

**'ETC placed over 4,000 in employment'**

ETC chief executive Sue Vella INTERVIEW ■ PAGE 10

**'Euro conversion means there will be a mad rush to acquire property'**

George M. Mangion on the lure of money laundering OPINION ■ PAGE 8

Business Today

ISSUE NO. 464

www.businesstoday.com.mt

WEDNESDAY 29 November 2006

Tourism creating just 9,100 full-time jobs

The other 9,000 are all part-time jobs**James Debono**

Part-timers account for a massive 49.5% of all jobs in hotels, restaurants and catering establishments, according to statistics presented in parliament, with 31% of the entire part-time cohort not even having an additional full-time job.

Tourism is presently generating just 9,107 full-time jobs – a far cry from the impression given by the industry that tourism is Malta's lifeline. Apart from full-time employees, tourism also generates 8,911 part-time jobs.

But 5,496 workers in the industry are part-timers who lack any other source of income, a clear indication that tourism is only offering a precarious livelihood to its workforce.

The figures were revealed in parliament by Employment Minister Louis Galea following a question tabled by Labour's tourism spokesperson Evarist Bartolo.

"These figures show that the industry is still highly seasonal and cannot afford to employ full-timers all year round," Bartolo told Business Today.

The Labour MP also interprets the figures as an indication that employers are refraining from

employing full-timers as they try to keep down rising costs while their revenues are falling.

According to Bartolo costs are rising due to the energy surcharge while revenues are falling due to a decline in arrivals. "This is having a marked impact on the quality of service offered in hotels and restaurants. To give our tourism a new lease of life we must train and educate our workforce better at every level to give a better service."

But Bartolo also argues that workers will only give a good service if they are offered good working conditions. Quoting Professor Joe Falzon's presentation for the Reggie Miller Foundation, Bartolo notes that in the last eight years the rate of inflation has outstripped the salary gains made by employees in the hotel and restaurant sector. As a result working conditions and the quality of life of most of these workers have deteriorated.

"To make our industry sustainable and create more jobs we need to create more value added, which means we need more tourists, all the year round and we need tourists who spend more."

Restaurants tend to make a greater use of part-timers than hotels and bars. While part-timers

CIA secret jails



A European Parliament report on Tuesday said Britain, Poland, Italy, Germany and seven other EU nations were aware of the running of CIA secret prisons in Europe. The draft report, written after months of a special committee investigation, also accused top EU officials, including EU foreign policy chief Javier Solana, of not coming clean about the alleged US-run secret jails and secret abductions of terror suspects across the EU.

account for 43% of all jobs in the hotels and 48% of jobs in bars, they account for 62% of all jobs in restaurants.

Part-timers who don't have another source of income account for 29% of jobs in hotels, 37% of restaurant workers and 27% of employees in bars.

Since the 1960s bars, restaurants and hotels offered workers chance to supplement their incomes through part-time work. But in the past years the trend was to offer part-time work to those who lack any other form of income. At present, only 3,415 workers with a part-time job in tourism have another full-time job.

Air Malta does not repair planes – Austin Gatt



Those who can't repair, fly - Austin Gatt says Air Malta's core function was not repairing airliners, after reducing its 49% share in Lufthansa Technik to 25%

Matthew Vella

Investments Minister Austin Gatt yesterday said Air Malta's central function was not that of repairing airliners or taking out more cash from its limited resources to invest it in "activities which did not help it improve its service or make it more profitable" – referring to criticism from Labour MP Charles Mangion, who commented on the recent expansion of Lufthansa Technik's base at the Malta International Airport. Air Malta recently reduced its shareholding in Lufthansa Technik to 25%. ▶ page 7

NECC calls on banks to drop euro conversion charges

Karl Stagno-Navarra

The National Euro Changeover Committee is urging all local banks to actively pursue a proposal to slash administrative charges to retailers while depositing Euro and converting the currency into Maltese Lira, as from next January.

Speaking to Business Today, NECC chairman Joseph FX Zahra explained that "it would be more than a breakthrough, should all the local banks agree to eliminate the administrative costs for retailers during conversion from Euro to Maltese Lira, six months prior to the established July date for obligatory dual pricing."

Joseph FX Zahra said that the NECC, backed by all the retailers' organisations, would like to see the local banks cooperate on this matter, as January would mean the beginning of the voluntary dual-price display.

Previous negotiations on this matter are reported to have failed a few weeks ago, however, "the NECC

**Joseph FX Zahra**

is keeping its door wide open to any possible re-thinking," he said.

Joseph FX Zahra's call to local banks, follows comments made by Benjamin Angel, who is in charge of the Eurozone enlargement in the Cabinet of the EU's Economic and Monetary Affairs Commissioner Joachim Almunia.

Angel, who was in Malta last Monday and addressed a national conference on the Euro changeover, said that although the European Commission has noted Maltese banks to be preparing well for the Euro changeover, he expected

them "to do more".

Benjamin Angel insisted that the local banks must adopt clear strategies to assist in the campaign by making themselves, "more than available to all sectors" and called on them to prepare the general public by making sure that the ATM systems around the country will be enough to provide the currency.

"I'm not saying that they are not preparing for this, but they can do more," he told Business Today.

Angel expressed optimism on Malta's plans to join the Euro by January 2008. Angel said that the European Commission is "taking note" of the fact that Malta's inflation rate is likely to continue its decline well into 2007. "Malta should be in a position to meet the inflation criteria next year, even if its rate now is well above the EU reference value," which Angel anticipated will be established at 2.8% next week.

ksnavarra@mediatoday.com.mt

A GLOBAL FORCE IN TRADE FINANCE

International Payments
Letters of Credit
Guarantees
Forfaiting

Factoring
Term Deposits
Foreign Exchange
Structured Trade Finance

NEW YORK SAO PAULO LONDON MALTA
ISTANBUL MOSCOW MUMBAI SINGAPORE

In touch with your Business**FIMBank p.l.c.**7th Floor, The Plaza Commercial Centre,
Bisazza Street, Sliema SLM 15 - Malta

Tel : +356 21322100

Fax : +356 21322122/3

www.fimbank.com info@fimbank.com

**FIMBANK**
GROUP