

**ADDRESS BY HIS EXCELLENCY DOCTOR EDWARD FENECH ADAMI, PRESIDENT OF
MALTA ON THE OCCASION OF THE OPENING OF THE ELEVENTH PARLIAMENT –
VALLETTA, 10th MAY 2008**

Mr Speaker

Honourable Members of the House of Representatives

It is my constitutional duty, as President of this country, to present at the state opening of Parliament the government's plan for the five years ahead. Based on proposals presented to the electorate, this programme is planned so that our country can seize all opportunities and succeed in the challenges being faced.

For the first time, this ceremony is taking place with Malta as a member state of the European Union. Our country is now well integrated into the Union; we are in the Schengen area and the Eurozone.

Now the government's declared intent is to **work together** with civil society towards the betterment of the common good, a process which cannot but be based on cooperation and mutual respect.

Numerous challenges lie ahead, the most immediate of them provoked by the current international crisis caused by inflationary pressures on the price of oil and of cereals. In these last few weeks, the crisis has deepened, and the indications are that matters will take a further turn for the worse. Yet the battle must go on, in the face of intense competition in manufacturing and services, and in the generation of investment.

The government has made clear its faith in the ability of this country to withstand and even to overcome the difficulties that lie ahead, just as Malta did at other points in its history when the threats were greater still.

We know that certain industrial operations are concerned about their imminent prospects in the face of the global crisis. The government firmly believes that the solution lies in an ever greater commitment to high productivity, greater creativity in adding value, and an ability to predict and anticipate the demands of the market. We cannot take anything for granted.

Sustainable development: a main goal

The government's plans and actions are to be underpinned by the notion of **sustainable development** of the economy, of society and of the environment. When making decisions today, serious consideration will be given to the generations of tomorrow.

Sustainable development has three main dimensions - **economic**, **social** and **environmental**. Our challenge is to ensure continuous economic development, promoted by education, social development, with particular attention to environmental protection. When we evaluate our activities in view of these three inter-related dimensions, we would be placing every person at the heart of the Government's actions.

Land use remains a key issue, but so are our airspace and our territorial waters, and Malta must maximise the use of its ports, harbours and coastal zone.

The use of land owned or held by the state will be planned according to the principles of sustainable development. In a separate exercise, the rent laws are to be revised to encourage the efficient use of existing buildings. The new legislation will seek to reconcile the twin aims of protecting current tenants and of ensuring that landlords receive what is their due.

The government has committed itself to increasing the rate of home ownership, and will improve

and adapt existing schemes while introducing new ones, to make it possible for more people to buy their own home.

The title of tenant-farmers to state-owned land will be strengthened, which will give them the basis they require for investment. Fishing and animal husbandry are small in terms of their financial contribution to the country, but significant in other ways. They play an important part in Malta's livelihood and will be nurtured through further support and investment made possible in part by European Union funds.

Economic Development

The government's **economic plans** are designed to provoke greater economic activity, by incentivising work and stimulating demand. The aim is to shift the current **deficit into surplus** by 2010 – an ambitious aim in the light of the international economic situation, but one that the government firmly believes can be realised. Public expenditure will continue to be restricted without compromising social services, healthcare and education. Public information campaigns will endeavour to make the true cost and value of these services known to all, the truth being that there is no such thing as a free service, that everything comes at a cost, and what is free is actually paid for through taxation. The government will intensify the fight against tax evasion and the abuse of social services.

Its **tax reforms** will include:

- a lowering of the income tax rate;
- incentives for women to return to work;
- the exemption of certain assets from exposure to inheritance tax;
- the abolition of departure tax, credit card levies and television licences;
- adjustments to the car registration tax system;
- tax exemptions for monies spent on residential or home care for the elderly and the disabled;
- exemption from income tax for the rent received in respect of rent-controlled properties.

The government is determined to create **more and better job opportunities** that can only be attained if we adapt to global competition while wholly exploit the opportunities available in the global market through our membership within the European Union. In the meantime we will continue to work towards the targets laid out in the Lisbon Agenda, primarily:

- higher productivity and greater competitiveness;
- improvement in the circumstances of business operators, particularly the self-employed and SME's, by cutting down on bureaucracy and related expenses, and improving the efficiency of the public sector;
- betterment of existing levels of education and training;
- production and provision of higher-value-added goods and services, leading to improved generation of work, more women in the workforce, and better pay, terms and conditions of employment;
- anticipation of market changes to ensure that Malta remains competitive;
- more competition and less bureaucratic red tape as the economy continues to open up.

Through the Employment and Training Corporation, and with the financial support of the European Social Fund, the government will invest in projects that help people to re-enter the job market or to retrain for new work in case of redundancy.

In the occupational health and safety areas, the government will intervene where bad practices are followed as well as strive to eliminate abusive work practices and employment contracts which seek to deny people their rights and deprive them of benefits at law.

Although **agriculture and fisheries** are a relatively small sector in our economy, the government believes that these are two important areas, not only for those involved but also for the whole country. They contribute to the political strategy the government is adopting towards sustainable development and in view of the international food crisis. In the meantime, the government will continue to invest in structures employed by farmers and fishermen even through European Union funds.

Investment in the **tourism** sector will be incentivised and encouraged. The government will work with the private sector to improve Malta's tourism product. It will endeavour to improve the country's air connections with as many destinations as possible, while ensuring that Air Malta is able to maintain its strategic role.

The government is convinced of the fact that it must not interfere in any economic activity that can be regulated effectively and efficiently by market forces. The government respects the role played by business, trade and industry associations. It sees its role as that of regulator and coordinator.

Social development

Without **social cohesion** and concern for the **common good**, there can be no economic growth or sustainable development. While remaining committed to the protection of the rights of each and every individual regardless of his or her situation in life, this government believes that the **family** has a crucial role to play, and that those who work to build families are owed a great debt by society as a whole. The health, safety and sound development of children, where possible in stable families with parents who are married and supportive of each other, remains of primary importance.

This does not mean that the government remains oblivious to the social realities of the present day, and that is why it is to propose legislation that will protect those who are in cohabiting relationships.

The government will continue to work with employers and the unions to build better circumstances for a proper **work and family balance**, so that the pressures on family life are, where possible, reduced. This involves a long-term commitment towards education, training and the betterment of work opportunities, which gives men and women more flexibility in working while raising a family.

Efforts at eradicating **social services** abuse will continue, but the government will also:

- continue to subsidise water and electricity for those households most in need;
- strengthen the regulatory set-up for competition and for the protection of the consumer; this will monitor the prices of essential commodities like basic foods and medicines;
- improve schemes that help the aged to carry on living in their own homes, while modernising state-owned residential homes for those who need more care;
- improve pensions;
- develop programmes for the employment of the disabled, so that they may participate actively in society;
- work harder to enforce the regulations on accessibility by the disabled to commercial and

public premises;

- ratify the United Nations Convention on the rights of the disabled;
- reform and update social support structures so that the good work they are doing may be even better.

The government will continue with its commitment to the problem of **illegal immigration**, using an approach that strikes a balance between compassion for those who deserve help and a hard line taken with those who have no right of refuge.

Health is a key element in human development. Mater Dei Hospital will continue to be the pivotal point of the **national health service**, which will carry on providing quality care at no charge. Meanwhile, the government will focus on public information campaigns to promote a healthy lifestyle, adhering to the adage that prevention is better, and certainly less expensive and emotionally problematic, than cure. Improved focus on primary care will help towards this end by identifying incipient health problems.

The concrete measures that this government will take include:

- linking health centres and the clinics of family doctors with Mater Dei Hospital;
- broadening the range and scope of the pharmacy-of-your-choice programme;
- improving the health screening programme for children;
- intensifying measures to prevent and control cancer;
- price controls on medicines;
- programmes that seek to attract more young people to careers as health care professionals;
- building a fully-equipped rehabilitation centre for those who are recovering from serious illness or injury;
- modernising Mount Carmel Hospital and developing programmes for the support of mental health patients in the community.

Equal access to **better education** will continue to drive government policy in this field, the aim being the fulfilment of individual potential, and the strengthening of people's critical faculties and their ability to assess and sift through information. Access to information technology and the internet will be widened at all state-run schools and colleges, in line with the government's e-Learning programme.

Education reforms will continue through all levels and with increased commitment to lifelong learning for adults. The steps to be taken include:

- a continuation of the college system;
- the setting up of more child care centres;
- the putting in place of systems that allow those with special needs to carry on training or studying after they have finished compulsory schooling;
- the lending of support to the parents of children with special needs who receive their education in private schools;
- the provision of an 'after school' programme of sports and creativity for children in state-run schools;
- continued commitment to the refurbishment and building programme for state-run schools;
- increased focus on the use of information technology in all areas of education;

- the improvement of the scholarship and stipends systems;
- the proposal of legislation that will allow the University of Malta to implement the necessary reforms;
- the development of a new campus for MCAST;
- a greater commitment to **sport** in the education system.

The government will maintain and increase its provisions for the development of the arts and for the safeguarding of our **cultural and historical heritage**. The plans include the maintenance and repair of bastions, the regeneration of Valletta, and the setting up of arts facilities.

Environmental development

Over the next five years, the government will focus on **environmental concerns and issues**, which have become matters of national importance. Working with civil society, it will endeavour to provoke the growth of a civic conscience that seeks to minimise environmental damage in all areas. A decision has been taken to allocate to environment projects a significant part of the funds that Malta will receive from the European Union. At least €300 million in EU funds and other public monies will be allocated to this purpose.

The Malta Environment and Planning Authority (MEPA) will be reformed with an eye to greater efficiency and transparency in its operations, and with commitment to ensuring that there is consistency in its decisions and enforcement.

There will be increased effort at the improvement of air and water quality, the cleanliness of our seas, waste management, and the protection of people from the hazards, pollution and nuisance of construction.

The government will incentivise the use of energy-efficient systems and appliances and those which use alternative sources of energy. It will also encourage and promote the collection and use of rainwater. It will lend its support to research projects which focus on ecological innovation, clean energy and reduced emissions, and which are particularly suitable for a small country like Malta.

The government will work towards a 20 per cent reduction in carbon dioxide emissions by 2020, and towards achieving the aim of having 10 per cent of the energy we use come from alternative sources.

A sewage treatment plant will be built in the south of Malta so that untreated sewage will no longer be funnelled into the sea.

Urban spaces will continue to be improved. There are plans for the management of sites that fall within the *Natura 2000* scheme. New areas will be given over to afforestation projects. The ability of people to enjoy the countryside unhindered will be safeguarded.

The road-building programme will continue. Public transport services will be strengthened. Traffic management schemes will be developed, including those for the control and reduction of air pollution. Steps will be taken to promote animal welfare.

Good Governance

It is a given that the principles of **good governance** must be adhered to in the running of this country. The people of Malta already enjoy high levels of respect for the law and for civil rights, and for the institutions that safeguard them.

This government will build on a reputation for clarity in procedures and for transparency in operations, and will carry on with the process of widespread consultation. It will strengthen the

Malta Council for Economic and Social Development and will continue to maintain a dialogue with the representatives of civil society.

The Maltese Parliament must evolve in readiness for the day when the Lisbon Treaty comes into force and its commitment to European Union decisions is increased. The government intends to work with the Opposition to ensure that Parliament has the required resources to meet its obligations.

The government also proposes the following legislation:

- on public administration (the Public Administration Act);
- for a special investigator within the Permanent Commission Against Corruption;
- on freedom of information (the Freedom of Information Act);
- on the protection of whistleblowers (the Whistleblower Act);
- for the empowerment of the Ombudsman in coordinating all administrative complaints in the public service as a whole;
- on the financing of political parties;
- on the strengthening of the electoral system, within the context of a revision of the Constitutional provisions;
- on the regulation of conflicts of interest of members of the House of Representatives (MP's);
- on the placing in 'blind trust' any commercial interests and non-fixed/public investments held by government ministers and Parliamentary secretaries.

Good governance is essential too at Local Council level. The government will use funds from the European Union to support Local Councils in their efforts at performing ever more efficiently. The government will debate the notion of holding Local Council elections every year.

Security

The **fight against crime** will be intensified, with practical measures that include the setting up of a DNA laboratory, the introduction of electronic tagging for those who stand accused of having committed grave crimes, and the implementation of a register of sex offenders.

The government will work to strengthen and modernise the police force and to render it more efficient than it already is in enforcing the law and battling criminality. The possibility will be considered of bringing the ancillary law enforcement systems (local wardens, the enforcement officers of the Public Transport Authority and the Malta Environment and Planning Authority, green wardens and others) into a single organisational body.

The army will continue to be brought up to date, with the main emphasis being on training and on opportunities for specialisation in those areas most relevant to Malta.

Vision 2015

During the course of its history, the Maltese people have demonstrated an ability and a willpower to shape and implement a vision which helped us to develop into one of the most successful small nations. Inspired by this, the government has identified seven sectors for development which will give the Maltese islands a comparative advantage by 2015.

The government believes that this vision is embraced by the Maltese and Gozitans alike. However, it will allow a particular room for Gozo, an island region, to assist in addressing the Gozitans' particular challenges, thus enjoying to the utmost in the success of the whole country.

Financial services

This sector has seen unprecedented growth over the last few years, with the registration of hundreds of companies and the generation of thousands of jobs. Financial services already account for 12 per cent of Malta's gross domestic product (GDP). The government will work to strengthen Malta's position as an important financial services centre in the Euro-Mediterranean region, so that the part played by businesses in this sector in the growth of the Maltese economy will be even more significant still by 2015.

Information and communication technology (ICT)

SmartCity is the exemplar of the government's belief in the importance of this sector. The project will generate thousands of jobs, directly and indirectly. This is an important growth area for Malta. Last year alone, around €1 billion were invested in ICT businesses here. In terms of e-government, Malta ranks second on the list of Europe's most advanced. The government will extend the 'smart' concept to the whole of the country, making it SmartMalta. This will help attract ever greater investment from ICT businesses.

Tourism

By 2015, the tourism industry will be facing fresh challenges, competing with new destinations and product offerings, and dealing with new operators and customer trends. The government will work with stakeholders to make Malta a unique Mediterranean destination. The National Tourism Plan will be updated to anticipate these shifts and changes. There will be tax incentives for families who host foreign students. There will be strong investment in tourism areas and in the restoration and upkeep of heritage sites. The Grand Harbour and Marsamxett harbour projects will be implemented. Dock No. 1 in Vittoriosa will be regenerated as a recreational area with a promenade that links it to Fort St Angelo, and right through to Pietà and Sliema.

Manufacturing

Malta will move in the direction of high-value-added production, which offers higher pay for greater skills, in sectors that include pharmaceuticals, biotechnology and sophisticated technology. There will be incentives for industrial investment and industrial zones will be developed, including new factories at Hal Far, Mosta Technopark and the Artisans' Village in Ta' Qali. The Kordin Business Incubation Centre will be extended to offer improved support services to fledgling businesses. Programmes financed by EU funding will offer incentives for research and entrepreneurship. The government will work to improve and to capitalise upon Malta's air and sea links.

Health

The government will continue to develop health services to the highest degree possible. Mater Dei Hospital, together with private hospitals, will serve as the basis for the development of the healthcare industry and medical tourism in Malta.

Education

The development of Malta's educational structures and systems - both private and public - will create scope for the provision of training and higher education to students from other countries, with a particular focus on our comparative advantage in areas like maritime studies.

Gozo, an ecological island

Gozo's situation is conjoined with that of Malta, but at the same time distinct from it. The economic and social progress that has taken place in Gozo over the last few years is a direct result of policies which recognise the fact that the smaller island cannot be run like a mere

district of the main island. Over the next five years, priority in Gozo will be given to the environment and to agritourism, crafts museums and heritage sites will be developed, country lanes will be maintained, and there will be investment in fishing-ports and in facilities for cruise liners and for sport-based tourism. Gozo will be the model for sustainable development.

MALTA, AN ISLAND BUT NOT ISOLATED

Malta aims to contribute in a world that has shrunked into a global village through its creative participation.

The government will carry on with its commitment to the Euro-Mediterranean region, using Malta's membership of the European Union and its geographical location as a cultural bridge for peace and prosperity. The maintenance of sound relations with neighbouring lands will assist in the smoothing of negotiations related to illegal immigration, oil exploration, fishing rights, and maritime affairs, among other matters.

Great challenges lie ahead of us. We must face them together, with courage and not with a sense of defeatism. The government is opening the doors wide to cooperation with all those who wish to work to ensure that Malta not only survives, but thrives. This will be one government for all the people.

Malta is on the right track and reaping the rewards of the sound decisions taken in recent years, including the decision taken by the people of Malta to place the country within the European Union. The government has an ambitious but realistic plan to reach the goals that will put Malta into an even better position by 2015. These goals are rooted in sustainable development in all areas. They depend on the cooperation of the people of this country in pulling the same rope, rather than pulling against each other. The government invites everybody to join in a sustainable development pact.

To get there, we must do away with resentment and division, and work together to achieve the common end of the common good. Together we can overcome the challenges we are facing. Together, our most ambitious goals can become a reality.