



QAASUITSUP REGION TOURISM REPORT

Q 3 – Q 4 2015

VISIT GREENLAND

INTRO

This is the first region specific quarterly report on tourism statistics from Visit Greenland. The first quarterly report (Q2-15 can be found on tourismstat.gl/analyser) only dealt with tourism in a national perspective, as no complete sets of data on the important high season (Q3: July, August, September) were available at the time. Henceforth VG will be publishing quarterly summaries of tourism data including findings and analysis on the high season.

Method

We are primarily using data from Statistics Greenland (stat.gl), but we will be referencing tourism data from Iceland as well as other relevant countries and regions either through national statistics bureaus or international organizations such as unwto.org. All diagrams and data sets are available to all, and this report can be downloaded as a power point presentation with diagrams and text for free use. Feel free to email market research consultant Mads Lumholt (lumholt@greenland.com) to request specific data, estimates or diagrams should the need arise.

It should be noted that in regards to flight passenger statistics Statistics Greenland (stat.gl), VG and the Department of Business (Erhvervsdepartementet) have joined forces and began the registration of country of residence July 1st 2014, which is the reason why this report only shows growth calculations on the basis of a comparison between Q3-14 and Q3-15, as it is the first period to be compared historically. In time the data history will allow us to apply more long-term and in depth perspectives.

Registration of country of residence

VG cooperates with Statistics Greenland in order to standardize the registration of country of residence concerning data on flights, cruises and overnight accommodation. Up until now the selection of countries that we have been able to register has not coincided, but in regards to 2016 it appears that we will be able to extract data on the three areas in the following 26 countries:

The Nordic Region: Greenland, Iceland, Denmark (incl. Faroe Islands), Sweden, Norway. *Europe:* England, Germany, France, Switzerland, Austria, Holland, Spain, Italy, Russia, Poland and 'Other European countries'. *Asia:* China, Japan, South Korea, Taiwan, Hong Kong, Malaysia, Indonesia, Singapore and 'Other Asian countries'. In addition: USA, Canada, Australia and 'Others'.

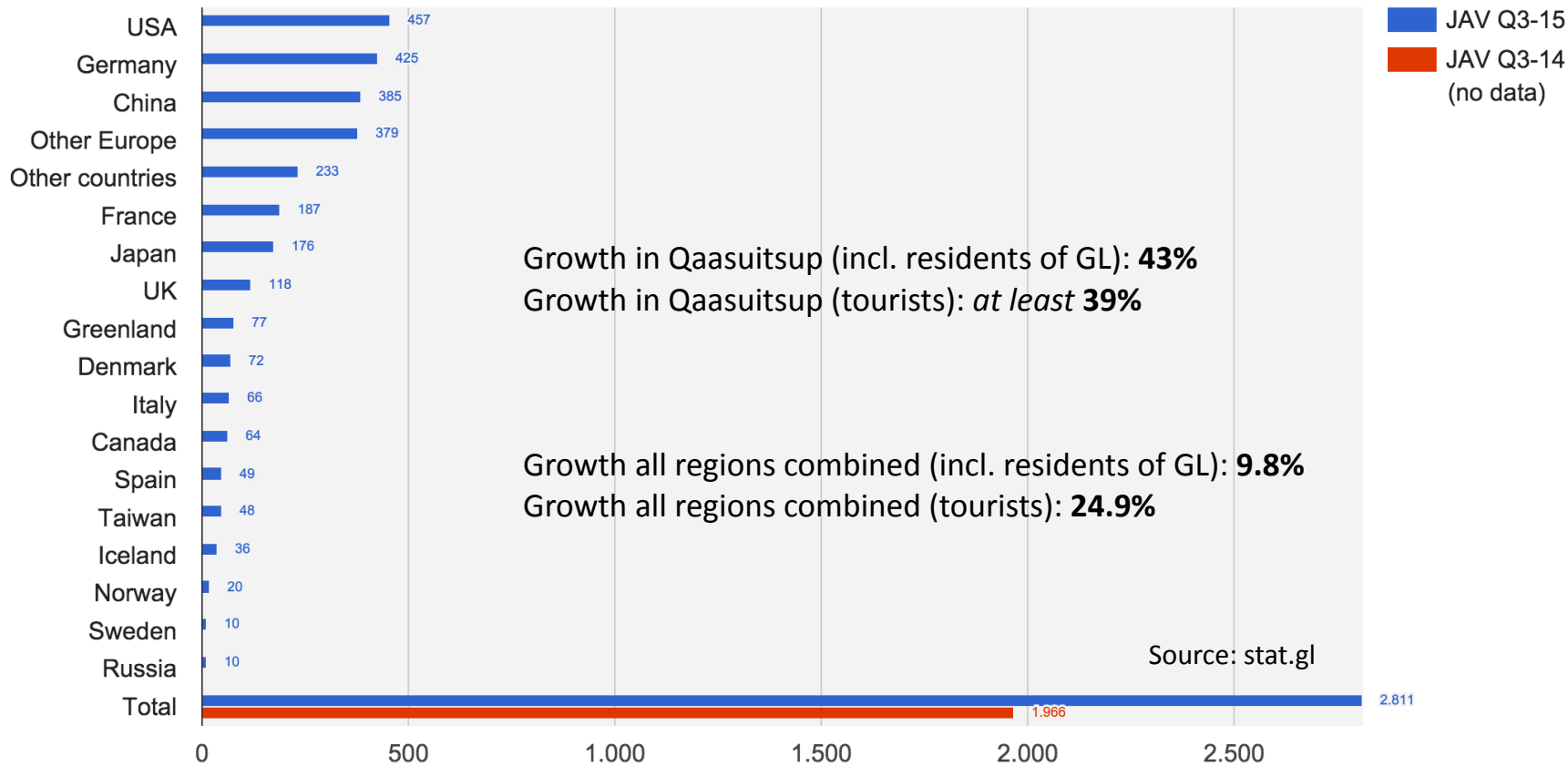
Cooperation with Air Greenland

It is a great advantage to VG that has a cooperation agreement with Air Greenland on a number of areas, including market research. This spring we have collectively ordered two thorough market surveys on Great Britain and the USA (with 4,000 respondents) through nit-kiel.de. VG has also requested that NATA finances a similar survey on Germany in Q1-16, and this has been granted. We look forward to seeing the results of the large surveys and to share the valuable knowledge with the industry.

FLIGHT PASSENGER STATISTICS

Q3-2015 saw **43%** more passengers on the Ilulissat (JAV) – Keflavik (KEF) departures than the same period of 2014. VG has registered the country of residence of passengers since July 2014, but due to an error in registration in Q3-14, we only have the total number of passengers from this period. Even if our starting point is the most conservative scenario that no residents of GL travelled on the route in Q3-14, it is the equivalent of a growth in tourists of *at least 39%* in Q3-15.

Number of International Flight Passengers Out of Ilulissat Q3-15 vs Q3-14



On the KEF-JAV route the large share of passengers from China and Taiwan is remarkable compared to other regions (with the exception of Sermersooq East).

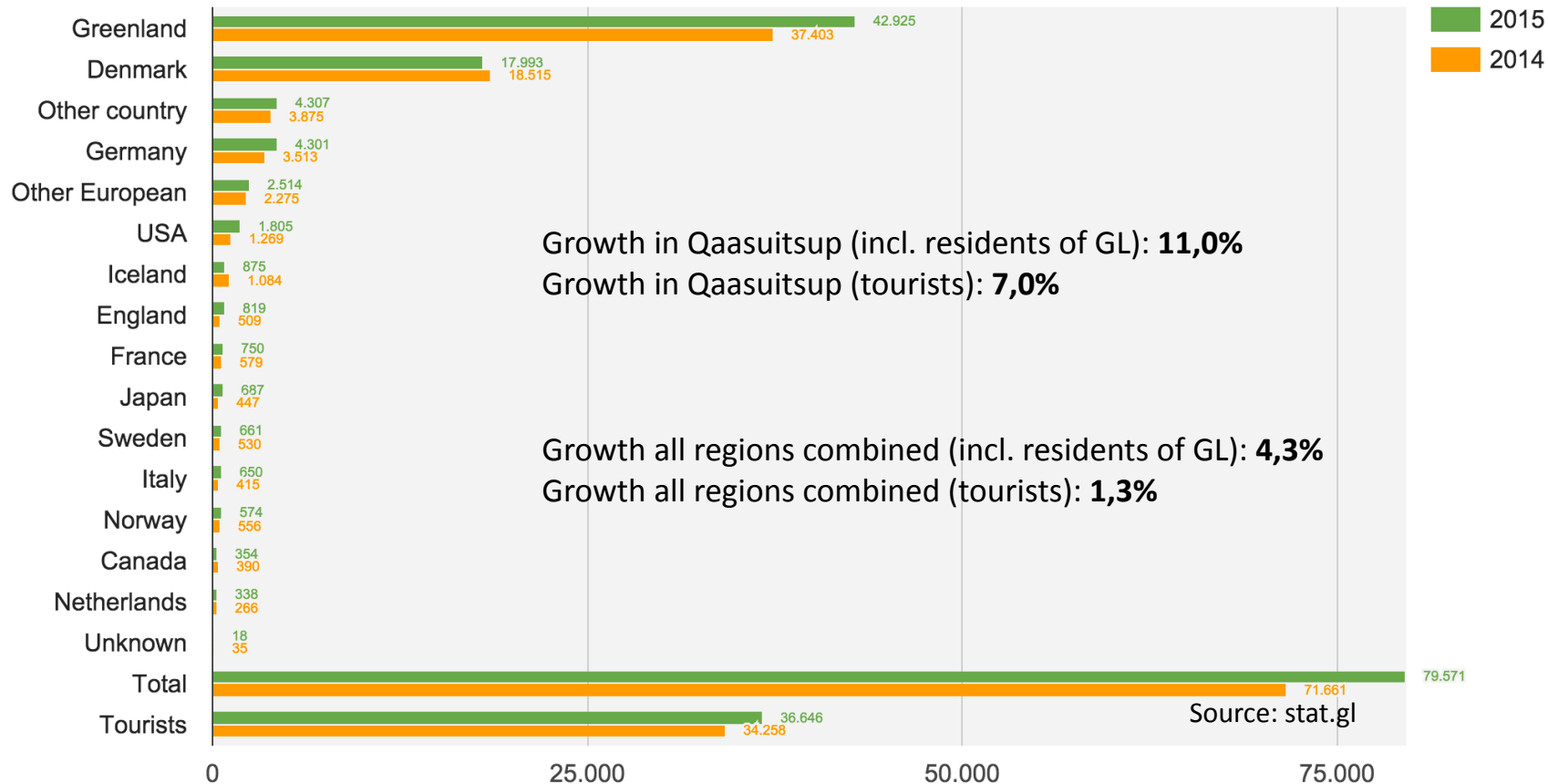
China is experiencing a massive growth in the number of outbound tourists. In the first two quarters of 2015 approximately **62 million** Chinese travelled out of the country, an increase of **12%** compared with the same period the previous year (source: Travelchinaguide.com).

In Iceland the development in the number of Chinese flight passengers over the past 5 years has seen an average increase from year to year of more than **50%**. Looking at the number of guests in accommodations in Iceland the corresponding figure is **75%** (source: statische.is).

OVERNIGHT STAY STATISTICS

As we have complete data on all quarters from 2014 and 2015 we can compare the periods (flight statistics are only available from Q3-14 and onward). Qaasuitsup is the region of Greenland with the markedly highest growth in 2015. The growth is the highest when the Greenlandic citizens are included in the overnight stay data. Looking only at tourist the growth is average compared with the growth in global tourism: Europe, the continent with the lowest growth, is **3.7%** and Asia-Pacific, the part of the world with the highest growth rate, is **6.7%** (source: Statista.com).

Number of overnight stays in Qaasuitsup region 2015 vs 2014



In comparison Iceland had a growth in international overnight stays of **28.6%** from 2014 to 2015. The growth in the number of guests was **25%** (source: statische.is). But then Iceland is experiencing unusually large growth rates in tourism these years.

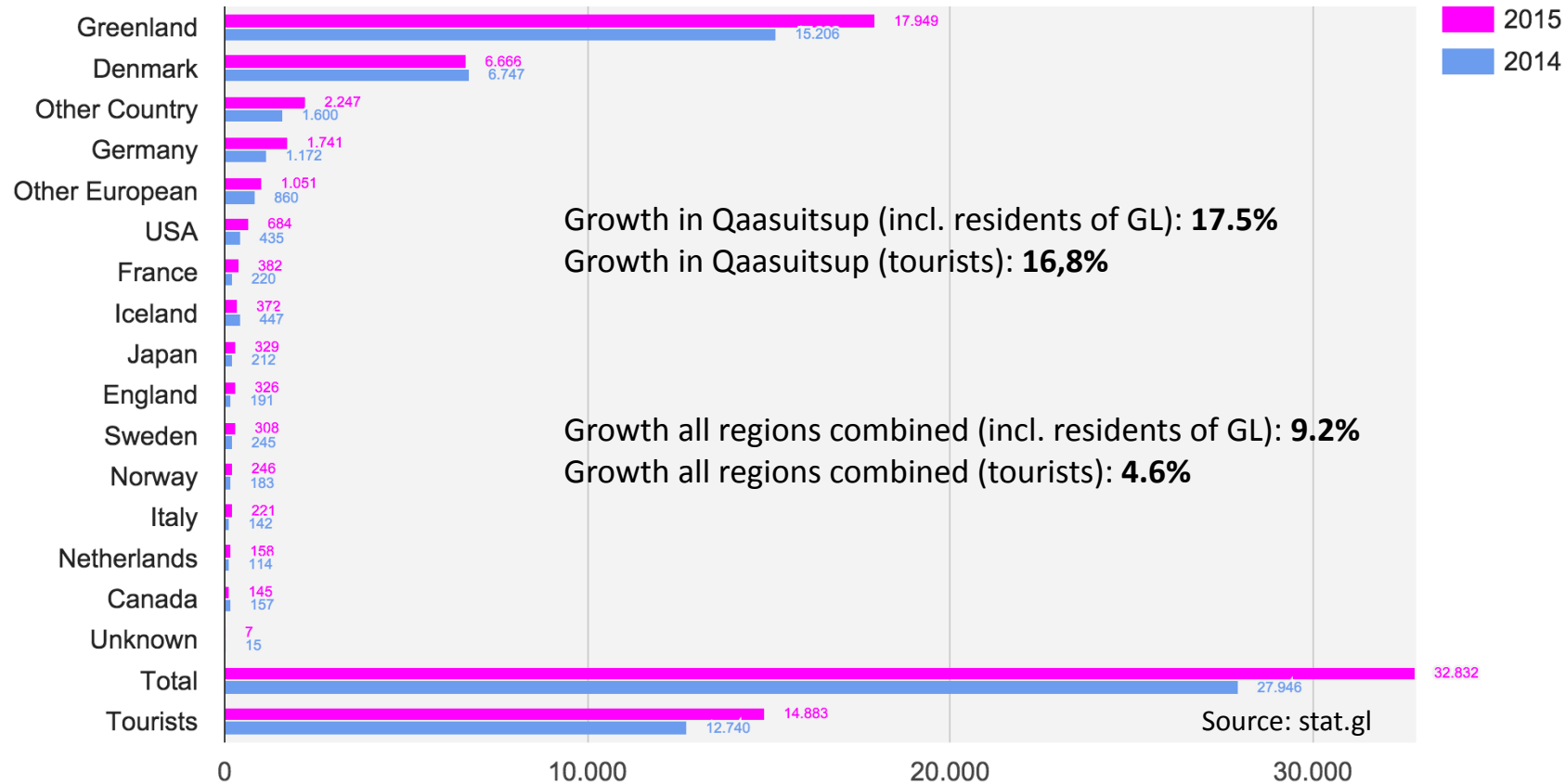
In relation to the number of tourist overnight stays in all of Greenland, Qaasuitsup is a full 5,7 percentage points above the country average and once again proves that the region is the largest tourist growth engine of Greenland.

Germany, USA, England and France are showing good signs, but Italy, Japan and Holland look promising as well. From Asia only Japan is currently a part of our registration, but VG is working to change this.

OVERNIGHT STAY STATISTICS

The number of overnight stays is a stronger indicator of tourism revenue than the number of guests, as one in principle could experience a growth in the number of guests, but a simultaneous decrease in the number of overnight stays sold. Qaasuitsup also noted a much larger growth in the number of guests (tourists) than in the number of (tourist) overnight stays. Overall this means that more tourists visited compared with 2014, but that each tourist on average bought fewer overnight stays. This pattern can be observed in the 4 other tourist regions of Greenland as well. Should this be a new general tendency, we can expect that the tourists next year on average will buy slightly fewer overnight stays per visit. Regardless, the increase of 16,8% more tourist in the accommodations in Q3-15 is a very positive indicator.

Number of guests in Qaasuitsup region 2015 vs 2014



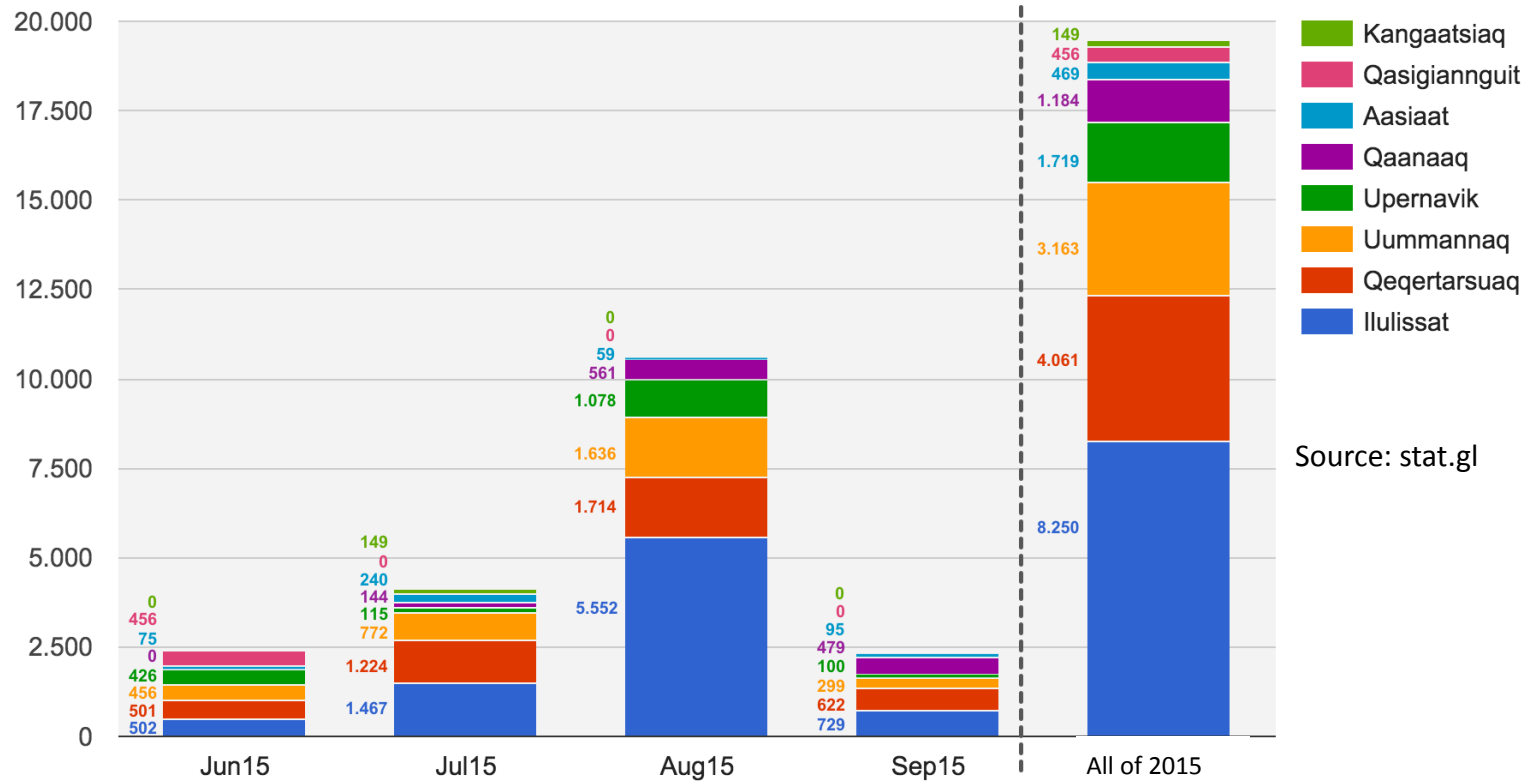
In comparison Iceland had an increase in the number of international guests of **28.6%** from 2014 to 2015 (source: statische.is) but then the growth in tourism is unusually large in our neighboring country these years.

The pattern of fewer overnight stays per tourist also emerges compared with data from all of Greenland. Here the growth from 2014 to 2015 was a mere **1,3%** in the number of tourist overnight stays, while the increase in the number of tourists/guest was **4.6%**.

CRUISE STATISTICS



Qaasuitsup - Antal krydstogsgæster i 2015



Source: stat.gl

As the cruise tax has been changed from January 2015 from being a fee per cruise guest to being a tax per port call and gross tonnage, we cannot compare 2015 with 2014 as the old 'pax tax' has not been linked to a specific port or region. In general we have seen a growth in cruises of **10.8%** from 2014 to 2015.

The new tax shows the number of arrivals per port, the number of passengers as well as the nationality (up to 20 different) of the guests.

So far the numbers on nationality for all regions in Greenland combined are available. These are the top 10 countries: Germany, USA, UK, Canada, France, Denmark, Switzerland, Australia, Austria and China.

In 2015 GP Wild did a survey for VG in Qaqortoq, Ilulissat and Ittoqqortoormiit with 1,649 cruise passengers and 279 crewmembers participating:

- **89%** of the respondents felt very satisfied with their visit in Greenland
- **61%** even felt that the visit exceeded their expectations
- **The friendliness of staff, the friendliness of locals and guided tour** were the things that got the highest scores (between 4.3 and 4.1 out of 5)
- **98%** of the cruise guests went ashore, and for **92%** of the guests it was their first visit to Greenland
- **76%** of the guests were at least 65 years old and the average guest had a household income of 600,000 dk. kr.
- **Top 4 nationalities:** USA 48%, UK 21%, Germany 12% and Australia 6%

SUMMARY

Qaasuitsup in a Greenlandic Perspective

Region Qaasuitsup has done the best out of all regions of Greenland and have a solid growth in terms of both the number of tourists arriving on a direct plane via Iceland and overnight guests/tourists. Qeqqata is also placed in the upper end, while Sermersooq West is level with the global growth in tourism (5.8% more tourists arriving directly via Iceland and 2,7% more tourist overnight stays). Kujalleq has seen an increase in the number of tourists arriving by plane (6.1%), but a large decrease in the number of tourist overnight stays (-27,8%). Sermersooq East is status quo on tourists arriving directly by plane via Iceland, but also experience a large fall in the number of tourist overnight stays (-17,9%). As Qaasuitsup and Qeqqata attract the largest volume of tourists this means that the two regions in practice have drawn the national resultat up to a decent level.

New KEF-JAV route

Air Greenland will open a new air service this summer between Ilulissat and Keflavik. This is a positive sign that strengthens the potential for further growth in Qaasuitsup. The very high growth in the number of international passengers coming through Iceland/Keflavik in general (28%) will hopefully have a positive effect on this route.

Tendencies in the Market

One of the biggest market surveys on new trends can be read here: goo.gl/BSiHJy. Among others it highlights the following tendencies relevant for Qaasuitsup: *#1 Seeks new adventures #3 Chooses destinations based on culture and special offerings #6 Takes care of online reputation*. The report states that tourists are continually becoming more adventure oriented (trips including culture, nature and new experiences) and more and more often seek out destinations that are not mainstream, even more so as several of the biggest tourist destinations are reaching a saturation point during high season. The importance of how products and accommodation options are being rated on review sites such as TripAdvisor increases. Creating a profile on e.g. TripAdvisor improves visibility and 'searchability'.

Growing Core Markets

The most relevant markets for Qaasuitsup are all in growth globally, and this high growth can especially be observed in Iceland, where both Great Britain, USA, Germany and China show impressive double-digit growth rates in 2015. The word from Icelandic operators is that many of their tourists consider Greenland a very attractive add-on. The combination of Iceland-Greenland is an obvious growth product. This would even be a win-win situation for both Icelandic and Greenlandic operators as both parties will benefit from this new market area. The right segments (that can afford it) should be made aware that Greenland as an add-on will give their trip an *increased value* and make it even more unique and eventful.



Produced by Mads Lumholt
Visit Greenland