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Acorn Tourism,
Dawn Repetto &
Ness Smith

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Tourism Potential Assessment for Tristan da Cunha

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EXECUTIVE SUMMARY

Tristan da Cunha's remoteness is both an attraction and a barrier to tourism growth. The lack of air access obviously makes visiting the destination challenging, however, the availability of berths on the regular shipping schedule is also highly limited. Annually, only around 150 berths are available to overnight leisure visitors, and most of these are taken up by residents and research/business visitors. Consequently, there are typically less than 20 overnight leisure visitors travelling to Tristan each year. At present, and for the foreseeable future, the situation with regards to overnight tourism is unlikely to change.

Visitors arriving on cruise vessels and yachts are greater in number, although still small. There were 918 cruise visitor arrivals in the 2017-2018 season, generating net revenue of over £50,000. A further 46 visitors arrived by yacht, generating a net revenue of over £2,300. Cruise visitors (and to a lesser extent those arriving by yacht) provide the greatest scope for increasing the economic benefit of tourism on Tristan da Cunha.

Demand for tourism in Tristan da Cunha is primarily driven by two key products: *Adventure in a Remote Island Destination* and *Bird Watching*. Both these products offer unique selling points for the destination, and allow it to compete effectively with other destinations around the world; these will drive demand for visits by cruise operators. However, both rely on the natural environment, and without them the appeal of the destination would significantly diminish. Therefore, the establishment of a Marine Protection Area (MPA) is, without doubt, a positive development for the sustainability of tourism on the islands. However, it would be misleading to suggest that the establishment of an MPA will have a *direct* positive impact on tourism in the short to medium term, in particular as the volume of visitors is so small.

The expedition cruise sector is expanding rapidly, and there are 28 new expedition-style vessels scheduled for launch over the period to June 2022. These vessels are larger than the first generation of expedition ships, and typically have in excess of 200 berths. This growth is expected to have a direct impact on Tristan da Cunha, with demand predicted to rise as a consequence of increased demand for Antarctica. There is also increased interest in destinations along the mid-Atlantic ridge: Tristan da Cunha – St. Helena – Ascension – Cape Verde.

To expand the economic impact of tourism in Tristan, it is recommended that a Destination Cruise Manual is developed to actively engage with all the Antarctic operators, including those what currently do not include Tristan in their itineraries. The region will become increasingly busy, and operators are looking for new destinations to include.

Tours on the Island are currently charged at a rate that is significantly lower than most other destinations. There is scope to, at least, double current rates, even with untrained guides - visitors value being in the company of a local, trained or untrained. A tour guide course could be set up in Tristan to increase confidence of guides, as well as encourage women to become guide visitors.

Revenue from food and drink is relatively low (£1.50 per cruise visitor). There is scope to increase this by offering a 'traditional Tristan tea' similar to the 'Falklands Smoko' that

generates around £8 per visitor in the Falklands. Cruise operators typically buy into this before arrival, and therefore it is included in the price visitors pay for their cruise. Consequently, it does not impact on their expenditure on other items whilst on the Islands, such as shopping.

There is also scope to increase expenditure on shopping, in particular clothes shopping, by developing a brand that is likely to appeal to the international cruise markets. Something along the lines of the Tristan da Cunha flag, or a well-designed logo featuring the rockhopper or the shape of the island could be attractive. This can be woven on all the relevant items, creating a coherent line of clothing (t-shirts, jackets, hoodies, fleeces, hats, etc.) with the same brand.

It is projected that by 2024, Tristan da Cunha could be attracting around 10 cruise ships per season (Acorn Tourism). With the increased immigration revenue from the additional volume of visitors, and additional revenue from changes to tours, food and drink, and shopping provision, it is estimated that net revenue of at least £135,000 could be generated, an increase of approximately £85,000.

1. INTRODUCTION

This study was commissioned by the South Atlantic Environmental Research Institute (SAERI) to undertake an assessment of the potential for tourism on Tristan da Cunha. The findings contribute evidence to a programme of natural capital assessment (NCA) being implemented by the UK Joint Nature Conservation Committee (JNCC) and conducted by the South Atlantic Environmental Research Institute (SAERI) in the UK South Atlantic Overseas Territories. Funded by the Foreign and Commonwealth Office (FCO) managed Conflict, Stability and Security Fund (CSSF), the work sits under its Environmental Resilience programme which includes objectives to integrate natural capital considerations into economic and social development planning. It was undertaken by Acorn Tourism Consulting Limited (Acorn) and Head of Tourism on Tristan da Cunha, Dawn Repetto. Desk research was conducted along with phone interviews with various stakeholders on Tristan da Cunha and around the world - in particular with cruise operators.

The main aims of the study were to:

- Undertake baseline research of the natural and built tourism product.
- Undertake a tourism demand assessment of arrivals and expenditure.
- Assess market access, identifying what is required to increase demand.
- Assess the potential economic impact of developing tourism.

Developing tourism in destinations with limited access usually focuses on increasing value rather than volume. In other words, increasing the expenditure of visitors rather than the number of visitors. To a large extent, in Tristan da Cunha this should also be the cornerstone of a tourism development strategy, although there is scope for growth in visitor numbers arriving on cruise vessels.



2. ACCESS AND VISITOR ARRIVALS

Tourism thrives in destinations that offer a unique or excellent product that sets them apart from other destinations. For island destinations, in particular remote ones, the quality of the product needs to be outstanding due to the additional costs that are usually incurred by visitors to reach them. In other words, the greater the barriers, the more attractive the tourism product must be to encourage visitors.

Tristan da Cunha's remoteness is both an attraction and a barrier to tourism growth. The lack of air access obviously makes visiting the destination challenging, however, the availability of berths is also highly limited.

Table 2.1 below shows the number of berths on scheduled vessels to Tristan da Cunha each year. However, in reality availability to leisure visitors is considerably less than this as many are taken up by returning residents, research and business visitors, and those visiting family members living on the Island.



Table 2.1: Scheduled Vessels to Tristan da Cunha

| Vessel Name | Frequency | Visitor Berths | Return Fare (£) |
|----------------------------|-----------------------|----------------|-----------------|
| SA Agulhas II | Once a year (Sep-Oct) | 40 | £500 |
| MFV Edinburgh | 6 (approx.) | 12 | £800 |
| MFV Geo Searcher | 3 (approx.) | 12 | £800 |
| Annual Pax Capacity | | 148 | |

Source: Acorn

Notes: (1) Return fare is approximate adult tourist rate

(2) Visitor berths are the maximum available, and typically many are taken up by medical and resident pax

So few are the number of overnight leisure visitors to Tristan da Cunha that no specific records are kept of these arrivals. However, anecdotally they typically account between 10 and 20 visitors a year.

Visitors arriving by cruise vessels and on yachts are greater in number, although still small. Table 2.2 shows that there were 918 cruise passengers visiting Tristan da Cunha in the 2017-2018 season, generating significant **net** revenue of £50,370 (including all fees, shopping, and other goods sold and services rendered).



Table 2.2: Cruise Ship Visitors to Tristan da Cunha

| Season | No. of Cruise Vessels | Pax | Revenue (£) | Cost of Sales (£) | Net Revenue (£) | Net Revenue/Pax (£) |
|---------|-----------------------|-----|-------------|-------------------|-----------------|---------------------|
| 2017-18 | 5 | 918 | 61,061 | 10,691 | 50,370 | 54.55 |
| 2016-17 | 4 | 292 | 25,838 | 4,392 | 21,446 | 60.86 |
| 2015-16 | 4 | 268 | 33,895 | 7,211 | 26,684 | 73.47 |
| 2014-15 | 2 | 99 | 12,855 | 2,946 | 9,909 | 91.40 |
| 2013-14 | 3 | 193 | 26,292 | 7,092 | 19,200 | 104.09 |
| 2012-13 | 3 | 463 | 17,501 | 8,681 | 8,820 | 76.58 |

Source: Tristan da Cunha Government

Notes: (1) Excludes military vessels, RMS St Helena, and research vessels

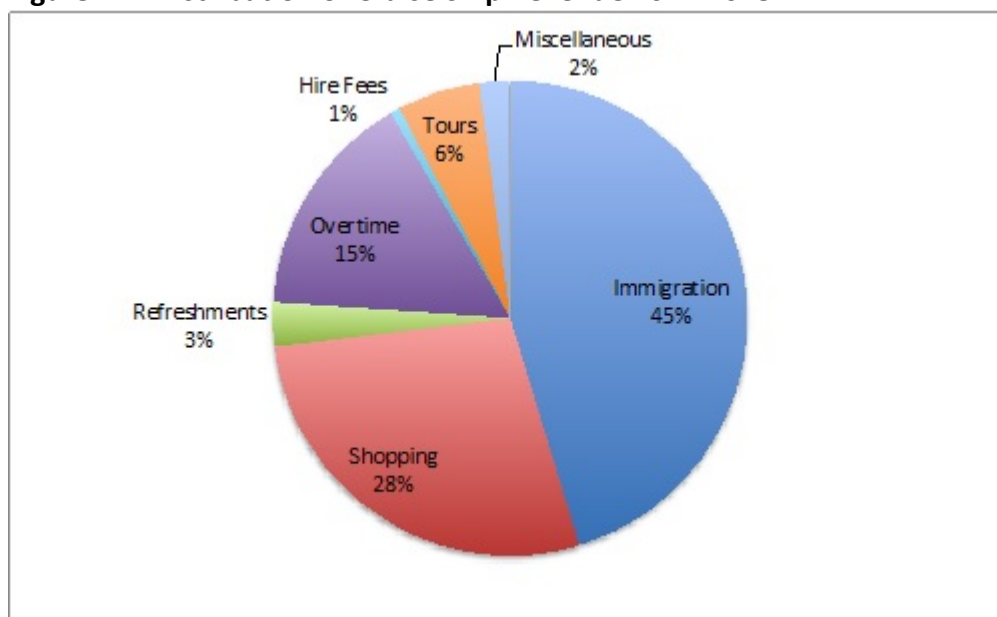
(2) Includes cruise vessels that have landed or in case of bad weather have been able to take on board Tristan residents for commentary and sales of goods

The net revenue per passenger was £54.55 in 2017-2018 – this includes revenues to the Government from taxes and levies, and passenger expenditure on goods and services **less** the cost of providing them. Therefore, it is a figure that is close to what can be considered as the value added to the economy of Tristan da Cunha from cruise tourism.

It is notable that there has been a decline in net revenue per passenger over the period since 2013, from £104.09 to £54.55 in 2017-2018. Analysis of direct passenger expenditure (what is classified as Venues, Refreshments, Tours and Miscellaneous) has also declined. In 2015-2016 this totalled £65.44, but was just £25.62 in 2017-2018.

The distribution of cruise ship revenue in the 2017-2018 season is shown in Figure 2.1. Approaching one-half of all revenue is collected from vessel arrival taxes and fees, with a further 15% being charged for overtime/guide payments. Of direct visitor expenditure, shopping constitutes by far the largest segment (over one-quarter of all revenue).

Figure 2.1: Distribution of Cruise Ship Revenue 2017-2018



Source: Tristan da Cunha Government

Yacht visitors in the 2017-2018 season were also the highest in recent years, albeit representing a relatively small 46 arrivals. Yacht visitors spent a net £2,307, with the net revenue equivalent of £33.82 per passenger, as shown below in Table 2.3.

Table 2.3: Yacht Visitors to Tristan da Cunha

| Season | Pax | Revenue (£) | Cost of Sales (£) | Net Revenue (£) | Net Revenue/Pax (£) |
|---------|-----|-------------|-------------------|-----------------|---------------------|
| 2017-18 | 46 | 2,307 | 0 | 2,307 | 33.82 |
| 2016-17 | 23 | 2,810 | 596 | 2,214 | 51.98 |
| 2015-16 | 44 | 2,527 | 262 | 2,265 | 25.47 |
| 2014-15 | 7 | 1,059 | 355 | 704 | 179.40 |
| 2013-14 | 58 | 7,127 | 1,097 | 6,030 | 78.63 |
| 2012-13 | 25 | 990 | 27 | 963 | 26.02 |

Source: Tristan da Cunha Government

3. LEISURE TOURISM PRODUCT

3.1 Introduction

Aside from the important issue of access, the most significant driver of tourism demand is the *product* in the destination. The *product* allows target markets to be clearly defined, and subsequently marketing and promotional campaigns to be developed and implemented. For Tristan da Cunha, there are two products that appear to drive demand: primarily, what we have defined as *Adventure in a Remote Island Destination*, and secondly *bird watching*.

3.2 Adventure in a Remote Island Destination

Interviews with cruise ship operators indicate that the key driver for interest in visiting Tristan da Cunha is its remoteness – visiting a community that lives in an isolated part of the world that few other people have been to. Visits tend to involve any number of different activities, many of which are weather dependent, but include those listed in Table 3.1 below.

Table 3.1: Key Activities and Tours Available on Tristan da Cunha

| Tour | Details |
|------------------|---|
| Walks and Climbs | Settlement tours and walks to the potato – patches; £8 per person 1961 volcano and Traditional Thatched House Museum; £11 per person The Base – 2 hours; £60 per guide Queen Mary’s Peak – 5-10 hours; £200 for 2 guides |
| Boat trips | Local trips (weather permitting) for offshore fishing, trips around Tristan, trips to Nightingale or Inaccessible (5-6 pax max). Boat hire approx. £50; guide £32 |
| Fishing | Beach fishing; £10 per person Fishing trips for up to 8 can be organised. Boat hire approx. £50 per person; guide £32 |
| Golf | £20 per round (incl. golf hat, score card, certificate) |

For health and safety and for wildlife conservation reasons, visitors to Tristan must be accompanied by a guide on all trips outside the Settlement/Potato Patch areas, or for landings on/zodiac trips around the other islands.

In addition to Tristan da Cunha, cruise ships sometimes visit Nightingale and Inaccessible Islands, either landing passengers or conducting zodiac trips around the islands. This requires clearance from Tristan da Cunha Government as well as the provision of guides at the ratio of one to every eight passengers. Gough Island is also visited by some cruise ships, although whilst it is not possible to land passengers, zodiac trips around part of the island are possible if the weather conditions allow.

3.3 Bird Watching

Bird watching is a serious and passionate recreational activity for many millions of people worldwide, and as an activity it is greatly enriched by travel. Bird watchers range from casual birders to highly motivated specialist birders who are willing to pay more and travel further. Birds' annual migratory patterns play an important part in the choice of destination, and tours to countries that lie on these routes are typically popular, such as Central and South America (Mexico, Colombia, Belize, Costa Rica and Panama) and Africa (Kenya, Tanzania, Uganda, Botswana and Namibia). Destinations with iconic and endemic species, such as flamingos, albatrosses and penguins, also have considerable allure.

The Tristan group of islands is a key destination for three species of breeding albatross, two of which are endangered and one is classified as critically endangered, the Northern Rockhopper penguin, and a number of other species of sea birds. For keen bird watchers, the islands are of significant interest.

Table 3.2: Significant Bird Species in the Tristan Group of Islands

| Bird Species – Sea Birds | Common Location |
|--|--|
| Tristan albatross (endemic; critically endangered) | Gough Island, a few on Inaccessible Island |
| Atlantic yellow-nosed albatross | Tristan Group |
| Sooty albatross | Tristan Group |
| Northern Rockhopper penguin (endemic) | Tristan Group |
| Southern giant petrel | Gough Island |
| Spectacled petrel (endemic) | Inaccessible Island |
| Atlantic petrel (endemic) | Tristan da Cunha |
| Great shearwater (near endemic), broad-billed prion, other petrels | Tristan Group |
| Skuas and terns | Tristan Group |

| Bird Species – Land Birds | Common Location |
|---|--------------------------------|
| Inaccessible Island rail (threatened with extinction) | Inaccessible Island |
| Gough moorhen | Tristan da Cunha, Gough Island |

Inaccessible and Gough islands are both designated UNESCO World Heritage Sites, and Gough Island is one of the world’s most important seabird islands. Distances between the islands are not insignificant, making trips heavily dependent on good weather and sea conditions.

Table 3.3: Distances between the Tristan Group of Islands

| Islands | Distance between |
|-----------------------------|---|
| Tristan to Nightingale | 38 kilometres (from Cave Point) 49 kilometres (from Calshot Harbour) |
| Tristan to Inaccessible | 40 kilometres (from Longbluff) 48 kilometres (from Calshot Harbour) |
| Tristan to Gough | 350 kilometres (south to south east) |
| Nightingale to Inaccessible | 22 kilometres |

4. TOURIST FACILITIES

4.1 Introduction

With so few overnight leisure tourists, there has been little requirement for the development of tourist attractions in Tristan da Cunha. Cruise visitors generally visit for a single day and tend to engage in the activities shown in Table 3.1. These are sufficient to keep visitors busy for the duration of their relatively short visit. There is, however, accommodation availability for overnight visitors, a café and a bar, and some retail.

4.2 Accommodation

Overnight visitors to Tristan da Cunha either rent a guesthouse (catered or self-catering) or stay in homes on a full-board basis (homestays). Bookings are centralised via the Island's Government, which allocates visitors to appropriate guesthouses on a rotation basis to ensure fairness. In addition to a number of homestays, there are 11 guesthouses and the Thatched House Museum, which is available for one night stays.

Overall there are an estimated 32 rooms and 58 bed spaces available in guesthouses on Tristan da Cunha. In addition to this, there are rooms available in island homes (homestays). Typically these accommodation are utilised by business visitors.

Homestays are charged at the same price as catered guesthouses (self-catering: £25 pppn + gas/electricity charges, children £12.50; catered: £50 pppn full board + laundry, children £25). For privately owned properties, 75% of the accommodation charge is paid to the family and 25% to Government.

Table 4.1: Guest House Accommodation in Tristan da Cunha

| Accommodation Establishment | Details |
|-------------------------------|---------------------------------|
| Thatched House Museum | 1 Bedroom (sleeps 2) |
| William Glass Guest House | 4 Bedrooms (sleeps 6) |
| Rockhopper Cottage | 3 Bedrooms (sleeps 5) |
| Gaetano Lodge | 3 Bedrooms (sleeps 6) |
| Mabel Clark Guest House | 5 Bedrooms (sleeps 8) |
| Sea View Lodge | 2 Bedrooms (sleeps 4) |
| Government Bungalow x 3 | 2 Bedrooms (sleeps 12 in total) |
| Bungalow Italia | 2 Bedrooms (sleeps 4) |
| Traveller's Lodge Guest House | 2 Bedrooms (sleeps 4) |

| | |
|-----------------------------------|--------------------------------|
| Mountain Lodge Guest House | 2 Bedrooms (sleeps 3) |
| Iris & Martin Green's Guest House | 1 Bedroom (sleeps 2) |
| Fair View Guest House | 1 Bedroom (sleeps 2) |
| Estimated Total | 32 rooms, 58 bed spaces |

4.3 Food and Drink

The Café da Cunha and Albatross Bar open daily, and are popular with cruise ship visitors. In the 2017-2018 season, cruise ship visitors spent around £2,000 on food and drinks in these venues.

Table 4.2: Food and Drink Outlets in Tristan da Cunha

| Name | Location | Details |
|---------------|------------------------------|---|
| Café da Cunha | Post Office & Tourism Centre | Open daily in mornings; varied times |
| Albatross Bar | Prince Philip Hall | Open daily in afternoons/evenings; varied times |

4.4 Shopping

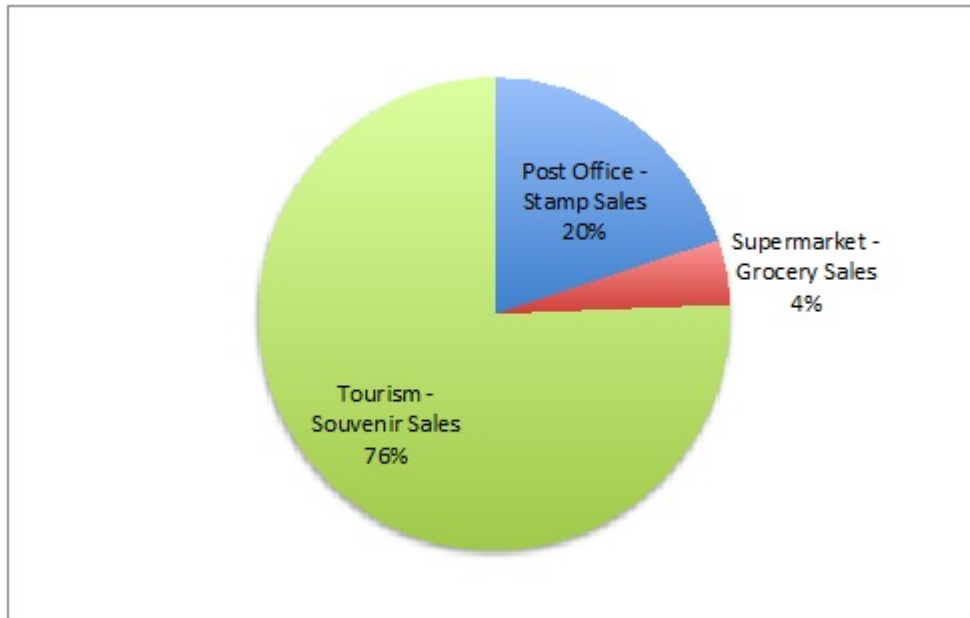
During the 2017-2018 season, cruise ship tourists spent around £13,000 on shopping items in the various outlets (see Table 4.3 below). A further £3,000 was spent on private souvenir sales.

Table 4.3: Shopping Outlets in Tristan da Cunha

| Shop | Details |
|---|---|
| Island Store | Groceries, clothing, household goods, local crafts |
| Handicrafts & Souvenir Shop, Post Office & Tourism Centre | Local crafts. Varied opening times and additional opening times during cruise ship visits |
| Rockhopper Gift Shop, Station Lane | Local crafts |

Souvenir sales in the Tourism Centre accounted for around three-quarters of all sales, with stamp sales making up a significant 20%.

Figure 4.1: Distribution of Shopping by Cruise Visitors to Tristan da Cunha



Source: Tristan da Cunha Government

5. SWOT ANALYSIS

The SWOT (Strengths, Weaknesses, Opportunities and Threats) chart below provides an evaluation of Tristan da Cunha from the perspective of its tourism development potential. The purpose of a SWOT chart is to identify:

- The strengths of a destination, which are the obvious focus for tourism development
- The weaknesses that could constrain development
- The opportunities that could be turned into strengths
- The threats that could damage the strengths and opportunities

| Strengths | Weaknesses |
|--|---|
| <p>Exceptional bird life and scenic beauty</p> <p>Remote and authentic destination – British Overseas Territory</p> <p>More than just one destination: also includes Nightingale, Inaccessible, Gough Islands</p> | <p>No access by air</p> <p>Unfavourable sea conditions often prevent cruise ships, yachts and other vessels from landing</p> <p>Lack of berths on working vessels that serve the islands, limiting access</p> <p>Isolated location means cruise ships are at sea for several days to reach the islands</p> <p>Tourism competes with fishing in terms of human resources</p> |
| Opportunities | Threats |
| <p>Rapidly growing cruise industry in the Polar Regions (Arctic and Antarctic)</p> <p>Broadly en-route for relocating cruise vessels between the Arctic and Antarctic</p> <p>British consumer interest in Atlantic Overseas Territories (including the Falklands, Ascension and St. Helena)</p> <p>UK Government commitment to establish Marine Protected Area by 2020</p> <p>Expand activities and shopping products available to cruise visitors</p> | <p>Increased competition for cruise ship visits amongst the South Atlantic destinations</p> <p>Loss of birdlife from predation by mice and multiple, global, pressures on seabirds (in particular on Gough Island – 80% of albatross chicks die every year)</p> |

6. TOURISM POTENTIAL ASSESSMENT

6.1 Introduction

The potential for tourism in Tristan da Cunha (as set out in Chapters 2 and 3) is largely dependent on maintaining an attractive tourism product, and enabling (as much as possible) access to the islands. As part of the UK Government's Blue Belt Programme, the Government of Tristan da Cunha (TdCG) has committed to adopting a marine protection strategy by 2020. The principal aims of this strategy are to protect the vulnerable species and ecosystems whilst maintaining sustainable fishing. This strategy, that would involve the establishment of some form of Marine Protected Area (MPA) is, without doubt, a positive development for the sustainability of tourism to the islands.

Birdlife and the natural environment are the core tourism products, and without them the appeal of the destination would significantly diminish. Therefore, any strategy that focuses on their protection can be considered positive. However, it would be misleading to suggest that the establishment of an MPA will have a direct positive impact on tourism in the short to medium term, in particular as the volume of visitors is so small.

6.2 Cruise Tourism

6.2.1 Current Situation

Interviews with cruise operators currently including Tristan da Cunha in their itineraries report highly favourably about their experiences at the destination. They are made to feel very welcome, and visitors rate their experiences highly. The uncertainty of being able to disembark visitors due to sea conditions does not appear to detract from including Tristan in itineraries – the key factor is market demand. Many cruise operators report that one visit to Tristan da Cunha every year or every two years is as much as the market can support.

Taxes and fees levied by TdCG are broadly in line with those charged by the Falkland Islands, and are appropriate to the services being rendered. Therefore, cruise ships are unlikely to be discouraged from visiting the islands due to these costs. The remoteness of the islands and their distance from existing cruise routes is usually the reason for not including them in itineraries. Although landing passengers on Tristan is not guaranteed, it does not appear to put off cruise ship operators. Tristan people make a big effort to get on board cruise ships if they are unable to land passengers for a circumnavigation of the island, and the passengers really appreciate this.

6.2.2 Growth of the Expedition Sector

The expedition cruise sector is expanding rapidly, and there are 28 new expedition-style vessels scheduled for launch over the four years between June 2018 and June 2022. The new ships are set to surpass the level of luxury currently seen in the market, and there are several new entrants such as Scenic Cruises and Mystic Cruises. A total of 11 new ships will join the expedition fleet in 2019 alone. Virtually all of these new vessels are operated on a similar business model: *to go to very unique places, such as Antarctica and the Arctic, and charge a*

high ticket price while offering an exclusive and safe sense of adventure (Cruise Industry News and personal communications).

These new ships will offer a level of comfort that far exceeds those offered by the original expedition vessels, which were the iconic rugged and functional Russian research ships. Growth over recent years has been led by Silversea and Ponant; the latter expanding particularly aggressively with seven new ships to follow after the launch of Le Laperouse in June 2018.

Seabourn has plans to launch two 264-passenger expedition ships in 2021 and 2022, both due to visit the Polar Regions, and Hurtigruten, Lindblad and Silversea also have new ships in the pipeline. Viking Cruises are set to become new entrants to the expedition cruising market in Antarctica with plans to build new vessels over the next five years, and report a desire to visit Tristan da Cunha on a Cape Town – Ushuaia route, spending two full days on Tristan, taking visitors to Nightingale, and also visiting Gough Island. Current cruise bookings to Tristan da Cunha are shown in Table 6.1.

Table 6.1: Cruise Ship Scheduled Visits to Tristan da Cunha (2018-2021)

| Year | Ship | Operator |
|-------------|----------------------------|-----------------------------------|
| 2018 | Seabourn Sourjorn | Seabourn/Holland America/Princess |
| | Silver Cloud | Silversea |
| | Le Lyrial | Ponant |
| | Ocean Adventurer | Quark |
| | Plancius | Oceanwide Expeditions |
| | (Seven Seas) - not landed | Regent Seven Seas/NCL/Oceania |
| | (Bark Europa) - not landed | Bark Europa |
| 2019 | Le Lyrial | Ponant |
| | Silver Cloud | Silversea |
| | MS Bremen | Hapag Lloyd |
| 2020 | Le Lyrial | Ponant |
| | Silver Cloud | Silversea |
| | Plancius | Oceanwide Expeditions |
| 2021 | Le Lyrial | Ponant |

Source: Acorn

Although expedition vessels will remain relatively small, they are increasing in size. Over the next three years there will be the launch of at least 27 expedition vessels (see Table 6.2 overleaf), which excludes ships that are being built for specific destinations such as the Galapagos. The average number of berths on these ships is 236, and the offer is diverse - from 3-star adventure to 6-star luxury. The English-speaking market is strong, although new growth is emerging from Germany and China.

Table 6.2: Expedition Cruise Vessel Launches 2019-2021

| Name | Company | Pax |
|-----------------------|-----------------------|--------------|
| 2019 | | 2,634 |
| Hanseatic Nature | Hapag-Lloyd | 230 |
| Roald Amundsen | Hurtigruten | 530 |
| Hondius | Oceanwide Expeditions | 196 |
| Fridtjof Nansen | Hurtigruten | 530 |
| Le Bougainville | Ponant | 180 |
| Le Dumont-d'Urville | Ponant | 180 |
| Greg Mortimer | SunStone / Aurora | 160 |
| Hanseatic Inspiration | Hapag-Lloyd | 230 |
| Magellan Explorer | Antarctica XXI | 100 |
| TBC | Ritz-Carlton | 298 |
| 2020 | | 1,274 |
| NG Endurance | Lindblad Expeditions | 126 |
| Le Bellot | Ponant | 180 |
| Crystal Endeavour | Crystal | 200 |
| Eclipse II | Scenic | 228 |
| Le Surville | Ponant | 180 |
| TBC | SunStone | 160 |
| TBC | Quark Expeditions | 200 |
| 2021 | | 2,468 |
| TBC | Ritz-Carlton | 298 |
| TBC | SunStone | 160 |
| TBC | SunStone | 160 |
| TBC | Hurtigruten | 530 |
| Le Commandant Charcot | Ponant | 270 |
| Hanseatic Spirit | Hapag-Lloyd | 230 |
| TBC | Seabourne | 264 |
| TBC | Crystal | 200 |
| TBC | Hapag-Lloyd | 230 |
| TBC | Lindblad Expeditions | 126 |

Source: Cruise Industry News: 2018 Expedition Market Report, Acorn

This expedition vessel growth is expected to have a direct impact on Tristan da Cunha. Whilst not all cruise operators are currently looking at including Tristan da Cunha in their itineraries, many are, such as Ponant who have visits scheduled in 2019, 2020 and 2021. Demand for Tristan da Cunha is expected to increase as a consequence of increased demand for Antarctica, and whilst most cruise operators report that it is difficult to sell more than one Tristan cruise a year, the more operators there are in the region, the more Tristan da Cunha is likely to benefit. Also, as Brazil and West Africa are not popular/safe destinations amongst cruisers, there is increasing interest in destinations along the mid-Atlantic ridge, such as Cape Town – Tristan da Cunha – St. Helena – Ascension – Cape Verde. These destinations also fulfil increasing desire of cruise passengers looking for remoteness, exclusivity, luxury and a 'wow-factor'.

6.3 Overnight Tourism

Overnight tourism has limited potential, and this is unlikely to change unless access to Tristan improves, such as through the regular operation of a vessel with 100+ berths, most typically between Cape Town and Tristan da Cunha. This is unlikely, with there being no obvious economically viable model to serve the islands with a passenger/cargo vessel (similar in size to the decommissioned RMS St Helena) on a regular basis. Business tourism is expected to drive accommodation demand and revenue, which will also be an important contributor to shopping and food and drink sales.

SAVE (Scientific, Academic, Volunteer and Education) tourism is a rapidly developing niche that could have potential for expanding the overnight tourism sector in Tristan da Cunha. Participants typically join programmes that have been created by local businesses, non-profit organisations, and governmental bodies, and are promoted to a wider public via specialist tour operators. There is much overlap between the four niches; becoming involved in a bird conservation project could be regarded as both scientific and academic, as well as volunteering if the position is unpaid. Whilst SAVE tourism could be a serious consideration for developing the overnight tourism sector, whilst access to the Island remains difficult it is unlikely that operators would be interested in pursuing this market

Other overnight tourism niches, such as bird watching, dark skies tourism, geology tourism, trips driven by adventure/remoteness/wilderness travel, interest in postage stamps, and interest in visiting British Overseas Territories will maintain a steady demand for Tristan da Cunha as a place to visit, typically amongst retired and relatively wealthy travellers, due to the time it takes to make a trip. However, demand will be capped by the supply of berths on vessels.

7. RECOMMENDATIONS

7.1 Introduction

As the expedition cruise sector grows rapidly over the next few years, Tristan da Cunha is well situated to benefit from both an increased number of vessels calling, and increased visitor expenditure. Calls towards the end of the season (around March) when vessels are repositioning are expected to remain the most popular.

Cruise operators typically plan itineraries three years in advance, so any changes are not expected to be immediate, however this does allow for measured planning and preparation for any increase in visitor numbers.

7.2 Cruise Itineraries

Tristan da Cunha produces an attractive and informative newsletter 'Tourism News' that is sent to a selection of cruise operators periodically, and it is clear that this is a worthwhile activity. Discussions with operators showed that there is considerable awareness of the destination.

However, ensuring a sound presence in the market, in particular to raise awareness with new cruise operators, is essential. Attending (or having representatives at) events such as Seatrade Cruise Global (Miami) and being a member of the International Association of Antarctica Tour Operators (IAATO) and attending its annual conference (in 2019 this is in Cape Town) is advisable.

This was demonstrated during the research for this report, which generated serious interest from Hurtigruten to include Tristan da Cunha in its itinerary for the 2021-2022 season. As the expedition market rapidly grows it is important to ensure Tristan da Cunha is being considered by all operators. Consequently, it would be useful to have a *Destination Cruise Manual* to circulate to operators, which would typically include:

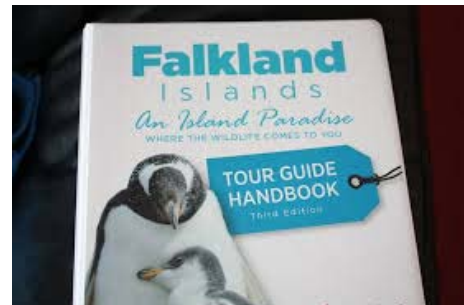
- Information about the destination
- Immigration, landing and harbour fees
- Tours and activities available, including prices
- Key points of interest
- Pictures, in particular of tours and points of interest

7.3 Cruise Tours

Analysis of cruise passenger expenditure on Tristan da Cunha indicates that there has been a significant decline over the last five years. Expedition cruise passengers generally want to discover the culture of the places they are visiting. Once at the destination, they like authentic experiences, engaging with the local community and undertaking home and workplace visits. Consequently, personal tours are valued, and there is considerable scope to increase the price of tours on Tristan da Cunha, as follows:

- Walking tours are currently priced at around £10 per person. These could be increased to £20 as visitors would still perceive this as good value for money being shown around a remote destination by a local guide.
- Entrance fees to the museum could be doubled from £3 to £6 per person.
- Fishing factory and St. Mary's school tours are currently free. Most visitors would be prepared to pay around £10 for such a tour.

There has been reluctance to charge more for tours, as the guides are not 'professional' or trained. However, visitors want an authentic experience, and to 'hear it from a local'. In the Falklands, the Tourist Board has introduced a very successful but low-key tour guide programme that involves a local resident providing training sessions for other interested locals, all based around a well-written handbook, which includes facts and figures about the Islands. This could be considered in Tristan da Cunha and may allow further justification for an increase in tour guide fees.



It is understood that there are occasions when there are not enough guides available for visitors to the Island, typically if a cruise ship clashes with fishing activities. The potential for this issue to arise in the future is likely to increase if there are more cruise vessels visiting. Whilst tour guiding is traditionally a male activity, there is scope for tour guide training amongst women, who can add extra capacity to the number of guides available on the Island. The proposed tour guide course could build up their confidence to speak with cruise visitors.

7.4 Food and Drink Provision

At present, cruise visitors spend an average of approximately £1.50 on food and beverages. There is considerable scope to increase this through offering cruise operators a traditional Tristan tea at a set price. This is very popular in the Falklands, and is typically charged at £8 a head. The settlement providing the tea is paid at that rate for all passengers on the ship regardless of whether they eat or drink anything.

On Tristan, this cruise visitor hospitality could be a community effort, with households each preparing a plate or two of local specialities. Due to the numbers of visitors, it might be best to hold it somewhere with reasonable space, such as the Prince Philip Hall. Without having observed a typical cruise ship day in Tristan da Cunha, it is difficult to make precise recommendations. However, this could generate considerably more income from cruise visitors without having any impact on shopping expenditure, as it will have been included in the cruise fee and not paid for by visitors when on Tristan.

7.5 Shopping Provision

Shopping is a significant revenue earner from cruise visitors, with expenditure averaging around £25 per visitor in the 2017-2018 season; just under one half of this was spent in the Island Gift Shop (around £11.50 per visitor). There is significant scope to increase this expenditure with a review of stock, and potentially ordering a range of clothing with a striking brand. The Tristan flag or crest could prove to be popular, and the rockhopper has the potential to also be used as a logo.

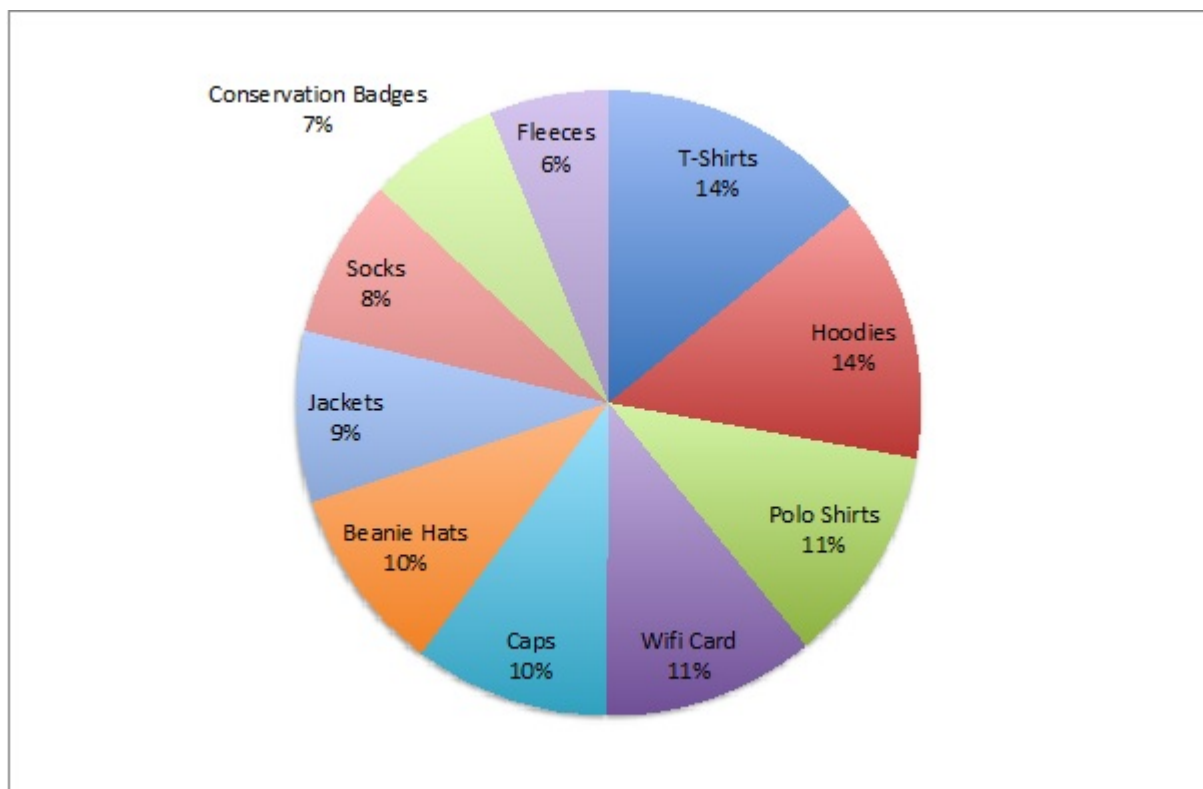


Figure 7.1 shows the top 10 items, by revenue, sold at the Jetty Visitor Centre in the Falkland Islands. It can be seen that almost 40% of all revenue comes from t-shirts, hoodies and polo shirts. These are Falkland Islands predominantly branded with the Falkland Islands Tourist Board logo (see above).



Cruise visitors particularly like to purchase items of clothing they can wear on the cruise itself, and therefore caps and beanie hats retail particularly strongly (20% of top 10 revenue), and even jackets generate strong revenue if relatively low volume.

Figure 7.1: Top 10 Items by Revenue Sold in Jetty Visitor Centre, Falkland Islands



Source: Falkland Islands Tourist Board

7.6 Revenue Potential

Based on the expected growth of the expedition cruise market over the next five years, and with additional marketing from the Tristan da Cunha Government, it is not unreasonable to expect up to 10 cruise ship visits per annum by 2024.

Assuming an average of 200 passengers on each, a total of 2,000 visitors could be expected to visit the Islands. In addition to the income from immigration, additional expenditure could be generated from shopping, food and drinks, and tours.

For the projected income in 2024, the following assumptions have been made:

- A review and refresh of Tristan da Cunha branded clothing, increasing average spend per visitor in the Island Gift Shop from £11 to £16 (additional £5 per person).
- Engagement with cruise companies to provide a 'Tristan Tea'. The assumption is that it would be sold at £8 per passenger, and 60% of cruise ships would buy into it.
- Tour prices (and resulting income) are doubled, in line with international prices and potentially some (low key but effective) guide training.

The impact of these would be to increase net revenue from £50,000 to £135,000, an increase of 171%, and average net revenue per passenger increasing from £54 to £68.

Figure 7.1: Projected Cruise Revenue in 2024

| Income Item | 2018 | Projected: 2024 |
|---------------------------------|---------------|-----------------|
| <i>Passengers</i> | 918 | 2,000 |
| | £ | £ |
| Immigration | 28,000 | 60,000 |
| Venues (Shopping) | 17,000 | 54,000 |
| Refreshments (Food and Drink) | 2,000 | 11,500 |
| Overtime | 9,500 | 21,000 |
| Tours/Events | 3,500 | 15,000 |
| Miscellaneous | 1,000 | 3,000 |
| Total | 61,000 | 164,000 |
| Cost of Sales | 11,000 | 29,000 |
| Net Income | 50,000 | 135,000 |
| Net Income/Passenger (£) | 54 | 68 |

Source: Tristan da Cunha Government and Acorn

Of course, with such a small number of vessels visiting each year, any cancellations or changes of plan by cruise operators will have a large effect on revenues, and this will always be the case in Tristan da Cunha – the uncertainty of revenue will be ever present. However, there is clearly scope to increase revenue from those visitors who are lucky enough to visit the Islands.

7.7 Future Tourism Opportunities

Whilst opportunities for developing overnight tourism are relatively small, due to limited access by sea, the development of tours linking Tristan da Cunha with other British Overseas Territories in the South Atlantic has potential. All destinations offer a product that appeals to a similar market: bird watchers and those interested in the natural environment. Linking up with other islands and encouraging operators to offer the ultimate South Atlantic tour offers an intriguing possibility.

A possible grand tour following a route from Brize Norton – Falklands – Ascension - St. Helena - Cape Town – Tristan - Cape Town - London Heathrow would need to be well timed, but is also a possibility. This is surely something to challenge tour operators and independent travellers alike, who have the time and money to spend in remote unexplored destinations.

SUMMARY

Tristan da Cunha is expected to benefit from the significant growth of expedition cruise vessels and increased consumer interest in Antarctica over the next decade. Whilst being in a remote location, there is growing interest in off-the-beaten track destinations. It is estimated that growth in net revenue from cruise visitors could reach 170% by 2024, from net revenue of £50,000 today to around £135,000. This potential increase will require some changes on the Island in terms of operations and pricing, however none of these should prove to be too difficult to implement if there is a desire to increase visitor numbers and expenditure.