Malta Tourism Observatory

Malta Tourism **Insights**

2023

Malta Tourism Observatory

Malta Tourism Insights - 2023

Editor
Michael Piscopo

Project Coordinator
Leslie Vella

Support Staff
Mary Rose Briffa, Mirelle Maurin

Published
December 2023

ISBN
978-9918-0-0686-1

Designed by
Redorange, Naxxar - Malta.

Printed by
Progress Press Company Limited, Mrieħel, B'Kara - Malta.

Printed on FSC (Forest Stewardship Council) Certified paper.

Disclaimer
The views and opinions expressed in the articles contained in this publication are those of the respective authors and do not necessarily reflect the official policy or position of the Malta Tourism Observatory, the Malta Tourism Authority, or the Ministry for Tourism.

GOVERNMENT OF MALTA
MINISTRY FOR TOURISM

Malta
Tourism Authority

CONTENTS

Introduction

Hon. Clayton Bartolo

Minister for Tourism

In December 2021, I had the honour of launching Malta's current Tourism Strategy to 2030: a strategy based on the three pillars of Recovering, Rethinking and Revitalising Malta's tourism in the coming decade.

The 'Recovery' element was in response to the global wiping out which tourism faced as a result of the COVID-19 pandemic: an element which is now not only thankfully behind us, but increasingly fading into the past, as Malta registers a complete recovery and beyond, one full year ahead of its original forecast.

This places the country, the destination, and the industry in a clear position to focus exclusively on the 'Rethinking' and 'Revitalising' elements of the strategy: elements which open the door to the very important and continuous debate which we need to formalise and develop to secure the best possible outcomes for this most important industry.

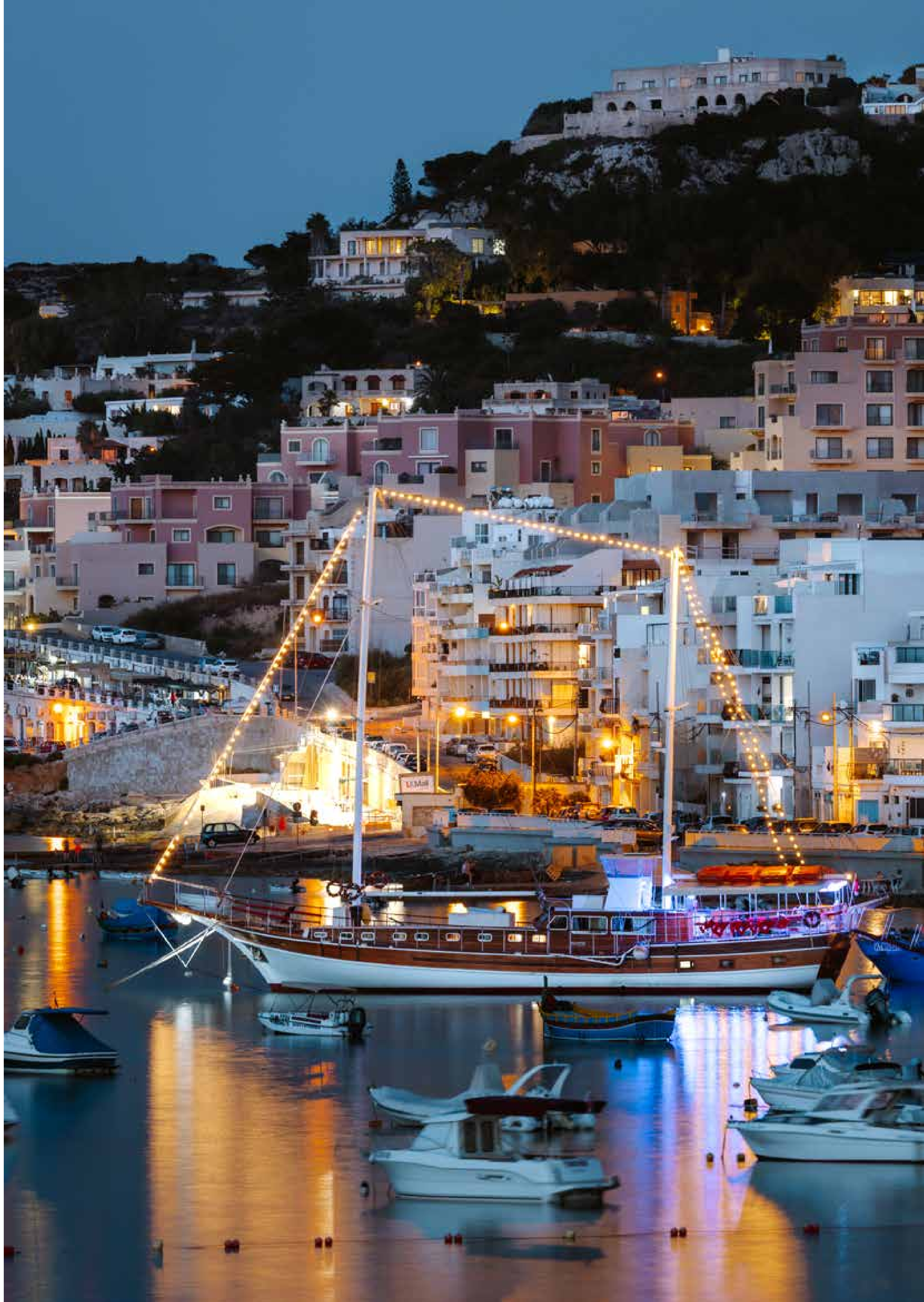
In September 2022, nine months after the launch of the strategy, I inaugurated the Malta Tourism Observatory and presented it as the medium through which the delivery and progress of the Malta Tourism Strategy will take place. The Observatory is now fully functional through a dedicated team of two officials and guided by a Board of Directors representing a wide cross-section of industry and sector expertise.

This publication also coincides with the holding of Malta's first National Tourism Conference, organised by the Malta Tourism Observatory under the auspices of the Ministry for Tourism and the Malta Tourism Authority. The conference is the first of what we want to be an annual event, bringing together the wider set of tourism stakeholders to discuss, exchange ideas, debate and adapt our living tourism strategy in response to changing global trends, in recognition of emerging challenges and threats, and in relation to the opportunities which we will need to grasp to remain competitive and relevant as a destination.

It will also serve as the starting point of a process aimed at not only expanding the range and nature of variables and indicators available to analysts of the Maltese tourism scene, but one which feeds data and information from a constantly widening set of sources to those interested in participating in, and contributing to, the tourism debate in the years ahead.

Tourism is a vast and complex activity which merits a wider discussion based on a more thorough understanding of its social, environmental, cultural, economic, and financial characteristics and impacts. A modern European state like Malta, with its long tradition of tourism excellence, growth and development, deserves to elevate its tourism debate to a higher level by providing stakeholders with an expanding range of indicators and data sets.

It is only through such an informed debate that we can jointly aspire for our tourism industry to reach even greater heights.



Foreword

Carlo Micallef

CEO, Malta Tourism Authority

Chairman, Malta Tourism Observatory

It is with great satisfaction that we are publishing this first report on Maltese Tourism Insights at an important juncture in Malta's tourism development. Together we have the opportunity to decide on where to take our tourism in the coming years.

Prior to the COVID pandemic in 2019, Malta had reached the level of 2.75 million tourists as a culmination of a decade-long growth trend which saw more tourists arriving from more countries, flying with more airlines from more airports, spread more evenly over more age-groups and throughout the year and possessing different motivational purposes of visit. Post-pandemic, Malta has witnessed an extraordinary recovery which points to the exceeding of its 2019 record results one year ahead of initial expectations.

Now that we have recovered, the discussion focuses on the direction we want our tourism industry to take during the lifetime of our Tourism Strategy, to 2030. Everybody agrees that we want our tourism to be sustainable and climate-friendly, to contribute more to the country's development in both economic and social terms, and for Malta to remain competitive and attractive as a destination by maximising tourism's benefits whilst minimising its environmental and social costs and impacts.

We have set up the Malta Tourism Observatory to be in possession of the right framework and structure to enable all stakeholders with an interest in the industry to partake in the ongoing discussion for the future of our tourism industry. The Observatory will take a leading role in sourcing, producing, and disseminating data and information as ingredients for a more informed discussion.

This publication is the first of what we commit to be an annual effort to share indicators, results, trends, and highlights, with the wider community of individuals, companies, organisations and entities with an interest in the tourism phenomenon so that together, we can contribute jointly to the continued successful development of tourism to the Maltese Islands.

An Annual Report on the Tourism Strategy to 2030 for Malta

Leslie Vella

Chief Officer Strategic Development
and Deputy CEO, MTA
Managing Director,
Malta Tourism Observatory

This report is the first in what is being proposed to be a series of annual 'Tourism Insights' reports linked with the delivery and execution of Malta's Tourism Strategy to 2030.

The strategy places a heavy emphasis on governance and reporting. These elements are important prerequisites for our aspiration to have the Malta Tourism Observatory join the prestigious International Network of Sustainable Tourism Observatories (INSTO). Besides this aspiration, which would place the Maltese tourism industry on par with the most sophisticated and advanced tourism destinations in the world, we also have a firm belief that the dissemination of data, information and opinions in a publication such as this will contribute to the elevation of the discussion on the future evolution of the Industry on the basis of a wider range of variables.

Tourism has served Malta well over seven decades of development. It has accompanied the voyage of what was a young, independent state and helped it to wean itself from the last vestiges of its previous politico-economic model, giving its contribution towards the creation of an alternative Maltese services sector based on hospitality instead of strategic military value. It has transformed investment opportunities, supported the creation of a wide and extensive range of receptive capacity, ranging from air and sea ports to accommodation, places of entertainment, catering establishments, visitor attractions, transport models and coastal developments. It has also had a significant impact on the development of Maltese society, which has progressed from a society focused on hosting to one which is itself also hosted, as Maltese outbound numbers grow in line with international travel patterns.

Tourism has exposed Malta to millions of visitors over the years and this has helped produce a tangible positive image of the country in a growing range of countries: an image based on a strong sense of hospitality, an archipelago offering great natural and cultural diversity, a destination for all seasons, a country which is increasingly connected by growing air services and a tourism product catering for a wide spectrum of visitor categories, durations of stay and budgets.

Tourism is also acknowledged for its positive economic contribution owing to its recognised multipliers which ensure that tourism expenditure trickles across the economy on numerous occasions, thereby generating wealth, direct and indirect employment, and government income through direct and indirect taxation.

Tourism performance has traditionally been measured and compared internationally through a narrow band of variables including visitor numbers, overnight stays, and expenditure per trip. As tourism continues to recover and return to robust growth rates worldwide, there is a growing international discussion about the need to broaden the number of benchmarks on which tourism performance is measured.

In a world that is being increasingly threatened by the phenomenon of global warming brought about by climate change, there is also a wider global realisation that the planet's resources cannot continue to be consumed at the current rate. Hence, the call for a more sustainable approach to doing things is becoming more deeply enshrined in thinking and planning models worldwide.

Malta's tourism strategy places a strong emphasis on adopting a more sustainable approach towards the country's tourism development in the coming years. It gives due attention to the link between development and the United Nation's Sustainable Development Goals (SDGs). The strategy aims to futureproof the Maltese tourism industry's competitiveness by focusing on a rethinking approach aimed at revitalising the sector.

To achieve this requires the availability of a wider range of indicators and data sources. Sources which not only measure tourism's effects and impacts beyond volumes and expenditure, but which seek to map a more detailed and wider picture of tourism's presence within the national socio-environmental-economic framework. The recently founded Malta Tourism Observatory places the identification, formulation, measurement, publication, and dissemination of such variables as one of the central facets of its *raison d'etre*.

Tourism is a rapidly evolving, highly competitive, and increasingly complex type of human activity. As it has grown into an increasingly globalised industry, it has ceased to be the clearly defined industry that it used to be in the past. This makes it more challenging to manage and control and the debate on how to harness tourism as a way of sustainably transforming Malta's socio-economic development needs to give due recognition to this. It is a vastly integrated and interrelated sector whose development cannot be discussed on the basis of simplistic, uni-directional, and selective declarations or wish lists.

This document covers a wide number of discussion topics by a range of distinguished professionals. Topics range from recovery to market development and airline connectivity. Tourism economic impacts and the branding and marketing of Malta for repositioning purposes are also discussed.

The work being carried out for the linking of Sustainable Tourism with the Sustainable Development Goals and the objective of Climate Friendly Travel as a response to Climate Change are discussed in two further chapters, while a focus on Maltese tourism supply in terms of its evolutionary trends and challenges and the overall Maltese Tourism Product opens the discussion from the supply side dimension through two specific contributions. One example of linking the future development of tourism relates to food and foodscapes as vehicles for sustainability.

Gozo is given due prominence as a distinct component of the Maltese tourism offer with another contribution focusing on the twin transition arising from a post-COVID reality. Other contributions cover the role and function of the Malta Tourism Observatory, the opportunities arising from Digitalisation, and the outcome of an Observatory-commissioned study on Tourism Employment and Human Resources.

In line with the objective of widening the spectrum of tourism indicators beyond those currently in use, two additional contributions cover segmentation and tourist satisfaction using qualitative data from the Malta Tourism Authority's Research Unit's long-running tourism surveys combined with official quantitative data from the National Statistics Office (NSO).

A final contribution presents a number of potential scenarios for Malta's future tourism development to help channel the discussion through the presentation of extremely divergent possibilities, to help set boundaries within which the discussion should take place. The publication also features a data appendix featuring a wide range of indicators.

A publication of this nature is not meant to be collected and placed on a shelf or forgotten inside a filing cabinet. Its objective is far from wishing to present absolute views on how tourism development should take place but rather, it is intended to be a first step in producing an annual publication presenting a growing set of information sources, benchmarks and indicators to assist in a continuous amelioration of the Maltese tourism debate in the years to come.

1

RECOVERY AND PERFORMANCE

MTA: Leading Malta's Tourism Recovery

Dr Gavin Gulia

Chairman, Malta Tourism Authority

Tourism is a major component and contributor of the Maltese economy which over the past years has become increasingly services based. Tourism not only injects funds from abroad into the economy, but due to its very high multipliers, these funds circulate many times, creating jobs and tax revenue every time they do. This means that the economic benefit of tourism is far reaching and not only generates returns to investors and employs workers in the industry, but is also beneficial to other directly and indirectly related sectors which either depend on tourism activity for their custom or depend on expenditure that originated from tourism for their success.

Prior to the disastrous consequences wrought by the rapid global spread of the COVID-19 pandemic, Maltese tourism was flourishing. It was at the peak of a positive cycle of ten years of record growth. The pandemic's effect on global tourism was unprecedented. Global tourism shrunk by 80% and the same trends were experienced in Malta where tourism volumes retreated to levels last witnessed in the early 80s of the last century. By comparison, worldwide tourism shrunk by 'only' 10% as a result of the Global Economic Crisis of 2008.

The sustained success of the Maltese tourism sector achieved up to 2019 had brought about a mix of positives and negatives. Investment in the direct and indirect tourism product flourished. Critical masses of volumes and demand were established for a variety of direct and indirect tourism products and services, and accommodation services widened in scope and volume. Airline connectivity was established with 130 airports through a range of large and small, legacy, and low-cost airlines possessing global, regional, and national catchments. Malta's tourism results outpaced those of the region implying that the destination was growing under its own steam rather than merely following trends elsewhere.

On the negative side there were those who believed that, under the pretext of growth, some of the less attractive by-products of tourism were expanding unchecked. The impact of high tourism volumes, the negative effects of over-development, the widening gap between price and quality, and the dissonance between the realities inside and outside tourism establishments, were all factors which were contributing to a possible erosion of visitor satisfaction and host population evaluation of tourism's importance.

In response to COVID-19, a Tourism Recovery Strategy was formulated by the MTA in consultation with the Ministry for Tourism and our industry partners. The strategy had the major objective of setting out a path for the rapid recovery of tourism to Malta in a way which capitalised on opportunities, minimised risks, and fitted in seamlessly with the longer-term objectives of the Malta Tourism Strategy 2021-2030.

The Maltese Government had been very proactive in addressing the COVID-19 crisis by:

- Restricting movement of people without resorting to lock-down keeping that option as a last resort.
- Repatriating tourists stuck in the destination at its own cost whilst repatriating Maltese abroad at its own cost as well.
- Announcing a generous aid package in agreement with the social partners aimed at easing pressure on businesses during this period of restrained economic activity conditional to the safeguarding of jobs in sectors such as tourism.
- Government also remained committed to renew aid and announce additional measures as the pandemic extended in 2021, funded by the country's healthy reserve balance brought about by budget surpluses.
- The formulation, launch and execution of a Euro 6 million e-learning programme aimed at training employees in the hospitality industry.

The Ministry for Tourism was at the centre of numerous efforts including:

- one-to-one ad hoc assistance to individuals and operators.
- continuous liaison with the European Commission.
- continuous liaison with market players on tackling the unprecedented crisis.

The recovery plan was fundamentally based on five pillars:

1. Continuing to sustain Malta's tourism businesses in a way to keep them operational and to retain their human resources compliment.
2. Re-establishing Malta's airline connectivity by working with airlines to re-open routes and add frequencies.
3. Stimulating demand by prioritising geographical markets and segments.
4. Addressing the market with the right messages.
5. Recovering whilst restructuring Maltese tourism through further emphasis on quality, sustainability, seasonal spread, and improved customer satisfaction whilst enhancing tourism expenditure.

Malta's Tourism Recovery was planned and managed well. It kept the industry alive, retained its all-important work force, kept Malta and Gozo top of mind in our markets, and gave the restart of airline connectivity the relevant focus and attention. It remained sensitive and responsive to the convoluted evolution and development of the pandemic during the period between March 2020 and the last major outbreak caused by the Omicron variant during Winter 2021/22.

In terms of numbers, whereas 2020 ended with a huge decline of 76.1% over 2019 leading to 660,000 tourists against the previous record year's 2.75 million, the recovery commenced as early as 2021 when, following a 47% increase on 2020, 968,000 tourists were registered as a result of a summer window of respite and the rollout of vaccinations. 2022 saw tourism recover further with an impressive 136.2% increase over the previous year resulting in 2.29 million tourists.

Data for the first eight months of 2023 shows that almost 2 million tourists have already visited Malta, exceeding January to August 2022 results by 33.5% and January to August 2019 results by an impressive 7.4%.

Recovery was necessary and without it, the long-term viability of Malta's tourism industry was at risk. Now that recovery is a phase which has been delivered, the time is right to elevate the discussion to address longer term issues affecting Maltese tourism.

An Overview of Malta's Tourism Performance Over the Past Decade (2013-2023)

Tania Sultana
Head of Research, Malta Tourism Authority

Introduction

In the last decade, the tourism performance in Malta was largely successful. But as they say, every success has a painful story which in this case came about in early 2020 with the shock of the COVID-19 pandemic. However, pain can be a powerful motivator for success and in fact, Malta accepted the pain that was brought about by the pandemic and is achieving further success in the recovery.

The objective here is not only to analyse tourism performance by looking at indicators which focus on volumes, such as the number of tourists visiting Malta. The aim is to go beyond that and include performance indicators that have a higher leverage on the 'value' aspect and reflect to what extent Malta is successful at implementing its tourism strategy. The latter mentioned indicators refer to the measurement of seasonality, geographic market diversification and motivational segment diversification which collectively contribute to the quest of the destination to appeal to diverse groups of people.

The Key Indicators of Performance in Tourism

The main three universal indicators for tourism performance measurement are the number of inbound tourists supplemented by the number of guest nights and expenditure spent by the said tourists.

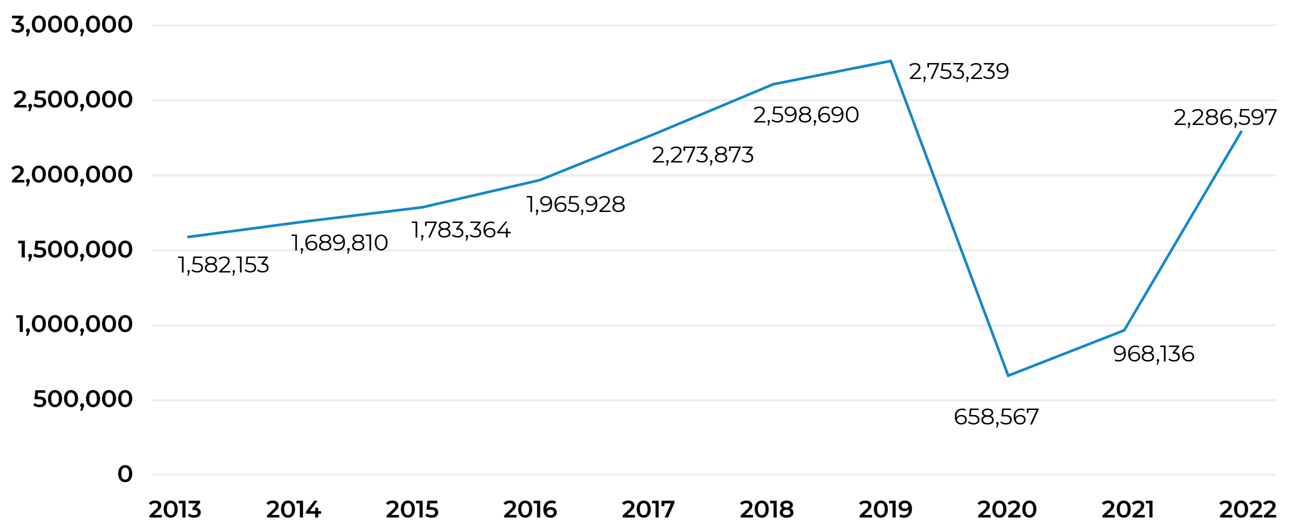
The period 2013 to 2019 was exceptional for Malta, where each consecutive year marked a 'record' in the number of inbound tourists, tourist guest nights and tourist expenditure. The main motors driving this performance were, on the one hand, the continuous growth in the number of direct air routes linking Malta to a wide range of source markets and, on the other, the improved sophistication in the marketing efforts of the Malta Tourism Authority (MTA).

The global COVID-19 pandemic was a shock to the system and had a significant negative impact on Malta's tourism sector in 2020 and 2021. Travel restrictions, lockdowns, and safety concerns led to a dramatic decline in inbound tourism during these years. The Maltese government and tourism authorities implemented various measures to support the industry during this challenging period.

The year 2022 saw a remarkable recovery in inbound tourism activity in Malta. The number of inbound tourists reached almost 2.3 million, on par with year 2017 and short of 2019 peak figure by nearly 467,000. In 2022, Malta's pace of recovery in inbound tourists at 84% surpassed that for the 'World' (63%), 'Europe' (79%) and 'Southern Mediterranean Europe' (82%). The year 2023 is proving to be another year of steady growth where the number of inbound tourists is expected to exceed pre-COVID peak levels.

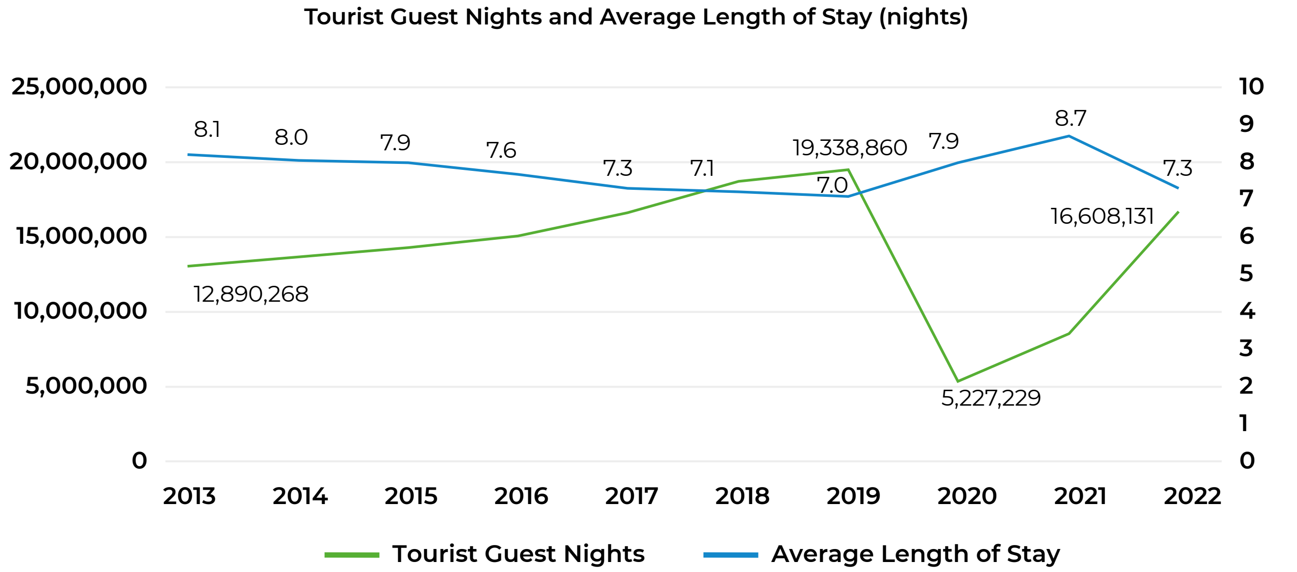
Inbound Tourists

Source: NSO



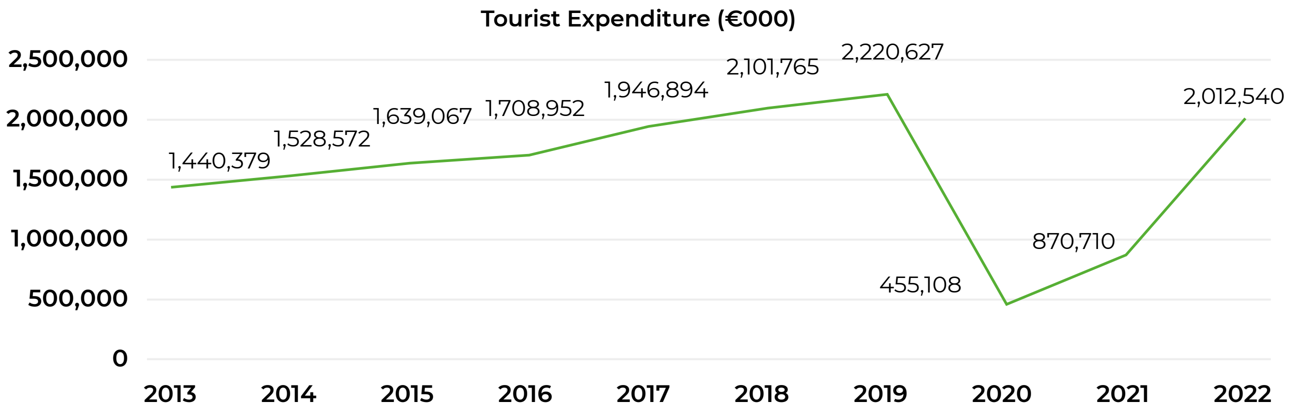
Tourist Guest Nights

Source: NSO



Tourist Expenditure

Source: NSO

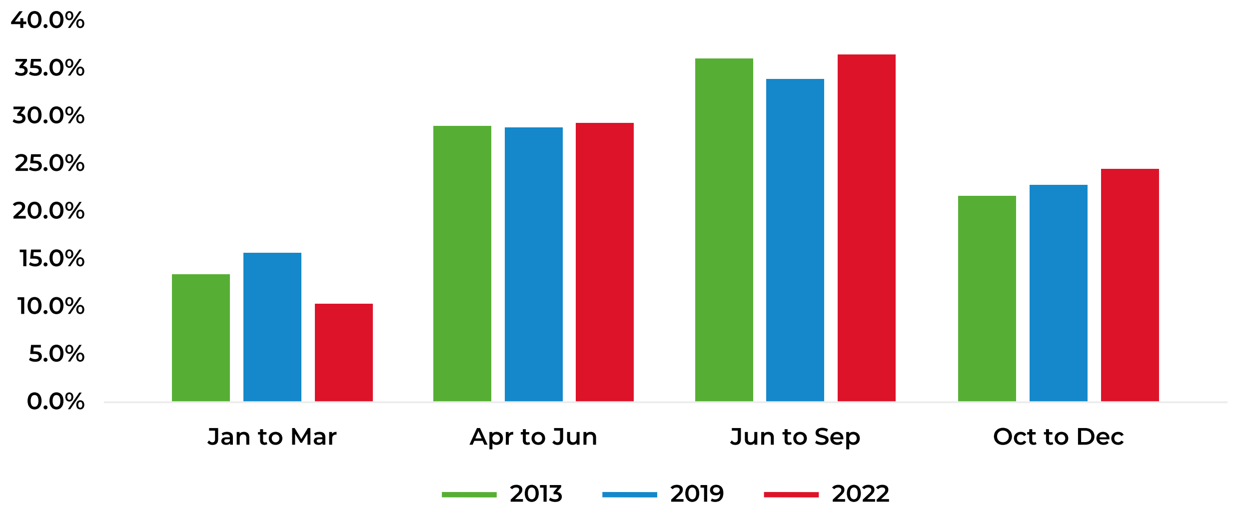


Seasonality

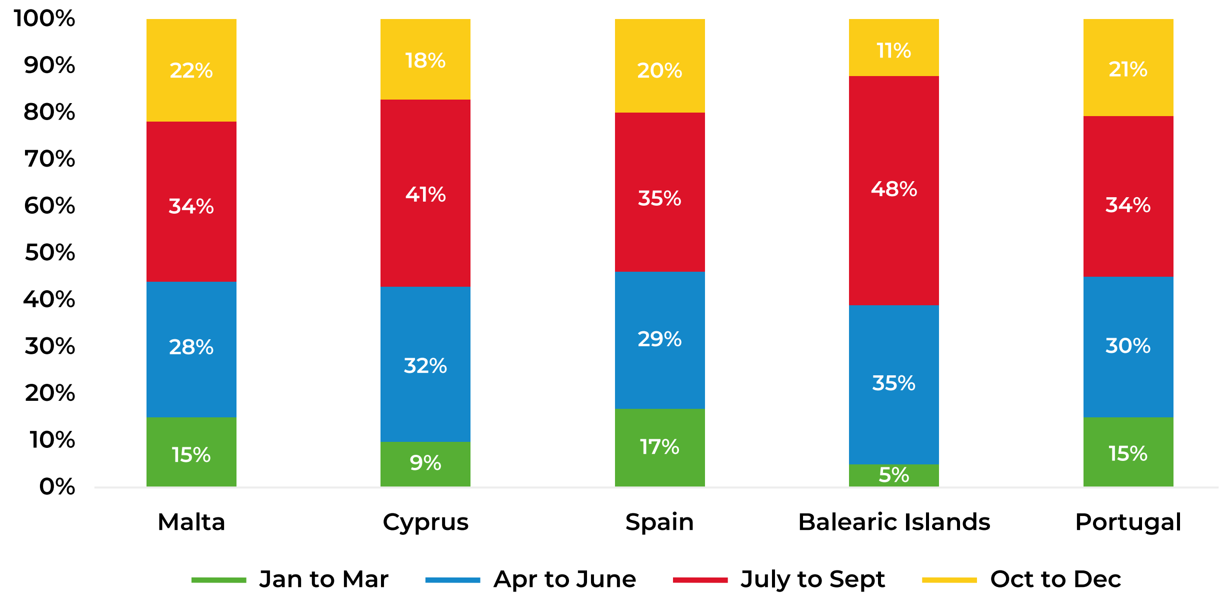
The fundamental principle of 'reducing seasonality' is found in every Malta Tourism Policy/Strategy document published over the years. Seasonality refers to the fluctuation in the number of tourists to a destination based on the time of year. The type of tourist offer within a destination is one of the factors which has an impact on tourists' visiting patterns, for example many coastal destinations experience a peak in the number of tourists during the summer months whilst volumes slow down during the off-peak period. Reducing seasonality leads to a more even distribution of visitors throughout the year which helps to create a more stable and sustainable tourism industry by providing economic stability to local communities and businesses.

The share of tourists visiting Malta during the peak summer period July to September declined from 36.4% in 2013 to 33.7% in 2019. In fact, a comparison between the years 2013 and 2019 shows that the percentage increases in the number of tourists for the off-peak months is considerably higher than those of the peak summer months (August +54%, November +91%, Total +74%). This positive result reflects MTA's tenacious effort to work with airlines to grow direct air route connectivity throughout the whole year and not only in the summer months where airlines are more inclined to focus due to the relative ease to generate business. In this regard, the period January to March is proving to be the most difficult to recover following the spread of the pandemic. It is worth mentioning that compared to other leading tourism destinations like Spain, Portugal and Cyprus, Malta has a better tourist flow pattern proving to be one of the least seasonal destinations in the Mediterranean.

Seasonality in Inbound Tourists



Inbound Tourists by Quarter in 2019



Geographic Market Diversification

The expansion of the geographical source markets has been at the core of Malta's tourism strategy for many years. Varying the target customer base by targeting tourists from different geographic locations, demographics and economic backgrounds offers several advantages to the tourism sector. Namely, it reduces a destination's vulnerability to economic downturns or political instability and leads to better seasonal patterns and increased revenue streams as tourism businesses can tap into various budget ranges, from budget travellers to luxury tourists, thus maximising revenue potential. Over the past decade Malta has fared very well in this regard. The traditional source markets - the United Kingdom, Italy, France, and Germany - remained Malta's largest source markets, but their pace of growth varied in a way that had an impact on the ranking order. The United Kingdom maintained its top position followed by Italy in second place. However, France surpassed Germany and gained third ranking with a comparatively higher rate of growth. In fact, over the period 2013 to 2019, inbound tourism from France more than doubled (+105%) compared to the increase of +44% from Germany.

In the past ten years the MTA intensified its efforts to grow tourism from relatively smaller source markets and new markets. The positive performance in this regard is reflected in the market share of the top four markets where the collective share declined from 60% in 2013 to 55% in 2019 and 54% 2022. Poland and Hungary are amongst the top newcomers with extraordinary results. Inbound tourism from Poland increased from a mere 24,000 in 2013 to 143,000 in 2022, resulting in Poland gaining 5th position with regard to size of inbound source markets. At the same time, inbound tourism from Hungary almost tripled in size from 13,000 in 2013 to 36,000 in 2022. Remarkable results were also registered from long-haul markets, particularly the USA, where the number of inbound tourists doubled from 20,000 to 40,000. This result reflects Malta's intensive and constant effort to widen the direct air connectivity base in core and secondary markets, which in turn improves the connectivity with long-haul markets. The number of direct air routes increased from 92 in 2016 to 130 in 2019. In this aspect, Malta is still in the phase of recovery regaining 103 direct air routes in 2022 following the loss of activity due to the spread of the pandemic.

Motivational Segment Diversification

Understanding the diverse motivations of tourists is crucial for the tourism industry as it helps a destination to develop targeted marketing strategies, design customised travel experiences, and create appropriate tourism products and services. The process of categorising tourists into different segments based on their motivations for travelling is at the core of Malta's marketing strategy. This helps to increase overnights through a healthy mix of short and longer stays, appeals to diverse socio-demographic profiles, and contributes to a more even distribution of tourists throughout the year. Trends show that Malta is increasingly appealing to a younger demographic where the market share of the mature (2013: 33%, 2022: 28%) and senior age groups (2013: 14%, 2022: 8%) have declined in favour of the 0 to 44 age group. This implies that in ten years there has been a shift of 11 percentage points from the older to the younger age groups. Tourists who visit Malta for sports and outdoor activities and English language learning are relatively younger than those who are mainly motivated by culture-related reasons. The same applies for tourists where the pull factor is sun & leisure or the participation in music events. Trends show that tourists who are purely motivated to visit Malta for culture are older than tourists who visit for both sun and culture.

Conclusion

Latest tourism statistics for the period January to August 2023 show that inbound tourist volumes have surpassed those registered for the same period in the pre-COVID year 2019, implying that 2023 is set to mark another record for inbound tourism activity. Further growth is expected to prevail in the coming years where Malta's Tourism Strategy for the years 2021 to 2030 points to a scenario forecast of around 3 to 3.2 million inbound tourists generating 21 million overnight stays. This forecast is based on the international declining trend in the average length of stay and Malta's carrying capacity limitations.

Understanding the Economic Contribution of Tourism in Malta: A Literature Review*

Dr Ian P. Cassar
Senior Lecturer,
Department of Economics,
University of Malta

Kevin Vella
Director General,
Economic Policy Department,
Ministry of Finance

Sean Buttigieg
Senior Economics Manager,
Malta Competition and
Consumer Affairs Authority

***This article is an extract from a paper that was originally published in the Mediterranean Journal of Social Sciences Vol. 7(6) November 2016. It is being reproduced in this abridged form with the kind permission of the authors. The complete paper can be accessed at:**

http://bit.ly/economic_contribution

Whilst tourism has long been regarded as one of the key pillars of the Maltese economy, there is widespread disagreement about the exact economic contribution of tourism. Some estimate its contribution at almost 30 per cent of the economy (Blake et al., 2003; WTTC 2, 2015). Recent reports, namely the European Commission's 'Country Report March 2014' and the OECD 'Tourism Trends and Policies Malta 2014' also refer to a contribution of tourism in Malta of approximately 30 per cent of GDP. However, the results from a number of empirical studies indicate that this estimate may, to a large extent, be overstated.

The construction of the first set of tourism satellite accounts for the Maltese economy by Sacco (2016) allows for an assessment which is based on the measurement of solely tourism activities. Sacco (2016) estimates the GVA generated by the tourism sector at 5.7 per cent of the total GVA. This estimate however neglects the indirect effects of tourism on other industries and induced effects from consumption generated through the generation of salaries and wages which are generated as a result of tourism activities.

The results from input-output models estimate the direct and indirect contribution of tourism at around 12 per cent of GVA. Estimates by Blake et al (2003), Cassar (2015) and NSO (2016) corroborate these findings. On the basis of the Type II value added multipliers derived by Cassar (2015), the induced effects raise the potential contribution to approximately 17 per cent of GVA.

This analysis has also shown that the WTTC estimates, which are typically quoted to justify the high contribution of tourism at approximately 30 per cent, seem to be rather excessive compared to estimates by NSO (2016), Cassar (2015) and Blake et al. (2003) even when they include the induced effects. Furthermore, it should be noted that the figures estimated in the WTTC (2015) for Malta, unlike the other input-output based studies discussed in this paper, are based on some rather strong assumptions which were required due to lack of available data.

At a sectoral level, an analysis of the three input-output studies assessed in this paper indicates that the tourism-based industries (namely accommodation, food and transport services) are firmly interlinked with other sectors of the economy in general, such that the tourism-based industries generate relatively high value-added multiplier effects compared to many manufacturing-based industries in Malta. Nevertheless, such multiplier effects are not amongst the highest in the Maltese economy and are closer to the median observed and quite typical of a service-based industry.

Notwithstanding the importance of input-output analysis as a tool for assessing and monitoring the size and evolution of tourism activity over time, more sophisticated models exist, such as CGE models, which better capture the underlying economic reality. Such models allow for the relaxation of certain assumptions made by input-output models such as wage and price rigidities as well as those relating to supply constraints. In particular, higher tourism demand can cause prices and wages to rise thereby dampening the real effect and reduce the multiplier effects measured in the input-output framework. The results obtained by both Blake et al. (2003) and by Sinclair et al. (2005), which apply CGE modelling to the Maltese economy in order to estimate the impact of tourism, suggest that the tourism multipliers derived from traditional input-output models could be overestimated when such behavioural effects are taken into account. GDP multipliers implied by these models stood at 0.296 and 0.236 for the short-run and long-run, respectively, compared to the 0.6 Type I multipliers generated by input-output models. It is however important to evaluate the results obtained from the various studies discussed in this paper keeping in mind the numerous discrepancies which exist between each study in terms of statistical methodologies employed and overall data quality.

To conclude, the analysis undertaken within this paper indicates that there is a significant need for further research in this area. The WTTC estimates which generally associate a contribution of tourism to the Maltese economy of approximately 30 per cent clearly seem overestimated compared to: the direct contribution of at 5.7 per cent of total GVA estimated by Sacco (2016) via the construction of a TSA for Malta, the approximate 12 per cent of direct and indirect contribution and the roughly 17 per cent of direct, indirect and induced contribution based on the input-output studies assessed in this paper. However, even the direct and indirect contribution of 12 per cent of total GVA may possibly also be overvalued if one considers that the tourism value-added multipliers generated for the Maltese economy from studies based on CGE models are nearly half those obtained from traditional input-output studies. These observed discrepancies thus indicate that there is a need for further applied research on this topic.

Applying the currently published data (NSO, 2016) to more sophisticated input-output models such as in Cai et. al. (2006) could provide a better understanding of the underlying linkages of the tourism sectors with the non-tourism sectors and thus help comprehend the impact of tourism on the production structure of the Maltese economy. Furthermore, the development and publication of an official complete TSA framework for Malta would help to better comprehend the direct impact which tourism-related activities have on the Maltese economy. Furthermore, an extension of the NSO (2016) input-output table for 2010 into a Social Accounting Matrix would allow for the application of CGE models which would enable researchers to shed more light on the effective direct, indirect, and induced contribution of the tourism sector on the Maltese economy.

References

1 Blake, A., Sinclair, T.M., Sugiyarto, G. and DeHann, C., (2003). The Economic Impact of Tourism in Malta. The University of Nottingham, Report for the Malta Tourism Authority.

2 Blake, A., Sinclair, T.M., Sugiyarto, G. and DeHann, C., (2003b). The Economic Im- pact of Tourism in Malta: Input-Output Modelling. The University of Nottingham, Report for the Malta Tourism Authority.

3 Cai, J., Leung P., and Mak J. (2006) Tourism's Forward and Backward Linkages, Journal of Travel Research, 45, pp.36-52.

4 Cassar, I.P., (2015). Estimates of Output, Income, Value Added and Employment Multipliers for the Maltese Economy. Published by the Central Bank of Malta, WP/03/2015.

5 European Commission Publication, (2014). Tourism Industry Sub-sectors Country Report, Malta. The European Commission Offices, March 2014.

6 National Statistics Office of Malta (NSO), 2016. "NSO News Release 009/2016 - Cruise Passengers: Q4/2015". Published by the National Statistics Office, Lascaris, Valletta, Malta, 20 January 2016.

7 National Statistics Office of Malta (NSO), 2016. "NSO News Release 017/2016 - Inbound Tourists: December 2015". Published by the National Statistics Office, Lascaris, Valletta, Malta, 1 January 2016.

8 National Statistics Office of Malta (NSO), 2016. "NSO News Release 091/2016 - Gross Domestic Product: Q1/2016". Published by the National Statistics Office, Lascaris, Valletta, Malta, 8 June 2016.

9 National Statistics Office of Malta (NSO), 2016. "NSO News Release 094/2016 - Gainfully Occupied Population: December 2015". Published by the National Statistics Office, Lascaris, Valletta, Malta, 13 June 2016.

10 National Statistics Office of Malta (NSO), 2016. "Supply, Use and Input-Output Tables 2010". Published by the National Statistics Office, Lascaris, Valletta, Malta, 2016.

11 OECD, (2014). 'Malta', in OECD Tourism Trends and Policies 2014. OECD Publishing.

12 Sacco, B., (2016). Measuring the economic contribution of the tourism sector to the Maltese economy using Tourism Satellite Accounts. Unpublished Master's dissertation. University of Malta. Msida, Malta,2016.

13 Sinclair, T.M., Blake, A., Gooroochurn, N. and DeHann, C., (2005). Modelling Tourism Impacts on Small Island Economies: Evidence from Cyprus, Malta, and Mauritius. The University of Nottingham.

14 World Travel & Tourism Council, (2015). Methodology for producing the 2015 WTTC/ Oxford Economics Travel & Tourism Economic Impact Research. Published by Oxford Economics, March 2015.

15 World Travel & Tourism Council, (2015). Travel & Tourism Economic Impact 2015 Malta. Published by the World Travel 8 Tourism (WTTC) Offices, Harlequin Building, 65 Southwark Street, London, March 2015.

2

CONNECTIVITY AND SOURCE MARKETS

Airline Connectivity 2013-2023

Alex Cardona

Senior Vice President, Malta International Airport

The Maltese Islands are an attractive summer destination, with the season's endless sunshine, beaches, and a packed calendar of outdoor events putting them on the bucket list of many travellers wanting nothing more than a typical Mediterranean getaway. While Malta's popularity during the summer months will likely always trump its popularity in the off-peak season, particularly with certain traveller profiles, the Traffic Development Department at Malta International Airport together with the Malta Tourism Authority have made it their joint mission to promote Malta as a year-round destination.

The benefits of year-round tourism for an island that relies on this industry for approximately 20 per cent of its Gross Domestic Product are self-evident. Aside from keeping the wheels of the economy oiled by mitigating fluctuations in the travel and hospitality industry, a series of actions take place to secure year-round connectivity with our various partner airlines.

At Malta International Airport, addressing seasonality has long been an important pillar of our traffic development strategy, and we have learnt that part of the solution to this challenge lies in improved connectivity in the off-peak months. Airlines generally prefer to test the waters with new operations, such as the launch of a new route or increased seat capacity, during the summer, and enticing them to extend their operation into the quieter months – or indeed, launch something completely new then – has always been a hard nut to crack.

However, over the past 10 years, we have seen an increasing number of airlines become more receptive to the idea of operating from Malta throughout the year. This is the result of an array of efforts ranging from a programme that incentivises winter operations, to our presence at international conferences for the aviation community. Our endeavours are always further strengthened by the Malta Tourism Authority's destination marketing initiatives, highlighting that the Maltese Islands' allure does not wane once winter sets in due to a varied offering that is just as likely to appeal to the history buff as it is to the adventure-seeking traveller. Additionally, airlines have come to better understand the true value of having stable flight schedules to a destination, uninterrupted between seasons, as source markets are more likely to develop an affinity with the destination being marketed throughout the year.

The data shows that our endeavours are bearing the desired results, with the increase in flights in winter (+66 per cent) outpacing the increase registered in summer (+57 per cent) between 2013 and 2023. Yet, this is only half the seasonality battle won, as more flights essentially mean that more aircraft seats need to be filled. Once again, the data here is encouraging, with the average seat load factor for January to March 2013 having stood at 71.7 per cent compared to a much higher average seat load factor of 81 per cent for the same three-month stretch in 2023.

Another facet of our traffic development strategy, which supports us in running a more sustainable operation with a diverse route network, is trying to keep a balanced mix of low-cost airlines and flag carriers. The scales currently tip in favour of low-cost airlines at our airport, and the most recent Airport Industry Connectivity Report published by Airports Council International (ACI) shows that these carriers account for all of Europe's gains in direct connectivity over the past 10 years. Despite this reality, striving to retain a mix of carriers that is as balanced as possible allows us to diversify our tourism market sources and draw from the strengths of the different carriers to provide a wider choice of connectivity options and access to several markets.

Our islands are currently served by 30 airlines, which is roughly the same number of carriers we had in 2013. However, over the past 10 years, we have witnessed several changes in the composition of our route network as new carriers were welcomed at Malta International Airport while some others decided to terminate their operations due to various reasons, including pandemic-related challenges. Together with our airline partners, we have succeeded in increasing direct airport connectivity by 14 per cent in the past decade, either through the introduction of brand-new routes or an increase in flight frequencies on existing routes.

Added frequencies on the same route bring forth several benefits for the traveller, including more flexibility with the length of stay, particularly in the case of weekend breaks, quick getaways and short business trips. Looking at some of the most popular routes that connect Malta International Airport to three of our top markets reveals an increase in the weekly flight frequencies for most of them between 2013 and 2023.

Three of our biggest winners have been London Gatwick, where the number of weekly flights have gone up from 18 in 2013 to 26 in 2023, Catania which is now served by more then double the number of weekly flights when compared to ten years ago, and Munich which has registered a 70 per cent increase in weekly flights. On the other hand, in the same ten year period, we have seen a drop in the flight frequencies on a number of routes from the United Kingdom and German markets, in part contributing to the slow recovery from the effects of the pandemic compared to other top markets.

Added frequencies on any route are a win for us, but better connections to primary hub airports such as Dubai, Frankfurt, Istanbul, Munich and Paris bring added value of allowing a traveller to fly onwards beyond Europe or to a market that Malta International Airport is not directly connected with. The ACI report mentioned earlier also reveals that taking June as an example shows that indirect connectivity, which measures the number of destinations people can travel to through a connecting flight, for the Maltese Islands has increased by 41 per cent since 2013.

Today, we are connected to most main cities in Europe, with year-round scheduled flights to just under 100 direct routes such as Barcelona, Budapest, Madrid, Vienna and Warsaw. However, there are markets, including Scandinavia and the Baltics, that offer opportunities for direct connectivity from Malta that we still need to properly tap into. While our winter 2023-24 flight schedule features flights to Latvia, Lithuania, Denmark and Sweden, the frequency is rather sporadic, and markets such as Estonia and Norway do not feature at all on this schedule. Building our connectivity with these underserved regions together with exploring opportunities in regional European airports, and further increasing flight frequencies on strategic routes, will remain an integral part of our traffic development strategy for the Maltese Islands.

The 2019 golden days of connectivity are yet to be re-experienced, not just by Malta International Airport but by European airports in general as total air connectivity is still 16 per cent below pre-pandemic levels, whilst climate action and geopolitical tensions could all be potential risks to the further development of airline connectivity. Yet, as the islands' only airport, at Malta International Airport we recognise that it is our responsibility to keep Malta on the map by developing traffic in a way that brings widespread long-term benefits.

Branding, Marketing And Repositioning Malta

Arthur Grima

Director Marketing, Malta Tourism Authority

In 2015, the need to re-evaluate our brand and enhance our image became apparent. To address this, a committee was formed to draft a creative brief for our brand, with the intention of initiating a Request for Proposal (RFP).

Despite Malta's favourable tourism outcomes in 2015, there was a prevailing sentiment that we could not take our tourism success for granted. With growing international competition, evolving industry standards, changes in distribution networks, shifting customer booking behaviours, and increased marketing investments by competing destinations, it was crucial to ensure that Malta remained attractive to its core audience and prospective markets. This required the development of a fresh and attractive brand image and a new advertising campaign that would resonate with both our traditional tourism markets as well as potential new ones. The aim was to retain existing valuable business, diversify our visitor base, and improve seasonal patterns, as this represented the fastest path to growth and enhanced profitability given the current landscape.

Our objective was to not only increase the quantity of tourists but also broaden their geographical origins, encompassing both established and emerging markets across Europe and beyond. To achieve this, we sought a creative agency capable of delivering a strategically sound and creatively innovative marketing strategy that would have a profound impact. The goal was to bolster Malta's reputation as a premier European holiday destination, thus driving an upsurge in visitor numbers.

In pursuit of this objective, a brand creative brief was developed to initiate an international Request for Proposals (RFP). The RFP aimed to attract creative marketing agencies with a global presence to conceptualise a brand identity and devise creative campaigns for the Malta Tourism Authority (MTA), to be executed across various media platforms and multiple regions. Our aspiration was to engage an agency that could elevate Malta's tourism image on the international stage while building upon our already high level of performance. The proposed brand creative needed to be distinctive, creating a strong differentiation between Malta and its competitors. Achieving this required a strategic and imaginative approach, combining traditional media with innovative uses of electronic and social media to create a highly targeted and cost-effective communication strategy. The objective was to expand awareness of Malta's offerings and contribute to the growth of Maltese tourism.

The RFP was released in the year 2016 and by the closing date, numerous submissions were received. These were meticulously evaluated by a skilled committee, resulting in the identification of the most promising entries. Subsequently, the shortlisted submissions underwent rigorous focus group testing in the United Kingdom, Germany, and France. Remarkably, in all these focus groups, the submission presented by OLIVER, a creative agency headquartered in Dublin, emerged as the unanimous choice. The agency was appointed in 2017 and our new brand image was introduced.

Our fresh logo draws its inspiration from the vibrant colours of the traditional *Luzzu* fishing boat and the universally recognised Maltese cross elements. As OLIVER puts it,

> "with this identity, we've created a celebration of everything that Malta offers a visitor and expressed it in a way that both surprises and satisfies. This is the spirit of Malta reflected in modern design."

Minimum size

22 mm

Grey scale Single colour Reverse

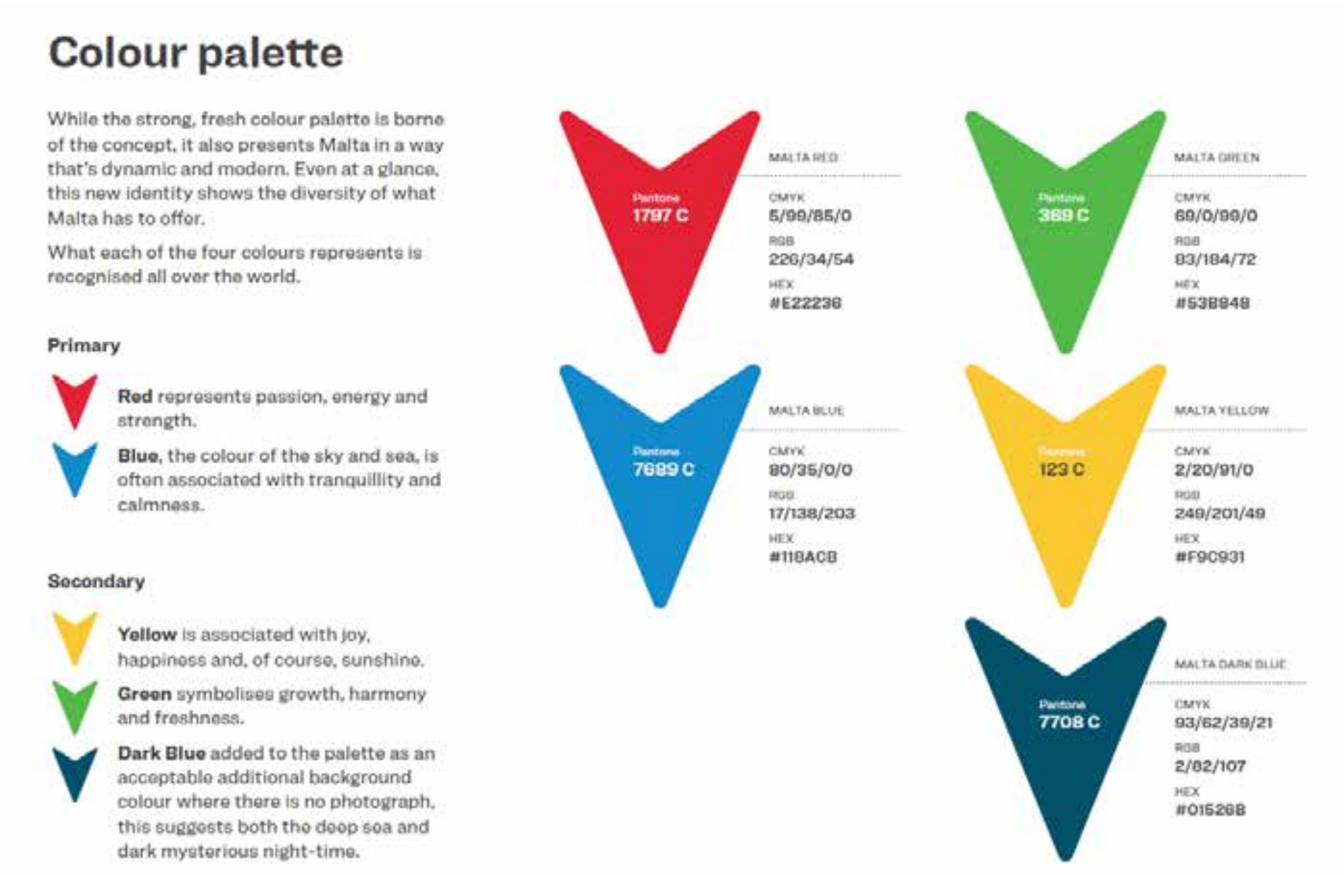
Minimum size

29 mm

Grey scale Single colour Reverse

While striking and lively, this identity is firmly rooted in Malta's rich historical and cultural heritage, yet remains familiar, as all these elements are deeply ingrained in Malta's identity. The design is centred around the Maltese Cross, with each arm of the cross adorned with one of the colours derived from the traditional Luzzu – red, yellow, blue, and green. These colours also symbolise the sun, sand, sea, and land, and carry sensory connotations:

Red	Blue	Yellow	Green	Dark Blue
Embodies passion, energy, and strength.	Reminiscent of the sky and sea, is associated with tranquillity and calmness.	Represents joy, happiness, and the sunshine.	Symbolizes growth, harmony, and freshness.	Serves as an additional background colour, evoking the deep sea and mysterious night-time.



The fluid visual composition created by these elements suggests the coming together of people to embrace the country's vibrant life and breath-taking scenery. Each of the three islands can be linked to a specific colour, with red always at the centre, symbolising the national flag and Malta's central position in the Mediterranean. Importantly, this new identity embodies symmetry, mirroring the distinctive feature of the Maltese Cross on which it is based.

The qualities of the Malta Tourism brand – welcoming, intriguing, and exciting – mirror the characteristics of Malta itself and should be reflected in all our endeavours. Our personality is not defined by any single communication; it is the cumulative effect of all our messages. How we communicate matters as well. While Malta has much to be proud of, we are never ostentatious; we prefer to let the visuals convey our story, using straightforward language tailored to specific target segments.

When we introduced the new branding, it came with the tagline 'More than we could ever tell,' which complemented the visual elements used in our messaging. Over time, this tagline evolved into 'More to Explore' in 2018, and we have recently refreshed it to 'Explore More.' We now use this new tagline in combination with additional words, to evoke emotions and motivations to travel, such as 'Explore More flavours,' paired with imagery that aligns with the specific segment we are promoting.

It is important to note that this new tagline represents not so much a revolution as an evolution from the previous 'More To Explore' tagline to a more dynamic and engaging one. This development is quite exciting as it breathes additional life into our tagline. It resonates more effectively with our audience and transforms our tagline into a clear call to action (CTA). The 'Explore More' tagline perfectly aligns with our overall strategy, making it easier to convey our message while promoting various segments. Our strategy revolves around three core elements:

geographical planning, demographic targeting, and segment/motivation-driven marketing.

With this new tagline, we can focus on different segments and cater to the diverse interests of our audience from various markets and at the right moments.

We will maintain a comprehensive 360 Degree Marketing approach, covering all aspects of a customer's journey and interaction with our brand. This means utilising multiple marketing channels, both online and offline, to provide a unified and consistent brand experience. Our goal is to deliver personalised and targeted messages to potential customers, engaging with them through various touchpoints.

To achieve this, we leverage our brand partners and other trade collaborators, participating in various fairs, workshops, roadshows, and events while creating a range of activations. We also host numerous foreign media representatives and influencers, as they consistently provided the best return on investment (ROI). Additionally, we regularly advertise across various offline and online platforms, using a wide range of media, from digital to television and everything in between.

Promoting our various segments and motivations plays a crucial role in our strategy. To address this, we have assigned segment promotion responsibilities to units within MTA's marketing department. As part of this integration, we have improved our geographically-structured approach by assigning a specific segment to each Geographical Unit. This ensures that each unit takes

charge of a particular segment and serves as the primary point of contact for colleagues and trade partners, both locally and internationally.

In a broader context, we can categorise our marketing target groups into four main timeframes as follows:

- Q1 (Jan-Mar) - Short Breaks, Lifestyle, Active Holidays, M.I.C.E. (Meetings, Incentives, Conferences, and Exhibitions), and Training Camps.
- Q2 (Apr-Jun) - Active Holidays, Family Holidays, Events, Diving, Group Travel, and ELT (English Language Training).
- Q3 (Jul-Sep) - Family Holidays, Culture, Sun and Sea, Diving, Events, and ELT.
- Q4 (Oct-Dec) - Short Breaks, Lifestyle, Active Holidays, M.I.C.E., and Family Holidays.

Our overseas marketing activity typically focuses on a target area that generally spans within an 80-100km radius from airports with direct flight connections for short-haul visitors and major cities with airports that offer convenient flight connectivity for long-haul visitors.

Through our strategy we aim to continue positioning Malta as a quality destination offering a best value experience to visitors. We achieve this by promoting motivations that align with the different periods of the year, targeting specific demographics within particular markets, and distributing visitor influx throughout the year.

This approach is designed to foster a sustainable future for tourism in Malta.

Gozo as a Distinct Tourism Destination

Joe Muscat
Chief Executive Officer, Gozo Tourism Association

The distinctiveness of a tourism destination is based on the local identity that represents its unique features. Qualities and particularities that belong to that specific destination, meaning that no other place has its same character. Way back twenty-five years ago, the Gozo Tourism Association, still in its fledgling years, started to promote the island with the catchphrase:

"Gozo - A Distinct Destination."

This Gozo tag line is based on the natural tangible fact that the island is truly different from mainland Malta and other neighbouring islands.

At the beginning, albeit entrenched in the tourism Master Plan of that time, this tag line was not easily accepted or deemed much credible. Each time the distinctiveness of the sister island was evoked on discussion tables, it was very often mocked. Nowadays, this catchphrase is no longer disputed or debated, but rather it is the main feature and highlight of all the promotional and advertising initiatives undertaken to promote tourism on the island.

The Malta Tourism Strategy 2021-2030 rightly states that the island should continue building on the distinctiveness of Gozo, focusing more exclusively on its unique selling propositions, and embracing the principles of climate friendly tourism.

Even the Gozo Regional Development Authority, in its recently published strategy, highlighted Gozo's distinctive characteristics and earmarked the importance of their preservation, enhancement and promotion as key factors for a long-term strategy. The distinctiveness of Gozo is based on its unique selling propositions, centred around the rustic character and natural beauty of the island. This uniqueness originates from Gozo's topography, with gentle hills contrasting with breathtaking sheer cliffs, donning variegated seasonal hues.

Unlike other islands of comparable size, Gozo has fortunately preserved its aspect mainly presented by its quaint villages scattered around the island. These unique communities are still (except for a few cases) separated and detached from one another, perched on lofty hills, or nestled in lowlands, all dominated by their respective church dome or belfry. They have also managed to retain their respective diverse articulation of the Gozitan dialect up to this day! Simply an island of villages.

Other peculiarities of Gozo may be experienced through the friendliness of its people, its rhythm of life, its silent yet living places. From the island's history carved in the megalithic temple of Ġgantija and fortified by the dominant Ċittadella, to the watch towers, the quaint chapels and the mythical caves all cuddled on a tiny Island. Even the way one gets to the island is different, as up to this day, the only mode of inter-island connectivity is by sea.

All these unique selling propositions are positioning destination Gozo as different from Malta, as well as from neighbouring competing destinations.

Since 1999, Gozo has been promoted and marketed as a different holiday destination, yet one which is complementary to mainland Malta. Throughout the past twenty-five years, officials from the Ministry of Tourism, the Ministry for Gozo, the Malta Tourism Authority and the Gozo Tourism Association have been proudly promoting and marketing these unique selling propositions that Gozo possesses.

In this difference, Destination Gozo identified an opportunity to continue building upon this natural distinctiveness by carving niches that can only be experienced in their authenticity on the sister Island. Additionally, being different from Malta, Gozo is thus offering diversity in the touristic appeal of the Maltese archipelago.

Apart from the island's natural characteristics, the distinctiveness of Gozo is also evident in the touristic offer of the Island. Even the bed stock mix on Gozo, which is mostly inclined towards the non-collective sector, includes the accommodation product commonly known as the farmhouse, which is so prevalent and typical of Gozo. This conversion of old, often derelict buildings located in the quaint and rural areas of Gozo, into comfortable tourist accommodation, is an undisputed case in point of a different accommodation offer, which has helped to emphasise Gozo's differentiation from Malta.

Yet, Gozo is not only diverse in its accommodation offer. Throughout the years, Destination Gozo managed to intertwine and brand cultural, religious and folkloristic events as a touristic offer that can only be experienced in Gozo. Nowadays it is a known fact that the opera performances staged annually by the two theatres of the capital Victoria during the month of October turned out to be a distinct tourist experience that appeals not only to local enthusiasts, but also to visitors from abroad. The opera on Gozo can be described as a labour of love, because of the large amount of voluntary work that goes into each production. The engagement of top-notch international artists, who perform alongside the local talent in this field, makes Gozo's opera truly singular.

Similarly, the Carnival period is another distinct touristic offer in Gozo that has established itself as a major crowd puller to the island especially within the domestic market and which is gradually gaining grounds even with the foreign visitors. This fun time of the year has made a name for itself on Gozo. Such a spontaneous carnival with dark undertones, satire, traditional costumes, and masked revellers is a sought-after eclectic event.

Christmastime is yet another unique period where one may enjoy a particular experience of this festive time of the year in a singular setting. This month-long string of cultural and religious events culminating in the nativity village at Bethlehem in Għajnsielem transforms Gozo into a veritable Christmas Island. Gozo is now being branded as the place to be to savour and relish the festive spirit.

Gozo is a well-known and established destination for diving. Notwithstanding its geographical size, the island is endowed with a number of impressive dive sites situated especially on the north and northwest coast of Gozo. The distinctiveness of Gozo as a diving destination emerges from its popularity with the foreign diving enthusiasts. In fact, year on year, around 20% of all foreign tourists to the island come to visit purposely to practice diving.

There are other important attractions that are strengthening Gozo's position as a distinct tourism destination: attractions that showcase Gozo's true and genuine identity. The island's gastronomy, its local produce, the Holy Week pageantry and the traditional hospitality coupled with the rich cultural and natural setting of Gozo are contributing towards authentic and unique experiences.

As a vibrant and dynamic sector, tourism will continue to develop to improve Gozo's product. Such development however, needs to embrace and maintain the distinctiveness of Gozo and should be in conformity and blending with the island's characteristics. The tourism sector on Gozo still believes in the strength of the island's distinct features and that Gozo should continue to promote and market itself as a different destination.

Destination Gozo has an excellent touristic potential that can be achieved by pursuing and upholding its mission: that of being a diverse and distinct destination. All stakeholders involved know the winning formula. Synergising efforts of all the key players is a necessity and a fundamental requisite to maintain Gozo's vocation as a unique tourist destination within the Maltese archipelago and the Mediterranean basin.

Segmenting Tourism Motivations to Malta

Claire Briffa Said and Ramona Saliba
Managers, Research Unit - MTA

Introduction

The Maltese Tourism Industry is a major sector of economic activity. Having experienced six decades of development and growth, Maltese tourism has witnessed several different periods which created different types of economic opportunities, challenges, and issues. In 2019, Maltese tourism was flourishing reaching a peak of 2.7 million tourists and recording growth in both volume and value, during all months of the year. Following the turmoil and uncertainty of the global COVID-19 pandemic, tourism in Malta made a steady recovery in the year 2022, attracting 2.3 million tourists, and reaching 84% of 2019, our best year ever.

Maltese tourism has not only grown in terms of volumes, but also extended seasonality, a wider range of age-groups and an expanded diversity of source market nationalities. This follows increases in airline connectivity as well as a successful segmentation strategy which matches the destination offer with customer needs. Traveller segmentation is a dynamic and ever-changing phenomenon. Travellers' preferences, motivations and behaviours may change over time due to a variety of cultural, economic, technological, and environmental factors. The Malta Tourism Strategy 2021-2030 highlights the need

'to identify, measure and update the tourism market segments in which the Maltese Islands possess strongest competitive advantage and to focus attention on the continued strengthening and developments of these segments.'

Tourism Market Segmentation

Tourism is not a homogenous activity. It is highly diverse and encompasses a wide range of activities, interests, and motivations. Indeed, as with many other sectors, in tourism it is impossible to appeal to everyone with the same message. As tourism becomes more sophisticated, so do the reasons why people travel. Tourists are becoming more discerning and experienced, implying that the destination marketing mix must take into consideration particular tourists' interests to create an overall positive visitor experience. Tourism segmentation helps to identify the specific needs of travellers and how to best tailor the destination offer to such needs. 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 seeking.

Tourism market segmentation can be undertaken at various levels. The most common profiles are geographic, socio-demographic including age groups, gender, areas of residence, levels of education, and household patterns, psychographic including social class and lifestyle and behavioural. To maximise marketing return on investment, at a first level of segmentation, the Malta Tourism Authority (MTA) has adopted a motivational segment-based strategy which enhances Malta's diverse tourism offer.

Malta's Motivational Tourism Segments

Research findings show that the top motivations for visiting Malta include:

Share of Total Inbound Tourists (Year 2022)

Sun and Culture	51.0%
Sun	17.1%
Culture	8.0%
Special Occasion	7.4%
Visiting Friends and Relatives	6.9%
Business (including MICE travel)	6.7%
Scuba Diving	5.5%
Wellness	5.2%
Other Sports	2.9%
English Language (TEFL)	2.5%

Source: MTA Traveller Survey 2022, NSO

The large majority of tourists visit Malta to enjoy the sun along with immersing themselves in culture. The 'sun and leisure' segment ranks second and includes tourists visiting Malta mainly to enjoy Malta's climate and seeking recreational activities like sunbathing, swimming, and entertainment. 8 per cent of inbound tourists are purely driven by Malta's rich cultural offer. Some tourists celebrate a 'special occasion' in Malta whilst others visit friends and relatives. Business travellers include tourists visiting the island for conferences, incentives, and other work-related reasons. The Maltese Islands' clear blue Mediterranean Sea is ideal for scuba diving offering unique diving experiences. Furthermore, a growing number of tourists visit Malta to practise other sports. Given that English language is widely spoken in Malta, English language schools have become well-established on the island, and offer a wide range of courses both to teens as well as to adults.

Furthermore, MTA recognizes Gozo, Malta's sister island, as a destination in its own right, having the potential to attract tourists from a number of tourism segments. With its own specific characteristics, Gozo not only adds value to the overall Malta product but is strong and distinctive enough to generate new and repeat visitors. Gozo's tourism offer excels when it comes to outdoor and nature experiences and diving opportunities.

The identified segments represent the best match between Malta's tourist offer and international trends relating to tourists' motivation-led travel behaviour. Tourists may travel for multiple motivations; this results in interrelationships between the identified market segments. The Segmentation Model adopted by the Malta Tourism Authority classifies tourists by key motivational factors. A combination of tourism sources is used; official tourism statistics (issued by the National Statistics Office) as well as evidence-based research generated by the Malta Tourism Authority.

Geographical Mix

Over the years, the Maltese tourism industry has been diversifying into new markets to expand its reach and attract a broader range of visitors. Although the traditional source markets of UK, Italy, France and Germany remain top source markets (together accounting for 55% of the total inbound tourists in the year 2022), new markets such as Poland and Hungary, as well as long-haul markets such as the USA, have gained market share in recent years.

'Sun and culture' is the strongest pull-factor amongst all geographic markets. A comparison between markets shows that whilst a higher share of British tourists visit Malta for wellness and relaxation, Spanish, Italian and French tourists in particular are more motivated to visit Malta to explore its historical and cultural offer. Malta is a popular destination amongst Nordic tourists seeking warmer weather and sunny destinations. A larger share of Dutch, German, Swiss and Belgian inbound tourists are scuba diving enthusiasts. The English Language Travel Segment, on the other hand, attracts a mix of students from both short-haul and long-haul markets like Colombia, Japan, Brazil, South Korea, and China.

Seasonality

Seasonality in the tourism industry refers to fluctuations in demand or supply of tourism-related products and services primarily driven by factors such as weather conditions, climate change, economic activities, calendar-related events, as well as human behaviour and society in general.

Over the years, efforts have been directed to mitigate seasonality and intensify the share of off-peak travel to Malta. Indeed, Malta's diverse tourism offer makes it an all-year round destination. In this regard, Malta can boast of the fact that it is one of the least seasonal destinations in the Mediterranean. Additionally, growth has been achieved even during low season months, and not only during the peak summer months. This resulted from improved airline connectivity which added routes and additional frequencies from new cities as well as the extension of operations to cover both winter and summer. Furthermore, MTA's rich Events Calendar and the Segmentation Model adopted have also been successful to diversify Malta's tourism product offer and reduce its overall reliance on sun and sea travellers to get a more even spread of tourists throughout the year.

Whilst three out of four leisure tourists visit Malta during April to September, almost half of business travellers visit Malta during the winter and shoulder months. Other segments which have strong off-peak growth potential include wellness, history and culture, gastronomy, sports and adventure, special occasion, travel for educational purposes including school trips, nature, and religious travel. Malta also appeals to a wide range of age groups and has a strong position as an off-peak destination amongst senior travellers, although, in recent years, the island saw a shift in favour of a younger demographic.

Accommodation Offer

Travellers' desires for new experiences brought about a change in demand behaviours, including a change in accommodation preferences. Although collective accommodation remains the preferred type of accommodation utilised by tourists visiting Malta, it continues to lose its share to private accommodation, reflecting the growth of the sharing economy facilitated through digital platforms and apps. Other rented accommodation including farmhouses, flats, and villas offer more flexibility in location and size. Moreover, tourists staying in this alternative rented accommodation have a longer average length of stay (9.2 nights) compared to 5.9 nights for those who stayed in collective accommodation in the year 2022.

Accommodation preferences vary among different tourism market segments. Four out of five tourists primarily motivated to visit Malta for wellness stay in the upper accommodation hotel category, whilst smaller boutique hotels are also favoured by tourists seeking cultural experiences and those travelling to celebrate a special occasion. Also, around 7 out of 10 conference and incentive delegates stay in 5-star hotels whilst one-fourth opt for 4-star accommodation. Conversely, around 30% of scuba divers and tourists visiting Malta for other sporting activities, prefer to stay in self-catering apartments. Host family accommodation is the more prevalent choice amongst students visiting Malta to learn English, accounting for 18%, whilst 28% prefer to stay in a hostel, residence, or guesthouse.

Expenditure Patterns

During 2022, total expenditure in Malta was estimated at €2.0 billion, reaching 91% of the corresponding pre-COVID-19 value. Expenditure patterns differ according to travel preferences across the different market segments.

Research shows that leisure tourists tend to have lower expenditure per capita when compared to the other market segments. Culture vultures have a higher average expenditure prior to departure, reflecting their booking behaviour prior to visiting Malta which includes reservations for attractions and excursions. The wellness segment generates a higher per capita average expenditure, primarily due to the utilisation of accommodation that provides high-quality spa treatments.

On average, the diving tourist spends more than the leisure tourist, reflecting the expenditure on diving courses and equipment hire. Research findings also show that business travellers, including those visiting Malta for Conference and Incentive, spend three times as much as the leisure tourist, despite having a lower average length of stay of around 3 nights. This reflects the extensive use of upper-class accommodation and the activities engaged in during their stay, both in Malta and Gozo. Students visiting Malta to learn English, on field trips or on group educational visits, generate a considerable share of total expenditure due to longer stays.

Emerging and Developing Segments

The multifaceted nature of tourism creates the opportunity for the emergence of new segments and the creation of new tourism products and experiences. The full potential of the development of such segments is dependent on the collaboration with other services sectors within the Maltese economy such as Health, Culture including Arts and Entertainment, Sport, Education, Financial Services, Aviation, Film and Gaming.

Conclusion

Tourism motivational segmentation leads to better target marketing which in turn helps to position the Maltese Islands as a first-choice destination by aligning the tourism offer to the specific motivations and interests of different traveller segments. Within a continuously evolving scenario, resulting from rapid global technological advancements, climate change, and the travellers' desire for new experiences, brand positioning strengthens the destination's competitiveness. To remain appealing and relevant, the Malta experience needs to evolve in line with the tourists' expectations.

Tourists who are content with their experience are more inclined to recommend the destination to others and have the potential to visit the Maltese Islands in the future.

3

TOURISM PRODUCT AND SUPPLY

Tourism Supply: Evolutionary Trends And Challenges

George Micallef

Deputy Chairman, Malta Tourism Observatory

Tourism has continued to grow against all odds, proving its resilience over time, withstanding a multitude of crises and natural and man-made disasters. The COVID-19 pandemic was one of the most significant, yet, for the first six months of 2023, Eurostat reported the highest level of tourist bed nights in the past decade, underscoring an impressive resurgence of the industry's performance.

We have recently witnessed general shifts in customer behaviour, driven by pent up demand following the pandemic, despite sharp inflationary costs, travel disruption across Europe and unpredictable severe weather conditions. Consumer behaviour is changing at a rapid pace, as travellers are increasingly influenced by sustainability concerns and a desire for new experiences. They are looking more for unique experiences and personalised itineraries aided by technological advancements.

On the supply side, these developments present several challenges, stemming from climate change, labour supply shortages, inflation, the rapid global digitalisation progress, and other dynamics affecting the industry. The tourism industry therefore needs to transform itself and destinations must find ways to evolve and become regenerative, as the traditional model we are accustomed to is increasingly becoming unsustainable.

These challenges, however, also give way to new travel trends and opportunities, and this calls for a thorough assessment of the tourism product supply chain and a focus on the management of visitors' numbers. Destinations must be prepared to cater for a more discerning and experienced tech-savvy visitor with higher expectations and heightened environmental awareness. These trends are influencing new travel patterns, and we need to sufficiently adapt and prepare ourselves and cater for these new demands if Malta expects to retain its share of this important economic sector.

The vulnerability of the tourism industry to climate change is now undeniable and we need to start looking at tourism differently. We are accustomed to measuring tourism success by numbers. Europe constantly reminds us that it attracts the highest numbers of international visitors. Similarly, big players compete for the top spot, such as France, which traditionally claims that it hosts the highest number of visitors amongst EU member states, followed by countries like Italy and Spain. This however is all changing, and we are now seeing these countries opting for a reduction in visitor numbers, with France going as far as to say that it will seek support from other EU countries for a minimum price on flights in Europe, in a bid to reduce the aviation sector's carbon emissions. Whether this will gain support of other EU countries is another matter. There was even talk about restricting international travel through the introduction of a personal carbon passport. All this demonstrates the level of concerns surrounding the travel sector and how this is bound to influence travel behaviour and the future of the industry.

The impact of tourism on Malta's economy makes it more important that we get it right, but the size of the Maltese islands and high-density levels pose huge challenges for us. For instance, one would have expected that COVID-19 and its aftermath would slow down the pace for new accommodation development, but it proved the contrary, and the bed supply continues to grow at an alarming rate. Malta is constrained by the environmental targets it has committed itself to with the EU and sustaining significant growth is indeed challenging in the context of these targets. In the immediate term, we must also closely monitor the impacts on the tourist experience and quality of life of local inhabitants. More importantly we need to draw a line and ensure that new investment and new development are based on super-efficient sustainable models that demonstrate they can achieve 'low-impact-high value', as this is the path to long term sustainability. Meanwhile we need to deal with the challenges associated with the transition process that sees the existing tourism supply infrastructure adapting and complying to new sustainable obligations.

Hotels and other forms of tourist accommodation in the EU are currently under the spotlight and new guidelines are under discussion, so as to steer away from traditional models that are no longer viable. Even the issue of mega projects, the sizes of rooms and facilities provided are under consideration, with the aim of reducing impact and energy consumption.

We have always looked at tourism as a generator of jobs, but nowadays we are realising that there are very few out there who want to take up the jobs on offer, and this is a reality which needs to be addressed. The industry needs to look at products and services which are more efficient and less labour intensive. The same applies for the restaurant and catering sector.

The aim is to develop new products that can uphold corporate social responsibility, face labour supply shortages, and look at the environmental impact and the destination's inhabitant quality of life. Customers expect to see these changes, as they are no longer passive about sustainability issues, and this will determine the destination's appeal and competitiveness in the long run. This will also earn the trust and loyalty of a new generation of travellers.

New products must also embrace the digitalisation revolution as this is bound to influence customer behaviour. The impact of digital transformation in the tourism industry should not be underestimated and this means adapting to new technological solutions linked to the planning of trips and booking of tailor-made services in line with customers' preferences. Artificial intelligence is picking up pace and this is bound to shape future travel patterns. According to 'Think with Google', 57% of travellers believe that service providers in the sector should facilitate the customer's buying experience based on behaviour, personal preferences, and past choices. This calls for huge investment in automation and the mobilisation of specialised skills.

As visitors are becoming more environmentally conscious, we are seeing an emergence of new markets. Visitors are also becoming more interested in exploring outdoor activities. Active Ecotourism is a trend that has emerged in response to more sustainable and responsible tourism. It encourages combining travel with an involvement in conservation and respect for the local environment. This travel concept is the inverse of mass tourism in the sense that it is of a smaller scale and considered as having low impact.

A new tourism trend that is gaining popularity is what is referred to as transformative travel, where the visitor is involved in something that adds purpose to the trip. This type of travel is based on the concept of inner transformation, when the visitor seeks personal growth, such as mental well-being, spirituality, or other personal experiences.

These trends are forms of experiential tourism, which is now on the rise. A recent study revealed that over 70% of millennials prefer spending more money on unique experiences rather than on material things. It is all about people wanting to experience the destination in a meaningful way, whilst engaging with the local inhabitants, their culture and environment. This makes it more important to conserve and highlight authenticity, what is local, indigenous, how we present our history and culture and how best to promote what is truly ours.

Gastronomy is also another niche which is expected to gain ground, as conscious food travellers seek to explore different local cuisines and delicacies and learning about different ways of food preparation and indigenous food products.

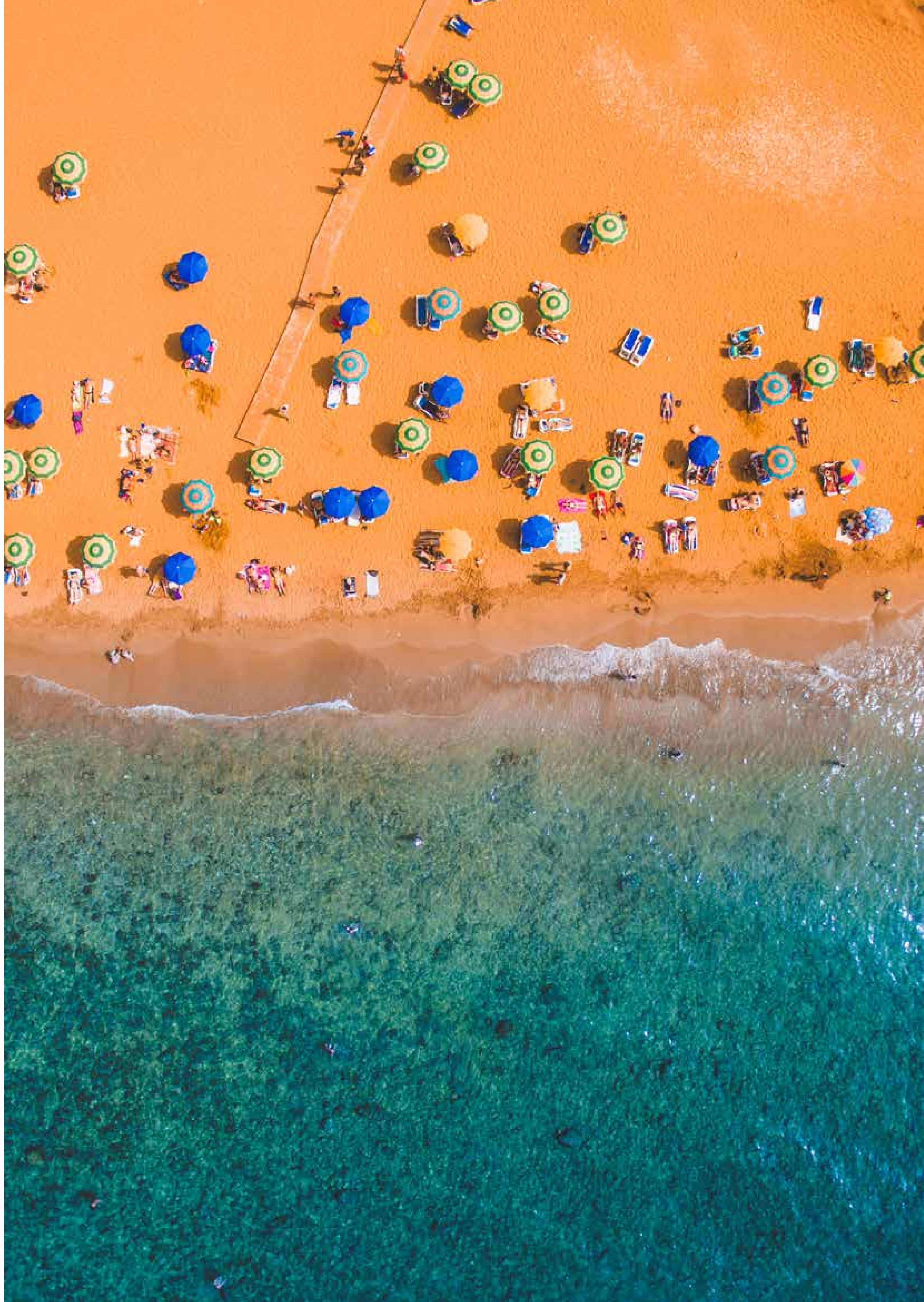
Wellness tourism is also expected to grow, as travellers look for an enriching experience to reduce daily stress aiming towards a better life balance.

Carbon emission constraints means that longer trips have the potential to rise. Travellers are starting to think about extended trips rather than frequent short ones. Business-leisure travel is a growing tourism trend, where people extend their business travel to leisure activities, leading the way to new products for co-living.

Staycation is another trend gaining popularity. Although the market share in Malta remains small, we have seen domestic tourism growing and there is potential for further growth especially in the higher categories of accommodation.

These trends call for a reform of the product supply chain and diversity of the existing tourism offer. This requires new investment, training, and innovation. The destination needs to ensure that it can deliver a rewarding tourism experience based on quality, which is no longer an option for the industry, as we must consider this as a prerequisite for customers when buying any service. If we are to succeed, the destination needs to aim for increased value for money through new product offerings and service excellence.

These challenges indicate that we can no longer base the future on past business cycles or past performances as we are up against new challenges and a high degree of the unknown. Policy makers have the biggest challenge as they must bring all stakeholders together and act in a decisive manner to ensure that sustainable practices are in place, that they are sufficiently resilient and vigilantly monitored. Tourism is most certainly here to stay, but we need to adapt to ensure we make the best of it.



Malta's Tourism Product

Kevin Fsadni
Deputy CEO and Director Product Development, Malta Tourism Authority

Introduction

The title of this contribution is rather wide in scope since the 'Tourism Product' of a country is all-encompassing. It generally not only includes the country's accommodation offer, its catering establishments, and its attractions, but also its transport systems, accessibility, services, amenities, utilities, and general environment.

In the case of Malta, the Malta Tourism Authority (MTA) has a leading role to play. However, it is obvious that it cannot and does not cover the whole gamut of responsibilities. It is indeed correct to say that each government ministry is partly responsible for tourism as each and every aspect concerning the country has some effect on the destination. And considering the size of the Islands, we cannot ignore the fact that the whole country is today the 'destination.' The notion of 'Tourism Areas' and 'Tourism Zones,' although still used for certain administrative measures, is obsolete and not applicable any longer.

MTA's Other Role

Within this context, MTA has a number of roles that sit side-by-side to the main purpose of the organisation – that is marketing Malta, Gozo, and Comino overseas and providing the right balance of connectivity by the various airlines – and that is the Regulatory function. This function provides a licensing regime for more than ten thousand operators in the tourism field and therefore a control mechanism for these operators to retain certain minimum standards. These include collective accommodation, private accommodation, catering establishments, travel operators, diving centres and tourist guides.

This function, although seemingly mundane, is important in ensuring that these operators operate within the legislative framework of the country. A Compliance and Regulatory section ensures that these standards are maintained. These units are also involved in the upgrading of the legislative framework and are involved in various organisations that foster a more common European-wide approach to classification of hotels, and also keep tab on the labyrinth of European Legislation and their application within the local contest.

This function has a direct effect on a number of sectors of the Direct Tourism Product – that is the accommodation and food offer and some of the support services. However, another section – Quality Assurance (QA) – has a number of additional programmes of Quality Certification for sectors like Visitor Attractions and Destination Management Companies. QA is also involved in the Eco-Certification of tourism operations. The current local scheme is being re-launched with the aim that MTA recognises key international accredited certifications in this field like the GSTC (Global Sustainable Tourism Council), the Green Key by the Foundation for Environmental Education and the Eco-Label of the European Union. These schemes will start operating by 2024.

These are all intended to support the objectives of the Tourism Strategy to improve the quality of our service and also reflects MTA's commitment towards improving the sustainability of our direct product.

MTA's Contribution Towards the Product

Since the formation of the Malta Tourism Authority 25 years ago, the authority's structure comprised a directorate that deals specifically with Product Development. This Directorate was originally intended to contribute towards the development of the legislative framework and advise Government on the various issues that relate to tourism, but it later developed into an implementing arm that not only collaborates with a number of agencies, but also implements its own projects.

Firstly, the Directorate serves as the primary point of contact for individuals or entities considering investment in the tourism sector, specifically in the domains of collective accommodation like hotels, guesthouses, hostels, or boutique accommodation. The Directorate also serves as the main point of contact with other development agencies like the Planning Authority (PA), the Environment and Resources Authority (ERA) and the Building Construction Authority (BCA). Apart from being an official consultee of the PA on all development applications related to tourism, members of the Directorate are regularly involved in inter-ministerial policy development committees that work on new or revised policies for development.

One might say that following a lull in development, the Directorate experienced an unprecedented surge in investment in accommodation in parallel with the rise in tourism figures. Apart from the re-development and refurbishment of large standard hotel resorts, the local inventory experienced a series of new typologies of accommodation in localities hitherto untouched by tourism. Valletta became a destination in its own right and we experienced the first accommodation units within the fortifications of the Three Cities. Further out of the Grand Harbour conurbation, we saw new units intermingling with local neighbourhoods in the urban conservation areas of villages like Marsaxlokk, Żebbuġ, Gudja, Qrendi, Kirkop, Siġġiewi and Mqabba. We also saw a weak attempt to develop accommodation in the countryside and agrotourism, although the latter could never compete with other countries and remained isolated.

Most of this work happens behind the scenes and without much fanfare by a team of dedicated professionals that offer personalised services to those who primarily are looking at investing in the tourism industry.

The other side of the 'product' coin is another small section that has taken it upon itself to fill-in gaps in the tourism product landscape and in line with the Tourism Strategy, implement projects with the specific aim of elevating the holistic tourism experience in Malta. This encompasses a wide spectrum of tourism sectors, including heritage and faith-based tourism, coastal tourism, rural tourism, and the implementation of management initiatives particularly on beaches and tourism zones.

Heritage and Faith Tourism

The Maltese Islands' historical legacy is prominently reflected in the nation's architectural marvels and valuable collections. This, in turn, features highly in the MTA's overseas marketing positioning of the destination. Therefore, the preservation and upgrading of these invaluable sites play a pivotal role in enabling our visitors to engage with the island's rich heritage.

The Maltese islands experienced a surge of funds dedicated for restoration in the first cycle of European Regional Development Funds which saw massive restoration programmes along the Valletta and Floriana Lines, Cottonera Lines and Mdina. These funds were important as the local product was still struggling with an abandoned Fort St Angelo, Fort St Elmo, and other key heritage locations. The stabilisation of the ramparts of Mdina probably saved against the loss of one of our most important and iconic vistas of the old capital.

Notwithstanding its small budget, the Directorate manages to interact with public entities such as Heritage Malta, and with numerous non-governmental organisations (NGOs) and local councils with the main objective of implementing small projects at a local level. A project that merits special mention is the EU-funded initiative, conducted in collaboration with NGOs, dedicated to the restoration of coastal towers around the Maltese islands. This undertaking includes the restoration of Dwejra Tower in Gozo; St. Agatha's Tower, commonly referred to as the Red Tower in Mellieħa, and the restoration of St. Thomas Tower in Marsascala. The transformation of the latter into an attraction adds an exciting dimension to these projects.

The range of projects undertaken, although mainly acts of preservation, is staggering in breadth, and include buildings, free-standing monuments, aircraft, boats, paintings and even period furniture in heritage buildings.

Malta's churches and chapels are not merely places of worship: they are magnificent masterpieces of art and architecture that have withstood the test of time. The island of Malta proudly exudes its profound devotion throughout its entirety. It is undoubtedly a haven for religious tourists, where they can revel in the abundance of sacred sites and historic landmarks conveniently clustered in one area. Furthermore, Malta beckons with a multitude of spiritual routes, inviting pilgrims to embark on a profound journey of faith and discovery.

Principal initiatives include the enhancement of parish museums, the meticulous restoration of paintings in prominent churches, statues, and various niches located across the Maltese islands. At the moment, the unit is working on the installation of a new lighting system on the facades of various churches like Naxxar and Birkirkara. These projects are designed to enhance the current lighting infrastructure by transitioning to more energy-efficient systems.

Additionally, the MTA collaborates closely with the Archdiocese of Malta and the Diocese of Gozo and different parish churches to improve their product and enhance accessibility throughout.

The Authority is also dedicated to exploring innovative avenues to enhance the offerings of the Maltese islands. An example involves the digitisation of significant points of religious interest, enabling individuals to explore these locations through the immersive medium of virtual reality (VR).

One of the key faith tourism nodes that are currently being developed is the Sanctuary of Our Lady in Mellieħa whereby the MTA invested in the upgrading of the main piazza in front of the Parish Church, the Pilgrim's Museum, the restoration of paintings in the Sanctuary, the World War II shelter and in the two Social Band Clubs. This investment, coupled with other work by the parish, will allow for the creation of a unique religious visitor experience.

Culture and Faith Tourism is seen as one of the key elements in a sustainable tourism product given its seasonality factor, diversification value, and geographical distribution.

Coastal Tourism

The coast is undoubtedly one of the most important elements of a small island state and given that 90% of tourists engage in activity on the coast, it is not surprising that the MTA is somehow involved. The authority's main initiatives revolve around the beaches and their re-nourishment, coastal erosion, and the all-important diving sector.

The MTA has pioneered beach replenishment projects, using foreign artificial sand, and more recently beach re-nourishment projects, restoring beaches to their original size using sand from the same eco-system.

Diving has seen the implementation of a number of artificial reefs through the scuttling of former patrol boats and other vessels.

The latest major endeavour in assisting the diving sector is the creation of a Marine Park in Ċirkewwa in conjunction with the NGO Nature Trust.

Urban Areas and the Resorts

As part of the Directorate's efforts to enhance urban and resort areas, several projects have been implemented in an effort to re-vitalise these areas. Resort decline as part of a life cycle is real, especially in areas like St Paul' Bay, and the only way to reverse the decline is to rejuvenate and invest. The MTA was responsible for the creation of the Malta National Aquarium that transformed Qawra Point, and which, after ten years, is still an important hub. It also transformed a 1.6km stretch of promenade, restored the Wignacourt Tower and created an innovative steel and timber balcony which is still maintained till today. The MTA is currently concluding the upgrading of a 2km stretch of promenade in Għadira Bay.

The Directorate is also currently engaged on a series of projects that are focused on the theme of Piazzas. Apart from the aforementioned Mellieħa square, it is also working on another two projects – in Birgu's main Victory Square and in Buġibba's main square.

Rural Tourism

Malta's rural tourism offering holds considerable importance, and one of the primary objectives of the Directorate is to guarantee the optimal preservation and accessibility of rural heritage locations. This undertaking encompasses the upkeep of pristine, non-urbanised natural landscapes, picturesque countryside areas, scenic viewpoints, and public gardens, among other aspects. The department has crafted a series of guided walks suitable for individuals of all age groups, providing the opportunity to explore lesser-known destinations throughout our islands. Some of the most popular rural walks include the 'Tas-Silġ Walk' passing through Marsascala and Marsaxlokk and the 'Dingli – Fawwara – Wied iż-Żurrieq' walk.

There are also a number of Heritage walks that guide the visitor through the most important heritage sites on the Maltese Islands including the Three Villages Trail, a new British Military Walk in Mtarfa, a new 'Ħaż-Żebbuġ Heritage Trail,' and a Victoria Lines Walk. The Victoria Lines are by far one of the under-estimated products of the Islands and this has spurred the Directorate to work with the Superintendence of Cultural Heritage to start working on a Conservation Management Plan for the entire lines. This would form the basis for future interventions required to conserve the lines and to convert them into one of the primary rural heritage attractions.

Although one tries to categorise projects, a degree of overlapping is inevitable and therefore these 'categories' should only be considered for ease of reference. One aspect that was always emphasised is that we implement projects with the community and for the community. We are firm believers that we invest for the benefit of the local community which at the end will also benefit our visitors.

Beach Management

The MTA pioneered the idea of 'Beach Management' back in 2004, following the replenishment of St George's Bay in St Julian's. It currently manages eleven beaches in Malta, seven of which are Blue Flag Beaches and one holding the Beach of Quality status. The MTA also introduced the presence of lifeguards on these beaches.

The Blue Flag awarded beaches in Malta include Mellieħa Bay, Għajn Tuffieħa, Golden Bay, Buġibba Perched Beach, Qawra Point, St. George's Bay, Fond Għadir and Fajtata (Beach of Quality Beach). Other beaches managed by the MTA are Balluta Bay, St. George's Bay (Birżebbuġa) and Pretty Bay.

It goes without saying that the Blue Flag award is an important initiative that reflects MTA's commitment towards sustainable tourism. Accessibility is also an important criterion, and the MTA strives to make all managed beach as accessible as possible by providing assets such as dedicated parking bays, wooden walkways, railings, hoist chairs and sand beach buggies.

Zone Management

Another concept pioneered by the MTA is the idea of Tourism Zone Management. It is the idea of having dedicated persons overseeing important zones and ensuring that the proper upkeep and interventions are carried out. This concept was further developed into an idea of Town-Centre Management – a concept that is widely used in other European countries. The MTA managed to convince the Government that town-centre management along with the regeneration of our resorts are so important that a new dedicated agency was created for this purpose.

Challenges Ahead

Tourism is a vast subject and an important pillar of our economy and therefore deserves every bit of effort to understand its mechanisms and ensure that there is a strategy for the future.

One current and urgent challenge is the regeneration of the resorts. Unless we want our resorts to enter an irreversible decline, we need to invest in innovative and modern infrastructure that will allow us to remain competitive. Locations like St Paul's Bay, Buġibba and Qawra, St Julian's, Sliema, Gżira and Marsascala require high- quality capital investment in their urban design and urban infrastructure.

Another current and future challenge shall be that of ensuring that we have a sustainable tourism product that is adaptable to climate change. It is important that we convince others that Malta can be sustainable. Our location at the periphery of our main source markets does not help us in terms of air travel and therefore we must be able to present a strong case using other means. Unless we take cue from these challenges to react in a convincing manner, we risk losing our appeal as a destination.

Monitoring Tourist Satisfaction

Mariella Attard
Manager, Research Unit - MTA

A tourist destination is an amalgam of tourist products, services, and public goods, offering the visitor an integrated experience. Any tourist experience involves the consumption of these products. Tourist satisfaction at the destination is a subjective, multifaced interpretation of this experience, and is based on the extent to which tourists' pre-trip expectations are met or exceeded. In exceeding tourist expectations, high tourist satisfaction levels can be secured.

Tourist satisfaction is pivotal in the sustainability and competitiveness of any tourist destination: it increases the destination's attractiveness by influencing chances of repeat visit and word-of-mouth recommendations. In turn, this contributes to the destination's long-term economic success. Monitoring tourist satisfaction is, therefore, a strategic imperative for destination management organisations in the formulation of an effective, data-driven strategy for the management and promotion of tourism. By listening to and acting upon tourist feedback, destination management organisations can adapt and evolve to meet the ever-changing needs and expectations of tourists, and thus, seek to deliver an exceptional tourist experience.

Malta's National Tourism Strategy (2021 - 2030) identifies "enhancing the visitor experience" as one of the core strategic challenges for the Maltese tourism industry. This strategic plan recognises the importance of enhancing tourist experience across all components of the tourism value chain, be it transportation, accommodation, food

and beverage, cultural and natural tourism assets, leisure products, or basic amenities. Indeed, it only takes a negative experience with one component to impinge on the overall tourist experience. This gains even more significance in today's digitalised world where visitors can instantly share positive and negative travel experiences on social media, thus directly impinging on a destination's attractiveness.

Enhancing tourist satisfaction ties up with placing increased importance on the Quality dimension of the Maltese tourism offer. The Tourism Strategy aims to elevate Malta's product and service offer with the intent of delivering a high-quality experience that is extended to all tourists irrespective of motivations, budget, or types of tourism products used. This is imperative to enhance Malta's attractiveness as a destination, to ensure the viability of tourism operators, and to support the long-term sustainability of the industry.

To achieve the above, one of the goals set by the Strategy is to continuously measure satisfaction levels and overall experience of inbound tourists by conducting in-depth analysis in terms of tourist motivations, socio-demographic profile, season of visit, and so on. This intelligence would serve to build an annual index on which one can monitor changes.

Tourist Satisfaction by Motivational Segment

Malta's exceptional tourism performance in recent years is partially attributable to Malta's market segmentation strategy that enabled it to identify and target the segments in which Malta has strongest competitive advantage. Monitoring tourist satisfaction at motivational level allows us to focus attention on challenges presented by each segment and to identify those segments that present the highest potential for Malta.

According to the latest data*, tourists visiting Malta for a mix of "sun and culture" express the highest satisfaction when compared to other segments: indeed, 31.6% say that their expectations of Malta have been exceeded, and 64.6% say that their expectations have been met. Tourists in this segment also exhibit a remarkably high propensity to recommend Malta to others (95.5%).

The emerging "wellness" segment also presents high potential for Malta, with most tourists saying that their expectations were met or exceeded. Interestingly, tourists on wellness trips also display comparatively high satisfaction levels with the accommodation used, tending to opt for 4-star or 5-star hotels where most wellness/spa facilities and related therapies are offered. When compared to other motivational segments, wellness tourists are the most inclined to recommend Malta (96.0%) and are also the most likely to revisit Malta in the near future (80.7%).

While the "sun and culture" segment presents itself as one of the stronger matches between Malta's offer and tourist expectations, the more traditional "sun" segment appears to be the weakest. Data indicates that there is a higher likelihood that the expectations of sun and sea tourists are not met, and consequently, they are also less willing to recommend and to revisit Malta.

Tourist Satisfaction by Geographic Market

Over the years, Malta has recognised the importance of diversifying its geographic source markets to reduce overdependence on a single market. Whilst traditionally popular with British tourists, Malta has successfully tapped into other markets such as Germany, Italy, France, the Benelux and Nordic Countries, and more recently, Poland, Spain, and Hungary. As an island destination, highly reliant on air connectivity for its tourism inflows, Malta works closely with airlines to consolidate links with its core markets and to stimulate route expansion to open up new markets. Monitoring tourist satisfaction levels by market helps to identify the geographic markets with the best prospects and the highest return on investment.

Research indicates that tourists from the UK, Belgium, the Nordic Countries and Hungary have the most favourable overall experience in Malta when compared to other source markets. In particular, UK visitors show higher satisfaction with hospitality of the local people, accommodation offer, historical sites and churches, and public transport.

In contrast, tourists from Spain are more likely to express dissatisfaction: 14.3% describe their overall experience in Malta as below expectations, the highest share when compared to Malta's main source markets. Related to this, Spanish tourists exhibit lower satisfaction across various components of their trip: data indicates lower satisfaction levels in terms of the sandy beach offer, road infrastructure and related amenities, public transport, vehicle hire, restaurants and accommodation.

Meanwhile, visitors from Poland exhibit the highest propensity to recommend Malta to friends and relatives (96.3%): this presents high potential for Malta, given that Poland is a newly emerging source market that has been characterised by remarkable growth in recent years. Also worth noting is the Polish tourists' high satisfaction with Maltese hospitality, churches, and archaeological sites.

Tourist Satisfaction by Season

Malta is a year-round tourist destination. Over the years, Malta has succeeded to even out seasonality significantly via the development of new tourism products to attract different motivational segments, improved air connectivity, and intense marketing activity. Still, the larger share of tourists visits Malta in the summer months (July to September, 36.7%). Furthermore, record inbound tourism flows to an island destination characterised by high population density and intense use of products and amenities, reinforces the importance of monitoring variations in satisfaction level across seasons.

Tourists visiting Malta in the autumn months (October to December) are the most satisfied with their experience: for 30.6% expectations were exceeded whilst for 5.4%, expectations were not met. In contrast, the least favourable feedback emerges for tourists taking their holiday during the summer months: the share of tourists describing their overall experience as exceeding expectations goes down to 26.0% and the share of dissatisfied tourists goes up to 8.4%.

On reviewing variations by season, the most significant pressures that can be traced relate to cleanliness, with 29.3% attributing a “poor” or “very poor” rating during the summer period. Cleanliness levels receive the most favourable ratings during the winter months (January to March), with “poor” to “very poor” ratings going down to 13.4%. Evidently, high tourist volumes during summer are putting additional stress on resources and services responsible for maintaining cleanliness. This clearly indicates that achieving a more acceptable level of cleanliness is of utmost importance to secure higher levels of tourist satisfaction.

Tourist Satisfaction by Region

Mainland Malta and its sister island Gozo offer distinct tourist experiences. Malta is more cosmopolitan, characterised by diverse tourist attractions, a rich events calendar, bustling nightlife, shopping, and dining. Gozo offers more tranquil getaways, ideal for tourists to enjoy nature and engage in niche activities such as hiking, biking, and scuba diving. Identifying regional strengths and weaknesses is crucial to guide investment and product development decisions, and for competitive positioning.

Distinct variations emerge between tourists choosing to stay in Malta and those who prefer a Gozo stay. Tourists staying in Gozo have a better overall experience and are also more willing to visit the island again. In fact, 86.6% of tourists opting to stay in Gozo would revisit the island compared to 72.0% of tourists having a Malta stay (equivalent to a difference of 14.6 percentage points).

Interestingly, tourist satisfaction levels vary significantly across the various tourism components as experienced on the two islands. Mainland Malta secures higher satisfaction ratings in terms of cultural events and festivals, retail offer, and road infrastructure. Gozo on the other hand, scores better in terms of accommodation, cleanliness, nature, sea quality and beach offer.

Conclusion

In conclusion, monitoring tourist satisfaction is essential for Malta to become an increasingly SMART (Sustainable, Marketable, Attractive, Responsible, Technology-Enabled) destination. By embracing the SMART destination framework and integrating tourist satisfaction monitoring into its strategies, Malta can adapt to changing tourist preferences, and align itself to the principles of sustainability and competitiveness. This will ultimately contribute to the island’s resilience and long-term success in the tourism industry.

* Note: Figures presented in this paper are based on findings from the Malta Tourism Authority’s Traveller Survey-2022.

Understanding the Past, Analysing the Present and Planning the Future

Dr Vincent Marmarà
Senior Statistician and Research Consultant

A study on Malta's tourism sector was conducted through telephone interviews, with data collected from a sample of 800 individuals aged 16 years and older.

The respondents were chosen in such a way to represent the Maltese population according to district, age group and gender. Results have a maximum margin of error of +/-3.46% and a confidence level of 95%. This article presents a comprehensive overview of Malta's tourism landscape, with an insight on its workforce, training opportunities and areas in need of improvement.

The Present

Let us start by understanding the current state of play. 17.8% of the Maltese population stated that they currently work in the tourism sector (i.e., tourism in general, hotels, restaurants, ...).

Are you working in one of the following jobs?
(Amongst the Maltese Population)

Tourism in General	9.2 %
Hotels	5.4%
Restaurants	4.4%
Work Relating to Big Events	4.0%
Conferences	3.8%
Travel Agency	3.3%
Shops That Sell Stuff Related to Tourists	2.9%
Other Accomodation for Tourists	2.3%
Total (taking the unique employees only)	17.8%

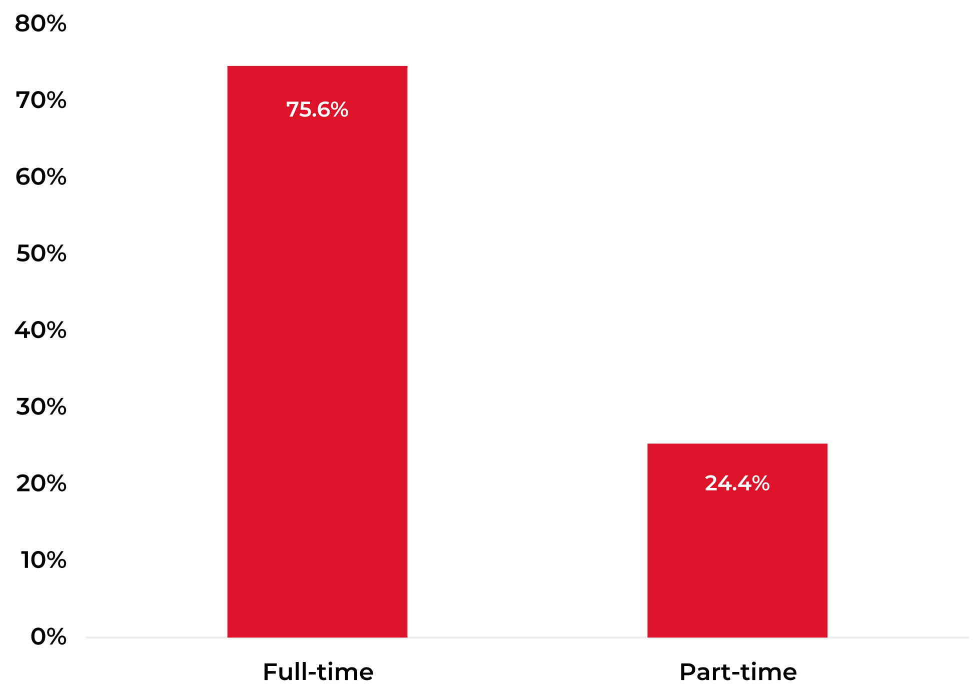
Focusing on the 17.8% that work in one of the above jobs; 21.1% work in hotel management, 9.2% are chefs and another 9.2% work in event management.

What is your job? (Amongst those who work in Toursim)

Hotel Management	21.1%	Take away	9.2 %
Chef	9.2%	Tour Guide	5.4%
Event Management	9.2%	Travel Agency	4.4%
Transportation	7.9%	Conferences	4.0%
Renting Sunbeds	6.6%	Hotel Maintenance	3.8%
Restaurant Management	6.6%	Retail	3.3%
Pilot	5.3%	Other	2.9%
Cabin Crew	3.9%		

75.6% work full-time in tourism, with the majority (85.4%) stating that they work in tourism in general. The average amount of years working in the tourism sector ranged between 7.1 years for those working in restaurants and 13.7 years for those working in souvenir shops.

Do you work full-time or part time?



55.1% of those who are currently employed in the tourism sector stated that they are very happy with their job, nevertheless only 10.3% stated that they are satisfied with their wage. Those who are happy with their job explained that this is because they simply like their job (32.7%) and because they get to meet new people (8.0%). Those who are unhappy explained that this is due to bad working conditions (6.2%) and because they do not have a work-life balance (5.3%). 36.6% stated that they would highly recommend working in tourism to others. With regard to courses, 25.8% stated that more language courses are required, while the most desired course to be taken in the future relates to management (8.5%).

The Past

In order to plan for the future, we first need to understand the past and the present. We need to identify any trends and then predict the future. 28.7% of the respondents stated that they worked in tourism in the past, with the most popular job being related to big events (28.4%). The average amount of years working in tourism ranged between 5.0 years for those working in hotels and 14.1 years for those working in big events. When asked to give reasons for leaving their tourism-related job, the respondents stated that they found a better job (15.1%), that they worked in tourism only during the summer months (13.0%) and that they worked in tourism only when they needed some extra money (12.6%).

Have you ever worked in any work related to the following?
Amongst those who are currently not working in any of the following jobs)

Tourism	10.5%
Hotels	25.1%
Restaurants	3.1%
Work Relating to Big Events	28.4%
Conferences	3.3%
Travel Agency	1.8%
Shops That Sell Stuff Related to Tourists	2.0%
Other Accomodation for Tourists	3.3%

Individuals who never worked in the tourism sector stated that they currently work in education (17.0%), are unemployed (8.2%) or work in jobs related to finance (7.1%), amongst others. When asked to give reasons why they are not working in the tourism sector, the most popular responses were that they are not interested (40.3%), that they enjoy their current work (14.2%), and that they do not like long working hours (13.1%). When asked to state which tourism sector interests them the most, the most popular response was hotels (10.6%).

The most common age group of workers in the tourism sector is between 36 and 45 years (31.3%), while the most common age group of workers that used to work in tourism is between 26 and 35 years (24.5%). Currently, there are more male (58.8%) than female workers in the sector, while before it was more balanced (50.5% females).

Most of those who currently work in tourism live in the South-Eastern district (19.8%), while before the sector was dominated by workers from the Northern Harbour district (34.9%). The majority of respondents that worked in the tourism sector both now and in the past stated that their income ranged between €20,000 and €25,000 per year (21.5% and 24.8% respectively).

The Future

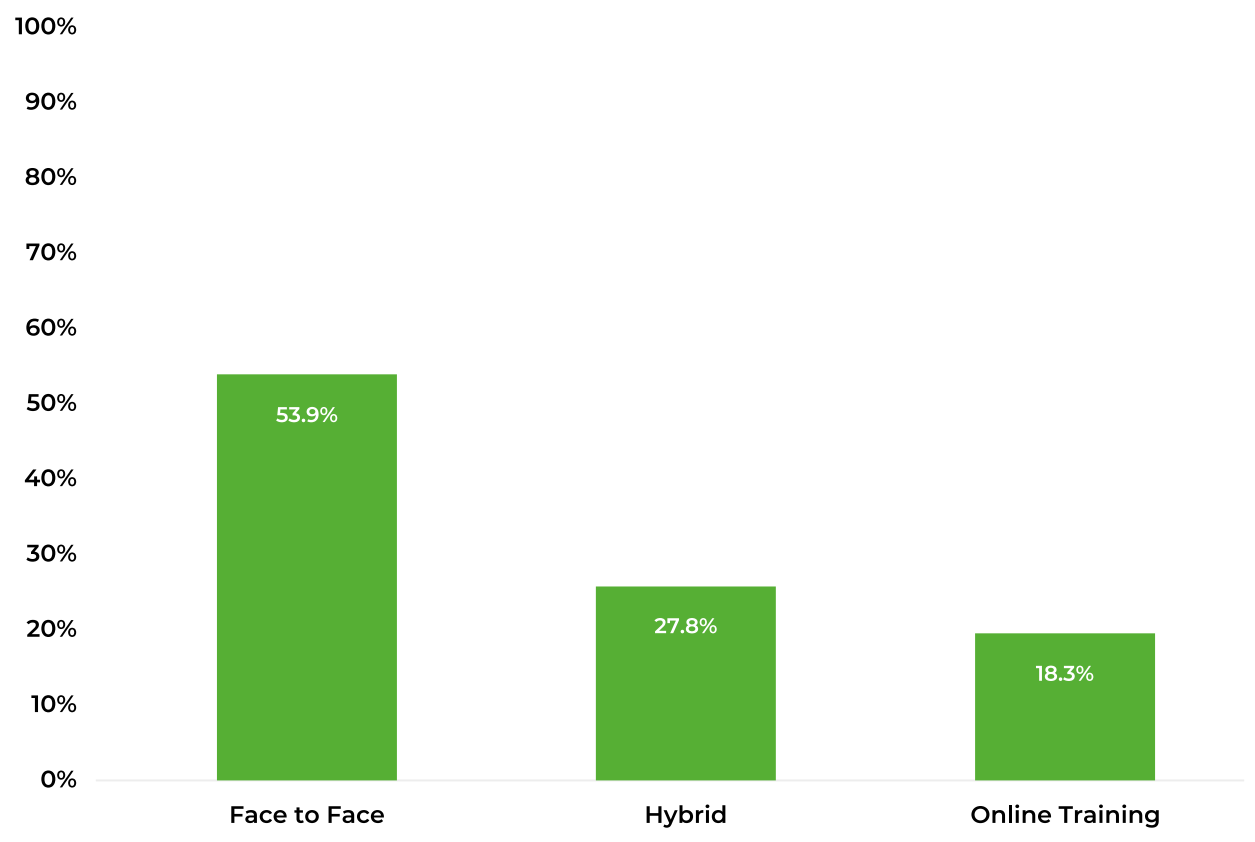
For the Maltese population to re-consider working in the tourism sector, the required changes that need to come into place include having higher wages (16.4%), better working hours (4.8%) and more job opportunities (3.8%). Having said that, 56.0% of those who are not working in the tourism sector are not interested to work as such. According to the respondents, the positive aspects about working in the tourism sector are that workers constantly meet new people (59.4%) and that the sector will never die out (8.4%). On the other hand, the negative aspects are that workers work long hours (46.6%) and that the work is tough (14.5%).

Upskilling the Population

The majority (77.5%) have stated that they have never done any training relating to this sector. The majority of those who followed courses/training related to this sector (30.9%) stated that it was done between 1 to 5 years ago. 25.5% of those who followed courses related to the tourism/catering sector stated that they were delivered by ITS. The most popular courses delivered by ITS are the food handling course (19.5%), followed by the culinary arts course (14.6%). 30.9% of those who did such courses stated that the course that they followed was offered by their employer and 56.0% stated that the courses that they followed were mainly related to their job.

When the general population was asked if they would be interested in attending a course relating to tourism/catering, 20.6% stated that they would be interested. The level of such training would preferably be of intermediate level (41.7%) and to be delivered face-to-face (53.9%). The majority prefer the course to be on a part-time basis (53.6%).

How would you prefer a training like this to be taught?



The Challenges

Respondents were also asked what they think are the biggest challenges in the tourism sector. The two main responses were that there are not enough human resources (13.1%) and that there is a lot of competition (12.5%). When asked what they think is missing in the tourism sector, the main responses were language barriers (21.1%) and lack of communication skills (19.5%).

This article gives us a glimpse of the current state of the tourism sector. Its findings can help make informed decisions for a more sustainable and successful industry in the future. We hope that the insights provided will contribute to the continued growth and enhancement of Malta's tourism sector. When planning the future, we need to understand what contributed towards a successful tourism sector in the first place, as well as identify the current challenges and situation. A complete visibility of the situation will assist decision-makers with setting the right policies and strategies for a better future for the tourism sector and its workers.

Digitalisation Opportunities for Maltese Tourism

Leslie Vella

Chief Officer Strategic Development and Deputy CEO, MTA

Managing Director,

Malta Tourism Observatory

Up to a few years ago, digitalisation was a peripheral activity mostly in the realm of highly specialised, fringe companies and individuals in highly developed countries. It was something innovative and generally unreachable for most. However, with the huge technological advances, the widespread and affordable availability of mobile digital devices, and the affordability of data download, the picture has changed substantially and dramatically.

Digitalisation has become an integral part of all aspects of the tourism operation, ranging from the availability of information to various commercial opportunities such as booking and online purchase. It links with smart technologies and artificial intelligence and, coupled with constantly developing algorithms, creates opportunities for companies and organisations to engage directly with consumers in an increasingly personalised manner.

In the contemporary tourism world, digitalisation is therefore not a matter of choice but a matter of need. It has moved from the margins of innovation and experimentation to mainstream activity and its embracing and incorporation into business methods has now become imperative, both at destination and at company level.

Digitalisation affects all aspects of the value chain and engages with customers in the three phases of the trip: pre-travel, during the trip itself, and also post-visit.

Pre-travel, it is generally used for information seeking and booking reasons, creating ample opportunities for targeted marketing and commercial propositions in line with the traveller's online behaviour and profile.

During the trip itself, it proves useful for further bookings and purchases, location specific offers and suggestions, mobility, social media usage, and a host of other activities including virtual reality and other digital enhancements.

Post-visit, its main function is to retain a level of engagement with the client in order to maintain a link which presents prospects for a future return visit or even enticing friends and relations to visit.

Tourism has achieved and registered great progress both in terms of infrastructural investment and human resource development and a huge number of tourism operators already engage in an element of digitalised activity, albeit in a wide-ranging scale and variety of ways. The incorporation of digitalisation in all aspects of the destination's tourism offer brings with it a number of benefits.

Digitalisation reduces costs by addressing elements such as asset efficiency, worker productivity, reduction of overhead and production costs, and the streamlining of after-market service. It also helps to improve product and service quality by putting strategies and technologies in

place to reduce waste of resources, increase traceability and consistency for data management throughout the value chain, and improve the delivery of service.

One of the major benefits of digitalisation is that it enables the destination to be at the forefront of identifying and responding to changes in the market. As a result, the destination and the industry's responsiveness to such changes can be fine-tuned and accelerated to the benefit of the tourism industry and as a result of which the destination's competitiveness becomes further enhanced. Digitalisation is universally acknowledged to be a driver for growth through the generation of new products, new business models or revenue streams or additional throughput and yield. It can also create numerous opportunities to improve the customer experience through the delivery of better service, improved quality, more innovative products or features and faster delivery. Closely related to improved customer experiences, an additional benefit relates to an enhanced company culture particularly emanating from the process of digital transformation. In an industry such as tourism, with its perceived vulnerabilities to attract the right staff because of seasonal variations and its unorthodox working hours, digital transformation can help in staff attraction and staff retention by affording a level of flexibility and benefits previously unknown and impossible to conceive.

As the need for a more sustainable approach towards running tourism destinations becomes more and more relevant, digitalisation is recognised as an important tool that can contribute strongly towards realistic achievements to this end. It can be particularly effective in reducing emissions and waste by focusing on inefficiencies and by sourcing best materials, goods, and services.

Digitalisation can also prove effective in creating digital threads to weave themselves seamlessly through processes which were traditionally siloed and working in isolation from each other. This ultimately benefits both the tourism operator and the consumer. Another way to improve collaboration with digital transformation is through the adoption of cloud-based tools specifically designed to enable more frequent and flexible communication.

Regulatory compliance is becoming an increasing demand for operators across multiple industries. Because of this, companies need greater visibility and access to data around their products, processes, and performance. It may be related to greenhouse gas emissions, safety, quality, distribution, or other industry-specific regulations. Digitalisation is universally recognised as a tool which efficiently addresses such requirements and also assists in the compilation of data relevant to measuring impacts and the steps that eventually need to be taken to reduce or mitigate such impacts.

Digitalisation can also help in the measurement and generation of the data sets necessary for companies to make increasing use of data-driven decisions in their day-to-day management and planning. The successful companies of tomorrow will not be the ones who rely on backward looking historical information resulting in hit and run decision-making but will be the ones whose effective embracing and incorporation of digitalisation will elevate them to higher levels of operability and competitiveness.

Digitalisation is not an easy challenge if not addressed holistically. One of the biggest challenges which the tourism industry needs to address relates to the risks emanating from fragmentation and mutual exclusivity which invariably result in a patchwork approach. While some areas of the value chain may be overexposed in terms of digital presence, others become conspicuous by the lacunae in which they lie.

Updating of content, good management of systems, proper manning for quick response and systems which can intercommunicate with each other are all elements which a holistic strategy needs to address if the tourism industry truly aspires to offer a truly fully digitalised infrastructure to its clients. This calls for an extensive and all-embracing digitalisation roadmap which involves public, private, and non-profit organisations.

Malta cannot rest on its long-established laurels as a popular tourism destination forever. Global competition and the erosion of the Mediterranean's short and long-term attractiveness as a result of global warming brought about by climate change are all issues which require a united front by the Maltese tourism industry. Digitalisation can be a tool which helps address these challenges and issues.

The process of digitalisation can help make Maltese tourism more attractive, competitive, climate resilient, and with a wider seasonal appeal. It can assist in the process of maximising the socio-economic contribution of tourism by harnessing technology to minimise impacts and costs.

The Malta Tourism Observatory is working to strategically develop a Digitalisation Plan for Maltese Tourism, incorporating various sectors contributing to the tourism product, by empowering stakeholders to invest and ensure that efficiency and market presence are maximised through the use of the latest available technologies.

The Twin Transition in the Tourism Sector: Greening and Digitalisation

Amanda Zammit

Director (Policy Development and Programme Implementation), Ministry for Tourism

The tourism industry is one of the sectors that was most heavily hit by the COVID-19 pandemic. To remain afloat, the industry had to adapt to sustainable and digital practices. As technology advances and the need for climate change mitigation continues to grow, the only way forward is for the industry to continue to develop sustainable tourism models. To be resilient to current and future challenges, we need to accelerate the green and digital twin transition. Remaining complacent means that we would be risking becoming uncompetitive.

A twin transition approach refers to the interplay between greening and digitalisation and the concept that the combination of these two factors has the vast potential to improve efficiency and productivity. There are various benefits that can be derived from adopting a twin transition approach such as increased efficiency and better use of resources, reduction of costs, competitive advantage gained through innovation, and possibly also better access to finance.

Although digitalisation on its own has significant benefits, it does not mean that it is inherently sustainable. Digital technologies can also be responsible for greenhouse gas emissions and for energy consumption. However, when used sustainably, digitalisation and technology can be major tools to support sustainable growth and safeguard our environment. For instance, using digital technologies to reduce energy-consumption would positively contribute to our net decarbonisation targets, while at the same time improving efficiency, reducing costs, and increasing revenue.

A 2021 Eurobarometer survey found that a large majority of EU citizens (82%) are prepared to change some of their habits to support more sustainable tourism. Consumers are becoming more conscious of the effects of climate change and are increasingly becoming more inclined to choose innovative, sustainable, and green services over traditional and unsustainable ones. We are thus increasingly finding more stakeholders in the hospitality industry adopt sustainable digital and green systems, such as automated check-in and intelligent energy savers, which are more environmentally friendly and cater for the sustainable-conscious traveller. This of course also reduces one's running costs - so it is a win-win situation.

The collection and analysis of data via digital tools can be a powerful enabler to innovative approaches and creating competitive advantage. For instance, by analysing the data gathered, the tourism ecosystem can become more informed of customer behaviour and preferences, enabling stakeholders and businesses to make more informed decisions, predict trends, and accurately meet the demand. This would also result in a more efficient use of resources and an enhanced experience for the tourist.

This also highlights the significance of the availability of the appropriate data from various sources. EU tourism policies emphasize the need, and seek to facilitate, the collection and sharing of data. This is further shown in the Communication published by the European Commission entitled 'A Common European Tourism Dataspace.' This Communication supports the transition towards deeper digitalisation and sustainability by facilitating interoperability and data-sharing from different sources and promoting data access for a wide range of users.

The green and digital transition is at the forefront of the European Agenda. Digitalisation and greening are regarded as key tools that facilitate the processes for the industry to become resilient to external shocks. This idea is reinforced in the post-COVID-19 updated 'EU Industrial Strategy', which focuses mainly on supporting the twin transition through greening and digitalisation, supporting Europe's Open Strategic autonomy, and strengthening resilience of the Single Market. The strategy also focuses on the launching of transition pathways that are co-created with stakeholders, as an essential collaborative process to help the transformation of industrial ecosystems.

Since the tourism sector was one of the most badly hit by the pandemic, the first industrial ecosystem that was addressed through this process was 'The Transition Pathway for Tourism.' It mainly suggests areas where stakeholders in the tourism ecosystem should take action to accelerate the twin transition and move to greater resilience. There are twenty-seven proposed measures built around the areas of sustainable competitiveness; regulation and public governance; Research and Innovation (R&I), techniques and technological solutions; infrastructure; skills; the social dimension; investments and funding.

The Transition Pathway for tourism calls on stakeholders to improve data sharing practices as a key factor to increase competitiveness and innovation in tourism services. The use of data and data sharing can be used to personalise tourism services and destination management. The use of AI could be used to accurately meet demand, improve resource management and the services offered. The pathway further calls on stakeholders to use digitalisation to make information on the sustainable tourism offer in the EU more visible. The importance of investing in circularity of tourism services by, for instance, minimising food waste in the hospitality industry, increasing water efficiency and reducing pollution, is highlighted.

In order to successfully manage the green and digital transition, one needs to have a qualified workforce that is able to understand the elements of environmental sustainability and to use and strategically integrate digital tools in work processes. Thus, the transition pathway emphasises the need to invest in education, skills and learning opportunities.

The European Commission has started a process whereby it is inviting tourism stakeholders to be part of the transition pathway by sharing their commitments and pledges as a contribution to the green and digital transition. It is a collaborative process in the EU Tourism Community, showcasing good practice and examples for others to follow. This process will also contribute to increasing the tourism ecosystem's resilience.

EU Funding for the Tourism Industry Stakeholders

Needless to say, investing in greening and digitalisation or in novel solutions to improve one's service or product to remain competitive, requires funds. One way to maximise one's opportunities is to search for support through European funds.

To assist the tourism sector to identify funding opportunities that are available under EU Programmes, DG Grow of the European Commission published a 'Guide on EU funding for Tourism.' This online guide provides information on various funding programmes financed under the Multiannual Financial Framework 2021-2027 and the Next Generation EU. Examples of projects that have received funding under the different programmes can also be found in this guide.

From the EU funding programmes managed at a national level, in Malta there are aid schemes to support enterprises in digitalisation and greening. This includes support for tourism enterprises. These schemes which operate via open rolling calls with set cut-off dates, offer part-financing for investments and have different financing thresholds depending on the scheme. Some investments in Gozo might benefit from a higher aid intensity. These aid schemes are managed by the Measures and Support Division, which falls under the Ministry responsible for EU funds in Malta; that is, the Ministry for the Economy, European Funds and Lands.

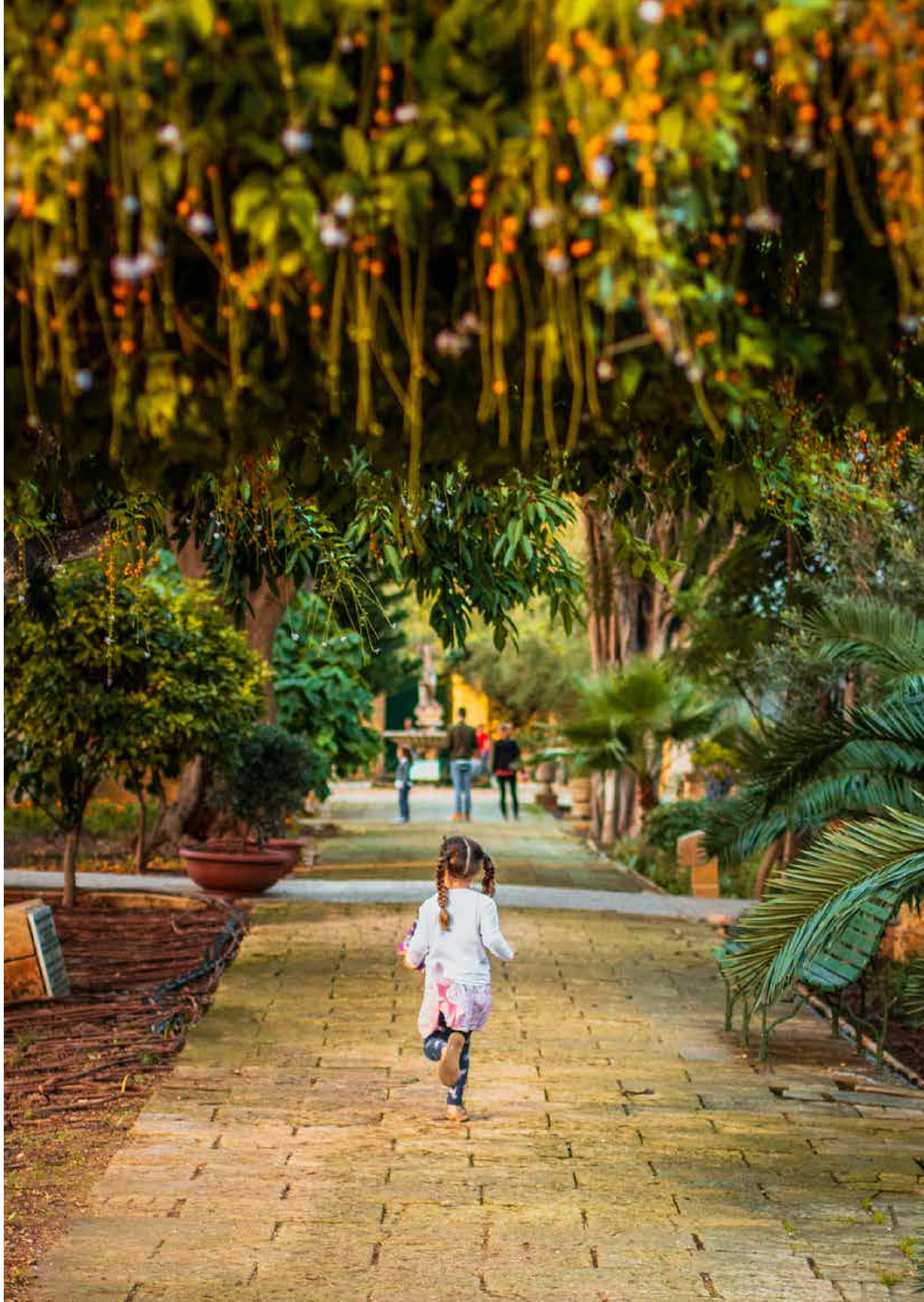
There are different forms of support that enterprises, including tourism enterprises, can benefit from. Certain schemes support digitalisation investments by SMEs and large companies. The schemes are wide in scope and cover hardware, software and other digital solutions that improve the state of digitalisation of the enterprise. There is also a scheme specifically targeted towards Micro-Enterprises with the aim of improving their resilience, efficiency, productivity, and customer experience.

Energy efficiency investments are also supported through these aid schemes. This includes actions to address high upfront costs of building renovations in the private sector. Investments are aimed at reducing the primary energy demand of the building by reducing the energy used for heating, cooling, ventilation, hot water, and lighting. Eligible actions include systems for energy use as well as interventions on the building envelope that will contribute towards the reduction of energy demand.

There are other schemes aimed at increasing the competitiveness and productivity of Small and Medium Enterprises (SMEs) which are also open to the tourism sector. These schemes are either aimed at start-ups or provide support for growth, diversification, initial investment, or significant changes to the process. There is also another scheme supporting enterprises to get a business plan from registered service providers.

More information on the aid schemes, current open calls, eligibility, financing rates, guidance notes and instructions on how to apply can be found on the **fondi.eu** website at

https://fondi.eu/business-enhance/schemes-and-open-calls/



4

SUSTAINABILITY & CLIMATE CHANGE

The Malta Tourism Observatory and its Multifaceted Strategic Role

Mary Rose Briffa

Manager, Malta Tourism Observatory

The Malta Tourism Strategy to 2030 is an ambitious endeavour aimed at placing the Maltese tourism industry on a stronger foundation to face the challenges and be prepared for the opportunities of the coming years.

This is a tourism strategy based on the three pillars of Recovering, Rethinking and Revitalising. These are three overlapping pillars through which we shall seek to recover tourism to its previous level of economic activity whilst undertaking a thorough rethinking of Malta's Strategic Approach to the industry with the aim of revitalising it to enable it to face the future from a stronger position.

This is a strategy in which the principles of quality, sustainability, the matching of visitor satisfaction needs with host population sentiment, efficient connectivity, managing accommodation development, addressing industry HR issues, branding, and capitalising on the opportunities emerging from digitalisation are all placed at the forefront of our thinking. Gozo is given the importance it deserves through the specific inclusion of a strategy highlighting its distinct nature as a stand-alone destination.

This is a tourism strategy which is very ambitious. It has been formulated based on a thorough analysis of the evolution of the Maltese tourism industry over more than seven decades and an in-depth analysis of a wide range of international and domestic factors deemed to have an influence on Maltese tourism in the coming years.

It is designed on the premise of incorporating evolutionary trends with sustainable scenarios to ensure that a long-term vision of a tourism industry which seamlessly integrates with the country's socio-economic needs by embracing a wide range of horizontal attributes ranging from the developmental to the environmental, infrastructural, digital, social, traditional, gastronomical, and motivational amongst others.

Upon publishing this strategy, we immediately moved towards its execution and implementation. In this respect we have set up a structure: the Malta Tourism Observatory (MTO) tasked with overseeing the delivery of the strategy. The Observatory seeks to operate within the framework of the UNWTO's International Network of Sustainable Tourism Observatories, and besides working on the execution and implementation of the various strategies it will also create opportunities for collaboration with the relevant stakeholders including Industry, academia, NGOs, and other public entities to ensure the widest possible participation in the Strategy's execution and lifetime.

The Malta Tourism Observatory plays a vital role in the Maltese tourism and hospitality industry by collecting, analysing, and disseminating data and insights about tourism activities in Malta. The Malta Tourism Observatory has a multifaceted task and a variety of functions, all of which are important and have an impact on the tourism sector.

Data Collection and Analysis

The MTO's focus is the collection and analysis of data related to tourism activities within the Maltese region. The primary goal of the MTO is to generate sustainable tourism indicators and insights. Based on the collected data, the tourism observatory creates a set of indicators. These indicators are typically designed to measure the economic, social, and environmental aspects of tourism in a particular area. The goal is to provide a comprehensive view of the impact of tourism on the region. A key objective of the tourism observatory is to assess the sustainability of tourism. Sustainable

tourism refers to an approach that seeks to maximise the benefits of tourism while minimising its negative impacts. Observatories look at how tourism affects the environment, local communities, and the economy and aim to identify opportunities for improvement. The observatory analyses the data and prepares regular reports and publications. These reports often include trends, statistics, and insights that can be used by various stakeholders, including government bodies, businesses, and non-governmental organizations. The data and indicators generated by a tourism observatory can inform policy decisions. Government agencies can use this information to develop and adjust policies related to tourism management, infrastructure development, and environmental conservation.

Destination Management and Development

Tourism observatories are key players in destination management and development. The insights they provide can guide the sustainable growth of a destination while mitigating negative impacts. By understanding visitor behaviours and preferences, destination managers like the Malta Tourism Authority (MTA), can make informed decisions about infrastructure development, land use planning, and environmental conservation. Destination managers can implement visitor management strategies to preserve the natural beauty and ensure a positive visitor experience. Similarly, the observatory's data can influence decisions about transportation infrastructure, accommodation development, and cultural heritage preservation.

Visitor Satisfaction and Experience Enhancement

Enhancing the visitor experience is a primary goal for many destinations. Tourism observatories can collect data on visitor satisfaction through surveys, online reviews, and feedback mechanisms. By analysing this data, destinations can identify areas where improvements are needed and create strategies to enhance the overall experience. From the results retrieved, the Observatory can recommend improvements in public transportation or better access to popular attractions. The data can also highlight opportunities for cultural or culinary experiences that may be missing from a destination's offerings.

Marketing and Promotion

The data collected by tourism observatories is a valuable resource for marketing and promoting a destination. The MTA can use the insights to create more effective marketing campaigns. By understanding the interests and preferences of potential visitors, marketing efforts can be tailored to attract specific target markets. If the data reveals that a destination is increasingly popular among adventure travellers, the marketing campaigns can focus on adventure-related activities, sports, and experiences. Similarly, if cultural tourism is on the rise, promotions can highlight museums, historical sites, and cultural events.

Crisis Management

Tourism observatories are also crucial in times of crisis. Natural disasters, political instability, health emergencies, and economic downturns can all impact the tourism industry. During such times, observatories provide real-time data and insights to help destinations and businesses respond effectively. Armed with this information, destinations can adapt their strategies to minimize the impact of crises and plan for recovery.

Policy and Regulation

Data from tourism observatories is often used to inform policies and regulations related to the tourism industry. Governments and local authorities rely on this data to establish rules for permitting, taxation, environmental protection, and visitor management. If data shows that a particular attraction is experiencing overuse and environmental degradation, policies may be put in place to limit the number of daily visitors or introduce entry fees to fund conservation efforts. Similarly, tax policies may be adjusted based on the economic impact assessments provided by the observatory.

Collaboration and Stakeholder Engagement

Effective tourism observatories foster collaboration among stakeholders in the tourism industry. These organizations bring together government authorities, businesses, local communities, and non-governmental organizations to work towards common goals. By sharing data and insights, they help create a more integrated and sustainable tourism ecosystem. For example, if a destination is facing challenges related to waste management due to increased tourism, the observatory can facilitate discussions and collaboration between local businesses, environmental organizations, and local authorities to develop effective waste reduction strategies.

Sustainability and Responsible Tourism

Sustainability and responsible tourism are critical aspects of the modern tourism industry. Observatories help destinations monitor and manage their impact on the environment and local communities. By analysing data on environmental footprints, social impacts, and cultural preservation, they can advise on sustainable practices.

In conclusion, the work of the MTO is multifaceted and plays a significant role in the Maltese tourism industry. Through data collection and analysis, it provides valuable insights on market trends, visitor behaviour, economic impact, and sustainability. The MTO supports destination management, enhances the visitor experience, informs marketing efforts, assists in crisis management, influences policies and regulations, promotes stakeholder collaboration, and drives sustainable practices. In a rapidly evolving industry, the tourism observatory is an indispensable tool for informed decision-making and the long-term success of Malta as a destination.

Equilibrium

Dr Tarek Habib

Chief Executive Officer,
MURMURATION - Flockeo.com

Leslie Vella

Chief Officer Strategic Development
and Deputy CEO, MTA
Managing Director,
Malta Tourism Observatory

As the crowd held its breath, the high-wire walker ventured onto the thin, swaying rope suspended high above the cityscape. With each step, the performer sought equilibrium, his body a perfect balance of grace and tension. The wind whispered its treacherous secrets, but he remained undeterred, focusing all his skill and concentration on finding that delicate equilibrium between fear and exhilaration, between gravity's pull and his soaring spirit. With each heart-pounding step, he defied danger, reminding the world that sometimes, in the most perilous moments, true equilibrium could be found in the dance of courage and precision.

The high-wire walker continued to capture the audience with his daring performance as he sought balance between the elements, his emotions and the crowd's enthusiasm. He is far from controlling the situation; he is coping, adapting to predictable and unforeseen inputs as he steadily progresses towards his goal. He practised many times, he is knowledgeable of the area, he is confident that he will make it, and everybody is cheering him to reach the goal, their goal, boosted by their collective energy of hope and excitement.

Much like him, our world faces the challenge of seeking equilibrium on a grand scale. The United Nations' Sustainable Development Goals (SDGs) serve as our collective practice, knowledge, and confidence in creating a better future. These goals provide a roadmap for coping with the unpredictable challenges that lie ahead, while adapting to our evolving world. Just as the audience cheered the high-wire walker, we must channel our collective energy towards achieving the SDGs, knowing that our success is intertwined with the well-being of our planet and future generations.

"Tourism is a powerful force for progress and mutual understanding. But in order to deliver its full benefits, this force must be protected and nurtured."

António Guterres - UN Secretary General - World Tourism Day 2023

Malta Tourism Insights - 2023

Sustainability & Climate Change

Tourism and the Sustainable Development Goals (SDGs) share a symbiotic relationship. Tourism, when managed responsibly and sustainably, can contribute significantly to achieving several SDGs. It can stimulate economic growth, create jobs, and reduce poverty. Additionally, sustainable tourism practices can help preserve natural ecosystems and cultural heritage, while promoting responsible consumption and production. Moreover, tourism can foster cultural exchange and understanding, further contributing to the SDGs by promoting peaceful coexistence and tolerance between different cultures and nations. However, it is important to manage tourism in a way that minimises its negative impacts, such as environmental degradation or inequal revenue sharing, to fully realise its potential as a driver of sustainable development.

Clear measurements are the compass that guides us toward our goals. Without precise metrics and benchmarks, it becomes challenging to assess progress, identify areas for improvement, and ensure accountability. Just as a destination requires a map with defined distances and landmarks, goals need well-defined measurements to provide direction, motivation, and a basis for effective decision-making, whether in local achievements or global initiatives like the Sustainable Development Goals (SDGs).

This is where the challenge lies - putting numbers on sustainable tourism. Tourism's pervasive presence in various facets of society, from economics and culture to environmental impact, creates a complex web of interconnections. This intricacy often makes it challenging to isolate a simple causality or direct relation between observations. Tourism's influence can be both direct and indirect, and its effects are often intertwined with broader socio-economic and environmental factors, emphasising the need for comprehensive and holistic analyses when evaluating its impacts and contributions.

Moreover, tourism is inherently global in nature, transcending borders, and cultures. It fosters cross-cultural exchange, promotes international cooperation, and serves as a powerful vehicle for people to explore and appreciate the diversity of our world. As a dynamic global industry, it connects individuals and communities worldwide, emphasising the importance of planetary coordination in view of developing sustainable development practices.

It is in this context that the Malta Tourism Authority is innovating, using the tools and methodologies provided by Murmuration. Indeed, Murmuration has developed a sustainable development framework for tourism destinations using the unique tool that is not limited by borders or dependent on each destination's capabilities. It is a satellite remote-sensing-based framework that allows the collection of relevant data, on any point on the globe to characterise the environmental situation. Coupled with artificial intelligence (AI) algorithms, the data is further contextualised and projected to the future according to the scenarios established by the Intergovernmental Panel on Climate Change (IPCC).

We believe that this is a relevant approach towards sustainability of a global industry such as tourism. A framework allowing the identification of priority areas, the establishment of policy and governance roadmaps, benchmarking, exchanging best practice but also local coordination and adjustments of marketing and communication campaigns. Sharing this information and practices is vital for our industry and mapping it to our global SDGs is key. Working with this approach, we have understood the impact the maritime route has on our air quality, the trends related to our water usage, the heat island effects in our towns and villages, as well as the future climate projections and their potential impacts on our cultural heritage sites and beaches. Insights that are key in piloting our transformation, resilience, and adaptations to a global context where, much like the high-wire walker, we control only a tiny part of the scene.

The combination of the socio-economic information with the environmental situation provides a complete overview of the sustainability of the tourism activity in a given destination. We have worked on a formulation of such an index that is seeing Malta achieve the 21st spot in the global ranking. A spot that reflects our commitments regarding the achievement of the SDGs, but also that shows that we can still do more, we can still do better. We have developed the tools to monitor our progress in the medium and long terms, but we are seeking to include the sustainability dimension to our short-term operations. In this sense, we are currently experimenting a tool to map the most suitable activity in time and space. Malta is known for sun, beach activities, cuisine, cultural heritage, and so much more. Our objective is to help our visitors benefit from the best we can offer while ensuring sustainability. This type of approach is considered to be the perfect support agent for the new age marketing, communication and promotion teams who are equipped with the sustainability toolbox.

Sustainability is an enduring journey that must become an intrinsic part of our work, lifestyles, and values. Like the high-wire walker's quest for equilibrium, our pursuit of sustainability is a continuous effort, but unlike him, our goal extends far beyond short-term rewards. It is a collective commitment to reshape our way of life for the betterment of both our present and the well-being of future generations, ensuring that our actions today leave a lasting, positive impact on the world.

Climate Friendly Travel - A Plan for our Kids

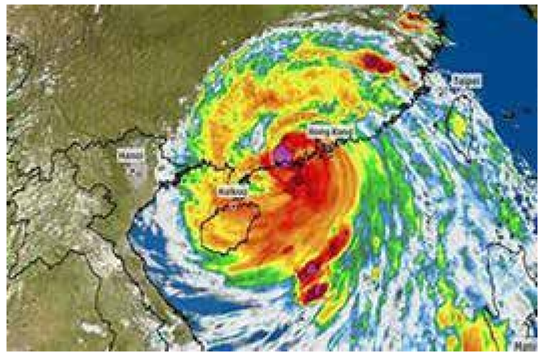
Prof. Geoffrey Lipman
President SUN[x] Malta

There can be very few people today who do not see the Climate Crisis as the biggest single global strategic challenge. From the Secretary General of the UN, the Pope, virtually all state leaders, mayors, and local activists - particularly young people - are singing the same eXistential song.

Its clearest signal, Extreme Weather is an increasing issue everywhere - devastating floods, hurricanes, droughts, or wildfires on every continent, leading to huge pressures on basic food, water, power supplies and triggering lifestyle degradation and migration.

And it is most severe in the countries who did the least to create the crisis - LDC (Least Developed Countries) and SIDS (Small Island Developing States), mostly in the global south, who are least able to respond because of their low economic situation, and for whom tourism is so often the primary hope for a better future.

But it is not just these states. Nowhere is immune - recurring floods in Germany and Belgium: fires in California, storm-induced dam bursts in Libya, cyclones in China or droughts in France and Italy. It is becoming the same everywhere.



And it can only get worse, until we deal with the underlying cause of man-made climate change - while responding to the needs on the ground. That cause is Green House Gas build up around the planet, throughout the past century or more of industrialisation, changing dramatically long-established weather patterns and intensifying extremes.

Over the past 75 years, since the 1972 first UN-led Earth Summit, our global governance systems have been trying to respond to this crisis - slowly at first, but with increasing urgency. The main building blocks of the UN Framework Convention on Climate Change (UNFCCC) and Intergovernmental Panel on Climate Change (IPCC), as well as important conventions on biodiversity and desertification, plus a Green Environment Facility, were formed around the second Earth Summit in Rio, 20 years later in 1992. It was widely understood that the climate issue has planetary dimensions and that some global governance was vital, but that ultimately, action on the ground would be the subject of national laws, regulations, and operational practices.

Since then, the UNFCCC has taken a lead within and outside the UN system at its annual COPs (28th in December 2023) to deliver a state-led policy and operations program, while the IPCC has produced 6 Science Assessments of the state of the climate. As with all UN programs, these are incrementally advanced year by year at both global, regional, and national levels. The most significant initiatives have been the 2015 Paris Agreement with its 1.5-degree target and the 2022 Glasgow Accord with a Net Zero 2050 long term target and an intermediate 2030 fifty percent goal.

Country programs have been integrated through the practice of annual filing of Nationally Determined Contributions (NDC) showing both emission reduction pathways and performance, as well as ways in which adaptation to the climate crisis are being undertaken. Regional Governance (e.g., EU, APEC) are tied in to the same system. To date all 192 parties to the Convention have submitted at least one NDC. In this same context national and subnational laws and regulations have evolved compatibly with international developments. Many countries have created Climate Ministries or strengthened Environment Agencies to keep pace with their realisation of the eXistential impacts and potential of the Climate Crisis, and their views are increasingly gaining traction in overall policymaking.

Where does Tourism fit into this framework? The short answer is - just like every other sector of the economy. Until now we are said to produce 5-8% of CO2 emissions, based on historic 2007 UNWTO studies and more recent academic analysis. There will be a new science focused, independent TPCC (Tourism Panel on Climate Change) incubated in the Saudi Arabian Sustainable Tourism Global Centre, that will report out with a sector Stocktake this year in the context of COP 28 Global Stocktake in December in Dubai. This will provide the most detailed intra sector analysis of tourism climate response ever undertaken.

There are however many important nuances, because tourism is transversal, incorporating elements of other sectors' GHG-related activity (e.g., transport: restaurants and retail) plus the fact that much of its regulatory and decision framework runs alongside the climate system in organisations like IATA, WTTC, ICAO, UNWTO and a myriad of other international, regional, and national organizations. Some of these are public institutions, some are private and some of mixed composition.

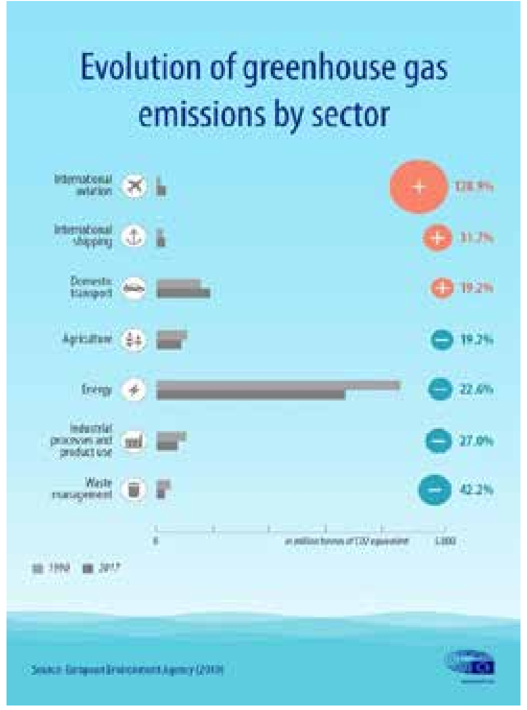
There is also another important factor about Tourism - namely its product incorporates people - both as visitors and residents. There is no doubt that those people have important perspectives on the sector's climate response - both in terms of emission reduction and adaptation to changing weather patterns. This is particularly the case for young people who are showing an increasing resolve to challenge the establishment's climate response - protesting with their feet in flight shame movements and taking governments to court for failure to meet their international climate commitments.

Malta, as an EU Member State and important tourism destination, has been integrally involved in this evolution. It was the country that placed Climate on the UN General Assembly agenda in 1987. It is a strong supporter of the EU Green Deal and refuel EU strategies, as well as Paris 1.5. Its Ministry of Environment, Energy and Enterprise has driven this climate policy. It has produced a Low Carbon Development Strategy and held a public consultation. The Government recently established a Climate Change Authority to increase attention and support action to respond to extreme weather.

From a tourism perspective, Climate Change issues were well covered in the 2030 Strategy, including the concept of becoming a global Centre of Climate Friendly Travel (CFT). The Minister for Tourism recently launched 50 SUN[x] Malta CFT Chapters in each of the world's 46 LDCs and Ukraine. The Malta Tourism Authority (MTA) has already launched the Malta Tourism Observatory to implement its Strategy, particularly focusing on Climate Resilience and working closely with French company Murmuration to anticipate a range of potential Climate impacts on popular tourism locations.

SUN[x] Malta was co-created by the Ministry, MTA, and the not-for-profit, Green Growth and Travelism Institute to provide a Paris 1.5 and SDG linked future. In 4 years, we created a postgraduate Diploma in CFT with the Institute of Tourism Studies (ITS), training nearly 100 STRONG Climate Champions. Next year we will launch 39 more in SIDS - Small Island Developing States. We built a Registry to accelerate Climate Friendly Travel Response amongst committed companies. Finally, SUN[x] created social enterprises to extend the ecosystem to tourism administrations and importantly to travellers.

We will intensify our support for Climate Friendly Travel for the world's poorest countries and strengthen our advocacy for Climate Justice supported by clean aviation. We do this to amplify the vision and inspiration of the late Maurice Strong, who called for Climate action half a century ago. Above all, we do it as a Plan for our Kids: a plan B for a better future. Look for that future at #ClimateFriendlyTravel.



Malta's Foodscape: Looking into the Future

Dr Noel Buttigieg

Department of Tourism Management – FEMA, University of Malta

Gastronomy tourism is a valued immersive experience recognised for its potential of enhancing the development of destinations. As a curious explorer, the tourist aspires to dive into a sensory experience, a medium leading to learning more about a destination, its cultural heritage, and its people. Undoubtedly, the vibrant and dynamic nature of a destination's foodscape is a vital identity marker. The term "foodscape" emphasises those human-generated relationships between food environments and the geography of food in what concerns policy, identity, location of food and even the human response to associated behaviours.

Against this background, gastronomy tourism provides several connections between product, tourism, and a destination's gastronomy. It presents a destination with the potential of defining itself through food. Food appeals to the emotional experience of the tourist. Food offers a fantastic backdrop for storytelling, an inspiration for the narrative of an individual, a group or a nation. While empowering the visitor with authentic, immersive experiences, gastronomy tourism becomes an indispensable contributor towards the promotion and branding of a destination.

Malta is not alien to such developments. Stakeholders are increasingly recognising the potential of the Islands' foodscape. Nevertheless, Malta is still awaiting a concerted effort to create those synergies among the various stakeholders that could contribute towards promoting Malta's uniqueness as a branded food destination.

Developing a Food Destination

That food is an essential element in building a destination brand is a known fact. While a destination can boast of its food-related services and activities, food experiences must reflect the destination's attributes for food tourism to succeed.

Although Maltese food products are often hailed for their excellent quality, this understanding might come across as some well-kept secret by the locals. Since the early days of tourism to Malta, visitors regularly commented about this rather exotic standard. Maltese products repeatedly surprised the tourist, from the sophisticated gastronome to the visitor who unintentionally crossed paths with Malta's foodscape.

Malta's foodscape is more than a list of specific dishes. Offering opportunities for food experiences outside of restaurants serving 'Maltese traditional food' is also an important part of the tourist experience. Food festivals and farmers' markets provide various opportunities to celebrate the local agricultural, farming and fishing industries. Food and drink trails, a product with great potential for Malta and Gozo, can elevate food-tasting experiences of local produce and cooking techniques. In all cases, collaboration rather than competition could be developed through well-articulated gastronomic networks. Let us not be anesthetised by the various defeatist attitudes of some. Challenges ought to present us with opportunities.

An exciting food destination offers more than access to good food. It is also about communicating the various food-related options to support the destination's brand. The narrative behind Malta's food needs to reach our audience. The visitor is interested in a holistic, immersive experience of Malta's culture, and what better way than a whole sensory experience through food?

The Islands' culinary foodscape is increasingly becoming a critical aspect of the Malta brand. Besides aspects related to governance, branding and technology, an attempt is made here to discuss the urgent need to develop Malta's food-related narrative, recognising the exclusiveness of the local product while continuing to use gastronomy tourism's potential towards inclusive and sustainable development.

1. Narrative

History is one of Malta's greatest assets. Spanning over 8,000 years, the confluence of various cultures moulded the Maltese identity. Since time immemorial, the islands have been dominated by several leading Mediterranean and European civilisations. Strategically situated at the crossroads of the Mediterranean basin, the Maltese archipelago became the epitome of Mediterranean culinary cultures. Against this background, Malta's culinary narratives are unique and, in many cases, still undiscovered.

Insights into Malta's rich culinary heritage are now gaining momentum. Recently, food-related offers started to enrich the versatility of the destination, transcending beyond the restaurant's traditional dishes. While an essential asset for gastronomy tourism, the latter remained rather limited in scope. For the past two decades, Malta's traditional food narrative remained relatively dire and unchanged. Nevertheless, isolated attempts based on research from Malta's rich archival repositories opened a window into various unique characteristics of the Islands' foodscape. As a gastronomic destination, Malta needs to broaden the scope of the different tangible and intangible culinary assets to further enhance the destination's narrative.

Professionally informed narratives could further facilitate the development of various culinary-related offers. For instance, one could explore how Malta's and Gozo's culinary heritage could be linked with other special interest tourism products such as religious/spiritual tourism. Narratives also foster formal, informal, and non-formal educational opportunities. Informed prospective chefs could enhance the emotional charge of the visitor when narrating stories about their culinary creations. Tourist guides offering food-related services should be trained and certified to avoid misinformation and tap into the visitor-centred experience. In other words, an innovative approach supported by a concerted effort from all stakeholders could bring to light untapped opportunities.

2. Research and Innovation

Besides Malta's rich historical tapestry, the country could benefit from celebrating local produce. As an island with limited resources, Malta imports large quantities of its food supplies. While many might consider this a drawback, the growing exotic nature of the Maltese product elevates the uniqueness of Malta's tastes.

Malta remains the EU country with the least registered products for quality or origin. Except for wine, ftira is the only food product that has earned international recognition. Unfortunately, nothing much has transpired from such recognition. A concerted effort is necessary to elevate the importance and celebrate the quality of local produce. Collaborations with research institutions should help identify the product's unique attributes. Historical evidence, supported by scientific data, allows for effectively registering local products when considering international labelling.

The effort of producers to safeguard local products should also be recognised through national standards. Official institutions should adopt quality labelling, including traceability. In search of quality, the gastronomy visitor should be assisted through a register of recognised gastronomy service providers (besides restaurants) to facilitate outreach.

Research into Malta's foodscape informs an inventory of Malta's and Gozo's tangible and intangible culinary heritage, including the food mapping of specific regions. The MTA's 2021-2030 Tourism Strategy has already identified the need to develop Gozo's gastronomic scene independently from Malta's. Preliminary research has already indicated a series of distinctive qualities that could further attest to the destination's diverse gastronomic experiences.

The courage and determination of individuals and organisations interested in Malta's culinary products have provided remarkable information beyond the narratives we have been threading upon for a long time. Research projects conducted by various educational institutions unearthed new information about existing, endangered and lost culinary heritage. These initiatives need support and potential platforms to propagate this information, providing opportunities for the public to own up to their culinary heritage and to narrate their food-inspired stories.

3. Inclusivity and Sustainability

Gastronomy tourism nurtures inclusive and sustainable economic, socio-cultural, and environmental practices. UNWTO reports celebrate various destinations that managed to use foodscapes to generate economic growth, empower disadvantaged members of society, reduce poverty and unemployment, encourage social inclusiveness, and promote cultural values and diversity while protecting the natural environment through the effective use of resources.

Regardless of the powers of gastronomy tourism as an agent of change, inclusivity and sustainability depend on the collective acumen of the foodscape's stakeholders. An invested effort is necessary to recognise those stakeholders who understand the importance of the human and natural environment and use examples of good practice to foster other sustainability heroes.

Conclusion

Discussing Malta's foodscape allows us to understand complex social, economic, and political behaviours within a constantly changing eco-system. Developing a strategy to enhance and expand the full potential of Malta's culinary foodscape is a much-needed exercise. The islands can boast of several quality food-related experiences; however, without a concerted effort, these elements are often relegated to lower positions on the list of strategic priorities.

While recognising the efforts of all stakeholders, tourism could further elevate Malta's foodscape. This synergy, however, also requires ongoing research to inform the constantly changing needs of the visitor and avoid uninformed perceptions.

Without any doubt, this is a gargantuan task. The bringing together of various stakeholders is no easy feat. Building synergies requires time, dedication, and a common vision. Amid such challenges, Malta's micro case-study could inspire gastronomy tourism destinations towards a more sustainable world.

Malta's gastronomic qualities are relatively unknown and often experienced retrospectively once the tourist arrives in Malta. In an unprecedented manner, the MTA's 2021-2030 strategy document demands attention to the foodscape of this small archipelago and aspires to perpetuate one of the best markers of Malta's hospitality. This attention is encouraging on various levels, including an emphasis on the importance of good, clean, and fair gastronomic experiences.

5

FUTURE SCENARIOS

Does Tourism in Malta Have a Future? If So, What Future?

Dr Ian Yeoman

Professor of Disruption, Innovation and New Phenomena in Hospitality and Tourism

A Changing World

COVID-19 was a dystopian event which had the most disruptive effect on global tourism flows since tourism statistics were first recorded in 1950 (UNWTO, 2020; Yeoman, 2023). As a response, many destinations sought to think about tourism for a better world as from 'dystopia we seek utopia, from despair we seek hope.' This was the basis of the Malta Tourism Authority's (2021, p. 6) Recover - Rethink - Revitalise strategy, which states:

A longer-term re-evaluation and repositioning to reflect evolutionary forces as well as new post-pandemic and Climate Change realities – both negative and positive.

A detailed and committed program of deliverables covering the various strategic challenges addressed by this strategy with a view to being able to deliver a stronger, more sustainable, and competitive tourism industry by 2030.

Recover - Rethink – Revitalise

is a strategy document which encapsulates a preferred future and the actions required to achieve that future. The problem with preferred futures is that it is not the future that might occur given the environment of volatility, uncertainty, complexity, and ambiguity (Baran & Woznyj, 2020; Buckley, 2019; Major & Clarke, 2021) we operate in today. Whether it is war in Ukraine, the China-Taiwan political environment, the rapid advancement of artificial intelligence, changing demographics and climate change. Hence, it is important to understand how the external environment will shape the future of tourism and the importance of developing agile strategies that can respond to different futures or scenarios.

Scenarios for the Future of Tourism

In this article, we present four scenarios for tourism in Malta in 2040 as a means to ponder and think about the future. Scenarios are not forecasts but descriptions of possible futures in which to 'think, engage and action' change (Dator, 2014). It is all about understanding the future, being prepared, and thinking outside the box. Thus, the platforms are a means for discussion and debate about the future of tourism in Malta, not an answer but something to think about. The scenarios are based upon Dator's (2014) principles of difference; hence the scenarios represent growth, transformation, stagnation, and collapse.

Scenario 1: A Regenerative Future - Reposition, Realignment and Refocus (Transformation)

2023 was a turning point for European tourism. A realisation that a fundamental and radical shift was required because of climate change. In particular, the countries of the Mediterranean faced the challenge of transformation as tourists no longer wanted to be passive bystanders to environmental and social decline that are incompatible with eco-ethical values and behaviours. Throughout the 2020's, transformational change occurred within Europe's tourism industry. Seasons shifted radically, particularly in the Mediterranean. Malta's response was radical. Initially, the government capped the number of tourists coming to the island at 2 million in 2026 in order to prepare a transitional pathway towards regenerative tourism in 2030.

Reposition, Realignment and Refocus was the Malta Tourism Authority's strategy document. A strategy with a vision to make the islands of Malta the 'Spiritual Capital of Europe' through regenerative tourism. Well-being, mindfulness, small-scale and community became the focus of tourism. Regenerative tourism meant a climate positive and ethically responsible industry aligned to the UN's Sustainable Development Goals. The Knights of St John became known as the spiritual guardians of Malta, with tourism at the heart of this. It was tourism that had an empowering message of change and transformation. We saw tourism businesses take on the leadership of caring for their communities and advocating for a better future. Regenerative tourism embraced inclusivity going forward, whether it was five-star resorts or the viticulture industry. Spirituality was everyone's business. All of this meant Malta's tourism brand now had social status and was a beacon of eco-positive behaviour. In 2040, the tourism economy generated € 3.5 billion, employing 32,000 people, and representing 11% of GDP. But the core benefits of a regenerative approach to tourism are now not just economic, but also social wellbeing and Malta's position in the climate changed world.

Scenario 2: A Sustainable Pathway – Adaption and Innovative Growth (Growth)

Tourism in Malta has adapted to change in the new world of tourism. Strong investment by governments and the EU to mitigate and adapt to a sustainable pathway was enshrined in the Sustainable Tourism Act (2026) in which unsustainable tourism practices where quickly eradicated and penalised, whereas tax incentives and investment created opportunities and new markets. Examples of the legislation included the ability of tourists to offset their indulgence, as every visitor attraction, restaurant meal or hotel stay had a CO2 measurement in which the price reflected impact. In particular, the more tourism businesses and government invested in green infrastructure, the more attractive and economically viable tourism became.

An extension to the Act in 2034, allowed further offsetting through a discount scheme, in which tourists could undertake 'activities for the good' through community volunteer programs. A series of investments in low or no emissions schemes meant that by 2040, petrol and diesel engines were virtually non-existent on the islands. Europe's short haul aircraft were now 'electric' and hydrogen ships common place for ferries and cruise ships. All of these changes, along with a shift in seasons, meant a sustainable future for tourism.

In 2040, tourism is a €5 bn industry, directly employing 52,000 people and representing 20% of GDP. According to the European Index of Sustainable Travel, Malta ranks 10th in its commitment to sustainable travel. Tourism maintains its position as the country's first and everlasting industry.

Scenario 3: Europe's Second Class – Second Choice Destination (Stagnation)

Tourism in Malta is based upon the past, a world of icons and complacency. Holding onto the glory of the past when in a changing world of new values, climate change and geopolitical environments.

Malta was bogged down with political malaise and a lack of transformation. Tourism in 2040 still exists, but it is fading according to the Lonely Planet Guide: Malta reminds me of Spain in 1970's, cheap, tacky, and going downhill. There is no longer anything authentic about it.

The key points of this scenario include:

- Incremental decline in international arrivals over the last twenty years.
- The tourism product in 2040 is deemed to be 'second choice – second class'.
- Uncompetitive and un-innovative.
- 1-3% fall in international arrivals per annum over the last twenty years.

In 2040, tourism contributes €1.5 bn to the economy, directly employing 25,000 people and is 6% of GDP. Tourism still makes an important contribution to Malta's economy, but it is one that is in slow decline. It is the 'old dog' of the economy, as its value and contribution has diminished in real terms. Tourism is a second division destination, which is struggling to be competitive primarily because of climate change, and the European economy. Southern Europe and the Mediterranean simply became too hot for many markets.

Malta's product portfolio has faded. Resorts still have a presence, but the decision by Hilton and Corintha to de-invest in the islands was an indicator of falling RevPAR and other countries offered better opportunities. It was not just climate change that led to Malta's sclerosis of decline, as the country's young decided their future was not Malta but Sweden, Germany, France, and the USA. An educated population does not want to work in the service industry and other entrepreneurial opportunities beckoned elsewhere. Tourism had lost its panache.

Core markets are still Italy, Britain, and Germany. Visitors are 'grey and mature,' many are return visitors who keep coming back every year. Others have second homes on the islands and often come in the winter months. Healthcare and assisted living residences now offer more bed nights than hotels. Conventions, once a growing sector in tourism, are now on the fringes due to the lack of investment and infrastructure on the islands. Government investment has been hampered by government debt and an increasingly ageing population which increasingly dominates government expenditure on healthcare and pensions.

A report by the World Health Organisation about the Cholera outbreak in 2032, signified the lack of investment in water infrastructure, corruption, and political malaise. Governments did try and address the decline through a compulsory 'quality-to-practice' scheme and environmental legislation. But these measures were perceived as half measures. In any case, they could not reverse the impacts of climate change.

Scenario 4: No Tourism (Collapse)

Tourism was once the heart of the Malta's economy, but how things changed so rapidly. As Professor Michael Farrugia noted: "Tourism in the late 2020's collapsed for a number of reasons. First, European tourists moved north to more temperate climates in the Netherlands, Scotland, and the Nordic countries, as the heat of the Mediterranean became unbearable and caused continuous wildfires. Second, securing travel insurance to many Mediterranean countries became impossible. Third, the shortage and cost of water. As without water, there is no life. Fourth, the political volatility and continued disruption to tourism flows because of war in the Middle East meant Malta was overrun with immigrants flowing through North Africa as they tried to reach Europe."

In 2040, tourism does still exist in enclaves but is not what it used to be. Economically it could be described as minuscule and thus statistics are simply not available.

Concluding Thoughts

The role of scenarios is to provoke thinking in order to bring about change. Thus, the four scenarios in this paper to a certain extent represent the realities of the immediate threat to tourism. The four scenarios represent a living or thinking document in order to respond to the future in the following ways:

Scenario 1	A Regenerative Future (Transformation) represents a new model for tourism, in which degrowth shapes Malta as the spiritual capital of Europe.
Scenario 2	A Regenerative Future (Transformation) reprea A Sustainable Pathway (Growth) represents the challenge of how tourism in Malta can grow the right way through change, adaption, and mitigation. sents a new model for tourism, in which degrowth shapes Malta as the spiritual capital of Europe.
Scenario 3	Europe's Second Class – Second Choice Destination (Stagnation) presents inaction and political malaise in which change is ineffective at dealing with the challenges of the future. Consequently, tourism sees a sclerosis of decline.
Scenario 4	No Tourism (Collapse) represents the sudden impact of change due to the accelerated trend of rising temperatures and other external factors which converge leading to collapse.

References

1 Baran, B. E., & Woznyj, H. M. (2020). Managing VUCA: The human dynamics of agility. Organizational dynamics.

2 Buckley, P. (2019). International business in a VUCA world: The changing role of states and firms: Emerald Group Publishing.

3 Dator, J. (2014). Four Images of the Future. Set: Research Information for Teachers, 61-63.

4 Malta Tourism Authority (2021). Recover rethink revitalise—Malta tourism strategy 2021–2030. MTA, Malta.

5 Major, J., & Clarke, D. (2021). Regenerative tourism in Aotearoa New Zealand – A new paradigm for the VUCA world. Journal of Tourism Futures, ahead-of-print (ahead-of-print). doi:10.1108/JTF-09-2021-0233

6 UNWTO. (2020). Policy Brief: COVID-19 and Transforming Tourism. Retrieved from Madrid: https://webunwto.s3.eu-west-1.amazonaws.com/s3fs-public/2020-08/SG-Policy-Brief-on-COVID-and-Tourism.pdf

7 Yeoman, I. S. (2023). How COVID-19 changed the world of tourism research. Journal of Tourism Futures, 9(1), 2-3.

CONTRIBUTOR BIOS

Hon. Clayton Bartolo

Hon. Clayton Bartolo is Malta's Minister for Tourism. As Minister, he introduced a number of reforms aimed at recovering Malta's primary economic pillar. As a result of these reforms, tourism to Malta is one of the least seasonal in the Mediterranean, generating incremental tourism volume and value throughout the year. As Minister he piloted the launch of Malta's Tourism Strategy 2021-2030 based on the three overlapping pillars of Recover, Rethink, Revitalise. 2023 is expected to be the year of full recovery for Malta, a full twelve months ahead of initial projections. He is a certified public accountant and auditor by profession and is a member of the Public Accounts Committee within the House of Representatives.

Carlo Micallef

Carlo Micallef is a graduate of the University of Malta with a Bachelor of Commerce, Management specialised in Marketing. In a career that spans more than 25 years, he held various important roles within the Malta Tourism Authority (MTA) and the Institute for Tourism Studies (ITS). During this period, Carlo served as MTA's Director in its Amsterdam office where he was responsible for the promotion of the Maltese Islands in the Netherlands, Belgium, and the Nordic Countries. Upon his return to Malta, he was entrusted with the expansion of our country's promotion in new tourism markets and niches. In 2014, Carlo was appointed Chief Marketing Officer at MTA and in 2017 he was appointed as Deputy Chief Executive Officer of the same authority. In 2013, he started serving on the Board of Governors of ITS and in 2017 he was appointed Chairperson of the same educational institution. In 2022, Carlo was appointed CEO of the Malta Tourism Authority.

Leslie Vella

Leslie Vella was born in 1964 and graduated from the University of Malta with a BA (Hons) in Business Management. He has a 40-year career in tourism with the Malta Tourism Authority (MTA) where he is currently Deputy CEO and Chief Officer Strategic Development. He specialises in Policy, Strategy, Research and Planning. Leslie served for 17 years as Chair of the European Travel Commission's (ETC) Market Intelligence Group between 1997 and 2014 and served as ETC's Vice President between 2016 and 2017. He is Malta's Focal Point to the UNWTO and in 2023 was elected to the UNWTO's Committee on Tourism and Competitiveness until 2028. In 1999 he co-authored "The Economic Impact of Tourism in Malta" and in 2015 drafted Malta's National Tourism Policy to 2020. He has also drafted Malta's Tourism Strategy and Recovery Plan for the period 2021-2030. In 2022, Leslie was appointed Managing Director of the Malta Tourism Observatory.

Gavin Gulia

Dr Gavin Gulia graduated Doctor of Laws from the University of Malta in 1988. He is a practising lawyer for the last 32 years specialising in private law, civil law, real estate law and tourism law. He was a Local Councillor at Ħaż-Żebbuġ, his hometown, in 1993 - 1995. He was then elected to the Malta House of Representatives in 1996, 1998, 2003, 2008 and 2021. In 1996 he was appointed Parliamentary Secretary for the Self-Employed and then Minister of Justice in 1998. Post 1998, he served as Shadow Minister for Home Affairs, Shadow Minister for the Economy and Shadow Minister for Tourism. During his tenure as Chairman of the Malta Tourism Authority (MTA) since May 2013, a position he still holds today, Dr Gulia assumed various other positions within MTA including that of Executive Chairman of the MTA from 2018 to 2020. Dr Gulia is the Honorary President of the St Philip Band Club at Ħaż-Żebbuġ, and Honorary President of the Zebbug Rangers Football Club.

Tania Sultana

Tania is Head of Research at the Malta Tourism Authority. She has worked in tourism for 25 years and her main area of expertise is tourism market research and strategic planning. She received her Bachelor of Commerce (Hons) degree in 1998 and completed a Master of Science in Strategic Management and Marketing in 2018 at the University of Malta. She has participated and presented research work in international tourism research conferences and seminars namely organised by Eurostat, OECD and UNWTO. She represents the Malta Tourism Authority and is currently Chair of the Market Intelligence Group (MIC) of the European Travel Commission. Tania has been a member of the Management Board of the Malta Tourism Observatory since its inception.

Ian P. Cassar

Dr Ian P. Cassar is a Senior Lecturer at the University of Malta within the department of Economics (Faculty of Economics, Management and Accountancy). His main teaching areas include macroeconomics, mathematical economics, applied macroeconomics and natural resource economics. His research interests include input-output analysis, the economics of structural change and tourism economics. He graduated with a B.Com (Hons) in Economics from the University of Malta in 2006. Subsequently, in 2007 he obtained a MSc in Economics from the University of Edinburgh. In 2013, he was awarded a Ph.D. in Economics from Heriot-Watt University (Edinburgh). Dr Cassar previously occupied the position of Council member of the Malta Fiscal Advisory Council, has in the past served as director for the Malta Statistical Authority and currently occupies the position of associate editor for economics within the academic journal of Xjenza Online.

Kevin Vella

Kevin Vella joined the Economic Policy Department in 1999 and currently heads the Department in his position as Director General. He has also been a visiting lecturer at the Department of Economics at the University of Malta since 2004. Mr Vella graduated in Economics with the University of Malta in 1999. He obtained his Master's degree in economics from Warwick University in 2003 and has also undergone training at the IMF Institute in Washington in 2007. He formed part of the Economic Policy Committee until April 2013 and is currently the Alternate member of the Economic and Financial Committee. Mr Vella was also a member of the Creative Economy Working Group representing the Ministry for Finance and has directed a small team of experts within the Economic Policy Department in order to carry out research on the culture and creative industries. His research interests include econometrics, forecasting, economic development, public finances, EU fiscal governance frameworks, balance of payments and capital flows, tourism, industrial policy and the creative economy.

Sean Buttigieg

Sean Buttigieg is a Senior Economics Manager at the Office for Competition within the Malta Competition and Consumer Affairs Authority. His main role is to ensure that competition in the market is not distorted and that markets operate efficiently. His work includes antitrust investigations of restrictive practices between undertakings in terms of their effect on the structure of competition in regulated markets and assessing concentrations between undertakings, being mergers, acquisitions or joint ventures. His research interest include industrial economics, digital economy, tourism and input-output analysis. He graduated with a B.com (Hons) in Economics in 2014 and subsequently obtained a MSc in Economics from the University of Edinburgh in 2017. Mr Sean Buttigieg previously occupied the position of Economic Analyst at the Economic Policy Department within the Ministry for Finance and Employment, where he worked on both the macroeconomic and fiscal forecasts. He has also been a visiting lecturer at the University of Malta.

Alex Cardona

Alex Cardona was awarded a Master's Degree in Business Administration by the University of Leicester. He gathered experience in both the aviation and hospitality industries while working for the national carrier and an international hotel chain having its base in Malta. Mr Cardona joined the Traffic Development team at Malta International Airport in 2013. Under his leadership, the traffic development team was successful in expanding Malta Airport's route network considerably and attracting a number of new airlines to start operating from Malta. In 2018, Mr Cardona was promoted to Head of the Traffic Development and Customer Services Department, which was set up to enable the company to realise its vision of providing an excellent airport experience to every one of its guests. In 2019, administration was shifted under Mr Cardona's responsibility, with the aim of having oversight of both the team of front-liners who deliver the customer experience and the back-of-house team. In 2023, Mr Cardona was appointed Senior Vice President of the Traffic Development, Customer Services and Administration Department.

Arthur Grima

Arthur Grima's career in the aviation and tourism industry spans over three decades. After completing his Business Management degree, he began his journey with Air Malta plc in 1991 as an Assistant Sales Manager. He was presented with the opportunity to take postings abroad, namely that of Assistant to the Regional Manager for Central Europe in Frankfurt in 1994 and later moved to Vienna as Country Manager for Austria in 1995. In 2001, he was once again posted as Country Manager for The Netherlands in Amsterdam and later assumed the role of Country Manager for Germany and Austria, based in Frankfurt, in 2004. He returned to Air Malta's head office in 2012, where he took the role of Tour Operator & Travel Agent Key Accounts Manager. In 2015, he ventured into a new chapter by joining the Malta Tourism Authority as Senior Manager Marketing. He was appointed Director of Marketing in August 2022.

Joe Muscat

Having worked in one of the leading Gozitan hotels since 1979, Joe Muscat joined the Gozo Tourism Association (GTA) in 2011 on a full-time basis and currently occupies the post of Chief Executive Officer of the same association. He is one of the founder members of the GTA, which represents the diverse sectors of the tourism industry on the island, ranging from accommodation to catering and other establishments offering various tourist services. He has served on the association's Council since its inception in 1999, and throughout these years, up to 2010, Joe has been successively endorsed as General Secretary of this association. As Vice-Chairman of the Gozo Regional Committee (GRC), Joe Muscat currently sits as one of its representatives on the Maltese Council for Economic and Social Development (MCESD). At present, Joe Muscat is also a Director on the Malta Tourism Authority (MTA) Board, appointed as the person representing the Gozitan tourism sector. He is a member of the Dwejra Steering Committee, and a member of the Coordination Committee for Sustainable Urban Development (COCOSUD).

Claire Briffa Said

Claire currently holds the position of Tourism Manager within the Research Unit at the Malta Tourism Authority (MTA). She has gained over twenty years of tourism experience and her main area of expertise is tourism market research. She received her Bachelor of Commerce (Hons) degree in 1997 from the University of Malta. Since then, she has been entrusted with several research tasks and projects pertaining to various aspects of the tourism industry, both local and international. She presented a paper at the International Forum on Tourism Statistics at the OECD. She also acquired expertise in the field of human resources within the tourism industry and collaborated closely with the Education Department to conduct a comparative analysis on the European Qualifications Framework (EQF) in tourism. She is currently involved in monitoring local tourism performance, analysing MTA research studies, monitoring tourists' behaviour and changing trends, benchmarking Malta against competitor destinations and analysing the travel sentiment.

Ramona Saliba

Ramona is the Research Manager of the Strategic Development and Research Division within the Malta Tourism Authority. In 1998, she achieved a Bachelor of Commerce (Hons) degree with specialisation in Economics. With 25 years of experience, her central area of specialisation revolves around the tourism sector. Her primary role involves planning, organising, and conducting market research on domestic and international visitors' characteristics, satisfaction and expenditures for tourism. Furthermore, she is responsible in assisting the formulation of the strategic plan to enhance the development of the tourism industry. She was also a member of the Valletta 2018 Foundation Evaluation and Monitoring Steering Committee to monitor and evaluate the process and impacts of Valletta as European Capital of Culture.

George Micallef

George Micallef has worked in the tourism industry his entire life. He has been a practising freelance tourism development consultant since 1987 but remained actively involved in the hotel industry ever since. He holds directorships on a number of companies and sits on various tourism governing local and international boards. George has led several projects in the Public and Private, sector both in Malta and overseas and served as a consultant to various Ministers of Tourism over the years. He has extensive experience in tourism development at a national level and has collaborated with various international institutions, published various articles and studies, and delivered papers at international fora on tourism development. George is a Board Member of the Malta Tourism Authority and Deputy Chairman of the Management Board of the Malta Tourism Observatory since its inception.

Kevin Fsadni

Kevin Fsadni was born in 1973 and graduated from the University of Malta in Engineering and Architecture in 1995. After working in the private sector as an architect, he joined the Malta Tourism Authority in 2001 where he worked in product development and project implementation. In 2015 Kevin was appointed Director - Product Development, overseeing all projects and initiatives related to heritage, coastal zone management and tourism development. In 2022, he was appointed Deputy CEO with the responsibility for product development, licensing, compliance, quality assurance and eco-certification. Kevin is also involved in a number of cross-ministerial initiatives related to policy development and sits on Boards and Committees including the Tourism Regeneration Agency and the Planning Authority. Kevin was recently appointed member of the Management Board of the Malta Tourism Observatory.

Mariella Attard

Mariella Attard is a Manager within the Research Unit at the Malta Tourism Authority (MTA). With over 20 years of experience, her main area of expertise is tourism market research. In 2001, she received her Bachelor of Arts (Hons) in Sociology from the University of Malta. She was a contributor in the Calypso URTS EU-funded project and an active member of the Valletta 2018 Evaluation & Monitoring Steering Committee.

Vincent Marmarà

Dr Vincent Marmarà is a statistician and researcher by profession. He obtained his degrees (BSc (Hons), MSc, PhD) in Statistics and Mathematics at the University of Malta, Sheffield University (UK) and University of Stirling (UK). Dr Marmarà has been conducting surveys/reports for these past 19 years. He has been entrusted with numerous research projects both at a national and international level. He is also the owner of Sagalytics Ltd. (Surveys, BI and Data Science company). Vincent has over 17 years of experience in the gaming Industry. Dr Marmarà is also a Senior Lecturer at the University of Malta and associated with the Royal Statistical Society (UK). He is the author and/or co-author of a number of research articles published in international journals. Dr Marmarà took leading roles in Malta in relation to political surveys and mathematical epidemiology. His work is being reported on all the local media with high prominence.

Amanda Zammit

Amanda Zammit is the Director for Policy Development and Programme Implementation (PDPID) at the Ministry for Tourism. After completing a traineeship with the European Commission in 2007, she joined the public administration in Malta. She has extensive experience in policy, EU funds and EU affairs and has worked on various EU funding programmes both at the Managing Authority and within Line Ministries. Between 2018 and 2022 she served as the Director for PDPID at the Ministry for Energy and Water Management whereby she was responsible for policy, EU and international affairs and EU funds. She holds a B.A. (Hons) in International Relations, a Master of Arts in European Studies and a Master of Business Administration.

Mary Rose Briffa

After finishing college, Mary Rose worked at a small advertising agency where she was involved in the day-to-day running of the company. She then spent eleven years in the telecommunication sector, working at Telemalta/Maltacom. Mary Rose then spent a short period as a Marketing Executive in a travel agency before joining MCAST, a tertiary vocational education institution. Here she spent eight years working with students with intellectual disabilities and assisting mainstream marketing and management students. Mary Rose has a Masters in Marketing from the Chartered Institute of Marketing (UK), a graduate teacher certificate in vocational education and training, from MCAST (Malta) and an MBA in International Hospitality Management from the Institute of Tourism Studies (Malta). For the last seven years, she worked within the Project Development Policy Implementation office of the Ministry for Tourism and participated in the drafting of the Malta's Tourism Strategy 2021-30. In 2023, Mary Rose was appointed Manager of the Malta Tourism Observatory.

Tarek Habib

Dr Tarek Habib is a telecommunications engineer with a PhD from the French Space Agency - CNES in artificial intelligence applied to satellite image processing. He led business development activities within various structures: an SME, a large group and one of the world leaders in satellite service provision. He cofounded Murmuration in 2019 to build satellite earth observation-enabled services. The Murmuration team is developing state-of-the-art technologies to support decision-making in key and complex markets such as tourism. The team has been distinguished in 2023 by UN-World Tourism Organisation and ESA Rising Stars for the operational ability of their services to support institutions in defining and reaching the Sustainable Development Goals.

Geoffrey Lipman

Prof. Geoffrey Lipman is co-Founder and current President of SUN^{x} Malta - Strong Universal Network – a global initiative to support Climate Resilience, related SDGs, and Emergency Response through Climate Friendly Travel. He is also envoy for Sustainable Tourism Global Centre and lead for TPCC – Tourism Panel on Climate Change. Throughout his long career, Geoffrey played a key role in the emergence of Tourism as a serious socio-economic sector. He occupied leadership positions in various international bodies, including Executive Director at IATA, first President of WTTC and Assistant Secretary General of UNWTO. Geoffrey served on public / private sector boards in Africa, Europe, Middle East, and Canada. He was Tourism Envoy to UNDP Administrator; Member EU Commissions on Airline Liberalisation and on Tourism Employment: Environment Advisor to the Governor of Jeju Island, Korea: President ICTP (International Coalition of Tourism Partners). Worked closely with the World Economic Forum on its Competitiveness and Smart Travel activities. Geoffrey has written and lectured widely on tourism strategy, sustainability, and liberalisation.

Noel Buttigieg

Noel Buttigieg is a senior lecturer and an academic researcher at the Department of Tourism Management of the University of Malta specialising in cultural heritage with a particular interest in food culture. He co-authored the book L-Istorja tal-Kultura tal-Ikel f'Malta (2004) and is the co-editor of Food as 'Voice' (2020). His most recent publications are Food and the Pilgrim: Nourishment for Pilgrims and Faith-Based Tourists (Peter Lang AG International Academic Publishers, 2023), and Bread and Bakers in Eighteenth-Century Malta (Midsea Books, 2023). Dr Buttigieg was the main sponsor for the successful application for Ftira [a traditional sourdough flatbread] to be included in the UNESCO List for Intangible Cultural Heritage for Humanity in 2020. Dr Buttigieg is one of the directors of Taste History Limited, an arm of the national agency Heritage Malta. He is actively engaged in various projects on a national and regional level. Currently, Noel is the vice-president of the Malta Historical Society.

Ian Yeoman

Dr Ian Yeoman is a Professor of Disruption, Innovation and New Phenomena at NHL Stenden University of Applied Sciences (Netherlands) and a Visiting Professor at Ulster University (United Kingdom) and Victoria University of Wellington (New Zealand). Ian is passionate about the future of tourism, loves to write about it and talk about the topic. The future is a topic of imagination and innovation, but at the same time challenge and resilience. Dr Yeoman is co-editor of the Journal of Tourism Futures, and co-editor of Channelview's Tourism Futures series. He has written / edited over 20 books about the future of tourism and 70 research papers. Most recently, he was ranked in the world's top 2.5% scientists according to the latest Stanford University Index. Email: ian.yeoman@nhlstenden.com

Michael Piscopo (Editor)

Michael joined the National Tourism Organisation of Malta (NTOM) in 1988 as Advertising & PR Executive. In a career spanning over 30 years, he held various positions in the field of Marketing and PR, both locally and abroad. He served as the Malta Tourism Authority's Director in Amsterdam, New York, and London for a total of more than 12 years. He was also Director Communications & Digital Media, responsible for MTA's websites, social media, corporate communications, promotional literature, branded items, and a network of Tourist Information Offices. Michael presented at various conferences both locally and overseas. He sat on the boards of various professional bodies including the Association of National Tourism Organisation Representatives (ANTOR), the New Media Group of ETC, the US Working Group of ETC, and the Executive Committee of the Americas Division of the Middle East Mediterranean Travel & Tourism Association (MEMTTA) in USA. Michael holds a BA (Hons) degree in Public Administration from the University of Malta.

DATA APPENDIX

Tourism Statistics
January to December 2022

Tourism Statistics
January to August 2023

For latest updates and more statistical reports, visit: http://www.mtobservatory.org/reports-resources

Tourism Statistics January to December 2022

Summary of Main Inbound Tourism Indicators

Main Indicators of Inbound Tourism to Malta	2019	2021	2022	Change 2022/2021
Total inbound visitors[1]	2,771,888	977,403	2,330,320	138.4%
Inbound tourists	2,753,239	968,136	2,286,597	136.2%
Tourist guest nights	19,338,860	8,389,545	16,608,131	98.0%
Average length of stay	7.0	8.7	7.3	-1.4 of a night
Tourist expenditure (€'000s)	2,220,627	870,710	2,012,540	131.1%

Source: NSO (Inbound Tourism)

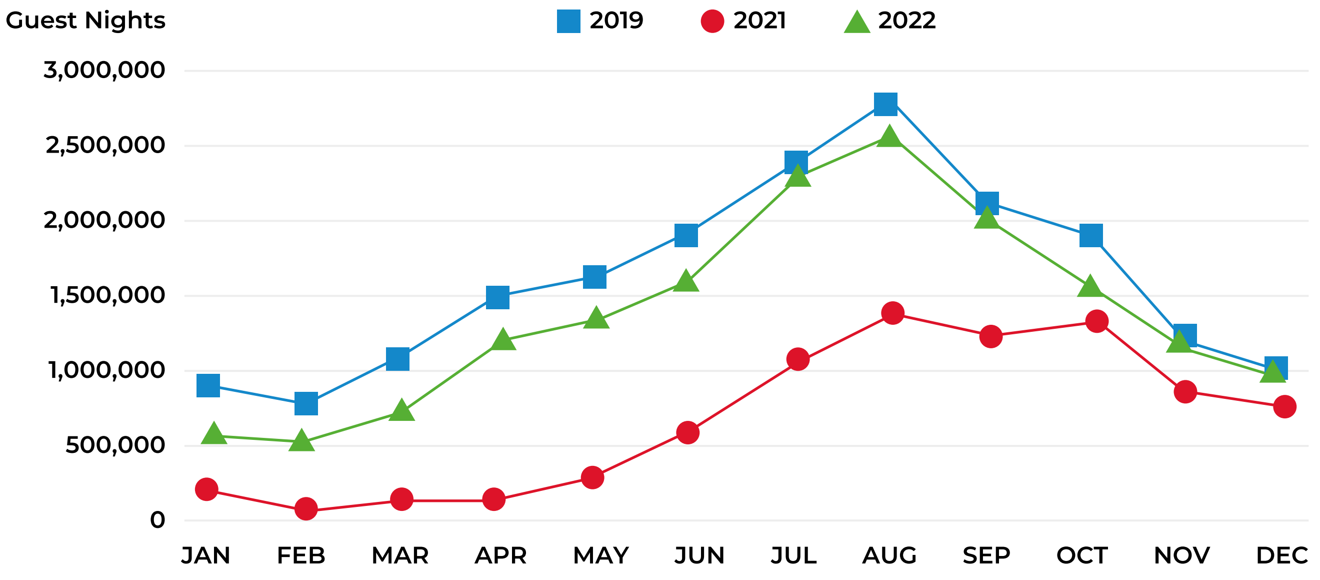
[1]incl. overnight cruise passengers

Inbound Tourists by Quarter	2019	2021	2022	Change 2022/2021
January to March	425,892	33,249	235,295	607.7%
April to June	782,176	106,438	661,142	521.2%
July to September	927,358	446,547	839,968	88.1%
October to December	617,814	381,902	550,191	44.1%
Total inbound tourists	2,753,239	968,136	2,286,597	136.2%

Source: NSO (Inbound Tourism)

Seasonality of Guest Nights

Source: NSO (Inbound Tourism)



Main Inbound Source Markets

Inbound Tourists	2019	2021	2022	Change 2022/2021
Australia	49,807	1,341	19,986	1389.9%
Austria	33,251	16,445	36,497	121.9%
Belgium	70,886	31,768	55,821	75.7%
France	239,140	133,912	258,372	92.9%
Germany	211,546	96,514	169,445	75.6%
Hungary	37,976	11,016	36,110	227.8%
Ireland	53,089	13,787	37,886	174.8%
Italy	392,955	127,774	398,198	211.6%
Netherlands	59,528	21,975	58,220	164.9%
Poland	104,228	68,172	143,229	110.1%
Nordic Countries	124,411	31,279	76,479	144.5%
Spain	116,295	35,787	86,801	142.6%
Switzerland	48,954	20,538	41,239	100.8%
United Kingdom	649,624	214,267	427,005	99.3%
USA	50,525	13,321	40,642	205.1%
Other	511,025	130,241	400,666	207.6%
Total tourists	2,753,239	968,136	2,286,597	136.2%

Guest Nights	2019	2021	2022	Change 2022/2021
Australia	477,105	19,914	239,334	1101.9%
Austria	199,710	123,928	249,552	101.4%
Belgium	458,266	236,981	370,411	56.3%
France	1,768,292	1,156,078	1,936,117	67.5%
Germany	1,519,440	786,629	1,276,351	62.3%
Hungary	226,736	75,375	202,002	168.0%
Ireland	347,940	109,500	258,315	135.9%
Italy	2,524,847	1,295,503	2,482,664	91.6%
Netherlands	433,665	183,148	489,644	167.3%
Poland	687,924	464,544	873,024	87.9%
Nordic Countries	881,690	270,967	586,821	116.6%
Spain	726,039	312,331	685,890	119.6%
Switzerland	352,216	188,166	293,223	55.8%
United Kingdom	4,439,274	1,730,720	3,017,469	74.3%
USA	313,337	97,476	292,283	199.9%
Other	3,982,379	1,338,286	3,355,029	150.7%
Total guest nights	19,338,860	8,389,545	16,608,131	98.0%

Expenditure (€'000s)	2019	2021	2022	Change 2022/2021
Australia	74,823	2,180	35,427	1525.3%
Austria	27,622	14,435	31,803	120.3%
Belgium	51,517	27,702	48,380	74.6%
France	192,285	120,764	223,683	85.2%
Germany	175,592	96,532	167,600	73.6%
Hungary	21,639	6,989	20,726	196.5%
Ireland	46,144	14,933	38,839	160.1%
Italy	236,400	80,798	248,537	207.6%
Netherlands	46,880	21,905	56,176	156.4%
Poland	69,433	46,370	98,987	113.5%
Nordic Countries	112,252	31,648	85,039	168.7%
Spain	76,015	26,208	68,795	162.5%
Switzerland	50,585	25,750	49,905	93.8%
United Kingdom	514,388	220,879	417,508	89.0%
USA	58,579	18,709	58,259	211.4%
Other	466,473	114,907	362,877	215.8%
Total expenditure	2,220,627	870,710	2,012,540	131.1%

Source: NSO (Inbound Tourism)

Note: Inbound figures do not include overnight cruise passengers

Tourist Accommodation

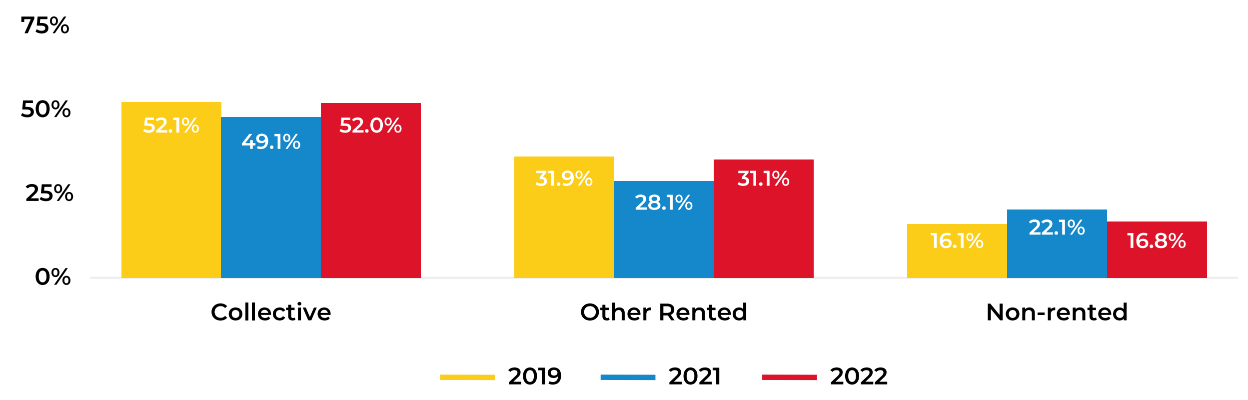
Tourist Accommodation Capacity, 2022

	MALTA & GOZO		MALTA		GOZO	
	Units	Beds	Units	Beds	Units	Beds
Hotels	154	36,517	139	35,079	15	1,438
5 Star	17	7,452	15	7,010	2	442
4 Star	51	16,797	47	16,159	4	638
3 Star	65	11,013	59	10,711	6	302
2 Star	21	1,255	18	1,199	3	56
Tourist village	1	738	1	738	0	0
Guest houses/hostels	198	6,488	175	5,864	23	624
Total Serviced Accommodation	353	43,743	315	41,681	38	2,062
Self-Catering Accommodation	4,677	19,656	3,336	12,363	1,341	7,293
Total Tourist Accommodation	5,030	63,399	3,651	54,044	1,379	9,355

Source: MTA Licensing Administration Office (as at January 2023)

Share of Guest Nights by Type of Accommodation

Source: NSO (Inbound Tourism)



Total Guests and Nights (by Residents and Non-Residents) in Collective Accommodation, 2022

	GUESTS	NIGHTS	ALS[2]
Malta and Gozo			
Total collective accommodation	1,813,431	8,207,483	4.5
Hotels	1,621,962	7,460,097	4.6
5 Star hotel	342,391	1,392,643	4.1
4 Star hotel	798,680	3,812,386	4.8
3 Star hotel	436,395	2,074,145	4.8
Other collective accommodation[3]	191,469	747,386	3.9
Malta			
Total collective accommodation	1,724,414	7,949,342	4.6
Hotels	1,548,686	7,240,112	4.7
5 Star hotel	321,214	1,324,357	4.1
4 Star hotel	769,813	3,712,455	4.8
3 Star hotel	419,076	2,033,960	4.9
Other collective accommodation[3]	175,728	709,230	4.0
Gozo			
Total collective accommodation	89,017	258,141	2.9
Hotels	73,276	219,985	3.0
5 Star hotel	21,177	68,286	3.2
4 Star hotel	28,867	99,931	3.5
3 Star hotel	17,319	40,185	2.3
Other collective accommodation[3]	15,741	38,156	2.4

Source: NSO (Collective Accommodation Establishments)

[2]Average Length of Stay
[3]Comprises guest houses, hostels and tourist villages

Occupancy Rates in Malta

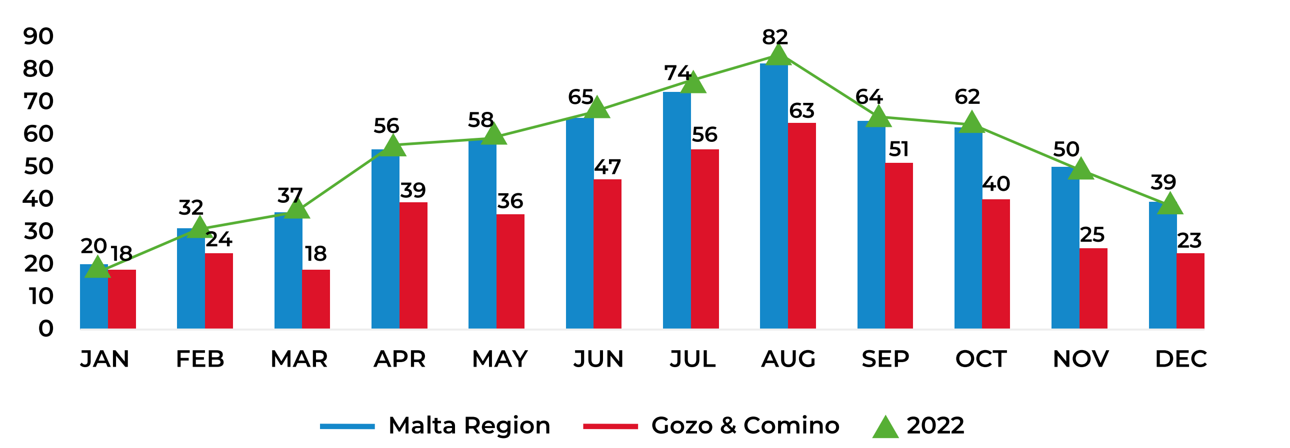
Occupancy Rates in Malta & Gozo, 2022 (%)

	Q1	Q2	Q3	Q4	YEAR 2022
Malta and Gozo					
Total collective accommodation	29.3	58.7	72.5	49.8	53.2
Hotels	30.4	60.7	75.2	52.2	55.3
5 Star	21.9	54.0	73.0	48.7	49.5
4 Star	34.2	65.4	78.4	55.6	59.5
3 Star	30.3	58.2	71.9	49.7	53.0
Other collective accommodation⁴	21.9	44.1	53.3	32.9	38.6
Malta					
Total collective accommodation	29.7	59.5	73.2	50.7	54.0
Hotels	30.7	61.4	75.7	53.0	55.8
5 Star	21.8	54.4	73.6	49.5	49.8
4 Star	35.0	66.5	79.1	56.8	60.5
3 Star	30.1	58.2	71.8	49.8	52.9
Other collective accommodation⁴	22.6	45.7	54.9	34.2	39.9
Gozo					
Total collective accommodation	20.1	40.5	56.9	29.8	37.9
Hotels	22.2	44.7	63.2	33.2	42.0
5 Star	27.0	48.2	63.3	35.6	45.3
4 Star	16.3	39.7	60.8	29.2	37.1
3 Star	38.9	57.0	73.9	44.0	54.8
Other collective accommodation⁴	13.0	26.6	36.5	18.1	24.4

Source: NSO (Collective Accommodation Establishments) *⁴Comprises guest houses, hostels and tourist villages*

Occupancy Rates in Malta & Gozo, 2022 (%)

NSO (Collective Accommodation Establishments)



Tourist Expenditure

Breakdown of Tourist Expenditure (€000s)

		2019	2021	2022	Change 2022/2021
Package expenditure		558,740	180,265	414,294	129.8%
Non-package expenditure	Air/sea fares	396,951	126,040	329,664	161.6%
	Accomodation	453,347	202,479	478,323	136.2%
Other expenditure		811,589	361,926	790,259	118.3%
Total		2,220,627	870,710	2,012,540	131.1%

Source: NSO (Inbound Tourism)

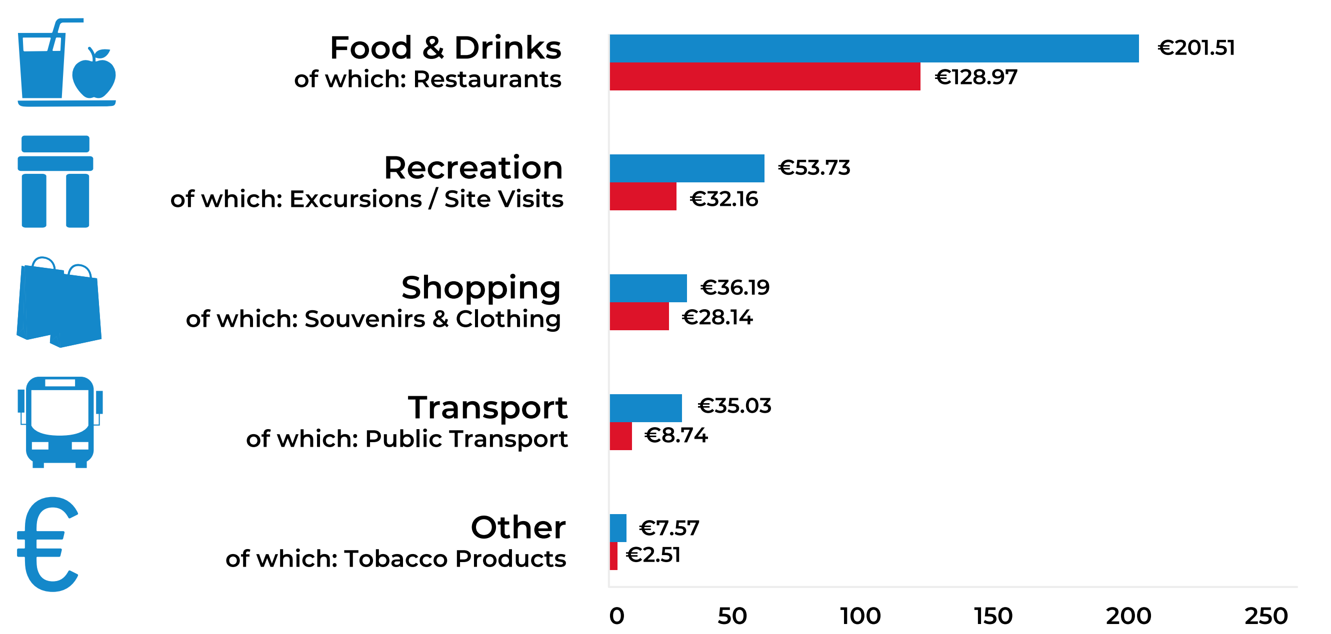
Breakdown of Tourist Expenditure Per Capita (€)

		2019	2021	2022	Change 2022/2021
Package expenditure		683	813	765	-5.9%
Non-package expenditure	Air/sea fares	204	168	188	11.9%
	Accommodation	279	334	319	-4.3%
Other expenditure		295	374	346	-7.6%
Total		807	899	880	-2.1%

Source: NSO (Inbound Tourism)

Per Capita Expenditure During Stay (Excluding Accommodation), 2022

Source: MTA Expenditure Survey, 2022



Incoming Tourists

Demographic Profile

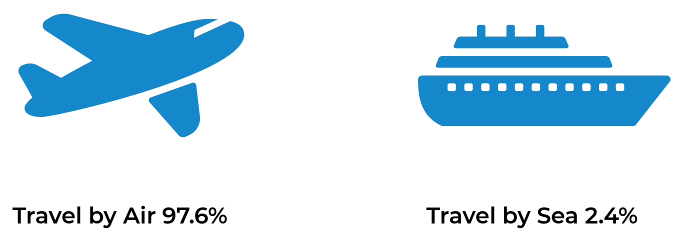
	2019	2021	2022	Change 2021/2022
Gender				
Males	1,368,550	502,914	1,135,265	125.7%
Females	1,384,689	465,223	1,151,332	147.5%
Age Group				
0-24	544,597	211,890	539,645	154.7%
25-44	1,101,842	408,670	909,967	122.7%
45-64	826,816	274,576	646,602	135.5%
65+	279,984	73,000	190,383	160.8%
Organisation of Stay				
Package	818,014	221,645	541,553	144.3%
Non-package	1,935,226	746,491	1,745,043	133.8%
Frequency				
First time tourists	2,056,139	695,562	1,720,984	147.4%
Repeat tourists	697,100	272,574	565,613	107.5%
Duration of Visit				
1-3 nights	600,879	174,627	509,404	191.7%
4-6 nights	821,265	257,584	733,882	184.9%
7 nights or more	1,331,096	535,925	1,043,311	94.7%
Total inbound tourists	2,753,239	968,136	2,286,597	136.2%

Source: NSO (Inbound Tourism)

Mode of Travel of Incoming Tourists, 2022

Source: NSO (Inbound Tourism)

Mode of Travel 2022



Tourism Statistics January to August 2023

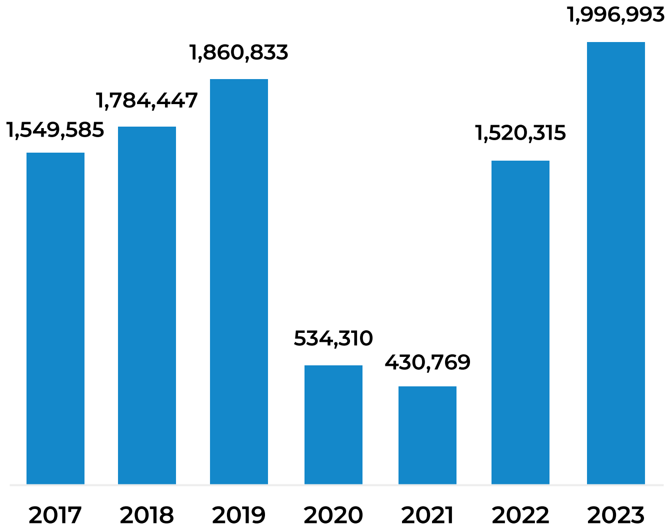
Summary of Performance

	Jan-Aug 2019	Jan-Aug 2022	Jan-Aug 2023	Change 2023/2019	Change 2023/2022
Total inbound visitors (including overnight cruise passengers)	1,860,833	1,520,315	1,996,993	7.3%	31.4%
Inbound tourists (excluding overnight cruise passengers)	1,848,935	1,487,404	1,986,260	7.4%	33.5%
Guest nights	13,161,794	10,861,405	13,579,112	3.2%	25.0%
Average length of stay (nights)	7.1 nights	7.3 nights	6.8 nights	-4.0%	-6.4%
Total expenditure (€000)	1,498,045	1,295,204	1,764,704	17.8%	36.2%
Expenditure per capita (€)	810	871	888	9.7%	2.0%
Expenditure per night (€)	114	119	130	14.2%	9.0%

Inbound Tourism January to August 2023

1,996,993 visitors

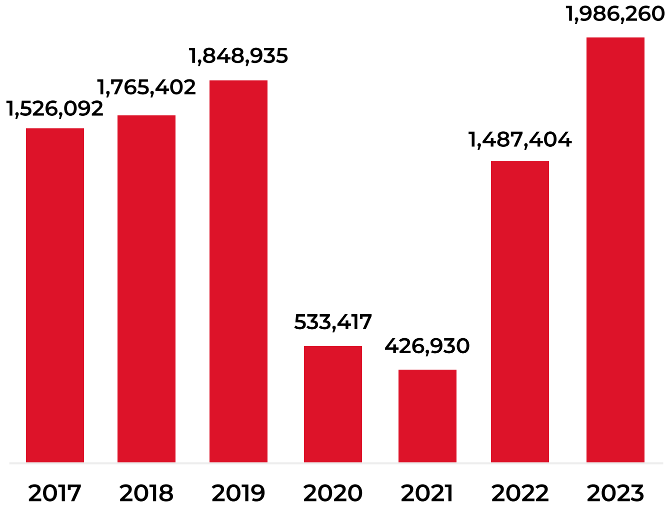
+31.4% over 2022
+7.3% over 2019



Note: Total inbound visitors include overnight cruise passengers.

1,986,260 tourists

+33.5% over 2022
+7.4% over 2019



Note: Note: Inbound tourists exclude overnight cruise passengers.

Inbound Tourists by Source Market

January to August	2019	2022	2023	Abs. Chg. 2023/2019	Change 2023/2019	Change 2023/2022
Australia	33,271	12,051	36,561	3,290	9.9%	203.4%
Austria	23,200	25,214	34,617	11,418	49.2%	37.3%
Belgium	47,647	36,887	44,683	-2,964	-6.2%	21.1%
France	167,744	178,574	206,840	39,096	23.3%	15.8%
Germany	137,202	107,228	135,254	-1,948	-1.4%	26.1%
Hungary	25,067	24,284	32,646	7,579	30.2%	34.4%
Ireland	34,879	23,640	32,947	-1,932	-5.5%	39.4%
Italy	278,787	270,231	389,059	110,272	39.6%	44.0%
Netherlands	39,608	39,616	39,635	28	0.1%	0.1%
Poland	70,399	91,674	103,653	33,255	47.2%	13.1%
Nordic countries	82,319	49,999	57,483	-24,836	-30.2%	15.0%
Spain	80,871	58,898	80,323	-548	-0.7%	36.4%
Switzerland	33,408	24,863	37,833	4,424	13.2%	52.2%
United Kingdom	428,471	276,027	351,920	-76,551	-17.9%	27.5%
USA	33,359	24,162	35,320	1,961	5.9%	46.2%
Other	332,702	244,055	367,486	34,783	10.5%	50.6%
Total	1,848,935	1,487,404	1,986,260	137,325	7.4%	33.5%

January to August	Market Share 2019	Market Share 2023
Australia	1.8%	1.8%
Austria	1.3%	1.7%
Belgium	2.6%	2.2%
France	9.1%	10.4%
Germany	7.4%	6.8%
Hungary	1.4%	1.6%
Ireland	1.9%	1.7%
Italy	15.1%	19.6%
Netherlands	2.1%	2.0%
Poland	3.8%	5.2%
Nordic countries	4.5%	2.9%
Spain	4.4%	4.0%
Switerland	1.8%	1.9%
United Kingdom	23.2%	17.7%
USA	1.8%	1.8%
Other	18.0%	18.5%
Total	100.0%	100.0%

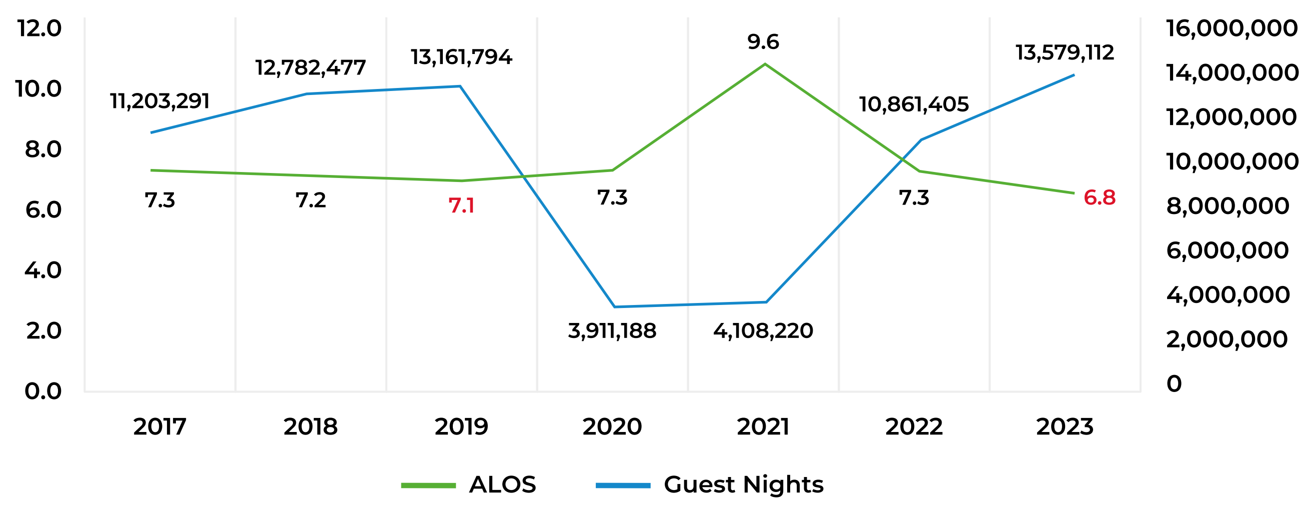
During the first eight months of 2023, the top source markets were:

1. Italy
2. UK
3. France
4. Germany
5. Poland
6. Spain

When compared to 2019, the largest absolute increases came from Italy, France and Poland.

Guest Nights and Average Length of Stay January to August 2023

Guest Nights and Average Length of Stay



Average length of stay

6.8 nights

-0.5 of a night compared to 2022

-0.3 of a night compared to 2019

Guest nights

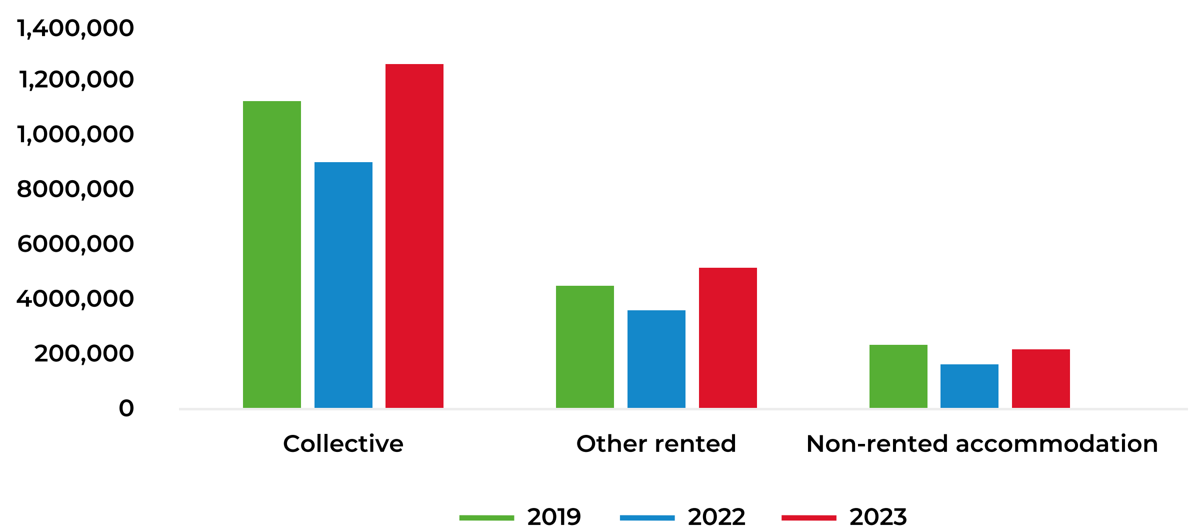
13.6 million

+25.0% compared to 2022

+3.2% compared to 2019

Inbound Tourists by Type of Accommodation Used January to August 2023

Inbound Tourists



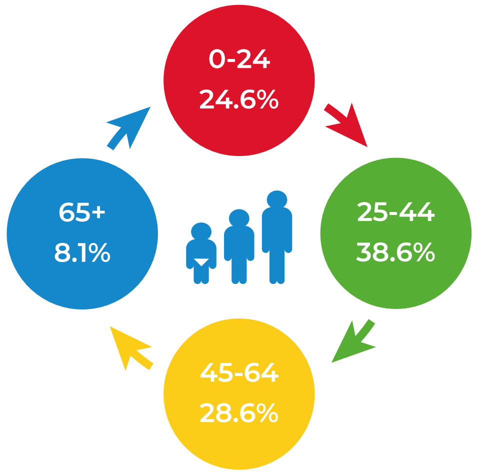
Inbound Tourists	2019	2022	2023	Change 2023/2019	Change 2023/2022
Rented accommodation	1,627,515	1,314,953	1,775,045	9.1%	35.0%
Collective	1,154,810	937,609	1,233,128	6.8%	31.5%
Other rented	472,705	377,344	541,917	14.6%	43.6%
Non-rented accommodation	221,419	172,451	211,215	-4.6%	22.5%
Total tourists	1,848,935	1,487,404	1,986,260	7.4%	33.5%

Tourists staying in collective accommodation exceeded 2019 levels by 6.8%.

Age Diversification - January to August 2023

Inbound Tourists	2019	2022	2023	Change 2023/2019	Change 2023/2022
Age Group:					
0-24	413,744	400,756	489,230	18.2%	22.1%
25-44	742,464	596,937	767,370	3.4%	28.6%
45-64	527,053	383,367	568,702	7.9%	48.3%
65 or more	165,673	106,344	160,959	-2.8%	51.4%
Inbound Tourists	1,848,935	1,487,404	1,986,260	7.4%	33.5%

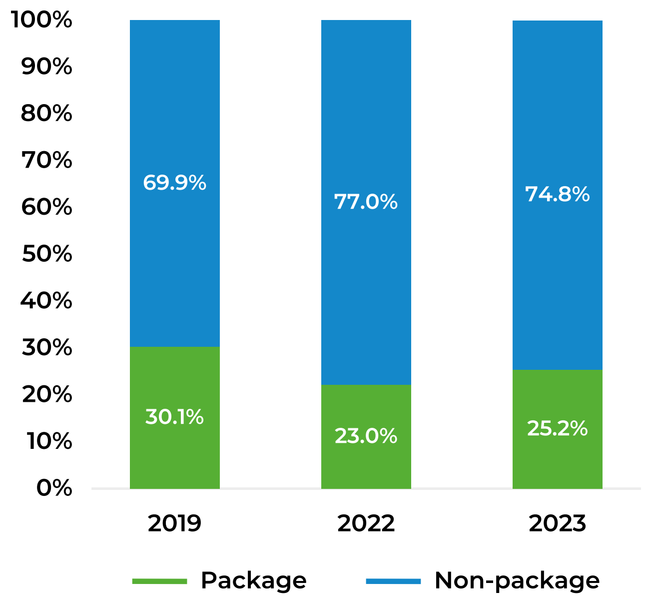
Market Share of Inbound Tourists by Age Group



Between January to August 2023, all age categories registered an increase when compared to the corresponding period last year.

Organisation of Stay January to August 2023

Share of Package and Non-Package Tourists



Inbound Tourists	2019	2022	2023	Change 2023/2019	Change 2023/2022
Organisation of stay:					
Package	556,415	342,826	500,660	-10.0%	46.0%
Non-package	1,292,520	1,144,578	1,485,600	14.9%	29.8%
Inbound Tourists	1,848,935	1,487,404	1,986,260	7.4%	33.5%

Non-package tourists exceeded 2019 levels by 14.9%.
The share of non-package tourists increased from 69.9% in 2019 to 74.8% in 2023.

Tourist Expenditure by Source Market

January to August €000s	2019	2022	2023	Change 2023/2019	Change 2023/2022
Australia	49,062	20,981	58,590	19.4%	179.2%
Austria	19,769	21,300	31,459	59.1%	47.7%
Belgium	35,071	31,328	41,743	19.0%	33.2%
France	138,397	156,290	190,093	37.4%	21.6%
Germany	113,365	106,083	133,033	17.3%	25.4%
Hungary	14,081	13,976	22,047	56.6%	57.8%
Ireland	30,766	24,243	33,162	7.8%	36.8%
Italy	171,424	172,400	243,127	41.8%	41.0%
Netherlands	31,203	37,784	39,101	25.3%	3.5%
Poland	47,683	62,417	79,817	67.4%	27.9%
Nordic countries	74,363	58,545	60,982	-18.0%	4.2%
Spain	54,344	45,855	61,885	13.9%	35.0%
Switzerland	34,327	32,815	41,993	22.3%	28.0%
United Kingdom	338,038	267,451	347,822	2.9%	30.1%
USA	37,933	32,896	51,195	35.0%	55.6%
Other	308,221	210,838	328,654	6.6%	55.9%
Total	1,498,045	1,295,204	1,764,704	17.8%	36.2%

January to August €000s	Jan-Aug 2023 Per Capita	Jan-Aug 2023 Per Night
Australia	1,603	169
Austria	909	142
Belgium	934	138
France	919	124
Germany	984	131
Hungary	675	119
Ireland	1,007	153
Italy	625	106
Netherlands	987	130
Poland	770	118
Nordic countries	1,061	136
Spain	770	115
Switzerland	1,110	151
United Kingdom	988	146
USA	1,449	201
Other	894	128
Total	888	130

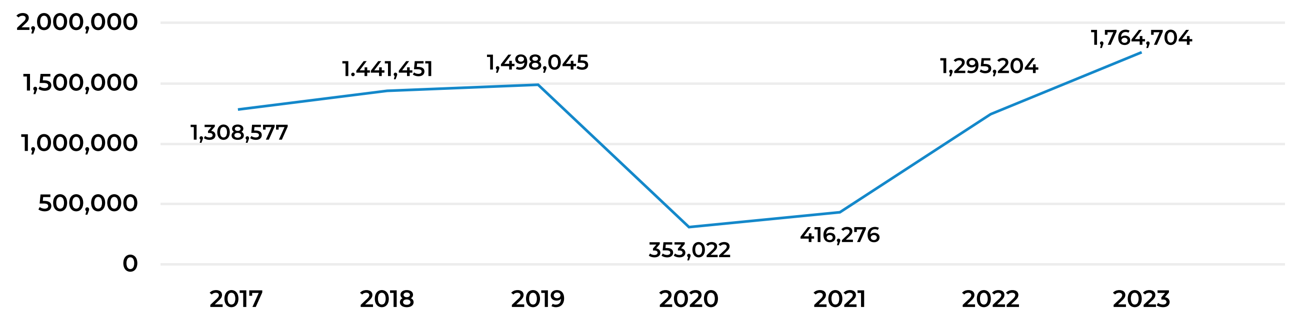
Total Expenditure Jan-Aug €1.76 billion

Tourist Expenditure - January to August 2023

		Non-package			Total
January to August	Package	Non-package Air/sea fares	Non-package Accommodation	Other	€ 000
2019	378,609	264,743	306,815	547,878	1,498,045
2022	259,991	208,102	313,119	513,992	1,295,204
2023	400,164	312,735	411,406	640,399	1,764,704

January to August	Per capita €	Per night €
2019	810	114
2022	866	119
2023	888	130

Total Tourist Expenditure (€000s)



Total tourism expenditure for the period January to August 2023 was estimated at €1.76 billion, while expenditure per capita stood at €888. Total tourist expenditure exceeded 2019 figures by 17.8%.

Malta Tourism Observatory

Building SCM 01, Suites 301-306
SmartCity Malta, Ricasoli SCM 1001
Kalkara - Malta

www.mtobservatory.org
info@mtobservatory.org

9 789918 006861