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*A brief analysis on tourism indicators
Third Quarter 2014*

TOURISM UPDATE



STATISTICS SECTION

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MAJOR INDICATORS – end September 2014

During the period of July to September 2014, one new resort, Loama Resort at Maamigilli came into operation. With the opening of this new property and also 12 more guest houses, the registered capacity was 488 properties with a total number of 30893 beds by the end of September 2014. Within these registered properties 298 facilities were operational with 26975 beds.

These include 104 resorts with 22905 beds, 15 hotels with 1380 beds, 98 guest houses with 1401 beds and 81 safari's with 1289 beds.

With a total of 299,491 tourists, the total arrivals showed a growth of 7.5% compared to the same period last year. By the end of the third quarter, Maldives welcomed a total of 818,275 tourists which is a 10% growth in arrivals compared to 2013.

The bed nights of the tourist facilities summed upto 5.4 million by the end of September. This is an increase of 5.9% compared to the same period last year. The growth in bed nights was highest during the second quarter by an increase of 7.9%. The average duration of stay was recorded to be 5.7 days.

Figure: 1: Major indicators at end of September 2014

Major Indicators 2014	Jan - Mar	Apr - Jun	Jul-Sep	Total
Arrivals	321,561	279,952	299,491	818,275
% Change over 2013	9.7	13.5	7.5	10.1
Bed Nights	2,048,964	1,680,079	1,664,084	5,172,368
% Change over 2013	5.4	7.4	2.0	2.0
Occupancy Rate	84.5	68.8	66.8	82.4
% Change over 2013	1.9	3.3	-1.2	-1.2
Operational Bed Capacity (Avg.)	26,999	26,794	26,963	26,975
% Change over 2013	4.3	2.4	3.7	3.5
Average Duration of Stay (Days)	6.4	6.0	5.7	5.7
% Change over 2013	-0.3	-0.3	-0.1	5.7

Source: Ministry of Tourism

INTERNATIONAL TOURISM TRENDS

International tourist arrivals worldwide grew by 5% during the first eight months of 2014 according to the latest UNWTO World Tourism Barometer. International tourists (overnight visitors) travelling the world between January and August reached 781 million in 2014, which is 36 million more compared to the same period of 2013.

The Americas (+8%) led growth during the first eight months of 2014, rebounding on last year's subdued results. All four subregions - North America, Caribbean, Central America and South America - doubled the growth rates registered in 2013.

International arrivals in Asia and the Pacific increased by 5%, consolidating the growth of recent years, with South Asia (+8%) and North-East Asia (+7%) in the lead, followed by Oceania (+6%). On the other hand, growth in arrivals slowed down in South-East Asia (+2%) compared to the strong results registered in 2012 and 2013.

Europe, the most visited region in the world, posted 4% growth in international tourist arrivals through August, with strong results in Northern Europe and Southern Mediterranean Europe (+7% each

Africa's international tourist numbers grew by 3% with North Africa consolidating its recovery (+4%). Sub-Saharan Africa's arrivals were up by 3%.

International tourist arrivals in the Middle East are estimated to be up by 3%, though this figure should be read with caution as it is based on limited available data for the region.

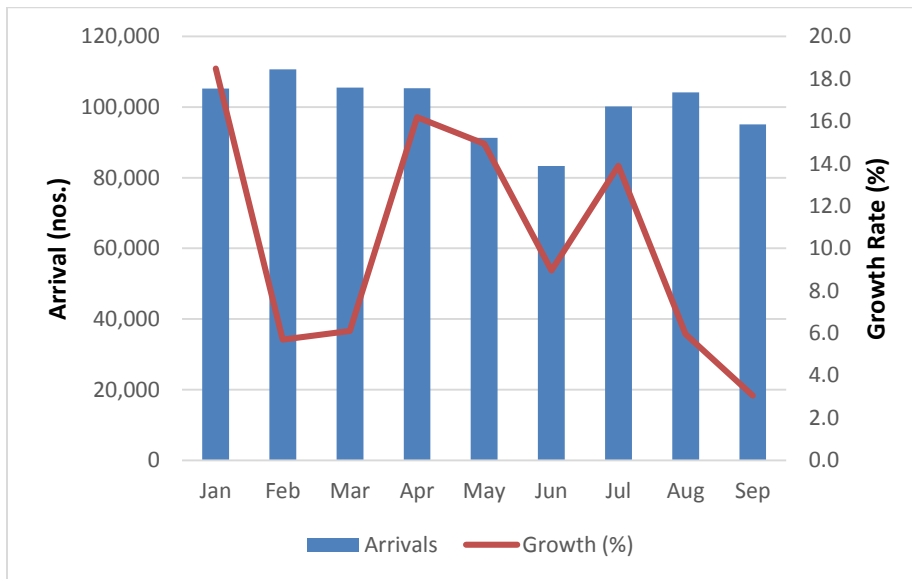
TOURIST ARRIVALS TO THE MALDIVES

With the off peak season, the steepest decline was seen during the month of June. And it picked up by +13.9% in the month of July with 100,191 visitors. A slight increase in arrivals was observed in the month of August, however, the rate has declined compared by the same period last year.

According to the Visitor Survey conducted in June 2014, it was observed that during the off peak season (June-July) 54% of the total visitors fall between the age category of 25-34, concluding that a high number of young travelers visit during this time of the year.

While Maldives welcomed 818,275 tourists by the end of September 2014, the third quarter recorded a total of 299,491 visitors.

Figure 2: Tourist Arrivals and growth percentage to the Maldives 2014



MAJOR MARKETS

In terms of Market share, Europe has been the leading market to Maldives, however Asia & the Pacific has taken a bigger bite in the market share by 50% of the total visitors to Maldives.

Maldives welcomed 450,296 visitors from Asia and the Pacific Maldives, which is an increase of 17.3% compared to the same period last year. Europe's share was 42.9%, which is an increase of 1.6% compared with last year and a decrease in share than the 2nd quarter. (Figure 3)

The highest increase in growth was observed in the Americas by 26.7% compared to last year with a market share of +3.2%. Middle East also showed a positive growth with 3.2% market share. African region accounted for the lowest market share by 0.7% and a decline in growth rate compared with last year (-1.4%)

Figure 3: Market Share by Regions, 2014

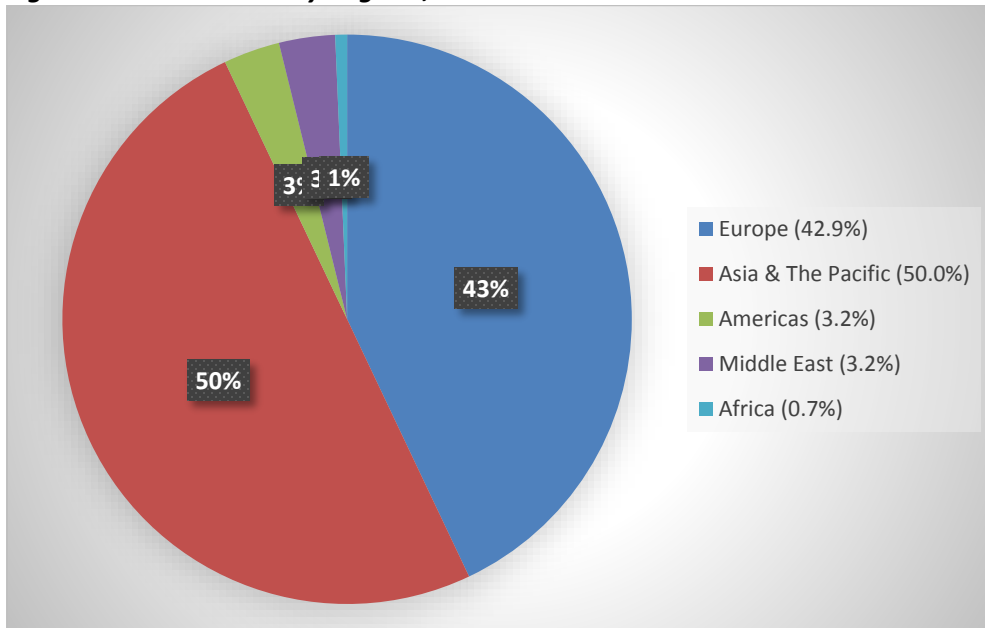


Figure 4: Tourist Arrival Growth by Regions, 2014

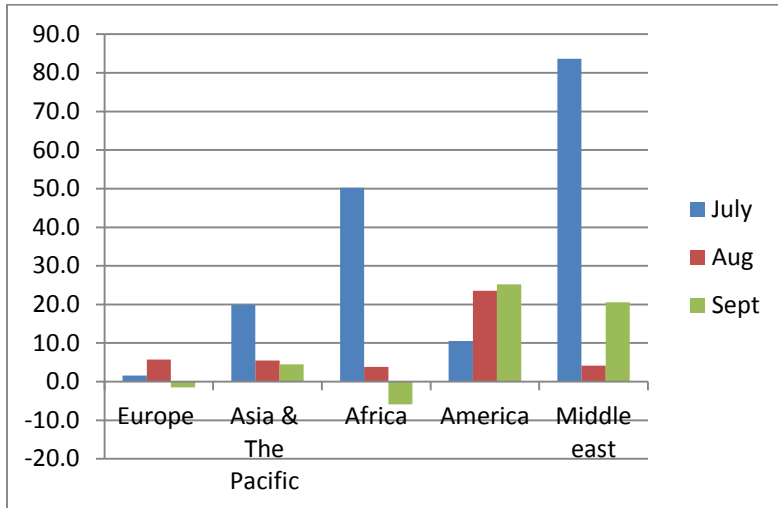


Figure 4 shows the growth trend of Markets over the period from July - September 2014 compared with the same period in 2013.

-In July the highest performing market was Middle East, however, it declined in August and picked up again in September by +20.5%. This was followed by was African market which also showed an increase of +50.2%.

During the period of August the highest growth was seen in Americas by +23.6% followed by Europe with +5.7% of growth rate.

In September the Americas were the highest performing market compared to last year by 25.2% growth and Africa declined in terms of arrivals by 5.9% compared with 2013.

MAJOR EUROPEAN MARKETS

From the main market generators in the region, five markets showed negative growth rates compared to 2013 (Figure 6). Ukraine showed the highest decline in market performance by -18% while Switzerland declined by -8.3% and Russia by -6.4%.

The main market generator from the region was Germany with a share of 7.7% and showed a positive growth by +5.3% compared with 2013. According to the June/July Visitor survey 2014 majority of the Germans who visited Maldives were between 25 - 34 years of age and 28% them were first time visitors.

The second best performing market in terms of market share was United Kingdom taking 7.4% of the market share with a growth rate of 3.7% compared to last year. It was also observed that the main reason British visitors come to Maldives was for rest & relaxation.

Third performer in the region was Russia with 5.7% of the total visitors to the Maldives, however it showed a decline of -6.4% compared to the same period last year. It was also observed that the Russians visited mostly for honeymoon and snorkeling.

Italian market maintained its position as the fourth market generator in the region by holding 4.8% of the share with a slight growth in the market share with 0.4%. The Visitor Survey (MVS) also showed that majority of the Italians who visited Maldives used a travel agency to book their trip to the Maldives.

The next best market performers are France (4.2%) and Switzerland (2.4%) while both showed a decline in growth rate compared to the same period in 2013. MVS results during this period indicates that most of French travelers used internet as the main source of information about the destination.

Figure 5: Market Share of European Markets, 2014

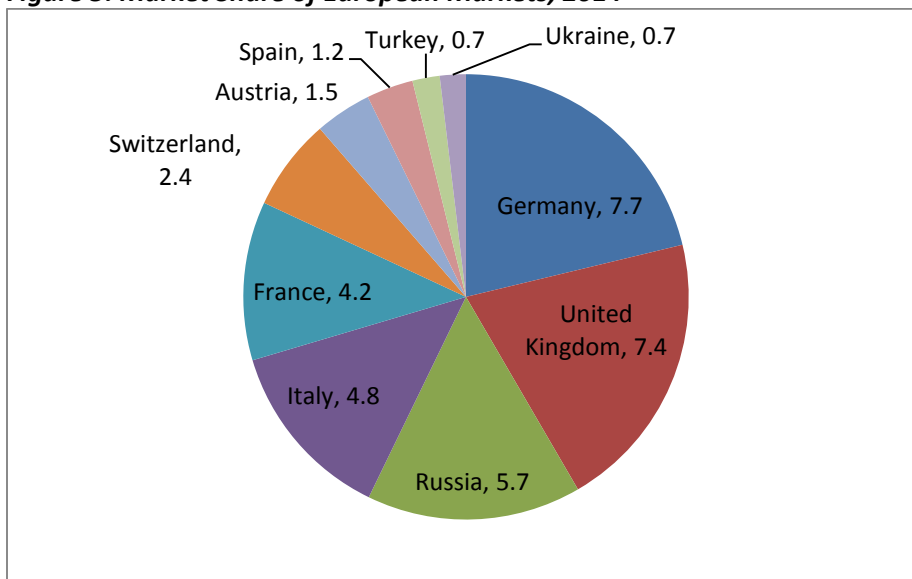
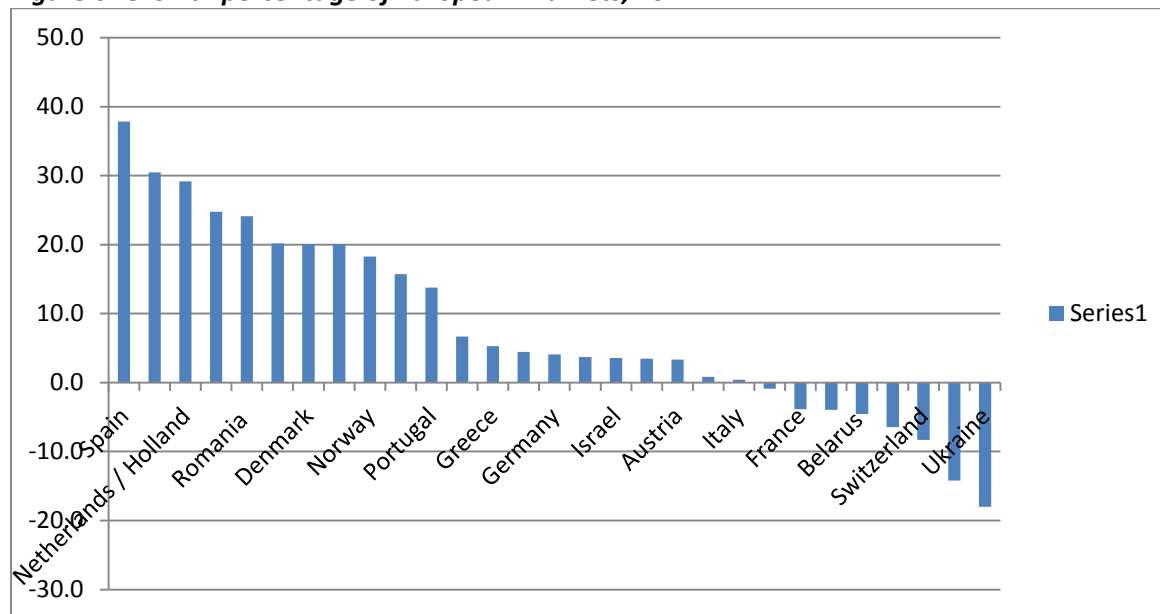


Figure 6: Growth percentage of European Markets, 2014



MAJOR MARKETS FROM ASIA AND THE PACIFIC

By the end of the third quarter of 2014, Asia & the Pacific has been leading in terms of market share by 50% of the total visitors to Maldives.

China has been the highest performing market in this region for the past 6 years and has been increasing its share by every year. By the end of September 2014, 31.8% of the market share has been from China only and this is the highest market share recorded in this quarter by a single market.

According to June/July MVS results, it showed that most of the Chinese visitors were first time visitors to Maldives and the majority of the Visitors come for their Honeymoon.

The Second highest market in the region was India with 3.5% market share and a high growth rate of 19.3%. MVS results indicate that the most travelers of age 25- 34 years were Indian travelers.

Japan was the third best market generator in the region, contributing to 3.1% of the market share, however, it showed a decline in visitors compared with the same period last year. Most of the Japanese visited Maldives for its underwater beauty and the survey also revealed that highest number of visitors from Japanese nationality are Honeymooners

Korean market stand at the fourth in the region with a share of 2.7% with a market growth rate of 31.4%. Australians have picked up in the number of visitors and has contributed to the market share by 1.7%, while the growth rate also increased by 13.8%.

The highest growth rate in the region was observed by Philippines by 79%, followed by Singapore (77%) and Malaysia (55%)

Figure 7: Market Share of Asia & the Pacific, 2014

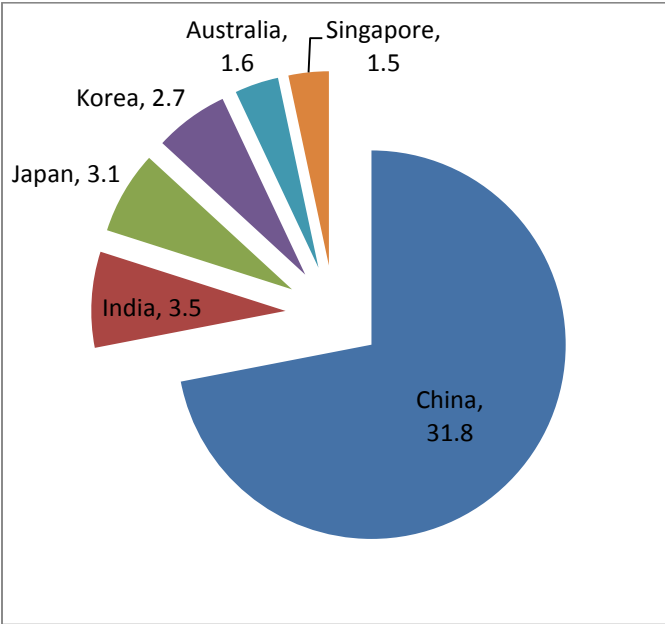
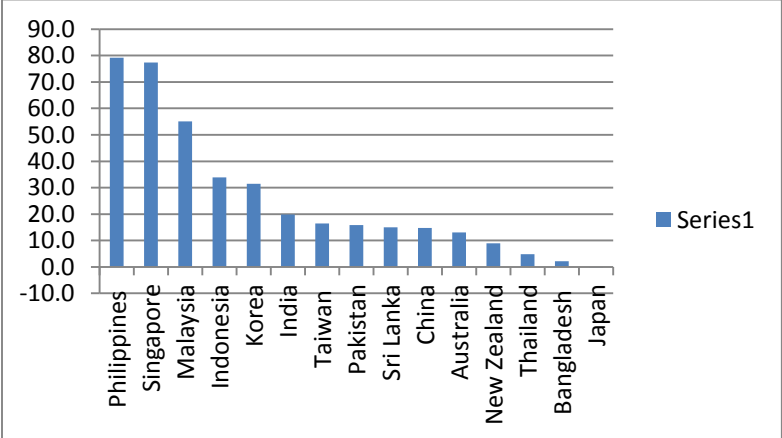


Figure 8: Market Growth percentage of Asia & the Pacific Markets, 2014



OTHER MAJOR MARKETS

In the African region, the highest market generator was South Africa with 0.3% market share, however, there was a significant decline in the South African Market by -17%. The decline in the market could have been due to the Ebola outbreak in the African region.

In Americas, USA leads the market share by 2% and showed a growth rate of 28% compared to the same period last year. The second best performing market was Canada with 0.6% share, with a growth rate of 29%, which was the highest growth rate in the region. This was followed by, Brazil contributing to 0.3% and showed a growth rate of 19%.

Saudi Arabia was the leading market in the Middle East region by 1.1% of the market share, followed by UAE (0.6%), Kuwait (0.4%) and Lebanon (0.2%). All Middle Eastern markets have been growing and showed positive growth rates throughout the second and third quarter of 2014.

Figure 9: Market Share 2014

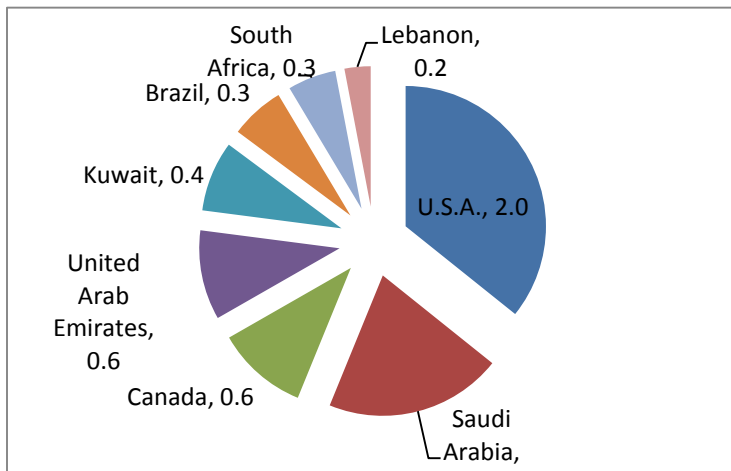


Figure 10: Market growth percentage 2014

