

# Business Today

WEDNESDAY 05 August 2009 - ISSUE NO. 593

<b>Interview:</b> <b>Jean P. Gaffiero and</b> <b>Jesmond Mizzi</b> Page 8	<b>Vince Farrugia: Rent law</b> <b>will kill businesses</b> Page 4	<b>Contractors slam</b> <b>new rules</b> Page 2	In collaboration with:  KAMRA TAL-PERITI
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## Pre-Budget document out today

Focus on jobs as unemployment rises

**Karl Stagno-Navarra**

Finance Minister Tonio Fenech will today publish the widely expected Pre-Budget document for 2010, paving the way for a nationwide discussion on the state of the Maltese economy.

With most economic sectors reporting difficult times, government is faced by figures published yesterday by the NSO that reveal for the first time in many years that unemployment has also grown during the summer.

Unemployment rose to 7,273 in June, an increase of 1,412 over the same month last year. Jobless in May had already reached 6,777.

During a press conference to be called today, Minister Tonio Fenech is expected to reveal the Pre-Budget Document together with a 60-page document entitled 'Benchmarking Malta's

Competitiveness' that will outline government's strategy to counter the effects of global recession and reposition competitiveness.

With regard to the pre-budget document, sources told this newspaper that this year's budget will be focusing on three main themes: growth, jobs and social cohesion.

Senior government sources have anticipated that the forthcoming budget is expected to include the almost €7 per week increase as the cost of living adjustment, notwithstanding employers resistance to pay-out the compensation for what they defined as "government-induced" inflation.

Government is meanwhile restrained by an Excessive Deficit Procedure imposed by the European Commission for overstepping the deficit criteria in 2008.



## Government, firms to issue new bonds

**David Darmanin**

A number of firms are gearing themselves up to issue bonds for listing on the Malta Stock exchange after summer, industry sources confirmed with this newspaper.

Melita plc, Corinthia Group of Companies and Mizzi Organisation are among the list of undertakings considering bonds against bank financing.

"The general investor in Malta has shown to be more interested in earning a coupon, while the banks may be showing a tighter fist in lending to the local entrepreneur," a market analyst, who preferred not to be mentioned by name, told

Business Today.

Corinthia may even be considering the issue of equities also for part financing of the Palm City Project in Libya.

"A number of bonds are nearing their maturity period and firms are seriously considering a reissue to enjoy a stable interest coupon rate," he said.

Meanwhile, Island Hotels are expected to approach the market with their first bond issue in order to finance an expansion and part finance existing lending. Lately, the corporate setup of the same firm saw a restructuring process.

Spokespersons for Melita and Corinthia Group refused to

comment on their plans in the regard, while we were unable to reach either Mizzi Organisation spokesperson or Island Hotels Director Winston J. Zahra by telephone yesterday.

Also in September, government is expected to approach the market for further financing while The European Investment Bank (EIB) shall issue a bond to seek Maltese investors' funds and local listing. Industry Sources have calculated that in total, these bonds, with the exception of the one issued by government last week, are expected to garner around €350 million.

The government, as always,

is the prime mover with a call of €100 million, closely followed by EIB at €50 million. The private firms are expected to seek a €20 million minimum but it is also expected that a ► **page 10**

### Markets

Security	Closing Prices in Euro Tue 28-July-09	Closing Prices in Euro Tue 04-August-09	% Change from previous wk
Bank of Valletta p.l.c.	2.870	3.000	4.530%
HSBC Bank Malta p.l.c.	2.999	2.980	-0.634%
Lombard Bank p.l.c.	2.600	2.600	0.000%
Middlesea Insurance p.l.c.	1.721	1.750	1.685%
Simonds Farsons Cisk p.l.c.	1.680	1.680	0.000%
GO p.l.c.	1.750	1.750	0.000%
IHI p.l.c.	0.899	0.875	-2.670%
Plaza Centres p.l.c.	1.650	1.650	0.000%
FIMBank p.l.c. (US\$)	\$1.200	\$1.290	7.500%
Malta International Airport p.l.c.	2.230	2.350	5.381%
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.	3.500	3.500	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.	0.699	0.700	0.143%
RS2 Software p.l.c.	0.679	0.650	-4.271%

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