

THE MALTA CHAMBER

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Budget 2024

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Budget 2024



Extension of ME support measures

For another year, a large number of Malta Enterprise schemes will be extended to help a wide range of companies including SME's. These incentives include the Skills Development Scheme, the Rent Subsidy Scheme, the Innovate scheme, the Smart & Sustainable schemes, Investment aid for Energy Efficiency, Micro Invest, and ESG grant. These schemes will continue to strongly push the digital, social and environmentally sustainable transition.

Get Qualified & Tax Credit on Higher Educational Qualifications Extension

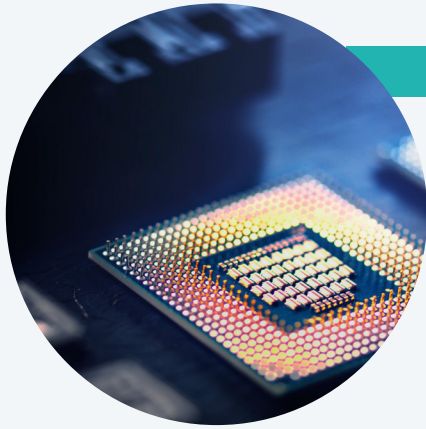
Over the next months both the Get Qualified and the Tax Credit on Higher Educational Qualifications schemes will be renewed in a bid to continue supporting employees and students from various fields as they upskill and expand their competences.

Extension of Family Businesses related measures

Malta Enterprise and the Family Business Office will continue assisting local family businesses with the renewal of incentives, both fiscal and financial, targeted directly to these type of businesses. Apart from fiscal incentives on succession, the Family Business Grant currently offers up to €15,000 to support consultancy or mediation services.

Green Transition workshops

After the launch of the Smart and Sustainable scheme - which helps with investments that make enterprises more environmentally sustainable, and the ESG Grant - to help with the reporting of ESG credentials (environment, social and governance), now Malta Enterprise will host workshops focused on the green transition where we will be delving deeper in the relevant schemes and discussing sustainable practices that can be adopted by local enterprises.



Competence Centre in the semiconductors and microchips industry

Malta Enterprise's successful application alongside ST for a project under the Important Project of Common European Interest will lead to the manufacturing of beyond state-of-the-art products in semiconductor industry from Malta. These interactions were also a steppingstone towards a further application - under the EU's Chips Act - for the establishment of a microchip Competence Centre in Malta. Such a centre will aim to create an environment which will be conducive to further innovation in semiconductors.

An improved Startup Finance scheme

Extension and expansion of the Startup Finance scheme. This scheme aims to help the most innovative Startups, both Maltese but also those that come to operate from our country, to obtain the funding they need when they start to grow and put their product on the market.



National Startup Framework with stakeholders

After launching the 'StartinMalta' initiative to synergise Government and private stakeholders' efforts on start-ups, Malta Enterprise is currently engaged in a stakeholder consultation on the establishing of a 'Startup Framework'. This process aims at cutting down on bureaucracy and assisting founders in their efforts to engage the necessary talent and attract funding.



EU Startups Summit 2024

As announced last year, in 2024 the EU-Startups Summit will be held in Malta after discussions with Malta Enterprise. This event is expected to see the attendance of a substantial number of new companies that will interact closely with the Maltese startup ecosystem.



Blue Med initiative

Following the launch of this initiative in the past weeks, Malta Enterprise will continue to support sustainable businesses through the Blue Med, a focal point for the blue economy. These include the SDG14Challenge "life under water" competition where a €4M fund is being dedicated to winners who will bring tangible projects to Malta to help achieve this goal.





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The complex landscape of Malta's Budget

CHRIS VASSALLO CESAREO, PRESIDENT, THE MALTA CHAMBER

In recent times, the Maltese Government's Budget allocation has been a topic of discussion, with a noteworthy shift towards recurrent expenditure. The Malta Chamber of Commerce, Enterprise, and Industry has acknowledged the commendable emphasis on social assistance, particularly for pensioners and vulnerable low-income households, as a means to support the most vulnerable segments of society amid an inflationary environment.

However, the increased focus on social spending has its drawbacks, particularly in the realm of infrastructure development. The population surge in recent years has placed considerable strain on energy distribution, waste management, and the already congested road network.

Unfortunately, the Budget seems to have missed a crucial opportunity to implement concrete measures that would discourage private car use in congested areas and during peak hours, perpetuating the challenges faced in these sectors.

One of the glaring gaps in the budget lies in the lack of clarity regarding how the government plans to enhance the productive capacity of the economy. While there are mentions of schemes incentivizing businesses to invest in digital and sustainable practices, The Malta Chamber expresses concern about the growing culture of dependence on subsidies. The concern is valid, given that subsidies now constitute a significant portion of the GDP, potentially fueling economic growth.

The Government's reliance on increased tax revenue from wage hikes, particularly due to COLA, without revising the lower income tax bands, raises eyebrows and runs contrary to recommendations from social partners, including The Malta Chamber.

The current geopolitical landscape adds another layer of complexity to the budget. The ongoing war in Ukraine and the potential destabilisation of international energy prices due to the conflict in Gaza, with its implications for the oil-rich Middle East, pose significant threats to economic stability. Moreover, the unresolved €100 million claim related to the failed hospitals' deal with Vitals Global Healthcare further complicates the fiscal outlook for the coming year.

On a positive note, The Malta Chamber welcomes the Government's consideration of introducing automatic enrollment in private pensions and the establishment of a specialised

“While the Budget introduces several promising ideas, The Malta Chamber emphasises the need for further exploration and detailed development of these proposals to make them tangible realities.”

commercial court—both proposals advocated by the Chamber.

Other favorable developments include the regulation of temping agencies, venture capital support for start-ups, incentives for family businesses, schemes related to environmental, social, and governance (ESG) for SMEs, and the integration of technology in law enforcement.

The withdrawal of an incentive tied to property purchase in Gozo is a move aimed at preserving the greenbelts of the island, signaling a commitment to environmental conservation. Instead, there is an increased focus on incentivising the renovation of properties in urban conservation areas, aligning with the broader goal of sustainable development.

While the Budget introduces several promising ideas, The Malta Chamber emphasises the need for further exploration and detailed development of these proposals to make them tangible realities.

The Chamber expresses eagerness to see more concrete measures that will drive quality improvement, enhance productivity, foster sustainable growth, and bolster the competitiveness of Malta's economy.

As the nation navigates through these economic challenges and global uncertainties, finding the delicate balance between social support and economic development remains crucial for the well-being of the country and its citizens. ■



Budget 2024 - An opportunity to address wealth creation

DR MARTHESE PORTELLI, CEO, THE MALTA CHAMBER

The Malta Chamber of Commerce, Enterprise and Industry saw Budget 2024 as an open opportunity to address a number of pressing issues that have been left ineffectively tackled over a number of years and which are eroding Malta's productivity and competitiveness.

Our Pre-Budget Document 2024 mapped out over 250 proposals, all of which were aimed to shift our current economic model into one which supports sustainable business models and a well-being economy including addressing the traffic situation, the utilities' infrastructure, planning policy abuse and over-construction, the shabbiness, the lack of proper waste management, lack of enforcement, proper governance, transparency and accountability. These factors contribute to an erosion in the quality of life of people and make the country unattractive for high-quality investors and visitors alike, hence why The Malta Chamber insisted that bold decisions need to be taken in this regard without any further procrastination, even if the measures to be taken would prove to be unpopular or challenging to implement.

The Budget 2024 presented by Government on the 24th October was clear on social objectives. The Malta Chamber would have liked more clarity on wealth creation. Assisting the most vulnerable strata of society to keep up in the current inflationary environment is commendable. However, the flip side of a budget that is heavy on social expenditure is that the spend allocated to other areas, such as infrastructure is inadequate.

Our infrastructure needs ample and immediate investment, especially when one considers the population increase in recent years and the resultant pressures on energy distribution, waste management, and our traffic congested road network. Our infrastructure must be modern and resilient enough to enable continued growth and increase our productivity, to serve us to reach our environment and climate change goals, and to be more quality driven for the years to come.

In our Pre-Budget Document 2024, we highlighted the importance of addressing the threat of locally-induced inflation which,

amongst other factors, is being fuelled by wages rising much faster than productivity as this poses a serious threat to our competitiveness and long-term prosperity.

We also highlighted the importance of increasing productivity by incentivising further digitalisation and investment in systems which increase efficiency and efficacy. There is little clarity on how Government is going to improve the productive capacity of our economy, beyond mention of a number of schemes.

We had proposals addressing the human capital issue, such as tax-based incentives and revisiting the current retirement options proposals, to attract back the Maltese workforce to the private sector as well as highly-qualified individuals working abroad. We also focused on regulating better the employment of third country nationals, including addressing the bureaucratic and lengthy administrative process in terms of application processing and renewal whilst also ensuring that those who are being brought in have the skills we require to contribute towards a more productive and higher value-added economy.

We were pleased to note that the automatic enrolment in private pensions and the launch of a specialised commercial court, both of which were proposals of The Malta Chamber, were taken on board. Other positive developments which draw on the recommendations made by The Malta Chamber included the regulation of temping agencies, venture capital for start-ups, incentives for family businesses, schemes related to ESG for SMEs, and the use of technology for law enforcement.

The Malta Chamber is concerned that the emphasis on subsidies is creating a culture of dependence – subsidies now constitute such a substantial portion of our GDP that our economic growth is being fuelled largely by subsidies. The ongoing war in Ukraine and



the new threat to the stability of international energy prices arising from the war in Gaza with its potential for destabilisation in the oil-rich Middle East must not be undermined. All the above could have a significant impact on public finances in the coming fiscal year.

We must also implement a number of long overdue reforms – public procurement reform to ensure a level playing field amongst all players and to stop taxpayer money from being squandered on subpar projects; customs reform to increase operational efficiency and curb illicit importation from Sicily; planning reform to re-establish the right equilibrium between the built and the unbuilt environment, our culture and our heritage.

Our bottom-line GDP will only continue to grow if there is a clear strategy that addresses what is increasingly meaning more to people and to sustainable business models, in the absence of which we will eventually be outpaced by our competitors on all fronts. As always, The Malta Chamber remains committed to being an objective voice in this country and an advocate in favour of a smart and sustainable economy that promotes the wellbeing of its people and ensures that the country remains competitive and attractive for nationals and visitors alike.

The Malta Chamber remains eager to see more tangible proposals that will provide the required impetus for a leap in quality, higher productivity, sustainable growth and improved competitiveness of our economy. ■



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Call for political reflection and action

RACHEL BONDI ATTARD, HEAD OF MEDIA AND COMMUNICATION STRATEGY, THE MALTA CHAMBER

In the midst of the ongoing tensions between Israel and Gaza, Barack Obama, former President of the United States, offered an analysis of the conflict between the two countries, telling thousands of former aides that they were all “complicit to some degree” in the current bloodshed.

Barack Obama posed a crucial question that resonates far beyond the borders of conflict zones: “What could I have done during my presidency to move this forward?”

This reflective inquiry challenges not only leaders on the global stage but also politicians and leaders closer to home, urging them to consider what actions can be taken to propel their countries forward.

The call for introspection is particularly relevant in Malta, where political leaders should be asking themselves this question everyday: “What can I do to move this country forward?”

This question could easily be answered during this year’s Budget speech. While considerable resources and aid were allocated to keep the populace content, there was a brilliant opportunity to redirect some of those funds towards addressing issues that cause significant frustration among citizens and entrepreneurs.

One pressing concern that affects the daily lives of Maltese citizens every single day is the perennial traffic congestion. The clogged streets have become synonymous with urban life, leading to time wastage, high stress levels and environmental pollution. Not to mention the money down the drain.

Instead of perpetuating the status quo, politicians could channel resources into comprehensive urban planning, investing in efficient public transportation systems, and promoting sustainable alternatives to alleviate the congestion that plagues our towns and villages. Another missed opportunity in this Budget.

Moreover, the upkeep and uniqueness in Malta leave much to be desired. Neglected infrastructure and waste management, amongst others, contribute to a sense of decay and neglect.

By allocating funds for maintenance and revitalization projects, politicians can enhance the overall quality of life for their constituents, fostering a sense of pride in the community and attracting foreign direct investment to the country.

Law Enforcement is another area that demands attention, and The Malta Chamber has been vocal about this too. Lack of enforcement undermines the rule of law and erodes trust in

institutions. By investing in law enforcement agencies, providing them with the necessary resources and training, politicians can ensure a fair and just society.

The state of the education system is yet another challenge that needs urgent addressing and this goes beyond the building of new schools.

The Malta Chamber has been vocal on many occasions that the Maltese education system requires a comprehensive overhaul. Redirecting financial resources towards education can result in improved infrastructure, better-trained teachers, and updated curricula, equipping the younger generation with the skills necessary to navigate the challenges of the 21st century.

Malta finds itself in a unique position where citizens are content to hold substantial deposits in banks, despite receiving minimal interest, especially in times of high inflation.

This presents a remarkable opportunity for the government to explore avenues beyond distributing social assistance to a third of households. Instead of relying solely on traditional measures, Malta could leverage these funds to stimulate economic growth, invest in innovation, and create a more robust and diversified economy.

By contemplating round after round of stock issues at low interest rates by international standards, the Maltese Government has the potential to catalyse development in various sectors. Whether it's supporting local businesses, investing in renewable energy, or fostering technological advancements, the funds at their disposal can be a catalyst for transformative change.

With the hindsight of history, there is a risk that Malta may look back and lament: “We could have done so much more to move the country forward.” The current moment is an opportune time for politicians to break from conventional paradigms and pursue a bold vision for progress.

By addressing the root causes of frustration and investing strategically in key areas, they can leave a lasting legacy of positive change for future generations.

In conclusion, the words of Barack Obama serve as a powerful reminder for leaders



“Instead of perpetuating the status quo, politicians could channel resources into comprehensive urban planning, investing in efficient public transportation systems, and promoting sustainable alternatives to alleviate the congestion that plagues our towns and villages.”

worldwide, urging them to reflect on their actions and consider how they can contribute to moving their nations forward.

In the context of Malta, the call for introspection is particularly pertinent, challenging politicians to prioritize issues that resonate with their citizens and redirect resources towards sustainable development.

The time for transformative action is now, and the decisions made today will shape Malta’s future for generations to come. ■

“Our nimble and dynamic economic structure at the outset of these challenging years, coupled with a well-managed stock of financial resources, allowed us to weather the storm and maintain our economic stability.”



Getting the future right

ROBERT ABELA, PRIME MINISTER OF MALTA

In the face of a series of significant challenges, our economy has not only survived but thrived over the past few years. This remarkable resilience has firmly established our reputation as one of the world's most steadfast economies.

Despite domestic political uncertainty, the global pandemic, grey listing concerns, soaring energy and commodity prices, the impact of Ukraine conflict, and escalating hostilities in the Middle East, we have persevered. We have overcome.

Together, we have created 40,000 jobs since 2019, predominantly of high quality. As a result, the median salary has seen a 12% increase, and bank deposits of Maltese households are now a third higher than they were pre-pandemic.

These achievements are not coincidental, nor should they be taken lightly. While comparing ourselves to others may seem invidious, it serves as a valuable benchmark.

Our GDP has grown by 15% in the past four years, whereas Germany's has stagnated at 2019 levels. Our unemployment rate has fallen by 25%, while Estonia's has doubled. The proportion of our population experiencing severe material deprivation has diminished, in contrast to France's 10% increase in the same category.

This divergence in economic performance can be attributed to a combination of factors. Our nimble and dynamic economic structure at the outset of these challenging years, coupled with a well-managed stock of financial resources, allowed us to weather the storm and maintain our economic stability.

Equally vital was our commitment to evolving our economic structure and making substantial investments to turn our vision into reality.

In light of these achievements and the evolving global landscape, our 2024 budget revolves around five key objectives.

First, we pledge unwavering support to our economy, safeguarding it from energy price shocks amidst the current international turmoil.

Second, we will implement various social support measures targeting the most vulnerable, aiming to enhance their well-being.

Third, fiscal sustainability is a priority as we work to reduce our deficit by 0.5% annually and maintain our debt ratio below 60%.

Fourth, we seek to bolster our economy's

potential by investing in reforms and infrastructure to ensure a sustainable growth trajectory.

Finally, we remain committed to improving the quality of life for every citizen.

Facilitating the green economy and digital transitions is central to our vision. These transitions present unprecedented economic opportunities for our generation, relying on the development of human resources, adoption of new technologies, and the transformation of our physical capital.

In the upcoming year, we will invest almost one billion euros in capital projects.

The health and education sectors will receive substantial allocations, with health projects seeing a doubling of funding compared to the pre-pandemic period and a threefold increase for education and sports.

Investment incentives will more than double, enhancing our expertise in semiconductors and microchips by establishing a Competence Centre for Microelectronics in Malta.

Small and medium-sized enterprises (SMEs) will have access to €100 million in EU funds to modernise their offices, digitalise operations, and improve access to finance.

Our commitment to the energy sector is resolute, with significant funds dedicated to strengthening our distribution network. Initiatives like the waste-to-energy project and further progress on renewable energy projects in our exclusive economic zone are on the horizon. Advancements in the second interconnector and better incentives for solar farms are also in the works.

To foster sustainable finance avenues, we will introduce a legislative framework for green and blue bonds. This legislative drive will extend to new sectors, including aircraft leases and real estate investment trusts, creating new economic niches.

Together, we have achieved remarkable progress. With continued unity and vision, we are poised to shape a brighter future for all our citizens.

Together, we will get the future right. ■

A vision for Malta's future: The Nationalist Party's path to prosperity

DR BERNARD GRECH, LEADER OF THE OPPOSITION

Social partners, key stakeholders, and the Nationalist Party have come together to acknowledge the pivotal moment at which Malta finds itself today. As the Leader of the Opposition, representing the Nationalist Party, I stand before you with a sense of duty and optimism. We are not merely an opposition but a source of hope, a catalyst for change, and a vision for a brighter tomorrow.

Malta has spent the last decade under the governance of the Labour Party. It is essential to emphasise that democracy is the cornerstone of our nation, and the people's choice must be respected.

However, as the Opposition, it is our responsibility to evaluate the past and offer a compelling alternative for the future.

The Labour Party, having secured three consecutive electoral victories, was entrusted with the crucial task of governing for the betterment of Malta. Yet, the passage of time has revealed a disconcerting transformation—a departure from humility, a disregard for good governance, and a failure to uphold our core values.

Let us reflect on the Labour Party's journey concerning Environmental, Social, and Governance (ESG) principles. Before the 2022 elections, when the Nationalist Party introduced the concept of ESG, our counterparts responded with scepticism, suggesting that ESG would burden our businesses with unnecessary costs.

However, the irony is striking - barely a month after winning the election, the Labour Party embraced ESG. This inconsistency exemplifies a government that shifts its stance with the wind, lacking a consistent vision for our nation's future.

ESG is not just a buzzword; it encapsulates the essence of responsible governance. Environmental stewardship, social responsibility, and sound governance are the building blocks of a prosperous and equitable society.

Regrettably, during their 10 years in power, the Labour Party undermined each of these pillars.

Our environment, the air we breathe, and the natural beauty that surrounds us has been tarnished. We have witnessed the degradation of our landscapes, the contamination of our seas, and the depletion of our natural resources.

This is not progress; it is a betrayal of our duty to protect this island we call home.

Furthermore, public funds, meant to serve the common good, have been misallocated and abused, leaving our citizens disillusioned. Social welfare, designed to be a safety net for those in need, has been redefined in a way that is unsustainable and contrary to the principles of fairness and justice.

The foundation of public governance has been eroded, leaving a void where accountability, transparency, and ethical conduct should reside. The essence of good governance has been neglected, putting our democracy at risk.

But the Nationalist Party offers an alternative - a vision for Malta and Gozo that stands resolute in the face of adversity.

Our economic vision is not just a promise; it is a path to prosperity that will restore the dignity and quality of life that the people of Malta and Gozo deserve.

It is a promise of peace of mind, economic stability, and a renewed sense of purpose. It affirms our commitment to safeguarding our environment, enhancing social welfare, and upholding the highest standards of governance.

“Our economic vision is not just a promise; it is a path to prosperity that will restore the dignity and quality of life that the people of Malta and Gozo deserve.”

In the coming weeks and months, we will continue to unveil our comprehensive plan for Malta's future. We will present a vision that transcends political divides and unites us in a shared purpose - the purpose of building a stronger, more equitable, and more sustainable Malta.

The Nationalist Party is more than just an opposition; we are the voice of hope, the architects of change, and the champions of a better future. Together, we can restore the values of ESG, rebuild our environment, ensure social welfare for all, and reclaim the essence of good governance.

Together, we can realise the vision of a Malta and Gozo that shines as a beacon of prosperity and promise in the Mediterranean.



Our economic vision focuses on several key pillars:

1. **Environmental Stewardship:** We are committed to restoring and preserving Malta's natural beauty. Our plan includes measures to combat pollution, protect our coastlines, and promote sustainable energy practices. We will work tirelessly to ensure a healthier environment for current and future generations.
2. **Social Responsibility:** Our social welfare programs will prioritize fairness and inclusivity. We aim to provide support for those in need, whether through unemployment benefits, healthcare, or educational opportunities. Our goal is to build a society where no one is left behind.

3. **Good Governance:** Transparency, accountability, and ethical conduct will be at the core of our governance. We will rebuild the trust that has been eroded and restore the values that underpin a healthy democracy.
4. **Economic Prosperity:** We will pursue policies that foster economic growth, job creation, and investment in innovation. Our aim is to provide a stable and prosperous future for businesses and individuals alike.

The Nationalist Party is fully committed to working collaboratively with all stakeholders, including the business community represented by the Malta Chamber of Commerce.

We recognise the vital role that businesses

play in Malta's economic success, and we are determined to create a conducive environment for growth and innovation.


In conclusion, Malta is indeed at a crossroads, and it is our collective responsibility to ensure that the path we choose leads to a brighter future. The Nationalist Party offers a vision for Malta and Gozo that is firmly rooted in ESG principles, with a commitment to environmental stewardship, social responsibility, and good governance.

It is a vision that holds the promise of a prosperous, equitable, and sustainable Malta, shining as a beacon in the Mediterranean. Together, we can make this vision a reality, and together, we can build a better tomorrow for all of Malta and Gozo. ■

BUDGET 2024 HIGHLIGHTS

A stylized lightbulb graphic with a blue and orange gradient. The bulb is filled with a light blue color, and the base is orange. The text '250+ PROPOSALS' is centered inside the bulb.

250+
PROPOSALS

A large circular graphic with a blue and orange gradient. The text 'Tackle Structural Problems' is centered inside the circle, with a list of areas below it.

**Tackle
Structural
Problems**
transport, utility
provision, urban
planning, waste
management

Efficiency & Efficacy of Labour Input

shift away from labour intensive - improve quality of life & reign in stress on infrastructure

ENHANCE MALTA'S PRODUCTIVITY & COMPETITIVENESS

Embrace Good Governance

agile administration that puts enforcement & integrity at the very top

Address Fundamental Strategic Areas

uptake of digitalisation & the transition to being environmentally sustainable



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The Malta Chamber's salient pre-Budget Recommendations

The Malta Chamber of Commerce, Enterprise and Industry presented its recommendations to the MCESD, Government and Opposition.



Mobility & Traffic Congestion

- E-Mobility Wallet including fees paid for on-road parking
- Vehicle/road license fees per use, engine age & size
- Relocation of on-street parking to underground parking
- Smart parking technology
- Public transport rethink
- Centrally managed permitting system
- Carpooling schemes with passenger thresholds lowered
- Revisit school transport system on a region basis
- Gradual shift of heavy vehicles to off-peak hours
- Non-offsetable off-street parking spaces for new builds
- Bi-directional e-vehicles and charging stations
- Lower customs & anti-dumping fees for EVs
- Underground charging for EVs
- Commercial green fleet schemes revised under GBER

Waste Management

- Pay-per-bag approach and reinvest it in circular economy
- Enforce mandatory garbage collection solutions for new developments with multiple units
- Garbage bag barcode system for better enforcement
- Off-street waste incentive scheme for front residential spaces
- More potable water fountains in public spaces
- Rethink waste collection times
- Outsource operation & management of Material Recycling Facility (MRF) and Ecohive





PRE-BUDGET RECOMMENDATIONS 2023

Utilities

ENERGY DISTRIBUTION

- Larger investment & faster upgrade in network which can take on a long-term resilience plan
- Liberalise distribution market by 2027
- Reduce energy subsidies with six-months advance

ENERGY EFFICIENCY & GREEN TRANSITION

- Automated energy saving technologies in public infrastructures & incentivised in industrial/domestic
- Reduced tax on profits invested in sustainable systems
- Lower tax rates for lessors and no stamp duty for first time buyers iro buildings having an energy performance higher than minimum required
- Deep renovation schemes beyond Irrestawra Darek
- Tiered VAT refund to incentivise replacement of energy efficient appliances

WATER

- Regular maintenance & forward-looking upgrading in water and sewage infrastructure
- Encourage rainwater harvesting, use of grey water and irrigation efficient system
- Public spaces and roundabouts should be turned into 'biodiversity hotspots' requiring min watering
- Lawn size & pool size to be determined by volume of water reservoir/footprint
- Incentives for specialised training for farmers in sustainable farming practices

Connectivity by Land, Sea & Air

LAND

- Centralised Logistics Hub to increase efficiency and reduce warehousing & distribution expenses
- Identification of location near airport with warehouses in Hal Far that can support growth
- Review and reorganisation of port operations, including ending the 'monopoly' in cargo handling
- Removing the restriction iro cargo unloading beyond Hal Far Groupage Complex boundaries, to include third Party Logistics services

SEA

- Connection to major ports in the Mediterranean providing scheduled services to & from other parts of the world

AIR

- Reliable national airline for affordable air cargo services

**PRE-BUDGET
RECOMMENDATIONS
2023**

Digitalisation

PUBLIC SECTOR

- Automate Government customer care and verification levels to tackle fragmentation
- Combine agencies & delineate authorities
- Real-time tracking for individual applications across all Government (particularly Lands & INDIS)
- Interoperability of digitised E-Gov systems & centralised document repository system

PRIVATE SECTOR

- Credit Review Office based on a robust tech solution for timely info processing
- Support Distributed Ledger Technology
- Eligibility & success funding criteria (including large companies)
- More allocation to IP, revenue & export growth

COLA

- Revise tax bands to compensate for additional tax that will be paid on the 2023 & 2024 COLA increases
- Incorporate any planned tax refunds by cheque into the revised tax bands to eliminate the administrative burden & improve take home pay
- Correct anomaly in tax progression introduced when tax bands were tapered with introduction of the second 25% band which had the effect of a very high marginal tax rate on pay rises that shift employees from the first to the second 25% tax bracket.

Corporate Tax

- Direction on technical discussions iro Corporate Tax Reform Pillar (to guide impacted FDIs to adapt for anticipated change)
- Smarter tax collection system to increase compliance + true and fair reporting of earnings
- Offset different taxes against each other

Public Procurement

- Adequately reorganised & resourced Contracting Authority
- A publicly accessible procurement outlook
- Obligatory public pre-market consultations for high-tech & high-value solutions/systems/services
- Contracts Register (direct orders, milestones, deliverables, payments, variations, disputes etc) + No Side Letters
- BPQR, MEAT and use of international standards/contracts
- Timely release of retention money and offsetting of dues to improve cash flows
- Objective, clear and automated mechanism for price revision linked to an industry reorganised index, iro commodities and products subject to regular fluctuation
- Whitelisting and Blacklisting + NAO to scrutinise all public contracts above a certain value before being signed
- Revisit the existing healthcare system to address the issues such as excessive medication accumulation, medicine wastage and disproportionate funding allocation for one product over another, including period of supply

Courts

- Acceleration of full digitalisation of Law Courts
- Comprehensive review of current processes & systems to distribute workload more efficiently, including dedicated group of magistrates for inquiries and compilation of evidence
- Specialised commercial courts backed with specialised professional expertise
- Working hours of the courts need to be extended



PRE-BUDGET RECOMMENDATIONS 2023

Planning & Construction

- Revision of outdated SPED
- National Architecture, Aesthetics & Landscape Policies
- Systematic upkeep/maintenance/cleansing of public areas
- Construction & demolition waste dismantling, separation and classification + CE labelling of materials / components
- Innovative financing options such as Energy Performance Contracting
- EU Directives preparedness
- Co-ordinated, automated & sequential enforcement

Maltese & EU Nationals

- Tax exemption for first five years of employment for highly qualified Maltese returning to Malta
- Extend the reduced tax rate on overtime hours for full-time employment to all hours
- Revise income tax categories for working parents to benefit from married rates, i.e. eliminate disincentive for second spouse from employment
- Broader on the job & offsite, in person & online training opportunities & incentives

Third Country Nationals

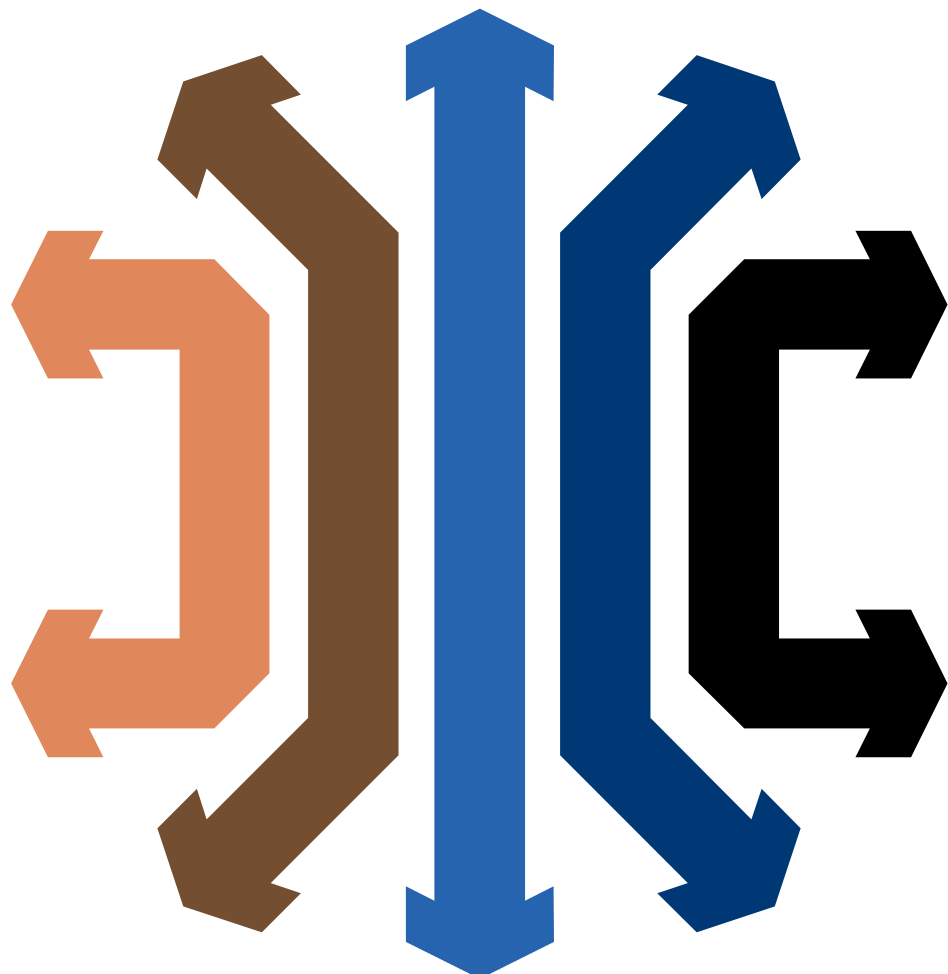
- Transform KEI into Malta Blue card
- TCN-to-non-TCN ratio (exempt essential services) & application quota/company/month based on no of registered employees (exempt large-scale expansions)
- Proper regulation of recruitment services & temping agents (seasonality)
- Change employer freely to improve retention
- Permit extension to three years after the first year
- Processing time for family relocation

Customs

- Overhaul current obsolete & standalone IT systems
- Implement an easy-to-use and transparent fee & fine structure
- Address illicit importation from Sicily
- Revisit operational hours (and those mentioned earlier under 'Connectivity')

Public Sector

- Independent audit study on roles & responsibilities to identify duplication/waste and to streamline processes
- Capping on the number of Persons of Trust
- Surplus staff to be seconded to private sector
- Progressive elimination of half-days in summer
- Partner with industry for training in new sectors



Pensions

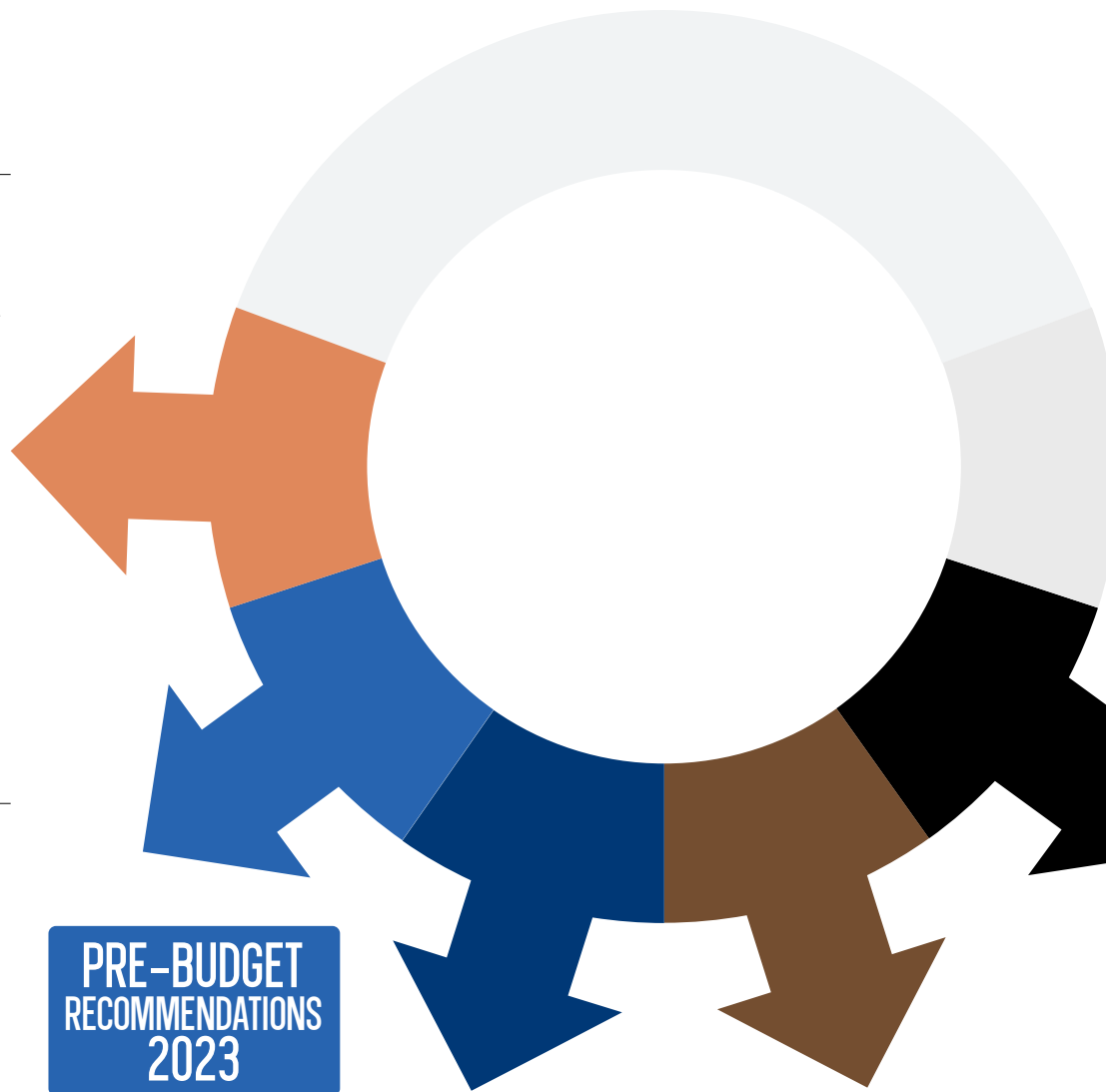
- Transition from employment to retirement with higher percentage of pension while reducing work hours
- Allow those who retire early from full-time employment, to work part-time, even if they are eligible to a pension and have taken it
- Exempt all statutory pensions from taxation vs Budget 2023 - accelerate incremental rate of 20%/year over the following five years
- Implementation of an auto enrolment with opt-out mechanism for employees & increasing fiscal incentives for employers

RD&I

- Fiscal incentives:
- 200% tax deduction on RD&I expenditure
- Tax incentives for Angel investing & Venture Capital
- Post-Fellowship scheme (cont.)
- IP registration costs
- Culture change incentives:
- Simplify incentive obligations
- One-to-one outreach, loosen rigidity & a fully digital business infrastructure.

HR INCENTIVES:

- Short placements for secondary school students in manufacturing & tech-based companies to promote STEM mindset
- Push academic institutions to encourage inquisitive minds to develop new technologies

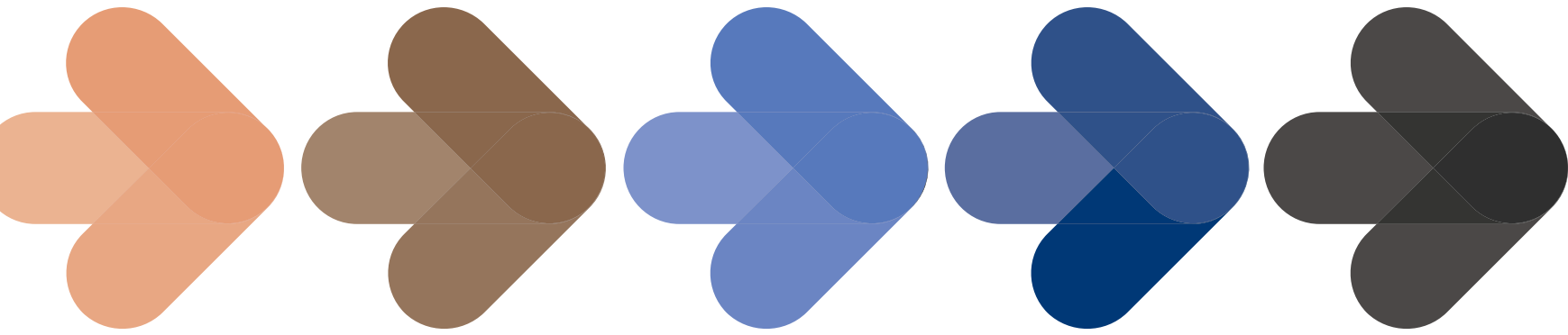


Manufacturing

- Improve update of energy audits
- Issue of energy bills at regular and consistent intervals
- Investment in grid to allow bi-directional energy transfer
- Overturn no option of purchasing RES which is common in EU with premium tariff for producers for Net Zero accountability
- Rent Free INDIS roofs for energy efficient installations
- Modernisation of industrial estates, including, intelligent energy installations and water amenities

Tourism

- Revisit MTA's marketing efforts towards more quality tourism
- Quality International Symposiums/ Exhibitions during off peak on a recurring basis
- Attract US carriers
- Support to operators providing cultural and historical training on Malta to foreign staff + basic English + basic Maltese
- Introduce license for Houses in Multiple Occupation for EL schools
- Waive eco-contribution for host families to make available beds which are currently underutilised + regulate Air B&Bs
- Reinvest percentage of VAT back in locality that generated it
- Subsidise 50% of the costs to attain sustainability certification



PRE-BUDGET RECOMMENDATIONS 2023

Yachting

- Comprehensive economic impact assessment
- 7% VAT on berthing and visiting yachts in Malta's marinas
- Lower registration fees for green yachts
- Amend highly qualified rules to extend the 15% tax benefit to officers on board yachts
- Investment in facilities and infrastructure that support the creation of a "crew island" close to refit yards
- Incentives to attract second hand yachts to undergo refit in Malta
- Support for the modernisation and operation of refit yards investing in greener technologies, particularly to meet TIER III compliance for engines and emissions (and beyond)

Aviation

- Action Plan for Civil Aviation Strategy 2023 – 2030 with timeframe and KPIs established together with industry
- Niche focus on aircraft leasing for long term strategic approach
- Improve legislation creating obstacles to airlines operating to, from and in Malta

Virtual Assets

- Extend the Highly Qualified Persons tax regime to persons employed and involved in the VA industry
- Extend VAT grouping rules to cover VA-licensed service providers
- Further incentives to attract talent to Malta

Care Homes

- Private operators' residential rates for utilities as against commercial rates given that pricing structure in care homes is set by government and given that care homes serve as the registered address of most of their residents

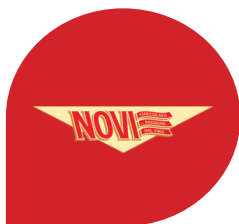
Retail

- Support to transition to e-invoicing and non-cash electronic payments
- Address anomaly on e-receipts and digital signatures
- Labour cost compensation for business disruptions caused by major public projects which are not completed within the original mandated timeframe
- Implementation of Budget 2023 proposal that iro rent subsidy (50k max pa for the initial three years, with the possibility of extending it to six years)



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NAVIGATING THE FUTURE FOR BUSINESS FINANCES

Moneybase's founder and CEO, Alan Cuschieri, sat down with Sarah Kennard to share his insights on the platform's evolution, which has transcended its original vision, launching Moneybase for Business.

In today's rapidly evolving financial landscape, where technology reigns supreme, Moneybase has emerged as a powerful platform delivering a comprehensive array of financial solutions under one roof. From facilitating payments to enabling instant person to person transactions, and granting access to over 20,000 investments, Moneybase has redefined how we approach finance. As business leaders increasingly expect the same convenience and customisation, Moneybase has designed and launched an easy-to-use platform offering businesses full control and customisation to manage their finances efficiently.

Alan explains that by applying the same award-winning technology, the platform allows businesses to manage their finances efficiently. At its core, it aims to support the growth and scalability of businesses within the B2B ecosystem. He goes on to say, "In a world where managing business finances has often been complicated and impersonal, we're here to provide a customer experience that is second to none."

This is not only technologically driven but also focuses on delivering a friendly, efficient, and cost-effective experience to business customers. This customer-centric approach, he believes, is what sets Moneybase apart

from legacy banks, which tend to offer more impersonal services to businesses.

He is justifiably proud that one of the fundamental ways in which Moneybase is revolutionizing the financial ecosystem, is by addressing a long-standing issue faced by many local businesses – the complexity and time-consuming process of opening and managing a business account. With Moneybase, this process is streamlined, opening a business account within a mere 48 hours of receiving a complete application. "Such a rapid turnaround time is a game-changer in the world of business operations, where time is often of the essence," he adds.

Solutions are cost-effective too, with fees starting at just €9.99 per month, making comprehensive financial services accessible to businesses of all sizes. It is a testament to Moneybase, and Alan's, commitment to supporting businesses in managing their finances with ease, allowing them to concentrate on their core missions of growth and expansion.

Among the numerous stand-out functions, is the app's ability to facilitate seamless payments for businesses, allowing them to create multiple wallets with different IBANs to suit their specific needs. Alan elaborates on this, explaining how businesses can set up proprietary wallets, payroll wallets, and supplier wallets, each with different permissions assigned to staff as needed. Additionally, the platform enables businesses to optimise their cash positions by utilising Treasury Bills to earn interest. This extends to accessing the International Bond market and exploring new local IPOs on the Malta Stock Exchange, as well as accessing 40 international markets spanning Bonds, Equities, ETFs, and Funds.

Moneybase's unique value proposition goes beyond speed and affordability. The platform places a strong emphasis on regulatory compliance and stability and is licensed and regulated by the Malta Financial Services Authority (MFSA), as well as complying with the Payment Card Industry Data Security Standard (PCI DSS). Alan is unequivocal about safeguarding the integrity of users' data, citing the regular and rigorous security testing to ensure the highest level of protection. Furthermore, Moneybase is part of the Calamata Cuschieri Group, a financial institution with a legacy dating back to 1971, which only serves to reinforce the platform's stability and depth of expertise.

On the evolving role of Artificial Intelligence

(AI), Alan believes that AI is poised to bring positive transformations in how consumers interact with technology, particularly in financial services, offering diverse functions in customer care, anti-fraud measures, anti-money laundering (AML), payments, and even assisting customers with investment decisions. He points out that AI has already made significant inroads in certain aspects of financial services, particularly in payments, referring to how both AI and machine learning have become essential tools in combating fraud and AML. However, when it comes to investment services, Alan is quick to say that AI's role is still evolving. Nothing can replace a human financial advisor and is unlikely to fully replace the need for human support, particularly in situations that require nuanced or empathetic responses. But it can be a valuable resource for both advisors and individual investors in making informed decisions or identifying opportunities within their investment portfolios.

The platform's commitment to shaping the future of business transactions and payments, is unwavering. Operating across the EU and with an emphasis on supporting Maltese businesses, it is accessible on both mobile and desktop platforms with new innovative functions due to be added soon.

As Alan sums it up, "Moneybase is more than a financial solution; it's a forward-thinking force that blends convenience, security, and AI-driven features, reshaping how businesses handle their finances." To conclude he extends an invitation to businesses, to open an account and become part of the Moneybase community. "Ultimately, we believe that managing business finances should not be complicated or distant, and we're here to simplify it for you." ■



"In a world where managing business finances has often been complicated and impersonal, we're here to provide a customer experience that is second to none."



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Robust support powers innovation

MINISTRY FOR THE ENVIRONMENT, ENERGY AND ENTERPRISE

Unquestionably, the Government interventions during the COVID-19 and during the ongoing challenges brought about by wars have proven instrumental in maintaining business stability and in mitigating the impact of inflation.

While the European Commission has forecasted a slowdown in economic growth across the Eurozone, Malta's economy grew 10 times the European average.

The overarching goal of the Ministry of Environment is to foster sustainable economic growth, primarily focusing on high-value-added companies that generate quality employment opportunities for Maltese and Gozitan students and workers.

To achieve this, our strategy aims to attract smaller yet high-value-added and productive companies, with a focus on innovation, the green and blue economy.

To support these objectives, the 2024 budget will introduce a revamped start-up finance framework designed to favour innovative companies.

Notably, Malta is currently home to two international accelerators, further fueling the growth of sectors such as life sciences, MedTech, BioTech, food technology, FinTech, and education technology, among others. Jobs

“The overarching goal is to foster sustainable economic growth, primarily focusing on high-value-added companies that generate quality employment opportunities for Maltese and Gozitan students and workers.”

that come with an average salary of €40,000.

The second pillar of this investment strategy focuses on nurturing existing companies and sectors, enabling them to expand and diversify. Consequently, Budget2024 includes renewing schemes like Microinvest and Invest, which incentivise investments.

Because we truly believe to deliver an economy which is knowledge-based and as part of our diversified economic approach, Malta has applied for a project under the Important Project of Common European Interest, with ST Microelectronics.

This project was successfully chosen, together with another 16 projects, aiming to create cutting-edge products in the field of microelectronics and communication technology in the European Union.

This endeavor positions Malta as a country that develops the world's most advanced microelectronics products.

To further strengthen and diversify, we are working to set up a Competence Centre in Malta. This will be established under the Microchips Act of the EU, providing the infrastructure to support innovators and companies in creating new products in microelectronics technology.

The Government is also actively fostering new sectors through initiatives such as the Blue Med initiative, allocating €4 million to attract innovative companies specialising in the blue economy.

This includes companies involved in CleanTech, food tech, sustainable aquaculture and offshore renewables - all of which

contribute to preserving and enhancing our seas.

The third focus centres on enhancing education and skills development for our workforce. Strengthening The Get Qualified and Skills Development Scheme will be strengthened as our country's most valuable economic resource is its people.

The fourth pillar is to incentivise the twin transition. As a result, we have also taken the Skill Development Scheme and put it at the disposal of companies who want to train their employees in ESG.

Furthermore, Malta Enterprise introduced a new scheme offering assistance to small and medium-sized companies in preparing and implementing ESG criteria within their organisations.

Another scheme that supports this transition is the Smart and Sustainable Scheme, whose attractiveness as a scheme is becoming increasingly popular. This scheme will be sustained during 2024 as well. The Investment Aid for Energy Efficiency scheme is being enhanced for larger companies.

In addition to these initiatives, the Government is committed to streamlining bureaucratic processes. As a result, the Portal for Businesses during next year. This will serve as a one-stop online platform that consolidates all government services, making them easily accessible in a single location.

The delivery of the measures would not have been possible without a strong economy. Malta's economy has grown 10 times the European average, mostly due to the Government's decision to shield enterprises, households, workers and most vulnerable from the increase in oil prices.

Between June 2021 and June 2023, businesses alone have saved circa €370 million in energy savings, thanks to our policy. Savings that helped protect jobs and helped companies invest further.

The Government's strategy remains one: to choose support over austerity, investment over cutbacks, quality over quantity and innovation over stagnation. ■



GOVERNMENT OF MALTA
MINISTRY FOR THE ENVIRONMENT,
ENERGY AND ENTERPRISE



DISABILITY

COMPENSATION TO THALIDOMIDE VICTIMS

€3 million ex-gratia compensation to persons with disabilities still alive and who were victims of the thalidomide medication

PERSONAL ASSISTANCE TO PERSONS WITH DISABILITIES

A €5.2 million investment to help persons with disabilities to lead a better and independent life.

TAX CREDIT ON THERAPIES

Higher tax credit on use of private therapy. From €200 to €500 annually for every child with disability

HAD-DINGLI RESPITE CENTRE

2024 will see the official commencement of work, a €1 million investment, on the Had-Dingli respite centre for persons with disabilities

INCREASE IN AID SCHEMES

An investment of €1.9 million in various aid schemes for voluntary organisations

TAX CREDITS

Tax credit for businesses which donate to voluntary organisations

ASSISTANCE

Government will assist in the process of keeping electronic records by farmers and professionals in the field on products for the protection of plants



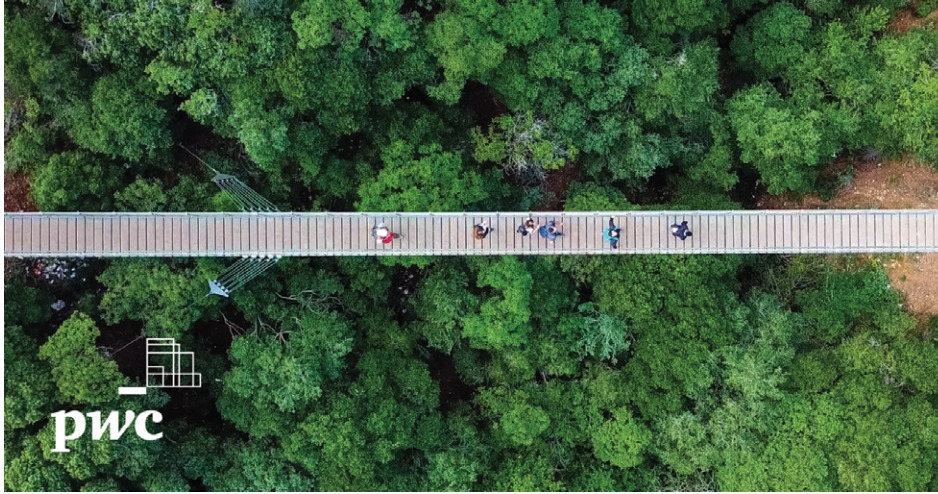
CONSUMER



VOLUNTARY ORGANISATIONS

ONE-STOP-SHOP

Another One-Stop-Shop, this time in the south of the island to offer services and support to voluntary organisations.



Tax incentives and grants for ESG-centered investments: What actions are required for your business?

As awareness grows on the need to address sustainability-related issues, companies are facing increasing pressure to move from ambition to action, and set ambitious environmental, social, and governance (ESG) objectives.

Moving from ambition to action will, however, require companies to make substantial investments and various tax incentives and grant schemes are available to support organisations in this respect.

These are administered under both EU funding schemes as well as in terms of schemes issued and administered by local entities.

EU funded schemes

The EU provides a number of schemes, each serving different purposes in helping enterprises to improve their operations and promote ESG compliance within enterprises, as outlined below.

1. Retrofitting - The Renovation of Private Sector Buildings Scheme can provide a maximum grant of €1,000,000 to support actions reducing the building energy demand through the reduction in use of energy through the renovation of existing private commercial buildings.

2. Equipment and machinery - schemes are available to support entities through non-repayable grants to part-finance investments that will enhance productivity:

- The **SME Enhance (GBER)** supports the purchase of equipment, plant and machinery, and indirect costs at 7%, amongst other costs. The maximum grant is €500,000 with 10%-30% aid intensity for investments in Malta.
- The **SME Enhance (De Minimis)** is similar to the abovementioned scheme with the difference being that the maximum grant is €120,000 with a 50% aid intensity in Malta, and it is subject to cappings in terms of De Minimis rules*.
- The **Start-up Enhance Scheme** is targeted towards start-ups with a maximum grant

of €400,000 with 50% aid intensity for investments in Malta.

3. Digital and cybersecurity - the digital & cybersecurity schemes assist entities in digitalising their operations through non-repayable grants to part-finance their investment. These schemes could also contribute towards improving an entity's ESG goals.

The main schemes focusing on digitalisation for businesses include:

- **The Digitalise your Micro Business (De Minimis)**
 - **The SME Digitalisation (De Minimis)**
 - **The Digital Intensification Grant Scheme (GBER)**
 - **The CYBER+ALT Grant Scheme**
- 4. Business plan & process system review - The Business Reports for SMEs (De Minimis)** supports SMEs through a non-repayable grant of €4,000 aimed to part-finance a business report. The eligible actions include external consultancy services provided by independent and duly registered service providers, procured to support the decision-taking process through (i) a process and systems review, and (ii) a business plan addressing the proposed investment initiatives.
- 5. Investing in skills** - This scheme is aimed at improving the knowledge and skills of employed persons, and supports businesses provide accredited and non-accredited training.

Local schemes

Malta Enterprise Corporation (MEC) and a number of other local authorities administer several schemes that target investments undertaken by businesses in an effort to reduce the environmental impact of their activities whilst also implementing ESG practices.

Some salient ESG-related schemes available at time of preparation of this article are outlined below**

- The **Investment Aid for Energy Efficiency Projects Scheme** awards aid in the form of tax credits or a cash grant, or even a combination of both, at up to 50% of eligible costs incurred in investments aimed at achieving at least a 10% energy savings on existing plant.
- The **Smart and Sustainable Investment Grant Scheme (De Minimis)** provides aid in the form of a cash grant of 50% of eligible costs (maximum of €100k) on sustainability-related investments, including waste minimisation, transitioning to sustainable materials, energy and water efficiency, and sustainable digitisation. Additional tax credits may be granted subject to conditions.
- The **ESG Grant for SMEs Scheme (De Minimis)** assists SMEs, through a non-repayable grant - capped at €5,000 over a three-year period, to part-finance advisory costs incurred to engage external consultants to provide support with the preparation of the first ESG report submitted on the MEEE ESG Portal.
- **The Support for Reducing the Environmental Impact of Construction Activities Scheme (De Minimis)** supports, by means of tax credits, businesses engaged in construction activities to make investments that reduce the negative impact of their activities.
- The **Skills Development Scheme** supports training provided by eligible businesses to their employees which is not legally mandatory / routine training and which is not assisted through other incentive schemes. Aid is awarded in the form of a tax credit, or a cash grant, or a combination of both, at up to 70% of eligible costs, capped at €2m per Skills Development project.

Companies and investors need to find the right balance between short-term performance requirements and the action needed to meet longer-term goals.

Prioritising sustainable investments is increasingly becoming a necessity for long-term competitiveness and will not only reward investors and other stakeholders but will benefit the world we all share.

Tax incentives and grants can play a crucial role in driving businesses to take the necessary steps in the right direction. ■

** For all De Minimis schemes indicated in this article, the aid granted counts towards the thresholds applicable under the EU's De Minimis Regulation. In terms of such regulations, the aggregate amount of de minimis aid granted to a single undertaking (as defined) shall not exceed the amount of €200,000 (€100,000 for road freight transport for hire or reward) over any period of three consecutive fiscal years.*

*** Some schemes close by year end, however new sustainability-related schemes may be launched.*



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CONSUMER



Financial Services as a driver of GDP

CATHERINE BANNISTER, CHIEF LEGAL OFFICER, FINANCE INCORPORATED LIMITED

Malta is historically considered a respected global player for financial services, a reputation built progressively over the past two decades. With a credible regulator and a rigorously established infrastructure, this reputation attracted considerable foreign direct investment [FDI] investment. In fact, 98% of FDI was in financial services.

In recent years, however, this reputation has waned, and the time is ripe for a resurgence. With ingenuity and transparency, the private sector can spearhead the restoration of Malta's financial services industry to its former position as a respected jurisdiction.

Led by institutions underpinned by integrity, there are still many decent players that make up the bulk of the sector. For too long, the narrative has focused on the occasional bad apple rather than on the mostly compliant firms driving growth. The industry itself must take charge of reshaping the future.

Through robust governance and controls, a sustainable expansion can be carried out while risk is responsibly managed. Compliance, the often-unsung hero of the industry, is an enabler of commercial success and consumer trust.

Strict adherence to regulations and best practices will provide the foundation for the sector's revival, putting Malta back on the map as a financial services centre of repute.

It is the various players in the financial services industry that will rebuild faith in the jurisdiction. With care and vision, the industry can collectively nurture an ecosystem where innovation flourishes alongside prudence.

There is also the urgent need for collaboration within the industry. Across size and scale, the largest institutions and the most niche of firms can promote the country's strengths instead of waiting for top-down interventions, acting as proactive ambassadors to the world.

Our value proposition is clear - Malta offers a robust regulatory framework, depth of expertise, and ideal geographic positioning. This narrative must be driven consistently across the sector - in action and in a carefully woven narrative.

Naturally, challenges remain. Restoring reputation takes time but the building blocks are in place. Malta already hosts a skilled workforce and excellent professional services. Now it



“Malta offers a robust regulatory framework, depth of expertise, and ideal geographic positioning. This narrative must be driven consistently across the sector - in action and in a carefully woven narrative.”

must re-establish a national brand in order to continue to deliver high-quality offerings that are unimpeachable and exemplary.

The Government has a role to play. However, it should not be the sole solution. Neither should the industry wait expectantly for government intervention. The industry itself must step up and steer Malta's return to prominence with collective purpose and uncompromising transparency.

The resurgence of a new era of sustainable growth and innovation is within reach, and with it an expansion of the country's contribution to GDP.

Past experiences can serve as a valuable reminder of our potential. It should serve as a driver for the bright future which the industry should reconstruct. ■

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- The value of your investment may go down as well as up and you may get back less than you originally invested.
- Past performance is not a reliable indicator of current or future results.

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AN INVESTMENT FOR INITIATIVES AND PROJECTS IN LOCAL GOVERNMENT

A significant initiative that took place during 2023 was in May 2023, where after a broad consultation period, the National Strategic Vision of Local Government 2023-2030 was launched.

The main objective of the 'National Strategic Vision of Local Government 2023-2030' is to lead a renewal in the field of Local Government, with a strategic vision that offers a way forward based on higher standards of good governance, with residents at the heart of the work of local councils and an environment that improves the quality of life of residents. A vision that complements that of Government.

The Strategic Vision is designed on five main themes that reflect a holistic vision that incorporates and encourages more inclusive, sustainable and creative communities for residents to live, work and integrate in a healthier and cleaner environment.

This year Local Government continued to strengthen Maltese and Gozitan communities through financing schemes for Local Councils.

These included:

- **The Annual Cultural Activities and Christmas Activities Scheme**

49 Local Councils have benefited from this scheme, with an investment of around €800,000. Through these funds Local Councils were able to organise activities in their respective localities, with the aim of continuing to ensure cultural sustainability.

- **Region of Culture Scheme 2024**

The Eastern Regional Council was allocated a quarter of a million euros, so that together with the Local Councils within it, they can organise various cultural activities during the coming year.



- **Scheme for Safer and More Organised Communities**

38 Local Councils have benefited from this scheme, with an investment of €329,000 to carry out various projects in favour of more safety in the heart of communities.

- **Maintenance and Support Fund of Major Infrastructural Projects that have been carried out by Government**

The projects that will be carried out through this scheme include:- a project for a safer Mosta Square; new fencing in a recreational space in San Gwann; the maintenance of the Birgu ditch; changing of new street lights that work with sustainable energy in Gudja; and maintenance of the fountain and swings in the Family Garden in Ħad Dingli.



- **An Expression of Interest for Initiatives related to World Cleanup Campaign 2023**

There were 45 Local Councils that participated in this initiative during the month of September, where they organised cleaning and waste collection activities in their respective localities.



- **Scheme for Community Inclusive Employment**

A continued investment of more than €340,000 so that Local and Regional Councils continue to support the concept of inclusion in the workplace.



2023 was also the year that commemorates the 30th anniversary of the establishment of Local Councils in Malta and Gozo. In order for this commemorative year to be celebrated appropriately, an Organising Committee was set up which prepared a number of activities both on a substantive and commemorative basis.

One of the biggest challenges that Local Government had during 2023 was the change-over of municipal waste management from one managed at a local level to a regional level. From the beginning of this year, therefore, after a call, the work was given to a number of contractors, one for each region where now, each locality is following one common schedule on a national basis.

The Local Government Vision for 2024:



- The continuation of the implementation of the National Strategic Vision for Local Government.
- Local elections in 68 Local Councils across Malta and Gozo.
- The fulfillment of the electoral promise regarding a bill that provides amendments to the Local Government Act so that young people under the age of 18 can occupy the role of Mayor or Deputy-Mayor if they win the trust of the electorate.
- The continuation of developments in Information Technology, in particular the use of applications that are on a common digital platform.
- The strengthening of the Training Unit within the Division for Local Government which in partnership with the Institute of Public Services will be delivering specific training to Executive Secretaries of all Local and Regional Councils.
- The strengthening of the Division for Local Government with the Center of Excellence of the Council of Europe so that more Maltese Local Councils can, after an evaluation process, achieve the award of European Label of Governance Excellence.
- Issuing calls to fill vacancies of Executive Secretaries within Local and Regional Councils every time there is a vacancy.

Malta's food renaissance

A bright future awaits

BRIAN VELLA, CEO, MALTA FOOD AGENCY

In the wake of the recent unveiling of Malta's national Budget for 2024, there is a palpable sense of optimism surrounding the future of the country's food sector.

The Budget has brought to light a series of transformative initiatives, meticulously designed to fortify the foundations of Maltese food, agriculture and fishing industries.

At the forefront of these undertakings is the Malta Food Agency, serving as a stalwart advocate for the growth and authenticity of local produce.

Central to the Agency's mission is the promotion of local product authenticity. Through a dedicated focus on advancing geographical indication marks, it is actively engaged in supporting producers who are striving to distinguish their products.

Noteworthy efforts include introducing a Geographical Indication mark for local products like the *Gbejna tan-Nagħaj* cheese and other products in the pipeline, reflecting a testament to the Malta Food Agency's unwavering support for local artisans.

Furthermore, the Agency has embarked on strategic partnerships, such as the collaboration with Koperattivi Malta, aiming to add value to co-ops producing local food.

These alliances reinforce the vital connection between producers and their geographical origins, paving the way for potential PDO and PGI applications, a significant step toward recognition on the global stage.

In a proactive approach, the Malta Food Agency is actively identifying products eligible for Geographical Indication marks and collaborating with stakeholders to ensure the success of these initiatives.

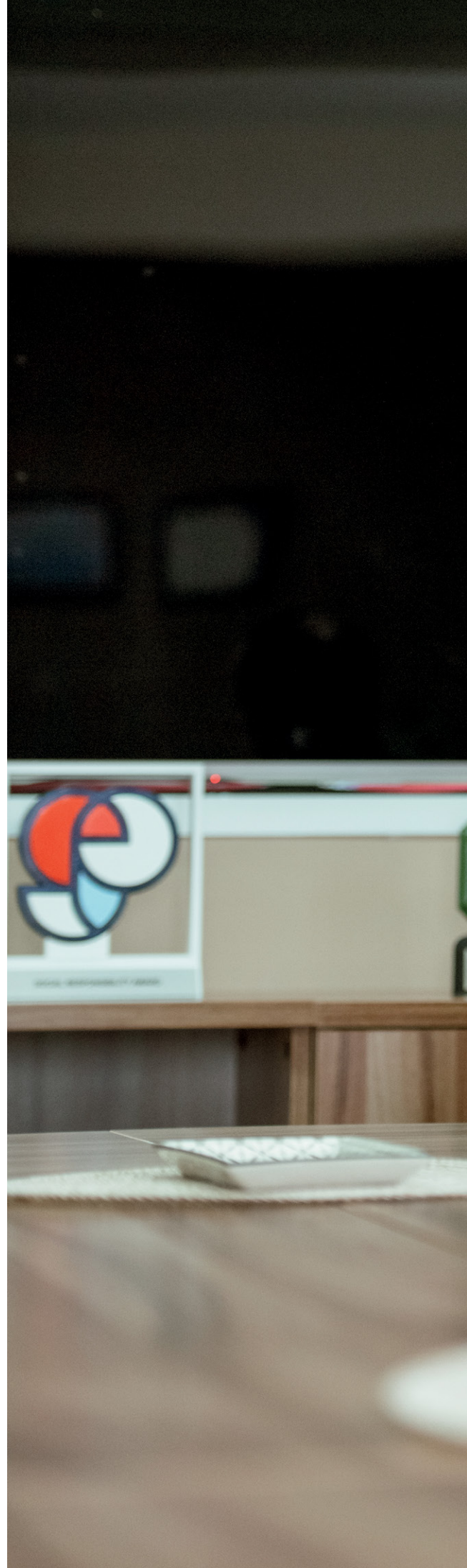
Simultaneously, the Agency is championing transparency and consumer confidence through innovative projects such as the Buyers Label as a Pilot Project, establishing criteria to recognise establishments supporting local products, and the development of marketing standards, starting with products from the Pitkalija market.

We caught up with the **CEO of the Malta Food Agency, Brian Vella**, who stated that the recent unveiling of this year's national budget has shed light on a series of significant initiatives aimed at bolstering the Maltese food sectors.

These initiatives underscore the Government's unwavering commitment to fostering the growth and sustainability of local food, agriculture and fishing.

Among the standout endeavours are those directed towards promoting the authenticity of local produce, advancing geographical indication marks and setting rigorous marketing standards.

In this context, the Malta Food Agency stands as a key driver, actively championing these initiatives to amplify the quality and visibility of homegrown products.



“Producers who are interested in pursuing Geographical Indication marks applications are welcome to contact the Malta Food Agency so that they can collaborate and achieve their common objectives.”

Fostering local product authenticity: updates on geographical indication marks and more

In The Malta Food Agency's unwavering commitment to promoting local products and their authenticity, The Agency is continually working on several key initiatives. These endeavours align with its core mission of elevating Maltese produce and strengthening connections between consumers and the local food, agriculture and fishing sector.

Here is an overview of the Malta Food Agency's ongoing efforts:

Advancing geographical indication marks: A progress update

In our mission to safeguard and promote the authenticity of local products, The Agency is closely monitoring and supporting the progress of producers who have taken the significant step of applying for Geographical Indication marks and those who are interested in pursuing Geographical Indication applications.

Local producers are pursuing a Geographical Indication mark to distinguish their exquisite cheese product. The Agency continues to track their journey, extending support and guidance as needed.

Nurturing olive oil excellence: Partnerships for progress

In partnership with the Olives coop, the Malta Food Agency is dedicated to support their work to organise such an important sector. Its role involves guiding them through the application process and ensuring a smooth submission for the relevant geographical marks.

These strategic alliances and persistent efforts signify our commitment to championing and preserving the authenticity and quality of local products. They also reinforce the crucial link between producers and their geographical origins.



Furthermore, through the discussions and meetings with MCCA and public consultations organised in partnership with the Koperattiva Produtturi taż-Żebbuġ, the Agency managed to keep olive producers informed of the progress while gathering valuable information from them.

This paved the way for potential PDO and PGI successful applications for Maltese olive oil and Tal-Bidni olive oil.

Proactive approach

The Agency is adopting a proactive approach in identifying suitable products that are eligible for Geographical Indication marks and is working with different stakeholders to plan accordingly. Producers who are interested in pursuing Geographical Indication marks applications are welcome to contact the Malta Food Agency so that they can collaborate and achieve their common objectives.

Advancing local product identification: Initiatives in motion

In its efforts to promote local produce, the Agency aims to instil confidence in consumers by ensuring that they are purchasing and consuming genuine local products.

To achieve this objective, it has embarked on two pilot projects:

1. Buyers Label and Pilot Project: The Agency is in the process of developing a buyers' label, which will be awarded to establishments that actively support and utilise local food products. As a starting point, it has launched a pilot project focused on products sourced from Pitkalija. This study will identify eligibility criteria and project phases to eventually cover all local produce. This label will distinguish food establishments that utilise local food products.

2. Marketing standards: The Agency is working to develop marketing standards that will help in branding and identifying local produce. In a pilot project, it introduced a dedicated label for products, starting with watermelons from the Pitkalija market. This initiative provides an ideal opportunity to establish and implement marketing standards.

Its ultimate goal is to create a brand that can be represented on all local produce.

The Agency actively collaborates with different stakeholders including the Farmers' Central Cooperative Society amongst others, to develop marketing standards that align with our strategic objectives.

These projects reflect their dedication to promoting and preserving local products while enhancing their visibility and accessibility.

The Agency believes that strengthening these foundations helps contribute to the growth and prosperity of our local food, agricultural and fishing sector.



“The steadfast commitment of the Government, coupled with the diligent efforts of the Agency, promises to elevate local food, agriculture and fishing to new heights.”

A bright future for Maltese agriculture

As the Malta Food Agency concludes this exploration of the prominent initiatives featured in this year's budget, it is evident that Malta's food landscape is poised for a brighter and more prosperous future.

The steadfast commitment of the Government, coupled with the diligent efforts of the Agency, promises to elevate local food, agriculture and fishing to new heights.

Through the promotion of authenticity, the advancement of geographical indication marks and the establishment of robust marketing standards, the Malta Food Agency is paving the way for greater recognition and success of our local producers.

With these initiatives firmly in place, the Agency looks ahead with optimism, confident that Malta's food sector will continue to flourish and thrive. ■

What is guiding Government spending today?

DR MARIO DE MARCO, SHADOW MINISTER FOR TOURISM, PN

Over the past years, I compared our economy to a bodybuilder taking growth enhancement steroids, giving him fast gain but long-term pain. In the initial years of labour administrations, our economy grew. Now, the economy is starting to buckle under the inevitable pain.

This is the first budget in which the Government admitted that our country faces problems. However, the Government failed to propose real solutions to the real problems we are facing.

The root of all the problems we face is the rampant importation of labour and the reckless increase in the Government's recurrent expenditure.

Our country's infrastructure was not upgraded to deal with the consequential exponential increase in population. The result is a failure in our road and traffic management, insufficient power infrastructure, failure in our waste treatment, increased hospital waiting times, and so on.

Increased demand also brought about inflationary pressure, pushing up prices particularly in the property market. With the foreign cohort of workers deeply embedded into our economy, it is difficult, if not impossible, to turn the clock back without creating even bigger shocks.

The Government's response to the failing infrastructure is limited due to the growing deficit and debt levels. Public spending, particularly recurrent expenditure, increased at unprecedented rates over the past decade, fuelled by corruption, maladministration, cronyism, and mismanagement.

We are now facing corrective action to bring our public spending in line with European Union targets.

Faced with this situation, the Government is having to make hard choices. It has to choose where and how to spend the taxpayers' money. Tourism is now low on the Government's priority.

The reference to tourism in the budget speech can be put on the back of a postage stamp and mailed to Timbuktu. I expected much more from the Government when our tourism industry faces problems which goes beyond an issue of numbers.

Tourism is not only a matter of arrivals. Tourism is primarily about spend. The average daily rate our hotels command lags far behind that of our competitors in the mediterranean. And Government is clearly not addressing the root of this problem.

Malta is becoming a third-rate destination. This is the message coming from our hoteliers and tourism operators. Malta is becoming unpleasant for the residents and visitors alike.

We need to reverse this trend and make it once again a destination of choice for the discerning visitor. This requires a planned investment programme in our hard and soft tourism product, guided by a tourism policy with clear and objective targets and not just buzzwords.

The Labour government did not come up with a tourism plan. It continued to implement previous Nationalist administration policies but did it wrongly.

In the process, Labour destroyed Air Malta, weakened our tourism product, and turned Malta into a destination closer to a party-fuelled destination than we want to be.

Some might argue that it was the Nationalist administration that started implementing policies to make Malta more attractive to younger generations. We did, and I am proud of the investment and success we had in this regard.

However, we did not sacrifice or neglect other niche markets. The beauty of this small island is that it has the potential to offer so much to a diverse audience. Different niche tourism markets coexisted and grew for decades thanks to focused tourism policies and action plans. These policies and plans guided investments in product, marketing and accessibility.

What is guiding Government spending today? I have repeatedly asked the Government and the Malta Tourism Authority to provide information on the tens of millions spent on what I consider to be ego trips. No reply is



“Malta is becoming a third-rate destination. This is the message coming from our hoteliers and tourism operators. Malta is becoming unpleasant for the residents and visitors alike.”

forthcoming from the Government.

I ask you all. Where do you see our tourism industry in the next ten years? What will drive tourists to visit our destination in the years to come? What are we doing to be relevant for the future tourist? How are we investing in our tourism product to remain relevant and competitive?

Do not look for the answers to these questions in this year's budget speech, or you will be disappointed. You will find a decrease in tourism spending for the first time in decades and the usual reference to the building of a tourism school in Smart city, which I am sure all of you are taking with more than a pinch of salt by now.

Our tourism industry deserves better. ■

SUSTAINING MALTA'S Future Family Businesses

Malta boasts a rich tapestry of family businesses, woven into the fabric of its economy, displaying resilience and dynamism. However, these enterprises face unique challenges that can impact their sustainability. Spearheading the support for family-owned businesses in Malta is the Family Business Office, led by Dr Joseph Gerada as the Regulator.

In a recent interview with Commercial Courier, Dr Gerada shared his insights into various initiatives, the impact of budgetary measures, and his forward-looking vision for the future of family businesses on the island.

Defining Family Businesses and Nurturing Intergenerational Success

Dr. Gerada dives right in mentioning the introduction of the Family Business Act by the Maltese Government in 2017. This legislative stride provided a clear definition for family businesses, delineating the parameters for the Family Business Office's regulatory endeavours. The primary goal was to catalyse intergenerational transfers while family members are still alive, recognizing the substantial benefits of this approach.

He explains that the Family Business Office embarked on a comprehensive approach to fortify family businesses in Malta. Recognising the nuanced challenges, the office implemented a diverse range of initiatives which he explains, "aim not only to provide financial support but also to cultivate a cultural shift, emphasising the importance of intergenerational succession planning."

Beyond financial assets, the transfer involves social and cultural capital, including values such as honesty, credibility, modesty, and respect. This emphasis on values-based management contributes to the enduring success and resilience of local family businesses.

Enhancing Business Transfers

To address the diverse situations faced by family businesses, Dr Gerada steered the Family Business Office towards becoming members of Transeo, an international association dedicated to business transfers. He emphasises the importance of focusing on family business transfers, which aligns with the fact that so many SMEs (Small and Medium Enterprise) are family-owned in Malta. He also refers to the historical recommendations from the EU Commission dating back to 1994, recognising the critical role of business transfers in addition to supporting startups.

The Transeo platform provides an avenue for businesses to explore options beyond traditional succession planning, such as merging with other businesses or being acquired by a third party. The recent summit was hosted in Malta for the first time this

autumn and marked a significant step forward, highlighting the potential for an online platform where businesses interested in selling could connect with potential buyers, and others interested in investing in other businesses or in an outright acquisition or merger, all ensuring confidentiality and compatibility.

Navigating the Complexities of Succession

Acknowledging the unique challenges faced by family businesses, the Family Business Office implemented initiatives to offer support. These include raising awareness



transfer shares exclusively to male heirs, run afoul of the Family Business Act. And here Dr Gerada is proud that “the Act aims to ensure that the baton is genuinely passed on, not merely in appearance but in practice, eliminating any discriminatory practices.”

His experiences underscore the uniqueness of each case, providing valuable insights that contribute to potential amendments in the law and a better understanding of Malta's work culture for positive change.

Nurturing Succession Planning

The Family Business Office's financial support initiatives extend beyond awareness and mediation. Dr Gerada shares details of the €15,000 support, extended over a three year period, offered for consultancy and mediation services, aimed at facilitating smooth transitions. Just like other Malta Enterprise supported incentives, the current scheme will be expiring at the end of November 2023, however Dr Gerada and his team are coordinating with stakeholders to compile a revamped set of incentives for Family Businesses, to be launched as soon as the new regulatory framework is in place.

Fiscal incentives, such as reduced stamp duty for family business transfers, have also continued to further support and encourage succession planning. The positive consideration of lease renewals for family businesses occupying government premises reflects a commitment to the continuity of these enterprises.

Resolving Challenges

Beyond the legal and financial aspects, the Family Business Office advocates for a profound understanding of the role family business owners play as custodians for the next generation. Dr Gerada emphasizes the importance of instilling a sense of responsibility and stewardship in family business owners. As he says, “This transcends mere ownership and extends to preserving

the values, culture, and legacy of the business for future generations.” By framing family business ownership as custodianship, the office aims to foster a mindset that prioritizes long-term sustainability over short-term gains, nurturing a legacy that extends beyond financial success.

Recognising that conflicts and challenges are inherent in family businesses, the Family Business Office facilitates access to mediation services as part of its comprehensive support system. Here Dr Gerada outlines examples where family business owners expressed the desire for intergenerational transfers, but the younger generation may not be interested or where there is a conflict regarding the direction of the business. “The mediation services provided by professionals who have garnered earned the trust of the family business, act as a vital tool to navigate these intricate situations, providing a neutral ground for family members to voice concerns, find common ground, and develop solutions to ensure the sustainable continuation of the family business,” he explains.

Looking Forward

Dr Gerada's vision for the future involves building a comprehensive ecosystem for family businesses and business transfers in Malta. This includes fiscal incentives, specialised training to address market gaps, and creating a supportive environment for these businesses to thrive. As he clearly puts it, “The goal is to ensure that the legacy of family businesses continues successfully into the next generation.”

As Malta continues to evolve, the Family Business Office, guided by Dr Joseph Gerada, remains pivotal in preserving and nurturing these vital economic contributors. The commitment to promoting intergenerational succession planning, providing financial support, and cultivating a conducive ecosystem underscores the office's dedication to long-term sustainability and success on the island. ■

“The goal is to ensure that the legacy of family businesses continues successfully into the next generation.”

about business transfers, emphasizing the importance of intergenerational succession planning, and providing financial assistance for mediation and consultancy services. He frequently engages with family business owners and is clearly well versed in addressing situations where the older generation wishes to encourage intergenerational transfers, but the younger generation may not be interested or is encouraged to pursue further education.

One notable challenge is the potential perpetuation of gender biases in succession planning. Dr Gerada highlights situations where family businesses, in their attempt to





The Clean Energy Transition Partnership Call: an initiative funding research and innovation

CHRISTY BALDACCHINO, EXECUTIVE, INTERNATIONALISATION UNIT, THE MALTA COUNCIL FOR SCIENCE AND TECHNOLOGY

The Clean Energy Transition Partnership provides the opportunity for Maltese stakeholders to collaborate with international partners and enhance research, technological development and innovation capabilities toward the EU's energy transition.

The overarching aim of the Clean Energy Transition Partnership is to contribute to the EU's goal of becoming the first climate-neutral continent by 2050.

This transformation towards making the EU a leader in clean energy innovation and implementation will be achieved through a collective effort, uniting industry, public organisations, academia and non-governmental organisations.

The Partnership is actively seeking collaborations with funding partners from around the world to expand our knowledge and expertise, introducing European solutions and stakeholders into global value chains.

The 2023 CETPartnership Joint Call is a two-stage call structured around Call Modules that describe specific topics and/or challenges, which applicants should address in their Research and Innovation project proposals.

Malta's entities can request up to €500,000 in funding to participate in CETPartnership proposal consortia on any of the following topics.

THEMATIC AREAS ELIGIBLE FOR FUNDING	
CM 01	Direct current (DC) technologies for power networks
CM 02	Energy system flexibility: renewables production, storage and system integration
CM 03	Advanced renewable energy technologies for power production
CM 04	Carbon capture, utilisation and storage (CCUS)
CM 05	Hydrogen and renewable fuels
CM 06	Heating and cooling technologies
CM 07	Geothermal energy technologies
CM 08	Integrated regional energy systems
CM 09	Integrated industrial energy systems
CM 10	Clean energy integration in the built environment

The deadline for pre-proposal submissions is 22nd November 2023 at 14:00 CET.

The Malta Council for Science and Technology is among 46 other funding partners from 30 countries participating in this pan-European partnership.

For more information and guidance, kindly contact MCST on eusubmissions.mcst@gov.mt or visit the MCST website: <https://mcst.gov.mt>

The Clean Energy Transition Partnership is administered locally by the Malta Council for Science and Technology, supported by the Parliamentary Secretariat for Youth, Research and Innovation, within the Ministry for Education, Sport, Youth, Research and Innovation.



FAĊLI

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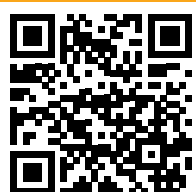
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Financial support towards a sustainable cultural eco-system

This year has seen Arts Council Malta continue to grow its financial initiatives with the aim of supporting artists and practitioners involved in the cultural and creative industries.

These initiatives - which range from increased funding opportunities to tax reductions for artists, tax deductions for various expenses related to the cultural sector, and supporting artists' participation at several international events - are in line with the national cultural strategy's three overarching themes of Care, Create and Flourish.

A reduced tax rate for creative practitioners

Artists and creative practitioners now enjoy a reduced tax rate of 7.5% on the first €30,000 of their annual income. This incentive reflects Strategy2025's drive towards championing the advancement of the status of the artists and cultural and creative practitioners, including the fostering of improved working conditions to enable sustainable sectoral growth.

Artists who are self-employed can apply to Arts Council Malta to be recommended for the reduced tax rate. Actors, artistic directors, choreographers, curators, dancers, literary writers, musicians, painters, and sculptors are among those eligible.

Tax deduction on creative courses for under-16s

Parents of children under 16 who attended cultural or creative courses during 2023 can apply for a tax deduction scheme of up to a maximum of €300 for each child. If the course was provided by an entity or individual recognised by the Education Ministry, parents are entitled to claim a deduction against their chargeable income of up to a maximum of €300 for each child. Applications for 2023 will be open starting from January 2024 and should reach the Council by February 2024.

Education and development make up one of Strategy2025's strategic pillars, and this initiative underlines the Council's commitment towards prioritising arts education both in schools and by empowering parents to seek their children's exposure to the arts within an academic or training context.

150% tax deduction on cultural donations

This is another initiative aimed towards building a sustainable creative economy for artists and practitioners by encouraging

further partnerships between Malta's business community and the cultural sector.

Through this measure, companies giving donations to eligible organisations, may claim the amount donated at 150% against the income for the year of assessment when the donation was made. Companies and partnerships may claim up to €50,000 under this scheme, as long as the beneficiaries are not-for-profit cultural organisations.

This initiative forms part of the strategy to foster long-term sustainability within the creative sectors by enabling structures that facilitate links and collaborations with other sectors. Implementation plans to increase this initiative to a 200% tax deduction are now in the forefront.

Increased public investment through 19 funding schemes

One of Strategy2025's main strategic area is to ensure that public investment is distributed justly to provide for longer-term structural funding as well as infrastructural development, especially in the diverse pool of creative talent and expression in the cultural and creative sectors.

In view of this, 2023 sees the release of 16 funding schemes that take into account sector-specific needs while fostering and promoting cross-sectoral partnerships that lead to artistic activity. These funding strands include measures that support forms of mentorship, training, professionalisation, research and innovation that strengthen the prospects of Malta's creative ecology.

This strategy enables more equitable access to funding opportunities and investment measures, reducing bureaucracy while increasing the transparency of the allocation process, ensuring decent remuneration, and implementing inclusive investment decisions.

This year's schemes build on the previous years' by introducing nine new strands, such as the Sabbatical for Artistic Research Grant, the Access Top-Up Grant, the Mobility Guarantee Grant and a Micro Grant.

Supporting artists' participation in prestigious international events

In line with the Council's Care, Create and Flourish mantra, one of the goals of Strategy2025



is to strengthen Malta's international cultural relations to continue developing international artistic exchanges and collaborations. Such strategies take on an increased importance due to Malta's geographic situation.

Moreover, an international outlook is essential for professionalisation, given the context of an increasingly globalised world.

To this end, we facilitate the participation of Maltese artists on diverse international fora such as IETM - the International Network for Contemporary Performing Arts, the Salzburg Global Forum for Young Cultural Innovators, and various EU National Institutes for Culture (EUNIC) around the globe, among others.

Earlier this year, a team of Maltese artists took part at the London Design Biennale for the first time thanks to a pavilion commissioned by the Council, and Malta will be once again present at the 2024 edition of La Biennale di Venezia with an installation by artist Matthew Attard.

Paving the way forward

These initiatives are part of a holistic strategy that is driven by a commitment to cultural rights and to strengthen Malta's creative and cultural ecology. Arts Council Malta continues to roll out more public investment to fulfil its Strategy2025, these will lay the foundations for a stronger artistic sector at the heart of Malta's future. ■



SUPPORTING BUSINESSES TOWARDS **SUSTAINABLE GROWTH**

The 2024 Budget reaffirms our commitment to support your business, as together we transition towards sustainable operations, embracing the long-term benefits of decarbonisation, digitalisation and other ESG objectives.

For the third consecutive year, in 2024 the Ministry for the Environment, Energy and Enterprise will be maintaining stable energy prices, investing **€340 million to protect families and businesses** from this sector's global instability.

What's in it for your business?

- Without this support, **electricity costs for households would double**, exacerbating current inflationary pressures on purchasing power.
- **Electricity bills for businesses would spiral**, increasing the costs of energy-intensive operations beyond sustainable levels, as we have seen in several neighbouring countries.
- A business that is currently paying **€19,000** a year in electricity bills would have to pay **€32,000** without Government support.
- A medium-sized enterprise currently paying **€50,000** a year, would have to pay **€81,000** without government support.
- **Fuel expenses would surge**, up from €1.21 per litre to €1.91 for diesel and from €1.34 to €1.94 for petrol.

To reduce the impacts of international energy price volatility, we have a clear vision for a decarbonised future.

- Interconnect Malta is stepping up preparations for the first call for **large-scale offshore renewables in Maltese waters**, for the **second Malta-Italy Interconnector**, and the first grid-scale **battery energy storage systems**.

- 2014 will also see the extension of several REWS **schemes for the installation of renewables** and energy efficient technologies.
- The Energy and Water Agency is installing **1,200 new electric car public charging points** across the Maltese Islands.
- We are working on a new strategy for the integration of **hydrogen for industry**, especially for operations that cannot be electrified.
- **Electricity network reinforcement investment will be doubled** to meet future electrification requirements and facilitate more investments in grid-connected renewables.

We're continuing to fund more initiatives to support new and existing businesses.

- Malta Enterprise is planning a **new Centre of Excellence in semiconductors** to develop human capital for new investments in this sector, including fabless manufacturing.
- The **reduced stamp duty** scheme for the transfer of family businesses will be extended, while **tax credits** for investments in these businesses will be increased.



- We are extending the Startup Finance Scheme and launched a stakeholder consultation to **establish a national Malta Startup Framework** catering exclusively for the needs of startups.
- For the next three years, the **EU Startup Summit** will be held in Malta.
- With an increased allocation of €60 million, Malta Enterprise will support several new business projects, while renewing popular schemes, such as the **Skills Development Scheme, Rent Subsidy Scheme, Innovate Scheme, Smart & Sustainable Scheme, ESG Grant Scheme and Investment Aid for Energy Efficiency Projects**.
- In collaboration with stakeholders, businesses will be invited to participate in **green transition workshops**.
- The Blue Med initiative will work to attract **more blue economy** investments and enhance policy in this direction.
- A consultation to identify new incentives encouraging **sustainable finance**, including green bonds, will be launched.



The need for a vision

CLAUDETTE BUTTIGIEG, SHADOW MINISTER FOR CIVIL LIBERTIES,
SOCIAL DIALOGUE AND DIABETES, PN

In the aftermath of the Budget 2024, The Malta Chamber of Commerce aptly remarked on the lack of clarity regarding how the government intends to enhance the productive capacity of the economy. This sentiment encapsulates the fundamental flaw in Minister Clyde Caruana's budget for 2024 – a lack of vision.



Amidst the fiscal figures and policy proposals, the pressing need for a comprehensive vision for the country is conspicuously absent.

The overarching shadow cast on the budget is that of the hospitals scandal, an issue that has marred the credibility of successive Labour governments.

Minister Chris Fearne, referring to it as 'The Real Deal' faced a contradiction from the court of appeal, which explicitly refuted this characterisation.

Unfortunately, Minister Caruana's budget speech and the accompanying estimates document offer no solace or reassurance to those yearning for stability in the health sector and beyond.

The budgetary inefficiencies are glaring, particularly in the allocation and utilisation of funds within areas of the health sector.

Instances such as the abrupt halt of Continuous Glucose Monitors for diabetes patients at the age of 35 underscore these inefficiencies, leaving older and more vulnerable individuals without access to critical healthcare technology.

Shortfalls in budgets earmarked for new medicines, including those for cancer, heart conditions, and diabetes, have raised concerns about the adequacy of healthcare provisions, pushing patients to seek assistance from the Malta Community Chest Fund, which spent €20million on medicine in 2022.

As we delve into the intricacies of the 2024 health budget, it becomes evident that the government's priorities lack both short-term and long-term vision.

Critical aspects such as outsourcing waiting lists for medical interventions, the obesity strategy, the diabetes strategy, and the sexual health policy are overlooked, despite their pivotal role in maintaining a robust health system.

The healthcare system is visibly buckling under the strain of a rapidly growing population.

Specifically, in the realm of diabetes, affecting nearly 13% of the population, and other conditions leading to amputations, the specialised prosthetic/orthotic services at St Luke's Hospital have been neglected in this year's budget.

Despite a recurring budget allocation, there is no mention of additional funds for training new personnel in this crucial sector.

Mental health and sexual health, despite promises of progress, remain in a state of limbo.

The absence of a new mental health hospital and the last sexual health policy dating back to 2010 under the Nationalist Government raises doubts about the government's commitment.

Concerns also loom over the surge in sexually transmitted diseases, as revealed by Minister Fearne in response to my recent Parliamentary Questions (348 cases in 2012 up to 1,930 in 2022).

Obesity, a major contributor to various health conditions congesting the healthcare system, receives insufficient attention in the budget.

The economic burden of obesity-related health issues, such as knee and hip replacements, heart conditions, and complications from uncontrolled diabetes, is detrimental to both patients and the nation's finances.

In response to the budget, Dr. Bernard Grech, Leader of the Opposition, presented the PN's Economic Vision. The ESG model, measuring decisions based on their impact on the Environment, Social aspects, and adherence to good Governance, is central to this vision.

This model applies to health as much as it does to other aspects of the economy.

The PN envisions a focus on non-communicable diseases, with effective programmes emphasising prevention, early diagnosis, timely treatment, collaboration with the private health sector, and state-of-the-art capital investment.

"The absence of a new mental health hospital and the last sexual health policy dating back to 2010 under the Nationalist Government raises doubts about the government's commitment."

This comprehensive approach aligns with the PN's vision of excellence, where a healthy population fosters a strong and robust economy.

The critical analysis of Malta's Budget 2024 underscores the urgency for a coherent and visionary approach to address the challenges facing the nation. A strategic focus on healthcare, aligned with the ESG model, is imperative to ensure the well-being of the population and the sustained growth of the economy.

The absence of such a vision not only hampers the effectiveness of the budget but also jeopardises the long-term prosperity of the country. ■

MDIA'S FIVE-YEAR JOURNEY

Transforming Malta's tech landscape

KENNETH BRINCAT, CEO, MALTA DIGITAL INNOVATION AUTHORITY (MDIA)

In 2018, the Malta Digital Innovation Authority (MDIA) embarked on a visionary journey, foreseeing the dynamic needs of a rapidly evolving tech landscape.

More than just an authority, MDIA emerged as a beacon of trust in emerging technologies, crafting a regulatory framework tailored to the ever-changing tech sector.

Over the past five years, the MDIA has demonstrated its commitment to fostering innovation, building trust, and positioning Malta as a global tech hub.

MDIA's inaugural programme in DLT systems

Back in 2018, MDIA laid the foundation for its journey by focusing on certifying Distributed Ledger Technology (DLT) systems. This strategic move positioned MDIA as the guardian of

investor and user confidence in the rapidly expanding DLT space.

As the tech landscape evolved, MDIA's foresight into the future became evident, setting the stage for its impactful initiatives in the years to come.

Paving the way for Malta's tech renaissance

Within a year, MDIA assumed a pivotal role in overseeing the implementation of the ambitious Artificial Intelligence Strategy, a game-changer for Malta.

With over 80% of the strategic action points established, MDIA played a crucial part in groundbreaking projects across various

sectors, including traffic, education, health, customer care, tourism, and utilities.

As a testament to its commitment, MDIA is currently engaged in a realignment exercise, updating, and reviewing the strategy to meet the cross-sectoral demands of AI. The updated strategy, slated for publication in the second quarter of 2024, marks a critical step in Malta's technological advancement.

Fostering innovation

MDIA introduced the Technology Assurance Sandbox, providing a haven where startups and SMEs could thrive without fear, supported by expert guidance.

This initiative, aligned seamlessly with the



“With over 80% of the strategic action points established, MDIA played a crucial part in groundbreaking projects across various sectors, including traffic, education, health, customer care, tourism, and utilities.”

European Union's Act on Artificial Intelligence, positioned MDIA's regulatory aspect as a model for other countries.

The Authority also took on the role of certifying national cybersecurity, collaborating on the Mind the Gap program with Tech.mt and the Malta Communications Authority, further solidifying its position as a leader in tech regulation.

A glimpse into MDIA's future vision

The climax of MDIA's first five years involves ambitious plans, including DiHubMT - the European Digital Innovation Hub in Malta. This initiative aims to support startups, scale-ups, and SMEs, propelling Malta into the forefront of digital innovation.

As MDIA envisions a future where trust in technology remains its core mission, it plans to expand its role to certify not only Blockchain but any emerging technology, reflecting the industry's ever-evolving nature.

In direct collaboration with industry professionals, MDIA is paving the way for a future where Malta stands as a testament to the harmonious relationship between innovation and regulatory assurance.

MDIA's five-year journey showcases a commitment to innovation, regulatory excellence, and the establishment of Malta as a global tech hub. As the Authority continues to evolve, its role in shaping the technological landscape and fostering trust in emerging technologies remains paramount. ■



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Transforming Malta's transportation landscape

JONATHAN BORG, CEO, TRANSPORT MALTA

As Malta propels itself into a future of sustainable and efficient transportation, the initiatives found below reflect a holistic vision for a greener and more accessible future. The synergy of aviation advancements, public transport transformations, and eco-friendly incentives positions Malta at the forefront of progressive transportation solutions.

Aviation

Significant strides are being made to solidify the nation's standing in the European aviation registry. With over 750 aircraft already registered, Malta is poised to become the go-to jurisdiction in the aviation industry.

Collaborations with industry giants like WizzAir Malta and Flexjet underscore Malta's commitment to fostering partnerships and expanding airline routes.

Free public transport

Malta has implemented free public transport for residents. This transformative move requires not just a shift in behaviour but also substantial investments in road infrastructure and measures to minimise disruptions.

The electrification of a significant portion of the public transport fleet, coupled with millions of euros in investments, highlights the Government's dedication to sustainable transportation.

Addressing traffic congestion

Acknowledging the pressing issue of traffic congestion, discussions are underway to limit certain services on roads before 9.00 am.

Incentivising the use of less polluting vehicles during peak hours is part of the comprehensive strategy aimed at alleviating congestion.

The emphasis on having officials on the roads further underscores the commitment to creating a smoother and more efficient traffic flow.

Electric vehicles

Malta has launched a €25 million sustainable scheme package, promoting the shift to electric mobility. With €50 million secured from the European Union, the number of registered electric or plug-in hybrid vehicles has already surpassed 10,000.

Financial incentives, including a substantial €11,000 grant for new electric vehicles, aim to accelerate the transition to eco-friendly transport. An additional €2,000 incentive for scrapping vehicles in Gozo emphasizes the commitment to sustainability across regions.

Extended incentives and exemptions

Malta is extending incentives for smaller petrol vehicles and conversions to gas, ensuring a diverse range of options for eco-conscious consumers. Electric and plug-in hybrid vehicles

will continue to enjoy exemptions from registration tax and annual road license fees for five years from the date of first registration.

Schemes for vehicles with solar panels and emission reduction systems also see extensions, reinforcing Malta's commitment to cleaner and greener transportation.

Ferry Landing Stations

Investments in alternative marine transport have materialized in ferry landing stations across strategic locations. Ongoing projects in Buġibba and Marsamxett, funded by successfully negotiated European funds, underscore Malta's dedication to efficient transport links, especially to Gozo.

'Clean air' projects

Ambitious environmental projects, such as capturing emissions from ships when docked, represent a €50 million investment aimed at reducing air pollution and enhancing the quality of life for residents.

Inclusive mobility

Incentives for individuals using wheelchairs are to be introduced. Subsidies of up to 20% on



“Malta has launched a €25 million sustainable scheme package, promoting the shift to electric mobility. With €50 million secured from the European Union, the number of registered electric or plug-in hybrid vehicles has already surpassed 10,000.”

the price of a ‘Drive from Wheelchair’ vehicle are extended to those purchasing new cars designed for wheelchair use. Additionally, modified second-hand cars, equipped with wheelchair access features, qualify for a 10% subsidy in addition to registration tax exemptions.

Maritime

Numerous merchant vessels are currently under construction signaling an intention to register under the Maltese flag upon launch. Additionally, a significant 25% of passenger vessels under construction are contemplating registration under the Maltese flag, paving the way for continued success in the years to come.

Malta faced challenges during the conflict in Ukraine, and sanctions on Russia and diminished shipping demand affected several vessels under the Maltese flag. Despite these hurdles, Malta’s commitment to sustainability attracted registrations of modern vessels, showcasing resilience in the face of adversity.

Holding the position of the largest merchant fleet in Europe and ranking among the top 20 registries in the Paris MOU, Malta continues to set high benchmarks.

For the second consecutive year, the United States Coast Guard has bestowed the prestigious Quality flag and QUALSHIP21 certification upon the Maltese flag. This recognition not only reaffirms Malta’s

commitment to excellence but also translates to fewer inspections for vessels when entering American ports.

Positive results in the Tokyo MOU underscore Malta’s dedication to growth and maintaining top-notch standards. The government’s strategic pursuit of becoming a Quality Registry yields fruitful outcomes, solidifying Malta’s position on the international maritime stage.

As of September, over 9,500 vessels, including yachts and fishing vessels, were registered under the Merchant Shipping Act, amassing an impressive total of over 81 million gross tons. This robust activity generated more than €24 million in revenue for Transport Malta in the past year, with over 6% of the world’s merchant fleet proudly flying the Maltese flag.

The maritime industry’s contribution exceeding 14% to Malta’s GDP emphasizes its central role in the country’s economic development. Beyond economic figures, the sector provides a substantial number of jobs, catering to skilled individuals and bolstering the nation’s workforce.

In the realm of luxury yacht registrations surpassing 24 metres, Malta celebrates a notable success story. With over 1,108 luxury yachts registered under the Maltese flag by the end of September, reflecting a 5% increase from December 2022, Malta cements its

status as a preferred destination for high-end maritime ventures.

Anticipating the future, Malta is actively spearheading digitalization initiatives in its maritime services, with strong support from the European Union. A pioneering project aims to position Malta as the first maritime jurisdiction to fully implement digitalisation, revolutionising the operations of the Maritime Administration and setting the standard for the rest of Europe.

The Maltese Government has allocated €7 million from European funds to drive the digitalisation project, highlighting its commitment to modernizing the entire maritime administration operation.

Over the past decade, the Maltese Registry has witnessed exceptional growth, nearly doubling its registered tonnage. From just over 42 million registered gross tons in 2012 to nearly 81 million tons by September this year, Malta’s reputation as a quality and trustworthy registry echoes international efforts to elevate standards for maritime safety and environmental protection.

Transport Malta’s regulation of maritime courses, developed in collaboration with industry experts, ensures a well-prepared workforce for luxury yacht operations. This commitment to educational excellence underscores Malta’s dedication to fostering a skilled and capable maritime workforce. ■



2024: EMPOWERING OUR NATION'S CREATIVE ECOSYSTEM

Our culture is of profound significance for our country, as it is the very soul of our identity, heritage, and the values we hold dear. It incorporates the arts, traditions, language, and unique talents that set us apart.

In 2024, we will further strengthen our nation's creative ecosystem.

Culture not only pays homage to a nation's past but also shapes its present and future. It fosters a sense of belonging and unity among our people and stands as a source of national pride. Furthermore, culture plays a pivotal role in driving tourism, commerce, and international relationships. It is a source of creativity and knowledge, contributing to our nation's rich intellectual and artistic heritage.

Even more crucially, a vibrant culture enhances the lives of our citizens and, by shedding light on our past, guides us toward the pursuit of new prosperity.

Enhancing Cultural Infrastructure



- We will continue to safeguard more band clubs at risk of losing their property.
- We will offer additional incentives to support private organizations working with the cultural sector.
- As we approach the final stages of the President's Palace restoration project, we will continue renovating Villa Guardamangia.
- We will commence the next phase of restoration work on the Manoel Theatre, extending from Triq it-Teatru l-Antik to Triq Żekka. This effort will involve improving dressing rooms, stage equipment, lighting, and overall theatrical and artistic facilities.



Investing in People



- We will inaugurate the galleries within the MICAS space, totalling 4,000 square meters spread across four levels, with co-financing from European funds. In doing so, we aim to bridge the gap between our rich historical heritage and the innovation of international installations.
- We will introduce new programs for apprenticeships and increased regional cultural collaboration.
- We will continue our commitment to invest in high-quality events and festivals in various locations throughout our country, including Valletta.
- We will persist in enhancing and restoring artifacts and sites situated in the heart of our communities, such as the fortifications of the Cottonera Lines and Santa Margherita, the Vendome Battery in Marsaxlokk, the Jesuit Church in Valletta, the main facade of the Marsa Trinity Parish Church, and the restoration of the rear part of the Parish Church of Żejtun.
- We have completed 30 community-based restoration projects this year, and we will carry out an additional 35 projects.
- We will foster increased collaboration with educational institutions to further professionalize the sector, with a particular focus on the performing arts.

Promoting Our Country's Identity

- We will proceed with preparations for Maltabiennale.art, scheduled to be held between March and May under the auspices of UNESCO.
- We will strive for the adoption and execution of the Management Plan for Valletta as a site of significant global importance recognized by UNESCO.
- We will ensure the continued growth and excellence of the Malta Philharmonic Orchestra in its performances, including those delivered in international venues.
- We are resolute in strengthening the Maltese language, with the organisation of the National Maltese Language Forum.



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The Malta Chamber and ARC sign MOU to promote inclusivity and diversity at the workplace

The Malta Chamber of Commerce, Enterprise and Industry, and Allied Rainbow Communities (ARC) signed a Memorandum of Understanding (MOU) to work together to promote inclusivity while safeguarding the rights of the LGBTIQ+ community within the business environment. The MOU represents the commitment of both parties to create a more inclusive and accepting business environment.

Ahead of the signing, Chris Vassallo Cesareo, The Malta Chamber President, said that The Malta Chamber is honoured to form part of this important celebration.

“Being out at work is not merely advantageous for the LGBTIQ+ community, but it is also beneficial for organisations and the society as a whole. Let us work diligently to create workplaces in which every individual feels secure and empowered to be their authentic selves,” he noted.

CEO Dr Marthese Portelli emphasised that The Malta Chamber will continue to raise awareness on any form of discrimination at the workplace, including sexual orientation and gender identity.

“To this end, ARC will be participant in The Malta Chamber’s Human Resources Thematic Committee to share their expertise in related matters,” she said.

Maria Azzopardi, ARC President, highlighted that in today’s ever-evolving world, the workplace is not just a location where we earn our livelihood, it is a vital part of our lives in which we seek validation, respect and the freedom to be who we are.

“Hence, this signing is not merely a symbolic gesture. It signifies a profound commitment to creating workplaces where everyone can be their authentic selves,” she explained.

The MOU was signed by Chris Vassallo Cesareo and Dr Marthese Portelli, President and CEO of The Malta Chamber respectively, and Maria Azzopardi, President of ARC.



The MOU was signed during OUT@WORK, an official EuroPride Valletta 2023 event which aimed at engaging experts and the LGBTIQ+ community to foster inclusivity and celebrate diversity within the professional realm. The event was also addressed by Hon. Rebecca Buttigieg, Parliamentary Secretary for Reforms and Equality.

“Inclusive Human Rights policies should give peace of mind to all employees, who know that they can enjoy the same benefits as their colleagues. Gender diversity with opportunity for equal representation is crucial in workplaces as it brings in various viewpoints. Consequently, the benefits of inclusivity will be felt not only by employees but also by their employers,” she said. ■

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Unpacking the gaps in the 2024 Budget

a Consumer and Government lands perspective

ING. REBEKAH BORG, SHADOW MINISTER FOR LANDS AND CONSUMER RIGHTS, PN

As the financial strain of the rising cost of living continues to weigh heavily on individuals, the 2024 Budget missed a crucial opportunity to address these pressing concerns comprehensively.

From adjustments to the Cost of Living Allowance (COLA) to the taxation of this essential allowance, the budget fails to provide a consumer-centric strategy.

Additionally, the minimal attention given to the management of government-owned land further underscores the government's oversight in tackling critical issues affecting the Maltese and Gozitan people.

Cost of living

While the situation outside our local boundaries has not helped in the ever-increasing prices, in the large part, the situation is the result of policy decisions made by our government.

Inflation, taxation, and especially economic policies directly impact the price of goods, and while short-term aid and gains are positive, a long-term economic plan which is not based on cheap labour, is necessary. We need a country that goes beyond mediocrity, where quality prevails over quantity.

The 2024 Budget saw the COLA adjusted - a rise for the second consecutive year - and while it is crucial for the government to intervene in order to prevent a worsening inflationary impact, businesses would bear a major part of this financial burden.

Furthermore, the COLA adjustment would be contributing approximately €35 million to the state's funds. The government's ability to absorb a portion of the COLA, therefore, can play a vital role in alleviating inflationary pressures.

Given the ongoing high inflation, it is essential to explore ways to enhance the purchasing power of lower-income groups while mitigating rises in labor costs to decelerate the wage-inflation cycle. Such a proposal could prevent prolonged negative effects on the economy and safeguard competitiveness.

The government's decision to tax COLA, despite opposition from unions and business chambers, is also troubling for consumers.

Price hikes

While Labour MEP Alex Agius Saliba's call for a European Commission investigation into local

businesses should be considered as an attack on the same businesses, any price abuse should not be ignored. This budget has ignored this issue, with the government seeming to have lost hope in tackling it.

The local Authority for Competition and Consumer Affairs (MCCAA) should handle price abuses by insisting on a system of mandatory price transparency.

Establishments selling essential goods should be obliged to display both the old and adjusted prices for a specific period following any increase. This transparency empowers consumers to make informed choices, ensuring their right to access essential products at fair prices.

The Nationalist Party has also proposed an economic plan involving a national fund to support businesses and alleviate expenses tied to merchandise in combating the high cost of living.

Sustainability

Recognising the pivotal role consumers play in shaping resource consumption patterns, it becomes essential to incentivise sustainable behaviour. Through incentives, consumers possess the power to drive change by choosing environmentally friendly products and compelling industries to adapt.

This approach was nowhere to be seen in this year's budget, despite the extensive reference to climate change in the Prime Minister's speech.

I am confident that the majority of consumers are willing to alter their product choices, but they need policy support. Implementing systemic changes ensures that sustainable options are both affordable and appealing, without the burden of increased taxes.

From an energy perspective, although the Government has shielded businesses and consumers from the impact of rising energy costs by offering substantial subsidies on electricity tariffs and water rates, this approach may encourage inefficient energy consumption because of artificially low prices.



"We need a country that goes beyond mediocrity, where quality prevails over quantity."

There is a lack of awareness about the true cost of the energy crisis and climate change, which is impacting consumer behaviour. Real-time data on consumption patterns, tariff bands, and real-time cost, supplemented by an artificial intelligence system, can help service users control their energy use and reduce consumption.

Energy subsidies without mitigation measures are perverse as they stimulate excess consumption.

Public procurement

The Government's role as the largest consumer necessitates enhanced transparency in public procurement. Transparency in funding allocation for large-scale bids is crucial to support local talent, ensure a level playing field, and elevate competencies to meet international standards.

Government land

Government-owned land plays a pivotal role in urban planning and development, serving as a valuable resource for public infrastructure, green spaces, and community facilities. But despite the importance of public land, the 2024 Budget only dedicated two lines to this important resource.

While the new Legal Notice mentioned in the Budget seems positive there is so much more that can be done.

There was no mention of how the Lands Authority intends to resolve the enormous issue of application delays, some stemming from several years back. There was no mention of how the Authority can become more transparent both in terms of how individual applications are processed and how public land is given away for private interests.

In light of the 2024 Budget's shortcomings, the government missed crucial opportunities to address key issues affecting consumers.

Moving forward, a more conscientious approach is imperative, one that prioritises the needs of consumers, fosters transparency, and embraces sustainability. ■

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The MBR's leap forward into digitalisation

The Malta Business Registry's responsibilities cover the registration of commercial partnerships, legal entities, foundations and associations, from their inception onwards, starting from the early stages of incorporation and continuing with the registration of documents, the issuance of certified documentation, the reservation of company names, the collection of fees, the publication of notices and the imposition and collection of penalties.

Moreover, it also conducts investigations of companies and the keeping of the company and partnership register whilst ensuring an up-to-date BO register information.

Responsibilities such as these pose the duty to provide seamless services to clients and the business community. Given the new obligations in place, from due diligence procedures to meeting administrative compliance requirements, it is imperative for the MBR to have an open mindset to adapt and adopt to digital advancement that better its existent operations.

As the leading entity in the sector, in July the MBR launched a preliminary market consultation for the development of a Central Data Repository Solution.

Interested parties were invited to participate and to come forward with proposals to enable the MBR to explore available technological solutions in the market, with the primary objective being the streamlining of the process of identifying applicants engaged in business activities

in Malta in line with the government's work programme to facilitate business procedures and to lessen bureaucratic processes, facilitating data integration and promoting collaboration across different departments and systems.

By promoting the once-only principle, standardisation, risk mitigation, and compliance, the Central Data Repository will eliminate duplicative efforts, leading to significant time and cost efficiency for both businesses and government agencies, and consolidating scattered data sources into one single and secure source, thus paving the way for enhanced services to benefit both the business community and clients.

An impressive total of 18 insightful development proposals were received after a rigorous three-week consultation exercise hosted on the government's Electronic Tendering portal, followed by the presentation of all solutions to a steering committee appointed by the Ministry for the Economy, European Funds, and Lands, involving key government

stakeholders and spearheaded by the MBR.

This provided valuable input will guide the MBR towards even more effective and user-friendly practices in the future.

Concurrent with the preliminary market consultation for the development of the Central Data Repository Solution and in its ongoing endeavour to continue offering quality services to the corporate and business sectors both locally and internationally, the MBR again marked 2023 by embracing further digitalisation in its operations to further enhance its existent services and to better serve its clients through a better and seamless online experience.

In this regard the MBR's online platform went live providing various new features, including the introduction of the Qualified Electronic Signature (QES), all aimed at easing statutory processes for companies and corporate service providers.

This while maintaining its operations, ensuring a smooth transition, and to provide ample time to the business community to adapt



to the MBR's new digital scenario.

Included as other salient features of the new MBR platform, one must mention the ability to file documentation electronically when upgraded to an authorised user status, the creation of a Corporate Group Account which allows companies and corporate service providers to invite members to the group and share payment accounts, as well as having reserved names shared between the same group when incorporating companies, the introduction of a Top-Up Payment Account through the use of a digital wallet and the linking to companies to be authorised to settle penalties and file statutory forms on behalf of the company.

An important milestone in the MBR's calendar during this year was the hosting of CRF Malta 2023, namely the 20th Annual Conference of the Corporate Registries Forum.

Being the association of international corporate registries, the Corporate Registries Forum aims to provide members with the opportunity to keep abreast with the latest developments in corporate business registers

"With Malta under the spotlight, this international event was a veritable success, attracting the participation of 50 international registers from around the globe and over 200 delegates in four days of discussions, networking and the sharing of experiences and expertise."

internationally as well as serving as a platform to exchange experiences and information on the present and future operation of corporate business registration systems.

With Malta under the spotlight, this international event was a veritable success, attracting the participation of 50 international registers from around the globe and over 200 delegates in four days of discussions, networking and the sharing of experiences and expertise.

The itemised agenda dealt with Anti Money Laundering & Registries Transparency including the Register of Beneficial Owners, transparency vs privacy and international monitoring bodies, digitalisation, EU initiatives including sustainability, the single access point, the Green economy, the Mobility Directive, the

Insolvency Directive, the Business Registers Interconnection System (BRIS) and the Business Owners Register Interconnection System (BORIS) and Sector-Specific Companies and Registries including financial services licenced companies and corporate service providers.

Having the mission to provide the best possible service and adequate, accurate and easily accessible data to stakeholders, ensuring effective enforcement to maintain Malta's global reputation as a jurisdiction of choice through the applicable legislative frameworks and tools for combating crime, money laundering and financing of terrorism, the MBR's ultimate goal is an efficient operational model embracing digitalisation as a long-term investment with the aim to reduce unnecessary burden and to strengthen its commitment to bolster digital services at the heart of its day to day operations.

While the enhancement and upgrading of current systems and the introduction of new ones is an ongoing process within an everchanging and dynamic scenario towards a more sustainable and paperless future, the MBR looks eagerly towards 2024 as the year promising the fulfilment of all these initiatives.

It is this promise that strengthens the MBR's persistence and resolution to retain its rightful place in the top tier as the reputable jurisdiction of quality. ■



BUDGET 2024

Measures by Government & proposed by The Malta Chamber



HEALTHCARE

- The Government's Formulary will continue to expand to include medicines that will be provided free of charge to IVF patients, those suffering from asthma, pulmonary fibrosis, and those facing mental health challenges.

YACHTING

- Changes to the Merchant Shipping Act and implementation of a new policy for superyachts which will shape Malta's vision for the maritime industry for the next 20 years.

AVIATION

- Implementation of Aviation Policy with the involvement of the industry.
- Implementation of Malta International Airport masterplan costing 200 million over 5 years.
- The Government is investing in financial infrastructure for aircraft leasing, working on legal amendments and creating a specialized depreciation framework while attracting banks for support.
- Investment in parking that will facilitate maintenance and repair for aircrafts.

DIGITALISATION

- Consultations with banks to improve access to finance for the business community.
- A Central Document Repository System will be created to avoid submission of business-related documentation multiple times to different regulatory entities.
- A new portal by the Malta Business Registry that will facilitate the process for commercial transactions. Companies and their representatives can register and submit documents online using qualified electronic signatures and certificates.

ESG

- ESG Workshops to be organised in collaboration with The Malta Chamber during 2024 on green transition providing information industry schemes.

CONNECTIVITY

- €215 million in the new national airline, it is set to commence operations on March 31st.

BUILT ENVIRONMENT

- The Government will be commissioning a socio-economic study to identify areas and zones with specific regeneration needs. Priority will be given to these areas for infrastructural investment, community projects, and urban greening initiatives. Additionally, agencies and businesses in these zones will receive more generous incentives, especially for renovating buildings and creating quality jobs.
- Restoration of facades and also properties of certain value.
- A review of aesthetic policies with the aim to promote good practices, protect streetscapes, and integrate such considerations into the planning process.
- Strategic Plan for the Environment and Development (SPED) is expected to be finalized next year.
- Schemes for the installation of solar panels, batteries for renewable energy storage, installations of heat pump water heaters and solar water systems, as well as incentives to restore wells of old buildings.

COLA AND TAX

- Postponement of implementation of Corporate Tax Pillar 2 (15%) to track global developments and respond accordingly.

MOBILITY

- The schemes and loans for purchasing new EVs will be extended.
- The schemes for purchasing new cars, including loans, that run on electricity will be extended
- Development of a traffic management plan which will alleviate morning traffic congestion.

ENERGY

- There will be a call for private investments in the development of renewable energy systems larger than 1MWp.
- Enemalta will increase generation capacity with an emphasis on the diversification of renewable energy sources as well as doubling its distribution network investment.

LABOUR MARKET

- Regularisation of temping agencies. Unlicensed operators will be forbidden from bringing over TCN workers.
- Every worker will have the opportunity to invest into a private pensionable scheme to supplement his/her state pension, with fiscal incentives for employers and employees, which is non-taxable. Talks are ongoing by The Malta Chamber, GWU and Government how to implement this.
- Renewal of single work permits and new permit will differ in cost.
- All those entitled for retirement pension who choose to continue working, will be entitled for a 6.5% increment from a previous 5%, year on year over 4 years, up to 29%.
- Continuation of revision and harmonisation of Wage Regulation Orders.
- Fiscal incentives for foreign nationals to work in Malta, in certain specialised sectors, will be reviewed and consolidated in a uniform scheme.



PORTS

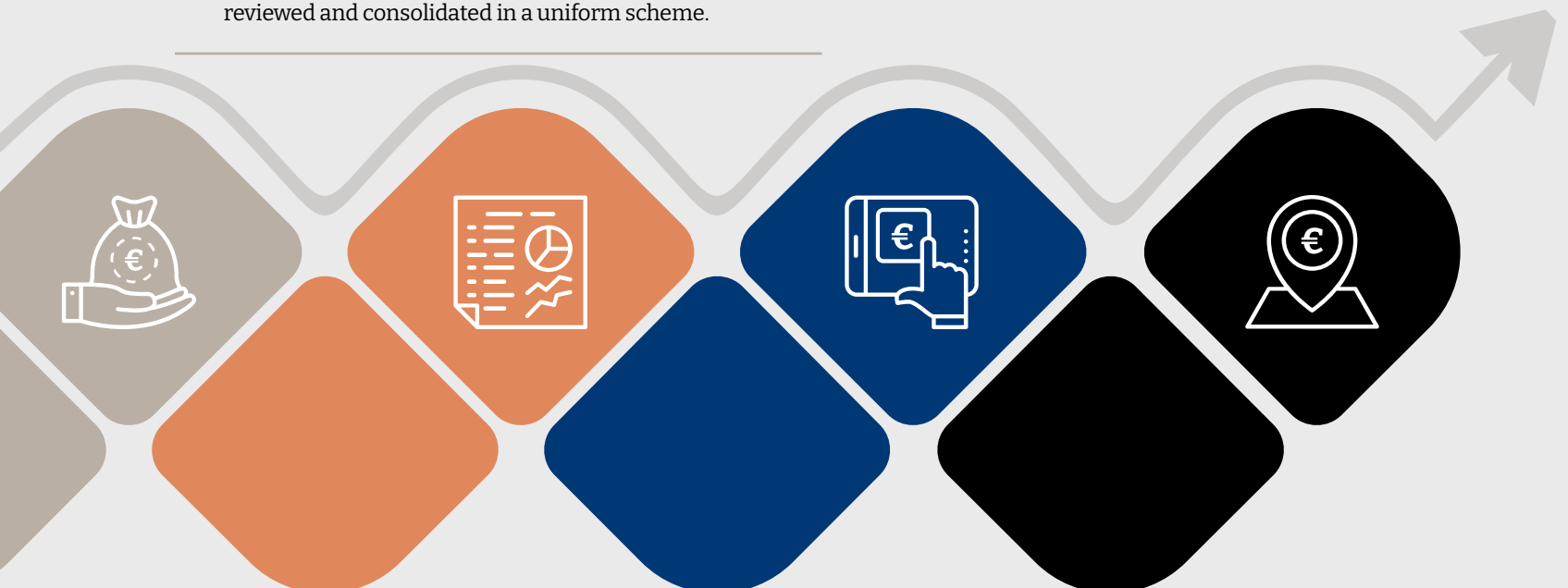
- More investment in projects around the Grand Harbour area. Regeneration of Marsa. Accessibility improvement in Isla and Kalkara.

JUSTICE

- A Public consultation reforming the Justice System will be launched.
- Creation of a specialised Commercial Court which is well equipped to catering for business needs.

EDUCATION

- Tax credits for students pursuing Masters or PHD under Get Qualified and Higher Education Qualifications schemes.



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CHALLENGES AND STRATEGIES

The Malta Chamber at the EY Conference Future Realised

President of The Malta Chamber Chris Vassallo Cesareo addressed the complexities of inflation, geopolitical tensions, and climate change during the EY Malta Future Realised Conference 2023, offering a roadmap for businesses in uncertain times.



In an era marked by persistent inflation, The Malta Chamber President, Chris Vassallo Cesareo delivered a thought-provoking speech during the EY Malta Future Realised Conference 2023.

The Malta Chamber President outlined the unique challenges that businesses and policymakers are currently grappling with, emphasising the need for strategic responses in an increasingly volatile global landscape.

Mr Vassallo Cesareo began by acknowledging the unfamiliar territory of persistent inflation, which has disrupted the status quo of price stability enjoyed for many years. Inflation's impact on supply chains, irrespective of industry or geography, is a major cause for concern.

"Price volatility is impacting supply chains in all sectors and in all geographic locations. It is a major concern for businesses everywhere, not least here in Malta where our policy response to inflation has focused on maintaining energy price stability while labour costs have run out of hand," he said.

The long-term consequences of these cost disparities without a corresponding boost in productivity could have a significant impact on the country's export competitiveness, a topic likely to dominate future attractiveness conferences.

Mr Vassallo Cesareo painted a picture of the post-Covid world, characterised by sluggish market adjustments and unpredictable consumer behavior in response to interest rate hikes.



“Critical for our future is the empowerment of young people through better preparation for more productivity and inspiring life. This is achieved by providing quality hands-on education that is really for the future, that enables our young people to be life-long learners and enterprising at whatever they do.”

This phenomenon stems from the far-reaching effects of the pandemic, which have permanently altered consumer attitudes and work patterns.

“The prospect that markets will eventually react suddenly to an accumulation of factors and come tumbling down lurking in the background. The same dilemmas are faced by businesses every day. There is greater global uncertainty about everything from pricing, to recruitment, to consumer behaviour, to taxation,” he stated.

Adding to the complexity of the global landscape is the evolution of globalisation, bringing forth more uncertainty, reduced confidence, and heightened investments in defense and security rather than productive capabilities.

“Geopolitical tensions are providing an increasingly more complex landscape. We are seeing the end of globalisation as we knew it. This brings with it more uncertainty, less confidence, and more spending on defence and security instead of investment in upgrading productive capabilities in countries that have a major impact on global trade,” he stressed.



Simultaneously, the looming threat of climate change, marked by extreme weather events, presents significant risks to unprepared regions.

These events have a direct impact on supply chains, making derisking a critical concern for many businesses. Balancing long-term decarbonisation targets with immediate supply chain risks calls for a more prudent approach to sourcing cleaner materials.

Businesses, eager to capitalise on new technologies and expand into new markets, face a key limitation – the availability of skilled human resources. This limitation underscores the importance of empowering people.

“Critical for our future is the empowerment of young people through better preparation for more productivity and inspiring life. This is achieved by providing quality hands-on education that is really for the future, that enables our young people to be life-long learners and enterprising at whatever they do,” he said.

Empowering the existing workforce is equally pressing. Achieving this involves promoting lifelong learning and improving the quality of life, with a focus on the environment, healthcare, and a brighter future for their children.

Furthermore, The Malta Chamber President highlighted the importance of empowering foreign workers in Malta. Ensuring that their capabilities align with local requirements, their expectations match employment policies, and they are treated fairly is imperative for a harmonious and productive workforce.

Ultimately, Mr Vassallo Cesareo stressed that the empowerment of businesses is the linchpin for navigating these turbulent times. He urged the implementation and continuous upgrading of key enablers to meet rising standards.

The Malta Chamber’s 250 recommendations for Government’s Budget 2024 presentation offer a comprehensive blueprint for empowering businesses, the economy, and society. These recommendations align with concerns voiced in this year’s attractiveness survey.

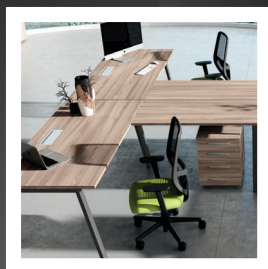
During a panel discussion during the conference, The Malta Chamber Deputy President Nick Xuereb, and CEO Dr. Marthese Portelli recognised the resilience of the local manufacturing industry in the face of numerous challenges, advocating for a focus on increasing value-added by integrating the manufacturing industry with emerging economic niches, particularly those related to AI and sustainable construction.

The Deputy President and CEO pinpointed several key challenges and strategies to mitigate them:

- ➔ **Tax Reform:** Identifying areas for specialisation to enhance Malta’s competitiveness.
- ➔ **Skills shortage:** Emphasising digitalisation to harness automation, machine learning, and AI for optimised production.
- ➔ **Energy prices:** Gradually reducing energy subsidies while investing in the distribution network and energy resilience. Shifting focus to education, energy efficiency, and sufficiency.

In a world marked by complexity, The Malta’s Chamber recognises the need for adaptation and strategic thinking to ensure a prosperous future for the island nation.

The path forward may be challenging, but with effective strategies and a commitment to empowerment, Malta can navigate these uncertain waters and emerge stronger on the other side. ■



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ANALYSING Malta Budget 2024

Evaluating priorities and challenges ahead

The Malta Chamber of Commerce, Enterprise and Industry has examined the Malta Budget 2024 with a discerning eye, recognising the commendable social objectives it prioritises. However, concerns arise about the absence of concrete measures to boost wealth creation and the heavy reliance on subsidies.

The recently unveiled Malta Budget 2024 reflects a government strategy that places significant emphasis on social objectives, particularly through recurrent expenditure.

The allocation of funds towards energy subsidies and social assistance for pensioners, vulnerable individuals, and low-income households underscores the government's commitment to supporting the most vulnerable segments of society amidst the challenges posed by inflation.

However, while the focus on social expenditure is commendable, it raises concerns about the allocation of resources for critical infrastructure development.

The population has seen substantial growth in recent years, exerting pressure on essential aspects like energy distribution, waste management, and the traffic-congested road network.

Regrettably, The Malta Chamber says, the budget appears to miss a golden opportunity to introduce concrete measures to reduce private car usage during peak hours in congested areas.

Another noteworthy observation is the budget's lack of clarity regarding the government's strategies to enhance the country's productive capacity.

While there are mentions of schemes to encourage businesses to make digital and sustainable investments, The Malta Chamber expresses concerns that, with subsidies now constituting a significant portion of the GDP, economic growth relies heavily on these financial aids.

Furthermore, the budget assumes that increased tax revenue, primarily stemming from wage hikes due to the Cost of Living Adjustment (COLA), will compensate for the lack of revisions in lower income tax bands.

This oversight runs counter to the recommendations

made by The Malta Chamber and other social partners. A more balanced approach, they contend, is essential for long-term economic stability.

The context in which this budget is presented cannot be overlooked. Global events, such as the ongoing conflict in Ukraine and the potential repercussions of the Gaza war on international energy prices, have the potential to affect Malta's financial landscape.

The unresolved €100 million claim related to the failed hospitals' deal with Vitals Global Healthcare further adds to the uncertainty.

On a positive note, The Malta Chamber welcomes a number of budgetary proposals, such as Government's consideration of introducing automatic enrolment in private pensions and establishing a specialised commercial court align with suggestions put forth by the Chamber.

Additionally, the regulation of temping agencies, venture capital support for start-ups, incentives for family businesses, schemes focusing on Environmental, Social, and Governance (ESG) for Small and Medium Enterprises (SMEs), and technology integration in law enforcement are steps in the right direction.

The decision to withdraw incentives related to property purchases in Gozo, aiming to safeguard the island's greenbelts and boost incentives for urban property renovation, is also being viewed favourably.

Yet, the budget leaves many ideas in need of further exploration and development to materialise into tangible, impactful strategies.

While The Malta Chamber acknowledges the positive steps taken and proposals that align with their recommendations, it emphasises

the importance of addressing infrastructure needs and promoting wealth creation to ensure the nation's long-term economic health.

The Malta Chamber remains eager to see concrete proposals that will stimulate higher quality, improved productivity, sustainable growth, and enhanced competitiveness within Malta's economy.

As Malta faces geopolitical challenges and financial uncertainties, careful and thoughtful fiscal planning is essential to secure the country's economic future. ■

“Global events, such as the ongoing conflict in Ukraine and the potential repercussions of the Gaza war on international energy prices, have the potential to affect Malta’s financial landscape.”

Supporting Women in Business through the Academy for Women Entrepreneurs



During the launch of the Academy for Women Entrepreneurs (AWE) on October 12, U.S. Deputy Chief of Mission Ken Toko welcomed over 50 women, who applied for the U.S. Department of State's 2023 AWE program. Once again, in 2023 the U.S. Embassy partnered with The Malta Chamber of Commerce, Enterprise, and Industry to implement the third iteration in Malta of this global entrepreneurship program.

The AWE program provides women entrepreneurs around the world with the knowledge, networks, and access needed to start and scale successful businesses. Participants will have the opportunity to engage in a competition, pitching business plans they develop through the AWE program for seed funding to invest in their businesses.

In brief comments, Mr Toko said, "I am honored to join you all today to kick-off our third iteration of the Academy for Women Entrepreneurs in Malta. In Malta, we now

have approximately 65 alumnae, who have successfully graduated from the AWE program over these past two years, and we wish this year's cohort the same success."

Addressing the newest cohort of aspiring women entrepreneurs, Chris Vassallo Cesareo, President of The Malta Chamber of Commerce, Enterprise, and Industry, said, "You are here because you are ambitious, determined and want to continue climbing the career ladder. You represent the future of entrepreneurship in Malta, and we believe in your ability to make a meaningful impact on our business landscape."

AWE supports the U.S. government's National Strategy on Gender Equity and Equality aimed at advancing women's economic empowerment globally. Implemented in nearly 100 countries, AWE has supported more than 25,000 women entrepreneurs around the world to develop their entrepreneurial ideas and grow their businesses. ■



President's RECEPTION

30 November 2023 | 19:30
The Malta Chamber, Valletta



SCAN CODE TO REGISTER

Understanding the liability waiver in the Digital Services Act

Implications for businesses

The Digital Services Act (DSA)*, a landmark regulation of the European Union, is set to strengthen the digital landscape in Europe.



The DSA provides for a liability waiver for intermediary service providers, a concept that has its roots in the eCommerce Directive's Article 14, established in 2000.

This waiver stipulates that providers are not liable for information stored at a recipient's request, provided they swiftly act to remove or disable access to the information once they become aware of its illegal nature. The DSA evolves this principle, offering more detailed guidelines and widening the scope to encompass a broader range of digital services.

Providers of intermediary services, as defined by the DSA, include those offering 'mere conduit', 'caching', and 'hosting' services. This article focuses predominantly on 'hosting' providers that store user-generated content. This category encompasses a wide variety of services, including website hosting services, online marketplaces, booking platforms, search engines, and social media platforms.

These providers face more comprehensive obligations.

The liability waiver under the DSA presents a protective layer for businesses. This means that if your business hosts user-generated content, you are not automatically responsible for illegal content posted by users, on condition that it is removed swiftly upon notification or discovery.

This protection is critical for providers as it enables user interaction, such as reviews, comments and marketplaces, safeguarding businesses from legal actions that could result in severe fines or civil liabilities.

Moreover, the waiver impacts innovation and competition positively. By reducing the legal risks associated with hosting user-generated content, the DSA incentivises providers, particularly start-ups and small enterprises, to innovate without the overshadowing threat of litigation.

This encourages a competitive environment where the focus is on service enhancement.

However, the liability waiver is not an all-encompassing shield. It mandates businesses to establish accessible and straightforward mechanisms for reporting illegal content or behaviours and to provide detailed explanations, referred to as statement of reasons, when deciding to remove or disable content.

These stipulations aim to ensure that while providers are shielded from liability, they also uphold a level of responsibility.

Furthermore, the DSA introduces measures for dispute resolution, fostering a fairer and more transparent process. If users dispute the removal of content, they can avail of the provider's internal complaint-handling system. Should this not resolve the issue, further legal redress is available.

This multi-tiered approach is designed to ensure accountability while preventing unjust penalisation without due process.

With the DSA set to be fully enforced in Malta on 17th February 2024, the Malta Communications Authority is set to be appointed as the Maltese Digital Services Coordinator (DSC).

Before this date, businesses are encouraged to review their practices to ensure compliance with the DSA.

It is advisable to audit existing content moderation procedures, update reporting mechanisms, and review the processes for responding to notifications of illegal content. Preparing ahead will help ensure a smooth transition to the new regulatory environment.

Businesses seeking further information are encouraged to reach out to the Malta Communications Authority via email at info@mca.org.mt.



MALTA COMMUNICATIONS AUTHORITY

**Regulation (EU) 2022/2065 of the European Parliament and of the Council of 19 October 2022 on a Single Market for Digital Services and amending Directive 2000/31/EC.*

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An aerial photograph of a coastal city, likely Valletta, Malta, at dusk. The city is built on a rocky peninsula and is illuminated by warm lights. A network of yellow lines and nodes is overlaid on the image, representing a telecommunications network. The sky is a deep blue with some clouds, and the water in the foreground is dark blue.

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