

Application for assistance under the Aids to
Industries Ordinance - Mediterranean Trading
Shipping Company Limited.

Applicants have applied for:-

- (a) Income Tax Relief under Section 6;
- (b) Grant of £30,000 (50%).

2. The assistance is sought for the expansion of the Company's shipping business through the acquisition of a 700-ton coaster in addition to the m.v. "Angelabella", with which the Company already runs a regular Malta/Libya freight service. The additional vessel is required to run a second regular service on a different route - Malta/Tunisia/Libya - which is estimated to bring in £30,000 gross annually.

3. Applicants intend to obtain a vessel having something over 10 years' service and which can carry up to 600 tons of cargo, given proper maintenance such a vessel could have a useful life of 15 or 20 years. The present slackness in the demand for shipping should weigh in Applicants' favour in enabling them to obtain a suitable vessel for the outlay of £60,000 quoted in their application. The present position regarding sea connections with North Africa is not bad, but this additional vessel would constitute a welcome improvement particularly in the outward shipping facilities available to Maltese exporters, and it is anticipated that the vessel will be competitive, and it is expected to be regularly and fully employed.

4. Employment is estimated at 9 men, and total capital involved is £60,000 fixed capital plus £3,000 working capital.

5. This application has been considered by the Aids to Industries Board after the application had been published. The Board recommends income tax relief for a period of ten years, a grant of 25% of the capital costs subject to a maximum of £15,000 and a loan of 25% on the same basis, also subject to a maximum of £15,000. The grant and the loan will be given subject to the condition that two ships (including the one currently in operation) are maintained for 15 years, and subject to a satisfactory Surveyor's Report being obtained on the type of ship to be purchased. U.K. Treasury approval via the Colonial Office has already been obtained for a grant on this basis. Income Tax relief will also be subject to Maltese labour being employed on the new vessel.

6. Hon Ministers are invited to agree that the Governor be advised to approve the Board's recommendations as set out in paragraph 5.