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## Developers strike gold on lands added to scheme

James Debono

A number of developers who bought land at a pittance as it lied outside the temporary development schemes have now struck gold as their lands have been included in the extended develop-

ment boundaries proposed by cabinet.

Economist Edward Scicluna yesterday warned that in the absence of a windfall tax on the profits to be made by these land owners, the new measure will only serve to amplify the socially regressive

nature of the property tax regime enunciated in the last budget.

Economists Lino Briguglio and Edward Scicluna in separate comments to this newspaper also expressed concern on the social and environmental consequences that will result from the extension

of development zones.

According to Prof. Scicluna the economic impact of the proposed measure "pales in insignificance when compared to the political and social effects of this proposed scheme."

According to Prof. Briguglio the

inclusion of new land in the development zone could temporarily slow down ever increasing property prices but he also voiced widespread concern on the "possible environmental and social damage that the extension of boundaries could bring about." ▶ page 3

### Maltatel fails to start, tells MCA it will stop operations

Matthew Vella

Maltatel, the telecoms company that had promised super low-cost telephone rates back in 2005, will no longer continue to operate after it informed the Malta Communications Authority of its decision earlier this year.

A spokesperson for the MCA confirmed the Gozo-based company had informed the national regulator of its intention to cease operations.

Former Maltatel director Mario Gatt yesterday told Business Today he stepped down from the company back in November 2005. The registrar of companies still lists Gatt as shareholder in

Maltatel, along with his other company Mediterranean Telecommunications Research Institute Ltd.

Attempts to contact company secretary Ernest Cilia yesterday proved futile.

The company had announced it would commence operations back in April 2005 in Gozo and spread nationwide by October 2005.

It was involved in a long dispute over the "phenomenal costs for the use of Maltacom infrastructure", Mario Gatt had said in a press conference at the start of the year, to connect Maltatel users with Maltacom subscribers. ▶ page 4

### Euro plan B is January 2009

Karl Schembri

Malta's second chance to join the eurozone should the European Commission and the European Central Bank reject its bid next year will be January 2009, a spokesperson for Parliamentary Secretary for Finance Tonio Fenech said yesterday.

The new date for Malta's "Plan B" comes just in the wake of Lithuania's rejected bid to join the eurozone because of its high inflation rate and price instability.

While the prospects of Malta reducing its deficit and national debt remain attainable, the high inflation rate is proving to be a big headache for government to regulate as the soaring water and electricity bills sti-



ple the economy and the prices of medicines and certain foodstuffs jack up the cost of living.

"To join the Euro in 2008, we need to meet all the criteria; that was always made clear from the start," Fenech's spokesperson said. "The Government is doing its utmost to ensure that this happens, but in the eventuality that we don't meet the criteria, we will continue working in that direction and January 2009 will become the next plausible date."

According to the EU monetary issues commissioner Joaquin Almunia, Lithuania's inflation rate is expected to reach 3.5 per cent in 2006.

A spokesperson for Almunia said the EU executive was taking into consideration "not just the inflation figure at a particular time" but also how sustainable it is. ▶ page 4

### Labour's plan for Gozo

Labour has given Gozo 82 pages of attention. Yet it might take more than words to win a district which Labour has never won. James Debono analyses the Labour Party's draft policy document on Gozo. page 5



### Mercury highest in 84 years for May



Record temperature have given us an early taste of summer

If you thought that yesterday was an extraordinarily hot day, your body senses were telling you the right thing. Yesterday was the hottest day in May for 84 years according to the MIA Meteorological Office.

For the second consecutive day temperature records were broken but with mercury levels registering 35.3 celsius yesterday was the highest temperature reached since records started being kept by the Meteorological Office 84 years ago in 1922.

The temperature was 10 degrees higher than the average for this time of the year.

The warmest May days before yesterday were those of the 22 and 23 May 1945 when the thermometer showed 34.4 celsius at its highest point.

A weak front is expected to pass over the Maltese Islands tomorrow and is expected to bring along some cloud with temperatures falling to the mid to high twenties.

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