



MEDIA RELEASE

Air Malta crucial for Tourism and the Economy

The MHRA is encouraged to see that a concerted effort to restructure Air Malta and put it back on its feet is finally underway. The Association feels that this is the worst time for it to engage or react to certain assertions made regarding Low Cost Airlines and the MHRA, as this is not conducive to the current delicate process affecting the airline. What Air Malta now requires is all the support and solidarity by all those concerned for a long term solution to the airline's problems.

The tourism industry has a lot to thank Air Malta for, as it was pivotal to the growth of tourism to what it is today. However, the world is changing, particularly post the economic recession, and only those that embrace the necessary change will survive and thrive. One of the areas which have seen a massive change has been in the way people decide where to go for their holidays. This was driven by the advent of the Low Cost Carriers which challenged the charters and coupled with on line hotel bookings offered a very competitive alternative to the traditional inclusive tour on a charter. This presented a huge challenge, not only to airlines, but to all the players of the tourism industry, all of whom had to struggle to cope with changing trends, tougher competition and rising costs, which called for a restructuring of the entire tourism industry. In this process, all players will have to find ways to best survive and safeguard the huge investment put in collectively by all the stakeholders over the years. There is also the national economy at stake here, as it is in the foremost interest of the national economy that tourist arrivals increase.

The MHRA believes that immediate changes have to be made for Air Malta in order that it regains its health and start thriving again. The island needs Air Malta as it is an indispensable partner of the industry. Without it, we will probably lose the conference business, the specialist tour operator business, and other important niches that the airline has developed over the years. It is clear therefore that Air Malta is strategically vital for tourism, but it is also vital to have a healthy and thriving airline.

The MHRA believes that given good will from all sides, these changes can be managed with the least possible harm to those concerned and the industry at large. Without these changes the future of Air Malta and Malta's tourism industry can only be described as difficult, at best. MHRA augurs that the necessary decisions are taken in the shortest possible time to eliminate the doubts and anxiety of the airline employees and all those directly involved, and the uncertainty which is felt in the market place.

The MHRA will continue to pledge its support to the change process in the interest of tourism and indeed the economy.

Ends

Monday 15th 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