€1.50

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‘We cannot cushion all inflation’ – Clyde Caruana

Clyde Caruana was confirmed finance minister in Robert Abela’s new Cabinet

Reconfirmed as finance minister in the new Cabinet, Caruana says Malta’s vibrant economy promises bigger returns

PAUL COCKS

GOVERNMENT cannot address all the inflationary impacts resulting from the Russian invasion of Ukraine, finance minister Clyde Caruana told Business Today.

“We have committed ourselves to intervene in keeping the prices of energy commodities and certain basic items stable but we cannot cushion all inflationary effects,” he said.

As to what his priorities will be in the coming weeks, Caruana said he would be looking at the ramifications of the Ukraine war on the Maltese economy and seeing what was needed in terms of responding to this crisis.

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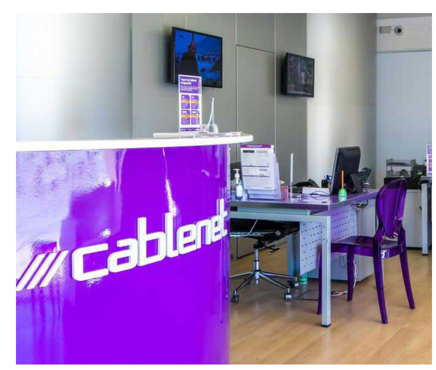
€50 million 4.3% secured bond offer by Mercury Projects Finance

PAGE 2

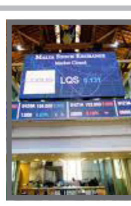


2021: Double-digit growth for Cablenet

PAGE 4

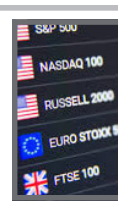
STAR PERFORMER

Name 4% IHI PLC UNSEC
MT0000111311 - Currency €
Last Traded 30 Mar, 2022
Price 98.500
Change 2.500



MSE

Trading Date: **30 Mar 2022**
Number of Trades: **52**
Turnover: **€1,123,849.15**
MSE TRX Index: 7,564.757
(Change: -0.639%)



FTSE 100

Value
7,578.75 ↑ 0.55%
Net variation 41.50
High / Low 7,578.75 / 7,523.82

EUR EXCHANGE RATES

US Dollar **1.1166**
British Pound: **0.84876**
Japanese Yen: **136.13**
Australian Dollar: **1.4876**
Swiss Franc: **1.0309**

Mercury Projects Finance issues €50 million 4.3% secured bond offer

MERCURY Projects Finance p.l.c., the finance arm of property magnate Joseph Portelli's group of companies, has issued an offer of €50,000,000 4.3% secured bonds 2032 which are guaranteed by Mercury Towers Ltd.

The bonds are expected to be admitted to the official list of the Malta Stock Exchange on 10 May 2022 and trading is expected to commence on 11 May 2022.

Calamatta Cuschieri Investment Services Limited is acting as sponsor to Mercury Projects Finance p.l.c. On admission to trading the bonds will have the ISIN MT0002191220.

According to the prospectus published by the group's finance arm, the bonds are being issued in an aggregate amount of up to €50,000,000 with a nominal value of €100 and redeemable at par and redeemable on 25 April 2032. The first interest payment will be due on 25 April 2023 and the last interest payment on redemption date.

Apart from the Issuer, the Mercury Towers Ltd has other subsidiaries, each of which own and are involved in the development of different elements of the Mercury House Project in St Julians. These include Mercury Hotel Ltd. (C 100730), Mercury Commercial Mall Ltd. (C 100729) and Mercury Car Park II Ltd (C 100736).

Mercury Towers Ltd holds all the issued shares in Mercury Projects Finance except for one share which is held by Joseph Portelli, who is also the ultimate beneficial owner of the group.

The bonds are guaranteed in respect of both the interest due and the principal amount by Mercury Towers Ltd, and will also be secured by a first ranking special hypothec on the immovable property within which the Mercury Hotel is being developed.

The Mercury House Project is a commercial, accommodation and leisure development of approximately 109,717sq.m of floorspace.

It was initially awarded full development permit by the Malta Planning Authority on 12 January 2018 – REF. Planning Authority Permit PA 06955/17, which at the time covered only the development on Mercury Site.

On 17 December 2020, the Malta Planning Authority issued permit REF. Planning Authority PA 01892/19 through which it awarded full development permit for the rest of the project, mainly that part to be developed on the Exchange Site and also to approve three additional floors on the previously approved main tower as well as change of use for some spaces, including the redesign of the podium to include a 19-storey hotel.

The finished complex will include a mix of historical and ultra-modern edifices on its Site.

At its heart is a 19th century heritage building, also known as Mercury House, which is flanked by a 34-storey tower, next to which lies a 19-storey hotel which is in turn flanked by a V-shaped peripheral block, with all these buildings abutting onto a piazza, and with underground storeys underlying such entire development.

The project will consist of a mixed-use development comprising serviced apartments, a hotel, a commercial mall, other leisure, retail and commercial activity and an underlying car park.

Mercury Towers Ltd acquired the Mercury Site in two stages, by virtue of the two Mercury Site Public Deeds in December 2016 and June 2017 for a total price of €24,255,000

BMIT Technologies reports €8.4 million in 2021 operating profits

LEADING digital services provider BMIT Technologies plc reported another set of strong results for 2021. Despite the challenges brought about by the pandemic realities, the company results keep showing a positive performance.

These results, as approved by the board of directors, have been announced in a company announcement with a recommendation to distribute annual dividends of just over €5 million (€5,083,775) for the financial year ending 2021, almost €0.025 per share (€0.02497).

BMIT Technologies also published its 2021 financial results, showing a year-on-year increase of 5.5% in revenues to €25.3 million, with the main drivers for this growth being an increase in demand for cloud and managed IT services. EBITDA amounted to €10.7 million, with operating profit surging by almost 6% to €8.4 million.

"Performance in 2021 has shown that the extraordinary global circumstances that unfolded during the year, did not distract us from focusing on our vison for long-term growth that will allow us to deliver healthy returns to our shareholders", said Nikhil Patil, Chairman of BMIT Technologies plc.

"This year's recommended dividend to shareholders is in line with our commitment to investors during the IPO. Our sustained investment, coupled with a strategic focus on key growth areas gives us the confidence to create long-term value for our shareholders," added Mr Patil.

"We are re-inventing the way of doing business by taking advantage of our legacy and leveraging our strength, to develop and build new capabilities which will allows us to engage different technologies, to power client business and to offer a simplified solution to business problems. This will result in value to clients and also to our shareholders", added Ing Christian Sammut, BMIT Technologies' CEO.

The final dividend for the year ended 31st December 2021 will be paid on the 26th May 2022 to all shareholders who are on the shareholders' register as at Friday 22 April 2022.

The Annual General Meeting will be held remotely on Tuesday 24 May 2022.

Finance Minister defends feasibility of Labour Party's election manifesto

FROM PAGE 1

When quizzed over the electoral pledges made in the last four weeks that translated into financial contributions or fiscal measures, Caruana defended the feasibility of his party's political manifesto.

"We have a vibrant economy which is promising more returns and this supports many of the predictions we have made," he said.

"We will implement our promises, there is no issue about this."

Caruana was confirmed in his post yesterday when Prime Minister Robert Abela announced his new Cabinet following the Labour Party's victory in Saturday's general election.

He was elected in two districts - the second and eighth districts. Previously he served as Abela's chief of staff, before being co-opted to Parliament in 2021 and appointed finance minister.

Asked whether he was concerned about the numerous Bond issues in the local market, Caruana said that in the absence of advantageous credit facilities, investment companies would always seek other methods of credit.

On local banks, he repeated the claim that Maltese banks were too conservative when it came to issuing credit.

"As government, we have addressed the issue of opening current account facilities, but if the banks have no appetite for offering credit for certain products, that is their prerogative," Caruana said.

"The market will obviously then respond to these new realities."

A lack of credible local investment opportunities has seen the launch of numerous bond issues over the past couple of years

Government's Consolidated Fund reported €1.24 billion deficit in 2021

BY the end of 2021, the Government's Consolidated Fund reported a deficit of €1,242.2 million.

In 2021, Recurrent Revenue amounted to €5,394.5 million, 22.9 per cent higher than the €4,389.3 million reported a year earlier.

The largest increase was recorded under Income Tax (€554.1 million), followed by Value Added Tax (€202.4 million), Social Security (€136.0 million), Grants (€49.7 million), Customs and Excise Duties (€35.9 million), Dividends on Investments (€29.2 million), Licences, Taxes and Fines (€25.7 million), Reimbursements (€6.6 million) and Central Bank of Malta (€1.5 million).

The rise in revenue was partially offset by decreases under Fees of Office (€23.9 million), Miscellaneous Receipts (€8.6 million) and Rents (€3.6 million).

By the end of 2021, total expenditure stood at €6,636.8 million, 13.3 per cent higher than the previous year.

During the reference period, Recurrent Expenditure totalled €5,718.1 million, a rise of €1,079.2 million in comparison to the €4,638.9 million reported in 2020. The main contributor to this increase was a €883.5 million rise reported under Programmes and Initiatives.

Furthermore, increases were also witnessed under Personal Emoluments (€115.8 million), Contributions to Government Entities (€67.2 million) and Operational and Maintenance Expenses (€12.7 million). The largest development in the Programmes and Initiatives category was related to the Pandemic assistance scheme (€378.1 million), which includes the COVID-19 Business Assistance Programme.

Other increases under Programmes and Initiatives were reported under Energy support measures (€180.0 million), EU own resources (€98.2 million), Hospital concession agreements (€38.5 million), Social security benefits (€37.8 million), St Vincent de Paul Residence service contract (€20.0 million), Waiting lists for medical services (outsourcing) (€13.8 million), Church schools (€10.7 million), Residential care in private homes (€9.3 million), Extension of school transport network (€7.8 million), Interest rate subsidy scheme (€7.2 million), Allocation in respect of local councils (€6.0 million), Chief medical officer medicines (€6.0 million), Tax relief measures (€5.8 million), Grant for electric vehicles (€5.5 million) and Child care for all (€4.8 million).

The interest component of the public debt servicing costs totalled €183.8 million, an increase of €2.6 million when compared to the previous year.

By the end of December 2021, Government's capital spending amounted to €734.9 million, €302.3 million lower than 2020.

The drop largely resulted from the reclassification of the COVID-19 Business Assistance Programme (€384.2 million), which featured under Capital Expenditure between March and December 2020 but is now classified under Recurrent Expenditure.

This decline outweighed an increase of €81.9 million reported in other capital projects.

The difference between total revenue and expenditure resulted in a deficit of €1,242.2 million being reported in the Government's Consolidated Fund at the end of 2021. Compared to the same period in 2020, there was a decrease in deficit of €225.7 million.

This difference mirrors an increase in total Recurrent Revenue (€1,005.2 million), partially offset by a rise in total expenditure, consisting of Recurrent Expenditure (€1,079.2 million), Interest (€2.6 million) and Capital Expenditure (-€302.3 million). Changes in expenditure and revenue reflect developments related to COVID-19.

At the end of 2021, Central Government debt stood at €8,097.4 million, a €1,332.2 million rise from 2020. Increases reported under Malta Government Stocks (€995.0 million) and Foreign Loans (€299.9 million) were the main contributors to the rise in debt. Higher debt was also reported under the 62+ Malta Government Savings Bond (€94.4 million) and Euro coins issued in the name of the Treasury (€3.1 million).

This increase in debt was partially offset by a decrease in Treasury Bills (€44.6 million).

Finally, lower holdings by government funds in Malta Government Stocks resulted in a decrease in debt of €15.6 million.

GO subsidiary Cablenet reports double-digit growth for 2021

CABLENET Communications Systems plc, a subsidiary in which GO plc holds 63.4% share, has reported €53.5M in revenue during 2021, a healthy 14% growth over 2020. This double-digit growth in revenue was driven, largely by the significant growth in the overall subscriber base, which recorded a 30% increase over the previous year.

Cablenet was the first foreign registered company to be listed on the Malta Stock Exchange, back in August 2020. The €40 million bond offering was expected to support further growth for Cablenet. In line with such expectations, its performance has since gone from strength to strength, delivering healthy returns for shareholders.

"Achieving such an industry-leading growth rate, on the back of the challenges brought about by the pandemic, not to mention the highly penetrated and mature market environment simply demonstrates the strengths of our human assets, our strategic clarity and execution efficiency," said Yiannos Michaelides, CEO at Cablenet.

"2021 was marked by our full entry as a Mobile Network Operator in the Cyprus market. Our innovative product concept, which is predominately targeted toward post-paid customers offers unlimited data, voice, and SMS allowances, at prices affordable to the entire market, fully reflecting our traditional "value" proposition to consumers," Michaelides said.

"As a result of our mobile entry, we have experienced an increase of around 110% in our mobile subscriber base to reach just over 46,000 mobile subscribers and an increase of 157% in our mobile service revenue. Our market share in the post-paid mobile segment has subsequently grown by approximately 3 percentage points, a very notable increase by all market standards in such a short period of time."

Cablenet CEO
Yiannos Michaelides

This strong endorsement by the market encouraged further investment in our mobile network, in particular our 4G and 5G frequency spectrum.

On the fixed services side, solid growth continued, recording increased momentum in the second half of 2021 where Cablenet captured 62% of the market net additions. The expansion of the network into new areas of Cyprus continued to meet demand from both homes and businesses, honouring Cablenets commitment to cover approximately 80% of the country's households by 2025.

Cablenet also embarked on the renewal of its TV offering, with the launch of additional Sports and other thematic channels. Sports TV customers in fact grew by 20% during the period under review.

"We are committed to making a difference in the market and this is marked by the introduction of our new Brand tagline 'Cablenet For a Better Life'. Our ambition is to translate our commercial, operational and technological innovation into tangible benefits to our customers, and in doing so, leave a positive impact on the community and the environment. This commitment and our concerted efforts have been recognised by our customers, as we have taken the lead in terms of customer satisfaction in both fixed and mobile services," Michaelides said.

"Our long-term strategic objective remains the same – to continue growing our market shares in all services which can be delivered on a national basis. To that end, we will need to remain focused on the tools that are crucial to us achieving that objective, our brand equity, our human talent and our customers, and an undeniable passion for excellence."

Commenting on these results, Cablenet's Chairman Nikhil Patil, and CEO at GO plc said: "We are truly encouraged by the stellar performance of the company in 2021. These results are testament to the forward-looking strategy which the Company's executive management team has crafted and executed. We are excited by what the future holds as we continue to leverage on the strengths of both companies, and gain efficiencies across the Group, in order to drive increased value for our respective customers and shareholders. This remarkable performance further solidifies the mutual trust between the Maltese and Cypriot markets."

Industrial producer price indices: February 2022

DURING February 2022, the industrial producer price index registered an increase of 7.69 per cent when compared to the corresponding month of the previous year.

When compared to February 2021, the industrial producer price index increased by 7.69 per cent. The highest increase was registered in the intermediate goods (13.89 per cent) followed by consumer goods (5.21 per cent) and capital goods (2.93 per cent). There were no price changes in the energy sector.

Industrial producer prices for the domestic market increased by 6.15 per cent. Price rises were recorded in capital goods (19.07 per cent), intermediate goods (14.23 per cent) and consumer goods (4.23 per cent).

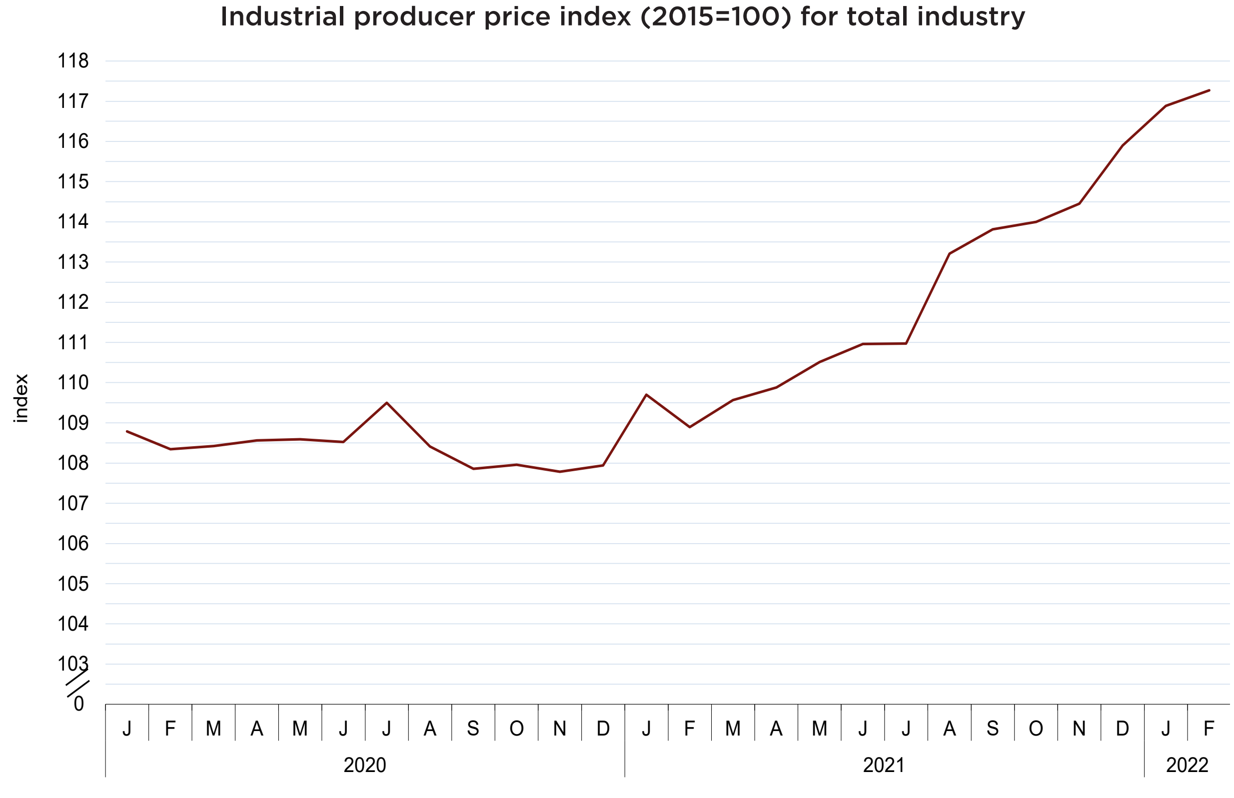
Non-domestic prices increased by 8.69 per cent. Prices within the non-euro area rose by 9.69 per cent while those within the euro area increased by 6.76 per cent.

Monthly comparison

During February 2022, the industrial producer price index increased by 0.33 per cent when compared to January 2022. Intermediate goods and consumer goods rose by 0.72 per cent and 0.06 per cent respectively. Capital goods declined by 0.01 per cent. There were no price changes in the energy sector.

Domestic market prices increased by 0.86 per cent due to rises in intermediate goods (3.33 per cent) and in consumer goods (0.16 per cent). There were no changes in the overall non-domestic market price.

Industrial producer price index (2015=100) for total industry



Alexiei Dingli

Anthony Padovani is Deputy Director of the Institute of Business Management and Commerce (IBMC) at MCAST

The European vision on vocational education

A news article authored by the European Commission's Directorate-General for Employment, Social Affairs, and Inclusion, Vocational Education and Training (VET) is described as the practice of teaching students the skills directly related to a trade or job role.

It follows, therefore, that any VET programme taught to students must convey the knowledge, skills, and competencies required of employees in the industry both currently and in the foreseeable future. VET's strength lies in its ability to prepare students to occupy jobs across the industry's wide spectrum. VET adopts a learning by doing approach. Hence, this is the reason why VET students experience apprenticeship in a real-world work environment. The merger of theory and practice proves invaluable as employers themselves report.

Just like academic education is broken down into various Malta Qualifications Framework (MQF) Levels, so is VET. One can therefore achieve a VET qualification at an MQF Level just like academic qualifications. For example, a VET Level 4 qualification is considered to be at the same level or depth of study required as a Matriculation Certificate, an Advanced Level or an intermediate level. This is clearly indicated in the referencing reports issued by the Malta Further and Higher Education Authority.

Furthermore, MQF Level 4 VET qualifications are pathways towards Bachelor's Degrees. This means that VET students may progress to tertiary education via a VET pathway. It is therefore no longer the case that undergraduate degrees and higher qualifications are available exclusively to students who pursue an academic education. It is now possible to complete degree requirements for a specific trade or career. This means that a first degree achieved via the traditional route passing through secondary, pre-tertiary and university education and a degree achieved following VET education's various MQF Levels both have the same parity of esteem.

This parity of esteem means that career prospects for VET students are at least as wide as they are for traditional university graduates.

More importantly on a practical level, what do employers make of the effectiveness of VET? The feedback we receive at MCAST from employers suggests that hands-on experience before students actually become full-time employees is at par with the need for technical knowledge, skills and competencies. Whilst academic qualifications deserve full respect per se, their blend with work-based experience means that new employees' learning curves when recruited is significantly reduced and the student becomes productive in the shortest time possible.

VET is also a very popular choice in leading EU and world economies. In 2019 according to Eurostat, 48% of students in upper secondary education in EU member states followed vocational programs with this percentage growing to 95% for post- secondary non-tertiary education.

Finland surpasses this EU average by having 71% of all upper secondary students applying for vocational education programs. It was reported in 2018 that in Malta, just over a quarter of all students aged between 14 and 16 opt for vocational subjects.

This scenario has dramatically changed since that time. The NSO reports that last October, 84% of students at the post-secondary level were enrolled in state-run institutions and that 50% of total students at post-secondary level opted for vocational orientation. The most popular field of study among vocational students was 'services', followed by 'health and welfare and 'business, administration and law'.

So what does the future hold for vocational education? VET is certainly here to stay and there is no reason to suspect that it will not be kept at its high level of importance in the educational systems of countries around the world. It will continue to provide the key skills and competencies that industries require their workforces to have.

We must all realize that learning is not only confined to a time when one attends a formal educational institution. The successful graduate of any educational orientation will be the one who invests in him/herself by completing vocational/traditional study programs and continues to do so during one's career.

Learning is an ongoing business that never stops. In Henry Ford's words, "Anyone who stops learning is old, whether at twenty or eighty. Anyone who keeps learning stays young. The greatest thing in life is to keep your mind young"."

Whilst academic qualifications deserve full respect per se, their blend with work-based experience means that new employees' learning curves when recruited is significantly reduced and the student becomes productive in the shortest time possible

China US$9 billion IPO plans stalled amid COVID-19 outbreak

A gong is pictured before the listing ceremony of the first batch of companies on STAR Market, China's new Nasdaq-style tech board, at Shanghai Stock Exchange (SSE) in Shanghai

MORE Chinese companies are halting domestic listing plans, filings show, as the country's biggest coronavirus outbreak in two years hampers due diligence and information gathering, affecting an estimated US$9 billion-plus in fundraising.

Over the past week, 15 companies seeking initial public offerings (IPOs) on Shanghai's tech-focused STAR Market have suspended applications, almost all citing impacts from the epidemic, exchange filings showed. The city started lockdowns on Monday.

In Shenzhen, which conducted three rounds of mass testing in March, 67 IPO applicants targeting the start-up board ChiNext have suspended the listing process this month, citing the need to update disclosure to regulators, according to filings.

In all, the suspensions potentially delay fundraising worth 60 billion yuan (US$9.4 billion), official newspaper Securities Times estimated. That's equivalent to more than one-tenth of China's roughly US$84 billion in domestic IPO fundraising in 2021.

The real impact on IPO fundraising is likely bigger, as listing hopefuls on China's main equity boards are not required to make timely disclosures on the vetting process.

The share sales disruption piles pressure on an economy already suffering from developers' debt woes, anaemic consumption, and contagion from the Ukraine crisis.

Due Diligence

To minimise the impact, the Shanghai Stock Exchange has vowed to maintain the steady operation of capital markets during the "special" virus control period.

The bourse said on Sunday it would continue to vet share sale plans by STAR Market candidates and strengthen online communications with issuers and underwriters.

Nevertheless, a growing number of IPO applicants are pressing the pause button, at a time when many companies are required to update their financial results.

Nanjing CIGU Technology Corp, which plans to list on STAR, said on Tuesday it is applying to the Shanghai bourse to suspend vetting of its application.

"Due to the epidemic, the company and intermediary agencies cannot complete due diligence, or answer regulators' queries during the stipulated time period," the company said.

Other STAR candidates which halted IPO plans over the past week include Guangzhou Xaircraft Technology Co, CICT Mobile Communication Technology Co and Yuanjie Semiconductor Technology Co.

In Shenzhen, companies including Guangdong Lvtong New Energy Electric Vehicle Technology Co, Plotech Technology (Kunshan) Co and Shenzhen Mould-Tip Injection Technology Co have halted IPO plans over the past month, according to exchange filings.

Malta Stock Exchange

Regulated Main Market

Trading Date: 30 March 2022

Symbol Code	Volume Traded	Value Traded	Trades Trades	High Price	Low Price	Open Price	Closing Price	Change
EQUITIES								
BOV	6,198	4,871.09	2	0.790	0.785	0.785	0.790	0.000
HLI	500	127.00	1	0.254	0.254	0.254	0.254	0.006
IHI	17,315	9,843.93	3	0.575	0.545	0.560	0.575	0.030
MPC	190	103.55	1	0.545	0.545	0.545	0.545	0.015
MSC	5,000	2,000.00	1	0.400	0.400	0.400	0.400	-0.050
RS2	1,823	3,062.64	1	1.680	1.680	1.680	1.680	-0.020
SFC	7,520	62,666.00	3	8.350	8.300	8.300	8.350	0.150

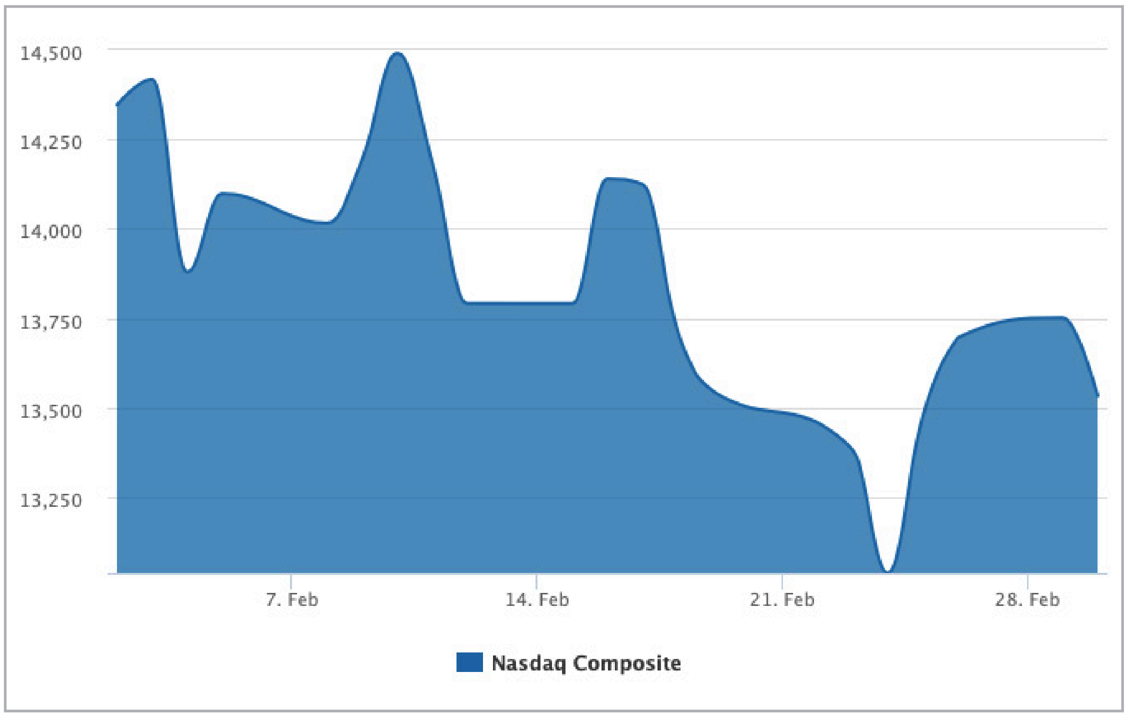
3.8% HLF 2029

Symbol Code	Volume Traded	Value Traded	Trades Trades	High Price	Low Price	Open Price	Closing Price	Change
GOVERNMENT STOCKS								
G23A	6,989	7,524.36	1	107.660	107.660	107.660	107.660	-0.050
G32A	3,000	4,038.00	1	134.600	134.600	134.600	134.600	-0.200
CORPORATE BONDS								
1923A	10,000	10,025.00	1	100.250	100.250	100.250	100.250	0.000
AX26A	7,700	7,679.00	2	99.750	99.500	99.750	99.500	-0.500
AX32A	10,000	10,049.00	1	100.490	100.490	100.490	100.490	0.240
BV30A	25,000	25,125.00	1	100.500	100.500	100.500	100.500	-0.500
BX27A	2,000	2,050.00	1	102.500	102.500	102.500	102.500	1.900
CC30A	21,000	21,304.00	3	101.450	101.440	101.450	101.450	0.000
EN29A	50,000	49,000.00	1	98.000	98.000	98.000	98.000	-1.000
GH27A	5,000	5,175.00	1	103.500	103.500	103.500	103.500	2.500
GO31A	20,000	20,457.00	4	102.700	102.250	102.250	102.700	0.500
HF27A	5,000	5,049.50	1	100.990	100.990	100.990	100.990	0.490
HF29A	25,900	25,660.50	3	99.500	98.500	99.500	99.500	-0.500
HM24A	900	927.00	1	103.000	103.000	103.000	103.000	0.000
HP25A	15,000	15,193.12	2	101.490	101.000	101.000	101.490	1.440
IH26A	21,000	21,180.00	5	101.000	100.500	101.000	100.500	0.000
IH26B	2,000	1,980.00	1	99.000	99.000	99.000	99.000	0.000
MD26A	10,000	10,134.00	2	101.500	101.100	101.500	101.100	0.080
MI22A	4,500	4,432.50	1	98.500	98.500	98.500	98.500	0.000
MM26A	12,000	12,229.00	2	101.990	101.500	101.500	101.990	-0.010
MO31A	30,500	30,921.50	4	101.400	101.300	101.400	101.300	0.000
SA32A	41,000	42,845.00	3	104.500	104.500	104.500	104.500	0.000
SD27A	10,500	10,606.05	4	101.130	100.500	100.500	101.130	0.880
TI27A	9,000	9,180.00	2	102.000	102.000	102.000	102.000	0.000

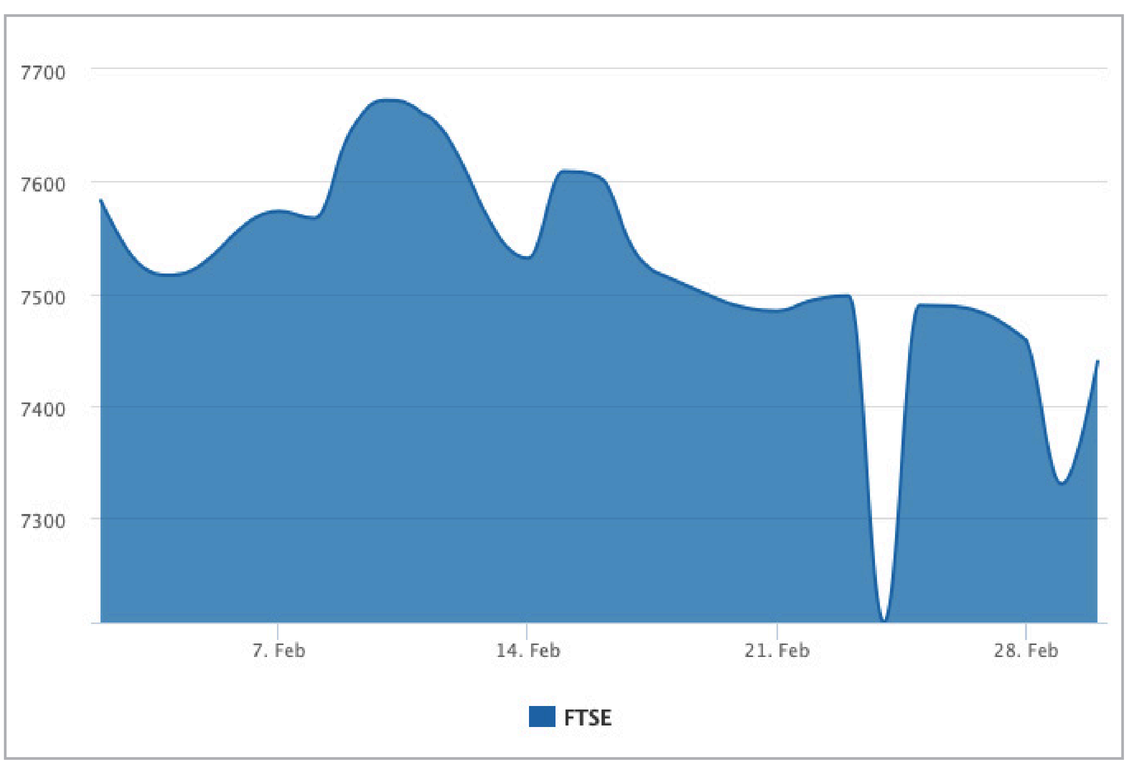
International Markets
Global Indices

Trading Date: 30 March 2022

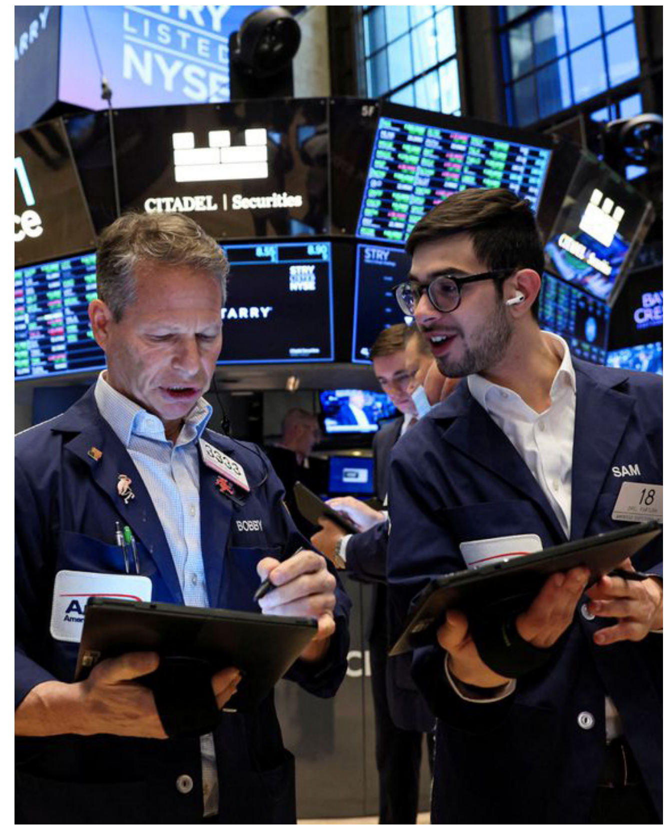
Name	Current Value	Change	%Change	Open	High	Low	Prev. Close
US MARKETS							
NASDAQ	13,037.49	-344.03	-2.57	13511.75	13533.78	13032.17	13381.52



Name	Current Value	Change	%Change	Open	High	Low	Prev. Close
EUROPEAN MARKETS							
FTSE	7,251.31	-246.87	-3.29	7498.18	7498.18	7243.44	7498.18
CAC	6,451.79	-328.88	-4.85	6496.25	6617.09	6433.51	6780.67
DAX	13,854.52	-776.84	-5.31	13989.41	14221.71	13826.70	14631.36



Name	Current Value	Change	%Change	Open	High	Low	Prev. Close
ASIAN MARKETS							
SGX Nifty	16,141.00	-109.00	-0.67	17052.50	17115.00	15500.50	17063.00
Nikkei 225	25,970.82	-478.79	-1.81	26281.35	26357.58	25775.64	26449.61
Straits Times	3,276.06	-116.94	-3.45	3351.24	3363.17	3248.93	3393.00
Hang Seng	22,901.56	-758.72	-3.21	23268.03	23376.37	22786.39	23660.28
Taiwan Weighted	17,594.55	-461.18	-2.55	17939.53	17939.53	17561.07	18055.73
KOSPI	2,648.80	-70.73	-2.60	2689.28	2694.55	2642.63	2719.53
SET Composite	1,662.72	-33.73	-1.99	1683.92	1690.50	1656.62	1696.45
Jakarta Composite	6,817.82	-102.24	-1.48	6912.48	6929.91	6758.86	6920.06
Shanghai Composite	3,429.96	-59.19	-1.70	3474.37	3486.98	3400.21	3489.15



US stock rally defies economic unease

AS a stunning rebound in US stocks charges on, investors are questioning how long the surge can continue in the face of a hawkish Federal Reserve, warnings of recession from the bond market and geopolitical uncertainty.

The S&P 500 is up 11 per cent since March 8, its biggest 15-day percentage gain since June 2020, led by many of the high-growth stocks that have been pummeled for much of the year. The benchmark index has cut its year-to-date losses to 2.8 per cent, after it earlier swooned by as much as 12.5 per cent.

The move has come despite a broad range of concerns that rocked equities earlier this quarter, among them the war in Ukraine, surging inflation and a sharp rise in Treasury yields fueled by tightening monetary policy from the Fed.

Stocks shrugged off the latest ominous sign from the bond market on Tuesday. The S&P 500 closed up 1.2 per cent even as the widely tracked US 2-year/10-year Treasury yield curve inverted for the first time since September 2019, a phenomenon that has reliably predicted past recessions.

"It's been mystifying," said Jack Ablin, chief investment officer at Cresset Capital Management. "I think that the bond market is sober and the equity market is quixotic."

Investors are pointing to a number of factors that could be driving the bounce in equities.

Many have taken heart from Fed Chairman Jerome Powell's assessment of the US economy as strong enough to handle an aggressive pace of rate increases and may be cheering a Fed that now appears to be tackling sky-high inflation head on, analysts said.

The S&P 500 has gained over 6 per cent since the Fed's March 16 monetary policy meeting, at which it raised interest rates by 25 basis points and penciled in 150 basis points of tightening for the rest of the year.

Recent weeks have also seen institutional investors driving up prices as they unwind so-called "short" bets against equities, analysts at Goldman Sachs said in a recent report.

At the same time, individual investors have been using the weakness in stocks as an opportunity to buy, the bank said.

According to Goldman, $93 billion of capital has flowed into US equity funds since the start of the year, "suggesting that households have continued to buy after the record year for US equity inflows in 2021."

George Mangion

George Mangion is a senior partner at PKF, an audit and consultancy firm, and has over 25 years' experience in accounting, taxation, financial and consultancy services. His efforts have made PKF instrumental in establishing many companies in Malta and established PKF as a leading professional financial service provider on the Island

Humility, passion and a clean energy vision

Labour leader Robert Abela has promised humility in his speech marking a landslide election victory to supporters at party headquarters. He promised to work together in the spirit of national unity to continue moving Malta forward.

His passion has been reflected in a vision that the extended mandate will offer a better quality of life, better opportunities for everyone and a "more beautiful Malta".

One need only visit the 1,000 new ideas launched in a PL manifesto that includes the possibility of an ambitious underground metro. There are many other bright ideas, but I wish to focus on the sector of clean energy as a sustainer of our wellbeing.

Reviewing the manifesto on this topic, one meets with basic targets such as laying a second underwater electricity inter connector with Sicily, erecting 200 new substations to stabilize the flow of electricity distribution, new incentives for domestic grey water reuse systems and most ambitious - is the drive to engage with the private sector to develop offshore renewable energy projects – both floating wind and solar.

When mentioning renewable energy, a corollary topic follows in the manifesto, that is setting a national strategy on hydrogen use.

Perhaps, all this needs a powerful energy minister who can break the shackles that stopped us in the past from taking bold steps to encourage the private sector to invest in renewable energy generating green hydrogen thus fighting climate change.

One can question how a tiny rock in the central Mediterranean can make any recognizable effort to fight global climate change. The answer is given in the PL manifesto when it solemnly vows to team up with the private sector to exploit new avenues in this important development to reduce carbon emissions.

In the meantime, the climate is already changing and it would take time for adaptation measures to have an impact, provided they are implemented. The obvious, we can do now such as the need for the Water Services Corporation to properly harvest rainwater instead of dumping it into the sea, directly or through the public sewers.

It goes without saying, that Malta needs to address climate change as this leads to rises in sea levels. Such coastal protection is vital, in view of the fact that most of our tourism infrastructure lies along the coast. As a result of warmer temperatures, this would also result in a heightened exposure to disease, putting additional strains on our health services.

Facts show the Meteorological Office, saying only half the average amount of rain was recorded this season. The causes of low precipitation do not exclude human-induced factors. One can blame this due to high emission of greenhouse gases results through human processes such as burning of fossil fuels.

Locally, there exists an undeniable fact pointing to the increase in carbon dioxide concentrations and other greenhouse gases, such as methane and nitrous oxide caused by daily activities - mainly due to the explosion in car ownership, more travel by sea and air, not to forget emissions from heavy industry.

Over the coming four years, Malta has been awarded over €320 million from the EU to tackle part of the climate change challenge. Perhaps, we can emulate Italy, which has taken the bull by the horns and commissioned Renexia (an energy firm) to install a vast floating wind farm off the island of Sicily.

Little or no mention was made by PL strategists about the pressing need to convert Electrogas - a controversial generating plant, now run on fossil fuel to be converted in the future to run on green hydrogen. Now that the elected party has a strong mandate having secured a third consecutive landslide political victory, it has wind in its sails. One hopes that the newly appointed energy minister will focus on the potential of exploiting our recent declared Economic Exclusivity Zone to use it to harvest energy on floating sea PV panels and/or wind turbines.

This task comes as no minnow since it is a long-term project which, if properly structured, can have many beneficial economic and environmental rewards. In the context of the Ukraine war, the general consensus among delegates is that EU countries start using alternative sources of energy as a substitute for Russian gas.

Many commentators on the European scene have waxed lyrical about a plan to produce green hydrogen using electrolysis powered on clean energy produced on offshore platforms. In our case, such platforms can be floated in Hurds' bank - currently being used free of charge by various foreign fuel tankers as an oil bunkering facility. One wonders if the exploratory talks started this year by the Finance minister with his counterparts in Qatar will ever succeed to convince the latter to invest in our visionary hydrogen project.

It is encouraging to observe that after three years in the making, we now have an active Development Bank which is expected to support economic expansion following the dearth of FDI during the two years of pandemic.

What can be the root cause of this turnaround? Many in the past discounted the importance of attracting new energy projects blaming the relative lack of research and development hosted locally. This is now solved since the PL manifesto plans a triple increase in R&D to reach 2% of GDP.

Again, the efforts of the government to recognise the importance of getting MCAST and the university to work closely with industry is slowly yielding results. MCAST has reached a high standard in teaching technical subjects and proudly reported close to one thousand graduates in many diplomas and degrees. It has revived apprentice schemes in various technical areas and is also making steady progress in vocational courses as a catch-all for early school leavers.

Government mutely plans to exploit renewable energy sector as it will prove a safe alternative to financial services - currently under siege from Brussels. Certainly, the landslide political victory garnered by Abela may enthuse islanders to be passionate about a revolution in learning new skills through a different mindset - one focused towards innovation, research and development.

These are the building blocks of present and future technology where more businesses compete to provide cutting-edge services and products - having access to an innovative philosophy leading to proficiency to expand clean energy and reduce our carbon footprint.

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A Cabinet of continuity

Robert Abela's ministerial choices in the formation of his new Cabinet bode well for continuation and stability at a time of international turmoil.

The Prime Minister did not lose time to appoint his Cabinet after Saturday's election that gave the Labour Party a strong and clear mandate.

The reappointment of Clyde Caruana at the finance ministry, Silvio Schembri at the economy ministry, Clayton Bartolo at the tourism ministry and Miriam Dalli at the energy and enterprise ministry provide continuity.

They understand the difficulties and expectations of the various economic sectors. The three of them know the ropes and can hit the ground running without the need to acclimatise themselves with their respective portfolios.

This is important in a global economic climate still conditioned by the pandemic and by the Russian invasion of Ukraine.

The European Commission's winter economic forecast released last February projected that Malta will have the highest economic growth rate across the EU by the end of the year. The commission predicts Malta's growth rate for 2022 will reach 6% of GDP, two points higher than the EU average. When the forecast was published the Russian invasion of Ukraine had not yet started and this could pose a downside risk in the months ahead.

The forecast had posited Malta's greylisting by the Financial Action Task Force as a downside risk. But earlier this month the FATF said Malta had implemented its action plan and a site visit will be held in April to assess the progress.

How these two factors will play out still has to be seen, which is why a measure of continuity after the election was a necessity.

Government has done well to cushion the impact of higher energy prices and provide families with a cash injection to mitigate the rising cost of living.

But for the longer term, government needs to ensure that doing business in Malta is not shackled by unnecessary red tape so that firms are competitive and nimble.

The issues of rising transport and logistical costs needs to be tackled through discussions with stakeholders.

The €400 million investment programme announced during the pandemic to upgrade industrial estates should be stepped up so that modern space is created for new industries.

With tourism expected to pick up in the summer, the Prime Minister must live up to his commitment that all restrictions linked to the pandemic will be lifted. Re-starting the tourism engine is important to get the cogs turning in other sectors as well, which is why Malta has to make it easy for tourists to be able to travel here.

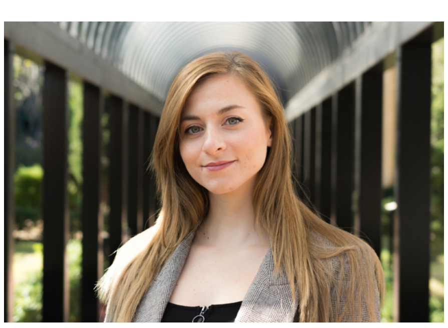
A decision on whether the fourth COVID booster vaccine dose should be given to certain vulnerable groups must be taken now before the onset of the summer season.

The pandemic has not gone away and caution should continue being exercised but this should not come at the expense of stifling tourism.

The Labour Party had pledged to lower the top tax rate for businesses. Now that the government has a clear mandate, this leader believes this proposal should be implemented in the next budget to send out a positive signal.

Citizen engagement can shape our seas

How often do we stop and think whether our daily chores have any bearing on the way we use our seas? Picking up your mobile phone to check a notification is only possible because of an underwater internet cable. Washing your hands is only made possible because of a coastal reverse osmosis plant which changes seawater into desalinated water. The demand of sea and coastal space is high – so what is the solution to ensure priority demands are met without damaging the fragile eco-systems of the coast and sea?



Alexia Attard

IN recent months, the Planning Authority as part of a European wide project on Maritime Spatial Planning conducted a public survey with the intention to boost the Authority's understanding as to how and what the public thinks about maritime spatial issues.

Alexia Attard from Malta's Planning Authority (PA) shares why public participation is key to planning and charting how we live on, next to and with the coast and the sea.

Back in 2014 the European Parliament sought the need to create a framework for maritime spatial planning (MSP) with the aim of systematically managing the use of our seas, ensuring that human activities take place efficiently, safely and sustainably.

"The EU's MSP Directive aims to reduce conflicts and create synergies between different maritime activities, encourage growth in the blue economy, increase cooperation between EU countries and protect the environment and ecosystems from harmful human impacts." explains Alexia Attard, the Planning Officer specialised in MSP and coastal management within the PA's Green and Blue Development Unit.

In 2020, the Planning Authority together with other counter parts from Italy, France, Greece, Slovenia and Spain embarked on a €2.5 million project funded by the European Maritime and Fisheries Fund (EMFF). The primary aim of the MSP-MED project is to support the establishment of coherent and coordinated plans across the Mediterranean marine regions and between Member States, in line with the MSP Directive. For Malta, the outcome of this project is expected to assist the PA with the review of the Strategic Plan for the Environment and Development (SPED) which is considered as the National Maritime Spatial Plan in Malta.

Some months backs, through the MSPMED Project, the PA conducted a nation-wide survey designed to ascertain how widespread public knowledge is on the way they directly or indirectly use the sea and how the public actually perceives the future potential of the sea.

What did the survey show us?

"From the findings of the survey a number of interesting results emerge. For instance, only five per cent of the respondents consider their employment to be related to the sea. The large number (27%) of these respondents come from the Northern Harbour Region. This is not surprising. When one compares this with other studies on the economic role of the sea at a national level, it confirms that the sea's current contribution to the local economy is not that high. This raises the question of whether we need to create more employment opportunities at sea and how this could be done without compromising the marine environment." highlights Ms Attard.

"The survey also clearly shows that maritime and coastal spaces are highly valued by the public for recreational activities such as diving, fishing, bathing and walking on promenades. Bathing (77%) proved to be the most popular recreational activity amongst Maltese, with Sliema being the most popular. This is not surprising since this locality is one of the most populated areas and has the longest coast immediately adjoining

the conurbation. Coastal walks were the second most popular recreational marine-related activity, and this appeared to be more attractive for the older generations." continued Ms Attard.

When it comes to what opportunities the future holds for sea-related activities, the survey shows that Maltese see the potential and the multiplier effect of further growth in this area. While tourism enjoys pride of place, with 80.6% claiming that this sector offers Malta

enormous opportunities, 60.4% identified transportation as a possible sector for growth.

"What is disheartening is that 96 per cent of respondents said they were unwilling to participate in the future of Marine Spatial Planning." she shares. "This is concerning, as public participation is key to forming transparent, robust maritime plans. Public participation is actually part of the data required to develop an MSP plan. What does this show us? It is quite clear that we need to find new ways of encouraging people's choice to get involved. Here new, less rigid models of participation need to be explored – one that moves away from the myth of a singular 'general public' toward one which is better adapted to engage in the social complexities of an increasingly globalized yet fragmented world; one that embraces community engagement and collaboration." notes Ms Attard.

The outcomes of this survey, along with the PA's past work on the development of tools to encourage stakeholders and public involvement, will serve as foundation on the approach the PA will take for stakeholder engagement in light of the SPED Review.

"The pandemic gave us all a new appreciation for nature, and, as the survey reaffirmed, in Malta that includes appreciation for our seas. We saw that, when all else fails, nature is still there – but we must plan maritime uses carefully to provide a sustainable future while at the same time ensure that the sea and all of its resources are protected and preserved too." concluded Ms Attard.

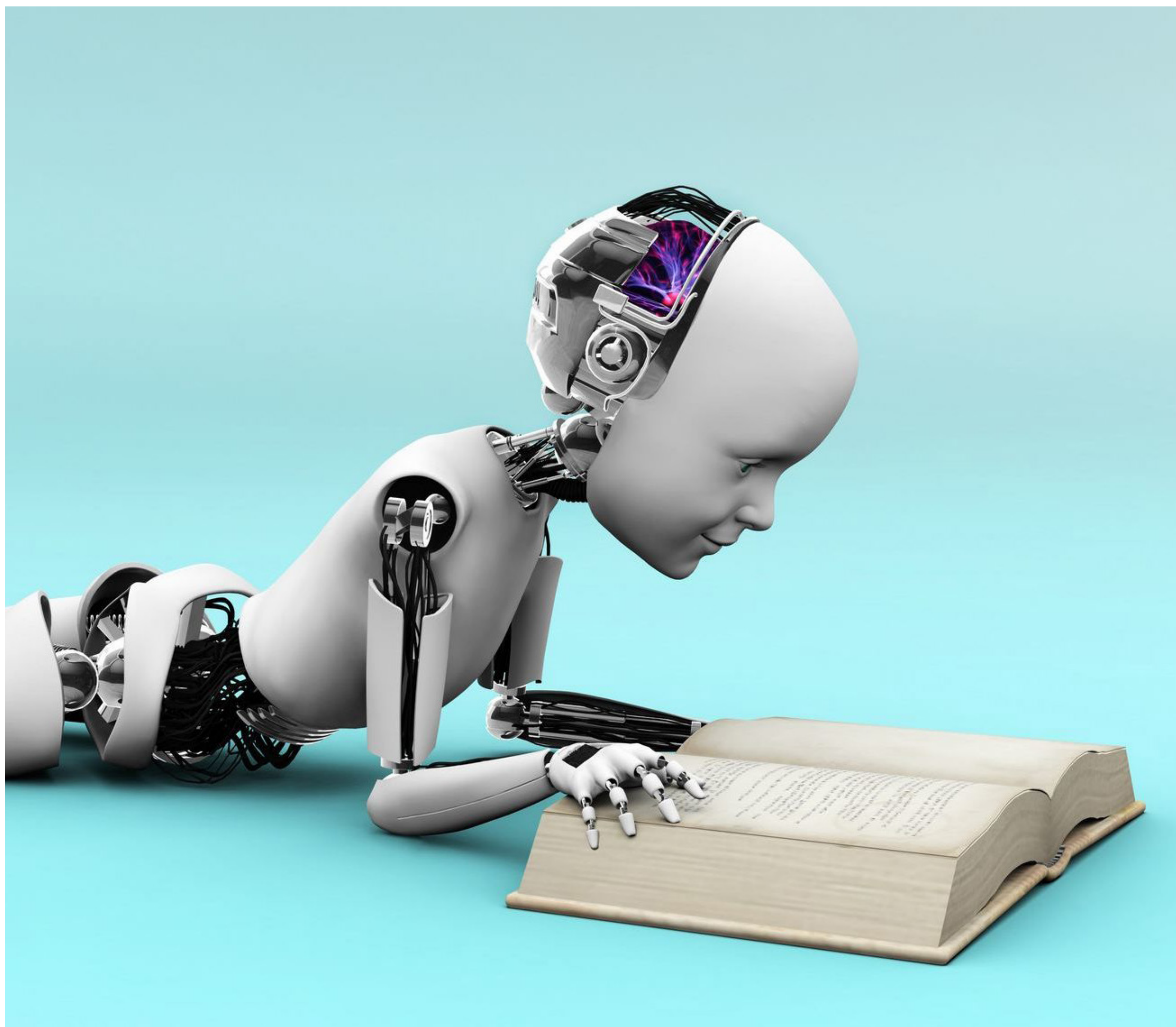
More information about the MSPMED project can be found online at https://mspmed.eu/project/.

OPINION

Alexiei Dingli

Prof Alexiei Dingli is a Professor of AI at the University of Malta and has been conducting research and working in the field of AI for more than two decades, assisting different companies to implement AI solutions. He forms part of the Malta.AI task-force, set up by the Maltese government, aimed at making Malta one of the top AI countries in the world

The state of AI in 2022



Over the past few years, we've seen a surge in the use of Artificial Intelligence (AI). Many describe this period as an AI summer with researchers actively churning innovative solutions and businesses benefitting from them. Below, we will look at the global state of AI to understand its effects in the coming years.

Global investment is exploding and the amount of money pouring into AI is mind-boggling. Just think that this investment mushroomed from 18 billion Euros five years ago to 160 billion Euros today, a massive increase of almost 900%. The absolute majority (54%) of this funding comes from private investment, and a big chunk of around 41% results from mergers and acquisitions. It is also interesting to note that there's a lot of consolidation between companies, and the number of AI startups is decreasing.

Countries are also actively working together on advancing AI research. The USA and China are the top two collaborating countries, with 300% more collaborations than others. Even though their international relationships sometimes seem strained, this did not discourage their research teams from working together. Apart from these two, we also find active collaborations between the United Kingdom, Germany, Canada, Australia and France.

One way to measure innovation is patent filing. A patent is a right granted to an inventor by a government certifying that the idea is his for a limited time. The system seeks to encourage inventions that are unique and useful to society. China files around 87,000 AI patients per year, but only 1,400 get accepted. The US follows with 19,600 patents, out of which 9,450 get approved, and trailing, we find the EU with 4,800 patents filed with only 1,800 patents accepted.

From this simple statistic, it is evident that the EU needs to do much more if the content wants to ascertain its dominance on AI research. Hence why, in her State of the Union for the current decade, the President of the European Commission, Ursula von der Leyen, declared this as the digital decade of Europe. She mentioned three significant priorities: the data, emerging technologies, particularly AI, and the digital infrastructure of the continent.

We are also experiencing a shift in technologies. In the past few years, we've seen the rise of Computer Vision. It is a subfield of AI that uses digital cameras to identify objects or perform facial recognition (to give a few examples). However, this technology seems to have reached a plateau in recent months. The reason is that once Computer Vision completes its task, the AI cannot perform advanced reasoning using that information.

Let's look at an example. If a security camera identifies two people, it cannot infer additional information, such as whether they are taking a stroll together or if one of them is mugging the other. So the next step for AI is to move beyond simple recognition and more toward the semantic understanding of real-life situations.

Large companies such as Microsoft, OpenAI and others are already working on this challenge. They created massive AIs capable of writing text at the same level as a human. When OpenAI created called GPT3, Elon Musk (who owns the company) refused to release it, saying that the model was too dangerous! Today, we have models which are many orders of magnitude more powerful. Notwithstanding this, these systems find it hard to understand and reason on text, especially when the complexity of the writing increases.

Another area proliferating is AI ethics. Interest in the area grew by more than 400% in the past five years. Whereas conferences were traditionally the realm of academics, recent events have shifted towards private-sector involvement and governments. This interest is not surprising since AI systems are now entering mainstream use, and as a result, ethical considerations are becoming more critical.

To ensure that this momentum is maintained, it is essential to have a pipeline of AI engineers. Many institutions have experienced a growing interest in AI-related courses in the past years.

However, a look at the gender distribution quickly reveals that very few women opt for a career in AI. This situation is a massive problem because the field needs a broader representation of professionals.

Of course, this is not something new and keeps on popping up every year. Maybe it is high time that countries take action to resolve it once and for all. And they have to start long before people get into Universities.

Finally, it seems that most governments are finally waking up to the reality of AI. The number of bills passed through parliaments increased by 900% in the past five years, with Spain, the United Kingdom and the USA in the lead.

Some allocated funds to bootstrap new AI initiatives, while others enacted regulations to mitigate risks. Governments are looking at AI as the tool which will transform their country in the coming decades. Of course, there's a lot of work left. But the future does look rosy, and all of us can expect significant changes in the coming years.