



Business Today

WEDNESDAY 27 May 2009 - ISSUE NO. 584



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Herbert Kaufman

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Finance Ministry rebuts PL claims on Gozo Channel

'Confidential' information revealed

David Darmanin

A Finance Ministry spokesperson yesterday afternoon denied claims made by PL MP Charles Mangion in a story we featured last week, wherein a government ploy to hide losses incurred by the state-owned ferry service to Gozo was revealed.

Audited accounts obtained by this newspaper show that two state-owned companies – Gozo Channel Ltd and Gozo Ferries Ltd are used for separate purposes of the ferry operation between Malta and Gozo. Whereas the former company operates the ships used to carry passengers and vehicles from Gozo to Malta and back, the latter leases out the ships to Gozo Channel.

It remains unclear whether or not Gozo Ferries owns the full fleet of ships, once its assets – which stood at just over €14 million in 2006, do not represent the €70 million value of the newest three ships operated by Gozo Channel – namely Malita, Ta'Pinu and Gaudos.

Notwithstanding such low registered assets, depreciation set the company back by over €800,000 in 2006, leading it to an operational loss of

€50,507.

Once there is no clear indication of ownership of the entire fleet, or debts amounting anywhere close to their value, PL MP and Public Accounts Committee chairman Charles Mangion was last week asked by Business Today to provide details to the case. In his reply, Mangion said that Gozo Ferries Ltd never paid the Malta Shipyards for the last three ships.

The Finance Ministry last week was also asked whether or not Gozo Ferries Ltd had paid the shipyards for these three vessels, but in an email reply sent to us prior to publication last week, the Ministry spokesperson wrote: "This is confidential information of a commercial company and cannot be divulged."

But in its rebuttal yesterday, the Ministry said: "Government had paid for these vessels through various direct advances to the company, and by guaranteeing loans from local and foreign banks, which it then undertook to repay back through scheduled repayment programs."

Questions were sent to identify why this information ▶ page 10



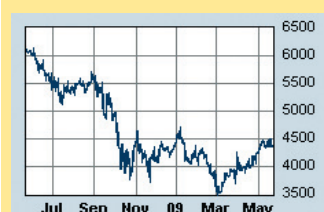
World Business Highlights

Stocks in U.S. Climb as Confidence Gain Boosts Consumer, Technology Shares
U.S. stocks rallied, sending the Standard & Poor's 500 Index higher for the first time in five days, as the biggest jump in consumer confidence since 2003 spurred optimism the worst of the recession is over.

GM Cuts Stock Due to UAW Health-Care Trust by 55%, Boosting Equity Reserve
General Motors Corp. won a union agreement to cut the payment of stock to a United Auto Workers health-care trust by 55 percent, giving the biggest U.S. automaker more equity to spread among creditors.

Treasury's Record Tying Two-Year Note Auction Eases Foreign Demand Concern
Treasury two-year notes were little changed after a record-tying \$40 billion auction of the securities drew the most demand from a group of investors that includes foreign central banks since November 2006.

FTSE 100



Unemployment shoots up by 1,110

Charlot Zahra

The latest National Statistics Office (NSO) statistics showed that the number of registered unemployed shot up by more than 1,110 during April 2009 when compared to the same month a year ago.

When compared to the previous month, the number of registered unemployed increased by more than 200, from 6,544 in March 2009 to 6,776 in April 2009.

The number of registered unemployed in Malta in April 2009

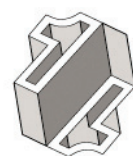
increased by 214 when compared to the previous month, while the number of registered unemployed in Gozo in April this year increased by 7 persons when compared to a month earlier.

Both Malta and Gozo experienced an increase in unemployment, with 1,040 jobs lost in Malta and 84 in the sister island. Therefore the number of registered unemployed totalled 6,427 persons in Malta and 738 in Gozo.

The highest percentage of registered unemployed in ▶ page 3

Markets

Security	Closing Prices in Euro Tue 19-April-09	Closing Prices in Euro Tue 26-May-09	% Change from previous wk
Bank of Valletta p.l.c.	2.390	2.390	0.000%
HSBC Bank Malta p.l.c.	2.590	2.569	-0.811%
Lombard Bank p.l.c.	2.700	2.700	0.000%
Middlesea Insurance p.l.c.	2.260	2.260	0.000%
Simonds Farsons Cisk p.l.c.	1.869	1.868	-0.054%
GO p.l.c.	1.730	1.749	1.098%
IHI p.l.c.	0.940	0.970	3.191%
Plaza Centres p.l.c.	1.720	1.720	0.000%
FIMBank p.l.c. (US\$)	\$1.290	\$1.290	0.000%
Malta International Airport p.l.c.	2.179	2.180	0.046%
GlobalCapital p.l.c.	1.500	1.500	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.	3.550	3.550	0.000%
Grand Harbour Marina p.l.c.	1.980	1.980	0.000%
6pm Holdings p.l.c. (GBP)	£0.590	£0.590	0.000%
Crimsonwing p.l.c.	0.390	0.390	0.000%
MaltaPost p.l.c.	0.710	0.710	0.000%
RS2 Software p.l.c.	0.720	0.720	0.000%



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