

AN ANALYSIS OF OUTBOUND TRAVEL OF MALDIVIANS

*by: Idham Hussain and Mohamed Amdhan**

Introduction

A large number of Maldivians travel out of the country every year. The purpose of travel ranges from seeking medical services, education and training, business and official trips or holidaying. Many Maldivians travel abroad for dual purposes, most commonly holidays would include medical check-ups and treatments. The expenditure on these outbound travels is captured in the travel payments component of the balance of payments (BOP) and is one of the largest components of the services payments of the Maldives BOP. As it is not possible to obtain the exact expenditure of outbound travel, estimates have to be made based on spending patterns of Maldivians while abroad based on surveys. Hence, as part of work carried out to improve the coverage of BOP statistics as well as to improve the estimates made for travel payments, the Maldives Monetary Authority (MMA) conducted a survey¹ on “Maldivians Travelling Abroad (MTA)” during the last two weeks of December 2011. The objective of the survey was to investigate the patterns of Maldivians travelling in terms of travel destinations, pur-

pose of visit and also to examine the pattern of their spending.

This article discusses the outbound travel of Maldivians in the light of the MTA survey results. The first section analyses the recent trends and developments in outbound travel by Maldivians. The second section discusses the main outbound travel destinations of Maldivian residents, reasons for travelling abroad and expenditure patterns based on the MTA Survey.

Maldivian Outbound Travel Market

Maldivians travelling abroad has increased steadily, especially in recent years. The trend is driven by the rapid economic growth in the past couple of decades and the associated increase in general levels of income of the Maldivians. As in other developing countries with improved income and easier access to foreign countries people tend to travel abroad more, and Maldives is no exception. Data from the Department of Immigration and Emigration of the Maldives shows that the outbound travel has increased more than five folds at an annual average rate of 9% from 1993 to 2011, with absolute numbers

* The authors are from the Statistics Division of the Maldives Monetary Authority. The authors would like to thank Azeema Adam for comments on the article.

¹ This survey was conducted by the Statistics Division of the Maldives Monetary Authority and the survey team included Abdul Majid, Mansoor Zubair, Mohamed Amdhan, Mohamed Sofwaan Hassan, Aishath Shahuru, Mariyam Jailam Mujthaba, Ibrahim Lameer Abdul Baree, Ahmed Nazeeh Mohamed, Ahmed Munawar, Hassan Fahmy and Aminath Seema.

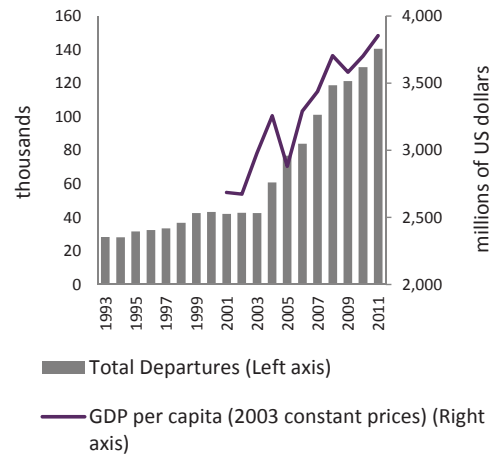
increasing from about 28,354 thousand international trips in 1993 to 140,594 thousand in 2011.

The data shows a rapid growth in outbound travel by Maldivians since 2003, with a sharp increase in 2004 (see Figure 1). Maldivians travelling abroad has increased by an annual growth rate of 14% during the period 2003-2011, and during this period GDP per capita of the country increased by an annual rate of 3 percent from US\$2,979.2 in 2003 to US\$3,855.0 in 2011. The higher income levels in the country coupled with availability of holiday packages and cheap air fare deals, especially to neighbouring countries, may have contributed to the rapid growth in Maldivians travelling abroad in recent years.

The number of total overseas trips by Maldivians as a proportion of population is quite high in the Maldives, and it has increased from 28% in 2006 to 43% in 2011.²

India and Sri Lanka tend to be the most popular destinations for Maldivians. According to the Ministry of Tourism of India and the Sri Lankan Tourism Development Authority, total Maldivian visitors to India and Sri Lanka on average has increased by 9 percent and 11 percent respectively from 2006 to 2011. As such Maldivians tourists to India increased from 37,652 in 2006 to 54,118³ by the end of 2011 while Maldivian tourists to Sri Lanka increased from 24,831 to 44,018 during the same period. Total Maldivian tourists to both these countries together comprise of 70% of the total outbound travel. The short proximity of Sri Lanka and India to the Maldives, and availability of relatively cheaper and more frequent flights makes it easier for Maldivians to travel to these countries. According to

Figure 1: Maldivian Departures, 1993 - 2011



Source: Department of Immigration and Emigration; Department of National Planning

the information from the Civil Aviation Authority flight movements to both India and Sri Lanka has also increased steadily in recent years. Movements of Indian Airlines increased from 820 flights in 2006 to 1404 flights in 2011. Meanwhile, movements of Sri Lankan Airlines increased from 2184 flights in 2006 to 3642 flights. In addition, Maldivian Airline, the national airline of the Maldives also commenced its international flights to Trivandrum-India and Colombo-Sri Lanka in 2008 but the Colombo route was discontinued later in 2010. Further, the relatively lower costs for accommodation, living and other services in Sri Lanka and India compared to other countries, such as Singapore and Thailand, are additional reasons for the high proportion of Maldivian travelers to these countries.

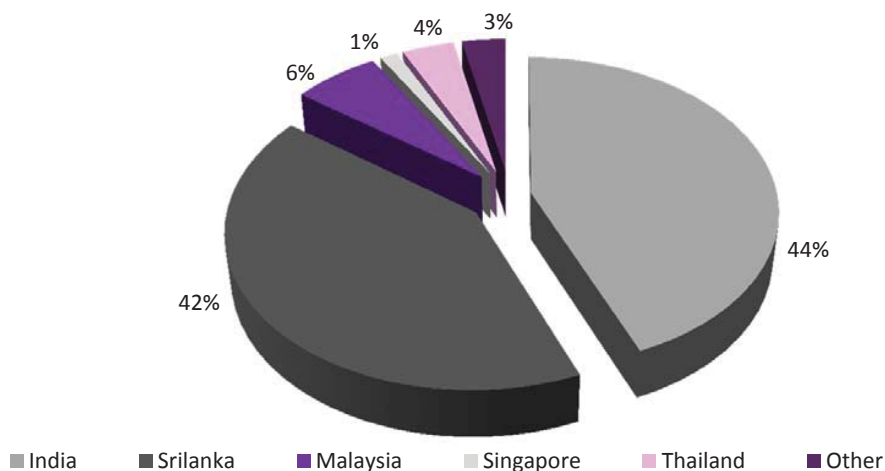
Maldivians Travelling Abroad Survey

The MMA conducted the MTA survey as part of the work to improve the estimates made for travel payments, the biggest component of services payments of the Maldives BOP.

² Mid-year population projections – Statistical Year Book 2011/ Department of National Planning.

³ Preliminary data for 2011.

Figure 2: Popular Destinations for Maldivians



Source: Maldivians Travelling Abroad Survey, December 2011

The objective of the survey was to investigate the outbound travel patterns of Maldivians in terms of travel destinations, purpose of visit and expenditure.

The MTA survey was carried out during the peak season from 16 to 29 December 2011, for a period of two weeks at the arrival hall of Ibrahim Nasir International Airport. According to the information provided by the Department of Immigration and Emigration, 8,776 Maldivian passengers arrived from abroad during the two week survey period.

The sample concentrated on the carriers with the highest number of Maldivian passengers. Although participation in the survey was voluntary, the aim was to cover information from the highest possible number of Maldivians who were returning from abroad. During the survey about 83% of the Maldivians who returned from abroad were interviewed. The survey was conducted using a questionnaire, and the questions were asked face-to-face. The interviewers questioned the Maldivian passengers after immigration clearance, while they waited to reclaim their luggage.

Table 1: Purpose and Destination of Maldivians Travelling Abroad

Country	Medical	Vacation	Education & Training	Business & Official	Other Purposes	Total
India	1127	134	44	9	48	1362
Sri Lanka	738	376	51	60	67	1292
Malaysia	11	101	62	10	16	200
Singapore	25	6	5	3	2	41
Thailand	59	27	2	29	4	121
Other countries	19	14	36	17	15	101
Total	1979	658	200	128	152	3117

Source: Maldivians Travelling Abroad Survey, December 2011

Destination of Travel

According to the survey results, the five most popular destinations for the Maldivians are India, Sri Lanka, Malaysia, Thailand and Singapore (Figure 2 and Table 1). As observed in the Maldivian outbound travel market analysis, the MTA survey data also revealed that the most popular destination with the largest number of visitor arrivals was India, with 1362 visitors or 44% of the total respondents. This is followed by Sri Lanka with 1292 outbound travellers or 42% of the respondents. Maldivian visitors to Malaysia and Thailand represented 6% and 4%, respectively.

Analysis by Purpose of Travel

Table 1 shows the destinations and purposes for travelling abroad based on the data collected from the survey. The major reasons for travelling abroad have been reported as medical, vacation or education. They are discussed below in more detail. Other than these, some travelers identified their purpose of travel as “Business and Official” and also as “Other purposes”. However, due to limitations in the data on expenditure patterns in these two categories, they are not discussed in this article.

Medical and Healthcare

As envisaged the survey results confirms that a larger proportion of outbound travel is for medical purposes. As shown in Table 1, 63% of the total Maldivians traveled for medical purposes.

The most popular destination for medical purposes among Maldivians is India with 1127

visitors (57% of total) followed by 738 (37%) visitors to Sri Lanka and 59 (3%) visitors to Thailand. Only 1% of Maldivians travelled to Singapore and Malaysia for medical purposes.

Vacation

The survey results reveal that, of the respondents who travelled for vacation, 57% went to Sri Lanka. This is followed by India, accounting for 20%, and Malaysia with 15%. The popularity of Malaysia as a holiday destination may be due to the growing Maldivian student population in Malaysia, with their families visiting them.

The average duration of Maldivians travelling on vacation is 17 days. This was highest for India with 21 days while the lowest was for Sri Lanka with 14 days. Meanwhile on average Maldivian vacationers spend about 18 days in Malaysia, 22 days in Singapore and 15 days in Thailand.

Education and Training

The most popular destination for education and training was Malaysia which represented about 31% of the 200 students interviewed. This was followed by Sri Lanka (26%) and India (22%). There were a very few locals who returned home from Singapore and Thailand who stated that their purpose of travel was for education and training, and these numbers were too low to make the sample representative. These participants probably represented the government sponsored personnel who went for short term training to these countries.

Table 2: Destination & Expenditure of Maldivians Travelling Abroad For Medical Purposes

Country	No. of people	Duration of stay per person	Average expenditure per person per trip (in US dollars)		
			Per day	Air fare	Expenditure Abroad
India	1127	19	57	350	753
Sri Lanka	738	14	75	196	709
Malaysia	11	17	144	649	1297
Singapore	25	7	290	701	1717
Thailand	59	12	152	616	925
Other countries	19	15	28	492	409
Total^{1/}	1979	17	69	317	762

^{1/} Weighted Average (weight being number of people)

Source: Maldivians Travelling Abroad Survey, December 2011

Expenditure of Maldivians Travelling Abroad

In 2011, it is estimated that the Maldivians spent a total of US\$209 million on travels abroad. This is an increase of US\$149 million or a rise of more than three folds compared to 2005.⁴ According to the survey results total expenditure per person per trip was highest for education purposes with US\$2420 while the second highest was for vacation purposes with US\$834. About US\$762 per person per trip was spent on medical and healthcare trips. These expenses are discussed below in more detail.

Medical and Healthcare Expenses

With regard to travel expenditure, Maldivians travelling for medical purposes spent on average US\$57 per day in India while they spent US\$75 per day in Sri Lanka, according to the survey results. Therefore, on average, a Maldivian would spend about US\$753 per medical trip in India and US\$705 per medical trip in Sri Lanka. The reason why these amounts are low may be because they were able to arrange free accommodation, food or transport through friends and family. The survey participants confirmed that they receive such benefits from the migrant Maldivians living in these two countries.

Table 3: Destination & Expenditure of Maldivians Travelling Abroad For Vacation

Country	No. of people	Duration of stay per person	Average expenditure per person per trip (in US dollars)		
			Per day	Air fare	Expenditure Abroad
India	134	21	50	348	958
Sri Lanka	376	14	115	186	655
Malaysia	101	18	69	551	883
Singapore	6	22	619	742	2950
Thailand	27	15	86	588	600
Other countries	14	20	2	1026	63
Total^{1/}	658	17	100	317	834

^{1/} Weighted Average (weight being number of people)

Source: Maldivians Travelling Abroad Survey, December 2011

⁴ BOP Statistics – Maldives Monetary Authority

Table 4: Destination & Expenditure of Maldivians Travelling Abroad For Education & Training

Country	No. of people	Duration of stay per person	Average expenditure per person per trip (in US dollars)		
			Per day	Air fare	Expenditure Abroad
India	44	482	29	385	1558
Sri Lanka	51	250	111	258	1971
Malaysia	62	290	43	527	3539
Singapore	5	203	-	795	-
Thailand	2	19	-	548	-
Other countries	36	208	50	1278	2467
Total^{1/}	200	303	58	551	2420

^{1/} Weighted Average (weight being number of people)

Source: Maldivians Travelling Abroad Survey, December 2011

The survey results show that the Southeast Asian countries are more expensive and this may be the main reason why Maldivians did not prefer to travel to these countries for medical and healthcare purposes. In this regard, on average a Maldivian travelling for medical purposes spends about US\$290 per day in Singapore, US\$152 per day in Thailand and US\$144 per day in Malaysia. On this basis, the average expenditure per trip stands at US\$1,717 for Singapore, US\$1,297 for Malaysia and US\$925 for Thailand.

To compare, a Maldivian travelling for medical purposes spends about US\$70 per day in India or Sri Lanka while their counterpart spends close to US\$200 per day in a South East Asian country.

The average duration of stay for Maldivians who travelled for medical purposes was 19 days for India and 14 days for Sri Lanka. Of the Maldivians who travelled to Malaysia and Thailand for medical purposes the average duration of stay of was 17 and 14 days, respectively while for Singapore it was 7 days on average. The average duration of stay is almost the same for each of these destinations except for Singapore and it appears that the duration of stay is influenced by the cost of stay rather

than the condition for which medical attention was being sought.

Vacation Purpose Expenses

The survey results revealed that Maldivian vacationers spent US\$100 per day on average while on vacation. With an average stay of 17 days abroad, the total expenditure for a vacation trip is estimated at US\$843. As regards, expenditure in individual countries,, the survey results showed that the Maldivians spent about US\$50 per day in India and US\$115 per day in Sri Lanka. The expenditure for Malaysia was US\$69 per day while such expenses for Thailand was US\$86. Some travelers who returned from Singapore revealed that their expenditure averaged around US\$619 per day. Meanwhile the average expenditure per trip was US\$958 for India and US\$655 for Sri Lanka. Maldivian vacationers spent the highest amount per trip in Singapore reaching almost US\$3000.

Education and Training Expenses

Detailed information regarding educational fees and total expenditure were very difficult to obtain because most of the respondents were unable to recall such expenses. This may be due to the fact that most of the students usually go on scholarship programs or the parent administers the expenses relating to university/college fees and charges, and as a result, the students may not be aware of the exact amount of costs for their education.

Conclusion

Maldives outbound travel analysis shows that the Maldivians traveling abroad have increased steadily, especially in recent years. The two most popular destinations for Maldivians were India and Sri Lanka. Maldivians also frequently visit Malaysia, Thailand and Singapore. The major reasons to travel abroad have been reported as medical, vacation or education. The survey results suggest that the most popular destination for medical purposes is India followed by Sri Lanka. The third most popular destination for medical purposes is Thailand. While Sri Lanka is a popular destination for vacations, Malaysia appears to be the most popular for education. Businessmen seem to have more business related work in Sri Lanka and Thailand than in India or Malaysia.

It is important to highlight that there were a number of unforeseen obstacles that affected the data collection process during the survey period. Firstly, the sample for the survey was chosen based on a convenience sampling method which may reduce the randomness in the selection process. This may limit, to some extent, the relationship or representativeness of the sample with the population. Sec-

ondly, the survey period was targeted for the school holiday period i.e. the most popular season for Maldivians to travel abroad which however may not coincide with the semester breaks and holidays of Maldivian students living abroad, limiting the representativeness of the student population in the survey. Lastly, many students were not able to recall sufficient information regarding tuition fees and monthly expenses. Therefore, such information is likely to be very much undervalued in the survey findings.

A further evaluation of the spending patterns of “Business and Official” and “Other purposes” categories is necessary to understand the expenditure patterns for those respondents who claimed to have travelled for reasons other than medical, vacation or education.