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Malta Budget 2024 Highlights

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Workers & Parents

- Cost of Living Adjustment (COLA) for 2024 will be €12.81 per week. Student stipends will also increase on a pro-rata basis. Pensioners will also benefit from the additional weekly increase.
- Minimum wage adjustment from €192.72 to €213.54 per week
- Around 95,000 families will become eligible to benefit from an additional cost of living adjustment costing the government an outlay of €26 million. This will range from €100 to €1,5000 per household.
- Children's allowance to increase to €250 per child.
- The one-time bonus granted to new parents for each newborn or adopted child will be increased from €400 to €500 for the first child, and from €400 to €1,000 for each subsequent child.
- An additional payment of €487 to parents who opt to quit their employment to care for their disabled child.
- Allowance of €500 yearly for parents whose child attends full-time post-secondary education and resides in their parent's household. The allowance will be provided for 3 years.
- In-work benefits for parents will increase by an additional €50 per child below 23 years of age.



Property

- First-time buyers who opt to buy a UCA property in Gozo will benefit from a grant of €40,000.
- Stamp duty on properties in Gozo will go up from 2% to 5%, in a bid to control the construction boom in Gozo.
- VAT refunds up to a maximum of €54,000 on the first €300,000 will continue to be granted on expenses incurred for the restoration and improvement of qualifying properties.
- Existing first-time buyers' schemes to remain in place including the €1,000 granted each year to first time buyers for 10 years, amounting to €10,000.
- Capital gains and stamp duty exemptions on the restoration of vacant properties will remain in place.
- No income tax and duty shall be payable on the first €200,000 of the consideration of the sale of properties leased by the Housing Authority from private owners.
- Existing property schemes for the provision of an exemption from income tax and duty on the first €750,000 of consideration for residential properties that are situated in an urban conversation area or where such properties have been vacant for at least 7 years.
- Maximum grant to be paid under the Private Rent Housing Benefit Scheme will be increased to:
 - €4,200 in 2024 for single and couples without children (From €3,600 in 2023)
 - €5,400 in 2024 for families with one child (From €4,800 in 2023)
 - €6,000 in 2024 for families with two or more children (From €5,000 in 2023)

Transport

- The Transport Master plan is being revised. A tendering process shall be initiated to procure the services needed to develop a nationwide network of cycling routes. The aim is to complete this project by the conclusion of the calendar year.
- Consultations are being held to determine a separate transport plan to reduce rush hour traffic. One of which is to halt some services during rush hour traffic, at least until 9 a.m.
- Studies on new parking zones via public-private partnerships (PPP) to facilitate the expansion of parking facilities
- Development of a P&R facility for University of Malta students
- The grants for electric vehicles and motorcycles are being renewed, along with the scrappage scheme, grants for the purchase of pedelecs and motorised bicycles, wheelchair-friendly vehicles, and grants for the conversion of petrol vehicles to gas-powered vehicles.
- Electric and plug-in hybrid vehicles will continue to be exempt from registration tax and from paying a road licence for the first five years following their registration.
- Financial incentives to encourage people to purchase an e-kick scooter
- Establishing a network comprising 1,200 charging points strategically distributed throughout the nation to facilitate the charging of electric vehicles.
- Two studies shall be commissioned: one will analyse free public transport and how it can be improved, and the other will determine how to travel to and from Valletta can be made more efficient.



Pensions and the elderly

- Pension payments are set to experience a weekly increment of €15, resulting in a total annual increase of €780. This encompasses the reported €12.81 cost-of-living adjustment (COLA) payment. Exclusive of COLA, the increase would amount to €2.19 per week, a €113.88 total annual increase.
- Individuals who began receiving a pension in 2009 or later will be eligible to receive an additional monetary supplement of up to €1 per week.
- Adjustments to pensions for individuals born prior to 1962 will be received. The increments will be determined based on the fluctuations in salaries. This measure aims to rectify a prior irregularity.
- The pensions' mechanism, applicable to pensioners born after 1962, will also be applied to those who were born before that date.
- Taxation of widows' and widowers' pensions will no longer apply to individuals who have not yet reached the age of 61. Moreover, the ongoing initiative launched last year, aiming to provide widows with a pension equivalent to the amount their deceased spouse would have received, will be sustained.
- Individuals who opt to delay their retirement by one year will be eligible for a pension increase of 6.5%. This percentage will progressively rise to 29% if the retirement is postponed by a period of four years.
- A prospective transition of the third-pillar pensions mechanism via legislative change to mandate the automatic enrollment of all eligible employees in third-pillar pension schemes while allowing for the option to opt-out, A transition from an opt-in mechanism to an opt-out.
- Individuals who lack sufficient social security contributions to meet the eligibility criteria for a pension will receive a supplementary payment ranging from €500 to €600. Individuals who have contributed for a period of one to four years will see their bonus increase from €450 to €500. Individuals who have contributed for a period ranging from five to nine years will see their annual bonus increase from €550 to €600.
- Service pensions will increase by €200.
- An increase in the grant given to the elderly and those who pay their own way to live in nursing homes. The grant for those aged 80 and up will be increased by €50 per year to €450. Those aged 75 to 80 will continue to receive €300 per year.
- In addition to an initiative introduced last year, persons receiving a pension while working and who are at least 61 years old in the year in which the pension is received will be eligible for further tax breaks. For 2024, the pension amount that will not be taxed will increase by another 20% to 60%, subject to a set ceiling.

Tourism

- A new superyacht policy will start being implemented.
- The 'new' Air Malta will get €215 million in public money in 2024. A new national airline will make its maiden flight on March 31 2024. Agreement had been reached with the EU on the transition to the new airline after the European Commission earlier refused to accept a government request for fresh state funding for the carrier.
- The newly recapitalised airline will retain Air Malta's current fleet of eight Airbus A 320 aircraft. It will fly to 17 destinations, discontinuing routes which were unprofitable.
- The new airline will fly to Amsterdam, Berlin, Brussels, Catania, Dusseldorf, London Heathrow and London Gatwick, Lyon, Madrid, Milan, Munich, Paris, Prague, Rome, Vienna, and Zurich.
- A Gozo airfield project continues: studies are in their final stage and the next step would be getting a permit.

Education

- Spending on health and education will increase in 2024.
- A financial incentive to keep children in school: families will continue to get a benefit if their children stay in school after 16 and continue to live at home (€500 yearly payment for three years).
- Students in year 7 will receive laptops.
- Get Qualified Scheme and the Higher Educational Qualifications Scheme for Masters and Doctorate students will continue as tax credits.
- Measures targeted towards incentivising education in artificial intelligence, namely Pathfinder and the AI Applied Research Grant, are planned to be renewed.
- The COLA increase will be reflected pro-rata in student stipends as well.

Grants and incentives

- A total of €40 Million in grants and subsidies shall be available for small and medium-sized enterprises under the Business Enhance schemes. These schemes shall target startups to help them develop, diversify, and reach new markets
- Existing grants aimed at strengthening enterprises such as the Seed Investment Scheme, the Startup Finance Scheme, the Skills Development Scheme, the Rent Subsidy Scheme, and the Innovate Scheme are to be continued for 2024.
- Schemes intended for the greening of businesses shall also be extended next year such as the Smart and Sustainable Scheme, Investment Aid for Energy Efficient Projects Scheme, and ESG Reporting Grant Scheme for SMEs. Small and medium enterprises shall also continue to benefit from the free energy audits.
- Financial support for family business shall also be extended. Currently, a reduction of stamp duty from 5% to 1.5% is being provided by the government whenever family businesses are transferred from parents to children during the parent's lifetime.

Arts, culture, and sports

- New schemes shall be introduced through the National Council of Arts to empower the cultural and creative sector which includes an apprenticeship scheme and a programme for regional and cultural cooperation.
- Continuation of rehabilitation works of Grand Master's Palace and Villa Gwardamanga while preparation for the Maltese Biennale is underway which is to be held between March and May next year.
- Another program shall also be launched by Valetta Design Cluster for designers and researchers to explore innovative solutions for urban challenges.
- Investing in sports, both in athletes and infrastructure, shall be continued given Malta's success at the Small Nations Games. Individuals who are employed in the sports sector are expected to benefit from income tax reduction, which at the moment, is decreased to 7.5% for players, coaches, and athletes.
- A national sports tribunal will also be established to resolve sport-related disputes.

Highlights for social media

- Cost of Living Adjustment (COLA) for 2024 will be €12.81 per week. Student stipends will also increase on a pro-rata basis.
- Minimum wage adjustment from €192.72 to €213.54 per week.
- Ongoing energy subsidies to remain in place, cost the government around €350 million
- Development of a Hydrogen Strategy
- Schemes to switch to environmentally friendly vehicles
- Climate Action Authority will be set up to assist in reaching climate neutrality by 2050



Health

- Will spend €75 million to run Karin Grech and Gozo General.
- The government formulary will be expanded to include new IVF medicines as well as medication for asthma, pulmonary fibrosis, and various mental health conditions.
- Health clinics in Mosta, Floriana, and Cospicua will be refurbished and blood transfusion services will start being made available at health clinics.
- Persons with severe mental health conditions to benefit from invalidity pension if they paid a minimum of 50 social security contributions in their lifetime.

Environment & Energy

- Ongoing energy subsidies to remain place, to cost the government around €350 million
- Plans to develop a hydrogen energy strategy in order to encourage diesel-powered industrial processes that cannot go electric to switch to hydrogen instead.
- Works on the second interconnector between Malta and Sicily underway.
- Fresh schemes will be launched to further encourage the uptake of investment in renewable energy systems including PV panels, renewable power storage batteries, heat pump water heaters and well restoration.
- Electric vehicle charging points to increase from 372 to 1,200 charging points across the islands.
- Schemes will be launched in order to switch to environmentally friendly vehicles including incentives for the purchase of electric vehicles, electric bikes, and pedelecs and personal ekick scooters. A grant will be provided for vehicle conversion to LPG power.
- Electric vehicles and plug-in hybrids with an electric range of not less than 50km will continue to benefit from an exemption on its registration tax and annual road licence fee for 5 years from the date of registration.
- Further projects are envisaged for the regeneration of public and green spaces, including at Ta' Qali, Santa Lucija, Kalkara, and Marsascala
- Continuation of environmental-related projects including ECOHIVE waste management project, reverse osmosis extension, replacement of old water mains pipes and studies on land reclamation.
- A Climate Action Authority will be set up to assist in reaching climate neutrality by 2050 in line with the EU's commitments.

Meet the team



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Warranted Accountant & Auditor with over 40 years' of experience

Areas of expertise:

- Internal & External Auditing
- Accountancy
- Tax matters
- Business consultancy



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Qualified business consultant holding a Masters in Business Administration with over 25 years' of experience

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Areas of expertise

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Qualified economist holding an MSc. in Environmental Economics with over 12 years' of experience

Areas of expertise:

- Cost Benefit Analysis/Financial feasibility studies
- Economic impact assessments
- Procurement procedures
- Business analysis
- Internal audit
- Business process re-engineering
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Qualified economist holding Master of Science in Economics and a PhD in Marketing.

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- Marketing
- Teaching (Marketing Research and Consumer Behaviour)
- Collective Psychology
- Organisational Culture

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