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Excelsior Hotel, Slipform sold for Lm1.77 million

By David Lindsay

Valletta's long-idle Excelsior Hotel, the doors of which have failed to open for business despite successive bids by a line of investors, was sold this week by the 100 per cent stakeholder, Hong Kong's Hopewell Holdings - run by entrepreneur Gordon Wu.

The idyllically-located hotel and another Maltese Hopewell holding - Slipform Engineering (Malta) - have been sold off to former Hopewell executive director Stewart Elliott.

The two assets have been let go for what can be considered a paltry

sum of USD4.25 million (approximately Lm1.77 million). However, Hopewell is also expected to recoup the estimated Lm1.8 million in loans made by a subsidiary to the hotel.

The move forms part of the infrastructure conglomerate's strategic move to unload non-core assets and has also sold a Philippine tollway project worth Lm430,000 to Elliot, who retired in 1998.

As at the end of June, Hopewell had estimated net assets of the Excelsior, hovering in a state of suspended construction for years, and Slipform at just over Lm590,000. The asset disposal is part of an

agreement between the company and Elliott to settle four lawsuits connected to the two projects since 1999.

"The firm will continue disposing of its non-core assets in an effort to focus on Pearl River Delta region development," Wu said yesterday in a statement.

Hopewell Holdings is one of the leading conglomerates in Hong Kong with diverse business interests spreading across property investment and development, highway infrastructure, hotels and hospitality, and construction in Hong Kong and abroad.

Maltese-registered company to sue over lost bid for stake in Hungarian telecoms operator

A Maltese-registered investment banking company intends suing Hungary's state owned commercial bank over the sale of its share in fixed-line telecom operator HTCC Rt, the Hungarian press reported this week.

The Malta registered company is M+A Capital Ltd and it plans to sue Postabank, which sold the shares at a lower price than M+A would have offered.

According to the report, M+A Capital claims it could have offered up to USD36million for the 20 per cent stake in HTCC, but the sale went to a consortium including Deutsche Bank AG, which paid only USD30 million.

The Malta company argued the sale failed to bring the Hungarian state the maximum revenue possible, and amounts to a betrayal of private agreements between M+A Capital and Postabank.

German Peter Klenner, a long-time visitor to Malta, and the man behind M+A Capital, believes Postabank behaved unacceptably by negotiating with M+A Capital to find a higher bidder and then selling the stake for a much lower price without considering M+A's bid.

The German contends that if Postabank wanted to sell for a

cheaper price it could have communicated with M+A and a deal might have been reached as early as last April.

A spokesperson for Postabank, however, is quoted as saying the bank made the best choice of buyer for the HTCC stake.

Postabank spokesman Attila Ószabó, said: "There were some other opportunities beyond that offered by the winning consortium, but those were either related to only a portion of the assets intended for sale, or were not adequately supported in financial terms," he said. "Postabank's board of directors examined all opportunities and decided to go for the most favourable offer, considering all possible aspects."

But George Gordon, an associate of M+A Capital, held that M+A Capital's proposal was backed by solid finances and was ready to be executed.

The agreement with Deutsche Bank and its partners was announced in a joint statement 1 October, and Postabank and HTCC noted that except for Deutsche Bank none of the other bidders has any other investment in Hungarian communications.

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Employing 8,000 civil servants before 1987 election was a mistake - Attard Montalto

By Kurt Sansone

The employment of 8,000 workers with the civil service on the eve of the 1987 election by the then Labour administration has long been blamed as one of the major contributors to the exorbitant increase in government expenditure by subsequent Nationalist administrations.

The Labour Party has never acknowledged its mistake, until last Monday, when MP John Attard Montalto admitted that the employment of 8,000 people was a mistake and a burden on public funds. It was the first public admittance by a

top Labour exponent that the decision taken back then was wrong.

The mass employment was a brainchild of then prime minister Karmenu Mifsud Bonnici, who, in a bid to come to terms with massive unemployment and plummeting popularity, bloated the civil service with 8,000 additional employees on the eve of the all-important 1987 election.

Dr Attard Montalto was speaking on TVM programme Reporter that dealt with the precarious state of the economy and government's finances.

The Labour former minister was sitting along side parliamentary

secretary Edwin Vassallo and both were receiving flack from Chamber of Commerce President Reginald Fava.

In no uncertain terms Mr Fava said that the onus was on politicians to reach consensus on important issues such as curbing tax evasion and halting abuse of social services. Mr Fava said that instead of making people redundant and raising taxes, government should fight tax evasion and encourage a mentality that nothing came for free. Citing as an example the health sector, Mr Fava said that those who could afford should pay at least a nominal fee for public health services. The Chamber of Commerce president added that unless both sides of the political divide did not find common ground the country would be heading straight into a brick wall.

It was at this point that Dr Attard Montalto admitted the Labour government's mass employment mistake and added that it was further compounded by subsequent Nationalist administrations that employed more people with the civil service for political convenience.

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Rates of exchange		World indices		
EURO	2.3380	Index	Value	Change
US DOLLAR	2.7214	S&P	1048.25	0.34%
UK STERLING	1.6270	DJIA	9774.38	-0.04%
SWISS FRANC	3.6291	NASDAQ	1942.81	0.92%
JAPANESE YEN	298.7838	FTSE	4352.3	0.11%
CANADIAN DOLLAR	3.5981	CAC 40	3363.3	0.13%
GOLD US Dollars	373.5750	DAX	3576.04	0.47%
SILVER US Cents	500.0000	H. SENG	12250.69	0.85%

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