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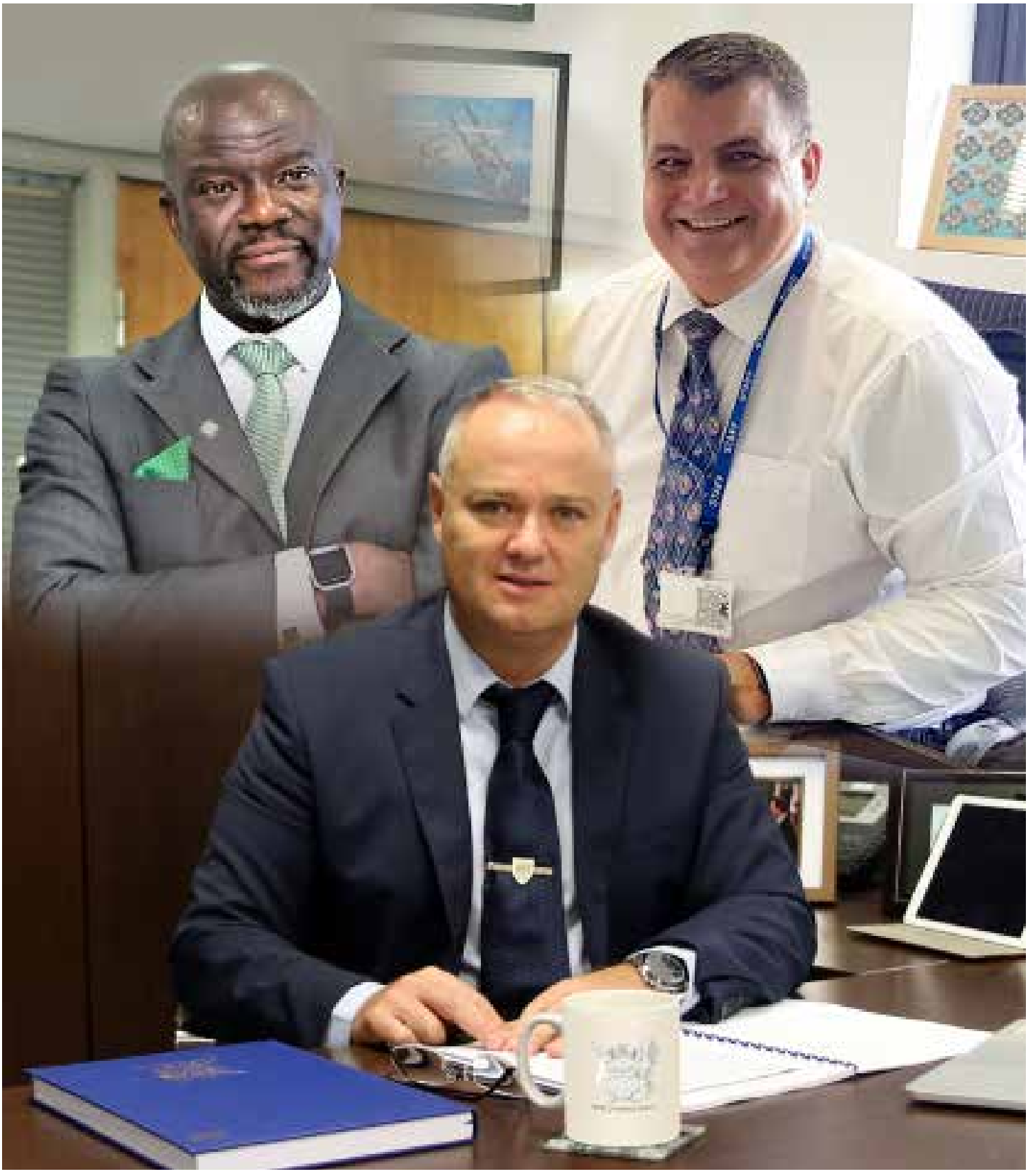
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MALTA BUSINESS REVIEW

ISSUE 55 | 2019



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QUOTE OF THE MONTH
Act as if what you do makes a difference. It does.
– William James

In a world of 24 hours news stories, that can sometimes seem overwhelming with quotidian worries and cares and responsibilities, perhaps the question of What can I do to make a difference? may be answered by committing intimate acts of kindness and personal, philosophical, and political acts of engagement as you see fit. Consider the importance of actively listening and being respectful. Act within your moral boundaries. Speak truthfully. Do your best. Plant a tree, bring soup to the sick, vote, support your favourite charity.

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EDITORIAL



Count among the many concerns associated with what's feared could be an economic and real estate downturn the self-fulfilling prophecy. That's the phenomenon in which something comes true simply because people expect it will.

Could the threat of a recession lead to a recession? If companies and households significantly change spending to prepare for a downturn, there's a possibility they could cause one.

Even as stock markets imitate roller coasters and trade tensions mount worldwide, what's going on in Maltese real estate sector and the Gaming and Blockchain arenas is everyone's guess? Here's a review of some of the latest indicators, to offer a look at the situation:

The Business Confidence Index, a quarterly measure of optimism among business leaders in Maltese industry sectors, declined heading into the third quarter. The index dropped about 1.2 points from the second quarter and 3.1 points from the third quarter of 2018. But he overall reading still reflected more positive than negative responses to the survey upon which the index was based. Asked about the Maltese economy, 20.5 percent of business leaders said they expect moderate or strong increases, 57.1 percent said they anticipated no change and 22.5 percent predicted moderate or strong decreases. While the index signals Maltese business leaders are less upbeat, it also reflects uncertainty.

The pace of new businesses opening in Malta has slowed, but new entity filings with the Ministry of Foreign Affairs and Employment office for the second quarter still portend job growth in the third and fourth quarters.

The seasonally unadjusted unemployment rate is still at its lowest point ever, the latest month for which estimates are available. The latest rate remains higher than the 3.4 percent posted in June, but lower than the 4.2 percent posted in March 2018. Moreover, Mesa Malta payrolls have increased over the past year even as the number of people counted among those unsuccessfully looking for work has decreased.

Sales tax collections, a key indicator of retail activity, Total tax revenue last year went up by €381.4 million over the previous year, and stood at €3,608.2 million. For the year, sales tax collections were up and the tax burden for Malta was 32.4 per cent of GDP.

The pace of real estate sales has slowed in Malta so far this year compared to last year. But that could reflect the effects of a lower inventory of existing homes on the market, less selection and higher prices.

The big picture? Even as concerns persist about economic slowing, there's still confidence. Moreover, the Malta has become increasingly attractive as a place in which to do business and live.

Fluctuating stock markets and trade tariffs grab headlines and add to the unease business owners and consumers feel about the future. Uncertainty exacerbates the situation. What matters most, though, is what's happens on a localised level on a day-to-day basis. For businesses, that's sales and demand for products and services. For consumers, it's a steady paycheck. For businesses and consumers alike, it's the assurance they can continue to pay their bills.

If nothing else, it's logical to expect a national economy that's been going up for so long must at some point come down. But when? Here's hoping the prophecy isn't self-fulfilling. In that situation, Franklin Roosevelt was right to state: The only thing we have to fear is fear itself!

Wishing you a good read.

Martin Vella
Editor-in-Chief

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Malta Business Review's editorial opinions are decided by its Editor, and besides reflecting the Editor's opinion, are written to represent a fair and impartial representation of facts, events and provide a correct analysis of local and international news.

Agents for: The Malta Business Weekly



A FOCUS ON **Excellence**

OPENING UP OPPORTUNITY STREAMS IN OPERATIONAL RISK MANAGEMENT (ORM)

John Schembri:

SHIELD is Malta's very first firm to specialize in the field of operational risk management. Essentially, the company covers all aspects of risk in the following areas of operational activity: (1) health and safety (2) security (3) emergency planning and response (4) crisis management (5) business continuity management (6) information security (7) fire safety.

As the world globalizes at an exponential rate, and technology drives changes which impact directly on operational activity of both public and private organisations alike, risk is created, but so are opportunities. Migration; climate change; market volatility; political instability and the glocalization of crime are possibly the major risk issues facing us today, with an infinite array of consequentials to further compound the risk.

But we also live in an epoch of unprecedented opportunity. The internet of things; technology and innovation; virgin markets; the ability to communicate 24/7, uninterrupted; the emerging Circular Economy: all of these realities are driving change at a tremendous rate, creating unprecedented opportunities for growth. If anything, organisations need to learn how to re-define growth ….. ….. which is where risk management comes in.

Since 2016, SHIELD has been on a process of internationalization and today, we are very pleased to announce a unique proposition.

I have known Joachim Adenusi, of Inspirational Risk Ltd (UK) and Conrad Clark Lit (Nigeria) for a number of years now, working closely on enterprise risk issues: governance; strategy; ethics; reputation and so on.

This year, I was introduced to Christopher Robert Houghton, owner and MD of Eventura, UK; specialists in cyber risk and network(s) security. Of Maltese descent, it was natural that we explored the idea of collaboration in Malta and UK.

Together, the three of us will work to open up opportunity streams, beneficial to our respective Companies, both in Malta as well as the UK, and beyond where possible.

With Brexit risk right upon us, it is time to capitalize on opportunities arising. So let us hear from Joachim and Chris …













> We hope to inspire Maltese public and private organisations to embrace the growing use of risk management as a tool to improve performance outcomes.

What interest do you have in promoting your Companies products and services in Malta?

Chris: Our core interests reside in Cyber Assurance for businesses and Defence Systems. ***Eventura*** plans to work very closely with SHIELD on a Digital Transformation Strategy for businesses.

Joachim: Having already worked with SHIELD in Malta, I am very keen to become involved in supporting Malta's growing economy, helping organisations by showing best practices in how to maximise opportunities and minimise threats. We hope to inspire Maltese public and private organisations to embrace the growing use of risk management as a tool to improve performance outcomes.

Why have you chosen to focus on Malta?

Chris: This is an important part of our strategy in combating the effects of Brexit in the European Union, coupled with the favourable financial and business process alignment between Maltese and British companies. An important factor is the return to my original home, where I spent my formative years.

Joachim: Brexit and what's happening the UK will position Malta as an ideal place for trade and business. Its unique place in Europe and close proximity to Africa (the next emerging economies); Malta's international appeal to many multinational businesses; its growing economy and technological ecosystem. Malta is blessed with highly favourable attributes for forward looking businesses.

What value addition will your alliance with SHIELD bring to the market?

Chris: We are excited to work closely with SHIELD in delivering higher capacities, increased capabilities and high levels of assurance to the Maltese market. ***Eventura*** have the reach, the experience and the processes to deliver their systems around Europe. Even more so now in Malta since the introduction of our subsidiary ***Eventura*** (Malta) Limited.

Joachim: ***Inspirational Risk*** shall continue to work closely with both ***SHIELD*** and ***Eventura*** in rendering organisations more resilient, at all levels of the structure. We will support Boards where necessary with risk-based solutions to governance and enterprise risk; we shall propose Enterprise Risk Management solutions into forward-looking, quality orient; we have programmes for addressing Change; Culture and Performance Management, essentially utilizing risk-based concepts to improve management and enhance resilience. MBR



Brexit:

New European Parliament reaffirms wholehearted support for EU position

- ***MEPs pledge to reject any Withdrawal Agreement without a backstop***
- ***UK will be solely responsible for a "no deal" departure***
- ***Another conditional Article 50 deadline extension is possible, if the UK requests it***

The Withdrawal Agreement is fair, balanced and provides legal certainty, MEPs say in a resolution reiterating Parliament's support for an "orderly Brexit".

The European Parliament continues to support an "orderly Brexit" based on the already negotiated Withdrawal Agreement, MEPs reaffirmed in the resolution adopted with 544 votes in favour, 126 against and 38 abstentions.

The document also underlines that the existing Withdrawal Agreement takes into account the UK's red lines and the EU's principles, providing a fair and balanced solution.

Legal certainty

Parliament emphasises that the Agreement safeguards the rights and life choices of European and British citizens, provides a financial settlement mechanism for the UK's obligations, and addresses the UK's request for a transition period. In addition, the Withdrawal Agreement provides a necessary backstop mechanism to safeguard the status quo in Ireland by protecting the Good Friday Agreement and ensuring North-South cooperation.

In the resolution, Members confirm that they would be ready to return to the EU's original proposal for a Northern Ireland-only backstop; they are also open to examining "alternative solutions" if they are legally and operationally credible and in line with EU guiding principles. MEPs stress, however, that they will not consent to a Withdrawal Agreement without a backstop.

UK solely responsible for a "no deal" exit

Regarding recent developments in the UK, MEPs point out that the UK would have to assume full responsibility for a "no deal" exit and the serious consequences that this would entail.

Parliament also emphasises that a "no deal" scenario would not remove the UK's obligations and commitments on financial settlements, protection of citizens' rights, and compliance with the Good Friday Agreement, which are necessary preconditions for Parliament's approval of any future relationship between the EU and the UK.

In this light, MEPs welcome the preparedness and contingency planning measures for a "no-deal scenario" adopted by the EU Institutions and member states.

Citizens remain Parliament's key priority

Safeguarding the rights and life choices of EU citizens in the UK and British citizens in the EU remains Parliament's top priority, with MEPs expressing concerns at the implementation of the UK's Settlement Scheme. MEPs also encourage the other 27 member states to adopt a generous and consistent approach in this regard, and to provide legal certainty to British citizens resident across the EU.

A conditional extension

Members are open to a possible extension of the Article 50 negotiation period, if requested by the UK, provided it is justified and has a specific purpose, such as avoiding a "no-deal" departure, holding general elections or a referendum, revoking Article 50, or approving the Withdrawal Agreement. They also add that an extension should not affect the work and functioning of the EU institutions.

Background

Following a decision of the 10 April 2019 European Council Special Summit to accept UK's request to prolong the Article 50 deadline, the UK is set to leave the EU by 31 October.

Next steps

The resolution confirms the new Parliament's support for the current EU approach ahead of the decisive October summit of EU heads of state or government. Any withdrawal agreement and future association or international agreement with the UK will need to be approved by the European Parliament. MBR

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Years at the Forefront of Global Trade

FIMBANK





HSBC MALTA LAUNCHES €250M INTERNATIONAL BUSINESS FUND

As part of its growth strategy, HSBC Bank Malta p.l.c. has launched a €250 million HSBC International Business Fund (HIBF) to support ambitious companies looking to steer their business to new horizons.

A launch event was held at The Sheer Bastion reflecting the campaign's sea-faring theme as well as Malta's rich maritime trade history. It was led by HSBC Malta CEO Andrew Beane together with Executive Director and Head of Business Development Michel Cordina, and Head of Commercial Banking Joyce Grech.

Michel Cordina said: "The €250m fund enables investors, traders and businesses to embark on new journeys by connecting them to international opportunities. With offices on the ground in 53 countries and territories, and more than 5,000 relationship managers operating worldwide, HSBC is in a unique position to connect potential customers in new markets, provide local insight through our people on the ground, and offer the financial support for businesses in Malta to expand globally. This Fund is also available to assist international businesses who want to invest in Malta to continue assisting the local economy to grow"



(From left) Andrew Beane, Joyce Grech, Michel Cordina

> The €250m fund enables investors, traders and businesses to embark on new journeys by connecting them to international opportunities.

HSBC's global reach and expertise help approximately 1.5 million business customers – from small businesses to multinationals – unlock their potential. HSBC's relationship managers are supported by specialists in four fields: Global Trade and Receivables Finance, Global Liquidity and Cash Management, Global Banking, and Insurance and Investments.

HSBC Malta CEO Andrew Beane said: "Today's economy is global and interconnected and at HSBC we are able to connect Maltese businesses to fast-growing markets around the world. With the launch of our quarter of a billion euro International Business Fund we are ready to support local companies that have the ambition to stretch towards new horizons."

HSBC Malta's Head of Commercial Banking Joyce Grech said: "I am delighted that we are launching this Fund as I take up leadership of HSBC's Commercial Banking operations. My team and I are looking forward to assist companies in using HSBC's capabilities to their best advantage." MBR

More information is available on business.hsbc.com.mt


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A MULTI-CHANNEL APPROACH IS THE KEY TO RETAINING MILLENNIAL WEALTH, SAYS GLOBALDATA

> 28% of millennial investors still prefer human interaction when arranging investments, so market players will need to provide customers with the best of both worlds

Technology has made a noteworthy impact in the wealth space, with online overtaking face-to-face to become the preferred investment channel amongst millennials. Yet, *28% of millennial investors still prefer human interaction when arranging investments, so market players will need to provide customers with the best of both worlds, says GlobalData, a leading data and analytics company.

Whilst digital channels are growing in their usage, with *29% of global mass and emerging investors preferring to arrange their investments online, particularly through their phone or tablet rather than a desktop, they will not replace face-to-face communication just yet.

Sergel Woldemichael, Banking and Payments Analyst at GlobalData, commented: "In order for wealth managers to retain wealth and continue growing assets under management, all boxes should be ticked regarding the desires of the millennial and younger generation. Focusing on one type of service will be a risk and could see inheritors turn to those that provide more choice. An omni-channel approach is no longer optional as investors expect a seamless investment approach spanning digital and traditional channels."

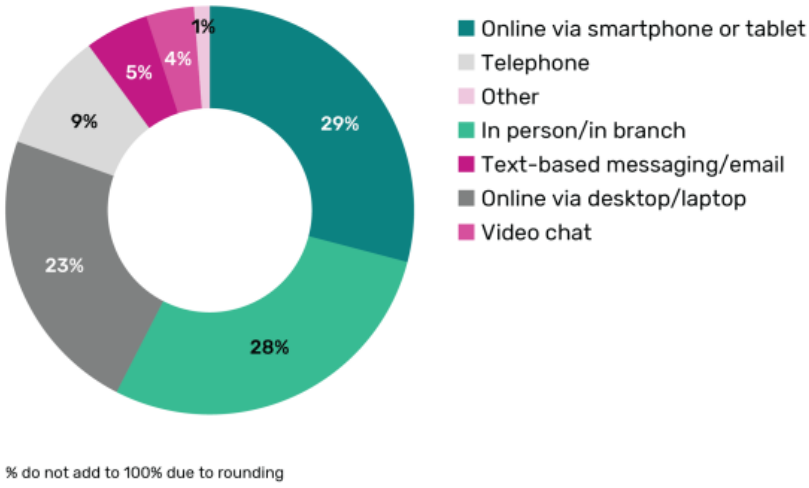
Several digital channels have emerged across the industry in the past decade or so, courtesy of both incumbents and new starters, so the industry is rightfully embracing the channels that customers require. However, it is now at the stage where doing so is becoming a must as millennials are about to take over as the largest economically active cohort.

Over the coming 10 years, $8.6tn of global high-net-worth wealth will change hands to the heirs of the throne.

Woldemichael concludes: "Millennials have communicated a strong demand for digital channels, amongst other products and services that their parents may not have desired. Meeting this demand will be critical for sustainability." MBR

**GlobalData Banking and Payments Survey 2019*

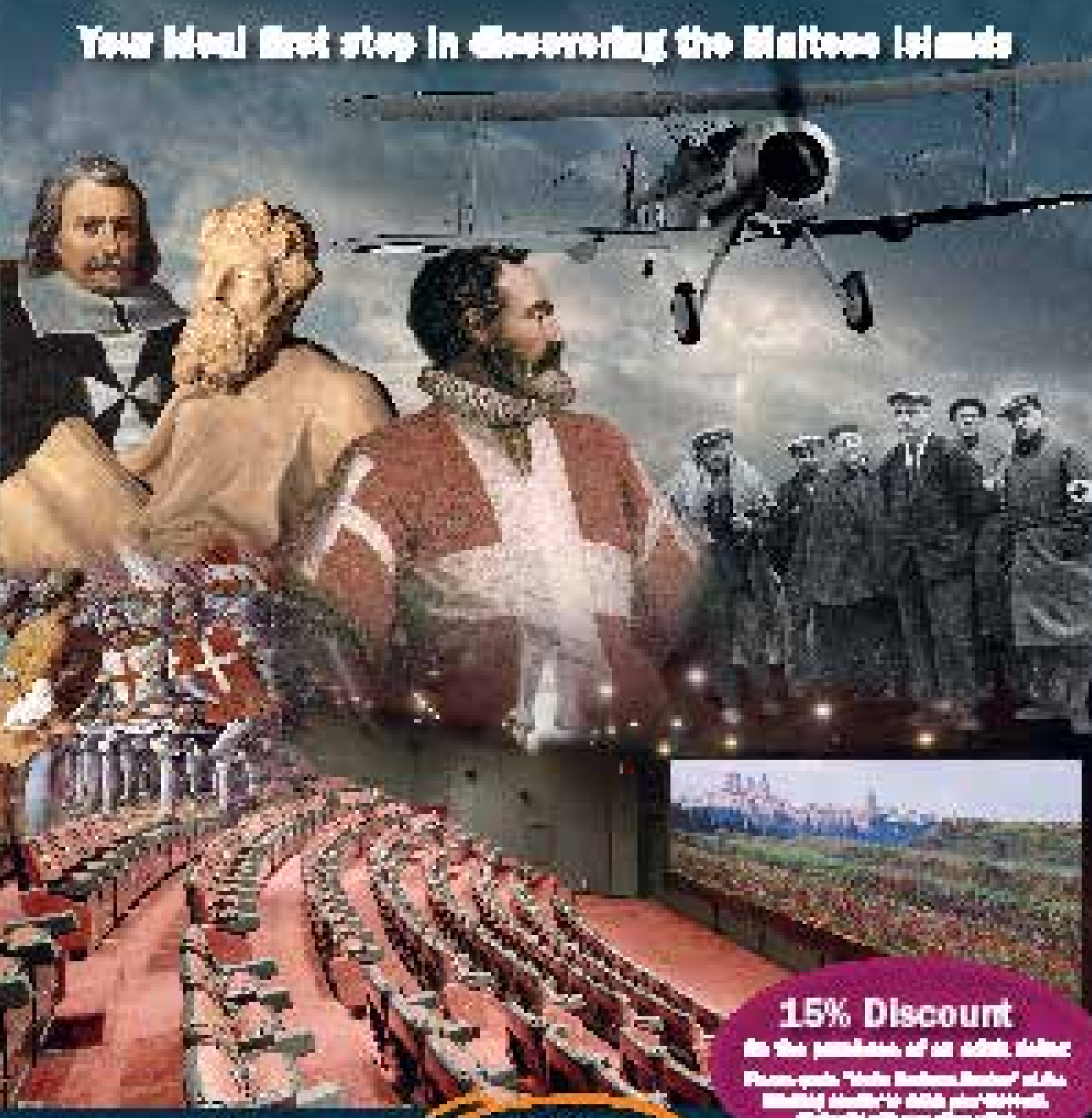
Millennial's most preferred channel to use when arranging investments, Global, 2019



% do not add to 100% due to rounding

Source: GlobalData's Banking and Payments Survey 2019

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www.themaltaexperience.com

St. Elmo Bastion, Entrance Kiosk, Valletta, Tel 2124 0000



THE GLOBAL SEARCH FOR EDUCATION:

Making the World Easier to Understand

Students of the digital era are preparing themselves for an increasingly connected world, which enables them to work from anywhere, to be curious and savvy about current affairs, to adapt constantly and hone their skills for jobs that don't exist yet. Digital competency is with no doubt a vital skill to have, but what is equally important is the ability to interact with data and information in an effectively and efficiently. Eva Dominguez is Founder and Director of MINUSHU, a start-up devoted to creating innovative storytelling experiences with AR and VR technologies, and Creator of NUSHU, an animated adventures series on international current affairs which uses augmented reality and virtual reality technologies to present global news stories to children. Dominguez believes that children should have the same "right to access information as adults" and that the best way to engage them in their world is to tell stories and narratives in an engaging and compelling way.
The Global Search for Education is pleased to welcome Eva Dominguez to talk about the new age of storytelling in the digital era for MBR Publications Ltd

MBR: Eva, what research have you done on the impact of using AR technology with 8-to 12-year-olds? What have you learned? How does it enhance the user's experience?

ED: Our team at NUSHU has conducted two types of research since our conception in 2016. The first research is an ethnographic research study conducted with our initial clients, which lasted for the entire school year. This project helped with our understanding of how exactly NUSHU would be implemented in a live classroom setting. For the second round of research, we created a pilot for 60 teachers to use for three months. The teachers then evaluated our pilot and we continue to use these evaluations to better craft our product.

MBR: How can a virtual character like NUSHU help to narrow the "skills gap" and even the "global citizen gap"?

ED: Storytelling is one of the most human and powerful forms of explaining complex situations. Through the virtual character of NUSHU, it becomes a fun and interactive method of learning for children. NUSHU is a series of adventures for an extraterrestrial





We have found that through the conversational nature of NUSHU, students are rendered the opportunity to reflect on what they are taking in and then apply it to their curriculum.

that has been tasked on a mission to understand humanity and to come up with possible solutions to the problems that will be left for future generations on earth. At NUSHU, we emphasize media literacy and critical reasoning on global issues. It teaches empathy for other nations' problems and imparts understanding and respect towards other cultures, which will increase children's understanding of foreign places.

MBR: How are teachers using NUSHU within curriculum? Do you have an example?

ED: Each of our missions provides different opportunities within the curriculum. An example that comes to mind is when one of our teachers needed to implement a Digital Health segment into their classroom. We had multiple missions like deterring Fake News and defining Digital Privacy that were applicable to the topic the teacher wished to cover. And through our teaching guides, they had supplemental materials at their fingertips ready to be applied in a classroom setting. Through our teaching guides, we encourage activities like experiments, projects, debates, plays, and further research. We have found that through the conversational nature of NUSHU, students are given the opportunity to reflect on what they are taking in and then apply it to their curriculum. Teachers have utilized our teaching guides and NUSHU's mission on Suffragettes and their influence on women's rights.

MBR: How do kids participate/interact with the NUSHU narratives? Can you share any specific stories that would illustrate the impact of the interaction, or share a video clip?

ED: Because of NUSHU's conversational nature, the learning occurs very organically and the participation from children is essential to the concept of the product. So when they begin to play games and explore the world with our augmented alien, they will develop a sort of repertoire with NUSHU and will be more inspired to learn because they're also teaching themselves. At the end of every mission, we ask students to do their own research on the topic. After they have felt this sense of ownership and mastered the topic, they are more inclined to continue their search for knowledge. Children have interacted with NUSHU to create plays about the topics they covered.

> It teaches empathy for other nations' problems and imparts understanding and respect towards other cultures, which will increase children's understanding of foreign places.

MBR: How would you quantify your feedback/achievements to date with students aged from 8 to 12 years old? What are the biggest challenges you've faced?

ED: Teachers and children have absolutely loved NUSHU and their experiences with the product. We have a 100 percent recommendation rate from schools that have implemented NUSHU into their classrooms, and our feedback from students has been very positive. Our biggest challenge up to this point has been exposure to markets outside of Catalonia. As a small startup, resources are very limited and time is of the essence.

MBR: How are you planning to build/develop the NUSHU intellectual property in the next 10 years? What are your key goals?

ED: NUSHU is a transmedia concept, a new age of storytelling. Kids see NUSHU as a friend or a resource to help them understand the world. In the next 10 years, we hope to develop and expand NUSHU to almost all media platforms, which will include TV, VR, books, comics and video games. We hope to be a global brand with impact in both public and private schools all over the world. In order to do this, we have been looking for distributors in different countries and have already started looking into how to expand into untapped platforms.

Thank you to our 800 plus global contributors, teachers, entrepreneurs, researchers, business leaders, students and thought leaders from every domain for sharing your perspectives on the future of learning with The Global Search for Education each month. MBR



C.M. Rubin *Eva Dominguez*

Editor's Note

C. M. Rubin (Cathy) is the Founder of CMRubinWorld, an online publishing company focused on the future of global learning and the co-founder of Planet Classroom. She is the author of three best-selling books and two widely read online series. Rubin received 3 Upton Sinclair Awards for "The Global Search for Education". The series which advocates for youth was launched in 2010 and brings together distinguished thought leaders from around the world to explore the key education issues faced by nations.



HONG KONG REMAINS OF CRUCIAL IMPORTANCE TO MAINLAND CHINA

Despite Hong Kong's traditional role as an 'economic' city in which politics plays only a minor role, anti-government protests have rocked Hong Kong over the summer. This has led to speculation in Hong Kong and around the world that the successful post-colonial formula of "one country, two systems" is under threat.

While it has certainly been an unsettling period for those of us living and working here, Hong Kong's primary concern has always been to ensure that the wheels of commerce can continue to run smoothly. We firmly believe that normal business will resume because Hong Kong remains more important to Mainland China than its size and status might suggest.

According to The Economist, Hong Kong's economy is disproportionately useful to China because it has a status within a body of international law and rules that gives it seamless access to Western markets.

"The status is multifaceted," said the magazine. "It includes: a higher credit rating; lower risk-weights for bank and counterparty exposures; the ability to clear dollars easily; independent membership of the WTO; 'equivalence' status for its stock exchange with those in America, Europe and Japan; recognition as a 'developed' stock market by index firms and co-operation agreements with other securities regulators."

Cross-border bank lending booked in Hong Kong has roughly doubled in the past decade and Hong Kong's stock market is now the world's fourth largest, with about 70% of the capital raised for Chinese firms. Most Chinese foreign direct investment flows through Hong Kong and the number of multinationals with their regional headquarters in Hong Kong has increased by two-thirds since 1997, to around 1,500.

And a piece of good news which went largely unnoticed is that on 18 January 2019, Hong Kong and China signed the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters between the Courts of the Mainland and of the Hong Kong SAR. In our view this means Hong Kong's position as the gateway to China is enhanced and made even more important. Hong Kong's usefulness in recent years has relied strongly on it being the service centre for the Far East and the place where foreign investors prefer to have their affairs settled. It offers the protection of numerous advantageous treaties which make it easier and more tax friendly as the gateway to China. Now commercial disputes in China can be litigated in Hong Kong as long as there is an Hong Kong connection. Setting up the holding company in Hong Kong would provide the necessary nexus. Judgements obtained in Hong Kong can be enforced without further court proceedings in China and vice versa. This is potentially massively advantageous. How much better to litigate in Hong Kong rather than China. Add this to the existence of the CEPA (Closer Economic Partnership Arrangement) and the tax treaty between China and Hong Kong and there are still compelling reasons to incorporate in Hong Kong to access China.

This all means that resolving the protests is important, not just for the citizens of Hong Kong, but for a huge number of other stakeholders. China also knows how much is at stake economically and how much its biggest firms depend on Hong Kong. MBR



PRESENTS

MALTA'S HAIR DRESSER OF THE YEAR AWARDS 2019

29th NOVEMBER 2019
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ominee submissions now open
SEND your entries NOW
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wards will go to those organisations/individuals that are ognised by peers and clients as demonstrating excellence under the relevant criteria below:

- In-depth technical expertise & knowledge of their field
- Market-leading products/services
- Innovative solutions to private client dilemmas
- Contribution to the profession

ervice initiatives – examples and how it differentiates your offering

- Client retention/new business initiatives and success

estment performance (third party corroboration will be noted)

- Leadership and vision
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MALTA BUSINESS REVIEW

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James Falzon accepting his award from Christina Hambardzumyan, Regional Director Malta of Betconstruct

FALCOTRANS

THE JOURNEY TO Success

Interview with James Falzon, Managing Director at Falcotrans Ltd, winner of Malta's Best International Trade Entrepreneur of the Year Award.

> These days it is all about building a relationship with our customers and making them feel like they have a partner to help along their journey as opposed to just another service provider.

MBR: What was your vision in creating Falcotrans Limited?

JF: When I joined the company in the early 90s Falcotrans was already an established company. At that time it mostly consisted of 4 – 5 temperature controlled trailers weekly from Europe for a few clients. The company was small with a handful of employees and when I first joined it was simply to add to the team and continue to streamline their existing business. At that time this was quite a unique service on the island and I saw an opportunity to continue building on this market as there was a great need for it on the island. My vision was that Falcotrans would eventually become the leading forwarder for temperature controlled goods on the island and with a lot of hard work and perseverance my vision was realized.

MBR: Falcotrans Ltd is an entrepreneurial venture. When you are leading an SME company such as Falcotrans, did you still take an entrepreneurial approach?

JF: You always have to keep an entrepreneurial mindset when leading a company like Falcotrans. Even being a leader in your industry, you always have to keep one step ahead of the market and the competitors. From innovations to improve your services, exploring new markets and finding ways to become more efficient its all part of the job. Logistics is a vast industry and I will keep exploring ways of making Falcotrans a "one stop shop" for logistics solutions.

MBR: Is innovation more challenging once a company reaches a certain size and scale?

JF: It mainly depends on your mindset. On the one hand when a company reaches a certain scale it can be easy to take your foot off the gas paddle, however there are always ways to improve and streamline. It is vital not to adopt an "If it is not broken don't fix it" attitude, because there are always ways to do things better and more efficiently. It become more challenging,

of course, however there are always ways in which a company can improve. Also with the emerging technologies such as blockchain, artificial intelligence and self-driving vehicles there are a large number of innovations in the pipeline to ensure Falcotrans remains an industry leader for generations to come.

MBR: How have the roles and responsibilities of a board member evolved and how do you define the role today?

JF: In my opinion today there are no set tasks for a board member as it would greatly depend on the type of business and how they choose to operate. Given that Falcotrans is a family business, all board members are heavily involved in the day to day running of the business. My title on paper is that of a Managing Director, however like other board members I am heavily involved in every aspect of the business. A good team backing you up will help you reach your objectives, but board members are expected to pull their weight and lead by example.

MBR: How critical is culture, diversity and inclusion as a top priority for leading companies today?

JF: In 2019 any company that does not put this as their top priority can never lead a company to the top. Talent comes in all shapes and forms and our top priority as a business is to ensure to higher talented people at the top of their game to help us in executing our vision. I think Maltese companies have come a long way especially in the last 10 years. A company that is diverse is much more likely to be successful and Falcotrans is no exception.

MBR: How do you describe your road to success and was it a difficult journey?

JF: It is easy for people to just look at the success and ignore the actual journey that has led to it. The journey to get to this point today was filled with difficulties, setbacks, failures and disappointments but looking back I would not have it any other way. I feel proud about what we have achieved as a company and will continue to strive to ensure further success for Falcotrans for generations to come. That being said, there is no finish line in business and one cannot put his guard down or become arrogant just because he is successful. Success is a sign that you are on the right track however the road to success will never be constant.

MBR: You have just won an acclaimed award being declared by the judges as the winner of Malta's Best International Trade Entrepreneur of the Year 2019. What were your reaction upon winning and how significant is this award to you and your team?



> From innovations to improve your services, exploring new markets and finding ways to become more efficient its all part of the job.

JF: Just being nominated for such an award is an honour, and winning is obviously a great success. Surprise was definitely my first reaction. Entrepreneurs do not execute their duties for the recognition, however being recognized for doing a great job is always a great feeling. It helps instill further confidence in what you are doing and that you are on the right path. My team was equally as pleased because no entrepreneur can be successful without a strong and talented team backing him up. This was an award for them as much as it was an award for me.

MBR: Are you able to differentiate when it comes to product offerings or is it more about culture, values and strategy?

JF: It's a mixture of all of the above. When you are in a business that offers the same products or services that your competitors offer, it becomes more of a matter of selling the value of your services. These days it is all about building a relationship with our customers and making them feel like they have a partner to help along their journey as opposed to just another service provider. Our services speak for themselves however it is our ability to go that extra mile that sets us apart from the rest.

MBR: Do you feel that it is important for companies today to be purpose-driven?

JF: I think the idea of purpose-driven companies in Malta is still in its infancy. While I acknowledge that this is indeed the future I feel that Maltese companies have been slow to adapt to this way of thinking. While some customers would choose to work with a company that is purpose-driven, most are still much more motivated by pricing and quality of service. In the current market I feel that being purpose driven will help more in recruiting the best talent. It is becoming more and more apparent, especially with millennials and generation Z employees, that they want to work for companies that are purpose-driven. Employees are not happy just doing a job. MBR



USING AI AND MACHINE LEARNING TO FIGHT MONEY LAUNDERING

Data scientists have done a great deal for us in the way of making our financial lives easier and, without a doubt, more secure than ever before. However, these advancements aren't always used for good. While technology has brought the financial world forward in leaps and bounds, it's worth remembering that this same technology is used for far more nefarious reasons – cybercrime in its many forms.

The Cost of Money Laundering

Fighting money laundering is a massive, costly mission that needs to be perpetually in motion. For context, anti-money laundering (AML) measures cost European banks roughly €18 billion each year, with their US counterparts shelling out approximately €22 billion annually.

Banks all over the globe need to have their fingers firmly on the pulse of the fintech ecosystem, and that means paying close attention to their transaction monitoring standards. Failure to do so could leave banks with a hefty fine. The last ten years have seen a whopping 90% of Europe's banks slapped with fines for failing to take the required AML measures – that's €23 billion on fines alone.

Changes in the Tech Landscape

Staying at the forefront of tech is crucial for any organisation hoping to remain relevant in a highly competitive industry. AI and machine learning are developing at breakneck speed, with the biggest cloud providers in the industry making them a clear priority over the last few years.

This tech has the potential to completely revolutionise the front and back-end operations of financial bodies across the globe, boosting risk management efforts, maximising efficiency, and reinforcing the effectiveness of financial crime investigations across the board. Embracing this new tech can also minimise costs by helping financial institutions meet regulations more efficiently, which frees up human resources that can be assigned to other vital areas of the business.

Types of AI and Machine Learning

There are two types of AI and machine learning, each with its own set of pros and cons – supervised and unsupervised. Supervised learning involves a model trained using data that has already been categorised to raise a red flag on any transaction that seem suspicious. In unsupervised learning, what happens is that raw, uncategorised data is introduced to the system, making it start from scratch. By interacting with that data, the system starts to identify patterns indicative of money laundering activities while also creating new ways to sort and analyse data.

The Bottom Line

As intelligent as this tech may be, it's only as good as the data you feed it, so investing in talent should remain a top priority. You can't expect any model employing AI to work without any sort of human input or testing – not yet, at least. For example, take transaction monitoring, each transaction needs to be evaluated against a set of risk-based rules. Even the most advanced monitoring systems to date leave banks with a substantial number of false positives, and that's when the reviewer comes in to cast a human eye over the results before making a final decision. In order for any financial institution to get the best out of its human and tech resources, the two need to work hand in hand. Employees need to feel empowered to work with machines and AI, and tech needs a human element in order to continue moving the industry forward.

ComplyRadar to the Rescue

ComplyRadar monitors transactions relating to individuals, accounts, and entities to detect suspicious activity – quickly and effectively. Its machine learning transaction filter provides an additional probabilistic layer on top of the standard rules engine. This not only drastically reduces false positives but also provides additional data output which is not being captured by simple rules. For more information visit www.comply-radar.com or email info@computimesoftware.com. MBR

comply radar



AML TRANSACTION MONITORING
IT PAYS TO COMPLY

Automatically detect suspicious transactions – quickly and effectively – to help avoid reputational risk and potential fines.

FEATURE HIGHLIGHTS

- **Improve education** – minimise false positives by identifying anomalies for behaviour investigation to overcome or 'normalise' risk and investigate via maximum scrutiny
- **Improve effectiveness over time** – runs rules through machine learning algorithms based on historical scenarios
- **Give regulators confidence** – robust transaction system with a clear audit trail of monitoring and investigations
- **Implement quickly, easily and securely** – easy to implement, accessible via web browser

Learn More, Get in touch with us today.

Drop us an email on [redacted]
Give us a call on [redacted] or visit our website at [redacted]

A tasteful FOOD EXPERIENCE

Interview with Jean-Paul Testa, Designated CEO from Testa Catering Concepts Ltd, offering a high end food experience

MBR: What has been the key to the creators of Testa Catering's growth and success?

JPT: Testa Catering Concepts Ltd was created in the year 2012 together with my wife. We wanted to come up with food Concepts that were original and run them in a professional way like franchises. We started with a casual dining, value for money restaurant that changed the traditional restaurant to a more open mind, well priced fresh home food cooking. Few months later we also created a French cafe. The trend at that time were the Italian coffee shops, but we wanted to create something original.

MBR: What was your vision in introduction of high end brand to the Maltese islands and why?

JPT: We feel Malta has great potential. Fantastic people, good and high end tourist loads of expats that come to Malta for work or retirement. We sell high end property but there are no high end brands in Malta, both in the restaurant and the retail sector. We want to make a change and upgrade the food industry by bringing in famous names to our amazing island.

We want to make a change and upgrade the food industry by bringing in famous names to our amazing island.

MBR: Will you discuss the history and heritage of Testa Catering Concepts Co Ltd and how the company has evolved, especially with regards to the importation of raw material?

JPT: Testa Catering started by being a local company coming up with well designed and created concepts to a future of high end brands that will take over. Rossopomodoro to take over Cibo, Laduree to take over French Affaire and our new location with the Beefbar on the beach concept.





> We offer a place that is by the sea, pleasant for boat swimmers and to anchor a boat whilst enjoying the day at Beefbar.

MBR: How does Testa Catering Concepts engage its people in its diversity efforts and how significant are the product offering, service and expertise?

JPT: We have made this change as we feel that the expertise, creativity and originality of these brands and the piece of mind that comes with the brand are priceless. The raw materials and the know-how are delivered on a regular basis to make sure we keep up with the fast pace the world of food is going through.

MBR: How critical is culture to the strength and leadership of the company?

JPT: We feel we come from a culture were food is sacred, but we still need to understand quality. It is very hard to get people understand how important precision and quality are and that they come at a price. This is not only in the serving and preparation of the food, but even the way a company is structured.

MBR: How would you describe Testa's Decor value proposition?

JPT: We are evolving our company to international standards. We are also in the process of changing our website and head office to set them up to international standards.

MBR: What is the reason for choosing St Paul's Bay – was this location a strategic choice?

JPT: We have been on the look out for a site like this for the past 5 years. This location is perfect for our Concept, as we wanted a getaway from the usual comfort zone of Sliema and St Julian's: we wanted people to get out of the everyday routine. Have a place that is by the sea, pleasant for boat swimmers and to anchor a boat whilst enjoying the day at the Beefbar.

MBR: Do you think parking is a drawback?

JPT: Yes that is why we are telling our customers to come by cab or by boat and we will take care of their return. The experience we want to offer starts when the guests leave their home.

MBR: When you look at Testa Catering's portfolio today, are the developments similar in size and scale, and what drives the principle concept for now and the future?

JPT: Today Testa Catering has a very nice blend of brands: from casual dining, high end tea room but affordable to all pockets and a high end beach and restaurant that has the most elegant decor and serves the best meat cuts from all around the world. MBR



COMMODITY PRICE FORECAST

Copper Prices: Downside Revision as Deteriorating Macro Environment Loosens Fundamentals

COPPER PRICE FORECASTS (USD/TONNE, AVE)						
	Current	*2019*	*2020*	*2021*	*2022*	*2023*
Fitch Solutions	5,802	5,900	5.700	5,600	5,750	6,000
Bloomberg Consensus	-	6,100	6,312	6,650	6,600	6,900
Note: Copper Three-Month LME contract. Accurate as of September 09 2019. Source: Bloomberg, Fitch Solutions						

Key View

We are revising down our copper price forecast for 2019 from USD6,300/tonne to USD5,900/tonne due to poor investor sentiment and Chinese consumption turning out lower than we previously expected, on the back of escalating trade tensions with the US and an already slowing economy.

We are now forecasting the copper market to be in surplus, rather than a deficit, during 2019-2021, prompting us to also revise down our 2020 and 2021 price forecasts.

From 2022 onwards we expect the market to shift back into a deficit as consumption levels recover, leading to an upswing in prices.

Short-Term Outlook (three to six months)

We are revising down our copper price forecast for 2019 from USD6,300/tonne to USD5,900/tonne following a deterioration in the global macroeconomic environment, which has weakened investor sentiment and loosened the global copper market's fundamentals in recent months. In previous analysis we had noted that the copper price collapse had been a sentiment-driven phenomenon due to rising macroeconomic risks, despite tight fundamentals. However, the decoupling of the fundamental and macro outlook for copper now seems to be converging as escalating trade tensions between China and the US in recent months and a slowdown in global economic growth begin to have a tangible impact on copper demand, notably in China.

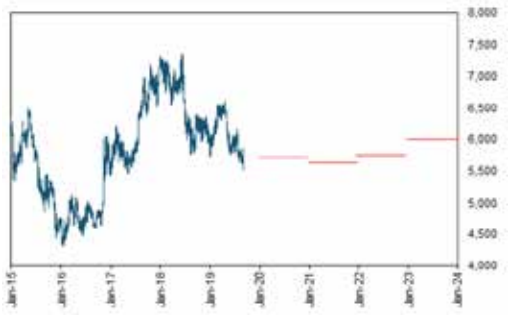
We believe the escalation of the trade war between the US and China is negatively impacting Chinese copper demand in two key ways:
Firstly we note that the US' latest round of tariffs on China announced in August and already in place from September 1, covers approximately USD125bn worth of consumer products and electronics, some of which contain copper, including flat panel television sets, video monitors or power tools. These tariffs will be added on top of the 25% already in place since May 2019 on USD200 bn worth of goods containing copper-intensive products such as electrical equipment and home appliances. We note that the US is the second largest importer of Chinese electrical machinery and equipment, which in itself accounts for over 7.5% of Chinese copper demand. As such, the targeting of these goods is already weighing on Chinese copper demand driven by the domestic manufacturing of these products. For instance, the production of electronic goods in China over the first four registered months of 2019 (March-June) amounted to 752mn units, down from 817mn units over the last four months of 2018 (September-December).

Secondly, and more importantly, the US/China trade dispute has added headwinds to copper-heavy industrial and infrastructure sectors in an already slowing Chinese economy. China has witnessed poor property-market completions so far in 2019 (-10% y-o-y in the commercial space and -7% y-o-y in the residential space) which is a key indicator for real-estate sector copper (approximately 30 % of demand) given its intensive use in the later cycle of the construction phase. We also we expect the Chinese autos market, another key component of global copper demand, to disappoint in 2019 with production forecast to contract by 9.2% y-o-y.

As a result, Chinese copper consumption levels are waning so far this year. For example, Chinese refined copper imports have declined 9.5% y-o-y over the first seven months of the year, while apparent copper consumption (the sum of production plus imports minus exports) in China is firmly in negative territory over the first six months of the year (see chart below), suggesting domestic demand is faltering. As a result, we have revised down our 2019 forecast for Chinese copper consumption to 0.5% y-o-y, down from 2.8 % y-o-y previously. MBR

Prices To Witness Gradual Recovery Over Coming Months

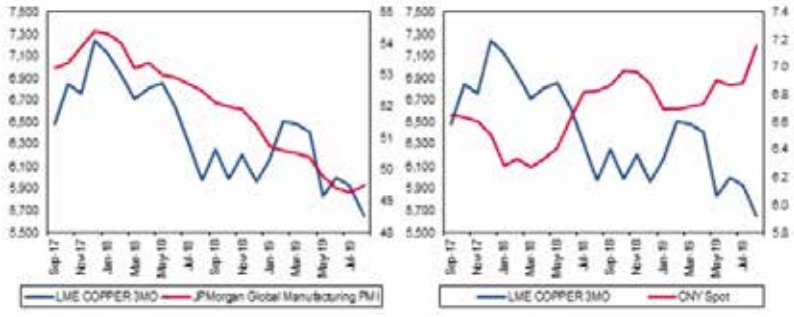
LME Three-Month Copper Price (USD/tonne, Ave)



Note: Horizontal red lines are Fitch Solutions forecasts.
Source: Bloomberg, Fitch Solutions

Weakening Yuan & Manufacturing Adding To Copper's Macro Headwinds

LHC - Copper Prices (lhs) & JP Morgan Manufacturing PMI, RHC - Copper Prices (lhs) & Chinese Yuan



Note: Copper Prices Refer To LME Three-Month Contract (USD/tonne).
Source: Bloomberg, Fitch Solutions

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Bitcoinfused?

HERE'S ALL YOU NEED TO KNOW ABOUT VIRTUAL CURRENCY

When the mystery developer Satoshi Nakamoto presented the first Bitcoin to the world, it was described as a peer-to-peer electronic cash system. A decade later, the virtual currency's prices rose astronomically from a few cents to $10,000. Many technical price experts forecast much higher prices in the future, making Bitcoin an interesting alternative and diverse asset to hold in one's portfolio.

1. What is Bitcoin?

Bitcoin is the world's first decentralised digital currency. Anyone can buy it, anyone can receive it – and nobody can tell anyone what you can or cannot do with it because no single person, organisation or authority has control over it. By cutting out the middle-man, a digital wallet allows you to become your own bank and take full control of your finances.

2. Where does Bitcoin come from?

Bitcoin is designed around the idea of using cryptography to control the creation and transfer of money, rather than relying on central authorities. Bitcoins start as rewards given to 'miners' for validating transactions and maintaining the blockchain network. From there, they're spent and traded in the open market. Since all Bitcoin transactions are peer-to-peer, there cannot be any intermediary to prevent the funds from rolling in.

3. How is Bitcoin's value determined?

Virtual money has existed ever since the economy was invented. The first currency appeared in written accounts that logged how much farmers were owed for their crops. This 'imagined form' of money was used to facilitate real exchanges in a very similar fashion to what we nowadays do on the blockchain. In this case, Bitcoin is considered valuable because of how it is produced and its finite supply. With only 21 million Bitcoins to ever be mined, many perceive Bitcoin as an investment and the more people want it, the more valuable it becomes.

4. How can I get my hands on some Bitcoin?

Malta-based cryptocurrency brokerage Instacoins provides secure and instant access to Bitcoin through a simple online transfer. All you need is a verifiable email address, a digital wallet for you to store your Bitcoins and a valid Instacoins account. Once you have everything in order, you can turn your euro to Bitcoin – exchange is instant. From there on, you can either opt to hold on to your Bitcoin or else, you can trade for commodities and online services, namely gift cards on Amazon and flights via Latvian airline airBaltic.

Instacoins Ltd. is a FinCEN registered entity and is currently looking to be one of Malta's first service-providers to be regulated under the Virtual Financial Assets Act. Their application is currently being processed by the Malta Financial Services Authority (MFSA) under a Class 3 License.

Visit www.instacoins.com to find out more. Alternatively, you can schedule a call-back with the support team by sending an email to support@instacoins.com. MBR



ANTONIO'S BARBER SHOP

GENTLEMAN'S QUARTERS

BALZAN · SLIEMA

BARBERING IS NOT JUST A SERVICE, BUT AN ART!

Antonio Camilleri, 48, opened Antonio's Barber Shop back in 2013 in Triq B. Bontadini, Birkirkara with just two chairs before moving to the current Gentlemen's Quarters in Birbal Street, Balzan.

Antonio was a chef and decided to give up the kitchen to become a barber, following his grandfather's footsteps. He's the man that managed to revive the old-fashioned barbershop experience of yesteryear, with great haircuts, a handsome shop and of course, good old-fashioned straight-razor shaves.

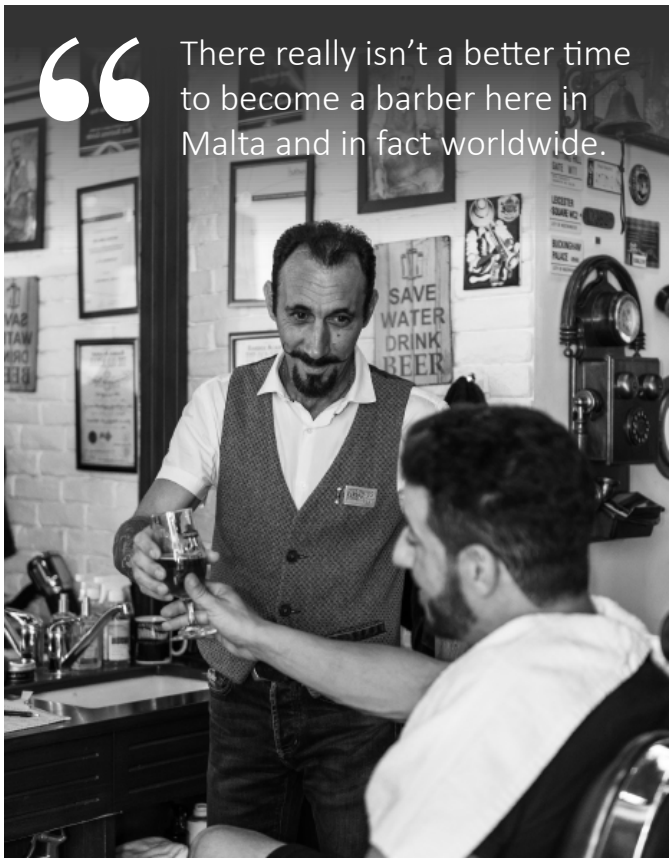
Antonio's second outlet was opened three years ago in collaboration with Frank's Gentlemen Essentials at The Plaza in Bisazza Street, Sliema for sole purpose to be able to cater for more men. Now we have the total of twelve experienced and qualified old school barbers taking care of men from Monday to Saturday, but with every booming trade such as barbering, the downside is the struggle to finding more barbers.

That is when Antonio said the famous words "If you cannot find them, train them" – and Antonio's Barbershop Academy was born. Antonio himself, with his international level 4 old school barber accreditation, was able to provide a proper and internationally acknowledged barbering certification.

Our aim is to help the local students to master such a skill and this will greatly impact the future of the barbering trade in Malta. We take pride in knowing that we are forming a new generation of barbers – in fact, Antonio frequently visits local schools, giving inspiring talks to students to encourage such option.

There really isn't a better time to become a barber here in Malta and in fact worldwide. Speak to any barber shop owner and you will hear a familiar story of there being a real lack of barbers in the industry and how hard recruitment for available barbers actually is!

Antonio's barber academy delivers award winning barbering education to those looking for the very best tuition available. Our industry renowned learning methods are delivered one-to-one with Antonio himself, proven to be the best preparation for a professional career in barbering.



We offer intensive barbering courses to suit your needs, both with National and International Accreditation. Level 1 & 2 will cover science of hair, hygiene, health and safety besides other modules. Level 3 is the advanced level for qualified hairdressers wishing to update their skills in men's hair cuts and beard grooming.

Interested? Want to change career, or know anyone who is interested? Tell them to get in touch by calling 99374443 or email us on info@antoniosbarber.com MBR

EXPAT INSIDER 2019 SURVEY REVEALS:

The Best and Worst Destinations to Live and Work in 2019



EXPATS' OPINION OF LIFE IN MALTA CONTINUES TO WORSEN, DESPITE GOOD RESULTS FOR WORKING ABRO

- *Taiwan, Vietnam, Portugal, Mexico, Spain, Singapore, Bahrain, Ecuado Malaysia, and Czechia are the best destinations for expats in 2019.*
- *The worst countries for expats are Kuwait, Italy, Nigeria, Brazil, Turkey, the United Kingdom, Greece, Russia, and South Korea.*
- *Malta comes 31st out of 64 destinations in the Expat Insider 2019 survey, losing 24 ranks in two years (7th in 2017). It receives its worst ratings in the Cost of Living and Quality of Life Indices.*

For the sixth year, InterNations, the world's largest expat community with 3.6 million members, publishes its Expat Insider survey. With more than 20,000 respondents, it is one of the most extensive surveys about living and working abroad, sharing insights into expat life in 64 destinations. The survey offers in-depth information about expats' satisfaction with the quality of life, ease of settling in, working life, personal finance, cost of living, and family life in their respective country of residence.



Malta comes 31st out of 64 destinations in the Expat Insider 2019 survey. The island particularly loses ground in the Personal Finance Index, and expats are unhappy with the cost of living. While they appreciate the great weather, they are unsatisfied with the quality of the environment, the transportation infrastructure, and more. Meanwhile, Taiwan, Vietnam, and Portugal are the best expat destinations: all of them attract expats with their ease of settling in and good personal finances. While expats in Taiwan and Portugal are also extremely satisfied with the quality of life, those in Vietnam appreciate their great work life. At the other end of the ranking, Kuwait (64th out of 64), Italy, and Nigeria are the worst destinations for expats in 2019. While Kuwait is the country where expats find it hardest to settle in, Italy offers the worst work life, and Nigeria the worst quality of life in the world.

Expat life in Malta

After ranking among the top 10 from 2015 to 2017, Malta already fell down to 20th out of 68 countries in 2018 and lost another eleven ranks in the Expat Insider 2019 survey (31st out of 64). The island sees one its biggest losses in the Personal Finance Index, falling 19 places since 2018 (from 14th to 33rd).

In fact, 26% of expats feel they do not have enough disposable household income to cover everything they need for their daily life in 2019 (vs. 19% in 2018). Moreover, 35% are unhappy with the cost of living (vs. 24% in 2018), ranking Malta 37th in the Cost of Living Index.

What is more, Malta loses eleven ranks in the Ease of Settling In Index (from 25th to 36th in 2019).

While Maltese seems to be a difficult language to learn (74% find it hard vs. 45% globally who say the same about the local language in their country), it is at least easy to live in Malta without speak the local language (5th worldwide). However, despite a low language barrier, expats find it increasingly hard to find friends in Malta: the island ranked 5th in the Finding Friends subcategory in 2017, 14th in 2018, and only 27th in 2019, though the share of expats that finds it hard to make friends with the locals (31%) is still smaller than the global average (39%). However, more than one quarter (26%) feel that the attitude towards foreign residents is generally unfriendly (vs. 19% globally). In 2018, just 20% of expats felt this way in Malta.

Malta offers a great weather and climate, with only 3% of expats rating this factor negatively (vs. 21% globally), but overall the island ranks a mediocre 41st place out of 64 in the Quality of Life Index. For example, 40% of the respondents are unhappy with the quality of the environment, double the global average of 20% and ranking the country 54th worldwide for this factor. There is a "lack of environmental concern from government and general public," expresses a British expat. What is more, 52% are unhappy with the transportation infrastructure (vs. 21% globally), and just 61% rate the available leisure activities positively (vs. 75% globally). MBR

Malta should step up its efforts to investigate and prosecute money laundering as well as to strengthen its supervisory system



In a report published in mid-September, the Council of Europe's anti-money laundering body MONEYVAL calls on the Maltese authorities to strengthen their practical application of their measures to combat money laundering and financing of terrorism.

The report makes a comprehensive assessment of the effectiveness of Malta's anti money laundering and countering the financing of terrorism system and its level of compliance with the Recommendations by the Financial Action Task Force (FATF). MONEYVAL acknowledges that the authorities have demonstrated a broad understanding of the vulnerabilities within the system, but a number of important factors - notably predicate offences, financing of terrorism, legal persons and arrangements, the development of new technologies and the use of cash- appear to be insufficiently analysed or understood.

The Financial Intelligence Analysis Unit is considered to be an important source of financial intelligence for the Police in Malta. However, only in a limited number of cases are the disseminations used to develop evidence and trace criminal proceeds related to money laundering and terrorism financing. The report considers that money laundering is mainly investigated together with the predicate offence on which the investigation is centred. Limited resources, both human and financial, weigh negatively on Malta's capability to effectively pursue this offence. Investigations and prosecutions do not appear to be in line with the country's risk profile. The report expresses concerns that the law enforcement authorities are currently not in a position to effectively and in a timely manner pursue high-level and complex money laundering cases related to financial, bribery and corruption offences. Fundamental improvements are also needed with regard to the confiscation of proceeds of crime from money laundering and associated predicate offences.

While Malta has a sound legal framework to fight the financing of terrorism, the report notes that few investigations have been conducted so far which have not resulted in any prosecutions or convictions. While noting recent progress, the report concludes that the actions undertaken by the authorities are not fully in line with the country's exposure to possible terrorism financing risks. Through a combination of supranational and national mechanisms, Malta ensures the implementation of the United Nations targeted financial sanctions regimes on terrorist financing and the financing of proliferation of weapons of mass destruction without delay. Overall, the authorities could demonstrate a competency in co-ordinating their activities with respect to implementation of various targeted financial sanctions' regimes.

The report concluded that obligations are being effectively implemented by financial institutions and designated non-financial businesses and professions (DNFBPs) to some extent, with major improvements needed. It considers that the appreciation of money laundering and financing of terrorism risks is varied across the sectors. Banks and casinos demonstrated a good understanding of risks and an adequate application of preventive measures, but some non-bank financial institutions and other DNFBPs were unable to clearly articulate how money laundering might occur within their institution or field of activity. Consequently, a low level of reporting of suspicious transactions remains a concern in some sectors.

MONEYVAL noted that supervisory authorities do not have adequate resources to conduct risk-based supervision, for the size, complexity and risk profile of the country's private sector. There are weaknesses identified with respect to the appropriate consideration of the wider money laundering and terrorist financing risks at the market entry stage, the adequacy of fit and proper measures for certain types of DNFBPs and the lack of a coherent and comprehensive graduated risk-based supervisory model. Sanctions for non-compliance with anti-money laundering and countering the financing of terrorism requirements are not considered effective, proportionate and dissuasive.

Malta is lacking an in-depth analysis of how all types of legal persons and legal arrangements can be misused for money laundering and financing of terrorism purposes. There are shortcomings in a multi-pronged approach to obtaining beneficial ownership information. Considering the nature and scale of business undertaken in Malta, the fines for failing to submit beneficial ownership information on legal persons are not effective, dissuasive and proportionate.

Finally, the report notes that Maltese legislation sets out a comprehensive framework for international co-operation, which enables the authorities to provide assistance with a general positive feedback.

Based on the results of its evaluation, MONEYVAL decided to apply its enhanced follow-up procedure and invited Malta to report back in December 2020. MBR

Editor's Note

In the report published by the Council of Europe's anti-money laundering body, MONEYVAL calls on the Maltese authorities to strengthen their practical application of their measures to combat money laundering and financing of terrorism (see also the summary of the report above). The report makes a comprehensive assessment of the effectiveness of Malta's anti money laundering and countering the financing of terrorism system and its level of compliance with the Recommendations by the Financial Action Task Force (FATF). MONEYVAL acknowledges that the authorities have demonstrated a broad understanding of the vulnerabilities within the system, but a number of important factors - notably predicate offences, financing of terrorism, legal persons and arrangements, the development of new technologies and the use of cash - appear to be insufficiently analysed or understood.





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Dr Chris Fearne presenting Carsten Schaefer (right) with the Lifetime Achievement Award



Owen Bonello presenting Julian Goffin (right) with Malta's Best Emerging Entrepreneur Award

finductive

A COMMERCIAL INNOVATION COMPANY

By Martin Vella

A fintech company that drives performance and improves business outcomes for leading businesses, tells us Julian Goffin, Director & CEO of Finductive. Through the application of its core business model, Finductive is able to create financial benefits to serve its clients.

MBR: How do you define the Finductive difference and what makes this firm so special?

JG: Finductive has been conceived by people from the sectors we are trying to attract. We know what the issues in these areas are as we have all gone through them ourselves, the problems with getting accounts here in Malta has grown exponentially in the last few years and the payment system is ripe for an overhaul. Finductive and the team behind it are ready to do that. The difference is when you have a board that is so very proactive, we can get decisions done in minutes rather than months.

MBR: How do you define Finductive's business today?

JG: Today Finductive's business is about assisting companies to grow. As the Banking arena is so fickle and is de-risking on a large scale, companies are finding it more and more difficult to open accounts and to trade. Finductive's business model and the innovation behind our onboarding helps these companies get the accounts they need to work, this together with a best of breed gateway is putting Finductive right on the map in year one.

MBR: Finductive is a firm that has made a major commitment to diversity and inclusion in its workforce. When you start with a premise of hiring the best talent, does that, in itself, guarantee a certain level of diversity or do you need to have metrics and hiring practices that ensure Finductive reaches the targets it has established?

JG: Finductive has gone to the market to bring the right people in to do the right job. We may have been a little cutthroat in doing so but we need to ensure that we have the right talent to improve and to grow as a company. This in itself doesn't guarantee a level of diversity however and we need to ensure that constant education is put in place to help this talent grow. Malta is an amazing place to get the right people; it in itself is so diverse and multi-cultured that the talent is there to find. However, saying that, we have still employed mainly Maltese employee's as these were the right people for the right positions.

MBR: As you assumed your new role, has it been important to internally communicate your vision and ambitions to your people before you focus externally, and how important was it to bring your people onboard and to have them understand your priorities?

JG: This is essential in any business, for the people around you to understand what your needs are as a company and where you are going. We did this from day one as we already had a vision for a stage 2 and stage 3 of Finductive, this obviously doesn't come overnight but is a longer term goal and we needed everyone to understand this vision. Once you have the internal structure onboard then the external will come naturally. Employees talk and are enthused by the company, and the goals that we have set this flows to the outside world. I have to say its worked extremely well.

MBR: Where do you see the greatest opportunities for growth for Finductive?

JG: Finductive will have a natural progression, from these humble beginnings of payment accounts and gateway through to card services and more innovation. We are endeavoring to become a fully paperless office and this will include faster onboarding, sleeker websites and customer journey. If the markets continue in they way they are with regards to the financial sector and archaic systems, then the Fintech industry in Malta will flourish, Finductive would want to be right at the front of that.



Julian Goffin presenting his speech at Malta's Entrepreneur of the Year Awards

> We are endeavoring to become a fully paperless office and this will include faster onboarding, sleeker websites and customer journey.

MBR: What do you tell young people interested in the profession about the innovation that is taking place in professional financial services, as well as AI and Blockchain?

JG: This is a technology to embrace, over the last few years we have seen this growth in AI and blockchain in the Financial industry and in realistic terms this is still in an Infancy stage, so the innovation can only get better and better, AI in the banking world, all built upon Blockchain technology, not just the way of the future but this is happening now. The up and coming AI and Blockchain Summit in Malta is the 3rd event held here dedicated to AI, Blockchain and Big Data, and just shows how much emphasis is being put into this technology. We need the youth to embrace this and be the leaders of the future in this sector.

MBR: Recently, during Malta's Best Entrepreneur of the Year Award ceremony, you were awarded as Best Emerging Entrepreneur of the Year 2019, Best Innovation Entrepreneur of the Year 2019, and your partner Carsten Schaefer won the prestigious Lifetime Achievement Award. How significant has this been for you personally, your family, as well as for your company?

JG: This was a fantastic achievement for me personally, to actually have a team of prestigious judges look at what we are doing and say, yes, this company is going somewhere. My family are extremely proud of what has been achieved in such a short period of time. This could not have been achieved however without the right team behind me, and the awards were actually their awards, they have worked tirelessly over the last year to bring this company to the forefront of the industry. We all thank you and the Judges for picking us out of a very tough field.

MBR: How does financial planning and analysis help provide customized solutions for clients?

JG: This is different for every sector, with our gateway for example, igaming clients will be able analyze the data of payment methods by country, by age, by gender and so much more. Big Data that is in everything will help the routing of customers through the best payment methods for specific areas essentially giving them a much better conversion rate and better returns. This will allow us to assist them with future expansion and to work on more innovated solutions for them.

MBR: How critical has it been for your role to have close collaboration with Finductive's business leaders and to be a part of business strategy?

JG: This is very critical to my role in Finductive, a captain of a ship needs to understand the needs of the owners and needs to plot the voyage with them to try and avoid any obstacles. As I mentioned previously, the board of Finductive is always a telephone call away and this really does help us move extremely fast in what we need to do. One thing that we do try to embrace is that the employees also feel part of this strategy, so we have an open door policy on ideas, if you're a head of department or if you are a receptionist, we are happy to listen to any idea that will help improve the company and its business moving forward. In one way or another every person in the company is a leader. MBR



INCLUSIVE Leadership

An interview with Maurizio Mamo, 4 Sight Group CEO and founder, who has always been after adding value using technology and digital marketing in order to make sure that customers look at information technology and digital marketing as means to profit and reduce cost and not as a simple cost that they could not avoid. 4Sight as the name implies was built by Maurizio with future centric focus in mind based entirely on value to the end customer.

MBR: What has made the IT/Digital industry and 4Sight Group so special for you?

MM: My passion for IT sparked at a very young age. I still remember the early days back in the mid-nineties when I got my first PC. I was fascinated by how it worked – I found I had the brain for it and could understand what was going on inside. I decided I wanted to work in the IT field and at the time there weren't many opportunities. But I have a very ambitious character, and I don't take no for an answer very easily. I started my career in the sales of IT equipment at the tender age of 19. It has been an uphill learning curve ever since, but I don't regret it. 4Sight Group represents the work I have put into it and my achievement. It is my little baby and I can't wait to see it grow into an adult. I am very demanding of myself and my business so probably like many parents I will always keep looking at it as a baby no matter how large it grows.

> A good leader needs to serve his staff to make sure they deliver at the top of their capabilities for the betterment of the business he is appointed to grow.

MBR: How important is brand awareness for 4Sight Group and are the capabilities that 4Sight Group offers well understood in the market?

MM: To be honest with you I think that 4Sight Group needs to mature more on the market where brand awareness is concerned. We have a fully mapped plan on how to make this happen. This said we have many raving fans that support us and refer us. At the end of the day, the proof is in the pudding and if your service is good, people will refer you. That is the best marketing possible.

MBR: How do you define the 4Sight Group brand?

MM: 4Sight is a boutique of IT services. We are not a Jack of all trades as some might think when they hear me say this. We have specialised teams of professionals that cater for the most commonly used areas of IT (consultancy, infrastructure, hardware and software procurement, support, bespoke software development, cloud computing, business solutions, branding, graphic and web development, digital marketing and search engine optimisation). The advantage with this is simple. If customers need any service related to Information Technology, they do not need to go to different providers, and possibly



Maurizio Mamo (centre) winner of Malta's Best Digital/IT Entrepreneur award





Adrian Kreter, Founder of Arringo Ltd and Instacoins presenting Maurizio with his award

end up struggling to manage the various projects. We do all the management of all the services for them. The only thing our customers need to worry about is their business and our results.

MBR: What have been the keys to 4Sight Group's success and how do you differentiate the company?

MM: 4Sight's strength is its flexibility and its team mentality. There is no secret formula, but we have a defined mentality that we seek within our team members and there is a specific modus operandi we adopt to make sure that our customers get more value than what they expect. A little extra goes a long way both with our staff and our customers. At the end, the result you get is a direct reflection of the effort and value you put into it.

MBR: How do you define your role leading 4Sight Group and inclusion at 4Sight and how do you focus your efforts?

MM: Today my role has shifted mainly to strategy rather than operation. I am blessed with a good team that made this transition easier for me. My efforts are mainly focused at fine tuning our engine more and more and focusing on international business development with potential partners.

MBR: Would you provide an overview of 4Sight Group's diversity and inclusion strategy?

MM: 40% of our staff is foreign. Nationalities vary and we have people from all over the globe working with us. We focus a lot on a variety of activities aimed at making sure that diversity and inclusion are at the core of what we do. As I stated the team is everything for us.

MBR: How do you view your recent success winning Malta's Best Digital & IT Entrepreneur of the Year 2019 at MBEOTYA, and what are your recollections of the night's event?

MM: To be perfectly honest I was not expecting it. It was a nice surprise and I am mainly happy about it because it boosted my team to push further and achieve more. The event was pleasant, and I must say all my team really enjoyed it. I myself also met with some acquaintances that I had not seen for some time. So, it also served well for networking purposes. Overall, I am happy that I accepted the nomination.

MBR: Do you take moments to celebrate the win?

MM: We did celebrate afterwards the event at a bar close by of course, the night was still young when the event ended. We also had a lot of positive comments from our fans and friends on social media following our posts.

MBR: Are corporate strategy and technology interrelated?

MM: Technology today is in everything and is a vital component of corporate strategy. For a strategy to be accomplished it requires tactics and unless IT is heavily used in businesses tactics, a business will not go far.

MBR: How do you define the role of the CEO and what are the key aspects to effective leadership?

MM: The way I see it, the role of the CEO is very particular in its nature and many interpret it in their own way. For me strategy and servant leadership are at the core of how I operate for a variety of reasons.

A leader is a leader because people feel compelled to follow him and not because they must. A good leader needs to serve his staff to make sure they deliver at the top of their capabilities for the betterment of the business he is appointed to grow. A CEO necessitates strong leadership skills because without a proper leader a company is bound to fail, and today more than ever before, a company is as strong as the sum of its parts. Not only is the CEO responsible to drive the company, but he is also responsible of nurturing other leaders within his/her staff to help him lead and strategise. Some don't understand it and micro manage people. That is a sign of mistrust in my opinion, and I do my utmost to do the exact opposite. I trust my people and I believe in their capabilities. I understand that I am not the best at everything, and I am no superman, I am fully aware of my short comings and I embrace them. This is why I value my people. I believe they are the best at what they do, and I am their number one fan! MBR



Daniel accepting his award from Dr Chris Fearne, Deputy Prime Minister and Minister for Health

INNOVATION IN HEALTHCARE

By George Carol

Interview with Daniel Camilleri, Medsytec Engineering Ltd, winner of Malta's Best Healthcare Entrepreneur of the Year award.

MBR: What have been the keys to the success of Medsytec Engineering Limited?

DC: Medsytec Engineering Limited was designed to work on two strong, but very different pillars. The company is shared and managed between two owners, and this has contributed to its significant growth and made it stronger. Between us both, we were able to merge medical technology and business experience. In order to gain exposure, we decided to introduce ourselves within the private sector and offer best solutions for high quality medical supplies without breaking the bank. This was combined together with the exposure that gave us a boost start to render enough turnovers.

MBR: What are your priorities going forward and are you happy with the progress you have made in your role at Medystec?

DC: Our priorities at this stage are for the company to step forward into an international medical trading company, hence increasing clientele and not be just limited to the local demand. The company headquarters would still be based in Malta.

MBR: How do you define your role as Managing Director of Medsytec?

DC: As a managing director, my roles are quite similar to every managing director position. However, being also the owner adds to the roles, filling all the missing gaps and undertaking more responsibilities. Roles are not limited and you have to understand the concept and operation of every position within the company.

MBR: Is technology enabling a better patient experience or do you worry that technology is taking away the human touch?

DC: Technology enabled us to see what a decade ago we could not see. The resources that we have today grew strong enough to enable us to detect certain medical conditions which were considered far-fetched and give us more convenience. On the other hand, human touch will always be needed. No electronic device or machine can replace that.

MBR: Why is it significant for Daniel to have won Malta's Best Healthcare of the Year Entrepreneur Award 2019 and what are your impressions of the event?

DC: Having won the award was unexplainable. For me it's an acknowledgement of our dedication and hard work within this community. The event was nothing short of outstanding, also a great occasion to network with other entrepreneurs. We have the energy. Many organizations that have been in existence for a long time become stale. We are an upstart and we benefit from the creativity that comes with youth.

MBR: When you look at the emphasis around ambulatory and homecare today, what will the role of the hospital be in the future?

DC: The role of the hospital will still be the same. Ambulatory and homecare adds on to the convenience, putting the hospital in a better shape to emphasize more on situations which require instant action. The hospital will continue to be very important. I reject the notion that they are outdated. As people age and, as we are successful in keeping people alive longer, there will be more people with chronic illnesses and the only place for many of them will be in hospitals – at least for a brief period. Contrary to what some say, hospitals are not obsolete – they are evolving like everything else.

Like I said previously, medical technology grew strong enough to give us more convenience, yet again no machine or electronic device can replace the human touch. And that's why the role of the hospital will always be just as important. MBR



Amanda Muscat, CEO, North Key Real Estates



Christopher Zarb (right), Managing Director of North Key Real Estate accepting his award from Dino Fino, CEO of Dino Fino Home & Contract

HIGH LEVEL OF SERVICE

In this interview, Amanda Muscat, CEO of North Key Real Estate Ltd, discusses the importance of client orientated decisions.

MBR: What excited you about the opportunity to be part of North Key Real Estate Ltd and can you briefly describe your role?

AM: I was assigned the role of CEO as from the company birth. Since from the start I took ownership of the company and took the challenge to make the company grow.

MBR: How challenging is it to cut through the noise in this sector during this period and show what makes the North Key brand unique?

AM: One would have to learn and accept the challenge growth brings but once you learn the game it makes matters easier to play. I have been in this industry for 13 years and started completely from foundation and this was the opportunity for me to learn. We understand our clientele, the complications and weight a property investment bring on the investor, our role is to facilitate matters through experience and fairness.

MBR: Your Managing Director, Christopher Zarb, won Malta's Best Entrepreneur of the Year Award 2019. Can you describe your team's feelings upon learning the outcome of the judge's scores and in what ways is this significant to your Company?

AM: We were all amazed when learning that we were nominated in the first place, Christopher Zarb has been in this industry for over 19 years and had managed to build very high reputation. The fact that we also won this category gave us an assurance that we are on the right track and to continue pursuing what we started.

MBR: What will make the difference for North Key Real Estate Ltd's future success?

AM: For North Key Real Estate success means giving a high level of service and with this award we are more confident than ever and will continue to making sure that clients are enjoying the experience, we will do our utmost to enjoy doing what we are doing and looking forward for further growth in the near future. MBR



The North Key Real Estate Team



Minister Carmelo Abela and Mr Matthias Ebejer

First Maltese researcher benefiting from a scholarship at Doctoral Level at the European University Institute, Florence

Maltese researchers now can benefit from academic scholarships offered by Government to conduct doctoral and post-doctoral research at the highly reputable European University Institute in Florence. This was stated by Minister Carmelo Abela during a visit at Badia Fiesolana, part of the campus of the EUI located in the Tuscan hills. Malta marks its one-year status as a contributing member of EUI following a decision taken in 2018 by the Ministry for Foreign Affairs for Malta to become a contributing member and by the Ministry for Education and Employment to provide scholarships for Maltese students.

At the institute, Minister Abela met with the first Maltese researcher Mr Matthias Ebejer, chosen by the board of EUI to follow a doctoral level degree researching entitled 'Spirituality in Warfare - The Knights of Malta 1530-1798'. Minister Abela congratulated Mr Ebejer at the start of his four-year study journey and ensured him all the support from the Embassy of Malta to Rome and Consulate of Malta in Florence. Mr Ebejer's doctoral research will be supported by the Ministry for Education and Employment.

Minister Abela appealed to Maltese researchers to look at Mr Ebejer as a source of inspiration and be encouraged to follow a similar path at an institute which provides exceptional career prospects. "The EUI's distinctly international environment offers unique academic training, enriches the intellectual experience and provides exceptional opportunities for Maltese academics across disciplines and borders", said the minister.

Minister Abela was shown around the historical archives of the European Union which are situated in this institute at Villa Salviati thus providing unparalleled insight on the work of the European Union. He was shown historical papers on Malta dating back to 1962. Minister Abela also visited the library of EUI which comprises around half a million volumes in specialised areas.

Since its founding in 1972 by the six original members of the then European Communities, the EUI has earned a reputation as a leading international academic institution with a European focus. The four departments; Economics, History & Civilisation, Law, and Politics and Social Sciences host scholars from more than 60 countries, studying for the institution's doctorate or the one-year master's in law. Currently, the EUI has over 600 students, all on scholarships from the 23 member states.

The departments and centres are housed in 13 historic buildings scattered about the hillside which have undergone extensive renovation in recent years. The EUI is financed through the membership fees of the countries and through EU funding. The Ministry for Foreign Affairs and Trade Promotion finances the country membership fee, amounting to Eur18,000 per year, calculated on a standard formula which takes into account the member countries' GDP. The Ministry for Education and Employment finances the subsistence allowance for PhD students, amounting to Eur18,000 per year for each student, for a maximum of three students in any one year, amounting to Eur54,000.

Minister Abela thanked President of the EUI Professor Renaud Dehousse and Vincenzo Grassi, Secretary General of the EUI as well as their team for their hospitality. The minister was accompanied by Ambassador of the Republic of Malta to Italy Vanessa Frazier and Honorary Consul of Malta in Florence Luca Parenti.

Open calls for doctoral scholarships and post-doctoral fellowships are open each year in autumn and spring respectively. More information is available on the EUI website.

Credit/Photos: MFTP MBR



Minister Abela at Villa Salviati



Minister Abela thanking President of the EUI Professor Renaud Dehousse and Vincenzo Grassi, Secretary General of the EUI as well as their team for their hospitality.



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PRESENTS

MALTA'S BAR & COCKTAIL AWARDS 2020

22nd NOVEMBER 2019 | XARA LODGE, L/O RABAT

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- Investment performance (third party corroboration will be noted)
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THIRD BRAND NEW AIRBUS A320NEO JOINS AIR MALTA'S FLEET

The third brand new 180-seater Airbus A320neo joined Air Malta's fleet this week. The aircraft has been registered on the Maltese aircraft register as 9H-NEC and was flown directly from the Airbus' facility in Hamburg. The aircraft entered immediately into service last Thursday with flight KM 328/9 to Frankfurt.

The aircraft is the second one to be configured according to Air Malta's specifications and requirements. The cabin interior has been selected to offer 18-inch-wide seats where passengers can enjoy more personal space, comfort and leg room. Apart from enhanced facilities including a more modern look and feel of the cabin, led lightning and larger luggage storage, the aircraft offers reduced operational costs for Air Malta especially with its improved fuel efficiency of around 20%. Due to its lower fuel burn rate, the aircraft is capable of longer-range flights of about 10-15%. The aircraft is equipped with CFM International LEAP-1A engines.

Speaking at a press conference in front of the aircraft Air Malta's Chairman Dr Charles Mangion said, "This aircraft is a welcome addition and another important step forward to continue reducing our fleet's average age and improve aspects of customer experience, environmental commitment and airline reliability and efficiency. It shows commitment to Air Malta's growth strategy and a big investment in the airline."

Minister for Tourism Konrad Mizzi added, "Air Malta is undergoing a transformation process which includes the shift to brand-new state-ofthe-art Airbus Neo aircraft, growing a route network that now includes over 40 destinations and improving its inflight services in both economy and business class. The Maltese Government is committed to support the growth strategy adopted by Air Malta and the investment in the airline in the months and years to come."

Last year Air Malta embarked on a five-year fleet replacement project that will see the airline operate a brand-new Airbus A320neo fleet by the year 2022. The next batch of brand-new aircraft are expected to join the airline's fleet next year.



Dr Charles Mangion, Chairman of Air Malta together with the Minister for Tourism, Konrad Mizzi

The Airbus A320neo is a development of the A320 family and offers state of the art aerodynamics, and with its new generation engines, the NEO offers unbeatable efficiency, environmental performance and lower noise levels of up to 50%. For every new Airbus A320neo that joins Air Malta's fleet, the airline is saving hundreds of tons of fuel per year and seeing a 24% reduction of CO_2 emissions.

This type of aircraft fits perfectly with the airline's current older fleet of Airbus A320ceos and delivers seamless operational integration and also costs savings in terms of training of engineers, pilots and other staff members. MBR



Dr Charles Mangion, Chairman of Air Malta and Minister for Tourism, Konrad Mizzi together with cabin crew and Air Malta staff during press conference



Gaming Innovation Group (GiG) changes leadership

The Board of Directors of Gaming Innovation Group Inc. (GiG) has decided to replace the CEO of GiG, Robin Eirik Reed, who left his position on the 5th of September 2019. GiG's Chief Operating Officer Richard Brown assumed the position as acting CEO.

Petter Nylander, Chairman of the Board of GiG comments: "Robin has played a crucial part in building a unique one-stop global technology provider and we all owe him our sincere gratitude for this. However, the company now enters into the next phase of its development with different challenges and opportunities and the Board has reached the conclusion that GiG therefore also needs a different leadership. We have a skilled management team in place, I and the Board have full confidence in the Chief Operating Officer, Richard Brown who will be acting CEO of GiG from today."

Petter Nylander will, with immediate effect, increase his engagement to take a more active role in GiG in order to support both the succession process and the management team, strategically as well as operationally. The recruitment of a permanent CEO will start immediately.

Petter Nylander continues: "The strategy of GiG remains unchanged; to be the global operator and partner for strong brands in iGaming, with a sweetspot in taking an offline casino brand to a strong online offering, as we have with SkyCity and Hard Rock. We are focusing on securing potential contracts within the B2B Platform services and on servicing our many customers with fully managed and component solutions. We will continue the development of the Media services and the sportsbook, not least to leverage GiG's opportunities in the US. We will also continue driving the B2C Gaming operators with a focus on growth in new markets."

About Gaming Innovation Group (GiG)

Gaming Innovation Group Inc. is a technology company providing solutions, products and services throughout the entire value chain in the iGaming industry. Founded in 2012, Gaming Innovation Group's vision is 'To open up iGaming and make it fair and fun for all'. Through its ecosystem of products and services, GiG is connecting operators, suppliers and users, to create the best iGaming experiences in the world. Gaming Innovation Group operates out of Malta and is dual-listed on the Oslo Stock Exchange under the ticker symbol GIG and on Nasdaq Stockholm under the ticker symbol GIGSEK. www.gig.com MBR

Editor's Note

This information is information that Gaming Innovation Group Inc. (GiG) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 08:30 CET on 5 September 2019.



LÓPEZ-ISTÚRIZ WHITE:

We are ready for any political and economic scenario following Brexit



By Pilar Santamaría

The Secretary General of the European People´s Party (EPP) and Member of the European Parliament, Antonio López-Istúriz White, has assured today that "the coming months may not be easy due to Brexit, but I am sure that the deep ties we have established among the 27 member states in these past decades will enable us to overcome any economic and political scenario that this sad episode in European history may have. We are prepared."

"After Brexit we will continue working with our British friends and partners, building bridges and finding solutions to common challenges."

Speaking at a Forum in Oxford on the state of the European Union to British politicians, as well as business, academia and civil society representatives from across Europe, López-Istúriz recalled that "in the EU we have always transformed challenges into opportunities and we have emerged from crises stronger, converting every crisis into an opportunity to improve. Almost every time, against the predictions of many, Europeans have come together to find solutions and move forward. That is why I am optimistic."

"As an example, after the serious economic crisis that hit Europe, when many forecasted the end of the EU, more than 12 and a half million jobs were created just in the past few years, reducing unemployment to its lowest level this century. That being said, there are citizens that are still suffering the consequences of the crisis and there remains work to be done."

In this regard, he recalled that "EPP Governments with responsible leaders took difficult, even unpopular, but courageous measures which put their countries on the path to recovery."

> After Brexit we will continue working with our British friends and partners, building bridges and finding solutions to common challenges.

"In fact, an economic policy focused on people, climate change, European leadership on digital innovation and the reinforcement of the rule of law are other current challenges of the European Union and the priorities for the new European Executive that will run as from 1 November."

The Secretary General of the EPP also highlighted that when the UK leaves the European Union, the European Parliament will have an even stronger pro-EU majority than in the previous term. MBR

Editor's Note

The EPP is the largest and most influential European-level political party of the centre-right, which currently includes 84 parties and partners from 43 countries, the Presidents of the European Commission and the European Council. 9 EU and 4 non-EU heads of state and government, 14 members of the European Commission and the largest Group in the European Parliament.

Standard and Poor's affirms Malta's rating at A-/A-2 with a positive outlook



The Ministry for Finance welcomes the latest credit rating published by Standard and Poor's affirming Malta's Rating at A-/A-2 with a Positive Outlook.

According to Standard and Poor's, Malta's positive rating is attributed to "its strong growth performance, recurring current account surpluses driven by its large services exports, and the Government's improving budgetary and debt positions, and fiscal management." Minister for Finance Edward Scicluna stated that "we will remain fully committed to sustain our economic and fiscal success while strengthening the regulatory and supervisory standards of Malta's institutions."

Indeed, the credit rating report acknowledges the Maltese authorities' efforts to strengthen supervisory standards and their cooperation with the EBA. It refers to the FIAU's submission of the action plan to the EBA, which included an increase in the overall budget and staff of FIAU to accommodate the AML initiatives, as an example in this regard.

Standard and Poor's expects the Maltese economy to continue to expand at a fast pace with GDP growth likely to exceed that of countries with similar income levels and stages of development. This, it adds, reflects the authorities' commitment to policies incentivising investment and hiring. The credit rating report notes that Malta's real GDP growth accelerated to 7.7 per cent on average in the 2014 to 2018 period. It also notes that the structural shifts in the economy have created new employment opportunities while reducing the unemployment rate to 3.8 per cent in 2018, the lowest in two decades. Standard and Poor's acknowledge that the Government has consolidated its finances, reduced general government debt relative to GDP, and undertaken several structural reforms, notably those that have reduced the country's energy bill and increased female participation in the labour market.

The credit rating agency further anticipates that macroeconomic policymaking will remain geared toward further fiscal consolidation. Indeed, they expect fiscal surpluses to continue in the coming years allowing the ratio of government debt to GDP to continue to decline. MBR

Credit: Ministry of Finance

La Giara

A "Giara," Jar in English, is a storage container, cylindrical in shape, typically made of earthenware and very common in the Mediterranean area.

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Introducing LED signage to your establishment

Managing your Content

Some things just go together and once they're paired up, and it's nearly impossible to imagine them on their own. Today we're discussing the connection between digital signage and content.

Digital signage might be the medium, but the medium is nothing without the message. Content is the message that powers your digital signage investment. Content is the way you reach your customers. It's how you leverage your digital signage investment to turn your hardware purchase into ROI-driving marketing results.

In what way can digital signage help your business?

- Marketing: Naturally, the most compelling use of the digital signage/content partnership is marketing. High-visibility digital screens are great for capturing consumer attention, providing a clear, direct marketing message, and motivating that consumer to take action. But, it takes content to make this happen.
- Lead Generation: Research shows that digital media in public venues can reach 27% more people than in online strategies. In our view, digital signage (powered by the right content, of course) is a crucial aspect of lead generation. The more you can get in front of your customers' eyes, the better — and digital content is an excellent way to draw more leads into your marketing funnel.
- Upselling Products: The flexible content templates used in digital signage are the perfect way to upsell, particularly when they're placed close to the point-of-purchase.
- Internal communication: Digital signage works just as well at engaging your own staff as it does your customers. When implemented with the right content, you can turn your internal digital signage into a full-fledged communication hub.
- Emergency response: While it's not quite as fun as boosting ROI or supporting team morale, our digital signage and content pairing has another important use: emergency preparedness. This is particularly important when digital signage is placed near vulnerable populations, such as in schools, or in hospitals.

To conclude, there's no better pairing than digital signage and content. Like any good pairing, the two work in tandem and push each other's capabilities beyond what either could achieve on its own. Next month's topic will cover top ways to effectively integrate social media with digital signage. MBR



About the Company

Mark Vella, Managing Director and Owner of Powerhouse Audiovisuals and Events is one of the pioneers of Malta's exciting events sector.

Powerhouse are specialists in Digital signage, would be able to provide you with either the screen of your choice and/or also content management – just get in touch with us at by sending us an email on info@powerhousemalta.com or by giving us a call on +356 7949 9432



GREEN ROOM Gallery VALLETTA

At the Rolex Boutique in Republic Street Valletta, there is a stairwell that leads to a hidden space away from the hustle and bustle of the city, aptly named the 'Green Room' gallery. The name 'Green Room' is historically associated with showbiz, most commonly given to a backstage area where the talented performers wait before they go on stage. Synonymous with Rolex, the colour green permeates throughout the identity of the brand, an iconic shade that is instantly associated with the world's most famous luxury watches. The 'Green Room' gallery will be a hidden gem in the heart of the city, exhibiting some of the most exceptional local and international art and design.

The name is also closely linked to the first exhibition which will be held in this space. For the launch of the 'Green Room' gallery, a collection of new works from internationally-renowned Maltese photographer Kurt Arrigo will be on display. His photographs were recently featured at the 2019 Oscars which were used as a background for the Rolex Green Room at the awards ceremony. The images were blown-up and displayed on the walls, giving the impression of actually being submerged in a fascinating underwater world once you entered the room.

"As we launch the newest addition to the Edwards Lowell brand, who is more fitting than world-class Maltese photographer Kurt Arrigo to inaugurate our 'Green Room' gallery with his remarkable exhibition. It has been a pleasure to witness his inspirational evolution and growth. His philosophies and work ethic truly encapsulate the spirit of Edwards Lowell" - Malcolm R. Lowell - Edwards Lowell, Managing Director.



Malcolm R. Lowell, Managing Director of Edwards Lowell and Photographer Kurt Arrigo



Kurt, who is most famous for capturing sea-life like no other, says that this new collection highlights the relationship between humans and the ocean which covers more than two-thirds of our planet. Without it, we could not survive so we must strive to respect and protect it. The photographs capture a deep-sea world, in which few of us can ever experience.

"It is privilege to share part of my visual journey with Edwards Lowell with whom I have collaborated for many years. " Kurt Arrigo

The collection is currently on display and can be viewed by request at our Rolex Boutique, 46 Republic Street, Valletta

Visit www.elcol.com/greenroom for more information MBR

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BETTER OUTREACH TO CITIZENS NEEDED TO IMPROVE EFFECTIVENESS OF EUROPEAN COMMISSION'S PUBLIC CONSULTATIONS, SAY AUDITORS

By Damijan Fišer

The European Commission's framework for consulting the public during the development and evaluation of EU laws and policies is of a high standard, according to a new report by the European Court of Auditors. The performance of selected recent public consultations by the Commission has been satisfactory overall, say the auditors. However, they recommend that the Commission improve the way it reaches out to citizens to promote greater participation. In addition, it needs to better monitor and assess their contributions to protect against manipulation of results, they say.

The Commission consults citizens and stakeholders in all areas of EU action and throughout the policy cycle. They can also share their views at any stage from the initiation to the evaluation of EU policies through its "Have Your Say" portal. The Commission conducts over 100 public consultations a year.

The auditors assessed whether the Commission's public consultations were effective at reaching out to citizens and stakeholders and making use of their contributions. They examined a selection of recent online consultations, including on seasonal clock changes, migration measures and agricultural policy. The auditors also conducted a perception survey to find out how satisfied participants in consultations actually were.

"Citizen engagement in public consultations is key to maintaining the EU's democratic legitimacy and achieving high-quality laws and policies," said Annemie Turtelboom, the Member of the European Court of Auditors responsible for the report. "The Commission should do more to achieve the goal of public participation with the best possible level of outreach to citizens and inform participants about the outcome of the public consultations."

While the auditors recognise the high standard of the Commission's framework and participants' overall satisfaction with the public consultation process, they found shortcomings in its outreach and feedback activities.

In 2018, 2 000 citizens on average took part in each consultation. This excludes the "clock change" consultation, which received a record 4.6 million responses – albeit that the vast majority of these came from only one Member State (Germany). However, the auditors also found one public consultation in its sample in which only three people participated. This illustrates that the Commission needs to improve its outreach activities, say the auditors. They recommend that it should better engage with its offices and authorities in the Member States to disseminate more information about consultations and adapt its communication channels to increase the range of potential participants and target any information gaps. According to the auditors, the consultations with the lowest response rates did not use a variety of communication channels to reach their target audiences, unlike those with the highest rates.

Participation was also higher when the survey was made available in all EU official languages. However, the auditors found no clear criteria for deciding whether consultations were in the "broad public interest" and should thus be translated. They call on the Commission to provide key documents for such initiatives, as well as "priority" initiatives, in the EU's 24 official languages, to enable all citizens to participate easily and effectively. Moreover, the surveys, which were sometimes long and complex, should be more reader-friendly.

Preparatory information about the purpose of a consultation and planned use of its results is very likely to impact favourably on the participation rate and the quality of responses. The auditors noted the Commission had not been systematically preparing and publishing its consultation strategies or other advance information, and ask it to do so in the future.

The auditors also recommend that Commission provide participants with timely information on the consultations' outcome. They found that feedback to respondents was insufficient: reports on the results were sometimes lacking or were delivered long after the consultations had ended, and often in English only.

Although the Commission's data analysis was satisfactory overall, the auditors warn that checks regarding the validity of responses are limited. They call for high standards of data processing and security to protect the public consultation process against manipulation of results. They recommend that the Commission also systematically assess whether its public consultations achieve all their objectives. MBR

Credit: ECA Press

Editor's Note

The OECD ranks the Commission in first place among its members on citizen engagement in developing law. In 2018, the European Parliament asked the ECA to evaluate how citizens can directly participate and contribute throughout the EU law-making process. The ECA presents its special reports to the European Parliament and Council of the EU, as well as to other interested parties such as national parliaments, industry stakeholders and representatives of civil society. Special report 14/2019 "'Have your say!': Commission's public consultations engage citizens, but fall short of outreach activities" is available on the ECA website (eca.europa.eu) in 23 EU languages. The auditors have previously published related reports on better regulation and putting EU law into practice.


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RULE OF LAW

New mandate for MEPs to assess EU values in Member States

By Kyriakos Klosidis

- *Threats to democracy, the rule of law and fundamental rights, as well as corruption*
- *Up to two MEPs per political group*
- *Two and a half years mandate, extendable*

For the next two and a half years, MEPs from the Civil Liberties Committee will monitor and report on the respect of democracy and fundamental rights in Member States.

New mandate

The European Parliament's Civil Liberties Committee has renewed and expanded the mandate of its working group on rule of law issues, which has been renamed the Democracy, Rule of Law and Fundamental Rights Monitoring Group. The new Group will continue on the work completed in the previous parliamentary term by the Rule of Law Monitoring Group. According to the new Group mission, its MEPs will have to focus on threats to democracy, the rule of law and fundamental rights, as well as the fight against corruption within the EU, across all Member States.

The working group will be able to recommend specific actions that Parliament can undertake in view of these objectives, such as meetings with stakeholders, hearings and missions, as well as to make suggestions for Civil Liberties Committee proposals for resolutions and reports. The Group's mandate will remain in force until 31 December 2021, at which point a mid-term review will be carried out.

Specific situations in one or more EU Member States will be addressed by the Group if deemed necessary by a majority of its Members, weighted according to the number of full Members of their group within the Civil Liberties committee. In case of objection by a political group, the Committee's coordinators will decide on whether to take action.

Group structure and composition

The Group will continue to be chaired by Sophia in 't Veld (Renew Europe, NL), reporting to the Civil Liberties committee on a regular basis, i.e. at least four times per calendar year. Ms in 't Veld was nominated and elected at the constitutive meeting of the working group.

Each political group appointed up to two standing Civil Liberties Members to the Group as follows:

EPP: Roberta Metsola (MT), Vladimír Bilcík (SK)

S&D: Sylwia Spurek (PL), Katarina Barley (DE)

RENEW EUROPE: Sophia In 't Veld (NL), Anna Donáth (HU)

GREENS/EFA: Gwendoline Delbos Corfield (FR)

ID: Nicolaus Fest (DE), Nicolas Bay (FR)

ECR: Patryk Jaki (PL)

GUE/NGL: Konstantinos Arvanitis (EL), Malin Björk (SE)

Members of other EP committees may be invited to specific meetings on an as-needed basis.

Background

Following visits to Malta (December 2017) and Slovakia (March 2018) in the aftermath of the murders of the Maltese blogger and journalist Daphne Caruana Galizia, and the Slovakian journalist Jan Kuciak and his fiancée, the Civil Liberties Committee set up the Group in June 2018. At the time, Parliament was concerned about the lack of progress in both murder investigations, repeated claims of harassment and intimidation of journalists and persistent allegations of corruption and fraud. The aim of was to give full support to all efforts to seek justice and make sure the rule of law prevails. The final report of the Group identified serious shortcomings in the rule of law in those two countries.

Contact information

You may contact the ROLMG at libe-secretariat@europarl.europa.eu (Civil Liberties Committee Secretariat) or the Chair directly at sophie.intveld@europarl.europa.eu MBR



Legalise cocaine

SAYS ITALY ANTI-MAFIA AUTHOR SAVIANO

Italian anti-mafia author Roberto Saviano, this September called to legalise cocaine to suffocate organised crime as he presented a new series based on his novel *ZeroZeroZero* at the Venice film festival.

"Legalising cocaine would mean cutting off access to the oil wells of criminal organisations, legalisation would transform the world economy," Saviano told journalists. The series about so-called "white oil" is directed by Stefano Sollima, famed for "Gomorrah", the television adaptation of the novel with which Saviano rose to fame in 2006.

"It is the only economy comparable to oil," he said after the screening of two episodes from the series, co-produced by Amazon, Sky and Canal+ and shot around the world, from Italy to Mexico, in six languages. "Cocaine is bought in Colombia for 2,000 euros (2,200 dollars) per kilo, arrives in Mexico with a price of 15,000 euros per kilo, goes to the US for 27,000 euros and arrives in Italy for 54,000 euros, England for 70,000," he said.

"Nothing in the world gives more profits," he said. And the widespread use of cocaine has made it through the corporate business sector, reaching high performing C-level executives and also Gaming corporates, who live a highly stressed high society jet-set lifestyle, abetted with a lot of parties, where alcohol and drugs reign supreme. "The series is a narrative about the power and economy of our time, about what I think contemporary capitalism is. And drug trafficking is one of its weapons," he explained.

Saviano, 39, has been under police protection since publishing his international mafia bestseller "Gomorrah" in 2006.

"Everyone's life is affected by drug trafficking and its profits," said director Sollima. "Regardless of whether you are a consumer or not. That is the heart of the book and the *raison d'etre* of the series. MBR

Editor's Note

Roberto Saviano is an Italian writer, essayist and screenwriter. In his writings, including articles and his book Gomorrah, he uses literature and investigative reporting to tell of the economic reality of the territory and business of the Camorra crime syndicate and of organized crime more generally. Italian anti-mafia author Roberto Saviano, this September called to legalise cocaine to suffocate organised crime as he presented a new series based on his novel ZeroZeroZero at the Venice film festival.



Malta Places First in the Top 10 of Security Improvers



Joe Mizzi, Minister for Energy and Water Management

According to the World Energy Trilemma Index report of 2019, the countries displaying the greatest advances in Energy Security since 2000 are Malta, Jordan and the Dominican Republic.The report published earlier today during the 24th World Energy Congress being held in Abu Dhabi said that these countries have all implemented small but significant changes with big impacts, such as increasing supplier diversity or stock levels investing in grid stability.

Whilst attending the World Energy Congress, Minister for Energy and Water Management Joe Mizzi, was pleased to note this positive result and said that albeit a small market with limited potential for economies of scale, the Maltese Government has ensured that electricity prices are maintained at an affordable level, and created the right environment to ensure stable and competitive prices for gasoline and diesel.

"This is very important," he pointed out, "as energy prices have a direct bearing on the competitiveness of our economy. Malta's high scores for final energy intensity and CO_2 emissions per capita highlight Malta's ability to achieve sustained economic growth, whilst decoupling from energy consumption and maintaining emissions in check."

"On the other hand," he explained, "being a small island with limited indigenous resources, Malta is bound to continue to depend on energy imports, at least until such time appropriate renewable technologies become viable in the local context. He mentioned a number of measures adopted over the last five years, including a 200MW Malta-Italy electricity interconnector, a new gas-fired power plant, a shift from heavy fuel oil to the use of LNG to generate electricity, significant onshore storage for gasoil as backup fuel and adoption of an N-1 redundancy approach.

Minister Joe Mizzi added that Malta's energy security level is well above that estimated through this tool. On top of this, Malta's membership within the EU, and excellent international relations on the global scene, further contributes towards Malta's security in general, and energy security in particular. MBR

Photo - MEW

Malta Continues to Grow at More Than Three Times the EU Average



Edward Scicluna, Minister for Finance

The Maltese economy grew by 4.7 per cent during the first half of this year, sustaining the growth momentum recorded in the last five years. Nominal GDP grew by 7.3 per cent.

Growth in the first half of 2019 reflected a 5.4 per cent growth in the first quarter and a 4.0 per cent growth in the second quarter.

The year-on-year economic growth rate for the first half of 2019 continued to be more than three times the average growth rate of 1.4 per cent recorded in the EU. The Euro Area grew by 1.1 per cent during the same period.

"The coming Budget will ensure that this growth is sustained so that it continues to be enjoyed by Maltese and Gozitan families through a higher standard of living and a better quality of life", said Minister for Finance Edward Scicluna. Compensation of employees continued to increase during the first half of 2019, growing by €140 million while business profits increased by €269 million.

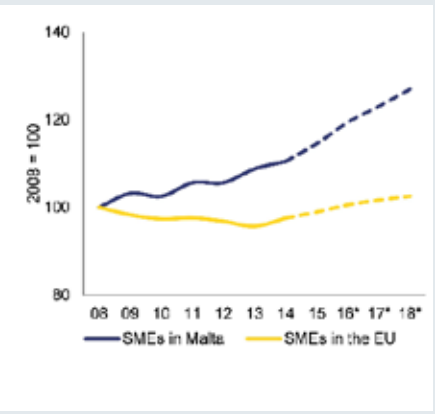
Domestic demand continued to be the main driver of growth during the first quarter. This continued to reflect the record increases registered in employment and the consistent increases in wages and salaries. Net exports also contributed positively to growth. Economic growth continued to be broad-based as the increase in the gross value added for all sectors rose to nearly €400 million. Indeed, growth was recorded in both the industrial and services sectors.

Double-digit growth rates by the professional, scientific and technical and administrative and support sector and the real estate activities and the construction sectors. Other notable private sector increases were registered in the arts, entertainment and recreation sector which includes iGaming, the information and communication sector, and the financial and insurance sector.

Worth noting is the growth in the wholesale and retail trade sector which grew by 6.3 per cent. Gross value added in the manufacturing sector increased by 2.7 per cent. MBR

Credit: Ministry of Finance

Malta Records the Highest Decrease in the VAT Gap



The Minister for Finance welcomes the latest VAT Gap Report published by the European Commission where Malta recorded the highest decrease in the VAT Gap in the EU.

The VAT GAP measures the effectiveness of VAT enforcement and compliance measures in each Member State, by providing an estimate of revenue loss due to fraud and tax evasion.

Malta's VAT gap for 2017 stood at 2 per cent which is the fourth lowest VAT Gap in the EU. The VAT Gap in 2016 stood at 9 per cent contributing to a decrease of 7 percentage points, which is the highest recorded decrease in the VAT gap in the EU.

The report also shows that Malta's effective VAT rate stands at 10.1 per cent. This is in line with many other Members States' effective VAT rates including Germany and the Netherlands.

Minister for Finance Prof. Edward Scicluna comments: "This report confirms that Malta has once again shown that its tax enforcement and compliance systems to combat VAT evasion and fraud are among the best in Europe." MBR

FIMBank Delegates Attend GTR Commodities Conference



Delegates of FIMBank have recently attended GTR Commodities, an event providing an industry forum for networking and discussion on the key issues impacting the global commodities market, from financing trends to geopolitical factors, sector profiles, risk management strategies, sustainability issues and the key role of technology.

This one day event took place in Geneva and provided insights through a series of informative discussions, debates and case studies, in which networking opportunities provided access to over 100 companies. Such are engaged in the commodity finance business, including trading companies, multinationals, financial institutions and service providers.

During the event, FIMBank CEO Murali Subramanian discussed ship lifecycle financing, delving into the important role shipping plays for trade finance. The theme was discussed in a wide context with reference made to the global economy and its impact on the different parties involved. This was tied in to the roles that financial institutions play, where the FIMBank CEO discussed current trends and the outlook for banks operating in the shipping sphere.

"GTR Commodities allows the effective exchange of insights from industry specialists in the trade finance realm. Being a trade finance specialist institution, it is of importance that we are constantly abreast of developments and trends in this sector" said Murali Subramanian. MBR

For more information about FIMBank plc, visit www.fimbank.com.



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- Squaring the circle: innovative asset management and add-value strategies in times of high prices
- Regulatory trends in the commercial real estate in Malta
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- Competing for investments: how to attract large companies
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