

NEWS



Enemalta posts €35 million losses while its Chinese partner turns a profit



The Shift Team

January 25, 2023 08:04

State energy supplier Enemalta's annual audited accounts for 2020 paint a bleak financial picture with losses north of €35 million, but its Chinese partners at D3 Power Generation Limited running the BWSC plant have posted profits of €15 million by supplying Enemalta with power.

After the government entity delayed reporting its financial situation for months on end, it results that in 2020, the first year

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More concerning is that Enemalta posted operating losses in its core operations, meaning the company will not be able to survive for much longer without more drastic measures, such as increasing state intervention.

Losses at the company are expected to continue to rise. Enemalta is only surviving thanks to the government injecting hundreds of millions of euro in subsidies into the operation, while its partner – the Chinese government through Shanghai Electric – is posting profits from selling its energy from the former BWSC power plant to Enemalta.

According to the latest accounts, D3 Power Generation Limited – which purchased the practically new BWSC plant in 2014 in a €150 million deal struck with disgraced former prime minister Joseph Muscat and former energy minister Konrad Mizzi – registered post-tax profits of almost €15 million in 2020.

This is the direct result of the Muscat-Mizzi deal with the Chinese State-owned company, which was sold Enemalta's most modern asset at the time with a guarantee that Enemalta would purchase the energy produced by the plant irrespective of other prices available from other sources.

Through the arrangement, it is estimated that Shanghai Electric has already recouped its initial investment.

According to the latest financial statements published, by the end of 2020, Enemalta had accumulated loans of some €240 million, mainly with Bank of Valletta.

The company is experiencing a significant increase in customers falling behind on their dues to the company or not paying their electricity bills at all. Among these wayward customers, it is estimated that Enemalta is owed millions by the business community – including hoteliers.

But according to the director's report, while the company has the legal authority to suspend power supplies until debtors pay up, Enemalta is "taking a cautious" approach as it understands the ongoing difficulties the pandemic has caused.

While the financial situation at Enemalta is gloomy, the company, now under the political remit of Minister Miriam Dalli, continues to take decisions that are expected to have a negative impact on its bottom line.

Only last May, Dalli appointed a new chief executive officer, Jonathan Cardona, who was placed on a €160,000-a-year salary. Before this new political appointment, Cardona had led Malta's cash-for-passports agency.

Monica Farrugia, who assisted Cardona in his previous role, was also recruited to Enemalta as a chief officer with a €106,000 salary.

Enemalta Chairman Jonathan Scerri, who approved the accounts in question, resigned shortly after that – just seven months into his appointment. He was replaced by Engineer Ray Fava.

The Enemalta 2020 accounts were published last June, a year or so late, on the insistence of Opposition MP Mark Anthony Sammut, who had tabled a raft of

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This should be an eye opener for the finance Minister why the tax payer's money should not have been wasted on Golden handshakes for ex Air Malta employees. The Gov should question the validity of the agreements and ask for the stolen money to be returned to the tax payer. The 6 year ban from Gov work is a farse!!! does he really think that people are clueless.

+ 4 - Reply



KLAUS 4 months ago

Instead of all these dangerous shameless money greedy political idiots like Joseph Muscat, Konrad Mizzi, Keith Schembri, ... out of the party, ROBBER Abela has chosen to continue the sad MAFIA BUSINESS of PL (Political Liars).

**All on the shoulders of our children.
All at the expense of our children's future.
SHAME ON YOU!**

Last edited 4 months ago by KLAUS

+ 3 - Reply

This was the biggest cheat ever by the PL government to the Maltese people. All pre-planned for them to make and still doing millions. A big thank you to Joseph, Konrad with the support of Robert Abela and all their Cabinet and MPs !!!

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June 20, 2023 10:37

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