

Eurozone Hits 2008 Malta Vacations

Summer 2008 should be good for the Malta hotels and holidays industry - last year was the best year for incoming tourism for 6 years, and the island joined the Euro with some confidence on January 1.

But a recent report reflects on what has happened to prices when other countries have joined the Euro, and warns that Malta could see a rise in holiday prices compared to competitor islands who have already absorbed the impact of a new currency, or have stayed outside the Euro.

Malta decided to join the Euro shortly after becoming a full member of the EU, and the move was opposed by some on the island. Malta has a rich history of struggle to maintain her individuality, including surviving an onslaught in WW2 from the Luftwaffe and gaining independence from the UK, but the move to surrender the Maltese currency was a voluntary one.

The report comes from the UK's Post Office travel division, and is notable as the UK, despite increasing diversification of Malta's tourism base, is Malta's largest market for holidays.

There is a warning that after Spain and Greece joined the Euro in 2002, they were among the cheapest European holiday destinations but not long after they became considerably more expensive, and if history repeats itself Malta will be among the most expensive holiday locations in 2008.

'Malta needs to keep an eye on prices', warns Malta travel site YourMalta.com, continuing '2007 saw a ten per cent increase in tourists compared to the year before and was the best year for a while for the Malta hotels and holidays industry, it would be silly to let the mood of confidence that's in Malta about the future be wiped out by profiteers looking to take advantage of the change of currency by putting prices up unnecessarily.'

2007 was a turning year for Malta, with previously poor publicity turning to good press reports in the media overseas. Both Germany and the UK have seen new low cost flight operators successfully applying to fly to Malta, and the increase in tourism can largely be put down to the new [cheap flight to Malta](#) airfares.

The good news for Malta is that despite the increase in the number of tourists arriving on the island via low cost flights, the occupancy levels of hotels has increased from basic to 5 star, showing that Malta can appeal to all.

The optimism from Malta in 2008 is in sharp contrast to just a couple of years ago when some major holiday companies were considering dropping Malta as a holiday option altogether.

With a downward spiral in visitor numbers in successive years, the Maltese government finally relented to pressure from the Malta holidays industry and allowed low cost carriers to fly to the island for the first time in November 2006.

It would be ironic if cheap flights which have revitalised Malta's holiday industry didn't necessarily mean an inexpensive holiday this year in Malta due to profiteering by shops and businesses on the island, and tourist numbers dropped. With the Euro doing well against Sterling the Maltese people might reflect that they should have stuck with their own currency for a year or two more.

About the Author

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