

Malta

Tourism in the economy and outlook for recovery

Tourism is an essential contributor to Malta's economy, providing 40 568 direct tourism jobs or 16.9% of total employment and a total tourism expenditure of EUR 2.2 billion in 2019. Malta estimates that the tourism decline in 2020 contributed to a 7.8% fall in overall GVA. This fall in GVA is likely to have reduced labour income by almost 8% and overall employment by 9.5%.

International tourism is a significant contributor to the Maltese tourism ecosystem, with 2.8 million international tourists in 2019. Inbound tourists declined to 659 000 in 2020, down 76% compared to 2019. In 2020, Malta's top three inbound markets for overnight visitors were the United Kingdom, Italy and Germany.

The pandemic resulted in record domestic overnight stays in Malta, recording 360 500 overnight tourists in 2020, up 51.9% from 2019. However, for a small island state such as Malta, domestic tourism is not a factor that can compensate for inbound tourism.

In 2021, inbound tourists increased to 968 000, but still remained 70.9% below 2019 levels. Total tourism expenditure was estimated to be EUR 870 million, an increase of 91% compared to 2020. Recovery to 2019 levels is not expected until 2024 or 2025.

Tourism governance and funding

Tourism in Malta is the responsibility of the Ministry for Tourism. Its mission is to establish and execute a tourism policy based on the principles of sustainable development. The Ministry strives to improve Malta's competitiveness by working with all stakeholders to ensure that products, services and value reach levels that enable both the island of Malta and Gozo to improve the seasonal spread of tourism and its economic benefits.

The Malta Tourism Authority (MTA) is the destination management organisation under the Ministry's remit. The Malta Tourism Authority is responsible for promoting Malta as a tourist destination, advising the government on tourism operations and issuing licences under the relevant legislation. The Malta Tourism Authority also caters for the needs of the islands Gozo and Comino. MTA liaises with the Ministry for Gozo and the Gozo Tourism Association (GTA), which represents Gozitan tourism stakeholders and the Gozo Regional Development Authority (GRDA).

Throughout the pandemic, the Ministry collaborated with several Ministries, namely:

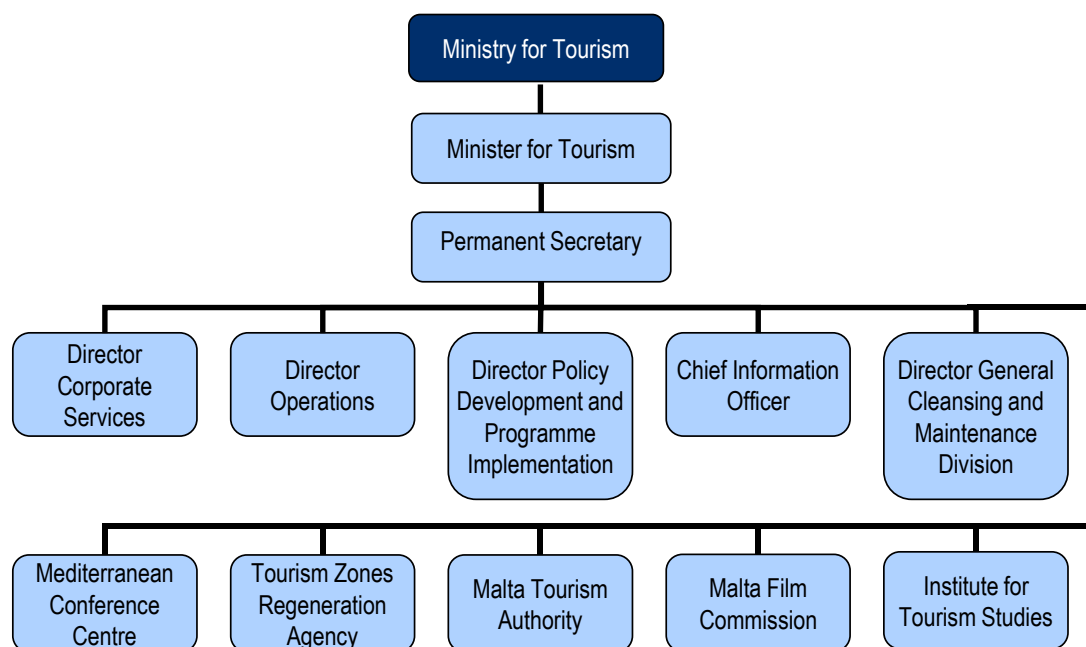
- Ministry for Health: To discuss the COVID-19 situation and the policy initiatives that the Ministry for Health would propose to address the COVID-19 situation.
- Ministry for Foreign Affairs: To communicate and co-ordinate travel advice (including restrictive measures), the care of COVID-19 patients and repatriation efforts.
- Ministry for Transport and Infrastructure: To collaborate and implement infrastructure projects during the period.

- Ministry for Finance: To discuss and implement assistance measures directed toward the Tourism sector.

The governance and implementation elements of the tourism strategy will be supported by a new Malta Tourism Observatory, which will be charged with the responsibility of monitoring and measuring the delivery of the Tourism Strategy. The Malta Tourism Observatory will have a proactive role and will be empowered to commission studies, undertake KPI measurements and consult stakeholders during implementation.

The budget allocated to tourism in 2020 amounted to EUR 138 million from National Tourism Funds and EUR 4.7 million from EU Direct, Structural and Cohesion Funds.

Malta: Organisational chart of tourism bodies



Source: OECD, adapted from the Ministry of Tourism, 2022.

Tourism policies and programmes

Malta launched its new Tourism Strategy for the years 2021-30 called Recover, Rethink, Revitalise, aiming to re-establish the tourism sector on a sounder footing and in line with international ideals and commitments in the fields of sustainable development and climate change. The key priorities of the Strategy are:

- An upskilled tourism workforce.
- Modernised infrastructure.
- Updated tourism legislation.
- Stronger potential for digitalisation.
- Continued development of Malta's airline connectivity.
- An innovative approach towards responding to new travel trends.

The Strategy focuses on developing new services and products and continued marketing efforts to position Malta as a destination of choice in the widest range of geographic and motivational travel segments. It

outlines the development of a digitalisation roadmap that seeks to empower public, private and non-profit organisations to invest and ensure that efficiency and market presence are maximised through the use of the latest technologies.

In 2021, Malta looked to kick-start the devastated tourism sector through a direct aid package for local tourism establishments valued at EUR 20 million. The aim was to attract tourism activity to Malta, targeting free and independent travellers (FITs) who plan their own trips and travel alone or in small groups as opposed to mass tourism that relies on large groups and travel packages. There are also initiatives addressing Quality Assured Visitor Attractions, long-stay visitors and sports tourists, including diving enthusiasts. The goal is to get tourism on the road to recovery quickly so Malta can generate the necessary number of tourists to support the investment made by the sector.

In the longer term, there is a need for a two-pronged approach to addressing employment in the Maltese tourism sector. The first is to make the sector a more attractive career for Maltese workers and foreign workers. The second is to ensure that foreign workers are not attracted mainly because of their relatively cheap labour cost but also because of the skills necessary to deliver a higher quality experience to Malta's visitors. In May 2020, Malta launched a EUR 5 million online training programme to develop human resources to improve skills and the tourism product.

Moving forward, Malta will place a greater emphasis on a sustainable approach to tourism development and give less weight to volume growth. The objective is an enhanced offer, improved visitor satisfaction and minimised negative resident impacts.

Institute for Tourism Studies Corporate and Business Strategy in Malta

The Institute of Tourism Studies (ITS) is Malta's leading tourism and hospitality educational institution and a key entity that falls under the Ministry for Tourism portfolio. It offers a broad selection of study programmes and utilises multiple on-campus specialised labs and kitchens to ensure that students receive essential theoretical and practical education.

Students also gain opportunities for further training through the Local Industrial Trade Practice and International Internship, which is included in the student's programme of study.

During the COVID-19 pandemic, the Institute of Tourism Studies launched a corporate and business strategy for 2021-25, which outlined the Institute's ambitions for growth. This includes a EUR 40 million investment to transfer the Institutes facilities to a new site at Smart City, supported through the EU Recovery and Resilience Facility.

The Institute of Tourism Studies recognised that the pandemic brought seismic changes to the higher education industry, and opportunities will arise given these changes. The corporate strategy outlines the updated plans for the Institute in terms of its mission, vision and strategic objectives. The business strategy establishes the activities the Institute will pursue through dedicated business units. Each business unit will have an individual business strategy to guide its operation.

Statistical Profile

Malta: Domestic, inbound and outbound tourism

	2017	2018	2019	2020	2021
TOURISM FLOWS, THOUSAND					
Domestic tourism					
Total domestic trips	..	..	..	..	..
Overnight visitors (tourists)	261	245	237	360	..
Same-day visitors (excursionists)	..	..	..	..	..
Nights in all types of accommodation	708	650	618	1 064	..
Hotels and similar establishments	156	164	145	150	..
Other collective establishments	..	..	..	..	..
Private accommodation	552	486	473	914	..
Inbound tourism					
Total international arrivals	2 840	3 153	3 383	717	984
Overnight visitors (tourists)	2 274	2 599	2 753	659	968
Same-day visitors (excursionists)	566	554	629	59	132
Top markets					
United Kingdom	561	641	650	136	..
Italy	364	391	393	94	..
Germany	193	227	212	72	..
France	176	213	239	71	..
Spain	76	99	116	27	..
Nights in all types of accommodation	16 509	18 570	19 339	5 227	8 390
Hotels and similar establishments	9 418	10 082	10 069	2 362	6 534
Other collective establishments	..	..	..	..	..
Private accommodation	7 092	8 488	9 270	2 865	1 855
Outbound tourism					
Total international departures	632	728	774	218	344
Overnight visitors (tourists)	572	667	707	197	303
Same-day visitors (excursionists)	60	61	67	21	41
Top destinations					
Italy	181	212	214	67	119
United Kingdom	106	119	126	29	26
Spain	28	38	45	10	21
France	22	28	28	8	12
Germany	38	42	38	11	11
TOURISM RECEIPTS AND EXPENDITURE, MILLION USD					
Inbound tourism					
Total international receipts	2 413	1 849	1 897	417	..
International travel receipts	1 726	1 849	1 897	417	..
International passenger transport receipts	687	..	..	..	..
Outbound tourism					
Total international expenditure	468	518	530	128	..
International travel expenditure	468	518	530	128	..
International passenger transport expenditure	..	..	..	..	..

.. Not available

Source: OECD Tourism Statistics (Database).

StatLink  <https://stat.link/1zyb25>

Malta: Enterprises and employment in tourism

	Number of establishments ¹	Number of persons employed				
	2020	2017	2018	2019	2020	2021
Total	7 785	..	..	..	..	..
Tourism industries	..	31 240	33 997	40 568	40 722	40 070
Accommodation services for visitors	744	7 954	7 547	7 723	6 584	6 489
Hotels and similar establishments	..	..	..	..	..	..
Food and beverage serving industry	2 309	6 824	7 215	9 945	9 786	8 163
Passenger transport	1 605	4 462	4 128	4 594	6 051	5 977
Air passenger transport	32	1 461	1 563	1 073 e	1 490	2 250
Railways passenger transport	1	..	..	..	..	..
Road passenger transport	1 472	1 778	1 769	2 927	3 934	2 952
Water passenger transport	100	1 224 e	797	594 e	627 e	776 e
Passenger transport supporting services	454	2 593	2 473	2 983	3 454	4 172
Transport equipment rental	144	125 e	683	1 050	361 e	291 e
Travel agencies and other reservation services industry	490	1 029	1 228	1 349	1 428	1 163 e
Cultural industry	1 445	6 776	8 709	11 052	11 517	12 881
Sports and recreation industry	594	1 477	2 014	1 871	1 542	933 e
Retail trade of country-specific tourism characteristic goods	..	..	..	..	..	..
Other country-specific tourism industries	..	..	..	..	..	..
Other industries	..	..	..	..	..	..

.. Not available; e Estimated value

1. Data refer to number of enterprises.

Source: OECD Tourism Statistics (Database).

StatLink  <https://stat.link/oudkj6>


Malta: Internal tourism consumption

Million EUR

	2010		
	Domestic tourism expenditure	Inbound tourism expenditure	Internal tourism consumption
Total	..	..	..
Consumption products	112	1 033	1 150
Tourism characteristic products	99	859	963
Accommodation services for visitors	7	232	243
Food and beverage serving services	17	258	275
Passenger transport services	31	256	287
Air passenger transport services	29	231	260
Railways passenger transport services	..	..	..
Road passenger transport services	2	25	26
Water passenger transport services	..	..	..
Passenger transport supporting services	..	..	..
Transport equipment rental services	0	19	19
Travel agencies and other reservation services industry	44	36	80
Cultural services	0	13	13
Sports and recreation services	0	23	23
Country-specific tourism characteristic goods	..	..	..
Country-specific tourism characteristic services	..	..	..
Other consumption products	13	174	187
Tourism connected products	4	104	108
Non-tourism related consumption products	9	70	79
Non-consumption products	..	..	..

.. Not available

Source: OECD Tourism Statistics (Database).

StatLink  <https://stat.link/5i7nwa>



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