

28 March 2023  
Grand Hotel – Għajnsielem Gozo

### Well-Being from Nature Conference organised by the Gozo Action Group Foundation

**The Gozo Business Chamber represents other sectors who compliment the tourism industry in Gozo. How does the Gozo Business Chamber assist business operators with indirect interest in the tourism sector?**

First of all I would like to thank the Gozo Action Group Foundation for inviting me for this conference today.

From a study conducted in 2015 but which I believe its results are very much valid today, the tourism sector is estimated to contribute to around 50% of Gozo's Gross Domestic Product, and around 20% in terms of both Direct and Indirect Employment.

There are a number of sectors which depend from the tourism sector: transport, retail, food manufacturing, the construction, and also the real estate sectors, these being only some of the sectors which complement the tourism industry in Gozo.

A key question that you addressed to me however, is how are we assisting business operators with indirect interest in the tourism sector. Our assistance is shaped primarily by two main factors: (a) the way the whole economy is operating and moving, and (b) the way in which we see the island of Gozo developing in the future.

As regards the first point I would mention the aspect of 'digitalisation'. As indicated we must help the sectors we represent keep pace with the developments taking place. During the COVID-19 pandemic there was a surge in people paying through digital means. Digital payment solutions facilitate business, and throughout these years we have assisted businesses to make the step, through training that was organised by the Chamber.

Energy prices are also a principal concern, and though the Government here in Malta has cushioned the impact deriving from rising energy prices, we are aware that this situation will not last forever. In this regard we are collaborating with national agencies such as the Energy and Water Management agency, to assist businesses in the retail and also food manufacturing sectors to become more efficient in their energy use, through primarily an audit on their current situation when it comes to the use of energy, which is a necessary first step for them to become more sustainable.

However, I have also indicated that the assistance we provide, is also shaped by the way in which we see the island of Gozo developing in the future. As a Chamber we acknowledge that Gozo needs to follow a path towards climate neutrality, and sustainability. However, in this respect tourism can provide quite a challenge.

A recent publication by the Government of the Balearic Islands entitled 'Insularity in the European Union', highlighted that while Mediterranean islands welcome around 40 million tourists, they only have a population of 12 million inhabitants. This significant influx of tourists during peak periods creates significant pressure on the existing infrastructure.<sup>1</sup>

But what are the challenges we are facing? And how is the Chamber assisting businesses to face these challenges? Sustainable mobility is one of them. Gozo has a car ownership rate which is higher than the actual driving age. Imagine the surge in tourists, including also

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<sup>1</sup> Carlos Manera Erbina (2023), *An attempt to characterise islands: an analysis for the Western Mediterranean*, in Government of the Balearic Islands, 'Insularity in the European Union', pp. 52-53.

domestic tourists which visit our island, and also the tourists who are staying in Malta, but who visit Gozo only for a day.

In this regard we are working on two fronts, (a) one with operators to make them aware on how they can take advantage of incentives through which they can electrify their fleet, and (b) secondly by bringing all the stakeholders in Gozo to discuss issues related to sustainable mobility, identifying the challenges, but also trying to find solutions.

All this however does not deflect in any way from the 'bread and butter' issues operators may face, which are mainly related to accessibility, such as the costs related to transportation. These impinge significantly on the costs of retail operators. Other issues in which we have assisted included also the licensing regime of operators in the transportation sector.

**An integral part of this project was the Digital Marketing Campaign. From your experience, how do the local business operators view digitalisation and how they can reap the benefits by using this technology?**

As I have already highlighted digitalisation is an important part of today's realities. In a survey we conducted in February of this year 43.4% reported having an e-commerce site. However, it was interesting to note that 78.9% of those who reported having an e-commerce site, highlighted that this was taken care of by employees within the same business.

This analysis goes hand in hand with what we noticed during a short webinar on digital marketing and content. The interaction on this webinar was significant, with the questions being made by employees within the business on when to make a post on social media, and how this can be engaging.

What I want to say is that all this points out to a reality where businesses are aware of the importance of digital marketing, and digitalisation in general but since many of them are micro businesses they rely on their own employees. Many a times these are employees who are savvy on digital technologies, and are assigned these duties by their employer together with other duties they have.

On our part as a Chamber we proposed the formulation of a practical course by Jobsplus on the use of digital media. We were happy to note that this proposal was noted and taken on board by Jobsplus.

As a final comment I would like to highlight that digitalisation can help us surpass the difficulties we face as islands. If we are speaking of the tourism sector we no longer need 'gate keepers' such as important publications, but it is a reality that important sites such as booking platforms are relied on by tourists because of their high level of reliability. Nonetheless the current situation means that businesses can go directly to their consumers or potential consumers. In this regard it is the content of the message that counts, and I think that businesses are more aware that they need to invest on 'digitalisation' if they are to continue to grow further.