



"There has never been as much US investment in Malta as there is now"

US Ambassador Molly Bordonaro INTERVIEW ■ PAGE 10



"Time will tell whether the Santa Marija holiday will induce people to come forward with their cash"

George M. Mangion OPINION ■ PAGE 8

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GUNNING FOR PRESIDENT



Democratic presidential hopeful Sen. Hillary Rodham Clinton, D-N.Y., talks about housing mortgages during a campaign stop in Derry, N.H., yesterday. Clinton has consistently outpolled her challengers for the Democratic Presidential nomination Barack Obama and John Edwards although she is still slightly behind her main opponents for the Republican nomination, Rudy Giuliani and Fred Thompson. Campaigning for Election 2008 is currently in full swing as the Iowa Caucases and the New Hampshire primary edge ever closer.

US venture capital fund firm invests in 3G Telecommunications

Third 3G mobile phone licence to be awarded 'shortly'

Charlot Zahra

The Malta Communications Authority (MCA) will be shortly be awarding the third 3G mobile phone licence to 3G Telecommunications Limited, BusinessToday has learnt from reliable sources in the telecoms field.

An MCA spokesperson confirmed yesterday that the due diligence process for this application was currently underway and "is expected to be concluded soon".

Asked when was the MCA expected to assign the 3G mobile phone licence to 3G Telecommunications Limited, the MCA spokesperson said that "If the due diligence is successful, it is then envisaged that the licence will be awarded shortly after".

The story of the assignment of the third 3G mobile phone licence by the MCA is nothing short of a Latin-American soap opera. In April 2005, 3G Telecommunications Limited, together with incumbents Vodafone (Malta) Limited and GO Mobile, had applied for one of



MC Joint Venture Partners Vice-President Robert Savignol

three 3G mobile phone licences offered by the MCA.

Four months later, on 29 August 2005, the MCA awarded two licences to Vodafone and GO Mobile after concluding the due diligence process for the two mobile phone operators.

At the time, the MCA had said that "Once the process of due diligence for 3G Telecommunications Limited has been satisfactorily

concluded, the respective grant will take place".

Six months later, on 27 February 2006, Competitiveness and Communications Minister Censu Galea said in Parliament in reply to a question by Nationalist backbencher Franco Galea that "the third application for the assignment of radio frequencies in the IMT-2000 band had been refused by the Malta Communications Authority".

An MCA spokesperson told this newspaper that the MCA had taken this decision because "at one stage the MCA considered that substantial material changes had occurred to the application subsequent to the submission of the original application".

Censu Galea added that however, on 24 February 2006, the Telecommunications Appeals Board had ruled that the MCA should continue processing 3G Telecommunications Limited's application by resuming the due diligence process.

On 22 March 2006, the MCA filed an appeal in **page 4**

MCA Chairman's comments on mobile phone tariffs

Vodafone accuses Tabone of being "out of sync" with market realities

Charlot Zahra

Mobile phone operator Vodafone (Malta) Limited has reacted angrily to MCA Chairman Joseph V. Tabone's comments in an interview with BusinessToday last week that in the past three years, the downward trend in mobile phone tariffs has "stalled somewhat".

Joseph Cuschieri, Head of Legal, Regulatory and Corporate Affairs at Vodafone (Malta), said: "We totally disagree with the MCA Chairman's views. It is also worrying that the Chairman of the MCA has this impression which in our view is not in sync with the market realities."

Asked what steps Vodafone (Malta) will be taking to further reduce mobile phone tariffs, Cuschieri said: "Our prices have been following a constant downward trajectory which is proven by the increased take up and usage we have been experiencing.

"For example, if we had to compare our average retail price for the financial year ending March 2007 with that of the financial year ending March 2006, our average retail prices fell by 14 per cent

year on year.

"Furthermore, we also reduced our roaming retail rates by 40 per cent with effect from 1 April 2007; well before the introduction of the Euro Tariff. We are expecting more or less the same downward trend in our retail prices for this financial year as well.

"If Mr Tabone compares the price reductions in mobile tariffs to other service industries, he will immediately realise that in most cases the prices went up and not down.

"The downward trend in mobile communications services prices is also confirmed by the MCA's latest annual report where it is stated clearly that household consumption of electronic communications services showed a decline over the last four years.

"The annual report further states that this decline is attributable to lower general prices and increased sector competition!" he insisted.

On its part, arch-rival mobile phone operator GO Mobile was more cautious in its reaction to Tabone's comments about the lack of reduction in mobile phone tariffs over the past three years.

Albert Gouder, **page 3**

World Business Highlights

Morgan Stanley UK chief to drive buyout push

Brian Magnus, the high profile head of the UK investment bank, is to co-lead its renewed European private equity drive

Debt crisis derails \$23bn Virgin Media sale plans

Television and telecoms group concedes that turmoil in the credit markets has hit the timing of potential offers

Fed looks set to hold US rates at 5.25%

The Fed faces the tricky task of calming anxious investors, acknowledging risks and keeping inflation under tight control

EasyJet flies into price war turbulence

No frills airline confirms full-year guidance but admits that revenue per passenger has fallen since start of summer

Business Today

Business Today will not be published next Wednesday 15th August. Your favourite business newspaper will be back on the news stands on Wednesday 22nd August

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