

# Malta 'needs high speed network fast'

David Schembri

If Malta wants to keep its edge as a smart island it needs a fibre-optic network as soon as possible, according to the government's top IT official.

Speaking at an international conference called ICT-Enabled Sustainability In Smart Cities, Claudio Grech, who heads the Malta Information Technology Agency, said the country could not wait until the ultra-high speed fibre optic networks became the global standard to adopt the technology, otherwise it would not be as

attractive for investment by IT companies.

Mr Grech said that, in the near future, a unified e-government platform would decentralise government services. This would make them more accessible and convenient, with third parties such as shops, post offices and health centres, being able to provide services that, to date, still require people to go to a specific office. For instance, one would be able to apply for a government e-ID at a stationery.

He defended the government's "smart island" vision, saying that if it were true that it was just a political gimmick, as the decision

by the Broadcasting Authority not to air an advertising campaign on it had implied, then top IT companies such as IBM and Cisco would not be investing in Malta.

Technology and Infrastructure Minister Austin Gatt emphasised the need for a culture change for the proper integration of ICT into a seamless whole. While hardware and software were vital, the most important factor were the users themselves.

"While it is very easy to lay a cable, it is much more difficult to persuade a government clerk to change the way of doing things", Dr Gatt told the audience.

The conference was organised by Malta Investment Management Company Ltd (Mimcol) in collaboration with Meusac, the Malta-EU Steering and Action Committee. It was centred on the EU Competiveness and Innovation Programme (CIP), aimed at funding initiatives that use technology and innovation at the service of society.

In this regard, according to the minister, the smart grid system Malta will be adopting soon will not only enable bills to be issued efficiently and accurately but it will also help consumers understand their energy usage and plan it out more efficiently, thus

reducing adverse economical and environmental consequences.

In his pitch to the international audience, Dr Gatt spoke about the public transport reform. While in the past there used to be 58 million bus trips a year, the number has since fallen to 28 million, even though tourism had increased, he said.

It was for this reason the public transport system was being reformed. Information technology systems would be an integral part of the new service, whereby consumers would be able to plan out their trips through their computers or phones.

## 'No consensus in EU yet on remote gaming industry'

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He ruled that gambling monopolies had the right to advertise their products in an adequate manner in order to present an attractive legal alternative to an illegal offering.

Over the past years, Malta has seen its remote gaming industry flourish, with hundreds of foreign companies opening offices on the island attracted by an array of favourable legislative incentives introduced by the government. The industry employs hundreds of people and pays millions of euros in taxes every year.

There is no consensus yet in the EU on how the remote gaming industry should move forward. The European Commission has not enacted any specific laws and has preferred to treat it as just another service to be regulated by the general free movement laws.

However, member states disagree in their interpretation of the EU treaties on the matter. Some, particularly those wanting to defend their monopolies, like France and Portugal, say they have the right to regulate their market and, thus, use certain laws to keep online competition at bay. Others, including Malta and the UK, insist the treaties give companies registered on their territory the right to operate in every EU member state without any barriers, according to the spirit of free movement.

The different interpretations have led to many new legal cases

being filed before the ECJ, including some by offshore companies licensed in Malta, which are finding it difficult to penetrate the gaming markets of some member states.

Industry sources said the Advocate-General's opinion was therefore being seen as a blow to the burgeoning business in Malta.

On the other hand, the Association of European Lotteries, representing state monopolies, welcomed Mr Mengozzi's decision: "This is a further defeat for the many commercial operators that continue to ignore the legislation of the member states, contrary to the clear jurisprudence of the European Court of Justice."

The association's president, Fredrick Stickler, explicitly welcomed the harsh criticism of the Advocate-General towards "tax havens Malta and Gibraltar".

He referred to Mr Mengozzi's statement that "their practice (of Malta and Gibraltar) to issue offshore licences to hundreds of commercial online gambling operators distorts the trust between EU member states".

The sources said this opinion amounted to a direct accusation of Malta for using loopholes in the EU laws to give an advantage to companies wanting to introduce online gaming in markets that have been protected for a long time.

"This is what the Advocate-General means by a distortion of trust. However, the internet has changed the world and the EU has to move on," the sources said.

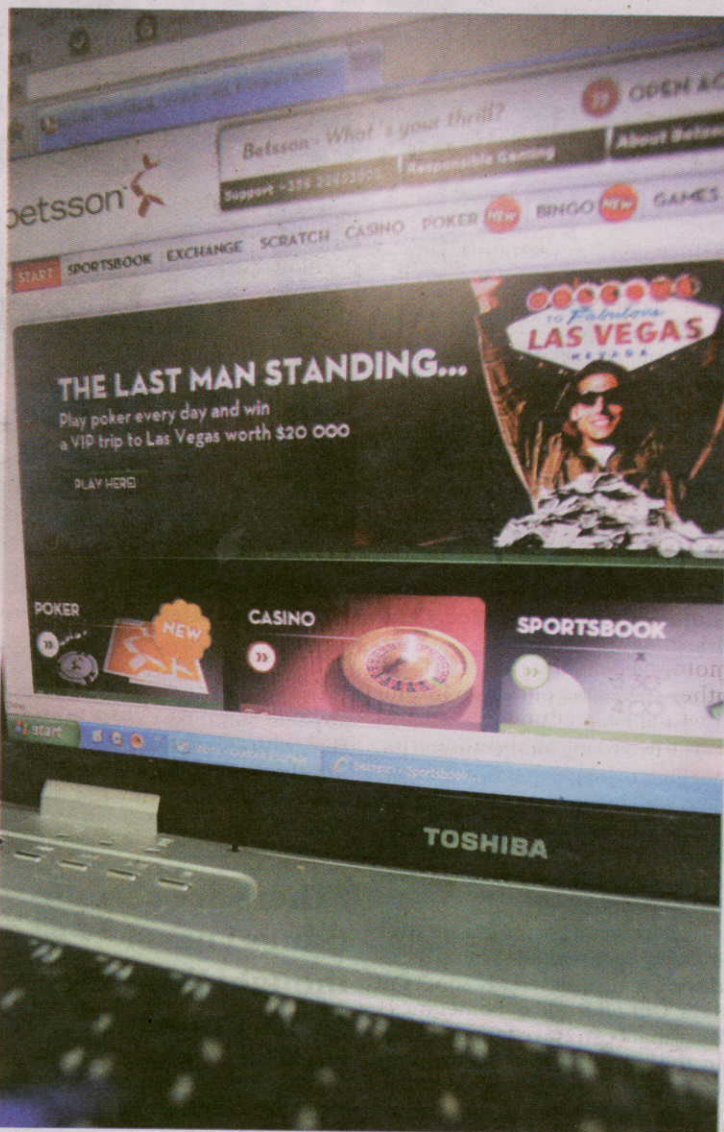


Photo: Matthew Mirabelli

The Advocate-General's opinion is not binding on the Court of Justice but is only intended as a proposal to the Court as a legal solution to the cases for which it is responsible.

However, it is very rare that the ECJ decides against the opinion of the Advocate-General.

The judges have now started their deliberations and a judgment will be handed down later.

## 'Labour Party will never sell Air Malta'

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"All this is being done to subsidise incompetence, waste and corruption," he said.

While the government had refused to debate the new power station, citing the investigation by the auditor, the planning authority had not waited for its outcome before issuing a permit. Neither had the government waited to make a €39 million payment to the contractor.

Moreover, the government had said that cancelling the contract would cost the country €300 million.

He mentioned the recent resignation of Enemalta chairman Alex Tranter, who he said has had an interest in a photovoltaic company since 2008 while pushing the government to adopt a policy on photovoltaic cells.

Dr Muscat insisted that the PL would never sell Air Malta, and while it was in favour of low-cost carriers it was imperative that they would not undermine the future of the national airline.

In a statement, the PN said Dr Muscat had not come up with proposals on how the country could pay for oil, adding that the government had accepted almost 48,000 applications to help families buy solar heaters, photovoltaic panels and low-consumption appliances. Another 130,000 families had been given energy-saving bulbs while €17 million would be handed out in the form of an energy allowance.

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