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## Drydocks will still be a massive burden on the economy

- Minister prefers not to comment on subsidy

By Julian Manduca

The agreement between the government and the General Workers Union over the future of Malta Drydocks was welcomed in some quarters, but found opposition from others.

When the agreement was reached it was announced that the debt of the Dockyard of over Lm310 million was to be absolved, but no mention was made about the subsidy that the government regularly pays to the ship repair yard.

In the past the subsidy was of about Lm15 million yearly and

reached a total of about Lm300 million. In spite of the restructuring and the agreement reached between government and the GWU, it could even be higher in the years to come.

When the Malta government negotiated Malta's membership with the EU, it was intimated that subsidies to the docks would end in 2008. However, up until that period the Maltese government has been allowed to continue its subsidy.

The outcome of the negotiations with the EU means that the subsidy covered for the Drydocks until

2008 runs into an expense of Lm420million. This includes a write-off of the yards' accumulated debt of Lm310m.

According to the Malta EU Information Centre (MIC), there will also be aid to the Drydocks beyond those amounts: "The remaining aid will be paid in the form of subsidies for the purposes of investment, training, compensation for social costs and working capital."

According to the agreement with the EU, the Malta government will be providing subsidies to the tune of Lm110 million by 2008, or Lm22 million yearly, more than it had

subsidised in the past.

While it is commonly believed that the Drydocks will not receive a subsidy after 2008, that may not necessarily be the case. In Malta's agreement with the EU it was concluded that: "In principle, that should be the case, if the yards compete effectively. However, under EU law, after 2008, the yards may still be granted additional subsidies provided that these do not exceed the limits and conditions laid down in EU law," according to MIC.

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## After the agreement, the GWU prepares for battle

The Government, namely Prime Minister Eddie Fenech Adami, Investments Minister Austin Gatt, Social Policy Minister Lawrence Gonzi and Attorney General Dr Anthony Borg Barthelet yesterday presented a counter-protest to the General Workers' Union judicial protest in which the union claimed a discrimination between workers in the choice of employees for the new companies Malta Shipyard Ltd and Industrial Projects and Shipbuilding Ltd.

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## Labour MEP nominations spring surprise names

By Kurt Sansone

The nominations for candidates interested in contesting the election for the European Parliament on behalf of the Labour Party closed yesterday and the list includes the surprise names of Super One head of news Gino Cauchi, and journalist Glenn Beddingfield.

Both Cauchi and Beddingfield were not previously indicated as possible contestants and their names came as a surprise to many.

Former party president Manuel Cuschieri also filed his nomination after failing to retain his post in the MLP administration.

The list of candidates includes former Air Malta chairman Louis Grech, who will be entering the political fray for the first time. Former secretary general Jimmy Magro, the first to publicly launch his personal MEP campaign also filed his nomination.

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Prime Minister Eddie Fenech Adami greets schoolchildren as part of yesterday's Comenius Day celebrations

MSE Index: 2,158.581 + 0.176%

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World indices			Rates of exchange	
Index	Value	Change		
S&P	1046.53	-0.06%	EURO	2.3460
DJIA	9742.09	-0.15%	US DOLLAR	2.6930
NASDAQ	1931.76	-0.51%	UK STERLING	1.6137
FTSE	4345.1	0.08%	SWISS FRANC	3.6895
CAC 40	3406.05	0.55%	JAPANESE YEN	293.4649
DAX	3729.87	-0.44%	CANADIAN DOLLAR	3.5357
H. SENG	12003.62	-1.26%	GOLD US Dollars	382.8250
			SILVER US Cents	505.0000

## Third bidder 'cautiously optimistic' on Mater Dei tender

The new managing director for Technoline Ltd, Simon Cusens on Monday said that he was "cautiously optimistic" the Medea Consortium had a good chance of winning the tender for the supply of medical equipment for the new hospital

at Tal-Qroqq after the contracts appeals board reversed the original decision.

Mr Cusens was speaking at a reception celebrating the 25th anniversary of Technoline's operations. The company, which pro-

vides medical and scientific equipment as well as servicing, forms part of the Medea consortium that represented the Dutch company Simed International in the bid for the Mater Dei contract.

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