

Business Today

WEDNESDAY 19 November 2008 - ISSUE NO. 559



Interview:
Denis Zammit
Cutajar

Page 8

Local companies invest millions
in community projects

Page 3

Employers welcome union
manifestation

Page 4

www.businessstoday.com.mt

Utility tariffs: Ray of light for low-income families

As hopes of re-negotiating the controversial commercial energy tariffs revision seem to peter out, representatives of the 18 trade unions protesting last Friday against the utility tariff hike, yesterday presented Prime Minister Lawrence Gonzi with nine alternative proposals on a prospective review of household tariffs.

Should government give in to their demands, pressure on consumers could ease up this Christmas, thus presenting a ray of light to the retail sector.

All unions reported varying degrees of satisfaction at the meeting's outcome.

"Optimistic? Yes I suppose I am, after today's meeting," Malta Union of Teachers director John Bencini said. "Last time they slammed the door shut, now they left it slightly ajar..."

However, no representative was willing to go into any detail on the nine proposals; but union insiders who spoke informally with sister paper MaltaToday hinted as to the general thrust.

"We agree with the overall principle of eco-reduction," one

official said. "We understand that government would move to discourage excessive waste. However, where we disagree is on the implementation: the fact that the changes were ushered all at once. It is too hard an impact to withstand."

What the unions are therefore proposing is an overall reduction in the new tariffs, which, while still remaining higher than before, would be more palatable to the low-income brackets.

"If government studies our proposals in depth, it will realise that they still achieve the desired objective without proving to be too much of a burden on families."

No date has been set for a second meeting, and according to Bencini, this is as it should be. "The Prime Minister will now be consulting with his own experts," he said. "After all, you can't take decisions like that on a whim around the discussion table..."

Meanwhile, GWU secretary-general Tony Zarb, who was the first to speak after the meeting, gave a terse overview of the meeting and its outcome.

"We have presented government with our common proposals, which had been agreed to beforehand by all participating unions," he told the assembly of journalists on the palace steps.

But asked to expand on the unions' common proposals, Zarb would only say that they had been calculated to reduce the burden on low-income Maltese families, and were based on the concept of social justice.

"We are now waiting for the government to come back to us with its own workings (of these proposals)", Zarb added.

Confederation of Malta Trade Unions secretary-general William Portelli argued that even a slight



revision of the current metre charge and 1,500 units per person limit would make a significant difference to the impact of electricity bills on households.

Portelli admitted that the one issue in which the unions met with no success at all was that of the retroactive utility bills, which will still be backdated to 1 October.

"Yes, we did discuss the issue, but the government is sticking to its guns on this one," he said.

On his part, Union Haddiema Maqghudin secretary-general Gejtu Vella stressed that the meeting mainly on the residential, not commercial, dimension to the new tariff regime.

World Business Highlights

Paulson Clashes With Congress, Warns Against Using Bailout as a 'Panacea' Treasury Secretary Henry Paulson rejected using the government's financial-rescue program as a "panacea" for economic difficulties, clashing with lawmakers who want the funds to help beleaguered homeowners.

Automaker Failure Would Be 'Catastrophic' for Economy, GM's Wagoner Says The U.S. economy would suffer a "catastrophic collapse" if domestic carmakers fail, General Motors Corp. Chief Executive Rick Wagoner testified as leaders of the nation's auto industry renewed appeals to Congress for federal aid.

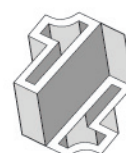
U.S. Two-Year Note Yields Drop to Five-Year Low as Producer Prices Plunge Treasury two-year note yields plunged to the least in five years as U.S. stock indexes dropped below their lowest closing levels since 2003 and emerging-market assets tumbled, boosting demand for the safety of U.S. debt.

FTSE 100



Markets

Security	Closing Prices in Euro Tue 11-Nov-08	Closing Prices in Euro Tue 18-Nov-08	% Change from previous wk
Bank of Valletta p.l.c.	3.599	3.610	0.306%
HSBC Bank Malta p.l.c.	2.923	2.910	-0.445%
Lombard Bank p.l.c.	2.948	2.948	0.000%
Middlesea Insurance p.l.c.	2.697	2.697	0.000%
Simonds Farsons Cisk p.l.c.	2.630	2.630	0.000%
GO p.l.c.	1.900	1.900	0.000%
IHI p.l.c.	0.910	0.910	0.000%
Plaza Centres p.l.c.	1.730	1.730	0.000%
FIMBank p.l.c. (US\$)	\$1.385	\$1.400	1.083%
Malta International Airport p.l.c.	2.500	2.329	-6.840%
GlobalCapital p.l.c.	1.991	1.991	0.000%
Datatrak Holdings p.l.c.	0.300	0.300	0.000%
San Tumas Shareholdings p.l.c.	3.100	3.100	0.000%
Medserv p.l.c.	3.997	3.997	0.000%
Grand Harbour Marina p.l.c.	2.000	1.800	-10.000%
6pm Holdings p.l.c. (GBP)	£0.700	£0.700	0.000%
Crimsonwing p.l.c.	0.497	0.497	0.000%
MaltaPost p.l.c.	0.710	0.750	5.634%
RS2 Software p.l.c.	0.750	0.750	0.000%



FIMBANK



5.25% 12 month Euro Term Deposit

LIMITED AVAILABILITY

We also pay premium rates for US Dollar and GBP. Money Market Linked Deposits also available. Minimum Deposit - Euro 50,000 or equivalent

FIMBank p.l.c.
7th Floor, The Plaza Commercial Centre
Bisazza Street, Sliema SLM 1640, Malta

www.fimbank.com
info@fimbank.com
T : 2132 2100

FREEPHONE :: 800 73110

FIMBank p.l.c. is a licensed credit institution in Malta. This offer is regulated in terms of the Banking Act. Interest rates and conditions for Money Market Linked Deposits apply. Terms and Conditions for this offer are available upon request. Rates are correct at the time of going to press. FIMBank p.l.c. reserves the right to change such rate and/or conditions without further notice to the public. The value of your deposit and interest payable may be subject to Currency Exchange Rate fluctuations, depending on the depositor's Reference Currency.