Tourism Quarterly

Issue 7: July - September 2017

October 2017

Contents

Introduction

This edition of Tourism Quarterly covers the last three months of the *low season*: July, August and September 2017. Due to a few delays in obtaining some of the data, the publishing date in late November has also allowed us to include some figures from October, where available. So some early indicators of the 2017-2018 season are evident in this issue.

Whilst the *low season* doesn't generate the most exciting data, due to the low volume of visitors to the Falklands, our marketing continues apace, and analysis of the website and social media activity provides indications on how much interest we are creating amongst consumers about the Falklands as a leisure destination.

For the last three months, there has been consistent growth in website activity, in terms of visitor numbers, pages viewed, and most significantly, clicks through to websites of other businesses (tour operators, tour guides, and accommodation). This is one of the most important roles of the website and our social media activities: driving more and more people to the website and then on to other websites where holidays can be planned and booked.

As we look forward to the main tourist season (October 2017 to March 2018) we will be tracking visitor numbers closely, and by the time we publish the next edition of Tourism Quarterly in January 2018, we hope to have a reasonable indication of the growth of leisure tourism in 2017, currently forecast at 10%.

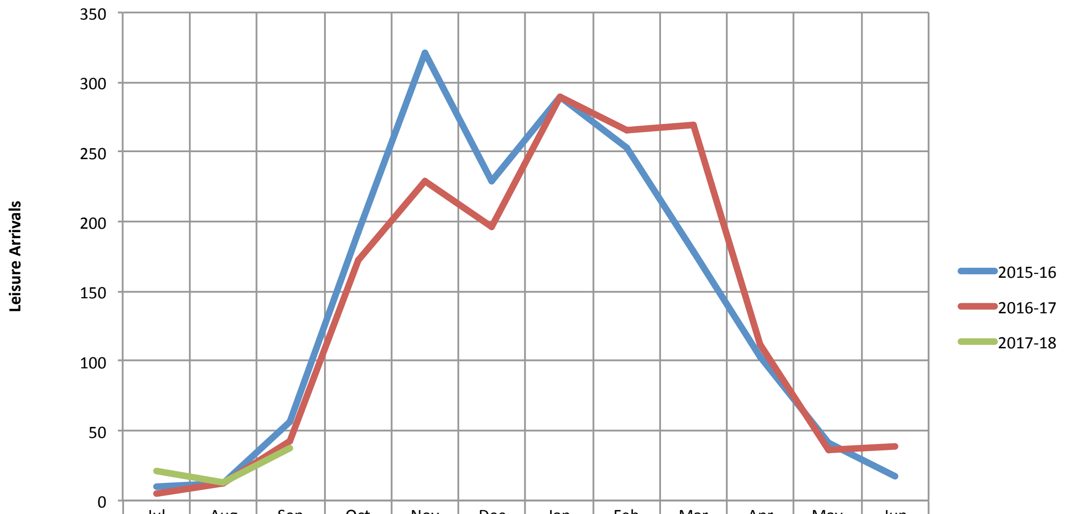
As always, please drop me a line with any comments or thoughts you have about *Tourism Quarterly*. The aim of the publication is to provide useful and easily accessible information for everyone involved in tourism.

Stephanie Middleton
Interim CEO

This Quarter

Leisure Tourist Arrivals

There was strong growth in leisure tourist arrivals in the third quarter (Q3) of 2017 compared to the same period in the previous year, increasing by 18.3%. However, visitor numbers are small at this time of year, so relatively small increases can cause large percentage growth figures.



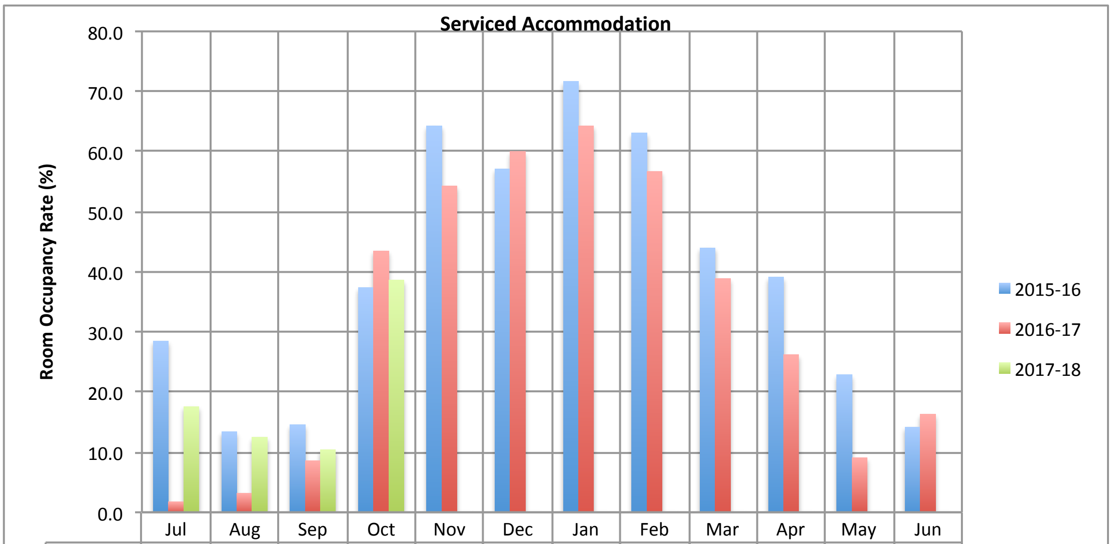
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2015-16	10	13	56	193	321	229	290	253	179	103	41	17
2016-17	5	13	42	172	229	196	289	265	269	112	36	39
2017-18	21	13	37									

Month	2015-16	2016-17	2017-18	Change (%)
Jul	10	5	21	320.0
Aug	13	13	13	(0.0)
Sep	56	42	37	(11.9)
Oct	193	172	0	
Nov	321	229	0	
Dec	229	196	0	
Jan	290	289	0	
Feb	253	265	0	
Mar	179	269	0	
Apr	103	112	0	
May	41	36	0	
Jun	17	39	0	

This Quarter

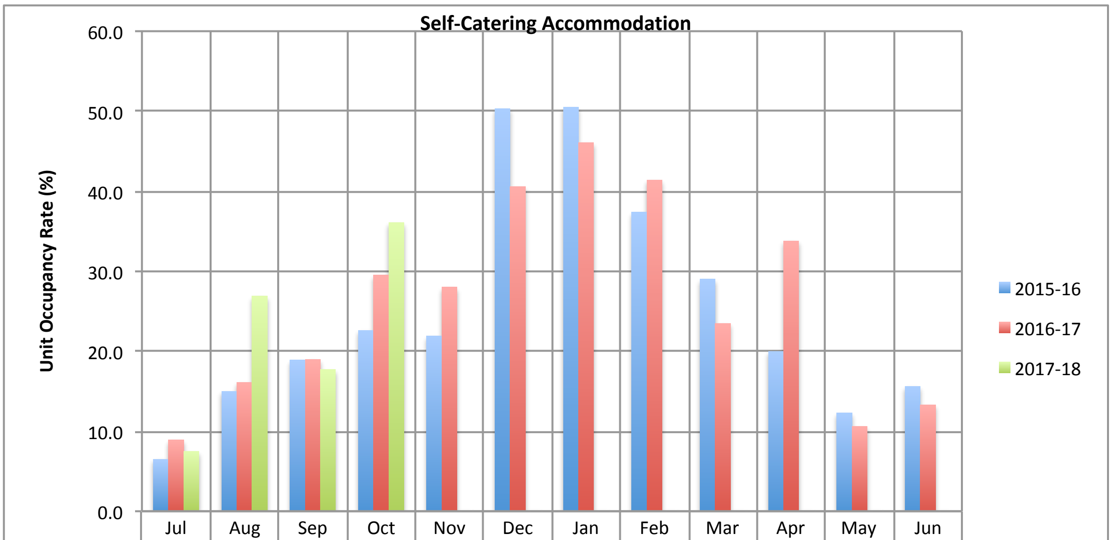
Accommodation Occupancy

Room occupancy rates for serviced accommodation were up significantly in all three months of the third quarter of 2017 (compared to 2016). 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. The Waterfront Hotel was closed in Q3 2016 for refurbishment, and this mainly accounts for the low occupancy rates in 2016.



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
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
2017-18	17.6	12.5	10.4	38.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Self-catering accommodation was significantly up in August 2017 (compared to 2016), and broadly the same in July and September 2017, compared to the same months in 2016.

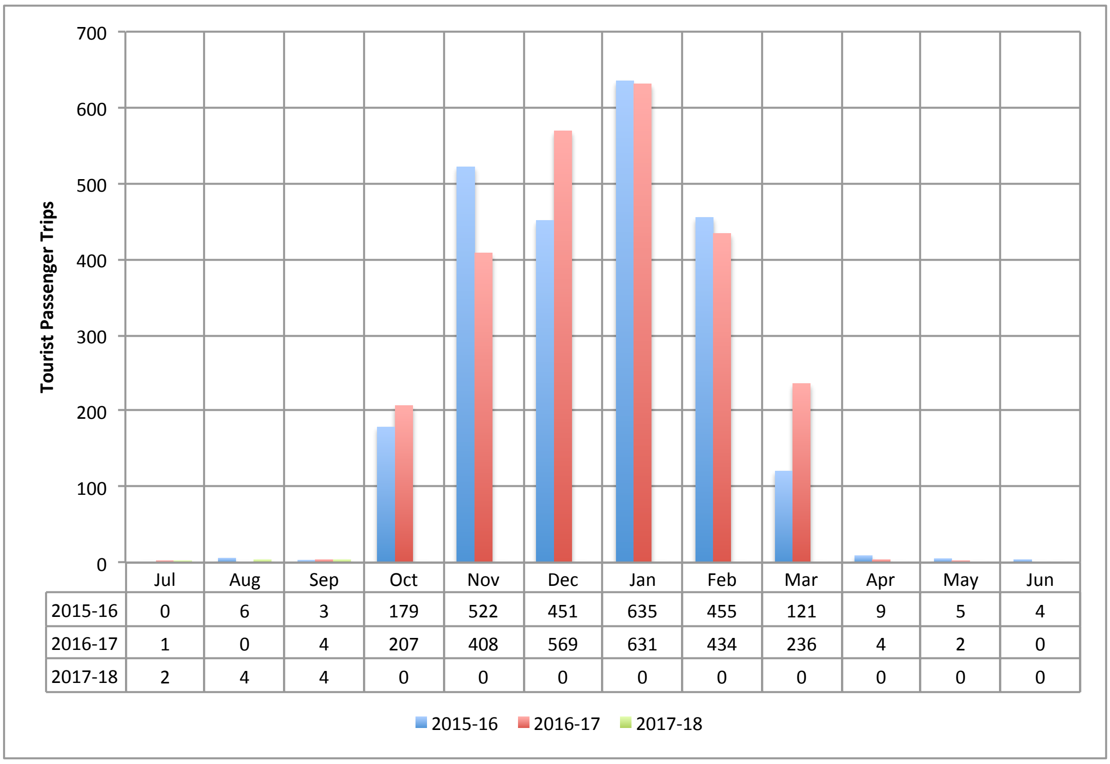


	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2015-16	6.5	15.0	18.9	22.6	21.9	50.3	50.5	37.4	29.0	20.0	12.3	15.6
2016-17	8.9	16.1	19.0	29.5	28.0	40.6	46.1	41.4	23.5	33.8	10.6	13.3
2017-18	7.5	26.9	17.7	36.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

This Quarter

Tourist Passengers Carried on FIGAS

The number of tourists (non-resident) passengers carried by FIGAS in Q3 2017 was 10, reflecting the low level of leisure tourism outside of East Falkland during this quarter.



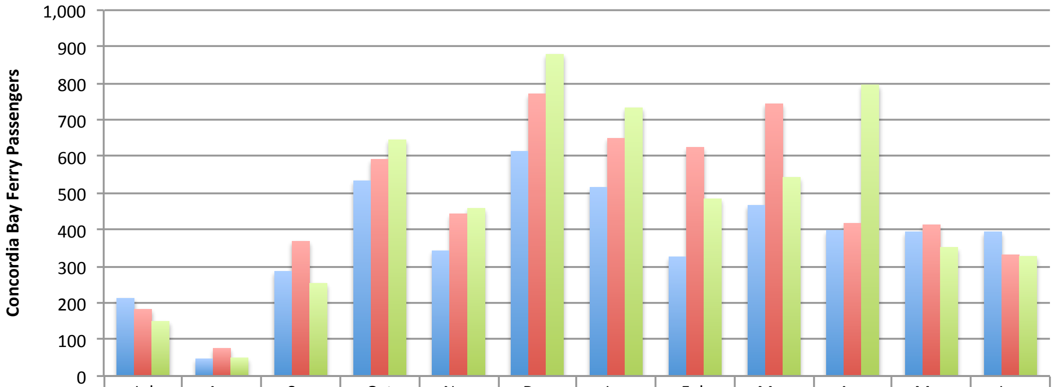
Month	2015-16	2016-17	2016-17	% Growth
Jul	0	1	2	100.0
Aug	6	0	4	-
Sep	3	4	4	0.0
Oct	179	207		
Nov	522	408		
Dec	451	569		
Jan	635	631		
Feb	455	434		
Mar	121	236		
Apr	9	4		
May	5	2		
Jun	4	0		

Courtesy of FIGAS

This Quarter

Passengers and Domestic Vehicles on Concordia Bay Ferry

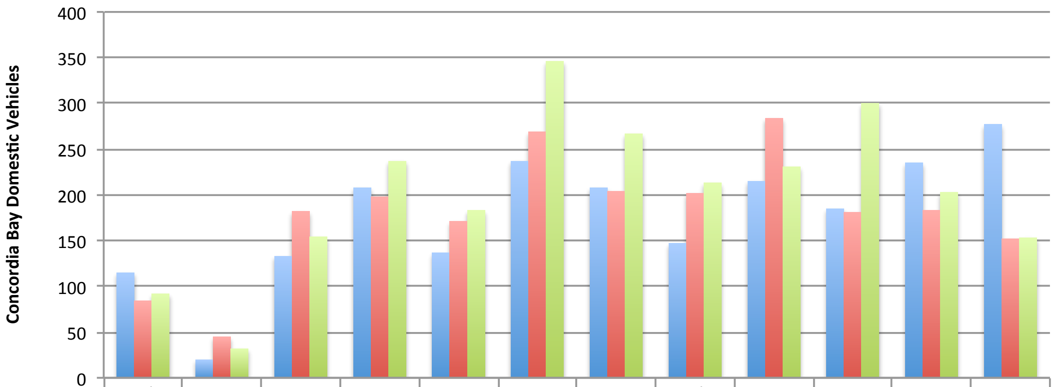
Passenger numbers in Q3 2017 have not been made available for this report. Consequently the charts below show the situation up to Q2 2017.



	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

2014-15 2015-16 2016-17

Domestic vehicle numbers in Q3 2017 have not been made available for this report. Consequently the charts below show the situation up to Q2 2017.



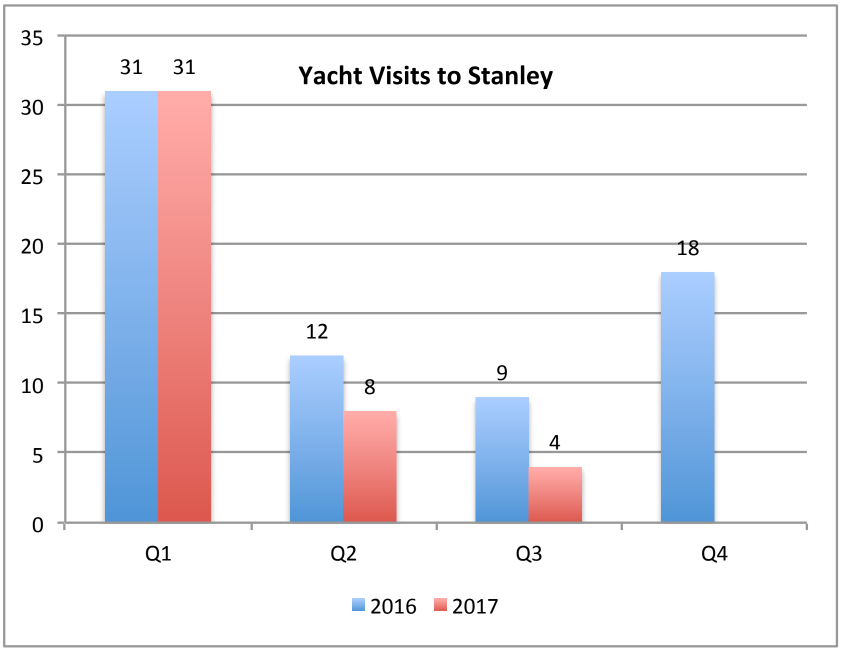
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2014-15	115	20	133	208	137	237	208	147	215	185	235	277
2015-16	84	45	182	198	171	269	204	202	284	181	183	152
2016-17	92	32	154	237	183	346	267	213	231	300	203	153

2014-15 2015-16 2016-17

This Quarter

Yacht Visits to Stanley

A total of four yacht visits were made to Stanley in Q3 2017, down from nine visits made in the same quarter of 2016.



Courtesy of Falkland Islands Yacht Club

Jetty Visitor Centre Footfall

The JVC footfall counter was installed in November 2016, so 12 months of data are now available. From the next edition of Tourism Quarterly, month-on-month comparisons will be possible. Data up to October 2017 shows increasing numbers of visitors, as the cruise season commences.

Month	2016-17	2017-18
Jul		314
Aug		316
Sep		616
Oct		4,437
Nov	9,811	0
Dec	12,354	0
Jan	17,140	0
Feb	19,053	0
Mar	10,310	0
Apr	3,625	0
May	415	0
Jun	323	0
Total	**73,031**	**5,683**

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. Data indicates that there is an increasing number of visits to the website, with over 14,000 in October, looking at almost 44,000 pages. Most significantly, increasing numbers of website visitors are clicking through to the websites/emailing tour operators and accommodation providers, which is a good indication of growth in interest and bookings.

Website	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	145	(4.6)
Jul	11,318	(3.9)	31,382	(3.6)	28,168	(17.3)	469	(7.9)	173	19.3
Aug	12,172	7.5	34,691	10.5	83,687	197.1	637	35.8	214	23.7
Sep	12,181	0.1	36,943	6.5	33,170	(60.4)	654	2.7	228	6.5
Oct	14,375	18.0	43,740	18.4	41,524	25.2	731	11.8	318	39.5

Social Media: Facebook and Twitter

Social media marketing is now a central part of FITB's marketing strategy, and at present Facebook, Twitter and Instagram are the media used. Facebook Friends, Twitter and Instagram Followers continue to grow every month, as do downloads of the website app for iPhone and Android.

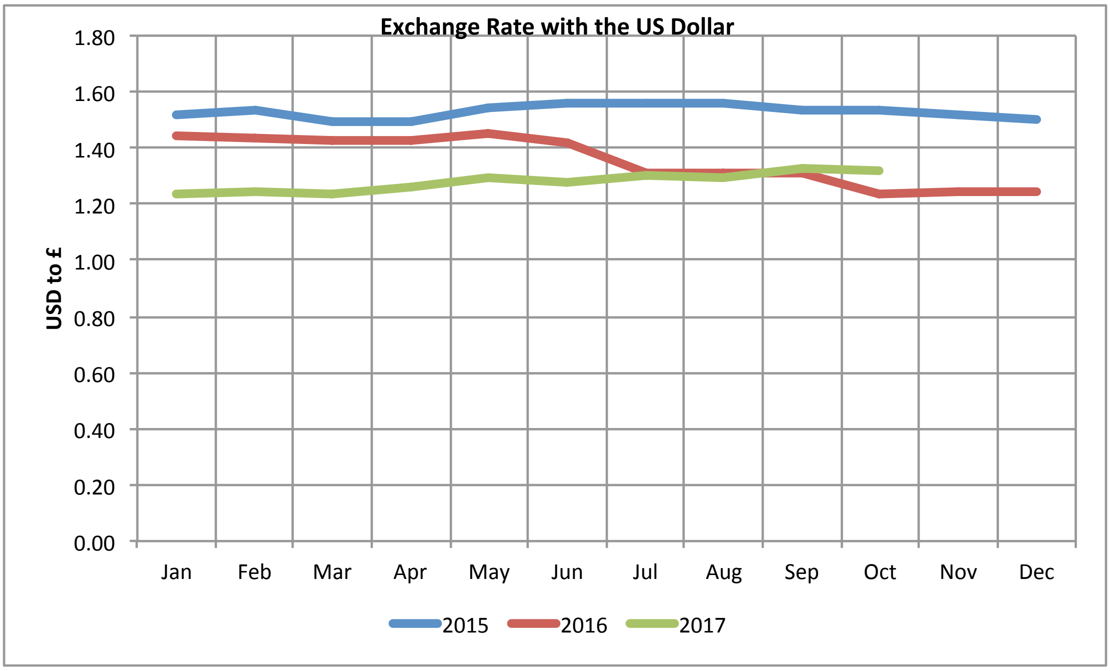
Social Media	Facebook Friends		Facebook Reach		Twitter Followers		Twitter Impressions		Instagram Followers		Website App Downloads	
	2017		2017		2017		2017		2017		2017	
	No.	(%)	No.	(%)	No.	(%)	No.	(%)	No.	(%)	No.	(%)
Jan												
Feb												
Mar	92,144											
Apr	92,511	0.4	549,764		3,669		57,200		83			
May	93,259	0.8	750,859	36.6	3,776	2.9	54,900	(4.0)	269	224.1		
Jun	93,747	0.5	583,490	(22.3)	3,877	2.7	23,200	(57.7)	434	61.3		
Jul	94,099	0.4	533,931	(8.5)	3,940	1.6	16,000	(31.0)	601	38.5		
Aug	94,472	0.4	1,407,769	163.7	4,024	2.1	20,200	26.3	753	25.3	534	
Sep	94,487	0.0	730,325	(48.1)	4,060	0.9	11,400	(43.6)	943	25.2	1,897	255.2
Oct	94,635	0.2	345,113	(52.7)	4,107	1.2	20,800	82.5	1,029	9.1		

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
Instagram Followers: Total number of people who currently follow the FITB Instagram page

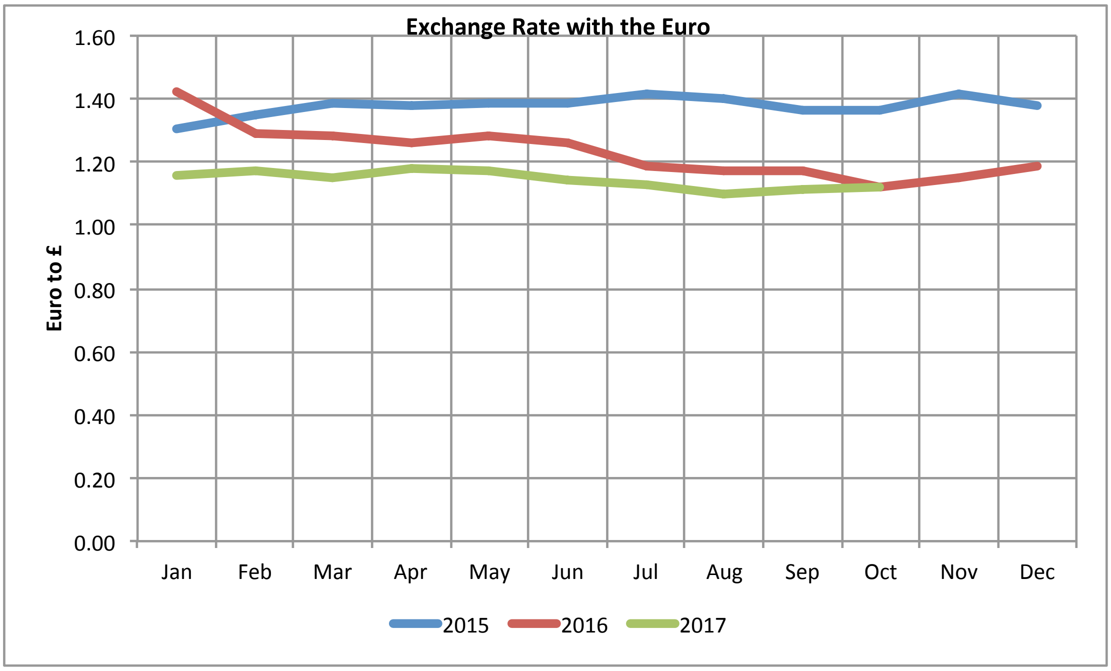
This Quarter

Currency Exchange Rates

The pound is continuing to recover against the dollar, and during Q3 2017 it finally strengthened beyond where it was at the same time in 2016. This makes the Falklands slightly less affordable for USA residents than it was at the same time in 2016, although considerably more affordable than it was in 2015.



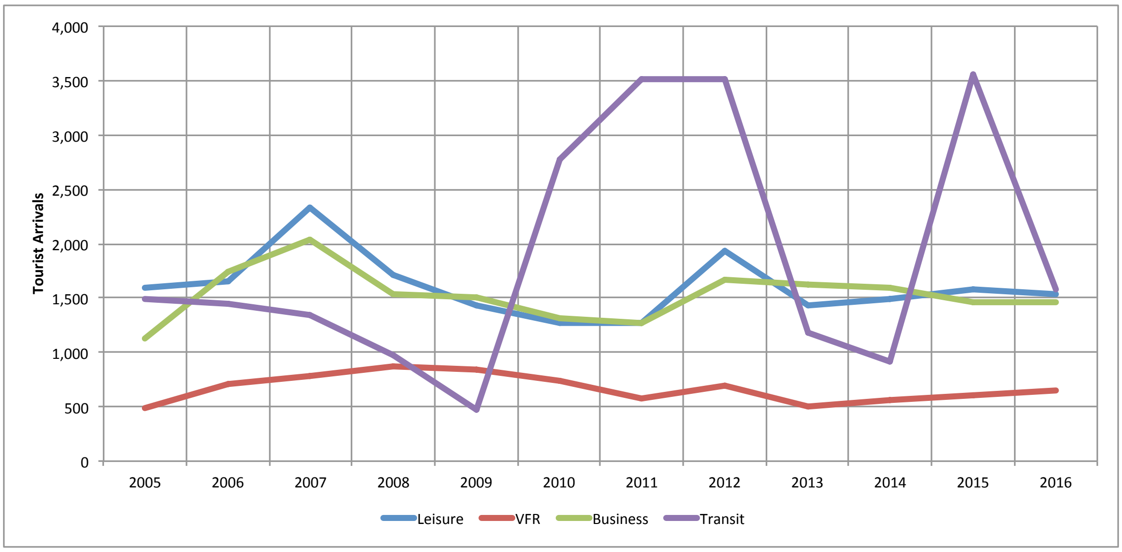
The exchange rate with the euro has followed a similar pattern as the dollar, although the recovery of the pound has only just (in October) recovered to where it was in 2016, and is still significantly down on where it was in 2015, making the Falklands significantly more affordable than it was in 2015.



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.

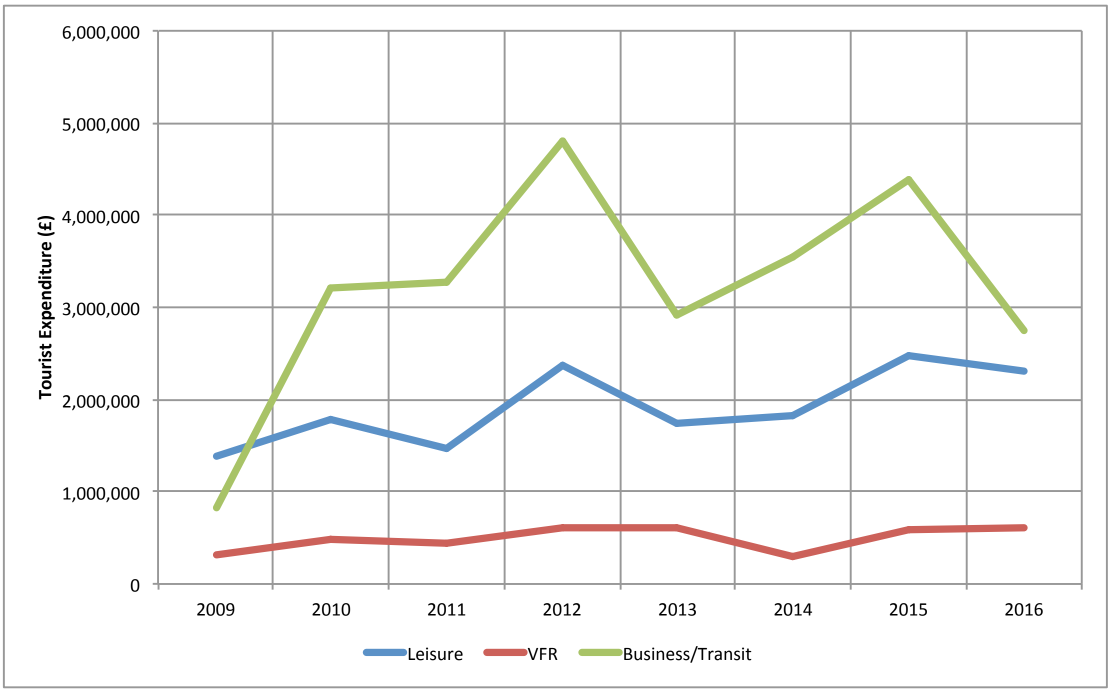


Year	Leisure	VFR	Business	Transit	Total	Leisure Growth (%)	Total Growth (%)
2005	1,602	486	1,128	1,486	4,702		
2006	1,653	715	1,748	1,453	5,569	3.2	18.4
2007	2,338	782	2,032	1,345	6,497	41.4	16.7
2008	1,720	879	1,533	982	5,114	(26.4)	(21.3)
2009	1,429	839	1,510	468	4,246	(16.9)	(17.0)
2010	1,271	735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

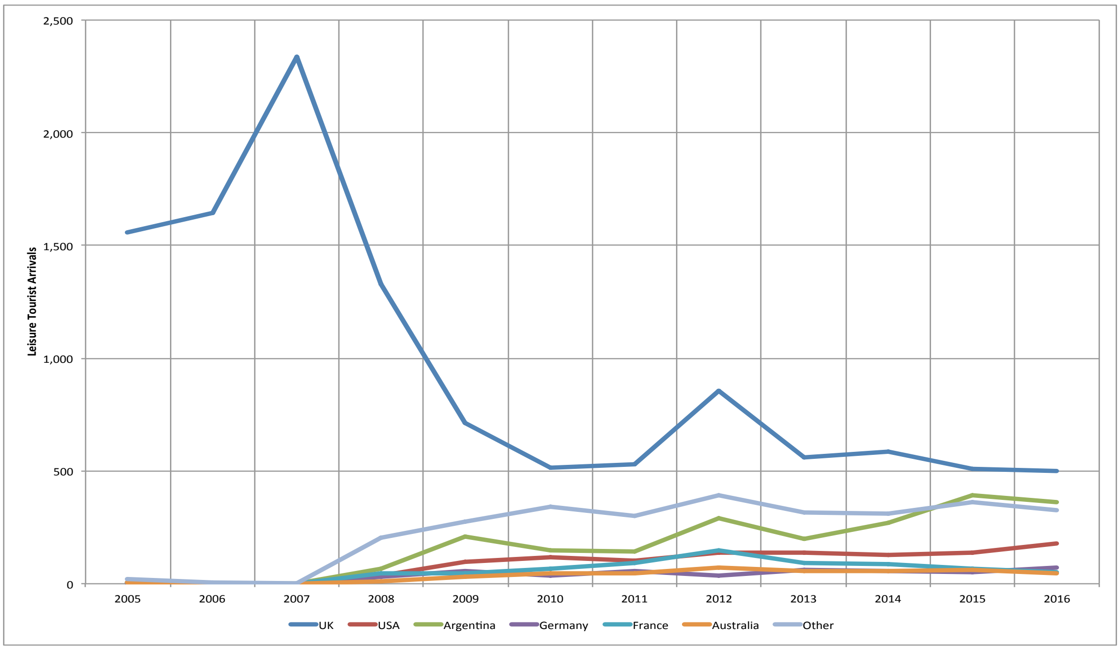


Year	Leisure (£)	VFR (£)	Business and Transit (£)	Total (£)
2009	1,377,367	316,014	827,058	2,520,439
2010	1,784,484	491,199	3,217,856	5,493,539
2011	1,466,762	433,566	3,277,600	5,177,928
2012	2,367,014	605,500	4,802,000	7,774,514
2013	1,738,650	615,209	2,918,767	5,272,625
2014	1,820,273	297,587	3,541,343	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

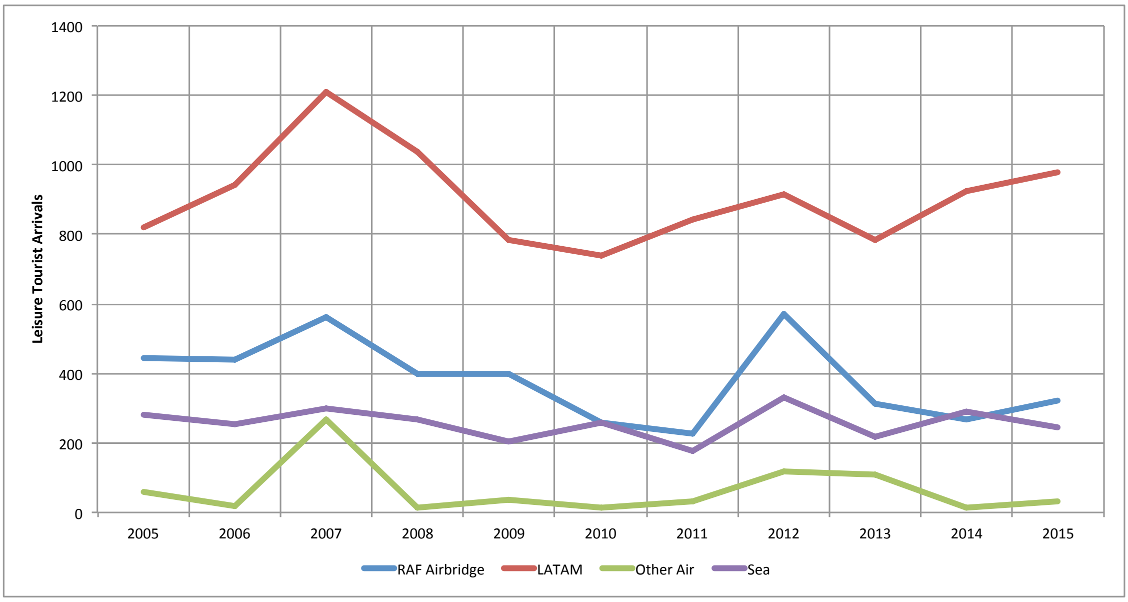
Year-on-year Growth Rates

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%).

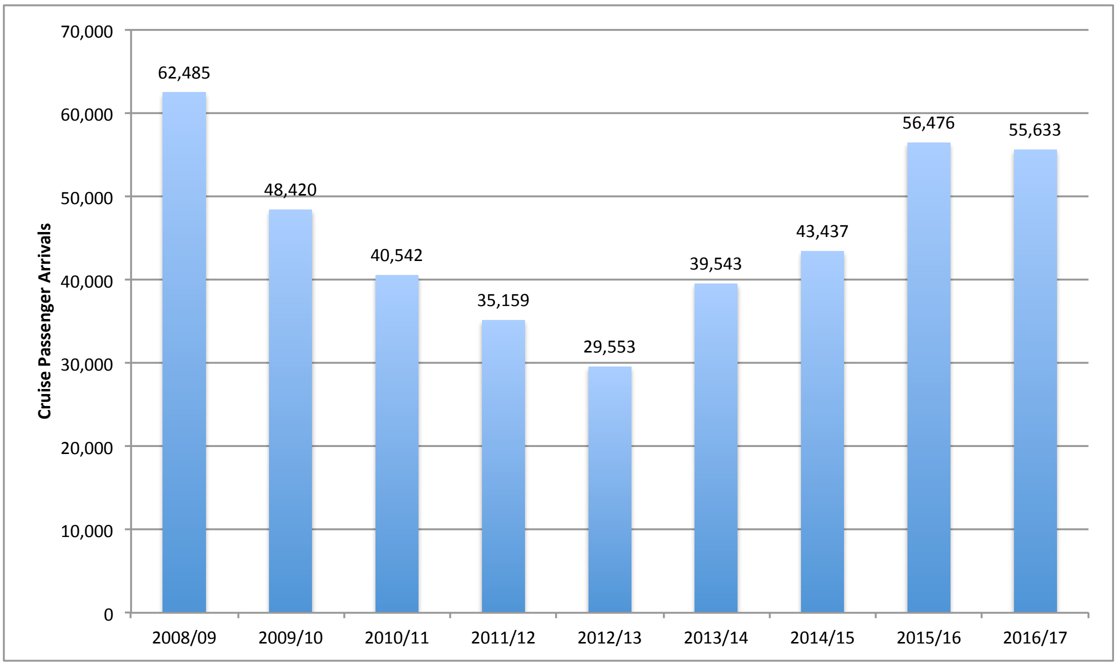


Year	RAF Airbridge	LATAM	Other Air	Sea	Total
2010	259	739	13	260	1,271
2011	225	844	30	177	1,276
2012	573	916	118	333	1,940
2013	314	786	107	219	1,426
2014	266	926	13	289	1,494
2015	321	978	30	247	1,576
2016	273	1026	10	231	1,540
Year-on-year Growth Rates					
2010	(35.3)	(6.0)	(64.9)	26.2	(11.1)
2011	(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.



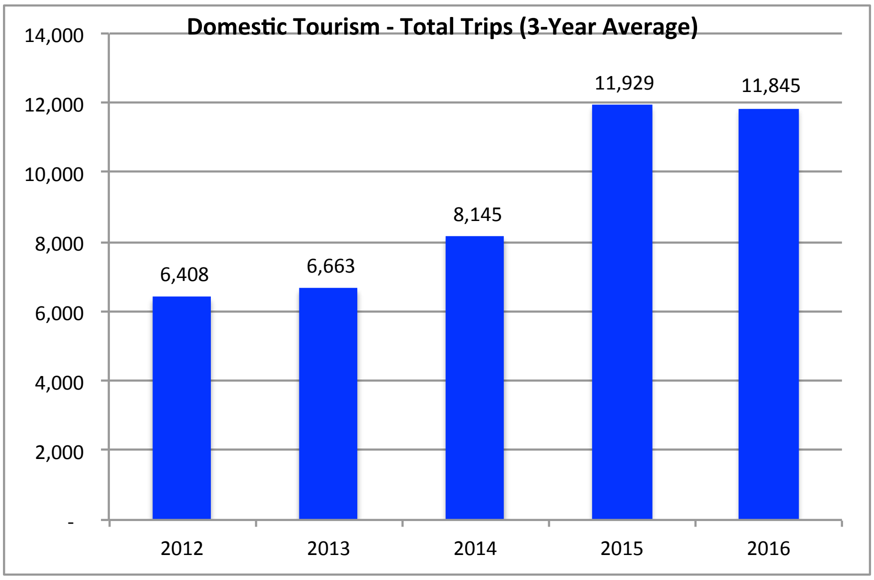
Season	Arrivals	Change (%)	Spend/Pax (£)	Total Spend (£)	Change (%)
2008/09	62,485		45.73	2,857,439	
2009/10	48,420	(22.5)	32.82	1,589,144	(44.4)
2010/11	40,542	(16.3)	34.50	1,398,699	(12.0)
2011/12	35,159	(13.3)	50.75	1,784,319	27.6
2012/13	29,553	(15.9)	57.27	1,692,500	(5.1)
2013/14	39,543	33.8	53.89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

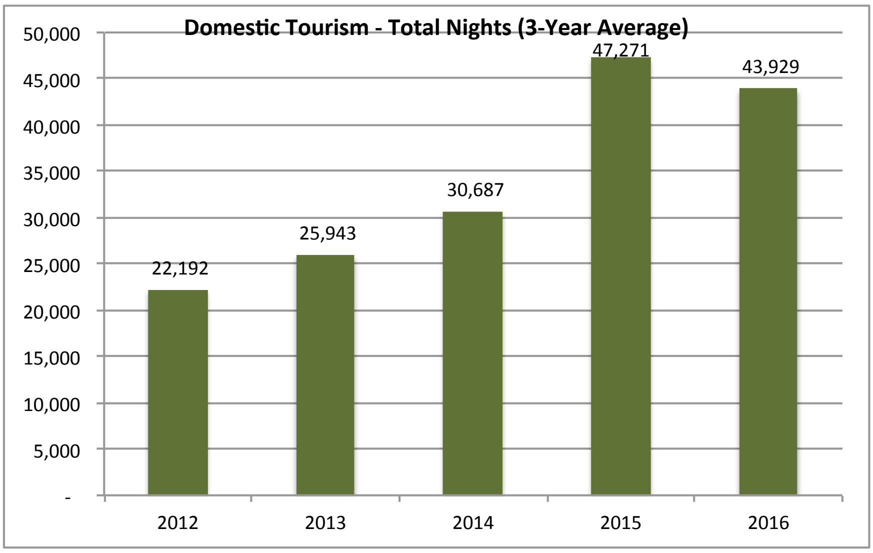
Expenditure by cruise visitors is calculated from the Cruise Visitor Survey carried out by FITB. Analysis of the 2016/17 season survey showed a significant growth in visitor expenditure, by 16.1%, to £3.2 million.

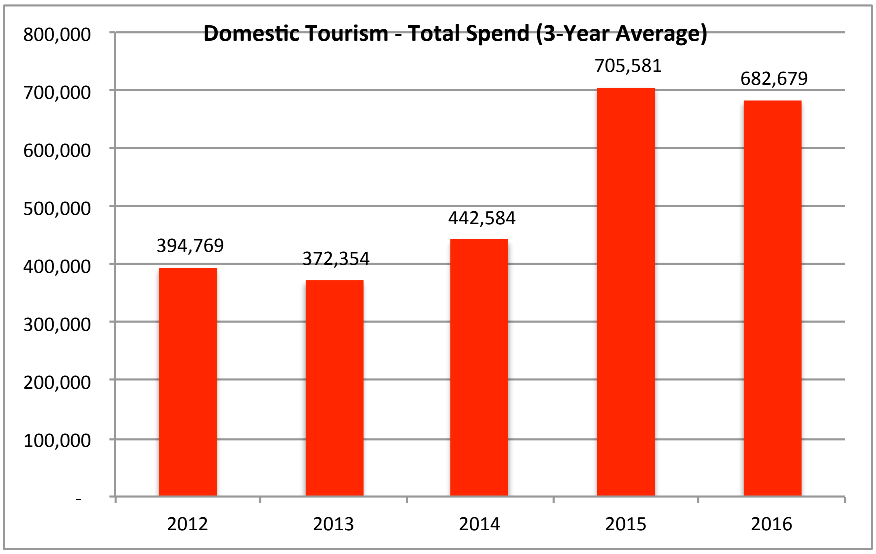
Long Term Trends

Domestic Tourism Trips and Expenditure (2012-2016)

Domestic tourism is estimated from the quarterly Domestic Household Survey undertaken by FITB. In 2016, residents of the Falklands took over 11,800 trips **for all purposes**, spending almost 44,000 nights away from home, with a total expenditure of almost £683,000. These figures represent a small decline on that measured in 2015.



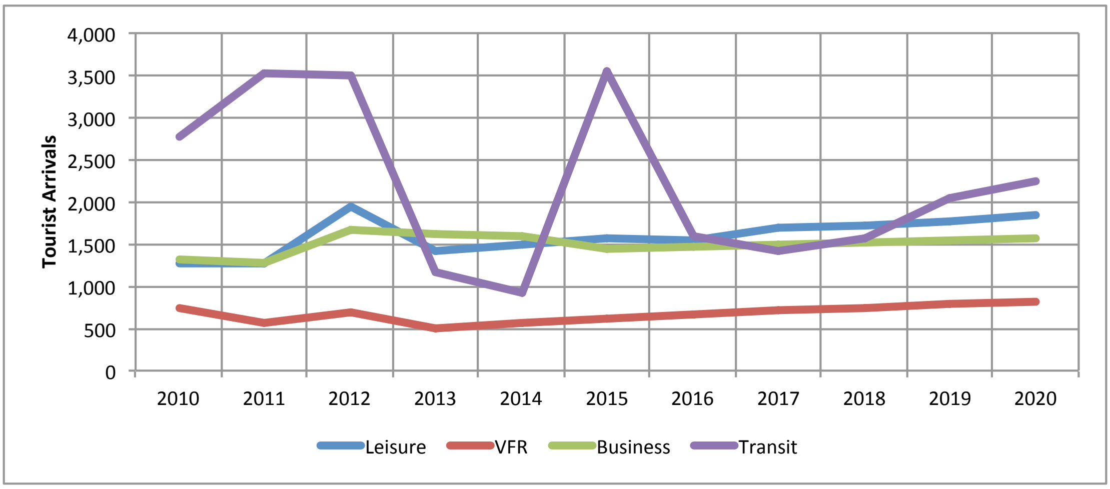




Forecast

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.



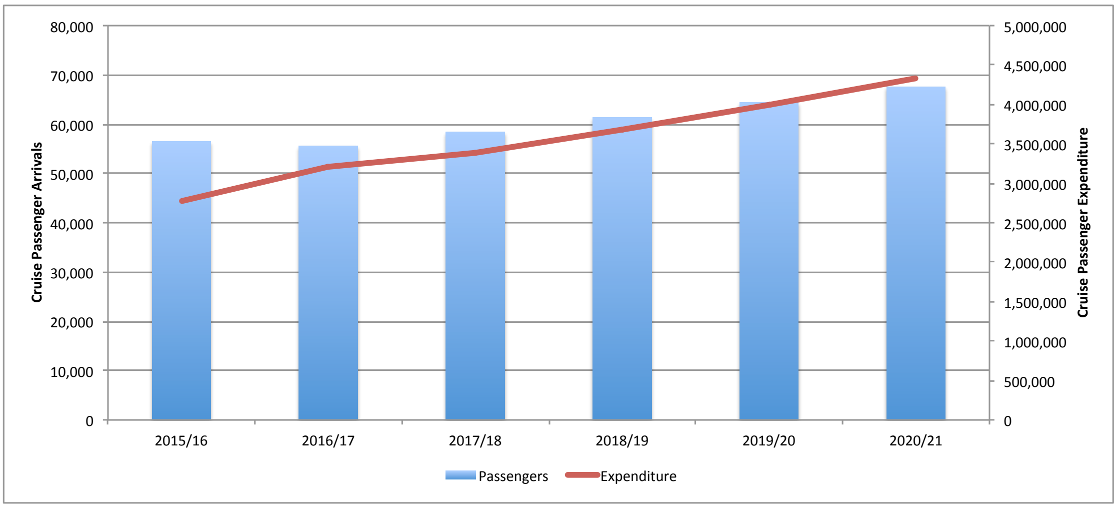
Year	Leisure	VFR	Business	Transit	Total	Leisure Growth (%)	Total Growth (%)
2016	1,540	656	1,467	1,584	5,247	(2.3)	(27.0)
2017	1,694	708	1,482	1,426	5,310	10.0	1.2
2018	1,711	744	1,511	1,568	5,534	1.0	4.2
2019	1,762	781	1,542	2,039	6,124	3.0	10.6
2020	1,850	820	1,572	2,242	6,485	5.0	5.9

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