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Ensuring Sustainable Growth

Tourism is one of the world's largest industries and rapidly changing economic sectors which is recognised and respected as one of the biggest agents of social and economic change in the world today.

Such a rapidly changing phenomenon necessitates a level of policy response, which is capable of recognising its high rate of evolution and adaptability to constantly changing trends and tastes. It is for this reason that Government has felt the need to launch the process for an updated Tourism Policy for Malta covering the period 2015-2020.

This document that was compiled in consultation with industry representatives and other stakeholders, reflects the Government's position vis-à-vis the continued, sustainable development of tourism to the Maltese islands in line with the international trends and developments, and Government's own social and economic vision for the country.

This Tourism Policy 2015- 2020 has been formulated on the basis of a longer-term Tourism Vision 2030. This medium-term Tourism Vision 2030 is based on the principle of sustainable development with a view to safeguarding the positive aspects of the country's attractiveness as a tourism destination for the benefit of visitors and the host population alike.

Our Vision for Tourism 2030 is based on the concept of controlled growth, which is achievable through the targeting of appropriate markets with the aim of achieving higher rates of economic returns and returns on investment. It is also based on the principle of aiming for high quality delivery at all levels of the tourism value chain with a view to achieving improved competitive positioning in the international tourism market.

This Tourism Policy 2015 - 2020 is based on the premise related to management and planning of our tourism industry, including the importance of the tourism product. The main three major pillars communicated in the policy are connectivity, the generation of tourism demand through marketing activities and the constant improvement of tourism supply through product development and quality assurance initiatives. It also gives recognition to Gozo's specificities as a distinct tourism destination whilst also taking note of the growing importance and size of the domestic tourism market. The opportunities arising from the use of EU funds to help Malta and Gozo reach these aspirations will be fully exploited in line with the direction forthcoming from this Policy.

Our objective is to provide the necessary vision and direction to all the stakeholders to spearhead their own initiatives for the continued benefit of tourism to our Islands. The stakeholders range from Government through its various Ministries and entities, to the private sector and the general public. In line with tourism's industry rapid evolution, it also needs to be regularly updated so as to recognise change as it constantly takes place.

It should not to be seen as either a strategic or an action plan for the industry. This plan will follow once this Policy is adopted.

A stylized, handwritten signature in blue ink, consisting of several sweeping, interconnected strokes.

Dr. Edward Zammit Lewis
Minister For Tourism





TOURISM VISION TO 2030

Tourism Policy Vision to 2030

Vision statement

Promoting and managing year-round tourism growth to the Maltese islands through the dual principles of competitiveness and sustainability. Maximising the socio-economic contribution of the tourism industry by aiming for higher added value based on quality service and products which will lead to the re-branding of the Maltese Islands as a destination of choice for established and emerging markets and segments worldwide.

The Government is seeing the necessity to start formulating longer-term policies based on a suitable framework on the principle of maintaining an acceptable rate of progress. Once Malta maintains the rate of progress that it has become accustomed to, one has to consider formulating long-term policies based on a sustainable framework.

Since 2007, Malta's tourism performance has been on the high side of European and Mediterranean performances, but Malta's size poses some unique challenges and we may need to manage visitor numbers and growth patterns during the course of the calendar year. The size of our islands puts us at a greater risk, as tourism activity is not limited to any particular zone or region but is spread across the entire nation. Environmental consciousness both among the Maltese as the host population and our visitors themselves, will continue to increase and this will give rise to the demand for sustainable destinations in which nature and population will play an increasingly prominent role.

The issue of the relationship between volume growth and value growth is becoming increasingly valid, particularly as the destination reaches peak season saturation levels which may eventually necessitate selection in terms of optimal economic returns.

Growth must be well planned on the basis of more balanced, year round carrying capacities. Therefore, our objective is to target different markets which deliver the highest return on investment and invest in attracting the most efficient aspects of the international tourism sector. Furthermore, collectively we need to guide the development of tourism on the basis of a controlled growth scenario and aim to optimize tourism activity by increasing benefits whilst minimizing adverse impacts.

The delivery of high quality tourism service and products will become increasingly important in influencing travel behaviour. The future of tourism should be driven through achieving quality. One has to instil a quality culture that permeates through all aspects of our tourism products and services we offer. This will in turn pay off, as the provision of an attractive and quality tourist product and service, will secure a high level of visitor satisfaction, which will encourage loyalty and increased spending at the destination.

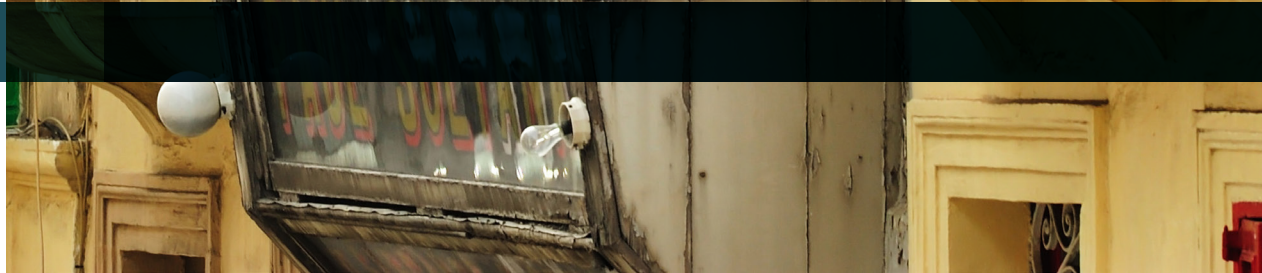
Additionally, the Government needs to guide development of the industry by establishing tourism policies that support measures to bring socio-economic benefits and added value to our islands. This requires a thorough and an equitable assessment of the competitiveness-related challenges facing the international tourism industry, which is highly volatile and subject to a constant evolution in the product demand. We have to stimulate competitiveness and promote the development of responsible and sustainable high-quality tourism over the coming years.

Another important goal is providing quality all year round, and to protect and promote what is truly indigenous to the Maltese Islands by showcasing the special distinctive features and characteristics of the destination rather than depending on mimicking what is available in competing destinations.

To sustain tourism, the Government will also be looking at a re-branding process of the Maltese product to ensure that we deliver a coherent and consistent image, in line with the set objectives.



1. NATIONAL TOURISM POLICY 2015 – 2020





1. National Tourism Policy 2015 - 2020

Originally, tourism was the realm of the privileged few who travelled infrequently but has now grown not only to encompass hundreds of millions of people who travel annually, but has also expanded in terms of frequency of travel and reasons to travel for the individuals concerned.

In an increasingly globalised world, the existence of a worldwide calendar of events means that travellers are increasingly willing to roam around the world to participate in cultural, sports, music, festivals and other events. Destinations need to plug into this area which is forecast to grow rapidly in coming years.

As tourism shifts from detached sightseeing into a hands-on lifestyle and indulgence experience, destinations are gearing themselves up for increased demand for personalised deluxe experiences available with smaller budgets. This extends also to the concept of experiences in hotels where accommodation opportunities are being offered in all sorts of establishments ranging from unusual buildings converted to tourist accommodation. Travellers will invariably be seeking more cultural immersion into the destination in the coming years, and look for more unique and authentic experiences.

The increase in demand for greener travel which goes beyond traditional water and energy saving measures will put destinations and travel companies under increasing scrutiny by travellers who will prefer destinations which integrate sustainability into every step of the visitor experience. Travellers will expect all types of travel companies such as airlines, tour operators, hotels and restaurants to demonstrate tangible commitment to the natural environment and will base destination and service provider choices on the basis of demonstrable green credentials.

The integration of mobile technology with each and every step of the visitor experience will lead to the concept of augmented reality in every step of the visitor experience including recommendations, navigation, voice command and live geo-tagging of photography. Destinations need to gear up to these emerging trends as travellers will increasingly distinguish between the leaders and the stragglers in this area which is particularly relevant in the field of city break tourism.

The Maltese Islands need to adapt faster to these trends to retain international competitiveness as a destination. Tourism demand is growing but it is being fast outpaced by tourism supply as more and more countries and destinations view tourism as an accelerated path to investment, job creation and SME proliferation.

The relevant institutional structure and development within the Ministry for Tourism and its appendages, particularly the Malta Tourism Authority, will continue to take place to ensure that the appropriate set-ups and skill bases are in place in line with the constantly changing needs of the industry.

The fact that Malta operates in a highly competitive environment implies that the element of comparability with competing destinations needs to be given due attention. Such comparability is not limited solely to comparing results and performance but extends to areas such as product development, pricing strategies and satisfaction levels, which altogether, have a bearing on Malta's competitive positioning within the market.

This Tourism Policy for the Maltese Islands paves the way for the destination to adapt to these prerequisites for continued success to guide the Government and the industry at committing to certain decisions and achieve national objectives. This will also help our country to derive even more benefits from tourism to sustain its status as a modern European state and economy.





2. GUIDING PRINCIPLES

- **MANAGING VISITOR NUMBERS**
- **RAISING THE LEVEL OF QUALITY ACROSS
THE ENTIRE TOURISM VALUE CHAIN**
- **REDUCING SEASONALITY**



2. Guiding Principles

The National Tourism Policy is guided by three fundamental principles namely:

- Managing Visitor Numbers
- Raising the level of Quality across the entire tourism value chain
- Reducing Seasonality

These three principles are individually pivotal and jointly inter-related, forming the basis of the continued and successful sustainable development of tourism activity to the Maltese Islands over the forthcoming years.

These three principles also dovetail seamlessly with the UNWTO's Global Code of Ethics for Tourism wherein it is established that all stakeholders in tourism should safeguard the natural environment with a view to achieving sound, continuous and sustainable economic growth geared to satisfying equitably the needs and aspirations of present and future generations.

Managing Visitor Numbers

The delicate balance between sustainability and competitiveness is nowhere more pronounced than in a small, densely populated country such as Malta. This poses the huge challenge of achieving and managing growth and expansion of tourism activity whilst being sensitive to sustainability considerations. The more thorough understanding of the inter-relationship between these two traditionally opposing approaches needs to be given due consideration through familiarisation with success stories from elsewhere and their application to the Maltese scenario.

Key performance indicators therefore need to be specific and more sensitive to Malta's unique realities resulting from the existing high population and development densities which may render existing indicators formulated for larger territories less effective.

This Policy specifically outlines managing visitor numbers as the process for sustainable tourism development on the Maltese islands. However, this requires monitoring the existing peak periods to ensure that these are not exceeded, as this could create a series of problems ranging from a shortage of accommodation to pressures on the infrastructure and negative interaction with local inhabitants.

This calls for an effective management of tourist capacity, be it on a national scale, regions, seasons, markets, or visitation to sites, which needs to be updated from time to time. One of the main challenges lies in directing flows, targeting the more appropriate markets and investing more in efficient aspects of the tourism sector.

Managing visitor numbers is based on a fluid approach to this sensitive issue by allowing the market to seek and find sustainable equilibria by taking into account a mix of factors including the utilisation of fixed and variable components of tourism supply beyond peak periods, such as bed-stock, airline seats, restaurant covers, visitor attraction capacities, transportation networks and coastal resorts and beaches among others. One key factor is the multiple challenge of maximising visitor satisfaction without diminishing the hospitable nature of the host community, and diminishing the natural and man-made attractions of the destination, which attract the visitors in the first place. The issue of compatibility and conflicts arising from the impacts of visitor flows on site concept and the challenges of minimising site homogenisation by retaining distinguishing features are also factors which play an important role in the management of visitor numbers.

Such a challenge is met by distinguishing between those elements, which can and those that cannot be improved to handle greater volumes and by taking the necessary steps to address those limiting factors that can be improved. Other elements such as average lengths of stay, location of stay and visit and the time of the year when visits can take place are also important factors, which assist in the process of visitor management. This process requires the having in place of an operative and measurable destination management model and establishing a system of indicators, to monitor and keep on track the principles of sustainable development. Such indicators would need to cover carrying capacity aspects such as the environmental, psychological and infrastructural among others.

Raising the level of Quality across the entire tourism value chain

The importance of Quality continues to increase at all levels of the tourism value chain, as the quest for the low prices of the recent past slowly metamorphoses into a demand for value for money. A higher level of tourist satisfaction will contribute to improved profitability to operators, therefore the motivation to improve and provide quality should also stem from a belief that quality pays off. Although Government and the private sector are the key players for the provision of quality to customers, the perceived quality of the visitor experience implies awareness, cooperation and a commitment at various levels, involving every tourism member of staff, right down to every member of the host community. In this regard the value of our local hospitality should not be underestimated as we must nurture this as it is intrinsic to the quality level we are aiming for.

With tourists placing more emphasis on destination distinctiveness and uniqueness and as increasing quantities of discerning travellers seek travel experiences with a difference, the issue of quality takes centre stage. The destination needs to move away from the mentality that quality is something which is only synonymous with top category establishments be they business class airline seats, five-star hotels or upscale restaurants.

Quality needs to be embedded and enshrined in all aspects ranging from mentality to attitude and from the most basic of free amenities to the most expensive of services. In the coming years, quality is set to play a very major role in the decision-making process and selection criteria of visitors to a destination.

Therefore, collective efforts need to take place so as to generate awareness and build consensus on quality issues among all stakeholders concerned. The Government also works to encourage tourism operators to subscribe to quality systems and labels and that they provide comprehensive training to members of management and staff.

This is also very much in line with EU Policy on Quality in Tourism wherein it is established that the sector's competitiveness is closely linked to its sustainability, as the quality of tourist destinations is strongly influenced by their natural and cultural environment and their integration into a local community. The sustainability of tourism covers a number of aspects: the responsible use of natural resources, taking account of the environmental impact of activities (production of waste, pressure on water, land and biodiversity, etc.), the use of 'clean' energy, protection of heritage and preservation of the natural and cultural integrity of destinations and the quality and sustainability of jobs created.

Reducing Seasonality

Seasonality is acknowledged worldwide as one of the major scourges afflicting the profitability and sustainability of the tourism industry. Seasonality results in a lopsided utilisation of a destination's tourism infrastructure, leading to extreme fluctuations in high and low volumes of tourism influxes, bringing about seasonal changes in price and destabilises the job market by leading to huge seasonal variations in demand for labour services. It affects the tourism industry's cash flows and stunts its ability to invest and re-invest frequently.

Malta is already one of the least seasonal of the Mediterranean's island destinations due to its success in developing a multitude of off-peak attractions to attract tourism volumes during the low season. Nevertheless, the substantial gap between the country's peak season volume attraction and that of the low-season is indicative of the huge potential where the country can invest in different niche markets to attract more tourists during the shoulder months.

The winter months present the greatest financial strain for tourism operators and the economy. The key challenge is how to successfully stimulate more demand during this period of time. This will improve the sustainability of operators of the industry, particularly in Gozo and areas in the north of the Malta, which are more susceptible to seasonality.

This improvement will enhance employment aspects of the country and career prospects in the tourism sector. Therefore, the development of existing and new market segments and the organisation of activities and the staging of events, have the potential to lure more visitors.



3. **INTERNATIONAL TOURISM TRENDS AND FORECASTS**



4. International Tourism Trends and Forecasts

International Tourism is set to continue growing worldwide as increasing numbers of people acquire the social status, disposable income and freedom to visit other countries for tourism related purposes.

Forecasts published by the World Tourism Organisation (UNWTO) suggest positive growth trends for tourism in all parts of the globe for the period up to 2030.

In terms of tourism at a global level, it is forecasted that global growth in tourism volumes will continue to take place, albeit at a more moderate pace than what has been witnessed over the past few years. However, such lower growth rates will be taking place on higher base volumes implying that smaller percentage increases will still add substantial numbers to global tourism figures.

The UNWTO Global forecast also estimates that international tourist arrivals will increase by an average 43 million a year until 2030 and will reach 1.8 billion by that year.

Within Europe, the latest forecasts indicate that European inbound tourism volumes will rise from the 475 million registered in 2010 to 620 million by 2030. Emerging European destinations are expected to surpass the advanced European economies in terms of international arrivals by as early as 2015. The published forecasts suggest that as tourism activity spreads across the European continent, there will be a more even spread of tourists across all European countries. Europe, with its high standards of living and disposable income is also expected to continue leading in terms of the ratio of attracted international arrivals per 100 of population.

The region within which Malta operates and competes, namely that classified as Southern Europe/ Mediterranean, is also expected to continue to grow as increasing numbers of countries and destinations increase their receptive capacity to attract more tourism economic activity. This is expected to lead to huge influxes of tourists in relation to resident populations as a result of which the region will host 103 tourists per 100 of population by 2030. To place this into perspective, Malta's current ratio stands at circa 400 tourists per 100 of population.

The issue of ageing populations in Malta's source markets also merits recognition with the need for products and services needing to be increasingly geared for this important demographic. The forthcoming base of senior tourists will however possess forty years' worth of travel experience and a much better state of health than preceding generations of senior travellers.

The Government will continue to work with other Mediterranean destinations and take the lead, with an aim of establishing strategic alliances that will help improve the branding of the Mediterranean as a foremost holiday destination, especially with long haul markets.

The relationship and balance between the needs of an increasingly tech-savvy travelling population and the continued need for personalised customer service also needs to be adequately catered for in the hospitality offering the years to come.





4. TOURISM DEVELOPMENT IN MALTA





4. Tourism Development in Malta

Having experienced a 60-year cycle of economic booms and slumps, the tourism sector has become a main pillar of the Maltese economy. While the opportunities for socio-cultural interaction between tourists and their Maltese hosts have increased, tourism development has also had its impacts on the spatial and physical environment of the country.

Tourism has now become the main contributor of the market services sector. The Maltese Islands now attract around 1.7 million tourists a year which accounts for 29% of our GDP. Over the past seven years, the average annual increase in tourist arrivals was 5%.

The past five years of tourism activity in Malta registered relatively high growth rates. In fact, the positive performance recorded on a yearly basis has also exceeded the average growth rates for Europe as a region. In 2014, inbound tourists increased by 6.8% over the previous year. Growth increased after the Government launched a scheme to attract airlines to introduce new routes to improve the accessibility of Malta.

The introduction of low-cost carriers in Malta was a step forward as it boosted the Maltese tourism industry and aligned it with international trends. Low-cost carriers continued to penetrate Malta's travel industry in the following years.

One very important side effect of the commencement of low cost airline services to Malta was the impact on the profile of tourists visiting Malta. The most relevant features emerging from the new type of tourism flows visiting Malta incorporate the following:

- Younger age-groups
- Shorter decision-making and booking lead times
- Shorter length of stay
- Use of different media (particularly the internet) when compared to the older, traditional visitor.

Tourism activity recovered in 2010, with an increase of 13.2% over 2009, the year of the Global Economic Crisis, and a positive performance persisted in the following years. Further expansion of the route network through the introduction of new routes and expansion of existing routes by both low cost and legacy airlines led to record levels being registered on an annual basis since 2010. Currently Malta is directly connected with around 92 airports providing links with 84 cities situated all over Europe. Malta's direct links feature both countries which may be considered as traditional markets like the UK, Germany, Italy and France and also relatively new markets like Spain, Poland, Scandinavia, Lithuania, Bulgaria and Romania. The share of passengers carried by low cost airlines increased from 13% in 2007 to 39% in 2014.

The UK remains Malta's main tourism source market accounting for 28.9% of annual arrivals. 15.5% of incoming tourists visit from Italy, 8.5% from Germany whilst 7.4% come from France. The introduction of new air services saw a high growth in arrivals from Italy, which edged out Germany as the second biggest source market. Sweden ranks 5th followed by the Netherlands, Spain and Denmark. 83.9% of all inbound visits comprise tourists coming from EU Member States.

Nights Spent

With an average length of stay of 8.0 nights, 13.5 million guest nights were generated in 2014. Over a seven year span (2007-2014), guest nights increased at an average annual rate of 3.0%.

61% of tourists visiting Malta stay for seven nights or longer. Nonetheless, in line with international trends, shorter trips are exhibiting an increase. In fact, in 2014, 1 to 3 nights trips and 4 to 6 nights trips increased by 12.8% and 14.0% respectively over the previous year.

Seasonality

Slightly less than two thirds of inbound tourism to Maltese Islands occurs during the peak months of April to September. Although Malta is still generally perceived to be a 'sun and sea' destination, it features a series of tourist attractions making it suitable both as a mainstream coastal summer destination as well as an off-peak city destination.

Over the years, efforts were directed to mitigate seasonality and intensify the share of off-peak travel to Malta. As a result, although tourism to Malta is concentrated during the peak months, the share of off-peak travel is on the increase through Malta's capability to attract different motivational segments during different times of the year.

Cruise liners industry

Cruise business in Malta has been growing. Since 2006, the average annual growth rate has stood at 2.2% per annum. 2014 was a positive year for cruise business generating 471,554 cruise passengers, increasing by 9.3%. Visitors from the EU account for 78% of total cruise traffic, the main markets being Germany (24.0%), Italy (16.2%) and the UK (12.5%).

Tourism Employment forecast at EU level

The study on the Economic Impact of Tourism in Malta estimated that in 2001, 13,477 full-time equivalent jobs were directly involved in tourism.

Around 10,491 people were employed full time in hotels and catering establishments in 2014. An additional 10,826 people are employed on a part-time basis. Official statistics reveal that 6% of the full-time gainfully occupied and 18% of the part-time gainfully occupied population are employed in hotels and restaurants. As a result of the economic stimulus from tourists' expenditure, the number of jobs supported by such expenditure increases to 40,000 full-time equivalent jobs. Thus the full employment impact of tourists' expenditure is 29.0% of total employment in the Maltese economy.

Tourist Profile

Malta's tourist profile has changed from one which was mainly focused on 'sun and sea' to a much more varied motivational portfolio. Malta offers a diverse product offer which results in various interests being captured to tap the outbound travel market from source countries. As a result, tourism to the islands is spread all year round with the main reason for the seasonal spread of tourism being Malta's capability to attract different motivational segments during the different times of the year.

Leisure oriented reasons still dominate as the main purpose of visit with 76.9% of tourists coming to Malta 'on holiday' while 8.0% visit friends and relatives.

The purpose of visit is further broken down into a number of motivational segments. These include history and culture, business travel which include meetings, incentives, conferences and exhibitions, diving and other sports and English language learning. The outlook for Malta is to achieve a business mix which best reflects international trends, the country's offer, and its interest towards sustainable growth.

In this regard, the aim is to decrease the country's dependency on the 'summer sun' segment and increase the market share for trips having main motivations of 'winter sun', 'culture', 'sports' and 'conference and incentive' travel.

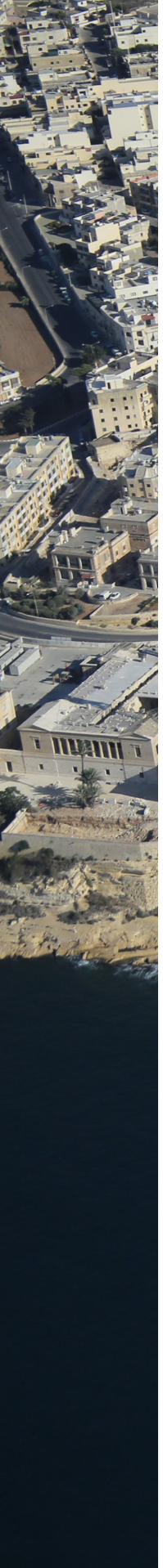
Visiting Malta

Although the majority of tourists visiting Malta are first-time visitors, the share of repeat visitors is substantial. In 2014, 68.6% of tourists were on their first-time visit whilst 31.4% were previous visitors.

Word-of-mouth recommendation from friends and relatives is the key factor influencing choice of Malta. New technology, as an influential tool, has increased considerably in recent years, placing as the second most important factor for destination choice. In view of the fact that nearly one-third of tourists are repeat visitors, their previous visit is the third most important source of influence.

Tourists are primarily motivated to visit Malta for its agreeable climate, for the novelty of the destination and for history and culture.

Hospitality of the local people is one of the key attributes which should be given prime importance when promoting Malta as a holiday destination. Hospitality, together with authenticity and tradition features amongst the growing trends in tourism as travellers are looking at travel as an enriching experience.



5. **POLICY AREAS FOR CONNECTIVITY TO AND WITHIN THE MALTESE ISLANDS**

- **AIRLINE ROUTE DEVELOPMENT**
- **THE ROLE OF AIR MALTA**
- **SEA CONNECTIVITY**





5. Policy areas for Connectivity to and within the Maltese Islands

i. Airline Route Development

Tourism in the Maltese Islands mainly depends on air route networks established. Malta's tourism flows tend to be short to medium haul in nature with over 85% of the island's foreign tourists from European countries, ranging from Italy to the UK, Scandinavia and Russia at the further ends of Europe. Other significant flows originate from the German speaking markets, France, Spain and the Benelux.

In line with the changing trends in the European leisure market, travellers are increasingly opting to travel more often and for shorter stays whilst choosing to visit destinations which are accessible by direct flights from the closest airport to their place of residence. The growing popularity towards shorter stays can be confirmed by the gradual decline in average length of stay registered in Malta over time. Consequently airlines have adapted their schedules to include at least two weekly frequencies on any given route as a minimum requirement to meet such preferences. Malta's recognition of these important parameters affecting the travel decision making process of its potential travellers has been one of the cornerstones of its tourism marketing strategy over the past few years.

Malta recognizes the important role which a sustainable relationship with airlines can contribute on the longer term in terms of positive performance of the destination. Government acknowledges the strong link between the number of routes and services and the associated tourism inflows attracted to the destination. As a result, the existence of adequate seat capacity is seen as an important pre-requisite as it is considered futile to attempt to stimulate demand unless such demand can be satisfied by a means of transportation between the traveller's point of origin and destination.

Such recognition also emerges very clearly from Government's published Civil Aviation Policy which declares, inter alia, that the promotion and balanced growth of air transport services through the medium of all current major airline business models have an important role to play in Malta's sustainable development.

The attraction and stimulation of airline seat capacity continues to be an important pre-requisite of Malta's tourism strategy.

Policy Direction

- Continue to stimulate route expansion in a way which opens up new markets;
- Work with strategic partners in order to achieve further development in the more established core markets;
- Encourage growth during the off-peak months by targeting markets such as Russia and Scandinavia which tend to peak differently from other markets;
- Government entities and other stakeholders will continue to work together to evaluate opportunities follow market developments and sustain and expand the current route network to the benefit of the Maltese economy.

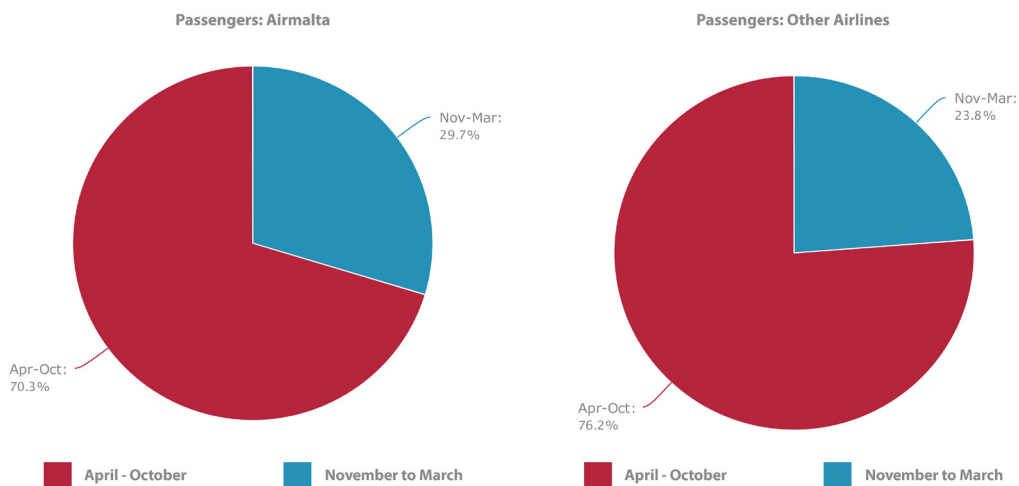
ii. The Role of Air Malta

Air Malta has a very important and special relationship with the Maltese tourism industry. Apart from being the airline which carries the highest number of passengers to Malta, it is also Malta's flag carrier. Its level of commitment to the destination is therefore higher as its primary objective is to play an important role in enabling the Maltese economy to thrive by providing a national airline link and global connectivity at major hub airports for purposes of inbound and outbound tourism, business travel, transport of cargo, mail and other activities. Moreover, it is relevant to bear in mind that for regulatory reasons, several markets outside the EU cannot be served from Malta by any European carrier other than Air Malta.

Besides continuing to be Malta’s most important airline both in strategic and in volume terms, Air Malta’s relevance is further compounded by the fact that it continues to service an extensive schedule of routes, albeit in a reduced manner, during the off-peak months. This at a time when a number of competing airlines are increasingly focusing on operating during more lucrative peak periods when demand is strong and yield is higher.

The figure below clearly indicates that Air Malta’s seasonal spread is better than that of all other airlines put together to the benefit of off-peak tourism flows to the Maltese Islands.

Seasonality of Air Malta vs All Other Airlines



Such a year-round presence in a number of key markets and the access provided to other markets worldwide through major hub airports and relationships with other airlines, plays a very important role in enabling the Maltese Islands to achieve the seasonal spread of tourism which not only makes the Islands one of the least seasonal destinations in the Mediterranean, but also assists the tourism industry in maintaining business on a year-round basis.

From the policy perspective Air Malta is not viewed as merely another airline which transports passengers and cargo but it is very important strategic tool which plays an invaluable role in sustaining established markets and opening new ones for the industry. Thus, the airline’s role extends beyond that of an aviation company but also serves as an important part of the national infrastructure which connects the Maltese Islands to its markets.

The Government will ensure there is synergy between Air Malta and the Malta Tourism Authority to maximise interfacing between the two. The two organisations are committed to the strengthen collaboration and commit to work hand in hand with other stakeholders for the benefit of the industry.

Policy Direction

- Combined efforts between MTA and Air Malta to support the airline’s existing route network through effective marketing activity whilst also sharing intelligence to help identify new business segments and opportunities as they arise in today’s rapidly changing industry;
- Opening up to new markets either through operating direct services or by teaming up through code share agreements with other carriers.



iii. Sea Connectivity

As an archipelago located in the Central Mediterranean, on the route of the great shipping lanes crossing the great sea which borders three continents, maritime connectivity for the Maltese Islands originally constituted the only way of linking the country with its markets. Over the years however, the advent of faster, convenient and more affordable travel by air rapidly relegated maritime connectivity to an almost negligible share of the mode of transport used by visiting tourists. The re-emergence of the maritime sector's importance vis-à-vis developments connected to the blue economy has a bearing on the development of this medium from the tourism perspective too.

In spite of this decline, there however remain a number of market segments which have the potential to add to and diversify Malta's tourism inflows through the medium of maritime connectivity. The potential of these segments is further enhanced by the winning combination of Malta's location and excellent harbour and ship servicing facilities.

The island of Sicily remains the landmass with the best potential to sustain a regular car-ferry service via the use of fast catamaran. The viability of this service is supported through the combination of trade and tourism business and currently generates around 45,000 tourists per annum. While the possibility of eventual ferry services to other neighbouring countries cannot be discounted, it will remain a fact that Sicily's proximity will continue to make that particular route the strongest for more years to come.

Apart from traditional ferry services, there are a number of other maritime-based tourism activities which can be developed and grown further and which Malta should increasingly tap into. These include the home-porting of cruise ships as a means of attracting additional inflows of tourists from different markets and the further development as a base for yachts.

Home porting of cruise ships has a strong relevance from the tourism perspective. Primarily, it converts a number of day-trippers into tourists by enticing visitors who start and end a cruise on the Maltese Islands to extend their stay within the destination. It also helps to sustain a number of airline routes by generating an additional stream of passengers to boost yield and airline load factors. Home porting can, however, also be viewed as a medium which links Malta with a wider range of East, West and Central Mediterranean ports than traditional ferries can contemplate. This is particularly relevant in the case of distant markets such as those of South East Asia and Latin America, where tourists who are accustomed to making multiple destination visits in continental Europe can be offered the alternative of combining a holiday in Malta with a cruise commencing and finishing on the island.

Yachting is another type of maritime activity which is growing. Malta already has a very good name due to its lengthy tradition as a yachting destination. This has been further compounded by the success and popularity of the Annual Rolex Middle Sea Race. The continued expansion of the range and volume of berthing capabilities in both Malta and Gozo are considered essential to the further development of this lucrative segment which not only adds a further inbound tourism stream to the country but also enhances its image due to the luxurious nature of the activity.

Policy Direction

- Strong efforts should be made to attract further home-porting arrangements with cruise companies by combining them with the attraction of long haul tourism flows seeking to visit multiple destinations during their visit to the region;
- We should capitalise further on Malta's dual advantage as a well-connected central Mediterranean destination from both the air and cruise ship perspective by linking them more closely rather than viewing them in a mutually exclusive manner.
- Opening up to Yachting facilities in The Maltese Islands should continue to be improved and expanded beyond domestic needs to be able to attract increased volumes of yachting tourism and activities from other Mediterranean ports.





6.

POLICY AREAS FOR THE MARKETING OF THE MALTESE ISLANDS

- **BRANDING AND POSITIONING MALTA IN THE INTERNATIONAL MARKET PLACE**
- **ATTRACTING OFF-PEAK GROWTH: THE CITY-TOURISM DIMENSION**
- **GROWING MALTA'S CORE AND SECONDARY MARKETS**
- **TAPPING INTO THE BRIC AND OTHER GROWTH MARKETS**
- **REVIEWING MARKET SEGMENTATION IN LINE WITH CONTEMPORARY CONSUMER TRENDS**
- **TOUR OPERATORS, INDEPENDENT TRAVELLERS AND ONLINE MEDIA**
- **THE CRUISE MARKET**
- **COMBATING SEASONALITY THROUGH EVENTS, NICHE-MARKETS AND CLUSTERING OF SUPPORTING PRODUCTS AND SERVICES**



6a. Branding and Positioning Malta in the International Market Place

Destination branding is an emerging component of nation branding which involves the establishment of a set of brand values that encompass an entire country. Destination branding bears some similarities but also features some strong differences from product branding since in the case of destination branding not all of the components comprising the brand promise are under single ownership as is the case with product branding. This requires nationwide coordination and an integrated approach would be most ideal.

Notwithstanding the above, it is felt that the time is due for a concerted effort to take place to commence a process aimed at elevating Malta's marketing message from the current status of Image to that of a Brand.

The simple definition of a Brand is that it is a Promise. A Promise which is based on a set of core values pertaining to the destination. Core values which combine to differentiate the destination from its competitors in a credible way.

As the Maltese Islands strive to widen the appeal of their tourism offer to an increasingly global audience, the notion of branding, with its link to an all-encompassing promise and quality delivery at all levels is an objective which now needs to move to the fore.

The quest to establish and launch a Malta Tourism Brand is motivated by the need to project the destination as a quality experience which a tourist does not necessarily visit once but revisits time and time again and openly recommends it to peers, friends and relatives. It is linked to the realisation that as competition intensifies, the Maltese Islands need to increasingly stand alone as unique, distinct experiences that are differentiatable from other destinations.

The Ministry for Tourism shall lead efforts aimed at embracing the current tourism marketing and product development effort within the framework of a Branding Strategy for Malta as a Tourism Destination, which will be developed through the services of a specialized branding agency. Such a Strategy will ensure that all marketing and product development initiatives, including industry human resource development, are carried out in line with the identified and selected brand values. A strong element of dovetailing with other branding initiatives being undertaken by other economic sectors within the country will also be ensured.

Policy Direction

- The Malta Tourism Brand comes across as the unifying link of all the different aspects encompassed in this Policy Document;
- Branding process needs to integrate all aspects of the tourism value chain;
- As a linking medium, the Tourism Branding of Malta can act as the driving force behind all the identified aspects in this exercise so as to ensure that the different actions being identified all lead to the same ultimate objective: that of ensuring that the Maltese Islands improve their competitiveness and remain valid and important players in the international tourism market place;
- The Ministry for Tourism will lead the effort towards the formulation of a Tourism Branding Strategy for Malta.

6b. Attracting off-peak growth: the City-tourism dimension

As a tourism destination, Malta may consider itself privileged to display the dual nature of a Mediterranean island destination which also possesses a rich and vibrant urban dimension.

Malta needs to continue developing its dual nature by strengthening its image as a sophisticated destination that can offer the charms and attractions of a Mediterranean archipelago with emphasis on good weather and a wide range of coastal activities, underscored by a vibrant local community with its diverse culture and rich millenary history.

For a destination like Malta, blessed as it is with a 7,000 year unbroken line of human development and activity, cultural tourism needs to rise further to become a very important cornerstone of tourism strategy.

Our unique, rich, diverse and excellently presented cultural tourism offer has not only helped differentiate us from our competitors but has also helped us to reduce the negative effects of seasonality by enabling us to attract tourists during all months of the year.

The opportunities arising from the dual nature of Malta as a tourism destination are enormous. Malta and Gozo can capitalize on this by establishing themselves as destinations capable of attracting smoother inflows of tourists on a year round basis.

During the quieter months, the urban/cultural dimension takes precedence over the summer coastal offer, as a result of which the focus is placed on Malta as a city destination which offers the additional charm of a Mediterranean archipelago where the weather is mild and the sea is never too far away.

The off-peak city-tourism destination concept is one where emphasis would be placed on the already known name of Valletta, which from the marketing perspective refers not only to the territory occupied by the Capital but extends to the entire urban fabric of the destination. This is already encapsulated within the Valletta 2018 European Capital of Culture concept to include historical urban areas such as the Three Cities, Mdina/Rabat, Victoria, Gozo and the historical cores of numerous towns and villages.

Such a conscious shift requires a much broader definition of culture beyond historical sites, museums and traditional manifestations to include other tangible and intangible elements of Maltese life which are ultimately connected to the lifestyle experiences which tourists are increasingly seeking. Complementary to this, the archipelago's various natural assets including specific locations and landscapes need to be properly valorized given their importance in providing a unique and distinct contextual setting to the urban environments which are considered to be so important to the further development of off-peak tourism flows.

Policy Direction

- The development of the city-tourism dimension will ensure that the social and economic development arising from urban regeneration opportunities as a result of Valletta 2018 are fully exploited in the long-term;
- Increased volumes of off-peak city-tourism will not only ensure that the benefits of Valletta 2018 are widespread and lasting but will also contribute to raise the country's visibility and profile on an international scale.



6c. Growing Malta's Core and Secondary Markets

Originally Malta was a destination which was almost exclusively geared towards the attraction of British tourists which accounted for as much as three out of every four tourists to Malta until the early 1980s. The Maltese Islands have subsequently managed to register great strides in the field of geographical diversification.

This has led to the creation of a number of additional core markets (Italy, Germany and France) and secondary markets (such as Scandinavia, Spain, Russia, Ireland, etc) which are collectively responsible for generating around 80% of Malta's tourism influx.

Growing core and secondary markets poses its challenges and opportunities. Malta benefits from the fact that it is already established in these markets and therefore possesses an element of market share and familiarity.

The core markets additionally benefit from multiple flight connections from a range of cities and airports and are also generally served by a number of airlines rather than depending on a single airline link. Such a situation makes it possible to attract travellers pertaining to a number of motivational segments and from the different parts of the country concerned.

Secondary markets tend to have a less extensive range of direct airline links although they do remain accessible on a year-round basis, albeit from one or two airports per market.

With an 80% share, Malta's Core and Secondary markets already generate a very high portion of the country's total tourist influx. As such, the major objective is not to continue growing these markets at the cost of increased market share but to target growth at a lower rate than that of the emerging and new markets so that volumes are increased but market share decreased or at least retained.

Further objectives relating to the Core and Secondary markets centre round the need to spread their seasonal performance further. These are markets where Malta already benefits from an element of familiarity and market positioning and where the next step in market development consists of widening the country's appeal to a broader segment of potential visitors, particularly off-peak travellers. Such an approach channels growth into the periods when the destination needs most whilst ensuring the viability and sustainability of all year round airline operations.

While most of the core and secondary markets already feature a healthy cross-section of visitor motivations, there is still a lot of scope for a further widening of Malta's current appeal in all of these markets notwithstanding their voluminous contribution to the Maltese tourism industry. Widening such appeal is considered indispensable to Malta's longer term success and growth potential in these markets and a range of marketing tools will be used to position Malta as a destination of choice to segments which are either as yet untapped or else under-exploited

Policy Direction

- Going for low-season growth by widening the Maltese Island's appeal to markets where the destination is already known;
- Increasing repeat business particularly in the continental markets;
- Managing route development in markets served by more than one airline in a way which attracts different segments by different airlines rather than leading to the displacement of passengers from one airline to another.

6d. Tapping into the BRIC and other Growth Markets

In Malta's quest to diversify its geographical source markets continues, the realisation sets in that once all markets within reasonable geographic proximity have been targeted, the destination needs to look into more distant horizons so as to tap the potential of emerging markets which lie much further away than those being currently tapped.

These distant markets include long-established ones such as North America, Japan and Australia and more recent ones such as the BRIC markets which group Brazil, Russia, India and China.

There are differences which could lead to barriers, such as:

- A general lack of direct airline flights necessitating connections via major European gateways.
- A tendency to travel long-haul for longer durations visiting a multiplicity of destinations.
- Reversed seasonality in outbound travel patterns may occur in the case of southern hemisphere markets such as Brazil and Australia.
- A strong sensitivity to currency exchange rate fluctuations due to the high costs of long haul travel.
- Small, distant destinations like Malta are bound to be generally unknown to the general travelling population which is likely more familiar with bigger, more famous countries.
- Immigration formalities are bound to be more complex than those applying to neighbouring markets and Maltese diplomatic/consular representation may not be adequate to handle increased tourism flows.
- Cultural and linguistic differences in certain countries may be different to the extent that they may need to be adequately catered for in the destination prior to attracting volumes of tourists from such countries.

Attracting tourism flows from such markets also needs to be seen as a medium to long-term investment by the destination. Whereas investments in short-haul point-to-point connections between a source market and the destination often result in almost immediate results, the strategy in developing more distant markets requires a longer gestation period before results start to be felt.

It is in the light of this that Malta's quest to tap into these markets must be based on a clearly planned strategy, benefitting from the allocation of medium to long term funding and the development of the necessary receptive capacity which the markets concerned necessitate.

A further benefit of attracting tourists from more distant markets lies with the fact that this type of tourism not only attracts a more lucrative and higher spending category of visitor but also adds to the perceived sophistication of the destination as a place which is trendy and attractive to a multitude of cultures and nationalities.

The growth markets, which Malta ought to focus on within the next few years, can be grouped as follows:

Mature/Established/No Visa requirement

USA
Canada
Australia/New Zealand
Japan



Established/Visa Requirement

Russia
Turkey
Gulf States
South Korea
India
Brazil

Emerging/Visa Requirement

China
Ex-Soviet Commonwealth of Independent States
South Africa
Middle East & North Africa

Each of these market groupings possess common attributes which give them similarities; however it will remain important to bear in mind that each of these distant and not so distant markets possesses specific requirements which need to be addressed for growth to prevail and be sustained.

Markets which host substantial populations of Maltese migrants and their extended families, including the USA, Canada and Australia present the additional opportunity of generating flows of tourists based on historic and family lineage with Malta.

Policy Direction

- The creation of specific plans for each of the markets identifying which segments to target and what image and positioning to create for the Maltese Islands;
- Commitments aimed at establishing a strong foothold in the different markets;
- The addressing of the various product related requirements of the different markets including languages, payment systems, restaurant menus, visa processing, amongst others;
- The integration of passenger movements from these markets into an overall airline route development strategy;
- Forming strategic alliances with other Mediterranean destinations for cooperative marketing efforts and other regional cooperation to secure a stronger position in the globalised competitive market.

6e. Reviewing market segmentation in line with contemporary consumer trends

Today's successful tourism destination subdivides its clients into a huge number of segments. Segmentation assists the destination in better understanding the complex and sophisticated needs of its clients and how to best tailor destination offers to such needs. This calls for a thorough analysis of the product supply to ensure that this sufficiently meets the expectations sought by the various markets, as underlined further in this document, market segmentation and product synchronization are therefore crucial.

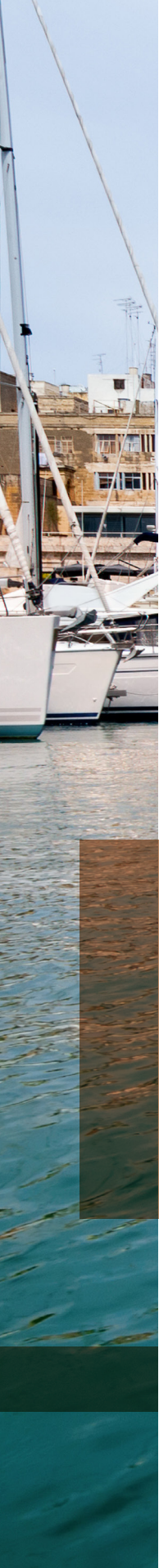
Traditional segmentation methodologies used by the Maltese tourism authorities subdivided customers on the basis of a number of demographic, socio-economic and motivational variables but such a methodology invariably tended to be quite single dimensional in nature.

In response to this, the Malta Tourism Authority has recently reviewed its market segmentation strategy by moving away from the assumption that tourists travel for a single travel motivation such as sun, culture or learning a language but are rather inspired to visit a destination on the basis of a combination of various motivations. This strategy recognises that lifestyles have become an important way of expressing individualism in an increasingly standardised and globalised world. Tourism products and offers need to be aware of such needs if they are to succeed in equating their offer with what the consumer is requesting.

In the light of the above, it therefore follows that it is not enough to target potential tourists on the basis of a single reason, but it becomes imperative to understand the more complex behaviour and decision-making processes undertaken by our clients prior to addressing them with a marketing message and medium.

Using segmentation from the marketing perspective entails the identification of motivational groupings which possess common behavioural features which can subsequently be addressed with appropriate and effective marketing messages. Given the constant changes that are taking place in international tourism trends and behaviour, MTA has carried out an intensive exercise with the objective of matching such trends with MTA survey data from the last few years for the purpose of identifying and formulating an updated set of potential target groups for Malta:

- **Novelty Seekers:** travellers whose main choice criterion consists of travelling to a new destination
- **Familiarity Seekers:** travellers whose main choice criterion is to return to an already experienced destination
- **Culture Enthusiasts:** Leisure tourists purely motivated by cultural experiences and activities
- **High Sun Seekers:** Tourists visiting destinations to enjoy the sun and warm weather.
- **Culture & Sun Seekers:** Travellers seeking to explore and experience a different culture in an enjoyable weather setting
- **Active Recreationists:** Tourists whose main interest is of practicing or following sports related activities.
- **Romantic Getaway Seekers:** A group including travel for weddings, honeymoons and romantic anniversaries.
- **Health & Wellness Seekers:** People who travel specifically to improve their health and wellbeing.
- **English Language Learners:** A constantly evolving segment with growth potential to attract long stay students and the further development of specialised tuition.
- **Business Travellers:** MICE, individual, official and private business visits all possess high prospects for further growth.



The segmentation format that has been adopted is one that relates most closely to the travel behaviours and decision-making processes currently undertaken by visitors to Malta. The use of such a format is considered useful when formulating marketing messages and identifying which population groupings to target in Malta's tourism generating markets. The means of communication between consumers and suppliers is extremely dynamic and innovation and maximizing of new media opportunities are crucial in this regard.

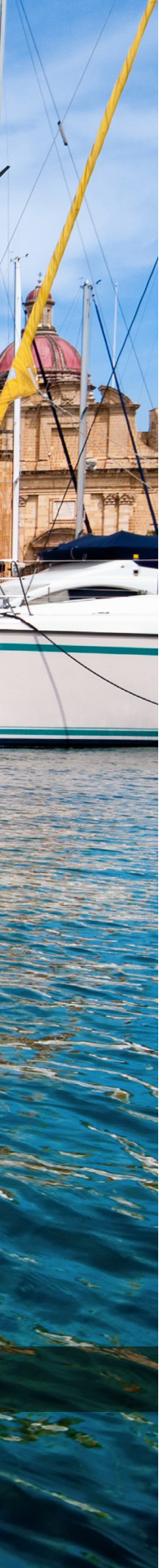
By its very nature segmentation is a process which breaks down a market into a huge number of sub-components. Such an approach could theoretically be carried out to the extreme where every individual client is a unique segment, so it remains important to limit segmentation to practical levels. Thus it is crucially important to undertake a feasibility analysis before undertaking the process of developing a market segment in order to evaluate the 'cost' effectiveness of the market, yield level and seasonality pattern amongst other important considerations. This is important, as we need to ensure that we optimize on tourism activity by increasing benefits whilst minimizing adverse impacts.

Simultaneously, there is also a need to focus on those market segments which have strongest winter and shoulder month growth potential and which will respond most strongly to Maltese offers which possess huge growth potential such as gastronomy, tourism for all, sports and adventure, travel for educational purposes including school trips, nature and religious travel amongst others. Malta already has a strong market positioning as an off-peak destination which attracts significant shares of senior travellers who are recognised as being more resilient to adverse economic conditions and are obviously freer to travel for longer period at any time of the year. The country's existing attractions, including the provision of adequate infrastructure and amenities, for this market segment will be further strengthened, within the framework of accessible tourism for all, to ensure its continued development also bearing in mind the ageing nature of populations in Malta's established source markets.

Policy Direction

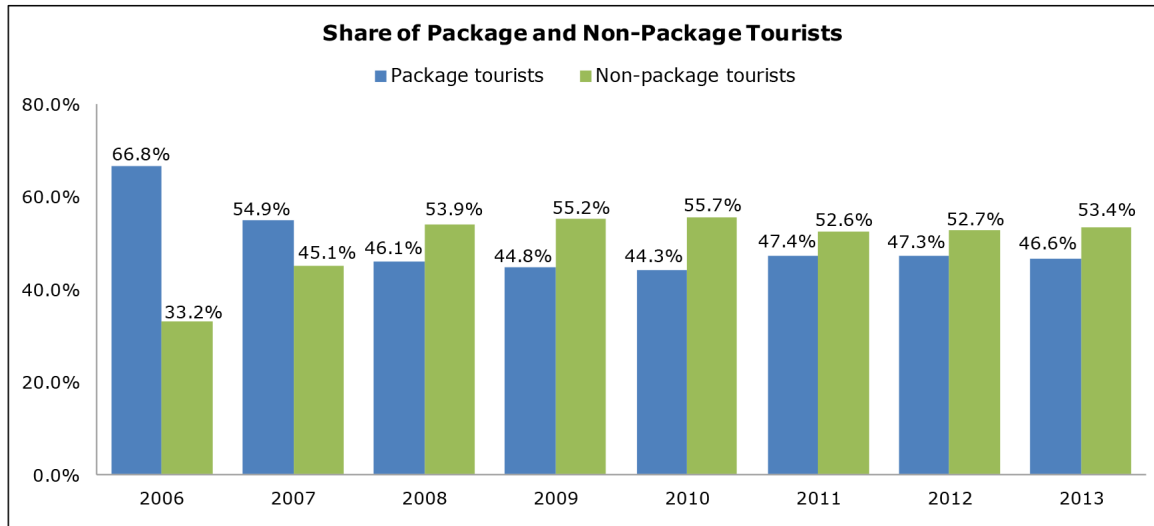
- Segmentation will continue to be the favoured approach for the continued development of tourism to the Maltese islands;
- Ensure that market segmentation and product development are synchronized in line with customer needs and requirements;
- Research will be carried out to assess the growth and develop potential of various emerging segments
- Segmentation calls for Marketing and product development synchronization





6f. Tour Operators and Independent Travellers

Given Malta's traditional exclusive dependence on air travel, it stands to reason that during the lengthy period embracing the 1960s to the late 1990s, tour operators and the system of charter operations which they developed became the most practical way of generating the necessary tourism flows between the source markets and the destination.



Maltese tourism accrued strong benefits from such developments and until a few years ago the general assumption was that this would last for a long time. Business with tour operators provided establishments with the security of contracted volumes months ahead of the season, although such security often came at the cost of discounted prices whereby the full potential of investments could never be realised to its overall extent.

The advent of the World Wide Web with its implications on e-commerce and the parallel, rapid evolution of the low cost airline model had a profound impact on the traditional tour operator model. The internet de-mystified the complexities of costing and booking the different components of the holiday traditionally presented in the tour operator package and led to a direct line of communication between suppliers and customers rendering middlemen such as tour operators less relevant. Low cost airlines, on the other hand, revolutionised air travel by making it cheap and affordable thus opening the floodgates to the concept of multiple annual travel by the masses: a privilege previously restricted to a lucky few.

Even though the concept of tour operators is decreasing, this mode of travelling will continue to be important in markets where customers or groups of customers are not accustomed to taking the risk of making holiday bookings on their own. Also, as the web becomes more crowded with information, tour operators are also making a strong comeback in terms of providing their clients with best offers and deals.

The Government shall continue to nurture the parallel development of the tour operating market in conjunction with the local incoming agent sector whilst contemporarily continuing to embark on the accelerated development of online resources aimed at attracting increasing quantities of independent travellers.

The multitude of sources of tourist information on destinations and the increasingly sophisticated means for the analysis of such information, will lend itself to comparison and thus influence competition more intensively through internet surfing, which means that we need to remain constantly proactive by not only maintaining the pace but by possibly outpacing our competitors. For tourism, the role of the internet, including new means of visual presentation which will continue to develop further, will prove to be a critical success factor in the future.

Policy Direction

- Continue to sustain strategic relationships with tour operators aimed at growing and diversifying their business to the Maltese Islands particularly into higher shares of low season tourist traffic;
- Encourage the evolution of digital and online means of information and sales in line with the rapid changes prevalent in the sector worldwide;
- Achieve greater synergies between traditional and modern sources of tourism flows by making them work in conjunction rather than in confrontation with each other;
- Invest in and engage in a more proactive use of social media to communicate with existing and potential customers in a cost-effective way and generate increased visitor potential.

6g. The Cruise Market

The Cruise Passenger market is a complimentary activity to the international tourism flows attracted to Malta. Cruise passenger inflows are in fact computed separately from tourism inflows in data published by the National Statistics Office owing to the fact that cruise passengers do not stay overnight, which is required in order that they qualify as tourists. This is why tourist arrivals figures do not include cruise passengers arrivals as these are considered more as day trippers.

Malta is ideally located in the centre of the Mediterranean Sea to make it an attractive destination for both Western and Eastern Mediterranean cruises. Malta's receptive capacity for cruises has benefited from strong investments over the past years, so much so that over recent years, Grand Harbour has hosted an average of half a million passengers per annum.

In spite of their relatively short stay, cruise passengers visiting Malta take advantage of the short travelling distances in the country and have the opportunity to experience a range of world class attractions including the UNESCO World Heritage City of Valletta including St John's Co-Cathedral and the Grandmaster's Palace, the ancient capital city of Mdina, the Neolithic Temples and the Hypogeum and the Island of Gozo. This, apart from the highly impressive and historically significant Grand Harbour with its famous perimeter of fortifications.

With respect to Gozo, the installation of a buoy off Xlendi a few years ago was not considered to provide the necessary safe berthing and needs to be upgraded through the installation of a second buoy. This apart from also anchoring in the shelter provided outside Mgarr Harbour, thereby offering Gozo either as an alternative destination on cruise liners' itineraries or as a two-point destination with Malta. There is however, widespread agreement that current facilities do not give the necessary weather-related peace of mind to ships anchoring off Gozo with the result being that the number of potential calls is severely curtailed until more secure facilities are made available.

One of the most positive impacts on cruise visitors to Malta is the stunning entrance into Valletta's historic harbour, making the Malta visit one of the highlights of a cruise, especially when compared to more industrialised and commercial harbours in other cities. Apart from the accolades given by consumers themselves, the international travel trade has also recognised Malta's strengths in this sector.

Assuming an average spend of at least €60 per cruise visitor, an estimated total annual expenditure of €28 million is generated by this segment. Such expenditure being injected into the Maltese economy spreads into a wide range of operators and businesses ranging from the shipping sector to excursion organisers, retailing, transport, catering and visitor attractions among others.

It is an undisputed fact that, due to its complimentary nature, the cruise industry has a direct impact on the tourism industry. International trends indicate that satisfied cruise passengers are very likely to revisit a destination for a longer stay as tourists. The power of word of mouth recommendation is also an important factor in this regard. The case of the rapid growth of the Spanish tourism market to Malta following the inclusion of Malta in Spanish cruise itineraries is a case in point.



Malta's traditional strength in the cruise market has been as a port of call, in which it features as one destination in a cruise which commences and ends in a home port elsewhere. Home porting is the next step in the evolution of this industry in Malta, and there is a need to build further on the successful steps that have already been taken in this direction.

Home porting can either be full or turnaround with the former involving the total start and end of a cruise in a single port and the latter involving the allocation of a quantity of berths for commencement/end in a specific harbour. Further potential exists in terms of tapping into partial turnaround cruise operations wherein the sale of cabins from Malta on visiting cruise ships from can assist in committing regular weekly calls by ships to Malta. The major benefit of home porting is that it not only generates more maritime activity in our harbours, but also allows for cruise passengers to extend their stay in Malta by overnighing pre- or post-cruise thereby deriving additional benefits to tourism operators such as the accommodation sector. This, besides the additional number of air passengers using airlines and the airport as passengers fly in and out of Malta in connection with their cruise which in its own way helps to sustain healthier load factors for airlines operating the Malta route.

Steps will also be taken to encourage and facilitate the extension of cruise liners' stay in Malta by creating the right conditions to encourage overnight stays by vessels. Legal frameworks which make it possible for cruise ships to operate their casinos during specific times and under specific conditions are being considered so as to generate progress in this regard.

As Malta increasingly looks at tapping into the potential of the long haul markets, with their undisputed preference for visiting a multiplicity of destinations instead of staying in one spot, the cruising sector has the further potential of offering Malta as a base for such distantly originating tourists who could mix a short stay on the island with a cruise to either the east or west Mediterranean basins.

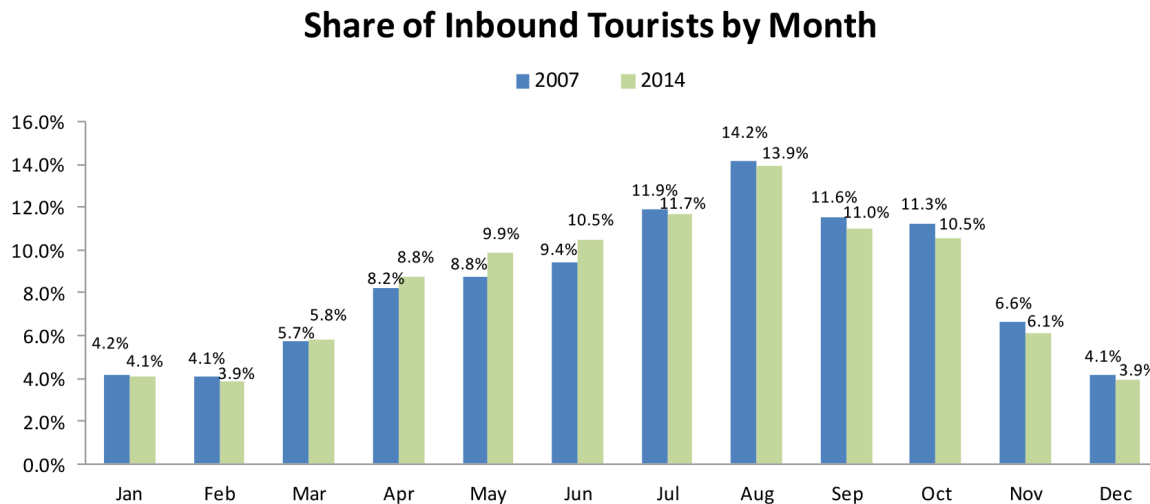
Government shall continue to support further development of the cruise market to Malta, cognisant of its continued potential to grow its tourism industry, generate wealth, assist urban regeneration, synergise Malta's receptive capacity and further improve our standing as a quality destination for international visitors.

Policy Direction

- Allocating increased marketing resources to encourage cruise operators to retain and increase their Malta visits in the light of the extensive competition from other Mediterranean ports;
- Encouraging and supporting cruise operators to take up home porting;
- Encouraging partial turnaround operations as a complement to home porting;
- Further improving facilities to ensure more calls by larger cruise ships;
- Meeting EU requirements on ship emissions by providing shore-side electricity to ships while in harbour;
- Facilitating the opening of on-board casinos whilst berthed on the Maltese Islands to encourage home porting and overnight stays;
- Finding a permanent solution to Gozo berthing issues so that Gozo will start to benefit from increased calls by cruise ships.

6h. Combating Seasonality through Events, Niche-markets and Clustering of supporting products and services.

One of the key challenges year-round destinations like Malta face is how to successfully increase demand during the winter and off peak months. The differential between high versus low season is a key concern for the entire tourism industry due to inefficient use of available resources and loss of potential revenue. The following chart shows the existing seasonality pattern which has been prevalent over the years.



This calls for increased efforts that can register further growth of existing market segments; and the development of new niche markets, even if small. One way of achieving this is through the organization of events and activities which can help the destination to better position itself amongst its competitors. But in order to make an impact and achieve success, we must convey a strong message that Malta is a destination for all seasons.

Staging Events

The staging of events and the organization of indoor and outdoor activities have the potential to lure more visitors during the lean months. This will enhance the product portfolio of the destination and also strengthen its appeal and attractiveness. Events and activities can also support the development of niche markets as they give visitors the opportunity to enhance their experience when in Malta. They can also attract new markets and first-timers and convince visitors travelling for other purposes to stay longer in a destination. If well presented, events and other activities can become effective marketing tools as they will attract visitors who are motivated by the appeal of the specific event characteristics and therefore, visitors are more likely to be satisfied with their stay, building on Malta's reputation.


Niche Market development

Although we have been fairly successful in attracting a number of market segments that perform well during the lean months, there are other niche markets which, with the right planning and incentives, have the potential to grow, such as gastronomy, tourism for all including social tourism, sports and adventure, nature including rural and eco-tourism, religious travel, yachting, film location and film enthusiasts tourism, crafts and others including special interest demands such as dark tourism.

We need to look at the potential development of new market segments in a strategic manner, by safeguarding ready available resources, building on the resources that currently exist whilst synergizing on marketing and product development efforts.

Clustering of Products & Services in support of development of Niche Markets

In a cluster, interconnected companies, specialized suppliers, service providers, firms in related industries and associated institutions both compete and also cooperate in different fields of activity. The function of a cluster is to create a forum for a growth oriented dialogue between key regional stakeholders.



The concept of clustering is becoming increasingly popular in tourism and it can support the development of a number of niche markets. This is evidenced by the constantly growing number of co-operative links between different entities and individuals involved in offering specialized tourist products and services. The size of our islands should make the process of clustering much easier because of the close proximity of services and products, which are available. The technological advancement facilitates the process for the development of co-operation links, which can be a very useful tool in the marketing process.

Tourism may be best suited for clustering as it can enhance visitors' experience and enjoyment by directing them to a comprehensive choice of preferred products and services being sought. It could be a very effective tool to promote a number of small market segments. A cluster may involve a complex infrastructure in the form of different service providers which may make it difficult for a visitor to discover. Clustering could be instrumental in the coordination of services and products and the networking of specialized service providers to match the various wants and needs of the different market niches. This process will improve the effectiveness in the promotion of services sought by visitors with special interests. This also includes the need to support the growth, expansion and certification of local crafts and works by artisans as a replacement to cheap imported replicas as a way of adding value to the shopping experience of visitors to the islands.

Integrated Marketing

Success is also dependent on effective marketing and in the maze of the digital media, destinations are going for targeted marketing, making use of every marketing means to reach out directly to all potential visitors. The emergence of integrated marketing communications has become a significant example of development in the marketing discipline. It is all about "speaking with one voice" in all marketing communications and media directly with the consumer, aiming for the profoundest connection between the visitors and the destination. This is an important method especially for niche market development as it reinforces the importance of pursuing this path. We need to be aware that competing destinations are also doing their part to secure a bigger share of the market out there, and we need to strive to be a step ahead.

Policy Direction

- Lead a programme of events and activities during the lean period;
- Assist the product and marketing initiatives in support of identified niche market segments;
- Assess the potential benefits of prospective growth or development of the segments in order to prioritize efforts on segments which are more beneficial;
- Assess the performance, benefits and pitfalls of specific tourism segments in competing destinations;
- Work on the clustering of products and services to support special interests and specific niche markets;
- Intensify targeted marketing methods.





7.

POLICY AREAS FOR THE SUPPLY SIDE OF TOURISM

- **TOURISM ZONES MANAGEMENT**
- **THE ACCOMMODATION SECTOR**
- **CATERING**
- **VISITOR ATTRACTIONS**
- **THE COAST AND BEACHES**
- **GENERAL INFRASTRUCTURAL AMENITIES**
- **HUMAN RESOURCES: PLANNING FOR THE RIGHT
QUALITY AND QUANTITY**





7a. Tourism Zones Management

Tourist zones in Malta and Gozo include coastal resorts with seaside promenades as well as historic cities such as Valletta, Mdina and Birgu. 48.3% of the licensed tourist accommodation in mainland Malta is located within the Sliema-St. Julian's area. The north zone incorporating the St. Paul's Bay area, Mellieha and Marfa hosts a further 42% of tourist accommodation. Other tourism zones subject to a very high degree of visitors, also include the south tourism zone on Malta - Marsaxlokk, Marsascula and Birzebbugia, as well as Marsalforn and Xlendi on Gozo.

The sheer volume of tourists and visitors in these zones and the associated pressures emanating from the prevailing high-density levels, require effective and efficient management since the quality of the urban environment will have an impact on the visitor's experience. Surveys conducted by the MTA show that whilst the majority of visitors are satisfied with the overall experience in tourism zones, a number of concerns need to be addressed.

Poor visual quality, which at times is the result of mediocre design and degraded streetscapes, is one concern that needs attention. Even if secondary to the overall tourism experience, the urban environment around the hotels, restaurants and other tourism attractions impinges on the overall experience of our visitors.

The aesthetics and environmental quality of tourism zones need to be improved through better landscaping and a general greening of the environment, with a particular attention to detail and design. Emphasis needs to be put on the upkeep and maintenance of tourism zones and pre-planned programmes need to be comprehensive and supported by appropriate resources.

The level of cleanliness is a hugely important aspect. Especially in the summer months, large volumes call for well managed and accelerated cleaning and waste collection programmes to meet the increased level of demand,

Another aspect which needs to be well monitored within these zones is the noise and dust pollution as a result of construction activity. This requires construction sites to be well managed and for regulations to be effectively enforced to deter abuse.

These are issues which need to be given constant attention as this will enhance the visitors' experience and add to the appeal of these tourism zones, be it international visitors or locals. Government has already appointed a National Tourism Zones Committee for this purpose and is aiming at strengthening this unit in order that it can effectively oversee to the needs of these zones. For this purpose Government will be setting a Foundation for Tourism Zone Development which will be delegated with the responsibility to oversee to the specific needs of these zones

Tourism in the South

The South has the potential of re-inventing itself into a product which is distinct and totally different from the traditional model of resort tourism. The South is intrinsically linked with the Three Cities of Birgu, Bormla and Isla and the surrounding suburbs such as Kalkara, which are amongst the most important historical cities.

Further South are a number of coastal localities mainly Marsascula and Birzebbugia and the fishing village of Marsaxlokk which have a distinct character. The village localities of the hinterland that include Zejtun, Gudja and Ghaxaq also have their own appeal. Wied iz- Zurrieq is of course one of the important tourism products of the south.

Although the accommodation supply in the south is very low, the area attracts a substantial number of day visitors and has the potential to appeal to a number of niche market segments. Government is committed to continue investing in this region, aiming to see a regeneration of the localities in this region and an improvement in the quality of life for the residents, and an improvement of the visitors' experience. Government is committed to continue with initiatives, including product improvement opportunities that have the potential to increase visitor numbers to the South, which will also economically benefit the region. It is therefore critical to identify a tourism development strategy for the South to ensure that the area's distinct characteristics are not compromised.

Lack of distinctive identity.

Most of the tourism zones, especially those hosting accommodation clusters, lack identity. Other than price and possibly choice of hotels, there is no clear reason why tourists would choose to stay in one zone and not another. The only exception to this may be in summer, where tourists staying in a particular area would be closer to beaches and leisure activities.

Creating a brand identity for the main tourist zones, highlighting the distinctiveness associated with each of the zone, is essential for image building and to meet visitor expectations. Areas, such as, St. Julian's are known for night entertainment, whilst Mellieha has gradually been developing a historic, religious and rural image around its village core and its surroundings. Brand building should be properly structured and specific according to destination, to convey the right message and do the utmost to exploit the potential strengths and characteristics of certain zones which attract certain market segments, especially during the lean months.

Clustering of tourism products

The concept of clustering tourism products has evolved to assume a central role in the tourism product planning process and the European union itself looks at cluster arrangements as a preferred form of introducing innovative products and services within the field of tourism.

Over the years, Malta has successfully developed a range of product segments which have enabled it to diversify its attractiveness as a tourism destination whilst also extending its seasonal appeal. The challenge at this point is to further build on the segmentation achieved to date by widening and increasing the destination's touristic appeal to a broader audience of potential visitors. This stage of the Product Development process will invariably necessitate the development of a number of smaller segments such as those existing in the rural and agro-alimentary sectors.

Clustering is identified as a very effective means of allowing for the sustainable and feasible immersion of the small initiatives into the mainstream tourism product and will allow such micro ventures to integrate their services on the basis of the established principles of competitive advantage.

In turn, clustering will also enrich the destination's offer through the addition of a range of products which would have hitherto not been feasible to propose in a standalone fashion. This would be particularly attractive for the extension of Malta's off-peak product offer.

Policy Direction

- Improve environmental standards across all levels. Safety standards must also be in place, especially with regards to services and facilities provided within these tourism zone;
- Improve accessibility especially in highly visited areas, be it vehicular or pedestrian;
- Improve site management to minimize disruption created by construction activity in Tourism zones;
- Ensure effective cleansing of roads and public areas, adequate waste separation and collection to meet demand;
- Improve aesthetics, including comprehensive street and signposting, street-lighting; and landscaping;
- Improve organization of public areas and facilities to enhance visitor management;
- Support public events held in these zones;
- Improve Tourism information services in these areas;
- Improve and provide more public conveniences;
- Work on the creation of a brand identity of the main tourism zones;
- Support to the Foundation for Tourism Zone Development;
- Develop a distinct tourism development strategy for the South
- Support the regeneration of the South as a distinct tourism zone through further investment and initiatives.



7b. The Accommodation Sector

The accommodation sector is a key component of the Maltese tourism industry. During 2014, it is estimated that a total of 13.5 million nights were spent by tourists in Maltese accommodation generating an expenditure of around €485 million.

Tourism accommodation in the Maltese Islands goes beyond the traditional collective-type unit normally associated with hotel type establishments. In fact, during 2014, while 8.867 million overnight stays were registered in collective accommodation establishments, a substantial 4.655 million overnight stays were generated in private accommodation, a ratio of almost 2:1.

Private accommodation as defined by the National Statistics Office ranges from traditional self catering apartments to villas and farmhouses and from licensed establishments to unlicensed units including privately owned accommodation either hosting friends and relatives at no charge or guests at a cost.

The latter is an area of concern since whilst two thirds of tourist overnights are being recorded in establishments which are subject to official licensing and other statutory regulations, the remaining one third lie outside official scrutiny. This creates not only an unfair disadvantage to the detriment of licensed premises, but also leads to the equally unacceptable situation where tourists are utilising establishments which may not be in a position to guarantee the level of quality which they expect, thereby increasing dissatisfaction levels to the detriment of the destination. Furthermore, tourists accommodated in this manner do not benefit from consumer protection offered by licensed establishments. In the process Government is also forfeiting significant earnings in the form of uncollected taxes and similar.

In terms of collective accommodation, one of the prevailing issues which merits attention relates to the relative lack of quality in low-category accommodation. In spite of the fact that there is a strong international demand particularly for modern, value-for-money three star accommodations, the offer in the Maltese islands is inadequate both in terms of volume and in terms of quality. There are issues specific to localities such as the St Paul's Bay area' where the tendency is to attract a higher share of negative tourist rankings in terms of its accommodation offer. Also, the recently growing markets, featuring a higher than average share of online-booking younger visitors, with a higher preference for lower category accommodation, result in an invariable level of lower satisfaction on this aspect of their visit.

The demand and value added of specific upscale accommodation also needs to be given due attention. Over recent times we have seen a growing demand for a high-level-high yield accommodation units, which can be developed independently or within existing 5 star establishments, whilst avoiding the risks associated with an oversupply of 5 star beds.

Trends in international accommodation demand point towards a rapidly evolving sector which is constantly diversifying in terms size, offer, pricing, booking, services, location and facilities. This necessitates the existence of official mechanisms which recognise such rapidly changing demands and allow the sector ample flexibility to adjust to such trends. Such flexibility should however, not come at the cost of established standards in terms of quality of service which clients expect.

The continued success of the Maltese accommodation sector in its efforts to profitably compete in the international arena will depend very highly on its capacity to innovate, achieve further cost-efficiency and improved return on investment, operate along a flatter seasonality curve, evolve rapidly in line with consumer expectations, generate employment opportunities and increase its economic contribution by maximising tourism expenditure.

The basic theory of 'demand and supply' dictates that the most logical way to stimulate demand is by way of improving the product offer whilst making sure that we have the right level of supply.

Policy Direction

- Take all necessary steps aimed at curbing unlicensed accommodation by taking measures against operators and users of such accommodation;
- Raise satisfaction ratings in all existing accommodation types, with a focus on the 4 star category and in particular the lower category of accommodation;
- Support a continuous process of quality assurance across all types of accommodation;
- Improve the accommodation product aiming for optimum comfort and investment in technology;
- Encourage greater co-ordination between the relevant authorities to draw guidelines for the continued and sustainable growth of the Maltese accommodation sector by channelling growth into the areas where it is most needed whilst phasing out undesirable/obsolete elements. Clear direction with regard to where and what type of new development is desirable by locality will also be given taking into account current levels in established areas and the sensitivity of localities such as urban and village cores welcoming tourism accommodation development for the first time;
- Simplify processes aimed at the development of new streams of tourism accommodation such as boutique hotels, small accommodation units in urban and village cores, concepts similar to the Italian Albergo Diffuso and the sensitive conversion of otherwise obsolete building stock into viable accommodation establishments;
- Introduce a philosophy of practical interpretation of classification criteria within a published framework of Regulations which would allow maximum flexibility and adaptability to establishments seeking to operate in today's rapidly evolving business environment. This includes the possibility of reviewing current mandatory spatial provisions particularly with respect to room sizes for the different categories of accommodation;
- Introducing a range of schemes aimed at improving and developing specific types of tourism accommodation. These schemes will address improvement in the service provided, product upgrading, conversion, energy conservation and investment in modern technology;
- Focus on the 4 star category and in particular the lower category of accommodation;
- Support a continuous process of quality assurance across all types of accommodation;
- Ensure that new development follows green building principle



7c. Catering

Tourists travel to relax, wind-down, experience new places, re-visit old ones and to indulge themselves by dining out during their holiday. Malta's restaurants sector is an integral part of its tourism product and visitor experience, and also an important part of the Maltese lifestyle and economy.

Tourists do not merely visit restaurants to eat and drink, but also seek to enhance their trip through the destination's culinary delights.

The Maltese Islands possess a reasonable quantity of restaurants of various classes, categories and specialties. In fact, Malta features no less than 1,530 catering establishments of which 686 are restaurants, 722 are snack bars and 122 are take-aways. The restaurant offer is subdivided into a number of specialized categories offering a wide range of Maltese and international cuisines to give visitors to the Maltese Islands a truly cosmopolitan selection of culinary experiences which one normally only expects to find in much larger metropolises.

The catering sector is also an important economic contributor both in terms of employment and in terms of tourism expenditure. NSO figures indicate that in year 2014, there was an average of 4,736 full-timers and an additional 6,861 part-timers working in food and beverage outlets. Furthermore, MTA's tourism expenditure survey data for 2014 indicates that besides prepaid expenditure by package tourists which covers an element of food consumption (bed and breakfast or half board/full board or even all-inclusive), tourists visiting Malta spend an additional €155.19 per capita on food and drink, the bulk of which is in catering establishments. This implies that 47.4% of tourists' discretionary expenditure while in the destination is allocated towards food and drink, grossing up to a staggering €262 million of annual expenditure. Given the significance of this sector within the tourism industry, the MTA should look at ways of better integrating the restaurant sector into its marketing strategies.

Today's tourists are very well travelled and are very capable of benchmarking what they experience in the destination with their numerous experiences elsewhere. The food experience constitutes a very important aspect of such benchmarking. Visitors to a destination expect to find a wide range of offers ranging from standard international menus to fresh, authentic, local specialties. Most importantly they seek value for money and will not mind spending good money on a restaurant meal as long as they obtain the value they desire and expect.

MTA surveys of tourist experience suggest that there is still room for improvement both in the physical aspects of our restaurant offer and in the quality of service provided. While circa 78% rate these aspects as very good or good, a worrying 22% rate them as not-so-good, poor or even very poor. Given the importance ascribed to this aspect of the tourists' visit, Malta and Gozo's catering offer definitely needs to improve further.

Restaurants also need to adapt to the new tourism flows that are being attracted. Compared to the recent past Malta is today attracting a bigger share of younger, more affluent, shorter-staying visitors from a bigger number of geographical source markets. This means that the range of menus offered in restaurants needs to evolve at a faster pace so as to ensure that we are offering what our clients are seeking.

The attraction of greater quantities of independent tourists has presented huge opportunities and increased business for the local catering industry and they need to continue striving to induce even more expenditure and activity into their sector. At the same time, the changing needs of the domestic market, which is a major client of the catering sector also need to be borne in mind when planning for the sector's sustainability and progress.

Ultimately we need to continue working to improve value for money, quality, hygiene, service and indeed the offer.

Policy Direction

- Assist the sector in subscribing to quality labels for the achievement of higher standards in the dining experience. This includes:
 - staff training in service and languages, particularly for part-time staff;
 - improved menu design to take into account changing consumer demands and tastes;
 - offering healthy menus and cater for special dietary needs which are becoming more pronounced;
 - the better integration of local cuisine and produce into restaurant menus;
 - the provision of entertainment.
- Revise and update the system of regulation and classification to lead to a simplified and flexible licensing regime and an even level playing field in the sector. This will be accompanied by a clampdown on illegal catering operations which are damaging the sector's profitability;
- Thoroughly evaluate catering establishment encroachment policies with a view to determine a balanced approach between contemporary trends and increased demand for outdoor dining and the proper management of zones and areas housing such establishments. This will also cover areas such as opening hours and late night entertainment;
- Improve aesthetic and environmental-relevant issues of kiosks
- Provide assistance to catering establishments in a wide range of areas such as acquiring energy efficiency, more effective marketing techniques, accessibility including guest parking and reversing existing negative perceptions about the high price of dining out in Malta and Gozo;
- Promote the virtues of healthy Mediterranean fresh food in local and foreign source markets;
- Support catering establishments with training and advice on aspects such as:
 - Properly identifying target markets;
 - Introducing innovative concepts to differentiate offer;
 - Evolving in line with trends;
 - Going green;
 - Incorporating "accessibility for all" guidelines in design;
 - Branding;
 - Retaining customers for repeat business.



7c. Visitor Attractions

Tourists nowadays are much more independent and adopt a personalised approach to exploring the destinations they visit. As a result, the heavily packaged and standardised touring of the past has given way to a virtual explosion in the way tourists explore those aspects of the destination which lie closest to their personal interests. This, in turn, has expanded the level of interaction between tourists and the host country so that the term visitor attractions currently encompasses a very wide range of facilities ranging from traditional museums and places of interest to shopping, entertainment, recreational activity and health and wellbeing amongst others.

Visitors are seeking authentic experiences and more creative activities in their chosen destination. Effectively, tourism sells as a staged experience and suppliers and destinations have to respond to this challenge by delivering experience-based products and attractions.

According to MTA surveys, in 2013, 77% of tourists visited historical sites, 66% visited churches, 48% visited museums, 27% visited arts and crafts sites and 17% visited sites specialising in local produce. Although the visitor ratios vary widely from a high 77% for the former to 17% for the latter, this is to be expected as the farther one goes down the list, the more specialised the attraction tends to be, hence attracting lower numbers of interested tourists.

The share of the number of visitors to museums and historical sites has dropped despite the fact that the number of tourists to Malta has progressively increased. The drop in package tours is a factor which may have contributed to this decline, as package tours used to organise excursions to a number of heritage attractions generating visitor flows and numbers. This suggests that as tourism volumes have expanded, a more generic type of visitor who is less interested in specific attractions and more interested in general sightseeing is being drawn to our shores. It may also imply, however, that some of the available attractions may be facing capacity constraints which preclude them from handling increased visitor numbers or even that the product on offer is not evolving fast enough in line with visitor needs and expectations. Heritage Malta and all other stakeholders including the NGOs, the Church and private organisations which run museums and cultural sites need to examine why this is taking place. It may be related to prices charged for entry, opening times or other factors. Efforts aimed at sensitising visitor attraction operators in the tourism sector on the personalised needs of contemporary visitors as different from the group travel of yesteryear will be encouraged through greater interaction between the relevant tourism authorities and cultural authorities and relevant establishments.

Visitor attractions will influence visitors' experience and satisfaction levels. Due consideration should be given to the introduction of a certification process to ensure that the highest standards are in place. "Approved" attractions should be labelled and promoted. This process will be beneficial not only to tourists, but also to the operators of visitor attractions themselves.

Cultural events which owe their origins as popular manifestations by the local community are becoming increasingly important to tourists, although the participation rate of visitors in these events still tends to be on the low side ranging from a high 12% of spring/summer tourists who visit festas and folk festivals to lower ratios of between 1% and 5% of tourists who attend concerts, visual art and theatrical performances, dance and opera. Events need to be marketed well enough and with sufficient advance notification to boost tourists' interest during their stay on Malta.

In terms of rating of such aspects of the visitor experience from both the physical and service perspectives, there is an overall situation which indicates that around 80% of tourists rate cultural events and attractions positively with the remaining 20% giving a negative rating, although theatre and the performing arts stand alone in terms of a more pronounced negative rating in the region of 30%. It is also relevant to note that "value for money" and "opening hours" of heritage attractions are the two areas soliciting highest negative evaluations by tourists. There are less satisfied tourists experiencing heritage attractions during the summer months while Mdina emerges as the most negatively rated heritage locality in terms of "quality of events" and "value for money" when compared with Valletta and Birgu.

Besides the coastal and the historical/cultural attractions which are visited by tourists, visitors to the Maltese islands also peruse a variety of other locations and facilities during their stay. These include sports facilities, entertainment venues and retail outlets. The use of such facilities complements the traditional attractions listed earlier and also has an important bearing on the satisfaction or otherwise of contemporary tourism demand.

Around one in every two tourists visiting Malta actively engage in shopping during their stay, with the share climbing to seven out of ten in the case of nationalities such as the Dutch and the Irish. This renders this type of tourist activity a very relevant and important aspect of the overall holiday experience, and it is therefore preoccupying to note that around 30% of tourists assign negative rankings to their retail experience in Malta with the weakest areas relating to value for money, variety and quality of products.

As tourists increasingly seek self-indulgence, spa and wellness gain growing popularity and are currently utilised by around one in every six visitors. One in every twelve tourists, concentrated around the younger age groups, engage in nightlife and clubbing while smaller shares visit cinemas and the casinos. No data is available in terms of evaluation of these facilities, although a generic rating of overall "entertainment" facilities elicits a disappointing 40% negative physical and service rating.

In terms of active tourism, slightly less than one in every two tourists undertake walking and hiking activities during their Malta holiday with niche activities such as climbing and golf assuming less than 1% shares. Sports facilities are also perceived negatively by four out of every ten tourists both in terms of service and in terms of physical offer.

Malta needs to sustain investment in all the different types of visitor attractions offered to its tourists if it wants its competitive edge to be retained and improved. The days when tourists stayed in tourist places and were entertained, wined and dined, encouraged to shop and shown around specifically designed tourism spots are long over and businesses and organisations engaging in a wide variety of activities need to become more sensitive to the demand requirements of tourists as different from those of the resident clientele.

Policy Direction

- Assist the product and marketing initiatives in support of identified visitor attractions;
- The authorities shall engage in a continuous process of sensitisation with all relevant sectors to raise awareness of the needs, requirements and business potential which the inclusion of the tourism dimension into specific business plans is bound to have on improved commercial performance in the sector concerned;
- The introduction of a process to certify higher standards and promote qualifying tourist attractions should also be considered.



7e. The Coast and Beaches

The demand for sun and beaches is very high across Europe. In fact, according to the 2013 annual Eurobarometer report, the main reason for travelling in the previous year was to spend time in the sun and on the beach. In a Mediterranean island destination like Malta, the coast and beaches constitute a very important component of the tourist experience. The major attraction of the Mediterranean is the sea, with all the other aspects comprising a Mediterranean holiday bearing some direct or indirect connection with it.

There are other activities related to the coast which are relevant for tourism and which therefore require consideration, and which include swimming, diving, water sports and yachting. Bathing and all marine activities and other pursuits associated with the coast are foremost motivational factors for tourism to Malta.

The MTA's Market Profile Survey shows an increased demand for beach activities, which has gone up from 35% in 2007 to 48% in 2013. But sandy beaches in Malta are amongst the most densely utilised in the world. In recent years, beach use has intensified even more as a result of a greater number of tourists, increased population and a greater demand for recreational activity by locals.

Over the years the MTA has worked towards the development of beaches and to improve beach management. To date, Malta has been awarded with nine quality flags for its efforts in the sustainable management of beaches, despite the extreme pressures and densities of the country's limited beach offer. A similar pattern emerges in terms of services offered on beaches. Seawater quality receives generally positive reviews across all twelve months of the year. On the other hand, viewpoints, vistas and promenades in coastal locations are rated positively by the vast majority of tourists.

However there are a number of other beaches which get very little attention despite their intensive use. The MTA continues to strive towards increasing awareness and in raising the standards for sandy and rocky beaches in Malta and Gozo. The MTA has every interest to continue with its efforts and to support further development of beaches. This also requires the input and support of other stakeholders in order that the country maximizes on this very important resource, whilst contemporarily ensuring that available beaches are not further depleted as a result of avoidable natural or man-made actions.


Whilst recognising that there is a limit on the extent of development of beaches, the islands possess long stretches of rocky coast which are underutilized and which may offer pristine bathing water. This could ease existing density pressures on sandy beaches. Efforts are being made to find environmentally and aesthetically sensitive and reversible ways to facilitate access and use of the rocky coastline and improve the swimmers' accessibility to water; provide decks or similar for sunbathing; and other provisions such as bins, swimming zones, security and lifesaving equipment.

The replenishment of beaches provides significant additional space for tourists and locals to swim and sunbath. The impacts are more beneficial when the beach replenishment is in close proximity to tourism resorts.

In the past, studies about the possibility of carrying out beach replenishment at different locations in Malta and Gozo, were carried out. Such studies should be reassessed and taken into consideration for development. One particularly important project that the MTA has been working on for some time is the proposed replenishment of Xemxija Bay.

In this regard, Private Public Partnership projects for beach development and related facilities will be considered and projects will be launched for suitably identified sites on the basis of clearly defined objectives aimed at minimising the negative impacts of such facilities. Interventions in protected areas would require detailed assessment by the relevant competent authority and restrictions and prohibitions may apply.





The pressures on the coast during summer also impact coastal areas which are designated as protected sites. This could happen either directly from the activities of people who are sunbathing or also indirectly from the parking of cars on protected sites. Another example is the intensification of use at the Blue Lagoon on Comino. The protection of designated sites like this needs to be prioritized.

Policy Direction

- Government will support further development of:
 - Marinas and temporary berthing facilities as there is still a strong demand for more berthing facilities. The introduction of Blue Flag marinas should also be considered;
 - Protected Coastal Areas and Marine Conservation Areas, such as Blue Lagoon which need to be supported by Management plans and effective enforcement;
 - Sandy Beaches where possibilities for further beach creation and development in areas around Malta and Gozo would be explored. Beach management should be extended to more beaches and extended to include popular rocky coasts;
 - Popular rocky coastline areas should be made more user friendly and more accessible so as to alleviate existing pressures on sandy beaches;
 - Marine conservation & Diving where impoverished reefs both natural and artificial need to be populated by fish species. Designated marine areas need to be supported by effective monitoring and enforcement. Access to wrecks in the harbours needs to be facilitated to allow diving activities during bad weather and encourage off-season business. Popular diving sites require some parking areas with basic facilities and improved access to water. Efforts need to be made to eradicate illegal diving operations. The proposals identified in the diving master plans for Malta & Gozo need to be implemented;
 - Launching of PPP Projects in support of beach and coastal development.

7f. General Infrastructural Amenities

Tourists visiting a destination do not limit their stay solely within amenities which are directly associated with tourism and it would be mistaken to assume that tourists' experience in the destination relates only to the accommodation units, catering establishments and places of interest which they visit.

This becomes even more the case in a destination like Malta and Gozo where tourism activity is not restrained within confined resorts but actually takes place alongside the community. Tourists use, visit and experience many of the products and services used by the resident population and their experience of such products and services generally has a very strong impact on their overall rating of the visit.

It therefore becomes imperative to be aware of aspects of the general infrastructure so as to ensure that the relevant attention is given to any deficiencies and shortcomings with a view to improving future tourist perceptions to the benefit of the destination and its economy.

Research carried out by the Malta Tourism Authority depicts a persistent situation wherein a generally positive holiday experience in the Maltese Islands is marred by a less than flattering evaluation of a key number of infrastructural aspects by tourists.

These tourists generally feature acceptable levels of satisfaction with regard to direct aspects of tourism infrastructure such as airlines and airport, accommodation facilities, the catering aspect and publicly and privately owned visitor sites and places of entertainment.

Studies show that the main areas of weakness which emerge from tourist responses tend to concentrate on issues related to roads, pavements and associated aspects. Roads and traffic generated, parking and road signs tend to be of concern to tourists visiting the islands. So do public conveniences and the general level of cleanliness.

When evaluating all of the above, attention should be drawn to the fact that Malta constantly strives to attract increasing volumes of tourists from advanced, affluent countries, where the deficiencies which diminish the Malta experience, are something which has long been relegated to the past.

On a more positive note, aspects which include air and sea water quality receive generally positive rankings by tourists to the Maltese Islands.

The 2013 data, indicates that around 4 in every 5 tourists visiting Malta were satisfied with the Tourist Information offer available. Given the 2013 spread of MTA's Tourist Information Office network it figures that tourists' evaluation of different localities varies according to the presence or non-presence of such offices. Indeed, negative rankings result from unserved localities (in 2013) such as Sliema, St. Julians and St. Paul's Bay.

MTA regularly conducts surveys to determine satisfaction levels expressed by tourists in using transportation while on the destination. These include the Gozo ferry points, public transport, taxis and vehicle hire and others. Results indicate that one in every five is not satisfied with regards to the Gozo ferry service. Furthermore, around one in every three tourists is dissatisfied with the service provided by public transport, taxis, and vehicle hire.

The improvement of these factors cannot be seen as being necessary solely for the sake of the tourism industry, since the infrastructural facilities which tourists voice disappointment with are used by the entire community including the resident population. Therefore, the investment and effort required to address these issues need to address their impact at a community-wide level, since an improved road/road-signs/traffic and parking infrastructure, taking into consideration the specific needs of modes of transport such as coaches, coupled with increased and better maintained public conveniences together with improved overall cleanliness and less neglect are bound to have a beneficial effect on everybody, and not tourists alone.

This notwithstanding, there is a need for a greater awareness at national and local government level of the specific needs and sensitivities of tourists as well when it comes to prioritising projects and taking tourism needs into account together with those of the local community.

Policy Direction

- Government will ensure greater coordination between its different bodies and authorities to ensure progress in the following areas:
 - A commitment to go ahead with plans to further improve the road network and its ancillary facilities, also through complimentary; developments in fields such as a more efficient public transport system
 - A holistic approach for the extension and improved maintenance of public convenience facilities in places visited by tourists;
 - Sustained cleansing efforts aimed at removing accumulated eyesores including dumping and derelict buildings and spaces in urban and rural settings;
 - A strengthened education and enforcement campaign aimed at deterring the continuation of such negative traits;
 - Efforts at further improving air quality and bathing water quality in all areas of the Maltese Islands;
 - Improve tourism information service;
 - Improve intra-transport services.

7g. Human Resources: Planning for the Right Quality and Quantity

Tourism employment and its development is a fundamental issue from a number of perspectives. Most importantly, from a socio-economic perspective, tourism activity provides employment opportunities for a broad spectrum of members of the community thereby ensuring that the benefits of tourism reach the vast majority of social strata. Furthermore, from the hospitality perspective, employees in tourism represent what constitutes the front line with customers in what fundamentally remains an industry based on human interaction.

Tourism is ultimately a service industry in which human interaction between visitor and host remains the central theme of the visitor experience. The element of hospitality and the quality of this intangible but important element are central to the further successful development of Maltese tourism. Within this Policy, the notion of Quality is therefore, not limited to aspects of the physical offer centres round Quality Hospitality which should never be underestimated.

It is therefore of paramount importance that this component of the tourism industry is given the relevance and importance that it deserves as it is a very strong link in the overall value chain of the country's tourism industry.

By its very nature tourism is an equal opportunity employer, being a sector which provides employment opportunities not only for both genders but also for a wide spectrum of age groups and educational levels. It also provides ample opportunities for part-time work which, from the positive perspective, enable individuals who cannot fulfill full-time job obligations to join the workforce and generate income.

It is not easy to accurately quantify the exact amount of people employed in tourism owing to the sector's strong tendency of overlapping with so many other components of the economy such as transport, retail, education, construction, culture, agriculture and fisheries and a host of other activities with which it interacts.

In fact the only direct employment statistics which are published by the National Statistics Office relate to full-time and part-time employment in hotels and catering establishments thereby excluding employment in a wide number of direct and indirect areas. These statistics, as presented in the table below, indicate an almost equal distribution between full-time and part-time employees with marginally more part-timers than full-timers in 2013.

Whereas accommodation sustains more full-time employees than catering at a ratio of 5 to 4, the inverse applies to part-time employment where there are 2 part-time employees in catering for every 1 in accommodation. Furthermore, in terms of gender distribution, a clear distinction also arises between male and female employment. Whereas in terms of full-time employment there are more than two full-time employed males for every full-time employed female, the ratio narrows to 5 males for 4 females in part-time employment.

Yearly Average Number of People Employed in Accommodation and Food Service Activities										
Average Full Time Employees in Accommodation and Food Service Activities										
	2007	2008	2009	2010	2011	2012	2013	Oct14	Year 2013 Market Share	
Total	9,638	10,211	9,789	9,571	9,612	9,800	9,930	10,368	100.0%	
Accommodation	n/a	6,130	5,663	5,380	5,264	5,299	5,430	5,632	54.7%	
Food and beverage service activities	n/a	4,081	4,126	4,191	4,348	4,501	4,500	4,736	45.3%	
Private Sector	9,529	10,136	9,718	9,498	9,574	9,792	9,930	10,368	100.0%	
Public Sector	109	75	71	73	38	0	0	0	0.0%	
Total	9,638	10,211	9,789	9,571	9,612	9,792	9,930	10,368	100.0%	
Men	6,692	7,046	6,806	6,657	6,699	6,798	6,854	7,069	69.0%	
Women	2,946	3,165	2,983	2,914	2,913	2,994	3,076	3,299	31.0%	
Total	9,638	10,211	9,789	9,571	9,612	9,792	9,930	10,368	100.0%	
Self-Employed	936	982	1,010	1,046	1,072	1,134	1,173	1,199	11.8%	
Employees	8,702	9,229	8,779	8,525	8,540	8,658	8,757	9,169	88.2%	
Total	9,638	10,211	9,789	9,571	9,612	9,792	9,930	10,368	100.0%	
Malta	8,919	9,491	9,074	8,871	8,938	9,093	9,208	9,564	92.7%	
Gozo	719	720	715	700	674	699	722	804	7.3%	
Total	9,638	10,211	9,789	9,571	9,612	9,792	9,930	10,368	100.0%	

Average Part Time Employees in Accommodation and Food Service Activities									
	2007	2008	2009	2010	2011	2012	2013	Oct14	Year 2013 Market Share
Total	8,079	8,204	8,359	8,864	9,482	10,097	10,024	10,581	100.0%
Accommodation	n/a	3,155	2,972	3,132	3,266	3,488	3,504	3,720	35.0%
Food and beverage service activities	n/a	5,049	5,387	5,732	6,216	6,609	6,520	6,861	65.0%
Part timers who also hold a full time job									
Male	3,142	3,119	3,139	3,310	3,578	3,648	3,523	3,620	35.1%
Female	2,360	2,308	2,313	2,397	2,565	2,617	2,505	2,573	25.0%
Female	782	811	826	913	1,013	1,031	1,018	1,047	10.2%
Part timers as a primary job	4,937	5,085	5,220	5,554	5,904	6,449	6,501	6,961	64.9%
Male	2,145	2,252	2,330	2,534	2,732	2,991	3,054	3,233	30.5%
Female	2,792	2,833	2,890	3,020	3,172	3,458	3,447	3,728	34.4%
Total	8,079	8,204	8,359	8,864	9,482	10,097	10,024	10,581	100.0%
Total Male	4,505	4,560	4,643	4,931	5,297	5,608	5,559	5,806	55.5%
Total Female	3,574	3,644	3,716	3,933	4,185	4,489	4,465	4,775	44.5%

The main implications of this data are that accommodation tends to be a more stable employer than catering which still depends on a far higher seasonal variation in employment which is satisfied by part-timers and that the female component of the tourism workforce tends to depend very heavily on part-time work.

Given the hospitality nature of the tourism industry, it stands to reason that the level of interaction between hosts and guests needs to be at the highest possible level of quality and welcome so as to ensure that visitors give it a positive rating. Indications forthcoming from surveys carried out by the Malta Tourism Authority suggest that although the general level of service in a number of areas ranging from hotels and restaurants to transport, guided tours, visitor attractions, museums and places of entertainment is rated as either good or very good by the majority of tourists, an average of around 1 in 4 tourists rate service received in these areas as "not so good", "poor" or "very poor" with the transport sector faring even worse than average.

The high dependence on seasonal part-time work and its link with low rates of pay also has a strong bearing on the level and quality of service delivered, and the industry needs to address these issues as levels of profitability improve and seasonal variations narrow over time.

Another challenge is that employers are finding difficulty in employing local individuals in certain positions especially in customer-facing positions. This results in such positions being eventually occupied by non-Maltese staff who do not speak the Maltese language and also in the majority of cases are not accustomed to our cultural background and possess very little knowledge of Maltese history and how customers can explore our islands.

As the Maltese economy diversifies and the local work-force chooses between an expanding set of employment options, increased efforts will be made to reverse the declining trend of recent years which has seen the attractiveness of a career in the industry lose popularity to alternative employment options. The strengthening of the Institute for Tourism Studies and collaboration with the University of Malta and other hospitality sector educational institutions, coupled with the shift from seasonal to year-long work opportunities arising from the further flattening of the seasonality curve contemplated by this Policy are measures which are considered important for Malta to re-establish a pool of local individuals who view a career in tourism as attractive and aspiring.

The growth and expansion of tourism in the Maltese Islands needs to sustain parallel development in the employment field if Malta's overall competitiveness is to be sustained. This development should not only be constrained in aspects such as employment generation and rates of remuneration but also extend to areas such as career development, entry qualifications and continuous personal development while on the job. Only in such a way can the link between a job in tourism and the provision of excellence in hospitality be achieved. The role of the various educational establishments including the Institute for Tourism Studies, the University of Malta and the Malta College for Art, Science and Technology in assisting the realization of these objectives is of paramount importance.

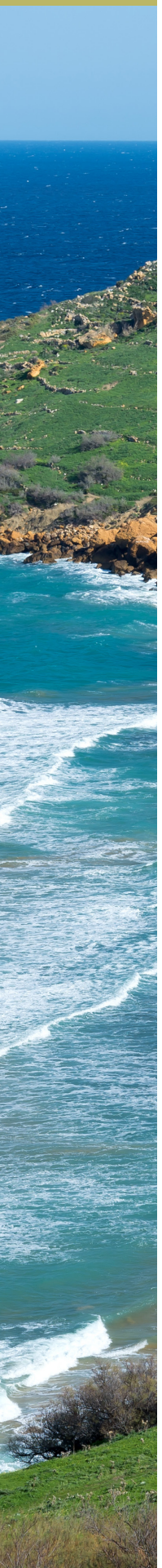
Government is also closely following the initiatives undertaken by the EU which is looking at employment issues in the tourism sector and at ways to invest in specialised advanced training and the creation of a network of European best practices in the academic field. It is also working on the harmonization of national research programmes in the field of cultural heritage. These are areas of particular interest to the Maltese islands.

Human resources will remain the backbone of the hospitality sector. The tourism industry should never underestimate the importance of the human resource element, even though in this day and age, technology is taking over a lot of what until recently was carried out by humans. As a result of this process, we may be introducing efficiency but at the same time we may be also eroding the very value of human relationship which is a fundamental component of the hospitality industry.

Policy Direction

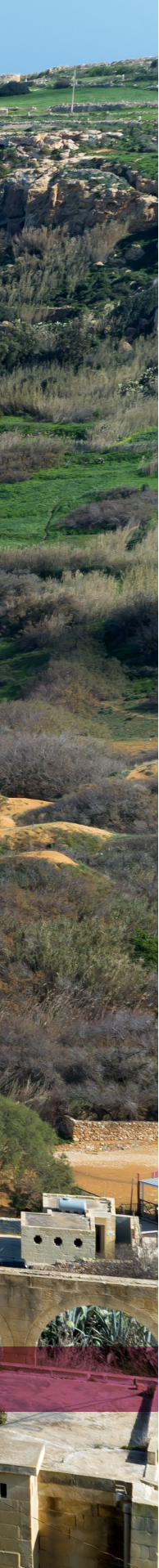
- The main policy responses in terms of employment in the tourism industry are based on the recognized need for a trained cordial, informed, motivated and committed tourism labour force, which is recognized to be a main resource to communicate and actually provide quality to visitors;
- Industry Stakeholders need to work towards improving the quality of tourism jobs and job prospects across the sector;
- Employees in the tourism industry should not only talk about quality but should communicate by providing it. Consistent training and motivation are considered to be key to achieve this;
- Continuous Professional Development opportunities for persons already working in the tourism and hospitality field, but who lack a formal type of qualification. Such opportunities should also extend to employees in ancillary sectors such as the transport sector which provide a direct service to tourists.
- A policy change is necessary in the standards to be adopted in respect of the level of 'qualification' of our hospitality personnel. It is time to consider the phased introduction of a framework that sees that those that are employed within the industry have to follow some basic training as a minimum initially focussing on full-time employees and eventually extending to part-timers as well;
- Employers in the tourism industry also need to see that a proper induction process is undertaken when engaging new employees;
- As tourism spreads more evenly throughout the year, Government will encourage shifts from part-time to full-time employment thus strengthening the tourism labour market in terms of quality and quantity;
- Efforts should be made to entice more Maltese workers to consider a career in the hospitality industry. At the same time, efforts should also be made to inculcate a sense of Maltese hospitality into the numerous foreign workers who work as front liners in the industry;
- More awareness of Malta's history and culture by people working in the industry is required in order that this knowledge is transmitted to visitors.
- The Institute for Tourism Studies and the University of Malta and other hospitality sector educational institutions need to collaborate and synergise their efforts to meet the needs of the industry when it comes to better trained personnel and dedicated professionals.





8. GOZO AS A DISTINCT TOURISM DESTINATION





8. Gozo as a Distinct Tourism Destination

The Island of Gozo has for a number of years been considered to be quite a unique 'tourism destination' with distinct characteristics which differentiate the product from that of mainland Malta.

In fact, tourism to Gozo displays a very different behavioural pattern from that of the main island.

In 2014, foreign tourist arrivals in collective accommodation in Gozo increased by 6.7% over those registered in previous year. Despite these improvements seasonality and the underutilisation of available beds remain one of the biggest challenges for Gozo. The number of day visitors to Gozo is also significant, estimated by MTA to reach circa 840,000 annually.

Gozo is marketed as a destination in its own right having the potential to attract tourists for a number of motivations. The same MTA estimates suggest that around 63% of tourists coming to Malta visit Gozo in some form or another. The majority visit Gozo as day trippers (85%), 5% spread their trip between Malta and Gozo, 1% spend a single night on the island while 9% dedicate their whole trip to staying in Gozo.

The structure of accommodation in Gozo allows for tourists to opt for different types of accommodation other than hotel-type. In fact, in 2013, 57% of Gozo-based tourists opted for serviced accommodation and the remaining 43% stayed in self-catering accommodation. 16% of tourists stayed in a villa/farmhouse.

Gozo's coastline gives the opportunity to 61% of visitors to the island to engage in swimming, 26% in diving, and 9% in other water sport activities. Gozo-stay visitors were also interested in learning about Gozo's history and culture through visiting historical sites (71%), churches (59%), museums (36%).

An analysis of urban and rural Gozo reveals its distinct cultural, ethnic and geographic characteristics which provide a special appeal to tourists. The decision to designate Gozo as an Eco destination was in principle a good one; however the development process of an eco-designated Gozo needs a better eco-conservation framework, on the basis of a deeper understanding of the inter-relationship between developments within established built-up areas and their proximity to the island's unspoilt rural and coastal landscapes.

Gozo's visitor inflows differ from those of Malta's on account of eight major factors, namely:

- The high number of foreign day-trippers which, although not high economic contributors to the island, potentially serve as a base of future visitors, due to their short sojourn which generally leaves a positive impression.
- The importance of the domestic tourism market which, according to some estimates, may be as high as 50% of tourism flows to the island of Gozo. This market operates in parallel with international tourism to Gozo, at times competing for bed-space and facility usage especially during peak season. It displays very different travel characteristics such as a high rate of return business and a shorter average length of stay. Very little else is known about this market due to an almost total absence of research.
- The sharp seasonality of tourism to Gozo is also a major factor influencing the well-being and sustainability of the island's tourism industry. The island's tourism sector virtually operates for about six months a year with a sharp spike during peak summer and close to no business during the low winter months. The concept of double insularity, the stiff competition from mainland Malta, particularly for reduced off-peak business, and the island's lack of clear positioning as a distinct destination rather than as a more expensive alternative to Malta are factors which are considered detrimental to Gozo in this regard.

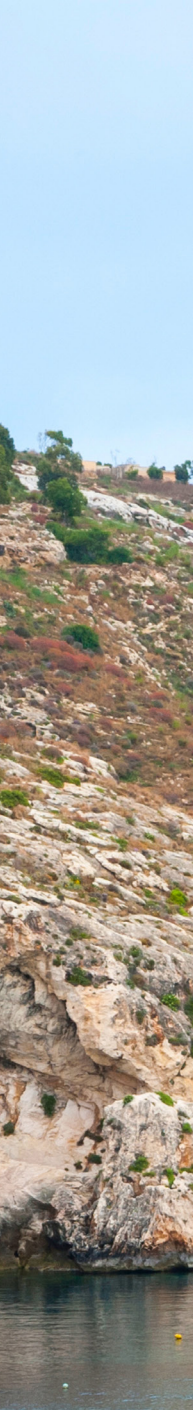
- The number of foreign tourists who spend at least one night on Gozo is on the increase but is still below the island's potential, particularly during the off-peak months. Gozo attracts a superior, higher-than-average socio-economic profile than mainland Malta with a mix of British and Continental visitors with a higher-than-average share of older-age repeat visitors. The island needs to attract higher volumes of first-timers and younger age tourists.
- Over the years Gozo has established itself strongly as a quality destination attracting activity and special interest holidays. These areas include scuba diving, climbing, mountain biking, walking and trekking. Gozo is also strong in quality relaxation travel such as wellness, besides also having pioneered aspects such as rural-tourism experiences. These are attributes which strongly differentiate Gozo from mainland Malta and need to be further developed as part of the Island's strategy to achieve more sustainable tourism flows.
- The cruise market has by and large missed Gozo owing to the weak berthing facilities which are currently available. This is an important market which not only complements mainstream tourism by introducing additional volumes of visitors to help generate economies of scale, but also helps position the island of Gozo firmly in people's minds as a stand-alone destination. Cruise passengers who visit a destination briefly on a cruise tend to form a very good base of potential tourists who return for a longer stay on the basis of the short but positive experience. In this respect Gozo should not seek to emulate Malta by trying to attract huge cruise liners who will automatically prefer Valletta, but should seek to attract smaller operations which are themselves sought after by a more discerning, socio-economically superior visitor, in line with the island's offer and expectations.
- As a distinct region of Malta, Gozo suffers from a distinct lack of statistical information about tourism activity with the only estimates based on the NSO Collective Accommodation Survey which only covers hotel-type accommodation and estimates provided by the MTA on the basis of sample surveys of incoming tourists. The problem is compounded further because of the lack of information concerning domestic tourism. This in contrast with Malta which benefits from a huge range of statistical indicators on tourism activity. The current situation places the planning of tourism in Gozo at a distinct disadvantage vis-a-vis Malta.
- Gozo's accommodation profile differs substantially from that of Malta. Gozo's hotel sector is strongly skewed towards 5 and 4 star properties while it also has a very huge amount of self-catering accommodation including the relatively unique farmhouse product.

For tourism to Gozo to thrive, there is a need for all parties concerned to move beyond lip service. The issue of what it takes to clearly position Gozo as a distinct destination needs to be seriously addressed with a clearly thought out strategy and specific actions.

This calls for a wider element of co-ordination rather than the fragmentation which exists at present. Fragmentation which either leads to replication of effort or to no one being responsible for particular areas, particularly problem areas.

The role of marketing, particularly e-marketing in the clear positioning of Gozo is another area which is in serious need of being addressed in a holistic manner while the addressing of a wide range of structural issues and deficiencies needs to be given the importance and relevance which it deserves.

Gozo has a distinct and unique selling point one of which is perceived as a stress-free destination that offers the intrinsic value of a personal experience to share with your loved ones.



There are a number of segments that have the strong potential to increase demand in the off-peak period and which need to be supported. These segments include:

- Cultural and Rural-tourism;
- Activity holidays and sports tourism;
- CIT and corporate business (small groups);
- Health and wellness;
- Weddings;
- Religious;
- Elderly travel;
- Domestic tourism.

Domestic tourism has traditionally contributed handsomely to Gozo's economy and has been a highly influential factor on the economic success of the island. This requires consistent data to precisely measure the impact of domestic tourism on the island. Government's decision to open an NSO branch in Gozo will improve the gathering of this important data which must be shared with all relevant stakeholders to assist the decision making process. When we talk of tourism we sometimes fail to sufficiently distinguish between international and domestic tourism and we may assume that the tourism product offer will cater for the needs of both, however this is not the case.

In the process of domestic tourism development, Gozo must look at the demands of the domestic market independently, as the needs may be different. Given the smallness of the islands, the interaction between locals and tourists can be intensive and not exclusive and consequently we need to be careful when accommodating the needs of international tourists.

Domestic travel in Gozo is relatively high between January and March and so is the average spend. This reinforces the importance to build on the products, services and activities that are found to be more appealing during this lean period. Eating out, relaxing, shopping and visiting villages featured amongst the top four activities engaged in by Maltese people staying overnight in Gozo, both during summer and off-peak. Also popular with the Maltese is driving around the island.

The cost of the ferry crossing can sometimes deter potential domestic customers from travelling more frequently to Gozo. The schemes launched by government in this respect have proved successful and has generated increased business during traditional low periods of time. These schemes and similar ones can help to increase visitor numbers.

Strengthening the island's capacity will create wealth and jobs for its inhabitants. In this respect, the way ahead consists of a number of steps for the formulation of this policy, coupled with subsequent plans for the execution of such policy.

Policy Direction

- Better collection of data of the supply, including accommodation, catering and visitor attractions of the Gozitan tourism offer;
- Support to improve connectivity between the two islands;
- Engaging the Gozo travel trade to take a more proactive and unified role in marketing the island as a distinct, quality tourism destination;
- Development of a specific tourism strategy for Gozo within the framework of the national tourism policy.
- Support authentic Gozitan traditional crafts and promote the artisans who work in these sectors.
- Exploration of and adaptation of contemporary marketing methods using web-based technologies in line with the socio-economic profile of the visitors which Gozo should seek to attract;
- Continue with schemes to increase potential growth of the domestic market;
- Initiatives supporting the rural characteristics of Gozo;
- Incentives for culture-led regeneration of historic components of Gozo
- Incentives supporting Green Tourism;
- Support to industry human resources development including professional training for existing employees.





9.

CONCLUDING REMARKS: INTEGRATING TOURISM POLICY WITH OTHER POLICIES





9. Concluding Remarks: Integrating Tourism Policy with other Policies

There is popular consensus about the role of tourism in the Maltese economy and its significant contribution to our nation's wealth. This is a determining element for the long term sustainability of the sector.

There are no simple formulae that guarantee success and we can only aspire that we aim to find the best path that combines the interest of economic progress together with environmental and social prosperity. This requires proper planning and efficient management of tourism development, and it makes it important that we draw a tourism policy that can successfully guide the development of the industry in the right direction in the years to come.

Tourism is complex in nature, and its impact on daily life does not simply affect the host destination but also that of our visitors. The successful execution of this policy depends to a degree on external factors which we have no control on, but to large extent its success is highly dependent on the overall commitment and the unanimous support of the private and public sector and as well the local community.

It is very important that government policies dovetail with this tourism policy as the success of tourism is dependent on the cooperation of other authorities in order that the tourism policy can be effectively executed.

There is no optimal formula for tourism development of our islands and no technical algorithm exists to guarantee long term sustainability. We are formulating this policy on the basis of past experiences, market intelligence and value judgment, but we must always be vigilant and monitor market changes and other local factors, to ensure that we adapt as necessary.

Unless Malta's economic structures change drastically, tourism remains a key provider to the nation's wealth and the consequences on the economic, social and environmental structures can be huge if we fail. In this regard all stakeholders must demonstrate a commitment in the implementation process of this policy framework. This calls for serious consideration of the various issues affecting tourism, and effective coordination with other government policies is crucial.

Every Ministry and stakeholder will no doubt draw policies on the basis of its own priorities, but each stakeholder must consider the implications affecting tourism development and endeavour to align as appropriate its own policy with that of tourism. There is no room for mistakes here, as tourism is a sector that affects the livelihood of every Maltese citizen, and we either gain all together or lose all together.



