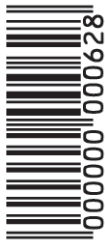


# Business Today

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**Interview:**  
**Alan Camilleri**

Page 4

**HSBC results “could have been worse”**

Page 3

**Editorial: Tourism and the way forward**

Page 7

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## World Business Highlights

**Merrill to Sell \$8.5 Billion of Shares as Thain Unloads Money-Losing CDOs** Merrill Lynch & Co., the third-biggest U.S. securities firm, will sell \$8.5 billion of stock and liquidate \$30.6 billion of bonds at a fifth of their face value to shore up credit ratings imperiled by mortgage losses.

**British Airways, Iberia Say They Are Holding Talks About a Possible Merger** British Airways Plc, Europe's third-biggest carrier, started talks to merge with Spain's Iberia Lineas Aereas de Espana SA to lower expenses as slower economies and higher fuel costs wipe out earnings.

**Stocks in Europe, Asia Fall, Led by UBS, Barclays; U.S. Index Futures Rise** Stocks in Europe and Asia fell on concern credit losses will worsen and the economic slowdown will cut earnings. U.S. index futures advanced as oil prices declined and Amgen Inc. reported earnings that beat analysts' estimates.

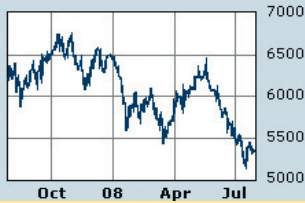
**Alcatel-Lucent's Russo, Tchuruk Resign After Sixth Straight Quarterly Loss** Alcatel-Lucent SA, the world's largest supplier of fixed-line phone networks, said Chief Executive Officer Patricia Russo and Chairman Serge Tchuruk quit after the sixth straight quarterly loss.

**Merrill Lynch's Plan to Offload Its CDOs 'Suggests Endgame,' Analysts Say** Merrill Lynch & Co.'s decision to liquidate \$30.6 billion of collateralized debt obligation at a fifth of their face value "suggests the endgame" for CDO risk at financial companies, Bank of America Corp. analysts said.

**WTO Talks in Geneva Collapse on Rich-Poor Nation Rift, Trade Official Says** Trade talks aimed at producing a deal that would add billions of dollars to the world economy collapsed in their ninth day as rich and poor nations refused to make market-opening concessions and accused each other of intransigence, according to a trade negotiator.

**Zimbabwe's Power-Sharing Talks Between Mugabe, Opposition Are Deadlocked** Talks between President Robert Mugabe's ruling party and Zimbabwe's Movement for Democratic Change aimed at ending the southern African nation's political crisis are deadlocked, an opposition spokesman said.

### FTSE 100



### Summer Shutdown

Readers are informed that Business Today will be on shutdown throughout the period between 6 to 20 August. The next issue will be published on 27 August.

# EU kept in the dark over hearses subsidy

Charlot Zahra

The Maltese Government has not yet notified the European Commission about its decision to grant a €230,000 one-off subsidy to the ten funeral hearses owners to accept liberalisation of the sector.

Asked by Business Today whether the Maltese Government had informed the European Commission about the granting of this subsidy to funeral hearse owners in Malta, a commission spokesperson told this newspaper curtly: "No such aid was notified to the European Commission."

The European Commission failed to answer a number of questions asked by Business Today, among other things, whether the Commission expected to be notified about the matter and why, whether the European Commission was investigating the granting of this subsidy or not, and if yes, when it started its investigations, whether the Maltese Government had been informed about the investigations or not, and how long the investigations were expected to take.

We also asked the Commission whether the investigations started following a complaint by somebody or out of the Commission's own

initiative, and if the Commission received a complaint, the date when it was received and the name of the complainant/s.

This deal was instrumental for the Motor Hearse Owners' Association to accept the liberalisation of the funeral hearses' market and withdraw from the Transport Federation late on Wednesday 16 July, three days after the transport strike had ended.

In his press conference shortly after securing the end of the strike and the hearse owners' resignation from the Transport Federation against €230,000 compensation, Infrastructure, Transport and Communications Minister Austin Gatt said part of the offer would be used for the association's marketing.

However, this was a risible prospect given that none of the hearses advertised their services, given that they are contracted by funeral directors.

In an interview with sister paper MaltaToday on 20 July, Motor Hearse Owners' Association President John Bray said that they would probably distribute the amount among the 10 members, so they would end up getting like €23,000 each.



"I think that's the whole point of the compensation, we'll divide them between our 10 members, but I can't confirm that before we discuss it," Bray said.

Asked for his reaction to this, Gatt, in his no-holds-barred style, told Malta Today in an interview on 20 July: "That's up to them. I gave the money to the association, what he does with them is up to them."

"Mind you this is not the first time we're offering compensation as part of the liberalisation package.

The last case we had was with pig rearers. When we changed the system radically we compensated them to be able to face competition," Gatt said.

In this respect, the European Commission failed to answer a specific question by Business Today as to whether this subsidy was in line with the EU rules on State Aid or not and why.

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## MCA warning irritates Cellcom

Charlot Zahra

Cellcom, one of the two telecoms companies that has not rolled out its Broadband Wireless Access (BWA) services has reacted sharply to the Malta Communications Authority (MCA)'s warning that it was not excluding removing the licences of those companies that have not rolled out the service according to the agreed time-table.

Speaking on behalf of Cellcom Chairman Tony Mejlaq. Ing. Saviour Zammit told Business Today: "Withdrawal of licences will not be in the best interest of the consumer and the Maltese economy."

"The MCA had better focus on other issues concerning Fair Competition and the quality and reliability of electronic communications services being provided by the incumbents."

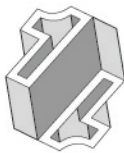
"This is increasingly becoming an issue impeding foreign investment into operations being established in Malta," he said.

Asked about Cellcom's reaction to the MCA's decision to slap a €127.63c daily fine on Cellcom, Zammit told Business Today: "Cellcom objected to the MCA when the fines were proposed in a consultation document. Our objections were not accepted."

► page 6

## Markets

Security	Closing Prices in Euro Tue 22-July-08	Closing Prices in Euro Tue 29-July-08	% Change from previous wk
Bank of Valletta p.l.c.	4.660	4.500	-3.433%
HSBC Bank Malta p.l.c.	3.830	3.375	-11.880%
Lombard Bank p.l.c.	2.900	2.900	0.000%
Middlesea Insurance p.l.c.	3.340	3.340	0.000%
Simonds Farsons Cisk p.l.c.	2.830	2.830	0.000%
GO p.l.c.	2.500	2.500	0.000%
International Hotel Investments p.l.c.	1.050	1.060	0.952%
Plaza Centres p.l.c.	1.730	1.700	-1.734%
Malta International Airport p.l.c.	3.120	3.120	0.000%
GlobalCapital p.l.c.	2.500	2.500	0.000%
Datatrak Holdings p.l.c.	0.291	0.291	0.000%
San Tumas Shareholdings p.l.c.	2.562	2.650	3.435%
Medserv p.l.c.	3.990	3.990	0.000%
Grand Harbour Marina p.l.c.	2.250	2.295	2.000%
Crimsonwing p.l.c.	0.530	0.530	0.000%
MaltaPost p.l.c.	0.800	0.770	-3.750%
RS2 Software p.l.c.	0.815	0.815	0.000%



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