

July brought a sharp monthly rebound from June, but arrivals remained below July 2025 and the annual gap did not close. The latest accommodation data, which lag to June, show deeper utilisation stress. Before August-September, the immediate task is to secure air access, defend yield and convert arrivals into occupied bed nights rather than expand discount-led volume.

Table 1. July 2026 Headline Tourism Indicators

183,119	1,227,786	5,907/day	8,315/day	2.48x
July arrivals -1.9% y/y	Jan-Jul arrivals -5.2% y/y	July daily average monthly recovery	Required Aug-Dec to reach 2.5m	Latest CPI June, lagged

KPI notes: July arrivals are Ministry daily-update data and remain provisional until the final monthly statistical report. Occupancy, bed nights and CPI use the latest detailed MMA series, currently available through June 2026.

BOTTOM LINE

July was a recovery in monthly volume, not yet a system-wide recovery. The month remained 1.9% below July 2025, the January-July total was 5.2% behind last year, and the required catch-up pace rose to 8,315 arrivals per day. Meanwhile, June utilisation deteriorated to a CPI of 2.48x, showing that the stronger constraint is the conversion of demand into occupied capacity and financial resilience.

1. EXECUTIVE READOUT

July improved the demand signal, but it did not repair the utilisation problem

July 2026 recorded 183,119 tourist arrivals, a strong rebound from June's 123,552. Yet July remained below the same month in 2025, and the cumulative deficit widened in absolute terms to 67,082 arrivals. The best description is therefore renewed low-season momentum, not full recovery.

A recovery would require several indicators to move together: arrivals, bed nights, occupancy, taxable spending and foreign-exchange earnings. July confirms improvement only in the first link. The latest accommodation data show that June occupancy fell to 40.4% while shadow inventory rose to about 1.21 million bed nights. The system is resilient enough to attract demand, but it is carrying more capacity than current demand can absorb at healthy utilisation.

ANALYTICAL SIGNAL

July changed the direction of monthly arrivals, but not the structure of risk. The remaining test is whether August-September demand can lift occupancy and reduce shadow inventory without forcing broad discounting or weakening the destination's value position.

2. DEMAND PERFORMANCE

THE JULY REBOUND WAS NOT ENOUGH TO CLOSE THE ANNUAL TARGET GAP

July arrivals reached 183,119, compared with 186,738 in July 2025, a year-on-year decline of 1.9%. Cumulative arrivals for January-July were 1,227,786, compared with 1,294,868 a year earlier, leaving the year 5.2% behind the 2025 run-rate.

The Government target is 2.5 million tourists in 2026. After July, 1,272,214 additional arrivals are required during the 153 days from August to December. That implies 8,315 tourists per day, around 41% above July's actual daily average of 5,907. The target remains mathematically possible, but the runway has become materially steeper.

Table 2. Tourism Demand Performance, July 2026

Indicator	Transparent calculation	Result
July y/y change	(183,119 / 186,738) - 1	-1.9%
Jan-Jul y/y change	(1,227,786 / 1,294,868) - 1	-5.2%
Remaining arrivals to target	2,500,000 - 1,227,786	1,272,214
Required Aug-Dec daily average	1,272,214 / 153 days	8,315/day

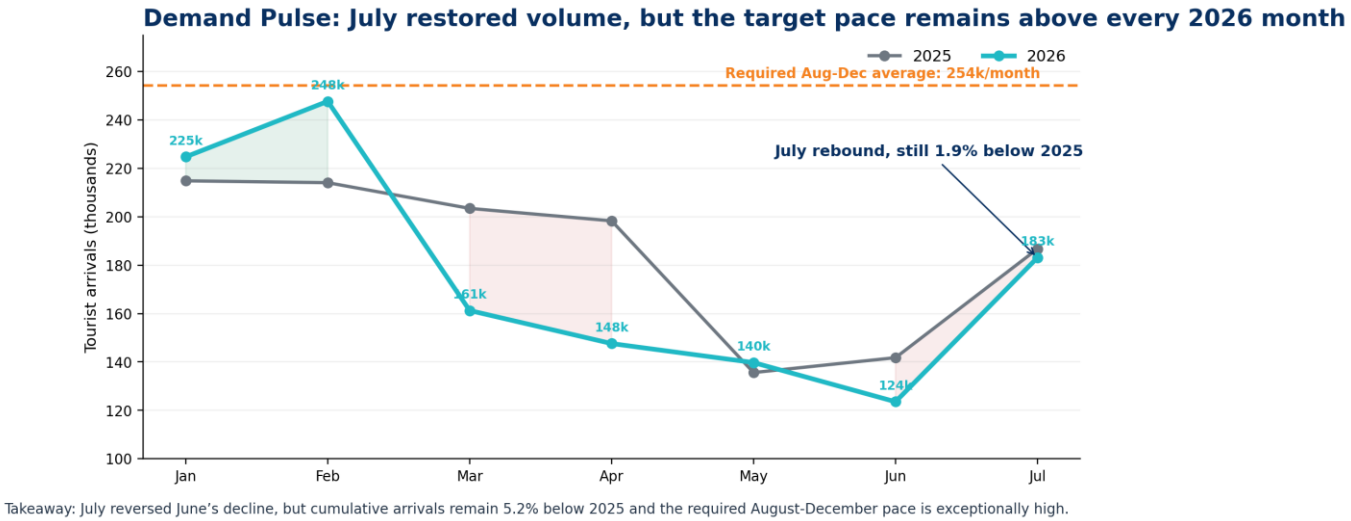


Figure 1. Demand Pulse Chart. Unit: tourist arrivals. Source: Ministry daily updates for 2026; Ministry July 2025 Monthly Statistics Report; calculations by Maldives Tourism Observatory.

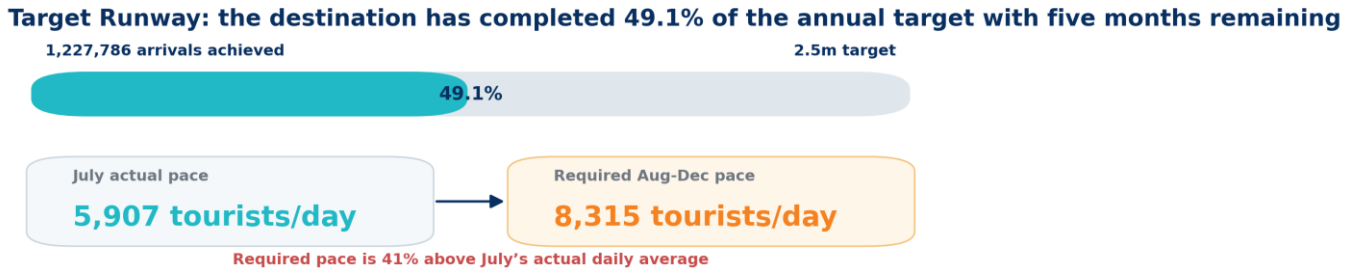


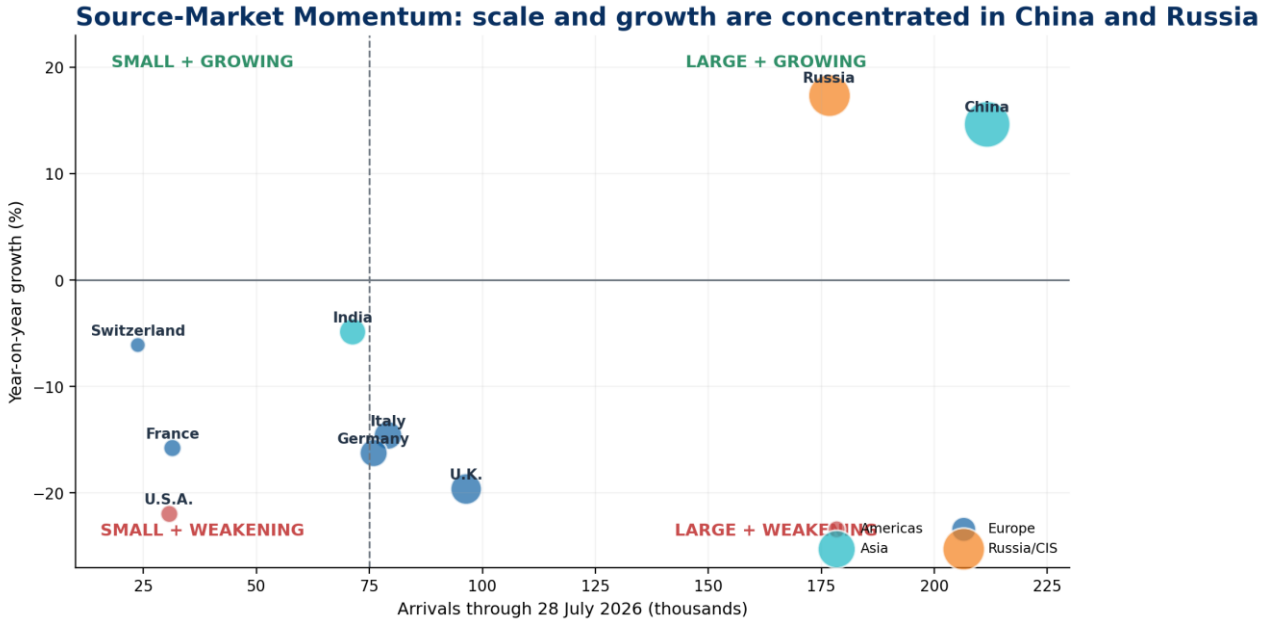
Figure 2. Target Runway Graphic. Formula: required daily pace = remaining arrivals to 2.5 million / remaining calendar days. Source: President's Office target; Ministry daily update; MTO calculations.

3. SOURCE-MARKET PORTFOLIO

CHINA AND RUSSIA ARE PROVIDING SCALE; MOST LARGE WESTERN MARKETS ARE WEAKENING

A like-for-like comparison of the Ministry daily updates as of 28 July 2026 and 28 July 2025 shows an increasingly asymmetric portfolio. China and Russia were both large and growing, while the United Kingdom, Italy, Germany, the United States and France were below their prior-year levels. India was comparatively stable but still slightly lower.

This pattern matters beyond arrival volume. Western European markets are important to resort occupancy and yield, while China and India have relatively stronger guesthouse participation. A portfolio increasingly dependent on China and Russia may support volume, but it also concentrates exposure to route availability, outbound confidence, exchange-rate conditions and geopolitical disruption.



Takeaway: most large Western markets are contracting; the portfolio is becoming more dependent on two large markets with distinct route and geopolitical exposures.

Figure 3. Source-Market Momentum Quadrant. X-axis: cumulative arrivals through 28 July 2026. Y-axis: year-on-year growth against the same date in 2025. Bubble size: 2026 arrivals. Source: Ministry daily updates dated 29 July 2026 and 29 July 2025; MTO calculations.

Table 3. Source-Market Momentum, like-for-like position through 28 July

Market	2026 arrivals	Y/Y change	Signal
China	211,684	+14.6%	Growing
Russia	176,732	+17.3%	Growing
U.K.	96,412	-19.6%	Weakening
Italy	79,118	-14.6%	Weakening
Germany	75,939	-16.3%	Weakening
India	71,281	-4.9%	Near stable
France	31,415	-15.8%	Weakening
U.S.A.	30,633	-22.0%	Weakening
Switzerland	23,760	-6.1%	Weakening

DECISION IMPLICATION

Protect the scale markets, but do not allow the recovery plan to become a two-market strategy. August-September conversion campaigns should be route-specific and segment-specific: restore Western resort demand, strengthen India and regional short-haul traffic, and use China/Russia growth without excessive dependence on either market.

4. ACCOMMODATION, YIELD AND CAPACITY PRESSURE SIGNALS

ARRIVALS RECOVERED IN JULY, BUT THE LATEST UTILISATION DATA SHOW A DEEPENING CAPACITY BURDEN

Detailed accommodation statistics lag behind the daily arrivals series. At the time of preparation, July arrivals were available, but the latest official bed-night, capacity, occupancy and average-stay indicators extended only through June 2026. The two data layers must therefore be read separately.

June recorded 822,000 bed nights and 2.036 million bed-night capacity. Overall occupancy was 40.4%, producing a Capacity Pressure Index of 2.48x and shadow inventory of approximately 1.21 million bed nights. This is the highest pressure reading of 2026 to date.

Table 4. Capacity Pressure Index Table: Tourist Arrivals, Utilisation and Shadow Inventory

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	822k	2,036k	1,214k	2.48x
Jul 2026	183,119	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. Bed-night values rounded to the nearest thousand.

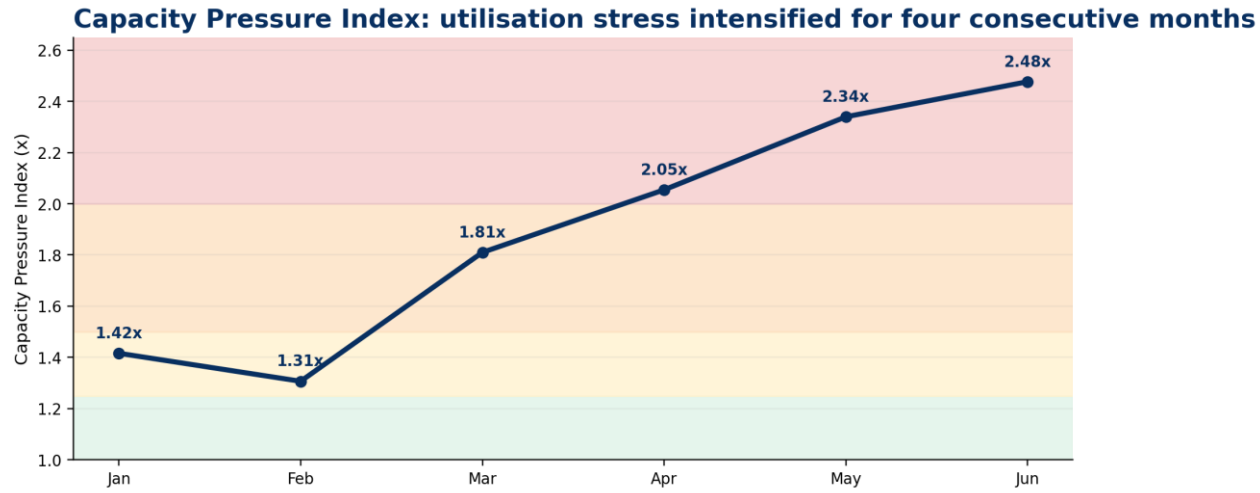
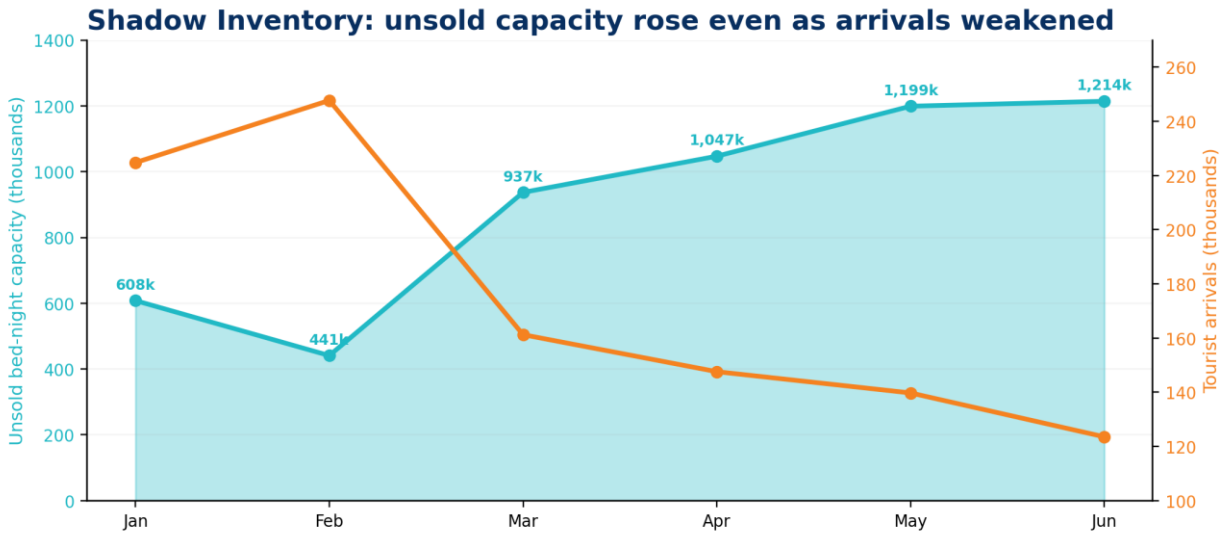


Figure 4. Capacity Pressure Index Trend. Source: MMA Table 3.1 Tourism Indicators; calculations by Maldives Tourism Observatory.

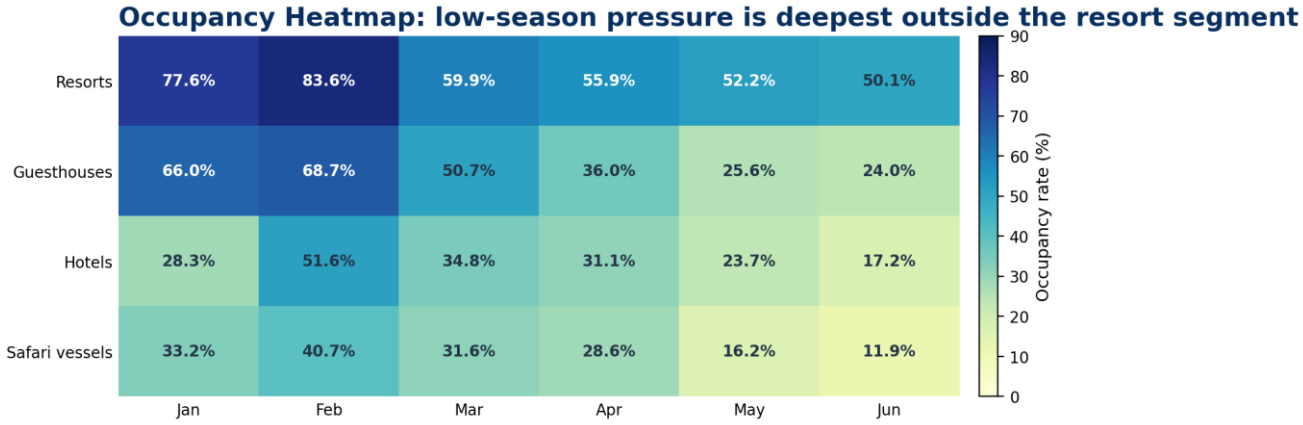
Shadow inventory is not simply empty rooms. It is the unsold bed-night capacity carried by the tourism system. It weakens pricing power, encourages discounting, reduces staff and asset productivity, suppresses supplier demand, and limits the conversion of arrivals into tax revenue and foreign exchange.

4. ACCOMMODATION, YIELD AND CAPACITY PRESSURE SIGNALS — CONTINUED



Takeaway: June carried about 1.21 million unsold bed nights. This is a pricing, staffing, supplier-demand and cash-flow burden, not merely a count of empty rooms.

Figure 5. Shadow Inventory Area Chart. Unit: thousands of bed nights; tourist arrivals shown on the secondary axis. Source: MMA Table 3.1; Ministry daily updates; MTO calculations.



Takeaway: by June, resort occupancy was 50.1%, while guesthouses were at 24.0%, hotels 17.2% and safari vessels 11.9%.

Figure 6. Occupancy Heatmap by Accommodation Type. Unit: occupancy rate. Source: Ministry/MMA accommodation series; June 2026 is the latest available detailed month.



Figure 7. Tourism Conversion Chain. July arrivals are current daily-update data; bed nights and occupancy are lagged to June; June fiscal collections are collection-month data. Sources: Ministry, MMA and MIRA.

5. EXTERNAL ENVIRONMENT

GLOBAL TOURISM REMAINS RESILIENT, BUT MALDIVES IS EXPOSED TO ROUTE AND MACROECONOMIC SHOCKS

UN Tourism reported that international tourist arrivals grew by 2% in the first quarter of 2026, but under heightened uncertainty. For the Maldives, the critical transmission channel is aviation: June arrival-flight movements at Velana International Airport were 15.8% lower year-on-year, including a 17.7% decline in scheduled flights.

The World Bank projects real GDP growth of 0.7% in 2026 and inflation of 6.0%, with weaker tourism receipts and higher import costs widening the current-account deficit. The IMF similarly expects growth of around 1%, while ADB's July outlook warns that Maldives growth could be pressured if visitor arrivals fall short and import costs rise. These conditions make route reliability, energy costs, consumer confidence and foreign-exchange liquidity central tourism risks.

6. FISCAL AND MACRO RELEVANCE

PERFORMANCE ENTERS THE TREASURY THROUGH OCCUPIED NIGHTS, SPENDING AND AIRPORT MOVEMENTS

MIRA collected MVR 2.92 billion in June 2026, 10.1% more than in June 2025 and 14.7% above forecast. TGST was the largest revenue category at MVR 1.08 billion, followed by income tax at MVR 799 million and resort rent at MVR 411 million. Green Tax generated MVR 157 million, while the Airport Development Fee and Departure Tax together generated MVR 269 million. USD collections totalled USD 118.60 million.

The June revenue headline should not be read as a pure measure of current tourism strength. MIRA reported that 14.3% of monthly revenue came from past-due payments and 23.4% was secured through recovery activity; one-off receipts also contributed. The analytical task is therefore to separate collection performance from the underlying tourism conversion chain.

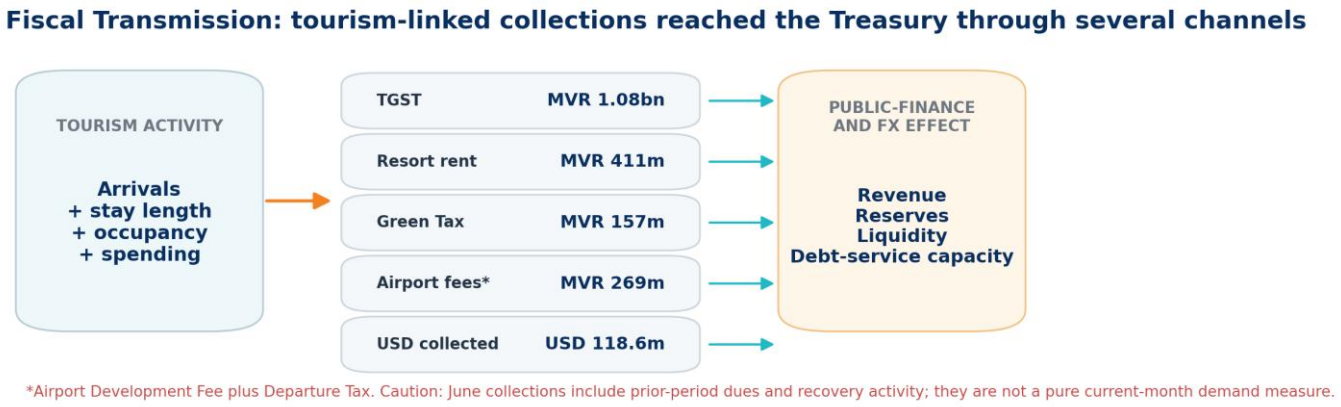


Figure 8. Fiscal Transmission Visual. Unit: MVR unless otherwise stated. Source: MIRA June 2026 revenue collection update. Airport fees combine Airport Development Fee and Departure Tax.

7. STRATEGIC IMPLICATIONS

Table 5. Strategic Implications for Government and Industry

Priority	Government action	Industry action
Air access security	Publish a weekly route-and-seat risk dashboard linking tourism, civil aviation, MACL, Immigration and MMPRC.	Share forward bookings and cancellations by route; align promotions with seats that can actually convert.
Aug-Sep demand protection	Concentrate public promotion on weak high-value corridors and short-haul markets with available capacity.	Use fenced value-adds, transfer-inclusive packages and targeted booking windows rather than blanket discounts.
Market diversification	Protect China and Russia while rebuilding the U.K., Germany, Italy, France and U.S. pipeline.	Segment product and channel strategy by market, accommodation type and purpose of travel.
Yield and utilisation	Publish monthly bed nights, occupancy, average stay, CPI and shadow inventory by accommodation type.	Manage ADR, RevPAR, staffing and procurement against realistic utilisation forecasts.
Guesthouse resilience	Improve island transport information, waste services and low-season destination support.	Pool island marketing, improve direct-booking conversion and package activities beyond the room.
Capacity management	Review the timing and regional phasing of new capacity against route growth and demand absorption.	Delay non-critical inventory releases or renovations where utilisation cannot support the added supply.

8. WATCHLIST FOR AUGUST-SEPTEMBER

THE NEXT BRIEF SHOULD TEST WHETHER JULY'S ARRIVAL REBOUND TRANSLATED INTO UTILISATION AND VALUE

Table 6. Watchlist Risk Matrix

Indicator	Latest signal	Risk direction	Action required
Arrivals	July recovered, but remained below 2025	Watch	Is August approaching the 8,315/day target pace?
Bed nights	June +8.3% y/y but -8.1% m/m	Watch	Confirm whether July volume increased occupied nights.
Overall occupancy	40.4% in June	High risk	Look for a sustained move above low-season warning levels.
Capacity Pressure Index	2.48x in June	High risk	Test whether July reduced the serious utilisation warning.
Shadow inventory	1.21m bed nights in June	High risk	Track whether unsold capacity falls below one million.
Market mix	China/Russia growing; Western markets weaker	Watch	Assess concentration and recovery in high-yield markets.
Air access	June scheduled flights -17.7% y/y	High risk	Monitor seats, disruptions, cancellations and route recovery.
Fiscal signal	June collections strong but partly arrears-driven	Mixed	Separate current tourism taxes from recovery and one-offs.
Booking risk	No official forward-booking series	Data gap	Build privacy-protected booking and cancellation indicators.

9. DATA NOTES AND SOURCES

Data are current as of 3 August 2026. July 2026 tourist arrivals are taken from the Ministry daily update published on 2 August, reporting complete July monthly arrivals and one day of August. The July monthly total is used; the 1 August daily value is excluded from January-July calculations. July figures should be treated as provisional daily-update data until the final monthly statistics report is published.

Source-market comparisons use like-for-like Ministry daily updates as of 28 July 2026 and 28 July 2025. They are not final month-end source-market totals. Accommodation indicators lag behind arrivals: June 2026 is the latest month available in MMA Table 3.1 for bed nights, bed-night capacity, occupancy and average stay. CPI and shadow inventory are MTO calculations from these official series.

MIRA data are collection-month figures. June revenue includes prior-period dues, recovery activity and one-off receipts, so it should not be interpreted as a direct contemporaneous measure of June tourism demand. External forecasts are scenarios from international institutions and may be revised.

Table 7. Source Register

Source	Use in brief
Ministry of Tourism and Civil Aviation	Daily Update, 2 August 2026; Daily Update, 29 July 2026; July 2025 Monthly Statistics Report; Daily Update, 29 July 2025. https://www.tourism.gov.mv/en/downloads/reports
Maldives Monetary Authority	Table 3.1 Tourism Indicators, through June 2026. https://database.mma.gov.mv/mosac/latest/3.1.pdf
President's Office	Presidential Address 2026: target of 2.5 million tourist arrivals. https://presidency.gov.mv/Press/Article/36141
Maldives Inland Revenue Authority	MIRA Collects MVR 2.92 Billion in June 2026. https://www.mira.gov.mv/ContentItems/View/newsjune2026revenuecollections
UN Tourism	International tourism up 2% in Q1 2026 amid growing uncertainty. https://www.untourism.int/news/international-tourism-up-2-in-q1-2026-amid-growing-uncertainty
World Bank	Maldives Development Update 2026. https://www.worldbank.org/en/country/maldives/publication/maldives-development-update-2026
International Monetary Fund	IMF Staff Completes 2026 Article IV Mission to the Maldives. https://www.imf.org/en/news/articles/2026/06/16/pr-26208-maldives-imf-staff-completes-2026-article-iv-mission
Asian Development Bank	Asian Development Outlook, July 2026. https://www.adb.org/outlook/editions/july-2026