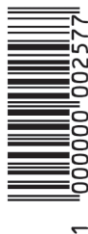


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Brussels forces government to reduce deficit by 2010

Karl Stagno-Navarra

Finance Minister Tonio Fenech will have little room for manoeuvre as he returns to his desk this morning to finalise the pre-Budget document, after Brussels last night insisted to have Malta's deficit back in order by next year.

Already touted as a "cautious" budget, Fenech is reportedly

preparing a financial plan that must put public finances back in order within a short space of time, and more over, to implement corrective measures at a time when most local economic sectors are facing severe difficulties.

The social partners have already warned government to be "considerate" in its approach to next year's budget, insisting that

no new taxes must be introduced as this would cause further damage to an economy that this year has seen zero or negative growth.

Speaking to Business Today from Brussels, Fenech yesterday played down Ecofin's decision to keep Malta's public finances in check, explaining that "this is a measure that shows that Malta

is likely to be able to correct its deficit by 2010."

Ecofin's decision is based on a government deficit of 4.7 per cent of GDP in 2008, a year when the Maltese economy "experienced a number of extraordinary expenditures which remain exclusive to 2008 only," he said.

The minister added that these measures range from the voluntary

termination schemes for Malta Shipyards Employees; The late payments of corporate taxes in the last quarter of 2008 and the substantial subsidy granted to Enemalta that "cushioned" the impact on consumers from the high international energy prices in 2008.

But Fenech was cautious on how he will be getting around to balance it all. ▶ **page 5**

Maltese tourism so far unaffected by swine flu

Charlot Zahra

Tourism stakeholders told Business Today that there has been no reported cancellation of bookings to Malta so far following the emergence of swine flu in Malta last week, as the total number of confirmed surged to 39 yesterday, mostly in Gozo.

Asked whether the Malta Tourism Authority (MTA) had received any reports of cancelled bookings to Malta following the swine flu surfacing on the Maltese Islands last Thursday, an MTA spokesperson told Business Today: "The MTA has, to date, not received any reports of cancelled bookings brought about by the emergence

of the A H1N1 virus", although only six days have passed since the emergence of the virus in Malta.

The MTA spokesperson explained how tourist traffic, "the world over", had been influenced "mostly by the international credit crunch rather than other extenuating circumstances.

"Most other countries in Europe, including those that are renowned as tourism destinations, have reported cases of the A H1N1 virus, to varying degrees," the MTA spokesperson said, indicating that the outbreak should not deter tourists from coming to Malta this year.

Asked to explain how the MTA was liaising with the public health authorities over the matter, the authority official said: "Malta Tourism Authority will naturally continue to monitor the situation very closely, in consultation with the Health authorities, and take all the necessary measures deemed appropriate as matters unfold."

One renowned language school in St Julian's has bolstered its hygiene practices on its premises by offering alcohol-based bacterial hand rubs in every classroom and sending students who looked unwell back to their accommodation.

Moreover, students have been urged to wash their hands regularly.

Malta Hotels' and Restaurants' Association (MHRA) Chief Executive Officer George Schembri, which represents hoteliers and restaurateurs, told Business Today yesterday that there had been "no reports" from its members about a decrease in bookings as a result of swine flu.

"Other countries have already experienced the emergence of swine flu without impinging negatively on tourism in the respective countries," Schembri insisted.

"People have continued travelling despite the emergence of swine flu," he added.

Schembri explained that swine flu had "the same effect on patients as normal flu, therefore one should not be too concerned about it." ▶ **page 5**



Markets

Security	Closing Prices in Euro Tue 30-June-09	Closing Prices in Euro Tue 07-July-09	% Change from previous wk
Bank of Valletta p.l.c.	2.600	2.635	1.346%
HSBC Bank Malta p.l.c.	2.600	2.610	0.385%
Lombard Bank p.l.c.	2.550	2.550	0.000%
Middlesea Insurance p.l.c.	2.000	1.860	-7.000%
Simonds Farsons Cisk p.l.c.	1.800	1.750	-2.778%
GO p.l.c.	1.810	1.800	-0.552%
IHI p.l.c.	0.800	0.810	1.250%
Plaza Centres p.l.c.	1.699	1.650	-2.884%
FIMBank p.l.c. (US\$)	\$1.180	\$1.170	-0.847%
Malta International Airport p.l.c.	2.092	2.101	0.430%
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	3.500	-1.408%
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	0.250	-35.897%
MaltaPost p.l.c.	0.651	0.675	3.687%
RS2 Software p.l.c.	0.690	0.679	-1.594%

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