

Quarterly Tourism Update- Second Quarter 2015

Major indicators

First quarter of the year showed an increase in the arrival numbers compared with last year, however by the second quarter arrivals have declined by -0.3%. In the month of April it showed a steep decline in arrivals and picked up in May and declined further in June.

No new resort nor hotel came into operation during the second quarter of 2015. However, new guest houses were registered and the numbers has gone up from 245 in the 1st quarter to 261 by the end of the second quarter.

With the opening of the new properties the registered number of establishments reached 561 with 32,564 beds. Within these registered properties, on average 303 facilities with 27,694 beds were operational by the end of June 2015.

These include 111 resorts with 24009 beds, 18 Hotels with 1684 beds, 261 Guest houses with 3927 beds and 171 Safari vessels with 29944 beds.

A significant drop in tourist bed nights was recorded (-4.5) during the second quarter of the year.

The average occupancy rate for the quarter is 63.2 which is a decline of -5.5% compared to the same quarter in 2014. The average duration of stay during this quarter is 5.7 days, which is a decline of -0.3 days compared with 2014.

Figure: 1: Major indicators at end of June 2015

Major Indicators 2015	Jan - Mar	Apr - Jun	Total
Arrivals	329,968	279,137	609,105
% Change over 2014	2.6	-0.3	1.3
Bed Nights	1,812,852	1,495,693	3,308,545
% Change over 2014	-3.5	-5.7	-5.1
Occupancy Rate	78.8	63.2	70.9
% Change over 2014	-5.0	-5.5	-5.3
Operational Bed Capacity (Avg.)	27,827	27,694	27,818
% Change over 2014	2.7	3.2	3.2
Average Duration of Stay (Days)	6.0	5.7	5.9
% Change over 2014	-0.4	-0.3	-0.3

Source: Ministry of Tourism

INTERNATIONAL TOURISM TRENDS

International tourism demand continued to be robust between January and April 2015 with tourist arrivals increasing 4% worldwide according to the latest UNWTO World Tourism Barometer.

Strong results across many destinations with a rebound in Central and Eastern Europe

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.

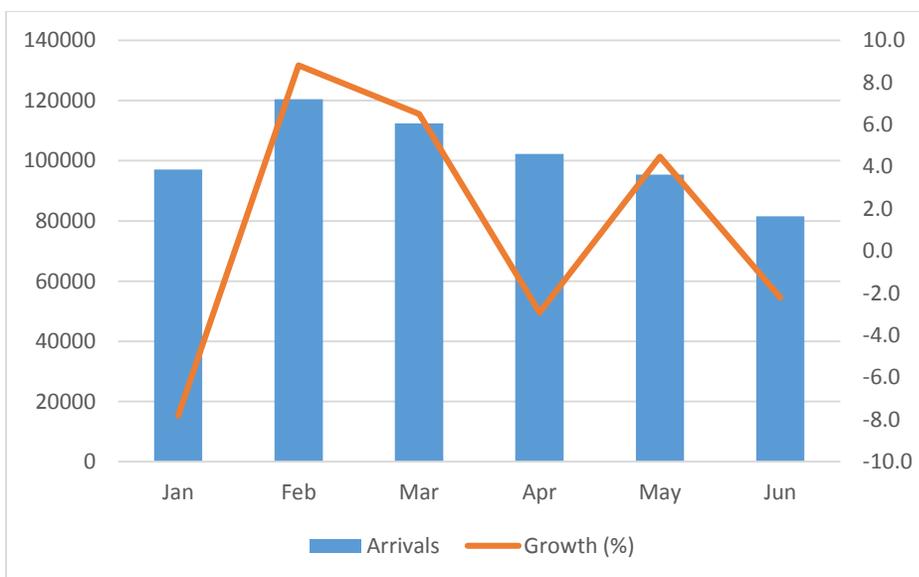
Source: UNWTO World Tourism Barometer

TOURIST ARRIVALS TO THE MALDIVES

Tourist arrivals was recorded highest in the month of February and showed a steep drop in arrivals by the end of April 2015. Second quarter of the year started with a negative growth of -2.2% and 102,242 tourists, however it picked up in the month of May with a growth of 4.5% with 95,389 arrivals.

As June and July is considered as off peak season for the Maldives, the month of June followed the same trend of decline in arrivals. By the end of June 2015, Maldives welcomed a total of 609,105 tourists.

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



MAJOR MARKETS

In terms of market share, Asia and the Pacific took a bigger bite in the chart by 47% shares in the second quarter of 2015. With arrivals reaching 289,263 the region observed a growth of 3.5% compared to the same quarter in 2014.

Europe is the next market generator with 45% shares and received 273,315 tourists which is a decline of -21% compared to 2014. Third is the Americas with 4% market share with the highest growth rate of 14% amongst all markets by the end of June 2015. Middle East is the 4th best market generator with 3% of shares while the African region accounted for the lowest market share with 0.5%

Figure 3: Market Share by Regions, 2015

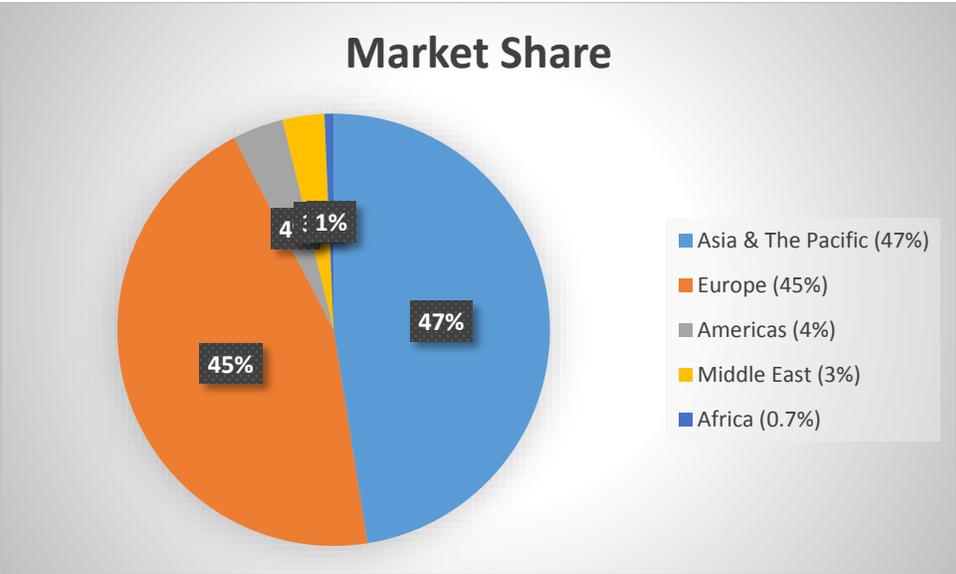


Figure 4: Tourist Arrival Growth by Regions, 2015

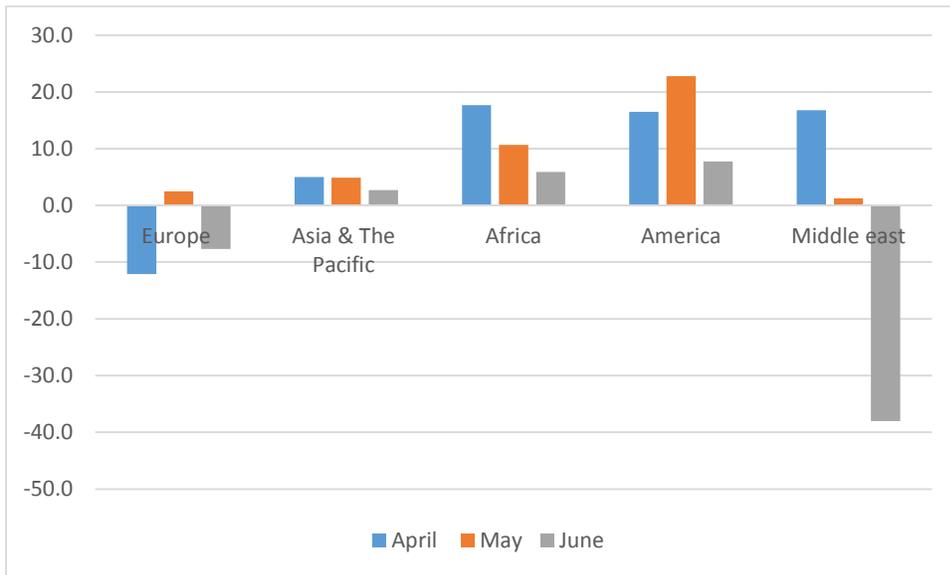


Figure 4 shows the change in growth trend of markets over the period of April to June 2015.

In April, Europe showed a huge decline in arrivals, however it picked up in May and again declined in June 2015. The growth rate was seen positive for 'Asia and the pacific', Africa and America during the second quarter compared to the same period in 2014.

For Middle East the growth rate was highest in April and was seen negative in June 2015.

The arrivals started to increase in the month of March hence the growth rate was observed to be positive for all markets in the month of March.

MAJOR EUROPEAN MARKETS

From the main market generators in the region, France, Russia and Switzerland showed negative growth rates compared to the same period in 2014. Highest decline was observed in the Russian Market with -40.8% compared to last year.

Germany stands as the top market generator in this segment with 8.5% from the total arrivals to the Maldives. During this time the highest arrivals were observed in the month of May for Germany with 10,371 arrivals.

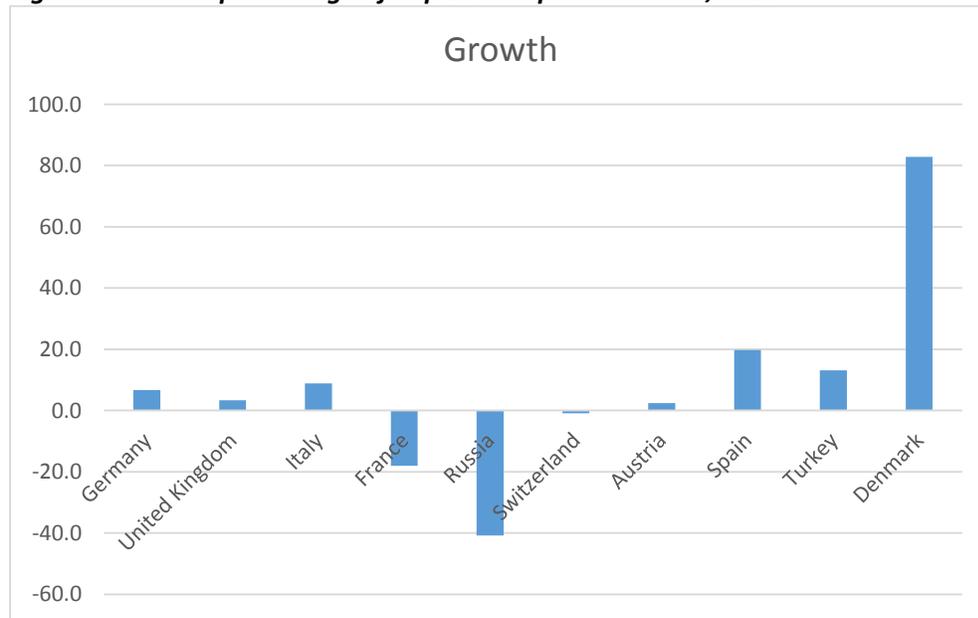
Second best performing market in the region was United Kingdom with 7.7% shares and showed an increase of 3.3% compared to the second quarter last year.

Italy was recorded as the second best market performer in the 1st quarter, however it came 3rd in the second quarter with 5.9% of the shares. Growth rate was observed to be 8.9% compared to 2014.

French market was the fourth best performing market from the region with 4.3% shares of the total tourist arrivals. However, it showed a negative growth of -18% compared to the same quarter in 2014.

The next market generator in terms of market share was Russia with 3.6% shares however this market has been observed to have a continues decline over the year compared to 2014. Infact the highest decline from the European market with -40% compared with the same period last year.

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



MAJOR MARKETS FROM ASIA AND THE PACIFIC

By the end of the 2nd quarter, Asia and the Pacific took a bigger bite in the market share with 47% which is 289,263 tourists from the total arrivals to Maldives. In the first quarter Europe was the leading market however Asia and the Pacific took over by the end of June 2015. This is a usual trend recorded for the past years due to the growth in Chinese arrivals in this quarter.

In terms of Market share, China has remained at the top for the past 4 years from this region. In this quarter China is the top market generator with 29% of the total arrivals with 178,114 visitors. It has shown a growth of 4% compared to the same period last year. However it is also observed that the rate of growth has been declining when compared with the same periods of 2013 and 2014.

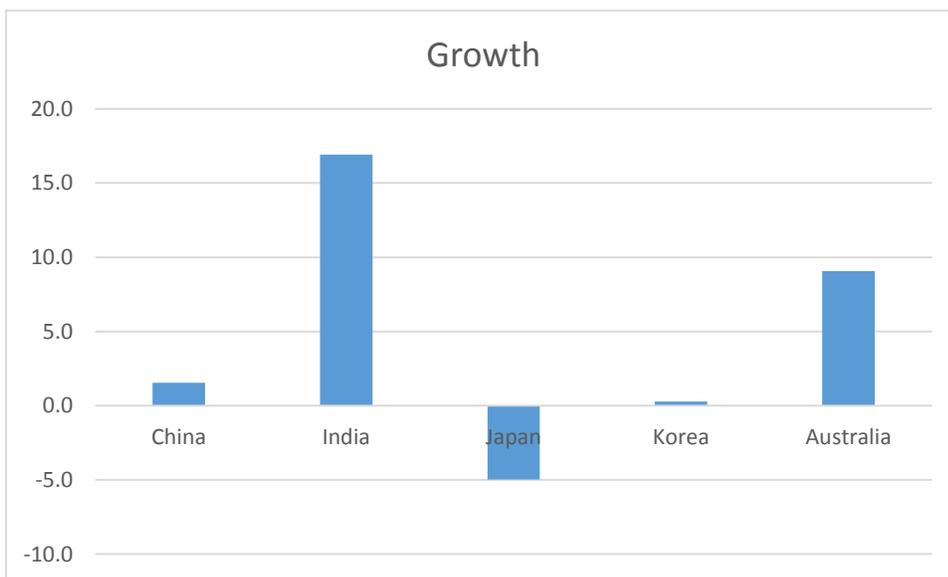
The second best performer in the region is India with 4.2% market share with a growth of 14.2% compared with the 2nd quarter last year.

Japan was the 3rd best market generator in the region, contribution to 2.7% of the market shares. However it recorded a negative growth compared to this period last year.

Korean market stood at the fourth position in the region with a share of 2.6%, however showed a negative growth of -8.2% compared with last year's arrivals.

Number of Australians visiting has been increasing over the years. They have contributed 1.6% to the market share while the growth rate has also increased by 5.2% in the second quarter of 2015

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



OTHER MAJOR MARKETS

In the African region, major visitors were from South Africa, contribution with a market share of 0.3% compared to the first quarter. Showed a growth of 7.3% in arrivals compared to last year.

USA nationalities contributed most amongst this region with 2.3% of market share and a growth of 15.9% compared to last year.

The second best performing market within Americas was Canada with 07% market share followed by Brazil with 0.4% shares.

In the Middle East region, Saudi Arabia was the leading market with 1.2% of the market share followed by UAE (0.6%), Kuwait (0.4%) and Qatar (0.3%). The highest growth was observed by Saudi Arabia with 13.7% growth compared to the same quarter in 2014.