Tourism Quarterly

Issue 12: October - December 2018

December 2018

Contents

Introduction

This is the first report covering the 2018-2019 *tourism season*, providing statistics for the period October to December 2018. The report is slightly later than usual due to high demand on Immigration at this time of year. As always, I'm extremely grateful for the statistics that Immigration provide to FITB, as this data forms the bedrock of all our tourism data.

At this stage in the season, it looks like our overnight leisure tourist numbers are up on the same period in 2016, but down on 2017. 2017 was the 35th Anniversary year of the conflict, and in every year since records began, the year after an anniversary year records a drop in leisure tourism. We anticipate good numbers over the second half of the season and to reach the figures forecast for 2018 (page 11). By the time of the next Tourism Quarterly (scheduled for late April 2019) we should be able to confirm these figures.

The cruise season is on target (at present) to achieve the forecasts set out in this report (page 15), although it is very volatile and a single large vessel cancellation can change the situation. We will report on the final figures for the season in the next edition.

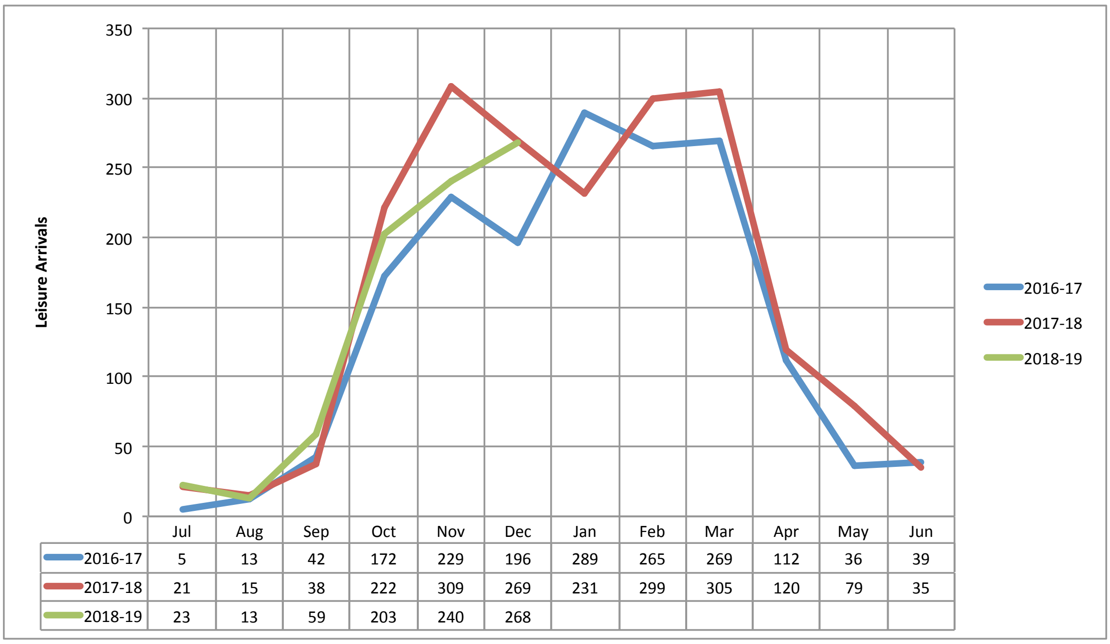
As always, please drop me a line with any comments or thoughts you have about *Tourism Quarterly*. The aim of the publication is to provide useful and easily accessible information for everyone involved in tourism.

Stephanie Middleton
Executive Director

This Quarter

Leisure Tourist Arrivals

Leisure tourist arrivals fell by 11.2% in Q4 2018 compared to the same period in 2017; this was broadly expected as Q4 2017 performed strongly as it was an “anniversary year” – five and ten year anniversaries of the 1982 conflict tend to generate higher visitor numbers than in the year that follows them. December 2018 was the strongest month in the period, with around the same number of arrivals as in 2017.

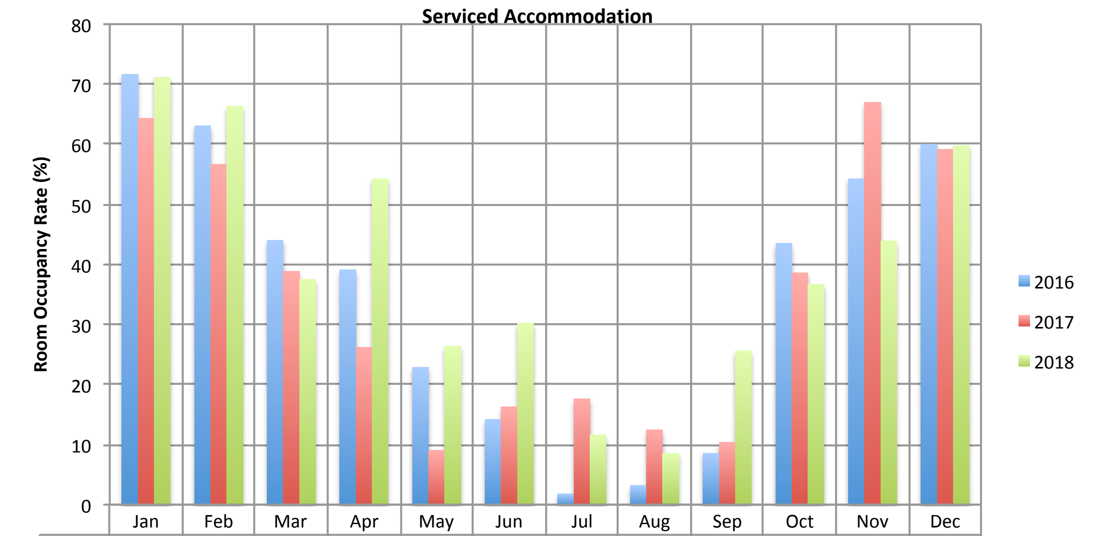


Month	2016-17	2017-18	2018-19	Change (%)
Jul	5	21	23	9.5
Aug	13	15	13	(13.3)
Sep	42	38	59	55.3
Oct	172	222	203	(8.7)
Nov	229	309	240	(22.4)
Dec	196	269	268	(0.5)
Jan	289	231		
Feb	265	299		
Mar	269	305		
Apr	112	120		
May	36	79		
Jun	39	35		

This Quarter

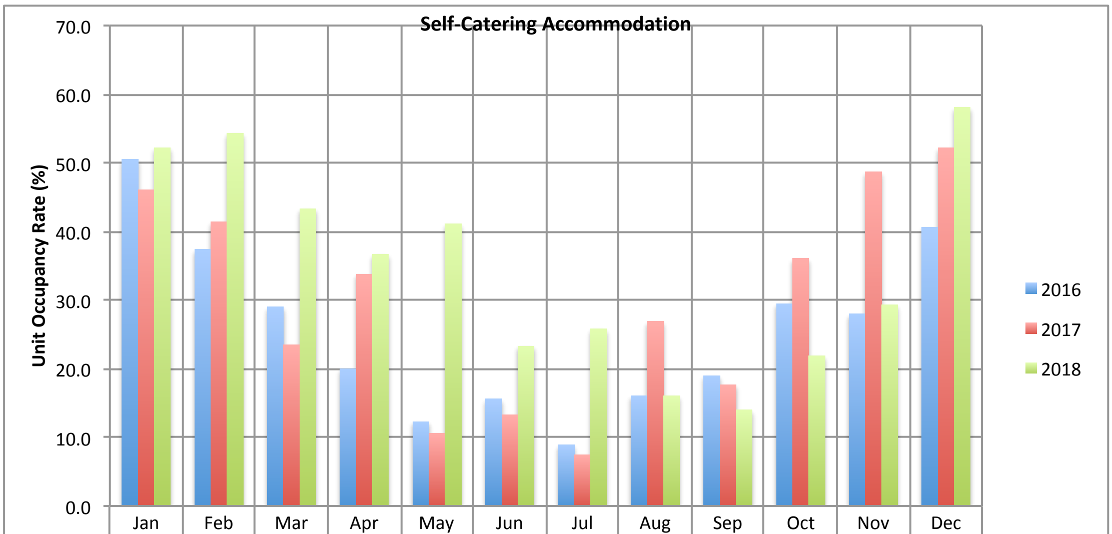
Accommodation Occupancy

Room occupancy rates for serviced accommodation were down in October and November 2018, compared to the same months in 2017, however recovered in December to 59.8%, which was just above that recorded in December 2017.



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2016	71.7	63.1	44.0	39.1	22.9	14.2	1.8	3.2	8.6	43.5	54.3	60.0
2017	64.3	56.7	38.9	26.2	9.1	16.3	17.6	12.5	10.4	38.6	67.0	59.2
2018	71.2	66.3	37.5	54.3	26.4	30.2	11.6	8.6	25.6	36.7	43.9	59.8

Self-catering accommodation followed a similar pattern - down in October and November, however it recorded the highest ever figure for December, with 58.1% occupancy. This reflects the growing trend of several well-appointed properties becoming increasingly popular.

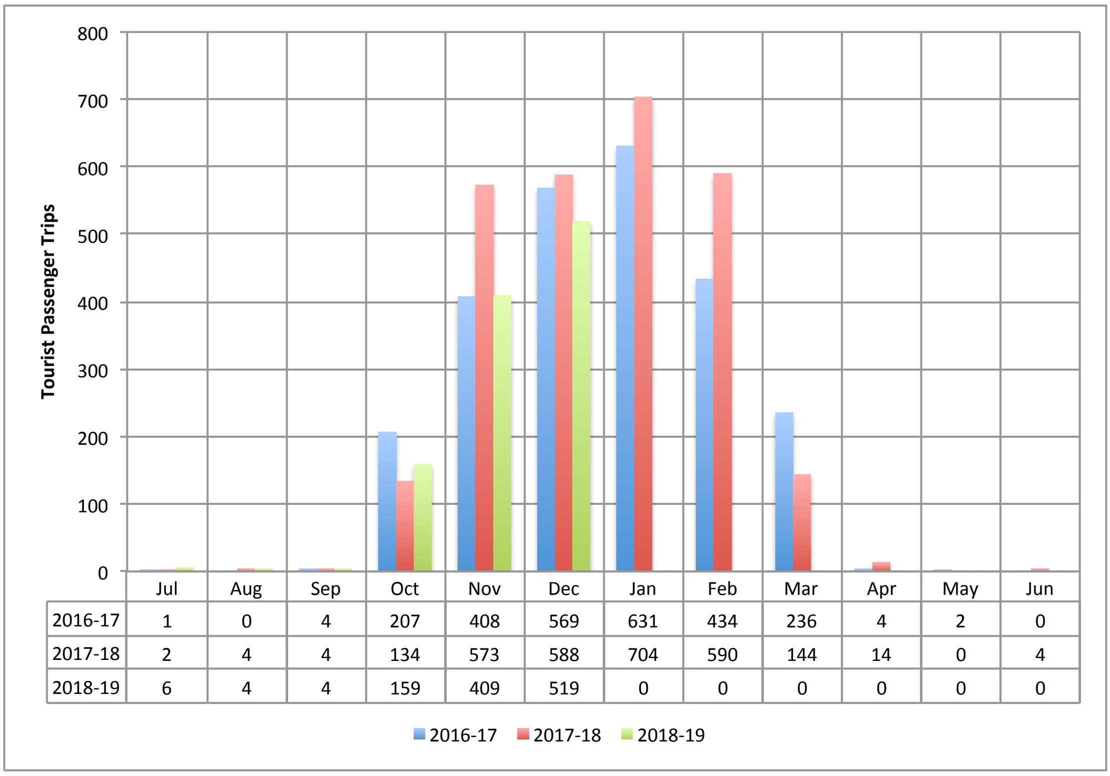


	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2016	50.5	37.4	29.0	20.0	12.3	15.6	8.9	16.1	19.0	29.5	28.0	40.6
2017	46.1	41.4	23.5	33.8	10.6	13.3	7.5	26.9	17.7	36.1	48.7	52.2
2018	52.2	54.3	43.3	36.7	41.1	23.3	25.8	16.1	14.0	21.9	29.3	58.1

This Quarter

Tourist Passengers Carried on FIGAS

Overall, tourist passengers carried on FIGAS were down in Q4 2018 compared to the same quarter in 2017, by 16.7%. Whilst there was a growth in October, passenger numbers were down 28.6% and 11.7% in November and December respectively.



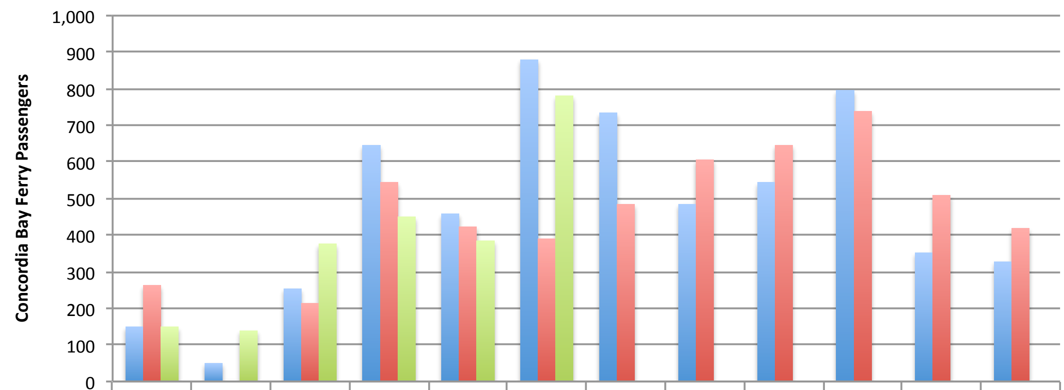
Month	2016-17	2017-18	2018-19	% Growth
Jul	1	2	6	200.0
Aug	0	4	4	0.0
Sep	4	4	4	0.0
Oct	207	134	134	18.7
Nov	408	573	573	(28.6)
Dec	569	588	588	(11.7)
Jan	631	704	704	
Feb	434	590	590	
Mar	236	144	144	
Apr	4	14	14	
May	2	0	0	
Jun	0	4	4	

Courtesy of FIGAS

This Quarter

Passengers and Domestic Vehicles on Concordia Bay Ferry

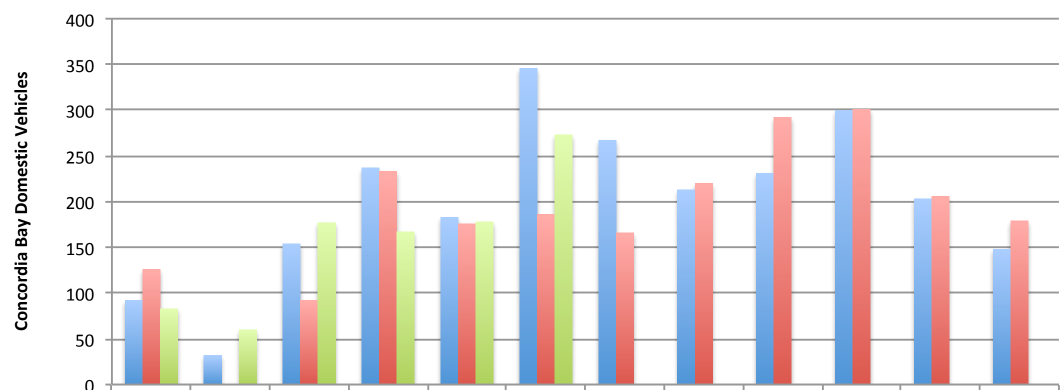
Passenger numbers in Q4 2018 were up by 19.0% compared to the same period in 2017, due to particularly strong traffic in December.



	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	450	385	781						

2016-17 2017-18 2018-19

Domestic vehicle numbers in Q4 2018 were up 3.9% compared to the same period in 2017. As with passenger traffic, this was largely due to the volume of traffic in December.



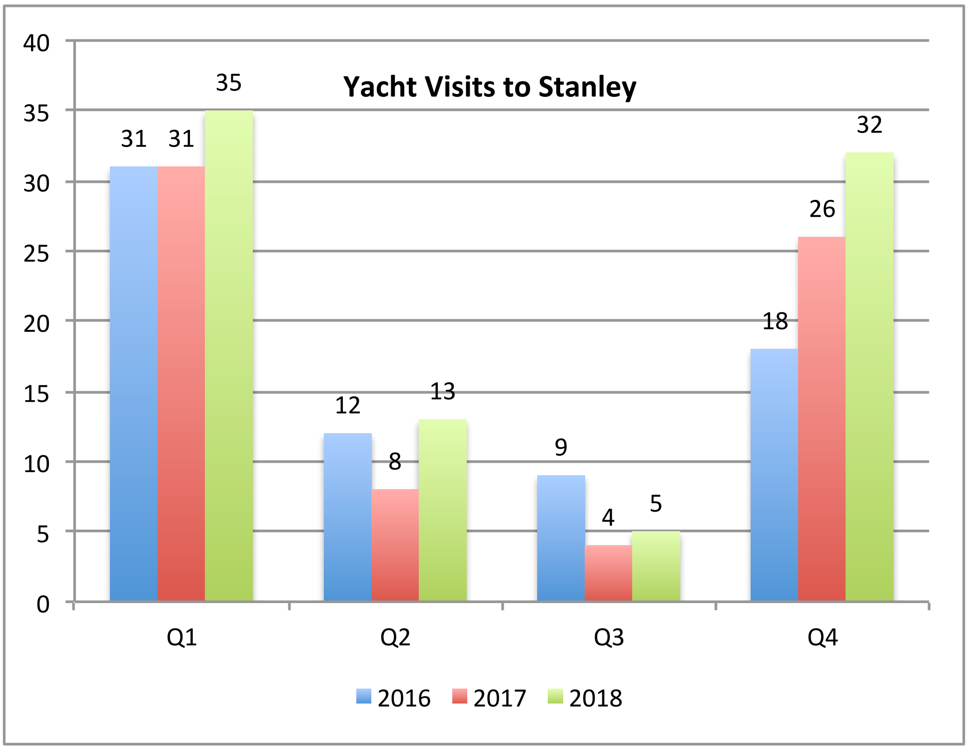
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2016-17	92	32	154	237	183	346	267	213	231	300	203	148
2017-18	126	0	92	233	176	186	166	220	292	301	206	179
2018-19	83	60	177	167	178	273						

2016-17 2017-18 2018-19

This Quarter

Yacht Visits to Stanley

A total of 32 yacht visits were made to Stanley in Q4 2018, up from 26 visits made in the same quarter of 2017. In 2018 there were 85 yacht visits to Stanley, up 23.2% on the 69 visits made in 2017.



Courtesy of Falkland Islands Yacht Club

Jetty Visitor Centre Footfall

The JVC footfall was down marginally (by 1.2%) in Q4 2018 compared to the same quarter in 2017. The busiest month was December, with almost 12,000 visitors.

Month	2016-17	2017-18	2017-18	% Growth
Jul		314	0	-
Aug		316	284	(10.1)
Sep		616	480	(22.1)
Oct		4,437	3,604	(18.8)
Nov	9,811	7,689	6,616	(14.0)
Dec	12,354	10,202	11,841	16.1
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 exhibit strong growth. There were over 22,000 unique visitors in December, the highest figure ever recorded, viewing over 60,000 pages.

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	20,035	39.4	43,740	50,568	15.6
Nov	16,293	21,741	33.4	47,650	60,786	27.6
Dec	14,371	22,113	53.9	40,803	60,082	47.2

Social Media: Facebook and Twitter

Facebook and Twitter social media channels also show significant growth rates. Facebook Reach in Q4 2018 was up 43.3% on the same period in 2018, whilst Twitter Impressions were up 11.6%.

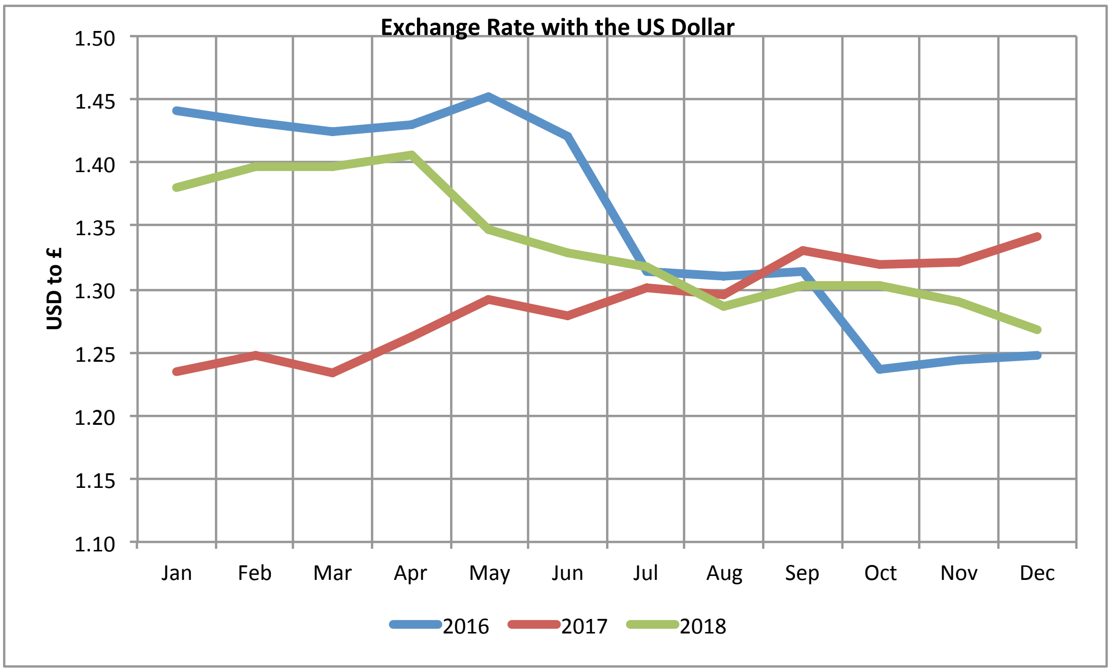
Social Media	Facebook Reach			Twitter Impressions		
	2017	2018	(%)	2017	2018	(%)
Jan		478,523			52,100	
Feb		262,831			26,400	
Mar		509,812			27,900	
Apr	549,764	315,558	-42.6	57,200	24,700	-56.8
May	750,859	1,003,621	33.7	54,900	30,500	(44.4)
Jun	583,490	1,186,333	103.3	23,200	55,800	140.5
Jul	533,931	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	470,168	36.2	20,800	41,000	97.1
Nov	308,097	638,618	107.3	60,300	54,200	(10.1)
Dec	585,134	665,219	13.7	39,500	39,400	(0.3)

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

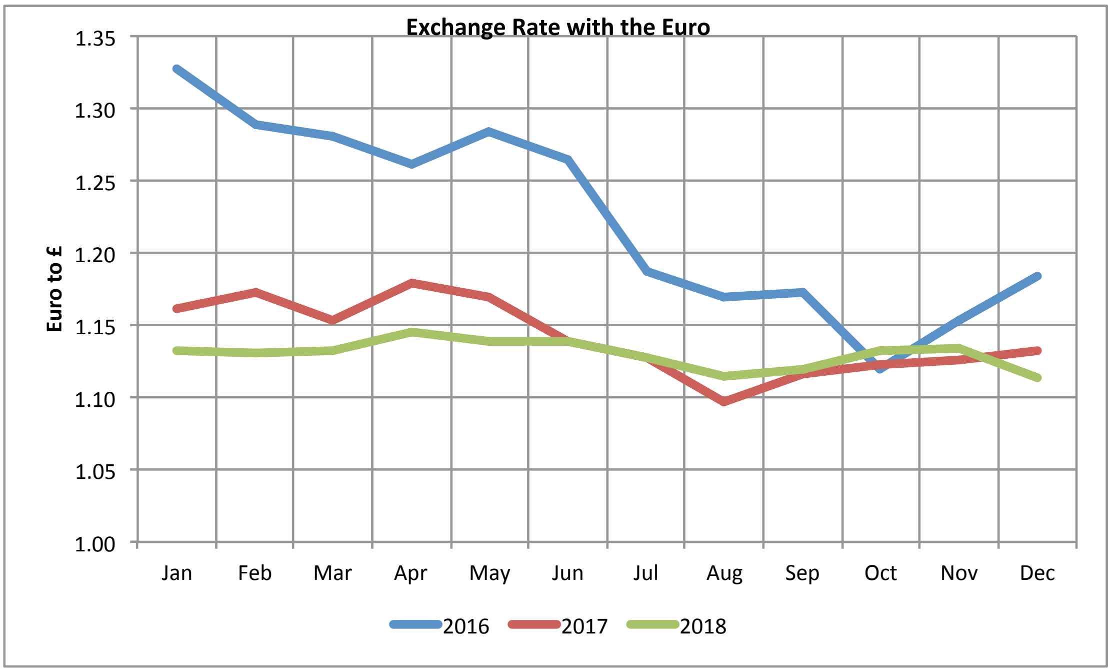
This Quarter

Currency Exchange Rates

US Dollar: Over the year there has been a decline in the pound against the dollar, which means that it is increasingly cheaper for US visitors to travel to the Falklands, as it costs them fewer dollars to buy a pound.



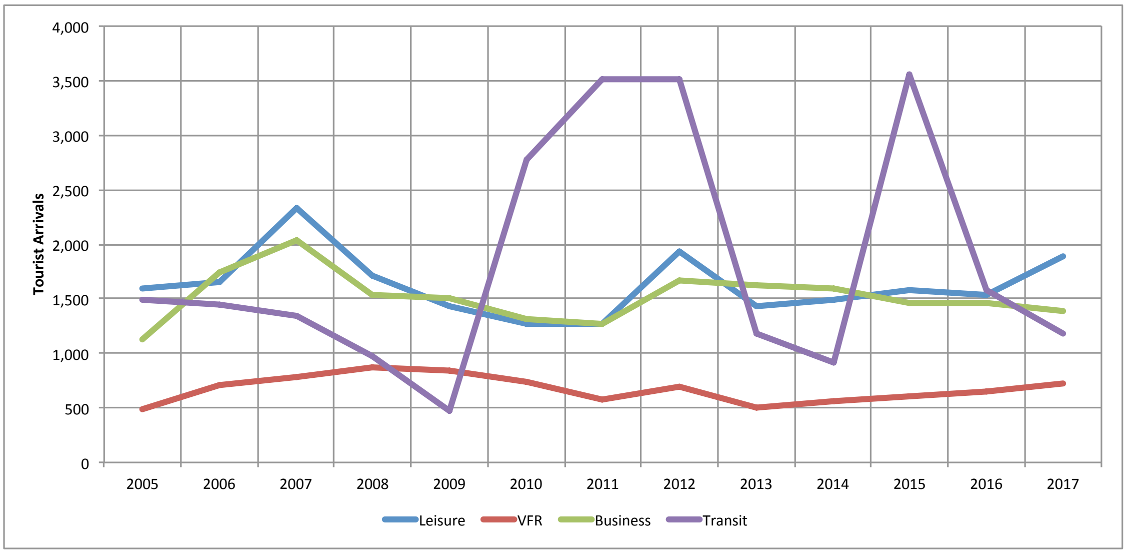
Euro: the exchange rate with the euro has remained broadly flat in 2018. However, overall, for residents of the Eurozone the Falklands is more affordable than it was in 2016, as it costs fewer euros to buy a pound.



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.

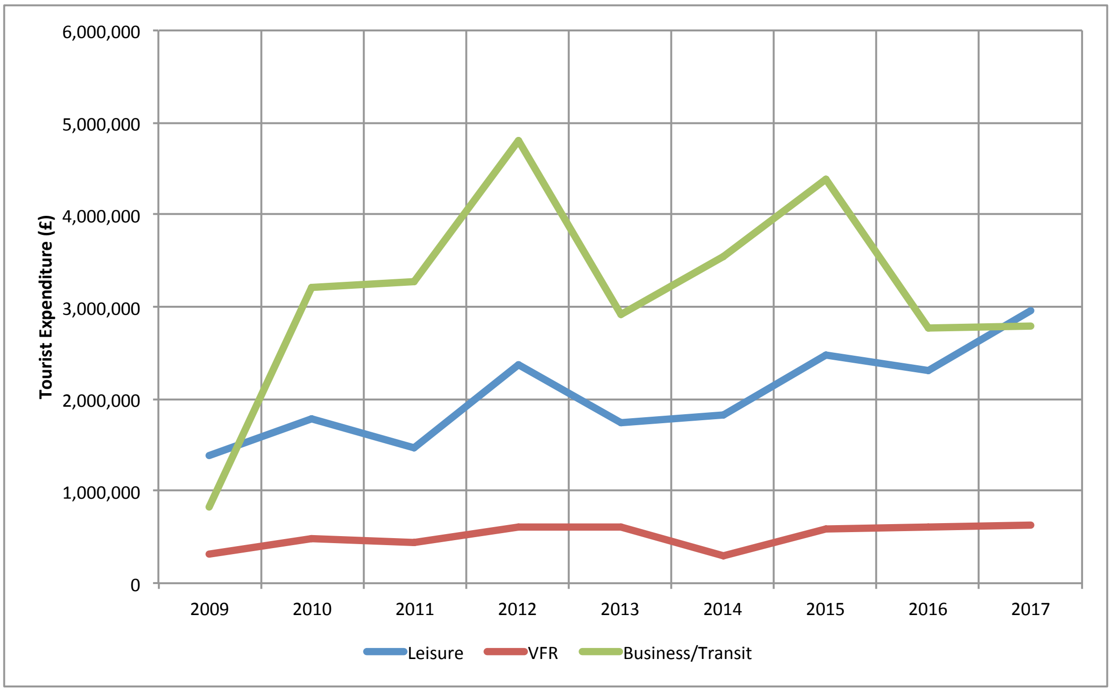


Year	Leisure	VFR	Business	Transit	Total	Leisure Growth (%)	Total Growth (%)
2005	1,602	486	1,128	1,486	4,702		
2006	1,653	715	1,748	1,453	5,569	3.2	18.4
2007	2,338	782	2,032	1,345	6,497	41.4	16.7
2008	1,720	879	1,533	982	5,114	(26.4)	(21.3)
2009	1,429	839	1,510	468	4,246	(16.9)	(17.0)
2010	1,271	735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

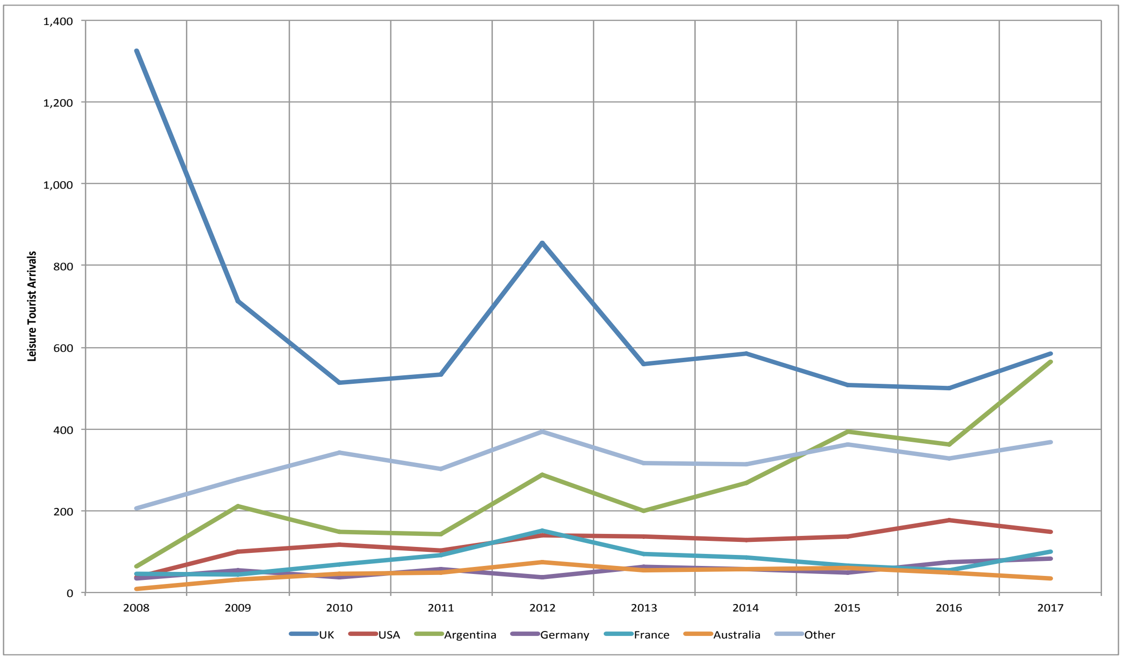


Year	Leisure (£)	VFR (£)	Business and Transit (£)	Total (£)
2009	1,377,367	316,014	827,058	2,520,439
2010	1,784,484	491,199	3,217,856	5,493,539
2011	1,466,762	433,566	3,277,600	5,177,928
2012	2,367,014	605,500	4,802,000	7,774,514
2013	1,738,650	615,209	2,918,767	5,272,625
2014	1,820,273	297,587	3,541,343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

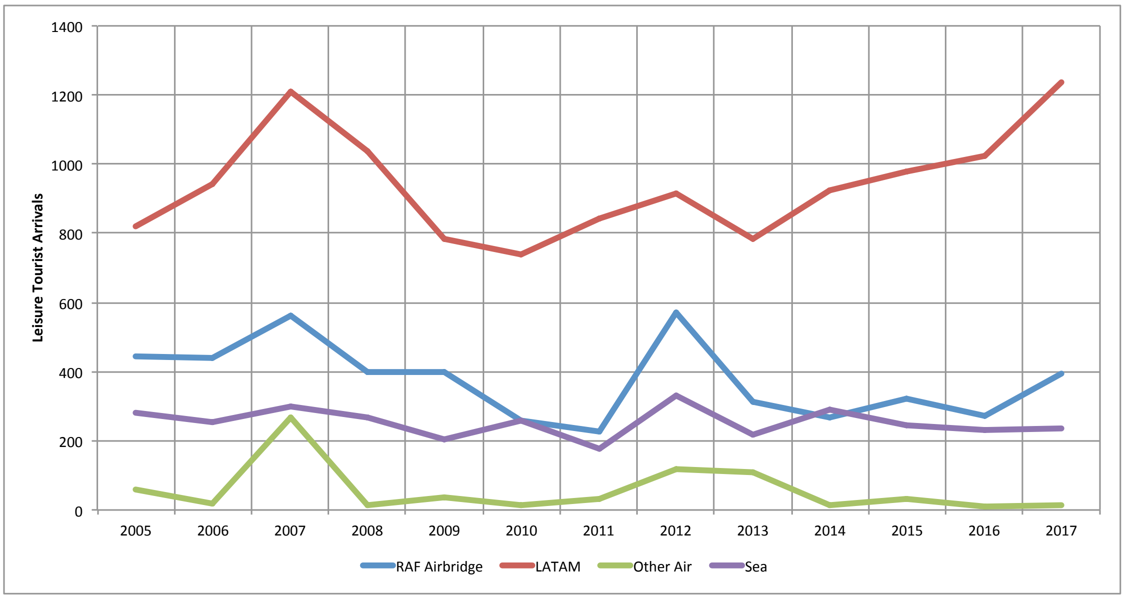
Year-on-year Growth Rates

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

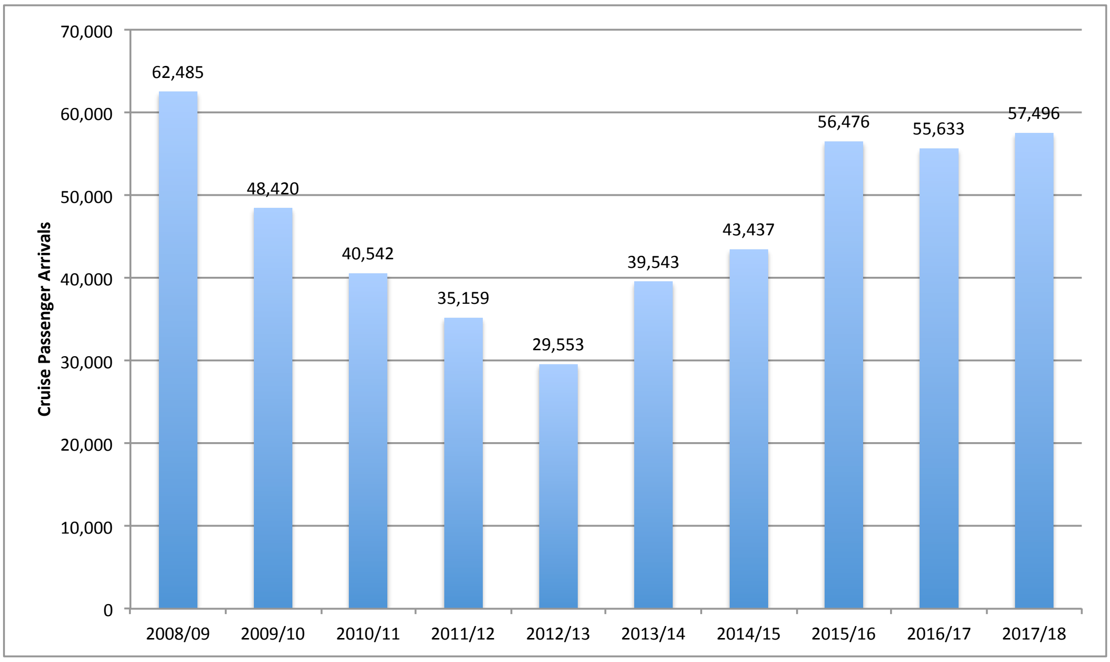
Year-on-year Growth Rates

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.



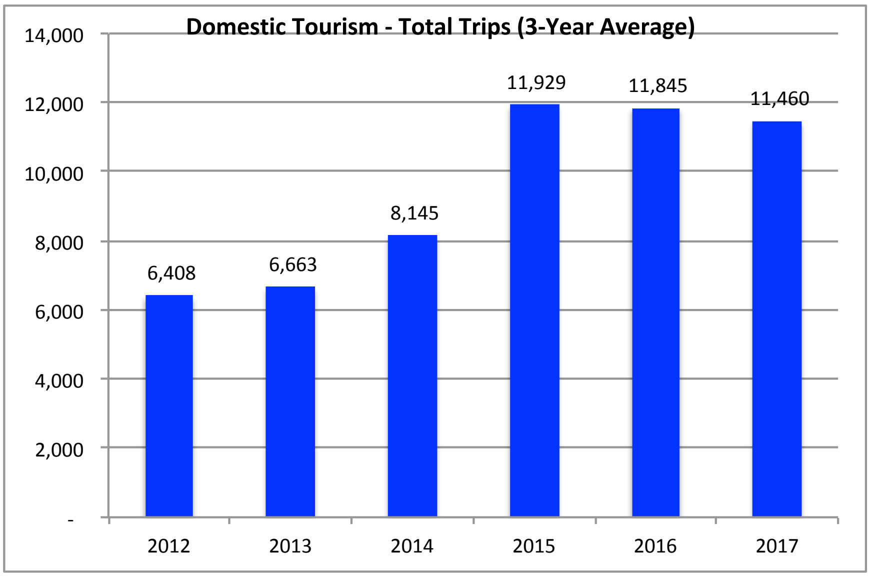
Season	Arrivals	Change (%)	Spend/Pax (£)	Total Spend (£)	Change (%)
2008/09	62,485		45.73	2,857,439	
2009/10	48,420	(22.5)	32.82	1,589,144	(44.4)
2010/11	40,542	(16.3)	34.50	1,398,699	(12.0)
2011/12	35,159	(13.3)	50.75	1,784,319	27.6
2012/13	29,553	(15.9)	57.27	1,692,500	(5.1)
2013/14	39,543	33.8	53.89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

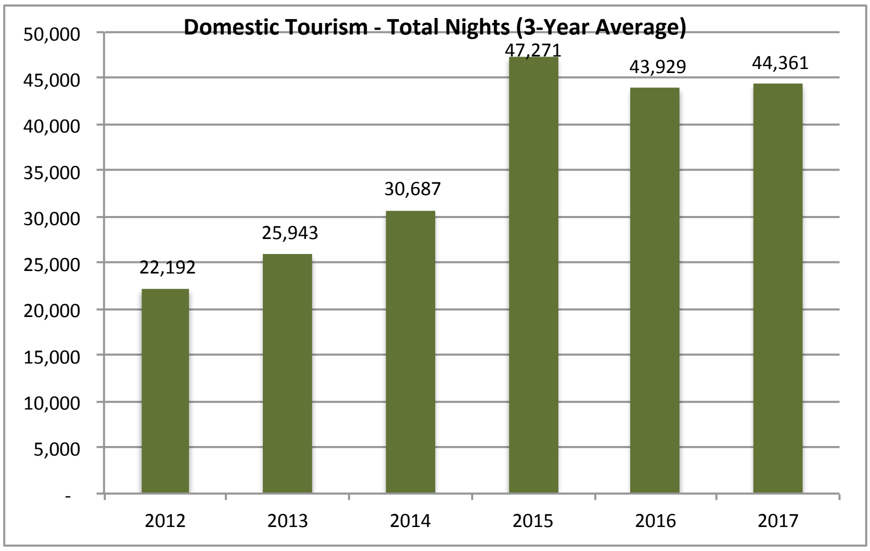
Expenditure by cruise visitors is calculated from the Cruise Visitor Survey carried out by FITB. Analysis of the 2017/18 season survey showed a small decline in expenditure per passenger, but an overall growth in expenditure of almost 1%.

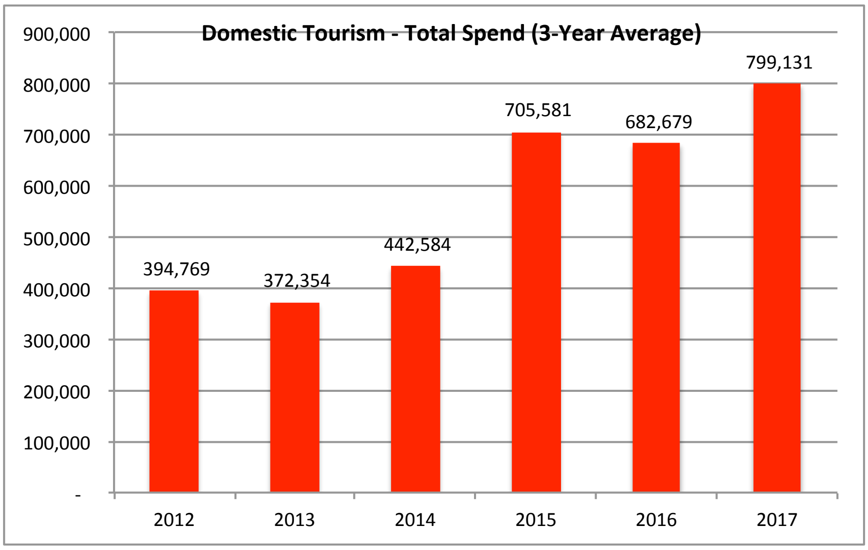
Long Term Trends

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.



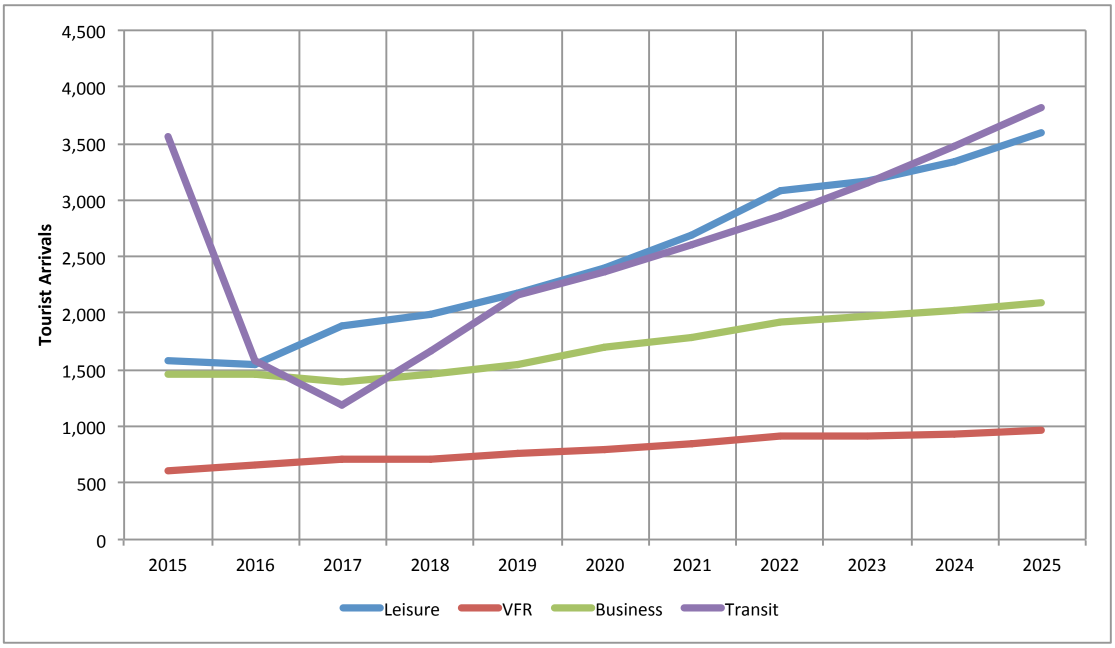




Forecast

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.

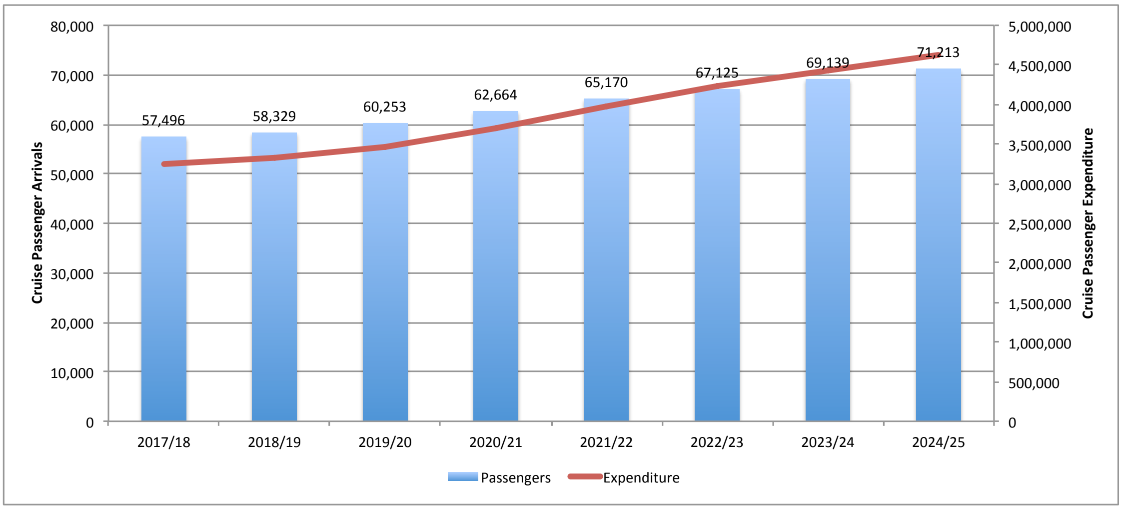


Year	Leisure	VFR	Business	Transit	Total	Leisure Growth (%)	Total Growth (%)
2018	1,997	718	1,462	1,658	5,834	6.0	12.7
2019	2,177	754	1,549	2,155	6,635	9.0	13.7
2020	2,394	792	1,704	2,370	7,261	10.0	9.4
2021	2,682	839	1,789	2,607	7,918	12.0	9.0
2022	3,084	906	1,915	2,868	8,773	15.0	10.8
2023	3,177	915	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