Tourism Quarterly

Issue 6: April - June 2017

June 2017

Contents

Introduction

As we enter the low season, tracking tourism becomes slightly less exciting (there were six leisure tourists travelling on FIGAS this last quarter!) however it gives us time to reflect on the past season, analyse the air and cruise visitor surveys, and report on how it all went.

As this edition of *Tourism Quarterly* (and our *Annual Tourism Report 2016*) shows, overall, arrivals figures were almost identical to the previous season, with over 55,000 cruise visitors and just over 1,400 land-based leisure tourists. However, land-based leisure visitors spent an average of £153 per night, up 3.5% on the previous season, and cruise passengers spent an average of £58, up almost 18%.

Whilst this means that total cruise passenger expenditure amounted to £3.2 million, the best season to date, total overnight leisure expenditure fell marginally to £2.3 million due to a slightly shorter average length of stay compared to the previous season (the average stay was 9.8 nights).

We continue to develop and build upon our digital marketing, and as this is relatively new we are tracking the results of each campaign very carefully and adjusting how we target different markets. We hope this will start to make an impact on visitor arrivals in the next two seasons. We've certainly had a great response from overseas tour operators who are enjoying the extra exposure we are giving the Islands.

Finally, this report includes updates of all our long-term trends and forecasts, now that we have collected most of the 2016 data. We are still working on the Domestic Tourism Survey so will report on that in the next issue.

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.

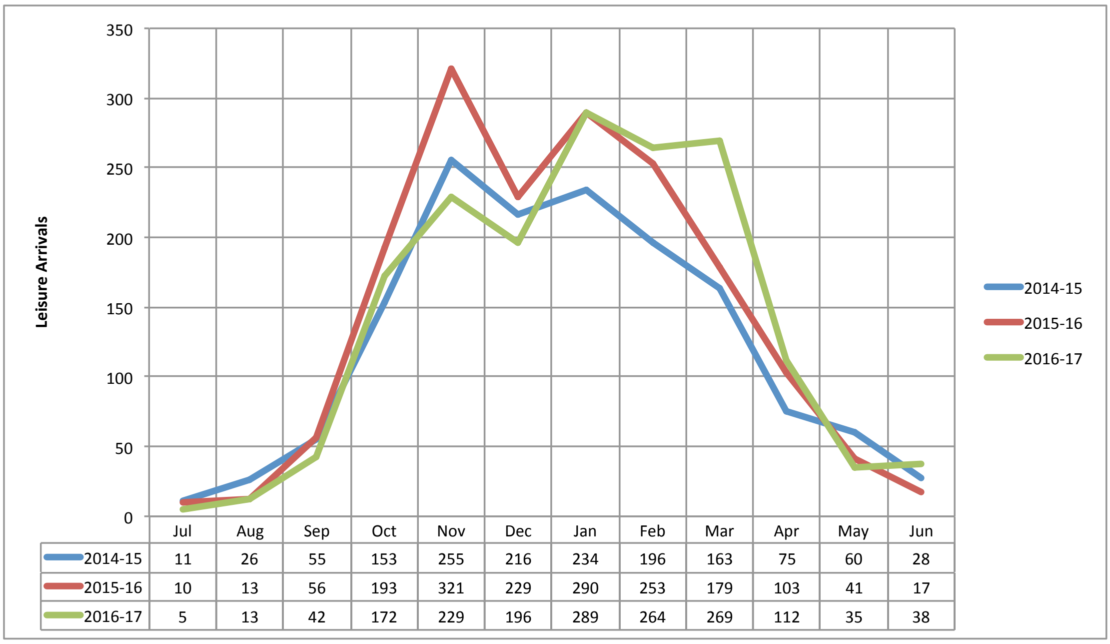
SMiddleton

Stephanie Middleton
Interim CEO

This Quarter

Leisure Tourist Arrivals

There was strong growth in leisure tourist arrivals in the second quarter (Q2) of 2017 compared to the same period in the previous year, increasing by 14.9%. Growth was particularly strong in June, although visitor numbers are quite small at this time of year so relatively small increases can cause large percentage growth figures.

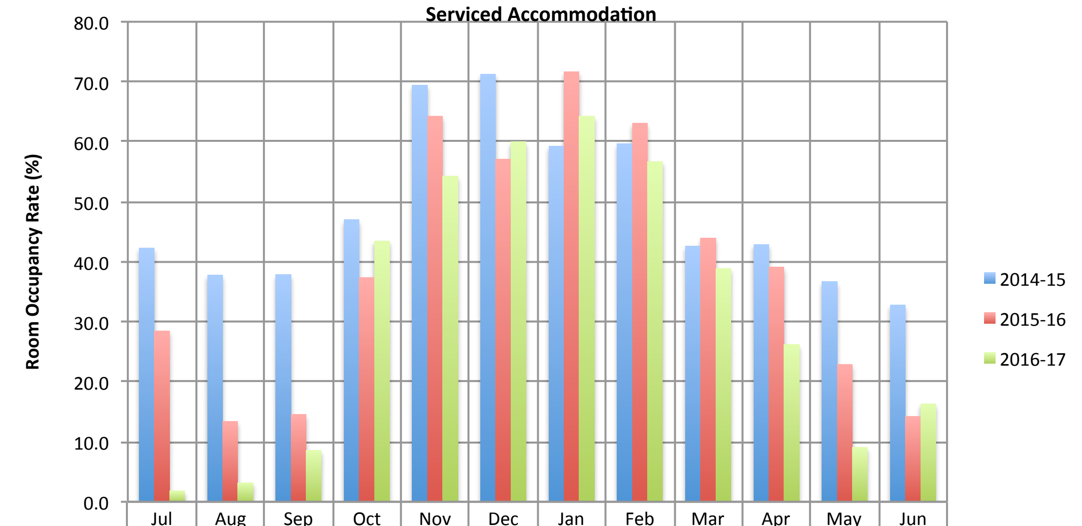


Month	2014-15	2015-16	2016-17	Change (%)
Jul	11	10	5	(50.0)
Aug	26	13	13	(0.0)
Sep	55	56	42	(25.0)
Oct	153	193	172	(10.9)
Nov	255	321	229	(28.7)
Dec	216	229	196	(14.4)
Jan	234	290	289	(0.3)
Feb	196	253	264	4.3
Mar	163	179	269	50.3
Apr	75	103	112	8.7
May	60	41	35	(14.6)
Jun	28	17	38	123.5

This Quarter

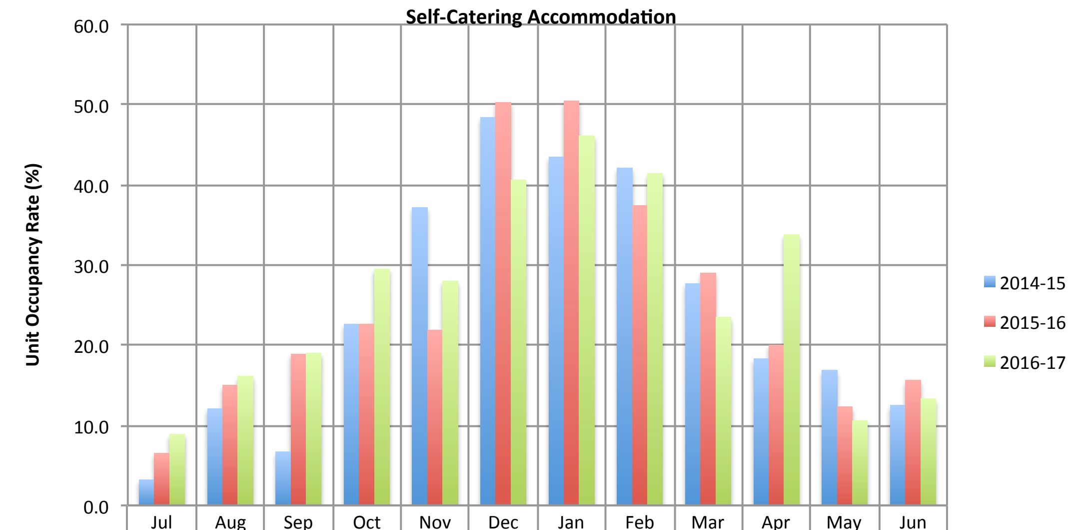
Accommodation Occupancy

Room occupancy rates for serviced accommodation were down in all three months of the second quarter of 2017. At this time of year many accommodation establishments close, some inconsistently each year due to holidays being taken by owners, which can affect making fair comparisons of occupancy with previous years.



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2014-15	42.3	37.8	37.9	47.0	69.4	71.3	59.3	59.7	42.6	42.9	36.7	32.8
2015-16	28.5	13.4	14.6	37.4	64.3	57.1	71.7	63.1	44.0	39.1	22.9	14.2
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

Self-catering accommodation performed more strongly, being significantly up in April, however as with serviced accommodation, during the low season fluctuations can often be due to inconsistent opening periods from one year to the next.

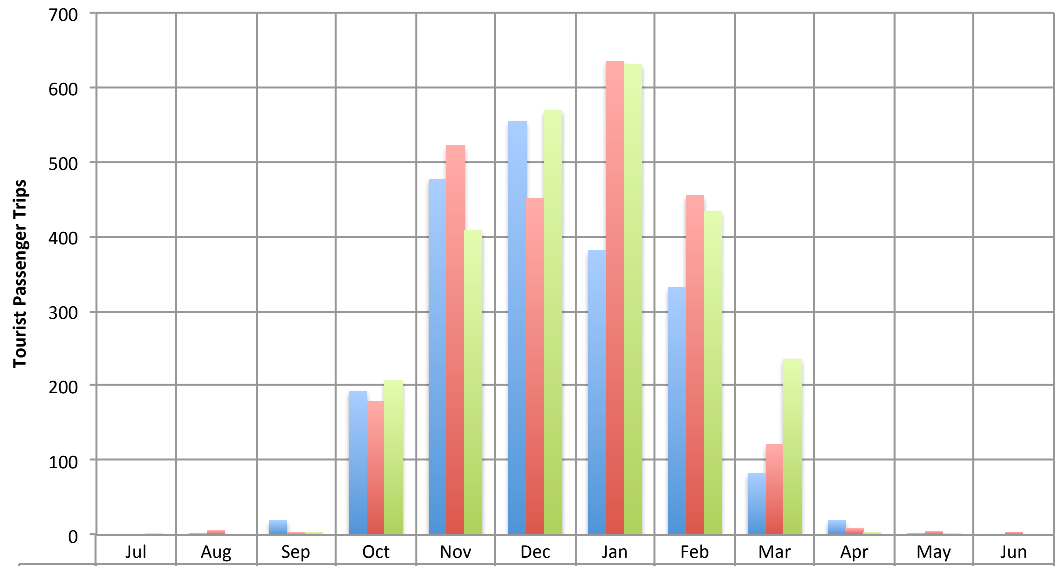


	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2014-15	3.2	12.1	6.7	22.6	37.2	48.4	43.5	42.1	27.7	18.3	16.9	12.5
2015-16	6.5	15.0	18.9	22.6	21.9	50.3	50.5	37.4	29.0	20.0	12.3	15.6
2016-17	8.9	16.1	19.0	29.5	28.0	40.6	46.1	41.4	23.5	33.8	10.6	13.3

This Quarter

Tourist Passengers Carried on FIGAS

The number of tourists (non-resident) passengers carried by FIGAS in Q2 2017 was six, reflecting the low level of leisure tourism outside of East Falkland during this quarter.



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2014-15	0	2	19	193	477	555	381	332	83	19	1	0
2015-16	0	6	3	179	522	451	635	455	121	9	5	4
2016-17	1	0	4	207	408	569	631	434	236	4	2	0

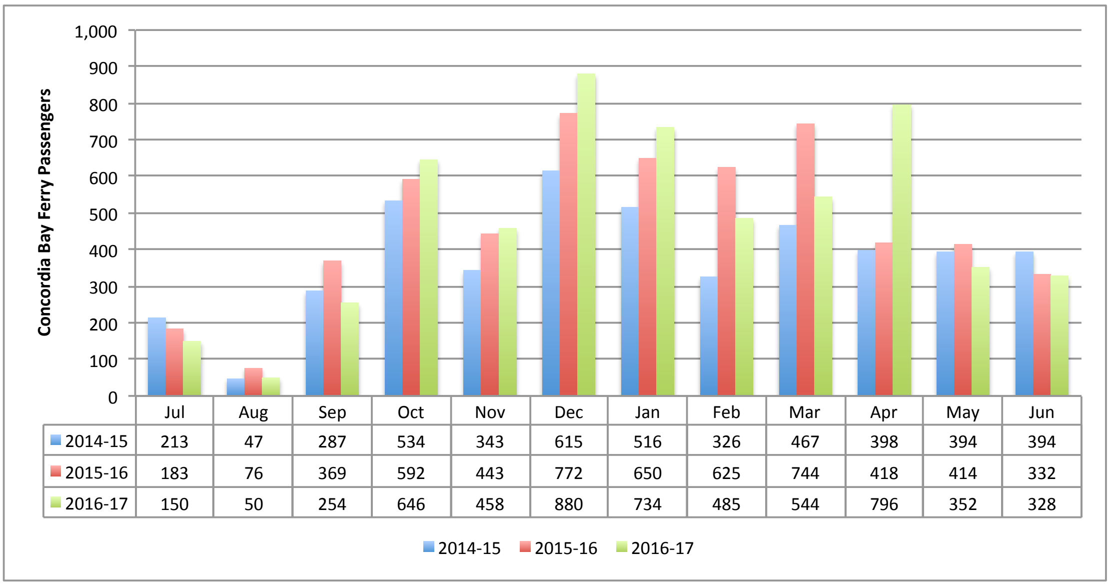
Month	2015-16	2016-17	% Growth
Jul	0	1	-
Aug	6	0	-
Sep	3	4	33.3
Oct	179	207	15.6
Nov	522	408	(21.8)
Dec	451	569	26.2
Jan	635	631	(0.6)
Feb	455	434	(4.6)
Mar	121	236	95.0
Apr	9	4	(55.6)
May	5	2	(60.0)
Jun	4	0	-

Courtesy of FIGAS

This Quarter

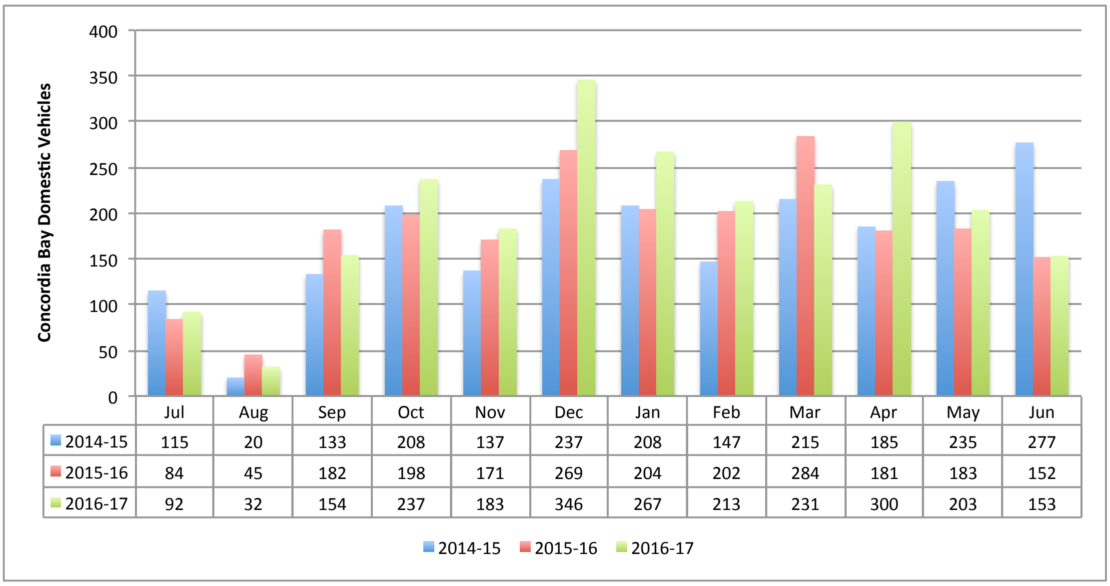
Passengers and Domestic Vehicles on Concordia Bay Ferry

Passenger numbers travelling on the Concordia Bay in Q2 2017 were up strongly at 26.8% on the previous year. However, the 2016-17 (Oct-Mar) tourist season showed a 2.1% drop in passenger traffic compared to the previous season.



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2014-15	213	47	287	534	343	615	516	326	467	398	394	394
2015-16	183	76	369	592	443	772	650	625	744	418	414	332
2016-17	150	50	254	646	458	880	734	485	544	796	352	328

Domestic vehicles using the ferry grew by 27.1% in Q2 2017 compared to the previous year, and unlike passenger traffic, domestic vehicles increased in the 2016-17 tourist season by 11.2% compared to the previous year.

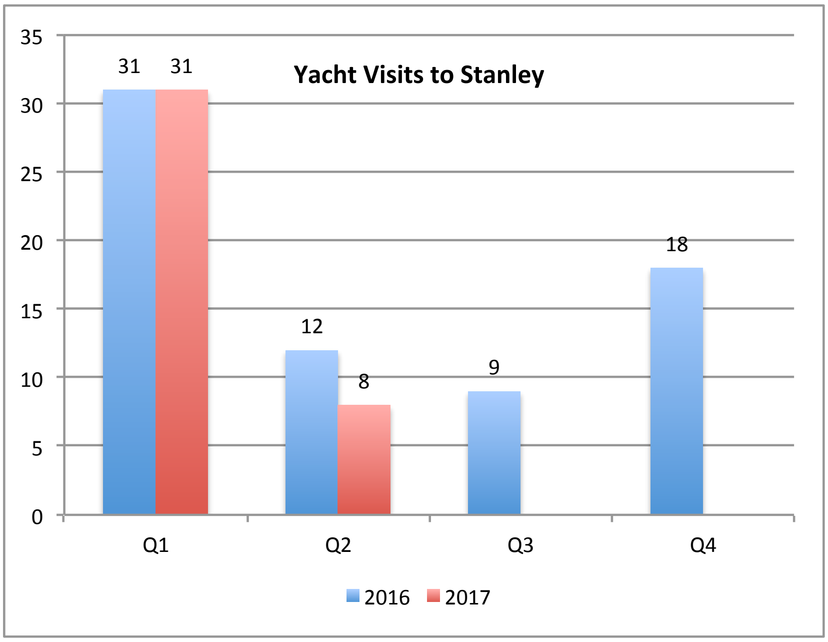


	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2014-15	115	20	133	208	137	237	208	147	215	185	235	277
2015-16	84	45	182	198	171	269	204	202	284	181	183	152
2016-17	92	32	154	237	183	346	267	213	231	300	203	153

This Quarter

Yacht Visits to Stanley

A total of eight yacht visits were made to Stanley in Q2 2017, down on the number that visited in the second quarter of 2016.



Courtesy of Falkland Islands Yacht Club

Jetty Visitor Centre Footfall

Footfall to the JVC decreased to its off-season level of less than 500 a month in May and June. The busiest month in the season was February, when over 19,000 people visited the Centre. The JVC footfall counter is newly installed and year-on-year comparison data is not available.

Month	2016-17
Jul	
Aug	
Sep	
Oct	
Nov	9,811
Dec	12,354
Jan	17,140
Feb	19,053
Mar	10,310
Apr	3,625
May	415
Jun	323
Total	**73,031**

This Quarter

Website: www.falklandislands.com

On 20th March 2017, FITB launched its new destination management system and website. This heralded a new era of digital marketing. It will take a few months before trends become clear, however the table below shows the first data received.

It shows almost 12,000 unique visitors in June, and over 34,000 business details viewed on the FITB site, 509 business websites clicked-through to, and 154 emails sent to businesses.

	Unique Visitors		Pages Viewed		Business Details Viewed		Business Website Viewed		Business Emailed	
	2017		2017		2017		2017		2017	
	No.	(%)	No.	(%)	No.	(%)	No.	(%)	No.	(%)
Jan										
Feb										
Mar										
Apr	12,966		44,428		31,150		530		170	
May	14,424	11.2	38,910	(12.4)	36,819	18.2	464	(12.5)	152	(10.6)
Jun	11,773	(18.4)	32,559	(16.3)	34,045	(7.5)	509	9.7	154	1.3

Note: the website aims to drive visitors to businesses (tour operators, tour guides, accommodation, restaurants, etc), so the table will track the number of businesses viewed on the site, the number of business websites that have been clicked through to, and the number of emails sent to businesses.

Social Media: Facebook and Twitter

Social media marketing is now a central part of FITB's marketing strategy, and some of the key indicators will be included in this section of *Tourism Quarterly*. In June, Facebook Reach achieved 583,000 people, and Twitter Impressions were over 23,000.

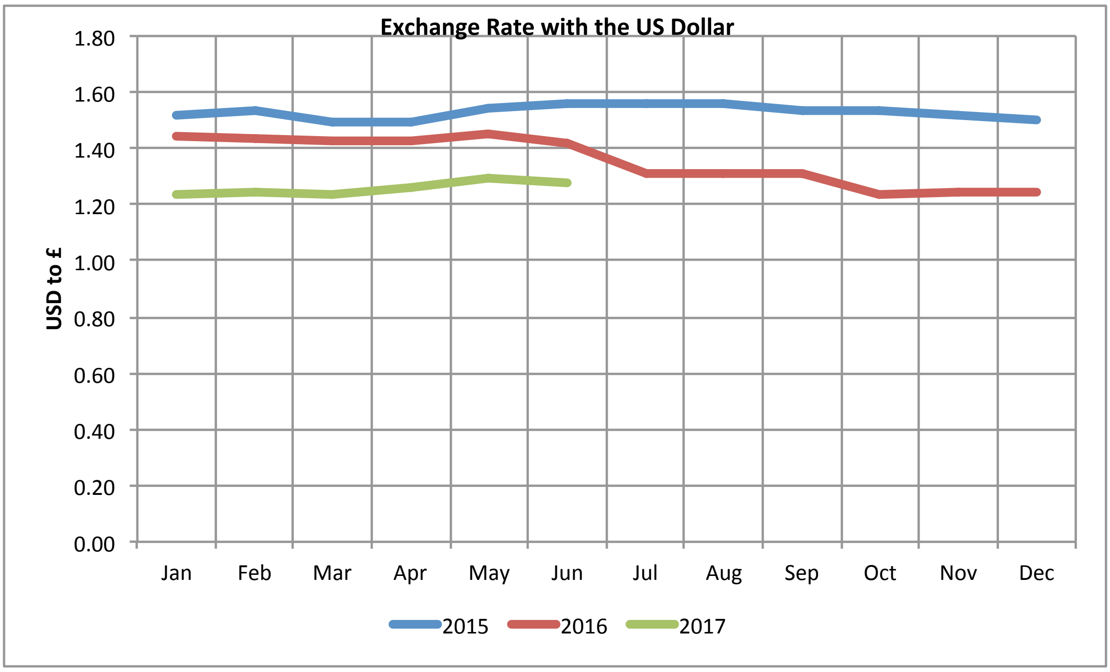
	Facebook Friends		Facebook Reach		Twitter Followers		Twitter Impression	
	2017		2017		2017		2017	
	No.	(%)	No.	(%)	No.	(%)	No.	(%)
Jan								
Feb								
Mar	92,144							
Apr	92,511	0.4	549,764		3,669		57,200	
May	93,259	0.8	750,859	36.6	3,776	2.9	54,900	(4.0)
Jun	93,747	0.5	583,490	(22.3)	3,877	2.7	23,200	(57.7)

Facebook Friends: Total number of people who currently like the FITB Facebook page
Facebook Reach: Total number of people who currently follow the FITB Twitter feed
Twitter Followers: Total number of people who currently follow the FITB Twitter feed
Twitter Impressions: Total number of times a tweet is displayed (seen) in the month

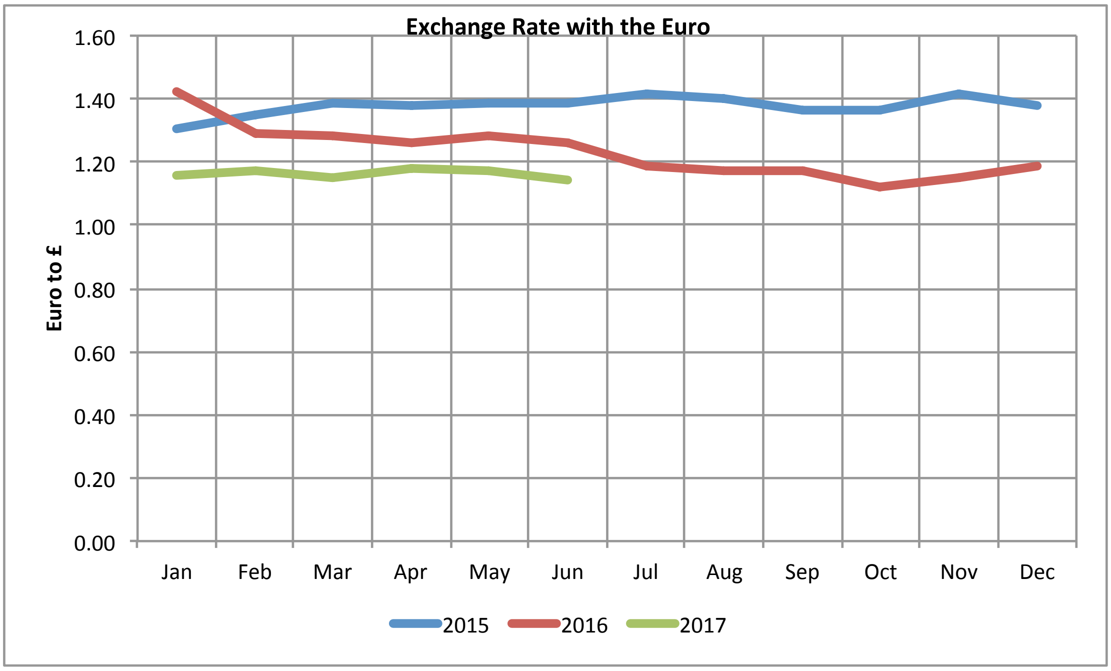
This Quarter

Currency Exchange Rates

The pound is continuing to recover against the dollar, although it faltered following the General Election in June. At present there is no evidence that it will rally to the levels it held in 2015 for some time. This makes the Falklands a much more affordable destination for US visitors than it was at this time last year.



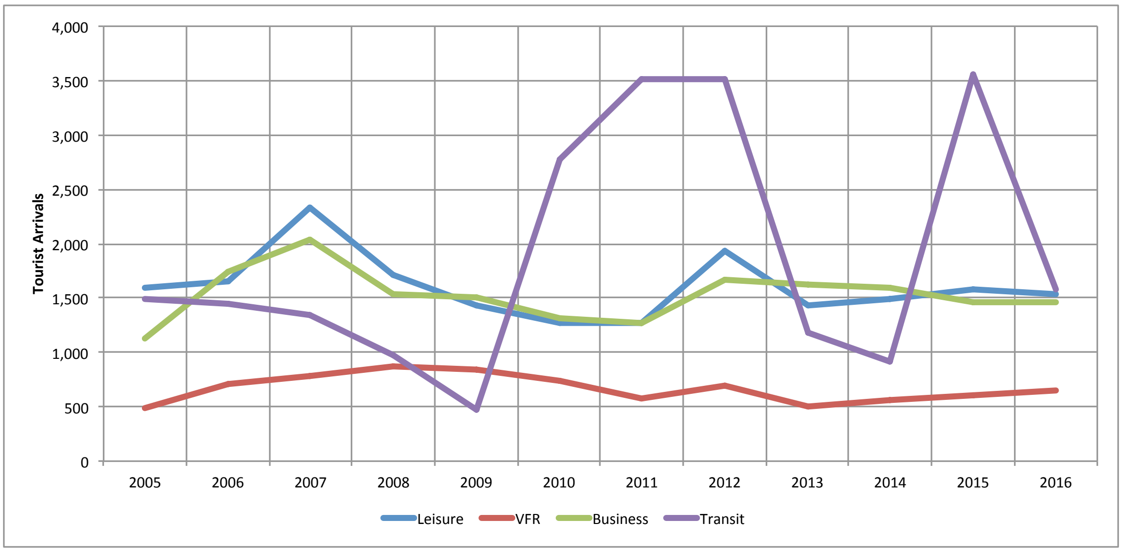
The exchange rate with the euro has followed a similar path as the dollar, although the recovery of the pound that was experienced towards the end of 2016 has stalled somewhat. However, the current exchange rate makes the Falklands a much more affordable destination for euro zone countries than it was in 2016 or 2015.



Long Term Trends

Tourist Arrivals by Purpose of Visit (2005-2016)

Leisure tourism was broadly stagnant in 2016, with a drop of 36 visitors. Visits to friends and relatives (VFR) were up by over 8%, and business visitors grew by around 1%. There was a significant decrease in transit visitors due to the scaling back of oil operations in the Islands.

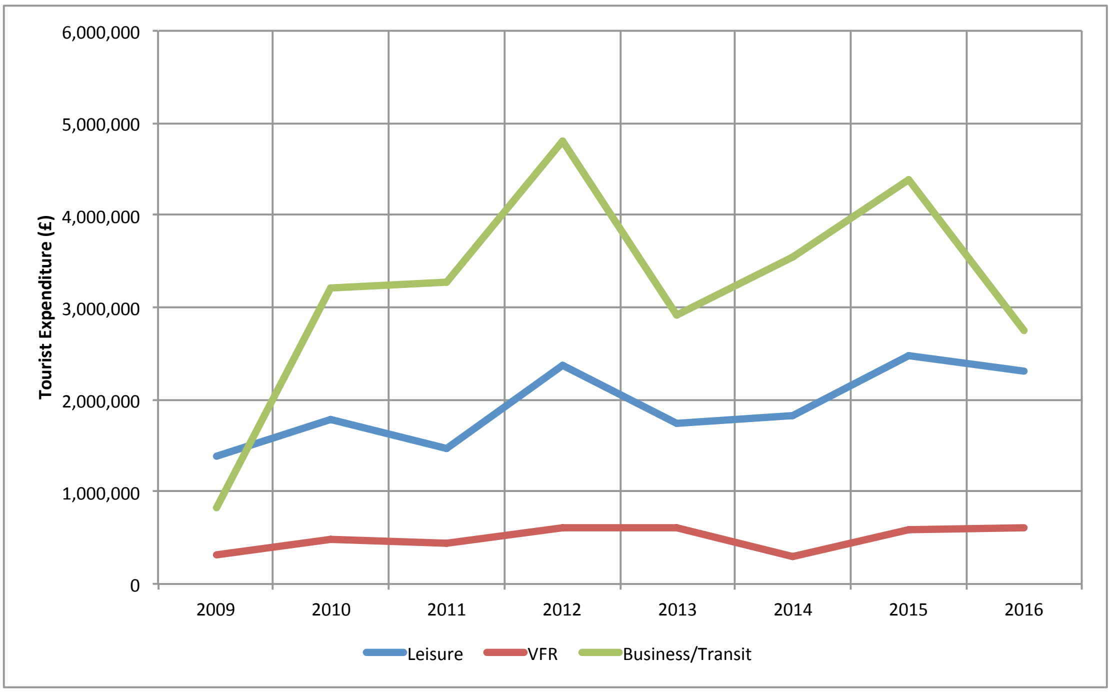


Year	Leisure	VFR	Business	Transit	Total	Leisure Growth (%)	Total Growth (%)
2005	1,602	486	1,128	1,486	4,702		
2006	1,653	715	1,748	1,453	5,569	3.2	18.4
2007	2,338	782	2,032	1,345	6,497	41.4	16.7
2008	1,720	879	1,533	982	5,114	(26.4)	(21.3)
2009	1,429	839	1,510	468	4,246	(16.9)	(17.0)
2010	1,271	735	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	656	1,467	1,584	5,247	(2.3)	(27.0)

Long Term Trends

Tourist Expenditure by Purpose of Visit (2009-2016)

Tourist (all purposes) expenditure is calculated from the Air Visitor Survey undertaken by FITB at MPA. In 2016, leisure tourism generated over £2.3 million in visitor expenditure, with all types of tourist generating over £5.6 million.

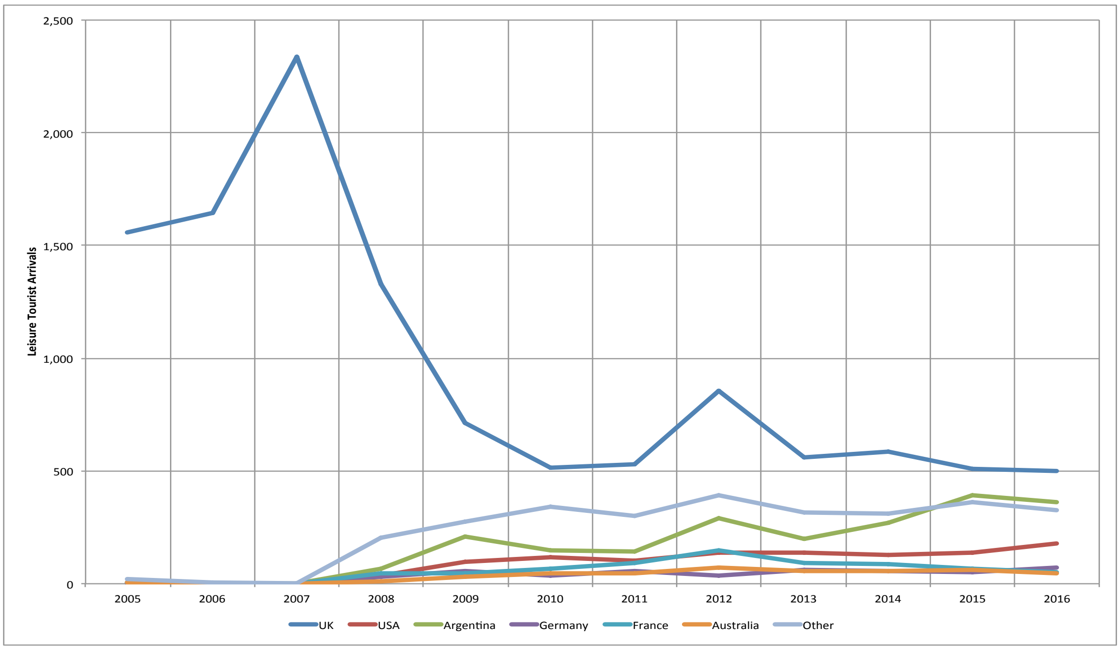


Year	Leisure (£)	VFR (£)	Business and Transit (£)	Total (£)
2009	1,377,367	316,014	827,058	2,520,439
2010	1,784,484	491,199	3,217,856	5,493,539
2011	1,466,762	433,566	3,277,600	5,177,928
2012	2,367,014	605,500	4,802,000	7,774,514
2013	1,738,650	615,209	2,918,767	5,272,625
2014	1,820,273	297,587	3,541,343	5,659,203
2015	2,485,046	587,700	4,375,710	7,448,457
2016	2,301,832	599,610	2,758,897	5,660,339

Long Term Trends

Leisure Tourist Arrivals by Country of Residence (2005-2016)

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) although 2016 saw a small decline in visits from Argentina, the first fall since 2013. Visits from the UK were broadly the same as in 2016, whilst there was strong growth from the USA and Germany.



Year	UK	USA	Argentina	Germany	France	Australia	Other	Total
2005	1,560	4	5	2	6	3	22	1,602
2006	1,646	0	1	0	0	0	6	1,653
2007	2,335	0	1	0	0	0	2	2,338
2008	1,327	37	64	33	45	8	206	1,720
2009	714	99	210	55	44	31	276	1,429
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

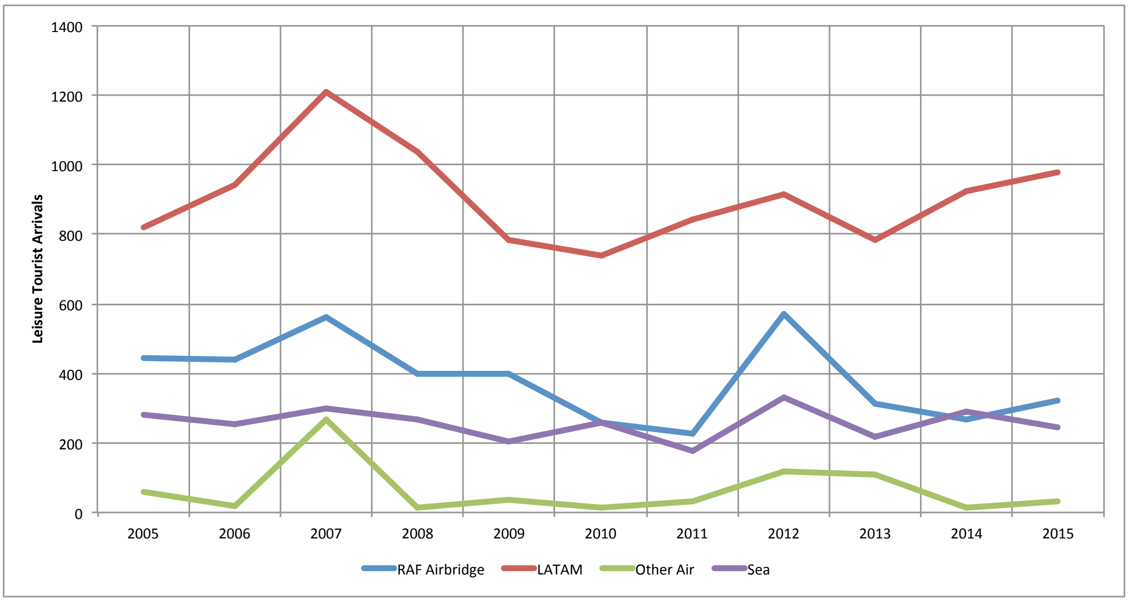
Year-on-year Growth Rates

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)

Long Term Trends

Leisure Tourist Arrivals by Mode of Transport (2005-2016)

LATAM (previously LAN) via Punta Arenas remains the most popular route for leisure tourists visiting the Falklands, accounting for over 1,000 arrivals in 2016, whilst the RAF air bridge was used by 273 leisure tourists (down 15%). Other air services were used by just 10 leisure tourists, with 231 arriving by sea (down 6.5%).



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

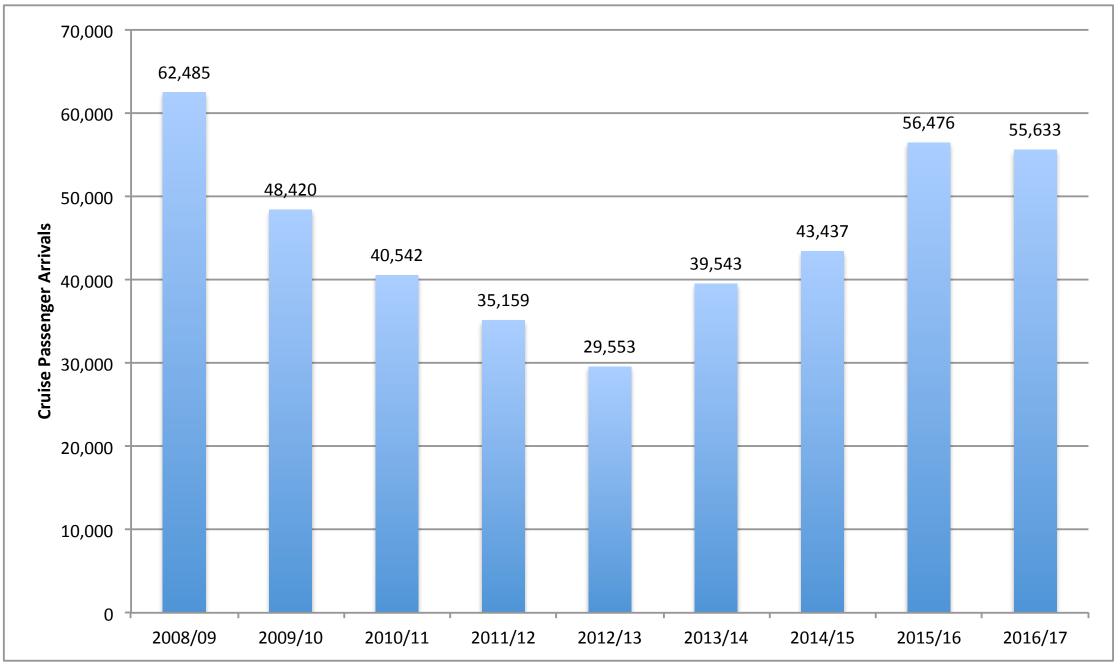
Year-on-year Growth Rates

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)

Long Term Trends

Cruise Passenger Arrivals (2008-2016)

There were 55,633 cruise visitor arrivals in the 2016-17 season, a very small decline of 1.5% on the previous season. There were only four vessel cancellations, accounting for the loss of around 4,500 potential visitors.



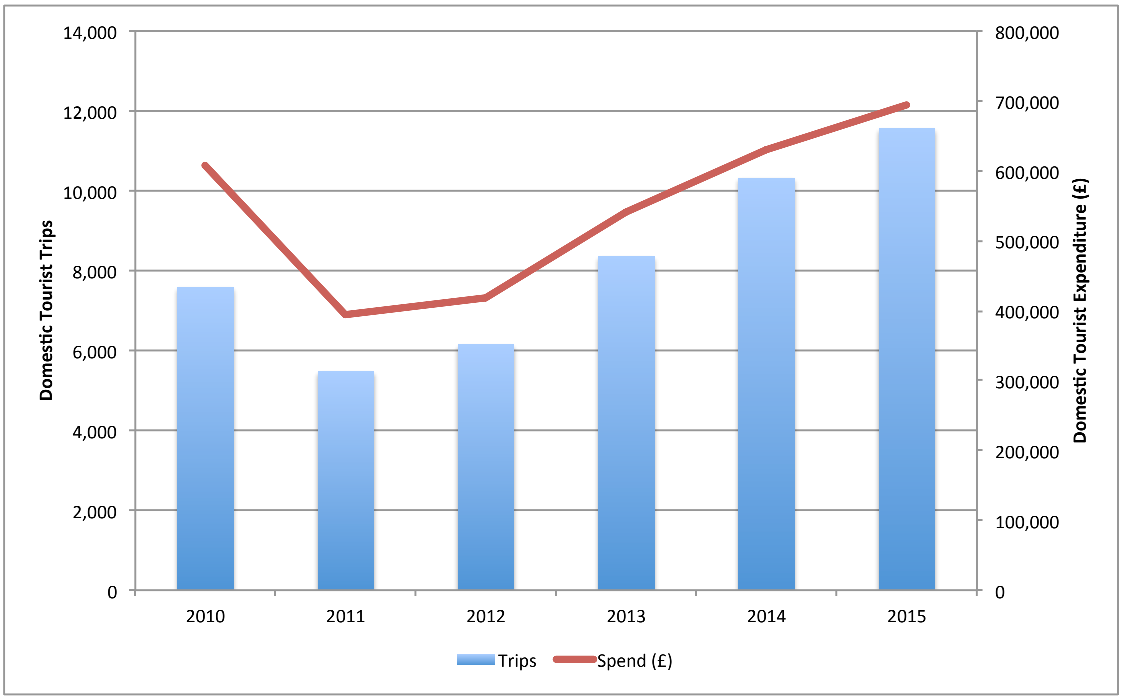
Season	Arrivals	Change (%)	Spend/Pax (£)	Total Spend (£)	Change (%)
2008/09	62,485		45.73	2,857,439	
2009/10	48,420	(22.5)	32.82	1,589,144	(44.4)
2010/11	40,542	(16.3)	34.50	1,398,699	(12.0)
2011/12	35,159	(13.3)	50.75	1,784,319	27.6
2012/13	29,553	(15.9)	57.27	1,692,500	(5.1)
2013/14	39,543	33.8	53.89	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

Expenditure by cruise visitors is calculated from the Cruise Visitor Survey carried out by FITB. Analysis of the 2016/17 season survey showed a significant growth in visitor expenditure, by 16.1%, to £3.2 million.

Long Term Trends

Domestic Tourism Trips and Expenditure (2010-2015)

Domestic tourism is estimated from the Quarterly Domestic Household Survey undertaken by FITB. In 2015, residents of the Falklands took over 11,500 trips **for all purposes**, spending almost £700,000. Analysis of surveys estimating 2016 domestic tourism trips and expenditure will be completed in time for the next edition of Tourism Quarterly.

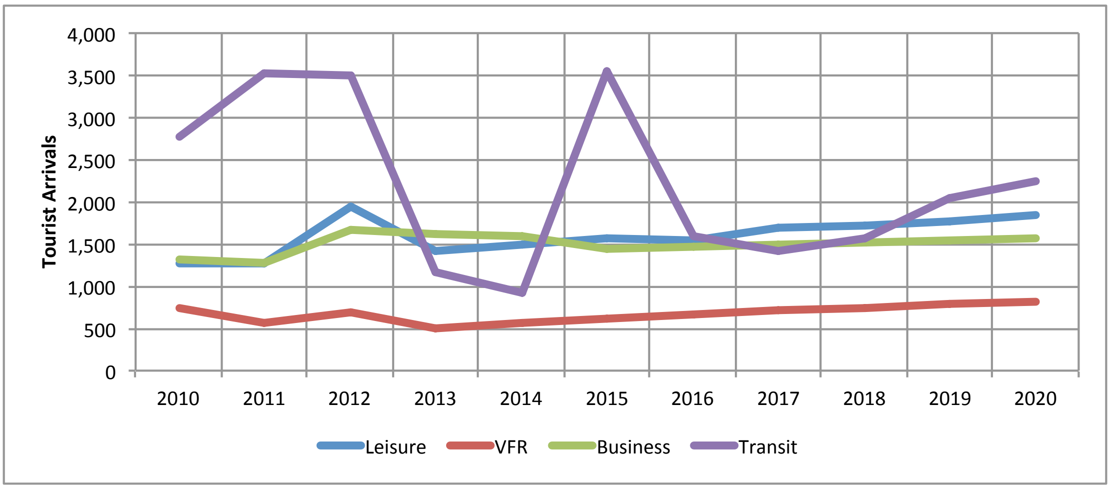


Year	Trips	Change (%)	Nights	Change (%)	Spend (£)	Change (%)
2010	7,591		21,373		606,755	
2011	5,479	(27.8)	23,349	9.2	394,183	(35.0)
2012	6,154	12.3	21,853	(6.4)	417,081	5.8
2013	8,356	35.8	32,627	49.3	539,513	29.4
2014	10,318	23.5	38,569	18.2	631,181	17.0
2015	11,557	12.0	41,654	8.0	694,299	10.0

Forecast

Overnight Tourism Forecast

Leisure tourism is expected to grow by 10% in 2017. It has exhibited strong growth in the first part of the year, and it will be boosted by the Falklands 35th anniversary. A total of almost 1,700 leisure tourists are expected to visit the Islands in 2017.



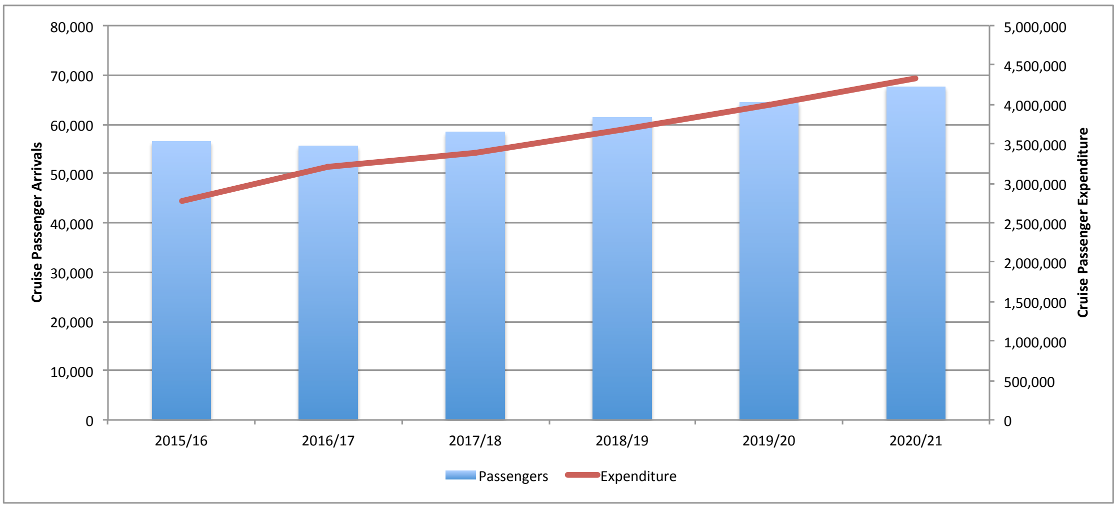
Year	Leisure	VFR	Business	Transit	Total	Leisure Growth (%)	Total Growth (%)
2016	1,540	656	1,467	1,584	5,247	(2.3)	(27.0)
2017	1,694	708	1,482	1,426	5,310	10.0	1.2
2018	1,711	744	1,511	1,568	5,534	1.0	4.2
2019	1,762	781	1,542	2,039	6,124	3.0	10.6
2020	1,850	820	1,572	2,242	6,485	5.0	5.9

Forecast

Cruise Passenger Arrivals and Expenditure Forecast

Early indications for the 2017/18 season show an increase in cruise arrivals of around 5%, with an estimated 58,500 visitors expected.

Subsequent seasons are difficult to forecast, as the intentions of the large operators are still unknown. However, an average growth rate of cruise passengers for the South America region of 3% has been applied in 2018/19, followed by 2.5% and 1.5% in the two subsequent seasons. It should be noted that the figures shown should be treated as being *the most likely scenario* based on the information that is available to FITB at this present time.



Season	Arrivals	Arrivals Growth (%)	Total Spend (£)	Spend Growth (%)
2016/17	55,633	(1.5)	3,213,918	16.1
2017/18	58,415	5.0	3,388,050	5.4
2018/19	61,335	3.0	3,680,123	8.6
2019/20	64,402	2.5	3,992,933	8.5
2020/21	67,622	1.5	4,327,825	8.4