

# Business Today

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**Interview:**  
**Daniel Marks**

Page 10

**Inflation worries social partners**

Page 4

**Editorial: Political guts needed**

Page 9

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## World Business Highlights

**Stocks in U.S. Erase Advances as Commodities Producers Overwhelm Airlines** U.S. stocks erased an earlier rally as a retreat in commodity producers overshadowed gains in airlines and automakers after Hurricane Gustav spared drilling platforms in the Gulf of Mexico, sending oil to a five-month low.

**Oil, Gasoline Lead Drop in Commodities After Gustav Spares Energy Tracts** Crude oil led a decline in commodities as Hurricane Gustav spared the U.S. Gulf states the destruction caused by Katrina and Rita in 2005.

**Dollar Rises to Highest in Almost Seven Months on Oil Drop, Growth Outlook** The dollar rose to the highest level against the euro in almost seven months as crude oil fell and traders speculated that the Federal Reserve's monetary policy will help the U.S. economy outperform Europe and Asia.

**UBS, Credit Suisse Leverage Limit Will Be Imposed by Swiss Bank Regulators** UBS AG and Credit Suisse Group AG will have to hold more capital in reserve against their assets following subprime-related losses, the head of Switzerland's Federal Banking Commission said.

**Apple Will Host 'Let's Rock' Event Sept. 9 Amid Speculation About New iPod** Apple Inc. plans to host a special event next week, feeding speculation that it may release updated models of the iPod media player to spur holiday sales.

**Lazard Executives to Sell as Much as \$334 Million of Stock in Public Offer** Lazard Ltd.'s current and former employees, including Vice Chairman Steven Golub and North America Chief Executive Officer Kenneth Jacobs, plan to sell as much as \$334 million of stock in the New York investment bank more than three years after it went public.

**Lehman, Korea Development Bank Talks Held Up on Disagreement About Price** Lehman Brothers Holdings Inc., under pressure to raise cash before reporting third-quarter financial results, hasn't yet struck a deal to sell a stake to Korea Development Bank because the two sides disagree on how much the U.S. firm is worth, KDB's chief executive officer said.

## FTSE 100



# Malta regulates adult gaming site

David Darmanin

Oceania P-Club Ltd and Oceania Clubhouse, Malta-registered subsidiaries of Hugh Hefner's Playboy empire, have been granted by the Lotteries and Gaming Authority (LGA) in Malta a license to operate an adult gaming website, this newspaper has learnt.

Adult entertainment, with which the Playboy brand is mostly associated, is heavily promoted through games available on www.playboycasino.com, as flash promotions on its homepage appear with such taglines as "Take part in the hottest strip poker game ever", "Party with Hef at the Playboy Mansion" or "Play exclusive slots and win exclusive videos of the girls."

Close to an LGA logo and a web icon of a Maltese flag the site's homepage bears, a "click here" button invites users to learn more about Playboy Casino's "Reward Club", a system with which the virtual currency "Bunny Money" is gained in order to earn your way to an invitation to party with Hugh Hefner and his bunnies, or to lunch with the playmates at the legendary Playboy Mansion.

"Bunny Money can be traded in for a number of fantastic rewards or experiences, from a simple pack of sexy playing cards to the ultimate of partying with Hef at the Mansion! To see a full list of rewards and experiences including updates go to the Rewards Club now. Earning Bunny Money couldn't be easier," a note on the website reads.

Among other rewards offered, one finds a three-month subscription to Playboy Magazine, a three month subscription to the porno channel Playboy TV, and the hardcore paysite www.playboy.net.

Ironically, services offered on this gaming site are not available, by means of a legal ban, to residents of the US, which is where the mother company is headquartered and run by Hugh Hefner himself together with his daughter Christie, the wife of a former Illinois state senator.

Meanwhile, on every page of the website, as required by Maltese law, a prominent footer reads: "Oceania P-Club Ltd. and Oceania Clubhouse Ltd, company registration numbers C42048 and C42050). (Trading name of PlayboyGaming) are limited liability



companies registered in Malta, a member of the EU since May 2004, that operate under licenses issued by the Lotteries and Gaming Authority of Malta (issued on the 17th August 2007 license number LGA/CL1/365/2006 and LGA/CL3/365/2006) and are also regulated by the said Authority."

## Analysts sceptical of budget surplus by 2010

Charlot Zahra

Economists who spoke to Business Today this week said that they were not surprised by the latest budget deficit figures for July announced by the National Statistics Office (NSO) last Thursday.

However, with this shortfall, the general feel is that the Government has seriously dented its chances of reaching a budget surplus in two years' time.

Asked for his reaction to the latest budget deficit figures, which showed that budget deficit had grown by 36 per cent in the first seven months of the year when compared to the same period last year, senior economist Edward Scicluna said that there was "no surprise at all. It was so very predictable last October when the 2008 Budget was announced.

"I found this out when I realised that the Government was factoring-in a higher tax burden (as a per cent of GDP), when all the programmes agreed with the EU and the IMF

were pointing the other way.

"It was a clear case of an overly optimistic revenue stream, which could not materialise given that the economic environment was not getting any better," Scicluna told Business Today.

Asked to elaborate on the factors which, in his view, led to this deterioration in the Government's financial position, Scicluna said: "All the planned expenditure programmes were known and announced at the time.

"Of course no monthly cash-flow statements were presented, so it could be that the present position is not as bad as it seems, but basically still untenable," he explained.

Asked about what concrete action the Government should take to correct its budget deficit, Scicluna said that there were "no secrets about this. Either it cuts expenditure or it increases taxation or does both.

"The problem with cutting expenditure is that only capital

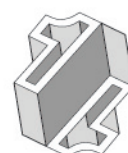
projects are readily suitable for cutting back. If the Government's wage bill has increased by 10 per

cent, what can Government do about it before the end of the year?" he asked.

page 3 ▶

## Markets

Security	Closing Prices in Euro Tue 26-August-08	Closing Prices in Euro Tue 02-September-08	% Change from previous wk
Bank of Valletta p.l.c.	4.300	4.420	2.791%
HSBC Bank Malta p.l.c.	3.100	3.185	2.742%
Lombard Bank p.l.c.	2.899	2.970	2.449%
Middlesea Insurance p.l.c.	3.100	3.100	0.000%
Simonds Farsons Cisk p.l.c.	2.830	2.830	0.000%
GO p.l.c.	2.350	2.200	-6.383%
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.	2.999	2.950	-1.634%
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.	4.000	3.997	-0.075%
Grand Harbour Marina p.l.c.	2.300	2.300	0.000%
Crimsonwing p.l.c.	0.519	0.519	0.000%
MaltaPost p.l.c.	0.750	0.770	2.667%
RS2 Software p.l.c.	0.830	0.830	0.000%



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