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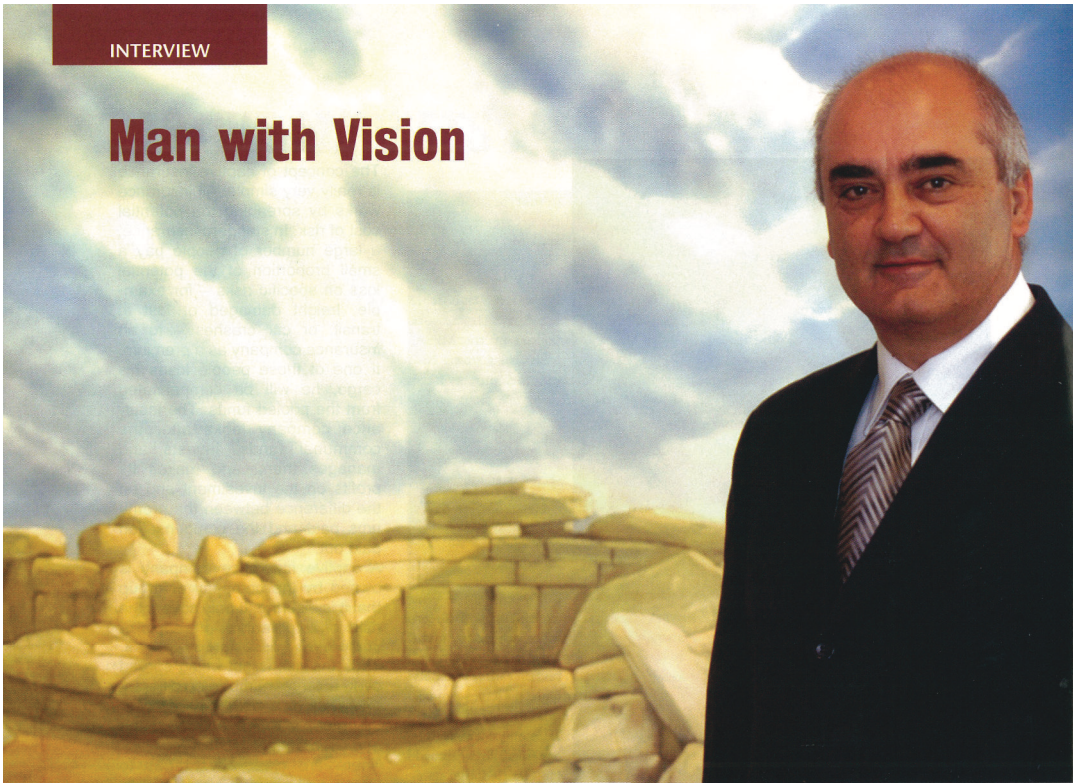
THE MALTA ECONOMIC UPDATE

A MAN WITH VISION

Angelo Xuereb on the ingredients of success
Plus a look at business in Gozo, marketing and
promotion services and the value of creativity

INTERVIEW

Man with Vision



During a television programme in 1994, Angelo Xuereb attracted criticism from many different quarters because he voiced his concern that the Planning Authority, today restyled as MEPA, would slow down the economy. Today, many a developer, businessman and indeed individual, seems to be of the same opinion. Xuereb is renowned to have regularly voiced his opinion in public about the manner in which many things are done in Malta, and has proposed numerous solutions and projects that would perhaps be best described as "different". He's come a long way since his humble beginnings, and whatever your impression of the man, there is no doubt that the man has vision, and guts. I caught up with Angelo Xuereb at his office in Lija, to find out more about how he got to where he is today, and what makes him tick.

To be fair, his innovative ideas have not always only attracted criticism. Following a recent article he wrote in local newspaper, The Sunday Times, for example, about offering a number of possible solutions to alleviate the transport problems facing Valletta, Angelo Xuereb told me that he received immediate feedback, and he knows that roads minister Jesmond Muglietti is doing his part to see how Xuereb's ideas could be implemented. One proposal, for example - the park and ride scheme - is an idea that Angelo Xuereb had proposed as far back as 1989, he told me, but in any case the most important thing is that things now seem to be happening in that area, as well, and this gives him a level of satisfaction.

Modest beginnings

"I started from very modest beginnings, employing all of two construction workers and operating out of our offices in Mosta," Angelo smiled, "and my first contract was for pavement works, and even then it was simply restoration works valued at little more than Lm 200, as opposed to building it anew. I couldn't really

afford much more - at the time all I had to my name was a handful of Maltese liri that were given to my wife and I when we got married," he added.

Today, of course, AX Holdings is one of Malta's leading entrepreneurial groups, dynamic and forward-looking. The group is this year celebrating 30 years since the company first commenced operations. "We've come a long way, I feel," Angelo told me proudly. The group has diversified into a variety of business activities over the years, and has expanded into a business empire, growing from a one-man show to a fine-tuned and structured team of experienced professionals, leading over 550 employees. "I am quite sure that we are contributing our part for a better Malta," he added.

Few would argue that, having started from virtually nothing and got to where he is today, Angelo Xuereb's is a success story. "I would liked to have been even more successful," he quickly added, and from the look he had in his eyes, you could feel that he meant every word, "but as you know in life there are many - both within >

one's own organisation as well as from the outside - who somehow find ways of slowing down that drive to achieve and to be successful. There are, of course, the ups and downs that every business goes through as well, but overall - yes, overall, I think we've achieved a fair amount of success over the years."

Four ingredients to success

I asked him what he felt were the ingredients that contributed to his success. "There are four factors," Angelo replied, "that, in my opinion have made the difference in my business. The first is creativity - or innovation. My tendency has always been that if somebody else managed to do something before me, then I'd lose interest in that something very fast. Somehow, I always felt I had to be the first in what I ventured into."

Angelo continued, "Innovation alone is not enough, however and so the second factor is efficiency. I have always maintained that if you have an idea, then you need to be efficient and you need to implement it fast. Otherwise, somebody else might seize that opportunity and get there before you. Then there's the third factor, which is the challenge, and there is no doubt that when you have a new idea and are treading new territory, you or your idea will not be understood and you'll find everybody else attempting to derail you. So the challenge is to carry it through the system, notwithstanding whatever is working against you, notwithstanding the obstacles.

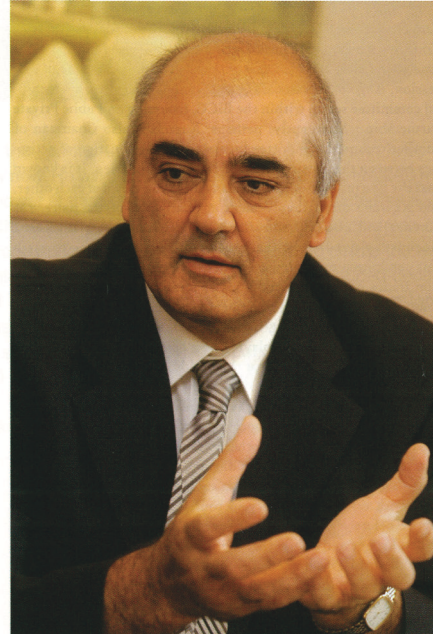
The fourth, of course, is determination, because unless you have this, you will soon give up and do nothing. If you take the golf course project as an example, if I was not determined, I'd have given up long ago, but I am still pursuing with our application irrespective of the reply we received. I've had a project, for example, where I've waited ten years for a permit. On another, it took all of eight years, only for the Planning Authority to decide against my project. I didn't give up and went to the Appeals Board with it; I managed to get the original decision overturned and was given the green light for an outline development plan to convert a factory within the urban fabric into a sheltered residential complex for the elderly. And yet, I've since been waiting five more years for a full development permit to be issued. On yet another I've waited eleven years. Surely, none of this can be right. Anyway, all of this takes a lot of determination - apart from this, of course, one also has to be strong, even financially - all your assets are tied up during these long waiting periods, and you have to be able to last it out. I did sell out on a couple of occasions, and then the permit was issued to the parties who bought my property within a relatively short period of time, so I've experienced that as well.

"The case of the Victoria Hotel is also a sad story that should be put right quickly - so far, I've spoken to the highest of authorities, and got nowhere, but I'll keep trying. As you know, we have a major extension project going on there. We have managed to attract a major international hotel chain, which is seriously interested in our project. That's good news for us, and for Malta, of course, since they'll contribute their part to help put our island on their international map. These operators requested us to make some internal alterations to our own plans, and insisted with us that they wished all local permits to be in place before they commenced

operations here. Yet, it's taken two years to get MEPA approval on minor changes, and there's still no light at the end of the tunnel. Is this right? Is all of this good for our local construction sector, for our hospitality industry and the local economy?"

"It's very frustrating, you know. I've often been asked why I don't just pack up and move on to get these projects done elsewhere, overseas, where things could be easier and where they would possibly be prepared to facilitate, rather than obstruct, projects like these. But I am very patriotic and love my country, and in the end, I believe that every country has its own set of problems, so I'd prefer Malta and I'd like to feel that we can all contribute towards making Malta better than how we found it.

Angelo Xuereb is the President of the Federation of Building Contractors, and a Council member of the Federation of Industries, representing of course the construction sector. Angelo Xuereb also reminisced on his days as Mayor of Naxxar, a post that he held for six years. "I enjoyed that and got a lot of satisfaction out of it because feedback from the residents was good," he said, "The local council was still in its infancy and it was a challenge. I had control on what was going on, and I think that all in all the local council was successful in what it did, and was a model for others to follow. I feel very proud of my involvement in those early years." >



INTERVIEW



Xuereb has been a Council member of the Building Industry Consultative Council since it was first set up, adding that he is "one of the more active members there". For the third time in succession, Angelo Xuereb has been appointed Chairman of a technical committee set up within the BICC, focussing on Public Private Partnership. More aptly, perhaps, Xuereb is also Chairman of another technical committee focussing on coordination of activities between the construction and tourism industries. It is known that the two industries have so many differing views of each other, and Xuereb's direct involvement on both sides of the fence - as hotelier and also as contractor - must surely come in handy. Xuereb explained to me that much work has been done through this committee to minimise the negative impact of the construction trades on tourism, and a lot of ideas were passed on to the competent authorities, for implementation. He mentioned the need for proper hoarding on construction sites as an example, including perhaps the displaying of a graphic impression on the façade to show everyone what the building would look like when it is completed. There was no reason, he said, why this should not be professionally constructed, as is done overseas - and opined that hoarding plans should be approved by the local council and then regularly monitored. As another example, Xuereb also explained that on larger sites, two-way radios must be used, to avoid workmen shouting out instructions at each other. He also suggested that work on site, especially in tourist zones, should not commence before eight o'clock, or seven o'clock for internal works. When I suggested to him that there would be a cost for the development to all of this, his immediate reply was, "It's minimal. The major cost of any development project today is the land, and even construction costs are minor."

The construction sector is booming

So how are things today, I asked. "Construction is now booming again," he replied, "there are projects everywhere, and there's more to come, from what I hear. My information is that around 90% of all bank financing - whether for large projects or for individuals to purchase their own property - goes into this sector. Whilst this may not be too healthy a situation generally, it's excellent news for the construction industry and related trades, and for so many whose livelihood depend on this sector." But the construction industry has its own set of problems and also needs nurturing, Xuereb continued. "One of the biggest problems facing our industry is the lack of skilled employees and properly trained personnel. This is a major issue and has to be addressed if we are to sustain our industry's momentum. As quality of life continues to improve, the number of people willing to dirty their hands and to work in construction continues to dwindle. Education officials must get together and find ways of directing our young into construction and related trades, of training and re-training our existing workforce, and if necessary also of training our trainers in this area. Until then, given this scenario, permits to foreign nationals may remain as the only way forward. Regardless of current policy, many of them are here already, anyway, so it's perhaps best to recognise and regularise the problem."

It was time to leave. I had to ask him. "Mr. Xuereb," I asked, "when do you intend retiring?" "Not on my mind," came his reply. ■