

Overview of the maldives tourism industry

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Overview of the Maldives tourism industry Tourism in the Maldives took off in the early 1970s, The beginnings of tourism in the country saw the development of just two islands as resorts in 1972, with a capacity of just 280 beds. The supply of tourist accommodation has increased at a very steady rate. This increase was planned to meet the international tourist arrivals to the Maldives and at the end of year 2010 there were 25, 701 beds in the industry. This includes Resorts, Marinas, Hotels, Guest Houses and Safari Vessels. FIGURE 1: TOURIST ACCOMMODATION BED CAPACITY IN THE MALDIVES 2000 - 2010 Source: Ministry of Tourism, Arts & Culture, (2011)

The volume of international tourist arrivals increased at a steady rate until 2004, while a decline was witnessed in 2005 following the Asian tsunami of December 2004. However, again from 2006- 2008 there was an increase in tourist arrivals, but 2009 saw a decrease due to world economic crisis. The year 2010 accounted for a total of 791, 971 international tourists to the Maldives and an all time high tourist arrivals in the country and growth of 20.7% over the past year. Through all this, tourism has become the main platform for national economic development, with the industry accounting for over 27 per cent of the Gross Domestic Product (GDP), about 52 per cent of foreign currency earning and more than 22, 000 jobs (MPND, 2007). The supply of tourist accommodation has increased at a very steady rate. This increase was planned to meet the international tourist arrivals to the Maldives and at the end of year 2010 there were 25, 701 beds in the industry. This includes Resorts, Marinas, Hotels, Guest Houses and Safari Vessels. ECONOMIC AND FINANCIAL STATUS GLOBAL TOURISM OUTLOOK Tourism has been for a long time, the major source of foreign exchange earnings for the Maldives. Tourism is an important contributor to

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employment generation and the economic growth of the country. The global financial crisis of 2008 severely affected the Maldivian economy with a considerable negative impact on the tourism sector. Due to the crisis, there was a significant decline in the arrival of tourists mainly from Europe to the Maldives and continued to affect global economy and especially the west European countries. TOURISM OUTLOOK OF MALDIVES Third Tourism Master Plan (2007-2011) Review Ministry of Tourism, Arts & Culture 2012 Year 2009 saw tourist arrivals in the Maldives declining by 4 percent, with occupancy falling by 7 percent compared to that of 2008 (MOTAC, 2010, a). However, the outlook improved considerably in 2010, with tourist arrivals increasing by 20 percent and the occupancy rate experiencing a 74 percent rise (MOTAC, 2010, b). The contribution of tourism to the country's GDP remained at an average of 31 percent in the past five year period (2005 to 2010). Tourism contribution to GDP was rebased in year 2011 and accordingly tourism contributed 35.7 percent to the GDP in the year 2010 (MOTAC, 2011).

Tourism is one of the most important means of foreign exchange earnings to the Maldives. As there are only limited sources of seeking finance for investment projects such as resort development, developers almost always have to rely on foreign banks. Thus, a large proportion of the foreign exchange earnings are spent to service debts from overseas. In addition, due to the high propensity to import all materials required for the tourism industry, the economic leakages from tourism become quite considerable.

FUTURE ECONOMIC AND FINANCIAL DIRECTION Growth Rate and Future Revenue to the Nation from Tourism International tourist arrivals in 2010 indicate that the global economy is recovering from the economic downturn and this positive trend is expected to continue in 2011. Since the global

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economic recession has been showing signs of recovery in 2010, it is estimated that in 2011, tourism inflows and investments related to tourism will be significantly improved. Furthermore, tourist arrivals by destinations indicate that there has been a steady rise in the tourist arrival from emerging markets where China has the major share. As for the new revenue measures for 2011, after the revision to the Tourism Act (Law no. 2/99), interested parties were given the opportunity to extend the lease period for the resorts to 50 years. Furthermore, once the legal and administrative set up is in place, it is estimated that T-GST will contribute a major share of the total government revenue from 2011 onwards.

GENDER IMBALANCE IN EMPLOYMENT

When tourism industry began in the Maldives, the industry was almost wholly dominated by male employees. The work and the conditions in which they had to live on the resort islands were extremely basic and in general were seen as not suitable for women.