



MEDIA RELEASE

Another blow for the Tourism industry - Tourists selectively targeted for higher bus fares.

After the long awaited announcement of the new public transport system, the MHRA was surprised to learn from the media that Government wants to charge higher bus fares for Non Malta ID holders – i.e. the tourists. This follows very quickly on the heels of the Government’s announcement to increase the VAT rate on hotel accommodation from 5 per cent to 7 per cent.

The MHRA strongly opposes the selective targeting of the tourist industry for increases in charges whether it is coming from the Government or from a private company. The MHRA believes that if this measure is implemented it will cause tremendous damage to the industry, as it sends a clear message that tourists are there to be fleeced. In addition the MHRA reminds Government that only last August, it had advised MHRA that according to the Attorney General, the agreement Government had reached with MHRA for the introduction of an eco-contribution, which would have been solely paid by tourists, could not be implemented, citing discrimination under EU regulations if applied exclusively to tourists (non Maltese ID holders) and not to Maltese ID holders. In fact this is why the VAT was than raised, Government subsequently said.

During the launch of the new public transport system last Saturday, it was announced that tourists and anyone who fails to present a local ID to buy a bus ticket will have to pay higher fares. The parallels between this system and that of the proposed eco-contribution are obvious. The MHRA cannot but help question this inconsistency.

The authorities, and all those that have the tourism industry at heart, have always warned against the fleecing of bona fide tourists and the repercussions this can cause. Ironically, in some instances this mal-practice involved bus drivers, amongst other service providers, and these were dealt with accordingly, and now Government appears to be institutionalising this practice. The MHRA finds this decision discriminating and offensive to visitors. The MHRA is still struggling with coming to terms with the unexpected announcement of the increase of the VAT, which will exacerbate the problems in the market, and now has just learnt of this decision, which can only further hurt the tourism industry, whilst sending the wrong message to prospective visitors.

The MHRA cannot understand why Government is singling out and continues to tax the tourism industry, at the risk of jeopardising its long term sustainability. The MHRA calls upon Government to reconsider this decision before any more harm is done to the industry.

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Tuesday, 09 November 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 52 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 Affiliate member of World Tourism Organisation