

OFFICIAL NEWSLETTER OF THE GOZO BUSINESS CHAMBER  
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## Mgarr – Sa Maison Ferry Service

Gozo’s double insularity has always been one of the major hurdles for the survival and advancement of the Gozitans. Since time immemorial, various types of sea craft were used to transport goods from Malta to Gozo and vice-versa with the most popular and logical route being that between Mgarr (Gozo) and Grand Harbour (Malta) berthing near the bottom of Crucifix Hill. When Gozo Channel Co. Ltd. took over the service, the berthing place in Malta was shifted to Sa Maison. This made the trip shorter and left Grand Harbour free for other services.

The Gozo Business Chamber considers the transport of goods by the Mgarr – Sa Maison route as essential. Besides, this goes in line with EU Policy in favour of the environment through the use of the “waterways of the seas”.

The Chamber reiterates that the Government should consider the Gozo Channel berthing place at Sa Maison as part of the Gozo infrastructure and should incorporate this line of thought in any development planned for Sa Maison.

The use of the Sa Maison berth by Gozo Channel boats helps to decrease the additional expenses which the Gozitan businessman has to include in the price paid by the Gozitan consumer as well as defray some of the costs which eat away the businessman’s profits. At this point, it is pertinent to mention that, with the exception of cow breeders, other animal breeders in Gozo have to buy their animal feed at a higher price than their counterparts in Malta. Needless to say, this extra cost will ultimately be passed on to the consumer.

At a recent presentation on the new plans for the Cirkewwa terminal and harbour, it was explained that one of the berths is to be reserved for the transport of hazardous goods.

The Gozo Business Chamber is worried about this lest



this berth will become the “new” berthing place in Malta for the transport of goods between Gozo and Malta. This will cause higher expenses to be borne by the hauliers who will have to drive across the whole of Malta to Cirkewwa. Besides, one has to think about the increased problems such large vehicles may cause on the already congested roads in Malta, the wear and tear of vehicles and roads, air pollution and the further congestion of Cirkewwa.

What is needed is a better and more frequent goods transport service between Mgarr and Sa Maison which will leave more space for cars and passengers on the Cirkewwa route.

### Seminar by ETC / GBC

A seminar was jointly organised by the Employment and Training Corporation and the Gozo Business Chamber in connection with various Employment Schemes offered by the ETC.

The seminar was opened by a welcome address by Mr Marcel Bonnici, Manager ETC, Gozo Branch and by the Hon Giovanna Debono, Minister for Gozo. These were followed by Mr Joe Grech, President of the Gozo Business Chamber who spoke about the present economic and employment situation in Gozo.

Officers from the ETC delivered two presentations on the Employment Aid Programme and on the Training Aid Framework. These were followed by an interesting session of question and answer from the members taking part before the seminar was brought to a close by Mr Felix Borg, General Manager ETC.



# INSULEUR

*celebrates its General Assembly  
and renews its Board of Directors*



The president of the Chamber of Commerce of Majorca, Joan Gual de Torrella, will preside the network during the next 3 years

The network of insular Chambers of Commerce and Industry of the European Union (INSULEUR) held its General Assembly in Brussels and elected the new Board of Directors for the next 3 years. The president of the Chamber of Commerce of Majorca, Joan Gual de Torrella, will be responsible for presiding the network during this period. It is the first occasion in which a Spanish representative presides INSULEUR. Gual will be accompanied during its mandate by a team composed by six other members: 4 vice presidents, 1 treasurer and 1 secretary general. By nationalities, two Spaniards, two Greeks, a French, an Italian and a Maltese will make up the new Council.

Therefore, the new Board of Directors will be as follows::

- President: Joan Gual de Torrella Guasp (CCI Mallorca) – SPAIN
- Vice president: Arturo Escuder (CCI Tenerife) – SPAIN
- Vice president: Yiorgios Benetos (Professional Chamber of Piraeus) - GREECE
- Vice president: Giancarlo Deidda (CCI Cagliari) – ITALY
- Vice president: Eric Magamootoo (CCI Ile de la Réunion) – FRANCE
- Treasurer: Giakoumogiannakis Stylianos (CCI Chania) - GREECE
- Secretary General: Joe Grech (CCI Gozo) – MALTA

The INSULEUR network was born in 2000 on the initiative of a group of Chambers located in islands that shared the problems and isolation caused by its insularity, with the objective to promote the social and economic development of the islands from the European Union. The network is composed by 35 Chambers of Commerce from different European countries, and maintains a permanent contact with the European institutions to promote the needs of the companies of the islands, in order to manage to establish a policy integrated for the development of these regions. The different European networks have recognized their value added by being the European only



network of business support to insular level. With the work that has been developed in recent years, this network has managed that the insular problems are kept in mind in the common politics.

During his speech, the new president of INSULEUR, the Majorcan Joan Gual de Torrella, who also presides the Chamber of Commerce of Majorca and the Commission of Tourism of the Consejo Superior de Cámaras (CSC), thanked those present for the confidence placed in him by the members of the network and exposed the main lines of action of its strategic program. Gual takes over from Raymond Ceccaldi, president of the Chamber of Commerce from Ajaccio (France), who had been at the front of INSULEUR during the last three years. The previous presidents of the network were the Italian Romano Mambrini (2003-06), of the Chamber of Cagliari (Italy) and the Greek Elias Mikalakis (2000-03), of the Chamber of Chios (Greece).

Gual and his team have proposed to work on two fronts. The first one is to continue with the action of lobbying before the national and European institutions developed to date and in second place, developing projects of cooperation in network through European Programs, in tourism, transportation, energy and management of the environment, like options of business development. In this new phase, Gual has asked for an effort of coordination between the Chambers in order to give a greater visibility to the network addressed to the media and to the society in general and finally, to continue with the deepening of the know-how on development of the insular SMEs and of the economy of the insular regions in general.

# Helping businesses cross borders

The European Commission has launched the new *Your Europe Business* portal to help European entrepreneurs do business in other EU countries.

The EU with almost 500 million consumers is the world's largest market, offering many business opportunities. But entrepreneurs wanting to do business across borders still face obstacles such as language barriers and difficulty in finding the necessary information.

The information and support are out there. Most governments do have websites and online services to make life easier for business. The problem is that they are aimed at local businesspeople who know the language and the basics of doing business in their country: how the public administration works, or where to find help.

Entrepreneurs from another country don't have that background, and so often don't know where to start.

## A multilingual practical guide

Help is now at hand through the *Your Europe Business* portal, a multilingual practical guide to doing business across Europe, created jointly by



the European Commission and national authorities. From a single entry point, the portal guides users through the EU countries, with national factsheets on each. All with the same structure, the factsheets cover 26 topics on every stage of the business lifecycle, from "Starting in business" to "Deciding to stop".

Each page explains a business's rights and obligations and guides entrepreneurs through administrative procedures. Furthermore, the portal links to more detailed information in national sites and includes additional guidance businesses may need.

Online forms allow some administrative formalities to be completed even before leaving home, while a directory of business support organisations shows entrepreneurs where to find personalised help should specific problems arise. Crucially, all information is available in several EU languages.

The portal cannot set up your business in another country for you, but it can get you started.

*Your Europe* could be your *business* opportunity.

**More:**

<http://ec.europa.eu/youreurope/business/>



tel: 27 270 270

## Participation in Leonardo da Vinci mobility project

Ms Kathleen Formosa has just returned from Austria after completing her experience in taking part in the Leonardo da Vinci mobility project under the Lifelong Learning Programme.

Ms Formosa is one of four members from the Gozo Business Chamber who took or are still taking part in this project. Preparatory work was undertaken earlier on and placements were found to accommodate the different skills of the participants. She has spent two weeks in Krems, Austria, practicing and learning new skills in ceramics.

Expressing her wish to take part in future projects she said



“When ceramists meet, their encounter can throw up new possibilities for better understanding design and form as well as different uses of clay bodies, glazes and firings”.

Ms Formosa spent her two-week stint with ceramists Brigitte Weinrich and Lieselotte Balic in Krems during a workshop and hands-on EU funded project. (Krems is a 1000-year-old town on the Danube famous for its history and vineyards).

Ms Formosa summed up her experience saying that “It has helped us to understand our personal artistic language within a ceramic context. It turned out to be a technical, intellectual and aesthetic challenge.”

## Participation in Fairs

Members of the Gozo Business Chamber took part in the Lejlet Lapsi – Notte Gozitana activity held in Victoria in May as well as in the Malta Trade Fair at Ta’ Qali in June/July.

Thanks to the cooperation of the Ministry for Gozo, the participants were able to make use of the Ministry’s pavilion at the Malta Trade Fair while the participants in the Lejlet Lapsi – Notte Gozitana were offered an area at Sabina Square.

The Chamber would like to thank the Hon. Minister for Gozo as well as the Gozo Culture Office for their offers and help during both events.



# Potential ICT R&D cluster of Excellence in Gozo

The Gozo Business Chamber (GBC) has been vigorously advancing the exciting prospect of an ICT R&D Cluster of Excellence in Gozo. Gozo has already attracted ICT companies who appreciate the Island's Internet connectivity, natural beauty, excellent living standards and very secure environment for R&D activities. This confirms the Gozo ICT potential clearly articulated in the Malta Information Technology Agency Vision Statement.

The GBC has exchanged a Memorandum of Understanding with Synaptic Laboratories Limited to underline their mutual commitment to develop a Gozo centered ICT industry to support the wider economic development and other business initiatives on Gozo.

The GBC has already demonstrated its strong interest to support Synaptic to establish its activities in Gozo by having arranged and been in supportive attendance at a number of meetings with Government Ministers and Senior Executives of Malta Government Agencies, including the Prime Minister, the Minister for Gozo, the Minister for Infrastructure, Transport and Communications and Malta Enterprise.

Having secured initial expressions of strong interest from all these meetings the GBC has also established an ICT sub-committee including both the Chairman and CEO of the GBC. "The mission of the sub-committee" as quoted by Mr Joe Grech, President of the GBC, "is to further support the proposal for Synaptic to establish R&D activities in Gozo and for these activities to be at the core of a new R&D virtual cluster".

The GBC ICT Sub-Committee Coordinating Member Mr David Pace says "This concept of an ICT R&D Cluster in Gozo is a Gozitan initiative. The very rapid responses and interest expressed at Government Ministerial level and by Senior Executives in various Government Agencies is appreciated and clearly demonstrates the strong interest of the Government and those Agencies in the potential to seed a Gozitan ICT R&D industry to support the future economic development of Gozo."

Synaptic Laboratories Limited Chairman and CEO Mr Ron Kelson says " We appreciate the strong



groundswell of support Synaptic has received from the GBC and the Gozitan business community, the British Computer Society - Malta Branch and Government Innovation Agency EuroMedITI. We have chosen Gozo as our home for more than three years and there is the strong potential to launch a range of exciting technologies for banking, eGovernment and eCommerce assisted by our international collaborators from the proposed Gozo based Cluster of Excellence in Post Quantum Security. The Company's website <http://synaptic-labs.com> outlines in great detail the need for new security solutions that we have been researching over several years and so the commercialization and wider horizontal and vertical economic integration prospects for Gozo and, obviously, Malta are very favorable."

Enquiries may be directed to Mr David Pace [pace@paceit.net](mailto:pace@paceit.net) , GBC ICT Sub-committee member and Synaptic CEO Ron Kelson [r.kelson@synaptic-labs.com](mailto:r.kelson@synaptic-labs.com)

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# THE LIFE INSURANCE TRUST

## a special kind of life insurance

*Dr. Andrew Chetcuti Ganado*

The Life Insurance Trust is an insurance product based on a new concept that has been designed jointly between Middle Sea Valletta and Bank of Valletta p.l.c., which product is available on both new and existing life policies issued by MSV.

What is a Life Insurance Trust (LIT)?

A LIT which is irrevocable in nature is simply a holding device. It owns your life insurance policy for you, removing it from your estate.

Upon policy maturity or upon your death, all proceeds emanating from the policy are paid to BOV as Trustee who then applies these proceeds in accordance with the provisions established in the Trust Agreement for the benefit of your chosen Beneficiary/ies.

Who may I nominate as Beneficiary of the LIT?

The Beneficiary is the person/s who will ultimately benefit from the proceeds payable under the policy and may be anyone from the settlor himself, his spouse, partner, relatives, business partners, charities, foundations, associations as well as any other ascertained or ascertainable person.

What are the benefits of setting up a LIT?

In a nutshell the Benefits of a Trust can be grouped under three headings:-

**Confidentiality**

The Policy, the Beneficiaries and the proceeds payable thereunder are highly discreet and confidential as to the existence of the Life Policy and who will benefit from the proceeds emanating therefrom.

**Estate Planning**

Through a LIT, one can create liquidity to settle any succession taxes due upon demise of the person covered thereby preserving the family wealth.

It also enables business partners (both of civil and commercial partnerships) to use the proceeds under the Policy to pay the heirs of a deceased partner in settlement of such partner's share in the partnership. This will ascertain the continuity of the business whilst making it easier to keep the ownership and control of a business within the family for generations.

When one leaves money in a will, a lengthy succession process is expected to follow. A LIT enables one to bypass such procedures thereby

speeding up the availability of funds to the Beneficiaries.

A LIT can be used to incentivise beneficiaries by conditioning a distribution from the LIT on the Beneficiary's adoption (or rejection) of certain types of behaviour or the beneficiary achieving certain goals deemed desirable by the settlor.

Further to the above in an estate, laden with real estate assets, a LIT can be used by beneficiaries to pay large estate tax bills without having to dispose of any of the properties.

**Asset Protection**

The LIT provides a vehicle for the proper management, investment and conservation of the Life Insurance Proceeds for the continued benefit of the Beneficiaries. This protects those beneficiaries who are either minors or under some disability, from having their proceeds ending up in the hands of undesired persons who may dissipate these funds.

Since the LIT forms a separate patrimony, throughout its existence the policy cannot be attacked by the settlor's creditors. Furthermore, the proceeds payable under the policy will also be protected from the Beneficiaries' creditors.

How does one set up a LIT?

A LIT is set up once a policy is placed under Trust. There is no limit as to how many policies can be settled under Trust but for each policy a new Trust needs to be created. The policy can also be pledged by the Trustee against the liabilities of Beneficiaries. The Trustee may surrender the policy, upon every 5<sup>th</sup> anniversary of the LIT, provided this option exists under the policy conditions.

Through the setting up of a Letter of Wishes, you may guide the Trustee as to whom, how much or how frequently, when and why policy proceeds are to be distributed. Not having a LIT would mean losing on all of these benefits, in particular not knowing how the life insurance policy proceeds are spent or invested.

**In conclusion**

We consider the LIT to be an innovative, flexible and special life insurance product which should address many of your needs, whilst ensuring the utmost confidentiality and peace of mind.

## MCESD Gozo Regional Committee

The Gozo Regional Committee (GRC) within the Malta Council for Economic and Social Development was recently presented with a report prepared by Dr. Gordon Cordina and Ms Stephanie Vella at a meeting held for the purpose in Gozo.

The report was commissioned by the GRC with the objective "to assess the most recent developments in the economic situation in Gozo, characterized as it is by a marked slowdown in the national and global economics as well as to propose a strategic sectoral approach to the medium-term development of the Island Region of Gozo focusing on the potential of the contribution of the Gozitan economy to the local economy".

The report is the result of extensive consultation with all the stakeholders forming part of the GRC, namely, the Gozo Business Chamber, the Gozo Tourism Association, representatives from the GRTU, GWU and MUBE as well as from Gozo Local Councils and NGOs.

Due to a lower rate of employment, lower productivity of jobs and a lower proportion of working-age persons within the total population, the per capita output and income in Gozo are lower than those of Malta.

In fact, the per capita income in Gozo stood at 74.5% of that of Malta in 2007 and the report estimates that, in order to close the per capita GDP gap between the two islands, it would require the net creation of around 2000 jobs in Gozo.

The report identifies areas that need specific attention such as the reallocation of labour resources from the low- to the relatively high-productivity sectors as well as the upgrading of productivity in specific sectors, especially Tourism and Other Services.

The report states that its targets can be achieved through the formulation and implementation of a manageable number of effective and implementation initiatives to be undertaken within an established timeframe. The consultation process had identified key priority measures which are necessary to address immediate economic concerns and to set the economy of Gozo on a medium-term development path.

The measures which can be implemented immediately and which give immediate benefits are:-

1. Extend the scheme of charging all passenger ferries at Gozitan resident prices at all times between October 2009 and May 2010 if summer 2009 tourism business falls short of summer 2007 levels.
2. Defer payment of government tax, utility and permit bills to summer period when cash flow would

be relatively healthy.

3. Tailor temporary and targeted assistance to industry to the specific situations of relatively big industrial employers in Gozo.

4. Enhance upkeep and maintenance of amenities.

5. Re-surfacing of roads.

6. Deploy cruise liner berths at Xlendi and Marsalforn to attract smaller cruise ships (around 500 passengers).

7. Provide administrative support for application for EU funding.

8. The entire region of Gozo to be recognised as a tourist locality for the purposes of shop opening hours.

9. Setting up an SME park.

The measures which can be initiated immediately and whose benefits extend over the medium term are:-

1. Develop an airstrip for planes carrying up to 20 passengers.

2. Develop an extensive and affordable system of green transport.

3. Construct international standard sport facilities including an indoor pool.

4. Construction of breakwater in Marsalforn and provision of yacht berths.

5. Develop agro-tourism with Gozo serving as a model for Malta.

6. Designate special development zones with favourable tax treatment for the re-development and regeneration of real estate for sale to high-net worth individuals, on the same lines as in similar areas in Malta.

7. Develop specific niches in the ICT sector, including launching of innovative technologies and accommodation of critical personnel.

8. Set up Task Forces to design and implement the above measures subject to resource and time parameters, including the incentivisation of private investment and utilisation of EU funding.

The presentation was followed by a discussion and various comments from those present, including the Hon. Tonio Fenech, Minister of Finance, the Economy and Investment, Hon. Giovanna Debono, Minister for Gozo, Hon. Chris Said, Parliamentary Secretary for Public Dialogue and Information, as well as the Malta heads of the parent trade unions. The Hon. Lawrence Gonzi, Prime Minister, delivered the closing address.



## Conference Outcome

Those who attended and participated in the conference “Vision for the Development

t of the Island Region of Gozo” organised by the Gozo Business Chamber (GBC) realised that, at the end of the day, matters in Gozo were not so rosy, after all.

The efforts by Government and its agencies have not succeeded in offsetting the unemployment through job creation.

The Conference, which was chaired by Ms. Sylvia Gauci, Vice-President, Employers’ Group at EESC, was opened by the President of the GBC, Mr Joe Grech, who said that the conference’s aim was to analyse the present economic performance of the Island of Gozo, identify the key priorities and formulate a strategy that will stimulate the economic recovery of Gozo.

Mr Grech mentioned that for this vision to be achieved, a revolution in thinking and action is needed. He referred to certain pre-requisites like education, accessibility, high value-added industry, construction, tourism, Eco-Gozo and regional statistics. He also expressed his hope that the proceedings and floor interventions would lead to key policy measures that the GBC will submit to the Minister of Finance for inclusion in the forthcoming Government’s budget.

The other speakers dealt with various topics including a vision for the socio-economic development in Gozo, job creation and foreign direct investment, the banking sector, threats and opportunities of industry in Gozo, the potential for

growth and the role of entrepreneurship in Gozo.

The members participating had the opportunity to put forward their comments and ideas during the discussion periods. It was evident that not all was well in the kingdom and several strong objections were raised especially with regards to the way that Gozitan matters are treated by the Maltese. This was clearly evident during the intervention on foreign direct investment and the role of entrepreneurship in Gozo.

As a follow-up of the conference, the GBC prepared a number of proposals which were presented to and incorporated in the report commissioned by the Gozo Regional Committee within the MCESD. The proposals were also communicated and discusses with other relevant authorities.

The Conference was also addressed by the Hon. Dr. Chris Said, Parliamentary Secretary; the Hon. Dr. Joseph Muscat, Leader of the Opposition; and the Hon. Dr. Lawrence Gonzi, Prime Minister. A message from the Hon. Giovanna Debono, Minister for Gozo, who was abroad, was delivered by Mr Anthony Borg, head of the Minister’s Secretariat.



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