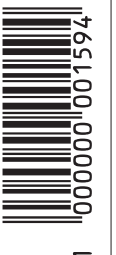




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ST CONSIDERS CLOSING OR SHEDDING JOBS

GOVERNMENT IN 'DIFFICULT AND SENSITIVE' CRISIS TALKS

WITH multinational giant ST Microelectronics seriously considering relocating from its Malta base, Prime Minister Lawrence Gonzi this week staged a last-ditch attempt to convince the company to hang onto its plant in Kirkop.

The secret talks with ST were described by a ST source as "difficult and sensitive." On Tuesday, questions to the

Prime Minister about the imminent closure of the firm led to a 'special' request by the Office of the Prime Minister for MaltaToday to 'reconsider' publication in view of the delicate discussions.

The closure of the one largest companies on the island would lead to thousands of jobs lost and a major blow to the Maltese economy. As an alternative to complete clo-

sure, ST is also considering radically downsizing its presence by shedding hundreds of jobs.

Though no final decision has been taken, the introduction of the Euro and the difficult financial crisis, together with rising operational costs, has not helped the prospects at the plant. The fact that the company trades in dollars has not helped.

The plant in Kirkop remains a showpiece for the Dom Mintoff years, which contributed to attracting foreign investments from multinationals enticed to Malta by its skilled workforce and low salary base.

That economic scenario has however changed, and though the Maltese skilled force retains many of its strengths, the financial crisis and high

cost of operating has dampened the advantages for ST to stay on in Malta.

With signs of a major slowdown in 'potential' interest in SMART city now evident, Prime Minister Gonzi is seriously worried that 2009 may well turn out the nightmare he had never imagined.

(More background to ST microelectronics on page 2)

JPO threatens breach of privilege when asked how he will vote on PL motion

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Saviour Balzan

Pgs 14,15,16

Sanaa returns from Gaza... with brother

See feature pages 7, 8, 9



51% against new parliament

mt survey

James Debono

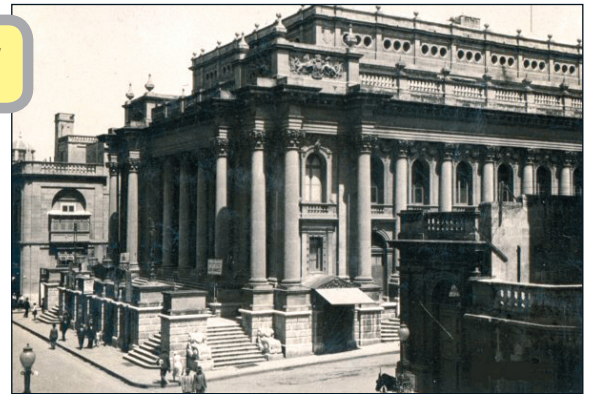
OVER half, 51%, of respondents to a MaltaToday survey have disagreed with the Prime Minister's decision to move the parliament into the site of the ruins of the Opera House.

Only 17% said they agreed with Lawrence Gonzi's idea.

Significantly, opposition against the new parliament came from both political shades, with 41% of Nationalist

voters opposing Gonzi's proposal, and the same percentage of Labourites disagreeing, reflecting the lack of partisan division on the issue.

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