

Business Today

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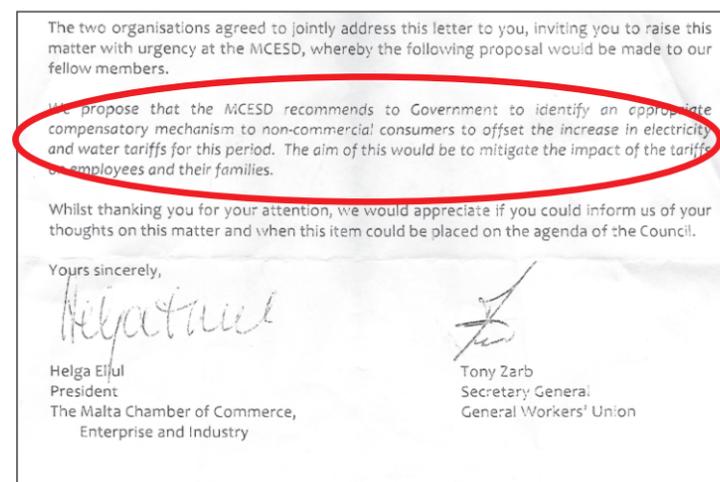


KAMRA TAL-PERITI

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Chamber proposed 'compensation'

Joint proposal with GWU in August shot down by MCCEI members



The jointly signed letter by Helga Ellul for MCCEI and Tony Zarb for GWU that has sparked fury among Chamber members

Karl Stagno-Navarra and Matthew Vella

A joint letter signed by Helga Ellul as President of the Malta Chamber of Commerce, Enterprise and Industry (MCCEI) and General Workers Union Secretary general Tony Zarb calling on government to "identify an appropriate compensatory mechanism to non-commercial consumers to offset the increase in electricity and water tariffs," has sparked fury among the business community, and insisted that the letter to MCESD be retracted.

BusinessToday is informed that the joint letter dated last August 11, and delivered to Sonny Portelli as chairman of the MCESD has now become a "feather-in-the-cap" for Prime Minister Lawrence Gonzi who is currently under pressure by the business community to absorb part of the burden they will have to carry with the record COLA increase for 2010.

Sources close to this paper have said that members of the Chamber of Commerce were livid to learn about the letter and have lambasted Helga Ellul for having signed such a document.

According to MCCEI members, the letter has severely jeopardized their already precarious position in their lobby to seek assistance from government to tackle the impact of COLA on their operations.

MCCEI President Helga Ellul last week indirectly retracted from the joint letter by delivering a fiery press conference, during which she slammed the MCESD pre-budget document prepared by economist Gordon Cordina on behalf of all social partners.

Ellul daubed the document as "unsustainable" and warned that should COLA be fully imposed on businesses, "hundreds of jobs" would be lost.

Asked yesterday about the joint proposal with GWU, Helga Ellul

said the idea had been discussed back in August, "but had now been taken over by events."

She added that "in all fairness it has been superseded by discussions at MCESD levels, so in a way it was a prelude to these discussions. Soon after, the pre-budget consultation document was issued and the idea was reshaped in the process."

Ellul however, did not deny having found little support from Chamber members on the proposal of this proposed compensatory measure.

"When we (the MCCEI and GWU) were talking, part of the inflation problem was energy-related. It was a productive meeting at the time, and it was one of the areas we wanted to see being handled differently – and it was taken on board within the pre-budget document," she said.

Ellul concluded that in terms of compensatory measures, the MCCEI was "not against COLA, but we want mitigating measures for the cost-disadvantage of COLA."

Also contacted yesterday, GWU secretary general Tony Zarb stressed that "MCCEI must keep to its word," and insisted that "irrespective of what Helga Ellul said during last weeks press conference, there is a jointly signed document and the proposal must be respected."

Tony Zarb explained that the proposal was intended to counter Minister Austin Gatt's statement at the time who admitted that "with hindsight" the revised water and electricity tariffs should not have been introduced retroactively.

"It was not a new measure, but calling on government to compensate all for having carried the un-necessary burden for three whole months," he said.

Lessons in style



Italian master tailors Inghirami have added Malta to their worldwide portfolio of luxury outlets. Inghirami Group President Giovanni Inghirami was in Malta last week and attended the opening of the outlet in Republic Street, Valletta.

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COLA revised downwards to €5.82

Karl Stagno-Navarra

The Cost of Living Adjustment (COLA) has been revised down to €5.82 from €6.06 as was originally announced a week ago.

The revision was a result of what was defined as a "miscalculation" by the board that calculated the impact of inflation on purchasing power.

Even though revised, the COLA adjustment per week for every worker is still considered to be the "highest ever" since the

introduction of the mechanism 20 years ago.

Employers and industrialists have called on government to absorb part of the burden, particularly in those sectors that are facing severe difficulties such as tourism and manufacturing.

They have insisted that the COLA increase was a result of government induced inflation given the impact of the introduction of high utility tariffs that were retroactive as from October 2008.

As Finance minister Tonio

Fenech has already warned that government does not have to money to absorb part of the COLA increase for this year, trade unions have warned that it would be highly unjust to use taxpayers money to compensate for an expense already carried by workers during 2009.

Talks between government and social partners are reported to be scheduled to take place this week, with MCESD meetings due to take place before the end of this week.



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