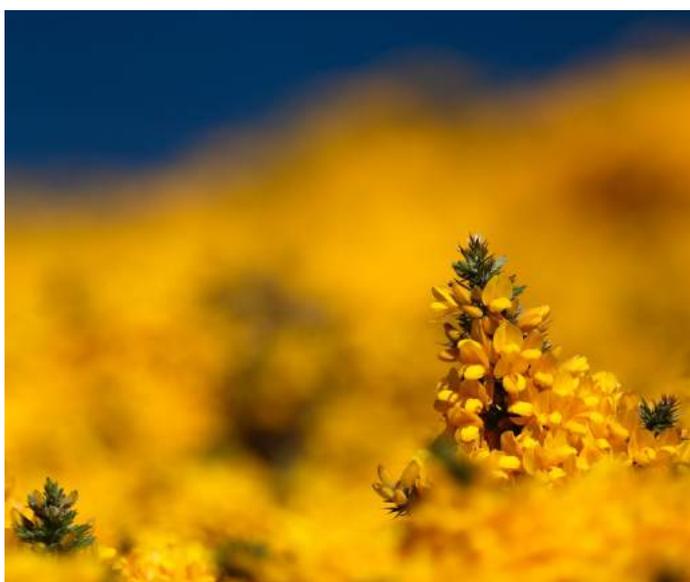


COVID-19 Tourism Impact Update



Falkland Islands Tourism Sector Information and Guidance Concerning the Impact of COVID-19

No. 11

September 4th 2020

INTRODUCTION

In this *COVID-19 Update* we've focussed on some of the trends that are expected to come out of the pandemic. There has been considerable research and star-gazing over the last six months with regards to what the tourism sector will look like when COVID-19 is brought under control. We've researched and summarised some of the key trends in this issue.

The purpose of this is to identify which ones are relevant to us, and therefore how we can capitalise, benefit and embrace them to build a stronger and better tourism industry in the Falklands. This break in tourism provides an ideal opportunity to stop, take stock, and set new directions and goals (where necessary), and this is exactly what many destinations are doing.

Some expected trends might require action on our part to make the most of, others will need creativity and possibly investment from tourism stakeholders such as accommodation providers, tour operators, guides, and other businesses. We hope that they will provide some direction and inspiration to move tourism forward in the Falklands.

As always, please don't hesitate to contact the Falkland Islands Tourist Board for more details or any further assistance.



Stephanie Middleton

Executive Director

4th September 2020

THE CURRENT SITUATION

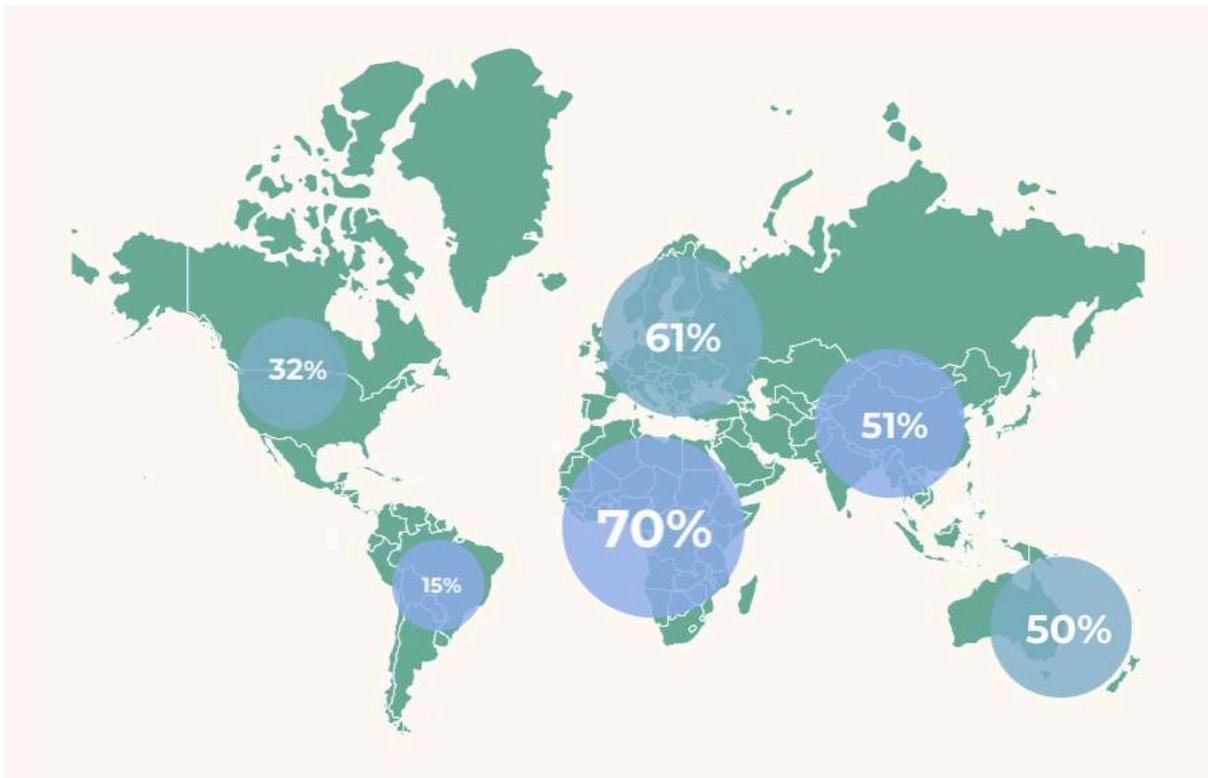
Since the last edition of *COVID-19 Update* there has been an update from LATAM on airlinks to the Falklands:

- Santiago-Punta Arenas Route: will remain suspended until at least 2nd January 2021. The situation will be reviewed nearer the date.
- São Paulo Route: will remain suspended until at least the end of September 2020. The situation will be reviewed later in September, but the suspension is likely to be extended.

On the whole, growing numbers of countries are opening to tourism, and despite COVID-19 cases increasing in some countries (notably those with large populations such as the USA, Brazil and India), overall the death rate is declining significantly in most countries, as is the infection rate.

The figure below shows the percentage of countries in each region of the world that have now opened to tourism again, albeit with various restrictions in place for many. It can clearly be seen that the pandemic situation in South America is affecting travel in the region, with only 15% of all countries open to tourism (as of 31st August 2020).

Countries Open to Tourism (%) – 31st August 2020



Source: Headout

POST-COVID TOURISM TRENDS

We've been researching many of the most reliable and respected sources that track the tourism sector and predict what the future holds. These have been summarised below to provide a summary of some of the expected post-COVID-19 tourism sector trends and how they might affect the Falkland Islands. To benefit from some of these will require action on the part of FITB as well as other stakeholders in the tourism sector. However, hopefully these trend summaries will provide some food-for-thought and lead to ideas and actions. From our part, many will be incorporated into our new marketing strategy.

Trend: Dream Trip-Planning

What is it? Travellers who can afford to will be plotting epic, once-in-a-lifetime trips over the next few years, reflecting huge pent-up demand for travel after drawn-out restrictions. Living through a pandemic has sparked a re-evaluation of people's priorities and attitudes. For many of those confined to their homes during lockdown, it has been a time to make plans. Travellers will probably stay abroad for longer periods and even take exotic sabbaticals, and modest mini-breaks will be swapped for blowout bonanzas.

Is it Good for the Falklands? Yes! The Falklands offers a remote and unusual destination.

Can we Fulfil This Trend Now? Yes...although we can improve our product, such as offering more up-market accommodation and experiences to appeal to the high-end market.

Trend: Sustainability Paradox

What is it? One of the few benefits of the pandemic has been the environmental bounce-back, with significant reductions in pollution levels. This is, of course, temporary. As governments tussle to revive ailing industries, environmental initiatives may well take a back seat. However, there has been a consumer shift towards making a permanent change and seeking holidays that make a difference to the environment. This was happening before COVID-19, but it has accelerated since.



Is it Good for the Falklands? Yes, we are a nature-based destination and so visitors will be more aware than most travellers.

Can we Fulfil This Trend Now? Partly...our Green Seal scheme goes part of the way, but there are still other initiatives that could ensure the Falklands Islands in general, and tourism in particular, increases environmental awareness and sustainability.

Trend: Wilderness Seeking

What is it? In the era of social distancing, nature breaks are rocketing in popularity. Travellers craving wide open spaces and inspiring view are heading for the great outdoors in large numbers, having been homebound for months. There is a strong growth in interest in destinations in wilderness locations. This trend was apparent pre-COVID as travellers seek out more remote and unusual places, but has taken off significantly since and is likely to remain a strong trend for some time to come.

Is it Good for the Falklands? Yes, definitely! The Falklands can be considered as one of the great wilderness destinations of the world – a tiny population and large land-mass.

Can we Fulfil This Trend Now? Yes...this is a great message to get out: "You'll practically feel like you have the whole country to yourself".

Trend: Camping and Glamping

What is it? Camping and glamping (up-market camping in semi-permanent tents) are attracting new devotees looking to truly immerse themselves in the wilderness. Destinations that offer a strong wildlife product are particularly popular with these travellers as the outdoor aspect of their accommodation allows them to feel that they are immersing themselves in nature, and is excellent for photography opportunities.



Is it Good for the Falklands? Yes!

Can we Fulfil This Trend Now? Not really, but it wouldn't take much to develop this product. Glamping would make the most sense as it generates higher levels of income, and the setting up of glamping sites is not excessively costly.

Trend: Staycation Surge

What is it? Passport-free holidays are becoming the norm in 2020, and most destinations are busy promoting domestic tourism in an attempt to generate business for the tourism sector. This trend is expected to continue after 2020, not only as COVID-19 is expected to take 2-3 years to be completely under control, but also as many people discover (and enjoy) some of the places they can visit in their own country.

Is it Good for the Falklands? Not really. The population of the Falklands is too small to generate a strong domestic tourism scene.

Can we Fulfil This Trend Now? No, and it will be impossible to ever really thrive. However more can be done to attract the domestic market with incentives, special prices, and more active marketing.

Trend: Dark Skies Tourism

What is it? Most people now live in areas with significant light pollution, and so have never seen night skies whereby they can see more than a handful of stars and planets. Destinations around the world where there is low or no light pollution are designating themselves as “dark skies zones” in order to attract visitors.



Is it Good for the Falklands? Yes, the scope for star gazing in the Falklands is significant, as there is little or no light pollution. However, cloudy skies are common, so star-gazing cannot be guaranteed.

Can we Fulfil This Trend Now? Yes, although viewing platforms and accommodation with glass roofs (Iceland has developed some interesting examples) could make the whole process more comfortable and enjoyable.

Trend: Rewilding and Conservation Holidays

What is it? These are where travellers play an active part in helping an ecosystem return to its natural state. Typical holidays include plastic clean-ups, replanting of trees, and eradication of invasive species on land and in the sea. For the Falklands, the planting of tussock grass is a good example of this type of holiday activity.

Is it Good for the Falklands? Yes, there is considerable scope for this type of holiday in the Falklands.

Can we Fulfil This Trend Now? No. Whilst domestic trips are sometimes taken for activities such as tussock grass planting, there are currently no organised tours available for international visitors. However, these could be set up relatively easily.

Trend: Polar Cruising

What is it? Cruise tourism has seen almost exponential growth over the last 20 years, and the Antarctic region has become incredibly popular. Expedition ships visiting the polar regions are becoming more upmarket, larger, and the fleet is growing in size. However, the COVID-19 pandemic has devastated the sector in 2020 and most cruise lines are only just starting to find a way to operate safely. It is hoped that most will start cruising again by the end of 2020 or early 2021.



Is it Good for the Falklands? Very much so, once the COVID-19 pandemic is brought under control.

Can we Fulfil This Trend Now? There is little that can be done at the moment, although welcoming those expedition ships that are operating back to the Islands is a start. Preparing for a full, busy and safe season in 2021-2022 should be a priority.

Trend: Declining Business Travel

What is it? Zoom meetings have become the norm in 2020, and with current travel restrictions in place, international business travel is likely to be almost non-existent this year. However, the decline of business travel is expected to continue, with 60% of businesses currently stating that they will cut trips to clients in the future.

Is it Good for the Falklands? It is not likely to affect us too much. We have a very small business tourism sector.

Can we Fulfil This Trend Now? We can expect to see the number of business visitors drop (there were 1,897 in 2019) in 2020 and 2021, however the impact is unlikely to be too significant as most trips are relatively essential and cannot be fulfilled remotely.

Trend: The Digital Revolution is in Full Swing

What is it? The COVID-19 pandemic has accelerated a number of digital trends, the most significant of which are the research and purchase of holidays online, and a cashless-society. Long periods of lockdown have seen significant increases of research into holidays, visiting destination websites, and browsing online travel agents. At the same time, the use of cash has declined significantly, and when travel begins again the use of plastic will be bigger than ever.



Is it Good for the Falklands? Not right now, but we can improve.

Can we Fulfil This Trend Now? At the moment our presence online is limited. However with more businesses setting up websites, allowing direct bookings, and taking credit card payments, we can benefit from this trend.

Trend: Experiences!

What is it? The lockdown and the prolonged stay indoors has helped most people introspect. Many have decided to slow down or pursue passions long forgotten. So, cycling vacations, sailing, walking and hiking, fishing and other outdoor activities will surface as reasons to holiday. Health farms and relaxation holidays will also be part of this trend.



Is it Good for the Falklands? Yes! We have an excellent walking, hiking and fishing product, and scope for other outdoor activities.

Can we Fulfil This Trend Now? Partly, but there is much more that can be done. We've only just started to offer some activities such as kayaking. Diving is still difficult, and cycling far from easy.

Finally, there are five key factors that will drive all of the above trends. These will be:

- Safety: both perception and reality will matter.
- Health: many governments will introduce mandatory checks.
- Hygiene: there will be no compromise on this.
- Brands: destinations will need to stand out and have a good reputation.
- Value: good value for money will be essential.

FURTHER INFORMATION

Economic Support Packages

FIG and FIDC are now ready to take applications for the Job Retention Scheme, Self-Employed Income Supplement Scheme, and the Business Grant Scheme. FIDC is administering the latter. More details can be found at:

<https://www.fig.gov.fk/covid-19/information/support-package-applications>
<http://www.fidc.co.fk/library/covid-19>.

A new unemployment subsidy scheme has also been announced, targeted at workers who have lost their jobs as a result of the crisis. The websites provide clear advice regarding the eligibility of each.

FIG Guidance and Information

For guidance and information for individual businesses operating in a COVID-19 environment, including restaurants, public houses and retail, see:

<https://fig.gov.fk/covid-19/guidance>
<https://fig.gov.fk/covid-19/information/general-information>