

Building on tourism success

By DR EDWARD ZAMMIT LEWIS

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EDWARD ZAMMIT LEWIS holds a Doctorate in Law from the University of Malta and during his university years occupied the post of President of the Maltese Labour Party Youth Forum. Upon graduation he practiced civil, commercial and constitutional law in the country's superior courts. He was also legal advisor to the Maltese Labour Party. Elected an MP in the 2013 general election he initially served as Parliamentary Secretary for Competitiveness and Growth and on the Parliamentary Privileges and Public Accounts Committees. He was appointed Minister of Tourism in 2014 and is also responsible for Malta's flourishing film industry.

It is natural that as we come towards the end of another calendar year, we reflect on the fortunes of the past twelve months, as well as the challenges and opportunities which await us as a new year draws closer.

We can already state that 2015 has been an exceptional tourism year for the Maltese Islands. I am glad to note that the resulting optimism surrounding our tourism industry has been confirmed by several reports originating from both local and international sources. The World Tourism Organisation has praised the growth in tourist arrivals in Malta, referring to this as being 'robust and positive'. The latest World Tourism Barometer, published in August, says that global tourism between January and June of this year rose by 4 per cent. During this same period, arrivals to Malta rose by 5.3 per cent. Significantly, this figure also surpasses the average increase registered by other Mediterranean destinations, which stood at 4.6 per cent.

A snapshot of Maltese tourism

Tourist arrivals for the first eight months of 2015 stood at more than 1.2 million, an increase of 4.7 per cent over the same period last year, while the number of bed nights reached 9.6 million, an increase of 4.4 per cent. These are impressive statistics.

Tourism expenditure during this period rose by an impressive 6.8 per cent, to no less than €1.2 billion in absolute terms. This translates into an additional €71 million being injected into our economy, when compared to 2015. The fact that the rise in tourism expenditure has started to exceed the growth in arrivals means that tourists visiting Malta are now spending even more. This clearly indicates that our stated policy to attract high end tourism is starting to bear fruit with important advantages.

There is also no doubt as to the growing importance of the cruise-liner market within the context of Malta's tourism industry. Cruise passenger data released recently indicates that during the first nine months of this year, the number of cruise passengers increased by more than 33 per cent, or by 105,000 passengers, when compared to the same period in 2014, to exceed 420,000. These are impressive results. Moreover, Malta's cruise sector has been successfully evolving from one which was exclusively port-of-call, to one which includes home-porting.

We are also making inroads with regards to seasonality, another of our policy objectives. Between January and March of this year, arrivals increased by almost 8 per cent to reach 250,000. Substantial growth was also registered in bed nights and tourism expenditure, with the latter rising by almost 9 per cent compared to the previous year. The first quarter of 2015 also registered the highest increase ever recorded in per capita expenditure for these three months (January to March), since 2007. Taking a step back and observing the trend over the two years since this administration took office, the number of tourists arriving in Malta between the months of January and March has risen by a significant 16 per cent, while tourist expenditure for these same months has seen an increase of 17.4 per cent since 2013. These results augur well for our drive to tackle effectively the issue of seasonality which has been afflicting our tourism industry ever since.

Apart from the enhanced economic benefits accruing to the country as a whole as a result of these achievements, our accommodation sector is also reaping the fruits of the collective endeavours of tourism stakeholders. During the first half of 2015, both occupancy rates as well as the gross operating profit per available room have seen substantial growth, and this in relation to three, four and five star properties which, in turn, positively influences their propensity to invest.

Malta and the international traveller

Situated right at the heart of the Mediterranean, our islands have been a crossroad for ancient and modern seafarers and traders for millennia, and during which they have provided a home, stronghold, trading post and refuge. In terms of modern tourism, the relationship between the Maltese Islands and the international traveller has evolved alongside all the global changes we have witnessed over the decades, in terms of economic development, technological innovation and lifestyles.

So why do people from all over the world choose Malta as their destination today? They are attracted by our unique 7,000-year-old cultural and historical heritage, our mild climate and pristine marine environment, by our range of high-quality accommodation facilities, and significantly, within

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Perhaps most of all, today's travellers are also attracted by the promise of a unique experience in a small island state, where hospitality to the visitor comes naturally. Many of those who visit us readily take to our unique and relaxed Mediterranean lifestyle with little or no effort.

Current trends also appear to indicate that most people like variety. And the diversity of the Maltese Islands' tourist offer is our real unique selling proposition. Visitors to Malta are never far from our rich archaeological and cultural treasures, picturesque beaches, lively cafés or shopping. The archipelago conveys a natural sense of fun. The attraction of Malta lies in a blend of old and new; the effortless co-existence of the past alongside the present.

Malta and the UK market

There is no doubt that the links between Malta and the UK are as strong as ever. In 2014, close to half a million visitors hailed from the UK, equivalent to 29 per cent of total arrivals, and an increase of 7.3 per cent on the previous year. Expenditure by British tourists on holiday in Malta rose by more than 9 per cent. Moreover, the arrival of 284,000 UK visitors in the first seven months of this year – an increase of 6 per cent over the same period last year – indicates that 2015 will be yet another good year in relation to the travel and tourism UK market.

A couple of interesting figures about the UK travel market for Malta – in 2014, over half of the British tourists who visited Malta were repeat visitors. Moreover, when asked, more than 60 per cent of visitors from the UK stated that their holiday experience on our islands met their expectations, while no less than 35 per cent stated that their holiday experience actually exceeded their expectations.

Long-haul tourism

Malta's medium to long-haul source markets currently generate a respectable 120,000 tourists. While some of these flows consist of VFR (Visiting Friends and Relatives) migrant traffic from countries hosting Maltese communities, such as Australia, the USA, and Canada, most other long-haul tourists to Malta are tourists with an above-average profile who utilise high category accommodation and who tend to spend more than short-haul leisure tourists. In this regard, Malta's Tourism Policy for 2015-2020 places particular emphasis on the need, amongst others, to intensify efforts in Australia as well as to gain entry into the Indian market, with a view to generating a sustainable critical mass of tourists from such and other long-haul markets over the medium to long term.

Looking to the future

All indicators point to the fact that tourism continues to be one of Malta's success stories. The industry has retained, and indeed enhanced, its already considerable contribution to the Islands' well-being. However, we are also aware that tourism can be a volatile industry, and we must constantly revisit and update our strategies and policies, always heeding what the market, and those working at the heart of it, are saying and recommending.

It is clear that Malta's future tourism policy will rest on three pillars, namely accessibility, quality, and the marketing of our tourism offer. We will therefore be working towards enhancing further our air connectivity, a factor which has already facilitated our market reach and opened new markets for Malta. By the end of this year, no less than 33 airlines will be operating to and from Malta; among which five new airlines during this year alone. And significantly, no less than twelve airports across the UK will be offering flights to Malta this winter, with some of these being served by more than one carrier.

We will also be sustaining and improving efforts at ensuring and improving quality across the entire tourism value chain. As a service industry, we are involved in providing a very personal and memorable experience to the visitor. We need to ensure that we leave no gaps in terms of the quality we offer. Malta's reputation as a safe and hospitable destination, regulated by the highest standards, needs to be safeguarded constantly and assiduously.

Local SMEs have benefited greatly from the economic spin-offs of Malta's robust tourism performance. Likewise, tourism SMEs dominate our industry and have a big influence on tourists' experience, and hence the Islands' success as a destination. Because of their very nature, SMEs can be said to best represent a destination's character and are in a position to offer personalised products to their customers. SMEs are also valuable contributors to the social fabric of a community; and in an increasingly competitive industry, many of these are emerging as important sources of innovation. The government is committed to facilitate and support SMEs' critical role in this industry and within our economy as a whole as significant drivers of growth.

The achievements I have outlined are important, and a source of encouragement for us all, and they clearly indicate that we are on the right track.

Nevertheless, the positive outcome of our policies, as well as the collaborative and effective synergy between all tourism stakeholders which continues to characterise our industry, further boosts our resolve to pursue our strategic objectives with greater intensity and confidence in the years to come.

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