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## Social partners form common front for budget

**Karl Stagno-Navarra**

All social partners have urged government to commit to the necessity and importance of what they defined as "effective" and "genuine" social dialogue towards the formulation and implementation of social and economic policy.

In an eight-page common position paper compiled by economist Gordon Cordina after a series of detailed consultations with the CMTU; GRTU; GWU; the Malta Chamber of Commerce, Enterprise and Industry; MEA; MHRA and UHM, all have reiterated their emphasis on the need for "genuine dialogue" and consensus also at political level, to enable the undertaking of measures towards the national interest.

The document, which has garnered consensus between all the social partners, has been submitted to MCESD Chairman Sonny Portelli, who is expected to present it to government in the next Council meeting scheduled for next week.

In a nutshell, the exercise is intended to present a common front and avoid a repeat of last year's fiasco at MCESD

level, when government went ahead with the introduction of revised utility tariffs that were backdated to October 2008 rather than introduced in January 2009 against the recommendations made by all social partners.

The position paper, revealed in detail by this newspaper, provides input towards the undertaking of tripartite discussions in the context of the formulation of the next Budget, and sets out an opinion on the current state of the economy and a strategic direction for the future socio-economic development of Malta based on seven key priority issues currently facing economic policy.

These are: the control of price inflation; the award of COLA for 2009 within a wider discussion on measures required to sustain competitiveness; the improvement of human resources; the sustainability and efficiency of fiscal activities; the sustainability of social welfare programmes; better regulation and governance; and sectoral approaches towards the achievement of competitiveness objectives.

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Economist Gordon Cordina compiled a position paper representing a common front for social partners prior to the 2010 budget

## Social partners agree on COLA to stay

**Charlot Zahra**

In a joint document presented to government, MCESD members have agreed on the retention of the COLA mechanism, with adjustments to be made only on an enterprise basis when there are significant difficulties related to competitiveness.

MCESD members acknowledged that "in periods of high and volatile inflation together with weak economic growth, the COLA mechanism, together with other adverse factors,

may present difficulties to jobs and economic activity if it increases labour costs in a manner which significantly deteriorates competitiveness."

In the case where such dangers are evaluated to be "relatively isolated and applicable to a relatively small number of firms, remedies to the risks to competitiveness and jobs would be sought through established mechanisms for enterprise-level collective bargaining without disturbing the existing COLA mechanism."

In order to avoid a repeat story of last

year's MCESD consultations failed to reach consensus, MCESD members this time appointed a rapporteur, Gordon Cordina, who held face-to-face meetings with the different social partners and tried to reach a common position between all parties.

Face-to-face meetings are expected to continue with the aim of ensuring that government adopts as much as possible the proposals made by the social partners in the MCESD.

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### Markets

| Security                               | Closing Prices in Euro<br>Tue 15-September-09 | Closing Prices in Euro<br>Tue 22-September-09 | % Change<br>from previous wk |
|--|---|---|------------------------------|
| Bank of Valletta p.l.c.                | 3.000   | 3.010   | 0.333%                       |
| HSBC Bank Malta p.l.c.                 | 2.670   | 2.610   | -2.247%                      |
| Lombard Bank p.l.c.                    | 2.549   | 2.540   | -0.353%                      |
| Middlesea Insurance p.l.c.             | 1.650   | 1.640   | -0.606%                      |
| Simonds Farsons Cisk p.l.c.            | 1.595   | 1.600   | 0.313%                       |
| GO p.l.c.                              | 1.700   | 1.690   | -0.588%                      |
| International Hotel Investments p.l.c. | 0.800   | 0.800   | 0.000%                       |
| Plaza Centres p.l.c.                   | 1.649   | 1.640   | -0.546%                      |
| FIMBank p.l.c. (US\$)                  | \$1.295                                       | \$1.250                                       | -3.475%                      |
| Malta International Airport p.l.c.     | 2.100   | 2.120   | 0.952%                       |
| 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.         | 3.040   | 3.040   | 0.000%                       |
| Medserv p.l.c.                         | 3.745   | 3.745   | 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.                       | 0.690   | 0.690   | 0.000%                       |
| RS2 Software p.l.c.                    | 0.599   | 0.599   | 0.000%                       |



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