



The quality of life  
you deserve

PRE-BUDGET DOCUMENT

**PARTIT NAZZJONALISTA**



## Malta needs healing and it is our responsibility to heal it



**Dr Bernard Grech**  
*Leader of the Opposition*

We are all aware of the current crossroad our country is going through. A crossroad that presents several challenges that we must face head on with courage while wearing our national hat and only aim to ensure the well-being of our country and therefore our citizens.

Is it game over for Malta? History has thought us that the Maltese people are resilient and at time of need, the Maltese have always stood up to be counted. Yes, I believe that we are in one of those defining moments at which Malta is calling upon us all irrespective of our political allegiance. Politics of inclusion is a proven formula. It is through this formula that we in Malta delivered significant economic growth and witnessed this country go through significant transformation.

This formula mandates that we all work together in the best interest of our country. I therefore urge the government to take the lead and truly become the facilitator for dialogue, creative thinking, and the owner of a long-term economic strategy. While it is understandable but not acceptable that political parties think in five years cycles, governments must rise beyond partisan politics, take difficult, necessary though unpopular decisions, and think long term.

To its own detriment, the Nationalist Party in Government did just that.

The Nationalist Party in opposition is ready and above all willing to be part of the solution.

I once again urge the government to be the catalyst so together we can discuss, define, and create solutions that will lead us to.

1. Creating new unique selling propositions that will continue to improve Malta's attractiveness. These unique selling propositions must focus on
  - a. The creation of other diversified tax incentives and in doing so see how these can also be extended to local investors so as much as possible we maintain a fair playing field.
  - b. Seriously re-engineer and transform our higher-level education model and make sure that it is industry driven. Create tomorrows needs today and in doing so attract foreign direct investment. Make Malta a skills hub.
  - c. Re-invent our economic model and focus on a low volume high margin model. In other words, stop growing the size of the workforce but increase the value-added output. We must focus on re-inventing our current successful industry verticals such as iGaming, Maritime, Financial Services, and others, create new industries as the opposition proposed prior to the last general election, we now know how important these are for our continued economic stability and growth. We must therefore focus on industries that create quality jobs and deliver high value contribution to our GDP. We must be bold; we must be courageous and acknowledge that these are the valid reasons why Malta should borrow funds. Yes, let us borrow money, but let's invest

it in projects that have a clear return on investment.

- d. The government must quickly live up to its general election promise and effect the much-needed investment in our environment and truly create lungs in every locality in Malta and Gozo.

Malta needs healing and it is our responsibility to heal it. We must heal this country and the point of departure is to acknowledge that “Not everything in this country is right.” We can only do this if we eradicate the populist trap that we allowed ourselves to fall into.

We all know the challenges; we all know what are those things that are negatively impacting the quality of life in Malta.

The healing must start, and it must start fast as time is of the essence. The Nationalist Party has the political will and is well equipped to contribute and deliver value. In the short term the key to Malta’s future and success is in the governments hand, it is up to government to acknowledge that only a genuine collective effort will translate to increased quality, improved productivity, reduced cost, and reduced time to market.





## The quality of life you deserve



**Jerome Caruana Cilia**

*Opposition Spokesperson for Finance*

The war in Ukraine and the resulting turmoil this has created, together with the tail end of COVID 19 are officially touted as the main issues impacting our economic progress. Government has continued to deny the fact or listen to advice that the model we have followed for close to 10 years is not sustainable and needs serious rethinking and replanning. The time for change is now.

Pillar 1 revolves around the cost-of-living assistance that is required in these challenging times. The Labour Party in government had once said that poverty will be eradicated however the failure is clear and poverty has increased. A recent scientific analysis by the National Statistics Office (NSO) demonstrates that more than 90,000 individuals are at risk of poverty. People want to see a higher living income, better pensions, and concrete proof on how the issue of poverty will be seriously addressed.

Moreover, the Party has already presented several recommendations around the COLA mechanism. Nonetheless, while it is essential to discuss the COLA mechanism so that workers and professionals can live better financially, there is the obvious need for

planned and robust investment to develop new economic sectors. In this way, we will not only be creating better quality jobs, but value-added ones, which are well paid. Whenever this has happened, we have seen employee progression and social mobility increase across every stratum of society.

Enhancing business development and growth is discussed in Pillar 2. Like all governments across the globe the Maltese Government's economic focus is on growth. While the focus is indeed the right one, it is blatantly apparent that the Maltese Government continually fails to analyse the cause of our economic growth, its sustainability and ultimately its contribution to society, businesses, and the government itself. Moreover, the following notions are also considered in this pillar: MCESD Reform, Tourism, Transport and Capital Projects

While the question of whether the Maltese Economy has continued to grow or not has an obvious answer, the PN has for some years continued to recommend that the Economic debate in Malta should focus on diversified economic models. With the appeals falling on deaf ears, the debate is now long overdue, and the cracks are beginning to show. Without further delay the Government must engage with all stakeholders including the Opposition and through a collaborative and cooperative approach address the elephant in the room and rectify the matter before it is too late.

People deserve a better health service through further investment by government. In Pillar 3 we focus on health-related proposals, including but not limited to recommendations around primary healthcare and mental health.

More than three quarters of Maltese men are overweight. According to statistics issued by the World Health Organization, this is the



highest rate among the 52 countries in the European region. We must urgently develop a clear national strategy to immediately address this serious problem our country is facing. High on the agenda is consultation with the educational authorities, the unions and with relevant subject matter experts, to increase the number of physical education lessons per week during compulsory education.

We firmly believe that Sport is one of the pillars on which we need to build the socio-economic development of our country. The PN is totally committed to drive the most intensive sport development agenda so that our athletes, whichever sport they practice, whatever their age, whether established or not, professional, or amateur can achieve excellence and advancement. Sport must be considered as an integral part of the development of our society and our economy.

The PN has always believed in education as the gateway to a better quality of life. In Pillar 4 we describe how best to support your aspirations and ambitions. Education is an investment in our people and the country. Education ensures our businesses remain competitive and the country is seen as a hub for investment of added value jobs. We want to ensure that today's youth truly develop into tomorrow's critical and creative thinkers. Not only, but we must also ensure that the country retains this talent and attracts even more workers of added value who can help to continue to ensure enhancement of our local talent.

Pillar 4 emphasises the importance of interconnection between education and work, as well as the need for continuous development and advancement.

Malta desperately needs a vision and strategic plan that once again links education with employment and that makes the best use of the Human resources we have. This

must instil a culture of long-term planning, which unfortunately, is seriously lacking in our country. The Vision and Strategic Plan should address all the economic sectors of our health, education, transport, economy, the wellbeing of society, the labour market, and the environment amongst others. There needs to be a stronger, focused direction on economic transformation in a manner that steers the economy towards more productive, higher value added and sustainable activities. A shift towards a stronger, higher value-added manufacturing and services industries will create jobs without compromising the natural environment.

In Pillar 5 our focus shifts to a fitting topic: the environment that you deserve. Various notions are considered in this pillar: Energy, Planning and Construction, Animal Welfare, Agriculture and Fisheries. The basis of the quality of life is the right of people to enjoy a healthy environment, with the least possible noise, dust, visual, light and air pollution.

The piecemeal, non-holistic and ad hoc planning which lacks consideration of the impact on the environment, social and cultural heritage is negatively affecting people's quality of life financially, socially, physically, and mentally.

Following numerous discussions that the PN has had with stakeholders across the board, the Party is insisting that the Government should take a number of measures in order to start reversing this trend. The time has come for our country to take the bold step and stop development that carries on irrespective of any damage it brings about. We support development that is truly sustainable and that complements our vision of environmental protection, the climate goals we are designing and the creation of open public spaces in urban centres.

The final pillar brings to life our vision on justice, good governance, and peace of mind.

Good governance is acquired not only when laws are passed through Parliament but through Government actions that promote clear standards of transparency, enforcement, accountability and scrutiny, characteristics that are sorely lacking in our country. The PN believes in more strengthened and widespread scrutiny of all members of the executive and officials in executive roles.

An inefficient and ineffective justice system constitutes an unfair burden on families and businesses and weakens our country's competitiveness. By choosing not to invest in our justice system, Government is effectively

failing in its duty to uphold the rule of law and hindering citizens in the enjoyment of their rights. Investment in our justice system has been overlooked by the Labour government in successive budgets.

We will continue to put forward our views on how best to stimulate and sustainably grow the economy while pushing for that much-needed change in direction. We will keep pushing a family-centric, environmentally conscious, circular economy for a better quality of life. Time is running out and action must be taken immediately if we are to reshape the way we live and work and guarantee a brighter future.





## The Global Economic Situation

While the world looked with enthusiasm towards 2022, considering as the year of regeneration from two-years dominated by a global pandemic which brought economies to a halt, a combination of geo-political troubles and supply-chain limitations have significantly dampened expectations.

According to the International Monetary Fund , growth is expected to slow down from 6.1% in 2021 to 3.2% this year, as reduced purchasing power and higher inflation rates continued to take their toll. Adding to the war in Ukraine, further lockdowns and an increasingly worrying real estate crisis in China are adding to the global woes.

The European Union is severely impacted by developments on its border as the prolonged war and the sanctions imposed on Russia continue to take their toll. The latest European Commission forecast indicate that GDP is expected to grow by 2.7% this year, follow by 1.5% in 2023, with a buoyant tourism marketing making up for downturns in other sectors . The Commission expects the economy to continue to grow in the year ahead, particularly thanks to a strong funding push from the EU's Recovery and Resilience Facility, a relatively strong labour market and, hopefully, moderating inflation.

However, specific countries which had larger dependencies on Russian energy are facing harsher economic realities. In its September monthly report, the German central bank (Bundesbank) has warned the country – which is Europe's economic powers is heading into recession.

Despite the economic challenges, employment has so far demonstrated resilience in front of a prolonged crisis. The jobless rate has gone down to 6.6% in June 2022 as opposed to 7.7% in July 2021. Eurostat has estimated that the number of persons unemployed decreased by 113,000 in the EU and by 77,000 in the euro area .

Inflation remains one of the biggest worries. In the euro area, inflation grew strongly in the second quarter of 2022, from 7.4% in March, year-on-year, to a new all-time high of 8.6% in June. In the EU, the increase was even more pronounced, with inflation jumping a full percentage point, from 7.8% in March to 8.8% in May. On a global level, war-induced commodity price increases, particularly oil and gas, and broadening price pressures have led to 2022 inflation projections of 5.7% in advanced economies and 8.7% in emerging market and developing economies - 1.8 and 2.8 percentage points higher than projected towards the beginning of the year . As a result, central banks in Western nations have tightened monetary policy through hefty interest rate rises.

The rapid increase in energy and food prices will continue to erode the household purchasing power further. Consumer confidence collapsed in the first quarter of the year and continued dropping throughout June to levels close to April 2020, at the height of the first wave of the Covid-19 pandemic .

In its Winter assessment, the European Commission has highlighted the vulnerability of the Union to developments in energy

---

1 International Monetary Fund (2022): World Economic Outlook, <https://www.imf.org/en/Publications/WEO> (last accessed on 30th September 2022).

2 Ibid.

3 Ibid.

4 Ibid.

5 Ibid.

markets due to its high reliance on Russian fossil fuels, and weakening global growth detracts from external demand. The report also takes into consideration the so-called second round effects, which could negatively impact growth.

In such a context, further attention will also be given to the financial situation of European Union Member states. In the first quarter of 2022, the seasonally adjusted general government deficit to GDP ratio stood at -2.3

% in the euro area and -2.2 % in the EU. On the other hand, the government debt to GDP ratio in the euro area decreased to 95.6 %, from 95.7 % at the end of the fourth quarter of 2021. While the EU expects its Member States to keep their deficits below 3% and their debt levels under the 60% of GDP threshold, following the Russian invasion of Ukraine, the European Commission had postponed the renewed enforcement of its fiscal rules by a year, to 2024.





## A legacy of debt

Debt in terms of absolute numbers

Up to the end of July, the public financial debt was €8.56 billion. This means an increase of €709.4 million over the same period of last year. It therefore means an increase of 9%. If we look at the same period of two years ago, that is from January to July 2020, we find that the debt amounted to €6.62 billion. This means an increase of 29.2% in two years, or €1.94 billion. If we go further back to July 2012, according to the National Statistics Office (NSO), the debt stood at €4.82 billion. This means an increase of 77.7% or €3.74 billion during the years 2012 – 2022. It is worth noticing that at the end of 2021, Malta had the highest rate of deficit among all the member states of the European Union – a deficit of 8%.

In September of last year, the Minister of Finance Clyde Caruana said that the Covid pandemic had cost the country €1.5 billion in two years. Let us accept what the Minister said. Therefore, if one subtracts the cost of the pandemic, one finds that between the years 2012 and 2022 the debt increased by €2.24 billion or an increase of 46.5%. This means that during this period, there has been a sharp increase, even after considering the impact of the pandemic.

Between January and July of this year, the Government collected more money from taxes, as is expected during a period of high inflation:

- €634 million from VAT, an increase of €130.99 million or 20.65% more than last year;
- more than a billion in Income Tax, an increase of €120 million or 11.2% more than last year;

- €198 million from licences, taxes and fines, an increase of €7 million or 3.5% more than last year.

### Where have these €2.24 billion gone?

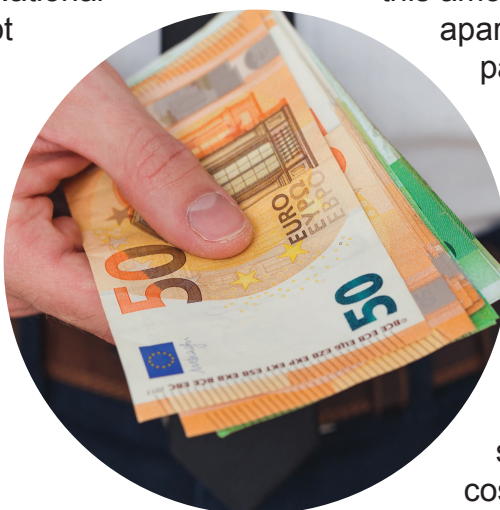
Naturally, one asks: where have these €2.24 billion of accumulated debts gone? On what were they spent? How have people benefitted? For the sake of clarity, I reiterate that, according to the Finance Minister himself, this amount is the debt accumulated, apart from the effect of the pandemic. It is pertinent for us to ask these questions.

We cannot blame the pandemic or other factors. There should be no more squandering by those who are close to the Minister.

Moreover, after years of proceeds from the IIP and subsequent high compliance costs on the country (and a programme which wrecked chaos in our international standing), what happened to the NDSF finances?

In challenging times, we are going to have more visibility on the return the government is going to have from the 'investment' the state had undertaken over the past years. In their absence, the state was irresponsible in its fiscal policy.

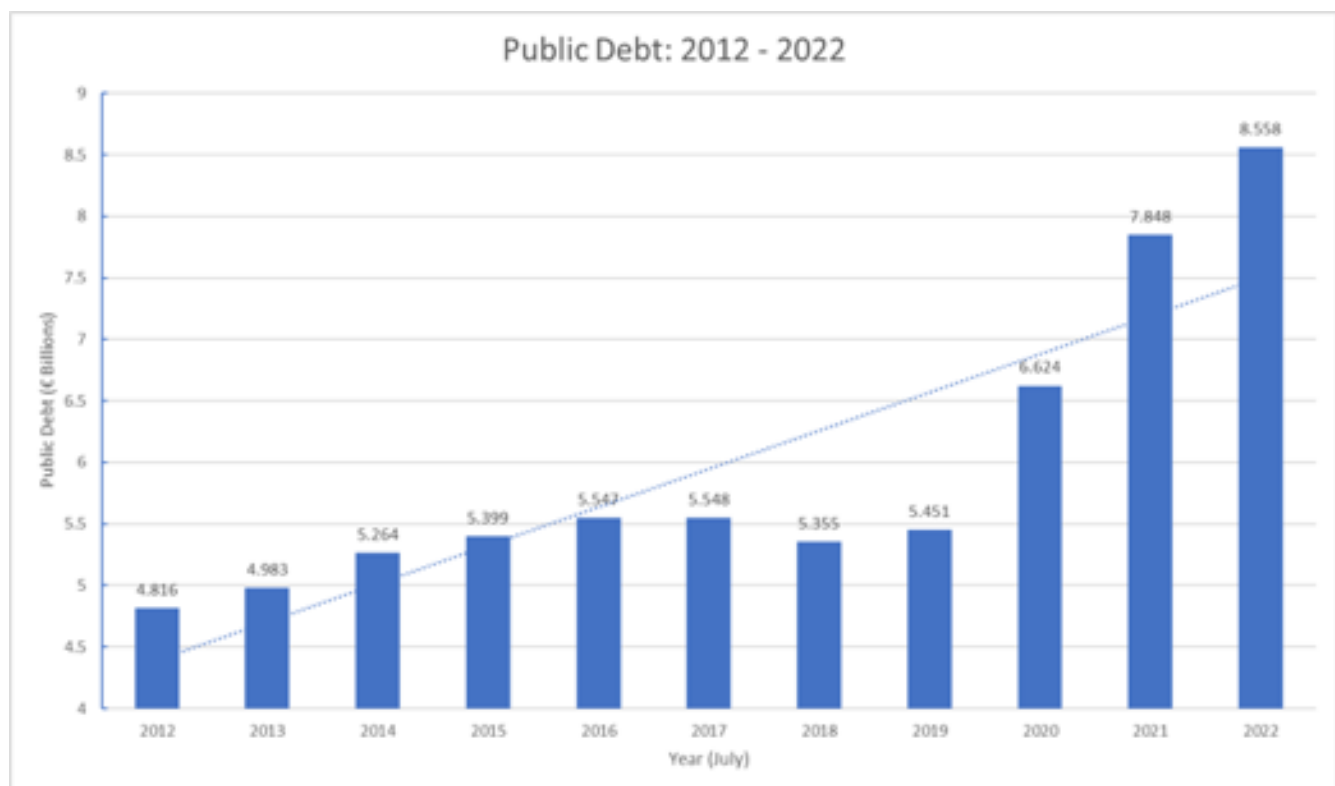
It is a real pity that, at a time when the situation about the economy improved during the past legislation, the Labour Government has liberally squandered money. The Government did not care less and allowed those close to it to wallow in undeserved riches. It did not think about hard times ahead. It is crucial to provide a buffer which can be used in hard times as these.



## Tightening of belts or squandering

One problem we are facing is that we are not prepared to combat the present crisis. What we have been saying for months and years has become relevant more than ever before. We are being asked repeatedly, by words or other means, to tighten our belts. Obviously, it is important to be careful, not only in these circumstances but always. But the irony is that, while there are some who have to tighten their belts, there are others who continue squandering public funds. Daily, we hear shocking cases of waste, squandering and corruption.

There are those who, like the Minister advised, go from place to place to try and save some money, as prices are continuously soaring. Then, there are those who are getting richer by being given the money we pay in taxes. It is the money we can invest in families, workers, and small businesses in these difficult circumstances. These are the funds the Minister of Finance wants to scrap to the detriment of the weak... to your detriment. Government has to live up to its promises to ensure a better quality of life rather than pointing fingers and playing the blame game.



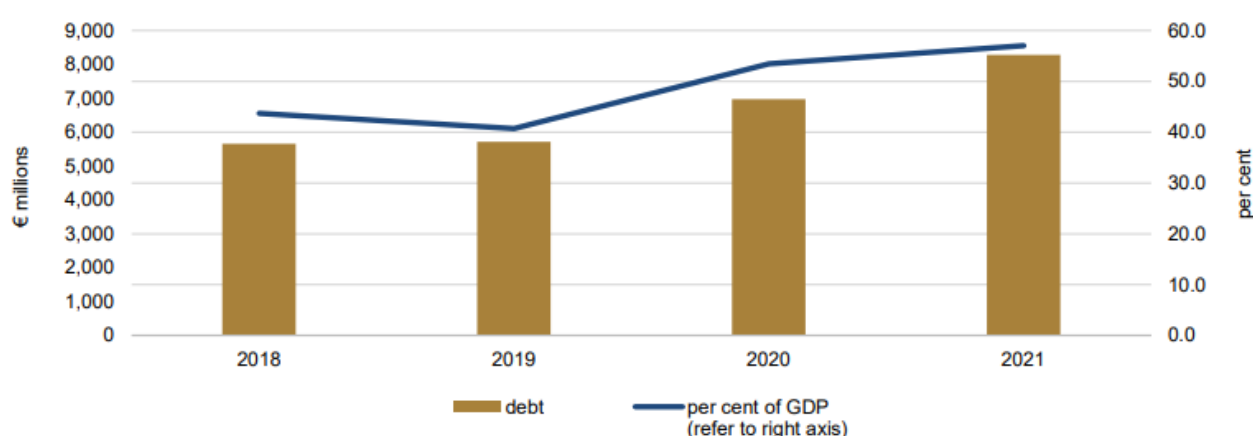
Source: NSO, 2022



## Debt to GDP ratio

The Structure of General Government Debt: 2021, issue by the NSO in June, demonstrates that the debt to GDP ratio has increased from 43.7% in 2018 to 57% as of 2021. While it is pertinent to note that, as at end 2021, the debt to GDP ratio is below the 60% threshold, Government needs to be determined and prudent to ensure that public finances remain sustainable and at a serviceable position over the long-term.

### General Government debt



Source: NSO (2022), Structure of General Government Debt: 2021. General Government debt. [https://nso.gov.mt/en/News\\_Releases/Documents/2022/06/News2022\\_098.pdf](https://nso.gov.mt/en/News_Releases/Documents/2022/06/News2022_098.pdf) (Last accessed 28th September 2022).

### Structure of General Government debt by sector, year and debt holder

		€ 000			
	Sector	2018	2019	2020	2021
Non-Financial Corporations	S11	71,659	113,175	150,493	140,244
Financial Corporations	S12	3,487,298	3,409,976	4,237,395	4,866,396
Households and NPISHs	S14+S15	1,367,129	1,332,193	1,326,154	1,306,368
Rest of the World	S2	735,999	864,862	1,264,492	1,971,395
<b>Total General Government Debt</b>		<b>5,662,085</b>	<b>5,720,207</b>	<b>6,978,534</b>	<b>8,284,403</b>
as a % of GDP		43.7%	40.7%	53.4%	57.0%

Source of GDP data: News Release 037/2022 dated 1 March 2022.

Source: NSO (2022), Structure of General Government Debt: 2021. Structure of General Government debt by sector, year and debt holder. [https://nso.gov.mt/en/News\\_Releases/Documents/2022/06/News2022\\_098.pdf](https://nso.gov.mt/en/News_Releases/Documents/2022/06/News2022_098.pdf) (Last accessed 28th September 2022).

<sup>6</sup> Source: NSO (2022), Structure of General Government Debt: 2021. General Government debt. [https://nso.gov.mt/en/News\\_Releases/Documents/2022/06/News2022\\_098.pdf](https://nso.gov.mt/en/News_Releases/Documents/2022/06/News2022_098.pdf) (Last accessed 28th September 2022).

## Malta's ratings remain constrained by several challenges

Late last month, the leading European credit rating agency, Scope, issued a report on Malta which saw our country maintain a Stable Outlook. Notwithstanding this, the country's overall ratings have continued to be constrained by several challenges .

In the first instance, Scope focused on the external dependency and resource constraints naturally present in island economies. Rightly so, Scope, argue that the already pressured sustainability of our economy and its inherent stability, are susceptible to these dependencies and constraints putting the growth model at risk.

When exports represented 154% of GDP in 2021 , and an economy completely linked with international financial markets, any external economic movement, changes in investor sentiment or in taxation regime regulations could have a dramatic effect on the local economy. There is absolutely no doubt that over the past years, Malta registered nothing short of a strong economic performance. This performance was fuelled the accelerated growth of sectors like e-gaming and finance, which have become of strategic importance to the islands, and which were introduced and nurtured by a Nationalist Government. Tourism, a constant pillar has also delivered on most fronts accounting for more than 10% of GDP in 2019 . Importantly, this structural shift was achieved thanks to a significant inflow of highly skilled foreign workers which boosted labour supply and increased labour productivity – the dependency of the model on external factors is clear to visualise.

Unfortunately, Malta is already suffering significant labour market shortages and skill

mismatches which only serve to bring to light the reliance on a clear and present volatile and uncertain migration flows . The long-term sustainability of this model based on the importation of labour to drive accelerated economic growth is under pressure and has been so for some time now.

The natural resources we have available on our 122 square miles of land are limited and place further pressure on environmental sustainability and emission reductions. Malta is now trying to address these challenges through different recovery and resilience plan projects aimed at supporting environmental sustainability, improving educational outcomes and the quality of worker skills, and enhancing social inclusion and mobility.

Malta's fiscal position also comes under the spotlight of constraints that the Scope report tackles. The high stock of government guarantees and long-term costs, places more pressure on the system. Once again, external shocks to the system could have serious repercussions on the country.

When corporate income tax represents almost 16% of total tax revenue (2020) and the favourable tax rules for companies, see the latter paying anything between 0% and 10% rather than the effective rate of 35%, even a slight external change could have an immediate and dramatic impact. The recently agreed OECD minimum corporate tax, setting a minimum tax for large corporations at 15%, may lead to an erosion of Malta's economic attractiveness and may induce large corporates to leave the territory, with associated fiscal losses .

7 Scope (2022), Scope <https://scoperatings.com/ratings-and-research/rating/EN/172274> (last accessed on 28th September 2022).  
8 Ibid.  
9 Ibid.  
10 Ibid.  
11 Ibid.  
12 Ibid.





Scope highlights the various institutional and administrative challenges that Malta has and continues to face. Notwithstanding the country's best efforts, the European Commission, the International Monetary Fund, and the Council of Europe have flagged a number of Institutional shortcomings . A range of improvements are being sought to strengthen the independence of the judiciary, improve, and speed up judicial proceedings, combat the level and lack of control of corruption, and fighting fraud and financial irregularities amongst others. While some steps to enhance governance and the rule of law were taken in 2020, crucial reforms included in the National Recovery and Resilience Plan are still awaiting implementation.

These include reforms targeting the Permanent Commission against Corruption, the Asset Recovery Bureau and the implementation of a national anti-fraud and corruption strategy. Although one important

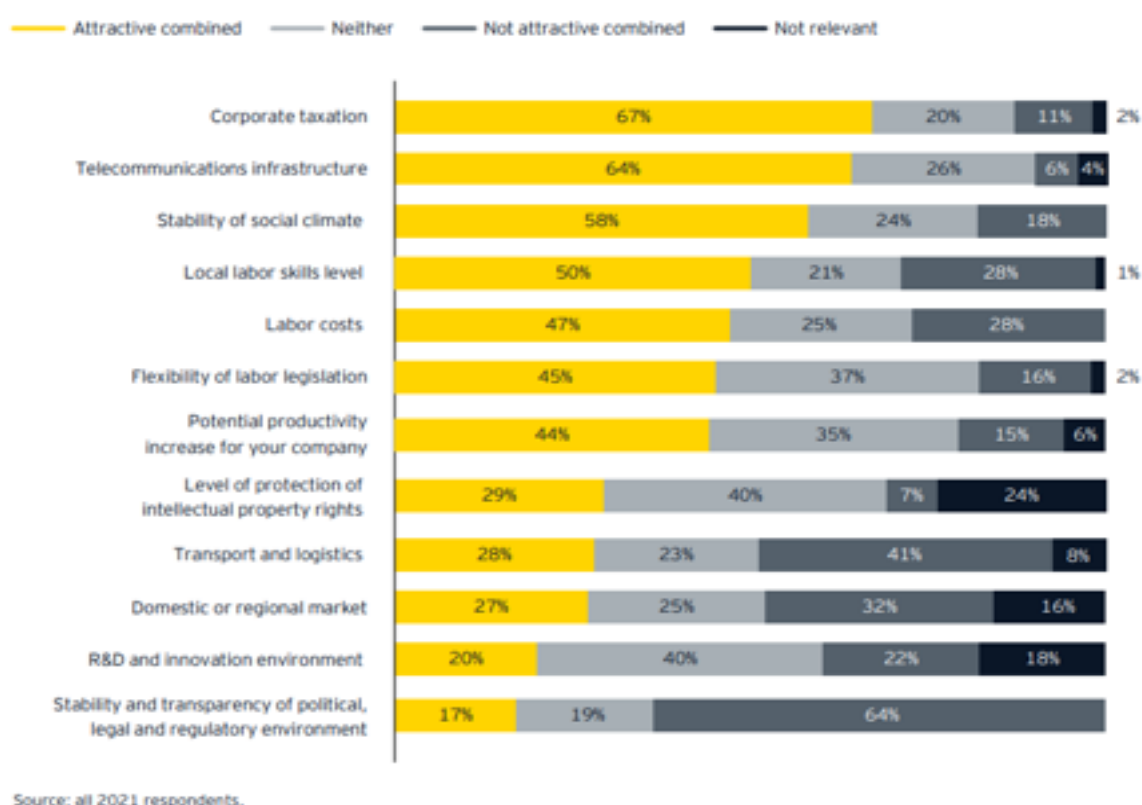
result achieved was the removal of Malta from the Financial Action Task Force's greylist, these efforts need to be sustained as highlighted by the Council of Europe and envisaged under Malta's National Reform Programme .

The constraints reported by Scope, and more, have been on the agenda of the Nationalist Opposition for some years now. Whether it is the dependency of economic growth driven by an imported labour force, the shortage of skilled employees across all sectors or the lack of new foreign direct investment which will allow us to continue to diversify our economy and limit our reliance, have all unfortunately fallen on deaf ears. It is only in the recent run up to Budget Day 2023 that we have heard from Government that things have to change; that our model no longer makes any sense; that we must grow and think differently to the way we have in the past 10 years . Now Government is singing from a similar hymn sheet – if we don't change tack today, we are really going to suffer tomorrow.

13 Scope (2022), Scope <https://scoperatings.com/ratings-and-research/rating/EN/172274> (last accessed on 28th September 2022).  
 14 Ibid.  
 15 Ibid.

## Making our country attractive again

In the EY Attractiveness Survey issued in October 2021 a number of factors emerged as having contributed to Malta's attractiveness dropping in terms of FDI.



The top difficulties identified were:

1. Stability and transparency of political, legal, and regulatory environment
2. Transport and Logistics
3. Domestic or regional market
4. Labour costs
5. Local Labour skills level
6. R&D and innovation environment

The same survey stated, “In 2020, due to the pandemic, the ability of companies to find and recruit individuals with the required specialized skills finally witnessed a trend reversal as fewer respondents reported not finding such skills on the local labour market. Malta’s skill shortage has been a recurrent issue, with the country’s economic expansion unable to keep up with increasing demand for specialized skills. Today, 69% are reporting not finding the required specialized skills, which is almost as high as it was prior to the pandemic in 2019 (73%)”.

16 EY Attractiveness Survey Malta (2021). October 2021 [https://assets.ey.com/content/dam/ey-sites/ey-com/en\\_mt/events-2020/eymalta-attractiveness-survey-2021.pdf](https://assets.ey.com/content/dam/ey-sites/ey-com/en_mt/events-2020/eymalta-attractiveness-survey-2021.pdf) (Last accessed 17th August 2022).

17 EY Attractiveness Survey Malta (2021). October 2021 [https://assets.ey.com/content/dam/ey-sites/ey-com/en\\_mt/events-2020/eymalta-attractiveness-survey-2021.pdf](https://assets.ey.com/content/dam/ey-sites/ey-com/en_mt/events-2020/eymalta-attractiveness-survey-2021.pdf) (Last accessed 17th August 2022).



## Regulatory Environment

Malta's delisting from the FATF's grey list was certainly a positive moment which was desired by all stakeholders. It would however be simplistic to believe that the delisting completely overturns this challenge.

Malta's reputation remains in tatters and attracting FDI to the jurisdiction remains a challenge for two key factors:

- a. Compliance costs have increased significantly thus lessening Malta's price advantage
- b. Malta remains, perception wise, a high-risk jurisdiction thus exposing investors to EDD

Malta's government needs to address this problem by two key approaches.

### • Regulatory Strengthening

The government needs to ensure that local regulators (i.e. MFSA, MGA & FIAU) are in a sound and stable financial position that does not make them dependent on the generation of fines. The aim should be that of eliminating the need for fines to be issued given strong compliance by the stakeholders as opposed to having regulators who are financial dependent on fines. Secondly the government needs to ensure that the said local regulators offer employment opportunities which make them an attractive employer thus attracting key personnel to the regulator. This would enable the regulators to provide a more efficient and pragmatic service which will ultimately benefit the efficiency of the industry.

### • Reputational Strengthening

The government needs to ensure that it leads by example thus helping cleanse Malta's reputation. Malta should thus seek to establish a culture of transparency throughout the

public sector; thus, serving as proof that Malta has turned a new page and thus aiding the local industry in advocating such beyond our shores. Measures which would continue to reinforce Malta having turned a new page include:

- ▶ More stringent limitations on the use of direct orders by Ministries
- ▶ More stringent limitations on the employment of Consultants / Persons of Trusts by Ministries
- ▶ Stronger emphasis and importance on ethical behaviour in public life with clear and tangible consequences for those caught acting in an unethical way

## Transport and Logistics

Malta must ensure that it maintains the presence of a national airline and easy and affordable connectivity with key European hubs. With Malta being so dependent on-air travel, any aviation fuel tax will likely strongly hamper Malta's competitiveness and give an edge to continental based competitors.

Malta must thus use all its resources to strongly oppose the introduction of an aviation fuel tax and must put its full resources at the disposal of any lobbying efforts needed to this effect.

On a local level, Malta's traffic situation has not improved significantly. This makes commutes slow and inefficient and presents businesses with lost time and money situations. Malta thus needs to invest in an efficient, modern, environmentally friendly transport system.

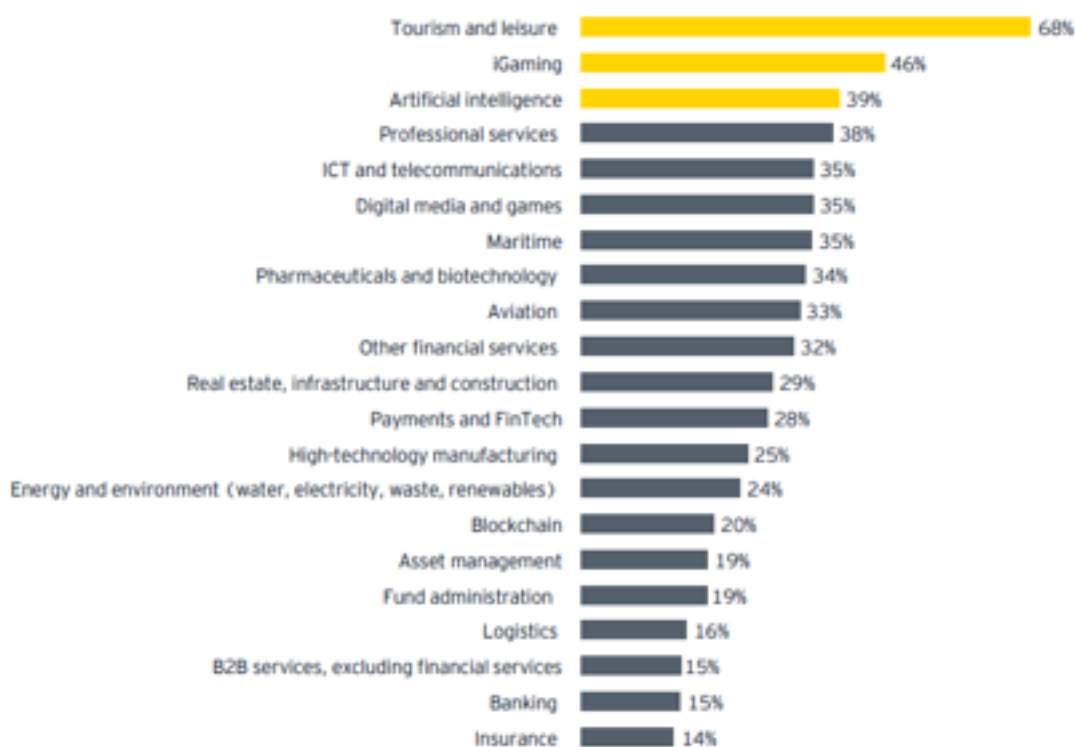
## Local Labour Skills Level

Malta has continued to suffer from a skills gap which presents two key difficulties: -

- a. It makes the local industry dependent on skills importation which importation gnaws away at our competitiveness
- b. It creates scenarios where filling a void takes so much time that the company would suffer negative repercussions

Government is currently not addressing its resources in the right way. Despite an increase in the populations of the University of Malta and MCAST the skills gap has continued to plague Malta.

Clearly investment is needed in both the University of Malta and MCAST such that a leap forward is made, and new industries are addressed. Traditional courses should be maintained but complimented by additional courses. The EY survey produced the below table in terms of the leading business sectors over the next five years.



Source: all 2020-21 respondents.

The iGaming industry and the AI industry are clearly racing ahead in this respect.

## R&D and innovation environment

The R&D sector has, to date, been limited to an academic corner within the University of Malta. The government has failed to understand that the R&D sector includes vast commercial opportunities. Malta should attempt to market itself as an R&D centre of excellence. This can be done by strengthening this sector and providing it the appropriate tools and incentives such that Malta would have an edge over similar sized competitors. This measure is not something that can be taken overnight but requires a long-term plan since it requires a build-up of skills and resources. The government thus needs to embark on commencing the drawing up of such a long-term plan without any further loss of time.

### Employment Conditions

Malta is suffering a brain drain situation. There are a number of factors contributing to this brain drain including a constant degradation of Malta's natural heritage; rampant over development leading to a sharp decrease in the quality of life; opportunities abroad and inferior employment conditions.

Whilst countries in central Europe have continued to race ahead with improvements to employment conditions, Malta has retained a stagnant and traditional approach. Concepts such as remote working or hybrid working models have remained limited to knee jerk COVID time reactions and have not seen proper implementation in the long run.

The government, working hand in hand with all stakeholders needs to totally overhaul Malta's



approach such that Malta embraces new models which make employment conditions more attractive thus giving the Maltese population one less reason to seek pastures beyond our shores.

### Industrial Production

This sector has been afflicted by the global pandemic and other issues pertaining to international freight.

In July 2022, the total production generated by the Maltese manufacturing, energy, and mining and quarrying industries rose by 5.9% when compared to July 2021. The production of consumer goods and energy increased by 16.7% and 1.5% respectively. On the other hand, production decreases were registered in capital goods, 3.8% and intermediate goods, 1.4% . The table below shows the percentage change compared to the corresponding month of the previous year .



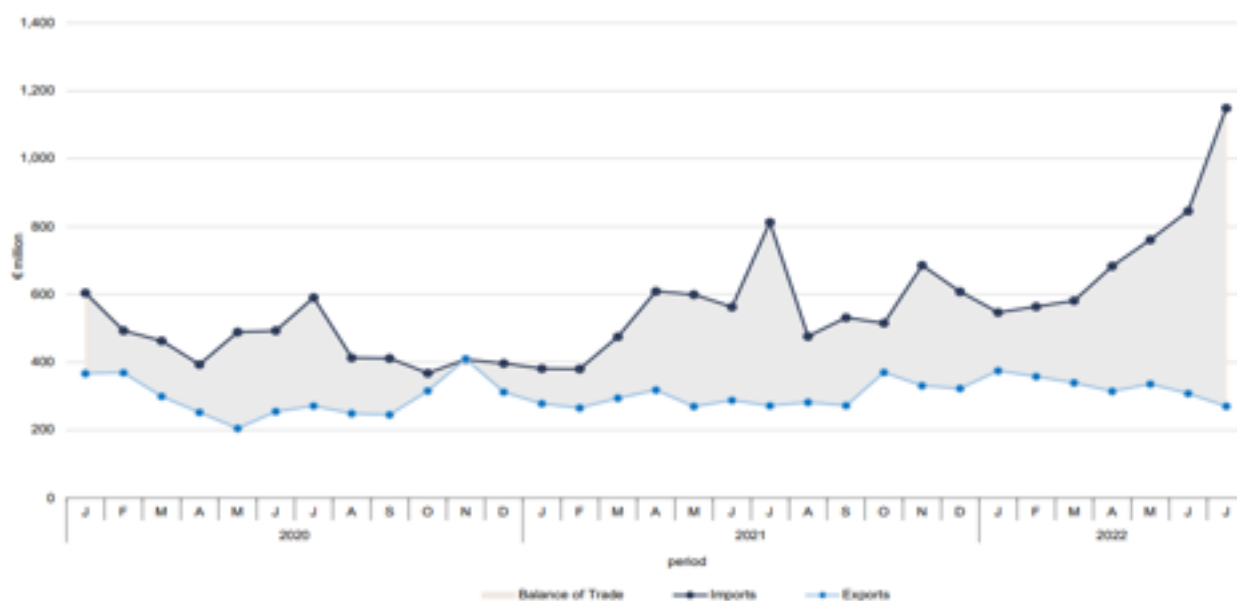
## Annual variation by period and main industrial grouping (working-day adjusted)

Main industrial grouping	Jul-20	Jul 21	Aug 21	Sep 21	Oct 21	Nov 21	Dec 21	Jan 22	Feb 22	Mar 22	Apr 22	May 22	Jun 22	Jul 22
Intermediate goods	-9.5	11.2	2.6	-1.9	-4.4	-4.2	-8.8	-2.3	3.4	1.5	-0.4	-0.5	3.8	-1.4
Energy	1.6	11.2	6.6	-3.1	9.7	29.1	14.2	12.2	5.9	15.1	-24.6	-5.5	-1.8	1.5
Capital goods	-6.7	20.7	-0.7	6.8	5.5	0.1	2.1	1.6	5.9	10.5	-4.1	10.8	0.6	-3.8
Consumer goods of which:	1.9	-2.1	-12.7	-0.0	-14.8	-15.5	-15.8	-13.5	-15.8	-6.2	-12.3	-10.4	-2.6	16.7
Durable consumer goods	-11.1	8.9	3.6	3.4	7.1	5.5	8.8	8.5	3.5	0.7	5.0	3.1	6.2	0.1
Non-durable consumer goods	2.6	-2.7	-13.4	-0.5	-15.9	-16.5	-17.2	-14.6	-16.9	-6.6	-13.2	-11.0	-3.0	17.5
Total production	-2.2	7.3	-3.9	-3.5	-5.1	-4.6	-6.8	-4.2	-3.7	2.1	-18.8	-3.4	-4.5	8.9

Source: NSO (2022), Index of Industrial Production: July 2022 [https://nso.gov.mt/en/News\\_Releases/Documents/2022/09/News2022\\_160.pdf](https://nso.gov.mt/en/News_Releases/Documents/2022/09/News2022_160.pdf)

## International Trade in Goods

Comparisons are the entire year of 2020 with 2021 and the first seven months of 2021 and 2022.



### Title: Total Trade in Goods 2020 – 2022: monthly

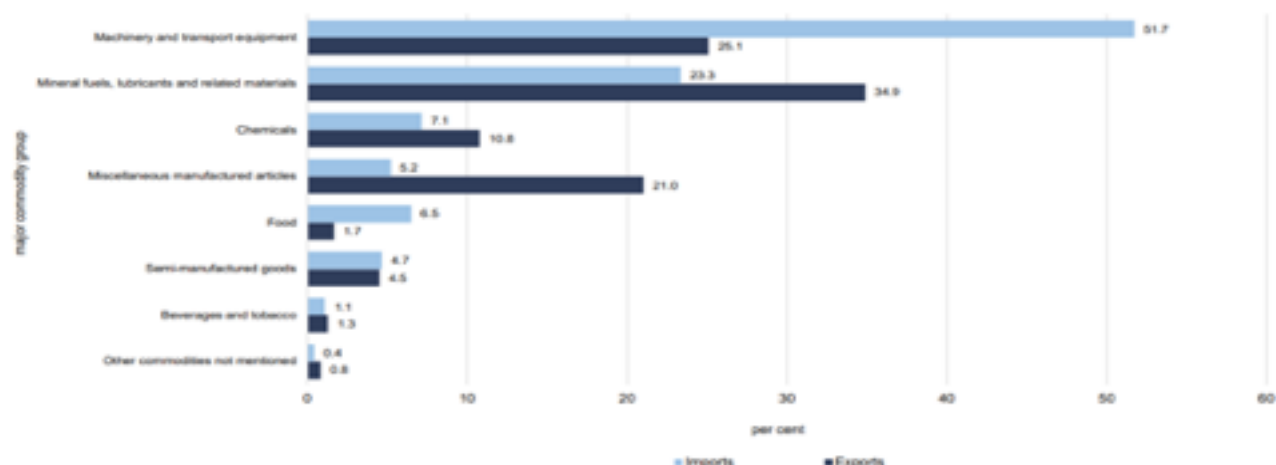
Source: NSO, (2022). International Trade in Goods: July 2022. News Release, 9th September 2022.

Effectively the trade gap has continued to widen considerably in the first two comparative periods and practically at the same variance rate. Two summaries of this are as follows :

	2020	2021	Variance	Variance
	12 months	12 months	12 months	12 months
	€'million	€'million	€'million	%
Imports	(5,520)	(6,635)	(1,115)	-20%
Exports	3,548	3,561	13	0%
Trade Gap	(1,972)	(3,074)	(1,102)	-56%
	2021	2022	Variance	Variance
	01-07 months	01-07 months	01-07 months	12 months
	€'million	€'million	€'million	%
Imports	(3,819)	(5,129)	(1,310)	-34%
Exports	1,984	2,299	315	-16%
Trade Gap	(1,835)	(2,830)	(995)	-54%

In other words, we are importing faster than our exports. This can be attributed to the quality and structure of our economy, meaning that our economy is more reliant on imports but not turning these into quality exports.

A good chunk of our imports relates to machinery and transportation, as well as minerals and lubricants. The deficit is mainly attributable to these two commodity groups. It also means the incessant dependency on the construction and road network being the main driving force in our economy .



Notes:  
1. The commodity grouping is in accordance with the Standard International Trade Classification (SITC) Rev. 4. Refer to methodological note 14.  
2. "Other commodities not mentioned" includes the commodity groups "Miscellaneous transactions and commodities", "Animal and vegetable oils and fats" and "Crude materials".  
3. Total of percentages may not add up due to rounding.

**Title: Percentage distribution of total Trade in Goods in July 2022 by major commodity group.**

Source: NSO, (2022). International Trade in Goods: July 2022. News Release, 9th September 2022.

The data collated is also indicative of where these goods are being imported from. The trade gap with all our partners has increased, particularly with EU area countries.

Continent/Region/Country	July						January-July						£ million
	2021 <sup>2</sup>			2022 <sup>2</sup>			2021 <sup>2</sup>			2022 <sup>2</sup>			
	Imports	Exports	Balance of Trade	Imports	Exports	Balance of Trade	Imports	Exports	Balance of Trade	Imports	Exports	Balance of Trade	
Europe	646.6	109.2	-537.4	733.6	94.7	-638.9	2,678.6	936.7	-1,741.9	3,312.8	992.3	-2,320.5	
of which:													
European Union	489.9	96.3	-393.6	671.8	89.1	-582.7	2,173.6	832.4	-1,341.2	2,837.3	819.6	-2,017.7	
of which:													
Euro area	476.5	75.2	-401.3	659.9	54.0	-605.9	2,040.8	650.2	-1,390.6	2,725.4	647.3	-2,078.1	
of which:													
Italy	164.6	14.1	-150.5	242.2	10.2	-232.0	738.1	132.7	-605.4	1,014.9	92.0	-922.8	
Netherlands	63.7	4.3	-59.5	118.3	3.1	-115.2	206.9	28.8	-178.1	245.1	22.8	-222.3	
Ireland	136.7	0.6	-136.1	104.2	0.1	-104.1	195.4	31.6	-163.8	244.4	2.9	-241.5	
Spain	19.6	3.1	-16.5	58.1	1.7	-56.4	185.1	20.0	-165.1	304.5	33.2	-271.2	
Greece	7.6	12.7	5.1	50.0	0.8	-49.2	121.2	23.3	-97.9	263.9	36.2	-227.7	
Germany	33.6	29.1	-4.5	25.6	28.8	3.2	195.4	224.7	29.3	230.7	281.4	30.6	
EFTA Countries	4.1	4.2	0.1	7.4	2.4	-5.0	42.7	19.4	-23.3	31.1	18.3	-12.8	
of which:													
Switzerland	3.9	3.6	-0.4	7.3	2.0	-5.3	41.1	15.8	-25.3	28.5	14.4	-14.1	
Other European Countries	146.6	9.8	-136.2	54.3	12.2	-42.1	462.4	83.9	-378.5	444.4	154.4	-290.0	
of which:													
United Kingdom <sup>1</sup>	23.5	6.5	-17.0	32.3	9.8	-22.5	225.9	51.9	-174.0	222.1	122.1	-100.0	
Turkey	102.4	2.9	-99.5	20.0	1.9	-18.0	162.1	18.8	-143.3	145.6	22.4	-123.2	
Africa	6.6	28.8	22.4	22.1	27.7	5.6	66.0	262.9	196.9	166.8	225.1	122.6	
of which:													
Algeria	0.2	1.5	1.3	12.1	0.1	-12.0	4.3	6.9	2.6	26.0	6.5	-19.5	
Asia	94.6	48.8	-45.6	139.6	45.6	-94.0	617.7	295.3	-322.3	886.8	346.5	-540.3	
of which:													
China	28.0	6.3	-21.7	39.8	4.2	-35.5	155.1	37.4	-117.8	229.8	34.4	-195.3	
Saudi Arabia	11.2	0.5	-10.7	17.6	0.8	-16.8	58.6	9.0	-49.6	95.9	3.9	-92.0	
India	16.4	2.2	-14.2	14.6	1.4	-13.2	101.9	21.6	-80.3	99.8	14.4	-85.4	
South Korea	5.5	1.9	-3.6	13.4	2.4	-11.0	39.3	10.5	-28.8	64.1	18.6	-45.5	
Kazakhstan	0.0	-	0.0	13.2	-	-13.2	0.0	0.1	0.0	52.7	0.4	-52.4	
North and Central America	69.3	33.9	-35.4	249.6	14.4	-235.2	467.8	118.6	-349.2	726.4	99.8	-626.6	
of which:													
Canada	51.9	2.5	-49.4	117.4	1.8	-115.6	212.7	12.6	-200.1	301.0	8.3	-292.7	
Cayman Islands	4.9	-	-4.9	80.8	-	-80.8	9.1	0.1	-9.0	170.4	0.0	-170.4	
South America	2.4	6.6	4.2	4.1	5.6	1.5	12.0	17.3	5.3	36.7	19.8	-19.0	
Oceania	0.5	0.3	-0.2	0.6	0.7	0.1	38.2	3.8	-34.4	68.8	6.6	-61.4	
Ships and Aircraft Stores	-	50.8	50.8	-	81.4	81.4	-	419.6	419.6	-	609.6	609.6	
Grand Total	812.4	271.9	-540.5	1,148.8	270.1	-878.6	3,819.2	1,984.3	-1,834.9	5,129.4	2,299.5	-2,829.9	

<sup>2</sup> Provisional

<sup>1</sup> For the exclusion/inclusion of the United Kingdom in the European Union computation, refer to methodological note 7 (i).

Notes:

1. The selection of countries is based on the highest values of imports in the month under review.

2. Totals may not add up due to rounding.

3. A full list of countries is available in the excel version of this news release:

[https://oa.uk.com/News\\_Releases/View\\_By\\_Unit/Unit\\_A40International\\_Trade/Pages/International\\_Trade\\_in\\_Goods.aspx](https://oa.uk.com/News_Releases/View_By_Unit/Unit_A40International_Trade/Pages/International_Trade_in_Goods.aspx)

## Title: Direction of Total Trade in Goods by period and continent/region/country

Source: NSO, (2022). International Trade in Goods: July 2022. News Release, 9th September 2022.

Generally speaking, when it comes to data there is a cutoff date, unless otherwise indicated, as of end August 2022.



# Core Pillars:

**Cost of living assistance  
– addressing your concerns**



**Enhancing business  
development and growth**



**A better health service**



**Supporting your goals  
and ambitions**



**The environment you deserve**



**Justice, good governance,  
and peace of mind**





## Cost of living assistance – addressing your concerns



***“We are all for  
dialogue to have  
stable industrial  
relations and  
a better quality  
of life”***



## Cost of Living assistance – addressing your concerns

### **We are all for dialogue to have stable industrial relations and a better quality of life**

We have heard a lot and will still hear more about the mechanism for compensation for the increase in the cost of living, or, as it is called, COLA (Cost of Living Adjustment). This term immediately raises several questions. Is COLA a just mechanism as compensation for the increase in the cost of living? Can I have a decent wage with COLA? Even if I receive COLA, can I lead a better life when essential products are constantly increasing in price?

### **Introduction**

The PN wants to be clear and precise; while it is essential to talk about the COLA mechanism so that workers and professionals can live better financially, there is the need for investment in new economic sectors. In this way, we will not only be creating better quality jobs, but value-added ones, which are well paid. In turn, many workers will progress and the social mobility in our country will increase.

We have seen this happen in the past, when various sectors were created: the financial services sector, gaming, maritime, aviation and pharmaceutical sectors, among others. All these sectors employ thousands of workers and professionals. There was a process, which lasted years, to introduce each sector

but there was a clear economic vision. This process led to a strong diversified and resilient economy. This economic vision, together with the hard work of workers and professionals and the courage and wisdom of entrepreneurs resulted in our country being able to tackle various crises.

Naturally, apart from COLA, there are many other aids and incentives in various forms, which can be given by the Central Government. It is worth noticing the incentives already given and still to be given this year by

other countries (Appendix 1) by

means of mini budgets. The salient point is the fact

that in order to have

better salaries, the

Government must

have a clear and

concrete plan on

how to create

new sectors in

the economy.

The Government

should not

hold back from

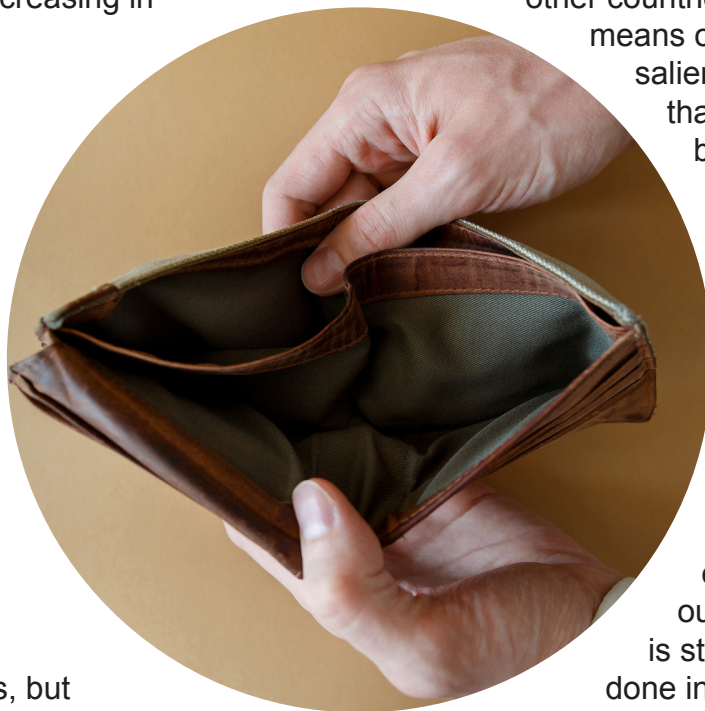
creating new

economic sectors in

our economy. There

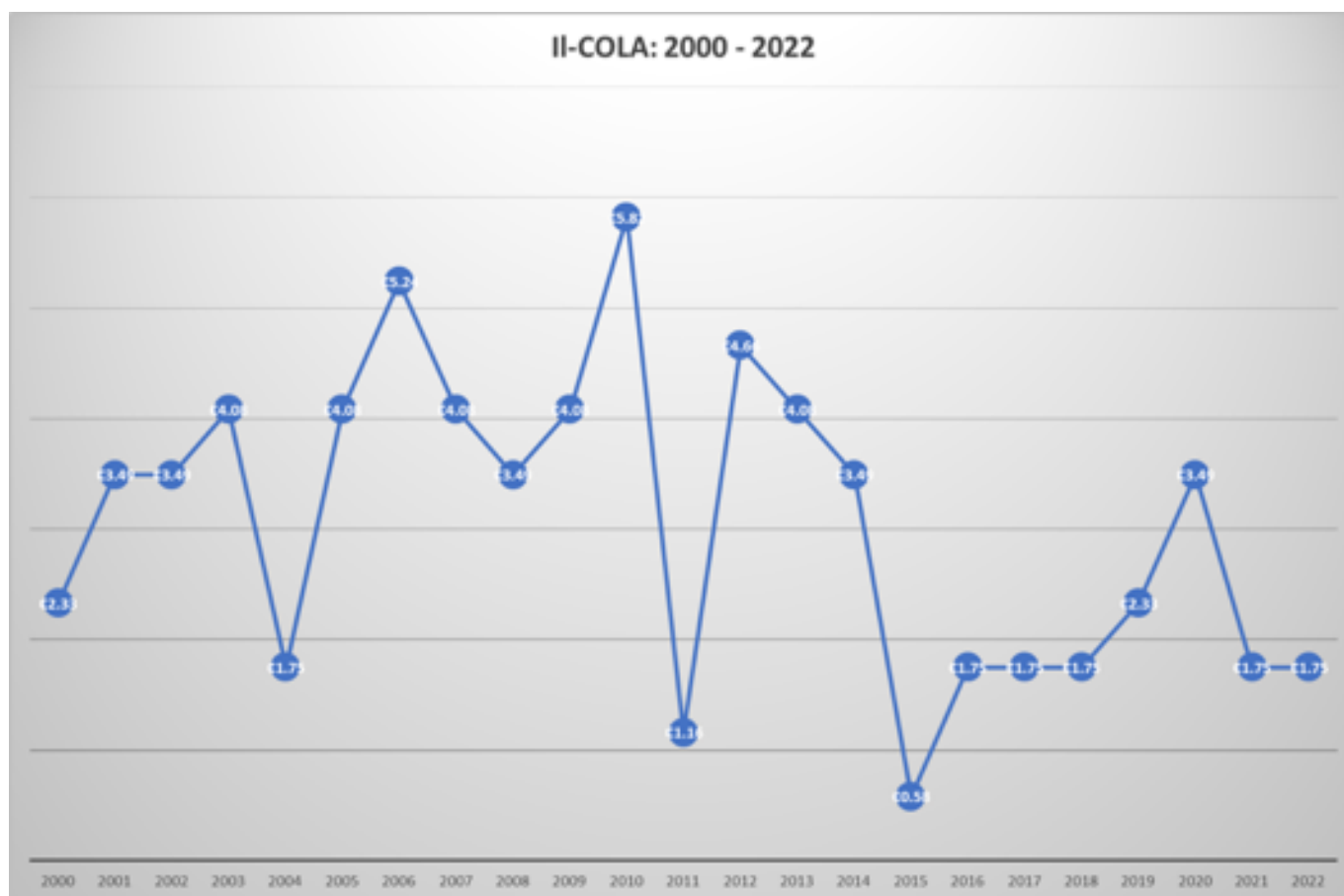
is still much more to be

done in this regard.



### **The question asked every year: How much is COLA going to be?**

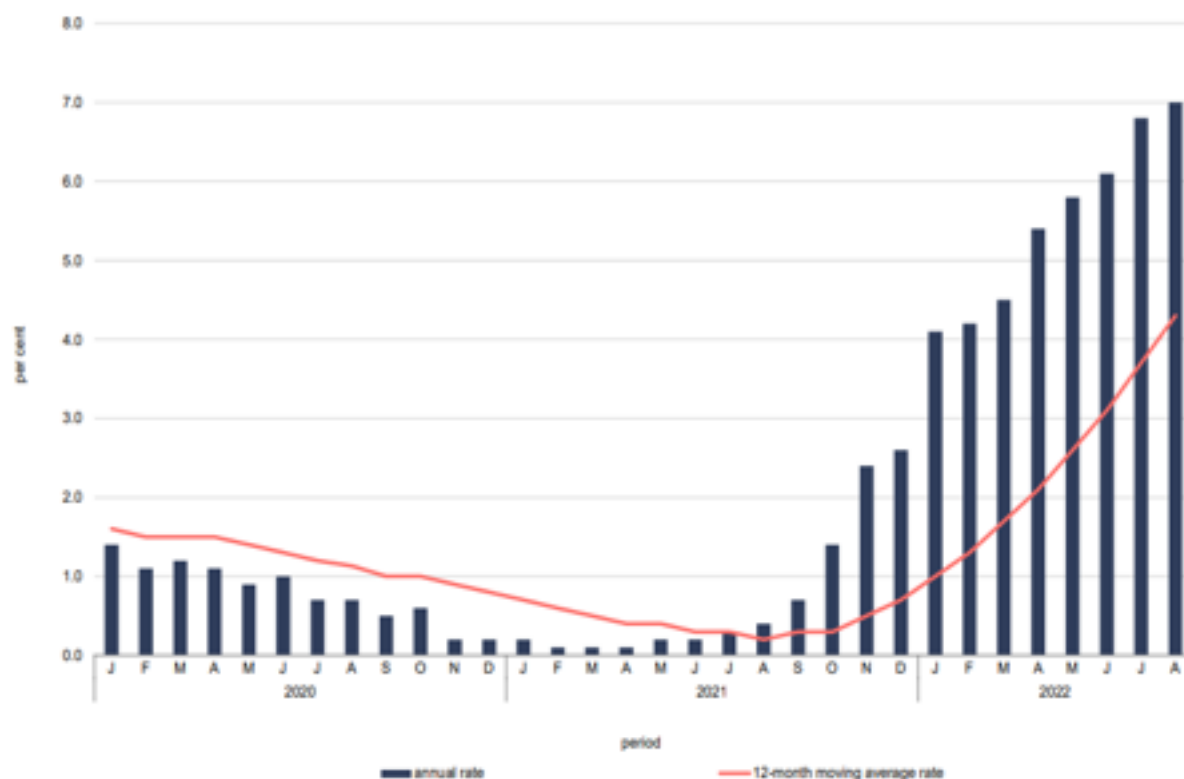
Every year, when budget day advances, there is always the question: how much is COLA going to be? If one looks, year by year, at how much COLA amounted to from 2000 till today, one finds that the highest COLA per week has been €5.82 in 2010, with the lowest one being €0.58 per week in 2015.



### Title: **The amount of COLA per week, year by year from 2000 – 2002**

Source: Gemma - Know, Plan, Act. 2022. The Cost of Living Allowance: How it affects your income and your pension rate. - Gemma - Know, Plan, Act.. [online] Available at: <https://gemma.gov.mt/cost-of-living-increase/>

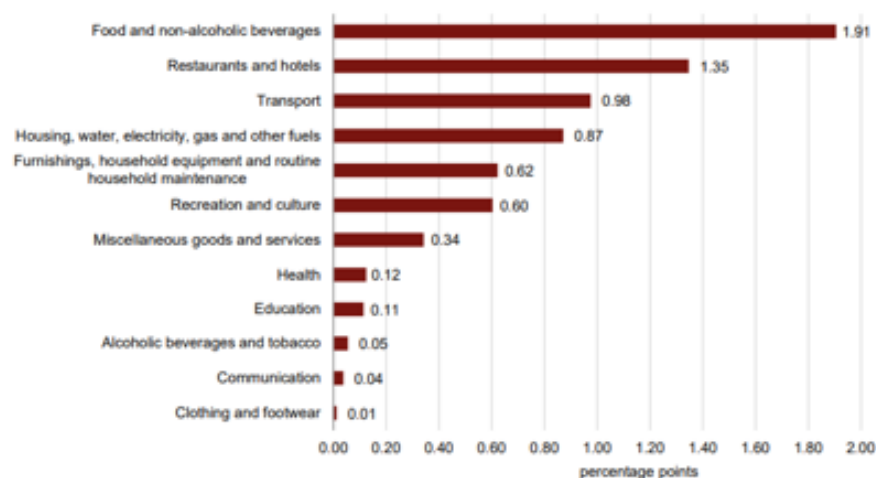
Naturally, as expected, this year the discussion has become more biting. At a time when there is a record rate of inflation, the squeeze is being felt by many. According to the statistics of the National Statistics Office (NSO), the rate of inflation in Malta in August of this year reached 7% .



### Title: The rate of inflation in our country up to August 2022

Source: NSO (2022). Harmonised Index of Consumer Prices (HICP): August 2022.

What one must note is the fact that prices which increased most were those of essential food products. A higher cost of living affects everybody but particularly more those who are vulnerable.



### Title: The 12 categories which left an impact on the annual rate of inflation: August 2022

Source: NSO (2022). Harmonised Index of Consumer Prices (HICP): August 2022.

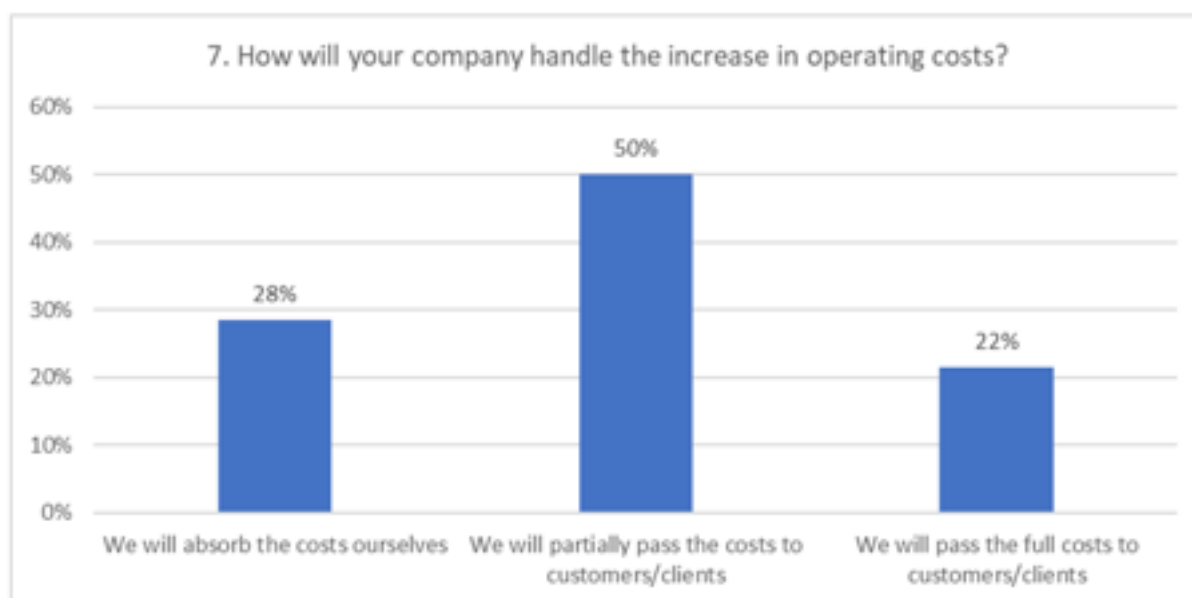


During the Government pre-budget document presentation, the Minister of Finance confirmed that the compensation for the increase in the cost of living is going to be between €9 and €10. These figures have been going the rounds for several weeks.

One hears lots of opinions. There are those who maintain that this amount is not enough, while employers insist that they cannot afford to give these increases. It seems that there is the fear that certain increases in operating costs will be carried by the consumers, thereby causing inflation to grow further.

### What are businesses going to do with the increase in operating costs?

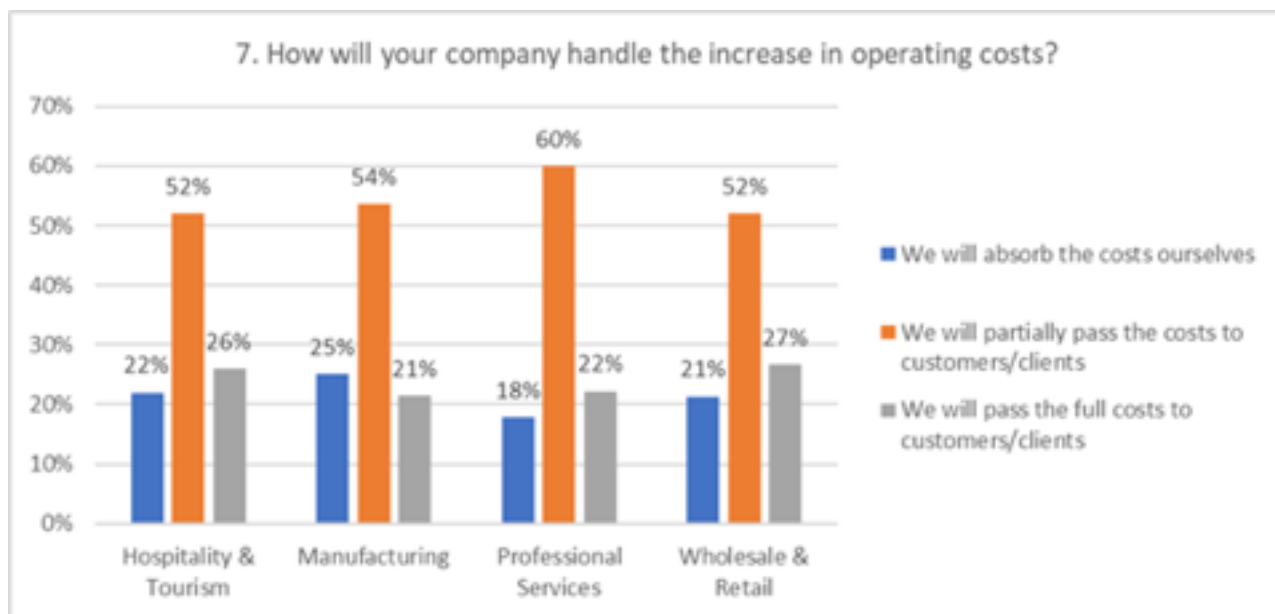
In fact, a survey conducted by the Malta Employers Association clearly states that about 72% of businesses intend to pass part or all the increases related to operations on to the consumers. When asked, “How are you going to manage the increases in operating costs?”, 50% of the businesses replied that they are going to pass part of these costs on to their clients. 22% of the companies replied that they are going to pass all the increases in operating costs on to their clients and consumers. Only 28% of companies taking part in the study said that they themselves are going to absorb all the increases related to operations.



Title: **Employers: How will your company handle the increase in operating costs?**

Source: Malta Employers Association (2022). Employers' Perceptions About the Impact of Inflation. September 2022.

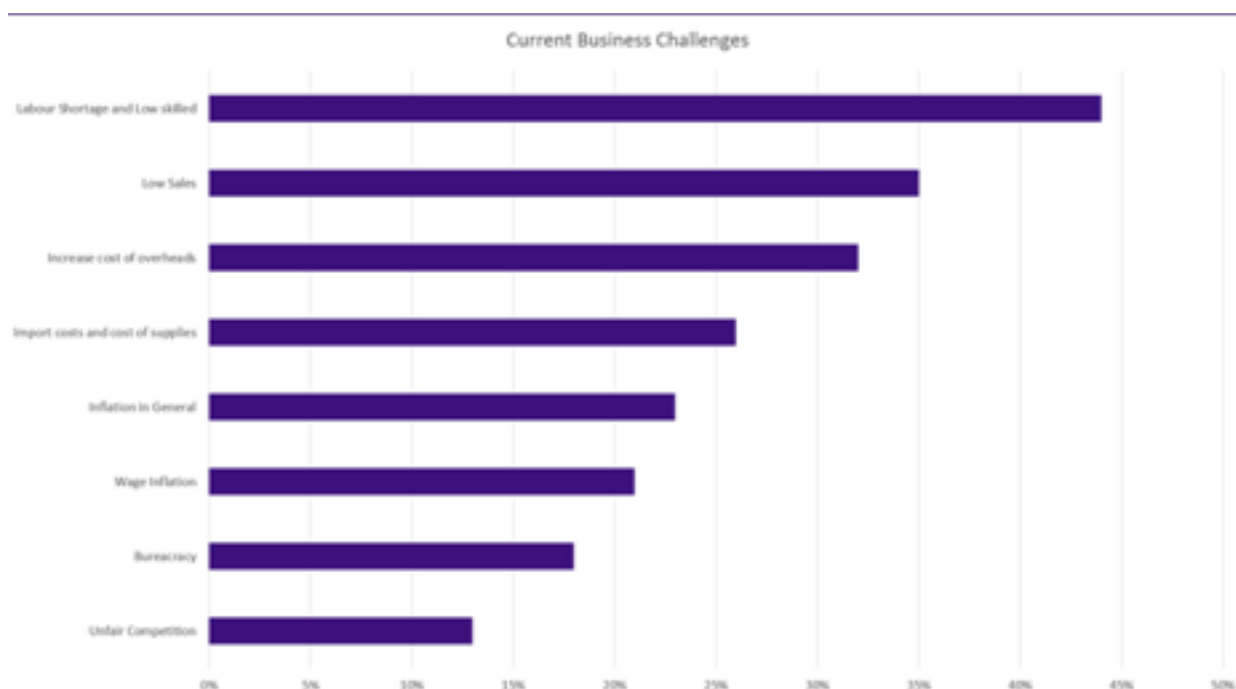
23 Malta Employers Association (2022). Employers' Perceptions About the Impact of Inflation. September 2022.  
24 Ibid.  
25 Ibid.



**Title: Employers: How will your company handle the increase in operating costs?**

Source: Malta Employers Association (2022). Employers' Perceptions About the Impact of Inflation. September 2022.

It is worth looking at some of the challenges that employers are going to face in these circumstances. According to a study conducted by the Malta Chamber of SME , employers are facing many challenges, mainly an increase in operating costs: cost of overheads, imports cost and cost of supplies, inflation in general and wage inflation among others.

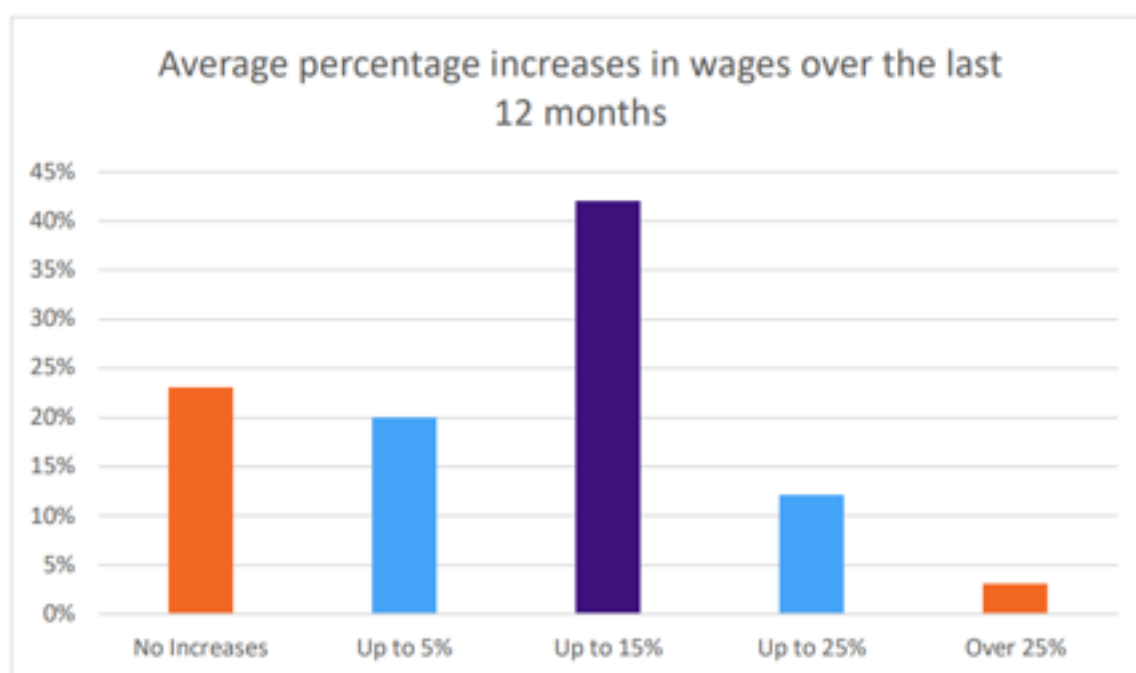


**Title: Challenges being faced by businesses: August 2022**

Source: Malta Chamber of SMEs, (2022). Pre-budget document 2023. Malta Chamber of SMEs' 50 proposals. August 2022.

According to the pre-budget survey of the Malta Chamber of SMEs , the greater challenge (a little less than 45%) faced by businesses is related to the shortage of workers on the market or of workers who do not have the required skills: Labour shortage and low skilled . The last-mentioned factor can lead to a challenge related to talent retention in certain sectors, which generally leads to an increase in salary in certain sectors, apart from the annual COLA increase.

This increase, coupled with other expenses, may result in the subsequent decrease in competitiveness of the companies to the detriment not only of the Maltese entrepreneurs but even of the prosperity of all.



#### Title: **The increase in salaries during the last 12 months**

Source: Malta Chamber of SMEs, (2022). Pre-budget document 2023. Malta Chamber of SMEs' 50 proposals. August 2022.

These circumstances have caused many to ask whether the mechanism of COLA, which was agreed upon about 32 years ago , is still valid and if it still makes sense. I want to make it clear that I have insisted that the existing mechanism should be used in this budget and there should not be any ad hoc changes a few weeks before the budget presentation. But it is necessary, that together we should look in a serious and mature way at the future to make sure that the compensation mechanism to combat the increase in the cost of living is both just and correct in today's circumstances.

27 Malta Chamber of SMEs, (2022). Pre-budget document 2023. Malta Chamber of SMEs' 50 proposals. August 2022.

28 Ibid.

29 The Malta Chamber of Commerce, (2021). National Workforce Strategy, Policy Recommendations, August 2021. [ebook] Malta Chamber of Commerce. Available at: <https://www.maltachamber.org.mt/en/policy-positions> (Last accessed 26th September 2022).

30 Qbil Nazzjonali dwar Relazzjonijiet Industrijali, (1990). Disinn Dipartiment tal-Informazzjoni. Stampat fl-iStamperija tal-Gvern. Dicembru 1990.



## Greater prosperity for everybody

The research studies and position papers of the Malta Employers Association, the Malta Chamber of SMEs and the Malta Chamber of Commerce, Enterprise, and Industry state that in such difficult situations there is the fear of a spiral inflation, which can result in a strong impact on employers, to the detriment of the sustainability of their businesses. This can also affect the workers. It would be a pity if there is bickering between the workers' representatives and the employers. Energy and resources should be focused on the creation of wealth, which should be enjoyed by all: well-to-do or poor.

In this context, the Maltese Forum Unions, the General Workers Union, the Confederation of Maltese Trade Unions and the UHM Voice of the Workers have issued a joint statement asking the Government to discuss a new mechanism of the cost-of-living increase in exceptional circumstances. In a united front they are presenting a proposal through which the COLA mechanism can target situations like these, ensuring justice to workers as well as employers. These representatives of thousands of workers insist that they are presenting this proposal with responsibility towards their members and also to safeguard the sustainability of jobs.

For the past 30 years, the existing mechanism, with its benefits and deficiencies, has instilled an “atmosphere of industrial peace, stable industrial relationships and social justice.” This occurred because the main aim of the National Agreement on Industrial Relations was that of **“creating an environment in which to generate financial well-being in the best possible way for all to enjoy.”** This agreement was reached after a process of

dialogue between the Government and the members of the Maltese Council for Economic and Social Development – a genuine dialogue which gave results.

This means that there is agreement among main social partners, that we cannot keep the status quo. If the necessary changes are not made with care but also without undue delay, there is the possibility that the well-being of workers and employers will be endangered. We will be jeopardising the industrial peace existing among the social members.

## What happens in extraordinary circumstances?

Paragraph 1.2 of the original document of 1990, the National Agreement on Industrial Relations, 1990, states “for the purpose of this agreement, the percentage of the increase in the cost of living taken into consideration when calculating COLA, should every year be determined by the changes which result in the index (annual average) of the 12 months prior to the end of June of the preceding year.” Then, the increase as compensation for the increase in the cost of living takes effect on the 1st of January of each year.

Article 5 of this same agreement deals with the extraordinary circumstances which may occur: “The agreement still holds when and where there are extraordinary circumstances, because of which the country’s economy cannot sustain one or all the increases agreed upon. In this situation, by the unanimous agreement of the Malta Council for Economic and Social Development, the Council can authorise changes in this agreement, under those terms and for the period which the same Council determines.”

31 Malta Employers Association (2022). Employers' Perceptions About the Impact of Inflation. September 2022.

32 Qbil Nazzjonali dwar Relazzjonijiet Industrijali, (1990). Disinn Dipartiment tal-Infommazzjoni. Stampat fl-iStamperija tal-Gvern. Dicembru 1990.

33 Ibid.

34 Ibid.

35 Ibid.

36 Ibid.



Therefore, the question arises: What are these extraordinary circumstances?

**separate mechanism of how to address the problem of an increase in the cost of living in extraordinary circumstances.**

### **What are these extraordinary circumstances?**

Appendix II of the National Agreement on Industrial Relations lists 3 examples of extraordinary circumstances:

1. When inflation in Malta exceeds by 1% the inflation of the main trading partners, which is calculated on the trade weighted average.
2. When the real (seasonally adjusted) Gross Domestic Product (GDP) decreases in two consecutive trimesters.
3. When the jobs in the private sector decrease in two consecutive trimesters .

This means that, strictly speaking, what we are experiencing now, that is, a record rate of inflation, does not fall under any of these examples. Up to today, **there does not exist a**

### **A record inflation: 7% in August 2022**

The fact that the inflation related to the energy sector is all being subsidised by our taxes, or as many say, by the Maltese Coiffers, is having a positive effect on consumers, because, at the moment, our country has one of the least rates of inflation when compared to the countries in the euro zone.

On the other hand, one must also note that, according to the Office of Statistics of the European Union, Eurostat, from July to August of this year, our country had one of the highest increases in the rate of inflation (monthly rate change) among the countries in the euro zone, that of 1.2% . Besides, our country also had a substantial increase, in percentage terms, in the rate of inflation from August of last year for the same period this year: from 0.4% in 2021 to 7% in 2022 .

37 Qbil Nazzjonali dwar Relazzjonijiet Industrijali, (1990). Disinn Dipartiment tal-Informazzjoni. Stampat fl-iStamperija tal-Gvern. Dicembru 1990.

38 Ibid.

39 Eurostat, (2022). Euro area annual inflation up to 9.1%. [online] Available at: <https://ec.europa.eu/eurostat/documents/2995521/14675409/2-31082022-AP-EN.pdf/e4217618-3f54-4f54-2a3a-21c72be44c53?t=1661863346094#:~:text=Euro%20area%20annual%20inflation%20is,office%20of%20the%20European%20Union> (Last accessed 30th September 2022).

40 Ibid.

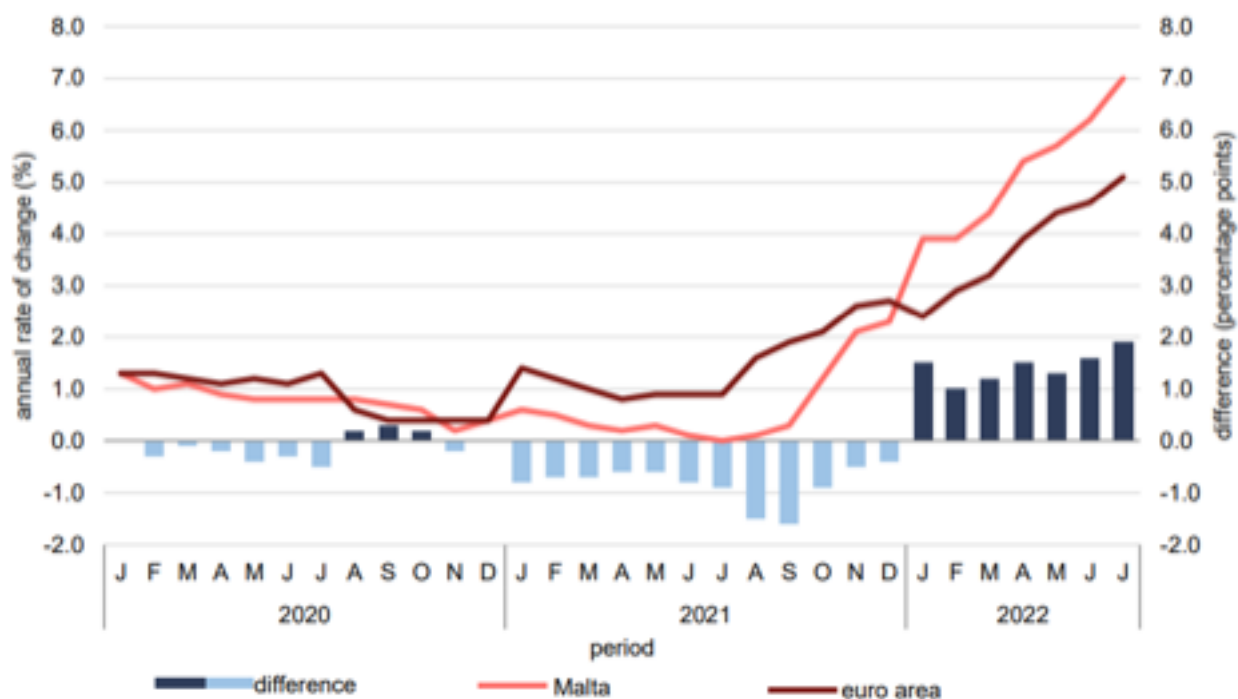
	Annual rate							Monthly rate
	Aug 21	Mar 22	Apr 22	May 22	Jun 22	Jul 22	Aug 22	Aug 22
Belgium	4.7	9.3	9.3	9.9	10.5	10.4	<b>10.5e</b>	1.8e
Germany	3.4	7.6	7.8	8.7	8.2	8.5	<b>8.8e</b>	0.4e
Estonia	5.0	14.8	19.1	20.1	22.0	23.2	<b>25.2e</b>	2.4e
Ireland	3.0	6.9	7.3	8.3	9.6	9.6	<b>8.9e</b>	0.1e
Greece	1.2	8.0	9.1	10.5	11.6	11.3	<b>11.1e</b>	-0.3e
Spain	3.3	9.8	8.3	8.5	10.0	10.7	<b>10.3e</b>	0.1e
France	2.4	5.1	5.4	5.8	6.5	6.8	<b>6.5e</b>	0.4e
Italy	2.5	6.8	6.3	7.3	8.5	8.4	<b>9.0e</b>	0.8e
Cyprus	3.3	6.2	8.6	8.8	9.0	10.6	<b>9.6e</b>	0.5e
Latvia	3.6	11.5	13.1	16.8	19.2	21.3	<b>20.8e</b>	-0.1e
Lithuania	5.0	15.6	16.6	18.5	20.5	20.9	<b>21.1e</b>	0.6e
Luxembourg	3.5	7.9	9.0	9.1	10.3	9.3	<b>8.6e</b>	0.4e
Malta	0.4	4.5	5.4	5.8	6.1	6.8	<b>7.1e</b>	1.1e
Netherlands	2.7	11.7	11.2	10.2	9.9	11.6	<b>13.6e</b>	2.3e
Austria	3.2	6.6	7.1	7.7	8.7	9.4	<b>9.2e</b>	-0.2e
Portugal	1.3	5.5	7.4	8.1	9.0	9.4	<b>9.4e</b>	-0.2e
Slovenia	2.1	6.0	7.4	8.7	10.8	11.7	<b>11.5e</b>	-0.1e
Slovakia	3.3	9.6	10.9	11.8	12.6	12.8	<b>13.3e</b>	0.7e
Finland	1.8	5.8	5.8	7.1	8.1	8.0	<b>7.6e</b>	-0.4e

**Title: The Euro zone: the rate of inflation according to The Harmonised Index of Consumer Prices (HICP)**

Source: Eurostat, (2022). Euro area annual inflation up to 9.1%. [online] Available at: <https://ec.europa.eu/eurostat/documents/2995521/14675409/2-31082022-AP-EN.pdf/e4217618-3f54-4f54-2a3a-21c72be44c53?t=1661863346094#:~:text=Eu-ro%20area%20annual%20inflation%20is,office%20of%20the%20European%20Union.>

A noteworthy, interesting fact is that, according to the same NSO statistics (2022), if one deducts the energy and non-processed food impact, Malta will have a much higher inflation than the mean rate of the countries in the euro zone. This may mean that when eventually, the cost of energy will begin to decrease in the euro zone countries, our country will be experiencing a much higher rate of inflation than its main trading partners; in fact, we will then fall under the first example mentioned in Appendix II of the document, “National Agreement on Industrial Relations” .





Title: **The rate of inflation if the impact of energy and non-processed food is deducted:**  
**August 2022**

Source: NSO (2022). Harmonised Index of Consumer Prices (HICP): August 2022.

### The way forward

Although the members of the Constituted Bodies have their personal reasons and ideas about the COLA mechanism, all of them are open to dialogue.

Therefore, the Nationalist Party is supporting all parties within the Malta Council for Economic and Social Development in the following:

1. The existing COLA mechanism should be used for the budget of 2023 and there should be no ad hoc changes without the consent of all the members of the Malta Council for Economic and Social Development.

2. In today's context, the Government should help employers through, among other things, fiscal incentives, to ensure that the private sector remains competitive, thereby continuing to contribute to the creation of financial well-being.

3. The Government should enter into serious dialogue with all parties concerned and not adopt a top-down approach, so that there will be stable industrial relations and a better quality of life.

4. There should be a mature discussion and a genuine wish for dialogue among all parties about the actual COLA mechanism.

5. New and wider criteria about what is considered as a period of extraordinary circumstances should be established. During this period, in agreement with all the members of the Malta Council for Economic and Social Development, a new mechanism for extraordinary circumstances will be implemented.

6. In agreement with all the members of the Malta Council for Economic and Social Development, a new second mechanism will be implemented as compensation for the increase in the cost of living for those who are most vulnerable.



7. The whole COLA increase, and not merely part of it, should be given to those who had no increase given to them through collective agreements.

8. After receiving feedback from the Social Partners, we believe that the Low Wage Commission, which is expected to make formal recommendations next year, should start a dialogue without undue delay and meet more regularly to conduct a mature and serious dialogue with all parties concerned.

9. One should not consider adjourning the mechanism for compensation for the increase in the cost of living without assessing the present situation. During the pandemic, we realised that there are serious challenges relating to statistics and data. Therefore, the Government should immediately start a process to see that it has precise data,

which makes sense. It is a delicate process, entailing much work but it must be done, so that we will know the actual, precise situation of the employment sector in our country.

10. To attract new economic sectors, a task force should be set up.

11. There is urgent need for a mature discussion and, where possible, investment, so that through dialogue, an agreement can be reached among the members of the Malta Council for Economic and Social Development to link certain increases in labour costs with productivity gains.

12. The study commissioned by the Government about the introduction of the Living Income in our country should be published immediately. At the end of 2020, it was said that the study was at an advanced stage .

42 Vassallo, A., (2020). 'Il-Gvern jistma li mingħajr il-mizuri soċjali n-nies f'friskju ta' faqar jiżdiedu b'madwar 20%'. [online] TVMnews.mt. Available at: <https://tvmnews.mt/news/il-gvern-jistma-li-minghajr-il-mizuri-soċjali-n-nies-friskju-ta-faqar-jiżdiedu-bmadwar-20/> (Last accessed on 10th September 2022).

## Social Accommodation and fight against poverty

The Labour Party in government had once said that poverty will be eradicated however the latter has increased. A scientific study from the Statistics Office shows that more than 90,000 persons are on the verge of poverty.

We see several propaganda wordings noting that the current Government cares about its society. Without a doubt, social justice remains the main core value and fundamental principle in every decision which is to be taken. People want to see better minimum wages, better living income, better pensions and poverty is seriously addressed.



It is clear that the situation is escalating. Unfortunately, there are people that count the days of when they are to receive their salary or the social benefit. This is so because the main weight of the economic model of the Labour Government is being carried by the middle class.

Due to the Government not having a proper plan in place, rent is high in Malta and people subject to such rent end up in the poverty line. Low salaries on the other hand is also another issue together with high food prices.

A lot has been said by the Labour Government on tackling poverty, social housing but today the state of such pillars is very much known as the number of people seeking help is on the rise.

At present there is the current situation:

1. Increase in prices on basic things such as food. Persons living on minimum wage, pensioners and those on social benefits are finding it hard to buy basic things such as meat, vegetables, fish, and fruit.
2. Another phenomenon is social inequality. This is also on the increase. A society where inequality is high is not a just society. These social inequalities cannot be properly addressed because of the high amounts of financial government resources being used and squandered in things and expenses which the country is not in need of.

The Labour government boasts on good quality of life, but the people are not feeling such good quality of life. Inflation is eating away from the salaries of the pensioners and workers. They are spending more than saving.

During the last few days, a public statistic was published by the National Office whereby it resulted that price of food skyrocketed. The pensioners are those who are feeling rise in prices because they are the ones who spend money mostly on food and medicine. For those in the poverty line these increases mean a lot to them. These people cannot make it until the end of the month.

The challenge goes beyond what was mentioned in the introduction and hence the first point is we need to tackle poverty, education, and mental health because these are not being given the required attention.

Recently, in state schools until a few years ago, 3,927 students did not go to school for more than 10 days. 16,000 students are in poverty. This information has emerged from the Ministry itself however as we all know the education budget is set to decrease and not increase. Another challenge linked to poverty is that of patients suffering from mental health as they do not have anywhere to stay within the community once they are released from hospital.



## Social Housing

The Labour government has been long saying that the waiting list for social accommodation will be tackled however they do not specify what and how they will be doing such. If one visits Shelter homes in Malta, despite all of them being full, one can find the wife and her children living in one area whilst the husband is living in another area.

Year after year, the same story is being repeated and they take pride in handing out “presents” as if wrapped in gold whilst in reality, they are nothing but a gimmick.

Rent in Malta has skyrocketed and as a result more people are in poverty including people that earn the minimum wage.

Without a shadow of a doubt, social inclusion has different and several levels. Accommodation per se, is the common indicator of social inclusion or exclusion especially when it comes to children and youths. In light of all this the Housing Authority should shed more light on the initiatives that help people depend on this same Authority, specifically those found in the lower classes and those who are most vulnerable.



We also need to take into consideration those people that have a psychological need especially those people that leave in sub-standard places and that have a right to move to a more adequate environment. As an opposition we are always reiterate that social justice and the common good should always prevail so that everyone has access to such. Every human being has the right to have the dignity he or she deserves.

## Understanding Poverty and tackling it

1. An exercise whereby the National Strategy is evaluated whereby this leads to a reduction in poverty and social exclusion so that this is really and truly capable and valid of addressing different realities out there.
2. A mechanism would be established on the minimum living income so that every income of every individual is adequate in order to live with certain basic and to live with a certain level of dignity.
3. We have to see that legal and administrative provisions are introduced so that social benefits in the long term paid under the Social Security Act (Ch 318) are tied with an amount equivalent to and consistent with the level of decent standard of living.
4. Launch of a tracer study on people at risk of poverty to examine the root causes of poverty and to develop a framework that gives more depth in our analysis of poverty to explore the reasons and causes of poverty and at risk of poverty.

### More tools ensure a high level of success in this area

5. Helping those who are joining the working world for the first time or will be re-joining after a number of years not working or without a job by providing them with training in order to better their abilities and find work that gives them a level of satisfaction.
6. Helping those lone parents, persons with disabilities or people and people who have not been part of the working world as well as those excluded as convicted by court so that they can join the working world by coaching and mentoring such individuals.
7. Internet and information courses are given out for free for those houses that lack such services and commodities.

### **Helping families and its students**

8. Support of a psychological social nature is given to more families that at the moment are not receiving some form of help with the aim of helping those families passing from health problems and passing through difficult times.



13. Expressing solidarity with the elderly especially those who are alone or who have problems of mobility by spearheading programs that by them youths can facilitate these obstacles faced by the elderly.

14. Financial help is given to Local Councils so that initiatives would be launched so that residents feel a sense of community within such locality.

### **Loneliness**

9. Parents that they themselves or their children have special needs or chronic illness as well as drug related problems whereby free sessions of therapy are given from professionals such as psychologists or psychiatrists so that their well being is sought after.

15. A study would be conducted showcasing the high level of loneliness and its effects on certain individuals within Maltese societies and to eventually start planning measures which are effective in decreasing such problem.

### **Strengthening social entities**

10. An LSE would be appointed to Junior College, MCAST, Higher and other post-secondary schools and would not end these services when these finish their education on a secondary level.

16. More recognition and support have to be given to professionals in social sector by restructuring agencies within the social sector. Such restructuring helps so that the services are more tailor-made and personalised.

11. Socio-psychological services are strengthened especially those post-secondaries so that adults are well prepared for challenges that life has to offer.

17. The appointment of a Social Ombudsman would be created to investigate cases whereby social justice would be lacking and such Ombudsman would make its recommendations to the Authority of Standards and Care as a regulator.

### **Being helpful as a society so that no one is left alone**

12. Individuals that have vacant properties would enter into an agreement with the government or an NGO so that these properties are used as shelters for those that end up without a home for several valid reasons.

18. More work needs to be carried out in coordination with NGOs in the social sector so that these can use their resources better and more effective interventions are carried out at the right time.

## Housing

19. Apartment building especially big complexes can benefit from a bigger density from that normally permitted until 30% of the accommodation is rented as social accommodation.

20. Ongoing discussions have to be held with the Housing Authority whereby houses and apartments are leased directly from a private owner to families or individuals that qualify for social accommodation with 8% under the market value for a maximum of 10 years.

21. Companies and corporation together with private investors as well as NGOs would be encouraged via tax rebates or financial benefits so that they buy homes/ apartments/ abandoned factories or factories which are not being used and invest in restoration, maintenance, and renovation of such and converting them as social accommodation hubs specifically for families with more than 2 persons.

22. Help is given to families that include more than one generation who wish to live under one roof (especially the low-income earners) through schemes and rates which are self-preferential so that they can fix their homes.

23. Companies or private individuals that

are encouraged through tax rebates to sponsor families or youth couples to buy private accommodation.

## Homeownership

Home ownership is a central part of the PN because it ensures social mobility. The vision is intended to encourage home ownership, to incentivise energy efficiency in all households and to make sure nobody is left behind.

1. Families will get up to €6,000 every year to invest in eco-friendly works at home. Every homeowner will be eligible for a VAT refund of €3,000 per year to help make their home more energy efficient and to lower their carbon footprint. This grant will be €6,000 for families that include pensioners or people with disabilities.

2. Separated and divorced couples are considered first-time buyers again

When those who are separated or divorced need to buy a residential property for themselves to move out, they will get to access the first-time buyers' schemes.

Caritas Malta published a survey on the high prices of food in Malta. From this survey it emerged that a food basket for an elderly couple 65+ has increased with €841 in a year, or 24.92%.

In July 2020 the Food Price Index according to the RPI, on an annual basis, was 1.83%. In July 2021 it rose to 2.95% and in February 2021 it continued rose to 8.02%. In July of





## A better quality of life for pensioners

this year the index of food items was marks 11.48% - an increase of 4.3%. This means that the same basket of food items increased by €1,202.63 per year or €23.13 per week.

The PN proposes the following for a better quality of life for pensioners and the elderly:

1. To have a Retail Price Index for the elderly to give more importance to the increase in food prices, because it is proven that food is a substantial portion for the entire expenditure of the elderly.
2. In unusual circumstances, to entice a discussion around the increase and therefore adjustment for the cost of living for the elderly, for instance in the current economic scenario, to be given more than once in a given year (as it currently stands the COLA is given at the beginning of January). The latter will ensure that the COLA reflects the most recent increase in food prices and therefore the adjustment is carried out in a swifter manner.
3. For those elderly who live in a house where the roof is theirs, we propose that photovoltaic panels will be installed on these roofs at government expense.  
That's right in addition to helping to alleviate the dependence on the generation of electricity from oil and gas the government would be helping the elderly financially as they save a substantial part, if not also all the cost on electricity.
4. All medicines prescribed by doctors to be provided for free by the community pharmacies.
5. Free WIFI service to all elderly who are unable to afford such a service.
6. A system to address injustices suffered by pensioners: Although the list of complaints is extensive, sometimes one complaint is more justified than the others. Some of the pensions of today's pensioners, for one reason or another, are not sufficient for them to cope with everyday life and take care of their health. As part of the fight against poverty, social exclusion and solitude, which plague most pensioners in our country, the Government should provide a mechanism so that the elderly do not fall into poverty. This maxim is the basis of the values of the PN. The system distinguishes those who were born before January 1962 and those who were born later, and the difference is considerable. Besides, there is another anomaly: from January 2021, the contributions of those who were born before 1962 and refused the contributions test, are going to be considered from before they were 19 years old.
7. Injustices related to widows' pensions: There are circumstances, which should be looked into, where workers paid contributions for a couple, mostly for their wives. There are persons on a widow's pension, who used to work or are still working and therefore, paying national insurance contributions, but are not receiving the NI pension, even though they have been paying contributions for many years. Besides, wives who have become widows, are suffering an unjust decrease in their pension, after the death of their husbands. In 2013, the PN promised, "The widow's pension, which a person receives on becoming a widow, is not lost if the person works, no matter how much she earns. Moreover, all the widows who lost their widows' pension on getting re-married, will be entitled once again to the pensions they lost."
8. Invalidity pensions: Abuses should be kept in check, so that deserving pensioners

## Consumer Rights

can benefit from invalidity pensions. Some pensioners suggested that there should be an increase in invalidity pensions to keep them in line with the contributions paid when they were earning wages. Others said that invalidity pensions should be given for a longer period. We suggest that persons on an invalidity pension should be trained in digital information in conjunction with Local Councils and the like.

### Consumer Rights

We are moving into a world whereby a consumer carrying out a transaction in the traditional manner is quickly becoming a thing of the past. For a while now, a consumer would traditionally purchase a tangible item, normally in a local shop. In a digital era, the way consumers purchase their goods has changed significantly, to the extent that purchasing may no longer even mean ownership in its traditional sense. For example, when one buys an e-book, the consumer is not actually purchasing the book, as he would a physical book. He cannot re-sell the e-book, perhaps at a cheaper price, as he would have done a physical book. This means that consumers are no longer purchasing rivalrous products. While the Digital Content Directive has now been implemented, it should not be assumed that, as a consumer, everyone is aware of their rights. Therefore, at the core of any legislative implementation on consumer rights, a well-targeted education campaign is necessary.

While online commerce has brought about huge advantages, it also highlights an issue that is now becoming more prominent: the digital divide. Further focus needs to be applied to those who are not digitally literate to ensure everyone making such purchases is aware of their rights, and even more importantly, to ensure no one is excluded. Consumers need to benefit from the same protection online as they would have when purchasing a product at a store. While legislation remains fundamental to reducing misleading commercial content, especially in an EU context, it is up to the Government to ensure that everyone is aware of their rights as online consumers.

The changes in our climate are linked to carbon emissions, which as consumers, we can help reduce by sustainable consumption.

Consumers may vary from consumers of food to housing and even mobility. Our consumption choices can have a big impact on climate change, and this stems from educating consumers to make greener choices. Should the market for green products increase, based on a supply-demand cycle, producers will then respond, creating a much cleaner product cycle. Obligations as to product information, related to their carbon footprint, should be clear and transparent to ensure reliability for the consumer.

Due to the increasing inflation and the rise in the cost of living, authorities must provide stricter surveillance and enforcement to ensure consumer rights, even in the traditional sense, are respected.



## Enhancing business development and growth





***“Create new  
economic  
sectors  
to re-position  
Malta on the  
global map.”***

## Enhancing business development and growth

Like all governments throughout the world, the Maltese Government's economic focus is growth. While the focus is the right one, it is very apparent that the Maltese Government continually fails to analyse the cause of the economic growth, its sustainability and ultimately its contribution to society, businesses, and the government itself.

While the government reported an economic growth of 9%, the government failed to consider this growth within the holistic picture as politically it suits the government fine to retain a narrow view of the reality on the ground. While the economy grew by 9%, the government debt continued to rise, the demand on food banks continued to grow, the cohort of people surfing around the poverty line expanded and European wide surveys show that the Maltese are amongst the most anxious and angry people in Europe. Given this reality on the ground, through the process in preparing this pre budget document the Nationalist Party used a wider lens to analyse the reported economic growth of 9%.

While the question whether the Maltese Economy has continued to grow or not has an obvious reply, the PN recommends that the Economic debate in Malta should focus on diversified economic models. This debate is long overdue, and the Government must without further delay engage all stakeholders including the opposition and through a collaborative and cooperative approach attempt to consider answering the following questions.

1. Is the Maltese economy growing in the right direction? In other words, is the economic model currently based on "workforce growth" and "consumption" the right model for Malta? Should this model be the only model?
2. Does the Maltese government need to invest in existing industry verticals such

as iGaming, Maritime, Aviation, Financial Services, Information Technology and Pharmaceuticals? How can Malta re-invent itself in these verticals? How can Malta strengthen its unique selling proposition in these spaces with the sole objective to increase value added jobs, increase the average salary and increase the net contribution to government?

3. There are opportunities to create new industry verticals as proposed by the Nationalist Party during the campaign leading to the 2022 general election. What should the Maltese government do in this regard?
4. Should the Maltese Government create an Economic National Vision and Strategy for the next five years to enable Maltese entrepreneurs and business leaders align their businesses and seek the innovation and transformation opportunities for their own businesses?
5. Should the Maltese Government create a "Skills Bank" and change the local culture and mindset vis-à-vis the way we in Malta look at the Start-Up support models to incentivise our youths become tomorrow's business leaders?
6. Should the government consider revamping the education system and model to ensure that the transformed economic model is able to support the much-needed economic change required by this country?

As a country we must have the political courage, maturity and allow common sense to prevail. If we manage to rise above partisan politics, we should witness a Labour Government with a mandate of five years ahead of it, fully embrace some of the economic proposals put forward by the Nationalist Party. They were valid then, they are valid now.

The proposals outlined by the Nationalist Party leading to the 2022 general election are still valid and the Maltese government should make good use of these proposals. The country, the globe is at stage whereby the political class must rise above party politics and solely do what is best for the country.

The proposed economic model as outlined by the Nationalist Party aims to increase government income by €42.6 billion through the creation of 32,500 new value-added jobs over a period of eight years commanding an average salary of €43,000. This would not only increase the needed government income, but it will also offer sound opportunities for our youths, the same youths that we must endeavour to do our very best to retain in Malta and Gozo.

Any enterprise that faces a negative outlook and turnarounds understands the basic principle that that is the appropriate time to invest and position itself for growth. The Maltese government, our country is absolutely no exception. While it is imperative to maintain expenditure and rid of that cost which is hurting the government deficit, the Maltese Government has a fundamental responsibility and a moral obligation to look ahead and with courage invest where it truly matters.

The Nationalist Party is recommending that the Government commits to grow our economy over a period of five year (2023-2028) based on two principal economic growth streams.

- Re-invent and transform the existing principal economic sectors to drive out more value-added benefits.
- Create new economic sectors

to re-position Malta on the global map and encourage both local and foreign entrepreneurs to invest in Malta and Gozo.

The key objectives for the proposed economic growth streams are.

1. To create a minimum of 32,500 new value-added jobs splits between the existing economic sectors (18,160 new jobs) and the new economic sectors (14,355 new jobs).
2. To aim at having the value of the average salary within the existing and new sectors at € 43,000 per annum.
3. To increase Government income by € 42.6 billion derived from both direct and indirect contribution.
4. To provide a vision for our youths who in return can develop themselves against an economic backdrop that will provide them with hope, inspiration, and determination.

From the seats of the opposition, the Nationalist Party is ready to walk the talk and rise above partisan politics. The Nationalist Party will do this by sharing all its costings with Government and all stakeholders. What is pending is the Government's willingness to seriously put aside partisan politics at a time when the country needs all available talent to drive it out of its current challenges.

The above objectives are sound costed propositions. The Maltese Government would be required to invest € 5.97 billion to create revenues of € 42.6 billion. Besides an exceptional Return On Investment (ROI) of 7 times, these proposals would transform the current economic landscape and once again offer value-added jobs to our youths and attract foreign direct investment.





## Digitalisation: Transforming our country into a unique jurisdiction

With the vision of the PN during the early years of the twenty-first century, our country began its journey to become one of the European Union's advanced digital countries. Our aspirations are not only to continue building on what we have achieved and provide all public services electronically but to see that technology becomes an integral part of the global identity of our country.

The importance of digital applications in every field in Malta and the enforcement skills against cybercrime have increased in the light of a more widespread national aspiration as a major component of our vision: the transformation of our country into a unique jurisdiction, which embraces advanced technology and applies digital services in every sector of society and in economy.

With policies and investment programmes and incentives aimed at the private sector, we can become an example of technology adoption which: protects the environment, improves health services, offers more opportunities in the education sector, addresses the problems in transport, does away with excessive bureaucracy in public administration and strengthens the security of the country.

The PN believes that telecommunication companies will be strategic partners in this effort, within a structure of work focused on the more widespread application of Gigabit Internet, of 5G and the Internet of Things. In brief, our vision is that our country becomes the technology symbol in the European Union and the surrounding region. This will help us to rebuild from scratch our country's reputation in the world scenario.



Furthermore, we concur with the following Business Incentive Schemes and proposals put forward by the Chamber of SMEs:

- Comprehensive eCommerce grant scheme
- Improving Micro Invest
  - Make 50% of the eligible tax credit convertible to a grant, up to €5,000.
  - Extend the duration to use the tax credit to 5 years instead of the current 3 years.
  - Increase the incentive capping from €50,000 to €70,000 for all businesses and from €70,000 to €90,000 to the groups that are currently eligible for a higher incentive. This capping has been in place for a good number of years now and requires urgent updating, especially in view of spiralling inflation.

- Micro Invest should also include short CPD courses as an eligible cost to encourage CPD amongst SMEs.

- Workable definition of Single Undertaking. Malta is unfortunately being very rigid in its application of the SME Definition, which itself is quite vague. Businesses are feeling that documents that keep on being requested, many times not within their responsibility or control, are being requested to make businesses' life more difficult and avoid funding.

- Taking the yachting industry to the next level

- Establish an incentive grant scheme specifically for this sector. The utilisation of these grants would, amongst others, go towards the participation in the international yachting activities.

- The development of a proper local yachting market analysis.

- Upgrading the areas surrounding the main yacht marinas.

## Energy

Energy is one of the cornerstones of any economy. All economic activity, all business and industry, and every individual's lifestyle, is dependent on energy.

The war on Ukraine has accelerated the need for Europe to reduce its dependence on fossil fuel imports and drastically increase its investment in renewable energy sources, which by their nature are not affected by fossil fuel price fluctuations on which we have no control.

All Member States have ambitious targets set for the EU to achieve climate-neutrality by 2050. We have always strongly believed that Malta can do much more than what government has set out in its National Energy and Climate Plan, which the European Commission has described as “unambitious”. Had we not wasted the past ten years in investing and developing a strategy for renewable energy sources, today we would be in a much better position to set more ambitious targets. Instead, government chose to completely disregard past plans for offshore projects, remove altogether wind energy from national energy plans, and instead opted to invest in a wind farm in Montenegro to satisfy the personal financial interests of its own member and those close to them.

In long-term 30-year energy plan for Malta which the PN published last year, we made it clear that we believe in a large-scale offshore floating wind farm operating by 2030 as one of the main methods to achieve our targets.

The current government has now echoed this proposal and made it its own, but unfortunately its National Energy and Climate Plan still claims that such an investment is “not viable” as an option to contribute to “Malta's renewable energy objectives for the EU's 2030 targets.”

For this reason, we believe that government

should:

- urgently update the National Energy and Climate Plan to match its statement and streamline all government entities and departments to reach this objective.
- start consultations for a holistic regulatory framework for offshore installations which would make processes and procedures clear for any investors interested to participate in such projects.
- draft a national strategy which would turn Malta into a research hub in offshore renewables, in the process generating green jobs and foreign investment.

To make Malta more resilient to international energy prices, the PN also strongly suggest the following action points:

1. Priority in investment schemes for business and residential units to improve energy efficiency for instance, tax incentives to switch to more energy-efficient appliances and machines.
2. There is more potential to increase uptake for solar renewable energy installations. Given that the Return on Investment from current schemes is much less favourable than it was in the past, a discussion to introduce safeguards for solar rights is a must if we want people to keep investing in these clean energy sources.
3. Many flat roofs in industrial parks are being left unused because of the high rates and security deposits being requested by government for the space to be used for PV installations. These rates should be heavily reduced in order to incentive industry to opt for clean energy sources and in the process aid our country reach its national energy targets.
4. Energy-Performance Certificates should

not be just a tick-in-the-box exercise, based on an outdated CO2 factor, but should be used to provide tax incentives for properties which meet set energy-performance criteria. We should also be looking at schemes which promote energy-efficiency and use of sustainable materials at construction phase and incentivise investment in insulation which is much easier to achieve at design phase.

5. The billing system should be amended to be more just and based on cumulative annual consumption, in-line with the legal notice, and not penalise people for using a unit of electricity today rather than tomorrow.

6. There should be better incentives for people to invest in battery-storage technology. Coupled with investment in our energy distribution network to achieve a truly Artificial Intelligence driven smart grid, this can make energy-use more efficient on a national level, peak-shave energy demand, and improve the distribution-network performance

7. This should go together with a continuous investment in our distribution network to be able to cater for the increased demands and increased inter-connection of renewable sources from homes.

7. Government should start the process to fully liberalise the electricity distribution network by 2027, which is the date when the current derogation expires.

8. Electric Vehicles are still too costly for most of our population. Grants should be improved, and their approval and pay-out should be much swifter.

9. We welcome the government's U-turn in moving forward to invest in a second interconnector to improve Malta's security-of-supply, in-line with the long-term energy plan the PN envisaged for our country which was initially ridiculed and criticised by the Labour Party.

10. The PN will seek to re-establish confidence in the energy sector by ensuring the energy regulator is truly independent, strong, and autonomous, free from political influence, to ensure a fair level playing field of energy services and energy tariffs for all consumers big and small.



11. Government should prioritise Energy Audits of Enterprises and Consumers. These should be strengthened with a clear plan of action of what and how audits should be carried out on a national scale, so that energy efficiency measures can be planned, implemented, and supported by Government for the benefit of all consumers involved.

12. We welcome the government's U-turn in moving forward to invest in a second interconnector PN envisaged for our country which was initially ridiculed and criticised by the Labour Party. Access to the European Energy Market is a PN priority that moves us away from relying on Electrogas. A second interconnector allows Malta to double its energy provision from Europe, increasing its resilience and competitiveness.

The PN urges Government to reinvest all revenues from emissions trading systems or similar activities back to citizens, to invest in energy efficiency measures to lower household consumption, lower emissions, and save families money.

## Tourism

### MCESD Reform

The much-needed reform of MCESD is long overdue. All stakeholders should be involved in this process. The role of chairman should no longer be appointed by the government and a rotation system should be introduced. Other reform should also be included to elevate the MCESD from a talking shop to a genuine consultation process which benefits the country.

### Tourism

It is evident that now is the time to develop a sustainable tourism policy based not only on the number of tourist arrivals but also on their quality. The Opposition's vision is that of building on the unique selling points which Malta has to offer in order to respond to the demands and expectations of high value-added niche markets within the tourism landscape. Indeed, the PN has already stated this in the past, but the COVID pandemic has proven how right it was for us to promote such vision.

Our tourism vision, launched last year, aimed at both the short and long terms, hence why 2+8 document was aimed to address the various obstacles by managing every aspect involved in reigniting Malta's tourism sector. Our vision is based on one fundamental premise – that of being bold in taking the key decisions which are needed to strengthen our tourism product whilst empowering you, the operators in the field to market our islands as an attractive and safe destination.

The basis of our vision hinges on three main principles. The first is a long-term vision which opens a perspective over a 10-year period whilst taking into account the circumstances of the next two years.

The second principle revolves around the empowerment of the same industry. The PN

believes that you know the market much better than any politician or authority. You are the drivers of the industry. Therefore, our role as politicians is to empower you to attract the ideal customer for your particular product and to this end, we are proposing an unprecedented initiative that aims to reimburse Maltese operators' marketing expenses directed at attracting high-quality tourism to the country. We foresee a practical reimbursement system covering up to €25,000 of your marketing expenses, coupled with professional marketing services to guide and inform your own strategy.

The third principle rests on our elementary belief that policies should provide full support to the industry and its stakeholders. Many contributors, including restaurants, hotels, and all places of entertainment, have invested their capital in attracting tourism to the country. Now is the time to return this and come to their assistance during these trying times. This is why we are proposing a system of flexibility for tax payments, to be spread over several years. These contributors must focus their efforts on bouncing back without taxation worries as long as we return to normality.

### New niche markets

1. Rethink which markets to attract and ensure one has the corresponding product available for such markets and where necessary make available the tools to create the required product in terms of service, infrastructure, and facilities.
2. Geographical / Emerging: Eastern Europe/ Balkan / Eastern Mediterranean and the Gulf Cooperation Council area.
3. Target Clientele:
  - i. Niche Sports
  - ii. Tournaments
  - iii. Gender Niches
  - iv. Experience Travel
  - v. Gastronomy
4. The need to attract former long-haul clients (Special Interest Travel).
5. Marketing certain regions as short break



destinations (e.g., Valletta and Grand Harbour area).

### **Co-marketing**

6. Nationwide International Marketing Campaign with all stakeholders (hotels/DMC's/Schools and activity providers communicate under same Campaign Slogan).
7. Government to support campaign with funding.
8. Sponsored Events & Tournaments.
9. Airline, Online Travel Agents, and Foreign Tour Operator Support.
10. Free Museum/attraction tickets with a minimum stay or in off peak months.

### **Connectivity**

11. PN believes that we need to regain all lost airline carriers, routes, and frequencies.
12. Incentives to be offered to guarantee routes and frequencies.
13. Cooperation of all stakeholders is crucial.

### **Accommodation and Catering**

14. Introduce legal requirement to display license number on all descriptions and sales channels (including online booking engines). This would allow for easier monitoring and enforcement of non-licensed entities by Authorities that would bring a level playing field.
15. Set up of a classification and quality control team within the MTA for the monitoring and the maintaining of standards. Enforcement department to be divided into areas of expertise and license groups.
16. Encourage Banks to not look at tourism as high risk in a post pandemic scenario.
17. Incentivising the repurposing of public or private properties (especially in dilapidated parts of the island) for the purpose of



establishing the necessary infrastructure to service certain niches and create new market opportunities.

18. Green and environmental upgrades to be VAT free.

### **Camping**

19. Creation of more organised camping sites with amenities (showers, toilets, cooking facilities, electricity, and water).
20. Mix of tents and pre-built accommodation (from standard camping to glamping as well as designated, camper van bays).
21. Seasonal targeting with presence in specific marketing and fairs overseas that have camping travel segments (e.g., Dutch market).
22. Eco Concept: Make camping sites green and involve tourists in the process via activities involving “planting their own trees and local fauna”, learning on the building of traditional rubble walls, pathways and the like.



### **Restaurants and bars**

23. Tax Schemes (reduce VAT to 7% like accommodation).
24. Themed Dining trails combining culture and food.
25. Revise the current Licensing system for catering establishments.
26. Enhance presence in International Guides – replicate the Michelin Guide initiative to San Pellegrino Top 50, Zagat and other platforms both for Dining and Bars.

### **Infrastructure**

The Product Malta and Gozo needs to continue to be upgraded with various initiatives:

27. Proposal of Country wide free WIFI access

28. Upgrade of cleaning programs with emphasis on regular street cleaning and washing, more available bins (duly sectioned for recycling purposes), rubbish bring in sites, re-visit overall domestic and commercial rubbish collection times and routes using Internet of Things to be notified when bins are full and need emptying/replacing/ cleaning and using the data to analyses which area may need more frequent cleaning and address accordingly

29. Beefing up the cleansing department with dedicated teams with a regular cleaning based on roster and increased personnel (with the possibility of liaising with NGOs already doing such activities) for:

30. Country roads, fields, nature parks and trails, rubble walls maintenance, beaches etc... and marine with divers who would perform more frequent sea clean ups of bays, diving sites and marine conservation areas.

31. Nationwide Traffic Planning by organising slots to address traffic congestions via Data Analysis to determine peaks on specific routes by specific trades/ traffic and finding a workable way forward to address congestion beyond the widening of roads.

32. Construction works in Tourism Zones to be coordinated to reduce disruption.

33. Incentive schemes to support digitalisation of the tourism trade.

### **Malta Tourism Authority**

34. Audit all hospitality establishments with dedicated teams for the respective categories.

35. Revamp of Accommodation classification system (upgrade quality).

36. Expand visibility and bookability to local stakeholders, (attractions by theme, guides, hotels, transport) with a dedicated online platform for inbound tourism.

37. Assist local organisations to promote micro-attractions within localities.

38. Freeze high spend branding exercises (such as Manchester United deal) and concentrate funds on more targeted activities.

39. Launch MBTD (Malta Board for Tourism Development) which would include all commercial stakeholders.

### **Diving**

40. The main driver for Recreational Diving are Wrecks and Experience Diving (artificial reefs, statues and other) which is highly competitive with other destinations. One needs to prioritize the scuttling of Hepheastus Wreck (Qala Point) and P33 (South of Malta) and address red tape.

41. Address the lack of marine life which is the main negative comment by visiting Divers (Marine Reserve).

42. Invest in the infrastructure needed to improve the quality of experience of the diver with designated places within dive sites specifically for the visiting divers (from simple ladder access and signage to proper security and parking).

43. Promote Malta as the top destination for technical diving.

44. Supporting the work of the Underwater Cultural Heritage Unit in the handling and conservation of historical valuable wrecks. This will include marketing of the various wrecks and their cultural importance by inviting world class technical divers to visit and promote these sites. Moreover, joint educational campaign with the unit and MTA to the diving community and public about these wrecks (with virtual showcasing of the sites and information of such wrecks for general public).

45. Introduction of specific fees per wreck and a block ticket concept to be able to dive on a number of these sites in a sustainable manner



## Marine Reserves

46. Address the lack of marine life (which is the main negative comment by visiting divers) with the creation of Marine Reserves to increase pockets of marine life within 3 to 5 years.
47. Educational campaign on the benefits of marine reserves based on studies to show how an increased fish stock can address the marine life which divers seek as well as aid in the fish stock for local fishermen.
48. Active Promotion of such areas on the same lines of the Blue Flag Beach promotion.
49. Create self-sufficient system with fees for visiting divers, sustainable mooring, fishing permits in an area outside the reserve.

## Human Capital

50. Building up a Succession of youths in the Hospitality Industry:
  - i. Schools – weekly brief on tourism within their curriculum
  - ii. I.T.S. – enhance courses to cover all aspects of tourism sector and short part-time courses to also help develop current tourism workforce
  - iii. MCAST – recommendation to focus on technical and digital areas of tourism
  - iv. University of Malta – recommendation is to adapt curriculum to be more practical
51. Co-learning apprentice scheme where tourism companies take on students as fixed ongoing apprentices leading to their eventual full-time employment.
52. Training:
  - i. offer foreign and local workers new to the industry a free introductory course to Malta and Hospitality before taking up employment in the industry
  - ii. basic knowledge of Malta & attractions
  - iii. creating ambassadors for the islands
53. Excessive bureaucracy has to be eliminated and work permits need to be processed at a faster pace.



## Enhancing tourism in the South of Malta

54. Creation of Accommodation Infrastructure Plan.
55. Scuttling of wrecks in full compliance in the South for furthering Diving Niche (P33 wreck).
56. Study setup of sports facilities in the south such as the second golf course study, multi-purpose events hall which can cater for diverse events from sports, conferences, concerts, exhibitions etc... and swimming / Rugby / Hockey / Tennis and any other sport that can be scaled into a touristic product (in the form of specialised groups) and a yearly event (in terms of tournaments and competitions).

## Events

57. Widening the Events Portfolio within MTA to attract more and diverse segments from music to sports to cultural events.
58. Achieving a calendar of regular yearly events (large or small) designed with the main purpose of attracting a steady stream of tourists whose purpose of visit may be such an event (and extend their stay to experience Malta) and/or enhance the experience who is visiting irrespective of the event.
59. Investing in a multi-purpose complex that can facilitate the hosting a diversity of events and by default becoming an attraction (e.g., O2 Arena in London).





### International Tournaments

60. Intensify efforts to attract international niche tournaments (individual and team sports, darts, scrabble, bridge, e-sports) through Government endorsements in terms of sponsorships and attractive prizes for winners to create.

### Tourism in Gozo

The PN agrees and encourages the implementation of the following proposals put forward by the Gozo Tourism Association.

- ▶ Ringfence the ECO contribution collected from Gozitan accommodation units to be invested in product upgrading.
- ▶ Ensure and enforce the right of access

to the diving sector for the shoreline on the North and Northwest of Gozo.

- ▶ Fast track the amendments to the Tourism Act 1999 to reflect the new trends in tourism establishments.
- ▶ Develop a water park and incorporate sports facilities in one holistic project at the Ta' Xhajma Horse Race Complex.
- ▶ Incentivise tour operators specialising in winter breaks and longer stays to market and sell Gozo for the November to April period.
- ▶ Re-introduce the vouchers scheme for the domestic market covering the period November 2022 to March 2023.
- ▶ Create, offer, support, and entice new niches like adventure, activity, sports, walking, digital nomads and well-being.



## Transport and Capital Projects

If there is a sector in which the Government has undoubtedly, not only failed but also given up, that is the transport sector.

The infrastructure for a mass transport system was proposed with much pomp and expense before the election. Till today, it has not seen the light of day. Moreover, the Minister said that he is still studying the way forward to implement this system. The PN is encouraging the implementation of the following action points.

1. Immediately and without delay, the first priority should be to decide which is the best system and where and when it is to start functioning. The more we bicker about it, the greater the possibility of a total gridlock.
2. About 50 new vehicles are joining the existing traffic every day. This has been going on week after week, month after month. And the Government has done nothing about it; it seems as though it is encouraging all this when it says that it is widening roads to accommodate all cars. Urgency on this matter is palpable. Offering free public transport is not enough. To encourage the use of public transport, there should be strong incentives, which entice our youths to use it rather than buy a car. They can use pool sharing services, alternative transport methods, green mobility modules and other facilities. Malta has reached the limit for the number of cars on the road.
3. Until the targets mentioned above are reached, the management for improving, widening, and planning of new roads should continue but not as it is done at present. To have roads of high-level standards, we do not only need strong funds and budgets but first grade abilities and plans: roads planned years ahead, methods and materials of superior quality, best working practices, which are efficient and efficacious, so that a road requiring six months to be completed does not take six years and then must be done all over again. Main roads, like the ones near the airport, the Central Link, and others, should be worked on in three shifts, day, and night, thereby taking the least possible time for completion and not being left idle for months.
4. There should be a drive for clean transport using alternative energy by promoting routes, systems, and incentives, not only financially but also by an infrastructure which supports such an alternative energy. Bicycles, green vehicles, pool sharing, and other methods of travelling should be given priority everywhere and, if possible, subsidised.
5. The Government should lead by example. Every Government vehicle should not use fossil fuels. Ministers, Parliamentary Secretaries, Permanent Secretaries and Heads of Departments should be the first to act. They should be followed by the Department for Environment, the Department of Education, Transport... all the others, over a period of 3 years.
6. If we want our children to get used to the idea that school transport should be clean and efficient, then we should opt for green transport and priority lanes. Our children will then grow up treasuring collective transport.



### **Capital projects**

At the moment, the Government is bereft of any capital projects. It has no vision or long-term plans or clear direction to entice private investors. We should know what to aim for and invest seriously in capital projects, which will serve as a springboard to the future success of Malta.

### **Malta: a hub of private aviation**

Over a period of years, Malta gained a unique position in the sector of ship registration. It can do the same in aviation. A Nationalist Government gave birth to both these sectors but there is still much more to be done, particularly in private aviation. We can plan for a Malta Private Hub Aviation if we immediately start planning strongly for it.

The PN agrees that a sound discussion need to occur on the following action points and proposals put forward by the Malta Institute of Accountants (MIA):

#### **► Information on the New Tax System**

More detail is required on the new tax system announced earlier this year by the Minister of Finance. The uncertainty is having negative repercussions on the industry.

#### **► Need for a complete overhaul of the fiscal receipts system**

While noting that this would necessitate specific in-depth discussions and analysis, areas to consider include assessing the current regulations for approving systems and considering real time reporting tools.

#### **► Pension plans**

A policy incentivising the overall pension plans, both at employer and employee level, needs to be introduced to contribute towards ensuring that there is the necessary uptake of such plans in line with Government's direction.

### **► Transfers of family business**

The 1.5% duty scheme for transfers of family business needs to be established as the new norm.

This could be accompanied by a new measure to address death of a party to the transaction before the transfer is concluded. Such reality is sometimes hindering the implementation of this scheme. Thus, to contribute towards completing such transactions, it is being recommended to introduce a measure whereby one could register his intention to transfer the family business. This is to remain valid only for a number of months, for example 6 months, and if the death takes place within this period, then the transfer is to be allowed to take place. In addition, there should be a limit as to the number of such registrations that one could be allowed for each separate business.

One could also study the possibility of extending the 1.5% duty scheme to inheritance of family business.

#### **► ESG related incentives**

Fiscal incentives are necessary to support the objectives of Government in this area. Measures that could be taken in this regard include:

- updating fringe benefit rules – in the MIA's opinion such rules need to be revised to reflect the current policy direction, for example, reference is to be made to extending exemptions to green vehicles and scooters, and policy makers need to reconsider the inclusion of health insurance plans as a fringe benefit keeping in view that this is alleviating the burden on the public health service.
- super deductions/accelerated deductions on environmentally friendly vehicles and investment by employers in equipment / facilities that improve mental and physical health of employees (for example, as pre-approved by Malta Enterprise)
- incentivise mental health care by providing an

exemption from fringe benefits for the support by employers to employees when mental health care is provided by licensed / approved organisations.

- schemes for employers who have environmentally friendly facilities or have taken any measure that is contributing towards reaching the objectives of Government in this area, for example providing incentives to employers subsidising the use by their employees of carpooling initiatives and/or investing in hybrid/electric cars (up to Year of Assessment 2020 a deduction was given to employers providing transportation, subject to conditions. LN 67 of 2018 refers. To reconsider providing a special tax deduction in relation to such measures.).
- incentivise the use of public transport and other mass transport systems by easing the rules in respect of organised transport, e.g. reducing the minimum seating capacity of the vehicles currently imposed by the Fringe Benefits Rules and for the rules to expressly acknowledge that when a transport service is outsourced to third party operators the employer has no control over the choice by the service provider of the category of vehicle used by the service provider and that this should have no adverse impact on the tax treatment at the level of the employee. This measure (which should also help to ease the current pressure on the public infrastructure) could be subject to conditions such as only being applicable when managed through corporate accounts with licensed taxi companies.

### **The enormous potential of co-operatives**

The PN also agrees and promotes various proposals put forward by the Malta Cooperative Federation (MCF) aimed at employing the budget as an opportunity to foster the creation of more cooperatives in Malta and Gozo and to make the Maltese economy more collaborative.

#### **► Acknowledge the co-operative potential at a Political Level**

On a political level, the co-operative model of business needs to be concretely acknowledged as an important pillar of the Maltese economy,

forming an essential part of policy decisions. This is in the light of a commitment towards building an economy that is fairer, that promotes a more equitable distribution of wealth and that creates a better sense of ownership of the prosperity being created.

A strong political commitment needs to be instilled at the highest levels of government to ensure that everyone is a winner while ensuring that wealth does not end up exclusively in the pockets of the few. Government's commitment to being business friendly also includes being proactive to cooperative enterprise. This policy needs to permeate across all levels of government and will provide the necessary impetus for co-operatives to develop further.

#### **► Fiscal incentives for a level playing field**

Government should introduce cash grants for co-operatives which would compensate for the fact that co-operatives are not entitled to apply for tax credits. This would ensure that co-operatives are treated on a level playing field with other businesses when considering access to funding.

For this reason, the MCF proposes that all government entities responsible for assisting enterprises and businesses, in particular Malta Enterprise and JobsPlus, initiate an exercise where all measures available to enterprises are effectively also available to cooperative enterprises.

#### **► Tax incentives to business owners who sell their businesses to community-led cooperatives and/or to their workers**

Worker buyouts tax incentives should be available to encourage business owners, who wish to sell their going concern, to consider the option of selling their business to community-led co-operatives and/or worker-co-operatives (especially employees of their business)

#### **► Strengthening the Cooperative Legislative Framework**

Together with stakeholders, the government needs to enact legislation that builds on

the Cooperative Societies Act, 2001, and that allows for new realities taking place in the sector. The Malta Co-operative Federation believes that the success of this new legislation rests upon a collective and proactive effort between all stakeholders, including government and representatives of co-operative movement, as was done way back in the year 2000. The main changes should include:

- Strengthen the One-Member One-Vote Principle: The “one member one vote” aspect is an international principle that is central to how co-operatives work. The current Co-operative Societies Act, 2001, includes contradictory elements on this fundamental aspect. On the one hand Article 21(2) enshrines this principle in the Act. On the other hand, Article 56 of the Act gives the opportunity for co-operatives to do away with this principle. MCF strongly recommends that this contradiction is resolved in favour of the “one member-one vote” principle.
- Create more opportunities for different types of entities to form cooperatives together: Current legislation allows for only individuals and limited liability companies to be members of co-operative societies and restricts any other type of entity (partnerships, associations, etc.) from forming part of a co-operative society. Another restriction is that co-operative societies need to have a majority of individuals as members. In practice this is making it difficult for various entities including social enterprises, NGOs, private companies,



and associations from forming a co-operative together. MCF proposes that the definition of ‘societies’ in the Cooperative Societies Act is amended accordingly to open the cooperative space further.

- Reduce the minimum number of members required to form a co-operative: The required minimum number of members to form a co-operative in Malta should go down from 5 to 3. This will encourage more people to come forward to form a co-operative. It is worth pointing out that countries such as Germany, France and Spain, who have much larger markets have changed their legislation to reduce the minimum number of members within co-operatives, to three.
- Identify ways of how the registration of new co-operatives can be facilitated: Government needs to factor in new developments in co-operative membership possibilities and ways of working that, within the co-operative framework, can render co-operatives proactive to market needs.
- Facilitate conversion from company to co-operative status: While the co-operative societies legislation contemplates for the possibility of limited liability companies to be converted to co-operatives and vice-versa, without the need to go through a process of liquidation, in 20 years since the Act was enacted, the regulations for this process have never been published.
- Protect the privacy of cooperative members: Current legislation allows the public to access the list of members of any co-



operative. Together with the Data Protection Commissioner, MBR and other authorities, the government should identify instances where it would be permissible that the Co-operatives Board could make exceptions to this rule by not divulging this information, while keeping in mind the obligations of the Beneficial Ownership registers.

- Create regulations for the creation of European Co-operative Societies (SCE) to be registered in Malta: Notwithstanding that the Council of the European Union adopted regulations for the setting up of SCEs way back in 2003, government is as yet to establish the necessary regulations for this to become a reality in Malta. This is having a direct negative impact on the internationalisation of co-operatives and needs to be addressed.
- Continuation of a foreign co-operative in Malta: A co-operative formed and incorporated or registered under the laws of an approved foreign country, which is similar in nature to a cooperative as known under the Maltese co-operative legislation, should have the possibility to request the Co-operatives Board to be registered as continued in Malta, provided the laws of the foreign country so permit, and provided the co-operative is authorised to do so by its statute. The government is to enact the necessary legislation and regulations for this to occur, such that Malta stops losing co-operative business to other countries that allow for this conversion.

#### ► **Strengthen other legislations that impact Cooperatives**

- Initiate an exercise to identify any legislations that discriminate against co-operatives: A number of legislations currently impede co-operatives from working freely in particular sectors: the Banking and the Broadcasting Act are a case in point. MCF proposes that an interministerial effort is initiated to identify any legislations, regulations and policies which are preventing co-operatives to be set up in their respective sector, and make the necessary

amendments for the inclusion of the co-operative business model.

- Include co-operative representation within the organs of the Small Business Act: The Malta Co-operative Federation, the co-operative movement, and the related government bodies regulating the co-operative sector should be represented by competent individuals within the organs of the Small Business Act. This includes the Enterprise Consultative Council, the Small Business Advisory Committee and the College of Regulators.

#### ► **Social and community-led cooperatives**

Government should provide effective support to community-based and/or social co-operatives, whose objective is to invest all, or most surpluses generated into a specific social cause or into the community. Services provided by such cooperatives should become the preferred option for the procurement of services at the national, regional, and local level.

For this reason, the MCF encourages Government to initiate discussions with the Department of Contracts to see how this can be achieved and whether changes to national legislation need to be made.

It is worth noting that the European Court of Justice in 2011 recognized the specific regime and structure of the co-operative enterprises.

#### ► **Renewable energy co-operatives**

Government is to actively support the setting up of community co-operatives in the field of alternative energy and the environment. These will provide the opportunity for community members to partake in investments that they can afford and that the benefits accruing from such investments will directly benefit them and their families.

Government should provide the necessary space, including rooftops of government and school buildings, for this purpose. The generation of renewable energy fits perfectly into the cooperative model, as this enables any surpluses to benefit the member community

and can be re-invested in similar projects that make renewable energy accessible to even more people and families.

#### ► **Housing Co-operatives.**

Access to shelter and a home is a basic human right which cannot be left solely at the mercy of free market forces. Current property prices, both for purchase as well as rental, are making housing inaccessible to more and more people. Those who manage are having to toil till retirement to pay hefty loans.

The MCF believes that home co-ops provide a viable solution, and that Government can facilitate the setting up of home and housing co-operatives in Malta. Housing and home cooperatives are jointly owned, democratically controlled enterprises designed to keep housing affordable and to give residents an active role in their own communities. Housing cooperatives around the world are leading the way with sustainability initiatives. In Malta, Home cooperatives could prioritise the interests of the community over that of purely speculative businesses, including the provision of open spaces in their neighbourhoods, environmentally friendly measures such as the provision of renewable energy and the use of appropriate planning and architecture that respects the surrounding area.

This model of housing can provide for mixed housing set-ups and will decrease the possibility of people being burdened with crippling debts until retirement age. These co-ops can benefit first-time buyer couples, the elderly, students, single parents, separated couples and persons who would face lifelong hardship with current market rates. Home cooperatives can form a viable and sustainable part of Malta's housing stock. Government should commit to materially support the setting up of a first Housing Cooperative in Malta.

#### ► **Modernise the Co-operatives Board**

Opportunities exist for the Co-operative Board to provide a more efficient and effective process of registration and regulation for co-operative societies. This can include digitised

processes which will bring its processes in line with those used to register companies. This is also in line with Government's commitment to provide effective online services across board.

#### **Human Capital and Cooperatives**

To address high employment within the public sector, the government should consider launching a scheme that incentivises the public sector employees to form cooperative societies. Cooperatives in Malta, that contribute over 120 million euros yearly, have been proven to be more resilient than limited liability companies. The existing 4 cooperatives in the public sector that are currently part of Koperattivi Malta have refunded the government a significant cost in salaries over the years since their inception. This measure would also empower individuals to become self-reliant business owners who are intrinsically motivated to grow their business. For this to happen, the government should revise the existing public policy and legal notices applicable to cooperatives in the public sector.

#### **Gozo**

The Gozitan economy is mostly based on the tourism and agricultural sector. We need to build a dynamic economy based on several niches in order to have a more sustainable and continual economic growth.

The PN agrees with the following actions and proposals put forward by the Gozo Regional Committee that are deemed necessary to help the labour market in Gozo regain its normality and help the private sector in its continuous endeavours to make up for the additional double insularity disadvantages.

► The Community Worker's Scheme should be improved to ensure it not only works within the parameters it was meant to, i.e., employing workers who have not been gainfully employed for a year, but to ensure that these workers are given the skills required to address the needs of the private sector in Gozo.

► Government has already made the first



step in reducing the taxation rate on overtime. Employees are not working overtime in the first job because there is ample opportunity to work in the black economy as a part time. Consequently, Government should definitely take away the €10,000 cap for the 15% tax reduced rate for overtime and consider lowering taxation rate on overtime to 10%. We are convinced that Government will accrue more tax by lowering the rate which will eventually help in the declaration of all working hours.

► Employees have got ample opportunity to work part time jobs in the black economy. This is creating difficulty to employers who want to work above board and by the book. In general Government should actively seek ways and means how to positively discriminate in favour of employers who operate in a proper

manner.

► Government should be congratulated for encouraging investment in Gozo by giving businesses in Gozo higher aid intensity in the recent Business Enhance Grant Schemes as part of Malta's Recovery and Resilience Facility. It is only through this positive discrimination the new investment and further quality employment can be created.

► It is paramount that new schemes are created whereby businesses are helped to setup or relocate in the 'new' Gozo Innovation Hub. Tax Holidays for new set-ups in new sectors should be contemplated, coupled by grants that make up for additional necessary costs that accrue from setting-up or relocating in Gozo. Only in this way can the labour market in Gozo be transformed.



## A better health service





***“The health sector has always been, still is and will always remain a crucial sector ”***

## A better health service

The health sector has always been, still is and will always remain a crucial sector for the PN. In the post-Covid era and during the economic challenges we are facing, the health sector, or parts of it, may be at risk. Without question, funds are an absolute priority in this area. But every expenditure must be part of a holistic plan that always places the human being and the quality of life at the centre of these important political decisions.

Therefore, in this chapter, the PN is proposing a set of measures based on main pillars that might be at risk of being set aside due to financial challenges but, if this is done, it would be a huge mistake and with very serious consequences.

The PN encourages a sound dialogue and subsequent implementation of the following proposals and action points:

1. There should be ongoing meetings and discussions with many stakeholders in the health sector.
2. The care and treatment of patients suffering from cancer: there should be an increase in the formulary of chemotherapy to decrease the hassle for patients, thereby increasing the number of successes and cures. More patients should be sent abroad for advanced and innovative treatment.
3. Sexual health programmes should aim for wider targets to prevent these diseases.
4. Human resources should be strongly increased, with an extension in community care,

5. Malta and Gozo should benefit from infrastructural investment in Secondary Care. This means more hospitals with more space for treatment and services.

6. There should be investment in the abilities of professionals in the Health Sector, with ongoing education, decent conditions of work and better salaries. These measures will ensure the best services for patients.

7. Diabetes: The Constant Glucose Monitor service is proving to be very successful. The service should continue to extend to all type 1 Diabetes patients and Type 2 Diabetes patients who are insulin dependent. Better control of Diabetes will lead to less morbid conditions.



8. Patients who return from treatment abroad - Following a long term stay away, patients who benefit from treatment abroad and return to Malta, should be given more assistance and support.

From practical issues related to the weight of their luggage on their flight back, to other support related to medical and psychological issues. This service should be part of community services.

9. The PN believes that Government needs to invest in order to strengthen human resources, equipment, and the latest treatment and medicines. While all health services must remain free, the state is duty-bound to provide a more comprehensive and personalised service to all patients suffering from different conditions, including chronic ones which seriously impact the life of patients, including but not limited to multiple sclerosis, ME/CFS and fibromyalgia.

## **The three public hospitals to be returned to the people of Malta and Gozo**

Health is an important Core Service which should be administered and protected by the Government of the day. We have seen a foreign private company registering profits in its accounts. Where is the profit for the Maltese and Gozitans from this deal, conducted by the Government? Surely, there has been no new hospital in Malta or even Gozo, where there was a clear obligation to invest.

The needs and rights of the Maltese and Gozitans should be safeguarded to guarantee the best quality care and service. What has been badly managed, should be remedied for the benefit of all of us.

The PN is encouraging the implementation of the following action points and proposals:

### **Primary Healthcare**

1. A study and changes are made in the Pharmacy of Your Choice system. There must be more efficiency in the way of making an application and renewing the list that a patient takes as medicine and supplies. Unfortunately, there are a number of patients whose needs change or prescription lists change and they will need to last a whole week until the system is renewed with the result of more stress on the patient, the professional and a waste of resources.
2. An assessment is made of what services are supposed to be provided by primary care and who is the emergency of Mater Dei and a learning system is created where a patient is expected to attend when he has any symptoms of any disease. This leads to the patient being given a service closer to home and we reduce the amount of work on the Mater Dei emergency.
3. Investigate the reasons for assessment waiting lists on medical tests to diagnose diseases to improve the waiting list. This involves increasing human resources and machinery resources.
4. We invest in more hours of presence of a family doctor (general practitioner) in primary care. There is a need for health centers to start increasing the hours that there is a family doctor and eventually to come 24/7 so that we can provide a service closer to home and reduce the amount of people who have to resort to Mater Dei.
5. We create incentives and information about the different health professions among secondary school students so that they can be more prepared to enter studies that will lead them to work in the health field.
6. The working conditions of carers, health care providers and assistants are improved.
7. The work carried out and still carried out by several professionals in the field of health during the pandemic is recognized with a bonus grant where they risked their lives and the lives of their families and never stopped giving their best possible service.
8. The information system that is used in every health center, hospital and hospital in the country will be unique and functional and can be operated by anyone from any location.
9. We make sure that every professional is given a uniform according to his profession and work and that it is given every year.



## Let us invest in mental health

- [illegible]



## Unprecedented investment in sports and sportsmen

Sport is one of the pillars on which we need to build the socio-economic development of our country. The PN commits itself fully to carry out the most intensive agenda so that our young athletes, whether established, professional, or otherwise, can achieve excellence and advancement in sport as an integral part of the development of society and of our economy.

### 1. Sport as a key economic sector

A strategy focused on the transformation of sport into a new economic sector, the regeneration from the ground up of training facilities and sports competitions, the strengthening of sports tourism in Malta.

There is a need to improve governance while ensuring the removal of bureaucratic obstacles in local sports administrations. The PN believes that we need to draw up a long-term plan to improve the opportunities and international participation of Maltese athletes.

### 2. Investment plan in Innovation and Sports science

The aim of this plan is for our athletes to have the necessary facilities and resources to strengthen their skills and talents in sport, and for our country to prosper and be at the forefront when it comes to -sporting innovation and top performance sport.

The PN believes that we need to invest in innovative technologies and tools in the field of Artificial Intelligence and in the field of sports sciences to further improve the performance of Maltese athletes.

### 3. A facility that can host a wider range of sporting disciplines

There is a lack of facilities for various sports disciplines that are not mainstream, such as for example Martial Arts, bowling, and others. We want to build a multi-disciplinary facility that can host several different sports disciplines to

create more opportunities for our athletes to participate in these sports as well.

### 4. Hal Far Road

The PN expects that the promised and anticipated project of the Hal Far Truck to be carried out immediately so that all the local motorsport enthusiasts, enthusiasts, and talents have an international racing circuit and a place that fosters more talent in this sector, without further delay.

### 5. Income tax for professional sportsmen

The persons registered as players, athletes, coaches, administrators of sports activities and those who train in certain sports discipline, are eligible to be given a fiscal incentive on their income.

### 6. Stronger support to children's sports formation

To achieve more success in the sports field, we must invest in the children's sports training, support for families and sports nurseries in every discipline.

### 7. We need to strengthen the National Sports School

After 10 years since its establishment, we again give a strong push to the National Sports School to make a quality leap in its role and activities so that:

- We increase the number of participating students in each school year to expand the opportunities for talented young athletes who take part in this program.
- Link the work of the National Sports School with the investment plan in Innovation and Sports science
- Expand the work of the National Sports School for post-secondary education so that students have continuity in their formation.

### 8. Increase of financial aid in preparation for GSSE 2023

There is a need for a strong budget for the Small Countries Games in Malta (2023) to strengthen the preparation of Maltese athletes.

9. Major funding allocation for professional and Olympic performance

Funding is needed for our professional athletes to have more support in training and improve results, and to aspire to the best achievements in the two upcoming editions of the Olympic Games in Paris (2024) and in Los Angeles (2028). The PN will also support the Maltese Olympic Committee in the preparation of Maltese athletes for the next editions of the Mediterranean, Commonwealth and Paralympics Games.

10. A fund that helps Maltese athletes achieve success in international competitions

To incentivize and help Maltese athletes and clubs to achieve success or more advanced qualifications in international competitions, we want to set up a strong fund that will be allocated according to parameters established by Sport Malta.

11. Supporting the athletes of the Special Olympics and the Paralympics

We need to build on the valuable work that has been done so far in the field of Special Olympics and Paralympics through more investment, logistical support, and training programs in order to give more opportunities to our athletes to develop their skills in respective discipline to practice and new opportunities were given to new athletes.

12. Obesity

Malta has one of the highest rates of obesity in adults and in childhood around the world. More than a quarter of the Maltese adult population over the age of 15 is obese. More than three quarters of Maltese men are overweight. According to statistics from the World Health Organization, this is the

highest rate among the 52 countries in the European region.

The rate of Maltese women who are overweight is 60%. This is the second highest rate in the European Union.

In recent years, the obesity rate in Malta has worsened at an alarming rate. The World Obesity Federation is indicating that the problem in Malta will get worse and predicts that by 2030, a third of the Maltese population will be obese.

Therefore, we must have an urgent and clear national strategy to address, immediately, this serious problem that our country is facing. Among other things, we must consult with the educational authorities, with the unions and with experts, to increase the number of physical education lessons per week during compulsory education.

It is also a known fact that food that has greater health benefits, generally costs more to buy. We therefore need to provide incentives, which will encourage people, particularly those at the bottom of the income spectrum, to buy food that will contribute to a more beneficial diet.





## Supporting Your Goals and Ambitions



***“This country requires a vision and strategic plan for employment and education, to make the best use of the Human resources we have.”***



## Supporting Your Goals and Ambitions

The PN has always believed in education as the portal to a better quality of life. We believe that education is an investment in people and the country, to ensure we remain competitive and are seen as a hub for investment of added value jobs. We want to see today's young develop into tomorrow's critical and creative thinkers. Furthermore, we must ensure that we retain this talent, and attract even more workers of added value which can help to continue to ensure enhancement of our local talent. It emphasizes the importance of interconnection between education and work, as well as the need for continuous development and advancement.

This country requires a vision and strategic plan for employment and education, to make the best use of the Human resources we have. This Vision and Strategic Plan should instil a culture of long-term planning, which is seriously lacking in our country. The Vision and Strategic Plan should address all the economic sectors of our economy, health, education, transport, the wellbeing of society, the labour market and the environment amongst others. There needs to be a stronger direction on economic transformation in a manner that steers the economy towards more productive, higher value added and sustainable activities. A shift towards a stronger, higher value-added manufacturing and services will create jobs without compromising the natural environment. There are other areas with significant growth potential, such as the maritime and aviation sector, as well as new innovative business sectors which we had proposed in our electoral manifest.

But none of this is attainable without the required human resource availability. Recent surveys carried out by The Chamber of SME's show that the most significant single challenge businesses are facing is the lack of human

resources (44%) across the board, even more than inflation. This leaves numerous sectors starved of resources, and even the sectors considered as attractive are finding big difficulties. 50% of companies are working at between 70%-90% employee capacity, with a further 14% with less than half of the employees they need. Coupled with this, businesses also explain how poor the quality of the employment market is.

The Government is in no way helping the situation, in the private sector who are starved for workers, according to official statistics, over 51,167 people work full-time in the Public Sector in January 2022. This equates to an increase in public sector employment of approximately 1,000 people in the previous 6 months. Public sector employment has been on the rise for almost a decade, increasing by 10,000 workers since 2013 (a 20% increase) to add insult to injury, public sector outsourcing is not captured in these statistics. It runs contrary to business competitiveness to have a situation where Government is indirectly soliciting human capital from the private sector.

Gozo alone has over 50% of its work force employed with Government, both directly or through work schemes. This whole scenario will eventually cripple the economy and have a negative effect on all workers and their families.

We presently lack the data of what skills and abilities we have against what is required, the Skills mismatch is at an all-time high and cost of employment is increasing at a very fast pace these factors result in businesses losing their competitive edge, but also the repercussions include the deterioration of our business and inability to move forward. The result of this is the need to increase the attractiveness of sectors (especially those

which are essential) by means of putting into motion measures to eliminate the skills gap.

With the European Union we believe that digitalization should be a priority, and further investment and funds should be allocated to ensure Malta remains competitive, this is the strongest tool to ensure this.

The Nationalist party takes solace in the fact that surveys carried out indicate that almost half of the SME's main priorities in business investment is focused on Digitalization.

All this along with the Malta's declining economic situation continue to put pressure on businesses and employment alike as they are dependent. Rising costs of raw materials where the majority of businesses (48%) feel that shipping is increasing a fast rate, but

also labour is pushing costs up and straining already weak profitability margins. On the other, there is the inflationary impact on aggregate demand as consumers struggle to rationalize consumption in anticipation of a drop in real disposable income resulting from the inflationary spike

The Government is continuously reminding us of the low unemployment rate which exists. According to NSO statistics we find that there are 8,446 (1.9 per cent) unemployed while inactive persons totalled 160,726 (35.7 per cent). From the 160,726, there are still 50,242 which are still between the ages of 25 and 64 which make up 11.15% of the population. A closer look at the numbers shows that over 64% of our workforce do not exceed the average wage.

**Table 10. Average monthly basic salary for employees by sex and economic activity in the main occupation: April-June 2022**

Economic activity	Males		Females		Total	
	No. of employees	Average (€)	No. of employees	Average (€)	No. of employees	Average (€)
Agriculture, forestry and fishing	1	1	1	1	2	1
Manufacturing, mining and quarrying and other industry	19,930	1,522	9,337	1,317	29,267	1,456
Construction	8,892	1,498	1	1	10,146	1,517
Wholesale and retail trade, transportation and storage, accommodation and food service activities	34,569	1,513	19,737	1,273	54,306	1,426
Information and communication	8,624	2,336	2,727 <sup>a</sup>	1,576 <sup>a</sup>	11,351	2,153
Financial and insurance activities	7,363	2,723	9,694	2,052	17,057	2,341
Real estate activities	1	1	1	1	2	1
Professional, scientific, technical, administration and support service activities	12,095	1,868	12,810	1,898	24,905	1,883
Public administration, defence, education, human health and social work activities	27,303	1,917	40,544	1,751	67,847	1,818
Other services	9,661	2,122	9,929 <sup>a</sup>	1,486 <sup>a</sup>	19,590	1,800
<b>Total</b>	<b>131,135</b>	<b>1,803</b>	<b>106,709</b>	<b>1,640</b>	<b>237,844</b>	<b>1,739</b>

Table 1.



Table 2.

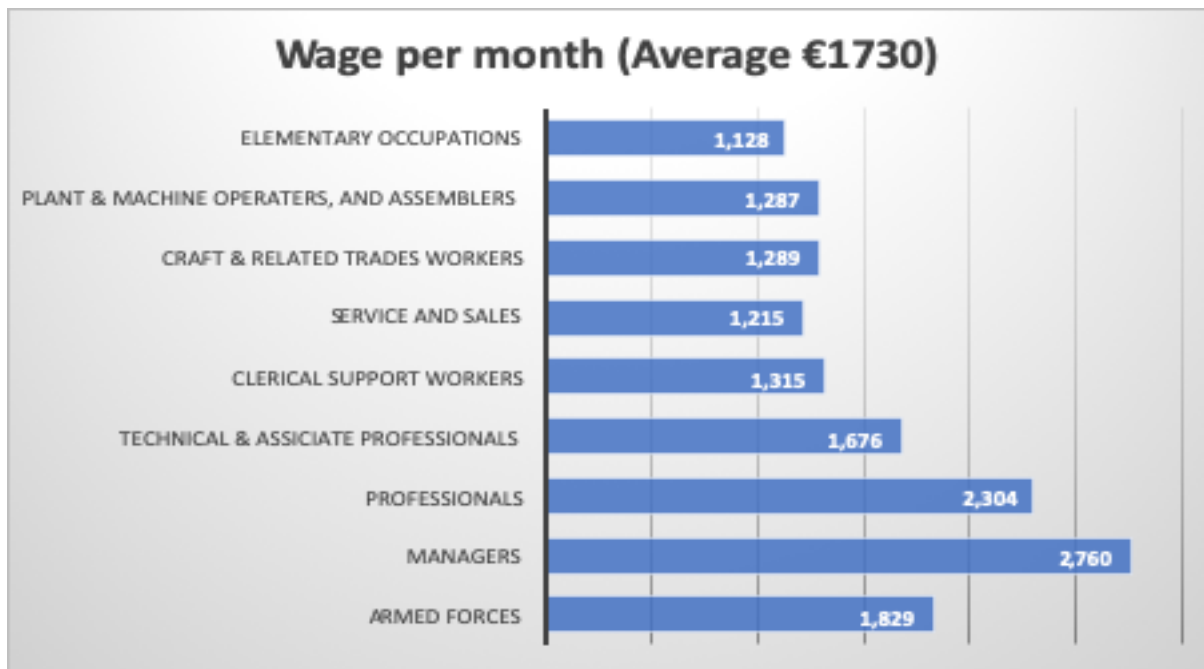


Table 3.

**Average monthly basic salary for employees by sex and economic activity in the main occupation: April-June 2022**

The tables extracted from the labour force survey issued by NSO clearly show that although unemployment is low the quality of wages related to the jobs is also very low, Technical professionals, clerical, support workers, service and sales workers, trades workers, machine operators, Manufacturing workers and elementary occupations all earn less than the average monthly wage placing all the workers in these occupations in the risk of

poverty if they are not already in that category.

We do not want mediocre jobs just to say we have low unemployment, where many have to have a second job just to get through the month. We want jobs which provide work satisfaction, dignity, good wages and working conditions. That take people out of poverty and not put them in it.

## The family and children back at the centre of national politics

Our vision envisages success and a better way of life for us and our families. This is another way how we can place the common good back again as a just balance and everyone at the centre of our politics. In brief, another major factor in our vision for Malta is to place the family back at the centre of politics.

While acknowledging the fact that over the years the family has evolved into diverse forms, the PN will strive to ensure incentives are provided to all those who want to raise a family, as in that way, we will acquire a more humane society, with firmer values and a greater sense of solidarity.

We believe that children should be at the centre of our politics for the family, by ensuring that every child is given the opportunity to enjoy their childhood, irrespective of the material wealth of the family he/she is raised in. The PN therefore, has the vision of continuing to strengthen the rights of children in every aspect, so that our country will truly provide a healthy and happy childhood to every child. The PN believes in giving children the right to be heard in any

decision, policy and/or measure that may impact their lives. Hence, the PN strongly promotes the right for children to be given the opportunity to participate in decisions that affect them.

The politics for children will be a holistic one, specially tailored to meet the great challenges children face in today's world. The PN believes that there should be strategic programmes and widespread measures to be implemented to address the torture of physical and online bullying, the risks, difficulties and abuses that children are exposed to in the digital world and the material and emotional poverty that many children are experiencing in silence.

The PN also believes that one of the greatest socio-economic challenges of the near future ought to be addressed: the steep decrease in the number of children born in Malta and Gozo. PN encourages the introduction of specifically thought-out incentives to support parents by providing schemes, changes in the legislation and new incentives based on models adopted by countries that have high rates of births in the European Union.





## Employment Proposals

1. We create taxation structures that are designed in a way that attracts, not deters, foreigners from working in Malta.
  2. The introduction of fiscal incentives aimed at attracting individuals in possession of certain critical skills
  3. More Tax breaks for the first 5 years when highly qualified Maltese working abroad return to Malta.
  4. More flexible childcare to accommodate workers in sectors where there is a shortage.
  5. There is a great need to have live structured skills mapping and forecasting that indicate current and evolving skills needs.
  6. The establishment of a National Skills governing body. To work as the national coordinator between education and industry for skills, establishing the strategic direction based on continuous research aimed at the development of education and training to meet the needs and skills that change continuously in the industry, as well as helping to develop the National Skills Strategy to address the skills gap through skill mapping.
- Jobs plus should not be this governing body and today it has a different role.
7. the introduction of skill cards for each occupation and prior learning recognition. There are many workers here today, where they built their experience in the world of work and not with formal education. This experience should be formally recognized with the introduction of skill cards. This not only encourages workers to continue improving their skills but also serves as a benchmark for employers to choose the best resources.
  8. Introduce fiscal incentives to support those already in the world of work who decide to take a break mid-career to improve their skills, especially where there is a skills gap.
  9. We will gradually improve the measures introduced by the EU of work life balance and all this will be paid by the state, and we will take the burden off the employer so that he can invest more and thus invest more in families and improve the birth rate.
  10. We add to the school curriculum, subjects related to skills that are needed in the future. Which comes out of the National skills governing body
  11. That we immediately allocate the resources that ID Malta needs to cut the back lock and start a process where we attract workers with the skills that we need, where jobs plus gives training to TCN, in sectors that identified at that time. In this way we are introducing quality workers into the world of work when we need them.
  12. Low-income workers (less than the average wage) receive greater rebates to purchase electric and Hybrid vehicles.
  13. Personal and professional development for employees and tax credits for companies that implement and practice it. Having an educated workforce will attract value-added labour sectors, it will also help existing companies reduce the need to “import” workers to do tasks that existing employees are not qualified to do. This also appeals to micro and small enterprises to expand.
  14. Authority dedicated to employment and



industrial relations, which can create more certainty and stability on existing gaps and subjectivity that gives existing employers, potential investors and employees, official direction to interested parties.

15. As indicated by the European Network of Labour Law, no legal definition of 'precarious employment' exists so far, which creates difficulties for law enforcement. This prevents parliament from creating a legislative law to be destroyed and creates subsequent penalties for those who break the law. The definition shall also refer to the Health and Safety ACT XXVII of 2007 and legal notice 426 of 2007.

16. Single Fathers: - On many occasions while discussing the difficulties that many workers go through, we have been informed of a situation that seems to be ignored by everyone. Especially in these most difficult times. Single fathers who after separation/divorce are left to pay maintenance as well as many other financial obligations such as in many cases bank loans, extracurricular activities for their children to name a few. In addition, the single father must start a new life, pay for the rent, and the normal expenses involved in trying to live a normal life. Most of these fathers are left to live in poverty (even in situations where they have considerable income). have considerable income). Our proposal is that alimony,

alimony, and all other child-related payments are tax-free.

17. The social partners are given funds to carry out research in their field. This research will be used for the benefit of better working conditions and help to identify alternative means to create win-win situations.

18. Work-related stress is on the rise and has become a bigger problem after COVID. This issue can no longer be swept under the carpet, and we must ensure that we meet the needs of those workers who are suffering from it. The Nationalist Party is proposing an annual mental check up by the family doctor's employees. This must be deducted every year from the tax owed by the workers, and in cases where no tax is deducted the employee will be reimbursed by the Government. It is in the direct interest of the employer that this is done by improving productivity and employee morale, and more importantly the well-being of their employees.

19. Fiscal benefits should be given as well as new collective agreements for essential jobs such as police, teachers, and nurses. In this way these occupations will also be more attractive and also create an incentive for those Maltese who left the country in search of a better future.

## Proposals for the Maritime Sector

1. The introduction of a maritime court: Since maritime litigation is heard and decided quickly by a specialized court, it makes the jurisdiction of this country more attractive with substantial service multiplier effects. The call for a specialized maritime court complements the country's aspirations to reaffirm its position of distinction in the maritime sector.
2. De-merger of the Maritime sector from Transport Malta and make it once again an independent authority that cuts the anchors that are currently not allowing it to expand to its true potential.
3. A national policy for the Maritime sector that covers the entire sector. With the aim of addressing the potential of each sub-sector, which will help to give a clear vision to all stakeholders who contribute in Maritime, Yachting, refits, bunkering, registration, Shipping, human resources, ports and Infrastructure.
4. Fiscal aid and grants for companies investing in the Maritime sector.
5. Tax initiatives for the captains and essential personnel working in the sector, in order to stimulate more interest in the sector and to keep the talent we have, as well as to bring back the lost talent.
6. Making Maritime studies a subject in secondary schools, to ensure that this sector as one of the main contributors to our GDP is better understood and as a way to start closing the skills GAP that exists in this a sector that creates jobs with added value
7. Create a private/public partnership with existing institutions so that Malta becomes Crew Island, and an international hub for the training and education of crew members.
8. Carry out a comprehensive study of Marina's offshore and possible locations in relation to the environment
9. Investment in the digitization of the sector, modernization and removal of redundant bureaucracy and double works.





## Investment in Education for a Better Economy

Each economy depends on an educational investment. This correlation between education and economy is being given importance, more than ever before, in a globalised world. It is estimated that countries that achieve economic educational success are more competitive than others. The economy of a country is more valued if it is based on equal education, which gives equal opportunities, irrespective of the socio-economic status of the individual. Therefore, tomorrow's economy should be invested in today, with an educational vision which incentivises and facilitates diverse routes, academic and vocational, so that the direct and indirect investment will be building an economic platform for the future.

The most recent Eurostat statistics indicate that Malta is decreasing the number of Early School Leavers, but our country still has 11% of youths between 18 – 24 who are not continuing their studies, a percentage that is not up to the expectations of 9% of the European Commission till 2030. This factor is encouraging and, at a time when tertiary education is being given more value by youths, the Government should be visionary, to be prepared not only for a greater demand by youths to carry on studying and/or training, by investing in educators, institutions and resources but also by ensuring that the local education institutions offer courses that meet the needs and demands of future employment.

According to the National Politics of Employment, 34% of the local workers are “low skilled” and this is having a direct effect on salaries. Statistics confirm that the mean salary of an employee with a tertiary level of education is €25,631, while an employee with only a level of compulsory education earns €14,817. Worse than this, the National Office of Statistics (Labour

Force Survey) provides a worrying scenario, because up to 2020, Malta had 203,151 persons over 15 years old with a low level of education, a number that amounts to nearly 50% of the local population.

Even though, as explained further up, the rate of youths who are continuing their studies is increasing, and it is estimated that there will be more progress in this regard in the coming years, the statistics given by the “National Action Plan – For a child guarantee 2022 - 2030” show that 1 in every 4 children is at risk of poverty or social exclusion.

Various international studies confirm that children coming from a disadvantaged socio-economic environment find it more difficult to continue studying or training. This factor puts at risk the academic or vocational advances of economically disadvantaged children. In fact, the result of the PISA (Programme for International Student Assessment) of 2018 shows very poor showings among local students and highlights the discrepancies between advantaged and disadvantaged students.

About 51% of socio-economically disadvantaged students do not acquire the minimum level in reading skills (European mean - 34.8%). This is a significant percentage not only when it is compared to the European mean but also when compared with the results obtained by local students, who are socio-economically advantaged, 24.3% of whom do not acquire this skill (European mean 9.3%).

Meanwhile, the Benchmark results of students in the primary sixth year (scholastic year 2021 – 2022) do not show improvement in the reading skill, in which, both in Maltese and English, the mean



mark was 17 out of 30. This year's mean marks are: Maltese 67%, Mathematics 70%, English 73%. These marks compare with the 69%, 66% and 77% in the respective subjects in 2021.

Statistics also show negative traits in the O level grades. In 2022, the students who acquired grades from 1 -5 in Maltese were 64.4% (65.5% - 2021) and 677 did not gain a mark; in Mathematics, 53.3% (55.8% - 2021) and 879 did not gain a mark; in Physics, 56.3% (60.2% - 2021) and 835 did not gain a mark; in English 73.5% which shows a marginal improvement on 2021 (71.4%) and 478 were not certifiable.

These were the results notwithstanding the relatively substantial investment in the education system which amounts to nearly 5% of the national GDP.

The PN suggests that:

1. The government should invest directly in educators and augment substantially their financial packet to increase the rate of retainment. A researcher's study shows that the number of educators leaving their profession has increased by 119% over a period of 10 years till 2018. This measure will make this profession more valued by society. An OECD report, TALIS (Teaching and Learning International Survey) confirms that only 15% of Maltese educators believe that their profession is respected by society, while the mean in the same study is 26%.
2. The importance of the Nationalist Party's electoral promise (election 2022) should be acknowledged and the stipends of students opting for courses leading to the grade of teacher should be increased by 25%. An intensive study should be conducted to identify the reason why a small number of



students choose to take a teacher's course at the University of Malta.

The latest numbers confirm that in the MTL course at the University, there are five teachers to become teachers of Mathematics, 25 teachers of Maltese, 15 teachers of English and 93 to become primary school teachers.

3. There should be serious and professional discussions, which include all the major stakeholders, to negotiate the regularisation of the supply teachers who are graduates and who have been giving service for quite a long time. Up to the last scholastic year, there were 120 teachers in the primary school, 42 in the middle school and 112 in the secondary school, whose contracts were renewed year by year.
4. There should be a substantial investment in technological means for the use of educators and students. At the same time, the Government's electoral promise to give 7-year-olds a laptop should be implemented. We want to give birth to a technological world in local schools to complement the digital world, in order to strengthen the digital skills of our children.  
Though Malta is experiencing a good number of youths who graduate in ICT, there is still a serious lack of specialists for the local market. In 2019, 67.3% of enterprises which sought ICT specialists found that many youths did not have the necessary requisites.
5. A financial injection should be given to the University of Malta so that research will be given a priority. The Government should keep its electoral promise that the national research fund should be 2% of the national GDP, a figure which should have been reached two years ago, according to the Europe 2020 Strategy. Up to 2019, the research and development fund was 0.59% of the GDP.
6. There is the need of an intensive investment programme, so that all the schools in the country will reach an excellent level and standard.

Therefore, over a period of 5 years, the schools should be given an extensive maintenance service, while the Government should keep investing in new schools, which should focus on new economic sectors, as the future depends on such schools. This topic can be found in the electoral manifest of the Nationalist Party (election 2022).

7. Another necessary programme is that of giving more attention and recognition to the STEM subjects, Science, Technology, Engineering and Mathematics.  
At the same time, there should be financial investment to strengthen critical and creative thinking among children and youths.
8. Also needed, is the creation of a radical economic and educational model, through which the funds allocated to education will go hand in hand with the economic development of the country, so that the expenditure can cope with the economic progress.
9. Inclusive education should be given due attention by direct investment for: the provision of specialised equipment in schools, the recruitment and training of professional employees to give service in schools, the strengthening of the Statementing system, in order to make it more efficient and quicker and the issuing of scholarships in specialised training to LSEs who want to deepen their knowledge of inclusion.
10. The Government should invest directly in the Early Years education, which should be recognised as being the core of the educational course of children and should therefore, be given more resources, equipment, and adequate spaces for its use.
11. A Covid Impact Assessment should be conducted so that the Government can have a clear picture of the educational impact the pandemic has created.
12. All schools should hold extensive campaigns to promote: the importance of sports, mental health, and the fight against physical and digital bullying.

## **The PN supports the following proposals put forward in conjunction with the Gozo University Group (GUG):**

### **An increase in flat rents**

Many Gozitan students pursue their studies either by attending the University of Malta or else by attending MCAST, both institutions located in Malta. This therefore leads to many Gozitan students having to rent a flat in Malta, to live in during the scholastic period, so as to not having to commute daily between the two sister islands. Unfortunately, as time passes, rents are increasing drastically. Needless to say, students do not only have the burden of paying the rent, but they also face other expenses additional to the rent, such as electricity, water, telephone and internet bills, amongst others. In order for the students to ensure that their flat is reserved entirely for them for the following scholastic year, they have to pay for a yearly rent, including the summer months, whereby the student is not in school, but enjoying his summer holidays in Gozo, and thus the student ends up paying rent for an empty flat. During the pandemic, even though the lectures ended up occurring online, there were many students who had already signed the flat contract before the decision of online lectures was taken. This led to such students still having to pay for the flat's rent, even though it was empty and unused.

### **Subsidies**

The subsidies that the students receive is that amounting to €166.67 monthly. This amount does not cater anymore to help the student pay for his rent, during such present times, because the flat rent rate is increasing yearly. GUG pointed out, that it is not only the student who is struggling financially but this also impacts the students' family. We do agree that there is the need of a specific amount that everyone benefits from (like the €166.67) to help those Gozitan students that are renting a flat in Malta but there should be another additional subsidy awarded to that student who is able to show proof of the flat's contract. The

amount of €166.67 monthly, must increase. Moreover, this subsidy needs to be distributed to students even during the summer months, where the contract of the flat is agreed upon to be applicable for the whole year.

### **Insida Skatepark**

Many students have to cross from Insida Skatepark to University and back to their flat daily. The road there is always jam packed with cars and this leads to such road being hazardous and not safe for the student to use to go to school and back to his flat. The harsh truth is that many students dare to take such risk and use such hazardous road, rather than passing under the skate park because the skate park proves to be more dangerous. GUG have heard countless stories in relation to accidents or forms of harassment that students face when they pass from underneath the skate park. This is all subject to the lack of security one finds there. It is needless to say that during evening hours, as the sun sets down, danger increases, and many students have more evening lectures rather than morning lectures. The GUG have been repeating over and over about the need for there to be an increase in security cameras, an increase in lighting and just as there was the introduction of community policing, there should be the need of a policeman or security stationed and present in front of University and this mentioned skate park.

### **Stipend**

Even though the GUG are thankful that there has been an increase in stipend, unfortunately €100 a month is not enough for the student living alone in Malta, and facing continuous inflation. As stated, University and MCAST students are receiving the same amount of stipend as Sixth Form students. Sixth Form students do not have the same expenses and financial burdens as those of University and MCAST, living in Malta away from home. There are not only expenses in relation to daily shopping for food and necessities but there are other expenses that Gozitan students face in

Malta such as transport in Malta, Gozo Channel or Fast Ferry tickets and other expenses.

### **Lack of job opportunities in Gozo**

Gozo lacks jobs of quality in comparison to Malta and therefore, many Gozitan students end up leaving the course they took in University or MCAST and end up working with the Government or else the majority of students who continue with their studies, end up living and working in Malta after they graduate. Many Gozitan students who wish to acquire the necessary experience in relation to the course they are following, by finding a summer job, have to commute daily even during the summer months, in order to find such experience and work in Malta. More measures need to be introduced to assist Gozitans who need to commute daily. The EDU Fast Ferry Card: a card for those students that commute daily during the summer months by using the Fast Ferry. This card was a proposal and promise from the Government to the students that such card would act as subsidies to those that were to commute by using the Fast Ferry. The card applications had opened, and many students applied. Unfortunately, the matter was stalled, and this card never got issued to the detriment of Gozitan students. Many students asked the authorities involved in relation to such mentioned card, but the only response they received is that such card is on hold. When GUG asked the respective authorities in relation to such card, we were left without any response.

### **Problems that Gozitan students face in Malta**

► The first challenge is the problem in relation to the operation times of the Fast Ferry, that they are not all ideal for the student.



There is also the problem of the transport time. The bus times do not match with the time of when the Fast Ferry arrives in Malta and therefore this ends up with the result of either the students missing the bus and it is not the first time that the bus leaves empty.

► There is the need for a continuous shuttle bus, operating every hour, from the University of Malta to Cirkewwa. As GUG we stress on the point that there should be the return of the X300. This started operating last scholastic year, but only when the Fast Ferry was not operating (the X300 timetable hassle was also mentioned when TM used to inform us when the X300 would be operating). This bus should operate every day, irrespective of whether the Fast Ferry is working or not.

### **A country which attracts talent**

While striving unceasingly to rebuild from scratch the reputation of our country, our vision will place our country in the leading position for those who want to invest or work in innovative economic sectors, of high added value, in a technologically advanced jurisdiction, which is considered to have a widespread digital application. This is the type of investment we want to attract to our country, while we close our doors to those who want to use Malta for dubious commerce.

However, this vision should also place our country in a position to welcome, in practice, talented and expertly knowledgeable persons from all corners of the world, without distinction, through a studied and regulated structure which promotes Malta as a cosmopolitan centre, which accepts and enhances talent in every way. Economic growth in these areas can only be obtained if we are open to other cultures and if we consider those who choose to be part of the Maltese ecosystem as part of us. In order to achieve this, we have to promote diversity and not be afraid of it. We should improve and take care of the quality of life of those who choose Malta as the place where to live and work, by ensuring reasonable rents and acceptable and not abusive work conditions.



## Work Life Balance Proposals

### 1. **Extend Paternity leave**

In order to close the caring gaps between parents and in order to encourage more men to take up paternity leave, it is being proposed that the 1 day of paternity leave will be extended to 15 days. This leave will be fully funded by the Government. 5 of the 15 days will be introduced from 1st January 2024. The paternity leave may be taken in the same period with the mother during the first weeks of the born child so that the father may support and help the mother. There should be flexibility when this leave is taken, particularly in cases when the born child has a disability and/or severe medical conditions, and in adoption. Paternity leave is non-transferable.

### 2. **Introduce payment during the Parental leave period for both parents**

In order to reduce the caring gaps, encourage more men to take up parental leave, and in order to extend the leave period for the mother with the newborn, it is being proposed that:

- The 16 weeks (4 months) of parental leave allowed to each parent will be paid in full, at the average national wage rate.
  - The family leave proposed should be paid by government.
  - Due to seasonality factors in some sectors, the parent and the employer need to ensure that the leave fits with the demands of the organisation
- Maximum flexibility between the parents should be allowed on how to take the leave, as long as they both respect their quota.

Adoptive and Foster parents are also entitled to this parental leave. In the case of adoptive parents, this leave will be in addition to Adoptive Leave.

### 3. **Self Employed Parents**

Currently the 41,797 self-employed have limited work life balance measures. Hence

it is being proposed that: A similar model to that adopted in the Maternal Leave Fund will be adopted, (without adding additional expenses on the self-employed), in order that Self-employed parents will become entitled to maternity/paternity leave and parental leave on the same conditions as employed parents. They can use the money to stop working during these periods, or parts of them, in order to care for the child and have a secure income based on their declared pay, or else they can use the money to employ someone else during the period to keep the business going.

### 4. **Carers' Leave**

Every worker has the right to avail themselves of five (5) days carers' leave per year, to look after dependents, at a payment rate equivalent to the average national salary of the preceeding year. The worker should present medical evidence that the relative or person living in the same household, for whom this leave is requested, is unwell and in need of medical care and support.

### 5. **Financial support scheme to grandparents who help in the upbringing of grandchildren, for working parents including the self-employed.**

A Bonus of €1,200 is given to grandparents who help in their grandchildren's upbringing and care at home, for each working family. This service must be specifically given during the time that the working parent is at work, and for at least 15 hours a week. Children up to 12 years old.

### 6. **Right to request to temporal flexibly for workers in the Private Sector**

Currently workers in the Public Sector have a vast array of Work Life Balance measures to help them. On the other hand, workers in the Private Sector do not have the automatic right to request temporal flexibility, but

such requests are dealt in an arbitrary way depending on the employer. To help workers in the private sector deal with the demands of paid work and their personal life commitments, it is being proposed that:

- All workers regardless of their status will be given the statutory right to request temporal flexibility in relation to their starting and finishing time, within an agreed limit with the employer, in line with the EU work-life Balance Directive.
- The employer will be obliged to consider such requests and will have to give a justification for the refusal of such requests in writing.
- There should be the right for appeal if this request is refused by the employer. This proposal will have a positive effect on a wide array of workers including parents and those who have family members who are ill or have a disability and those who take care of dependent elderly and anyone trying to juggle paid work with other commitments.

## **7. Right to request spatial flexibility to allow workers to work on a hybrid system**

There seems a growing demand for workers to work some days from home and others from the workplace, and hence it is being proposed that:

- All employees (and not just parents) will be able to request the right to work from home for a number of days during the week as agreed with their employer as long as they maintain their productivity and meet the demands of the clients.
- The employer will be obliged to consider such requests and will have to give a justification for the refusal of such requests.
- There should be the right for appeal if this request is refused by the employer.

## **8. Parental Bereavement leave**

When an employee experiences the loss of a loved one, they are entitled to special

leave. The conditions for this leave are set by the Minimum Special Leave Entitlement Regulations. According to the regulations, “bereavement leave” means leave to be granted to the employee without loss of wages on the occasion of the death of the spouse, parent, son, daughter, brother, or sister of the employee, and includes a person who has, or in the past had, legal custody of the employee, or a person who is in the legal custody of the employee”

Under this regulation, the employee is entitled to one single working day. For some industries which are regulated by a Wage Regulation Order, employees might be entitled to an extra day or two. But this is considered to be too little. Whilst the pain of losing a loved one cannot be quantified surely; we must try to improve our legislation to be more empathetic towards those going through such situations. We propose to introduce one or two weeks leave that may be taken at any time within 56 weeks of the death of a child.

A child is anyone under 18 and includes a baby that is stillborn after at least 16 weeks of pregnancy. In the event of a stillbirth or a neonatal death, existing rights to maternity and paternity leave are also preserved. This type of leave may be taken as one whole week, two consecutive weeks, or two separate weeks at different times. The parents have 56 weeks in which to take this Parental Bereavement Leave, and this to enable employees to take their second week of leave around the anniversary of the child’s death, should they wish to do so.

## **A Wage regulation order to address precarious work practices**

The PN wants to see the transparent and predictable working directive (EU 1152/2019) issued by EU be transposed into law immediately to ensure that precarious work practices are addressed. Unlawful practices

## Volunteering

adopted on platform workers who are working with Zero contract hours such as food delivery Operators must be addressed. These unlawful practices are having a negative effect on workers as well as unfair competition amongst employers. We also want to see that the employment and Industrial Relations act including wage regulation orders are revamped to reflect today's economic needs and conditions for both workers and employers as well as good practices adopted to ensure the best for all.

### **Part-time and over-time fixed tax rate of 10%**

Apply incentives given to part-time fixed tax rate of 10% to current overtime that is eligible to 15%. Employees opting to work part-time due to the lower tax will be encouraged to instead work over-time with their main employer. Overtime is and will continue to be voluntary and where this is chosen employees should be given an extra hand for giving more to the economy and helping their employer in this difficult human resource moment.

### **Volunteering**

There is no doubt that the voluntary sectors and organisations need a lot of help.

No matter how much help these have, there will always be a need for help addressed to individual cases. Volunteering remains a sector in which no matter how much you do, it will never be enough. The personal needs that arise from time to time are not easy to think about especially for those organisations that take care of people with personal difficulties.

In Malta we have hundreds of voluntary organisations, both at a local and national level.

It is important for every association to have a place from which to operate and where to meet. While national organisations usually have a place from where they try to convey their message, this is not the case for local organisations.

Many times, the local organisations find it difficult for them to have such a property. Therefore, all the necessary support should be given to voluntary organisations and clubs to become owners of their property by transfer of government land/property or with financial support for the purchase of an existing property.

One understands that it is difficult for each local association to have a property for its own use from which to operate. Therefore, a system should be found so that the local organisations that do not have a centre from which to operate, are given the opportunity to have a centre from which to function, possibly a centre that is used by other organisations that exist in a particular locality.

Such initiatives can be undertaken by the local council, for example local councils can give the organisations the possibility to use a room in the same council offices, in a coordinated way, for example through a schedule. Although certain councils already do this, there should be a structured way of operating such a system in every locality.

The large organisations in the locality can also be encouraged to help the smaller organisations, with the Government funding the use of the property that bigger organisations own or rent for their own use. Those local organisations that have a facility from which to operate should be encouraged to cooperate with other organisations.

Better cooperation between the organisations

will result in better work in the localities. This also leads to a better integration between the people who are giving their time for the best interest of society in the locality. Hence the Government should facilitate such cooperation to take place.

On the other hand, the established organisations should be given more direct help when they themselves give their support to smaller organisations.

Almost in every locality there is a band club and a football club. These organisations should be given aid according to the number of students they have, and this so that the largest possible number of people are encouraged to make use of the services offered by such organisations. A way of drawing up a long-term plan for these same organisations must also be found. For this purpose, societies that have the largest number of students will be given long term aid.

As is well known one of the biggest problems that the voluntary organisations have are the electricity and water bills for the premises, they make use of. For this reason, a method must be found to make these costs as low as possible. This should apply to those organisations who are actually voluntary organisations and actually serve

this purpose since at the moment the list of voluntary organisations is too vast and does not differentiate between the various types of VOs that actually exist and all are listed under one title: VOs. The time has also come that when the organisations are going to invest in equipment needed in the facility, these same organisations will have certain subsidies or tax reductions, so that they can make more investments. In addition to that, these organisations should also be given help regarding the payments of electricity and water bills.

Tax credits, VAT refunds etc should also be allocated to these voluntary organisations. For example, tax credits should be given to those organisations who do neutering of animals, in a manner that the number of cats and dogs on the streets is kept at a minimum as possible.

Better assistance to Voluntary Organisations to enable them to be informed and supported to obtain EU Funds.

Support and incentives must be given to voluntary organisations through funding and human resources. This is so that such organisations can expand their work, increase their presence in localities, and their function in society.





## Persons with disabilities

There are many organisations that are doing their utmost in this sector and many groups or individuals who have come up with ideas of how to improve this sector. Though advances have been made, we are far away from having the so-called inclusion an integral part of our society.

Whilst it is positive to note that the organisations themselves have taken and are still taking very big initiatives, there can still be stronger help from the Government's side. This can be done through a wider support than what is given to date. Among others, the same organisations should be given financial support to buy property from where they operate and to equip the same property. Where the property from which they operate already belongs to the same organisations, financial aid must be given for improvements, including structural improvements or refurbishment, where necessary.

There can be help by investing in the infrastructure of the property itself, there can be help in the way the same organisations are administered as well as it can be the case that there may be special centres from which personal initiatives are run.

The Government should also see how to build such buildings in various places around Malta and Gozo, instead of the voluntary associations taking the task to do this.

Besides that, there should be training, and participation in collaboration between various organisations.

Since often, in these organisations, there is a need for professional persons, particularly in the medical field, who are needed to give their help, in particular cases, the authorities can coordinate the health service with the

systems that already exist. Often persons with special needs require specific treatments. Unfortunately, there is a long waiting list for the Government's services to such persons. Such expenses are too high to be handled monthly by their parents. Hence, either the Government employs more personnel to engage more professionals, or the Government enters into a PPP with the private sector such that the disabled person can still get the service for free. There is also the need to train nurses to assist those living with neurological conditions – there are currently no nurses who specialise in Parkinson's.

Carers who are engaged in the disabled sector need a more intense training programme since the situations they have to handle are very delicate and vary from one person to another. There must be a better preparation of carers so that they can help in homes or on a personal basis. In this way, a person with a disability who can continue to live with his/her family, can do so and it will be easier for him/her to do so. For this to take place, proper compensation should be given to the person, often the parent, who will not be able to go to work in order to take care of the disabled person. Besides specialised programmes and a one-to-one carer should be allocated to a disabled person, that is a personalised programme since every disability, even if it falls under the same category, is different, and every disabled person is different from one another.

Despite the efforts and the investment made to date, there is no doubt that the need for specialised carers, both in homes and at private residences will still remain. As it is known, much of this work is being done by foreign persons. The same carers must be given training, often also in the use of the Maltese language (or at least English

depending on the case) so that they can fulfil their duty in the best way. There must be the possibility that people with disabilities can spend the day or the night in specialised shelters. For example, the introduction of a day care centre for people living with certain conditions like Parkinson's that require specialised care.

One of the biggest worrying matters that parents of people with disabilities have, is what happens to their son / daughter after they die or when the parents are no longer in a condition to take care of themselves. Therefore, if there are carers who can live with the same disabled person at his/ her home, this difficulty is overcome. Such assistance offered to persons with disabilities must be personalized in order for it to be according to the need of that particular person.

There must be programs specifically for types of disability in such a way that for example hearing impaired people can follow programs on television by having subtitles on programs and news.

Deaf and hard of hearing people desperately need access to the media via subtitles. There are practically no subtitles provided on local TV programmes especially on National TV. There is an interpreter provided only on the evening daily news on TVM2 - and on other rare occasions on crucial programmes like the budget – provided the daily news is aired at that specific time since at times it is done before / after due to other particular transmissions. The Government should not only provide subtitles on National TV but also provide assistance to private TV stations such that they can also offer subtitling in their transmissions. Increased use of subtitles would give Deaf people access to information

in all areas of life. Subtitles would also support literacy development of the Deaf and hard of hearing people.

Regarding subtitles in cinemas, deaf people should be given equal access to information, entertainment, and the opportunity to participate in the social activities that other (hearing) people are used to enjoying without any difficulty. The KRS recently confirmed that cinemas are to screen films with subtitles on particular days and times hence deaf people should be properly informed about such for them to be able to access the cinema on that particular day and time. Such day and time should be adequate for persons with such a disability since they also have their own personal life with commitments.

Educators also need to have specialised training. For example, there should be specialised teachers that teach deaf and hard of hearing people. Like this we can truly say that a proper investment is being done in the education sector and that inclusion is being done.

Whilst various initiatives have been undertaken for persons with disability to be prepared for the labour workforce, it is a fact that disabled persons find it extremely difficult to find a place where to work. More initiatives should be given to the private sector for them to engage a disabled person at their working place. It is only like this that we can improve on inclusion in the employment sector.

Disabled persons should also benefit from initiatives which are given to other persons. For example, a disabled person who wants to buy an electric car should benefit both from the scheme allocated to those buying electric cars as well as benefit from the subsidy given to persons with disabilities.





## Youth

Youths deserve a better quality of life. Youths need a government with a vision for our country. Youths should be given the opportunities to continue advancing in their studies. The environment, the economy, education, and the cost of living should be given more importance so that our youths do not feel that they must leave our country.

The PN will be revealing various proposals in the coming months. In the current scenario, the PN agrees and encourages the implementation of the following proposals and action points:

1. The investment in arts' scholarships must be increased substantially.
2. More frequent schedules for specific routes, for instance, but not limited to the Higher Secondary, Junior College, the University of Malta, MCAST institutions and ITS.
3. Tallinja App showing real-time location of bus, whether bus is full-up or not, current capacity of bus, number of seats available among other information.
4. In the current scenario, with record levels of inflation, government to invest in higher stipends and incentives to students.
5. JobsPlus need to serve as a platform to specifically engage with youths and students that are studying on a part-time and full-time basis. JobsPlus will serve as a proper profile-match medium to facilitate the interests of both employers and future employees.
6. To discuss a holistic reform in relation to the national sexual health policy.
7. Significantly increase the investment in start-ups. Provide more all-encompassing services.
8. Authorities to ascertain that educational institutions do provide proper basic sports facilities.

## Arts, Culture, National Heritage, and the Film Industry

The following recommendations are set to be attributed to the following sectors: Art, Culture, National Heritage, and the Industry of Films. Arts, Culture and National Heritage are an integral part of our country's identity and that they form part of our way of living and therefore, reflect our quality of life.

► One needs to bring to the forefront that reduction in expenditure must not happen at the detriment of the art and culture sector. But that one should focus on prioritised spending, to avoid expenditure that is not considered critical to the sector's wellbeing.

► To ensure that procedures of good governance are adhered to within institutions, in their daily conduction of duties to serve the Arts, Film, Culture, and National heritage.

► To ensure that all operations are conducted in a transparent manner, to ensure the maximum benefits for the Arts, Film, Culture and National Heritage whether this be public and private.

► To ensure that grants are allocated indiscriminately, focused on the holistic not individualistic requirements in the sector.

### Artists and Musicians

1. To support individuals who aspire to have a career in the arts by incentivising them fiscally as well as with schemes to be able to improve their talent and exhibit it locally and abroad. We will ensure a tax rate of 5% on the first €80,000 of income to all persons registered as professional artists in the various fields.

### Education

1. We must address this sector from the bottom up and nurture our students, children who love or appreciate Art more because they can also be successful, for themselves and for our country. Education is fundamental and is key for our future

artists and musicians. We need to change the educational structure from the bottom where, therefore, these subjects can lead to lucrative work that is as important as any other career in our country. With the aim of increasing the cultural appreciation of our children, after consultation with educators, a programme is drawn up whereby children have a number of hours of cultural formation that will strengthen our identity in generations to come. In case this programme is carried out against payment, a full refund will be granted when the income tax form is filled in.

### National Heritage

1. There shall be a recurring cost for the preservation and maintenance of the sites.
2. A study shall be carried out to establish sustainable measures to take care of the collections in the museums, the historical buildings in which they are located and to prevent the waste of human resources.
3. To ensure that warrants to conservators are allocated within a reasonable timeframe of 6 weeks from application. As well as to ensure that Conservation Warrants allocated from other European countries are duly fast tracked
4. To strengthen education in the arts, history, and cultural sector at primary and secondary level.
5. To re-establish diploma and degree courses in conservation for stone, metals, ceramics, paintings, paper, and textile, allowing for students to pursue careers in the conservation sector, without having to pursue their studies overseas.
6. To ensure that guardianship deeds to NGO'S and local councils are actively promoted to allow for private and local governance to partake in the protection of cultural heritage. As well as to renew existing guardianship deeds in a timely manner.



7. Greater transparency shall be ensured regarding processes undertaken by the Superintendence of National Heritage.
8. To strengthen the autonomy of the regulatory cultural heritage body, to serve and protect our heritage in urban towns and villages, as well as those found within the rural environment; to ensure that the regulatory body is seen to be independent and not to be seen to be subservient and overruled by the Planning Authority or other operating entities.

### **National Archives and National Libraries**

1. To appreciate the professional work of those individuals who work within these two particular sectors.
2. To invest more in archival spaces, equipment, and necessary technology in order to safeguard documents and other information of national importance.

### **The Film Industry**

1. Immediate amendments to the Malta Film Commission Act to ensure that the film and TV industry has meaningful, consultative input in the formulation of strategy for the sector, by the creation of a permanent Working Group composed of both government and industry stakeholders.
2. The revision of the national definition of 'Difficult Audio-visual work' - with the budget cap removed and the point system simplified - so that Maltese producers are not disadvantaged in comparison to their European counterparts.
3. The streamlining of all government entities related to the cultural and creative sector under one ministry, in order to maximise efficacy and efficiency.
4. The Public Broadcasting Services becoming an active part of the international ecosystem, fostering local film and TV production in an adequate and systematic



- fashion, by implementing mechanisms akin to broadcasters in the vast majority of countries, including pre-sales.
5. Making the Screen Malta fund a dependable and effective grant, by increasing its yearly budget; rehauling its administration to be transparent, objective, consistent, less cumbersome and more effective; ensuring industry standard adjudication; removing the recoupment obligation; and shifting the fund from De Minimis regulation to General Block Exemption Regulation.
6. The reintroduction of a co-production fund, which will allow Maltese producers to approach a level playing field with their European counterparts and enable them to produce and distribute local product internationally.
7. The revision of the cash rebate - by tying the percentage granted to reasonable obligations which would ensure the development and advancement of local filmmakers, producers, cast and crew - so that the import aspect (servicing) of the industry fosters the export aspect (indigenous talent, production and co-productions), and can be truly sustainable. There should also be provisions for bridge financing for indigenous productions which avail of this scheme.
8. The introduction of a Work Regulation Order across film and TV, to regularise employment conditions and set safety. As well as a taxation scheme for full-time film professionals which recognizes the intermittent nature of film work.
9. Incentivising the diversification of financing streams for the industry by, for example, introducing tax deductions for investors from the private sector.
10. The introduction of a national audience development programme, and the inclusion of film education - in a vastly improved arts and media literacy programme - in primary and secondary schools.

## Research and Innovation

Innovation does not merely imply coming up with new products, services, systems, or processes. It entails making things better, improving the services, the products, the processes as well as the systems. It is a continuous cycle.

Research is a tool that can be used to come up with an idea, to determine how this is to be implemented, to assess the idea and to determine the necessary improvements.

Innovation is the basis for economic resilience, especially in difficult economic circumstances like the current one.

Malta's position in the 2021 EU Innovation Scoreboard is the 19th out of 38 countries and regions. Even though one could argue that Malta has made some improvement, there is not much to be proud of when considering the indicators one by one.

For the year 2021, the national investment in research and development of products and services as a percentage of the Gross Domestic Product was 0.7%. EU's average was 2.3% and the maximum was 3.5%.

Moreover, in Malta, whilst the score obtained by the private sector was 22.7, the one obtained by the public sector was only 7.

### Proposed Measures

1. Without launching any other bureaucratic entity or institution, the current structures are to be re-engineered to connect and involve the various parts and stakeholders, encourage, and enforce networking and build a holistic national innovation eco-system.
2. The Government should invest sustainably in the current and future resources within this eco-system whilst ensuring that this working network and collaboration includes the earliest learning phases within the National's education system.
3. Similarly, the Government is to sustain the innovation eco-system in a way that research

starts being considered as a career, with a clear career path, within the various public and private institutions, whilst incentivising researchers throughout, and not only within, the academic circles.

4. Specific funds should be allocated to Local Governments, as well part of this eco-system, in order to promote innovation and an innovative culture within the community through education, as well as incentives for innovative ideas within the community.
5. The Government should cut down red tape in channelling EU and National funds for research and innovative projects whilst ensuring accessibility to such funds.
6. Specific funds should be allocated to the various departments within the Civil Service to carry out research and implement innovative concepts to continuously improve the service provided, being more efficient and effective, and determining measuring tools for various key performance indicators.
7. Through updated cross-border policies, which incite an innovative culture and sustain an innovative eco-system, and, through fiscal credits and VAT rebates, the Government should seek to exceed the 2% of the GDP target set in the Labour Party electoral manifesto and reach at least 3% till 2027 and 3.5% by 2030.

The PN believes that these measures will lead to sustainable economic growth whilst Malta could be an innovative prototype of such a system which could eventually be exported.

The Labour Government should strive, at all levels and across all sectors, to embed innovation within our culture, that is, as an integral part of our nation's characteristics, and as a catalyst to improve the Nation's quality of life. Innovation should no longer remain a cute billboard buzzword but should be turned into a national attitude.



## The environment you deserve



***“The basis  
of the quality  
of life  
is the right  
of people  
to enjoy  
a healthy  
environment”***



## The environment you deserve

The PN has a clear commitment for the country's success to stop being measured only in terms of the economic metric GDP. Instead, success should be measured against a variety of indicators that evaluate the wellbeing of society. This will create an incentive for economic development to stop being dependent on environmental destruction. Moreover, it creates a basis for how the government should spend taxpayer money.

### **Tax incentives will benefit companies and organisations that adopt the environmental, social and governance (ESG) standards.**

To encourage sustainability, we encourage government to create an ESG framework (agreed with the social partners) to make sure companies and organisations benefitting from government assistance are also contributing to society. We encourage government to incentivise commitments to climate neutrality, responsible use of land, waste management, energy efficiency, the end of precarious employment, better work-life balance, community work, and good fiscal responsibility.

### **A commitment to reaching 80% climate neutrality by 2030**

Malta's currently deadline is to achieve this by 2050, but PN wants to make sure we're 80% of the way there after the next eight years. That's why it is so important to incentivise the private sector to contribute to this ambitious achievement. PN will also set up an agency to help reach this goal.

### **Planning and Construction**

The basis of the quality of life is the right of people to enjoy a healthy environment, with the least possible noise, dust, visual, light and air pollution.

The piecemeal, non-holistic and ad hoc planning which lacks consideration of the

impact on the environment, social and cultural heritage is negatively affecting the people's quality of life financially, socially, physically, and mentally.

The 4th EY Generate Youth Survey 2021 – The pulse of Malta's future generations found that some 60% of millennials and generation-Z youths would rather move abroad to elsewhere in Europe than stay in Malta. 90% of the youths who responded to the survey said that they believe that Malta's environment is getting worse, and that overdevelopment has once again placed first in the list of Malta's biggest challenges (68%).

Clearly, after separating the environment from planning, during the last 9 years, the Labour Government has weakened the Authorities that are supposed to be trusted to make our country a nice and more pleasant place to live in, rendering them to consultants rather than participants in the decisions. Ambiguous overarching policies and procedures blur transparency and stifle consultation and participation.

The frustration of the stakeholders, the price this and future generations are, and will be, paying in terms of impoverished environment and lessening quality of life, and the costs being incurred by the construction industry in terms of time and money are increasing at an unsustainable rate.

It is good to note that the country is committed to addressing climate neutrality through energy efficiency in buildings as part of the €344.9 million European funded National Recovery and Resilience Plan. Renovation and greening of public and private sector buildings, including deep retrofitting through energy- and resource-efficiency measures is well received. On the other hand, it is disappointing to note that none of the major investments making up 72% of

the funds are aimed at “Developing a long-term renovation strategy in the building and construction industry”.

Following the various discussions that the PN has had with the stakeholders, it is insisting on a number of measures that the Government should take in order to start reversing this trend. The time has come for our country to take the bold step and stop considering development as an activity that must be done at the cost of any damage it can do. We want development that is truly sustainable and that complements our vision of environmental protection, the climate goals we are designing and the creation of open public spaces in urban centres.

1. As emphasized by the PN and a number of constituted bodies including the Malta Chamber of Commerce and the Malta Chamber of SMEs, the Government is to engineer a holistic strategic master plan for the environment and development, revise the local plans and the Development Control Design Policy, Guidance and Standards and urgently review and publish the new Strategic Plan for the Environment and Development (SPED) following a scientific, transparent and a wide and real consultation process.

This master plan should be in line with a Sustainability Agenda that binds the government in all the decisions it takes that impact our various environments.

This master plan is to be based on a ‘carrying capacity’ study which must be carried out for the Maltese Islands taking into consideration the built and natural environment, heritage, culture and the various business requirements.

The master plan is to be supported by clear policies which do not leave room for abusive exploitation in their interpretation and application. Moreover, the master plan should lead to a National Architecture Policy, an Aesthetics Policy and a Landscape Policy. Sustainability in the fields of construction and

development should become an integral part of the regulatory aspects and in the processes of issuing permits from the planning and environmental authorities.

2. In order to re-establish the necessary trust and confidence within the Planning Authority and the Environment and Resources Authority, both entities should have their enforcement functions strengthened whilst ensuring that both authorities operate free from political influence.
3. A robust spatial planning capacity should be established within the Planning Authority and specialised courses, and/or scholarships are to be offered.
4. The Building and Construction Authority (BCA) must be given all the necessary resources and tools that it needs to operate efficiently and to address all the responsibilities it is entrusted with, including its enforcement function. These include intelligent seamless IT tools and solutions not only to manage the day-to-day operations, including enforcement, and to measure the Authority’s performance but also to serve as a compliance platform and as a tool for the public to lodge its queries, complaints and look up information.
5. The BCA should commit target dates for the issuance of building codes which are to be broadened to include fire prevention and safety measures and green measures.
6. Incentivize construction related activities that do not pollute, through a related taxation framework that rewards those who are sustainable and follows Environment Social and Governance principle.
7. Introducing a ‘Green Loan’ under which loan house buyers are offered a preferential term through a Public Private Partnership (PPP) scheme if they can demonstrate that the property for which they are borrowing meets certain environmental standards or to

renovate an existing one to make it greener. The government should act as a guarantee whilst the bank would offer either a lower interest rate or full finance, depending on the scheme.

8. Environmental NGOs, Regional Committees and Local Governments should have a more active and participatory role in the decisions that are taken by increasing their number of votes on the boards that take material decisions related to the environment, tourism, health, education, transport, infrastructure, and planning. This measure should include the obligation of consultation at every level where these decisions are made.

9. Implementing positive discrimination with developments being proposed on land already built and which conserve, regenerate or retrofit, or rebuild on the same or smaller footprint and with the same or lower density, in a way that improves the physical and social environment and the aesthetics of the location. To encourage this kind of development, these types of projects are to be considered with a leaner and faster process and that planning costs are reduced by 25%. This policy should be further strengthened with fiscal incentives on the rates of taxes on capital gains and on stamp duty on the condition that the project is completed within a time set by law and all the obligations imposed are observed to date determined by the Planning Authority for the completion of the project.

10. At planning stage every development must be assessed against a scorecard, which lists how the principles of the circular economy and energy efficiency are being used to reduce the impact on the climate.

Such a system should ensure that all new developments meet the standards established by the revised Energy Performance of Buildings Directive. This can be achieved through fiscal incentives.

11. Performance Certificates should be

more detailed, audited and they should become a key factor in real-estate valuations. The Government should lead by example in the effectiveness and improvement implementation of the Performance Certificates.

12. The “Irrinova Darek” scheme is to be re-issued and should include properties within Urban Conservation Areas throughout our country with potential for achieving a good energy efficiency rating. This scheme should take into consideration the improvement achieved in the energy performance of the buildings and promote water cisterns, domestic water recycling systems, reconstituted or recycled building materials, passive cooling designs, renewables, energy efficiency, and proper water piping to benefit from recycled grey water for flushing and other uses.

Such schemes should be combined with a ‘Green Loan’ whereby the government act as a guarantee whilst the bank would offer either a lower interest rate or full finance in order to increase the greening renovation threshold. Consequently, owners would benefit as well from a preferential term through such a Public Private Partnership (PPP) scheme when they demonstrate that the property meets the pre-determined environmental standards through pre-agreed interventions.

13. Measures should be introduced to ensure that when a project is started, its construction is completed within a time set by law and in the absence of this, fines and other actions that can be taken by the competent authorities will be introduced.

14. The calculation of the planning gain paid by developers should be much more transparent, firm, and fair. It should reflect the magnitude of the project and the immediate and future effect on the environment based on the previously mentioned scorecard.

15. During the processing of the application, the calculated planning gain against the specific development should be directed towards existing or already planned and scheduled projects within the same locality. The development should not initialize unless a locality project has been identified and approved. Such a process should find the balance between the development happening in a locality and the social and environmental projects being created for the micro population in the same locality in a timely manner. Consequently, the financing of the earmarked projects will be done directly through the Development Planning Fund in a transparent manner.



standard for the construction of residential roads with the aim of protecting the asphalted central section with services deviated to the sides. This should include the design and building code for side culverts so electric lines and other services are deviated below ground to free the

facades. Whilst awarded in the environment certificate of the building, fiscal incentives and other benefits are to be extended to developments or renovations including such structures.

The time has come where development should no longer be considered as a harmful activity at all costs. We should seriously aim for sustainable development which respects the environment, aims towards lessening climate change, and enhance the social wellbeing of the individuals.

This should no longer remain just our wish it but should be embedded in the regulations and within the processes of the planning and environmental authorities in line with good governance principles.

The ESG, Environment, Social and Governance, concept was key and has been emphasised in the Electoral Manifesto of the Nationalist Party, and, the Opposition will collaborate with all stakeholders, including the Government, in building an ESG-based and benchmarked ecosystem within the sector to promote and incentivise green and sustainable economic activities, also through fiscal benefits for those who adhere to measurable, transparent, and objective criteria.

16. To safeguard the rights, health and safety of residences and persons living near sites where excavation for the building is being carried out, the developer is to provide alternative accommodation for the period considered risky for the residents, as well as depositing an amount with the authorities which is released immediately to persons whose property is damaged.

17. The quality of the planning process should be enriched through the recognition of the professions of planners, construction managers and geologists.

18. Transport Malta is to establish a



## Animal Welfare

The PN encourages the implementation of the following action points:

1. Animal steward services' to be offered to every Local Council

The pertinent role of Animal stewards has been mentioned over and over again, however, to date such services are not being provided comprehensively within each local council. More investment needs to be allotted so that animal steward services are provided in each and every locality around Malta and Gozo.

2. A support system for feeders in each locality

A new tagging system, on a voluntary basis, of those individuals who continually devote large sums of money to help and feed animals in need, needs to be implemented. A more efficient network system must be implemented so that such individuals are given the necessary financial support, especially in relation to food-related costs.

3. More frequent neutering campaigns

Neutering campaigns should be organised on a regular basis. Moreover, a post-op system to better invest in taking care of these animals, need be introduced.

4. A cemetery dedicated to animals

Even though a lot of electoral promises were made in this regard, to date we do not have a cemetery dedicated to animals. The PN believes that more has to be done in this regard.

5. Cremation of animals

This option should be given to everyone, without further delay, and therefore government needs to offer specific financial support in this regard. So far, this service is limited and only being offered in the private sector.

6. The directorate for animal welfare

More investment needs to be made in relation to the directorate for animal welfare so that the services to be provided are more efficient. Further investment in human resources is required. Moreover, more ambulances are necessary, as to date this service is relatively poor since government is not investing enough in the required tools. This will ensure that animal welfare is truly a priority for government.



## Agriculture and Fisheries

### Agriculture

1. There should be a strategic plan for a better management of agricultural land in Malta, so that abandoned and neglected agricultural land is used for the growing of agricultural products and animal fodder, especially in the light of the exorbitant increases in the cost of products imported from abroad.
2. The Lands Authority should review the process of land evaluation to prevent exaggerated prices on ceded agricultural land, especially for young farmers, who have just started farming activities. Besides, there should be a subsidised rate for rent and ground rent for farms and other agricultural structures, which are built on government land.
3. Farmers should benefit from schemes to rebuild traditional rubble walls to prevent soil erosion and to enhance the aesthetic beauty of the Maltese countryside.
4. The New Water project, which provides farmers with enough water to irrigate their crops, should be extended to reach as many farmers as possible in Malta and Gozo. This will ensure a level playing field in the Maltese agricultural sector.
5. Veterinarians treating animals raised on farms should be more accessible in view that presently those available are on the decrease. Accessibility can be achieved by having the course for veterinarians held in Malta, to attract more students to this profession. Besides, the vet services to livestock farmers should be subsidised by the Government to reduce costs to run livestock farms.
6. The problem of higher costs for the importation and buying of fodder and other materials used in agriculture is urgently in need of addressal. This can be done by applying for a derogation from the European Union for a subsidy on the products hit by drastically high prices that we have seen in recent months. Our country is at a disadvantage due to its insularity, which makes the transport of merchandise more costly when compared to that of other countries. This factor should be the central argument on which we should base our application for this derogation, so that we can help our farmers and livestock farmers.
7. There is the need for a national strategy to harvest the potential found within all forms of agricultural waste. This strategy will transform this waste into alternative resources, like organic fertilisers and renewable energy.
8. There is also the need for the setting up of an office with a specific helpline, which offers a direct line to farmers and livestock farmers, who require information and professional advice related to the various sectors concerned, like: the national politics on agriculture, new regulations and laws, applications for European funds etc.
9. Farmers and livestock farmers should be helped to diversify and be more competitive, thereby giving the Maltese product an added value.
10. Farmers should also be helped to improve the marketing aspect of their product, so that the brand of the Maltese product will be strengthened and can compete better with imported products.
11. Total transparency in the chain of supply of agricultural products, both local

and imported, should be assured. This will safeguard the interests of farmers, middlemen, sellers and most of all, the consumers, who will have the choice of agricultural products of the highest quality.

12. Applications for development permission in connection with agricultural related structures should be exempted from all development permit fees.

13. The succession tax on agricultural land and agricultural structures should be abolished. This should also be the case for livestock farms which are inherited.

14. A scheme should be set up to see that the agricultural sector and the tourist sector can benefit from each other's potential.



### **Fisheries**

15. Young fishermen, who have just taken up this occupation, should be helped by being offered a starter pack, which includes help in the purchase of marine craft and the necessary equipment, as well as the allocation of related quotas.

16. A maintenance programme of marine infrastructure and the organisation of slipways must be given the necessary importance.

17. A serious census of fishermen should be conducted to consider the various factors involved to ensure that aid is provided in the most effective way possible.

18. Fishing co-operatives should be helped to improve the systems with regards to the processing and preparation of fish products for sale and consumption, both for the local market and the international markets.

### **Lands**

On an island as small as ours, public land remains a precious resource that needs to be taken care of and constantly monitored. Every decision that is taken to obtain land, or to transfer land to third parties, has its implications that leave long-lasting effects. These decisions are mostly carried out by the Lands Authority, an Authority that is known for its long waiting times. It is now essential that the Government dedicates more resources to this Authority, which is still facing huge backlogs so that it can carry out its work in a more efficient and timely manner, for what should be its sole intention; that of ensuring the best use of Government land and property. The Government should carry out a thorough and exhaustive analysis of the lands at its disposal, to harness their full potential in the best interests of the public. It is of utmost importance that we harness the few green spaces we have left, while also adding to these green spaces.

The Government must also ensure that government land that it leased to third parties is utilised in a manner that best suits the public interest. Agricultural land which is leased to be used as such must be only used for such purposes, while at the same time ensuring such land is given at a fair price to ensure our farmers' work is sustainable.





## Gozo

Sustainable development is of utmost importance in Gozo. Gozo has its unique characters that make it distinct. The PN agrees and encourages the implementation of the following actions and proposals put forward by the Gozo Regional Committee that are deemed necessary to ensure that one is to focus more on quality development that attracts local and foreign tourism.

► The creation of a network of Nature and History Parks (as with Majjistral in Malta) which will actively look after the most important natural areas, areas of scenic beauty as well as ecological importance including Natura 2000 sites. This would be a major step in protecting the countryside as well as biodiversity. Ta' Isopu in Nadur is a clear candidate. Therefore, it is being requested that the Government via Environment and Resources Authority establishes the park boundaries (which are already a Natura 2000 site) together with the setting up of a managing committee and budget allocation.

- Identify a network of country lanes and pathways and ensure that these remain open to the public unlike Malta where there is a concerted effort to block the public from access by foot from the countryside. Such a network will contribute to attracting shoulder months tourism as well as offer recreational alternative to local tourism and the local community.
- The Budget should allocate funds for schemes that better aid in conservation of Buildings of Architectural and Cultural Importance.
- Coastal and Marine Conservation Areas are very important to protect marine biodiversity as well as an attraction to diving tourism. Most of the time divers complain that Gozo has a unique and intriguing underwater landscape however it lacks marine life. Therefore, although Gozo has Marine Conservation Areas, it is important to set up constant monitoring through enforcement in order to deter illegal fishing and decimation of the Gozo's rich underwater biodiversity.



► There is an urgent need to identify sustainable forms of development in line with what can be accommodated within the Gozitan localities, and which respect the urban texture and traditional character of our villages and towns. Therefore, an allocation for a study to determine types of sustainable development compatible with Gozo and give clear real life case studies that can be easily implemented by developers which will result in a document establishing building standards and regulations.

► A scheme that offers tax rebates for sustainable and better-quality development.

► Gozo is losing its identity and character through recent changes to policy related to the height limitation that is not respecting the scale of the surroundings and the landmarks. The Government is urged to intervene in order to protect Gozo for future generations.

► It is essential that the Planning Policy Regime for Gozo is reviewed to respect the vision for Gozo and balance social, economic, and environmental needs. Therefore, a clear

planning policy establishing the long-term vision for the island can be achieved by reviewing the Gozo and Comino Local Plan and the DCPG 2015.

► Social Partners and the local community are to be actively engaged in the drawing up of a plan for Gozo and Comino.

► Funding is to be allocated for the implementation of the plan and policies together with the setting up of a Plan Coordination and Implementation Office to promote and oversee the implementation of plans and policies related to public projects identified in the plans. Such responsibility can be assigned to the Gozo Regional Development Authority (GRDA).

► Set up a Task Force composed of the representatives of the Ministry for Economy, Ministry for Gozo, GRDA and Social Partners to identify niche developments that can have potential for further job creation in Gozo. For instance, the farmhouses concepts that were coined in Gozo in the early 1970s and incentivize this development.





**Justice, good governance, and peace of mind**



***“By choosing not to invest in our justice system, Government is effectively failing in its duty to uphold the rule of law and hindering citizens in the enjoyment of their rights.”***



## Justice, good governance, and peace of mind

### Modern and Innovative Governance

Good governance is acquired not only through laws written down on paper but through Government actions that promote clear standards of transparency, accountability and scrutiny, characteristics that are lacking in our country. The PN believes in more strengthened and widespread scrutiny of all members of the executive and officials in executive roles. The PN believes that among other measures, declarations of assets and incomes should not only remain figures on paper but must become more extensive and detailed, so that they can be audited by the Cabinet Office itself, thereby assuring the integrity of what has been declared. No subterfuge or legal sophisms to cover dubious actions or which go contrary to the spirit of the law should be acceptable.

However, the PN's vision on good governance goes further than scrutiny. In fact, the PN promotes a modern, innovative, participative, and clear governance as one of the pillars of its politics, together with this vision for our country and the values we embrace.

Therefore, the PN has great faith in the skills of the people, not only in those politicians at the centre of the system. There has to be an extensive and widespread involvement of persons in the executive governing process, not only for the purpose of consultation or consultancy but to involve a number of experts and engineers in Government business. This will change the way we look at public administration and will introduce a new generation of modern governance in our country.

To be able to scrutinise, first and foremost, there should be access to information. The PN believes that the culture of cover-ups, which has been present for the past years, must be eradicated. Thus, access to all forms

of information has to be the norm and not the exception. Information has to be public, without the need to ask for it; every entity which needs to hold back or hide information for legally valid reasons, should have to make a just request to do so, but the public should still have the right to appeal from this decision.

### Better security in our country

The Nationalist Party continues to stress the need to improve the working conditions of the Police and of all those who work with the disciplined forces. This has become something imperative and urgent in view of the huge challenges that exist, and that relate to security in our country.

### Foreign Affairs and International Relations

2023 will be a very challenging year for our country on an international level. The world is experiencing great repercussions primarily because of the war in Ukraine. A war resulting from violating international laws, military aggressions and a war declared by Russia against a sovereign country – the Ukraine. The community world-wide, in particular the EU, stand united in firmly condemning this military aggression. Malta as a Member State, a member of the International Community and a recent member of United Nations Security Council must reiterate that war and military aggression should never be tolerated. They should never be embraced.

Malta needs to continue to strengthen political and diplomatic relations with third countries in the Northern African continent including Libya. Libya remains an important strategic partner of our country in the ongoing immigration issue. The country needs to strengthen its diplomatic corps. Our country requires a larger compliment of ambassadors and consuls in its human resources to strengthen our country's representation.

## Proposals aimed at improving the justice system

An inefficient and ineffective justice system constitutes an unfair burden on families and businesses and weakens our country's competitiveness. By choosing not to invest in our justice system, Government is effectively failing in its duty to uphold the rule of law and hindering citizens in the enjoyment of their rights. Investment in our justice system has been overlooked by the Labour government in successive budgets.

In a clear sign of disinterest, the 2022 budget lacked any new initiatives aimed at improving our justice system.

The Nationalist Party is proposing that next year's budget should include major investments in our justice system as follows:

1. There should be a substantial increase in the number of persons employed with the Court Services Agency including administrative and professional staff directly assigned with Judges and Magistrates in order to address the lengthy procedures. The Court Services Agency shall improve the salaries and other working conditions of its current employees in a bid to attract more persons who are academically prepared and are knowledgeable about legal and procedural issues.
2. The three sections of the Court of Appeal shall start operating in full to be able to hear and decide on all cases brought before them.
3. The Office of the Attorney General shall be strengthened to make it an institution which attracts the best legal minds and start providing a professional public prosecution service. Lawyers and other professionals working at the Office of the Attorney General shall be adequately trained and prepared to take decisions when required to do so and refrain from causing unnecessary delays in the course of the compilation of evidence (kumpilazzjonijiet).
4. An Office of the Inquiring Judiciary shall be setup consisting of a pool of Magistrates exclusively focused on the carrying of inquiries. The Office of the Inquiring Judiciary shall operate from outside the Law Courts and shall be adequately equipped with all the facilities and resources that are necessary for inquiries to be carried out in a timely and efficient manner.
5. An increase in the financial allocation for the appointment of experts as part of magisterial inquiries to ensure that they are in a position to fulfil their duties without any government interference or control and to eliminate delays caused by red tape.
6. A professional transcription service shall be setup within the Court Services Agency to eliminate the endless postponement of cases due to the unavailability of transcripts of evidence given in court by witnesses.
7. The number of Judges and Magistrates shall be gradually increased to reduce the waiting time for cases to be heard and decided.
8. A process to build a new courthouse shall be launched aimed at increasing the number of halls and other modern facilities offering an improved service to the public.
9. An Office of the Special Inquiring Magistrate to tackle corruption shall be setup with special powers to fight corruption including the power to start an investigation on his own account.
10. Implement in full all the recommendations made by the Daphne Caruana Galizia public inquiry by:
  - Amending the Constitution to delineate the duties of the government as a custodian of the common good.

- Amending the Constitution to delineate the duties of a caretaker government.
- Making obstruction of justice a crime.
- Making gross misconduct in public office a crime.
- Making it a crime for public officials to use private electronic resources for government work.
- Introducing a law to criminalise associations with a mafia-like character.
- Amending the Prevention of Money Laundering Act to introduce the issue of Unexplained Wealth Orders.
- Making abuse of public office a crime.
- Extending the period of arrest for major crimes (terrorism, murder, money laundering, drug trafficking) to 72 hours instead of 48 hours following approval by an Inquiring Magistrate.
- Amending the Constitution to offer the highest possible protection to the independent and impartial press and recognizing it as the fourth pillar of our democracy.
- Amending the Media and Defamation Act to offer greater protection for journalists against SLAPP actions.

11. There shall be a substantial increase in the human resources assigned to the Family Court. These shall include experts in psychology, therapists and social workers tasked with investigating allegations of abuse on the vulnerable party and to ensure the welfare of children.

12. A comprehensive digitalization system shall be implemented in all areas of our justice system (both in civil and criminal matters) aimed at drastically reducing administrative delays whilst increasing efficiency and accessibility to the public.

13. The dire situation at the Law Courts in Gozo shall be addressed with substantial and consistent investment for the construction of a new courthouse which is fully accessible, and which offers a safe and

secure environment for all those involved in the justice system and the general public. This process shall be complimented with a drastic increase in the number of employees assigned to the Gozo courthouse to cut extreme delays in proceedings.

14. A media unit within the Courts Services Agency shall be setup aimed at providing the general public and journalists with updated and reliable information about judgements and court proceedings.

The PN also encourages a thorough and mature discussion around the recommendations put forward by the Malta Chamber of Commerce, Enterprise, and Industry in relation to the document entitled: A Strong Transparency, Accountability and Ethical Governance Framework for Members of Parliament.

### **Local Governments:**

The PN encourages the implementation of the following proposals and action points in relation to the Local Governments:

1. More public services are to be introduced at a local level, rather than centralised. There needs to be a direction which believes in more autonomy and more administrative powers in the Local Governments' – and less in the Central Government's. Therefore, the Opposition believes that after more delegation of powers from the Central Government to the Local Governments, there should be a relative financial allocation in order to improve the services on a local scale – in particular when it comes to environmental matters and development of infrastructure and projects of a certain size.

2. Updating the formula used for the allocation of funds by the Local Government, and this so that Local Governments can have added financial aid to perform their functions.



3. Assuring that Local Governments have offices and centres in which not only can they work properly, but further assure that the public will have a comfortable access into the building in order to benefit from its services.
4. Make important plans for each locality in order to make infrastructural projects, open spaces and better urban planning, and this so that the Local Governments will have an active say in the projects.
5. Assure that the localities which cater for a larger number of residents during the summer months because of their identity, are given more financial allocation in order to cope with the added demand for the services provided by the Local Governments.

## Public Administration

The PN encourages the implementation of the following proposals and action points in relation to the public administration realm:

1. Give more importance to the allocation of resources to the frontline of the public service, and this so that people get better services.
2. Instead of spending millions in exaggerated salaries for unnecessary positions of trust, for the discretionary expense and for the extra direct orders handed out, we will give an allowance to all the frontliners, including those in the primary healthcare, social care, educators, and those in the disciplinary corps as an annual bonus equivalent to the basic salary of four weeks employment

respectively.

3. Change the politics of outsourcing which is being used by the present Government, and this so that the activities which are at the core of operations of the Government do not remain a source of discrimination sponsored by the Government. Therefore, we will assure that the principle of equal pay for equal work is respected in the Government's entities.
4. Incentivise the workers which form and join in a social enterprise or cooperative in order to better the workers' conditions.
5. Appoint a special commission which addresses all the injustices that have remained pending for years, in an effort to close off these cases within two years.
6. Assure that any service, request, application, or submission of documentation can be made via one online platform that will result in having the user not needing to visit different websites in order to gain different material with respect to different departments and entities.
7. Practice technological application at all levels of government by carrying out in practice the 'only once principle' and remove any bureaucracy via using technology and digital services.



8. Ensure that governmental customer care services are open on a 24x7 basis in order to reflect the needs of today's society and economy. A charter will be entered into effect, enforceable by law, in which it will stipulate an acceptable period within which the user is expected to be served with any requested service by a public department or entity.

