

Bix-Xogħol ninvestu
f'soċjeta' b'saħħitha

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Ministry of Finance,
the Economy and Investment

The International Contest

- The financial and economical crisis has led to a decrease in commerce and an increase in unemployment worldwide. Today there are 23 million, or 10% of Europeans who are jobless.
- This year the main economies have shown some encouraging signals, though the element of uncertainty is still strong and as the effect of financial stimulation decreases, doubts about the sustainability of economical growth persist.
- Many EU Member States had to take on austerity measures to decrease the high levels of deficit and debt that they have.
- Inflation in the Euro Zone has increased moderately during the first half of 2010. This reflects increases in the global prices of various raw materials, including petroleum that, during the first nine months of this year reached a medium level of around \$77 per bucket, an increase of \$20 since 2009.

The Local Context

- The growth in the main economies have helped the Maltese economic to grow also at a fast rate in the first six months of this year. In fact, during 2009 the Maltese economy shrunk by around 2.1% in real terms, while during the first half of this year, the Gross Domestic Product increased on average by 4%.
- This was the result of large increases in exportation, and an improvement in private and public consumption, and investment.
- We are also seeing encouraging signs in the employment sector. In the twelve months up to June of this year, the number of gainfully occupied people increased by 227, now reaching 145,690. These increases were mainly in the private services.
- The number of part-timers increased by 1,683, reaching a total of 29,251. Compared to the same month last year, the number of people registering for work in September decreased by 866.

The Local Context

- During this year, the Gross Domestic Product is expected to increase by 3.4%, while the inflation rate is expected to reach 1.4%.
- It is expected also that the economies of our country's main commercial partners grow at a more moderate rate. Therefore, in 2011, Malta's economic growth is expected to be 3%.

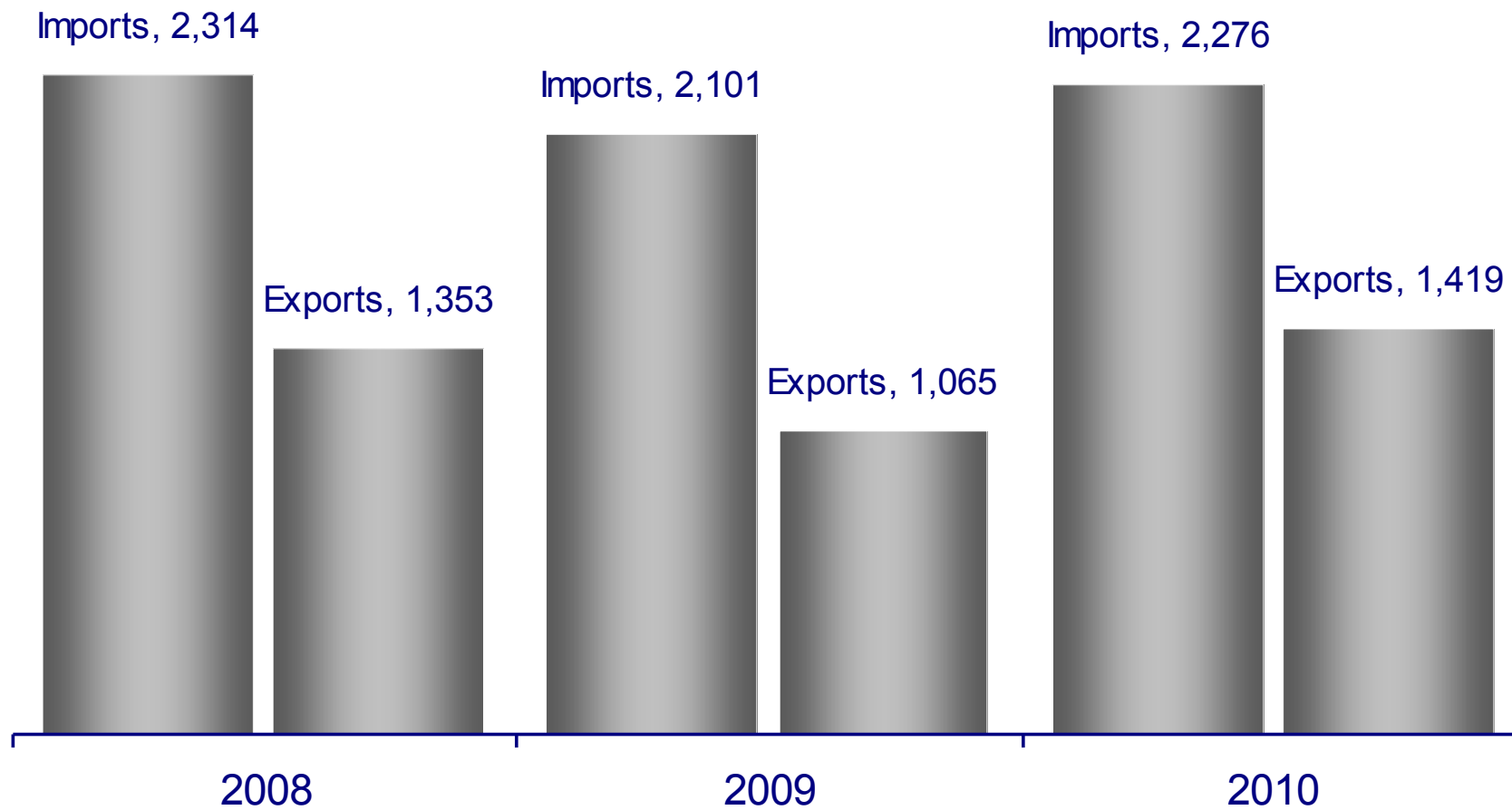
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International Trade



all figures in €'000,000 – source: National Statistics Office

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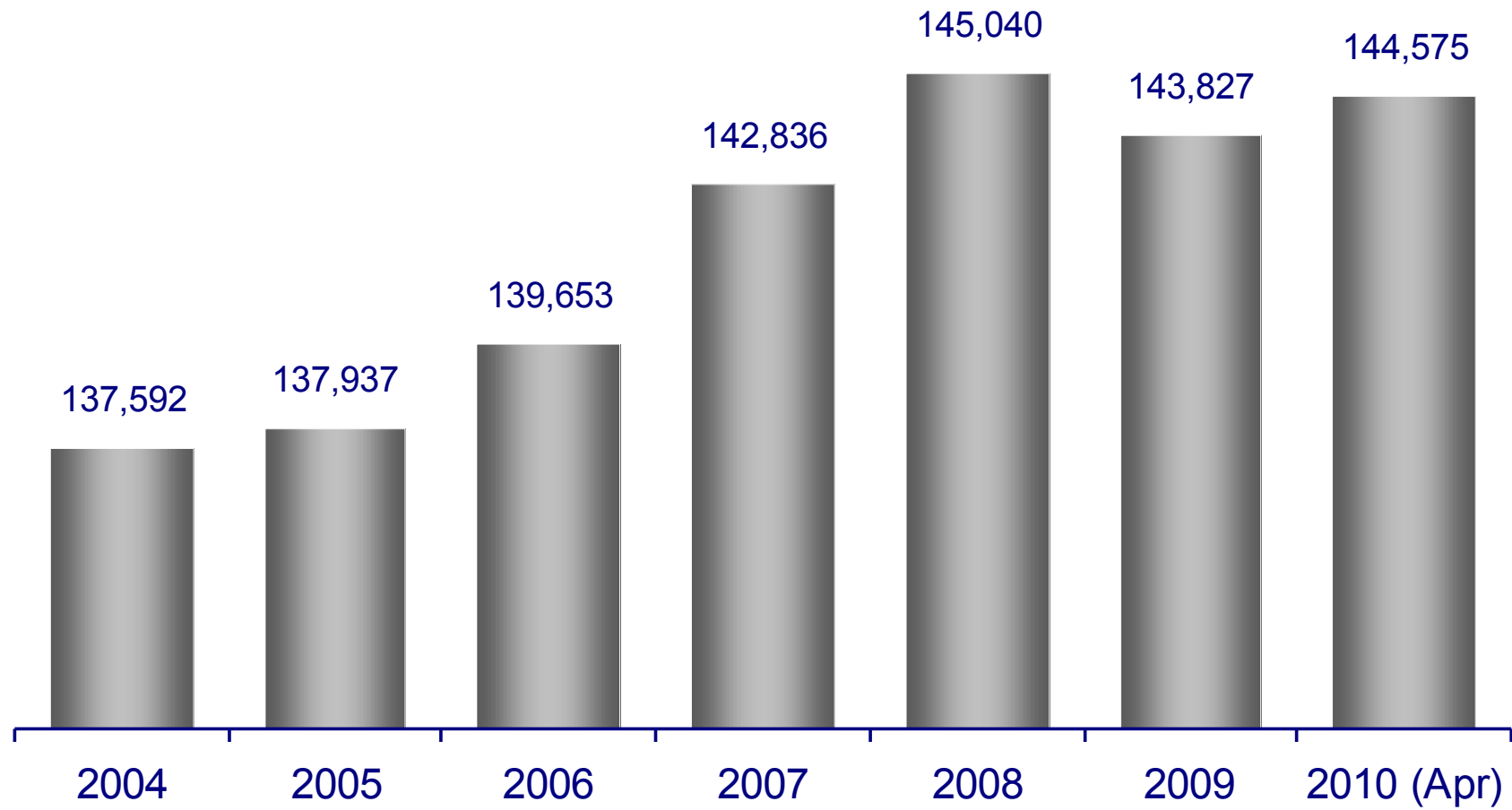
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Employment

Gainfully occupied



source: National Statistics Office

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Employment

Gainfully occupied

Sector	2008 (Jan-Dec)	2009 (Jan-Dec)	2010 (Jan-Apr)
Construction	12,219	12,578	12,190
Hotels & Restaurants	10,312	9,714	9,358
Transport & Communication	11,088	11,193	11,240
Financial Intermediaries	5,629	5,689	5,745
Manufacturing	22,847	21,038	20,514
Wholesale & Retail Trade	21,891	22,107	22,152
Others	61,467	61,508	63,376
Total	145,040	143,827	144,575

source: National Statistics Office

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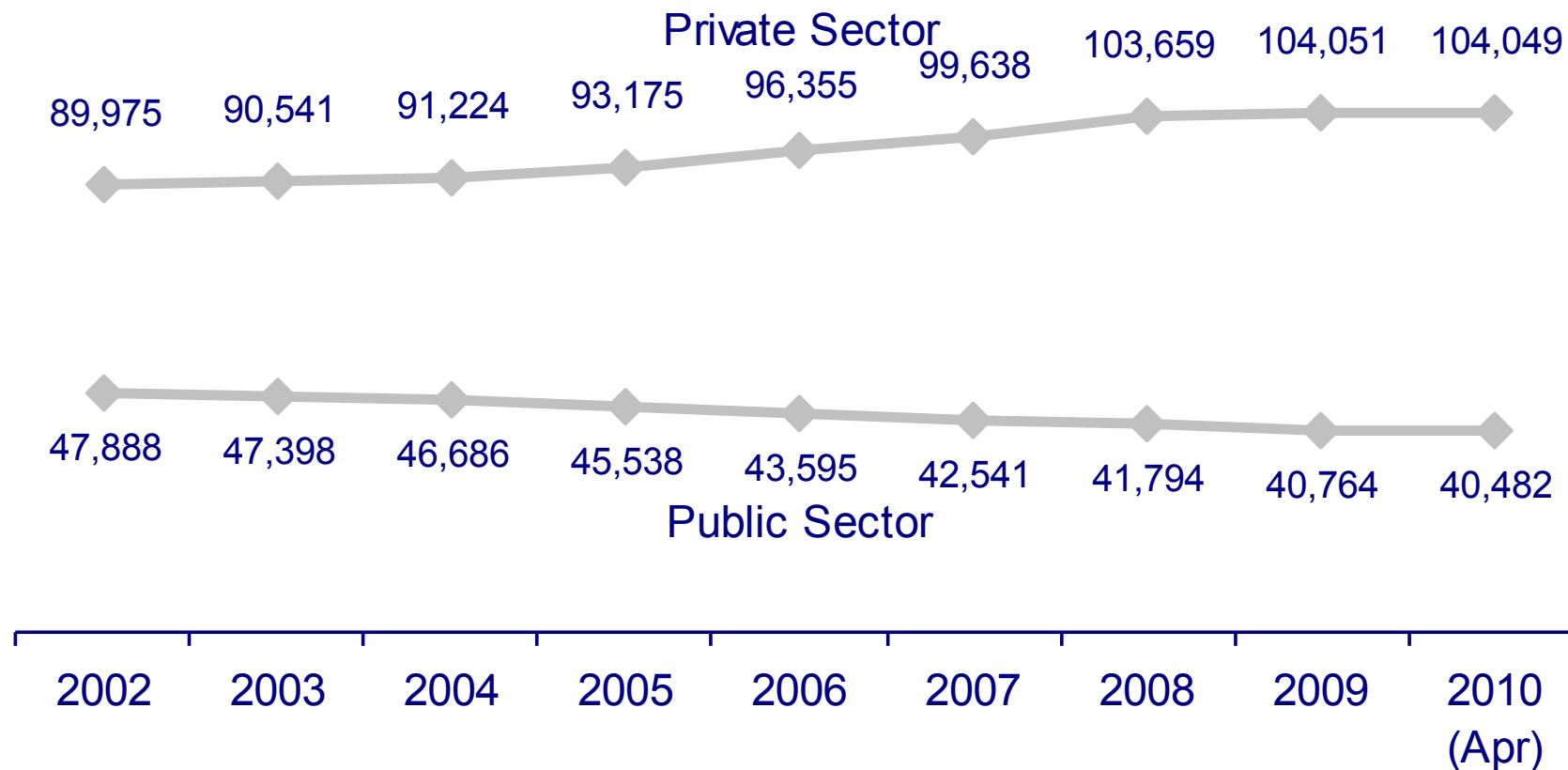
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Employment generation

Private and public sectors



source: National Statistics Office

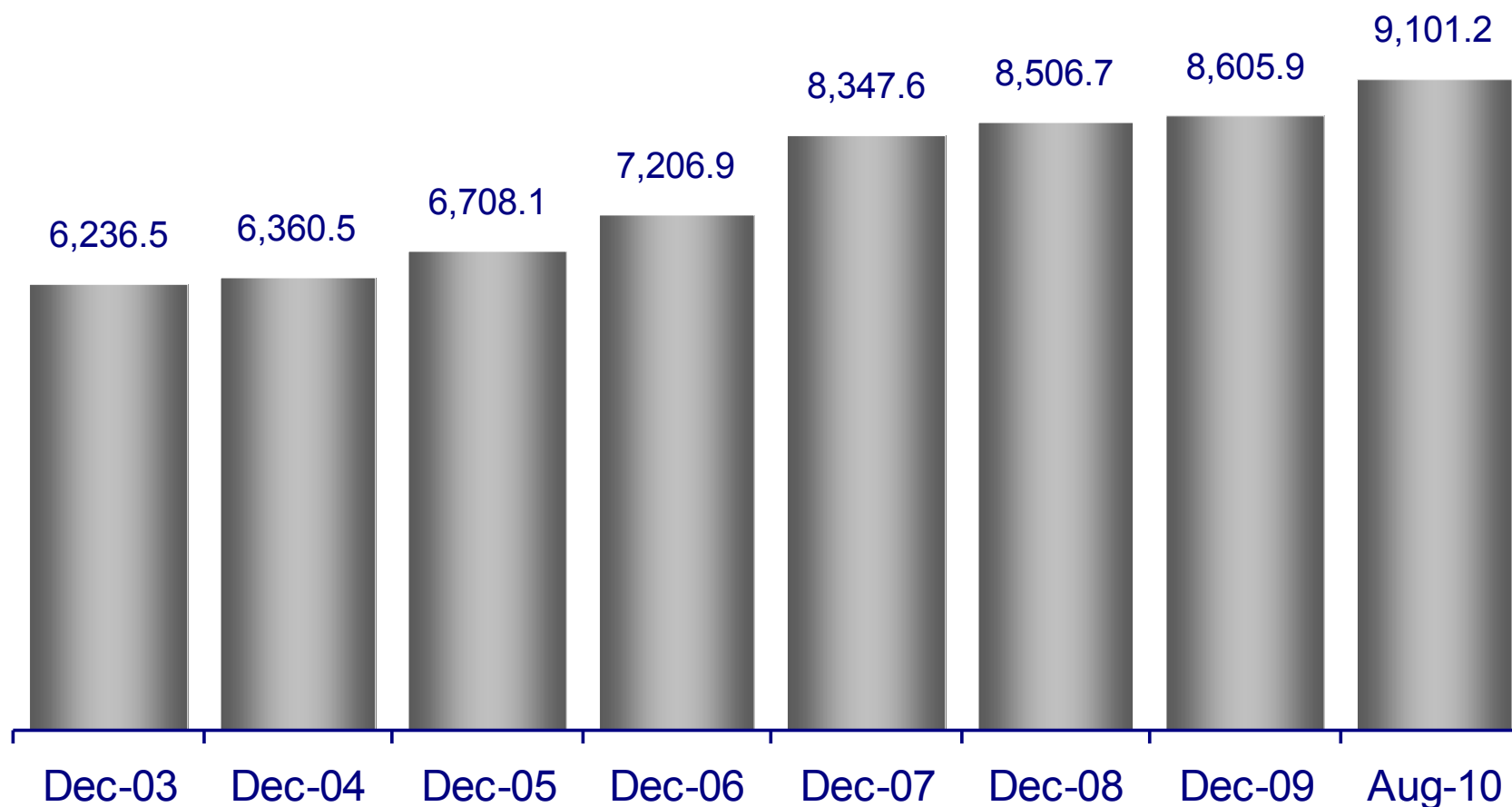
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Cash in hand & deposits



all figures in €'000,000 - source: Central Bank of Malta

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Investments

Sector	2008		2009		2010 (Sep)	
	Amount	€'000	Amount	€'000	Amount	€'000
Bonds	3	62,000	12	295,483	14	286,000
Government Stocks	8	294,238	11	469,882	10	479,603
Shares	3	57,000	1	35,269	-	-
Total	14	413,238	24	800,634	24	765,603

sors: Borża ta' Malta

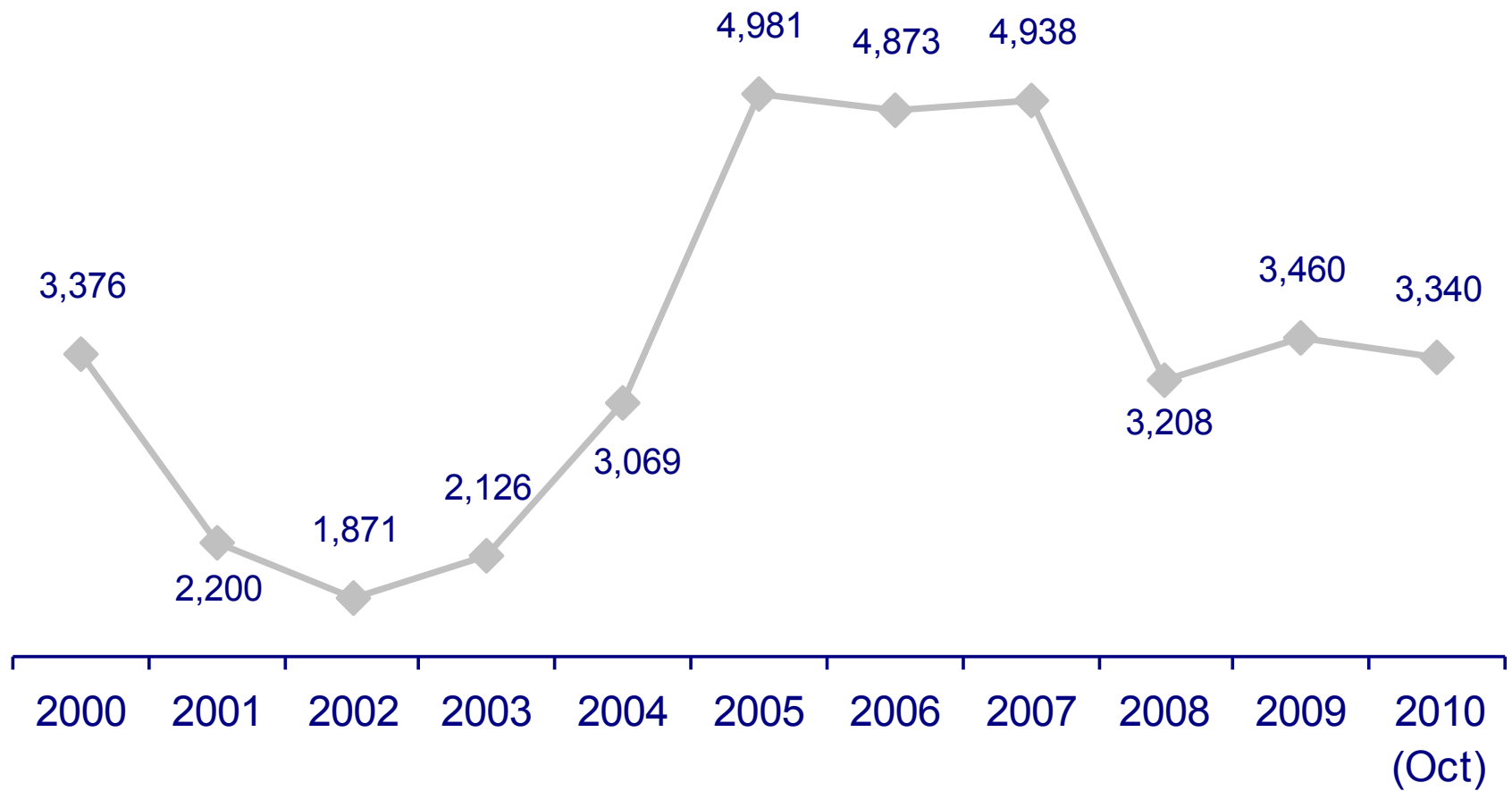
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Stock exchange indices



source: Malta Stock Exchange

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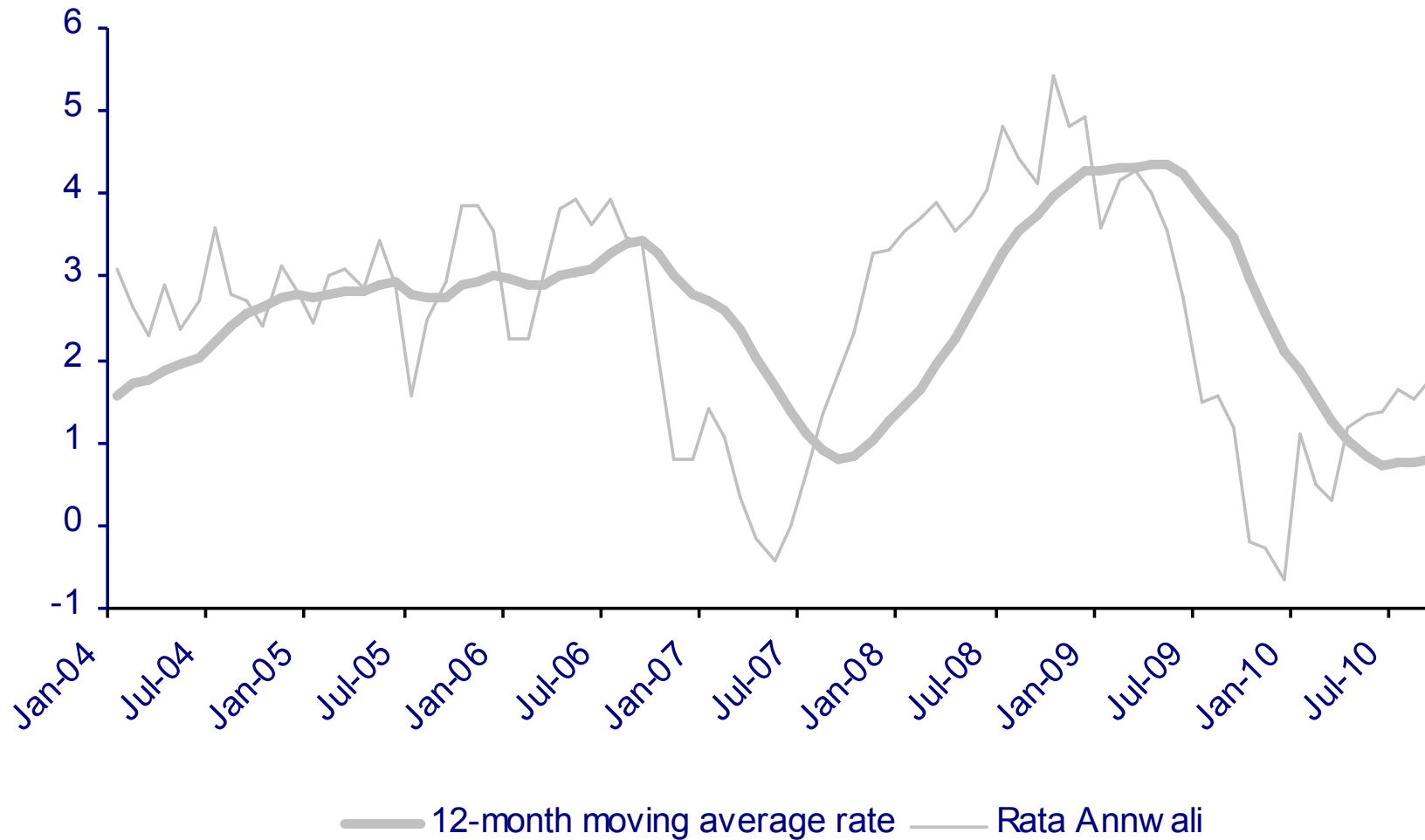
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Inflation

Retail Price Index



source: National Statistics Office

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Income from taxes

Compared with other EU member states

Member State		Rate	Member State		Rate
Member States (EU27)	▲	39.3	Ireland		29.3
Euro Area (EA16)	▲	39.7	Italy	▲	42.8
			Latvia		28.9
Austria	▲	42.8	Lithuania		30.3
Belgium	▲	44.3	Luxembourg	▲	35.6
Bulgaria		33.3	Malta	↔	34.5
Cyprus	▲	39.2	Netherlands	▲	39.1
Czech Republic	▲	36.1	Poland		34.3
Denmark	▲	48.2	Portugal	▲	36.7
Estonia		32.2	Romania		28.0
Finland	▲	43.1	Slovenia		29.1
France	▲	42.1	Slovakia	▲	37.3
Germany	▲	39.3	Spain		33.1
Greece		32.6	Sweden	▲	47.1
Hungary	▲	40.4	United Kingdom	▲	37.3

figures for 2008 - source: European Commission Economic and Financial Affairs

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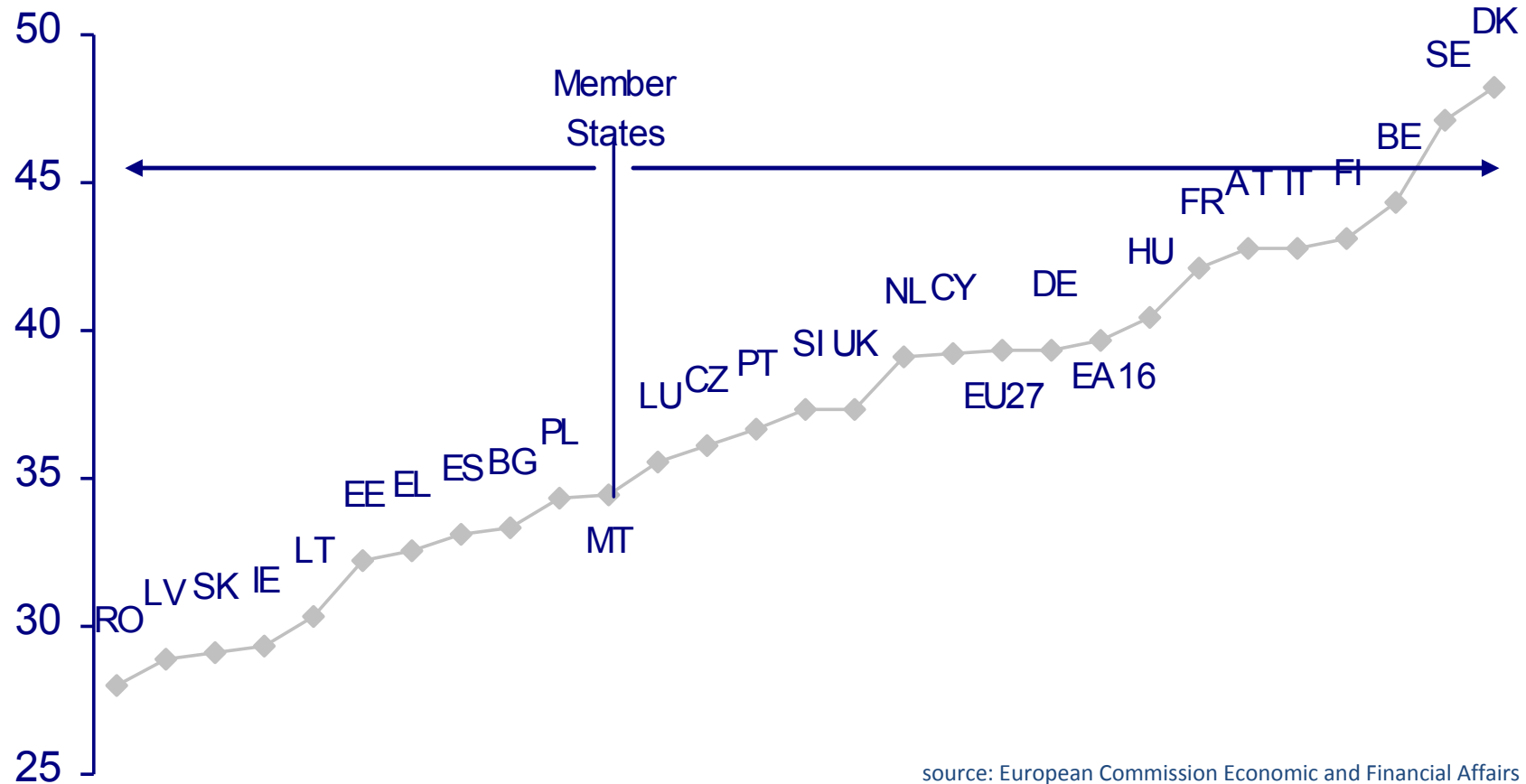
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Income from taxes

Compared with other EU member states



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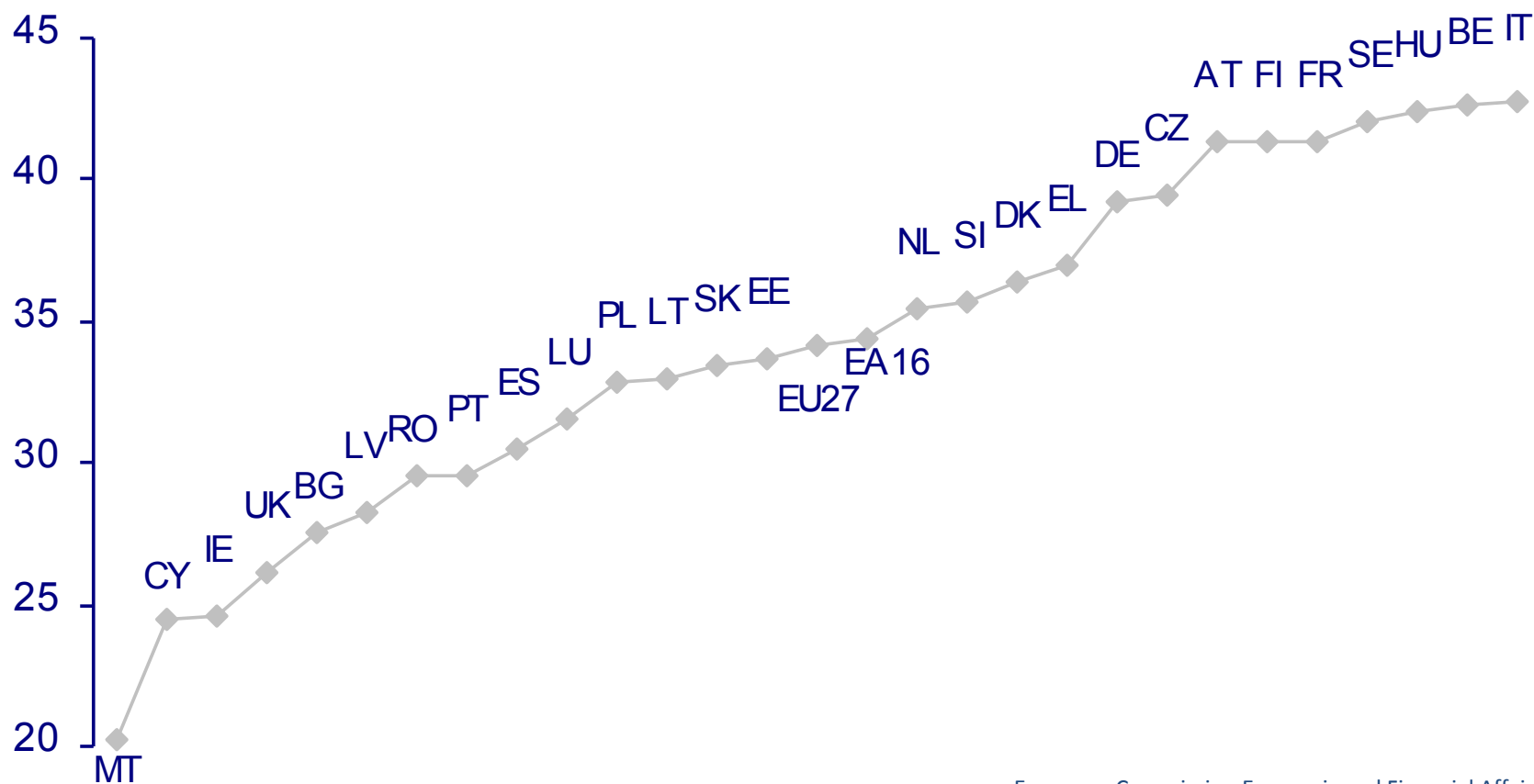
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Employment tax rates

Compared with other EU member states



source: European Commission Economic and Financial Affairs

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The world's economy

Real GDP

Member State	2009 Actual	2010 Projected	2011 Projected	Member State	2009 Actual	2010 Projected	2011 Projected
Member States (EU27)	(4.2)	1.0	1.7	Ireland	(7.1)	(0.9)	3.0
Euro Area (EA16)	(4.1)	0.9	1.5	Italy	(5.0)	0.8	1.4
Austria	(3.6)	1.3	1.6	Latvia	(18.0)	(3.5)	3.3
Belgium	(3.1)	1.3	1.6	Lithuania	(15.0)	(0.6)	3.2
Bulgaria	(5.0)	0	2.7	Luxembourg	(3.4)	2.0	2.4
Cyprus	(1.7)	(0.4)	1.3	Malta	(1.9)	3.4	3.0
Czech Republic	(4.2)	1.6	2.4	Netherlands	(4.0)	1.3	1.8
Denmark	(4.9)	1.6	1.8	Poland	1.7	2.7	3.3
Estonia	(14.1)	0.9	3.8	Portugal	(3.6)	(0.4)	0.8
Finland	(7.8)	1.4	2.1	Romania	(2.7)	0.5	0.7
France	(2.2)	1.3	1.5	Slovenia	(7.1)	0.8	3.5
Germany	(5.0)	1.2	1.6	Slovakia	(7.8)	1.1	1.8
Greece	(2.0)	(3.0)	(0.5)	Spain	(4.7)	2.7	3.6
Hungary	(6.3)	0	2.8	Sweden	(4.9)	1.8	2.5
				United Kingdom	(4.9)	1.2	2.1

source: European Commission Economic and Financial Affairs

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The world's economy

Public debt as a % of GDP

Member State		2009 Actual	2010 Projected	2011 Projected	Member State		2009 Actual	2010 Projected	2011 Projected
Member States (EU27)	▲	73.6	79.6	83.8	Ireland	▲	64.0	77.3	87.3
Euro Area (EA16)	▲	78.7	84.7	88.5	Italy	▲	115.8	118.2	118.9
Austria		66.5	70.2	72.9	Latvia		36.1	48.5	57.3
Belgium	▲	96.7	99.0	100.9	Lithuania		29.3	38.6	45.4
Bulgaria		14.8	17.4	18.8	Luxembourg		14.5	19.0	23.6
Cyprus		56.2	62.3	67.6	Malta	↔	69.1	71.5	72.5
Czech Republic		35.4	39.8	43.5	Netherlands		60.9	66.3	69.6
Denmark		41.6	46.0	49.5	Poland		51.0	53.9	59.3
Estonia		7.2	9.6	12.4	Portugal		53.2	64.9	72.5
Finland		44.0	50.5	54.9	Romania	▲	76.8	85.8	91.1
France	▲	77.6	83.6	88.6	Slovenia		23.7	30.5	35.8
Germany	▲	73.2	78.8	81.6	Slovakia		35.9	41.6	45.4
Greece	▲	115.1	124.9	133.9	Spain		35.7	40.8	44.0
Hungary	▲	78.3	78.9	77.8	Sweden		42.3	42.6	42.1
					United Kingdom	▲	68.1	79.1	86.9

source: European Commission Economic and Financial Affairs

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Unemployment rates

Member State		2009 Actual	2010 Projected	2011 Projected	Member State		2009 Actual	2010 Projected	2011 Projected
Member States (EU27)	▲	8.9	9.8	9.7	Ireland	▲	11.9	13.8	13.4
Euro Area (EA16)	▲	9.4	10.3	10.4	Italy	▲	7.8	8.8	8.8
Austria		4.8	5.1	5.4	Latvia	▲	17.1	20.6	18.8
Belgium	▲	7.9	8.8	9.0	Lithuania	▲	13.7	16.7	16.3
Bulgaria	▲	6.8	7.9	7.3	Luxembourg		5.4	6.1	6.4
Cyprus		5.3	6.7	7.0	Malta	↔	6.9	7.3	7.2
Czech Republic	▲	6.7	8.3	8.0	Netherlands		3.4	4.9	5.2
Denmark		6.0	6.9	6.5	Poland	▲	8.2	9.2	9.4
Estonia	▲	13.8	15.8	14.6	Portugal	▲	18.0	19.7	19.8
Finland	▲	8.2	9.5	9.2	Romania	▲	9.6	9.9	9.9
France	▲	9.5	10.2	10.1	Slovenia		5.9	7.0	7.3
Germany	▲	7.5	7.8	7.8	Slovakia	▲	12.0	14.1	13.3
Greece	▲	9.5	11.8	13.2	Spain	▲	6.9	8.5	7.9
Hungary	▲	10.0	10.8	10.1	Sweden	▲	8.3	9.2	8.8
					United Kingdom	▲	7.6	7.8	7.4

source: European Commission Economic and Financial Affairs

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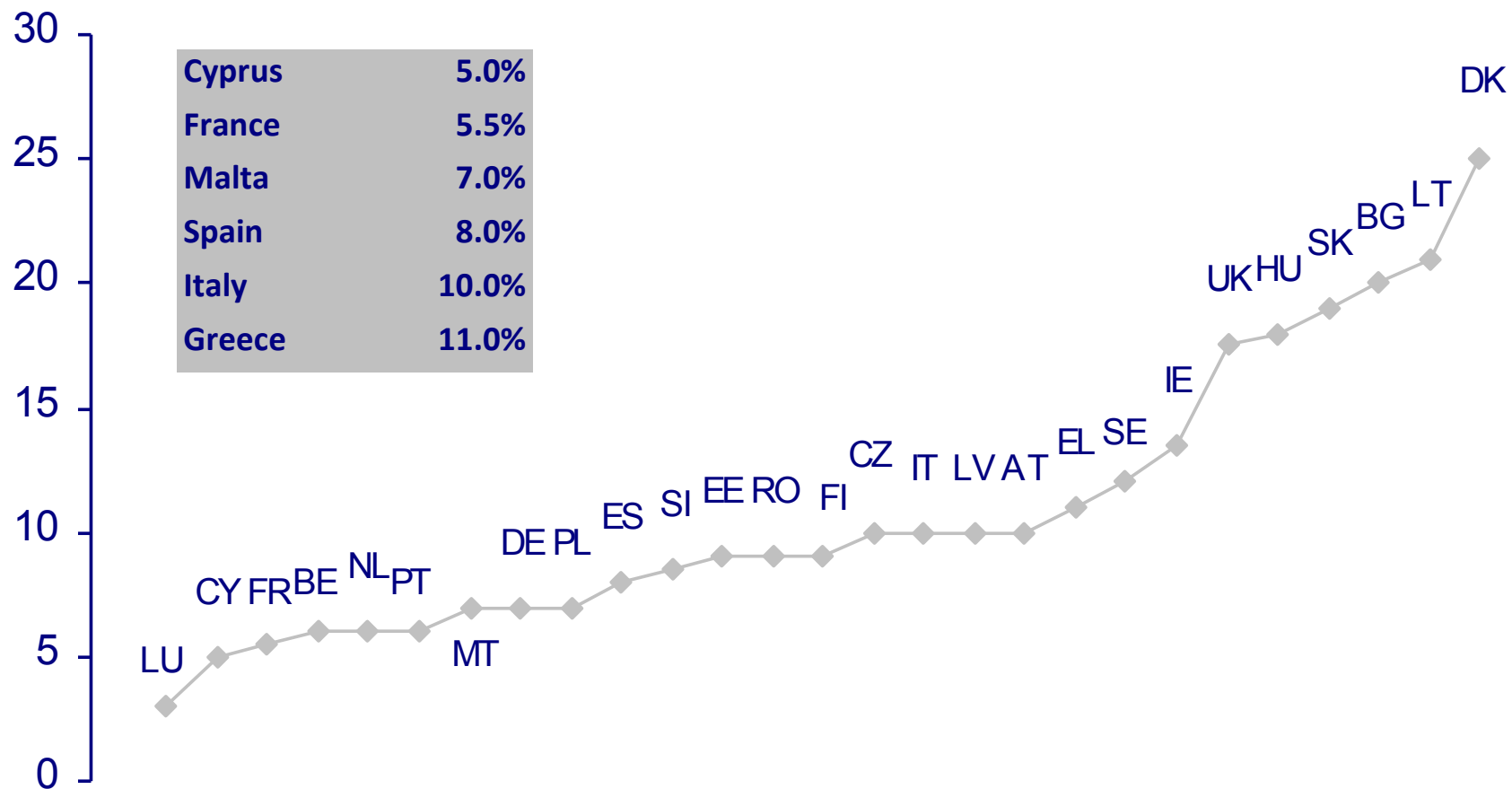
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VAT on accomodation

Compared with other EU member states



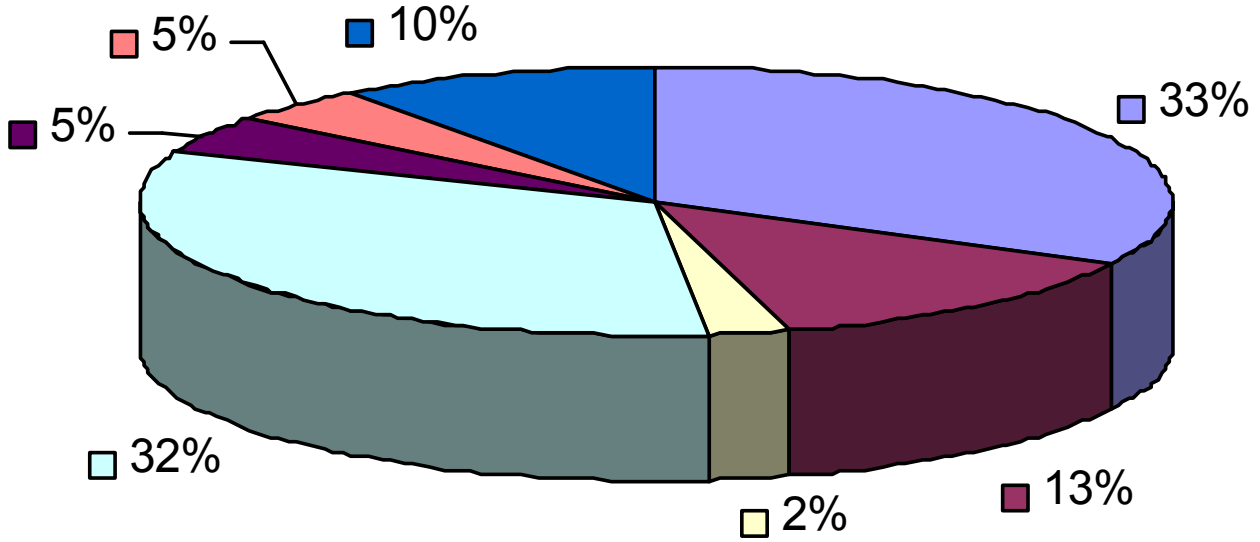
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Government expenditure for 2011



- Social
- Personal Emoluments
- Operational Expenses
- Programmes & Initiatives
- Public Entities
- Interest
- Capital

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Objectives

- The consolidation of public finances and a decrease in deficit to below 3% to assure economic stability and protect jobs.
- We will sustain economic growth by strengthening the competitiveness of our country and enterprises.
- We will carry on investing in our country's infrastructure and environment.
- We will carry on investing in the education and skills of our children, youth and workers.
- Notwithstanding our efforts to strengthen our country's finances, we will carry on investing in the social sector to improve the position of those most in need.

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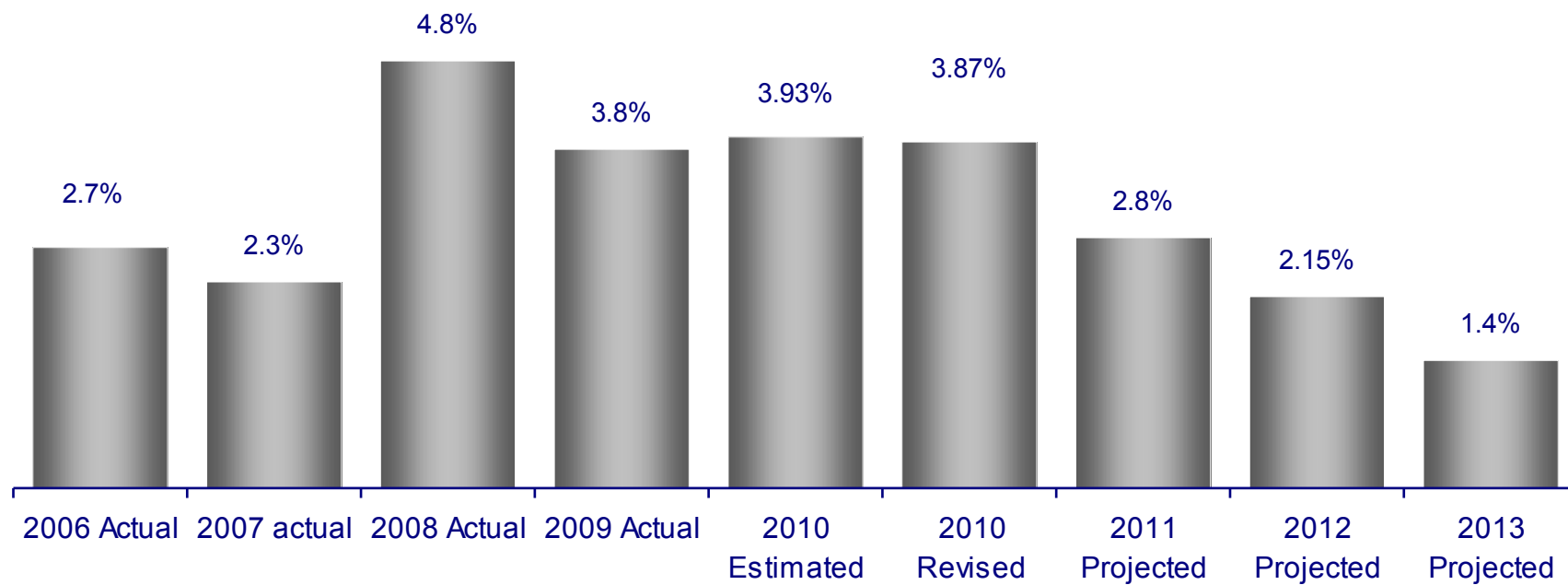
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Financial estimates

Deficit



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Financial estimates

Consolidated Fund	2009	2010		2011
	Actual	Approved	Revised	Projected
Taxable Income	2,130,120	2,331,254	2,263,863	2,393,370
Non-Tax Revenue	240,650	343,683	346,502	398,330
Recurrent Revenue	2,370,770	2,674,937	2,610,365	2,791,700
Recurrent	2,204,421	2,288,521	2,326,334	2,338,726
Interest	192,024	195,621	198,121	208,496
Recurrent Expenditure	2,396,445	2,484,142	2,524,455	2,547,222
Recurrent Surplus	(25,675)	190,795	85,910	244,478
Total Capital Expenditure	271,346	429,595	382,910	440,024
Total Expenditure	2,667,791	2,913,737	2,907,365	2,987,246
Consolidated Fund Balance	(297,021)	(238,800)	(297,000)	(195,546)
Adjustments	80,082	5,000	59,282	13,913
General Government Balance	(216,939)	(233,800)	(237,718)	(181,633)
Gross Domestic Product	5,749.657	5,945.08	6,134.88	6,478.44
Deficit as % of GDP	-3.77%	-3.93%	-3.87%	-2.80%

all figures in € '000

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Financial estimates

Tax Revenues	2009	2010		2011
	Actual	Approved	Revised	Projected
Income Tax	739,443	850,000	810,000	821,400
Social Security	526,100	550,000	550,000	586,175
Direct Tax Revenues	1,265,543	1,400,000	1,360,000	1,407,575
Customs & Excise Duties	174,371	198,700	191,400	208,545
Licenses, Taxes & Fines	236,179	254,554	234,463	239,025
V.A.T.	454,027	478,000	478,000	538,225
Indirect Tax Revenues	864,577	931,254	903,863	985,795
Total Tax Revenues	2,130,120	2,331,254	2,263,863	2,393,370

all figures in € '000

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Other Income	2009	2010		2011
	Actual	Approved	Revised	Projected
Fees of Office	45,230	42,695	38,609	38,654
Reimbursements	24,275	29,446	26,797	28,832
Public Corporations	815	815	815	815
Central Bank of Malta	41,615	37,000	45,634	45,000
Rents	26,550	21,250	31,823	28,775
Dividends on Investments	14,597	9,500	11,750	12,500
Interests	53	82	332	1,757
Grants	72,912	184,375	162,887	221,924
Miscellaneous Receipts	14,603	18,520	27,855	20,073
Total Dħul leħor	240,650	343,683	346,502	398,330

all figures in € '000

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Licenses, Taxes and Fines	2009	2010		2011
	Actual	Approved	Revised	Projected
Wines & Spirits Licenses	1,042	1,000	1,000	1,000
Trading Licenses	1,343	1,300	1,300	1,400
Sporting Licenses	828	850	850	810
Motor Vehicle Licenses	-	-	-	-
Driving Licenses	1,695	1,800	1,800	1,800
Licenses to Hotels & Catering	907	1,000	1,000	1,000
Bonded Stores Licenses	233	200	200	200
Operating License - MIA	496	496	496	496
Gaming Taxes	40,590	46,000	46,000	46,000
Miscellaneous Licenses	1,302	1,100	500	97
Duty on Documents	78,047	80,000	85,000	90,000
Motor Vehicle Registration Tax	61,372	63,500	40,000	40,000
Death & Donation Duty	36	60	60	60
Airport Tax	1,139	-	-	-
Proceeds from Sale of Goods at Customs	62	38	245	260
Traffic Offence Tickets	-	2	2	1
Court Fines	2,191	2,200	3,000	3,000
Oil Rental Licenses, Fines, etc	942	900	900	850
Annual Circulation License Fees	43,904	54,000	52,000	52,000
Miscellaneous Fines	50	108	108	50
Administrative Fines	-	-	2	1
Total Liceni, Taxxi u Multi	236,179	254,554	234,463	239,025

all figures in € '000

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Ministry of Finance,
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Financial estimates

Recurrent Expenditure	2009	2010		2011	Żieda / (Tnaqqis) €	Żieda / (Tnaqqis) %
	Actual	Approved	Revised	Projected		
Salaries	543,763	550,775	573,513	581,956	8,443	1.47%
Operative Expenses	108,162	111,299	115,551	107,628	(7,923)	-6.86%
Programmes & Initiatives	1,381,291	1,421,849	1,437,089	1,444,472	7,383	0.51%
Public Entities	171,205	204,598	200,181	204,670	4,489	2.24%
Recurrent Expenditure	2,204,421	2,288,521	2,326,334	2,338,726	12,392	0.53%
Interest	192,024	195,621	198,121	208,496	10,375	5.24%
Total Recurrent Expenditure	2,396,445	2,484,142	2,524,455	2,547,222	22,767	0.90%

all figures in € '000

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Public finances and public sector efficiency

- The deficit for 2010 will be close to 3.9%. Government aims at decreasing this to below 3% during 2011.
- Improved efficiency of our Departments at a level of 2%. Action plan from each Department to increase efficiency.
- Strategy to decrease Government's arrears by 10%.
- Where possible, and applicable, a decrease in the number of new employees, with the termination of one out of every two employees.
- Training programme using EU funds for workers in the public sector to implement better regulation.

Investing in enterprise and employment growth

Training

- We will carry on supporting training schemes for workers, especially the Training Aid Programme and the Employment Aid Programme, with an allocation of €3m in this year's budget.
- Continuation of other local initiatives, like the Apprenticeship Scheme and the Work Trial Scheme, as well as programmes for people who employ persons with severe disabilities.
- A training programme for all those earning a minimum wage. All those who will participate in this training will be given an allowance of 25 Euro per week.

Investing in enterprise and employment growth

Training

- In order to encourage more women to join the job market, we will introduce the possibility, for part-time self-employed women, to choose to pay a social security contribution on a pro-rata basis of 15% on basic earnings instead of the contribution based on minimum wage.
- Continuation of fiscal incentives for women who return to work, which have benefitted 6,556 women to date, with an investment of €5.8 milion.
- Part of the income of persons who are on social assistance will not be included in the means tests in order for the family to qualify for social assistance. The amount of the wage that will be exempt from the means test will be equivalent to the difference between the minimum wage and the full social assistance rate applicable for 2 persons.

Investing in enterprise and employment growth

Direct investment in local enterprise

- Benefits from the MicroInvest scheme can be absorbed until 2013 while the MicroCredit scheme is being introduced.
- Launching of the 'Gateway to Export' Programme, that provides assistance and training to companies, with an investment of €1m to give these the opportunity to export to foreign markets.
- Quality Improvement Programme, with an expenditure of €250,000 to increase awareness about various quality aspects and to help enterprises improve their quality, become more competitive and increase their franchising opportunities.
- Decrease of 150% from taxable income up to a maximum of €10,000 on expenses spent by enterprises to increase their quality and product.

Investing in enterprise and employment growth

Direct investment in local enterprise

- Continuation of the programme to improve industrial zones, with an investment of €16 million. This includes the rebuilding of the three Childcare Centres in Mosta, Xewkija and Kordin and the construction of the Life Sciences Centre.
- Investment of €6 million in Assistance schemes for the Manufacturing Industry.
- Investment of €3.3 million in Assistance schemes for Sustainable and Efficient Energy in the Commercial Sector.
- Beginning of works at the SME Micro Business Park in Gozo with an area of 7,800 square metres, and an investment of €8 million.
- Redevelopment of the Hutment Area at the Cordin industrial estate with an investment of €10 million, to create 18,000 square metres for small factories.

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Investing in enterprise and employment growth

Investment to increase our competitiveness

- €9 million for Malta Enterprise to execute incentive schemes for industry
- In order to encourage the use of Government online services by more businesses, VAT laws will be amended to ensure that businesses who send in their VAT declaration and payments online, are not charged interest and administrative fines if these are sent within seven days after the deadline.
- Removal as from 1st January of VAT registration obligations for those persons who have an annual turnover below €7,000.
- Establishment of the Entrepreneurial Training Fund, which our educational colleges can benefit from to finance educational projects in a competitive manner.

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Investing in enterprise and employment growth

Investment that continues to drive the business sector

- Establishment of a clearing house for every enquiry from the public sector to avoid duplication of requests for the same information from our enterprises.
- Training of civil servants about particular needs of the business sector and creation of an assistance culture for business among all public sector employees, with an investment of €800,000.

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Ministry of Finance,
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Investing in enterprise and employment growth

The consumer

- Empowerment campaign for the consumer and launching of a publication, containing information for Maltese and Gozitan consumers about their rights and the products on the market.
- Decrease in the price of medicines. After a decrease in the prices of 90 types of medicine during this year, discussions are being held with importers and pharmaceutical companies supplying the local market.

Investing in enterprise and employment growth

Fighting abuse

- Intensification of the fight against evasion and against any form of contraband.
- Introduction of more stringent measures in tax laws against the falsification of records, documents or bills that are required to be kept by businesses, both in manual as well as electronic formats.

Investing in enterprise and employment growth

Tourism

- Allocation of €35 million, an increase of €4 million in marketing and international activities – the greatest investment so far in tourism.
- A fund of € 10 million, that will assist businesses in the tourism sector to develop themselves as well as their product.
- Continuation of a €3 million programme to improve the skills of persons working in the tourism industry on a managerial level.
- Investment of €6.5 million for the embellishment of touristic areas
- Continuation of the projects at Ġgantija in Gozo, the Ғal Tarxien Temples, the St. Paul Catacombs in Rabat, the Roman Baths at Golden Sands, and the Bistra Catacombs in Mosta. These are expected to be completed towards the end of 2013, with an investment of €14 million.

Investment in Enterprise and employment growth

Tourism

- Construction of a nature trail, with the aim of taking into consideration the natural landscape in the Hagar Qim and Imnajdra Archaeological Park.
- An increase in VAT on accommodation from 5% to 7%.

Infrastructure

Roads

- Investment of €41 million for the construction of the roads between Ċirkewwa and Torri l-Aħmar, between Marsa and al Luqa, the access road from Menqa tal-Marsa to the passenger terminal at the Grand Harbour, and the road between Xewkija and Rabat, Gozo.
- Works on a number of arterial roads, as well as the construction of residential roads, with an investment of €15 million.
- Work is being carried out on 475 roads in 49 towns and villages, with an investment of €1 million administered by local councils.
- Embellishment works on the road known as “Ten-T” that joins the extremities of our islands with harbours and the urban centre.
- Works will commence on the roads in Kappara, the coast road between Pembroke and Qawra, and the road running between Mellieħa and Torri l-Aħmar.

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Infrastructure

Transport

- Public transport reform for better quality and cleaner services.
- Incentives for those buying new cars and scrapping old ones – when an old car is not scrapped, half of the incentive goes into a fund for the removal of old cars from our roads.
- The value of carbon dioxide in the tax computation of hybrid vehicle registration will increase from 20% to 30%.
- A scheme whereby a person buying an electric car can benefit from a subsidy of €5,000 for the installation of sustainable energy sources on the car (eg. PV panels). A number of charging points for electric cars will also be installed at strategic sites.

Infrastructure

Transport

- The annual circulation license for the M1 vehicle category without emissions, i.e. electric vehicles, will be decreased from €75 to €10.
- A tax deduction equivalent to 125% on amounts spent by companies on electric cars.
- Provision of training in electric vehicle sectors.
- An increase in excise duty on fuel of 3c per litre.

Infrastructure

Infrastructure projects

- Investment in the generation of cleaner energy, with the extension of the Delimara power station and the interconnector project with Sicily.
- €1 million for the modification of boilers at the Delimara Power Station to decrease emissions.
- Investment of €75 million over the coming three years in the infrastructure for electricity distribution.
- Installation of smart meters in homes, businesses, and industry. To date a total of 32,000 smart meters have been installed. The process is expected to be completed by 2011.
- A sewage plant in Ta' Barkat, limits of Xgħajra, which will continue to improve the quality of waste water. In this way we will be treating all the sewage that is generated.

Infrastructure

Cleaner energy and water conservation

- Relaunching of the assistance scheme for the purchase of solar water heaters to complement the existing scheme. A maximum subsidy of €400 will be given on the price of the apparatus. Around 2,000 more families are expected to benefit from this scheme.
- Continuation of the process to install photovoltaic panels on 67 thousand square metres of public roofs.
- Investment of €1 million to continue environmental studies, and other studies, about the feasibility of windfarms, onshore or offshore, according to the application submitted by Government to MEPA.

Infrastructure

Maritime infrastructure

- Commencement of repair works on the Grand Harbour breakwater.
- Construction of the lift leading from the Harbour shore to Upper Barrakka. This will provide an important and comfortable access to thousands of visitors travelling on cruise liners.
- An Infrastructural Project for Passengers at the Grand Harbour, with an investment of € 4.5 million.
- Works on the Deepwater Quay in the Grand Harbour and facilities for cruiseliner passengers.

Gozo

- A vote of €73.4 million, an increase €2.3 million on this year.
- The Eco-Gozo Vision seeks to protect Gozo's specific interests and needs, by promoting continued improvement in economic, social and cultural development. A vote of €25 million for 3 years.
- Continuation of the improvement of the rainwater storage facilities in the winter months to decrease the impact on the water-table.
- €500,000 for the promotion of Gozo as a touristic destination.
- Continuation of the international advertising campaign for Gozo as a separate destination

Gozo

- More recreational spaces for the family, with various afforestation and embellishment projects around the whole island, amongst which the new public garden at Marsalforn.
- Reconstruction of roads in Xlendi, and Ta' Pinu, while tenders are being issued for works on Triq Frangisk Portelli, Triq San Lawrenz and Triq il-Ġebbla tal-Ġeneral.
- A project to develop the Government farm in Xewkija into a Centre for Research, Development and Innovation in Agriculture.
- Structural works in schools around Gozo to provide our children with the best educational environment.
- Upgrading of taż-Żewwieqa Waterfront – and investment of €5.4 million.
- Closure of the last sewage outfall.

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Għalik



Ministry of Finance,
the Economy and Investment

Gozo

- Development of a human resources strategy to best meet the industry's needs.
- Use of water produced by the sewage treatment plant for secondary use like in the agricultural sector.
- Construction of an indoor pool.
- Continuation of refurbishment works at the Dentistry Department in Gozo General Hospital to make it adequate for today's needs.

Education and the creative economy

Education – a priority for our children’s prosperity

- An increase in spending on education of €32 million, up to €330 million.
- Opening of 2 new childcare centres, in Santa Venera and Floriana, apart from the 9 that have already opened and are hosting 550 children.
- Continuation of the reform of the transition from Primary to Secondary, and that between Secondary and Post-Secondary.
- Revision of the National Minimum Curricula and Syllabus so that our students may continue to enhance their qualifications.
- Completion of the taż-Żokrija school in Mosta and commencement of the construction of the girl’s secondary school at St. Ignatius College, Ħal Qormi.

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Għalik



Ministry of Finance,
the Economy and Investment

Education and the creative economy

Education – a priority for our children’s prosperity

- Commissioning of a new system of eLearning in schools.
- An increase in the maximum amount of deduction given to individuals who pay school fees for their children attending private schools:
 - In the case of children attending primary classes in private schools or private kindergartens, the maximum deduction will increase from €1,000 to €1,200;
 - In the case of children attending private secondary schools this will increase from €1,400 to €1,600.
- VAT refund on new buildings constructed by independent schools.

Education and the creative economy

Advanced and higher education

- We will increase allocations to University by €3.5 million.
- An increase of 3,370 students in 31 faculties with 28 new courses.
- Student stipends will increase by €850,000.
- Recognition of student qualifications obtained in foreign countries.
- More than 1,100 students have received scholarships. More scholarships through the STEPS and MGSS schemes.

Education and the creative economy

Advanced and higher education

- University enhancement projects:
 - Investment of €13.1m in the construction, completion and equipping of the ICT Faculty Buildings;
 - Construction and equipping of the University Computing Services Centre Building, with an investment of €4.2 million;
 - Science Interactive Centre – investment of €1.5 million.

Education and the creative economy

Advanced and higher education

- MCAST Total Expenditure
 - Multimedia Training Centre €867,000
 - Language Laboratory €180,000
 - Installation of Renewable Energy €180,000
 - *Increasing ICT Student Capacity Programme* €1,333,000
 - Programme to address skills mismatching in the aircraft maintenance industry €880,000
 - Professional Development for Staff & Students top-up degrees €1,333,000
 - MCAST – Linking Industrial Need & VET €185,000

Education and the creative economy

Sport

- Assistance to promising athletes that are working in the private sector and that, in agreement with their employers, choose to decrease their weekly working hours in exchange for more training.
- A fund equivalent to 15.25% of the price of sports equipment for sports organisations recognised by KMS.
- Refund of 15.25% up to €150 on the total price of bicycles.
- Investment in a football ground and waterpolo pitch in Birżebbuġia.
- Introduction of the unique registration plate concept for classic car collectors.
- Removal of the 6.5 registration tax on sports vehicles that are used only on racing tracks and other places authorised by Transport Malta.

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Għalik



Ministry of Finance,
the Economy and Investment

Education and the Creative Economy

Sport

- Allocation of €250,000 in assistance to attract foreign organizations to our country to train and organise international competitions. During this year, this scheme generated more than 39,000 bed nights.

Education and the creative economy

The creative economy

- A scheme where each student (aged between 12 and 14 years) is awarded during the first 3 years of secondary school a credit of €15 for artistic activities and visits to cultural sites.
- A fund of 150,000 euro for investment in independent organisations that work for the national development of culture.
- Funds for a training programme in film as well as cultural management.
- A new initiative to present in 2012 the first showcase of the best artistic and creative work created in Malta and Gozo.
- Creativity Trust is gathering contributions from the public and private sectors to increase investment in existent and new schemes.

Continued investment in healthy communities

The social sector

- An increase in supplementary assistance up to a maximum of €4.57 per week for single persons, and up to €8.13 per week for married couples. This measure will cost €800,000 per year.
- We will be adjusting the means test so that COLA does not remove aid given through other social benefits. This applies particularly in the case of pensioners that lose their sickness benefits due to an increase in pensions.
- Pensioners will receive the full COLA increase, which will be €1.16 using the same mechanism for calculation as previous years.
- We will continue to address the existent anomaly in service pensions, with a decrease of another €200 for this year, which will have an impact on around 6,200 pensioners. This will mean an expenditure of €1.3 million.

Continued investment in healthy communities

Work for our children and families

- Next year we will launch the National Policy for Children which will give holistic consideration to children services, needs and rights.
- We will allocate €400,000 so that children and youth that at present cannot benefit from residential or fostering services, due to particular difficulties, will be offered a new alternative within a family environment.
- An increase in budget for social volunteers to provide agreed services.

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Ministry of Finance,
the Economy and Investment

Continued investment in healthy communities

Persons with disability

- We will continue to ensure that persons with a disability will have adequate and accessible transport, therefore:
 - a family with more than one person making use of a wheelchair will enjoy the current exemptions per person, even when it buys only one wheelchair accessible vehicle;
 - a family with one person using a wheelchair will benefit from current exemptions even on the second wheelchair accessible vehicle; and
 - payment of licences on wheelchair accessible vehicles will terminate, even after the fifth year of registration.

Continued investment in healthy communities

Housing sector

- We will invest another €1 million in the rent subsidy scheme, from which over 1,000 persons are benefitting.
- We will also continue with the scheme that grants aid to first-time buyers, from which around 340 persons benefit per year. We will continue developing more schemes which more people can benefit from.

Continued investment in healthy communities

The health sector

- Investment of €333 million – an increase of €12 million above this year's.
- We have commenced construction works on the Cancer Centre at Mater Dei Hospital, an investment of €14 million.
- Until the Centre is completed, works are also being carried out at Boffa Hospital, to ensure that patients are given treatment in a comfortable and decent environment.
- After the success of breast screening we will extend screening services to other conditions.

The health sector

Medicines

- We are reforming the medicine purchase system to address inefficiencies that are creating huge inconveniences to patients, due to the waste of resources in the distribution of medicines.
- We have increased 16 new medicines in the Government formulary, 11 of which will be for cancer treatment. We have decreased the number of credit days to 120 days for the purchase of medicines, and payments to importers are happening within the stipulated period.
- Extension of the Pharmacy-of-Your-Choice scheme, with an investment of €1 million and an additional €400,000 for an electronic system.

The health sector

Increase in operations and human resources

- We will carry on working to decrease the waiting periods at hospitals. To this end, we have allocated a vote of €2.3 million.
- We will introduce new professionals, with local and foreign University training, to strengthen our human resources.
- We will upgrade our information technology in the provision of health services, with electronic clinical services for doctors and better access to medical histories.
- An increase of 3 to 4% in excise duty on cigarettes and tobacco.
- An increase in tax on local beer of slightly less than 1c per 25cl bottle and 13% on spirits.

The health sector

Mental health

- We are continued to spread treatment within the community for persons suffering from mental health problems, in Floriana, Ғal Kirkop and Gżira.
- We are also allocating flats at Mount Carmel Hospital under the Housing Authority's supportive housing scheme, which can be used by patients who are allowed to leave the Hospital, and who do not have a place to reside.

The health sector

Investment in elderly healthcare

- We are investing millions to ensure that our elderly will receive the best possible treatments from specialists.
- Until the rehabilitation centre is built, we will continue with maintenance works at Karen Grech Hospital.
- The Żammit Clapp Hospital services were transferred to Karen Grech Hospital, whilst the hospital is developed into a nursing home with 100 beds for the elderly, an investment of €1.8 million.
- Refurbishment works will also be commenced in two other wards in the St. Vincent de Paul Residence for patients suffering from dementia.
- The night shelter pilot project in Żejtun has started to accommodate the first elderly, and in the coming weeks we will be opening another night shelter in Mellieħa.

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The health sector

Elderly healthcare

- A group of multidisciplinary professionals are being trained to offer assistance to the elderly to continue living within the community. This pilot project will start offering its services in the locality of Msida.
- We have opened a Day Centre in Mellieħa, with the intention of opening other centres in other localities.

Environment

- Continuation of the Valletta City Gate project.
- Continuation of the ambitious project for the restoration of the bastions, with an investment of €36 million.
- Embellishment projects in Dock Number One at Cospicua, and restoration works at St. Elmo Fortress, in the historical buildings around Dock Number One, in the Fish Market, and Sir Paul Boffa Hospital.
- Funds for the continuation of the facade restoration at the Auberge de Castille and the Grand Master Palace in the City of Valletta, and the launching of the ambitious project in Collacchio, Birgu.
- Investment in the Bugibba Water Park and the continuation of works at the National Park in Xrobb I-Għagin.
- The second phase of the National Policy for the Environment.

Environment

- Continuation of the MEPA Reform.
- Decrease in the social security contribution for full time farmers and herdsman to 12%. Every farmer will pay an average of around €520 per year less in contributions.
- 3 more markets for farmers.
- A fund of €400,000 to decrease the impact of increased international prices for wheat and cereals.
- Excise duty of €9 on each tonne of cement.

Environment

Local Councils

- The financial allocation for Local Councils will increase to €32 million.
- Launching of a number of initiatives which will help Local Councils take care of common areas within Government apartments, and provide child-minding services for children that arrive early or leave late from school.
- The local enforcement system will become the responsibility of the five Regional Committees.
- An allocation of half a million euro for cofinancing of EU projects.

Environment

Waste management

- Investment to obtain cleaner energy from waste.
- Continuation of the ambitious project to transform the closed landfills of Magħtab and Qortin in Gozo into recreational parks for our family. This requires an investment of € 26 million.
- Hazardous Waste Treatment Plant – investment of €3.7 million.

Environment

Making better use of public land

- A vote of €3 million for expropriation payments under the Home Ownership Schemes.
- A more efficient information technology system in the Government Property Division.

EU Member State Budgets for 2011

- Germany
 - Decrease of €30 billion from the social policy budget, including a decrease in benefits for parents and unemployment benefits.
 - Environmental tax on travel.
- Spain
 - Freezing of pensions in 2011.
 - Decrease in public service wages by 5%.
 - Decrease in investment in social programmes.
 - Different Ministerial Budgets for 2011 down to 2006 levels.
 - Suspension of increase in pensions for inflation.
 - Removal of parental allowances.

EU Member State Budgets for 2011

- Greece
 - 10% decrease in wages.
 - Increase in retirement age.
 - Increase in taxes on fuel, cigarettes and alcohol.
 - Increase in VAT from 19% to 21%
 - Excise duty on cars
 - Excise duty on electricity (5 euro/MwH for homes)
- Italy
 - Freezing of civil service wages for three years.
 - Decrease in number of civil servants – closure of 27 Government institutions.
 - Decrease of 10% in expenditure in each Ministry.

EU Member State Budgets for 2011

- United Kingdom
 - Increase in VAT from 17.5% to 20%.
 - Increase in Capital Gains Tax.
 - Benefits for children: Frozen for the next three years, and removal of these for families with a certain income level.
 - Decrease in housing benefits.
 - Maternity benefits restricted to the first child.
 - Freezing of public salaries.
 - Increase in tax rate on insurance premium.
 - 500,000 lose their jobs with the Government in 5 years.

- Portugal
 - Increase in VAT from 21% to 23%.
 - 5% decrease in public sector wages.