



MEDIA RELEASE

MHRA Conference for the Restaurants Sector

The MHRA organized a half day conference for the restaurants sector to discuss a number of issues affecting the sector during these challenging times. Representatives from the Malta Enterprise, Malta Business Bureau and Employment Training Corporation gave a summary of schemes available to the restaurateurs while representatives from Malta Tourism Authority, National Statistics Office, Occupational Health & Safety Agency and the Environmental Health Unit outlined their role towards the sector who also took a number of questions from the floor.

Addressing the conference, Parliamentary Secretary Mario de Marco said that by and large, the quality of restaurants had improved, but it had been noted from surveys, that tourists' satisfaction was higher in the winter than the summer. He urged restaurants to adapt to the changing trends in the market and emphasized that restaurants needed to promote Maltese cuisine. He insisted that restaurant prices need to remain competitive and referred to a particular problem affecting the local restaurateurs whereby their turnover of patrons was lower than other competing destinations. Ms. Marie Louise Coleiro, opposition spokesperson for tourism was also present for the conference.

MHRA's President George Micallef concluded the conference by underlining the importance of the restaurants sector within the tourism industry, not just in terms of its significant contribution to tourism earnings and employment generation, but also in terms of the overall experience to visitors and indeed that of local patrons. He further stated that what clearly came out from the conference was the importance of maintaining standards and that of offering value for money whilst remaining competitive. George Micallef said " whilst there is no doubt that there is cut throat competition out there, the costs were rising at a rate that may render a number of operators in this sector unsustainable." He made particular reference to the rise in the utility rates which is estimated to cost the restaurants sector collectively an additional 1.8 million Euros annually.

MHRA President said that the problems in the tourism sector are mainly two. Firstly the operating costs were increasing at a rate which cannot be absorbed through increases in the rates of services offered, as the market remains very price sensitive. Secondly that room nights were decreasing to a level which is leading certain sectors of the industry becoming unsustainable. He said that since the announcement of the rise in the utility rates, MHRA has held a number of meetings with the Minister of Finance and Parliamentary Secretary for Tourism to address these two problems, by way of firstly ensuring that government invests more money to entice more seat capacity from new regions, supported with marketing

campaigns. Secondly MHRA proposed a number of mitigation measures to help soften the impact of the increases on the hotels and restaurants sector until the market situation improves. George Micallef said that an agreement has been reached in principle with government and hoped that once the finer details are confirmed, an announcement can be made in the coming days.

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Tuesday, 09 February 2010

About MHRA

The MHRA has been established since 1958 and today represents 70% of all hotels in Malta and 35% of all restaurants, collectively representing an investment of over Euros 1.1 billion and employing in excess of 20,000 people. For the past 50 years the MHRA has represented the interest of hoteliers and restaurateurs on the Island acting as a lobby group to ensure that the policy decisions taken on the Island are in line with what the tourism industry needs to flourish. For more information about the MHRA visit www.mhra.org.mt or call (356) 21 318133. The MHRA is also a member of HOTREC and an Associate member of World Tourism Organisation