

Arab liaison office in Valletta gateway to EU



By Parag Deulgaonkar on Sunday, April 05, 2009

The opening of a liaison office in Malta will put the dialogue between the European Union (EU) and the Arab League on a "permanent footing", according to a senior minister.

"The liaison office will open for business in the second half of this year. We have identified the premises that will be given rent free," Dr Tonio Borg, Deputy Prime Minister and Minister of Foreign Affairs, told **Emirates Business**.

"A few weeks back experts from the European Commission and the Arab League met to draft the terms of reference for this liaison office, which I hope will open in the second half in Malta."

The office could open with a small team but in time would develop into a full-fledged secretariat, said the deputy prime minister.

"This will put Euro-Arab dialogue on a permanent footing. We appreciate the support that we receive from the entire Arab World, including the UAE."

Dr Borg is planning to visit the UAE this year to upgrade the existing economic and trading partnership with the emirates into a full political partnership.

"This new friendship with the UAE has flourished and grown quickly in the past few years. For us, the UAE was a faraway country but today it has grown much closer to us.

"There is a healthy relationship between Malta and the UAE and I hope some time this year I or the Prime Minister – or both of us – will visit the country with a business delegation."

Tecom Investments and Sama Dubai are investing \$300 million (Dh1.1 billion) in the SmartCity Malta project while Tecom also owns a majority stake in a state-owned telecommunications company. In addition, there are business interests at a smaller level.

Issues to be discussed by the governments include the possibility of granting visas to Maltese visitors on arrival and recognising Maltese

driving licence in the UAE. "We are discussing issuing of visas at the airport rather than making visitors apply before they travel. And we hope to make some progress on a tiny matter that is important for us – obtaining recognition for our driving licences in the UAE."

Dr Borg said the relationship with the UAE should be "dynamic" and not "static". There are currently fewer than 300 Maltese working in the UAE.

A recent Moody's report said the global economic crisis is likely to have a more severe impact on the credit environment in Malta, particularly as the performance of the real estate and tourism sectors is expected to deteriorate while export demand is likely to fall further.

However, Dr Borg said the country's financial and banking sector had not been affected by the crisis.

"There has been no impact on our financial and banking sector. Our banks invest prudently and are conservative."

Malta has only two large banks though a number of foreign banks with branches there are looking to expand. Other sectors have not escaped the consequences of the crisis. "What has hit us, is the recession, and since most of our manufacturing industry is export-oriented it is been affected by the crisis in the North American market."

The government is trying to assist some factories, advising them not to cut staff even if it meant temporarily working four days a week rather than five.

Business ventures

- On April 23, 2007, SmartCity and Government of Malta signed a \$300 million agreement for developing SmartCity Malta
- In May 2006, Tecom Investments-Dubai Investment Group joint venture acquired 60 per cent stake in Maltacom
- In September 2008, Etihad Airways signed a contract with Maltese company Megabyte for the supply of airline route profitability system and related services

Keep up with the latest business news from the region with the daily Emirates Business 24|7 newsletter. To subscribe to the newsletter, please [click here](#).