

# The EU Membership Package at a Glance

## Citizenship

1. Maltese citizens will also become citizens of the EU. But this will not replace Maltese citizenship.
2. EU citizenship gives you a set of rights and obligations – e.g. right to move and reside in any EU country.
3. You will no longer be treated as a foreigner in EU countries. You must be treated equally.
4. You have the right to seek redress if your rights as an EU citizen are breached. Write to the EU institution concerned and your complaint must be investigated.
5. If you are living in another EU country, you have the right to vote and to contest local council elections and elections of the European Parliament, but not general national elections in that country.

## Culture & Identity

6. The Maltese language will be an official EU language.
7. All EU laws and official documents must be available in Maltese.
8. You can write to EU institutions (and get a reply) in Maltese.
9. Maltese representatives may use Maltese in official EU meetings.
10. The EU is bound to respect the diversity of cultures and identities in EU countries. It also promotes culture through programmes and funding.

## Values

11. Abortion, euthanasia, divorce, prostitution and drugs are not affected by EU membership. The EU has no laws on these issues and it is up to Malta to decide.
12. A Protocol on abortion will be annexed to Malta's Treaty: it gives legal certainty that EU law, present or future, cannot change Maltese law on abortion.

## Malta's voice in the EU

13. Malta will participate and will be represented in all EU institutions.
14. In the EU, no single country can dictate decisions. Decisions cannot be taken by large countries alone, nor by small countries alone.
15. Malta will have one Commissioner, like other countries.
16. Each EU country, including Malta, will hold the presidency of the EU for a period of six months on a rotation basis.
17. Malta will have one Minister in the Council of Ministers (with equal vote in case of unanimous voting and three votes in case of qualified majority voting).
18. Malta will have five seats in the European Parliament (sitting with their political group, not along national lines).
19. Malta will have one Judge in the European Court of Justice, like other countries.
20. Malta will have one Judge in the Court of First Instance, like other countries.
21. Malta will have one auditor in the Court of Auditors, like other countries.
22. Malta will have five members in the Committee of the Regions (local councils).
23. Malta will have five members in the Economic and Social Committee (social partners).
24. The Governor of Central Bank of Malta will sit in the General Council of the European Central Bank.
25. Maltese citizens may work in EU institutions.
26. Malta will participate fully – with an equal vote - in any decisions that may change the EU institutions from now on.

## EU funding

27. The EU is bound to help its poorer regions and countries improve their economic development.
28. Malta's level of economic development (GDP) stands at just over half of the EU average (56%).
29. An average Irish citizen is twice as rich as a Maltese, a Luxembourger three times as rich.
30. Malta will therefore be eligible to the highest level of EU funding (Objective One area).
31. EU funding can be used for projects such as transport, environment, agriculture, industry, small businesses, education, health and training.

## **What Malta will pay, what it will get**

### **From 2004 to 2006**

32. Malta will be allocated from the EU Lm81 million (EUR 194.30) more than it will pay. This is calculated by deducting Malta's contribution from its allocation, which as follows:
33. The EU will commit to Malta a total of Lm154.71 million (EUR 371.30 million whereas Malta will contribute to the EU budget a total of Lm73.75 million (EUR 177 million).
34. EU funds are grants, not loans.

### **After 2006**

35. A new budget will apply. To be approved, budget needs agreement of all EU countries (unanimity), including Malta.
36. Because of its low GDP level, Malta is still expected to remain a net beneficiary.

## **Removal of Levies**

37. All levies on imported goods removed from January 2003, except:
38. Levies on furniture were removed in October 2002 (Lm1.60 per kilo on every item).
39. Levies on food and agricultural products will be removed by membership.

## **Food Prices**

40. Food prices will go down on imported food products because of the removal of levies. Products include beef, pig meat, poultry and eggs, fruit and vegetables and a range of food items, including tinned food, biscuits and ice-cream, drinks and wine.
41. Some examples of what consumers will save:

- 15 cents on every kg of pig meat
- 10 cents on eggs (per dozen)
- 4 cents on every kg of poultry
- 81 cents on every kg of tomato polpa
- 45 cents on every kg of pasta
- 50 cents on every kg of peaches, plums,
- 70 cents on every kg of ice-cream
- 15 cents on every litre of juices
- 25 cents on every litre of beer
- Lm1.50 on every litre of wine

42. On certain products, Malta will have to adjust to higher EU prices. But compensation, partly funded by the EU, will be given so that consumer prices are not affected. Affected products are sugar, cereals, rice, semi-processed tomato products and some beef and dairy products.
43. Food will remain free from VAT until January, 1, 2010. Malta agreed on the understanding that by that time, no other EU country will still have an exemption. If Malta introduces VAT, it can apply a reduced rate of 5% and can give cost of living compensation.

## **Free Trade**

44. Free trade in goods and services applies. No restrictions, such as levies, quotas or import licences.
45. The EU represents its members' trade interests with non-EU countries and in the World Trade Organisation (WTO).

## **Liberalisation**

46. Government-owned companies will be exposed to competition.
47. Mobile telephony was liberalised in 2000.
48. International calls (international gateway) liberalised from January 2003.
49. Fixed-line telephony liberalised from January 2003.
50. Cable television was liberalised in June 2001.
51. Air transport will be liberalised from membership, increasing competition and reducing air fares.
52. AirMalta may operate to and from any EU airport.
53. Ground handling services at airport liberalised by 2003.

54. Electricity generation will be liberalised from membership.
55. Importation of fuel will be liberalised from end 2005.

#### **Areas which need not be liberalised**

56. Water supply.
57. Distribution of electricity.
58. Internal land transport.

#### **Investment and job-creation in Malta**

59. The EU is the world's main location for foreign direct investment because it has a single market of almost 500 million applying common rules.
60. Maltese firms will have full access to EU market from membership (without current restrictions).
61. Maltese firms will have automatic access to a new market of over 100 non-EU countries around the world with which the EU has concluded trade agreements (e.g. Southern Mediterranean countries, Switzerland, South Africa, Mexico and the African, Caribbean and Pacific [ACP] countries).
62. From membership, Malta will become a member of the European Economic Area (EEA) that is made up of EU countries, Norway, Iceland and Liechtenstein.
63. Maltese small firms will remain eligible for assistance granted under the old Industrial Development Act.
64. Maltese large companies will also continue to benefit from assistance granted under the Industrial Development Act, but with some modifications.
65. Investment incentives are now available under new Business Promotion Act, except for operating aid that must be phased out by 2008.

#### **Self-employed and companies**

66. Maltese firms, including self-employed, may invest and set up shop or company in any EU country. The same applies to EU firms in Malta.
67. Malta can continue to limit the number of licences in certain sectors in which self-employed operate (e.g. hawkers, land transport, petrol stations, pharmacies).

#### **Money and the euro**

68. Maltese Lira will be replaced by euro after (a minimum of) two years of EU membership.
69. Malta must adhere to strict criteria to participate in the euro, including on budget deficit and debt.
70. Malta will participate in the European Central Bank that sets a common monetary policy.
71. Euro makes it easier to compare Malta prices with prices in EU, increasing competition.
72. Euro removes exchange costs and currency risks for trade and tourism.
73. Euro brings lower interest rates on loans, including house loans.
74. All remaining exchange control restrictions (money you can take in and out of Malta) will be removed.

#### **Restructuring of drydocks**

75. Malta may continue to subsidise drydocks until end 2008.
76. Subsidies will help implement restructuring plan to return the drydocks to commercial viability.
77. Lm420 million to be paid in subsidies until end 2008, including the writing-off of Lm300 million in accumulated debts.
78. Subsidies cover investment, training, compensation for social costs and working capital.
79. After 2008, the drydocks can still receive subsidies on specific measures, but within EU rules.

#### **Subsidies on essential services**

80. Water and electricity can be subsidised if consumers benefit directly.
81. Public bus transport can be subsidised if consumers benefit directly.
82. Gozo ferry transport can be subsidised for Gozo residents.

#### **Fuel stocks**

83. Transitional period until end 2006 to increase fuel storage capacity to cover 90 days supply and to purchase the necessary fuel stocks.

### **Taxation**

84. Malta will align its VAT law with EU law. But Malta will keep VAT exemptions on services such as on water, Gozo ferry, public transport and international transport. On the other hand, a reduced VAT rate of 5% will be introduced on printed matter.
85. Food and medicine will remain free from VAT until January, 1, 2010. Malta agreed on the understanding that by that time, no other EU country will still have an exemption. If Malta introduces VAT, it can apply a reduced rate of 5% and can give cost of living compensation.
86. VAT standard rate remains 15% - up to Malta to decide.
87. VAT ceilings for small businesses and self-employed will be kept as they stand today.
88. EU has no laws on income tax, company tax, property tax – up to Malta to decide.
89. Any new decision on taxation needs the agreement of all EU countries (unanimity), including Malta.

### **Medicines**

90. Medicine will remain free from VAT until January, 1, 2010. Malta agreed on the understanding that by that time, no other EU country will still have an exemption. If Malta introduces VAT, it can apply a reduced rate of 5% and can give cost of living compensation.
91. Parallel importation of medicines is possible from membership, leading to more competition, cheaper prices.
92. Transitional period until end 2006 for the registration of medicines.

### **Travelling**

93. You can travel, work, study, train, reside or retire in any EU country without any restrictions.
94. Within the EU there is border-free travel. No passport required.
95. To enter the EU from a non-EU country, you can pass through the EU “blue” channel.
96. Additional passenger rights will apply for those who travel.
97. No customs checks.
98. If you need hospitalisation abroad, you must be treated like a national of that country.
99. No visa is required for EU countries, even if your stay exceeds three months.
100. Visas will be removed for some countries (e.g. Bulgaria, Romania), introduced for others (e.g. Libya, Tunisia).
101. With EU support, Malta must strengthen its border controls, including coastal patrols, to control illegal immigration.
102. When you are in a country where Malta has no embassy, you can seek protection from embassies of other EU country (e.g. if you lose your passport).

### **Maltese workers in the EU**

103. From the first day of membership you have the right to seek work in any EU country.
104. Unlike today, you will not need a work permit to work abroad.
105. You must be treated as a national of that country.

### **EU workers in Malta**

106. EU workers will have the right to work in Malta. But this right may be limited as follows:
107. Until 2011, Malta can refuse their work permits if there is a serious threat to local jobs.
108. After 2011, Malta can still seek a remedy, this time acting with the EU.

### **Students**

109. You may study abroad at same fees, if any, as students who are nationals of that country.
110. You have the right to work while studying abroad.
111. You can keep your stipend when abroad on an Erasmus exchange.
112. EU students may study in Malta, but stipends are reserved for Maltese students.

### **Malta's participation in EU Programmes**

113. Participation was open to Malta as a candidate country, since 2000: 1,578 participants, 221 projects (2000-2002).
114. Participation continues upon membership, paid from EU budget (from which Malta will be a net beneficiary).
115. Malta's participation in the EU Youth programme (2000-2002): 740 youths in 46 projects.
116. Malta's participation in the EU education programme, Socrates (2000-2002): 356 students, 119 educators, 125 projects.
117. Malta's participation in the EU training programme, Leonardo (2000-2002): 363 participants, 3 projects.
118. Malta's participation in the EU Research programme, FP5, (2000-2002) : 47 projects.
119. EU Culture programme (from 2003).
120. Other EU programmes such as LIFE (environment) and the Multiannual Programme for SMEs.

### **Consumer rights**

121. Consumer protection laws have been raised to EU standards (e.g. on guarantees, product liability, advertising).
122. The Competition and Consumer Affairs Division has been strengthened to help apply and enforce these laws.

### **Workers' rights**

123. Over 50 new EU rules were adopted to raise conditions and health and safety standards at work to EU standards.
124. New Occupational Health and Safety Authority was set up to help apply and enforce health and safety standards.
125. Transition period until end 2005 to adapt to EU standards on safety of work equipment.
126. Transition period until end 2004 (at the latest) to adapt to EU standards on working time.

### **Purchase of property in Malta**

127. Currently, foreigners can already buy one property each, but no more. This limit will be kept even after membership.
128. EU citizens will only be allowed to buy more than one property if they have lived here for at least five years.
129. Citizens of non-EU countries will not be able to buy more than one property, same as today.
130. This derogation will apply on a permanent basis and will be protected by a Protocol attached to the Treaty.

### **Island Region of Gozo**

131. A Declaration on the "Island Region of Gozo" will be attached to the Treaty to take account of Gozo's specific circumstances. In 2000, Gozo's regional GDP stood at just 71.7% of Malta's national average.
132. Gozo will be considered as a separate region from Malta for statistical purposes (NUTS III), while the Maltese islands will be classified together for the purposes of EU funding (NUTS 1 and 2 levels).
133. Gozo's regional development will be a separate priority in Malta's programme for EU funding (Single Programming Document). A Gozo Regional Project Committee will work on Gozo projects.
134. State aid for transport of agricultural goods will continue for five years after membership.
135. Inter-island passenger transport (Gozo ferry) will remain VAT-free.
136. Gozo ferry transport will remain subsidised for Gozitan residents.

### **Transport**

137. Transitional period until end 2004 for roadworthiness testing (VRT). VRT applies to all vehicles, whether public or private, including buses.
138. Transitional period until end 2005 for fitting speed limitation devices in certain categories of trucks.
139. Transitional period until end 2004 for minimum road taxes on Maltese registered heavy goods vehicles that operate internationally (passenger cars not affected).

140. Transitional period until end 2005 for minimum road taxes on Maltese registered heavy goods vehicles operating in Malta (derogation possible after membership), (passenger cars not affected).
141. Maltese hauliers can operate in EU countries without restrictions. But the number of Maltese *burdnara* can remain restricted by security pass.

#### **Fisheries**

142. Malta negotiated a 25-mile fishing conservation zone around Malta in which fishing effort will not increase.
143. Only those holding a licence will be able to fish in zone and no new licences will be granted.
144. Only boats smaller than 12 metres (94% of Maltese fleet) can fish in the zone (with some exceptions).
145. Maltese boats that are larger than 12 metres get financial assistance to upgrade and fish outside the zone.
146. Maltese fishermen qualify for EU funding for modernisation of fishing fleet.
147. EU funding also available for improvement of port facilities and the fish market (*pixkerija*).
148. *Lampuka* to be included in the list of fish for common market organisation.
149. The EU will represent Malta's interests in fishing disputes with non-EU fishermen.

#### **Agriculture**

150. Protective levies will be removed by membership so that prices can go down for consumers.
151. Malta negotiated a special safeguard for five years after membership to protect the sector in case of difficulties.
152. Farmers will get direct financial support until 2014 so that price of local products can go down to compete with imported products.
153. Compensation will amount to around Lm38 million for farmers and Lm33 million for dairy, pig meat and poultry sector.
154. Financial support will also be given for restructuring of the processing industry.
155. Additional EU funding will be given for rural development.
156. Financial package for agriculture will be paid in part by Malta, in part by the EU.
157. Malta and Gozo will be considered as a "less favoured area" and will get additional EU funding for rural development

#### **Environment**

158. Malta can save between Lm10 million (EUR24m) and Lm54 million (EUR130m) every year if it applies EU environmental standards. Savings cover costs and benefits in the areas of air and water quality and waste.

#### **Air quality**

159. The quality of petrol and diesel was improved between 2001 and 2002.
160. Leaded petrol phased out in December 2002. Cars that run on leaded petrol will use "Lead Replacement Petrol" at no extra cost to the consumer.
161. Dangerous fumes emitted from fuel (VOCs) will be controlled by end 2004.
162. Marsa power station will be brought in line with EU standards by membership or will have to be phased out.
163. Delimara power station to be in line by end 2005, even on dust emissions.
164. Methyl bromide (used in agriculture) will be phased out by end 2005.
165. Malta can save between Lm3 million (EUR8m) and Lm16.6 million (EUR40m) every year if it applies EU standards on air quality.

#### **Water quality**

166. Sea water must be monitored regularly for all dangerous substances.
167. To improve quality of drinking water, the level of nitrates and fluoride in tap water will be reduced by end 2005.
168. By March 2007 sewage and dangerous substances will no longer be dumped into the sea.
169. By March 2007 waste water treatment plants would have been built in Malta and Gozo.
170. Pre-accession EU funding will help build first waste water treatment plant in Gozo.
171. Malta can save between Lm5 million (EUR13m) and Lm19.6 million (EUR47m) every year if it applies EU standards on water quality.

## **Waste**

- 172. Magtab and Qortin landfills will be closed down by 2004.
- 173. Gozo will have one controlled landfill (for construction waste only).
- 174. Malta will have three controlled landfills (construction waste, hazardous waste, non-hazardous waste).
- 175. By the end of 2005, Malta will recycle at least 25% of all packaging waste.
- 176. The ban on plastic beverage bottles will be kept until end 2007, giving time to industry to adapt and for a new environment-friendly collection system to be introduced for all beverage bottles (including plastic bottles).
- 177. By the end of 2009, Malta will recycle at least 15% of all plastic waste.
- 178. Malta can save between Lm3 million (EUR8m) and Lm16.6 million (EUR40m) every year if it applies EU standards on waste.

## **Gas bottling plant at Qajjenza**

- 179. By membership, the gas bottling plant at Qajjenza (Birzebbuga) will be closed down because of hazard to surrounding residential area. A new gas plant, in line with EU safety standards, will be built in Benghisa.

## **Hunting and Trapping**

- 180. Hunting for quail and turtledove in Spring will continue. Hunting in Autumn will not be affected.
- 181. Hunting at sea will continue from three km off the coast.
- 182. Bird trapping can continue for seven finches. But by end 2007, Malta must establish the number of songbirds that may continue to be caught from the wild.
- 183. Moratorium imposed on issuing of new licences for trapping. But existing licence holders will not be affected.
- 184. Strict monitoring and enforcement of hunting laws will be required.
- 185. The Ornithology Committee will regulate hunting and trapping practices in Malta. Hunters and environmentalists to be represented in this Committee.

## **Neutrality**

- 186. Declaration on neutrality to be attached to Treaty, confirms that Malta's neutrality is not affected by membership. EU has another four countries that are neutral.
- 187. The EU has no power to oblige Malta to serve as military base.
- 188. Participation in EU peace-keeping and humanitarian operations is up to Malta. It is voluntary even at the level of individual soldiers.
- 189. EU decisions on foreign policy, security and defence are not imposed - they are taken by unanimity.
- 190. The EU has no rules on military conscription (*lieva*).

## **Enforcement**

- 191. The responsibility to implement and enforce EU laws in Malta lies with Maltese authorities.
- 192. Government departments have been strengthened and new structures set up to implement and enforce these laws.
- 193. Maltese citizens may complain to Commission or petition the European Parliament on any EU law or policy that might affect them negatively or if the Maltese Government does not implement EU rules and standards.
- 194. On receiving complaints, EU institutions must investigate and take the necessary steps, where necessary asking the Maltese authorities to comply with their commitments.
- 195. If the Maltese authorities fail to comply, court action may be taken. If Malta fails to comply despite court judgement, it can be faced with a fine until it complies.

## **Enlargement**

- 196. Malta applied to join the EU on July, 16, 1990.
- 197. Negotiations started on February, 15, 2000 in Brussels and were concluded on December, 13, 2002 in Copenhagen.
- 198. EU enlargement will take place on May, 1, 2004. Up to ten countries can join: Malta, Cyprus, Czech Republic, Hungary, Slovakia, Slovenia, Poland, Estonia, Latvia and Lithuania.

199. The Treaty of Accession will be signed on April, 16, 2003.

200. In Malta, a referendum will take place in 2003 so that the Maltese people can decide on whether Malta should join the EU.

**If you want to decide, make sure you are informed**