

Business Today

WEDNESDAY 07 October 2009 - SUPPLEMENT ISSUE NO. 602



Interview:
Francis J. Vassallo

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Smart City top chief reassures



Karl Stagno-Navarra

Speaking exclusively to Business Today from Dubai, Smart City CEO Fareed Abdulrahman said that the reason why the multi-million project in Ricasoli suffered delays was a result of the international economic crisis.

Everything is linked to the shareholders priorities, Abdulrahman said. These include the evaluations of financial institutions, variations in prices for the acquisition of hundreds of tonnes of cement, steel and other strategic commodities required for the project.

Meanwhile, he insisted that the investors "will keep to their contractual obligations undertaken with the government of Malta, including the generation of hundreds of new jobs."

Abdulrahman - who is temporarily replacing Claudio

Grech, the former Smart City (Malta) CEO who last week announced his resignation, stressed that "Claudio's resignation should not put the project in doubt."

He stressed that Smart City Malta, worth in the region of €200 million, is going ahead according to plan and the delays registered so far have been defined as "normal" given the scale of the development and issues related to the equation between financing and equity.

"Claudio and I are very good friends, we have worked hard together and he was an excellent negotiator when we first brought the project to Malta," he said, while adding that the two are effectively "employees" and each had a "normal choice" of seeking new pastures and move on to something they believe can be more rewarding or satisfying.

While announcing that Smart City Malta is embarking on a new

recruitment drive to fill in the key senior and middle-management posts, Abdulrahman explained that whoever visits the project site could see that construction has started and will effectively gain momentum in the coming weeks.

"We are not talking of a development of just one building block, but a lot of construction over a vast area, and while I appreciate people's concerns, I can assure them that all is going ahead according to plan," he said.

The interim CEO revealed that within a few days, Smart City Malta will once again be brought before MEPA as is required by law.

Due to the implications of Foreign Direct Investment in Malta, Abdulrahman stressed that media reports that may prejudice the reputation of Smart City in Malta will only have an adverse effect to the local economy. **▶ page 2**

Former Ministers, PN MPs call for stabilising budget

Karl Stagno-Navarra

Former PN minister Jesmond Mugliett is insisting with government that it should take on the banking sector and address the issues that are hindering the industry of finance.

"I do not believe that the fact that the banking sector in Malta is private should restrain government from taking certain measures or indirectly exert leverage," Jesmond Mugliett said when giving his comments to Business Today on what he expects from the forthcoming budget.

He argues that Malta is one of the countries with the highest rates of interest, and "financing is not only relatively more expensive, but has been made increasingly difficult."

While adding that the Maltese banking sector did not suffer the same shocks as American or British banks, the former minister for urban development and infrastructure, stressed that "still our industry has found it more difficult to obtain finance, and I

know of a number of cases."

Mugliett also believes that government must give a new stimulus to certain industries and consumption, and argues that there are certain industries which are suffering at the moment.

While pointing out the construction industry as an example, he explains that in countries having the same level of development as Malta, construction accounts for 8 to 10 per cent of Gross Domestic Product.

"We cannot leave such an industry to hit the rocks, particularly because of its immediate multiplier effect on the economy," he said.

Mugliett suggests that a measure that could be introduced is the reduction of stamp duty on the acquisition of property, perhaps for a definite period, to stimulate the sale of property.

He also talks about incentives for the use of renewable energy, explaining that while the last budget **▶ page 4**

Markets

Security	Closing Prices in Euro Tue 29-September-09	Closing Prices in Euro Tue 06-October-09	% Change from previous wk
Bank of Valletta p.l.c.	3.350	3.330	-0.597%
HSBC Bank Malta p.l.c.	2.800	2.700	-3.571%
Lombard Bank p.l.c.	2.540	2.500	-1.575%
Middlesea Insurance p.l.c.	1.640	1.600	-2.439%
Simonds Farsons Cisk p.l.c.	1.699	1.699	0.000%
GO p.l.c.	1.579	1.500	-5.003%
International Hotel Investments p.l.c.	0.820	0.880	7.317%
Plaza Centres p.l.c.	1.640	1.630	-0.610%
FIMBank p.l.c. (US\$)	\$1.195	\$1.200	0.418%
Malta International Airport p.l.c.	2.230	2.250	0.897%
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.	0.389	0.389	0.000%
MaltaPost p.l.c.	0.690	0.700	1.449%
RS2 Software p.l.c.	0.599	0.620	3.506%

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