



"Malta has a problem, both with its product and with the perception of it"

Peter Bolech INTERVIEW ■ PAGE 10



"We all hold our breath waiting for the conclusion of this belated police investigation into Mater Dei"

George M. Mangion OPINION ■ PAGE 8

Business Today

ISSUE NO. 489

www.businesstoday.com.mt

WEDNESDAY 06 June 2007

Port reforms will substantially reduce costs, Galea announces

Karl Schembri

Port reforms are set to enter the final stage five months beyond the deadline set by Competitiveness Minister Censu Galea, now that licensed dock workers have approved an agreement negotiated between the government and the Malta Dockers' Union.

Approved unanimously last Thursday, the agreement is expected to be signed next week and the minister promises "substantial reduction in costs".

Galea had said last year that the port reforms would bring about a reduction of 25 per cent in costs to businesses but the Federation of Industry was highly critical of

the process, saying the exorbitant costs remained the same.

"Now that the agreement has been approved we will be signing it in the coming days, literally days, and I can say there will be substantial reduction in costs," the minister told MaltaToday shortly after the union announced its endorsement.

The reforms were largely delayed following the mass resignation of over 300 port workers from the General Workers' Union last September, in the wake of acrimonious splits among the leadership headed by Tony Zarb.

"Yes, in terms of timeframes we were caught lagging behind," Galea said. "We had to conclude this at

the latest by the end of last year, it's true, we are delayed by some five months. Of those five months, three or four were totally lost in the transition period when workers shifted their representation from GWU to the Malta Dockers' Union, but with the end result we are going to achieve it will have been worth waiting for."

BUSH IN PRAGUE



U.S. President Bush, left, participates in an arrival ceremony with Czech President Vaclav Klaus at Prague Castle, in Prague. Bush has said Russia has nothing to fear from a missile defence system to be built by the US, partly in Eastern Europe

Low cost carriers boosting three-star market – survey

Gerald Fenech

Around 15 percent of passengers to arrive on low cost carriers have opted for two or three star accommodation with the figure rising to as much as 40 per cent for the Italian market, an internal survey report prepared by the Malta, Hotels and Restaurants Association and which is in possession of Malta Today says.

The report indicates that although supply and demand in the three-star category has declined considerably over the years, there appears to be business growth potential in this sector with the increase in low cost carrier tourism.

In fact, the survey shows that when asked if low cost airlines have increased business for their establishments, two- and three-star owners who participated in the survey responded with a resounding 73 per cent against 27 per cent who reported no increase in business.

The same respondents paint a bleak picture for the tour operator business, with only 4.8 per cent saying that this has increased, while the bulk of 62 per cent states that this has remained the same.

However, a worrying 33.3 per cent, or one third of respondents, say that this has decreased.

The report continues to state that although there are 9,762 beds promoted as four-star category by tour operators, there are actually 16,262 beds in this category. The converse applies to the three-star scenario, where 19,771 beds are promoted with only 13,271 beds available. According to the report, this anomaly is due to a number of reasons, amongst which a lack of supply of good accommodation in the three-star area, and the perceived standard of accommodation by the trade and consumer areas than that is lower than officially classified by the MTA.

Comparing occupancy rates for the winter months, the report continues to reveal a stark picture with rates dropping to lows of 8.9 per cent in January for the two-star category compared to 36.5 per cent for the four-star category. Three-

star hotels reach an appreciable peak of 48 per cent occupancy in October, which compares well with the 65.8 per cent in the same month reached by the five-star category.

However, an encouraging 46 per cent of survey respondents indicate a positive outlook for their establishment. Two of the hotels surveyed, totalling 1,000 beds, plan to close down by the end of the year to be converted into old people's homes.

Other aspects of the report indicate that the three-star sector is in urgent need of refurbishment and re-development as the level of hotel standards in this sector has seriously deteriorated. Another incredible anomaly is that development planning policies do not consider Bugibba and Qawra nor Mellieha as tourism zones.

More assistance from the MTA, staff training and proper preparation of accounting records were also highlighted as key recommendations in the report.

Insurance claims "relatively low" after freak rainstorm

Charlot Zahra

The amount of insurance claims for damages following Monday's rainstorm was "relatively low", Malta Insurance Association (MIA) director-general Anton Felice told BusinessToday yesterday evening.

"After the general flooding that soaked the Maltese islands on Monday, the Malta Insurance Association expected insurers to be inundated by claims for

damages.

"However, the initial indications are that there have been few significant claims to private and commercial customers, and the number of flood-related claims is, until now, relatively low," said Dr Felice.

Dr Felice said on Monday the MIA feared a repeat of September 2003. "After the merciless storm of the 15th September 2003, insurers paid almost Lm4.5 million in damage

claims. The devastation that followed that storm is still a vivid nightmare.

"More so to the many who were uninsured, since 50 per cent of all businesses do not hold any form of insurance protection, whilst only one-fourth of all households are insured," he said.

However insurers and on the alert for further episodes of freak heavy rainfall, defining them as "bad news". ▶ **backpage**

360°

Virtual Tour solutions

THE LATEST UPGRADE TO YOUR WEBSITE @ only **Lm195**

Guaranteed Exposure

AMERICAN TECHNOLOGY

Virtual Tours Malta

Professional Virtual Tours

www.vtmalta.com
16 Triq I-ispiera - Swieqi
Tel: 21 385 550 Mob: 7942 1074