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Contents

	page
Introduction.....	1
Chapter 1 - Economic and fiscal developments and forecasts.....	7
Chapter 2 - Investing in a socially conscious society.....	16
Chapter 3 - Investing in our country’s greatest resource: Its people.....	41
Chapter 4 - The desired economy for a sustainable future.....	53
Chapter 5 - Investing in the infrastructure our country deserves.....	69
Chapter 6 - Investing in sustainable development for a better environment.....	82
Chapter 7 - Investing in a just, equal and safe country.....	92
Chapter 8 - Investing in cultural heritage, arts and sport.....	103
Conclusion.....	106

Introduction

Mr Speaker,

During this time of year, everyone gives their opinion about what they expect from the budget.

As every other year, there were those who said that this will be a similar exercise to those that came before. Nothing new, nothing different. More of the same.

Whoever says so, Mr Speaker, does so either because they do not follow what is happening around us or because they want to mislead people.

I cannot help but refer, Mr Speaker, to the fact that the world left behind a state of pandemic 18 months ago, that a war broke out in Eastern Europe last year, that a number of economies in Europe are in near-recession, that we have inflation - meaning an increase in prices - at levels we last saw fifty years ago, and in addition, there is a possibility that a war may break out in the Middle East, as oil prices are ever nearing \$100 a barrel.

I think I mentioned enough facts for people to understand what the world, Europe and the region we live in are experiencing.

In light of all this, we here, a tiny island in the middle of the sea without any natural resources, are still standing upright on two feet, stronger and more resilient than ever!

Mr Speaker, in my speech today, I will have the opportunity to explain how our economy is creating wealth, how it will continue to do so, and how this Government will be managing the allocation of resources in an equitable and fair manner to ensure that we continue to improve the livelihoods of the Maltese and the Gozitan people.

Mr Speaker, none of this is happening by chance. None of this came about just because things happened to fall in the right place. None of this is down to luck. All this is possible because we are able to make the best decisions in the most difficult moments.

We are not a perfect Government, we have our shortcomings, but with all our good and bad aspects, the Maltese economy will be among the strongest in Europe next year.

Before I go on to explain the economic indicators, I want to give two examples that illustrate how we are different from others, and how therefore our results are different and better.

I will start by taking a brief look overseas, at Germany. Germany is the largest country in the European Union with the largest economy. About a month ago, the German Minister for Finance presented his country's budget for the upcoming year. The numbers show that as a country, next year they will see drastic reductions in health expenditure, less spending on education, and even social spending has fallen victim to a lower allocation of funds.

We, Mr Speaker, Malta, are the smallest country, with the smallest economy. Contrary to all this, I come here today with my head held high to say that for next year this Government, despite all the challenges, will be spending more on health, education and much more in the social sector! What a difference, Mr Speaker!

I understand that comparisons are objectionable, Mr Speaker, but I have to make some comparisons when faced with the realities that life throws our way and when it comes to how we act and how those on the other side act. Time has a funny way of erasing our memory, but for everyone's benefit, Mr Speaker, I will make reference to the budget speech for the year 2010. I have to be fair and say that on that occasion too, our country was also facing a number of international challenges. This is why I wanted to quote a few excerpts from the speech made by the then Minister for Finance.

In his conclusion, he said the following:

The world economy has been hit by a fierce storm. A fiercer storm than anyone could have ever imagined. We have seen the world economy on the brink of catastrophe. We have witnessed the fall of great financial organisations, shrinking economies, loss of jobs, and despondency that has touched so many families.

Mr Speaker,

Malta has also found itself in this economic turmoil that the modern world has suffered. We have suffered and we are still struggling. But in this turmoil we have driven our country with

great prudence, with sound direction, and with a policy of hope to overcome every obstacle.

Do you know what the answer to all this was, Mr Speaker? I quote from page 44 of the same speech:

Mr Speaker,

Malta is totally dependent on oil to generate electricity and filter seawater. The international oil price is still very unstable and increasing.

Mr Speaker, We are obliged to pay for the increases in the price of oil in order to buy the oil that we need. The expenditure we incur can only be collected in two ways: either from the rates paid by everyone, or by way of subsidies collected from taxes. Government has always used these two methods – subsidies and rates – and it is our intention to carry on doing this.

It is an illusion to believe that water and electricity rates will not increase when the price for oil from abroad increases, or that they will not decrease when the price for oil decreases. It is true that for many years we did not change our rates because we used to increase or decrease the subsidy, but this was only possible until oil was only 20 or 30 dollars a barrel, and not at today's prices!

Mr Speaker, Government is conscious of the fact that the higher international price of oil, which led to increases in water and electricity rates, placed a burden on our families. These rates affected inflation and therefore resulted in an increase of the

cost of living adjustment that we are giving in this budget. Since the price of oil has increased again, water and electricity rates will be adjusted again as from 1st January of next year.

What does all this mean, Mr Speaker? It means only one thing. They knew that people were feeling discouraged, these were their very words, and instead of providing support, they burdened them even more.

Today, we are gathered here and in my speech I will be saying that, once again, at such a difficult moment, worse than the one back then, this Government will be bearing the burden of energy prices so as not to drown Maltese businesses and families in misery.

What a difference, Mr Speaker! Not only in attitude but also in competence.

Why am I saying this, Mr Speaker? I am saying this because if they had burdened people and businesses in this way and the country fared better, one would say oh well, this is a right-wing Conservative party that embraces that policy, what can you do?

But no, Mr Speaker, they messed up even the country's fiscal policy. On page 13, of the same speech I referred to earlier, the then Minister for Finance was predicting that the national debt burden compared to what we produce was to be more than 68%.

Today, Mr Speaker, despite everything that we have gone through, what we are experiencing, all the disasters people talk

about, the fact of the matter is that our nation's debt burden next year will be 55% - 13 percentage points lower than at the time. That is, not only are we accomplishing what they weren't able to, but we will be going one step further by not burdening the country with burdens that it cannot bear.

This is the difference in policy and fiscal competence that distinguishes the two sides.

Here, Mr Speaker, I would like to make an important point. We are getting results and we believe in everything I have just said. But I also want to say that all this is the result of prudence and fiscal discipline.

I will never accept selling off our future in order to live today.

While we are different from Germany in how we allocate our resources, like Germany, we believe in fiscal discipline, and I look forward to agreeing at the European level the new rules relating to the Economic Governance Framework.

And it is for this reason, Mr Speaker, that despite all that I mentioned, within the framework of the upcoming new rules, yes, our country will continue to reduce its deficit next year.

We must carry on with this prudent yet decisive pace of containing our deficit to ensure that this country remains financially strong without placing burdens on future generations.

CHAPTER 1. ECONOMIC AND FISCAL DEVELOPMENTS AND FORECASTS

What is happening around the world affects every country. Malta is no exception.

Therefore, to better understand our country's economic and fiscal outlook as well as the Government's targets for the coming years, I will analyse the global and European Union (EU) economic environment.

Global developments and forecasts

Global economic growth slowed down in 2023, as high inflation remained persistent throughout this year, further reducing household consumption and economic activity.

In the coming years, the challenges presented by climate change, energy and the cost of living are expected to continue to be the main global issues. Now more than ever, considering what is unfortunately happening in the Middle East.

Experts predict weak global economic growth when compared to past performance.

According to the International Monetary Fund (IMF), global economic activity is forecast to decline from 3.5% in 2022 to 3.0% in 2023 and 2.9% in 2024.

This reflects the sluggish growth in global trade. In addition, advanced economies, including the United States, Japan, and the United Kingdom, are anticipated to face a slowdown in growth due to factors such as persistent inflation, and a more stringent monetary policy. The IMF is in fact forecasting that growth in advanced economies is expected to decline from 2.6% in 2022 to 1.5% in 2023 and 1.4% in 2024.

EU developments and forecasts

The European economy continued to experience slower economic growth in the first quarter of 2023, recording a growth of 1.3% in the EU and 1.4% in the Eurozone. During the second quarter, the EU economy recorded no growth, while the Eurozone economy saw a slight growth of 0.2%. In the European Commission's latest Summer forecast, economic growth in the EU has been revised downwards with the European economy expected to grow by 0.8% in 2023 and by 1.4% in 2024.

Malta's economic and fiscal developments

Mr Speaker, this year, despite our country having gone through a global pandemic, despite experiencing the global repercussions of the war in Ukraine and despite therefore going through difficult global periods including a high inflation rate, it continued to record strong economic growth, a lower rate of people at risk of poverty, a significant increase in jobs, the lowest unemployment rates in the EU and a higher participation rate in the labour force. I am pleased to note that even the rate of women in employment has now exceeded the EU average, for the first time.

In 2022 the Maltese economy continued its recovery and grew by 6.9%, with domestic demand being the main driver behind this growth. This growth was 3.5 percentage points higher than that of the European Union.

In the first half of this year, real Gross Domestic Product (GDP) grew by 4.4%, while nominal GDP grew by 10.3%, driven primarily by exports.

The employment rate rose to 78.8% in June 2023, while employment grew by 6.7% during the first half of this year and the unemployment rate fell to 2.7% in the same period. The at-risk-of-poverty rate decreased by 0.2 percentage points between 2021 and 2022. This is also 1.5 percentage points lower than the EU average.

This did not come about by chance. This is the result of a Government that is steering this country with firm resolution and great fortitude.

To better understand, one need only remember that under a previous Government, a crisis on a much lower scale than the crises that we are facing today, the 2008-2009 financial crisis, led to the unemployment rate in our country reaching almost 7%, leaving the Maltese economy stagnant and placing heavy burdens on families and businesses.

What is the difference? The difference is that we have worked hard to do everything possible to alleviate the burdens on families, workers, self-employed and businesses as much as

possible. Meanwhile, today's Opposition did not lose too much sleep over it and it was the people who had to bear the burdens.

During the pandemic we introduced the wage supplement and gave vouchers to be spent in shops, restaurants and hotels at a cost of €976 million.

In the last year and a half, we have subsidised energy and fuel prices to avoid an increase in prices. We are the only ones in Europe to have kept these prices stable. We have given subsidies on cereals, given stimulus cheques to people, continued to reduce tax on overtime and part-time income, and introduced an additional COLA with a total expenditure expected to reach €672 million at the end of this year.

Analysing the measures taken by EU countries, one sees that the majority of EU countries announced some kind of reduction of taxes and charges on electricity, gas and fuels and gave financial assistance only to the most vulnerable families. Italy, for example, only discounted bills for low-income households. In Germany, the Government implemented capping, meaning that prices still increased but not beyond a certain amount. In Greece, the Government gave subsidies to families and businesses that cover only a fraction of the increase in energy prices.

Let me be clear. Had we done the same, the middle class and businesses would have ended up in ruin. We did not want that.

In our country, not only did the Government lower the energy tax, not only did it increase financial assistance to those households

that are most vulnerable to price increases, but it also went a step further than other countries and absorbed all the increases in energy and fuel prices. This means that the Government has borne the brunt for everyone, whether you are a student, a parent, a worker, a pensioner, a self-employed person or a business owner.

Next year we will be doing the same. This means that the Government will spend another €350 million on these subsidies next year. Thus, the Government will have spent close to €931 million in a period of three years on subsidies alone. All these measures were taken so that no Maltese or Gozitan person is faced with an increase in prices for energy, fuels and cereals, grains and animal feed.

Had the Government not granted this aid, the price of diesel would have increased to €1.91 a litre like Italy, instead of €1.21 a litre like it is in Malta. So a person who currently spends €20 per week to fill their car with diesel would have to spend €32 per week. This means that in a year, you would need to spend around €624 more from your salary on diesel.

The same applies for petrol, which in Malta is €1.34 a litre while in Italy it is €1.94 a litre. If a person fills their car with €20 petrol per week, then in a year, without any subsidies, they would have to spend about €468 more on petrol.

With electricity subsidies, the electricity bill for two people, not counting the water bill and service charges, and meter rental charges, is around €403 per year.

If the current electricity price were to be increased to match the rate at which it is being sold, the electricity bill without the water bill and charges would rise to €822 per year, meaning more than double the current amount.

The same applies to two parents with two children who currently spend about €672 per year on just their electricity bill. If we did not give the subsidy, this family would have to spend about €1,275 on the electricity bill alone, almost twice as much as it currently does.

This is why we believe in this measure. Because we know that if we want to help people in light of this inflation, they cannot be the ones to bear this burden.

But not every Maltese Government was willing to do this.

When the Opposition was in Government, what did it do during a crisis? It froze pensions, raised electricity and water bills, and taxed people earning the minimum wage! Oh yes, and it also gave away five light bulbs.

Then they were shocked that our country's economy stagnated.

Mr Speaker,

This stability is the basis on which this Budget will not only continue to help alleviate the burdens of inflation on Maltese and Gozitan families, but will continue to invest in priority sectors.

And we will see that all this will be economically and fiscally sustainable.

National economic and fiscal forecasts

The Maltese economy is expected to maintain a positive momentum for the remainder of this year, as it is predicted that by the end of the year the economy will have grown by 4.1% in real terms.

The main driver of economic growth is expected to be net exports.

The labour market is expected to remain strong as it was this year, the Maltese economy is expected to record employment growth of 4.7%, while the unemployment rate is expected to reach a low rate of 2.7%. Inflation is anticipated to reach 5.7%, primarily due to increases in the prices of food and services. Had the Government not subsidised energy prices, this inflation figure would have been much higher.

Next year, Malta's economy is predicted to grow by 4.2% in real terms, and by 7.4% in nominal terms. It is anticipated that domestic demand will be the main driver of growth as it is expected to contribute 3.6 percentage points. Net exports are expected to contribute only a marginal 0.6 percentage points to the growth rate, in line with the deterioration of the external environment over which we have no control. Private consumption is expected to grow at a more moderate rate, at 4.5%, while investment is anticipated to grow at 5.5%.

These growth forecasts translate into an expected increase of 4.4% in employment growth next year, while the unemployment rate is projected to remain low at a rate of 2.7%. Inflation is expected to drop to 3.7% as increases in the prices of food and services are expected to persist, but at a more moderate rate.

Following the price index, the cost-of-living adjustment for next year will be €12.81 per week.

This year the European Commission presented legislative proposals to implement the most far-reaching reform of EU economic governance rules. We have always maintained that a one size fits all approach does not work and I note that the Commission is starting to realise that fiscal situations, challenges and economic prospects vary widely within each member of the Union. The proposals seek to move towards a more oversight-based framework that puts public debt sustainability at its core, while promoting sustainable and inclusive growth.

In these proposals, the common safeguards to ensure debt sustainability will remain in place and the reference values of 3.0% for the deficit and 60.0% for the GDP-to-debt ratio will remain unchanged. Countries will be able to benefit from an extended period of fiscal adjustment, but will be bound to keeping the GDP-to-public debt ratio at a lower level at the end of the extension period; and the minimum fiscal adjustment of 0.5% of GDP per year as a benchmark will have to be implemented as long as the deficit remains above 3.0% of GDP. In addition, Member States that will benefit from this extended fiscal adjustment period will have to ensure that the fiscal effort is not deferred to far-off years to come.

The Government will continue to support the aid given for as long as it is necessary despite pressure from the European Union on the Government to stop all forms of aid.

Naturally this has an impact on Government finances. Although through discipline, we registered an improvement here too.

We reduced the deficit from 7.8% in 2021 to 5.7% in 2022. This year the deficit is expected to further decline to 5.0% and then to 4.5% in 2024. The Government is committed to gradually reducing the deficit over the next four years by an average of 0.5% of potential GDP per year, thereby complying with the new EU rules and meeting the 3.0% target by 2027.

Public debt as a proportion of the GDP is projected at 52.8% in 2023 and will increase minimally to 55.3% in 2024. It should be noted that debt is still lower than the European criteria of 60.0% and is among the lowest in the European Union. All this is the result of responsible fiscal policy in recent years that has allowed us to sustain the economy in the face of exceptional circumstances. The Government will remain committed to keeping the public debt below 60.0% in the coming years.

CHAPTER 2. INVESTING IN A SOCIALLY CONSCIOUS SOCIETY

Mr Speaker,

We do not give up when challenges come up. And precisely because we have a strong economy and the country's finances are kept under control, we can help people. This is the budget with the largest social spending ever in our country's history.

Another increase for pensioners

For the ninth consecutive year, we will again be providing a further increase for all pensioners on top of the cost-of-living adjustment.

In total, including the cost-of-living adjustment, each person drawing a pension for retirement, being a widow or widower, invalidity or old age pensioners will be given an increase of €15 per week, or €780 per year.

This is the largest increase pensioners have ever been given in a single year.

A mechanism that ensures adequate increases to pensioners in the future

In 2006, the Government of the time had divided pensioners between those born before 1962 and those born after 1962. Only those born before had been guaranteed the cost-of-living adjustment. For those born after 1962, they introduced a legal

mechanism so that each year pensions increase by a percentage, 70% of which is based on the increase in wages and 30% on the increase in inflation.

Mr Speaker, it was the other side that divided pensioners into first and second class pensions, as they are calling them today. But it will be us who will eliminate this discrimination introduced into law by a Nationalist Government.

From next year, the same mechanism that already applies to those born in 1962 or after will also apply to pensioners born before 1962.

One Maximum Pensionable Income

We will not stop there. When the other side was in Government, they had also legislated that the Highest Pensionable Income for these persons today would be €6,407 per year lower than for those born later.

The present Government feels that we should begin to address this cautiously. As from next year, therefore, those pensioners who were born before 1962 and whose current salary had they still been working would exceed their Maximum Pensionable Income, will be receiving an additional increase in their pension which varies according to the salary.

Nearly 10,000 pensioners are expected to benefit from this measure.

Tax exemptions for pensioners

We will once again improve the tax exemptions that apply from age 61 onwards for pensioners. This will be done in such a way that the exempted amounts will include all increases I am announcing for pensioners.

In addition, from next year the Widow/er's Pension will no longer be taxable for widows and widowers under the age of 61. In this way we will be just with these people as well.

Another adjustment to the Cost-of-Living Bonus

We will also continue with the process we started in 2022 in order to address another anomaly that had arisen in 2008. This concerns the Cost-of-Living Bonus, the rate of which varies depending on when pensioners started receiving their pension.

By continuing this process, which is now entering its third year, those who became pensioners in 2009 or later will receive an additional increase in their cost-of-living bonus up to a maximum of just over a further €1.00 per week. A total of 53,000 pensioners will benefit from these improvements.

It must be said that were it not for the actions we took to carry out this process, the cost-of-living bonus of these persons would have been up to almost €9 less per week due to this anomaly.

Additional increase in Widow/er's Pensions

We will also continue the process we began in 2022 whereby widowed pensioners will gradually start receiving the full pension that their spouse would otherwise have received if they were still alive.

Almost 7,000 widows will benefit from next year's adjustment, which will see an additional increase over that granted to other pensioners.

Benefits for service pensioners

The portion of the service pension that is not taken into consideration for the purposes of the social security pension assessment will once again increase by a further €200. Therefore, more service pensioners will benefit from this measure while also benefiting from the measure that at the age of 72 the entire amount commuted by the service pension will no longer be taken into consideration.

In addition, service pensioners who have been boarded out and issued a service pension early due to illness will begin to see the mentioned adjustment of the portion of the pension commuted being implemented after 12 years from the time they started receiving the service pension and not when they turn 72.

Close to 6,000 service pensioners will benefit from all of these measures.

Improvements for service pensioners who do not work and do not receive benefits

In recent weeks two main promises of the Electoral Manifesto were implemented, namely the introduction of a service pension to widows of Disciplinary Corps officers and a 23% increase of the service pension and a good allowance to those who choose to serve beyond 29 years.

Mr Speaker, we will be introducing a new measure for service pensioners who have not yet reached retirement age, and who neither work nor receive a social security pension. At present, these people do not receive any cost-of-living adjustments, while those who work or receive a social security pension receive the COLA.

Therefore, from next year onwards these persons will begin to receive an Additional Cost-of-Living Bonus equivalent to the full cost-of-living adjustment.

This bonus will continue to accumulate every year with the increase in the cost of living until the person either starts working, or starts receiving a pension or social security benefit. At the same time, it will still be paid even when this happens, at the rate to which it has accumulated by then.

Improving the incentive for those who continue working instead of receiving a pension

In 2016, we had introduced an incentive for people who continue working instead of taking a pension. This incentive starts with

an additional increase of 5% of the pension for those who defer their pension by one year and can go up to 23% for those who defer their pension by four years.

This incentive has been so successful that since 2016, the number of early retirees, meaning those who retire at 61 years old, has halved. This is why the Government feels that we should continue to improve this incentive. From 2024 onwards, anyone who can take the retirement pension but chooses to continue working instead, will be entitled to an increase of 6.5% (1.5% more than now), those who defer by two years will be entitled to an increase of 13.5% (3% more than now), those who defer by three years will be entitled to an additional increase of 21% (4.5% more than now), and for those who defer by four years, the additional increase will be 29%, i.e. 6% more than the present rate.

Automatic subscription to a private pension

This Government believes that if possible every worker should have the opportunity to invest in a private pension scheme that helps supplement their income from the state pension post-retirement. Similarly we believe that employers should help their workers in this regard.

In recent years we have introduced tax incentives for both workers and employers so that the amounts they invest in private pension schemes are not taxed.

The Government is aware that some social partners have started discussing this matter and we will be inviting social partners to a

broad consultation with everyone over the coming year so that the third pillar system reaches more people.

We believe that we must reach a state where every worker is automatically subscribed to a private pension scheme although they continue to have the option of voluntarily opting out of it.

An increase in the bonus for persons who do not qualify for a pension

In 2015, we had introduced a bonus for those who have paid some social security contributions but who have not paid enough to qualify for a pension. This bonus has since increased almost every year, and we will be increasing it again next year.

In fact in 2024, the bonus for those who have paid between one and four years of social security contributions will go up from €450 to €500 while for those who paid between five and nine years of social security contributions it will go up from €550 to €600 per year. Around 16,000 people will benefit from this measure.

Strengthening the additional cost of living mechanism

As I have already explained, we understand that the cost-of-living is one of the biggest challenges for Maltese and Gozitan families.

In the past Budget I had announced a new mechanism in order to pay an additional COLA to thousands of families to help them keep up with higher prices.

This year we will extend the eligibility of this mechanism to reach more families.

Thanks to these changes, which were agreed after discussions with unions and other relevant organisations, the number of eligible families will almost double to 95,000 families.

The principle will remain that the benefit is granted to those who have an income adjusted according to the number of members in their household that does not exceed the National Median Income.

This benefit will be between €100 and €1,500 per year, with rates varying depending on the income and the number of people in the household.

This aid will be paid in two instalments, with the first payment in December and the second payment in May. This cost-of-living aid will be exceeding €26 million next year.

Increase in Children's Allowance

A Labour Government has always sought to support families with children through various measures. In fact fifty years ago, it was a Labour Government that introduced the Children's Allowance.

In the Electoral Programme, as part of the Child Guarantee we promised that during this legislature we would increase the Children's Allowance by €450 per child, with an increase of €90 per year for five years.

We started delivering on this promise last year, with an increase of €90. This year we feel we need to accelerate the implementation of this support measure for families. So instead of increasing the Children's Allowance by €90 again, we will give an increase of almost three times as much. Therefore, from next year the Children's Allowance will be increased by €250 per child.

This is the largest increase ever given in the fifty years of this benefit's existence and will affect more than 41,000 families with 62,000 children. They will benefit from €15.5 million in support.

Special Allowance for those who continue education beyond the compulsory age

The Children's Allowance is granted to parents until their children reach the age of 16, except in special cases of low-income families where a special allowance is granted until the children reach the age of 18.

In the Electoral Programme we promised to help those parents whose children continue their education beyond the compulsory age.

While children are given a stipend, we feel we must also help the parents of these students so that they can continue to support them. In light of this, when the period during which they are eligible for the Children's Allowance expires, parents will become eligible for a Special Allowance when their children continue their full-time education. This Special Allowance will be €500

per year for three years, as long as the children continue to live with their parents and are full-time students.

This benefit will be given to the parents of those who started their first year of post-secondary education during this scholastic year and will be paid at the end of the school year. This will benefit around 4,800 families in the first year, rising to almost 15,000 families in three years' time with an expenditure of €7.5 million.

Another increase in the Childbirth and Adoption Bonus

In 2020 we introduced a new Bonus to help families with a newborn child or those who adopt.

For the second time, we will be increasing this bonus; from €400 per child, it will rise to €500 for the first child as from next year, and from €400 to €1,000 for the second new child or more in the family.

We estimate that approximately 3,200 families will benefit from this increase.

Expanded eligibility for child-rearing credits

To date, parents who have started working and who interrupt their career to build a family benefit from Social Security contribution credits for each of the first three children they raise.

As from next year, this benefit will be expanded so that parents who first built a family and then entered the world of work will

also be entitled to these child-rearing credits, as to date they are not.

Increase in the Senior Citizen Grant

We will once again increase the Senior Citizen Grant for those who are still living in their home or in an elderly home for which they pay in full out of their own pockets.

In fact, the Grant for those who have reached the age of 80 will be increased by €50 to €450 per year. Those who have turned 75 but not 80 will still receive €300 per year.

The full disbursement of this grant will benefit 48,000 seniors with a total expenditure of €16 million next year.

Increase in the Carer at Home scheme

We will be increasing the Carer at Home scheme. As from January 2024, this will increase by a further €1,000 to €8,000 per year.

Increase in the Carer's Allowances

The Increased Carer's Allowance and the Carer's Allowance will also be increased by the full COLA, which is €12.81 per week. Therefore, the Increased Carer's Allowance will rise to €173.78 per week while the Carer's Allowance will rise to €120.68 per week.

Elderly Homes

The Government is committed to begin in 2024 the Bormla Elderly House project, the outline permit of which was issued in recent weeks, and to continue work on the Msida elderly house, while finishing the works and opening the new multidisciplinary clinic in the Floriana Elderly Home.

In March, Dar San Ġużepp will begin operating in Għajnsielem, Gozo, which will have the highest standards and will be accessible, and will consist of sizeable social spaces and green outdoor spaces.

In 2024, the Older Persons Standards Authority Act will also come into force.

St Vincent de Paule Residence

This Government will continue to invest in the St Vincent de Paule Residence with a complete renovation of the St Francis 1 and 2 Wards, the last two female wards which have not yet been modernised, with a cost of €1.6 million. The second floor of the Pharmacy block will be completed and more medical devices will be purchased to offer higher quality care. We will be opening more clinics serving both St Vincent de Paul residents and people in the community. In addition, a Therapeutic Petting Farm and Recreation Centre will be opened at a cost of €700,000.

Introduction of the partial invalidity concept

In our Electoral Manifesto we promised that we would be introducing the concept of partial invalidity. This is to address cases of people who are temporarily unfit for work due to illness but who are expected to return to work in the future. Those who have been on sickness benefits for more than six months will start earning rates equal to those of the invalidity pension.

Higher Unemployment Benefit Rates

We have brought down unemployment to the minimum levels that an economy can have today, but we want to ensure that in those instances where people lose their jobs and rely on the Unemployment Benefit until they find another job, they are able to do so with dignity.

We will be reforming this benefit so that rates are more related to the salary or earnings a person had before they lost their job. We will do this without introducing any disincentive to work.

The benefit rate in the first six weeks out of work will start at 60% of the individual's salary or earnings in the last job, in the following ten weeks it will be 55%, and in the last ten weeks the rate will drop to 50%.

The lowest benefit rate will be calculated on the National Minimum Wage, while the maximum rate will be calculated on 175% of the National Minimum Wage.

This will bring us in line with international standards in this regard.

A full cost-of-living adjustment for those on Social Benefits

Although this dependence on social benefits has decreased by 60% in the last 10 years, our social consciousness does not let us forget those who still need state support. Therefore, once again we will be giving the full cost-of-living adjustment to those who depend on social benefits.

Concession for beneficiaries of Sickness Assistance

In the 2022 budget, we introduced a new measure for those who come into an inheritance after they have started receiving the non-contributory age pension.

In those cases where a person has been receiving the pension for at least five years, the means test capital limit will be raised to €50,000 for spouses and €30,000 for single persons, if the excess comes solely from inheritance. Improvements regarding donations to children were also introduced.

For the sake of social justice, this allowance will now apply to those persons receiving Sickness Assistance as well.

Further increase in the Carers' Grant

From this year, parents who do not work to take care of their children due to their severe disability began receiving a benefit equivalent to half of the net Minimum Wage.

Therefore next year, thanks to the minimum wage increase, the Carers' Grant will be increasing by another €487 per year so that it will now reach almost €5,000 per year.

Increase in Disability Assistances

When we launched the reform of the former Disability Pension, we had established three levels of assistance to help people with different levels of disability as needed.

While the Government will remain vigilant against any abuse, it remains determined to help genuine cases.

In the reform we undertook in 2017, we had established that the Increased Severe Disability Assistance would be equivalent to a net Minimum Wage. Therefore, as a result of the announced increase in the Minimum Wage and the COLA, this assistance will be increased by €17.39 per week.

On the other hand, the Severe Disability Assistance will be increased by €12.81 per week while the Disability Assistance will be increased by €8.54 per week.

Personal Assistants

This Government will remain committed to investing more in inclusion and in the reforms necessary to help people with disabilities and their families.

After investing €4.2 million in this service last year, this year we will be increasing this expenditure by €1 million to take it up to €5.2 million. In this way, we will continue to support the notion that more people with disabilities can continue to live better, more independent lives in their own homes.

Increased tax credit for therapy of children with disabilities

After the Government approved a tax credit for parents of children with disabilities who attend therapy services other than those offered by the Government in the last budget, next year the Government will further strengthen this incentive to these parents. The increase in the tax credit for use for therapy will rise from €200 to €500 per year for each child with a disability.

Consolidating the medical evaluation of people with disabilities

By fulfilling an electoral promise to consolidate the medical evaluation of persons with disabilities, from next year these persons will begin to appear before an interprofessional board that will be created for this purpose.

The evaluation terms will be based on international health and disability standards as operated by the World Health Organization.

Compensation to Thalidomide victims

A few weeks ago we announced that a compensation of €3 million ex-gratia will be granted to living victims who have suffered permanent disability as a result of the drug Thalidomide. Screening of each submitted application is expected to begin in the coming days, where those eligible will be asked to appear before a medical board to undergo an assessment. This exercise seeks to determine the person's disability percentage, on which the financial compensation will be calculated.

Increased assistance for people on a rehabilitation programme
In 2024 we will also increase the social assistance we give to people who are undergoing an addiction rehabilitation programme on a court order.

This assistance will be increased by €10 up to €50 per week to nearly double what it was in 2015.

Continuing to help people with a severe mental condition

The Government remains aware of the problems faced by people with severe mental problems.

After introducing a measure this year to give two years of social security contribution credits to anyone who has not worked due

to mental health problems for a period between the ages of 18 and 30, it is now time to introduce another measure.

This measure will enable persons suffering from any severe mental condition to qualify for an invalidity pension if the applicant has at least 50 social security contributions in their lifetime.

Continuing to address past injustices

After having closed the schemes for police officers and former port workers in recent years, in a few weeks' time we will be paying the last instalments to those persons who formed part of the corps and who joined the civil service after 1979. In this way we will have kept our word to them as well.

The scheme also applies to former apprentices and student workers who joined the civil service after January 1979 after completing a training course commenced before that date. Due to their age, a small part of these categories still work and therefore the scheme will only remain in place for these people to be paid when they reach retirement age.

The scheme for former members of the corps who later joined the civil service will be renewed next year; for former Gas Board workers and for Malta Electricity Board apprentices who joined the Enemalta Corporation in 1977. A group of former workers who joined the Telemalta Corporation between January 1978 and January 1979 started to benefit this year.

Next year too, we will support the financial compensation given to former Telemalta workers. We will also award financial compensation to more than 500 persons who had been dismissed from a number of entities prior to March 2013, including dockyard workers, in an arbitrary manner, which led to a substantial loss in their income.

In total, approximately 2,300 people will benefit from these measures.

Yes, Mr Speaker, today we continue to address the injustices that others created.

National Strategy to continue countering poverty and social exclusion

Over the next year, we will prepare the national strategy for 10 years starting from 2025 in order to continue fighting poverty and working towards more social inclusion. This work built on public consultation will build on the current strategy ending in 2024.

Tax deduction for donations to voluntary organisations

We believe that volunteering plays an important socio-economic role in the country. We will continue to invest to facilitate the way NGOs operate in our country. In 2024 we will be opening another one-stop-shop, this time in the South of Malta. To further strengthen the voluntary sector, enterprises that donate to voluntary organisations registered with the Commissioner for Voluntary Organisation and operating directly in the field of

social, environmental or animal welfare will be given a tax credit on donations up to a maximum of €500.

Social and affordable accommodation

Mr Speaker, this is yet another budget where the allocation to the social and affordable housing sector will once again be increased.

This Government sees Housing as a key pillar in its policy. Previous budgets have enabled thousands of families to access the property market for the first time through different schemes and assistance programmes targeting people from all socio-economic backgrounds.

Continued stability in the alternative housing waiting list

Mr Speaker, in a time of global inflation and strong pressures on international property markets, the Government has managed to keep stable the number of people applying for alternative housing because it has maintained a good pace in allocating social housing units. In fact, by the end of June the number of families living in social housing properties rented from the private sector through the Nikru Biex Nassistu scheme had increased to around 700 families, with more allocations expected in the coming weeks.

We are also seeing a number of social housing development sites across Malta nearing completion after the Government inaugurated sites in Haż-Żebbuġ and Kirkop in 2023, while that of Żurrieq is due to be inaugurated in the coming weeks.

Work has also begun on eight new apartments adjacent to the Taç-Ċawla Housing Estate in Gozo to increase the number of social housing. The open space in the vicinity will be renovated and enlarged for the enjoyment of families and residents of the surroundings. In fact, the new apartments will occupy only 9% of the site.

Changes in the Private Rent Housing Benefit Scheme

Mr Speaker, this Government understands that the way the market is evolving requires us to continue to expand the assistance we offer to tenants. Therefore, in this budget we are announcing an assistance package that will substantially enhance the rental benefit.

First of all the maximum that can be granted under this scheme will be increased from €3,600 to €4,200 for a single person, from €4,800 to €5,400 for a family with one child and from €5,000 to €6,000 for a family with two or more children.

The minimum that can be granted to beneficiaries of the scheme will also be raised to not less than €125 per month.

Accommodation for Gozitan students and relatives of patients hospitalised in Malta

In addition to the accommodation rental benefit, Gozitan students will continue to be supported by being offered accommodation in Malta. The structural work at Villa Lauri in Birkirkara has been completed. Finishing works, installation of furniture, appliances and lifts will be completed over the next year.

The Government has commenced work on another student housing project at Dar Fatima in Gwardamanga.

Abolition of tax on the sale and purchase of property for owners and tenants falling under certain schemes of the Authority

Mr Speaker, we have 700 families currently living in properties that are rented by the Housing Authority from private owners through the Nikru Biex Nassistu scheme and the Kiri scheme that preceded it. Dozens more are living in properties that have been rehabilitated through the RVU scheme and rented for social housing purposes for 10 years. The Government wishes to reward those tenants who manage to improve their economic situation during the period in which they are benefiting from the social housing allocated to them and at the same time to reward those owners who have offered these properties for social purposes.

Therefore, the stamp duty on social tenants and the sales tax on landlords of social housing on the first €200,000 of the property price will be waived in order to promote the tenants' stability, who will be able to keep making progress in the same community, and to encourage more landlords to offer residential housing for social housing purposes.

Abolition of tax on the sale and purchase of property for owners and tenants benefiting from the Rental Benefit

In previous budgets, the Government launched a number of fiscal measures to reward property owners who have rented residential homes affordably for a number of years to the same

tenant and subsequently chose to sell this residential property to the tenant or to third parties. The Government wishes to build on these measures by extending the abolition of the tax on the sale and purchase of property on the first €200,000 of the property price to anyone selling rented property to tenants benefiting from the rental benefit.

First-time Buyer Scheme

In the past budget we announced the largest investment in first-time buyers in our country's history, with a grant of €1,000 per year for ten years to anyone who bought their first home since 2022. In the first year we had around 2,600 people or couples benefiting from this scheme which saw an investment of around €3 million in its first year, which will grow to 5.2 million in 2024.

Amendments to the Grant to Assist Owners in the Construction and/or Completion or Rehabilitation of their First Home ('GFR')

Mr Speaker, the reality of the present property market is showing us that more single people are choosing to buy their first residence. The GFR scheme, as it is known, is a grant where couples and individuals are given a refund of the amount they pay in VAT when they are arranging, building and finishing their first home. As the scheme currently stands, there is an anomaly where a couple receives far more than single buyers. In order to remove this anomaly the Government will change the terms and conditions of the schemes for young people buying their first home on their own to equal those of couples, so that the grant does not discriminate against them.

Foundation for Affordable Housing

Mr Speaker, in the last budget the Government committed the first annual allocation of funds to the Foundation for Affordable Housing which we set up in January 2022 together with the Archdiocese of Malta to boost the affordable housing sector. In this first year and a half of the Foundation's operation, this entity formed a well-established structure and started working to offer solutions for people who cannot access social housing offered by the Housing Authority but are finding it difficult to access the private market.

For this segment of the population, the Foundation is working towards a new supply of homes, alternative financial tools, and targeted programmes with private support, and is conducting studies and research in order to understand exactly how we can best improve these people's situation.

For yet another year, the Government will honour its obligations as one of the Founders and allocate funds to the administration of the Foundation.

Extension of schemes on the sale and purchase of property

In addition, we will extend the stamp duty reduction schemes for first-time buyers and second-time buyers again for another year.

Gozo - an island of villages

In this budget we are announcing several measures and initiatives for Gozo.

It is all part of a strategy launched a few weeks ago. We would like Gozo to be an island of villages.

Therefore, the reduced stamp duty scheme for properties in Gozo will not be extended after this December.

Therefore, all those who manage to sign a promise of sale ('konvenju') by the end of this year will be benefiting from the current reduced rate.

Gozo will still be receiving special incentives. As for purchases of UCA properties or long-term vacant properties by first-time buyers, from next year we will increase the grant given to first-time buyers of these properties in Gozo from €30,000 to €40,000. This is in addition to the other strong tax exemptions for anyone buying this type of property.

CHAPTER 3. INVESTING IN OUR COUNTRY'S GREATEST RESOURCE: ITS PEOPLE

Mr Speaker,

We will invest more strongly in the skills and abilities of our workers to improve the quality of jobs in our country and the productivity of workers. This will allow us to ensure a better standard of living for our country's workers.

National Employment Policy for 2021-2030

The National Employment Policy for 2021-2030 has framed the Government's holistic vision for jobs in Malta, a vision involving continuous work, with some of its recommendations being implemented every year.

In 2023, the first results of the National Skills Survey were published. Due to the lack of human resources in Malta and persistent skills shortages, this survey served as a national exercise to take stock of the skills and qualifications of the working-age population resident in Malta and Gozo. To further complement this vision, a National Skills Council was established in 2023. The Council plays an instrumental role in ensuring that Malta is better prepared to face new labour market realities. Its main objective is to use evidence-based practices to understand and anticipate current and future skills within the labour market so that appropriate measures can be designed.

Rewarding hard work

This budget will continue to build on the one before it and so I am pleased to announce, that in addition to continuing wage enhancement measures for workers next year such as tax deductions on part-time and overtime work, the Tax Refund that has been given in recent years by this Government will be given once again next year. The value of the cheque will be between €60 and €140 with the highest amount being given to the lowest income earners (see Table 3.1).

I will make it clear before the Opposition's annual spin starts. This is not tax that you have paid and which we are refunding. Rather, this is a grant that rewards participation in the labour market.

This measure will benefit over 250,000 people at a total expenditure of €26 million.

Adjustment to the tax exemption for active pensioners

In the 2022 Budget we announced that over a period of five years, pension income will gradually no longer be considered as part of the taxable income. This was done to encourage pensioners to remain active and continue working beyond retirement age. In light of this, the amount ignored for tax purposes next year will be increased again by 20% to 60%. In this way, pensioners who have additional income beyond the pension benefit from greater tax deductions.

This measure will mean that around 17,000 working pensioners will see a total increase of €27 million in their income.

Table 3.1: Tax Refund

Computation: Single	Amount
Income	
	2024
€0 - €15,000	€125
€15,001 - €30,000	€95
€30,001 - €59,999	€60
Computation: Married	
Income	
	2024
€0 - €20,000	€140
€20,001 - €40,000	€110
€40,001 - €59,999	€65
Computation: Parent	
Income	
	2024
€0 - €15,000	€135
€15,001 - €30,000	€105
€30,001 - €59,999	€60

Further improvement in the In-Work Benefit rates

Since we launched this benefit aimed at working parents in 2015, we have repeatedly improved the benefit rates and broadened the limits of employment income.

It is also worth mentioning that the number of families benefiting since last year has more than tripled with the introduction of an automated system that identifies the beneficiaries without the need to apply.

We will add €50 per child in the family under the age of 23. This is the first of four increases we promised in the Electoral Manifesto.

This increase will affect about 23,000 families with 34,500 children. Total expenditure on the In-Work Benefit will amount to €16 million.

In-Work Benefit for employees with atypical working hours

In the 2022 budget, we introduced a new grant of €150 per year for those employees whose basic pay does not exceed €20,000 and who work atypical hours in the sectors of accommodation and food service activities, administrative and support service activities, manufacturing, transportation and storage, and wholesale and retail trade. This year the benefit will be paid in December 2023. As promised, this measure will be extended to next year and thus around 25,000 employees will be receiving a €150 cheque, at a total cost of €3.8 million.

The Minimum Wage

As from next year, the minimum wage will be substantially increased over a number of years in agreement with social partners. By 2027, the minimum wage will increase by between

€12 and €18 per week in addition to the statutory COLA granted within the same period.

Simply put, the first increase means that as from January 2024, the minimum wage will rise from €192.73 per week to €213.54 per week.

Sectoral Agreement

This is a Government that invests in the community and the areas of health, safety and education are crucial for strong communities. We have therefore reached an agreement with nurses and police officers to improve wages and working conditions and the Government will be doing its utmost to conclude and sign an agreement with educators in the coming months.

Every time we sit at the negotiating table we make sure that we improve the conditions of workers, in a significant but also sustainable way. This is what A Just Malta means.

Also in the coming year, the Government will be sitting down with a number of unions that are signatories to various categories of workers within the Public Service to discuss the country's largest collective agreement. The Government will be making sure that workers earn what they deserve to be able to offer a high service to the citizen, while at the same time guaranteeing that, as always, the balance between productivity and sustainability in terms of financial demands is maintained.

Skilled and highly qualified foreign workers

We want Maltese people to be prepared to take on the best jobs, but it is also a reality that we have opportunities in important areas where we do not yet have enough workers. It is for this reason that tax law offers tax incentives for Malta to attract foreign employees in certain specialised categories. We will review all the rules that have emerged over time to consolidate them under a single system with uniform conditions. In addition, they will be updated to be more in line with the economic development requirements of recent years.

National Education Strategy for 2024-2030

This budget will build on the one that preceded it as it will further strengthen investment in education infrastructure and quality of education.

In 2024, we want to make sure that the educational field will continue to have a vision for the coming years. This is why we are launching the National Education Strategy for 2024-2030, so that through pillars based on well-being, skills and inclusion, we will continue to have quality education. Hand in hand with this strategy, work will commence, through the National Skills Council, to develop a National Skills Strategy.

One Tablet per Child

This year, the One Tablet Per Child initiative was extended, while work began to distribute a new laptop to each student in the seventh year.

Renovation of schools and new schools

In Nadur, Għaxaq and Rabat students were welcomed in new and totally refurbished schools, and the Theatre Hall and Sports Complex in Santa Luċija were also completed. Work on the Msida school is also progressing at a good pace.

In 2024, the first phase of renovation and modernisation will begin at St George's Primary School in Qormi, while the preliminary phases of the new Primary schools in Mosta and Mellieħa will begin.

In Rabat, Gozo the building of the new Primary school is well underway, as is the extensive extension and renovation of the Middle School with an investment exceeding €21 million. In January next year the works on the Middle School will have been completed, allowing students and teachers to enter the new school. The Primary school is expected to be ready by August 2024.

Stipends

Next year the stipends will be increasing again at the pro-rata cost-of-living adjustment. This translates to an increase of €64 per year.

But that is not all. The Government will continue to substantially increase stipends in particular courses. We are addressing the need for more people trained in sectors crucial to our country's economic transition or in important areas where the country is

lacking, such as primary school teachers or teachers of scientific subjects and mathematics.

In this way we can ensure that the economic transition we talk about becomes reality.

Existing scholarship and tax credit programmes

Next year we will continue to strengthen existing Scholarship programmes and continue to provide tax credits for those students who wish to advance with their Master's and Doctoral studies through the Get Qualified and Higher Educational Qualifications schemes, which, I am pleased to announce, around 4,600 people benefited from last year for a total of €8 million.

Investment in research and innovation

We will be launching the National Strategy for Research and Innovation in Malta and Gozo. This year too, investment continued to increase including through a new Technology Extension Support programme while further expanding participation in the Horizon Europe programme where since the start of the programme, 121 Maltese entities signed 97 Grant Agreements and received more than €31 million. We have also invested and will continue to invest in Esplora to continue the spread of STEM education in the community.

The National STEM Community Fund has been further strengthened while we have allocated more than €6 million, including for the FUSION programme. For the third year in a row, the Community Development and Innovation Scheme fund will

be added, from which, last year, all those who applied, meaning 30 voluntary organisations in total, benefited from projects that will further strengthen and facilitate the lives of people in the community.

Digitalisation, advanced technologies and communication

According to the report issued by the European Commission giving a detailed overview of the progress relating to the targets of the Digital Decade 2030 policy programme, Malta's performance was higher than the European average in terms of progress towards achieving these targets.

For the first time this year, a Summer School and Bootcamp were organised through the Pathfinder and AI Applied Research Grant schemes; we continued to financially assist those interested in pursuing their studies at Post-Graduate level. Similar schemes and measures are planned to be replicated next year.

Further investment in health

I am convinced that the Maltese and Gozitan people greatly appreciated the great strides we have made in the field of health over the past years.

In 2023, we continued to invest and track progress on a number of capital projects, including the Ċensu Moran Regional Centre, using EU funds, which is expected to open next year.

I would also like to mention the modernisation of the wards at Mater Dei Hospital and Mount Carmel Hospital, the new Blood Bank project, the new infrastructure of the Emergency Department, the Department of Medical Imaging, the third Cardiac Catheterisation Suite, as well as the acquisition of MR Linac.

The design of these projects and others that are planned to be carried out over a number of years took into account our country's demographic trends and medical and technological developments in the field of health to ensure that every investment we make is wise and long-term.

In April this year, the Government took over the running of the Gozo General Hospital, Karin Grech Hospital and St Luke's Hospital after making what is known as a control step in on its own terms. This is while ensuring the service and employment of workers.

For next year, the Government will be investing €75 million in order to run the Gozo General Hospital and the Karin Grech Hospital, in addition to paying workers' wages. This means that to operate the hospitals, the Government is investing as much as it invested last year, and even more.

Meanwhile, in arbitration before the International Chamber of Commerce, the Government is working to continue to safeguard Malta's interests.

Next year we will continue to evaluate clinical and medical needs as well as the demand for the provision of services provided by the Gozo General Hospital, both in the immediate term, where we have already taken important initiatives such as the tender for an MRI machine, as well as over a longer period of years.

On this basis, we will formulate the Medical Brief - updated with all the necessary needs to update the hospital - to ensure the provision of sustainable care of the highest quality.

Medicines

This year we continued to expand the Government Formulary through the purchase of more effective medicines and treatments for treating diseases, including chronic and rare ones, and health conditions. I am pleased to announce that in 2024, the Government Formulary will continue to expand to include medicines that will be given free of charge to IVF patients and those who suffer from asthma, Pulmonary Fibrosis, and those with mental health challenges.

Health services

We have invested heavily in primary care, where we modernised several Health Centres in both Malta and Gozo and introduced new services in these centres. In the coming weeks, we will open the new Health Centre in Rabat, Gozo, and offer a number of services that so far have only been provided at the hospital. The GU Community Clinic service is also expected to start operating in the coming days.

In 2024 we will continue to modernise the Mosta, Floriana and Bormla Health Centres and open new clinics. We intend to introduce and extend a number of services, including the blood transfusion service at the primary care level.

Another service that will be extended is Remote Patient Monitoring, which will benefit all those suffering from Type 1 Diabetes. In addition, Mater Dei Hospital will have a dedicated team of specialists trained in managing complications suffered by cancer patients and will continue to extend the Nurse Navigator service. We will also expand daytime ophthalmic services, including by opening a theatre for minor operations. We will also continue to implement the mental health strategy.

CHAPTER 4. THE DESIRED ECONOMY FOR A SUSTAINABLE FUTURE

Excessive bureaucracy is an economic barrier and so we have continued discussions to streamline the process so that businesses need not submit the same documentation several times with different regulatory entities. A Common Central Data Repository will be created, which will facilitate the process of identifying applicants when doing business in Malta.

We also believe in the right for all businesses to have access to a basic bank account. For this reason, we are currently consulting banks to deliver on this promise as well.

At the end of this year, the Malta Business Registry will also launch a new portal. This will facilitate the process for registering business partnerships, companies and their branches and submitting documents online using a qualified and certified electronic signature.

In addition, to reduce the administrative costs of small companies, the obligations currently imposed on certain companies under different laws such as the Companies Act and the Merchant Shipping Act will be aligned, as far as possible. We will reduce the obligation these small companies have to hire an auditor to draft a report on their financial results for tax purposes, where this obligation does not exist in the acts mentioned. But at the same time we will see that the integrity of their financial results is not compromised. This should lead to more companies regulating themselves and submitting their tax forms on time.

Start-ups

In order to help start-ups in their early years, particularly those with innovative technology products which are normally unable to obtain loans from commercial banks, we introduced the first Venture Capital Fund.

Another initiative that will be relaunched next year is the Seed Investment Scheme. This scheme offers incentives in the form of tax credits to Maltese companies after they have invested in startups and undergone due diligence.

EU-Startups Summit

As part of the Government's commitment in the year 2023, Malta Enterprise concluded negotiations with the EU-Startups Summit, and for the first time this event will be taking place in Malta in 2024, 2025 and 2026. For the past few years, this summit was being held in Barcelona. In the coming years we expect the EU-Startups Summit to bring 4,500 participants over 3 years to Malta.

iStartup Finance

For yet another year, Malta Enterprise will be extending the iStartup Finance scheme. This is in addition to launching the document for consultation on a legal framework designed to simplify the lives of start-ups, in particular the most innovative ones.

The aim is for our country to have a strategy designed exclusively for start-ups.

Enterprise-strengthening schemes

For yet another year, the Skills Development Scheme, the Rent Subsidy Scheme, the Innovate scheme and the Smart & Sustainable and Investment Aid for Energy Efficiency Projects schemes will be extended.

In addition, the assistance scheme for small and medium-sized enterprises to receive advisory services regarding ESGs and how they can make their operations more sustainable will be extended in 2024.

Following discussions held with the country's main stakeholders, such as the Chamber of Commerce, Chamber of SMEs, MHRA and ACE among others, over the next year, we will also organise a number of workshops on the green transition, where information will be provided on the schemes that the Government offers to industry and sustainable practices that can be implemented by local enterprises will be discussed.

The microchips sector

This was an important year for Malta and for the microchips sector, which is considered a strategic area in the global economy. This sector employs more than 1,800 people in our country and leads to more than €600 million in exports every year.

On 8 June 2023, the European Commission announced that the Malta Enterprise and ST Malta project was among the strategic European projects that were accepted as part of the IPCEI in the field of semiconductors and communication. Malta was one of 13 Member States accepted into this programme. This project should lead to more investment and innovation in the microchips sector in Malta.

Blue Med

As promised, Malta Enterprise launched a new initiative regarding the blue economy, Blue Med. This initiative will continue to be developed to further collect information from the local and foreign sector on how we can continue to help companies based in Malta. This is being done through an economic study on the sector and the potential of new niches in this sector.

A Competence Centre in the Semiconductors Industry

In order to further develop this sector and attract even new niches in the field of semiconductors and microchips, Malta Enterprise will be working within the framework of the European Chips Act so that in Malta we will have a Competence Centre in the field of semiconductors. This Competence Centre will focus on upskilling for future workers in this field. Through this initiative, we will also continue to encourage the development of Maltese start-ups and SMEs, as well as attract foreign direct investment to our country in the form of companies designing fabless chips – something that to date is not made in Malta.

This is putting us on the European map in such an important area of the global technology race.

Manufacturing

We will continue to work to attract towards our country industries that bring high quality jobs and leave a greater impact on the economy with as little impact on the environment and quality of life as possible.

Intensive work is being carried out by the INDIS to announce a number of foreign direct investment projects in various locations next year. We are planning a complex for small and medium-sized enterprises in Hal Far, to have a place dedicated to them that is separate from residential areas. This will reduce the inconvenience for residents living nearby.

With time, the aviation industry in Malta continues to grow. Therefore, earlier this year, we inaugurated Taxiway Lima so that the airport can now host larger aircraft for maintenance, as part of our country's MRO industry. Throughout the next year, we will invest in creating additional airplane parking facilities.

Gaming

In the Gaming sector, the Government looks forward to further implementing the national esports strategy while we will carry on various initiatives to further strengthen education and training for digital games development. Our esports policy ensured that the ESL Pro League Season, an internationally recognised esports league, will again take place in our country next year.

As regards the regulation of the gaming sector, the responsible Authority is working hard to strengthen the regulatory framework to ensure that it remains relevant to meet the challenges of this dynamic industry while our country remains a key jurisdiction in this area.

International taxation

In the field of international taxation, work continued within the OECD on the so-called Two Pillar Solution. To put it briefly, Pillar 1 deals with the reallocation of taxing rights between countries while Pillar 2 deals with a global minimum taxation (i.e. an effective tax rate of 15%) for companies forming part of large multinational groups with an income of €750 million or more. The global minimum tax framework under Pillar 2 is already a reality within the European Union, with Member States agreeing on a Directive for the implementation of this framework within the European Union and several countries have already started the process towards implementing these rules.

The European Union Directive implementing a global minimum tax will enter into force in 2024. However, this Directive gives Member States the option not to apply it for a maximum of six years where certain particular circumstances apply – basically, where in a given Member State there are not many large multinational companies.

In this context, it would be beneficial for our country not to introduce any of the components of the Pillar 2 rules in 2024. That is, we will not introduce a top-up tax which raises the rate to the minimum tax rate of 15% under the measures contemplated

in Pillar 2, the so-called Income Inclusion Rule (IIR), Undertaxed Payments Rule (UTPR) and Qualified Domestic Minimum Top-up Tax (QDMTT). This will allow us to follow global developments and take action as needed in the context of these developments. Nor will we change our current tax system. Thus, this tax system (the full imputation system) will continue to apply as before.

In the meantime, we will continue to work to have measures and incentives in the form of grants or tax credits (so-called Qualified Refundable Tax Credits or QRTCs) compliant with EU and OECD rules. Therefore, even though in the transitional period, the taxation of these companies may increase slightly, we will be ensuring that Malta remains competitive for these companies.

Malta Financial Services Strategy

Mr Speaker,

Earlier this year we launched the Malta Financial Services Strategy which is a long-term plan to re-energise and transform the financial services industry in Malta, building on its solid foundations and reputation. The strategy was prepared following a lot of work by the Maltese Financial Services Advisory Council (MFSAC), with the active contribution of the Government, financial services regulators, and industry stakeholders. This strategy will lead to making our country a sustainable financial jurisdiction, where it is easy to do business, one which drives growth and innovation in the sector. Over the next year, we will see strong work on a number of priorities to be implemented over the next 18 months.

Wealth & Asset Management

The fund and wealth management sector is an important one for the country and represents a typical niche market that generates high end jobs with high levels of governance.

The working group on asset and fund management set up within the Malta Financial Services Advisory Council (MFSAC) has made a number of proposals to the MFSA which are mainly intended to enable different structures to be set up within Malta for international investors especially in private equity. But, first of all, a study was carried out on the possibilities that exist within the legal framework of European Union directives on the matter in order to study and legally justify any proposal.

In this context, the MFSA is in the process of implementing a number of regulatory changes, including those related to the Notified Professional Investor Fund and Limited Partnerships as well as other changes.

Family businesses

In our country family businesses are the backbone of the economy. Around the world, family businesses face complex challenges. Only a small minority of family businesses successfully transition from one generation to the next.

Aware of this, next year, the Government will continue to help family businesses by once again extending the concession on a reduction in stamp duty from 5% to 1.5% when family

businesses are transferred inter vivos to their children or younger generations.

In addition, family businesses registered with the Family Business Office can benefit from a higher capping in tax credits on the investment made in their business than that applicable to other businesses.

We will continue to build on the framework created by the Family Business Act through measures to ensure that family businesses are free to structure themselves in the way that best suits their specific realities without regulation or taxation being a deterrent factor. We will see that family charters are expressly recognised in terms of law and appropriately regulated as a special form of contract; and we will support family businesses, through tax incentives, as they internationalise, innovate and digitalise.

In addition, the changes mentioned in the context of Wealth Management will also serve to attract new Family Offices to Malta. These differ from Wealth Management in that they offer a total solution for managing the financial and investment needs of an individual or family who owns wealth.

REITs

In the coming days we will be launching a consultation on tax incentives for Real Estate Investment Trusts (known as 'REITs') to strengthen the regulations of the Malta Stock Exchange in this area. REITs are intended as a means of giving small investors the opportunity to invest in shares of companies that own a

portfolio of leased properties and that undertake to distribute no less than 85% of their earnings in dividends each year.

Aircraft Leasing

The Government will be working to facilitate financial infrastructure to strengthen aircraft leasing in the coming months. To make this happen we must work on amendments to relevant laws, prepare a specialised framework for depreciation and attract full-service banks so that they can support this initiative. Our country already has a number of professionals in this sector who are working with other countries in this field. We therefore believe that our country can establish itself well in this sector and by the end of next year will be able to attract new investment in this field too.

Sustainable Finance

A consultation will also be launched on tax incentive proposals aimed at giving companies as well as investors an incentive to make sustainable investments, such as when issuing Green Bonds as regulated by the Malta Stock Exchange.

The Government is leading by example and the Water Services Corporation has already issued the first green bonds, but now we want to have a structure to strengthen and promote similar initiatives.

Through these incentives, the Government wishes to encourage people to invest their money and participate in sustainable

projects so that, together, we can create a healthier and cleaner environment, while increasing savings.

The Capital Market in Malta

Together with the industry, we are carefully looking at how we can strengthen the capital market in Malta, in the global context that embraces sustainability principles in the financial field. Looking ahead, we continue to work to increase liquidity in our country, by attracting international instruments, including bonds issued by foreign companies, to the Malta Stock Exchange.

Tourism

Tourism has been and continues to be among the main drivers of the Maltese economy. During the pandemic, we helped people and businesses and thanks to this decision, we gained confidence to keep investment in this industry going.

After these challenging times, today the results are showing us that the Maltese Islands have been at the forefront of a faster recovery than anticipated. A recovery that exceeds that achieved by Malta's neighbouring countries.

Despite continuing to outperform 2019 results, the same year when we recorded a record in tourism, the tourism industry must move on to the next chapter.

Today the tourism discussion in our country is no longer centred on how many tourists come per year, but on what kind of tourists we want to attract to our Islands.

Therefore,

We will continue to work to further strengthen and update the tourism infrastructure with today's times.

Our overseas advertising work will continue and we will see to it that we continue to support air connectivity from and to Malta.

We will make decisions that improve the service offered across the entire spectrum of the hospitality industry.

We will carry on with our commitment to seeing what the best way to develop the Smart City site is so that it can serve our students and the tourism industry that is so important to us.

In Gozo, the Government has in recent years invested in improving tourism infrastructure and will continue to do so, so that Gozo too will have potential for consolidation in other tourism niches. We will continue the incentive schemes with more collective investment to strengthen the product and experience that Gozo can offer.

Investments in promotion will continue to increase next year as the specific VisitGozo brand will be renewed. We will therefore continue to support Extended Stays schemes in the low season,

support operations in digital advertising and investment in the tourism product.

The National Airline

Mr Speaker, as I announced a few weeks ago, next year we will be revitalising our national airline. As I explained in this very House, over the past months we have been in intensive discussions and negotiations with the European Commission to ensure that the plan we have devised is a robust one, that in addition to bringing our national airline to life, it is financially sustainable in the long-term.

Our national airline is a crucial part of our islands' infrastructure and the air connectivity it provides is inextricably linked to our country's economic growth and success.

Therefore, next year we will be investing the first €215 million in capitalisation in the new national airline so that it will begin operating on 31 March.

Freeport

Earlier this year we announced the squaring off project, through which the freeport will have a better infrastructure to cater to today's needs, as well as more flexibility in its operations, and at the same time, we will move these operations further away from residents living nearby.

This agreement will initiate the first expansion of the Freeport in 20 years and extend the Freeport area by a total of 30,000 square meters of new land, so as to ensure that the berthing facility is suitable for new ships larger than 400 metres and to tie them further away from the residential area.

Preparatory work on this expansion project has started and structural work will also begin over the next year. Work on the onshore power supply project will also continue over the next year. This is a project costing approximately €12 million co-financed by European funds, with which an electricity supply will be provided to vessels at berth in the Port so they will not have to keep their engines running. This will naturally reduce air pollution and noise for the benefit of the families living nearby as well.

European funds for businesses

Next year we will keep offering cash grant opportunities with an investment of about €40 million to small and medium-sized enterprises under the Business Enhance scheme.

The grant schemes are intended to address the areas of Start-ups, enterprise development, diversification, as well as facilitate enterprises to reach new markets.

Financial instruments for businesses with European funds will continue in the coming years through the INVEST EU financial instrument which will be extending aid offered to small and medium-sized Maltese enterprises through facilitating access

to financing from local banks in the form of interest rate reductions and collateral requirements. About €9.5 million are being allocated for this purpose from the European Regional Development Fund (ERDF) and around €7 million in National Funds from reimbursements from the JEREMIE financial instrument, implemented in the previous Programme, for a total of around €16.5 million. It is expected that this financing facility will begin to be offered to Maltese businesses early next year.

The private sector will continue to be incentivised in the area of digitalisation through grants including for self-employed persons who operate on a small scale under the Business Enhance programme with €15 million.

The grant scheme under the RRP for climate-friendly renovation of commercial buildings in the private sector with a value of around €20 million will continue during the coming year. This measure is focusing on the accessibility of the funds allocated under the RRP for the renovation of private sector buildings for retrofitting and energy efficiency.

Sustainable Urban Development (SUD)

The Government is making the necessary preparations for the implementation of Sustainable Urban Development with European funds, amounting to around €58 million. The initiatives and actions taken will all be focusing on Gozo.

Lands

In the coming months, the Lands Authority will extend the 2015 pilot scheme relating to commercial leases, known as the Valletta Shop Scheme, to the entire national territory.

So far, there has been no structured way of resolving cases where there is a breach of conditions arising from old contracts and due to these, new development or property transfer cannot take place. Therefore, next year, the Government will introduce a Legal Notice dealing fairly and expeditiously with such cases, with a compensation payment for various types of breaches or changes of conditions depending on their entity.

Launching the National Plan for Socio-Economic Regeneration

Over the past decade we have seen a sustained economic rhythm leading to social progress across our country. But while this progress was widespread across several areas of our country, there were still a number of localities that either did not benefit at the same rate of national development or faced a number of less positive impacts.

Therefore, this year the Government will be launching a socio-economic study to identify localities and areas with special regeneration needs. These locations will be given priority in terms of infrastructure investment, community projects and urban greening. In addition, firms and businesses in these areas will be given more generous grants, especially when it comes to renovating buildings as well as creating quality jobs.

CHAPTER 5. INVESTING IN THE INFRASTRUCTURE OUR COUNTRY DESERVES

After 10 successful years in the field of energy, during which we lowered bills by 25% and maintained stability because we invested in power generation, it is time to renew this energy policy through a new vision for the next 10 years.

Energy infrastructure and diversification

Over the past 10 years, our country has not only kept bills stable, but through diversification to cleaner energy, emissions in this sector have decreased by 60%. This means that we have begun to deliver on the vision for cleaner energy and will continue to strengthen the move in this direction.

This Government's energy vision is based on five pillars, which include energy price affordability, diversification of energy sources and keeping the consumer at the centre of the energy system.

This plan should lead to keeping prices affordable while moving towards clean energy generation through renewable technology.

Today our country has the capacity to generate around 800MW through the interconnector with Sicily, renewable sources and the Delimara power station. This energy mix needs to be further diversified.

In July we registered a record demand of 663MW, much higher than what was forecast.

It is for this reason that we are working on an energy policy to increase generation capacity, and will continue to strengthen and scale up new distribution infrastructure, with a focus on the diversification of renewable sources.

Credibility in the area of financial support and energy policy is undoubtedly in favour of the Government.

Offshore renewable sources

The pandemic and Russia's war in Ukraine left ripples in the international energy sector.

While we have seen a number of European countries turn back the clock to produce energy through polluting sources, and they have even raised energy tariffs, in Malta we remained determined to increase renewables and keep prices stable.

Through the national policy for energy development from offshore renewable sources, we have demonstrated the direction we want to take. The submissions made in the public consultation are being analysed by the Energy and Water Agency so that they can be integrated into the final strategy.

At the same time, Interconnect Malta is carrying out various technical, financial and legislative studies in order to begin the process for the development of these projects with our target

being the publishing, in the first months of next year, of the Pre-Qualification Questionnaire (PQQ).

Based on the preliminary consultation held on the exclusive economic zone beyond territorial waters, there were a number of investors who have shown an interest in developing renewable energy projects.

Among other projects, there was a strong interest in clean energy generation projects.

The second interconnector

We have continued our work to ensure better and safer connectivity for the country. We consider that by investing in a second Malta-Sicily Interconnector using European funds, we will continue to strengthen network stability in order to back up further investment in clean energy, including offshore renewable energy.

Through this investment we will be reducing carbon emissions and at the same time enabling us to have sufficient capacity for the ever-growing electricity demand.

Energy storage using batteries

We have ensured that we will continue to strengthen the resilience of the national grid, and provide flexibility in terms of the system's capacity to accommodate additional renewable energy.

To accomplish this, the Government is working to implement mass storage projects using batteries.

The first project will be based at the Delimara Power Station and funded through European funds, with a budget of €35 million, and the second project will be at station 'A' in Marsa, funded by the RRF, with a budget of €12 million.

A strategy for the introduction and use of hydrogen by industry in Malta

The Government will commence work on developing a strategy for the introduction and use of hydrogen by industry in Malta, so that where possible, processes that to date still use diesel or other oils such as fuel, and cannot switch to electricity, have a clean and zero-emission fuel option.

Strengthening the electricity distribution system

In 2022, Enemalta launched a €90 million investment programme over six years in order to strengthen the electricity distribution system across Malta and Gozo. In 2024 this investment will double to accelerate the implementation of this plan in order to strengthen the distribution network.

In fact, the implementation of this plan is at a more advanced stage than planned. New transformers and switchgears have been built to improve distribution from the distribution centres in Tarxien, Wied il-Għajn and Imrieħel. We have thus doubled the capacity of these areas.

A total of 66 new substations were also built in the distribution network, and furthermore nine medium voltage centres were reinforced and 130 new low voltage feeders were built. 41 substations were upgraded and we equipped another 37 substations with an automated system to improve response time.

We also have plans for strengthening the distribution system through distribution centres and substations, as well as strengthening the medium voltage network.

This plan is also using an investment of €50 million from European funds under the RePowerEU programme.

Enemalta will be investing in more emergency plants so that if a fault arises in one of our generation sources, at peak demand, the electricity supply can be supplied from the other sources. Immediately, Enemalta will be temporarily leasing capacity of up to 60MW in emergency plants.

Through this strong investment, the Government continues to strengthen our electrical infrastructure while facilitating the use of more advanced technology in order to guarantee a secure energy supply, one which is affordable and which achieves the country's decarbonisation targets.

Road infrastructure

This year we completed a number of projects that addressed major bottlenecks around the Malta airport, such as the Luqa Junction Project, the MFSA Junction and Imrieħel Bypass, the

Kirkop Tunnels and the Airport Intersection Project, with an investment reaching €40 million on these three projects. We are not going to stop there.

Work is underway to improve roads around Triq Sant'Andrija in Pembroke with an investment of €5.4 million, where we will also be investing in lanes for people to walk and cycle on. Another important project paving the way for another major project, that of Paceville Junction. Yet another important project is that of the Msida Creek, a strong investment in the Centre of Malta, a project that will upgrade this essential junction used by thousands of people every day.

Water infrastructure and water management

The Government will continue to invest in the restoration of abandoned historic reservoirs; we have started assessing works on the reservoir at Auberge d'Angleterre, with a capacity of up to 120,000 litres of water.

To continue to keep up with the demand for drinking water, the second expansion phase for reverse osmosis production continued during this year, with an investment of more than €12 million. The ultimate goal is to increase production capacity by more than 50% over the 2020 average by 2025.

A process to replace old mains also continued, of which about 9km have already been implemented, with a further 11km in a final phase to be contracted. This project will extend to 2025, with a total expenditure of €22 million.

The project improving the Sant'Antnin sewage treatment plant is being commissioned and is expected to start operating in the coming months. This measure, with a total cost of around €7 million, will be increasing sewage treatment capacity in the South by more than 20%.

I would also like to mention New Water, an innovative project popular among many farmers. This year, the work carried out by the Corporation to extend this network of recycled water in the North and South of Malta continued. With more than 350 New Water dispenser points planned, this Government will continue to see that it delivers on another political promise.

Waste infrastructure and waste management

This Government's long-term vision in the waste management sector is being implemented decisively and is achieving results. This year saw a record reduction in the amount of black bags while the amount of material sent for recycling and the tonnage of organic waste collected are the highest ever recorded.

The ECOHIVE Project, the largest investment ever made in Malta in this sector with an investment of half a billion euros, will change the way waste is processed at home. Excavation of this site was also completed this year. The Waste-to-Energy plant will receive waste that cannot be recycled or otherwise recovered, and which in the past went to landfills. Waste will be converted into energy, and in this way this facility will be contributing towards satisfying part of Malta's electricity demand with green energy.

Maritime infrastructure

In the maritime field, Malta has consolidated its place as the sixth largest ship register in the world. Next year, we will make changes to the Merchant Shipping Act and start implementing the new policy for superyachts. We will draft Malta's vision for the maritime industry for the next 20 years.

The maritime industry is experiencing growth when it comes to ship repair too. Seabed cleaning work has continued in our ports, the aim being that they will be able to accommodate a wider range of activity including ships of a certain size. Dredging work was completed in recent months at a cost of €7 million. Next year, further work is expected to be carried out, costing around €6 million.

We will continue to work on extending the Pinto and Lascaris Wharfs with an investment of €25 million.

Work has also started on the large project that will see us building a new freight facility in the Ras Ħanżir area near Kordin.

Work is well underway on the ambitious project of installing systems so that large vessels, such as passenger or cargo ships, can shut down their engines when they are docked in our ports. This project will reduce air pollution and improve the quality of life of people living in the South of our country and around the Grand Harbour. The first phase, with an investment of €33 million, will be ready by next year. Work on Boiler Wharf, Deep Water Quay, Ras Ħanżir, and Lab Wharf is complete while work on Pinto Quays 4 and 5 will be completed next year.

Preparatory work related to the second phase consisting of the installation of shore-to-ship systems in the lower part of the Grand Harbour was also begun to continue investing in cleaner air for people living in the area.

Aviation and infrastructure

In the field of aviation, aircraft registration is increasing at a good rate and today we have 856 aircraft registered here in Malta. We will start implementing the new aviation policy and air navigation act.

After the Malta International Airport announced in 2023 an investment plan of almost €200 million over five years, the Government will also continue to invest and attach the importance it deserves to this very important sector.

Other capital projects in the Grand Harbour

We will carry on with further projects around the Grand Harbour coast, where we will work on regenerating Marsa and continue to beautify and improve accessibility in Isla and Kalkara. Work is also underway in the area of Marsamxett Harbour where we will continue the regeneration of Independence Square, the restoration of Casa Bolino, the restoration of social housing buildings as well as work on the vertical lift near Peacock Gardens.

Ferry Landing Sites

By investing in ferry landing sites in Bormla, Buġibba and Sliema, the Government is improving accessibility of sea services. I cannot not mention the investment made by this Government in order to start operating the Fast Ferry service on a schedule between Malta and Gozo. This investment is paying off because by the middle of this year, 255,406 passengers made use of this service that is facilitating transit between Malta and Gozo without the use of a car.

Works begun this year on the Buġibba pier with the aim of increasing maritime connectivity. With an investment of around €14 million we will build a new breakwater as well as a publicly accessible ferry terminal.

Land reclamation

In the last months we begun to explore a number of projects that not only respect and improve the environment but give that area and ultimately our country the added value they deserve. We are currently working on a number of sites where together with experts, we are reviewing the best interventions that can be made so that we can come up with proposals for further discussion and eventually have a number of applications with the competent authorities.

Gozo Airfield

The Government is working on developing the Gozo Airfield. Following the public consultation process, studies are being finalised as part of the process to approve the development

application. Through this project we will continue to improve the connectivity of Gozo and open doors to new niches including drone testing and sky diving.

Agriculture, farming and fisheries

As promised in the Electoral Manifesto, this Government addressed the problems relating to the agricultural lease laws in order to reassure farmers to keep working the land, while providing appropriate compensation to the owners. We are now moving on to the next part of the reform in this area by setting up an Agency responsible for agricultural land, registering agricultural leases and establishing measures for protecting fields. We will begin the process to give young farmers the opportunity to benefit from financial instruments that help them buy agricultural land. In addition, we will be just with agricultural land owners by removing the inheritance tax on agricultural land leased or cultivated by professional farmers.

We will introduce labels identifying local products and provide traceability for fresh vegetables, fruits and fish in order to promote the use of local products.

It is also time for Malta to have Maltese products registered as a Protected Designation of Origin. As promised, we will see the first products registered next year. In order to give exposure to Maltese products, we will reorganise the Malta AgriFair next year.

In order to continue to support the agricultural sector, as well as keep the price of staple foods, such as bread, stable, we

will further reduce the high prices of feed and flour next year. Furthermore, we will be allocating funds to the restructuring of the dairy sector.

This Government believes in regenerating the fisheries sector by attracting young fishermen to this sector and facilitating their entry. Through a scheme we will be giving incentives to fishermen who own more than one vessel to hire young fishermen who wish to start working in this sector. From next year we will also introduce financial instruments that will be accessible to fishermen who wish to buy their first vessel.

Technical studies are expected to start in 2024 so as to improve the landing sites at Hondoq ir-Rummien and Daħlet Qorrot in Gozo. This investment will involve the repair of fishermen's facilities, the rebuilding of piers and slipways as well as the installation of more modern, efficient and secure winches.

We believe that the competitiveness and future of the fishing and aquaculture industry depend on research and innovation. We will therefore set up an Agency to be in charge of research and development and implement projects in aquaculture and fisheries.

In the coming weeks, the Government will issue a call for interest in order to attract aquaculture investment in our country's exclusive economic zone.

Animal rights

After consulting stakeholders in the field of animal rights, next year we will be publishing the national strategy for the protection and proper treatment of animals, as well as enacting legislative changes. In recent years we have helped animal sanctuaries through financial schemes. Next year, we will carry on with this support, as well as start directly assisting with repairs and maintenance work in the sanctuaries.

CHAPTER 6. INVESTING IN SUSTAINABLE DEVELOPMENT FOR A BETTER ENVIRONMENT

Taking action against climate change is a priority for this Government. The ambitious and bold position of this Government is to achieve climate neutrality by 2050. To help with this transition, a Climate Action Authority will be set up.

Schemes for renewable energy

For the year 2024, there will be a number of schemes to incentivise investment in renewable energy sources and to use energy in more efficient ways. These include schemes for the installation of solar panels and renewable energy storage batteries, installations of heat pump water heaters and solar water heaters and incentives to restore old house wells.

For the third consecutive year, the Government will continue the process whereby private investors bid to develop large renewable energy installations. The capacity allocation, for installations between 40kWp and 1MWp, is expected to reach 10MWp, which translates into around €44.8 million in aid over a period of 20 years. If all allocations of this scheme were taken up, it is estimated that it would lead to electricity generation for around 3,650 dwellings.

In 2024, a call for allocation of systems greater than 1MWp will be issued.

In order to increase efficiency in the entrepreneurial field, free energy audits for small and medium enterprises will continue.

Enterprises that have this audit carried out and continue to build on the recommendations will be guided towards applicable schemes.

Grant for water purification equipment

In addition, in order to further help families reduce plastic use, the water purification equipment scheme will be renewed for next year.

Infrastructure for Charging Points

Work is underway to have 1,200 charging points for electric vehicles in our country. To date, the Government has invested in 372 public charging points spread over 186 sites across Malta and Gozo. A project is also underway where the Government will invest in a single national digital platform, to merge public charging points into a single system, for a complete and better service.

Green urban spaces

Work on open and green spaces is divided among several Government entities. Today this is central to the way we work and we make sure that even projects that set off with a different goal in mind include aspects of this type.

In Imsida, to give one example, we have an infrastructural project that will give the locality a square that it does not have to date.

At the beginning of this year, the Project Green agency was founded. The Agency initiated several projects on different scales, with the result that more than 45,000 square metres of green spaces were introduced or regenerated. These include the first phase of the Family Park in Bengħajsa, the Youth Garden in Gudja, the Dog Park in Safi, the Green Campus in Milbrae Grove in Mosta, the extension Park San Klement in Żabbar and the regeneration of Ġnien Spencer, among others.

Following the launch of the €10 million community greening grant, assessments are currently being carried out in order to start works in Santa Venera, Imtarfa, Mosta, Mellieħa, Għaxaq, Għajnsielem, Imsida, St Paul's Bay, Marsaxlokk, Gżira, Għargħur, Birgu, Raħal Ġdid, Żurrieq, Pietà and Birkirkara. Together, we will be regenerating over 80,000 square meters, planting more than 5,000 trees.

Preparatory work is also underway on larger-scale projects, such as the Siċċa and Bormla projects and the Vjal ir-Riħan project in San Ġwann. In this regard we also consulted the community.

Additional projects are expected to be carried out in the coming years, such as in Serenity Gardens, Santa Luċija, and the Sant'Antnin Family Park in Marsaskala.

Work on the national park in Ta' Qali has continued and will continue, and the families who enjoy it can see the difference. We will continue to invest in it.

Just like we will be investing also in other projects like the one run by Heritage Malta in Kalkara, where Villa Portelli will also be opening its doors to give people another open space to enjoy, among other things.

Environmental conservation

Works dedicated to the conservation of valleys, with a focus on building water retention systems, dams and structures, habitat rehabilitation, sediment removal, and the creation of routes for walking with educational signs along the way are ongoing.

In collaboration with Ambjent Malta and Heritage Malta, works will begin and continue over the next year with regard to the restoration and reconstruction of more than 6,000 cubic meters of rubble walls (*ħitan tas-sejjieħ*) within a tree conservation area located in Bidnija.

Continuation of pruning and cleaning works in Victoria Lines

The Government will be investing in a restoration and rehabilitation project for dilapidated structures dating back to the British era. The aim is to convert this Marfa site into a Visitors' Centre and developed into a belvedere.

Following the completion of works in the Ħamri area, in Xewkija, works at Tal-Barmil in the same village were continued, where embellishment works are being carried out in collaboration with the Local Council.

In 2023, geological studies were commissioned to consolidate the cliff face adjacent to the Tal-Lunzjata Chapel in Ta' Kerċem. This intervention is part of an ambitious project to rehabilitate this place of high historical and ecological value, as well as to establish another open space for residents of Ta' Kerċem and Rabat, Gozo.

Public, sustainable, active and alternative transport

The Government is revising the Transport Master Plan which will cover investments and measures needed to realise the Government's vision in this field by 2030.

This year we announced that we will start working on a project involving a €35 million investment over five years, whereby we will create bicycle paths as well as pedestrian walkways and beautification areas in urban areas. Work is ongoing on the draft tender for the first phase, which is expected to be completed by the end of the year.

We consulted with stakeholders to come up with measures to reduce traffic at rush hour. We are finalising a plan that will ensure that a number of services on our roads are not provided before 9:00 a.m.

Further incentives for the purchase of cleaner vehicles

Mr Speaker, I am pleased to say that, to date, the number of registered electric or plug-in hybrid vehicles exceeds 13,000.

The schemes for purchasing new electric vehicles, including motorcycles, will be extended, as will the grant for scrapping old vehicles, the scheme which incentivises the purchase of electric bicycles and pedelecs, and the grant for those who convert their vehicle to run on gas instead of petrol. The scheme for wheelchair-accessible vehicles (such as taxis) used for the transport of passengers for hire or reward is being renewed as well.

For the first time, we will provide financial assistance to those who buy a personal kick scooter and who will therefore probably use it wisely and with respect for others.

Electric and plug-in hybrid vehicles which can run solely on electricity for 50km or more will continue to be exempted from registration tax and from payment of the annual road licence fee for a period of 5 years from the date of first registration.

The schemes for vehicles which have photovoltaic panels installed, a diesel particulate filter (DPF) and selective catalytic reduction (SCR) systems added as well as those switching from ICE vehicles to electric vehicles will also be extended.

Challenges and solutions

It is obvious that traffic congestion and the use of private cars are two of the main challenges the country is facing. We will therefore be investing in a number of different modes of transport so that there is a way to get from one place to another.

Next year we will carry out a study on new parking areas and potentially begin to implement it as early as next year in the form of public-private partnerships that include community services with the aim of centralising such services in hubs that serve as a single destination.

The possibility of park and ride areas for University students will be explored in agreement with the University Student Council (Kunsill Studenti Universitarji).

A study and eventually a public consultation will also be launched with the ultimate goal being to facilitate and enhance mobility to Valletta.

A year ago, we introduced free public transport for anyone with a tallinja card. During the first year of implementation, there were approximately 428,000 people who benefited from this service, translating into over 51.5 million trips. We will be carrying out an impact analysis of this scheme, and a study will be carried out on how we can further improve the service.

We have also just rolled out around 30 new electric vehicles which were added to the public transport fleet, in order to serve those routes with the greatest demand. We are also studying parts of the network where priority lanes for buses may be devised in order to reduce journey times and ensure greater efficiency for the service.

Sustainable development

The introduction of the Licensing of Contractors taking place this year will be followed by further initiatives to instil a greater sense of responsibility, a more serious approach and a higher level of quality in the construction sector. Work to continue introducing skill cards for those working in this sector will continue, while the work to begin introducing construction codes in our country is expected to continue.

In the field of planning, we are working towards a review of our country's aesthetics policies. This review aims to promote good practices, protect streetscapes and further integrate the aesthetic aspect into the planning process.

Gozo will be given particular attention with a view to carrying out initiatives in light of the Gozo strategy that has been announced.

We are also implementing the promise to reassure everyone once and for all that Hondoq ir-Rummien, in Qala, Gozo, will be preserved in its natural state.

The revision of the Local Plan in the area known as the Inner Harbour Region will serve as a regeneration plan to revitalise this area that has so much potential.

Preparations on the Strategic Plan for the Environment and Development (SPED) continued throughout this year, and it is expected that this process will be finalised over the next year. The Authority will be issuing for public consultation the studies

carried out for this strategic document, which is our country's development plan for the coming years.

Continuation of the fiscal incentives for more aesthetic property

Fiscal incentives will continue next year for people who buy or sell property built more than 20 years ago and which has been vacant for more than 7 years, or property located in a UCA area. They will thus continue to benefit from a full exemption on Capital Gains tax and Stamp duty on the first €750,000 of the property price and save VAT up to a maximum of €54,000 on the first €300,000 in restoration and refining costs. First-time buyers will receive a grant of €15,000 in Malta, and as I have already mentioned, €40,000 in Gozo.

Home restoration

Once again, we will be reissuing schemes whereby the Authority will grant financial aid to restore facades and even properties that have a certain value so that we can preserve buildings of a certain value.

The ongoing discussion on the appeals system from permits issued by the Planning Authority should lead to a reform taking effect next year.

The Health and Safety Authority

We want to improve work on occupational health and safety. We will therefore present a bill to provide for a new legal framework

for the Occupational Health and Safety Authority. Investment in this Authority's resources will be further strengthened by investment in both human resources and up-to-date computing systems.

Changes to the Condominium Act

Work will also be carried out next year to make the property buying and selling sector in Malta operate in a more serious manner in particular where the licensing of agents operating in this sector is concerned. A public consultation on changes to the regulatory framework governing the condominium sector has just been launched and in the coming year we want to make changes to the Condominium Act.

CHAPTER 7. INVESTING IN A JUST, EQUAL AND SAFE COUNTRY

Towards an efficient justice system

Throughout this year, work continued on several legislative reforms aimed at ensuring that the laws of our country as well as the procedures adopted in the justice sector reflect the needs of today’s society and address the challenge of efficiency.

This work was complemented by unprecedented investment in human resources and infrastructure, both in digital and in building terms. The Judiciary, which today is the largest in history, will be further strengthened by a total of 5 Judges and 6 new Magistrates by the end of this year. We continued to invest in the Court Services Agency, the Office of the State Advocate and the Attorney General; for the latter, over the past year, the number of prosecutors increased by 13.

As far as infrastructure is concerned, during the year we not only added another Chamber in the Family Court, but we also saw how to continue to maximise space in the main Court building with new offices, both for members of the judiciary and for the workers who assist them in their work and professionals in the sector. This work will eventually lead to another Jury Chamber at the disposal of Judges, together with the start of works on a new building intended to include a number of Chambers in the Criminal field.

In time the justice sector will continue to experience substantial reforms. This also after the Government finalised the public

consultation process linked to the compilation of evidence and referrals procedure, with the legislative process being next.

Another important reform is the one in magisterial inquiries, with the call for new magistrates to serve this purpose, and also with the work being done to hold a public consultation for holistic reform in this sector in time. Similarly, we will be moving into other sectors including the very important family sector to ensure that we have laws and procedures that reflect today's realities as much as possible.

We are looking towards creating a Commercial Court. This work in favour of further specialisation has begun to be carried out not only with the preparation for the legislative aspect, but also with the assignment of another judge to deal with this subject. All this brings together infrastructure-related works necessary to truly have a specialised commercial court.

Security

Security remains a key pillar in day-to-day work carried out within the community. This Government is one that has fully believed in the workers serving the security sectors, and invested in them in an unprecedented manner through not only better conditions, but also new rights.

Police Corps

During this year, the Police Corps continued to bring important results, especially against organised crime.

While remaining more focused on intelligence-led policing, within the Police Corps we will be working on the introduction of a new role, that of Police Patrol and Community Support Officer (PCSO). The role of PCSOs will be one of highly visible ongoing patrols primarily in the most challenging areas, taking action where necessary under the law governing them and collecting information. They will also serve as a link between the public, including the neighbourhood watch, the Police and other strategic partners.

The Community Police service, which has now spread across most of the country, will be operating nationwide.

Roads Policing will be a new specialised squad in the Police Corps, focused on assisting in road safety. This squad, after the necessary legal amendments are made, will also help reduce the time needed before roads reopen following a traffic accident.

Armed Forces of Malta

In 2024, investment will continue so that soldiers can have modern and state-of-the-art tools to work with, along with improved working conditions.

With a massive investment, the new Operating Centre at the Luqa Military Base will start operating fully, which will be able to operate in any event as it is also anti-seismic. The Hangar for the Malta Armed Forces' air fleet inside the airport will also start operating. These two projects together amount to an investment

of around €12 million while being the first of their kind in the Armed Forces sectors.

After investing in Malta's largest-ever Armed Forces vessel - OPV P71, with a cost co-financed by European funds of €53 million, works will now begin to strengthen the air squadron.

Corrective systems

The renovation of the existing buildings continued, and progress is being made in the work on the new building that will serve as the first rehabilitation centre of its kind in our country.

Together with partners working in the prisoner rehabilitation sectors, mainly the RISE and Mid-Dlam għad-Dawl organisations, the Government will continue to assist in the investment to open two more half way houses, so that as soon as a prison sentence is served, reintegration back into society is facilitated.

Civil Protection

Over the coming year work will continue to invest in two industrial fire engines, two Hazmat vehicles with a trailer each used in cases of major chemical, radioactive material, or biohazard incidents, as well as four domestic fire engines for house or office fires. This is in addition to starting the process of purchasing ten small vehicles to further assist in extinguishing grass fires, which are become ever more intense as a result of climate change. Work has started on vehicles for extinguishing electric vehicle fires.

Work will also continue with regard to the renovation of fire stations and the construction of new stations, while human resources in Civil Protection will be further enhanced.

Technology-assisted security

The LESA will invest in technology projects, including using cameras connected to the agency's control room and the Police Corps, in order to serve not only as a deterrent but also as a means of action against abuse and criminal actions. The first projects will be carried out in the localities of St Julian's (including Paceville), St Paul's Bay (including Buġibba and Qawra), Marsa and Raġal Ġdid.

Victims of crime

This year we further strengthened the Victim Support Agency, with the role of serving as a key point of reference for victims of crime. In the first few years since its recent establishment, this Agency has assisted over 3,000 victims of crime.

Over the past year, with the establishment of the regional centres in Santa Luċija, Qawra and Xewkija, the agency was able to continue to be close to victims, and around 300 support interventions were carried out from these centres.

The service moved closer to people with the introduction of the national support line 116 006 for victims of crime.

Over the next year, we will extend this line to 24 hours a day.

Electronic monitoring and reparative justice reforms

In 2024, reparative justice will be reformed, as will the areas of probation and parole, with the aim of minimising victims as far as possible and breaking up crime rings.

Work will continue to put the new Electronic Monitoring law into effect, while concluding the ongoing process of purchasing the equipment to operate this law.

Carrying on the fight against the social scourge of domestic violence

In recent months the prevention service for persons at risk of Domestic Violence begun operating, where these persons have the possibility to obtain information on whether the person of interest's partner has been convicted of Domestic Violence.

The Police Corps' domestic violence and gender-based violence squad has been further strengthened, and in the near future the first centre including police officers and other professionals in Santa Lučija will begin operating, while work will continue on another centre in the north of the country.

A new tool will be introduced for use by people who are possibly victims of domestic violence. This would be in the form of panic alarms, a technological device that is kept on the person, which immediately upon being pressed connects directly to the Police Corps' central emergency system, enabling the provision of immediate information, followed by immediate action.

Immigration

Our country practices a fair immigration policy and we are satisfied that today the European Union and other countries speak of the need for a policy based, with regard to illegal immigration, on the pillars of prevention, return and relocation.

We believe that to live in our country, one must do so legally and according to the laws of our country. Control should always be vested in the Maltese authorities.

We believe in the dignity of all. However, we also believe that everyone must respect our society. Where we found people who did not do so, we did not hold back from enforcement and returned hundreds of people to their countries of origin.

This work will carry on even in the heart of our communities as it has in recent months. The work will continue to be coordinated by Immigration Police, with the assistance of Detention Services, Identità and other enforcement entities.

Foreign workers

We understand that there are sectors that require the use of foreign workers.

But we will be operating systems that ensure that these workers are brought in where truly needed and that only those that are really necessary come to our country. Effort is being made to improve the skills of these workers.

Here too, the starting point must be one strongly against exploitation, and the need for our society to protect the interest of the many and not of the few.

In this context, we consider that a permit for the renewal of a single work permit and a new foreign worker permit should have different fees. That is, a permit for new workers will cost more than a renewal.

Regularisation and transparency

In the coming months, we will address the regulation of so-called outsourcing and temping agencies. As part of this measure, these agencies will be licensed, whereby those not holding a licence will no longer be able to bring in workers from outside the European Union. At the same time, workers of these agencies posted to other businesses will be paid the same as other workers doing the same work engaged by the same businesses on the basis of a basic salary and statutory bonuses, among others.

In addition, following consultation with social partners, regulations are being prepared for each worker to start receiving their salary in a bank account. This measure is intended to reduce the risk of exploitation while increasing the accountability and transparency of employers. At the same time, we will be discussing and introducing regulations so every employee knows their pay bracket.

Wage Regulation Orders

Throughout this year, work continued in relation to Wage Regulation Orders, where together with social partners a study is being carried out to review and harmonise the same WROs. Work will continue throughout this year, with the aim being to remove long-standing anomalies regarding entitlements such as sick leave, among others.

Human Rights

This Government has continued to work to ensure that fundamental human rights continue to be strengthened at all times. This year we began to implement the first National Strategy and Action Plan on gender equality and gender mainstreaming. This year, Malta successfully organised EuroPride and a third LGBTIQ+ Strategy was also launched, which will run until 2027. I am proud that Malta has ranked first in the ILGA Europe Index for eight consecutive years and will continue to work to maintain this position.

Local Government

2024 will be a significant year in the field of Local Government for several main reasons, including: the continued effort to implement the Strategic Vision for Local Government; Local Council Elections; the implementation of the Electoral Measure through which we respect the choice of the electorate even if it elects a Mayor between sixteen and eighteen years old; the use of applications on a common digital platform; and the strengthening of the Training Unit within the Local Government

Division and the strengthening of the Local Government Division with the Council of Europe's Centre of Excellence.

Civil Service

This Government believes in an efficient Civil Service, one that is close to people and meets the ever growing expectations of its clients.

That is why we will once again support the Civil Service in a number of initiatives including the training of public officials, traineeship schemes, and well-being initiatives. Above all we will be reaffirming our strong investment in the main agency servizz.gov as well as strong votes in digitalisation initiatives, MITA, and emerging technologies.

Effective foreign policy

The last few months have been a strong testament to the strength and credibility of Malta's strong and credible foreign policy.

We continue to believe in peace and in the Mediterranean.

This is why this year, Ministers from nine Mediterranean countries constantly came to Malta to discuss among the most important topics, the culmination being when under the leadership of our Prime Minister, the Prime Ministers from the nine European Union countries bordering the Mediterranean came on a joint visit so

that the voice of Mediterranean countries would be a coordinated one in meetings held at European level.

As recently as the past few days, Malta was again chosen to organise and host very important world peace talks and therefore, as the high level meetings taking place in our country confirm, Malta today is held in very high regard in the international field, and we will continue to foster this reputation in the coming years.

United Nations Security Council

Last February Malta presided over the United Nations Security Council in such an admirable manner that our work was admired by many countries, as well as by the Secretary-General of the United Nations. Malta will continue to occupy this role until December next year and will preside over this Council again in April.

CHAPTER 8. INVESTING IN CULTURAL HERITAGE, ARTS AND SPORT

The Government believes that investing in our culture and heritage not only safeguards our national identity and preserves history and traditions for future generations, but also crafts unity among us.

The cultural and creative sector

In order to further strengthen the cultural and creative sector, new schemes will be launched by Arts Council Malta in 2024, including the Apprenticeship Scheme and the Regional Cultural Cooperation Programme.

Restoration work continued in the Grandmaster's Palace in recent months. In total, it is estimated that this restoration will cost more than €30 million. Renovation work in Villa Gwardamanga continued this year, while preparations are well underway for the Malta Biennale, an event which will be held between March and May 2024, under the auspices of UNESCO.

The Valletta Design Cluster will launch a new residency programme for designers and researchers next year to further explore innovative solutions to urban challenges.

As Għar Gerduf in Gozo is in a very poor condition of preservation and at risk of structural collapse, interventions need to be made as soon as possible. A tender was therefore issued to conduct a geological study. Another geological study on the Ċittadella's

bastions is being carried out, and maintenance work as well as the restoration of the outer walls surrounding the Ċittadella's Cultural Centre have begun.

Work will continue on the restoration of the Manoel Theatre, MICAS and the Gozo Museum, the restoration of churches and parishes and the restoration of the Cottonera Lines and Santa Margherita Lines areas. Restoration of the Vendomme Battery in Marsaxlokk will also begin.

Sports

If there was a good year for sport it was this one, in which we won the Games of the Small States of Europe. Because we have invested in athletes as much as we have invested in infrastructure. Investment in these areas will continue.

In the sports sector, this year saw the necessary renovation of several sports facilities and work on the Athletics track and the Olympic-sized swimming pool in Bormla was finalised. Moreover, the extensive works on the largest sports centre in Gozo, the Aquatic and Sports Centre in Rabat, are progressing fast and this project is now in its final phase.

The Labour Party in Government has always prioritised the sports sector and sports activity in our country. In previous Budgets we have reduced VAT on sports activities, including gym memberships, fitness centres, football nurseries and other activities from 18% to 7%. We also reduced the income tax rate for players, licensed coaches and athletes to 7.5%.

Mr Speaker, we would like to encourage more people to choose a career in sport and therefore we are going to extend the 7.5% income tax rate, which currently applies to players, coaches and athletes, to more persons employed in sporting activities.

Capital projects in sport

Next year, we will continue to see more quality facilities that will give this sector another boost. Therefore, we will see to it that the first phase of the preparatory work on the Marsaskala Waterpolo Pitch begins. In addition, we will also see the commencement of the first preparatory work for an Indoor Shooting Range to further complement existing Shooting Range facilities.

The work on a racetrack in our country has continued, where not only have the planning processes continued, but also certain activities were relocated so that when the permits are approved, the work can start immediately.

Through the Authority for Integrity in Maltese Sport, we will ensure that courses are delivered at different levels which should increase professionalism in coaching and the running of clubs. An independent national tribunal will also be set up to provide timely resolutions with regard to disputes on sports-related issues. Legal professionals will also be trained as mediators and arbitrators in the sports sector.

Conclusion

This country is the one that has helped and protected its people the most when it comes to energy.

Hence A Just Malta.

With all of Europe struggling in light of high electricity bills, we have been there and we are still strong.

There were many who wished that I would come here today to tell you that we would raise taxes or electricity bills, or that we would reduce spending on health or education. But that did not happen.

There was no country that helped its people as much as this Government helped the Maltese and Gozitan people.

And that is not all.

Other countries did not give as much aid as we did and they had to reduce investment in their economy by tens of billions to offset this expenditure.

It is a result of this that the economy ends up stagnated.

It is no coincidence that there are countries that have higher energy bills and have the lowest growth rate for the next year.

Other countries provided less aid to their people and had to cut spending in important areas, while we helped the people more than they did and continued to increase spending and investment in the budget.

Not only did we avoid cuts, but we are coming before you and telling you,

yes - we will help you more with children's allowance,

yes - we will raise your pensions even more,

yes - we will spend more to help the poor,

we are telling you that yes, those who invest honestly and with dignity in this country will find the Government on their side.

Just as long as one offers added value. Just as long as one is honest and pays what is due.

There will be total support for business owners who treat workers and consumers fairly and who pay their taxes.

There will be total support for business owners basing their model not on what they can get from the country or the Government but on ideas and innovation.

How dearly we need to help these people, because they create jobs and contribute to the country.

This is the only way to change this country.

This Government is sending a clear message.

Because we want A Just Malta.

Yes - we should invest more in an economy that produces higher value.

Where others have cut budgets, we are seeing an expansionary budget.

More investment in education, health and yes, above all in social spending because we are not just about percentages and figures, we want to see that the poorest among us can continue to receive the most support.

I was not afraid to say it last year and I will not be afraid today, this is another socialist budget.

This is another budget that protects the vulnerable and helps the middle class, this is another budget that makes the economy grow and invests that wealth in social welfare.

We did this because we were smart, we were more disciplined in Government spending, and made sure tax collection was done well by everyone.

This country faces many challenges but in the midst of a storm and international instability, we have steered our country in a direction that provides stability.

We did not change our position once. We have been consistent since day one.

Prudence has made all this possible.

We have not always had a Government that did this.

This why this Government remains the only political guarantee the Maltese people have when it comes to energy.

And through this energy policy we can take a look at important changes to be made in the Maltese economy. You cannot have a different economy before you ensure energy stability.

Earlier this year, I spoke about how the country can no longer bring in foreign workers at this rate due to sustainability.

As far as the Government is concerned, we are not afraid of being the ones to raise important discussions and today, the frame of mind of all stakeholders is aligned. This country is updating the way it runs its economy.

The people's message out there is clear and we understand it. Because if there is one thing that has kept this Government moving forward, it is that it understands realities and does not stagnate.

This House has a responsibility to reduce partisan politics and increase reformist politics.

This country has too few resources to waste its energy on partisan political battles.

People no longer want a politics of us versus them.

Of Labourites and Nationalists.

This does not get us anywhere.

And if we do not speak about reformist and moderate politics in this Parliament, we will see the rise of a populist politics that severely damages the economy and the future of us all.

I understand that certain differences in ideas will persist.

But out there, the people also want to see us work in unity on important themes in the interest of the country.

One does not exclude the other.

Today our country needs to update the way we run the economy.

The world outside is changing and if this country does not accept the realities out there, we will fall behind.

There are opportunities and we must take them.

From tourism to the financial sector.

From the manufacture products we export, to the workers who come to work in Malta.

This country has to shift to quality, not quantity.

To the value of our work, not how much we work.

It is only in this way that we can guarantee our future.

That should be the target of a just country.

That will be the target for the years to come.

Table A.1

FISCAL POSITION 2022 – 2026

	2022 Actual € '000		2023 Revised € '000		2024 Estimates € '000		2025 Estimates € '000		2026 Estimates € '000	
Consolidated Fund										
Tax Revenue	5,314,012	5,832,843	6,476,792	6,251,975	6,756,288	6,583,445	7,009,180			
Non-Tax Revenue	553,170	643,949		504,313		520,839	518,284			
Total Revenue		5,847,182	6,476,792	6,756,288	6,756,288	7,104,284	7,527,464			
Recurrent Expenditure		5,839,892	6,176,731	6,572,156	6,572,156	6,729,616	6,938,510			
Capital Expenditure		739,510	1,059,818		904,515	1,006,822	1,113,742			
Primary Balance	(732,020)	(759,757)	(720,383)	(720,383)	(720,383)	(632,154)	(524,788)			
Interest Payments		173,610	209,184	(87,568)	271,700	73,968	240,254			
Recurrent Surplus / (Deficit)	(166,320)	(166,320)	90,877	(87,568)	(87,568)	73,968	240,254			
Consolidated Fund Surplus / Deficit		(905,630)		(968,941)		(992,083)		(932,854)		(873,488)
Financing										
Direct Loan Repayments	(468,963)	(445,636)	(496,253)	(489,145)	(489,145)	(459,469)	(938,679)			
Early Repayments of MGRSB	(6,873)	(6,014)		(4,685)	(4,685)	(4,041)	(3,044)			
Foreign Loan Repayment	-	-				(80,000)				
Contributions to Sinking Funds - Foreign	(50)	(50)		(30)	(30)	(30)	(30)			
Contributions to Special MGS Sinking Fund	(25,000)	(30,000)		(30,000)	(30,000)	(30,000)	(30,000)			
Equity Acquisition	(28,044)	(18,226)		(215,000)	(215,000)	(100)	(100)			
Repayment of Loans to Government	5,708	2,784	889	2,784	2,784	2,784	2,784			
Sale of Shares / Assets	889	889	(496,253)	889	889	889	889			(988,180)
Public Sector Borrowing Requirement		(1,427,963)	(1,465,194)	(1,465,194)	(1,727,270)	(1,502,821)	(1,861,668)			
Foreign Loans	(713,329)	(1,096,636)		(961,830)		(989,100)	(991,921)			
Consolidated Fund balance as on 1 January	1,044,656	1,600,000	503,364	1,700,000	738,170	1,500,000	1,800,000			
Local Loans		331,327					510,900			808,079
Consolidated Fund balance as on 31 December		(1,096,636)		(961,830)		(989,100)	(991,921)			(1,053,589)
Consolidated Fund Surplus / Deficit		(905,630)		(968,941)		(992,083)		(932,854)		(873,488)
General Government Adjustments		(76,534)	32,941	72,083	72,083	59,854	56,488			
General Government Surplus / Deficit		(982,164)	(936,000)	(920,000)	(920,000)	(873,000)	(817,000)			
Gross Domestic Product	17,212,471	18,889,831	20,286,163	21,618,138	23,019,029					
General Government Surplus / Deficit as a % of Gross Domestic Product	-5.7%	-5.0%	-4.5%	-4.0%	-3.5%					

Table A.2

STATEMENT OF PUBLIC DEBT

	€ '000				
	2022	2023	2024	2025	2026
Malta Government Stocks	6,861,027	7,979,230	9,303,731	10,435,531	11,393,106
Malta Government Retail Savings Bonds	375,170	352,025	254,495	162,393	66,854
Treasury Bills	801,895	653,252	658,449	659,326	718,416
Foreign Loans	420,591	420,464	420,344	340,231	340,117
EBU's / Local Councils	150,542	151,762	151,762	151,762	151,762
Currency	98,815	111,034	116,711	122,955	129,825
ESA Rerouted Debt	295,329	301,851	304,686	302,466	300,190
General Government Public Debt	9,003,369	9,969,618	11,210,178	12,174,664	13,100,270
Gross Domestic Product	17,212,471	18,889,831	20,286,163	21,618,138	23,019,029
Debt as a % of Gross Domestic Product	52.31%	52.78%	55.26%	56.32%	56.91%

Table A.3

FISCAL POSITION 2022 - 2023						
	2022		2023			
	Actual		Approved		Revised	
	€ '000		€ '000		€ '000	
Consolidated Fund						
Tax Revenue	5,314,012		5,756,763		5,832,843	
Non-Tax Revenue	533,170		611,357		643,949	
Total Revenue		5,847,182		6,368,120		6,476,792
Recurrent Expenditure		5,839,892		6,206,817		6,176,731
Capital Expenditure		739,310		922,224		1,059,818
Primary Balance	(732,020)		(760,921)		(759,757)	
Interest Payments		173,610		219,000		209,184
Recurrent Surplus / (Deficit)	(166,320)		(57,697)		90,877	
Consolidated Fund Surplus / (Deficit)		(905,630)		(979,921)		(968,941)
<i>Financing</i>						
<i>Direct Loan Repayments</i>	(468,963)		(445,637)		(445,636)	
<i>Early Repayment of MGRSB</i>	(6,873)		(5,598)		(6,014)	
<i>Foreign Loan Repayment</i>	-		-		-	
<i>Contributions to Sinking Funds - Foreign</i>	(50)		(50)		(50)	
<i>Contribution to Special MGS Sinking Fund</i>	(25,000)		(30,000)		(30,000)	
<i>Equity Acquisition</i>	(28,044)		(12,510)		(18,226)	
<i>Repayment of Loans to Government</i>	5,708		2,784		2,784	
<i>Sale of Shares / Assets</i>	889		889		889	
		(522,333)		(490,122)		(496,253)
<i>Public Sector Borrowing Requirement</i>		(1,427,963)		(1,470,043)		(1,465,194)
<i>Foreign Loans</i>		-		-		-
<i>Consolidated Fund balance as on 1 January</i>	(713,329)		(1,012,590)		(1,096,636)	
<i>Local Loans</i>	1,044,656		1,600,000		1,600,000	
		331,327		587,410		503,364
<i>Consolidated Fund balance as on 31 December</i>		(1,096,636)		(882,633)		(961,830)
Consolidated Fund Surplus / (Deficit)		(905,630)		(979,921)		(968,941)
General Government Adjustments		(76,534)		7,921		32,941
General Government Surplus / (Deficit)		(982,164)		(972,000)		(936,000)
Gross Domestic Product		17,212,471		17,537,380		18,889,831
General Government Surplus /(Deficit) as a % of Gross Domestic Product		-5.7%		-5.5%		-5.0%

STATEMENT A
REVENUE 2023 : REVISED ESTIMATES COMPARED TO APPROVED ESTIMATES

HEAD	APPROVED ESTIMATE €	REVISED ESTIMATE €	VARIATION + - €	REMARKS
TAX REVENUE				
Direct - Income Tax	2,309,000,000	2,382,000,000	73,000,000	Higher revenue is anticipated by year end, when compared to the original budget, as shown in the revised forecast based on revenue trends and expectations.
Social Security	1,363,000,000	1,419,000,000	56,000,000	Additional revenue under Social Security Contributions is expected to materialise in reflection of employment performance.
Indirect - Customs and Excise Duties	325,000,000	313,000,000	- 12,000,000	Lower revenue is anticipated by year-end, when compared to the original budget, as shown in the revised forecast as a result of lower receipts mainly under <i>Machine-made Cigarettes, Spirits, Petroleum and Cement</i> . However, higher receipts are expected under <i>Import Duty - Ad Valorem</i> .
Licences, Taxes and Fines	383,763,000	375,843,000	- 7,920,000	Lower revenue is expected by year end mainly under <i>Gaming Taxes, Motor Vehicle Registration Tax and Annual circulation licence fees</i> .
Value Added Tax	1,376,000,000	1,343,000,000	- 33,000,000	Lower revenue is anticipated by year end, when compared to the original budget, as shown in the revised forecast.
TOTAL TAX REVENUE	5,756,763,000	5,832,843,000	76,080,000	

STATEMENT A
REVENUE 2023 : REVISED ESTIMATES COMPARED TO APPROVED ESTIMATES

HEAD	APPROVED ESTIMATE €	REVISED ESTIMATE €	VARIATION + €	VARIATION - €	REMARKS
NON-TAX REVENUE					
Fees of Office	77,510,000	86,044,000	8,534,000	-	Higher net receipts are anticipated by year-end, when compared to the original budget, as shown in the revised forecast as a result of higher receipts under <i>Land Registry Fees and Residency Malta Agency</i> .
Sales	98,843,000	87,575,000	-	11,268,000	Higher revenue is expected by year end mainly under <i>Homes/Institutions for the Elderly and Sale of Government Lands</i> . Lower revenue is expected under <i>Services to Third Parties and Premium receivable from sale of MGSS</i> .
Reimbursements	2,678,000	4,367,000	1,689,000	-	Higher revenue is expected by year end mainly under <i>Miscellaneous reimbursements</i> .
Central Bank of Malta	33,000,000	0	-	33,000,000	Prudential considerations informed a decision not to transfer revenue till year end.
Rents	35,860,000	33,865,000	-	1,995,000	Higher revenue is expected by year end under <i>Temporary and Perpetual Leases</i> . Lower revenue is indicated under <i>Rent of commercial tenements</i> .

STATEMENT A
REVENUE 2023 : REVISED ESTIMATES COMPARED TO APPROVED ESTIMATES

HEAD	APPROVED ESTIMATE €	REVISED ESTIMATE €	VARIATION + - €	REMARKS
NON-TAX REVENUE (continued)				
Dividends on Investment	55,850,000	70,850,000	15,000,000	The revised forecast reflects the actual dividends which are expected to materialise by year end.
Interest on Loans made by Government	276,000	1,006,000	730,000	The increase registered under this heading is mainly due to interest paid on the loan to the Hellenic Republic.
Grants	298,252,000	349,175,000	50,923,000	Variance is due to actual reimbursements of corresponding expenditure, expected to be received from the EU Commission under its various funding programmes.
Miscellaneous Receipts	9,088,000	11,067,000	1,979,000	Higher receipts are expected to materialise by year-end from credit interests in the public account.
TOTAL NON-TAX REVENUE	611,357,000	643,949,000	32,592,000	
TOTAL REVENUE	6,368,120,000	6,476,792,000	108,672,000	

STATEMENT A
REVENUE 2023 : REVISED ESTIMATES COMPARED TO APPROVED ESTIMATES

HEAD	APPROVED ESTIMATE €	REVISED ESTIMATE €	VARIATION + - €	REMARKS
NON-ORDINARY REVENUE				
Local Loans	1,600,000,000	1,600,000,000	-	
Repayment of loans made by Government	2,784,000	2,784,000	-	
Proceeds from Sale of Shares	889,000	889,000	-	
TOTAL NON-ORDINARY REVENUE	1,603,673,000	1,603,673,000		
GRAND TOTAL	7,971,793,000	8,080,465,000	108,672,000	

STATEMENT B
RECURRENT EXPENDITURE 2023: REVISED ESTIMATES COMPARED TO APPROVED ESTIMATES

VOTE	APPROVED ESTIMATE €	REVISED ESTIMATE €	VARIATION		REMARKS
			+	-	
	€	€	€	€	
1 Office of the President	4,931,000	5,807,000	876,000	-	Additional funds are required under <i>Travel and Contractual Services</i> within the Operational and Maintenance Expenses category to cover expenses mainly relating to travel, transport and cleaning.
2 Parliamentary Services	11,500,000	11,500,000	-	-	
3 Office of the Ombudsman	1,549,000	1,549,000	-	-	
4 National Audit Office	4,200,000	4,200,000	-	-	
5 Commissioner for Standards in Public Life	450,000	450,000	-	-	
6 Office of the Prime Minister	43,040,000	140,145,000	97,105,000	-	Higher expenditure is expected under the Personal Emoluments category, under the Programmes and Initiatives category (<i>Hosting of International Conferences</i>) and the Contributions to Government Entities Category (<i>Resource Support and Services Ltd</i>) to fund early retirement schemes.
7 Information	1,540,000	1,463,000	-	77,000	
8 Government Printing Press	1,862,000	1,940,000	78,000	-	

STATEMENT B
RECURRENT EXPENDITURE 2023: REVISED ESTIMATES COMPARED TO APPROVED ESTIMATES

VOTE	APPROVED ESTIMATE €	REVISED ESTIMATE €	VARIATION + €	- €	REMARKS
9 Electoral Office	3,195,000	3,656,000	461,000	-	
10 Public Service Commission	778,000	770,000	-	8,000	
11 Industrial and Employment Relations	2,160,000	2,030,000	-	130,000	
12 Ministry for Health	930,408,000	955,823,000	25,415,000	-	Higher expenditure is expected under Personal Emoluments (<i>Salaries and wages, Allowances and Overtime</i>), under the Operational and Maintenance Expenses category (<i>Transport and Contractual Services</i>) and under the Programmes and Initiatives Category (<i>Specialised Treatment by Foreign Experts, Pharmacy of Your Choice, Mater Dei Hospital Non-Medical Equipment, Maintenance of Medical Equipment, Compensation Payments and Long Term Beds</i>). This will be partially offset by savings under (<i>Covid-19 Supplies, New Medicines and Chief Medical Officer Medicines</i>).
13 Ministry for the National Heritage, the Arts and Local Government	64,209,000	66,613,000	2,404,000	-	Higher expenditure is expected under the <i>Operational and Maintenance Expenses</i> ' Category (<i>Contractual Services</i>), under the <i>Programmes and Initiatives</i> ' Category (<i>Risk Mitigation in Communities and Festival Internazzjonali tal-Kanzunetta Maltija</i>) as well as in the <i>Contributions to Government Entities</i> ' Category.

STATEMENT B
RECURRENT EXPENDITURE 2023: REVISED ESTIMATES COMPARED TO APPROVED ESTIMATES

VOTE	APPROVED ESTIMATE €	REVISED ESTIMATE €	VARIATION + €	VARIATION - €	REMARKS
14 Local Government	55,082,000	55,181,000	99,000	-	
15 Ministry for Foreign and European Affairs	52,530,000	56,298,000	3,768,000	-	Higher expenditure is expected under the Operational and Maintenance Expenses Category, mainly under <i>Rent</i> and <i>Travel</i> due to higher requirements under these items.
16 Ministry for Social Policy and Children's Rights	62,348,000	61,867,000	-	481,000	Increases are projected under Programmes and Initiatives (<i>Food Items to Distribution Centres and Administration of the Meeting Place</i>) and under Contributions to Government Entities (<i>Office of the Commissioner for Children</i>), which will be partially offset by savings under the <i>Adoption Grant</i> , <i>Welfare Committee and Energy Support Measures</i> under Programmes and Initiatives.
17 Social Policy	450,550,000	481,650,000	31,100,000	-	An increase is expected under the Programmes and Initiatives category due to expenditure on the State Contribution in reflection of higher social security contributions expected to be received.
18 Social Security Benefits	1,335,560,000	1,321,233,000	-	14,327,000	A decrease in expenditure is expected to reflect the actual number of beneficiaries.
19 Pensions	103,800,000	103,800,000	-	-	

STATEMENT B

RECURRENT EXPENDITURE 2023: REVISED ESTIMATES COMPARED TO APPROVED ESTIMATES

VOTE	APPROVED ESTIMATE €	REVISED ESTIMATE €	VARIATION + €	- €	REMARKS
20 Ministry or Agriculture, Fisheries, Food and Animal Rights	47,476,000	64,995,000	17,519,000	-	Additional funds are requested under Programmes and Initiatives (<i>Temporary Price Stabilization Schemes and Management of Farm Waste</i>).
21 Ministry for Social and Affordable Accommodation	43,136,000	45,474,000	2,338,000	-	Higher expenditure is expected under <i>Housing Programmes</i> .
22 Ministry for the Economy, European Funds and Land	58,885,000	68,117,000	9,232,000	-	An increase is expected under <i>Allowances, Contractual Services, Malta B2B Expo, E-Sport Policy, Malta Government Investment Debt Servicing, Lands Authority and Malta Crafts Foundation</i> , according to activity resulting under the mentioned items during the year.
23 Commerce	1,895,000	1,957,000	62,000	-	
24 Ministry for Inclusion, Voluntary Organisations and Consumer Rights	58,536,000	58,163,000	-	373,000	
25 Ministry for Transport, Infrastructure and Capital Projects	107,411,000	138,443,000	31,032,000	-	The higher expenditure that is anticipated under <i>Scrappage Scheme to Purchase Motor Cycle, the Public Transport and Inter-Island PSOs and Tal-Linja Card</i> is expected to be partly offset by lower expenditure under <i>Salaries and Wages</i> for the year.
26 Ministry for Gozo	59,942,000	60,381,000	439,000	-	Higher expenditure is expected to be registered under <i>Salaries and Wages, Cultural Initiatives and Thematic Events</i> . On the other hand lower expenditure is anticipated under <i>Residential Services in Gozo for Older People</i> .

STATEMENT B
RECURRENT EXPENDITURE 2023: REVISED ESTIMATES COMPARED TO APPROVED ESTIMATES

VOTE	APPROVED ESTIMATE €	REVISED ESTIMATE €	VARIATION + €	- €	REMARKS
27 Ministry for Home Affairs, Security, Reforms and Equality	72,294,000	73,816,000	1,522,000	-	The variance is due to higher expenditure under Personal Emoluments (<i>Salaries & Wages and Allowances</i>) and under Operational and Maintenance Expenses, mainly under <i>International Memberships and Contractual Services</i> . This is partly compensated by lower outlay under the Programme and Initiatives and Contribution to Government Entities categories.
28 Armed Forces of Malta	68,949,000	71,997,000	3,048,000	-	Higher expenditure is expected to be registered under <i>Salaries and Wages</i> as well as <i>Transport</i> , according to actual requirements.
29 Police	85,591,000	90,131,000	4,540,000	-	Higher expenditure is expected under Personal Emoluments (<i>Salaries and Wages, Allowances and Overtime</i>) and the Operations and Maintenance Expenses category.
30 Probation and Parole	1,609,000	1,447,000	-	162,000	Lower expenditure is anticipated under the Personal Emoluments category, mostly under <i>Salaries and Wages</i> .
31 Civil Protection	10,797,000	10,946,000	149,000	-	Higher expenditure is expected to be registered under <i>Salaries and Wages</i> as well as <i>Allowances</i> .
32 Ministry for Tourism	154,273,000	158,549,000	4,276,000	-	Higher expenditure is expected under Personal Emoluments (<i>Salaries and Wages u Allowances</i>) and the Contributions to Government Entities Category (<i>Malta Film Commission</i>).

STATEMENT B

RECURRENT EXPENDITURE 2023: REVISED ESTIMATES COMPARED TO APPROVED ESTIMATES

VOTE	APPROVED ESTIMATE €	REVISED ESTIMATE €	VARIATION + - €	REMARKS
33 Ministry for the Environment, Energy and Enterprise	814,190,000	500,987,000	- 313,203,000	Lower expenditure is anticipated under the Personal Emoluments category (<i>Salaries and Wages, Social Security Contributions and Allowances</i>), and also under <i>Energy Support Measures</i> within the Programmes and Initiatives category.
34 Ambient Malta	15,553,000	16,984,000	1,431,000	Higher expenditure is expected to be registered under <i>Contractual Services</i> till year end.
35 Ministry for Finance and Employment	311,253,000	288,149,000	- 23,104,000	Lower expenditure is projected under the Programmes and Initiatives category mainly under <i>EU Own Resources</i> .
36 Economic Policy	2,044,000	1,996,000	- 48,000	Lower expenditure is anticipated under Personal Emoluments category (<i>Salaries and Wages, and Allowances</i>).
37 Treasury	51,391,000	52,832,000	1,441,000	Expenditure is expected to be higher under Programmes and Initiatives (<i>Expenses linked to the issuance of Malta Government Stocks</i>) which is expected to be partly offset by lower expenditure under <i>Compensation Payment by Government</i> .
38 Public Debt Servicing	700,285,000	690,469,000	- 9,816,000	Expenditure under Local Borrowing will be lower than originally forecast with respect to the <i>Interest (MGS) item</i> .
39 Commissioner for Revenue	25,218,000	40,084,000	14,866,000	Higher expenditure is anticipated under Programmes and Initiatives category (<i>Refunds under the VAT/CET Acts and Expenditure Reporting Schemes</i>).

STATEMENT B
RECURRENT EXPENDITURE 2023: REVISED ESTIMATES COMPARED TO APPROVED ESTIMATES

VOTE	APPROVED ESTIMATE €	REVISED ESTIMATE €	VARIATION		REMARKS
			+	-	
	€	€	€	€	
40 Customs	15,385,000	14,969,000	-	416,000	Personal Emoluments category (<i>Salaries and Wages and Allowances</i>) are expected to be lower for the current year, in reflection of staff in post.
41 Contracts	3,569,000	3,294,000	-	275,000	Expenditure is expected to be lower than originally projected under Personal Emoluments category (<i>Salaries and Wages and Allowances</i>).
42 Ministry for Education, Sport, Youth, Research and Innovation	394,321,000	394,837,000	516,000	-	The increase in Personal Emoluments and Contributions to Government Entities expenditure has been partially compensated by lower expenditure under Programmes and Initiatives.
43 Education	369,840,000	405,102,000	35,262,000	-	A variance is expected under Programmes and Initiatives, specifically to fund the transport offered to State Schools, Church Schools and Private Schools, and under Personal Emoluments.
44 Ministry for Public Works and Planning	37,312,000	40,180,000	2,868,000	-	Higher expenditure is anticipated under <i>Allowances, Professional Services, Maintenance of the Ta' Qali National Park, Building and Construction Initiatives</i> and also in the <i>Maintenance of Public Fountains</i> .

STATEMENT B
RECURRENT EXPENDITURE 2023: REVISED ESTIMATES COMPARED TO APPROVED ESTIMATES

VOTE	APPROVED ESTIMATE €	REVISED ESTIMATE €	VARIATION + €	- €	REMARKS
45 Ministry for Justice	43,263,000	51,888,000	8,625,000	-	Higher expenditure is anticipated under <i>Operational and Maintenance Expenses</i> category (<i>Professional Services</i>) and an increase in <i>Summoning and Expenses of Witnesses, Jurors and Experts in Criminal Court Trials</i> under the category <i>Programmes and Initiatives</i> . Higher expenditure is also expected in the category <i>Contributions to Government Entities (Attorney's General Office)</i> .
46 Ministry for Active Ageing	222,992,000	245,138,000	22,146,000	-	Higher expenditure is expected under Personal Emoluments category (<i>Salaries and Wages</i>), and under the category <i>Operational and Maintenance Expenses (Contractual Services)</i> . There is an increase in <i>Residential Care in Private Homes</i> that is partly compensated by savings under <i>Homes for the Elderly</i> from the Programmes and Initiatives category.
TOTAL RECURRENT EXPENDITURE AND PUBLIC DEBT SERVICING	6,907,102,000	6,867,300,000	322,618,000	362,420,000	

STATEMENT C
CAPITAL EXPENDITURE 2023: REVISED ESTIMATES COMPARED TO APPROVED ESTIMATES

VOTE	APPROVED ESTIMATE €	REVISED ESTIMATE €	+	-	VARIATION €	REMARKS
I Office of the President	348,000	698,000	350,000		-	Higher expenditure is expected under <i>Property, Plant and Equipment</i> .
II Parliamentary Services	2,709,000	1,709,000		1,000,000		Lower expenditure is anticipated under <i>Property, Plant and Equipment</i> .
III Office of the Prime Minister	45,219,000	45,724,000	505,000		-	Higher expenditure is expected under <i>Property, Plant and Equipment</i> (Ministry and Industrial and Employment Relations).
IV Ministry for Health	75,538,000	86,250,000	10,712,000		-	Higher expenditure is anticipated under <i>Structural Funds 2014-2020, National Recovery and Resilience Plan and Property, Plant and Equipment</i> (Ministry and Institutional Health Care), <i>ICT Support, REACT EU and Construction Works in Government Cemeteries</i> (Public Health Regulation).
V Ministry for the National Heritage, the Arts and Local Government	28,490,000	38,297,000	9,807,000		-	Higher expenditure is expected mainly under <i>Culture and the Arts and Heritage Malta</i> .
VI Ministry for Foreign and European Affairs	4,223,000	8,487,000	4,264,000		-	Higher expenditure is expected under <i>Property, Plant and Equipment</i> to cater for various projects within the Washington, Beijing and New York missions, and refurbishment of Canberra mission and Palazzo Spinola.
VII Ministry for Social Policy and Children's Rights	3,992,000	3,670,000		322,000		Lower expenditure is anticipated under <i>ICT - Software</i> .
VIII Ministry for Agriculture, Fisheries, Food and Animal Rights	75,617,000	78,775,000	3,158,000		-	Higher expenditure is expected mainly under projects that are funded by the European Union.

STATEMENT C
CAPITAL EXPENDITURE 2023: REVISED ESTIMATES COMPARED TO APPROVED ESTIMATES

VOTE	APPROVED ESTIMATE €	REVISED ESTIMATE €	VARIATION		REMARKS
			+	-	
	€	€	€	€	
IX Ministry for Social and Affordable Accommodation	5,088,000	4,688,000	-	400,000	A lower expenditure is anticipated under the <i>Structural Funds</i> item.
X Ministry for the Economy, European Funds and Land	73,890,000	107,905,000	34,015,000	-	A higher expenditure is expected under the <i>Lands Authority, INDIS Malta Ltd</i> and <i>EU Funds</i> items.
XI Ministry for Inclusion, Voluntary Organisations and Consumer Rights	8,582,000	13,108,000	4,526,000	-	Higher expenditure is anticipated under <i>Structural Funds 2014-2020</i> .
XII Ministry for Transport, Infrastructure and Capital Projects	176,619,000	197,812,000	21,193,000	-	Higher expenditure is anticipated under the projects relating to <i>Roads</i> and <i>Maritime</i> , the <i>Corradino Rugby Complex</i> and <i>EU Funded</i> projects falling under the <i>Cohesion 2014-2020 Programme</i> . Lower expenditure is projected under the <i>European Maritime and Fisheries Fund 2014-2020</i> .
XIII Ministry for Gozo	22,219,000	20,848,000	-	1,371,000	Despite the higher expenditure that is expected to materialise under <i>Property, Plant and Equipment</i> in relation to structural works being carried out at the Ministry, the overall net expenditure is expected to be lower mainly under <i>Gozo Museum, Gozo Aquatic Centre</i> and the <i>Xlendi Regeneration</i> .
XIV Ministry for Home Affairs, Security, Reforms and Equality	49,394,000	50,521,000	1,127,000	-	Higher expenditure is anticipated under <i>Property, Plant and Equipment</i> of the Ministry and <i>Direct Management Funds</i> . Lower expenditure is projected under <i>Property, Plant and Equipment (Police), ICT - Support</i> and <i>Research and Development (Equipment)</i> .

STATEMENT C
CAPITAL EXPENDITURE 2023: REVISED ESTIMATES COMPARED TO APPROVED ESTIMATES

VOTE	APPROVED ESTIMATE €	REVISED ESTIMATE €	VARIATION + €	- €	REMARKS
XV Ministry for Tourism	23,900,000	37,158,000	13,258,000	-	Higher expenditure is expected under the <i>Malta Film Commission</i> and the <i>Institute of Tourism Studies</i> .
XVI Ministry for the Environment, Energy and Enterprise	116,758,000	166,741,000	49,983,000	-	Expenditure is anticipated to be higher under the <i>Cohesion Fund 2014-2020</i> and projects relating to <i>Waste Management</i> .
XVII Ministry for Finance and Employment	105,462,000	72,501,000	-	32,961,000	The allocated budget under this Ministry is not expected to be fully utilised by year end.
XVIII Ministry for Education, Sport, Youth, Research and Innovation	82,440,000	103,141,000	20,701,000	-	Expenditure is anticipated to be higher under projects that are funded by the European Union, under <i>MCST</i> and <i>Sports</i> .
XIX Ministry for Public Works and Planning	23,062,000	26,309,000	3,247,000	-	Higher expenditure is expected under the <i>Upgrading of Existing Storm - Water Systems</i> item.
XX Ministry for Justice	6,321,000	8,989,000	2,668,000	-	Higher expenditure is anticipated under the <i>State Advocate Capital Programme</i> .
XXI Ministry for Active Ageing	4,863,000	4,713,000	-	150,000	
TOTAL CAPITAL EXPENDITURE	934,734,000	1,078,044,000	143,310,000	-	