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In collaboration with: KAMRA TAL-PERITI

Euro chief backs EU plans to vet national budgets

Eurozone finance chief Jean-Claude Juncker gave his backing to controversial plans for Brussels to vet the budgets of all 27 EU countries before they are put to national parliaments. Luxembourg Prime Minister Juncker said the plans, which drew lukewarm reaction from Sweden and others when they were unveiled last week by the European Commission, were "heading in the right direction."

"It's not a question of cutting across the budgetary powers" of nationally elected politicians, he said, adding: that "they simply want finance ministers of the eurozone countries to be able to discuss the different budget plans between themselves."

Juncker stressed that "national lawmakers should be able to take informed decisions," while reminding the community on the knock-on impact of one country's policies on the interlinked economies of partners.

"The commission is not going to become the school headmistress for member states' budgetary policies," but member states would be subject to rigorous scrutiny, he added.

European Union Economic and Monetary Affairs Commissioner Olli Rehn said last week that the budget vetting plans should apply to all 27 EU member states.

Asked to react to the news, a spokesman for the Finance ministry said that "Malta is evaluating the proposals and will not fail to make its position known in the appropriate fora and at the opportune time."

The spokesman explained that the Commission proposal is talking in terms of a peer review of national budgets. "By this they mean the broad revenue and expenditure projections within the context of the prevailing and envisaged macroeconomic framework.

"In practice it is already being done, to an extent, through the submission and peer review of the national Stability and Convergence programmes. The proposal is intended to strengthen and to make the whole process more efficient and more policy relevant not least by integrating it to such policy instruments like the National Reform Programme and the newly-introduced national competitiveness reviews," he said.

Finance minister Tonio Fenech (C) with newly appointed UK Chancellor of the Exchequer George Osborne (L) and Slovak finance minister Ján Pociatek (R) in Brussels yesterday

In Brussels yesterday, the eurozone ministers also heard detailed proposals from Spain and Portugal, who last week announced they would accelerate cuts to their public spending in a bid to restore market confidence in the eurozone.

Middlesea Group registers profitable Q1

MSI head offices in Floriana

Middlesea Insurance plc announced a profit before taxation of €2.8 million for the Q1 period of 2010, as compared to a loss of €5.3 million during the first quarter of the previous year. The improvement in the technical results of the insurance operations of Middlesea Insurance plc, the turnaround of the capital markets, together with the discontinuance of the operations of the Italian subsidiary (losses from this subsidiary for the first quarter of 2009 amounted to €3 million) have all been important contributing factors to the improved first quarter 2010 results. MSV also had an encouraging first quarter, with profits after taxation for the period of €2.0 million (March 2009: loss of €3.3 million), 50% of which have been accounted for in the Group results.

The balance sheet of Middlesea Insurance plc, was further strengthened during the period under consideration by the profits generated. Furthermore, subsequent to the end of the quarter, Middlesea Insurance plc concluded the implementation of measures agreed with the Regulator with respect to its regulatory solvency position. The implementation of these measures restored the regulatory capital position of the company to the level required by the Malta Financial Services Authority. The company was therefore, once again, fully compliant with the relevant solvency and capital regulatory requirements.

The Chairman, Joseph F.X.Zahra said that "Middlesea is a strong company with an excellent client base and has a dedicated and talented executive team. The relationships with our local clients remain at the heart of our ability to create value for our shareholders. The renewals we have secured in 2010 to date, and our ability to maintain our market position, even during very difficult times, demonstrate the strength of these relationships and the quality of our people – and our priority will be to build further on these relationships with an unparalleled level of client service."