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# Business Today

ISSUE NO. 429

www.businessstoday.com.mt

WEDNESDAY 22 MARCH 2006

## Minister politically responsible for MTA failures - Winston Zahra

James Debono

Hotelier Winston Zahra Jr yesterday launched a scathing attack on the Malta Tourism Authority's performance during 2005 by outlining a list of missed targets and deadlines for which ultimately the tourism minister must carry the can.

Zahra was addressing fellow hoteliers attending the hotel survey presentation organised by the MHRA, which painted a bad picture of the tourism sector for 2005 and a bleak picture for 2006.

"It is obvious that the political responsibility lies with the people heading the process," Zahra told Business Today after the presentation.

Asked whether this also included the minister, Zahra said that "the answer to the question is obvious as the minister has the ultimate say."

In his brief but tempestuous intervention from the floor,

Winston Zahra lambasted the MTA for failing to deliver on its targets.

Asked for its reaction, a spokesperson for the MTA rebutted Zahra's claims describing them as "unfounded."

In a speech, keenly applauded by those present, the former MHRA President expressed his concern that operators are describing the dismal situation in the first months of 2006 as a "complete washout" for the tourist industry.

Referring to government procrastination on low cost airlines, Zahra expressed his concern that "while the world is going south by opening up to these airlines and using the web to drive business, Malta is heading north and chasing these airlines away."

He further explained that a solution must be found to the current impasse taking into consideration Air Malta and other national airlines currently flying to the islands.

Zahra's call for an extraordinary

general meeting in April, to discuss the situation at the MTA was met by the approval of those present. MHRA President Justin Zammit Tabona announced that the meeting is set for the first week of April.

Anger towards the tourism authority characterised all interventions made from the floor. "We are spending a lot of money on MTA. We have to check whether this is spent on bureaucrats or in getting business," said a hotelier present.

Speaking from the floor, after the presentation of the hotel survey, Zahra expressed his disappointment on the MTA's failure to meet its target of 50,000 extra tourists in 2005.

"In January of 2005, following a pro-tourism national budget, I was upbeat about the restructuring of the MTA and the set target of 50,000 new tourists. A year later we have delivered 14,700 more tourists rather than 50,000 and



Where has the sun gone: hoteliers not amused with tourist numbers

revenues have fallen by over Lm5 million (-1%) meaning that the added volume actually added nothing to our revenue streams."

Zahra added that despite the

marginal increase in tourists, actual revenues for 3 and 4 star operators had fallen and those for 5 star operators had only increased marginally. ▶ page 5



**"From a management and board of directors point of view there has been a thirst for growth"**

- Nicholas Portelli, CEO GlobalCapital page 3

### Emergency meeting to stop tour operator from pulling out

During an emergency meeting held on Monday the Malta Tourism Authority sought to persuade a major tour operator from pulling out of the Maltese islands, a move, which could deliver a devastating blow to the four and three star hotels.

The discussions with the tour operator are still underway and an MTA spokesperson yesterday declined to comment on the outcome of Monday's talks.

Talking to Business Today, MLP spokesperson Evarist Bartolo said that the departure of First Choice would be a devastating blow to four and three star hotels.

"80 per cent of four star hotels and 95 per cent of three star hotels depend on tour operators," the MLP's spokesperson told Business Today.

Bartolo added that major operators are threatening not to operate in Malta during the summer months.

"We need to take preventive measures rather than last minute measures to avert the departure of these tour operators."

The departure of First Choice was raised by Winston Zahra during yesterday's MHRA meeting. During the

meeting Zahra expressed his concern that a major tour operator was seriously considering quitting from Malta and questioned why the MTA allowed things to reach this level.

MHRA President Justin Zammit Tabona confirmed that the departure of this tour operator was discussed in a meeting held at the MTA on Monday.

"We had an extraordinary meeting of a couple of hours to stop tour operators from moving away," Zammit Tabona said.

A spokesperson for the MTA would not comment on the outcome of last Monday's meeting.

"This is an issue of a highly sensitive commercial nature, and it would be totally irresponsible for anyone concerned to give details at this juncture."

He also rebutted criticism that the MTA has intervened very late in the day.

"The MTA was among the first to be made aware of the tour operator's predicament and, as a result, discussions with the company and the Maltese agents began almost immediately."

The MTA spokesperson added that discussions with the company are still underway.

### Tonio Fenech defends GDP growth figures

James Debono

The parliamentary secretary for finance is not bothered by criticism made by various economists over the growth statistics published last week, yesterday insisting there is no discrepancy between overall growth and a drop in exports of goods and services.

Only last week, the former MCESD chairman Prof. Edward Scicluna expressed his amazement

at how the economy grew by 2.5 per cent despite a drop of 3.5 per cent in manufacturing and tourism. But Scicluna was not the only one to shed doubt on government's over-optimistic interpreta-

tion of the figures published by the National Statistics Office. Former finance minister Lino Spiteri also cautioned the Prime Minister against interpreting GDP growth at face value. ▶ page 7

### Plaza registers slight increase in profits

The board of directors of Plaza plc, yesterday approved and issued their preliminary profit statement for the financial year 2005 showing a marginal increase of just Lm9,000 in profits before tax over the previous years.

Turnover at Lm637,000 is around Lm20,000 higher than that of the previous year. The company's costs increased by Lm7,000, keeping the cost to income ratio at 35 per cent in the same level as the previous financial year. Net interest income decreased slightly by Lm5,000 delivering a profit before tax of Lm427,000 which is just Lm9,000 more than the previous year.

The earnings per share at 2c87 mills is slightly better than the previous year. ▶ page 6

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