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Government not getting backing for budget measures

- GRTU stands against VAT increase

By Julian Manduca

The GRTU yesterday joined a chorus of disapproval from the constituted bodies and yesterday announced its opposition to any increase in VAT.

"The GRTU is categorically opposed to any increase in VAT. An increase will mean that the public that pays the tax and the self-employed that do their duty to collect VAT (which involves much

work and is done without any remuneration) will suffer and have to make good for the deficiencies of others," Director General, Vince Farrugia said in a strongly worded statement.

Farrugia said consumers are already heavily taxed and any increase in VAT will further erode the purchasing power of consumers.

"Many products will not be able to stand a price increase as the market

will not handle them and taxes will have to be borne by the businesses.

"That is why inflation has fallen to its lowest level in the last 20 years. Increased prices will have a negative impact on investment levels and employment in the service industry," Farrugia added.

The GRTU said the service industry was making up for the loss of jobs in the manufacturing and tourism sectors and loses experienced by large companies that are

dismissing employees.

Farrugia does not believe the solution can come from government bonuses, as is being suggested. "Private enterprise will have to increase wages because of the higher cost of living brought about by the VAT increases. Malta's ability to compete will be adversely affected by the increases and Malta cannot afford the expected spiral of price and wage increases."

The Prime Minister has already

made it clear that VAT will be increased in the next budget, emphasising that there was a need for people to show solidarity. The VAT increase is expected in part to go to a fund to support Malta's welfare reform.

The General Workers Union has made it clear that it will not accept 'unpopular' measures lightly, and is demanding compensation especially for workers and the elderly.

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Foundation for National Competitiveness launched

Yesterday saw the formal institution of the Foundation for National Competitiveness, the joining of forces of consultancy firm EMCS Ltd., the Malta Council for Science & Technology, Bank of Valletta, HSBC Bank Malta, Malta International Airport, VISET, Vodafone, Maltacom, Toly Products and Magro Bros.

Launching the Foundation yesterday, Competitive Malta President Dr John C. Grech commented, "National competitiveness, the ability to win and keep business in domestic and foreign markets, is the foundation of economic success. Maintaining and improving competitiveness will be the basis on which Malta will ensure that it maintains and improves the standard of living of all its citizens. The need to be more competitive is

also exacerbated by the increased level of competition in areas such as FDI, tourism, and financial services from other countries that are following similar paths."

Dr Grech added, "Competitiveness is not solely about wage levels but also about the other factors that encapsulate the social and economic fibre of Malta. Some of these include: skills level of the workforce, attitude of both individuals and employers to ongoing training, the delivery of education and training, the strength of the culture of research and development, the quality of infrastructure, the regulation of markets, the efficiency and effectiveness of resource use, creativity and path breaking."

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An armed British police officer stands between a wire barrier and a concrete blockade outside the US Embassy in London yesterday. Britain was on its second highest security level yesterday ahead of US President George W. Bush's state visit. UK Prime Minister Tony Blair faces staunch public resistance to his support of Bush's foreign policies

Tourism expenditure grows by 6.9 per cent

- business travel to Malta on the increase

Over the first nine months of the year, total expenditure by tourists rose by Lm23 million, or 6.9 per cent, to Lm355.5 million. As a result, per capita expenditure increased to Lm179.6 from Lm175.1 over the first nine months of 2002.

Over the period, expenditure on package tours to the Maltese Islands was estimated at Lm178.4 million - an increase of Lm 4.9 million or 2.9 per cent over last year.

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MSE Index: 2,160.672 + 0.269%

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World indices			Rates of exchange	
Index	Value	Change	EURO	2.3365
S&P	1042.12	-0.14%	US DOLLAR	2.7479
DJIA	9698.68	-0.13%	UK STERLING	1.6238
NASDAQ	1908.04	-0.08%	SWISS FRANC	3.6389
FTSE	4354.7	0.36%	JAPANESE YEN	299.2580
CAC 40	3352.92	-0.06%	CANADIAN DOLLAR	3.6076
DAX	3666.28	-0.22%	GOLD US Dollars	390.1250
H. SENG	12027.26	0.25%	SILVER US Cents	522.0000

Malta seeking minimum of five EP seats, not six

Alternattiva Demokratika's spokesperson on European affairs and General Secretary of the European Greens Arnold Cassola yesterday released documents to the media revealing that the Maltese government is seeking a minimum of five seats for itself in the European Parliament, not six as it had previously insisted.

In a statement released yesterday afternoon, Profs. Cassola explains, "It emerges clearly in a document of the IGC [Inter Governmental Conference] monitoring group of the European Parliament issued on 6/11/2003 that as regards the composition of the European Parliament the official

position of Malta is that of requesting a minimum of five seats and not six."

AD expressed its disapproval on the official stand taken by the Maltese government at the opening of the Inter Governmental Conference and then at the ministerial-level meetings of 4, 13 and 27 October.

Cassola vents his frustration over the strategy, "This exposes the hypocrisy of various exponents of the Maltese government who are claiming that they are working for Malta to have six seats in the European Parliament. If this was this was really the case the Maltese government would

have requested a minimum of six seats for each country.

"We Greens have worked hard to convince all political forces in the European Parliament to vote for six seats for Malta and indeed the European Parliament and foreign affairs committee in three different occasions had voted overwhelmingly in favour of amendments presented by the European Greens which called for the sixth seat for Malta.

"It is frustrating for us Greens to see all our work going up in smoke because of the official request of the Maltese government, who seems to have given up."