <p>Heavier fines are being imposed for both Court and out-of-Court cases related to evasion of excise duty on cigarettes and other tobacco products.</p> <p>The amendment in the Excise Duty Act (Cap 382) leading to the actual implementation of the measure, forms part of Bill No. 12 of 2017, aimed at putting into effect all 2018 budgetary and other administrative measures. The said Bill was enacted into law through the publication of Act VII of 2018, dated 29th March 2018, entitled 'Budget Measures Implementation Act'. The increase in fines was therefore brought into effect.</p> <p>Status: Completed</p> <p>This measure is not CSR relevant, but it aims to address one of the three pillars of the 2019 Annual Growth Survey – 'Focusing on reforms that increase productivity growth, inclusiveness and institutional quality'.</p>	<p>This measure is serving as a deterrent against evasion of excise duty. In 2018, Government did not introduce any increase in the excise duty rates on cigarettes. During 2018, from January to March (that is, until the measure came into effect), revenue from excise duty from cigarettes was €18.7 million. During the same period last year, the revenue figure in respect to the same item, was €18.5 million. From April 2018, when the measure came into effect, up to the end of 2018, revenue collected from the sale of cigarettes amounted to €73.1 million, as compared to €69.3 million during the same period last year, that is, an increase of 5.5%.</p>
	<p>Extension of Online Social Security and VAT Return Forms</p> <p>The facility for businesses and companies that employ more than 30 employees to submit their social security and VAT Returns online is now being offered to those businesses that employ 10 employees or more.</p> <p>Status: Completed</p> <p>This measure is not CSR relevant, but it aims to address one of the three pillars of the 2019 Annual Growth Survey – 'Focusing on reforms that increase productivity growth, inclusiveness and institutional quality'.</p>	<p>The first analysis of VAT online submissions made in 2019 shows that the percentage of VAT returns submitted electronically increased to 60%. No data is yet available for social security submissions.</p>
	<p>VAT Reduction for SMEs</p> <p>This measure which came into force during July of 2018, resulted in a capping increase to €20,000, below which SMEs are being allowed not to charge VAT while at the same time not claiming any VAT paid by them.</p> <p>Status: Completed and ongoing</p> <p>This measure is not CSR relevant, but it aims to address one of the three pillars of the 2019 Annual Growth Survey – 'Focusing on reforms that increase productivity growth, inclusiveness and institutional quality'.</p>	<p>With this measure, the threshold below which SMEs remain exempt has increased from €14,000 to €20,000, thus helping them to remain competitive.</p>
	<p>Introducing the Blockchain-Based Official Records in Education</p> <p>Malta was the first country to make use of blockchain technology in education. In 2018, 3 Bills were introduced being the Malta Digital Innovation Authority Bill, the Innovative Technology Arrangements and Service Bill and the Virtual Financial Assets Bill. This is facilitating the issuing of educational certification from the Malta College of Arts, Science and Technology (MCAST) and the Institute for Tourism Studies (ITS) and also accreditation from the National Commission for Further and Higher Education (NCFHE).</p> <p>Furthermore, blockchain-based official records are now central to both the educational and employment sectors.</p> <p>Status: Completed</p> <p>This measure is not CSR relevant, but it aims to address one of the three pillars of the 2019 Annual Growth Survey – 'Focusing on reforms that increase productivity growth, inclusiveness and institutional quality'.</p>	<p>Educational credentials are now being authenticated on blockchain and therefore users are gaining full access and manageability for their present and future needs.</p>
	<p>Upgrade of the Electricity Distribution System at the Ħal Far Industrial Estate</p> <p>The project was subdivided into 2 phases, which were managed simultaneously.</p> <p>The project was completed in September 2018.</p> <p>Status: Completed</p> <p>This measure is not CSR relevant, but it aims to address one of the three pillars of the 2019 Annual Growth Survey – 'Delivering high-quality investment and targeting investment gaps in research and innovation, in education, training and skills and infrastructure'.</p>	<p>This project saw the extension of the Ħal Far Distribution Centre to cater for the increased demand for electricity from the industrial sector. Through this project, Enemalta is now in the process of removing old high voltage overhead lines extending to Gudja, Tarxien and other nearby localities.</p>
	<p>Cultural Initiatives in Gozo</p> <p>In total, 19 new thematic festivals were created in Gozo.</p>	

¹ Measures which were marked as 'Completed' or 'Completed and ongoing' in previous NRPs do not feature in the 2019 NRP.

	<p>Status: Completed and ongoing</p> <p>This measure is not CSR relevant.</p>	<p>This measure has enhanced Gozo's cultural calendar and gave an added value to the Gozitan tourism product, making the island an all year-round holiday destination.</p>
	<p>Traffic, Accessibility and Upkeep of the Valletta Waterfront</p> <p>The contractor who will be working on the signage has been selected. The artwork for the signage has been approved and sent for printing.</p> <p>Status: On Track</p> <p>This measure is not CSR relevant.</p>	<p>The aim of the intervention is to find solutions to improve traffic, parking and accessibility to provide a better tourist experience for our visitors. This is being implemented by increasing traffic signage and parking arrangements.</p>
	<p>The Malta Laboratories Network Training Programme for Better Return on Investment</p> <p>The Network has launched a training programme for all laboratories to attain better return on investment in this sector by promoting innovative approaches.</p> <p>Status: Completed</p> <p>This measure is not CSR relevant but it aims to address one of the three pillars of the 2019 Annual Growth Survey – 'Delivering high-quality investment and targeting investment gaps in research and innovation, in education, training and skills and infrastructure'.</p>	<p>2 training courses were organised by the Malta Laboratories Network – the ISO/IEC 17025:2017 Awareness Course where 20 participants attended from 10 labs; and the Course on Proficiency Testing Schemes and ISO/IEC 17043:2010 where 19 participants attended from 7 labs.</p>
	<p>Training Initiatives for the Pharmaceutical Industry by the Malta Medicines Authority</p> <p>The Research, Scientific Affairs and Innovation Unit within the Malta Medicines Authority has launched a number of training initiatives for the pharmaceutical industry, aimed at enhancing competence and knowledge in regulatory sciences and safety of medicines.</p> <p>Status: Completed</p> <p>This measure is not CSR relevant but it aims to address one of the three pillars of the 2019 Annual Growth Survey – 'Delivering high-quality investment and targeting investment gaps in research and innovation, in education, training and skills and infrastructure'.</p>	<p>Through collaboration with The Organisation for Professionals in Regulatory Affairs (TOPRA), a training programme – Innovative Approaches to Excellence in Regulatory Sciences – was rolled out in March 2018.</p> <p>The Medicines Authority carried out an evaluation of the training programme and feedback was collected through an electronic system that promotes transparency in the comments of the participants. The results show that the programme met and/or exceeded the expectations of all participants. The success was reported through various media, including an online report, available at: https://www.topra.org/TOPRA/TOPRA_Member/News_Folder/2018/TOPRA_delivers_first_training_programme_in_Malta.aspx.</p>
	<p>Masterplan for the Marsalforn Front</p> <p>A call for tender has been issued to implement the embellishment works as envisaged by the approved Masterplan for Marsalforn.</p> <p>The tender procedure for geotechnical investigations related to the Marsalforn breakwater was published in February 2019 and is now being evaluated. Similarly, the tender procedure for project description statement and Environmental Impact Assessment was published in January 2019 and is now at adjudication stage.</p> <p>Status: On Track</p> <p>This measure is not CSR relevant.</p>	<p>This measure enables this locality to become a quality destination.</p>
Measures to address growth bottlenecks and economic imbalances	<p>Fiscal Frameworks (formerly 'Smart Fiscal Consolidation')</p> <p>The Government managed to successfully consolidate the public finances turning a deficit of 3.5% of Gross Domestic Product (GDP) in 2012 to a surplus in 2016 and 2017. A fiscal surplus net of IIP proceeds is also targeted for 2018.</p> <p>The Government remains committed to ensure public finance sustainability in the short to medium-term, while also addressing the long-term dimension in particular through a reduction in Government debt. The budget surplus also allows more room for manoeuvre to address other structural challenges such as infrastructural bottlenecks and further investments in human capital and technology. This further strengthens potential growth and supports the process of convergence to higher living standards.</p> <p>Towards this end, the further strengthening of the institutional capacity in Malta's fiscal framework continues to be a priority. A number of changes were legislated in 2018 to ensure full consistency of the Fiscal Responsibility Act (FRA) with the Directive on Budgetary Frameworks, as well as other amendments intended to ensure clarity in the administration of the Act. The Government is also strengthening the comprehensive spending review process by creating the institutional framework that will facilitate more reviews. In addition, pursuant to the Fiscal Transparency Evaluation (FTE) carried out last year, an internal process is underway intended to assess the recommendations and advise on implementation.</p> <p>Status: Ongoing</p> <p>This measure is not CSR relevant but aims to address one of the three pillars of the 2019 Annual Growth Survey – 'Ensuring macroeconomic stability and sound public finances'.</p>	<p>A quantitative estimate of Government's medium-term fiscal targets is included in the 2019 update of the Stability Programme.</p>
	<p>Pensions Reform</p> <p>In December 2006, the House of Representatives (HoR) adopted a series of reforms (Act No. XIX of 2006) including: raising the pension age from 61 to 65; lengthening the contributory period from 30 to 40 years; adopting changes to</p>	<p>As a result of the pensions reform of 2006, the pension age for persons born in 1952 went up to 62 for both genders with effect from January 2014 and the accumulation of contributions for a full pension entitlement increased from 30 to 35 years for persons born between 1 January 1952 and 31 December 1961, and from 30</p>

<p>the two-thirds pension, calculation formula, the maximum pensionable income and the crediting of contributions as provided for under the preceding legislative framework.</p> <p>Pension reform in Malta is ongoing. In 2019 the Government increased the tax exemption cap on the maximum income for pensions, so that the increase in pensions, including the COLA increase, will not be taxed. In the 2019 Budget, the Government announced that every pensioner shall be benefitting from a weekly €2.17 increase in his or her pension, irrespective of whether one is receiving a contributory or a non-contributory pension, over and above the cost of living adjustment. As has been done in previous years, about 4,500 service pensioners will in 2019 receive another €200 raise to their service pension amount, which is deducted from the social security pension, so that the total exempted will go up to €2,466. As from 2019, pensioners who receive a service pension and who are 72 years old or older, will have their social security pensions revised. This way, instead of exempting half the amount of the service pension that had been commuted, as of next year, 75 per cent of the amount commuted will be exempted. Four years ago, the Government introduced an incentive to encourage people to continue working beyond their retirement age, by increasing the pension they would receive when they turn 65 years old. This incentive was available to the private sector. From 2019, this incentive will gradually be extended to public sector employees, as long as the employee requests it and the employer gives their consent. Also, the Government has recently announced the Home Equity Release scheme. This will allow pensioners to raise their annual financial income, allowing them to improve their standard of living.</p> <p>The Social Security Act mandates that the Maltese pensions systems is reviewed every five years vis-à-vis adequacy, sustainability, and solidarity. The next review has to be presented to the Social Affairs Committee of the House of Representatives not later than 31 December 2020. A number of working groups are underway addressing matters such as pension entitlement and divorce/separation, current pensioners, atypical employment, and pension adequacy for persons born on and after 1961, amongst others.</p> <p>The Pension Strategy Group is expected to present its report to Government in late 2019/early 2020.</p> <p>In 2019, the Government introduced improvements in both the Third Pillar Pension Scheme as well as the Voluntary Occupational Pension Scheme, with a view to encourage further take-up of such products.</p> <p>Third Pillar Pensions</p> <p>The tax benefits for third pillar pensions have been strengthened and extended to be applicable to certain insurance products in order to incentivise providers. Accordingly, there are now a number of providers offering personal pension plans. Savers undertaking these plans can receive tax rebates on their savings for retirement.</p> <p>Voluntary Occupational Pensions</p> <p>In 2019, the amount of tax-exempt annual financial investment was raised to a maximum of €2,000 each year. Apart from that, in 2019, the reduction in taxes was increased from 15 per cent to 25 per cent.</p> <p>Strategy on Retirement and Financial Capability</p> <p>Following completion of the post-consultation process, the Strategy on Retirement Income and Financial Capability was launched in January 2017. A coordinating body within the Ministry for the Family, Children's Rights and Social Solidarity (MFCS) is implementing the Strategy.</p> <p>Status: Ongoing</p> <p>This measure is relevant to CSR 2 and it also aims to address one of the three pillars of the 2019 Annual Growth Survey – 'Ensuring macroeconomic stability and sound public finances'.</p>	<p>to 40 years for persons born on or after 1 January 1962. As a result of this measure, the number of new claims is lower when compared to the year-on-year increase of previous years.</p> <p>The incentive to encourage later retirement and the linking of the contributory period to the period spent in retirement are expected to contribute to the strengthening of the long-term sustainability of public finances. At the same time, the adequacy element was also safeguarded through the increase in the minimum pension, better crediting for child rearing (which is designed to mitigate against gaps in the contributory periods, particularly of women, arising due to family responsibilities and as policy instrument contributing positively toward fertility increases) and the introduction of credits for human capital development and lifelong learning, alongside other measures.</p>
<p>Public Infrastructural Projects</p> <p>Investment in the TEN-T core port of Valletta is ongoing. The second phase to expand the Deep-Water Quay (DWQ) for large cruise liners which was planned to commence in 2018 has been delayed by one year due to appeals in the procurement process. The following other infrastructural development projects are being implemented and/or are at planning stage for 2019:</p> <ol style="list-style-type: none"> 1. Development of 2 existing ferry landing places (Bormla and Sliema (Ferries)) which commenced implementation in 2019. These will be funded through European Regional Development Funds (ERDF). A third existing ferry landing place which is located in Marsamxett (Valletta) will be upgraded subject to availability of funds with works targeted to commence in 2020 once funding is secured. 2. The designs for the landing places for the Gozo-Malta fast ferry (Mgarr and Valletta) are at an advanced stage. <p>Work on the Multi-Level Junction in Marsa (Addolorata area), is ongoing.</p> <p>With an investment of approximately €7.5 million, a number of roads are being built and upgraded in various locations around Malta.</p> <p>A study is currently underway to evaluate the introduction of a Mass Rapid Transport Systems (MRT) for Malta. The study includes an options analysis of all possible MRT solutions, including light rail. The best option has already been identified and now the study is looking into the details of this option. The first phase of the study is to be completed by 2019.</p>	<p>Development of the TEN-T network and external links are crucial for Malta's tourism and export-oriented economy as well as to ensure the mobility of persons.</p> <p>The National Transport Strategy and the Masterplan now enable Government to propose future transport improvements within a defined strategy, providing both Government and industry with a clear project pipeline, thereby encouraging economies of scale.</p> <p>The investment planned in Gozo would signify major socio-economic benefits including reduced travelling times, improved connectivity and hence, higher economic and employment growth in Gozo.</p>

	<p>The Government is committed to improve both the physical and the digital connectivity of Gozo to mainland Malta, in order to mitigate the obstacles that Gozo faces, arising from double-insularity and detachment from core economic and social activities.</p> <p>As part of this commitment, the Government is exploring various avenues. Currently, the possibility of a tunnel to create a permanent link between the two islands is being studied. In addition, the introduction of a fast-ferry service is being actively sought..</p> <p>Status: Ongoing</p> <p>This measure is not CSR relevant but aims to address one of the three pillars of the 2019 Annual Growth Survey – 'Delivering high-quality investment and targeting investment gaps in research and innovation, in education, training and skills and infrastructure'.</p>	
	<p>Private Investment Incentives</p> <p>Culture and Creative Industries (CCIs)</p> <p>An overarching Strategy for the period 2016-2020 that bridges cultural policy programmes was launched by the Arts Council Malta in December 2015. The Council seeks to address creative potential being developed into professional activity and investment in artistic excellence, connecting Malta to the international artistic community.</p> <p>The new Valletta Cultural Agency will be overseeing the cultural activities in Valletta. A new budgetary allocation for 2019 was made in this regard amounting to €3.2 million. Co-funding from the current EU structural funds and the European Economic Area (EEA)/Norwegian financial mechanisms will also be key in ensuring continuous infrastructural improvement for the majority of public cultural organisations, as well as the relocation of Heritage Malta.</p> <p>Status: Ongoing</p> <p>This measure is not CSR relevant.</p>	<p>Culture and Creative Industries</p> <p>Full-time employment in the sector has increased from 9,111 as at Q4 (December) of 2015 to 10,629 as at Q2 (June) of 2018, equivalent to a 16.7% increase over the 3-year period, reflecting the situation of full-time employment across the Maltese economy. Also, total part-time employment in CCIs increased over the 3-year period, from 3,073 as at the end of 2015 to 4,135 as at June of 2018, equivalent to a 34.6% increase in total part-time employment. Following the 2019 Government budget, a total of €82.8 million will be invested by the Government in the sector, an increase of 170% (or €45 million) over that for 2015. The total cumulative Government investment in the sector since 2015 has now reached €306 million. All recurrent expenditure in the four areas of the cultural and creative sectors (heritage, arts, media and interdisciplinary) will experience increases over the 2018 budget totalling €51.4 million. Capital expenditure amounted to €31.3 million, an increase of €5.2 million when compared to the 2018 budget. An allocation of €400,000 has been made to support local theatre spaces, building upon the Theatres Audit project that took place between 2015 and 2017. €400,000 is also allocated for the setting up of a new concert hall. The public funding portfolio awarded by ACM to artists and organisations has increased from €2.1 million to €2.4 million. All public cultural organisations falling under the remit of Arts Council Malta saw increases in their budgetary allocations with an overall rise of 16% over the 2018 budget with a total of €22.8 million.</p>
	<p>Strengthening Financial Stability</p> <p>The fourth Anti-Money Laundering Directive (AML IV) has the aim of strengthening existing requirements in terms of anti-money laundering and at the same time to improve the fight against money laundering activities and against the financing of terrorism. In December 2017, Malta transposed the Directive into national law. In August 2018, the EU Commission issued a reasoned opinion on Malta highlighting numerous provisions which according to the EU Commission were not correctly transposed or were not transposed. Since then the Maltese authorities have explained and clarified to the EU Commission how the majority of the issues flagged by the Commission were in actual fact transposed into Maltese law. The EU Commission noted and accepted that most of the provisions originally highlighted in its reasoned opinion are no longer a matter of concern. Presently there are only a few provisions under Maltese law, flagged by the EU Commission, and which in the majority of cases are not substantial in nature, that need to be revised. The Maltese authorities are working on this with the aim of resolving any outstanding points during 2019.</p> <p>Further developments will be brought by the fifth Anti-Money Laundering Directive (AML V). Among other provisions, the new requirements will give more powers to the Financial Intelligence Units (FIUs) in particular in accessing information and facilitating increased transparency. There will be further safeguards for financial transactions to and from high-risk third countries and prevention of risks associated with sources of terrorist financing. Malta is working to transpose AML V into national law at the earliest possible and ahead of the deadline.</p> <p>In October 2018, following a recommendation by the Joint Financial Stability Board, the Central Bank of Malta (CBM) issued a consultation on the introduction of a proposed Directive on Borrower-Based Measures applicable to all credit institutions in Malta.</p> <p>Following the discussion paper on Initial Coin Offerings, Virtual Currencies and related Service Providers issued by the Malta Financial Services Authority (MFSA) in November 2017, in July 2018 the Maltese Parliament passed 3 bills into law establishing the first regulatory framework for blockchain, cryptocurrency and Distributed Ledger Technology (DLT). The first act, the Malta Digital Innovation Authority Act, established the Malta Digital Innovation Authority (MDIA), the Authority that regulates innovative technologies, and introduced a new level of communication between national competent authorities. The second act, the Innovative Technology Arrangement and Services (ITAS) Act, sets requirements for the standards of legality, integrity, transparency, compliance and accountability of the companies operating in the crypto market and oversees certifications of DLT. The third act, the Virtual Financial Assets (VFA) Act, established the regulatory framework governing Initial Coin Offerings (ICOs), cryptocurrency exchanges and wallet providers.</p> <p>In relation to AML/CFT, the Maltese regulatory framework for DLT goes beyond AML V. Whereas AML V brings within the scope of 'obliged entities' only custodian wallet providers and providers engaged in exchange services between virtual currencies and fiat currencies (thus leaving crypto-to-crypto exchanges outside), the Maltese regulatory framework (following amendments carried out to the Prevention of Money Laundering and Funding of Terrorism Regulations in December 2018) renders as obliged entities VFA agents, VFA issuers and VFA service providers,</p>	<p>These measures are intended to bring Malta in line with legal requirements for implementing EU initiatives. These measures therefore have an important qualitative impact on the overall stability of the local financial sector, thus benefiting market participants, including institutions as well as depositors/investors. Moreover, the Government is also expected to benefit in view of strengthened financial stability which would also further safeguard against any negative feedback loops between the sovereign and the financial sector.</p> <p>The objective of a Directive on Borrower-Based Measures proposed by the CBM is to continue strengthening the resilience of banks and borrowers against the potential build-up of vulnerabilities stemming from changing economic conditions.</p> <p>The regulatory framework for cryptocurrency and DLT will help to ensure investor protection, promote market integrity and safeguard financial stability.</p>

	<p>including also exchanges and service providers involved in VFA-to-VFA transactions. DLT service providers are also considered as obliged entities.</p> <p>Status: Ongoing</p> <p>This measure is relevant to CSR 1 and it also aims to address one of the three pillars of the 2019 Annual Growth Survey – ‘Ensuring macroeconomic stability and sound public finances’.</p>	
	<p>Business Promotion and Incentive Framework</p> <p>The Government has launched a scheme for entrepreneurs involved in the development of high-tech and software products to attend Web Summit, an annual technology conference held in Lisbon, Portugal. The objective is to create networking opportunities for upcoming entrepreneurs in a sector which can be beneficial to create further opportunities in Gozo.</p> <p>Within the agricultural-artisanal sector, the Government is currently working on an initiative whereby the valleys of San Blas, Riħan and Daħlet Qorrot would have their citrus produce labelled. Such a label would help to position the products strongly in the market and raise public awareness about the value of unique local produce.</p> <p>Government has also introduced the Gozo Employment Refund Scheme which aims to give more incentives for the creation of new job opportunities within the private sector in Gozo. For every employee that is offered a contract of 3 years or more, a refund of 30% of the average median wage is given up to a maximum of €6,000.</p> <p>Government has also introduced the Enable Tourism Scheme which aims to support accessibility in the tourism sector.</p> <p>Status: Ongoing</p> <p>This measure is not CSR relevant. However, it aims to address one of the three pillars of the 2019 Annual Growth Survey – ‘Focusing on reforms that increase productivity growth, inclusiveness and institutional quality’.</p>	<p>Through this measure, Government is incentivising business opportunities in Gozo.</p> <p>With regard to the Gozo Employment Refund Scheme, 81 applications were received to date, however the actual number of beneficiaries will be determined once the applications are evaluated by an Ad Hoc Evaluation Committee.</p> <p>To date, no applications were received for the Enable Tourism Scheme.</p>
	<p>Modernising Public Administration – Using ICT in the Achievement of Government’s Simplification and Reduction of Bureaucracy Agenda</p> <p>The Government has simplified the process of deploying e-Government services. This was an initiative to promote and provide one face to online Government by simplifying this access through a set of life events (pregnancy and birth, getting a passport, looking for a job). The landscaping of activities including life events (such as business, job, studying, and family) and simplification and responsiveness were completed. This was the first phase of the EU Benchmarking exercise. Government also focused on the simplification of social security online services and Courts online services.</p> <p>The modernising of public administration included improving the accuracy and timeliness of the data capture and reducing visits to the Social Security Department and area offices. Furthermore, various real-time services are being offered by the Courts to the citizens and to the legal profession; this is increasing the case clearance rate and decreasing the disposition time.</p> <p>Status: Completed</p> <p>This measure is not CSR relevant. However, it aims to address one of the three pillars of the 2019 Annual Growth Survey – ‘Focusing on reforms that increase productivity growth, inclusiveness and institutional quality’.</p>	<p>Further to the update reported in the previous years on this measure, work envisaged on other eForms, namely the ‘EFL Teaching Permit Application’, the Application to order Deeds or Wills’, the ‘Products of Quality National Scheme’ (the ‘Vines Doc’ application and the ‘Vines Banderol’ application) and 6 other Business Start-Up forms (the ‘Business Start-Up of Sole Traders for Tax Practitioners’, the ‘Business Start-Up of Companies for Tax Practitioners’, the ‘Business Start-Up of Partnerships <i>de facto</i>’, the ‘Business Start-Up of Partnerships <i>de facto</i> for Tax Practitioners’, the ‘Business Start-Up of Partnerships’ and the ‘Business Start-Up of Partnership for Tax Practitioners’) has been completed.</p> <p>With regard to social security, work planned for 2018 on the Sistema għall-Amministrazzjoni ta’ Benefiċċji Soċjali (SABS) Online services, enhancements and technology upgrade, the Elderly IT systems, the Welfare Case Management, the Housing Authority IT, the Visa system and the implementation and integration of the European Exchange of Social Security Information (EESSI) has been concluded.</p> <p>With regard to online services offered by the Courts, work on the Legal Case Management (LECAM) has been implemented, with a major extension to the system that allows citizens to view their civil case files online.</p>
	<p>Increase the efficiency of the judicial system by ensuring a timely and efficient implementation of the planned judicial reform</p> <p>Extension and renovation of judicial facilities</p> <p>The Government invested in the total refurbishment of an adjacent multi-storey building in Valletta, which is now housing the new offices of the Chief Justice and a number of other Judges along with their staff and 3 new Halls.</p> <p>The establishment of a First Hall of the Civil Court (Commercial section)</p> <p>Act I of 2018 (http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lp&itemid=28883&l=1) introduced the Civil Court (Commercial Section). Subsequently, by virtue of L.N.187 of 2018 published on 15 June 2018, the Minister for Justice established the 11 June 2018 as the date for the coming into force of those provisions in Act I of 2018 which establish the Civil Court (Commercial Section). As a consequence, as from 11 June 2018, the Civil Court (Commercial Section) was seized with the exclusive jurisdiction to hear all those cases that are instituted in terms of the Companies Act (Chapter 386 of the Laws of Malta). The establishment of the Civil Court (Commercial Section) means that Malta now has a specialised Court presided by specialised members of the judiciary who hear and decide the cases falling within its jurisdiction. A total of 81 cases were transferred and at present there are 119 pending cases. 38 cases have been terminated since the introduction of this new court.</p> <p>Increasing the number of Judges and Judicial Staff</p> <p>Each Judge in the Civil Courts has been assigned an experienced full-time lawyer chosen by the judiciary itself, with the duty of assisting the Judge in the drafting of judgments (an average of 3 different judgements per week); writing memoranda on pending lawsuits and assisting the Judge in the drafting of court orders.</p> <p>Currently there are 3 full-time and 28 part-time judicial assistants, 20 court attorneys, 22 Judges and 22 magistrates working in the Courts. Apart from this, in November 2018, 19 new judicial assistants started helping Magistrates.</p>	<p>The planned judicial reform will have the following benefits:</p> <ul style="list-style-type: none"> - more efficiency in time needed to decide court cases – the investment in more physical and human resources will ensure a more balanced distribution of the caseload, thereby enhancing efficiency through increased timeliness and disposition of cases; - reduction of time wastage thus increasing productivity; - more trust in the justice system; - more efficiency in court management; - more motivated court employees; - enhanced accessibility to court documents through the ICT innovations, thereby contributing to added time efficiency for professional court users and more accessibility to Justice for citizens; - additional viable options for dispute resolution to contending parties, through ADR mechanisms (such measures translate into lower costs and quicker disposal times for the parties, whilst at the same time also contribute to increased efficiency in Court, due to the decrease in the number of incoming cases; thus the judiciary can use their time more effectively, deciding cases that are more complex); - streamlining of services offered to the users of the justice system through the establishment of the Legal Aid Agency which is an agency in its own right, signalling a commitment to bring the Justice system even closer to the citizen (as an Agency, Legal Aid now has its own budget, premises and administrative structure, thereby enabling it to expand its services to its clients, increase its professional output and address service lacunae); - improvement in the efficiency parameters within specific areas of the administration of Justice that have a direct bearing on sustaining the economy and attracting Foreign Direct Investment (FDI).

All new court staff is given in-house training upon engagement and all court staff attends regular in-house training throughout the year. It is also worth noting that training sessions and/or seminars are also offered for members of the judiciary.

Promotion of Alternative Dispute Resolution Mechanisms (ADRs) and Mediation

Mediation: The Government has embarked upon the amendment of the Mediation Act to further incentivise the use of ADR procedures. The amendments to the Mediation Act by way of Act VIII of 2017 have to date become an integral part of Chapter 474 of the Laws of Malta. Legal Notices have also been introduced to incentivise the public to resort to mediation proceedings.

The Mediation Centre is, in line with budgetary measures, embarking and preparing to have informative sessions on mediation, for such individuals who have pending disputes and for such individuals facing litigation.

Arbitrations: Since the inception of the Malta Arbitration Centre in March 2000, 5,632 cases (inclusive of both domestic as well as international cases) were filed with the Centre. Until 31 January 2019, 87% of these cases have been closed. Arbitration legislation has over the years been amended in order to render the service more efficient to the public. Government is committed to bolster and improve the Arbitration Centre to be a more efficient and effective hub for dispute resolution, both locally and internationally.

Extensive use of ICT Technologies

The making available to advocates, notaries and legal procurators of the Interdiction and Incapacitation Registers (which went live on 23 January 2018) and the scanning of certain judicial acts, continues to act in such a way as to continue addressing bureaucracy and delays in the Civil Courts.

Developments in the area of e-Justice

In the area of e-Justice, Malta designed a web responsive portal: <http://www.ecourts.gov.mt> in order to serve as the main one stop mobile accessible service for legal professionals and citizens. The portal offers public access services as well as authentication-based services through the national electronic system of Identity. Such services are continuously being enhanced according to user feedback through focus groups representing the various stakeholders. Currently, other services such as the online payment of Court registry fees, migration of judgements and information about sales by auction are being included in the portal. As of October 2018, the number of unique users who have logged in eCourts portal to use personalised eJustice services at least once stood at 2,212. Of these, 555 are legal professionals. Apart from this, the eCourts Portal is focusing on the specific user functionality while static information related to the Justice sector is being provided on justice.gov.mt. It is also expected that a new website dedicated to Laws conformant to the European Legislation Identifier will be launched in 2019.

Online filing of judicial acts is possible in the Civil Court (Commercial Section), the Courts of Magistrates, the Administrative Review Tribunal, the Land Arbitration Board and the Small Claim Tribunal. It is also possible to file judicial letters in the First Hall of the Civil Court and the Court of Magistrates.

During the past year a number of new services under the eCourts umbrella have been added:

- a new 'mobile first' Judgement module with enhanced discovery capabilities;
- digital submission to the Commercial Courts;
- a revamped online Courts Auction module;
- digital notifications of decrees to legal professionals for decrees issued by the Courts of Voluntary Jurisdiction;
- and
- online payment of Case Fees – allowing part payment.

Setting up a National Insolvency Register

Together with the Registry of Companies Agency, Government embarked on a project which was co-funded by the Justice Programme of the European Union, to set up National Insolvency Registers covering insolvency and restructuring of companies, as well as bankruptcy of traders. These registers will be interconnected to the EU e-Justice Portal for the good functioning of cross-border insolvency proceedings by the end of June 2019. The Registries can be accessed online at corporateinsolvency.mt and ecourts.gov.mt/online/services/insolvency to obtain free information (registration may be necessary).

Dealing with backlog

Throughout 2018, Malta also started reviewing its case-weighting system in order to better understand the nature and complexity of the cases being registered in courts. In February 2018, a specialised workshop organised by the Council of Europe was held in Malta in order to establish a framework for the setting-up of such a system. In January 2019, the first meeting with a selected group of members of the judiciary was held, in which the project was introduced and discussions on the way forward ensued. A model that could best fit the Maltese context will be agreed upon and this will then be translated into an algorithm that will automatically calculate the complexity of the caseload in question.

Legal Aid System

The revision of the retainer fees of legal aid lawyers and legal procurators increased by almost threefold. This enabled legal aid lawyers and legal procurators to give a better service to the legal aid clients. The Legal Aid Agency has

The digital services increase the transparency of the process and allow them to positively influence the disposition time of the case:

- the eCourts online service provides information that is available digitally and therefore without the need to be physically present in the Courts to gain access to it;
- citizens have unencumbered access to their digital Civil case file, therefore allowing them to have better visibility and insight into the proceedings;
- having better visibility, citizens are now in the 'driving seat' and no longer totally dependent on their legal professionals to drive their cause forward;
- legal professionals can provide a better service to their clients as they are able to digitally reference Civil case files without the need to be physically present in the Court buildings;
- it allows the legal professional to be electronically notified and to monitor and send the notification of official documents to third parties at any time of the day and from their offices or mobile devices;
- citizens are kept abreast of their Court appointments as eCourts provides an easy way to register for notifications of Courts sittings that they have an interest in;
- citizens can receive notifications of any deferred case in a timely manner therefore reducing the inconvenience and negative impact of travelling to the Courts for a sitting which has been deferred.

embarked upon a reach out campaign promoting the services of Legal Aid Malta. A Facebook page for Legal Aid Malta has also been set up.

Improvement of Data Collection and Data Analysis

For the third consecutive year, another Court User Satisfaction Survey was carried out, this time addressing the general public's opinion of the court services. Covering most of the survey items as in the previous surveys, this last survey was methodologically different in that it employed a telephone survey to elicit the feedback of a representative sample of the Maltese population. Such an analysis will enable the Ministry, the Judiciary and the Court Administration, to adopt a more strategic approach to enhancing the efficiency and quality of the justice system, as well as to inform policy.

EU Structural Reform Support Programme (SRSP)

In October 2017, MJCL submitted an application through the SRSP scheme entitled '*Supporting the efficiency of Justice in Malta*', in order to study and introduce the triage system in the Civil Court of Appeal (Superior Jurisdiction); to review the committal proceedings in criminal cases; and to provide recommendations for a human resource strategy targeting both judicial and non-judicial staff. The implementation stage of the project started in January 2019. Furthermore, MJCL also submitted another application through SRSP3 in October 2018, this time seeking assistance to draft the first e-justice strategy for Malta. The project was again selected amongst competing national and international projects.

Simplification and Modernisation of Procedures

Civil Law: Act 4 of 2016 entitled 'Various Laws (Justice Reform) (Civil Procedure) (Amendment) Act' (<http://justiceservices.gov.mt/DownloadDocument.aspx?app=lp&itemid=27270&l=1>) passed through Parliament on 12 January 2016. This Act addresses various amendments that simplify civil procedure. These amendments increased the ceiling of the competence of the Courts of Magistrates; the ceiling of the accelerated procedure of debt collection through the filing of a judicial letter of debts that are certain, liquidated and due; the simplification of service of judicial acts by eliminating bureaucratic procedures through the filing of applications; and the possibility for the parties to file a joint note to declare that they do not require an oral hearing at appellate stage so that the Court of Appeal is able to proceed to pronounce judgment within six months, amongst other procedural amendments.

Commercial Law: Act XI of 2017 amending the Companies Act (<http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lp&itemid=28336&l=1>) seeks to incentivise the use of mediation. A series of amendments were introduced to shorten the period by which the special controller should come up with a recovery plan. This is now being set at just 4 months which may exceptionally be extended up to a period of 12 months from the present maximum period of 24 months. Protection is also being given to investors who will be willing to finance the recovery of such companies. Since the introduction of this Act (21 March 2017) 22 winding up cases have been filed and during this same period the Court brought to an end 24 cases. It is far too early to assess whether this Act has helped reduce backlogs. Nevertheless, it is evident from the legislation itself that the law has been streamlined and made more efficient, allowing also for further flexibility.

Constitutional Law: During 2016, the Government also adopted Act 44 of 2016, Constitutional Reforms (Justice Sector) Act. This Act seeks to promote the separation of powers between the executive and the judiciary through a new and more transparent system of judicial appointments; and through an enhanced accountability of the judiciary as a result of the extension of disciplinary proceedings in case of breach of ethics. (<http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lp&itemid=27835&l=1>)

Media and Defamation law

The Media and Defamation Act mainly aims to update and re-write Maltese law on libel and slander in a manner which strengthens and widens the respect for the right to freedom of expression in a substantial manner. The right to freedom of expression is the basis of all media activity and is also one of the main pillars of the democratic system. Previous amendments to the Criminal Code (enacted by Act XXXVII of 19 July 2016) had already widened the freedom of artistic expression.

Protection of the Whistleblower Act (Chapter 527 of the Laws of Malta)

The rationale behind this piece of legislation is to make provision for procedures in terms of which employees in both the private sector and the public administration may disclose information regarding improper practices by their employers and other employees in the employ of their employers and to protect employees who make said disclosures from detrimental action.

Act 2 of 2018

This Act (<http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lp&itemid=28903&l=1>) provides for pre-appointment parliamentary hearings (to be undertaken by the Standing Committee on Public Appointments) with respect to important public appointments to Ambassadorships and to leading roles in regulatory authorities. This Committee shall consist of 7 members appointed by the House of Representatives of whom 4 shall be appointed by the Government, 1 of whom shall be appointed as Chairperson and the other 3 shall be appointed by the Opposition.

Act 13 of 2017: Standards in Public Life Act (Chapter 570 of the Laws of Malta)

	<p>This Act provides for the appointment of a Commissioner and a Standing Committee with power to investigate breaches of statutory or ethical duties of categories of persons in public life, and for matters ancillary or related thereto. (Enacted on 30 October 2018).</p> <p>Bill 63 of 2018</p> <p>Through this Bill Government intends to: (i) update and replace the Public Administration Act - through the introduction of the revolving door policy, (ii) affirm the values of public administration as an instrument for the common good, (iii) provide for the application of those values throughout the public sector and (iv) provide for the organisation and management thereof.</p> <p>Administrative autonomy of the courts</p> <p>The Government embarked on a project for more administrative autonomy for the provision of court services as pledged in the electoral manifesto. Discussions are underway to establish a Court Agency which will assume the functions that are currently exercised by the Director General (Courts). A Bill has been drafted and internal consultations were conducted. The next step is to hold consultations with stakeholders including the judiciary and Chamber of Advocates. The target is to have a fully functional Agency by the end of next year.</p> <p>Status: Ongoing</p> <p>This measure is relevant to CSR 1 and it also aims to address one of the three pillars of the 2019 Annual Growth Survey – 'Focusing on reforms that increase productivity growth, inclusiveness and institutional quality'.</p>	
	<p>New Law Court in Gozo</p> <p>The consultation phase of the new location was completed and draft plans were finalised. An application to attain full development permission has been submitted to the Planning Authority. This process is still ongoing. Furthermore, Government is in the process of issuing a call for tender to conduct Geotechnical Investigations at the proposed site.</p> <p>Status: Ongoing</p> <p>This measure is not CSR relevant. However, it aims to address one of the three pillars of the 2019 Annual Growth Survey – 'Focusing on reforms that increase productivity growth, inclusiveness and institutional quality'.</p>	<p>The present building is an old and historic one, and does not allow any alterations, structural or otherwise. Hence, the construction and relocation of the Gozo Court would certainly alleviate if not outright solve most of the highlighted problems and would certainly increase the overall efficiency of the Gozo Court.</p> <p>Furthermore, a security issue will be solved since currently there are no separate entrances and exits for members of the judiciary, with magistrates having to use the same entrance/exit as those used by the general public.</p>
	<p>Film Studios</p> <p>In the past years, the Government had issued a Request for Proposals requesting potential bidders to submit their proposals to enter into a Public Private Partnership to design, build, maintain and operate the Malta Film Studios. The evaluation process of the Request for Proposals was completed during the first quarter of 2017 but no bidder was found to be compliant. The plans for the general upgrade of the facilities were finalised and presented to the Minister for Tourism. Following this process, the Government decided in favour of retaining control of the film studios and proceeding with a general upgrade. An intensive maintenance programme has begun and basic renovation was carried out so that foreign productions could use the facilities. During the past few months electrical works were carried out on parts of the Studios. Studies on the general maintenance works and the new sound system apparatus that need to be purchased are being drafted. Two applications for road maintenance and demolishing and re-building of existing offices have been submitted to the Planning Authority.</p> <p>Status: On Track</p> <p>This measure is not CSR relevant.</p>	<p>The Government made an important step forward in the process to have a modern films studio in Malta that includes sound stages. This will give a new impetus to the film industry, with modern infrastructure that attracts big productions to Malta to make the industry more sustainable.</p>
	<p>Re-Development of the Kappara Junction</p> <p>The roads have been all made available to the public in the first days of January 2018. The project inauguration was held on 25 January 2018. Project is now completed.</p> <p>Status: Completed</p> <p>This measure is not CSR relevant. However, it aims to address one of the three pillars of the 2019 Annual Growth Survey – 'Delivering high-quality investment and targeting investment gaps in research and innovation, in education, training and skills and infrastructure'.</p>	<p>It is expected that the upgrading of this junction will contribute towards the elimination of bottlenecks and an improved traffic flow during traffic peaks which will result in time savings, reduction on daily fuel costs and vehicle maintenance costs. This is expected to have ripple effects on the journey time of public transport and hence may encourage more people to use this service instead of their private cars. According to CBAs (micro-modelling), TEN-T Kappara will contribute to a CO₂ emission reduction of 1,700 tonnes per year.</p>
	<p>Development of the Multi-Level Junction to remove a Bottleneck on the TEN-T Core Road Network</p> <p>The Grant Agreement was signed in December 2015. A further grant under CEF was awarded in 2017 and the grant agreement was signed in October 2017. The project was split into three different stages with the first stage commencing in Q4 2017 and being completed in Q2 2018 whilst phase 2 commenced in February 2018 and was completed by Q4 2018. The works for the third stage commenced in Q4 2018 and are ongoing.</p> <p>Status: On Track</p> <p>This measure is not CSR relevant. However, it aims to address one of the three pillars of the 2019 Annual Growth Survey – 'Delivering high-quality investment and targeting investment gaps in research and innovation, in education, training and skills and infrastructure'.</p>	<p>It is expected that the upgrading of this junction will contribute towards the elimination of bottlenecks and an improved traffic flow during traffic peaks which will result in time savings, reduction on daily fuel costs and vehicle maintenance costs. This is expected to have ripple effects on the journey time of public transport and hence may encourage more people to use this service instead of their private cars.</p>
	<p>Reduction from 5% to 1.5% in Stamp Duty in Transfer of a Business to Children</p>	

	<p>Starting from April 2017, Government is giving a 12-month concession whereby the stamp duty of 5% is being reduced to 1.5% when a parent transfers a business to his or her children. This measure has now been extended to the end of 2019.</p> <p>Status: Completed</p> <p>This measure is not CSR relevant. However, it aims to address one of the three pillars of the 2019 Annual Growth Survey – 'Focusing on reforms that increase productivity growth, inclusiveness and institutional quality'.</p>	<p>The number of persons affected by this measure in 2018 was 973.</p>
	<p>Vacant Properties</p> <p>The rate of final withholding tax that is levied on transfers of restored property within an Urban Conservation Area (UCA) as affected in 2016, has been reduced from 8% to 5%. A reduction in stamp duty, from 5% to 2.5%, levied on transfers of property within an UCA, also applies.</p> <p>This measure came into force as of 1 January 2016. In the 2019 Budget, this measure was extended.</p> <p>Status: Completed</p> <p>This measure is not CSR relevant. However, it aims to address one of the three pillars of the 2019 Annual Growth Survey – 'Focusing on reforms that increase productivity growth, inclusiveness and institutional quality'.</p>	<p>Between 1 January 2017 and 31 December 2018, the number of contracts for properties in UCA was 657 with 802 buyers.</p>
	<p>Malta-Gozo Link Feasibility Study</p> <p>The conceptual design for the tunnel is currently at an advanced stage, and the Full Development Application shall be presented to the Planning Authority in the coming months, together with the designs of the infrastructure leading to the two portals.</p> <p>Status: Completed</p> <p>This measure is not CSR relevant. However, it aims to address one of the three pillars of the 2019 Annual Growth Survey – 'Delivering high-quality investment and targeting investment gaps in research and innovation, in education, training and skills and infrastructure'.</p>	<p>The tender for Project Management was published in November 2018 and is currently being evaluated. A Prior Information Notice for the Design, Build, Maintenance and Operation (DBMO) tender was published in December 2018, and the DBMO tender is to be published in the coming months.</p>
	<p>Upgrade and Improvements in Air Navigation Services</p> <p>Malta Air Traffic Services (MATS) Ltd is a Government-owned company and is the designated air navigation service provider for Malta. It coordinates and controls all air traffic using the Malta Flight Information Region.</p> <p>Aeronautical Message Handling System (AMHS)</p> <p>MATS Ltd, in consultation with EUROCONTROL, conducted a negotiated procedure with 3 accredited suppliers of AMHS. Following adjudication, the contract was awarded and the system was manufactured. A Factory Acceptance Test (FAT) was conducted in October 2018, however it failed. The manufacturer is currently rectifying the issues found in the FAT and another FAT has started on 8 April 2019 in Germany. The system is expected to be commissioned by the end of 2019.</p> <p>Status: On Track</p> <p>Air Traffic Management (ATM) System</p> <p>The new ATM system was procured through a negotiated procedure approved by the Department of Contracts. Following training of controllers and shadow operations, the new ATM System was commissioned in June 2017.</p> <p>Status: Completed</p> <p>Air Traffic Control Centre (ATCC)</p> <p>A new ATCC will be built comprising of a visual control tower, an area control centre, equipment rooms, offices, workshops and employees' rest areas, to serve present and future requirements of MATS Ltd and the aviation community. Excavation works and the building of a sub-structure are expected to take place in the last quarter of 2019, while the project completion date is planned for the end of 2021.</p> <p>Status: Delayed</p> <p>New Primary Surveillance Radar at Dingli</p> <p>The manufacturer started the installation of the radar, however it encountered several technical difficulties which are still being dealt with. The project is delayed and is expected to be completed by Q2 2019.</p> <p>Status: Delayed</p> <p>This measure is not CSR relevant.</p>	<p>It is expected that with by means of these upgrades and improvements MATS Ltd will be in a better position to achieve and maintain standards applied internationally in the provision of air navigation services.</p>
	<p>SME Initiative – Stimulating Private Sector Investment for Economic Growth</p>	

	<p>The SME Initiative Operational Programme is financed through the European Regional Development Fund (ERDF) with an initial allocation of €15 million. Following a call for Expression of Interest, launched in July 2015, 2 financial intermediaries secured financing. Subsequently, the Commission, the EIB Group and the Maltese Government agreed to increase the financing available under Malta's SME Initiative programme. With new resources from Cohesion Policy funds, the programme's budget was topped up, bringing it from €15 million from Malta's Cohesion Policy envelope to up to €22 million.</p> <p>Status: On Track</p> <p>This measure is not CSR relevant, but it aims to address one of the three pillars of the 2019 Annual Growth Survey – 'Focusing on reforms that increase productivity growth, inclusiveness and institutional quality'.</p>	<p>This initiative is expected to leverage more than €88 million of new SME financing, targeting circa 645 enterprises.</p> <p>As at end September 2018, 658 loans were issued to 558 SMEs under the SME Initiative with €44.6 million disbursed.</p>
	<p>Consolidation of Regulatory Frameworks for Collective Investment Scheme</p> <p>As outlined in the MFSA Circular dated 26 May 2016, the Authority announced its decision to consolidate and reduce the number of fund frameworks available to fund promoters in terms of the Investment Services Act and the applicable Investment Services Rules. The options available have been reduced from 12 to 6 regulatory regimes, which broadly include Undertakings for Collective Investment in Transferable Securities (UCITS), Retail Alternative Investment Funds, Professional Investor Funds targeting Qualifying Investors, Alternative Investment Funds (targeting Professional Investors and/or Qualifying Investors) and Notified Alternative Investment Funds. The MFSA only accepts applications for these types of collective investment schemes as from 3 June 2016 while the other now defunct types of collective investment schemes were allowed to continue operating under their respective regulatory regime. In this regard, non-UCITS retail collective investment schemes and Professional Investor Funds targeting Experienced and Extraordinary Investors will be phased out gradually. A review of the applicable rulebooks is currently underway with a view to increase convergence between rulebooks and enhance supervisory practice in line with EU legislation.</p> <p>Status: Partially Completed</p> <p>This measure is not CSR relevant, but it aims to address one of the three pillars of the 2019 Annual Growth Survey – 'Focusing on reforms that increase productivity growth, inclusiveness and institutional quality'.</p>	<p>The Investment Services Rules for Alternative Investment Funds have been amended but are still in draft form. They shall shortly be published and a Circular to this effect will be issued to the public.</p> <p>The Professional Investor Fund rules were updated in 2018 to include crypto investment.</p>
	<p>Incentive to Post-Secondary Graduates, who Graduated in the Last Three Years, to open a New Business and Reduce Burdens</p> <p>Since the first 2 years of a start-up company are usually the most difficult, removing the burden of audit of accounts can help mitigate initial costs on condition that the company's turnover does not exceed €80,000 annually. Alternatively, the company may opt to have its accounts audited but gain a tax deduction of 120% of the audit fees up to €700 annually in the first 2 years.</p> <p>This measure covers accounting periods starting from the 1 January 2017 until the scheme is terminated.</p> <p>Status: On Track</p> <p>This measure is not CSR relevant but it aims to address one of the three pillars of the 2019 Annual Growth Survey – 'Focusing on reforms that increase productivity growth, inclusiveness and institutional quality'.</p>	<p>This measure will attract more new graduates to set up new companies hence further involving them in the commercial industry.</p>
	<p>Introduction of a Detailed Tax Consolidation</p> <p>The Government will introduce detailed tax consolidation regulations that permit groups of companies to calculate their profit and loss on a group basis.</p> <p>Work has been carried out on the drafting of the relevant legal notice.</p> <p>Status: On Track</p> <p>This measure is not CSR relevant but it aims to address one of the three pillars of the 2019 Annual Growth Survey – 'Focusing on reforms that increase productivity growth, inclusiveness and institutional quality'.</p>	<p>This measure will further simplify the computation of income of these companies both for the Commissioner for Revenue as well as for the companies themselves.</p>
	<p>Risk Investment Scheme</p> <p>Through this scheme, individuals investing capital in small and medium-sized enterprises (SMEs) or in an investment fund spread over a number of SMEs registered on an alternative trading platform, such as Prospects on the Malta Stock Exchange, will be receiving a tax credit of up to a maximum of €250,000 per year.</p> <p>Status: On Track</p> <p>This measure is not CSR relevant, but it aims to address one of the three pillars of the 2019 Annual Growth Survey – 'Focusing on reforms that increase productivity growth, inclusiveness and institutional quality'.</p>	<p>This measure will encourage investment on the Malta Stock Exchange.</p>
	<p>Improved Connectivity between Malta and Gozo</p> <p>Legal proceedings are still ongoing with regard to a claim initiated by one of the bidders that had participated in the preliminary market consultation carried out by Gozo Channel (Operations) Ltd in order to identify a strategic partner and jointly submit an offer for a Request for Proposals (RFP) for a Public Service Concession Contract for the Provision of Passenger and Vehicle Ferry Services in Malta and Gozo.</p> <p>Time limit for receipt of tenders was extended to 16 April 2019 (vide etenders.gov.mt – reference 05/2018).</p>	<p>The introduction of a fast ferry service will enhance the transport link between the two islands.</p>

	<p>Gozo Channel (Operations) Ltd re-issued a tender for e-ticketing to facilitate bookings both online and via a mobile app. The evaluation report for the tender was finalised and submitted to the General Contracts Committee.</p> <p>Status: On Track</p> <p>This measure is not CSR relevant, but it aims to address one of the three pillars of the 2019 Annual Growth Survey – 'Delivering high-quality investment and targeting investment gaps in research and innovation, in education, training and skills and infrastructure'.</p>	
	<p>Extension of Xewkija Industrial Park</p> <p>Works on both sites commenced in January 2018. The ground floor of the main building at the Enterprise Hub is being roofed over, with works on the upper floor proceeding in parallel as each section of roofing is completed. Restoration works on the scheduled administrative building which shall house the reception and conference centre are proceeding. The excavation of a single 4-million litre capacity underground reservoir, instead of the two separate units previously envisaged, is now complete and works shall proceed with the casting of the ground slab.</p> <p>All underground water storage facilities at the Industrial Workshop Complex at Hofra have been completed as well as all concealed service culverts, both above and below ground. The lower levels of the complex are now being roofed over while work on the upper level proceeds in parallel. All shared cores and stairwells at the lower level have been completed. 11 new tenants which have been allocated business premises within the complex shall be presented with their letter of allocation by Malta Industrial Parks (MIP).</p> <p>Status: On Track</p> <p>This measure is not CSR relevant but it aims to address one of the three pillars of the 2019 Annual Growth Survey – 'Delivering high-quality investment and targeting investment gaps in research and innovation, in education, training and skills and infrastructure'.</p>	<p>The two developments should nurture the growth potential of SMEs at a regional, national and international level through the provision of a suitable hosting infrastructure and working environment. This measure also aims to facilitate the establishment and growth of SMEs in Gozo by providing a location away from village cores.</p>
	<p>Yacht Marina at Gżira Gardens</p> <p>Discussions are currently underway to finalise the concession agreement with the new operator of the Marina. The concession agreement should be finalised and signed by end of May 2019 and by which date this measure should be considered as completed.</p> <p>Status: To be completed in May 2019</p> <p>This measure is not CSR relevant, but it aims to address one of the three pillars of the 2019 Annual Growth Survey – 'Delivering high-quality investment and targeting investment gaps in research and innovation, in education, training and skills and infrastructure'.</p>	<p>The concession for the operation and management of the Marina is designed to attain the following benefits:</p> <ul style="list-style-type: none"> - to upgrade the service level of the Marina through investment in and modernisation and development of the present yacht marina facilities; - to optimise Transport Malta's one-time and annual proceeds; - to give due cognisance to the Marina's stakeholders and seek, as far as possible, to address their particular needs within the new market setting; - to ensure that the Marina areas, and particularly the public areas adjacent thereto, are maintained and embellished in such a way as to enhance the locality to the benefit of both residents and visitors; - generally, to support the tourism sector through the promotion of Malta as a prime yachting location.
	<p>Consideration of Issue of Call for Offers for Project Related to a New Yacht Marina at Marsascala</p> <p>A committee including representatives from Transport Malta and its legal consultants, the Planning Authority and the Environment and Resources Authority has been formed to ensure a coordinated effort in addressing and safeguarding the various commercial, operational, environmental and planning issues and concerns. The committee has already met on two occasions to assess and analyse the submissions received through the Preliminary Market Consultation and to establish restricted zones in the region such as swimming zones and areas that are to be excluded from the project. Transport Malta shall proceed with the application for an Environmental Impact Assessment and final viability studies to lay down the necessary requirements, following which a Request for Proposals (RFP) is envisaged to be issued by June 2019.</p> <p>Status: Delayed</p> <p>This measure is not CSR relevant, but it aims to address one of the three pillars of the 2019 Annual Growth Survey – 'Delivering high-quality investment and targeting investment gaps in research and innovation, in education, training and skills and infrastructure'.</p>	<p>The project will have the following results:</p> <ul style="list-style-type: none"> - a number of pontoons and mooring systems to accommodate the maximum number of berths; - upgrading of the quay infrastructure; - weather protection measures or infrastructure as required to mitigate weather conditions for all year safe berthing; - provision of adequate land facilities for berth users and upgrading, embellishment and landscaping of the area.
	<p>The Construction of a New Breakwater Arm at Tal-Qrejten Marsaxlokk</p> <p>The works contract was signed in Q4 2018. The evaluation of the second tender has been completed and has been awarded. Works are envisaged to start by the end of April 2019.</p> <p>A new wave modelling study for the Port of Marsaxlokk was carried out. This indicated that the Delimara breakwater as originally proposed would not provide much value added and further studies could be carried out based on a new project brief for the development of a sheltered berthing area for fishing and other vessels at Delimara.</p> <p>Status: On Track</p> <p>This measure is not CSR relevant, but it aims to address one of the three pillars of the 2019 Annual Growth Survey – 'Delivering high-quality investment and targeting investment gaps in research and innovation, in education, training and skills and infrastructure'.</p>	<p>The Qrejten Breakwater will increase the number of sheltered days in the fishing port throughout the year.</p> <p>The aim of further studies related to sea defences (breakwater) at Delimara would be to increase berthing space for fishing and other vessels.</p>
	<p>Business Enhance ERDF Grants Schemes</p> <p>The Business Enhance Grants Schemes seek to support enterprises when undertaking investment projects aimed at securing sustainable business growth, by becoming more competitive, innovative and becoming more resilient to</p>	<p>Through these schemes, which amount to €51 million, circa 600 enterprises will be supported.</p>

	<p>market challenges. These schemes are part-financed by the ERDF 2014-2020 and address a number of priority areas under Operational Programme I 2014-2020 'Fostering a competitive and sustainable economy to meet our challenges'.</p> <p>A number of schemes have been launched, namely, the Start-up Investment Grant Scheme; the SME Growth Grant Scheme; the SME Diversification and Innovation Grant Scheme; the SME Internationalisation Grant Scheme; the e-Commerce Grant Scheme; the SME Consultancy Services Grant Scheme; and the Business Enhance RD&I Grant Scheme.</p> <p>Status: On Track</p> <p>This measure is not CSR relevant, but it aims to address one of the three pillars of the 2019 Annual Growth Survey – 'Delivering high-quality investment and targeting investment gaps in research and innovation, in education, training and skills and infrastructure'.</p>	<p>As at end of December 2018, a total of €16 million in grants were approved under this initiative with a total of 234 beneficiaries.</p>
	<p>Start-up Finance 2017-2020</p> <p>The scheme is providing support linked to private equity, crowd funding and the procurement of machinery and equipment.</p> <p>Further details can be found here.</p> <p>Status: Completed and ongoing</p> <p>This measure is not CSR relevant but it aims to address one of the three pillars of the 2019 Annual Growth Survey – 'Delivering high-quality investment and targeting investment gaps in research and innovation, in education, training and skills and infrastructure'.</p>	<p>Until the end of February 2019, applications from 7 companies were received. Of these, 4 were approved and 1 is still being evaluated. Of the approved 4 projects, one applicant declined the aid (after it was approved). The total committed value amounts to €500,000.</p>
	<p>Regeneration of Zones Not Traditionally Considered Touristic</p> <p>The regeneration plan for Birzebbuga has been completed. The projects that will be implemented under this regeneration plan are:</p> <ol style="list-style-type: none"> 1. the Skate Park, which will be co-financed by the Ministry for Tourism and the President's Trust; 2. the regeneration of Wied il-Buni area, which includes 3 main projects to be carried out in a phased approach: <ol style="list-style-type: none"> i) building of a multi-storey carpark financed by Malta Freeport Corporation; ii) regeneration of the promenade area financed by the Ministry for Tourism; and iii) construction of a public garden financed by the Freeport Terminals. <p>The regeneration plan for Xemxija is ongoing. The Government is currently addressing comments received from the Environment and Resources Authority on the submitted Environment Impact Assessment and scheduling meetings with the statutory consultees in the planning process, to ensure that any issues are addressed prior to a decision on the planning application.</p> <p>Status: On Track</p> <p>This measure is not CSR relevant.</p>	<p>This measure will improve the tourism product in non-touristic zones with the objective of dispersing visitors and hence addressing overcrowding issues in tourism hotspots.</p>
	<p>Home-Porting Activity in Malta</p> <p>In line with the National Tourism Policy 2015-2020, the Government introduced this measure in an effort to increase home-porting of cruise ships as a means of attracting additional inflows of tourists from different markets. The intention is to convert a number of day-trippers into tourists by enticing visitors who start and end a cruise on the Maltese Islands to extend their stay within the destination. It also helps to sustain a number of airline routes by generating an additional stream of passengers to boost yield and airline load factors.</p> <p>Status: Completed and ongoing</p> <p>This measure is not CSR relevant.</p>	<p>TUI Mein Schiff and P&O cruises are using Malta as their homeport whilst Saga Holidays and Seabourne Cruises started turnarounds from Malta. In 2019, expected capacity with P&O cruises and TUI Mein Schiff has been maintained and surpassed and will be adding circa 1,900 home-porting passengers a week between April and October.</p> <p>TUI has deployed a new ship home-porting in Malta throughout this summer. Cruises will be starting in Malta every Monday with a vessel capacity of 1,900 berths. Home-porting passenger numbers are expected to increase significantly in 2019, while total cruise passengers in 2019 are forecast to reach 850,000.</p>
	<p>Implementation of a Second Submarine Fibre Optic Cable between Malta and Gozo</p> <p>A call for tenders CT 2292/2017 "Implementation of a new end-to-end Submarine Fibre Optic Link between Malta and Gozo" was published and bids were received till early March 2018. The tender award process was delayed in view of an objection filed by one of the bidders. The appeal process, which ended in early January 2019, was unsuccessful for the objecting bidder and currently feedback is being awaited from the winning bidder.</p> <p>Status: Delayed</p> <p>This measure is not CSR relevant, but it aims to address one of the three pillars of the 2019 Annual Growth Survey – 'Delivering high-quality investment and targeting investment gaps in research and innovation, in education, training and skills and infrastructure'.</p>	<p>This measure will provide adequate resiliency in digital inter-island connectivity through a sound and reliable digital infrastructure, hence removing dependency on the existing, single fibre optic connection. Therefore, economic activity in Gozo would increase and in turn enable better investment promotion of the sister island.</p> <p>In the long run, it would positively impact the employment target through increasing the number of new activities and new jobs created in Gozo.</p>
	<p>Business Inspections Reform – Coordination of Inspections</p> <p>In 2018, the Inspections Coordination Office (ICO) issued and awarded the tender for an Information System. The contract was signed on 5 September 2018 and the delivery is segmented into three phases. By September 2019, the supplier shall deliver Phase 1 of the solution, which consists of entire solution functionality, i.e. the workflows and</p>	<p>One of Government's key commitments is the reduction of bureaucracy and the simplification of administrative processes. Through this measure, it is expected that compliance increases through:</p>

	<p>business requirements. Also, in September 2019, the supplier shall commence the work for Phase 2 of the Information System, which comprises the refinement of the solution.</p> <p>Following the success of launching the pilot project for a number of businesses in 2018 (fishmongers, hairdressers, beauticians, garden centres, bakeries, pharmacies, tattoo artists, zoos, boarding kennels, grocers, farms (calves) and confectioneries), in 2019 the ICO plans to roll out the reform in elderly homes, wholesalers, greengrocers, farms, slaughterhouses, meat/poultry processing plants, acupuncture clinics, physiotherapy clinics, podiatry clinics, body piercing studios, semi-permanent makeup studios and radiology clinics.</p> <p>For every business launched, the ICO is inviting the business operators for an information session. This initiative is in line with the principle to focus more on education and communication with the business operators.</p> <p>The ICO shall publish a call for quotes for the provision of tablet devices. The devices will be used by the inspectors to perform the inspections once the Information System is live.</p> <p>Status: On Track</p> <p>This measure is not CSR relevant, but it aims to address one of the three pillars of the 2019 Annual Growth Survey – 'Focusing on reforms that increase productivity growth, inclusiveness and institutional quality'.</p>	<ul style="list-style-type: none"> • Having empowered businesses through the provision of updated amalgamated pre-assessment checklists whereby the business operator would be able to carry out a self-assessment exercise and regularise oneself prior to inspections. A compliance-promotion initiative set up by the office will further augment the business to achieve high level of compliance across all sectors. • Future inspections will be based on risk-assessments and targeted to reduce the burden on the business operators through the reduction of overlaps, data sharing amongst interested inspectorates and improved work processes such as joint inspections. • Updated pre-assessment checklist and advice will be issued through a single point of reference together with consistent feedback to business operators thus enhancing transparency in the business process. Standardisation of work processes and reporting further enhances the integrity of inspections.
	<p>New Facilities at the Government Experimental Farm for the Agricultural and Fishing Sector</p> <p>There has been an upgrade at the animal welfare area and an animal ambulance has also been procured.</p> <p>Government intends to develop some facilities within the boundaries of the Experimental Farm at Xewkija, namely a laboratory; a petting farm, a butterfly enclosure and a dog park; an animal clinic; and a food and vegetable grading and packaging centre.</p> <p>As at end of January 2019, a Planning Authority application for the food and vegetable grading and packaging centre has been submitted.</p> <p>Status: On Track</p> <p>This measure is not CSR relevant.</p>	<p>This measure will increase the facilities to protect local species and educate the general public on the endemic flora and fauna. It will also provide a new recreational and open space for families, creating an interaction experience for children with farm animals and a park for dogs to exercise and play off-leash in a controlled environment under the supervision of their owners.</p>
	<p>Reorganisation of the Mġarr Marina to Increase Berthing Facilities for Fishermen</p> <p>The tender for the design, supply, delivery, storage, installation, testing and commissioning of new demountable pontoon systems at the fishing port of Mġarr has been awarded and works have commenced.</p> <p>Another tender for quay consolidation and dredging works at the Mġarr fishing port has also been awarded and the contract was signed.</p> <p>Status: On Track</p> <p>This measure is not CSR relevant, but it aims to address one of the three pillars of the 2019 Annual Growth Survey – 'Delivering high-quality investment and targeting investment gaps in research and innovation, in education, training and skills and infrastructure'.</p>	<p>This measure will reinforce existing infrastructure and increase capacity for fishing vessels.</p>
	<p>Financial Incentives for the Audio-visual Industry</p> <p>The relevant Legal Notices for the Financial Incentives Schemes were approved and shall be published shortly.</p> <p>Status: Completed and ongoing</p> <p>This measure is not CSR relevant.</p>	<p>The financial incentives are being constantly fine-tuned to increase competitiveness and further develop the industry.</p> <p>During 2018, 11 productions applied for financial incentives (includes one ad-hoc aid measure).</p>
New/updated Euro Plus Pact commitments		
<p>Euro Plus Pact Commitments</p>	<p>Setting up of the National Productivity Board within the Malta Council for Economic and Social Development (MCESD)</p> <p>The MCESD is the national entity entrusted with social dialogue in Malta with a remit to serve as an advisory and consultative body to Government. It is composed of the main actors in social dialogue at the national level and extends its representation through committees and working groups focusing on specific issues. In March 2018, the Minister for Finance invited the MCESD to set up the National Productivity Board within its remit of activities, within the context of Council Recommendation (2016/C 349/01).</p> <p>The legal framework that will establish the National Productivity Board is being developed. This will be followed by the appointment of members on the Board, as per the procedures that would be prescribed by the legal framework. Once the Board is set up, its work will be geared towards the monitoring and assessment of national competitiveness and related policies, with the first target being the publication of the National Competitiveness Report by the close of the third quarter of 2019.</p>	<p>The National Productivity Board will be set up within MCESD with the scope of analysing developments and policies in the field of productivity and competitiveness and advising the Government accordingly, in line with Council Recommendation (2016/C 349/01). The Board will also publish the annual National Competitiveness Report and other ad hoc reports which would assess and analyse developments in productivity and competitiveness and their drivers, as well as policies implemented in this field. It will also carry out outreach activities in order to keep productivity under the spotlight in the national debate.</p>
	<p>Review of the Eco-contribution on Accommodation Collection Processes</p>	

	This measure involves the analysis of the current eco-contribution on accommodation collection processes in order to put forward for Government's consideration, proposals of possible new and more efficient and effective arrangements for the collection of environmental contributions.	The aim is to improve Government revenues from eco-contributions and simpler collection processes for operators. Funds from eco-contributions from touristic accommodation are re-invested in the development of touristic projects.
	Fintech Accelerator Program The Fintech Accelerator Programme will offer affordable facilities and services to start-up fintech companies for as long as it takes for these companies to find their own offices and build their own infrastructure.	The impact of this programme is to capitalise on Malta's growing prominence as a global hub for crypto and block chain innovation.
	5G Feasibility Study Preparations are underway so as to facilitate the introduction of innovative communication technologies, especially 5G. During 2019, the Malta Communications Authority (MCA) will be launching a feasibility study and eventually publishing an Expression of Interest in order to identify interest in 5G and its use cases. Subject to the interest and demand registered by the market in response to the published Expression of Interest, testing of the selected projects is envisaged to start in Q4 2019, with the Authority regularly monitoring such projects.	Pre-commercial testing will pave the way for the commercial use of 5G technology and new and innovative services in various sectors. 5G technology will facilitate new services/applications that will become possible via the very high speed and low latency experienced
New/Updated Measures to address growth bottlenecks and economic imbalances		
Measures to address growth bottlenecks and economic imbalances	Family Business Transfer Guarantee Scheme The scheme is designed to enhance access to bank credit in respect of family business transfers to the next generation within the family. Under this Scheme, the Malta Development Bank (MDB) will provide a guarantee to the financial intermediary in respect of a loan portfolio of up to €10 million, with the MDB guarantee capped at €4 million. The MDB will guarantee 80% of each eligible transaction, subject to the capping of 50% on the guaranteed amount of the portfolio. The intermediary bank intends to launch this scheme in early 2019 and it is intended to run until early 2022.	It is estimated that only a small proportion of family businesses in Malta manage to survive in the longer term. For instance, only 12% of family businesses manage to transfer to the fourth generation. To date, banks have often been reluctant to provide credit for family business transfers because such transactions were perceived to add debt rather than value to such businesses. The Family Business Transfer Guarantee Scheme should enable more family businesses to transfer their businesses, thereby ensuring continuity, stability and further growth in future of such businesses – which in Malta constitute a significant segment of the SME sector. This Loan Guarantee scheme will complement the fiscal incentives offered by the Government in terms of the Family Business Act 2016.
	Offset of Payments The Ministry for Finance will be launching a new Offsetting Procedure between payments due by Government to a private business and payments owed to Government by the same private business. The Offsetting Procedure will be applied on a voluntary basis through an Offsetting Procedure Application Form. In the process, there will be four parties involved: the supplier, the debtor department, the creditor department and the offsetting section within the Budget Finance Directorate, Ministry for Finance. A minimum threshold above which such offsetting will apply has also been set whereby instead of departments paying their invoices, these may offset by amounts due by the same suppliers to Government. The transaction will be reflected in the Government's accounts by means of a transfer schedule.	This measure will help to reduce the administrative burden of those private companies which are in business with the Government by selling goods or providing a service.
	Strengthening the Electricity Distribution through the Extension and Work on various Distribution Centres Due to existing load/demand and projected increase through new developments, Enemalta is strengthening its electricity distribution through the extension and work on various distribution centres, including the ones in Paceville, Marsascala, Tarxien and Kappara. Works on the Paceville and Marsascala distribution centres are estimated to commence in the weeks to come. It is envisaged that works on the latter are finalised by November 2019, whilst works on the former should be finalised by October 2020. Works on this Tarxien distribution centre should commence by September 2019 and are envisaged to be finalised by December 2020. Works on the Kappara distribution centre were finalised in December 2018.	This measure will better fulfil the higher demand for electricity in order to address the population growth in the mentioned locations.
	Upgrading of the Aquaculture Research Unit The aim of this measure is to upgrade and modernise the equipment and facilities of this Unit in order to help achieve the goals under the Aquaculture Strategy for the Maltese Islands.	Apart from achieving the said goals, this upgrade shall lead to improved research results.
	The Marsaxlokk Regeneration Project The Marsaxlokk Regeneration Project involves the launch of works related with the upgrading and enhancement of the areas known as the "Closed Area" and "Fisherman's Wharf".	Marsaxlokk should become more attractive and sustainable with reduced air pollution as a result of the dismantling of the Delimara chimney, and hence present a better touristic package.
	Paceville Landscaping Programme This measure shall address the major issues experienced in Paceville as well as formulate feasible solutions and implement them by coordinating all the stakeholders, both from the private and public sector, for the benefit of the local, business and touristic communities in the area.	The programme's implementation shall contribute to an improved touristic product of the area including also the wellbeing of residents and visitors.
	Promotion of Agribusiness One of the measures identified in the National Agricultural Policy is the promotion of agribusiness in order to attract young farmers. In this regard, the Ministry for the Environment, Sustainable Development and Climate Change (MESDC) will seek to establish a working Memorandum of Understanding with the Ministry for Education and Employment (MEDE) so as to allow the use of the experimental facilities in Għammieri by secondary school students who take up agribusiness as a vocational subject. The Ministry, through its Diversification and Competitiveness Directorate (DCD) within the Rural Development Department (RDD), is also seeking to be present in secondary schools during students' choice of subjects (vocational).	Despite the fact that farming does not contribute greatly to either economic growth or jobs, Government is keen to restructure this sector to be more profitable, and therefore, more likely to attract young farmers who can start looking at concepts of agribusiness and not just farming in the traditional way.

	<p>Occasional meetings are also envisaged to be held with young farmers so that they are given hands-on practice on the usage of innovative techniques in agriculture.</p> <p>Depending on the outcome of discussions with farmers, the Ministry will also explore the possibility of inviting the said farmers to attend credits at the Malta College of Arts, Science and Technology (MCAST) to instil more interest in this farming concept.</p>	
	<p>Preparation of a Construction and Demolition Waste Strategy for Malta</p> <p>The Construction and Demolition Waste Strategy for Malta shall aim to identify options for the management of waste arising from construction and demolition activities by primarily addressing the current issues within the sector as well as highlighting the possible short-term and long-term measures to be adopted, with a view to shifting the treatment of such waste from backfilling to the re-use and recycling.</p>	<p>The Strategy will address the bottlenecks being faced in the construction industry with respect to tackling the large volumes of construction and demolition waste generated.</p>
	<p>SME Village</p> <p>Government is maintaining a strong pro-business focus and is further investing in the creation of an SME Village in Gozo which will complement, and fill gaps, which are not addressed by other interventions being carried out by Governmental entities, thus enabling SMEs in Gozo to continue to develop and expand.</p>	<p>This measure will provide SMEs with the necessary space and greater flexibility to operate from Gozo. It will also promote economies of scale through clustering. This will provide SMEs with the opportunity to develop innovative synergies by working together hence increasing their competitiveness.</p> <p>Indirectly, this measure would lead to the optimisation in the usage of a currently unused area close to an industrial estate and create further employment.</p>
	<p>Xlendi Masterplan</p> <p>This masterplan involves the general upgrade of the coastal resort of Xlendi.</p>	<p>The regeneration of Xlendi will result in an improvement of one of Gozo's main touristic areas which has distinct characteristics from mainland Malta.</p>
	<p>Modernisation of the Santa Venera, Hal Kirkop and Regional Road Tunnels</p> <p>This measure involves the overall modernisation of the Santa Venera, Hal Kirkop and Regional Road tunnels. The tunnels will be made safer for the general public due to several works that will be undertaken related to enhanced lighting, introduction of emergency lighting and equipment and a system of fire hydrants among others. The tunnels will also have an aesthetical upgrade in the internal areas and at the tunnel portals.</p>	<p>The localised repair works and general maintenance works on the structures will avoid the propagation of damages in the tunnel and ensure that the same structures are fit for their intended use.</p>

National Employment Policy		
Main commitments under the National Employment Policy	Foreseen main measures and indication on whether they are CSR relevant	The estimated impacts of the measures (qualitative and/or quantitative)
Work Exposure	The general target for the Work Exposure Scheme through the duration of the ESF Project is to place 1,030 persons who are not in education, employment or training (NEETs). These persons are expected to benefit from work exposure for a duration of 12 weeks. The annual target for the years 2016, 2017 and 2018 was to place 690 trainees (230 trainees per year).	The running of the Work Exposure Scheme which is part-financed by the European Social Funds, has continued in 2016, 2017 and 2018, From January 2016 until end of December 2018, Jobsplus has placed 768 (unique) trainees. 545 trainees have already completed the scheme, 4 are still attending, 180 dropped out, while the remaining 39 participants opted not to participate in the scheme.
Work Programme	The private sector and Jobsplus are working together to help the long-term unemployed and inactive persons to re-enter the labour market.	1,550 people have signed the Work Programme contract.
Access to Employment (A2E) Scheme	Employment-related subsidies are given to employers who recruit disadvantaged, severely disadvantaged or registered disabled persons.	As at end 2018, the A2E Unit received 1,505 applications for 1,623 participants of which a total of 1,058 (i.e. 1,026 unique participants) were still on the Scheme. The cumulative total amount of grants contracted to date is of €8,561,817.03, although the amount still valid owing to premature termination of employment, is of € 6,663,801.36.