Tourism Quarterly

Issue 13: January - March 2019

June 2019

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Introduction

This is the second report covering the 2018-2019 *tourism season*, providing statistics for the period January to March 2019. The report has been published later than expected due to a delay in obtaining the arrivals figures for the first quarter of the year. We appreciate that this is a busy period for Immigration, and huge thanks go out to them for compiling the figures of arrivals, which are so important to enable the measurement of the tourism sector and allow us to plan and market the Falkland Islands effectively.

The delay has, however, allowed me to provide a slightly more comprehensive summary than I would have otherwise been able to, as now, at the end of June I have all the figures for 2018. I'm delighted to report that leisure tourist arrivals totalled 1,903, just short of what we forecast, and exceeding arrivals in 2017, the first time there has ever been growth after an anniversary year (e.g. 2007, 2012, 2017) when arrivals tend to spike. So this is a terrific achievement!

The cruise season was also the best ever, with over 62,500 cruise visitors landing on our shores, more than ever before, and with their expenditure passing £4 million for the first time. February was also the busiest month ever recorded for the Jetty Visitor Centre, when almost 23,000 people passed through our doors.

Digital media marketing continues to boom too, with record numbers visiting the website and being reached on Facebook, Twitter and Instagram. We are also starting to spot emerging markets in Switzerland, Canada and New Zealand, all of which are catching up the top 6 markets (UK, Argentina, USA, Germany, France and Australia) as our digital global reach starts to gain traction.

Whilst we will be publishing the Annual Tourism Statistics Report for 2018 shortly (in July), this edition of Tourism Quarterly includes the latest data from all three of our surveys: the Air Visitor Survey, Cruise Visitor Survey and Domestic Tourism Survey.

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.

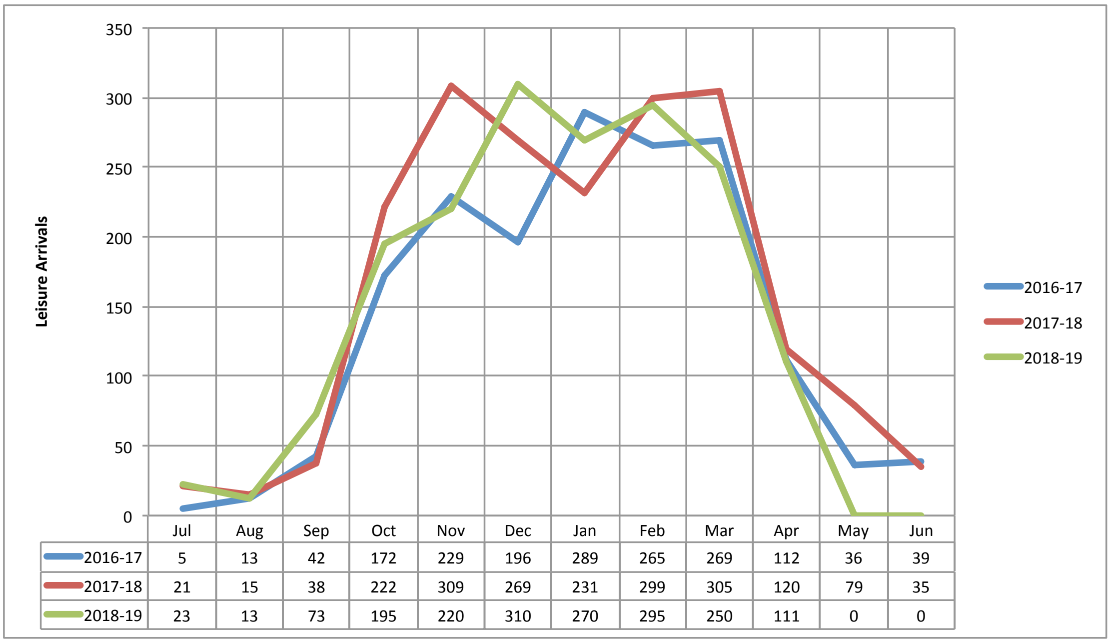
SMiddleton

Stephanie Middleton
Executive Director

This Quarter

Leisure Tourist Arrivals

Leisure tourist arrivals fell by 2.4% in Q1 2019 compared to the same period in 2018. There was significant growth in January 2019 (compared to January 2018) of 16.9%, however arrivals were down marginally in February and more significantly in March.

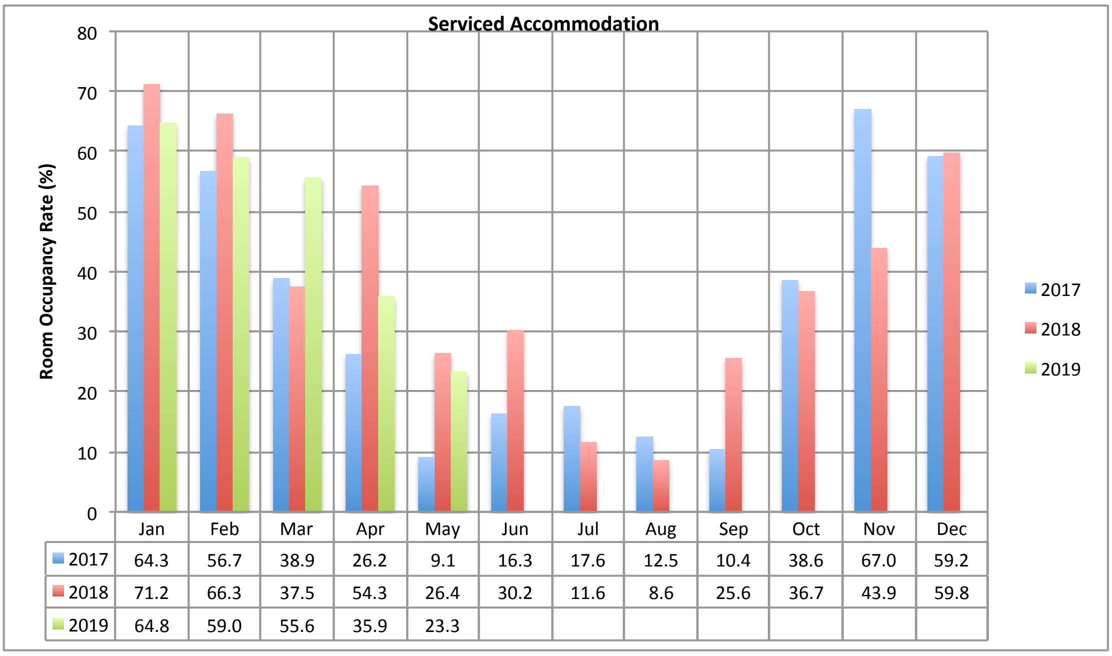


Month	2016-17	2017-18	2018-19	Change (%)
Jul	5	21	23	9.5
Aug	13	15	13	(13.3)
Sep	42	38	73	92.1
Oct	172	222	195	(12.2)
Nov	229	309	220	(28.8)
Dec	196	269	310	15.2
Jan	289	231	270	16.9
Feb	265	299	295	(1.3)
Mar	269	305	250	(18.0)
Apr	112	120	111	(7.5)
May	36	79		
Jun	39	35		

This Quarter

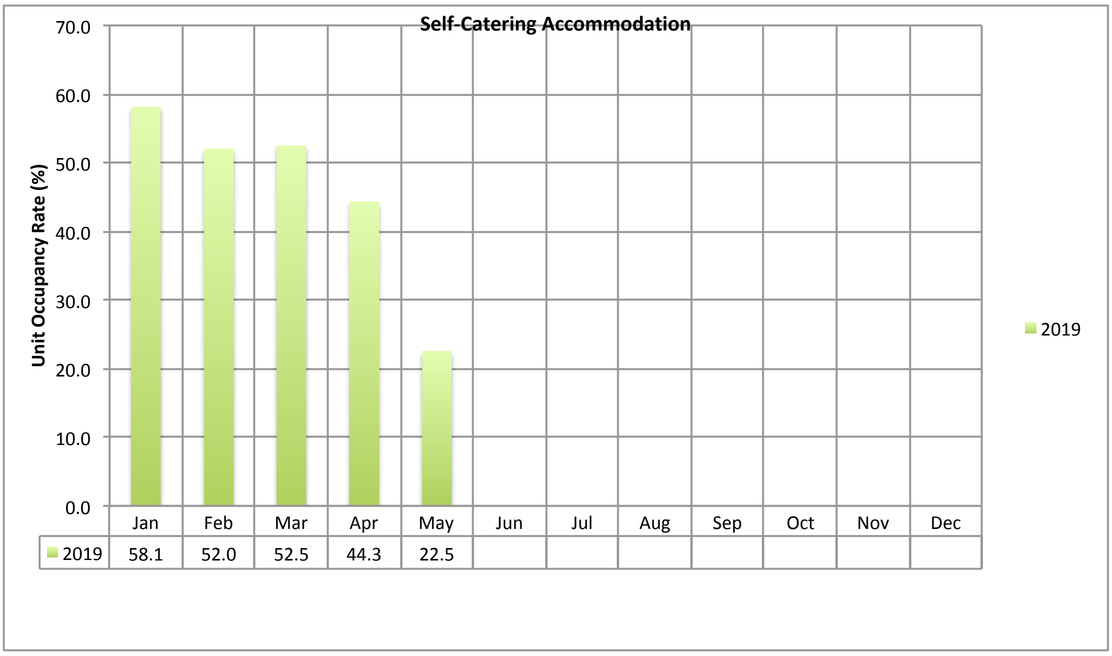
Accommodation Occupancy

Room occupancy rates for serviced accommodation were down in January and February, but up significantly in March. Unusually these are contrary to the arrivals figures.



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
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
2019	64.8	59.0	55.6	35.9	23.3							

Self-catering accommodation performed well in all three months of Q1 2019, exceeding 50% occupancy. Comparisons are not possible due to a sample change compared to previous years. FITB now has a fixed sample of self-catering accommodation which reports each month, which will allow more accurate year-on-year comparisons in the future.

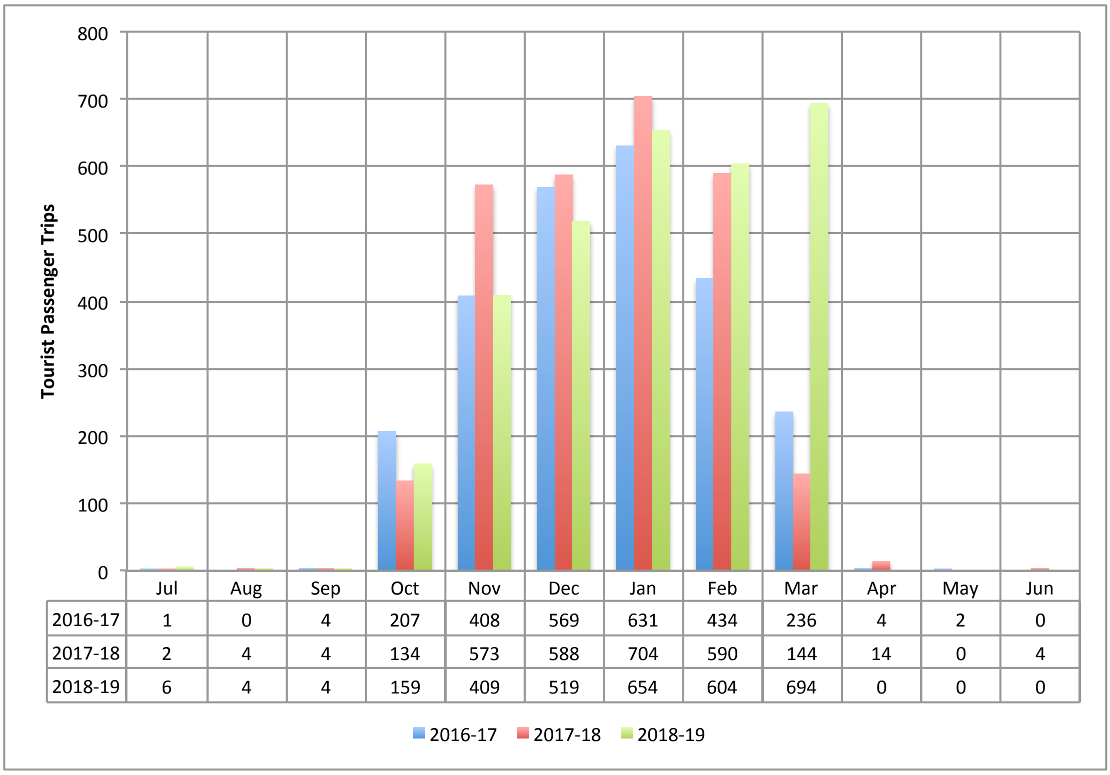


	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2019	58.1	52.0	52.5	44.3	22.5							

This Quarter

Tourist Passengers Carried on FIGAS

Tourist passengers carried on FIGAS were up in Q1 2019 compared to the same quarter in 2018, by 35.7%, due to a significant number of tourist flights in March. This unusually high figure is still being investigated with FIGAS.



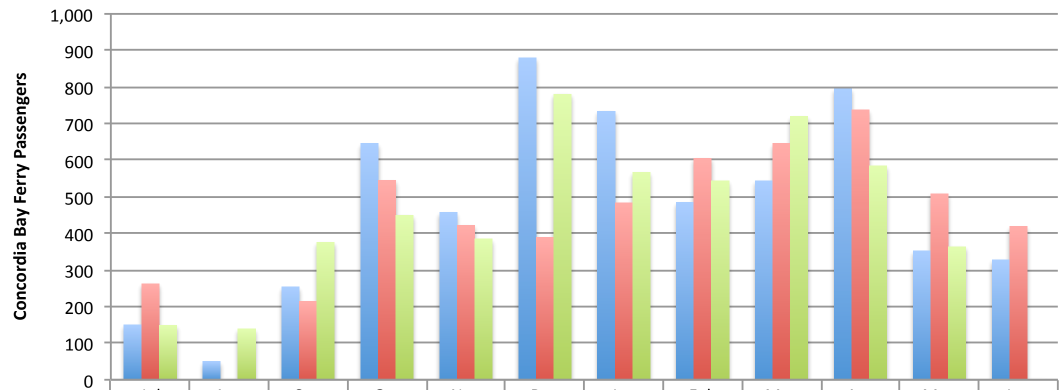
Month	2016-17	2017-18	2018-19	% Growth
Jul	1	2	6	200.0
Aug	0	4	4	0.0
Sep	4	4	4	0.0
Oct	207	134	159	18.7
Nov	408	573	403	(28.6)
Dec	569	588	519	(11.7)
Jan	631	704	654	(7.1)
Feb	434	590	604	2.4
Mar	236	144	694	381.9
Apr	4	14		
May	2	0		
Jun	0	4		

Courtesy of FIGAS

This Quarter

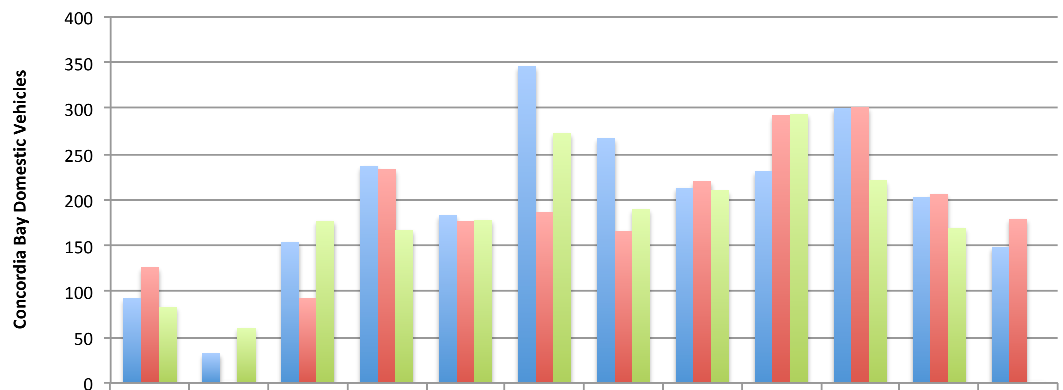
Passengers and Domestic Vehicles on Concordia Bay Ferry

Passenger numbers in Q1 2019 were up by 5.5% compared to the same period in 2018, due to particularly strong traffic in January and March.



	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	567	544	720	585	364	0

Domestic vehicle numbers in Q1 2019 were up 2.4% compared to the same period in 2018; this was largely due to the high volume of traffic in January.

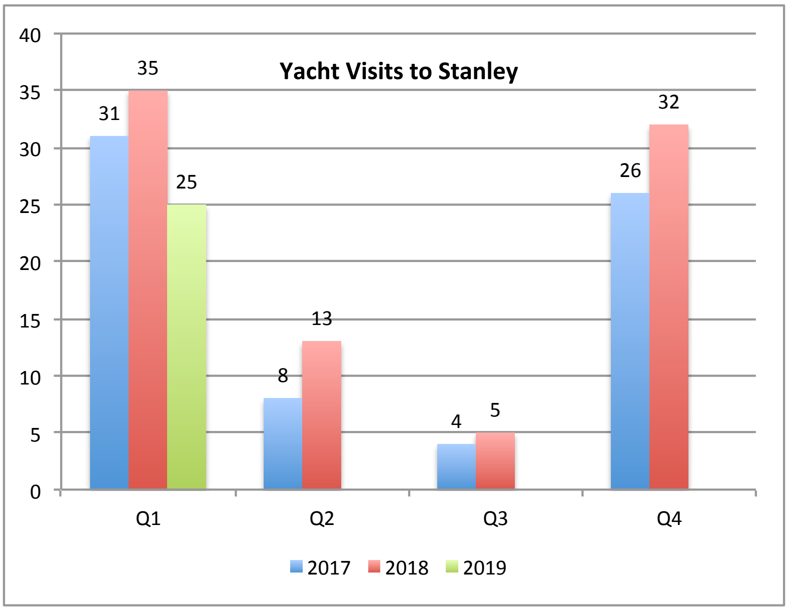


	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2016-17	92	32	154	237	183	346	267	213	231	300	203	148
2017-18	126	0	92	233	176	186	166	220	292	301	206	179
2018-19	83	60	177	167	178	273	190	210	294	221	169	0

This Quarter

Yacht Visits to Stanley

A total of 25 yacht visits were made to Stanley in Q1 2019, down from 35 visits made in the same quarter of 2018.



Courtesy of Falkland Islands Yacht Club

Jetty Visitor Centre Footfall

The JVC footfall was up by a significant 8.3% in Q1 2019 compared to the same quarter in 2018. The busiest month was February, with almost 23,000 visitors – the highest number recorded to date.

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	17,877	(15.9)
Feb	19,053	19,249	22,749	18.2
Mar	10,310	7,755	11,646	50.2
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 almost 25,000 unique visitors in March, the highest figure ever recorded, viewing over 57,000 pages.

Website	Unique Visitors			Pages Viewed		
	2018	2019	(%)	2018	2019	(%)
Jan	17,567	24,680	40.5	52,623	74,700	42.0
Feb	13,587	22,909	68.6	38,747	54,147	39.7
Mar	13,047	24,787	90.0	35,543	57,291	61.2
Apr	11,423			31,891		
May	18,827			40,389		
Jun	19,972			42,703		
Jul	19,320			45,003		
Aug	18,377			42,687		
Sep	18,755			43,984		
Oct	20,035			50,568		
Nov	21,741			60,786		
Dec	22,113			60,082		

Social Media: Facebook and Twitter

Facebook and Twitter social media channels also show significant growth rates. Facebook Reach in Q1 2019 was up 167% on the same period in 2018 with over 2.6 million posts seen in February, whilst Twitter Impressions were up 63.4%.

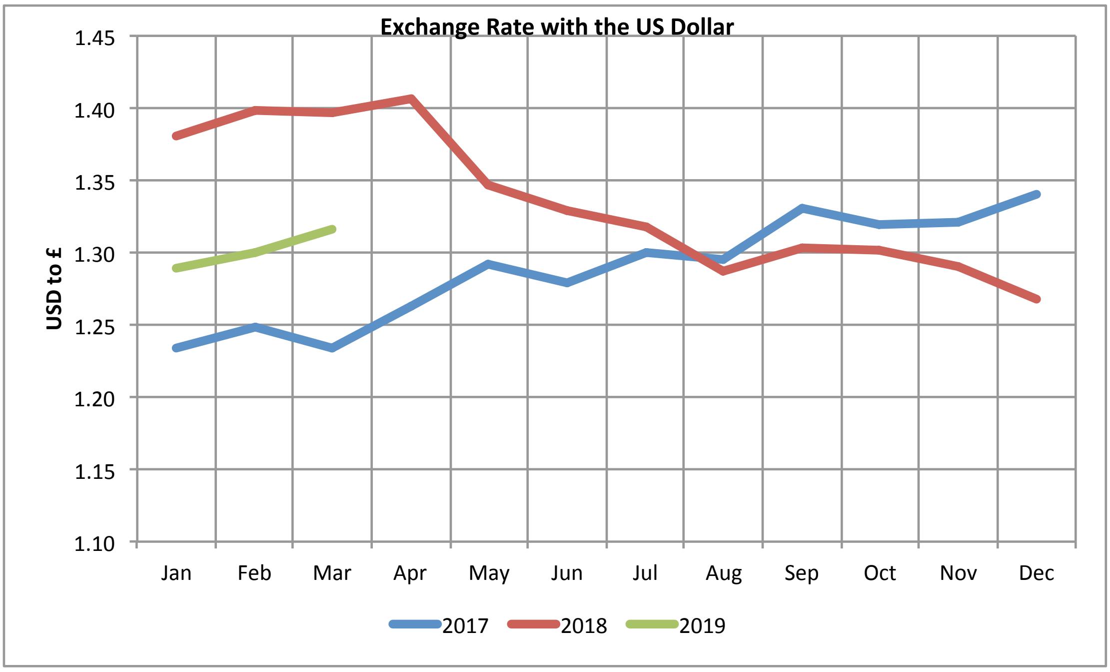
Social Media	Facebook Reach			Twitter Impressions		
	2018	2019	(%)	2018	2019	(%)
Jan	478,523	1,354,670	183.1	52,100	40,100	(23.0)
Feb	262,831	2,610,402	893.2	26,400	76,500	189.8
Mar	509,812	622,928	22.2	27,900	57,300	105.4
Apr	315,558			24,700		
May	1,003,621			30,500		
Jun	1,186,333			55,800		
Jul	1,265,196			75,200		
Aug	654,438			71,900		
Sep	692,299			55,600		
Oct	470,168			41,000		
Nov	638,618			54,200		
Dec	665,219			39,400		

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

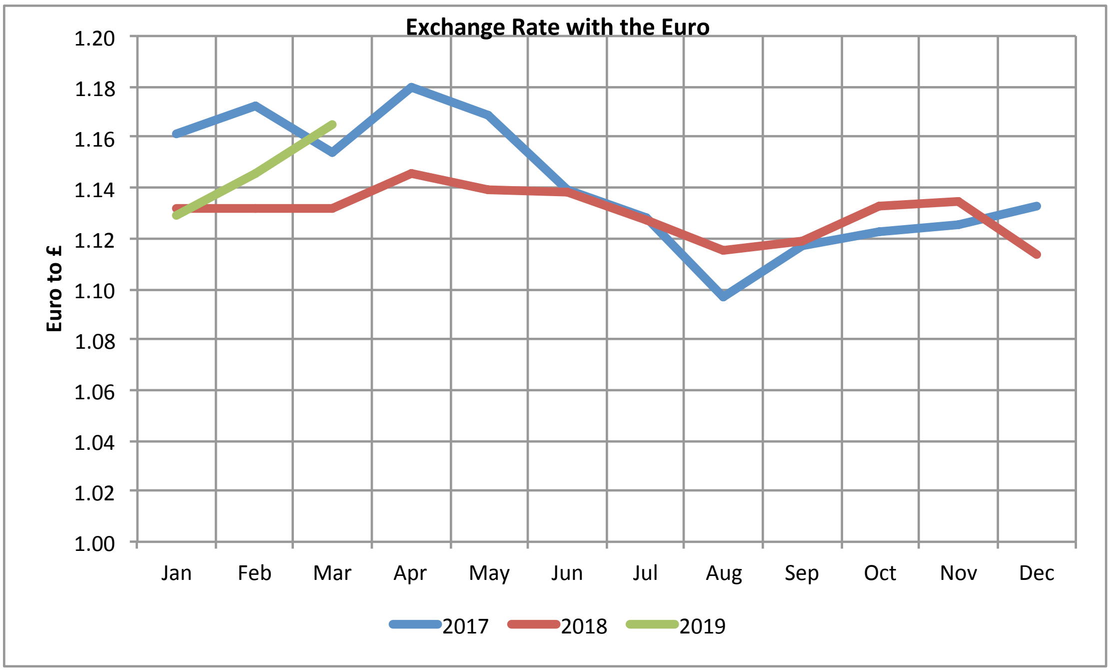
This Quarter

Currency Exchange Rates

US Dollar: Over the first quarter of 2019 there has been an increase in the exchange rate of the pound against the dollar, which means that it is slightly more expensive for US visitors to travel to the Falklands, as it costs them more dollars to buy a pound.



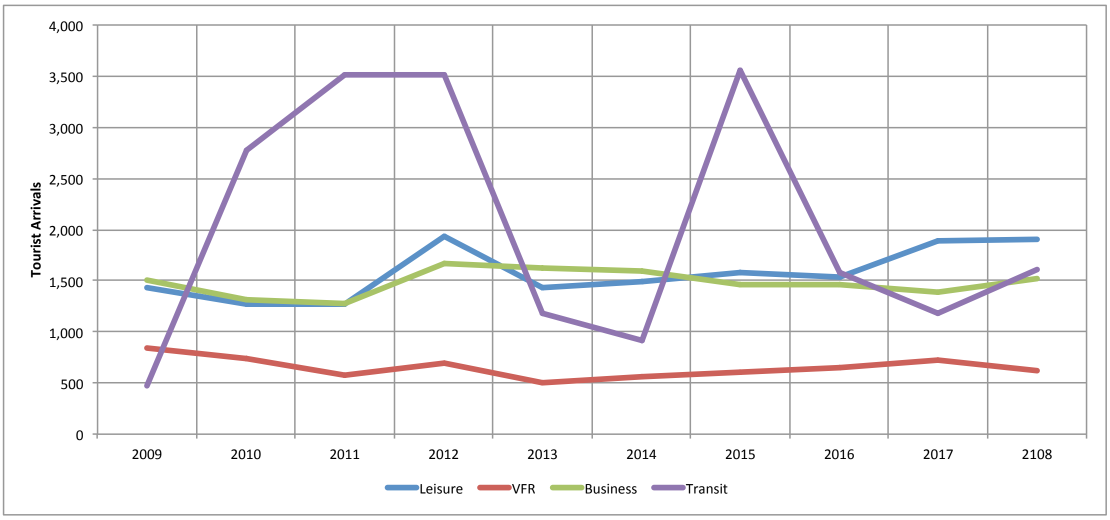
Euro: The exchange rate with the euro followed a similar path to the US Dollar in Q1 2019, meaning that it is slightly more expensive for residents of the Eurozone to visit the Falklands, as it costs fewer euros to buy a pound.



Long Term Trends

Tourist Arrivals by Purpose of Visit (2009-2018)

Leisure tourism grew by 1% in 2018, which is significant as it is the first time there has been growth the year after an anniversary year (e.g. 2007, 2012, 2017) when leisure visitor numbers tend to spike. Visits to friends and relatives (VFR) fell by 13.2%, however business visitors grew by 9.1% and transit visitors by 36.1%. Overall, tourist arrivals for all purposes grew by 9.2%.

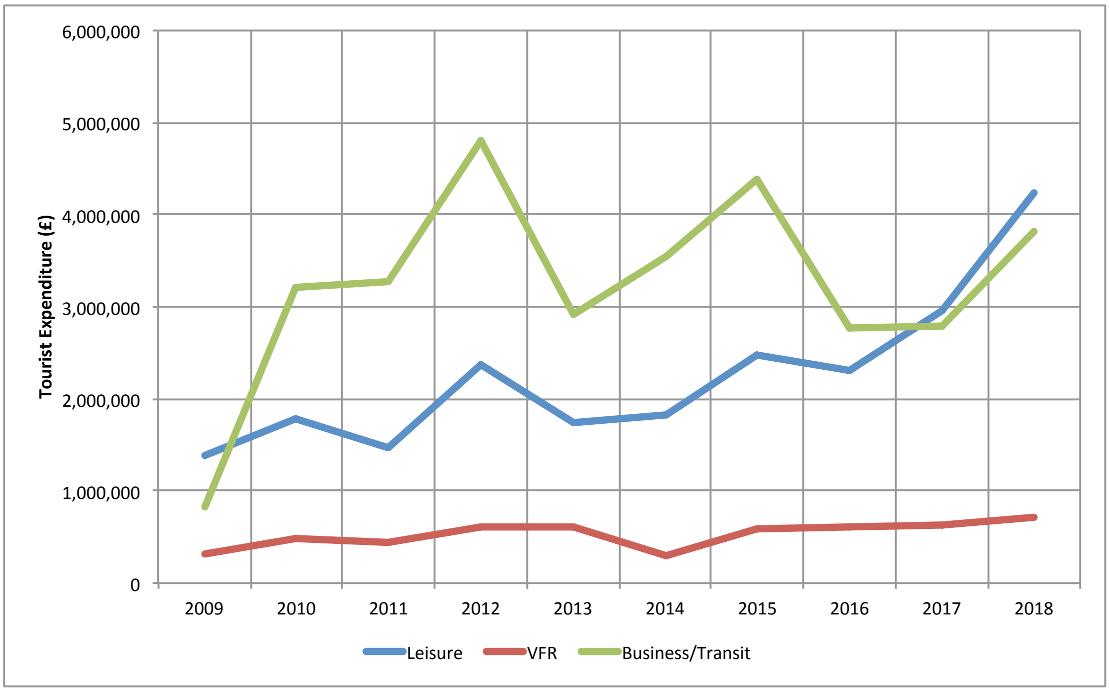


Year	Leisure	VFR	Business	Transit	Total	Leisure Growth (%)	Total Growth (%)
2009	1,429	839	1,510	468	4,246	(16.9)	(17.0)
2010	1,271	735	1,314	2,778	6,098	(11.1)	43.6
2011	1,276	578	1,277	3,518	6,649	0.4	9.0
2012	1,940	693	1,672	3,507	7,812	52.0	17.5
2013	1,426	501	1,621	1,179	4,727	(26.5)	(39.5)
2014	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)
2018	1,903	623	1,519	1,611	5,656	1.0	9.2

Long Term Trends

Tourist Expenditure by Purpose of Visit (2009-2018)

Tourist (all purposes) expenditure is calculated from the Air Visitor Survey undertaken by FITB at MPA. In 2018, leisure tourism generated almost £4.2 million in visitor expenditure, with all types of tourist generating almost £8.8 million.

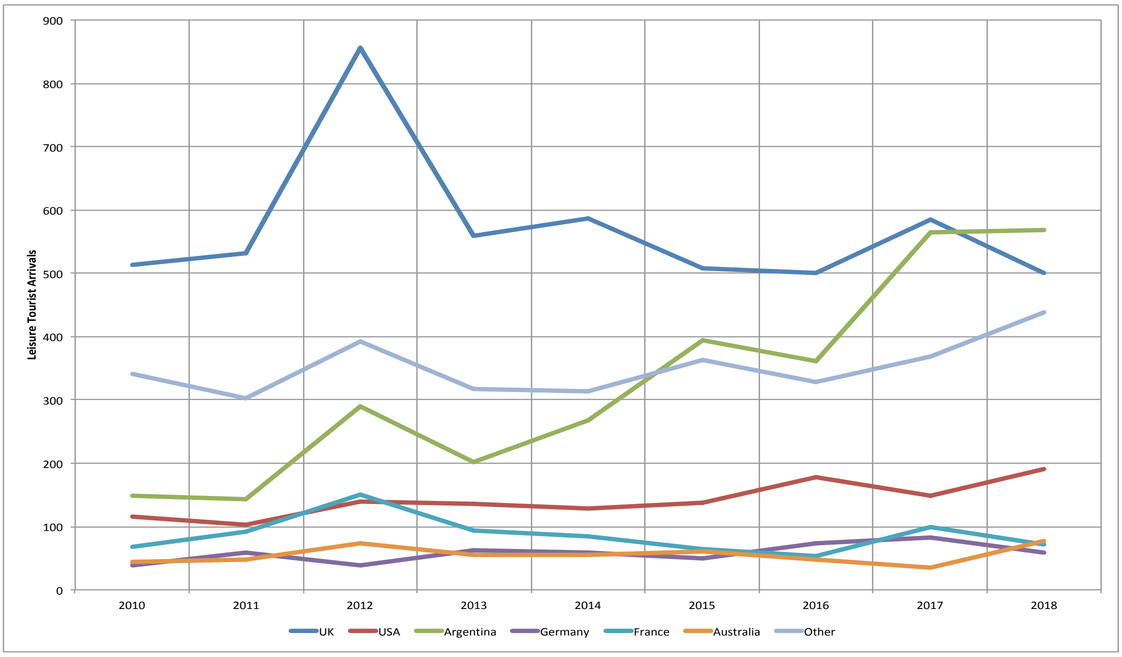


Year	Leisure (£)	VFR (£)	Business and Transit (£)	Total (£)
2009	1,377,367	316,014	827,058	2,520,439
2010	1,784,484	491,199	3,217,856	5,493,539
2011	1,466,762	433,566	3,277,600	5,177,928
2012	2,367,014	605,500	4,802,000	7,774,514
2013	1,738,650	615,209	2,918,767	5,272,625
2014	1,820,273	297,587	3,541,343	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
2018	4,237,040	721,483	3,821,414	8,779,937

Long Term Trends

Leisure Tourist Arrivals by Country of Residence (2011-2018)

The UK's dominance as the main leisure market continues to be eroded, and in 2018, for the first time, the number of visitors from Argentina travelling for leisure exceeded those visiting from the UK. Arrivals from Australia grew sharply, as did "other countries", showing that the appeal of the Falklands is broadening – the key markets bubbling under the top 6 include Switzerland, Canada and New Zealand.



Year	UK	USA	Argentina	Germany	France	Australia	Other	Total
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
2018	500	190	568	58	72	77	438	1,903

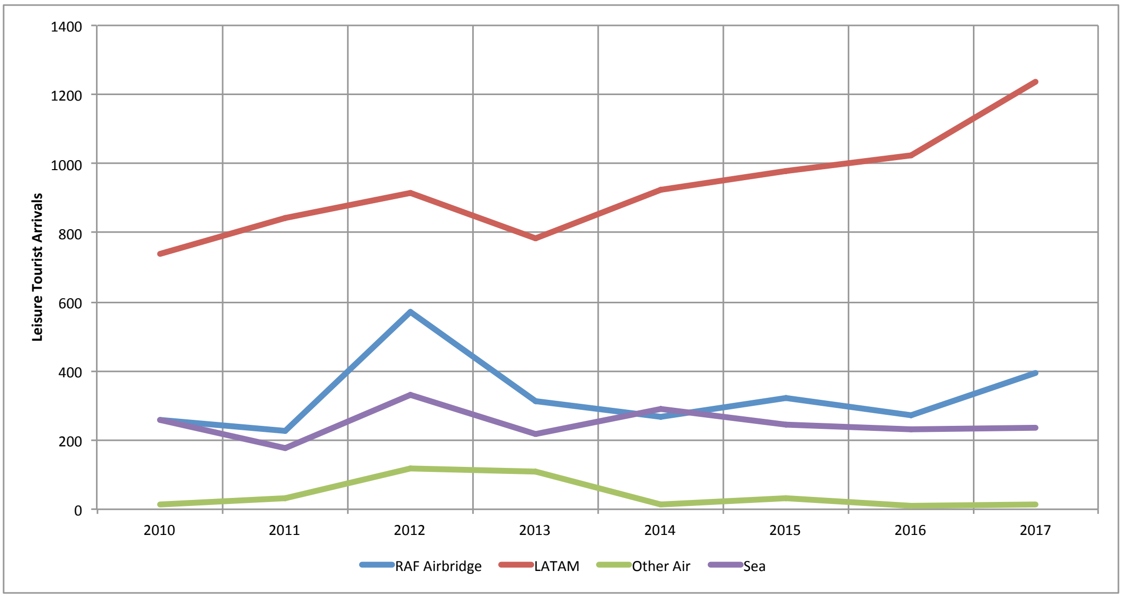
Year-on-year Growth Rates

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
2018	(14.4)	27.5	0.5	(30.1)	(27.3)	120.0	18.7	1.0

Long Term Trends

Leisure Tourist Arrivals by Mode of Transport (2010-2018)

LATAM via Punta Arenas remains the most popular route for leisure tourists visiting the Falklands, accounting for 1,359 arrivals in 2018, up almost 10% on the previous year. The RAF air bridge was used by only 340 leisure tourists, a 13.5% decrease on 2017.



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	1,026	10	231	1,540
2017	393	1,239	16	236	1,884
2018	340	1,359	12	192	1,903

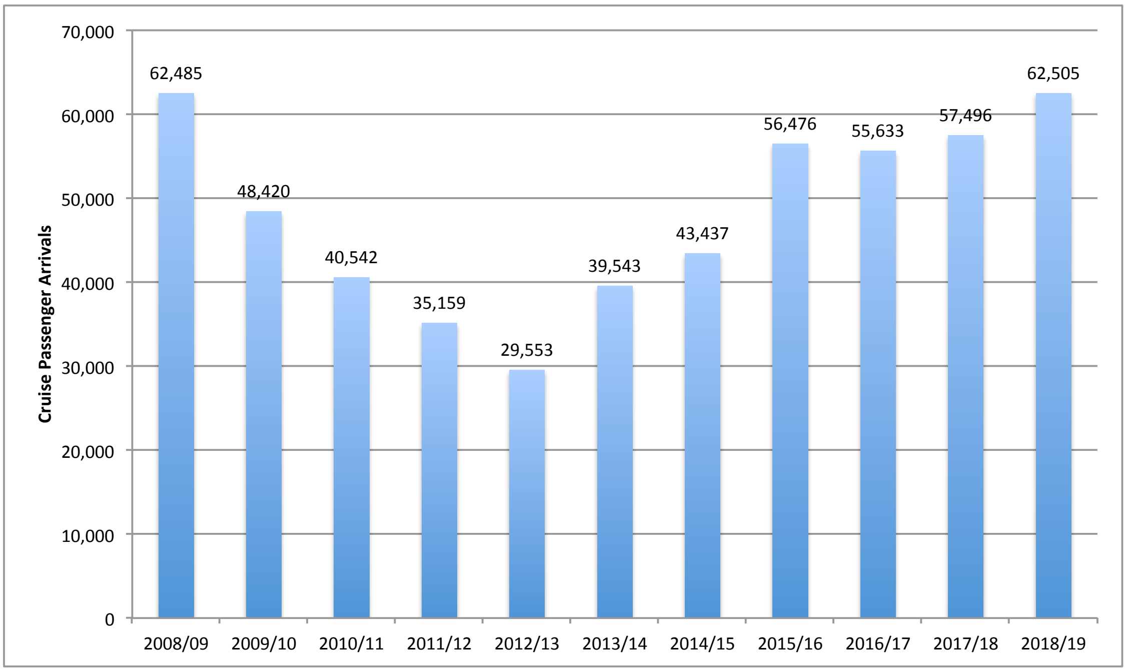
Year-on-year Growth Rates

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
2018	(13.5)	9.7	(25.0)	(18.6)	1.0

Long Term Trends

Cruise Passenger Arrivals (2008-2019)

There were 62,505 cruise visitor arrivals in the 2018-19 season, the largest number of cruise visitors to ever visit the Falklands in a single season, representing an increase of 8.7% on the previous season. There were seven vessel cancellations, accounting for the loss of around 7,000 potential visitors.



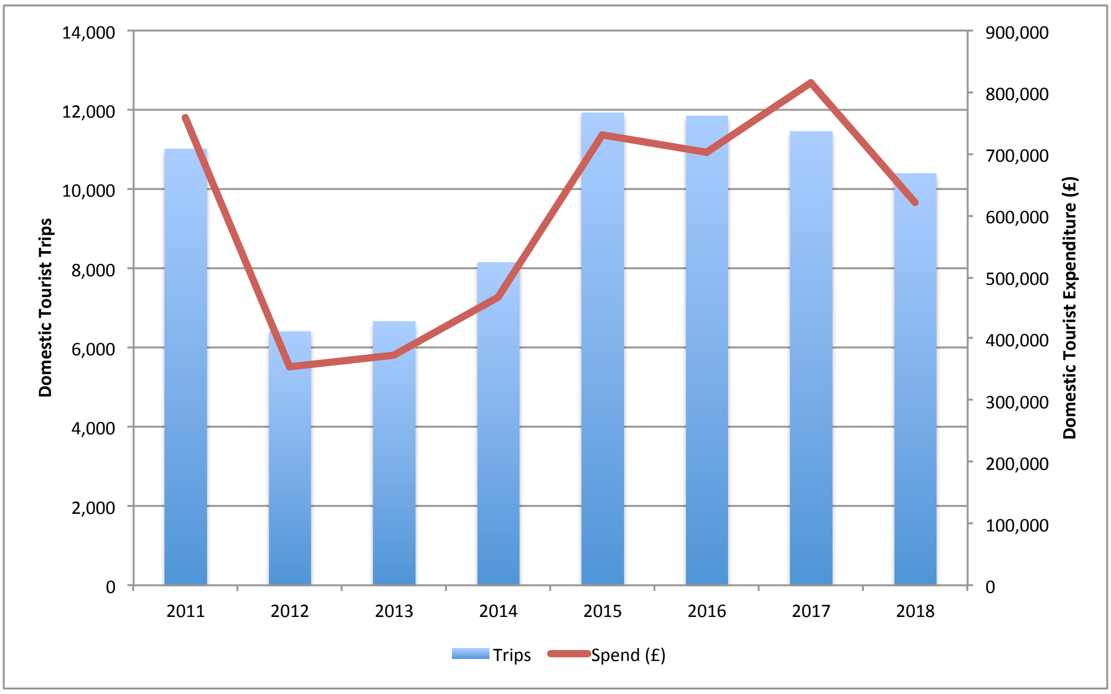
Season	Arrivals	Change (%)	Spend/Pax (£)	Total Spend (£)	Change (%)
2008/09	62,485		45.73	2,857,439	
2009/10	48,420	(22.5)	32.82	1,589,144	(44.4)
2010/11	40,542	(16.3)	34.50	1,398,699	(12.0)
2011/12	35,159	(13.3)	50.75	1,784,319	27.6
2012/13	29,553	(15.9)	57.27	1,692,500	(5.1)
2013/14	39,543	33.8	53.89	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
2018/19	62,505	8.7	64.89	4,055,949	25.1

Expenditure by cruise visitors is calculated from the Cruise Visitor Survey carried out by FITB. Analysis of the 2018/19 season survey showed an increase of almost £8.50 in expenditure per passenger, with total expenditure passing the £4 million mark, an increase of 25.1%.

Long Term Trends

Domestic Tourism Trips and Expenditure (2011-2018)

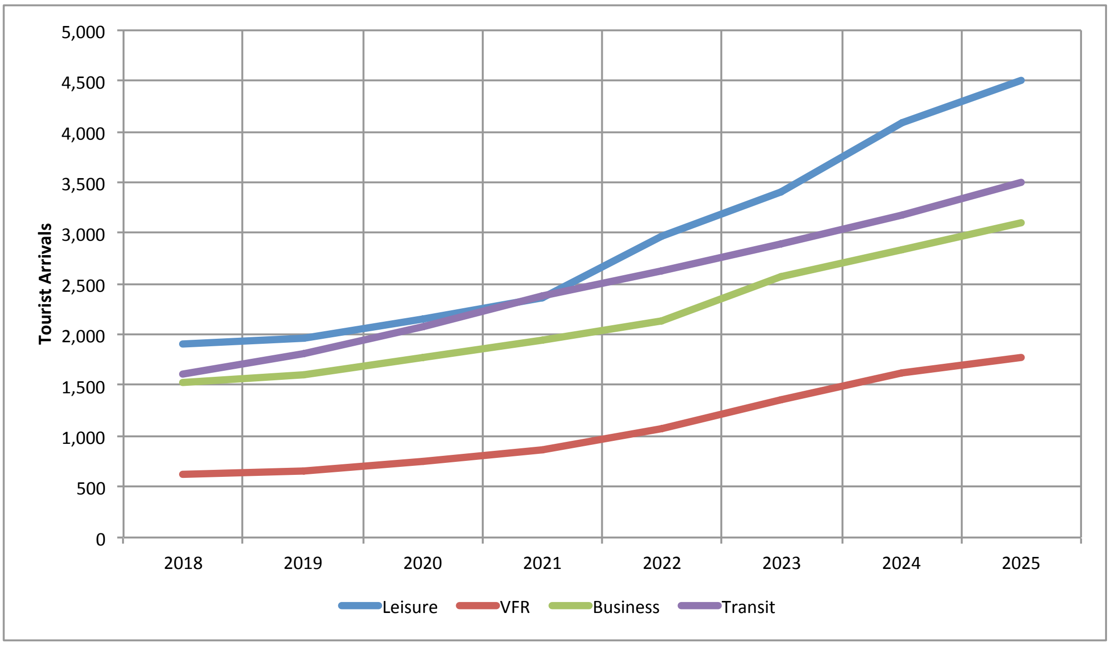
Domestic tourism is estimated from the quarterly Domestic Household Survey undertaken by FITB. Domestic tourism trips have been declining slightly since 2015, although expenditure peaked in 2017. In 2018 there were an estimated 10,400 domestic tourism trips, staying over 39,000 nights and spending almost £622,000.



Forecasts

Overnight Tourism Forecast

Leisure tourism is expected to grow by 3% in 2019, with present forecasts showing more rapid growth over the period to 2025. These are based on an additional weekly flight between Sao Paulo and MPN commencing by 2020.

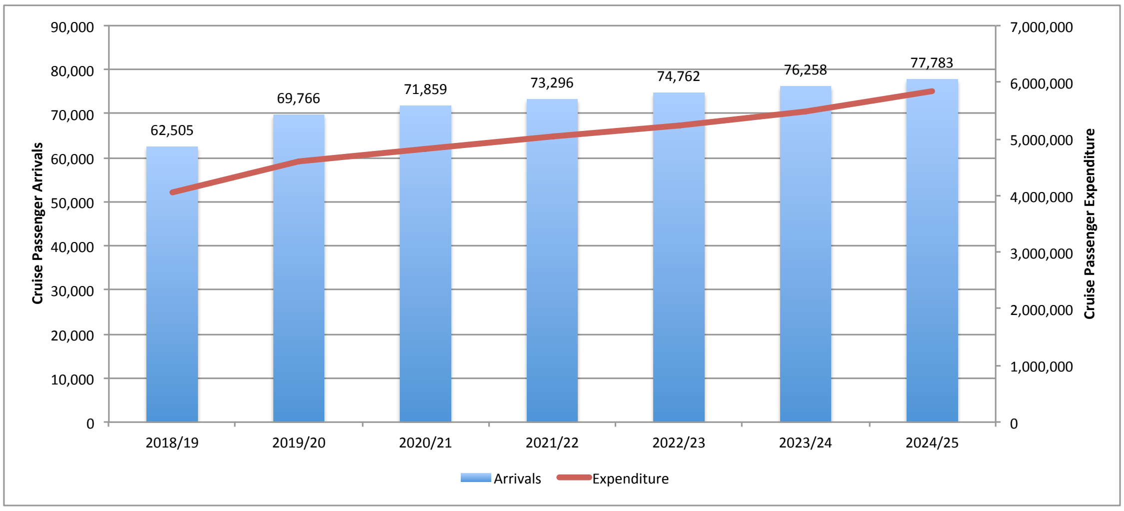


Year	Leisure	VFR	Business	Transit	Total	Leisure Growth (%)	Total Growth (%)
2018	1,903	623	1,519	1,611	5,656	1.0	9.2
2019	1,960	654	1,610	1,804	6,029	3.0	6.6
2020	2,156	752	1,771	2,075	6,754	10.0	12.0
2021	2,372	865	1,948	2,386	7,571	10.0	12.1
2022	2,965	1,081	2,143	2,625	8,814	25.0	16.4
2023	3,409	1,352	2,572	2,887	10,220	15.0	16.0
2024	4,091	1,622	2,829	3,176	11,718	20.0	14.7
2025	4,500	1,784	3,112	3,494	12,890	10.0	10.0

Forecasts

Cruise Passenger Arrivals and Expenditure Forecast

Growth in passenger arrivals in the 2018/19 season is expected to reach 11.6%. There is expected to be strong growth in the number of expedition passengers over the next two seasons as this market continues to expand. Growth over the period to 2025 is expected to be more modest with around 78,000 arrivals in the 2024-2025 season.



Season	Arrivals	Arrivals Growth (%)	Total Spend (£)	Spend Growth (%)
2017/18	57,496	3.3	3,243,349	0.9
2018/19	62,505	8.7	4,055,949	25.1
2019/20	69,766	11.6	4,604,570	13.5
2020/21	71,859	3.0	4,814,566	4.6
2021/22	73,296	2.0	5,057,450	5.0
2022/23	74,762	2.0	5,233,361	3.5
2023/24	76,258	2.0	5,490,544	4.9
2024/25	77,783	2.0	5,833,703	6.3