

August returned Maldives tourist arrivals to year-on-year growth after the June-July weakness, but the rebound was modest and the annual shortfall remains material. The latest detailed accommodation data, which lag to July, show a sharp improvement in utilisation from June. Before September-October, the priority is to protect air access, rebuild weak source-market corridors and convert demand into occupied bed nights and yield rather than rely on broad discount-led volume

TABLE 1. AUGUST 2026 HEADLINE TOURISM INDICATORS

195,390	1,423,176	6,303/day	8,826/day	1.68x
August arrivals +1.7% y/y	Jan-Aug arrivals -4.3% y/y	August daily average	Required Sep-Dec to reach 2.5m	Latest CPI July, lagged

KPI notes: August tourist arrivals are Ministry daily-update data and should be treated as provisional until the final monthly statistical report. Bed nights, occupancy and CPI use the latest detailed MMA series, available through July 2026. July MMA data include revisions to May-June values.

BOTTOM LINE

August was a stabilisation with a meaningful utilisation improvement visible one month behind, not yet a full system-wide recovery. August arrivals rose 1.7% year-on-year, but January-August remained 4.3% below 2025 and the 2.5 million target now requires about 8,826 tourists per day - roughly 40% above August's actual pace. July CPI improved to 1.68x from a revised 2.50x in June, but August bed-night conversion is not yet observable.

1. EXECUTIVE READOUT

AUGUST RESTORED THE DEMAND PULSE; JULY REPAIRED PART OF THE UTILISATION SHOCK

The August signal is stronger than July but still falls short of a broad recovery. Tourist-only arrivals reached 195,390, up 3,332 from August 2025. The cumulative deficit narrowed in percentage terms, yet the destination remained 63,750 tourists behind the comparable January-August 2025 level. The strongest improvement is in the lagged utilisation layer: July bed nights rose to 1.263 million and occupancy to 59.7%, bringing shadow inventory down to about 854,000 bed nights after the June trough.

ANALYTICAL SIGNAL

The system has moved from acute low-season utilisation stress toward partial normalisation. The next test is whether September-October can sustain arrivals, keep CPI below the June warning zone and rebuild Western and regional demand without eroding rate integrity.

2. DEMAND PERFORMANCE

AUGUST GROWTH DID NOT MATERIALLY FLATTEN THE TARGET RUNWAY

August tourist arrivals reached 195,390, compared with 192,058 in August 2025, a year-on-year increase of 1.7%. January-August arrivals were 1,423,176, against 1,486,926 in the comparable 2025 period, leaving 2026 4.3% behind. The monthly improvement therefore reduced the deterioration but did not erase the annual gap.

The Government target is 2.5 million tourists in 2026. After August, 1,076,824 additional tourists are required over the 122 days from September to December. That equals 8,826 arrivals per day, versus August's actual 6,303 per day. The target is still mathematically possible, but it requires the final four months to run about 40% faster than August.

TABLE 2. TOURISM DEMAND PERFORMANCE, AUGUST 2026

Indicator	Transparent calculation	Result
August y/y change	(195,390 / 192,058) - 1	+1.7%
Jan-Aug y/y change	(1,423,176 / 1,486,926) - 1	-4.3%
Remaining arrivals to target	2,500,000 - 1,423,176	1,076,824
Required Sep-Dec daily average	1,076,824 / 122 days	8,826/day

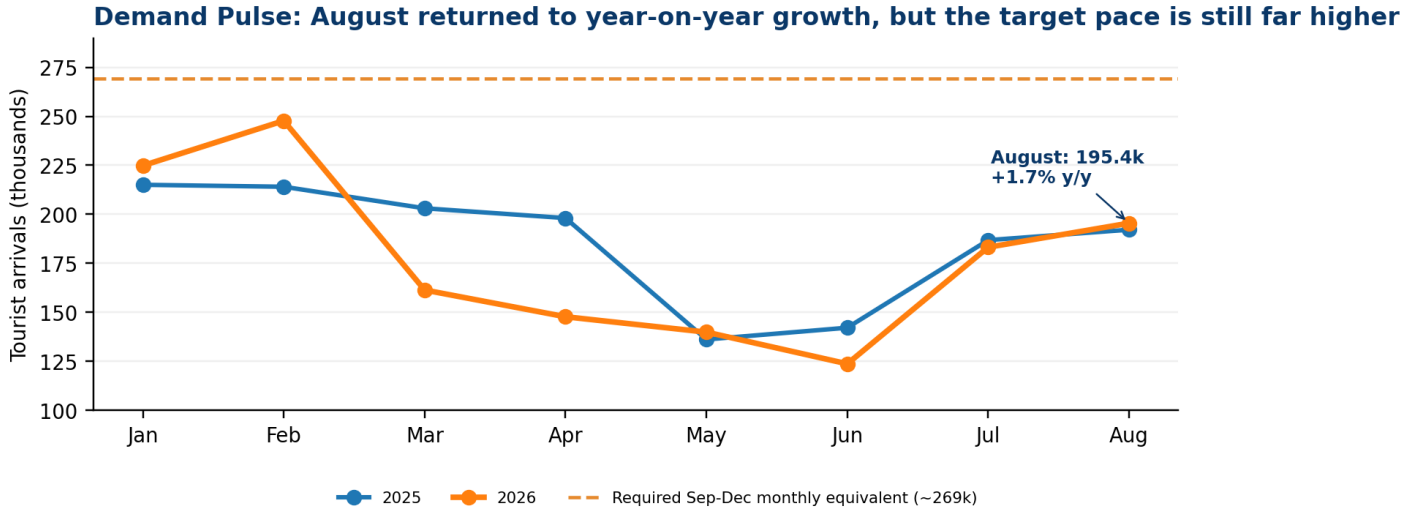


Figure 1. Demand Pulse Chart. Unit: tourist arrivals. Source: Ministry daily updates for 2026; MMA/Ministry historical monthly series for 2025; Maldives Tourism Observatory calculations. 2025 Jan-Jun values are rounded in the MMA series; July-August use exact monthly figures.

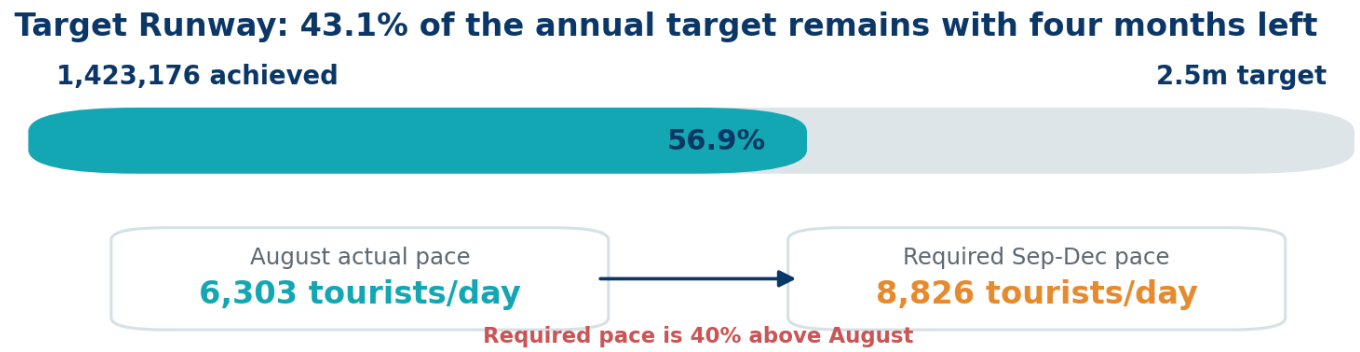


Figure 2. Target Runway Graphic. Formula: required daily pace = remaining arrivals to 2.5 million / remaining calendar days. Source: President's Office 2026 target; Ministry daily update; MTO calculations.

3. SOURCE-MARKET PORTFOLIO

CHINA AND RUSSIA STILL PROVIDE SCALE; THE WESTERN RECOVERY REMAINS INCOMPLETE

The latest Ministry-reported cumulative ranking at the time of preparation places China first, followed by Russia, the United Kingdom, Italy and Germany. The source was reported on 2 September and may include the first day of September, so it should not be presented as a strict January-August cut-off. For year-on-year momentum, this review therefore retains the latest fully like-for-like Ministry comparison available through 28 July rather than mixing incompatible dates.

That comparison shows the central portfolio risk clearly: China and Russia were both large and growing, while the United Kingdom, Italy, Germany, France and the United States were below the prior-year position. India was closer to stable. August's aggregate improvement is encouraging, but without a final month-end source-market table it is too early to conclude that the Western portfolio has turned.

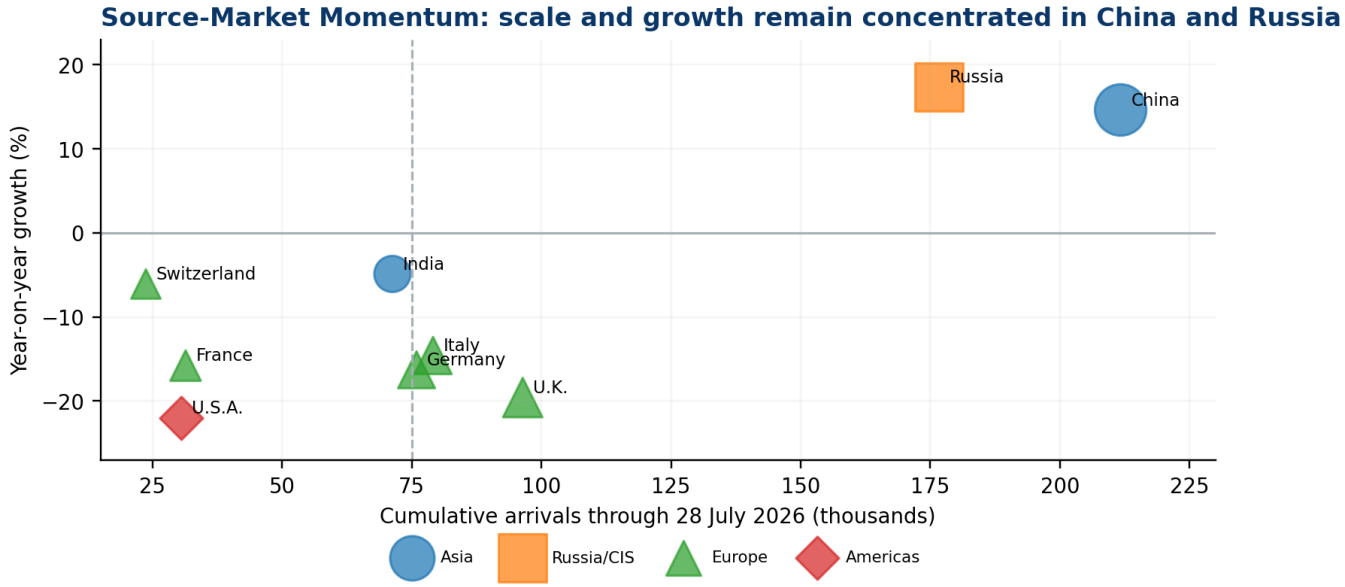


Figure 3. Source-Market Momentum Quadrant. X-axis: cumulative arrivals through 28 July 2026. Y-axis: year-on-year change against the same date in 2025. Bubble size: 2026 arrivals. Source: Ministry daily updates as used in the July Monthly Review; MTO calculations. This is the latest verified like-for-like market comparison, not an August month-end table.

TABLE 3. LATEST SOURCE-MARKET SIGNALS

Market	Latest cumulative position	Latest verified y/y momentum*	Decision signal
China	267,386	+14.6%	Protect scale; monitor concentration
Russia	209,179	+17.3%	Protect route access; concentration risk
U.K.	110,561	-19.6%	Rebuild high-value resort demand
Italy	93,089	-14.6%	Shoulder-season recovery priority
Germany	88,400	-16.3%	Rebuild autumn pipeline
India	Not in latest top-five extract	-4.9%	Regional recovery opportunity

*Momentum percentages are the latest like-for-like comparison through 28 July. Latest cumulative counts are the Ministry-reported position published 2 September and may include 1 September. They should not be read as strict Jan-August totals.

DECISION IMPLICATION

Protect China and Russia, but do not let the recovery plan become a two-market strategy. September-October conversion activity should prioritise the U.K., Germany and Italy where the verified year-on-year gap was still large, while rebuilding India and other short-haul markets that can diversify route and booking-risk exposure.

4. ACCOMMODATION, YIELD AND CAPACITY PRESSURE SIGNALS

JULY UTILISATION REBOUNDED SHARPLY; AUGUST CONVERSION IS STILL A DATA GAP

Detailed accommodation statistics lag the arrivals series. As of 2 September, August arrivals are available, while official bed nights, bed-night capacity, occupancy and average stay extend through July 2026. The July data are important because they show that the June utilisation shock did not persist at the same intensity.

July recorded 1.263 million bed nights against 2.117 million bed-night capacity, producing 59.7% overall occupancy. The corresponding Capacity Pressure Index was 1.68x and shadow inventory approximately 854,000 bed nights. This was a large improvement from revised June values of 816,000 bed nights, 40.0% occupancy, CPI 2.50x and 1.223 million shadow bed nights. July therefore moved out of the serious 2.00x-plus warning zone, but remained above the 1.50x threshold for rising spare-capacity pressure.

TABLE 4. CAPACITY PRESSURE INDEX TABLE

Month	Tourist arrivals	Bed nights sold	Bed-night capacity	Shadow inventory	CPI
Jan 2026	224,788	1,463k	2,071k	608k	1.42x
Feb 2026	247,722	1,440k	1,881k	441k	1.31x
Mar 2026	161,259	1,157k	2,094k	937k	1.81x
Apr 2026	147,600	993k	2,040k	1,047k	2.05x
May 2026	139,746	895k	2,094k	1,199k	2.34x
Jun 2026	123,552	816k	2,039k	1,223k	2.50x
Jul 2026	183,119	1,263k	2,117k	854k	1.68x
Aug 2026	195,390	Not available	Not available	Not available	Not available

Definitions: Shadow inventory = bed-night capacity - bed nights sold. CPI = bed-night capacity / bed nights sold. 1.00x = full utilisation; 1.25x = moderate spare capacity; 1.50x+ = rising pressure; 2.00x+ = serious warning. Source: MMA Table 3.1; Ministry arrivals; MTO calculations. MMA notes that May-June 2026 figures were revised.

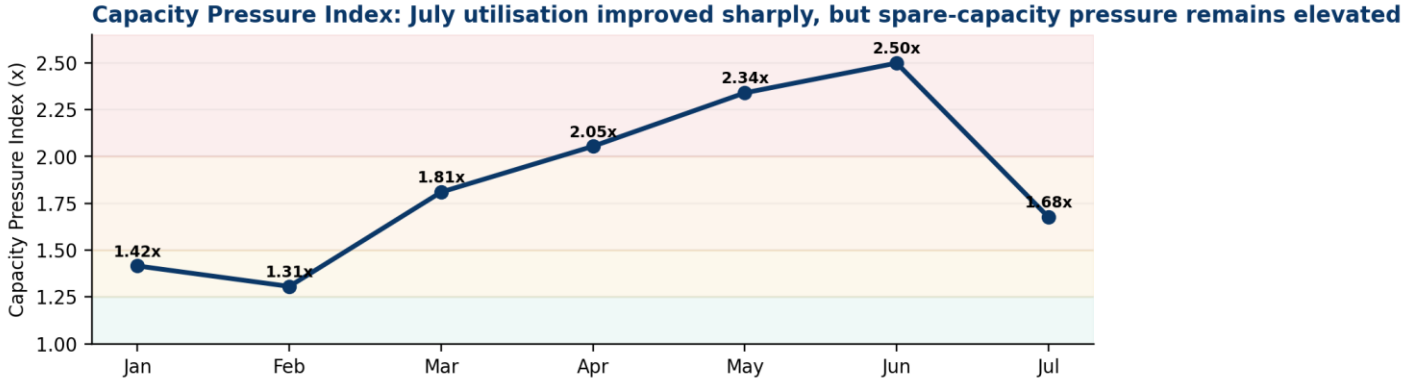


Figure 4. Capacity Pressure Index Trend. Source: MMA Tourism Indicators through July 2026; calculations by Maldives Tourism Observatory.

Shadow inventory is not simply a count of empty rooms. It is the bed-night capacity the tourism system carries but does not sell. When it remains high, operators face pressure on ADR, cash flow, staff and asset productivity, procurement volumes and supplier demand; the public sector receives less value from the same installed capacity.

4. ACCOMMODATION, YIELD AND CAPACITY PRESSURE SIGNALS - CONTINUED

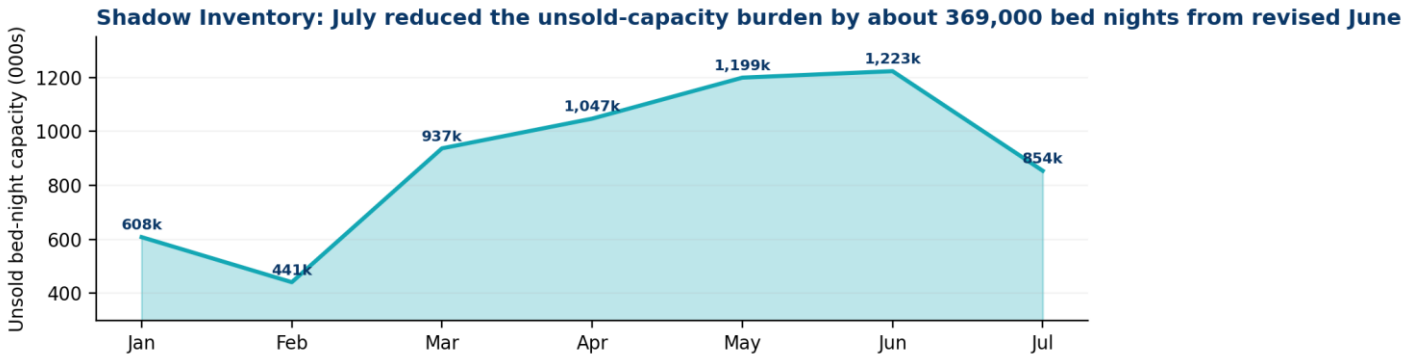


Figure 5. Shadow Inventory Area Chart. Unit: thousands of bed nights. Source: MMA Tourism Indicators; MTO calculations.

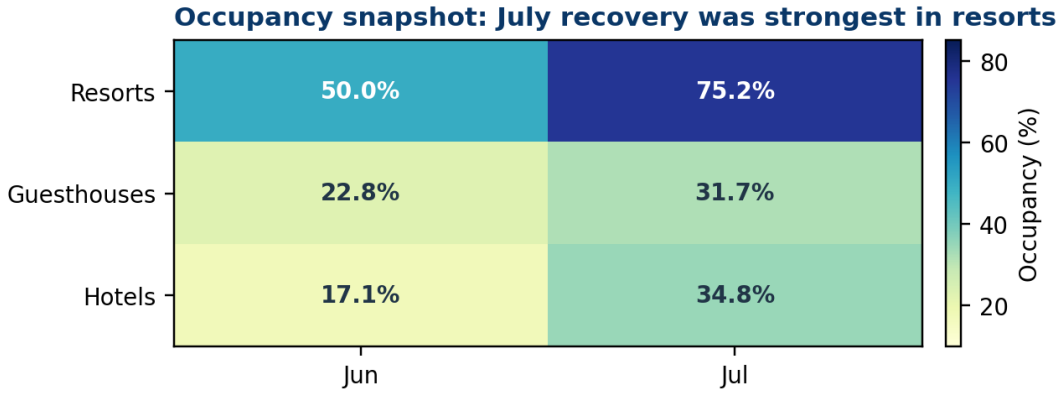


Figure 6. Occupancy Heatmap. Unit: occupancy rate. July resort occupancy 75.2%, guesthouse 31.7%, hotel 34.8%; June comparators were 50.0%, 22.8% and 17.1% respectively. Source: MMA series; July is the latest available month.

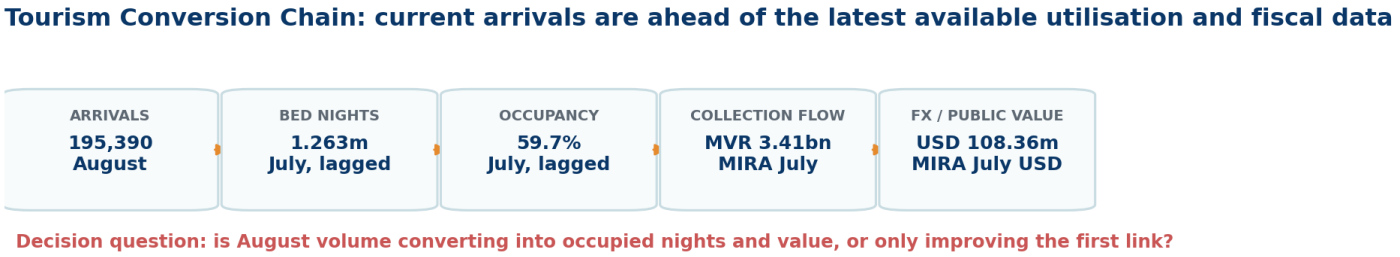


Figure 7. Tourism Conversion Chain. August arrivals are current daily-update data; bed nights and occupancy lag to July; MIRA revenue is collection-month data. Sources: Ministry, MMA and MIRA.

5. EXTERNAL ENVIRONMENT

AIR ACCESS WAS NORMALISING BY JULY, BUT MACRO AND GEOPOLITICAL EXPOSURE REMAINS HIGH

Global tourism demand remains resilient rather than uniformly strong. UN Tourism reported international tourist arrivals up 2% in the first quarter of 2026 amid heightened uncertainty. For the Maldives, the more immediate transmission channel is aviation: July arrival-flight movements were 2.1% below July 2025 and scheduled flights were 1.9% lower, a substantial improvement from the much steeper June scheduled-flight decline reported in the previous review.

The macro backdrop remains fragile. The World Bank projects real GDP growth of 0.7% in 2026 and inflation of 6.0%, with the current-account deficit widening to 20.6% of GDP. The IMF similarly expects growth around 1% and highlights weaker tourism, energy-price pressures and external financing risks. This means September-October performance should be read not only as a demand issue but also as a foreign-exchange and balance-of-payments issue.

6. FISCAL AND MACRO RELEVANCE

TOURISM VALUE ENTERS THE TREASURY THROUGH OCCUPIED NIGHTS, SPENDING, AIRPORT MOVEMENTS AND FOREIGN EXCHANGE

MIRA collected MVR 3.41 billion in July 2026, 0.2% more than in July 2025 but 3.6% below forecast. Income Tax contributed MVR 1.66 billion and GST MVR 1.05 billion. Green Tax generated MVR 142 million, Airport Development Fee MVR 136 million and Departure Tax MVR 134 million. USD collections totalled USD 108.36 million.

The headline must be interpreted carefully. MIRA reported that 18.4% of July revenue came from payments relating to past deadlines and another 11.0% from targeted recovery initiatives. Collection performance is therefore not a contemporaneous proxy for July tourism demand. The better analytical chain is arrivals and stay length to bed nights, occupancy and spending, then to tax receipts and foreign-exchange liquidity.

Fiscal Transmission: tourism performance reaches the Treasury through several conversion channels

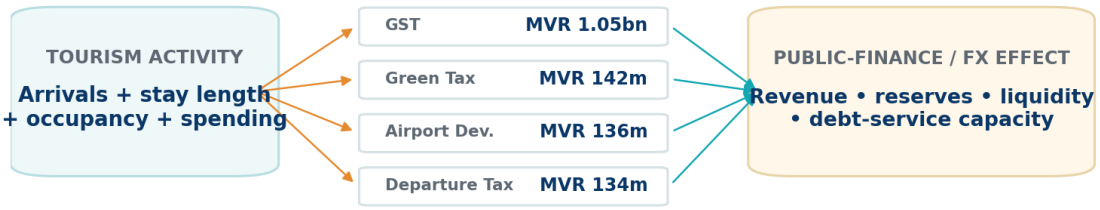


Figure 8. Fiscal Transmission Visual. Unit: MVR unless otherwise stated. Source: MIRA July 2026 revenue collection update. The figure shows major reported July tax/fee channels; it does not imply all July revenue was generated by July tourism activity.

Two policy changes at the end of August raise the importance of conversion and yield. From 1 September, the foreign-exchange framework requires Category A tourism establishments to convert 40% of monthly gross sales, while Category B establishments face a different conversion option. A separate GST amendment extends the framework for collecting tourism GST from offshore booking platforms and foreign intermediaries. These measures are forward-looking September issues and should be monitored for operator cash-flow, pricing and compliance effects.

7. STRATEGIC IMPLICATIONS

TABLE 5. STRATEGIC IMPLICATIONS FOR GOVERNMENT AND INDUSTRY

Priority	Government action	Industry action
Air access security	Publish a weekly route, seat and disruption dashboard focused on Gulf hubs, direct routes and weak corridors.	Share forward bookings and cancellations by route; align promotions with seats that can actually convert.
Sep-Oct demand protection	Concentrate promotion on weak high-value Western corridors and regional markets with usable capacity.	Use fenced value-adds, transfer-inclusive packages and targeted windows rather than blanket discounts.
Market diversification	Protect China/Russia scale while rebuilding U.K., Germany, Italy and India.	Segment product, channel and rate strategy by market and accommodation type.
Yield and utilisation	Publish monthly bed nights, average stay, occupancy, CPI and shadow inventory by type.	Manage ADR, RevPAR, staffing and procurement against realistic utilisation forecasts.
Guesthouse resilience	Improve island transport, waste services and destination-level demand support.	Pool island marketing, direct-booking conversion and activity packaging beyond the room.

FX and capacity	Issue practical implementation guidance and monitor capacity growth against demand absorption.	Scenario-plan FX conversion, cash needs and inventory release; avoid adding marginal capacity where utilisation is weak.

8. WATCHLIST FOR SEPTEMBER-OCTOBER

THE NEXT REVIEW SHOULD TEST WHETHER AUGUST VOLUME BECAME OCCUPIED NIGHTS AND VALUE

TABLE 6. WATCHLIST RISK MATRIX

Indicator	Latest signal	Risk direction	Action required
Arrivals	195,390 in Aug; +1.7% y/y	Improving	Test whether September sustains positive y/y growth.
Target pace	8,826/day needed Sep-Dec	High risk	Compare daily run-rate with target runway every week.
Bed nights	1.263m in July; +8.6% y/y	Improving / lagged	Confirm whether August arrivals lifted occupied nights.
Overall occupancy	59.7% in July	Improving / watch	Look for sustained utilisation above low-season warning levels.
Capacity Pressure Index	1.68x in July	Watch	Test whether August pushes CPI closer to 1.5x or below.
Shadow inventory	854k bed nights in July	Watch	Track whether unsold capacity continues falling.
Average stay	7.5 days in July	Watch	Test whether August market mix sustains length of stay.
Market mix	China/Russia strong; Western markets weaker in latest like-for-like data	Concentration risk	Confirm month-end source-market recovery and India position.
Air access	July scheduled flights -1.9% y/y	Improving / fragile	Monitor seats, cancellations, hub disruption and route recovery.
Fiscal / booking signal	July MIRA collections partly arrears-driven; no official booking series	Mixed / data gap	Separate current tourism tax flow and build privacy-protected forward-booking indicators.

9. DATA NOTES AND SOURCES

Data are current as of 2 September 2026. August tourist arrivals are based on the Ministry daily-update position reported after month-end and are treated as provisional until the final August monthly statistical report is released. Tourist-only arrivals (195,390) are used for tourism performance; the broader August visitor count of 197,640 also included 2,244 business arrivals and six cruise arrivals. January-August tourist arrivals are 1,423,176.

Accommodation indicators lag arrivals. July 2026 is the latest month available in the MMA tourism database for bed nights, bed-night capacity, occupancy and average stay. The MMA database identifies revisions to May-June 2026 values, so the June CPI in this review (2.50x) differs slightly from the 2.48x estimate in the July review. CPI and shadow inventory are MTO calculations from official series. August accommodation conversion cannot yet be verified.

Source-market reporting has mixed cut-offs. The latest top-five cumulative counts were reported on 2 September and may include 1 September. To avoid a false Jan-August comparison, the year-on-year momentum chart uses the latest verified like-for-like Ministry comparison through 28 July. MIRA data are collection-month figures and include prior-period payments and recovery activity. International forecasts are scenarios and may be revised.

TABLE 7. SOURCE REGISTER

Source	Use in review
Ministry of Tourism and Civil Aviation	August 2026 daily update / month-end reporting; tourist arrivals and latest source-market ranking. https://www.tourism.gov.mv/en/downloads/reports
Maldives Monetary Authority	Tourism Indicators and component series through July 2026: bed nights, capacity, occupancy, average stay and flights. https://database.mma.gov.mv/
President's Office	2026 Presidential Address: Government target of 2.5 million tourist arrivals. https://presidency.gov.mv/Press/Article/36141
Maldives Inland Revenue Authority	MIRA Collects MVR 3.41 Billion in July 2026. https://www.mira.gov.mv/ContentItems/View/newsjuly2026revenuecollections
UN Tourism	International tourism up 2% in Q1 2026 amid growing uncertainty. https://www.untourism.int/
World Bank	Maldives Development Update, June 2026. https://www.worldbank.org/en/country/maldives/publication/maldives-development-update-2026
International Monetary Fund	2026 Article IV Mission statement. https://www.imf.org/en/news/articles/2026/06/16/pr-26208-maldives-imf-staff-completes-2026-article-iv-mission
President's Office / legal updates	Foreign Exchange Act amendment and GST amendment ratified 31 August 2026; forward-looking September implications. https://presidency.gov.mv/

Prepared by Maldives Tourism Observatory. Analytical calculations are transparent transformations of cited official data. No AI-generated figure is treated as a source.