

Tourism Update

VOLUME 8, ISSUE 31



BRIEF ANALYSIS ON THE
TOURISM INDICATORS
OF MALDIVES

APRIL 2019



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Tourist Arrivals to the Maldives

International Tourist Arrivals to the Maldives reach 482,978 in first quarter 2019

Arrivals to the Maldives grew by 15% in the first quarter of 2019, with a well held up tourism demand. Additional flights and an array of newly opened accommodation facilities stimulated the influx of tourists. Arrivals were mild in January with a moderate growth of 6.5%, escalating quickly in February and March to record robust growths of 16.8% and 22% respectively. With an additional 62 thousand tourists (+15%) compared to previous year, international arrivals reached 482,978 by the end of March 2019.

Africa recorded the highest growth across all market regions by the end of first quarter 2019, with 41.8% increase in arrivals, though amounting to only 4,084 in absolute numbers. The America's saw an increase of 35% reaching 25,804 for the first quarter. Asia and the Pacific experienced a sharp growth of 15.7%, which accounts for the second highest arrivals to the Maldives (170,606). Europe, the dominant market region in Maldives, accounting for half

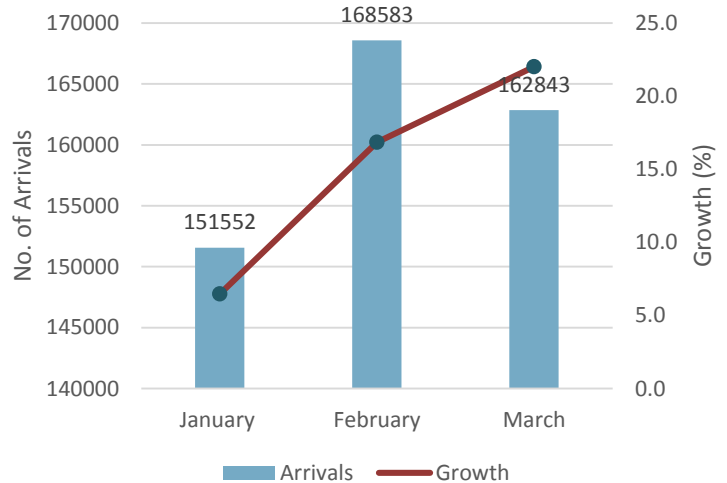


Figure 1- Tourist Arrivals and Growth, 1st Quarter 2019

the tourist arrivals to Maldives, recorded a healthy 13% increase. All European subregions posted positive growths during the first quarter, yet among these, Southern Europe held the strongest growth (24.1%). The Middle East also observed a moderate growth of 7.7% by the end of first quarter, although arrivals were down by -24.6% in January 2019.

Europe is the dominating market region contributing to more than half of tourists to Maldives

European region accounts for 55.8% shares, recording 269,619 tourists for the period January to March 2019. All subregions within the European region performed rather well attaining over 10% of shares each, with the exception of East Mediterranean Europe. As the normal trend, Western Europe held the highest share as this sub market comprises of key markets to the Maldives such as Germany and France.

Asia and the Pacific was the second leading market region with 35.3% shares. Arrivals from North East Asia and South Asia are the main

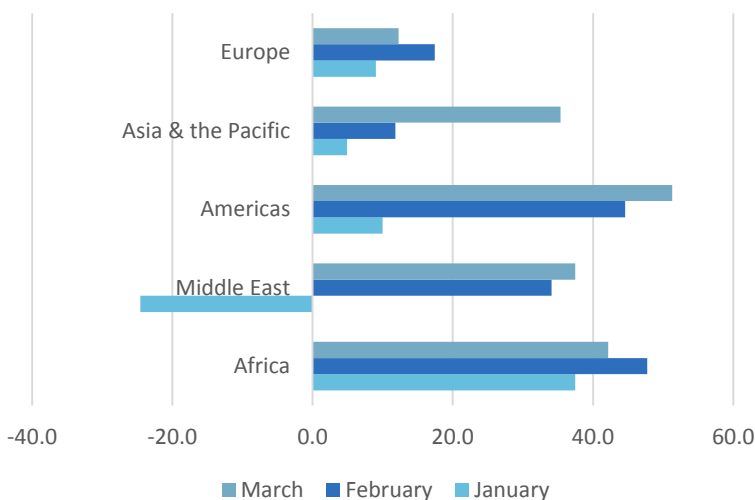


Figure 2- Growth by regions, 1st Quarter 2019

contributors to the regions market share. Lately, South Asia has been increasing its shares at a fast pace. The America's is another region yielding higher market shares, month by month as a result of continuous arrivals from USA. By the end of March 2019, this region attained 5.3% shares of the total arrivals of Maldives.

Middle East saw a market share of 2.7%, for the first quarter. Most Middle Eastern markets experienced positive growth and showed signs of rebound. Africa held a meek market share of 0.8% of tourists to Maldives.

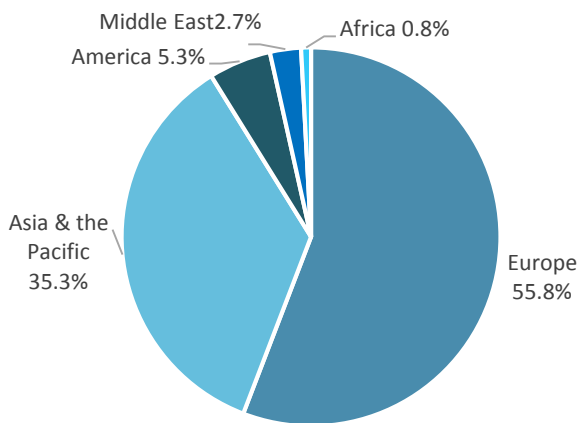


Figure 3- Market share by regions, 1st Quarter 2019

Top 10 markets to the Maldives

China, Italy and Germany - leading markets of first quarter

Only few minor changes took place in the top 10 markets to the Maldives. Italy climbed up two places to the 2nd and Switzerland entered the top 10 at the 10th position.

Rank		2018	2019
1	China	72,539	76,568
2	Italy	41,489	52,848
3	Germany	32,806	37,279
4	United Kingdom	32,633	36,116
5	India	19,435	36,053
6	France	20,845	26,692
7	Russia	24,415	26,284
8	U.S.A.	11,364	16,339
9	Japan	10,643	11,163
10	Switzerland	10,819	10,696

Table 2- Top 10 markets to Maldives, 1st Quarter 2019

China continues to top the ranking of tourist arrivals to the Maldives with 76,568 tourists in the first quarter of 2019. Italy ranked second in arrivals with 52,848 arrivals and a staggering growth of 27.4%. Germany which usually occupies the second position, moved down one place and ranked third by attaining 37,279 tourists.

U.K followed closely behind at the 4th place securing 36,116 tourists. India maintained its position at the fifth, but posted an outstanding increase of 85.5% in its arrivals to record 36,053 tourists.

Table 1- Arrivals, Growth and shares by regions, 1st Quarter 2019

	Arrivals January-March		Change 19 / 18	Market Share End Q1 2019 (%)
	2018	2019		
Europe	238,696	269,619	13.0	55.8
Central/Eastern Europe	56,047	61,418	9.6	12.7
Northern Europe	48,619	50,508	3.9	10.5
Southern Europe	51,634	64,096	24.1	13.3
Western Europe	77,883	88,718	13.9	18.4
East Mediterranean Europe	4,513	4,879	8.1	1.0
Asia & the Pacific	147,466	170,606	15.7	35.3
North East Asia	94,190	100,106	6.3	20.7
South East Asia	18,936	17,928	-5.3	3.7
South Asia	25,667	42,121	64.1	8.7
Oceania	8,673	10,451	20.5	2.2
Americas	19,107	25,804	35.0	5.3
Middle East	11,898	12,810	7.7	2.7
Africa	2,880	4,084	41.8	0.8

Similarly France, Russia, U.S.A and Japan remained at the 6th, 7th, 8th and 9th position respectively, experiencing increases in arrivals. Switzerland moved up to the tenth place to hold 10,696 tourists during the first quarter.

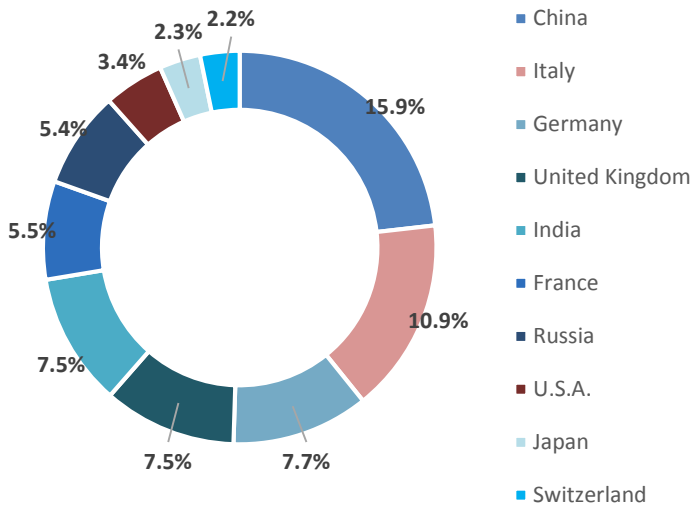


Figure 4- Market share of top 10 markets, 1st Quarter 2019

Major Markets

Europe – several regions enjoy robust growth

Italy led in the European region which saw 27.4% more arrivals by the end of March. Arrivals (52,848) flourished to capture a market share of 10.9%. It has been observed that arrivals from Italy are particularly high during the first quarter of the year. The second leading market in the region was Germany recording a robust growth of 13.6% to record 7.7% shares. The third leading market, U.K has been performing strongly in the past six months. Arrivals gained each month to record a healthy 10.7% increase for the period and closely competes with Germany in terms of market share (7.7%)

France attained the fourth position in the region with a bold increase of 28%. Arrivals from France has been steadily increasing to record 5.5% of shares. Likewise Russian market contributed to 5.4% of shares and experienced a growth of 7.7%.

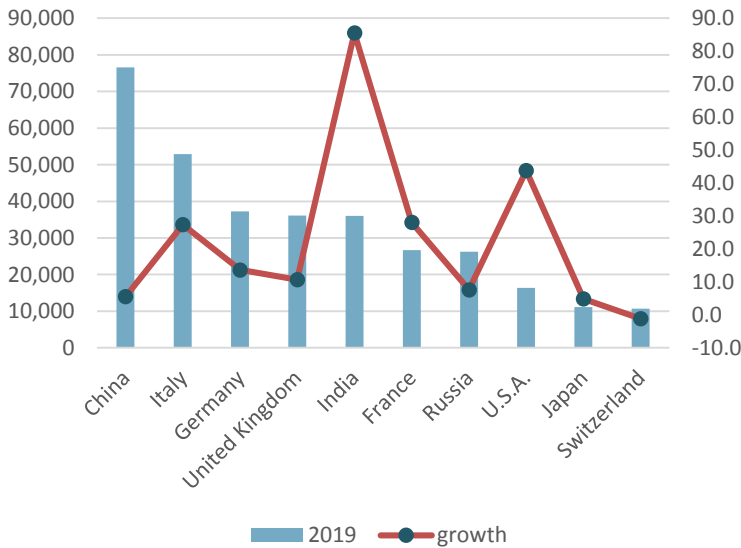


Figure 5- Arrivals and Growth of top 10 markets, 1st Quarter 2019

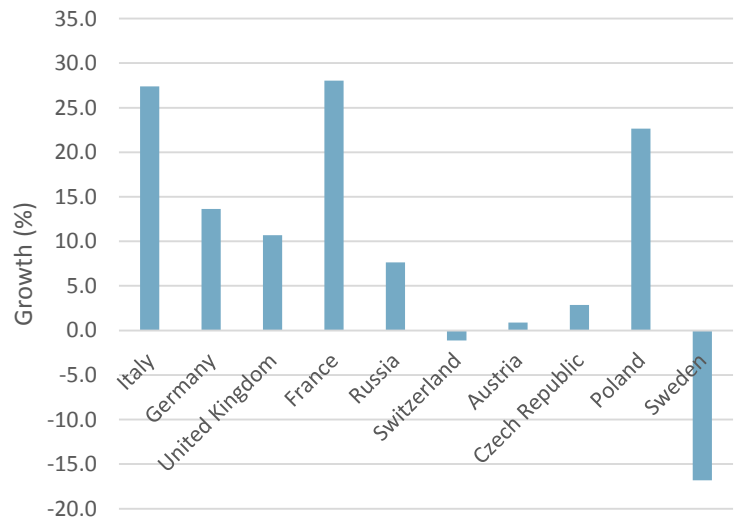


Figure 6- Growth of major European markets, 1st Quarter 2019

Swiss market has been losing momentum and dropped its arrivals (-1.1%) during the first quarter of 2019. Regardless of this, Swiss market recorded 2.2% shares. Austria incurred a modest growth (0.9%), and yielded 1.7% in market shares.

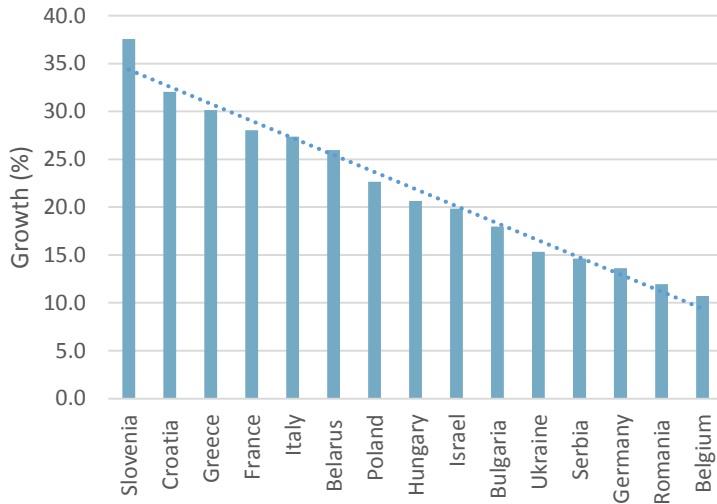


Figure 7- Top 15 European markets by growth, 1st Quarter 2019

Australia, the largest market to Maldives in Oceania, accounted for 2% market shares. Australian market continues to grow at a fast pace, posting a healthy 21.3% increase by the end of first quarter 2019. Korean market posted a 5.5% increase during the first quarter of 2019. However, shares were only at a modest 1.7%.

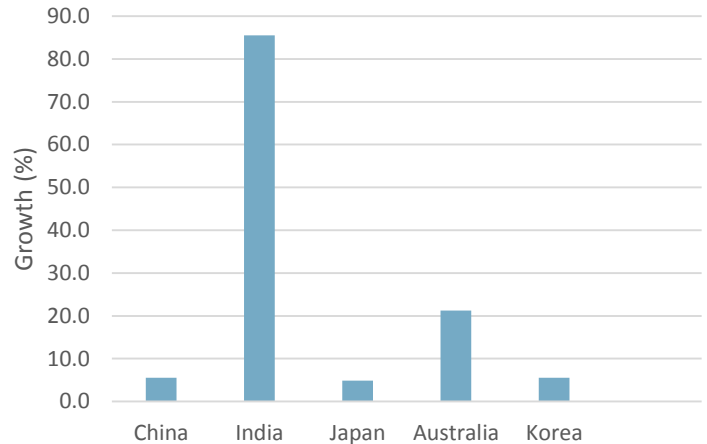


Figure 8- Growth of major Asia & the Pacific markets, 1st Quarter 2019

Asia and the Pacific – major markets rebound

The declining Chinese market performed well in the first quarter of 2019 with a positive growth (5.6%), as expected. With the fall of Chinese New Year holidays during this period, arrivals from China surged to record 15.9% shares.

India boasted the fastest growth in arrivals, among all markets, recording a staggering 85.5% increase. Indian market has been one of the fastest growing markets to the Maldives, climbing 7.5% in shares. Similarly, Japan consolidated its shares to 2.3% and saw 4.9% more in arrivals. Japan has been slowly and steadily recovering after a downhill.

America & Africa – markets show mixed results

Both America and African region showed some very mixed results according to markets. USA led in the American region securing 3.4% of shares. As usual, USA maintained a robust growth of 43.8%, by the end of March 2019. Canada experienced a double digit growth (40.5%), capturing a market share of 0.9%. Brazilian market also contributed for 0.6% of shares, followed by an increase of 33.2%.

In the African region, the leading market generator was South Africa, showing a strong growth (55.7%) compared to the same period of 2018.

Argentina spiraled downwards, reducing tourists by -24.3% by the end of March compared to previous year.

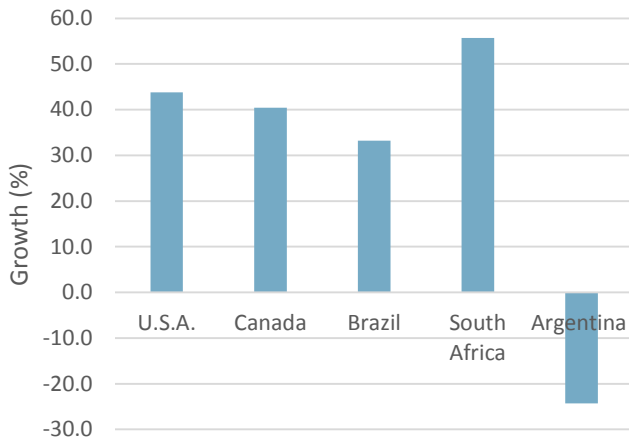
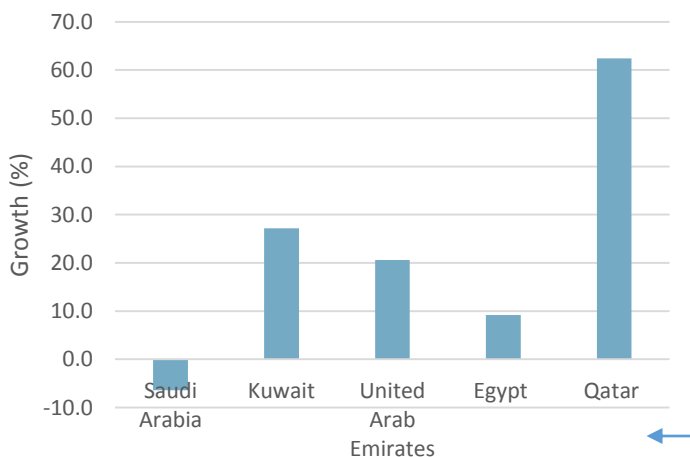


Figure 9- Growth of major American and African markets, 1st Quarter 2019

Middle East – Qatar rebounds and Saudi Arabia declines

Majority of Middle Eastern markets performed positively by the end of first quarter 2019, although it's largest market Saudi Arabia observed a considerable decline (-6.4%). In spite of this Saudi Arabia captured the largest market share (1.1%) from the Middle Eastern region.



Other markets such as Kuwait, United Arab Emirates and Qatar depicted a strong double digit growth (27.2%, 20.6% and 62.4% respectively). Qatar sustained its rebound after the declines in 2018. Egypt also depicted a slow yet positive overall growth by the end of the first quarter of 2019. All these markets constitute a very small percent of market share.

New Developments

In the first quarter 7 new resorts commenced its operations. In January, the former *Jumeirah Dhevanafushi* Luxury Resort re opened in Gaafu Alifu atoll as *Raffles Maldives Meradhoo Resort*. In addition to this, *The Nautilus Maldives* started its operations in B. Thiladhoo with 24 beds.

In February, *Residence Maldives at Dhigurah*, commenced its operations with 254 beds in Gaafu Alif Atoll Dhigurah. Moreover, two resorts started its operations in Raa atoll, namely, *Faarufushi Maldives* (R. Faarufushi) and *You & Me by Cocoon* (R. Uthurumaafaru) with 160 and 218 beds respectively.

In March, 4 new resorts started its operations; *Heritance Aarah* at Raa atoll Aarah (106 beds), *Innahura Maldives* at Lhaviyani atoll Innahura (156 beds), *Waldorf Astoria Maldives Ithaafushi* at Kaafu atoll reclaimed Ithaafushi lagoon (222 beds) and *Baglioni Resort* Maldives opened its first phase with 34 beds at Dhaalu atoll Maagau.

Within the first quarter of 2019, 28 new guesthouses started its operations with a combined bed capacity of 426. While only one new vessel started its operations, no new hotels were registered during this period.

Figure 10- Growth of major Middle Eastern markets, 1st Quarter 2019

Major Tourism Indicators

At the end of the first quarter of 2019, the registered number of establishments in the Maldives reached 861 with 47,095 beds. Within these registered properties, on average 836 facilities with 44,707 beds were operational for the January to March period. These include 139 resorts with 31,165 beds, 12 hotels with 1,865 beds, and 533 Guest houses with 8824 beds and 152 Safari vessels with 8561 beds. Total bed nights of all these tourist accommodating facilities amounted to 3,024,454, recording a significant growth of 10.3% during this period.

The occupancy rate of tourist accommodation facilities by the end of March 2019 stood at 75.4%, which is only a slight increase of 0.8% compared to 2018. The average duration of stay for the first quarter was 6.3 days.

Major Indicators 2019	Jan - Mar	Total
Arrivals	482,978	482,978
% Change over 2018	15.0	15.0
Bed Nights (estimated)	3,024,454	3,024,454
% Change over 2018	10.3	10.3
Occupancy Rate	75.4	75.4
% Change over 2018	0.8	0.8
Operational Bed Capacity (Avg.)	44,707	44,707
% Change over 2018	9.1	9.1
Registered Bed Capacity (Total)	47,095	47,095
% Change over 2018	12.0	12.0
Average Duration of Stay (Days)	6.3	6.3
% Change over 2018	-0.3	-0.3

Table 3- Major Indicators, 1st Quarter 2019

Tourism Revenue

Table 4 below shows the different tourism revenues from January to March. The major

sources of revenue are TGST (MVR 1,564,349,402) and tourism land rent (MVR 419,182,210). The total tourism revenue for the January to March period is MVR 2,065,977,721.

Taxes and Fees	Total (MVR)
Green tax	241 157,437
TGST	1,564,349,402
Tourism Registration and license Fee	2,882,109
Lease Period Extension Fee	76,500,000
Tourism land rent	419,182,210
Tourism Administration Fee	3,064,000
Total Tourism Revenue	2,065,977,721

*Source: Maldives Inland Revenue Authority

Table 4- Tourism Revenue, 1st Quarter 2019