Shangri-La’s Villingili Resort and Spa, Maldives

Creating Jobs in a Nation of Atolls

Crystal-clear blue water and 26 white sand atolls make up the Republic of Maldives. Tourism has helped the country transform from one of the poorest countries in the world thirty years ago to a middle-income country today. Villingili is a large island with lush vegetation, palm trees and three natural lagoons located in the southernmost part of the country. The government planned the luxury Shangri-La’s Villingili Resort and Spa together with Shangri-La Group, a leading owner and operator of deluxe hotels and resorts in Asia, the Middle East, North America and Europe. When the government was unable to meet investment obligations to the project, IFC helped finance the $143 million investment project with a $50 million loan.

Development Impact: 2014 Snapshot

**Contribution to GDP**
- The hotel contributed just over $27 million to Maldives’ gross domestic product.

**Total Tax Contribution**
- The hotel contributed $8.3 million in taxes to the government
- High tax contributions for this hotel reflect high tourism tax rates in this tourism-centric economy.

**Labor Market Impact**
- Shangri-La sustains over 1,600 jobs overall, including almost 600 direct jobs.
- The share of women working at Shangri-La is twice the average for the hotel industry in Maldives, a country where the culture discourages women from working in resorts.
- The hotel is creating stable job opportunities for Maldivians under 24, who make up ten percent of Shangri-La’s workforce.
- Given Shangri-La’s high standards, its training programs are high-quality and transfer skills to employees useful for other resorts in the Maldives.
Development Impact: 2014 Snapshot

**Spillover Benefits**

- Shangri-La has actively supported local producers through its engagement with the Addu Meedhoo Cooperative Society (AMCS), which provides about 10-15 percent of the hotel’s monthly consumption of fruits and vegetables. The operation helps 50 farming households. Products are grown and produced locally in the nearby island of Meedhoo, and revenues flow to local farmers.
- As a high-end luxury resort operating in a country with limited industrial capacity, Shangri-La imports a large share of goods. This limits its impact on the local economy beyond the resort itself.

**Spending by Guests Outside the Hotel**

- The all-inclusive nature of the resort limits spending beyond the hotel. Guest spending was largely at businesses operating within the hotel and for airfares paid by guests for transport from Malé to Gan Island, a route operated exclusively by Maldivian Airways. Together, it is estimated that these resulted in additional consumer expenditure of between $5.4 million and $7.6 million.

**Demonstration Effects**

- Improved transportation links that Shangri-La’s presence has brought to the Addu Atoll is expected to support future tourism-related investments, but it is too soon to judge.

**Other Social and Environmental Impacts**

- At the global level and in the Maldives, Shangri-La is known for its commitment to bio-diversity and environmental sustainability through its Reef Care project and other activities through the hotel’s Eco Centre.
- Shangri-La has a record of excellent management of the environmental, health and safety (EHS) measures.

**Supporting Local Farmers**

Shangri-La helped create the Addu Meedhoo Cooperative Society as a corporate social responsibility initiative to support local farmers. The hotel financed acquisition of greenhouses for the farmers and provided technical assistance in areas like efficient water management and conservation. Shangri-La’s support has helped the cooperative grow to a network of 50 farmers and diversify the number of agricultural crops from three to over 25. It provides coop members with food safety and other technical assistance workshops.

Shangri-La’s support to local farmers has been recognized with the World Responsible Tourism Award 2015 in the Best Hotel for Local Sourcing category.