

GOZO AS AN IMPORTANT CONTRIBUTOR TO THE MALTESE ECONOMY

The Gozo Business Chamber's
proposed priorities for the next
Legislature 2022-2027



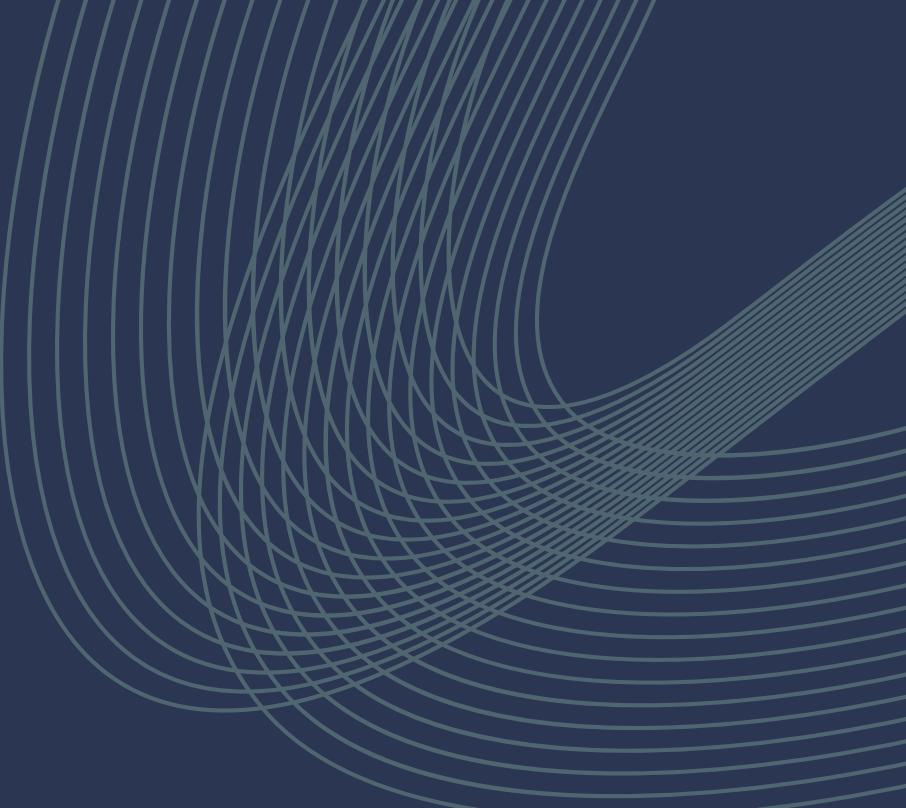


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Except for the photos courtesy of www.visitgozo.com, all the other photos are by Anthony Grech

INTRODUCTION

The COVID-19 pandemic has shown that Gozo now more than ever needs to diversify its economy. Its inherent structural economic problems have been significantly exposed by the pandemic showing its overreliance on sectors such as tourism, construction and real estate. The contribution of these sectors to the Gozitan economy is far much more significant than the contribution of these same sectors to the Maltese economy, while the contribution of new sectors in the digital and new economy are practically non-existent.

The COVID-19 pandemic has brought an important challenge. We can no longer wait to diversify the Gozitan economy given also that certain structural conditions such as the second fibre optic link between the two islands have also materialised. Nonetheless we need to continue building and tackling the structural limitations that Gozo faces both in terms of physical infrastructure, and the structure of its economy. There needs to be the understanding that Gozo should not be seen as an after thought but as an important contributor to the Maltese economy. However, it needs to be put in the right conditions to do so.



It is important to highlight that along the years certain sectors which on the main island of Malta have prospered, or may have now also reached maturity stage such as gaming, maritime, and aviation, have not even been remotely experienced in Gozo. This means that such or similar sectors provide considerable potential for the island.

This document is formalising the Chamber's thinking on the priorities which should frame the next legislature. While this document is focusing on key priority areas for Gozo, this must not in any way divert the attention from important points of action on which any party in government should continue to focus, mainly strengthening the country's governance and justice system, and removing Malta from the grey list

ACCESSIBILITY

Accessibility remains key if we are to see that Gozo moves forward. The subsea tunnel (permanent link) between the two islands remains a key priority for Gozo, and one that should remain on the national policy agenda. Technical studies undertaken should be adequately explained to the general public through infographics, video content, and dedicated information sessions.

Gozo has suffered more than Malta economically, and it has only been kept afloat during the pandemic through government assistance, the domestic tourism market, and construction. The impact that the latter is having on the environment in Gozo is for everyone to see, and the Chamber has consistently denounced the lack of regional planning for the island, which had led to national policies being applied evenly across the board without taking note of the context in which these are being applied. The construction frenzy has shown that this was not fuelled by the subsea tunnel, but one which was not controlled, and is not being controlled through adequate policies.

The project of the subsea tunnel between the two islands should in no way be shelved. Many times important projects in Gozo have been shelved because they were seen that the country does not need them because of more urgent national priorities. However, when these were done it has shown that when Gozo is put in the right conditions to deliver it has always contributed positively to the national economy. The COVID-19 pandemic has shown that the reforms required in Gozo can no longer be procrastinated.

However, accessibility is important in all its forms. The replacement of the fourth ferry with a cleaner and more modern mode of transport, a rural airfield for the island, and the inclusion of more services in the present fast ferry schedule between Mgarr and Valletta are also a must for the island. As regards the latter there needs to be some form of regulation to ensure a level of service which is consistent throughout.

In order to keep the ongoing economic activity in Gozo, it is also necessary to offer adequate services for those transporting goods between the two islands. In the past there was a service which linked Gozo to Sa Maison, and avoided heavy trucks crossing throughout the island. There needs to be forward thinking on creating new maritime links which would facilitate the transport of goods between the two islands.

We also need to look urgently on other important infrastructural projects linked to accessibility mainly the expansion of the port of Mgarr. The present port facilities have become extremely congested accommodating a yacht marina, fishing vessels, the Gozo Channel and fast ferry vessels, vessels by the Armed Forces of Malta, and those performing trips between Comino and Gozo. Considering also that small and boutique cruise liners which visit Gozo for a day anchor outside the port of Mgarr, and have to ferry people to and from the cruise liner, one can easily note that the present situation is untenable.

The subsea tunnel or the permanent link between Gozo and Malta would complement these projects as it would also ensure that Gozo is no longer dependent on one point of entry (i.e. Mgarr) as is presently the case.

Key Priorities

- 01 The Sub-sea Tunnel between Gozo and Malta.
- 02 A more modern and cleaner ferry to substitute the present fourth ferry operating between the two islands.
- 03 Regulating the present fast ferry service between the two islands to ensure that the level of service is maintained.
- 04 A Rural Airfield for Gozo.
- 05 Ensuring that the Port of Mgarr is expanded to cater for all the types of maritime services between the two islands.
- 06 Ensuring the adequate transport of goods through dedicated maritime links between the two islands. Other points on the main island of Malta besides Ċirkewwa should also be considered.

THE ENVIRONMENT



One of Gozo's key priority areas should remain the environment. Gozo's natural offering is one of its key selling points. Nonetheless the rampant construction and the lack of adequate design policies have severely damaged substantial parts of the island. Consequently urgent attention needs to be focused on having specific planning and design policies for Gozo which would protect both its urban and natural fabric.

There should also be continued focus on Gozo achieving carbon neutrality prior to Malta while at the same time creating a strong basis for the creation of a green economy on the island through projects and initiatives which create added value to the Gozitan and national economy. To this end any policies that are taken to achieve carbon neutrality should have much more positive incentives for Gozo.

Gozo should also be seen as the test bed for the deployment of new technologies targeted towards reducing the carbon impact on the whole nation. One should therefore see that these efforts are linked with active research initiatives taking place on the island of Gozo, possibly with the setting up of a specialised faculty focusing on green technologies and their implementation.



Key Priorities

01

Specific regional planning, spatial and design policies for Gozo.

02

Gozo achieving carbon neutrality prior to Malta creating a strong basis for the creation of a green economy on the island through projects and initiatives which create added value to the Gozo and national economy.

03

Gozo acting as a test bed for the deployment of new technologies targeted towards reducing the carbon impact on the whole nation.

04

Linking effectively research with the green economy in Gozo.

ESSENTIAL INFRASTRUCTURAL PROJECTS FOR GOZO

Similarly to the discourse on the subsea tunnel, the Chamber considers that there are important infrastructural projects which are necessary for the island of Gozo to continue to move forward. These are: (a) new parking facilities in Victoria; (b) the Marsalforn breakwater; and (c) the new hospital for Gozo.

New parking facilities in Victoria are essential to cater for both the community and the economic business activity especially retailing and cultural activities that are centred in Victoria.

The Marsalforn breakwater is essential to sustain the investment that has been implemented in the promenade and to avoid the consistent damage on the homes of Marsalforn residents and businesses because of the absence of a breakwater.

As regards the new hospital for Gozo, this is essential to complement the important investment in the Queen Mary University of London campus in Victoria. This hospital is needed both by the local community and by the University. Even at a national level having an alternative hospital would be greatly beneficial and would alleviate the pressure on the present facilities on the main island of Malta. It is therefore essential that this project is finally given the priority that is needed.

Key Priorities

- 01 Parking facilities in Victoria.
- 02 The construction of the Marsalforn Breakwater.
- 03 A new hospital for Gozo.

DIGITALISATION

Digitalisation should be a key enabler that sees Gozo creating economic niches which on the main island of Malta have already taken shape. A lot of work has been done to target certain structural limitations that Gozo faced. This included the second fibre optic link which tackled the aspect of redundancy on the island, as Gozo was previously dependent on one fibre optic link, and the setting up of a Digital Innovation Hub. However, this was not complemented with a clear strategy of what we want to achieve in the Digital Sector. To this end the next legislature should focus on a clear strategy of what we want to achieve in the digital sector in Gozo targeting amongst others the adequate utilisation of the present Digital Innovation Hub in Xewkija.

For Gozo to actually reap the benefits of digitalisation there needs to be an ecosystem of companies and start-ups in the sector. This would be mutually beneficial to local and international economic operators who would set-up in Gozo. One should therefore think of

what are the digital sectors one needs to focus on, coupled with a clear strategy and differentiated investment incentive package to attract local and international start-ups.

Key Priorities

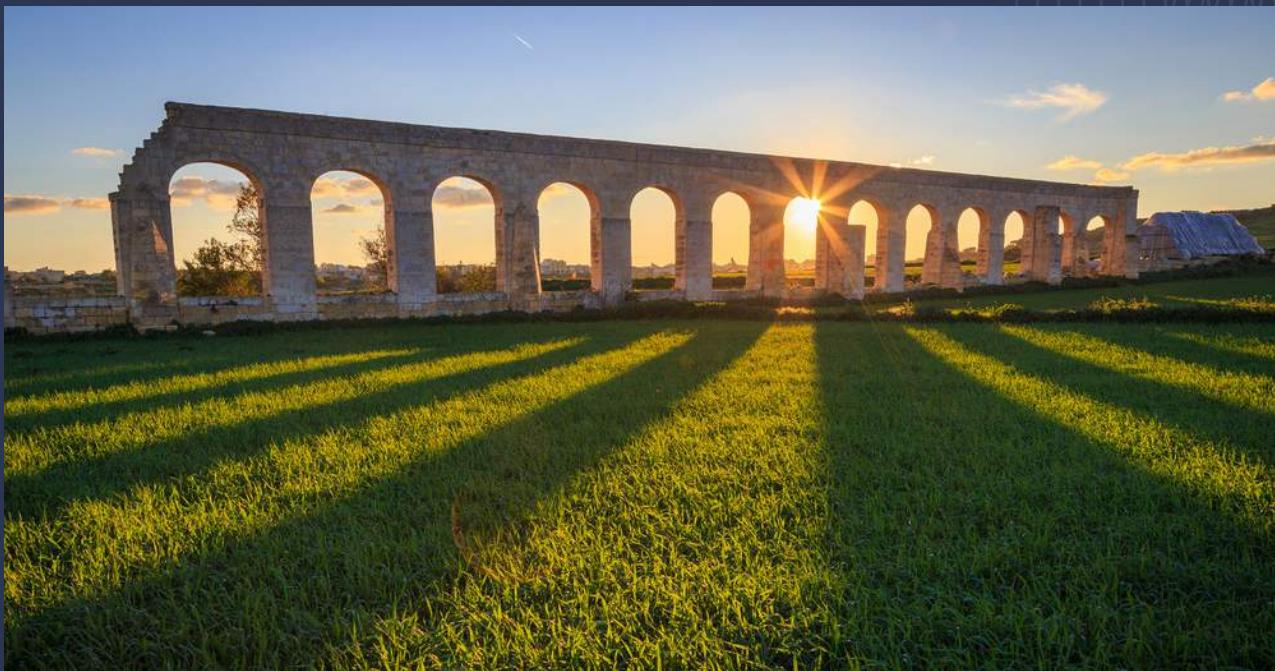
01

Clear Strategy for the setting up and development of the Digital Economy in Gozo

02

A specific investment incentive package targeted towards companies in the digital sector setting up in Gozo.

TOURISM



Tourism will remain an important contributor to the local economy. Domestic tourism has in part made good for the losses that Gozo experienced because of the drop in foreign inbound tourism. Nonetheless certain trends that were already experienced by the Gozitan economy prior to the COVID-19 pandemic need to be highlighted.

While Malta was experiencing record increases in the foreign inbound tourism market, Gozo was only experiencing relative marginal increases and in some cases also a drop in foreign inbound tourism. This means that despite the efforts being made, Gozo was not making substantial gains in the foreign inbound tourism sector. On the other hand during this period Gozo was experiencing a substantial increase in foreign inbound visitors who visited Gozo only for a day but did not stay overnight on the island. This means that Gozo's proposition with respect to the foreign inbound tourism market needs to be strengthened.

Certain markets which have been highlighted in the past linked especially to sustainable tourism, walking, and other activities, and specific niches such as culture and religious tourism need to be properly targeted. We also need to ensure that our efforts are not only targeted towards marketing but are also focused towards really strengthening the tourism product. Thus for example in the case of walking we must ensure that there are clear and properly maintained walking paths on the island. We must also ensure that the environment in Gozo is protected and that new attractions in this area through properly maintained and managed Natura 2000 parks are in place.

Key Priorities

01

Clear Strategy and Actions to attract foreign inbound tourism.

02

Clear Actions to strengthen specific tourism niches in Gozo.



Photo by Katja Spoljar (Courtesy www.visitgozo.com)

CONCLUDING REMARKS

Through this document the Chamber has decided to focus on key priority areas related to Gozo which should shape the next legislature. The contribution of important actors in Gozo such as the Gozo Regional Development Authority, and the Ministry for Gozo is key. However, this does not exonerate from the responsibilities of other national actors who have responsibility over the whole Maltese islands to see that Gozo moves forward in these areas. Gozo must not be seen as an appendix but as an important enabler and contributor to the national economy if put in the right conditions to do so. As indicated these are key priority areas, which should not in any way divert any attention from national efforts targeted towards strengthening Malta's governance which is an essential pre-requisite for any business activity to take place.



Photo by Ross Magri (Courtesy www.visitgozo.com)



THE GOZO BUSINESS CHAMBER

www.gozobusinesschamber.org