

MTIA/157/66

Memorandum for Cabinet by the Hon. Minister
of Trade, Industry and Agriculture
regarding Factory Construction

It was the accepted practice for the Ministry of Trade, Industry & Agriculture to ensure the availability of three standard factories in advance of actual requirements. This enabled the accommodation of prospective investors in urgent need of factory space, and who would otherwise be lost to the Island. The large influx of investors has however brought in its train a position under which no factory is available for allocation and it has become necessary not only to ensure an increased number of factories but also to bring into operation such methods by which factories could be built with greater speed. In actual fact the problem of accelerating the tempo of construction work in the line of prefabricated units is being studied in conjunction with the Ministry of Public Building and Works. It is an only too well-known fact that the construction industry in the Island is at the moment finding it difficult to cope with the heavy calls that are being made on it for hotel and other development projects and the erection of prefabricated factories could ease the pressure. This is, however, still in its exploratory stage and may yield results in the long run, whilst the immediate problem is the construction of a large number of factories. This springs as already stated from the present demand for factory space required by the large influx of projects which are likely to be approved. The need to move fast requires no overstressing, accentuated as it is by the current situation for the provision of jobs to the unemployed, whose number will be increased considerably as a result of the Forces' rundown.

2. A list of some of the projects, an appreciable number of which are male labour intensive, which are likely to be approved in the immediate future is attached to this memo - List A. Factory space requirements are in the region of 250,000 sq. ft. It will be seen that the demand in the relatively near future will be for 26 new factories and 5 extensions to existing industries already set up and flourishing. A closer appreciation of this very acute position reveals that unless 16 of these factories are ready for occupation within a very short space of time, several projects will be lost - a situation which the Island can ill afford to suffer especially at this juncture.

3. A list of all outstanding applications - List B - showing the processing stage reached in each case is also enclosed. This list gives emphasis to the need of speeding up the programme of factory building in order that the timelag between the approval stage and the commencement of production will be limited to the delivery period of the necessary plant and equipment which is a factor beyond local control.

4. The best way of realizing an accelerated programme is to enlist the services of the larger contractors both Maltese (such as Malta Drydocks, Messrs Xuereb, etc) as well as foreign contractors. It is felt that this can only be achieved by issuing large comprehensive contracts, each for, say 5/6 factories specifying a maximum period of four months for full completion and imposing heavy penalties for non-compliance.

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5. The required land, adjoining the three Industrial Estates, has already been earmarked for this purpose, but the Commissioner of Lands will, in certain instances, have to take immediate action towards acquisition proceedings, and in the case of Government-owned land notifying the tenants of termination of lease.

6. It is anticipated that construction and other costs for the 20 factories required with the least possible delay will be in the region of £500,000 calculated on an average price of £2 per square foot, and funds to this amount will be required to be made available during the first six months of the financial year 1967-68.

7. Cabinet approval is requested for implementing the suggestions of issuing 4 comprehensive tenders each for the construction of 5 factories at a time, as well as for making available the funds required. The smaller contractors who have not got the potential of going in for large contracts, and who usually fail in fulfilling their contractual obligations, would thus be excluded.

30th MARCH, 1967

L-ARKIVJI NAZZJONALI TA' MALTA

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Appn. No.	Applicant(s)	Proposed Activity	Factory Space Required	Locality
255	Overseas Knitting and Manufacturing Co. Ltd	Expansion - Cotton wear	25,700 sq ft. (Extension) 60,000 sq.ft. (Unbuilt area)	-
282	S. Gullionator & Co. Limited	Mirrors	1,000 sq. ft.	-
288	A. Ch. Chevon	Trunks and suitcases	6,000 sq.ft.	Marsa
295	Car Assembly Ltd	Assembly of vehicles	10,000 sq. ft (Extension)	Marsa Estate
317	Paul Green	Spectacle frames	12,500 sq. ft	-
319	Gillon & Woodhouse	Trousers	15,000 sq.ft.	-
323	A. Hammaron Sq.,	Agriculture	18,000 sq. ft.	-
324	Beale Industries Ltd	2nd Expansion - Knitwear	20,000 sq.ft. (Extension)	Mr. Lehel
328	Johnsons (Clothing Industry)	Bottles/wear	12,500 sq ft.	-
332	Kaltes Sellers Ltd	Sells, etc.	5,200 sq ft 3,000 sq. ft. (Unbuilt area)	-
335	Plasticware Limited	Plastic crates	11,000 sq ft	-
336	Popegn Millboard (Malta) Limited	Millboard	25,000 sq ft 12,000 sq ft (Unbuilt area)	-
341	Jolly & Barber Ltd	Monochrome film-setting for printing	Area not yet known	-

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Appn. No.	Applicant (s)	Proposed Activity	Factory Space Required	Locality
345	O.E. Brown & Co. Limited	Stainless steel industrial products	14,400 sq. ft. 46,000 sq. ft. (Unbuilt area)	-
356	The Malta Embroidery Co. Ltd.	Embroidery work	4,000 sq.ft.(extension to Coupe)	Marsa Estate
359	Manufatti Termoplastici	Sunglasses	Area not yet known	-
362	Mimi Sabina Limited	Soft toys	12,500 sq. ft	-
365	Compressed Paper Packing Limited	Corrugated board	33,000 sq. ft	-
375	St. Paul's Press Ltd	Warehousing of books	Area not yet known	-
385	Wadfair (U.K.) Ltd	Plastic footwear	12,500 sq. ft	-
386	Richard Springfield	Hover-boats and cabin cruisers. Repair and refitting of yachts	Area not yet known	-
387	Lino Abela L.P. (Promoter)	Sanitary ware, sun-screens, Glazed table and dinnerware	Area not yet known	-
388	The Malta Boat hire & Construction Co.Ltd	Fibreglass boats (Expansion)	8,000 sq.ft.	-
389	F.E. Sutton	Period furniture	12,500 sq.ft.	-
390	Invicta Works	Furniture (Expansion)	25,000 sq.ft	Maida

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Appn. No.	Applicant (s)	Proposed Activity	Factory Space Required	Locality
393	Zammit La Rosa Atlas Ltd.	Footwear	12,500 sq. ft.	Marsa
395	Francis Gales	Mattresses	4,000 sq. ft.	Mriehel Estate
397	Mizal Brothers	Domestic appliances	Area not yet known	-
407	Bonello, Peralta and Demicoll	Fruit Juices	8,000 sq. ft.	-
411	Ward & Gladstone Ltd	Assembly, of electrical accessories with eventual production of components	Area not yet known	-
418	Malta Bacon Co. Ltd.	Bacon curing & Pork meat products (Expansion)	1,600 sq.ft.(Extension)	Marsa

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LIST 'B'

REPORT CONCERNING AID TO INDUSTRY IS NOTIFICATIONS
 OUTSTANDING AT 28th FEBRUARY, 1967

ATS No.	Date	Applicant(s)	Proposed Activity	Usage Reached (with date)	Remarks
153	9. 4. 63	Othon C. Lafas Petenes	Cement		Processing of application has been withheld because of site difficulties
157	26. 3. 66	Colairo Brothers Ltd	Wine for export	Application received on 31. 3. 66 being processed	Field Over at applicants' request
209	7. 8. 63	Oceanica Transports Co. Ltd	Shipping	To Minister with final recommendation on 18/5/64	Draft amendment to the Aids to Industries Ordinance prepared by Crown Advocate General received on 22/2/67
227	30.12.63	Drive Shipping Transports	Operation of a vessel "Palmios Stavros"	To Minister with final recommendation on 18/5/64	See AIT 209 above
228	30.12.63	Drive Shipping Transports	Operation of a vessel "Amalia"	To Minister with final recommendation on 18/5/64	See AIT 209 above
239	25. 3. 64	Universal Plastics Limited	Expansion - plastic bags	Savinggram to D.O.M. in April 1966	O.D.N. have asked for copy of accounts, 1966 accounts expected in March
240	30. 3. 64	Malta Marine Service Limited	Shipping	To Minister with final recommendation on 4/6/64	See note for AIT 209 above
247	18. 5. 64	Belimara Navigation Co. Ltd	Transportation of oil in bulk	-	See note for AIT 209 above

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248	31. 5.64	Valetta Shipping Ltd	World wide shipping	-	See AIB 209
255	25. 9.64	Overseas Knitting and Manufacturing Co. Ltd	Expansion - Cotton wear	I.D.B.'s advice received on 21/4/66	Held over because of Company's financial difficulties
265	10. 2.65	Messrs Blanchet	Shipping	To M.T.I.A. with final recommendation on 20/5/66	See AIB 209
282	26.10.65	S. Guillaumier & Co. Limited	Mirrors	Departmental Report to I.D.B. on 23/7/66	Revised application awaited
288	15.12.65	A. Ch. Ohayon	Trunks and suit-cases	To M.T.I.A. with Savings Form on 24/2/67	-
295	7. 2.66	Car Assembly Limited	Assembly of vehicles	Departmental Report to I.D.B. on 15/12/66	-
299	12. 8.66	Malta Crown Cork Works	Crown corks	Application received on 22/8/66 being processed	Held over at applicant's request
300	16. 3.66	Dacoutros Bottling Co. Limited	Plastic crates	Application received on 16/5/66 being processed	Held over in view of other related applications
303	18. 3.66	Regna Cash Register Co. (Malta) Limited	Servicing of business machines	With Sub-Committee since 14/4/66	Applicants have been asked to furnish further information
304	18. 3.66	William J. Burton Ltd	Fish meal and fish oil	With Sub-Committee since 30/3/66	Applicants were asked to submit viability study on 10/5/66
305	31.10.66	Vickers Ltd and Messrs Brothers	Cement	With A.I.B. since 22/2/67	-

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309	16. 3.66	Stammor of London (Malta) Limited	Trousers and dressing gowns	Savingram to O.D.M. on 20/1/67	-
312	13. 4.66	St Alban's Box Factory	Plastic crates	Full application invited on 3.5.66	-
314	29. 4.66	Cement Industries Ltd	Cement	With A.I.B. since 22/2/67	Being considered jointly with 305
315	29. 4.66	Poster Clark's Products	Preserved fruit, vegetables and fish	With Sub-Committee since 1/6/66	Applicants requested to furnish viability study on 11/5/66
316	24.11.66	Pasta Portelli	Durum mill	With AIB since 27/9/66	-
317	18. 8.66	Paul Green	Spectacle frames	Departmental report to I.D.B. on 8/2/67	-
318	23. 5.66	Metafilm Laboratories	Display decorations	Full application invited 11/5/66	-
319	26. 5.66	Chilton & MacFarlane	Trousers	Full application invited on 15/8/66	-
320	3. 6.66	Poultry Products Ltd	Blast freezing of fish	Full application invited on 9/7/66	Asked for more time. Study being carried out with Director of Fisheries
321	3. 6.66	Robin A Ramage and Jessica G. Ramage	Watch assembly	Full application invited on 11/7/66	-
323	23. 6.66	A. Hammerson Esq.	Furniture	Full application invited on 9/7/66	Reminder sent on 17/2/67
324	23. 6.66	Eagle Knitwear Ltd	2nd Expansion - Knitwear	Departmental report to I.D.B. on 26/1/67	-

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325	28. 6.66	Grisetti's Embroideries	Embroidered badges and crests	Full application invited on 2/8/66	-
326	16. 6.66	A. Grantham Limited	Rainwear	Full application invited on 3/8/66	Reminder sent on 20/2/67
327	15.10.66	PADCO Limited	Consulting services	Departmental Report to I.D.B. on 17/2/67	-
328	8. 7.66	Johnsons Clothing Industry	Babies/ wear	Full application invited on 6/8/66	Investigation by Tech. Sub-Committee on 31/1/67
330	12. 7.66	Francesco Fenech Ltd	Ceramica tiles	Full application invited on 22/9/66	-
332	21. 7.66	Malta Sailmakers Ltd	Sails, etc.	Application received on 18/1/67 being processed	-
334	8. 8. 66	Patricia A. Holton	Fabrics etc.	Full Appl. invited on 26/8/66	-
335	21.12.66	Plastiwares Limited	Plastic crates	Application received on 10/1/67 being processed	-
336	19. 8.66	Pepega Millboard (Malta) Ltd	Millboard	Full application invited on 7/9/66	-
337	16. 8.66	Silicone Lubrications Limited	Oil additives	Full application invited on 7/9/66	Reminder on 24/1/67
338	16. 8.66	R. Murrilt Ltd	Bulk containers	Full application invited on 7/9/66	Reminder on 24/1/67
339	18. 8.66	The Plessey Co. Ltd	Memory cores for computers	Full application invited on 7/9/66	-
340	18. 8.66	Birla AG	Cement	With Sub-Committee since 14/9/66	Applicants asked to submit a viability study

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341	24. 8.66	Jolly & Barber Ltd	Monophoto film-setting for printing	Full application invited on 6/10/66	Reminder on 4/2/67
342	24.10.66	Tyblock Limited	Ceramic concrete blocks	Departmental report to I.D.B. on 24/1/67	-
343	31. 8.66	Spurkes (Malta) Ltd	Flower cuttings (Expansion)	Full application invited on 13/9/66	-
344	28. 8.66	S.M. Friedlander	Export of postage stamps	With Sub-Committee since 14/9/66	Awaiting advice from C.A.G.
345	9.12.66	O.E. Brown & Co. Ltd	Stainless steel industrial products	Application received on 14/12/66 being processed	Applicants asked to give further information
346	9. 9.66	Joseph Abela	Reconditioning of engines	Full application invited on 29/9/66	-
348	24.10.66	Joseph Gatt	Milling of durum wheat	Application received on 25/10/66 being processed	-
349	10. 9.66	L. Waddington	Packing of snuff tobacco	With Sub-Committee since 27/9/66	Applicants asked to give further information
350	24.12.66	Charles Farrugia	Brake linings	Application received on 26/12/66 being processed	-
351	12. 9.66	O.E.A.B. - S.A.	Salami and meat products	With Sub-Committee since 14/9/66	Awaiting further information
352	13. 1.67	Walter and Emanuel Bezzina	Sheet metal work	Application received on 18/1/67 being processed	-
353	24. 9.66	Marine Enterprises (Malta) Ltd	Shipping	Full application invited on 14/10/66	-

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355	12. 9.66	Joseph Borg	Reconditioning of second hand trucks and vans	With Sub-Committee since 7/12/66	Site difficulties (Kleur-de-Lys)
356	22.12.66	The Melita Embroidery Co. Ltd	Embroidery work	Application received on 3/1/67 being processed	-
357	29. 9.66	A. Falson Sant Mauduca (& Others)	Fibre suitcases	Full application invited on 12/1/67 if for export only	-
359	10.10.66	Manufactri Termoplastici	Sunglasses	Full application invited on 24.12.66	-
360	12.10.66	The Fibreglass Products	Fibreglass and sheet metal goods	With Sub-Committee since 7/12/66	Technical Sub-Committee to investigate
361	30. 1.67	Blundell-Permoglass Ltd	Contract painting	Application received on 3/2/67 being processed	-
362	18.10.66	Mimi Sabina Limited	Soft toys	With Sub-Committee since 7/12/66	Technical Sub-Committee in favour of expansion
363	25.10.66	Falzon Service Station	Radiator cores	With Sub-Committee since 7/12/66	Awaiting further information
364	27.10.66	Dott. R. Capella	Clay bricks and tiles	With Sub-Committee since 7/12/66	Advice of D.P.W received
365	31.10.66	Compressed Paper Packing Ltd	Corrugated board	With Sub-Committee since 7/12/66	Held over pending declaration of intentions by Acris
366	31.10.66	Capital Stationary Co. Ltd	Envelopes	Full application invited on 28.12.66	-
367	5.11.66	Abela Brothers	Balanced feeding stuffs	Full application invited on 30/12/66	-

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368	2. 2. 67	BIM Limited	Light engineering (expansion)	Application received on 3/2/67 being processed	-
370	8.11.66	Charles R.A. Preston	Processing of Chinese animal skins; dressing, dyeing and suede manufacture of skins wholly for export	Full application invited on 27/12/66	-
372	10.11.66	Comtec Limited	Pesticides and preservatives; pest control and hygiene service	Full application invited on 29/12/66	-
373	3. 2. 67	International Aviation Development Corporation	Aircraft maintenance and overhaul; pilot training	Application received on 3/2/67 being processed	-
374	14.11.66	Agrette Limited	Hand-knotted rugs and carpets	With Sub-Committee since 7/12/66	Awaiting feasibility study
375	18.11.66	St Paul's Press Ltd	Warehousing of books	With Sub-Committee since 7/12/66	Awaiting further information
377	15.12.66	Mediterranean Salvage & Towing Co. Ltd	Conversion and operation of a tug-boat	With Sub-Committee since 5/1/67	-
378	13.12.66	Trojan Trading Co. Ltd	Plywood and fibre-glass boats	Full application invited on 6/1/67	-
380	30.11.66	Mrs Pauline Sammut "Maltese Star Fashion"	Lingerie	Full application invited on 25/2/67	-
381	2.12.66	E. Zammit & Son Ltd	Shipping	Preliminary application received on 7/12/66	Awaiting feasibility study

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382	6.12.66	Frank Lyttleton	Refrigerating units (Expansion)	Full application invited on 25/2/67	-
383	16.1.67	Emile. Azzopardi	Gold Jewellery (Expansion)	Full application invited on 26/1/67	-
384	6.12.66	Complete Gardeners Ltd	Landscape Gardening	With Sub-Committee since 5/1/67	The views of the Tourist Board and Director of Agriculture are being sought
385	9.12.66	Wadfair (U.K.) Ltd	Plastic footwear	Full application invited on 25/2/67	-
386	7.12.66	Richard Springfield	Hover-boats and cabin cruisers. Repair and refitting of yachts	Full application invited on 17/2/67	-
387	19.12.66	Iano Abela, L.P. (Promoter)	Sanitary ware, sunscreens, glazed table and dinner-ware	With Sub-Committee since 5/1/67	Awaiting further information
388	19.12.66	The Malta Roathire & Construction Co. Ltd	PibreGlass boats (Expansion)	With Sub-Committee since 25/1/67	Awaiting further information
389	13.12.66	T.E. Sutton	Period furniture	Full application invited on 19/1/67	-
390	21.12.66	Invicta Works	Furniture (Expansion)	Preliminary application received on 29/12/66	Technical Sub-Committee to investigate
391	26.11.66	Soc. Az. Calce Cementi Siracusa	Cement	Preliminary application invited on 29/12/66	Applicant informed that unless another site is proposed application cannot be considered

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392	29.12.66	G. Abela & G. Camilleri	Furniture	With Sub-Committee since 5/1/67	-
393	14. 1.67	Zammit La Rosa - ALIAS Limited	Footwear	Full application received on 16/1/67 being processed	-
394	11. 1.67	Malta Hatcheries Ltd	Hatchery	Full application received on 16/1/67 being processed	-
395	3. 1.67	Francis Galen	Mattresses	Full application invited on 16/1/67	-
396	8. 1.67	Alpine Homes	Prefabricated houses	With Sub-Committee since 25/1/67	Awaiting further information
397	13. 1.67	Mizzi Brothers	Domestic appliances	Full application invited on 20/2/67	-
398	13. 1.67	Marsovin Limited	Wine - Expansion	With Sub-Committee since 25/1/67	Awaiting further information
399	14. 1.67	Polyfoam Malta Limited	Plastic articles	Full application received on 16/1/67 being processed	-
400	27.11.66	Francis Bore	Pre-fabricated furniture panels	With Sub-Committee since 25/1/67	Awaiting further information
401	19. 1.67	Lt Col. G.P. Curral O.B.E., T.D.	Production of vegetables and flowers by hydroponic system	With Sub-Committee since 25/1/67	Views of Director of Agriculture being sought
402	20. 1.67	Anthony Tanti	Ice-cream wafers and cones	With Sub-Committee since 25/1/67	Awaiting further information
403	14. 1.67	Ready-Mixed Concrete (Malta) Ltd	Ready-mixed concrete	With Sub-Committee since 25/1/67	Awaiting viability study

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404	16. 1.67	Home Furnishings Ltd	Mattress Spring units	Preliminary application received on 18/1/67	-
405	18. 1.67	O.M. Crichton	Tourist service	With Sub-Committee since 25/1/67	Views of the Government Tourist Board and the C.A.G. being sought
406	23. 1.67	La Rosa Marbles Ltd	Expansion of tile production and marble works	With Sub-Committee since 25/1/67	Awaiting further information
407	25. 1.67	Bonello, Peralta and Demicoli	Fruit juices	Full application invited 21/2/67	-
408	26. 1.67	Kazareno Farrugia	Cigarette filters	Preliminary application received on 27/1/67	-
409	1. 2.67	Felican Engineering Works	Repair of yachts and boats and manufacture of sail and rigging	Preliminary application received on 1/2/57	-
410	30. 1.67	Hector Borg Carbutt	Yacht repair service	Preliminary application received on 3/2/57	-
411	2. 2.67	Ward & Gladstone Ltd	Assembly of electrical accessories with eventual production of components	Preliminary application received on 6/2/67	-
412	23. 1.67	Peter Kinnear	Light/medium fibreglass boats	Preliminary application received on 1/2/67	-
413	9. 2.67	Valmor Borg & Co.	Poultry products	Preliminary application received on 10/2/67	-

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414	11. 2.67	Malta Crown Cork Works	Plastic lined crown corks	Preliminary application received on 12/2/67	-
415	16. 1.67	International Fibers Ltd	10,000 spindle worsted type spinning mill	Preliminary application received on 22/2/67	-
416	13. 2.67	Knorr Food Products Co. Limited	Cubes and soups and/or other lines	Preliminary application received on 23/2/67	-
417	14. 2.67	Bristow & Whirlow	Pottery	Preliminary application received on 23/2/67	-
418	22. 2.67	Malta Bacon Co. Ltd	Bacon Curing & Pork meat products (Expansion)	Preliminary application received on 23/2/67	-
419	23. 2.67	Haslemere Ski Co. Ltd (Malta)	Water skis and similar products	Preliminary application received on 24/2/67	-

DEPARTMENT OF INDUSTRY,
30 South Street,
VALETTA.

(W. PODRESTA,
Director of Industry

From: P.A.S.(E.F.)

To: A.S.

It has been the policy so far to build three standard factories in advance of actual requirements in order to ensure that entrepreneurs interested in setting up an industry in Malta will be allocated a factory immediately on or soon after approval of application. In this way production and the creation of new jobs will not have to wait until the factory is built. Standard factories are normally constructed in two sizes: namely, 25,000 sq.ft. and 12,500 sq.ft. Entrepreneurs requiring factories not of a standard size will inevitably have to wait until a "tailored" factory is constructed.

2. Secretary, Ministry of Trade, Industry and Agriculture appears to be feeling that the policy of three standard factories ahead of demand at any one time will not be enough to cope with anticipated demand. Basing himself on "List A" attached with his memo he feels that the scale of projects likely to be approved would warrant the construction of twenty standard factories at a cost of £500,000 during the course of the next six months. (I feel sceptical about the realism of this forecast in view of the fact that since the start of the Government's factory building programme years ago, only 28 factories have in fact been built.) This will probably be in addition to the six factories at the moment under construction and allocated.

3. The memo accepts the view that the likely demand for extensions to existing factories cannot be met by providing standard factories. Indeed, the same consideration must apply in the case of "tailored" factories, as well as factories which fall below the standard size. The following is a classification of the likely demand for factories compiled from "List A".

Extensions	5
Tailored	5
25,000 sq. ft.	1
12,500 sq. ft.	6
Under construction	1
Below 12,500 sq. ft.	5
Factory size undecided or poor chances of effectuation of project	8
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4. The above classification reveals that the likely demand will be for one factory of 25,000 sq. ft. and six factories of 12,500 sq. ft. Only these can be satisfied by the building of standard factories. If approval is given to the building of a large number of standard factories ahead of demand, there would be a strong temptation to allocate factories without regard to real need for space. In other words a 12,500 sq. ft. factory may be given to an industrialist who in fact requires a much smaller unit. This is a very uneconomic way of development and indeed the entrepreneurs may be tempted to accept a factory

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larger than required once rental terms are so cheap as not to constitute a deterrent.

5. From what I can gather the present factory programme is as follows:-

Allocated factories under construction	6(1)
Unallocated factories under construction or ordered:	
25,000 sq.ft.	5
12,500 sq.ft.	2
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(1) One of these is included under List A.

6. A comparison between the factory programme and the likely demand for factories based on List A shows a likely demand for one 25,000 sq.ft. factory as against the five actually on order. On the other hand the requirement for 12,500 sq.ft. factories is six whereas the factory programme is only providing for two. This is said by way of emphasising the risks attendant to a large number of factories being built ahead of schedule, not to mention the fact that we are paying interest on our factory building programme as these are financed out of U.K. exchequer loans.

7. The Cabinet memo is also envisaging difficulties in finding contractors to build such a large number of factories. Apart from the physical difficulties involved in such a heavy building programme, to take effect during the period of six months, any heavy building programme in construction pre-supposes the shift of resources in the construction industry away from present development to the development of factories. In any case there is reason to believe that, even if factory building is speeded up, the contracting for steel roofs will still be a limiting factor since these roofs are imported; at a time interval between order and delivery usually well in excess of six months. The availability of "ready to use" factories is one of the inducements calculated to attract location of new industries to Malta. To the extent that these factories are not readily available the inducement effect is blunted. On the other hand to proceed wholesale with the erection of new factories, as proposed, without heed to likely demand and likely dates of requirement, is hardly the economic way of doing things. To my mind therefore caution is indicated in the scale of "pre building" - and if the inducement factor loses something in the process this would be the lesser of two evils. Besides, it is difficult to justify shifting resources from the building of villas and hotels to the construction of factories for which the demand is not so imminent, and with the attendant risk of leaving standard factories unoccupied.

8. The conclusion appears to me to be that the present factory programme be pressed on with, as it is now too late to switch from 25,000 sq.ft. to 12,500 sq.ft. factory. When these are allocated, or earmarked for project with a high chance of approval by the Aids to Industries Board further factories could be ordered in order to continue the present policy of building three standard factories ahead of demand. A sum of 2300,000 is being inserted in the current year's estimates for factory construction, and if at a future point in time it appears likely that this sum would be exceeded, then a request for funds would be considered. Certainly I do not feel that Cabinet should be asked to give a blank cheque for the construction of twenty standard factories ahead of demand.

9. Finally there is of course the question of who would be responsible for factory building - and on what basis (including rental terms etc.) such building will be proceeded with once the Development Corporation will be set up; as we expect the case to be in the near future. On this account alone, and apart from all the other considerations, I would say this is hardly the time to go to Cabinet with proposals for a radical change for our approach to factory building.

(M. Abela)

4th April, 1967.