

Business Today



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Interview:
Helga Ellul

Page 8

VAT on car registration
must be refunded

Page 5

Office of Fair Competition
hides behind confidentiality

Page 7

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Ministry slams PL charge on €12.6m loss on EU membership

David Darmanin

Reacting to a story featured on sister paper MaltaToday last Sunday, wherein we reported that government left €180 million unspent in EU funds over the past two years, the Finance Ministry yesterday sent its reactions to Business Today to defend its stance over the situation.

Since the start of a seven year agreement for structural funds signed in 2006, Malta's contributions to EU coffers totalled €12.6 million less than the money it received. Therefore, over the past two years, Malta has virtually been a net contributor to the EU, rather than a net beneficiary as was originally planned prior to accession.

This was pointed out by PL leader Joseph Muscat at a recent party event.

But in rebuttal to this charge, a spokesperson for the Finance Ministry said that besides structural funds, Malta has tapped other sources of EU funding, and therefore has not run at a loss from EU membership.

"The EU approved a new budget for 2007-2013," the ministry explained. "From this budget, Malta was allocated €855 million. This is in addition to additional funding that are awarded to local companies, other government entities and NGOs



EU funds earmarked for the restoration of Malta's fortifications

that do not fall under this general budget. These include, for example, funds addressed to tackling the issue of illegal migration and the globalisation adjustment fund. These

take they funds tally to over €1 billion."

Furthermore, the ministry pointed out that "a country does not miss out on funds from a seven-year budget in

the second year of the running of the same budget. Rather, to the contrary, Government gave evidence that it is administering EU funds in a very effective manner." ▶ page 3

Fenech adopting the right approach – Helga Ellul

After local industry players called on government to issue support measures aimed at helping the economy through tough times, it now seems that Finance Minister Tonio Fenech is back on the good books of local manufacturers and importers.

In an exclusive interview featured on pages 8 and 9 of this edition, the newly appointed MCEI President Helga Ellul said government is adopting "the right approach" in facing the international economic downturn's impact on Malta.

At a special MCESD meeting with the Prime Minister last month, Ellul tabled a set of proposals aimed at stimulating the local economy at a time when prospects are looking bleak to many stakeholders. Reacting to the proposals, last week Finance Minister Tonio Fenech told Business Today that although government might consider taking up some of the proposals put forward to the MCESD, no blanket measures will be adopted. Fenech insisted on taking situations on a case by case basis by means of a specifically set task force, and based on a firm's individual needs, government will help only if it sees a future for the firm in question.

"We have been informed of how a specially set up task force will tackle the issues we are facing. We are very much in favour of this move," Ellul said. "I think what the Government is trying to do at this moment is to see the areas and trying to gauge the issues and the problems so as not to let them escalate, rather than adopting a blanket approach."

See full interview on pages 8 and 9

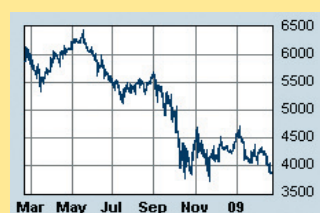
World Business Highlights

U.S. Consumer Confidence Collapses, Home Prices Slump as Recession Deepens U.S. consumer confidence collapsed this month and home values plunged in December, the latest evidence of a deepening economic slump that Federal Reserve Chairman Ben S. Bernanke today warned may last into 2010.

Stocks in U.S. Gain on Cheaper Valuations; Home Depot, Macy's Shares Climb U.S. stocks advanced after six straight days of declines left the Standard & Poor's 500 Index valued at the cheapest relative to earnings since 1986 and retailers reported profit that topped analysts' estimates.

Bank of America Is Stronger Than Rivals, Has Adequate Capital, Lewis Says Bank of America Corp. Chief Executive Officer Kenneth Lewis, decrying "rumor, innuendo and falsehoods," told employees that the bank's prospects are "far superior to those of most of our competitors."

FTSE 100



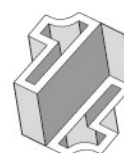
US economy to recover by 2010?



Federal Reserve chairman Ben Bernanke predicted that the US economy could begin to recover in 2010 if global governments work together to fix the financial crisis. However Mr Bernanke warned the global nature of the slowdown could throw recovery off course, admitting the "downside risks probably outweigh... the upside."

Markets

Security	Closing Prices in Euro Tue 17-Feb-09	Closing Prices in Euro Tue 24-Feb-09	% Change from previous wk
Bank of Valletta p.l.c.	2.300	2.033	-11.609%
HSBC Bank Malta p.l.c.	2.400	2.240	-6.667%
Lombard Bank p.l.c.	2.600	2.460	-5.385%
Middlesea Insurance p.l.c.	2.580	2.575	-0.194%
Simonds Farsons Cisk p.l.c.	1.900	1.900	0.000%
GO p.l.c.	1.700	1.684	-0.941%
IHI p.l.c.	0.850	0.850	0.000%
Plaza Centres p.l.c.	1.680	1.679	-0.060%
FIMBank p.l.c. (US\$)	\$1.495	\$1.490	-0.334%
Malta International Airport p.l.c.	2.429	2.450	0.865%
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	£0.590	-15.714%
Crimsonwing p.l.c.	0.497	0.469	-5.634%
MaltaPost p.l.c.	0.790	0.790	0.000%
RS2 Software p.l.c.	0.789	0.789	0.000%



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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

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