

# INTELLECTUAL OUTPUT 4

## Case Study IO4- Tourism

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### Events and the 'Blue Economy': Issues and challenges for sailing and yachting events - A tourism alternative for Malta?

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#### 1. Summary

The Government of Malta is giving increasing priority in redirecting tourism policy toward more sustainable alternatives. One of the critical drivers for change has been interest expressed in the 'Blue Economy' and refocusing direction towards Malta's past maritime traditions.

Malta has attracted increasing overseas sailing and yachting enthusiasts and today has established itself as a maritime hub and a popular destination to host sailing events. This hub has stimulated increasing interest in the industry and has precipitated further investment in marina developments and ancillary 'maritime-related' services.

Events such as the Rolex race can provide real benefits to local tourism economies; provide sustainable destination alternatives, and a means to diversify tourism economies.

The Rolex event contributed a very positive image for Malta. Despite operational issues and warnings, the outcomes from these events can create opportunities for the establishment of new innovative tourism markets and, in turn, perhaps lead to a more substantial sailing and yachting tourism industry and a strengthening of the maritime economy for Malta.

## 2. Introduction

The Rolex Yacht Race takes place in Malta on an annual basis. The race forms part of several initiatives supported by the Maltese Government. These aim to diversify the Maltese tourism economy from reliance on mass tourism to more specialist or alternative forms. This case focuses on the impact of the Rolex event and its current and future contribution to the Maltese tourist economy. Consideration is given to: i) the overall impact of the Rolex race on the Maltese tourism economy; ii) how the event can be improved to enhance its contribution to Maltese tourism; and consequently, iii) what challenges the event faces in promoting Malta as an 'alternative' tourism destination.

There have been several notable yacht and sailing events that have been established on the world sporting and tourist event calendar over the last decade. As well as the Rolex Middlesea Race and its counterparts, they include, for example, The America's Cup, The Volvo Ocean Race, and the ISAF Sailing World Championships.

Competition for the America's Cup dates back to 1851, which has made it the world's oldest international trophy (Barker et al., 2002). In 2002 evidence from New Zealand suggested that the economic success of hosting the America's Cup amounted to NZ\$ 1.3 billion for the nation, mainly because the event lasted 19 weeks and had a lead up of 2 years. There was a NZ\$ 85.7 million spend on the America's Cup Village infrastructure and an income over expenditure of NZ\$9 million according to (Barker et al., 2002). The America's Cup has also claimed that within six months of the event, 4.2 million people were reported as having visited the America's Cup Village, making it New Zealand's most popular visitor attraction at that time.

Jobson (2012) has claimed that the America's Cup and its associated 'opportunities,' can indeed go some way to rebrand small host cities such as Auckland and Fremantle where the America's Cup can dominate but at larger venues such as in Valencia (Spain) or San Diego (USA) the positive impacts are less clearly defined. Nonetheless, the America's Cup has helped capture world-wide audiences, establish new markets and define new tourist destinations that were often difficult to brand before the establishment of an event of this nature (Barker et al., 2002).

## 3. Aims

Within the policies of tourist diversification that the Maltese government wants to promote, this type of maritime sports events could be consolidated as

a tourist activity with a future in the islands of Malta? How The Rolex Yacht Race can be improved to enhance its contribution to Maltese tourism? And what challenges the event faces in promoting Malta as an 'alternative' tourism destination?

## 4. Method

Explanatory case studies aim to answer 'how' or 'why' questions. The researchers usually have little control on behalf over the occurrence of events and this type of study focuses on phenomena within the contexts of real-life situations.

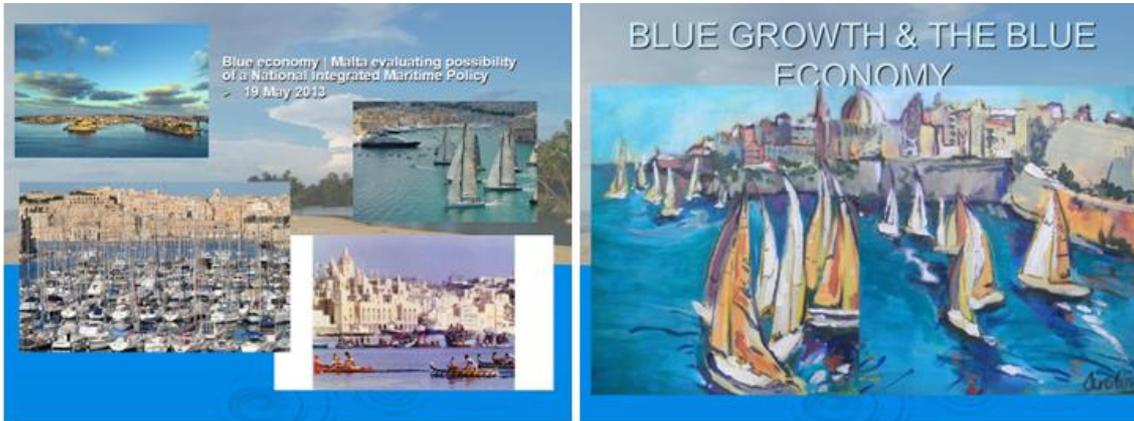
This study will be prior fieldwork and smallscale data collection will be conducted before the research questions and hypotheses are proposed. The descriptive case studies may be in a narrative form, and it aims to interpret the data by developing conceptual categories, supporting or challenging the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

## 5. Results

Tourism plays a significant part in the Maltese economy today. Tourism now accounts for over 29% of GNP, 22% of government income, and 17% of full-time employment (MTA, 2018). The Maltese Government has, however, put increasing priority in redirecting tourism policy toward more sustainable alternatives. The most recent tourism strategy 2012-2016 is a case in point (MTA, 2012). Interestingly one of the critical drivers for change has been interest expressed in the 'Blue Economy' and refocusing direction towards Malta's past maritime traditions. In this respect, a new initiative hosted by the European Union (EU, 2013) in May 2013 set up a public consultation to explore opportunities for maritime and coastal tourism. The discussion 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 refocusing tourism strategies that are linked to the 'blue economy' which primarily focuses on the sustainable use of marine resources (Times, 2013). In this context, Sultana (2012) suggests that coastal resources contribute towards making Malta an ideal yachting destination.

**Figure 1: Blue economy. Malta Maritime policy**



Although it is not possible to specify the exact figures that generate this types of maritime event, i.e., total expenditures and total number of visits generated, the hosting of these events occur out of the leading tourism seasons which has gone some way to contribute to extending the visitor season and alternative tourist activities during shoulder months. The concept of developing an alternative 'blue maritime economy' has also contributed to strengthening the focus and drive to develop maritime niche tourism markets. In this respect, the signing of a joint declaration on the blue economy for the Mediterranean by the European Commission in November 2015 supported by the Maltese Government provides a further impetus for sailing and yachting development and associated maritime tourism for the Islands (European Commission, 2015).

Such notions perhaps seem logical to an outsider looking at the future direction for Maltese tourism today. Such concepts are, however, not new ones. The Rolex (Middlesea Yacht Race) is a case in point and an exciting illustration of ways in which the Maltese authorities have tried to diversify its tourist product.

The Rolex race takes place in Malta on an annual basis. The race is now part of the world-renowned international Rolex Race Calendar comprising the Rolex Sydney-Hobart Yacht Race, the Rolex Fastnet Race, the Maxi Yacht Rolex Cup, ISAF Rolex World Sailor of the Year and the Giraglia Rolex Cup. The race comprises a week-long journey starting from the Grand Harbour in Valletta, out toward and around the Island of Sicily, returning to the Grand Harbour a week later.

The race now forms part of several initiatives and policy measures supported by the Maltese Government and The Malta Tourism Authority. These aim to diversify the Maltese tourism economy from reliance on more traditional

forms of tourism to more specialist or alternative forms based upon tourism niche markets and the 'blue economy'.

The strategy to encourage such events also falls with the Malta Tourism Authority's current strategy to develop better and more focused sustainable tourism products (MTA, 2012).

The need to promote special events and sustainable tourism products that are kinder to the environment, offer better community engagement and provide better prospects for sustainable tourism economic growth (MTA, 2012), (Weed and Bull, 2009).

Figure 2 conceptually outlines the challenges of Sailing and yachting events for Malta, from the infrastructure shortfalls and guest quality experiences to local publicity and branding marketing sponsorship.

**Figure 2: Conceptualizing Sailing and yachting events for Malta: Issues and Challenges**



## 6. Discussion

Events such as the Rolex race can provide real benefits to local tourism economies; provide sustainable destination alternatives and a means to diversify tourism economies. The case can also highlight lessons that should be learnt regarding organizational support, infrastructure and policy directions that should, perhaps, be heeded, if indeed, such events can be sustained and developed for the future. These particularly relate, for example, to combatting

policy malaise, tackling institutional inertia, plugging funding gaps, pacifying stakeholder rivalries and addressing infrastructure deficiencies.

The Rolex event clearly demonstrates that there is a strong synergy between the event and the location of the event destination. As a consequence, Malta has attracted increasing overseas sailing and yachting enthusiasts and today has established itself as a maritime hub and a popular destination to host sailing events.

The growth of this market, with events in addition to Rolex, now including the RC44 Valletta Cup (in its fifteenth year of competition- ([www.rc44.com](http://www.rc44.com)), and the Trophée Bailli de Suffren Yacht Race between St Tropez and Malta (started in 2002 - [www.cnmarinas.com](http://www.cnmarinas.com)), are now firmly established sailing and yachting calendar events in Malta.

This has stimulated increasing interest in the industry and has precipitated further investment in marina developments and ancillary 'maritime related' services with a proposal now underway for a new marina at SA Maison on Valletta's northern shoreline and the expansion of existing marina infrastructures.

## 7. Conclusions and Recommendations

Even though the very positive growth demonstrated by Rolex over the last five years' evidence suggests that the transition and growth of the event, from a local event to a top international venue, may not have been as fully recognised or understood by crucial sectors of the tourism industry in Malta.

Sentiments from such authors as Arruda and Ferrand (2007) remain pertinent concerning the need to ensure integrated collaboration and partnership from all stakeholders in order to ensure event success. Getz (2010) has also highlighted several adverse impacts that events can generate. However, evidence from the Rolex case generally confirms a very positive image from stakeholders engaged with the event with few negative influences or impacts associated, particularly with environmental, social, or cultural contexts, being reported.

That said, several local venue shortfalls were identified, which mainly related to operational, organisational, and community issues.

These, in summary, related to infrastructure shortfalls, which identified a shortage of appropriate berthing facilities for all yacht types participating thus causing some yachts having to berth elsewhere on the islands.

Issues associated with more extensive publicity and recognising the value of the event for local stakeholders and engagement with the local/host community were also raised and still obviously remain a significant gap for the future organisation of the Rolex event.

Tensions associated with guest and visitor expectations (mainly associated with expectations of quality and hospitality from visitors) and reported inadequacies were also identified and perhaps present future challenges for the Maltese hospitality industry in hosting and raising standards for an internationally recognised quality event of this nature.

Despite such sentiments being aired, the consensus from the case confirmed, however, that the Rolex event contributed a very positive image for Malta. Despite operational issues and warnings from, for example (Getz, 2010), the outcomes from an event such as the Rolex Yacht race can create opportunities for the establishment of new innovative tourism markets and in turn, perhaps lead to a more substantial sailing and yachting tourism industry and a strengthening of the maritime economy for Malta.

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