FALKLAND ISLANDS

International Tourism 2010 Statistics Report

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INTRODUCTION

When measuring tourism, the Falkland Islands Tourist Board (FITB) follows United Nations World Tourism Organization (UNWTO) definitions. Consequently:

***Tourists** are non-residents of the Falkland Islands travelling to the country for at least one night and for not more than once consecutive year for leisure, business and other purposes.* In the Falklands this is often referred to as Land-Based Tourism.

Tourists can therefore be travelling to the Falkland Islands for a number of different reasons. These have been classified as:

- Leisure (and holiday).
- Visiting Friends and Relatives (VFR).
- Business (and conferences).
- Transit (en route to another country).

Each of these types of tourism has different drivers. Leisure tourism is most directly affected by marketing and public relations activities of tourist boards (and similar administrations), whilst VFR travel is dependent on cultural links between the destination and the source markets. Business tourism is driven by trade and industry links, and the local and global economies, whilst transit tourism is based on the geographical location of a destination in relation to other countries and transportation links.

***Day Visitors** are non-residents of the Falkland Islands travelling to the Islands, but not staying overnight. In the Falkland Islands these are cruise visitors.* In the Falklands this is often referred to as Cruise Tourism.

When considering cruise tourism, the following definitions are applied:

- Cruise Vessels: vessels carrying 250 or more passengers.
- Expedition Vessels: vessels carrying less than 250 passengers.

The data presented in this report is derived from:

- Data provided by the Customs and Immigration Department. For overnight visits, the purpose of visit (and length of stay) of each arrival in the Falkland Islands will determine whether they are defined as a tourist or not.

- Air Visitor Survey: a monthly survey undertaken by FITB on passengers departing by air at MPA.

- Cruise Visitor Survey: a regular survey undertaken during the cruise season by FITB at the Jetty Centre, on visitors departing the Islands.

KEY FACTS AND FIGURES

Indicator	Value (2010)	Change from 2009
Inbound Tourism		
All Tourist Arrivals	6,017	43.0%
Leisure Tourist Arrivals	1,255	-11.7%
Tourist Arrivals from the UK	3,938	32.9%
Tourist Arrivals on the Air Bridge	3,140	27.1%
Tourist Arrivals on LanChile	1,454	24.4%
Average Length of Stay of All Tourists (nights)	21.4	45.6%
Average Length of Stay of Leisure Tourists (nights)	14.9	19.2%
Percentage of All Nights Spent in Stanley (%)	53.5	10.8%
Evaluation of Stay as “Excellent” (%)	55.2	-19.4%
Interested in Visiting the Falklands Again as “Yes” (%)	60.0	0.0%
Value for Money is “Good” (%)	43.3	-13.4%
Average Spend per Tourist per Night (£)	91.36	162.2%
Average Spend per Leisure Tourist per Night (£)	136.50	70.2%
Total Tourist Expenditure (£ million)	3.6	58.8%
Cruise Tourism		
Passengers	40,542	-16.2%
Evaluation of Visit as “Excellent” (%)	47.1	-14.5%
Likelihood of Visiting Again as “Excellent” (%)	34.3	-32.9%
Take a Land Based Holiday in FI as “Definite” (%)	27.0	-20.4%
Average Spend per Passenger (£)	34.50	5.1%
Average Spend per “Cruise” Passenger (£)	44.17	3.0%
Average Spend per “Expedition” Passenger (£)	18.53	-19.7%
Average Spend per UK Passenger (£)	34.74	-16.6%
Average Spend per USA Passenger (£)	56.70	37.0%
Total Passenger Expenditure (£ million)	1.4	-11.9%

Note: GREEN boxes indicate an increase, and RED boxes indicate a decrease.

INBOUND TOURISM

TOURIST ARRIVALS

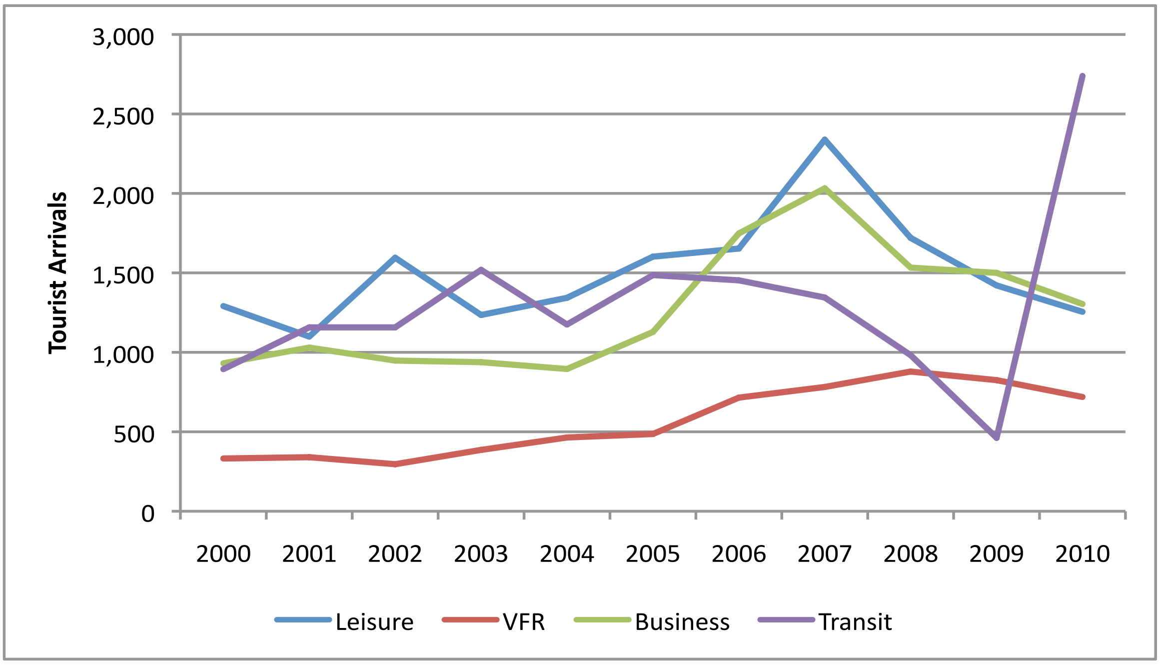
Tourist Arrivals by Purpose of Visit (2000-2010)

Over the period 2000 to 2010, tourist arrivals in the Falkland Islands have increased each year with the exception of 2004, 2008 and 2009. 2004 was a poor year for international tourism following the Gulf War and SARS outbreak in 2003. 2008 follows the 25th anniversary year of the Falklands conflict in 2007, and therefore a decline in numbers would be expected, although arrivals in 2008 are still less than those in 2006. International tourism in 2009 was affected by the recessions in most of the major generating countries, and Falklands suffered as a consequence.

Overall, tourist arrivals have grown at an average annual rate of 7.2% per annum over the period 2000-2010, with Transit visitors increasing most significantly (average of 15% per annum). Whilst there have been fluctuations in leisure travel over the decade, overall there has been little change in the number of arrivals over the period.

Year	Leisure	VFR	Business	Transit	Total	Growth (%)
2000	1,291	332	931	894	3,448	
2001	1,099	340	1,030	1,157	3,626	5.2
2002	1,595	296	948	1,157	3,996	10.2
2003	1,235	386	938	1,519	4,078	2.1
2004	1,343	464	895	1,175	3,877	-4.9
2005	1,602	486	1,128	1,486	4,702	21.3
2006	1,653	715	1,748	1,453	5,569	18.4
2007	2,338	782	2,032	1,345	6,497	16.7
2008	1,720	879	1,533	982	5,114	-21.3
2009	1,421	825	1,500	462	4,208	-17.7
2010	1,255	719	1,304	2,739	6,017	43.0
Share 2000 (%)	*37.4*	*9.6*	*27.0*	*25.9*	*100.0*	
Share 2010 (%)	*20.9*	*11.9*	*21.7*	*45.5*	*100.0*	
Av. Annual Growth (%)	*-0.4*	*10.1*	*4.3*	*15.0*	*7.2*	

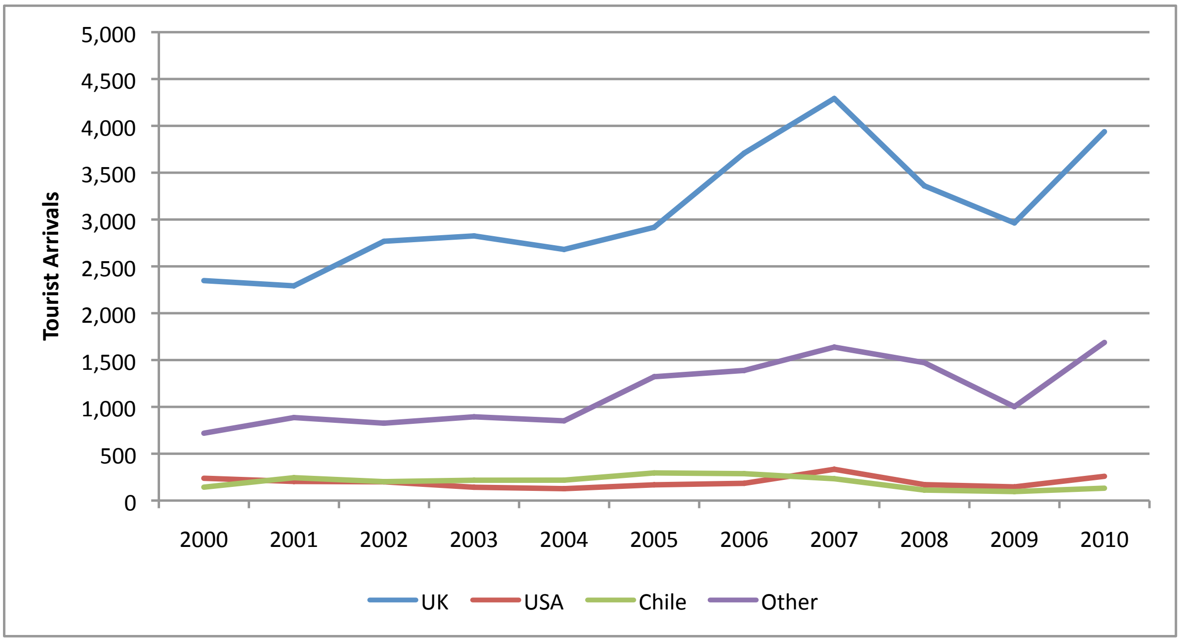
In terms of market share, leisure and business tourism has been eroded at the expense of VFR and Transit tourism. With the large increase of oil workers (who are classified as Transit by Immigration) the shape of tourism in the Islands is changing considerably, and this is having an effect on the tourism statistics, and will continue to do so over the next few years.



Tourist Arrivals by Country of Residence (2000-2010)

The UK is the most significant market for tourist arrivals in the Falkland Islands. In 2010, 65.4% of all arrivals were residents of the United Kingdom. Over the period 2000-2010, British visitors increased by an average of 6.7% per annum. By contrast, residents of the USA have only grown by 1.1%, and residents of Chile have declined by 1.0%. However, other nationals (which represent 28.1% of all tourists) increased by an average of 7.2% per annum.

Year	UK	USA	Chile	Other	Total
2000	2,348	238	143	719	3,448
2001	2,292	204	244	886	3,626
2002	2,768	200	202	826	3,996
2003	2,825	142	217	894	4,078
2004	2,681	127	218	851	3,877
2005	2,917	168	295	1,322	4,702
2006	3,709	184	287	1,389	5,569
2007	4,292	334	233	1,638	6,497
2008	3,360	170	112	1,472	5,114
2009	2,964	146	96	1,002	4,208
2010	3,938	259	132	1,688	6,017
% 2000	*68.1*	*6.9*	*4.1*	*20.9*	*100.0*
% 2010	*65.4*	*4.3*	*2.2*	*28.1*	*100.0*
Av. Ann. Growth (%)	*6.7*	*1.1*	*-1.0*	*11.3*	*7.2*
Ave Stay (nights)	*20.2*	*17.5*	*24.2*	*23.0*	*21.4*



The share of UK, USA and Chile residents has been eroded over the period 2000 to 2010 by arrivals from other countries, whose share of all arrivals has grown from 20.9% to 28.1%

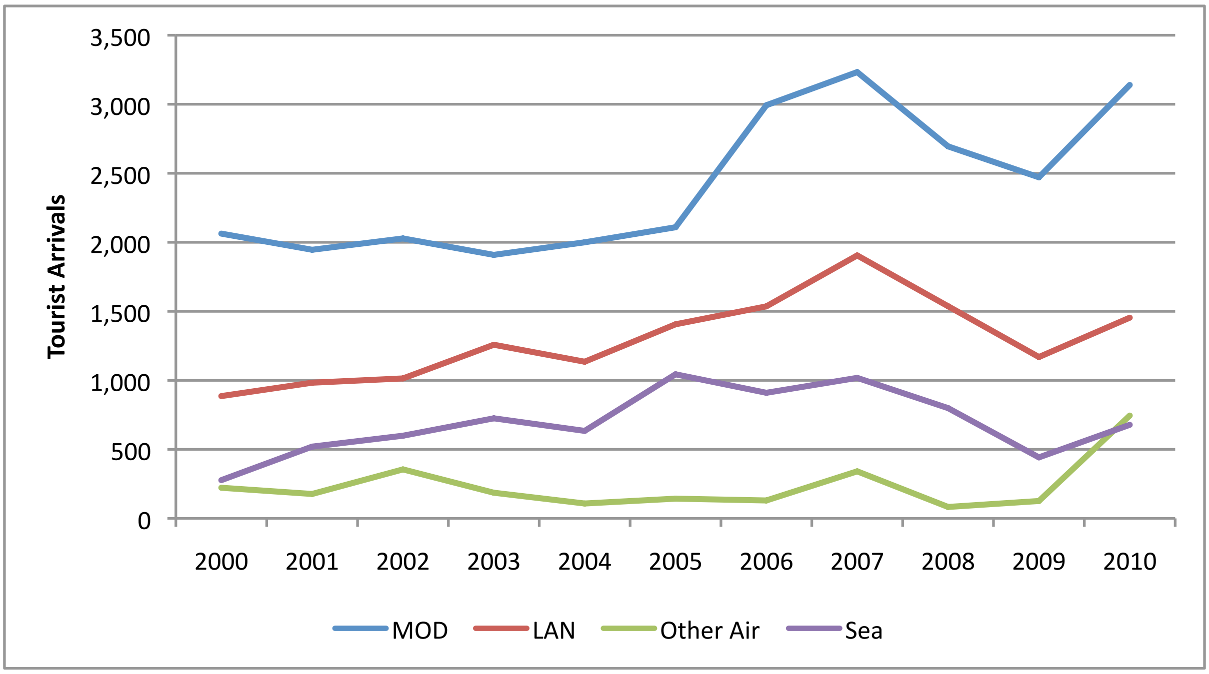
The average length of stay of all tourists in 2010 was 21.4 nights, with UK residents staying an average of 20.2 nights. The length of stay in 2010 has increased by around 6 nights compared to 2009, mainly due to the arrival of oil workers.

Tourist Arrivals by Mode of Transport (2000-2010)

Arrivals via the air bridge still account for over one-half of all tourist arrivals, despite a decline in market share over the period 2000-2010. During the 10 years since 2000, arrivals via the air bridge have grown at an average rate of 5.4% per annum, compared with 6.4% on LanChile.

Despite the dominance of air, over 11% of all tourists arrive by sea, and the number of sea arrivals has been increasing by 11.8% per annum over the period 2000-2010.

Year	MOD	LanChile	Other Air	Sea	Total
2000	2,063	886	222	277	3,448
2001	1,946	983	177	520	3,626
2002	2,028	1,014	355	599	3,996
2003	1,909	1,258	186	725	4,078
2004	2,000	1,135	108	634	3,877
2005	2,109	1,406	143	1,044	4,702
2006	2,993	1,536	130	910	5,569
2007	3,233	1,905	341	1,018	6,497
2008	2,695	1,537	83	799	5,114
2009	2,471	1,169	126	442	4,208
2010	3,140	1,454	745	678	6,017
% 2000	*59.8*	*25.7*	*6.4*	*8.0*	*100.0*
% 2010	*52.2*	*24.2*	*12.4*	*11.3*	*100.0*
Av Annual (%)	*5.4*	*6.4*	*16.3*	*11.8*	*7.2*

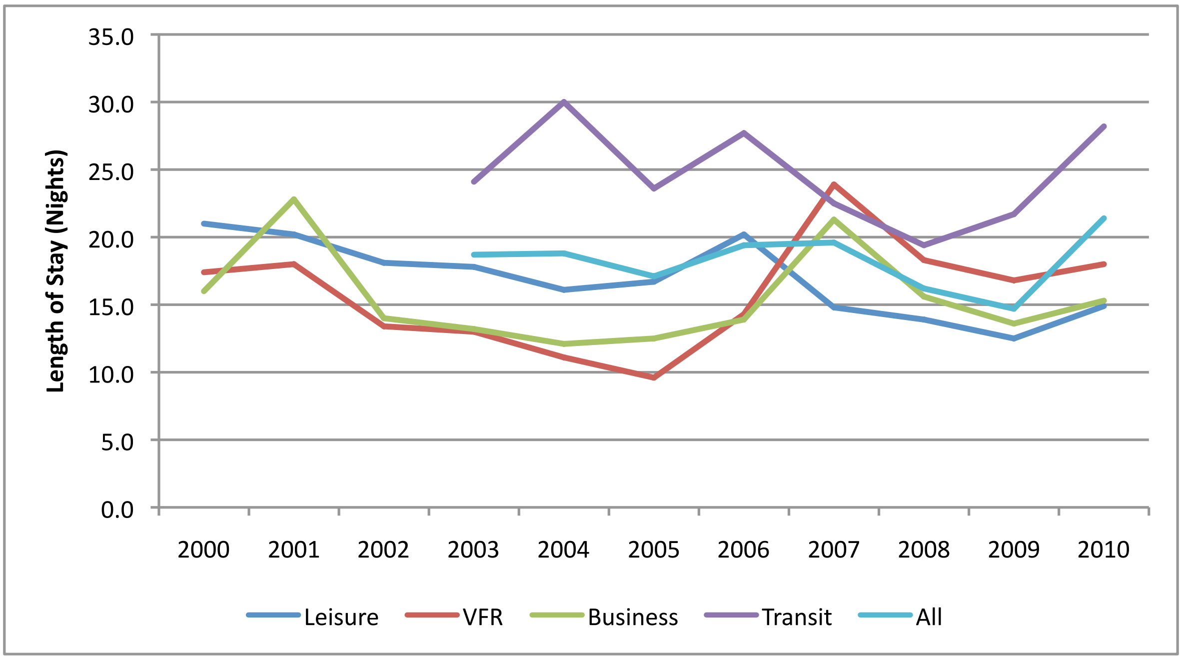


Average Length of Stay by Purpose of Visit (2000-2010)

The average length of stay of tourists in 2010 is longer than it has been in any year in the last decade. It increased for all purposes of visit in 2010, most notably for Transit tourists (mainly oil workers). However, leisure tourists also stayed for an additional 2.4 nights on average.

Year	Leisure (nights)	VFR (nights)	Business (nights)	Transit* (nights)	All (nights)
2000	21.0	17.4	16.0		
2001	20.2	18.0	22.8		
2002	18.1	13.4	14.0		
2003	17.8	13.0	13.2	24.1	18.7
2004	16.1	11.1	12.1	30.0	18.8
2005	16.7	9.6	12.5	23.6	17.1
2006	20.2	14.3	13.9	27.7	19.4
2007	14.8	23.9	21.3	22.5	19.6
2008	13.9	18.3	15.6	19.4	16.2
2009	12.5	16.8	13.6	21.7	14.7
2010	14.9	18.0	15.3	28.2	21.4
% Point Change 09-10	2.4	1.2	1.7	6.5	6.7

Note: Data for transit arrivals prior to 2003 is spurious and therefore excluded from the table.*



Country of Residence by Purpose of Visit (2000 and 2010)

Countries with the largest number of leisure visitors (UK, USA, Argentina, France and Chile) have been selected for individual analysis in this table.

Country	Purpose	2000	2010	Av. Annual Growth (%)
UK	Leisure	643	514	-2.2
	VFR	323	613	6.6
	Business	791	1,104	3.4
	Transit	591	1,736	11.4
	Total	***2,348***	***3,967***	***5.4***
	% Share	***68.1***	***65.1***	***-0.4***
USA	Leisure	201	116	-5.3
	VFR	1	3	11.6
	Business	28	34	2.0
	Transit	8	106	29.5
	Total	***238***	***259***	***0.8***
	% Share	***6.9***	***4.3***	***-4.7***
Argentina	Leisure	190	149	-2.4
	VFR	0	9	-
	Business	12	17	3.5
	Transit	20	0	-100.0
	Total	***222***	***175***	***-2.4***
	% Share	***6.4***	***2.9***	***-7.8***
France	Leisure	41	68	5.2
	VFR	0	2	-
	Business	1	6	19.6
	Transit	4	5	2.3
	Total	***46***	***81***	***5.8***
	% Share	***1.3***	***1.3***	***0.0***
Chile	Leisure	26	38	3.9
	VFR	0	42	-
	Business	25	24	-0.4
	Transit	92	37	-8.7
	Total	***143***	***141***	***-0.1***
	% Share	***4.1***	***2.3***	***-5.7***
Other	Leisure	190	383	7.3
	VFR	8	64	23.1
	Business	74	129	5.7
	Transit	179	893	17.4
	Total	***451***	***1,469***	***12.5***
	% Share	***13.1***	***24.1***	***6.3***
Total	Leisure	1,291	1,268	-0.2
	VFR	332	733	8.2
	Business	931	1,314	3.5
	Transit	894	2,777	12.0
	Total	***3,448***	***6,092***	***5.9***
	% Share	***100.0***	***100.0***	

Whilst British tourists have increased by an average rate of 5.4% per annum over the period 2000-2010, those travelling for Transit and VFR have been the main drivers, growing by an average of 11.4% and 6.6% respectively. Leisure visitors from the UK have declined by 2.2% in 2010 compared to 2000.

Although the table shows analysis for the top five leisure-generating markets, the number of arrivals from the USA, Chile, Argentina and France are too small for any meaningful analysis for many of the purposes of visit. However, the **decline** of Leisure arrivals from the USA and Argentina is significant, as is the **growth** in Leisure arrivals from France.

With regards to market share, British tourists have lost market share (falling from 68.1% in 2000 to 65.1% in 2010) over the period. All of the other top generating markets have also lost market share over the period 2000 to 2010 with the exception of France where there has been no change. All Other countries have gained significantly (up from 13.1% to 24.1%) indicating a greater diversity of generating markets.

Gender by Purpose of Visit (2000 and 2010)

Tourist arrivals to the Falklands Islands are becoming more strongly male-oriented.

Gender	Purpose	2000	2010	Av. Annual Growth (%)
Male	Leisure	638	854	3.0
	VFR	80	326	15.1
	Business	844	2,683	12.3
	Transit	833	1,143	3.2
	Total	***2,395***	***5,006***	***7.7***
	%	***69.5***	***82.2***	
Female	Leisure	653	414	-4.5
	VFR	252	407	4.9
	Business	87	94	0.8
	Transit	61	171	10.9
	Total	***1,053***	***1,086***	***0.3***
	%	***30.5***	***17.8***	
Total	Leisure	1,291	1,268	-0.2
	VFR	332	733	8.2
	Business	931	2,777	11.5
	Transit	894	1,314	3.9
	Total	***3,448***	***6,092***	***5.9***
	%	***100.0***	***100.0***	
Male Visitors per Female Visitor	Leisure	1.0	2.1	
	VFR	0.3	0.8	
	Business	9.7	28.5	
	Transit	13.7	6.7	
	Total	***2.3***	***4.6***	

Tourism to the Falkland Islands is dominated by male arrivals, and this has become stronger over the period 2000-2010. In 2000, 69.5% of all arrivals were male, and by 2010 this increased to 82.2%, partly, but not wholly, due to the oil workers.

In 2000, Leisure visitors were split roughly equally between males and females. However, by 2010 there was a growth in male leisure visitors and a decline in female leisure visitors. Consequently there are now twice as many male leisure visitors than female leisure visitors.

VFR travel is dominated by female arrivals, although they have become less significant over the period 2000-2010. In 2000 there were only 0.3 male visitors per female visitor (i.e. for every three female arrivals there was one male arrival), however by 2010 this had decreased to 0.8 male visitors per female visitor. The dominance of females in this market is largely due to the military presence at Mount Pleasant.

Both Business and Transit visits are strongly dominated by males.

Overall, in 2010, the Falkland Islands received 4.6 male tourists for every female, compared to 2.3 males for every female in 2000.

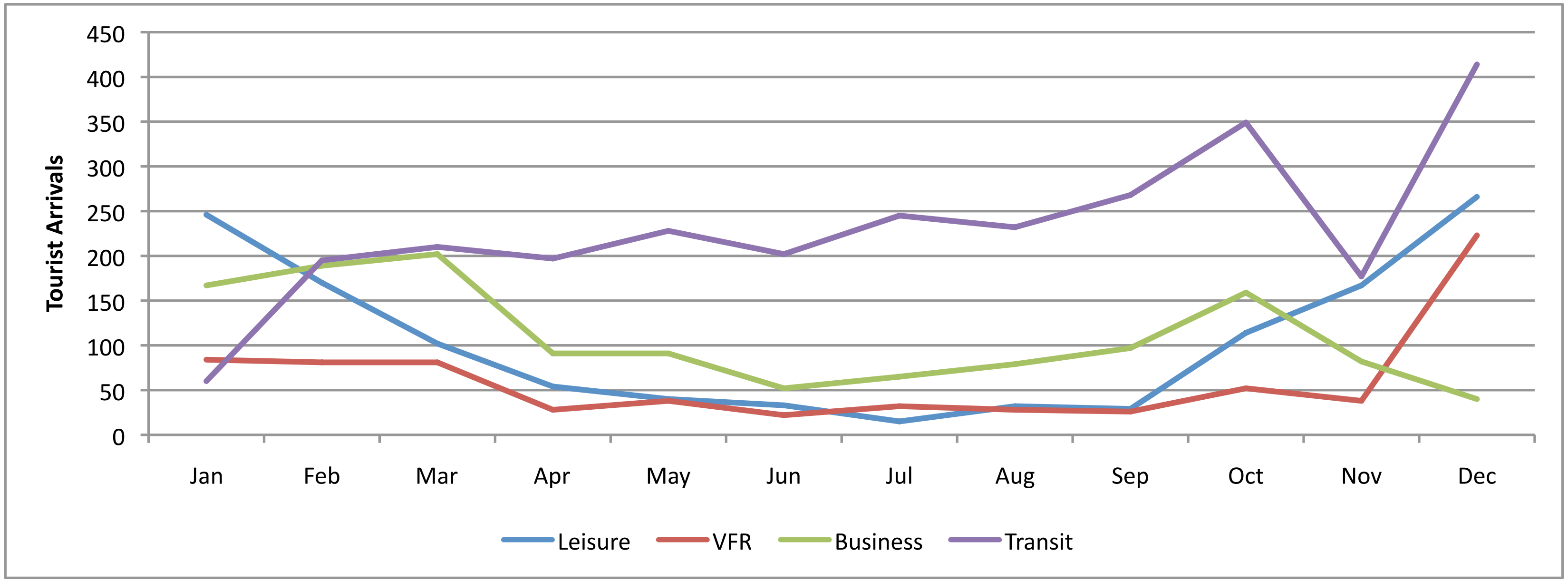
Purpose of Visit by Month (2010)

The seasonality of tourism in the Falkland Islands is quite significant, with almost 43% of all arrivals visiting in the four months of November to February (in 2010). The seasonality pattern of Leisure tourist arrivals is even more significant with 67% of all arrivals visiting over this four-month period.

The seasonality of VFR travel is shaped by the Christmas holidays, with almost 42% of all trips being in December and January.

Seasonality patterns for Business and Transit tourism are less obvious, however there are still significant differences between the months. The steady growth of Transit tourism throughout 2010 shows the increasing numbers of oil workers to the Islands.

Month	Leisure		VFR		Business		Transit		Total	
	Arrivals	%	Arrivals	%	Arrivals	%	Arrivals	%	Arrivals	%
January	246	*19.4*	84	*11.5*	167	*12.7*	60	*2.2*	557	*9.1*
February	170	*13.4*	81	*11.1*	189	*14.4*	195	*7.0*	635	*10.4*
March	102	*8.0*	81	*11.1*	202	*15.4*	210	*7.6*	595	*9.8*
April	54	*4.3*	28	*3.8*	91	*6.9*	197	*7.1*	370	*6.1*
May	40	*3.2*	38	*5.2*	91	*6.9*	228	*8.2*	397	*6.5*
June	33	*2.6*	22	*3.0*	52	*4.0*	202	*7.3*	309	*5.1*
July	15	*1.2*	32	*4.4*	65	*4.9*	245	*8.8*	357	*5.9*
August	32	*2.5*	28	*3.8*	79	*6.0*	232	*8.4*	371	*6.1*
September	29	*2.3*	26	*3.5*	97	*7.4*	268	*9.7*	420	*6.9*
October	114	*9.0*	52	*7.1*	159	*12.1*	349	*12.6*	674	*11.1*
November	167	*13.2*	38	*5.2*	82	*6.2*	177	*6.4*	464	*7.6*
December	266	*21.0*	223	*30.4*	40	*3.0*	414	*14.9*	943	*15.5*
Total	1,268	*100.0*	733	*100.0*	1,314	*100.0*	2,777	*100.0*	6,092	*100.0*



TRIP CHARACTERISTICS

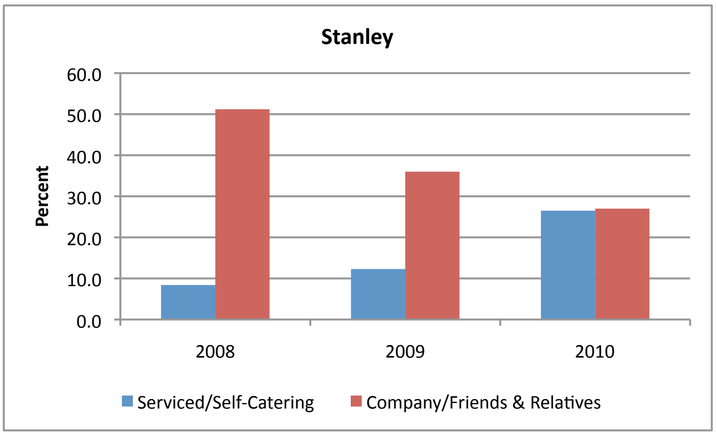
Type of Accommodation Used (2008-2010)

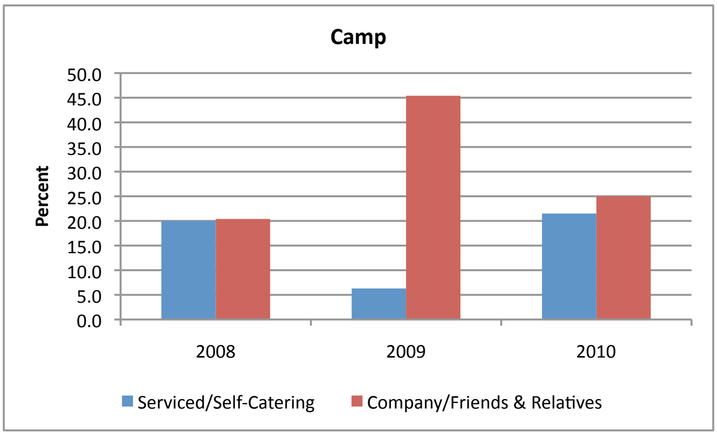
In terms of nights spent in the Falklands, Stanley accounted for just over one half (53.5%) of all tourist nights in 2010, although there have been fluctuations over the last three years. However, there is a clear trend in Stanley away from overnight stays with friends/relatives and in company accommodation towards staying in commercial accommodation (mainly hotels and guest houses).

Accommodation Type	2008	2009	2010
	%	%	%
Stanley			
Serviced/Self-Catering	8.4	12.3	26.5
Company/Friends & Relatives	51.2	36.0	27.0
Total Stanley	59.6	48.3	53.5
Camp			
Serviced/Self-Catering	20.0	6.3	21.5
Company/Friends & Relatives	20.4	45.4	25.0
Total Camp	40.4	51.7	46.5
Total	100.0	100.0	100.0

Broadly speaking there was an even distribution of nights spent between Stanley and Camp, and between Serviced/Self Catering and Company/Friends & Relatives

Roughly one quarter of all nights on the Islands is spent in each of these four “types” of accommodation.

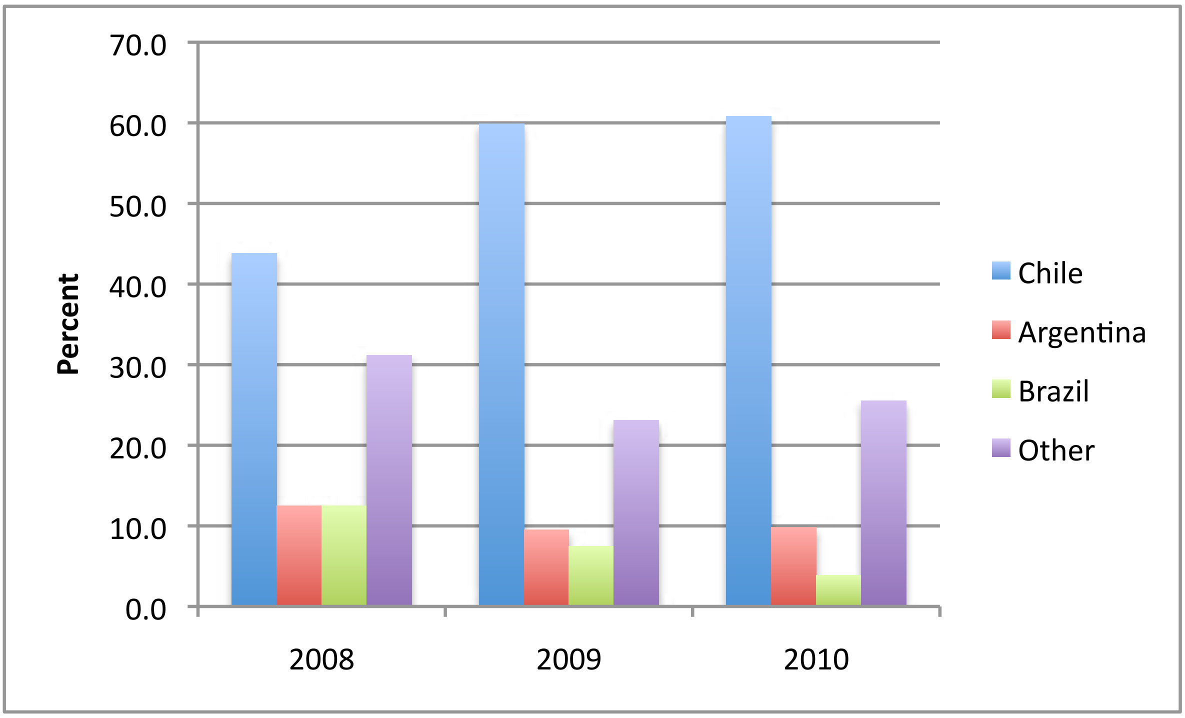




Other Countries Visited on the Same Trip (2008-2010)

The popularity of Chile as a destination that is visited as part of a trip to the Falklands seems to be increasing, with over 60% stating that they travelled there during their trip. Around one in ten visitors also travelled to Argentina.

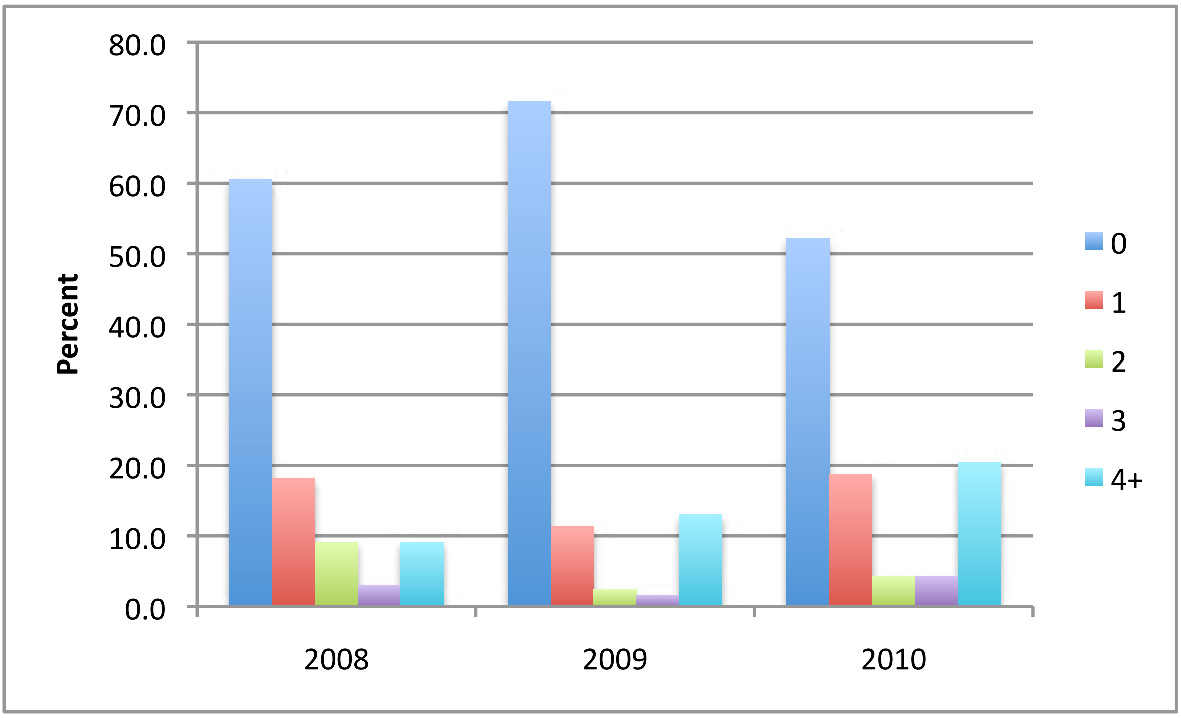
Other Countries Visited	**2008**	**2009**	**2010**
	%	**%**	**%**
Chile	43.8	59.9	60.8
Argentina	12.5	9.5	9.8
Brazil	12.5	7.5	3.9
Other	31.2	23.1	25.5
Total	100.0	100.0	100.0



Previous Visits to the Falklands (2008-2010)

In 2010, over one half (52.2%) of all tourists had not previously been to the Islands. This is a sharp decline on that measured in 2009 (71.6%). This is most likely due to the increase in the number of oil workers, most of whom have probably not been to the Falklands before.

Repeat Visits	2008	2009	2010
	%	%	%
0	60.6	71.6	52.2
1	18.2	11.3	18.8
2	9.1	2.5	4.3
3	3.0	1.6	4.3
4+	9.1	13.0	20.4
Total	100.0	100.0	100.0

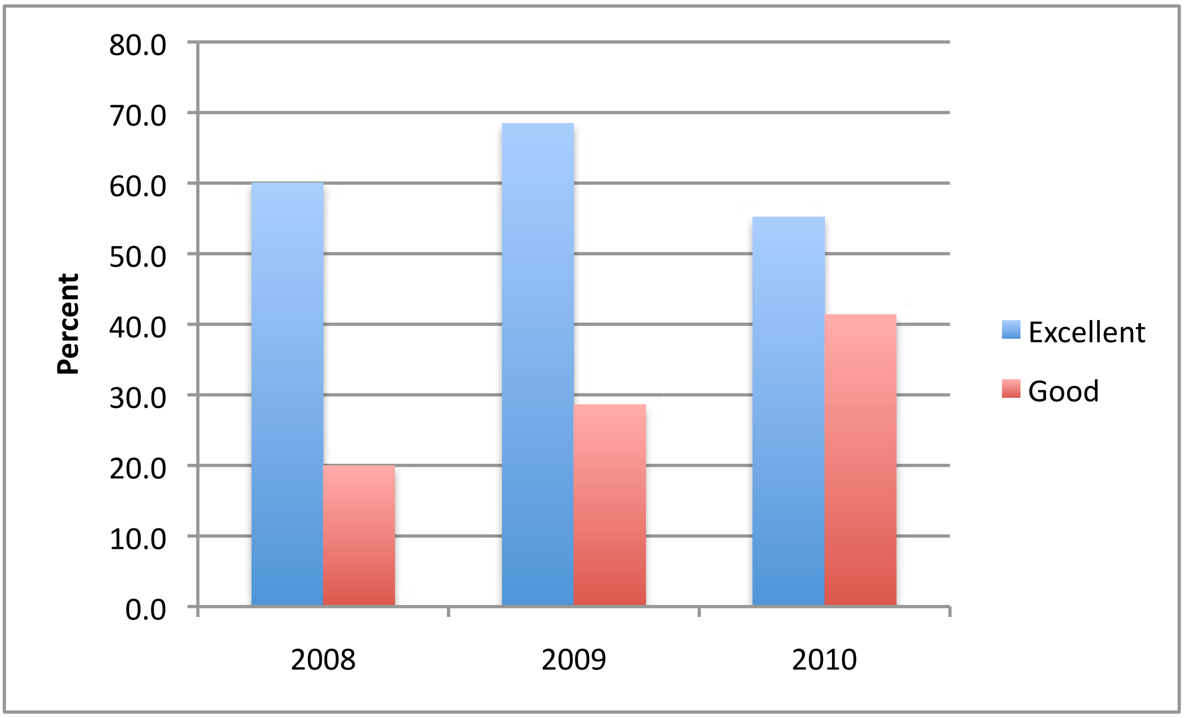


A significant 20.4% (one in every five tourists) had previously visited the Falklands at least four times or more.

Evaluation of Stay (2008-2010)

There appears to be a decline in the number of Leisure tourists reporting an “Excellent” evaluation of their stay, down from 60% in 2008 to 55.2% in 2010. However, nearly 97% of all Leisure tourists reported that their trip was “Excellent” or “Good” which is higher than in 2008 or 2009.

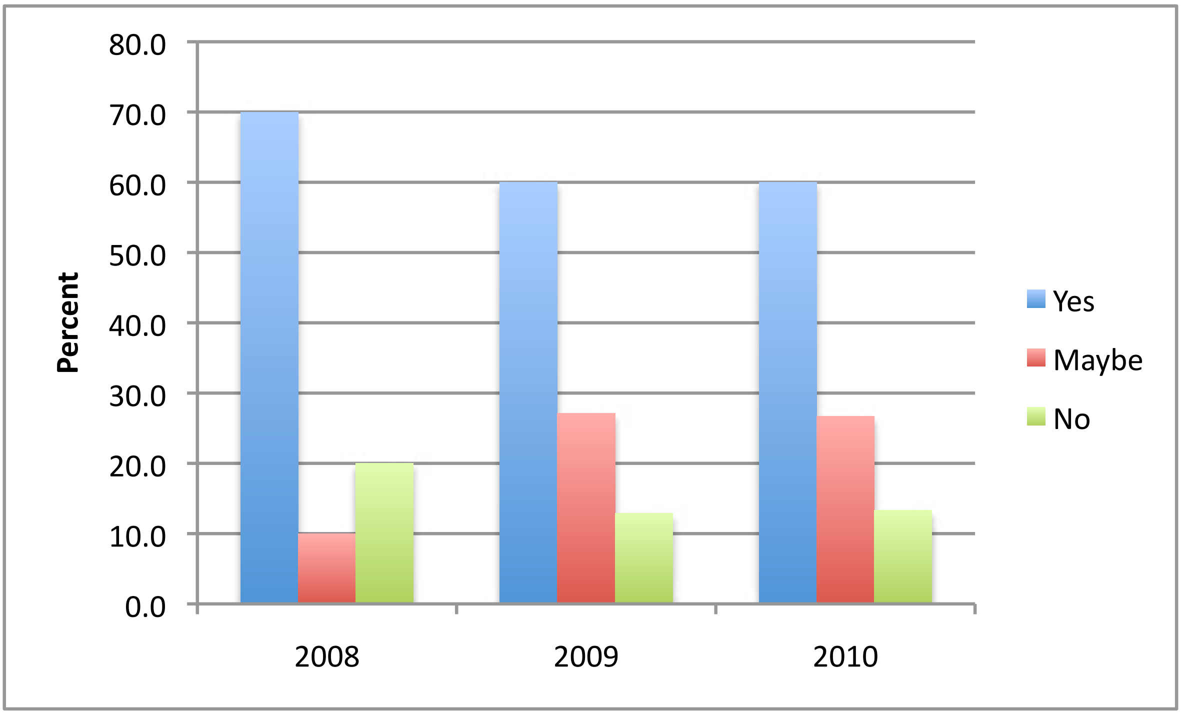
Evaluation of Stay	2008	2009	2010
	%	%	%
Excellent	60.0	68.5	55.2
Good	20.0	28.6	41.4
Average	0.0	0.0	0.0
Poor	10.0	2.9	3.4
Very Poor	10.0	0.0	0.0
Total	100.0	100.0	100.0



Interest in Visiting the Falkland Islands Again (2008-2010)

In 2010, 60% of all Leisure tourists stated that they would be interested in visiting the Falklands again, and a further 26.7% would "maybe" be in interested.

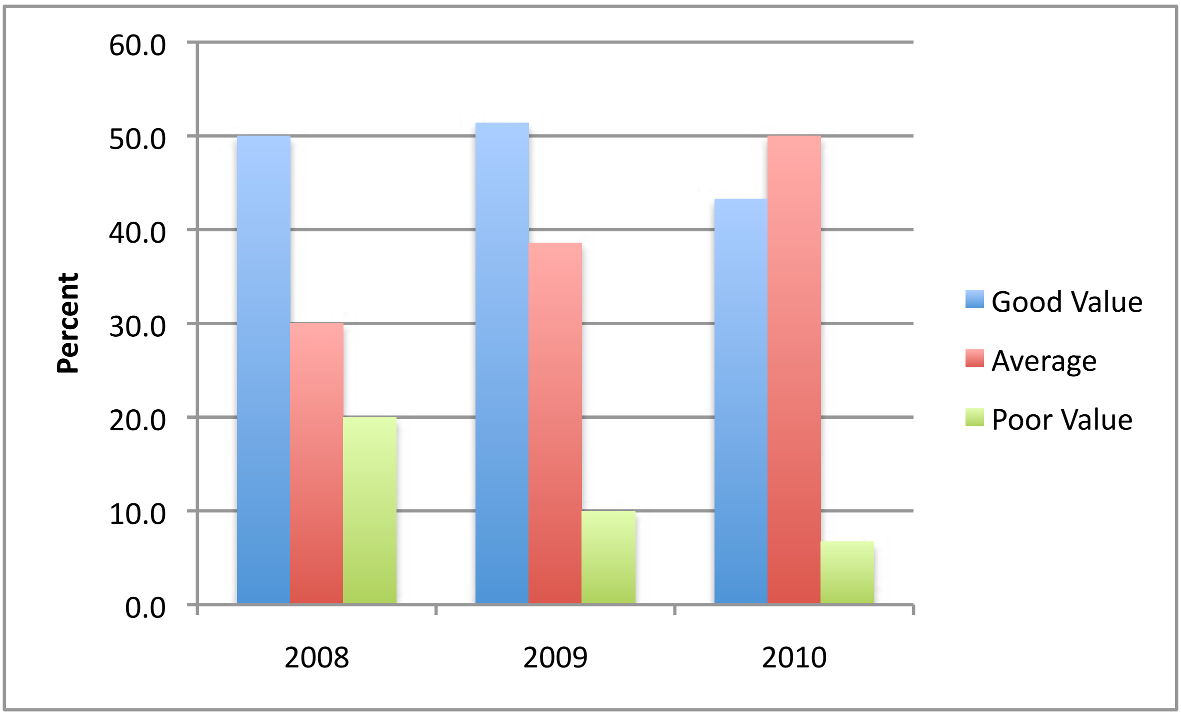
Interest in Visiting Again	2008	2009	2010
	%	%	%
Yes	70.0	60.0	60.0
Maybe	10.0	27.1	26.7
No	20.0	12.9	13.3
Total	100.0	100.0	100.0



Value for Money (2008-2010)

Fewer Leisure tourists (43.3% compared to 51.4%) thought that the Falkland Islands were "Good Value" for money in 2010 compared to 2009. However, there was a decline in the number of Leisure tourists who thought that the Islands were "Poor Value".

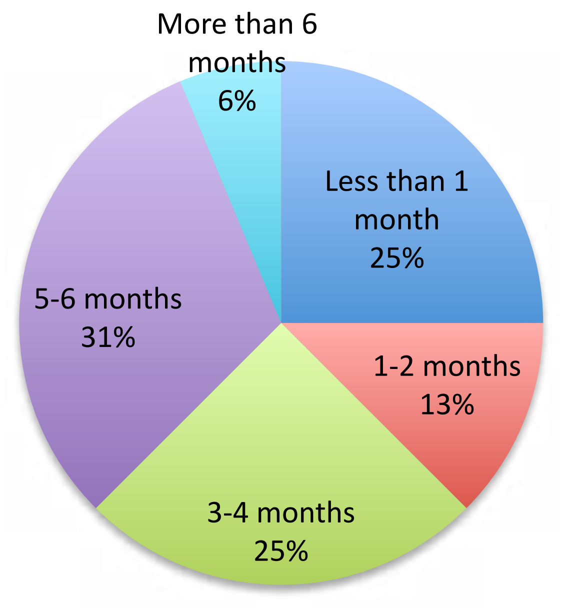
Value for Money	2008	2009	2010
	%	%	%
Good Value	50.0	51.4	43.3
Average	30.0	38.6	50.0
Poor Value	20.0	10.0	6.7
Total	100.0	100.0	100.0



Booking of Leisure Trips (2010)

The lead-time for bookings of Leisure trips to the Falklands is relatively long. Nearly 40% book their trip 5 months or more prior to travelling. However, one quarter (25%) travel less than one month following their booking.

Lead Time for Bookings	2010
	%
Less than 1 month	25.0
1-2 months	12.5
3-4 months	25.0
5-6 months	31.2
More than 6 months	6.3
Total	100.0



Sources of Information for Trips to the Falkland Islands (2010)

Websites are the most used form of information for the planning of Leisure trips to the Falklands (37%). However, almost one in three Leisure tourists (31.2%) used the FITB website. The Lonely Planet guidebook was the most popular individual book.

Sources of Information about the Falkland Islands	%
Website (not FITB or Trip Advisor)	37.0
FITB website	31.2
Guidebook (other than Lonely Planet and Footprints)	17.3
Lonely Planet guidebook	11.7
Friends/Family	6.2
Magazine (other than Wanderlust)	5.8
Wanderlust	3.1
Trip Advisor website	3.1
Footprints guidebook	2.8
Previous Experience	2.8

Problems, Highlights and Improvements (2010)

The table below shows the most commonly mentioned problems encountered when booking a trip, the best things the tourists remember about their visit, and suggested improvements to make the Falklands a better destination. Only Leisure tourists provided these answers.

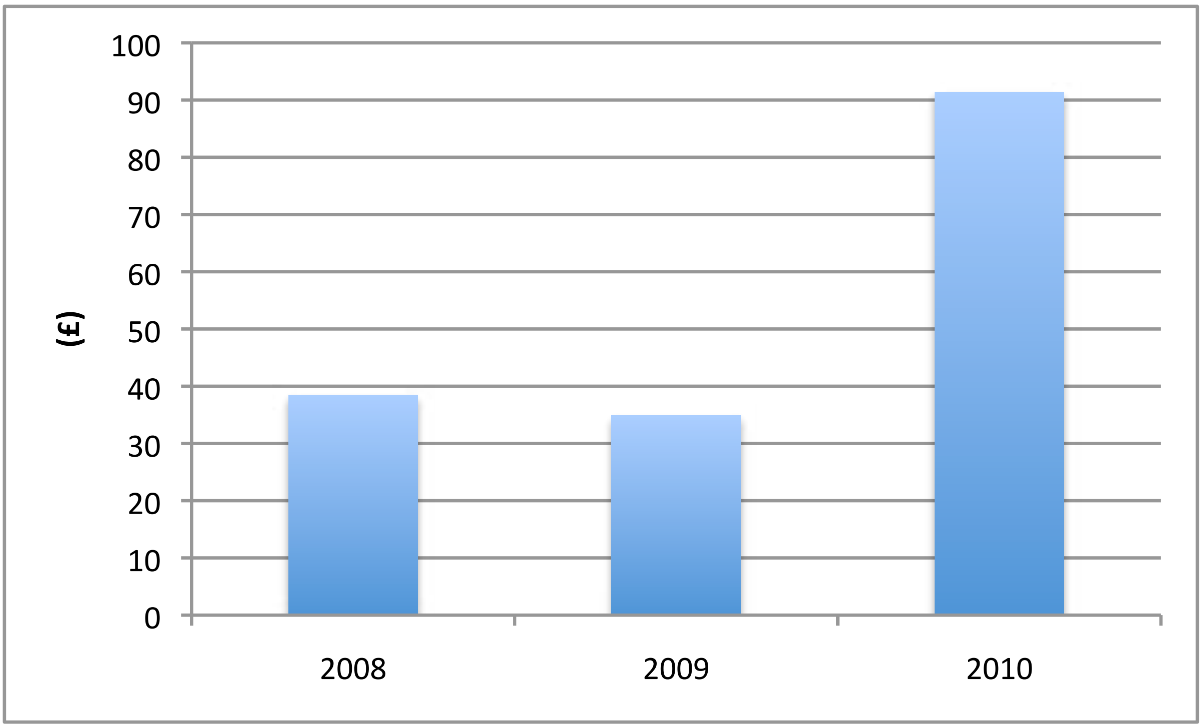
Problems when Planning/booking the Trip
Hard to book flights on the Internet
Booking accommodation
Not being able to finalise bookings with travel agents
The Best Things about the Trip
Wildlife and birds
Remoteness/unspoilt/tranquillity
Falkland Island people
Battlefield tours
Empty spaces/few tourists
Improvements to make the Falkland Islands a better Tourist Destination
ATM/Cash Machines
More flights/flight availability
Enforced stopover in Chile
Accommodation in outer islands
Airport facilities
More information on shops and opening hours
Availability of water-based trips (on boats)
Cheaper Internet access
Improve quality of roads

TOURIST EXPENDITURE

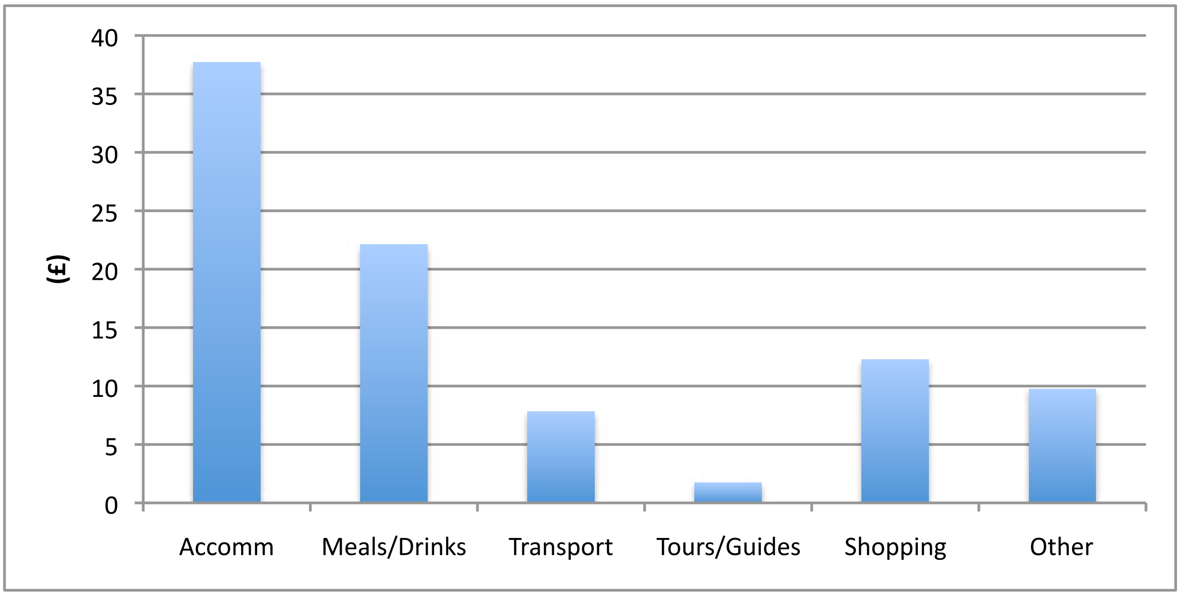
Average Spend per Person per Day (2008-2010)

The average spend per person per night in the Falklands in 2010 was £91.36. This was a significant increase over that recorded in 2009, and is thought to be mainly attributed to the increase in oil workers visiting the Islands, although leisure tourists also appeared to spend more in 2010 compared to 2009. The sample size in 2010 was quite small, so this value should be treated with some caution.

Type of Expenditure	2008 (£)	2009 (£)	2010 (£)	Share 2010 (%)
Accommodation	19.81	15.96	37.69	41.3
Meals/Drinks	8.23	8.34	22.1	24.2
Transport	4.38	3.72	7.82	8.6
Tours/Guides	2.64	1.57	1.72	1.9
Shopping	2.52	3.07	12.28	13.4
Other	0.86	2.19	9.75	10.7
Total	38.44	34.85	91.36	100.0

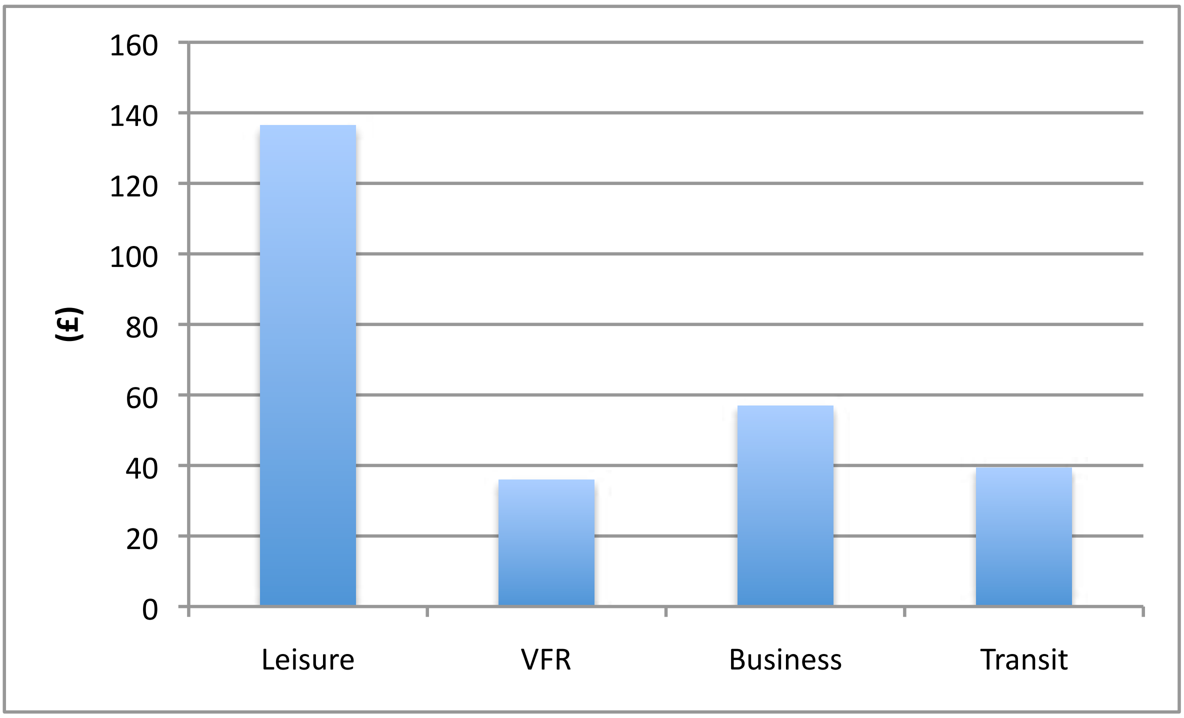


Accommodation accounted for over 41% of daily expenditure (£37.69), with expenditure on meals/drinks being the second most significant item.



By purpose of visit, Leisure tourists spent the most, averaging £136,50 per day in 2010, substantially more than in 2009. However, all purposes of visit showed an increase in expenditure in 2010 compared to the previous year.

Purpose of Visit	**2008 (£)**	**2009 (£)**	**2010 (£)**
Leisure	112.53	80.19	136.5
VFR	56.42	22.42	35.93
Business	13.96	28.02	56.96
Transit	-	19.36	39.40
Total	38.44	34.85	91.36



Total Tourist Expenditure per Annum (2009-2010)

Overall, it is estimated that tourists spent almost £3.6 million in the Falkland Islands in 2010; this represents an increase of 58.8% over 2009. Transit (mainly oil worker) tourists now account for the largest share of expenditure by purpose of visit (36.9%), followed by Leisure at 32.3%.

Purpose of Visit	2009	2010	Change	Share 2010
	(£)	(£)	(%)	(%)
Leisure	1,091,101	1,158,238	6.2	32.3
VFR	221,150	231,656	4.8	6.5
Business	832,650	870,026	4.5	24.3
Transit	111,277	1,323,485	1,089.4	36.9
Total	2,256,178	3,583,405	58.8	100.0

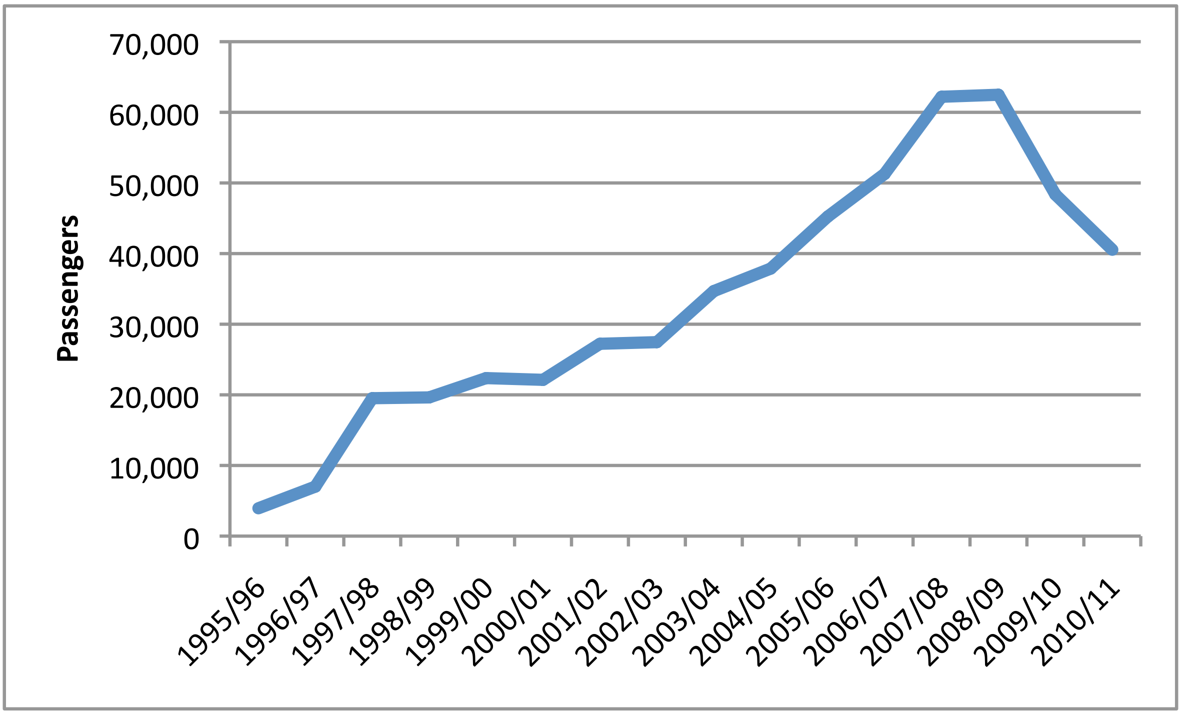
CRUISE TOURISM

CRUISE ARRIVALS

Passenger Arrivals (1995-2010)

Cruise passenger arrivals have grown at an average annual rate of 16.8% over the period 1995/06 to 2010/11, despite a decline in growth over the last two seasons.

Season	Passengers	Change (%)
1995/96	3,940	
1996/97	7,008	77.9
1997/98	19,523	178.6
1998/99	19,638	0.6
1999/00	22,370	13.9
2000/01	22,125	-1.1
2001/02	27,230	23.1
2002/03	27,461	0.8
2003/04	34,691	26.3
2004/05	37,880	9.2
2005/06	45,229	19.4
2006/07	51,282	13.4
2007/08	62,203	21.3
2008/09	62,488	0.5
2009/10	48,359	-22.6
2010/11	40,542	-16.2

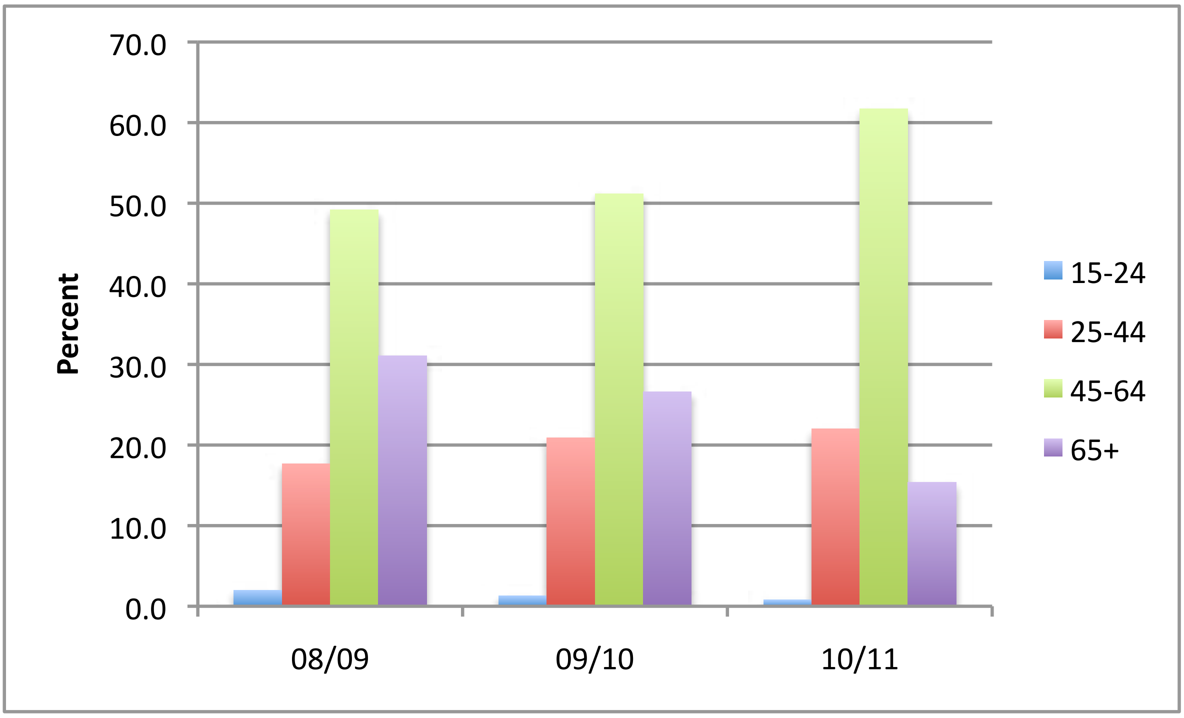


TRIP CHARACTERISTICS

Age of Cruise Passengers (2008-2010)

Over the last three seasons there has been a decline in the number of 65+ years cruise visitors, and an increase of passengers in the 45-64 age group. There has also been an increase in the 25-44 years age group. Overall, cruise passengers are getting younger.

Age Group	08/09	09/10	10/11
	%	%	%
15-24	2.0	1.3	0.8
25-44	17.7	20.9	22.0
45-64	49.2	51.2	61.7
65+	31.1	26.6	15.4



Previous Visits to the Falkland Islands (2008-2010)

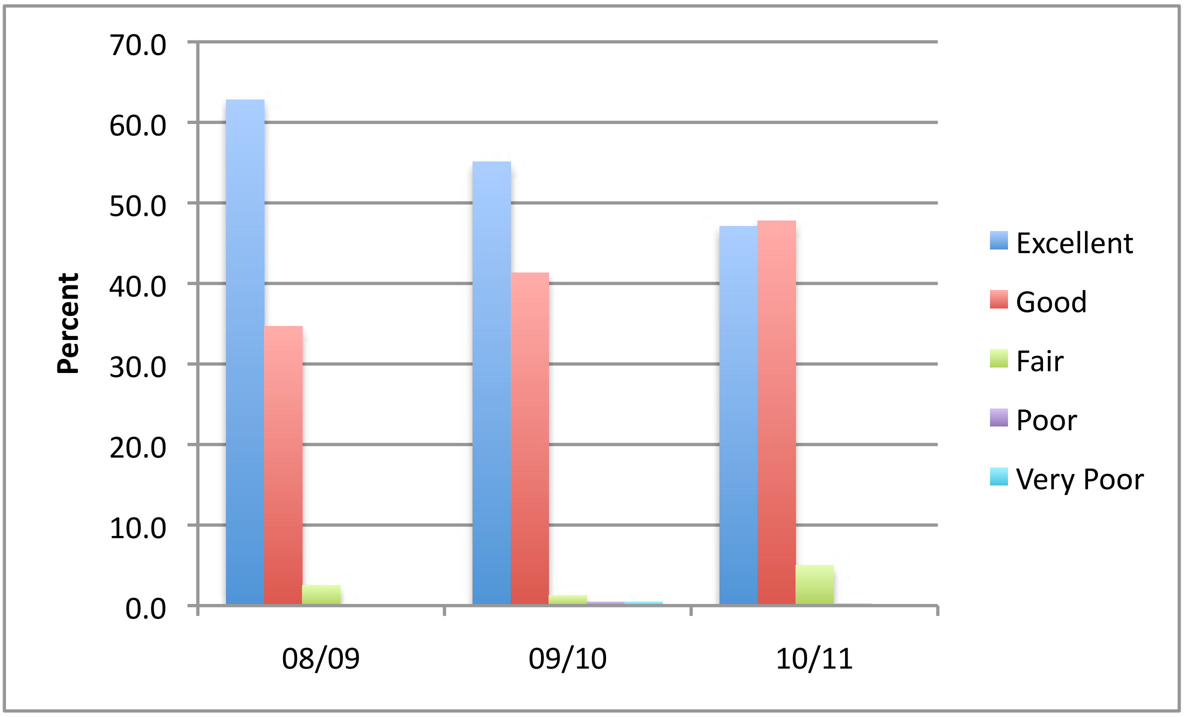
Most cruise visitors have not been to the Falkland Islands before, although there has been a small trend over the last three seasons of increasing numbers of passengers having visited before.

Previous Visits	08/09	09/10	10/11
	%	%	%
None	86.6	83.0	82.0
One	5.7	5.1	4.6
Two	2.0	3.9	1.0
Three	2.0	2.0	1.7
Four+	3.7	6.0	10.7

Evaluation of the Visit (2008-2010)

Whilst most visitors describe their trip to the Falklands as “Excellent” or “Good”, over the last three seasons fewer visitors are describing their trip as “Excellent” and more are describing it as “Good”.

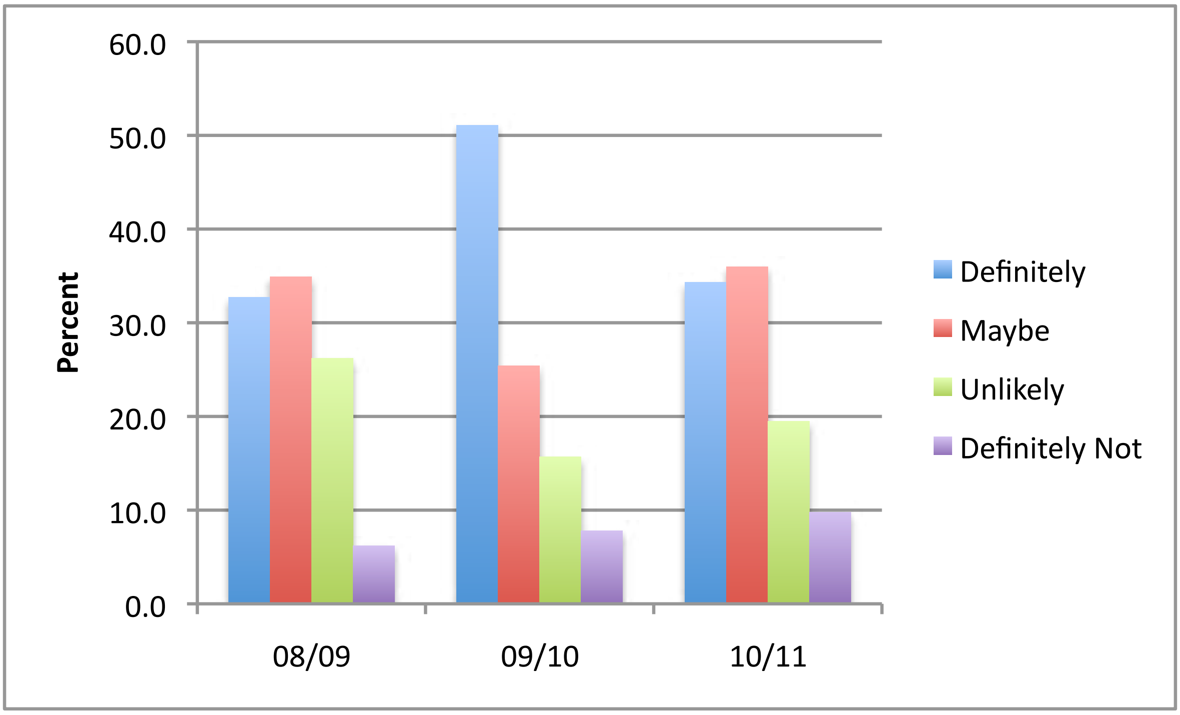
Evaluation	08/09	09/10	10/11
	%	%	%
Excellent	62.8	55.1	47.1
Good	34.7	41.3	47.8
Fair	2.5	1.3	5.0
Poor	0.0	0.5	0.2
Very Poor	0.0	0.5	0.0



Likelihood of Visiting Again (2008-2010)

Around one in three cruise visitors says that they “definitely” want to visit the Falkland Islands again. Although there was a spike of visitors in the 2009/10 season stating that they “definitely” want to visit again, overall there are no significant trends here.

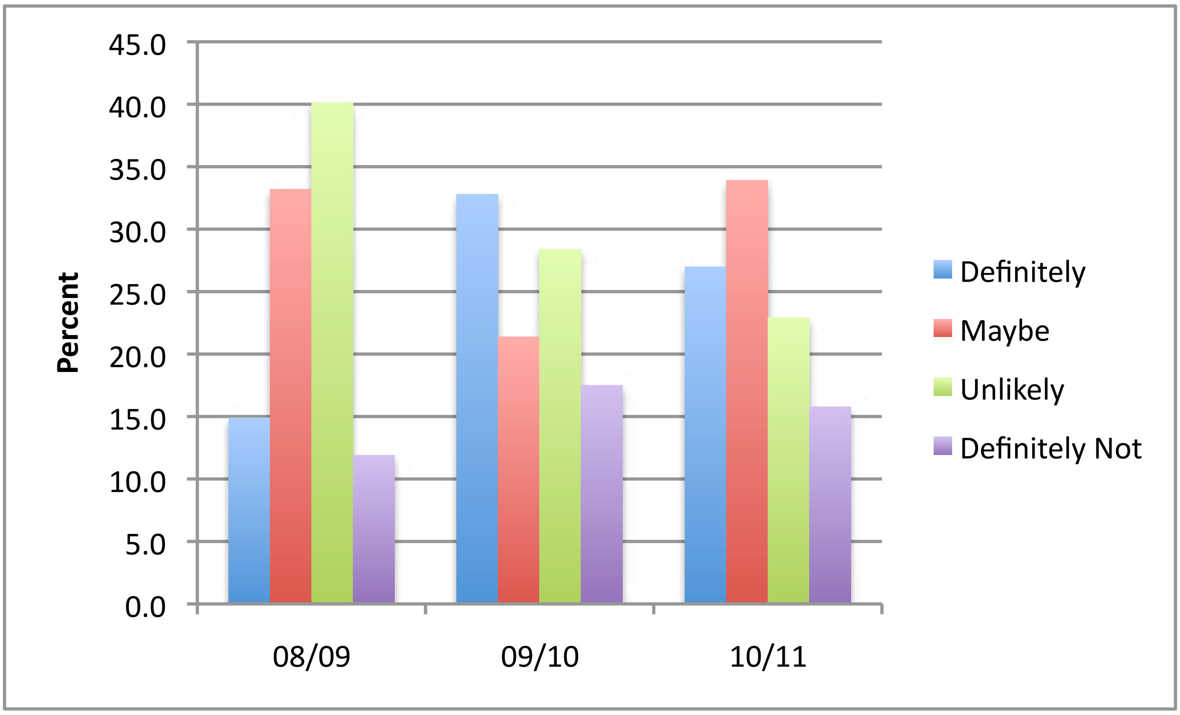
Return Visit	**08/09**	**09/10**	**10/11**
	%	**%**	**%**
Definitely	32.7	51.1	34.3
Maybe	34.9	25.4	36.0
Unlikely	26.2	15.7	19.5
Definitely Not	6.2	7.8	9.8



Desire to take a Land Based Holiday in the Falklands (2008-2010)

In 2010/11, 27% of all cruise visitors (or almost 11,000 arrivals) stated that they would like to visit the Falklands on a land-based holiday.

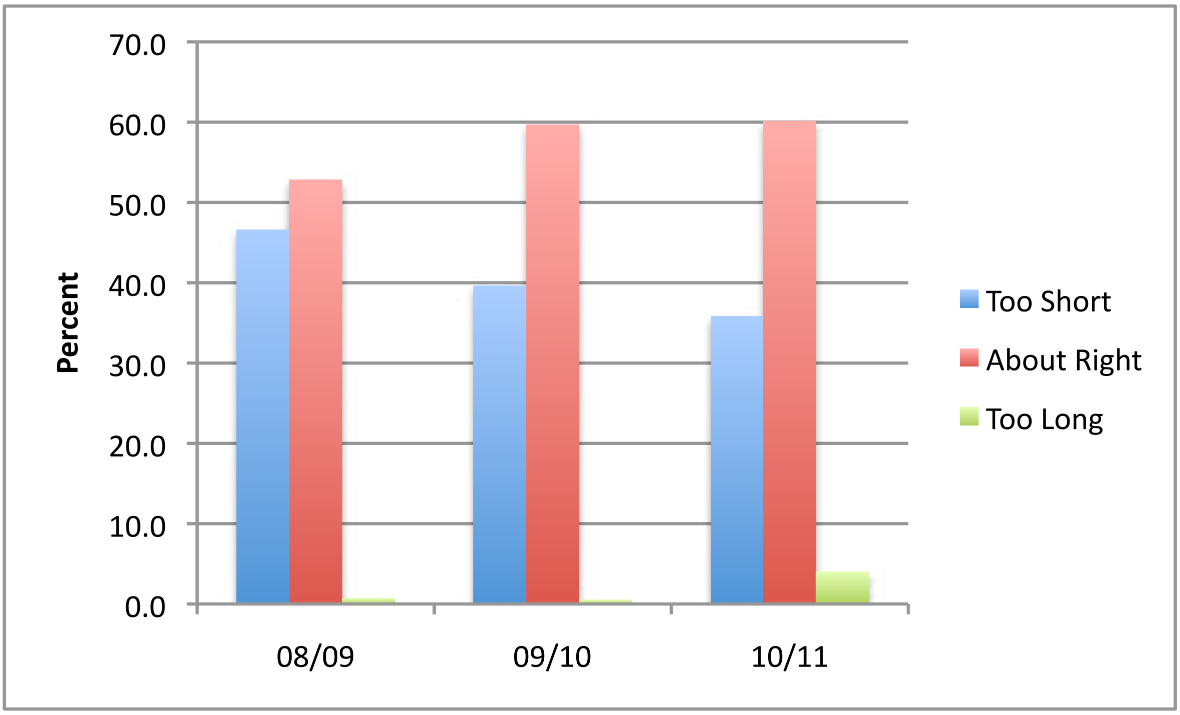
Land Based Holiday	08/09	09/10	10/11
	%	%	%
Definitely	14.9	32.8	27.0
Maybe	33.2	21.4	33.9
Unlikely	40.1	28.4	22.9
Definitely Not	11.9	17.5	15.8



Evaluation of Length of Stay on the Islands (2008-2010)

Over the last three seasons there has been an increasing contentment with the duration of the length of stay of the cruise vessel's stay in the Falklands. In the 2010/11 season, over 60% of visitors thought that it was "About Right". Very few (4% in 2010/11) think that it is too long.

Evaluation of Duration	08/09	09/10	10/11
	%	%	%
Too Short	46.6	39.6	35.8
About Right	52.8	59.7	60.1
Too Long	0.7	0.5	4.0



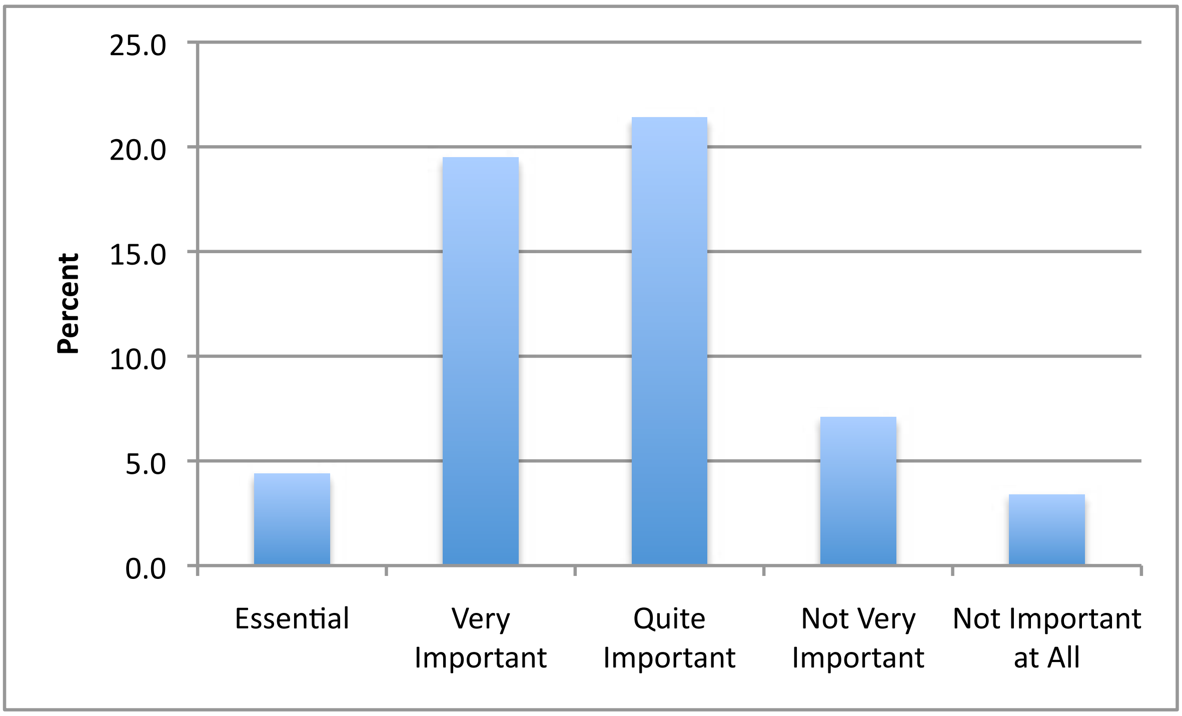
Importance of the Falklands Islands in the Cruise Itinerary (2008-2010)

Whilst very few passengers said that the Falklands was an essential part of their cruise itinerary, almost one in five (19.5%) stated that it was "Very Important".

For passengers on *Expedition* vessels, the Falklands was a more important consideration than those on *Cruise* vessels. Overall, one half (45%) of all passengers thought that the Falklands were "Quite Important", "Very Important" or "Essential" when selecting their cruise.

Response	Cruise	Expedition	All
	%	%	%
Essential	3.3	7.0	4.4
Very Important	15.5	22.8	19.5
Quite Important	19.7	24.1	21.4
Not Very Important	5.4	9.5	7.1
Not Important at All	3.3	4.4	3.4

Note: figures do not add up to 100% as some visitors did not respond to this question



Passengers from the UK were much more likely than those from the USA or other countries to consider the Falklands as an important part of their cruise.

Response	USA	UK	Other	All
	%	%	%	%
Essential	3.4	6.7	4.3	4.4
Very Important	17.1	41.7	16.1	19.5
Quite Important	16.2	36.7	20.4	21.4
Not Very Important	5.1	13.3	6.7	7.1
Not Important at All	3.4	1.7	3.7	3.4

Note: figures do not add up to 100% as some visitors did not respond to this question

CRUISE PASSENGER EXPENDITURE

Cruise Passenger Spend (2008-2010)

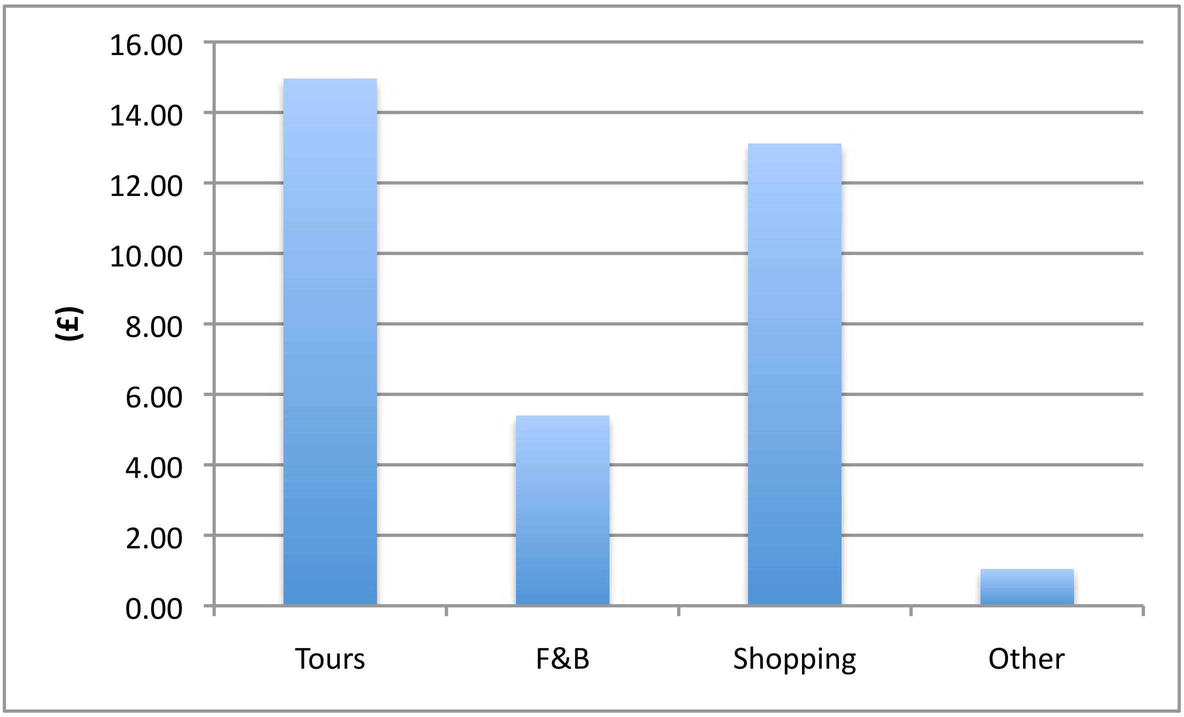
Due to the declining numbers of cruise passengers over the last two seasons, there has also been a fall in the total spend on the Islands. In the 2010/11 season, cruise passengers spent almost £1.4 million.

Season	Spend	Change
	(£)	(%)
2008/09	1,999,616	
2009/10	1,587,142	-20.6
2010/11	1,398,699	-11.9

Average Spend per Passenger (2008-2010)

Average spent per cruise passenger increased by 5.1% in 2010/11 compared with the previous season. The average spend per passenger was £34.50.

Type of Spend	08/09	09/10	10/11
	(£)	(£)	(£)
Tours	23.44	12.62	14.96
Food and Drink	5.43	2.71	5.39
Shopping	17.04	17.49	13.11
Other	0.00	0.00	1.03
Total	45.92	32.82	34.50



The largest proportion of cruise passenger expenditure was on Tours (£14.96) followed by Shopping (£13.11). Note that the average cost of a tour in 2010/11 was £31.85, however the average spend on a tour is reduced by the large number of passengers not taking any form of tour at all.

Cruise vessel passengers spend considerably more than *Expedition* vessel passengers (£44.17 compared to £18.53 respectively). In part this is due to *Expedition* passengers spending less on tours.

Type of Vessel	**08/09**	**09/10**	**10/11**
	(£)	**(£)**	**(£)**
Cruise	56.29	42.89	44.17
Expedition	28.76	23.07	18.53

Passengers from the USA spend more than those from the UK, or Other countries (combined). The average visitor from the USA spends nearly £22 more than the average visitor from the UK.

Country of Residence	**08/09**	**09/10**	**10/11**
	(£)	**(£)**	**(£)**
USA	56.84	41.40	56.70
UK	40.71	41.63	34.74
Other	39.49	26.33	25.93