



PARTIT NAZZJONALISTA

Let's All Succeed, **Together**

**Partit Nazzjonalista's
Pre Budget Document 2017**

The Process



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- Analysis of the international and local economy: GDP, Income and Employment, Inflation and International Trade
- Analysis of key economic sectors: Tourism, Manufacturing, Financial Services, Construction and Property, Maritime and Logistics, Retail, Energy.
- Analysis of public finances: Recurrent Expenditure, Capital Expenditure, Recurrent Revenue, Deficit Debt and Debt Servicing.
- Five Packages of proposals

The Main Challenges



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- Malta is failing to create new economic/business sectors.
- Malta's tax regime is under threat from international efforts to harmonise tax regimes. This makes for uncertainty especially but not limitedly, for the financial services sector.
- The reputational risk has grown under Labour as a result of poor governance and Malta's good repute as a trusted jurisdiction has taken a knock.



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The Main Challenges

- Public expenditure, particularly recurrent expenditure, increased at a fast rate over the past three years as government abandoned fiscal prudence and threw away the principles of good governance. The increase in recurrent expenditure contributed to a **€1 billion increase** in government's consolidated debt over the past three years and raises questions of government's ability to reach fiscal targets especially if the economy stops growing at current rates.
- Malta's **pension and healthcare systems are inadequate** and together with other factors, including inflation, is contributing to accelerating poverty and increasing disparity between the have's and the have not's in our society.
- Malta's **manufacturing sector is losing competitiveness** with hardly any effort from government to help turn the situation around.

The Main Challenges



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- The **new power station** may become an anchor that **inhibits economic growth** if it reduces the country's ability to source energy at the cheapest prices available on the market.
- Although the situation has improved over the past years, Malta still has one of the **lowest labour force participation rates** in Europe.
- Malta's **education system is failing in certain aspects**, as evidenced by the high rate of early school leavers, relatively high illiteracy, low rate of students following tertiary studies and skills mismatch between persons leaving the education system and labour market needs.
- Malta's **built and natural environment** is being **degraded** as decisions continue to be taken on a case-by-case basis without it seems a clear overall planning policy and direction.

The Main Challenges



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- Our country's infrastructure, particularly our **road and public transport infrastructure are inadequate** and are impacting on the quality of life of residents and the level of competitiveness of our businesses.
- **SME's are facing increasingly tougher environment** as global competition, lack of access to finance and red-tape eat into their profits.
- **Brexit** may impact negatively on Malta's tourism and financial services' sectors.
- **Air Malta's take-over** may result in a significant loss of seat capacity servicing Malta and therefore impact negatively on the country's tourism performance.

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- Five Packages:
 - Economic Development
 - Public Spending
 - Social Justice Package
 - Infrastructure and Environment
 - Health and Education

These proposals compliment the proposals contained in the policy documents issued by the Nationalist Party over the past three years namely: “Sustainable Growth and Dignity for All”, “An Economy for the People”, “Restoring Trust in Politics” and, “Reducing Traffic Congestion – Short-term measures”.

Economic Development Package



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- Energy tariffs
- Fuel prices
- More jobs and increased business in Gozo
- Blue, green and creative economies
- Urban regeneration programmes
- Incentive packages for SME's, young entrepreneurs and retail sector
- Proposals to strengthen tourism sector with particular focus on AirMalta

Public Spending Package



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- Address **excess public sector** staffing
- Review public sector **recruitment procedures** to ensure that all recruitment and promotions are based on real national needs and on the principle of meritocracy.
- **Roll-out non-core services** to private sector
- **Leaner** government by reducing number of ministries, authorities and surplus bureaucracy
- Increased **accountability**

Social Justice Package



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- Address the added burden of rental cost on low-income families without distorting the market.
- Help the pensioners to continue to live decently in their communities.
- Ensure that all children receive a healthy diet.
- Address the inadequacy of our pension system
- Ease the tax burden for pensioners
- Provide financial assistance to those who care for disabled relatives
- Measure to combat precarious work in both the public and private sector

Infrastructure and the Environment Package

- EU and Local funds to improve the country's infrastructure
- Seek consensus on major projects.
- Identify new solutions to address traffic congestion and improve public transport
- Long-term infrastructural planning
- Address Gozo's insularity and invest in Gozo's infrastructure

Health and Education Package



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- Transparent dealings with private health sector operators
- Investment in HR in the health sector
- Investment in primary and community health care
- Investment in sports facilities
- Increased investment in cancer medication
- Improving child care services
- Multidisciplinary approach to combating poverty cycles
- Increased safety in schools
- Measures to combat illiteracy and early school leaving



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