

**19<sup>th</sup> –MATI AGM Minutes**  
**28<sup>th</sup> December 2008**

**1. Recitation of Noble Quran**

**2. Call to order : Chairman Mr. M U Manku**

SG -19<sup>th</sup> AGM is in session now- Now I am going to give round of Agenda. First I am going to read the Message by the President of Maldives Hon. Mohamed Nasheed – President message follows.....I am sorry my reading of Dhivehi do not do justice to word of wisdom and encouragement that president has sent us . Will try to do better next time . the documents on your file today, apart from agenda..... . the chairman address I think it's a very brief address the chairman has, but I think he might be talking in length about some serious issues that he really feel very strong about later in the day and the minutes in audio form page 3-8 of the last AGM if some one likes to go back and after there is Annual report for 2008, 17 pages of that. There are annexes and further clarifications of summary of comments made on serious issues by the government and annex 5 is important about tourism condition in the GDP there is relevance to tourist arrivals and the country GDP this is to show when tourism drops GDP drops when tourism does not make money economy in trouble and there is the Auditors report, there is certain important things in the report that needs to be clear to you. There is this cost of construction of building very early stages expenses which has been reposted from our own Administrative expenses and income. The provision of budget for 2009, the budget is not enough to meet commitments and responsibilities the obligation that we have, things are changing in this country but not for better for that we need guidance from you as well, then we have submission from Banyan Tree about shark fishing and protection of trurtles and then there is a report we have drawn up from a private consultant on global crisis and how this is going to impact the industry and the country of course it has to be studied in details, perhaps the most important issue in the whole AGM is the very survival of the industry

**3. Chairman's Address: Mr. M U Maniku**

Thank you Mr. Chairman. Next on the agenda is the passing of minutes of our last AGM that is 18<sup>th</sup> AGM. There is 8 pages of the minutes and this the correct transcription made of the recording of the Audio .If the minutes is or if you like need further clarification we can provide you audio recording. So if minutes in order some one propose and second it ,so we can proceed with rest of our important things of the day. Thank you

Mr. Qasim Good morning Mr. Chairman as proposed I would like someone to proposed to the minutes.

Mr. Shakir- I would like to propose please someone second it.

Mr. Saeed- I second it.

Mr. Sim- Thank you Mr. Shakir and Mr. Saeed I would like to go to the next thing in the agenda. Then there is the presentation of the Annual report of the 19<sup>th</sup> AGM and the auditor statement and Budget. Mr Chairman, honorable members –Annual report follows.....

I would like to talk about the income and expenditure statement, the auditors report, its not very different from last year there are certain things that I need to point out, there are excess of income over expenditure which is minus because much of it is to do with the payment of interest to Bank of Maldives with our accounts, which shouldn't it should be from income of this building that this interest should have been paid there is also protracts of membership earning because as I have explained it to honourable financial controller this morning he dosen't look very happy for not bringing to attention earlier, we have this trend bigger companies with several resorts are now just take membership of in the name of the company and resorts are not included as members of MATI, which is not the case so, earlier the size of this organization has been enhanced by bigger companies like universal, Crown ,Champa , Suntavel, Sunland, HPL,Bandos and of course Villa, there membership has this organization going because they decide to contribute as much as they can to keep this organization going by making as much as there businesses as members of MATI. There is trend away from that. For an example John Keells has four resorts in the Maldives but John Keells is one member in absolute terms our membership is growing its is going when groups with many resorts join the association there direct involved in MATI but membership of MATI is still around the same it dosen't grow much, as I mention earlier due to crisis there are three to four resorts several more resorts , I hear has tightened there belt by some ways resigning from MATI and maintaining in sense only one member I think Mr. Nazeer would like to talk about this cause we are seeing next year as very difficult year not just for MATI but for everybody in world economy , in business not just for Maldives but across the world but for those are the figures and other difference should be ofcourse income received would be low as we have not been able to recover some of the membership dues last year and the year before and year before I think we have to ask the next executive board to write off some of the bad debts to write off I think it waste of time and more expenditure to pay lawyers to keep on running after is this people and probably not worth while to take a decision not to carry on debts then things will be more easier to carry on .That is year what this income statement is . What we say is we have to have maintaining very close balance between the income and what we are earning and what we are spending and is very very tight, because communication costs are going up, utilities cost are going up, rent is going up and office equipment not only equipment, consumables like paper, ink and all the things are double the cost what this used to be has become very difficult for us. Specially now that we have to fight, I am using the word fight, elements within the

majlis and opposition political parties that some somehow want to draw in the good reputations and the name of this industry, we need money to conquer that kind of things so we have to leave it to you how we are going to decide what we do to deal with that and that is what it is and there are serious issues with income and expenditure statement may be you can pause your questions but now I would request to you honorable members adopt the Annual report and along with auditors report if not much objections towards the adaptation. Thank you very much.

If you have clarification that you need auditor report is on our website and annual general report and after going back and if you need clarification we can do it over email or fax, if there is no major problems with those two statements, please propose this is in order and second it so we can continue.

Mr. Qasim- I propose the adoption of financial report and annual report.

Mr. Shakir- I second it.

Mr. Sim- Thank you Mr. Qasim so annual report and audit report are adopted

Mr. Chairman – Next item on the agenda is elections

Mr. Sim- we have to decide if it is done by show of hands or secret ballot unless members object it will be by show of hands, Mr. Hamza would like to have secret ballot what about the others. Its up to the house to decide if it is by simple show of hands or secret ballot.

Mr. Shakir- I propose the way we did in the past, by show of hands.

Mr. Hamza – I would like to find out what the article of the association says if there is any objection then cannot be by show of hands we should ask the secretariat what the article says.

Mr. Sim- the constitution say the election should be by show of hands unless the members want a secret ballot this is why I am asking it.

Mr. Bushry –I second for show of hands.

Mr. Sim- so there is one request that the voting should be by show of hands and seconded, we just clarified Mr. Hamza's query, lets just check what the charter says, ok I didn't remember this word to word but its says unless and otherwise the members decide, it should be by show of hands. So it has been proposed and seconded anyone abstaining or objecting to show of hands.

Mr. Hamza has objected anybody second it. Ok Mr. Jihad has second it so we have to ask for a vote. The first proposal. Those in favour by show of hands please raise your hands. Please someone count please.

Mr. Sim Those infavour of voting by secret ballot please raise your hands 4 votes. I think then we will have election by simple show of hands.

Nominations for the post of chairman for the Maldives Association of Tourism Industry in the coming year 2009. proposal please.

Mr. Shakir- I propose Mr. M U Maniku

Mr. Bushry- I second it.

Mr. Sim- Mr. M U Maniku is proposed by Mr. Shakir and seconded by Mr. Bushry. Other nominations please. No. ok there is none so Mr. Maniku has been elected by acclaim. Now the post of Vice Chairman, you can propose two names or three names or four names so we can see who get the most number of names.

Mr. Ibrahim –I propose Mr. Qasim Ibrahim for the post of Vice Chairman.

Mr. Shakir- I propose Mr. Hussain Afeef.

Mr. Hafeez- I second it .

Mr. Sim any other names please.Mr. Abdulla Saeed name has been proposed-Mr. Saeed has declined to accept the post .If there are only two names. Do we need to vote. We don't need to vote we just need 2 names that's all.do you want to vote on it or not. Ok. 2 names by acclamation Mr. Qasim Ibrahim and Mr. Hussain Afeef has been voted as next 2 vice chairmans of mati.

Mr. Sim- The financial controller of Mati. Nominations please. Proposal of Mr. Nazeer as financial controller any more proposals.Mr. Nazeer has been elected anonymously as financial controller of mati for the coming year. The post of Secretary general of mati is also open now. nominations please . Mr. Hilmy has proposed

Mr. Hilmy -Mr. Sim Ibrahim Mohamed.

Mr. Bushry- I second it.

Mr. Sim- Mr. Hilmy has prosed Mr. Sim any more nominations please. None, Mr. Sim Ibrahim Mohamed has been elected anonymously as next secretary general of mati. Before we go for the next voting few of the majlis members can vote to change the name the title of Asst secretary general in the constitution from to Deputy secretary general its become much better it is easier for deputy to represent the secretary general or the chairman. If it is an assistant its some who works in the organization it can be changed later. Nominations for the post of asst. secretary general of mati. Please.

Mr. Ibrahim- porposed Mr. Hussain Hilmy

Mr. Afeef – seconded. I propose Mr. Hamza.

Mr. Sim – Mr. Hamza has declined. Any more. If there are no more names. Mr. Hilmy has been elected anonymously. Now for executive board .How many names do we need. we can have many as possible .we can have voting by order of the names have been proposed. 7 board members .nominations

1. Mr. Abdulla Saeed
2. Mr. Ahmed Siyam Mohamed – seconded by Mr. Shakir
3. Mr. Ahmed Hafeez-
4. Mr. Ibrahim Noordeen-Seconded by chairman
5. Mr. Ahmed Hamza- declined

Mr. Ibrahim – I think Mr. Hamza should give us a reason for declining may be he think that its better not t be in the board while this bills are been discussed.

6- Mr. Ibrahim Siyad Qasim- chairman and MD –seconded by Mr. Ibrahim.

7- Mr. Ahmed Mujuthaba- seconded by Mr. Chairman.

8- Mr. Salah Shihab- seconded by Mr. Bushry

Mr. Sim- there are seven names do we still need to vote. We need seven members and we got seven nominations so there are no need for votes. Can we take it as this seven members are elected please. Any objections , I see none. So the seven members proposed are dully elected as the next executive board of mati 2009. we have to read out the names as there are some new comers to this meeting. We have to show this gentlemen. names of the new EB follows.....

Mr. Chairman I would like to congratulate al the new members elected to the EB board and the other members elected.

Mr.Sim- next agenda is budget we need to adopt the budget for 2009 we need to have it passed .you will know it is a provisional budget which should probably have to revise some time next year because, I would like to request that we look into it carefully because this costs and income will not remain the way there are now because we don't know what's going to happen in 2009 unlike before because we donot know the credit crunch and we donot know how the economic down turn is going to hit us what we require to meet those needs, because costs are rising all costs are rising we need to allocation for the rising costs. There is massive inflation in the country we need to make an allowance for that as well.But there are certain cost that we could not do away . the salaries and other allowances will increase with the new Maldives labour act , several facilities are provided to the staff, like overtime, medical facilities , things like that there is a request for an increase, I don't know how Mr. Nazeer want's to go about doing this , whether he is going to try and increase with the same or raise the subscription level.Mr. Nazeer please. Thank you.

Mr. Nazeer- Thank you Mr. Chairman as you know last year the budget was 1.6 million but we manage to collect only 1.2 million that is a deficit of 500 thousand which is mostly from subscriptions in other words members failed to pay to every year we have certain number of members who fail to pay but every year we get new member . last year lot more members did not pay subscription as a result income is down. On top of that A new trend has started as our secretary general pointed out some of the members there head office take part as members of Mati and there resorts is excluded as a result our total number of members reduced that also effect our revenue so if this trend going continues we will not be able to raise a million which going to be huge deficit next year as a result we have decide that we will ask member subscription to be raised from 18000 to 25000 and associate members from 9000 to 15000 we hope as a result of this we would be able to raise the 1.6 that is in the budget other alternative is we to go members and ask to get there resorts as members and see that we can raise the revenue that way. I have talk to some of the people who have done that and they have shown willingness to get back to old system that means they would like to get there resorts as members that is one or two. We have others too, I don't know what there position is we have to speak to them to find it . therefore I would say that we should ask to pass this budget, but we would not ask for increased membership fee if we can get all the resort to get part in it with increase in membership we would be able to raise the membership to 1.6 so we may not be require to ask for more money. Thank you

Mr. Hamza- we regard to increment I think we have to have a little bit of discussion on this. There must be a reason there is a decline in membership right now we as a organization we are faced with lot of challenges from the staff from, the government and from various sectors and while , we group together and defend try to defend the industry here and this is the only forum that we see that should be defending all of us ,in such a situation we are withdrawing and resolve with our own myth ,there must be a reason there is a decline in membership , does mati have an answer why there is a decline in membership and why the members are keen, can the secretariat tell us , what the reason for this decline is there a place or role that mati can play in it, why. Thank you.

Mr. Nazeer- Can I answer your question , as secretary general pointed out one member is John Keells which is a Srilankan company. There have 4,5 resorts and they have chosen John Keells should be a member but none of there resort is a member before they were as a result of this the befit they get is passed on to the resorts I think that is the sort of thinking they have , I don,t know why they have done it. I have not spoken tot them, why they have done it . we should talk to them and find there reason. If they don't have good reason then persuade them make there resort as members again. Thank you

Mr. Sim- before we go to Mr. Qasim & Mr. Ibrahim other explanation is there have not been increase in number of resorts 1 or 2 for the last 3, 4 years and there isn' t increase in capacity in the tourism industry , obviously there are less to represent the industry until such time the resorts are built , it will be very difficult for us to obtain more members so, we have to hope that resort are built very soon so that there is moment in industry. There is no moment in the industry, it is stuck. So that is a problem for us, several other

companies have also done the same thing as we said before not only John Keells, there is Aitken Spence, there are few big local companies who have done the same thing but what is happening in Maldives membership in real terms is growing because with one group of 4 to 8 members but in terms of money it's the other way it's really a problem. There are more resorts on line next year or year after, we might have more members. Thank you very much.

Mr. Qasim- I thought I just want to comment to the way the budget has been prepared. Last year what is the amount of expenditure and projections of next year. It would have been very easy to compare. That is what I want the financial controller to note and it's always better to explain what it is last year total expenditure and also the discussion about 250,000 Rf to change from 180,000 to . This is the only solution so far but unfortunately. We have this office space. If it is there we can cut down the expenditure that is what I want to say. Thank you.

Mr. Nazeer- just for the information for the members we have built this building from a loan of Bank of Maldives. Which is over 12 million Rf original idea was we move into 1 floor and rent other three floors, we get more return in renting our floor and staying where we are, so we decided to stay and rent out the whole building at the moment we are getting 180,000 to 200,000 per month all of that money is used to pay our loan to BML so we hope that in another 2 years time as the total amount of the loan decreases the interest component as a result we should see some income from this rental building coming into our budget. It's not going to happen in 2009. It may happen in 2010 and onwards. Thank you. This floor is given to Civil Services and they have given it as day use.

Mr. Ibrahim- I want to support what Mr. Nazeer said, without increasing the membership fees make more effort to, the resort might not have increase but there are others like airline, lots of suppliers we can target at them and try to increase the members, you have also included bi annual meeting, we could revise and address and present a report by ten, another area is rent. There is a lot of work going on in the current premises we should ask for a reduction until it is completed.

Mr. Nazeer is already fighting with the landlord.

Mr. Hamza- I have a proposal this is not the right time for us to increase membership because the industry is not doing well right now I think it not to propose any increase to the members. What I propose is if the financial controller speak to the Bank and try to increase in the loan and try to spend from that. When industry is doing well then we can increase the membership fees. I think this is not the right time to increase and my original question is, previously there was a meaning to Maldives membership has that meaning been lost, what it is there are many associations that we have to be members, the whole point is that to know that we pay some money to Maldives and should have something in return that just to say we are a member of Maldives. What do we earn in return so we are getting something then we are willing to pay 250,000 Rf, that is the question, are we getting? My answer is no. We are not getting what we want from Maldives that's what I feel. Does the

secretariat could tell us does the members feel that the members getting what they are paying for or is there any complain or do you feel that you are not able to return for our membership fees we are paying for. My proposal is why don't you increase loan component and rent from the building and when the industry start doing well then we can, what I am saying is try to finance the budget through increase the loan for the building increase by 500000 or the short fall of budget from loan for this building and then put into coming years budget then when the industry starts to do well the fine we can increase.

Mr. Nazeer- Thank you Mr. Hamza for the information of the members we borrowed a loan from Bank of Maldives, Bank loans are not just given out , bank needs guarantee, as we were a association there was no way to get a guarantee, so we get the board members to give there personnal guarantee for this loan. That's how we got the loan, I don't know how we are going to go to the bank and ask for more money without another guarantee for a association as such cannot guarantee a loan, it is individual members, we have built this building by borrowing this money and we should thank board members then for giving there personnal guarantee to the whole loan, If this organization is unable to pay we board members have to pay the bank until the loan is completely repaid so in this scenario I don't think mati borrowing money just like that even if we want. Thank you.

Mr. Sim – towards financial controller statement are members getting value for money that we pay. Its not a question the secretariat or administration can respond to what we are seeing is that lot of people see it very personnal, there are group of people in the country donot like what we are doing that is protecting the rights of the investors and these people talk ill of the organization, try to destroy the reputation of the organization. They label us as kind of private club of big time employers who are keeping the rest of the country poor there accusations and defermantries towards the organization its always going to be difficult for an non profit organizations not just here but across the world, I think you will remember the kind of criticism level at the UN and still being leveled at the United Nations where people pay huge money and nothing comes out of it and the Un system is pretty useless. So when we are not in business we cannot show the bottom line in terms of dollar and cents and rufiyaa and laree but there are lot of things that we do. The Executive board is always very busy , have full agenda the whole year and try to meet the several challenges and issues confronting the industry, whether those are been resolved to the best interest the profitably o the member is not to us to charge, again I can tell you we do our best to protect the industry and to promote to the welfare of our investors and promote the of investor best interest of tourism operators of the country in terms of black and white in terms of dollars and cents.

Mr. Ibrahim- in connection to what Hamza has said, I think there is lot of room for improvement, the board has been very active during the year, but the members should be made aware of the activities, the dissemination of information to the members we have to accept these things and improve the productivity of the organization.

Mr. Qasim- I support Mr. Ibrahim, to increase the membership like before, we have to explain what we are doing in the future and like Mr. Hamza said to open more closely

and more friendly to the purpose of mati, we are working nevertheless we have to put more effort by the Executive board and management as well - thank you very much, I second 25000 increase and finalize the budget as it is.

Mr. Shabeer -I would like to support what Hamza has said, the availability of information and holding the board response for letting Active members and Associate members know what they are entitled or they get to being a member. This has been discussed in the last year meeting and with the board members as well it was discuss that we might put up a website to inform the active members about the information and benefits of membership. And also before we pass the budget I like to highlight there is a mistake on it. representative percentage on it MNCCI membership fee. It also want be long before the most of the members realize that membership fees is getting increase and the benefit of not being a member is as equal as being a member because they get benefits without paying anything. I think just by increasing the membership fee seeing some bailout from membership or number of subscriptions, there is high probability that people may leave and still no that they will get all the benefits a non members are getting just paying nothing, the question of we just proceed with increment of 39% in the subscription fee it is very huge into the small companies that we talk about . Besides at times where companies are heading to difficulties financially, this should be thought again. Thank you.

Mr. Nazeer- You are saying that 25000 and 15000 multiply by existing number.

Mr. Shabeer- No I am saying is 2.44 % of 1200 is a mistake it should be .24%

Mr. Hamza- I would like o just mention is it appropriate just to increase our fees just through this budget proposl for 2009. There are other members who are not informed whether there is an agenda on increase in membership. All the members who are present or not are going to be effected by this. I think there should be as agenda item as this is a very important item specifically just budget proposal I suggest there should be some study and should be postponed. The secretariat should find a way of financing the deficit . There should be a further reduction of our membership should been seen rather then increasing it. if we increase membership fee the number of people leaving will be more. Then we as an organization would not carry any weight when we go for negotiations. Mati as a whole organizationis to collect it. Members like airlines are not doing well. If we increase fee there might leave . I think the membership fee is not small. Before increasing the membership fee there are certain aspects that we need to look in . There are more challenges ahead of us. In case of Reethi Rah where were we. Let look at seriously and then increase the membership fee.

Chairman- I think I must say something on this matter if you look into the membership structure of mati, at the time of mati formation there were so many people, suppliers all this people were here, slowly, slowly people realized this is not a forum for them and they slowly left with serious people who are in this. If the resort has come into been we would have more members and this scenario where big companies are put into together , and representing themselves is a decline in our revenue , second thing is that I want to tell you very clearly last 36 year we have been battling with government on every issue and

there they have enforced purposely so that we could not move if we have had given in we would be finish by now . It is not a secret, for every plan they put we put proposals banging head on dead board. If we would not have been there then this much of existence want be possible. This is fact of life everyone here will give evidence to that, resorts were constructed without consulting us, if consulted them it was never followed, parliament we put lot of bills, it was never followed, it was just as using us as a body to suck money and use there influence for political gain. I don't want to talk about it. But I have to intervene and tell you now. This is how it has been and I hope, the present government will not act that way. Will honour this organization and will recognize this industry and contribution of the industry economy and by and large what we are doing. If you want any more details we can tell how many times, we have here those documents in which we have been battling with them, meetings with every issue. Thank you very much.

Mr. Afeef – I am thankful for the question , Hamza put in, mati what have we got. I am very sorry he has not got any answer from anybody. None of you. He asked a very strait forward question and none of the member of mati have been able to give strait answer and I would like to do that Hamza. You asked what have we got. I will just tell you two things we have got. 1 we have the for 5 years and nobody can deny this, the fact is today it is 25 years I can tell you it is lot of work of mati. First we have the agreements where you wan't get any compensation in the end of term. Today we have in our agreements all resort owners should be compensated at the end of agreement and this is definitively mati work. Thoise who have been in mati would know that. Just 2 things I don't want to say anything more, but I was very sad that nobody gave a direct answer to that and this is two things we have done in abundance of things we have otherwise done , as chairman has said we have done abundance. Mr. Hilmy you have been in the board, Mr. Saeed you have been in the board and fought and when we have asked for hundred we have got only 1. We have not got even that 1 if we have not fought before. I would like to mention that fact. I am very happy I am able to tell you something Mr. Hamza. Next thing is if Villa or Champa or Universal and Sunland came as 1 member today. 500 thousand to 1 million rufiyaa will be less from this organization. So I urge this members here with huge companies like Aitken Spence, John Keells, I think over 5% of the industry, I beg and plea that you get all your resorts to be members and pay membership this will solve all our problems that we are talking about now. Thank you.

Mr. Ghani- When I lifted my hand Mr. Afeef has not mention the last part of the speech and that's what I wanted to stay. I have nothing else to say other then just get this big companies to get there resorts as all the others have done. I think that is the only solution. It's not the time to talk if mati has done anything. Mati has done a lot and without this organization we will not be anywhere and without this organization I think this country will be nowhere. Time for us to realize what we are doing and what we have to do and go and beg them to be sensible then representing there organization and represent there island. I think that's all I have to say.

Chairman- I will also appeal to not to shrink your participation to only 1 island as lot of cooperative bodies are doing now. We are here and we are putting each island for the

sustenance of this body, so we have a organization to fight for our cause and to fight is not easy thing. In the past we have been bagging our head in every corner.

Mr. Nazeer- Can I say something, this budget of 1.6 represents mainly 40% salaries, 60 % money is gone into recurrent expenditure and all that and very little money left to do any thing you know rest of the money is gone to staff . bonuses, etc to more work to be done we need more staff. We don't have budget and we don't have money to do anything. In the past many of the committees you know, executive committees has discussed doing various things and it was not able to do things because there is no money. I think that is one reason that we built this building in future we could do more things without asking from members for more money. I hope that people that we have done anything, so must realize that we are working with very little budget and that also prevent us from doing lot of things.

Mr. Afeef- I propose that we keep the budget as it is and increase and revise the situation of the budget in our biannual meeting , we are hoping that we will get more members to take part . Keep the budget as it is and not increase the subscription and on our biannual we do rest of it.

Mr. Qasim- Taken into consideration I suggest we keep the budget as it is.

Mr. Hamza- I would like to ask as the audit fee is very high compared to being a small organization why our audit fee is so high and printing and stationary cost are quite high 49000-50000 can we have some answers on that because I think 2000 dollars are enough to audit such small with only 1.6 to 3 million rufiyaa and we are auditing that.

Mr. Sim- the book writing itself is done by the audit firm and maintenance of records and booking writing. If it is simple audit per year it would be less this is an ongoing thing through the year probably that's why it is high and printing and stationary, everybody is not in the internet so if we have to make a printout, everything 100 printouts then it is quite lot of paper, ink and cartridge everything is paperless and everybody on internet then this cost will not be high. Unfortunately it is not that way so, I think we can try and keep this to minimum so we use lot of paper, but computer consumables are quite high and photo copying consumables increased in price last few months of which we have no control but we should try and control. Thank you,

Chairman- I propose the budget to be passed as it is and submit any revision in the by annual meeting.

Mr. Sim- Is there any objection to that. Ok. The budget is passed with the provision that it should be reviewed next biannual meeting sometime towards the middle of next year. We now have the appointment of auditors. Please put forward your nominations.

Mr. Nazeer proposed

Mr. Sim second it.

Mr. Afeef – I proposed we should get quotation from other auditors and thus people to come down.

Mr. Sim- Second proposal from Mr. Afeef the rates that they are charging should be check with other audit firms in the country and decide, Mr Afeef you are saying that this should be decided after. Can we give this to the financial controller to sort it out.

Mr. Nazeer – I don't know how we can pass the budget without agreeing on a fee. In my opinion the auditor fee is not high as they are doing bookkeeping as well. If we have to say both services then I don' t think the price is not high as some members have pointed out the budget is so small to audit such a small budget why do we have to pay such huge sum I don't know what to answer to that, bottom line to such I don' think what we have stated here is unreasonable.

Mr. Qasim – Now the budget is passed, we should not have same group to do bookkeeping as well, because they might do mistakes. We should leave this to EB to finalize.

Mr. Sim – Can we please agree to leave this to EB to decide when they meet in the early days of 2009 if it is except able to you. So its let to EB to negotiate with the auditor and and appoint a auditor. Thank you. Now there is a suggestion by Banyan Tree for a resolution on a ban shark fishing and sea turtles enforcement on sea turtles from been hunted.

Banyan Tree- Proposal follows;

Chairman- Thank you very much, this gives very good sitting to the conservation of what we required in this country. There is legislation about turtles but no monitoring and about the sharks its also equally important. There is excessive killing of sharks going on all over the Maldives so this is a very sensitive issue with the fisherman also now. We have to settle this matter in an calculated way. We can ask the government that shark fishing is reducing in a great way so to hold on for 5 years see the stock growing something like that. We can't go outright and say donot kill sharks but a ban for 5 years it might be easier to push as it is something to do with fisheries. Lobbing with the fisherman is very important. Internationally World has to stop killing sharks by reducing due to eating the shark fins.

Mr. Afeef- I think we agree with you, we know it is something we have to do and we cannot do it and we don't have the power. We should talk to the government as see what we should for sure mati members will back any positive thinking which will be given from the government side. I don't think we can make a rule, we can't make a rule, so I think we have to coordinate with the government and go ahead as they want us to do.

Mr. Siyam- Thank you very much for submitting this report, I believe It is very very important now that we have to have a dialogue with the government of the Maldives and think about the sharks and put a ban on shark fishing, As I can understand tuna fishing

also need sharks. I think we should talk with the government , we can open a dialogue and see how far we can go. I believe that is very important I believe we executive board must take a serious action about it. Thank you very much.

Mr. Hilmy – I am quite agreement with the sentiments put by the Banyan Tree, I totally support the idea behind putting a resolution and urging the government to take more combating steps to tackle his sensitive issue. what I want share with the members is, there is already a ban on harvesting of sea turtles egg so we need to revise the wording on that and top of that Mr. Siyam also highlighted protection of shark is also vital to this industry. The issue of is cross cutting between the resort industry and fisheries industry and the government at the moment is working on this issue of putting a control on shark fishing and that is something which has to retrain the fishermans already involved in shark fishing into alternative livelihood I think it is not something as it is possible for us to have a resolution on so much, if you want to perhaps if you want a resolution, we have to re-word it, because asking for a total ban immediately can be counter product to what we are trying to do but I fully agree we the cause and the objectives , but I don't think the wording is appropriate this is an issue that we have to work with the government and try to see government can expedite a total ban. Again it means we have to provide alternative livelihood to the and it is something industry itself cant help so I totally agree with the total sentiment behind it but I think if you really want to pass a resolution I strongly feel that the wording has to be revised.

Banyan Tree- I think everybody agrees its is a complicated and sensitive issue so how do it, specifically there is no timetable. We are not saying it has to be immediate but we also say there has to be engagement from the fisheries industry, Turtle egg ban is not a total ban but partial ban to certain areas. The main point is it comes with the sentiments, mati can presenting something to the government as a suggestion to say that from the tourism industry this is what we believe, then its role of the government to fall through. Have there engagement set there timetable and go for, just stating that we agree without the sentiment without a time table and the wording is strongly ambiguous that's our stand again respectfully thanking everybody for your thoughts.

Mr. Qasim- We should take this to the Executive Board, it is good but we have to handle this very carefully because it also reflect to fisherman, we have to discuss with the fisherman and others engaged in this issue then we can. Otherwise it is not very good idea to go with this.

Mr. Sim- we will go to the next item on the agenda , Which is any other business. After that we have tabled a paper, concept of the paper is global recession , from the tourism sector, and very broad outline of what we needs to do, what we like the members to do is take this back with you and send us comments on this outline so we can start refreshing up. There are several positions that we want to present to the government. This is necessary to adopt some kind of stimulus package for increase investments. The bank is not lending so there is no moment in money, all the countries have come out with stimulus package accept Germany, US have, UK have so many people are already acting on it . If you read through this so we can draft a better paper and start negotiation with the

government. We also would like to share with you the next draft paper when it is done after your comments. Other is comments from our lawyer from Singapore on draft regulation for expatriate working in the country, and also general provision on employment act. Its causing lot of difficulties for us to interpret the meanings on top of it Maldives is going to exceed to the ILO so what will happens us when we are members of ILO what we should do to protect our interest when we become a member. This paper will cover these as well, we are also working on a draft of industrial relation relation act because of this is not considered by parliaments in many ways and also by the government we are looking at it from our point of view, we hope might be able to amalgamate with the government is doing and a better paper that will reflect the position and the needs of the tourism industry as well. There are two papers before you now, the concept paper on impact of global recession on Maldives and one with you send by email on comments from our lawyers, please comment on those two papers so we can move forward with these, and other one about the industrial relation act is a bigger undertake so we will hold series of meeting earlier next year. So floor is now open for any other business . Thank you.

Mr. Hamza- I would like to say something on the current employment act , While the employment act was being studied in parliament I also was in touch with Sim myself and I new what were the consequences of this particular bill which is going on and I personally contacted some board members , I don't know but I may be not aware please excuse my ignorance on what mati has input so I don't think there is much we can do of the past but we can always learn from the past and act for the future, what I am trying to come is in my opinion and I am not happy with mati activities while this bill was studied by the committee level and I am sure Sim will remember that I spoke to him earlier and some mati Board members try to make mati board more aware of the what's going on and also its extremely important to our PR machine to be active it as a impression I as a member of parliament is the impression , impression is very important we vote by the impressions we get from PR machines from various sections opposing and from the pulse of the argument that we feel. I have not seen this particular organization representing the labour from the industry, while they were active on tv , I am sorry to say I have not seen mati representing those PR activities may be I am not aware of . Please enlighten me on this, my point is right now there are lot of issues of labour that is going to hit our industry very badly , I am not being trying to be unfair on the labour side but I am saying mati as a industry we as an industry must try and tell public what we are doing. I have not seen that and also when budget was passed I had a question on 81000 Rf on publicity , here I have to telling not to increase membership fee, again I am saying increase you budget on PR. Mati has been relevant before is mati relevant now? That is a question? Anyother business I like to do is mati board to be more active on PR side and be try to be more aware of what's happening in the policy level which regards to the industry, criminalizing kind of resort owners, this sort of level it is going. I think mati need to play a more active role in the PR level and also in the policy level so this should be addressed at this forum and is extremely important and also would like to see is mati board draws a kind of proposal and circulate to us , what they propose to do the year 2009. I specially my opinion is its going to be hard to deal with this labour issues and those issues how we are going to deal collectively , if there is strikes on resorts how we are going to deal with it

.Sorry I have not seen any publicity from mati regards to the Reethi Rah incident , I am not aware of. Please excuse my ignorance. So I would like to hear on these issues and what members going to say. Thank you.

Mr. Hafeez- I would like SG to brief the role mati played in the Reethi Rah incident in board level and President office so every member we now what role we played in this particular incident . we have sent powerful message to the highest level of the government regarding our members right and in general the whole industry. I think the SG can tell the floor what work we did on this particular incident.

Mr. Sim- I Mr. Hilmy would let me I would like to explain to the floor what Mr. Hafeez was talking about. ok Reethi Rah, this was very strange case, we heard there have been some strikes from some radios and on TV and we so it getting out of control and the owner Reethi Rah came to mati and said that this is happening in our resort , there are certain demands of the people who are striking and what can you do about it. We said you are fully apid up member of mati and we will do what we can to turn this issue to your best advantage, ofcourse we meet the owners of Reethi Rah, but I am sorry to say we did not meet the strikers. This association did not meet at TEAM at that time, Mr. Chairman, Mr. Afeef and myself and several of our members met with the owners of Reethi Rah, this is including the CEO and the President of Sun International, he came down and met him. We also brought in lawyers including Reethi Rah lawyer to look into this case and with them we went to meet with Ministry of Tourism , and Minister of Homeaffairs who is Vice chairman now Mr. Qasim it was very helpful the minister of Tourism was very helpful as well we also in line through out the whole episode with the President's Office mostly through the vice president Dr. Waheed as a result of which the negotiation between this two parties were taken over by the President office and there was a solution reach that night and the strike was pulled off. What we did not do is go on TV and said look we helped to solve this problem for Reethi Rah, we also did not do is get engage with the people on strike and talk about the legitimacy of what they are demanding and talk to mati face to face and we did not give the recognition that we were so concerned about, and willing to give into there demands. This are issue which that to be worked on. We also impressed very strongly about to the Minister of Labour, that striking on resorts premises is illegal so actually he has been in TV with there lawyers to stay there are number of steps people can take before they go on strike on the resorts and this has been announced publicly and we had constant communication going with our members on what we are doing and what the situation was at that time. and we also lobbied very hard with the President of the country His Excellency Mr. Nasheed to go on TV and say that people cannot go on strike on resorts and what happens to people who strike on resorts the president was very accomodating, he did not go direct to TV but on his visit to North when talking to people in Kulhudufushi said that this is happening in our country and this is not something people can do. All this at the work of our office and the work we did everyday, we also did not stop there . we started re visiting the content issue which has arise due to the content of this law and we are at a stage , it is a draft we can be submitted to the parliament and the regulationa can be submitted to the ministry. We had the cooperation not only cooperation but commitment from the hard work of Chairman and Mr. Afeef, specially we tried to solve this issue and I think we were able to

resolve this very quickly. The Home Ministry were in charge of police and army and he was willing to contribute so I think we have done well , done something acceptable I hope, we have if that is not enough, sorry we could not do more.

Mr. Hilmy- Thank you Mr. Chairman I also would like to few remarks regarding some of things discussed today begin with sentiments expressed by honourable Hamza, I think what he was trying to say is the view shared by many members that mati should play a stronger role in the changing climate of the country at the moment, while we have done a lot, the chairman also highlighted some of the difficulties the organization had in the past dealing with the government. At a time we are opening up more and more democracy in action. I think an organization like ours need to adapt and see how we tackle the situations decisions are been made by the parliament and the government at the moment have tremendous barring on the industry and future direction of our industry. So it is very important for us to remain engage and how we do it is for us to really determine. I think this information should really flow down to our members for them to really appreciate the kind of work the organization is doing it also very important for us to realize at the end of day it is very important for us to realize its our organization , members organization and is upto us to make it successful and I think some topic we heard this morning is comments on issues on the parliament and kind of discussion which happens on the parliament and direction of the industry which is taken in the a parliament , touch upon by the SG general for better politicians that we need. I think its up to us to find strategies and how do we tackle this issues at the moment and that is what we need to do at the moment. The chairman also mention about need to have a more responsive policy from the government I think is an area we could be involved and try and make the government does listen to us and gives us the platform in the necessary decision making bodies so that mati is represented in the right forums where discussion take place and decisions are made and right now the key area that we should focus is the parliament were committees are deliberating on lot of issues that are very much relevant to us like, taxation , increase of lease period so on and so fort . Again question of strikes is again another area where legislations are for industrial action at the moment. We have to urge the government to put into place quickly as possible. Again our input is vital to make sure the legislation must take the right direction that is should. All in all I would like to say that it is very much important for us to be more and more active, and more involved to try to do the right thing. Last but not least is the issue of global economic situation and what the Crisis Maldives Tourism industry is facing. Specially the previous government had tried to expand in such a rapid phase and resulted in large number of island has been allocated for and we have not been able to develop up this islands and no was the infrastructure was in place when this island were given. All this issues have been very much identified in this papers so I think is very important that industry as a whole represented by mati to approach the government to find a common platform for all this problems. I would like to agreed with the sentiments shared & expressed by Mr. Hamza , we need to be more and more active, we have been active in the past we will continue to do so in the future but how do we do it and with whom we engage will be very very important . In the past it was only the government that we had to deal with but know we have to deal with parliament separately. So it is very very important for us to look into these areas and work on it more aggressive way.

Mr. Sim- Before we hand over the floor to MR. Ghani and then to Mr. Siyam, I have to say the ball is in your court in many ways, the legislation and labour law is concerned we have send you a draft with latest issue raised by the members and if you could send us those comments lawyer will find it very easy to redraft the regulation. Then in term of having a better parliamentarian , I think we should work and elect two parliament people who will support our course and who will be friendly with what we are trying to do, it also come with a bonus .

Mr. Siyam- I joined the state visit to India recently with president on behalf of mati. Mati we have discussed with the EB Members the most difficult thing we are facing is to finance and the other points we can understand is lack training and education in industry , number 3 we discussed is that we are going to advertise in India , our tourism Industry as you know India is the biggest population in the world and one of the fasted growing economy in the world, the economy growth of India is 8% and due to global recession the economic growth came down 1%. The Indian government is not much worried about that. I personally met with the President of India, the Prime Minister and also the Head of state bank of India. State Bank of India said they will give 350 million dollars extra so it is going to be 500 loan from Male' Branch so in two to three weeks the chairman and the President will agree. And we also discussed about Axin bank to get more money for industry so Axin bank has agreed they will give credit line of minimum 100 million which is very attractive. Then we talked about the training that Indian government said they have already investing in the hotel school in Male'. Which started two years back but its not going very well so we Indian government ids going to do end of next year. We also met with government and private parties regarding advertising tourism industry.

Mr. Ghani- Thank you very much fro your contribution Mr. Hilmy and Mr. Shiyam I think its not for this general meeting to discuss this . I think we have chosen a board and I am sure they will contribute quite well to the board to put a handsome fellow in the TV and who can talk a lot , what ever decision board chose I think we have chosen the board. I am sure you will find someway of doing this, sending someone to TV or to the president he may not talk very well but will find someone to argue with him. Let us leave everything to the board to decide what to do so finally will come out will good solution I hope you will do well for the industry.

Mr. Sim as usual thank you for your wise and encouraging words Mr. Ghani.

Mr. Hamza- Now I what I would like to see is the extension of the lease for another 15 years proposed by the government and which regards to that all there is whole series of operations in the industry mostly I would say negative in nature so this has to be defended by as whole organization. To tell the public the good things we are doing, what we are doing. I think mati as an organization must defend us. We must be defended. Now its only one sided stories been sold, we are just out there to take profits and not to deliver anything. I agree with Mr. Ghani, yes the board will do the best and we understand out there is lot public who do not understand, we need to defend ourselves. Do we appoint a PR company or we do it from Mati board, whatever we need to be defended. Otherwise

there is no point being here. There is no meaning for us paying here. So we need to be defended and mati need to tell the public what is the industry doing for the people. Its been told we are just collecting money and we are not doing anything we are not paying salary, we are not paying, no accommodations, there is nothing good about us. Somebody who is resort owner speaking, something good may come, rest is all bad and this is the message which has been send to the public at a time were people are finding it difficult with the credit crunch, so I think this is what I am trying to communicate to the member and to the board, even which regards to the labour relations, we are not doing very bad in the resorts but we as a organization did we tell that, lobbying with the president is not enough in my opinion and I am sorry. I am sure there will be lot of disagreement regarding this issue. I think just sitting in a room trying to communicate to the policy makers is not good enough now. I am sorry so I as a member of this organization appeal to the membership and appeal to the board, and we as a member press the board to do the necessary. With regard to the Reethi Rah issue we were not represented in the public, nobody said anything in the public how vital this industry is. Yes, government knows, because there revenue comes from the industry and they did not say anything. We got to tell the people look, we are here working hard. From were did the government bring the money when industry started, Somebody need to tell, somebody credible need to tell what we are doing. What we are investing, our people, who is building there transport infrastructure it is the industry. If the two transport company shut down what will happen what's the government doing , what are the people doing it's the industry. So these need to be told. We as a private company must not tell. Mati an organization must tell. Thats why mati is there that the meaning of being relevant today, It's does not mean mati is relevant yesterday. It has to be relevant today. So please we need to get our PR machine in action to defend ourselves , otherwise tomorrow not we only are in trouble but country is in trouble. Yes we can collect our money and go somewhere, investor friendly environment is there, all of us can collect our money and go back, to where people are offering investor friendly, everything friendly, we can do that, but as a nation we can defend our country as a whole. So please I urge mati board to do something in the future to defend ourselves.

Mr. Shabeer- thank you Mr. Chairman, I took this chance to add little more to what Mr Hamza has been saying. He himself being a member of parliament he has informed to us , he has rather mention, few minutes back , what they vote in the majlis according to the pulse of the majlis and the image, rather the mood of the public and the majlis. Which tell us exactly the position, what they vote and we have to go accordingly. This is the right time for us, to change the mood or the feeling of the public and the majlis as well. What should be done, something that of urgency. So we should be doing it, if we donot have the funds for it. Mati itself should take the role and responsibility to do that even as special project or like that. I would just like to add basically the same thing he has been explaining, I don't' want to repeat all that he said exactly the point, It is important for me to add that point.

Chairman- I think we have heard from Mr. Hamza who is a parliamentarian what exactly is going on and requirement of us getting involved in the PR work more vigorously then

what we are doing now and I think we will give top priority to this from the board and be very active on this.

Mr. Afeef- Mr. Hamza told me about this long ago about this, since I came two days ago, I have had a meeting with the chairman, we have been discussing last night also these things and I can assure you the members that you will hear something as early as 1 week, the game plan what we want to do and from the board we will pass it to you. I fully agree, if you see last year minutes the last page it says Deen- express the need for mati to strengthen its public relations even the fact the media play a significant role in the country and members would be informed constantly informed of mati efforts. Salah, there were aggressiveness from certain factors of the community to degrade the tourism industry and its time mati to create a strong media presence, so all this has been addressed, it just not been done, I assure you that with the chairman's blessing and the board blessings will hear something from us within a week or so.

Mr. Chairman- if have nothing more to discuss we can adjourn the meeting.

Mr. Shabeer I would like to propose to mati to lobby to the tourism board and the ministry of tourism to get the industry statistics in time because obviously it takes very long time the industry partners to getting the real time statistics and as far as I know there are actually have some sophisticated statistics available which a has not been made available to us in the tourism sectors, one more thing is that due to the changing face and evolving tourism industry was define long long ago and at time as far as I know we don't have a proper definition of who the tourist is in 2003, people who brought lemon and people come to buy tv sets were also counted as tourist around that time because we lack a definition of a tourist and who tourist are, I think we should also lobby and find out or define ourselves, obviously it is changing and going to the people, guest house stays and these things are have to change, unless we have a proper definition of who tourist are, again due to the change and evolving industry I think we have to pay attention to the protection of tourist themselves. Very sophisticated matter again we have had situations where tour operators and travel agents had behaved in a flagellant manner where tourist got disadvantage and got strangled in the Maldives somewhere, cancellation happened in 2006 and 2007 as well. I think look into our way or atleast have an agreement to find a way to protect the tourist arriving, while we are all trying to protect ourselves, we should have a say in protecting the tourist. That is the business we are in and we should protect tourist as well, we don't have any else.

Mr. Chairman- Thank you very much for your comment it is a very relevant point which is raised very carefully, data has to be made available of the industry in monthly bases atleast so we are aware of the moment of people . Thank you very much. If there is no more discussion the meeting is adjourned thank you very much for your attendance.

