

# Business Today



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**Louise Stanton**

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Gonzi speaks on employers' stimulus package proposal:

## 'Budget measures sufficient'

David Darmanin

While government has publicly committed itself to stand by the manufacturing industry through the turbulent times it is facing, the Prime Minister is so far vague over the proposals put forward to him last week by social partners to set out a salvage plan for the industry.

A PN event in Paola last Sunday saw Prime Minister Lawrence Gonzi claiming that "government is working relentlessly so that the sectors of manufacturing and tourism suffer the least possible from the effects of the global economic downturn." The speech came only a few days after 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.

Among other measures, the social partners proposed a reduction in operational costs of business in Malta, an immediate reduction in utility bills, an enhanced access by business to low cost liquidity, the unleashing of the economic potential of a number of major projects that



are already in the pipeline, the payment of wages lost by employees in manufacturing companies falling on a four day week, specific action plans for the generation of green jobs and the increase of frequency in visits by foreign business delegations.

The GRTU is also asking the

government to knock on doors and directly meet the individuals running industrial, tourism and commercial firms to as to identify what the real problems are.

In a bold statement, MCCEI President Helga Ellul last week said: "We need action now, we

cannot wait and think we will not be affected. "In fact the business community is already feeling the effects."

Asked whether the government intends launching the stimulus package as requested, in view of the Prime Minister's reassuring

speech last Sunday, a spokesperson for the office of the Prime Minister said that the investment programme announced in the 2009 should sufficiently "compensate for the international downturn".

"The two prone sectors are tourism and manufacturing," the OPM said. "Government has increased the MTA budget precisely to increase advertising. As regards manufacturing, Government launched a €20 million programme to support industry through five different schemes and €10 million specifically focused on renewable energy."

Assuring that the Finance Minister "is in close contact with the industries that are passing through difficulties to discuss specific measures that could support further investment in capital and human resources to withstand the difficulties emerging from a sudden fall in demand," the government official announced that a task group has been created "to ensure rapid reaction to the situations that can be addressed through Government intervention."

With regard to our question on whether the Prime Minister will be considering the laying out of a stimulus package, the spokesperson simply said: "Government is analysing the proposals made by the social partners."

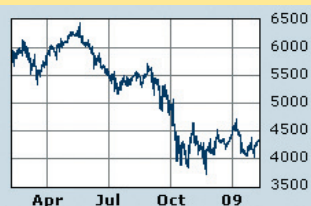
### World Business Highlights

**GM Will Cut 10,000 Salaried Jobs Worldwide, Reduce Pay in Bid to Keep Aid** General Motors Corp., the largest U.S. automaker, will cut 10,000 salaried jobs globally and reduce pay by as much as 10 percent to slash costs and prove its viability to keep \$13.4 billion in government loans.

**UBS Plans to Cut Jobs, Predicts Return to Profit in 2009 After Record Loss** UBS AG, Switzerland's largest bank, plans to eliminate an additional 2,000 jobs at its securities unit and return to profit in 2009 after a record loss last year.

**Fannie, Freddie May Need More Than \$200 Billion in U.S. Aid, Lockhart Says** Fannie Mae and Freddie Mac, the mortgage-finance companies seized by regulators, may need more than the \$200 billion in funding pledged by the U.S. government if the housing market continues to deteriorate, Federal Housing Finance Agency Director James Lockhart said.

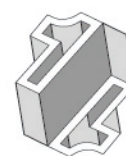
#### FTSE 100



### GM to cut 10,000 jobs



General Motors Corp. said yesterday it will cut 10,000 salaried jobs, citing the need to restructure itself with a government deadline looming and amid some of the worst sales in the auto industry's history. The Detroit-based automaker said it will reduce its total number of salaried workers to 63,000 from 73,000 this year. About 3,400 of GM's 29,500 salaried U.S. jobs are expected to be eliminated.



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