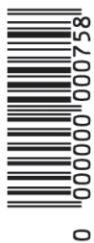


Business Today

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World Business Highlights

New-Home Sales in U.S. Rebounded From 17-Year Low in July; Inventory Fell New-home sales in the U.S. improved in July from a 17-year low and construction cutbacks by builders reduced the glut of properties on the market by the most in almost five decades.

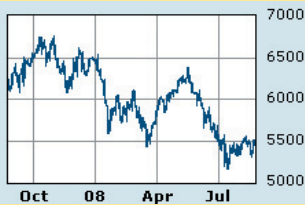
Dollar Advances to Six-Month High on Speculation European Growth Will Slow The dollar rose to a six-month high against the euro on evidence the greenback will be the main beneficiary from a global economic slowdown as German business confidence dropped in August more than forecast.

U.S. Stocks Rise, Led by Energy Producers as Oil Rises; Bank Shares Climb U.S. stocks rose as a gain in oil prices boosted energy producers and reports on home sales and consumer confidence topped economists' forecasts.

Consumer Confidence Index in U.S. Rises More Than Forecast on Cheaper Gas Consumer confidence in August increased more than forecast in August as cheaper gasoline improved Americans' moods, a private report showed.

Borrowing at Merrill, Wachovia Hit With Biggest Refinancing Bill on Record Merrill Lynch & Co., Wachovia Corp., Lehman Brothers Holdings Inc. and the rest of the U.S. finance industry are about to find out how expensive credit has become.

FTSE 100



Assassination plot on Obama



US authorities were yesterday investigating an alleged plot to kill Barack Obama as he claims the Democratic nomination later this week in Denver, after four people were arrested with a haul of weapons.

Shipyards squander public funds as privatisation looms

David Darmanin

Malta Shipyards Ltd (MSL) will not be cancelling its reservation for a promotional stand booked for a Tripoli fair due to be held in October this year, more than a month after the deadline for submissions of expressions of interest in its purchase elapses, this newspaper has learnt.

A final layout plan issued by Waha Expo Co., the organisers of the Technology of Oil and Gas

Forum and Exhibition, confirms the reservation of a corner stand measuring 18sqm in the name of MSL, adjacent to a 12sqm stand reserved for Malta Enterprise. But in his reply, a spokesperson for the Ministry of Infrastructure, contradicted the organisers' records when he said that: "the stand, which measures 4x3 metres, forms part of a single stand covered by Malta Enterprise."

The Ministry and the organisers also seem to disagree on the

actual cost of the stand. While the spokesperson insisted that the stand is worth €3,900, 60 per cent of which refundable through EU funds, the price list issued by the organisers quotes €450 per square metre, working out at a total of €8,100. That is of course, if one reserves an inline stand. But because MSL opted for a corner stand, the cost increments by an additional 10 per cent, totalling up to €8,910. Added to that, is the cost of accommodation and flights.

It is not known whether MSL also opted to advertise in the fair's official catalogue. In that case, the cost would have increased by an additional €700 for a half page advert or €1,200 for a full page.

Whatever the case, the Ministry considers the money spent on the project to be a pittance. Asked whether the Shipyards are considering cancelling the fair, considering the circumstances, the spokesperson said: "This is an MSL decision. ▶ page 4

July tourism registers drop over last year

Charlot Zahra

An MHRA survey revealed a sharp drop in hotel room occupancy rate during July 2008 when compared to last year, with the highest slump being registered in the five-star sector.

Contacted by this newspaper, Malta Hotels and Restaurants' Association (MHRA) Chief Executive Officer George Schembri said:

"From our monthly survey sent to our members the occupancy in hotels this July went down by 7 per cent over July 2007 but slightly better by then July 2006.

"We can only contribute the fall in occupancy due to the economic situation in mainland Europe. The drop of the value of the Sterling, the credit crunch, lower seat capacity over summer 2007, and the oil fuel crisis that occurred in May/June which would have affected consumer confidence in spending their savings on summer holidays at a time when Governments were giving indications that households will have to suffer higher electricity bills in view of the rising price of crude oil," he said.

"Airlines also uplifted fuel surcharges which meant it was more expensive to fly especially to destinations longer than 2.5 hours flight time," Schembri explained, adding that the main drop was registered in the five-

star sector, which depends upon direct bookings during the summer months.

The four star sector also had a slight drop of 2.82 per cent in July this year when compared to last year but was about 3 per cent better than 2006.

The three star sector remained practically unchanged over the past three years – it was 0.01 per cent lower than last year but about 0.04 per cent better than 2006.

Asked on how hotels fared in the Bugibba area when compared to the St Julian's area in July this year when compared to last year, and whether they fared worse than in July 2007 and in July 2006, Schembri explained that in the Bugibba, Mellieha and Gozo area, five-star hotels underperformed by around 20 per cent over last year, however they kept about the same levels as in July 2006.

Four-star hotels in the Bugibba, Mellieha and Gozo area underperformed by around 1.94 per cent over last year but performed better than in July 2006.

On the other hand, three-star hotels in the area performed better by around 6.1 per cent when compared to last year, and also better than in July 2006.

"The four and the three-star hotels performed better in the north due to the complete reliance on tour operators business' which is booked well in advance ▶ page 5



The Palm Court Hotel: At 70 per cent occupancy this year, a dramatic slump when compared to its over-booking last summer.

Markets

Security	Closing Prices in Euro Tue 19-August-08	Closing Prices in Euro Tue 26-August-08	% Change from previous wk
Bank of Valletta p.l.c.	4.180	4.300	2.871%
HSBC Bank Malta p.l.c.	3.003	3.100	3.230%
Lombard Bank p.l.c.	2.900	2.899	-0.034%
Middlesea Insurance p.l.c.	3.340	3.100	-7.186%
Simonds Farsons Cisk p.l.c.	2.830	2.830	0.000%
GO p.l.c.	2.350	2.350	0.000%
International Hotel Investments p.l.c.	1.050	1.050	0.000%
Plaza Centres p.l.c.	1.700	1.700	0.000%
Malta International Airport p.l.c.	3.040	2.999	-1.349%
GlobalCapital p.l.c.	2.444	2.444	0.000%
Datatrak Holdings p.l.c.	0.290	0.290	0.000%
San Tumas Shareholdings p.l.c.	2.650	2.650	0.000%
Medserv p.l.c.	3.990	4.000	0.251%
Grand Harbour Marina p.l.c.	2.300	2.300	0.000%
Crimsonwing p.l.c.	0.520	0.519	-0.192%
MaltaPost p.l.c.	0.750	0.750	0.000%
RS2 Software p.l.c.	0.810	0.830	2.469%



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