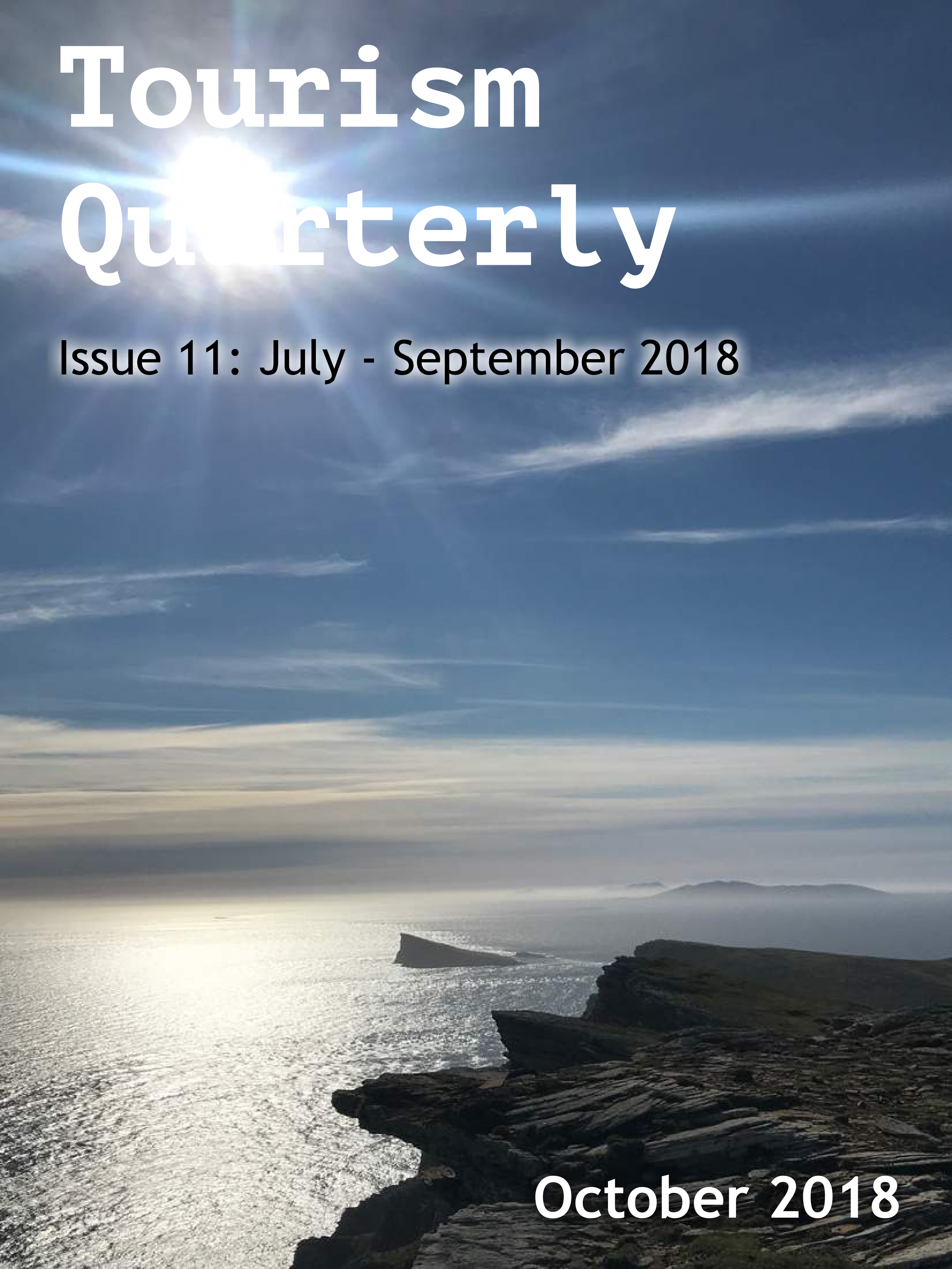
Tourism Quarterly

Issue 11: July - September 2018



October 2018

Contents

Introduction

As we move into the start of the new season, it is useful to look back at tourism during the low season – April to September 2018. We are very much aware that there is accommodation capacity during this period both in Stanley and camp, and there are still some very pleasant days for wildlife watching, fishing, walking and other activities, in particular in April and September. Other advantages for inbound tourists during this period are that flights to the islands are less busy, as are those accommodation establishments that continue to operate. In the Tourism Development Strategy we set out a target of growing tourism in these months, as in the absence of greater flight capacity (i.e. another flight) we have to work with what we have. I'm delighted to see that growth in the shoulder months has been significant, and we will continue to encourage visits during the "out of season" months.

Our social media campaigns continue at full pace throughout the whole year, and I'm delighted that during this third quarter of the year more people visited the FITB website than ever before (over 56,000) and more pages were viewed (almost 132,000). Whilst we are pushing visits up through Google Ads, a large proportion are visiting the site from social media (Facebook and Twitter) posts and advertising. These also achieved new records, with 2.6 million Facebook Reach and 200,000 Twitter Impressions in the quarter.

It is worth remembering that this social media activity is aimed at all types of tourists – both independent and package. One of our key roles at the Tourist Board is to create awareness and then interest in the Falklands, before (using marketing speak) pushing them down the sales funnel to those businesses that actually sell the product: ITT, FIH, international operators, and (for independent visitors) the accommodation establishments.

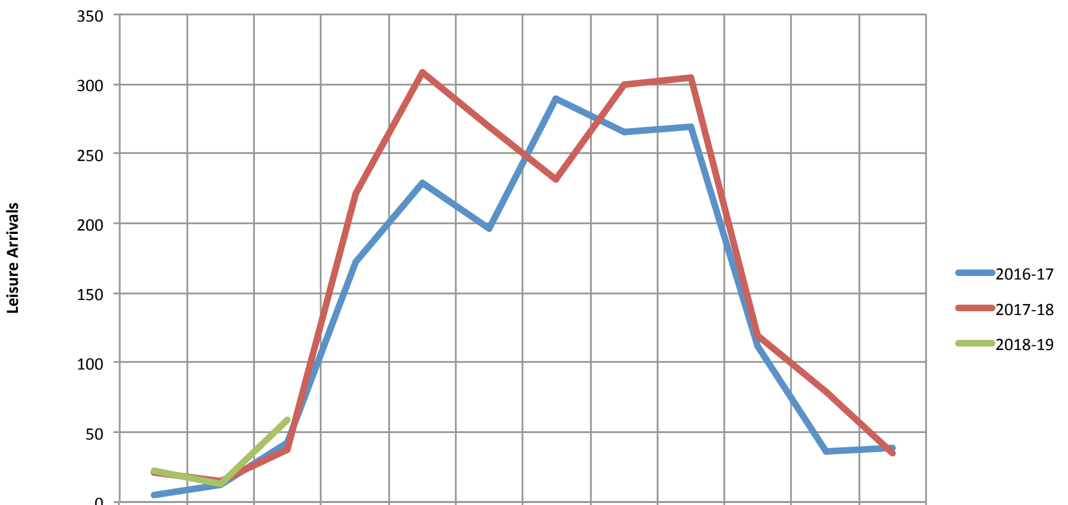
As always, please drop me a line with any comments or thoughts you have about *Tourism Quarterly*. The aim of the publication is to provide useful and easily accessible information for everyone involved in tourism.

Stephanie Middleton
Executive Director

This Quarter

Leisure Tourist Arrivals

There was strong growth in leisure tourist arrivals in the third quarter of 2018, up 28.4% on the same period in 2017; this follows a growth of 24% in Q2. September performed particularly strongly with a growth of 55.3% (compared to the same month in 2017). Whilst numbers are small in the low season, these rates of growth are pleasing as they are aligned with the Tourism Development Strategy’s goal of increasing visitors in low and shoulder seasons.



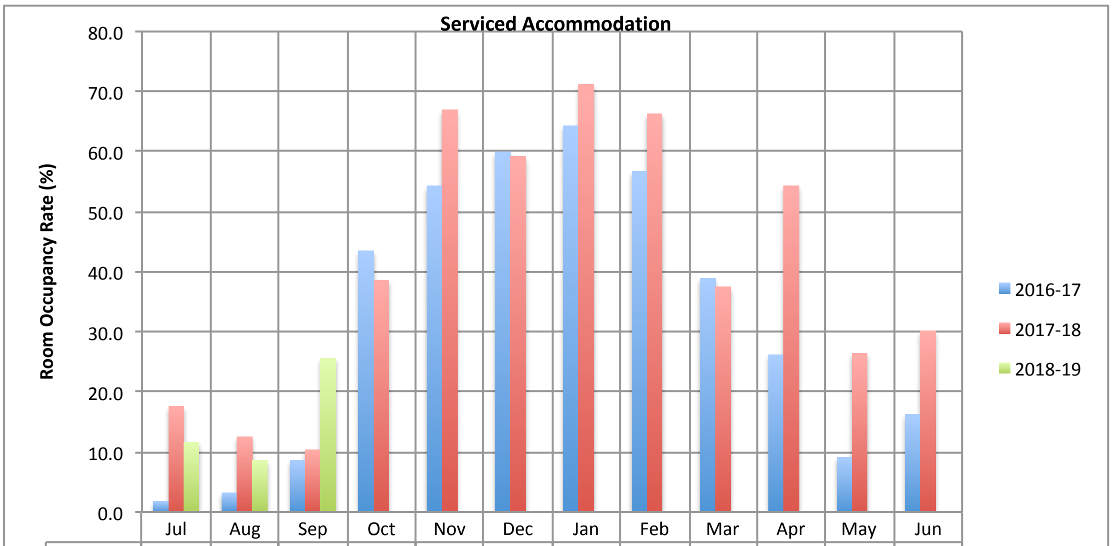
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2016-17	5	13	42	172	229	196	289	265	269	112	36	39
2017-18	21	15	38	222	309	269	231	299	305	119	79	35
2018-19	23	13	59									

Month	2016-17	2017-18	2018-19	Change (%)
Jul	5	21	23	9.5
Aug	13	15	13	(13.3)
Sep	42	38	59	55.3
Oct	172	222		
Nov	229	309		
Dec	196	269		
Jan	289	231		
Feb	265	299		
Mar	269	305		
Apr	112	119		
May	36	79		
Jun	39	34		

This Quarter

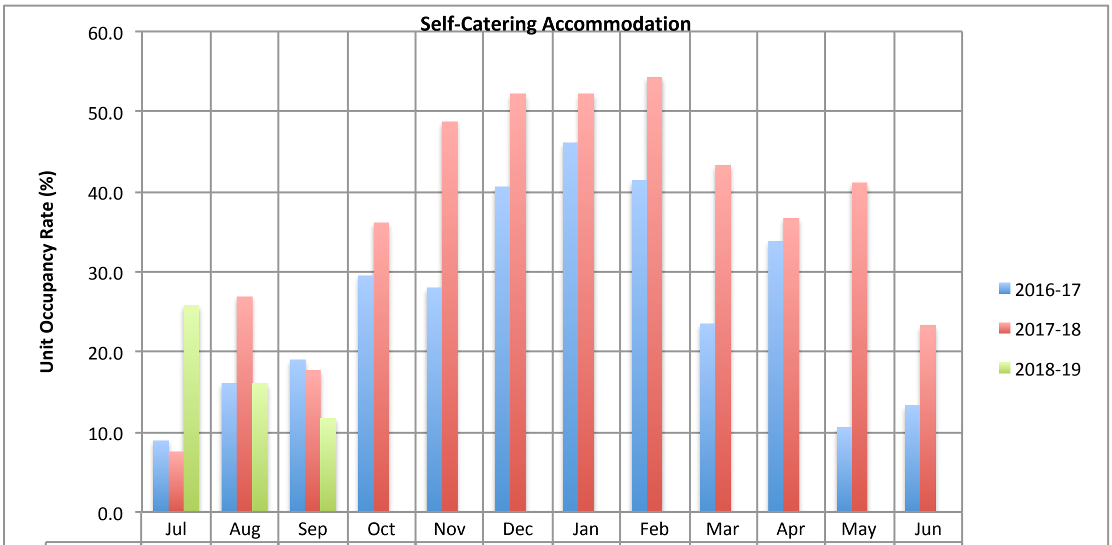
Accommodation Occupancy

Room occupancy rates for serviced accommodation were down in July and August, but up significantly in September, compared to the same months in 2017 – this is in line with the increase in inbound visitors recorded in September.



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2016-17	1.8	3.2	8.6	43.5	54.3	60.0	64.3	56.7	38.9	26.2	9.1	16.3
2017-18	17.6	12.5	10.4	38.6	67.0	59.2	71.2	66.3	37.5	54.3	26.4	30.2
2018-19	11.6	8.6	25.6									

Self-catering accommodation performed considerably better in July, but not as well in August and September, compared to the same months in 2017. Self-catering accommodation occupancy tends to be heavily influenced by domestic tourism demand.

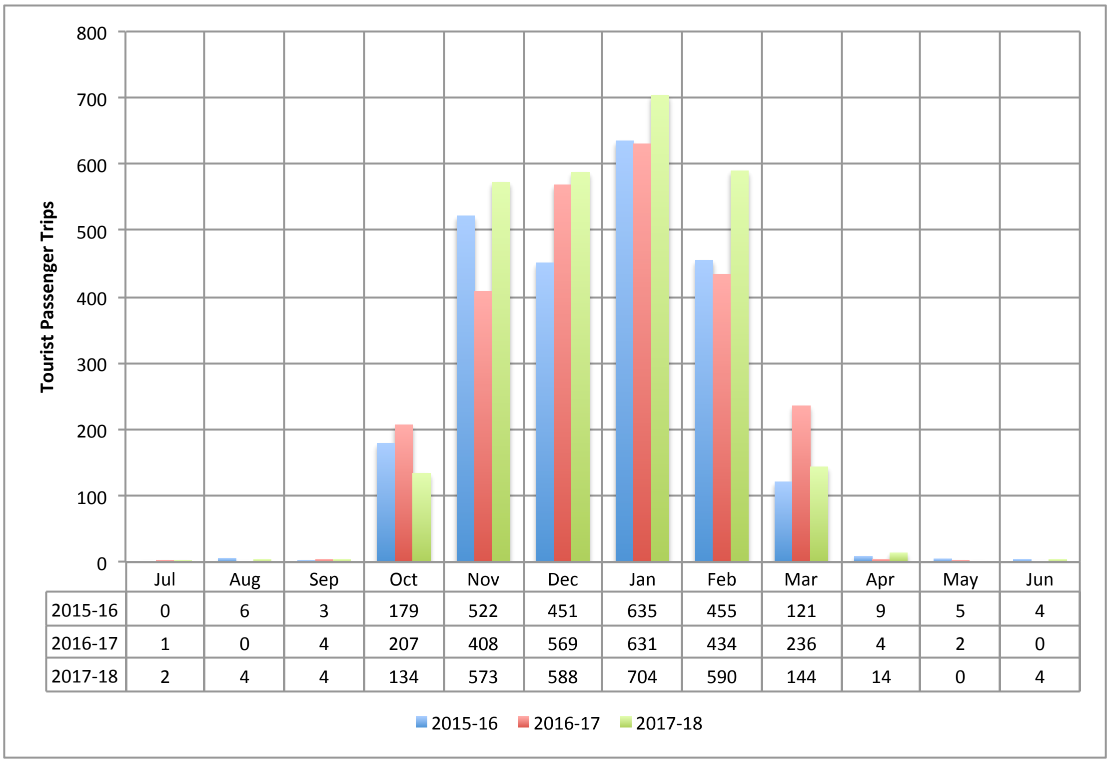


	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2016-17	8.9	16.1	19.0	29.5	28.0	40.6	46.1	41.4	23.5	33.8	10.6	13.3
2017-18	7.5	26.9	17.7	36.1	48.7	52.2	52.2	54.3	43.3	36.7	41.1	23.3
2018-19	25.8	16.1	11.7									

This Quarter

Tourist Passengers Carried on FIGAS

Data for Q3 2018 was not available when this edition of Tourism Quarterly was published. Data for the period July to December 2018 will be included in the next edition.



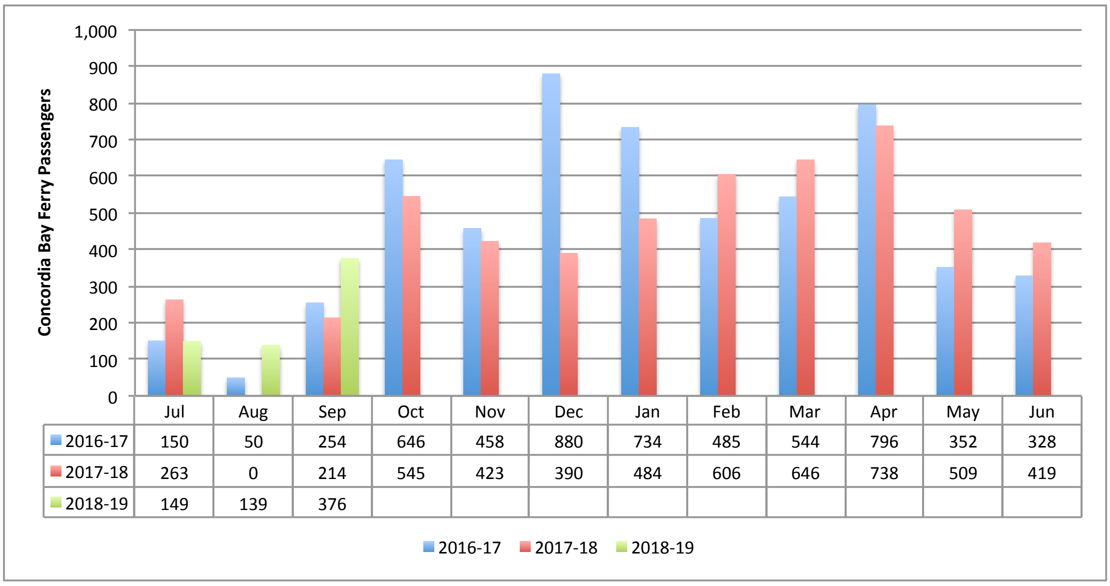
Month	2015-16	2016-17	2017-18	% Growth
Jul	0	1	2	100.0
Aug	6	0	4	-
Sep	3	4	4	0.0
Oct	179	207	134	(35.3)
Nov	522	408	573	40.4
Dec	451	569	588	3.3
Jan	635	631	704	11.6
Feb	455	434	590	35.9
Mar	121	236	144	(39.0)
Apr	9	4	14	250.0
May	5	2	0	-
Jun	4	0	4	-

Courtesy of FIGAS

This Quarter

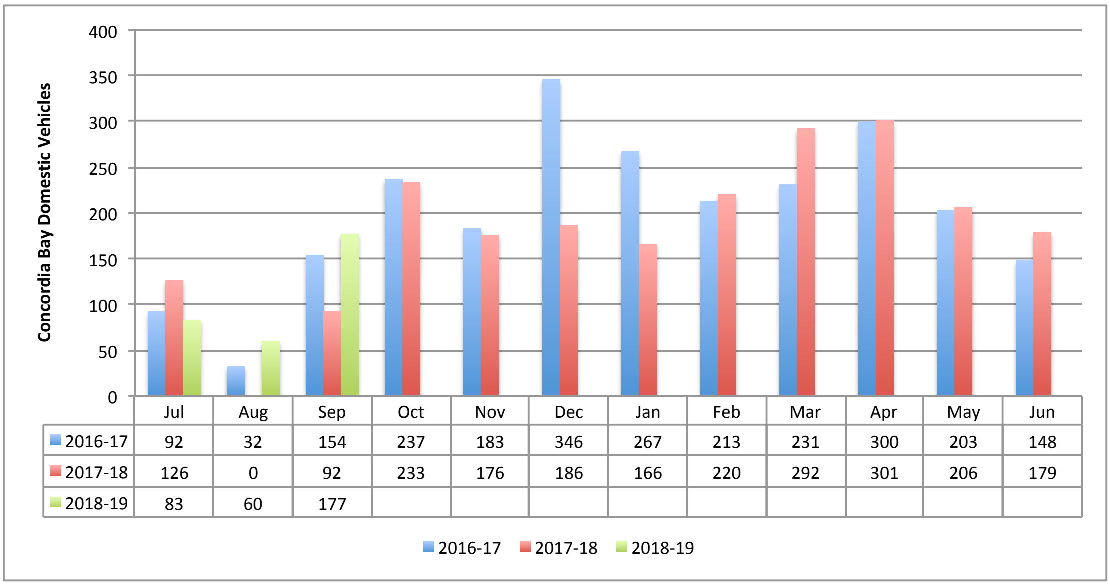
Passengers and Domestic Vehicles on Concordia Bay Ferry

Passenger numbers in Q3 2018 were up by 39.2% compared to the same period in 2017. Traffic in September was particularly strong.



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2016-17	150	50	254	646	458	880	734	485	544	796	352	328
2017-18	263	0	214	545	423	390	484	606	646	738	509	419
2018-19	149	139	376									

Domestic vehicle numbers in Q3 2018 were up 46.8% compared to the same period in 2017. As with passenger traffic, September performed particularly strongly.

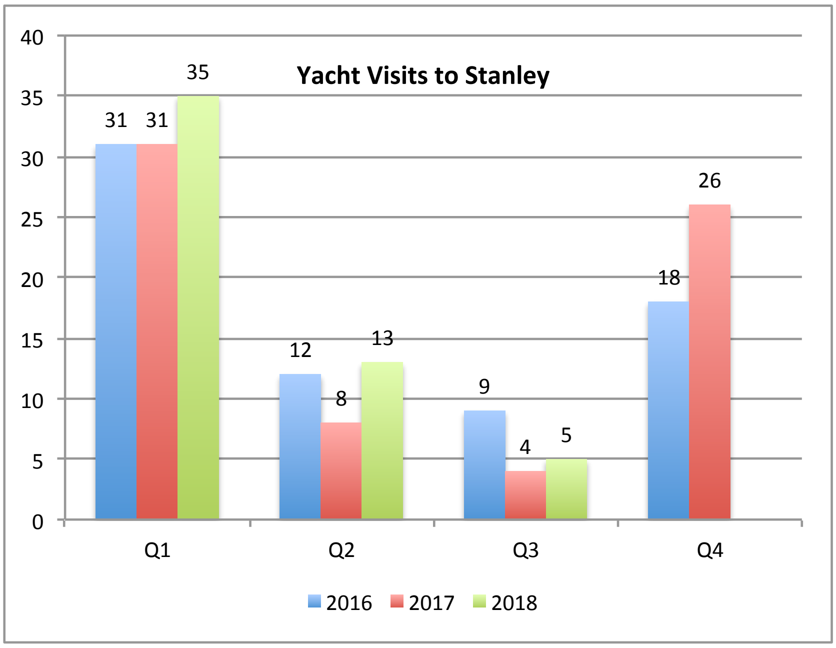


	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2016-17	92	32	154	237	183	346	267	213	231	300	203	148
2017-18	126	0	92	233	176	186	166	220	292	301	206	179
2018-19	83	60	177									

This Quarter

Yacht Visits to Stanley

A total of 5 yacht visits were made to Stanley in Q3 2018, up from 4 visits made in the same quarter of 2017. So far in 2018, there have been 51 yacht visits (in the same period in 2017 there were only 43 visits).



Courtesy of Falkland Islands Yacht Club

Jetty Visitor Centre Footfall

The JVC footfall was relatively quiet in Q3, with almost 800 visitors in this period. The JVC was closed in July for refitting.

Month	2016-17	2017-18	2017-18	% Growth
Jul		314	0	-
Aug		316	284	(10.1)
Sep		616	480	(22.1)
Oct		4,437		
Nov	9,811	7,689		
Dec	12,354	10,202		
Jan	17,140	21,265		
Feb	19,053	19,249		
Mar	10,310	7,755		
Apr	3,625	507		
May	415	543		
Jun	323	282		
Total	**73,031**	**73,175**		

This Quarter

Website: www.falklandislands.com

The number of unique visitors to the website continues to remain strong, averaging around 19,000 per month, significantly up from around 12,000 per month at the same time last year. Page views reached over 45,000 in July, the second highest ever recorded – on average there are around 44,000 page views each month.

Website	Unique Visitors			Pages Viewed		
	2017	2018	(%)	2017	2018	(%)
Jan		17,567			52,623	
Feb		13,587			38,747	
Mar		13,047			35,543	
Apr	12,966	11,423	-11.9	44,428	31,891	-28.2
May	14,424	18,827	30.5	38,910	40,389	3.8
Jun	11,773	19,972	69.6	32,559	42,703	31.2
Jul	11,318	19,320	70.7	31,382	45,003	43.4
Aug	12,172	18,377	51.0	34,691	42,687	23.0
Sep	12,181	18,755	54.0	36,943	43,984	19.1
Oct	14,375			43,740		
Nov	16,293			47,650		
Dec	14,371			40,803		

Social Media: Facebook and Twitter

Facebook and Twitter social media channels also show significant growth rates, and July recorded the highest levels of Facebook Reach and Twitter Impressions since the social media was started 18 months ago. Maintaining such high levels will require innovative and interesting campaigns to continue to drive interest and engagement up.

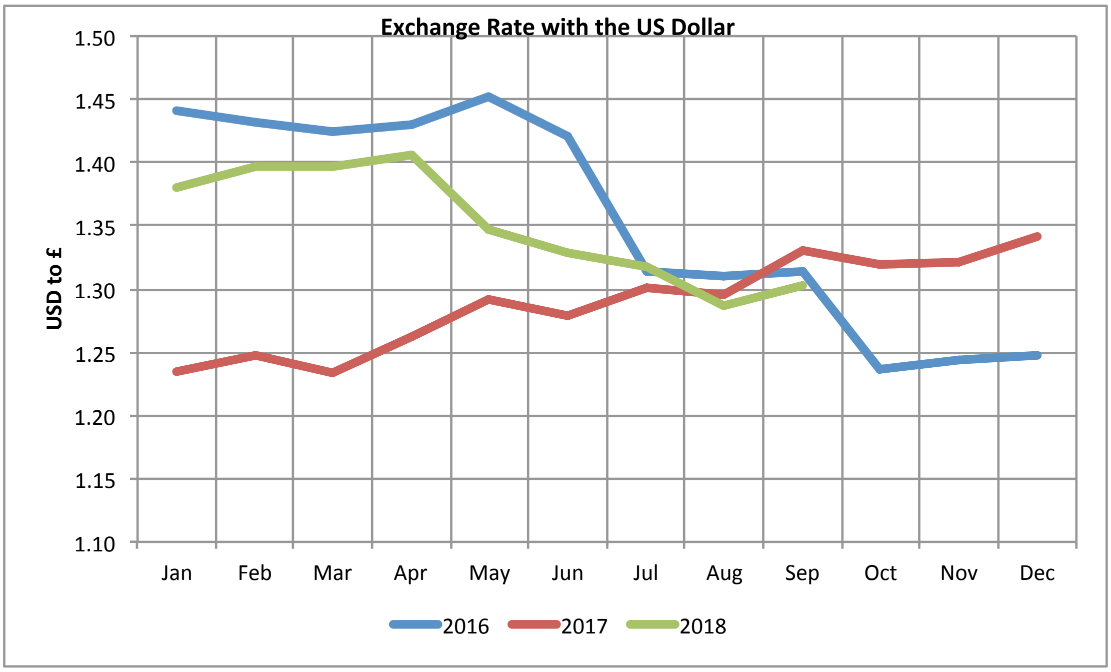
Social Media	Facebook Reach			Twitter Impressions		
	2017	2018	(%)	2017	2018	(%)
Jan		478,523			52,100	
Feb		262,831			26,400	
Mar		509,812			27,900	
Apr	549,764	315,558	-42.6	57,200	24,700	-56.8
May	750,859	1,003,621	33.7	54,900	30,500	(44.4)
Jun	583,490	1,186,333	103.3	23,200	55,800	140.5
Jul	533,931	1,265,196	137.0	16,000	75,200	370.0
Aug	1,407,769	654,438	(53.5)	20,200	71,900	255.9
Sep	730,325	692,299	(5.2)	11,400	55,600	387.7
Oct	345,113			20,800		
Nov	308,097			60,300		
Dec	585,134			39,500		

Facebook Reach: Total number times a post is displayed (seen) in the month
Twitter Impressions: Total number of times a tweet is displayed (seen) in the month

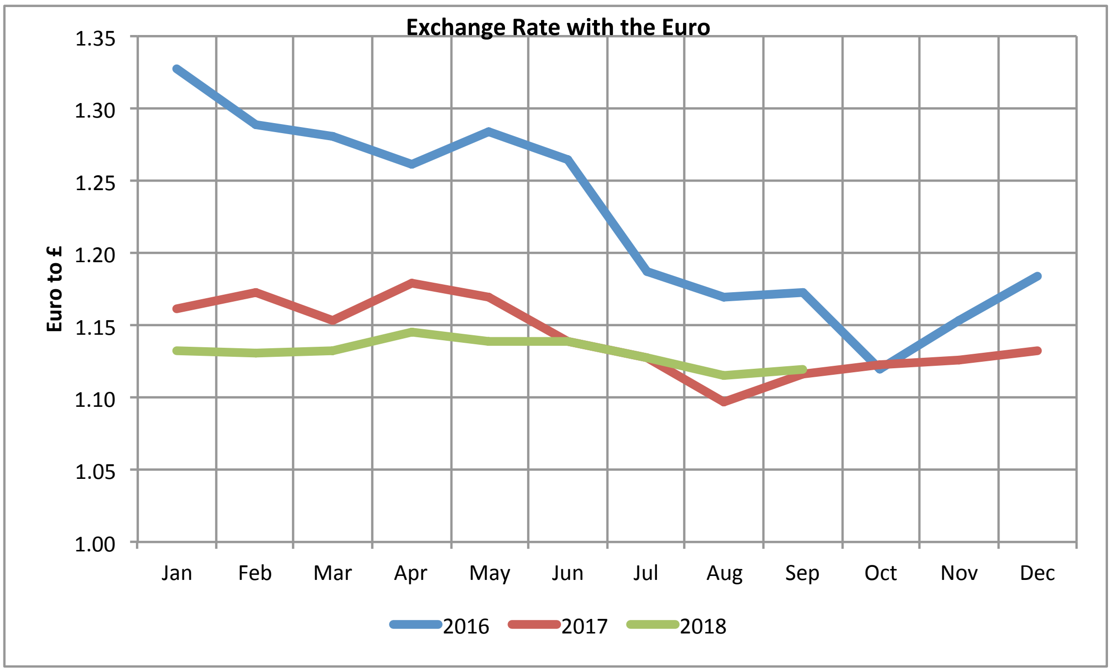
This Quarter

Currency Exchange Rates

US Dollar: Over the year there has been a decline in the pound against the dollar, which means that it is slightly cheaper for US visitors to travel to the Falklands, as it costs them fewer dollars to buy a pound. This changed in September, although it is unclear if this trend will continue.



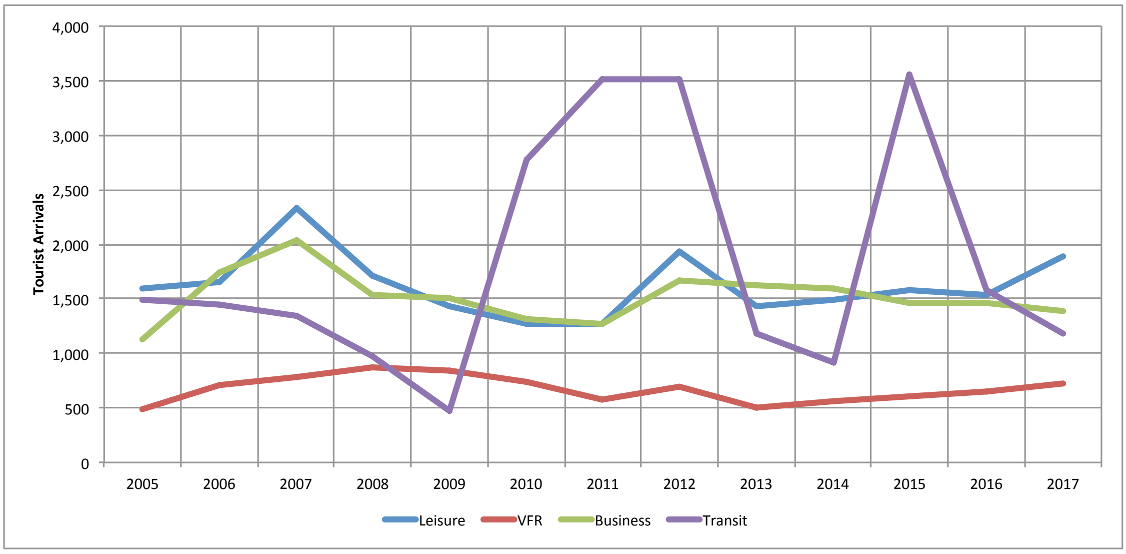
Euro: the exchange rate with the euro has remained broadly flat in 2018, and is currently at the same point as it was in June 2017. Overall, for residents of the Eurozone, the Falklands is more affordable than it was in 2016, as it costs fewer euros to buy a pound.



Long Term Trends

Tourist Arrivals by Purpose of Visit (2005-2017)

Leisure tourism boomed in 2017, increasing by over 22.3% (or 344 visitors). Visits to friends and relatives (VFR) were up by over 9%, however business visitors fell by around 5%. There was a significant decrease in transit visitors due to the scaling back of oil operations in the Islands.

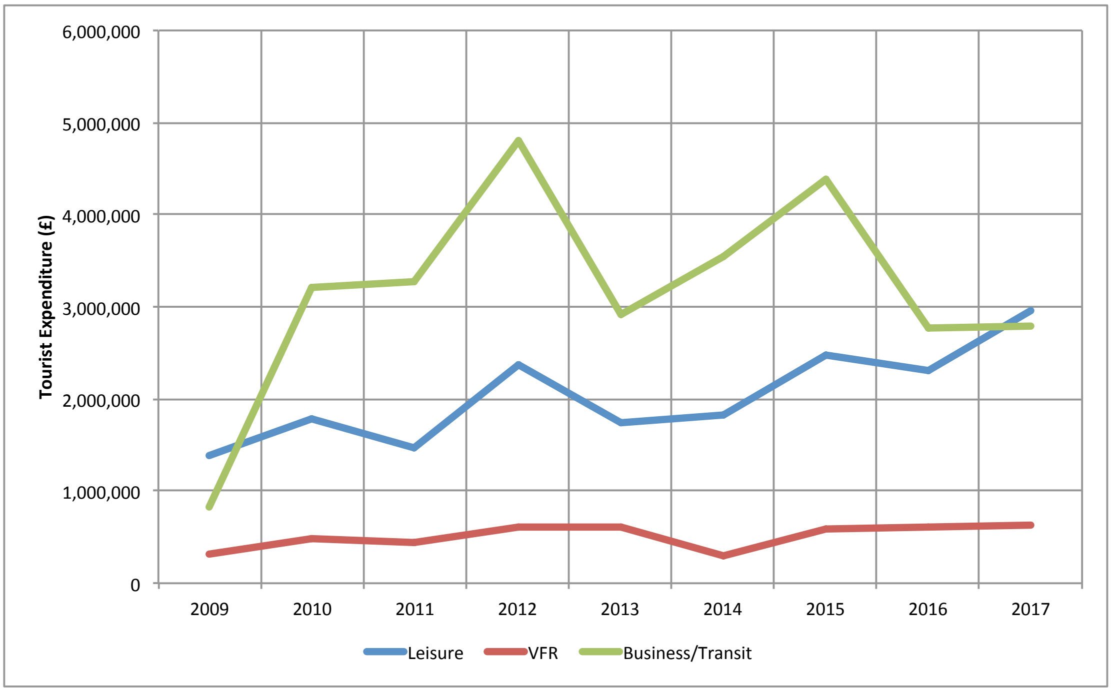


Year	Leisure	VFR	Business	Transit	Total	Leisure Growth (%)	Total Growth (%)
2005	1,602	486	1,128	1,486	4,702		
2006	1,653	715	1,748	1,453	5,569	3.2	18.4
2007	2,338	782	2,032	1,345	6,497	41.4	16.7
2008	1,720	879	1,533	982	5,114	(26.4)	(21.3)
2009	1,429	839	1,510	468	4,246	(16.9)	(17.0)
2010	1,271	735	1,314	2,778	6,098	(11.1)	43.6
2011	1,276	578	1,277	3,518	6,649	0.4	9.0
2012	1,940	693	1,672	3,507	7,812	52.0	17.5
2013	1,426	501	1,621	1,179	4,727	(26.5)	(39.5)
2014	1,494	559	1,599	922	4,574	4.8	(3.2)
2015	1,576	605	1,455	3,553	7,189	5.5	57.2
2016	1,540	657	1,468	1,584	5,249	(2.3)	(27.0)
2017	1,884	718	1,392	1,184	5,178	22.3	(1.4)

Long Term Trends

Tourist Expenditure by Purpose of Visit (2009-2017)

Tourist (all purposes) expenditure is calculated from the Air Visitor Survey undertaken by FITB at MPA. In 2017, leisure tourism generated almost £3.0 million in visitor expenditure, with all types of tourist generating almost £6.4 million.

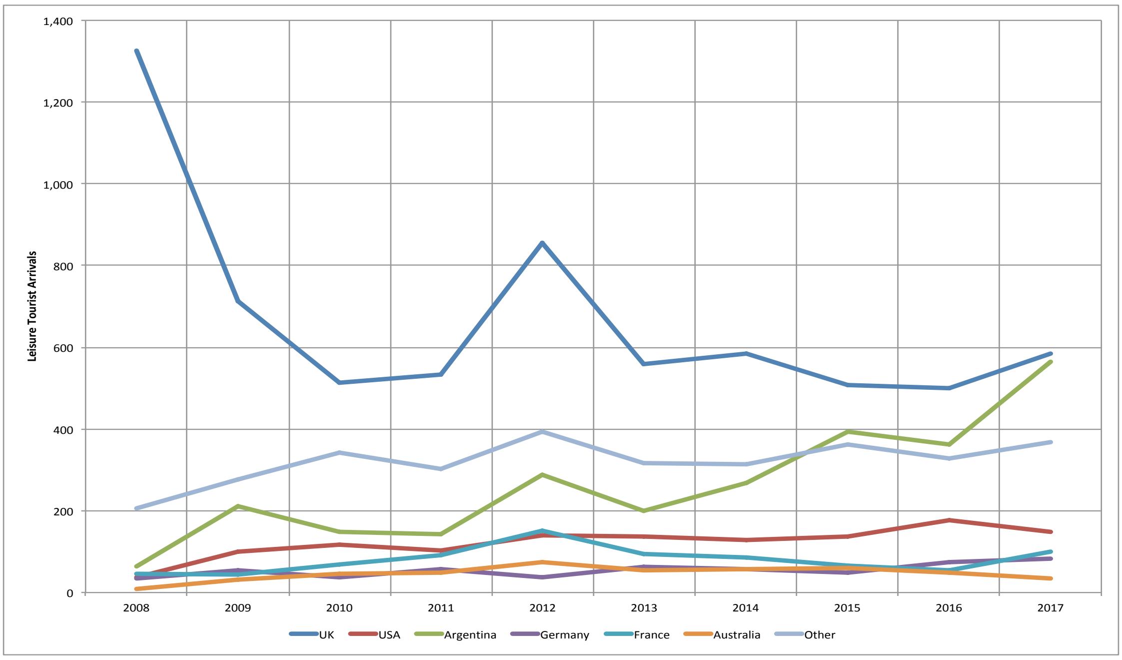


Year	Leisure (£)	VFR (£)	Business and Transit (£)	Total (£)
2009	1,377,367	316,014	827,058	2,520,439
2010	1,784,484	491,199	3,217,856	5,493,539
2011	1,466,762	433,566	3,277,600	5,177,928
2012	2,367,014	605,500	4,802,000	7,774,514
2013	1,738,650	615,209	2,918,767	5,272,625
2014	1,820,273	297,587	3,541,343	5,659,203
2015	2,485,046	587,700	4,375,710	7,448,457
2016	2,301,832	600,524	2,759,802	5,662,158
2017	2,952,562	622,746	2,798,967	6,374,276

Long Term Trends

Leisure Tourist Arrivals by Country of Residence (2010-2017)

Over the last 11 years, the UK's dominance as the main leisure market has been eroded, with strong growth from Argentina (now the second biggest leisure market). Whilst both markets grew in 2017, Argentina's was stronger, nearly exceeding the number of leisure visitors from the UK. Visits from Germany and France increased, although there was a decline in leisure visitors from the USA and Australia.



Year								
	UK	USA	Argentina	Germany	France	Australia	Other	Total
2010	514	116	149	38	68	45	341	1,271
2011	532	102	143	58	91	48	302	1,276
2012	856	140	289	38	150	74	393	1,940
2013	559	136	201	63	94	55	318	1,426
2014	586	128	268	58	85	56	313	1,494
2015	507	138	394	49	65	60	363	1,576
2016	500	177	361	73	53	48	328	1,540
2017	584	149	565	83	99	35	369	1,884

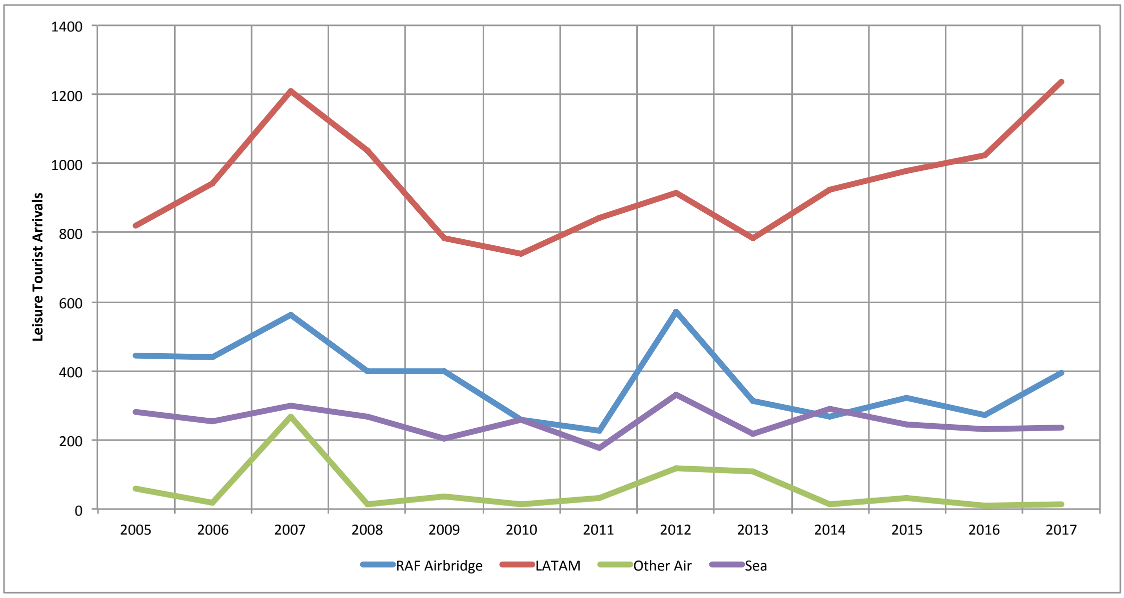
Year-on-year Growth Rates

2010	(28.0)	17.2	(29.0)	(30.9)	54.5	45.2	23.6	(11.1)
2011	3.5	(12.1)	(4.0)	52.6	33.8	6.7	(11.4)	0.4
2012	60.9	37.3	102.1	(34.5)	64.8	54.2	30.1	52.0
2013	(34.7)	(2.9)	(30.4)	65.8	(37.3)	(25.7)	(19.1)	(26.5)
2014	4.8	(5.9)	33.3	(7.9)	(9.6)	1.8	(1.6)	4.8
2015	(13.5)	7.8	47.0	(15.5)	(23.5)	7.1	16.0	5.5
2016	(1.4)	28.3	(8.4)	49.0	(18.5)	(20.0)	(9.6)	(2.3)
2017	16.8	(15.8)	56.5	13.7	86.8	(27.1)	12.5	22.3

Long Term Trends

Leisure Tourist Arrivals by Mode of Transport (2010-2017)

LATAM (previously LAN) via Punta Arenas remains the most popular route for leisure tourists visiting the Falklands, accounting for over 1,200 arrivals in 2017, up almost 21% on the previous year. Whilst the RAF air bridge was used by only 393 leisure tourists, this does mark a 44% increase on 2016.



Year	RAF Airbridge	LATAM	Other Air	Sea	Total
2010	259	739	13	260	1,271
2011	225	844	30	177	1,276
2012	573	916	118	333	1,940
2013	314	786	107	219	1,426
2014	266	926	13	289	1,494
2015	321	978	30	247	1,576
2016	273	1026	10	231	1,540
2017	393	1239	16	236	1,884

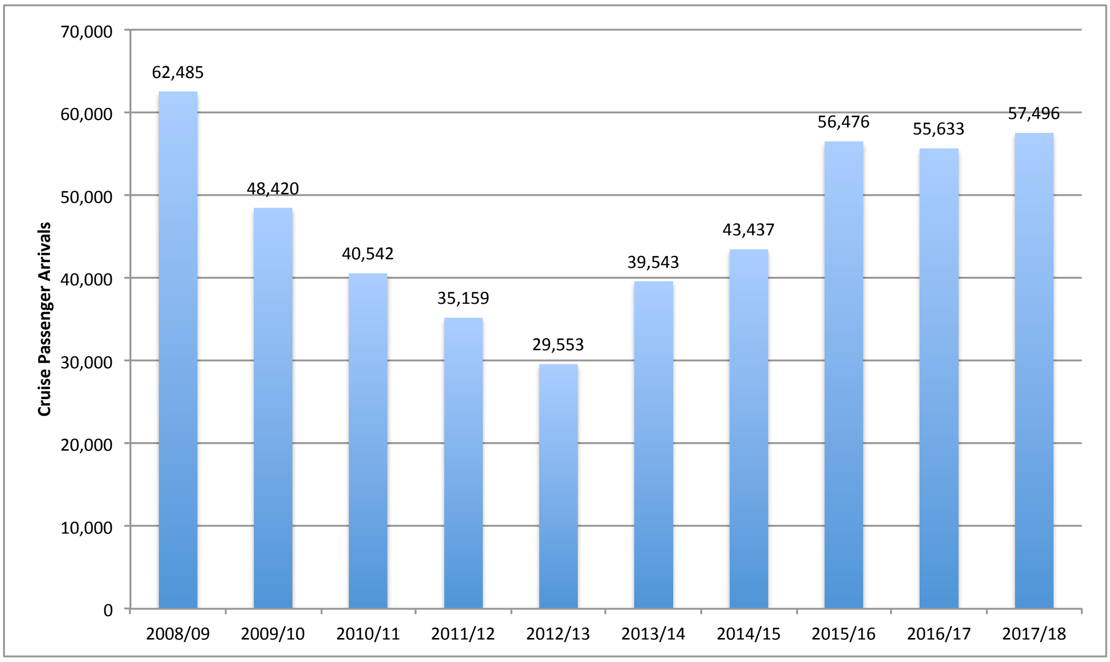
Year-on-year Growth Rates

2010	(35.3)	(6.0)	(64.9)	26.2	(11.1)
2011	(13.1)	14.2	130.8	(31.9)	0.4
2012	154.7	8.5	293.3	88.1	52.0
2013	(45.2)	(14.2)	(9.3)	(34.2)	(26.5)
2014	(15.3)	17.8	(87.9)	32.0	4.8
2015	20.7	5.6	130.8	(14.5)	5.5
2016	(15.0)	4.9	(66.7)	(6.5)	(2.3)
2017	44.0	20.8	60.0	2.2	22.3

Long Term Trends

Cruise Passenger Arrivals (2008-2018)

There were 57,496 cruise visitor arrivals in the 2017-18 season, an increase of 3.3% on the previous season. There were only five vessel cancellations, accounting for the loss of around 4,500 potential visitors.



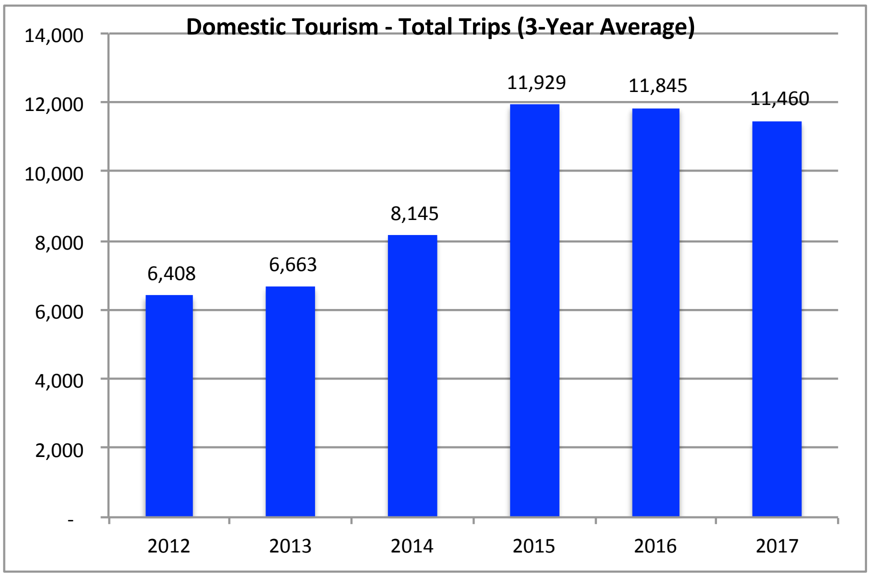
Season	Arrivals	Change (%)	Spend/Pax (£)	Total Spend (£)	Change (%)
2008/09	62,485		45.73	2,857,439	
2009/10	48,420	(22.5)	32.82	1,589,144	(44.4)
2010/11	40,542	(16.3)	34.50	1,398,699	(12.0)
2011/12	35,159	(13.3)	50.75	1,784,319	27.6
2012/13	29,553	(15.9)	57.27	1,692,500	(5.1)
2013/14	39,543	33.8	53.89	2,130,972	25.9
2014/15	43,437	9.8	54.87	2,383,388	11.8
2015/16	56,476	30.0	49.03	2,769,018	16.2
2016/17	55,633	(1.5)	57.77	3,213,918	16.1
2017/18	57,496	3.3	56.41	3,243,349	0.9

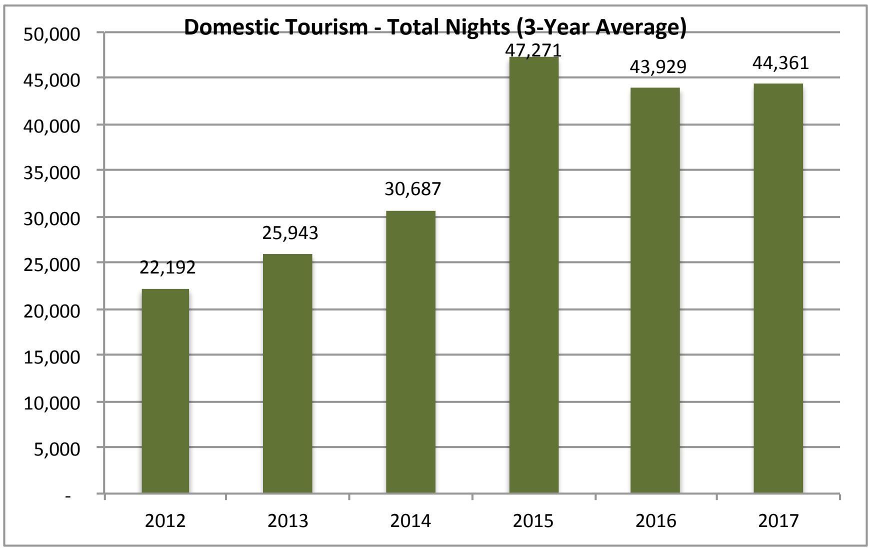
Expenditure by cruise visitors is calculated from the Cruise Visitor Survey carried out by FITB. Analysis of the 2017/18 season survey showed a small decline in expenditure per passenger, but an overall growth in expenditure of almost 1%.

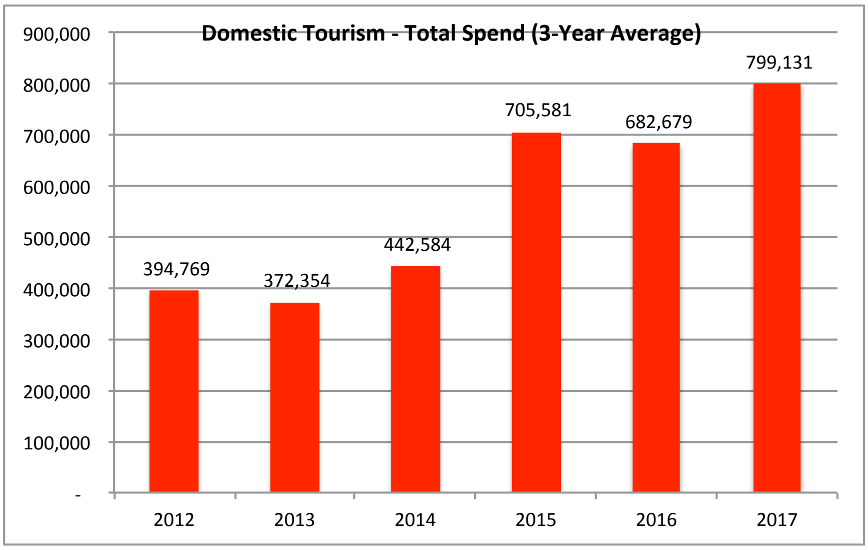
Long Term Trends

Domestic Tourism Trips and Expenditure (2012-2017)

Domestic tourism is estimated from the quarterly Domestic Household Survey undertaken by FITB. Domestic tourism has been relatively flat in terms of trips and nights over the last three years, however expenditure increased in 2017 to almost £800,000.



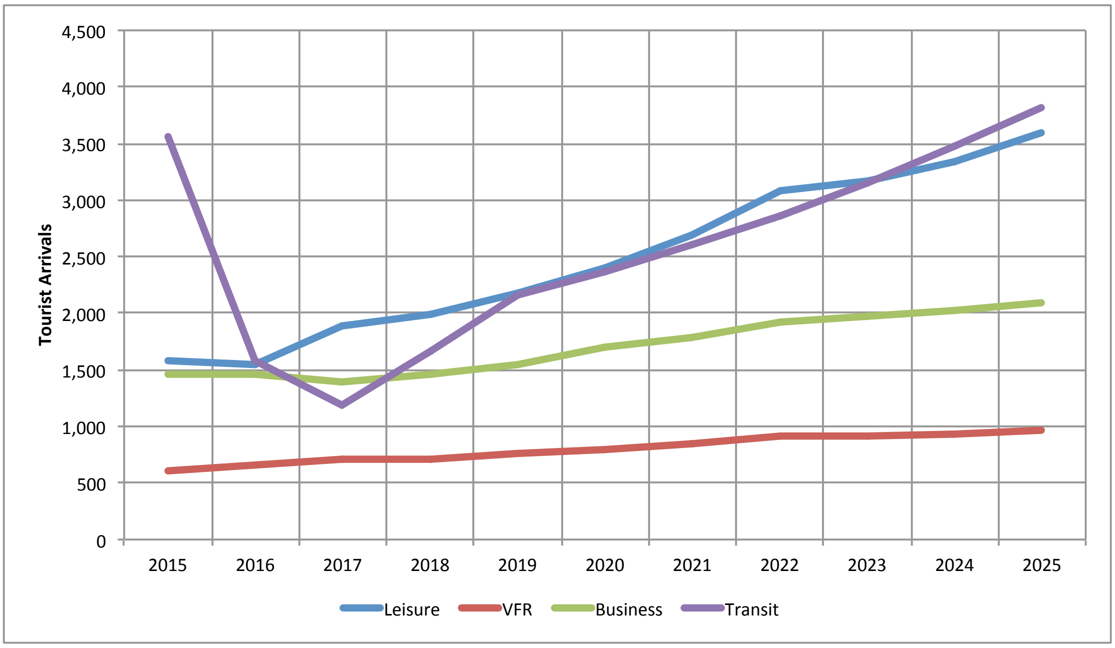




Forecast

Overnight Tourism Forecast

Leisure tourism is expected to grow by 6% in 2018, with present forecasts showing more rapid growth over the period to 2022. These will be revised when the format and timing of an additional weekly flight to the Falklands from the South American mainland are finalised.

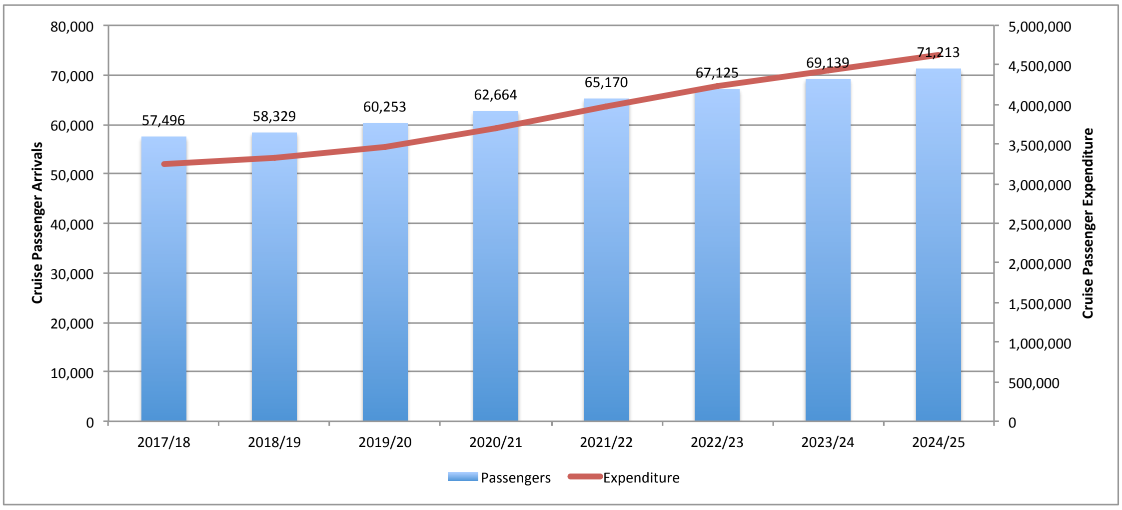


Year	Leisure	VFR	Business	Transit	Total	Leisure Growth (%)	Total Growth (%)
2018	1,997	718	1,462	1,658	5,834	6.0	12.7
2019	2,177	754	1,549	2,155	6,635	9.0	13.7
2020	2,394	792	1,704	2,370	7,261	10.0	9.4
2021	2,682	839	1,789	2,607	7,918	12.0	9.0
2022	3,084	906	1,915	2,868	8,773	15.0	10.8
2023	3,177	915	1,972	3,155	9,219	3.0	5.1
2024	3,335	934	2,031	3,470	9,771	5.0	6.0
2025	3,602	962	2,092	3,818	10,474	8.0	7.2

Forecast

Cruise Passenger Arrivals and Expenditure Forecast

Growth in passenger arrivals in the 2018/19 season is expected to be modest at 2.5%. There is expected to be a strong growth in the number of expedition passengers over the next two seasons as this market continues to expand. Passenger arrivals on larger vessels, mainly taking South American cruises, is expected to remain relatively flat.



Season	Arrivals	Arrivals Growth (%)	Total Spend (£)	Spend Growth (%)
2017/18	57,496	3.3	3,243,349	0.9
2018/19	58,329	1.4	3,324,727	2.5
2019/20	60,253	3.3	3,464,570	4.2
2020/21	62,664	4.0	3,697,148	6.7
2021/22	65,170	4.0	3,975,374	7.5
2022/23	67,125	3.0	4,228,885	6.4
2023/24	69,139	3.0	4,424,891	4.6
2024/25	71,213	3.0	4,628,850	4.6