



'All I need are 230 extra metres of runway in Xewkija'

Synergy Aviation's Glen Heavens INTERVIEW ■ PAGE 10



'Milton Friedman's anti-Keynesianism irritated me'

Karm Farrugia on Friedman's legacy OPINION ■ PAGE 9



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Cabinet asks MEPA for guidelines on extending Gozo airstrip

Karl Stagno-Navarra

Government is set to ask the Malta Environment and Planning Authority for guidelines over the proposed extension of the current Xewkija heliport and to turn it into a landing strip, capable of allowing a light fixed-wing aircraft to service Gozo's tourism needs.

Business Today is informed that the issue regarding the use of fixed-wing aircraft as an alternative to the now defunct helicopter service has been discussed informally in Cabinet, last Monday, and heard a brief by ministers Giovanna Debono and Censu Galea, who have recently been approached by potential operators as well as constituted bodies who have urged them to consider the proposal seriously.

It has been decided that an ad hoc committee has been set up made up of the representatives of various sectors to compile an assessment and report back to ministers on the options and viability of such a service.

Members of MEPA are represented in the committee and have already carried out an onsite inspection.

Speaking to Business Today, Gozo minister Giovanna Debono explained that government still has all its options open including analysing the proposal for a wet lease by Helisureste.

An expression of interest would be drafted only after the assessment report is completed. Government has also said it could opt for an open market. "Government is moving speedily on this matter," Debono told this newspaper.

Yesterday night, Opposition leader Alfred Sant said Labour's proposal was to subsidise the helicopter service.

Synergy Aviation of Surrey, UK was the first company to register its interest with government to offer a fixed-wing airlink service between Malta and Gozo.

In an interview with Business Today (pages 10-11), 35-year-old pilot and Synergy Aviation director Glen Heavens reveals his intentions to service the two islands with a seven to nine-seater Islander aircraft, and offer it at Lm25 with return.

While explaining that all he needs is an extra 220 metres of airstrip at the existing Xewkija heliport in Gozo, Glen Heavens explains that he is interested in servicing Gozo with its immediate neighbours in the region, introducing flights to Palermo, Catania, Reggio Calabria, Lampedusa, Pantelleria, Tunis and Tripoli.

The furthest flight-time is estimated to be one hour and ten minutes, while flying between Malta and Gozo would take less than ten minutes.

Fresh production cut



Oil prices rose slightly on Tuesday amid speculation that the producer cartel OPEC may announce production cuts at its December meeting. US light, sweet crude climbed 33 cents to USD59.13 per barrel while Brent crude climbed 34 cents to USD59.32. OPEC president, also the oil minister of Nigeria, Edmond Daukoru said he had "no doubt" there would be cuts made. But a decision last month to cut production to try to bolster weakening prices has yet to be fully implemented. OPEC decided to cut production by 1.2 million barrels per day (bpd) from the start of November.

Glen Heavens's project is thoroughly supported by the business community in Gozo, and both the Gozo Tourism Association and the Gozo Business Chamber have voiced their support for the initiative, and are recommending to government that the fixed-wing operation is the best way forward.

The news about Synergy Aviation, revealed last week by this paper, has triggered quite some interest amongst different sectors. Synergy executives have this week met with Air Malta officials over passenger handling, and were reported to have been "extremely good".

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MTA director asked to leave

The Malta Tourism Authority has terminated the contract of its marketing director Jeffrey Cutajar, who is now succeeded by Joseph Galea, due to a "difference of opinion" on the authority's way forward. The point of divergence concerned separating administration duties from the role of marketing Malta's tourism product abroad.

Yesterday evening the MTA said it completed a detailed re-evaluation of the marketing directorate's operations. "On this basis, the

MTA began to implement a number of changes aimed at improving efficiency, greater synergies and better overall effectiveness."

The authority said a difference of opinion was registered between MTA management and Cutajar on "the way forward". By mutual consent, Cutajar's contract will be terminated, with all contractual obligations up to June 2007 being honoured by MTA.

Sources said the choice of Galea has been welcomed by operators.

Means-test health and stipends, Bonello maps out priorities

Matthew Vella

Financing the state's healthcare, and cutting down on university stipends – the seedlings of resource misallocation which Central Bank governor Michael Bonello laments as Malta's predicament.

Addressing the Institute of Financial Services last week, Bonello said Malta's goal had to be to increase productivity from its measly projection of just 1% to 2% in the next two years.

Helistedalowlabour participation rate – at 58% well below the EU average of 70% – and more working days lost to holidays, three fewer than the EU average, as obstacles to greater productivity.

But Bonello turned to the "legacy of welfare schemes and public services" bequeathed by post-independence governments which "not only distorted incentives and encouraged waste and abuse, but are also largely unsustainable."

"One can get expensive medicines or have a heart by-pass for free, regardless of one's capacity to pay... the sustainability of the



Central Bank Governor Michael Bonello (L) says that political discourse is still referring to tax cuts when it should be rallying popular support for the need to strengthen the country's capability to generate wealth on a sustainable basis.

public health system is imperilled by the manner in which it is financed," he said of the service whose medicines and surgical materials will cost 13% more next year, Lm21.5 million. "Sooner or later, the ability to provide free services to those who truly deserve them will itself come under threat."

He reserved similar treatment for Malta's unique funding system for higher education students, who will receive Lm8 million this year in maintenance grants. "Funds that would permit these institutions to offer better quality programmes... are instead paid to students regardless of their financial means." ► page 4

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