

INTELLECTUAL OUTPUT 4

Case Study IO4- Tourism

Tourism in Malta – Diversifying the tourism market: Towards sustainability

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1. Summary

The Maltese Government's 1980's Master Plan for tourism was directed towards better planning and a strategic approach for the future of tourism development on the Islands.

The main concerns associated with the environment included tourist accommodation problems, the over dependence on the UK market, the perennial problems of seasonality and integration of Gozo into Maltese tourism.

The Maltese Government consequently focused on the construction of luxury accommodation, restoring and improving access to heritage sites and tapped into other niche markets, particularly those associated with cultural activities.

In 1999 the Malta Tourism Authority (MTA) was established under the Ministry of Tourism Culture and the Environment. The MTA's first Strategic Plan was published and aimed to move away from 'mass tourism' and attract niche markets, such as MICE (meetings, incentives, conferences events), English language learning, cultural tourism and sports markets, such as developing diving and water sport opportunities.

The balance between an increase in tourist arrivals and a rise in earnings, off set against increasing resource pressures; particularly environmental has increased debate on the future direction for tourism in Malta.

The record-breaking results achieved by tourism growth are now increasing impact pressures on environmental, heritage, social, cultural, community and transport resources and infrastructure.

2. Introduction

The Maltese Archipelago comprises of the largest island Malta, followed by Gozo and Comino. These islands are centrally located in the middle of the Mediterranean basin, strategically positioned 80 kilometres south of Sicily and 304 kilometres to Cape Bon in Tunisia. They are an independent microstate, one of the world's smallest and since 2004 have been a member of the European Union, with a population of 409,000 on a land area of 316 square kilometres.

In the early 60's Malta's tourism industry mainly catered for the UK holiday market with as much as 76% of the total tourism market. From the mid 1980's and 1990's Malta attracted more than a million tourists, again mainly British during the summer and autumn season, primarily focussing on the resort /package holiday market. This established Malta as a traditional Mediterranean package tour destination (sun sand and sea) increasingly putting pressure on Malta's infrastructure during this period (Lockhart, 1997 and Attard and Hall, 2004).

As a response the Maltese Government's 1980's Master Plan for tourism was directed towards better planning and a strategic approach for the future of tourism development on the Islands. According to Pollacco (2003) the major problems experienced in the 1980s related to a lack of public awareness with regard to the importance of sustainable tourism. The main concerns associated with the environment included tourist accommodation problems, the over dependence on the UK market, the perennial problems of seasonality and integration of Gozo into Maltese tourism.

As a result policy at that time aimed to develop new markets, including German, Scandinavian and North American thus aiming to diversify over reliance on the UK package holiday market. The Maltese Government consequently focused on the construction of luxury accommodation, restoring and improving access to heritage sites and tapped into other niche markets, particularly those associated with cultural activities. Yet as stated by Ioannides and Holcomb (2001) such an approach seemed to lead to confusion between high culture visitors and 'big spenders' and other traditional holiday markets based open low cost two week summer package holidays.

The early 1990's saw continued growth in tourism, but experienced a later decline in visitors as the local tourism industry failed to adapt to the changing demands of the visitor and ongoing changes in tourism trends during the late 1990s (The Times of Malta, 2006).

3. Aims

In this case study, we want to give answers to the following questions related to tourism policies and strategy;

- How did the Maltese Government cope with the challenge of adapting to the fall in tourist numbers at the end of the 20th century?
- What new strategies were put in place to try and achieve sustainable tourism?

4. Method

Based on the case study categories identified by Yin (1984) and McDonough (1997), the methodology will be exploratory, descriptive and interpretative.

A study will be prior fieldwork and smallscale data collection will be conducted before the research questions and hypotheses are proposed. The descriptive case studies may be in a narrative form and it aims to interpret the data by developing conceptual categories, supporting or challenging the assumptions made regarding them.

Explanatory case studies aim to answer 'how' or 'why' questions with little control on behalf of researcher over occurrence of events. This type of case studies focus on phenomena within the contexts of real-life situations.

5. Results

The Maltese Government explored the need to diversify into other industries such as the financial, IT, off shore banking and private services.

In 1999 the Malta Tourism Authority (MTA) was established under the Ministry of Tourism Culture and the Environment. The MTA's 2002-2004 (2002) first Strategic Plan was published and aimed to move away from 'mass tourism' and attract niche markets, such as MICE (meetings, incentives, conferences events), English language learning, cultural tourism and sports markets, such as developing diving and water sport opportunities.

From 2007 to 2011 tourism attained record yearly performances mainly attributed to increased air routes and more effective marketing initiatives placing Malta as a year-round destination (National Statistics Office Malta, 2015). MTA statistics illustrated this as arrivals showed 1.4 million visitors in 2012 which increased to 2.6 million in 2018, with expenditure above 2.1 billion euros (MTA, 2019) an increase of over eight percent on 2017 statistics.

In this respect the MTA statistical report (2019) illustrates that tourism has seen a steady growth year after year and it now accounts for approximately 29% of the GDP and the largest contributor to the market services sector. Tourism in 2019 accounts for approximately 22% of government income, 11% of imports and outflows and 17% of full-time equivalent employment.

The primary economic data referring to tourism are shown in Table 1. The main indicators of tourism are shown in Table 2, which show significant annual increases in the last three years, except the Average length of stay.

Table 1. Economic Importance of Tourism

Total tourist expenditure (2019)	EUR 2,221 mill
Tourist expenditure per capita (2019)	EUR 805
Employment in accommodation (2017 yearly average)	5,721 full time; 2,903 part time
Employment in food and beverage service activities (2017 yearly average)	6,694 full time; 6,572 part time

Source: NSO (Inbound Tourism)

Table 2. Main Indicators of Inbound Tourism to Malta

	2016	2017	2018	2019	% 2019/2016
Total inbound visitors	1,988,447	2,314,596	2,633,919	2,771,888	5.2%
Inbound tourists	1,965,928	2,273,837	2,598,690	2,757,239	5.9%
Tourist guest nights	14,961,366	16,509,141	18,569,716	19,338,379	4.1%
Average length stay	7.6	7.0	6.8	6.7	-0.1night
Tourist expenditure	1,709 mill €	1,947 mill €	2,102 mill €	2,221 mill €	5.7 %

Source: NSO (Inbound Tourism)

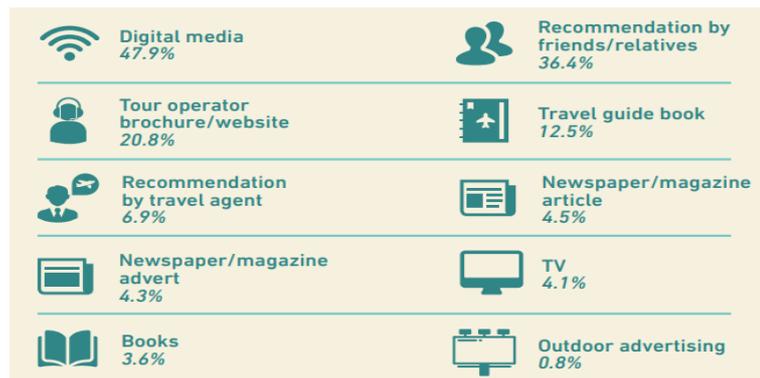
The seasonality of tourist arrivals is in the period from May to October (figure 1). The criteria for choosing this destination are mainly being influenced by the digital media and recommendations from friends and acquaintance (figures 2 and 3)

Figure 1. Seasonality of Guest Nights



Source: NSO (Inbound Tourism)

Figure 2: Criteria influencing choice of destination
(Communication Channels)



Source: MTA's Market Profile Survey, 2018

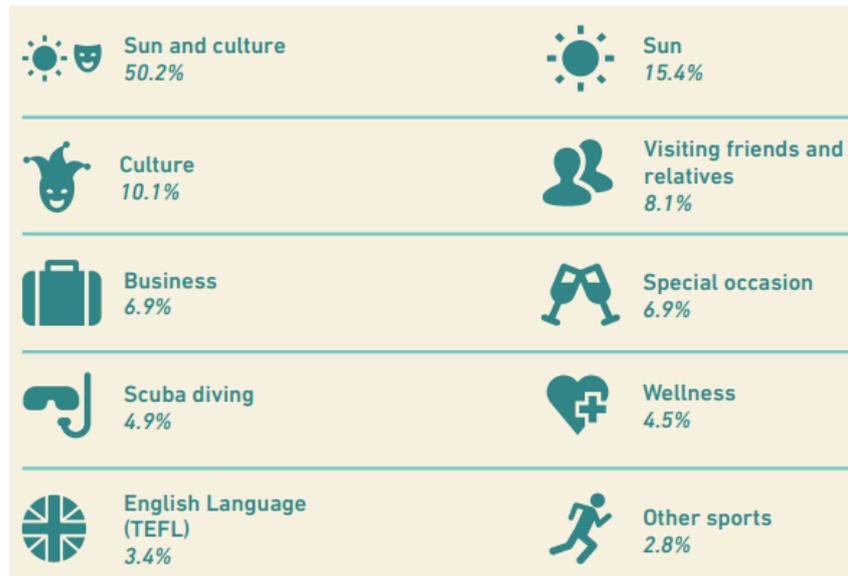
Figure 3: Criteria influencing choice of destination
(Other factors)



Source: MTA's Market Profile Survey, 2018

The main motivations for choosing to travel the Islands of Malta are sun and culture (50.2%), figure 4.

Figure 4: Main Motivations for Choosing Malta



Source: MTA's Market Profile Survey, 2018 and NSO (Inbound Tourism, 2018)

6. Discussion

The balance between an increase in tourist arrivals and a rise in earnings, off set against increasing resource pressures; particularly environmental has increased debate on the future direction for tourism in Malta. As early as 2001, growing pressures were clearly recognised with a need to strike a balance between maximum return and minimal impact.

Pollacco (2003, 286) illustrated this dilemma by suggesting that as the one million saturation mark had already been reached and exceeded, negative impacts were increasingly evident and suggested that due considerations would have to be increasingly placed and focussed upon limited growth scenarios in order to ensure the long term and the best possible level of sustainability.

Dodds (2007) also raised questions concerning future sustainability. In this context concerns relating to ratio of visitors to locals and how this has rapidly expanded placing strain on infrastructure from too many tourists is highlighted. Dodds also states that Malta also suffers from an absence of pluralism amongst the political-economic elite and a familiarity between voters and politicians,

thereby creating barriers to implementing successful sustainable tourism policies.

Since that time the MTA tourism policy for the Maltese Islands 2012-2016 (2012) has begun to recognise these increasing pressures by focussing market development on niche markets. The Ministry for Tourism's recent National Tourism Strategy 2015-2020 (2015) focussing on ensuring sustainable growth has strengthened this focus and emphasised the development of tourism based upon cultural, community and resource assets including the growth of cultural tourism, cultural events, the blue economy and associated maritime industries.

Such policy statements have clearly gone some way to both recognise and provide impetus for the development of cultural products, the hosting of major cultural events such as V18 (Valletta European Capital of Culture) and promoting sailing and yacht opportunities (Rolex Middlesea Race) in Malta, which has seen growing support and development over the last ten years. In this respect, a new initiative hosted by the European Union in May 2013 (EU, 2013:2015) established a public consultation to explore opportunities for maritime and coastal tourism. The consultation focused on Maritime Spatial Planning, Integrated Coastal Zone Management and the 'Blue Growth Strategy' with nautical boating (yachting) identified as a key growth potential.

It is such ideas that have transcended new tourism thinking in Malta by re focussing tourism strategies that are linked to culture and the 'blue economy' which primarily focuses on the sustainable use of cultural and marine resources (The Times of Malta, 2013).

Such notions perhaps seem logical to an outsider looking at the future direction for Maltese tourism today. Such concepts are, however, not new ones. V18 and the Rolex Middle Sea Yacht Race are cases in point and provide an interesting illustration of ways in which the Maltese authorities have tried to diversify its tourist product.

7. Conclusions and Recommendations

Nevertheless, the issue of sustainable tourism development for Malta remains particularly challenging. With a small resident population of approximately 450,000 within 330 square kilometres, both land and natural resources remain scarce. Concurrently, the record-breaking results achieved by tourism growth are now increasing impact pressures on environmental, heritage, social, cultural, community and transport resources and infrastructure.

As the former Tourism Minister stated in 2017:

'I shall be working to formulate long-term policies based on a sustainable framework. Growth must be well planned and based on more balanced, year-round carrying capacities. This is our main aim for the next years: the generation of sustainable tourism can prove fundamental in coping with the challenges of modern tourism, minimise any negative impacts, while ensuring long-term returns for Malta. Growth must be well planned and based on more balanced, year-round carrying capacities. This is our main aim for the next years' (Zammit, 2017).

These are notions that are now important for the future well being and sustainability of tourism growth and development across the Maltese Islands.

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