

Business Today

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MSE (daily change)

-0.33%
4781.27

BOV (weekly change)

-0.282%
3.540

HSBC (weekly change)

-1.279%
1.930

GO (weekly change)

-3.134%
1.298
26 days €
COUNTDOWN TO THE EURO

Duncan Pescod
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Party proposals into rehabilitating Grand Harbour more or less similar

Charlot Zahra

The visions presented by the Government and the Labour Party for the rehabilitation of the Grand Harbour area, which were presented within the space of a few weeks, have various points in common. Barely a month and a half after Austin Gatt's innovative vision for the Grand Harbour, the MLP return with another vision for the Grand Harbour.

Both of them propose the construction of new berthing spaces for yachts and super-yachts in order to increase the amount of tourists coming to Malta by boat in what is a very lucrative business.

They are also in agreement on the extension of the VISET terminal to the Liesse area in order to enhance the country's capabilities in the cruise-liner sector, which has been booming for the past few years.

Another common factor between

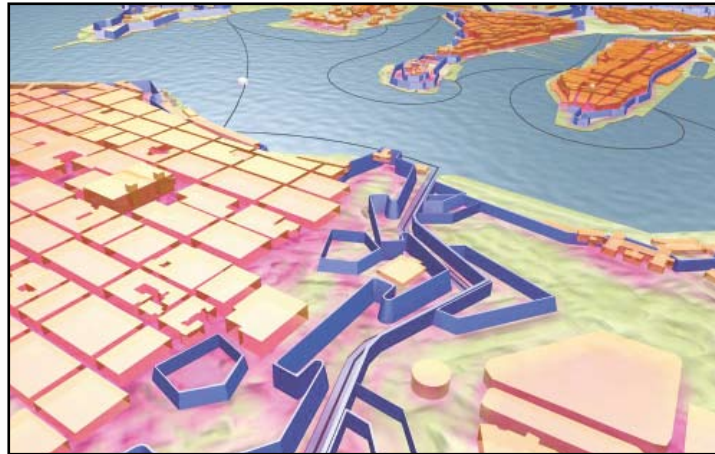
the two visions is the rehabilitation of the Marsa Power Station, which has been an environmental headache for residents in the area for tens of years now.

Both parties are also in agreement on the relocation of the tank cleaning facilities at Ricasoli, with Labour proposing that it should be transferred to Corradino.

As for infrastructural projects, Labour is proposing a five-star hotel at Evans Building in Valletta and at Bighi in Kalkara complete with berths for super yachts underneath while the Government is proposing a five star hotel at the site of the Boffa Hospital.

On its part, the Labour Party is proposing to retain Boffa Hospital as an international class medical facility.

Perhaps the most daring idea by the Labour Party is to provide a



Both government and the opposition have offered colourful proposition for changing the Grand Harbour into an idyllic harbour. The colourful picture is straight out of the MLP's vision for the harbour

transport service joining the Grand Harbour to Marsamxett. This will be achieved by digging a new tunnel

underneath or else by digging deeper the ditch underneath Valletta.

European economy suffering from fallout

Europe's economy may be more damaged than the European Union has forecast by fallout from the U.S. housing slump as banks curb lending and accelerating price gains prevent central bankers from cutting interest rates, EU finance officials said.

"There may be a question mark over our hopes that Europe could

decouple" from a U.S. slowdown, European Central Bank governing council member Christian Noyer told a conference in Paris yesterday.

Euro-area finance ministers endorsed an analysis by the International Monetary Fund suggesting that 2008 economic growth in the nations that use the

euro will fall short of 2 percent for the first time in three years, Joaquin Almunia, EU Monetary Affairs Commissioner, said late yesterday in Brussels.

The growth slowdown comes as inflation picks up, posing a quandary for the ECB, which has refrained from following the U.S. Federal

Reserve in cutting interest rates. The central bank is concerned that price gains may trigger an inflation spiral by stoking wage demands. Euro-area consumer prices jumped 3 percent in November from the year-earlier period, the biggest increase in six years, driven by higher commodity costs. ▶ back page

European Stocks drop, led by Nokia; Volkswagen, Royal Bank fall

European stocks declined for a second day, led by technology companies and carmakers, after Nokia Oyj said mobile-phone prices will drop and U.S. auto sales weakened.

Nokia, the world's biggest handset producer, sank the most in more than two years. Volkswagen AG, Europe's largest carmaker, and Bayerische Motoren Werke AG retreated. Royal Bank of Scotland Group Plc led banks lower after Morgan Stanley forecast slowing earnings growth for U.K. lenders.

The Dow Jones Stoxx 600 Index lost 1.5 percent to 363.34, bringing its two-day decline to 1.9 percent, as all 18 industry groups dropped except chemical makers. The Stoxx 50 decreased 1.3 percent, and the Euro Stoxx 50, a measure for the euro region, fell 0.8 percent.

The yen rose against the dollar after U.S. Treasury Secretary Henry Paulson said he had no "silver bullet" to stop subprime-mortgage losses from spreading. The risk of European companies defaulting on their debt increased, according to traders of credit-default swaps.

National benchmarks declined in all 18 western European markets. The U.K.'s FTSE 100 sank 1.1 percent, and France's CAC retreated 1.5 percent. Germany's DAX slid 0.4 percent. ▶ back page

A green Christmas



A traditional sign of the holiday season in New York, the Rockefeller Centre Christmas tree went green this year, energy saving bulbs powered in part by solar panels. The Norway spruce stands 84-feet-tall. It is covered with 30,000 multicoloured light-emitting diodes, or LEDs, strung of five miles of wire.

World Business Highlights

Stocks in U.S. Drop as JPMorgan Cuts Profit Outlook at Biggest Brokerages U.S. stocks fell for a second day after JPMorgan Chase & Co. said deteriorating credit markets will reduce earnings at the four biggest securities firms and Merck & Co. forecast profit that may miss analysts' estimates.

Canada Unexpectedly Cuts Interest Rate, Saying Currency Gains Curb Prices The Bank of Canada unexpectedly cut interest rates by a quarter-point as the Canadian dollar's rally slows inflation and market "volatility" threatens to cool economic growth.

Florida's Retiree Fund Holds Same 'Suspect' Debt as Frozen Investment Pool Florida's pension fund owns more than \$1 billion of the same downgraded and defaulted debt that sparked a run on a state investment pool for local governments and led officials to freeze withdrawals, according to documents obtained by Bloomberg News through an open records request.

FTSE 100



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