



BUDGET SPEECH
2020



EDWARD SCICLUNA
MINISTER FOR FINANCE





Ministry for Finance

Budget Speech

2020

The Hon. Prof. Edward Scicluna
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1. INTRODUCTION

Mr Speaker,

This is the eighth Budget I am presenting on behalf of the Government since 2013. If there is one thing that is changing from one budget to the next, it's the challenges each budget tackles. This Government has never been afraid of challenges, choosing to face and address them instead. The challenges of the first few years of this administration were to strengthen the economy while improving fiscal governance, so that the economy of Malta and the country's public finances could become sustainable.

The first thing we did was increase the economy's potential, so that we could fulfil ambitious economic, fiscal and social targets. This was done through thoughtful and sensible reforms. While in the past there were those who tried to diminish them, nowadays we find representatives of foreign Governments enquiring about our reforms.

The same thing can be said about the Government's finances. Around 30 years had to go by before our country could prove that - thanks to the determination of the Government - the vice of debt could be overcome and eliminated. Maltese and Gozitan families now see a Government that leaves their children wealthy instead of indebted.

There's no doubt that success brings new challenges. We start expecting our families to worry less - if at all - about how their children will find work, how their business partners can be more competitive, how to cope with the expenses of childcare, or how

their pensioners can climb their way out of the poverty they were left in by previous administrations.

Instead, the discussion has now turned to how should the success achieved so far be managed, in order to ensure that the leap forward in the quality of life, which we have experienced during the past seven years, is maintained in the years to come. How to ensure that economic growth is truly sustainable. How we should not let success go to our heads, and how to enjoy the fruits of our labour while remaining firmly grounded. How to ensure that the built environment around us is improved. How to protect and enhance the natural environment. How to make our country cleaner. How the core of every town and city should be accessible to families, without encountering traffic. How the people are noticing that gradual lifestyle changes help us all live better lives.

Not only is the Government aware of these challenges but it has never shied away from making crucial decisions to ensure the sustainability of the quality of life that has been attained so far, ensuring that our country improves its quality of life in its widest sense.

Mr Speaker, this is the main thrust behind this Budget, through which we will continue to ease the burdens on our families.

In fact, once again, the Budget for next year will not introduce or increase any taxes. This makes it the third Budget without the introduction of any new taxes. Besides that, for the fifth

successive year, we are planning to end next year with yet another surplus.

1.1 The economic and financial context

Mr Speaker, in the first six months of this year, Malta's economy grew by 4.7 per cent. This rate of growth was more than three times higher than the average rate of growth of 1.4 per cent in the European Union. In nominal terms, the increase in the Gross Domestic Product reached 7.3 per cent.

Investment was the primary driver fuelling growth in the first half of the year, as it increased by 14.2 per cent. Private consumption also contributed to economic growth, with a 4.5 per cent increase. The strong increase in investment led imports to rise by 2.2 per cent, while exports increased by 1.5 per cent.

All this was reflected in substantial increases of 5.7 per cent in wages and salaries, and 9.5 per cent in company profits.

The diversification of Malta's economic growth continued during the first half of the year. All sectors, from the industrial sector to the service sector, registered increases in the Gross Value Added, which grew by 7.5 per cent overall.

The labour market in Malta continued to be dynamic during this year, with the number of employed persons now reaching 230,000 (two hundred and thirty thousand persons). The private sector continued to fuel the increase in employment and was responsible for more than 90 per cent of the new jobs created.

Both the overall unemployment and youth unemployment remained among the lowest in Europe, with the latest figures showing that the overall rate of unemployment was as low as 3.3 per cent in August 2019. Meanwhile, the rate of youth unemployment went down to 8.4 per cent during the same period.

The substantial increase in the number of people who entered the workforce, especially women and persons aged between 55 and 64, boosted the overall participation rate which rose to 74.7 per cent in 2018, exceeding the European average for the first time.

Furthermore, this positive performance in the labour market also led Malta to register the third-largest increase in the number of vacancies (0.4 percentage points) during the second quarter of this year.

We continued to register successes even in the international trade sector, where the country's external account registered a surplus of 8 per cent of GDP in the first half of this year.

Mr Speaker, all this led to a situation where we succeeded to attain sustainability in public finances with public debt decreasing to 45.8 per cent at the end of 2018, while expecting it to decrease to 43.1 per cent by the end of this year.

And yes, Mr Speaker, this year we will once again register a surplus in our fiscal balance.

We must also highlight the fact that by 2020, Malta' GDP will have doubled in nominal terms since 2013, from €7 billion to €14 billion, in the span of eight years.

It is no wonder that our position on the World Economic Forum's macro-economic stability index has climbed from 71st place in 2012 to first place in the past two years.

Further details can be found in Tables 1.1, 1.2 and 1.3.

1.2 The economic and fiscal projections

Mr Speaker, we must keep in mind that the International Monetary Fund is revising global economic growth projections for next year downward to 3.5 per cent. This is because of the slower rate of growth in investment and in consumption of durable goods in advanced and emerging countries, uncertainties in international trade, due to the introduction of new tariffs, as well as Brexit.

For the same reasons, the economies of the European Union and the Eurozone are expected to grow by 1.6 per cent and 1.4 per cent respectively.

Nevertheless, in Malta, we are forecasting an economic growth rate of 4.3 per cent in real terms, and of 6.5 per cent in nominal terms.

This growth is expected to be fuelled by a 9.7 per cent increase in investment. Private consumption is expected to increase by

4.0 per cent, while public consumption is expected to grow by 4.9 per cent.

Exports are expected to increase by 1.6 per cent, with the financial sector, iGaming, and tourism expected to be among the primary sectors contributing to this growth. Imports are expected to increase by 2.0 per cent, reflecting the substantial increase in imported equipment and machinery brought about by the expected growth in investment.

This growth forecast means that we are expecting to have a 4.1 per cent increase in employment, while the level of unemployment should remain low, at 3.5 per cent. Inflation is expected to be 1.6 per cent.

When it comes to public finances for 2020, not only are we predicting another 1.4 per cent surplus, we are also expecting the burden of debt to decrease further, to 40.4 per cent of the GDP.

Table 1.4 contains the results of the risk analysis conducted on these economic and fiscal forecasts.

Table 1.1

FISCAL POSITION 2018 - 2022

	2018 Actual € '000		2019 Revised € '000		2020 Estimates € '000		2021 Estimates € '000		2022 Estimates € '000	
Consolidated Fund										
Tax Revenue	4,167,780	4,599,800	4,954,393	5,619,120	5,293,855	5,619,120	5,293,855	5,619,120	5,619,120	6,066,414
Non-Tax Revenue	391,995	479,235	497,354	447,294	462,185	447,294	462,185	447,294	447,294	491,627
Total Revenue	4,559,775	5,079,035	5,451,747	6,066,414	5,756,040	6,066,414	5,756,040	6,066,414	6,066,414	7,416,777
Recurrent Expenditure	3,821,448	4,192,333	4,419,343	4,664,328	4,664,328	4,664,328	4,664,328	4,664,328	4,664,328	4,919,627
Capital Expenditure	604,989	645,385	734,937	741,677	745,664	741,677	745,664	741,677	741,677	741,677
Primary Balance	133,338	241,317	297,467	405,110	346,048	405,110	346,048	405,110	405,110	170,008
Interest Payments	203,555	192,827	183,472	184,969	184,969	184,969	184,969	184,969	184,969	170,008
Recurrent Surplus	534,772	693,875	848,932	976,779	906,743	976,779	906,743	976,779	976,779	170,008
Consolidated Fund Surplus	(70,217)	48,490	113,995	161,079	113,995	161,079	113,995	161,079	161,079	235,102
Financing										
Direct Loan Repayments	(391,694)	(437,227)	(461,583)	(470,802)	(462,502)	(470,802)	(462,502)	(470,802)	(470,802)	(524,529)
Early Repayments of MGRSB	(568)	(2,300)	(2,750)	(2,500)	(2,750)	(2,500)	(2,750)	(2,500)	(2,500)	(2,500)
Contributions to Sinking Funds - Local	(1,631)	-	-	-	-	-	-	-	-	-
Contributions to Sinking Funds - Foreign	(67)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)
Contributions to Special MGS Sinking Fund	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
Equity Acquisition	(63,513)	(19,166)	(10,100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)
EFSP / ESM Credit Line Facility	0	(4,500)	(4,500)	(4,500)	(4,500)	(4,500)	(4,500)	(4,500)	(4,500)	(4,500)
Repayment of Loans to Government	0	2	666	1,978	1,978	1,978	1,978	1,978	1,978	2,534
Sinking Funds of Converted Loans	91,000	-	-	-	-	-	-	-	-	-
Sale of Shares / Assets	889	889	889	889	889	889	889	889	889	889
Public Sector Borrowing Requirement	(415,574)	(512,352)	(527,428)	(517,035)	(527,428)	(517,035)	(527,428)	(517,035)	(524,529)	(524,529)
Foreign Loans	(485,791)	(463,862)	(413,433)	(355,956)	(355,956)	(355,956)	(355,956)	(355,956)	(355,956)	(289,427)
Consolidated Fund balance as on 1 January	(66,496)	(308,760)	(322,622)	(286,055)	(286,055)	(242,011)	(286,055)	(242,011)	(242,011)	-
Local Loans	243,527	450,000	450,000	400,000	400,000	300,000	400,000	300,000	300,000	57,989
Consolidated Fund balance as on 31 December	177,031	141,240	(322,622)	(286,055)	(286,055)	(231,438)	(242,011)	(231,438)	(231,438)	(231,438)
	(308,760)	(322,622)	(322,622)	(286,055)	(286,055)	(231,438)	(242,011)	(231,438)	(231,438)	(231,438)
Consolidated Fund Surplus	(70,217)	48,490	113,995	161,079	113,995	161,079	113,995	161,079	161,079	235,102
General Government Adjustments	305,817	141,510	79,005	58,921	79,005	58,921	79,005	58,921	58,921	2,898
General Government Surplus	235,600	190,000	193,000	220,000	193,000	220,000	193,000	220,000	220,000	238,000
Gross Domestic Product	12,323,839	13,245,566	14,102,790	14,947,687	14,947,687	15,869,057	14,947,687	15,869,057	15,869,057	15,869,057
General Government Surplus as a % of Gross Domestic Product	1.9%	1.4%	1.4%	1.5%	1.4%	1.5%	1.5%	1.5%	1.5%	1.5%

Table 1.2

STATEMENT OF PUBLIC DEBT

	2018	2019	2020	2021	2022
					€ '000
Malta Government Stocks	4,709,421	4,620,088	4,600,269	4,520,417	4,434,172
Malta Government Retail Savings Bonds	192,582	289,996	287,246	284,496	187,259
Treasury Bills	290,000	320,000	285,000	240,000	230,000
Foreign Loans	1,084	968	843	718	591
EBU's / Local Councils	160,504	170,325	170,325	170,325	170,325
Currency	84,431	95,018	102,799	111,359	120,774
ESA Rerouted Debt	203,079	207,257	244,257	294,257	389,257
General Government Public Debt	5,641,101	5,703,652	5,690,739	5,621,572	5,532,378
Gross Domestic Product	12,323,839	13,245,566	14,102,790	14,947,687	15,869,057
Debt as a % of Gross Domestic Product	45.77%	43.06%	40.35%	37.61%	34.86%

Table 1.3

FISCAL POSITION 2018 - 2019

	2018		2019			
	Actual € '000		Approved € '000		Revised € '000	
Consolidated Fund						
Tax Revenue	4,167,780		4,571,845		4,599,800	
Non-Tax Revenue	391,995		441,968		479,235	
Total Revenue		4,559,775		5,013,813		5,079,035
Recurrent Expenditure		3,821,448		4,119,335		4,192,333
Capital Expenditure		604,989		662,028		645,385
Primary Balance	133,338		232,450		241,317	
Interest Payments		203,555		199,107		192,827
Recurrent Surplus	534,772		695,371		693,875	
Consolidated Fund (Deficit)		(70,217)		33,343		48,490
<i>Financing</i>						
Direct Loan Repayments	(391,694)		(437,227)		(437,227)	
Early Repayment of MGRSB	(568)		(1,500)		(2,300)	
Contributions to Sinking Funds - Local	(1,631)		-		-	
Contributions to Sinking Funds - Foreign	(57)		(50)		(50)	
Contribution to Special MGS Sinking Fund	(50,000)		(50,000)		(50,000)	
Equity Acquisition	(63,513)		(10,565)		(19,166)	
EFSF / ESM Credit Line Facility	0		(4,500)		(4,500)	
Repayment of Loans to Government	0		2		2	
Sinking Funds of Converted Loans	91,000		-		-	
Sale of Shares / Assets	889		889		889	
		(415,574)		(502,951)		(512,352)
Public Sector Borrowing Requirement		(485,791)		(469,608)		(463,862)
Foreign Loans		-		-		-
Consolidated Fund balance as on 1 January	(66,496)		(172,376)		(308,760)	
Local Loans	243,527		450,000		450,000	
		177,031		277,624		141,240
Consolidated Fund balance as on 31 December		(308,760)		(191,984)		(322,622)
Consolidated Fund Surplus / (Deficit)		(70,217)		33,343		48,490
General Government Adjustments		305,817		131,657		141,510
General Government Surplus		235,600		165,000		190,000
Gross Domestic Product	12,323,839		12,923,940		13,245,566	
General Government Surplus as a % of Gross Domestic Product	1.9%		1.3%		1.4%	

Table 1.4: Sensitivity Analysis of the Economic and Fiscal Forecasts

The sensitivity analysis is in line with the requirements of Council Directive 2011/85/EU on the requirements for budgetary frameworks of the Member States and also in line with the requirements of Article 17(1) of the Fiscal Responsibility Act.

As per Article 16(2)g, the sensitivity analysis of the budgetary targets was carried out based on objective criteria, taking account possible changes in macroeconomic conditions, including growth and interest rates. The sensitivity analysis is guided by the performance of past forecasts and considers relevant risk scenarios.

The indicator points towards downside risks for both 2019 and 2020. The result is consistent with the analysis of alternative model forecasts. Looking at point estimates, under the worst possible cyclical scenarios contemplated, the budget balance would remain in surplus for the period under review.

Compared to the baseline scenario, alternative output gap projections range from 0.5p.p. to 1.5p.p. in 2019 and from -0.4p.p. to 0.3p.p. in 2020.

A full description of the exercise including the assumptions underpinning the forecasts and the eleven alternative model-based growth scenarios maybe found in the Draft Budgetary Plan submitted to the Commission and uploaded on the Ministry for Finance website.

2. PROSPERITY THAT REACHES EVERYONE

Mr Speaker, the prosperity generated by the strong economic growth has spread well throughout the roots of Maltese society. This is a result of the introduction of several social measures introduced in the Budgets that I have presented in the past years. These were introduced in order to provide comfort and support to low-income families, elderly persons, pensioners and those who cannot work due to illness or disability.

The number of initiatives which we have introduced, including reducing taxes, lowering of water and electricity bills, raising the national minimum wage, and increasing the pensions and various other benefits, have significantly helped reduce poverty. Today, the number of people who were severely materially deprived in 2013 is down by two-thirds, while the number of people who are at risk of poverty or social exclusion is down by six percentage points.

We are sensibly following a plan which has the primary aim of bringing prosperity to everyone, so that nobody feels excluded or neglected. The execution of this plan will continue next year with new measures, which I will announce soon, that will continue strengthening the framework of social benefits.

2.1 Cost of living adjustment

For next year, the cost of living adjustment will be three euro and forty-nine cents (€3.49) per week. This increase will be granted to all employees, as well as pensioners and those on social benefits. Student stipends will also be adjusted pro-rata.

2.2 Additional bonus

The cost of living adjustment is calculated according to the formula agreed upon by all social partners within the MCESD. This year, the Government felt that the impact of certain products which have recently risen in price may not have been wholly reflected in the price index, and so, for one year, that of 2020, will be granting an additional bonus to every family. This bonus will be fifteen euro (€15) for a single person family and thirty-five euro (€35) of more than one person families.

This additional bonus will be financed by the Government without placing the burden on private businesses.

2.3 The addition of another day of leave

We will continue implementing the electoral promise of giving back the public holiday leave days which fall on a weekend, which others took away from the people without their consent. Next year, for the third year in a row, we will give employees another additional day of leave.

2.4 Further tax reductions for all employed persons

I also have the pleasure of announcing that the tax refund granted during the past two years will once again be granted next year. This measure will cost the Government €11.5 million and will benefit more than two hundred thousand (200,000) people in the workforce. This way, we will continue to carry out the promise of reducing taxes on work. Those on the lowest incomes will receive the highest reimbursement, including those on minimum wage who do not pay income tax.

2.5 Reduced taxes on income from overtime

Mr Speaker, one of the measures mentioned in the Electoral Manifesto is to gradually lower the tax rate on overtime work. For 2020, the first 100 hours of overtime in the year for those workers whose basic wage does not exceed twenty thousand euro (€20,000) and who do not hold a managerial position will start being taxed at 15 per cent. This measure is expected to cost Government about €5.3 million.

2.6 Further measures to reduce precarious employment and social security contributions fraud

Mr Speaker, there has been an unprecedented drive to eliminate precarious employment since the earliest days of this administration in 2013. Coming after a Government that endorsed precarious employment by turning a blind eye to the way some contractors abused their employees, this administration has made changes through which the rights of workers are safeguarded, and employees are no longer left to be exploited.

This Labour Government not only paid a decent wage that reflects public sector wages, to workers employed by contractors who have government contracts, but also introduced regulations which gave further peace of mind to these employees, including obligatory payslips and leave guarantees. We promised to continue addressing precarious employment, and the time is now ripe to ensure that even in the private sector, workers employed by contractors who have contracts with other private sector entities, can enjoy the basic wage for the same work being paid

within that entity. This measure will be implemented following a consultation process with the Unions and Constituted Bodies.

Here, I have to add that we will also be ensuring that all employers follow the law regarding social security contributions, known as il-Bolla. Employers who deduct social security contributions from their employees' paychecks and do not pass it on to Government, resulting in the employee not having sufficient contributions to qualify for a higher pension in future, will not be tolerated. All employers will be given the opportunity to regularise themselves, if they are not following the law. Failing that, the Government will be taking the necessary steps to rectify this abuse.

2.7 Concessions on business transfers

Mr Speaker, in order to encourage the transfer of family business from one generation to the next, we are extending the measure whereby the lower stamp duty rate of 1.5 per cent to be paid, will be extended for another year.

2.8 VAT exemption on educational services

In order to continue investing in education, as of next year, the supply of education or educational research, vocational training, or re-training - including long-distance training given by a recognised school or institution - will be exempt from VAT payment.

2.9 Further measures taken by the Tax Department to better serve the public

Throughout the coming year, we will be making a number of changes when it comes to tax payments.

From this January, people will be able to register, de-register or cancel their registration for a VAT or PE number online, and have it immediately validated.

We will be giving pensioners the chance to choose between paying the provisional tax every three months, or having a percentage deducted from their national pension.

As I have already announced, the measure allowing married couples to submit their tax assessment and be assessed separately will come into force next year.

We will also be revising the procedure to reduce the need for taxpayers to fill out a tax form. Tax payers will be receiving a provisional assessment where they just need to confirm the data given.

Another measure which will be implemented is that the tax refund will be reimbursed after a lapse of a six months period and no longer after a year as it is today.

2.10 Further increases in pensions

Mr Speaker, I am now going to speak about the pensions. In the past seven years, the total expenditure on contributory and

non-contributory pensions has increased and the expenditure is now close to two hundred and fifty million euro (€250 million).

It is my pleasure to announce that for the fifth consecutive year, we will be increasing all social security pensions, that is, retirement pensions, widows' pensions, invalidity pensions and age pensions. This increase will be of three euro and fifty-one cents (€3.51) per week, along with the COLA. This means that in total, pensions will increase by €7 per week, or €364 per year.

This measure, which will cost over €16 million - a figure which does not include the cost of the COLA - will benefit around 92,000 pensioners.

2.11 Adjustment on tax exemptions on pensions

In order to exempt the increase in pensions from tax, including the COLA increase and the additional bonus, we are once again raising the maximum pension income that is tax exempt to thirteen thousand, seven hundred and ninety-eight euro (€13,798). (See Table 2.3).

Furthermore, married couples receiving a single pension will benefit from a maximum tax exempt income that is higher by two thousand euro (€2,000), amounting to fifteen thousand, seven hundred and ninety-eight euro (€15,798).

2.12 Persons who have retired from the Disciplined Forces

We will be introducing a measure which will affect people who found a new job after retiring from their service as members of

the police force, the army, the civil protection department, or the staff of the Corradino Correctional Facility. As a result of the changes which will be carried out, once they reach pensionable age and undertake the contributory pension evaluation for retirement, they will be able to take into account the years when they were still in service before retirement, in order to calculate their pensionable income. If they qualify, they will be able to benefit from a higher rate of contributory pension for retirement. This can happen immediately, as soon as they retire, or in future, according to the amount of service pension that they have.

2.13 Increase in pensions for those in the public service or sector who continued working after reaching pensionable age between 2016 and 2018

Employees in the private and public sectors now have the right to choose to keep on working instead of retiring with pension, a decision which increases their rate of pension according to how long they remain in employment before they retire.

A new measure will be introduced which targets service employees or public sector employees who, despite having enough social security contributions to retire at the age of 61, or reaching retirement age between 2016 and 2018, chose to carry on working without taking out their pension, for at least a year.

Through this measure, these employees will not lose the percentual increases that accumulated in these years because, effective from January, they will have their pension rate adjusted to reflect the accumulated increases.

2.14 Service pensioners

We are adding another €200 to the percentage of the service pension that is exempt from tax during the social security pension assessment, so that the exempt sum now stands at two thousand, six hundred, and sixty-six euro (€2,666).

Furthermore, we will continue with the changes which commenced this year, which affect service pensioners who have reached the age of 72. Around four thousand and four hundred (4,400) people have benefitted from these changes.

2.15 Bonus for those who have paid contributions but do not have a pension

In the Budget for 2014, we had introduced for the first time a bonus which would be paid each year to persons who do not have enough social security contributions to qualify for a minimum pension.

From next year, this bonus, which varies from €200 to €300, will continue being granted, even when the person receiving it reaches the age of 75.

Sixteen thousand five hundred (16,500) people will benefit from this bonus being awarded.

2.16 Same allowance rate for the children of widows

Widowed pensioners who have children under the age of 18 are entitled to a weekly allowance of €4.54 per week if the widows are employed, and €9.32 per week if they are unemployed.

They will now have their allowance revised to €10 per week, irrespective of whether the widow or widower finds work or stops working, so that we stop penalising widowed persons who are in employment.

2.17 Further addressing past injustices

For next year, we will be allocating around €13 million to the fund which is dedicated to addressing past injustices and anomalies related to pensions.

This process started in 2017 with the launch of a scheme designed, as promised, to compensate ex-port workers, former members of the forces (korpi) set up during the 1970s who then were employed within Government departments, and police officers, in order to compensate for the anomalies and injustices which they endured in the past. These categories of workers and their heirs will once again, throughout the year, be asked to apply for grants to be given under this scheme.

Moreover, for the second consecutive year, there will be a call for applications from those members of the forces who joined the public sector when their engagement in the forces ended, and for workers in other categories.

In all, around eight thousand (8,000) people and their heirs are entitled to the payment of grants under these schemes.

2.18 Fiscal incentives for private pensions

The fiscal incentives we introduced five years ago, which were made available to individuals investing in a private pension known as the Third Pillar Pension Scheme, as well as to employers who offer a voluntary pension scheme to their employees – the Voluntary Occupational Pension Scheme – will once again be granted to individuals and companies that invest in these schemes.

2.19 Further improvement in the Payment of Supplementary Assistance

Once again, we will continue with the improvements started in 2017 on Supplementary Assistance, which is paid to people, particularly elderly persons, who have low incomes.

As from January 2020, the additional allowance being paid each year along with the Supplementary Assistance to people aged 65 years and over who are at risk of poverty will increase by €50 to €150 per year.

Around sixteen thousand (16,000) elderly persons will benefit from this increased allowance.

2.20 Improvement in the grant for elderly persons who continue to reside at their own homes

Around thirty thousand (30,000) elderly persons aged 75 years or over, who continue to reside at their own homes or with relatives, will once again receive a grant of €300.

However, for those who have reached the age of 80 years or older, as of next year, the grant will increase by another €50 to €350. This increase will benefit around eighteen thousand (18,000) elderly persons who live in the community.

2.21 Grant for elderly persons residing living in a private residential home

Mr Speaker, for the first time as of next year, the €300 grant will also be awarded to those elderly persons who are paying out of their own pockets to live in a residential home for the elderly. Those who have reached the age of 80 and over will also benefit from the €50 increase which I have just announced.

In total, around 900 elderly persons will benefit from this initiative.

2.22 Government Savings Bonds for pensioners

Following the success in the past three years in the issuing of Savings Bonds 62+, for those who have turned sixty-two, where more than twenty-four thousand and six hundred (24,600) pensioners invested just under €300 million in the issuance of these Bonds, we will once again be issuing similar Bonds in the coming year. This, against a backdrop of steadily low interest rates on fixed bank accounts. We expect more than six thousand and three hundred (6,300) new elderly persons to be eligible for this issue.

2.23 Free Tal-Linja Card for elderly persons over 75

Mr Speaker, as of next year, free public transport will also be available to elderly people who have reached the age of 75. Over nineteen thousand (19,000) elderly persons will benefit from this measure.

2.24 Measure for families with children

Mr Speaker, it is a great pleasure for me to be able to announce that, thanks to the various measures we introduced in the past few years, the promise we made that no child under the age of 16 living in a family where at least one of the parents works full time will be living in poverty, has now been fulfilled.

This ambitious goal, which we set three years ago, was guided by the levels established by Caritas in 2016 as the minimum income amounts that different families needed to live. These amounts are being adjusted each year according to the rate of inflation.

But we will not stop here. We will continue to support Maltese and Gozitan families, in order to sustain and strengthen everything we have given them so far.

2.25 Introducing a Birth or Adoption Bonus

Mr Speaker, Labour Governments have always sought to help families raise their children by increasing and further improving benefit measures, such as maternity and adoption benefits, the children's allowance, the introduction of the adoption grant, and free childcare.

Through this Budget we will continue increasing these benefits by introducing a new and innovative measure. From the first of January of next year, a one-time bonus of €300 will be granted for every birth or adoption, to help families cope with the increase in expenses.

Around four thousand (4,000) families will begin to benefit from this new bonus.

2.26 The final phase of the disability pension reform

In 2020, we will carry out the final phase of the significant reform in disability pensions, which started three years ago, and which included the introduction of Additional Assistance for Severe Disability for people who cannot enter employment.

Therefore, as promised in the Government's electoral programme, as of January, the weekly payment of this pension will increase once again, from one hundred and fifty euro (€150) to one hundred and sixty-one euro and forty cents (€161.40), in order to bring it in line with the net National Minimum Wage.

Around 650 people will benefit from this measure.

2.27 Improvements in the Invalidity Pension

Another measure we promised was that of improving the Invalidity Pension for those individuals who are severely invalid, to become in line with the disability pension. We will be implementing this measure by increasing the invalidity pension up to the Net National Minimum Wage, as from January 2020.

The new rate will apply to both the single and married persons. However, for one to qualify for this added rate, one needs to be medically certified to be at the highest level of impairment according to the Social Security Act. Whoever has not paid the average maximum contributions, will be paid pro-rata.

2.28 Grant on the purchase of special equipment to be used by persons with a disability

Mr Speaker, two years ago we introduced a scheme to assist people with disabilities who need to purchase special equipment in order to go about their daily lives. A grant is awarded according to the level of disability, in order to cover a substantial part of the VAT paid on this equipment. As of next year, this grant will be increased by €400, capped at €1,000.

2.29 Disability assistance for persons who have hearing or speech impediments

As part of the disability assistance reforms, we will be broadening the medical criteria so that people who have hearing or speech impediments will now be eligible for disability assistance as soon as they reach the age of 16.

2.30 Amending Legislation to assist vulnerable persons

We are introducing other measures to improve the provisions of the Social Security Legislation in order to better reflect today's lifestyle and allow us to better help those who are vulnerable. This includes individuals who benefit from Non-Contributory Illness Assistance; Sickness Assistance without Interruption,

regardless of the rate of pension of the widow or widower;
Disability Assistance and Sickness Assistance.

Further details can be found in Table 2.1.

Table 2.1: More assistance for vulnerable persons

1. Non-contributory sickness assistance

From the coming January, as long as the capital means test criteria are fulfilled, the calculated weekly income of single or married persons will be based on a new mechanism which bases the threshold on the National Minimum Pension, plus a payment of €22 for single persons and of €30 for married couples. Thus, we will be eliminating an existing anomaly which allows a person with a higher income to qualify for sickness assistance, while another individual on a lower income might not qualify for such benefit depending on the source of their income.

2. Continuous Sickness assistance without the need to reapply

We will remove the need for a widow or widower who already benefit from sickness assistance to have to reapply in the case of the death of a spouse. The Department of Social Security will automatically continue with sickness assistance payments, irrespective of the pension rate of the widow or widower.

3. Disability assistance

As from January, if the head of the family and his or her family are eligible to receive social assistance or an age pension, the Disability Assistance payment that one or both married persons are entitled to will not be taken

into consideration when it comes to work out the weekly means testing.

4. Sickness assistance

We will be ensuring that in the case of couples where one or both spouses are receiving disability benefits and are not employed, that income is not taken into consideration when it comes to eligibility testing for sickness assistance.

5. Helpline for persons with disability

We will set up a Helpline for persons with disability and their families so that they can have a contact point where to voice their concerns and complaints, receive help as well as report abuse.

6. Professional training for employees working in the disability sector

We will also be launching a project to engage professionals to train and develop the skills of employees working within Agenzija Sapport, especially those who work directly with people with disabilities in the community. Through this training, employees will be better prepared in their work when they encounter difficult or dangerous behaviour, thus reducing the risk of accidents and injuries.

2.31 Payment of accredited contributions for the parents of children with rare illnesses

Through another social measure which we will be introducing, we will be helping those parents who have to stop working in order to offer their children, who are afflicted by rare illnesses, continuous care and protection, and who then end up with reduced Social Security paid contributions.

As we promised, these parents will now be accredited with additional Social Security contributions, so that the time they spent away from work does not negatively affect their Social Security contribution record, thereby by the time they reach pensionable age, they will be eligible for a better pension.

The accredited contribution period can cover up to a maximum of eight years, in line with the benefit being given to the parents of children with disabilities.

Further details and conditions to curb benefit abuse will be announced in the coming weeks.

2.32 Assistance for individuals suffering from Fibromyalgia and Myalgic Encephalomyelitis (ME)

In the past few years, the Government has launched several social reforms, reaching segments of society which were not being reached. In this regard, as from this coming year, individuals suffering from Fibromyalgia or Myalgic Encephalomyelitis (ME) will start receiving illness benefits.

From 1st January 2020, these two conditions will be added to the list of conditions for non-contributory sickness assistance. This way, people who suffer from these conditions and cannot work as a result will be eligible for medical benefits, if they fulfil the means testing and the medical eligibility criteria.

In order to make sure that there is no abuse of these benefits, the medical evaluation will be carried out by a multidisciplinary board which will be continuously consulting medical professionals within the Department of Health. At the same time, there will continue to be regular medical re-evaluations.

Further details will be given in the coming weeks.

2.33 Payment of Illness Benefits

Another change which we will be carrying out involves the payment of contributory benefits for illnesses to assist individuals who are undergoing medical care at regular intervals, such as cancer treatment.

These individuals will be eligible for benefit payments from the first day, as from their second request onwards, and not from the fourth day as is currently the case with other illnesses. This benefit will cover the entire treatment period, which period is usually of a one year from when treatment starts, but this period can be extended according to medical advice.

This change in the benefit payment, means that individuals who, under the current system, do not receive the full income from

their salary because they have exhausted all their sick leave will no longer miss out on sickness benefits, because from the second benefit request onwards, they will be entitled to benefit payments for the first three days as well. For this payment to be affected, the applicant must be undergoing care or treatment at the Sir Anthony Mamo Oncology Centre.

Table 2.2: Further tax reductions for all employed persons

Computation: Single	
Income	Amount
€0 - €15,000	€60
€15,001 - €30,000	€50
€30,001 - €59,999	€40
Computation: Married	
Income	Amount
€0 - €20,000	€68
€20,001 - €40,000	€56
€40,001 - €59,999	€44
Computation: Parent	
Income	Amount
€0 - €15,000	€64
€15,001 - €30,000	€52
€30,001 - €59,999	€40

Table 2.3: Tax exempt pension income

	2019	2020
Computation: Single	€13,434	€13,798
Computation: Parent	€13,434	€13,798
Computation: Married	€13,434	€13,798
Other non-taxable income		
	2019	2020
Computation: Married	€1,000	€2,000

3. HOUSING

Mr Speaker, the Government's plan for the housing sector addresses people in different segments of society: those who need social housing because of changes in their circumstances; those who require modifications in their residence because of a disability; those who are leasing a property from the rental market; those, who with a little help, can move forward and become homeowners; as well as those who need measures like equity sharing in order to become homeowners, due to changes in circumstances.

The Government is determined to address the challenges that the rental sector presents. After a wide-ranging consultation process with various stakeholders, a draft law about private residential properties for rent was prepared. In this draft, a balance is being struck between the obligations and rights of property owners and the families renting from them, so that the rental market in Malta can start offering an alternative means of accommodation in the long-term. The rental market reform aims to foster more contractual transparency, higher levels of certainty, as well as a higher degree of flexibility for the landlord as well as the tenant.

3.1 The extension of existing schemes

Mr President, I am pleased to announce that the existing schemes which we introduced in past years will be extended for yet another year. Here I am referring to the first-time buyers and second-time buyers' schemes; the scheme on the purchase of

vacant properties in Urban Conservation Areas; the scheme on the purchase of property in Gozo, as well as rebate schemes on restoration work.

I am pleased to announce that as from tomorrow, every property bought under the first-time buyers' scheme will be exempt from stamp duty on the first one hundred and seventy-five thousand euro (€175,000), instead of the first one hundred and fifty thousand euro (€150,000). This means that first-time buyers will save six thousand five hundred euro (€6,500).

I am also announcing a reduction in stamp duty for individuals who purchase a property for own residential use, even if they are not first-time buyers, and for those who inherit a house to be their residential home. The amount on which they currently pay a reduced rate of 3.5 per cent in stamp duty, will be increased to one hundred and seventy-five thousand euro (€175,000).

3.2 Assistance to young people to become homeowners

Mr Speaker, following this year's initiative of introducing the Equity Sharing Scheme for those individuals who reach the age of 40 and, due to circumstances in their lives, need to purchase a home, for next year we are introducing another scheme aimed at those under 40 years old, who, despite being eligible for a home loan from a commercial bank, do not have the necessary liquidity to pay the requested 10 per cent down-payment on signing of the agreement.

Through this scheme, the Government will be entering into an agreement with a bank or banks to lend the funds needed for the down-payment which will then be paid back in instalments over the course of 15 years. The interest on this loan will be paid by the Government.

There will be a capping on the maximum down-payment to be covered by the Government, this being of seventeen thousand, five hundred euro (€17,500).

Further details will be given once this scheme comes into effect.

3.3 Rent benefits – social housing and affordable housing

This year, we introduced for the first time a benefit not just on social accommodation rents, but also a benefit on affordable housing. This scheme was a success and in its first year of operation, a thousand families benefitted from this scheme.

Next year, we will continue extending this measure by raising the annual income bracket in order to allow more people to be eligible for this scheme.

As of January, the annual income threshold eligibility for a person who lives alone will increase from fourteen thousand five hundred euro (€14,500) to nineteen thousand euro (€19,000). In the case of a couple with two children, the annual income threshold for eligibility will increase from twenty-eight thousand, six hundred euro (€28,600) to thirty-two thousand euro (€32,000). This way, we will see more people and families with an average income

become eligible for the affordable housing benefit, as long as their rent exceeds 25 per cent of their gross income.

Further details will be issued in future.

3.4 New social housing units

We announced that throughout this year, we would be doubling the construction of new social housing units, financed by the National Social Development Fund. Therefore, through an exercise of better optimisation and an increase in investment which will reach €60 million, the Government will be building 1,700 new units, besides the other building project of over 700 new units of social housing.

Work on these projects is proceeding according to schedule.

3.5 Regeneration of dilapidated properties

The regeneration project involving numerous Government properties which are in a dilapidated state, which are being restored in order to be used for social housing, will continue.

3.6 Special projects

Next year, the Housing Authority will continue with special projects where the necessary works on apartments having two or three bedrooms are being carried out, according to the needs of the elderly, so that two or three elderly persons can live in the same home together and provide each other with comfort and companionship.

Another pilot project is the intergenerational living project, where families with members of different ages can live together with the aim of creating a community that better understands each other's needs.

3.7 The regeneration of the Housing Estates

The Housing Authority will continue with its maintenance programme and will carry out works on another fifty blocks of flats in different localities forming part of the Housing Authority's stock of social housing.

3.8 The property sector

Mr Speaker, the Government has launched reforms in the building sector to strengthen existing building regulations and to better define the role of everyone involved in the construction sector. We are working to establish a new authority for Building and Construction, with the aim of regulating this sector, and ensuring that a new Building Code is introduced in our laws, which encompasses into one law the various laws which have been in place so far, in order to ensure more security, responsibility and transparency.

Through the Development and Planning Fund, we will continue incentivising local councils and organisations to participate in various sustainable projects in our towns and cities which will lead to better lives for residents.

The Restore Your Home scheme, which is aimed at preserving buildings in urban conservation zones, will be once again extended for another year.

3.9 Capital Gains Tax on transfer of a property under the promise of an assignment right

Any profits made from the assignment of any rights acquired in the terms of a promise of sale (konvenju), including the promise of an assignment of a right acquired under a promise of sale, or promises regarding emphyteusis, are currently taxed at a rate of 35 per cent.

Effective as from 1st January 2020, the first hundred thousand euro (€100,000) of this profit will be taxed at a final tax rate of 15 per cent. Such tax will be collected by the notary in the same way as the tax collected on property transfers. The aim of this measure is to continue introducing final taxes collected at the point of the contract on profits derived from property transfers, whether directly or through a promise of sale agreement.

3.10 The Lands Registry

Now that the Lands Registration Agency has been established, a new online system is being prepared which will facilitate property registration. Throughout next year, there will be investment in new equipment which will facilitate the property transfer process in the near future. This investment will lead to the eventual registry of all lands on our islands over the course of several years.

4. TOWARDS SUSTAINABLE DEVELOPMENT

Mr Speaker, the use of resources is a continual challenge for every country, but for a small island, the challenge is much greater. The environmental challenges created by rapid economic development need to be addressed. We need to ensure a balance between environmental protection, social cohesion and sustainable economic growth.

As a priority, this Government aims to address and reach all the Sustainable Development Goals set out by the United Nations. However, for this to occur, there needs to be support and commitment from all sectors of society. Sustainable development is everyone's responsibility: the Government, the private sector, civil society, and all citizens. To reach these goals, we need to change our attitudes and address the primary challenges of modern societies, including the way we are used to consuming and producing products – which is one of the identified goals.

The Government will ensure the introduction of all such measures, even if they may seem bold, which will help us consume in a more sustainable way in the context of a circular economy.

4.1 Climate Change

We are living at a time where climate change is constantly being discussed. We have before us goals for 2020 and goals for 2030. The European Union is discussing how to strengthen its aims for 2030, so that as a continent, we will be carbon neutral by 2050. This means that as a country, we will continue working

to achieve our climate goals, thanks to the European Union's Emission Trading Scheme, under the Effort Sharing system.

The Government is also aware that these goals will continue to increase with further directives which are expected to be presented in future. Therefore, we must be prepared.

We are still in time to take those necessary measures which address climate change, through which our country can benefit economically, measures which can help us strengthen our competitiveness.

This Government is adamant that the changes that need to be made must be made without placing additional burdens upon the family.

We managed to do so in the energy production sector, when we switched from a power station that ran on Heavy Fuel Oil to LNG, a fuel which is far less polluting, and which resulted in families benefiting from lower water and electricity bills. And we will continue to do so in various other environmental sectors.

Mr Speaker, by next year, we will be presenting a national strategy aimed at putting our country on the road to carbon neutrality by 2050.

As part of the journey towards this plan, I will today be announcing a number of measures which should have a positive impact in this direction. This way, our country will continue to reduce its dependency on carbon.

4.2 Waste Management

Mr Speaker, we will continue investing in the waste management sector, by continuing with the preparations for our country's Waste to Energy plant project, a plant which will be able to handle the amount of waste we produce in our country and which will lead to the final closure of the Sant' Antnin recycling plant, and this after the success of the organic waste separation programme.

At the same time, other types of waste are being identified, so that they can be included in similar specialised recycling schemes, so that waste can truly become a useful resource which can be used more than once.

In this budget, from a regulatory perspective, the necessary funds are being earmarked so that the Environment and Resources Authority (ERA) can continue and expand its environmental studies and programmes, including those regarding fine particulate matter and the biodiversity strategy, among others.

4.3 Cleaner energy vehicles

In the past years, there has been an increase in individuals in our country who have purchased an electric car. The Government is determined to make Malta one of the first countries in Europe to make the switch to electric cars. This is one way to ensure that our economy becomes less carbon-reliant.

Next year, the Commission established by the Government, will be recommending a cut-off date, after which point all vehicles

imported to Malta need to be non-polluting. This does not mean that whoever has a car that runs on petrol or diesel will have to dispose of it.

4.4 Cheaper electricity tariffs for charging electric vehicles

Mr Speaker, in order to incentivise the purchase of electric vehicles, as from next year, besides increasing the number of charging points around Malta and Gozo, we will also introduce cheaper electricity tariffs to individuals who have these type of vehicles which do not pollute the environment, and who must charge the batteries of these vehicles at their homes.

This will be possible through the introduction of a special rate where individuals will start paying a little less than thirteen euro-cents for each unit (€0.1298) when charging these vehicles within their residential homes.

4.5 The introduction of a beverage container collection scheme

Mr Speaker, after discussions were concluded, an understanding reached with the consortium made up of operators and importers, and an agreement finalised on how this system would be implemented, I am pleased to announce that by the end of this year, we will put into place the Beverage Container Recycling Scheme. A number of machines used to put this scheme into action will be installed as a trial, so that the public can familiarise itself with them, until, by the end of 2020, these kinds of machines will be installed all over the Maltese islands.

4.6 Reduction of single-use plastic

Single-use plastic products are a symptom of the environmental pollution caused by plastic.

Single-use plastic products will start being banned in Malta. In the first phase, the importation and production of plastic bags, cutlery, straws and conventional single-use plastic plates will be banned from 1st January 2021. Their sale and distribution will be banned from 1st January 2022.

This move clearly demonstrates Government's commitment to address in real terms every aspect of environmental pollution.

In order to achieve these aims, we will be launching an assistance scheme, so that grocery shops can set up 'green corners' where part of the shop will be used to sell food products and others by weight. Consumers will start bringing their own reusable containers with them and filling them with the products they want to buy.

The Government will be subsidising half the expenses capped to a maximum of three thousand euro (€3,000).

4.7 Further afforestation and environmental projects

Other environmental sector initiatives which will continue to be carried out include the rehabilitation of valleys and different environmental projects, both in urban as well as rural zones, as part of the implementation of the plan for the management of Natura 2000 sites. In the past months, the Government has

already announced major afforestation projects in new sites in Benghisa and Ta' Qali, but apart from these initiatives, new sites will be included all around the country, including Comino, Buskett, Inwadar National Park and Salina Park.

With regards to environmental projects in urban areas, initial preparations are underway to add roofing to part of the Regional Road. This will be done so that the locality of Santa Venera will no longer be split into two parts, and more importantly, so that this highly concentrated urban zone will also have a lungful of clean air and a recreational space where residents can rest, without the danger and pollution caused by traffic.

One must acknowledge that in the environmental sector, initiatives such as the ones that I have mentioned can only be undertaken if they have been preceded by serious studies and plans.

4.8 A National Park in Ta' Qali

Without a doubt, the biggest environmental project is the National Park which will be created in Ta' Qali. This will be our contribution towards our country's future generations. To this end, and as part of the afforestation programme, we will be allocating two million euro (€2 million).

On this site, there will also be a new building to house the National Archives. Hence, we will be preserving the cultural heritage of our country, so that it can be enjoyed and studied by all Maltese people, and many others.

The National Archives, not only house within them hundreds of thousands of documents, photographs, audio and video, but they are also a source of wealth regarding the Maltese identity. This unique archival heritage must be accessible to all while being protected as befits it.

4.9 Public cleanliness

Public cleanliness is a national priority.

While a lot of work has been done to improve the level of cleanliness in our country, and progress has indeed been made, more work needs to be done in order to reach a suitable level of public cleanliness in Malta.

Currently, cleanliness falls under the remit of several different entities, which altogether benefit from millions of euro in funding.

In order to strengthen the coordination efforts between these entities, we will be bringing together all involved public stakeholders, along with the social partners who are in one way or another involved with this sector, in order to draw up a plan of how to better utilise our human and financial resources and upgrade the service. This should lead to an improvement in the state of public cleanliness in our country.

4.10 A more sustainable construction industry

Without a doubt, the building and construction sector is one that affects public cleanliness. Therefore, the process we have started to establish a regulatory authority in the building and

construction sector will not only serve as a vehicle to introduce more discipline and observance of the rules in this regard, but also to decrease the pollutive impact that this industry has on the cleanness of our country.

Furthermore, Malta Enterprise will be incentivising operators in this sector who scrap their polluting machinery and trade it in for new, less pollutive equipment according to established criteria. This grant will be capped at two hundred thousand euro (€200,000). Old machinery has to be scrapped. Whoever buys additional machinery (excluding vehicles) in order to reduce the negative impact on the environment will also be eligible for this grant. We are doing this in order to incentivise the construction industry to be more environmentally sustainable.

4.11 Further regeneration and embellishment

Throughout the past year, we carried on with programmes of works and initiatives for cleaning, embellishment, maintenance and accessibility in various localities and seashores around Malta. These works will continue in the coming months, even in areas which are not normally considered to be touristic zones.

In order to increase the number of sandy swimming zones, there was not only the extension of the area of the sandy beaches, but also the upgrading of the facilities at these beaches in the south of Malta. Concurrently, we are assessing which bays we can extend next year, including Rinella Bay and Ghadira Bay.

There will also be a pilot project where we will improve accessibility to rocky beaches, while ensuring that there is no negative impact on the natural environment.

Next year, a National Trail Network will be developed in several rural zones in Malta, with the aim of promoting a network of trails and improving accessibility, by means of pathways and upgraded accessibility facilities in the countryside and along the coast.

Following a number of regeneration projects carried out this year on Laparelli Garden, for next year, there are plans for regeneration works to commence on the Msida shore, the Kalkara shore, Pieta', on the Mall Gardens, and the start of restoration works on the entrance to Senglea and the Belvedere. Furthermore, restoration will continue on Government properties located in areas within Valletta.

In Marsaxlokk, works will be carried out to preserve the characteristics of this fishing village, and work will also start on the waterpolo pitch. Meanwhile, in Birzebbugia, preparatory works for the afforestation project and the camping site will take place.

Spinola Garden will undergo, along with six other sites embellishment as part of the Paceville Embellishment programme.

We will be improving diving facilities to make access to wrecks easier, and managing zones reserved for divers in a number of popular diving hot spots.

4.12 Energy

Mr Speaker, after concluding the draft National Plan for Energy and Climate for the 2021-2030, the plan will be submitted to the European Commission in December of this year. In this plan, the Government will be identifying several scenarios which consider measures based on the European Union's strategy for Energy and Climate, and which will contribute to the achievement of the European Union's goals for 2030.

Various schemes and measures which contribute to more energy efficiency and renewable energy production will continue to be administered in 2020. These include schemes for the installation of photovoltaic solar panels, heat pump water heaters, solar water heaters and better home insulation. Furthermore, a feed-in tariff for electricity generated from photovoltaic solar installations will continue to be established.

4.13 Grant on renewable energy batteries

Mr Speaker, I must mention a measure which will come into effect next year, that of the issue of a grant that covers 25 per cent of the expenditure for the purchase of renewable energy batteries, capped at one thousand euro (€1,000). Individuals who have already installed solar panels and whose feed-in tariff contract has elapsed will be eligible for this scheme. Further details will be issued once the scheme is launched.

These measures are expected to increase the production of renewable energy. Therefore, these schemes will continue to help wean Malta from its dependence on conventional energy sources, as well as reduce air pollutant emissions.

The Energy and Water Agency will continue supporting energy efficiency and renewable energy through various actions and measures aimed at different segments of society, including vulnerable households, the industrial sector, and the service sector.

Another important step in the energy strategy is the infrastructural gas pipeline project between Malta and Sicily. This will supply gas to the Delimara Power Station instead of using the present Floating Storage Unit facilities. This project is expected to be implemented through a four hundred million euro (€400 million) investment by 2024 and will connect Malta with the European gas network. This infrastructure will enable Malta to continue improving its air quality and secure its supply of natural gas.

With the aim of continuing to strengthen the electricity service for its clients, Enemalta will continue strengthening its electrical distribution network with the extension and improvement of various distribution centres. Through further investment in its information technology infrastructure, ARMS will provide its consumers with easier and faster payment facilities.

In order to raise awareness about ecological and energy-efficient measures in the coming years, the Government will be working on the regeneration of various town squares around Malta and Gozo, so that these zones can be auto-sustainable.

4.14 Water management

With regards to water management, the Government will continue its relentless efforts to ensure a supply of better-quality

water which is safer and more sustainable. The various works which are being carried out by the Water Services Corporation, to the tune of more than one hundred and thirty million euro (€130 million), and which are being co-financed by the European Union, will continue. This will lead to the introduction of new technology in reverse osmosis plants, in order to reduce energy consumption while improving efficiency.

In order to cater for the increase in the population, the Water Services Corporation will be changing the pumps in pumping station in tax-Xama' in St Paul's Bay, as well as tal-Pwales in Xemxija.

The Government will also continue working to safeguard the quality of the water produced by the sewage plants which produce newly-recycled, tertiary-level water. In fact, a major Water Services Corporation project is underway, which will see the extension of this water network, so that more farmers in the north as well as the south of Malta can benefit from this water supply.

The construction of a tunnel to connect the Pembroke reverse osmosis plant to the Ta' Qali reservoirs is ongoing.

The Government will continue working on a National Campaign for Water Conservation, which will be circulated in every city and town in Malta, in order to continue raising awareness on how to adopt efficient practices when it comes to the usage of this important resource.

5. FURTHER INFRASTRUCTURAL IMPROVEMENT

Mr Speaker, during 2019 the Government continued with executing its ambitious programme to improve the country's road infrastructure over the course of seven years, at an estimated cost of one hundred million euro (€100 million) each year. We are ensuring that the work is being carried at high levels of specification and continues to progress, within the stipulated timeframe. At the same time, we are also promoting the use of alternative methods of transportation and further strengthening the public transport service. Substantial infrastructural improvement is also being carried out at a local level, so that this investment will continue bearing fruit within the heart of our communities.

5.1 Infrastructure

The Infrastructure Malta Agency will continue carrying out various roadworks throughout the coming year. By the end of 2020, we will have finished the Marsa Junction Project's, seven flyovers and with an estimated three and a half kilometres of cycle lanes and pedestrian routes passing through it. We shall also be completing the tunnels under the Santa Lucija roundabout.

Work on the Central Link Project will continue, and following the approval of the Planning Authority, we will commence the flyover project in Imsida, the Imsida Creek Project, the widening of St Andrew's Road, and the four new tunnels in the Pembroke-St Julian's Connections Project.

This Government is also working on creating more secure spaces to encourage more people to use alternative and more sustainable means of transport. In fact, as from next year, we will introduce in Malta the first pedestrian bridges with purpose-built ramps which can be used with greater ease by cyclists. Work has already commenced on two of them, in Blata l-Bajda and Gudja. Infrastructure Malta will also be building another one next to MCAST, to connect the Corradino area with the heart of Paola. We shall continue adding cycle lanes, including within the Central Link Project and Santa Lucija Avenue.

We will also continue with a programme of road repairs and maintenance, and the reconstruction of countryside roads, so that our farmers can have better access to their agricultural land. In the maritime sector, the Government will commence work on three new ferry landing sites, while concluding improvements on the fishermen's facilities in the port of Imgarr, Gozo, and continuing with the construction of the Qrejten breakwater in Marsaxlokk Bay.

The aviation sector continued to demonstrate growth on various levels. The registry reached a record number of three hundred and fifty (350) aeroplanes, while the number of companies that were given an operating licence by the Civil Aviation Directorate nearly doubled. A consultation exercise was established so that the long-outdated laws can be revised and updated, in order to continue attracting further investment to Malta.

5.2 Transport

In order to encourage more people to buy non-polluting cars, anyone who buys an electric or hybrid car will be exempt from all registration tax. We will also continue strengthening the infrastructure with the installation of more than two hundred (200) charging pillars, which we have already installed. All this besides the reduced residential electricity tariff, which I announced earlier.

We will also ensure that public transport continues improving to serve a greater number of passengers. It is for this reason that we recently invested in additional routes. In the meantime, 40 buses have been recently added to the existing fleet.

The Government is continuing to incentivise demand by subsidising large sectors of Maltese and Gozitan society through free collective transport to and from home in all schools around Malta and Gozo. In fact, as from next year, as promised, the free Tal-Linja Card measure will be extended not just to young people, but, as we have already announced, to our senior citizens as well. The public transport service that we launched, thanks to the On-Demand Buses, where one can book a vehicle through a phone call or a mobile app, will continue to be enhanced.

In the maritime sector, we will continue consolidating our country's position as a maritime centre of excellence. There will be new incentives to attract other companies that operate in this industry towards Malta, as well as to consolidate the Merchant Shipping Registry, so that this remains the largest in Europe and

the sixth largest in the world. This will continue to sustain the trust that Malta currently enjoys from foreign investors.

We are revising existing regulations so that investigations related to maritime, aviation or land-based transport security will start falling under the remit of a single agency, known as the Transport Safety Investigation Agency. The reports issued by this agency will be available to the public; not with the intention of seeing who the guilty party in the accident was, but instead, so that recommendations can be made through which we can improve the level of transport safety.

5.3 Maritime connectivity

The Government is also acknowledging the importance of maritime connectivity.

Our vision goes beyond solely improving our road infrastructure. We believe that we need to continue working to incentivise the use of alternative methods of transportation, among which is the public transport service, including ferries.

With this vision in mind, we will also be investing in existing ferry landing sites, in order to improve them, while considering the possibility of additional ferry landing sites.

We will be issuing new calls to increase maritime connections which will include, among others, zones such as Cottonera, Marsaxlokk, Marsaskala, St Paul's Bay, St Julian's, Mellieha, and others.

After the completion of the first phase of the Marsamxett ferry landing site project, with an investment of around two hundred thousand euro (€200,000), the maritime infrastructure section of Infrastructure Malta will be modernising six similar new sites. Apart from that, in the second phase of the project, we will be creating better shelter facilities for those passengers waiting to embark on the ferry.

The Government is committed to offering sustainable transport commuting solutions which go beyond the use of private vehicles.

5.4 Grant on the purchase of bicycles, electric bicycles (pedelec bicycles) and motorcycles

The scheme where a grant equivalent to a full VAT refund which at present is eligible on the purchase of bicycles and electric bicycles, will be extended for another year. Furthermore, the scheme that incentivises the purchase of motorcycles, scooters, and bicycles equipped with an electric motor, to a maximum value of €400, is also being extended to next year.

5.5 Investment in alternative methods of transport

The scheme we introduced three years ago, where a grant is awarded to local councils as well as private companies which install bicycle racks to encourage more people to ride their bicycles, will be extended for yet another year.

5.6 Other schemes

Finally, for yet another year, we will be extending the vehicle scrappage scheme. The grant will vary according to how eco-friendly the new vehicle is. For the least-polluting vehicles, the grant will be of one thousand five hundred euro (€1,500). The grant for those who switch from a petrol-powered vehicle to one which runs on gas is €200.

Therefore, we also need to ensure that gradually, all petrol stations should be equipped to offer charging point services, as well as gas supply.

6. HEALTH AND EDUCATION

6.1 Health

Mr Speaker, our country's economic and social development can only reach its full potential when the people of Malta and Gozo are in good health, knowledgeable about disease prevention, and have access to the best treatment, medicines, and health services. Therefore, from its very first legislature, the Government put the health sector at the forefront of its priorities. The positive results we have achieved throughout the years are not just visible in terms of the number of people recovering from illnesses, and leading longer and healthier lives, but even through the recognition we have achieved on European and international platforms, such as being classified as the country with the ninth best health sector in the world, out of a hundred and fifty-nine (159) countries around the world.

While we are proud of the achievements we have made in this sector, we are determined to continue strengthening our commitment towards the health of the people of Malta and Gozo through the measures which we are introducing in this budget. We truly believe that our country deserves and should continue enjoying high quality health care.

6.2 New health services

Mr Speaker, among the investments we have planned for Mater Dei Hospital, one can find the new Outpatients building which will be offering higher quality service and a more positive and valuable experience to the patient, among other improvements.

We will be investing in new robotic surgery equipment, which is essential for procedures such as the ones carried out in the Oncology department.

After Mater Dei Hospital was acknowledged as an authorised centre forming part of the European Reference Networks, Maltese patients will now be able to benefit from the services offered in these reference centres, which are accessible in several European countries.

The Government is also planning on increasing its investment in primary care because it believes whole-heartedly that this sector has the potential to offer a number of specialised services, at a faster pace, and closer to the citizen and the community where a person resides. We have already started translating this pledge into action by investing in a regional centre in the south of Malta, following which we will be creating another such centre in the north.

The aim of the Health Regional Centres is not to replace the primary care centres, but to complement the localised health centre model. We will continue investing in the primary care sector by upgrading many of the existing health centres. A centre for primary care will also be built in Gozo. All these upgrades will include the introduction of new medical equipment and new services.

6.3 Mental health

Mental health treatment is a priority which we plan to continue focusing upon. Not just because the health of people who are

facing mental health difficulties is important to us, but also because studies show that a lack of mental health services will be one of the most significant challenges in the coming years.

To this end, we will sustain and speed up the pace of restoration works needed at Mount Carmel Hospital, continue following plans for the construction of a new hospital for acute psychiatric care, and place further emphasis on mental health care in the community.

6.4 New medicines

Our investment in the introduction of new medicines will remain consistent and incessant. We plan to purchase medicines for heart and circulatory conditions, cancer, skin diseases, and rare illnesses, among others. We will also be extending the programme for the eradication of Hepatitis C, while further enriching the formulary.

Investment in cancer treatment will not only be limited to the purchase of medicines related to the illness but will also include the introduction of services which address the needs of individuals who have successfully managed to beat cancer. To complement these measures, a Clinical Risk Management Unit is being set up to ensure improvement in the quality of services provided.

6.5 Strategy and research

We will continue insisting on a policy of prevention, while nurturing and cultivating a culture based upon education, fully

dedicated towards the physical and mental health of each individual. Therefore, we will be investing in broadening the national scheme for vaccinations against infectious diseases.

We will also be launching the National Poison Centre, where we will be offering a new service for people who have been exposed to various toxic chemicals.

We will also launch new policies related to chronic illness, physical activity, antibiotics resistance and sexual health.

An effective policy has to be founded upon informed, evidence-based research. Therefore, we will be investing in specialised research in some of these fields, as well as research of a more generic nature, known as the European Health Interview Survey. We will continue with our efforts when it comes to campaigns addressing health topics, including the subject of organ donation.

We will also improve the services provided in cases of rape, so that the support given to the victims involved will be more holistic.

6.6 Education

When it comes to education, we will continue striving to reach ever more children and young people and helping them to achieve their full potential. This Government is known for building upon the positive legacy inherited from previous administrations, but also for not being afraid to renew and make changes when necessary. As a result, in the past few years, we have seen improvements in the basic skills of students, significantly lower

numbers of early school leavers, far more students heading down the vocational route, and far more adults continuing their lifelong education journey. We are a Government which has continued investing in education year after year. All this was planned in the Strategic Framework that we published in 2014, and which we announced with the My Journey reform in 2016. We will continue endeavouring to offer every possible opportunity to our children so that they can truly succeed.

6.7 Further investment in advanced technology for our schools

Malta was the first country to make use of blockchain in the education sector, where certificates issued by the Ministry for Education and Employment, MCAST, ITS, NCFH and the Institute for Education became available through this accessible and secure technology.

Next year, this technology will be further extended to cover other institutions, including the University of Malta.

After the introduction of the One Tablet Per Child scheme for primary school students from Year 4 to Year 6 over the past three years, we are going ahead to the second phase of this project, where a pilot project will be carried out in middle schools. This pilot project should lead to the compilation of a report with recommendations on the possibility of expanding the use of technology as a tool for learning, even within middle schools.

6.8 Further investment in MCAST and the University of Malta

Mr Speaker, in the coming year we will continue investing over seven million euro (€7 million) in infrastructure at the University of Malta and at MCAST, so that our students can have facilities that better suit their requirements for learning, including modern laboratories. This year, we will be allocating funds to the University to incentivise more academics to work on innovative research.

6.9 Further investment in modernising schools

Mr Speaker, the Government will continue the programme of additional investment in the modernisation of the infrastructure of our schools. We will continue with maintenance and embellishment works and the refurbishment in several schools. Following the opening of the new Marsaskala primary school, we also completed the refurbishment of a new childcare centre in St Julian's and around 80 state-of-the-art workshops which will be used to train students in vocational and applied subjects, and we will have modernised the first two blocks of a secondary school in Zejtun.

Next year we will be opening the new Qawra primary school, starting works on the remaining blocks in the Zejtun school, starting the process of building a hall for the Santa Lucija secondary school, and preparing for the establishment of primary schools in Imsida and Victoria, Gozo.

6.10 Free collective transport to and from all schools

During the last scholastic year, free transport was introduced for all students in primary and secondary school, whether they attend Government schools, independent schools or church schools.

Over twenty-six thousand (26,000) students are using this free service, which, despite costing twenty-seven million euro (€27 million), is helping to reduce traffic congestion and air pollution. I must point out that thanks to this measure, families are saving around €700 for every child.

This measure has been extended for the scholastic year that has just begun.

6.11 Supporting the Maltese language and promoting foreign language education

We will begin the necessary process for the Maltese language to have a spellchecker available for online use, as one can find for other languages. This new initiative is aimed at encouraging and improving the use of the Maltese language, while keeping it alive by making it easier to use Maltese in written communication.

With the aim of further promoting the use of Maltese, a Maltese writing competition will be organised, and the literary significance of the works of Dun Karm and the Maltese language will be given further importance.

To help young people broaden their horizons and experience different cultures, the Government will be providing a maximum grant of €850 to each young person who learns a foreign language abroad.

6.12 Measures for a healthy lifestyle

After we introduced measures to allow children and students to better enjoy their childhoods, including the Homework Policy, continuous assessment throughout the year, and the abolition of half-yearly exams, we will now turn our attention to continuously ensuring that they lead healthier lifestyles.

We will ensure that guidelines are established regarding the weight of students' school bags, and that another national study is carried out among students to measure the weight of each student and the weight of their school bags. A plan will also be drawn up for state schools to be provided with drinking water fountains.

6.13 Reaching more young people

This Government want to carry on reaching young people in every aspect of their lives, so after the successful implementation of the Youth Guarantee, which ensures that every young person is studying or employed, we will be extending our services so that we can work with young people who for some reason abandoned their studies while reading for a post-secondary degree. This service, titled Reach Out, will help them solve the challenges they encounter and make informed decisions on whether to continue studying or find a job.

We will also launch a programme of youth work in the Imtahleb Corrective Facility, which will give young people the ability to better recognise their potential and develop more confidence, thus preparing them for their role as members of society.

6.14 The Institute for Tourism Studies (ITS)

Mr Speaker, this year ITS registered an increase of more than 80 per cent in the number of students that enrolled to a course on a full-time basis. For ITS to act as a catalyst for the betterment of our touristic product, especially in the field of human resources, we have launched an outreach programme this year in collaboration with our country's hotels. This is being done in order to train those people who already provide a service in our hotels to be able to provide a more prestigious and higher-quality service. Concurrently, through an affiliation agreement with the Emirates Academy of Hospitality Management, we will be offering the first qualification at Master's level in Hospitality (Heritage Interpretation), as well as the first Bachelor's degree in Diving.

Work on the construction of a state-of-the-art campus in Smart City is also expected to commence. The campus will also include a hotel which will be run by the students of this very Institute.

6.15 Further Reducing the skills gap

We will be empowering the National Skills Council for it to bring together the business and education community to work together to ensure that the experience of "learning on the job" will become a more effective learning tool. The setting

up of the Industry Education Hub will ensure that the various apprenticeship boards meet the quality standards requisite.

6.16 The National Library and the Public Library

Mr Speaker, the time is ripe to invest in conserving, restoring and modernising the historical National Library building. The conservation and refurbishment of such buildings make them more accessible and attractive to tourists and researchers.

Furthermore, we will be commencing the process of launching a digital index for books, documents and manuscripts which are housed in the same National Library, so that these documents can be accessed online.

We will also be investing in the National Library to create an interactive space that facilitates inclusion and stimulates a literature society.

6.17 Pjazza Teatru Rjal

Next year, we will begin a consultation process about what we want to achieve from the space which nowadays houses Pjazza Teatru Rjal, including whether to undertake further improvements of the site so that it can better fulfil the requirements of the cultural calendar.

We are not excluding anything at this stage and will welcome every proposal with the aim of making this site a more valuable venue for Maltese culture, including the possibility of roofing the same theatre.

6.18 Culture and National Heritage

Culture is an important diplomatic tool, and for this purpose, we will endeavour to strengthen Malta's role by exploiting the opportunities created through bilateral agreements in the culture sector.

At the same time, we will launch a national culture policy by the end of 2020, reflecting our aspirations of excellence in this sector, aimed at fostering and maintaining artistic and cultural skills and competencies.

We will also renew initiatives related to UNESCO World Heritage, so that as a country, we will be able to present Malta's intangible heritage, and so that other locations in Malta and Gozo may be added to the list of World Heritage Sites.

When it comes to National Heritage, besides the continuation of the project to have an updated National Heritage Inventory (movable and immovable), we will continue strengthening the Cultural Heritage Fund, with the aim of increasing investment in research related to archaeology, exploration, archival research and more.

We will start archaeological excavations to preserve the ruins of the Neolithic temple at Xrobb l-Ghagin, and we will continue supporting the establishment of an Underwater Cultural Heritage Unit, with the aim of protecting, documenting, and promoting our underwater heritage, as well as making it more accessible.

When it comes to restoration work on architectural heritage sites, all throughout next year, restoration works will be carried out on

various nationally important structures such as the Cottonera Lines, the Victoria Lines, and Fort Ricasoli.

7. COMPETITIVENESS AND ECONOMIC ACTIVITY

Mr Speaker, the strong economic growth we are experiencing is the result of the Maltese Government's serious policies and clear plans. Therefore, in this Budget the Government intends to continue to introduce additional initiatives to encourage new business niches, which will further diversify the economy and thereby generating more wealth and ensuring a better quality of life.

7.1 The Malta Development Bank (MDB)

When establishing the Malta Development Bank (MDB), the Government's aim was and remains that of addressing certain lacunae in the financial sector, so that investment can flourish, allowing for productive initiatives that will create jobs and generate social and economic prosperity.

In the second year since its launch, the Bank has continued to have a stronger impact on the Maltese economy, through the introduction of a number of guarantee schemes on loans to SMEs. Using the MDB's guarantee, SMEs can now benefit from easier access to bank loans, more favourable interest rates, as well as smaller amounts of collateral assets required to guarantee the loan.

The MDB is also in talks to implement guarantee schemes of this kind with even more banks, so that a wider section of the market will be covered, as well as co-financing schemes with banks, in order to improve financing access for SMEs.

Furthermore, the MDB is undergoing a consultation process with a number of private and public entities, including commercial banks, so that in collaboration with these institutions, it can provide financing facilities on infrastructural projects, especially those with a social dimension including affordable housing and education, as well as awareness projects related to climate change and the environment.

7.2 Initiatives by the Malta Stock Exchange

Throughout this year, a record number of companies have approached the Malta Stock Exchange's service to issue bonds or shares to the public on the stock market. All in all, the Malta Stock Exchange listed 25 new financial instruments this year.

Next year, the Malta Stock Exchange will be implementing new initiatives to promote the issue of Green Bonds. These initiatives are aimed at incentivising investment in projects related to environmental protection, sustainable resources, and clean energy.

In March 2020, thanks to the useful contacts established by the Malta Stock Exchange, the World Federation of Exchanges will place the spotlight of its annual conference specifically on the financial sector.

7.3 The Financial Services sector

Mr Speaker, the financial services sector continues to be of high importance to our country, and therefore as a Government, we will continue striving, to bolster this sector which is the primary

livelihood of numerous Maltese and Gozitan families. We will ensure that it creates even more new jobs and opportunities for the foreseeable future.

During 2019, the financial services sector in our country grew on a par with last year, despite the various challenges this sector had to face; challenges stemming from local developments, but even more so, from events happening on an international scale. The Maltese Government's vision remains to make Malta a leading jurisdiction, not just on a regional level, but on a global level.

We will continue fostering and strengthening this sector through a consultative council for financial services, where the Government, together with the regulatory authorities and other important stakeholders, will be able to work together in a structured way on sectoral as well as fiscal strategies.

Besides this, Mr Speaker, we are exploring new economic niches in the sector, among which one can find Fintech, on which we launched a strategy earlier this year, as well as sectors such as Regtech and Blockchain, for which this Government is creating ideal ecosystems for these niche sectors to flourish.

7.4 Artificial Intelligence, Cyber Security, and the Internet of Things

Acknowledging the potential that this innovative sector holds, we made sure to invest in the Artificial Intelligence (AI) industry, in order to attract more talent and business to Malta. That is why earlier this year, we launched the AI taskforce, which has worked relentlessly in the run-up to the launch of the AI strategy this

month. This step places Malta among the ten best countries in the world with a strategy for this emerging sector.

Among other measures, we will be creating an educational information campaign; presenting study grants for those students studying AI; establishing an AI Innovation Hub; launching a pilot project which uses AI in the public service, as well creating a roadmap for technological infrastructure.

Another kind of technology which will complement AI is the Internet of Things. We will be investing in a pilot project which uses this technology and ensuring that it reaches the community. Digital security is a priority for this country. Cyberattacks happen constantly, and as they say, prevention is better than cure.

Therefore, we need to ensure that our experts are armed with the latest technology and equipment, so we will be allocating funds to MITA so that it can do so while strengthening its work in the field of digital security.

7.5 The National Space Strategy

Mr Speaker, in order to continue diversifying our economy, we are also examining the field of space exploration. In March of this year, the Government launched the framework for the design of a national space strategy. We are eyeing the commercialisation of this sector, so the aim is to create a legislative framework so that companies operating within this sector can invest in our country.

A consultative document for the public, which will serve as the basis of a national strategy will be prepared. The same strategy will also cover aspects such as research and innovation.

7.6 Video game development and Esports

After the Government launched its vision for a strategy for the development of video games and Esports in our country, it is now launching measures to assist these new economic sectors, which include digital arts, games programming and media production. The aim is to encourage more companies to develop games in Malta.

Concurrently, we will be ensuring that investment is being carried out to enrich the educational courses which address the skills which are vital to this industry. In this way, we will be helping students and young people to develop specialised skills in this sector, so that they can seize the job opportunities that this industry offers.

The Esports sector is another important link in the video games sector, and in Malta's digital economy. This is an innovative sector which is growing exponentially on an international level, and therefore, our country has chosen to invest in order to help this sector grow. The Esports sector, besides creating career opportunities in digital productions and events, attracts a new segment of tourists to Malta, fuelled by the organisation of international competitions in this field.

7.7 The manufacturing sector

Mr Speaker, this Government continues to show how much it truly believes in Maltese and Gozitan businesses with facts. Proof of this is the assistance being granted under the MicroInvest scheme, which has benefitted one thousand and six hundred (1,600) businesses; the continued regeneration project in the Ta' Qali Artisan Village; the Business Start and Start-up Finance schemes, which are aimed at helping start-ups, and which have helped 104 start-ups since their establishment; and the establishment of the Start-Up Malta Foundation (SUM), which offers support and efficient services for those who are about to start a business. This scheme will be extended to next year.

7.8 Industrial Zones

Malta Industrial Parks is working on an initiative to have public-private partnership in various industrial zones around Malta aimed at housing clusters of small businesses.

In order to make good use of factory rooftops for the installation of photovoltaic panels, a pilot project to introduce the concept of green infrastructure in industrial zones will be launched, so that the level of the environment where Maltese employees work will continue to improve. The same concept of green infrastructure will be applied in the Life Sciences Park extension; preparations for this extension will be finalised during 2020.

7.9 A Sports and Enterprise Zone in Marsa

Next year, public calls for cleaning through the process known as land mining, will be issued so that the old Marsa landfill can

be transformed into a new industrial, sports, and recreational zone, without encroaching on virgin land. This process, which is an innovation for Malta, is also expected to promote the new circular economy, where, in collaboration with the University of Malta, the waste and rubble from building sites will be recovered and put to renewed use.

7.10 Helping individuals with special needs to be integrated within the workforce

Next year, Malta Enterprise will be launching a scheme through which it will be able to assist businesses that employ individuals with special needs. These businesses will be awarded a grant towards expenses related to investments which are not considered to be part of their legal obligations. One example of this kind of expense is the hiring of professionals who can help with the process of integrating these individuals with special needs into their place of employment.

7.11 Further investment in the farming and fishing sector

Despite the challenges they face, the agricultural and fishing sector continue to be important components of our economy, whose strengths also contributes towards environmental protection. Above all, farming and fishing ensure a secure supply of food in such a way that, if they are not protected, our country will become completely dependent on imports from foreign countries.

During 2019 we re-established the Agriculture Extension Services and took steps towards having an effective Farm Advisory

Service. Now is the time to replicate similar services in the fishing industry. In the coming months, the restructuring of the Department of Fisheries and Aquaculture will continue. Our aim is to ensure that our regulatory obligations are carried out in the most effective and efficient way.

Improvements in the Hard Standing Facility in Marsaxlokk, the development of a central Control Hub in Marsa, and the scheme for the restoration of boats will continue.

In the agricultural sector, among other measures, there will be the restructuring works on the public abattoir through the introduction of modern technologies that use less energy, and the introduction of practices that are in line with European standards.

Funds will be allocated to improve the regulatory infrastructure by investing in four leading laboratories, namely the National Veterinary Laboratory, the Plant Health Diagnostic Unit, the Soil and Irrigation Water Laboratory, and the establishment of the first National Gene Bank in Malta.

Throughout the coming year, we will finalise a plan to regenerate and modernise the Pitkali Vegetable Market.

The Government-owned farm in Ghammieri will be transformed into a Centre for Agricultural Innovation and Research.

Finally, the first National Agricultural Fair will be held next spring, during which we will give Maltese farmers and agricultural

producers the opportunity to display their wares to the widest possible audience, not least an international one.

7.12 Assistance to young full-time farmers and fishermen

Mr Speaker, in the agriculture and fishing industry, we believe that we need to introduce a culture of training and innovation, so that these sectors can grow just like any other economic sector. Through existing Malta Enterprise schemes, companies which operate in the agriculture and fisheries sectors can already apply to receive funds for training, and research and development. Furthermore, when it comes to agriculture, companies in the sector can apply for Investment Aid to invest in machinery and installations which lead to greater energy efficiency.

Next year, we will continue offering financial assistance to farmers and fishermen. We will also be introducing a new form of assistance to encourage companies in the farming and fishing industry to be more innovative, under the Innovation Aid for SMEs scheme. Through this scheme, farmers and fishermen can cover the cost of the salary of a qualified research, development and innovation professional to spearhead new initiatives within their business. We will also be covering expenses related to innovation advisory and support services.

7.13 Tourism

Mr Speaker, the tourism industry continues to register positive results. This year, the number of tourists who will have visited Malta will be around 2.7 million, a 4.5 per cent increase over 2018, which was already a record year. All this is not a coincidence, but

a result of tireless efforts, based on our vision of strengthening our connections with the rest of the world, improving our touristic product, attracting more business travel and conferences, and making that much-needed leap in quality.

Furthermore, we also registered an increase in the number of nights which tourists spent in our country, as well as their overall spending. We continued to diversify our markets, introducing no fewer than 19 different routes, from Europe as well as from continents further afield.

The prospects for next year are encouraging, and we will continue with marketing campaigns and schemes, including the use of digital marketing and 3D technology, so that the success of this industry is sustained.

To this end, the extensive calendar of cultural and popular events will be continued and extended all throughout the coming year. These developments complement the tourism objectives for vision 2025, which will be included in the new tourism strategy, to be launched next year.

For more details, see Table 7.1.

Table 7.1: A New Strategy for Tourism

This strategy, among other objectives, aims to attract more high-quality, high-spending visitors to Malta; to continue nurturing the tourism industry in a sustainable and well-managed way while reducing the seasonality of our country as a tourist destination; to implement an air connectivity strategy for Malta that improves our island's travel connections all year round; to create more niche tourism markets in our country in order to attract new visitors; and to ensure that our country has the necessary resources, particularly human resources, in order to be able to continue improving its touristic product and service, including the use of private accommodation.

7.14 Air Malta

Aware of the importance of Air Malta within the economy, this Government will continue doing its utmost, within the authorised parameters, to ensure that Air Malta grows bigger and stronger.

The process of modernising its fleet will continue, with the introduction of aeroplanes that are more up to date, more efficient, and above all, produce less pollution. This renewal process is being carried out over a five-year period.

The Government's aims for Air Malta are for the company to continue improving its service, increasing operations in major airports around Europe and North Africa, and eventually, commencing operations on certain medium and long-haul routes.

7.15 Aviation

The aviation industry is another sector which is contributing to the creation of wealth and employment in Malta. This is an extremely dynamic sector, which needs to continuously evolve. Therefore, the Government is committed to continue growing this sector in ways which include the development of new sectors, such as drones.

This year, the Ministry for Tourism updated its aviation policy which, coupled with the Master Plan for the airport, aims to increase efficiency in this sector while respecting the surrounding communities. Furthermore, the Malta Air Traffic Services will

continue investing in new systems with the latest technology for managing traffic, along with the enlargement of the runway and taxiways. Preparations for the construction of a new Air Traffic Control Centre will also continue.

At the same time, we will be working on developing a new niche of economic activity within the sector of drones, which are also known as Remotely Piloted Aircraft Systems, a sector which is developing at a fast pace all around the world. Malta has the potential to attract foreign companies for the purpose of research and experimentation in innovative technologies and training within this emerging sector.

7.16 The maritime sector

The cruise liners' industry is experiencing a phenomenal rate of growth within our country, growing by more than 75 per cent during the past six years. The Grand Harbour is one of the most sought-after ports in the Mediterranean as a port of call, with cruise liners spending an average of eight hours in Malta.

This year, the Valletta Cruise Port will be welcoming yet another record number of passengers, and next year is also promising. Therefore, in order to continue improving the facilities, Government is in talks with the Valletta Cruise Port to carry out the necessary upgrades on Pinto 4 and 5, and on the facilities in the Lascaris landings.

7.17 Measures to reduce bureaucracy for businesses

The Government is continually investing and simplifying administrative processes in order to reduce bureaucracy. These efforts will continue, so that doing business in Malta will become as easy as possible.

Following the study carried out this year with the assistance of the World Bank to identify existing bottlenecks for businesses within our system, now it is time to implement the plan to fast-track such processes, according to criteria set by the World Bank, through Malta Enterprise.

Furthermore, an interactive Business Portal is being launched, which will use the latest modern technology to achieve efficiencies for the public as well as the private sector.

7.18 Further investment in Gozo

Mr Speaker, this Government believes wholeheartedly in Gozo, and throughout this year, we have achieved excellent results which we want to build upon. From a mere beneficiary, Gozo has become a contributor to the economy of these islands due to its economic growth which, proportionally, is even bigger than Malta's. This is expected to continue increasing throughout the coming year, thanks to the measures included in this Budget.

Gozo once again saw new foreign investment from Microsoft and Noovle, a Google premium partner. New MCCA and MFSA offices were opened while the Tax Department's back office is also being extended.

This has led to the creation of more jobs in Gozo, and we saw a growing number of Gozitan workers who used to work in Malta, start working in Gozo. The Gozo Employment Scheme is reaping results by attracting private Maltese companies to open offices in Gozo.

Next year, besides continuing to create jobs, we will continue to ensure improvements in working conditions while seeking to reduce the pay gap between Malta and Gozo.

We are also overseeing the establishment of a Gozo Regional Authority. This is a courageous step for this Government, which will ensure that Gozo itself can ensure that its developmental needs are being addressed. Through the enacted law, this Authority will ensure that the character and beauty of Gozo will always be safeguarded.

7.19 Incentives for the creation of jobs in Gozo

Mr Speaker, this Government will make sure that Gozo is also able to attract and foster new niches of economic activity.

This year, we introduced the Film Fund so that cinematic productions can be launched in Gozo. For next year, we have set up a new fund so that we can establish Gozo as a meetings, incentives, conferences and events (MICE) destination.

Through the Gozo Business Scheme, Government will continue incentivising the private sector, by improving the start-up tax credit for new businesses to set up economic activity in Gozo.

We will be introducing fiscal initiatives on, among others, translocation expenses, to those companies which move their operations to Gozo, as well as to those companies which create new jobs in Gozo within the teleworking and back office sector.

Further details of how these incentives will operate shall be given in due course.

Following the success of the financial package introduced this year for Gozitan workers and students who work and study in Malta, we will continue to extend it in 2020. Besides the rent benefits being granted to Gozitan students who study and live in Malta, the package will be further strengthened through the Villa Lauri hostel project.

7.20 Connectivity

Connectivity is, was and will remain a key priority, in order to address the difficulties brought about by insularity.

Throughout this year, we clearly proved that these difficulties need to be addressed through various approaches. The Gozo Channel is implementing a strategy to not only improve its operations and be more efficient, but above all, to offer a service that addresses the present and future requirements of its clients.

The addition of the fourth vessel to the Gozo Channel fleet this summer, was a successful pilot project. With the introduction of a fourth vessel, the queues and complaints from passengers in

Imgarr and Cirkewwa were eliminated. This is because the overall journey time between the two islands decreased drastically.

Gozo Channel learned from this experience and is now in a much better position to make the necessary investment in a permanent fourth vessel. Preparations are currently underway to plan the prerequisites for the fourth vessel. After these preparations are concluded, the tendering process will be launched.

Gozo Channel is also investing in an electronic ticketing system to modernise this important aspect of its operations, while also improving on controls.

Work on the introduction of a fast ferry service will continue. Connectivity will also improve through the installation of the second fibre optic cable, a project which is now in an advanced stage of completion.

7.21 The Malta-Gozo tunnel

The Government is determined to fulfil the Gozitan dream of having a permanent connection between Malta and Gozo, a connection which will open up Gozo to many opportunities of economic and social development that will encourage young Gozitans to stay in their home island. Studies for the tunnel link project between the two islands, which are being carried out by various experts in different fields, will be concluded in the coming months. Among these, one can find the preliminary design of the tunnel, and the environmental, economic and social impact that this investment will have.

Following the publication of the pre-information notice in the official journal of the European Union last December, Infrastructure Malta is putting the finishing touches on a pre-qualification questionnaire which will be published in the coming weeks. The questionnaire will have all the technical information necessary for prospective investors/contractors to confirm that they have the skills and abilities necessary to fulfil this project. More details about this project will be announced shortly.

7.22 Other projects

Mr Speaker, despite several criticisms levelled at this Government, Gozo has never seen such high levels of investment when it comes to road infrastructure. Not only that, but we are also rebuilding arterial roads which were hastily built in the past, without having had any studies of the surroundings or the terrain conducted, which had caused these roads to collapse.

With a well-planned works programme, we are rebuilding these roads as standards dictate.

In the coming year, we will be commencing works on Mgarr Road, which goes from Nadur all the way to the port, as well as the road from Rabat leading to Marsalforn.

The investment being carried out in Gozo, and which will continue throughout the coming year, is unprecedented.

In a few weeks' time, we will inaugurate the Research and Innovation Hub in Xewkija, as well as the Barts Medical School.

Throughout the coming year, a number of currently ongoing projects will reach completion. Among these, I must mention the new Health Centre, and the St Joseph Home for elderly residents. For the small business enterprises, the project in the area known as Tal-Hofra will be completed, which will be giving them a base from where to carry out their economic activities. Next year, work will start on the Park and Ride project, which will be built near the racehorse track, while the Ghajnsielem Hub project will continue.

We will also be carrying out most of the phases of the masterplans which have to do with the embellishment of Marsalforn Bay and Xlendi Bay, in order to make the touristic zones in Gozo more attractive. The Marsalforn project will also include the building of a breakwater, a project that Gozitans have been promised for years, and which will now be fulfilled.

Besides finishing works on St Francis Square and the square in Sannat, throughout the coming year we will begin embellishment works on main piazzas in other villages.

And apart from these arterial roads, we will continue ongoing roadworks on 33 roads, and start work on another 11 roads.

Mr Speaker, I must point out that this investment in road infrastructure in Gozo, for the coming year alone, will amount to ten million euro (€10 million). This is an unprecedented investment for Gozo.

However, investment in Gozo's infrastructure goes beyond its roads. Restoration works, to the tune of eleven million euro (€11 million) have also started on the existing Water Services Corporation building in Hondoq ir-Rummien, which will give Gozo its first reverse osmosis plant, capable of producing nine million litres of water every day. Using this reverse osmosis, we will be safeguarding groundwater and reducing Gozo's dependency on the existing submarine pipeline, which is currently used to transport reverse osmosis water from Cirkewwa.

In the coming year, we will continue investing in various greening measures, smart parking and changing Government vehicles into electric vehicles, so that we can continue implementing the Decarbonisation Strategy under Eco Gozo.

Following the investment made in the rehabilitation of valleys and the improvement of the rural infrastructure, and the restoration which was carried out at Cittadella, next year we will commence the restoration of Għar Gerduf and the aqueducts.

Gozo's natural and rural heritage is an essential component so that it can remain unique and distinct. We will continue investing in Gozo so that it can truly be an ecological island.

7.23 Gozitan cultural heritage

Themed festivals will continue to be held, as thanks to this initiative, we now have cultural activities all year round in Gozo. These events have helped Gozo overcome the challenge of seasonality, and there has been a considerable increase in tourism compared with the previous year.

The Ministry for Gozo, along with the voluntary and cultural organisations in Gozo, will work together to create a varied cultural program with a range of activities that continue to entice domestic and international tourists to visit Gozo all year round.

8. TOWARDS A SAFER AND MORE SERENE LIFESTYLE

8.1 Continuing the reform of the Justice sector

Mr Speaker, the Justice sector is crucial for the implementation of the rule of law. Significant changes have already been made in the past few years, and we will continue with our reformist agenda. These reforms are bearing fruit; suffice it to say that when it comes to pending cases, the number has now fallen from twenty-six thousand, six hundred and fifty (26,650) cases in 2012 to twenty-two thousand, five hundred and ten (22,510) in the past six years.

Throughout the coming year, we will continue implementing the separation of the duplicate functions held by the Attorney General. After Parliament approved a law which established the Office of the State Advocate, who will act as the Government's legal consultant, the next step is for the Office of the Attorney General to gradually assume more prosecutorial functions, according to the best European practices.

While substantial progress has been registered in the execution of asset recovery, both locally as well as through cross-border cooperation, we will strengthen the Asset Recovery Bureau by introducing modern systems which will make it easier to identify criminal assets, as well as freeze, transfer and confiscate them. The seized criminal assets will be transferred to the Government. Construction will commence on a specialised building, which will be equipped with the latest technology to house a laboratory

for tracing assets, as well as providing an adequate space for the preservation of confiscated assets.

We will continue working to introduce more digital technology into Malta's judiciary system and make the best use of it. This will result in justice being served promptly, and in a shorter amount of time. Furthermore, we will continue promoting mediation as an alternative solution for litigation, with the aim of reducing the number of pending cases in court wherever possible.

In order to allow the police force to be able to focus on public order and the fight against criminality, we will be concluding the transfer of the Criminal Records Office from the Police to the Justice Directorate.

8.2 The strategy against fiscal evasion and money laundering

Mr Speaker, in last year's Budget speech, I said that the Government of Malta will continue with its commitment to tax evasion. This pledge is being fulfilled, and the proof of this is the report issued just a few weeks ago by the European Commission's Directorate General for Taxation and Customs (TAXUD), which mentioned that when it comes to VAT collection, Malta has the fourth-lowest rate of VAT evasion out of all the Member States. Furthermore, the report also pointed out that Malta had managed to reduce fiscal evasion by eight percentage points in one year.

This is a clear indication of Malta's commitment to fighting fiscal evasion. We will continue to fulfil this, through technological

investment and the increased collaboration between the regulatory, supervisory, and enforcement entities in our country. Throughout this past year, the Strategic Action Plan, which identified 45 actions to be carried out over a three-year period, in the fight against money laundering, started being actioned. I am pleased to announce that 30 per cent of these recommendations have already been implemented.

Mr Speaker, a month ago the MoneyVal report was officially published. This report lists 58 action recommendations which, if implemented by Malta, will continue strengthening the competent authorities and making them more effective in the fight against money laundering and terrorism financing. The Government wants each entity in Malta to be effective in fulfilling its duties. Therefore, it has welcomed the MoneyVal report, and has laid out a detailed plan of how our institutions will implement the relevant recommendations.

Through the hard work of the National Coordination Committee, a comprehensive plan of action has been drawn up, detailing how these actions can be carried out by 20 competent authorities which are in some way involved in this challenge, a challenge which affects every single country.

To further strengthen the competent authorities, there will be the establishment of an Agency, which will be known as the Financial Organised Crimes Agency. This agency will be complementing the Police Economic Crimes Unit. Such organisational structures are found in other countries around the world, and in fact, we are receiving assistance from foreign authorities, including the

United Kingdom and the United States, in the re-organisation of our institutions.

Throughout this year, MFSA and FIAU undertook various initiatives and reforms to strengthen their operations and become more effective in their fight against money laundering and terrorism financing. These reforms included strengthening their legal power and enforcement processes. This will help us further implement the recommendations found in the MoneyVal report.

8.3 Limiting the use of cash

The next step is to address and limit the use of cash when it comes to the purchase of high-value objects. Malta is among the few countries where a lot of purchases are still made using cash transfers. This is often a symptom of tax evasion. We need to curb this abuse so that we can have fair business and a fair society.

Therefore, as of next year, when it comes to purchasing of property, cars, boats and yachts, diamonds, precious stones and art objects, it will no longer be possible to make cash payments that exceed ten thousand euro (€10,000).

8.4 Further investment in Customs

In the past few years, the Customs Department invested heavily in sophisticated control equipment, which has resulted in constant border surveillance for our islands, as well as for the European Union, due to its geographic position. This investment

is generating extremely positive results in the fight against money laundering and terrorism financing and is helping foster fairer business competition.

Next year, we will not only continue professional training and the engagement of human resources, but there will also be investment in the purchase of an x-ray tunnel van, as well as two machines for luggage scanning. At the same time, we will continue replicating the scanning operation processes which are carried out in the Freeport in the Grand Harbour.

8.5 The Armed Forces of Malta

The Government is aware of its obligation to ensure its citizens' security during a natural or man-made disaster; to reduce criminality while monitoring and protecting the country's borders. When it comes to humanitarian obligations, it must offer comfort and protection in the migration sector, while applying reparative justice in practice, according to how much the country can bear.

For this to happen, the modernisation of the Armed Forces of Malta (AFM) will continue. We will carry on with the purchase of a new offshore patrol vessel, built according to the Armed Forces' own specifications; investment in the purchase of sophisticated equipment for the Special Operations Unit, and a number of infrastructural projects which include the continuation of structural works on buildings used every day, as well as the maintenance of other buildings and properties.

In order to stay relevant and up to date, the AFM will continue fulfilling its commitment to improve training opportunities for each member of the Forces. It will do so by strengthening cooperation with educational institutions such as MCAST, ITS, and the University of Malta, as well as the Emergency Department at Mater Dei Hospital. It will continue working with the National Commission for Further and Higher Education so that the courses it offers internally will be accredited, so that its members will have their certifications recognised beyond the Forces. Basic military training will continue being provided to soldiers and recruits in Malta as well as beyond our shores, while specialised courses will continue, even in renowned military academies around the world.

The AFM will remain active in operations beyond our shores, and this will help not only raise the bar for the Maltese soldier with experiences in foreign countries, but also show support for operations under the auspices of the European Union, the United Nations, and the Organisation for Security and Cooperation in Europe (OSCE). The Forces will continue playing its role in Operations EUNAVFOR ATalanta, EUNAVFORMED OP SOPHIA, and FRONTEX.

8.6 The Police Force

For the Police Force to be able to fight crime and offer the best level of security to the citizens of Malta, there needs to be continuous investment in human resources, improvement in its infrastructure, the purchase of modern equipment, and ongoing training for its members. In 2020, the Government will continue investing in new modern equipment, as well as new vehicles for

the RIU and the SIU; the Traffic Section's fleet of motorcycles will be further modernised; construction will start on the new police station in Marsascala, and works will commence on the new regional hub which will also serve the needs of the Civil Protection Department. Construction works on the Command and Control Room are also expected to be completed.

For the Police Force to continue to improve on its efforts to deal with organised crime, from the beginning of next year, the relevant Department of Investigations will be operating from a modern building which serves the needs of this Department and which the Government is committed to further strengthening in the coming years. Additional professionals are expected to be engaged in various sectors, including in the analysis of complex modern crimes including financial crimes and cybercrime.

In the coming year, new offices will be built for the Prosecution Sector within the Police Force. The aim is for the Force to have a team of prosecutors, whose task will be to prosecute cases in Court without being part of the investigation process, an aim which also follows the recommendations of the Venice Commission. This should lead to investigators spending far less time in Court, allowing them to spend more time on investigations.

8.7 Strengthening the Civil Protection Department

The Civil Protection Department is undergoing a huge transformation, and a seven-year programme is being laid out for this Department to reach international standards and keep up with the increasing demand for its services. The plan takes

into account the need for human resources, the construction of new earthquake-proof stations, as well as the purchase of modern vehicles equipped with the latest technology so that they can tackle emergencies in high-rise buildings, more fire security training, a new maritime fleet to fight fires at sea, large water bowsers to reduce the Department's dependency on private operators to provide water, a new eDisaster Management System (eDMS) inside the Control Room to facilitate response time, and training grounds.

All this requires greater investment over a number of years; however, it is a necessary investment so that the Civil Protection facilities will be suitable for the next 30 years, while ensuring better security for citizens.

8.8 Further improvement in the corrective facilities

This year, we invested in security in the corrective facilities through the installation of CCTV cameras, x-ray machines and body scanners. Throughout 2020, we will continue the refurbishment program within the facility, as well as the forensic section at Mount Carmel Hospital, which is being carried out by the corrective facility inmates themselves, who are being paid for their work.

Security will continue to be strengthened, while new vehicles will be purchased to modernise the fleet and facilitate the transportation of inmates to hospital, Court, or other destinations.

A pilot project was launched this year so that inmates will be able to make use of electronic tagging, as they can do elsewhere

in Europe. Next year, we will continue extending the electronic tagging system for more inmates.

We will continue with the training of employees working within the K9 unit so that we can persist in the fight against drugs within the facility. Furthermore, we will continue empowering inmates through Jobsplus's Bridging the Gap scheme, which helped a growing number of inmates find employment, so that they can earn a decent living and maintain their families comfortably once they have served their sentence.

When it comes to probation and parole, all initiatives taken during preceding years will be consolidated. Furthermore, the Psychology Unit will be strengthened, and more programmes will be introduced with the aim of reducing the number of reoffenders. Specialised training for employees within this department will become a priority, which should lead to the establishment of a new programme focused on young offenders.

8.9 Illegal Immigration

The Office of the Refugee Commissioner, along with the Agency for the Welfare of Asylum Seekers will continue actively working to process the ever-growing number of requests from foreigners seeking asylum. Concurrently, the feasibility of an Information Service Unit, made up of a team of professionals who can provide people who are seeking asylum with help and information so that they can integrate better within Maltese society, is being examined. This team would also be able to give information regarding Assisted Voluntary Return, where immigrants will be

helped to return to their countries with the help of Government and NGOs.

More details about this can be found in Table 8.1.

Table 8.1: Work on illegal immigration

1. Defence Matters Directorate

Through the Defence Matters Directorate, Malta will be able to follow developments in the Mediterranean, in the Defence sector of the United Nations, and in the scope of peacekeeping within the United Nations, OSCE, NATO and the Diplomatic Clearances. When it comes to the European Peace Facility, the Directorate will be following the development of this facility, the way it will be treated by Member States, and the conclusions which will finally be reached. The idea behind this facility is essentially to ensure security in Europe, drive away conflict, and strengthen world peace.

2. Integration Academy

At the same time, we will continue working to establish the Academy of Integration, which will offer services to those who are obliged to follow an integration programme. This way, we will continue driving equality and diversity within a multicultural society, strengthening the rights and duties of Maltese society and of those who have just arrived among us, and promoting the competencies needed for all of us to succeed, together.

8.10 Citizenship

The Government carried out a public consultation regarding the Citizenship by Investment Programme, with the aim of further improving it in future. The programme has been beneficial to the Maltese economy, and is similar to other existing programmes in place in other Member States and other countries across the world.

Contrary to what some believe, the Government deposits the funds generated by this scheme with the National Development and Social Fund for it to invest it as a wealth fund.

Furthermore, the fiscal surplus achieved by Government would still be possible, even net of the income generated from this programme. This proves the sustainability of the economic model adopted by the Government.

8.11 Local councils

Mr Speaker, following the reform of the local councils, the time is now ripe to launch a number of initiatives to reinforce this reform. For this purpose, we will launch a scheme through which a number of persons will be assigned to the Regional Councils to assist them in the fulfilment of their new duties.

The scheme of the installation of smart bins around the Islands, will be retained.

8.12 Equality and Human Rights

Mr Speaker, next year we will launch the National Commission for Human Rights and Equality, in accordance with the Paris Principles and the recommendations of the Venice Commission. This Commission will be independent of Government, answerable to Parliament and given powers to combat any kind of discriminatory behaviour. Furthermore, we will be passing an equality law, which will make equality for all and in every aspect of life a fundamental human right.

We will also launch the first national strategy and action plan for integration and gender equality in various sectors, including education, health, justice, work and financial independence, work-life balance, private life and family. This will also ensure that men and women have equal opportunities and access to top positions.

8.13 Continued reforms involving vulnerable persons

The interests of vulnerable persons, particularly those who turn to prostitution, are a priority for the Government. A national strategy on human trafficking is being laid out, and reforms will continue in areas such as domestic violence and gender-based violence.

Details about these reforms can be found in Table 8.2.

Table 8.2: Reforms concerning Vulnerable Persons

1. Vulnerable people who turn to prostitution

We will be launching a professional service in the form of a voluntary exit programme for people who wish to have the means and assistance to leave prostitution. We want to help these people find their feet and consider the possibility of a lifestyle away from exploitation.

2. Human trafficking reforms

Preparations are under way to have a National Strategy on this theme, where the Government will be providing the resources to commence its implementation, which will be spread out over the next five years. The first part of the strategy will strengthen the structure that governs the coordination of anti-human trafficking policy, work on different laws aimed at preventing human trafficking, and ensure better facilities for victims who seek help. The national educational campaign “Human, Like You” will be extended.

3. Domestic violence and gender-based violence

Besides training professionals and all those who work with victims of such violence, a local research project will be launched on the financial impact that domestic violence has on its victims and on the Maltese economy.

4. Equal representation in Parliament

After the launching of a public consultation on positive measures for equal representation in Parliament earlier this year and the setting up of the Technical Committee for the Strengthening of Democracy, the Committee is expected to present its final recommendations by the end of this year. Concurrently, the Government will be embarking on an information campaign in the media using European Union funds obtained through the EQUAL programme.

5. Educational campaigns for young people

The Government is committed to continue educating young people from an early age about the effect that drugs can have on human health. Conscious of the decisions which need to be taken on harm reduction with regard to cannabis use, next year the Government will continue investing in a strong educational campaign, which is estimated to reach over nine thousand (9,000) school-age students, among others. Other initiatives in the pipeline include the launch of a financial scheme for voluntary organizations titled Achievers, to encourage them to organise activities for children and youths related to culture, music and sport.

8.14 The Voluntary Sector

We will be working to introduce a maximum cap of one thousand euro (€1,000) on the amount of money that environmental voluntary organisations, which have been established for more than five years and which conform to the Voluntary Organisations Act, can be charged when filing appeals before the Planning Authority.

The necessary preparations to open a voluntary work centre in Marsaxlokk will continue, and we will also further strengthen the Office of the Commissioner for Voluntary Organisations.

8.15 Further investment in sports

Mr Speaker, following the launch of the Sports Strategy, we will now embark on its implementation, spread over a number of years.

Malta will be preparing to host the Games of the Small States of Europe in 2023. Therefore, we will commence preparations so that by the said date, we will renew, modernise and open a number of new facilities for various sporting disciplines such as racing track, tennis, squash, weightlifting and handball. Additionally, work will continue on the indoor pool in Cottonera and a new swimming pool in Marsascala, and preparations will continue on the second phase of the Ta' Kandja Shooting Range. I must highlight the fact that we have concluded the process through which a private sector investment of more than twenty-eight million euro (€28 million) will be invested in the regeneration of the horse racing track in Marsa, which will put our country on the international map when it comes to this sport.

With regards to the motorsport racetrack, works are currently in progress so that in the near future, we will be in a position to announce interesting developments.

We will be pushing forward the proposal that our country organise sports competitions, which will involve the participation of the Malta Special Olympics.

We will launch an educational and social awareness campaign to promote sports and the fight against substance abuse in sports among a varied audience, including schoolchildren, youths and sports organisations.

The application process for an adventure park for the whole family in Cottonera will begin. We will ensure that this park will be built on disused land, and that its location protects the natural environment, also through the design of an innovative park as part of the regeneration plan for the same area.

8.16 Diplomatic Work beyond our shores

After the Government opened Malta's embassy in Ghana, preparations are in an advanced stage for an embassy to be opened in Tokyo. The Government has also commenced the process to consider the possibility of opening another embassy in South America.

We will also continue working to build diplomatic contacts with leaders as well as foreign countries, so that Malta can take its place on the United Nations' Security Council for 2023-2024.

Our diplomats will continue participating in various regional and international fora which discuss a good number of subjects of national and global interest, including peace and security in the Mediterranean, immigration, the situation in Libya, Syria, the Middle East, climate change, and ocean protection.

The work carried out by our embassies and missions beyond our shores will continue, not just to provide a useful service to Maltese nationals who live in these countries, and to members of the Maltese public who find themselves in dire circumstances during visits abroad, but also to continue expanding our services through bilateral, multilateral and commercial relationships with foreign countries. This may lead to a number of Maltese companies to export to or expand their operations in foreign markets, giving rise to opportunities for further commercial exchanges.

8.17 European Affairs

Mr Speaker, this Government will continue pushing to get the best deal from the next financial package of European funds covering a seven-year period. Through this investment, under the European Union's cohesion policy, it will be able to continue bettering the quality of life for Maltese families, and further sustaining the growth and consolidation of the Maltese economy.

At the same time, we will consolidate our preparations for every eventuality regarding the United Kingdom's exit (BREXIT) from the European Union through inter-ministerial information campaigns aimed at civil society and the business community.

We will invest in our experts so that we can acquire the best financial package for Malta from the European Union budget negotiations for the next seven years. At the same time, we will strive to reach an agreement about a permanent mechanism for the relocation of migrants – an issue which will remain an absolute priority for the Maltese Government, and which we are confident we will resolve.

9. CONCLUSION

Mr Speaker,

It would have been justifiable for this Budget for 2020 to slow down the pace it had picked up throughout these past seven years with numerous measures which drove our country's economy forward while ensuring that everyone benefitted from this prosperity, to merely consolidate what has already been done.

As is evident, this did not happen. The pace of this Budget is getting faster, and not slowing down. The number of measures presented in this Budget are a testament to this. Expenditure on measures to assist those who are most in need, including the elderly, is reaching record sums. This, with aim of helping anyone who may be at risk of poverty to become truly economically independent. Through this truly social budget, we are improving the quality of life of thousands of families in a tangible way.

At the same time, we are identifying the new challenges of the present day and explaining how we will address them.

Above all, like the one before it, this Budget is keeping spending levels prudent, so that our country need not increase its debt. On the contrary, it is saving up for the future, for our children.

This is being done so that we can compensate for any international risks which may arise and keep them far from our shores.

Indeed, Mr Speaker, this Budget wants us all to keep on prospering - together!

STATEMENT A
REVENUE 2019 : REVISED ESTIMATES COMPARED TO APPROVED ESTIMATES

HEAD	APPROVED ESTIMATE €	REVISED ESTIMATE €	VARIATION + €	- €	REMARKS
TAX REVENUE					
Direct -					
Income Tax	1,869,000,000	1,795,000,000	-	74,000,000	Lower revenue is anticipated by year-end, when compared to the original budget, as shown in the revised forecast based on revenue trends.
Social Security	1,034,000,000	1,064,000,000	30,000,000	-	Higher revenue under Social Security Contributions is expected to materialise in reflection of employment performance.
Indirect -					
Customs and Excise Duties	335,930,000	328,230,000	-	7,700,000	Revenue is expected to increase when compared to the original projections under <i>Petroleum</i> and <i>Tabacco</i> . However, lower receipts are expected under <i>Cement</i> , <i>Plastic Bags</i> and <i>Construction components and other fixtures</i> .
Licences, Taxes and Fines	388,915,000	402,570,000	13,655,000	-	Increases over the original estimates are expected by year-end mainly under <i>Gaming Taxes</i> and <i>Duty on Documents</i> . However, lower receipts are expected under <i>Motor Vehicle Registration Tax</i> .
Value Added Tax	944,000,000	1,010,000,000	66,000,000	-	An increase in <i>Value Added Tax</i> is anticipated by year-end, as a result of further improvement in performance when compared to the assumptions factored into the original budget.
TOTAL TAX REVENUE	4,571,845,000	4,599,800,000	27,955,000		

STATEMENT A
REVENUE 2019 : REVISED ESTIMATES COMPARED TO APPROVED ESTIMATES

HEAD	APPROVED ESTIMATE €	REVISED ESTIMATE €	VARIATION + €	REMARKS
NON-TAX REVENUE				
Fees of Office	70,909,000	79,913,000	9,004,000	The increase over the originally projected amounts arises mainly from the <i>Individual Investor Programme</i> , and the <i>Residency and Visa Programme</i> .
Reimbursements	42,077,000	43,814,825	1,737,825	Higher receipts from <i>Non-Contributory Social Assistance</i> , <i>Reimbursement of Pensions by Public Entities</i> , and <i>Indirect Cost related to EU projects</i> are expected to materialise by year-end.
Central Bank of Malta	28,000,000	28,000,000	-	
Rents	32,050,000	36,790,000	4,740,000	Higher receipts than originally anticipated at the time of budget preparations reflect increase mainly under <i>Perpetual Leases</i> , <i>Rent of Residential Tenements</i> , <i>Rents of Non-Residential Tenements</i> , <i>Rent of Commercial Tenements</i> .
Dividends on Investment	39,110,000	38,110,000	- 1,000,000	Lower receipts are expected by year-end in reflection of actual dividends which are expected to materialise.
Interest on Loans made by Government	276,000	276,000	-	

STATEMENT A
REVENUE 2019 : REVISED ESTIMATES COMPARED TO APPROVED ESTIMATES

HEAD	APPROVED ESTIMATE €	REVISED ESTIMATE €	VARIATION +	-	REMARKS
	€	€	€	€	
Grants	199,758,000	199,758,000	-	-	
Miscellaneous Receipts	29,788,000	52,573,081	22,785,081	-	Higher receipts are expected to materialise under Proceeds from Auctioning of Emission Trading Units and Premium receivable from sale of MGSs .
TOTAL NON-TAX REVENUE	441,968,000	479,234,906	37,266,906		
TOTAL REVENUE	5,013,813,000	5,079,034,906	65,221,906		

STATEMENT A
REVENUE 2019 : REVISED ESTIMATES COMPARED TO APPROVED ESTIMATES

HEAD	APPROVED ESTIMATE €	REVISED ESTIMATE €	VARIATION + €	- €	REMARKS
NON-ORDINARY REVENUE					
Local Loans	450,000,000	450,000,000	-	-	
Repayment of loans made by Government	2,000	2,000	-	-	
Proceeds from Sale of Shares	889,000	889,000	-	-	
TOTAL NON-ORDINARY REVENUE	450,891,000	450,891,000			
GRAND TOTAL	5,464,704,000	5,529,925,906	65,221,906		

STATEMENT B
RECURRENT EXPENDITURE 2019: REVISED ESTIMATES COMPARED TO APPROVED ESTIMATES

VOTE	APPROVED ESTIMATE €	REVISED ESTIMATE €	VARIATION		REMARKS
			+	-	
	€	€	€	€	
1 Office of the President	5,401,000	4,928,000	-	473,000	Variance is mainly due under the <i>Fondazzjoni tal-President Ghall-Gid Tas-Socjeta'</i> item of the Programmes and Initiatives category which was transferred to the Ministry for Finance.
2 House of Representatives	10,275,000	9,943,000	-	332,000	The lower expenditure under this vote occurred mainly under <i>Rent</i> due to the timing of the new Parliament building handover.
3 Office of the Ombudsman	1,300,000	1,300,000	-	-	
4 National Audit Office	3,500,000	3,500,000	-	-	
5 Office of the Prime Minister	62,497,000	63,142,000	645,000	-	When compared to the original forecast, a variance is anticipated under the Programmes and Initiatives category (mainly under <i>Hosting of International Conferences</i>).
6 Information	1,367,000	1,406,000	39,000	-	
7 Government Printing Press	1,541,000	1,573,000	32,000	-	
8 Electoral Office	7,585,000	7,710,000	125,000	-	
9 Public Service Commission	705,000	707,000	2,000	-	

STATEMENT B
RECURRENT EXPENDITURE 2019: REVISED ESTIMATES COMPARED TO APPROVED ESTIMATES

VOTE	APPROVED ESTIMATE €	REVISED ESTIMATE €	VARIATION		REMARKS
			+	-	
10 Ministry for Health	637,002,000	657,942,000	20,940,000	-	Variance is due to higher expenditure under the Operational and Maintenance Expenses category (<i>Professional Services</i>), the category of Programmes and Initiatives mainly to cover the cost of <i>Medicines & Surgical Materials</i> and <i>Mental Health Services</i> of the Contributions to Government Entities category.
11 Ministry for the Economy, Investment and Small Businesses	20,911,000	21,198,000	287,000	-	Variance is due to higher expenditure under the Operational and Maintenance Expenses category (<i>Contractual Services</i>)
12 Commerce	1,796,000	1,623,000	-	173,000	
13 Ministry for Education and Employment	307,689,000	324,364,000	16,675,000	-	The decrease under Personal Emoluments (<i>Salaries and Wages</i>) and <i>Students' Maintenance Grants</i> under the Programmes and Initiatives category partly contributed to additional uptake under the Programmes and Initiatives category (mainly <i>Church Schools, Learning Support Assistance in Private Schools, and Child Care for All</i>), and <i>Malta College for Arts Science and Technology</i> of the Contributions to Government Entities category.

STATEMENT B
RECURRENT EXPENDITURE 2019: REVISED ESTIMATES COMPARED TO APPROVED ESTIMATES

VOTE	APPROVED ESTIMATE €	REVISED ESTIMATE €	VARIATION		REMARKS
			+	-	
	€	€	€	€	
14 Education	282,947,000	288,168,000	5,221,000	-	Variance is expected under the Personal Emoluments category (<i>Salaries and Wages</i>), and under Programmes and Initiatives category to cover the <i>Extension of School Transport Network</i> .
15 Ministry for Energy and Water Management	89,310,000	92,871,000	3,561,000	-	The Programmes and Initiatives category (<i>Feed in Tariff and Jet A 1 Security Stock Obligation</i>) and <i>Engineering Resources Ltd</i> in the Contributions to Government Entities Category, are likely to give rise to this budget variance by year end.
16 Ministry for European Affairs and Equality	23,779,000	21,807,000	-	1,972,000	Variance is expected under the Personal Emoluments category (<i>Salaries and Wages and Allowances</i>).
17 Industrial and Employment Relations	1,529,000	1,617,000	88,000	-	
18 Ministry for Finance	177,093,000	188,621,000	11,528,000	-	There is a decrease in the Programmes and Initiatives category under <i>Expenditure Reporting Schemes</i> which was partly utilised to cover <i>EU Own Resources, Compensation Payments</i> and <i>Court Judgements</i> occurring during the year. Additional funds were necessary for the <i>Financial Intelligence Analysis Unit</i> in the Contributions to Government Entities category.
19 Economic Policy	1,719,000	1,710,000	-	9,000	

STATEMENT B
RECURRENT EXPENDITURE 2019: REVISED ESTIMATES COMPARED TO APPROVED ESTIMATES

VOTE	APPROVED ESTIMATE €	REVISED ESTIMATE €	VARIATION		REMARKS
			+	-	
	€	€	€	€	
20 Treasury	25,504,000	25,765,000	261,000	-	Expenditure under the Programmes and Initiatives category will be higher than originally forecast in view of the <i>Tax Relief Measure</i> .
21 Public Debt	687,884,000	682,104,000	-	5,780,000	Expenditure under Local Borrowing will be lower than originally forecast in view of <i>Interest (MGS)</i> and <i>Interest (Treasury Bills)</i> . An increase is expected under <i>Early Repayments of MGRSB</i> .
22 Commissioner for Revenue	19,199,000	19,617,000	418,000	-	A variance is expected to occur under <i>Contractual Services</i> of the Operational and Maintenance Expenses.
23 Customs	12,178,000	12,341,000	163,000	-	
24 Contracts	1,857,000	1,778,000	-	79,000	
25 Ministry for Tourism	110,164,000	118,164,000	8,000,000	-	The <i>Malta Tourism Authority</i> under the Contributions to Government Entities category is expected to give rise to the indicated variance by year end.

STATEMENT B
RECURRENT EXPENDITURE 2019: REVISED ESTIMATES COMPARED TO APPROVED ESTIMATES

VOTE	APPROVED ESTIMATE €	REVISED ESTIMATE €	VARIATION		REMARKS
			+	-	
	€	€	€	€	
26 Ministry for Home Affairs and National Security	15,130,000	22,755,000	7,625,000	-	Supplementary funding is required under the <i>Professional Services</i> items of the <i>Operational and Maintenance Expenses</i> category, <i>Detention Services</i> of the <i>Programmes and Initiatives</i> category and under the <i>Agency for Welfare of Asylum Seekers</i> in the <i>Contributions to Government Entities</i> category.
27 Armed Forces of Malta	56,204,000	54,552,000	-	1,652,000	A variance is expected under the <i>Personal Emoluments</i> category (<i>Salaries and Wages</i>).
28 Police	69,349,000	76,420,000	7,071,000	-	Variances under the <i>Personal Emoluments</i> category (<i>Salaries and Wages, Allowances and Overtime</i>) are expected to materialise by year-end.
29 Correctional Services	14,409,000	16,600,000	2,191,000	-	A variance is expected under the <i>Personal Emoluments</i> category (<i>Overtime</i>) and in the <i>Operational and Maintenance Expenses</i> category (<i>Materials and Supplies and Contractual Services</i>).
30 Probation and Parole	1,264,000	1,382,000	118,000	-	
31 Civil Protection	6,624,000	7,722,000	1,098,000	-	A variance is expected under the <i>Personal Emoluments</i> category (<i>Salaries and Wages, Allowances and Overtime</i>).

STATEMENT B
RECURRENT EXPENDITURE 2019: REVISED ESTIMATES COMPARED TO APPROVED ESTIMATES

VOTE	APPROVED ESTIMATE €	REVISED ESTIMATE €	VARIATION		REMARKS
			+	-	
	€	€	€	€	
32 Ministry for Justice, Culture and Local Government	75,463,000	77,519,000	2,056,000	-	Supplementary provisions are required under <i>Salaries and Wages and Allowances</i> , in the Personal Emoluments category, and in the category of Programmes and Initiatives, under <i>Arts and Culture Events and National Celebrations Foundation</i> .
33 Judicial	17,615,000	20,568,000	2,953,000	-	A variance is expected under the Personal Emoluments category (<i>Salaries and Wages, Allowances and Overtime</i>) and under the category of Programmes and Initiatives mainly <i>Summoning and Expenses of Witnesses, Jurors and Experts in Criminal Court Trials</i> .
34 Local Government	50,702,000	50,197,000	-	505,000	A variance is expected under the category of Programmes and Initiatives mainly <i>Separation of Waste Bins and Devolution of Street Lighting</i> .
35 Ministry for the Environment, Sustainable Development and Climate Change	85,942,000	88,447,000	2,505,000	-	Variances are expected under the Personal Emoluments category (<i>Allowances</i>), as well as the <i>Environmental and Resources Authority</i> under Contributions to Government Entities.
36 Ambient Malta	15,398,000	22,937,000	7,539,000	-	Variances are expected under the Personal Emoluments category (<i>Salaries and Wages and Allowances</i>) as well as <i>Landscaping-Malta</i> under Programmes and Initiatives.

STATEMENT B
RECURRENT EXPENDITURE 2019: REVISED ESTIMATES COMPARED TO APPROVED ESTIMATES

VOTE	APPROVED ESTIMATE €	REVISED ESTIMATE €	VARIATION		REMARKS
			+	-	
	€	€	€	€	
37 Ministry for Foreign Affairs and Trade Promotion	34,875,000	32,412,000	-	2,463,000	Savings are expected to be registered under the Personal Emoluments category (<i>Salaries and Wages and Allowances</i>).
38 Ministry for Transport, Infrastructure and Capital Projects	94,081,000	98,985,000	4,904,000	-	Savings are projected in the Personal Emoluments category (<i>Salaries and Wages</i>), which compensate partly for increases under the Programmes and Initiatives category (PSO - <i>Public Transport, PSO Inter-Island Transportation, Dues to Malita Investments</i>), as well as under <i>Lands Authority, and Infrastructure Malta Agency</i> under Contributions to Government Entities.
39 Ministry for Gozo	44,050,000	44,603,000	553,000	-	Savings are projected in the Personal Emoluments category (<i>Salaries and Wages and Allowances</i>) which compensate partly for increases under Operational and Maintenance Expenses category (<i>Contractual Services</i>).
40 Ministry for the Family, Children's Rights and Social Solidarity	95,790,000	97,439,000	1,649,000	-	Higher expenditure is expected in the Personal Emoluments category under <i>Salaries and Wages</i> . Savings are expected under the Programmes and Initiatives category namely <i>Energy Support Measures</i> which partly compensate for the increase in <i>Out of Home Care Programme</i> .
41 Social Policy	352,711,000	360,364,000	7,653,000	-	The excess is mainly due to an increase in the <i>State Contribution</i> under the Programmes and Initiatives category in reflection of higher social security contributions received.

STATEMENT B
RECURRENT EXPENDITURE 2019: REVISED ESTIMATES COMPARED TO APPROVED ESTIMATES

VOTE	APPROVED ESTIMATE €	REVISED ESTIMATE €	VARIATION		REMARKS
			+	-	
42 Social Security Benefits	1,029,440,000	1,004,840,000	-	24,600,000	Savings are expected under the Contributory Benefits Category, mainly <i>Retirement Pensions, Bonus and Widows Pensions</i> and under Non-Contributory Benefit category mainly <i>Children's Allowances, Old Ages Pensions, Social Assistance, and Supplementary Assistance</i> . Supplementary funding is required under <i>In-work Benefit</i> in the Non-Contributory Benefits category.
43 Pensions	113,314,000	101,577,000	-	11,737,000	A variance is expected in the Programmes and Initiatives category, mainly in <i>Pensions and Allowances under the Pensions Ordinance (Cap 93)</i> .
44 Elderly and Community Care	144,276,000	145,351,000	1,075,000	-	Variances are projected under <i>Allowances</i> from the Personal Emoluments category and due to higher take up of services under the Programmes and Initiatives category namely <i>Residential Care in Private Homes</i> .
45 Commissioner for Standards in Public Life	350,000	368,000	18,000	-	
TOTAL RECURRENT EXPENDITURE AND PUBLIC DEBT SERVICING		4,811,719,000	4,878,937,000	67,218,000	-

STATEMENT C
CAPITAL EXPENDITURE 2019: REVISED ESTIMATES COMPARED TO APPROVED ESTIMATES

VOTE	APPROVED	REVISED	VARIATION		REMARKS
	ESTIMATE	ESTIMATE	+	-	
	€	€	€	€	
I Office of the President	675,000	675,000	-	-	
II House of Representatives	1,075,000	825,000	-	250,000	Lower expenditure is expected under <i>Rehabilitation and Adaptation Works</i> .
III Office of the Prime Minister	45,838,000	45,377,000	-	461,000	Higher expenditure is anticipated mainly under <i>ICT, Direct Management Funds and Equipment</i> (Electoral Office). Lower expenditure is anticipated under <i>Buildings and Equipment (OPM), Refurbishment Works at IAID, Esplora and Esplora Natura</i> (Malta Council for Science and Technology) and <i>Buildings and Equipment</i> (Government Printing Press).
IV Ministry for Health	48,806,000	43,742,000	-	5,064,000	Higher expenditure is projected under <i>Connecting Europe Facility</i> and <i>Mater Dei Hospital</i> . Lower expenditure is anticipated mainly under <i>EEA/Norwegian Financial Mechanisms 2014-2021, New Outpatients Department and Mount Carmel Hospital</i> .
V Ministry for Economy, Investment and Small Businesses	36,445,000	45,021,000	8,576,000	-	Expenditure under this Vote is expected to be higher mainly due to additional funds required for <i>Structural Funds 2014-2020, Investment Incentives and Gozo Fibre Optic Cable</i> . Lower expenditure is envisaged under <i>Taxi Way at Safi Aviation Park</i> .

STATEMENT C
CAPITAL EXPENDITURE 2019: REVISED ESTIMATES COMPARED TO APPROVED ESTIMATES

VOTE	APPROVED	REVISED	VARIATION		REMARKS
	ESTIMATE	ESTIMATE	+	-	
	€	€	€	€	
VI Ministry for Education and Employment	84,335,000	86,781,000	2,446,000	-	Expenditure is anticipated to be higher mainly under <i>ICT, Works and Equipment at Voluntary Centres and Information Technology in Government Schools</i> which will be partly offset by lower expenditure than planned under MCAST Capital Programme.
VII Ministry for Energy and Water Management	34,390,000	43,346,000	8,956,000	-	Higher expenditure is anticipated mainly under <i>Cohesion Funds 2014-2020</i> , and <i>Buildings and Equipment</i> (Ministry).
VIII Ministry for European Affairs and Equality	62,397,000	53,296,000	-	9,101,000	Lower expenditure is anticipated mainly under <i>European Maritime and Fisheries Fund 2014-2020</i> , <i>Internal Security Fund - Borders and Visa</i> and <i>Internal Security Fund - Police</i> .
IX Ministry for Finance	43,326,000	50,876,001	7,550,001	-	Higher expenditure is expected mainly under <i>ICT Direct Management Funds, Buildings and Equipment</i> (Ministry), <i>Investment -Equity Acquisition</i> and <i>Securities Markets Programme</i> . Lower expenditure is anticipated under <i>Hercule III Programme 2014-2020</i> (Ineligible Costs).

STATEMENT C
CAPITAL EXPENDITURE 2019: REVISED ESTIMATES COMPARED TO APPROVED ESTIMATES

VOTE	APPROVED ESTIMATE		REVISED ESTIMATE		VARIATION		REMARKS
	€		€		€		
X Ministry for Tourism	28,160,000		24,439,000	-	3,721,000		Expenditure is expected to be higher mainly due to additional funds required for <i>Structural Funds 2014-2020</i> . Lower expenditure is envisaged under <i>Foundation for Tourism Zones, Film Industry Incentives, Regeneration Works and Corradino Rugby Complex</i> .
XI Ministry for Home Affairs and National Security	37,064,000		29,639,000	-	7,425,000		Lower expenditure is anticipated under <i>ICT, and Buildings and Equipment (AFM and Civil Protection)</i> . Expenditure is expected to be higher under <i>Direct Management Funds</i> .
XII Ministry for Justice, Culture and Local Government	23,798,000		23,294,000	-	504,000		Additional expenditure required under <i>ICT, Buildings and Equipment (Ministry)</i> , the restoration of the facades and civil works at <i>Admiralty House and Civil Generation Works (Consultative Council for the South)</i> . Lower expenditure than originally anticipated is expected to materialise mainly under <i>Structural Funds 2014-2020, EEA/Norwegian Financial Mechanisms 2014-2021, Concert Hall, Jesuits Church and Local Councils Capital Projects</i> .

STATEMENT C
CAPITAL EXPENDITURE 2019: REVISED ESTIMATES COMPARED TO APPROVED ESTIMATES

VOTE	APPROVED ESTIMATE €	REVISED ESTIMATE €	VARIATION		REMARKS
			+	-	
	€	€	€	€	
XIII Ministry for the Environment, Sustainable Development and Climate Change	66,460,000	52,245,000	-	14,215,000	Additional expenditure is envisaged mainly under <i>Cattle Sheds</i> . Lower expenditure is anticipated under <i>Life+ Programme, European Maritime and Fisheries Fund 2014-2020, European Agricultural Guarantee Fund 2014-2020</i> and <i>WasteServ Malta Ltd</i> . Furthermore expenditure under various projects being implemented by Ambient Malta is expected to be lower while additional funds are required for <i>Gnien I-Gharusa tal-Mosta</i> and <i>Zabbar Regional Park</i> .
XIV Ministry for Foreign Affairs and Trade Promotion	2,780,000	2,780,000	-	-	
XV Ministry for Transport, Infrastructure and Capital Projects	121,485,000	125,358,000	3,873,000	-	Higher expenditure under this Vote is expected mainly under <i>Structural Funds 2014-2020, Cohesion Fund 2014-2020, Connecting Europe Facility, Buildings and Equipment (Ministry), Enhancement of Public Areas, Upgrading works at Main Touristic areas and Repairs to Government Tenements</i> . This is compensated by lower expenditure which is expected primarily under <i>European Maritime and Fisheries Fund 2014-2020, Road construction/improvements, Acquisition of Property for Public Purposes</i> and <i>payments related to Home Ownership Scheme</i> .

STATEMENT C
CAPITAL EXPENDITURE 2019: REVISED ESTIMATES COMPARED TO APPROVED ESTIMATES

VOTE	APPROVED	REVISED	VARIATION		REMARKS
	ESTIMATE	ESTIMATE	+	-	
	€	€	€	€	
XVI Ministry for Gozo	12,796,000	13,356,000	560,000	-	Higher expenditure is expected under Buildings and Equipment (Ministry), Roads and Gozo Aquatic Centre. Lower expenditure is envisaged mainly under <i>Development of the Government Experimental Farm in Gozo, Upgrading of St Francis Square and Xlendi Regeneration (including Cruise Liner Facilities)</i> .
XVII Ministry for Family, Children's Rights and Social Solidarity	22,763,000	23,500,000	737,000	-	Additional expenditure required under <i>ICT and Buildings and equipment</i> (Ministry). Lower expenditure is anticipated mainly under <i>EEA/Norwegian Financial Mechanisms 2014-2020, Detox Centre - Relocation and Therapeutic Unit</i> .
TOTAL CAPITAL EXPENDITURE	672,593,000	664,550,001	-	8,042,999	