



MALTA HOTELS
& RESTAURANTS
ASSOCIATION

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INBOUND TOURISM – APRIL 2016



Total inbound visitors for April were estimated at 166,252, an increase of 8.1 per cent when compared to the corresponding month of 2015, the NSO said today.

Inbound Tourism: April 2016

A total of 137,061 inbound tourist trips were carried out for holiday purposes, while a further 12,550 were undertaken for business purposes. Inbound tourists from EU Member States went up by 8.2 per cent to 146,113 when compared to the corresponding month of 2015.

The largest proportion of inbound tourists was aged between 25 and 44, followed by those within the 45-64 age bracket.

Total nights spent went up by 7.4 per cent when compared to April 2015, amounting to 1,095,753 nights. The largest share of guest nights (64.0 per cent) was spent in collective accommodation establishments.

Total tourist expenditure was estimated at €123.1 million, an increase of 3.3 per cent over the corresponding month of 2015.

January-April 2016

Inbound tourist trips from January to April amounted to 446,226, an increase of 11.1 per cent over the same period in 2015. Total nights spent by inbound tourists went up by 9.3 per cent, surpassing 3.1 million nights.

Total tourism expenditure was estimated at €332.5 million, 7.0 per cent higher than that recorded for 2015. Total expenditure per capita stood at €745, a decrease of 3.7 per cent when compared to 2015.

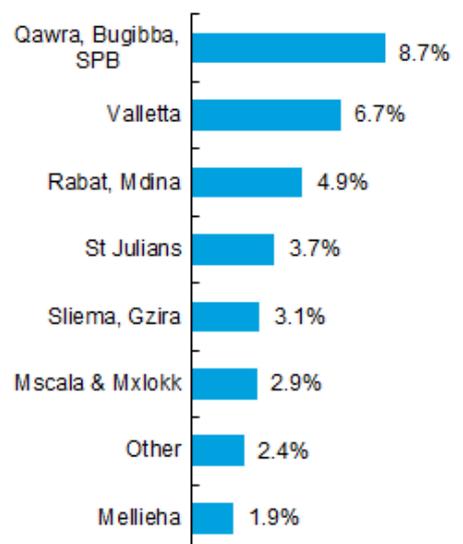
MIA – DELOITTE RESTAURANTS PERFORMANCE SURVEY

A survey carried out during the winter months by Deloitte for the Malta Hotels and Restaurants Association has shown that Valletta continued to enjoy strong year-on-year growth. The winter 2015/2016 period experienced an average growth level of 6.7%.

The survey also found that in Valletta, the mix between locals and foreigners was split relatively evenly during the winter 2015/2016 period – with locals representing a slightly higher proportion of voters.

St Julian’s, a well-established tourist and entertainment destination also experienced growth when comparing the same period. The mix of local customers and foreign customers for the winter season was less evenly spread than in Valletta.

Regional revenue trends



Local customers made up 64% while foreign customers made up just 36%. David Bonnet, who is a senior manager of financial advisory at Deloitte and also conducted the survey said that the **Sample revenue trends** proportion of foreign customers is expected to increase significantly throughout the summer months.

+	55%
-	37%
0	8%

Restaurants surveyed in the Sliema/Gzira region experienced very similar results to that of the St Julian’s region. Restaurants surveyed in the Qawra/Bugibba region registered the largest growth rate, at 8.7%. It mix of local and foreign customers was 71% and 29% respectively.

The Rabat/Mdina area also registered growth of 4.9%. The survey also took a look at business sentiment, and how restaurant

owners felt about how their business will perform in the upcoming months. It was found that sentiment was largely positive – which tends to encourage investment and further growth.

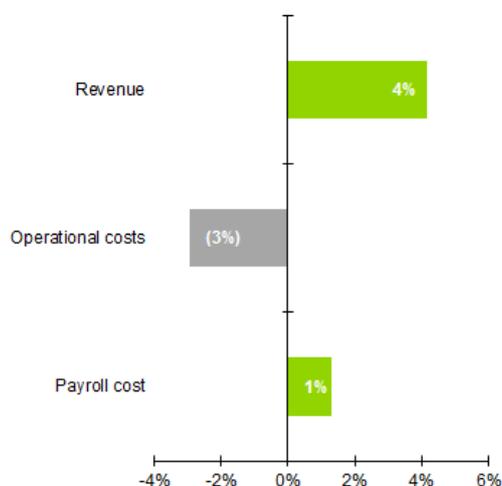
A total of 64 restaurants across Malta and Gozo participated in the MIA sponsored MHRA restaurant survey by Deloitte covering the performance of the restaurant sector during the winter period 2015/2016/

The majority of the restaurants, at 55%, reported revenue growth with 37% reporting decreases and 8% reporting consistent revenue, when compared with the same period last year.

Overall, the survey participants reported an average increase of 4% in revenues for the period against a 3% decrease in operational costs and a 1% increase in payroll costs.

All areas individually registered net growth.

Overall revenue & costs trends



BOV – DELOITTE Q1 2016 HOTEL PERFORMANCE SURVEY

As tourist volumes continued to increase in Q1 of 2016 the hotel sector continued to report strong overall performance according to the BOV MHRA Hotel Survey carried out by Deloitte for the first quarter of 2016.

Improvements were recorded primarily in the 5-star and 3-star sectors with the 4-star sector reporting a relatively flat trend compared to the same quarter last year.

The 5-star segment reported significant growth in room rates, while occupancy was relatively flat resulting in an overall 10.4% increase in total revenue per available room (“REVPAR”). The segment

also reported increases in its cost base. Payroll costs increased primarily due to headcount. Administrative expenses and property maintenance costs were reported to have increased significantly in comparison to the same period last year. Such cost increases were partially offset by lower energy costs in line with the reduced tariff which kicked in in early 2015. The net impact on the segment’s profitability was a positive €638 increase in Gross Operating Profit per available room (GOPAR).

On the contrary, the 4-star segment reported an overall decrease in occupancy compared to the first quarter of 2015. The segment also reported an increase in rates albeit marginal. Overall REVPAR was down 2.4% year-on-year. The reduced occupancy levels were also reflected in a decreased cost-base with lower staff headcount, payroll costs, food & beverage (“F&B”) costs and direct expenses. Administrative and property operation & maintenance costs are reported to have increased although offset by significant reductions in energy costs. The overall reported cost reduction appears to have effectively compensated for the decrease in revenues and 4-star Q1 profitability was reported at break-even levels, consistent with last year’s trend.

Participating hotels in the 3-star segment reported significant volume and revenue growth with REVPAR increasing by more than 30%. The increase in revenues and volumes was partially matched by increases in the cost base including staff headcount and payroll expenses, F&B cost, direct expenses and overheads. Whilst the 3-star segment continues to report losses in Q1, the survey reported a significant reduction of approximately 40% in Q1 losses for the 3-star segment.

The results of the survey continue to affirm the trend towards a strengthening of the hotel sector on the back of consistent growth in Malta’s tourism numbers and increased investment in product and quality improvement by hoteliers.

TOURISM ARRIVALS



GUEST NIGHTS



TOURIST EXPENDITURE



Mr Kenneth Farrugia, BOV and Mr Tony Zahra, MHRA renewing the sponsorship agreement



Mr Joe Galea, Airmalta



Mr Robert Cassar, Maltapost



Mr David Bonett, Deloitte



Part of the audience



Mr Tony Zahra, President, MHRA

LAUNCH OF THE CODE OF PRACTICE FOR SERVING ALCOHOL



A second Code of Practice for the serving of alcoholic beverages has been launched by The Sense Group (TSG), which now includes the safety risks involved with ‘flaming shots and cocktails,’ as well as advice on how to deal with inebriated patrons.

TSG has launched the initiative in collaboration with The General Retailers Union, The Institute for Tourism Studies, The Maltese Bartenders Guild and the Malta Hotels and Restaurants

Association.

An emphasis on alcohol servers claiming some form of responsibility was made by all representatives from the aforementioned entities.

A press conference and was attended by Tourism Minister Edward Zammit Lewis, MHRA chief executive Andrew Agius Muscat, hospitality and leisure consultancy services of GRTU Philip Fenech, ITS executive director Pierre Fenech and president of the Maltese Bartenders Guild Rodney Pisani.

TSG’s Director, Ray Grech led the conference, saying that the ethical guidelines are based on the principle that all members of society needed to be socially responsible for the common welfare. Outlets which served alcoholic beverages for consumption on premises contributed to social well-being by providing venues for socialising, recreation and entertainment.

Mr Grech amplified that role of the TSG was to educate the public and those in the alcoholic drinks industry on the use and misuse of alcohol, while discouraging any form of irresponsible drinking,” he added.

The first Code of Practice was launched in 2000, but has been updated to reflect today’s needs.

Minister Zammit Lewis spoke of an EU forum which took place in November 2014, the European Alcohol and Health Forum in Luxembourg where an Action Plan on youth drinking was presented. He spoke of how the European Commission took on the responsibility of facilitating the implementation and monitoring of this Action Plan, describing the whole project as “proactive.”



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