FREE WITH maltatoday ON WEDNESDAY

Business Today

WEDNESDAY 10 February 2010 - **SUPPLEMENT ISSUE NO. 620**

Interview: Pierre Mizzi HSBC Property Expo Pages 4-5

Emirates A380 becomes Airbus 6000 craft Page 2

Crouching tiger Page 7

In collaboration with: KAMRA TAL-PERITI

Barroso warns Euro critics ‘We will stick to our course’

European Commission president Jose Manuel Barroso yesterday issued a stark warning against euro currency critics, stressing that “those who think it can be put in question must realize, we will stick to our course.”

Speaking yesterday before the European Parliament approved his new college of commissioners, President Barroso stressed that Europe’s political commitment to the euro means investors would be wrong to bet against the single currency.

“The euro will continue to constitute a major tool for our development,” Barroso told MEPs at the European Parliament in Strasbourg, adding that “the EU has the necessary framework to address all challenges that can appear.”

The euro has dropped to an eight-month low against the dollar amid concern that widening budget deficits will stifle the EU’s economic recovery. Greece has the region’s largest budget gap at 12.7 percent of gross domestic product, more than four times the EU limit.

Greek Prime Minister George Papandreou’s government is seeking to convince investors it can bring the deficit to within the EU’s ceiling of 3 percent of GDP in 2012. Greek two-year bond yields have surged to the highest in almost a decade and concerns about budget sustainability are spreading to Spain and Portugal.

Barroso’s words came two days before an EU summit supposed to discuss long-term economic plans for jobs and growth

“In the case of Greece, we have the capacity to assess and monitor its fiscal-adjustment program,” Barroso said, adding that “we have the possibility to recommend bold structural reforms.”

Barroso’s words came two days before an EU summit supposed to discuss long-term economic plans for jobs and growth, however, the meeting is expected to be overshadowed by the Greek crisis and the question of a possible bail-out for Athens to restore world confidence in the currency.

Germany and France are strongly resisting a bail-out, but hopes that markets will calm without intervention have proved wrong so far.

One last-ditch option is resort to the International Monetary Fund, a move which would reinforce fears in some markets that the euro is in deep trouble.

GHM, “strong interest” in €10 million bond issue

Grand Harbour Marina plc has reported that it received applications substantially in excess of the preferred portion of € 6 million bonds which were reserved for authorised financial intermediaries and preferred applicants. The bonds were reserved ahead of the issue of a total of € 10million bonds together (with the over-allotment option of a further € 2 million) on Thursday. The bonds pay interest of 7% p.a. and mature in 2017-2020.In A company statement issued yesterday, GHM Chairman Lawrence Zammitthanked the investors for their confidence in the company and stressed that “the company’s long association with Camper & Nicholsons, the leading international marina group and the fact that this forms a strong team positioned to develop existing business and to take advantage of the investment opportunities in the sector are some of the advantages that prospective investors appeared to have weighed positively.”

5,000 delegates expected for major conference this August

Tourism Parliamentary Secretary Mario de Marco announced yesterday that a major conference of 5,000 people was expected to be held in Malta next August, while another conference, of 1,000 delegates, is expected to be held this coming March.

Speaking during a conference hosted by the Malta Hotels and Restaurants Association, Mario de Marco expressed cautious optimism about the outlook for tourism this year, and while acknowledging the difficult times incurred by all in the sector during 2009, he explained that the drop in conference and incentive travel last year had been one of the major contributing factors for the drop in tourist arrivals

He urged restaurateurs to heed the changing trends of tourism and adjust their product and services accordingly, while he pointed out that Italy was now Malta’s second tourism source market and Germany was the third. The expectations of the Italians and the Germans were different from the British, towards whom most restaurants were tailored, he said.

Dr de Marco said that by and large, the quality of restaurants had improved, but it had been noted from surveys, that tourists’ satisfaction was higher in the winter than the summer, leading one to suspect that quality of service was deteriorating as patrons increased.

He said that restaurateurs needed to keep their menus updated, and they also needed to offer more Maltese dishes. One could get Italian food all over the world, but Maltese food only in Malta.

Greece to hike pension age in drive to face crisis

Greece announced yesterday that it will raise the average rate of retirement by two years to 63 by 2015, as part of a spate of measures intended to clean up its loss-making public sector.

“There will be a two-year increase of the limits on the average rate of retirement... namely 63 years on average for men and women by 2015,” Labour Minister Andreas Loverdos told the media at the end of a series of intense meetings at his a ministry in Athens.

“We are changing the pensions system in order to keep it alive,” he said.

The maximum retirement rate is currently 65 for men and 60 for women, and Greece is under pressure by the European Union to bridge the gap.

The minister also pledged to bring an end to voluntary retirement schemes that have cost the cash-strapped Greek state dearly. “There will be an end to voluntary retirement,” he said.

The pension reform is part of a cost-cutting plan by Greece’s hard-pressed Socialist government which is struggling to slash a debt mountain expected to hit over € 290 billion this year.

Loverdos is trying to save € 4.5 billion this year from a social budget burdened by years of mismanaged spending by social funds on medicine and hospital bills.

Greece’s main private sector union GSEE is staging a nationwide strike on February 24 in opposition to the pension reform. Thousands of civil servants targeted for bonus cuts are holding another one-day strike today..