



## **MEDIA RELEASE**

### **Transport Ministry Indifferent to the concerns of the tourism industry - one of the largest Sectors of the Economy**

The Ministry of Transport press statement, in response to the MHRA's serious concerns about the proposed higher bus rates planned to be charged to tourists, has completely evaded the issue raised by the Association. MHRA has stressed that to its knowledge there is nowhere in Europe where Non local ID card holders are charged more than local ID card holders for using public transport. The Ministry of Transport has ignored this issue and the damage that will be caused if this measure is implemented.

Instead the Ministry dedicated most of its statement to underline on how competitive or rather cheap, the bus fares will be for tourists. MHRA did not go into the merits of how cheap or not the fares will be, as this is not the point at all. MHRA's legitimate concerns are about the fact that tourists, as commuters of the public transport, will be asked to pay higher fares on the basis of their nationality.

The Ministry then tried to justify their action by stating that the meeting held with the members of MHRA, higher prices were indicated as likely to be charged. The Ministry fails to state that MHRA did not go into the merits of pricing, what it is objecting to, is the selective targeting of tourists for higher rates. MHRA restates that to its knowledge Malta will be the first country in the EU to have different prices for tourists to locals. MHRA certainly was never consulted on this and would have protested in the strongest manner had it been.

The fact that the Ministry of Transport referred to MHRA's reaction as "hysterical", indicates how detached the Ministry is from the realities and the risks associated with the tourism industry, and how insensitive the Ministry is to the anticipated reactions of approximately 1,100,000 commuters of the public transport. This figure represents an estimated 88% of tourist arrivals which make use of the public transport at least once during their stay in Malta, as per a Carrying Capacity Assessment Study that was conducted. Clearly the Ministry of Transport is either indifferent or not concerned at all about the potential negative affects such a measure can have on tourism. The MHRA cannot understand the logic behind the decision that a tourist or anyone not in possession of a local ID card that boards a bus, is made to pay a different fare than the rest of us. We reiterate that in the past bus drivers were taken to court for charging more to tourists than to locals.

The MHRA acknowledges that Government has to address the needs of local commuters, but this is not the way to do it. Government should have introduced a system based on a uniform system of bus fares, and the introduction of a scheme for commuters, favouring frequent users, pensioners, students and so on, whom can apply for, or buy a card that entitles them to discounted bus fares. This is the system which is widely used across Europe.

The Ministry of Transport also expressed surprise that MHRA did not hail the improved service of the announced reform, and on this point the Association would like to state that it would be best to comment on improved service, when it receives it, as experience in the public transport service has not been very good in the past.

Nevertheless, the Association feels that an improved service is the least that all commuters expect, given the level of service we have had to get accustomed to over the years despite the millions of euro paid in subsidies, including the pay-off of €55 million announced earlier this year, and the long wait of over a decade for an improved system. At this stage we have only been promised an improved service.

The MHRA feels very strongly on this matter and would remind everyone that over the last 2 years the industry has had to put up with astronomical utility rates, increase in fuel, increases in labour costs and as of next year an increase in VAT from 5 to 7 per cent.

Government has to be careful as notch by notch it can harm the industry to the point where it renders it non viable.

Ends

**Wednesday, 10 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](http://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