



## **MEDIA RELEASE**

### **MHRA's concerns regarding Bugibba-Qawra area**

MHRA expresses its concern over the intended closure of several hotels during the winter months in the St Paul's Bay/Bugibba/Qawra area. As reported in the Times (Joanna Ripard - 8/10/09), an increasing number of hotels in the greater St. Paul's Bay area will shut their doors throughout the Winter months, due to a serious lack of business.

MHRA clearly understands that this closure of several properties will unfortunately result in an overall downturn in business for many retail and catering outlets in the area. However, in spite of these negative consequences, it seemed inevitable that many hotels could simply not sustain their operation during the leaner months, especially after such a dismal summer.

Over the past nine months MHRA has had numerous meetings with various authorities and also issued several media statements, strongly voicing its concerns about the overall state of the Bugibba/Qawra area, which lacks the most basic facilities, such as street lighting, proper road surfacing and general upkeep. Following MHRA's insistence, a series of sorely needed embellishment works were completed last June. However the authorities have barely scratched the surface in terms of the overall improvements required to transform the area into a truly attractive and modern-day holiday resort. Hotels and catering establishments are constantly being put under increasing pressure to continually upgrade their product and to operate well within EU levels. However these same establishments remain located in what has repeatedly been termed as a disaster zone, characterised by the insufficient lighting, uneven pavements, broken roads, shabby and desolate surroundings, that this area has become.

This sorry state of affairs, coupled by the downturn in tourism due to the global economic crisis, has left hoteliers gasping for sufficient business levels to attain a sustainable operation. Over and above this stark reality, operators have been dealt a final blow through rapidly escalating utility tariffs and Government induced costs. It is more than obvious that unless a minimum level sustainability can be reached, no business can survive – let alone thrive.

MHRA has on other occasions, also suggested to Government that tourism operators in such highly seasonal areas be granted a low season benefit package, enabling them either to remain in operation, or at least to retain their staff complement during the leaner months. This scenario has been successfully applied in several Mediterranean countries which experienced similar tourism trends.

The situation has in fact become so bleak, that certain hotels and restaurants in the area are not only considering a temporary winter closure, but a permanent change of use by abandoning the tourism sector altogether. Stringent legal and commercial requirements

imposed on the hotel and restaurant sectors are now amounting to expense levels which simply cannot be maintained on current dwindling revenues.

MHRA has long called for greater synergy between the public and private sectors, whereby the overused buzzword of consultation is truly put into practice through joint initiatives and a unified approach. Government officials must understand better the true business landscape and enforcement should be based on genuinely pro-active and productive principles encouraging and motivating operators rather than constant reprisal and retribution.

Unless effective, quick and creative thinking is undertaken, resulting in novel and perhaps even revolutionary ideas embarking us into a real transformation of our lacklustre tourism zones, the closure of several hotels in what is considered to be the second most important tourist zone in Malta, during Winter could easily prove to be the first domino of many to fall. The authorities and the general public may not yet fully realise how precarious the situation has become for many, who have through their huge financial investment and personal risk, worked hard to develop our nation's tourism sector, contributed greatly to our national wealth and created so much employment.

**Monday 12<sup>th</sup> October 2009**

**End of press release**

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#### **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](http://www.mhra.org.mt) or call (356) 21 318133.