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Malta, Bahrain, sign double taxation agreement

Malta and Bahrain signed a double taxation avoidance agreement this morning during the Prime Minister's tour of Gulf states.

The agreement is aimed at facilitating trade exchanges and investment between the two countries. It was signed for Malta by Finance Minister Tonio Fenech, who is accompanying the Prime Minister, along with Foreign Minister Tonio Borg.

The Prime Minister's Gulf states tour started at Abu Dhabi, where a business seminar was held yesterday and an agreement was signed with Mubadala Aerospace and SR Technics for the building of a hangar at Malta Aviation Park for aircraft maintenance firm SR Technics. It was also announced that 40 Maltese are to shortly start training in Switzerland to work with SR Technics.

Trade between Malta and the main countries of the Gulf region doubled between 2004 and 2009 to over €45.7 million. Trade mainly related to preparation of foodstuffs, plastics, machinery and mechanical appliances and printed books and newspapers.

During remarks yesterday, Mr Fenech also confirmed Malta's backing for an EU-Gulf trade agreement.

He referred to ongoing negotiations between the Gulf Cooperation Council and the European Union to strengthen trade relations and ultimately sign a free trade agreement, and said that while the process has been lengthy and there were still issues that need to be resolved, some progress had been made including the GCC Customs Union coming into force in 2003 and GCC countries benefiting from preferential access to the EU market under the EU's Generalised System of Preferences (GSP).

"Malta has always favoured an EU agreement with the GCC, especially because of the potential of increased trade and investment which may also lead to cooperation in other areas," Mr Fenech said.

The Prime Minister's delegation also includes 30 businessmen who are seeking joint ventures with Gulf partners.

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