

OFFICIAL NEWSLETTER OF THE GOZO BUSINESS CHAMBER
27, Republic Street, Victoria VCT 1014, Gozo, Malta.
Tel: 21550305, Fax: 21563389, Email: info@gozobusinesschamber.org
Website: www.gozobusinesschamber.org

Budget Debate at Circolo Gozitano

The President of the Gozo Business Chamber, Mr Joe Grech, was one of the speakers during a meeting held at the Circolo Gozitano to discuss the impact which this year's budget had on Gozo.

The following is the President's intervention.

Before seeing what impact the budget will have on Gozo's economy, it is important to mention the main areas of business and the actual economic situation in Gozo.

One can analyse industry and business in Gozo in four main areas.

These are tourism, which is to be dealt with by the GTA representative, as well as manufacture, construction and retail/wholesale. Among these enterprises, a large number work for the local market while a small number also cater for the foreign market.

The economic situation in Gozo

All that is taking place in world economies is also affecting the economic growth in the island of Gozo. The world banking financial crises, the serious realities of the international economies, new technologies, new market conditions and structural changes in world economies have totally changed the environment of business in Gozo. In fact, the economic situation in Gozo is not so encouraging.

This is confirmed from the recent NSO statistics where it is made clear that Malta's economy is doing much better than that of Gozo. In fact, while, in September 2008, Malta registered a decrease of 587 persons from those registering for work compared to the same month last year, the number of person registering for work in Gozo reached 695 which means an increase of 54

compared to September of last year. This can also be said for wages and the mobility of workers. It is estimated that, because of the shortage of mobility in the places of work, the wage for the worker in Gozo is about 80% of that in Malta.

These figures show that Gozo is generating a limited number of new jobs as a result of its small size, the accessibility problems and the economics of scale. This is besides the fact that nowadays Gozo is feeling the need for different abilities from those persons looking for jobs. Considerable mismatches and underemployments exist in the job market. While there are 695 persons registering for work, the hoteliers, restaurant owners and persons in the construction sector are complaining that they are not finding workers to fill their vacancies.

Budget 2009

Budget 2009 had to be analysed in this context as well as in the scenario of the international financial crises and turbulent economy which are leaving their negative impact on industry and the general consumer.

Today we have heard of a deep recession in the United States, China, Japan, UK, and Germany. The Gozitan entrepreneur has important contacts with these countries, both in imports and exports. The Gozitan entrepreneur has been caught in a viscous circle where, because of the financial trouble in which foreign banks found themselves, the credit terms which the Gozitan importer used to be offered by his overseas supplier have evaporated while local income from sales of products has decreased drastically in view of the high cost of living, the uncertainty of the new water and electricity tariffs, the economic turmoil and the fear of the termination of jobs.



The council of the Gozo Business chamber would like to extend its best wishes for a blessed Christmas and a Happy New Year.

The council has decided that, instead of sending Christmas cards, a donation will be offered to the oasi foundation of gozo.

As a result, orders for imported products are decreasing, with the consequence that profit for the entrepreneur has decreased. This is happening at a time when the businessman is starting to face new expenses introduced by the budget, like the €4.08 weekly increase for every employee as a cost of living increase (COLA), the high tariffs for water and electricity, the increase in commercial vehicle registration and licences, as well as an increase of 3c per litre of petrol and 2c per litre of diesel which will be going to the Energy Fund.

Sustainable Environment

It seems clear that the aim of the budget is a Sustainable Environment, with a strong emphasis on alternative energy. It is clear that the giving of energy saving light bulbs, giving a subsidy of two thirds ($\frac{2}{3}$) of the cost when buying a solar water heater by a family (4500 families), a grant of 50% of the cost when buying a photovoltaic system (200 families) and the grant of 33% of the expenses for the insulation of walls and ceilings as well as for double glazing (1000 families) have more than one aim. The first aim is for the family to save part of the expenses from the increase of the water and electricity bills so that the spending power will not decrease too much, and the second aim is that these incentives will create more work both to the sellers as well as to those who install them. This can be said of the scheme where 30%, but not more than €2500, of the global expenses are refunded when one upgrades the house façade which had been built before 1950. This also refers to what is in the budget about aid from Malta Enterprise and for incentives of tax credits for buying photovoltaic cell systems, as well as the refund of 60% for investing in clean energy. One has to mention also the refund of 40%, up to a maximum of €1000, to enterprises on introducing Energy Audits.

Projects mentioned in the budget

I now refer to infrastructural projects mentioned in the budget. I note that no time frames exist and, therefore, these may take longer to complete than expected. However, let me first mention the projects which have been suggested by the Gozo Business Chamber during pre-budget consultation meetings and which have been included in the budget. Firstly I mention:

- the building of the Ghadira Cirkewwa bypass.
- upgrading of the Xewkija Industrial Zone
- the building of an SMEs Park, and
- the radical transformation of the Gozo public transport sector.

Among other infrastructural projects in the budget, one can mention:

- the Mgarr Victoria road
- the embellishment of Ramla l-Hamra

- the restoration of the Cittadella
- the building of the Victoria Secondary School, and
- the direct help for employing facilitators in private schools to care for children with special needs

However, it is opportune to mention those projects put forward by the GBC but which have not been incorporated in the budget. These include:

- decrease from individual tax of interest from the Bank for the buying of property which is already on the market.
- doing away or decreasing of stamp duty on property. This measure to remain in force up to the time the property market recovers.
- creating a Park and Ride service to mitigate traffic congestion and the emission of car exhaust.
- an alternative road round Victoria to lessen vehicles passing through Republic Street.
- the grant to cover expenses in connection with sea transport of manufacture and agricultural goods to remain in force, and also to include transport costs of other products as well.
- keeping of separate statistics for Gozo.
- a positive discrimination scheme should be introduced regarding business and investment in Gozo.
- enlarging Mgarr Harbour to create space for a larger yacht marina, a place for cruise liners, as well as anchoring buoys in various Gozo bays to facilitate and encourage small cruise liners' visits.
- building an airstrip to take small fixed wing planes to increase accessibility.
- Encouraging e-Gaming and other ICT related services.

Conclusion

To conclude, I have to say that the budget does not refer to the new water and electricity tariffs although these are implied in each project, aid or incentive mentioned in the budget. The introduction of these tariffs will definitely leave a negative effect on each type of business in Gozo which is already experiencing a decrease in sales. We are passing through difficult times and I'm afraid that the worst is still coming. In our case we have to face two challenges. The first is the impact of the international economic crises and the second is the impact of the higher cost of living and the new tariffs. We agree that government should not abandon its decision to balance the budget during its legislature, but we cannot ignore the fact that inflation is suffocating the purchasing power of the consumer.

Many of the problems are beyond our control. However, there is need for us to discuss because there are situations we have to face and controversial decisions which have to be taken.

Malta Enterprise Incentives for Gozo

A number of success stories in the past few years, and as recently as last month, have shown that Gozo is proving to be successful at attracting foreign investment. Malta Enterprise strongly believes in Gozo as a profitable destination for business and has in fact designed a package of incentives specifically aimed at companies carrying out certain qualifying activities in Gozo.

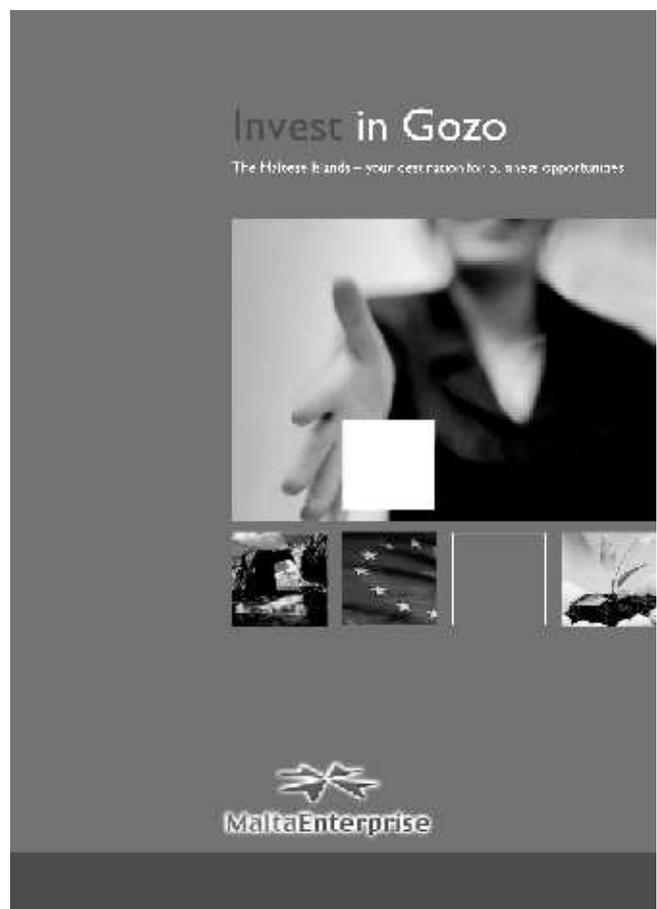
These incentives make Gozo an even more attractive business proposition. They include tax credits and cash grants aimed at encouraging these companies in Gozo to increase their capital investment and employment levels. The package also includes assistance specifically aimed at reducing the additional transportation (of employees, raw materials and goods) burdens arising from being located in Gozo, as well as the possibility of assistance with the renting of private premises.

For information on the full range of incentives being offered by Malta Enterprise you can visit <http://support.maltaenterprise.com> and www.20millionforindustry.com, where the recently launched ERDF incentives are described. Malta Enterprise will be organising one of its information sessions on these ERDF schemes in Gozo. Information on the date, time and location for this session will be announced in the press shortly.

For more detail on the incentives being offered specifically for Gozo, and the conditions which apply, please email

dennis.vella@maltaenterprise.com or call Dennis Vella on 25423293. Alternatively you can contact Evelyn Bonnici at the Malta Enterprise Gozo Office on 21564700.

Malta Enterprise wishes all the very best for the New Year to all Isle Link readers and members of the Gozo Business Chamber.



Agreement on MCCEI President



Following the merger between the Malta Chamber of Commerce and Enterprise and the Malta Federation of Industry, the Council of the Malta Chamber of Commerce and Enterprise has accepted the nomination of Mrs Helga Ellul, which was made by the Council of Malta Federation of Industry, to serve as President of the Malta Chamber of Commerce Enterprise and Industry (MCCEI). This procedure followed the Transitional Arrangements provided for in the new Statute of the merged organisation. Mrs Ellul shall preside over a Transitional Council which shall become effective as on 3rd January 2009.

E-commerce The Alternative Way to Trade

E-Commerce is the process of buying and selling goods or services over the Internet. For example, when a customer purchases a book over the internet from a bookstore website and pays by credit or debit card, an e-commerce transaction has taken place." In this regard, the transaction is often referred to as a "Card not present" transaction since the cardholder and the seller do not physically meet.

In this day and age, many businesses are opting to offer on-line facilities as a payment solution. Such systems, offer benefits both to the seller and the buyer. The buyer can make purchases and payments from the comfort of his/her home at any time, while the seller, can broaden selling parameters. Not only, a seller has the option of hosting a site without actually operating from a physical retail outlet. A website reaches out beyond a shop or office and besides receiving payments, can offer company profiles and information to prospective clients outside our shores.

Bank of Valletta plc has always been on the forefront to offer small and medium enterprises, as well as sole traders the facility of an e-shop. With this in mind, Maltaexpo was launched in 2005. Maltaexpo is a joint venture between Alert Communications Ltd and Bank of Valletta plc. Through this site, a seller has the benefit of starting up an e-shop from scratch for as little as Eur198.00. This includes a unique domain name where one can add an unlimited number of products. Each transaction is connected directly to Bank of Valletta's payment gateway for secure online credit card settlements. Following the launch of the site customers will be provided with an easy-to-use software that will enable them to modify their site according to their specific requirements. Training and assistance in order to get started could also be included in the package. More details regarding these offers can be obtained from www.maltaexpo.com.

It is important to note that 'card not present' transactions require more security than face to face transactions since the authenticity of the cardholder is more difficult to verify. If for example a transaction was not performed by the genuine cardholder, the latter has a time window of 120 days to contest a particular transaction. In this regard, it is important to make sure that when offering a payment page certain security features are in place.



The government is currently also taking steps to create a technology friendly environment in Malta. Only recently, it was announced that small and medium enterprises, as well as sole traders are to be granted a new tax credit of up to Eur12,000 in order to expand their business. This came to be since it was established that the island enjoys a high percentage of interconnectivity with a negligible amount being utilized for trading purposes. Details and information on how to apply for this incentive are available from the Malta Enterprise website www.maltaenterprise.com.

Should you be interested in opening your business to the world on a 24 hour basis, or would like more information on this subject, kindly contact our e-commerce department on 22751571 or send us an email on ecommerce@bov.com.

Brigid White
e-commerce Relationship Manager



GOZO BASED TV PRODUCTION HOUSE SCORES A HAT-TRICK IN THE SAMSUNG MALTA TELEVISION AWARDS

CVC Communications, the Gozo based television production house, has won three awards in the annual Samsung Malta Television Awards and to date has amassed an incredible nineteen national television awards in its fifteen years of operations.

The company won awards for all the three programmes it had submitted and which had already been nominated for the finals.

The programmes are the evergreen cultural *Ghawdex Illum*, itself a record winner for several years; the youth programme *Zmeraldi Teens* winning for the third consecutive year and the new documentary series *Malta...Grajjietha*.

All three programmes are screened on Television Malta, the 2008 station of the year.

Ghawdex Illum has also recently won the Overseas



Travel Award in the Malta Journalism Awards.



Mr Alvin Scicluna, managing director of CVC Communications commented: "Since our inception we have strived to produce programmes of quality which have always been appreciated. This can also be seen from the recent Media Warehouse Survey which placed the programmes first amongst all niche programmes in their respective time-bands on the local television stations".

The Gozo Business Chamber extends its congratulations to CVC Communications, which is a member of the Chamber, for gaining these awards.

CVC

citadel video communications

www.gozotv.com

audiovisual productions

BY THE BASTION ROAD VICTORIA GOZO MALTA

TEL/FAX (+356) 21 55 19 36 E:MAIL: CVC@GOZOTV.COM

Good News for Gozo

It has been announced by Malta Enterprise chairman Mr Alan Camilleri that the Milan based card manufacturer Bryvarc is to set up a production line at the Xewkija Industrial Estate in three months' time.

This is welcome news to Gozo and the Gozo Business Chamber looks forward to the project's implementation as this will help to provide much needed jobs for Gozitans in Gozo.

The report mentions that Bryvarc intends to employ 58 Gozitan workers in its first intake, followed by another 24 employees in the second year of operations and another 58 in the third year.

Bryvarc belongs to Swiss group DA Card SA and produces plastic cards like credit cards, identification documents, scratch and lottery cards among others.

MEUSAC Core Group

President Joe Grech and Chief Executive Officer Joseph G. Grech have attended further meetings of the MEUSAC Core Group during the past three months.

The main items on the agenda were the issues of immigration, for which the Minister of Justice and Home Affairs was also present; the nine sub-committees to operate under the core group level; the criteria for the filling of the three representatives of civil society; the introduction of measures to encourage improvements in the safety and health at work of pregnant workers and those who have recently given birth; as well as the equal treatment between men and women engaged in activity in a self employed capacity.

Further meetings were also held to give more information to the core group members concerning immigration.

Dr. John Attard Montalto MEP writes ...

During a debate on Regional policy - islands and natural and economic constraints held during Strasbourg session of the European Parliament, I raised the issue of insularity and problems arising there from. I made a special reference to Gozo which suffers from double insularity. I would like to take this opportunity to reproduce a synopsis of my contribution.

'In case of Gozo, Malta's sister island, we have a scenario of double insularity. The Commission has highlighted the special situation of islands in the guidelines on (i) National regional aid for 2007 - 2013 and on (ii) state aid and risk capital for small and medium-sized undertakings. But that does not address the issue where fuel and energy costs adversely affect the competitiveness of the communities living in such islands.

The economic activities prevalent in islands, notably

tourism, agriculture, fisheries and crafts need special attention. Tourism represents one of the primary sources of wealth creation in islands with spin offs on other sectors fisheries, agriculture, crafts. But what importance do we give tourism in the European Parliament? Perhaps the prevalent thought is that it is a national issue, as one very senior Commissioner put it. On the contrary, it is about time that the European Parliament set up a separate committee on tourism, as at present it is part of the Transport Committee and hardly appears on any agenda'.

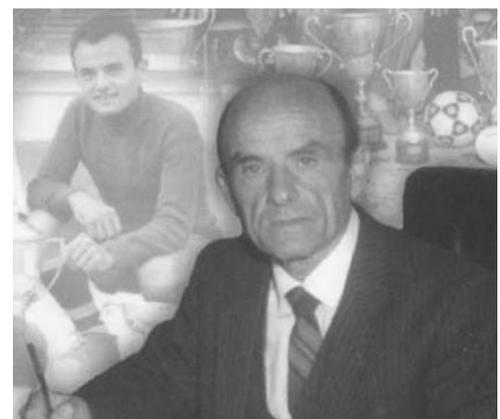
It is essential that the geographical situation of Gozo is taken into consideration. The fact that this island is separated from the main island of Malta affects all sectors of its economy. Special attention has to be given to make up for this handicap as otherwise it is not possible to have a level playing field for the internal and external market.

Passing away of the Chamber's first CEO

It is with deep sorrow that we inform you of the passing away of Mr Horace Mercieca of Qala who was the first Chief Executive Officer of the Gozo Business Chamber during the formation of the Chamber.

Members are requested to remember Mr Mercieca in their prayers.

Our condolences to his wife Salvina, his children and their families.



Congratulations

..... to Bank of Valletta, Kempinski Hotel San Lawrenz and Magro Brothers Group of Companies, who are all members of the Gozo Business Chamber, for having been identified, among a number of local businesses from various industries, as “a shining example of business best practice” when it comes to harnessing the benefits of EU membership.

This is part of the Business Success Stories project for which the European Commission Representation in Malta and the Malta Business Bureau have teamed up with the aim of learning how the Maltese business community can grasp the opportunities offered by EU membership.

..... to Mr. Sammy Rapa, General Manager of Hotel Ta' Cenc, for being chosen as the Gozo Tourism Worker of the Year for 2008.

The presentation of the Award took place at a special ceremony organised by the Gozo Tourism Association (GTA) at Palazzo Palina, Hotel Ta' Cenc during which Mr. Paul Scicluna and Mr. Joe Muscat, President and Secretary of the GTA respectively, addressed the gathering.

The announcement of the winner of the Award was made by the Chairman of the judging panel, Dr. Victor Caruana Colombo LL.D., and the presentation of the trophy was made by the Hon. Giovanna Debono, Minister for Gozo.

Construction Sector



A special meeting was held for members involved in the construction and real estate to discuss related matters.

The meeting was addressed by Mr. Joseph G. Grech, the Chief Executive Officer and by Mr Manuel Cini, Council

Member, who have details about the workings of the Chamber and about the plans for the setting up of a special committee to take care of the Construction sector. Engineer Renzo Curmi, who is also the Hon. Secretary of the Chamber, made a presentation about the problems which have to be faced by members in the construction sector.

Towards the end of the meeting, those present agreed to elect representatives to form the Sector's Committee. The persons chosen were Mr Manuel Cini (Chariman), Ms Marie Grech, Mr Jason Saliba, Mr Paul Scicluna, Mr Saviour Spiteri, Mr Francis Xavier Tabone and Mr Euchar Vella.

The new committee has already met to discuss its plans for the coming year.

be eco friendly. save on your electric bill now. buy a solar water heater for

*€585.00

*terms and conditions may apply government rebate included

DDSLTD
www.ddsmalta.com



save energy today. furnish your home with energy saving lamps. buy now and save!



special offer but any 5 pl lamps for €14,25 only

offer valid till stocks last

1st European SME Week - 6th - 14th May 2009

The first European SME Week, taking place from 6 to 14 May 2009, is a campaign to promote entrepreneurship across Europe and to inform entrepreneurs about support available for them at European, national and local level. It allows SMEs to discover an array of information, advice, support and ideas to help them develop their activities. A dedicated website is already up and running and it can be accessed at http://ec.europa.eu/enterprise/policy/entrepreneurship/sme-week/index_en.htm

Throughout 2009, events are taking place to inform, assist and connect existing and potential entrepreneurs and also help them develop new ideas and benefit from personalised information and support.

The SME Week encourages and supports SMEs to reach their full potential. It also marks an opportunity to inspire potential entrepreneurs to 'take the plunge' and work towards achieving their aspirations.

The European SME Week is co-ordinated by the European Commission's Directorate-General for Enterprise and Industry, but most of the events and activities taking place during the SME Week are organised by business organisations, support providers, regional and local authorities, and others in the participating countries. The SME Week is one of the measures implementing the Small Business Act, the first comprehensive SME policy framework for the EU and its Member States.

The SME Week seeks to:

- **Inform:** provide and disseminate information on what the EU and the national authorities are offering by way of support to small businesses
- **Support:** create an EU-SME partnership, underlining how Europe is stronger with more competitive SMEs

and also the fact that the EU is ready to offer them support and advice

- **Inspire:** motivate existing SMEs to broaden their outlook and further develop and grow their business
- **Share:** float ideas and share the experiences of entrepreneurship and entrepreneurs
- **Encourage:** convince young people that entrepreneurship is an attractive career option



How to get involved?

Malta-based entrepreneurs, potential entrepreneurs, young people, business organisations, support providers, public authorities, educational institutions and so on can get involved in the SME Week and feature on the dedicated website mentioned above.

If you are interested in organising an activity which is related to SMEs and entrepreneurship you are kindly asked to contact the National Coordinator [Brigitte Tanti] on tel: 2542 0000 or email: brigitte.tanti@maltaenterprise.com.

Each potential event organiser is free to choose the type of event to organise as long as it fits the objectives of the SME Week. Events can include performance art, competitions, conferences, fairs, company open-days, online activities, workshops and seminars. Although ideally the events should take place during 6th-14th May 2009, the National Coordinator will also promote your SME-related activities that are being planned during the rest of 2009.

jdbdigitalprinting offer you:

- superior digital offset quality colour printing up to 52x72cm
- competitive prices
- short runs starting from only 1 copy up to 100,000 copies
- no chemicals, separations or plates needed
- environmental friendly waterless printing technology
- same day printing service
- FREE delivery to Malta and Gozo

+ much more

contact: 21 55 22 19
 address : industrial estate, xewkija, gozo.
 email: info@jdbprinting.com