

MEMORANDUM FOR CABINET BY THE  
HON. MINISTER OF TRADE, INDUSTRY AND AGRICULTURE  
REGARDING TWO PROJECTS FOR:

- A) Setting up of cement silos at Marsa; and
- B) Cement Clinker Grinding Plant

The Malta Development Corporation has referred to my Ministry for a policy decision two applications by the Malta Cement Company Ltd. for financial and other assistance in connection with the following two projects:-

- A) Setting up of cement silos at Marsa;
- b) Setting up of grinding and mixing cement clinker and gypsum plant for the production of ordinary cement.

PROJECT "A"

2. This project concerns the importation of cement in bulk for bagging and distribution by the promoting Company. Sales forecast by the company are in the region of £100,000/£120,000 annually. This industry is to be located at Marsa on a site belonging to one of the partners who is prepared to make it available to the company. The controlling company will be "The Malta Cement Company Limited" in association with an Italian firm "UNICEM, S.p.A." (Unione Cementerie Marchino, Emiliane e Augusta, S.p.A.). Operation will start in 12 to 14 months after the acceptance of the application and the company will employ 9 men and 2 females, all Maltese, over 19 years.

3. The assistance sought for this project is (a) £40,200 by way of a grant and £26,800 as a loan and (b) customs duty exemption on building material, machinery and equipment. No other aid is required.

PROJECT "B"

4. This project which envisages the setting up of a cement clinker grinding plant also has the possibility of producing various types of cement as required (e.g. rapid hardening, quick setting, etc.). The finished product will

be stacked in silos and sold to consumers either in bulk or in sacks. The company will be styled "Cement Industries Ltd" and the shareholders will be The Malta Cement Company Ltd. (90%) and UNICEM S.p.A. (10%).

5. UNICEM is a consortium of some of the leading cement manufacturers in Italy and they have been in this trade for 50 years. The financial control of this consortium is vested in F.I.A.T.

6. The assistance required by the company is as follows:-

- (i) £99,010 as grant and £70,115.15 by way of a loan;
- (ii) factory site;
- (iii) Exemption from customs duty on raw materials, machinery and equipment;
- (iv) Relief from Income Tax.

7. The site which the company has in mind is the one at Ras Hanzir adjacent to Admiralty Gate, at present held by R.M. Naval Base and is in a derelict state. The company presumes that it will be given the lease of the site by the Government.

8. It is expected that the company will provide employment to 39 persons over 19 years, i.e. 13 skilled, 5 semi-skilled, 10 unskilled, 4 technical and 7 executive and administrative. Some of the clerical staff required may be females. The technical staff will be expatriate and the services of the latter will be required during the period of commissioning and first operation until Maltese personnel is trained by means of theoretical and practical instruction courses abroad.

9. The company intends to bring over to Malta from Italy, machinery which will be in perfect working order. The transfer of this machinery represents the agreed contribution by the Italian associates in the proposed company. The value of such contribution will be far in excess of the value of equity holding (10%) which the Italian associates have already accepted. The association will ensure avail-

ability of technical expertise and prestige.

10. The promoting company had last year written to my Ministry on both projects and it was informed that this Ministry is interested in considering the possibility of the importation of cement in bulk but the erection of silos on the waterfront in the Grand Harbour area would present in itself various and complex problems. My Ministry also took the opportunity to suggest that the company could perhaps study the possibility of setting up such silos outside the Grand Harbour area.

11. Hon. Ministers are invited to consider the applications described above and to decide whether or not the Malta Development Corporation is to take further cognizance of these two applications.

MTIA 454/68

23 January, 1971.