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Chamber rejects MCESD proposals

Charlot Zahra

Less than three weeks before the Budget for 2010 is to be presented by Finance Minister Tonio Fenech, the Malta Chamber of Commerce, Enterprise and Industry (MCCEI) has walked out – at least metaphorically – from the pre-Budget discussions that the MCESD had been taking painstakingly for the past three months.

Addressing a press conference yesterday morning, MCCEI President Helga Ellul slammed the MCESD pre-budget document as “unsustainable” and “cannot be endorsed”.

In fact, the MCESD had produced a common Pre-Budget position to the Government following one-to-one meetings with the social partners by Gordon Cordina.

She also claimed that if the proposed €6.06 COLA increase went ahead as proposed in the 2010 Budget, “hundreds of jobs” would be lost.

“Malta has still not emerged from economic uncertainty and the safeguarding of jobs is the top-most priority for the Malta Chamber of Commerce, Enterprise and Industry,” Ellul insisted.

This entailed, she added, “the safeguarding of national competitiveness and the sustainability of locally-based business, both large and small”.

To this end, the MCCEI conducted “intensive negotiations” within MCESD.

However, the Chamber “made it very clear, right from the very early stages, that its agreement with the MCESD 2010 pre-Budget Discussion Paper was dependant on the acceptance by the social



MCCEI warns that ‘hundreds of jobs’ would be lost

partners of a number of proposals made by the Chamber itself,” the MCCEI boss explained.

“We are concerned that things have taken this turn and that with a date for the Budget announced so close in November, there remains very little time to discuss and negotiate ourselves out of this situation,” Ellul insisted.

The Chamber said it was not against the award of COLA “to lower-paid workers to whom COLA is needed to safeguard basic living standards”.

“But we certainly believe that the economic circumstances are not opportune for an unprecedented COLA without mitigating its adverse effects with other compensating measures,” Ellul

declared.

The MCCEI had “strongly insisted” that it was “unacceptable for the social partners to be pushed towards an unsustainable path in terms of competitiveness and employment and that some labour-flexibility measures needed to be included to offset the added costs to business,” the MCCEI President added.

The Chamber suggested that COLA is granted as an allowance rather than as part of the salary and that the COLA system would be reviewed a pre-specified date.

Moreover, the MCCEI proposed that the COLA element would be tax-neutral, the banking of hours would be introduced across the board, and the ▶ **page 2**

Unions warn government not to raise energy tariffs

Karl Stagno-Navarra

Trade unions have warned government that any new increase in energy tariffs will not be accepted, and workers cannot be expected to carry more financial burdens.

Speaking to BusinessToday, GWU secretary-general Tony Zarb and UHM secretary general Gejtu Vella warned that any increase will immediately trigger a further rise in inflation which will have to be faced by workers, pensioners and their families.

While they both recognise the fact that the price of oil has surpassed the \$75 mark, no consideration is being given to the already precarious situation in households that cannot cope with their previous energy bills, let alone further increased tariffs.

Reacting to the indications given by Prime Minister Lawrence Gonzi last Sunday, both Tony Zarb and Gejtu

Vella warned that the economy is already in serious trouble, and any other increase would plummet the workers standard of living to a new reality never experienced before.

“We will be faced with an immediate multiplier-effect and this would translate yet again to record inflation as we experienced for the past year,” Gejtu Vella said, while adding that inflation would lead to further loss in competitiveness.

GWU chief Tony Zarb said that it still had to be seen if government would increase the tariffs before or after the Budget, the effects of any pending increase will have the same adverse effect on the economy as we are currently facing.

“We are arguing over COLA that is the compensation for last year’s high cost of living that was triggered mostly by the utility tariffs, and so what would you expect if the tariffs are increased again, and the vicious circle is started again...” he asked.

Markets

Security	Closing Prices in Euro Tue 13-October-09	Closing Prices in Euro Tue 20-October-09	% Change from previous wk
Bank of Valletta p.l.c.	3.400	3.350	-1.471%
HSBC Bank Malta p.l.c.	2.778	2.770	-0.288%
Lombard Bank p.l.c.	2.500	2.500	0.000%
Middlesea Insurance p.l.c.	1.600	1.600	0.000%
Simonds Farsons Cisk p.l.c.	1.699	1.610	-5.238%
GO p.l.c.	1.550	1.600	3.226%
International Hotel Investments p.l.c.	0.880	0.821	-6.705%
Plaza Centres p.l.c.	1.630	1.630	0.000%
FIMBank p.l.c. (US\$)	\$1.200	\$1.110	-7.500%
Malta International Airport p.l.c.	2.250	2.200	-2.222%
GlobalCapital p.l.c.	1.500	1.500	0.000%
Datatrak Holdings p.l.c.	0.190	0.190	0.000%
Santumas Shareholdings p.l.c.	3.000	2.500	-16.667%
Medserv p.l.c.	3.950	3.950	0.000%
Grand Harbour Marina p.l.c.	1.980	1.980	0.000%
6pm Holdings p.l.c. (GBP)	£0.670	£0.670	0.000%
Crimsonwing p.l.c.	0.389	0.389	0.000%
MaltaPost p.l.c.	0.700	0.700	0.000%
RS2 Software p.l.c.	0.620	0.620	0.000%
Island Hotels Group Holdings p.l.c.	1.000	1.050	5.000%



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