

EMPLOYMENT IN RESORTS 2020



Maldives Bureau of Statistics
Ministry of National Planning, Housing & Infrastructure
Republic of Maldives



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Rapid Assessment of impact of
COVID-19 in the Tourism industry
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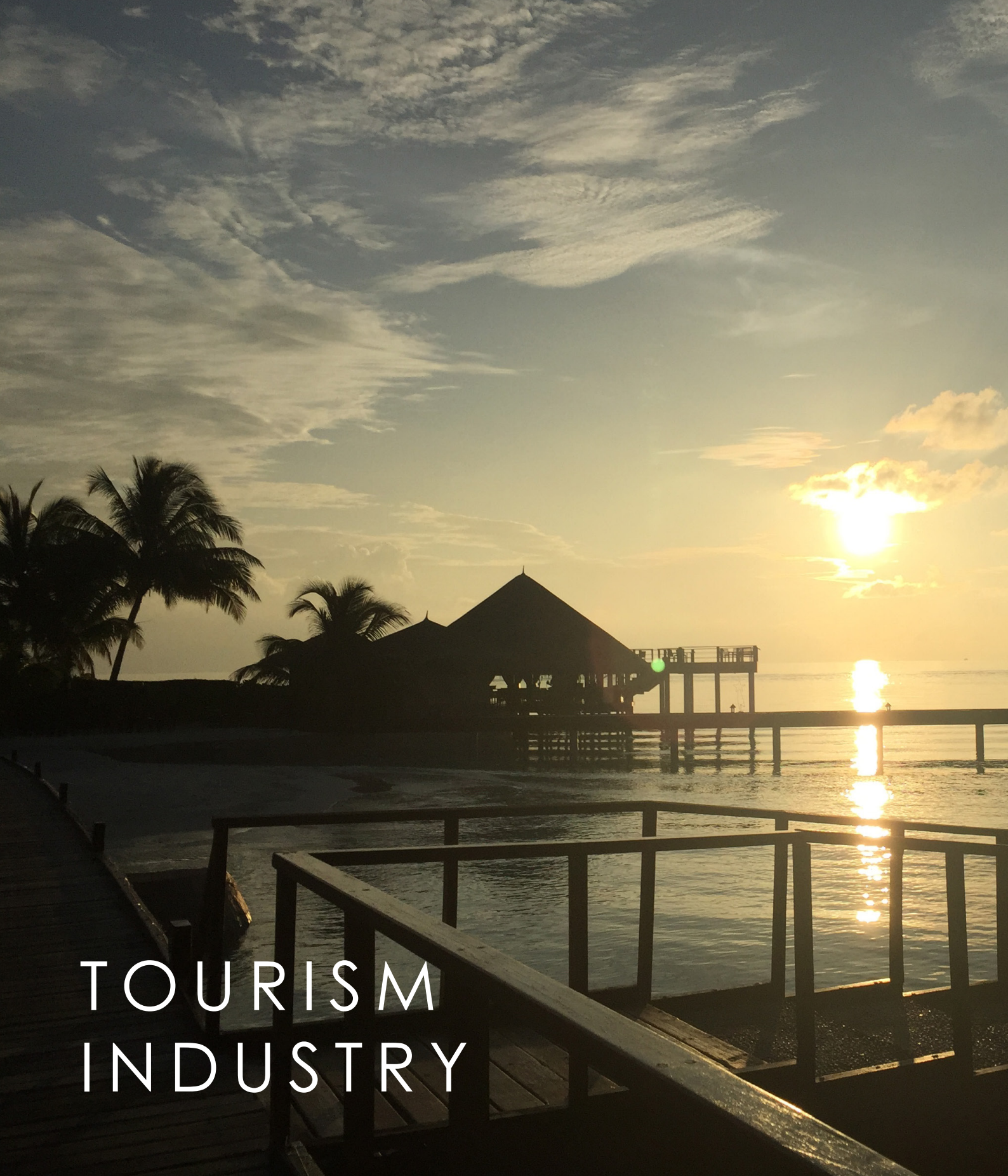


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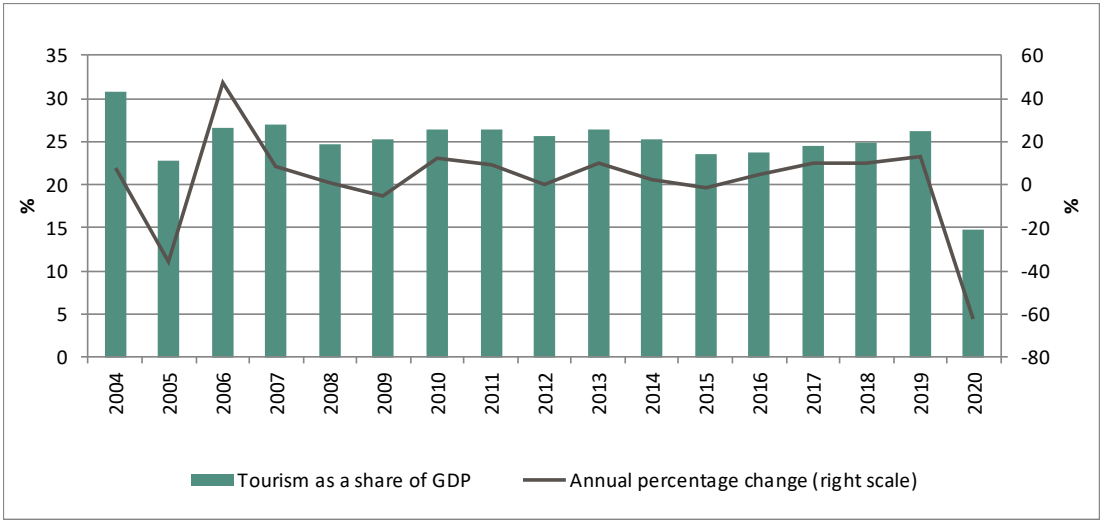
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TOURISM INDUSTRY

The unique geography of Maldives has led to rank the nation as a luxury destination for tourists, with resorts having one island one resort concept offering the perfect all-inclusive remote getaway for tourists. Accordingly, Tourism has been the main contributor to the growth of Maldives Economy. Tourism industry contributes 26% to the country's Gross Domestic Product (GDP). Annual GDP grew at 7% in 2019, with tourism industry growing at 13%.

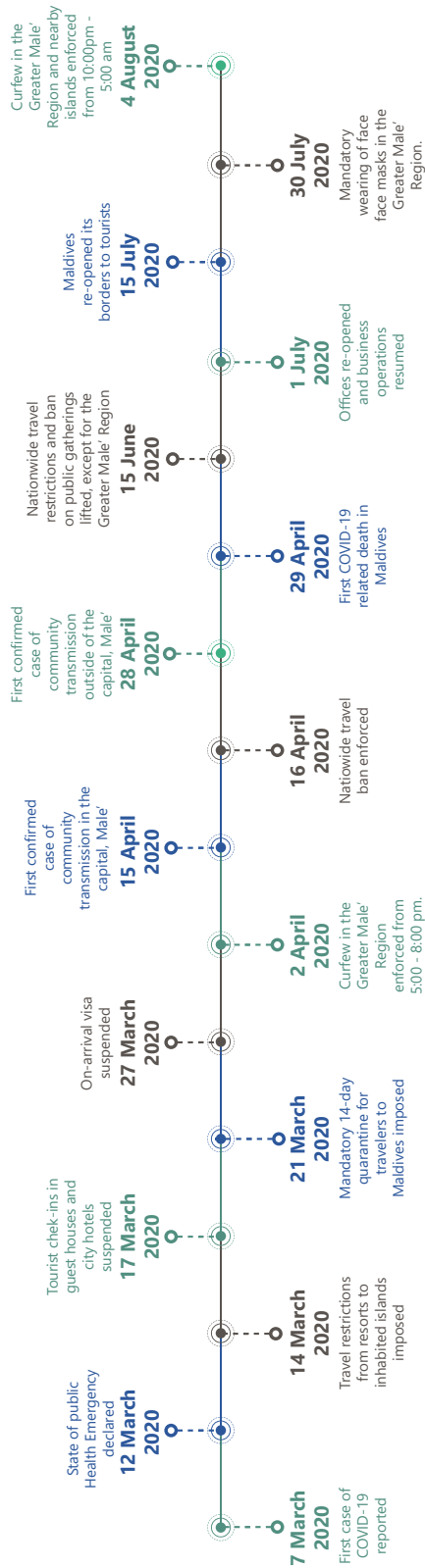
Figure 1:
Tourism Industry's Contribution to GDP, 2004 – 2019



In 2019 the tourism sector experienced a healthy growth where the country welcomed more than 1.7 million tourists, showing a 14.7% growth rate in arrivals. However, the performance of the tourism sector was hit hard by the COVID-19 outbreak during 2020, where it had 555,494 tourist arrivals showing a huge decline of 67 percent compared to 2019.

In 2020 after a strong start in January, tourist arrivals dropped from February and were wiped out in the second quarter as Maldives closed its borders during March in response to the COVID-19 pandemic. Maldives border was closed for international visitors on 27th March 2020 due to global COVID-19 outbreak and was re-opened on 15th July 2020, which temporarily shut down the tourism sector, having a huge toll on the industry, employees and the economy as a whole.

Figure 2:
Timeline of Covid-19 Outbreak in Maldives



COVID-19= coronavirus disease.
Source: Health Protection Agency, Ministry of Health, Maldives Immigration

Tourism is the engine of growth of the Maldivian economy, with linkages to several related economic activities and creates employment opportunities in the country. Tourism is seen as a lifeline in the country, with many island communities relying on the industry for their livelihoods. The sector is seen to be a leading source of employment, particularly for the youth. It also helps island communities to showcase their unique natural and cultural heritage.

With the COVID crisis, the tourism industry operations went into a standstill for a period during 2020, which directly affected the employment and livelihood of a number of workers reliant on the industry. With strict travel restrictions enforced, a halt in tourist arrivals were observed during the period April to June 2020. Fortunately, the growth in arrivals started to pick up following the re-opening of borders during July 2020, although it will take a long time to get to the pre-pandemic levels. Tourist bed nights stood at 10.7 million in 2019 and decreased to 3.9 million in 2020 showing a huge decline of 63 percent when compared to 2019.

According to official statistics of MBS, quarterly GDP declined by 4.2% in Q1, 51.8% in Q2, 44.6% in Q3 and 36.1% in Q4 when compared to same quarter of previous year. The second estimate of annual real GDP of 2020 is estimated at MVR 51,248 million. This is a decrease of MVR 25,914 million compared to 2019, indicating a decline of -33.6% in annual growth rate¹.

Monthly statistics on arrivals and tourist bed-nights during 2019 and 2020 shows an annual growth of 14% in January 2020 in arrivals as well as benights and with the impact of the pandemic remained still below 40% in December, year-end.

Figure 3:
Percentage change in tourist arrivals and bednights, 2019 - 2020



1 <http://statisticsmaldives.gov.mv/nbs/wp-content/uploads/2021/07/QNA-2021-Q1.pdf>

Figure 4:
Tourist Arrivals, 2019 - 2020

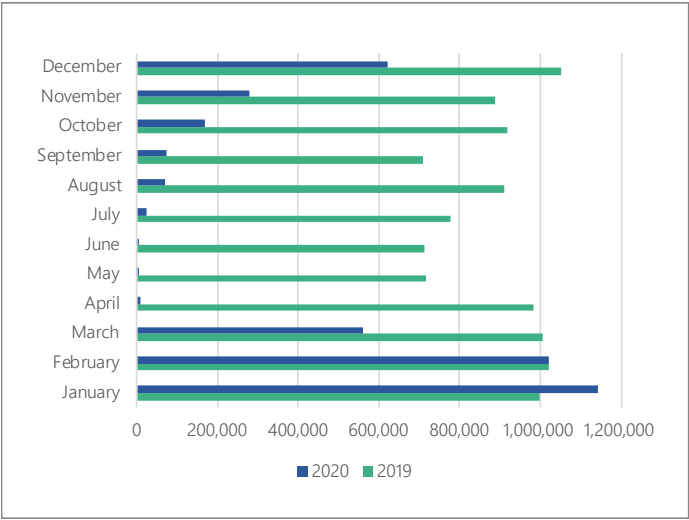
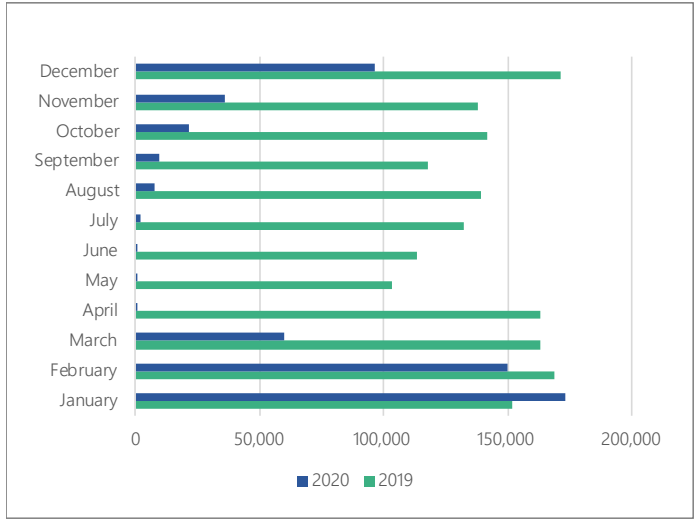


Figure 5:
Tourist Bednights, 2019 - 2020



Apart from tourist resorts, there are other accommodation establishments such as guest houses, hotels and safari vessels registered in the country. At the end of 2019 resorts accounted for 72 percent of registered accommodation establishments and 77 percent of beds in operation. This report focuses only on the employment in these tourist resorts.

EMPLOYMENT IN
TOURIST RESORTS -
2020 ESTIMATES

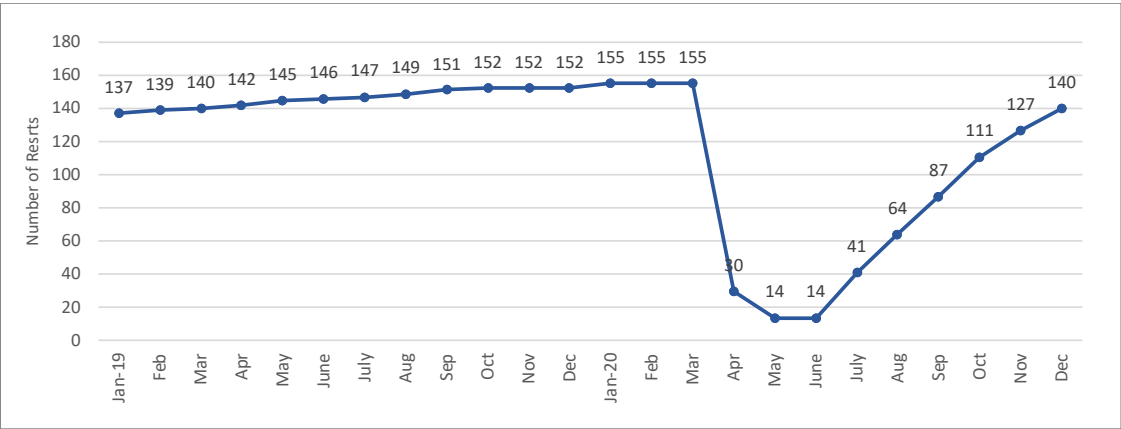
Resort Employment Survey was introduced by Maldives Bureau of Statistics (MBS) to collect national statistics on employment in the tourist resorts. The first such survey conducted in July 2019 collected employment data as of end April 2019. Survey estimated resort employment at 44,954 in 2019 in the 147 resorts in operation. Locals accounted for 47% of employees².

This analysis focuses on the employment data collected in the Resort Employment Survey 2021. In order is to get a sense of the fluctuations in employment during the year, due to the pandemic, the survey collected employment for three different points in time during the year 2020 (beginning of year-January, Mid-year-June and end year-December).

The Resort Employment Survey 2021 was implemented during May to June 2021 and targeted all resorts in operation. It was a web-based survey focused to all resort establishments, mainly collecting data on employment. Responses were received from 42 resorts. These data were raised to the total resort population, based on total operational resorts at the end of 2020 and is used in this analysis.

According to statistics published by the Ministry of Tourism³, a total of 155 resorts were in operation at the beginning of 2020, which dropped to 14 resorts in June 2020, when borders closed due to the pandemic. Since re-opening four month later in July, the number of resorts in operation gradually increased to 140 by the year end.

Figure 6:
Number of Resorts in operation, Jan 2019 to Dec 2020



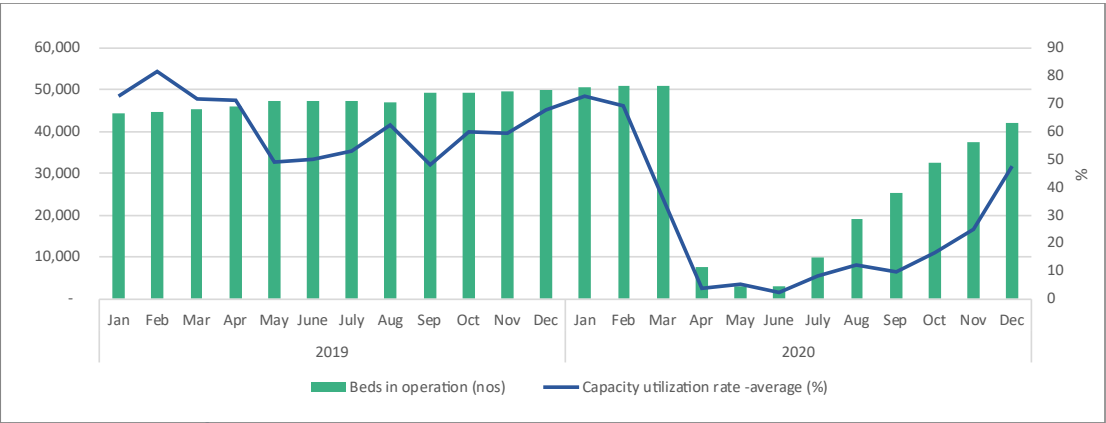
Source: Ministry of Tourism

2 <http://statisticsmaldives.gov.mv/employment-in-tourist-resorts-2019/>

3 <https://www.tourism.gov.mv/statistics/publications/year-2020>

Even after opening the borders, occupancy rates of resorts stood below 20 percent till October 2020, picking up to 55 percent by the end of the year 2020. Annual average of registered beds in resorts that were in operation were 57% in 2020 compared to 96% in 2019. As for the annual average of bed capacity utilisation rate, it was 29% in 2020 compared to 74% in 2019.

Figure 7:
Beds in operation and capacity utilization rate-average(%), 2019 - 2020



Source: Ministry of Tourism

Based on the survey results, at the beginning of year 2020 there were 48,664 employees employed in the resorts. Resort employment from 2019 survey, collected employment data for end April 2019 and estimated 44,954 employees for the year. As such this shows an increase of 8 percent between the nine-month period from April 2019 to January 2020.

Figure 8:
Number of employees in the tourist resort, 2020

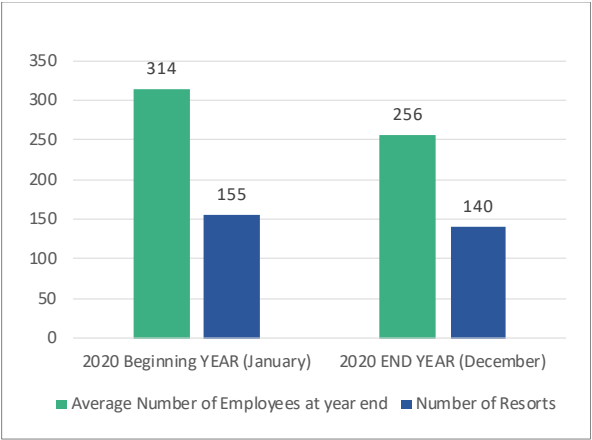
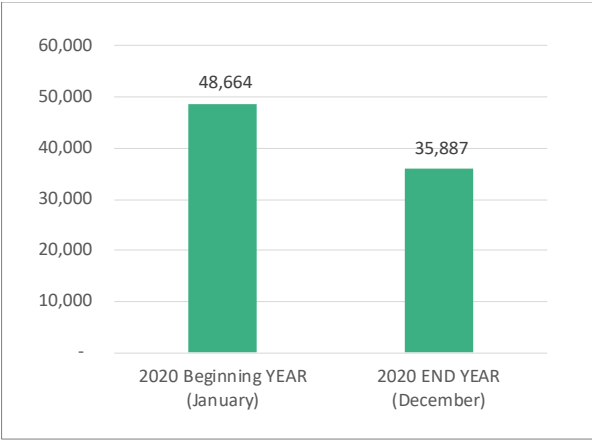


Figure 9:
Average Number of employees in the tourist resort, 2020



With the closure of borders for tourists between March to July 2020, the number of employees at the Mid-year (June) 2020 stood at 4,713. This figure reported is mainly based on the operational staff active at the resorts at the end of June 2020.

Due to COVID-19 pandemic, some tourists were unable to travel back to their home country. As such those resorts continued serving the remaining tourists when resort remained closed as well. Similarly, some of the resorts were used as quarantine facilities during the pandemic.

The survey showed that there were 46 resorts reported with operational staff active at the resort at the end of June 2020. The employment figure reported for these resorts for June 2020 showed a huge decline compared to the beginning of the year showing the effect of the temporary shutdown of many resorts.

Among the resorts that responded to the resort employment survey, 16 resorts responded that they had to lay off employees due to the pandemic. Of these resorts 5% of their employees were laid off. When compared with employees of these resorts at the beginning of 2020, on average 17 employees per establishment were laid off. Note that this is without raising the data, taking the reported establishments only.

Other sources that provide information that can be referred to shed some additional insights include;

- **In order to assess the impact of COVID-19 on resort workers in Maldives, a rapid assessment was conducted by Maldives Bureau of Statistics, during June and July 2020. A total of 310 responses from 41 different resorts were received. Respondents indicated layoffs, extended leave with and with no pay, reduced salaries and benefits, impacting the livelihoods of the employees and their families. (Box 1: Page 30 provides some key issues highlighted)**
- **Furthermore, administrative data from the Ministry of Economic Development from April to December 2020 indicates several resort employees, requesting for income support allowance from the government, due to termination as well as salary reductions⁴.**

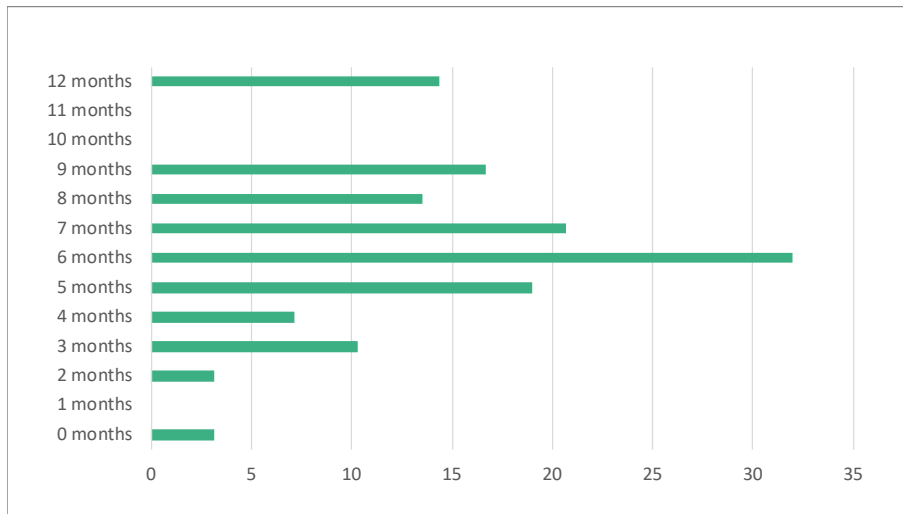
4 According to the Ministry of Economic Development, total of 5,802 employees from a total of 157 tourist resorts received income support allowance from April through December 2020. Of which 1,878 beneficiaries have claimed that they were terminated at least once during the period, 2,728 claimed they were put on no-pay leave at least once, and 2,655 claimed their salary got reduced at least once during the period. Please note that their status has changed throughout the period, and hence these numbers do not add up to the total.

While many other destinations kept their borders closed, Maldives re-opened the borders in July 2020 to tourists from all countries. Accordingly, the results showed the bounce back at the operations level showing a huge increase in the number of employees reported at the end year (December) 2020 which stood at 35,887.

Based on the estimates of 2019, there were 145 operational resorts which had an average of 310 employees where at the end of 2020 there were 140 operational resorts with an average of 256 employees showing the resort sector’s rebound after the hard hit. The number of employees at the end year 2020 when compared to 2019 estimates, it declined by 20% due to the fact of the overall impact by the pandemic.

As the year 2020 had been a year with unexpected downturns to the operations of the resorts, the survey showed that majority of the resorts operated for 6 months during 2020. And it showed that only 14 resorts operated for the whole 12 months during the year 2020.

Figure 10:
Months in Operation of resorts 2020



EMPLOYMENT BY NATIONALITY

Looking at the number of employees at the end year 2020, below two figures shows that out of the total resort employees, the locals accounted for 42% and 58% were foreign workers. Out of the total number of employees, 49% were Male Foreign workers dominating the employment of resort sector.

Figure 11:
Employment - 2020 END YEAR (December)

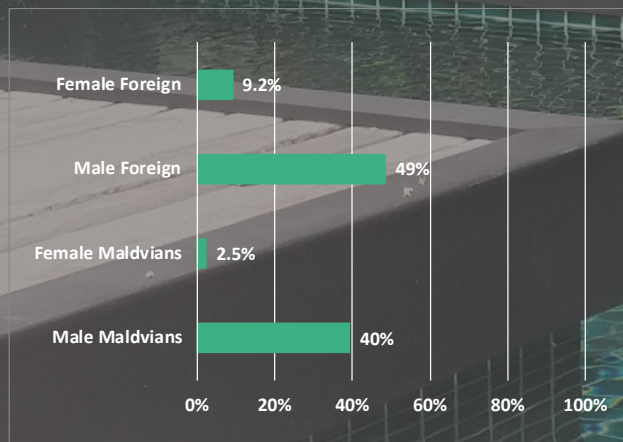
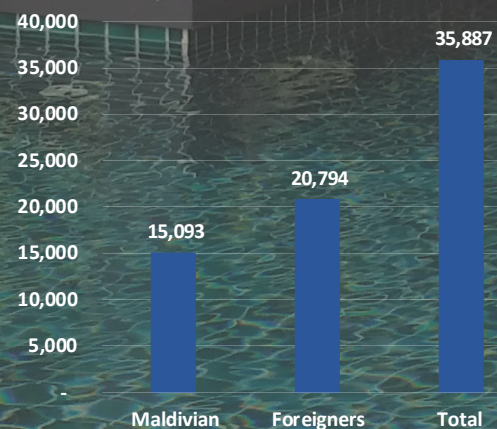


Figure 12:
Employment - 2020 END YEAR (December)



Compared to 2019, the ratio of foreign to local employees had changed a bit where it showed that the locals accounted for 47% in 2019 given a decline of 6 percentage points in 2020.

EMPLOYMENT BY SEX

Gender equality has been recognised largely in the Maldives. However, the differences between men and women continues mostly in the resort sector. Usually, women and men tend to be focused in jobs that are considered to be appropriate for their gender norms in the society.

The survey results also observed huge differences between male and female workers in the resort employment. Tourist resorts in the country has remained and continue to be a male dominant sector where 88% are men, with only 12% of the employees as women. Among males only 40% were locals and among female employees only 3% were locals in 2020.

Figure 13:
Employment by sex - 2020 END YEAR (December)

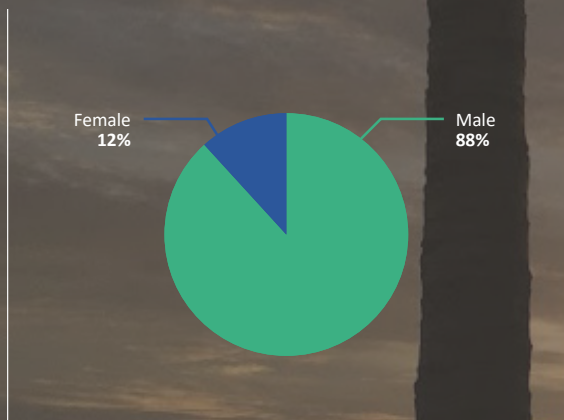
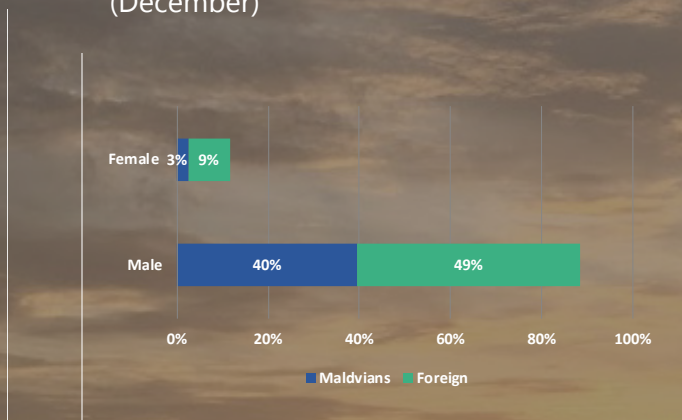


Figure 14:
Employment by gender- 2020 END YEAR (December)



In the Maldives the lower number of women working in the resorts reflects the beliefs on gender roles, with women taking the housework and family responsibilities. With the resorts located in separate islands, with workers often having to live in the resorts, limits women's participation in resort jobs. Women are less mobile, especially to live outside their islands, away from home for extended periods, leaving the children and the elderly back home.

EMPLOYMENT BY STAR RATING



There is no standard star ranking or scoring system used officially in the Maldives for resorts or hotels. However, based on booking.com all the tourist resorts were assigned star category by MBS for the purpose of this survey analysis. At the end of 2020, there were 140 resorts operating in the country and star category were assigned to them as 3 Star, 4 Star and 5 Star accordingly.

Figure 15:
Resorts by Star Rating 2020

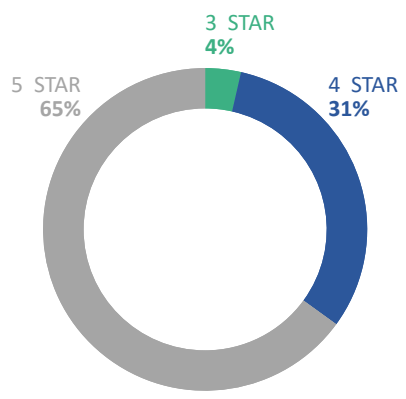
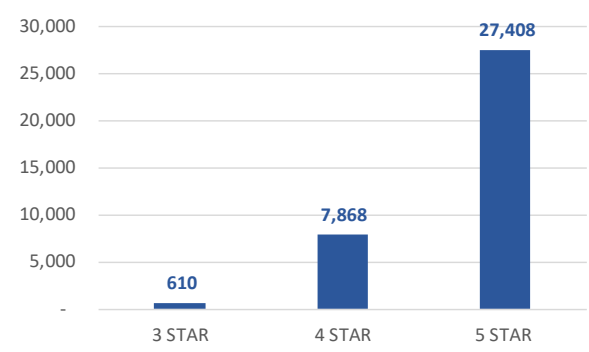


Figure 16:
Number of Employees by star rating 2020



Out of the total tourist resorts operational, majority (65%) of the tourist resorts are classified as 5-star while 31% of the tourist resorts are classified as 4-stars resorts. The majority of the employees were working in 5-stars resorts.

Figure 17:
Employment by gender and Star rating 2020
END YEAR (December)

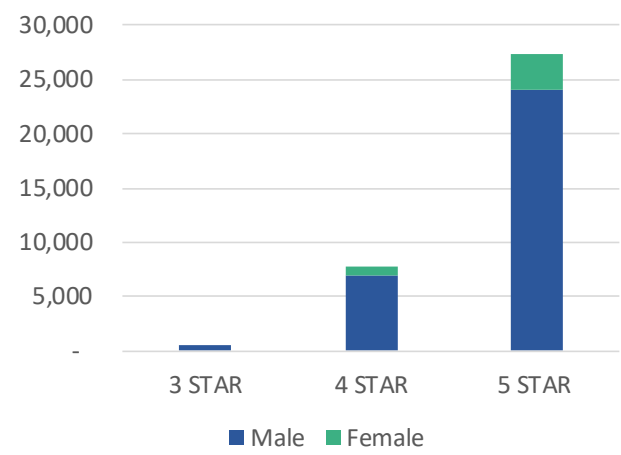
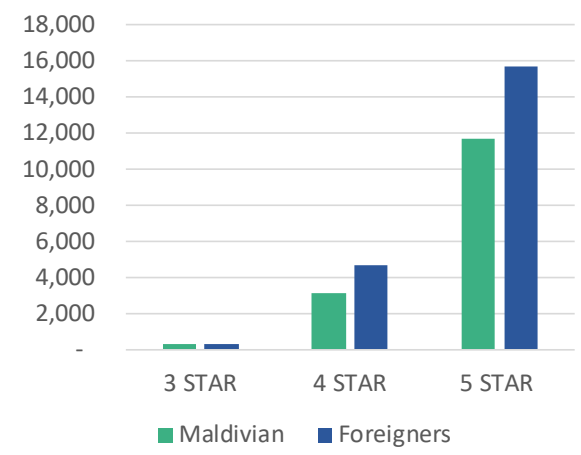


Figure 18:
Employment by gender and Star rating 2020
END YEAR (December)

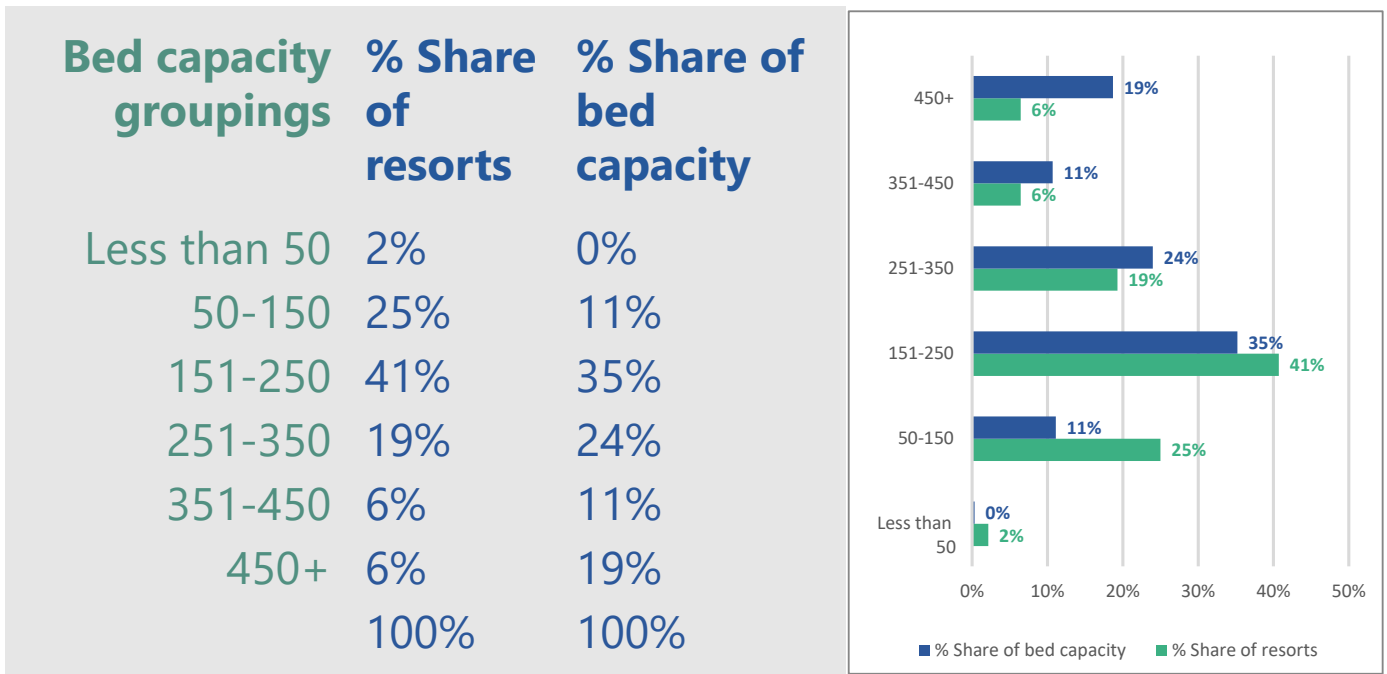


A modern bedroom interior featuring a large bed with white linens and a red cylindrical bolster. The headboard is a dark blue wall with six framed nautical photographs. The ceiling has exposed dark wood beams. To the right, there is a dark wood cabinet with glass doors and a large window looking out onto a balcony. A wooden chair is partially visible on the right side of the frame.

EMPLOYMENT BY BED CAPACITY

Registered records at end of the year 2020 shows 40% of resorts and 34% of beds were in resorts with a capacity of 151 to 250 beds.

Figure 19:
Share of resorts and capacity, end year, 2020



According to statistics published by Ministry of Tourism, there were 140 resorts in operation at the end of 2020, with operational capacity of 32,798 bed. This is a decline of 8 percent when compared to end of 2019 when there were 152 resorts in operation (12 more resorts) with and an operational capacity of 35,527 beds.

Figure 20:
Resorts by Bed Capacity - 2020 END YEAR
(December)

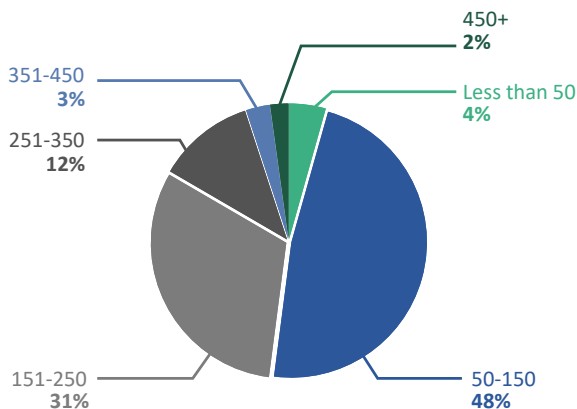
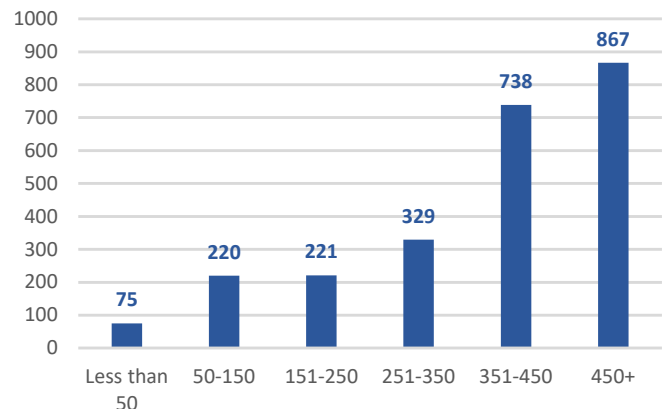


Figure 21:
Average number of employees by bed capacity
2020



At the end of 2020, out of the total tourist resorts 48% of the resorts operational capacity have between 50-150 beds where 31% of the resorts have 151-250 beds followed by 12% having 251-350 beds and 4% have less than 50 beds. And the balance has 350 above beds.

Figure 22:
Employment by Bed Capacity and gender
2020 END YEAR (December)

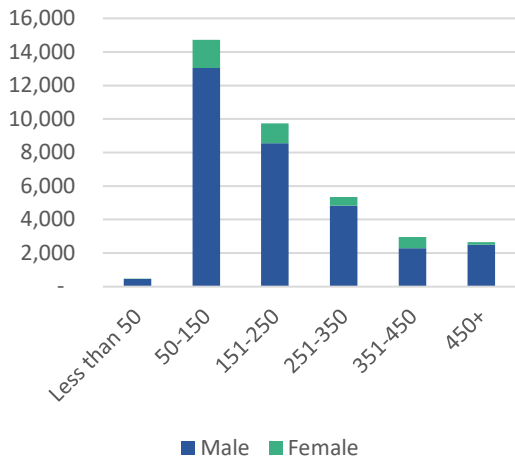
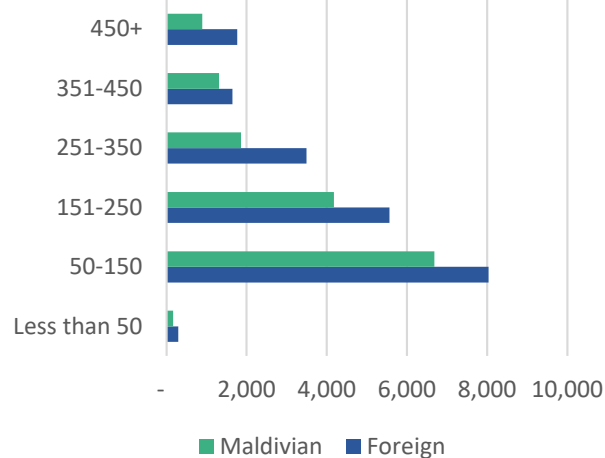


Figure 23:
Employment by Bed Capacity and Nationality -
2020 END YEAR (December)



In terms of employees, majority 41% of the employees were employed in resorts with bed capacity of 50-150 beds followed by 27% employed at resorts with 151-250 beds and 15% employed at resorts with 251-350 beds. At the end of 2020, only 1% of the employees were employed at resorts with below 50 beds. For resorts with 351- 450 beds the employment in these resorts accounted for 8% of the resort workers followed by 7% at resorts with 450 above beds. at the end of 2020.

COMMUTING

By the way of resorts located across the country and the resorts being based as one island one resort concept, the population in the nearby islands move for work from and to the nearby resorts on a daily basis. Out of the total employees, 11% employees reported that they commute daily to the work place, where majority of the employees resides at the resort.

Figure 24:
Employees by Commuting status

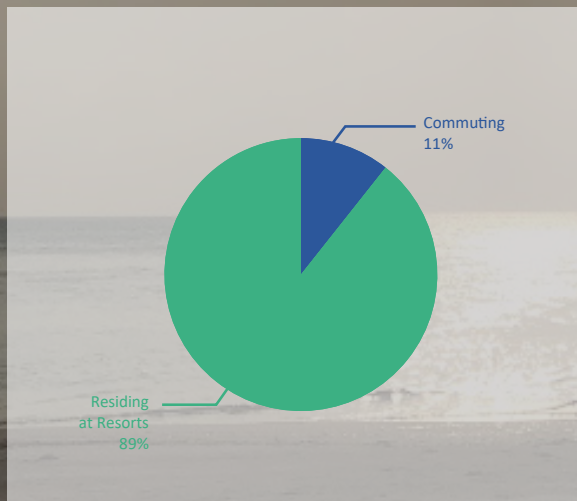
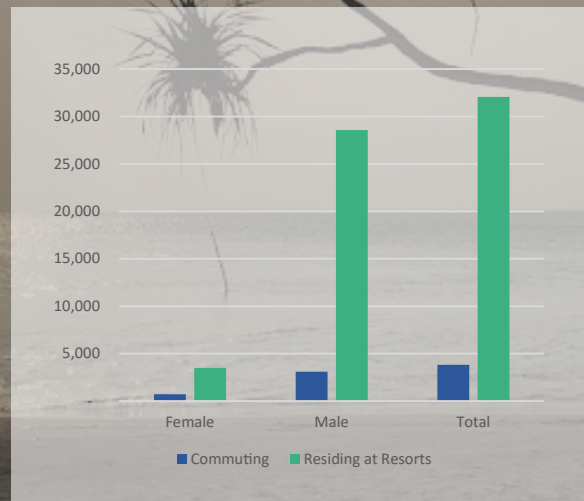


Figure 25:
Employees Commuting for work by gender



Among female employees, 17% reported that they commute daily to their work place whereas 10% of male employees reported that they commute daily to their work place.

EMPLOYEES BY AREA OF OCCUPATION

Figure 26:
Employment by Area of Work

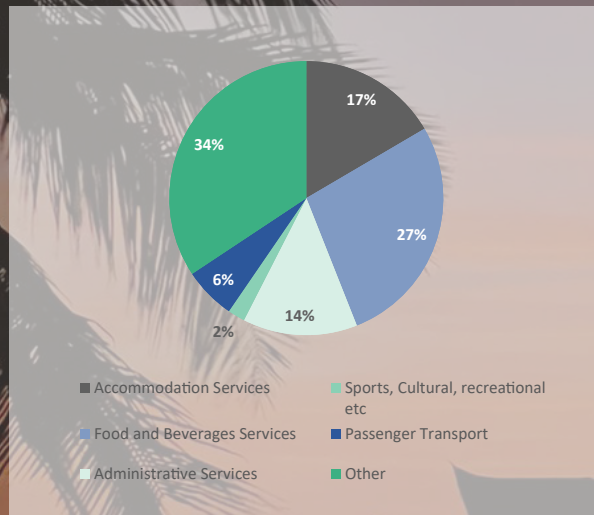
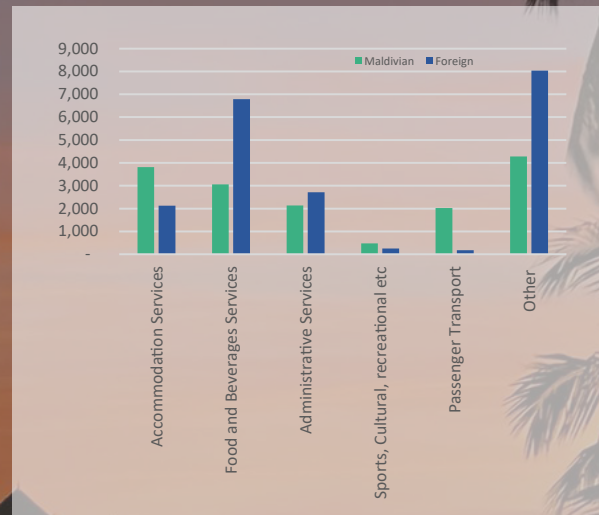


Figure 27:
Employment by Area of Work and Gender



Based on the survey results majority of the employees apart from the totalled employees in other areas, 27% accounted for the Food and Beverages Services followed by 17% for Accommodation services both that dominates the work of a resort by nature of the activity.

Looking at different areas of work when compared by the employee's national-ity, the accommodation services with 64% and passenger transport service with 92% and Sports, Cultural, recreational etc with 66% is dominated by Maldivians. Whereas, the Food and Beverages Services and the Administrative Services are dominated by foreign workers.

EMPLOYEES BY LEVEL OF OCCUPATION

Majority of the employees with 29% are involved as Service Workers followed by Elementary occupations 28%. Professional and Managerial levels together accounted for 23%.

For the Professional level it is dominated by foreign workers which showed for 74% were foreigners followed by Elementary occupations which consisted 56% of foreign workers whereas only for service workers were almost equally distributed among Maldivians and Foreigners which usually includes workers like technicians, housekeepers, Butlers, stewards, drivers, front desk officers, reservation assistants, Dive instructors etc.

Figure 28:
Employment by Level - 2020 END YEAR
(December)

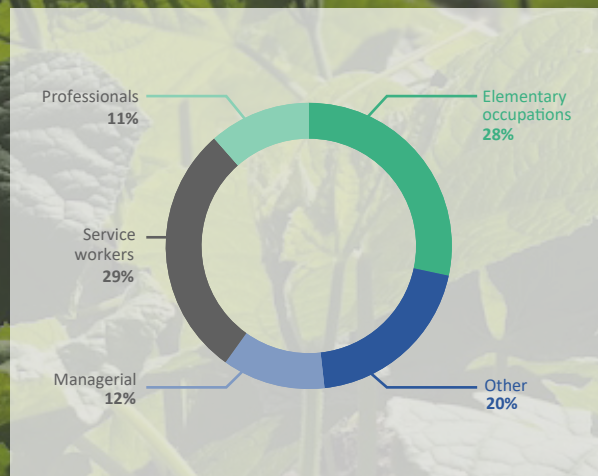


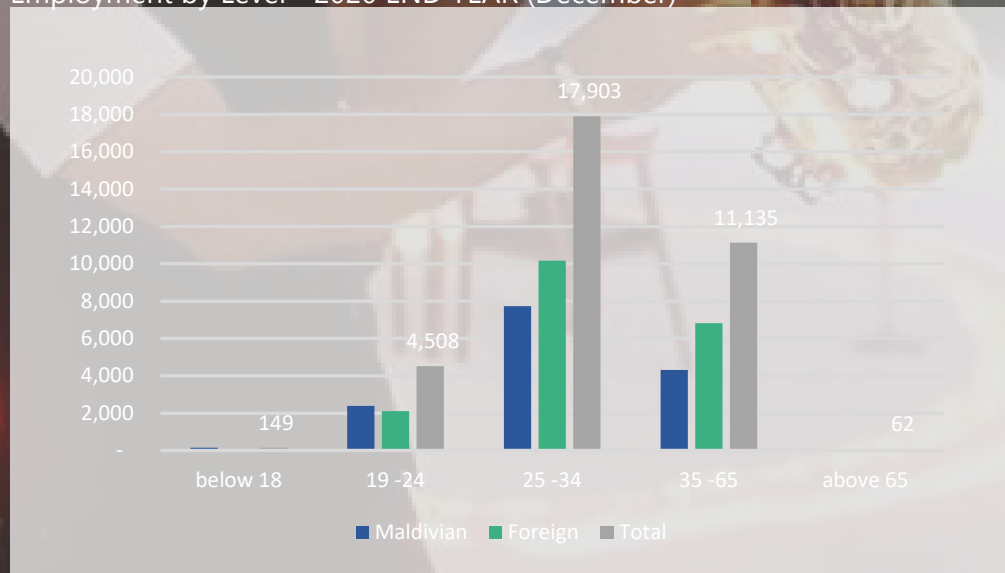
Figure 29:
Employment by Level - 2020 END YEAR
(December)



EMPLOYMENT BY AGE

Majority of the employees in the resorts with 53% are at the age of 25 to 34 years followed by 33% are at the age of 35 – 65 years of age. We can see a very minor level of children (under 18) and elderly (65 years above) are working in resorts.

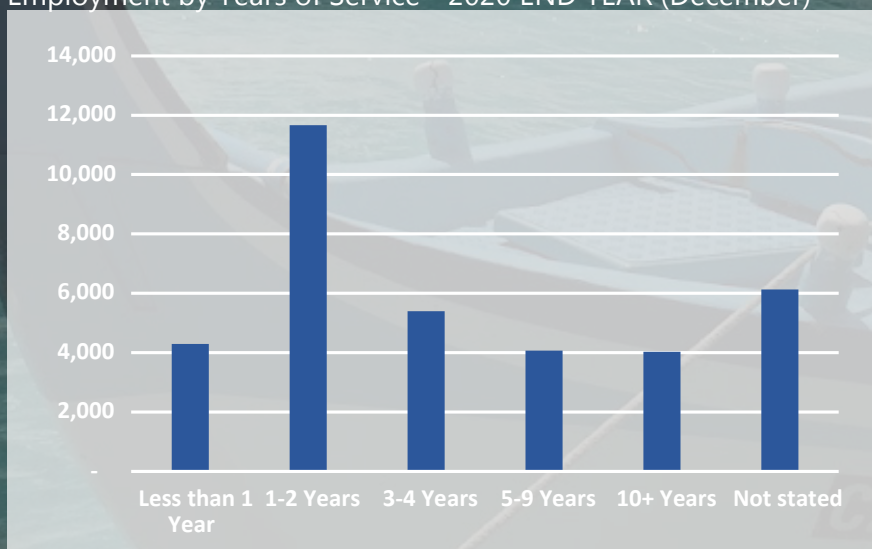
Figure 30:
Employment by Level - 2020 END YEAR (December)



EMPLOYMENT BY YEARS OF SERVICE

Majority with 33% of the employees are within the 1-2 years of service. There are 15% of employees with 3-4 years of service where 11% have 10 years and above of service whereas 12% of employees having less than 1 year of service as well.

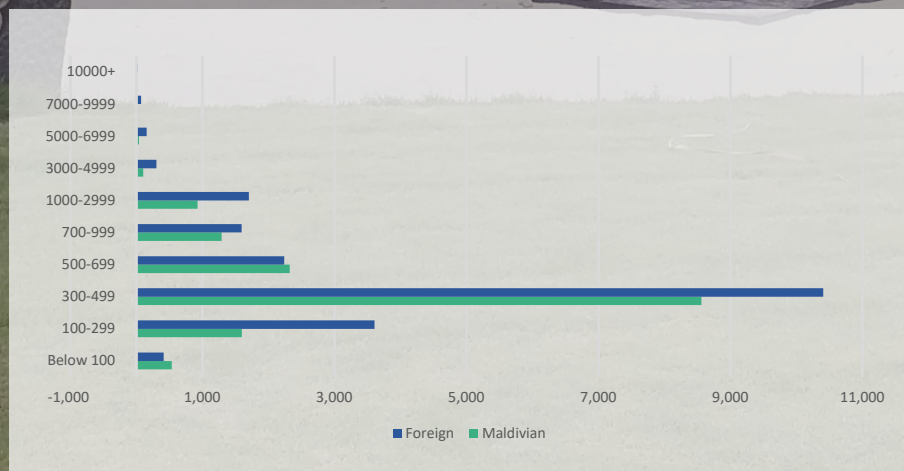
Figure 31:
Employment by Years of Service - 2020 END YEAR (December)



EMPLOYMENT BY BASIC SALARY RANGE

The Majority with 53% of employees is receiving the basic salary range of 300-499 USD. It should be noted that only 9% of the resort employees are receiving the basic salary above 1000 USD. And 17% of the employees are receiving the basic salary below 300 USD. And 21% get at the range of 500-999 USD.

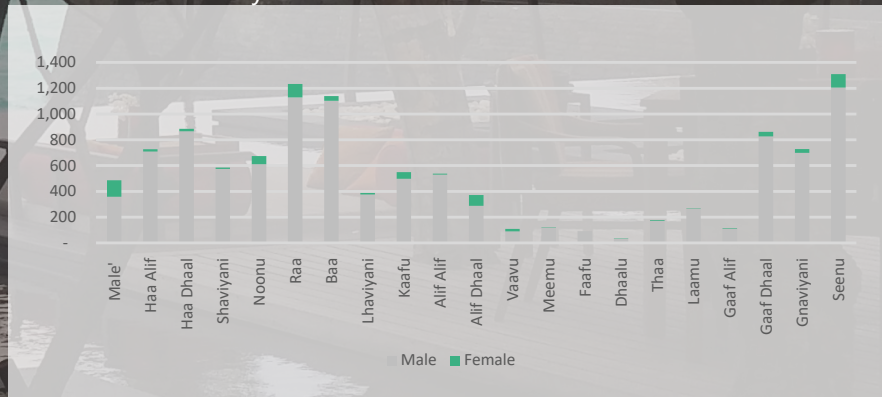
Figure 32:
Employment by Basic salary scale (In USD/month) - 2020 END YEAR (December)



Looking at the Maldivian Employees working at resorts by their Registered Atoll, at the end of 2020 (December) majority with 9% employees working at resorts are from Seenu Atoll and 8% from Raa Atoll followed by Baa Atoll with 8%.

Figure 33:

Employment (by Registered Atoll of the employees) - 2020 END YEAR (December)
For Maldivians Only



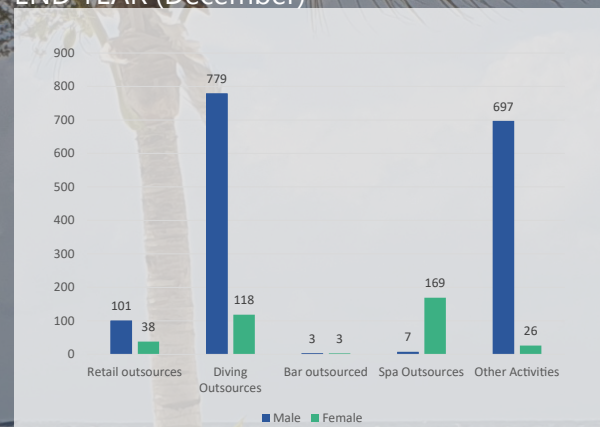
EMPLOYMENT BY ATOLL OF REGISTRATION

As resorts located in one island, some services are mostly provided based on an outsourced manner. Out of the total resorts, 69% of the resorts have outsourced their retail shops. And 52% of the resorts had outsourced their diving centres where as the Spa and Bar facilities are outsourced by 21% and 2% of the resorts respectively.

Figure 34:
Number of resorts with outsourced activities



Figure 35:
Employment of Outsourced Activities- 2020
END YEAR (December)



In terms of the number of employees at the end of 2020 there were 1,942 persons employed in the outsourced facilities at resorts where the majority 46% were working at diving centres. Also, the survey observed that 29% of the resorts have outsourced other activities, namely Security, Pest control, Water sports and Photography.

OUTSOURCED ACTIVITIES IN THE RESORTS

Box1: Rapid Assessment of impact of COVID-19 in the Tourism industry.

This survey was conducted from 14 June 2020 to 10 July 2020 to assess the impact of COVID-19 on resort workers in Maldives.

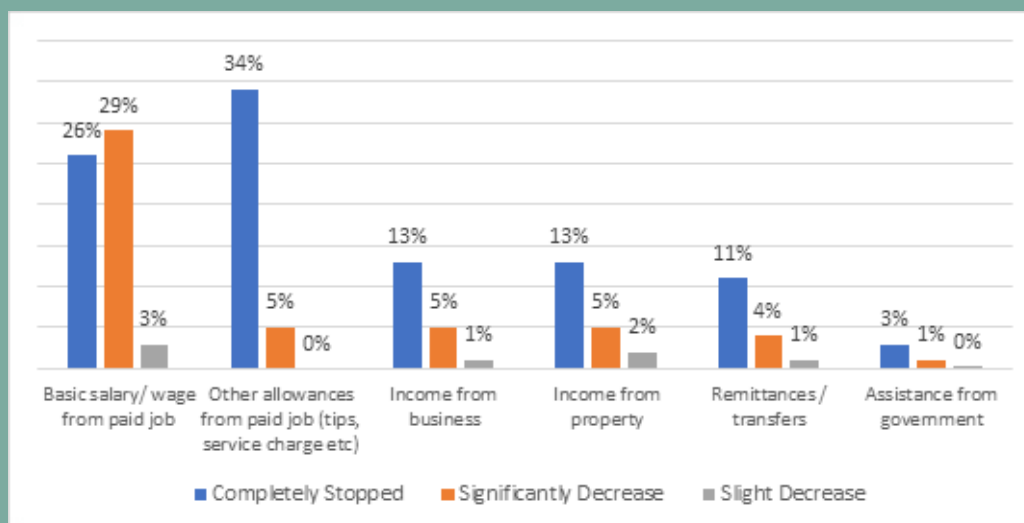
This survey only includes those who were employed in a resort/ tourism related field prior to the spread COVID-19. We received 310 responses from 41 different resorts from which the breakdown of the demographics are as follows:

- 94% of the population are Maldivians and 6% are foreigners.
- 14% of the population are women and 86% are men.
- 15% of the population is in the 18-24 age group, 55% in the 25-35 age group and 29% is 36 and above.

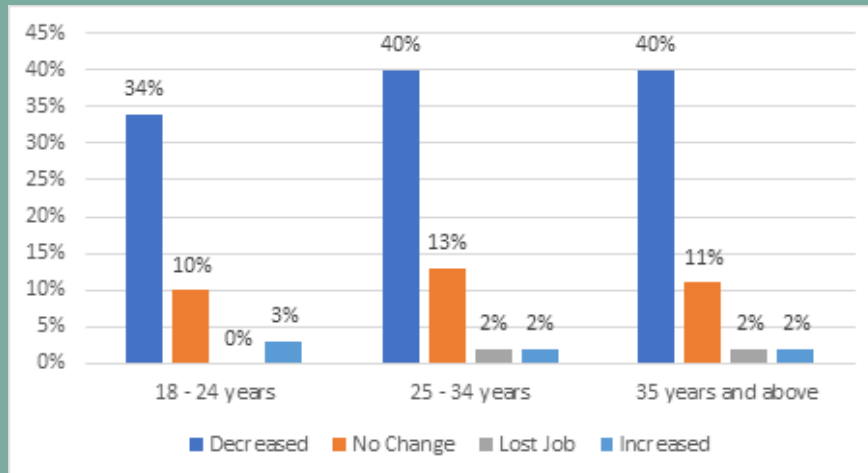
Proportion of people whose income has been affected since the spread of COVID-19

- 29% reported that their basic salary / wage from paid job significantly decreased, and 3% reported a slight decrease since the spread of COVID-19. 26% reported that their basic salary had completely stopped.

34% of the people did not receive any other allowances such as tips and service charge, while 5% faced a significant decrease.

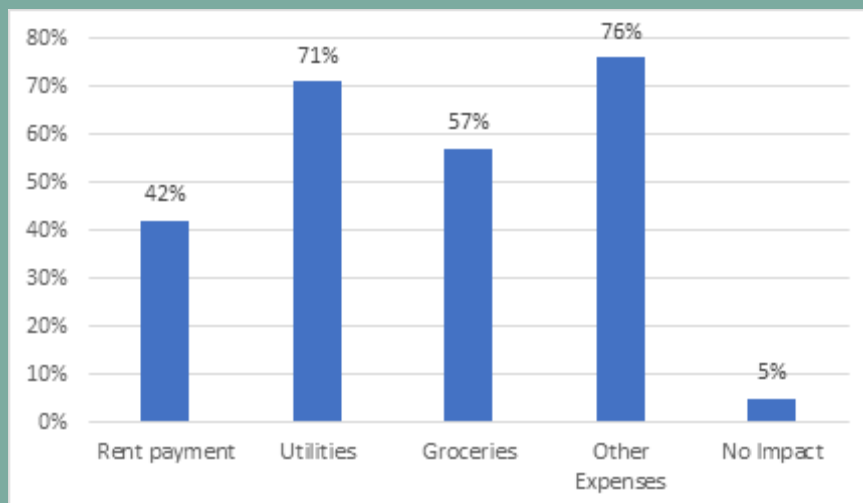


Proportion of people who worked fewer hours or lost their job since the spread of COVID-19 by age



Since the spread of COVID-19, employees across all age group reported fewer working hours. 3% of those aged 18-24 years reported that their working hours had increased.

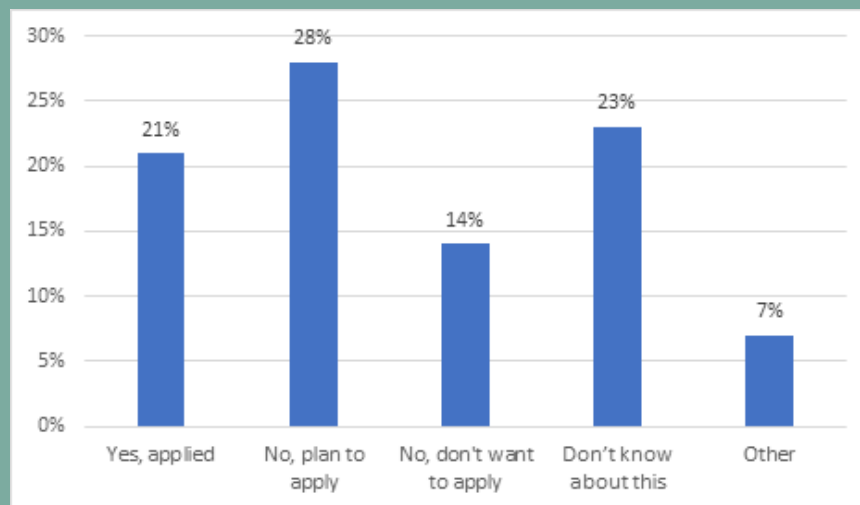
Proportion of people who were unable to meet financial obligation or essential needs



Only 5% of the respondents claim that COVID-19 had no impact on their ability to meet financial obligations or essential needs.

42% answers that they had difficulty in paying rent, 71% for their utilities, 57% for groceries and finally 76% had trouble paying for other expenses.

Proportion of Maldivians who applied for income support allowance



21% of the Maldivian respondents had already applied for the income support allowance while 28% of people plans to apply for the allowance. 23% of Maldivians were unaware of the allowance and 14% of Maldivians does not want to apply



LIMITATIONS

Due to the lower response to the survey, the findings should be used taking this into consideration. Also, given the year 2020 being an extraordinary with the pandemic across the globe, the results will not show the normal effect as such of the tourism industry to employment.

Although the 2021 survey was planned to cover guest houses, the responses received were not sufficient to include this component in the report.

MBS will continue the resort employment survey in 2021 expanding the coverage further to include guest houses as well. During the next survey data on employment for 2020 as well as 2021 will be included. This will provide more comprehensive data for the year 2020 that can be used to improve the findings from this survey.



CONCLUSION

The Resort Employment Survey has been able to generate data on employment in the resorts and highlight several important issues related to tourism industry.

Some key findings of the survey are summarized as follows;

- Beginning of year (January) 2020 there were 48,664 employees employed in 155 resorts
- End year (December) 2020 there were 35,887 employees employed in 140 resorts
- Locals accounted for 42% and 58% were foreign workers
- 88% are men, with only 12% of the employees as women
- Majority (65%) of the tourist resorts are classified as 5-star
- Out of the total tourist resorts 48% of the tourist resorts operational capacity have between 50-150 beds
- Out of the total employees, 11% employees reported that they commute daily to the work place
- Majority of the employees with 53% are at the age of 25 to 34
- Majority with 53% of employees is receiving the basic salary range of 300-499 USD
- Majority with 9% employees working at resorts are from Seenu Atoll and 8% from Raa Atoll followed by Baa Atoll with 8%.

The Resort Employment Survey, despite the limited responses, has been able to shed light on some key features of the resort sector employment and get some estimation of the tourism's overall impact on employment of the sector. Additional efforts and closer collaboration with the industry is required to increase the response rate for these important surveys.

The COVID-19 crisis on livelihood of the people during 2020, highlighted the need to better understand the labour market and employment situation in the country. Importance of economic diversification, diverse tourism labour market, better opportunities for locals, especially for women and youth. Some of these could be better commuting options from nearby inhabited islands and a more family friendly environment in the resorts. Targeted actions are important, to improve the benefits from resorts to local community, improve people's livelihoods and increase resilience, and preparedness in case of future shocks to the industry.

There is an urgent need to maintain proper and routine administrative records as well on employment of tourism establishments to document the characteristics of tourism industries so as to examine the impact of tourism on the national economy and the labour market.

Comprehensive and timely data is urgently needed on the tourism industry of Maldives. Data on tourism employment disaggregated by age, sex, local, foreign. Also, data on occupations, incomes by gender are important to derive gender pay gap in the industry. Unless reliable and timely data is available, policies and decisions cannot be evidence based. In order to achieve the Sustainable Development Goals, we need to reduce inequality and improve people's livelihoods.

Accordingly, with better evidence on the tourism industry will help increase likelihood of meeting the policy decisions by putting the best available evidence at the heart of policy development and implementation of related programs to improve the economy of Maldives.



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