

Ladies and Gentlemen,

My short address this morning will be delivered with two aspects in mind. Primarily I would like to make a few comments as President of the Malta Hotels and Restaurants Association and the overall obligations we have towards developing environmentally sustainable products and using operational sustainable policies. I will however also draw on the experience we have gained in our own company, Island Hotels Group, where we have taken this area very seriously for many years and where I feel that the sharing of our experiences could be of benefit to the fresh direction being taken by various players within the industry in the area of improving environmental performance.

As I have mentioned on other previous occasions when discussing the overall performance of the tourism industry in Malta the state of our general environment is the most serious threat facing our industry today. Of course I say this within the national context while concentrating on internal factors that effect and mould the performance of our industry. These are the areas we have direct control over after all and they are the areas where we can collectively make a difference, as opposed to other more serious threats such as the war in Iraq or the prevailing geo political situations of our core markets which are external aspects over which we can exert absolutely no control whatsoever.

I would further break down these internal environmental issues into different areas of responsibility. Of course the national government has its responsibilities. These include the overall maintenance of the general environment, the implementation of national policies to safeguard and protect the environment, the enforcement of the legislative structure around these policies, the implementation of effective systems and procedures in areas such as waste management etc. Additionally there are responsibilities which need to be carried by each individual and further responsibilities which have to be taken up by private enterprise.

I will not go into the aspects which lie within the ambits of government responsibility and the extent to which these have or have not been implemented. There is neither the time this morning to go into the aspects which concern us all as individual Maltese nationals and the positive impact we can each have on environmental issues. The scope of this morning is to

see how individual companies within the hospitality industry can play a more effective role within this critical area. It is easy to blame government for every problem within the environmental context, however, being realistic we have to admit that our industry is also the cause of a great amount of strain on the environment as a whole. Everything from the process of development of new properties to the strains such properties put on overall pollution, waste generation and utilization of utilities.

It is due to this strain exerted by our commercial activity that we also have a responsibility to learn more about how we can reduce our impact on the environment and to learn how we can operate in a more environmentally sustainable way.

We all know that we currently attract just short of 1.2 million visitors per annum. In order to give you an example of what kind of strain is put onto the local systems I can tell you that studies carried out by a small number of MHRA members together with the Waste Management Unit recently established that an average of 1.7kilos of waste are generated per visitor per week. This means that if one had to protract this across the total number of visitors an estimated 2,700 tons of waste are generated by visitors to the Island annually. This is a considerable volume of waste which has its obvious repercussions on the overall local waste management problem. We cannot but feel obliged to investigate methods of how to reduce such volumes.

MHRA has also recently embarked on a project to establish the impact of the state of the local Environment on visitor numbers and income flows. The study, which has been sponsored by the MTA, is currently being undertaken and is expected to be ready by September this year. The results of the study are expected to be presented to government with the aim of clearly showing the negative impact that the lack of attention to our environment leaves on our industry.

Again, in doing this the MHRA concurrently realizes and acknowledges that it must also, as an Association, encourage its members to contain their own individual impact on the environment. This is precisely why I am here this morning as I feel that it is only through exposure to tools that can help us achieve this, and through encouraging each other can we achieve any significant inroads in this area.

The bottom line is that the players in the industry have to do their bit as much as government has to. I augur that now that we have taken the decision to join the European Union the government will act in a faster, more decisive way, with the financial backing required to sort out the various issues which have been outstanding for way too long. Issues which unfortunately do nothing to encourage us in private industry to take the issue seriously. We also have to be aware that similar obligations to those put on the government structure will also be put on us as individual companies.

Moving on though, what are the areas that can be worked upon within our own properties. Many of you here have already joined the process leading up to the new Eco certification from the MTA, an initiative launched by the Product Planning and development directorate which must be applauded. I therefore know that I do not need to work very hard to convince you of the associated benefits to adopting environmentally sound practices.

I do feel, however, that talking about our experiences over the past 8 years or so in this area could be of some benefit, if for no other reason than to encourage people that it can be done with little pain and with very satisfying measurable results.

I can briefly outline two main experiences. The first is that of our five star property, the Radisson SAS Bay Point Resort, which has been operating for six years now, and the second is our experience in the area following our purchase of the Golden sands Hotel.

When we designed and built the Radisson in 1987 we took a strategic decision to ensure that we invested in a property that had the least possible impact on the environment both during the building stage and even more so during the operational years to follow. We effectively invested over 1.2 million Euros in plant that was conducive to putting less strain on the local environment. The force behind this strategy was twofold – firstly not to infringe on the local resources and secondly to use this aspect of the property as a marketing tool with companies and individuals that also put emphasis on this important area.

As mentioned we implemented a number of things including the preservation of two ecological zones on site, the development of the resort lido through the use of rocks cut out from the land where the main property was built, the careful design of the property to ensure maximum use of

natural light throughout the property including back of house areas which are traditionally tucked carefully away.

Additionally we invested in an on site Reverse Osmosis Plant that produces over 45,000 gallons of water a day, a Waste Water Treatment plant which recycles over 40% of waste water produced within the resort, a Dual Drainage System and an extensive Solar Heating system. This investment has resulted in an overall five year payback period from reduced operational costs on water and electricity alone.

Another area of efficient use of energy is the use of excess Steam generated from the boilers of the hotel. This excess steam is diverted so as to run three of the highest electrical consuming items in the kitchen, thereby making substantial savings with extremely low associated investment cost.

Of course apart from the use of such plant many other initiatives are also in place. In fact we operate a 24 point plan which includes:

1. The separation of waste
2. The collection of paper for re use on site.
3. The collection of batteries
4. The use of environmentally friendly guest amenities
5. The strict designation of no smoking areas
6. The use of energy saving bulbs throughout the property
7. The implementation of a policy which enables the use of Less lighting in corridors and public areas at low demand times of the day
8. The use of light sensitive panels to ensure optimum efficiency of use of light
9. The use of Water reducing devices fitted throughout the property including shower heads and faucets.
10. The Minimisation of use of portion packs on breakfast buffets.
11. The encouragement of suppliers to use environmentally friendly packing
12. The use of E-Mail for regular reporting, memos, telephone messages
13. Any many others

Today the whole philosophy is headed by a Responsible business coordinator, backed by a responsible business team within the resort, who

measures the impact we have on different areas on a daily basis and uses this data to benchmark against other Radisson SAS properties around Europe. The team is also responsible for the full involvement and training of staff in this area.

The results of our efforts at the Radisson have led to substantial operational cost savings and a very positive effect on the overall environment as well as a number of marketing related benefits. It has also led to us being awarded 2 International awards, one from HCIMA and one from the IH&RA, 3 articles in the Green Hotelier magazine and last year the first company within the service sector to be awarded the Industry Award for Environment.

On our more recent project, the golden sands hotel, which we purchased a few months ago, we have also taken serious measures to ensure we carry out our investment with the highest regard to the environmental context within which we operate. In as far as the demolishing process is concerned extensive efforts have been made to ensure that as much as possible of the old property is recycled. In fact 40 tons of metals stripped out of the old property have been exported. 40,000 cubic meters of material out of a total of 50,000 cubic meters will ultimately be recycled in various ways including donations of old but good items to charitable institutions and the use of the hard materials for the formation of the base levels and roads of the new property. Additionally a full Environment Impact Assessment has been carried out examining every possible effect of the building process leading to the opening of the new property in April 2005 as well as the ultimate effect of that property once it is operational.

In light of the possibilities available to us The MHRA is obviously aware of the possible financial restrictions to implementing some of the more far reaching possibilities. Due to the initial investment required in certain areas the MHRA will be campaigning for government to encourage such investment in the future. While private enterprise can be the catalyst behind such schemes, government should also help. We will be campaigning so as to encourage the authorities to allow subsidies and grants towards such environmentally sound investments as well as reduced water and electricity rates for those properties investing in this type of equipment.

Essentially where there is a will there is a way. However there must also be a high degree of education. The type of tool that we will see today will give us the opportunity to learn more about how we can help reduce the impact

on our environment. It will help us establish where we stand in relation to other companies of a similar nature and it will help motivate us to improve our standing within the context of this benchmarking.

At the end of the day the future of Malta's tourism product depends on how attractive the Island is to potential visitors. It depends on whether we offer a good level of value for money to each potential client. The more we are able to create, and moreover operate, products in a way which do not place excess pressure on the local infrastructure and the more we focus on long term environmentally sound policies, the more we will collectively be looking after the future of one of Malta's main industries.

Thank you.