Tourism Quarterly

Issue 8: October-December 2017

December 2017

Contents

Introduction

This edition of Tourism Quarterly covers the first half of the 2017-2018 tourist season: October, November and December 2017, and shows what a strong first half we have had! Overnight tourist arrivals are up 22.3% on the same quarter in 2016, accommodation occupancy is also up, and is particularly strong in the self-catering sector, and tourist flights on FIGAS are up 9.4%. This is all great news, and we will be watching closely to see if the second half of the season mirrors this.

Whilst we have not had any interim data on cruise visitors yet, we believe the season is on track with our initial forecasts, as cancellations have been relatively limited. So overall, we hope it will end up being another good season.

When tracking tourism, it is never easy to exactly pinpoint why visitor numbers increase or decrease – so many factors are at play that affect tourism in both a positive and negative way. However, we hope that our strong social media marketing campaigns that commenced at the end of last season are in part responsible for the growth - at least for those visitors who booked less than 6 months before travelling (which account for at least 50% of all bookings). Each month, around 26,000 consumers engage with our Facebook marketing (engagement means they have actively clicked on a link or engaged with the page in some way), and almost 1,000 are clicking through to tour operator or accommodation websites from our own website – hopefully some of these are going on to make bookings.

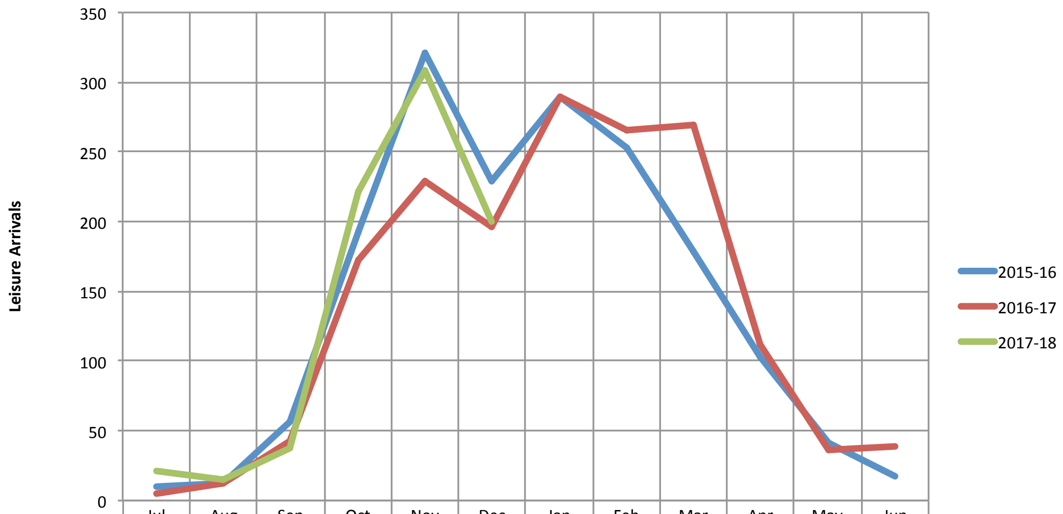
As always, please drop me a line with any comments or thoughts you have about *Tourism Quarterly*. The aim of the publication is to provide useful and easily accessible information for everyone involved in tourism.

Stephanie Middleton
Executive Director

This Quarter

Leisure Tourist Arrivals

There was growth in leisure tourist arrivals in all three months of the fourth quarter (Q4) of 2017 compared to the same period in the previous year, increasing by 22.3%. This represents a very strong start to the 2017-18 season, with October up by 29.1% and November up by 34.5%.



	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	15	38	222	308	200						

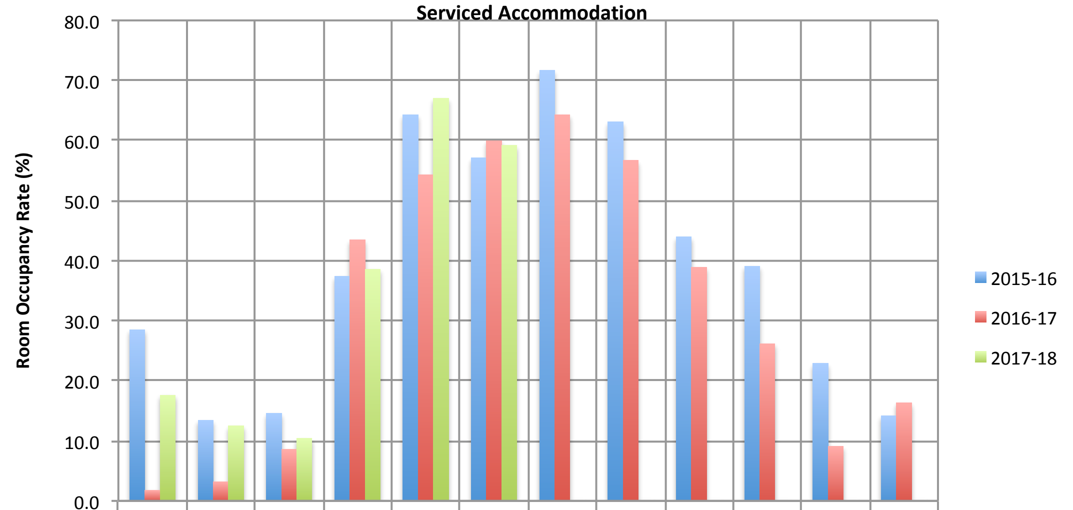
Month	2015-16	2016-17	2017-18	Change (%)
Jul	10	5	21	320.0
Aug	13	13	15	15.4
Sep	56	42	38	(9.5)
Oct	193	172	222	29.1
Nov	321	229	308	34.5
Dec	229	196	200	2.0
Jan	290	289	0	
Feb	253	265	0	
Mar	179	269	0	
Apr	103	112	0	
May	41	36	0	
Jun	17	39	0	

This Quarter

Accommodation Occupancy

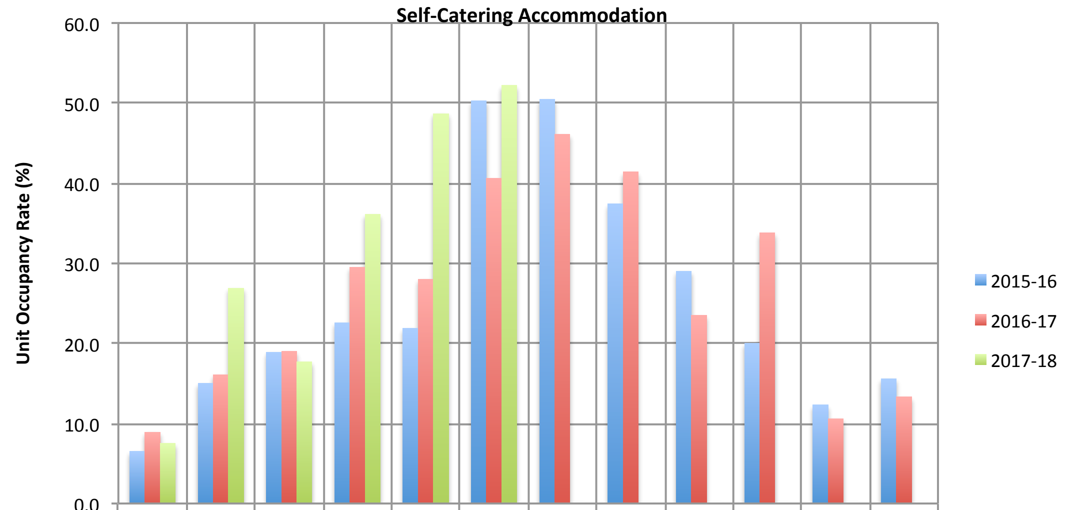
Room occupancy rates for serviced accommodation were up significantly in November, but down marginally in October and December, however in Q4 overall there was an average growth of around 7% compared to Q4 2016.

Comparing the complete calendar year of 2017 with 2016, the average room occupancy rate was down slightly at 42.0% (45.2% 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	67.0	59.2	0.0	0.0	0.0	0.0	0.0	0.0

Self-catering accommodation was up significantly in all three months of Q4 2017 (compared to 2016). Overall, 2017 has been the best year to date for self-catering accommodation (since records began), with an average annual occupancy rate of 30.9% (compared to 22.5% in 2016).

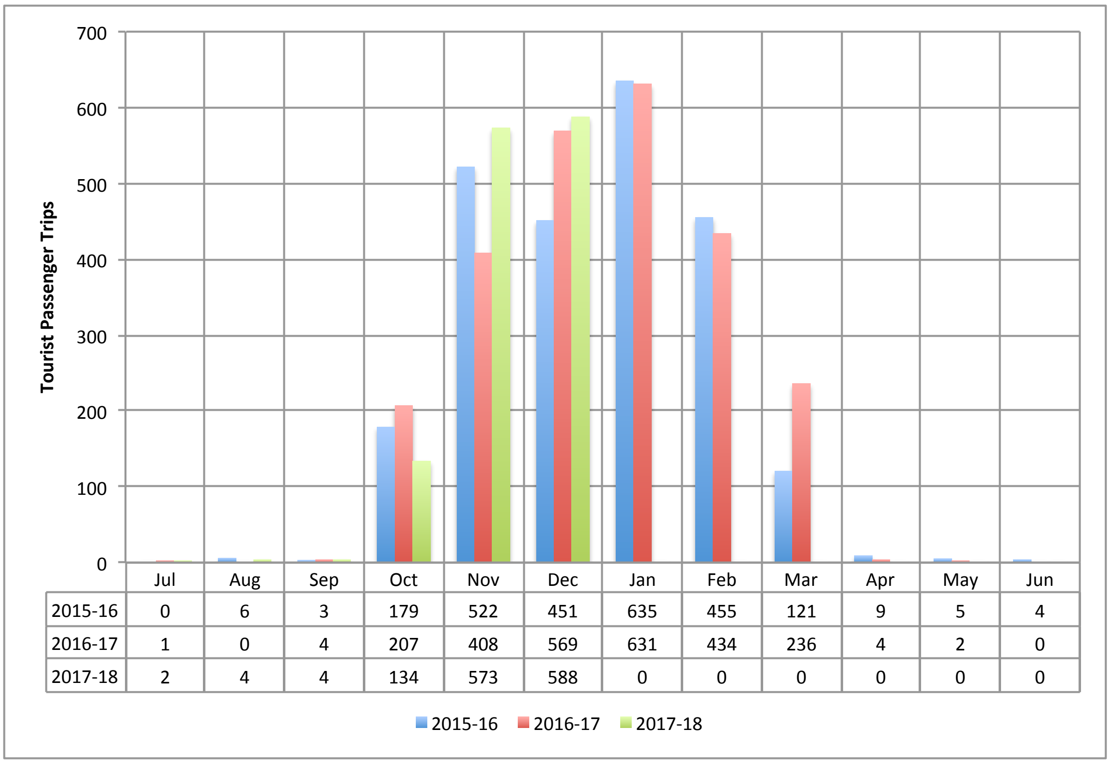


	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2015-16	6.5	15.0	18.9	22.6	21.9	50.3	50.5	37.4	29.0	20.0	12.3	15.6
2016-17	8.9	16.1	19.0	29.5	28.0	40.6	46.1	41.4	23.5	33.8	10.6	13.3
2017-18	7.5	26.9	17.7	36.1	48.7	52.2	0.0	0.0	0.0	0.0	0.0	0.0

This Quarter

Tourist Passengers Carried on FIGAS

The number of tourists (non-resident) passengers carried by FIGAS in Q4 2017 was up 9.4% compared to the same quarter in 2016 reflecting the increase in tourist arrivals to the Falkland Islands over the same period. However, numbers were down in October, indicating that many of the arrivals visited East (and possibly West) Falklands rather than the outer islands.



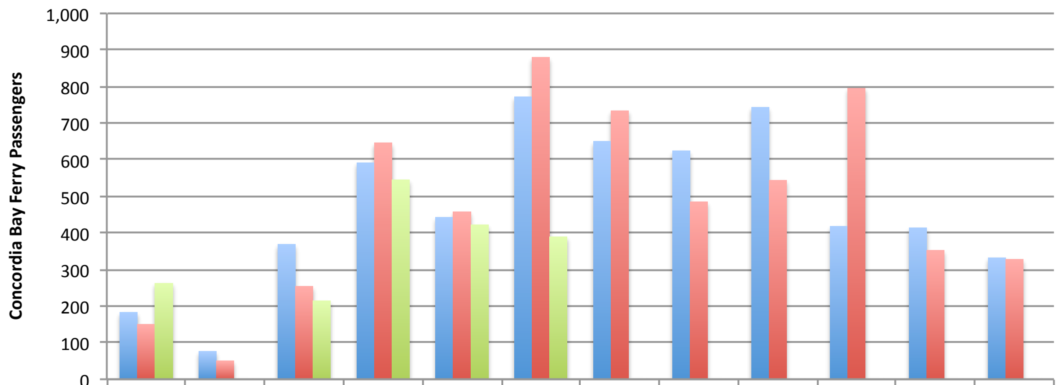
Month	2015-16	2016-17	2016-17	% Growth
Jul	0	1	2	100.0
Aug	6	0	4	-
Sep	3	4	4	0.0
Oct	179	207	134	(35.3)
Nov	522	408	573	40.4
Dec	451	569	588	3.3
Jan	635	631		
Feb	455	434		
Mar	121	236		
Apr	9	4		
May	5	2		
Jun	4	0		

Courtesy of FIGAS

This Quarter

Passengers and Domestic Vehicles on Concordia Bay Ferry

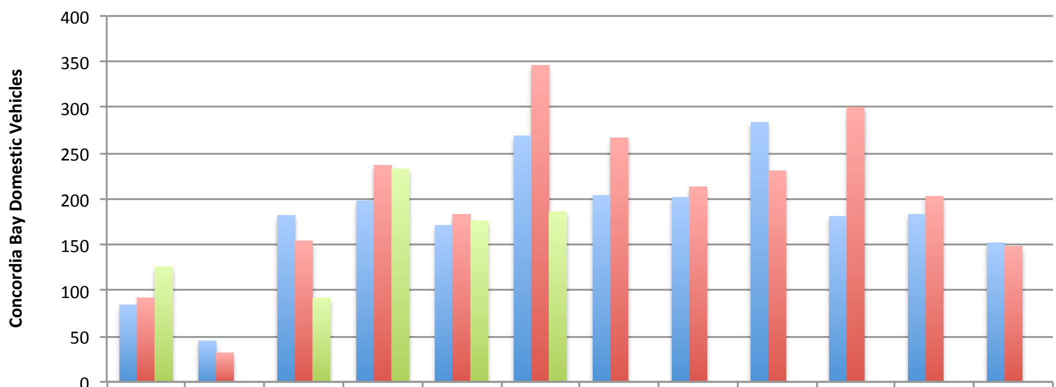
Passenger numbers in Q4 2017 were down by 31.6% compared to the same period in 2016. This was largely due to the vessel being on charter for two weeks in December when there was no east-west ferry operation. However, comparisons of October and November 2017 (which are comparable to 2016) show a small decline in 2017 compared to 2016.



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
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
2017-18	263	0	214	545	423	390	0	0	0	0	0	0

2015-16 2016-17 2017-18

Domestic vehicle numbers in Q4 2017 broadly reflect the passenger number visitors, with an overall drop of 22.3% compared to 2016.



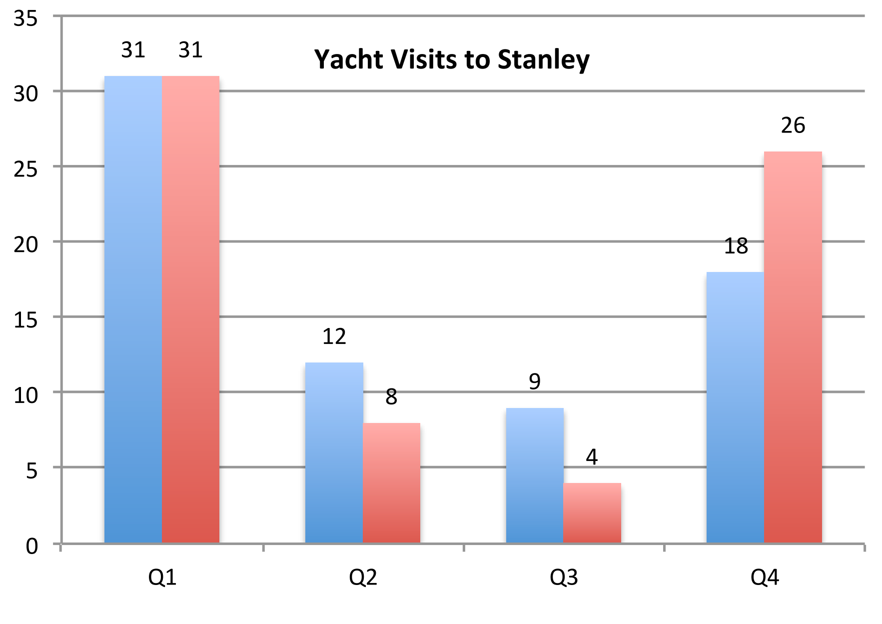
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2015-16	84	45	182	198	171	269	204	202	284	181	183	152
2016-17	92	32	154	237	183	346	267	213	231	300	203	148
2017-18	126	0	92	233	176	186	0	0	0	0	0	0

2015-16 2016-17 2017-18

This Quarter

Yacht Visits to Stanley

A total of 26 yacht visits were made to Stanley in Q4 2017, up considerably from 18 visits made in the same quarter of 2016. Overall, there have been 69 yacht visits in 2017, compared to 70 in 2016.



Courtesy of Falkland Islands Yacht Club

Jetty Visitor Centre Footfall

The JVC footfall counter was installed in November 2016, so just over 12 months of data are now available. There were 7,689 visitors in November and 10,202 in December, both down on the number of visitors in the corresponding months in 2016. However, the cruise ship schedule strongly determines visitor numbers, and conclusions will not be possible until the end of the season.

Month	2016-17	2017-18	% Growth
Jul		314	
Aug		316	
Sep		616	
Oct		4,437	
Nov	9,811	7,689	(21.6)
Dec	12,354	10,202	(17.4)
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 almost 14,400 in December. Most significantly, increasing numbers of website visitors are clicking through to the websites of tour operators and accommodation providers - 803 in December (up from 530 in April), with 413 emails being sent to these businesses (up from 170 in April). 86 visitors clicked through to the ITT and FIH websites in December (up from 59 in April). Finally, the database of email addresses of interested consumers grows each month, currently standing at 360; these receive our quarterly e- newsletter.

Website	Unique Visitors		Pages Viewed		Product 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
Nov	16,293	13.3	47,650	8.9	49,264	18.6	869	18.9	314	(1.3)
Dec	14,371	(11.8)	40,803	(14.4)	42,290	(14.2)	803	(7.6)	413	31.5

Social Media: Facebook and Twitter

Social media marketing is now a central part of FITB's marketing strategy. Facebook Friends, Twitter and Instagram Followers continue to grow every month. More significantly, Facebook reach is also growing, although it tends to fluctuate a little from month to month depending on Facebook marketing activity – nevertheless it averages almost 650,000 people each month.

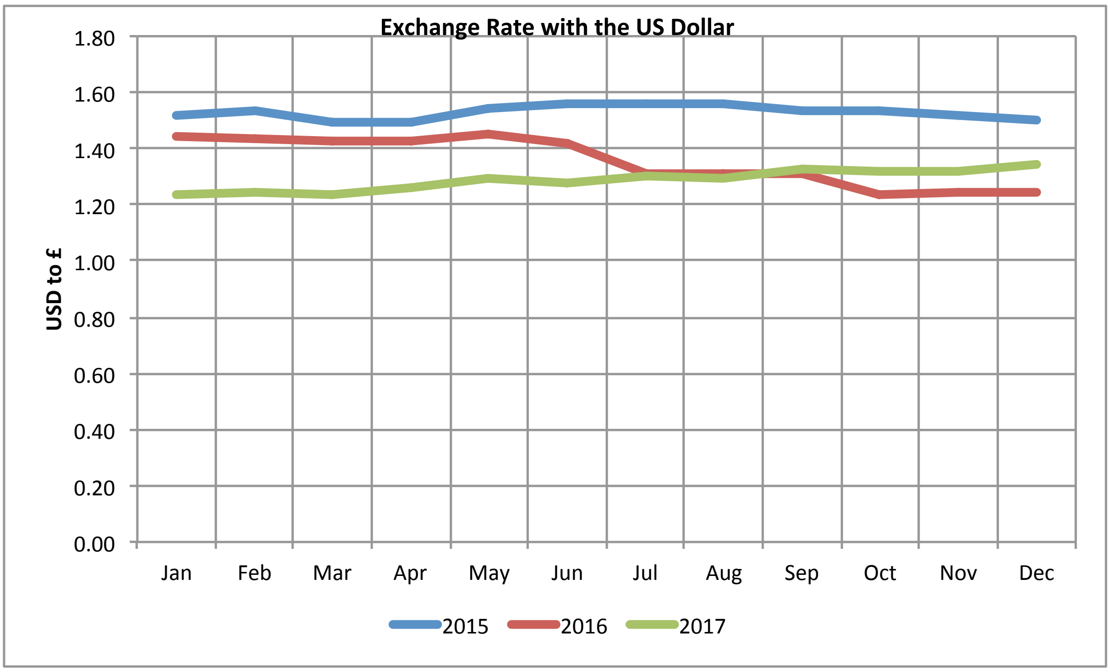
Social Media	Facebook Friends		Facebook Reach		Twitter Followers		Twitter Impressions		Instagram Followers		Website App Downloads	
	2017		2017		2017		2017		2017		2017	
	No.	(%)	No.	(%)	No.	(%)	No.	(%)	No.	(%)	No.	(%)
Jan												
Feb												
Mar	92,144											
Apr	92,511	0.4	549,764		3,669		57,200		83			
May	93,259	0.8	750,859	36.6	3,776	2.9	54,900	(4.0)	277	233.7		
Jun	93,747	0.5	583,490	(22.3)	3,877	2.7	23,200	(57.7)	443	59.9		
Jul	94,099	0.4	533,931	(8.5)	3,940	1.6	16,000	(31.0)	609	37.5		
Aug	94,472	0.4	1,407,769	163.7	4,024	2.1	20,200	26.3	766	25.8	534	
Sep	94,487	0.0	730,325	(48.1)	4,060	0.9	11,400	(43.6)	943	23.1	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	37	(98.0)
Nov	94,714	0.1	308,097	(10.7)	4,484	9.2	60,300	189.9	1,107	7.6	9	(75.7)
Dec	94,845	0.1	585,134	89.9	4,552	1.5	39,500	(34.5)	1,218	10.0	15	66.7

Facebook Friends: Total number of people who currently like the FITB Facebook page
Facebook Reach: Total number times a post is displayed (seen) in the month
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

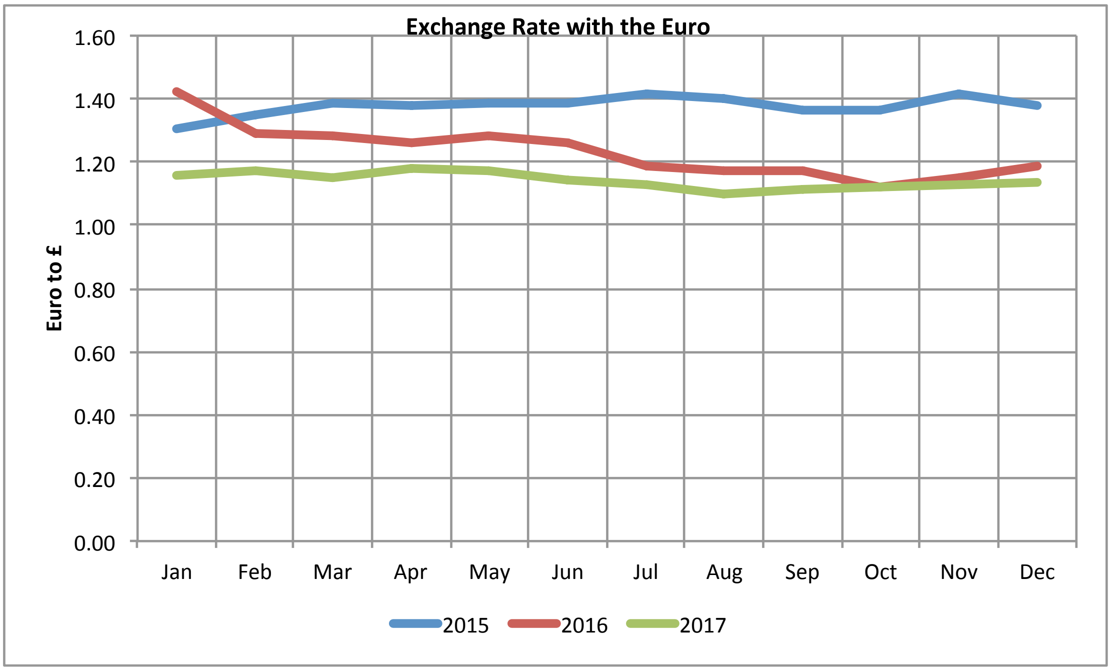
This Quarter

Currency Exchange Rates

The pound is continuing to recover against the dollar, and during Q4 2017 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.



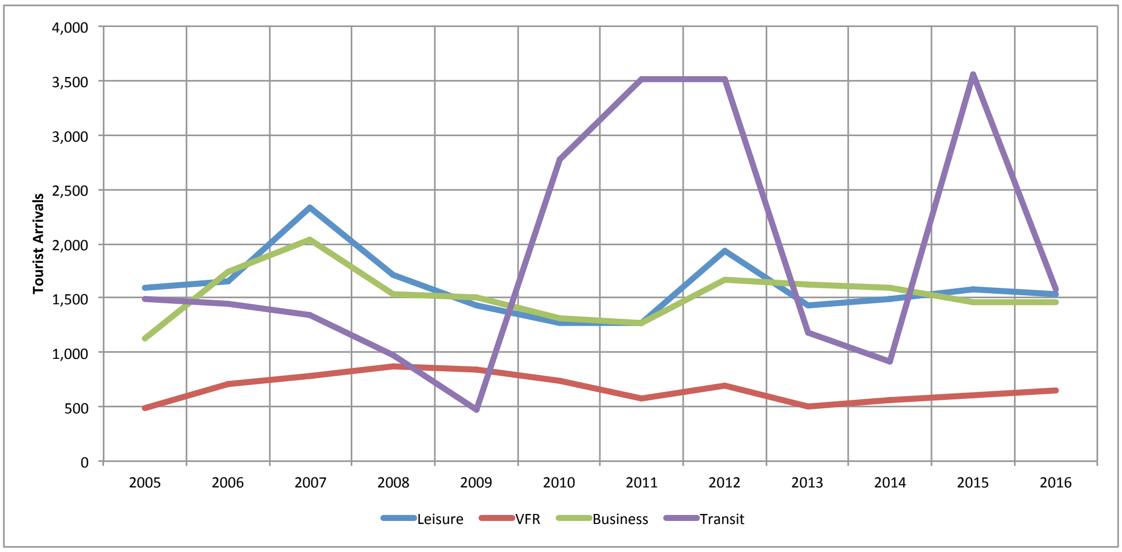
The exchange rate with the euro has followed a similar pattern, although lacks some of strength the pound has gained against the dollar. In December it was just short of where it was in 2016, and is still significantly down on where it was in 2015, making the Falklands considerably more affordable than 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.

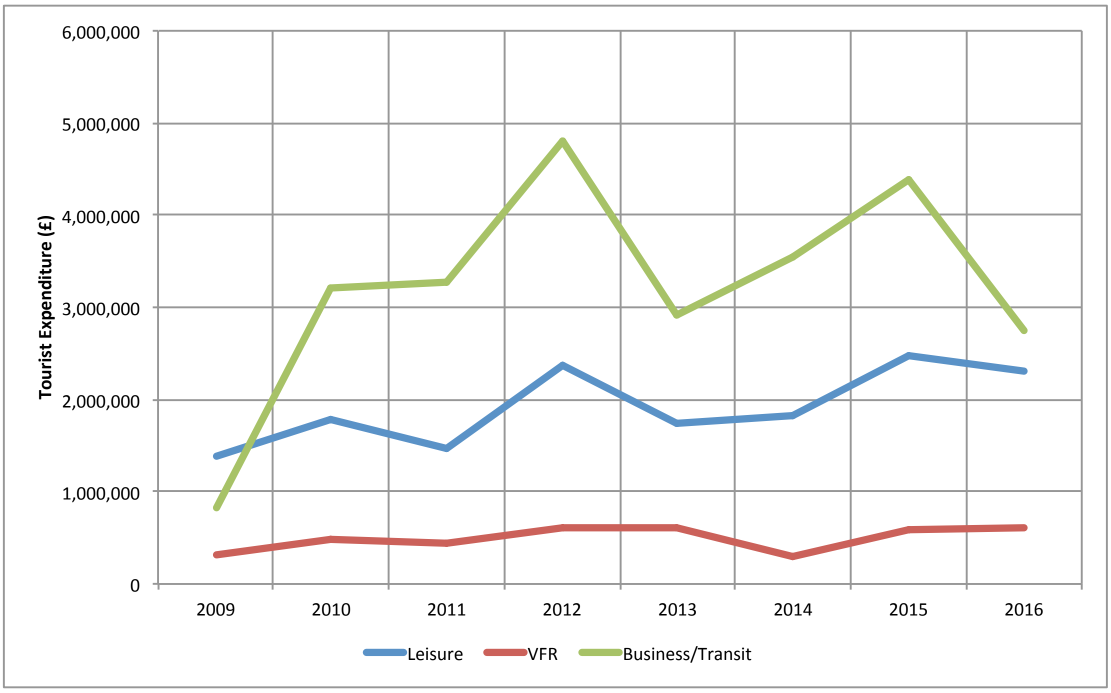


Year	Leisure	VFR	Business	Transit	Total	Leisure Growth (%)	Total Growth (%)
2005	1,602	486	1,128	1,486	4,702		
2006	1,653	715	1,748	1,453	5,569	3.2	18.4
2007	2,338	782	2,032	1,345	6,497	41.4	16.7
2008	1,720	879	1,533	982	5,114	(26.4)	(21.3)
2009	1,429	839	1,510	468	4,246	(16.9)	(17.0)
2010	1,271	735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

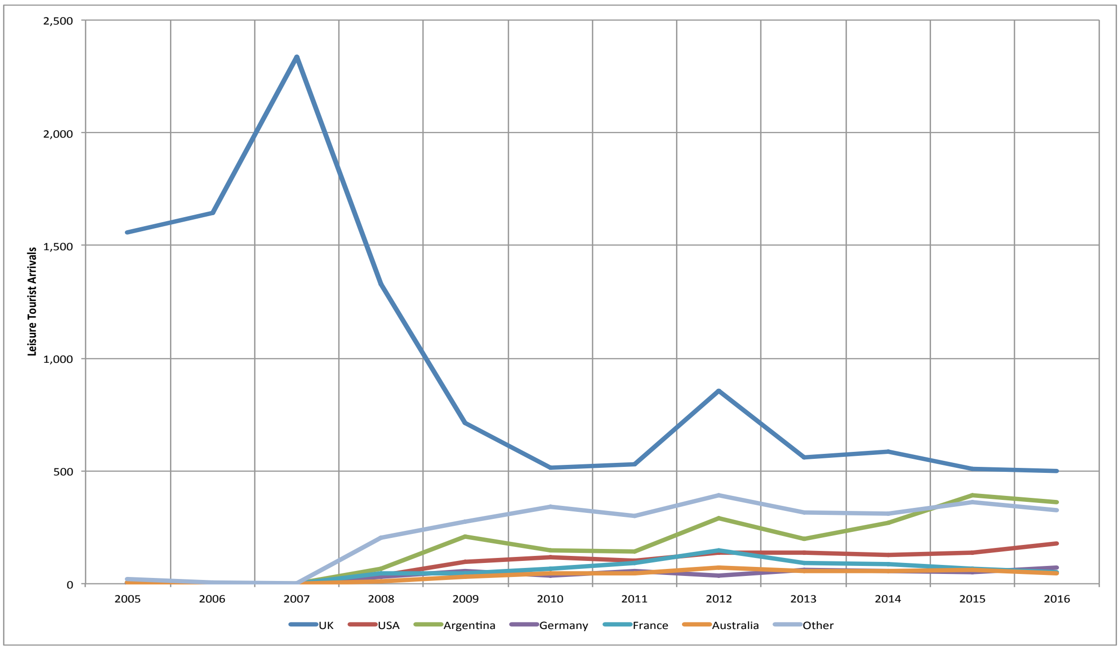


Year	Leisure (£)	VFR (£)	Business and Transit (£)	Total (£)
2009	1,377,367	316,014	827,058	2,520,439
2010	1,784,484	491,199	3,217,856	5,493,539
2011	1,466,762	433,566	3,277,600	5,177,928
2012	2,367,014	605,500	4,802,000	7,774,514
2013	1,738,650	615,209	2,918,767	5,272,625
2014	1,820,273	297,587	3,541,343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

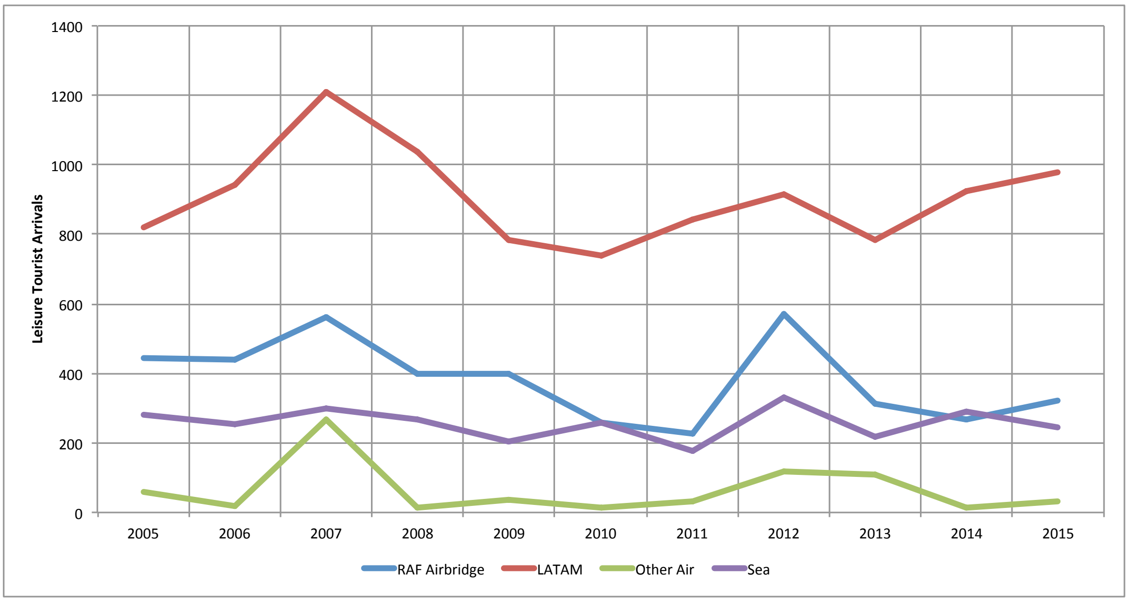
Year-on-year Growth Rates

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

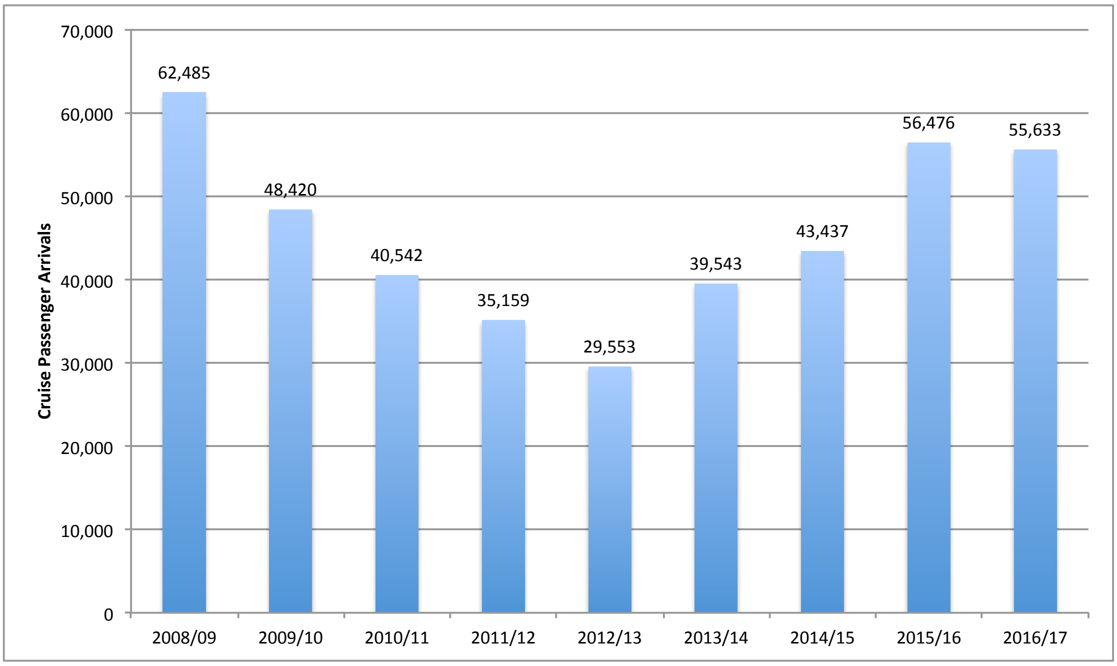
Year-on-year Growth Rates

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.



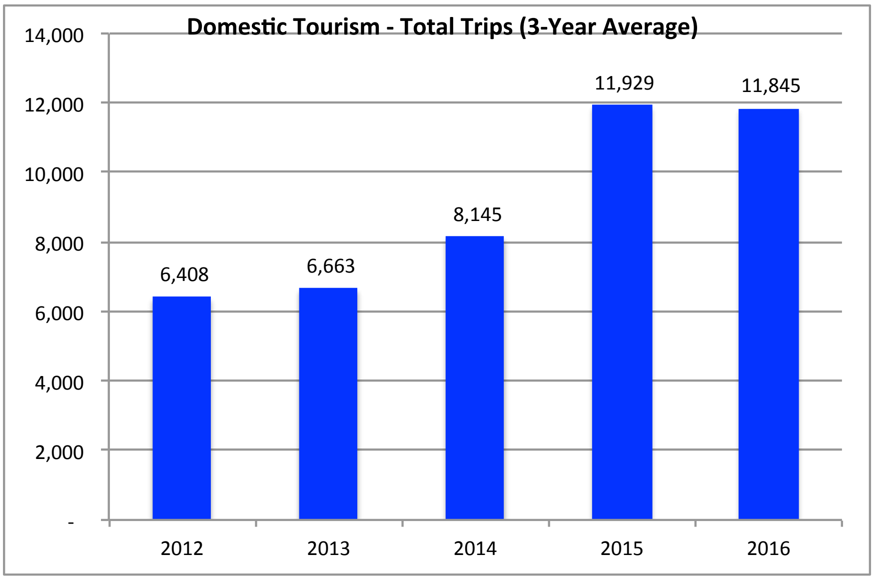
Season	Arrivals	Change (%)	Spend/Pax (£)	Total Spend (£)	Change (%)
2008/09	62,485		45.73	2,857,439	
2009/10	48,420	(22.5)	32.82	1,589,144	(44.4)
2010/11	40,542	(16.3)	34.50	1,398,699	(12.0)
2011/12	35,159	(13.3)	50.75	1,784,319	27.6
2012/13	29,553	(15.9)	57.27	1,692,500	(5.1)
2013/14	39,543	33.8	53.89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

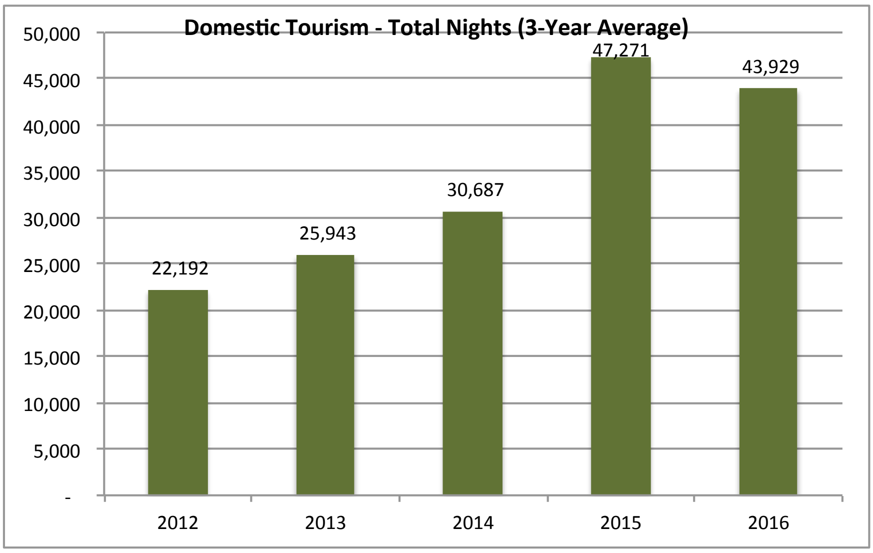
Expenditure by cruise visitors is calculated from the Cruise Visitor Survey carried out by FITB. Analysis of the 2016/17 season survey showed a significant growth in visitor expenditure, by 16.1%, to £3.2 million.

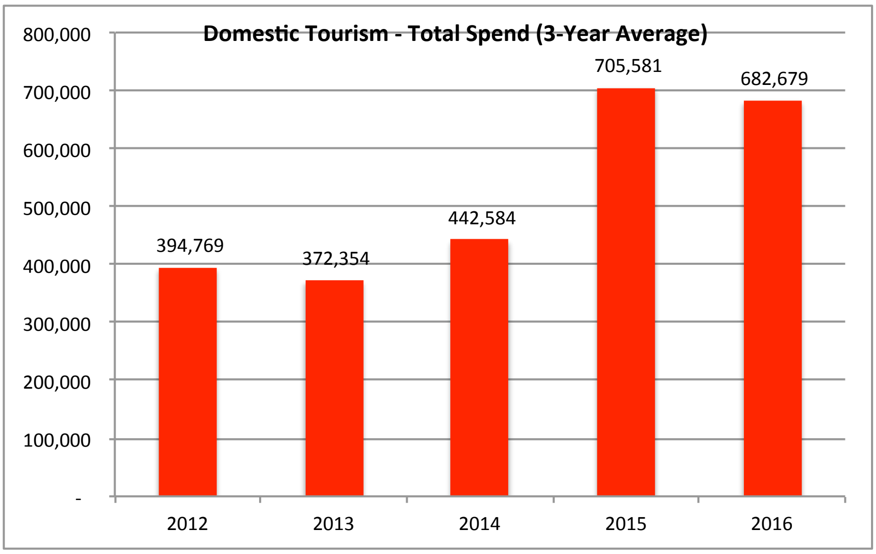
Long Term Trends

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.



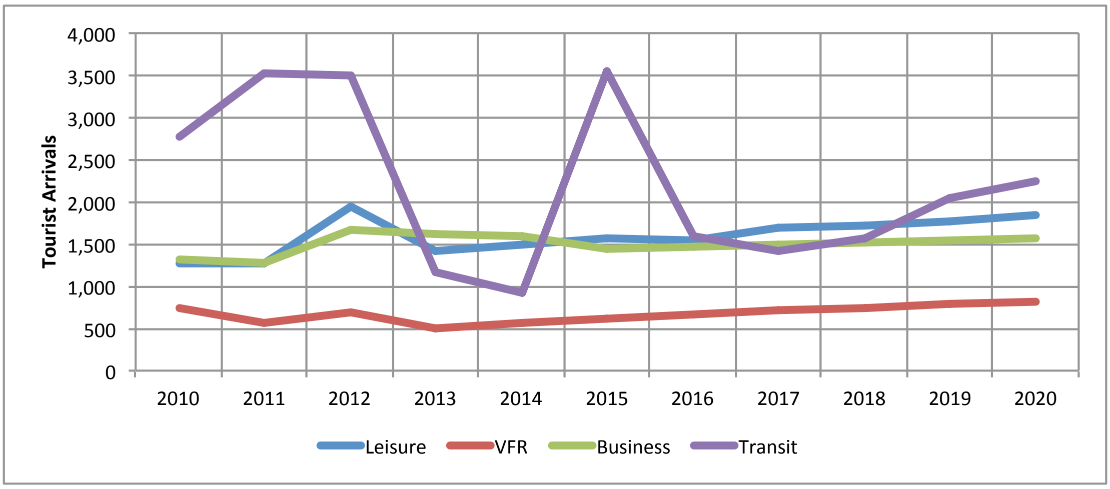




Forecast

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.



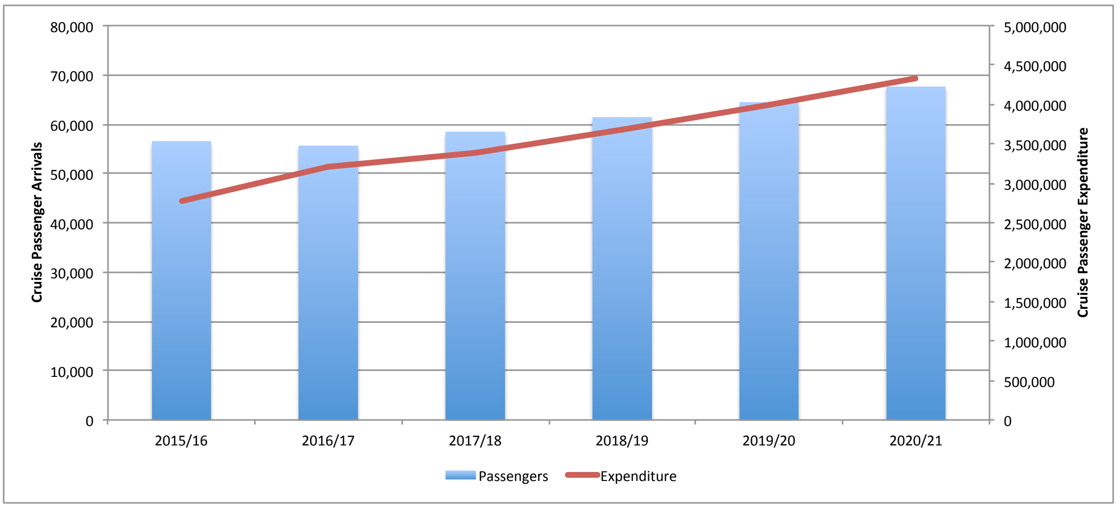
Year	Leisure	VFR	Business	Transit	Total	Leisure Growth (%)	Total Growth (%)
2016	1,540	656	1,467	1,584	5,247	(2.3)	(27.0)
2017	1,694	708	1,482	1,426	5,310	10.0	1.2
2018	1,711	744	1,511	1,568	5,534	1.0	4.2
2019	1,762	781	1,542	2,039	6,124	3.0	10.6
2020	1,850	820	1,572	2,242	6,485	5.0	5.9

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