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PRESS RELEASE

Address by the Deputy Prime Minister and Minister for Justice and Home Affairs the Hon Tonio Borg, at the *'Succeeding in a Changing Libya'* Conference

It is my pleasure to take up the invitation to address this conference because the subject being discussed is of special interest to Malta.

Malta is particularly interested in a changing Libya because of its long-standing close links with our neighbouring and friendly country. Many economic operators in Malta immediately realized that Malta could succeed in a changing Libya by offering the services in which Maltese entrepreneurs had acquired experience during their decades of dealing with Libya and the Libyan business community. Malta sees itself as an ideal base from where foreign companies can do business with Libya to the benefit of the companies themselves as well as to Malta and to Libya.

Libya is one of the major players in the oil and gas industry and the companies working in this and other sectors would discover that Malta, with its long and positive experience in dealing with Libya and providing services to this sector, its geographic situation close to North Africa, its highly trained English-speaking labour force and modern communications infrastructure and its reputable banking and financial tradition is ideally placed to serve as an operations-base to companies doing business in Libya as well as to host the families of their employees in a welcoming environment with schools of an international standard.

Financial legislation in Malta provides for the registration of companies – especially “international trading companies” -- by foreign entrepreneurs through which they can do business in Libya. These companies are subject to a beneficial tax-regime in view of the fact that the companies would be trading outside Malta. Malta has a Financial Services Authority which registers and regulates these companies and trained legal specialists to carry out the necessary formalities.

With Libya's resolve to change its economic structures, there are even possibilities for investment in the retail business in Libya: recent decrees by the General People's Committee have invited bids for the operation and investment in the retail sector in both Tripoli and Benghazi. This is another sign of a determination for change in Libya and Maltese businessmen, alone or with others, could contribute in this changing environment by investing in a sector which the Maltese know well.

Like many other countries, Libya needs foreign direct investment and, for those willing to take the challenge, opportunities are numerous. Libya has wisely decided to diversify its economy from one based almost exclusively on oil exports to one which is more balanced and can rely on other sectors in addition to the petroleum industry. One of the very promising new investment opportunities which will emerge in a changing Libya a great deal is the tourism industry. Libya is not only rich in petroleum but also in its natural heritage – with many hundreds of miles of clean sandy beach and the alluring desert – as well as its historical heritage with archeological sites of world importance. With assets like these, the tourism industry in Libya promises a bright future and partnerships between Maltese and Libyan businesses could be ideal for contributing to the change in Libya's economic diversification.

Libya is investing heavily in tourism projects and aims eventually to develop the industry in the same manner as Dubai which has become one of the most thriving destinations in the Middle East. Libya is constructing top-class hotels and may also build hotels for the mass market. There is massive scope for tourism development and I am happy to say that the Maltese are already taking the opportunity to participate in this promising sector of Libya's economy by investing in the hotel industry in a big way. The Corinthia Group of Companies has been an example of how Malta can give a meaningful contribution to development in Libya. Corinthia contributes its experience, know-how and business acumen to the building of an excellent tourism infrastructure at such a crucial stage of development. One expects that other Maltese tourism operators will follow suit.

The health sector is another area where Malta can contribute to further development in Libya and succeed in this area of entrepreneurship. Medical practice and tradition in Malta are among the oldest and best in the world. Maltese doctors and paramedics are highly qualified and there have already been instances where they offered their services in Libya in cooperation with their Libyan counterparts. Malta is therefore fully qualified to invest in hospitals and clinics in Libya and there already investors availing themselves of the new opportunities on offer.

Libya's strategic decision to change course provides a new environment where businesses can succeed. Economic liberalization requires a milieu where the laws and regulations governing the economy are clear and stable and the necessary institutions are in place to enforce them.

A changing Libya is already starting to engage with the European Union. Malta, as a close friend of Libya, supports closer cooperation between Libya and the European Union. Libya does not have an association agreement with the EU and the possibility of this merits close attention as it can provide better chances of success in business. Libya is already an observer in the Barcelona Process

and participates freely in the 5+5 Western Mediterranean Forum, which Malta will host in June of this year.

Libya has also applied for membership of the World Trade Organization. Malta supports Libya's application for membership and this would certainly be a milestone in Libya's change process, further integrating it internationally.

I am very confident that Libya has the political will to set the changes at an ever increasing pace. This is an exciting time in Libyan history, and Malta and the Maltese are ready and willing to participate and contribute to this change, as they have already done through thick and thin, in more difficult times.

We wish Libya, and you, as the entrepreneurs who can make it happen, every success.