

# Business Today

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## SR Technics sets up Malta base

Matthew Vella

Prime Minister Lawrence Gonzi yesterday announced the creation of up to 350 jobs by 2014 through the creation of a four-bay hangar for aircraft that will be built by Swiss firm SR Technics, a leading global provider of maintenance, repair and overhaul (MRO) services at Malta International Airport.

SR Technics will commence operations at an existing hangar at the airport in 2010 until the new facility opens in early 2012.

The construction of the new maintenance facility follows six-month long talks and agreements between SR Technics, Malta Enterprise and Malta Industrial Parks, for the construction of a four-bay maintenance hangar and respective workshops, which will allow SR Technics to carry out base and heavy maintenance services on narrow-body aircraft.

The partners will also cooperate in the areas of employee education and training, mainly through the Malta College of Art, Science and Technology, Malta's Employment and Training Corporation in close collaboration with SR Technics' own training organisation. SR Technics anticipates that the new facility will create up to 350 jobs in Malta by 2014.

Gonzi described the investment as "a fantastic opportunity" and said SRT's interest in Malta formed yet another step in achieving his vision for 2015, which includes establishing Malta as "a centre of excellence for high-value added industry". Gonzi said employment in this industry is expected to be above 1,100.

The prime minister added that Malta had shown itself to be resilient economy even in the current economic crisis, by bringing high-value added activities to niche sectors such as aviation maintenance.

"This is a strong show of confidence in Malta's potential and in its workers by companies of the calibre of SR Technics and easyJet. Their presence here will in fact compliment an already-healthy and growing aviation cluster. They join other prestigious names in the sector such as Lufthansa Technik, Rolls Royce, MCM and Medavia."

Construction of the hangar will begin mid 2010, with completion due in early 2012. The agreements also include the option to further expand SR Technics' maintenance operations thereafter.

Gonzi thanked finance minister Tonio Fenech for his leadership in managing the discussions with SR Technics and easyJet. The prime minister was also faced with questions from the press over allegations



PM Lawrence Gonzi announcing SR Technics' investment at Castille yesterday

on Fenech, which he sidelined by focusing on the announcement of SR Technics' investment.

Operations will initially focus on Airbus A320 aircraft and by 2012, capabilities will be extended to Boeing aircraft.

easyJet will become SR Technics' first base load customer in Malta following the signing of an agreement between the two companies for an 11-year extension of their maintenance cooperation.

This landmark contract, offering

a revenue potential of USD 1.6bn, secures easyJet as a cornerstone customer for SR Technics. easyJet is to become the first base load customer at SR Technics' new maintenance facility located in Malta.

The new contract . ▶ page 11

## Malta out of recession by first half of 2010 – Tonio Fenech

Charlot Zahra

Finance Minister Tonio Fenech is projecting an exit from recession by the first six months of 2010.

Asked by Business Today about the latest Eurostat figures on GDP for the EU and the Euro Area, for Q3 of 2009 which have shown growth following five consecutive negative growth figures, and when would Malta start coming out of the economic recession like the EU, Fenech said: "It is a bit speculative trying to see how are getting out of the recession now but we have started seeing the signs that the global economies, including Malta, will start recovering."

"When the Maltese economy is in recession – and all economists recognise this – we get into recession slightly later and will get out of it slightly later," Fenech told Business Today.

"Our hope is that in the first half of the year, we will also see the signs of recovery in our country," the Finance Minister added.

Fenech added that the Eurostat forecast was an average, "because not all EU Member States respond in the same manner."

"For instance, the United Kingdom there is a whole debate as to whether the country has indeed come out of the recession or not. At first they thought that they had come out of the recession but new statistics have shown that it had not," he added.

On Friday, Eurostat estimated that the EU's gross domestic product (GDP) grew by 0.2 per cent in the third quarter of 2009 compared to the previous quarter. In the eurozone, growth was 0.4 per cent (0.2 per cent higher) when compare to Q2 of 2009.

The euro area's largest economy, Germany was among the best

performers, with growth of 0.7 per cent compared to the previous quarter. France, however, recorded growth of only 0.3 per cent, identical to the amount of growth it achieved in quarter two, 0.2-0.3 per cent less than expected.

Austria and Portugal, achieved the highest increases in the EU -- 0.9 per cent of GDP each.

Estonia, Greece, Spain, Cyprus, Hungary, Romania and the UK all contracted in the third quarter of 2009. Estonia, whose economy shrank by 2.8 per cent compared to the previous three-month period, was the worst achiever in the EU in the third quarter of 2009.

Malta, Bulgaria, Denmark, Ireland, Latvia, Luxembourg, Poland, Slovenia, Finland, and Sweden had not supplied their statistics in time for the compilation of the Eurostat press release.

## Unions urge MRA to discuss energy tariffs

The Ghaqda Trade Unions Maltin has requested a meeting with the Malta Resources Authority with the scope of discussing the increase in power tariffs requested by Enemalta.

The request was made in a letter signed by MUT president John Bencini, who is chairman of the trade union group.

John Bencini stressed that the trade

unions want to know whether the regulator is to examine if there were any inefficiencies or bad practices at Enemalta; if the new tariffs would be locked for a year and if they would be based on hedging.

The unions, Bencini added, want to know whether the tariffs for consumers would be based solely on the price of oil and if Enemalta's

outlay of €60m on new Smart meters would be included in the new tariffs.

John Bencini said the unions also would like to know whether a social impact assessment had been made before the new tariffs were announced, and whether the one-time payment to ease the burden, as announced during the Budget, had been previously discussed with the same authority.



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