

MHRA Hotel Survey by Deloitte

Key Highlights: Q2 2019

National Statistics Office (NSO), reported an increase in the number of tourist arrivals and guest nights for the quarter of 4.6% and 1.4% respectively.

In line with the previously reported trends, private accommodation guest nights continued to grow at a faster pace than collective accommodation.

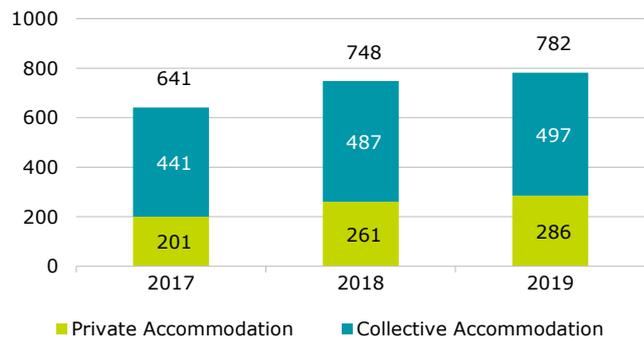
Whilst the number of tourists staying in hotels increased by 2.0%, the number of guest nights decreased by 2.6%. This lower number of guest nights in collective accommodation resulted in lower occupancy levels, particularly in the 5-star hotel category.

Total tourist expenditure increased by 7.3% to reach a total spend of €611 million in the three months between April and June 2019.

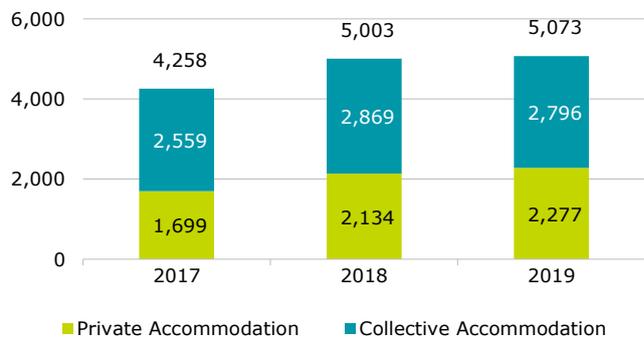
By the end of June, more than 1.2 million tourists had visited Malta and spent more than 7.8 million guest nights, 44% of which were in private accommodation. Compared to the same period last year, the number of tourist arrivals and guest nights increased by 3.9% and 2.4% respectively.

During the first six months of the year, the average length of stay continued to shorten, albeit by 1.5%. Tourists staying in hotels have spent an average of 5.5 days in Malta, which is significantly less than the 8.4 days average spent in private accommodation.

Tourist arrivals (000's)



Guest nights (000's)



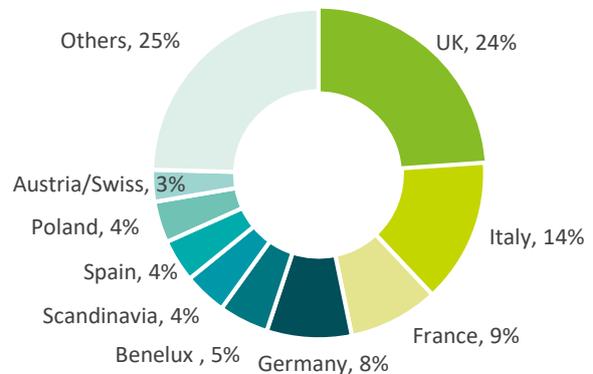
Tourist expenditure (000's)



An incremental 45,724 tourist arrivals were registered during the first six months of 2019. Tourism statistics published by the NSO show mixed results from the different inbound source markets.

UK and Italy account for 38% of arrivals and remain the top source markets for inbound tourists in Malta.

Source market mix



Deloitte hotel performance survey results

During the second quarter of 2019, 5-star hotels reported a decline in both room rates and non-accommodation revenue, whilst occupancy levels decline by 3.3%. Total revenue per available room (REVPAR) decreased by 7.3% when compared to the same quarter last year.

The net impact on the segment profitability was a decline in gross operating profit per available room of €1,426.

The 4-star sector maintained comparable trends to those registered in the first three months of the year. Occupancy levels were at par, whilst average daily rates decreased by 4.9%. To some extent this decline was partially offset by an increase in non-accommodation income. Overall, the reported total revenue per available room decreased by 1.6% over the same period last year.

Bottom line gross operating profit declined by €287 and fell to a GOPPAR of €4,189 for the first six months of this year.

3-star hotels participating in the Deloitte survey reported a 4.2% improvement in occupancy levels. Average daily rates and non-accommodation income also increased by 5.9% and 7.5% respectively. These trends, contributed to an increase in revenue of 10.9% per available room.

Cost were also reported to have increased significantly (approximately 23%) during this quarter. As a result, profitability of participating 3-star hotels increased by €256 compared with the same quarter in 2018.

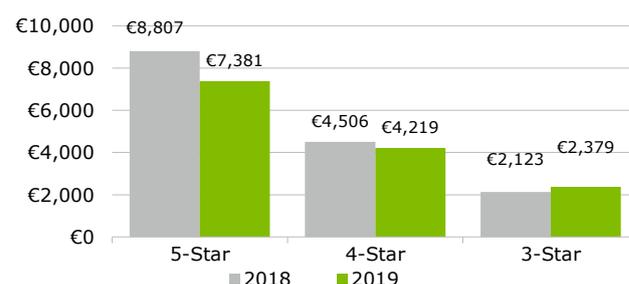
Q2 Occupancy



Q2 Room Rates (ADR)



Q2 Gross Operating Profit (GOPPAR)



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