

Business Today

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MSE (daily change)	BOV (weekly change)	HSBC (weekly change)	GO (weekly change)
-0.36% 4832.11	-0.838% 3.550	-0.761% 1.955	-2.190% 1.340

33 days €
COUNTDOWN TO THE EURO



Alan Camilleri
INTERVIEW page 10

Moody's confirms Malta's credit rating with a warning

Charlot Zahra

International credit rating agency Moody's has confirmed its Aa1 ceiling for Malta's foreign currency debt and A2 for the country's foreign currency bank deposits. The outlook has remained positive.

The rating for bonds issued by the Government of Malta was also confirmed at A2 with a positive outlook (after being upgraded from A3 last July).

The adoption of the euro on January 1 would push Malta's credit rating further upwards. However the credit rating agency

warned that "a return to fiscal slippage leading to the renewed accumulation of public debt over the longer term" would lead to a downfall in Malta's credit rating.

In its latest credit opinion on Malta, issued two weeks ago, Moody's highlighted as credit strengths the country's "relatively

high" GDP per capita, the fact that Malta has a "more advanced" economy than most other EU Member States, the fact that Malta is a net external creditor and the final EU approval for the country to adopt the euro as from next January.

On the other hand, the credit

rating agency has highlighted as challenges to the country's credit rating the country's "high, albeit gradually easing" public debt burden, challenges related to the country's competitiveness and the fact that Malta is "a small island economy vulnerable to external shocks". ▶ page 13

Financial institutions mum on Labour's proposal for a financial services centre at City Gate

There was total silence by those financial institutions that will be directly affected by the Labour Party's proposal in the Grand Harbour regional development plan to build a financial services' centre at City Gate and the former Opera House to complement the Stock Exchange and the Central Bank of Malta.

Asked by BusinessToday for their reaction to the Labour Party's proposal, whether they agreed with it or not and the reasons behind

their position, the Central Bank of Malta (CBM), the Malta Financial Services Authority (MFSA) and the Malta Stock Exchange (MSE) either did not reply to our e-mails or chose not to comment.

A spokesperson for MFSA chairman Joseph V Bannister told BusinessToday: "As indicated in our telephone conversation, this is not a regulatory issue", therefore the Authority would not be reacting to our questions.

Likewise, a spokesperson for MSE

Chief Executive Officer (CEO) Mark Guillaumier told a BusinessToday journalist: "Mr Guillaumier will not be commenting to your questions"

Central Bank Governor Michael C Bonello chose not to reply at all our questions. Various e-mail messages sent by this newspaper starting from Monday afternoon until the time we went to print went unanswered.

A number of financial commentators usually known for their loquacity were also

unusually silent when asked by BusinessToday for their reaction to the Labour Party's proposal for a financial services centre at City Gate and the former Opera House.

On his part, former Nationalist Finance Minister John Dalli dismissed the MLP's proposals outright. "A financial services centre is simply an office block," he told BusinessToday.

"What architectural sensitivity will be shown to our Valletta architecture? I hope it will not

be the same as the blocks of apartments constructed by a Labour government just opposite the site in question," he said.

Asked by BusinessToday what should be built at City Gate instead of a financial services centre, Dalli was in agreement with the Nationalist Government's position on the area: "I believe that the site should house our parliament which will be built to provide full amenities to parliamentarians and the public." ▶ page2

Win Lm5,000 at 'Generations 2007' exhibition at Portomaso



Victor Azzopardi Jewellers, one of the leading and most established jewelers in Malta, will be holding their annual exclusive exhibition at the Hilton Portomaso. "Generations 2007" by Victor Azzopardi Jewellers is a unique opportunity to view the latest trends in designer jewellery, hand-crafted silverware, certified diamonds and time masterpieces. The exhibition, which will be open to the public for free, will this year include a collection of some of the largest diamonds and coloured stones available in Malta. This exhibition will be open to the general public from 30 November to 2 December at the Spinola Suite of the Hilton Conference Centre, Portomaso. Open from 10am to 10pm. For more information visit www.victorazzopardi.com or call 21233715/21222949.

World Business Highlights

Stocks in U.S. Advance After Citigroup Gets Cash From Abu Dhabi Investors U.S. stocks climbed after Citigroup Inc. received a \$7.5 billion cash infusion and JPMorgan said Intel Corp. will benefit from "robust" computer demand.

Citigroup to Get \$7.5 Billion Abu Dhabi Investment Following Sub-prime Loss Citigroup Inc., the biggest U.S. bank by assets, will receive a \$7.5 billion cash infusion from Abu Dhabi to replenish capital after record mortgage losses wiped out almost half its market value.

U.S. Consumer Confidence, Home Prices Drop More Than Economists Estimated Consumer confidence fell more than forecast in November as Americans struggled with surging fuel costs and falling home prices.

Oil Declines More Than \$2 a Barrel on Increased Saudi Arabian Production Crude oil fell more than \$2 a barrel in New York after Saudi Arabia's oil minister, Ali al-Naimi, said the country increased production to the highest this year.

FTSE 100



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