

MEMORANDUM BY THE MINISTER OF  
JUSTICE AND PARLIAMENTARY AFFAIRS.

Emphyteutical grants of land  
for Industrial purposes

1. It is proposed to grant to Messrs. Joseph Galea & Sons, of 9, Church Wharf, Marsa, a plot of land at Cross Road, corner with Road tat-Tromba, (Tent. 159), as shown in red on plan attached on emphyteusis for a 99-year period for the purpose of expanding their industrial activity in connection with the construction of boats required for the fishing industry. Taking into consideration the fact that the said Firm will undertake to carry out improvements on the site to the amount of £5,000, the ground-rent has been estimated at £1.10.0 per square cane. The area of the plot in question is approximately 240 square canes and the total ground-rent works out at £360 per annum.
2. This industrial undertaking is receiving aid under the Aids to Industries Scheme, and representations have been made that the land should be granted at a subsidized rent, as opposed to commercial rent.
3. It is likewise proposed to grant to Messrs. Emlite Accumulators a plot of land at the Marsa Industrial estate, measuring 380 square canes, shown in red on plan attached on emphyteusis for a 99-year period on condition that improvements (factory) to the amount of £9,000, are to be erected thereon. The ground-rent of the plot has been estimated at £200 per annum that is at approximately 10/-d. per square cane.
4. This request has the support of the Department of Industry. The firm has not applied for aid under the Aids to Industries Scheme, and it is the considered opinion of the Department of Industry that this fact adds weight to the firm's contention that the land in question should be leased at a subsidized ground rent, and not at any figure based on present day commercial rents.
5. At present Messrs. Joseph Galea & Sons employ ten persons, and Messrs. Emlite Accumulators employ four persons in their respective industries.
6. Both firms are contending that since the land is being granted on emphyteusis for industrial purposes, the ground-rent should not be assessed at the commercial rate, but should be reckoned at a greatly reduced rate,
7. Both plots of land are situated in the best industrial part of the island, within easy reach of harbour and airport facilities, and both sites are fully serviced.
8. The main point at issue is whether the ground-rent to be fixed in these and similar cases should be a commercial one or whether it should be fixed at a reduced rate.

9. It is to be pointed out that similar private property is fetching high rates of ground-rent on the open market, besides the payment of substantial premia.

10. Honourable Minister are requested to decide whether emphyteusis in similar cases is to be assessed at a commercial or reduced rate, or whether, as an equitable compromise between the two extremes, at a reduced rate for the first fifteen years and at a commercial rate thereafter.

4th August, 1967.