

A premium destination

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AHMED ADEEB ABDUL GAFOOR holds a Bachelors in Business Administration from Staffordshire University and an MBA in International Business from Edith Cowan University, Perth. He began his career with Maldives Customs, later transferring to the private sector before being elected treasurer of Maldives National Chamber of Commerce and Industry. He was appointed Minister of Tourism, Arts and Culture in 2012 and also serves as Chairman of the Board of Investment and Co-Chairman of the Economic Council in the Cabinet of Ministers.

The Maldives' tourism industry dates back to the early 1970s, thanks to an Italian tour organiser looking for new destinations in untouched, tropical places. The first group of 22 Italian tourists arrived on a chartered Air Ceylon flight.

By 1972, two islands had been developed as resorts with a capacity of 280 beds. That year, a total of 1,000 tourists visited the Maldives. Further islands were soon developed and, by the late 1970s, international tourism had become an important source of income for our island nation.

The sector's growth has always been driven by the private sector, with the pioneers making the best of minimal infrastructure. Originally packaged together with culture-oriented Sri Lanka, Maldives soon established itself as a destination in its own right. The market changed from specialised segments, especially divers, to the broader scope of beach holidays, and the Maldives became synonymous with luxurious sun, sea and sand holidays.

Now into its fifth decade of international tourism, the sector has maintained an average growth of more than 8 per cent for the past decade, and attracts around one million visitors a year. For the past 10 years from 2002 to 2011 annual average growth in tourist arrivals to the Maldives has been close to 10 per cent a year, and now makes up almost three quarters of GDP when taking into account direct and indirect contributions. Tourism serves as a link and stimulus to almost all other sectors of the economy, such as transport, construction, trade, and financial services.

In short, tourism has contributed immensely to the national development and improving the standard of living of this island nation.

As the sector enters its fifth decade, the government has drawn up the Fourth Tourism Master Plan to oversee the next phase of growth, up to 2017, based on six main themes: maintaining Maldives' position in world markets; managing environment and conservation issues; engaging more Maldivians in tourism careers; promoting sensible ways for



An unmatched
destination any day

communities to participate in tourism; promoting investment towards sustainable growth and high product quality; and efficiency in marketing and destination management

The tourism masterplan has been agreed by both public and private players in the industry, and the aim is that both sectors will be involved in its implementation.

For the first three decades of its existence, Europe has accounted for up to 80 per cent of arrivals. The recent upward trend of Maldives holiday prices, coupled with the financial crisis in Europe has resulted in a decline in the European market. But as Europe's share has fallen, Asia's has grown to around almost 40 per cent. China and, to a lesser extent, Russia, are our emerging markets.

Our standing in the world tourism marketplace is very high and we want to keep it that way, maintaining the perception in source markets that Maldives is an unmatched destination for which tourists from all over the world are prepared to pay a premium.

Sustainable growth

The industry depends on a pristine natural environment and the conservation of nature, thus the tourism sector has strong interest in helping the agencies responsible for environment and conservation, both for the sake of the tourism industry itself, as well as for the sake of future generations of Maldivians.

The Maldives is a very vulnerable country to global climate change and its long-term survival has been questioned. In the medium term, low-lying islands are vulnerable to flooding, while sea surface temperatures combined with sea level rise may affect the growth of corals and their natural adaptation abilities.

A long-term focus on adopting reliable and affordable energy from renewable resources (like sun, wind, sea and biomass) provides an opportunity to enhance our tourism development model, already well known for its sustainable practices. A low carbon path for development has been identified as key development strategy in Maldives as a whole.

Looking to the future

The image of Maldives as a distinct and distinctive tropical island destination which is unparalleled in respect of the quality of the beaches and marine environment remains as strong as ever in European markets and has become widespread too in the Chinese and other Asian countries.

There exists considerable pent-up demand because Maldives remains a "halo" destination to which large volumes of Europeans aspire to visit, including would-be repeat tourists who now see Maldives as having become too expensive. If this issue is addressed through the development of new resorts of appropriate

standard and price, with increased opportunity for guests to visit inhabited islands offering a full and structured programme of attractions and activities, then the volumes will increase at a substantial rate, including the possible re-introduction of charters from Europe. The demand will be made up both of those who wish simply to relax on their resort and those wanting to combine their beach stay with visits to other islands, for whom a charter-based package and the development of cultural attractions and activities on inhabited islands can entice some of them away from competing South and South East Asian destinations.

The opening up of a second international airport hub at Gan in Addu to serve the existing and planned new resorts in the southern atolls, with greater interaction with local communities, could also be a means of attracting greater volumes of 'beach plus' visitors.

Meanwhile, the global cruise industry continues to grow. Additional capacity is being added to existing schedules and new routes are being opened up, including bases in Dubai, Oman and ports on the Indian west coast, all of which could be linked in to the Maldives.

In conclusion, as our detailed plans to develop the sector show, there are sound reasons for believing that, under the right policies, the tourism industry of the Maldives can continue to grow, providing the means to continue developing the islands and benefitting and involving ever greater numbers of Maldivians.

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Sublime at night

