recover . rethink . revitalise

Malta Tourism Strategy 2021-2030

GOVERNMENT OF MALTA
MINISTRY FOR TOURISM
AND CONSUMER PROTECTION

Malta
Tourism Authority

Table of Contents

Minister’s Foreword

Malta’s Tourism Strategy for the years 2021 - 2030 is being published following a drafting and consultation phase during a time which has been profoundly impacted by the chaos, turmoil and uncertainty which the global COVID-19 pandemic has wrought on the world’s economies in general and tourism activity in particular. This strategy is built around the three principles of Recover, Rethink and Revitalise.

The publication of this Strategy comes at an important juncture of Malta’s economic development and the Maltese Tourism Industry’s evolution. It comes at a point in time where sustainable approaches to doing business, the need to balance economic growth with social and environmental wellbeing, the recognition of climate change impacts and the need to shift to net zero emissions rub shoulders with the need to recover tourism activity, the multiple challenges faced by the industry in terms of receptive capacity, human resource availability, the quest for a higher quality offer, the investment and maintenance needs of the Tourism Product and the competitive pressures of a globalised industry.

This is a Tourism Strategy in which Recovery is conditioned by the dual principles of Rethinking and Revitalising. Thus, it is not merely a plan to return to the tourism activity prevailing pre-COVID-19 but one in which we strive to work towards a Tourism Industry which is stronger, more competitive and better equipped to handle the challenges of the next decade.

A Strategy such as this will not succeed if it is to be executed and implemented by Government alone. It is a Strategy for the entire Tourism Industry and all the ancillary sectors related to tourism. It will only prove successful if it attracts the widespread stakeholder acceptance that is necessary for it to succeed.

This is a Plan in which each individual Strategy is defined by a clear Rationale, Objective, Goals and Actions to ensure that deliverables do not remain nebulous but measurable and benchmarkable. It is by far the most ambitious document of its type produced for the Maltese Tourism Industry to date.

Government has shown continuous belief and commitment towards the Maltese Tourism Industry and this document provides further proof of the importance attached to this major sector of economic activity by setting the steps for its revitalisation and future-proofing for the rest of the decade. In this way, we can ensure that Tourism continues to contribute to a higher quality of life for Malta’s inhabitants in the years to come.

Clayton Bartolo
Minister for Tourism and Consumer Protection

Introduction

This document presents Malta's National Tourism Strategy which has been formulated based on a policy framework for the tourism industry for the period 2021-2030. This strategy is built on a three-staged premise:

- A recovery effort from the chaos wrought by the COVID-19 pandemic, focused on protecting and preserving the vital components of Malta's Visitor Economy in the background of the challenges posed by the pandemic.
- 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 programme 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.

The Strategy identifies the path for the long-term sustainable and responsible development of the tourism sector with the main objective being the mainstreaming of the three pillars of Sustainable Development, namely Economy, Environment and Social Cohesion and on the preparation required for the transformation: against the background of the new global agenda with emphasis on the planning, institutional strengthening, legislation, product development, connectivity and market and product diversification required to reach the set goals.

It asserts that Malta's tourism policy needs to shift to a growth scenario which is increasingly based on a healthier mix of quality and quantity over the next decade, with the introduction of policies that focus on the operational level of the tourism industry and a greater understanding of the barriers and possible solutions required for the implementation of a sustainable policy in the long term.
The strategy provides direction to the continued development of and investment in Maltese tourism through the process of a revised accommodation supply policy, product and service quality improvement, human resource development, optimised connectivity, selective positioning based on market intelligence and interlinkages with other sectors of the Maltese economy. It also reflects the changing global governance patterns within which both Malta and our Tourism Markets operate.

It is based on a thorough understanding of the dynamics affecting international tourism trends and developments, into which an analysis of the current Maltese tourism situation/ developments and an understanding of current/ future issues has been grafted. Due importance has also been given to the lessons emerging from how COVID-19 impacted global and local tourism.
The proposed strategic approach is therefore one which strives to rebuild lost tourism numbers within the shortest time possible whilst contemporarily taking steps to ensure that such growth is underscored through the reduction or elimination of previously unattractive elements of tourism and the introduction and strengthening of positive facets arising from a more sustainable approach incorporating aspects such as investment, quality, rejuvenation, renewal and rebranding amongst others.

The Strategy addresses the environmental pillar of sustainability, by actively contributing to the conservation of natural resources and landscape. The diversification of tourism demand is ensured by promoting protected areas to tourists sensitive to the values of landscape, nature and local culture. The priority mission of protecting natural resources is fully respected, and protected areas become a well-determined tourist product, which provides direct financial benefits for conservation. Tourism also offers the opportunity to promote and build environmental awareness, for both tourists and residents of affected communities. On the other hand, it recognises the necessity of minimising the impacts of tourism infrastructure as well as managing tourism to the carrying capacity of the area, which may eventually lead to the regulation of numbers and the mode of behaviour of tourists to limit damage to ecosystems. It gives due relevance and increasing importance to sustainability principles and the climate impacts arising from unaddressed climate change and seeks to give direction for a Maltese tourism development strategy based on strengthening economic returns sustainably, whilst minimising social, environmental, climate and collateral impacts.

This Strategy is a living document subject to ongoing adjustment in recognition of the quick changing world in which tourism operates. Nevertheless, care has been taken to embed it in a foundation of resilient long-term elements which will generally remain constant in a strategic sense and require only short-term tactical adjustment, where there is major impact.


JESV TIBI
SIT GLORIA

Short to Medium-Term Recovery Prospects

Post-pandemic tourism is bound to recover in a way which will feature a number of shifts from the pre-pandemic paradigm. As a result, Malta's post-pandemic tourism recovery strategy has been formulated on the basis of the latest understanding of the constantly evolving situation. There is currently widespread agreement that tourism volumes will probably have to wait until 2024 to approach the record levels of 2019. There are a number of factors for this, foremost amongst which is the cautious approach being adopted by airlines in regrowing airline capacity and the dual uncertainty brought about by fears of the pandemic's successive waves of resurgence and the economic fallout resulting from the pandemic's devastating effect on the global economy.

While tourism is generally considered to be a very resilient type of activity which bounces back quickly in the face of adversity, as exemplified by its capacity to counter negatives such as terrorism, economic turbulence, localised calamities including natural (eg ash clouds, earthquakes, tsunamis), conflicts (eg Syria, Iraq, Ukraine, Libya) and epidemiological (eg SARS, Ebola) and political decisions (eg Brexit, visa restrictions), the scale and nature of COVID-19 is expected to have an impact which will test such traditional resilience.

COVID-19 can never and should not be treated as a short- or medium-term blip in performance, after which destinations and travellers strive to rush to return to the previous normality. Numerous experts speak about the new normal, a post-COVID-19 reality which necessitates a paradigm shift from the previous economic model governing the tourism industry until the end of 2019.
Travellers will increasingly be seeking safer destinations which offer less uncertainty in the face of potential sudden adversity. The concepts of less overcrowding, higher levels of hygiene and more guarantees in the case of sudden crises are all elements which will be affecting travel behaviour.

All of these costlier demands from the part of travellers will be accompanied by pressures on profitability as consumers seeking more will most likely be willing to pay less. This will be further compounded by a situation in which tourism supply will be grossly in excess in tourism demand making it a buyers' market until volumes climb to more economically sustainable levels.

Tourism's recovery cannot be analysed in isolation of other events affecting society. The threats emerging from the accelerated effects of Climate Change, the growing polarisation of the world's major political-economic groupings and the long-term socio-economic effects of the pandemic will all have a bearing on recovery.

Recognising the challenges does not imply giving up on tourism but being well equipped to compete for Malta's share in a more informed manner. Tourism will continue to play an important role in Malta's future economic development and is set to recover and thrive despite the structural changes it will face in a post-COVID environment. To achieve this, Malta is already laying the foundations of a refreshed strategic approach to position the destination on firmer ground to enable it to compete more effectively in the new-normal marketplace.

Strategic Response

This is Malta's Tourism Strategy for the period 2021-2030. The Strategy is entitled "Recover, Rethink, Revitalise" and it shall be placing more emphasis on a sustainable approach to tourism development by giving:

- Less weighting to sheer volume growth in favour of an enhanced quality offer aimed at improving visitor satisfaction, in line with sustainable development guidelines;
- Minimising negative host-population impacts;
- Equating the tourism offer with the natural and socio-cultural elements which distinguish the destination from its competitors;
- Maximising opportunities for higher economic returns on the basis of improved value for moneyand satisfied tourists.

Other elements addressed by this Strategy which will strongly contribute not only to Malta's short- to medium-term recovery but to the country's longer term future-proofing towards the needs of post-pandemic tourism include:

- An upskilled tourism workforce;
- A modernised infrastructure;
- Updated tourism legislation;
- The strengthening of the Island's digitalisation potential,
- The continued development of Malta's airline connectivity network to ensure seamless, year-round, frequent connectivity with the different markets;
- The industry's innovative approach towards responding to new travel trends by developing new services and products, and;
- The unceasing marketing efforts to position Malta as a destination of choice in the widest feasible range of geographic and motivational travel segments.

The Country's tourism accommodation sector and the tourism labour market are the two major elements which require a strong Strategic Response in the coming years.

Tourism accommodation, which has attracted investment in collective accommodation as well as in private rented accommodation, not only in terms of improvements and a wider offer of classes and categories has also witnessed very strong and sustained increases in overall bed-stock which pose challenges for the coming years. A destination's character and positioning are very strongly conditioned by not only the character of its accommodation offer but also by its sheer volume in relation to its ideal hosting capacity. Tourism bed-stock numbers need to inter-relate in a sensible and healthy manner with other relevant direct and indirect variables ranging from airline seat capacity, peak saturation levels and transport, attractions and catering optimal levels to other indirect elements ranging from general infrastructural limits to the more intangible aspects of visitor satisfaction and host population tolerance levels.

From the tourism employment perspective, a number of parallel and concurrently occurring developments in the years preceding the onset of the pandemic had led to an increased reliance on foreign workers, with the first being the doubling of tourism volumes over a ten year period which grew tourism at a rate which outpaced the number of job-seekers in the labour market, the second being the available supply of foreign workers which started with EU membership (with substantial inflows of Spanish, Italian, Hungarian and other nationalities who were eventually replaced by third country nationals from the Balkans, later supplemented by workers from India, Philippines, Nepal etc). The third reason was the development and growth of a wider Maltese services sector which offered a better combined package of remuneration and working conditions thus leading to higher job mobility.

The long-term closure of tourism between 2020 and mid-2021 and the repatriation of substantial numbers of third country nationals during the pandemic have led to a short-term disparity between tourism labour demand and supply but the situation will eventually be resolved as more workers come in.

For the longer term, however, there is a need for a two-pronged approach to addressing employment in the Maltese hospitality industry. The first is to make tourism a more attractive career for increased numbers of Maltese workers and the second is to ensure that legal foreign workers are not attracted mainly on account of their relatively cheap labour cost but also in terms of the skills necessary to deliver a higher quality experience to Malta's visitors.

There is nothing inherently wrong with the sector's reliance on foreign workers. However, such a labour supply should be adequately skilled, continually trained and absorbed into the Maltese hospitality sector in a way that they too can extend the prized brand value of Maltese hospitality to the satisfaction of the destination's visitors.

Over the past seven decades, tourism's fortunes have become inextricably woven with Malta's overall socio-economic development. Tourism is no recent phenomenon which has been introduced to the Maltese economic framework but is an activity which is fully integrated, both socially and economically into the national fabric. Such a relationship, resulting in a widespread appreciation and acceptance of the width and depth of tourism's importance will ensure that tourism will rise once again, in an adapted and evolved manner, to continue sustaining the Maltese economy in the years to come. It is in recognition of this that this Strategy has been formulated.

Following up on Malta Tourism Policy 2015-2020

This Tourism Strategy for the years 2021-2030 follows up on the National Tourism Policy to 2020 which came to an end last year and which was guided by three fundamental principles, namely:

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

These three principles are inextricably linked, and it is felt that despite progress achieved they still retain their fundamental place as guides to all that Malta sets out to achieve in its tourism development. During the expired Policy's lifetime, numbers had grown from 1.78 million in 2015 to 2.75 million in 2019 before slumping to 0.66 million in 2020, seasonal spread had improved although peak numbers continued to grow and the delivery of quality service across the board continued to be an aspiration rather than a given.

The 2015-2020 Policy was subdivided into 19 Policy Areas covering:

- Airline Route Development;
- The Role of Air Malta;
- Sea Connectivity;
- Branding and Positioning Malta in the International Market Place;
- Attracting off-peak growth: the City-tourism dimension;
- Growing Malta's core and secondary markets;
- Tapping into the BRIC and other Growth Markets;
- Reviewing Market-Segmentation in line with contemporary consumer trends;
- Tour Operators and Independent Travellers;
- The Cruise Market;
- Combating Seasonality through Events, Niche-markets and Clustering of supporting products and services;
- Tourism Zones Management;
- The Accommodation Sector;
- Catering;
- Visitor Attractions;
- The Coast and Beaches;
- General Infrastructural Amenities;
- Human Resources: Planning for the Right Quality and Quantity;
- Gozo as a distinct Tourism Destination.

What follows is a review of developments during the lifetime of the Policy Document since 2015 with indications of what Strategic Direction is necessary in the coming years to build on achievements, address failures and shortcomings and be prepared for new developments in a constantly evolving tourism industry.

Airline Route Development
The major objectives of this policy area have been achieved in terms of widening Malta's connectivity base in Malta's core and secondary markets, achieving better connectivity with the long-haul markets and extending seasonality. Malta is now on the verge of a paradigm shift in terms of the next stage of its airline connectivity and air passenger processing capacity, which this Strategy intends to address.

The Role of Air Malta
Between 2015 and 2020 Air Malta grew the number of routes it operated and increased its passenger volumes. It had also entered into numerous code share agreements. The airline continues to be challenged by intense competition and the diseconomies of scale inherent in a small airline company located relatively peripherally to its source markets.

Sea Connectivity
Home porting now accounts for a healthy share of Malta's total cruise passenger throughput and the implementation of the policy direction from 2015 has therefore led to a doubling of operations. This has also proven beneficial to the sustainability of certain airline routes which attract profitable load factors due to the mix of tourist and cruise clients using their services. While yacht chartering has grown Malta's potential continues to be limited by restricted berthing facilities and subsidiary services. Sea passenger connectivity continues to be feasible only with nearby Italy, particularly Sicily.

Branding and Positioning Malta in the International Market Place
Owing to Malta's ten-year period of successive record growth peaking with the 2019 attraction of over 2.75 million tourists and 0.9 million cruise passengers, Malta now possesses a much clearer profile in the minds of international travellers increasingly enabling it to become a destination of first choice and one which is appealing to a more defined subset of potential tourists. This has enabled Maltese tourism results to outperform global, European and Mediterranean trends repeatedly over the last years. This is an area which needs to constantly continue to evolve and the momentum achieved needs to be maintained in the years to come.

Attracting off-peak growth: the City-tourism dimension
The infrastructural investments, the market repositioning and the beneficial after-effects of Valletta 2018, have all contributed to the creation and strengthening of the Valletta city brand as a stand-alone subset of the Malta tourism portfolio. This policy direction has been delivered and the strategy will focus on what needs to be done to strengthen it further in the coming years and to extend its success into other areas of the Maltese archipelago.

Growing Malta's core and secondary markets
A lot of progress can also be claimed vis-à-vis this policy direction. Since 2015, Malta has widened its secondary source market spread particularly in Eastern and Southern Europe without reducing volumes in its core markets which also continued to generate growth. This has been due to improved airline connectivity which added routes and additional frequencies from new cities and also the extension of operations to cover both winter and summer. The core and secondary markets are set to continue to form the basis of Malta's tourism sources in the years to come.

Tapping into the BRIC and other Growth Markets
This policy direction has acquired a mixed bag of results with some markets such as the United States, Australia, Russia, Japan and South Korea featuring impressive increases in inbound tourism volumes to Malta while others such as China and India have been developed at a slower rate. Latin American markets such as Brazil and Colombia have grown in overnight terms due to the attraction of long-stay English-language students. The primary challenges that need to be faced for the continued development of these markets relates to issuing of visas coupled with the allocation of adequate marketing funds to be able to position and promote Malta to the identified traveller segments.

Reviewing Market-Segmentation in line with contemporary consumer trends
The fact that Maltese tourism has grown in terms of volumes, extended seasonality, a wider range of age-groups and a more diffuse range of source market nationalities points to a successful segmentation strategy which matches the destination offer with customer needs. Traveller segmentation is a constantly shifting phenomenon which needs to be constantly monitored and updated in line with rapidly evolving trends.

Tour Operators and Independent Travellers
Although the share of tour operator business to Malta continues to shrink, its volumes are still growing through a mix of traditional and online companies which provide a level of commitment to the local tourism suppliers. Tour operators however continue to face stiff competition from "independent" travellers for accommodation in hotels and a balance needs to be found to retain a healthy mix of both sources of supply for the destination.

The Cruise Market
Since 2015, the number of cruise operators and volumes of ships and passengers have continued to increase. Home porting has doubled. Government has committed to address the provision of shore-side power to reduce emissions and pollution. More efforts need to be made to attract partial turnarounds while the potential of Gozo as a distinct port-of-call remains generally unresolved.

Combating Seasonality with Events, Niche-markets & Clusters of support products/ services

This policy direction has also been widely implemented with the existence of a year-round events calendar, the establishment of myriad niche markets and the proliferation of tourism service providers responding to a much wider set of tourist interests and demands. The strategy will continue to build on achievements and respond to changing demands. The use of digitization and digital platforms needs to catch up with this rapidly evolving situation.

Tourism Zones Management

Malta presents the paradox of a small geographical territory with the very complex internal structure normally found in much larger jurisdictions. Territorial and administrative subdivisions exist at Central Government (administered by Ministries and the entities under their responsibility), Regional (Gozo and Comino as distinct from Mainland Malta), and Local Council levels with no less than 68 such entities entrusted with their specific localities and most of which are impacted by and have an impact on tourism in their different ways. This renders the management of Tourism Zones a very challenging prospect owing to the fact that a Tourism Zone may neither formally subscribe to the boundaries administered by a single Local Council, nor formally fall under the responsibility of a Single Ministry, Authority or Department. The amount of possible competence overlaps and responsibilities depends on the nature of the area concerned and the types of tourism that it attracts. The setting up of the Foundation for Tourism Zone Development in 2017 was a further step in achieving an element of centralised, prioritised and planned tourism zone management and the plans to further evolve this organisation into a Tourism Zones Regeneration Agency during this Strategy's lifetime is aimed to continue building on the achievements made to date. Smart Destination Management using digital technology and the various sources of smart data will also go a long way towards more efficient and effective, real-time tourism zone management in the coming years.

The Accommodation Sector

Tourism accommodation has both evolved and proliferated in the five years since 2015 in response to increased tourism volumes and changing consumer demand. Collective accommodation continues to lose share of tourists at the expense of private accommodation which has expanded in variety and volume and is no longer a peak season safety valve but a product in its own right. The legislative framework is in need of urgent update in view of the widening gap between existing definitions and market realities. The unlicenced component of Malta's accommodation sector is substantial and requires a more forceful approach aimed at encouraging registration and punishing defaulters. There is a huge latent stock of approved incremental tourism accommodation in the pipeline which also needs to be given due consideration in terms of its impact on future supply and demand.

Catering

Catering was traditionally tasked with offering food to tourists as a means of sustenance. More recently a destination's catering offer increasingly links with aspects such as gastronomy, lifestyle, diet, well-being, and the quest for culinary experiences riding on the experiential tourism bandwagon. During the 2015-2020 Tourism Policy's lifetime, important steps were achieved in formalising the recognition Malta's culinary progress particularly via the achievement of Michelin classification by several local culinary establishments and Malta's culinary excellence became intrinsically linked with the delivery of a quality offer for an enhanced tourism experience. The period under review also witnessed a rapid digitalisation of the Maltese catering sector in adaptation to COVID-19 related closures and restrictions. The sector, however, remains in need of updated Regulation and Classification norms to reflect modern dining trends apart from a deeper understanding of the encroachment phenomenon linked with outdoor dining trends. Food sourcing and food quality constitute an area which ties very strongly with the delivery of a higher level of gastronomic experience whilst in Malta, as does staff training for the delivery of a truly passionate and professional service.

Visitor Attractions

The past years have witnessed the emergence of a diverse spectrum of visitor attractions which is very different from the more limited offer of a few years ago. Culture has become a more diffuse commodity away from traditional displays sites/museums and the same applies to a range of experiential offers on the market. Owing to the nature and the rapid expansion of these products and services, there seems to be limited inclusion of these attractions in overall tourism decisions and discussions. The Tourism Strategy needs to identify, categorise, monitor and assist in the setting of quality standards for such attractions and generally assist in their priority integration into the wider set of tourism stakeholders.

The Coast and Beaches

As the number of visitors continues to increase, pressures on Malta's coast and beaches are set to increase accordingly. The pressures range from the generic (eg crowded sandy beaches/beach erosion/beach concessions) to the specific (eg overcrowding at Blue Lagoon or Il-Ħofriet). There are also external pressures brought about by development, land reclamation, maritime activity, fish farms and tuna pens, sewage and popular entertainment such as the growing number of caravans which occupy stretches of beachfront coastline for long months during the summer. A holistic strategy on coastal management is required to address these issues in an all-embracing manner as pressure points may be reached if no action is taken within the lifetime of the Strategy. Since the onset of the 2015 Tourism Policy, a lot of improvements in terms of coastal and beach management have made it possible to satisfy the growing demands of increased user volumes and customer satisfaction.

The threats emanating from sea-level rise and coastal erosion due to Climate Change and the formulation and execution of mitigation measures to safeguard this integral part of the Maltese summer offer are now of paramount importance. The declaration of Marine Protected Areas, the valorisation of Malta's rich and diverse underwater heritage, both man-made and natural and the increased appreciation of the importance of the Blue Economy to a European island state are all areas on which to focus on matters of coastal and beach tourism within the time span of the new Tourism Strategy to 2030.

General Infrastructural Amenities

Policy direction is being implemented in terms of road network improvement, public transport and cleansing. The creation of the Foundation for Tourism Zones Development has also addressed a number of shortcomings prevailing in tourism zones. However, issues such as construction and associated demolishing, dust, noise and the building-site environment prevailing in a huge number of locations are negatively impacting tourism and need a strategic SDG focused, response in order to minimize any further damage to destination image and reputation. Increased level of economic & human activity may also have longer term impacts on factors such as air and sea water quality and need to be addressed at a Tourism level rather than merely assuming that they lie under the responsibility of third parties.

Human Resources: Planning for the Right Quality and Quantity

Human resources continue to present a challenge to the Maltese tourism industry due to several economic and social factors, foremost amongst which is a general antipathy towards jobs in the hospitality sector due to less competitive wages and unsocial working hours. The quasi-full-employment situation prevailing in the labour market exacerbates the situation even further leading to the sector being constrained to seek employees from distant countries with obvious deficiencies in training, communication, cultural-affinity and hospitality. As the Maltese tourism offer extends beyond traditional sectors the Strategy must address these issues and shortcomings to ensure that the service offer continues to be a positive element in Malta's quest to be a quality destination.

Gozo as a distinct Tourism Destination

The Island of Gozo has benefited greatly from the growth and expansion of Maltese tourism of recent years. It is no longer a peak summer destination with very few tourists outside of July, August and September. Over the past years it has developed into a year-round destination, distinct from Malta and with its own mix of year-round international and domestic tourism. Gozo is very aggressively presented on the web and social media which has helped emphasise its differentiation from Malta. The Strategy must build on these gains whilst encouraging the Gozitan tourism trade to focus more exclusively on Gozo's USPs and embracing principles of Climate Friendly Tourism more decisively to strengthen its positioning as a destination built on nature, wellness and wellbeing, active outdoors, gastronomy, underwater activities and traditional hospitality within a rich cultural and natural setting. All these attributes also contribute strongly towards the potential which the Island possesses to position itself as a world class climate friendly travel destination.

Overall Evaluation

The Tourism Policy for 2015-2020 can be largely deemed successful in that it generally delivered on most of the areas which it set to address. It was instrumental in stimulating a number of paradigm shifts in areas such as connectivity, seasonality, geographic source market spread, motivational reasons for visiting, lower average tourist age, higher expenditure, Malta's emergence as a destination of choice, the modernising and upgrading of the tourism offer and a number of major infrastructural improvements. Gozo's emergence as a year-round, stand-alone destination also gained traction during the Policy's lifetime.

At the same time, issues remained regarding the delivery of consistent quality, the availability of adequately trained human resources, the challenges brought about by extensive development, construction and waste management together with pressures on sustainability arising from consistently strong annual growth rates and the spread of tourism's presence across all twelve months of the year and in all places of residence, particularly those traditionally devoid of tourism activity. Prior to the onset of COVID-19, the term over-tourism was starting to make an appearance in the local lexicon as volumes starting reaching never experienced highs.

The Current Landscape

This Strategy is being formulated at a time when years of recurrent record growth have made way to an unprecedented dip in performance due to COVID-19. Current international expectations are for a delayed recovery which may take years for numbers to return to pre-COVID-19 norms.

The previous situation where years of growth stimulated a lagged response in terms of accommodation development is now reversed: Malta currently has a high amount of bed-stock, both operational and in the pipeline, which will require tourist numbers beyond what can be expected during the lifetime of this Strategy.

For Maltese tourism to recover and re-develop within the principles embraced by this Strategy it is necessary to recognise this situation and address it in a way which adapts to these new realities. There is evidence of declining visitor satisfaction due to weaknesses in the direct and indirect tourism product. Notwithstanding significant investment, certain zones continue to suffer from years of neglect.

Best scenario forecasts until 2030 suggest an optimistic maximum of 3 to 3.2 million tourists generating an average 21 million overnight stays. It is likely that lower estimates will probably prevail. If all currently licenced bed-stock plus beds in the pipeline become operational by then (circa 100,000 beds/36.5 million available bed-nights), the resulting bed occupancy would be an unprofitable 57.5%. Adding unlicenced bed-stock would dilute occupancies even further, below 50%. The issue of unlicenced bed-stock is already recognised as a challenge which requires stronger action so as not to further disadvantage licenced and compliant tourism accommodation establishments.

Malta will not be able to build a sustainable tourism industry if its tourism priorities are led principally by incremental bed-stock. There needs to be a focus on what is best for the country, the economy and the host population.

Key International and Domestic Principles influencing the Strategy

The Strategy is influenced by several key principles that are considered as fundamental for guiding the development of tourism in Malta. These principles are motivated by the domestic situation and national priorities for the sector and its contribution to the economy in general. Concurrently, the Strategy is also influenced by a number of horizontal principles which are mainly the result of the international context in which we operate. These principles relate to commitments and obligations that Malta has with the European Union and other Institutions, and therefore the influences are not just external, but also local. Consequently, the proposed Tourism Strategy will constitute the Tourism's industry commitment to endorse and deliver on Malta's obligations arising from its different areas of operation.

Domestic

- Rebuilding Maltese tourism post-COVID19;
- Rebuilding and re-growing Airline Connectivity;
- Environmental Protection;
- Carbon-neutrality targets;
- Enhancing Visitor Satisfaction through the improved Management of Tourism through the harnessing of data and the use of modern Digitalisation technologies;
- Maximising added value both economically and socially;
- Addressing issues of sectoral overcapacities indicating a need to redirect investment opportunities;
- Planning for adequate numbers and categories of Tourism related Human Resources through the proper educational and career development channels;
- The delivery of a Quality Tourism Experience;
- Prioritising Tourism Products and Segments in line with Branding & Marketing thrust;
- Ensuring and improving Residents' Quality of Life by monitoring and not exceeding Tolerance Levels towards Tourism;
- Tourism's importance as a major pillar of the Maltese Economy owing to its importance as a high value added and high multiplier effects leading to efficient.

International

- COVID-19 and post-COVID-19;
- Climate change;
- The UN Sustainable Development Agenda;
- The EU Green Deal;
- The EU Digital Strategy;
- The European Data Strategy;
- UN Convention on Biological Diversity.

Key principles not Catch Phrases

The Strategy aims to realistically incorporate the Key Principles into its workings. Otherwise they would just be dismissed as catch-phrases. In summary, the Key Principles enshrine sustainable values, aim to ensure fair returns on investment to operators, particularly during the post-COVID recovery period and bank heavily on education as a means of not only enhancing service and hospitality but also of raising the bar in terms of delivery of quality service.

Incorporating the Key Principles makes the Strategy:

- **Credible**
- **Relevant**
- **Responsible**
- **Positive**
- **Forward Looking**

Where we were in 2019

The Positives

- Ten years of record growth 2010-2019 (2.75 million tourists, Euro 2 billion of expenditure, 18.5 million overnight stays;
- A peak of 130 directly connected air routes;
- A healthy mix of age profiles reflecting the destination's appeal to different audiences;
- Volume critical masses reached during all months of the year;
- Geographical diversification at an all-time high;
- A more diverse product and active events calendar A rapidly growing economy firing on all engines.

Areas of Concern

- International slowdown leading to flatter growth curves from traditional markets necessitates a flux approach which gives priority to faster recovering source markets;
- Pressures and negative feelings brought about by pace and scale of development amongst both locals and visitors;
- Significant growth of bed supply. A strong shift from collective accommodation into private, year-round accommodation. Discussion on the need to support the higher value-added collective accommodation segment through progressive policies favouring higher levels of service and employment;
- Emergence of problems associated with high densities leading to signs of uneasiness by local residents having to cohabit with tourists accommodated in residential apartment blocks or similar;
- The impacts of high tourism inflows on the natural environment placing increased pressures on ecosystem degradation;
- Development for Tourism or Tourism for Development?
- The symptoms of oversupply.

COVID-19 Impacts

A term frequently associated with the post-COVID-19 scenario is “new normal”. “New Normal” constitutes a wide spectrum of possible changes to pre-COVID-19 tourism behavioural traits which differ widely but are common in their assumption that certain new social and travel related behaviours are there to stay even when normality returns. Destinations and tourism operators need to understand such changes on the assumption that the longer the current situation prevails, the deeper they may become entrenched in society. Such changes will have both negative and positive implications on businesses, and it will be the innovative enterprise which will recognize them and turn them into opportunities.

The Main Tourism Impacts of COVID-19 can be highlighted as follows:

- Tourism numbers to Malta down to 1980s crisis levels;
- Recurring surges of pandemic inducing huge uncertainty amongst travelling public;
- Uneven EU-response leading to unilateral country measures;
- The longer the pandemic, the longer the recovery;
- Emergence of the relevance and importance of the domestic market;
- Years-long Government surplus turned into deficit;
- Effects on tourism workforce: departure of foreign workers, support and retraining of full-timers;
- Threat of skilled personnel migration from tourism to other economic sectors is real;
- Loss of airline connectivity route network painstakingly developed over previous ten years.

Aviation	2019	2020	Abs. Chg. 2020/2019	% Chg. 2020/2019
Loss in airline seat capacity	8,937,625	3,073,469	-5,864,156	-65.6%
Loss in passenger movements	7,310,289	1,748,050	-5,562,239	-76.1%
Loss in the number of flights	51,910	18,982	-32,928	-63.4%
Loss in Load Factor	82%	57%		-25 pct.pts

Inbound Tourism	2019	2020	Abs. Chg. 2020/2019	% Chg. 2020/2019
Inbound Tourists	2,753,239	658,567	-2,094,672	-76.1%
Nights Stayed	19,338,860	5,227,229	-14,111,631	-73.0%
Expenditure (€000)	2,220,627	455,108	-1,765,519	-79.5%

Cruise Passenger Traffic	2019	2020	Abs. Chg. 2020/2019	% Chg. 2020/2019
Cruise liner calls	359	32	-327	-91.1%
Cruise Passengers	765,696	59,018	-706,678	-92.3%

Destination PESTEL and SWOT analysis

An integral part of the Strategic Planning Process involves submitting the destination to a number of analysis tools with the aim of projecting it within a wider framework of different environments. Such analysis assists in detaching the destination from an inward-looking, insular view to enable a more objective and realistic assessment of its current relativities.

The two analysis tools selected for the purposes of this Strategy are PESTEL and SWOT. PESTEL Analysis looks at the Political, Economic, Social, Technological, Environmental and Legal and factors affecting Tourism to Malta. This type of analysis enables a more thorough understanding about the operating market and environment. It is usually considered to be a marketing tool but can also be useful in a broader strategic analysis. PESTEL analysis is often used together with a SWOT analysis (Strengths, Weaknesses, Opportunities, Threats) to identify the opportunities and threats in a more structured way that ensures that all possible factors are considered.

Malta Tourism PESTEL analysis

Political

- The changing world order instigated by the USA's retreat from its position of Global leadership, the emergence of China and the role of the EU;
- Brexit and its implications on long-term European integration and the free movement of people from UK to Schengen areas;
- Climate Change and the possible introduction of new taxes on air travel with impacts on outbound tourism.
- Political stability in competing destinations such as Egypt, Turkey and Tunisia having large absorptive receptive capacities;
- Political stability in source markets: the rise of populist governments;
- Source markets incentivising domestic holiday staycations in the aftermath of COVID-19.

Economic

- The impacts of COVID-19;
- Economic developments impacting tourism outflows from Malta's existing and potential markets and projected growth of outbound tourism (of Malta's main source markets) in the next 5 to 10 years;
- Guiding investors to channel new product development where it is most relevant and required;
- Willingness of airlines to increase air connectivity to Malta by adding new routes or increasing capacity and frequency;
- The potential of the Cruise sector;
- Tourism's inter-relationship and level of inter-dependence with other services sectors in the Maltese economy;
- The availability of the required manpower and skills in the tourism industry.

Social

- Evolving trends of peer-to-peer suppliers in response to changing traveller demands and their impact on traditional service providers in a wide range of areas such as accommodation, transport, visitor services and even gastronomy;
- The increasing expectations of the more experienced travellers on the quality offer in the overall tourism process: facilities, services, interpretation;
- Pre-empting the impacts of over-tourism and negative attitudes to tourism by addressing the root issues which lead to such phenomena;
- The Greta-Thunberg Effect: the spread of Fly Shame.

Technological

- Increased adoption of Smart destination strategies for better tourism management;
- Mitigation of carbon footprint of tourism industry particularly via the introduction of Climate Friendly Travel, cleaner aviation fuels and electrificationof transport;
- Mobile technologies, virtual reality and the internet of things. Potential impact of blockchain technologies on tourism businesses.

Environmental

- Climate change as a direct threat to tourism due to rising temperatures, sea level rise, extreme weather events, desertification, availability of water, climate refugees;
- High density and concentration of human activity within Malta increases need for an increasingly sustainable approach to development;
- Infrastructural bottlenecks: Traffic, Sewage, Power, Water and Waste management amongst others;
- Sea water and bathing water quality as a result of increased impacts on marine environment from land-based and marine-based activities.

Legal

- Legislative framework is moving much slower than industry development so that increasing areas of tourism activity are not covered by legislation or regulation.
- Embedding the European Green Deal in the Maltese legal framework to future-proof the Maltese tourism industry's legislation, sustainability and long-term competitiveness.

Malta Tourism SWOT analysis

Strengths:

- Tourism and hospitality were a natural progression from Malta's centuries old tradition of providing hosting services to foreign military presences. This gave Malta a distinct advantage over communities and destinations previously unaccustomed to sizeable visitor presences in their territories.
- Malta is a stand-alone destination which has sustained ten years of continuous growth outperforming its competitors indicating that it has become a destination of choice.
- The country benefits from a very diverse offer for tourists enabling it to attract different types of visitor flows across all twelve months of the year.
- Government commitment to the industry is strong and benefits from long term stability in terms of its role within overall Maltese economic development.
- The destination has benefited from strong public and private investment in infrastructure, upgrading and new products and attractions which give it a strong platform for the coming years.
- There is strong government/stakeholder interaction and discussion.
- Malta's tourism industry continues to rest on the pillars of connectivity, quality, seasonal distribution and diversified products and source markets.

Weaknesses:

- The high visitor/resident densities in certain areas, such as tourism zones, residential areas, coastal facilities and popular recreational areas, highly visited historical attractions, commuting and transportation necessitate that relevant capacity management strategies require formulation.
- The risks of a recovery followed by a plateauing off following a relatively lengthy cycle of growth causing a mismatch between tourism demand and new tourism supply which is still in the pipeline.
- The heavy dependence on international tourism at an economic level and the smaller-than-average share of the domestic tourism market.
- Almost exclusive dependence on air travel to transport tourists to the destination.
- The small size of the territory may lead to mutually incompatible types of tourism coming into conflict with each other to the destination's detriment.
- An industry which is still heavily based on the attraction of volumes for its sustainability faces risks when faced with even marginal declines in tourist numbers.

Opportunities:

- Identification of limiting growth factors to avoid bottlenecks and maximise positive tourism experiences.
- The ever-changing face of the accommodation offer and the demand trends for different accommodation experiences.
- Harnessing the newly-invested-in volume of incoming bed-stock in collective accommodation which is still “in the pipeline” in a way to re-engineer Malta’s receptive offer in line with its higher-yield tourism objective.
- Tourism’s well proven resilience and Malta’s traditional skill in adapting its offer to changing demands and trends assisted by the destination’s versatility on the basis of a rich natural and cultural offer in the heart of the Mediterranean.

Threats:

- The socio-economic impact of substantial increases in the bed supply which demand increases in inbound tourism over the coming years.
- Quality vs density. The negative implications of rundown elements of the product on visitor experience and on Malta’s quest to upgrade its offer and investment requirements
- The wider range of negative implications of climate change.
- Identification of limiting growth factors to avoid bottlenecks and maximise positive tourism experiences.
- Waste and rubbish generation, disposal, cleansing and management. This is a critical area which has featured high in the negative ratings given by visitors over the past decades till present day. This is an area which needs to be prioritized and the tourism perspective will be given due prominence and prioritisation.
- Increased pressures on the existing Sewage infrastructure which may impinge very negatively on coastal areas, bathing water quality and the overall reputation of Malta as a destination with pristine waters.
- Continuing to prioritise the employment implications of servicing the needs of further tourism growth.

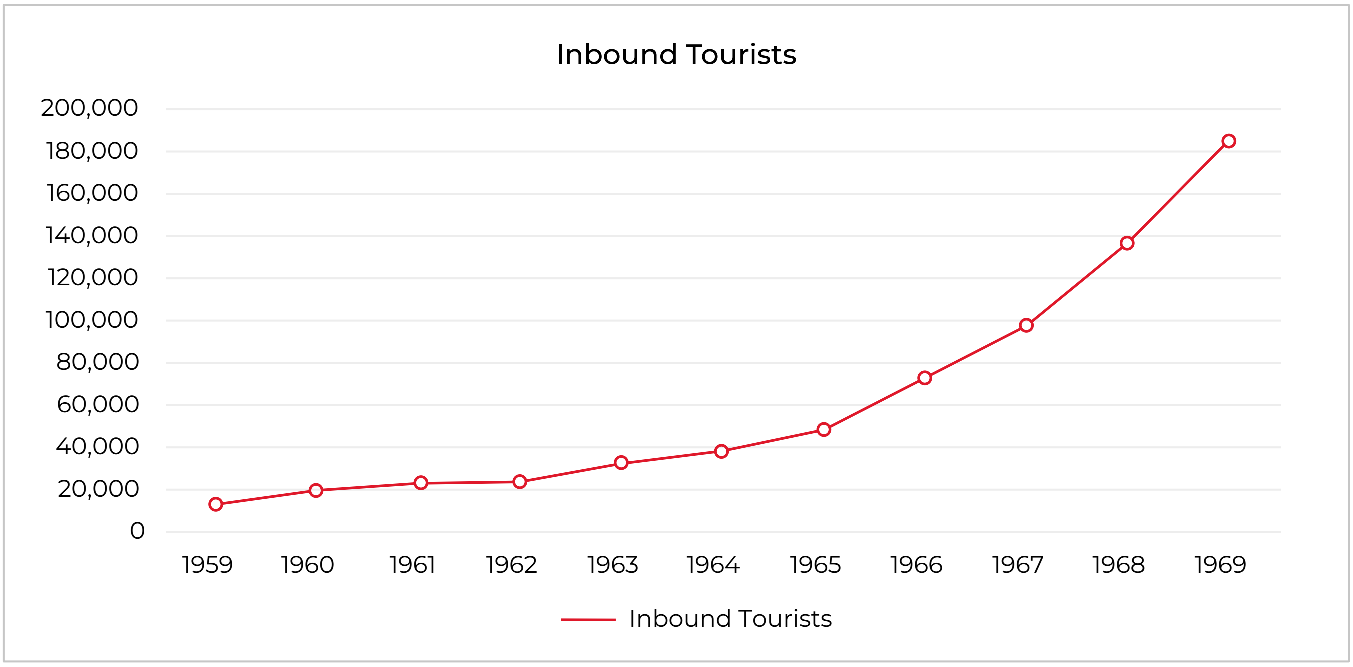
Understanding Maltese Tourism Development in Phases: Alternatives for the way Ahead

Presenting a ten-year Strategy for Maltese Tourism at this important juncture in global development necessitates a thorough understanding of the industry's 70 years of operation, development and evolution. It is only by understanding where the industry is coming from that one can properly propose strategies that are not only based on a strong foundation but also stand a good chance of success given their relationship with the industry's roots.

This analysis therefore seeks to identify the main phases of Malta's tourism development and to understand the various positive and negative impacts which these various phases had on the tourism product and offer that Malta possesses today.

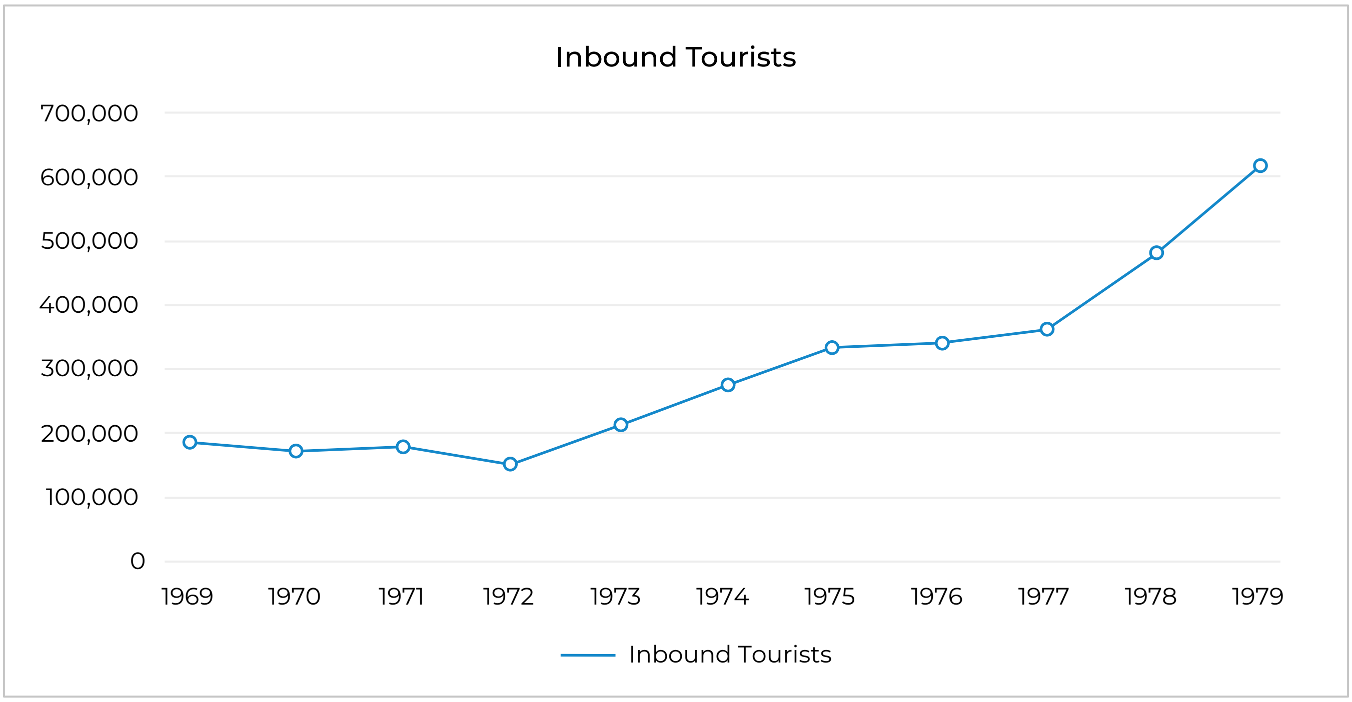
Tourism in Malta has evolved through various phases which have led to different impacts on the economic scene in Malta over the years. In its six decades of development and growth, Maltese tourism has witnessed a number of different periods each of which created different types of economic opportunities, challenges and issues.

Phase 1: Before the 1960s
Although travel for the masses was still a phenomenon yet to come, this does not mean that Malta had no tourism to speak of before its conscious attempt to develop this industry in the 1960s. Tourism accommodation was initially mostly confined to Valletta, and hotel names betray a British colonial connection and utilisation.



Phase 2: The 1960s
Mass tourism was still in its infancy and air travel was still the realm of the rich. Tourism was exclusive and high quality was in demand. During this phase, Malta can be best described as an emerging quality hotel destination for British tourists. Quality hotel investment was being stimulated by a generous development Grants Scheme run by the Malta Government Tourist Board.

A Grants Scheme introduced by the Maltese Government attracted a new breed of larger capacity, higher category hotels. A hotel list published by the Malta Government Tourist Board in 1969 included hotels which still play a role in the Maltese tourism industry today. The list consisted of the following hotels: Cavalieri, Comino, Corinthia, Dolmen, Golden Sands, Malta Hilton, Mellieha Bay, Paradise Bay, Phoenicia, Preluna, Plaza, Ramla Bay, Salina Bay (today's Coastline Hotel) and Sheraton Malta (today's Westin Dragonara). Amongst these hotels, one notices Malta's first foray into the attraction of major international hotel chains: these helped in no small way to introduce Malta as a destination to a wider set of potential travellers through the power of their brand.



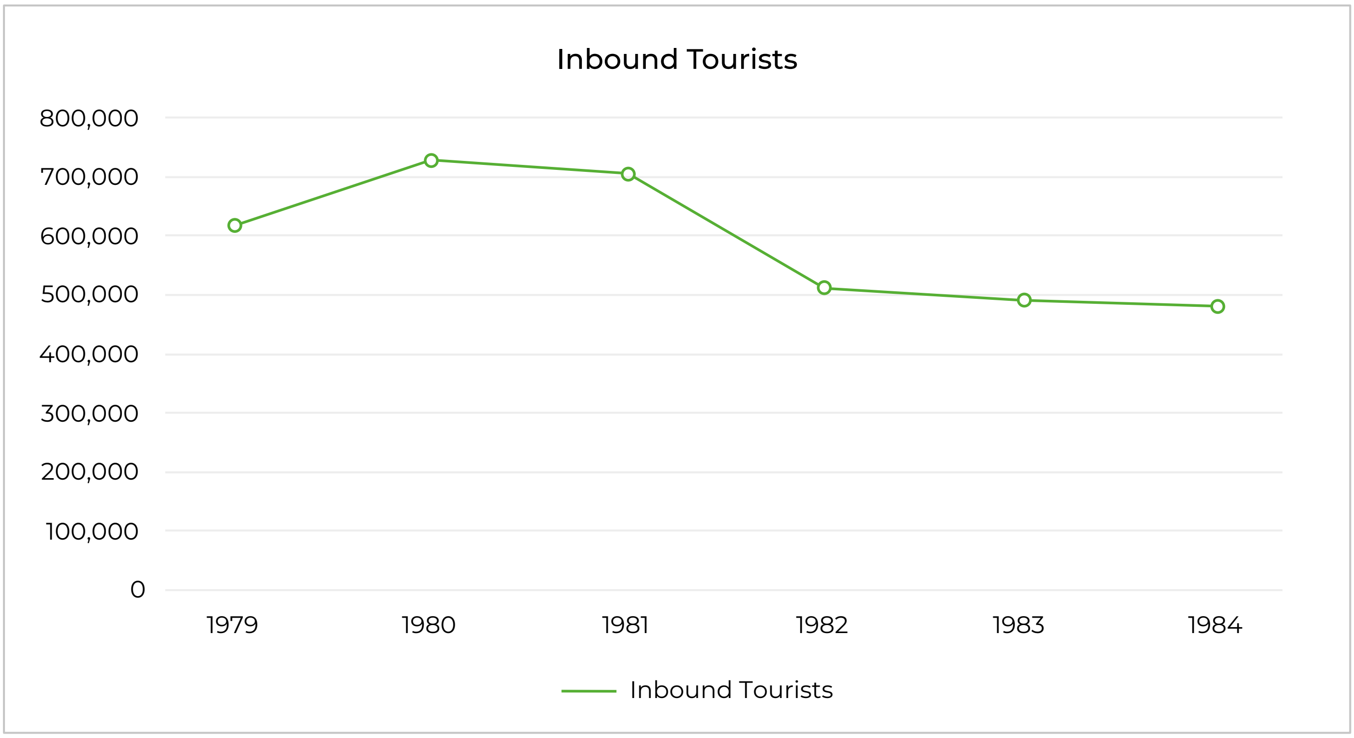
Phase 3: The 1970s

This period can be described as the one of exponential growth of mass tourism and tour operators. In spite of temporary setbacks caused by a mix of internal and external factors - such as the chilling of Anglo-Maltese relations prior to the renegotiation of the Defence and Financial Agreement in 1972 and the 1973 oil crisis and price hike – tourism volumes to Malta increased rapidly, assisted by political troubles and misfortunes of other countries in the Mediterranean region: the Arab/Israeli war, the Lebanese civil war, the military dictatorships in Portugal, Spain, Greece and Turkey and the invasion of Cyprus. Air Malta was set up as Malta's national airline in 1974, creating new tourism job opportunities in the aviation and other ancillary sectors. These factors contributed to a decade of strong growth which saw tourism to Malta increase from around 180,000 tourists per annum in 1970 to nearly 750,000 annual tourists by 1980.

During this period, and in spite of its growth, tourism overall was still viewed with an element of suspicion by the Government of the day and generally dismissed as a volatile industry. The Government was more interested in creating jobs in core primary industries such as manufacturing and ship building; tourism was often reviled as a 'servile' (rather than a service) industry which relegated the Maltese to 'waiters' juxtaposed to superior, mostly British, foreigners. In spite of this negative perception, inbound tourism still increased at circa 80,000 visitors per annum.

Virtually no new major hotels came into being during this period, except for the Jerma Palace Hotel in Marsaskala, then Malta's largest hotel with 750 beds. This was compensated for by an explosion in the number of self-catering apartments which came from almost nothing but accounted for 60% of total tourist beds by 1980. The emergence of Bugibba and Marsaskala as alternative resorts also took place during this period. The issue of quantity rather than quality became very evident during this period. The high dependence on British inbound tourism continued to prevail, along with a wide seasonal spread between peak season summer tourism and low season winter tourism.

The self-sustaining spiral of low price/low quality eventually dragged tourism down to a point of low return. By 1981, a strong Maltese Lira and the re-emergence of the competing destinations in the Mediterranean (which had suffered huge declines during the 1970s) led to a slump in Maltese tourism, to the detriment of employment in the sector.



Phase 4: The early 1980s
By the early 1980s, a situation arose whereby international tourism supply in the shape of destinations and tourist beds was fast outstripping demand. This ushered in a period of price sensitivity. For Malta, riding on the crest of ten years of rapid growth during the 1970s, this worrying scenario was further exacerbated by the return of political stability to the Mediterranean region meaning that competition in the neighbourhood, comprising a more modern tourism offer, became a sudden reality in a country struggling with basic issues such as guaranteed tap water supply, electricity and telecommunications.

The predictable outcome of this combination of unfortunate events led to the decline and stagnation of Maltese tourism between 1981 and 1986. This was mostly due to uncompetitive pricing, Sterling/Maltese Lira exchange rate issues, Malta's overdependence on British tourism, the high seasonality of tourism inflows and the tangible infrastructural shortcomings.

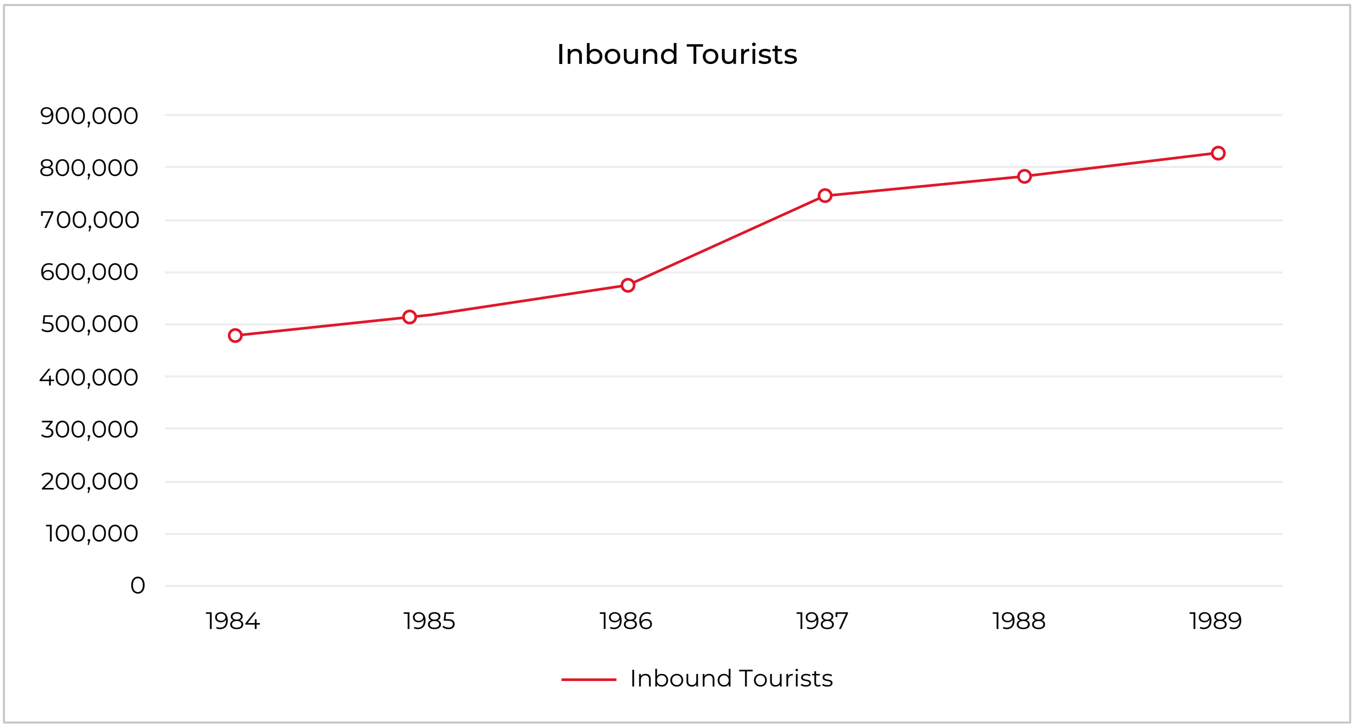
The immediate outcome of this period was the decline of the recently but rapidly developed Bugibba and Marsaskala. These localities saw the rapid emergence of second homes and residential elements commence during this period as replacements to unutilised and obsolete former self-catering tourism stock.

Phase 5: Late 1980s

The growth of intra-European travel was the signature feature of the late 1980s. This was stimulated by the end of the Cold War and the liberalisation and deregulation that emerged as a result of the single European market concept, with the Single European Act coming into force in 1992. Simplified border formalities also played a major role, starting off from the removal of visas and culminating in the concept of borderless travel within the Schengen area introduced by the Schengen Agreement in 1990.

In Malta, this phase was characterised by a period of sustained growth spearheaded by the introduction of the Forward Buying (Exchange) Rate subsidy aimed at addressing the fluctuations of the Maltese Lira and Sterling in the British Market. The return to growth also came as a result of geographical diversification and the development and attraction of off-peak niche tourism which started to address the seasonality problem.

In accommodation terms, this period saw the decline of self-catering apartments which gave way to a hybrid type of serviced self-catering accommodation called the Aparthotel. These years also saw huge investments in five-star accommodation as a result of a Government drive to attract quality tourism. This also coincided with the identification of the Sliema/ St. Julians area as Malta's quality tourist hub.

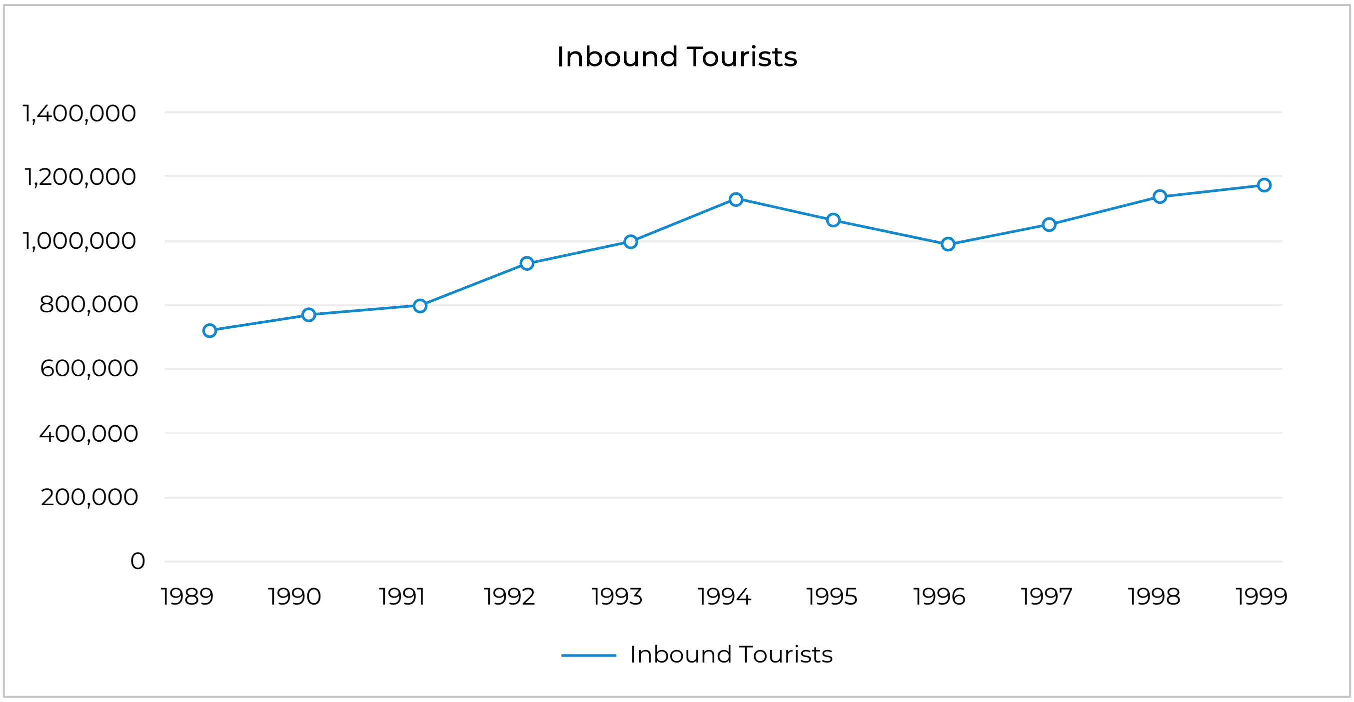


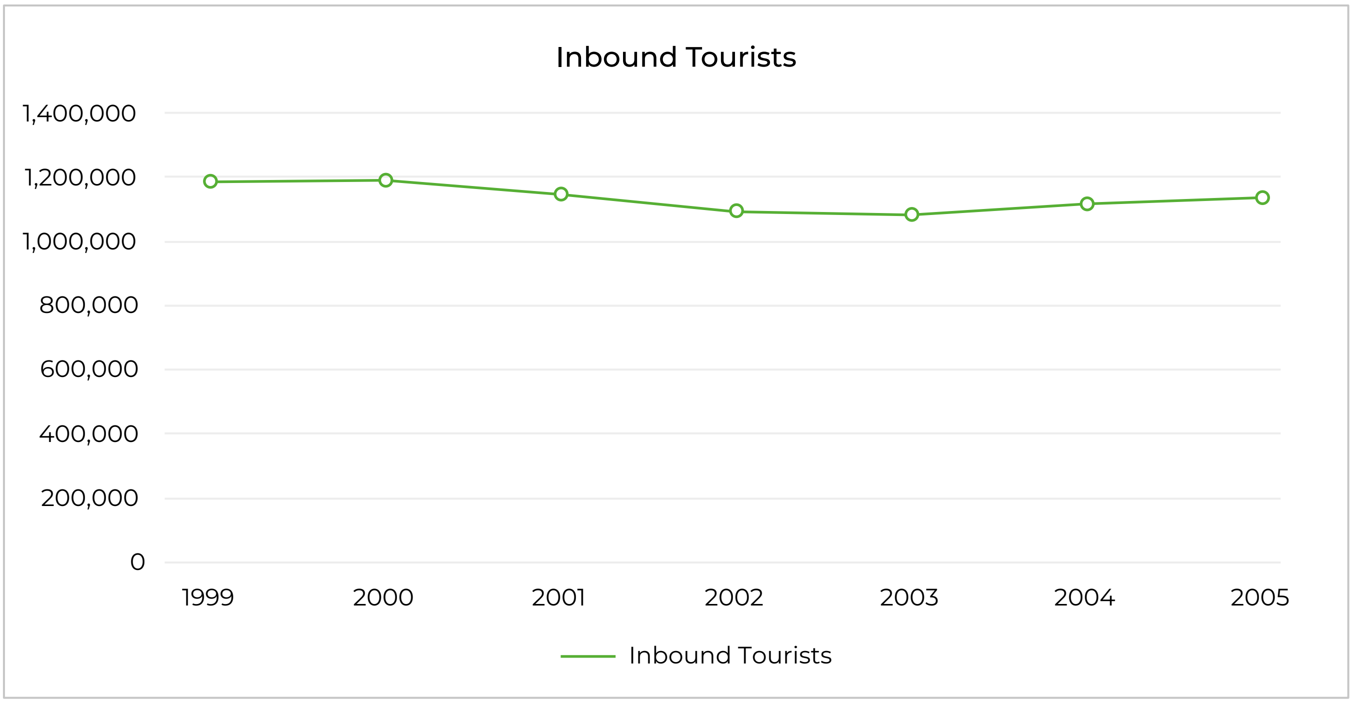
Phase 6: The 1990s

International tourism started growing at an accelerated rate during this period. In Europe, this was strongly influenced by the opening of Eastern Europe after the collapse of the Soviet Union and with vast populations seeking travel to previously inaccessible and unaffordable destinations. It was also the age of mergers and takeovers, with the demise of the small, local, regional and independent tourism operator in favour of integrated companies. This phenomenon affected tour operators, travel agents, hotel chains and airlines. This was also the period which saw the emergence of the Internet as a source of information.

In Malta, the 1990s featured a period of growth. The positive effect of the new five-star hotels which were the first big accommodation investments since the 1960s, the expansion of niche segments such as teaching English as a foreign language, scuba diving, the 'meetings, conferences and incentives' segment and off-peak group travel all contributed to the process of quality growth and positive change.

The international trend of mergers also stimulated resort consolidation in Malta as integrated suppliers such as tour operators concentrated their presence in Malta into fewer resorts. This led to the decline of areas such as Marsaskala, Gozo and Saint Paul's Bay from Tour Operator programmes as business concentrated in the Sliema / St. Julians area. The "Golden Mile" area was identified as Malta's five-star district, while Paceville grew and developed as a nightlife mecca. In seasonality terms, Saint Paul's Bay became a 'summer only' area while Sliema and St Julians became the year-round place for Maltese tourism.





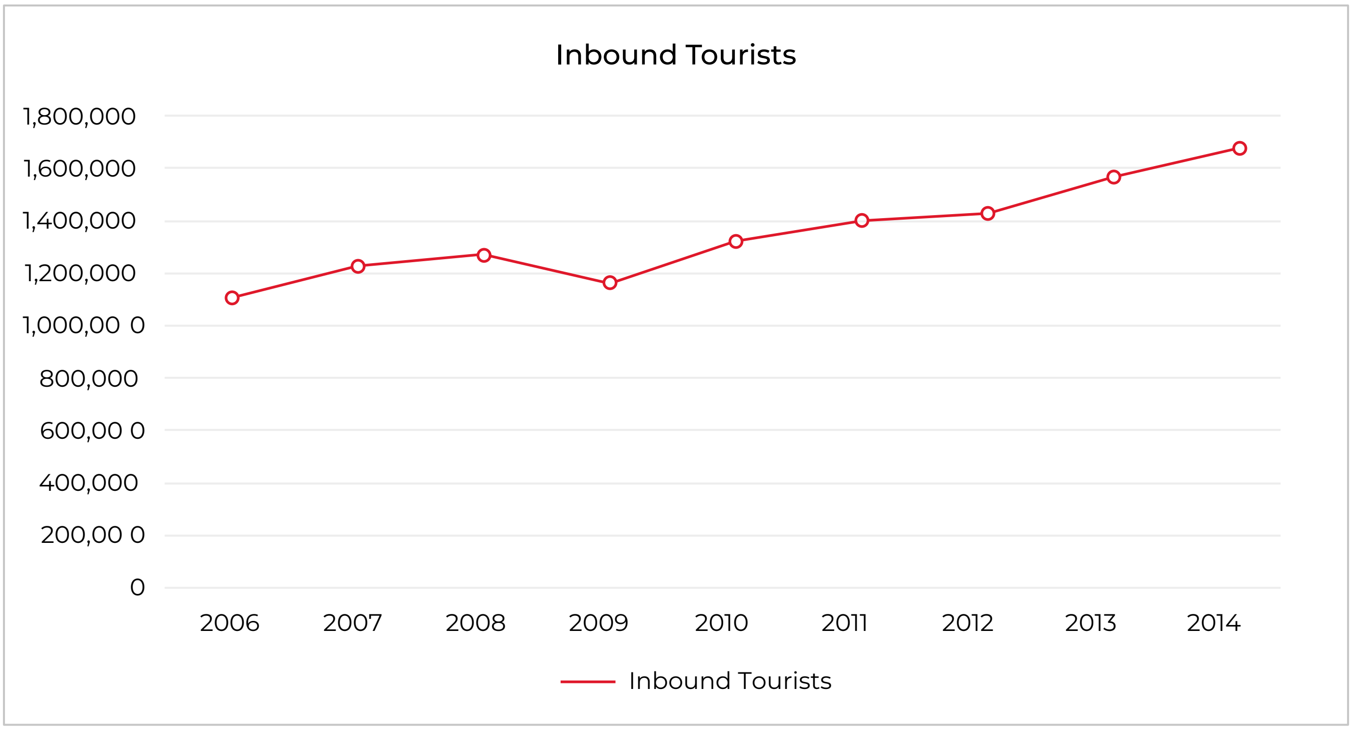
Phase 7: Early 2000s

Following the boom years of the previous decade, the new millennium brought about a number of new realities resulting from the birth pangs of a truly globalised economy. In tourism, this was made manifest by the decline of traditional suppliers such as tour operators which were replaced by a new generation of companies aimed at serving a more experienced, knowledgeable, confident and independent tourist. Foremost amongst this was the rise of the low-cost airline phenomenon.

One of the major stimuli of independent travel was the birth and growth of e-commerce. E-commerce changed the world wide web from a database of information to a business portal, and changed web users from lookers to bookers. Within Europe, the introduction of the Eurozone and the expansion of the Schengen Agreement to include many European countries allowing free travel within the single border also had a huge impact on the way people organised their holidays by allowing for exchange rate free cross-border travel which could be planned at short notice owing to no frontier formalities and instant direct online bookings.

In Malta however, this period was driven by a strong initial resistance to low-cost airlines, leading to a period of decline and stagnation as the country consciously deprived itself of tourism's fastest growing air travel segment and tried to retain a share of a dwindling traditional market whose future was fading fast.

During this period of decline, the Malta tourism industry developed a siege mentality wherein five-star hotels started to prey on four-star business, four-star on the three-star, and so on, with the net result being that the lowest levels of accommodation were eventually phased out of the industry. The period also saw the start of a trend which led to the loss (through conversion) of numerous tourism properties in coastal localities to be replaced by residential and commercial blocks. This led to the erosion of Malta's mid-range tourism offer. It is important to avoid a return to this status-quo during the lifetime of this strategy.



Phase 8: 2006-2014

This was a turbulent period during which global tourism was rocked by a succession of pandemics, economic crises, rising fuel costs and terrorism but nevertheless continued to grow strongly due to its resilience. Tourism was becoming a necessity, to be consumed at all costs, rather than a luxury requiring financial, personal, political and medical stability to take place.

This was also the period during which independent travel and online purchasing came of age. These important developments led to a huge shift in travel behaviour, with late booking decisions replacing the previous situation which favoured early bookings months in advance. It was also during this period that huge numbers of people started to travel in a way which featured shorter stays and higher trip frequency. The advent of low-cost carrier services in Malta in late 2006 opened the door to new travel patterns. This was quite a contrast to the business model of the previous four decades, dictated by the tour operator style of holidays, with visitors staying in multiples of seven days due to flight schedules which linked the origin and the destination on a weekly basis only.

The introduction of low-cost carriers revolutionised route expansion: the number of cities directly linked to Malta International Airport rose from 45 in 2006 to 83 in 2014. This created new demand patterns for the travel industry: patterns based on the free availability of information, affordable aviation, new accommodation types and categories and catering as an experience rather than a source of nutrition. Unprecedented volume increases saw tourism to the Maltese Islands rise from the 1.1 million stagnant plateau of the first few years of the new millennium to reach 1.6 million by 2014. The volume increases came about as a result of market and segment growth namely from France, Israel, Italy, Poland, Scandinavia, Spain, English language learning, conference and incentive, scuba diving, cultural tourism and a variety of active tourism alternatives.

This period also witnessed the growth of interactive social media as an alternative to traditional media. The onus shifted from a supplier-led industry to a consumer-driven one, with increased demand for 'bed and breakfast' type, room only, town-centre, exclusive type accommodation experiences. Private accommodation grew as an alternative to the collective accommodation establishments which had prevailed since the mid-1980s.

Phase 9: 2015-2019

The period commencing in 2015 is one which has seen global tourism continuing to grow in an unprecedented, almost exponential manner as travel shifts from its previous status of an affordable indulgence undertaken at reasonable expense to a more affordable commodity which is consumed more frequently and regularly by wider sections of the population in more countries worldwide.

Alternative forms of touring had also expanded, particularly the cruise market which grew to reach the 670,000 mark in 2017. Although cruise passengers are not included in tourism arrivals statistics as they are excursionists, they do bear a relationship with tourism in terms of the tendency for a number of them eventually revisiting the destination as bone fide tourists and also in terms of the cruise and stay possibilities emerging from home-porting operations such as TUI's Mein Schiff and P&O's Oceana which operate Malta to Malta itineraries during the Mediterranean cruising season.

Tourism kept growing, fuelled by cheap air travel as a result of lower fuel prices and the proliferation of the low cost airline model whilst being further facilitated by the rise of a global middle class and the removal of many of the barriers previously associated with travel. The Maltese remain generally positively disposed to tourism; but they are more prone to NIMBYism and less sympathetic to hordes of visitors on their small island state (Bramwell, 2003).

These past few years have also seen the emergence and growth of the 'sharing economy' as a rapidly expanding phenomenon, posing stiff competition to traditional tourism suppliers mainly in the field of accommodation but also slowly creeping into other areas including catering, transportation and even entertainment. Such peer-to-peer tourism is wholly dependent on the existence of online platforms which facilitate information exchange and online transactions. The impact of such alternative tourism supply chains and the resulting boom in demand for experiential tourism in which tourists seek hands-on experiences are distinct from the detached, distant-observer type of tourism prevailing until a few years back.

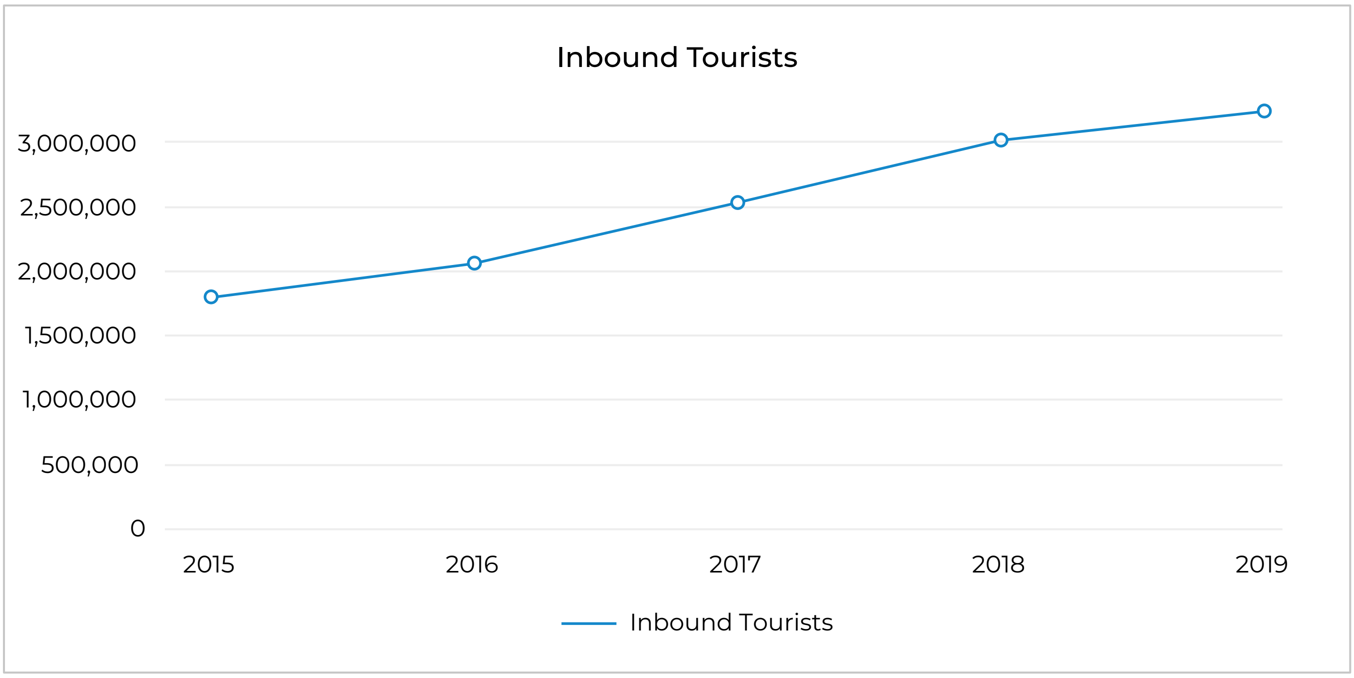
Phase 10: COVID-19, Climate Change and beyond

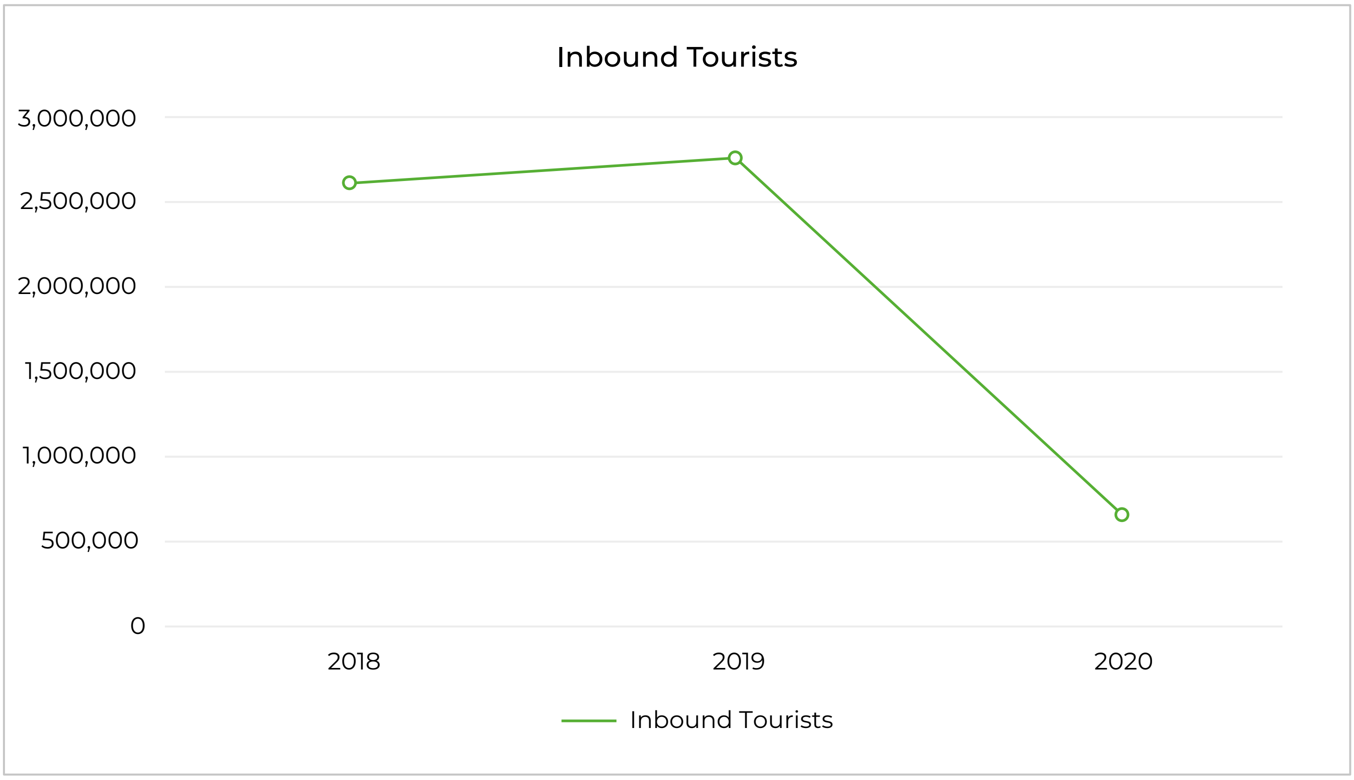
Until COVID-19, this most recent trend of strong tourism growth in Malta was taking place within an environment of strong economic growth by a wide number of sectors ranging from construction to financial services and gaming, all competing for scarce resources, ranging from land to talent. Tourism growth had been impressive in terms of its diversity via its strong off-peak growth, making it a truly, year-round economic activity. This had resulted in the need for more year-round employees, the attraction of volumes of tourists from different cultures and still new skills and services. The introduction of novel segments in the fields of active, experiential and wellness tourism and the broadening of the service aspect of the industry had enabled thousands of small entrepreneurs, albeit with a substantial number of them operating outside of regulations and fiscal regimes, to tap into the expanded tourism industry, the size of which has grown beyond the absorptive capacity of traditional suppliers.

In the post-COVID-19 scenario, the shape of Malta's overall economic structure and direction is under review. Tourism may well need to operate within the context of a changed economic landscape brought about by the respective strengthening and decline of other sectors in the primary and services sectors. It may need to deliver additional value in replacement of lost activity from other economic sectors but will itself feel the pinch if sectors which traditionally generated overlapping activity with it shrink.

Employment impacts will also need to be more closely monitored in view of the equilibrium which needs to be established between a possibly increasingly willing Maltese workforce willing to return to the hospitality industry and the skills and numbers gaps which may still need to be filled by foreign workers, either from within the EU/EEA or from third countries.

The experience and lessons emerging from COVID-19 as a global crisis also has a strong bearing on how the world and the tourism industry will react to the accelerating hazards of unchecked Global Warming and the resulting Climate Change impacts. Climate Change is acknowledged to be the single-most, highest existential threat for humanity and will undoubtedly have a huge impact on travel and tourism as integral parts of global economic activity in the years to come. For Maltese tourism to survive and remain sustainable in the coming years, a mix of proactive and reactive steps need to be undertaken with immediate effect.


Inbound Tourists
3,000,000
2,500,000
2,000,000
1,500,000
1,000,000
500,000
0
2015
2016
2017
2018
2019
Inbound Tourists


Inbound Tourists
3,000,000
2,500,000
2,000,000
1,500,000
1,000,000
500,000
0
2018
2019
2020
Inbound Tourists

Alternative Strategic Options

A number of Strategic Options and Alternatives have emerged for consideration following the Destination PESTEL and SWOT Analysis as follows:

RECOVER • REGROW • RETHINK • RETRENCH • REVIEW • REVITALISE

The following is a description of each of the strategic options considered.

RECOVER relates to the efforts to re-emerge from the losses incurred as a result of COVID-19. Whilst at face value, there is universal agreement that recovery needs to take place within the shortest time frame possible, there are many factors which influence the speed of recovery both internal and external:

- The continued evolution of the virus' spread
- The international economic situation
- The timely and effective distribution of approved vaccines and medicines and people's attitudes totaking the vaccine
- People's attitude to travel
- The commercial viability of tourism suppliers

Ultimately the aim should be for recovery to be feasible and sustainable so that it will feature a stable growth curve rather than the more damaging false starts and pauses.

REGROW signifies a wish to SIMPLY return to the growth rates prevailing pre-COVID-19. REGROW would dismiss the effect of the virus as a one-off damaging dip which needs to be erased as rapidly as possible for a return to normality to take place.

Under the **REGROW** option there is no need to affect any huge corrections to the previously applicable strategy but to merely get back on track anew.

REGROW - the business-as-usual case, is not only hard to imagine but also unlikely to happen. It represents the least climate friendly and sustainable option and also automatically dismisses the **RETHINK** option.

The **RETHINK** option represents the school of thought of using the COVID-19 impact to re-examine the fundamental role of tourism within the overall socio-economic context.

RETHINK is based on the premise that the sudden closure of international tourism not only created economic turmoil and hardship but also had some incidental benefits resulting from a reduced movement of people, a less hectic lifestyle in countries, reduced emissions and the reduction of other negative elements for which tourism is usually singled out as a major contributor.

RETHINK calls for a critical re-evaluation of role, scale and nature of tourism in Malta covering a wide range of areas including environmental protection and biodiversity conservation.

RETHINK calls for an understanding of behavioural changes in travel patterns following the pandemic and an adaptation to new demands

RETRENCH as an option is a more extreme extension of **RETHINK** that actively considers downsizing Maltese tourism to lower levels by making a conscious effort not to regrow to pre-COVID19 levels.

The upheaval brought about by COVID-19 has generated some beneficial spinoffs to destinations which were normally accustomed to a hectic tourism presence throughout the year. Foremost amongst this is reduced visitor numbers expressing themselves in reduced densities, less noise and disturbance, better parking opportunities, the freedom to enter a restaurant without the need of a reservation and the reduction of a number of other discomforts normally associated with a high tourism influx. This argument, albeit simplistic in its escapist evaluation of reduced tourism impacts, constitutes one of the main advantages emphasized by **RETRENCH** proponents.

It is based on the premise that a lower level of tourism activity would prove beneficial to the destination by making it less busy and less crowded to the benefit of both the local resident population and visitor satisfaction.

The main proviso of this rather simplistic option is that the reduction of tourism's economic contribution would be at a lower rate than the reduction in numbers due to greater shares of higher spending tourists attracted to a destination which is more selective and prefers to cap growth.

It fundamentally ignores the critical masses of volumes required to sustain an inter-related and complex tourism value chain.

REVIEW is based on taking stock of the situation arising from the COVID19 experience to review the current status quo with the objective of further strengthening the competitiveness and sustainability of Malta's tourism industry in the long term.

REVIEW is based on the premise of a more selective approach towards the attraction of Malta's preferred tourism inflows based on the principles of heightened visitor satisfaction, minimized social and environmental impacts and maximized economic returns.

It will reflect all the dimensions of the EU Green Deal, Malta's Vision 2050 and Malta as a Global Climate Friendly Travel Centre.

REVIEW involves re-engineering tourism through an ongoing process which aims to be seamless by avoiding any transitionary dips during the process. In the process we need to evaluate the risks associated with overdevelopment of the sector.

While all the above is positive, simply stopping at a review is not considered sufficient to achieve the desired strategic objectives.

REVITALISE is closely linked to and adds to **REVIEW** by emphasizing the revitalisation aspect of the reviewing process.

In **REVITALISE**, the objective is to induce a process of change aimed at giving a new life to Maltese tourism with the intention of elevating it to a higher socio-economic level based on stronger principles of climate resilience, sustainability, value added, profitability, resilience and innovative change.

The **REVITALISATION** of the tourism industry will make it more future proof in terms of its responsiveness to changing trends, new realities, global threats and competitor development.

Proposed Options

On the basis of an evaluation of the above options and alternatives, and based on the PESTEL and SWOT Analyses, the three tourism strategic development options identified for tourism to Malta and Gozo for the period 2021-2030 are the following:

RECOVER. RETHINK. REVITALISE

They have been selected to the exclusion of **REGROW**, **RETRENCH** and **REVIEW** which have been discarded owing to their inferior attractiveness and their less-than-ideal impacts on the current and future Maltese economic realities:

REGROW is considered too short-sighted and linked to a past reality which is no more.

RETRENCH simplistically ignores the economic complexities and interlinkages surrounding tourism and the relevant critical masses deemed necessary

REVIEW, although positive and beneficial, stops some steps short of **REVITALISE** which is more far reaching in its strategic objectives.

Pros and Cons

- Focusing on absolute growth alone may continue to generate returns to an expanding hospitality industry, particularly the low category and private accommodation offers, albeit within a framework of reduced marginal returns. It runs into Climate and Sustainability barriers.
- Consciously going for a retreat in volumes would satisfy critics of unrestrained growth and bring down densities and pressures to much lower levels. This would however come at a price of unutilised facilities which will require alternative economic use should they need to shift away from tourism.
- Going for a growth based on recovering losses accompanied by a thorough restructuring and re-engineering has the main advantage of repositioning Maltese tourism on stronger foundations to face stronger challenges.
- It is possible that the expected lengthy period of recovery and subsequent reduced rates of growth may create a mismatch between Maltese tourism demand and supply.

Delivering the Strategy

The selected options shall be implemented in an overlapping manner.

The major initial effort shall focus on recovery with a view to closing the gap between current losses and the critical mass of volume necessary to bring the tourism industry back to acceptable levels of operation and profitability.

While volumes are being rebuilt, a rethinking strategy will be put in place, on the basis of which, the full-blown revitalization of Maltese tourism will start coming into effect.

The impact of increases in the bed supply will need to be studied and evaluated in a deeper manner, given the extent of existing and planned bed stock. The primary objective here is to strive to maintain bed stock through a profitable operative environment rather than trimming stock through business failures.

Strategic Vision, Mission, Challenges and Targets

The Tourism Strategy has been formulated on the principle of what type of tourism growth Malta is interested in aiming for. It combines the interest of sustainable economic progress together with environmental and social prosperity.

The Strategy recognises that Malta needs to aim for quality at all levels of the tourism value chain, as quality is increasingly influencing travel choices. Our limited land resource demands a strategy that promotes the development of responsible and sustainable quality tourism over the years to come. In this way, the Maltese tourism industry will further build not only in terms of continuing to out- perform competitor growth rates but also by consolidating Malta's status as a quality destination of choice. This demands a concerted effort and commitment at the highest level for the improvement of Product Malta and calls for the coordination and commitment of public institutions and the private sector.

It is by taking the above considerations into account that the following Strategic Vision and Mission Statements have been devised:

To manage and formulate the future development of tourism to Malta in line with sustainability principles through strategies aimed at making best use of the country's natural capital and cultural attractions in a way which balances between the welfare and wellbeing of the country's residents and the maximisation of visitor economic value and satisfaction.

Strategic Vision

To ensure that the Ministry responsible for Tourism, particularly via the Malta Tourism Authority, attracts the necessary Government and Sectoral support to possess the legislative framework, resources, institutional, financial and human, to launch this strategic vision in 2021 and to deliver it by 2030 through an agreed set of achievable and measurable objectives which are regularly reviewed, evaluated, discussed with stakeholders and revisited and revised in response to changing base conditions and results achieved.

Strategic Mission

Strategic Challenges

Departing from the current situation with the objective of reaching the objectives of this Tourism Strategy by 2030 is subject to the recognition of the Strategic Challenges being faced by the Maltese Tourism Industry.

The 13 Challenges listed below represent Strategic Challenges. The term “Strategic Challenges” refers to those pressures that exert a decisive influence on likelihood of future success. These challenges drive and affect the destination’s future competitive position relative to other providers of similar products. They are presented in order of precedence and importance as follows:

- Rebuilding airline route network
- Enhancing the Visitor Experience
- Improving the Country’s General Appearance
- Integrating quality at all levels of the value chain
- Managing accommodation development
- Re-directing potential investment in bedstock, into other key areas
- Addressing the HR dimension and supply side requirements
- Increasing per capita spend
- Reviving sector profitability
- Recovering under sluggish conditions
- Minimising downward price spiral potential with resulting drops in rates
- Fostering cross collaboration across various digital tourism initiatives through the consolidation and better use of data
- Stronger integration of Sustainable Development Goals and the EU Green Deal

The Challenges in Detail

Rebuilding airline route network

Attracting a route network which serves Malta’s identified source markets, segments and connectivity needs.

Exploring alliances with airlines to grow sustainably in line with the destination’s needs and growth demands.

Following developments in the EU relating to aviation sector impacts on carbon emissions.

Ensuring a healthy mix of airlines in line with the destination’s complex requirements through the servicing of routes by legacy and low-cost airlines, also giving due relevance to the importance of the national airline to a destination fully dependent on air transport for its tourism.

The airline route network shall need to be rebuilt on the basis of a more holistic inter-relationship with other sources of tourism business to Malta which can generate the necessary demand to make routes viable.

Enhancing the Visitor experience

Contemporary tourism is Experiential in nature. It is not two-dimensional but requires that visitors feast all their senses.

Tourism interaction, particularly in niches including sports, faith, wellness and underwater activity, is participatory rather than in spectator fashion and this needs to be borne in mind in the design and planning of attractions, events and activities.

Mobile technology and social media enable immediate, live uploads of the good and the bad. The former needs to be maximised and the latter minimised. Providing tourists with opportunities to project Malta in a positive way assists the marketing effort. The role of influencers needs to be maximised.
The Gastronomic experience needs to be further enriched through more sustainable practices, farm-to-fork concepts, locally sourced foodstuffs and a tangible link between tourism, agriculture, fisheries, food processors and eating places for the provision of authentic Maltese cuisine. Building further on brands such as Michelin and Gambero Rosso.

Prioritise and Invest in further development of key elements of the Product that are very influential on the tourist experience, such as access to the coast, beach development and other recreational facilities that need to be shared with the local community.

Factoring Corporate Social Responsibility principles into activities and events.

Need for an expanded shopping experience: from designer goods to artisanal products.

Focus on promoting what is indigenous to our islands.

Maintain the safety reputation which is highly valued characteristic.

A stronger integration of environmental ethics within the tourism value chain. Cleanliness, aesthetics and efficient management of highly visited locations and sites need to be prioritised.

Enhancing the visitor experience is to apply to all components of the value chain as it only takes one negative component to spoil the rest of the chain. This calls for more cooperation between public, quasi-public and private organisations which need to work more closely together to give tourists a better experience.

Improving the Country's General Appearance

Tourism activity is not limited to tourism resorts and visitor attractions but covers the entire territory.

The tourists we attract mostly originate from countries where upkeep and maintenance are given top priority. This applies to the built, the natural and the marine environments. General upkeep and maintenance need to be proactive rather than reactive. In the natural environment, upkeep and maintenance contribute to national biodiversity targets and measures.

Standards in the levels of cleanliness, upkeep and maintenance need to be benchmarked at the highest level. Construction sites, in particular those in areas where tourists stay or visit, need to be managed in a way to level off negative impacts and discomfort.

An improved general appearance strongly strengthens tourists' positive evaluation of their holiday in Malta. The inverse also applies in perhaps an even stronger manner.

Action needs to be taken to address certain high-profile eyesores negatively impacting tourists' perception of Malta, through their identification, listing and discussing with public or private owners/operators on removal or relocation.

This principle goes beyond the direct remit of Tourism and needs to be embraced by all other entities outside the direct tourism universe.

The introduction of Smart Tourism management approaches to improve visitor experiences is pivotal to this.

Integrating quality at all levels of the value chain

Quality is not to be confused with luxury or high price Quality should prevail across the entire value chain. It is necessary to foster greater awareness amongst all stakeholders to embrace quality as the key to long term sustainability. Quality is rapidly becoming the decisive competitive instrument in tourism and therefore there is a need to ensure that Malta's image is improved as a quality destination focusing on all aspects of Product Malta and adopt a process of nationwide qualitative change.

Existing and New Operators not delivering or promising quality have no place in the revitalised Maltese tourism offer. A stronger Compliance and Enforcement deterrent approach will be needed to address this. To achieve this a top-level structure needs to be in place to oversee and ensure that the highest of standards are maintained across the country especially in highly visited areas.

Support for continuous training, innovation and the introduction of new products that can ultimately deliver a qualitative and varied tourism experience. Segmenting the tourism product into niches creates a better focus on requirements and needs.

Managing accommodation development

The current tourism accommodation sector has become more complex due to a number of issues which need to be addressed through reforms and actions:

Legislation not reacting fast enough to constant evolution leading to anomalies.

Hybridisation: Two mutually exclusive supply streams (collective and private) which require different strategic approaches.

Accommodation is a primary facet of the destination's brand, character and offer. It should therefore be the most carefully managed element of the entire value chain.

Accommodation sector expansion has responded strongly to the ten-year period of growth that ended in 2019. However some imbalances have developed:

- Progressive increases in Collective accommodation which are set to grow further.
- The rapid expansion of private rented accommodation, which is nearing collective accommodation supply in terms of share.
- The operation of peer-to-peer accommodation on a year-round basis.
- Increased short-term dependence of accommodation developed for foreign workers which may be floated on the market for tourism purposes or mixed use until the workers return. This may also be impacted by expat workers currently teleworking from their home countries.
- The substantial, year-round availability of unlicenced and unregulated private rented accommodation bed-stock which needs to be addressed.
- Need to avoid the confusion resulting from the existence of official and operator-driven alternative classification systems.

Re-directing potential investment in bedstock, into other key areas

- Investment in tourism products, facilities and attractions provides alternative opportunities to investors who look at accommodation investment as the only way to enter the industry. Key investment opportunities exist in upgrading existing tourism supply and the introduction of novel products and experiences including in areas off the beaten path. Look for opportunities that may exist for PPP projects for the development of new products in line with market demands.
- There needs to be a better balance between investing in new receptive capacity, enhancing existing plant and introducing new products.
- The ultimate objective is to increase tourism expenditure through the availability of an increased range of enhanced products and services which require capital and investment.

Addressing the HR dimension

The relationship between Industry HR and hospitality, service delivery and skill gaps. Delivering service quality means going beyond the delivering of the bare minimum of expected service. Talented employees have moved on to other sectors and there is a risk of a profound talent gap which needs to be addressed through joint initiatives between the private and public sectors.

Need for the continuation of tourism employee training schemes to further build on the momentum of the extensive training opportunities introduced during the COVID-19 period through the allocation of adequate training budgets and associated resources.

Ensuring that a career in tourism scores high in the wish list of new entrants into the labour market.

Addressing the issue of foreign labour as a substitute to domestic shortfalls.

Improving the attractiveness of tourism employment through the provision of quality service training which instils pride in working for the hospitality industry, improved remuneration and career progression. Leading a process of converting payroll from a cost to an investment.

Working closely with educational institutions like ITS, University of Malta, MCAST and JOBS-Plus amongst others to draw a successful Human Resource Development Strategy for the tourism sector.

Increasing per capita spend

Net per capita spend by tourists needs to increase in reaction to an improved quality experience and offer.

Focus on increasing expenditure in those elements which are consumed within the destination.

Evaluate and identify the market segments that have added value to substitute under-performing markets.

Increasing tourism expenditure should not be due solely to higher prices but also to more extensive expenditure opportunities in experiences, goods and services which leave higher value added.

Per capita spend needs to increase at a faster rate than tourist numbers and overnights so that Malta will be able to generate higher per capita per night injections from its tourism. Revenues shall need to be offset against costs.

Reviving sector profitability

Malta needs to address the widening mismatch between its receptive capacity and the ideal numbers it should seek to attract.

The provision of Value is linked to the delivery of a Quality Service. The industry should have no place for operators delivering low levels of quality services. This needs to be identified sub-sector by sub-sector.

Avoidance of price-wars. Securing market growth against heightened competition by competing destinations to meet increased supply.

Meeting human resource challenges.

Recovering under Sluggish Conditions

Understanding and reacting to the factors which shall influence tourism recovery. The faster integration of quality in the offer will accelerate recovery.

Prioritising recovery on the basis of such understanding.

Communicating prospects to operators and investors in an informed and realistic manner to ensure that new operations are built on strong foundations and supporting through the creation of long-term incentives.

Ensuring that our product offer remains fresh and updated and avoiding the pitfalls associated with a tired product.

Minimising downward price spiral potential

A combination of over-capacity and reduced visitor numbers may lead to a downward pricing spiral which is ultimately detrimental to operations, quality and investment. Need

to retain a sustainable pricing model. Need to introduce steps aimed at controlling and limiting over-development to avoid the generation of excess supply. Need to ensure that accommodation development does not dictate market demands.

Ensuring a level playing field for all operators in the sector.

Risk of price wars will need to be addressed through a two-pronged approach which maximises demand potential while channelling demand to licenced bed-stock. Price wars are ultimately of no benefit to any single operator, whether in the accommodation sector or elsewhere in the tourism value chain.

A policy towards controlled accommodation supply needs to be adopted to address volume and type of accommodation required over the years.

Raising the bar for all service providers, including both public and private services and including new market entrants in a more selective manner. This will necessitate the reforming of the licencing regime coupled with enforcing in a smarter manner.

Fostering cross collaboration across various digital tourism initiatives through the consolidation and better use of data.

The consolidation and use of quality data improves the access to digital information and provides valuable knowledge to advance the local product.

Investment in new Technologies enables the opportunity to enhance the Tourist experience by offering more client centric services.

Nurturing digital cross collaboration initiatives across the Public, Private and Non-Profit organisations strengthen the Tourism Sector by connecting visitors and maximising the local Tourism offerings.

Smart use of emerging technologies such as Artificial Intelligence, Super Computing, 5G Network and Augmented / Virtual Realities amongst others increases the value of digital tourism products.

Innovation empowers a destination to tap into emerging sectors in advance of slower reacting competitors. This approach is beneficial both to visitors and to the host community.

Strengthen the Market Intelligence Unit, produce data intelligence on a regular basis and share it with stakeholders to generate greater awareness and contribute to the successful development of the Sector. Undertake benchmarking exercises as required from time to time.

Stronger integration of Sustainable Development Goals and the EU Green Deal.

The Strategy shall enshrine sustainable development into all its actions by actively mainstreaming the principles of sustainable development together across all sectors.

Tourism operations will be encouraged and assisted into shifting towards more sustainable approaches to development and operation. This includes accommodation, catering and food production, transport, entertainment, visitor attractions and venues amongst others. The inclusion of stakeholders to contribute to the measurement of sustainability KPIs is integral to this.

The further integration of tourism activity into the realm of environmental respect and sensitivity, in all of its aspects (such as biodiversity conservation) will be encouraged as a win-win situation.

Besides following climate change developments and their impacts on tourism, the Maltese Tourism Industry will also take steps to minimise its own impacts to achieve Climate Friendly Travel by 2050 through the adoption of applicable Low Carbon Development measures.

Strategic Targets

The Strategic Targets below are being individually matched to the specific Strategic Development Goals (numbered) applying to them. The relevant indicators to be measured per target are listed under each Target.

- To increase tourism volumes to optimised sustainable levels in line with this Strategy's Vision and Mission. Links with SDG 3, 8, 9, 12, 17. To be measured by Tourist Satisfaction, Population Well-being and Industry Profitability Indicators.

- To increase overnights through a healthy mix of short and longer stays depending on purpose of visit, season of travel, market profile and possibilities arising from connectivity. Links with SDG 3,8,9,11,17. To be measured by Seasonality, Motivational and Geographic Segmentation Indicators.

- To aim for higher tourist expenditure increases on those elements of the trip consumed in Malta. Links with SDG 1, 8, 9, 11, 12. To be measured by Expenditure during Stay by Category Indicator.

- To continue to expand the geographical sources of Maltese tourism in line with maximization of airline connectivity, the seasonal characteristics of the different markets, the best matching of demand and supply and a diversification principle based on spreading source market risk. To ensure that all companies and communities respect environmental protection goals in their operations. Links with SDG 9, 11, 17. To be measured by Geographical Shares, Airline Load factors and Supplier Mix of Airlines and Tour Operators Indicators.

- To ensure the delivery of a quality accommodation experience based on a healthy mix of collective and private accommodation supply which maximises expenditure prospects based on labour-intensity, and service delivery based on a defined accommodation sector run and manned by hospitality professionals and to ensure that Tourism Legislation recognises evolving needs. Links with SDG 1, 4, 8, 9, 12, 17. To be measured by Occupancy Rates and Rating of Accommodation Indicators.

- To achieve the relevant growth rates and shorter average lengths of stay through the further expansion of Malta's off-peak tourism potential by aiming for stronger off-peak growth in comparison to peak season growth. This will necessitate the further strengthening of Malta's cultural and events offer to ensure that the destination's versatility in terms of diverse offer to different categories and interests of tourists continues to be tapped to maximum effect. Links with SDG 8, 9, 11, 12, 17. To be measured by Rating of Cultural Offer and Number of Events/Participants Indicators.

- To aim for a higher than current repeat visitor ratio by 2030 in recognition of the destination's evolution from one in which a single visit suffices to one whose strong brand loyalty generates a fair share of loyal repeaters. To ensure that pressures generated by increased visitor numbers do not weigh heavily on and degrade the natural environment by respecting the carrying capacities of different ecosystems. Links with SDG 11, 12. To be measured by Share of Repeat Visitors Indicator.

- To increase the positive evaluation of the Malta holiday experience of tourists to Malta by addressing the major elements reducing positive evaluations by visiting tourists. Weed out market segments that have under-performed and support initiatives that cater for the needs of market segments that add-value to gain a competitive edge in the market-place. Links with SDG 9, 12, 17. To be measured by Rating of Overall Experience and Rating of Product Offer Indicators.

- To ensure all companies and communities embrace the Climate Friendly Travel framework. Links with SDG 9, 11, 13, 17. To be measured by Measurement of Industry Components' Carbon Footprint Indicator.

- To increase the use of digitalisation technologies amongst tourists by offering pre-visit information and planning, enhanced holiday experience, and understanding the sentiment of Tourist post-visit. Links with SDG 9. To be measured by KPIs provided by specific Tourism Digitalisation Strategy.

- To ensure that pressures generated by increased number of visitors do not weigh on the host community to an extent that manifests a negative sentiment towards tourism. Links with SDG 3, 11. To be measured by Host Population Perception of Tourism Indicator.

Strategies

The execution of the Tourism Strategy is ultimately dependent on the selected strategies. Strategies constitute the plan of action resulting from the Strategic Vision, Mission and Targets in response to the Strategic Challenges. The Malta Tourism Strategy will be delivered through the 22 Strategies listed below:

The afore-mentioned Strategic Targets shall be delivered through the following Strategies (sub-divided into themes), which shall also guide the preparation of more detailed and focused action plans as explained in points 21 and 22 below.

It is foreseen that each of the 22 Strategies shall lead to the preparation of more detailed and focused action plans.

Economic
1. To maintain tourism's share of the country's GDP and to ensure that it continues to receive priority as a major pillar of economic development.

Gozo
2. To continue to position Gozo as a separate and distinct quality destination focusing on relaxation, wellness, gastronomy, active and rural tourism experiences in a lower volume setting and an insularity which is projected as a beneficial selling point rather than a deficiency. To do this in conjunction with the Gozo Regional Development Authority and the Gozitan tourism stakeholders.

Marketing & Segments
3. 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. Segmentation is a fluid process featuring a mix of established and emerging segments.

Emerging & Developing Segments
4. To explore the interrelationships emerging from the existence of other services sectors within the Maltese economy such as Health, Culture including Arts and Entertainment, Sport, Education, Financial Services, Film and Gaming to explore tourism potential opportunities arising from such interrelationships.

5. To build on the recognition of the importance of the Domestic Market during the COVID-19 crisis by actively continuing to tap into it and treat it as a relevant tourism stream.

6. To further tap into the Cruise Market to increase its economic value through a higher ratio of home porting to port-of-call business.

Brand Positioning
7. To position the Maltese Islands as destinations of first choice in select markets in conjunction with connectivity strategies aimed at ensuring seamless, affordable air and sea services offering the highest in safety and carbon reduction standards within the long-established Brand Core Values of Heritage, Hospitality and Diversity.

Brand footprint
8. To continue to strengthen the City dimension of Malta's cosmopolitan offer through the further development of Brand Valletta to encompass the destination's historic and contemporary urban offer.

9. To increase the Destination's brand footprint by subdividing the national territory comprising the major Islands of Malta, Gozo and Comino by identifying zones within the national territory, each possessing distinct competitive advantage and differentiation from the other zones. This cluster approach shall recognise a combination of product and emotional attributes pertaining to each respective zone which will be the guiding principles for product development and market positioning. Unravelling Destination Malta in this way widens its appeal to the different segments it shall be seeking to attract and grow.

Environment, Climate Change & Tourism Product
10. To give due recognition to the detrimental effects which unchecked climate change and global warming are bound to have on the country's tourism appeal and to engage in a national and global effort aimed at achieving Climate Friendly Travel by 2050.

11. To introduce a set of measurable climate and sustainability indicators to properly measure tourism impacts on the environment to ensure that future tourism development embraces sustainable parameters within the widest possible range of measurable variables.

12. To build a strong case for the conservation and preservation of natural and man-made tangible and intangible heritage in recognition of their growing relevance and importance to the discerning tourists of today and tomorrow and to promote such heritage as an integral component of the Malta brand. To promote protected areas as models for sustainable tourism, enhancing responsible travel to natural areas which conserves the environment and sustains the well-being of local people.

13. To secure European and National funds to push for tourism product development and improvement. To do this in liaison with other Ministries and Agencies whose remit and responsibility overlaps with tourism.

14. To continually monitor international trends and developments in tourism and in sustainable development to ensure that the Maltese Islands remain at the forefront of innovative development and change. To do this by participating actively in international bodies and fora and taking active roles in groups and gatherings discussing the wider elements affecting tourism.

Tourism Accommodation

15. Accommodation sector imbalances to be addressed through a more selective development policy focusing on a healthier balance of quality versus quantity, strict enforcement against unlicenced accommodation, policy guidelines for private rented accommodation, enforcement action against under-delivering licenced establishments and more stringent, quality-based licencing guidelines for new development which adds value to the Maltese tourism offer. Incorporating international best-practice on how private, peer-to-peer accommodation can operate, including limited timeframes during the year.

Quality Destination

16. To place increased importance on the Quality dimension of the Maltese Tourism offer by addressing those elements which are offering inferior experiences which only serve to drag down overall destination ratings to the detriment of quality suppliers and investors. To do this through an extended range of Quality Labels further strengthened with a thorough and professional Enforcement setup.

17. To make increasing use of the smart approaches being used by leading destinations for the better management of tourism flows to events and localities/locations in a way which reduces visitor impacts and enhance satisfaction.

18. To strategically develop a Digitalisation roadmap, incorporating various sectors contributing to the local Tourism product, by empowering the Public, Private and Non-Profit organizations to invest and ensure that efficiency and market presence are maximized through the use of the latest available technologies.

Industry Human Resources

19. To improve the sector’s attractiveness as an employer through enhanced continuous staff training opportunities and the improvement of its wage-attractiveness relative to competing sectors.

Conventions & Events

20. To deliver National Convention and Events Facilities to enable Malta to engage in a more extensive, year-round, calendar of activities and events in all-weather facilities and for different delegate and audience sizes.

Governance & Implementation

21. To institute Governance procedures to monitor/measure the results of this strategy and organize an annual national tourism conference bringing together all stakeholders with a view to reviewing results, discussing key issues and agreeing on way forward to ensure the Strategic Planning Process is integrated into macro and micro industry actions in a rolling manner.

22. To follow up the finalisation, publication and implementation of this Strategy with detailed Marketing, Product Development (also encompassing Accommodation), Human Resource Development plans including segment- and source-market- specific stand-alone plans for the destination’s major tourism inflows. Gozo to feature a specific stand-alone plan.

Economic

Strategy 1 To maintain tourism's share of the country's GDP and to ensure that it continues to receive priority as a major pillar of economic development.

Rationale For more than 70 years, tourism has been at the forefront of Malta's economic development and prosperity. It is one of the original economic pillars on which the Maltese economy diversified from its historical reliance on its previous military role.

Tourism and hospitality can be termed as indigenous economic activities which tap primarily into the country's natural, socio-cultural, historical and unique attributes.

As a result, tourism has the capacity to merge in a seamless manner with the socio-economic fabric of Maltese society, integrate with the landscape and provide new scope and meaning to features and activities rendered less relevant or even obsolete by the passage of time.

In recent years, tourism has faced a number of pressures, some from without and some from within. In terms of external pressures one can list the growing international competition and the constantly changing phenomenon of traveller preferences. Domestically, it has had to operate within a much wider range of economic services which created sectoral overlaps, diluted the manpower traditionally available to the sector and distorted the accommodation offer with prime site collective accommodation being redeveloped for alternative use and a resultant skew into private, peer-to-peer accommodation which dramatically changed the landscape of Malta's receptive capacity offer. The successive years of record growth until 2019 also laid the groundwork for the realization that Maltese tourism needed a new direction based on a more planned and selective approach.

Objective To properly and continually measure tourism's economic impacts, shares and contributions by using established tools and methodologies. By so doing, to achieve a broader understanding of its continued evolution within the Maltese economic scenario so as to ensure that it continues to retain its place as a major economic pillar.

Goals

GOAL 1	To engage with the National Statistics Office for the regular production and publication of a Tourism Satellite Account for Malta.
GOAL 2	To start benchmarking Malta's tourism economic performance with comparable international data.
GOAL 3	To widen the dimension of Maltese tourism economic data by developing sectorial and regional management tools.
GOAL 4	To integrate tourism economic intelligence into planning and decision making systems undertaken by the Ministry responsible for Tourism and the Malta Tourism Authority through regular reviews and discussions.

Each goal will be achieved through a specific set of actions as follows:

GOAL 1	**To engage with the National Statistics Office for the regular production and publication of a Tourism Satellite Account for Malta.**
Actions	
Action 1	Establish a system to work hand in hand with the NSO to develop a wish list and timetable for the regular, annual publication of a Malta Tourism Satellite Account.
Action 2	Set out a joint approach towards organically growing the number of published TSA tables in line with available data.
Action 3	Undertake the necessary capacity building on the tourism sector side to fully peruse and interpret TSA data.
Action 4	Regularly publish and publicise TSA data to selected audiences ranging from policy makers to sectoral players, students and the general public.

GOAL 2	**To start benchmarking Malta's tourism economic performance with comparable international data.**
Actions	
Action 1	Take a more active role in monitoring and following tourism economic measurement methodologies including for sub-sectors from a range of international leading organisations including UNWTO, EUROSTAT and OECD.
Action 2	Ensure full comparability of data sources and methodologies to ensure correct interpretation and utilization.
Action 3	Annually publish Tourism Economic Performance indicators in a user-friendly manner.
Action 4	Lead to a broad understanding of tourism's changing share and performance by benchmarking it with other key, competing economic sectors.

GOAL 3	**To widen the dimension of Maltese tourism economic data by developing sectoral and regional management tools.**
Actions	
Action 1	Building and expanding on the national tourism economic data to start producing a range of management tools which breaks down performance into regional and sectoral metrics.
Action 2	To produce data relative to Mainland Malta, Gozo and eventually the other identified specific geographical areas. To analyse and interpret this data.
Action 3	To produce data covering the main identified motivational segments. To analyse and interpret this data.

GOAL 4	**To integrate tourism economic intelligence into planning and decision-making systems undertaken by the Ministry responsible for Tourism.**
Actions	
Action 1	To review different options for utilization of economic intelligence data with stakeholders.
Action 2	To discuss findings with stakeholders.
Action 3	Forward suggestions emanating from Actions 1 and 2 for necessary policy actions by Ministry responsible for the Tourism Sector.

Gozo

Strategy 2 To continue to position Gozo as a separate and distinct quality destination focusing on relaxation, wellness, gastronomy, active and rural tourism experiences in a lower volume setting and an insularity which is projected as a beneficial selling point rather than a deficiency. To do this in conjunction with the Gozo Regional Development Authority and the Gozitan tourism stakeholders.

Rationale For many years, Gozo was positioned as a quaint extension of the mainland: a smaller, quieter destination with a limited offer, attractive mostly to day trippers or to a narrow cohort of tourists with very specific needs. As a result, the island ended up with a high ratio of high-volume/low-return day trip type of visitor and a low ratio share of seasonal, older, loyal, narrow-intent type of tourist. To this was added the significant domestic market from the main island with its obvious peaks and shorter durations.

This status quo ensured that for a long time Gozo developed a very high level of dependence on tourism originating from the main island whilst only being known to a very narrow sliver of the overseas travel market. As a result, this status quo ensured that Gozo remained totally secondary to Malta: a detached extension which presented more logistical difficulties rather than advantages and whose major contribution in terms of receptive capacity was to provide a peak season safety valve for when accommodation on the main island was taken up.

In a paradoxical way, those elements of Gozo's holiday experience which are today identified as forming the foundations of its updated approach to tourism were traditionally perceived as negative. Thus, double insularity, a more tangible link to nature and the outdoors, less crowds and an overall quieter destination were originally seen as factors with which to castigate the island: factors which made Gozo less attractive, less feasible, less likely to receive increased numbers of tourists.

Multiple chicken and egg situations developed: ferry facilities and services could not be extended unless tourism grew but tourism could not grow without such extensions. Establishments could not operate twelve months a year unless critical masses of volume were reached but such critical masses could never be reached unless capacity was operable all year round.

Furthermore, as long as Gozo continued to depend on Malta filling up first, it was always going to be a difficult challenge for the island to develop its own tourism by shedding its safety valve label.

The last two decades have revolutionized tourism and most of the changes that have taken place have been to Gozo's benefit. The reduction of traditional tour operators' original strength, the aviation revolution which stimulated huge increases in affordable, impulse travel, the advent of the web and its implications on information, booking, sales, revenue and widespread dissemination of video imagery have enabled Gozo to start the process of standing alone.

The island's operating season has been extended and its accommodation profile has adapted to the peer-to-peer phenomenon. The operators of the island's receptive capacity are very internet savvy and maintain an active online presence. Connectivity, both in terms of facilities and in terms of services has made rapid strides forward while the generation of higher visitor numbers had a huge positive effect on the operational philosophy of the Gozitan tourism industry.

In spite of the all too obvious list of setbacks which COVID-19 wrought and continues to wreak on global tourism, a phenomenon from which Gozo has obviously not been spared, the advent of the so-called "new normal" version of tourism which is expected to prevail in a post-COVID-19 scenario stand to present a number of beneficial opportunities to Gozo if its tourism direction adapts to such new realities. "New normal" tourism is expected to place more importance on less crowded, safer, more hygienic destinations. Apart from the direct changes brought about by the pandemic, other events of a global bearing such as climate change and the creeping threat of emerging antagonistic political-economic power blocs will also create a huge demand for destinations bearing attributes which come naturally to Gozo too: safety, luxury, adventure sustainability, hospitality, authenticity, character, purity, closeness with nature, tradition, food, history and culture, relaxation, lower density and value for money.

It is in recognition of these elements that the strategic direction for tourism to Gozo to 2030 is being formulated.

	2016	2017	2018	2019	Abs. Change 2019/ 2018	% Change 2019/2018
Inbound tourists to **Malta**	1,965,928	2,273,837	2,598,690	2,753,239	154,549	5.9%
Total visitors to **Gozo** and **Comino** (incl. day trippers)	1,149,753	1,277,398	1,431,221	1,527,528	96,307	6.7%
of which:						
Tourists	169,220	183,159	204,849	180,979	-23,870	-11.7%
Single centre	84,684	92,285	94,050	92,715	-1,335	-1.4%
Twin centre	84,536	90,874	110,799	88,263	-22,536	-20.3%
Gozo day trippers	950,533	1,094,240	1,226,372	1,346,550	120,178	9.8%
% of total visitors to **Gozo** and **Comino**	85.3%	85.7%	85.7%	88.2%		

Objective To engage in a multisectoral effort aimed at consciously sustaining the development of Gozo as a separate and distinct quality Mediterranean Island Destination. To do this by focusing on those positive elements of the Gozitan tourism offer whilst minimizing or rejecting alternatives considered damaging or incompatible with Gozo's tourism aspirations and objectives. The formal recognition of Gozo's component characteristics, their preservation and the rejection of elements which go contrary to them are considered to be paramount for this objective to be reached.

Goals

GOAL 1	Positioning Gozo as a distinct international and domestic tourism destination through the creation of a specific branding, market positioning and targeted tourism development plan.
GOAL 2	Identifying the component characteristics of Gozo as a tourism destination so as to incorporate these components into a combined framework to ensure a holistic, unfragmented approach and avoid contradictory actions. The identification of Gozo's USPs as a by-product of this exercise.
GOAL 3	Formulation of a specific Tourism Development Policy for Gozo as a subset of the island's overall Development Policy. The Tourism Development Policy will cover accommodation, other tourism facilities and attractions.
GOAL 4	Development of a Segmentation Strategy for Gozo including market positioning, prioritized geographical market and identification of best-fitting motivational segments.
GOAL 5	Identifying and prioritising infrastructural requirements to support Gozo's tourism development potential. This will cover aspects such as greener connectivity and transport, heritage protection, presentation and interpretation, coastal development and the elevation of the ecological and rural dimension as an integral part of the Gozo tourism experience.
GOAL 6	Fully tapping Gozo's cruise market potential in terms of its different offer from that of mainland Malta.
GOAL 7	Formulating a Digitisation Strategy for Gozo to maximise tourism opportunities for the island's tourism sector.
GOAL 8	Improving the measurement of Tourism Activity on Gozo beyond the data sets currently available through the introduction of more Gozo-specific surveys and studies aimed at capturing the entire accommodation spectrum and providing a range of quantitative, qualitative, sustainability and socio-economic indicators.

Each goal will be achieved through a specific set of actions as follows:

GOAL 1 **Actions**	**Positioning Gozo as a distinct international and domestic tourism destination through the creation of a specific branding, market positioning and targeted tourism development plan.**
Action 1	Creating a Gozo stakeholder forum to discuss and agree upon the parameters of what should constitute Gozo's tourism attributes. Thereafter to meet every 6 months.
Action 2	Commissioning a study to provide direction on branding, market positioning and targeted tourism development.
Action 3	Implementing the direction forthcoming from Action 2.
Action 4	Working towards greater cohesion in marketing efforts aimed at the foreign and domestic markets so that the two become increasingly seen as complimentary rather than independent of each other.
Action 5	Revisit the positioning exercise every 2 years to check on progress and introduce changes/updates.

GOAL 2 **Actions**	**Identifying the component characteristics of Gozo as a tourism destination so as to incorporate these components into a combined framework to ensure a holistic, unfragmented approach and avoid contradictory actions. The identification of Gozo's USPs as a by-product of this exercise.**
Action 1	Work with Gozo tourism stakeholders under the auspices of the Gozo Regional Development Agency to map the entire set of components characterising and comprising the Gozitan tourism offer.
Action 2	Present the Components Map to the wider Gozo administrative, commercial and voluntary community to establish tourism's interest and boundaries for inclusion in discussions and decisions affecting such components.

GOAL 3 **Actions**	**Formulation of a specific Tourism Development Policy for Gozo as a subset of the island's overall Development Policy. The Tourism Development Policy will cover accommodation, other tourism facilities and attractions.**
Action 1	Initiation of a discussion on the direction which tourism development in Gozo needs to take to reach the Strategy's Objectives. The ultimate objective being to create a Gozo-specific development policy, as distinct from that of Malta, to develop Gozo's tourism industry in a way best suited for the island.
Action 2	Formulation of a Draft Report in collaboration with the major Gozitan Tourism Stakeholders for submission to the Gozo Regional Development Authority for inclusion in their overall policy formulation.

GOAL 4 **Actions**	**Development of a Segmentation Strategy for Gozo including market positioning, prioritized geographical market and identification of best-fitting motivational segments.**
Action 1	Identification of current state of tourism inflows into Gozo using available data and industry feedback.
Action 2	Gap-analysis exercise to establish over- and under-performing components of the Gozitan tourism industry.
Action 3	Presentation of Segmentation Strategy for Gozo.
Action 4	Annual measurement of components of Segmentation Strategy.

GOAL 5 **Actions**	**Identifying and prioritising infrastructural requirements to support Gozo's tourism development potential. This will cover aspects such as connectivity, transport, heritage protection, presentation and interpretation, coastal development and the elevation of the ecological and rural dimension as an integral part of the Gozo tourism experience..**
Action 1	Stakeholder consultation for the compilation of a broad list of infrastructural requirements.
Action 2	Commissioning of specialized Sectoral Studies based on feedback generated in Action 1.
Action 3	Presentation of Sectoral Studies to relevant Ministries and Authorities and discussion on implementation.
Action 4	Delivery of agreed upon infrastructural projects.
Action 5	Stock take of improvements and update of Sectoral Studies.

GOAL 6 **Actions**	**Fully tapping Gozo's cruise market potential in terms of its different offer from that of mainland Malta.**
Action 1	Stock-take of current state of the Cruise sector in Gozo through consultation with relevant stakeholders.
Action 2	Drafting of Terms of Reference for the formulation of a Plan for the Development of the Cruise Market for Gozo.
Action 3	Presentation of Plan for the Development of the Cruise Market for Gozo.
Action 4	Bi-annual reviews of Plan.

GOAL 7 **Actions**	**Formulating a Digitisation Strategy for Gozo to maximise tourism opportunities for the island's tourism sector.**
Action 1	Undertaking of audit of Gozitan tourism's current state of digitization to identify areas of best practice, shortcomings and areas of concern which require addressing.
Action 2	Formulation of Digitisation Strategy for Gozo placing emphasis on the particular needs specific to the concept of Nomad Tourism.
Action 3	Implementation of Digitisation Strategy by rolling it out to the different sectoral components, providing training, resources and overall direction for a cohesive and common approach covering tourism to Gozo.
Action 4	Bi-annual reviews of Digitisation Strategy to be able to take technological advances into account.

GOAL 8	**Improving the measurement of Tourism Activity on Gozo beyond the data sets currently available through the introduction of more Gozo-specific surveys and studies aimed at capturing the entire accommodation spectrum and providing a range of quantitative, qualitative, sustainability and socio-economic indicators.**
Actions	
Action 1	Stock-take of currently available data-sources by the National Statistics Office, the Malta Tourism Authority, administrative data sources and industry sources.
Action 2	Identification of gaps in required data.
Action 3	Formulation of Action Plan and Time-line for the phased introduction of additional Gozo-specific surveys and studies.
Action 4	Publication of Annual Gozo Tourism Statistics Review.

Marketing and Segments

Strategy 3 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. Segmentation is a fluid process featuring a mix of established and emerging segments

Rationale As tourism becomes more sophisticated, so do the reasons why people travel increasingly become more and more fragmented. Far from being a homogenous activity, tourism is increasingly composed of a growing number of motivational segments which are, in turn, themselves further split into smaller micro-segments.

The existence of such segmentation enables the well-managed destination to successfully target those tourism flows which not only best match its offer but also enable it to maximise economic returns and extend the tourist season into a more even spread by minimizing the difference between peaks and troughs in performance.

A destination like Malta has been blessed with a high level of versatility in terms of offer which has traditionally enabled it to tap into a wide range of tourism motivational segments thereby making full use of its range of natural, man-made, historical, cultural, educational, land-based and maritime tourism offers.

Such versatility features an almost paradoxical relationship with the country's small size by presenting a relationship between a very small territory with limited tourist expectation potential and the surprisingly wide range of activities, products and experiences which can be enjoyed in the destination making its offer on par with those of much larger competitors and with the added advantage of accessibility due to vastly reduced distances.

Segmentation of the nature and reasons why tourists travel to a destination can be undertaken at various levels. Some are of a socio-demographic nature and include elements such as age groups, gender, areas of residence, levels of education, household type and size, household income and occupation. Others focus more on the motivational aspect and can include sub-divisions such as Peak and Off-peak, Business and Leisure, Active and Passive, Independent and Organised, Air and Sea, First time and Repeat and a host of other similar, generally opposite, sub-divisions.

However, by far, the most descriptive of the motivational segment methodologies, describe tourists in terms of their main type of activity undertaken in the destination.

In the case of Malta this can include a long list, foremost amongst which the following predominate:

- Summer Sun
- Sun and Culture
- Winter Sun
- Culture
- Scuba Diving
- English Language Learning
- Business Travel including MICE
- Arts and Entertainment including Music Events and Parties
- Sports and Activity Tourism
- Short breaks and City breaks
- Weddings and Honeymoons
- Wellness and Health, Medical and Cosmetic Tourism
- Eco-Tourism
- Religious and Spiritual
- Two-centre holidays
- Gastronomy
- Luxury Tourism
- Other Special Interest categories

	Share of Total Inbound Tourists			
Main Motivational Reason for Visiting **Malta**	**2016**	**2017**	**2018**	**2019**
Sun & Culture	48.0%	49.6%	50.2%	49.3%
Sun	15.5%	15.7%	15.4%	15.6%
Culture	8.6%	9.0%	10.1%	10.8%
Special Occasion	6.6%	7.8%	6.9%	8.5%
Visiting friends & relatives	9.4%	9.2%	8.1%	7.6%
MICE	4.5%	5.3%	5.0%	4.2%
Other Business	2.5%	2.6%	1.9%	2.7%
Wellness	5.5%	4.6%	4.5%	4.9%
Scuba diving	5.2%	5.2%	4.9%	4.8%
TEFL	3.9%	3.8%	3.4%	3.0%
Other sports	3.0%	2.9%	2.8%	2.8%

Segmentation obviously also exists in terms of geographic source markets and can be subdivided into a number of categories such as short-haul and long-haul, neighbouring and distant, intra-European and international, EU and non-EU, directly connected versus markets requiring transit via other airports, established versus new and emerging and a host of other situations. This Strategy will not only monitor developments within mature or declining markets but constantly follow opportunities arising from new and emerging ones with the purpose of exploring their potential and linking such potential with connectivity, product requirements and targeted marketing activities.

	2015	2016	2017	2018	2019
Australia	27,207	32,611	35,875	45,859	49,807
Austria	30,246	24,319	29,624	39,029	33,251
Belgium	35,937	41,759	73,429	70,191	70,886
Denmark	38,527	43,263	45,729	41,709	42,717
France	127,953	144,804	176,370	213,299	239,140
Germany	141,855	156,786	193,033	226,962	211,546
Hungary	17,719	20,988	26,875	28,294	37,976
Italy	282,815	315,223	363,668	390,607	392,955
Ireland	35,382	33,175	36,177	40,721	53,089
Libya	6,651	3,415	2,845	3,359	2,828
Netherlands	44,962	52,642	52,642	57,355	59,528
Norway	14,989	12,940	12,940	15,257	16,548
Finland	15,611	20,656	20,656	16,452	11,534
Poland	46,231	70,563	70,563	96,362	104,228
Russia	21,584	16,370	16,370	28,944	3,445
Spain	47,237	55,023	55,023	99,046	116,296
Sweden	48,261	47,104	47,104	54,902	53,612
Switzerland	35,293	40,504	40,504	45,572	48,954
UK	525,996	559,987	559,987	640,570	649,623
USA	25,887	26,454	26,454	47,170	50,525
Others	213,023	247,343	247,343	397,030	475,751
Total	1,783,366	1,965,928	1,965,928	2,598,690	2,753,239

Objective To segment existing and potential motivational and geographic tourism flows in a way which distinguishes them from each other in terms of product and service requirements, compatibility, seasonal behaviour, lifecycle stage and growth potential. To evaluate existing segments in terms of their status and explore the feasibility of new and emerging segments for inclusion into the destination's segmentation strategy.

Goals

GOAL 1	To undertake a stocktake of existing Motivational and Geographic tourism sources.
GOAL 2	To establish lifecycle stages of each of the existing motivational and geographic segments.
GOAL 3	To differentiate between rising and declining segments and analyse reasons behind their status and propose tactics for each.
GOAL 4	Identify new and emerging tourism sources and analyse their suitability for the destination and devise relevant development strategies for them.

Each goal will be achieved through a specific set of actions as follows:

GOAL 1	**To undertake a stocktake of existing Motivational and Geographic tourism sources.**
Actions	
Action 1	To use NSO and MTA quantitative and qualitative survey data to provide an updated motivational and geographical data set breaking down inbound tourism into the relevant segments.
Action 2	To investigate international best practice in segment analysis and apply it to the local findings.
Action 3	To use this template for the regular measuring of such segments and publishing of such results.

GOAL 2	**To establish lifecycle stages of each of the existing motivational and geographic segments.**
Actions	
Action 1	Undertake a lifecycle analysis for each identified motivational and geographic source market.
Action 2	To repeat this analysis on a bi-annual basis.

GOAL 3	**To differentiate between rising and declining segments and analyse reasons behind their status and propose tactics for each**
Actions	
Action 1	To regularly study the status of each motivational and geographic segment from a life-cycle perspective, differentiating between rising and declining ones.
Action 2	To highlight reasons behind each status and causes thereof.
Action 3	To propose tactics in response for findings in Action 2.
Action 4	To identify individual segment needs in terms of product development, support and marketing.

GOAL 4	**Identify new and emerging tourism sources and analyse their suitability for the destination and devise relevant development strategies for them.**
Actions	
Action 1	Follow international tourism developments to help identify new and emerging motivational and geographical segments.
Action 2	Match the suitability of Destination Malta to each of these identified segments.
Action 3	Generate the relevant Plans for attracting the selected and identified segments.
Action 4	Ensure that this process is carried out continuously to maximise on arising opportunities.

Emerging & Developing Segments

Strategy 4 To explore the interrelationships emerging from the existence of other services sectors within the Maltese economy such as Health, Culture including Arts and Entertainment, Sport, Education, Financial Services, Film and Gaming to explore tourism potential opportunities arising from such interrelationships.

Rationale Tourism activity constitutes one of Malta's original services sectors which emerged from an economy traditionally tied to a mix of military-related activities and primary industries such as manufacturing and agriculture.

For a number of decades, tourism served as a mostly stand-alone type of economic service activity until the widening of the Maltese economic services sector led to its sharing the platform with a number of other service type economic activities.

More recently, tourism has increasingly shared the service sector platform with a host of other types of economic activity. Whilst it may be argued that such a situation may have led to a dilution of tourism's importance within the Maltese economic context, the fact remains that the clustering of tourism with other types of service economy activities creates synergizing opportunities which did not exist in terms of scope and variety only a few years ago.

The opportunities arising from these additional services sectors are due to the overlap created when juxtaposing such activities on each other. Thus, instead of operating in a mutually exclusive manner from each other, such activities create additional value added when they coincide, super-impose and inter-relate with each other.

This Strategy focuses on the exploration and exploitation of the tourism opportunities arising from such inter-relationships so as to further broaden Malta and Gozo's tourism appeal through the harnessing of opportunities existing within the domestic economic framework.

Such complementary activities embrace sectors as diverse as Health, Culture, Sports including Individual Sports, Education, Aviation, Financial Services, the Film Industry and Gaming amongst others.

Each of these sectors presents a wide range of opportunities which can be explored and developed from the tourism perspective to deliver increased tourism flows respecting the overall objective of this Strategy.

Objective To open discussions with the different stakeholders in the identified services sectors with a view to identifying tourism opportunities arising from their presence in Malta and to devise sector specific plans for the attraction of desired types of Tourism streams from such sectors. To continue understanding the evolutionary dynamics of these different sectors so as to ensure an updated understanding of them and of the opportunities that they present to tourism activity on Malta and Gozo.

Goals

GOAL 1	Undertake a stock-take of the current tourism impacts of each of the identified inter-related services sectors namely Health and Wellness, Culture including Arts and Entertainment, Education, Financial services, Sports, Gaming, Aviation and Film Industry amongst others.
GOAL 2	Adapting the experiences of destinations similar to Malta which have successfully maximized such inter-relationships.
GOAL 3	Discussing Goal 1 and 2 findings with relevant stakeholders.
GOAL 4	Devise sector specific strategies in conjunction with each set of stakeholders.

Each goal will be achieved through a specific set of actions as follows:

GOAL 1	**Undertake a stock-take of the current tourism impacts of each of the identified inter-related services sectors namely Health and Wellness, Culture, Education, Financial services, Sports, Gaming, Aviation and Film Industry amongst others.**
Actions	
Action 1	Investigate each of the identified services sectors and their tourism impacts through consultation with stakeholders and tourism industry players.
Action 2	Investigate each of the identified sectors' tourism potential within the widest possible framework (eg the wider potential of culture in terms of enhancing and regenerating urban infrastructure and integrating tourism within the localized cultural and social fabrics.

GOAL 2	**Adapting the experiences of destinations similar to Malta which have successfully maximized such inter-relationships.**
Actions	
Action 1	Investigate best practices emerging from destinations similar to the Maltese Islands.
Action 2	Select and adapt such best practices to the local scenario.

GOAL 3	**Discussing Goal 1 and 2 findings with relevant stakeholders.**
Actions	
Action 1	Merge the findings of Goals 1 and 2 into sector-specific proposals.
Action 2	Present each proposal for discussion with the relevant stakeholder groups.

GOAL 4	**Devise sector specific strategies in conjunction with each set of stakeholders.**
Actions	
Action 1	Finalize sector plans for each of the identified areas.

Emerging & Developing Segments

Strategy 5 To build on the recognition of the importance of the Domestic Market during the COVID-19 crisis by actively continuing to tap into it and treat it as a relevant tourism stream.

Rationale Domestic tourism in Malta has traditionally been downplayed in terms of importance. This took place for a number of reasons, foremost amongst which there is the small size of the country encouraging the assumption that, apart from domestic overnights on the island of Gozo, there is very little scope and purpose for Maltese residents to holiday within their own national boundaries. Until recently, the ratio of domestic tourism to incoming tourism was so minute so as to be given very scant importance be it from the marketing, promotional, planning, product development or measurement perspectives.

In more recent years, the travel behaviour of Maltese residents has changed extensively in line with international trends which have seen travel become a more frequent phenomenon practiced by a wider spectrum of the population. Such enhanced travel propensities have impacted not only outbound travel by local residents but also domestic travel which has featured very different consumption patterns from the traditional peak season or long weekend restricted self-catering visits to Gozo of the past.

The global disruption of tourism resulting from the COVID-19 pandemic during 2020 and 2021 has placed a spotlight on the relevance of domestic tourism both as a replacement for the absent flows of incoming visitors and also as an alternative for a domestic population accustomed to frequent annual episodes of foreign travel which suddenly became prohibitively difficult. As a result, its appreciation and understanding as a distinct component of mainstream tourism demand cannot be ignored any longer.

Domestic tourism has now become a year-round phenomenon, utilising all types of accommodation including collective and on both mainland Malta and on Gozo. It is not a peripheral, fringe activity any longer but takes place in parallel with incoming tourism. Maltese residents travel domestically for short breaks, events, partying, pampering and relaxation, gastronomy, special occasions and even in response to special offers or discounts occasionally offered by suppliers. COVID-19 has helped cement domestic tourism's permanent integration into the Maltese tourism industry fabric.

These developments make it relevant to start including domestic tourism in all plans relative to tourism in the Maltese Islands. Domestic tourism needs to be factored into plans, studies, scenarios, forecasts and actions. It needs to be measured more holistically and in a more timely manner from the statistical perspective to provide a set of dependable and timely quantitative and qualitative datasets for use by planers, operators and business practitioners.

Regional overview	2016	2017	2018	2019	Abs. Change 2019/ 2018	% Change 2019/ 2018
Malta residents to **Gozo/Comino** region	218,272	236,838	227,121	215,272	-11,894	-5.2%
Loss in airline seat capacity	18,131	23,924	18,356	21,965	3,610	19.7%

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total	**38,139**	**37,164**	**36,551**	**39,915**	**41,282**	**40,079**	**41,485**	**44,710**	**44,324**	**49,131**
Hotel Total	**36,321**	**36,481**	**25,862**	**39,176**	**40,538**	**39,227**	**40,500**	**41,153**	**41,129**	**45,946**
Hotel 5-star	9,208	9,594	10,292	11,027	10,836	10,239	12,328	12,649	12,696	15,292
Hotel 4-star	20,875	19,243	18,659	17,470	18,799	14,687	14,581	12,870	11,814	13,491
Hotel 3-star	5,920	6,166	5,649	6,227	6,740	10,059	9,987	11,454	13,154	13,222
Other Collective Accomodation	**1,818**	**683**	**689**	**739**	**744**	**852**	**985**	**3,557**	**3,195**	**3,185**

Objective To give Domestic Tourism due recognition as a valid and relevant tourism stream by integrating it fully in all Plans, Initiatives, Decisions and Promotional Actions undertaken by the Authorities and to emulate international best practice for its proper definition and measurement for seamless integration with published incoming tourism statistics.

Goals

GOAL 1	Take stock of the full set of parameters defining domestic tourism.
GOAL 2	Investigating impacts of domestic tourism flows differentiated by season and destination on the local tourism industry.
GOAL 3	Discuss the holistic picture of domestic tourism and its impacts with stakeholders with a view to devising methods on how to incentivise domestic travellers, ensure that tourism service providers follow up on the advances made during the COVID-19 pandemic and integrate the domestic market as a permanent part of their client mix
GOAL 4	Collaborate with local councils to create specific events/themes to attract a healthy stream of domestic tourism throughout the year.

Each goal will be achieved through a specific set of actions as follows:

GOAL 1	**Take stock of the full set of parameters defining domestic tourism.**
Actions	
Action 1	Identify the current lacunae in measuring domestic tourism in a holistic manner.
Action 2	Devise a methodology for the proper, holistic measurement of domestic tourism.

GOAL 2	**Investigating impacts of domestic tourism flows differentiated by season and destination on the local tourism industry.**
Actions	
Action 1	Use the data emerging from Goal 1 to adequately profile the domestic tourism stream and investigate its proclivities and sectoral impacts.
Action 2	Action 2 Match the Maltese domestic tourism profile with that of similarly sized jurisdictions.

GOAL 3	**Discuss the holistic picture of domestic tourism and its impacts with stakeholders with a view to devising methods on how to incentivise domestic travellers, ensure that tourism service providers follow up on the advances made during the COVID-19 pandemic and integrate the domestic market as a permanent part of their client mix.**
Actions	
Action 1	Identify the set of stakeholders relevant to the development and attraction of domestic tourism.
Action 2	Discuss and identify ways on how to further develop domestic tourism within the Maltese Islands by incentivising residents with the proper products, offers and experiences.
Action 3	Use the knowledge and gains made from the COVID-19 pandemic to further grow domestic tourism as a permanent component of the overall tourism influx.

GOAL 4	**Collaborate with local councils to create specific events/themes to attract a healthy stream of domestic tourism throughout the year.**
Actions	
Action 1	Discuss the USPs for each locality covered by a Local Council.
Action 2	Create and compile a national calendar of locality-based events and activities aimed at attracting domestic tourism by avoiding thematic duplication and date overlaps.
Action 3	To assist in the marketing and promotion of the identified and selected events and activities.

Emerging & Developing Segments

Strategy 6 To further tap into the Cruise Market to increase its economic value through a higher ratio of home porting to port-of-call business.

Rationale The Cruise market is complimentary to tourism in that while the visitors arriving at a destination on a cruise ship are not essentially tourists by definition, but rather, day trippers or excursionists, their movements, behaviour and attraction feature a huge level of overlap with mainstream tourism so much so that no Tourism Strategy can be complete without recognising their relevance and importance.

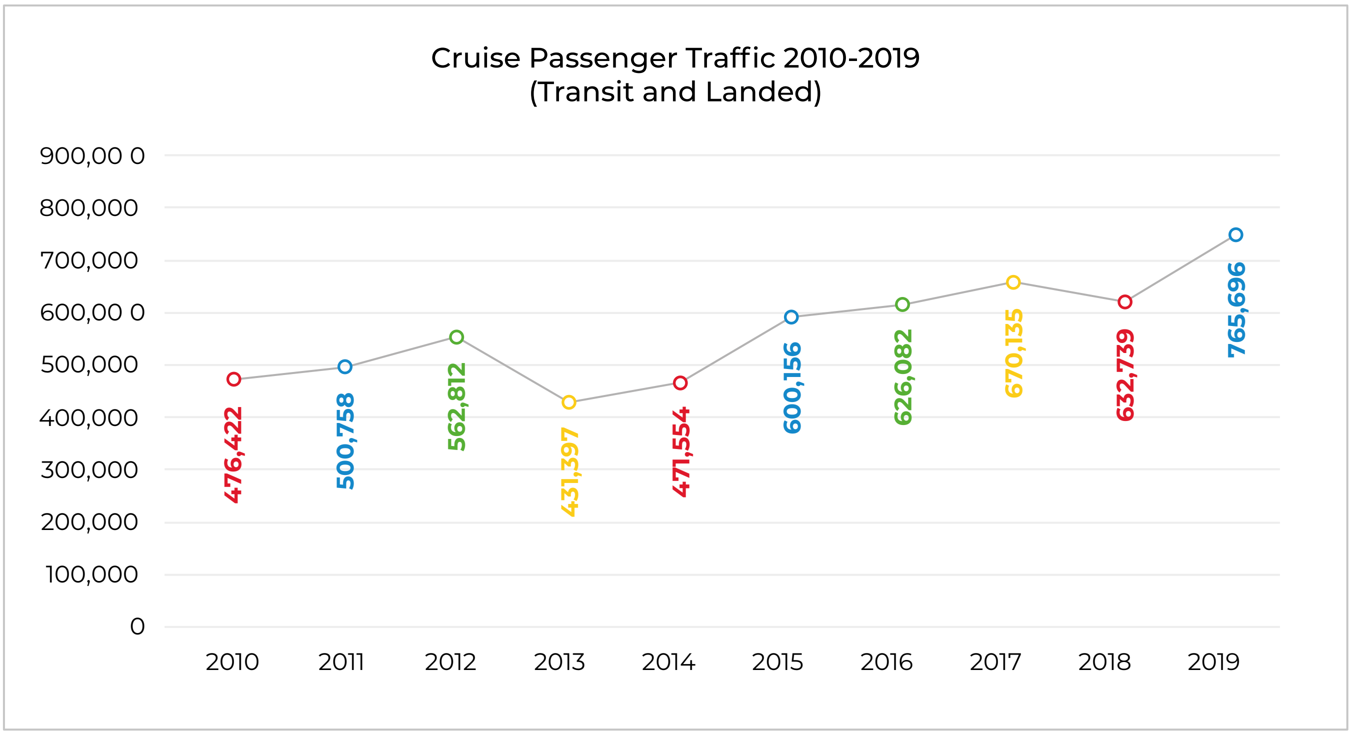
Furthermore, there exist widespread interlinkages between the tourism and cruise sectors which present opportunities to be availed of by the tourism industry.

Fundamentally, cruise ships bring hundreds of thousands of first-time visitors into the destination, most of whom are on a first-time visit. This exposes such first timers to a brief preview of the destination's offer and can prove instrumental in motivating such visitors to return for a longer visit as bone fide tourists. The marketing potential presented by such visitors is enormous given the high rate of possible convincing to revisit coupled with Malta's high levels of customer rating reported by various international cruise industry surveys over the years.

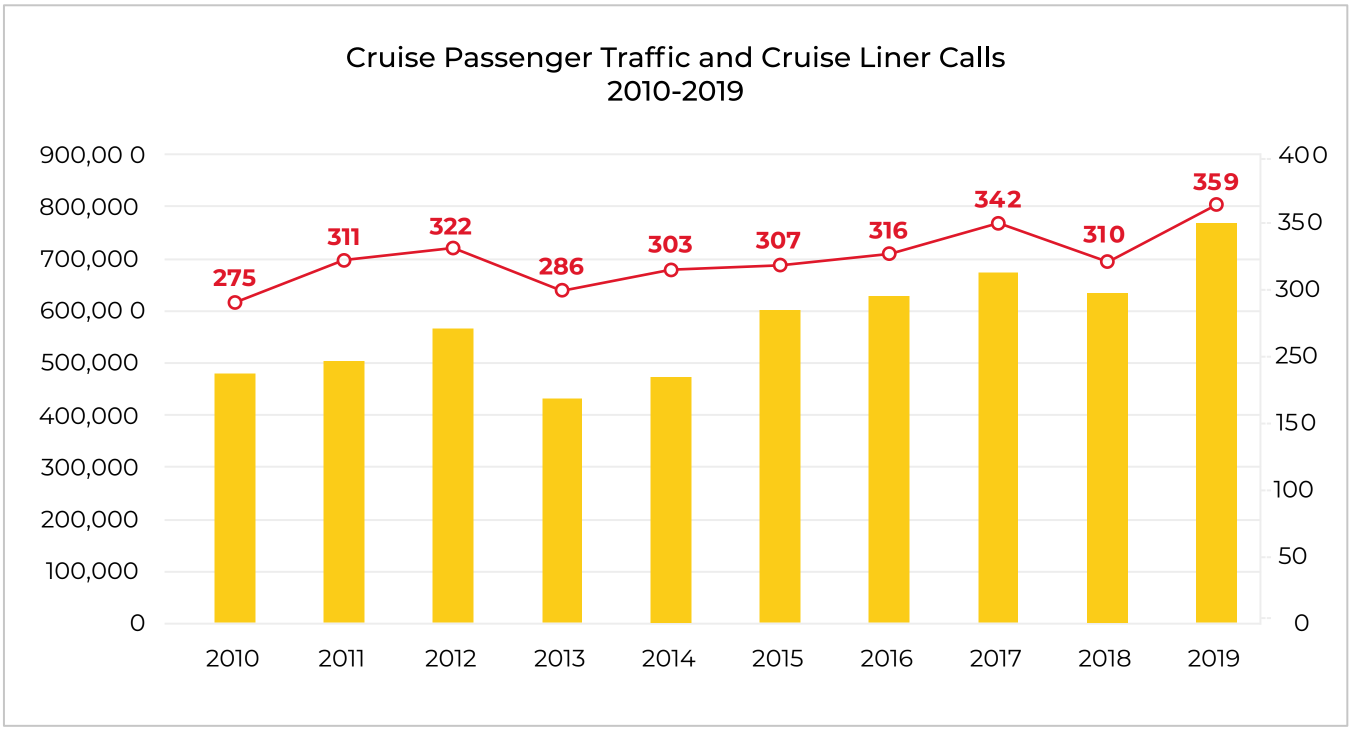
Cruise passengers have the potential to be converted into tourists in a number of other ways too. Passengers on vessels overnighting in the destination automatically become tourists by international definition while vessels home-porting in Malta for which passengers are flown in and out of the destination to start and end their cruise from the country create possibilities for cruise and stay options which are yet to be fully maximised by Malta.
Home porting also strengthens the sustainability of Malta's airline connectivity network by providing an additional passenger stream to boost aircraft utilisation and therefore actively contributes towards strengthening Malta's air links with its tourism source markets.

Besides the obvious attraction of Malta's Grand Harbour as a major Mediterranean port of call and home port, the island of Gozo has, from time to time, also managed to attract a range of different sized vessels as an alternative to Grand Harbour. Gozo's potential as a stand-alone cruise ship destination still needs to be fully realised based on adequate studies relating to the best market segments it should focus on attracting, the infrastructural requirements necessitated by the attraction of such segments and the inter-relationships with other sources of tourism and excursionists which the attraction of volumes of cruise passengers brings with it.

Malta also needs to capitalise on the investments made in providing cleaner shore to ship energy facilities which shall drastically reduce emissions by visiting ships which will no longer need to keep their engines running continually during their stay and to continue presenting itself as a sustainable cruising destination by ensuring that it attracts vessels sporting the latest clean technologies.



Cruise Passenger Traffic 2010-2019
(Transit and Landed)
900,00 0
800,000
700,000
600,00 0
500,000
400,000
300,000
200,000
100,000
0
476,422
500,758
562,812
431,397
471,554
600,156
626,082
670,135
632,739
765,696
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019



Cruise Passenger Traffic and Cruise Liner Calls
2010-2019
900,00 0
800,000
700,000
600,00 0
500,000
400,000
300,000
200,000
100,000
0
400
350
300
250
150
100
50
0
275
311
322
286
303
307
316
342
310
359
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019

Objective	The Cruise Market will continue to evolve in line with the direction of this Strategy by embracing principles based on sustainability, maximised returns and innovative segmentation aimed at integrating its development in a more holistic manner with the rest of the tourism industry. Increased home porting opportunities are to be sought, different types of cruise operators are to be assessed for attraction to Malta and Gozo, and the country's potential emerging from the combination of location, connectivity and facilities needs to be further exploited to increase the scope of cruise operations and their contribution to the Maltese Economy.	

Goals	**GOAL 1**	To manage the growth and further evolution of the cruise industry in line with developing international trends to ensure that Malta remains at the forefront.
	GOAL 2	To analyse and thoroughly understand the segmentation of the cruise industry, understand each segment's specific needs and requirements and select those potential segments best matched with each other. Particular emphasis to be placed on the luxury cruise sector.
	GOAL 3	Investigate improved ways of converting cruise passengers visiting Malta and Gozo into eventual tourists.
	GOAL 4	Publicise Malta's USPs as a sustainable destination to cruise operators to attract them to make increasing use of the destination.
	GOAL 5	Identify new opportunities to maximise returns from cruise passenger activity.

Each goal will be achieved through a specific set of actions as follows:

GOAL 1 **Actions**	**To manage the growth and further evolution of the cruise industry in line with developing international trends to ensure that Malta remains at the forefront.**
Action 1	Follow cruise market developments through contacts with relevant industry fora and discussions with operators, their local representatives as well as port facilities.
Action 2	Set performance and operational targets aimed at maintaining Malta's position within the Mediterranean cruise industry.

GOAL 2 **Actions**	**To analyse and thoroughly understand the segmentation of the cruise industry, understand each segment's specific needs and requirements and select those potential segments best matched with each other. Particular emphasis to be placed on the luxury cruise sector.**
Action 1	Identify and study the different types and categories of the components comprising the cruise industry.
Action 2	Discuss with stakeholders how to attract the selected and identified cruise segments.
Action 3	Devise a medium to long term plan for the attraction of these segments based on their product requirements and operations.

GOAL 3 **Actions**	**Investigate improved ways of converting cruise passengers visiting Malta and Gozo into eventual tourists.**
Action 1	Discuss the formulation of ways of enticing visiting cruise passengers to revisit Malta and Gozo as eventual tourists with cruise companies, their local agents and port operations.
Action 2	Implement and measure the success of the selected methodologies.

GOAL 4	**Publicise Malta's USPs as a sustainable destination to cruise operators to attract them to make increasing use of the destination.**
Actions	
Action 1	Engage in stakeholder meetings and discussions to identify Malta's USPs for the cruise sector.
Action 2	Address those areas which can be further developed to become additional USPs.
Action 3	Create a marketing plan for the industry based on findings of Actions 1 and 2.

GOAL 5	**Identify new opportunities to maximise returns from cruise passenger activity.**
Actions	
Action 1	Study other Mediterranean ports' modus operandi on maximising the economic benefits of cruise market activity.
Action 2	Discuss the feasibility and applicability of such findings to the Maltese reality.
Action 3	Devise an action plan and KPIs for the introduction and monitoring of identified opportunities.

Brand Positioning

Strategy 7 To position the Maltese Islands as destinations of first choice in select markets in conjunction with connectivity strategies aimed at ensuring seamless, affordable air and sea services offering the highest in safety and carbon reduction standards within the long-established Brand Core Values of Heritage, Hospitality and Diversity.

Rationale The new millennium witnessed a revolution in airline structure and behaviour. An industry previously modelled on a clear-cut distinction between state-owned national airlines offering schedule services and vertically-integrated charter carriers working on the basis of committed seats contracted with tour operators, eventually had to make space to the rapidly expanding phenomenon of privately owned airlines operating on the low-cost model. These airlines, not only introduced the concept of cheap, affordable travel but upset the traditional business model in a number of ways including the sale of single sectors, the reversal of the concept of dumping prices as flight date approaches, the charging for services such as baggage and food and beverage by detaching them from ticket costs and the proliferation of airports operated from as they moved into previously unknown and underutilised airfields vacated by the military in the post-cold war interval.

The impact of the low-cost model was very far reaching both in terms of traditional airline operation and also in terms of traveller behaviour, so much so that travel became increasingly a spur-of-the-moment decision which could be realised by consumers by booking online from their mobile devices. Needless to say, the combination of online technology, changed travel behaviour and more widely available airline connectivity led to the creation and proliferation of a new generation of marketing tools previously not contemplatable.

Over the past one and a half decades Maltese tourism has been transformed in a number of ways, ensuring a transition which strengthens the destination’s competitiveness. Tourism to Malta has grown in volume, value, presence, spread, source and purpose. The Maltese Islands have become a truly year-round destination alternating between Malta being an Island with a City during the summer season and a City on an Island during the low season.

The evolution of the air connectivity necessary to transport tourists from their countries of residence to the destination has made it possible for Malta to connect with a large number of major and secondary cities for point-to-point travel. The parallel development of air services through adequate long-haul gateways affording seamless transfers from the American and the Australasian markets have also induced increased tourism from markets in North and Latin America, Japan, Korea, China, Australia and India.

Tourism has also had an overall positive effect on the host population’s quality of life. It has generated employment opportunities, generated critical masses of customers for the feasibility of a very diverse range of facilities and attractions, stimulated infrastructural improvements and investments in areas which are not of benefit to tourism alone.

The Maltese resident population has also taken full advantage of connectivity possibilities arising from an expanded route network increasing their travel participation rate strongly year after year. The revolution in accommodation usage has also led to more people entering the hospitality market through participation in the peer-to-peer market whilst the experiential nature of contemporary tourism demand has led to a widening of the spectrum of goods and services consumed by tourists to the benefit of the local trading and entrepreneurial community.

Until the disruption caused by COVID-19, Maltese tourism had enjoyed a lengthy period of sustained volume growth which led to the virtual doubling of tourism numbers between 2010 and 2019, with peak tourist volumes to Malta having arrived from more countries and cities, with more airlines, for more reasons and spread during all twelve months of the year.

The led to the destination making great strides in terms of diversifying its motivational offer, broadening its source market base, attracting strong year-round growth with a positive bias towards the low season months. Malta’s tourism was widened to feature a more even spread of ages, socio-economic profiles, interests, travel styles and consumption demands. This, in turn, revolutionized the structure of the local supply chain stimulating investment in various fields ranging from traditional and contemporary accommodation products, a richer gastronomic offer and a wide range of tourism services and service providers.

Tourism growth stimulated strong investment in a number of other economic sectors and itself benefited from strong Government support and commitment which served to sustain the positive environment which resulted in its improvement, expansion and enhanced economic contribution. The growth of tourism ensured that industry profitability was not only extended to most months of the year but was sustained long enough to induce a strong flow of expansionary investment in terms of expanded existing developments as well as new investments which have served to increase tourism supply substantially.

Investment in infrastructure, heritage, transport and connectivity were necessary in enabling the destination to absorb the growth and spread of tourism. This took place at a time of other strong economic expansion in other areas of development such as construction, real estate, manufacturing and various service sectors.

Most predictions point to a short to medium term period of recovery for international tourism suggesting 2023/4 as the years when volumes start to return to 2019 levels. In the interim, Malta is working hard to recover in its tourism by tapping into more responsive segments and markets to narrow the time-gap until tourism gets back on track.

The attraction of a higher-yield tourist who will demand more labour-intensive hospitality services will not only enhance the economic and social benefits of tourism, but also address some of its less attractive effects. A connectivity strategy which is sensitive to such requirements.

MTA's Route Development Strategy strives to exploit opportunities based on market developments and sustain and expand the current route network.

The way forward considers a number of parameters including working closely with the several airline partners to improve accessibility through improved weekly frequencies and an extended period of operation, continuing to stimulate route expansion in a way which opens up new markets and to work with strategic partners in order to achieve further development in the more established core markets.

Malta's airline route development strategy is conditioned by the following criteria:
- Longevity/sustainability of route rather than growth for the sake of growth;
- Prioritise extension into winter, sometimes gradually in the case of smaller airlines and routes;
- Multiple frequencies to allow for different stay durations;
- Attracting a portfolio of different airlines;
- Managing airline relationships in a way which gives them space/opportunities to grow.

Malta's current connectivity can be categorized as follows:
- Malta-based Airlines;
- Major Airlines for short and long-haul connectivity;
- Large Airlines with Regional Focus;
- Other Airlines (mostly regional, single country/city focus).

Until 2006, Malta's first steps in the field of connectivity were characterised by an airport map featuring mostly unserved routes. Eventually, after more than doubling the number of served routes, by 2019 there were very few major or secondary short-haul airports which are still unserved. The challenge now is for Malta to rebuild its connectivity network in a way which sustains recovery and strategically identifies growth opportunities in a way which maximises returns rather than dilute existing business or lead to displacement between airports.

In an age in which Climate Change has been propelled into the stage of global recognition, and given Malta's aspirations to become a world leader in the field of Climate Friendly Travel, this Strategy will also give prominence to the attraction of airlines operating young, advanced technology aircraft fleets and will, in the coming years, give precedence to connectivity provided by airlines which lead in terms of the use of new aviation technologies.

Whereas it is universally recognized that air travel is by far the predominantly preferred mode of transport for the absolute majority of travellers to Malta, the relevance of sea as a mode of transport for tourism from neighbouring Sicily still offers further opportunities in terms of departure points, nature of vessel, season and frequency. Enhanced maritime connectivity with Malta's immediate neighbourhood, including the lesser Italian Islands may also present further opportunities for extending the attractiveness of Malta's tourism offer and establish its role as a small but important tourism player in the Central Mediterranean.

Objective	To rebuild Malta's connectivity network in a way which maximises its opportunities to attract the tourism streams identified by this Strategy and to do so by attracting the ideal mix of carriers, routes, seasons and frequencies displaying the best long-term prospects in terms of viability, growth and technological advance aimed at minimising emissions on the basis of the latest technological advances. To apply these objectives both to air and sea travel.	
Goals	**GOAL 1**	To holistically investigate air and sea connectivity opportunities in various established, new and emerging source markets and to use the information to plan Malta's air and sea networks in a way which covers the widest possible range of tourism sources.
	GOAL 2	To hold discussions with existing and new airlines/shipping companies with a view to rebuild and grow Malta's connectivity in line with Goal 1.
	GOAL 3	To place emphasis on the establishment of long-lived, sustainable operations in lieu of short-term ones.
	GOAL 4	To increasingly work with air and sea service transport providers operating the cleanest, most modern and least polluting fleets.

Each goal will be achieved through a specific set of actions as follows:

GOAL 1	**To holistically investigate air and sea connectivity opportunities in various established, new and emerging source markets and to use the information to plan Malta's air and sea networks in a way which covers the widest possible range of tourism sources.**
Actions	
Action 1	Analyse existing international air and sea connectivity of relevance to Malta and establish existing levels of service and adequacy.
Action 2	Identify latent potential of unserved regions and best prospects of addressing such lacunae.
Action 3	Use Actions 1 and 2 to draft proposal to guide Goal 2.

GOAL 2 **Actions**	**To hold discussions with existing and new airlines/shipping companies with a view to rebuild and grow Malta's connectivity in line with Goal 1.**
Action 1	To set up discussions with the identified potential transport partners as per Goal 1, comprising a mix of existing and new partners.
Action 2	To enter into agreements binding identified partners into a long-term relationship with the destination.

GOAL 3 **Actions**	**To place emphasis on the establishment of long-lived, sustainable operations in lieu of short-term ones**
Action 1	To assess opportunities and proposals on the basis of clearly defined methodology aimed at favouring long term relationships.

GOAL 4 **Actions**	**To increasingly work with air and sea service transport providers operating the cleanest, most modern and least polluting fleets**
Action 1	Liaise with Transportation Authorities and Experts to identify the latest developments in terms of clean and environmental friendly standards for international transportation.
Action 2	To favour those air and sea transport providers featuring the recommended technologies in their equipment and work practices.

Brand Footprint

Strategy 8 To continue to strengthen the City dimension of Malta's cosmopolitan offer through the further development of Brand Valletta to encompass the destination's historic and contemporary urban offer.

Rationale Malta presents the paradoxical dichotomy of a destination which is concentrated within the spatial constraints of a small territory but possesses the variety and diversity of tourism products and experiences normally found in larger destinations.

It is thus a small territory but yet a sovereign country, an archipelago comprising a number of distinct islands, the population of a medium sized city within a nation of 66 different localities and a varied destination with an urban, rural and coastal/maritime dimension.

Over the past years, Malta has successfully managed to commence a process which led to the establishment of the Valletta Brand as a stand-alone off-shoot of the umbrella Malta brand. Valletta has become a recognizable brand in its own right representing a historic, urban experience based on an eclectic mix of attractions, shops, vistas, restaurants, theatre and outdoor experiences within a beautifully restored and integrated historical urban fabric within the city's extensive historic walls.

The rise of Brand Valletta has been instrumental in channeling investment into new tourism accommodation establishments thus changing the locality from one which was previously a day-trip destination to one where apart from day-trippers and cruise passengers, it now also hosts a population of bona-fide tourists who actually overnight within its precincts.

Whereas to the Maltese, Valletta consists of the actual 0.61 square kilometers citadel built by the Knights of St. John in the 16th Century, to most visitors arriving from larger countries with bigger cities, it constitutes a 'historic centre' within a wider urban context: the contiguous urban conurbation spanning the City's two deep water ports of Grand Harbour and Marsamxett Harbour.

This north and south harbour conurbation represents Malta's City Tourism offer which possesses the perfect credentials for the extension of the current Valletta Brand. It represents a wider cosmopolitan offer in an area housing around one quarter of a million residents; a mix of historic and modern, traditional and contemporary, communal and residential, inland and coastal. The conurbation has the potential to be branded as the wider Malta urban offer in line with and the further evolution of the already established dual principle of Malta as the "Island with a City" and "City on an Island".

Complementing the valued and successful Valletta brand with this additional City Brand dimension will only serve to position Malta in a stronger manner within attractive segments of inbound travellers seeking lifestyle, short breaks, city breaks, shopping, cultural experiences, nightlife, conference and business, religious, medical, wellness and luxury travel.

These are all segments with stronger growth potential, bringing higher spending visitors aligned to Malta's urban tourism offer.

It will generate additional, year-round demand as opposed to the more seasonal coastal offer and has the potential to spearhead the strategic objective of delivering an improved quality experience to visitors. It can also integrate rather seamlessly within the existing urban fabric as part of a wider, overall process of urban regeneration and innovation including diverse aspects such as transport, pedestrianisation, maximisation of open spaces and giving a new lease of life to neglected and undervalued areas rather than simply demolishing them for replacement by non-traditional, high density developments.

Objective	To further build on the positives arising from the successful development, promotion and establishment of the Valletta Brand through the additional development of a distinct Malta City Tourism Brand encompassing the contiguous North and South Harbours Conurbation as a distinct element of Malta's Cosmopolitan character. To offer visitors a Maltese cosmopolitan lifestyle experience radiating outwards from Valletta and incorporating elements such as history, culture, sea, architecture, cuisine, way of life and climate as reasons for tourists to visit and return.

Goals	**GOAL 1**	To identify, compile and present the Brand components of the proposed Malta City Tourism Brand by emulating best practice from established, successful CITY BRANDS.
	GOAL 2	To develop the Malta City Tourism Brand in parallel with and in a complementary manner to the existing Valletta Brand.
	GOAL 3	To promote, position and popularise the Malta City Tourism Brand with the relevant stakeholders and target audiences by integrating it in all supply & demand side actions.
	GOAL 4	To amend research tools to start measuring the growth and development of the Malta City Tourism Brand in the different markets and provide feedback to marketing agencies and product development initiatives.

Each goal will be achieved through a specific set of actions as follows:

GOAL 1 **Actions**	**To identify, compile and present he Brand Components of the proposed Malta City Tourism Brand by emulating best practice from established, successful City Brands**
Action 1	Commission a comparative study to identify which established City Brands Malta should benchmark itself with.
Action 2	Select the brand elements on the basis of Malta's comparative advantage and present them to stakeholders.
Action 3	Prepare and distribute a Brand handbook covering the Malta City Tourism Brand.

GOAL 2 **Actions**	**To develop the Malta City Tourism Brand in parallel with and in a complementary manner to the existing Valletta Brand**
Action 1	Explore the relationship between the existing Valletta Brand and the proposed, wider Malta City Tourism Brand so as to establish an inter-relationship based on complementarity.
Action 2	Identify similar cases in established city destinations where specific districts of a city co-exist as a distinctly integrated component of a brand.
Action 3	Co-ordinate the process by involving all relevant public & private stakeholders and engaging Branding Experts to steer this process.

GOAL 3 **Actions**	**To promote, position and popularise the Malta City Tourism Brand with the relevant stakeholders and target audiences by integrating it in all supply & demand side actions**
Action 1	Organise a Malta City Tourism Brand Conference to present the Brand elements to interested stakeholders.
Action 2	Set up a Malta City Tourism Brand Forum to execute, monitor, refine and evolve the new Brand.
Action 3	Work to extend the dissemination and values associated with the Brand to a wider audience of stakeholders by obtaining their commitment and participation.

GOAL 4	**To amend research tools to start measuring the growth and development of the Malta City Tourism Brand in the different markets and provide feedback to marketing agencies and product development initiatives**
Actions	
Action 1	To evaluate the outputs emerging from GOALS 1 and 2 for research purposes.
Action 2	To create new specific research tools or update existing ones to monitor Brand Development.
Action 3	To publish an annual datasheet on the measurement of selected brand parameters.
Action 4	To promote regular feedback to the Malta City Tourism Brand Forum to assist it in its efforts and work.

Brand Footprint

Strategy 9 To increase the Destination's brand footprint by subdividing the national territory comprising the major Islands of Malta, Gozo and Comino by identifying zones within the national territory, each possessing distinct competitive advantage and differentiation from the other zones. This cluster approach shall recognise a combination of product and emotional attributes pertaining to each respective zone which will be the guiding principles for product development and market positioning. Unravelling Destination Malta in this way widens its appeal to the different segments it shall be seeking to attract and grow.

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

This positive attribute can neither be taken lightly nor for granted given that a substantial number of Malta's direct competitors in the tourism field generally possess strengths in one area or the other but very rarely in both.

The modern Maltese tourism industry was born in the late 1950s, at a time when developments bore all the hallmarks of a country and destination struggling to come to terms with its own identity. Malta's initial ventures into tourism were based on the assumption that the United Kingdom was the island's obvious and natural source market and that what British tourists were seeking was merely a warmer, sunnier, Mediterranean version of their homeland.

This narrow initial appreciation of the country's tourism potential was to have a profound effect on two aspects of Malta's tourism performance, which continue to constitute challenges even today.

The first negative effect related to geographical diversification whereby a traditionally strong dependence on the British market precluded Malta from attracting tourists from other countries with the obvious risk of endangering the entire industry when tourism from the United Kingdom declined.

The second negative effect, with direct links to the first related to the issue of seasonality. The positioning of Malta as a sun and sea destination between the late 1950s and the mid-1980s resulted in a huge concentration of tourism inflows around the peak summer months with very little off-peak activity during the rest of the year.

The way for Malta to achieve the required change was to capitalise on the fact that it could offer the charms and attractions of a Mediterranean archipelago with emphasis on good weather and a wide range of coastal activities, underscored by a vibrant local community with its diverse culture and rich millenary history. For many years however, the major emphasis remained on the coastal dimension with the cultural aspect taking a backseat role.

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

The Mediterranean has an oversupply of islands and coastal destinations whose major offer relies very heavily on their sun and beach assets. Were Malta to compete on this basis alone, as it tried to do before efforts at diversifying its product offer were introduced in the mid to late 1980s, its performance would be much lower than what it was experiencing apart in the pre-COVID-19 peak. This, apart from the fact that it would be engaging in continuous price wars with competitors.

Malta's unique, rich, diverse, and excellently presented urban cultural tourism offer has not only helped differentiate it from such competitors but has also helped it reduce the negative effects of seasonality by enabling it to attract tourists during all months of the year.

The Island City concept is one where initially emphasis was being placed on the already known name of Valletta, which, however, from the marketing perspective refers not only to the territory occupied by the Capital but extends to the entire urban fabric of the destination, as has already been encapsulated within the Valletta 2018 European Capital of Culture concept.

As tourism shifts from detached sightseeing into a hands-on lifestyle and indulgence experience, destinations need to gear themselves up for increased demand for personalised quality experiences available to affordable budgets. This extends also to the concept of experience hotels where accommodation opportunities are also being offered in all sorts of establishments ranging from converted lighthouses to disused warehouses. Travellers will invariably be seeking more cultural immersion into the destination in the coming years.

The creative economy and modern, consumer-inspired destination branding go hand in hand. Today's successful destination realizes that it is all about experiential tourism which directly satisfies the senses: tourists do not want to be distant, passive observers but want to touch, smell, taste, see and hear all that it is possible to sense. This creates a strong brand/client bond which the satisfied tourist feels obliged to share in real time.

Through creative tourism, suppliers differentiate themselves from their competitors to achieve a competitive advantage. In this way they offer a learning and authentic experience to tourists. Creative tourism is all about the active participation of tourists in experiencing the destination.

This new approach to tourism is having a profound impact on the way tourists seek service and hospitality and the way destinations, businesses and attractions provide it.

World tourism continues to feature a strong resilience to economic adversity, natural and man-made catastrophes, the threat of war and terrorism and the occasional risk of pandemics. Despite facing more than its fair share of these negative factors over the past few years, tourism's growth trend has continued relatively unabated, and all forecasts for the next fifteen years optimistically point towards further growth.

The growth of international tourism is attributable to a host of reasons, foremost amongst which one can list the general removal, relaxation or simplification of frontier formalities between most countries of origin and destinations, the advent of lower cost modes of transport, especially by airlines, the digital revolution brought about by the online retail possibilities of the world wide web and the shift in consumer behaviour in a world of increased middle class demographics for whom frequent travel has become a firmly incorporated and inseparable component of the need for multiple breaks during a year of intensive and stressful workload.

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

These are attributes which have not only assisted Malta in growing its tourism offer but have also contributed to the accelerated diversification of the Maltese economy as one befitting a modern European state: an economy based on a solid base of high value added manufacturing comprising electronics and precision engineering, life sciences and pharmaceuticals, ICT and digital media and energy buttressed by a range of service sectors such as tourism, financial services, aviation registration and support services, gaming, transhipment and ship registration and repair. A model based on the development of a dynamic, high value-added economy founded on competence, skills and excellence and capable of sustaining a high quality standard of living for the island's entire people.

Malta's current brand image is strong. It is no longer a peripheral, marginal player benefitting from the overflow of its neighbours' success. Malta has started to generate growth under its own steam and exists as proof that small size and limited resources should not act as barriers to success. The time is ripe to further explore the possibilities emerging from carefully and gradually extending Malta's brand footprint by subdividing its territory into several smaller, inter-related distinct sub-brands with the ultimate objective of communicating a much more diverse and locality specific offer to different cohorts of desired visitors.

Localities Visited in Malta by Inbound Tourists	Year 2019
Valletta	90.9%
Mdina/Rabat	70.4%
Three Cities	38.0%
Sliema	51.4%
St Paul's Bay	46.8%
St Julians	37.9%
Marsaxlokk	44.6%
Mellieħa	33.3%
Wied iż-Żurrieq/Blue Grotto	19.8%
Marsascala	10.0%
Dingli	21.8%
Paceville	13.2%
Mosta	33.1%
Qrendi	17.9%
Golden Bay	25.3%
Ta' Qali	8.8%
Three Villages	5.5%
Naxxar	7.2%
Mġarr	17.0%
Siġġiewi	4.3%
Birżebbuġia	8.1%
Tarxien	8.7%
Paola	6.1%

Objective To analyse the destination's territory on the basis of its diversity and local characteristics with a view to eventually subdividing the country into a number of sub-brands each differentiated by its specific attributes. Such an undertaking will serve the "grow" the destination in the eyes of a wider range of potential visitor interests whilst also providing direction to investors and planners in better equating product development with specific sub-brand characteristics and comparative advantages.

Goals

GOAL 1	Analyse, research, differentiate and identify different zones on the basis of what distinguishes them from each other in terms of competitive advantage.
GOAL 2	Research the life cycle of the different coastal localities in view of their predominance in terms of receptive capacity.
GOAL 3	Establish a link with local food and food production traditions (both from land and from sea) to strongly incentivise the preservation and quality production of local produce and the resulting gastronomic offer.
GOAL 4	Apply the findings of Goals 1 to 3 to produce a Revamped Product Offering Strategy for each zone in consultation with stakeholders such as Local Councils.
GOAL 5	Explore the creation of soft novel experiences such as low volume, single night stays in alternative land and sea settings such as disused countryside structures, obsolete military inventory, fishing vessels etc.
GOAL 6	Actively promote the concept of oneness with nature in the case of zones where the natural/rural experience emerges as the main brand value through the development of sensitive, low density, non-intrusive experiences.
GOAL 7	Investigate opportunities to create sustainable luxury tourism ecosystems in low tourism activity zones to increase tourism activity primarily in terms of value rather than volume.

Each goal will be achieved through a specific set of actions as follows:

GOAL 1	**Analyse, research, differentiate and identify different zones on the basis of what distinguishes them from each other in terms of competitive advantage**
Actions	
Action 1	Carry out desk research and location-specific research to identify distinguishing characteristics.
Action 2	Compile a detailed Report for each zone.
Action 3	Use the above findings to propose eventual zoning and zoning USPs as per Strategy

GOAL 2	**Research the life cycle of the different coastal and inland localities in view of their relevance in terms of receptive capacity and visitor attractions**
Actions	
Action 1	Undertake life-cycle model analysis per locality.
Action 2	Compile a detailed Report for each Zone.
Action 3	Create Action Plans for each locality in response to findings.

GOAL 3	**Establish a link with local food and food production traditions (both from land and from sea) to strongly incentivise the preservation and quality production of local produce and the resulting gastronomic offer.**
Actions	
Action 1	Desk and location-based research to produce an exhaustive list per zone and locality.
Action 2	Identify each Zone's specific unique characteristics and use brand development techniques to integrate it within Zone's brand persona with particular reference to products of quality, traditional agro-food products, organic production, olive oil and viticulture/oenology.
Action 3	Use result of Actions 1, 2 and 3 to explore the feasibility of increased use of Made in Malta culinary products within the industry.
Action 4	Explore potential of introducing tourism to sustainable artisanal fishing and farming activities aimed at providing novel experiences while boosting Malta's image.

GOAL 4	**Apply the findings of Goals 1 to 3 to produce a Revamped Product Offering Strategy for each zone in consultation with stakeholders such as Local Councils.**
Actions	
Action 1	Consequentially develop individual zone brand strategies based on the findings emerging from Goals 1 and 2.

GOAL 5	**Explore the creation of soft novel experiences such as low volume, single night stays in alternative land and sea settings such as disused countryside structures, obsolete military inventory, fishing vessels etc.**
Actions	
Action 1	Create an inventory of potential single-night stay propositions.
Action 2	Investigate competitor products and experiences in this field.
Action 3	Subject each proposal to feasibility and sustainability criteria.
Action 4	Present a list of proposed experiences.

GOAL 6	**Actively promote the concept of oneness with nature in the case of zones where the natural/rural experience emerges as the main brand value through the development of sensitive, low density, non-intrusive experiences.**
Actions	
Action 1	Conduct joint studies with the competent Ministries and Authorities to identify locations and possibilities.
Action 2	Produce a short-list of potential ideas.
Action 3	Discuss with stakeholders and NGOs in terms of sensitive take-up and commercialisation.

GOAL 7 **Actions**	**Investigate opportunities to create sustainable luxury tourism ecosystems in low tourism activity zones to increase tourism activity primarily in terms of value rather than volume.**
Action 1	Harness the expertise of international specialists in the field to identify similar concept overseas and apply them to Malta.
Action 2	Identify area/s that can suffice the needs and sensitivities of proposed projects.
Action 3	Undertake feasibility studies taking due consideration of the very special conditions and characteristics which such proposals entail.

Environment, Climate & Tourism Product

Strategy 10 To give due recognition to the detrimental effects which unchecked climate change and global warming are bound to have on the country's tourism appeal and to engage in a national and global effort aimed at achieving Climate Friendly Travel by 2050.

Rationale Climate change is universally recognised as an existential threat to many aspects of life on Planet Earth. The effects of sustained rises in average global temperatures which is attributable to the accumulation of greenhouse gases in the atmosphere are forecast to negatively influence biodiversity, weather patterns and a very wide range of human activity ranging from food production to land loss caused by sea level change, increased desertification, pressures on fresh water sources and a wide list of human activities including leisure activities.

A country like Malta faces multiple threats from the worst scenarios emerging from unrestrained and uncontrolled climate change. Malta comprises a sedimentary rock archipelago with a relatively small surface area and a high population density. The lie of the land shelves in a west to east direction with the western coast featuring cliffs in excess of 200 metres altitude while the eastern coast shelves into sea level whilst also being exposed to the north easterly winds which are the ones most strongly linked to strong gusty storms and surges of sea water which batter the exposed coastline damaging maritime assets and causing widespread flooding in low lying areas.

Mainland Malta's east coast features a huge share of Malta's tourism infrastructure and tourist attractions, both natural and man-made. The main resort areas of Sliema/St Julians, Bugibba/Qawra. St Paul's Bay, Xemxija, Mellieha and Marsascala are all on this stretch of coastline as is Gozo's main coastal resort of Marsalforn. Some of the largest sandy beaches such as Mellieha Bay, Ramla l-Hamra Bay, St George's Bay, Armier Bay and other smaller sandy beaches are also aligned in this direction. The historic walled towns around Grand Harbour, the yachting facilities in Grand Harbour and Marsamxett Harbour are also concentrated on the low-lying eastern coast. Other coastal indentations such as Marsaxlokk Bay, Wied iz-Zurrieq, Ghar Lapsi, Gnejna/Ghajn Tuffieha and the small coves of the Mellieha coastline on Malta together with localities such as Mgarr, Xlendi, Hondoq ir-Rummien, Qbajjar etc on Gozo.

This implies that a combination of sea-level rise accompanied by an increased incidence of bad weather events involving sea storm surges pose huge risks on a low-altitude, sea-level indented coastline which houses not only the vast majority of the country's resident population but also features a concentration of tourism infrastructure and attractions. Climate-change induced pressures on this coastal stretch will have profound and detrimental social, environmental and economic impacts on Malta and Gozo.

Apart from the obvious, and directly related impacts of climate change on Malta's coastal littoral, there are other factors at play too which cannot be ignored. A higher mean sea level precipitated through the release of melted fresh water from the polar ice caps and the major glaciers will also have a profound impact on Malta's aquifer, the majority of which lies at sea level. Because of the porous nature of Malta's sedimentary geology, the infiltration of brackish water into the aquifer will pose great problems to the island's water supply. This problem may be further exacerbated should the coastal water desalination plants at Ghar Lapsi, Cirkewwa, Pembroke and Hondoq ir-Rummien become endangered due to flooding. The same applies to the Delimara electricity generating infrastructure which also lies dangerously close to current sea levels.

Climate change may also bring about challenges to Malta's cargo receiving capacity should facilities in the two major mercantile harbours in Valletta and Marsaxlokk become compromised whilst changed weather patterns and extreme temperatures will obviously impact the attractiveness of the destination, particularly should daytime temperatures exceed comfort and safety levels for lengthy outdoor exposure during the warmest months of the year. This poses huge problems to a destination designed on the premise of hosting large volumes of visitors based on outdoor experiences during most times of the year which help increase the country's receptive capacity in an impressive manner.

Other impacts relate to landscape change, countryside die-off, changed/reduced nature of agricultural produce impacting the local gastronomic scene and an increase in natural hazards and catastrophes ranging from drought to extreme rainfall, high winds, fires and erosion amongst others.

All the above are indicative of the huge existential threats which climate change poses both generically overall and specifically to tourism-continuity sustainability.

The urgency of the situation is emphasised by the relative imminence of climate change impacts which call for a sense of urgency as impacts may start to manifest themselves within mere decades and inaction is not an option as the situation requires addressing in advance rather than reacting after the damage is done.

The issue of Climate Change is invariably a complex one and transcends not only geographical and national boundaries and also cross-sectoral ones. Efforts aimed at addressing Climate Change range from direct ones aiming to reduce contributory factors such as greenhouse gas emissions to reactionary ones aiming to mitigate impacts.

In terms of mitigating measures, existing structures need to adapt, and new buildings need to be designed to cope with the risks brought about by climate change. The list of domestic carbon polluters includes various components of the tourism industry. The built environment forms a large part of tourism, be it buildings such as hotels and restaurants or other tourism service providers. All these contribute to the problem because of significant power consumption, directly or indirectly, which is the main contributor to carbon emissions with significant impact on climate change.

This Tourism Strategy to 2030 is not tasked with addressing the wider issues of Global Warming and Climate Change but rather has a specific interest in the narrower, tourism-related objectives which it can influence. Within this context, it will be guided by the principle of aspiring for Climate Friendly Travel through implementing a set of local and international actions with the objective of Establishing Malta as a Centre for Climate Friendly Travel.

In 2019, the Ministry of Tourism and MTA signed an SDG17 Partnership Agreement with the not-for-profit Green Growth & Travelism Institute in Brussels to create SUNx Malta as a global Centre for Climate Friendly Travel – aspiring for a Low carbon/SDG linked/Paris 1.5 degree average temperature rise ceiling trajectory. SUNx Malta will be a core element of a number of reframing and rebounding strategies aimed at achieving these aspirations.

The Climate Crisis is existential, and Travel and Tourism stand to feature a high element of vulnerability as a result of extreme and unpredictable weather changes, sea level rises and droughts which will be particularly threatening for Malta as a small island state. All companies and communities will need to adapt and SUNx Malta will support that transformation.

SUNx Malta will contribute towards ensuring that Malta keeps track of relevant SDG actions around the world, liaise effectively with the relevant local bodies responsible for Climate Change particularly in a number of fields such as identifying technology innovation and assessing its potential application for Maltese tourism development particularly within the context of Malta's aspiration to become a Centre for Climate Friendly Travel.

Objective To prioritise the establishment of Malta as a Climate Friendly Travel Destination through the dual actions of understanding and mitigating the impacts of Climate Change on the local territory and its tourism infrastructure and to concurrently take a leading international role in championing Climate Friendly Travel with the travel industry, academia and other stakeholders as a response to the existential threat of global warming.

Goals

GOAL 1	Understand Climate Change impacts on Travel and Tourism. Applying the science to Malta's realities. Quantifying the scale and nature of the threat.
GOAL 2	Investigate potential Climate Change impacts on Malta's coastal amenities, infrastructure, beaches, harbour facilities, residential and accommodation plant, historic towns, water and power production/generation, yachting and boating facilities, aquifers, natural hazard incidence and other factors. Creating of a Climate Change Tourism Risk Index.
GOAL 3	Apply the findings emerging from Goals 1 and 2 to form the basis of actions to be undertaken to minimise risks, affect protective/preventative measures, plan alternative strategies and draft plans to create future market repositioning accompanied by the relevant product development initiatives to adjust the tourist offer to the new emerging realities.
GOAL 4	Categorise, quantify and locate which aspects of the Maltese tourism industry are most likely to be influenced by climate change.
GOAL 5	Source and investigate international best practice in the different fields in terms of mitigation measures.
GOAL 6	Follow and contribute to international fora discussing Climate Change and Travel and ensure that the small island state perspective is given adequate recognition in discussions and decision making.
GOAL 7	Work towards establishing Malta as a credible and effective Climate Friendly Travel Destination through an ambitious portfolio of local and international actions.

Each goal will be achieved through a specific set of actions as follows:

GOAL 1	**Understand Climate Change impacts on Travel and Tourism. Applying the science to Malta's realities. Quantifying the scale and nature of the threat.**
Actions	
Action 1	Follow international literature, findings and guidelines, especially those from territories similar to Malta.
Action 2	Produce regular updates on threat levels for the different elements identified.

GOAL 2	**Investigate potential Climate Change impacts on Malta's coastal amenities, infrastructure, beaches, harbour facilities, residential and accommodation plant, historic towns, water and power production/ generation, yachting and boating facilities, aquifers, natural hazard incidence and other factors. Creating of a Climate Change Tourism Risk Index.**
Actions	
Action 1	Undertake a Study on Climate Change related impacts on the elements identified in this Goal.
Action 2	Develop, produce and regularly update a Climate Change Tourism Risk Index for Malta.

GOAL 3	**Apply the findings emerging from Goals 1 and 2 to form the basis of actions to be undertaken to minimise risks, affect protective/preventative measures, plan alternative strategies and draft plans to create future market repositioning accompanied by the relevant product development initiatives to adjust the tourist offer to the new emerging realities.**
Actions	
Action 1	Produce a Tourism Climate Change Response Plan for Malta featuring a mix of proactive and mitigating measures.
Action 2	Follow international Climate Change developments and responses to achieve a better understanding of developments worldwide and tweaks and adjustments necessary to adjust the tourism industry to changing situations.

GOAL 4	**Categorise, quantify and locate which aspects of the Maltese tourism industry are most likely to be influenced by climate change.**
Actions	
Action 1	Generate a living document categorising, quantifying and locating Climate change prone elements of Maltese Tourism.
Action 2	Provide annual updates of this document.

GOAL 5	**Source and investigate international best practice in the different fields in terms of mitigation measures.**
Actions	
Action 1	Participate in international fora at a European and Mediterranean level.
Action 2	Engage with specialist firms and organisations to provide continuous direction in this highly technical area.

GOAL 6	**Follow and contribute to international fora discussing Climate Change and Travel and ensure that the small island state perspective is given adequate recognition in discussions and decision making.**
Actions	
Action 1	Present Malta's position and experience in terms of decision-making structures to alert them of the impacts of decisions and directives they propose.

GOAL 7	**Work towards establishing Malta as a credible and effective Climate Friendly Travel Destination through an ambitious portfolio of local and international actions.**
Actions	
Action 1	Undertake various actions at a local level to establish Malta as an innovator as a Climate Friendly Travel destination
Action 2	Take a leading international role in steering a discussion, bringing together the widest range of industry players and sectors, to champion the cause of Climate Friendly travel as a tangible response to Climate Change.

Environment, Climate & Tourism Product

Strategy 11 To introduce a set of measurable climate and sustainability indicators to properly measure tourism impacts on the environment to ensure that future tourism development embraces sustainable parameters within the widest possible range of measurable variables.

Rationale The importance of this strategy gains increased relevance in view of Malta's commitment to the principles enshrined in the EU Green Deal and the Maltese Government's declared intention to make increasing use of sustainability principles when planning Malta's future development.

Tourism to Malta has by and large developed into an extensive socio-economic activity whose benefit is almost solely measured in terms of crude economic and financial returns. This poses huge dilemmas in the area of tourism planning because of the obvious conflicts between the continued physical growth and presence of tourism activity within the constraints of a high-density territory featuring the opposing forces of very high population and limited land mass.

As a result, the need is increasingly felt to realistically introduce a series of measurements on the basis of which a set of key tourism sustainability indicators will be formulated for Malta. In turn such indicators will eventually be introduced into decision making practices so as to ensure that major decision influencing the future development and direction of tourism are as close as possible to the principles of sustainable development.

In September 2015, the U.N. approved the 2030 Agenda for Sustainable Development and with it the Sustainable Development Goals, a framework comprising 17 goals, 169 targets and 200+ indicators, through which States, civil society, and the private sector can guide and measure their contributions to sustainable development towards 2030. This development agenda is the most ambitious global sustainability effort to date and the 17 goals are a universal call to action to eradicate poverty, protect the planet and ensure that all people enjoy peace and prosperity. The goals are interconnected, often the key to success on one will involve tackling issues more commonly associated with another. The SDGs work in the spirit of partnership and pragmatism.

UNWTO argues that tourism impacts, and is impacted, by all of the SDGs. The Government and all Tourism Stakeholders must analyse which SDGs applies to their operations and how they will respond. The SDGs are targeted to 2030, but they do not have any binding effect. They have provided a useful framework for this strategic analysis, particularly Malta's own Environment SDG Vision 2050 and the UNWTO's position. as one of its core operational pillars.

The Sustainable Development Goals which the Strategy specifically focuses on are the following:

- #3 Good Health and Well Being
- #4 Quality Education
- #5 Gender Equality
- #6 Clean Water and Sanitation
- #7 Affordable and Clean Energy
- #8 Decent Work and Economic Growth
- #9 Industry Innovation and Infrastructure
- #11 Sustainable Cities and Communities
- #12 Responsible Consumption and Production
- #13 Climate Action
- #14 Life Below Water
- #15 Life on Land
- #17 Partnerships for The Goals

Whereas it is acknowledged that there is a vast body of information relating both to sustainability in general and tourism sustainability KPIs, there is a general feeling that many of these generic KPIs may prove challenging to apply to the Maltese reality given that if one where to subject Malta to such KPIs the obvious, undesirable response would be that in many cases Malta has already surpassed sustainability limits. What therefore follows is the need for a more specifically formulated set of indicators, adjusted to Maltese realities, and which can be used and applied in a positive manner whilst taking the current situation as their ground zero. The alternative will unfortunately be that through using most existing indicators the most likely outcome would be the impractical and unacceptable downscaling of the entire spectrum of human activities in the archipelago.

Objective To measure and monitor the activity of Tourism in the Maltese Islands in a way which follows the principles enshrined in the Sustainable Development Goals, particularly the thirteen Goals which this Strategy focuses upon. To develop and produce a set of Key Performance Indicators to measure activity in terms of these SDGs which recognise the specific realities prevailing within the territory of the Maltese Islands. To apply the findings emerging from such indicators to decision making processes.

Goals

GOAL 1	Apply international best practice in terms of starting to measure a range of sustainability indicators based on inputs and experiences from similar sized regions and territories to be able to start measuring and applying such indicators within Malta's realities.
GOAL 2	Apply Climate Friendly Travel indicators to encourage destination carbon neutral initiatives covering a range of areas such as transport, tourism operations and infrastructural needs.
GOAL 3	Convert Indicators into Decision making tools.
GOAL 4	Engage in international fora to benchmark methodologies, results and sustainability aspirations.
GOAL 5	Actively focus on measures aimed at furthering gender mainstreaming and empowerment in the tourism industry as fundamental components of just, equitable societies. Tourism has already been proven to provide pathways to empowerment, and the opportunity for tourism to make a positive difference in this area should be maximized through the involvement of the relevant stakeholders.
GOAL 6	Devise a Sustainable Tourism Charter involving wide stakeholder buyout and application. Such a Charter to inspire a Code of Conduct to provide direction to the manner of conducting tourism operations and activities.

Each goal will be achieved through a specific set of actions as follows:

GOAL 1	**Apply international best practice in terms of starting to measure a range of sustainability indicators based on inputs and experiences from similar sized regions and territories to be able to start measuring and applying such indicators within Malta's realities.**
Actions	
Action 1	Utilise existing and available expertise from a number of specialised sources to devise a set of sustainability indicators for the destination.
Action 2	Convert the indicators into KPIs and devise ways of measuring and monitoring them on a regular basis.

GOAL 2	**Apply Climate Friendly Travel indicators to encourage destination carbon neutral initiatives covering a range of areas such as transport, tourism operations and infrastructural needs.**
Actions	
Action 1	Create a list of indicators for particular areas.
Action 2	Continuously monitor.
Action 3	Publish and publicise and undertake actions in response.

GOAL 3	**Convert Indicators into Decision making tools.**
Actions	
Action 1	Create systems to integrate the direction forthcoming from Indicators in Goals 1 and 2 into policy making.

GOAL 4	**Engage in international fora to benchmark methodologies, results and sustainability aspirations.**
Actions	
Action 1	Identify and participate in relevant fora.

GOAL 5	**Actively focus on measures aimed at furthering gender mainstreaming and empowerment in the tourism industry as fundamental components of just, equitable societies. Tourism has already been proven to provide pathways to empowerment, and the opportunity for tourism to make a positive difference in this area should be maximized through the involvement of the relevant stakeholders.**
Actions	
Action 1	Achieve a greater understanding of issues impacting gender mainstreaming and empowerment generally and specifically to the tourism industry.
Action 2	Identify which areas of tourism industry employment need to be addressed to improve gender mainstreaming and empowerment.
Action 3	Formulate an Action Plan with clear objectives and timeframes.

GOAL 6	**Devise a Sustainable Tourism Charter involving wide stakeholder buyout and application. Such a Charter to inspire a Code of Conduct to provide direction to the manner of conducting tourism operations and activities.**
Actions	
Action 1	Encompass the Destination's Sustainable Tourism aspirations through the drafting of a Sustainable Tourism Charter for Malta.
Action 2	Attract wide stakeholder acceptance and buy-out of the Charter.
Action 3	Use the principles enshrined in the Charter to draft a Code of Conduct for the Tourism Sector.

Environment, Climate & Tourism Product

Strategy 12 To build a strong case for the conservation and preservation of natural and man-made tangible and intangible heritage in recognition of their growing relevance and importance to the discerning tourists of today and tomorrow and to promote such heritage as an integral component of the Malta brand. To promote protected areas as models for sustainable tourism, enhancing responsible travel to natural areas which conserves the environment and sustains the well-being of local people.

Rationale The Tourism Experience comprises the destination's unique mix of tangible and intangible offers, ancient, modern or contemporary. Sometimes, destinations focus heavily on their natural offer, especially in the case of countries rich in natural attractions or wildlife, while other destinations, especially those lacking natural attributes, focus very heavily on the man-made dimension, which, once again could range from the distant past to the modern and contemporary.

When analysing the history of Malta's tourism development over the past seven decades, it becomes evident that, in yet another paradoxical twist, Malta's tourism evolution took off by focusing on those elements in which the country did not have a distinct competitive advantage whilst simultaneously ignoring those elements which made it unique, different or distinct from the competition.

Thus, during the decades of British tourism prevalence the focus was heavily based on the concept of an extension of England in the Mediterranean sun featuring a Mediterranean Riviera in lieu of the British Riviera but nevertheless giving precedence to products, services and culinary offers aimed exclusively at the British market.

The subsequent diversification of geographical source markets, extension of the tourist season and the development of special interest travel niches as a way of enhancing Malta's attractiveness to a wider cohort of potential travellers gave rise to the realisation that it is indeed that which is local, traditional, genuinely authentic, and original which distinguishes the destination from others. It is such elements, which, rather than constituting an inferior dimension that needs to be obscured from the tourists' view are today recognised as being the building blocks of the contemporary, experiential, sustainability-driven tourism experience being sought by the travellers which this Strategy seeks to attract increasing quantities and shares of.

In this way tourism activity is transformed from continuing to develop in a way which is anathema to such tangible and intangible heritage and changes tack completely to not only recognise but to valorise such heritage and present it in a responsible way to the tourists which Malta and Gozo wish to attract in the coming years.

As a result, tourism develops a symbiotic relationship with heritage rather than acting in an alienating manner against its long-term survival and sustainability. Symbiosis creates an environment which is the opposite of a parasitic relationship in that the different sides derive mutual benefit rather than the imbalance of unidirectional giving and taking.

Tourism will therefore champion the cause for the preservation of the wide range of natural and man-made tangible and intangible heritage extant in Malta and Gozo. Such heritage constitutes the backbone of the Tourism Strategy's quest for a higher quality, more clearly branded, increasingly sustainable, less damaging and more competitive tourism offer in the coming years.

Objective To advise, educate and familiarise the Maltese Tourism Industry with the wide spectrum of Malta's natural and man-made tangible and intangible heritage for its stronger integration within the Maltese Tourism Offer, its promotion and presentation to tourists and its preservation and valorisation in a responsible, sensitive, and sustainable manner which protects it for future generations of residents and visitors alike.

Goals

GOAL 1	Create a list of tangible Cultural/Heritage and other attractions in the Maltese Islands including their protection/preservation status.
GOAL 2	Research existing and former intangible cultural and traditional elements particular to zones or localities in terms of their relevance to enhance local character and diversify offer. To include contemporary culture as manifested through arts and entertainment.
GOAL 3	Tap into the extensive local knowledge of Local Councils, Voluntary Organisations, Tourist Guides and NGOs to compliment Goals 1 and 2 with further inputs and anecdotal evidence.
GOAL 4	Include the Marine Dimension primarily as a distinct, additional zone relating to the territory and secondarily in terms of its specific relevance to each specific zone and locality.
GOAL 5	Publish, Disseminate and Publicise the outcomes of this Strategy to serve as a strong motivator for the growth of a more sustainable approach to tourism development.

Each goal will be achieved through a specific set of actions as follows:

GOAL 1	**Create a list of tangible Cultural/Heritage and other attractions in the Maltese Islands including their protection/preservation status.**
Actions	
Action 1	Commission an Inventory of Tangible Cultural/Heritage and other attractions as per Goal 1 including current standard of offer.
Action 2	Tap into existing information lying with various Ministries, Agencies and Organisations.

GOAL 2	**Research existing and former intangible cultural and traditional elements particular to zones or localities in terms of their relevance to enhance local character and diversify offer. To include contemporary culture as manifested through arts and entertainment.**
Actions	
Action 1	Extend the information sources for Goal 1 to cover intangible elements as well.

GOAL 3	**Tap into the extensive local knowledge of Local Councils, Voluntary Organisations and NGOs to compliment Goals 1 and 2 with further inputs and anecdotal evidence.**
Actions	
Action 1	Expand into the local dimension to seek specific, otherwise uncovered elements of tangible and intangible nature and compile information in a usable manner.

GOAL 4	**Include the Marine Dimension primarily as a distinct, additional zone relating to the territory and secondarily in terms of its specific relevance to each specific zone and locality.**
Actions	
Action 1	Treating the maritime dimension as a natural extension of the landmass and inventorising its natural, topographical and socio-cultural dimensions in addition to their terrestrial counterparts.
Action 2	Place more focus on the importance and relevance of Marine Reserves and strive to protect and increase marine life through a number of measures including wrecks and artificial reefs to sustain the scuba diving market.

GOAL 5	**Publish, Disseminate and Publicise the outcomes of this Strategy to serve as a strong motivator for the growth of a more sustainable approach to tourism development.**
Actions	
Action 1	Ensure that the knowledge emerging from Goals 1 to 4 are properly disseminated and publicised to assist in a greater appreciation and application of these values amongst stakeholders.

Environment, Climate & Tourism Product

Strategy 13 To secure European and National funds to push for tourism product development and improvement. To do this in liaison with other Ministries and Agencies whose remit and responsibility overlaps with tourism.

Rationale By its very nature tourism is an activity which actively overlaps on a very wide range of sectors. Tourism is far from a self-contained, closed type of economic activity and its large number of sectoral inter-relationships are testament to its relevance, importance and strong economic contribution based on high multiplier effects arising from such inter-relationships.

For the tourism experience to be improved it is therefore necessary for the destination to engage in a number of product and infrastructural improvements addressing both the direct and the indirect elements of the tourism product.

This strategy deals specifically with the physical element of the Maltese tourism product in the light of other strategies dealing specifically with the intangible product.

Investing in the tourism product is important for two major reasons: innovation and maintenance/upkeep. Innovation is important because it creates new products or gives a new lease of life to existing ones while maintenance and upkeep are important to ensure that the product on offer is kept up to standard and in the best possible shape. Innovation generates new products while maintenance and upkeep prevent them from becoming shabby whilst also extending their operational lifetimes.

This Strategy aims to secure a mix of European and National funds to ensure that tourism continues to be given top priority in the allocation of funding in projects and investments of a direct nature whilst also being kept top of mind as a user/client of other projects undertaken primarily for reasons other than tourism.

Funds will need to be secured for areas including:

- Tourism product additions and upgrades arising from updated legislation and regulations aimed at enhancing the quality dimension.
- Tourism-industry specific funding aimed at pro-actively addressing the impacts of climate change by a) introducing measures aimed at reducing local tourism's carbon footprint as close as possible to zero and b) helping the Maltese tourism industry adapt to climate change impacts.
- Establishing a clearer and closer relationship between local food producers and the Maltese tourism industry through the elevation of locally grown and produced food to a higher level of quality, diversity and culinary appreciation. Tourism thus sustains locally grown food and local gastronomic traditions in a way which eventually enhances the tourists' Maltese holiday experience in a truly symbiotic relationship. The heavy promotion of Farm to Fork concepts and the continued development of culinary experiences derived from local products will be encouraged.
- The more formal appreciation of the Marine dimension of the Maltese holiday experience on the basis of improved conservation. The seas around Malta provide entertainment, transport, food, freshwater via desalination and a huge historical depository of wrecks amongst others. Its biosphere acts as a huge carbon sink while its seagrass meadows act as a breeding ground for fish and absorb sea-storm impacts. Its relationship with tourism is widespread and important.
- Conservation is a theme which is of utmost relevance to tourism. Conservation could range from natural conservation and protection to the conservation and preservation of man-made objects and landscapes. Conservation valorizes previously ignored or abandoned assets whilst enhancing the community's attachment to the land and its heritage and history.
- Infrastructural investment will always be necessary so as to ensure that the country and destination function smoothly and benefit from the most modern and efficient methods available. Infrastructure covers transport, energy, water, waste management, sewage treatment and a host of other areas each of which contribute to a better quality of life for residents and an improved visitor experience for tourists.
- Beaches, particularly sandy ones, will continue to constitute a very important component of Malta's summer offer. Studies relating to their long-term preservation and replenishment will be necessary to underpin a funding programme based on clear timeframes and adequate budgets.

Objective	The successful execution of this Strategy and its multiple goals is heavily dependent on the continuous roll-out of a planned set of product interventions addressing the various components of the tourist experience. They include new developments, product upgrades, maintenance and upkeep, conservation, direct products and general infrastructure. Such interventions need to take place as part of an overall Plan and in a prioritized manner and their funding sources be identified.

Goals	**GOAL 1**	Set funding priorities for the delivery of the different deliverables in this Tourism Strategy in terms of timeframes, chronology and order of precedence and sources of funding.
	GOAL 2	Follow up on Goal 1 through the devising of Business Plans and Method Statements for each funding requirement.
	GOAL 3	Keep abreast with EU Funding opportunities and instruments in line with the quality, digitalisation, human resource development, sustainable and climate change related thrust emerging from this Strategy. Investigate these opportunities across a wide spectrum ranging from the National to those available to Local Councils, NGOs and commercial entities.

Each goal will be achieved through a specific set of actions as follows:

GOAL 1	**Set funding priorities for the delivery of the different deliverables in this Tourism Strategy in terms of timeframes, chronology and order of precedence and sources of funding.**
Actions	
Action 1	List all deliverables emerging from the Strategy and present them in terms of funding, timeframes and order of precedence.

GOAL 2	**Follow up on Goal 1 through the devising of Business Plans and Method Statements for each funding requirement.**
Actions	
Action 1	Devise specific Business Plans and Method Statements for each identified deliverable as guided by Goal 1.

GOAL 3	**Keep abreast with EU Funding opportunities and instruments in line with the quality, digitalisation, human resource development, sustainable and climate change related thrust emerging from this Strategy. Investigate these opportunities across a wide spectrum ranging from the National to those available to Local Councils, NGOs and commercial entities.**
Actions	
Action 1	Maintain contact and enter into continuous discussions with Ministry responsible for EU Funding, Ministry for Finance and other Ministries/Agencies.
Action 2	Engage EU funding expertise to provide direction to Action 1.

Environment, Climate & Tourism Product

Strategy 14 To continually monitor international trends and developments in tourism and in sustainable development to ensure that the Maltese Islands remain at the forefront of innovative development and change. To do this by participating actively in international bodies and fora and taking active roles in groups and gatherings discussing the wider elements affecting tourism.

Rationale Malta can claim an overall success in its seven decades of organised tourism activity on account of the fact that it has always been capable of adapting to innovative trends and demands so as to extend its life cycle again and again.

This success has been made possible by a combination of the destination's versatility and diversity in terms of what it can offer tourists coupled with the local tourism industry's ability to embrace innovation and create new products and experiences to ensure that tourism demand to Malta and Gozo remains strong. Such an approach has made it possible for a small, and superficially limited destination to continue to compete aggressively and successfully in an increasingly competitive international marketplace.

Due to this historic success Malta has, over the years, evolved from a British summer-sun beach destination into a year-round destination attracting different age-groups from different countries and with different interests arriving during all twelve months of the year. This did not happen haphazardly or coincidentally but arose from the fact that both the destination and the industry have always been receptive at changing demands and have proven to be very willing to introduce new tourism experiences over the passage of time.

In recent years the industry has witnessed the multiple phenomena of rapid change coupled with a demand for a proliferation of micro tourism products and experiences. Such a situation is probably driven by a more experienced cohort of experienced travellers armed with the power of the widespread information and knowledge at their fingertips. A destination needs to be very much aware of these changes and seek ways to adapt its offer in response to them if it is to remain relevant.

This Tourism Strategy to 2030 places a strong emphasis on the concept of sustainability, sustainable development and adherence to the Sustainable Development Goals. It therefore follows that, as the destination seeks to continue evolving and innovating in the coming years, it needs to so along the parameters of sustainability.

A sustainable approach to Malta's tourism evolution and development is necessary for a number of reasons. It is primarily based on the understanding that resources are finite and need be used with care. It is also a response to a constantly growing global awareness of the link between business, leisure and sustainability and the need for the destination to attract tourism streams on the basis of these attributes.

Objective To follow international best practice in sustainable tourism development and management so as to ensure that Malta moves ahead as a destination which places high emphasis on sustainable innovation in its offer and tourism approach with the ultimate objective of becoming a leading example of such practices within the lifetime of this Strategy.

Goals		
	GOAL 1	Create a dedicated Tourism Research and Development capability tasked primarily with monitoring, assessing and adapting leading tourism development trends and innovations to Malta's context.
	GOAL 2	Maintain an active participation in international fora dealing with sustainability inspired innovation.
	GOAL 3	Benchmark progress through the establishment of a Tourism Sustainable Innovation Index.
	GOAL 4	Provide information and advice to the Ministry responsible for Tourism, the Malta Tourism Authority and other relevant Ministries and Agencies on international developments and changes to ensure that the country remains at the forefront on sustainable innovative development.
	GOAL 5	Organise regular industry events to sensitise, advise and motivate regulators and operators in terms of developments, changes and opportunities relevant to the successful delivery of this Strategy.

Each goal will be achieved through a specific set of actions as follows:

GOAL 1 **Actions**	**Create a dedicated Tourism Research and Development capability tasked primarily with monitoring, assessing and adapting leading tourism development trends and innovations to Malta's context.**
Action 1	Build a dedicated Unit within the Malta Tourism Observatory to implement Goal 1.

GOAL 2 **Actions**	**Maintain an active participation in international fora dealing with sustainability inspired innovation.**
Action 1	Engage the Unit emerging from Goal 1 with this responsibility.

GOAL 3 **Actions**	**Benchmark progress through the establishment of a Tourism Sustainable Innovation Index.**
Action 1	Develop a Tourism Sustainable Innovation Index for Malta.
Action 2	Monitor the benchmarking direction forthcoming from the Index.

GOAL 4 **Actions**	**Provide information and advice to the Ministry responsible for Tourism, the Malta Tourism Authority and other relevant Ministries and Agencies on international developments and changes to ensure that the country remains at the forefront on sustainable innovative development.**
Action 1	Present a bi-Annual Report on the outcomes of this Strategy to the Parties in Goal 4.

GOAL 5 **Actions**	**Organise regular industry events to sensitise, advise and motivate regulators and operators in terms of developments, changes and opportunities relevant to the successful delivery of this Strategy.**
Action 1	Regularly present outcomes to select industry stakeholders.

Tourism Accommodation

Strategy 15 Accommodation sector imbalances to be addressed through a more selective development policy focusing on a healthier balance of quality versus quantity, strict enforcement against unlicenced accommodation, policy guidelines for private rented accommodation, enforcement action against under-delivering licenced establishments and more stringent, quality-based licencing guidelines for new development which adds value to the Maltese tourism offer. Incorporating international best-practice on how private, peer-to-peer accommodation can operate, including limited timeframes during the year.

Rationale Accommodation is recognized as one of the major components influencing a destination's receptive capacity. Without accommodation a destination simply cannot host and receive overnighting guests. Thus, in itself, the number of beds in a destination represents the natural receptive limits of the destination and on such a number depends the maximum number of tourists which can be hosted at any one time.

Over the years, accommodation as an offer has featured huge changes in terms of type, category, and facilities offered. It is broadly subdivided into collective and non-collective or private, with collective comprising units offering common facilities in establishments such as hotels and guesthouses and non-collective being made up of independent residential and self-catering units.

In terms of evolution, over the years, a number of hybrid types of accommodation have come into being in response to evolving consumer preferences. These have included aparthotels featuring a mix of hotel-type and self-catering units within a collective establishment and host-families in which guests are accommodated within a family environment and join the household in meals and other social activities.
The Maltese accommodation sector has passed through various phases of evolution. Initially a hotels-only destination in the 1960s, Malta witnessed a surge in basic holiday apartment units in the 1970s which eventually declined and were grouped and reclassified into self-catering aparthotels during the 1980s.

During the 1990s there was a conscious effort at channeling investment into higher category collective accommodation establishments in a perhaps simplistic effort aimed at changing the Maltese accommodation offer into a "quality tourism" one.

Following the revolution in aviation services triggered by the arrival of the low-cost airline model and the commencement of operations by such airlines to Malta in the second decade of the new millennium, the most recent evolutionary stage of the Maltese accommodation sector took place: leading to an upsurge in the supply of private accommodation.

During this period, private accommodation development was heavily influenced by the rapid, and generally unregulated, peer to peer booking platforms, the ease of online bookings and the change of consumer travel behaviour which saw the previously rigid one- and two-week holiday patterns change into year-round, impulsive, frequent short breaks induced by more flexible airline offers and operations and the adoption of tourism as a mainstream leisure activity for the masses.

Accommodation development in Malta towards the second half of the second decade was also heavily influenced by a number of other factors including but not limited to:

- The number of expatriates working in sectors as diverse as financial services, online gaming and service/construction who were instrumental in attracting increased numbers of VFR (Visiting Friends and Relatives) tourism traffic.
- The number of foreign owners of property willing to rent out their properties when not using it themselves.
- The increase in the number of available apartments resulting from the construction boom and the conversion of lower density terraced housing into apartment blocks.
- The increase of available bed supply in residential units.
- The surplus demand arising from ten solid years of record tourism volume growth as a result of which collective establishments generated high occupancy which overflowed into non-collective units.

All of this was abruptly interrupted with the advent of the COVID-19 pandemic in early 2020.

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Category												
Hotels												
5 Star	6986	6986	6986	6986	7210	7210	7210	7210	7284	6476	7128	7458
4 Star	14743	14986	15091	15402	14848	14832	16253	14379	15318	15334	15858	16680
3 Star	9790	9748	8814	8174	10825	11687	10433	10081	10486	10152	9833	9955
2 Star	671	671	599	579	1474	1438	1460	1477	1629	1696	1646	1646
Total Hotels	**32190**	**32391**	**31490**	**31141**	**34357**	**35167**	**35356**	**33147**	**34714**	**33658**	**34465**	**35739**
Other Collective												
Aparthotels	4950	4416	4442	4400	600	612	612	612	612	612	632	738
Guesthouses	862	888	870	911	1027	1081	1136	1252	1388	1616	2056	2490
Hostels	1185	1185	1484	1494	1830	19191	2100	2350	2274	2272	2295	2384
Total Serviced Accomodation	**39187**	**38880**	**38286**	**37946**	**37814**	**38779**	**39204**	**37361**	**38988**	**38158**	**39457**	**41351**
	5513	6318	6451	6804	7986	9814	10548	11543	13092	14109	16140	16947
TOTAL ALL ACCOMODATION	**447700**	**45198**	**44737**	**44750**	**45800**	**48593**	**49752**	**48904**	**52080**	**52267**	**55597**	**58298**

Quantifying Volumes and Evolution

The Table above shows the evolution of licenced bed-stock in the Maltese islands between 2010 (the year which saw the introduction of widespread low-cost airline routes and services) and 2021.

Total licenced bedstock has increased by 13,600 beds or 30% during the period under review. However, it is very relevant to note that during this period the number of beds in serviced (collective) accommodation has only increased slightly from around 39,000 beds in 2010 to 41,300 in 2021, while the number of licenced beds in Holiday Furnished Premises (self-catering) has trebled from 5,513 beds in 2010 to almost 17,000 beds in 2021.

It is also important to note that, within collective accommodation, whereas the number of beds in 5 star, 4 star and 3 star hotels has remained relatively constant over a twelve year period, the major increases in collective bedstock have been in:

- 2 Star (+975 beds or +145%)
- Guest Houses (+1,628 beds or + 189%), and,
- Hostels (+1,199 beds or + 101%)

In 2010, 5 Star, 4 Star and 3 Star hotels represented 70% of total licenced beds in the Maltese Islands. By 2021 this share has declined to 58%. Whereas in 2010, 5 Star hotel beds accounted for 15.6% or one in every six beds of total available licenced bed stock, in 2021 this share had dwindled to 13% or one in every eight beds.

The number of licenced beds in self-catering Holiday Furnished Premises has more than trebled over the twelve year period from 5,513 in 2010 to 16,947 in 2021: an increase of more than 11,400 beds extending this category of accommodation's share of total bed-stock from 12% in 2010 to 29% in 2021. In addition, the supply of beds in residential units, mostly unlicenced has increased exponentially.

Malta is thus facing a situation where increased tourism volumes and extended seasons have led to a dilution of its accommodation service offer rather than an improvement or consolidation of those elements which attract higher levels of expenditure.

There is also the issue of unlicenced accommodation. The only way possible to estimate a quantification of such unlicenced accommodation is to use National Statistics Office (NSO) data for a peak month like August to compare officially recorded tourist/overnights numbers staying in such accommodation with officially licenced bedstock.

Using August 2019 as a benchmark the following indications emerge from NSO:

- Number of tourists in private accommodation: 111,033 tourists
- Number of nights stayed in private accommodation: 1,094,808 nights
- Number of licenced beds in private accommodation: 14,109 beds
- Number of available bed nights in licenced private accommodation: 437,379 bed nights

1,094,808 overnights generated by 111,033 tourists result in an average length of stay of 9.86 nights amongst August tourists staying in private rented accommodation.

An average length of stay of 9.86 nights means that during the 31 days of August each bed in private rented accommodation can host 3.14 tourists.

As a result, the 111,033 tourists staying in private rented accommodation during August 2019 required 35,360 beds at any one time to host them all.

In 2019, there were a total of 14,109 licenced beds in private rented accommodation implying that the difference between 35,360 utilised beds and 14,109 licenced beds comprises unlicenced private rented accommodation: a total of 21,251 unlicenced beds.

This figure does not include the additional 38,349 tourists/467,066 nights categorized by NSO as staying in non-rented accommodation for which no licence is required.

An additional 21,251 unlicenced beds in private rented accommodation further tips the balance in favour of a destination profile which is increasingly reliant on lower category, possibly unlicenced, un-serviced accommodation at the expense of higher yielding collective accommodation which tends to be more labour intensive and attracts higher rates, besides contributing more to Government revenues through direct and indirect taxation.

The Issue of "Beds in the Pipeline": In 2021, licenced Maltese tourism accommodation comprised 58,298 beds to which one must add an estimated additional reserve of 21,000 unlicenced beds which are also on the market, totalling up to 79,298 beds.

There are also a further 26,600 beds in the pipeline already in possession of MTA and PA permits and around a further 10,000 more beds in incomplete stages of their application process with either MTA or PA. This signifies a potential 36,000 additional beds in the pipeline, which, added to the current estimated stock of 79,298 licenced and unlicenced beds suggests a potential maximum of 115,298 tourism beds within a few years.

Naturally, not all of the beds "in the pipeline" will come to fruition but even if a fraction of them were to do so, the destination will face, great, if not insurmountable, challenges to generate enough business for them. Furthermore, the dilution that will result will not only deprive Malta from maximizing accommodation related rates and returns but will likely lead to price wars due to sheer over-supply.

The international tourism market is set to face an uphill struggle to revive numbers to pre-COVID-19 levels in the coming years and there are strong indications that there will be a substantial paradigm shift from the previous model of low-price travel underwritten by airlines whose business model is under threat due not only to current economic woes but also due to pressures relating to international actions to combat carbon emissions contributing to global warming and climate change.

Objective

This Strategy gives direction to developers, investors and operators to acquire a deeper understanding of evolving tourism trends and the challenges to be faced over the coming years, in lieu of simply continuing to look at tourism as a perpetually expanding source of business generating profitable long term returns for their investments. Tourism accommodation is a variable which needs to respond to the country's socio-economic and sustainability-driven needs rather than set the agenda for them. Malta needs the right accommodation for its tourism needs and not to simply attract tourism for all the accommodation made available. Existing accommodation shall need to satisfy its continued suitability, unlicenced accommodation shall either comply or be driven out of the market and incremental development will only be permitted if it is perceived to deliver added quality and value. In response to the delayed recovery of global tourism and until the Accommodation Development Plan emerging from Goal 4 of Strategy 22 is finalised, a more stringent system for evaluating applications for new or incremental accommodation development will be introduced.

Goals		
	GOAL 1	A strong drive will be made to identify illegally operating, unlicenced accommodation by applying tools used by other jurisdictions in addressing the problem and by working with online and traditional operators to eliminate the prevalence of such accommodation from their platforms.
	GOAL 2	In 2021, licenced private rented accommodation contributed 3 out of every 10 licenced beds in total tourism accommodation. This figure rises to a much higher share when including unlicenced beds and owner occupied/private beds used for VFR purposes. Private rental accommodation shall be subjected to a greater level of scrutiny and regulation with a view to ensuring its fitness to and compliance with Malta's tourism brand promise. Entry level requirements for this category of accommodation shall be raised with a view to ensuring the delivery of an improved level of product and service quality.
	GOAL 3	All applications for new or incremental tourism accommodation shall be subject to a more stringent system including design guidelines that go beyond merely satisfying a checklist of requirements.
	GOAL 4	In recognition of the current available and approved tourism accommodation bed-stock and the focus placed by this strategy on a more selective approach to the development of tourism to Malta based on the principles of higher quality delivery, sustainable development, enhanced tourist satisfaction and minimised host population impacts, there shall be a comprehensive review of the Development Guidelines for Tourism Accommodation as part of Goal 4 of Strategy 22.
	GOAL 5	Engage in discussions with the Planning Authority to review and align Development Policies in line with the Strategic Targets.
	GOAL 6	Investigate ways of managing tourism accommodation through a lower focus on incremental bed stock coupled with improvement and adaptation of existing accommodation in line with the destination's carrying capacity constraints.

Each goal will be achieved through a specific set of actions as follows:

GOAL 1	**A strong drive will be made to identify illegally operating, unlicenced accommodation by applying tools used by other jurisdictions in addressing the problem and by working with online and traditional operators to eliminate the prevalence of such accommodation from their platforms.**
Actions	
Action 1	Research and familiarisation with international best practice in addressing this issue.
Action 2	Explore legal avenues to combat the problem.
Action 3	Engage extensively with international operators to eliminate unlicenced properties from their listings.

GOAL 2	**In 2021, licenced private rented accommodation contributed 3 out of every 10 licenced beds in total tourism accommodation. This figure rises to a much higher share when including unlicenced beds and owner occupied/private beds used for VFR purposes. Private rental accommodation shall be subjected to a greater level of scrutiny and regulation with a view to ensuring its fitness to and compliance with Malta's tourism brand promise. Entry level requirements for this category of accommodation shall be raised with a view to ensuring the delivery of an improved level of product and service quality.**
Actions	
Action 1	Introduce steps to tighten the regulatory aspects of non-collective accommodation by raising entry level bars in line with higher quality standards.
Action 2	Action 2 Combine higher quality control with regard to licenced establishments with a stricter approach towards unlicenced operations.

GOAL 3	**All applications for new or incremental tourism accommodation shall be subject to a more stringent system including design guidelines that go beyond merely satisfying a checklist of requirements.**
Actions	
Action 1	Projects proposing incremental bedstock shall be considered on the basis of the incremental value added they bring to the Maltese tourism experience.
Action 2	A new, more stringent system shall be devised and introduced for the consideration of projects for the issuing of a Tourism Policy Compliance Certificate by the Malta Tourism Authority.

GOAL 4	**In recognition of the current available and approved tourism accommodation bed-stock and the focus placed by this strategy on a more selective approach to the development of tourism to Malta based on the principles of higher quality delivery, types, sustainable development, enhanced tourist satisfaction and minimised host population impacts, there shall be a comprehensive review of the Development Guidelines for Tourism Accommodation as part of Goal 4 of Strategy 22.**
Actions	
Action 1	Conclusion of Accommodation Development Plan as per Goal 4 of Strategy 22.

GOAL 5	**Engage in discussions with the Planning Authority to review and align Planning Policies in line with the Strategic Targets.**
Actions	
Action 1	Establish a discission with the Planning Authority with a view to reaching this Goal.

GOAL 6	**Investigate ways of managing tourism accommodation through a lower focus on incremental bed stock coupled with improvement and adaptation of existing accommodation in line with the destination's carrying capacity constraints.**
Actions	
Action 1	Use the exercise emanating as per Goal 4 of Strategy 22 to provide guidance for the execution of this Goal.

Quality Destination

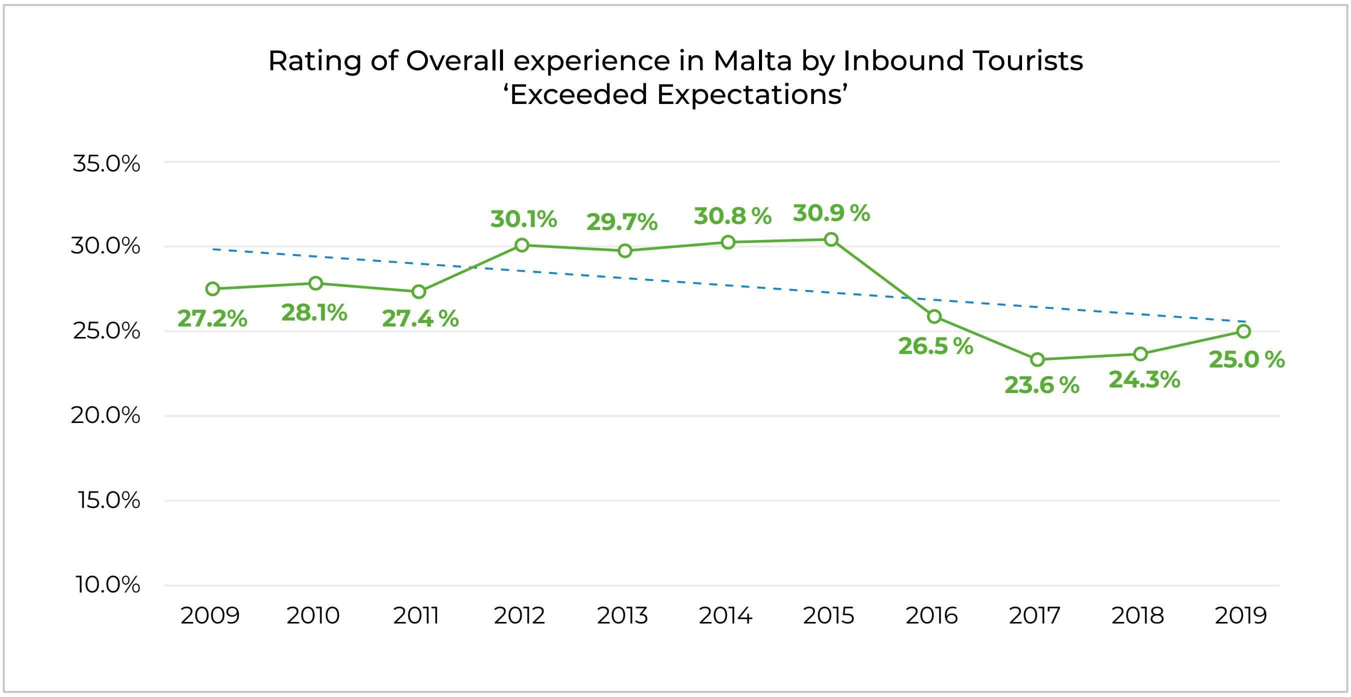
Strategy 16 To place increased importance on the Quality dimension of the Maltese Tourism offer by addressing those elements which are offering inferior experiences which only serve to drag down overall destination ratings to the detriment of quality suppliers and investors. To do this through an extended range of Quality Labels further strengthened with a thorough and professional Enforcement setup.

Rationale Quality is not to be confused with luxury or high category but can be defined as the standard of something as measured against other things of a similar kind. Thus, the delivery of a quality tourism offer should not be limited to or constrained to the popularly termed "quality tourists" but should be a standard delivery across all aspects, categories and classes of the tourism offer extended to all visitors.

Whilst the delivery of Quality has always deserved to be given precedence and prioritisation in the destination, the digitisation of travel experiences and the proliferation of sites encouraging real time customer reviews prevailing at present has placed further pressures on destinations and companies to focus more seriously on elements detrimental to the delivery of overall quality. Failure to do so in the current realities has immediate, costly and long-term implications on reputation which in turn negatively affects the destination's attractiveness and its ability to attract a more discerning and higher spending category of tourist.

The delivery of a Quality tourism experience is subject to a mix of factors which include both tangible elements such as the physical product and intangible elements such as levels of service. Whilst the delivery of such a Quality experience may be deemed to be very subjective, what is important at an aggregate, macro level is the cumulative score or ranking arising from the addition of all the individual personal ratings and rankings.

Analysis of data emerging from the Malta Tourism Authority's Tourism Profile Survey between 2009 and 2019 in which respondents are asked to state whether their visit to Malta exceeded, reached or was below expectations, suggests that there is a worrying downward trend line when it comes to the share of visiting tourists whose visit exceeded expectations.



The trend line shows an overall decline of five percentage points over the eleven-year period for which data in available. The data also clearly shows that the bulk of the decline took place post 2015, coinciding with the period when the growth in tourism volumes had accelerated to very strong annual rates of growth and to a period when development activity through construction and the commencement of several large extraordinary infrastructural projects were contemporarily taking place. Other reasons contributing to the decline in visitor satisfaction can be attributed to the stresses of ten years of consecutive growth and the destination fatigue arising from such sustained growth.

The purpose of this particular Strategy is to provide further insight on the elements comprising the decline in visitor satisfaction so as to be able to address them for the ultimate reversal of the trend. This, in the belief that, by addressing those elements which are negatively impinging on destination experience rating, the level of satisfaction will be improved.

Objective To recognise that the Destination's Quality dimension needs to be holistic, encompassing the entire tourist experience. Quality enhances the viability of businesses as it increases the attractiveness of a destination and supports the sustainability of tourism industry in the long term. To place Quality as the top priority in all tourism related actions and to dissect the elements contributing to the decline in overall visitor satisfaction with a view to addressing them through appropriate actions. It is understood that these elements will range between external and tourism-specific and between location-related and operation-specific. To propose measures aimed at addressing the different elements and to strengthen the Tourism Authorities' effectiveness in addressing low quality delivery through the introduction of Quality Service Schemes, the increased use of customer feedback tools, the more widespread use of stronger Quality labels and the improved effectiveness of MTA's Enforcement function and its linkage with operational licence renewal.

Goals

GOAL 1	Undertake an in-depth analysis of inbound tourism flows to acquire further insights on factors influencing tourist satisfaction broken down by socio demographic, motivation, season and reasons. Build this analysis into an annual index to monitor changes.
GOAL 2	Identify factors negatively affecting visitor satisfaction and produce Action Plan to address them.
GOAL 3	Revisit the criteria of the current MTA Quality Assured Label so as to widen its scope through the inclusion of further elements including staff expertise, service levels, sustainable management measures, health, hygiene, housekeeping and delivery of value for money. Work with the Malta Competition and Consumer Affairs Authority for the identification of the relevant standards and certification options.
GOAL 4	Introduce Schemes to evaluate the level of quality in the provision of services and facilities provided and aim for Service Excellence across all Tourism Service Providers licenced by MTA.
GOAL 5	To enhance the skills of the MTA Regulatory function and to enhance the enforcement of the standards and classification criteria governing the accommodation rating system. Hotel star rating standards and criteria shall be prioritised.
GOAL 6	Introduce a Self-Assessment/Self-Improvement platform and encourage industry to introduce procedures to keep operations in check.
GOAL 7	Assess the current Compliance methodology and approach used by MTA and focus on strengthening weaknesses and addressing additional areas of operation not being adequately covered through present methodologies.
GOAL 8	Use a combination of Customer Review feedback and Compliance reports regularly, and introduce a system whereby compliant operations are rewarded and non-conforming ones are penalised.
GOAL 9	Constantly follow international best practice and developments in the area of Quality Delivery and update and adapt to local realities.

Each goal will be achieved through a specific set of actions as follows:

GOAL 1	**Undertake an in-depth analysis of inbound tourism flows to acquire further insights on factors influencing tourist satisfaction broken down by socio demographic, motivation, season and reasons. Build this analysis into an annual index to monitor changes.**
Actions	
Action 1	Combine MTA generated data from Profile and Locality Surveys with other qualitative sources of information.
Action 2	Generate Annual Index to monitor changes.

GOAL 2	**Identify factors negatively affecting visitor satisfaction and produce Action Plan to address them.**
Actions	
Action 1	Use Index to identify and prioritise areas of concern and formulate short-term Action Plans in response.

GOAL 3	**Revisit the criteria of the current MTA Quality Assured Label so as to widen its scope through the inclusion of further elements including staff expertise, service levels, sustainable management measures, health, hygiene, housekeeping and delivery of value for money. Work with the Malta Competition and Consumer Affairs Authority for the identification of the relevant standards and certification options.**
Actions	
Action 1	Analyse existing Quality Label components and draft additional elements for inclusion in assessment criteria.
Action 2	Investigate available national standards and certification services available via the Standards and Metrology Institute for application to tourism service providers.
Action 3	Announce the new Quality Label criteria and address them to a wider cohort of tourism service providers prioritising accommodation.

GOAL 4	**Introduce Schemes to evaluate the level of quality in the provision of services and facilities provided and aim for Service Excellence across all Tourism Service Providers licenced by MTA.**
Actions	
Action 1	Introduce a system to measure and improve the level of quality of service and facilities provided in non-hotel type accommodation and other MTA-licenced Tourism Service Providers.
Action 2	In the case of hotels, in addition to the Star Rating standards and criteria, introduce a system to measure and improve the level of quality of service and facilities provided, aiming for service excellence.

GOAL 5	**To enhance the skills of the MTA Regulatory function and to enhance the enforcement of the standards and classification criteria governing the accommodation rating system. Hotel star rating standards and criteria shall be prioritised.**
Actions	
Action 1	Identify and address skills gaps amongst officials in MTA Regulatory function to be able to reach this Goal.
Action 2	Give priority to Hotel rating standards and criteria.

GOAL 6	**Introduce a Self-Assessment/Self Improvement platform and encourage industry to introduce procedures to keep operations in check.**
Actions	
Action 1	Apply tried and tested private sector methods and adapt quality related methodologies used by other industries and sectors to the Maltese Tourism Scene to integrate the quality dimension more solidly into work practices and procedures across all components of the tourism value chain.

GOAL 7	**Assess the current Compliance methodology and approach used by MTA and focus on strengthening weaknesses and addressing additional areas of operation not being adequately covered through present methodologies.**
Actions	
Action 1	Critically assess and review existing Compliance Methodology and benchmark it with Compliance bodies in other sectors.
Action 2	Propose and Implement changes to Compliance practices and focus on the basis of Action 1.

GOAL 8	**Use a combination of Customer Review feedback and Compliance reports regularly, and introduce a system whereby compliant operations are rewarded and non-conforming ones are penalised.**
Actions	
Action 1	Identify the best and most representative Customer Review platforms relevant for Malta.
Action 2	Make full use of a combination of accumulated feedback generated by the selected Customer Review platform/s and the updated Tourism Compliance practices to assess each individual licenced operator's performance.

GOAL 9	**Constantly follow international best practice and developments in the area of Quality Delivery and update and adapt to local realities.**
Actions	
Action 1	Ensure that due recognition is given to the constantly evolving and developing situation internationally so that available tools are regularly updated in response to such changes.

Quality Destination

Strategy 17 To make increasing use of the smart approaches being used by leading destinations for the better management of tourism flows to events and localities/locations in a way which reduces visitor impacts and enhance satisfaction.

Rationale The exponential growth in tourism volumes worldwide until the 2019 global peak which was subsequently interrupted by the onset of COVID-19, had given rise to an international discussion on concepts such as over-tourism and unbalanced tourism. The discussion covered areas such as sheer tourism numbers, the overspill of tourism accommodation into traditionally residential areas leading to pressures on the domestic housing rental supply and the range of negative impacts brought about by the concentration of visitors on popular destinations leading to host population nuisance, loss of location character and physical damage and deterioration to the destination fabric.

Before the onset of smart technologies, destinations and localities could only monitor and quantify tourism volumes and impacts in a retrospective manner by acquiring data and insights which was historical. While this helped in planning for the future it was of little use within real time scenarios with the result that actions could only be taken in future on the basis of retrospective metrics.

Smart technologies generate a lot of data from a variety of sources which have the benefit of being real time and location specific. Whilst respecting data protection principles in that such data is only presented in an aggregated manner, it presents a level of information previously unknown and unheard of which can be used by a destination or locality to better understand tourism inflows in real time and be better placed to manage tourism. This is ultimately beneficial both to the visitors themselves, as it reduces instances of high tourist concentration and help them avoid queues and huge crowds, whilst also proving beneficial to the host population and the business community by minimising negative tourism impacts and maximising commercial opportunities.

The use of smart technologies also ties very closely with the destination's overall digitalisation strategies because they provide the basis on which real time information can be disseminated via specialised apps, portals and websites to visitors currently in the destination so as to keep them updated on events, activities, real time information and purchasing opportunities with a view to maximising their stay and targeting them in a manner which improves their satisfaction and encourages them to spend their funds in a focused and targeted manner.

Smart tourism ecosystems are very complex and embrace a range of areas including the internet of things, the widespread use and availability of the cloud, mobile communication and artificial intelligence technologies. This differs from traditional e-tourism in that it is more applicable during the trip itself rather than in the traditional pre- and post-scenarios, uses big data instead of static information and uses mobile digital appliances instead of deskbound units. It is more interactive and bridges the digital with the physical rather than presenting the digital as an alternative to the physical.

The ultimate benefit of evolving into a Smart Destination arises from the dual function of aiming to improve the quality of life of every single person living in or spending time in a tourism destination.

Objective Integrating the use of Smart Tourism Management Technologies into the fabric of Tourism Management through a mix of destination and locality specific tools with the aim of incorporating their use into the management practice of the destination and locality to collaborate with public and private, international and local organisations for access to smart tools and data and to keep abreast of ongoing developments by regularly following developments by both smart data generators and following best practice by leading smart destinations.

Goals		
	GOAL 1	Review the possibilities arising from the application of Smart Technologies to Tourism Management, Service delivery and Marketing.
	GOAL 2	Provide a snapshot of current public and private smart digitalisation processes and seek to streamline efforts into achieving an overall Smart Tourism Technology Experience for Improved Tourist and Resident Satisfaction.
	GOAL 3	Work towards the eventual submission by Malta as a European Capital of Smart Tourism candidate.
	GOAL 4	Link this Strategy with other Strategies relating to Climate Friendly Travel, Sustainability and the delivery of Quality Service.
	GOAL 5	Review developments annually in view of rapidly evolving situation.

Each goal will be achieved through a specific set of actions as follows:

GOAL 1 **Actions**	**Review the possibilities arising from the application of Smart Technologies to Tourism Management, Service delivery and Marketing.**
Action 1	Work with Airport operators to introduce a range of Smart technologies to assist traveller in different areas of the airport experience.
Action 2	Revolutionise the provision of information services, included but not limited to that provided by Tourist Information Offices, through the introduction of Virtual Assistants and the use of other "Internet of Things" applications.
Action 3	Work with the Accommodation sector to introduce smart technologies with the dual aim of addressing enhanced guest experience and sustainability in the field of energy saving, diagnostic systems and matching staff requirements with demand for facilities.
Action 4	Use Smart Technologies to provide additional value to tourists through the provision of a range of location specific information, combining beacon and mobile technologies together with advising visitors about transport, attraction-availability and use of accommodation facilities.
Action 5	Make full use of cutting-edge technologies in the fields of Augmented and Virtual Realities as means of enhancing Destination Attractiveness and Visitor Experience.

GOAL 2 **Actions**	**Provide a snapshot of current public and private smart digitalisation processes and seek to streamline efforts into achieving an overall Smart Tourism Technology Experience for Improved Tourist and Resident Satisfaction**
Action 1	Carry out a survey of such processes and draft action plans on the basis of results.

GOAL 3 **Actions**	**Work towards the eventual submission by Malta as a European Capital of Smart Tourism candidate.**
Action 1	Evaluate the criteria and guidelines for this award and undertake a gap analysis of what needs to be addressed by Malta for a future bid.
Action 2	Achieve an in-depth understanding of bids submitted for 2022 by short-listed cities Bordeaux, Copenhagen, Dublin, Florence, Ljubljana, Palma and Valencia.
Action 3	Create an Action Plan with timeframes and budgets for a future bid.
Action 4	Follow EU developments in terms of future calls to tailor-make submissions in accordance with requirements and timeframes.

GOAL 4 **Actions**	**Link this Strategy with other Strategies relating to Climate Friendly Travel, Sustainability and the delivery of Quality Service.**
Action 1	Ensure that Smart technologies are integrated fully with the deliverables of the Strategies concerned.

GOAL 5 **Actions**	**Review developments annually in view of rapidly evolving situation.**
Action 1	Constantly review technological developments emanating from the fourth industrial revolution and follow competitor developments with the objective a placing Malta as an innovator in this field.

Quality Destination

Strategy 18 To strategically develop a Digitalisation roadmap, incorporating various sectors contributing to the local Tourism product, by empowering the Public, Private and Non-Profit organisations to invest and ensure that efficiency and market presence are maximised through the use of the latest available technologies.

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

Digitalisation has become an integral part of all aspects of the 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.

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. 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.

Malta has achieved and registered great progress both in terms of infrastructural investment and human resource development and the vast majority of tourism operators already engage in an element of digitalised activity albeit in a wide-ranging scale and variety of ways.

One of the biggest challenges which this Strategy seeks to address relates to the risks emanating from fragmentation and mutual exclusivity which invariably result in a patchwork approach when experienced by the visitor. While some areas of the value chain are over exposed 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 Maltese Islands truly aspire to offer a truly fully digitalised infrastructure to their visitors.

This calls for an extensive and all-embracing Digitalisation Roadmap which involves Public, Private and Non-Profit organisations. Such a Roadmap is adequately covered by the Tourism Digital Strategic Roadmap being funded by the Ministry responsible for Tourism and which collectively brings together a wide range of stakeholders committed to collaborate in its execution.

Objective To follow the execution of the Tourism Digital Strategic Roadmap being funded by the Ministry responsible for Tourism in order to ensure that it continues to contribute in a timely and valid manner to the successful execution of Malta's Tourism Strategy to 2030. To create a two-way relationship between the Tourism Strategy and the Tourism Digital Strategic Roadmap so that their execution and evolution take place in a mutually beneficial and useful manner.

Goals		
	GOAL 1	Support the Tourism Digital Strategic Roadmap to ensure that it empowers all relevant public, private and non-profit organisations in investing and maximizing the use of such technologies/
	GOAL 2	Stimulating the provision and supply of a sufficiently skilled and empowered human resource within the entire tourism value chain to ensure that digitalization becomes widespread in the sector.
	GOAL 3	Support the Strategy through the provision of direction for the necessary Investment in Technology and Data Infrastructure.
	GOAL 4	Use the structures emerging from the execution of the Tourism Strategy to encourage stakeholders to grow organically as part of an overall plan.

Each goal will be achieved through a specific set of actions as follows:

GOAL 1 **Actions**	**Support the Tourism Digital Strategic Roadmap to ensure that it empowers all relevant public, private and non-profit organisations in investing and maximizing the use of such technologies.**
Action 1	Collaborate with relevant Ministries and Entities for the necessary dialogues and action plans to deliver this Strategy.

GOAL 2 **Actions**	**Stimulating the provision and supply of a sufficiently skilled and empowered human resource within the entire tourism value chain to ensure that digitalization becomes widespread in the sector.**
Action 1	Including the provision of specialised HR in this field within the overall deliverables emerging from the Strategy relating to Tourism Industry HR Development.

GOAL 3 **Actions**	**Support the Strategy through the provision of direction for the necessary Investment in Technology and Data Infrastructure.**
Action 1	Explore and advise about EU funding opportunities and instruments.
Action 2	Assist the development and evolution of this Strategy by supporting regular digital audits of different sectors.
Action 3	Follow international developments to recommend data and digital infrastructure requirements.

GOAL 4 **Actions**	**Use the structures emerging from the execution of the Tourism Strategy to encourage stakeholders to grow organically as part of an overall plan.**
Action 1	Integrate the proposed Tourism Tech Working Forum’s workings with the rest of this Tourism Strategy to ensure parallel development.

Industry Human Resources

Strategy 19 To improve the sector's attractiveness as an employer through enhanced continuous staff training opportunities and the improvement of its wage-attractiveness relative to competing sectors.

Rationale This measure of tourism employment is obviously limited to employment in the core functions of accommodation and catering and does not take into consideration other direct and indirect tourism-related employment in fields such as transport, retail, entertainment, visitor attractions, guiding, education and food production amongst others.

A 2015 study by Gordon Cordina on "The Contribution of the Tourism Industry to the Maltese Economy" analyses tourism expenditure to derive an estimate of how many jobs can be directly and indirectly associated with tourism spend. Cordina estimates that in 2014, tourism expenditure was estimated to directly sustain around 20,500 jobs in the Maltese economy with a further, significant, 7,000 more jobs being sustained by tourism expenditure in the wholesale and retail trade sector. The resulting 27,500 jobs constituted around 1 in every 7 full time equivalent jobs in the Maltese economy in 2014, which, as is to be expected, presents a higher number of employees than those in the NSO statistics, limited as they are to accommodation and food services.

Employment in Accommodation and Food Service Activities

Full-time Employment	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Accommodation and food service activities	9,775	9,841	10,022	10,048	10,343	10,800	11,619	12,678	14,033	15,258
Accommodation	5,668	5,560	5,594	5,345	5,351	5,431	5,561	5,817	6,219	6,511
Food and beverage service activities	4,107	4,281	4,428	4,703	4,992	5,369	6,058	6,861	7,814	8,747

Part-time Employment	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Accommodation and food service activities	8,517	9,144	9,810	8,807	8,929	9,019	9,185	8,843	8,609	7,966
Accommodation	3,243	3,442	3,576	3,099	3,134	3,003	2,940	2,728	2,596	2,360
Food and beverage service activities	5,274	5,702	6,234	5,708	5,795	6,016	6,245	6,115	6,013	5,606

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total Full-time Employment	9,775	9,841	10,202	10,048	10,343	10,800	11,619	12,678	14,033	15,258
Total Part-time Employment	8,517	9,144	9,810	8,807	8,929	9,019	9,185	8,843	8,609	7,966

Tourism's attractiveness in the Maltese Labour Market

Tourism's attractiveness, or the lack thereof, is often the main reason attributed to the difficulties being encountered by the tourism industry in attracting the required quality and quantity of employees necessary in the sustained growth scenario being experienced by the industry at present.

In 2015 the Malta Hotels and Restaurants Association published an EU-funded study titled Attracting and Retaining Skilled Workers in Hotels and Restaurants. The study was motivated by a combination of factors namely the growth in tourism activity, the decline in sectoral wage relativity, the rise of the non-Maltese tourism workforce and the decline of the domestic employee together with the perceived failure of the Maltese tourism industry either to attract adequate quantities of skilled newcomers or even retain those newcomers before losing them to other sectors.

The study provides some interesting findings, foremost amongst which one may list the perception-gap prevailing between those who are already employed and those outside the industry. Those already working in tourism broadly consider their job to be prestigious, permanent and one that provides promising career opportunities. However, for those outside the sector, the idea of a career in hospitality garners very low appreciation due to it being perceived as underpaid and a job in which one would not be proud to work in. In response to questions on which alternative sectors they would prefer to hospitality, respondents listed education, gaming and retail before tourism.

A further analysis presented in the study covered wage relativity with the main conclusion being that the tourism sector is failing to keep in step with alternative economic sectors with respect to wage levels. This has naturally led to a severely diminished wage relativity with signs of recovery not very encouraging. This is leading to a situation where Maltese job seekers are preferring to seek employment elsewhere rather than in the accommodation and catering sectors. In conclusion, the report proposes actions based on the three fundamental principles of Measuring, Planning and Acting to achieve the necessary shifts and start reversing the negative factors identified in the study.

Tourism employment, as traditionally measured, is obviously not growing in a way which reflects the uninterrupted, exponential growth which Maltese tourism has experienced, and has continued to experience, since 2009. This anomaly can neither be totally explained through the casual employment of individuals through the black economy nor through the increased efficiency of tourism operations which are becoming less labour intensive and thus employ less employees per tourist hosted.

The answer to this dilemma also lies in the fact that tourism has changed a lot and will continue to change. The accurately defined and exclusive tourism industry of yesteryear with employment clearly slotted into distinct, easily-defined, self-contained areas such as accommodation, catering, transport, passenger handling and guiding has now evolved into something more diffused and cross-sectoral.

The growth of the sharing economy and the constantly evolving demands of experiential tourism are diffusing tourism employment into a wide range of areas which, in turn, overlap with other sectors including expatriate gaming sector workers, the expanding migrant worker community and the increased demand for domestic tourism experiences by Maltese residents amongst others.

Educational tourism, active tourism, gastronomic tourism, film tourism, agro-tourism, eco-tourism, extreme tourism, wedding and honeymoon tourism, music-party tourism, wellness and health tourism are but a few of the new streams of tourism demand which are seeing the industry evolve beyond recognition in terms of what and where it was only ten years ago.

This situation poses some new challenges. In many respects Malta now faces a tourism employment situation with a weak nucleus of traditional jobs surrounded by a strong and growing outer shell of emerging job types. Whilst the outer shell is thriving and expanding, the all-important nucleus is stagnant at best and in decline at worst. This poses some serious questions for the Maltese tourism industry's core component of suppliers who cannot afford to outcompete themselves from the Maltese labour market to depend even more heavily on influxes of less trained, non-native workers with the inherent impact which that situation would have on the Maltese hospitality offer as extended by the industry's front liners.

Malta's Tourism Policy extending to 2020 and based on a Vision to 2030 had listed a number policy responses in terms of employment in the tourism industry which are based "on the recognized need for a trained cordial, informed, motivated and committed tourism labour force, which is recognized to be a main resource to communicate and actually provide quality to visitors." These responses as summarised in the Policy document include the improvement of the quality of tourism jobs across the sector, the need for training for the provision of quality service, the necessity for continuous professional development and the need to introduce a level of basic training as a bare minimum to work in tourism. Such basic pre-training should also be followed by appropriate induction courses. Given the growth of off-peak tourism there is also a need to encourage a shift from part-time to full-time employment. There is a recognized need to attract more Maltese workers whilst also inculcating a sense of Maltese hospitality amongst the foreign front-liners. All employees should also possess a stronger awareness of Maltese history and culture which they should be able to pass on to visitors.

As tourism diffuses and merges with other sectors of the Maltese economy, its capacity to attract a steady flow of skilled professionals may become increasingly jeopardized. Maltese tourism is operating in a highly competitive labour market facing manpower shortages and more attractive alternatives both in terms of remuneration and in terms of working hours.

Tourism is ultimately based on service and hospitality and no amount of infrastructural improvement and technology-induced automation can ever replace the basic requirement of human interaction which the hospitality industry is built upon. This is especially true in the collective accommodation and food and beverage spheres which are the ones already facing staffing challenges.

The megatrends out there and the local economic indicators all point towards a tourism industry which still possesses untapped growth prospects to be exploited in years to come. Adequate volumes of trained, professional human resources are indispensable to make such growth possible.

Objective

This Strategy recognizes the importance of the Human Resource element as an essential component of the delivery of the Hospitality Experience and addresses the challenges being faced by the Tourism Industry in attracting, sourcing, continually developing and nurturing a cohort of long-term, service professionals for the delivery of a quality tourism experience to tourists visiting Malta. It seeks to work out with the relevant stakeholders to understand and address these challenges through a set of determined actions aimed reversing the current situation.

Goals

GOAL 1	Identify needs and skills gaps and human resource shortfalls for the different categories of tourism service provision including accommodation, catering, travel services, guiding and transportation amongst others.
GOAL 2	Survey existing tourism sector employees to build a profile of their characteristics including qualifications and/or experience, formal and informal training received, job satisfaction, mobility, remuneration and their views on tourism as a career in Malta.
GOAL 3	Generate a profile of imported tourism labour force in terms of country of origin, training and skills available and nature of work undertaken.
GOAL 4	Survey a cross-section of new labour-market entrants and job seekers to evaluate their attitude towards a career in tourism.
GOAL 5	Carry out campaigns with the private sector to promote careers in tourism, promote the opportunities and rewarding aspects of working in the industry. Promote the socio-economic benefits of the tourism sector to the country.
GOAL 6	Use results from Goals 1 to 4 to formulate an HR Plan for Tourism in conjunction with ITS and other relevant educational organisations and institutions.
GOAL 7	Execute sectoral HR Plan with Stakeholders including ITS, MHRA, ACE, MUTG, FATTA, DMCD, GTA, Chamber of SMEs, Malta Chamber and Jobs Plus.
GOAL 8	Undertake repeat waves of Studies in Goals 1-4 in 2026 and 2029 to monitor developments, changes and emerging issues.

Each goal will be achieved through a specific set of actions as follows:

GOAL 1	**Identify needs and skills gaps and human resource shortfalls for the different categories of tourism service provision including accommodation, catering, travel services, guiding and transportation amongst others.**
Actions	
Action 1	Design and execute surveys in conjunction with individual stakeholders.
Action 2	Use results as inputs to Skills Card initiative being pioneered by ITS.

GOAL 2	**Survey existing tourism sector employees to build a profile of their characteristics including qualifications and/or experience, formal and informal training received, job satisfaction, mobility, remuneration and their views on tourism as a career in Malta.**
Actions	
Action 1	Undertake in-depth interviews with existing employees to extract required information.
Action 2	Use results as inputs to Skills Card initiative being pioneered by ITS.

GOAL 3	**Generate a profile of imported tourism labour force in terms of country of origin, training and skills available and nature of work undertaken.**
Actions	
Action 1	Work with companies to collate sensitive aggregate data from a generally survey-shy sector.
Action 2	Devise a platform in conjunction with ITS wherein applicants will be assessed before departing from country of origin.

GOAL 4	**Survey a cross-section of new labour-market entrants and job seekers to evaluate their attitude towards a career in tourism.**
Actions	
Action 1	Collaborate with Jobs Plus to research random representative samples of these two cohorts in an aggregated manner.

GOAL 5	**Carry out campaigns with the private sector to promote careers in tourism, promote the opportunities and rewarding aspects of working in the industry. Promote the socio-economic benefits of the tourism sector to the country.**
Actions	
Action 1	Utilise the direction forthcoming from Goals 1-4 to formulate the campaigns listed in Goal 5.

GOAL 6	**Use results from Goals 1 to 4 to formulate an HR Plan for Tourism in conjunction with ITS and other relevant educational organisations and institutions.**
Actions	
Action 1	Generate a Holistic Tourism HR Plan for Malta.

GOAL 7	**Execute sectoral HR Plan with Stakeholders including ITS, MHRA, ACE, MUTG, FATTA, DMCD, GTA, Chamber of SMEs, Malta Chamber and Jobs Plus.**
Actions	
Action 1	Follow up on the findings of Goal 5 through specific, dedicated actions with the relevant, different stakeholder groupings concerned.

GOAL 8	**Undertake repeat waves of Studies in Goals 1-4 in 2026 and 2029 to monitor developments, changes and emerging issues.**
Actions	
Action 1	Use the methodologies and findings of the first wave of studies carried as per Goal 1-4 for repeat waves in 2026 and 2029.

Conventions & Events

Strategy 20 To deliver National Convention and Events Facilities to enable Malta to engage in a more extensive, year-round, calendar of activities and events in all-weather facilities and for different delegate and audience sizes.

Rationale As tourism becomes a more segmented personalised experiential activity, destinations need to increasingly cater for a type of visitor who is not satisfied solely by visiting static locations or attractions but who is placing increased demands on a more active visit during all twelve months of the year.

Such visitors range from those arriving in the destination for the purpose of conferences, conventions and other types of business-related large gatherings to others visiting for more leisure-oriented reasons centred around the organisation of a variety of events, be they cultural, sportive, musical, family oriented or special-interest in nature.

Malta today competes with a huge number of destinations which have invested heavily in their receptive infrastructure for the attraction of events. The availability of such infrastructure allows for the more sustainable organisation of a year-round events calendar based on the peace-of-mind of the availability of a range of modern, all-weather facilities suitable for different types of events and activities aimed at different delegate and audience sizes.

Until such facilities are in place, Malta will continue to operate as a destination with a fragmented and unreliable offer dependent on the irregular or seasonal availability of venues designed for alternative use.

In designing such infrastructure, Malta needs to emulate best practice by identifying destinations who excel in this field. Priority must also be given to carbon-neutral, sustainable technologies which minimize impacts and stand as beacons of the destination's commitment to a more sustainable tourism activity which is also future proofed in terms of its impacts and adaptability.

Objective	To encourage the design and delivery of additional national convention and events facilities featuring best practice in terms of environmental and carbon neutral facilities and technologies. To aim for facilities which will make Malta a highly attractive and competitive events and meetings destination during all twelve months of the year. To ensure a versatile design to make such facilities utilizable for the widest possible range of meetings, activities and events and to integrate their design with important elements such as accommodation, transport and access to other tourism facilities in as seamless a manner as possible.	
Goals	**GOAL 1**	Engage with the relevant industry stakeholders to identify market needs, developments and opportunities to be able to identify gaps and limitations in Malta's current offer. Bring identified stakeholders together in an ad hoc Working Group to provide further direction in the execution of this Strategy.
	GOAL 2	Investigate and understand international trends and forecasts for the sector and study their applicability for the local scene. Study the Convention and Events offer of selected competing and leading destinations within the wider context of location, infrastructural requirements, spin-offs, economic and social impacts, transport and connectivity and support services.
	GOAL 3	Produce a Master Plan for the development of this sector presenting options, development models and relevant forecasts and feasibilities.

Each goal will be achieved through a specific set of actions as follows:

GOAL 1	**Engage with the relevant industry stakeholders to identify market needs, developments and opportunities to be able to identify gaps and limitations in Malta's current offer. Bring identified stakeholders together in an ad hoc Working Group to provide further direction in the execution of this Strategy.**
Actions	
Action 1	Task a Stakeholder Group with contributing to the delivery of this Goal and set up a Working Group to produce required output and participate in giving direction in reaching objectives.

GOAL 2	**Investigate and understand international trends and forecasts for the sector and study their applicability for the local scene. Study the Convention and Events offer of selected competing and leading destinations within the wider context of location, infrastructural requirements, spin-offs, economic and social impacts, transport and connectivity and support services.**
Actions	
Action 1	Commission a Report on the International Conventions and Events Sector as per Goal 2 with applicability to Malta and combine its findings with those emerging from Goal 1.

GOAL 3	**Produce a Master Plan for the development of this sector presenting options, development models and relevant forecasts and feasibilities.**
Actions	
Action 1	Use the findings emerging from Goals 1 and 2 to formulate a Master Plan for the structured development of this sector of the Maltese tourism offer.

Governance & Implementation

Strategy 21 To institute Governance procedures to monitor/measure the results of this strategy and organize an annual national tourism conference bringing together all stakeholders with a view to reviewing results, discussing key issues and agreeing on way forward to ensure the Strategic Planning Process is integrated into macro and micro industry actions in a rolling manner.

Rationale This Malta Tourism Strategy up to 2030 is based on the principles of "Recover, Rethink, Revitalise". The Strategy has been set with the objective of strengthening Malta's improved attractiveness, enhanced competitiveness and maximised socio-economic returns based on the principles of sustainability, the delivery of a higher quality experience and the fostering of a stronger bond between host population needs and visitor expectations.

The Strategy is based on clear objectives and deliverables and its progress will be measured through the formulation of a wide range of KPIs including Sustainability Indicators, Economic Measurements, Social Impact Measurement, Geographic and Motivational Segment Measurement and Forecasting, Product and Service Monitoring, Monitoring of International Trends and Developments and the introduction of stakeholder involvement and consultation structures amongst others.

The Governance and Implementation element of this Strategy will rest on the set up of a dedicated Malta Tourism Observatory which will be charged with the responsibility of managing and following the Execution of the Tourism Strategy to 2030. The Observatory shall possess executives under the direction of the MTA Chief Officer Strategic Development. It will be administered by a Board comprising officials from the Ministry for Tourism and Consumer Protection, the MTA Board of Directors and the MTA and shall also have an Advisory Board comprising members from the major industry, academic and administrative sectors.

The Malta Tourism Observatory will have a proactive role in the execution of the Tourism Strategy and will be empowered to commission studies, undertake KPI measurement and continually consult with the wider set of stakeholders during the process of steering the implementation of the Strategy. It will report regularly through the production and publication of ad hoc, quarterly, half-yearly and annual reports and strive to join the growing network of international tourism observatories.

A further outcome of this approach will consist of the holding of an annual National Tourism Conference to bring together all stakeholders to present, discuss and update strategic actions in line with developments during the lifetime of this Strategy.

Objective To ensure that the processes emerging from the Tourism Strategy are adequately managed, monitored and evaluated and to put a structure in place to oversee such tasks. To keep the Strategic Process alive and relevant by convening stakeholders in an annual manner to involve them in updates, discussions and evolution of the Strategy. Widespread support and endorsement should be sought for this Strategy to ensure continuity and a full understanding of the challenges ahead.

Goals

GOAL 1	Creating a dedicated structure to manage the Tourism Strategy.
GOAL 2	Elevating the measurement of the Strategy's implementation to the scrutiny of a multidisciplinary team of advisory stakeholders.
GOAL 3	Creating a dedicated team charged with the publication of quarterly, half-yearly and annual reports for accountability and information purposes.
GOAL 4	Giving Malta its own Tourism Observatory in line with developments elsewhere in Europe and the Mediterranean.
GOAL 5	Convene an Annual National Tourism Conference bringing together the wider set of tourism industry and related stakeholders.

Each goal will be achieved through a specific set of actions as follows:

GOAL 1 **Actions**	**Creating a dedicated structure to manage the Tourism Strategy.**
Action 1	Set up a Malta Tourism Observatory including officials, management structure, reporting and advisory structures and provide adequate funding for its running and execution of duties.

GOAL 2 **Actions**	**Elevating the measurement of the Strategy's implementation to the scrutiny of a multidisciplinary team of advisory stakeholders.**
Action 1	Setting up of an Advisory Team to review and provide inputs into the process.

GOAL 3 **Actions**	**Creating a dedicated team charged with the publication of quarterly, half-yearly and annual reports for accountability and information purposes.**
Action 1	Identify the roles and engage the appropriate candidates for undertaking Goal 3.

GOAL 4 **Actions**	**Giving Malta its own Tourism Observatory in line with developments elsewhere in Europe and the Mediterranean.**
Action 1	Work to incorporate the Malta Tourism Observatory with similar setups and networks within the Mediterranean and Europe.

GOAL 5 **Actions**	**Convene an Annual National Tourism Conference bringing together the wider set of tourism industry and related stakeholders.**
Action 1	Establish an Annual event incorporating Strategy Updates, keynote expert deliveries and active stakeholder participation and intervention to keep the Strategy alive.

Governance & Implementation

Strategy 22 To follow up the finalisation, publication and implementation of this Strategy with detailed Marketing, Product Development (also encompassing Accommodation), Human Resource Development plans including segment- and source-market- specific stand-alone Plans for the destination's major tourism inflows. Gozo to feature a specific stand-alone Plan.

Rationale **Strategic Plan Related Studies**

The publication of the Malta Tourism Strategy 2021-2030 will be followed up with the immediate commissioning of a number of Studies aimed at enabling the execution of the identified Strategies.

These studies will provide the direction needed by every strategy to ensure its proper execution, establishment of relevant KPIs and other means of measuring and timeframes necessary for implementation. The following areas of study have been identified in the Strategy:

- HR Development Plan
- Gozo Tourism Plan
- Geographical Market Plan
- Accommodation Development Plan
- KPI Formulation Plan including SDGs
- Segment Development Plan
- Tourism Events Plan
- Carbon Neutral Plan
- Digitalisation Plan
- Tourism Economic Impact Measurement Plan
- Connectivity Plan
- Product Development plan including Key Investment Opportunities
- Domestic Tourism Plan
- Increasing Brand Footprint through Regionalisation of Territory

Objective To enable the effective and efficient delivery of the Tourism Strategy through the commissioning of a number of specialized studies aimed at giving clear direction on the basis of a scientific analysis and evaluation of the different topics concerned.

Goals

GOAL 1 | **Terms of Reference for HR Development Plan**

- Defining Tourism HR in today's Tourism Industry
- Quantification of Tourism HR by Category
- Attractiveness of Tourism as an Employer
- Factors impeding Attractiveness of Tourism as an Employer
- Comparing Tourism Employment Remuneration with other employment Sectors
- Impact of COVID-19 on Tourism Employment
- Employing Maltese vs Foreigners: Pros and Cons of both options
- Tourism Employment and the Delivery of Hospitality
- Skills gaps in Maltese tourism employment 2021-2030
- CPD needs in Maltese Tourism Employment
- Skills needed by eventual newcomers which need to be addressed by education system

GOAL 2 | **Terms of Reference for Gozo Tourism Plan**

- Gozo as an international and domestic tourism destination
- Gozo as a Destination
- Identifying Gozo's USPs
- Tourism Development Policy for Gozo: Accommodation, Facilities and Attractions
- Segmentation Strategy for Gozo: Market Positioning, Geographical Markets, Motivational Segments
- Infrastructural Requirements: Connectivity, Transport, Heritage, Coastal, Rural
- Gozo and its Cruise Market Potential
- Digitalisation Strategy for Gozo
- Measuring Tourism Activity on Gozo

GOAL 3 | **Terms of Reference for Geographical Market Plan**

- Geographic Market Groups to be Targeted:
  - UK/Ireland
  - Italy
  - France
  - Germany/Austria/Switzerland
  - Benelux
  - Nordic
  - Eastern Europe including Balkans and Baltic
  - Russia and CIS
  - Iberian Peninsula
  - East-Mediterranean
  - Middle East North Africa (MENA)
  - Asia Pacific
  - Americas
- Main Market Dynamics: Population, Travel profile, Visa issues, Connectivity, Competitor Set etc.
- Creation of Market Matrices matching market outbound characteristics with best prospects for Malta by Demographic, Season, Motivation, Socio-Economic, Airport of Departure/Airline serving route
- Competitor Performance
- Online Searches (Amadeus) and Competitor Comparison
- Link with BCG proposal currently being evaluated with MTCP and KM

GOAL 4	Terms of Reference for Accommodation Development Plan

- Accommodation as the major factor influencing the country's receptive capacity: development, forecasts, trends, carrying capacities and other issues
- Quantifying and addressing unlicenced accommodation
- Reviewing the Application regime: addressing weaknesses to enhance quality and value added
- Short term vs Long term measures needed
- Evaluating the existing classification system and proposing amendments and improvements.
- The expanded role of Quality Labels
- Reviewing the Eco-Contribution system
- Improving and Adapting Existing Accommodation to emerging market demands

GOAL 5	Terms of Reference for KPI Formulation Plan including SDGs

- Selection of KPIs for lifetime of Strategy: the Rationale and the Benefits
- Identification and Measurement of direct Tourism KPIs
- Identification and Measurement of SDG KPIs from Tourism Perspective
- KPIs and responding to short term impacts
- International Best Practice re KPIs: benchmarking with existing methodologies for comparability

GOAL 6	Terms of Reference for Segment Development Plan

- Quantification and Ranking of Product Segments of current Maltese Tourism Inflows
- Volume and Value Measurement per segment
- Understanding Segmental Inter-relationships in terms of overlaps and competing use.
- Lifecycle stages of each segment and recommendations on process of evolution. Differentiating between niche segments and established segments.
- Segment prioritization in terms of recognizing emerging, evolving and declining segments.
- Identification of new segments by following international developments.
- Addressing Segment Needs from the Product, HR and Marketing Perspectives
- Clustering segments by broad thematics.

GOAL 7	Terms of Reference for Tourism Events Plan

- Snapshot of current situation
- The relevance of Events within Malta's Tourism Portfolio
- The Events Spectrum
- The role of Festivals within the Events Calendar
- Events as a year-round activity: requirements to make Malta a year-round events destination
- Matching Events with Destination Brand Values
- Producing Events for the wider mix of Malta's tourism inflows and markets
- Maximising value from events

GOAL 8	Terms of Reference for Carbon Neutral Plan

- Measuring Tourism's Carbon Footprint
- Reducing Carbon Footprint by Category: Accommodation, Catering, Transport, Attractions
- Aligning Tourism Carbon Reduction Measures with overall Government Plans
- Following international, especially EU, developments to safeguard Malta's interests and competitiveness
- Turning Carbon Neutrality into a Selling Point for Malta

GOAL 9	Terms of Reference for Digitalisation Plan

	• Development of Digital Strategic Roadmap
	• Investment needs and Opportunities:
	    • Government to Government
	    • Government to Business
	    • Government to Tourist
	• Addressing the entire travel cycle: Pre-Trip, Trip and Post-trip.
	• Progressing into Emerging Technologies
	• Consolidating Malta's digital tourism data, message and platforms
	• The Digital Exchange Platform
	• Big Data for Planning
	• Attracting the Digital Operators
	• Stimulating Investment: Awareness, Training, Funding

GOAL 10	Terms of Reference for Tourism Economic Impact Measurement Plan
	• Tourism economic impacts measurement: TSA and other Tools • Economic Measurement for Optimisation: introducing the Principle of Opportunity Cost in tourism planning • Cost-benefit analysis models and methodologies for Tourism decision making • Understanding the wider inter-relationship of Tourism with other Economic Sectors • Measuring Tourism beyond GDP impacts: inclusion of other indicators on tourism's socio-economic impacts

GOAL 11	Terms of Reference for Connectivity Plant
	• Rebuilding Malta's Airline Connectivity • The role of the Maltese airlines in the rebuilding • Connectivity mix: Point-to-point and Connecting options • Supporting Connectivity • Understanding the post-COVID-19 aviation sector • The need for airline mix: diversification and client type

GOAL 12	Terms of Reference for Product Development Plan including Key Investment Opportunities
	• Tourism Product Development as a tool to shape the destination. Defining limits and establishing responsibilities. • Addressing tired elements of the Product: the role of Maintenance and Upkeep • Tourism Product Development as a contributor to regeneration: identification of zones requiring regeneration and establishing tourism's role • Product Development as a vehicle for Innovation and Future Proofing the Destination • Directing private investment beyond accommodation: the identification of Key Investment Opportunities • Regulating vs Stimulating

GOAL 13	Terms of Reference for Domestic Tourism Plan

- Integration of Domestic Tourism into overall Tourism Framework. The Domestic market to be officially recognized as another Tourism Stream
- Domestic Tourism Marketing Plan
- Measuring and Presenting Domestic Tourism in Official Statistics
- Differentiating between the International and Domestic Markets: Products, Travel Patterns, Seasonality, Length of Stay
- Emerging trends in Domestic Travel: products, tastes, selling platforms, expenditure
- The impact of Domestic Tourism on the unlicensed accommodation segment

GOAL 14	Terms of Reference for Increasing Brand Footprint through the Regionalization of Territory

- Unzipping the Maltese Islands to increase their Brand Footprint
- Differentiating between Malta and Gozo/Comino
- Valletta as a distinct brand
- The Cosmopolitan Dimension: Quality Product in a modern Malta setup: leisure, business, entertainment, shopping, fine dining
- Rural Tourism
- The Beach Product
- Tourism and the South of Malta
- Linking Brand components to thematics

GOAL 15	Proposed Agenda for National Tourism Conference

- Annual Event
- Plenary and Workshops format
- Target 400-600 delegates
- Ideally in a venue subject to COVID-19 restrictions
- Plenary: Presenting the Vision and Strategies and Plan/Study Outcomes
- The issue of Quality Service and Product.
- Results and Targets
- Discussion on Emerging Trends and Current Issues
- Invited Foreign Speakers: UNWTO/European Travel Commission/European Parliament Tourism and Transport Committee/Industry Leaders
- Stakeholder involvement: Local and Foreign

Conclusion

This ten-year Strategy for Maltese Tourism is based on the three-pronged approach of Recovering, Rethinking and Revitalising this important pillar of Maltese economic activity. It presents an opportunity, at an important juncture in Malta's development and international tourism's next evolutionary steps following the turmoil that commenced in 2020.

This opportunity allows the country to reformat its tourism industry on a sounder footing and in line with international ideals and commitments in the fields of sustainable development and climate change that have rapidly evolved from "nice to say" statements to matters of imminent action and global responsibility.

It is a Strategy which aims to elevate Malta's tourism offer to one increasingly based on the universal delivery of a quality service and product, the attraction of tourists who not only leave a superior economic contribution but whose interests are in parallel with all that makes the Maltese Islands diverse, unique, special and worth visiting and revisiting.

With this Strategy, the Maltese tourism industry shall be in possession of a clear set of directions on the basis of which it will not only rise again but be rebuilt on stronger foundations from which the challenges and opportunities of the coming years can be faced with stronger chances of resilience and success.

This Strategy has been formulated through the inputs of the following:

Mr Leslie Vella
Mr Ronald Mizzi
Dr Gavin Gulia
Mr Johann Buttigieg
Mr John Grima
Mr George Micallef
Mr Mario Attard
Professor Geoffrey Lipman
Mr Carlo Micallef
Ms Karen Demicoli
Mr Euchar Sultana
Mr Kevin Fsadni
Mr Mark Camilleri
Mr Jonathan Scerri
Mr Lionel Gerada
Mr Christophe Berger
Ms Tania Sultana

With additional inputs from:

Ms Uschi Borg Olivier
Mr Anthony Ellul
Ms Ramona Saliba
Ms Claire Briffa Said
Ms Mariella Attard
Ms Nikita Lofreda
Ms Shirley Cassar
Ms Daniela Mallia
Ms Toyah Zammit
Mr Matthew Frendo
Ms Angela Said
Ms Fiona Frendo