

Quarterly Tourism Update- Third Quarter 2015

Major indicators

Second quarter recorded a negative growth rate in arrivals, however it picked up in the third quarter with 3.6% increase in arrival numbers. This is total of 919,277 arrival till the end of September 2015. The highest number of visitors arrived in the month of August and it declined in September however it was a growth compared to the same period in 2014.

In the third quarter of 2015, Outrigger Konotta Maldives came into operation with 110 beds. Barefoot eco hotel increased their bed capacity from 80 - 104 beds. Guest house numbers increased from 261 to 281 with a total of 4255 guest house beds by the end of September 2015.

With the opening of new properties the registered number of establishments reached 558 with 32,638 beds. Within these registered properties, 314 facilities with 27,855 beds were operational by the end of September 2015.

These include 104 resorts with 23,162 beds, 14 hotels with 1444 beds, 97 guest houses with 1515 beds and 99 Safari vessels with 1734 beds.

The recorded bednights have been decreasing over the year with an average of -3.9%.

The average occupancy rate for the quarter is 66.8% with is a decline of -3.3% compare to the same period last year. The average duration of stay during this quarter is 5.5 days which is also a decline of -0.4 days compared with 2014.

Figure: 1: Major indicators at end of September 2015

Major Indicators 2015	Jan - Mar	Apr - Jun	July- Sept	Total
Arrivals	329,968	279,137	310,172	919,277
% Change over 2014	2.6	-0.3	3.6	2.0
Bed Nights	1,812,852	1,495,693	1,582,970	5,243,387
% Change over 2014	-3.5	-5.7	-4.1	-3.9
Occupancy Rate	78.8	63.2	66.8	69.5
% Change over 2014	-5.0	-5.5	-3.0	-4.6
Operational Bed Capacity (Avg.)	27,827	27,694	27,339	27,660
% Change over 2014	2.7	3.2	1.1	2.5
Average Duration of Stay (Days)	6.0	5.7	5.4	5.7
% Change over 2014	-0.4	-0.3	-0.4	-0.4

Source: Ministry of Tourism

INTERNATIONAL TOURISM TRENDS

International tourist arrivals up 4% driven by strong results in Europe

International tourist arrivals grew by 4.3% in the first eight months of 2015 according to the latest UNWTO World Tourism Barometer, fuelled by strong results in Europe and consolidating the trend of recent years.

Europe, the world's most visited regional destination, recorded a robust 5% increase in international tourist arrivals, the highest across all regions and a notable result for a rather mature region. Asia and the Pacific, the Americas and the Middle East all enjoyed 4% growth, while limited data available for Africa points to an estimated 5% decrease in the number of international tourists.

Europe

Continued strength with international tourist arrivals growing by 5% through April. Arrivals in Central and Eastern Europe increased by 7%, rebounding on the poor results of 2014 following the conflict in Ukraine and the slowdown of the Russian economy.

Asia and the Pacific

(+4%) consolidated its growth of recent years, with Oceania (+8%) and North-East Asia (+5%) in the lead. South-East Asia (+3%) recorded moderate results this four-month period as the rebound in Thailand (+25%) was offset by declines in other destinations.

Americas

(+6%) all four subregions continued to enjoy significant growth in January-April 2015, led by South America (+8%) and the Caribbean (+7%). Strong outbound demand from the United States fuelled results as 20 million US tourists travelled abroad through April, 7% more than during the same period last year.

Middle East

International tourist arrivals in the **Middle East** are estimated to be up by 4% through April, further continuing the region's recovery which started in 2014 after three consecutive years of declines.

Africa

Africa's international tourist numbers, on the other hand, declined by an estimated 6% as a consequence of the decrease in arrivals to North Africa (-7%) as well as to sub-Saharan Africa (-5%). Figures for both Africa and the Middle East should be read with caution, as they are based on limited available data for these regions.

Source: UNWTO World Tourism Barometer

TOURIST ARRIVALS TO THE MALDIVES

In the third quarter of 2015, the highest arrivals were recorded in the month of August with 110,144 with a growth of 5.7% compared to the same period in 2014. Then arrivals declined by the end of September with 95,511 visitors, however this is a 0.4% growth in arrivals compared to September 2014.

Figure 3 shows the trend of Chinese arrivals over the past 4 years, and it shows that there is a spike in arrivals of Chinese in the month of July and August which resulted in the increase in overall arrivals in the 3rd quarter of the year.

Figure 2: Tourist Arrivals and growth percentage to the Maldives 2015, 3rd quarter

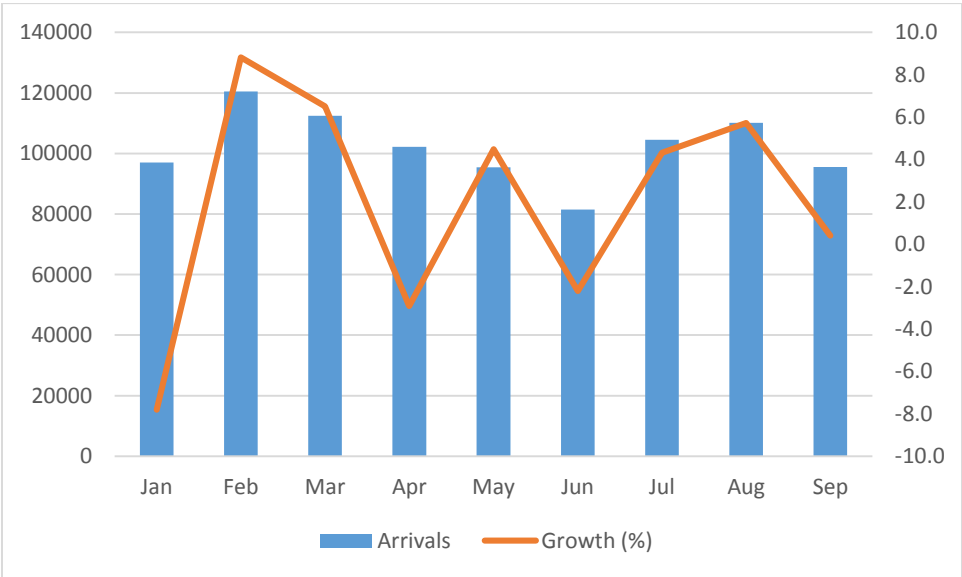
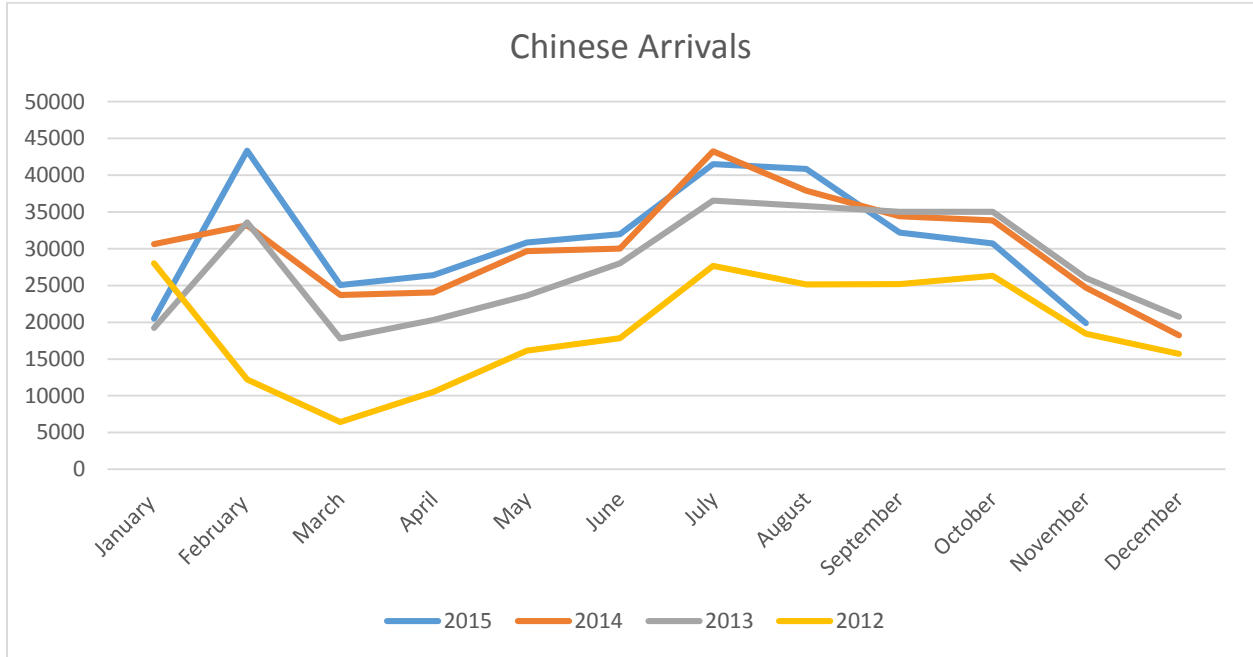


Figure 3: Chinese arrivals over the last 4 years



MAJOR MARKETS

In terms of market share, Asia and the Pacific tops with a total share of 50.5% of shares in the 3rd quarter of 2015. With arrivals reaching 463,901 the region observed a growth of 3% by the end of the third quarter of 2015.

Europe is the next market generator with 41% shares and received 381348 tourists which is a decline of -1.4 compared to 2014. Third is the Americas with 4% market share and 15% in growth rate by the end of September 2015. Middle East accounted for the market with a highest growth rate of 17% compared to 2014 however they are the 4th best Market generator to the Maldives. African region is the lowest market generator with 0.7% shares of the total arrivals.

Figure 4: Market Share by Regions, end of September 2015

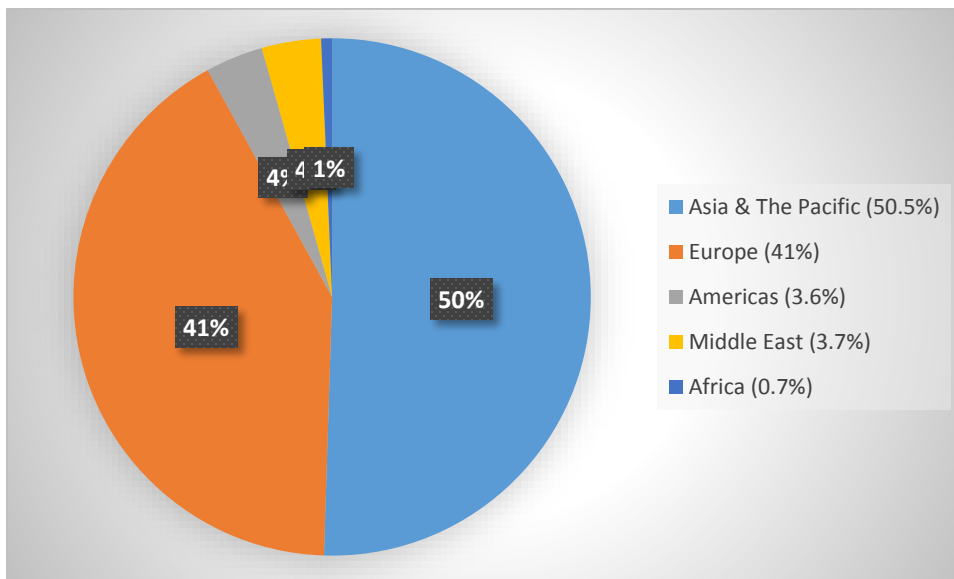


Figure 5: Tourist Arrival Growth by Regions, 2015

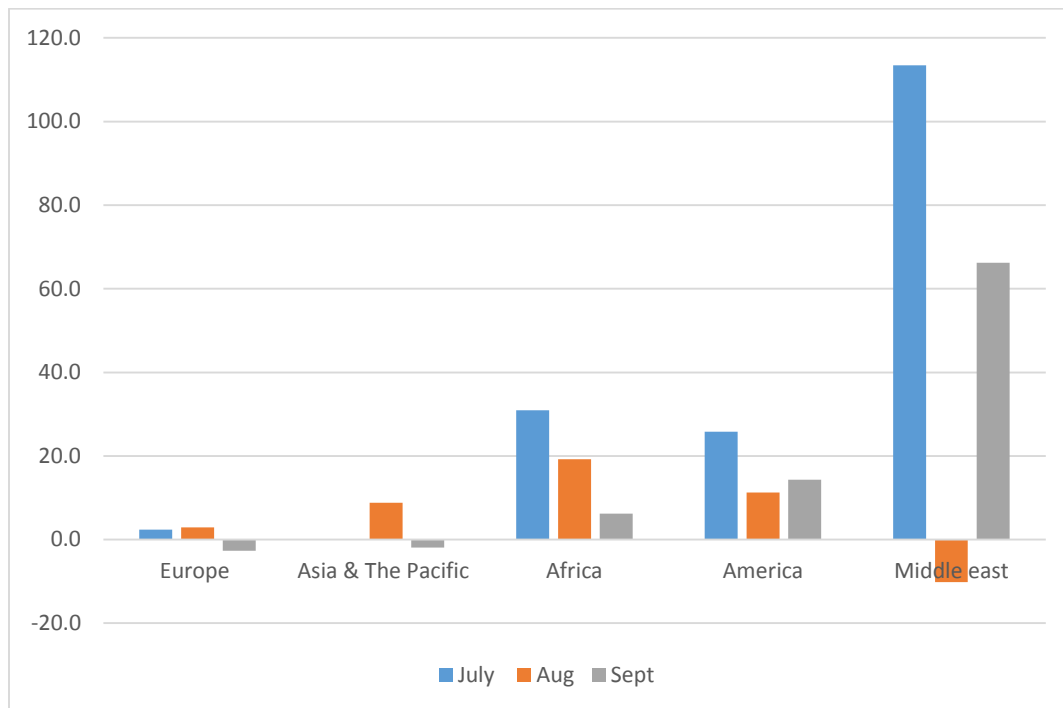


Figure 5 shows the change in growth trend of markets over the period of July to September 2015.

In July, highest growth rate was observed by Middle East with 113% growth rate followed by America (25%) and Africa (31%) compared to July 2014.

In the month of August, the growth was highest in the African region with 19% followed by Americas (11%) and Asia and the pacific. Middle East recorded a decline of - 10% in arrivals while Europe accounted for a growth of 3% compared to August 2014.

September 2015 recorded positive growth rates for Middle East America and Africa, while Asia and the pacific and Europe declined in the arrival numbers compared to September 2014

MAJOR EUROPEAN MARKETS

From the top 10 market generators in the region, France, Russia and Switzerland showed negative growth rates compared with the same period in 2014. Russian market has been declining dramatically over the last 2 years and has recorded a huge negative growth of -39.2% compared to the third quarter of 2014.

Germany stands as the highest market generator in the region with 8% of shares from the total arrivals to the Maldives. During the third quarter the highest arrivals were observed in the month of September for Germany with 8140 arrivals.

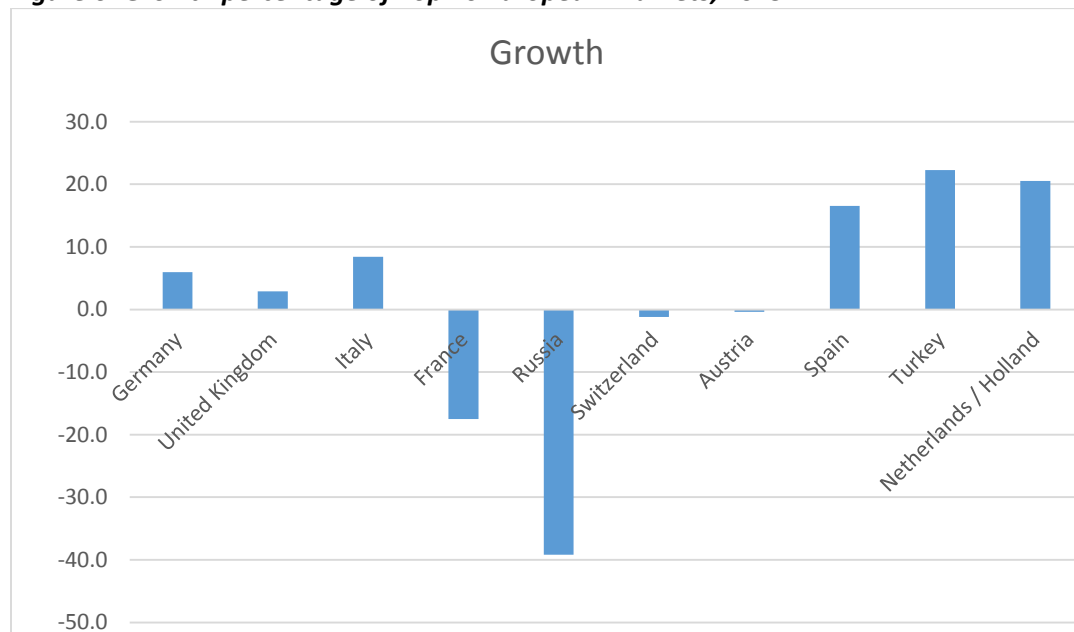
Second best performer in the region is United Kingdom with 7.5% shares and observed a growth of 3% compared to the third quarter of 2014.

Italian Market was the third best market in the region with 5.1% shares and recorded a growth of 8.4% compared to 2014.

French market was the fourth best market generator from the region with 3.4% shares of the total arrivals. However French market has been declining its performance and recorded a negative growth of -17.5% compared to 2014.

The 5th best contributor in the European region is Russian market with 3.4% shares, similarly to French market it has been declining over the past 2 years and it recorded a huge drop in arrivals with -39% compared to the same quarter in 2014.

Figure 6: Growth percentage of Top 10 European Markets, 2015



MAJOR MARKETS FROM ASIA AND THE PACIFIC

Due to the decline in the European arrivals in the third quarter and in the growth in arrivals of Chinese market, Asia and the Pacific stayed as the top market generator to the Maldives. After the peak of Chinese travelers in February, the next peak season for Chinese has been July and August. Hence the spike in Asia and the Pacific visitors during this quarter of the year.

In terms of market share, China has been the top market generator in the Maldives for the past 4 years. In this quarter China has contributed 31.8% of the total arrivals, however the growth is only 2% compared to the third quarter in 2014. The growth rate has been declining over the past 2 years.

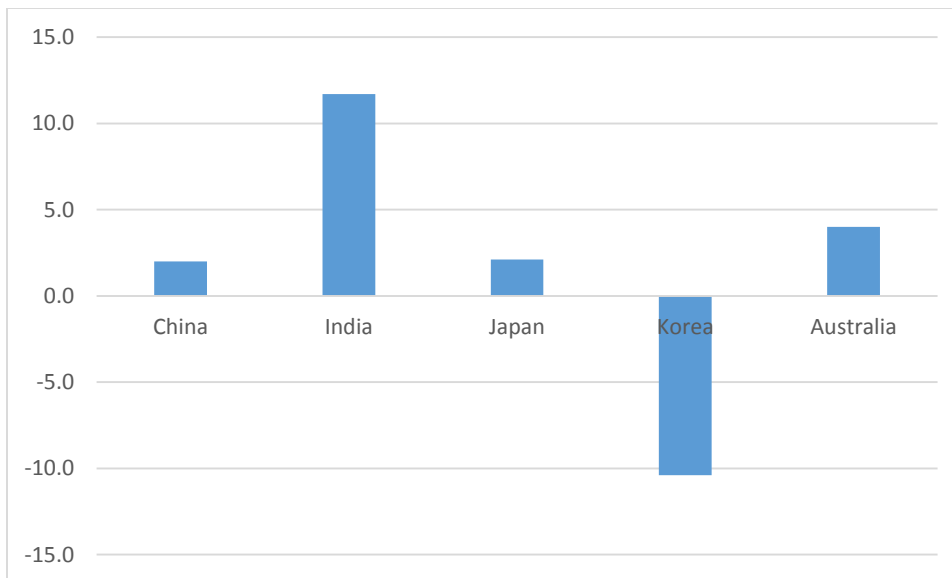
The second best performer is India with 3.9% shares of the total arrivals and recorded a growth of 11.7% compared to the same quarter in 2014.

Japan was the third best performer in the region contributing 3.1% to the market share and recorded a growth of 2.1% compared to last year.

Korean market came 4th in the region with 2.4% shares, however it has observed that it showed a negative growth of 10.4% in compared to the last year's performance.

Australian market has been a significant new market blooming in the region with 1.6% of the total arrivals. It has also recorded a growth of 4% compared to this period in 2014.

Figure 7: Market Growth percentage of main markets of Asia & the Pacific, 2015



OTHER MAJOR MARKETS

In the African region, the best performer is Brazil with 0.3% of shares, which is a total of 3159 visitors by the end of September 2015.

Within Americas, USA market was the best performer with 2.2% market share, followed by Canada with 0.3% share. Brazil recorded a huge growth rate of 20% however their performance is insignificant compared to the total arrivals to the Maldives.

In the Middle East region, Saudi Arabia is seen as a significant contributor with 1.5% of shares and a growth of 31.3% compared with the same period last year. UAE showed positive growth of 6.2% compared to the third quarter last year.