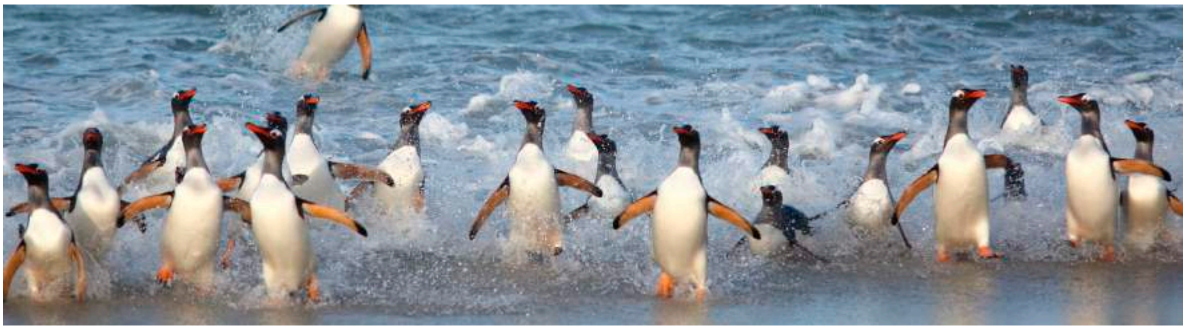
FALKLAND ISLANDS



International Leisure Tourism Statistics Report 2017

Falkland Islands
TOURIST BOARD

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INTRODUCTION

When measuring tourism, the Falkland Islands Tourist Board (FITB) follows United Nations World Tourism Organization (UNWTO) definitions. Consequently:

Tourists *are non-residents of the Falkland Islands travelling to the country for at least one night and for not more than once consecutive year for leisure, business and other purposes.* In the Falklands this is often referred to as Land-Based Tourism.

Tourists can therefore be travelling to the Falkland Islands for a number of different reasons. These have been classified as:

- Leisure (and holiday).
- Visiting Friends and Relatives (VFR).
- Business (and conferences).
- Transit (en route to another country or short-term oil/fisheries worker).

Whilst the number of visits to the Falklands for VFR, business and transit tourism are included in a short section at the beginning of this report, the remainder of the document focuses purely on leisure tourism.

Day Visitors *are non-residents of the Falkland Islands travelling to the Islands, but not staying overnight. In the Falkland Islands these are cruise visitors.* In the Falklands this is often referred to as Cruise Tourism.

When considering cruise tourism, the following definitions are applied:

- Cruise Vessels: vessels carrying 250 or more passengers.
- Expedition Vessels: vessels carrying less than 250 passengers.

The data presented in this report is derived from:

- Data provided by the Customs and Immigration Department. For overnight visits, the purpose of visit (and length of stay) of each arrival in the Falkland Islands will determine whether they are defined as a tourist or not.

- Air Visitor Survey: a monthly survey undertaken by FITB on passengers departing by air at MPA.

- Cruise Visitor Survey: a regular survey undertaken during the cruise season by FITB at the Jetty Centre, on visitors departing the Islands.

KEY FACTS AND FIGURES

Indicator	2017	Change from 2016
Inbound (Land-Based) Tourism		
All Tourist Arrivals	5,178	-1.4%
Leisure Tourist Arrivals	1,884	22.3%
Leisure Tourist Arrivals (Season – 2017/18 v 2016/17)	1,635	15.1%
Leisure Tourist Arrivals from the UK	584	16.8%
Leisure Tourist Arrivals from Argentina	565	56.5%
Leisure Tourist Arrivals from the USA	149	15.8%
Leisure Tourist Arrivals on LATAM	1,239	20.8%
Leisure Tourist Arrivals on the Air Bridge	393	44.0%
Average Length of Stay of Leisure Tourists (nights)	10.1	0.3 nights
Average Spend per Leisure Tourist per Night (£)	155.17	1.7%
All Tourist Expenditure (£ million)	6.4	12.6%
Leisure Tourist Expenditure (£ million)	3.0	28.3%
Cruise Tourism		
Passengers	57,496	3.3%
Average Spend per Passenger (£)	56.41	-2.4%
Total Passenger Expenditure (£ million)	3.2	0.9%

GREEN boxes indicate an increase, and RED boxes indicate a decrease.

Brief Summary

2017 and the 2017-2018 season were both excellent periods for tourism in the Falklands with growth in almost all areas.

Whilst there was a small decrease in **all** arrivals to the Islands (due to reducing oil activity), **leisure tourism expanded rapidly** at 22.3% in 2017 and 15.1% in the 2017-2018 season (compared to the corresponding periods the previous year).

All the main markets grew, most of them strongly, **with the exception of the USA**. Expenditure by all arrivals grew by 12.6% and leisure tourist expenditure grew by 28.3%.

Cruise tourism remained strong in the 2017-2018 season with passenger numbers growing by 3.3%. Whilst the average spend per passenger decreased slightly, overall cruise passenger spend was up by almost 1%.

INBOUND TOURISM

ALL TOURIST ARRIVALS

Tourist Arrivals by Purpose of Visit (2000-2017)

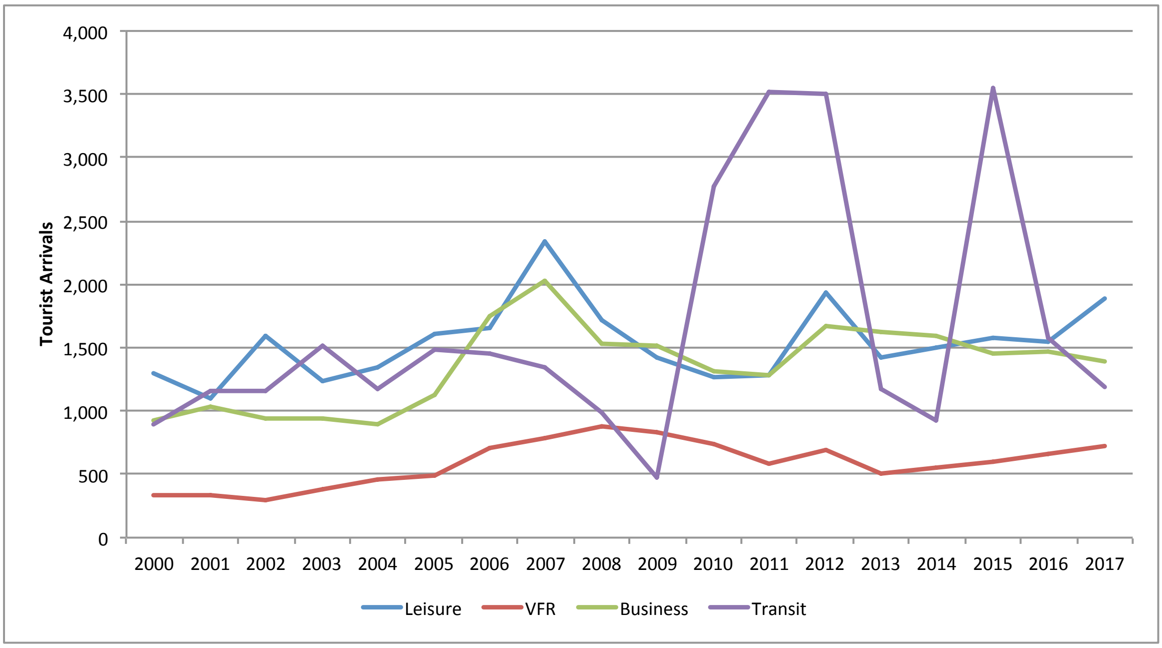
There were 5,178 tourist arrivals in the Falkland Islands in 2017, of which 1,884 were travelling for Leisure. This represents a significant 22.3% growth in leisure tourists compared to the previous year. Overall, leisure tourists represented over 36% of all tourist arrivals.

Tourists visiting friends and relatives (VFR) grew by 9.3% in 2017 to 718 arrivals. They represent almost 14% of all tourist arrivals.

Year	Leisure	VFR	Business	Transit	Total	Growth (%)
2000	1,291	332	931	894	3,448	
2001	1,099	340	1,030	1,157	3,626	5.2
2002	1,595	296	948	1,157	3,996	10.2
2003	1,235	386	938	1,519	4,078	2.1
2004	1,343	464	895	1,175	3,877	-4.9
2005	1,602	486	1,128	1,486	4,702	21.3
2006	1,653	715	1,748	1,453	5,569	18.4
2007	2,338	782	2,032	1,345	6,497	16.7
2008	1,720	879	1,533	982	5,114	-21.3
2009	1,429	839	1,510	468	4,246	-17.0
2010	1,271	735	1,314	2,778	6,098	43.6
2011	1,276	578	1,277	3,518	6,649	9.0
2012	1,940	693	1,672	3,507	7,812	17.5
2013	1,426	501	1,621	1,179	4,727	-39.5
2014	1,494	559	1,599	922	4,574	-3.2
2015	1,576	605	1,455	3,553	7,189	57.2
2016	1,540	657	1,468	1,584	5,249	-27.0
2017	**1,884**	**718**	**1,392**	**1,184**	**5,178**	**-1.4**
Growth 16-17 (%)	***22.3***	***9.3***	***-5.2***	***-25.3***	***-1.4***	
Share 2000 (%)	***37.4***	***9.6***	***27.0***	***25.9***	***100.0***	
Share 2017 (%)	***36.4***	***13.9***	***26.9***	***22.9***	***100.0***	
AAR (%)	***2.2***	***4.6***	***2.4***	***1.7***	***2.4***	

Business tourism declined slightly in 2017, by 5.2% to 1,392 arrivals. There was a significant fall in Transit (mainly oil and fisheries) visitors in 2017, by 25.3%, to 1,184 arrivals. The movement of these visitors (which by United Nations World Tourism Organization definition are classed as tourists) has been, and will continue to be, highly dependent on the development of the oil sector in the Falklands.

Overall, all tourist arrivals have grown at an average annual rate of 2.4% per annum over the period 2000-2017, with VFR visitors increasing most significantly (average of 4.6% per annum). Leisure visitors have grown by an average annual rate of 2.2% over the period since 2000.


Tourist Arrivals
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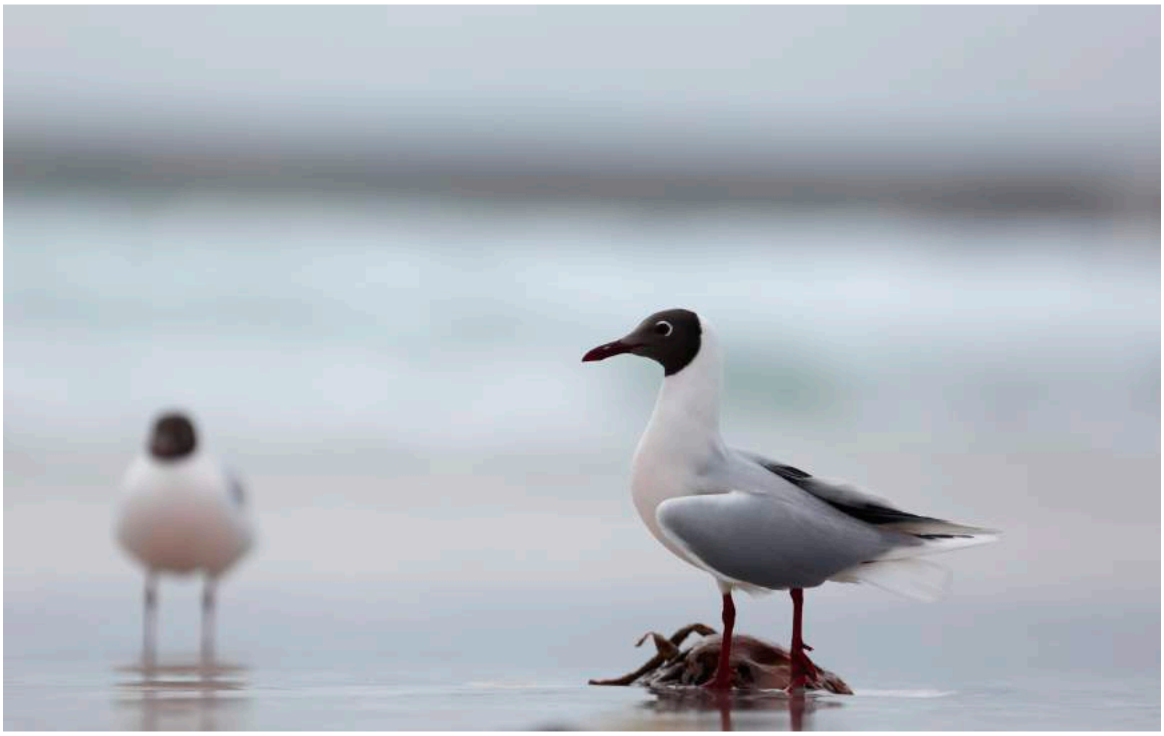


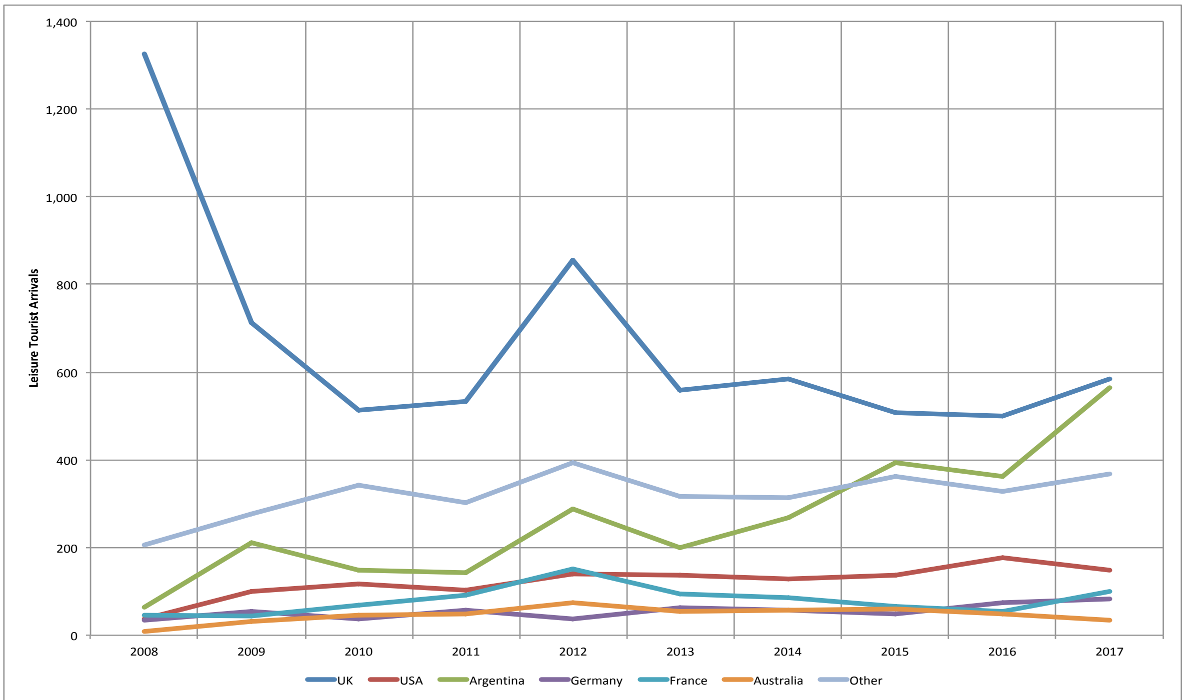
LEISURE TOURIST ARRIVALS

Arrivals by Country of Residence (2005-2017)

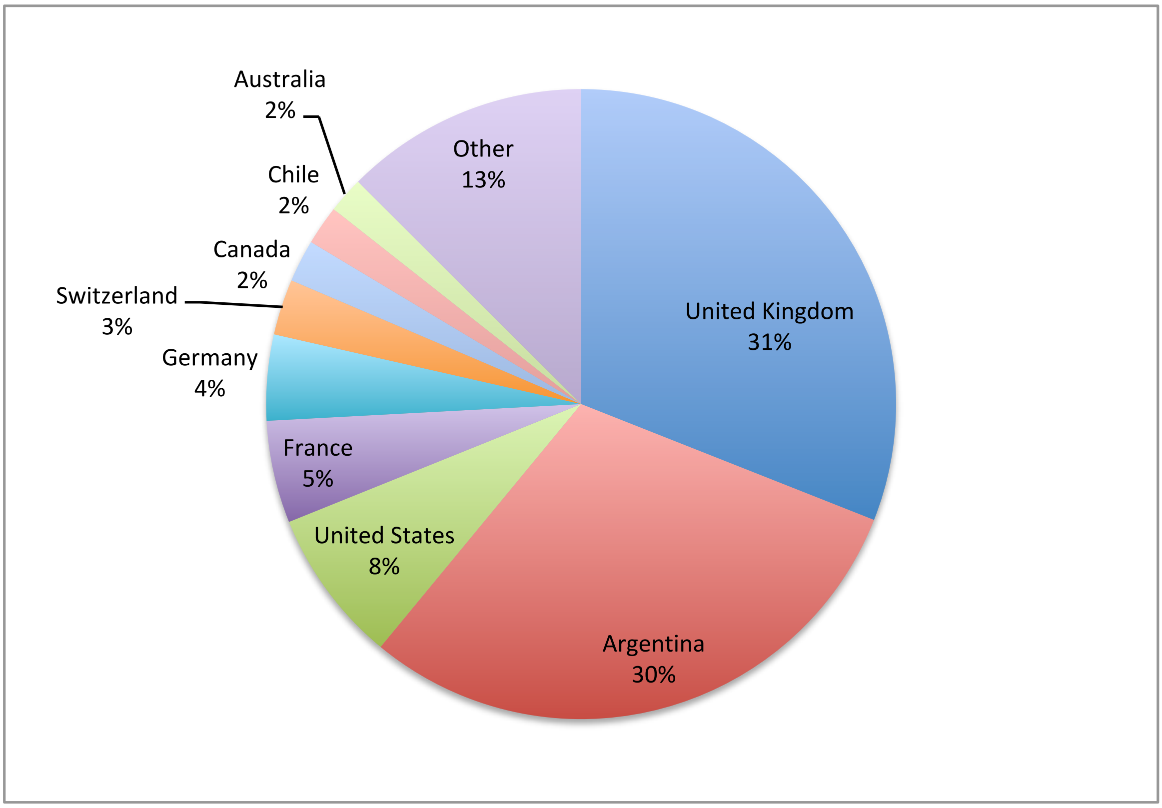
Leisure overnight visitors grew by a significant 22.3% in 2017. However, there was a mix of fortunes amongst the main generating markets, with strong growth in arrivals from the UK (up 16.8%), Argentina (up 56.5%), France (up 86.8%) and Germany (up 13.7%). Arrivals from the USA fell by 15.8% and from Australia by 27.1%.

Note that in 2017, Switzerland became the sixth largest leisure tourism market with 54 arrivals, edging out Australia. However, the "traditional" six largest leisure markets have been retained for analysis in 2017, as shown below.

Year	UK	Argentina	USA	France	Germany	Australia	Other	Total	% Growth
2005	1,560	5	4	6	2	3	22	1,602	
2006	1,646	1	0	0	0	0	6	1,653	3.2
2007	2,335	1	0	0	0	0	2	2,338	41.4
2008	1,327	64	37	45	33	8	206	1,720	-26.4
2009	714	210	99	44	55	31	276	1,429	-16.9
2010	514	149	116	68	38	45	341	1,271	-11.1
2011	532	143	102	91	58	48	302	1,276	0.4
2012	856	289	140	150	38	74	393	1,940	52.0
2013	559	201	136	94	63	55	318	1,426	-26.5
2014	586	268	128	85	58	56	313	1,494	4.8
2015	507	394	138	65	49	60	363	1,576	5.5
2016	500	361	177	53	73	48	328	1,540	-2.3
2017	**584**	**565**	**149**	**99**	**83**	**35**	**369**	**1,884**	**22.3**
Growth	***16.8***	***56.5***	***-15.8***	***86.8***	***13.7***	***-27.1***	***12.5***	***22.3***	



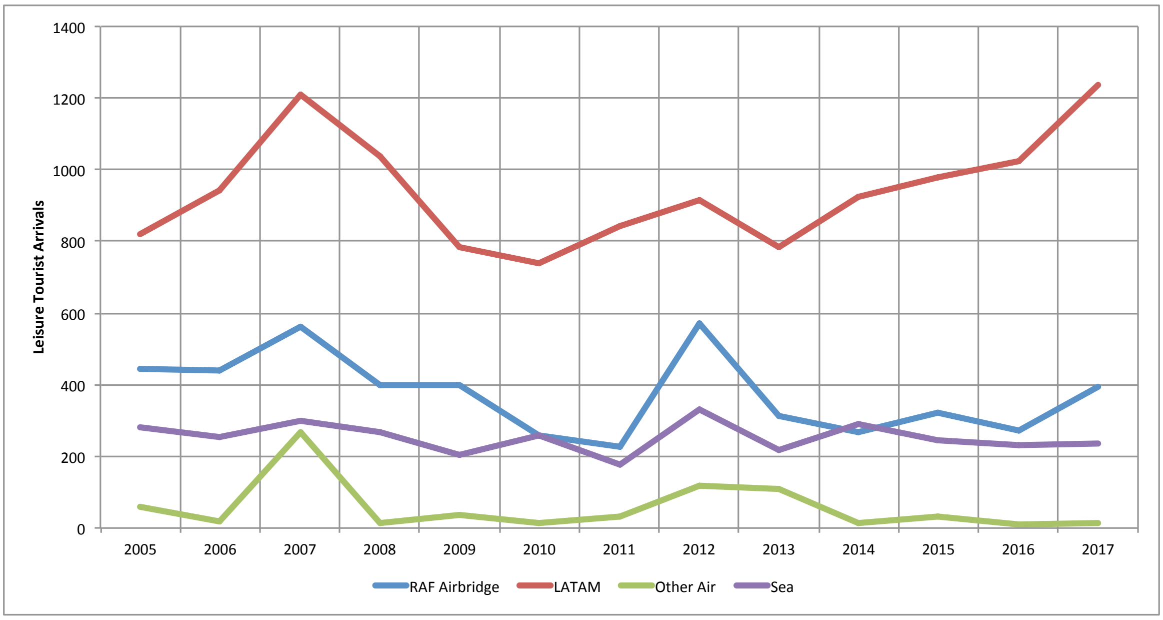
The distribution of leisure tourist arrivals is shown below, with the UK just holding the largest market share at 31%, followed by Argentina at 30%.



Arrivals by Mode of Transport (2005-2017)

The main mode of transport to the Falkland Islands for leisure arrivals was by LATAM, which accounted for two-thirds (65.8%) of all leisure arrivals in 2017, and grew by almost 21% over the previous year. Arrivals on the RAF air bridge grew by 44%, reversing a decline in arrivals of 15% in 2016. A notable 12.5% of all leisure visitors arrived by sea in 2017.

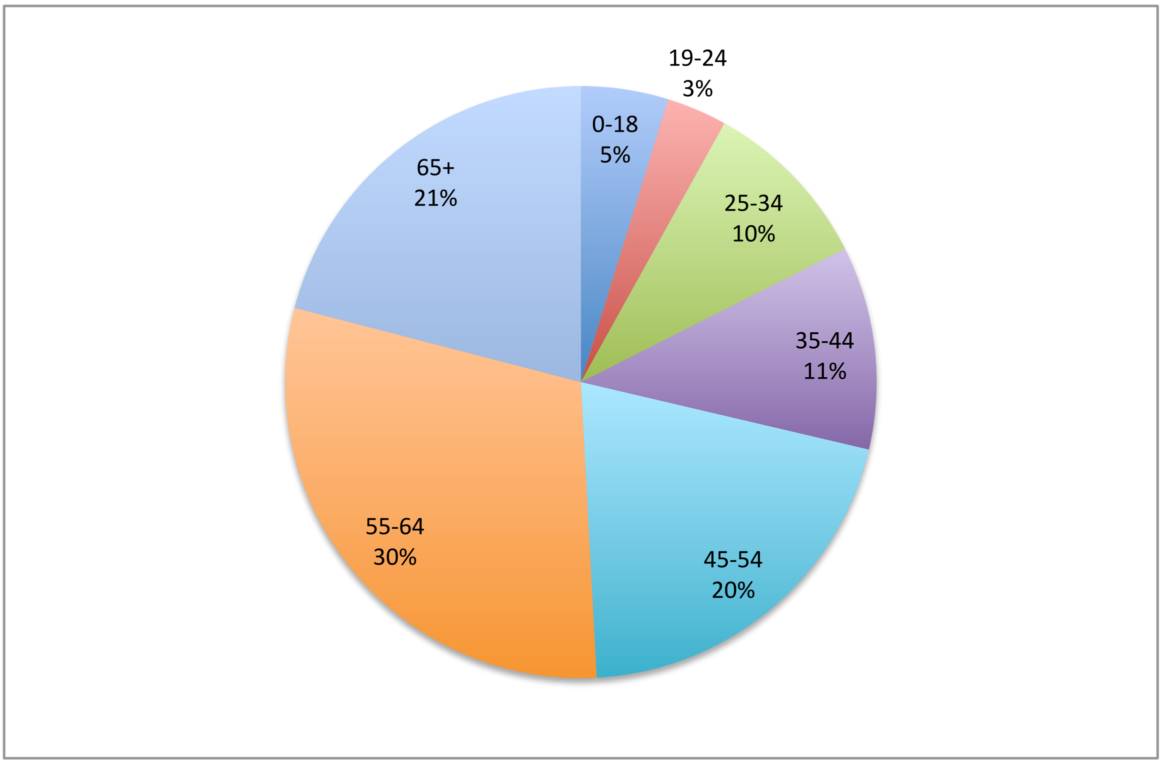
Year	RAF	LATAM	Other Air	Sea	Total
2005	444	821	58	279	1,602
2006	441	942	18	252	1,653
2007	563	1210	267	298	2,338
2008	401	1037	16	266	1,720
2009	400	786	37	206	1,429
2010	259	739	13	260	1,271
2011	225	844	30	177	1,276
2012	573	916	118	333	1,940
2013	314	786	107	219	1,426
2014	266	926	13	289	1,494
2015	321	978	30	247	1,576
2016	273	1,026	10	231	1,540
2017	**393**	**1,239**	**16**	**236**	**1,884**
% Growth	**44.0**	**20.8**	**60.0**	**2.2**	**22.3**
% Share	***20.9***	***65.8***	***0.8***	***12.5***	***100.0***



Arrivals by Age (2015-2017)

Just over 50% of all leisure tourists were 55+ years, which is broadly the same as in 2016. There was a significant growth in children (0-18 years) and 19-24 year olds visiting the Islands in 2017.

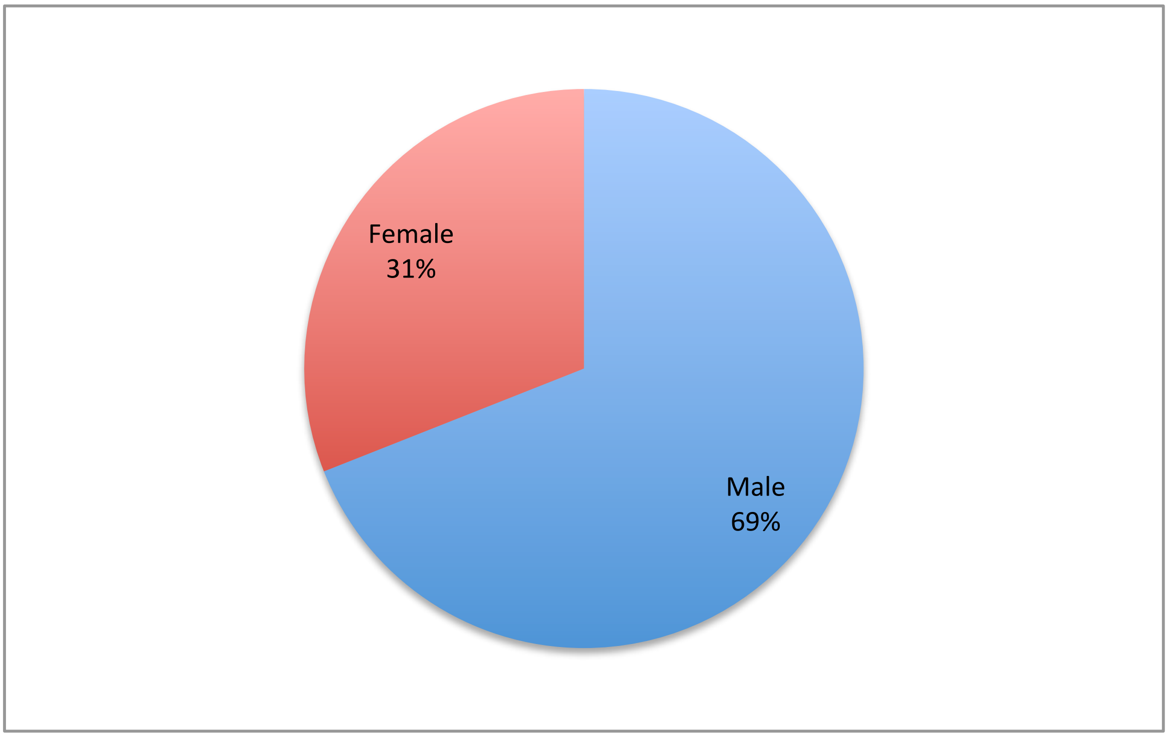
Age	2015	2016	2017	% Change 2016-17	Share 2017 (%)
0-18	71	20	90	350.0	4.8
19-24	32	29	62	113.8	3.3
25-34	160	147	179	21.8	9.5
35-44	170	168	209	24.4	11.1
45-54	437	407	386	-5.2	20.5
55-64	366	417	563	35.0	29.9
65+	340	352	395	12.2	21.0
Total	**1,576**	**1,540**	**1,884**	22.3	**100.0**



Arrivals by Gender (2015-2017)

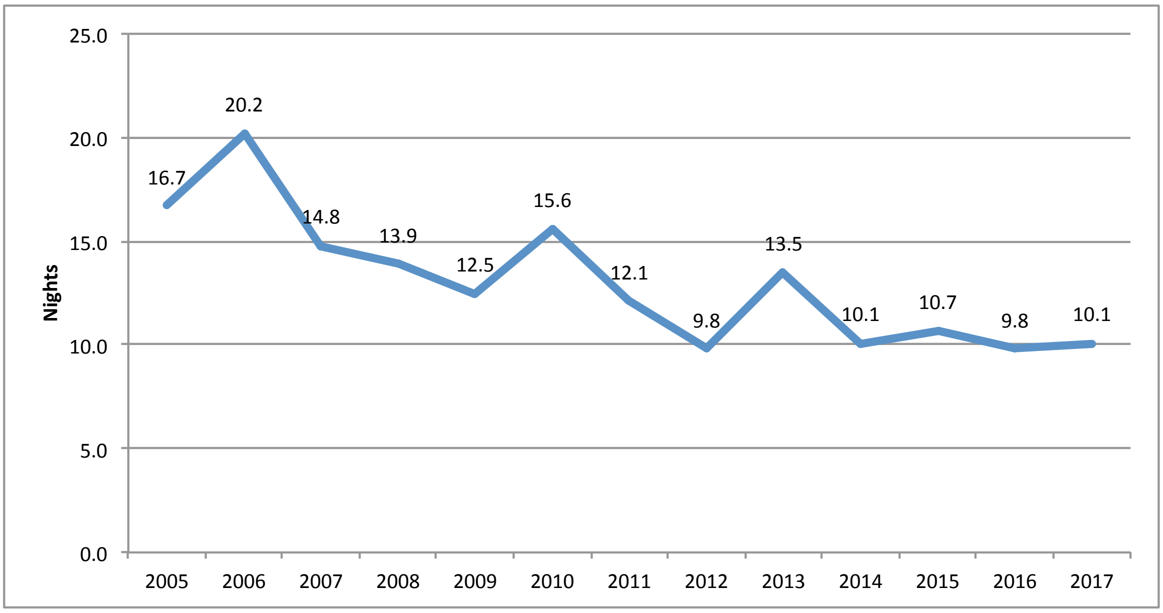
Whilst leisure tourism is dominated by male visitors, there was a sharp increase in females visiting the Islands in 2017. The entire growth of leisure visitors was accounted for by females, who made up 31% of all arrivals (up from 15% in 2016).

Gender	2015	2016	2017	% Change 2016-17	Share 2017 (%)
Male	1,194	1,309	1,300	-0.7	69.0
Female	382	231	584	152.8	31.0
Total	**1,576**	**1,540**	**1,884**	**22.3**	**100.0**



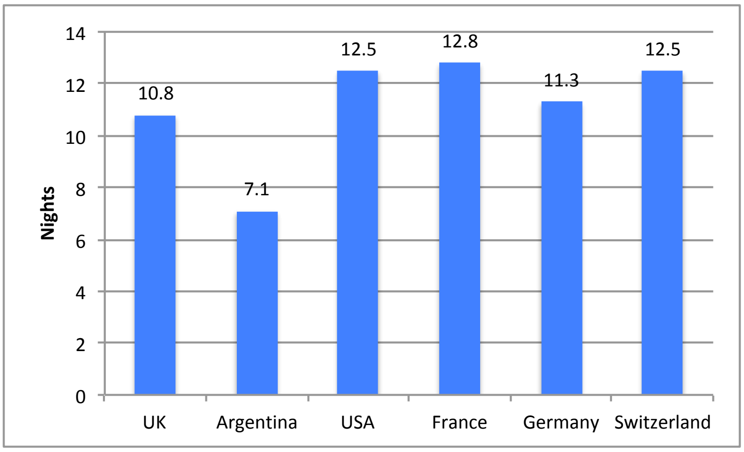
Length of Stay (2005-2017)

There was an increase in the average length of stay of leisure visitors in 2017, up from 9.8 nights to 10.1 nights. Overall, there has been a gradual shortening of the length of visits to the Falklands over the period since 2005, although over the last four years it has been relatively stable at around 10 nights.

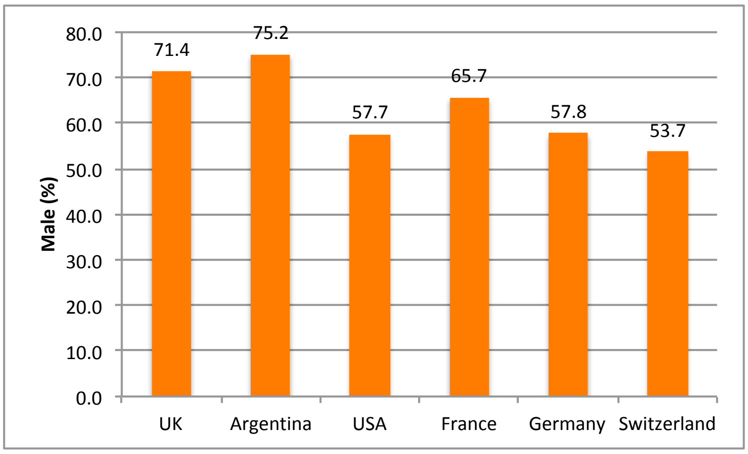


Profiles of Visitors from the Top 6 Markets (2017)

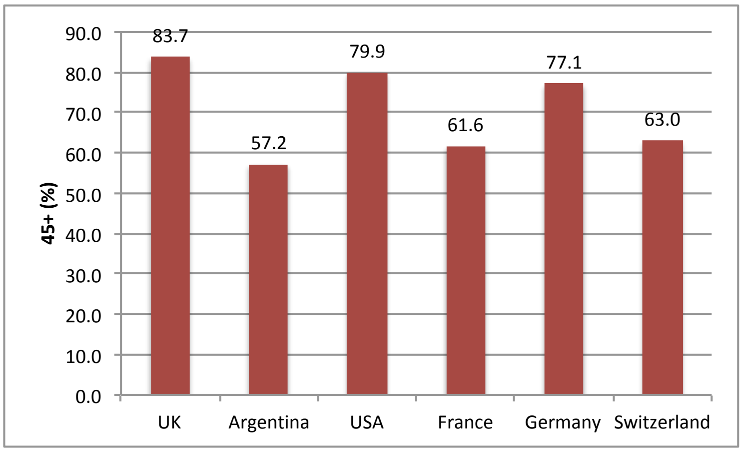
Length of Stay: the average length of stay of leisure visitors varies considerably between the markets, with France being the longest at 12.8 nights, and visitors from Argentina staying the shortest, on average 7.1 nights.



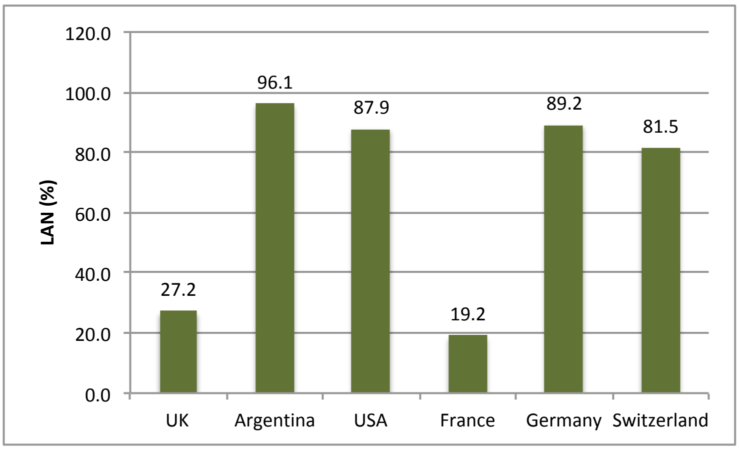
Gender: the percentage of male visitors as a proportion of all visitors also varies by market, with arrivals from Argentina being the most male-dominated, and those from Switzerland being almost equally split between the two sexes.



Age: The proportion of visitors aged 45 years and over is shown in this chart. It indicates that visitors from the UK and USA are the oldest group (around 80%+ being 45 and over), with those from Argentina being the youngest, with only 57.2% being 45 years or older.

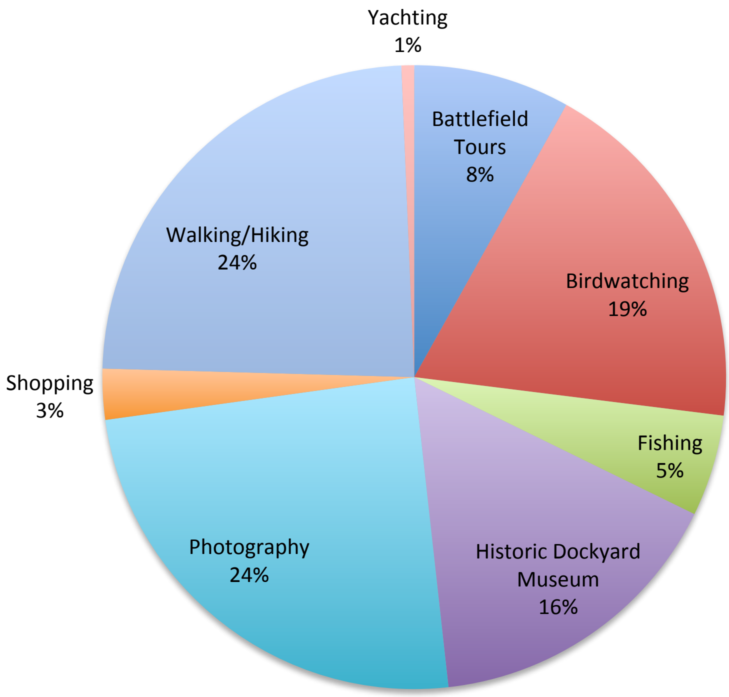


Mode of Transport: the proportion of visitors using the most popular method of transport for all leisure arrivals (LATAM) is shown in this chart. Only 27.2% of UK visitors and 19.2% of Swiss visitors use LATAM, compared to 96.1% of visitors from Argentina.



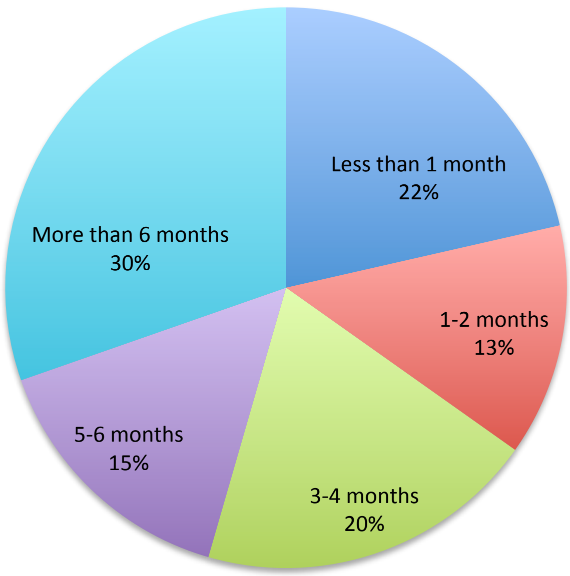
Activities Undertaken by Leisure Visitors (2017)

The Air Visitor Survey undertaken by FITB shows that photography and walking/hiking were the two most popular activities undertaken by overnight visitors (each accounting for 24% of all activities), followed by bird watching at 19%



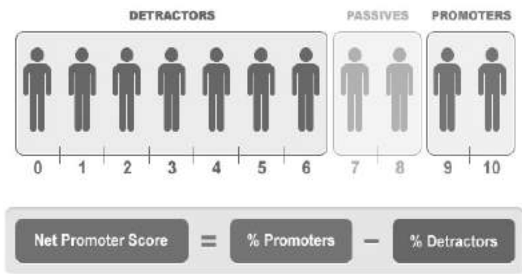
Timing of Booking Trip (2017)

The survey also showed that almost one-third (30%) of all visitors booked their trip at least 6 months in advance, and almost two-thirds (65%) booked it at least 3 months in advance.

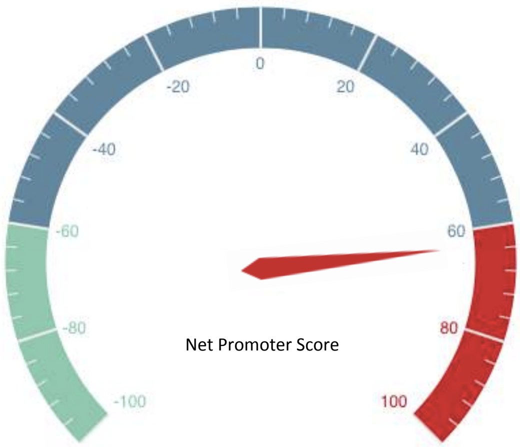


Visitor Satisfaction (2017)

The Net Promoter Score (NPS) is a new measurement of satisfaction of visitors to the Falklands. The score ranges from -100 (the worst) to +100 (the best) and is calculated as shown to the right, based on the rating out of 10 that the visitor assigns to the question: *would you recommend the Falklands to friends, relatives or colleagues.*



The NPS for 2017 was 62.8, as shown. Any score above 60 can be considered as representing a high satisfaction rate from visitors.



Visitors were asked why they gave their individual score out of 10 (used to calculate the NPS). The word cloud below shows that wildlife, friendly people, and beautiful scenery were the most mentioned.

Arrivals by Season (2000-2018)

Leisure tourism in the Falklands mainly takes place between October and March, and many of the accommodation establishments (in particular on the outer islands) are only open during this period. It is therefore useful to analyse leisure tourist arrivals by season (similar to the cruise seasons).

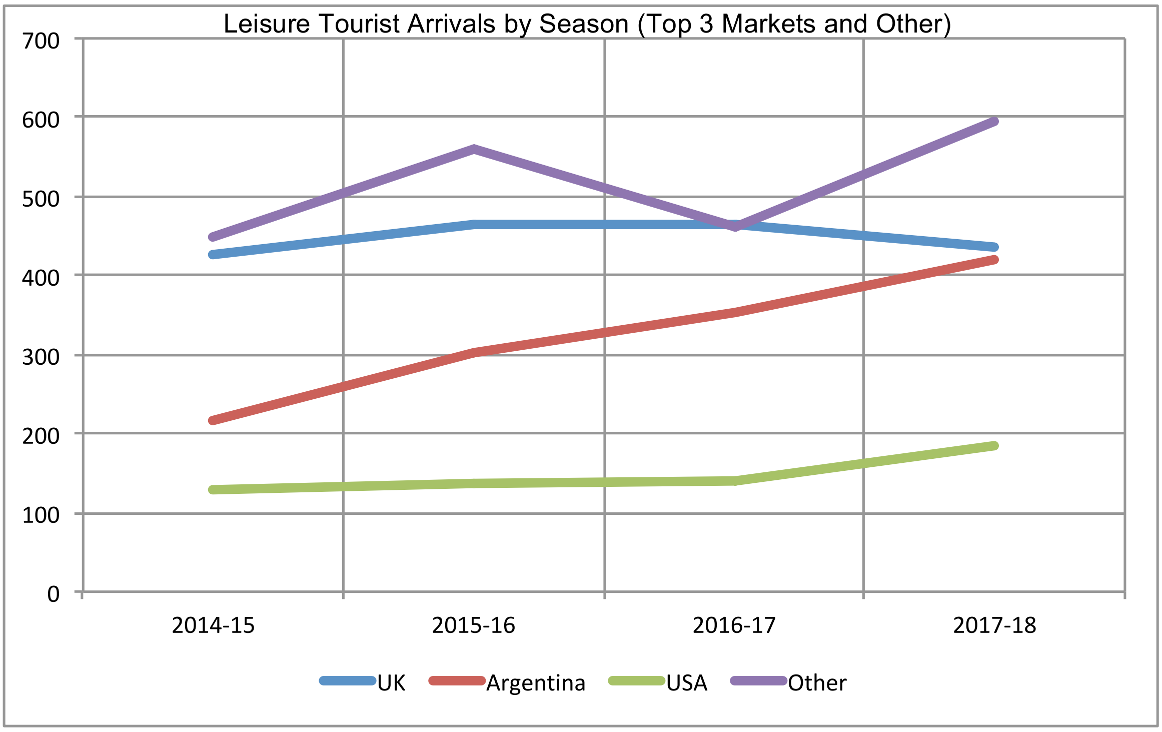
This data shows that 1,635 leisure tourists visited the Falklands in the 2017-2018 season, up 15.1% on the previous season. There was an increase in leisure visitor arrivals in all months with the exception of January.

Season	Oct	Nov	Dec	Jan	Feb	Mar	Total	% Growth
2000-01	72	145	317	231	121	131	1,017	
2001-02	77	113	256	180	216	134	976	-4.0
2002-03	115	428	296	187	160	93	1,279	31.0
2003-04	65	250	354	281	115	112	1,177	-8.0
2004-05	129	207	394	283	156	157	1,326	12.7
2005-06	133	303	420	304	283	124	1,567	18.2
2006-07	133	235	344	367	261	141	1,481	-5.5
2007-08	182	700	443	400	244	160	2,129	43.8
2008-09	164	329	236	248	202	122	1,301	-38.9
2009-10	59	272	273	246	170	102	1,122	-13.8
2010-11	115	168	267	211	296	101	1,158	3.2
2011-12	109	262	181	203	255	325	1,335	15.3
2012-13	201	307	346	201	199	130	1,384	3.7
2013-14	135	359	202	265	225	172	1,358	-1.9
2014-15	153	255	216	234	196	163	1,217	-10.4
2015-16	193	321	229	290	252	179	1,464	20.2
2016-17	172	229	196	289	265	269	1,420	-3.1
2017-18	222	309	269	231	299	305	1,635	15.1

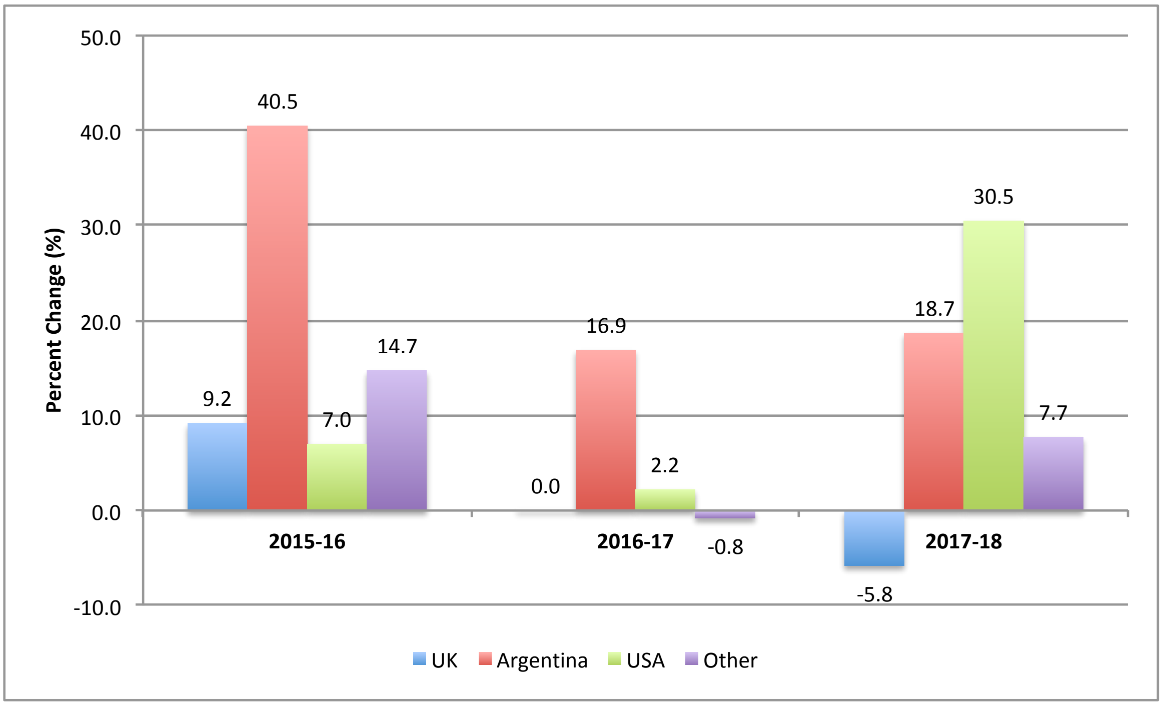
Arrivals by Country of Residence and Season (2014-2018)

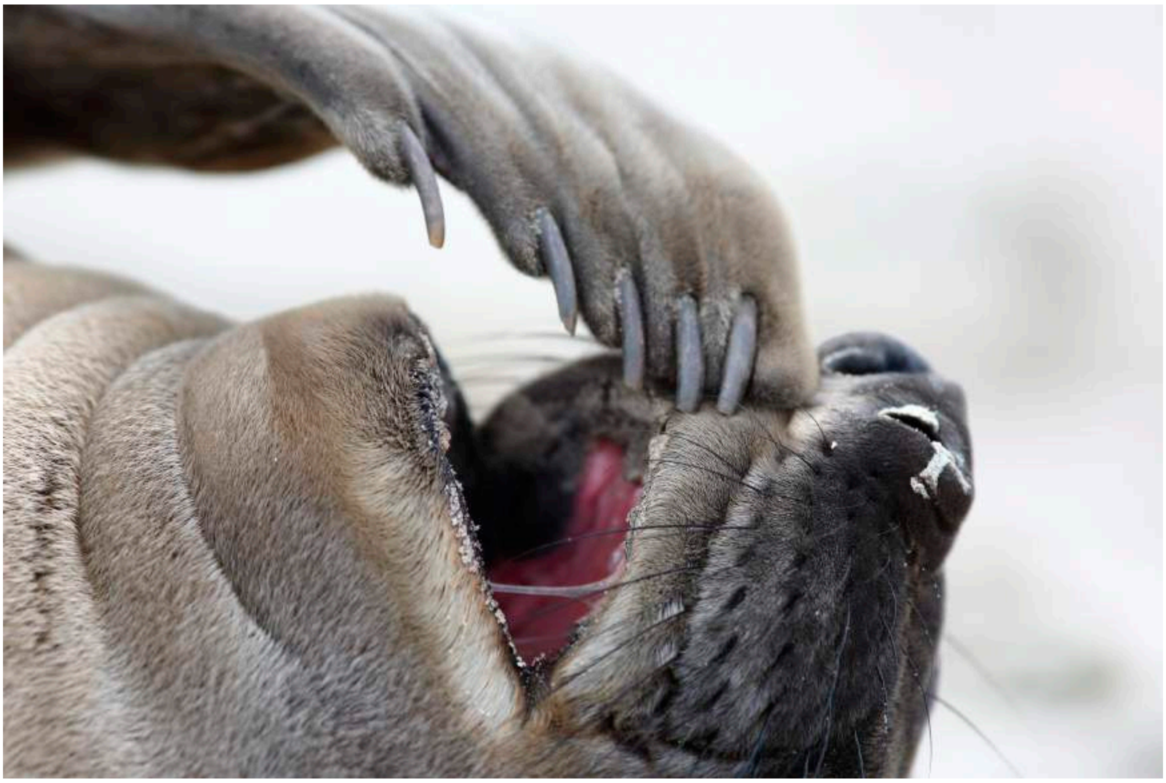
Analysis of leisure visitors, by season, for the top six markets provides better insight into how these are performing. Data for the 2017-18 season shows that the UK dropped slightly (by 5.8%) compared to the previous season, whilst the other markets enjoyed strong growth.

Season	2014-15	2015-16	2016-17	2017-18
UK	**425**	**464**	**464**	**436**
% Growth		*9.2*	*0.0*	*-5.8*
Argentina	**215**	**302**	**353**	**419**
% Growth		*40.5*	*16.9*	*18.7*
USA	**129**	**138**	**141**	**184**
% Growth		*7.0*	*2.2*	*30.5*
France	**55**	**70**	**43**	**91**
% Growth		*27.3*	*-38.6*	*111.6*
Switzerland	**18**	**62**	**29**	**61**
% Growth		*244.4*	*-53.2*	*110.3*
Australia	**56**	**63**	**27**	**53**
% Growth		*12.5*	*-57.1*	*96.3*
Other	**319**	**366**	**363**	**391**
% Growth		*14.7*	*-0.8*	*7.7*
Total	**1,217**	**1,465**	**1,420**	**1,635**
% Growth		***20.4***	***-3.1***	***15.2***



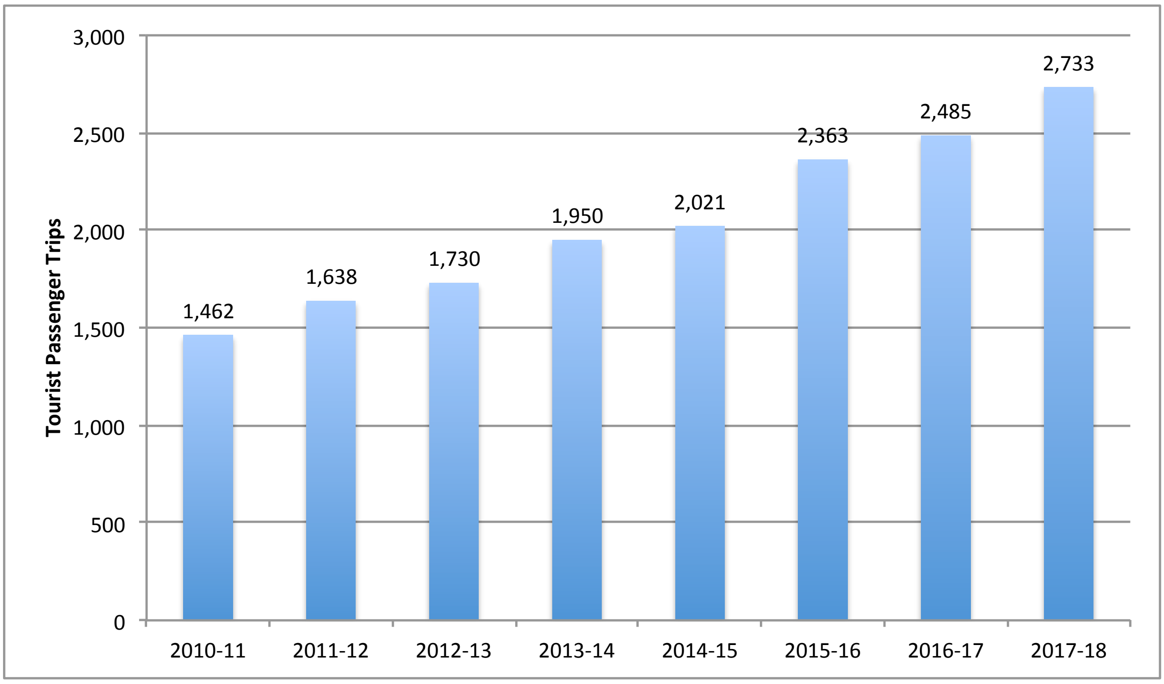
The chart below shows the annual change in growth for each of the top three markets, and all other countries. It shows the dip in UK arrivals, with strong growth in the USA and Argentina markets, whilst other markets (collectively) increased by almost 8%.





Leisure Flights on FIGAS by Season (2010-2018)

There were 2,733 leisure passenger trips on FIGAS during the 2017-18 season, up 10% on the previous season. There has been sustained and strong growth in leisure passenger trips over the last eight years, growing at an average annual rate of 8.1%.

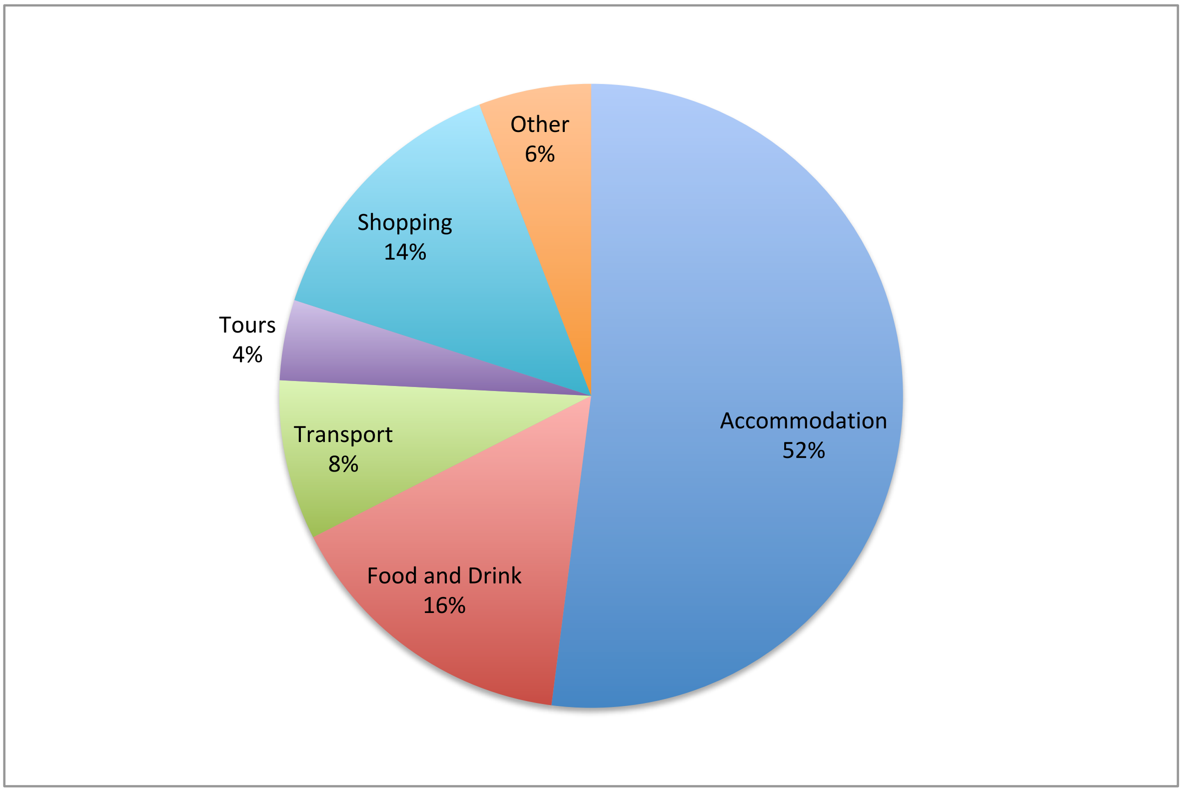


TOURIST EXPENDITURE

Tourist Expenditure per Person per Night (2014-2017)

The average spend per tourist per night in the Falklands in 2017 was £106.76. Over one-half (52%) of daily spend was on accommodation (£55.55).

Type of Expenditure	2014	2015	2016	2017	Share 2017
	(£)	(£)	(£)	(£)	(%)
Accommodation	41.12	44.96	37.84	55.55	52.0
Meals/Drinks	13.77	19.01	16.02	16.53	15.5
Transport	12.69	11.21	9.40	8.84	8.3
Tours/Guides	4.75	5.13	4.33	4.45	4.2
Shopping	6.97	13.59	11.44	15.16	14.2
Other	2.83	3.19	2.70	6.23	5.8
Total	82.13	97.10	81.72	106.76	100.0



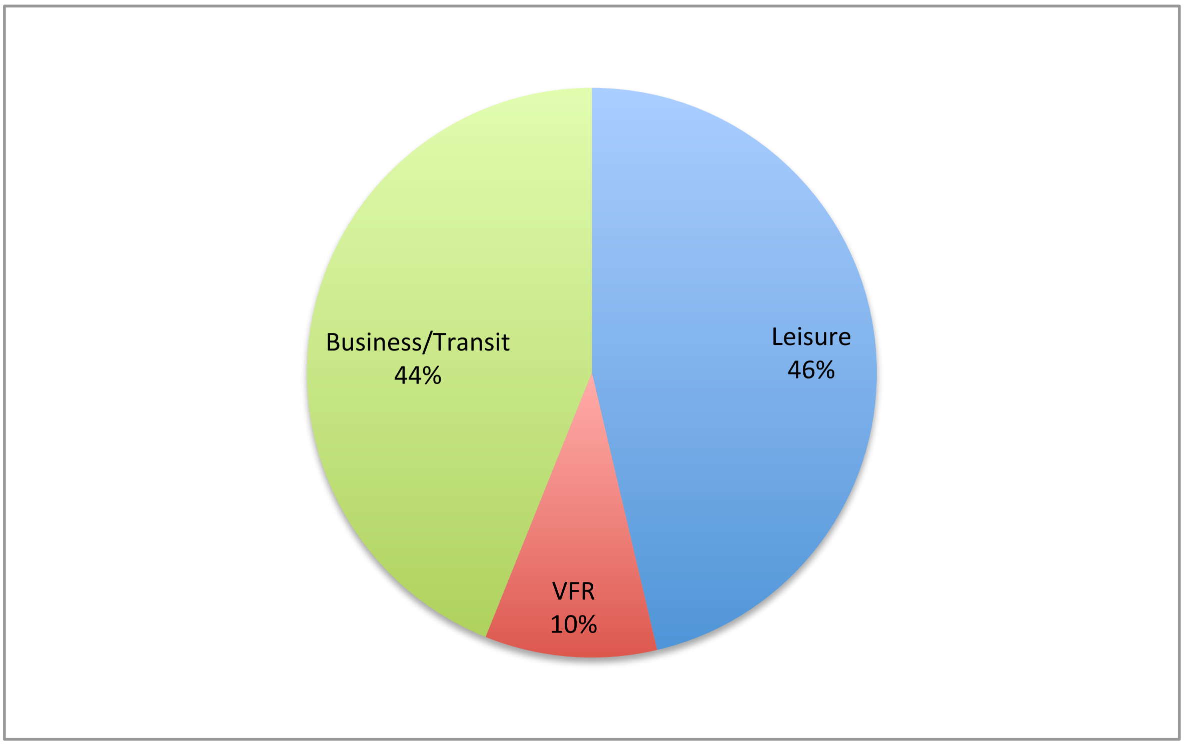
Total Tourist Expenditure per Annum (2010-2017)

Total inbound tourist expenditure (all purposes of visit) in the Falkland Islands in 2017 is estimated at almost £6.4 million, up 12.6% on that recorded in 2016.

Year	Total Spend (£)	Change (%)
2010	5,493,539	118.0
2011	5,177,928	-5.7
2012	7,774,514	50.1
2013	5,009,644	-7.1
2014	5,659,203	-21.6
2015	7,448,457	31.6
2016	5,662,158	-24.0
2017	6,374,276	12.6

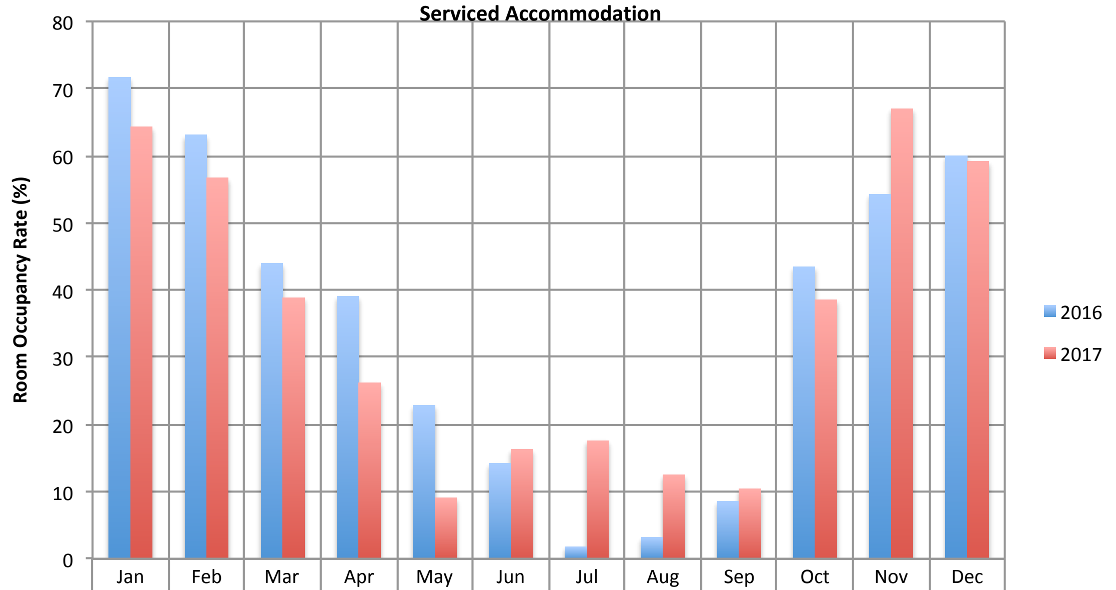
Leisure tourism accounted for over 46% of all tourist expenditure in 2017 (£2.95 million).

Purpose of Visit	Spend (2017)	Share (%)
Leisure	2,952,562	46.3
VFR	622,746	9.8
Business and Transit	2,798,967	43.9
Total	6,374,276	100.0

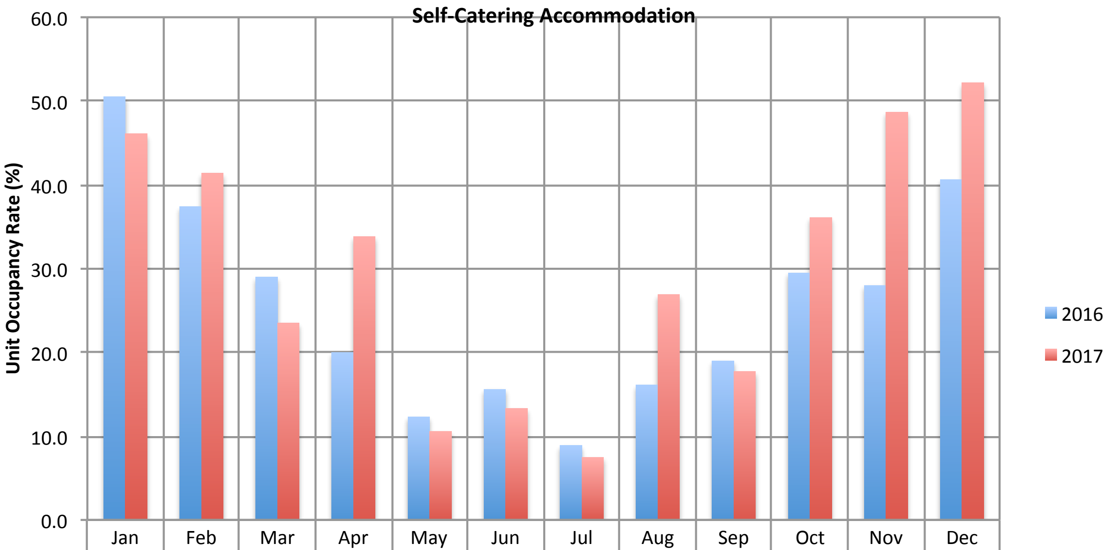


ACCOMMODATION OCCUPANCY

Serviced accommodation room occupancy was 42% in 2017, down by 3.2 percentage points on the 45.2% achieved in 2016, whilst self-catering unit occupancy grew by 8.4 percentage points to 30.9%. The peak months for serviced accommodation were November and January, with rates of 67.0% and 64.3% respectively.



	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



	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

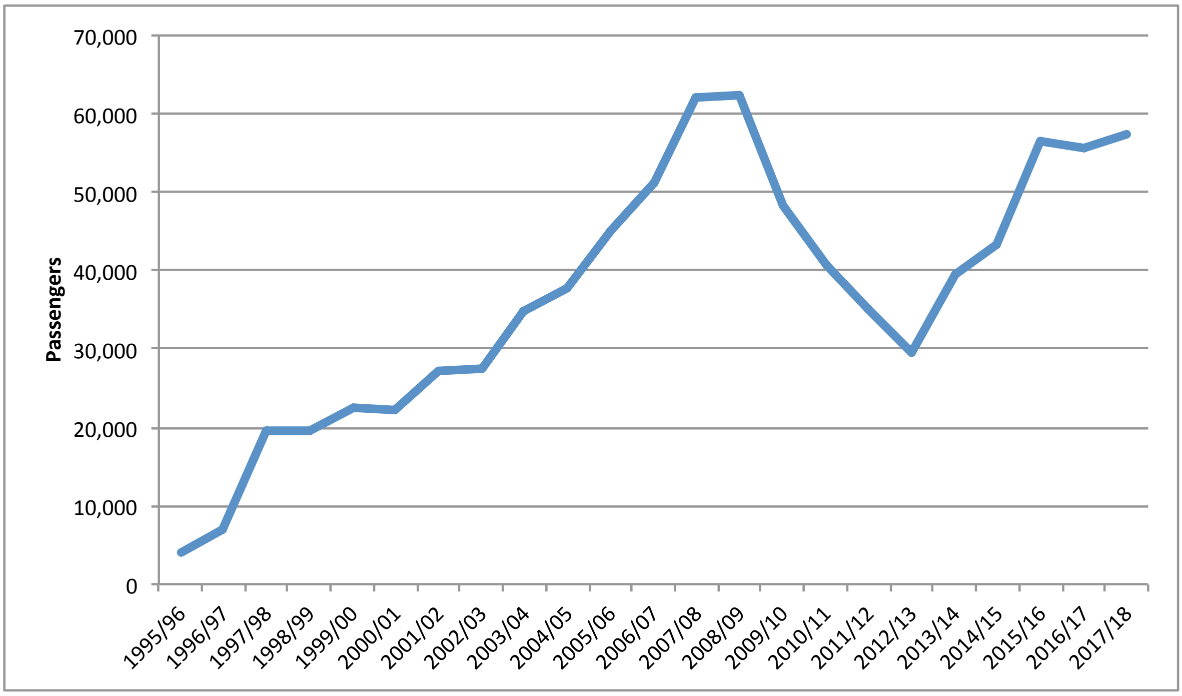
CRUISE TOURISM

CRUISE ARRIVALS

Passenger Arrivals (1995-2018)

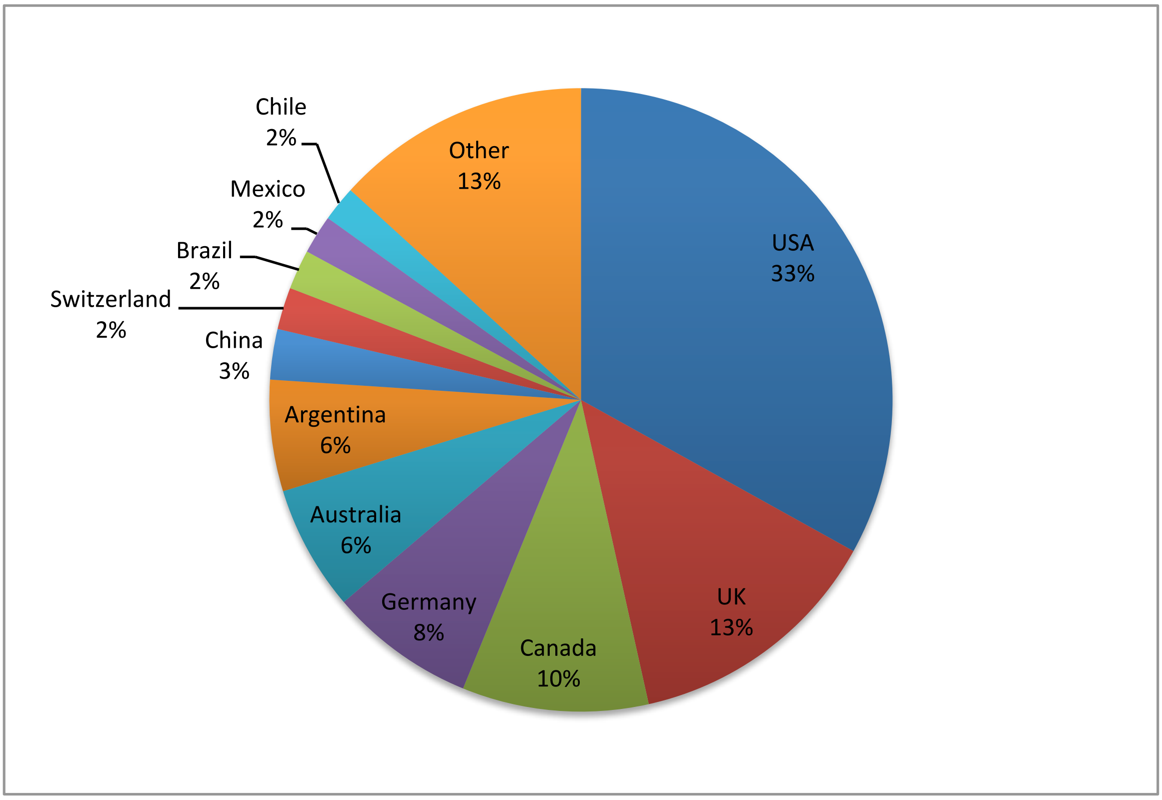
In 2017-2018, there was a total of 57,496 cruise passenger visits to the Falkland Islands, making it the third-busiest cruise season ever, and the largest since 2008-2009.

Season	Passengers	Change (%)
1995/96	3,940	
1996/97	7,008	77.9
1997/98	19,523	178.6
1998/99	19,638	0.6
1999/00	22,370	13.9
2000/01	22,125	-1.1
2001/02	27,230	23.1
2002/03	27,461	0.8
2003/04	34,691	26.3
2004/05	37,880	9.2
2005/06	45,229	19.4
2006/07	51,282	13.4
2007/08	62,203	21.3
2008/09	62,485	0.5
2009/10	48,420	-22.5
2010/11	40,542	-16.3
2011/12	35,159	-13.3
2012/13	29,553	-15.9
2013/14	39,543	33.8
2014/15	43,437	9.8
2015/16	56,476	30.0
2016/17	55,633	-1.5
2017/18	57,496	3.3



Nationality of Passengers (2017-2018)

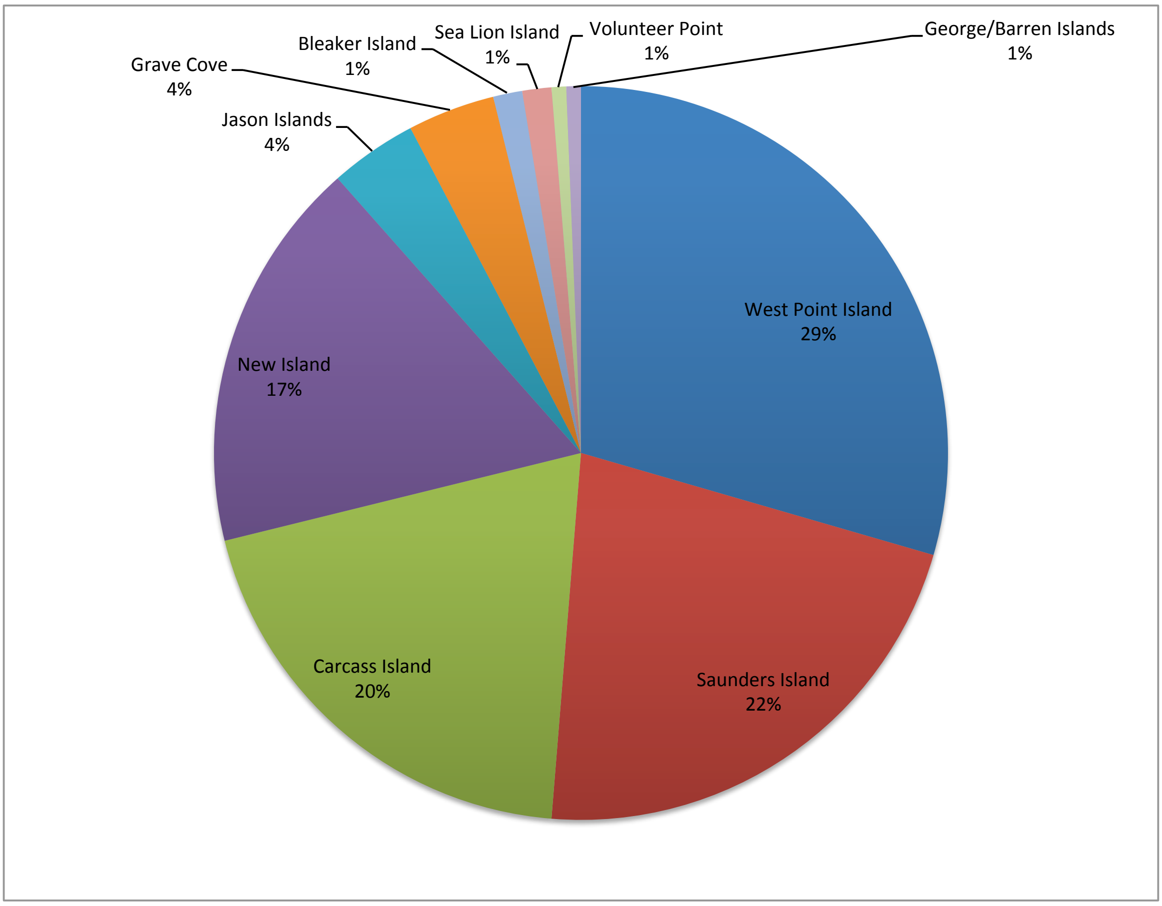
One-third of all passengers were from the United States, with the next largest markets being the UK (13%), Canada (10%), and Germany (8%).



Expedition Vessel Calls (2017-2018)

Expedition vessels dominate the cruise market in the Falklands in terms of ship movements, with several of the outer islands being part of cruise itineraries. Only 23.8% of all cruise visitor arrivals are on expedition vessels, however they make up 72% of all vessel arrivals.

Whilst 33% of all expedition vessel calls are to Stanley, analysis of the distribution of calls elsewhere shows that West Point accounted for the largest share (29%) followed by Saunders Island (22%), and Carcass Island (20%).

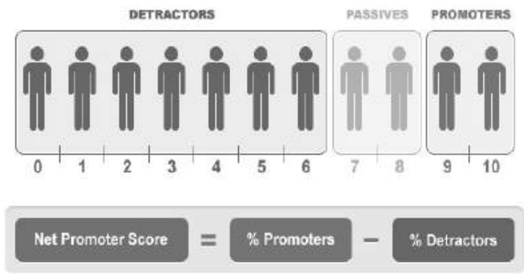


Time Onshore and Previous Visits (2017-2018)

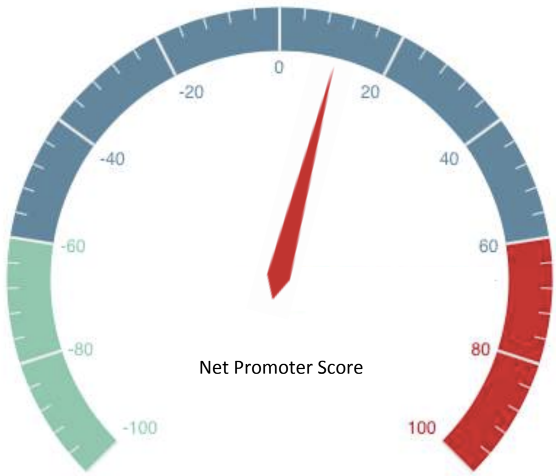
The Cruise Visitor Survey undertaken by FITB shows that the average time ashore of cruise visitors is 4.7 hours, and 89% of all visitors are visiting the Falklands for the first time. Of the 11% that have visited before, 89% had arrived on a cruise, with 8% visiting on a land-based trip, and 3% by yacht.

Visitor Satisfaction (2017-2018)

The Net Promoter Score (NPS) is a new measurement of satisfaction of visitors to the Falklands. The score ranges from -100 (the worst) to +100 (the best) and is calculated as shown to the right, based on the rating out of 10 that the visitor assigns to the question: *would you recommend the Falklands to friends, relatives or colleagues.*



The NPS for the 2017-18 season was 10.3, as shown below. This shows a mid-range satisfaction rating, which is on the positive side of neutral, but indicates room for improvement.



Importance of the Falklands Islands in the Cruise Itinerary (2014-2018)

A total of 10% of visitors stated that the Falklands was *Essential* when choosing their itinerary. However a further 44.9% stated that it was *Very Important*. So well over one-half of all arrivals attached high importance to the Falklands when selecting their cruise.

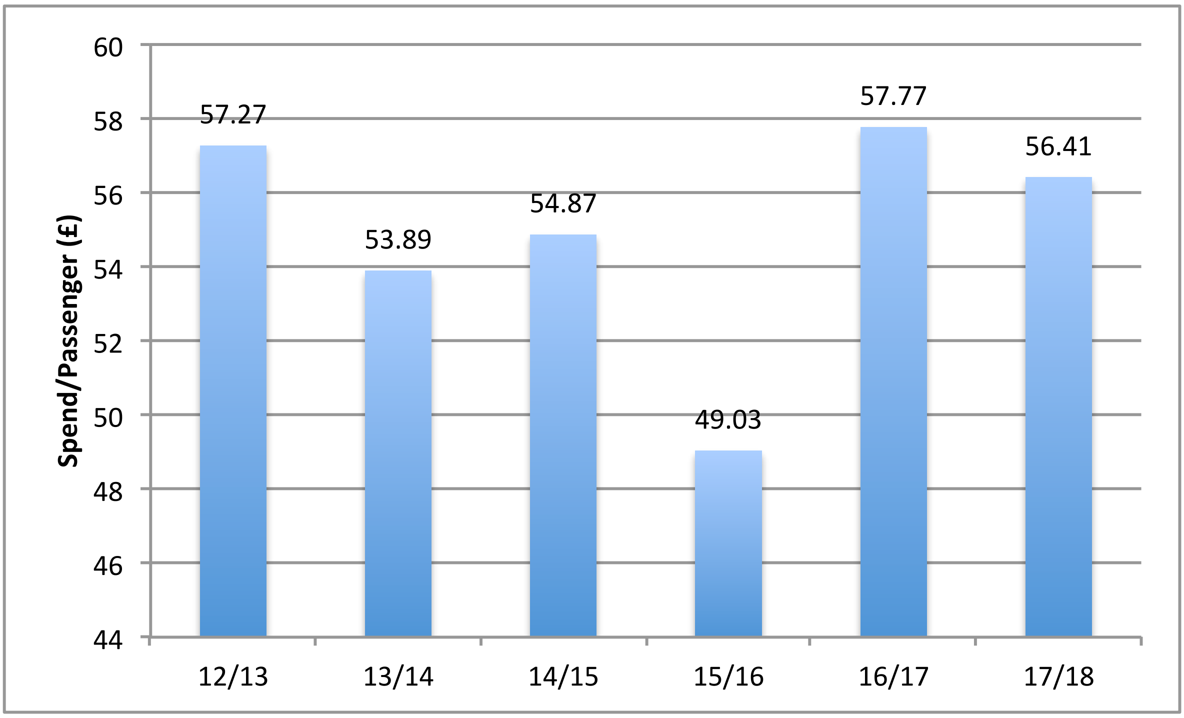
Response	14/15	15/16	16/17	17/18
	%	%	%	%
Essential	11.5	12.3	13.0	10.0
Very Important	42.5	47.7	43.5	44.9
Quite Important	25.8	26.1	25.4	31.5
Not Very Important	10.0	11.9	7.2	12.6
Not Important at All	10.1	2.1	10.9	1.0
Total	100.0	100.0	100.0	100.0

CRUISE PASSENGER EXPENDITURE

Average Spend per Passenger (2012-2018)

Average spend per cruise passenger decreased slightly in 2017-2018 to £56.41. Expenditure on Tours increased the most, to £34.20 per passenger – this is an average for all passengers, including those who did not take a tour at all, and only accounts for the proportion of the tour that contributes to the Falklands economy.

Type of Spend	12/13	13/14	14/15	15/16	16/17	17/18
	(£)	(£)	(£)	(£)	(£)	(£)
Tours	42.23	28.58	27.09	27.41	33.34	34.20
Food and Drink	4.06	4.40	5.34	4.91	5.07	3.58
Shopping	10.98	20.13	21.63	16.10	17.52	17.75
Other	0.00	0.78	0.81	0.61	1.84	0.88
Total	57.27	53.89	54.87	49.03	57.77	56.41



Cruise Passenger Spend (2008-2017)

Overall, cruise expenditure was up by almost 1% to £3.24 million in the 2017-2018 season. This represents the highest level of cruise passenger expenditure since records began.

Season	Spend	Change
	(£)	(%)
2008/09	2,857,439	
2009/10	1,589,144	-44.4
2010/11	1,398,699	-12.0
2011/12	1,784,319	27.6
2012/13	1,692,500	-5.1
2013/14	2,130,972	25.9
2014/15	2,383,388	11.8
2015/16	2,769,018	16.2
2016/17	3,213,918	16.1
2017/18	3,243,349	0.9