

Tourism Update

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BRIEF ANALYSIS ON THE TOURISM INDICATORS OF MALDIVES



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MAJOR INDICATORS – FOURTH QUARTER 2018

The last quarter of the year is the start of peak season in Maldives. Predictably, in the last quarter of 2018, a rise in tourist arrivals was observed. Arrivals began gaining momentum in October (127,393), increasing steeply to peak in December (150,818), the highest monthly arrival recorded during 2018. In the fourth quarter, arrivals increased by 3.1%, welcoming a total of 403,815 tourists to the Maldives. This growth was comparatively smaller than first quarter and along the similar lines of second and third quarter. By the end of December, Maldives recorded 1,484,274 tourists, registering a growth of 6.8% for the period.

In terms of new developments in the fourth quarter, four new resorts started its operations with a combined bed capacity of 336. These resorts are; Kudadoo Maldives Private Island at Lhaviyani atoll, Sun Aqua Iru Veli Maldives at Dhaalu atoll, Carpe Diem Beach Resort and Spa Maldives at Raa Atoll and Lux North Male' Atoll at Kaafu atoll. In addition to this, JW Marriott Maldives Resort & Spa re-opened at Shaviyani atoll with 31 beds. Within the fourth quarter of 2018, 24 new guesthouses commenced its operation with a combined bed capacity of 118. No additional vessels or hotels came into operation during this quarter.

At the end of the fourth quarter of 2018, the registered number of establishments in the Maldives reached 825 with 45,154 beds. Within these registered properties, on average 813 facilities with 41,887 beds were operational. These include 136 resorts with 29,400 beds, 12 hotels with 1,759 beds, 490 Guest houses with 8000 beds and 145 Safari vessels with 2,728 beds. Total bed nights of all these tourist accommodating facilities amounted to 9,477,680, recording a significant growth of 10.3% during this period.

The occupancy rate of tourist accommodation facilities by the end of 2018 stood at 62.1%, which is an increase of only 1% compared to 2017. The occupancy rate of fourth quarter was 64%, which registered a decline of 1.4% compared to that of 2017. Except the first quarter, average occupancy rates of all quarters were spiraling downwards with second and fourth quarter recording average occupancy rates of -0.2 and -1.4 respectively. The average duration of stay by the end of December remained at 6.4% during this period.

Table: 1: Major indicators at end of December, 2018

Major Indicators 2018	Jan - Mar	Apr-June	July-Sep	Oct-Dec	Total
Arrivals	420,103	306,412	353,944	403,815	1,484,274
% Change over 2017	17.1	3.1	3.9	3.1	6.8
Bed Nights (estimated)	2,740,811	1,982,934	2,190,683	2,539,088	9,477,680
% Change over 2017	18.0	9.1	7.2	5.4	10.3
Occupancy Rate	75.0	52.4	56.9	64.0	62.1
% Change over 2017	4.7	-0.2	0.3	-1.4	1.0
Operational Bed Capacity (Avg.)	40,962	41,617	41,802	43,077	41,887
% Change over 2017	11.0	9.0	7.0	7.8	8.6
Average Duration of Stay (Days)	6.5	6.5	6.2	6.3	6.4
% Change over 2017	0.0	0.4	0.2	0.1	0.2

TOURIST ARRIVALS TO THE MALDIVES

Maldives attracted 1,484,274 tourists, by the end of December 2018, which is a 6.8% growth compared to 2017. The start and end of 2018 were peak periods to the Maldives, with December, January and February being the leading months of the year. April, May and October were the few months showing declines. Performance was strongest during the first quarter with in terms of both number of arrivals and double digit growth. Arrivals dwindled in the second quarter, posting declines and picked up from the third quarter. However growth was modest in the months that followed.

Arrivals during the fourth quarter were; 127,393 in October, 125,604 in November and 150,818 in December. December secured the highest number of arrivals throughout the whole year. Although October registered a negative growth of 0.5%, November and December registered growths of 4.2% and 5.4% respectively. Overall the fourth quarter of 2018 yielded a better performance than the second and third quarter.

Figure 1: Tourist Arrivals and growth percentage to the Maldives, January – December 2018



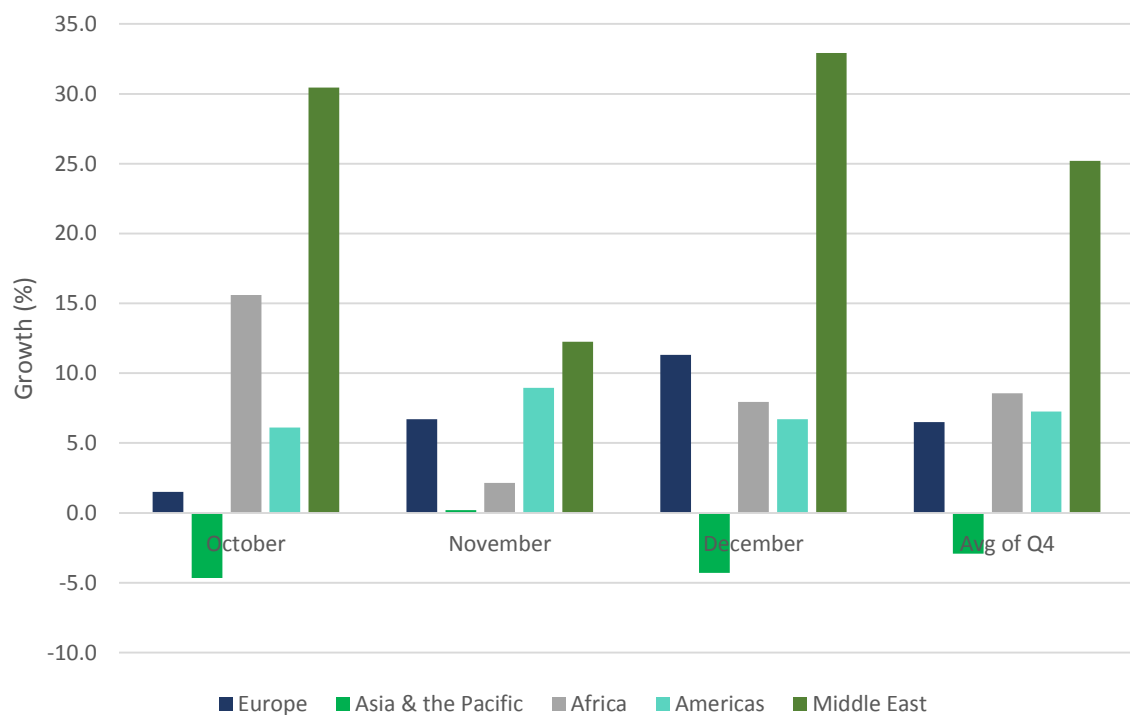
Figure 2 below shows arrival growths observed by different market regions in the fourth quarter. Europe maintained a positive growth like all the quarters. The growth of European region during October was only a slight 1.5%, which progressed in November (6.7%) to attain a healthy growth of 11.3% in December. Compared to previous quarters of the year, growth decelerated during the fourth quarter.

Asia and the Pacific region posted a series of declines for October and December (-4.7% and -4.3% respectively) with a marginal growth in November (0.2%). America and Africa observed

a mix of positive growths throughout the quarter. An exceptional performance was demonstrated by the Middle Eastern region, recovering firmly with robust growths. Its growth increased as high as 32.9% in December after sinking in the third quarter.

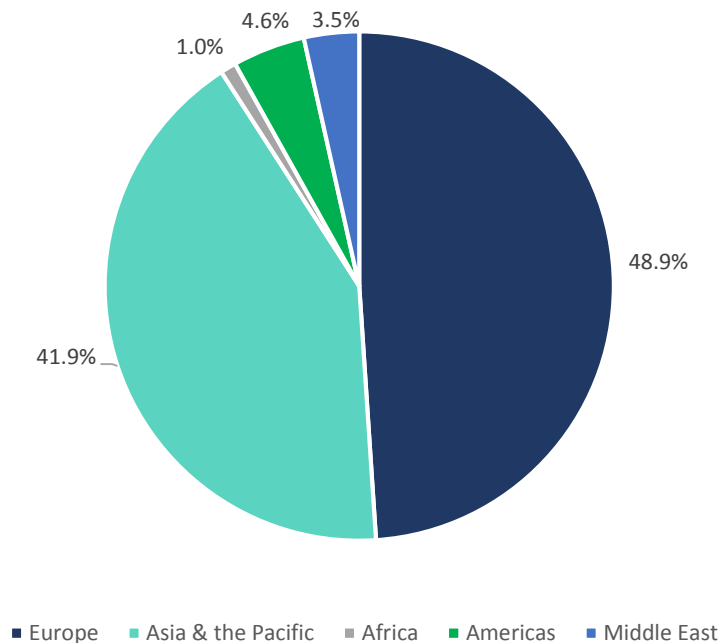
For the period January - December 2018, all market regions secured positive growth. Amongst all market regions Europe dominated with an annual growth of 12.4%, followed by America (11%) and Middle East (5.9%).

Figure 2: Arrival growth by regions, October – December 2018



MAJOR MARKET REGIONS

Figure 3: Market Share by Regions, end of December 2018



By the end of December 2018, Europe was the leading market region for Maldives accounting for 48.9% of shares. From the European region, 726,420 tourists visited the Maldives which is, an increase of 12.4% compared to that of 2017.

Asia and the Pacific market was the second leading market holding 41.9% of shares. This market has been sinking as one of its major contributors-China, has been losing its shares over the years. A total of 621,438 tourists from Asia and the Pacific visited the Maldives within this period with a positive growth of 0.7%.

Americas, the third leading market gained shares to reach 4.6% by the end of December 2018. Americas is one region which enjoyed consistent growths throughout all the quarters.

Market share of Middle East was at 3.5% with a sizable increase of 5.9% by the end of December 2018. This market region attained 52,114 visitors for this period in absolute numbers.

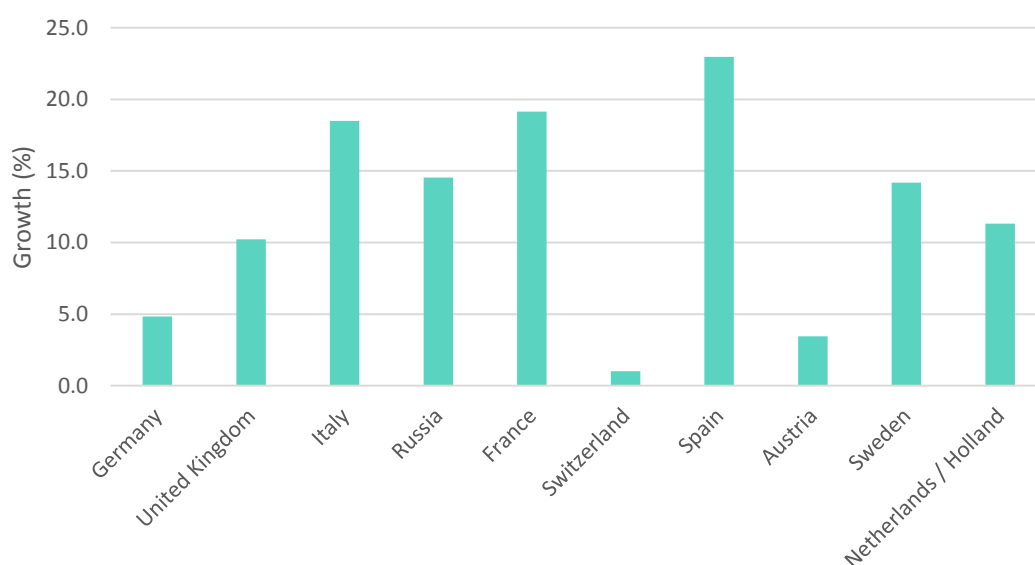
Africa captured the lowest share of 1% by the end of fourth quarter with a growth of 4.6%.

MAJOR EUROPEAN MARKETS

Europe the dominating market region to Maldives, demonstrated a strong performance during the year 2018, led by Western Europe (16.4%). The most favorable performance from the European region was depicted by the Finland market, posting a positive growth of over 53.4% for the period, January to December 2018, compared with the same period of 2017. Second best performance for the period from this region was observed from Slovenia, with an increase of 50.8% (refer figure 5). In the European region, only three markets recorded a negative growth, which is Greece, Kazakhstan and Turkey, registering declines of -2.9%, -4.4% and -9.3% respectively.

The top 10 markets in this region were (1) Germany, (2) U.K, (3) Italy, (4) Russia, (5) France, (6) Switzerland, (7) Spain, (8) Austria, (9) Sweden and (10) Netherlands. While all these markets recorded positive growths, amongst these markets, Spain and Italy observed robust growths of 23.0% and 18.5% respectively (refer figure 5).

Figure 4: Growth percentage of top 10 European Markets, end of December 2018



Germany was the leading market in this region, capturing 7.9% of market share and a growth of 4.8% compared to the same period last year. Growth was moderate during 2018, but arrivals flourished to record 117,532 in absolute numbers, by the end of December 2018. Germany is one of the key markets to the Maldives.

The second leading market from the region, at end December of 2018 was U.K, holding a market share of 7.7% of the total arrivals to the Maldives. During this period, British market maintained positive growths throughout the period, recording a robust growth of 10.2%, by the end of December. U.K market has been demonstrating an improved performance compared to the past few years.

Italy attained 7.1% shares, by the end of fourth quarter of 2018, and the arrival growth incurred by this market for this period, was comparatively large (18.5%).

Russia has yielded sound results by the end of fourth quarter of 2018 too, accounting for a market share of 4.8%. This market observed a healthy growth of 14.5% by the end of December 2018.

The French market has also been steadily increasing its arrivals and indicated a growth of 19.1% in arrival numbers, to reach a market share of 3.4%, by the end of fourth quarter of 2018.

Swiss market is one of the markets which has been slowly losing momentum, over the years. Regardless of this, the Swiss market tends to grow annually. The Swiss market saw an increase of 1%, securing 2.2% of shares.

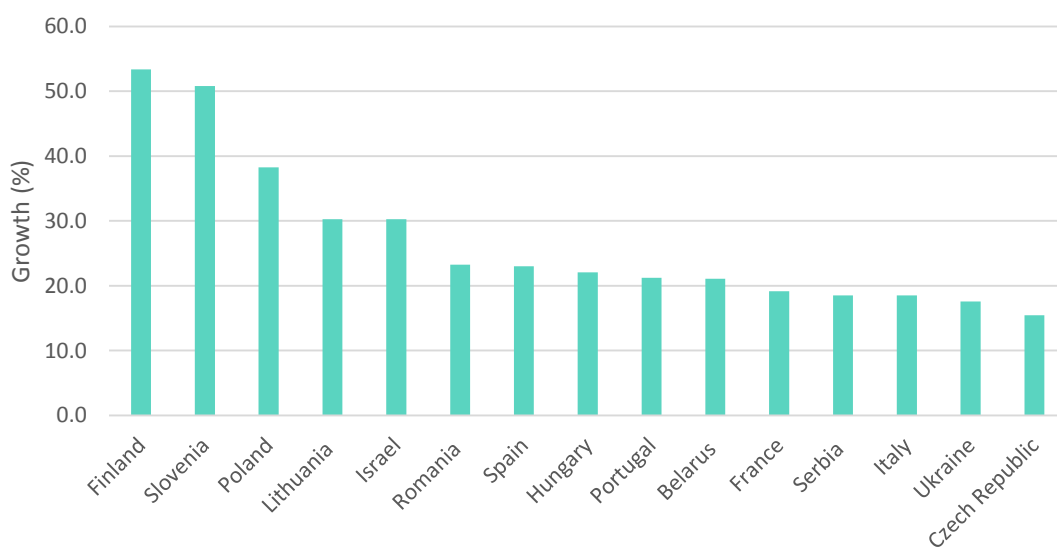
Spanish market was the 7th best contributor in the European region with 2.1% shares and also a robust growth of 23%. This market is growing at a fast pace, and steadily gaining shares.

The 9th place had been occupied by Austria, reflecting an increase of 14.2% in arrivals and 1.4% shares.

Sweden is also one market which enjoyed a robust growth during 2018 (14.2%) to secure 1% shares by the end of December 2018.

Netherlands experienced a healthy growth of 11.3% by the end of the fourth quarter of 2018, capturing 0.9% of shares

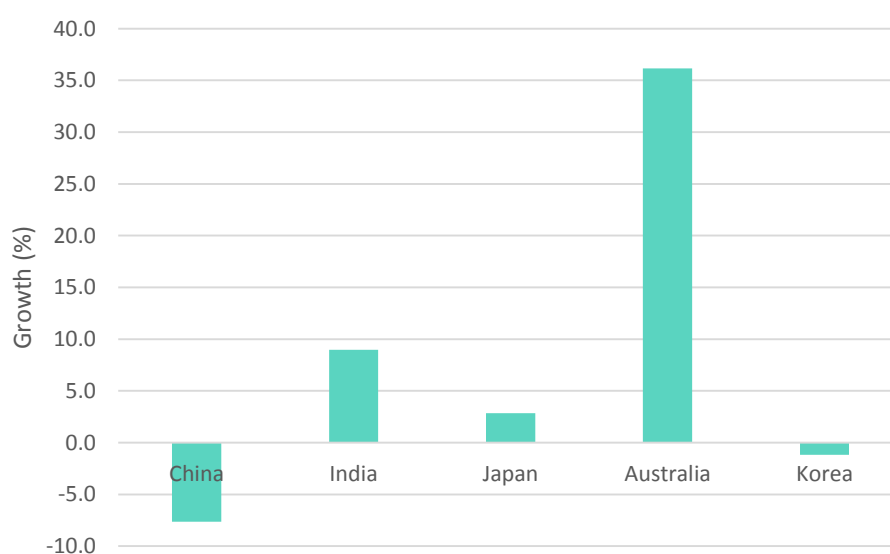
Figure 5: Top 15 European markets by growth, end of December 2018



MAJOR MARKETS FROM ASIA AND THE PACIFIC

Asia and the Pacific recorded 621,438 arrivals for 2018, securing 41.9% of the market share and ending the year with a positive growth of 0.7%. Asia & the Pacific region has been thriving on a positive growth for this duration, mostly because key markets within the region enjoyed increments in arrivals. The highest growth in this market region was posted by the Australian market (36.2%) (Refer Figure 7).

Figure 6: Market Growth percentage of main markets of Asia & the Pacific, end December 2018



China remained as the leading market to the Maldives, as well as in the region with 19.1% of the market shares. However, it has continued its declining trend since October 2015, posting a huge decline of -7.6% by the end of the fourth quarter.

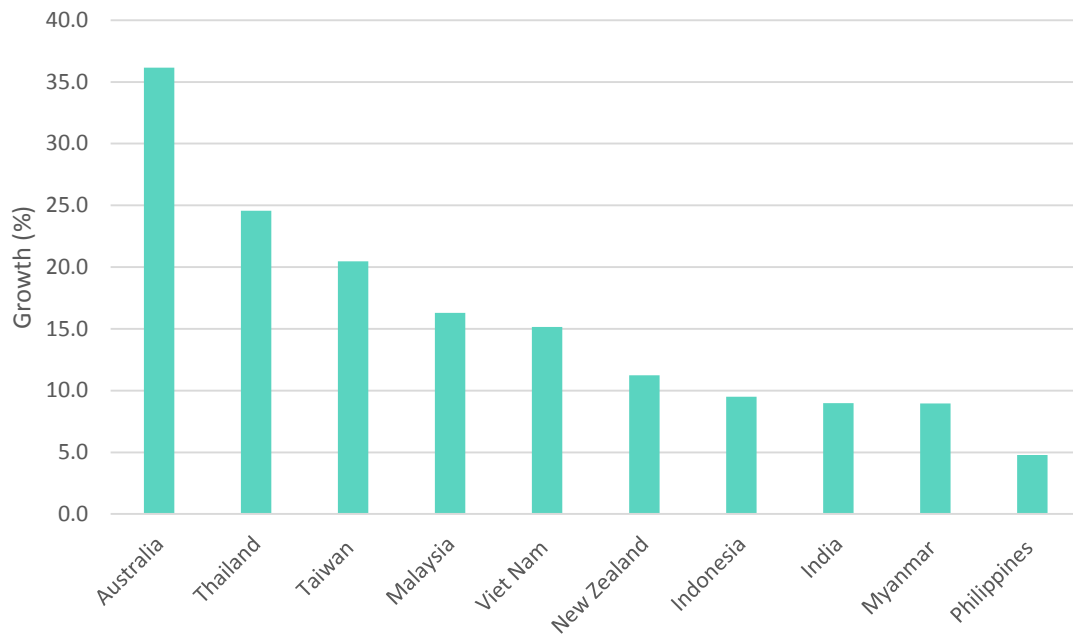
The second leading market in the region was Indian Market with 6.1% shares and has been rapidly increasing its arrivals. A commendable growth of 9% in arrivals was observed from the Indian market by the end of December 2018.

Japan has been one the main markets within the Asia Pacific region over the years. Arrivals from Japan to Maldives spiked up by 2.8% to record 2.9% of shares by the end of December 2018.

Australian market remained at the 4th position in the Asia & Pacific region during 2018, performing impressively, with a positive e growth of 36.2% in arrivals, compared to the same period in 2017. Australian market held the highest growth in the Asia and the Pacific region.

Korean market attained 2.3% of market shares by the end of December 2018, though arrivals from this market decreased by 1.2% compared to 2017.

Figure 7: Top 10 markets of Asia & the Pacific by growth, end December 2018



MAJOR MARKETS FROM OTHER REGIONS

USA led the American region with the largest market share of 2.9%. By the end of December 2018, arrivals to the Maldives from USA increased by 9.5% compared to the same period of last year. With its double digit robust growth, it is the best performing market amongst Americas.

Canada consolidated previous results by holding a market share of 0.6% and posting an increase of 6.1% in its arrivals by the end of December 2018.

In the African region, arrivals from South Africa observed a surge (9%) by the end of December 2018, capturing a market share of 0.5%.

Brazil also continued its strong start of the year, posting a healthy growth of 9% by the end of the fourth quarter 2018. Brazilian market also contributed for 0.5% of shares.

Argentina saw a bold increase of 45% in its arrivals comprising a marginal share of 0.2% during the year 2018. From the region, Argentina depicted the highest growth for the period.

Figure 8: Market Growth percentage of main markets of Africa and Americas, end December 2018



In the Middle Eastern region, the results were rather mixed, with most markets posting declines. Amongst Middle Eastern markets, Saudi Arabia is the highest contributor, accounting for 1.6% of the market share of the total arrivals by the end of December 2018. During this period, the Saudi Arabian market showed a double digit growth of 20.4% compared to the same period of 2017.

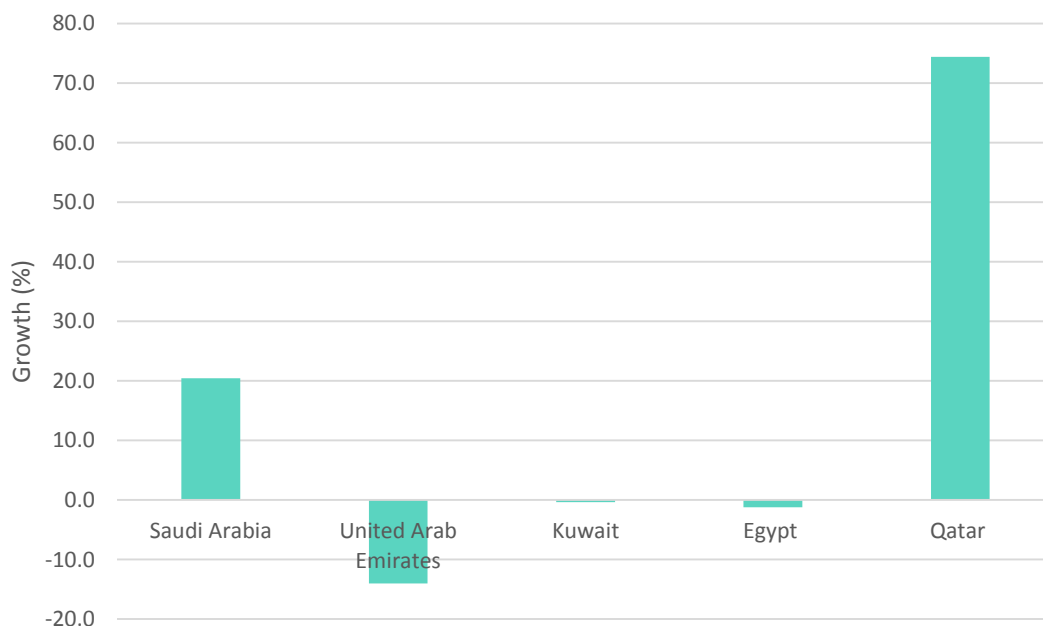
United Arab Emirates experienced a slowdown in arrivals by the end of the fourth quarter of 2018. Arrivals from the United Arab Emirates have been down by 14% for the period.

Kuwait also showed a similar downward trend by the end of December 2018, registering -0.4% in its arrivals to record a share of 0.3%.

Arrivals from Egypt also decreased by -1.2% the end of December 2018, to reach 0.2% shares for the period.

Qatar has been on the recovery track and has performed with sound results, by the end of December 2018. Arrivals increased strongly accounting for a growth of 74.4% and 0.2% shares.

Figure 9: Market Growth percentage of top 5 markets of Middle East, end December 2018



TOP TEN MARKETS, JANUARY-DECEMBER 2018

Figure 10: Top 10 markets to Maldives, Arrivals vs. growth rate from January – December 2018



China remained as the most tourist generating market to the Maldives by the end of the fourth quarter of 2018, accounting for 283,116 arrivals (19.1% of market shares). Since the last quarter of 2015, Chinese arrivals have been on the downward trend and was down by -7.6% by the end of December 2018.

Germany the second leading market to the Maldives, followed an upward trend by the end of December 2018, performing well with respect to tourist arrivals (117,532) as well as growth (4.8%). The German market contributed 7.9% of the total arrivals to the Maldives.

U.K held the third position, securing 7.7% of shares. Arrivals from the British market increased to 114,602, by the end of December with a significant growth of 10.2%.

Italy, being one of the key markets to the Maldives, experienced a robust growth of 18.5%, compared to the same period of 2017, to reach 105,297 arrivals by the end of December. During this period, Italian market to the Maldives was seen progressing to record 7.1% of shares.

Indian market which is seen performing well, observed a positive growth of 9% and captured 6.1% market shares. This market has been steadily increasing its shares during 2018 to record 90,474 arrivals.

Russia performed well in terms of growth rate with a healthy increase of 14.5% for the year 2018 compared with that of 2017. 70,935 tourists from the Russian market visited the Maldives, accounting for 4.8% of shares.

France being the 7th best market registered a strong growth of 19.1% due to the strong arrivals (50,476) recorded between January and December 2018. In terms of shares, the French market held 3.4% of the total arrivals to Maldives (Refer Figure 11).

USA, a market growing with fast pace, demonstrated impressive results, a growth rate of 9.5% and 42,901 arrivals. USA posted 2.9% shares by the end of December 2018.

Japan was the 9th largest market for the period with 42,304 arrivals, a modest growth of 2.8% and 2.9% shares at the end of December 2018, compared with the same period of 2017.

Australian market attained 2.5% of shares, occupying the 10th position. This market observed a surge, recording a bold increase of 36.2%, registering 37,254 tourist arrivals from the market.

Figure 11: Market share of top 10 markets to the Maldives, January–December 2018

