

B'Għaqal u B'Serjetà Biss Nirbħu l-Maltemp



Ministeru tal-Finanzi,
l-Ekonomija u Investiment

The world's economy

Real GDP

Member State	2010 Actual	2011 Projected	2012 Projected	Member State	2010 Actual	2011 Projected	2012 Projected
EU27	1.6	1.6	0.6	Ireland	-0.6	1.1	1.1
EA17	-	1.5	0.5	Italy	1.1	0.5	0.1
				Latvia	0.4	4.5	2.5
Austria	2.0	2.0	0.9	Lithuania	3.1	6.1	3.4
Belgium	1.4	2.2	0.9	Luxembourg	0.8	1.6	1.0
Bulgaria	0.8	2.2	2.3	Malta	2.2	2.1	1.3
Cyprus	0.7	0.3	0.0	Netherlands	1.2	1.8	0.5
Czech Republic	2.5	1.8	0.7	Poland	3.9	2.4	2.8
Denmark	1.3	1.2	1.4	Portugal	1.3	-1.9	-3.0
Estonia	2.3	8.0	3.2	Romania	-1.7	2.1	3.4
Finland	3.2	3.1	1.4	Slovenia	4.0	2.9	1.1
France	0.9	1.6	0.6	Slovakia	1.0	1.1	1.0
Germany	3.8	2.9	0.8	Spain	-0.4	0.7	0.7
Greece	-3.7	-5.5	-2.8	Sweden	4.7	4.0	1.4
Hungary	1.5	1.4	0.5	United Kingdom	1.4	0.7	0.6

Source: Eurostat

The world's economy

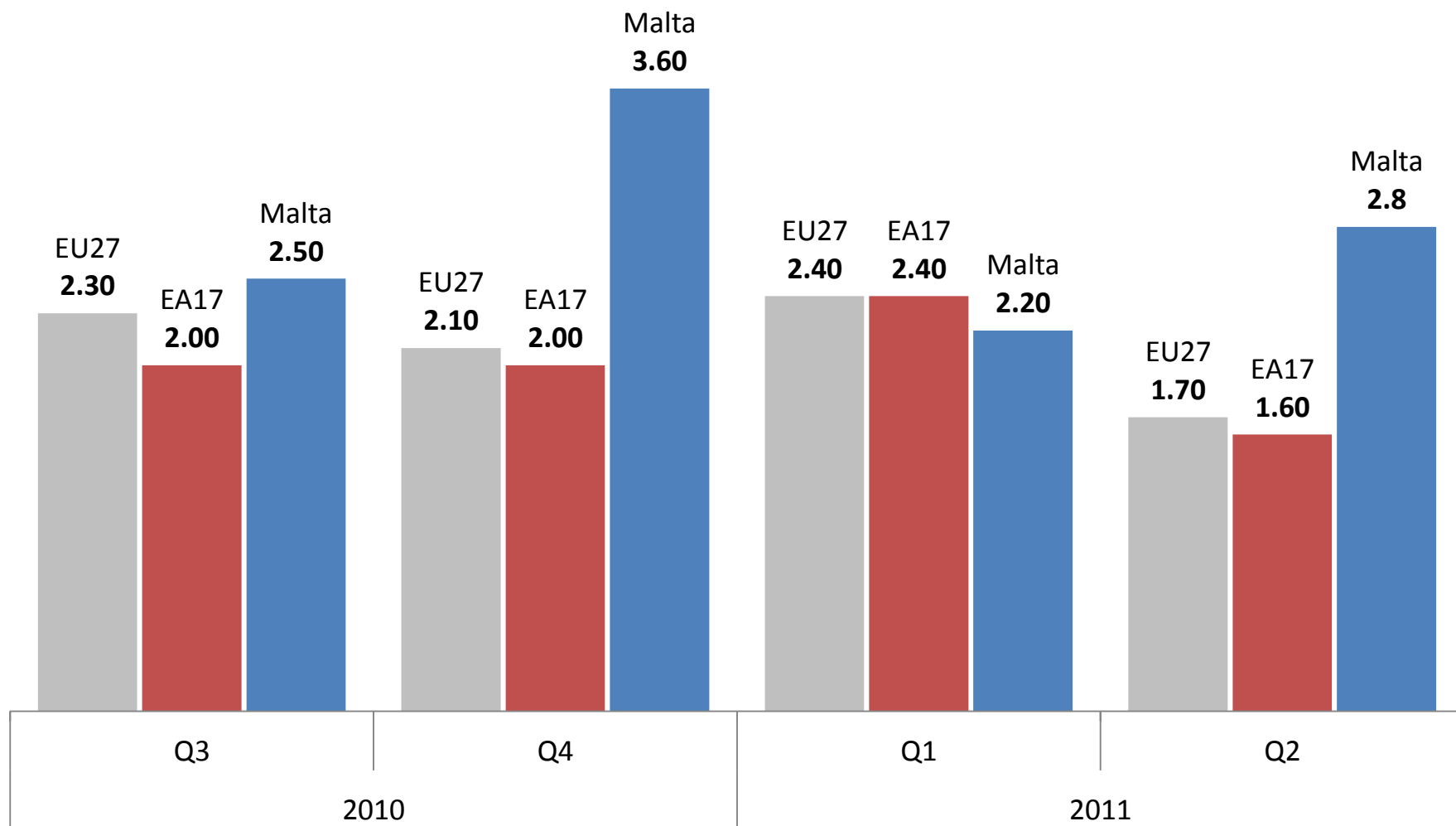
GDP increase as % of same quarter in the previous year

Member State	2010 Q3	2010 Q4	2011 Q1	2011 Q2	Member State	2010 Q3	2010 Q4	2011 Q1	2011 Q2
EU27	2.3	2.1	2.4	1.7	Ireland	0.1	-	-	-
EA17	2.0	2.0	2.4	1.6	Italy	1.4	1.5	1.0	0.8
					Latvia	2.6	3.5	3.4	5.7
Austria	2.8	3.3	3.9	4.1	Lithuania	1.6	4.6	6.8	6.2
Belgium	2.0	2.1	3.0	2.5	Luxembourg	2.3	5.7	4.9	-
Bulgaria	0.0	3.7	3.3	2.0	Malta	2.5	3.6	2.2	2.8
Cyprus	2.0	2.5	1.6	1.4	Netherlands	1.8	2.3	2.8	1.5
Czech Republic	2.6	2.7	2.8	2.4	Poland	4.6	3.9	4.4	4.5
Denmark	3.2	2.6	1.9	1.9	Portugal	1.2	1.0	-0.6	-0.9
Estonia	5.0	6.7	8.5	8.4	Romania	-2.1	-0.6	0.3	0.3
Finland	3.5	5.4	4.8	2.7	Slovenia	4.0	3.3	3.5	3.5
France	1.6	1.4	2.1	1.6	Slovakia	1.5	2.2	2.1	1.0
Germany	4.0	3.8	4.6	2.8	Spain	0.2	0.6	0.9	0.7
Greece	-4.1	-7.4	-5.5	-	Sweden	6.6	7.6	6.4	5.3
Hungary	2.4	2.4	1.6	1.2	United Kingdom	2.5	1.5	1.6	0.7

Source: Eurostat

The world's economy

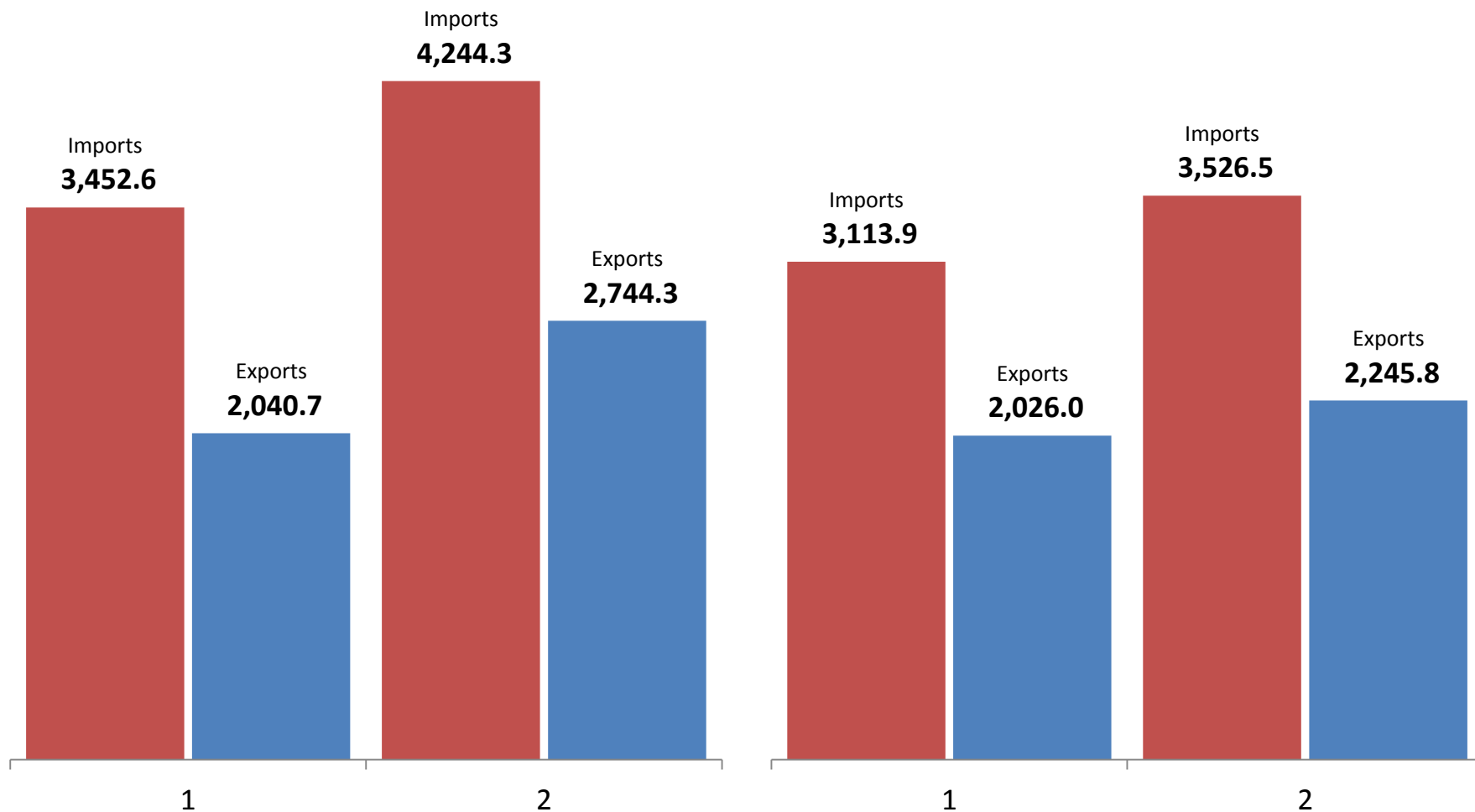
GDP increase as % of same quarter in the previous year



Source: Eurostat

International trade

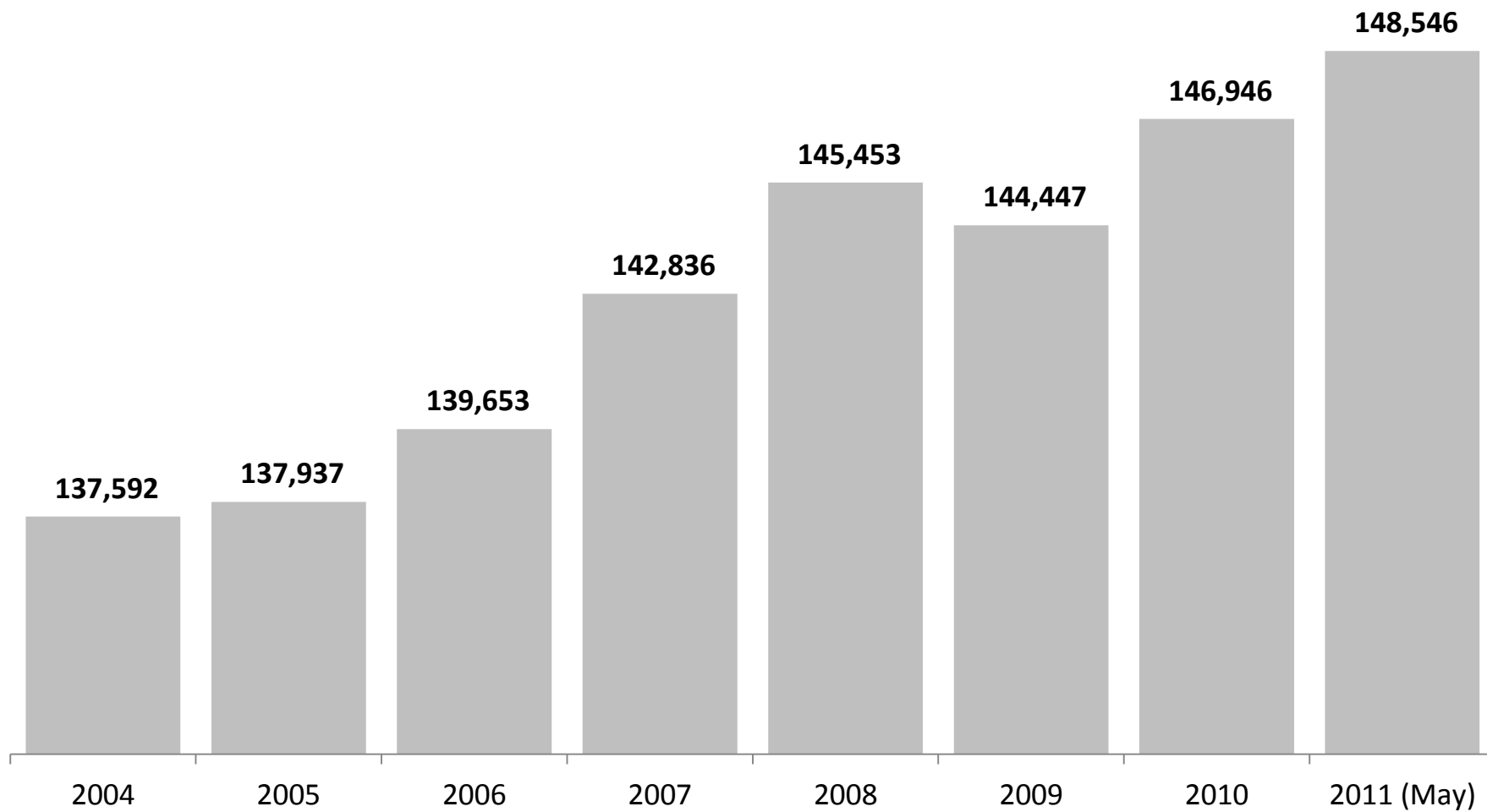
Imports and exports



Source: National Statistics Office – All figures in € '000,000

Employment

Gainfully occupied



Source: National Statistics Office

Employment

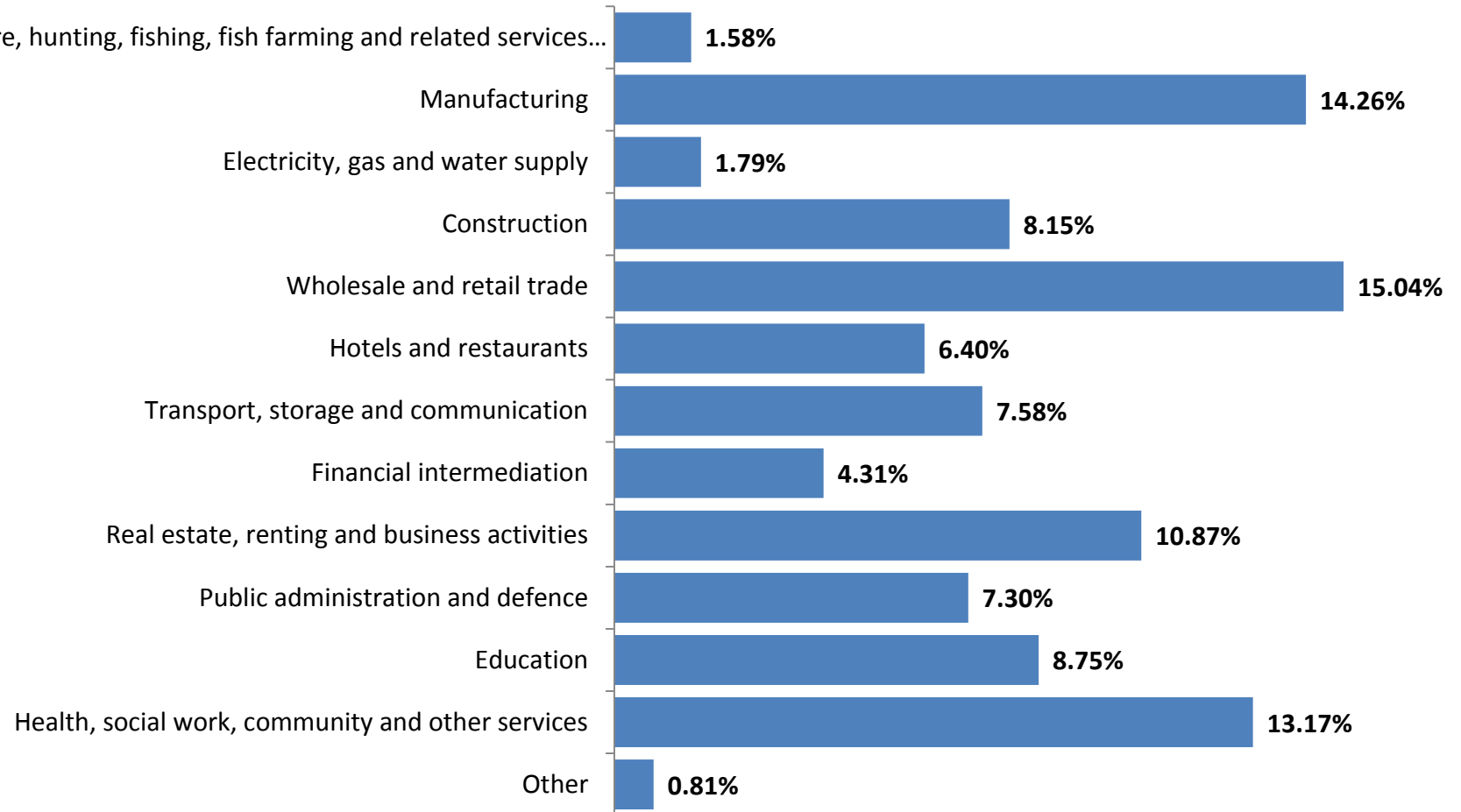
Gainfully occupied

Sector	2008 Ded	2009 Ded	2010 Ded	2011 May
Agriculture, hunting, fishing, fish farming and related services activities	3,006	2,355	2,365	2,348
Manufacturing	22,847	20,631	21,040	21,185
Electricity, gas and water supply	2,976	2,737	2,684	2,655
Construction	12,219	12,359	11,949	12,102
Wholesale and retail trade	21,891	22,282	22,358	22,337
Hotels and restaurants	10,132	9,339	9,310	9,501
Transport, storage and communication	11,088	11,109	11,270	11,266
Financial intermediation	5,629	6,097	6,300	6,407
Real estate, renting and business activities	13,498	14,444	15,813	16,144
Public administration and defence	10,870	11,023	10,742	10,840
Education	12,437	12,741	12,945	12,995
Health, social work, community and other services	17,481	18,100	18,949	19,563
Other	1,379	1,230	1,221	1,203
Total	145,453	144,447	146,946	148,546

Source: National Statistics Office

Employment

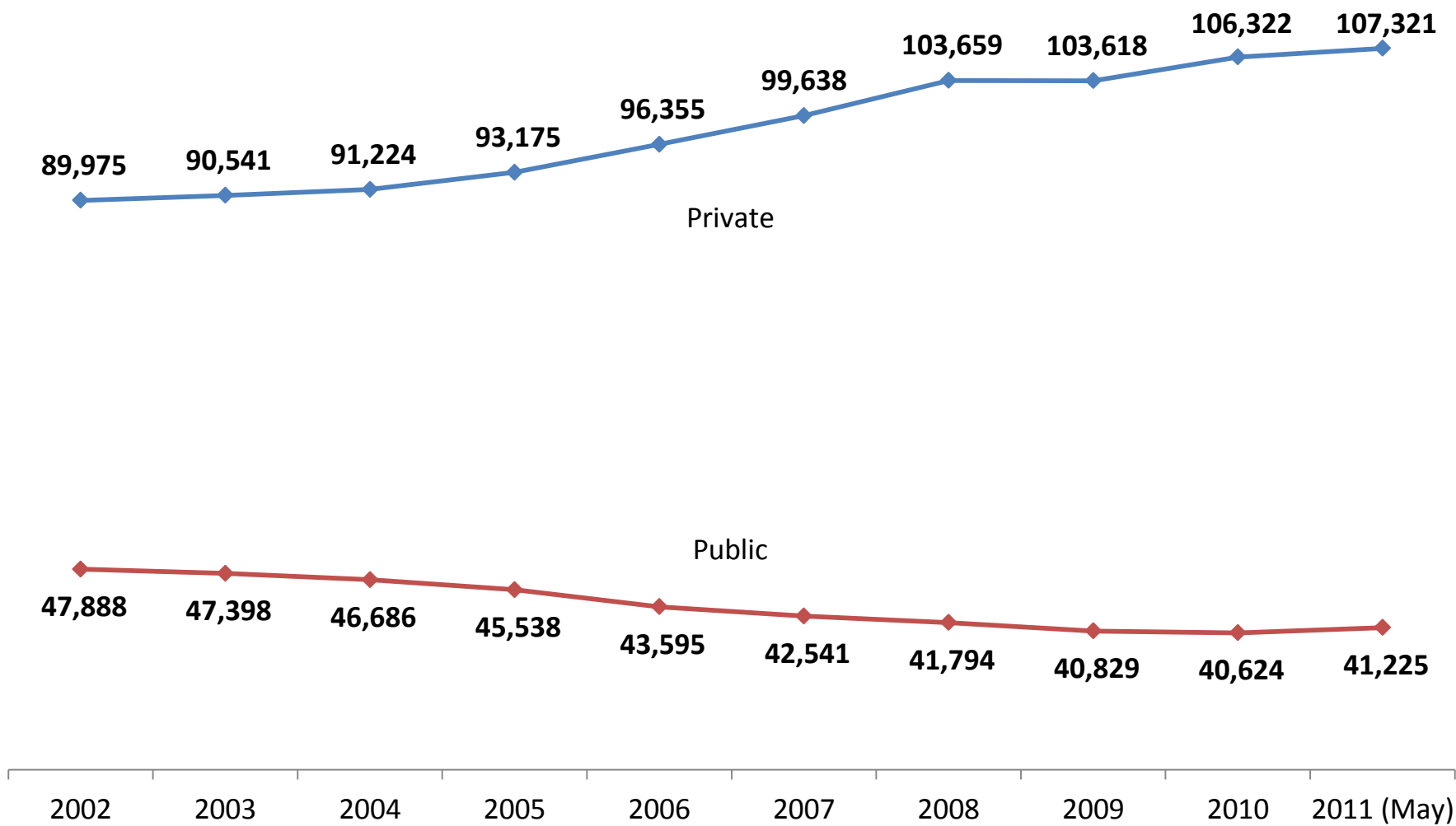
Gainfully occupied (May 2011)



Source: National Statistics Office

Employment generation

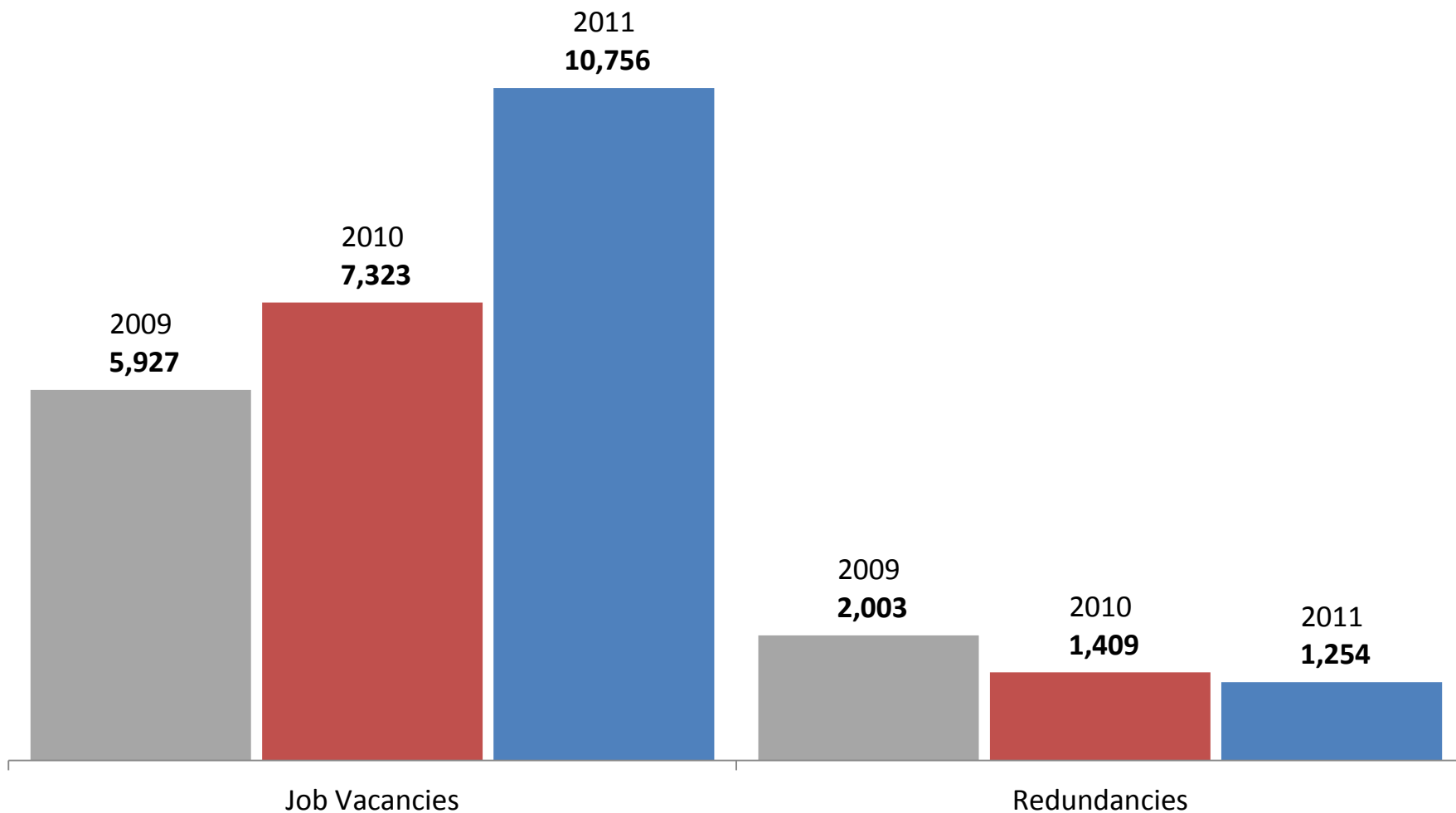
Private and public sectors



Source: National Statistics Office

Employment generation

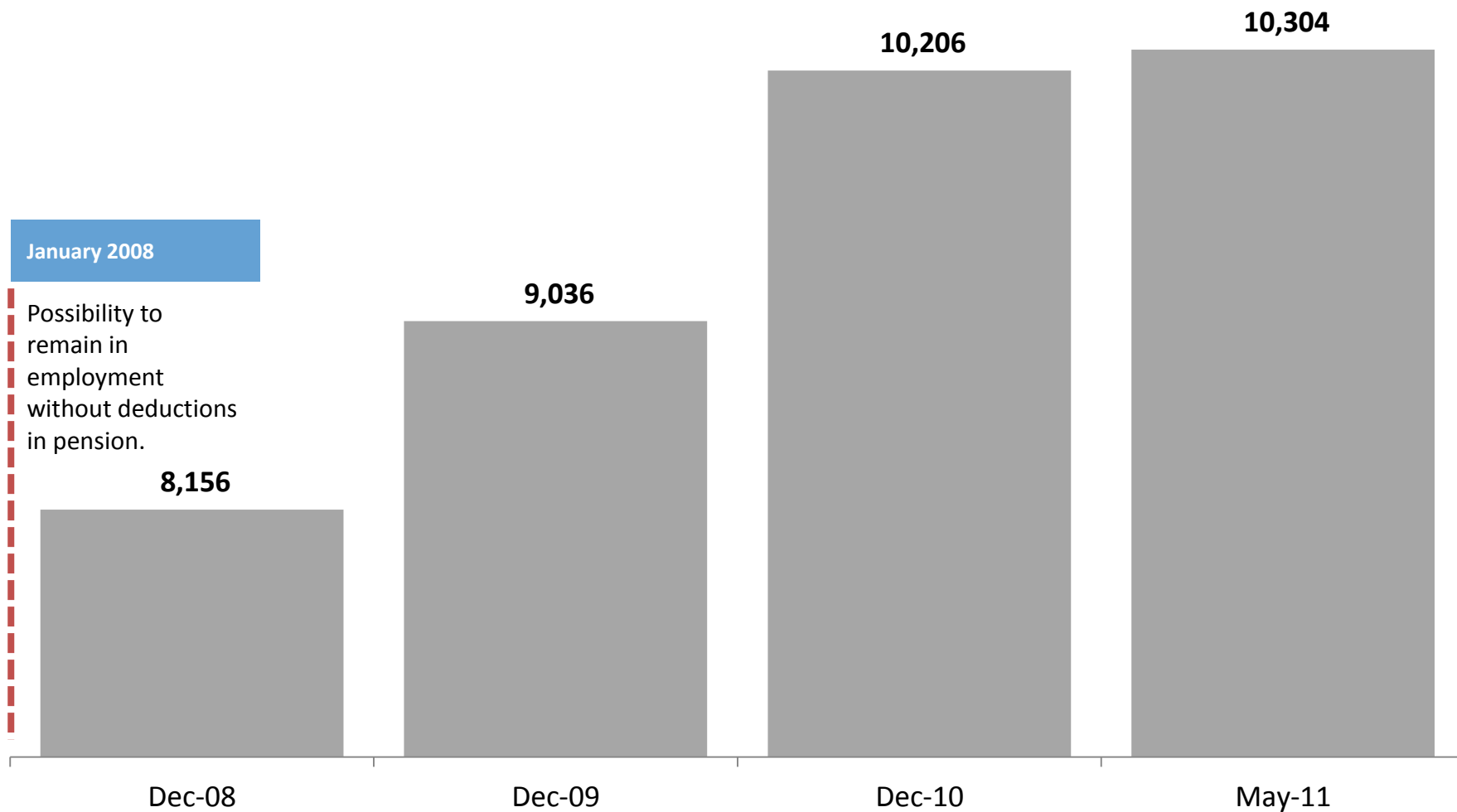
Vacancies and redundancies



Source: National Statistics Office

Employment generation

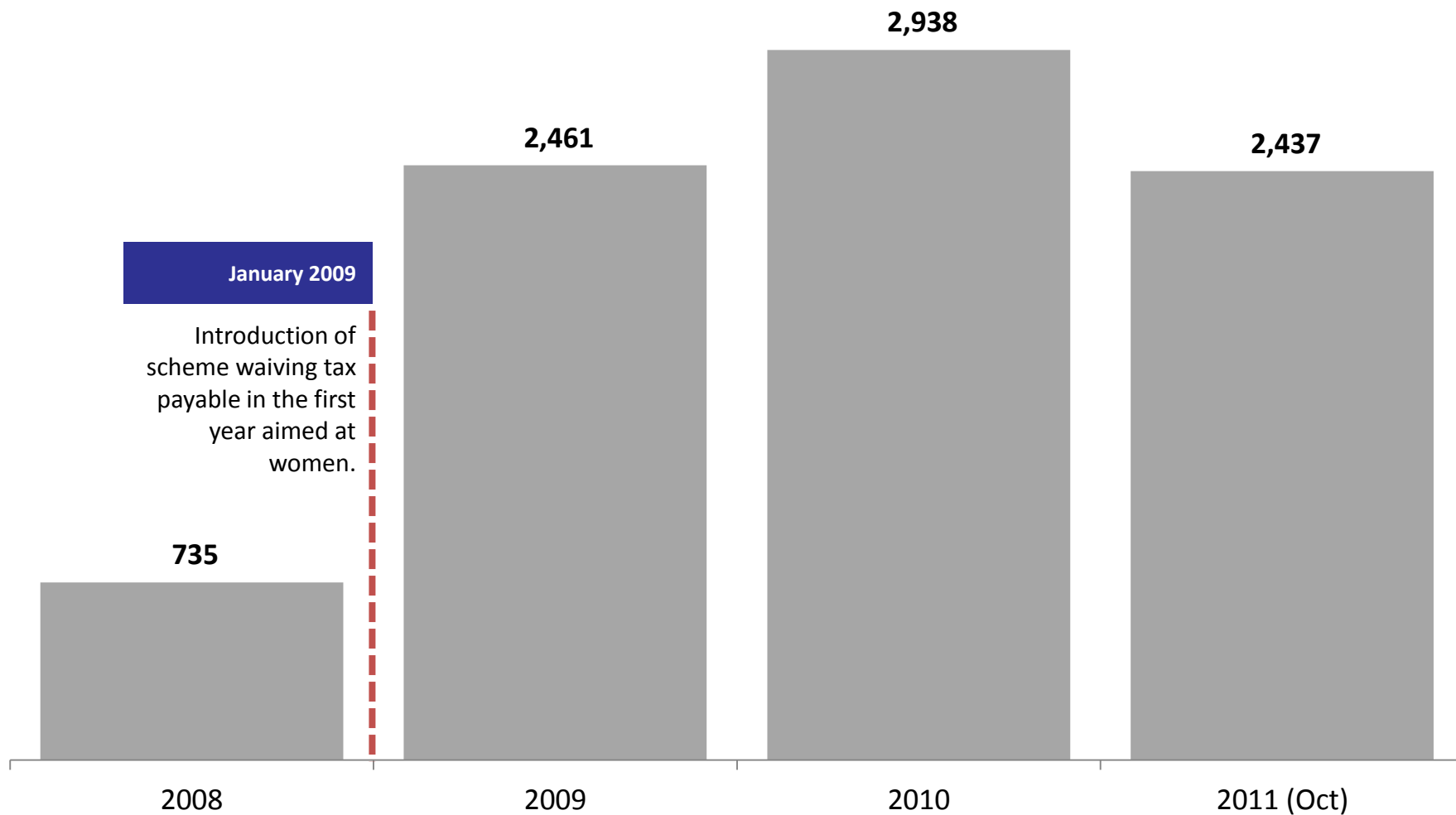
Persons still in employment at pensionable age



Source: National Statistics Office

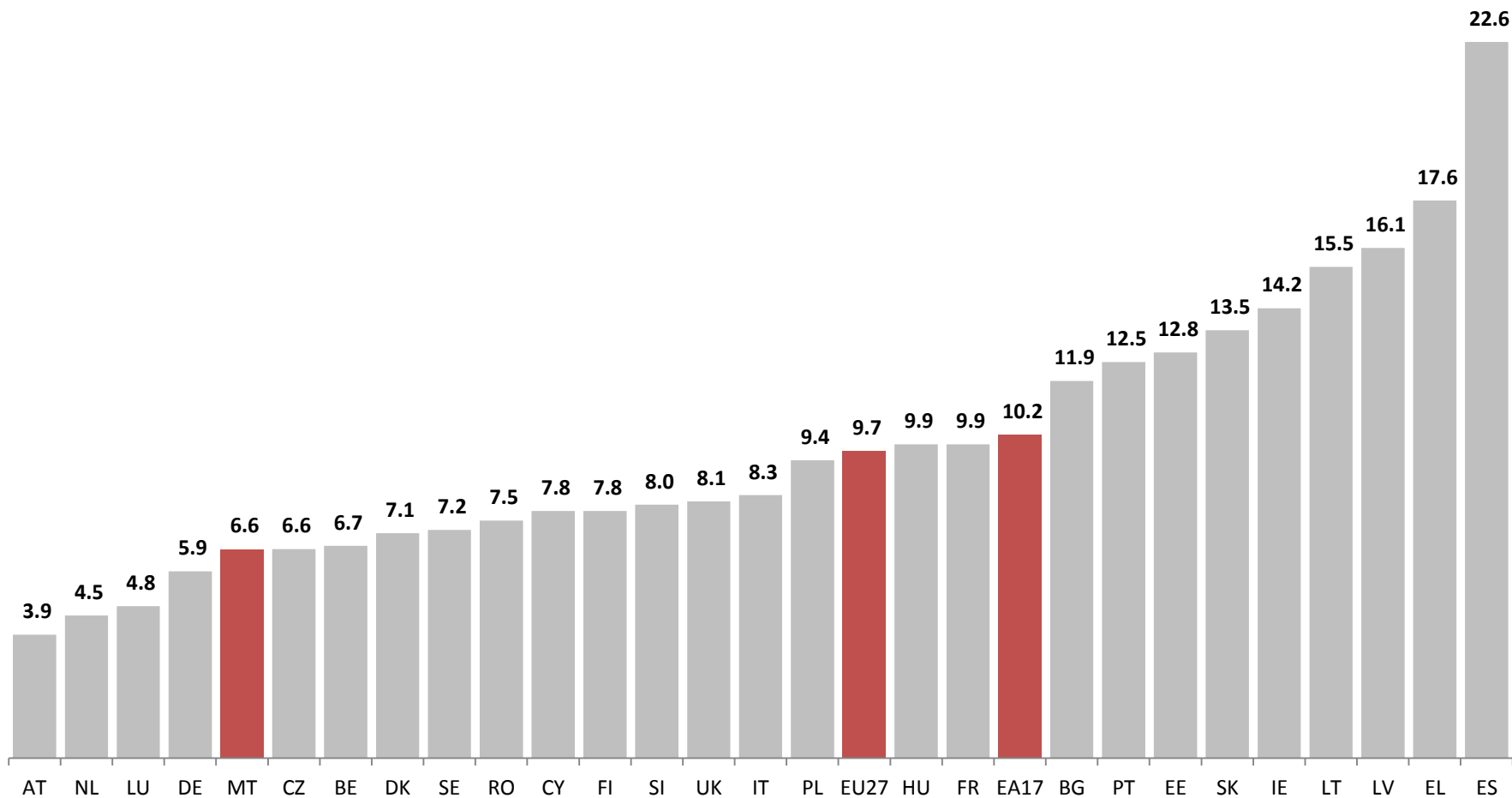
Employment generation

Women returning to work



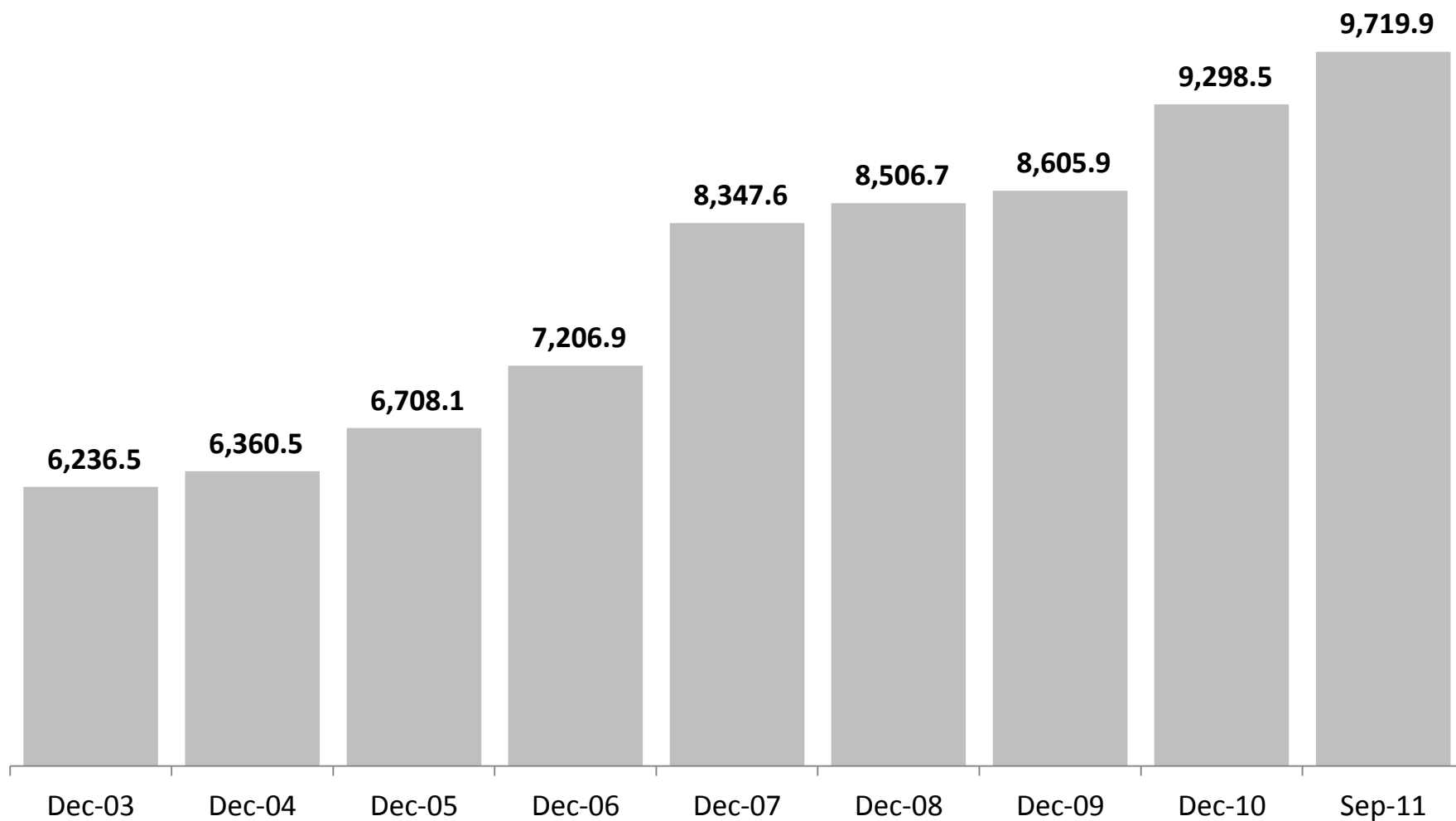
The world's economy

Unemployment rates



Source: Eurostat

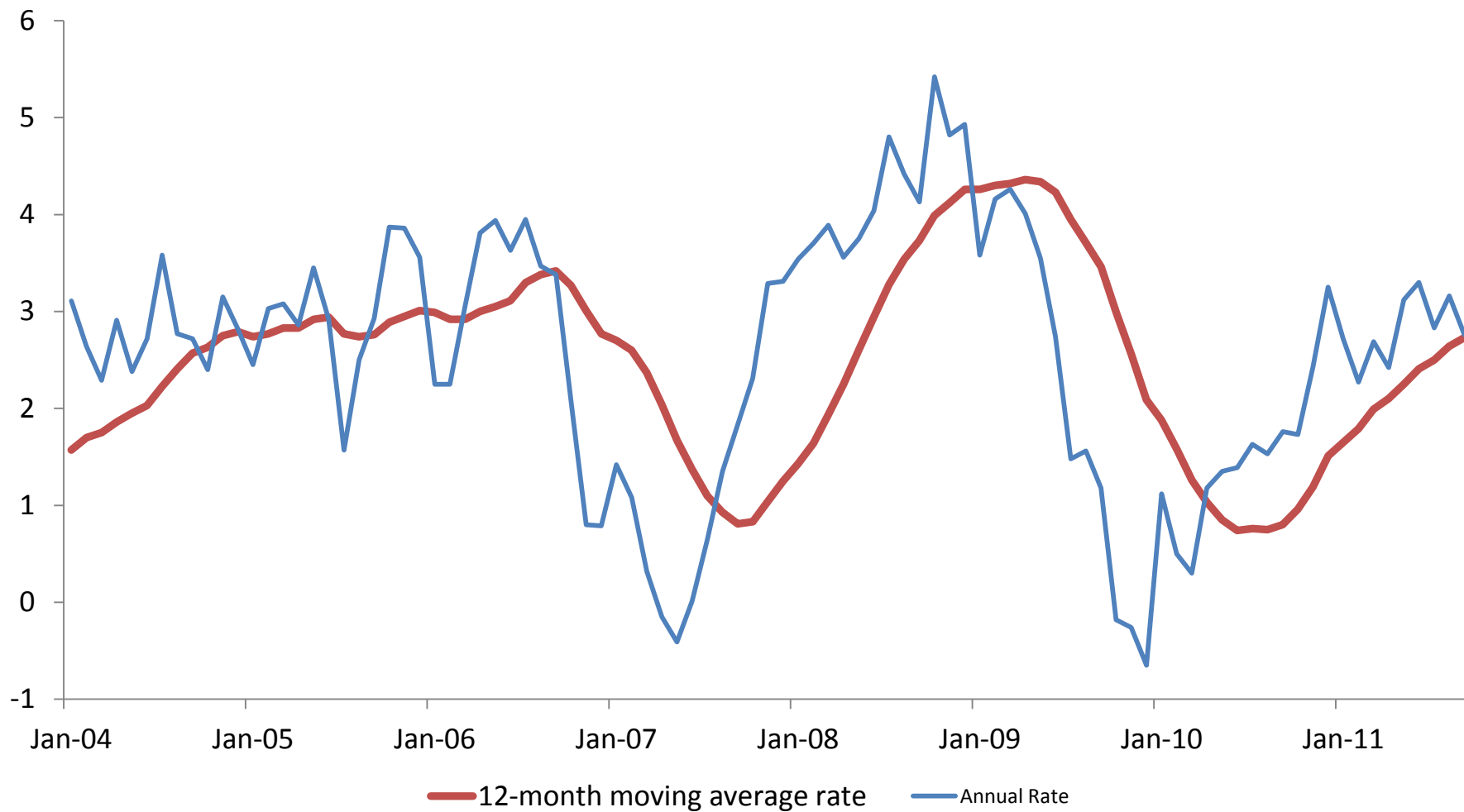
Cash in hand and deposits



Source: Central Bank of Malta – All figures in € '000,000

Inflation

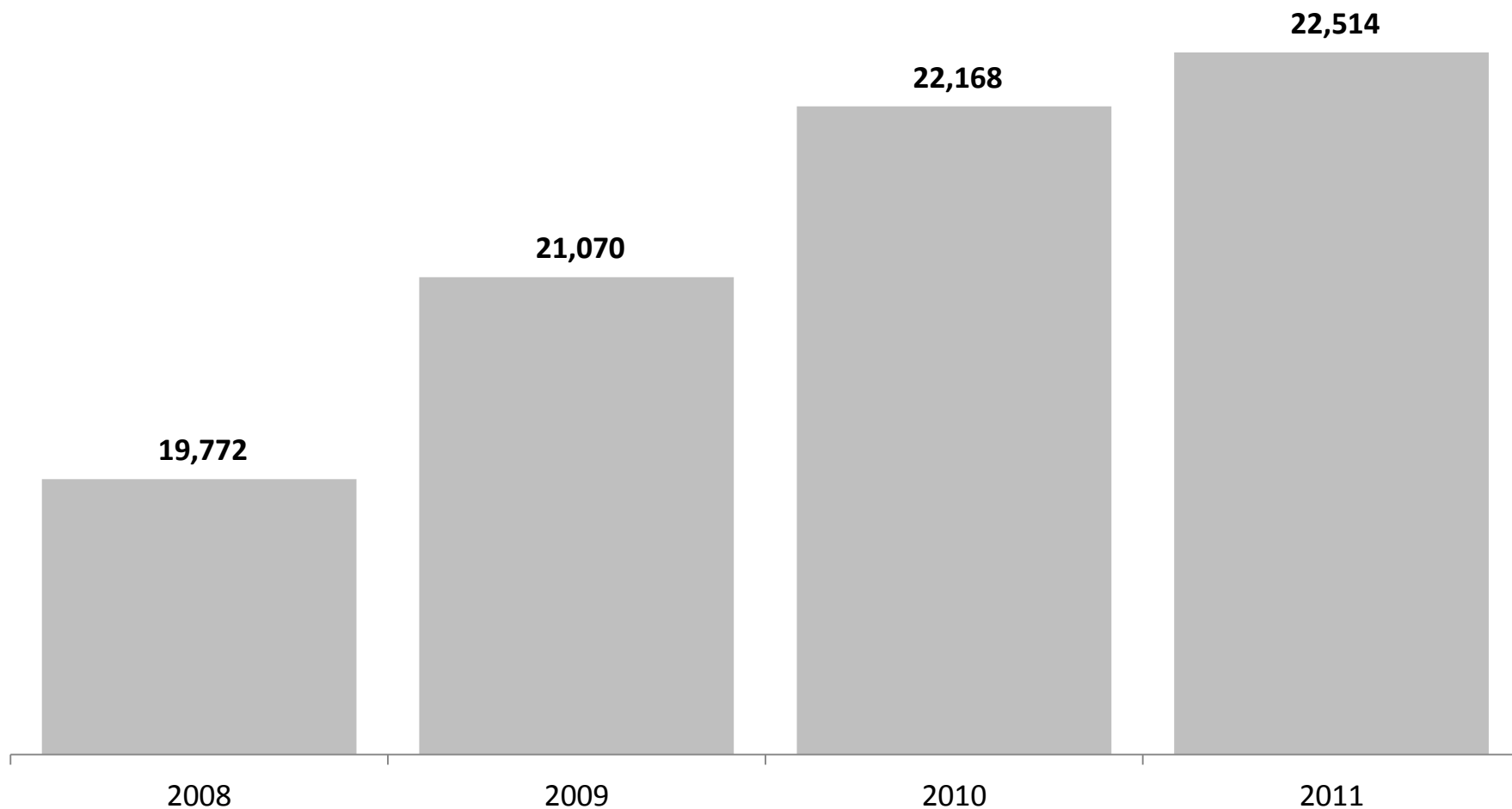
Retail price index



Source: National Statistics Office

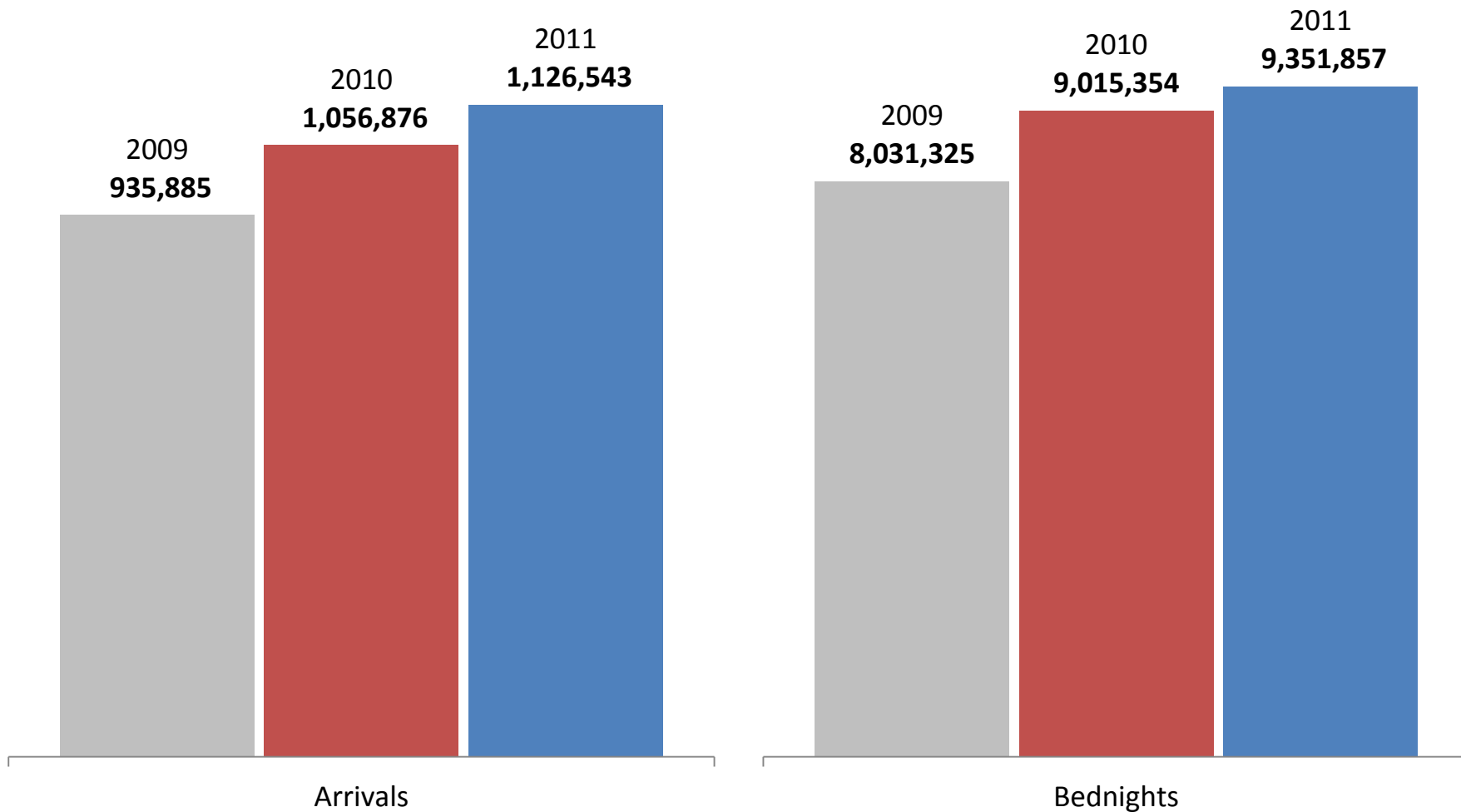
Students

Higher Secondary, Junior College, ITS, Mcast, University



Tourism

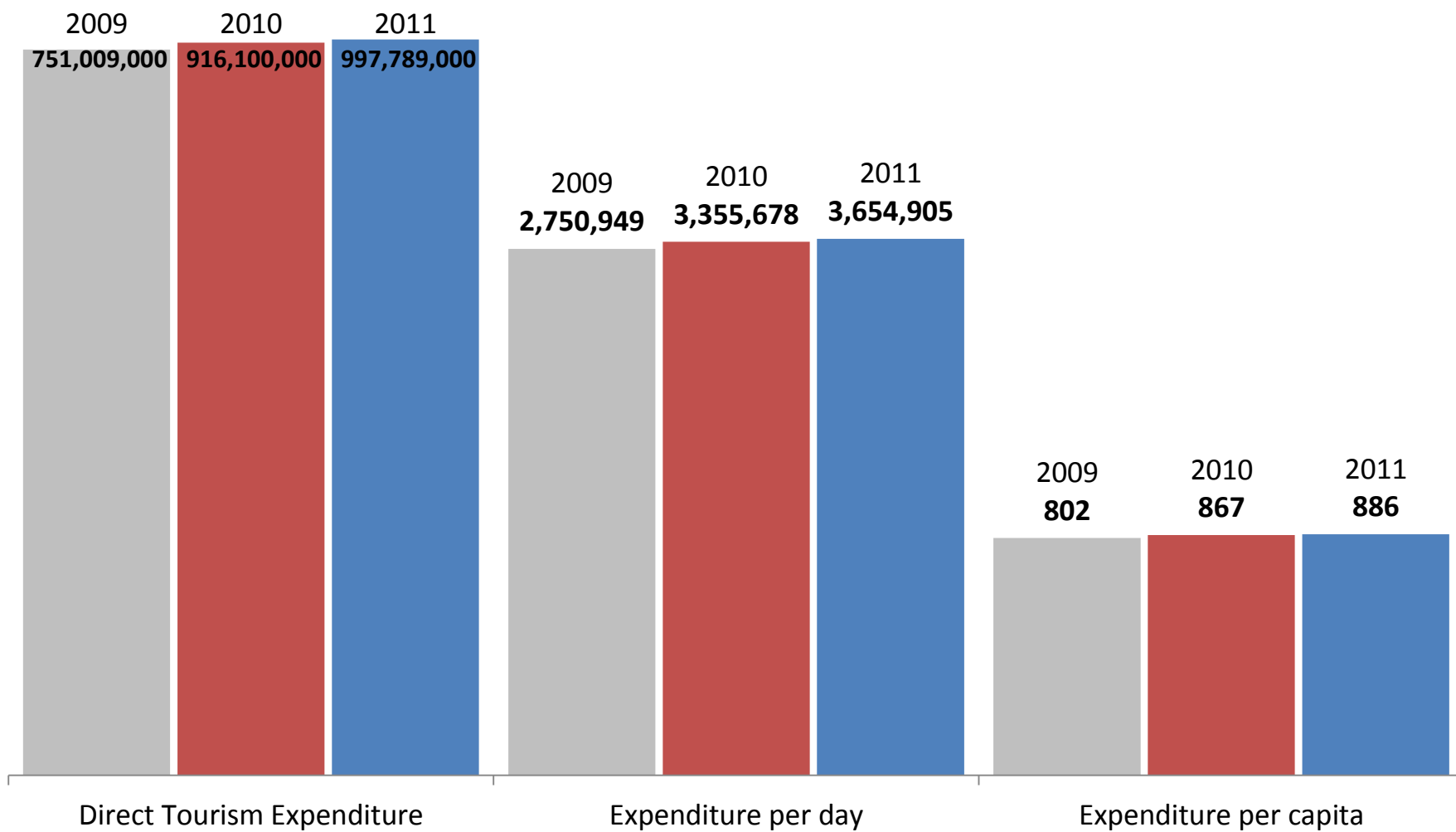
Arrivals and departures (January – September)



Source: National Statistics Office

Turizmu

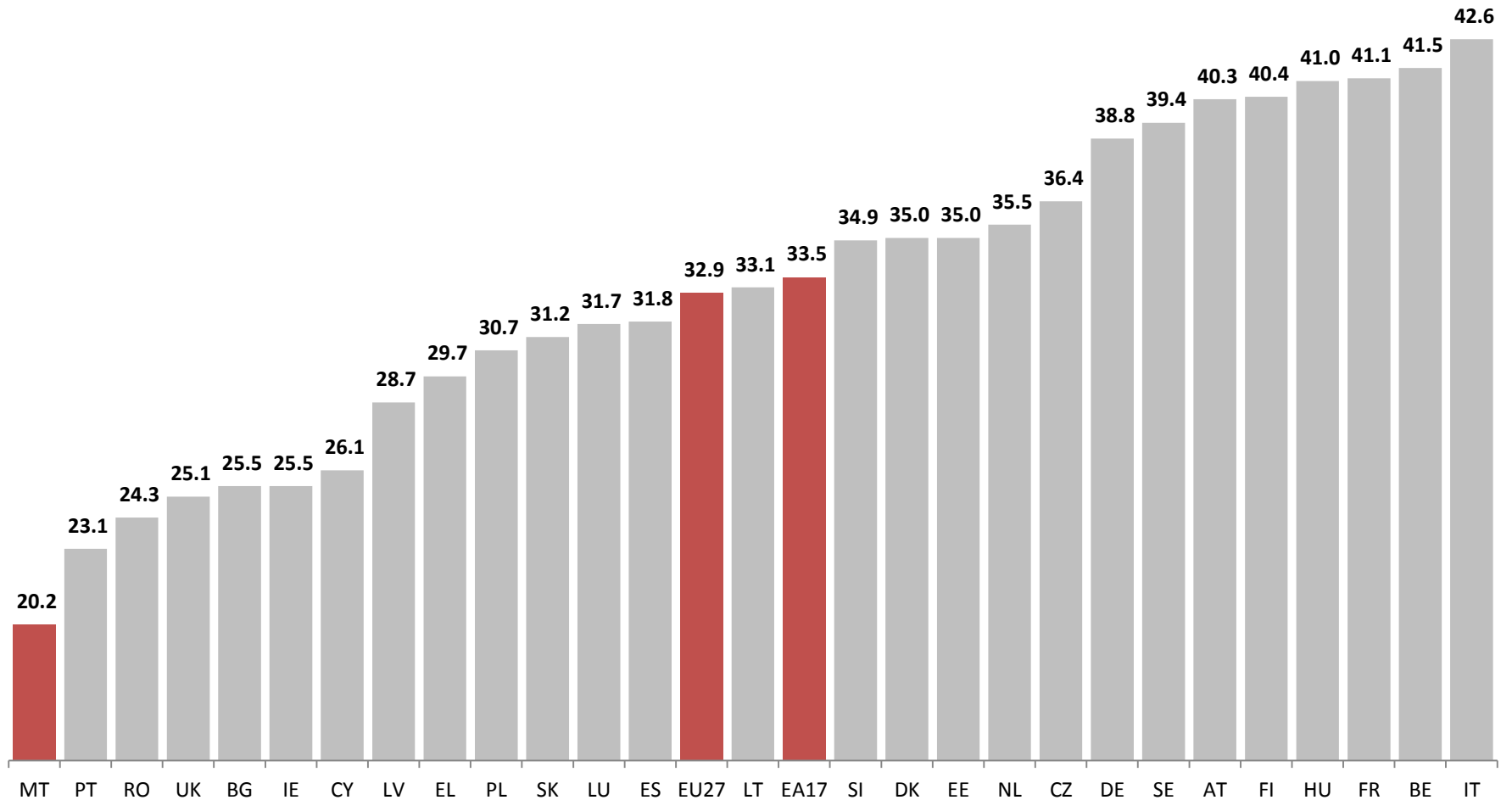
Expenditure



Source: National Statistics Office

Rate of tax on employment - 2009

Compared to other EU member states

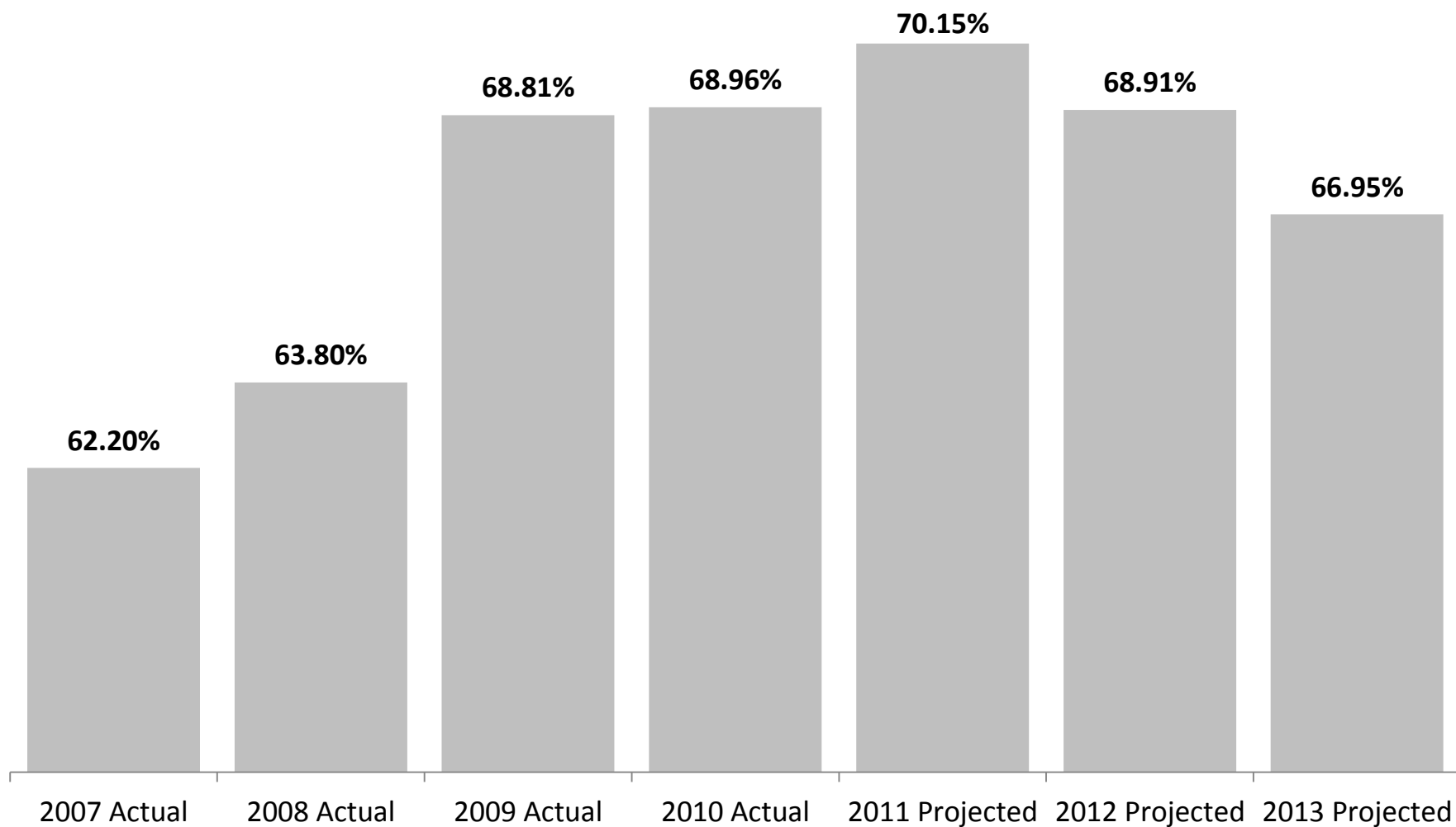


Source: European Commission

The Financial Situation

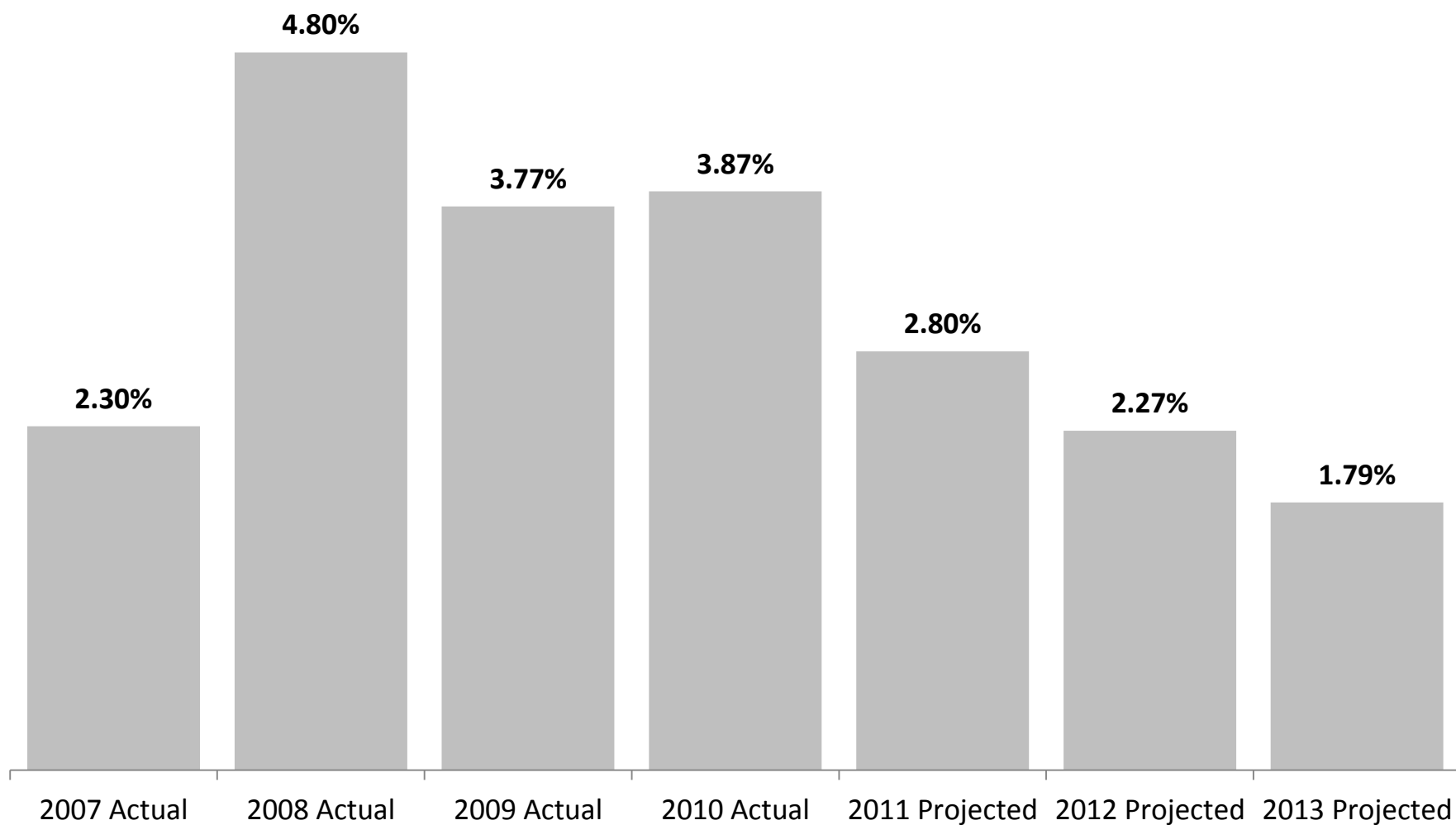
Financial estimates

Public debt



Financial estimates

Deficit



Financial estimates

Consolidated fund

	2010 Actual	2011 Approved	2011 Revised	2012 Projected
Recurrent Revenue	2,525,356	2,791,700	2,695,734	2,947,108
Tax Revenue	2,242,531	2,393,370	2,383,798	2,526,000
Non-Tax Revenue	282,825	398,330	311,936	421,108
Recurrent Expenditure	2,493,097	2,547,222	2,588,327	2,676,788
Recurrent	2,296,342	2,338,726	2,374,723	2,446,183
Interest	196,755	208,496	213,604	230,605
Recurrent Surplus	32,259	244,478	107,407	270,320
Capital Expenditure	311,470	440,024	303,005	430,247
Total Expenditure	2,804,567	2,987,246	2,891,332	3,107,035
Deficit	(279,211)	(195,546)	(195,598)	-159,927
Adjustments	50,738	13,913	13,913	527
General Government Balance	(228,473)	(181,633)	(181,685)	-159,400
Gross Domestic Product	6,163,650	6,478,000	6,478,000	6,801,900
Deficit as % of GDP	-3.71%	-2.80%	-2.80%	-2.34

All figures in € '000

Income

Taxable Income

	2011 Approved	2012 Projected	Variance (Proj2012-Rev2011)	Variance (Proj2012-Rev2011)
Income Tax	821,400	850,000	28,600	3.48%
Social Security	586,175	632,000	45,825	7.82%
Direct Tax Revenues	1,407,575	1,482,000	74,425	5.29%
Customs & Excise Duties	208,545	215,000	6,455	3.10%
Licenses, Taxes & Fines	239,025	250,000	10,975	4.59%
V.A.T.	538,225	579,000	40,775	7.58%
Indirect Tax Revenues	985,795	1,044,000	58,205	5.90%
Total Tax Revenues	2,393,370	2,526,000	132,630	5.54%

All figures in € '000

Income

Other Income

	2011 Approved	2012 Projected	Variance (Proj2012-Rev2011)	Variance (Proj2012-Rev2011)
Fees of Office	38,654	39,015	361	0.93%
Reimbursements	28,832	30,320	1,488	5.16%
Public Corporations	815	815	0	0.00%
Central Bank of Malta	45,000	46,000	1,000	2.22%
Rents	28,775	26,460	-2,315	-8.05%
Dividends on Investments	12,500	19,700	7,200	57.60%
Interests	1,757	8,529	6,772	385.43%
Grants	221,924	193,898	-28,026	-12.63%
Miscellaneous Receipts	20,073	56,371	36,298	180.83%
Total Other Income	398,330	421,108	22,778	5.72%

All figures in € '000

Expenditure

Recurrent and Capital

	2011 Approved	2012 Projected	Variance (Proj2012-Rev2011)	Variance (Proj2012-Rev2011)
Salaries	581,956	609,123	27,167	4.67%
Operative Expenses	107,628	117,042	9,414	8.75%
Programmes & Initiatives	1,444,472	1,490,898	46,426	3.21%
Public Entities	204,670	229,120	24,450	11.95%
Total Recurrent Expenditure	2,338,726	2,446,183	107,457	4.59%
Total Capital Expenditure	446,124	450,347	4,223	0.95%

All figures in € '000

Budget 2012

Budget 2012

Objectives

- Economic and financial stability to attract further investment, create more jobs and sustain social cohesion.
- Responsible investment in initiatives which generate economic growth and create jobs.
- Sustaining an extensive programme in infrastructure, energy and the environment.
- Further investment in education and training.
- A budget which addresses the needs of families, pensioners and vulnerable sectors of society.

The Maltese economy and the international context

The financial situation

- Malta's deficit and public debt is low in comparison to our European partners. However, we are still within the excessive deficit procedure.
- The government is committed to reducing its deficit to 2.8% of GDP. The government is targeting a deficit of 2.3% for 2012.
- This will send a strong signal of good governance to potential investors who are looking to expand their operations in Malta, creating new job opportunities.
- Capital expenditure will be around €425.3 million.
- Public debt is expected to be 68.9% of GDP.

The Maltese economy and the international context

The economic situation

- Economic growth is expected to reach 2.3% in 2012.
- Unemployment stands at 6.6%, which is 3percentage points less than the EU average.
- Inflation is expected to be 2.1%.
- The cost of living adjustment, calculated according to the mechanism agreed with the social partners, will be € 4.66 per week.

Enterprise, Employment and Tourism

Industry and economic growth

- An increase in the line vote to **€14.2 million** to **stimulate industry** and attract foreign investment to assist Maltese industry in expanding its commercial output. 2,000 companies per year have benefited from around € 197 million in incentives over the last three years.
- **Fiscal incentives** in a **€3 million** vote over three years for firms consuming more than 2GWhr of electricity per year which invest in energy-saving measures and in clean energy generation.
- Work has started on the BioMalta Campus, an investment of €30 million in the pharmaceutical and life sciences sector. The BioMalta Foundation has been setup to attract foreign investment in the BioMalta Campus.
- Sultan Scientific will be working with Malta Enterprise on setting up a private investment fund (Global Medi-Science Fund totalling €200 million) based in Malta which will invest in projects to be set up in the BioMalta Campus or in international joint projects.

Enterprise, Employment and Tourism

Industry and economic growth

- An investment in higher quality industrial estates: further work in upgrades for Bulebel and Hal Far, at a cost of €16.7 million.
- The service charge for industrial estates has been lowered to EUR3.50 per square metre. This will be diverted to the management of the industrial zone which answers to the tenants' association.
- Fiscal incentives to attract more high quality human resources to Malta by extending the incentive scheme already available in the financial and gaming industry, for:
 - Maltese citizens who have established a prestigious career abroad and who wish to return to Malta to work in important industrial sectors;
 - Highly-skilled and qualified foreign professionals who are needed for sectors of industry;
 - Individuals wishing to pursue research, or commercialisation of an invention or technology in Malta.

Enterprise, Employment and Tourism

Innovation is the engine of economic growth

- An awareness campaign on innovation, costing €250,000, to help business owners understand the advantages of innovation and expand their business operation.
- An increase in MCST's research fund to €1.6 million.
- A new fund for internationalisation of research and innovation.
- Funds to aid our researchers in participating in the EU's FP7 programmes.
- Investment of €3.5 million on an Interactive Science Centre.

Enterprise, Employment and Tourism

Further investment in small and medium enterprise

- MicroInvest, which provides a tax credit on 40% of new investment and new jobs, will be extended for another year. So far, more than 700 firms have so far invested €13 million and created 300 new jobs.
- €20 million in bank guarantees on loans for viable projects for micro business, whether existing or new. The MicroGuarantee Scheme:
 - Will apply to firms employing up to 20 persons
 - Will apply to loans on investment or working capital
 - Guarantees a loan of between €2,500 and €100,000 from commercial banks
 - Guarantees 90% of the loan
 - Anyone qualifying will be asked to pay a premium on interest rates.
- The fourth call for European Regional Funds will be launched, totalling €8 million, to help firms set up their business, explore foreign markets, invest in alternative energy and e-business and carry out research and innovation.
- An improvement in industrial zones not under the government's direct responsibility with a vote of €550,000.

Enterprise, Employment and Tourism

Efforts to attract more tourists

- A € 1 million increase in MTA's budget to €36 million to advertise Malta and invest in more routes.
- Further infrastructural projects such as the Aquarium in Qawra and the gardens in Pembroke, with an investment of € 4.2 million.
- An investment of € 4.2 million in archaeological sites in Malta and Gozo.
- Further aid to private operators for the improvement of tourist projects and marketing and competitiveness, with an allocation of €10 million.
- €3.3 million from EU and national funds for Local Councils and other organisations, which will carry out embellishment works in various localities including several historical sites and public gardens.

Enterprise, Employment and Tourism

Efforts to attract more tourists

- We will pursue aid schemes to the public sector in order to attract conferences to Malta, to train employees and for soft loans for tourist operators.
- Further work to strengthen Airmalta's viability: line vote of €20 million for restructuring for next year. The amount will increase in following years according to the restructuring plan.

Enterprise, Employment and Tourism

Investment in cultural programmes

- A €7.7 million vote in the cultural sector, in order to attract Maltese families to high quality cultural productions, and to attract niche tourism. This includes:
 - A children's art festival;
 - A Baroque music festival;
 - An arts programme linked to Valletta's new open air theatre;
 - A greater allocation to the National Orchestra, the Manoel Theatre and the Malta Council for Arts and Culture.
- An allocation of €200,000 to start the transfer of the National Museum of Fine Arts to the Auberge d'Italie in Valletta.

Enterprise, Employment and Tourism

The creative economy

- The organisation of the European Film Academy Awards, which will be broadcasted in more than 50 European countries.
- Further work to attract film productions to Malta, while improving the professional level in the Maltese film industry through training courses, besides a fund of € 250,000 for its development.
- An incentive for cultural education through the extension of the tax reduction scheme for sports education and cultural education (a reduction of €100 on the income payable for expenses related to school courses or licensed and accredited teachers).
- An exemption from registration fees for new firms in the cultural and creative sector and an exemption from the annual fee due to MFSA for 3 years. The aim is to aid the creative sector to attain a professional level and to operate regularly.
- Strengthening our competitiveness in these areas in Malta and internationally by means of benefits linked to copyright. In the 2010 budget we introduced a fiscal benefit by which royalties on patents became tax exempt. This benefit will be extended to cover copyright-protected books, film scripts, music and art.

Enterprise, Employment and Tourism

The creative economy

- A fund for public lending rights by means of which authors and translators of Maltese books will be given a fair revenue when their publications are loaned by public libraries, with a line vote of €40,000.
- We will strengthen the digital gaming industry by setting up a Malta Games Fund through a €150,000 investment. This will allow investment in projects related to digital games and will stimulate professionals in similar areas to consider a career in this field.
- Maltese companies which commission educational digital games will be given a tax credit up to a maximum of €15,000.
- In order to attract more experts in these specialised fields to Malta, we will extend the 15% income tax scheme as a flat rate for international professionals specialised in digital games, such as game directors and game designers.

Enterprise, Employment and Tourism

The creative economy

- An extension of the CREATE scheme (tax credit up to € 25,000) run by Malta Enterprise in Valletta in order to attract more creative activities to our capital.
- A pilot project in Valletta to transfer selected government property for development as creative clusters by artists, creative enterprise and individuals who wish to invest in studios and workshops.

Enterprise, Employment and Tourism

Consumer protection

- A vote of €3.8 million for the Malta Competition and Consumer Affairs Authority.
- Further work to lower the price of more medicines in addition to the 176 so far.
- The possibility of class action by consumers will be extended to firms, constituted bodies and registered consumers' associations.
- Aid to consumers in paying the cost of arbiter-appointed experts related to cases brought before the Consumers' Tribunal.

Enterprise, Employment and Tourism

Investment in the integration of workers in the job market

- We will support ETC's training programmes, with an allocation of €10.8 million, including:
 - The Employability Programme, which will have trained 32,500 people up to next year, amounting to €2.3 million.
 - Work Trial Scheme and Community Work Scheme
 - An allocation of €4.1 million for the Training Aid Programme, which subsidises between 25% and 80% of training costs. 20,174 people will benefit from this programme after 2,191 applications were accepted and given a grant of €5.7 million.

Enterprise, Employment and Tourism

Attracting more women to the job market

- We will pursue the tax credit for women returning to the job market who are tax exempt for an entire year – more than 8,600 women have benefited so far through this incentive to female labour participation. Women have saved more than €10 million intax.
- Opening of 3 new child care centres, with an allocation of €1.3 million
- Discussions with MCESD to increase the length of maternity leave by two weeks in 2012 and a further two weeks in 2013, with the cost being borne by the government in the form of an allowance of €160 per week.

Enterprise, Employment and Tourism

Income tax

- The government's aim remains the implementation of the final part of its electoral commitment of reduce income tax.
- This measure would result in a reduction of around €40 million in revenue. Good governance and fiscal responsibility dictate against this measure, which would have negative effects in the present circumstances of an international crisis.
- Government will however implement an important reform in our income tax system , to make the job market more attractive for parents.
- Besides the single and married computation, where a couple declare their income jointly, a new category will be introduced: parents computation.
- This category will include parents supporting children up to 18 years old who are not gainfully employed. If the children are in tertiary education, the age will be extended to 21.

Employment, Enterprise and Tourism

Income tax			
Rate	Single Computation	Joint Computation	Parent Computation
0%	0 - 8,500	0 - 11,900	0 - 9,300
15%	8,501 - 14,500	11,901 - 21,200	9,301 - 15,800
25%	14,501 - 19,500	21,201 - 28,700	15,801 - 21,200
35%	19,501 +	28,701 +	21,201 +

Employment, Enterprise and Tourism

Income tax

Individual Income	Tax Due at Present (Single Computation)	Tax Due Jan 2012 (Parent Computation)	Tax Difference per person
9,000.00	75.00	-	- 75.00
9,250.00	112.50	-	- 112.50
9,300.00	120.00	-	- 120.00
9,500.00	150.00	30.00	- 120.00
10,000.00	225.00	105.00	- 120.00
12,500.00	600.00	480.00	- 120.00
15,000.00	1,025.10	855.00	- 170.10
17,500.00	1,650.10	1,400.10	- 250.00
20,000.00	2,324.60	2,025.10	- 299.50
21,200.00	2,744.60	2,324.60	- 420.00

This income tax reduction is aimed at each parent who has custody of the children:

- Married couples;
- Widowers;
- Single parent;
- Separated or divorced persons who have custody of the children of pay maintenance.

Enterprise, Employment and Tourism

Other fiscal measures

- Introduction of amendments in the income tax on part-time work to redress anomalies which were having negative effects on pensioners and government employees.
 - Pensioners working part-time for the government will pay 15% income tax.
 - The definition of “same employer” in the public sector will be extended. The government will no longer be considered as a “same employer” when the entities involved are separate. As a result, more part-time employees will benefit from the 15% tax rate on part-time work.
- Extension of the deadline for payment of 15% part-time tax from 15th February to 30th June to allow more time for settlement of tax payments.
- Further work on the integration of tax departments to strengthen efforts against abuse.
- A time-limited scheme for the settlement of VAT arrears.

Enterprise, Employment and Tourism

Other fiscal measures

- Customs duty on fuel for bunkering of ships outside territorial waters will increase to €5 per tonne. This will not affect in any way the price of fuel sold in Malta.
- Customs duty on cement will increase by €3 per tonne.
- The minimum excise duty on cigarettes will increase by 5.8% on each packet of 20 cigarettes.
- Excise duty on other tobacco products will increase by 8.5 per cent.
- Excise duty on mobile telephone will remain unchanged but the basic rate will change from tariff to volume.

An extensive investment programme in the environment

Investment in roads

- More work on arterial roads, part of TEN-T, the investment increasing to almost €50 million, including:
 - Xatt l-Għassara tal-Għeneb, fil-Marsa;
 - Council of Europe Road and Garibaldi Road in Luqa;
 - Marfa Road in Mellieha;
 - The road from Xewkija to Rabat in Gozo;
 - 13th December Road underpass and the Ta' Pennellu bypass in Mellieha.
- Further works on 140 residential roads, with an investment of €7 million.
- More new roads by Local Councils with a line vote of €1.4 million for public-private partnerships.

An extensive investment programme in the environment

Further incentives for non-polluting private vehicles on our roads

- Continuing efforts for an efficient and modern public transport service.
- Reclassification of the tax scheme on vehicles in order to comply with the Euro Standard.
- Increase in registration for old Euro 1 to Euro 3 vehicles to discourage the use of the older second-hand vehicles.
- A scrappage scheme for a further 3000 cars to encourage the purchase of newer vehicles.
- A scheme to settle arrears in vehicle licence fees.

An extensive investment programme in the environment

Investment in cleaner electricity generation

- Enemalta Corporation will buy oil at not less than \$99 per barrel in 2012, equal to an increase of 30% on the price which is used to determine the current tariffs.
- The Delimara Power Station extension will start operating next year. This represents an investment of €183 million, with a lower fuel consumption for the same electricity output. This will lead to savings of €20 million on fuel, which will be passed on to the consumer, so that tariffs will retain their current levels.
- Further work on the interconnector which will connect Malta to the European energy grid, by means of a €150 million investment. This will decrease Malta's oil dependency.
- The government is considering investing in a natural gas pipeline between the European network and Malta, which will be co-financed by the EU.
- We will pursue the aid scheme for households investing in solar water heaters through a €400 grant. A new scheme will be introduced for those investing in roof insulation and double glazing (a 15.25% grant to a maximum of €1000).

An extensive investment programme in the environment

More investment in our towns and villages

- An increase in the Local Councils' allocation from €29.1 million to €32 million.
- An investment of €7 million for more public spaces:
 - A new Garden in Baħar iċ-Ċagħaq;
 - A new civic centre in Swieqi;
 - Further works on the Golden Mile project.
- Embellishment works on Dock No. 1 in Bormla as part of the Stronger Cottonera Communities programme, with a total line vote of €9.6 million.
- Further works on Ġgantija temples, Nature Trails in Haġar Qim and Imnajdra parks, the restoration of the Inquisitor's Palace, works on the Clock Tower at the Maritime Museum, and conservation works at Verdala and San Anton Palace.
- Works will start on various other projects, including Fort St Elmo, the Hypogeum, and St Paul's, Bistra and St Augustine Catacombs in Rabat.
- Further works on the fortification restoration project with an investment of €36 million.

An extensive investment programme in the environment

Valletta

- Further work on the new project which will transform Valletta: the new Parliament building, the theatre, the new square next to St Catherine's Church, as well as gardens in the ditch beneath City Gate, with an investment of €80 million.
- Further work on street paving in Valletta's city centre with an investment of € 2million.
- Further work on Biagio Steps which will be transformed into an interactive centre on fortifications.
- Restoration of the Grand Masters' Palace with an allocation of € 400,000.
- Further preparation for Malta's hosting of the European Cultural Capital in 2018 with a vote of € 250,000.

An extensive investment programme in the environment

Restoration and renovation of scheduled property

- Fiscal incentives for the conservation of grade 1 and grade 2 scheduled buildings. This includes all properties graded 1 and 2 and property in UCAs:
 - An exemption on document duties for transfer of ownership between heirs (valid up to 31st December 2013) to facilitate the consolidation of ownership;
 - Aid to individuals who wish to restore their residence – a rebate of 20% on expenses, up to €5,000.
- A scheme to encourage restoration of buildings by individuals and companies:
 - Final withholding tax of 10% on income from rent for residential property and 15% for commercial premises;
 - For sales, a final withholding tax of 10% or a tax credit of 5% on chargeable income from that transaction.
- Aid to firms wishing to restore buildings used by them for commercial purposes – 20% tax credit on eligible expenses. This will rise to 30% for Grade 1 and 2 scheduled properties.

An extensive investment programme in the environment

Investment in maritime infrastructure

- A €27.3 million investment in maritime infrastructure projects:
 - The lift from Lascaris Wharf to the Upper Barracca is being rebuilt;
 - Further repair work on Marsaxlokk breakwater and preparation work on the Grand Harbour deep water quay.
- Further works on the Ċirkewwa passenger terminal as well as new foundations for the internal roads around the terminal, with a total investment of €12 million.

Projects

- An allocation of €4 million for projects related to Eco-Gozo Vision. These include ecological reclamation projects, water management and projects related to renewable energy.
- We will maintain Gozo's financial allocation for its distinctive promotion (€500,000).
- We will maintain employment aid programmes for Gozo residents, such as Employment Aid, Training Aid and MicroInvest.
- An increase in the allowance for Gozo-registered students who follow their studies in Malta. This will be brought to equal levels for all students – University, MCAST or ITS – through an allocation of €700,000.
- Further investment in education, with the construction of a language lab in Ninu Cremona School. A vote of €320,000 for Gozo schools.

Projects

- Road repairs in several localities and new extension of Ta' Pinu and Xlendi roads with an investment € 1.5 million.
- Further feasibility studies on the possibility of a Malta-Gozo tunnel, which should lead to a clear picture of the possible choices by 2012.

Education

Compulsory education

- An increase in the allocation for education to €23 million.
- Continuation of the construction of the Girls' Secondary School in tal-Ħandaq. Pupils are expected to start attending this school as from next scholastic year.
- After permits are granted, construction of a new Secondary school in Ғal Kirkop and construction of sports facilities in St Venera will commence, with an investment of €9 million.
- Further embellishment and maintenance projects on existing schools such Wied il-Ghajn Primary, Girls' Secondary in Mosta and Boys' Secondary in Naxxar.
- An allocation of €45.2 million for Church Schools to support further education reform.

Education

Independent Schools

- An increase in aid to parents of private school pupils through an extension of tax credits, amounting to €600,000. This aid will increase:
 - From €1,200 to €1,300 in day care, reception and kindergarten;
 - From €1,200 to €1,600 at primary;
 - From €1,600 to €2,300 at secondary level.
- More assistance to independent schools with an increase in funds for learning support assistants (€400,000).
- Setting up of a € 1 million fund to ensure the financial sustainability of these schools. This will be calculated per number of students: Kindergarten Students (€95), Primary Students (€145) and Secondary Students (€170) and applies to:
 - Programmes related to pupils' special needs;
 - Investment in software and IT licences;
 - An improvement in science and sports facilities;
 - Professional development for teachers.

Education

Further and Higher Education

- More student Scholarships (€900,000)
- A €58.2 million investment in the University of Malta and Junior College.
- Further construction work on the new ICT Faculty and Health Biotechnology facilities at University with an investment of €7.2 million.
- Consideration of use of the Old University as a new Campus, a centre for arts study and international graduate school.
- An increase in MCAST's allocation to €15.4 million to improve the quality of vocational training through further courses.
- Further construction works on the new MCAST Campus in Kordin with an investment of €120 million.
- A project to integrate e-learning and traditional lessons and practical sessions together with training in basic skills, with an investment of €1.5 million.

Education

Youth and Sport

- Financial Aid for music training in Band Clubs, with an allocation of €100,000.
- We will pursue the Sports Tourism Scheme with an allocation of €350,000, building on this year`s success where the scheme attracted around 70,000 bed nights to Malta.
- Opening of a new Sports Complex in Kirkop which will be used by hundreds of Maltese children, students and athletes.
- Setting up of a secondary school specialising in Sports. Pupils will follow normal academic courses and will also train in a sports discipline. This will be allocated €100,000.
- Introduction of a 15.25% tax rebate on the purchase of fitness equipment for residential use.
- A line vote of €120,000 for sports scholarships.
- Aid to the construction of a motorsports track.

Family and social policy

Social protection

- An investment of €1,020 million in the social sector, with an allocation of €750.4 million for social benefits.
- An increase in the minimum rate for Children's Allowance from €250 to €350 for every child, with an allocation of € 2.8 million for 18,000 children.
- Removal of €35 TV licence
- 112,000 beneficiaries will receive benefits including the supplementary one and energy benefits. Pink card holders will receive a benefit increase equal to the COLA.
- Further work by the Fraud and Benefit Investigation Department, which has uncovered more than 4340 cases of benefit fraud since its inception, amounting to a saving of €21.1 million, which will now be invested on those truly in need.
- An increase in the line vote for the Voluntary Associations Fund, in recognition of the useful work carried out by volunteers in the community.
- Widows and widowers entitled to a fixed pension after they re-marry will keep this pension beyond the first five years of marriage.

Family and social policy

Social protection

- Severely disabled persons who are entitled to a severe-disability pension will be able to work for a salary up to the minimum wage and still receive their full pension.
- Severely disabled persons who get married will not forfeit their pension, regardless of the spouse's income (this scheme currently applies to the first five years of marriage).
- An allocation to Aġenzija SAPPOR for the opening of a new branch in Pembroke, where disabled people will be given job training and experience.
- Further aid for residential homes such as Dar Pirotta, Dar il-Wens and Dar l-Arka.
- A line vote of €400,000 to aid severely disabled persons who need support and who wish to live independently.

Family and social policy

Housing

- We will pursue aid to first-time home buyers, as well as aid for building, renovation and completion of the first residence.
- Further to this, the Housing Authority will subsidise rent payment for lessees renting from private lessors and runs a scheme aimed at first buyers. The Authority also addresses the need of those who are looking for an alternative rented government property.
- Home owners will be able to register property which they wish to rent out for social purposes with the Housing Authority. Such renting will benefit from a preferential tax rate of 10% on rental income.
- The Lands Department will capitalise acquisition rent which has been paid for decades on around 2800 residences in Valletta and Cottonera. 2800 households will thus become home owners.

The best health service for all

Health

- More free health services for Maltese families. To address the growing demand especially for surgical procedures such cataract operations and PET Scans, the government is using private hospitals, thus shortening waiting lists.
- Further work on the Oncology Centre, with an investment of €59.6 million.
- Colorectal Screening, building on the success of the Breast Screening programme.
- Strengthening the Pharmacy of Your Choice scheme.
- Further modernisation work on a number of health centres in Malta and Gozo.

The best health service for all

Mental health

- An extension of community care through another day care centre in Gżira.
- Further allocation of a number of apartments for the supportive housing scheme. These are used by a number of patients who are released from Mount Carmel Hospital and have nowhere else to live.
- We will strengthen the Crisis Intervention Team service which intervenes in incidents related to mental health problems.
- A new service for adolescents with mental health problems.

L-aħjar servizz tas-saħħa għal kullhadd

Pensioners

- A new grant of €300 per year to pensioners over 80 who live independently in their own home: € 3.5 million which will be distributed to 12,000 pensioners.
- The full cost of living allowance will once again be given to pensioners.
- These pensioners will receive more than an additional €10 a week through this initiative and the full cost of living increase.
- A tax break for relatives of old age pensioners who live in privately-run old people's homes. The tax exemption will increase by €500 to €2,500 per year. This will also apply in cases where it is the pensioners themselves who pay.
- We will pursue measures to address the anomalies which exist in service pensions, which will decrease by another €200 this year, at a cost of €1 million.
- Removal of VAT as from 1st January 2012 on private nursing and home help services offered by the private sector to all pensioners who require home aid

The best health service for all

Pensioners

- Further work on the transformation of Zammit Clapp Hospital to a nursing home for 112 residents, with an investment of €1.7 million.
- Embellishment work on other wards at St Vincent de Paule Residence.
- A site for the construction of a new old people's home in Birkirkara has been identified.
- Opening of 2 new day centres for pensioners.

The best health service for all

Dementia treatment

- A new wing in St Vincent de Paule with dementia-friendly wards
- A national dementia strategy
- Training for workers and carers in this field
- Day respite for community patients who suffer from dementia
- A service by the memory clinic at Karen Grech
- A helpline for the general public