The Maldives
The Sunny Side of Life

Third Tourism Master Plan (TTM) 2007 - 2011

Ahmed Salih, Permanent Secretary
Ministry of Tourism, Arts and Culture, Rep of Maldives
**Technical Team**
- comprised a Chief Technical Expert and local consultants; a Project Steering Committee; stakeholders in the private and public sectors as well as Ministry of Tourism (MoT).

**The Framework**
- was developed with the assistance of the UNWTO that fielded a Project Formulation Mission in November 2005.

**The Thrust of the Report of the Mission:**
1. on expanding the industry across the country to generate more benefits for the Maldivian people,
2. reduce economic leakage from the tourism sector, &
3. increase employment opportunities for Maldivians by improving human resource development and training for the industry.

**Sincere Gratitude & Appreciation of UNWTO**
Policies, Strategies & Actions

- incorporated into TTMP align with the policies in the 7th National Development Plan (7th NDP) and relevant sectoral plans.

Policy documents:

- The Project Formulation Report for the TTMP prepared for the Government of Maldives (GOM) by UNWTO

- Draft 7th National Development Plan, formulated by the Ministry of Planning and National Development

- The Review Report of the Second Tourism Master Plan compiled by the MoT.

- The First and Second Tourism Master Plans for the Maldives.
The Technical Team consisted of Maldivian consultants with expertise related to the following areas of tourism:

- Economics and finance
- Markets and product development
- Human resource development
- Environmental management
- Community-based tourism
- Legal and institutional processes
- Infrastructure and support services
Planning Process

1. Introductory meeting with Project Steering Committee and Technical Team
2. Planning Preparation – Technical Team meeting
3. Key stakeholder meetings
4. Inception Report for PSC approval
5. Review of relevant planning publications
6. Survey / Data gathering – Inventory of current situation and future directions
7. Analysis and Synthesis of survey information
8. Stakeholder Workshop – strategy development
9. Draft strategy formulation
10. Feedback on draft from PSC / stakeholders
11. Final TTMP and Implementation Plan
12. Implementation
13. Research and Monitoring
14. Evaluation
15. Revision

THE 5TH UNWTO ASIA/PACIFIC EXECUTIVE TRAINING PROGRAM ON TOURISM POLICY AND STRATEGY
13-16 June 2011 / Brunei Darussalam

Expanding and strengthening the Maldives tourism as an instrument of economic and social development in a manner that benefits all Maldivians, in all parts of the country. This vision also encompasses steady development of the industry as a model of sustainable development of tourism with environmentally and socially responsible tourism practices of internationally acclaimed standards.
Goals of TTMP (2007-2011)

- Facilitate **sustainable growth** and high-level investment in the industry, while enhancing public share of econ. benefits from tourism.
- Increase **employment** opportunities and gainful community participation in the tourism.
- Develop and maintain supporting **infrastructure** required for the growth of the tourism.
- Ensure **environmental sustainability** in the development and operation of all tourism products, and strive for global excellence in environmentally-responsible tourism.
- Continue to brand the Maldives as a **unique** destination with innovative products and retain the Maldives positioning as a top ranking tourist destination in traditional and emerging source markets.
- Continue to strengthen the **legal and regulatory framework** and the institutional capacity of the MoT.
STRATEGIES & ACTIONS
MALDIVES TTMP, 2007-2011
The “strategies” are statements derived to achieve the vision and goals set out in TTMP. These strategies reflect the Government’s policy directions and would adapt to the changing scope, availability of resources and evolving conditions. The success of each strategy will be monitored during the TTMP period (2007-2011).

Furthermore, specific actions designed to achieve the strategies are listed under the respective strategies.

Each action includes a “due date” and a “performance measure” meant to measure the success of the action.

MoT will assume the lead role in ensuring that these strategies and actions are carried forward with the support and participation of the relevant Government agencies and other industry stakeholders.
Goal 01

Facilitate sustainable growth and increase investment in the industry, while enhancing public share of economic benefits from tourism

Strategy 01

Improve investment climate to facilitate Maldivian and foreign investments
### Present Status

<table>
<thead>
<tr>
<th>Lease Period</th>
<th>Lease Period Extended from 35 to 50 yrs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased</td>
<td>Increased from 35-50. Plan to increased to 99 yrs.</td>
</tr>
<tr>
<td>Completed</td>
<td>Removed the local preference clause from tender doc.</td>
</tr>
<tr>
<td>Second Conference held &amp; attended int. conferences.</td>
<td></td>
</tr>
</tbody>
</table>

### Interventions

<table>
<thead>
<tr>
<th>Actions</th>
<th>Due Date</th>
<th>Performance Measure</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Propose extension to the lease period of resort and hotel, through amending the tourism law, to attract and encourage investments, and reinvestments in the resorts and hotels</td>
<td>2007</td>
<td>Submission of the proposed changes to the tourism law to the Peoples’ Majlis</td>
</tr>
<tr>
<td>2. Propose a revision to the tourism law to provide a stronger incentive (in terms of lease period) for tourism companies to issue public shares in tourist resorts</td>
<td>2007</td>
<td>Submission of the proposed changes to the tourism law to the Peoples’ Majlis</td>
</tr>
<tr>
<td>3. Remove restrictions to transfer of any lease rights to a second party, prior to the development and commencement of the operation of resort or hotel</td>
<td>2007</td>
<td>Removal of the current clause from the lease agreements</td>
</tr>
<tr>
<td>4. Review and remove disincentives in resort tenders for foreign investors to participate in public tender of resorts</td>
<td>2007</td>
<td>Review and removal of disincentives for foreign investors to participate in tenders</td>
</tr>
<tr>
<td>5. Hold a biennial tourism development and investment conference with international participation, to show-case tourism products and investment opportunities in the Maldives and elsewhere</td>
<td>1st Conference in 2008</td>
<td>Conference held</td>
</tr>
</tbody>
</table>
Goal 01 - continued

Facilitate sustainable growth and increase investment in the industry, while enhancing public share of economic benefits from tourism

Strategy 02

Increase public revenue from tourism through revising tax regulations and by increasing the supply of tourist beds according to projected demand
### Interventions

<table>
<thead>
<tr>
<th>Actions</th>
<th>Due Date</th>
<th>Performance Measure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revise Tourism Law to achieve a more equitable tax regime</td>
<td>2008</td>
<td>Revision of Tourism Law</td>
</tr>
<tr>
<td>In view of the demand and supply estimates (Table 4.1.2.1), increase lease rent to the Government, by leasing of islands and land for resort and hotel development</td>
<td>2006 - 2011</td>
<td>Percentage increase in least rent revenue</td>
</tr>
<tr>
<td>Increase revenue from airport departure tax through increased number of passenger traffic</td>
<td>2006 - 2011</td>
<td>Percentage revenue increase from airport departure tax</td>
</tr>
<tr>
<td>Prepare the industry and create a mechanism to support implementation of the tax legislation</td>
<td>2008</td>
<td>Readiness of the industry for corporate tax, Number of awareness programs held</td>
</tr>
<tr>
<td>Through release of new islands and land for resort and hotel development, increase the supply of beds as depicted in Table 4.1.2.1</td>
<td>2006 - 2011</td>
<td>Number of new beds per year allocated and/or opened between 2006 and 2010</td>
</tr>
</tbody>
</table>

### Present Status

- Introduced TGST
- Lease Rent based on Land Area
- Airport Leased under PP Model
- TGST introduced
- BPT will be introduced soon
- Not realized as projected due to GFC & lack of Fin.
Goal 01 - continued

Facilitate sustainable growth and increase investment in the industry, while enhancing public share of economic benefits from tourism

Strategy 03

Retain economic benefits through improved linkages with economic activities of island communities
## Interventions

<table>
<thead>
<tr>
<th>Actions</th>
<th>Due Date</th>
<th>Performance Measure</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Create a unit at MoTCA to identify, encourage and initiate</td>
<td>2008</td>
<td>Creation and functioning of the resort-community partnership unit</td>
</tr>
<tr>
<td>resort-community partnership programs and projects</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Conduct a base-line study to determine the level of linkages</td>
<td>2008</td>
<td>Completion of study</td>
</tr>
<tr>
<td>between tourism and other economic activities of island communities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Identify, and initiate resort-community partnership programs and</td>
<td>2007</td>
<td>Identification of resort-community partnership programs and projects.</td>
</tr>
<tr>
<td>projects that would increase usage of local produce by resorts</td>
<td></td>
<td>Number of programs and projects initiated</td>
</tr>
<tr>
<td>4. Hold annual theme-based Multi-Sectoral Tourism Workshops to</td>
<td>2008 - 2011</td>
<td>Holding of annual workshops</td>
</tr>
<tr>
<td>identify and discuss issues, challenges, and opportunities to</td>
<td></td>
<td></td>
</tr>
<tr>
<td>enhance multi-sectoral linkages with tourism</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Conduct a study to determine the effectiveness of the activities</td>
<td>2009 - 2011</td>
<td>Completion of the study</td>
</tr>
<tr>
<td>carried out during the Master Plan period to strengthen resort-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>community linkages in income generating activities</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Present Status

- **Project launched with UNDP**
- **Study completed under assist. UNDP**
- **Resort Forum Organized to showcase local produce**
- **Not realized**
- **To be conducted**
Goal 01 - continued

Facilitate sustainable growth and increase investment in the industry, while enhancing public share of economic benefits from tourism

Strategy 04

Strengthen the collection and dissemination of economic and financial data related to the tourism sector
### Interventions

<table>
<thead>
<tr>
<th>Actions</th>
<th>Due Date</th>
<th>Performance Measure</th>
</tr>
</thead>
<tbody>
<tr>
<td>In consultation with the Ministry of Finance and Treasury, design and conduct a biennial national tourism survey to gather economic and financial data of the tourism sector</td>
<td>2008</td>
<td>Design and implementation of the survey</td>
</tr>
<tr>
<td>In consultation with the Ministry of Finance and Treasury, publish a quarterly review consisting of key economic indicators related to tourism</td>
<td>2008 - 2011</td>
<td>Quarterly publication issued</td>
</tr>
<tr>
<td>Strengthen the Ministry of Tourism and Civil Aviation’s ability to ensure timely collection and dissemination of data related to tourism</td>
<td>2008</td>
<td>Collection and Dissemination of Data</td>
</tr>
</tbody>
</table>

### Present Status

- **Survey conducted in Nov/Dec 2010 & now data being analyzed**
- **Ann. Rp. compiled but a WB project will facilitate data collection**
- **Monthly & Ann. T. Statistics compiled & Circulated. UNWTO – TSA Trng.**
Goal 02

Increase employment opportunities and, open up opportunities for gainful public and community participation in the tourism industry

Strategy 01

Promote careers in tourism for school and college graduates
<table>
<thead>
<tr>
<th>Actions</th>
<th>Due date</th>
<th>Performance Measure</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Conduct school-based awareness programs on tourism and career opportunities in tourism</td>
<td>2007-2011</td>
<td>Number of Programs conducted</td>
</tr>
<tr>
<td>2. Monitor and enforce the implementation of the human resource development commitments in lease agreements</td>
<td>2007-2011</td>
<td>Number of Programs conducted</td>
</tr>
<tr>
<td>3. Review the quota system to provide for an increase in the number of Maldivians employed in Supervisory and Management positions of the industry</td>
<td>2008</td>
<td>Percentage of Maldivians in Senior Management positions</td>
</tr>
</tbody>
</table>

**Present Status**

- **Programs on Annual Tourism Day.** A nation-wide campaign launched this year, being implemented. A new approach introduced as well.
- Slowly progressing but more efforts needed.
Goal 02

Increase employment opportunities and, open up opportunities for gainful public and community participation in the tourism industry

Strategy 02 - 06

Promote careers in tourism for school and college graduates

Increase number and ratio of Maldivians participating in the tourism industry

Create an enabling environment to ensure a wider distribution and retention of the benefits of tourism among Maldivians

Promote heritage and cultural centres in Male’ and inhabited islands

Establish greater backward linkage with fishing and agriculture
Goal 03

Develop and maintain supporting infrastructure required for the growth of the tourism industry

Strategies:

Enhance the national air-transport network by improving existing airport facilities and developing additional domestic airports to serve the needs of tourism expansion

Ensure that needs of all airport users are met in a timely and cost effective manner

Expand the capacity of Gan International Airport to accommodate growth in the Southern Zone

Upgrade Hanimaaadhoo Airport to accommodate tourism growth in the Northern Zone

Enhance the national marine-transport network, storage facilities, and distribution logistics for the tourism industry

Further development of harbour facilities for bunkering of safari vessels

Introduction of emergency evacuation, transport and communication infrastructure for resorts

Encourage public and private sector investment in tourism infrastructure and development projects
Goal 03

Develop and maintain supporting infrastructure required for the growth of the tourism industry

Strategies:

- Strengthen the preparedness of the tourism industry to resort-specific crisis and industry-wide disaster situations

- Optimize the operation and utilization of Information and Communications Technology (ICT) for smoother operation of tourism and other related establishments

- Upgrading of central and regional hospitals and atoll medical facilities to provide medical care at standards acceptable to international health insurance providers who provide insurance for tourists.

- Strengthen surveillance and security for the safety of all tourists
Goal 04

Ensure environmental sustainability in development and operation of all tourism products, and strive for global excellence in environmentally-responsible tourism

Strategies:

Strengthen the environment regulatory regime pertaining to tourism related products and facilities

Promote environmental conservation through marketing and awareness programs

Strengthen environmental monitoring of coral reefs, dive sites and marine protected areas

Encourage and facilitate resorts to implement Environment Management System (EMS)
Goal 05

Continue to brand Maldives as a unique destination with innovative products and retain Maldives positioning as a top ranking destination in traditional and emerging source markets.

Strategies:

- Strengthen co-ordination of marketing activities with the tourism industry.
- Maintain a steady increase in tourist arrivals by continuing to market the Maldives in traditional markets and marketing aggressively in new and emerging markets.
- Promote Maldives in affiliation with strategic international travel-trade partners.
- Optimise the use of Information and Communications Technology (ICT) in tourism marketing and promotion.
Goal 06

Continue to strengthen the legal and regulatory framework and the institutional capacity of the Ministry of Tourism and Civil Aviation

Strategies:

- Strengthen the legal regime to address emerging issues in the industry
- Strengthening governance and democratization in the tourism industry
- Strengthening the institutional capacity of MoTCA

TTMP available on our website: www.tourism.gov.mv
Industry Performance
Industry Performance
- Tourist Arrivals 1972 – 2010

Arrival numbers

0 50000 100000 150000 200000 250000 300000 350000 400000 450000 500000 550000 600000 650000 700000 750000 800000

Industry Performance

(Origin of Tourist Arrivals 2003 - 2009)
### Industry Performance

#### Tourism Contribution to GDP, 2005 - 2010

<table>
<thead>
<tr>
<th>Year</th>
<th>% Share of Tourism Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>24.8</td>
</tr>
<tr>
<td>2006</td>
<td>30.9</td>
</tr>
<tr>
<td>2007</td>
<td>31.7</td>
</tr>
<tr>
<td>2008</td>
<td>30.6</td>
</tr>
<tr>
<td>2009</td>
<td>32.4</td>
</tr>
<tr>
<td>2010</td>
<td>35.7</td>
</tr>
</tbody>
</table>
Industry Performance

Tourist Arrivals to the Maldives from Top 5 Markets
2006 - 2011
Success could be attributed to many factors.

Key Factors:

Principles of Tourism Development
Commitment by the Private Sector
Strong Partnership - Private Sector/Government
Cooperation & TA from Int. Org. UNWTO, EU, ADB, World Bank, IFC & others
Strategic Marketing
Product Innovation
Hospitable People
Employees – Locals & Foreign
Recommendations

Master Planning Process:
- Vital to communicate the national policies
- Public Sector/Private Sector & other stake holder participation assures onus of the MP to all
- Strategic Plans sets targets and timelines which are measurable
- Opportunity to achieve focused direction of the sector
- Alternative actions could be taken pro-actively
Goal:

UNIQUE destination
INNOVATIVE products
UNIQUE
One Island – One Resort
The ONE & ONLY in the World

Development Principles:
• 20% built up area
• 5 met. of beach for each room
• All rooms facing the beach
• We achieve a vital target through these parameters.
• Guess??

Sustainable Development
World’s First Underwater Spa
The ground-breaking underwater spa at Huvafen Fushi
World’s First Underwater Restaurant
Conrad Maldives
World’s First Floating Golf Course,
800 G. Rooms & MICE Venue,
Private Floating Villas
US$ 500 mill. Target date of completion - 2015

Golf Course
27-hole golf course from above
underground tunnels to get to the holes on other islands

Source: Dutch Docklands
A look at the golf course, it's literally on the ocean

Source: Dutch Docklands
800 GUEST ROOMS & MICE VENUE

Here's the hotel with 800 rooms and a conference center, appropriately named Greenstar.

Another view of the hotel, the green covered style represents Maldivians quest to conquer climate change.

Source: Dutch Docklands
World’s First Floating
PRIVATE ISLAND VILLAS
US$ 500 mill. Target date of completion - 1015

Private Islands With Villas

Source: Dutch Docklands
Thank you for your kind attention!

Ahmed Salih
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