

PRESS RELEASE

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Chamber calls for postponement of Tourism tax

Following a number of futile attempts to engage in negotiations with Government on the matter of the eco contribution, the Malta Chamber of Commerce, Enterprise and Industry, in representation of its members which include, The Federated Association of Travel and Tourism Agents (FATTA), the Federation of English Language Teaching Organisations Malta (FELTOM), the Professional Diving Schools Association (PDSA) and the Malta Association of Hospitality Executives (MAHE) expresses its disappointment at the refusal of Government to enter into any form of consultation on the matter.

The Malta Chamber cannot but stress the following reservations and their impact on the Tourism industry.

The lack of consultation with all stakeholders has meant that feedback was restricted to one association which is not representative of all the tourism industry. The strength of an organised stakeholder is the knowledge it holds of its particular sector, niche, and members. Therefore, had consultation taken place, the eventual repercussions on the industry stakeholders would have been kept to a minimum.

The de facto introduction of the Eco Tax on 1st June will not only create an administrative nightmare but will also have a negative commercial effect on the industry especially with those tourists coming over on prepaid packages. The overwhelming majority of all incoming tourists come to Malta on prepaid packages.

Although the administrative burden needs to be addressed when any change of tax collection takes place, the date of implementation does not allow enough time to ensure that they are done effectively. This will result in a period of manual administration for most operators, needless to say peak season for tourism will never be the right time. Over and above this, ample time for an effective information campaign needs to be factored in.

1st April was impossible for this, and 1st June is no better; anything before 1st November will mean that operators will very likely have to absorb this tax themselves. Chamber, in representation of its members and these associations therefore finds it unacceptable that Government refuses to postpone the introduction of the tax to the proposed date of 1st November, to allow for the tax to be communicated effectively with stakeholders based overseas, to coincide with winter season contracts and to allow time for inclusive consultation.

Finally, the involvement of only one tourism association in the administration of this fund will never be representative of all tourism sectors and is therefore not only undesirable but also unacceptable. The Chamber in representation of the associations strongly urges Government to reconsider its position in this regard.

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