



Press Release

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STATEMENT FROM THE GOVERNMENT OF MALTA

Memorandum of Understanding between Malta and China for a Strategic Investment in the Energy Sector

An agreement was reached this morning by means of which China showed its intention to invest in our country's energy sector, through direct investment in Enemalta, with the possibility of setting up a company which assembles Chinese solar panels in Malta for Europe and which will see Malta being utilised as a centre from which China services power stations across the Mediterranean.

As a result of this agreement, Malta will have a major company from China, which is the second largest economy in the world, as its strategic partner.

The Memorandum of Understanding was signed by the Minister for Energy Konrad Mizzi and Mr Lu Qizhou, Chief Executive Officer of China Power Investment Corporation, after a meeting the Maltese Prime Minister Joseph Muscat had with the Chinese Prime Minister, Li Kenqiang, in Dalian China.

The Memorandum of Understanding is the result of months of negotiations and, by means of which, the Chinese Government is showing its interest in investing in Enemalta Corporation.

The value of the investment, which is expected to be substantial, will be determined after negotiations which will take place in the coming six months.

By means of the Memorandum of Understanding, China Power Investment Corporation has agreed that it will be investing in Enemalta Corporation through its subsidiary Shanghai Power Electric. The Chinese will have a minority shareholding whilst the company would still be controlled by the Maltese Government.

This will lead to a cash injection into Enemalta which will, in turn, mean a substantial decrease in the Corporation's debts. The burden, which in the last twenty-five years had to be carried by the Maltese taxpayer, will be alleviated whilst preserving jobs which were put in jeopardy due to the Corporation's debt.

The Memorandum of Understanding will also lead to new job opportunities in both conventional and alternative forms of energy as well as new infrastructural investment for Enemalta. The agreement has nothing to do with the plan to decrease Energy and Water tariffs which is still on track.

As a result of this agreement, Malta and China have a six month time frame to set up a company between them, with Enemalta's involvement, aimed at servicing other power stations that China has in the Mediterranean.

The possibility of photovoltaic solar panels being assembled in Malta is also being explored together with the creation of a joint venture for the installation of the PV solar panels both in Malta and abroad. This will also help Malta to reach the 2020 targets for the reduction in emissions.

China Power Investment Corporation is one of the largest corporations in the world which was looking for strategic partners in Europe and the Mediterranean at the same time that Malta was going through important changes in order to have a strong Enemalta Corporation, which will no longer be a financial burden on the taxpayers, while keeping safeguarding its employees' jobs and creating new ones in the process.

For the sake of transparency and good governance, it is the Government's intention to have the agreement ratified by Parliament once the negotiations are concluded.