

Comment & Letters

Building on a sound format



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At a time when the construction industry in our country is passing through a rather dry period, the Federation of Building and Civil Engineering Contractors felt the need to be proactive in an attempt to create work in those areas that need it without concentrating exclusively on the "building of new apartments".

The FOBC is aware of the fact that currently, in our country, there are many more apartments for sale than there is a demand for. At the same time, the FOBC acknowledges that the property industry is one of the major motors of the country's economy, contributing more than 12 per cent of its domestic product.

The reason behind this is that the industry does not involve stone, bricks and concrete alone but in its complexity involves

many other sectors too. Among the more obvious are the tiling industry, marble, the sanitary products' sector, plastering, electrical and mechanical, air conditioning, aluminium and iron works, furnishings and much more.

Apart from that one also has to consider those other providers whose careers revolve around the provision of their services. Among these one finds architects, engineers, notaries, lawyers, estate agents, surveyors, project managers and many more.

The list is longer and varied because, apart from the actual building, a lot of constructions include hotels, office blocks, shops and other establishments which, in turn, generate employment on a permanent basis in other spheres and go on to make their own very valid contribution towards the country's economy.

The message the FOBC would like to send here is that, instead of whingeing and whining to ourselves, it is ready to do what's necessary to revive this industry. It wants to be hands-on and proactive instead of simply waiting for something to happen as many in this country seem to do.

We want to send a message to the government and the population in general stating clearly that the building and property industry is not a sector that just causes dust and inconvenience. Rather,

it is an industry that is necessary for the livelihood of all and it may also serve to ease Malta's financial burden.

The FOBC believes that our country needs a lot of infrastructural investment which, for a number of years, the government was expected to undertake. On the other hand, we are aware that the government is limited in the financial resources required to undertake all the infrastructural projects needed.

In such a setting, which other countries before us have experienced, one of the solutions was to carry out infrastructural projects in partnership with the private sector under a number of schemes such as the public private partnership (PPP), built, operate and transfer (Bot), private finance initiatives (PFI) and others.

In this way, the private sector's initiatives in the sphere of property and construction are aimed at changing the routine of apartment building or government tenders for building infrastructural works. Such initiatives would encourage the wheel of this industry to start turning again once more.

Examples of private initiatives are Valletta Waterfront and the cruise and ferry terminal where the government passed on the land and management to private enterprise where over €35 million was invested. The result of this is

that the government did not invest further in this sector and is doing much better financially than ever before.

This also led to the tourism sector being strengthened in these past 10 years, to the contribution of €260 million by the cruise liner passengers, which money went directly into our economy, to the embellishment of an abandoned area and all this in the interests of the country and its people who are now proud of such a grand project.

The same may be said of the Cottonera and the road landscaping projects.

There are a lot of pending infrastructural projects in our country, too many to mention, that could be carried out following the same format. These include the building of new state schools, social housing units, yacht marinas, underground parking for cars, the redevelopment of St Luke's Hospital and the Marsa power station.

In brief, utilising this successful format, fiscal investment is at a minimum and the private sector is able to make the necessary investment while managing the project for a number of years after which it will revert to the government without payment.

This would be a win-win-win scenario, good for the government, good for the private sector and good for the contractors and the national economy.

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Solutions still remain a mystery

Berta Sullivan

The silly season has long been over but, thanks to the Labour Party, ours lasts all the year round. It is simply incredible that a major leader in the country cannot see the wood for the trees. Europe is wavering on the edge of the precipice and the Prime Minister is doing his utmost to keep us as far away from the brink as possible.

German Chancellor Angela Merkel described the scenario as Europe's worst period since World War II and, yet, the Prime Minister is not only struggling to manage the international crisis, he also has to cope with Labour's irresponsible politics and constant onslaught.

I will repeat the Minister of Finance's words: "If the Opposition Leader describes the international crisis as a means for the government to scare people and does not say what he would do if he were governing in a similar scenario, then we have a serious problem of what capability he has to govern".

Ignoring the global turbulence, the Leader of the Opposition is showing with all his might to push us all over the edge. In his official

answer to the Budget speech, Joseph Muscat repeated his monotonous mantra, without explaining how and by how much, that a government led by him would "reduce tariffs in a realistic and sustainable (not substantial, please note) manner".

He described the Budget as an attempt to "hide the large problems with small solutions". We heard Dr Muscat's "large" solutions and after listening to the whole lot of them we are none the wiser on how he is going to implement his rhetorical wish list.

Some solutions have already been found by the government. Others go like this: He will encourage more women to take up work; use innovations with the private sector to solve problems within the health sector; lessen bureaucracy for the self-employed; tackle the problem of school leavers and illiteracy; introduce more synergy among stakeholders and create a more secure government for businesses etc.

He will give: greater support for industry to attract investment; priority to traffic management and due importance to agriculture and fishing industries.

He will list priorities on development and the environment; increase jobs through the green economy; give priority to work opportunities for Gozitans in Gozo; ensure proper management and security in entertainment areas; encourage local councils to defend families; introduce effi-

cient, transparent and accountable system of law enforcement etc. Labour's Christmas stocking includes slashed power tariffs, reduced interest on VAT arrears; removal of burdens on tourism industry; extension of maternity leave to four weeks; stipends to all students; reduction of high administrative fees and increase in subsidies and social benefits.

He will not raise retirement age and, wait for it, nor will he increase taxation etc.

Is there anyone, anywhere who would not welcome Dr Muscat's Christmas cheer?

Anyone, even I, could have come out with so many vague proposals. The burning question is how is a Labour led by him (!) going to implement these airy-fairy wishes and, at the same time, balance the books?

Dr Muscat really "now needs to go a step further and beef up most of the proposals he made if he wants to be credible" (The Times editorial, November 29).

Greece is where it is today because, egged on by the Labour opposition of the day, it had an irresponsible government that gave voters everything they wanted. Likewise, other countries are falling around us like flies: Cyprus, Dr Muscat's "exemplary" country, Spain, Portugal, England, Ireland and even our "rich" neighbouring Italy, have collapsed. All these countries have one thing in common: they gave the people luxuries the country could ill

afford! And still Dr Muscat happily forges on promising everything to everyone without uttering a word on how he plans to reduce our deficit and national debt; generate and safeguard jobs; attract foreign and local investment; boost

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tourism or, at least, keep the present record levels; tackle immigration; improve education and health services; reach the 20-20 EU environment directives; eradicate the black economy and tax evasion etc.

Without raising our deficit or taxation, how is he going to maintain the government's investment

of well over €6 million a day on education, health and elderly care and social benefits and pensions?

We have a steadfast and stable Nationalist government that has steered the country in the right direction for over 20 years. Its policies have paid off: our growth rate registered an above average 2.8 per cent and Malta has the fifth lowest unemployment rate in the EU and the eurozone. Our deficit is one of the lowest in the eurozone and tourist arrivals already increased by 2.1 per cent in the first 10 months. This year we will be breaking all records. We might even make the two million mark!

Against all odds, instead of firing workers, Malta registered an increase of 3,100 jobs last year alone. Instead of hacking wages, social benefits and pensions, the Nationalist government has increased our weekly pay cheque; offered a plethora of tax reductions and benefits to the elderly and parents; increased social benefits and pensions as well as maternity leave.

That is just a taste of what Budget 2012 has offered our families. There is more, much more.

The Nationalist government has achieved much during these highly volatile times without irresponsibly dishing out goodies to all and sundry. How Dr Muscat plans to match, sustain and improve upon these positive results remains a sheer mystery.