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## Planning permission delays hitting construction industry

A shrinking labour supply and planning permission delays are having an adverse effect on the construction industry, one of Malta's leading developers has claimed.

Mr Angelo Xuereb, owner of the AX Group of Companies, told *The Times* yesterday that initiative in the industry is being stifled.

"One of the elements which is having the greatest effect on the industry as a whole is the amount of time it takes to process a planning permit," he said.

"Profitability in the industry is already down to around five per cent for most projects and delays of up to two years for a permit are making the situation even worse."

According to Mr Xuereb, almost every construction company on the island has work tied up with the Planning Authority, which is in turn slowing down the economy.

AX Holdings itself has a massive Lm17 million in pending projects waiting for approval by the PA.

"It is affecting the smooth running of the country. We need to have work constantly underway, going from project to project. If we have breaks then workers remain idle but still have to be paid," he said.

"At the moment the initial two-month processing period for an

AX Holdings has Lm17 million in pending projects waiting PA approval

James Calvert

application drags on for two years. We would much rather be told it will take six months and have an answer in that time."

"We obtain the finance and then have to sit back and wait for the application to be processed during which time the opportunity could be lost," Mr Xuereb said.

Another of the substantial difficulties facing the sector is a shortage of workers.

As the standard of living constantly rises in Malta fewer people are prepared to work in the construction industry, instead opting for manufacturing, services and managerial positions.

"In the very near future, if not now, we will have to start importing labour from abroad to meet demand. At the moment we have to pay very high rates for what is occasionally sub-standard work," Mr Xuereb said.

"If a worker is not doing his job up to a certain standard it is very difficult to dismiss him because we never know if we will be able to find somebody else."

"Whether the government likes

it or not eventually we are going to have to import labour from foreign markets to do the work," he said.

With planning and labour problems locally AX Holdings, like other companies, are looking more to overseas markets for projects.

AX Holdings have already got one major project underway in Albania and more could follow.

"Labour is cheaper there and planning permission is granted quicker and with less trouble. The difference would appear to be that they welcome the investment," Mr Xuereb said.

The latest figures available from the Central Office of Statistics show that in May there were 6,374 people employed in the quarrying, construction and oil drilling sector.

With the quarrying sector employing slightly more than 200 people the vast majority of people in the sector are in construction.

The corresponding figure for May last year was 5,873 showing that in the 12-month period there had been a substantial increase

in employment in the sector.

But despite the call for foreign workers to be brought in to boost the supply, the government is not in favour for mostly social reasons.

Economic Services Minister Josef Bonnici yesterday told *The Times* that bringing in foreign labour would cause more problems than it would solve.

"It is true that because of the high demand for labour in the construction industry workers are able to command high salaries. But the problem of people wanting to leave the construction industry has always existed," he said.

"People generally prefer other jobs and because of all the opportunities that exist in the country at the moment they can have them."

"I think that that would be sowing the seeds of problems in the future. We have to bear in mind the size and population density of the island," Prof. Bonnici said.

"The whole situation is the result of having a successful and growing economy."

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Meinrad Calleja

## PM gives evidence

Sharon Spiteri

Prime Minister Eddie Fenech Adami yesterday told a court that a man charged with his personal assistant's assassination attempt had confided in him that he believed Meinrad Calleja was behind the order.

Dr Fenech Adami told Magistrate Patrick Vella: "Charles Attard told me he committed the crime on the orders of Joseph Fenech who in turn had been sent by someone he suspected was Meinrad Calleja. But he never met him."

The prime minister testified in the compilation of evidence against Calleja, 34, of Swieqi, who is pleading not guilty to drug conspiracy, possession and trafficking on a regular basis before December 1993.

Fenech, granted conditional immunity to testify, has claimed Calleja promised him Lm7,000 to carry out a transaction for the sale of one kilogramme of 86 per cent pure cocaine for Lm22,000.

Magistrate Vella has also heard Etienne Gatt testify to hearing Calleja toying with the idea of buying some 80 kilogrammes of cocaine and shipping it to Malta from South America.

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## Belgian child sex scandal

### Hunt goes international

Jeremy Lovell

The hunt for two kidnapped young girls in Belgium's deadly child sex scandal went international yesterday with police in several nations being drawn into the expanding search.

"We are at the moment establishing contact with police in other countries via the services of Interpol," Major Jean-Marie Boudin, spokesman for the Belgian Gendarmerie's special missing children squad, told Reuters. "This process began today."

He declined to specify which countries had been contacted. The media spotlight has been on the Czech Republic, Germany,

the Netherlands and France.

"The investigation is evolving. We are making the first contacts now. There are no results yet," Boudin said.

He confirmed that the prime focus of the investigation was on finding An Marchal and Eefje Lambrechts, abducted from Ostend in August 1995 by convicted child rapist, 39-year-old father of three Marc Dutroux.

But Boudin said the search included Nathalie Geijsbrugghe who was 10 years old when she disappeared from the town of Berthem in February 1991.

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# Mid-Med, MUBE trade charges again

Mid-Med Bank and the Malta Union of Bank Employees were trading charges and counter charges yesterday, despite an agreement to return to the negotiating table on Monday.

Only hours after the two sides agreed to call off all action and resume negotiations on a new collective agreement at a conciliation meeting called by the industrial tribunal chairman, the bank took exception to comments made by the union general secretary on a radio station.

Mid-Med director Paul Bonello said in a statement yesterday that Mr Simon Debono was not correct when he told Super 1 Radio that the bank had withdrawn its counter-proposals.

Both sides had agreed to withdraw their proposals to facilitate the reopening of negotiations without any preconditions, Mr Bonello said.

And both the bank and the union will be free to propose any

Ivan Fenech

changes to the collective agreement without any limitations or exclusions from their former proposals, he insisted.

Mr Bonello said it was pre-occupying that the union was twisting facts so soon after the signing of the agreement.

The MUBE hit back shortly afterwards, saying it was "seriously preoccupied once again at the unwarranted and personal attack" by the bank's director.

It insisted that Mr Debono's comments were strictly limited to excerpts from the agreement and that at no time did he depart from what was agreed upon.

The MUBE said the bank seemed to have reconsidered its position and to have had second thoughts about the agreement.

It was not correct to say that there were no pre-conditions. Both the union and the bank

had insisted that the other side withdrew their proposals, it said.

The bank's statement was a last ditch attempt to provoke the union into further conflict and to scuttle any attempt to get round a negotiating table, the MUBE claimed.

Meanwhile yesterday the General Workers' Union and Mid-Med Bank solved their dispute over the revision of the collective agreement for non-clerical staff.

The agreement followed a conciliation meeting called by the Director of Labour Lino Cilia Debono.

A union statement said the two sides had agreed to immediately start negotiations on a new collective agreement backdated to January 1.

The GWU, which was insisting that the bank should make its proposals, said it has lifted all directives to its members.

Issue over request for VAT information

## Finance minister urged to reconsider stand

Three business organisations yesterday called on the Finance Minister to reconsider his position on the information being requested by the Commissioner of VAT from traders.

The GRTU, Association of General Retailers and Traders, the Chamber of Commerce and the Federation of Industry said they did not agree with the minister when he said that the information being requested was in line with the law and a mere elaboration on the returns already submitted to the VAT Department.

Minister John Dalli said in a statement earlier this month that the information was being requested to ensure there was no tax evasion.

The need for the information had been felt because the returns indicated that the sales and purchases figures did not, on a global basis, reconcile themselves with each other and the economic activity in the country, he said.

The three business organisations yesterday reiterated their stand against VAT evasion and said this went against the basic principles of justice and afforded unfair competition on the part of tax evaders.

In their statement they insisted that the information being requested by the VAT

Director went into extreme detail which was not required under the VAT regulations which elaborate on the records to be kept.

Moreover the law should not be interpreted as giving the VAT Department the power to request businesses to put their time and resources at its disposal and incur unnecessary costs without compensation whenever it wanted.

The GRTU, the FOI and the Chamber said tax evasion was a matter to be investigated piecemeal with individual business operators in those instances where there were serious reasons to justify action.

The VAT law gave power to the department's inspectors to visit individual firms, verify records and take action.

This is what the commissioner of VAT should do if he seriously wants to curb irregularities by certain businesses, the organisations suggested.

The collection of a mass of information from hundreds of major businesses would not lead to any tangible results on curbing tax evasion.

"It will only add more compliance costs to commerce and industry and contribute to making Malta's business sector less competitive, especially in the export of goods and services," they warned.

## Planning permission delays

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The Economic Services Minister gave his backing to companies who are looking for work abroad.

"Maltese companies have the advantage of knowing the local climate which applies to most nearby countries in Europe and North Africa," he said.

"However they should not just be looking for the initial building contracts but also maintenance and upkeep which will give them a constant supply of work."

"I always feel that Malta needs a very broad base of activity and getting involved in overseas projects is a very good way of earning foreign currency," Prof. Bonnici added.

## Labour MPs hit out at fish farming company

The Labour Party's third and fifth district MPs accused Malta Fish Farming Ltd of acting as if it was omnipotent and accused it of taking the law into its hands by putting up a name sign and starting works at its site.

The MPs allege that the company has been operating illegally and without a permit from two garages in Marsaxlokk, which it has been using as a land base for its fish farm operations.

The company has denied doing

anything illegal, saying the only work it has done is maintenance work.

But the MLP MPs, in a statement over the signature of party deputy leader George Vella, claimed that though the company was still awaiting a Planning Authority decision on a change of use for the premises allocated to it, it had taken the law into its hands, put up a name sign, brought in amounts of material and started work.

The authority, the MPs said, had issued a stop notice and an enforcement notice but, they claimed, these had been ignored.

The MPs asked whether it was in the public interest for the Malta Development Corporation to publish the names of those who had shown an interest in utilising the hangar, what projects had been proposed, and how the MDC had decided for Malta Fish Farming Ltd.

## Quick reaction

Various localities are experiencing water supply cuts without prior notice, Labour environment spokesman Charles Buhagiar said yesterday.

The cuts were occurring in spite of the money spent by the Water Services Corporation to ensure a regular supply, he said, adding that the price of water had been raised with the aim of improving services but few improvements have been made.

His statement brought a quick reply from the Ministry of the Environment which said it was obvious the opposition could not accept the fact that the government has solved the water problem by improving production from 17 million gallons daily to 32 million.

Over the past nine years 550 kms of mains had been laid in extensions, replacements and principal mains, and there had been improvement as well in localising trouble spots.

## Driver injured

A driver was slightly injured in a road accident in Aldo Moro Road, Marsa yesterday morning.

The driver, Charmaine Gauci, lost control of her Seat Ibiza car as she was driving at 1 a.m., with Claire Agius as passenger, a police report said. The car mounted the pavement and hit the electricity pole.

The car was extensively damaged.



French IFOR soldiers, taking part in "Operation Vulcano", watch the destruction of part of 500 tonnes of ammunition near the village of Margetet yesterday. About 2,000 NATO troops were deployed to carry out the destruction of the ammunition and mines, triggering a firestorm of criticism from Serb leaders.

Picture: PETER ANDREWS - Reuters