

# Business Today



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**Interview:**  
**Ernest-Antoine**  
**Sellier**

Page 8

**Fenech reacts to**  
**ST's decision to**  
**downsize**

Page 5

**GO takes over NextGen**

Page 5

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# Employers ask for stimulus plan

David Darmanin

As international fears of deep recession hit the Maltese coast, all employer organisations in Malta have called on government to lay out a stimulus plan for local industry.

This week, the Malta Chamber of Commerce, Enterprise and Industry (MCCEI) – with the endorsement of the Malta Hotels and Restaurants Association (MHRA) and the Federation of Estate Agents (FEA); put forward to the Prime Minister and the MCESD chairman a number of measures aimed at providing a stimulus package for the Maltese economy.

The Malta Employers' Association (MEA) too has proposed a set of measures for government to reduce the negative impact of a recession that is affecting numerous companies in various sectors of the local economy, particularly in manufacturing and tourism.

On his part, the General Retailers and Traders' Union (GRTU) Director-General Vince Farrugia told Business Today that the union called on government to carry out an audit in order to identify the problems afflicting the Maltese economy, and act by



MCCEI President Helga Ellul



GRTU Director-General Vince Farrugia



Finance Minister Tonio Fenech

"We need action now, we cannot wait and think we will not be affected. In fact the business community is already feeling the effects." – MCCEI President Helga Ellul

aiding the local industry thereon.

In the technical paper drafted by the MCCEI, "a reduction in the operational costs of business in Malta" is proposed, calling for "an immediate reduction in utility bills through the introduction of a formula which takes into account the current development in energy costs in the global markets."

Secondly, the Chamber called for the safeguarding of "major productive establishments from losing valuable

human resources as a result of a significant and temporary drop in demand."

The paper also outlined the need of marketing support to be able to keep the local tourism industry afloat.

Also highlighted as one of its major requirements was "an enhanced access by business to low cost liquidity to enable them to meet short-run constraints".

Furthermore, the MCCEI called on government to expend MEPA

procedures so as to "unleash the economic potential of a number of major projects that are already in the pipeline".

"We need action now, we cannot wait and think we will not be affected," said MCCEI President Helga Ellul. "In fact the business community is already feeling the effects."

While adding that panic is unnecessary, Ellul pointed out that we "have to be realistic and accept the facts.

"With timely and targeted measures we can install the confidence and stimulus to get through these unpredictable economic times."

Stressing on the importance of proactivity, the MEA proposed a number of measures that would "serve as a buffer to prevent the Maltese economy from slipping into recession like many other economies worldwide."

Similarly to MCCEI's proposals, the MEA called ▶ page 3

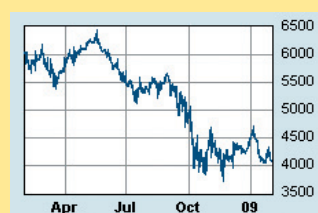
## World Business Highlights

**Pending Home Resales in U.S. Unexpectedly Rise 6.3% as Prices, Rates Fall** More Americans unexpectedly signed contracts to buy previously owned homes in December, signaling foreclosure-driven declines in prices are boosting demand.

**Stocks in U.S. Advance as Merck, Schering-Plough Lead Rally in Drugmakers** U.S. stocks gained for the first time in four days as better-than-estimated earnings at Merck & Co. and Schering-Plough Corp. spurred a rally in drugmakers and higher metal and oil prices boosted commodity producers.

**Credit Suisse Said to Cut Investment Bankers' Bonuses by 55% After Losses** Credit Suisse Group AG, Switzerland's second-largest bank, plans to cut bonuses for investment bankers by about 55 percent following \$13.6 billion of credit writedowns, two people familiar with the situation said.

### FTSE 100



## ADT reveals car importers' costs

As though the automotive industry was not facing enough strife due to a persistent global downturn, local car importers are now the only market segment whose costs are available to the public, by means of a recently launched page within Malta Transport Authority (ADT)'s own website.

Industry sources told Business Today that "talks are ongoing with government on the matter, but in the meantime, anyone wanting to know how much a car is costing us before we put it for sale, can just work out a simple calculation."

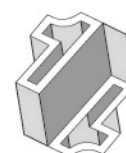
But William Walsh, the spokesperson for the association of

car importers refused to elaborate on the issue, initially denying that ADT is revealing such costs. But when pushed, Walsh said: "The association has no comment to make on the issue at this stage."

The ADT website <http://vehicleregistration.gov.mt> features a section entitled vehicle valuations, whose intention is to let the public know how much registration must be paid on used cars. The webpage however, also provides the option to ask for the registration value of any car, thus revealing the cost, insurance and freight (CIF) of new car importers. In the recently published ▶ page 3

## Markets

Security	Closing Prices in Euro Tue 27-Jan-09	Closing Prices in Euro Tue 03-Feb-09	% Change from previous wk
Bank of Valletta p.l.c.	2.700	2.598	-3.778%
HSBC Bank Malta p.l.c.	2.825	2.700	-4.425%
Lombard Bank p.l.c.	3.000	2.750	-8.333%
Middlesea Insurance p.l.c.	2.550	2.580	1.176%
Simonds Farsons Cisk p.l.c.	1.901	1.901	0.000%
GO p.l.c.	1.860	1.849	-0.591%
IHI p.l.c.	0.870	0.870	0.000%
Plaza Centres p.l.c.	1.680	1.680	0.000%
FIMBank p.l.c. (US\$)	\$1.470	\$1.470	0.000%
Malta International Airport p.l.c.	2.500	2.500	0.000%
GlobalCapital p.l.c.	1.991	1.991	0.000%
Datatrak Holdings p.l.c.	0.190	0.190	0.000%
San Tumas Shareholdings p.l.c.	3.200	3.200	0.000%
Medserv p.l.c.	3.997	3.997	0.000%
Grand Harbour Marina p.l.c.	1.980	1.980	0.000%
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.	0.820	0.820	0.000%
RS2 Software p.l.c.	0.799	0.799	0.000%



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