Tourism Quarterly

Issue 9: January-March 2018

March 2018

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Introduction

I am delighted to report at the end of a very successful tourism season for the Falkland Islands. Leisure tourist arrivals were up 14.9% compared to the previous season and cruise passengers were up by 3.3%. FIGAS carried 10% more leisure passengers than in the previous season, room occupancy was up in both serviced and self-catering accommodation, and we welcomed over 70,000 visitors to the Jetty Visitor Centre – nearly enough to fill Wembley Stadium!

Whilst our Annual Report (due out in July) will provide more detailed analysis, leisure arrivals from the UK grew by almost 17% last year, and there was also strong growth from Germany and France. Leisure arrivals on LATAM increased by almost 21% and, whilst smaller in number, arrivals on the air bridge grew by 44%.

Overall cruise visitors grew by 3.3%, however the growth market is amongst the expedition visitors, which increased by 17% - the third season of strong growth. By comparison, arrivals on the larger vessels remained broadly flat. We expect this trend to continue and possibly strengthen over the next 2-3 seasons. In camp, West Point was the most popular cruise destination by some margin. The USA is the main generating market for cruise visitors (over 19,000 last season), followed by the UK with almost 8,000. Despite much talk of the Chinese market, it still remains small at around 1,500 visitors, however it is growing.

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

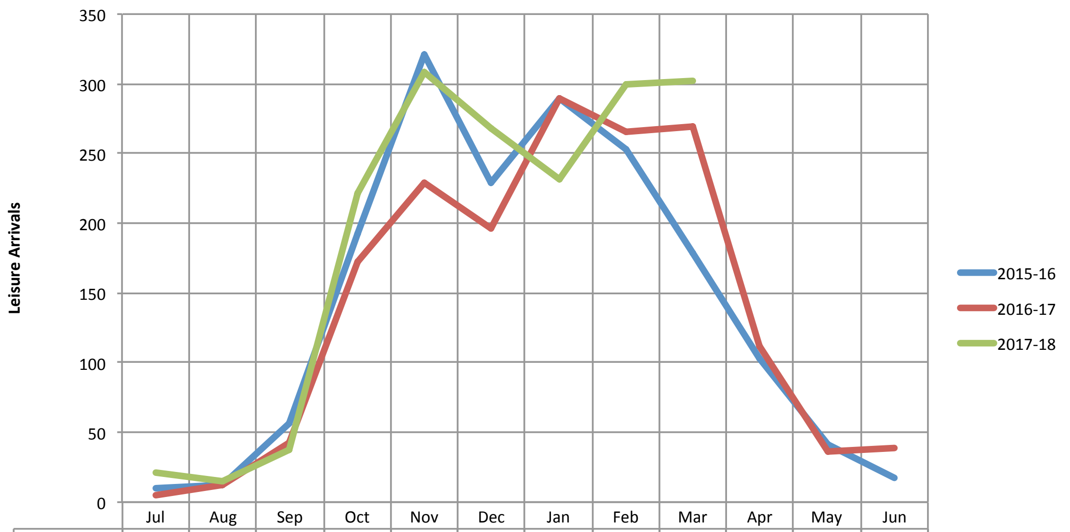
Stephanie Middleton
Executive Director

This Quarter

Leisure Tourist Arrivals

There was strong growth in leisure tourist arrivals in February and March 2018 compared to the same period in 2017. This compensated for a fall in arrivals in January, leaving a small 1.1% growth in leisure arrivals in Q1 2018 compared to Q1 2017.

Over the whole season, October 2017-March 2018, leisure tourism grew by 14.9% compared to the previous season (October 2016-March 2017).



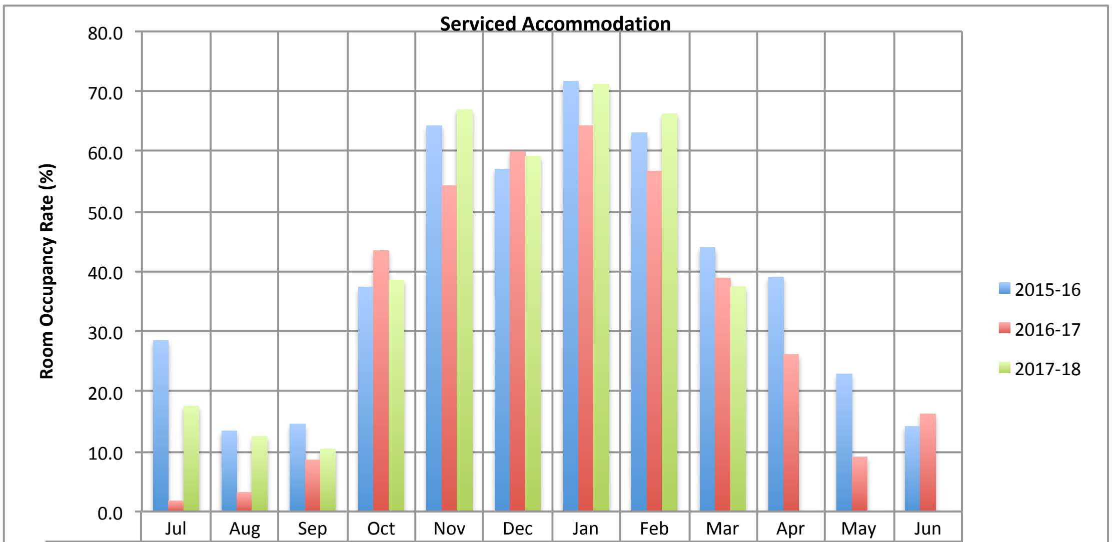
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2015-16	10	13	56	193	321	229	290	253	179	103	41	17
2016-17	5	13	42	172	229	196	289	265	269	112	36	39
2017-18	21	15	38	222	309	268	231	299	302			

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	309	34.9
Dec	229	196	268	36.7
Jan	290	289	231	(20.1)
Feb	253	265	299	12.8
Mar	179	269	302	12.3
Apr	103	112	0	
May	41	36	0	
Jun	17	39	0	

This Quarter

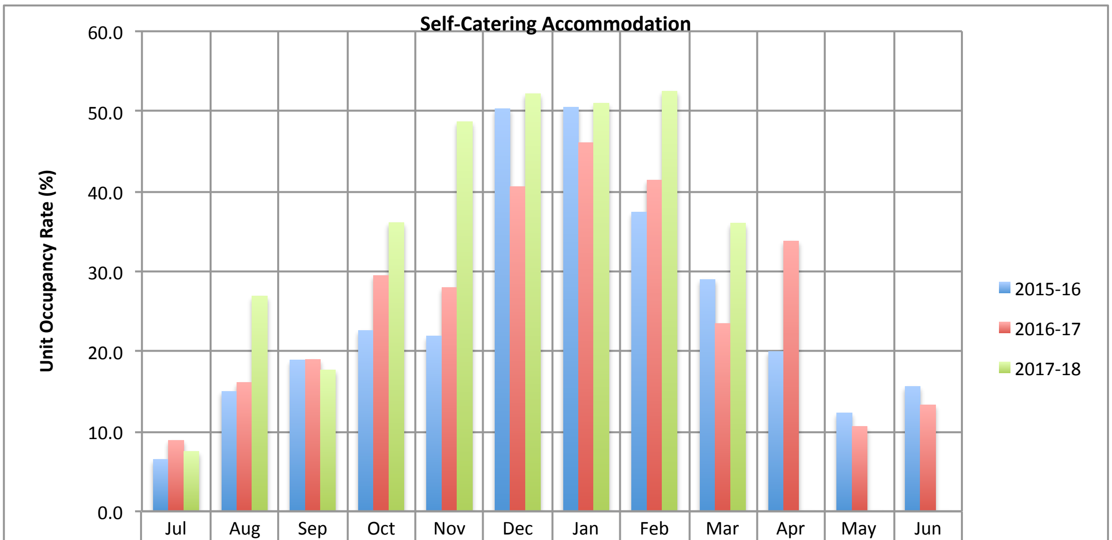
Accommodation Occupancy

Room occupancy rates for serviced accommodation were up significantly in January and February 2018 compared to the same months in 2017. Occupancy was 71.2% in January (up from 64.3%), and 66.3% in February (up from 56.7%). There was a small decrease in March (37.5%, compared to 38.9% the previous year). However overall occupancy was significantly better in Q1 2018 than in 2017.



	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	71.2	66.3	37.5	0.0	0.0	0.0

Self-catering accommodation performed better in all three months of Q1 2018 compared to Q1 2017. Occupancy was 52% in January (up from 46.1%), 52.5% in February (up from 41.4%), and 36% in March (up from 23.5%).



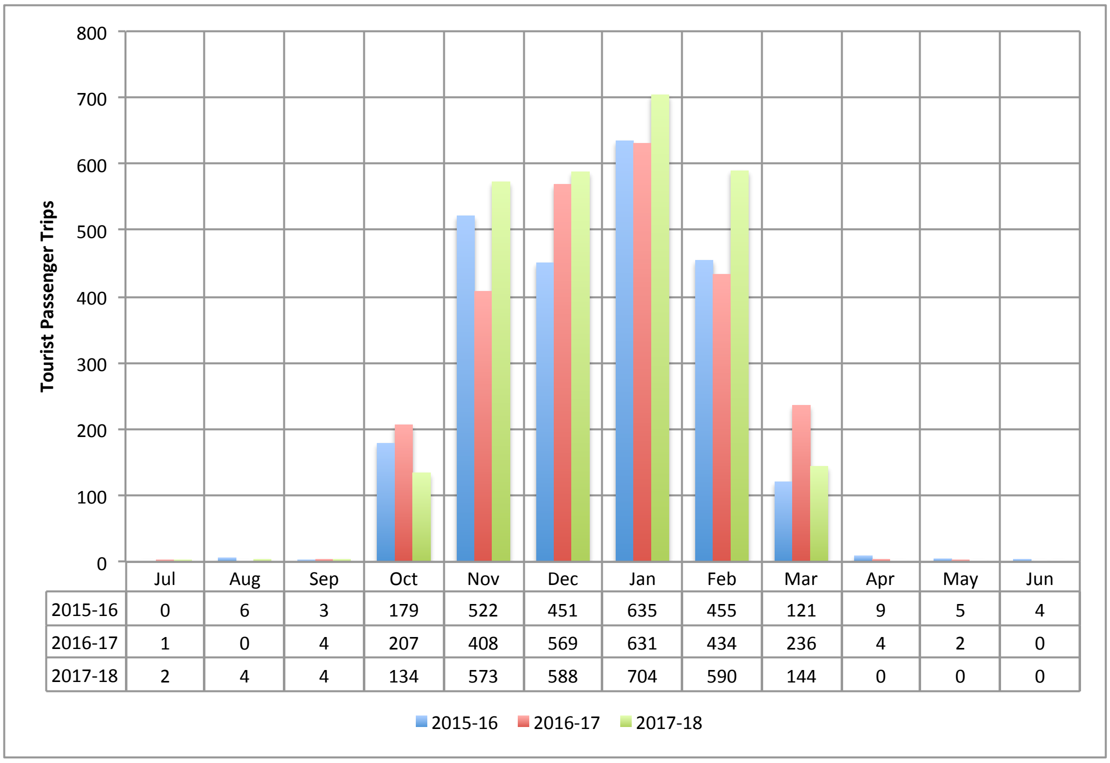
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2015-16	6.5	15.0	18.9	22.6	21.9	50.3	50.5	37.4	29.0	20.0	12.3	15.6
2016-17	8.9	16.1	19.0	29.5	28.0	40.6	46.1	41.4	23.5	33.8	10.6	13.3
2017-18	7.5	26.9	17.7	36.1	48.7	52.2	51.0	52.5	36.0	0.0	0.0	0.0

This Quarter

Tourist Passengers Carried on FIGAS

The number of tourists (non-resident) passengers carried by FIGAS in Q1 2018 was up 10.5% compared to the same quarter in 2017 reflecting the increase in tourist arrivals to the Falkland Islands over the same period. However, whilst there was strong growth in January and February, leisure passenger numbers were down in March.

Over the entire season (October 2017-March 2018), tourist passenger arrivals were up 10% compared to the previous season.



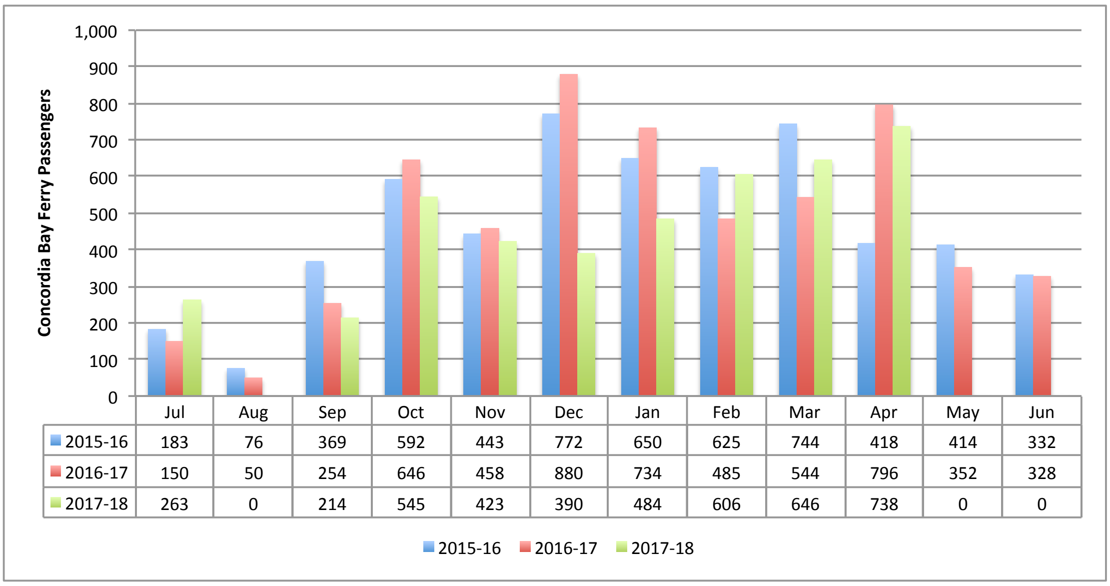
Month	2015-16	2016-17	2016-17	% Growth
Jul	0	1	2	100.0
Aug	6	0	4	-
Sep	3	4	4	0.0
Oct	179	207	134	(35.3)
Nov	522	408	573	40.4
Dec	451	569	588	3.3
Jan	635	631	704	11.6
Feb	455	434	590	35.9
Mar	121	236	144	(39.0)
Apr	9	4		
May	5	2		
Jun	4	0		

Courtesy of FIGAS

This Quarter

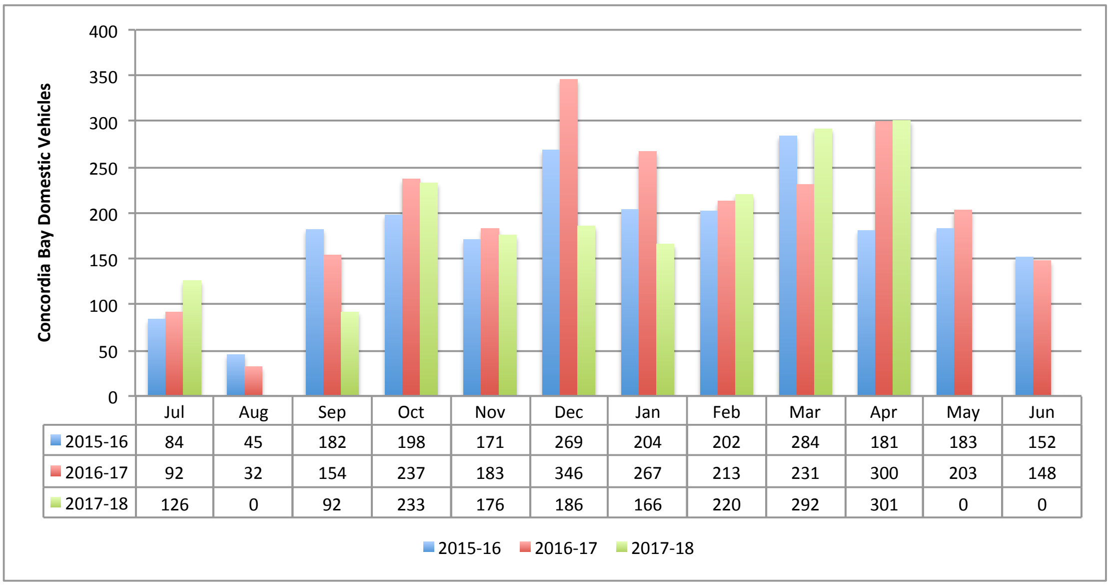
Passengers and Domestic Vehicles on Concordia Bay Ferry

Passenger numbers in Q1 2018 were marginally down, by 1.5% compared to the same period in 2017. However, this was mainly due to a sharp decrease in traffic in March – during January and February passenger numbers were up 25.0% and 18.8% respectively.



	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	484	606	646	738	0	0

Domestic vehicle numbers in Q1 2018 broadly reflect the passenger numbers, with an overall drop of 4.6% compared to 2017. These was a sharp decrease in vehicles crossing in January, but increases in February and March.

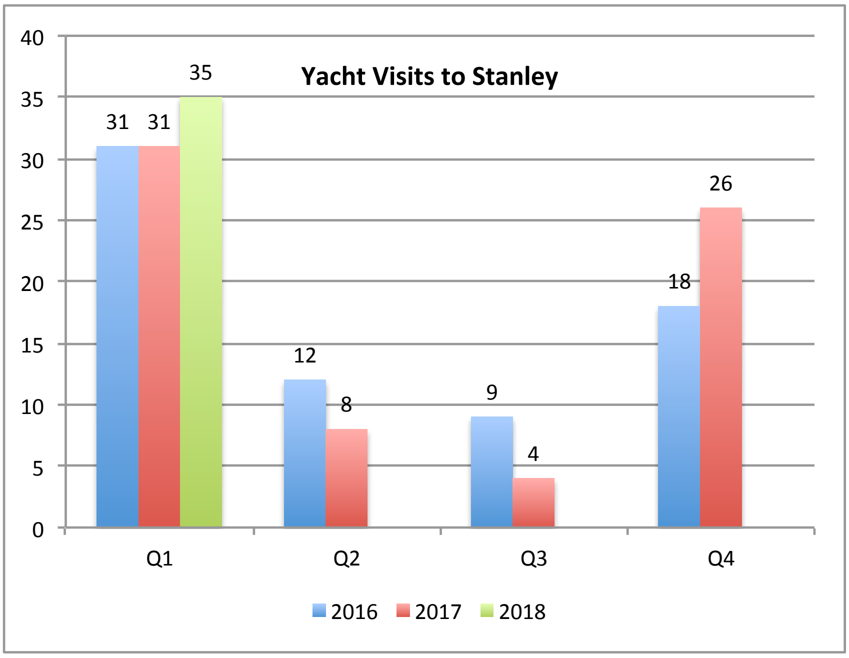


	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2015-16	84	45	182	198	171	269	204	202	284	181	183	152
2016-17	92	32	154	237	183	346	267	213	231	300	203	148
2017-18	126	0	92	233	176	186	166	220	292	301	0	0

This Quarter

Yacht Visits to Stanley

A total of 35 yacht visits were made to Stanley in Q1 2018, up from 31 visits made in the same quarter of 2017. Overall, there have been 61 yacht visits during the October 2017-March 2018 season.



Courtesy of Falkland Islands Yacht Club

Jetty Visitor Centre Footfall

The JVC footfall welcomed almost 70,600 visitors over the 2017-2018 season. Visitors were up in January and February 2018 compared to the same months in 2017.

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	21,265	24.1
Feb	19,053	19,249	1.0
Mar	10,310	7,755	(24.8)
Apr	3,625	0	
May	415	0	
Jun	323	0	
Total	**73,031**	**71,843**	

This Quarter

Website: www.falklandislands.com

Tracking visitors and pages viewed on the FITB website provides an indication of the success of the digital marketing, which is used to drive traffic to the site. Data is now available for a full year, allowing comparisons with the same period in previous years in future editions of Tourism Quarterly.

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			38,910		
Jun	11,773			32,559		
Jul	11,318			31,382		
Aug	12,172			34,691		
Sep	12,181			36,943		
Oct	14,375			43,740		
Nov	16,293			47,650		
Dec	14,371			40,803		

Social Media: Facebook and Twitter

The impact of the social media campaigns on Facebook and Twitter are shown below. As with the website data above, going forward comparisons with the previous year will be possible.

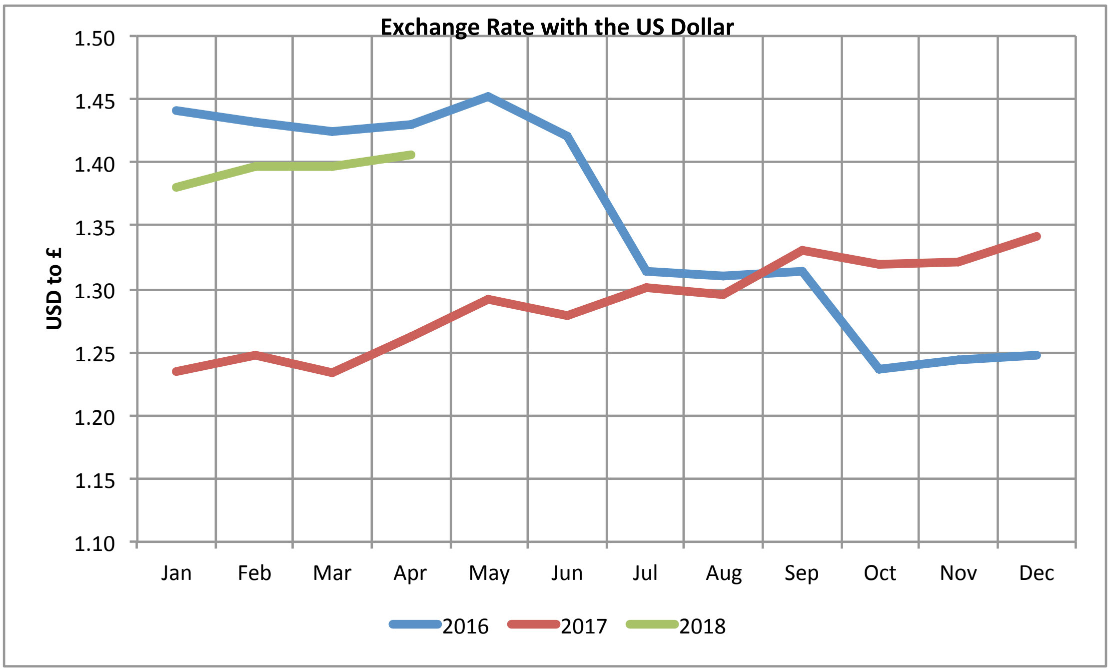
Social Media	Facebook Reach			Twitter Impressions		
	2017	2018	(%)	2017	2018	(%)
Jan		478,523			52,100	
Feb		262,831			26,400	
Mar		509,812			27,900	
Apr	549,764	315,558	-42.6	57,200	24,700	-56.8
May	750,859			54,900		
Jun	583,490			23,200		
Jul	533,931			16,000		
Aug	1,407,769			20,200		
Sep	730,325			11,400		
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

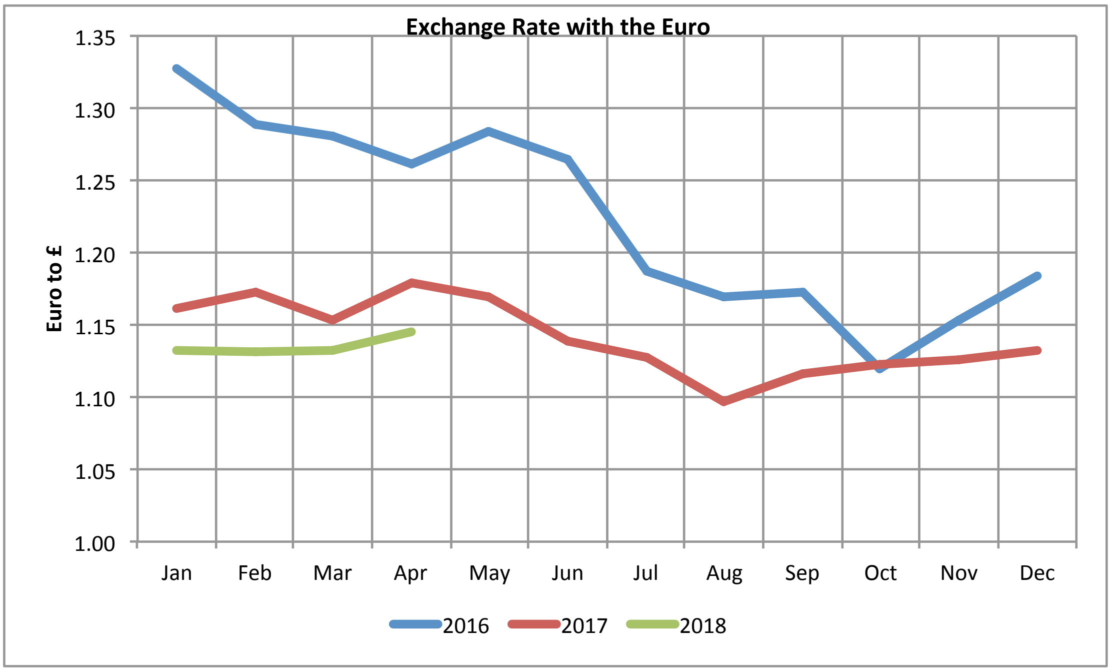
This Quarter

Currency Exchange Rates

The pound is continuing to recover against the dollar, and during Q1 2018 it strengthened further. This makes the Falklands slightly more affordable for USA residents than it was at the same time in 2016, although considerably less affordable than it was in 2017.



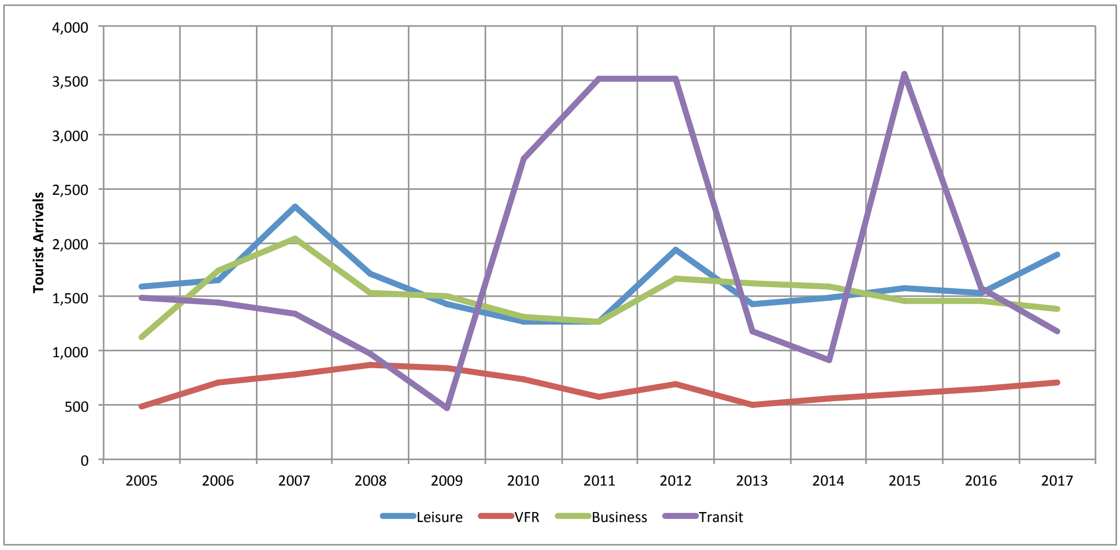
The exchange rate with the euro has followed a similar pattern, although lacks some of strength the pound has gained against the dollar. Overall, for residents of the Eurozone, the Falklands is more affordable than it was in 2016 and 2017, as it costs fewer euros to buy a pound.



Long Term Trends

Tourist Arrivals by Purpose of Visit (2005-2017)

Leisure tourism boomed in 2017, increasing by over 22.3% (or 343 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.



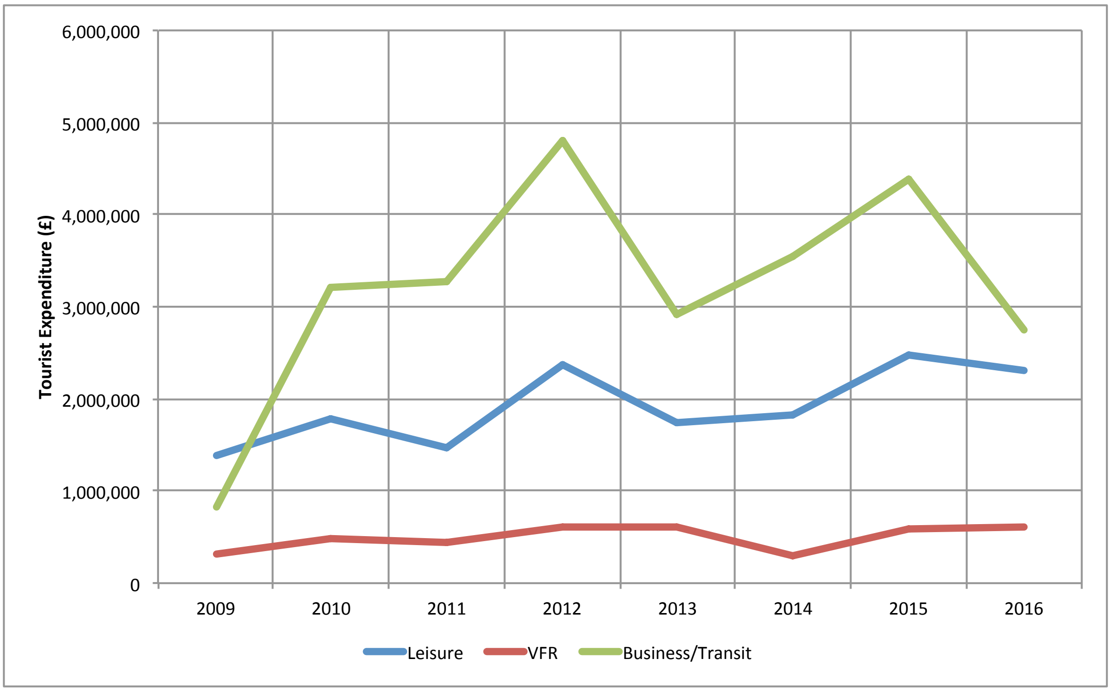
Year	Leisure	VFR	Business	Transit	Total	Leisure Growth (%)	Total Growth (%)
2005	1,602	486	1,128	1,486	4,702		
2006	1,653	715	1,748	1,453	5,569	3.2	18.4
2007	2,338	782	2,032	1,345	6,497	41.4	16.7
2008	1,720	879	1,533	982	5,114	(26.4)	(21.3)
2009	1,429	839	1,510	468	4,246	(16.9)	(17.0)
2010	1,271	735	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	656	1,467	1,584	5,247	(2.3)	(27.0)
2017	1,883	716	1,392	1,181	5,172	22.3	(1.4)

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.

The next edition of Tourism Quarterly will include analysis of visitor expenditure in 2017.

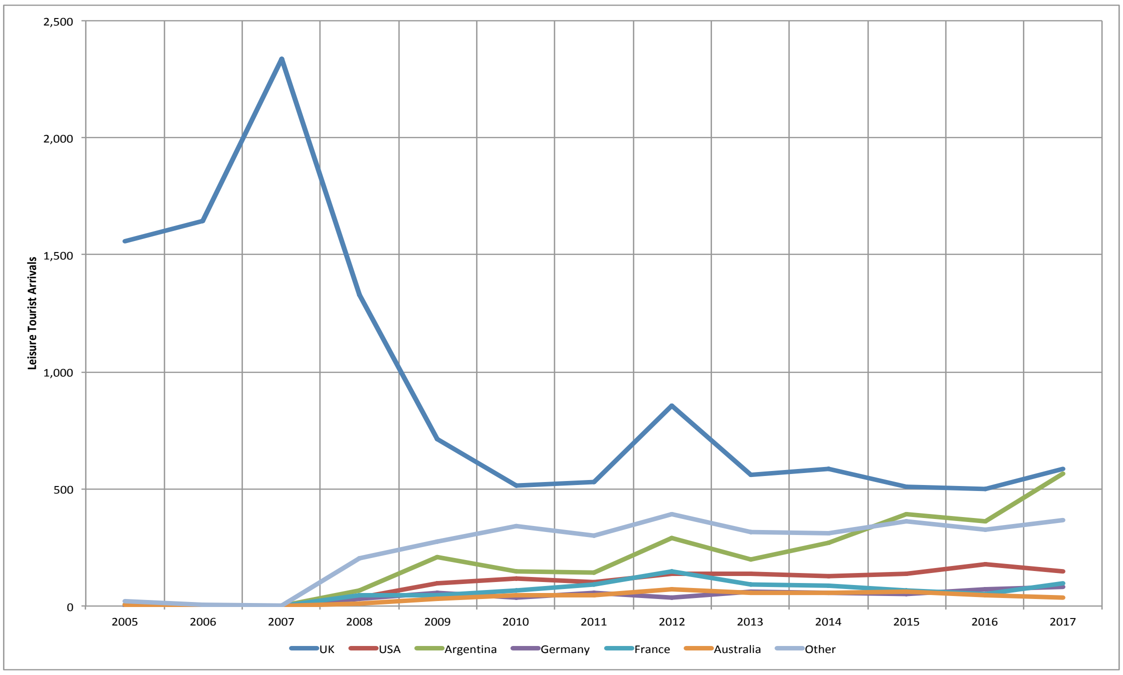


Year	Leisure (£)	VFR (£)	Business and Transit (£)	Total (£)
2009	1,377,367	316,014	827,058	2,520,439
2010	1,784,484	491,199	3,217,856	5,493,539
2011	1,466,762	433,566	3,277,600	5,177,928
2012	2,367,014	605,500	4,802,000	7,774,514
2013	1,738,650	615,209	2,918,767	5,272,625
2014	1,820,273	297,587	3,541,343	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 (2005-2017)

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	148	565	83	99	35	369	1,540

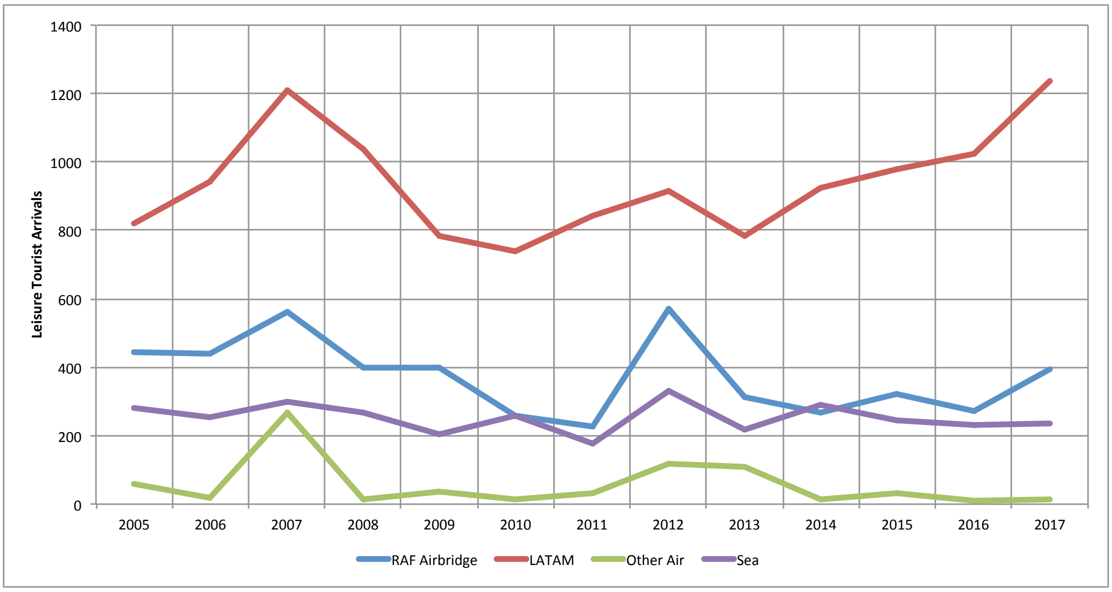
Year-on-year Growth Rates

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)
2017	16.8	(16.4)	56.5	13.7	86.8	(27.1)	12.5	22.3

Long Term Trends

Leisure Tourist Arrivals by Mode of Transport (2005-2017)

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	1238	16	236	1,883

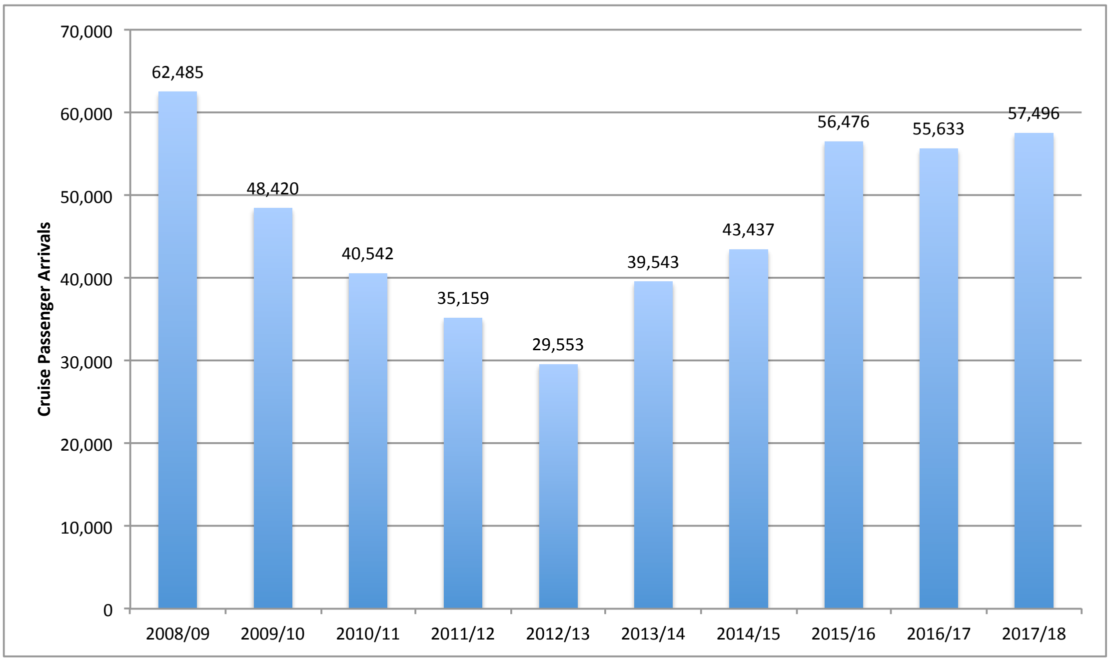
Year-on-year Growth Rates

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	20.7	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.



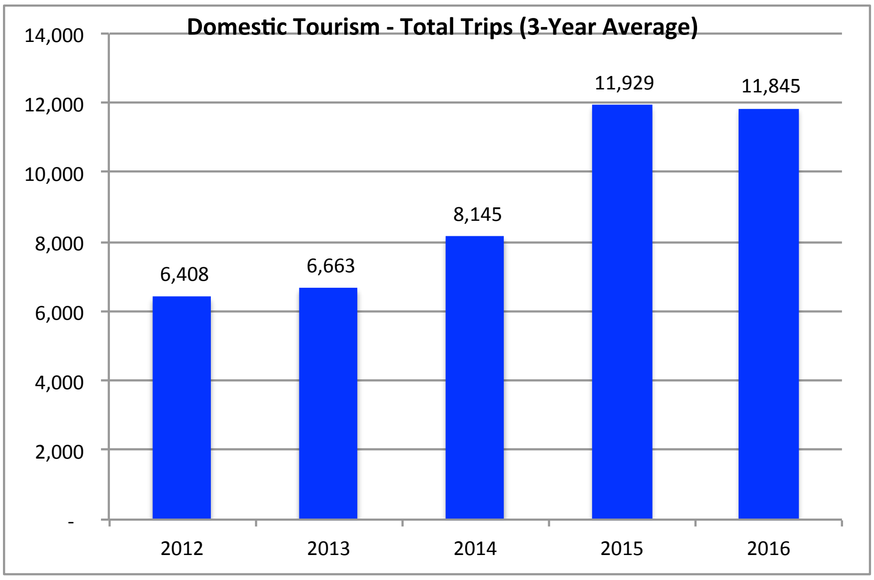
Season	Arrivals	Change (%)	Spend/Pax (£)	Total Spend (£)	Change (%)
2008/09	62,485		45.73	2,857,439	
2009/10	48,420	(22.5)	32.82	1,589,144	(44.4)
2010/11	40,542	(16.3)	34.50	1,398,699	(12.0)
2011/12	35,159	(13.3)	50.75	1,784,319	27.6
2012/13	29,553	(15.9)	57.27	1,692,500	(5.1)
2013/14	39,543	33.8	53.89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

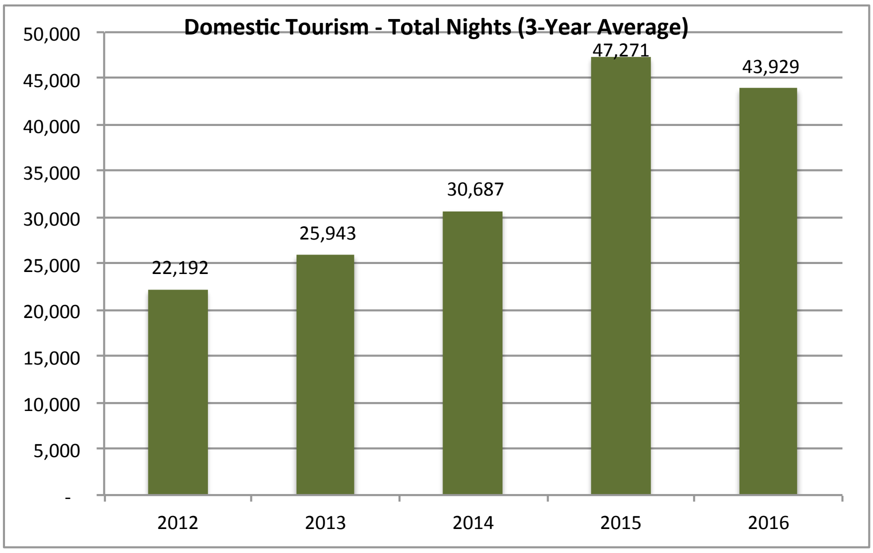
Expenditure by cruise visitors is calculated from the Cruise Visitor Survey carried out by FITB. Analysis of the 2017/18 season survey showed a small decline in expenditure per passenger, but an overall growth in expenditure of almost 1%.

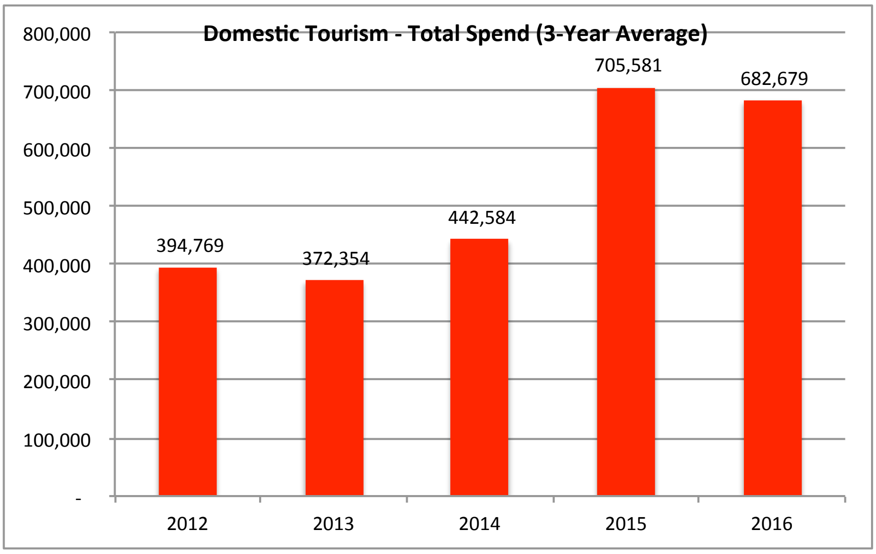
Long Term Trends

Domestic Tourism Trips and Expenditure (2012-2016)

Domestic tourism is estimated from the quarterly Domestic Household Survey undertaken by FITB. *Results for 2017 will be available in the next edition of Tourism Quarterly.*





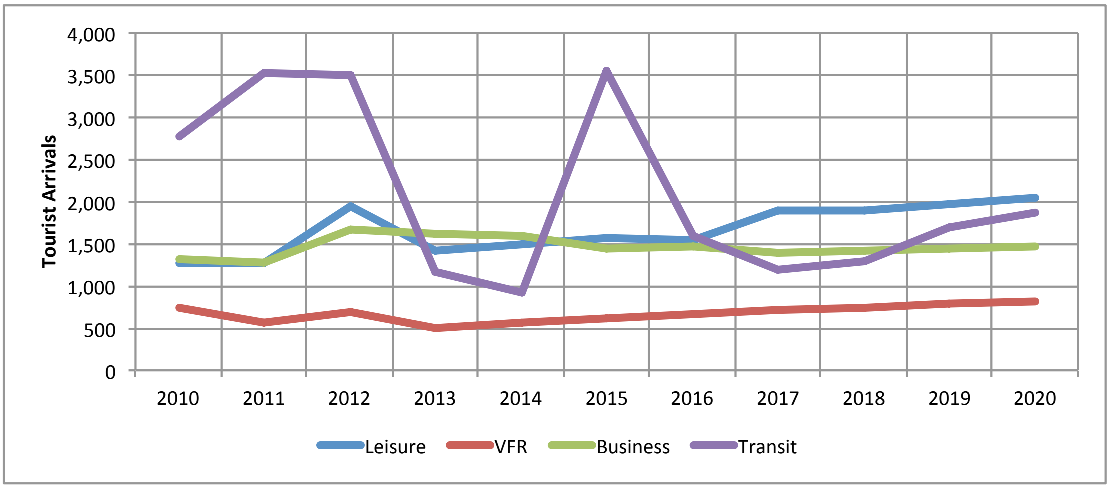


Forecast

Overnight Tourism Forecast

Leisure tourism is expected to grow by 1% in 2018. Following strong growth in 2017, partly boosted by 35th Anniversary events, growth is expected to be small but consolidated in 2018.

Forecasts to 2025 will be included in the next edition of Tourism Quarterly.



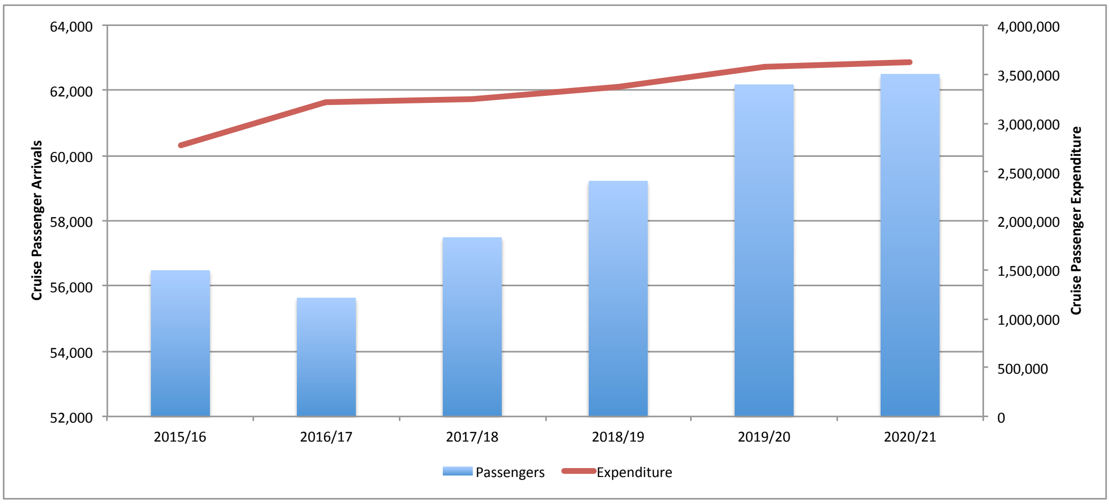
Year	Leisure	VFR	Business	Transit	Total	Leisure Growth (%)	Total Growth (%)
2017	1,883	716	1,392	1,181	5,172	22.3	(1.4)
2018	1,902	752	1,420	1,299	5,373	1.0	3.9
2019	1,959	789	1,448	1,689	5,885	3.0	9.5
2020	2,057	829	1,477	1,858	6,221	5.0	5.7

Forecast

Cruise Passenger Arrivals and Expenditure Forecast

A similar level of growth is expected in 2018/19 as in the 2017/18 season, currently predicted to be 3.0%. However, analysis of the cruise markets is still being undertaken and this may be revised over the period to September 2018.

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	59,221	3.0	3,375,590	4.1
2019/20	62,182	5.0	3,575,461	5.9
2020/21	62,493	0.5	3,624,584	1.4