

# Malta

## Tourism in the economy

Tourism is an important contributor to Malta's economy, directly supporting 33 180 jobs and 14.9% of total employment in 2018. The contribution of tourism to Malta's GDP in 2018 was 12.8%, making tourism one of the top five contributors to the economy. Total tourist expenditure was EUR 2.1 billion, an increase of 8% from 2017.

In 2018, there were 3.2 million international arrivals, an 11.0% increase on 2017. International tourist numbers have almost doubled since 2010. In 2018, Malta's top three inbound markets for overnight visitors were the United Kingdom, Italy and Germany with a market share of 24.6%, 15.0% and 8.7% respectively, accounting for almost half of all inbound tourism. The UK market has grown by 14.2% over 2017 to reach 640 600 tourist in 2018, while, the Italian market has also grown by 7.4% to 390 600 tourists. The German market has fluctuated, with a 17.6% growth between 2017 and 2018, peaking at 227 000 tourists in 2018.

Domestic tourism in Malta is relatively small. It consists primarily of flows between Malta and the second island of Gozo, although there is a small but growing trend for residents of the main island to stay overnight in hotels on Malta. In 2018, resident tourism in collective establishments are estimated at 185 000 arrivals, an increase of 10.5% over 2017. Domestic tourists to the Gozo and Comino islands, numbered 227 121 in 2018, a decrease of 4.1% from 2017. Gozo and Comino residents who travelled to Malta in 2018 as domestic tourists totalled 18 356, a decrease of 23.3% from 2017.

## Tourism governance and funding

Tourism is directly represented in Cabinet through a dedicated Minister of Tourism who is also responsible for aviation policy. The Ministry has political responsibility for a number of agencies and companies connected with tourism, including the Malta Tourism Authority, Conventions Malta, Foundation for Tourism Zones, Grand Harbour Regeneration Corporation, the Institute of Tourism Studies, Air Malta, Malta Air Traffic Services, the Mediterranean Conference Centre and the Malta Film Commission.

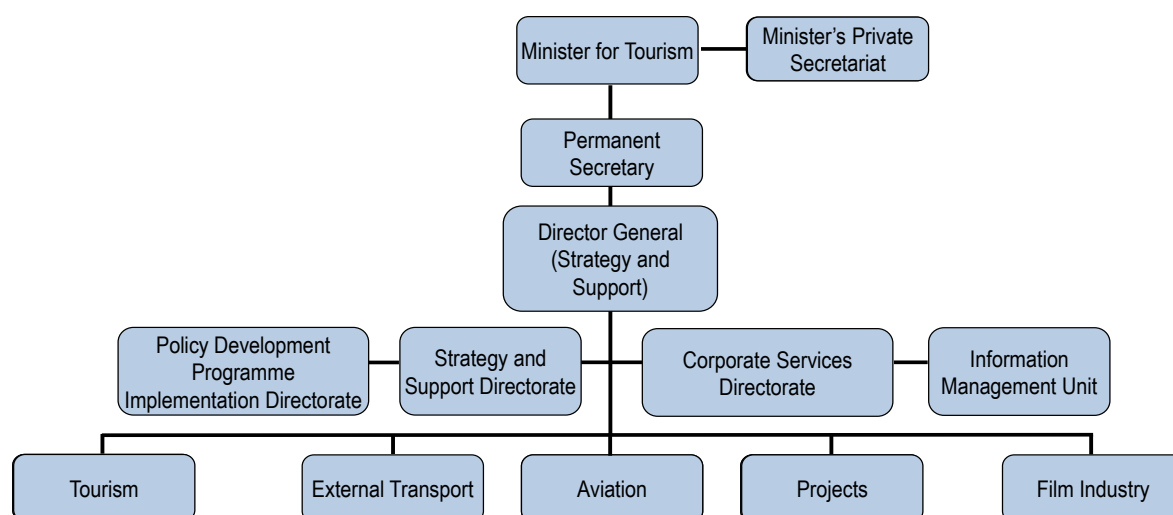
The Malta Tourism Authority is the Island's national tourism organisation. Established in 1999, its role is to promote and advance Malta as a tourism destination and to assist and advise government on any tourism-related issues. The Institute of Tourism Studies trains students in hospitality and tourism, providing personnel who can guarantee an excellent standard of product and service. Conventions Malta, operating as part of the National Tourism Organisation, promotes the islands as a MICE destination while the Mediterranean Conference Centre is a key historic site and one of Malta's landmarks. The Foundation for Tourism Zones works with various ministries to co-ordinate the upkeep and maintenance of key tourism zones in order to improve the visitor experience.

The Ministry collaborates with other ministries and bodies to develop and implement policy and undertakes regeneration projects to improve the quality and sustainability of the offer. The Ministry also has close ties with a variety of tourism associations, with the private sector represented on the Boards of the NTO and the Institute of Tourism. A key relationship is with the Ministry for Transport, Infrastructure and Capital

Projects to improve air connectivity by means of agreements with third countries. The country does not have regional bodies, due to its size, but is sub-divided into 60 local councils with whom there is regular co-ordination, particularly with respect to tourism zone management and product development.

In 2018, the total budget was EUR 101.8 million, an increase of 12% over 2017. Of this, 20.2% was allocated to the Ministry of Tourism and 61% to the Malta Tourism Authority. Other recipients included the Institute of Tourism Studies (5.6%), Grand Harbour Regeneration Corporation (6.8%) and the Foundation for Tourism Zone Development (6.5%). The increase in budget is due to additions to the Ministry for Tourism's portfolio and an increase in regeneration projects.

### Malta: Organisational chart of tourism bodies



Source: OECD, adapted from the Ministry of Tourism, 2020

### Tourism policies and programmes

Tourism in Malta is diversified, both in terms of geographical spread and type of visitor. This ensures lower than average seasonality when compared to many Mediterranean destinations. Despite this, several challenges remain including economic instability in source markets, the impact of Brexit in the United Kingdom as Malta's principal inbound market, political instability in North Africa, air routes and connectivity, and the small size of the domestic market. While the season is longer relative to many neighbours, the challenge remains to maintain high-season volumes whilst increasing shoulder and off-season activity.

The Ministry's National Tourism Policy for 2015-20, contains three main inter-related objectives, forming the basis of the sustainable development of tourism to Malta. The objectives are to:

- Manage visitor numbers,
- Raise the level of quality across the entire tourism value chain by upgrading products and services,
- Further reduce seasonality by attracting new geographic source markets and year-round segments.

A further priority remains the improvement of airline connectivity and efforts are being undertaken to optimise tourism flows throughout the year. The achievement of these objectives requires a national effort since, while some of the responsibilities such as connectivity and marketing, lie directly with the Ministry, other objectives fall within the remit of other ministries and stakeholders. The role of Air Malta as the national carrier remains pivotal and ongoing reform of that organisation is also important.

The following policy actions aim to address the challenges facing the tourism industry:

- Improve the skill base and promote tourism as a prospective career,
- Improve digitalisation skills and promote innovation,
- Offer additional tourism services and infrastructure,
- Strengthen efforts and governance structures to further improve management and upkeep of tourism zones, beaches, and areas visited by tourists,
- Work to ensure sustainability of the tourism product by encouraging resource efficiency and a circular economy,
- Optimise the relationship between volume growth and value growth particularly during the peak season when saturation levels are high,
- Target strategic markets whilst continuing to focus on product diversification and an improved service offering,
- Provide the necessary support frameworks to enable better performance, higher-value added and an improved economic model in order to generate increased multiplier effects, fair distribution of income and strengthened value-chain linkages.

In 2018, the MTA carried out a study on Local Resident Perceptions and Attitudes towards tourism development in Malta. Findings showed that residents' support for tourism in the Maltese Islands is very high; positive impacts are perceived to surpass the negative impacts of tourism; and empowerment through tourism is significantly positively perceived by residents.

#### Managing tourism change in Malta

In order to future-proof tourism policy in Malta, four main priority areas have been identified:

- **Modernising tourism regulations.** The Ministry of Tourism is in the process of updating the Malta Travel and Tourism Services Act to ensure the legislative framework acts as a stimulus for growth rather than a barrier to change and innovation. The review aims to simplify the legislation and streamline procedures in the development, licensing and enforcement of tourism operations.
- **Sharing intelligence.** Collaboration of a range of stakeholders from national and local government, DMOs and the private sector through the Malta Tourism Authority (MTA), has created an intelligence sharing system, providing a detailed understanding of developments, issues, threats and opportunities. The MTA carries out research to monitor the profile of incoming tourism and emerging trends in the market place.
- **Developing a classification system.** Malta has developed a tourism service provider classification system designed to integrate a variety of new offers within existing frameworks.
- **Investment in digital innovation.** Capabilities for managing future technologies and digital innovation uptake in the tourism sector will be strengthened locally through specific initiatives, such as the Digital Tourism Platform (DTP) being developed by the Ministry for Tourism and MTA. The DTP will provide information relevant to tourists, and it will gather information enabling personalised information to enhance the visitor experience and include Augmented and Virtual Reality to provide an innovative and engaging interface.

## Statistical Profile

### Malta: Domestic, inbound and outbound tourism

	2014	2015	2016	2017	2018
<b>TOURISM FLOWS, THOUSAND</b>					
<b>Domestic tourism</b>					
Total domestic trips	..	..	..	..	..
Overnight visitors (tourists)	200 p	204	236	261	245
Same-day visitors (excursionists)	..	..	..	..	..
Nights in all types of accommodation	510 p	563	623	708	650
Hotels and similar establishments	121 p	136	115	156	158
Other collective establishments	..	..	..	..	..
Private accommodation	389 p	426	508	552	492
<b>Inbound tourism</b>					
Total international arrivals	2 115	2 313	2 534	2 840	3 153
Overnight visitors (tourists)	1 690	1 783	1 966	2 274	2 599
Same-day visitors (excursionists)	425	530	568	566	554
Top markets					
United Kingdom	488	526	560	561	641
Italy	263	283	315	364	391
Germany	143	142	157	193	227
France	126	128	145	176	213
Spain	42	47	55	76	99
Nights in all types of accommodation	13 522	14 152	14 961	16 509	18 570
Hotels and similar establishments	8 867	8 801	8 886	9 418	10 082
Other collective establishments	..	..	..	..	..
Private accommodation	4 655	5 350	6 075	7 092	8 488
<b>Outbound tourism</b>					
Total international departures	430	474	549	632	728
Overnight visitors (tourists)	391	428	497	572	667
Same-day visitors (excursionists)	39	46	53	60	61
Top destinations					
Italy	123	137	166	181	212
United Kingdom	92	89	96	106	119
Germany	22	24	32	38	42
Spain	18	19	23	28	38
France	22	21	17	22	28
<b>TOURISM RECEIPTS AND EXPENDITURE, MILLION USD</b>					
<b>Inbound tourism</b>					
Total international receipts	1 783	1 677	2 039	2 407	1 819
International travel receipts	1 520	1 382	1 445	1 722	1 819 e
International passenger transport receipts	263	295	594	685	..
<b>Outbound tourism</b>					
Total international expenditure	398	368	408	467	512
International travel expenditure	398	368	408	467	512 e
International passenger transport expenditure	..	..	..	..	..

.. Not available; e Estimated value; p Provisional data

Source: OECD Tourism Statistics (Database).

StatLink  <http://dx.doi.org/10.1787/888934078623>

## Malta: Enterprises and employment in tourism

	Number of establishments <sup>1</sup>	Number of persons employed				
	2017	2014	2015	2016	2017	2018
<b>Total</b>	<b>6 828</b>	..	..	..	..	..
<b>Tourism industries</b>	..	<b>25 894</b>	<b>26 169</b>	<b>30 760</b>	<b>32 732</b>	<b>33 180</b>
Accommodation services for visitors	430	7 030	6 336	7 202	7 954	7 547
Hotels and similar establishments	..	..	..	..	..	..
Food and beverage serving industry	2 617	5 929	6 562	7 900	6 824	7 215
Passenger transport	933	3 905	3 767	3 972	4 054	3 776
Air passenger transport	20	1 289	1 453	1 399	1 461	1 563
Railways passenger transport	..	..	..	..	..	..
Road passenger transport	821	1 861	1 664	1 651	1 369	1 416
Water passenger transport	92	755 e	650 e	923 e	1 224 e	797 e
Passenger transport supporting services	283	2 405	2 025	3 124	4 494	4 023
Transport equipment rental	156	402 e	557 e	613 e	125 e	683 e
Travel agencies and other reservation services industry	620	1 165	1 254	1 050	1 029	1 228 e
Cultural industry	1 296	5 059	5 668	6 898	8 253	8 708
Sports and recreation industry	486	979	998	759	1 477	2 014
Retail trade of country-specific tourism characteristic goods	..	..	..	..	..	..
Other country-specific tourism industries	..	..	..	..	..	..
<b>Other industries</b>	..	..	..	..	..	..

.. Not available; e Estimated value

1. Data refer to number of enterprises.

Source: OECD Tourism Statistics (Database).

StatLink  <http://dx.doi.org/10.1787/888934078642>

## Malta: Internal tourism consumption

Million EUR

	2010		
	Domestic tourism expenditure	Inbound tourism expenditure	Internal tourism consumption
<b>Total</b>	..	..	..
<b>Consumption products</b>	<b>112</b>	<b>1 033</b>	<b>1 150</b>
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
<b>Non-consumption products</b>	..	..	..

.. Not available

Source: OECD Tourism Statistics (Database).

StatLink  <http://dx.doi.org/10.1787/888934078661>



**From:**  
**OECD Tourism Trends and Policies 2020**

**Access the complete publication at:**  
<https://doi.org/10.1787/6b47b985-en>

**Please cite this chapter as:**

OECD (2020), "Malta", in *OECD Tourism Trends and Policies 2020*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/ade41547-en>

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