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*A brief analysis on tourism indicators
Fourth Quarter 2014*

t o u r i s m
U P D A T E



STATISTICS SECTION

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Quarterly Tourism Update– Fourth Quarter 2014

Major indicators

The last quarter of the year 2014, turned out to be a gloomy quarter for the tourism industry of the Maldives. Tourist arrival growth rate slowed down considerably, ending the quarter in a negative growth (-1%) compared with the same period of 2013, which was reflected in all other tourism related indicators for the quarter. Nevertheless, Maldives ended the year in a positive note with achieved targets as the total arrivals to the country reached 1.2 million at the end of the year 2014. During the last quarter of 2014, two new hotels came into operation, Amillafushi in Baa Atoll with 97 beds and Barefoot Eco Hotel in Haa Dhaal Atoll with 80 beds. In addition to these two hotels, Gasfinolhu Resort which was closed for renovation since 2011 was re-opened in December 2014 with a brand new name ‘Clubmed Finolhu Villas’ and with increased beds from 80 to 104.

With the opening of these new properties along with 21 additional guest houses during the quarter, the registered number of establishments in the Maldives reached 508 with 31,737 beds by the end of the year 2014. Within these registered properties on average 293 facilities with 26,891 beds were operational throughout the year 2014. These include 104 resorts with 22,914 beds, 16 hotels with 1,435 beds, 108 guest houses with 1,477 beds and 66 safari vessels with 1,064 beds.

Although a significant drop (-2.7%), was recorded in tourist bed nights of the Maldives during the last quarter of the year 2014 compared with the same period of 2013, the overall bed night growth rate was maintained positive (3.6%) at the end of the year with over 7.3 million nights.

Occupancy rate for the quarter was 74%, also a decline (-2.7%) compared with that of 2013. Nonetheless, with a slight increment compared with 2013, the average occupancy rate for the year 2014 was recorded to be 74.5%

The average duration of stay of tourists at the end of 2014 was 6.1 days, which was 0.2 days less than that of 2013.

Figure 1: Major indicators at end of December 2014

Major Indicators 2014	Jan - Mar	Apr - Jun	Jul-Sep	Oct-Dec	Total
Arrivals	321,561	279,952	299,491	303,853	1,204,857
% Change over 2013	9.7	13.5	7.5	-1.0	7.1
Bed Nights	2,048,964	1,680,079	1,664,084	1,834,987	7,310,280
% Change over 2013	5.4	7.4	2.0	-2.7	3.6
Occupancy Rate	84.5	68.8	66.8	74.0	74.5
% Change over 2013	1.9	3.3	-1.2	-2.4	0.6
Operational Bed Capacity (Avg.)	26,999	26,794	26,963	26,852	26,161
% Change over 2013	4.3	2.4	3.7	0.8	2.8
Average Duration of Stay (Days)	6.4	6.0	5.7	6.0	6.1
% Change over 2013	-0.3	-0.3	-0.1	-0.1	-0.2

Source: Ministry of Tourism

INTERNATIONAL TOURISM TRENDS

International tourism is set to hit a new record by the end of 2014 with over 1.1 billion international tourists travelling the world in one single year.

Between January and October 2014, the volume of international tourists (overnight visitors) reached 978 million, 45 million more than in the same period of 2013.

The Americas: the best results of the last decade

The Americas (+8%) led growth during the first ten months of 2014, rebounding significantly on last year's subdued results. This is the region's best performance since 2004, when international tourism also rebounded strongly, following the 2003 SARS outbreak.

Asia and the Pacific

International arrivals in Asia and the Pacific increased by 5% (through October), consolidating the region's growth trend of recent years. The best results came from South Asia (+8%), led by India (+7%), and from North-East Asia (+7%) where major destinations such as Japan and the Republic of Korea registered double-digit growth. Arrivals in Oceania grew by 6% owing mostly to the increase of arrivals in Australia and New Zealand. In South-East Asia (+2%), growth slowed down compared to 2012 and 2013 as a result of the decline in arrivals registered in Thailand.

Europe

Europe, the most visited region in the world, posted a 4% increase in international tourist arrivals through October, with strong results in Northern Europe and in Southern Mediterranean Europe (both +7%), where established destinations such as Greece, Portugal, Spain and Malta recorded robust growth.

Middle East and Africa

International tourist arrivals in the Middle East are estimated to be up by 4% (in the first ten months of 2014), rebounding on the declines registered since 2011. All destinations in the region with data available report positive growth, with Egypt, Jordan, Lebanon and Saudi Arabia all substantially improving their performance as compared to 2013.

Africa's international tourist numbers grew by 3% (through October) with North Africa consolidating its recovery (+2%). Sub-Saharan Africa's arrivals were up by 3% despite the challenges of the Ebola Disease Outbreak in a few West African countries.

Source: UNWTO World Tourism Barometer

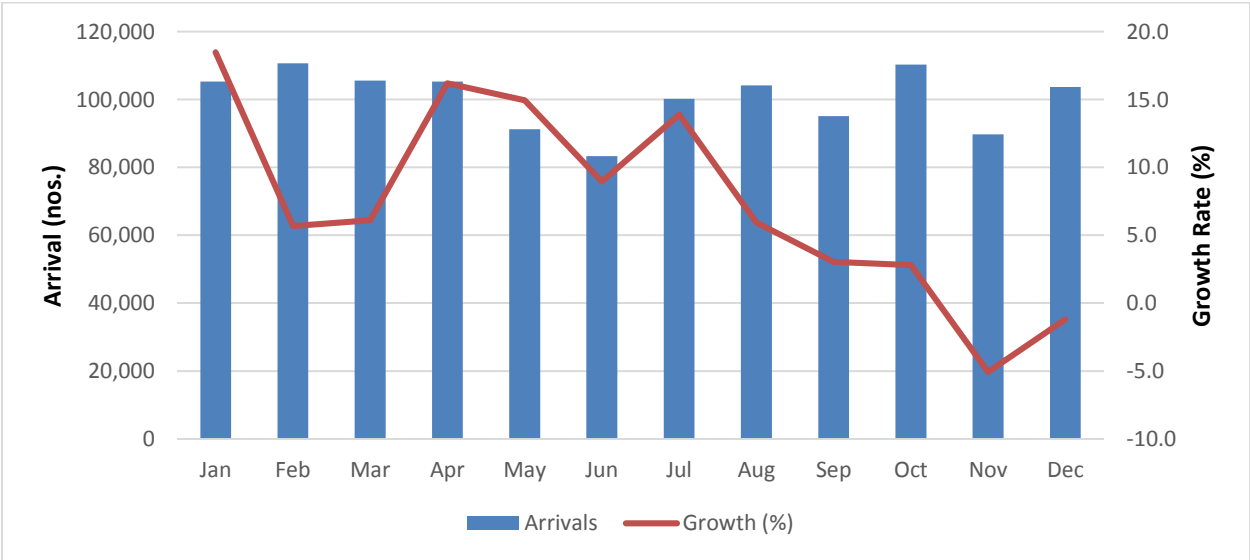
TOURIST ARRIVALS TO THE MALDIVES

The target, 1.2 million arrivals by 2014, set for the Maldives looked promising by the end of the third quarter 2014 with an impressive 10% growth rate. However, arrivals slowed down during the fourth quarter, otherwise known as the best quarter for the Maldives in terms of arrivals to the country, and a negative growth was recorded for the quarter. Nonetheless year 2014 ended with achieved targets as total arrivals reached 1,204,857, an increase of 7.1% compared with that of 2013.

November showed the steepest decline in growth rate over the year with a negative 5.0% compared to the same period in 2013. All top 10 markets except for Germany showed negative growth rates during the month of November 2014.

China which is the main market generator has also recorded a negative growth during the last quarter of 2014.

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



MAJOR MARKETS

In terms of Market share, Asia and the Pacific lead with 49% shares at the end of 2014. With arrivals reaching a total of 588,851 the region saw an increase of +12% compared with that of 2013.

Europe followed behind with 44% shares. The Maldives received a total of 529,292 tourists from Europe, which was an increase of 0.4% compared with the same period last year.

Third leading market region was Americas with 3.4% shares. The highest increase in growth was also observed in the Americas with 25% compared to last year. Middle East also showed a positive growth of 16.1% with 3.1% shares. African region accounted for the lowest market share by 0.7% and a decline in growth rate compared with 2014 (-1.6%)

Figure 3: Market Share by Regions, 2014

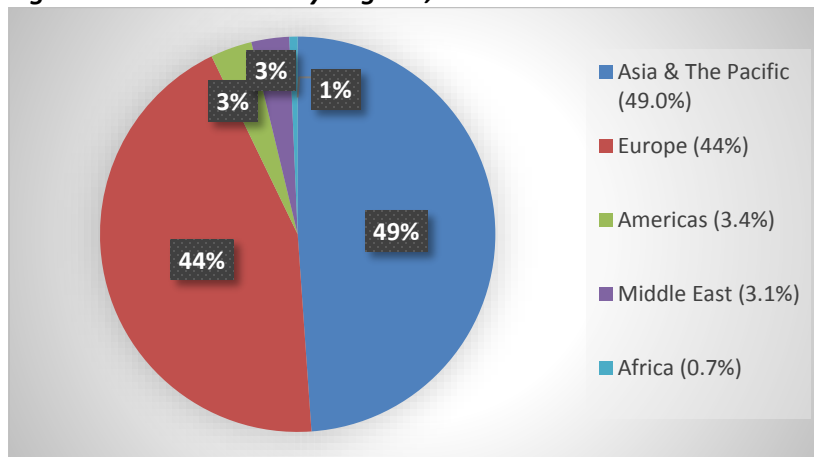


Figure 4: Tourist Arrival Growth by Regions, 2014

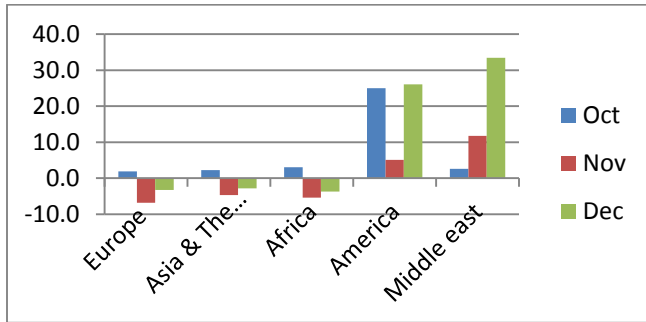


Figure 4 shows the growth trend of Markets over the period from October- December 2014 compared with the same period in 2013.

In October all markets has showed positive growths with the highest growth recorded from Americas. In November the arrivals has declined and recorded an unexpected trend in growth rates. Highest contributing markets like Asia & the Pacific and Europe also showed negative growth rates resulting a significant decline in arrivals in the month of November and December.

Middle East and Americas showed positive growths throughout the 4th quarter of the year compared to the same period in 2013.

MAJOR EUROPEAN MARKETS

From the main market generators in the region, five markets showed negative growth rates compared to 2013 (Figure 6). Highest decline was observed in Ukraine market with -22% followed by Russian market -13.3%. This negative growth trend has also observed from the third Quarter in 2014.

Germany has remained as the leading market from the region with a share of 8.2% and showed a positive growth of 5.1% in the arrivals compared with the same period last year. During the last quarter of the year, German arrivals was seen highest in the month of November with 9,483 tourists.

The second best performing market in terms of market share was United Kingdom taking 7.4% shares. The market grew at 3.3% in 2014 compared with that of 2013.

Similar to the third quarter, the third best in the region was Russia with 5.5% Market shares. However, the Russian market saw huge declines during the last 2 quarters of 2014. In the third quarter the market registered a decline of -6.4% and in the 4th quarter a decline of -13.3% compared to the same periods in 2013.

Italian market was the fourth largest market within the region for the past 3 quarters. The market share stood at 4.8% at the end of the 4th quarter of the year. Italian market saw a huge decline during the month of October with -13.9%, and picked up in December with a +4.4% growth rate, leading to a positive end for the year.

The next best market performers in terms of market share during 2014 r was France (4.2%) and Switzerland (2.6%). However, both markets showed negative growths with -6.8% and -7.6% respectively, compared with the same period in 2013.

Figure 5: Market Share of European Markets, 2014

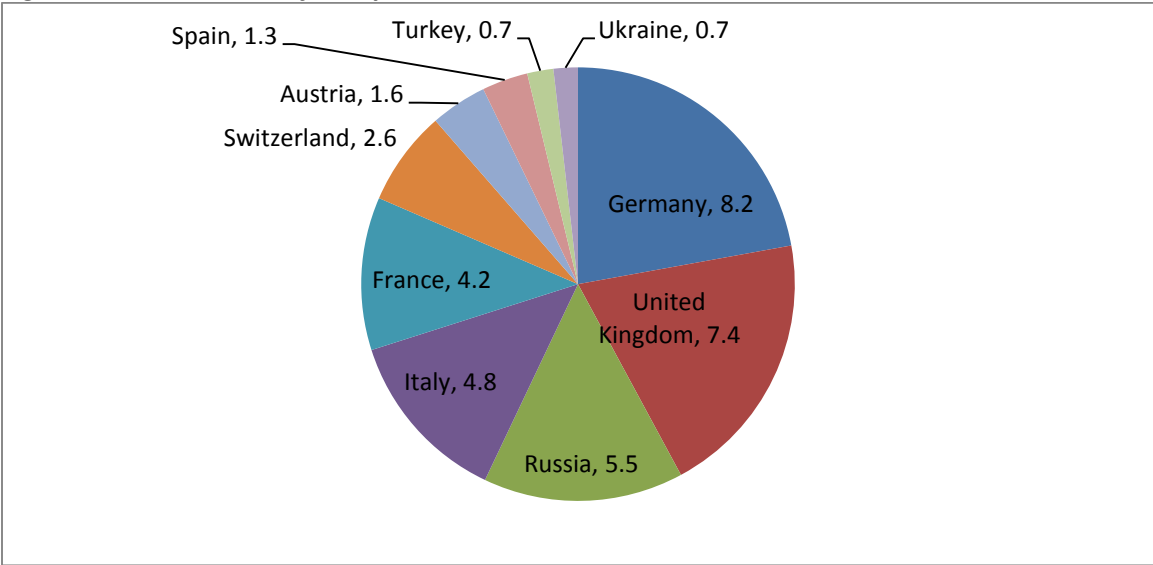
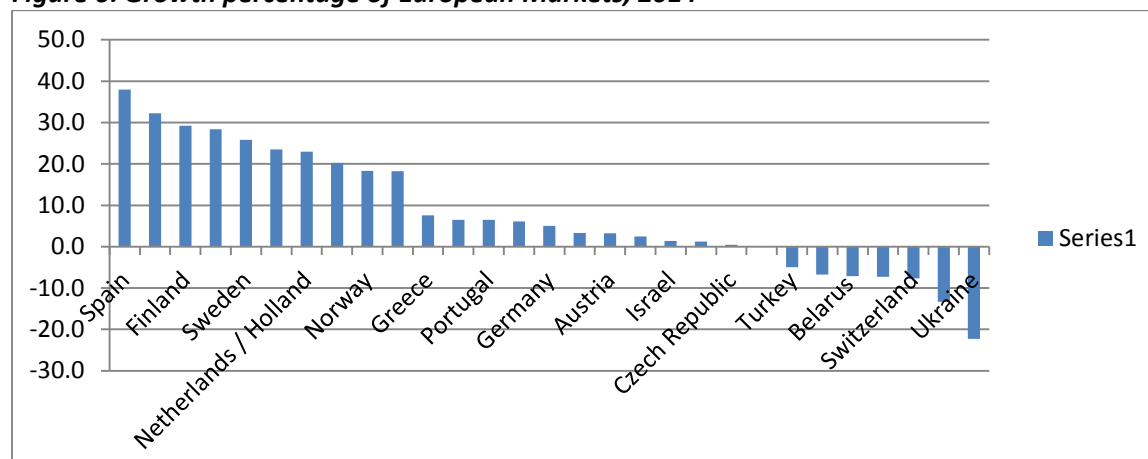


Figure 6: Growth percentage of European Markets, 2014



MAJOR MARKETS FROM ASIA AND THE PACIFIC

At the end of the third quarter of 2014, Asia and the Pacific over took Europe, the traditional market leader of the Maldives, and became the number one market generating region to the country. Although the market share of the region saw a slight drop from 50% at the end of the third quarter, to 49% at the end of the fourth quarter, it remained as the leading market region to the Maldives by the end of 2014. With a total of 588,845 tourists, the region registered an increase of 12.3% compared with that of 2013.

In addition to being the leading market to the Maldives within in the region, China remained as the overall number one market to the Maldives at the end of 2014. The Chinese market has increased at a very fast pace over the last 6 years, with an average growth rate of 47% per year. A dramatic drop in the market growth was observed during 2014, from 36% in 2013 to 9.6% at the end of 2014. At the end of 2014 China contributed 30.2% of the arrivals to the Maldives. According to OECD's Economic Outlook for South East Asia, China's economic growth is forecasted to slow down to 6.8% over 2015-19 as it adjusts to changing demographics, a shift from investment- to consumption-led growth and agricultural, environmental and educational challenges.

The second largest market to the Maldives within the Asia & the Pacific region in 2014 was India with 3.8% market shares. The Indian market registered a growth of 19.9% in 2014, compared with that of 2013.

Japan was the third best market from the region, contributing to 3.2% of the market shares. However, the market recorded a negative growth of 1.6% at the end of 2014 compared with the same period in 2013.

Korean market stood at the fourth position in the region with a share of 2.6%. The Korean market registered an impressive growth of 15.1% in 2014, compared with that of 2013. Australians have picked up in the number of visitors and has contributed to the market share with 1.6%, while the growth rate was increased by 11.6% in 2014.

The highest growth rate in the region was observed from South East Asian Countries. Philippines with 78%, followed by Singapore (67%), Indonesia (32%) and Malaysia (23.7%).

According to OECD’s Economic Outlook for South East Asia, Indonesia, Malaysia, the Philippines, Thailand and Viet Nam is sustaining their economic growth momentum over the medium term, led by Indonesia (6.0%) and the Philippines (6.2%).

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

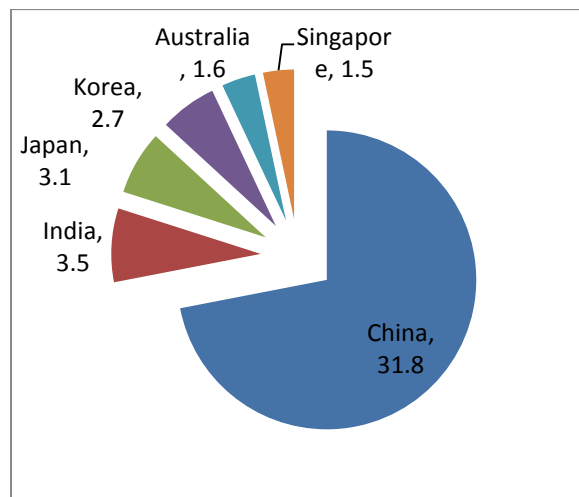


Figure 8: Market Growth percentage of Asia & the Pacific Markets, 2014

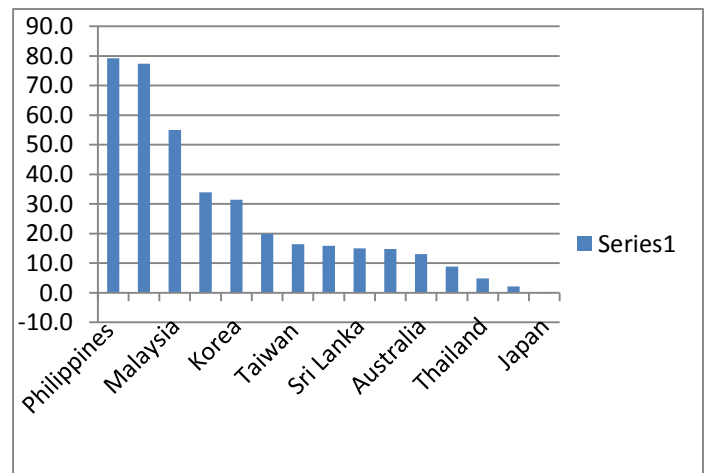
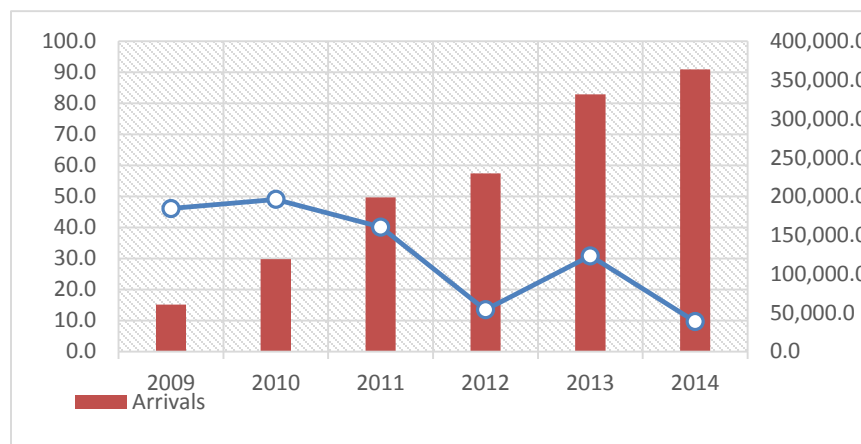


Figure 9: Chinese Market performance for the past 6 years



OTHER MAJOR MARKETS

In the African region, the largest market generator was South Africa with a market share of 0.3% market, however, a significant decline (-17%) was registered from the South African Market in 2014, compared with 2013.

USA stood as the top market among the Americas with a market share of 2.1%. The market saw a huge growth of 28% at the end of 2014, compared with the same period in 2013.

The second best performing market within Americas was Canada with 0.6% shares. The market also saw a double digit growth of 21% in 2014 compared with that of 2013.

Saudi Arabia was the leading market from the Middle East region with 1% of the market shares, followed by UAE (0.6%), Kuwait (0.4%) and Lebanon (0.2%). The trend remained similar with the third quarter of the year.

Figure 10: Market Share 2014

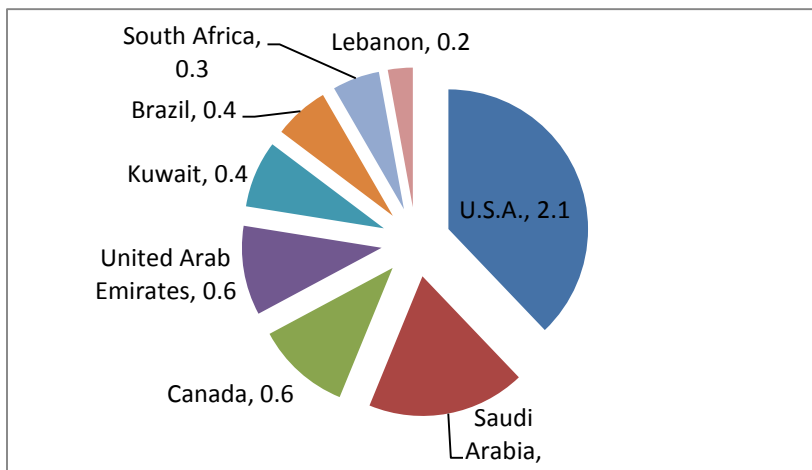


Figure 11: Market growth percentage 2014

