

**Malta** li rridu għal vliedna.

BUDGET  
SPEECH  
2022

**CLYDE CARUANA**  
MINISTER FOR FINANCE AND EMPLOYMENT



**GOVERNMENT OF MALTA**  
MINISTRY FOR FINANCE  
AND EMPLOYMENT

# **Budget Speech**

# **2022**

Hon. Clyde Caruana  
Ministry for Finance and Employment  
Malta  
11th October, 2021

Published by the  
Ministry for Finance and Employment,  
South Street,  
Valletta  
VLT 1102

Tel.: (+356) 25998259

Website: <http://www.mfin.gov.mt>

### **Cataloguing-in-Publication Data**

**Malta.** Ministry for Finance and Employment  
Budget Speech, 2022 / Clyde Caruana.  
Valletta: Ministry for Finance and Employment, 2021

ISBN: 978-99957-58-54-7

1. Budget - Malta

I. Title

II. Clyde Caruana

This publication is available from the  
Department of Information,  
3, Castille Palace,  
Valletta  
VLT 2000

Tel.: (+356) 22001700

Printed at the Government Press

Price: **€2.00**

# Contents

	page
1. A Valiant Malta .....	1
2. A Socially Conscious Malta.....	5
3. A Hardworking Malta.....	27
4. An Ambitious Malta.....	38
5. A Malta that is Pleasant to Live In.....	56
6. A Modern Malta.....	70
7. A Healthy Malta.....	80
8. A Just Malta.....	85
9. The Malta of Tomorrow.....	92



# 1. A Valiant Malta

The 9th of March 2020 was the day when, in Northern Italy, 25 million people went into lockdown. It was also the day when we as Maltese people and we as a Government, along with the rest of Europe, realised that this disease that was spreading in China and which we had been hearing about in the news, was no longer a remote concern but was now among us.

Within a short time, we had to understand what was happening. We had to face the reality of what was looming over us. We realised that this would be the challenge of our generation.

Who would have thought that, two months into the new administration, we would be facing such a major challenge warning us that thousands of Maltese and Gozitan people might die if we did nothing, and where we had to consider closing our airport and, along with it, a third of our country's economy.

Who would have thought that we would be discussing issues such as whether the country would have sufficient food resources, and from where could we source oxygen, medical equipment and medical supplies without which many people, especially our elderly – our parents and grandparents – would die.

No Prime Minister in Malta's history has had to deal with the decisions that faced our current Prime Minister in his first hundred days in office. I am proud to say that, not only were these challenges faced, but together we did a far better job than other countries that are much larger than us.

Had we not held fast, and had we bowed down to the pressure of those who wanted to bring the country to a grinding halt, we would have spent eighteen months in lockdown.

Had we listened to the advice of those who told us that granting assistance to businesses would be money down the drain, today we would have thousands of jobless people.

Had we done what the Nationalist Government did ten years ago, we would have told you it is what it is; we would have let you sink and handed you five lightbulbs for your home.

But we did not do that. Let the people judge those who left the country on its own, and those who, with a stroke fifty times as strong, were there to save businesses, workers and the country.

Because we were there, the labour market remained strong. The employment rate (20-64 years) in Malta in 2019 stood at 76.8%, while in the first quarter of 2021 this rate increased to 77.3%. The average employment rate in the European Union (EU27) throughout this period fell by 1.7 percentage points, whereas Malta's corresponding figure increased by 0.5 percentage points.

Furthermore, Malta's unemployment rate stood at 3.6% in 2019 and fell to 3.2% in August 2021, while the average unemployment rate in the European Union increased from 6.7% to 6.8%. In 2019, the rate of inactive population in Malta stood at 24.1%, decreasing to 23.0% in the first quarter of this year. This means that the reduction in the unemployment rate was not reflected as an increase in the inactive population rate.

Were we perfect? Which Government in the world was? Yet generally our country acted prudently all along. No limits were imposed on the health budget. Spend whatever is necessary, we said, because now is the time to save lives. Perhaps we do not really appreciate what we had, and what we still have. Even simply taking a COVID-19 test while having no symptoms was free and fast. The same goes for the vaccination programme; we started before everyone else and became the best in Europe.

As in the Second World War, our country shone through the hardest moments. We can never be grateful enough to the Maltese and non-Maltese health care workers, the volunteers who provided support, our fellow Maltese who helped their elderly neighbours, all employees, from supermarket cashiers to the disciplinary corps who worked in impossible circumstances. All these people worked long hours so that this country could keep going.

This country is proud of you and grateful to you.

Other countries experienced drastic increases in unemployment and business failures, but in our country, we did not just settle for saving people's lives; we wanted to save their livelihoods as well.

It is for this reason that this Government spent €1.5 billion for employees to safeguard their job. This tiny country, which is so mired in darkness according to the Opposition, was a role model for much larger countries, in this area as well.



The Malta that we want to leave to our children is the Malta that showed its face during the pandemic. A Malta with a social conscience, a hardworking Malta, and a fearless Malta.

This was the inspiration that guided this Budget, which will be presenting among the largest number of social measures ever seen in our country. This Budget will focus on the importance of economic development through investment in our country's greatest resource our human capital - our people. Economic development must take place hand in hand with environmental development, and thus in this Budget we will also announce the largest financial package the Government has ever voted for the environment and sustainability.

Health will remain a priority, but we must also keep strengthening the justice, governance and security pillars.

We will not promise you heaven on earth, but we promise you that we will work with genuineness and determination so that the Malta that you want your children to inherit is made a reality.

## **2. A Socially Conscious Malta**

We believe that when a country is in a difficult situation, not only should one refrain from speaking with relish about higher utility bills, but it is the Government's duty to help and support the people through such tough times.

And help and support is precisely what we will provide.

Mr Speaker, the following is a list of increases in the social sphere that this Government is in a position to announce in this Budget:

### **2.1 Pension increases**

We will grant increases to all social security pensioners, at a cost of €24 million. 95,000 people who are in receipt of a retirement pension, a widows' pension, an invalidity pension or a non-contributory age pension will benefit from an increase of €260 per year, or €5 per week, of which €1.75 will be the Cost of Living Adjustment (COLA) and €3.25 is the additional increase.

### **2.2 Increased supplementary allowance**

In addition, we are increasing the supplementary allowance for all those entitled to this benefit, that is pensioners, elderly persons and also persons who are in employment as long as they do not have children under 16 years of age.

Married persons or couples whose income in 2022 does not exceed €14,318 will be receiving an increase in their benefit

ranging from €3.47 to €6.50 per week depending on their income.

Single persons, including widowed persons, whose income in 2022 does not exceed €10,221 will receive an increase ranging between €4.10 to €5.00 per week.

In all, this will benefit nearly 29,000 persons, at a cost of €5.6 million per year.

This means that, by way of increases in pensions and supplementary allowances, many pensioners will see their income rising by over €500 each year. This increase is equivalent to an extra pension cheque over the year.

### **2.3 Adjustment of tax exemption on pension income**

We are raising the maximum amount of exempt pension income to €14,318 so that the pension increases we are granting are not taxed.

Couples receiving a pension and opting for a married computation will be entitled to a further €3,600 in tax-exempt income from other sources.

### **2.4 Adjustment of widows' pension**

We will gradually adjust the widows' pension rate to equate it to that previously received by their late spouse, and subsequently

they would keep receiving all increases granted by the Government.

As a result, in 2022, 12,000 pensioners will benefit from a maximum weekly increase of €5, with a total expenditure of €3.3 million.

This means that pensioners who are on a widows' pension and whose income does not exceed €10,221 will be getting increases ranging from €10 to €15 per week, equivalent to between €520 and €780 annually.

## **2.5 Benefits for service pensioners**

We are once again increasing by €200 the portion of the service pension that will not be taken into consideration for the purposes of the social security pension assessment, such that the exempted amount for next year will increase to €3,066.

Service pensioners who are over 72 years of age, or who will reach the age of 72 during the year, will benefit from a further improvement in their social security pension, as the portion commuted into a gratuity will not be taken into consideration at all in their pension calculation.

As a result, we will have completely fulfilled our promise to improve service pensions.

This will benefit 3,250 service pensioners at a total expense of €2.7 million.

## **2.6 The cost of living bonus to be paid in full to all pensioners**

The cost of living bonus will be gradually paid in full to all pensioners who retired after 2008.

Thus in 2022, 43,000 pensioners will benefit from a maximum increase of €2.50 per week or €130 per year, at a cost of €2.5 million.

## **2.7 A further increase for elderly persons who do not qualify for a contributory pension**

We are granting an increase of €150 in the annual bonus for persons who have reached their retirement age but who do not qualify for a pension due to insufficient contributions.

As a result, the bonus payable to those with less than five years' contributions will increase to €400 per year, while that for persons with over five years' contributions will increase to €500 per year.

About 12,500 persons, mostly women, will benefit from this increase at a total expenditure of almost €2 million.

This will be the fourth and largest increase in this bonus since we introduced it in 2015.

## **2.8 More free medicines and medical treatments**

The Government will continue to extend its formulary list by including:

- Oncology medicines for the treatment of various cancer types
- Osteoporosis treatment that will benefit around 20,000 patients
- New medicines for the treatment of circulatory diseases, to benefit around 7,000 patients
- Psychiatric medicines that seeks to address the needs of around 5,000 patients and reduce the duration of hospital stays for psychiatric treatment
- New medicines for the treatment of fibromyalgia which will help around 2,600 beneficiaries
- Treatment of anaphylaxis, which is a severe allergic reaction that is potentially life-threatening, for the benefit of around 1,400 patients. This treatment is to be provided in 325 schools to be administered to students in cases of emergency.
- Treatment for patients suffering from inflammatory diseases
- New medicines for the treatment of rare diseases
- Free medicines for IVF patients

## **2.8 Free medicines for persons aged 80 or over who benefit from the supplementary allowance**

As from next year, elderly persons aged 80 or over who benefit from the supplementary allowance, as their income is below a certain level, will be eligible for free medical assistance (commonly known as the Pink Form, “il-Karta r-Roża”).

This will now apply without the need for such elderly persons to undergo a means test.

As a result, around 4,500 elderly persons will start benefiting from free medicines for the first time.

## **2.9 Increase in the grant for elderly citizens**

We will increase the grant for elderly persons aged 80 years or over, who are still living in the community or in a private care home, by €50 so that the grant will now reach €400 per year.

About 21,000 elderly persons will benefit from this increase, at a cost of €1 million.

May I remind you that this grant starts being paid at €300 yearly as soon as an elderly person reaches 75 years of age. Persons who benefit from the grant for those who do not qualify for a contributory pension but have paid some contributions, will receive both grants together.

## **2.10 Increase in the childbirth and adoption bonus**

We are increasing the bonus granted upon the birth or adoption of a child, which we introduced last year. The increase will be of €100, taking the bonus up from €300 to €400. Around 4,000 parents are expected to benefit from this bonus.

## **2.11 Increase in the disabled child allowance**

We are increasing the disabled child allowance by €5, which will benefit around 1,700 families, at a total cost of €0.5 million. As a result, the allowance will reach €1,560 yearly.

The new rate will be almost double that paid in 2013. In fact, over the past eight years and including next year's increase, we will have raised this allowance by over €13 weekly, or €676 annually.

## **2.12 Increase in the grant for carers of persons with a severe disability**

We are also increasing the Carer Grant paid for taking care of a person with a severe disability, which we introduced for the first time in last year's Budget. This grant is increasing by €300, from €200 to €500.

To date, about 450 parents have benefited from this grant.

## **2.13 More help to people on social assistance**

We will give the full cost of living allowance to persons who rely on social benefits.

This means that about 7,000 beneficiaries of social assistance will start receiving the full Cost of Living Adjustment, and not two-thirds of the compensation amount as was the case up to now.

We will also be introducing a new procedure whereby persons without a fixed address who receive a professional service from



the FSWS will be granted social assistance, under constant supervision, so they can be better assisted in their needs until they join the workforce and eventually find a place to live.

## **2.14 Increase in the Carer at Home benefit**

We are increasing the annual Carer at Home benefit from €6,000 to €7,000.

This measure will continue to make it easier for elderly persons to remain in the community while at the same time supporting informal carers to remain active in the workforce.

750 people benefit from this scheme, and the additional expense will be of nearly €1 million.

## **2.15 Increase in the subsidy rate of the Home Helper of Your Choice scheme**

We will also raise the subsidy rate of the Home Helper of Your Choice scheme, from €5.50 to €7 per hour, and hence incentivise more elderly persons to choose their own helper.

## **2.16 Addressing past injustices**

For the coming year, we are also allocating about €11 million to continue delivering on our promise to those who have suffered injustices in the past. These funds will finance grants being handed out under three different schemes.

These are earmarked for ex-port workers, former members of the forces (korpi), student workers and apprentices who joined the public sector after 1979, to ex-workers of the Gas Board, and to Malta Electricity Board apprentices who moved to Enemalta Corporation when this was set up in 1977.

Heirs of persons eligible under the three schemes will also benefit from these grants.

Mr Speaker, the measures that I have just announced make up a total increase of almost €70 million.

To those who were thinking that the Government was starting to run out of steam, we say that, not only are we not out of steam, but we have not even started yet.

## **2.17 Justice for pensioners upon inheritance distribution**

Mr Speaker,

Each year, according to law, payment of non-contributory pensions is halted in cases where there is an inheritance distribution, especially when this is in the form of donations to one's children.

We will be proposing amendments to the law such that persons who receive an inheritance and who have been receiving a non-contributory pension for at least five years will have their capital limit increased from €23,300 to €50,000 for married persons and from €14,000 to €30,000 for single persons.

Furthermore, donations up to a maximum of €20,000 granted to one's children in a formal and legal manner, including donations of the airspace overlying property owned by the pensioner, will be excluded from the calculation of the pensioner's capital.

These are situations which are relevant only to a small number of cases each year, but we believe that nobody should be left behind.

This is truly the social conscience of this Government, Mr Speaker.

## **2.18 Pension implications in separation cases**

We acknowledge that a number of married persons, especially women, are finding themselves in a difficult situation with regard to their pension entitlement if they become separated at a relatively older age. This happens mainly when one of the spouses, very often the woman, would have been out of the workforce for a long time in order to take care of the household and the family, resulting in missing contributions for the purposes of the pension calculation.

The Government is currently considering proposals for this situation to be addressed in a way that social justice is served to both spouses. We plan to give further details on this throughout the coming year.

## **2.19 Further benefits for those who are not on a pension yet**

This year we made amends to over 800 individuals, mostly women, who became eligible for a reduced retirement pension by taking into consideration the social security contributions they had paid when they were in employment before reaching 19 years of age.

Nonetheless, there are still around 1,200 persons who paid at least ten years' contributions but are not yet entitled to a pension as they did not pay any contributions from January 1979 onwards. These individuals will also become eligible for the equivalent of the minimum two-thirds pension rate amounting to about €50 weekly, representing a total outlay of €3.2 million.

Persons who, according to official records, were in employment before the Employment and Training Corporation was set up in 1990 but no records are available as to any social security contributions paid during their employment, will be given the opportunity to pay up to five years' missing contributions for the periods during which, according to official records, they were employed.

Furthermore, persons who have reached 59 years of age, have missing social security contributions and receive an invalidity pension, will also be entitled to pay up to five years' outstanding contributions.

## **2.20 Measure for the benefit of part-time employees with more than one job**

To help current employees get a better pension when they retire, we will be giving them the opportunity to start making social security contributions on more than one part-time job, up to a maximum of 40 hours per week. This measure will potentially benefit about 10,000 employees.

## **2.21 Payment of medical assistance to invalid persons living with their parents**

Persons under 61 years of age who live with their parents and receive an invalidity pension are eligible for medical assistance if they satisfy a number of conditions related mainly to their and their parents' capital income. If a person is eligible, the benefit is paid to the parents and not to him or her. This anomaly will be removed so that, in such cases, each applicant is considered separately, when only his or her income and capital are taken into account, and payment of the benefit is made directly to the applicant.

## **2.22 Removal of means test for severe disability assistance**

As a result of the reforms in recent years in the disability sector, the Government has introduced new benefits and boosted them through improvements in their conditions in order to provide more support to persons with disability and their families. This was done by, amongst other things, introducing three different benefit levels, with the highest level not being bound by a means test.

However, eligibility for the other two benefit levels is still dependent on a means test requirement for income that is not derived from employment. It is my pleasure to announce that this income means test will also be dropped as from January, such that no disability assistance will be subject to a means test.

### **2.23 Individuals entitled to an injury pension**

As from January 2022, we will be removing the legal restrictions affecting persons who suffer from a disability due to an injury on duty and who keep on working, to the effect that, as long as they continue working and receiving the injury pension, no deductions will be applied to any future benefits relating to sickness, unemployment or injury on duty for which they might be eligible.

### **2.24 Assistance for vulnerable children**

We are aware that our schools offer some respite for many unfortunate social realities. While poverty has declined significantly, it still exists. This Government continues to be committed to provide social mobility for everyone, but until this aim is reached we can never ignore children living in such circumstances. For this reason, we will be giving out a grant averaging €10,000 annually to the heads of all state schools, from kindergartens to secondary schools, with an outlay of €1 million which might be augmented if necessary, in order to ensure that the children under their supervision are not deprived from necessities such as food or other basic resources. We will ensure that these funds are available for use, while trusting the judgement of the heads of our schools.

Mr Speaker, we are doing this because we believe that, if there is just one boy or girl who experiences hunger in a relatively affluent society such as ours, we would have failed in our moral obligations as human beings. We believe in the principle of handing out fishing rods rather than fish, but we also believe that the vulnerable among us who need help right now, should be helped right now.

### **2.25 Enhancement of the scheme on exemptions / reductions related to vehicles for persons with disability**

In this Budget we are proposing amendments to two categories of the scheme involving exemptions or deductions related to vehicles used by persons with disability, so that more persons with special needs become eligible. Further details about these amendments are set out in Table 2.1.

### **2.26 Scheme for persons with disability who need occupational therapy**

Over 1,300 children with disability, from birth to 5 years of age, who require a clinical occupational therapy service, will benefit from this scheme. This will lead to a reduction in the waiting list of children awaiting their turn for an occupational therapy service. Every family who falls in this category will receive a number of vouchers to be used for occupational therapy services in the private sector. In this way we would be meeting the early intervention aim for children with disability.

## **2.27 Investment for more schools to have Autism Units and Braille machines**

We will keep investing to increase the number of schools with Autism Units. We will also invest in Braille machines to enhance multisensory learning and explore how to raise awareness about learning sign language, even among the students and educators themselves.

## **2.28 Investment to continue helping children with disability beyond their post-secondary education**

We will be working so that, over a number of years, the services currently provided to these students while attending compulsory education, will continue to be provided to those who decide to further their studies beyond post-secondary education.

## **2.29 Community Hub service for persons with disability**

A Community Hub service will be introduced in the Northern part of Malta, where persons with disability would be able to undergo specialised training on various aspects related to independent living.

## **2.30 Extension of psychologist services for persons with disability and their relatives**

Apart from this, we are kicking off an extension of the psychologist services for persons with disability and their relatives to continue facilitating timely assistance with the least possible delay.



### **2.31 Purchase of ‘drive from wheelchair’ vehicle including specialised training for a number of driving instructors**

A “drive from wheelchair” vehicle will be purchased to enable persons with disability to access driving lessons and thus keep improving their level of independence. Specialised training will also be delivered to several driving instructors so that these would be able to provide instruction to persons with disability.

### **2.32 Continuation of the INK project**

In 2022, we will keep building on the work started by the INK project, which was partly financed from the European Social Fund, to keep providing training and work experience opportunities with pay for persons with disability.

### **2.33 Further investment in St Vincent de Paul Residence**

A specialised CT scan facility will be installed within the Ružar Briffa Complex at the St Vincent de Paul Long Term Care Facility, as part of the Day Hospital project. This is by way of a continuation of the project that was launched in September consisting of the provision of an X-Ray machine within the same complex. Such interdisciplinary geriatric services will be open to elderly persons living at the same residence, as well as to older persons in the community. Another measure is the setting up of a garden for persons with dementia at the St Vincent de Paul Residence. This garden will be designed in such a way as to address the specific needs of persons at different stages of this condition.

## **2.34 Housing**

### ***2.34.1 “Nikru biex Nassistu” scheme***

The Housing Authority’s waiting list for alternative accommodation has gone down to under 1,800 persons, while the rate of new applications has halved.

This is the result of the allocation of around 700 apartments for social accommodation, out of existing stock as well as through schemes, such as the “Nikru biex Nassistu” scheme, whereby apartments are being rented from the private sector.

Over the coming year, this initiative is expected to reach about 680 families to whom housing will be allocated as a result of the “Nikru biex Nassistu” scheme.

### ***2.34.2 Intergenerational housing project***

The project for regeneration of dilapidated property, which forms part of the programme introduced earlier in this legislature, is bearing fruit. Indeed, to date there are over 30 apartments being used by the Government for social purposes.

Furthermore, the programme for regeneration, improvement and embellishment of existing social accommodation blocks has continued. Extensive work has been undertaken on facades and common areas, and this has continued to improve the residents’ standard of living. This is coupled with repairs and maintenance carried out in private homes, which over this year added up to 125 interventions, and works aimed at making homes safer and more

accessible for persons with disability or with mobility challenges, accounting for 123 interventions during the current year.

Over and above this, the first intergenerational housing programme in Malta will commence operations in 2022. This will accommodate about 80 residents – elderly and young persons – and is being located in a building which has been given a new lease of life as part of this programme.

### ***2.34.3 Introduction of the Care Plan project***

The programme for the construction of 500 apartments, financed through funds from the European Investment Bank and the Council of Europe Development Bank, is now in its final phase. Meanwhile, work is proceeding swiftly on the construction of almost 700 apartments, with the investment being partly sourced from the National Development and Social Fund (NDSF).

This year the Housing Development Fund has launched a study about the introduction of Care Plan, a semi-specific programme aimed at addressing the particular needs that cause people to resort to social housing. In this way we would be able to continue addressing such specific needs, while fighting dependence and promoting social mobility.

We plan that, over a number of years, this Care Plan would be extended to all applicants and beneficiaries of social accommodation.

#### ***2.34.4 Extension of the Equity Sharing Plus scheme***

The Housing Authority has been instrumental in increasing access to the property market for low- and medium-income groups. The number of beneficiaries of the Equity Sharing scheme, which is open to people aged 40 and over and where the Government takes up to a maximum of 50% of the property value, has continued to increase.

This scheme is now being extended and made available to persons aged 30 and over, in order to improve this group's access to the property market and enable them to own their homes. As a result, what is currently the case for eligible persons aged 40 plus will now apply also to people aged 30 and over, with Government taking up a maximum of 50% of the property value along with the buyer.

In the meantime, other schemes that help young people become the owners of their homes, such as the scheme relating to the 10% deposit on the signing of a promise of sale, which has had over 200 beneficiaries to date, will remain open.

Similarly, the Home Assist scheme will remain in force to help low-income persons and couples to secure bank loans.

In order to offer more possibilities and different alternatives for couples to buy their own property, we will be exploring the possibility of creating a fund offering favourable rates and easier payment terms for low-income couples.

### ***2.34.5 Investment in the Foundation for Affordable Accommodation***

The Government has entered into an agreement with the Archdiocese of Malta for the two entities to establish the Foundation for Affordable Accommodation. This foundation will draw up programmes for affordable accommodation and ensure a permanent supply of adequate housing that is within the reach of people in different income categories. The main target category of this foundation will consist of people whose income falls outside the eligibility criteria for social accommodation but is not high enough to enable them to access the property market without support.

In agreement with the Archdiocese of Malta, the Government will be contributing the sum of €300,000 per year to cover the administration and operational costs of this foundation.

### ***2.34.6 Reduction of tax on the sale and purchase of property previously rented out at affordable rates***

The Government will reduce by half the tax rate payable in respect of the first €200,000 on the sale and purchase of property previously rented out, for at least ten years, to tenants eligible for the Rent Benefit at affordable rates as issued by the Housing Authority. If the property is sold to the tenant, no tax will be payable on the sale and purchase of the property.

If the property has been rented out for less than ten years but more than three years, at affordable rates and for use as the tenants' primary residence, the tax on the sale and purchase of the property will be reduced by half.

### ***2.34.7 Subsidy on structural adaptation works***

The Housing Authority's intervention in the market in its regulatory capacity is leaving a positive impact. In fact, since the coming into force of the private rental market regulations in 2020, more than 40,000 contracts have been registered, with hundreds of disputes being resolved within a set number of days in accordance with the law by the Rent Dispute Resolution Panel within the Housing Authority.

With regard to controlled leases, the value of the property eligible for a subsidy for structural adaptations of dangerous structures in houses leased before 1 June 1995 will be increased to €250,000. Thus, a subsidy of up to €25,000 will be granted, and at the same time more beneficiaries will become eligible.

### ***2.34.8 New Hope guarantee***

By virtue of a back-to-back €3 million guarantee from the National Development and Social Fund (NDSF), the Housing Authority is offering an alternative to a life insurance policy for persons who, due to past medical conditions or a disability they live with, could not obtain such a policy and were thus unable to become homeowners.

**Table 2.1: Amendments to the Scheme on Exemptions/ Reductions related to Motor Vehicles for Persons with Special Needs**

	Vehicle of a person whose disability precludes him/her from driving		Vehicles of the parents (carers) of the person with special needs, or first-degree family members or the spouse of the person with special needs	
<b>Standard vehicles</b>			Exemption from payment / reduction in the vehicle's annual circulation licence fee	Note
<b>Standard vehicles with modifications</b>	Exemption/reduction in registration tax	€850		
	Exemption/reduction in import duty	€1,700		
	Exemption/reduction in value added tax	€1,700		
			Exemption from payment / reduction in the vehicle's annual circulation licence fee	Note
<b>Automatic vehicles</b>	Exemption/reduction in registration tax	€1,200		
<b>Automatic vehicles with modifications</b>	Exemption/reduction in registration tax	€1,200	Exemption/reduction in registration tax	€1,200
	Exemption/reduction in import duty	€2,400	Exemption/reduction in import duty	€2,400
	Exemption/reduction in value added tax	€2,400	Exemption/reduction in value added tax	€2,400
			Exemption from payment / reduction in the vehicle's annual circulation licence fee	Note

**Note**

Standard vehicles and automatic vehicles registered after 1 January 2009: no annual circulation tax is payable for the first five years from the year of manufacture, and as from the sixth year, 50% of the annual circulation tax applies. These fees are applicable for petrol-engine vehicles with CO<sub>2</sub> emissions up to 180g/km, and for diesel-engine vehicles with CO<sub>2</sub> emissions up to 150g/km. The annual circulation tax is payable in full if the vehicle's emissions exceed the mentioned levels.

Standard vehicles with modifications and automatic vehicles with modifications: no annual circulation tax is payable for the first five years from the date of registration, and as from the sixth year, 50% of the annual circulation tax applies. These fees are applicable for petrol-engine vehicles with CO<sub>2</sub> emissions up to 180g/km, and for diesel-engine vehicles with CO<sub>2</sub> emissions up to 150g/km. The annual circulation tax is payable in full if the vehicle's emissions exceed the mentioned levels.

### **3. A Hardworking Malta**

Mr Speaker,

If there is one area in which this Government has established credibility over the past eight years, it is in ensuring that Malta registers steady economic growth in order to create wealth. The money needed to bring about greater social mobility, reduce poverty and invest in the social and health sectors, does not grow on trees. Money is forthcoming when the economy prospers.

However, today we are being told that, while it's good to create work and wealth, we also need to ensure that our country remains a pleasant place to live in. This is because the strong economic growth registered in recent years has brought about new challenges that are altogether different from those we had in 2013. For this reason, economic growth must not be the sole indicator, and money must not be the sole measure of success. Greater emphasis needs to be placed on economic development.

Here I would like to explain the difference between economic growth and economic development, so that we can all clearly understand the vision that underpins this Budget. Economic growth measures the increase in the production of goods and services in the economy. Thus, economic growth is an indicator that measures the increase in national income, meaning that as an indicator it is more quantitative than qualitative. The economic development indicator does not measure just the national income, but also qualitative aspects including improvements in the quality of life, by considering among others, factors such as the rate of early school leaving and life expectancy.



In this context, this Budget is intended to improve economic development combined with environmental sustainability.

### **3.1 Investment in human capital**

The economic development of a country requires the Government to invest in the resources that produce goods and services. The factors of production are made up of four categories that include land, labour, capital and entrepreneurship. These factors make up the foundation of the economy.

When we speak about capital, we must make a distinction between physical capital, that is the investment in the country's infrastructure, and human capital, which represents the skills, education levels and the training of the people in the job market. When a country invests in labour, it would be investing in the quantity of this resource, meaning it would be seeking to reduce the unemployment rate and create more jobs. But investment in human capital goes beyond this, because it is an investment in workers' skills, knowledge and experience.

Over the years, this Government has invested in the worker and as a result, we are registering among the highest employment rates and the lowest unemployment rates in our history, and also in comparison with other European countries.

But now is the time to focus on our investment in human capital.

Advanced countries are in a race against time to calibrate their economies to the new sectors of technology and the green

economy. Technology and the green economy are the future. We must accept this reality so we can be prepared for it. What is more, if we invest early in these areas, we will become more competitive and more dynamic than other countries. However, to succeed in these areas we must first and foremost invest in the skills of our workers.

You can be the richest country in the world, but if your people do not have the skills of tomorrow, everything will be lost. Our country does not have oil, gas or mineral resources. We have come this far because of the ability and hard work of the Maltese and Gozitan worker.

### ***3.1.1 The National Employment Policy***

A few days ago we launched the new National Employment Policy through which we are starting to confront this challenge.

This policy comprises a plan for raising the value of the Maltese/ Gozitan worker's hour of work. This will be done by enhancing skills, offering training opportunities, incentivising employers and also employees themselves to improve their skills.

Mr Speaker, I am tabling a copy of the document in question.

### ***3.1.2 Workforce Skills Census***

To obtain a clear and wide view of the skills of our country's workforce, early next year we will undertake a national workforce skills census. This census will be the first of its kind, not only in Malta but also in Europe, with a total investment of €2 million.

To enable future updates to this census, we will ensure that this process is carried out digitally.

Subsequently our task as a Government will be to ensure that such demand for work is fulfilled with Maltese and Gozitan workers trained for the purpose.

Once this exercise is concluded, we will start undertaking a digitalisation audit of workplaces to ensure we are well-prepared for this new challenge.

### ***3.1.3 Training fund***

In the National Employment Policy we recognised the importance of training and the industry's desperate call for more skills, especially those of a technical and specialised nature.

For this reason, we will be launching a training fund with an initial amount of €2 million, although I do not rule out increasing this amount if the need arises, so that industry itself would be able to train employees through programmes designed by itself. I will be meeting with social partners so that we execute this measure together and ensure its success.

### ***3.1.4 In-Work benefit for employees with atypical working hours***

As from next year, we will be granting an in-work benefit of €150 per year to those employees whose basic pay does not exceed €20,000 and who work atypical hours, that is, in the evening, on weekends and shifts, within the private sector in the following sectors: accommodation and food service activities, administrative and support service activities, manufacturing,

transportation and storage, and wholesale and retail trade. To be eligible workers must have worked in these sectors for at least 6 months over a calendar year. In total, this will assist around 40,000 workers, with the benefit being equivalent to about 10% of the income tax they pay.

We will thus be giving these employees €6 million.

### ***3.1.5 Further reductions in the income tax rate***

This year we have reduced the tax rate on overtime income, to the effect that for employees whose basic annual pay does not exceed €20,000 and who are not in a managerial position, the first 100 overtime hours in a year are now being taxed at 15%.

In order to further reduce the income tax rate, next year employees whose basic annual pay does not exceed €20,000 and who are not in a managerial position will be taxed at 15% on the first €10,000 overtime income.

Through this measure we will be handing out €6 million to employees by way of tax reductions. More than 30,000 employees will benefit from this measure.

### ***3.1.6 Adjustment to the tax exemption for pensioners***

To encourage pensioners to remain active and continue working beyond retirement age, over a period of five years starting from the coming year, pension income will gradually no longer be considered as part of the taxable income.

This means that about 8,500 pensioners who earn additional income on top of their pension will benefit from a substantial reduction in their tax bill, whereas another 8,200 pensioners earning income other than their pension will no longer be liable to tax. This measure comes at a total cost of €27 million.

### ***3.1.7 Reduction of the part-time tax rate from 15% to 10%***

In fulfilling another electoral promise, this Government will continue rewarding hard work. We will be reducing the income tax rate for part-timers from 15% to 10%.

Mr Speaker, many people have been calling for this measure for a long time, and this Government delivers on its promises.

As a result, with this measure we will be giving €5 million in income tax cuts for 23,000 employees.

### ***3.1.8 Enhancement of the In-Work Benefit Scheme***

One of the measures that have helped to incentivise work and raise families' income levels has certainly been the In-Work Benefit introduced by this Government in 2015. This benefit is paid to working parents with children under 23 years of age.

This is yet another Budget where we will be improving the In-Work Benefit. We are doing this by extending its applicability limits and increasing the rates payable to all beneficiaries.

- For couples in gainful employment, the annual income limit is being increased from €35,000 to €50,000;

- For couples of whom only one parent is in gainful employment, the annual income limit is being increased from €26,000 to €35,000;
- For single parents in gainful employment, the annual income limit is being increased from €23,000 to €35,000.

The new minimum rates for around 7,000 families who will benefit from the widening of the scheme's applicability limits will amount to €200 per annum. Moreover, we will also be increasing all the existing rates by €100 per year for each child.

Thus, we will be handing out €2 million in additional income for these families.

### ***3.1.9 Increase in Tax Refund***

I am also pleased to announce that the Tax Refund afforded in recent years by this Government will not only be given out again in the coming year, but it will be increased once more.

This is not a refund of overpaid tax, but a payment intended to reward hard work.

The value of the cheque will now be going up to between €60 and €140 (see Table 3.1) with the highest refund being given to the lowest income earners.

This measure will benefit over 250,000 people at a total expenditure of €24 million.

Other countries are increasing taxes, like our predecessors did. By contrast Mr Speaker, we will continue giving to the people because this is a Government for the people.

### ***3.1.10 Employees of contractors providing services to the public sector***

During the consultation process, we became aware that contractor employees and public sector employees are not paid equally for the same work. Consequently, the Government will pay employees of contractors providing work to the public sector at a double rate for hours worked on Sundays. This expense is costed at €5 million.

### ***3.1.11 Extension of free childcare service***

One of the challenges being faced by businesses today is a shortage of employees across a number of sectors, caused by the impact of the pandemic as well as workers' lack of mobility. This is a challenge that is being faced by other countries as well, and one that we, as a Government, are committed to address.

One of the reasons behind the lack of Maltese and Gozitan workers in such sectors is that the respective hours of work would be in the evenings, at weekends, or organised in shifts.

In view of this, we are extending the free childcare service for the benefit of employees who work such hours.

### ***3.1.12 Parental leave***

The Government will commence talks at MCESD level with the aim that next year our country would be in a position to implement the European Union directive on parental leave and work-life balance.

### ***3.1.13 The minimum wage***

One of the most common issues flagged by low-income workers is that the minimum wage is not sufficient. In the European Union context, Malta's minimum wage is not among the lowest, but I understand that, to have a good standard of living and increase social mobility, this must increase.

The minimum wage should be increased in a context where businesses retain their competitiveness, and this could be done if, while the minimum wage rises on the one hand, on the other hand we see how this can be balanced out through a reduction in companies' income tax.

Along these lines, over the coming year the Government will continue working with the MCESD and stakeholders in these fields with the aim of finding a common position for the country to the benefit of both employees and businesses.

### ***3.1.14 Minimum legal requirements for employment contracts***

To protect vulnerable employees, we will be launching an online portal which will include a number of employment contract templates. These contracts will include the minimum requisites and standards as stipulated by law, to ensure that all employees' due rights are respected.



## **3.2 Cost of living**

### ***3.2.1 Cost of Living Adjustment***

The Cost of Living Adjustment for the coming year will be of €1.75 per week. This adjustment is calculated in accordance with a formula established by agreement of all the social partners within the MCESD. It is granted to all employees, pensioners as well as persons on social benefits. Students' stipends will increase on a pro-rata basis.

### ***3.2.2 Cost of living mechanism for vulnerable families***

The cost of living is a reality that this Government is not afraid to discuss. On the contrary, we are ready to explore how to address this issue, so that, above all, we protect the families that are most vulnerable to inflation. I consider this challenge as a priority, and for this purpose, over the coming days we will be meeting the relevant stakeholders to initiate discussions about a new mechanism that works independently of COLA, to be applied in circumstances including sudden increases in inflation. This burden will be shouldered by the Government as we believe that, while we should always encourage social mobility, there is a category of people who are presently in need of help.

**Table 3.1: Increase in Tax Refund**

<b>Computation: Single</b>		
<b>Income</b>	<b>Amount</b>	
	<b>2021</b>	<b>2022</b>
€0 - €15,000	€80	€125
€15,001 - €30,000	€65	€95
€30,001 - €59,999	€45	€60
<b>Computation: Married</b>		
<b>Income</b>	<b>Amount</b>	
	<b>2021</b>	<b>2022</b>
€0 - €20,000	€95	€140
€20,001 - €40,000	€80	€110
€40,001 - €59,999	€50	€65
<b>Computation: Parent</b>		
<b>Income</b>	<b>Amount</b>	
	<b>2021</b>	<b>2022</b>
€0 - €15,000	€90	€135
€15,001 - €30,000	€75	€105
€30,001 - €59,999	€45	€60

## **4. An Ambitious Malta**

We can never accept a reality where children, having spent thirteen years in compulsory education, exit the education system without the necessary skills for the modern world.

Malta was one of the few countries where students lost only a few days in school closures during the last scholastic year. This was the result of the investment of over €30 million in this regard.

Here it would be amiss not to thank all educators and all those who worked to ensure that our children could carry on with their studies.

### **4.1 All students' stipends to increase by 10%**

Mr Speaker, when this Government says that it wants to keep investing in our students' skills to truly help them reach their potential, it does so in actual fact.

Accordingly, we are increasing the stipend of all students by 10%.

### **4.2 Stipend granted to students even if they work up to a maximum of 25 hours weekly**

In addition, students will continue receiving the stipend even if they work for up to 25 hours per week.

Through these two measures we will be giving students a total increase of €5 million.

### **4.3 Further investment in Apprenticeship**

Apprenticeship is important because it represents a concrete link between the educational and employment worlds.

Investment will be undertaken to increase the number of students in apprenticeship placements within the private sector. There will be investment to better equip these students with laboratories and facilities where they could undergo training in technology and other skills as required by the relative economic sectors.

### **4.4 Strengthening the status of the educational profession**

Throughout the coming year we will enact the new law for the regulation and further strengthening of the status of the educational profession. This should lead to a more professional status being afforded to all educators, including KGEs and LSEs, regardless of the educational level they work in.

Together with the University of Malta, MCAST and the Institute for Education, we will oversee the continuation of the mentoring programme that is offered to newly qualified teachers, as well as the introduction of more courses so that all educators would be able to pursue continued professional education throughout their career.

### **4.5 SEC exams to be held in students' own schools**

Following this year's pilot project, in the coming scholastic year there will be more schools where students would sit for their SEC exams at the same school where they attend, thereby taking

the edge off their stress level as they would be examined in a familiar setting.

This will be done through an investment of €1 million, and will help many children suffering from certain conditions, allowing them to sit for their exams in an environment they are accustomed to.

#### **4.6 Science, Technology, Engineering and Mathematics (STEM) learning**

When it comes to the fields of Science, Technology, Engineering and Mathematics, this Government will continue improving the available facilities to offer the highest possible level of learning. Accordingly, we are launching a programme of modernisation and investing in modern equipment for 180 science laboratories within our schools.

In addition, we will continue to upgrade the digital network infrastructure in state schools, enabling the use of the latest existing technology in this field.

#### **4.7 Schools' modernisation and extension programme**

The time has come to renovate the schools located in the heart of our towns and villages.

We will invest in upgrading the infrastructure, for example the electricity supply, enabling us to invest in improvements such as better air conditioning for our schools.

Construction works are set to proceed on the new schools in Msida and Rabat Gozo, while modernisation projects will be undertaken in Qormi, Mellieħa, Għaxaq, as well as in several other schools in Gozo.

#### **4.8 Research and innovation programmes**

We will be boosting funding for various programmes run by the Malta Council for Science and Technology. We are launching a new programme called Go to Market, with the aim of optimising advanced technology to the highest level so it could then be commercialised on a local and international scale.

Through the Horizon Support Measures scheme, we will encourage and facilitate the participation of Maltese researchers and entities in tapping this programme's funds. Horizon Europe provides excellent opportunities for Maltese researchers to collaborate with high-profile European and international researchers and companies. Furthermore, participation in Horizon Europe raises the profile of research in Malta.

#### **4.9 Investment in physical capital**

Through the COVID Wage Supplement measure, we have safeguarded around 100,000 jobs as well as over 16,000 companies, businesses and self-employed persons.

Likewise, throughout the recovery phase we will ensure that businesses are not left to fend on their own, and we will be creating a new set of incentives for this purpose.

#### ***4.9.1 Measures to mitigate price hikes in the cost of international transport***

Since we are aware that several businesses are increasing their stock of imported products, we will be extending the rent subsidy incentive to reach a larger number of eligible businesses. This will immediately start to mitigate the cost that several Maltese importers and businesses are currently shouldering following the surge in international transport prices.

#### ***4.9.2 Investment incentives for enterprises***

Numerous groups of companies involved in different industries and enterprises have had to support businesses that were impacted by COVID-19 through income from other operations as well as through reserves created by their hard work in the past. These same entities had already invested extensively in these sectors in preceding years, with the intention of creating more employment and prosperity.

We are introducing a temporary scheme to assist such groups of companies in their recovery. The scheme will enable them to derive the benefit of capital allowances on investments made in enterprises impacted by the pandemic, allowing them to be used against tax dues on the income of the companies that remained sustainable. This means that such groups will be able to benefit from the capital allowances in advance. Thus, their current tax bills will be lowered, resulting in the availability of more funds to be reinvested in the economy.

Therefore, groups of companies having unabsorbed or unutilised capital allowances in 2020 and 2021 due to losses sustained

during the pandemic will be able to apply for the relative tax deduction benefit against any taxable income derived by other companies forming part of the same group, for basis year 2021 (Year of Assessment 2022).

As from next year, Malta Enterprise will also be introducing a scheme through which a tax benefit will be given to businesses if they reinvest a percentage of their retained profits in eligible projects in the same business and/or in another business, as long as the investment is made within two years starting on 1 January 2022. This assistance will be compliant with business assistance parameters.

We will also introduce fiscal incentives to keep supporting businesses to make more innovative, ecological and digital investments, as well as to invest in the social field.

#### ***4.9.3 More enterprise-friendly schemes***

Through schemes such as Change to Grow and Smart & Sustainable Investment, we are now also providing financial assistance to spur the transformation towards more sustainable and digital operations. At the same time, enterprises experiencing severe losses are being supported by the ReStart scheme.

Through various schemes, we are helping businesses to keep diversifying their operations, and providing continuous assistance to start-ups.



#### ***4.9.4 Reform in the system for remission of interest and penalties***

Our achievements in the social, educational and medical fields can only be sustained if each and every one contributes his/her share through tax payments. Consequently, we feel that we need to give a clear and firm message to the effect that, while we will be helping those who genuinely encounter economic and fiscal difficulties, we shall not tolerate unjustified faltering on tax payments.

In view of this, I wish to announce that the system for remission of interest on tax balances will be considered only in strict reference to the proviso to regulation 2 of Legal Notice 361 of 2013 (SL 372.26). Therefore, it will not be the norm for everyone to benefit from interest remission.

With effect from 1 June 2022, the interest rate on income tax and VAT balances will be 7.2% per annum.

The Government believes that whatever is necessary must be done to uphold fiscal morality in our country.

#### ***4.9.5 Industrial infrastructure***

Industrial zones are a priority for our country, and we will ensure that no less than €470 million are invested in their modernisation. This investment by INDIS will create new industrial spaces without using ODZ land. New investment, originated both locally and from other countries, necessitates this upgrade with the ultimate aim of securing better jobs for our workers.

The Life Sciences Park; Kordin Business Incubation Centre (KBIC); Ħal Far, Bulebel, Marsa, Kordin, San Ġwann and Luqa will be among the locations which will benefit from a portion of this significant investment.

We are also assisting aviation maintenance companies in their infrastructural needs, which together with a car park in the Park 4 zone of the Ħal Farruġ airport, will make these facilities more accessible for these companies' employees and clients.

#### ***4.9.6 Road infrastructure***

This Government will continue improving the infrastructure of the Maltese islands to enable our country to sustain its economic development.

To this end, the Government will continue with its road investment programme, covering both urban and rural roads. Since 2019, some 709 residential and rural roads have already been completed.

Current works on arterial roads, which are also part of the Ten-T network, will continue. Thus, several projects will be completed by the end of this year including the Central Link entailing an investment of around €55 million.

During 2022, we plan to proceed with the works on the Kirkop Tunnels and the Airport Intersection Project (KTAIP) and the Mrieħel Bypass, among other infrastructural projects. To complement such projects, their surroundings are being embellished through the planting of mature trees and other

plants. In fact, more than 32,000 trees and over 20,000 shrubs have already been planted in the areas surrounding infrastructural projects of this kind.

With regards to arterial and residential road construction projects in Gozo, around 34,000 square metres of new roads have been completed up to September 2021. In 2022, works will proceed on several arterial and residential roads. Restoration works will also commence on the aqueduct remains located in the limits of Rabat. In full collaboration with the Local Councils, the regeneration project of the main square in Munxar and Ta' Sannat will be carried out.

#### ***4.9.7 Maritime infrastructure***

Investment will be made to improve infrastructure such as that of the Grand Harbour, to be able to utilise all parts of the port and create new spaces for berthing of vessels, be they carrying cargo or tourists. All this will be done in the context of the Grand Harbour regeneration plan launched this year.

#### ***4.9.8 Exclusive Economic Zone***

In recent months our country has kicked off the legislative process for a new concept aimed at deriving the full potential of our country's seas. With the introduction of the Exclusive Economic Zone we will start exploring opportunities for the use of our sea space, such as for renewable energy generation among others.

## **4.10 European funds**

The Government has secured the largest European fund allocation for Malta and Gozo in terms of the new European Funds Programme 2021-2027. The allocation exceeds by far the €2 billion mark, with a funding amount reaching the sum of €2.27 billion.

Malta will also benefit from nearly €320 million in EU financing out of the Recovery and Resilience Facility. In July 2021, Malta submitted its plan for utilisation of these funds to the European Commission. Malta's Recovery and Resilience Plan presents a mix of structural reforms and investments aimed at supporting recovery from the impact of the COVID-19 pandemic, as well as accelerating the transition towards a more digital and green economy and society.

## **4.11 Strategic plan for Malta's financial services sector**

In January of this year, the Government set up the MFSAC (Malta Financial Services Advisory Council) which has, as one of its key aims, the drawing up of a long-term strategic plan for the industry.

The strategy itself is centred around three key elements. The first is to protect the industry from the current turmoil. The second is to consolidate and strengthen the key structures and systems. The third is to encourage the industry to attract more innovative operators and industries, while at the local level offering Maltese people innovative but secure services.

The fundamental initiatives delivering this strategy include simplification of the Regulatory Process and Institutional Architecture, in-depth structuring of the National Payment Infrastructure, Consolidation of Identity Management, establishment of a committee for the Reform of Financial Services Legislation, Modernisation of the Maltese Tax Structure, and Encouragement of Talent in Financial Services. All these are being implemented with the aim of leaving a positive, efficient and credible impression on the users of such services.

#### **4.12 Identity Malta**

The single permit electronic platform has now been upgraded, and work is being carried out on the extension of the electronic platform for third country and European citizens. It is now time for the Agency to continue investing in the provision of more online services.

Looking at 2022, the Research Section is working on investment in a new electronic system through which notaries will be able to register notes digitally using a qualified electronic signature.

Identity Malta will keep delivering and strengthening the eID service with the aim of championing the digital transformation strategy while reducing paper use.

#### **4.13 Investment in new niches**

In collaboration with Maltese educational institutions, we will be investing €0.5 million for the design of training for tertiary level

students to obtain industry-recognised certification in emerging technologies.

There are many opportunities for our young people in new economic niches such as the development of digital games, video games and e-sports. In this respect, investment to attract this industry will be made in education, promotion, incentives and the setting up of an incubator.

#### **4.14 Launch of a Seed Fund**

In collaboration with Malta Enterprise and the University of Malta, a Seed Fund will be launched with the aim of encouraging researchers and entrepreneurs to obtain financial support and develop their innovative and sustainable ideas.

#### **4.15 Start-Up Residence Permit**

Through the proposal for a Start-Up Residence Permit mechanism, Malta can attract more start-ups and entrepreneurs. Apart from the schemes already offered by Malta Enterprise, the need is felt to establish a reference point which could better understand these entrepreneurs' needs, and for a Start-up Visa to be offered. This Visa would make the Malta package more attractive, offering flexibility for such start-ups to establish themselves in Malta in a way that pays off, both for their commercial activity as well as for our country.

Malta Enterprise will be working together with the Malta Residency Agency to set up a programme for non-EU nationals seeking a base that offers them a good package of grants,

benefits and opportunities. Persons who qualify according to a set of conditions/criteria would be eligible to apply for this permit, relocate to our country and contribute to the Maltese economy.

#### **4.16 Extension of the MDB SME Tailored Facility to include green and sustainable projects**

In our drive to keep incentivising private sector investment in green projects that propel a more sustainable economy, we will be extending eligibility for the SME Tailored Facility issued by the Malta Development Bank, to include financing for sustainable and environmental projects undertaken by the private sector.

This measure will particularly address small and medium-sized enterprises seeking to diversify their operations and business through green and environment-friendly projects. This is because such businesses would be able to benefit from loans at attractive rates up to a maximum of €5 million. Through this measure we will be facilitating, in a tangible way, direct investment by the private sector in projects that drive sustainable economic growth and above all create green jobs for Gozitan and Maltese workers.

#### **4.17 Establishment of Blue Med Hub**

Malta Enterprise will set up the Blue Med Hub bringing together various experts in this field with the aim of attracting start-ups and small and medium-sized enterprises, both local and foreign. The Hub will collaborate with African and Middle Eastern entities to open up investment opportunities in this sector.

#### **4.18 Concession for the transfer of family businesses**

As we have done in the past years, we want to continue assisting family businesses to move forward while planning better for the future of the business. Consequently, we are once again extending the concession on a reduction in stamp duty from 5% to 1.5% when family businesses are transferred inter vivos to their children or younger generations.

#### **4.19 Social enterprises**

Since we believe in the contribution of social enterprises to the Maltese economy, we are in the final stages of passing legislation to strengthen this sector, which strives for a better quality of life, social inclusion, sustainability and environment protection.

#### **4.20 Investing in Tourism**

During the pandemic it was sad to see places such as Valletta without any tourists, and silence reigning in areas which were once full of life. It was a tough year for all those working in the tourism sector, but they always had the full support of this Government with a spend of almost €800 million in assistance for the sector.

Mr Speaker, I am proud to say that, thanks to this assistance, the collapse that many people were anticipating did not happen. Rather, our restaurants are full, hotels have experienced a good summer, and the tourism sector is gradually recovering.



The future of this sector hinges on the extent to which our country can continue to excel in relation to COVID-19 and be a safe destination for tourists.

The most important driver of tourism recovery remains the introduction of new air routes. Over the past months, negotiations were ongoing to encourage airlines to open up again and add more routes.

We have seen the national airline, Air Malta, consolidating its route network and increasing the number of operational aircraft in the routes that make most sense. Meanwhile, discussions with the European Commission regarding the company's future are still underway.

#### ***4.20.1 Connectivity for Gozo***

To continue enhancing connectivity between the islands of Malta and Gozo, the heliport facilities in Xewkija will be modernised.

This will complement the significant improvements to Gozo's connectivity with Malta and beyond, both in physical terms, with the fourth ferry operating across the channel and the operation of the fast ferry service, as well as digital connectivity following completion of the second fibre optic cable between Malta and Gozo.

#### ***4.20.2 Development of the Tourism Product and Regeneration of Tourism Zones***

Besides striving to stimulate tourist demand, we also need to keep working to strengthen our offering by investing in our

tourism product. The more robust, attractive and innovative our tourism product is, the more successfully we can compete to attract a stronger economic return.

In this context, we have just set up a new Agency for the Regeneration of Tourism Zones. This entity will focus on planning and delivering major regeneration projects in coastal tourism zones, as well as managing such zones.

The Agency for the Regeneration of Tourism Zones will be working on several projects, including the Holistic Plan for the Regeneration of the Northern Region of Malta, which includes St Paul's Bay, Buġibba, Qawra and Xemxija. Such a project warrants studies and consultations and thus, a committee bringing together wide experience and locality involvement has been nominated to identify the necessary studies before drawing up the proposals for Buġibba's regeneration plan.

#### **4.21 The Film Industry**

Since the onset of the pandemic, our country has managed to attract 28 international productions, which have injected over €91 million into our country's economy, and has continued to create more jobs. This is going to be a record year for our country's film industry.

In 2022, we will keep working on the masterplan for the Malta Film Studios, where work is set to commence on the construction of the first soundstage in Malta. The main objective is to create careers in a sustainable industry. During 2022, our country will

continue to attract blockbusters which will keep marking Malta's position on the global map.

In recognition of the local film and television industry, we will be organising the Malta Film Awards for the first time this January, where we will reward the talent and successes of all those who form part of Malta's film and television industry.

Through the investment being made by the Government in this area, we need to ensure that the industry is a high quality one that fosters good careers.

#### **4.22 Economic forecasts**

Mr Speaker,

As a result of the package of measures I have just announced, our country is expected to recover at a fast pace from the negative impact of the pandemic. Indeed, for the coming year we are forecasting a growth rate of 6.5% in real terms, and 8.6% in nominal terms. In the years 2023 and 2024, economic growth is forecast at 4.7% and 4.5% respectively.

Economic Growth for the coming year is expected to be driven by domestic demand, especially private consumption which is anticipated to grow by 4.0%. The Government's capital investment together with large private sector capital projects will sustain investment growth, which is expected to increase by 8.8% in total. As international demand is picking up, exports are also projected to contribute to the growth rate with a 6.6% increase spurred by the recovery of the tourism sector, the

sustained growth in the digital and commercial services sectors, as well as the strengthening of the manufacturing sector.

These growth forecasts translate into an expected increase of 2.2% in employment next year, while the unemployment level is projected to remain relatively low at a rate of 4.0%. These figures are consistent with an increase in the value of employee productivity, which is essential to sustain wage increases but also to stimulate private investment into the Maltese economy.

Economic Growth is expected to be sustained in the following years, with real GDP growth forecasts of 4.7% and 4.5% for 2023 and 2024 respectively.

## **5. A Malta that is Pleasant to Live In**

This is a Budget that is not afraid to discuss our country's real challenges. After the need for good jobs and pay levels, the topmost challenge that the people want us to address is the environment and sustainability in construction.

The density and small size of our country places limits on space for recreation, and therefore we must safeguard and enhance what little we have. Our commitment towards a better environment goes beyond lip service. We are in actual fact providing the necessary additional funds to push the environment forward. We are increasing the environmental allocation notwithstanding the financial impact of the pandemic. We are making substantial investment, to counter climate change and green economy challenges, to manage environmental sites and urban greening, to manage waste, and for sustainable planning and construction.

### **5.1 Sustainable Development**

In the construction sector, as much as volume is important for the industry, for others it is important to consider the building's aesthetics, the impact on the surroundings, building in an ethical and responsible way, and the development of the community.

The industry agrees with the need to license building contractors. I think that this is an important step, as long as it is taken seriously and enforced without fear. I also believe that such a licence should strike abusers with an iron fist. Abuse does not refer just to the building methods, but also to respect for the surroundings and neighbours, and above all the workers on the site.

This licence could represent a certificate of quality for responsible operators, for whom we are also ready to consider incentives. There are many operators in the construction sector who are professional, want a sustainable environment, and understand the need to improve the industry's reputation.

In this sector law enforcement is of utmost importance, and I believe that in recent years not enough enforcement has been carried out. This is a challenge that goes beyond the Government of the day, as the shortcomings on this side of Parliament are matched by shortcomings on the other side, such as the 2006 Rationalisation Plan.

I believe that we need to reform this sector in the context of the modern world, whereby we regenerate abandoned properties and build with aesthetic sensibility, with typical Maltese characteristics and as many green and renewable energy considerations as possible.

On these lines, in fact, I will be announcing a series of incentives centred around this thought.

***5.1.1 Tax exemption on sale and purchase of property that is vacant, located in a UCA, or built in a traditional style***

Capital gains tax and stamp duty will no longer be due on the first €750,000 of the sale price, for properties that were built more than twenty years ago and have been vacant for more than seven years, for properties that are in a UCA, and for new properties that are built in a typical traditional Maltese style and architecture. We want to see buildings with beautiful balconies

and facades showcasing Maltese heritage, typical Maltese doors, and regeneration of old derelict properties. This measure applies also where a promise of sale has been entered into, but the sale contract is yet to be concluded.

In addition, first-time buyers of such properties in Malta will receive a grant of €15,000.

### ***5.1.2 Incentives for Gozitan couples***

First-time buyers who buy these types of property in Gozo will receive a grant of double the value, that is €30,000. This measure is important to encourage more Gozitan young people and couples to build their future in Gozo.

These two measures will come into force the day after the Budget presentation and will apply for a period of three years to allow for gradual progress.

### ***5.1.3 Grant on the value of VAT paid***

As from tomorrow, that is 12 October, anyone buying or already in possession of these types of properties will also be given a grant on the value of VAT paid up to a maximum of €54,000 on the first €300,000 incurred in restoration and finishing works. We are introducing this grant as we are cognisant that regenerating such properties entails higher than average costs, and the Government is committed to help in this regard. This applies also to those who have already purchased property and are in the process of carrying out restoration works.

To prevent speculative activity and ensure that these measures are actually enjoyed by families, a set of regulations will be introduced, including that the property cannot be divided.

We will extend by a further year the stamp duty reduction schemes applicable to first-time buyers, second-time buyers, and property acquisitions in Gozo. At the same time, existing measures aimed at mitigating the impact of the pandemic on this sector will end as previously stipulated, that is in June 2022.

#### ***5.1.4 Further investment in the Building and Construction Authority***

The Building and Construction Authority, which was established this year, will bring under one umbrella all Government entities related to the Building and Construction industry: the Building Regulation Office, the Masons Board, and the Building Regulation Board.

Through this Authority we want to ensure that all construction-related activities in our country are carried out in accordance with rigorous standards and that our buildings are of a good quality level.

The coming year will herald the publication of a bill on the so-called 'Document F', which the architect uses to draw up the Building Envelope plan, and on which basis the engineer then draws up the Building Services plans for the same site. Once this is concluded and approved, our buildings will consume less energy as a result.



The Government remains committed to introduce the first Building Code during 2022, covering demolition works, excavation and construction, and devoting particular attention to Third Party Rights. Not only that, but to ensure that the said code is properly applied, the Authority will also push forward legislation which will provide for the role of a Construction Project Manager on the building site, who will ensure that whatever is stipulated is executed in the most professional manner, as it should.

### ***5.1.5 Intelligent planning for a pleasant urban environment***

The Planning Authority will introduce an aesthetics policy as well as a set of measures to encourage development that is more comprehensive, uniform, and respectful of our country's urban environment.

In addition, the Planning Authority has applied for European funds to launch the Built Heritage Restoration Scheme, through which we will be able to give historical buildings a new lease of life.

### ***5.1.6 Afforestation***

A few weeks ago, a group of architects put forward an interesting proposal based on the afforestation work currently being undertaken by the Government at the Inwadar Park, extending from the Xghajra side to Żonqor, on the basis of the Management Plan for the Inwadar Park covering until the year 2027.

This is a zone that incorporates agricultural land, private land, and other areas allowing for the exploration of all possibilities to reach the afforestation aims for this park.

We are committed to implement this proposal to rehabilitate stretches of land in this Park, while planting thousands of trees that are suitable for the typology of the surroundings. The aim of this project is not only to give Malta a different aesthetic appearance on maps, but also to eventually turn this National Park into a wooded area larger than that of Buskett, to be enjoyed by everyone and also serve as a tourist attraction.

This project, which will be implemented over a period of five years with an investment of €20 million, will also ensure its sustainability, particularly in water management and protection of Inwadar's biodiversity. We will be collaborating with all stakeholders for these to be able to contribute and participate in this project's success. These include farmers and other people who use this park regularly.

## **5.2 Strategy for Carbon Neutral Economic Development**

To ensure continuous progress in line with the provisions of the Low Carbon Development Strategy, we will set up a Monitoring Board which will supervise the strategy's implementation and report on progress on a regular basis.

### ***5.2.1 Green spaces in urban zones, public gardens and parks***

In recent months we announced and started implementing the urban greening projects, an initiative aimed at originating – in a creative way – open, safe and green spaces in our urban centres. The projects we will be carrying out in Żabbar, Qormi, Ħamrun and Mosta will be financed through the Government capital investment as well as funding from the National Development and Social Fund (NDSF). We will also be taking care to ensure

that, once they are completed, these projects are maintained in a good state.

We will ensure that San Anton Gardens get the merited revamp within a short period of time.

We will continue working on vertical green wall projects, green roofs such as the one being done on the San Ġorġ Preca Lyceum, and embellishment of gardens such as Romeo Romano Garden, Spencer Garden and Belveder Garden.

Work has also been ongoing on the Santa Venera Regional Road roofing project, which requires a multi-million investment. Various studies, including geotechnical ones, have already been carried out, and the Government is now exploring how this project can potentially be transformed into a public-private partnership.

Similarly, the Government will proceed with studies to explore the permanent pedestrianisation, in the form of a garden, of St Anne Street in Floriana.

We will commence, among others, the restoration of public gardens in several localities, and the restoration of various squares and open spaces in town and village cores. We are also working on the development of larger spaces such as the Family Park in Bengħajsa and the regeneration of the Marsascala Family Park, Cottonera Gardens and St Clement Park in Żabbar.

During 2022, the Government will continue to rehabilitate valleys to eliminate invasive species, restore walls and plant indigenous trees.

A pilot project is also being launched to create community gardens in different localities, where residents would be able to grow vegetables, fruits and flowers.

Work efforts will be stepped up to complete various phases of the Ta' Qali National Park project. By the end of this year, the Concert Area and Formal Garden as well as the Adventure Park phases will be completed. It is planned that the phases that include the car park as well as the cycling and jogging track will be implemented over the coming year. This is the largest open area being made available for the public to enjoy, with its open space being set to increase by an area larger than 60 football pitches, over 60,000 mature trees to be planted, and landscaping works to cover more than 86,000 square metres. Works are bound to commence on the Drainage and Potable Water Treatment Plant, amounting to about €4 million, which will supply water for the park and thus render it sustainable.

Furthermore, the Government is making plans to transform Schreiber's ground in Pace Grasso into an open space for the community, where an area of 12,000 square metres is to be turned into an educational space with the planting of over 165 trees, 2,500 shrubs, and 1,500 ornamental plants.

### ***5.2.2 Launching of project to help Maltese companies invest in sustainable environmental projects***

Mr Speaker, our wish is that, as is happening beyond our shores, more private investors would be able to choose to direct their capital to Maltese companies that invest in sustainable environmental projects, which boost social progress and business governance.

For this purpose, over the coming weeks we will be launching a project to help Maltese companies evaluate the environmental or social impact of such projects. This information will be publicly accessible so that private investors would be able to invest directly in shares or bonds of such companies meeting the required environmental, social and corporate governance criteria.

Besides incentivising private investment in these Maltese enterprises, this project will encourage more Maltese companies to integrate ESG criteria as part of their investment activities. This is an indispensable process for our country to fulfil its ambition to be a carbon free economy by 2050.

### ***5.2.3 Investment in sustainable enterprises***

Linked with this, we will launch the process that will enable public and private entities to invest in green and environmental projects with the aim of creating a carbon credit surplus that could then be acquired, on a voluntary basis, by other public or private entities to help them meet their own carbon targets.

### ***5.2.4 Restoration, conservation and monitoring of protected sites***

Through a collaboration between the Environment and Resources Authority and Ambjent Malta, we will continue implementing the Natura 2000 Sites' Management Plans, by way of natural habitat conservation interventions. These include planting of indigenous trees and shrubs, building of rubble walls, restoration of existing wells and reservoirs, installation of irrigation systems, and also installation of surveillance and fire-fighting systems.

Such interventions will be stepped up at various sites, including some where work has already started, such as Comino, il-Magħluq at Marsascala, the Victoria Lines zone and Għadira s-Safra.

### ***5.2.5 Gozo rubble walls restoration project***

The project for the restoration and reconstruction of rubble walls all around Gozo, financed by European funds exceeding €10 million, is currently being implemented. The aim is to repair over 30 kilometres of rubble walls – across several localities in Gozo – which collapsed over the years and are presently in a dilapidated state.

## **5.3 Sustainability**

The greening of the country is linked to sustainability principles and the changes we need to make to minimise our impact on the environment, eventually leading to our country becoming carbon neutral. All this makes sense not just from a moral perspective but also economically.

### ***5.3.1 Schemes for clean energy use***

The Government remains committed to invest in the energy sector to offer citizens an efficient and affordable service. With a view to ensuring stability, addressing climate change, and continuing to improve air quality, we will keep on investing in diversified, efficient and renewable energy.

During this year, the Government has continued to implement schemes and measures that lead to more efficient production and use of energy, including renewable energy like PV panels, solar water heaters and heat pumps.

Over the coming year we will continue to help with more schemes for investment in photovoltaic panels as well as batteries for energy storage. A grant will also be given for restoration of domestic cisterns and purchase of solar water heaters and heat pump water heaters. The schemes for restoration of wells in residential homes and for the replacement and purchase of a reverse osmosis system will also be extended.

Next year we will continue offering free house visits aimed at guiding the most vulnerable families on electricity use and replacement of home appliances by ones that are more energy efficient. This is tied to an information campaign about efficient technologies that can be used at home, with further information about how the Government can help.

### ***5.3.2 Schemes for voluntary and sports organisations to invest in efficient energy***

As promised in our Electoral Manifesto, we have helped many sports and voluntary organisations to invest in alternative energy with the aim of reducing energy consumption. Up to 2021, 61 organisations have benefited from this scheme. The third call was issued a few weeks ago. In the coming year, we will be issuing the schemes again enabling voluntary and sports organisations to invest in efficient energy.

### ***5.3.3 The Shore-to-Ship project***

We want to keep investing in projects that yield cleaner air for the people. Consequently, the Grand Harbour Shore-to-Ship project will be continued, while calls for offers in connection with the Freeport Shore-to-Ship project will soon be published.

## **5.4 Launch of two projects related to renewable energy storage batteries**

Following the success of the pilot project on batteries for renewable energy storage at Għajn Educational Centre, the Energy and Water Agency will be launching two other projects in public buildings to demonstrate the application of this technology in Malta.

## **5.5 Fund for installation of solar panel systems on Government buildings**

We believe that the Government should lead by example in switching to renewable energy. For this purpose, we will allocate funds for Government buildings to be equipped with solar panel



systems, where this is technically possible, so that a substantial part of the Government's energy consumption needs would be provided from renewable sources.

## **5.6 Installation of new efficient lighting in Valletta streets**

From the smallest to the largest project, our aim is for our gardens and open spaces to be self-sufficient in their water management and to have lighting installations powered by renewable energy.

During 2022, we will be installing new and efficient street lighting in Valletta, including on places of interest and church facades. In its second phase, the project will entail the design and new installation of lighting along Valletta's ring road and pedestrian zones.

## **5.7 Scheme for Sustainable Development in communities through Local Councils**

To reinforce the concept of sustainable development in our communities, we are allocating funds for Local Councils to set up projects related to this theme. This will be done through the 'Designing Sustainable Localities Competition', which will consider proposals with tangible aims that meet sustainability development targets on a local level and address climate change. To recognise the work of catalysts in the areas of climate change, development of the green and circular economy and prosperity, we will be launching the Sustainable Development Awards.

## **5.8 Distribution of starter-kits with sustainable products for babies**

So that parents also participate in this drive, we will distribute starter-kits with sustainable baby products to all parents welcoming a child into their family.

## **6. A Modern Malta**

### **6.1 Free Public Transport for all**

Mr Speaker, this Government has always put forward measures that seek practical solutions to address perennial problems. The time has come to take the next step for the transport sector to start addressing the traffic congestion problem in our country. After the disaster brought about by others, it was this Government that introduced a sensible approach in the operation of public transport in our country. Now we are about to make the next leap forward.

Mr Speaker, I have always been taught that whenever I set out to do something, I should do it right first time.

It is my pleasure to announce that this Government is in a position to start providing a free Public Transport service to all Maltese and Gozitan persons and residents of the Maltese Islands, with effect from 1 October of next year.

Mr Speaker, as a result we will be the second country in Europe to make public transport free of charge.

This means that, along with all the other benefits I have already announced, a worker using public transport on a daily basis will be saving more than €300 per year.

Furthermore, following Government's publication of the mass transport studies carried out by an international company, the consultation process will be continued.

## **6.2 Maritime transport**

Following the success achieved by the fast ferry service between Malta and Gozo, the Government will keep up its efforts to increase the number of quays, enabling the creation of alternative routes and hence reducing dependence on private vehicles. To this end, we will see the completion of quay constructions at Sliema and Bormla, the reconstruction of the quays and a new promenade between Birgu and Kalkara, and the reconstruction of the Buġibba breakwater.

## **6.3 Increased financial grant to incentivise the purchase of cleaner vehicles**

The financial grant aiming to incentivise the acquisition of new electricity-powered cars or Plug-In Hybrids will increase by €3,000 as from the day after the Budget presentation. Thus, the grant payable upon the purchase of electric cars or plug-in hybrids is set to increase from €8,000 to €11,000, and this would go up to a maximum of €12,000 in the event that the vehicle scrappage scheme is availed of as well.

## **6.4 Increased financial grant for scrappage of polluting vehicles in Gozo**

The financial grant of the scheme for the scrappage of polluting cars in Gozo will increase by €1,000, to go up to €2,000.

## **6.5 Extension of other schemes promoting cleaner vehicles**

We are extending for another year the measures relating to the purchase of electric vehicles, which include an exemption from registration tax and an exemption from payment of the annual road licence fee for a period of five years from the date of first registration, applicable to electric and electric plug-in vehicles.

As from the beginning of 2023, the capping for plug-in hybrid vehicles will increase from 30 to 50 kilometres autonomy on battery.

The special rate applicable for residences where electric vehicle owners charge the battery overnight will remain in force.

The schemes consisting of a grant equivalent to a full refund of VAT paid on bicycles and electronic bicycles will be extended once again. The same applies to the scheme which incentivises the purchase of motorcycles, scooters, pedelecs and bicycles assisted by an electric motor, and to the grant for those who convert their vehicle to run on gas instead of petrol.

The scheme for wheelchair-accessible vehicles used for the transport of passengers for hire or reward is being renewed as well.

## **6.6 Scheme for installation of photovoltaic panels on vehicles**

We will launch a new scheme whereby vehicles such as minibuses, coaches and trucks that have photovoltaic panels installed on top, are given a grant up to a maximum of €900.

## **6.7 Emissions reduction grant**

A scheme will be launched to encourage minibus, coach and truck operators to reduce their vehicles' smoke emissions by installing diesel particle filters (DPF) and selective catalytic reduction (SCR) systems.

## **6.8 Assistance to enterprises to switch from fuel-powered vehicles to new electric vehicles**

The transition to a more sustainable industry calls for investment in mobility and distribution solutions based on clean transport. Therefore, Malta Enterprise will launch a scheme designed to help enterprises replace their fuel-powered vehicles by electric ones, along with other solutions. The scheme will cover part of the cost difference between the fuel-powered and the electric vehicles.

Enterprises will benefit from this scheme when they replace their existing vehicles with new electric ones.

## **6.9 Charging points**

This Government's objective is not only to incentivise but also to facilitate the switch to clean vehicles across Malta and

Gozo. We can do this by investing in a stronger charging points infrastructure. Over the next three years, we will be installing around 1,200 charging points around the whole country. This investment will be crucial in achieving our decarbonisation targets.

## **6.10 Digitalisation of vehicle and ship registration**

The Government will be investing in the replacement of the vehicle registration system, where an average of 800 vehicles are registered each month, year in year out. The Vessel Tracking System will also be replaced by a more modern one, and this will fulfil the requirements of both Transport Malta, which is responsible for port security, as well as the Armed Forces. Besides, we will be embarking on digital investment to modernise the ship register and hence continue strengthening Malta's position in the maritime sector.

## **6.11 Resource management**

### ***6.11.1 Waste***

In the waste management sector, we will continue working on the chain of multi-million projects that together make up EcoHive, which is the largest investment ever made in waste management in our country. Despite the limitations of the present infrastructure compared to our target for the coming years, we are already seeing considerable improvements in recycling rates, with 2021 being the best year over the past nineteen years.

The Waste to Energy plant, which is part of this chain of projects, with an investment of about €200 million, will be absorbing the larger part of the investment, but we are also adding another capital allocation to strengthen and improve the company's infrastructure, all forming part of a sound long-term planning process.

Meanwhile, in collaboration with Local Councils, we will start introducing smart bins with controlled access and continuous surveillance to enable commercial entities to separate waste at any time of day.

Now that the Civic Amenity Sites will house a "Reuse Centres" facility, which will allow the reuse of objects such as toys, ceramics, books and furniture, we can also start thinking about the possibility of setting up a "Repair Centre". This would be a place where certain equipment could be repaired and reused instead of being sent for recycling. A feasibility study on the setting up of such a centre will be carried out. Apart from offering repair services, a centre like this could also offer opportunities for bartering of used items and also for transformation of objects for alternative use, better known as repurposing or refashioning.

### **6.11.2 Energy**

The Government is aware that the demand for electricity in our country is ever-increasing, both due to economic growth as well as to new demand expected to develop as a result of the electrification of transport and the shore-to-ship operations.



Therefore, as announced earlier this year, we have started working towards the installation of a second cable interconnector with Sicily. While at the moment studies are underway to identify the optimal route for this cable, during 2022 these studies will be intensified to include detailed surveys from different perspectives such as maritime, geophysical, geotechnical and environmental.

We are planning for tomorrow: thanks to advances in technology, hydrogen development may be one of several available sources of clean energy. Having secured a derogation, during 2022 technical and financial feasibility studies will be undertaken on hydrogen transmission through a pipeline.

In addition, in order to improve service quality, we will accelerate the implementation of a hefty investment plan in Enemalta's Distribution Network. We will invest in various voltage levels and continue to increase automation across the network. We know that, with such an extensive network, it is normal to experience some faults. Nevertheless, we are committed to reduce the frequency as well as the length of delays in cases of interruption, with a view to serving the public better.

Despite trying to claim otherwise, in 2009 the Nationalist Government devised the water and electricity billing system that is in use to this day. Since that time, ARMS has continued to operate the same system, and the tariffs have changed only when we reduced them in 2013. There is also a ruling of the Regulator for Energy and Water Services which confirms that the utility bills are being calculated properly and in line with the law.

Nevertheless, we are aware of the criticism surrounding this system. Having listened to the people's wishes, we will be announcing a new system that is fair for everyone without impacting any client negatively. Accordingly, we will also amend the law to enable us to introduce this new system.

We did not rush, whereas others did, running the risk that many consumers would be negatively affected as a result of a hasty decision.

Through this new system, consumers will be able to save unutilised cheap units and use them in periods of higher consumption. This Government's strategy is to promote prudent consumption, in accordance with the national decarbonisation plan and our journey towards more sustainable living. With this system, consumers will not be faced with a surprisingly high bill at the end of the year, there will be no Feed-In Tariff losses, and above all, no one will be losing out on the Eco-Reduction.

### **6.11.3 Water**

The first reverse osmosis plant designed by the Water Services Corporation, located in Hondoq ir-Rummien in Gozo, is set to commence operations with an investment of about €11 million.

We will carry on with the New Water network extension project, as well as the consolidation of the sewage systems in the Northern and Southern areas of Malta, which should help in meeting the additional demand while at the same time continue to improve the marine environment thanks to the more resilient sewage treatment.

The shoring up of the sewage treatment plant at Sant'Antnin is in its final stages, and tests are now being carried out in preparation for its commissioning.

#### **6.11.4 Food, Agriculture and Fisheries**

After having set up an Agency to take charge of the food sector earlier this year, we can now start developing a national policy for a stronger food chain with the aim of overcoming challenges and creating opportunities in the diverse fields related to food production.

To incentivise more effective use of agricultural land by farmers and boost organic production in our country, we will be offering incentives to landowners to enter into arrangements with farmers who wish to use the fields for organic production.

Following the implementation of the fruit and vegetable market (il-Pitkalija) reform earlier this year, we will be investing in the necessary facilities to be able to sell our farmers' fruit and vegetables in better packaging and with a more attractive presentation, in line with market standards and to enable them to stand out from other products. We will also assist farmers to improve the quality of their products and obtain certification.

To prevent fraud in the sale of the Maltese agricultural product, we will strengthen the control function within the Malta Food Agency by establishing an enforcement unit.

We will be undertaking projects to upgrade the infrastructure of the water and electricity service pillars in fishing ports, as well as to improve the Landing Site facilities in Gozo.

In order to maximise the utilisation of agricultural land for food production while meeting the targets of the Farm to Fork strategy, we will be launching a carbon farming initiative. Through this initiative we will hand out grants up to a maximum of €8,000 to motivate farmers whose agricultural land is not currently being used for cultivation or is out of production or is being used for low-value production, to convert it into agroforestry systems based on fruit trees. Further details will be given upon the launch of the scheme.

## **7. A Healthy Malta**

Mr Speaker, despite the challenges we faced during the global pandemic, the Government has remained steadfastly committed to safeguard the health and safety of all the Maltese and Gozitan people, through the timely acquisition of effective COVID-19 vaccines. The Government will continue with its drive to administer booster doses of this vaccine in accordance with the advice of the Health Authorities.

For the coming year, the new Outpatients building project as well as the works across various Health Centres will remain a priority.

We will invest in the extension of the project for the construction of a new blood bank, together with a specialised centre for the collection of blood, and processing and storage of tissue and stem cells.

We will also invest in the infrastructure of the Accident and Emergency Department and the Medical Imaging Department, as well as in the third Cardiac Catheterisation Suite. Investment will be made in MR Linac, which equipment will be providing advanced treatment of its type as well as a shorter treatment period, for certain types of cancer.

Next year, additional facilities will be leased by Mater Dei so that the ever-increasing demand for acute and elective care services is addressed in the most efficient and effective manner.

## **7.1 Mental health**

The Government will continue following closely the new Acute Psychiatric Care Hospital construction project, in the vicinity of Mater Dei Hospital. Until the new hospital is completed, an acute psychiatry hospital facility will be leased.

Consistent with the Mental Health Strategy, the Government is committed to bring mental health related services closer to the client. This will take place through an increase in the capacity of the services offered at Mount Carmel Hospital, which is expected to translate into various initiatives that support assisted community living. In the meantime, works on the modernisation of the Mount Carmel wards will proceed.

## **7.2 Additional Health Services**

Remote Patient Monitoring is a pilot project introduced with the aim of performing regular and continuous monitoring of sugar levels in children under sixteen years of age who suffer from Type I Diabetes. This initiative will be continued and gradually extended to cover also young persons aged between 17 and 21 who suffer from the same condition.

An improvement in the quality of life will also be experienced by adults who were born hard of hearing – these will keep receiving two hearing aids if this is clinically indicated.

The Government will further its collaboration with Hospice Malta to start providing a palliative care service from St Michael's

Hospice to patients who have unfortunately been diagnosed with terminal cancer.

### **7.3 Sports**

Next year Sport Malta will continue investing in more sports facilities, including at the Marsa Complex, the Olympic-size swimming pool in Bormla, and works to be carried out on the Marsascala, Valletta and Marsaxlokk waterpolo pitches. A new football ground for Msida St Joseph is also on the cards.

For rowing enthusiasts, Sport Malta will invest in a national rowing tank, which could also be used for training in this national sport.

The Outdoor Velodrome project will be incorporated within the phases of the ongoing Ta' Qali project.

Works on the Aquatic and Sports Centre is proceeding at a good pace. Thanks to this investment, the island and people of Gozo will be able to enjoy an Olympic level pool as well as a sports pavilion in the heart of Victoria, Gozo. This is the largest investment in the sports sector that has ever been made for Gozo.

In 2023, Malta will be hosting the Small Nations Games, and this year we have already channelled funds amounting to about €7 million to sports associations as well as the Maltese Olympic Committee to invest with a view to achieving better results.

In the past few days, the plan for a motorsport facility involving an investment of €20 million was launched in collaboration with the Malta Motorsport Association.

We will ensure that the Marsa Sports Complex continues to extend its facilities to accommodate a gymnastics centre where athletes would be able to perform their training using adequate and safe facilities.

This project will continue building on various initiatives and projects aimed at providing local athletes with facilities of the highest level.

## **7.4 Culture and the Arts**

The arts, culture and entertainment sector is an essential part of the country's social and economic fabric. The Government will continue helping and motivating artists, producers and promoters of artistic, cultural and entertainment activities, so that these can keep contributing in full to the artistic and economic recovery of the sector. To achieve this purpose, it is with pleasure that I announce the following measures:

1. The income tax rate for artists will be 7.5% and this will apply as from basis year 2022.
2. For the purposes of artists' income tax, we will introduce a mechanism which will establish artists' income on the basis of a three-year average.
3. We are allocating €1 million for the creation of a guarantee scheme for independent artistic activities, aimed at helping



producers and promoters recoup costs that cannot be covered due to unexpected restrictions that might become necessary should circumstances change.

4. We will continue strengthening the scheme that gives assistance for seats that cannot be sold in case of new event restrictions. To this end, we are allocating €2 million.
5. We will create an assistance scheme, which will be run by the Malta Arts Council, for independent art projects. We are allocating €2 million for this purpose.

## **7.5 The Broadcasting Sector**

In the Broadcasting sector, PBS will continue its investment in a modern TV House that can better serve the needs of its channels. The second phase will entail investment in a television stage, while the third phase will comprise the development of Malex House's production facilities to house a new newsroom as well as news studios.

## **8. A Just Malta**

Throughout the current year we have continued working to ensure that Malta complies with the recommendations put forward by the Venice Commission and Greco.

We have also carried out reforms that seek to address the MONEYVAL recommendations, together with work to strengthen the Asset Recovery Office structure through measures providing for the recovery of criminality proceeds, with an investment topping €2.2 million.

### **8.1 FATF**

A work plan has been drawn up so that the Maltese authorities can address the plan of action presented by FATF, and this is serving as a guide for the work of the country's investigative authorities. Work on implementation of this action plan is progressing at a good pace. The collective efforts that are currently ongoing are expected to yield the desired results.

### **8.2 Justice**

We will keep working to ensure that the Attorney General's Office continues to take on additional prosecution functions in coordination with the Police. This with the aim of developing a specialised prosecution service at the Attorney General's Office, while the Police Force focuses on investigation of offences. In this way the prosecution service offered would be of a higher quality while delays in the criminal justice system would be reduced.

The process has moved a step forward a few days ago, by way of a Legal Notice providing for the Transfer of Prosecutions, which came into force on 1 October 2021.

In the Judiciary, the retirement age of judges and magistrates has been extended, and we have also made new appointments on the Judges' Bench.

In the area of Civil Procedure, we have enacted a law aimed at reducing the backlog of cases pending at the Appeals Court, by making it possible for the courts at appeal level to grant a sitting only for those cases where it deems necessary. We are also reducing the pending workload by increasing the compositions of the Civil Appeal (Superior) Courts so as to hasten the appeals process and the citizen is served better and within a reasonable time.

### **8.3 Legal aid**

We will keep investing in legal aid, with a view to creating a digital system whereby prospective clients eligible for legal aid would be able to apply online, as well as through the servizz.gov service hubs located in the regions and villages around Malta.

### **8.4 Security**

Security will remain one of the main pillars of this Government. It is not only important to have a good standard of living, but our society also needs to feel safe.

## **8.5 Disciplinary Corps**

During the current year, the first set of collective agreements for the Disciplinary Corps have been sealed, with an investment of over €15 million, such that the 5,000 employees forming part of the Disciplinary Corps now enjoy better working conditions and new rights.

Together with this, a transformation strategy is being implemented, with investment being undertaken in infrastructure, specialised equipment, new vehicles and human resources training.

## **8.6 Community Policing**

Throughout the coming year the Community Policing service will be extended to cover several new localities, including Żabbar, Xgħajra, Marsascale, San Ġwann, Żebbuġ, Gżira, Msida, Pietà, Mosta, Mġarr, Żurrieq, Safi and Kirkop.

## **8.7 Armed Forces of Malta**

With an investment of about €50 million, work is currently underway on the construction of a new vessel to be added to the Maritime Squadron of the Armed Forces. This launch will be the largest one of its kind in our country and will contribute towards stronger surveillance and protection of Malta's maritime borders.

## **8.8 Civil protection**

The Civil Protection Department will keep investing in vehicle replacement, including further acquisitions of new trucks, special

vans that are suitable for our country's narrow streets, equipment used by workers to reach high-rise buildings, as well as modern technology and above all protective clothing for our officials.

Members of our Corps are never far away from danger, and it is our duty to give them the best tools to work with. May I take this opportunity to express this Parliament's gratitude for the precious work that they do.

### **8.9 Corradino Correctional Facility**

During this year, the Correctional Services Agency has continued to enhance its rehabilitation services, including with the engagement of more professionals from the medical, psychiatric and social sectors.

The first medical facility at the Corradino Correctional Facility, where prisoners are assisted professionally by doctors and nurses, has been completed. Construction works are due to start on the first rehabilitation centre of its kind within the precincts of the facility, catering for about 140 persons.

### **8.10 Victim Support Agency**

During the coming year, the Agency will be further strengthened, while it will continue to improve its services across the various facets of victim rights, by remaining accessible in the most efficient way, while at the same time increasing the number of staff and professionals who serve within it.

## **8.11 Community Projects**

Over a span of three years, LESA funds of over €3 million directed to Local Councils and the Association of Local Councils are being utilised to implement projects in various localities across Malta and Gozo.

In this way, the Government is ploughing back the funds generated from contraventions into the localities, to carry out beneficial projects in towns and villages for the enjoyment of our families, children, young people and the elderly.

## **8.12 Irregular Immigration**

The drop in the number of arrivals over the past months was the result of the decisions we took, especially the work that followed the agreement concerning irregular immigration entered into with Libya last year.

We have continued to address the burden of irregular immigration through the return of rejected asylum seekers to their country of origin, and through further immigrant relocations to other European Union Member States. Immediately after the presentation of last year's Budget, a Returns Unit was set up to focus specifically on the return of immigrants, whether forced or voluntary. We have started and will continue beefing up the human resources of the Immigration Police and the International Protection Agency.

This strategy is already bearing fruit, and between January and September 2021 we registered the largest number of returns of

irregular immigrants back to their country of origin ever since the irregular immigration phenomenon reared its head for the first time twenty years ago.

Throughout these efforts, we also need to safeguard the interests of our communities. We have drastically reduced the number of people living in the Marsa immigrant centre, and we are at an advanced stage in our plans to close down this centre. That is not all, as we also want to regenerate this zone and see that the facilities and space in this area are used by clubs, children and young persons. We are doing this without creating new burdens for other localities.

### **8.13 Foreign Affairs**

The coming year will be a very important one for Malta's role within the United Nations since, with effect from June, preparations will be stepped up in anticipation of Malta taking up a non-permanent seat in the United Nations Security Council for two whole years, throughout 2023 and 2024.

Over these last weeks, Diplomatic officials have been deployed to gradually start establishing a Diplomatic presence, for the first time, in Brazil and also in Ethiopia.

We have invested heavily in the provision of humanitarian assistance to regions struck by a catastrophe or crisis. We have done this both with very distant countries such as India and the Dominican Republic, as well as with countries closer to home like Libya and Tunisia. We plan to keep honouring this

commitment over the coming years through the Development Assistance Fund.

Over the coming year, Malta will continue to be an important voice in favour of multilateralism. A small sovereign state like ours needs to keep insisting that international conflicts cannot be solved by a sole country's unilateral initiatives. Rather, we believe in the use of international organisations' platforms to reach compromise in favour of peace.

### **8.14 Animal Protection and Rights**

As a sign of Government's commitment in favour of animal protection and rights, next year we will draw up a national strategy on the protection and proper treatment of animals.

Throughout the coming year, we will start exploring the possibility of opening a modern rehoming centre for the adoption of animals, including stray ones.

### **8.15 Equality**

In the equality field, we plan to continue working for our country to remain one of the most inclusive ones in Europe. In this regard, we will oversee initiatives such as the equality mark certification for local companies, the Empowerment for Diversity project, and the expansion of the 'Jiena Nappartjeni' (I Belong) programme. We will also be implementing a strategy against racism together with social partners and the media.



## 9. The Malta of Tomorrow

Mr Speaker,

We have announced one of the largest social and environmental packages our country has ever had, but at the same time we will take care to utilise public finances in a sensible and prudent manner.

This is against the backdrop where, this year, our country is expected to register a deficit of 11.1% of the Gross Domestic Product, almost one percentage point less than the figure that was forecast last April. At the same time, national debt is projected to increase to 61.3% of the Gross Domestic Product, since we have continued to support and safeguard our families, jobs and businesses.

For next year, since economic growth is expected to accelerate, we are forecasting that the deficit will go down to 5.6% while the debt level is bound to increase marginally to 61.8% of the Gross Domestic Product.

The deficit is expected to continue decreasing over the following years to reach a level of 2.9% of the Gross Domestic Product in 2024. The debt as a proportion of the Gross Domestic Product is projected at 62.4% for the same year.

Here it is important to point out a premise surrounding these forecasts. The volatile situation that the pandemic has brought about is there for everyone to see. Energy prices and, on a

broader scale, inflation in general could well be next year's challenges. In light of this, the deficit forecast may be revised by 1.4% to reach 7.0% in the event that Government decides to reduce the impact, from the financial aspect, on families and business.

Above all, we will stick to the realism and prudence that have guided this Government. We are not afraid to say that we are not perfect. We are not afraid to speak about the challenges, large and small, being faced by Malta. This is why the people continue to believe in us and trust us.

We are not afraid to speak about the challenges because this Government also has the solutions for them. We were not afraid in the face of predictions of an unemployment figure of 55,000, we were not afraid when we were told the economy would collapse, and in the same way we will not be afraid to be a shield for workers and employers. As we were not afraid then, we will not be afraid now of the challenges that all countries are currently facing in terms of recovery, cost of living, transport and inflation. We are not afraid because we know we can overcome them.

This is a Government that has a clear plan on how to increase economic development and quality work.

This is a Government that has the will to calibrate itself on the environment, sustainability and the green economy, where we believe that the future of our country lies, and about which

today we gave a clear message, devoting the largest package in Maltese history in favour of the environment and sustainability.

This is a Government that above all has a clear vision on where it wants to go.

- A country that raises its standard of living,
- A country that respects the environment,
- A country that supports and find ways how to strengthen the worker,
- A country that takes care of the pensioner year after year, after year,
- A country that helps the weak stand on their feet, a socially conscious country, a country that is not all doom and gloom but sees hope and opportunity for everyone.

This is our plan for this country. This is our vision for Malta.

Because the Malta we want to leave to our children is a Malta that loves.

The Malta we want to leave to our children is a Malta where righteousness prevails.

The Malta we want to leave to our children is a Malta where success goes to the ones who work hard, not the ones who seek favour.

The Malta we want to leave to our children is a Malta where study and sweat can take you from rags to riches.

The Malta we want to leave to our children is a modern and environment-friendly Malta.

The Malta we want to leave to our children is a Malta that beats negativity.

The Malta we want to leave to our children is a Malta that takes care of its elderly.

This is the Malta I want to leave to my children. This is the Malta we want to leave to our children.

**Table A.1**

FISCAL POSITION 2020 - 2024						
	2020 Actual € '000	2021 Revised € '000	2022 Estimates € '000	2023 Estimates € '000	2024 Estimates € '000	
<b>Consolidated Fund</b>						
Tax Revenue	3,952,998	4,470,600	5,134,325	5,377,250	5,707,700	
Non-Tax Revenue	446,019	538,779	570,385	579,306	522,772	
Total Revenue	4,399,017	5,009,379	5,704,710	5,956,556	6,230,472	
Recurrent Expenditure	4,650,277	5,544,167	5,329,471	5,456,639	5,668,734	
Capital Expenditure	1,037,149	799,501	930,897	1,004,121	845,245	
Primary Balance	(1,288,409)	(1,334,289)	(585,658)	(504,204)	(283,507)	
Interest Payments	181,205	185,578	181,417	193,696	208,393	
Recurrent Surplus / (Deficit)	(432,465)	(720,366)	193,822	306,221	353,345	
<b>Consolidated Fund Surplus / Deficit</b>	<b>(1,469,614)</b>	<b>(1,519,867)</b>	<b>(737,075)</b>	<b>(697,900)</b>	<b>(491,900)</b>	
<b>Financing</b>						
Direct Loan Repayments	(461,583)	(462,502)	(469,567)	(446,190)	(490,123)	
Early Repayments of MGRSB	(4,123)	(4,500)	(5,850)	(4,750)	(3,250)	
Contributions to Sinking Funds - Foreign	(50)	(50)	(50)	(50)	(49)	
Contributions to Special MGS Sinking Fund	(20,000)	(30,000)	(25,000)	(25,000)	(25,000)	
Equity Acquisition	(36,980)	(15,038)	(5,038)	(538)	(538)	
ETSF / ESM Credit Line Facility	-	(4,500)	-	-	-	
Repayment of Loans to Government	915	2,226	2,784	2,784	2,784	
Sale of Shares / Assets	889	889	889	889	889	
Public Sector Borrowing Requirement	(520,932)	(513,475)	(501,832)	(472,855)	(515,287)	
Foreign Loans	(1,990,546)	(2,033,342)	(1,238,907)	(1,170,755)	(1,007,187)	
Consolidated Fund balance as at 1 January	120,000	300,000	-	-	-	
Local Loans	(357,234)	(797,993)	(731,335)	(770,242)	(740,997)	
	1,429,787	1,800,000	1,200,000	1,200,000	1,100,000	
Consolidated Fund balance as at 31 December	1,072,553	1,002,007	468,665	429,758	359,003	
	(797,993)	(731,335)	(770,242)	(740,997)	(648,184)	
<b>Consolidated Fund Surplus / Deficit</b>	<b>(1,469,614)</b>	<b>(1,519,867)</b>	<b>(737,075)</b>	<b>(697,900)</b>	<b>(491,900)</b>	
General Government Adjustments	201,684	(25,133)	(115,625)	(9,100)	(6,100)	
General Government Surplus / Deficit	(1,267,930)	(1,545,000)	(850,700)	(707,000)	(496,000)	
Gross Domestic Product	13,054,927	13,964,140	15,162,724	16,140,339	17,125,205	
General Government Surplus / Deficit as a % of Gross Domestic Product	-9.7%	-11.1%	-5.6%	-4.4%	-2.9%	

**Table A.2**

**STATEMENT OF PUBLIC DEBT**

	2020	2021	2022	2023	2024
					<b>€ '000</b>
Malta Government Stocks	5,358,625	6,530,822	7,363,520	8,224,528	8,963,892
Malta Government Retail Savings Bonds	380,507	476,007	376,655	284,148	187,075
Treasury Bills	586,500	582,000	640,000	610,000	518,000
Foreign Loans	120,839	420,717	420,591	420,463	420,342
EBU's / Local Councils	168,065	167,566	167,566	167,566	167,566
Currency	90,371	100,393	105,533	111,188	117,407
ESA Rerouted Debt	272,597	284,884	299,884	304,884	304,884
<b>General Government Public Debt</b>	<b>6,977,504</b>	<b>8,562,389</b>	<b>9,373,749</b>	<b>10,122,777</b>	<b>10,679,166</b>
Gross Domestic Product	13,054,927	13,964,140	15,162,724	16,140,339	17,125,205
<b>Debt as a % of Gross Domestic Product</b>	<b>53.45%</b>	<b>61.32%</b>	<b>61.82%</b>	<b>62.72%</b>	<b>62.36%</b>

## Table A.3

FISCAL POSITION 2020 - 2021						
	2020		2021			
	Actual		Approved		Revised	
	€ '000		€ '000		€ '000	
<b>Consolidated Fund</b>						
Tax Revenue	3,952,998		4,599,000		4,470,600	
Non-Tax Revenue	446,019		599,002		538,779	
Total Revenue		4,399,017		5,198,002		5,009,379
Recurrent Expenditure		4,650,277		4,971,899		5,544,167
Capital Expenditure		1,037,149		792,817		799,501
Primary Balance	(1,288,409)		(566,714)		(1,334,289)	
Interest Payments		181,205		189,825		185,578
Recurrent Surplus / (Deficit)	(432,465)		36,278		(720,366)	
<b>Consolidated Fund Surplus / (Deficit)</b>		<b>(1,469,614)</b>		<b>(756,539)</b>		<b>(1,519,867)</b>
<i>Financing</i>						
Direct Loan Repayments	(461,583)		(462,502)		(462,502)	
Early Repayment of MGRSB	(4,123)		(4,500)		(4,500)	
Contributions to Sinking Funds - Foreign	(50)		(50)		(50)	
Contribution to Special MGS Sinking Fund	(20,000)		(30,000)		(30,000)	
Equity Acquisition	(36,980)		(10,538)		(15,038)	
EFSF / ESM Credit Line Facility	-		(4,500)		(4,500)	
Repayment of Loans to Government	915		2,226		2,226	
Sale of Shares / Assets	889		889		889	
		(520,932)		(508,975)		(513,475)
Public Sector Borrowing Requirement		(1,990,546)		(1,265,514)		(2,033,342)
Foreign Loans		120,000		123,632		300,000
Consolidated Fund balance as on 1 January	(357,234)		(532,969)		(797,993)	
Local Loans	1,429,787		976,368		1,800,000	
		1,072,553		443,399		1,002,007
Consolidated Fund balance as on 31 December		(797,993)		(698,483)		(731,335)
<b>Consolidated Fund Surplus / (Deficit)</b>		<b>(1,469,614)</b>		<b>(756,539)</b>		<b>(1,519,867)</b>
<b>General Government Adjustments</b>		<b>201,684</b>		<b>(36,861)</b>		<b>(25,133)</b>
<b>General Government Surplus / (Deficit)</b>		<b>(1,267,930)</b>		<b>(793,400)</b>		<b>(1,545,000)</b>
<b>Gross Domestic Product</b>		<b>13,054,927</b>		<b>13,351,390</b>		<b>13,964,140</b>
<b>General Government Surplus / (Deficit) as a % of Gross Domestic Product</b>		<b>-9.7%</b>		<b>-5.9%</b>		<b>-11.1%</b>

**STATEMENT A**  
**REVENUE 2021 : REVISED ESTIMATES COMPARED TO APPROVED ESTIMATES**

HEAD	APPROVED ESTIMATE €	REVISED ESTIMATE €	VARIATION + - €	REMARKS
<b>TAX REVENUE</b>				
Direct -				
Income Tax	1,793,000,000	1,772,295,000	- 20,705,000	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	1,087,000,000	1,161,436,000	74,436,000	Excess revenue under Social Security Contributions is expected to materialise in reflection of employment performance.
Indirect -				
Customs and Excise Duties	344,000,000	306,200,000	- 37,800,000	Lower revenue is anticipated by year-end, when compared to the original budget, as shown in the revised forecast as a result of lower receipts mainly under <i>Machine-made Cigarettes and Petroleum</i> .
Licences, Taxes and Fines	381,000,000	331,725,000	- 49,275,000	Lower revenue is expected by year end mainly under <i>Duty on Documents and Motor Vehicle Registration Tax</i> .
Value Added Tax	994,000,000	898,944,000	- 95,056,000	Lower revenue is anticipated by year end, when compared to the original budget, as shown in the revised forecast.
<b>TOTAL TAX REVENUE</b>	<b>4,599,000,000</b>	<b>4,470,600,000</b>	<b>128,400,000</b>	



**STATEMENT A**  
**REVENUE 2021 : REVISED ESTIMATES COMPARED TO APPROVED ESTIMATES**

HEAD	APPROVED ESTIMATE €	REVISED ESTIMATE €	+	VARIATION €	-	€	REMARKS
<b>NON-TAX REVENUE</b>							
Fees of Office	122,041,000	103,641,000	-	18,400,000			Lower revenue is anticipated by year-end, when compared to the original budget, as shown in the revised forecast as a result of lower receipts under the <i>Individual Investor Programme, Fee on Caging of Bluefin Tuna, Environmental Contribution and Energy Performance Certificates.</i>
Sales	42,096,000	42,096,000	-				
Reimbursements	4,573,000	4,613,000	40,000				
Central Bank of Malta Rents	33,000,000 33,680,000	33,000,000 33,680,000	- -				

**STATEMENT A**  
**REVENUE 2021 : REVISED ESTIMATES COMPARED TO APPROVED ESTIMATES**

HEAD	APPROVED ESTIMATE €	REVISED ESTIMATE €	+	VARIATION €	-	REMARKS
<b>NON-TAX REVENUE (continued)</b>						
Dividends on Investment	44,100,000	50,000,000	5,900,000	-		The revised forecast reflects the actual dividends which are expected to materialise.
Interest on Loans made by Government	276,000	276,000	-	-		
Grants	263,503,000	212,740,000	-	50,763,000		Variance is due to actual reimbursements of corresponding expenditure, expected to be received from the EU Commission under its various funding programmes.
Miscellaneous Receipts	55,733,000	58,733,000	3,000,000	-		Higher receipts are expected to materialise by year-end under <i>Proceeds from Auctioning of Emission Trading Units</i> . However, lower revenue is expected under <i>Premium receivable from Sale of MGSS</i> .
<b>TOTAL NON-TAX REVENUE</b>	<b>599,002,000</b>	<b>538,779,000</b>		<b>60,223,000</b>		
<b>TOTAL REVENUE</b>	<b>5,198,002,000</b>	<b>5,009,379,000</b>		<b>188,623,000</b>		

**STATEMENT A**  
**REVENUE 2021 : REVISED ESTIMATES COMPARED TO APPROVED ESTIMATES**

HEAD	APPROVED ESTIMATE €	REVISED ESTIMATE €	+	VARIATION €	-	REMARKS
<b>NON-ORDINARY REVENUE</b>						
Local Loans	976,368,000	1,800,000,000		823,632,000	-	The difference from the original estimates reflects higher borrowing requirements for this year, mainly due to the impact of the pandemic.
European Union Loan	123,632,000	300,000,000		176,368,000	-	The revision reflects financing obtained through EU SURE Loans.
Repayment of loans made by Government	2,226,000	2,226,000		-	-	
Proceeds from Sale of Shares	889,000	889,000		-	-	
<b>TOTAL NON-ORDINARY REVENUE</b>	<b>1,103,115,000</b>	<b>2,103,115,000</b>		<b>1,000,000,000</b>		
<b>GRAND TOTAL</b>	<b>6,301,117,000</b>	<b>7,112,494,000</b>		<b>811,377,000</b>		

**STATEMENT B**  
**RECURRENT EXPENDITURE 2021: REVISED ESTIMATES COMPARED TO APPROVED ESTIMATES**

VOTE	APPROVED ESTIMATE €	REVISED ESTIMATE €	VARIATION		REMARKS
			+	-	
	€	€	€	€	
1 Office of the President	4,714,000	4,862,000	148,000	-	
2 House of Representatives	10,472,000	10,415,000	-	57,000	
3 Office of the Ombudsman	1,427,000	1,427,000	-	-	
4 National Audit Office	3,850,000	3,850,000	-	-	
5 Commissioner for Standards in Public Life	478,000	478,000	-	-	
6 Office of the Prime Minister	59,355,000	62,864,000	3,509,000	-	Variance is expected under Personal Emoluments ( <i>Salaries and Wages and Allowances</i> ) and under the Contributions to Government Entities category mainly to cover services being provided by <i>Servizz.gov</i> .
7 Information	1,438,000	1,417,000	-	21,000	

**STATEMENT B**  
**RECURRENT EXPENDITURE 2021: REVISED ESTIMATES COMPARED TO APPROVED ESTIMATES**

VOTE	APPROVED ESTIMATE €	REVISED ESTIMATE €	VARIATION		REMARKS
			+	-	
	€	€	€	€	
8 Government Printing Press	1,730,000	1,738,000	8,000	-	
9 Electoral Office	2,666,000	2,850,000	184,000	-	
10 Public Service Commission	770,000	693,000	-	77,000	
11 Industrial and Employment Relations	1,948,000	2,061,000	113,000	-	
12 Ministry for Health	758,174,000	896,302,000	138,128,000	-	Variance is due to higher expenditure under Personal Emoluments ( <i>Salaries and Wages, Allowances and Overtime</i> ), under the category for Operational and Maintenance Expenses as well as under Programmes and Initiatives ( <i>Medicines and Surgical Materials, Maintenance of Medical Equipment, Waiting Lists of Medical Services</i> ) due to the COVID-19 pandemic, National Strategy on Rare Diseases, Health Concession Agreement - Gozo General Hospital, Health Concession Agreement - Karin Grech Rehabilitation Hospital and Cancer Treatment.

**STATEMENT B**  
**RECURRENT EXPENDITURE 2021: REVISED ESTIMATES COMPARED TO APPROVED ESTIMATES**

VOTE	APPROVED ESTIMATE €	REVISED ESTIMATE €	VARIATION		REMARKS
			+	-	
	€	€	€	€	
13 Ministry for Foreign and European Affairs	45,048,000	47,293,000	2,245,000	-	Savings are projected in the Personal Emoluments category ( <i>Salaries and Wages and Allowances</i> ), which partly compensate for increases under the Operational and Maintenance Expenses category ( <i>Rent and Contractual Services</i> ), as well as the <i>Overseas Development Aid</i> , under the Programmes and Initiatives category.
14 Ministry for Senior Citizens and Active Ageing	202,911,000	200,528,000	-	2,383,000	Savings are expected in the Personal Emoluments category under <i>Salaries and Wages and Overtime</i> which will compensate for an increase under <i>Allowances</i> due. An expected decrease under <i>Contractual Services</i> compensates for an increase of <i>SVPR Service Contract</i> under the Programmes and Initiatives Category. Furthermore, lower expenditure under the Welfare Committee within this Vote resulted following transfer of the allocated budget to another recurrent vote.
15 Ministry for Research, Innovation and the Coordination of Post COVID-19 Strategy	16,195,000	16,622,000	427,000	-	

**STATEMENT B**  
**RECURRENT EXPENDITURE 2021: REVISED ESTIMATES COMPARED TO APPROVED ESTIMATES**

VOTE	APPROVED ESTIMATE €	REVISED ESTIMATE €	VARIATION		REMARKS
			+	-	
	€	€	€	€	
16 Ministry for the National Heritage, the Arts and Local Government	49,115,000	58,181,000	9,066,000	-	Savings are expected in the Personal Emoluments category in reflection of expenditure trends. Higher expenditure is expected under <i>Culture Assistance Fund (COVID-19)</i> under the Programmes and Initiatives category following the issue of such assistance scheme. Supplementary provisions are required under <i>Heritage Malta</i> within Contributions to Government Entities category to make good for lower revenue from ticket sales.
17 Local Government	54,916,000	54,851,000	-	65,000	
18 Ministry for Transport, Infrastructure and Capital Projects	102,069,000	107,614,000	5,545,000	-	Increases are projected in the Personal Emoluments category ( <i>Salaries and Wages and Allowances</i> ), as well as the Operational and Maintenance Expenses category ( <i>Contractual Services and Professional Services</i> ). In response to actual requirements, supplementary funding is also required under <i>Damages to Third Parties, Grant for Wheelchair Accessible Vehicles, Scrappage Scheme to Purchase Motor Cycles, Public Service Obligation - Public Transport</i> and <i>Grant for Electric Vehicles</i> .

**STATEMENT B**  
**RECURRENT EXPENDITURE 2021: REVISED ESTIMATES COMPARED TO APPROVED ESTIMATES**

VOTE	APPROVED ESTIMATE €	REVISED ESTIMATE €	VARIATION		REMARKS
			+	-	
19 Ministry for Social Justice and Solidarity, the Family and Children's Rights	66,897,000	70,343,000	3,446,000	-	A supplementary provision is required under the <i>Welfare Committee</i> (whilst an equivalent amount will be unspent under another Vote) and <i>Out of Home Care Programme</i> which partly take up expected decreases under <i>Adoption Grant</i> and <i>Public Social Partnerships</i> .
20 Social Policy	371,082,000	390,544,000	19,462,000	-	A decrease is expected under <i>Salaries and Wages</i> in the Personal Emoluments category. Higher expenditure is required in <i>State Contribution</i> under the Programmes and Initiatives category in reflection of higher social security contributions expected to be received.
21 Social Security Benefits	1,118,069,000	1,118,069,000	-	-	
22 Pensions	103,490,000	103,490,000	-	-	



**STATEMENT B**  
**RECURRENT EXPENDITURE 2021: REVISED ESTIMATES COMPARED TO APPROVED ESTIMATES**

VOTE	APPROVED ESTIMATE €	REVISED ESTIMATE €	VARIATION		REMARKS
			+	-	
	€	€	€	€	
23 Ministry for Justice, Equality and Governance	40,051,000	44,129,000	4,078,000	-	A decrease in the Personal Emoluments category under <i>Salaries and Wages</i> partly compensates for an increase in provisions under <i>Summoning and Expenses of Witnesses, Jurois and Experts in Criminal Court Trials</i> in the category of Programmes and Initiatives, and under the Contributions to Government Entities category ( <i>Court Services Agency, Office of the State Advocate and Attorney General's Office</i> ).
24 Ministry or Agriculture, Fisheries, Food and Animal Rights	32,189,000	40,141,000	7,952,000	-	Supplementary provisions are required in the Personal Emoluments category ( <i>Salaries and Wages and Social Security Contributions</i> ) under the Operational and Maintenance Expenses category ( <i>Contractual Services and Professional Services</i> ), as well as <i>Agriculture Support Scheme and Animal Aftercare Clinic</i> which partly take up saving under the <i>Storm Damages Scheme</i> item.
25 Ministry for Social Accommodation	28,888,000	29,888,000	1,000,000	-	Additional funds are required under <i>Housing Programmes</i> in response to assistance being requested.
26 Ministry for Education	311,862,000	311,751,000	-	111,000	

**STATEMENT B**  
**RECURRENT EXPENDITURE 2021: REVISED ESTIMATES COMPARED TO APPROVED ESTIMATES**

VOTE	APPROVED ESTIMATE €	REVISED ESTIMATE €	VARIATION		REMARKS
			+	-	
	€	€	€	€	
27 Education	330,966,000	353,892,000	22,926,000	-	A variance is expected under Personal Emoluments ( <i>Salaries and Wages</i> ) and under the Programmes and Initiatives category to cover the <i>Extension of School Transport Network</i> due to resulting actual demand.
28 Ministry for the Economy and Industry	88,040,000	125,462,000	37,422,000	-	Savings are expected in the Personal Emoluments category under <i>Salaries and Wages</i> . Higher expenditure is expected under <i>Contractual Services</i> of the Operational and Maintenance Expenses category and under <i>Malta Freeport Interest Payments</i> ( whilst an equivalent amount will remain unspent under the Ministry for Tourism and Consumer Protection) and <i>Tech.mt</i> of the Programmes and Initiatives category. Lower expenditure is expected under <i>Economic Regeneration Voucher Scheme</i> of the same category. Supplementary provisions are required under <i>Lands Authority</i> and <i>Malta Investments Management Co. Ltd.</i> within the Contributions to Government Entities category.
29 Commerce	1,634,000	1,854,000	220,000	-	

**STATEMENT B**  
**RECURRENT EXPENDITURE 2021: REVISED ESTIMATES COMPARED TO APPROVED ESTIMATES**

VOTE	APPROVED ESTIMATE €	REVISED ESTIMATE €	VARIATION		REMARKS
			+	-	
	€	€	€	€	
30 Ministry for Inclusion and Social Wellbeing	47,990,000	52,314,000	4,324,000	-	Higher expenditure is expected under <i>Sports Activities and Assistance to Organisations and Independent Community Living</i> under the Programmes and Initiatives category. Supplementary provisions are required under <i>Office of the Commissioner for Voluntary Organisations</i> - due to recruitment, and <i>Malta Council for the Voluntary Sector</i> within Contributions to Government Entities category - due to pandemic assistance offered to the Sector.
31 Ministry for the Environment, Climate Change and Planning	72,632,000	70,372,000	-	2,260,000	Savings are expected in the Personal Emoluments category under <i>Salaries and Wages, Social Security Contributions and Allowances</i> . Additional funding is required under <i>Solid Waste Management Strategy</i> in Programmes and Initiatives category and <i>Environment and Planning Review Tribunal</i> within Contributions to Government Entities category.
32 Ambient Malta	6,599,000	15,770,000	9,171,000	-	Additional funds are required under <i>Salaries and Wages</i> of the Personal Emoluments category which partly compensate for the variance under <i>Landscaping-Malta</i> , in respect of which an equivalent amount will remain unspent under the Ministry for Energy, Enterprise and Sustainable Development.

**STATEMENT B**  
**RECURRENT EXPENDITURE 2021: REVISED ESTIMATES COMPARED TO APPROVED ESTIMATES**

VOTE	APPROVED ESTIMATE €	REVISED ESTIMATE €	VARIATION		REMARKS
			+	-	
	€	€	€	€	
33 Ministry for Gozo	51,734,000	52,340,000	606,000	-	Additional funds are projected in the Personal Emoluments category ( <i>Salaries and Wages</i> ) and under Operational and Maintenance Expenses category (Contractual Services) which partly compensate to the decrease in <i>Gozo Employment Scheme</i> under the Programmes and Initiatives category.
34 Ministry for Home Affairs, National Security and Law Enforcement	57,577,000	68,208,000	10,631,000	-	Supplementary funding is required under <i>Salaries and Wages and Allowances</i> of the Personal Emoluments category, <i>Contractual Services</i> of the Operational and Maintenance Expenses category, <i>Detention Services</i> of the Programmes and Initiatives category and under the <i>Correctional Services Agency and Agency for Welfare of Asylum Seekers</i> in the Contributions to Government Entities category.
35 Armed Forces of Malta	58,299,000	73,735,000	15,436,000	-	A variance is expected under the <i>Personal Emoluments</i> category ( <i>Salaries and Wages and Allowances</i> ), as a result of collective agreement arrears falling due.
36 Police	82,780,000	82,330,000	-	450,000	The overall variance under the Personal Emoluments category ( <i>Salaries and Wages, and Allowances</i> ) is expected to materialise by year end, in reflection of expenditure trends.

**STATEMENT B**  
**RECURRENT EXPENDITURE 2021: REVISED ESTIMATES COMPARED TO APPROVED ESTIMATES**

VOTE	APPROVED ESTIMATE €	REVISED ESTIMATE €	VARIATION		REMARKS
			+	-	
	€	€	€	€	
37 Probation and Parole	1,456,000	1,464,000	8,000	-	
38 Civil Protection	9,906,000	11,887,000	1,981,000	-	Additional funds are required under <i>Allowances</i> in the Personal Emoluments category, due to a new collective agreement.
39 Ministry for Tourism and Consumer Protection	149,989,000	145,693,000	-	4,296,000	The Personal Emoluments category ( <i>Salaries and Wages and Allowances</i> ), the Programmes and Initiatives category ( <i>Malta Freeport Interest Payments</i> ) in respect of which the equivalent amount will be spent under the Ministry for the Economy and Industry and the Contributions to Government Entities category ( <i>Malta Tourism Authority</i> ) are expected to give rise to the indicated variance under this recurrent vote by year end.
40 Ministry for Energy, Enterprise and Sustainable Development	249,374,000	469,247,000	219,873,000	-	The Programmes and Initiatives category ( <i>Pandemic Assistance Schemes</i> as well as <i>Landscaping Malta</i> ), in respect of which equivalent amount will be spent under Ambient Malta) 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.

**STATEMENT B**  
**RECURRENT EXPENDITURE 2021: REVISED ESTIMATES COMPARED TO APPROVED ESTIMATES**

VOTE	APPROVED ESTIMATE €	REVISED ESTIMATE €	VARIATION		REMARKS
			+	-	
	€	€	€	€	
41 Ministry for Finance and Employment	304,598,000	370,775,000	66,177,000	-	Additional funds will be required in the Personal Emoluments category under <i>Salaries and Wages, Professional Services</i> of the Operational and Maintenance Expenses category and under <i>EU Own Resources, Childcare for All</i> and <i>Court Judgements</i> under the Programmes and Initiatives Category. Supplementary provisions are required under <i>Financial Intelligence Analysis Unit</i> within the Contributions to Government Entities category.
42 Economic Policy	1,807,000	1,874,000	67,000	-	
43 Treasury	35,654,000	33,704,000	-	1,953,000	Lower net expenditure is expected under the Programmes and Initiatives category.
44 Public Debt Servicing	706,877,000	682,630,000	-	24,247,000	Expenditure under Local Borrowing will be lower than originally forecast in view of <i>Interest (MGS)</i> and <i>Total Sinking Funds Contributions</i> .

**STATEMENT B**  
**RECURRENT EXPENDITURE 2021: REVISED ESTIMATES COMPARED TO APPROVED ESTIMATES**

VOTE	APPROVED ESTIMATE €	REVISED ESTIMATE €	VARIATION		REMARKS
			+	-	
	€	€	€	€	
45 Commissioner for Revenue	20,813,000	20,771,000	-	42,000	
46 Customs	12,716,000	12,647,000	-	69,000	
47 Contracts	2,031,000	1,930,000	-	101,000	
<b>TOTAL RECURRENT EXPENDITURE AND PUBLIC DEBT SERVICING</b>	<b>5,683,276,000</b>	<b>6,231,297,000</b>	<b>548,021,000</b>	<b>-</b>	

STATEMENT C  
CAPITAL EXPENDITURE 2021: REVISED ESTIMATES COMPARED TO APPROVED ESTIMATES

VOTE	APPROVED	REVISED	VARIATION		REMARKS
	ESTIMATE	ESTIMATE	+	-	
	€	€	€	€	
I Office of the President	554,000	554,000	-	-	
II House of Representatives	2,176,000	1,676,000	-	500,000	Expenditure in relation to <i>Rehabilitation and Adaptation Works</i> is expected to be lower.
III Office of the Prime Minister	53,326,000	50,673,000	-	2,653,000	Savings are projected mainly under <i>Structural Funds 2014-2020</i> and <i>Internal Security Fund - Borders and Visa</i> .
IV Ministry for Health	66,053,000	53,029,000	-	13,024,000	The higher expenditure under <i>ICT Items, Direct Management Funds</i> and <i>EEA/Norwegian Financial Mechanisms 2014-2021</i> will be offset by lower expenditure under <i>Structural Funds 2014-2020</i> and <i>Property, Plant and Equipment (Mount Carmel Hospital)</i> .
V Ministry for Foreign and European Affairs	2,905,000	10,196,000	7,291,000	-	Higher expenditure is expected under <i>Property, Plant and Equipment</i> to cater for the acquisition of a property in New York.
VI Ministry for Senior Citizens and Active Ageing	9,483,000	8,970,000	-	513,000	Higher expenditure is foreseen under <i>Property, Plant and Equipment (Saint Vincent de Paul Residence)</i> and <i>Property, Plant and Equipment (Existing Homes)</i> which is expected to be partly compensated for by lower expenditure under <i>Property, Plant and Equipment (Birirkara Home)</i> .



**STATEMENT C**  
**CAPITAL EXPENDITURE 2021: REVISED ESTIMATES COMPARED TO APPROVED ESTIMATES**

VOTE	APPROVED ESTIMATE €	REVISED ESTIMATE €	VARIATION		REMARKS
			+	-	
	€	€	€	€	
VII Ministry for Research, Innovation and the Coordination of Post COVID-19 Strategy	1,590,000	1,590,000	-	-	
VIII Ministry for the National Heritage, the Arts and Local Government	29,354,000	21,582,000	-	7,772,000	Savings are anticipated under <i>Structural Funds 2014-2020, Concert Hall and Local Councils Capital Projects</i> .
IX Ministry for Transport, Infrastructure and Capital Projects	163,245,000	230,696,000	67,451,000	-	Expenditure is projected to be higher under <i>Structural Funds 2014-2020, Connecting Europe Facility 2014-2020, Road Construction/Improvements, Maritime Facilities, Ta' Qali National Park and Corradino Rugby Complex</i> . This is partially offset by lower expenditure that is anticipated under the <i>Cohesion Fund 2014-2020</i> .
X Ministry for Social Justice and Solidarity, the Family and Children's Rights	4,199,000	8,509,000	4,310,000	-	Higher expenditure is anticipated under <i>Property, Plant and Equipment (Ministry), Structural Funds 2014-2020 and Property, Plant and Equipment (Foundation for Social Welfare Standards)</i> .
XI Ministry for Justice, Equality and Governance	4,263,000	3,698,000	-	565,000	Savings under <i>Court Services Agency</i> are expected.

**STATEMENT C**  
**CAPITAL EXPENDITURE 2021: REVISED ESTIMATES COMPARED TO APPROVED ESTIMATES**

VOTE	APPROVED ESTIMATE €	REVISED ESTIMATE €	VARIATION		REMARKS
			+	-	
	€	€	€	€	
XII Ministry for Agriculture, Fisheries, Food and Animal Rights	41,238,000	41,238,000	-	-	
XIII Ministry for Social Accommodation	3,941,000	7,941,000	4,000,000	-	Higher expenditure is anticipated under <i>Property, Plant and Equipment</i> .
XIV Ministry for Education	88,207,000	73,177,000	-	15,030,000	Expenditure is anticipated to be lower under <i>Structural Funds 2014-2020</i> , <i>MCAST Capital Programme</i> , and <i>Information Technology in Government Schools</i> .
XV Ministry for the Economy and Industry	39,633,000	50,911,000	11,278,000	-	Higher expenditure is anticipated under <i>Structural Funds 2014-2020</i> , and <i>Lands Authority Capital Programme</i> .
XVI Ministry for Inclusion and Social Wellbeing	27,624,000	13,252,000	-	14,372,000	Savings are expected to materialise under <i>Structural Funds 2014-2020</i> , <i>REACH - Independent Living and Employment</i> , and <i>Sports Capital Programme</i> .
XVII Ministry for the Environment, Climate Change and Planning	47,328,000	34,430,000	-	12,898,000	Savings are projected under <i>Waste Management and Cohesion Fund 2014-2020</i> .

## STATEMENT C

## CAPITAL EXPENDITURE 2021: REVISED ESTIMATES COMPARED TO APPROVED ESTIMATES

VOTE	APPROVED ESTIMATE €	REVISED ESTIMATE €	VARIATION		REMARKS
			+	-	
	€	€	€	€	
XVIII Ministry for Gozo	22,007,000	30,043,000	8,036,000	-	Additional expenditure is expected to be incurred mainly under <i>Property, Plant and Equipment, Road Construction/Improvements, Upgrading of St Francis Square and Gazo Aquatic Centre.</i>
XIX Ministry for Home Affairs, National Security and Law Enforcement	62,602,000	42,130,000	-	20,472,000	Expenditure is expected to be lower principally under <i>ICT Items and Armed Forces of Malta Capital Programme.</i>
XX Ministry for Tourism and Consumer Protection	20,436,000	17,176,000	-	3,260,000	Savings are anticipated under the <i>Foundation for Tourism Zones.</i>
XXI Ministry for Energy, Enterprise and Sustainable Development	76,712,000	70,644,000	-	6,068,000	Lower expenditure under <i>Cohesion Fund 2014-2020</i> and <i>Parks Malta Capital Programme</i> will be partly offset by higher expenditure under <i>Property, Plant and Equipment and Structural Funds 2014-2020.</i>
XXII Ministry for Finance and Employment	36,479,000	42,424,000	5,945,000	-	Expenditure is expected to be higher mainly under <i>Investment - Equity Acquisition, Structural Funds 2014-2020, Direct Management Funds</i> and the <i>Customs Capital Programme.</i>
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>803,355,000</b>	<b>814,539,000</b>	<b>11,184,000</b>	<b>-</b>	

