



SUSTAINABLE TOURISM PRODUCT DEVELOPMENT OPPORTUNITIES IN THE PACIFIC ISLANDS

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FOREWORD

**BY ZURAB POLOLIKASHVILI
SECRETARY-GENERAL,
WORLD TOURISM ORGANIZATION (UNWTO)**

Tourism is one of the most important economic sectors in the world, and was heavily impacted by the unprecedented challenges of the COVID-19 pandemic. As the world opens up again, sustainability must be the guiding principle of our actions to contribute to the much-needed resilience, not only for the tourism sector but also for the societies depending on it. This is one of the central elements of the UNWTO Global Guidelines to Restart Tourism and the One Planet Vision for a Responsible Recovery of the Tourism Sector. It is in our hands to transform tourism, to turn crisis into opportunity and make this moment a turning point for sustainability.

While the full impact of the COVID-19 pandemic on global tourism is still difficult to assess, small island developing states were among the hardest hit of all destinations. For many, tourism is the most important socioeconomic pillar. The sector plays an important role as it contributes to three high-priority goals of developing countries: the generation of income, employment, and foreign-exchange earnings. The share of international tourism in total exports can reach more than 50% in Vanuatu, Samoa or Fiji, and almost 90% in Palau.

Tourism also has a great potential to accelerate progress towards the Sustainable Development Goals (SDGs). This will help countries, especially emerging destinations like those in the Pacific islands, transition towards more inclusive and resilient economies. The Pacific region has many natural, historical and cultural tourism resources. There is potential for these resources to be developed and packaged as marketable tourism products. Investing in sustainable tourism is fundamental for ensuring the sector continues to be a tool for sustainable development, particularly in fragile ecosystems.

While sustaining livelihoods dependent on the sector must be a priority, rebuilding tourism is also an opportunity

for transformation with a focus on leveraging its impact on destinations visited and building more resilient communities and businesses. To grow back better and foster sustainable growth, focusing on increased visitor value and developing new tourism products will be essential to help destinations further improve their returns, as well as provide the best possible experience for visitors.

The present report aims to provide knowledge, recommendations and case studies on synergies between tourism growth and tourism product development in the Pacific islands. Case studies are taken from the region and focus on product development: government policy, private-public partnership, small to medium-sized enterprises and entrepreneurial development, community engagement and carrying capacity. The research recommendations encourage a regional collaboration approach to address common tourism product development issues faced by island destinations across the Pacific.

Sustainable Tourism Product Development Opportunities in the Pacific Islands aligns with previous reports on tourism in small island developing states. As they face up to an increasing number of challenges, there is a need for such destinations to secure investment in sustainable tourism to advance socioeconomic welfare whilst protecting their fragile ecosystems. We trust this report will serve as valuable tool to maximize synergies between tourism growth and product development.

On behalf of UNWTO, I would like to take this opportunity to express our sincerest appreciation to the Asia-Pacific Tourism Exchange Center (APTEC) and the UNWTO Regional Support Office for Asia and the Pacific (RSOAP) for their commitment and support in making this report possible.

FOREWORD

BY YOSHIAKI HOMPO

CHIEF, UNWTO REGIONAL SUPPORT OFFICE FOR ASIA AND THE PACIFIC

It is my great pleasure to release this report by World Tourism Organization (UNWTO) and the Asia-Pacific Tourism Exchange Centre (APTEC). The UNWTO Regional Support Office for Asia and the Pacific (RSOAP) coordinated the study with technical support from the South Pacific Tourism Organization (SPTO). In its pursuit to support Asia-Pacific UNWTO member countries, APTEC engaged through RSOAP in the project of this report which comes at a time for strong support to help the global tourism sector recover from the unprecedented challenge of COVID-19. There is a call for responsible recovery for the tourism sector to advance towards a more economically, socially and environmentally sustainable tourism model.

This report aims to provide knowledge, case studies and recommendations on sustainable tourism product development in the Pacific island nations. The Pacific islands states with their innate natural beauty, vast biodiversity and pristine seas are attractive for visitors from around the world. However, they face challenges in exploring unique opportunities to attract new markets, diversifying their products and creating new revenue sources. The challenges they face are similar to other small islands around the world in being far away from major markets, with scarce and fragile natural resource, and facing climate change, leakages and community engagement challenges.

For this reason, it is more important than ever to foster sustainable growth, focussing on increasing visitor value rather than just volume. Developing new tourism products is essential to help destinations further improve their returns, as well as provide the best possible experience for visitors. With this in mind, this research aims to serve as a practical tool for the Pacific island nations and other island state to analyse current efforts of tourism development and identify

opportunities for product development that promote local entrepreneurship initiatives and community engagement in Pacific island states. It provides good practice scenarios from across the region and other island states, focussed on product development, government policy, private-public partnerships, small and medium-sized enterprises (SMEs) and entrepreneurial development, community engagement, and carrying capacity. The research also encourages intraregional collaboration and benchmarking among Pacific island destinations.

This report is the first UNWTO publication focussed on the Pacific islands. Whilst it strongly emphasizes on a regional approach in fostering sustainable product development, it also allows for a national focus on the eleven featured countries. A regional approach allows for cost-effective regional development recommendations to address common challenges faced. Furthermore, it is recognized that one of the key areas in COVID-19 tourism recovery is preparing for tourism's unique ability to lead local socioeconomic recovery and national growth.

On behalf of RSOAP, I would like to take this opportunity to express our sincerest appreciation to UNWTO Headquarters and SPTO for their support in making this report possible. Additionally, I would also like to express our earnest gratitude to APTEC for their continued commitment in supporting research focussed on the Asia and the Pacific region.

EXECUTIVE SUMMARY



The Pacific Ocean covers about one third of our planet's surface and contains fascinating island destinations with diverse natural and cultural characteristics. There is a wide range in the degree of tourism development between Pacific islands; some economies are highly dependent on tourism whilst others are just starting their tourism development journey. Regardless, sustainable tourism development is a key opportunity to improve the livelihoods and well-being of the island communities and to reduce poverty. Pacific islands generally have stunningly beautiful, but fragile marine environments; so care needs to be taken in any tourism development activity. With climate change being a major threat for low lying atolls and also for other Pacific islands frequented by cyclones and typhoons, there is a need to support the ongoing efforts to reduce its environmental impacts and carbon emissions which is of paramount importance for the resilience of the sector. Therefore, climate change strategies need to be incorporated into tourism development programmes.

Historically, a handful of Pacific islands have led the way in terms of tourism development as a key national economic strategy. Their experiences and lessons learnt provide valuable insights for other destinations newer to tourism. Increasingly, Pacific islands are seeking regional cooperation to tackle common issues.

Pacific populations tend to be small and located afar from each other and from the major outbound tourism markets. Hence, isolation and access are common challenges, which some destinations are successfully converting

into strengths. As tourism involves a complex and ever-changing global network, human resource development is vital in Pacific island countries to enable competitive tourism product development.

Whilst Pacific islands offer outstanding tourism resources, much work is still required to fully develop these into tourism products. Given the vastness of the region surveyed, this study aims at identifying high priority steps that can be taken at a practical level to further develop the Pacific tourism offer while ensuring sustainable and high return on investment for communities.

Methodology involved desk research of existing statistics and relevant studies, including country-by-country tourism strategies where these are available. Site visits were carried out in the five Pacific island states of Fiji, Niue, Samoa, Solomon Islands and Vanuatu, selected on the fact that they provided for a good representation of the range of size and nature of Pacific destinations. Good practice cases were also investigated from both within the Pacific islands and Pacific destinations to give practical guidance on how to alleviate challenges and make the most of opportunities. Additionally, effort was made to ensure good practice cases are associated with key elements of product development such as government policy, private-public partnerships, small and medium-sized enterprises and entrepreneurial development, community engagement and carrying capacity.

A key finding from this study is the opportunity to increase efforts at the regional level in supporting tourism product



development. There is considerable opportunity for cross-learning between Pacific islands, as well as cost-effective regional development of standardized solutions to common challenges faced. One of the main values of this study therefore lies in the following ten concrete regional recommendations developed to address common tourism product development issues faced by island destinations across the Pacific:

1. Grow secondment schemes;
2. Differentiate soft adventure;
3. Form partnerships to bid for events;
4. Develop a market guide for China's high value niche markets;
5. Make further use of existing air services;
6. Provide guidance for community-based tourism pricing and booking strategies;
7. Use cultural product to further build awareness of Polynesia in Australia;
8. Develop guidelines for Pacific pension funds to invest in tourism;

9. Provide specialist tourism product development resources for small island developing states; and

10. Concentrate on priorities and focus attention on the most urgent issues.

Tourism product development opportunities are presented chapter by chapter specifically for eleven destinations, these being the Federated States of Micronesia, Fiji, French Polynesia, Kiribati, Niue, Papua New Guinea, Samoa, Solomon Islands, Tuvalu, Timor-Leste and Vanuatu. A general tourism product development checklist is tabled to assist destinations and practitioners.

It should be noted that the study was carried out in 2019 prior to the COVID-19 pandemic. Recovery of tourism will take priority for Pacific island nations ahead of recommendations in the report. It is further recognized that one of the key areas in COVID-19 tourism recovery is preparing for tourism's unique ability to lead local socioeconomic recovery and national growth. Sustainable tourism development is integral to growing back better for any destination management model, and that the product development recommendations will add value to the recovery of a destination.¹

1 For further information on COVID-19 recovery for SIDS, please consult: World Tourism Organization (2020c), *UNWTO Briefing Note – Tourism and COVID-19, Issue 2. Tourism in SIDS – the challenge of sustaining livelihoods in times of COVID-19*, UNWTO, Madrid, DOI: <https://doi.org/10.18111/9789284421916>.

INTRODUCTION: SUSTAINABLE PRODUCT DEVELOPMENT IN THE PACIFIC ISLANDS



Summary

There are synergies between the sustainable growth of tourism and tourism product development in the Pacific islands. This chapter provides a Pacific dashboard and introduces to the role of the tourism sector in Asia and the Pacific, before highlighting the regional opportunities and challenges. There is variation in the economic contribution of tourism across the region. However, there are economies of scale, higher combined marketing profile, and shared learnings if small island developing states work together regionally.

Key words

- Tourism product
- Sustainable tourism development
- Gross domestic product (GDP)
- Small island developing states (SIDS)
- Measuring the Sustainability of Tourism (MST)

Key messages

- A tourism product should combine tangible and intangible elements of interest for a destination marketing mix that creates an overall tourism experience.
- Asia and the Pacific had the third highest growth in international tourist arrivals and receipts, 4% in 2019.
- In the Pacific specifically Oceania, international tourist arrivals increased 2% in 2019.
- Any development needs to be undertaken with sustainability as a prime consideration, given the fragile natural and cultural environments of Pacific islands.
- Measuring the Sustainability of Tourism promotes one common statistical language between countries and different economic sectors and is fundamental for improving policy actions and decisions towards sustainable tourism development.

I.1

ASIA AND THE PACIFIC OVERVIEW



This research aims to provide knowledge, recommendations and case studies on synergies between tourism growth and tourism product development in the Pacific islands. It has four main objectives:

1. Analyse efforts done in product development prior to COVID-19;
2. Identify tourism opportunities and make recommendations that promote local entrepreneurship initiatives and community engagement;
3. Provide relevant good practice examples from across the region and other island states, and present lessons learned; and
4. Encourage intraregional collaboration and benchmarking among Pacific island destinations.

COVID-19 has caused an unprecedented disruption to travel and tourism, with a 72% decline in international tourist arrivals in 2020 and 70% in 2021, compared to 2019. By regions, Asia and the Pacific suffered the largest impact, with decrease in international tourist arrivals of 84% in 2020 and a 94% decrease in 2021,² as well as the strictest COVID-19 related travel restrictions at the global level throughout the span of 2020 and 2021.³

For SIDS such as the Pacific island countries, tourism is considered a socio-economic pillar providing for an important source of export revenues, income, job creation and investments.⁴ The impacts of the COVID-19 pandemic made Pacific island countries particularly vulnerable, especially since their main source markets originate from other Asia-Pacific countries (representing 82% of international tourist arrivals).⁵

2 World Tourism Organization (2022b), *UNWTO World Tourism Barometer*, volume 20, issue 3, May 2022, p. 1, DOI: <https://doi.org/10.18111/wtobarometereng>.

3 World Tourism Organization (2021a), *COVID-19 related travel restrictions – A global review for tourism*, 11th report, 26th November 2021, p. 14, UNWTO, Madrid.

4 World Tourism Organization (2020c), *UNWTO Briefing Note – Tourism and COVID-19, Issue 2. Tourism in SIDS – the challenge of sustaining livelihoods in times of COVID-19*, p. 6, UNWTO, Madrid, DOI: <https://doi.org/10.18111/9789284421916>

5 World Tourism Organization (2020c), p. 13.

**Table I.1:** International tourist arrivals in the Pacific Island Countries, 2019–2021

Country	International tourist arrivals						
	2019	Change (%) 19/18	2020	Change (%) 20/19	2021	Change (%) 21/20	Change (%) 21/19
Federated States of Micronesia	18,000	-6.7	...	...	...	...	...
Fiji	894,389	2.8	146,905	-83.6	31,618	-78.5	-96.5
French Polynesia ^a	236,642	9.4	77,017	-67.5	82,546	7.2	-65.1
Kiribati	7,900	14.4	1,435	-81.9	65	-95.5	-99.2
Niue	10,210	-2.8	1,302	-87.2	...	...	...
Papua New Guinea	160,000	14.3	39,000	-75.6	...	...	...
Samoa	172,000	4.8	23,100	-86.6	2,591 (VF)	...	...
Solomon Islands	28,910	3.7	4,440	-84.6	737	-83.4	-97.5
Timor-Leste	80,758	8.2	17,879	-77.9	...	...	...
Tuvalu	3,600	11.4	650	-82.0	...	...	...
Vanuatu	120,628	4.3	21,965	-81.8	...	...	...

Note: a) Under the framework of this study, French Polynesia is considered a Pacific Island Country based on its status of France's Oversea Country (Pays d'Outre-Mer).

VF: International visitor arrivals at frontiers (tourists and same-day visitors)

Sources: World Tourism Organization (2022c), *UNWTO World Tourism Barometer*, volume 20, issue 4, July 2022, Annex 13, UNWTO, Madrid, DOI: <https://doi.org/10.18111/wtobarometereng>.

World Tourism Organization (2022d), *World Tourism Barometer*, volume 20, issue 5, September 2022, UNWTO, Madrid, DOI: <https://doi.org/10.18111/wtobarometereng>.

Table I.2: International tourism receipts in the Pacific Island Countries, 2019–2021

Country	International tourism receipts (USD million)					
	2019	Change (%) 19/18	2020	Change (%) 20/19	2021	Change (%) 21/20
Federated States of Micronesia	...	...	...	...	...	...
Fiji	963	-0.9	154	-84.0	35	-77.3
French Polynesia	...	...	...	...	...	...
Kiribati	3	-7.5	0.03	-99.0	...	...
Niue	...	...	...	...	...	...
Papua New Guinea	2	-17.3	0.5	-75.2	0.7	27.9
Samoa	207	7.4	24	-88.6	...	-100
Solomon Islands	71	-12.1	...	...	...	...
Timor-Leste	70	-9.2	26	-63.6	12	-52.3
Tuvalu	8	31	...	...	...	...
Vanuatu	278	-5.6	55	-80.2	...	...

Source: World Tourism Organization (2022b), *UNWTO World Tourism Barometer*, volume 20, issue 4, July 2022, Annex 14, UNWTO, Madrid, DOI: <https://doi.org/10.18111/wtobarometereng>.

Prior to the COVID-19 pandemic, the growth in tourism revenue globally was an outstripping growth of gross domestic product (GDP).

In 2019 all regions saw an increase in arrivals – Asia and the Pacific had seen 4% growth in international tourist arrivals in 2019 and 1% growth in tourism receipts (real terms). Asia and the Pacific enjoyed the highest growth in international tourist arrivals along with Europe and the Middle East.⁶ Although the region alone welcomed 360 million international arrivals in 2019 (25% of the world's total), growth was slower than in 2018 (+7%).⁷ Chinese outbound travel fuelled growth in many destinations in the region.⁸ In Oceania specifically, international tourist

arrivals increased 2%, a modest performance fuelled by the softening of Chinese demand for the larger destinations of Australia and New Zealand. However, in contrast, destinations such as French Polynesia and Samoa recorded a solid growth.

Developing new tourism products is essential to help destinations further improve their returns, as well as provide the best possible experience for visitors.

The COVID-19 global pandemic has caused unprecedented socioeconomic impacts whilst simultaneously raising awareness of the role which sustainability needs to play in the tourism sector.

⁶ World Tourism Organization (2020e), *UNWTO World Tourism Barometer*, volume 18, issue 4, p. 3, DOI: <https://doi.org/10.18111/wtobarometereng>.

⁷ World Tourism Organization (2020e), p. 4.

⁸ World Tourism Organization (2020f), *UNWTO World Tourism Barometer*, volume 18, issue 1, p. 10, DOI: <https://doi.org/10.18111/wtobarometereng>.

I.2

TOURISM AND SUSTAINABLE DEVELOPMENT

I.2.1 SUSTAINABLE DEVELOPMENT GOALS

The Sustainable Development Goals (SDGs) are very high on the agenda for most countries of the world as nations have to report on their implementation and actions taken at a country level that will determine the success of the SDGs. The 17 interconnected SDGs aim to address global challenges by 2030, including poverty, inequality, climate change, environmental degradation, peace and justice.⁹ Sustainable tourism development can contribute to all of the SDGs in the Pacific islands as tourism has been officially included as targets in Goals 8 (Decent Work and Economic Growth), 12 (Responsible Consumption and Production) and 14 (Life Below Water). Sustainable tourism development can also directly or indirectly contribute to No poverty (SDG 1), and Industry, innovation and infrastructure (SDG 9). Additionally, SDG target 8.9¹⁰ on tourism direct gross domestic product and SDG target 12B¹¹ to implement standard accounting tools to monitor the economic and environmental aspects of tourism sustainability come under the custodianship of the World Tourism Organization (UNWTO). Placing SDGs at the centre of defining objectives of tourism policies can be a catalyst in setting long-term commitments that can go beyond political cycles and lead to enhanced cross-governmental collaboration.¹²

I.2.2 SUSTAINABLE TOURISM

The World Tourism Organization defines *sustainable tourism* as "tourism that takes full account of its future economic, social and environmental impacts, addressing the needs of visitors, the industry, the environment and host communities".¹³ There are two interconnected components of sustainability of tourism. Firstly the ability for tourism to continue as an activity in the future whilst ensuring that the conditions are suitable. Secondly, the ability of society and the environment to absorb and benefit from the impacts of tourism in a sustainable manner. UNWTO has set twelve aims for sustainable tourism: economic viability, local prosperity, employment quality, social equity, visitor fulfillment, local control, community well-being, cultural richness, physical integrity, biological diversity, resource efficiency and environmental purity.

I.2.3 SUSTAINABLE CONSUMPTION AND PRODUCTION

UNWTO promotes tourism as a driver of economic growth, inclusive development and environmental sustainability and offers leadership and support to the sector in advancing knowledge and tourism policies worldwide. For contributing effectively to sustainable development it is essential that the tourism sector

9 United Nations (2020), 'Take Action for the Sustainable Development Goals', online available at: www.un.org/sustainabledevelopment/sustainable-development-goals/ (09-11-2020).

10 SDG target 8.9: "By 2030, devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products."

11 SDG target 12.B: "Develop and implement tools to monitor sustainable development impacts for sustainable tourism that creates jobs and promotes local culture and products."

12 World Tourism Organization (2019a), *Baseline Report on Integration of Sustainable Consumption and Production Patterns into Tourism Policies*, UNWTO, Madrid, p. 10. DOI: <https://doi.org/10.18111/9789284420605>.

13 World Tourism Organization and United Nations Environment Programme (2005), *Making Tourism More Sustainable – A Guide for Policy Makers*, UNWTO, Madrid, p. 12. DOI: <https://doi.org/10.18111/9789284408214>.

advances sustainable consumption and production (SCP) practices, an important mandate being supported by key initiatives under the One Planet Sustainable Tourism Programme such as the Global Plastics Tourism Initiative and the Glasgow Declaration for Climate Action in Tourism¹⁴. There is a link with countries that place tourism high in the national agenda and national tourism policies, especially those that have implemented policies on resource efficiency to advance SCP.¹⁵ Tourism can have a profound influence on sustainable travel behaviour and demand as it involved direct interaction between visitors (consumer) and host communities (producer).

1.2.4 MEASURING THE SUSTAINABILITY OF TOURISM

Having more and more reliable statistics is essential for policymakers to make effective decisions. Only sufficient and adequate data can generate credible statistics and make it possible to analyse and evaluate the different aspects of tourism and better support policy- and decision-making. Bearing this in mind, UNWTO, in collaboration with the UN Statistics Division, is propelling the development of the Measuring the Sustainability of Tourism¹⁶ (MST) macro initiative to provide all countries in the world with a common framework to measure the impacts and contributions of tourism on the economy, the society and the environment, at both the national and subnational levels. The Statistical Framework for MST is a valuable guiding tool for countries to produce credible,

comparable and integrated data to better guide decisions and policy with respect to sustainable tourism – including the Sustainable Development Goals.

1.2.5 SUSTAINABLE TOURISM PRODUCT DEVELOPMENT

With the focus on developing tourism products, a *tourism product* is defined as a "combination of tangible and intangible elements, such as natural, cultural and man-made resources, attractions, facilities, services and activities around a specific centre of interest which represents the core of the destination marketing mix and creates an overall visitor experience, including emotional aspects for potential customers. A tourism product is priced and sold through distribution channels and it has a life-cycle."¹⁷

Tourism product development should follow three key principles of sustainable tourism development:¹⁸

1. Firstly, being differentiated from competitors through comparative advantage, in enhancing experiences by developing new attractions and activities based on local natural and cultural resources;
2. Secondly, having the support of the host community, that is, tourism development with communities, not tourism development done 'for' communities; and

¹⁴ World Tourism Organization (2022a), 'One Planet – Mainstreaming sustainable consumption and production in tourism', online available at: <https://www.unwto.org/sustainable-development/one-planet> (23-02-2022).

¹⁵ World Tourism Organization (2019a), *Baseline Report on Integration of Sustainable Consumption and Production Patterns into Tourism Policies*, pp. 6–7

¹⁶ World Tourism Organization (2020b), 'Measuring the Sustainability of Tourism', online available at: <https://unwto.org/Measuring-Sustainability-Tourism> (09-11-2020).

¹⁷ World Tourism Organization (2019e), *UNWTO Tourism Definitions*, UNWTO, Madrid, DOI: <https://doi.org/10.18111/9789284420858>.

¹⁸ World Tourism Organization (2011), *Handbook on Tourism Product Development*, UNWTO, Madrid, DOI: <https://doi.org/10.18111/9789284413959>, p. ix.

3. Finally, respecting natural and sociocultural values. There is a current emphasis in shifting from tourism volume to value. Therefore, products with higher added value and less impact need to be created.

There are seven key tourism product development steps (table I.3). Step four, which probes on appropriate clusters, circuits and events, is particularly effective for small Pacific islands that individually may lack sufficient resources to make an impact. Blue ocean sailing, for example, is a niche very high-value segment where Pacific islands can work together to host the same visitors following a trans-Pacific route.

Good practice case studies and discussion of opportunities for product development by country are classified in the report under five pillars that relate to tourism product development:

- 1. Government policy;
- 2. Private-public-community partnership;
- 3. Micro-, small and medium-sized enterprise (MSME) and entrepreneurial development;
- 4. Community engagement; and
- 5. Carrying capacity.

Further details of these good practice case studies and the individual national product development opportunities for the featured countries, aligned to the five pillars can be seen in annex A and B.

Table I.3: Tourism product development – seven key steps

Step 1:	Market research
Step 2:	Determine current gaps in market/product matching, thereby identifying product development opportunities
Step 3:	Identify tourism product development areas
Step 4:	Determine logical flagships/hubs development
Step 5:	Develop a product portfolio and investment plan
Step 6:	Human resource development
Step 7:	Tourism product development as a tool for marketing and promotion

Source: World Tourism Organization (2011), *Handbook on Tourism Product Development*, UNWTO, Madrid, DOI: <https://doi.org/10.18111/9789284413959>, pp. 37–64.

I.3

PACIFIC ISLANDS DASHBOARD

The Pacific Ocean covers one third of the planet's surface. Destinations within the region are diverse, in terms of their populations, ease of access, degree of tourism development, culture and language, among others. As seen in figure I.1, the region is sometimes categorized culturally in three regions, Melanesia, Polynesia and Micronesia. Based on this cultural categorization each destination covered in this study is presented in a tourism dashboard to give a snapshot of recent sector performance. The dashboard covers visitor arrivals, cruise arrivals, length of stay, purpose of visit, tourism's contribution to GDP and employment. However, for some countries there have been limitations to the extent of data available.

I.3.1 PACIFIC DEMAND AND SUPPLY

There are a number of key demand and supply drivers of tourism in the Pacific. **Demand drivers** include economic growth in Australia and New Zealand, better air access, product offers and marketing and rise in demand for Pacific cruises. Meanwhile **supply drivers** of tourism are new air carriers, hotel brands and cruise lines increasing the demand. There are also a greater number of special experiences in development to meet tourist demand, while Pacific governments are also taking proactive strategic approaches to tourism.¹⁹ Annex C features the product and market matrix compiled for this study for the nations' features included in this report. It enlists

the different source markets for each nation against the main products which the markets participate in. As shown in figure 1.2, visitor arrivals to the Pacific islands grew modestly. For a number of small island states, growth is off at a very low base. Long-term growth is positive for Pacific islands nations but performance varies between countries; and short-term decreases have resulted from political instabilities, natural disasters and global market conditions. For the Pacific islands, the majority of visitors are from Australia and New Zealand. The United States of America, China, Japan and Europe are relatively small but still very important markets, having the potential to generate more growth in arrivals given their size of populations.²⁰

China, the world's largest tourism spender contributing to one fifth of international tourism spending in 2018,²¹ and being a high-growth market globally over the last decade, is under-represented in the Pacific islands' market portfolio (5.8%)²² in comparison with Pacific rim destinations (18%²³ and 17%²⁴ for Australia and New Zealand respectively). Once COVID-19 related travel restrictions are abolished in China and Pacific island destinations, Chinese arrivals can grow following the experience of other destinations that implemented targeted policy interventions facilitating improved access in aviation and visa policies with targeted marketing. However, carrying capacity and absorption rate constraints can reduce Chinese visitor numbers to the Pacific.²⁵

19 Everett, H.; Simpson, D. and Wayne, S. (2018), *Tourism as a Driver of Growth in the Pacific*, Asian Development Bank, Manila, p. 5., online available at: <https://www.adb.org/sites/default/files/publication/430171/tourism-growth-pacific.pdf>.

20 World Bank (2016), *Pacific Possible, Tourism Pacific Possible Background Paper No. 4.*, World Bank, Washington DC, p. i, online available at: <https://documents1.worldbank.org/curated/en/524541503688261330/pdf/106504-REVISED-ADD-SERIES-NO-4-PUBLIC-P154324-Tourismbackgroundfinal.pdf>

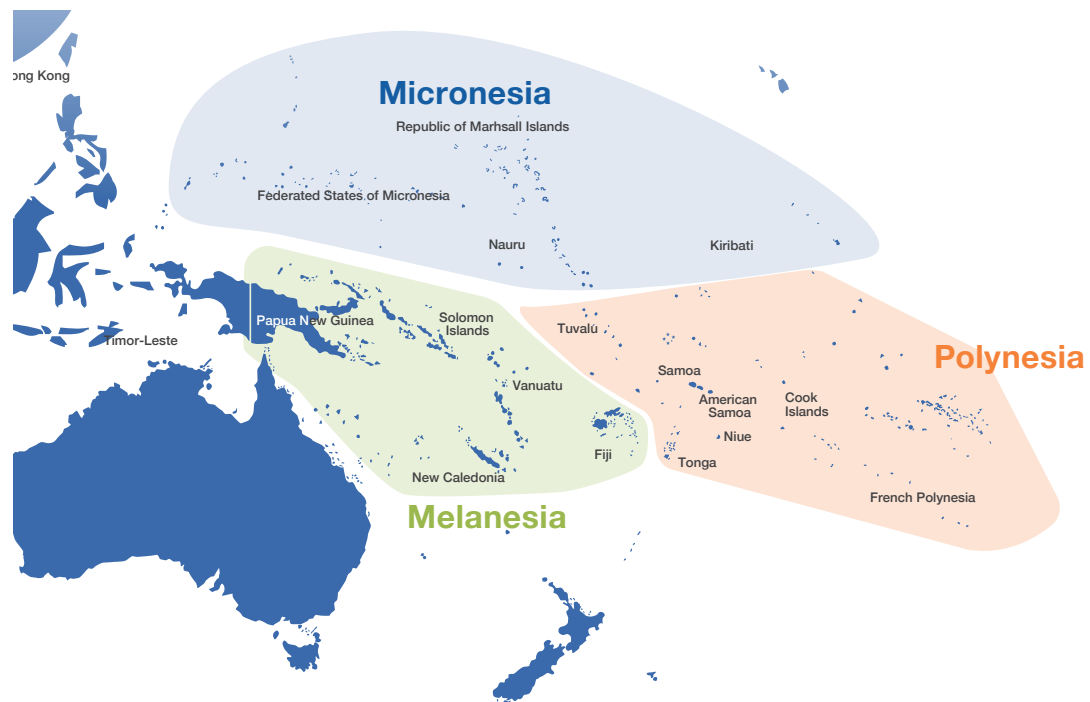
21 World Tourism Organization (2019b), *International Tourism Highlights, 2019 Edition*, p. 15.

22 Pacific Tourism Organization (2019), *2018 Annual Visitor Arrivals Report*, SPTO, Suva, pp. 5-6, online available at: <https://pic.or.jp/ja/wp-content/uploads/2019/07/2018-Annual-Visitor-Arrivals-ReportF.pdf>

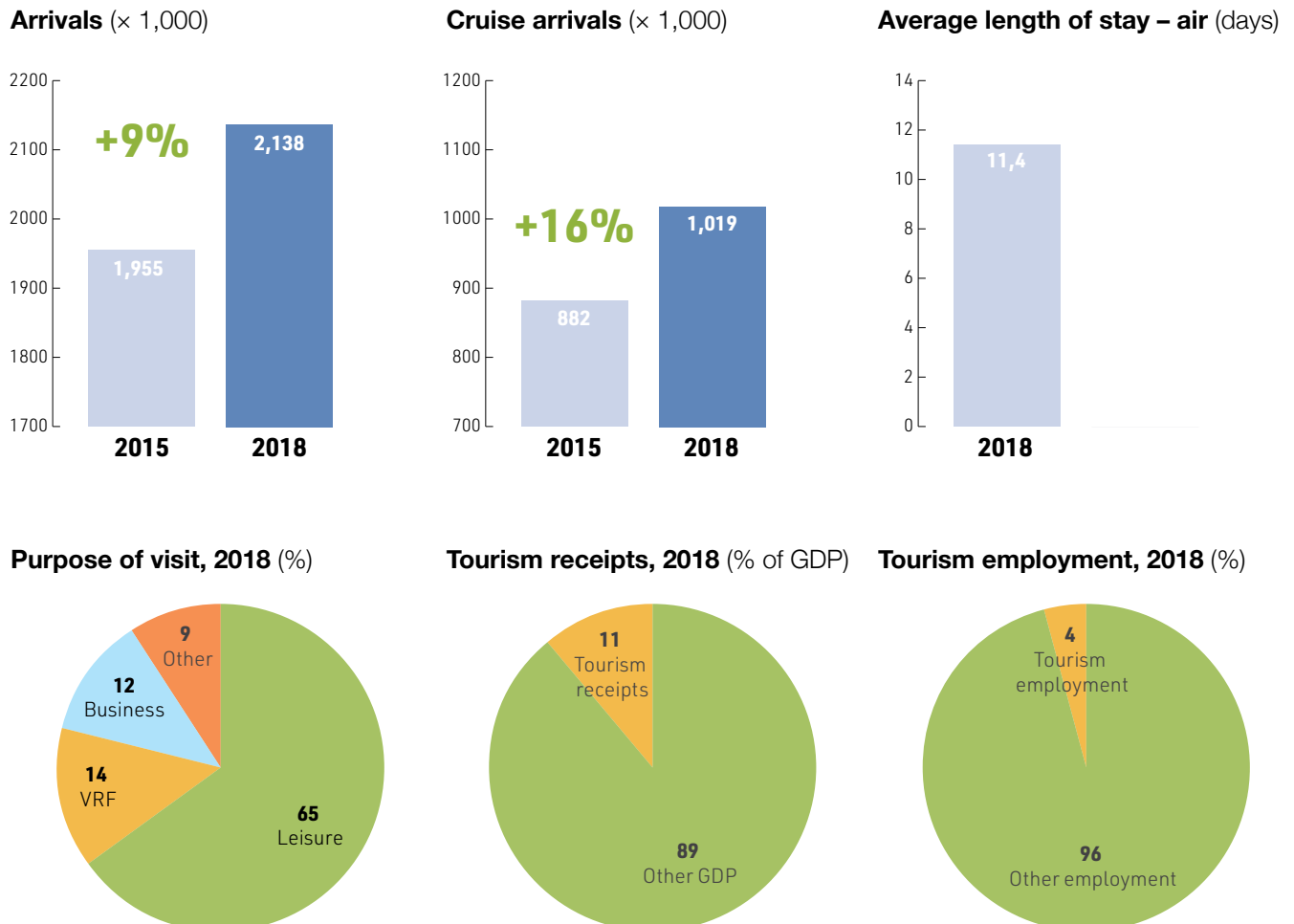
23 Tourism Australia (2018), *Monthly Visitor Arrivals* (online), December, Sydney, online available at: <https://www.tourism.australia.com/content/dam/assets/document/1/7/4/g/i/2011986.pdf>

24 StatsNZ (2018), *International visitor arrivals to New Zealand: December 2018*, Government of New Zealand, Wellington, online available at: <https://www.stats.govt.nz/information-releases/international-travel-december-2018>

25 World Bank (2016), *Pacific Possible, Tourism Pacific Possible Background Paper No. 4.*, p. iii.

Figure I.1: Map of the Pacific

Source: Based on South Pacific Tourism Organisation (2020).

Figure I.2: Pacific islands international tourism dashboard, 2018

Source: Pacific Tourism Organization (2018), *Annual Visitor Arrivals Report*. Intra-year detailed statistics are also available at this source.



1.3.2 CRUISE TOURISM

Figure 1.2 shows that Pacific cruise visitation generally follows the globally increasing trend (global cruise passengers grew from 19.1 million in 2009 to 30 million in 2019).²⁶ The growth of the Australian market transformed cruising in the Pacific.²⁷ Destinations within easy reach of the large Australian cruise market saw an increase in cruise visitors. Vanuatu recovered its cruise business after negative publicity deriving from aggressive transport operators over customers at Port Vila. Polynesian and Micronesian destinations, farther from Australia, have to work harder to grow their cruise visitors, as cruise departures from the large east coast Australian market omits a number of competitive cruise destinations in neighbouring Melanesia to reach Polynesia or Micronesia. It shall be noted that the cruise sector has been heavily impacted by the COVID-19 pandemic, as all cruise activities ceased during the pandemic.

1.3.3 PURPOSE OF VISIT

Whilst, two thirds of arrivals to Pacific islands are for leisure, there is a large variation in composition of purpose of visit across the Pacific. Destinations with significant natural resources, for example Papua New Guinea, Timor-Leste and Solomon Islands, have a high proportion

of business and government related visitation. Revenues from tourism have expanded incomes especially for Fiji, Palau, Samoa and Vanuatu. Fees or taxes associated with tourism are in effect in a few nations, the most notable being Palau's 'Green Fee'.²⁸ Destinations where tourism contributes to a large proportion of GDP, for instance Vanuatu and French Polynesia,²⁹ enjoy a high proportion of leisure visitors. Tourism receipts are an indicator of how the tourism sector is performing within an economy. In ecologically sensitive destinations as the Pacific islands nations, low-value high-yield tourism is preferred as increased arrivals may not necessarily coincide with higher receipts.³⁰ Destinations with a large overseas diaspora, for example Samoa, have a high proportion of 'visiting friends and relatives' (VFR) arrivals.

Average visitor length of stay is generally lower for destinations with a higher proportion of leisure visitors. Further development of tourism products will give visitors more reasons to stay longer and repeat visits. In the case of some small island developing states (SIDS) with very limited air access options, length of stay can be a function of flight schedules.

²⁶ Cruise Lines International Association (2019), *2020 Cruise Industry Outlook*, CLIA, Washington DC, p. 12, online available at: <https://cruising.org/-/media/eu-resources/pdfs/clia-2020-state-of-the-cruise-industry-outlook>

²⁷ World Bank (2016), *Pacific Possible, Tourism Pacific Possible Background Paper No. 4*, p. iv.

²⁸ United Nations Development Programme (2017), *Discussion Paper, Financing the SDGs in the Pacific Islands: Opportunities, Challenges and Ways Forward*, p. 13.

²⁹ Pacific Tourism Organization (2019), *A2018 Annual Visitor Arrivals Report*, p. 13.

³⁰ World Bank (2016), p. 2.

I.4

TOURISM CHALLENGES AND OPPORTUNITIES FOR PACIFIC ISLANDS

The COVID-19 global pandemic has caused unprecedented impacts, as tourism is a socioeconomic pillar of Pacific SIDS. This implies long-term holistic thinking with regards to the challenges, and thus connects with the need to transition to a more sustainable tourism model.

I.4.1 ACCESSIBILITY AND POPULATION

Tourism in small islands faces challenges in terms of connectivity, scarce and fragile natural resources, climate change, leakages and community engagement, while also presenting opportunities for employment and women empowerment, promotion and protection of natural resources, blue and green economies, investment and value chains, and resilience.³¹ Remote geographic locations, coupled with poor policy frameworks have contributed to low economic growth in many Pacific island nations,³² which face development challenges due to their distance from major markets, many with small populations spread across many islands and distances.³³

Population growth is high in larger Pacific island countries with large youth populations like Papua New Guinea, Solomon Islands, Timor-Leste and Vanuatu. Meanwhile, in other smaller nations, populations are increasing more

slowly with ageing populations becoming a concern in Samoa and Tonga. Moreover, conversely years of outward migration, partly due to the free association agreements with New Zealand, has shrunk populations in nations such as Cook Islands and Niue.³⁴

I.4.2 SUSTAINABLE TOURISM PRODUCTS

Tourism is a relatively small sector in natural resource-rich Pacific destinations. However, there is growing awareness across the region that tourism could play an increasingly important role in socioeconomic development. There is an opportunity to preserve the environment and cultural resources; and whilst pristine environments are not the exclusive domain of Pacific islands nations, their unique individual cultural heritage differentiates them from the global market. Tourism is seen as an opportunity to continue to provide sustainable economic growth even as natural resources reach their limit within economic contribution. Some destinations like Niue, where tourism is a relatively significant economic contributor, acknowledge that sustainable tourism also has a carrying capacity limit. Therefore, these destinations are developing tourism product strategies accordingly.

31 World Tourism Organization (2014), *Tourism in Small Island Developing States (SIDS)*, p. 2.

32 World Bank (2017b), *Pacific Possible: Long-term Economic Opportunities and Challenges for Pacific Island Countries*. Washington, DC: World Bank, p. 2. DOI: <https://documents.worldbank.org/en/publication/documents-reports/documentdetail/168951503668157320/pacific-possible-long-term-economic-opportunities-and-challenges-for-pacific-island-countries>

33 World Bank (2016), *Pacific Possible, Tourism Pacific Possible Background Paper No. 4*, p. i.

34 United Nations Development Programme (2017), *Discussion Paper, Financing the SDGs in the Pacific Islands: Opportunities, Challenges and Ways Forward*, p. 30.

Tourism product development must proceed hand in hand with tourism market development to ensure seamless delivery of both host and visitor expectations. Product development is one of the four **Ps** of the classic definition of marketing (**p**roduct, **p**romotion, **p**lace and **p**rice). The Asian Development Bank also concurs that development, based on market demand, is vital to increasing competitiveness for the region and requires a strategy of improving yields and developing markets.³⁵ This report therefore includes a number of recommendations related to destinations' opportunities for developing new markets to support sustainable new product development. China, Australia and – to some extent – Japan are noted as particular market opportunities to sustainably deliver more visitors to fledgling Pacific island tourism products by reaching out to particular visitors' needs. Increasing the Chinese market could see an increase of 650,000 jobs and USD 950 million in tourism receipts.³⁶

The Pacific region abounds with natural, historical and cultural tourism resources. However, many of these resources have yet to be developed and packaged as marketable tourism products. Investing in sustainable tourism is fundamental in ensuring the sector continues to be a tool for sustainable development, particularly in fragile ecosystems such as SIDS.³⁷ Many destinations need help in developing human resource capability to utilize tourism resources and develop package, and market them as tourism products to prospective visitors.

1.4.3 CLIMATE CHANGE

SIDS are vulnerable to the impacts of climate change and require a response from the tourism sector with islands being top destinations for tourists. For transforming tourism in the Pacific, climate change actions need to be taken by embracing low carbon pathways with awareness and optimization as key elements. Awareness, through measurement and disclosure of the emissions related to tourism activities and the setting of evidence-based targets. Optimization, through mitigation and adaption instruments and strategies scaled to the tourism sector with participation from all stakeholders.³⁸ Any development needs to be undertaken with sustainability as a prime consideration, given the fragile natural and cultural environments of the Pacific islands. Given rapidly growing consumer interest in sustainability, there is a market opportunity to grow investment into green technologies to reduce energy and water consumption and promote biodiversity conservation.³⁹ Likewise targeting the efficient use of natural resources particularly on water, energy and climate change is linked to SDG 6 (Clean water and sanitation), SDG 7 (Affordable and clean energy) and SDG 13 (Climate action).⁴⁰

1.4.4 PRODUCT DIFFERENTIATION

Although each Pacific island destination is unique, visitors may perceive commonality in core elements. At the most basic level, all destinations offer sun, sand and sea. Therefore, when developing tourism products, destinations should consider unique selling propositions to create differentiated offerings from other destinations. In this way, visitors are given more reasons to visit more destinations, reducing potentially destructive price competition.

35 Everett, H., Simpson, D. & Wayne, S. (2018), *Tourism as a driver of growth in the pacific*, p. 18.

36 World Bank (2017b), *Pacific Possible: Long-term Economic Opportunities and Challenges for Pacific Island Countries* p. 28.

37 World Tourism Organization (2014), *Tourism in Small Island Developing States (SIDS)*, p. 2.

38 World Tourism Organization (2019c), *Transport-related CO₂ Emissions of the Tourism Sector*, p. 49.

39 World Tourism Organization (2014), p. 2.

40 World Tourism Organization (2019a), *Baseline Report on Integration of Sustainable Consumption and Production Patterns into Tourism Policies*, UNWTO, Madrid, DOI: <https://doi.org/10.18111/9789284420605>, p. 48

1.4.5 CONNECTIVITY

Globally, affordable air travel, , increased connectivity, new technological advances, new business models and greater visa facilitation have fostered continuous growth of tourism.⁴¹ Given the remote nature of many Pacific islands, opportunities to improve access will deliver significant benefits. Such opportunities not only include new air and cruise services, but also better utilization of existing services and development of new hubs. However, with the Pacific islands remote locations, transport-related emissions of the tourism sector may remain a major challenge.

Many Pacific destinations struggle not only with physical isolation, but also digital isolation. Improved Internet access and connectivity has the potential to translate to more income and better opportunities. Poor digital connectivity reduces marketing and communications capacity, and, therefore, acts as a hindrance to new product development.

1.4.6 TOURISM RESEARCH AND DATA

The Pacific islands also suffer from lack of effective data monitoring and measuring systems necessary for decision-making processes. By implementing an inbound visitor survey (IVS) destinations would benefit from data collection providing valuable insights on visitor activity preferences and movements, as well as consumer behaviour to guide future product development. Moreover, not all countries track cruise arrivals. Equipped with rich visitor data, Pacific island nations can leverage their cultural differentiations, develop and match tourism experiences for key generating markets and stimulate market share more effectively.⁴²

Furthermore, a focus on Measuring the Sustainability of Tourism (MST)⁴³ would help to protect delicate ecosystems, conserve cultural and natural heritage, and ensure the development of sustainable and inclusive tourism. It would transform tourism into an environmentally and socially responsible sector that assigns high value to protecting the environment, conserving and enriching each country's culture and improving the lives of our local communities.

1.4.7 COMMUNITY DEVELOPMENT

The *AIUla Framework for Inclusive Community Development through Tourism* advocates for inclusive community development through tourism. A community's characteristics and existence are enabling factors that define its tourism potential; and the commitment and interest from communities themselves need to be identified. These are essential elements to aid tourism development within communities,⁴⁴ while tourism has a role as a catalyst for inclusive community development. To harness the tourism potential to advance inclusive community development, a clear evidence-based framework is needed to guide and measure progress made to date.⁴⁵

As tourism continues to grow sustainably in the Pacific, so will the employment opportunities it provides. Continuing to develop human resources for tourism will be vital, as demonstrated by the number of the recommendations in this report for this area. Most importantly, developing local expertise and content for tourism products must be prioritized to enable control and profits to stay within local communities.

41 World Tourism (2019c), *Transport-related CO₂ Emissions of the Tourism Sector*, p. 12.

42 Everett, H.; Simpson, D. and Wayne, S (2018), *Tourism as a driver of growth in the pacific*, p. 19.

43 For further information on the ongoing process of Measuring the Sustainability of Tourism, please consult: <https://www.unwto.org/standards/measuring-sustainability-tourism> [17-01-2022].

44 World Tourism Organization (2020a), *AIUla Framework for Inclusive Community Development through Tourism*, UNWTO, Madrid, DOI: <https://doi.org/10.18111/9789284422159>, p. 13.

45 World Tourism Organization (2020a), p. 10.



1.4.8 REGIONAL COOPERATION

Even though tourism is the best chance to alleviate poverty in the Pacific islands, there is considerable variation in the level of partner support development for tourism across the region. SIDS are in most need of assistance given their very limited internal resources and isolation challenges. The capacity of tourism to connect with other economic sectors, and industries can contribute to growth in other important sectors such as agriculture, fisheries, services and transport infrastructure.⁴⁶ However, the biggest opportunity for development partners is to support regional and local solutions to common tourism development challenges. This will maximize cost effectiveness of development

assistance, as well as ensuring standardized solutions that will be welcomed by external partners such as global airlines and travel agencies. UNWTO recommends that SIDS should work together regionally for formulating common tourism policies and actions, strengthening economies of scale in the tourism sector, and sharing information and knowledge. Integrated regional destinations can then achieve higher profiles in target markets.⁴⁷ The Asian Development Bank concurs that opportunities for regional cooperation include improved air connectivity, marketing and market research and sharing best practices on tourism infrastructure development.⁴⁸ Identifying tourism opportunities also requires collaboration with neighbouring larger Pacific tourism countries.

⁴⁶ United Nations Development Programme (2017), *Discussion Paper, Financing the SDGs in the Pacific Islands: Opportunities, Challenges and Ways Forward*, p. 36.

⁴⁷ World Tourism Organization (2014), *Tourism in Small Island Developing States*, p. 2.

⁴⁸ Everett, H.; Simpson, D. and Wayne, S. (2018), *Tourism as a driver of growth in the pacific*, p. 2.

Figure I.3: Tourism SWOT – Pacific islands**STRENGTHS**

- Abundant natural and cultural tourism resources
- Capable tourism champions in developed destinations
- Regional cooperation
- Traditional resilience

WEAKNESSES

- Remoteness (small island states)
- Underdeveloped tourism infrastructure and industry in emerging destinations
- Lack of data to measure sustainability of tourism development
- Lack of in depth research to guide product development
- Insufficient human resource development

OPPORTUNITIES

- Proximity to high growth Asian visitor markets
- Foster product champions for niche development
- Differentiate soft adventure between destinations
- New mega events to capitalize on infrastructure
- Community-based sustainable tourism pricing strategies and centralized booking systems
- Regional support for product development

THREATS

- Loss of air connectivity
- Environmental degradation
- Loss of human resources from emigration
- Natural disasters and epidemics
- Social and cultural impact
- Climate change

I.4.9 PUBLIC-PRIVATE COMMUNITY PARTNERSHIP

Tourism does not grow without an enabling environment of public, community and private sector interventions. These interventions comprise strategies and actions in the development of tourism policies, regulatory environment and strategies, infrastructure, human resources, innovation, capacity building, marketing and product development.⁴⁹ Given the role of the private sector and local communities in tourism, there is also an opportunity for tourism policies to encourage more sustainability reporting by tourism businesses and to involve local communities into the development and executing

process. Still, success in using tourism as an engine for sustainable growth and development varies from country to country. It is dependent on individual implementation of national tourism policies. Implementation in turn affects competitive product offers, as well as marketing, access to research, human resources capacity building and investment.⁵⁰

49 Everett, H.; Simpson, D. and Wayne, S. (2018), p. 11.

Consult for further information on tourism investments: World Tourism Organization (2021c), *UNWTO Investment Guidelines – Enabling Frameworks for Tourism Investment*, UNWTO, Madrid, DOI: <https://doi.org/10.18111/9789284422685>.

50 Everett, H., Simpson, D. & Wayne, S. (2018), *Tourism as a driver of growth in the pacific*, p. 5.

See also: World Tourism Organization (2020a), *AIUIa Framework for Inclusive Community Development through Tourism*, UNWTO, Madrid, DOI: <https://doi.org/10.18111/9789284422159>.

COUNTRY CHAPTERS

OVERVIEW



Table C.1: Overview of tourism numbers by country

Country	Population ^a	International tourist arrivals ^b	GDP ^a (USD million)	International tourism receipts ^b (USD million)	Tourism employment (%, share) ^c
	2019	2019	2019	2019	2018
Federated States of Micronesia	114,000	18,000	412		6% (2014)
Fiji	890,000	894,389	5,496	963	36%
French Polynesia	279,000	236,642	6.01		18%
Kiribati	118,000	7,900	0.2	3	16%
Niue		10,210			32%
Papua New Guinea	8,776,000	160,000	25	2	2%
Samoa	197,000	172,200	852	207	13%
Solomon Islands	670,000	28,910	1,590	71	11%
Timor-Leste	1,293,000	80,758	2,018	70	1%
Tuvalu	12,000	3,600	47	8	2%
Vanuatu	300,000	120,628	934	278	35%

Sources: a) World Bank (2021), *Population, total* (online), online available at: <https://data.worldbank.org> (22-06-2021).

b) World Tourism Organization (2022d), *UNWTO World Tourism Barometer*, volume 20, issue 5, September 2022, UNWTO, Madrid, DOI: <https://doi.org/10.18111/wtobarometereng>.

c) South Pacific Tourism Organization (2018), *2018 Annual Visitor Arrivals Report*, SPTO, Suva, online available at: <https://pic.or.jp/ja/wp-content/uploads/2019/07/2018-Annual-Visitor-Arrivals-ReportF.pdf> (07-11-2022).

#01 FEDERATED STATES OF MICRONESIA





Summary

Federated States of Micronesia's natural, cultural and heritage attractions warrant the development of the tourism sector. This chapter will discuss tourism product development opportunities and offer good practice examples. The geographically wide nature of the country and low population density means that flight access is a major consideration.

Key words

- Public-private investment
- Diving
- Product champions
- Soft adventure
- Human resource development

Key messages

- Further tour guide training has been recommended across the Pacific.
- Successful tourism product development often comes down to individuals who are driven to overcome start-up difficulties.
- Assistance for tourism product development in small island states is needed through provision of specialist personnel resources.

SDG TABLE – FEDERATED STATES OF MICRONESIA



SDG 4: Quality education

Target 4.4: increasing number of youth and adults with relevant skills.

Target 4.7: ensuring learning on sustainable development.



SDG 8: Decent work and economic growth

Target 8.9: promoting policies on productive activities and sustainable tourism.



SDG 9: Industry, innovation and infrastructure

Target 9.3: increasing access to small scale enterprises to financial services.



SDG 12: Responsible consumption and production

Target 12.2: efficient use of natural resources.

Target 12B: developing tools to monitor impacts for sustainable tourism.

1.1

SITUATION ANALYSIS



1.1.1 TOURISM STATUS AND STRATEGY

The Federated States of Micronesia is a federation of four island groups. These are, from west to east, Yap, Chuuk, Pohnpei and Kosrae. The *National Tourism Policy Volume 1* notes that the federation's natural, cultural and heritage attractions warrant the development of the tourism sector. Specifically, the Federated States of Micronesia offers excellent scuba diving on coral reefs and historic wrecks, surfing and fishing. It has a rich history, biodiversity and culture, creating opportunities for adventure tourism, community-based tourism and cruise visitors.⁵¹

Within the *National Tourism Policy Volume 1*, given the limited resources to implement the strategy, two goals take priority: (i) private-public investment and (ii) product development. The later goal aims to increase visitors' length of stay and spending through new tourism products and upgrading of existing products. This should follow sustainable tourism principles and continually

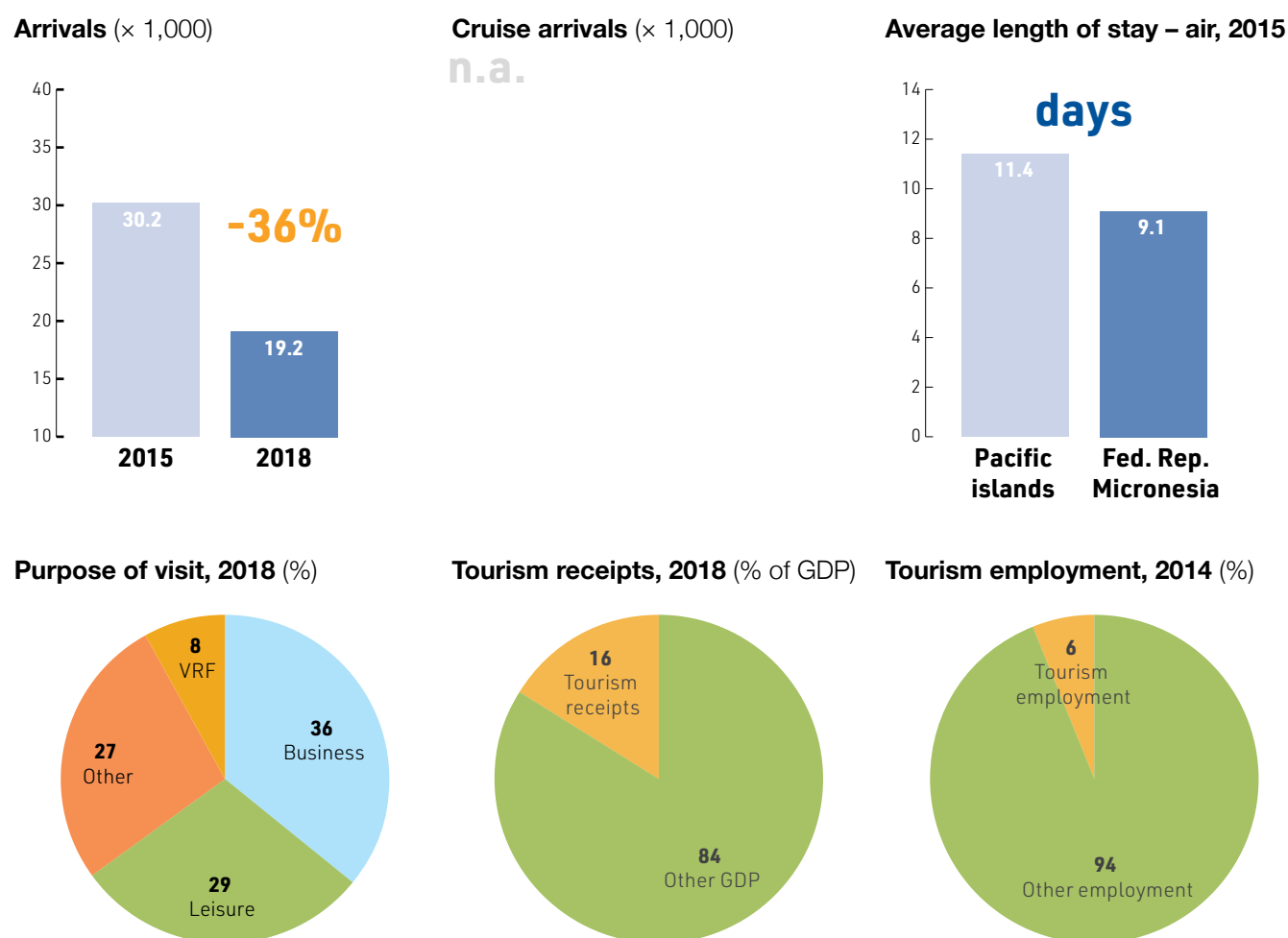
diversify and differentiate the range of facilities, attractions, activities and experiences available to the federation's visitors.

The Federated States of Micronesia tourism dashboard (figure 1.1) shows that the destination suffered a decline in visitors due to reduced air access. Average length of stay is below the Pacific average, and business visitors constitute large part of the total. Tourism plays an important role in the federation's economy.

Tourism development in the Federated States of Micronesia has its challenges. The geographically wide nature of the country and low population density means that flight access is a major consideration. Also, public infrastructure (including roads, jetties, wharves, airport facilities, telecommunications, Internet connectivity, waste management, and medical services) needs an upgrading to ensure access, safety and attractiveness for visitors. More tourism training and capacity building is also required to empower the workforce.⁵²

51 Government of the Federated States of Micronesia (2015a), *National Tourism Policy Volume 1*, p. ix.

52 Government of the Federated States of Micronesia (2015a), p. 12–13.

Figure 1.1: Federated States of Micronesia tourism dashboard

Source: Pacific Tourism Organization (2018), *Annual Visitor Arrivals Report*. Intra-year detailed statistics are also available at this source.

Figure 1.2: Tourism SWOT – Federated States of Micronesia

STRENGTHS

- Remoteness
- Tourism resources including WW2 heritage, diving, ancient culture
- Proximity to large Asian markets, association with the United States of America
- Developed Internet environment

OPPORTUNITIES

- Improved air access
- Chinese diving market

WEAKNESSES

- Remoteness
- Undeveloped tourism industry and infrastructure

THREATS

- Loss of air connectivity
- Environmental degradation



1.1.2 VISITOR PROFILES AND DESTINATION POSITIONING

In 2018, visitors from the United States of America dominate arrivals (32%) in all states except Chuuk.⁵³ According to the most recent available data from 2013, visitors to Chuuk were evenly divided between United States of America (27,4%) and Japan (27,9%), but the state attracted the largest share of Australians (14%), all reflecting the draw of niche diving.⁵⁴ Kosrae attracted the largest share of other Pacific islanders as a result of a church-based niche market, while Yap had the largest share of the European market.

Chuuk is the most popular destination of the Federated States of Micronesia for international leisure visitors due to its rich World War II heritage and diving. Truk (Chuuk) Lagoon, has the largest concentration of World War II sunken wrecks in the world with more than 80 vessels sunk during Operation Hailstorm in February 1944, when

the United States of America attacked the Japanese fleet. The lagoon has been transformed into a wreck diving hotspot⁵⁵ – a tourism product that needs to be sustained.

Yap is the closest part of the federation to Palau, and therefore historically the two diving destinations had been offered together in the major markets of the United States of America, Germany and Austria. Recent loss of the connecting air service with Palau has had a negative impact on visitation to Yap. Therefore, Yap is attempting to establish a new airlink for the Asian market, which would also allow to address travellers from the United States of America and Europe.

The Federated States of Micronesia would benefit from an inbound visitor survey (IVS), similar to the one implemented by New Zealand Tourism Research Institute in other Pacific island destinations. The IVS could provide valuable insights on visitor activity preferences to guide future product development.

⁵³ Pacific Tourism Organization (2019c), *Visitor Arrivals to Pacific Islands*, Suva, p. 4.

⁵⁴ Government of the Federated States of Micronesia (2015a), p. 6–8.

⁵⁵ Government of the Federated States of Micronesia (2015b), *State Tourism Investment Plans, Volume 2*, p. 12.

1.2

GOOD PRACTICE CASE LESSONS

1.2.1 KOSRAE ADVENTURE TOURS, FEDERATED STATES OF MICRONESIA

Tour guide training has been recommended across the Pacific in numerous occasions. However, ways to foster the development of product champions need to be found, as successful tourism activity development relies on individuals, driven to overcome start-up difficulties from their passion to share their story.

One such case already exists in the Federated States of Micronesia: Kosrae Adventure Tours and its founder Hemilson Phillip. Where the tour consists of traditional forest uses, cascading waterfalls and history around World War II bunkers. "Hemilson Phillip is a 'natural storyteller' and is himself, part of the attraction." A well-established tour operator with 30 years of experience, Hemilson is a specialist resource person who could be utilized as an instructor in an ecotour guide training programme. "The product on sale is actually Hemilson himself and a rainforest adventure rather than just a walk to the Oma Mountain."⁵⁶ The tour could be renamed to 'Hemilson's Rainforest Adventure' to emphasize the human value Hemilson adds. The natural elements of the tour could also be upweighted to avoid having too many 'ruin tours' in the island group.

1.2.2 DARK SKY NATION, NIUE

The Federated States of Micronesia attempts to develop tourism for some of its smaller island groups which are remote from source markets. Niue has taken isolation,

limited flight access and small scale to turn these potential negatives into positives. It has achieved tourism growth from a small base by clearly identifying niche target markets and their needs, and developing products that appeal to them.

Niue has focussed on achieving a small number of tourism development results in any time period, allowing appropriate progress given Niue's limited resources by putting responsible tourism into the centre of its sustainability journey and initiating a number of projects derived from the *Niue Responsible Tourism Policy*. The focus of the policy is a call to action for the Government, tourism industry, businesses and community of Niue to work towards being a world class sustainable destination.⁵⁷ Minimum tourism standards and certification for businesses and operators have been initiated phased in with incentives for highest standard operators. Moreover, codes of practices for visitors have been created advocating for mutual respect of visitors, communities and businesses displayed at accommodations, restaurants and supermarkets.⁵⁸ Other initiatives include the creation of a plastic-free campaign and a large-scale marine protected area in Niue.

The Niue Tourism Office advanced the novel dark sky tourism product considering its unique isolation and became the world's first Dark Sky Nation. Additionally, Niue invested in eco destination certification and was rewarded with the Green Destination Good Story Award 2020 in the Island and Seaside category, being now among the global top 100 sustainable destinations in the world.⁵⁹

⁵⁶ Government of the Federated States of Micronesia (2015b), p. 77–78.

⁵⁷ Ioane-Laufoli, M. (2021), 'Niues Sustainable Journey', p. 6.

⁵⁸ Ioane-Laufoli, M. (2021), p. 7–8.

⁵⁹ Ioane-Laufoli, M. (2021), p. 12–14.

Consult for further information: <https://greendestinations.org> and specifically on Niue: <https://greendestinations.org/wp-content/uploads/2020/12/Niue-Island-GPS-2020.pdf> (22-06-2021).

1.3

TOURISM PRODUCT DEVELOPMENT OPPORTUNITIES

1.3.1 DIFFERENTIATING SOFT ADVENTURE

The Federated States of Micronesia hopes to develop land-based soft adventure products including "hiking, trekking, biking, kayaking, canoeing, swimming, picnicking, [visiting] historic sites and [villages, and addressing] special-interest markets in ornithology and botany."⁶⁰ Given the drive across the Pacific to develop similar products, it will be important for the federation to play to its comparative advantages in the soft adventure area. Highlighting historical elements of trekking tours and high quality, personal interpretation by tour guides will help. Tourism operators in the country could also benefit from some guidance in pricing strategies.

1.3.2 HUMAN RESOURCE DEVELOPMENT

Tour guide training would be helpful to allow interpret the complex natural and historical tourism resources of the Federated States of Micronesia. There is a proposition for an ecotourism guide training programme.⁶¹ This may be excessive, and the first priority would be to understand how the skills of people like Hemilson Phillip (see section 1.2 above) and other product champions in Kosrae can be transferred to the younger generation across the Federated States of Micronesia.

The federation is in discussions with an agency from Guam for preparing a secondment programme for young people to become product champions and encouraging them to return to the Federated States of Micronesia avoiding human resource leakage. The programme's aim is to incentivize and encourage the young persons considering starting their own tourism businesses.

1.3.3 PRIORITIZING PRODUCT DEVELOPMENT OPPORTUNITIES

The Federated States of Micronesia have an extensive list of potential tourism product development investment opportunities.⁶² Whilst the plan is comprehensive, the large number of projects on offer is formidable. Any update of the plan would do well to highlight one or two priority projects in each of the four island groups where potential investors could have maximum positive local impact. One current project is the Nan Madol visitor centre and guide training manual development, which is progressing thanks to the support from the Japanese Government. The plan promotes a sustainable and eco-friendly system of trails for high-end tourists.

⁶⁰ Government of the Federated States of Micronesia (2015b), p. 18.

⁶¹ Government of the Federated States of Micronesia (2015b), p. 20.

⁶² Government of the Federated States of Micronesia (2015b).



PRODUCT DEVELOPMENT IN YAP

Yap needs to build its reputation as a single destination dive location. This could be assisted by product development in other interest areas to supplement diving, particularly by developing historical and cultural sites.⁶³ A new, boutique high-end hotel with about 30 rooms using mainly local resources, would be ideal to lift Yap's visitor industry to the next level. Development of high-end Chinese visitor markets, including diving, to support any such venture is crucial. The United States of America military buildup nearby Guam, which has relatively good access to the Federated States of Micronesia, is another market development opportunity to support product development. Surfing, fishing and scuba diving tours can be of interest to some of the approximately 7,000⁶⁴ military personnel based in Guam (growing, with ongoing relocation from Okinawa).

PRODUCT DEVELOPMENT IN KOSRAE

Kosrae is rich in natural and cultural heritage for supporting tourism. Priority heritage projects in Kosrae are Lelu and Menke Ruins.⁶⁵ But assistance is required to improve the trail to the ancient worship site of Menke to allow the development of a three-day trek with overnight stays in the jungle. Also, re-opening the ancient waterways to the ancient artificial island of Lelu would allow kayaking tours from neighbouring Kosrae.

1.3.4 SUPPORTING PRODUCT DEVELOPMENT

As well as other island states, the Federated States of Micronesia could benefit significantly from development partners supported SPTO specialist resources to specifically assist tourism product development, and to access high-yield, niche markets on the northern Pacific rim where the federation has comparative advantage.

⁶³ Government of the Federated States of Micronesia (2015b), p. 6.

⁶⁴ Burrows, I. (2017), 'Guam, America's military base in the western Pacific', *ABC News*.

⁶⁵ Government of the Federated States of Micronesia (2015b), pp. 22–23.

#02 FIJI



Summary

Tourism is vital to Fiji's economy. This chapter examines Fiji's tourism sector, relevant good practice cases and product development opportunities. There is opportunity for tourism activity development, particularly for special interest tourism and public-private partnership in product development.

Key words

- Wildlife tourism
- Cruise and super yacht tourism
- Meetings, congresses, conventions and incentives (MCCI) tourism
- Sustainable tourism

Key messages

- Fiji tourism refining its target marketing and product development.
- Demand driven tourism development and investment.
- Events, in particular sporting, to raise visitation and build destination profile.
- Heritage buildings can be repurposed to extend historical product.

Sustainability focussed on community involvement beyond participation.

SDG TABLE – FIJI



SDG 9: Industry, innovation and infrastructure

Target 9.1: developing regional infrastructure.

Target 9A: facilitating sustainability in developing countries.



SDG 10: Reduced inequalities

Target 10.7: empowering and promoting inclusion.



SDG 11: Sustainable cities and communities

Target 11.4: strengthening safeguarding of cultural and natural heritage.



SDG 12: Responsible consumption and production

Target 12B: developing tools to monitor impacts for sustainable tourism.



SDG 14: Life below water

Target 14.7: increasing economic benefits from sustainable use of marine resources. impacts for sustainable tourism.

2.1 SITUATION ANALYSIS

2.1.1 TOURISM STATUS AND STRATEGY

Fiji is the leading tourism destination in the Pacific with a market attracted by coastal resort products, state of the art event facilities, lush forests and small island resorts, as well as strong indigenous cultural heritage. Fiji is also an aviation, tourism and trade hub for the Pacific.

The *Fijian Tourism 2021*, Fiji's sectoral plan, makes specific mention of targeting markets better and responding with improved product development⁶⁶. This is specific to nine thematic areas and 29 strategies to leverage opportunities and sustainably grow tourism. In addition, the Government continues to prioritize funding of its tourism marketing body, Tourism Fiji. Fiji is the second largest economy in the Pacific after Papua New Guinea⁶⁷ and is pursuing demand-driven tourism development and investment.⁶⁸ There has been major international investment supported by local institutions. As a result, there is a strong inventory of accommodation including high standard resorts; large and small, independently run hotels; and internationally branded hotels. Over the years, local ownership has increased. For instance, the Fiji National Provident Fund acquiring Marriott Denarau properties, Fiji Marriott Resort Momi Bay, the Intercontinental Fiji Golf Resort and Spa, Holiday Inn and Grand Pacific Hotel.

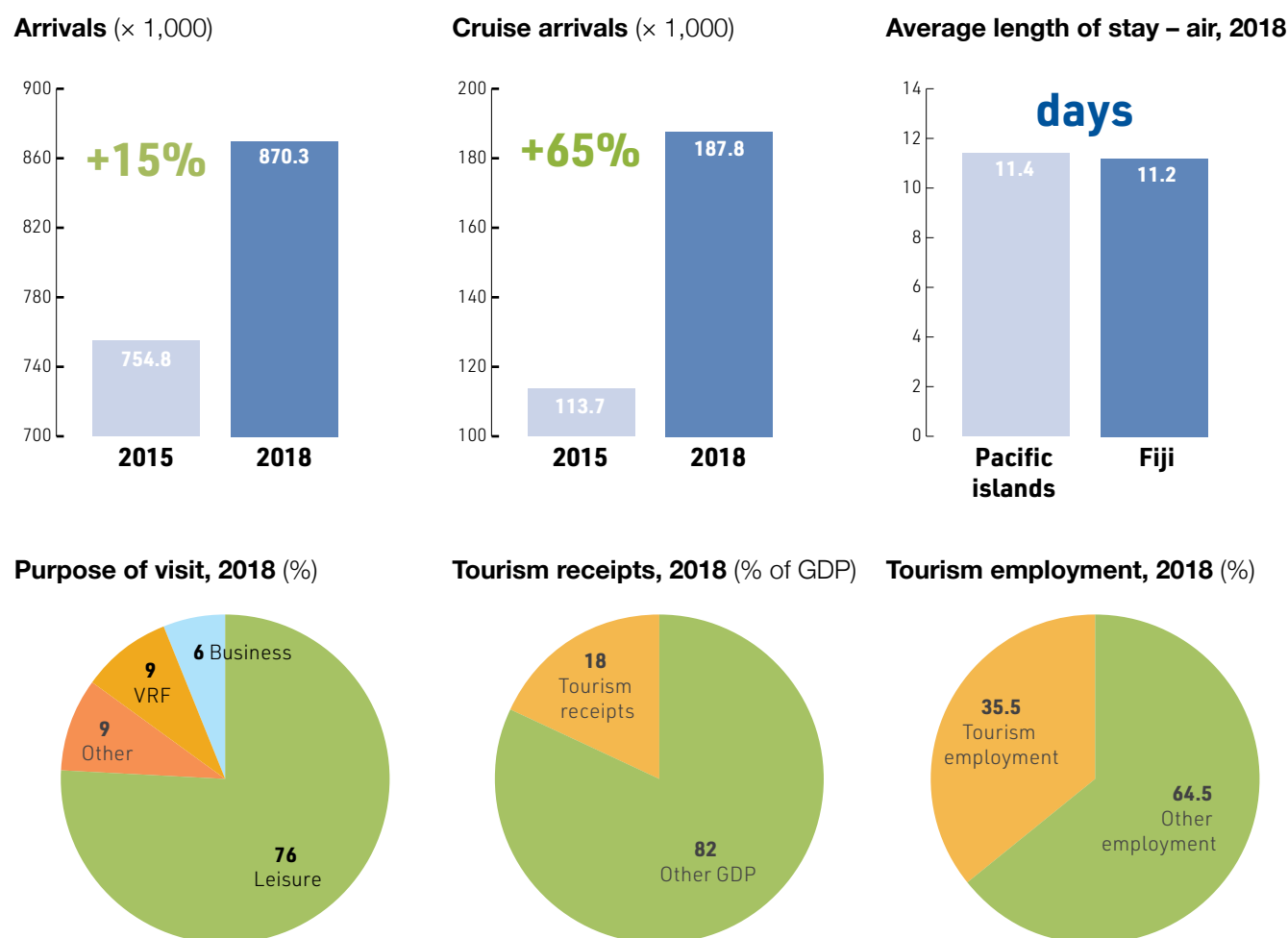
In terms of sustainability, Fiji initiated an environmental levy in 2016 in unison with the regional nations Palau and Vanuatu: Fiji's Environment and Climate Adaption Levy is a budgetary policy of a 10% levy that reinforces Government's commitment for all Fijians the right to a clean environment. The levy is charged for prescribed visitor services to support environmental and climate adaption projects. In addition, all tourism development projects need to comply with the sustainability requirements within the Green Growth Framework, an innovative tool that integrates sustainable development as a basis for economic planning in order to ensure long-term growth and resilience. Fiji has taken the frontline in the global campaign against climate change, through its Presidency of the 23rd Conference of the Parties (COP 23) and Co-chairmanship of the United Nations Ocean Conference. (See also the Rivers Fiji good practice case study in chapter 8 on Solomon Islands, for a specific example of ecotourism development.) To support and strengthen local production and consumption while lessening dependence on imported items,⁶⁹ Fiji advocates and creates awareness of the 'Fijian Made – Buy Fijian Campaign'.

⁶⁶ Government of Fiji (2017), *Fijian Tourism 2021*, Ministry of Industry, Trade and Tourism, Suva, p. 8.

⁶⁷ United Nations Development Programme (2017), *Discussion Paper, Financing the SDGs in the Pacific Islands: Opportunities, Challenges and Ways Forward*, p. 34.

⁶⁸ United Nations Development Programme (2017), p. 118.

⁶⁹ United Nations Development Programme (2017), p. 58.

Figure 2.1: Fiji tourism dashboard

Source: Pacific Tourism Organization (2018), *Annual Visitor Arrivals Report*.
Intra-year detailed statistics are also available at this source.

Tourism is vital to the Fijian economy. Despite the setback in 2016 when Cyclone Winston struck, Fiji's tourism dashboard (figure 2.1) indicates increases in tourism arrivals which are amongst the highest in the South Pacific. Tourism demand from China grew 53%⁷⁰, while Cruise arrivals from Australia and New Zealand kept increased steadily in the South Pacific, Fiji included. Likewise, prospects are also promising from other cruise generating markets such as China.⁷¹ Fiji receives mainly Australian- and New Zealand-based cruises, as well as

trans-Pacific and round-the-world cruise vessels. The most popular ports of call are Suva, Dravuni Island, Port Denarau (Nadi), Lautoka, Savusavu and Yasawa-i-rara. Lautoka also serves as an embarkation port for a few small luxury and expedition cruises.⁷² Cruise tourism contributes with USD 21.4 million directly to the Fijian economy, and the indirect contribution to the economy is estimated at USD 22.7 million. Cruise companies, their passengers and crew spent USD 21.4 million in Fiji in 2018.⁷³

⁷⁰ Everett, H.; Simpson, D. and Wayne, S. (2018), *Tourism as a driver of growth in the pacific*, p. 8.

⁷¹ United Nations Development Programme (2017), p. 55.

⁷² World Bank (2016), *Pacific Possible, Tourism Pacific Possible Background Paper No. 4*, p. 40.

⁷³ International Finance Corporation (2019a), *Assessment of the Economic Impact of Cruise Tourism in Fiji*, IFC, Sydney, p. 9



Figure 2.2: Tourism SWOT – Fiji

STRENGTHS

- Strong tourism brand recognition
- International connectivity as Pacific Hub
- Strong cruise product
- High economic impact from tourism
- Government support from tourism and enabling policies
- Variety of accommodation types
- Variety of natural and cultural attractions
- Modern infrastructure
- Multicultural diversity

OPPORTUNITIES

- New markets and products/niche experiences
- Move towards sustainability
- Mega events and sports tourism
- Increasing MSME participation
- North Asia market
- Increased opportunity for locals to reach management positions

WEAKNESSES

- Uneven labour distribution in job available for between local and expatriates
- High seasonality
- Economic dependency on tourism
- Need for stronger legislative and regulatory frameworks
- High costs for local operators

THREATS

- Climate change impacts on business
- Profit leakage to foreign investors
- Vulnerability to natural disasters
- Natural disasters and epidemics
- Social and cultural impact
- Reliance on foreign aid

Fiji has major national and international hotel chains, and accommodation options have expanded.⁷⁴ Over the years, the Government has provided significant support to the tourism sector through substantial tax concessions which have been a major driver of new hotels.⁷⁵ But it is estimated that tourism leakages in Fiji amount to 56%.⁷⁶ Hence, there has been a move to have the majority of Fijian resorts under local ownership to reduce leakage. A 2018 study revealed hotels and resorts in Fiji's main tourism areas spent USD 36.4 million on procurement of fresh produce. Of this amount, 52%, or more than USD 18.8 million, was spent on imported items.⁷⁷ (See also the Fiji National Provident Fund good practice case study on Solomon Islands, chapter 8, for a specific example of local investment ownership.) Investment incentives are also effective in attracting investment, but can be costly for governments in foregone revenues.⁷⁸ However, there is also an opportunity to initiate an investment package for local incentives for activity development

2.1.2 VISITOR PROFILES AND DESTINATION POSITIONING

International visitors travelling for holidays represented over 73,4% of all international arrivals to Fiji in 2019.⁷⁹ Australia and New Zealand have provided most of these visitors, with Australians comprising 41% of visitor arrivals in 2019.⁸⁰ The New Zealand market has also increased, whilst visitors from the United States of America are also strongly attracted by the range of high-end and luxury

accommodation, particularly in the north-western islands of Fiji. Meanwhile the number of tourists from Europe has not fluctuated significantly since the Global Economic Crisis. Japanese tourist numbers began falling in the late 1990s.⁸¹ However, in 2019 the market recorded the highest increase due to the introduction of direct flights.⁸² Chinese tourist numbers have been increasing, partly due to seasonal direct charter flights.⁸³

Most inbound tourism operators in Fiji report potential for growth of numbers of visitors with special interest like scuba diving, kayaking, trekking, birdwatching, heritage and historical tourism in the outer islands with better access and connectivity.⁸⁴ However, 2019 visitor surveys show an emphasis on beach and water activities. There is also a strong wedding and honeymoon market. The sun, sand and sea experience attracts young travellers and there is an important backpacker market, as well.⁸⁵ Fiji is also a popular destination for cruise vessels, as well as MCCI (meetings, congresses, conventions and incentives) destination due to its connectivity in the Pacific.

Arrival peaks from Australia and New Zealand are in the southern winter months, from June to September, while markets from the northern hemisphere primarily arrive in the northern winter.⁸⁶ This year-round pattern improves the financial viability and seasonality of the Fiji tourist industry, whilst targeting Chinese New Year also allows for a seasonal opportunity to access that market.

74 Everett, H.; Simpson, D. and Wayne, S. (2018), p. 9.

75 World Bank (2016), p. 6–8.

76 United Nations Development Programme (2017), p. 56.

77 International Finance Corporation (2018a), *From Farm to the Tourist's Table A Study of Fresh Produce Demand from Fiji's Hotels and Resorts*, IFC, Sydney, p. 3.

78 United Nations Development Programme (2017), p. 56.

79 Fiji Bureau of Statistics (2020), *Provisional Visitor Arrivals – 2019, FBoS Release No.02,2020*, FboS, Suva, p. 1.

80 Fiji Bureau of Statistics (2020), p. 1.

81 World Bank (2016), *Pacific Possible, Tourism Pacific Possible Background Paper No. 4*, WB, Sydney, p. 9.

82 Fiji Bureau of Statistics (2020), p. 1

83 World Bank (2016), *Pacific Possible, Tourism Pacific Possible Background Paper No. 4*, WB, Sydney, p. 9.

84 Government of Fiji (2017), *Fijian Tourism 2021*, Ministry of Industry, Trade and Tourism, Suva, p. 22.

85 World Bank (2016), p. 12.

86 World Bank (2016), p. 9.

Table 2.1: Fiji activity ranking for different visitor markets (%)

Activities	Australia	China	New Zealand	Pacific islands	United States of America
Culture-based tourism					
Cultural entertainment	38	37	33		35
Fruit/vegetable Market	28	26	27	39	36
Handicraft shops/markets	45	36	41	34	47
Heritage/cultural sites		32		14	
Religious sites/services				17	
Village visit	37		20		43
Land-based activities					
Aerial activities		21			
Massage/spa	44	18	38	27	39
Self-guided tours	35	66	31	27	41
Sightseeing tours	23		12	15	29
Walking tours/short hikes	23	23	19		44
Other				19	
Water-based activities					
Boat tours/ocean cruise	38	51	31	11	43
Canoeing/kayaking	31	30	27		24
Fishing		14			
Scuba diving					24
Snorkelling	44	60	40	6	51
Other	13		13	29	

Note: Multiple answers were possible. Therefore, percentages do not necessarily sum 100.

Source: International Finance Corporation (2019b), *International Visitor Survey Fiji*, pp. 18–45.

2.2

GOOD PRACTICE CASE LESSONS

2.2.1 PROTECTION OF HERITAGE BUILDINGS, SINGAPORE

Singapore initiated an urban renewal programme whereby historic and nationally significant buildings are now important cultural assets with the protection of heritage buildings as part of the nation's overall urban planning strategy. More than 50 years of visionary and strategic planning in Singapore has resulted in the protection of over 7,000 heritage buildings. In doing this, Singapore introduced the first large-scale urban conservation programme in South-East Asia that protects neighbourhoods, streets and vernacular buildings of architectural and historical values.⁸⁷ Singapore's conservation efforts have thrust the country onto the global stage as a leader in heritage conservation.⁸⁸ In 2018, the Urban Redevelopment Authority (URA) created the Heritage and Identity Partnership (HIP) as a platform to further the work of government facilitation with the private sector and the general public.

Singapore saw the potential value of building preservation as a distinctive national identity, which would in turn support the formation of a multi-cultural national identity and assist in other national objectives such as promoting awareness of history, cultivating mutual understanding between communities, supporting enterprises, providing diverse housing options and supporting tourism.

The formation of the HIP was to support public, private and community collaboration in shaping and promoting Singapore's built heritage and identity. HIP members are from diverse backgrounds, including the building industry, arts and heritage sector, journalism, business and property owners and academia, contributing ideas to sustain and rejuvenate the built heritage.⁸⁹ The majority of formerly dilapidated buildings and pre-World War II buildings that were owned by private owners, the Government restored and adapted them for new use, while others have been maintained with existing users. Also whilst continuing to thrive, some of these places, have inspired many owners and architects to introduce innovative solutions and creative designs to make full use of their properties in a wide variety of new uses such as residences, commercial outlets, cultural and civic venues or entertainment premises.⁹⁰ Modern architectural icons gazetted as heritage buildings include the Ascott Raffles, the Singapore Conference Hall and the Trade Union House. A separate joint initiative by the URA and the National Heritage Board has been the conversion of old government and school buildings into museums.

The urban renewal programme is a demonstration of a successful public-private partnership, and market- and community-orientated approach to conservation. It has raised public awareness and appreciation of built heritage and won public support, as well as industry awards. URA's role and road map to a successful public-private partnership was to firstly initiate rehabilitation for government-owned properties, secondly coordinate

⁸⁷ Lim, C. (2006), 'Singapore's conservation programme bags prestigious award', *Skyline*, volume July/August, Singapore, pp. 2-3.

⁸⁸ Centre for Liveable Cities (2019), *Urban System Studies, Past Present and Future: Conserving the Nations Built Heritage*, Centre for Liveable Cities, Singapore, p. 118.

⁸⁹ Urban Redevelopment Authority (2018), 'Formation of new partnership on built heritage and identity' (online), *Urban Redevelopment Authority*, 07-08-2018, online available at: www.ura.gov.sg/Corporate/Media-Room/Media-Releases/pr18-49 (25-05-2020).

⁹⁰ Lim, C. (2006), 'Singapore's conservation programme bags prestigious award', *Skyline*, volume July/August, Singapore, pp. 2-3.



infrastructural needs, and finally provide guidelines and incentives for the private sector.⁹¹ They enabled the private sector to lead the way with restoration efforts and raising public awareness through tools such as conservation guidelines and manuals via demonstration projects, and providing the necessary infrastructure to improve areas around historic building and districts.⁹²

2.2.2 VOLUNTOURISM GUIDELINES, PAPUA NEW GUINEA

Papua New Guinea conducted initial assessment into the development of voluntourism. The main objective was aligning the design and implementation of community-based tourism programmes – one of the key recommendations for product development and investment in the Papua New Guinea Tourism Masterplan 2007–2018. Simultaneously, they championed the development of voluntourism guidelines through the Asia Pacific Economic Cooperation (APEC) in seeking to determine and initiate best practices in voluntourism to promote inclusive community-based sustainable tourism initiatives. As such, voluntourism guidelines were prepared based on the following best practice principles:

community empowerment, partnership, sustainability, continuous evaluation and advocating of a no-harm approach.

The key aspect of voluntourism is being able to add value to the local community that is participating in the programme. Guidelines were created to identify local communities suitable for voluntourism. Assessment conducted was carried out into the needs and options of the local communities that are suitable for marketing to potential voluntourists and organizations identified to partner in this project to market and sell voluntourism experiences. Whilst focussing on its own national needs, Papua New Guinea also led the development of voluntourism guidelines in the APEC.⁹³ The APEC voluntourism guidebook was developed to help stakeholders including local communities, government, servicing organizations, host organizations and voluntourists to leverage voluntourism to contribute to sustainable development in destinations, as this can only be achieved when these stakeholders have a responsibility to one another. It includes best practice voluntourism learning lessons and policy recommendations to better regulate voluntourism within the region.

⁹¹ Centre for Liveable Cities (2019), *Urban System Studies, Past Present and Future: Conserving the Nations Built Heritage*, Centre for Liveable Cities, Singapore, pp. 36–38.

⁹² Centre for Liveable Cities (2019), p. 66.

⁹³ Asia Pacific Economic Cooperation (2018) *Voluntourism Best Practices in the Asia Pacific Region: Promoting Inclusive Community-Based Sustainable Tourism Initiatives*, APEC (Singapore), online available at: www.apec.org/Publications/2018/05/Guidebook---Voluntourism-Best-Practices-in-the-APEC-Region

2.3

TOURISM PRODUCT DEVELOPMENT OPPORTUNITIES

There is opportunity for special interest tourism in Fiji moving towards sustainable tourism product development.

2.3.1 FLY CRUISE ITINERARIES

Over the past decade, Fiji's cruise industry experienced robust growth, with annual arrivals increasing four-folds. Fiji's solid cruise products and its location to other Pacific islands provide a strong argument for a regional base. Previous regional publications have advocated for Fiji as a regional cruise ship base⁹⁴ and associated expansion of fly-cruise⁹⁵ options. There could be support for public-private partnerships for port infrastructure to enhance development. Fiji can build on its reputation as a leading superyacht Pacific destination with its facilities, services and incentives and these learning lessons could be transplanted to its development as a regional cruise facility. This could be done in phases, with an initial focus on selectively basing large cruise ships for selected markets. These include Australia to capitalize on the strong demand, and China as a fast-growing Asian interest particularly in fly-cruise options. The direct benefits of a homeport include port facilities fees, cruise ship provisions, revenue for local providers

in the supply chain. Also, cruise passengers embarking and disembarking increases airline traffic and revenue for ground transport providers. Hotels, restaurants and other tourism operations can benefit further from additional pre- and post-cruise programmes.

2.3.2 SPORT MEGA EVENTS

Sports tourism provides a boost in visitor arrivals outside of seasonal travel. Given Fiji's accommodation and infrastructure capacity, a concept raised in chapters for Samoa and Papua New Guinea could propose joint Pacific bids to host future Mega events, in association with larger Pacific rim partners, such as Australia and New Zealand. With Fiji's Rugby Sevens win at the Rio Olympics and the Fiji hosting Super Rugby matches and Professional Golfers' Association Tournaments, Fiji's profile has increased. Mega events have a long lead time from bidding for events to hosting, which can allow for timely investment in facilities necessary to ensure Fiji has the capacity to attract the right sporting events, which yield high returns for the tourism industry. In addition, new and refreshed facilities are legacy assets to be used for future local and regional events.⁹⁶

⁹⁴ Everett, H., Simpson, D. & Wayne, S. (2018), *Tourism as a driver of growth in the Pacific*, p. 24.

⁹⁵ World Bank (2016), *Pacific Possible, Tourism Pacific Possible Background Paper No. 4*, p. 42.

⁹⁶ Consult for more details on tourism and mega events the following publication: World Tourism Organization (2017), *Maximizing the Benefits of Mega Events for Tourism Development – Cases from the Olympics, FIFA World Cup and Expo*, UNWTO, Madrid, DOI: <https://doi.org/10.18111/9789284418923>.



2.3.3 SUVA HERITAGE BUILDINGS

The current government policies on heritage sites can be utilized to re-use heritage buildings to extend the historical tourism products in Suva. The outer facades of many Suva buildings are architecturally impressive, but the interiors could be redesigned or the structure repurposed to rejuvenate the buildings. Market orientated incentives and policies could encourage novel re-use of structures as commercial outlets, civic and cultural venues or entertainment premises, for instance. This would in turn create a sense of place and identity of such buildings, bringing an additional element to the heritage product offering in Suva. A further opportunity would be packaging Suva heritage tours with nearby Levuka Cultural World Heritage Area.

2.3.4 NADI FAMILIES MARKET

Nadi is a hub for tourism in Fiji with a captive pool of tourists, considering the international airport and number of accommodation facilities; however, wet weather activities for families are limited outside of day facilities associated with resorts and hotels. Due to the high level of investment, public-private partnership brokered by the Government through incentives could be considered. Specific consideration could be given to a facility that supports the development of Fijian entrepreneurship and employment, and that focusses on visitor education on Fijian history and culture. The Fijian Tourism 2021 supports this by mentioning specializing appropriate investments matched with opportunity to add value to Fiji's current tourism products and services in order to better cater for visitor needs and enhance visitor experiences.⁹⁷ An all-weather interactive facility targeted to the family market focussed on Fijian history and culture would add both economic value and enrich the visitor experience.

97 Government of Fiji (2017), *Fijian Tourism 2021*, Ministry of Industry, Trade and Tourism, Suva, p. 34.



2.3.5 VOLUNTOURISM CARRYING CAPACITY GUIDELINES

A set of nationally recognized guidelines could be developed to include a carrying capacity approach to voluntourism. Such guidelines would prioritize addressing local needs and focus on empowering communities, rather than creating an ongoing dependence on voluntourism through high volumes. This may include assistance to build local capacity in finance, developing micro-entrepreneurship, supporting children to develop language skills, sports, education, environmental conservation and organic farming. Research would need to be conducted to identify community needs and communicating requirements whilst reviewing current communities and organizations that cater for voluntourism. This review would include looking at the portion of funds attributable to communities by the

tour operators, likewise the tourist expectations in a host community.

The guidelines could also be utilized to conduct community impact training on what voluntourism awareness is and how local communities can leverage of this. Likewise, the guidelines could be used in liaison with current and future organizations that send volunteers. The integral concept in such guidelines is that local communities do not feel exploited or left out but are benefitting from all aspects of voluntourism. Further guidance can also be sought from the *AlUla Framework for Inclusive Community Development through Tourism* and the UNWTO *Global Code of Ethics for Tourism* to support meaningful contribution to people's lives and our planet.⁹⁸

⁹⁸ World Tourism Organization (2020a), *AlUla Framework for Inclusive Community Development through Tourism*, UNWTO, Madrid, DOI: <https://doi.org/10.18111/9789284422159>.

World Tourism Organization (1999), *Global Code of Ethics for Tourism*, UNWTO, Madrid, online available at: www.unwto.org.

#03 FRENCH POLYNESIA

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Summary

French Polynesia has been enjoying steady visitor growth, with tourism being a significant part of the economy. French Polynesia is unique amongst Pacific island destinations in receiving most of its visitors from the northern hemisphere. This chapter reviews the country's tourism sector, provides lessons from good practice cases and product development opportunities.

Key words

- Carrying capacity
- Palau Pledge
- Target markets
- Cultural experiences

Key messages

- French Polynesia enjoys a premium market positioning and price point that encourages high value tourism.
- The Palau Pledge provides an interesting case study in sustainable tourism development.
- French Polynesia has an opportunity to increase focus on sustainability of its tourism industry.
- Most visitors appreciate French Polynesia's culture and opportunities to access it.

SDG TABLE – FRENCH POLYNESIA



SDG 8: Decent work and economic growth

Target 8.9: promoting policies on productive activities and sustainable tourism.



SDG 12: Responsible consumption and production

Target 12.2: efficient use of natural resources.

Target 12B: developing tools to monitor impacts for sustainable tourism.



SDG 13: Climate action

Target 13.3: improving education and awareness capacity on climate change.



SDG 15: Life on land

Target 15.9: integrating ecosystem and biodiversity values into planning.

3.1

SITUATION ANALYSIS

3.1.1 TOURISM STATUS AND STRATEGY

The Stratégie de Développement Touristique de la Polynésie Française 2015–2020 (Tourism development Strategy of French Polynesia 2015–2020) proposes to position French Polynesia as an exclusive destination that aspires to the well-being of body and soul, offering the reconciliation of people with nature and culture.⁹⁹ French Polynesia’s tourism strategy is currently under review through an extensive consultation process that will include the outer islands.

French Polynesia tourism dashboard (figure 4.1) shows the country has been enjoying steady growth in both total visitors and cruise visitors, and it is able to encourage visitors to stay longer than the Pacific island’s average, resulting in tourism being a significant part of the country’s economy.

There is a perception in some markets that French Polynesia is a premium cost destination. This can be addressed by focussing on high-end visitors, particularly from the northern hemisphere.

3.1.2 VISITOR PROFILES AND DESTINATION POSITIONING

French Polynesia enjoys a premium market positioning and price point that encourages high-value tourism through four psychographic target visitor markets:¹⁰⁰

1. Engaged explorers;
2. Cautious explorers;
3. Extremely passionate; and
4. Epicurean.

French Polynesia is unique amongst South Pacific destinations in receiving the majority of its visitors from the northern hemisphere in 2018, mainly France (23%) and the United States of America (35%). Arrivals from Japan have fallen drastically from around 23,000 annually at their historical peak to around 10,000 annually (5% of total arrivals) in 2018. China contributed 3% of total visitors in 2018, as there are no direct flights from mainland China to French Polynesia.¹⁰¹

99 Kahn & Associés (2015), *Stratégie de Développement Touristique de la Polynésie Française 2015–2020*, p. 30.

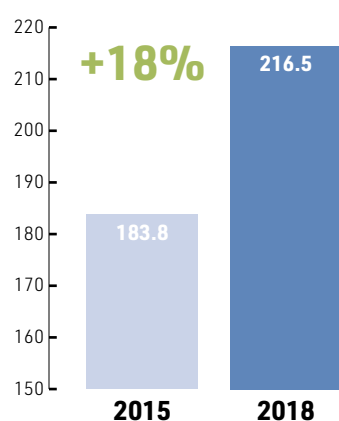
100 Kahn & Associés (2015), p. 39.

101 SPTO (2019c), *Visitor Arrivals to Pacific Islands*, Suva, p. 4.

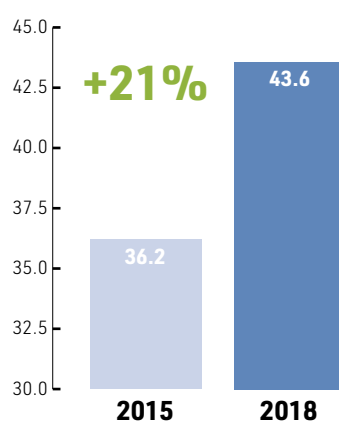


Figure 3.1: French Polynesia tourism dashboard

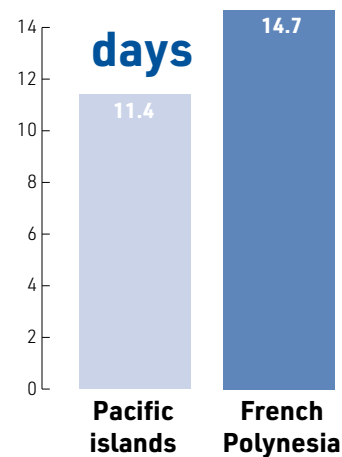
Arrivals (× 1,000)^a



Cruise arrivals (× 1,000)^b



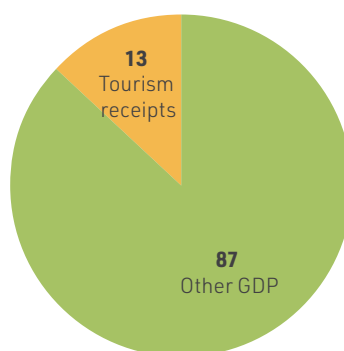
Average length of stay – air, 2018^b



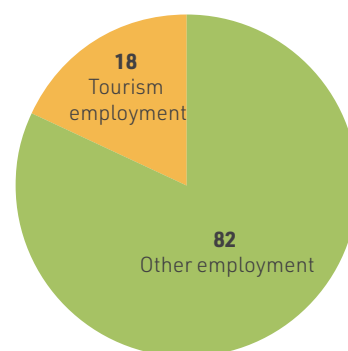
Purpose of visit, 2018 (%)

n.a.

Tourism receipts, 2018 (% of GDP)^a



Tourism employment, 2018 (%)^c



Sources: a) Pacific Tourism Organization (2018), *Annual Visitor Arrivals Report*. Intra-year detailed statistics also available at this source.

b) Institut de la Statistique de la Polynésie Française (2018), <http://www.ispf.pf/bases/Tourisme/>

c) Institut d'Émission d'Outre-Mer (2018), *Polynésie Française*, p. 95.

Figure 3.2: Tourism SWOT – French Polynesia

STRENGTHS

- Committed national carrier receiving new fleet
- Northern hemisphere market focus
- Positive brand image, safe destination
- A touch of France in the South Pacific
- Pristine nature, preserved from mass tourism
- Culture, warmth of local people
- On most travelers’ bucket lists

OPPORTUNITIES

- New strategy inclusive of outer islands and variety of target segments, accommodation and activities
- Increased focus on sustainability and ecotourism
- Training for cultural product authenticity
- New airlines operating since 2018
- Luxury and adventure markets
- Increase diversity of experiences and activities

WEAKNESSES

- Expensive perception in some markets
- Distance from markets means relatively expensive access
- Perceived as a honeymoon only destination in some markets, low repeater ratio
- Frequency of flights from secondary markets
- Limited hotel capacity
- Awareness of Bora Bora exceeds Tahiti

THREATS

- Declining Asian markets
- Political change
- Environmental degradation
- Competition from some other Pacific destinations
- Global risks (health crises, political, flight shame trend, etc.)

Table 3.1: French Polynesia’s key images by target markets

Rank	United States of America	Germany	Australia	Japan	Republic of Korea	China
1	White sandy beaches	White sandy beaches	White sandy beaches	White sandy beaches	Natural riches	Cultural riches
2	Sunset	Exotic destination	Natural riches	Sunset	Sunset	Natural riches
3	Exotic destination	Sunset	Sunset	Beach bungalow	White sandy beaches	White sandy beaches
4	Natural riches	Sport activities	Sport activities	Sport activities	Sport activities	Sunset
5	Beach bungalow	Beach bungalow	Exotic destination	Exotic destination	Cultural riches	Exotic destination
6	Sport activities	Natural riches	Beach bungalow	Natural riches	Beach bungalow	Sport activities
7	Cultural riches	Cultural riches	Cultural riches	Cultural riches	Exotic destination	Shopping
8	Shopping	Shopping	Shopping	Shopping	Shopping	Beach bungalow

Source: Kahn & Associés (2015), *Stratégie de Développement Touristique de la Polynésie Française 2015–2020*, p. 12.

3.2 GOOD PRACTICE CASES LESSONS



3.2.1 PALAU PLEDGE, PALAU

The Palau Pledge provides an interesting case study in sustainable tourism development, making Palau the first nation in the world to change its immigration laws for the cause of environmental protection. Upon entry, visitors sign a passport pledge to act in an ecologically responsible way in the islands, for the sake of Palau's children and future generations of Palauans. The Palau Pledge was launched in 2017 as an urgent response to potential environmental deterioration emerging from unsustainable tourism growth. Palau put out a brief to advertising agencies globally for an innovative campaign to raise awareness of the need for environmental sensitivity amongst visitors to the islands. Over a quarter of a million visitors have already taken the Palau Pledge¹⁰². Global travel distributors with a particular interest in sustainable tourism have been attracted to Palau because of the Pledge.

Palau is focussed on follow up work on the pledge through three initial actions: Firstly through a local business accreditation programme that is aligned with the Pledge. Education will play an important part in supporting the Pledge as locals commit to protecting and celebrating the uniqueness of their sacred home. Secondly, an educational curriculum for primary and secondary school students that combines science, technology, engineering and mathematics education with conservation will help build eco-awareness in tomorrow's leaders and conscious business principles within the tourist sector. Thirdly, a global leadership programme that works at developing a tracking tool to provide facts and insights about the impact of the Pledge on visitor behaviour. This is in line with Palau's governmental policy on high quality, low impact tourism that looks at changing tourists behaviours.¹⁰³

¹⁰² Palau Bureau of Tourism (circa 2022), *Palau Pledge* (online) Palau Bureau of Tourism, <https://palaupledge.com> (13/03/2022)

¹⁰³ Little Black Book (2019) *The Palau Pledge one year on*.



The Palau Pledge is an interesting case of formulating a policy objective and using it in marketing and the external communications with visitors. However, a pledge without regular monitoring can undermine the credibility of the initiative. The next stage is the actual information on how Palau has implemented its monitoring efforts to ensure compliance, as signing a pledge does not guarantee the environment *will be protected*. *Commitments are essential but should take place alongside monitoring efforts to ensure compliance*. French Polynesia hopes to deepen the sustainable nature of its tourism offer, and Palau's experience is a useful reference to extend the focus also on monitoring sustainable tourism initiatives.

3.2.2 TAMIKI TOURS, NEW ZEALAND

French Polynesia aims to improve access for visitors to better understand and appreciate Polynesian culture. In the 1990s, Tamaki Tours, based in Rotorua, New Zealand, identified a market gap in international visitors looking for understanding and engaging in local Māori culture. At the time, cultural tourism products were limited to non-indigenous shows at modern, western-style hotels.

To fill this gap in visitors' experiences, Tamaki Tours worked with its community to recreate an authentic pre-European village in a natural forest on the outskirts of Rotorua. This proved to be a conducive environment for storytelling and interactive experiences for visitors to understand local life in pre-European times. The business grew into a major attraction in Rotorua's tourism product portfolio, providing employment benefits to the local community and satisfying visitors' needs for authentic and enriching engagement with local indigenous culture.¹⁰⁴

¹⁰⁴ Consult further information on indigenous tourism within the following publications:

World Tourism Organization (2021b), *UNWTO Inclusive Recovery Guide – Sociocultural Impacts of Covid-19, Issue 4: Indigenous Communities*, UNWTO, Madrid, DOI: <https://doi.org/10.18111/9789284422852>.

World Tourism Organization (2019d), *Recommendations on Sustainable Development of Indigenous Tourism*, UNWTO, Madrid, DOI: <https://doi.org/10.18111/9789284421299>.

3.3 TOURISM PRODUCT DEVELOPMENT OPPORTUNITIES

3.3.1 SUSTAINABILITY AND ECOTOURISM

French Polynesia has an opportunity to increase focus on sustainability of its tourism industry while maintaining its key tourism products based on authenticity and diversity. The development and structuring of terrestrial activities are an essential complement to the marine offer and would reach new segments of customers. In particular, the rehabilitation and enhancement of key iconic sites, the development of hiking activities or the discovery of endemic terrestrial fauna and flora.¹⁰⁵

In recent years, a number of key ecotourism experiences were established¹⁰⁶ including the Ecological Center at Le Meridien Bora Bora, The Islands of Tahiti Shark Preserve, the Fakarava UNESCO Biosphere, the Paul Gauguin Cruises and Wildlife Conservation Society, the Pearl Resorts of Tahiti Okeanos Solar-Powered Cruises, the Moorea Coral Gardeners, the Tetiaroa Society, and the Te Mana O Te Moana. These, and other new ecotourism developments could be encouraged through increasing visitor demand. French Polynesia could consider developing an innovative marketing campaign specifically on the theme of sustainability using the key current ecotourism experiences and noting the Palau Pledge.

3.3.2 CULTURAL EXPERIENCES

In particular European visitors have a strong interest in French Polynesia's culture. Maintaining authenticity of cultural experiences is important and, although most visitors appreciate French Polynesia's culture, until recently access to it had been elusive for many. Therefore,

several cultural experiences have been created including Nani Travels, Coral Gardeners, the Arioi Cultural Center, the Polynesian Planner; dance workshops have been specifically put in place for tourists by the Conservatory of French Polynesia; several dance competitions were open to international visitors prior to COVID-19 (Heiva, Hura Tapairu, Ori Tahiti Nui Competition); and Moana Explorer offered a traditional sailing experience. Also, the sacred site marae Taputapuātea that offers visitor tours has received UNESCO World Heritage status.

French Polynesia could further encourage potential local product champions to consider the Tamiki Tours case discussed in the examples above in creating additional authentic opportunities for visitors to engage with, and be enriched by, Polynesian culture.

3.3.3 JAPAN MARKET DEVELOPMENT SUPPORTING PRODUCT DEVELOPMENT

French Polynesia is keen to reverse its declining Japanese market, driven particularly by a decrease in honeymooners. Seniors, couples and women travelling together are target markets. Additional emphasis on these new target segments and products to entice them, for example, increasing the numbers of cultural and land-based tours, including Tahitian dance, although diving is also important. Other emerging niche markets in Japan may have potential if their product needs could be reviewed.

¹⁰⁵ Kahn & Associates (2015), *Strategie de Developpement Touristique de la Polynesie Francaise 2015–2020*, p. 55.

¹⁰⁶ Tahiti Tourisme (2018), *Conservation and Ecotourism in The Islands of Tahiti Fact Sheet*.

#04 KIRIBATI

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Summary

This chapter focusses on Kiribati, which has shown slow tourism development. It has competitive advantages around culture and environment, with access and investment as key challenges.

Key words

- Inbound visitor survey (IVS)
- Ecolodge
- Game fishing
- Birdwatching
- Superyachts

Key messages

- Product development opportunities can assist build demand to support any increase in air capacity.
- Smaller cruise vessels can access remote locations with limited shore infrastructure.

SDG TABLE – KIRIBATI



SDG 4: Quality education

Target 4.4: increasing number of youth and adults with relevant skills.

Target 4.7: ensuring learning on sustainable development.



SDG 13: Climate action

Target 13.3: improving education and awareness capacity on climate change.



SDG 8: Decent work and economic growth

Target 8.9: promoting policies on productive activities and sustainable tourism.



SDG 14: Life below water

Target 14.7: increasing economic benefits from sustainable use of marine resources. impacts for sustainable tourism.



SDG 12: Responsible consumption and production

Target 12.2: efficient use of natural resources.

Target 12B: developing tools to monitor impacts for sustainable tourism.



SDG 15: Life on land

Target 15.5: reduce degradation of natural habitats and loss of biodiversity and threatened species

Target 15.9: integrating ecosystem and biodiversity values into planning.

4.1 SITUATION ANALYSIS



4.1.1 TOURISM STATUS AND STRATEGY

Kiribati understands the efforts of connectivity and accessibility. This remote country, straddling the equator, covers a large section of the mid-Pacific Ocean. There are three main island groups – Gilbert Islands in the west, central Phoenix Islands and Line Islands in the east. The small amount of tourism development has been largely centred on the capital Tarawa, about 2,000 km north of Fiji in the Gilbert group, and Kiritimati (formerly known as Christmas Island) south of Hawaii in the Line Islands. The Phoenix Islands is known as the Phoenix Islands Protected Area (PIPA). PIPA is the largest designated Marine Protect Area in the world but has yet to attract significant number of visitors.¹⁰⁷

Tourism and fisheries have been identified by the Kiribati Government as the main economic development sectors, and PIPA and Kiritimati Island as the main tourism development areas.¹⁰⁸

Although there are no inbound tour operators in Kiribati of significant scale, Kiribati's tourism dashboard (figure 4.1) shows steady growth in visitors, albeit from a low base. Business visitors are predominant, influencing a longer length of stay than the Pacific average.

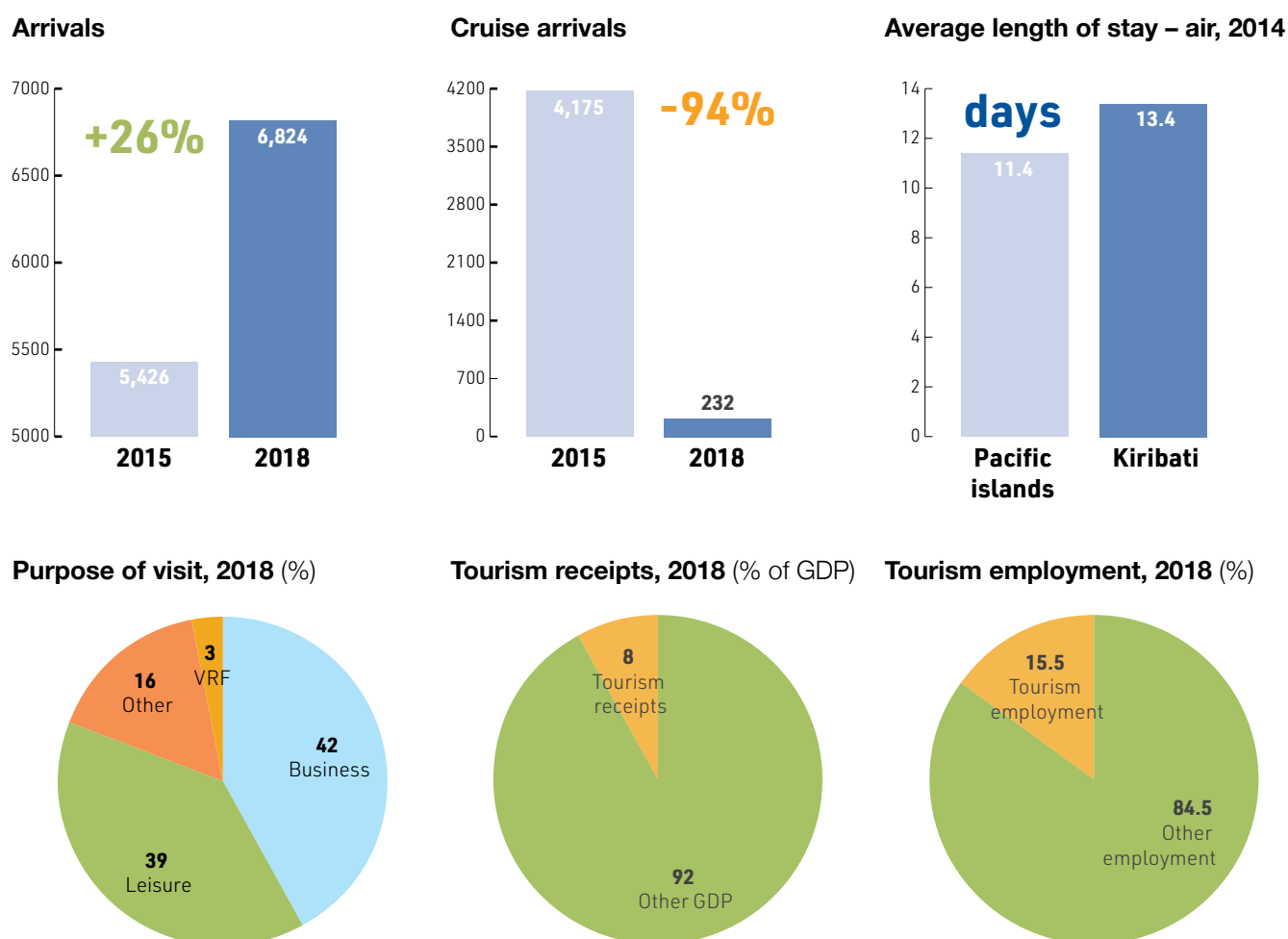
Kiribati tourism understands it needs to turn the tyranny of distance into a positive, by appealing to adventurous visitors seeking experiences away from the masses.

¹⁰⁷ World Bank (2016), *Tourism Pacific Possible Background Paper No. 4, Pacific Possible*, p. 13.

¹⁰⁸ Tobwaan Ao Karikirakean Kiribati (2016), *Kiribati 20 Year Vision 2016–2036*, p. 9–10.



Figure 4.1: Kiribati tourism dashboard



Source: Pacific Tourism Organization (2018), *Annual Visitor Arrivals Report*.
Intra-year detailed statistics also available at this source.

Figure 4.2: Tourism SWOT – Kiribati

STRENGTHS

- Remoteness
- Tourism resources including WW2 heritage, unique culture, World Heritage Area, Kiritimati fishing
- Government commitment to improving air access (domestic and international)

OPPORTUNITIES

- Tourism operation and guiding capacity building
- Live on boat diving PIPA
- EcoLodge PIPA
- Fishing tours Gilbert Group
- Bird watching tours Kiritimati and PIPA
- Direct air access from Australia
- Improved water resource and waste management

WEAKNESSES

- Remoteness
- Undeveloped tourism industry & infrastructure

THREATS

- Loss of air connectivity
- Environmental degradation
- Climate change

4.1.2 VISITOR PROFILES AND DESTINATION POSITIONING

According to the 2019 International Visitor Survey conducted by Kiribati Tourism Authority, Kiribati has two distinct source markets: Australia, representing 25% of international tourists on Tarawa atoll, and the United States of America representing 49% of international tourists on Kiritimati atoll in 2019. Tarawa reflected a high share of business tourism, while Kiritimati attracted more tourists prone to engage in fishing activities.¹⁰⁹ Other Pacific islands comprised 20% of Kiribati’s visitors, Europe 6%, Japan with 2% and China with 1% of the tourists visiting the country.¹¹⁰

Kiribati Tourism Authority positions itself under the slogan ‘Kiribati, for Travellers’. Kiribati’s key target market is time-rich travellers who have relatively high disposable income and a desire to experience a unique marine-based environment and genuinely engage with the local people and their culture.¹¹¹

Kiribati has different assets at its two main destinations: Kiritimati and Tarawa. Tourism around the capital of Tarawa focusses on World War II heritage. As one of the famous battles of the Pacific took place here, Tarawa has a high number of World War II sites and equipment, but many of these sites are in a poor state of repair and the remnants of the battlefield are deteriorating rapidly.¹¹² Visitors interested in recent history are mainly from Japan and the United States of America.

109 Kiribati Tourism Authority (2020), *International Visitor Survey Report, 2019*, p. 6.
110 Kiribati Tourism Authority (2020), p.11.
111 Pacific Tourism Organization (2015a), *Kiribati National Tourism Development Strategy 2016–2019*, p. 4.
112 Pacific Tourism Organization (2015a), p. 10.

4.2 GOOD PRACTICE CASE LESSONS

4.2.1 SOUTH ISLAND ECOLOGDE DEVELOPMENT, NEW ZEALAND

There is a consideration for Kiribati to establish an ecolodge in the PIPA. Wilderness Lodges of New Zealand developed two ecolodges in the South Island: Lake Moeraki on the island's west coast, and Arthur's Pass in the Southern Alps. Both lodges cater to high-end travellers, mostly international visitors. Wilderness Lodge offers a series of enriching guided daily programmes for their guests which interpret the surrounding environment and nature conservation stories. Both lodges offer the opportunity to view a number of rare species, particularly birds. But it is the interpretation provided by expert guides that has added value to the visitor experience.

For example, an activity offered to visitors at Wilderness Lodge Arthur's Pass is pulling out young wild pine seedlings. This experience creates an educational dialogue about conservation priorities. Other conservation activities at the lodges include safeguarding wildlife from introduced pests, looking after freshwater life and caring for braided rivers.¹¹⁵ Development of interactive activities similar to New Zealand to support the accommodation variety is a useful reference for the planning of any new ecolodge in Kiribati.

Tourism on Kiritimati focusses on high end fishing, with visitors mainly from the United States of America, but also Australia, Europe and Japan. Ocean fishing for giant trevally is an attraction, however there are limited facilities and boats to develop this potential.¹¹³ Fly fishing for bone fish in the Kiritimati Lagoon is a specialized high-end sport. As noted in *Pacific Fishing Study Report*, avid anglers are seeking new and specialist destinations, like Kiritimati.¹¹⁴

Kiribati benefited from the international visitor survey (IVS) with support from SPTO, which provided valuable insights on visitor activity preferences to guide product development.

¹¹³ Pacific Tourism Organization (2015a), p. 11.

¹¹⁴ Pacific Tourism Organization (2015b), *Pacific Fishing Study Report*, p. 12.

¹¹⁵ Wilderness Lodges of New Zealand (2019), *Ecotourism and Nature Conservation Initiatives*, p. 5–12.

4.3 TOURISM PRODUCT DEVELOPMENT OPPORTUNITIES

4.3.1 INCREASED AIR ACCESS

Kiribati's two main international airports on Tarawa and Kiritimati have been recently upgraded. Current access to Tarawa is from Fiji or Solomon Islands, and access to Kiritimati is a Government-subsidized weekly flight from Hawaii to Fiji. Air Kiribati planned to take delivery of two regional jet aircrafts in 2020, which would create the possibility of direct air access from Brisbane, Australia. These new aircrafts could domestically link Tarawa in the west with Kiritimati in the east, as currently travellers between these two Kiribati regions have to fly internationally via Fiji. This would enable packaging of the west and east island groups. There is an opportunity to build demand to support any increase in air capacity through the product development opportunities noted below.

4.3.2 BIRDWATCHING

A small number of birdwatchers visit Kiritimati, as "Christmas Island (Kiritimati) is an important sanctuary and breeding ground in the Pacific for birds and is home to a number of endemic species including the Christmas Island (Kiritimati) warbler. Other species of note include the endangered Phoenix petrel, white throated storm petrel, shearwaters, red-tailed tropic birds and various species of boobies, frigate birds and noddies."¹¹⁶

Birdwatching is a high value market which is growing substantially around the world. In the United States of America *birding* is one of the fastest growing pastimes, with approximately 20% to 35% of respondents to a large survey of recreational activities indicating that they regularly watch birds.¹¹⁷ Opportunities exist to broaden the fishing market already interested in visiting Kiritimati through birdwatching tours for partners, as well as special interest groups, particularly from the United States of America.

Taking advantage of increasing interest in nature, the PIPA is an ecotourism development opportunity given its rich marine ecosystem. There is consideration to develop an ecolodge in the area, utilizing charter flights into Kanton, however the runway has fallen into dis-repair. Should the ecolodge proposal progress, value could be added by including daily expert tours to interpret the surrounding ecology and conservation issues for guests, along the lines of the Wilderness Lodges of New Zealand mentioned above.

4.3.3 CRUISING, YACHTING AND DIVING

Smaller cruise vessels can access remote locations with limited shore infrastructure. Kiribati has prospects of attracting this scale of vessel due to its limited infrastructure and remote, yet pristine marine environment. Kiribati is far from the main source markets (Australia, New Zealand and the United States of America) to attract large volumes of cruise ship visits. The exceptions may be trans-Pacific cruises, and the

¹¹⁶ Pacific Tourism Organization (2015a), p. 4.

¹¹⁷ Pacific Tourism Organization (2012), *Niche Tourism Profiles for the South Pacific*, p. 5.

route from Hawaii to Tahiti, where vessels used to call in to Kiritimati.¹¹⁸ Hence, an opportunity exists to re-engage with these cruising companies.

Both yachting and the super yacht sector are important development segments, where Kiribati has competitive advantage over other destinations in terms of seclusion and natural beauty. As noted in the *Kiribati National Tourism Development Strategy 2016–2019*,¹¹⁹ super yacht visits in particular have been growing in importance in recent years in the Pacific and provide a particularly high yielding and attractive segment.

The main opportunity for diving is living aboard vessels and luxury yachts, particularly in the PIPA with 120 species of coral and 500 species of fish, some of which are rare and endemic. Of particular interest in the PIPA is a giant clam community, turtle nesting sites, tuna spawning grounds and islands that offer unique resting sites for migratory species.¹²⁰ Potential also exists for development of diving out of Kiritimati, as well as spear fishing, but a product champion needs to be found, encouraged and supported in the development of suitable products that respect and protect the unique PIPA environment and that include local communities in the decision-making processes.

4.3.4 SUPPORTING PRODUCT DEVELOPMENT

Given the limited resources of Kiribati's Tourism Authorities, regional (Pacific island) marketing has been a very cost-effective approach that could be further expanded and secure Kiribati's tasks on product development by:

1. Establishing a common centralized office dedicated to support, advise and assist small island states in product development;
2. Leading development of new high yielding niche markets in China, especially Shanghai, Beijing, Guangzhou and Shenzhen (see also chapter 7); and
3. Coordinating a Pacific islands representation at the annual Tokyo Marine Diving Fair, offering information on local and international diving and beach resorts.

For Kiribati to harness growth based on its competitive advantages around culture and environmental attractions, the Government should consider enforcing existing legislation in relation to environmental management, improving visitor safety and accessibility through site and access road maintenance, undertaking comprehensive guide training and improving signage.¹²¹ Furthermore, a programme for the development and management of key visitor attractions needs to be established, to lead to their ongoing improvement and product development.

¹¹⁸ Pacific Tourism Organization (2015a), p. 18.

¹¹⁹ Pacific Tourism Organization (2015a), p. 18.

¹²⁰ Pacific Tourism Organization (2015a), p. 4.

¹²¹ Pacific Tourism Organization (2015a), p. 30.



4.3.5 CULTURAL PRODUCTS

As noted in the *Kiribati National Tourism Development Strategy 2016–2019*,¹²² there is an opportunity to further integrate the Kiribati community and culture into tourism for visitor attractions. The development of a handicraft centre in central Tarawa where visitors can watch handicrafts being made could be a visitor drawcard, as well as increasing revenues for the local community.¹²³

4.3.6 TRAINING

The *Kiribati National Tourism Development Strategy 2016–2019*¹²⁴ notes four tourism training priorities for Kiribati:

1. Coordinated short-course training covering cookery, food and beverage service, barista and hospitality fundamentals;

2. Facilitation of more training opportunities;

3. Upgrading cultural awareness programmes among communities, especially on outer islands that are trying to tap into weekend tourism from Tarawa; and

4. Climate change adaptation training for micro-, small and medium-sized enterprises and tour guides.

More training opportunities are being facilitated through a cooperation arrangement between Australia Pacific Training Coalition (APTC) and SPTO. Moreover, there are appropriate training modules that can be adapted from UNWTO's climate change guidelines for small island destinations,¹²⁵ that could be implemented in Kiribati.

¹²² Pacific Tourism Organization (2015a), *Kiribati National Tourism Development Strategy 2016–2019*, p. 30.

¹²³ Consult further information on indigenous tourism within the following publications:

World Tourism Organization (2021b), *UNWTO Inclusive Recovery Guide – Sociocultural Impacts of Covid-19, Issue 4: Indigenous Communities*, UNWTO, Madrid, DOI: <https://doi.org/10.18111/9789284422852>.

World Tourism Organization (2019d), *Recommendations on Sustainable Development of Indigenous Tourism*, UNWTO, Madrid, DOI: <https://doi.org/10.18111/9789284421299>.

¹²⁴ Pacific Tourism Organization (2015a), pp. 37–38.

¹²⁵ World Tourism Organization and United Nations Environment Programme (2008), *Climate Change and Tourism, Responding to Global Challenges*, pp. 92–94.

#05 NIUE



https://www.countrystatbook.com



SDG TABLE – NIUE



SDG 4: Quality education

Target 4.7: ensuring learning on sustainable development.



SDG 8: Decent work and economic growth

Target 8.3–8.9: promoting policies on productive activities and sustainable tourism.



SDG 12: Responsible consumption and production

Target 12.2: efficient use of natural resources.

Target 12.8: ensuring dissemination of relevant information and awareness.

Target 12a: supporting developing countries strengthening scientific and technological capacity in sustainable consumption and production patterns.

Target 12B: developing tools to monitor impacts for sustainable tourism.



SDG 13: Climate action

Target 13.2: integrating climate change measures.

Summary

This chapter examines Niue's tourism approach to sustainable development. The challenge for Niue is to grow the benefits from tourism whilst retaining its small, authentic and attractive appeal.

Key words

- Niue Experience Development Strategy
- Tourism digital campaign
- Dark Sky tourism
- Soft explorer
- Carrying capacity

Key messages

- Tourism in Niue can be a role model for other small island states.
- New Zealand is the dominant tourist market.
- Evidence-based decision-making assists identify new target segments.
- Niue is looking to Chinese markets, as a low season opportunity through Chinese New Year.
- Capacity development of private sector inbound operators is ideal.

5.1

SITUATION ANALYSIS

5.1.1 TOURISM STATUS AND STRATEGY

Niue is a remote, geographically unique Pacific island destination. Located about 3.5 hours flying north-east from Auckland, New Zealand, Niue is the world's largest upraised coral atoll. As noted in *Niue Experience Development Strategy* "(...) with no river system emptying into the sea, the waters are pristine, unpolluted by waste. The clarity of the water is exceptional with visibility up to 100 metres."¹²⁶ Niue has no continental shelf, therefore allowing visitors to enjoy views into deep ocean from the clifftops that surround the island – whales can sometimes be viewed from the clifftops. Whilst beaches are few and small, there are some notable snorkeling and diving spots.

Niue is one of the world's smallest countries with a population of about 1,600 and has a Free-Association with New Zealand. Inbound tourism to Niue has more than doubled over the last decade, from less than 5,000 visitors per year to about 11,000 visitors per year. A significant constraint to growth is labour, given the country's tiny population. Therefore, Niue is committed to sustainable tourism development, listing about 15,000 annual arrivals as its peak carrying capacity. The challenge for Niue is to grow the benefits from tourism whilst retaining its small, authentic and attractive appeal. As a long-term strategy, obtaining a higher yield from a smaller number of visitors is more appropriate than chasing higher visitor

numbers.¹²⁷ Some tourism product development is desirable to continue to provide new reasons for repeat visits.

Tourism in Niue currently enjoys strong leadership with a clear and sustainable vision of its future. It can be a role model for other small island states. Niue has embraced its challenges, turning them into positives for specific target markets. Tourism Niue's digital campaigns aim to cultivate the conversations in an organic and authentic manner with promotion directed at the right people who fit the niche audience being targeted.¹²⁸

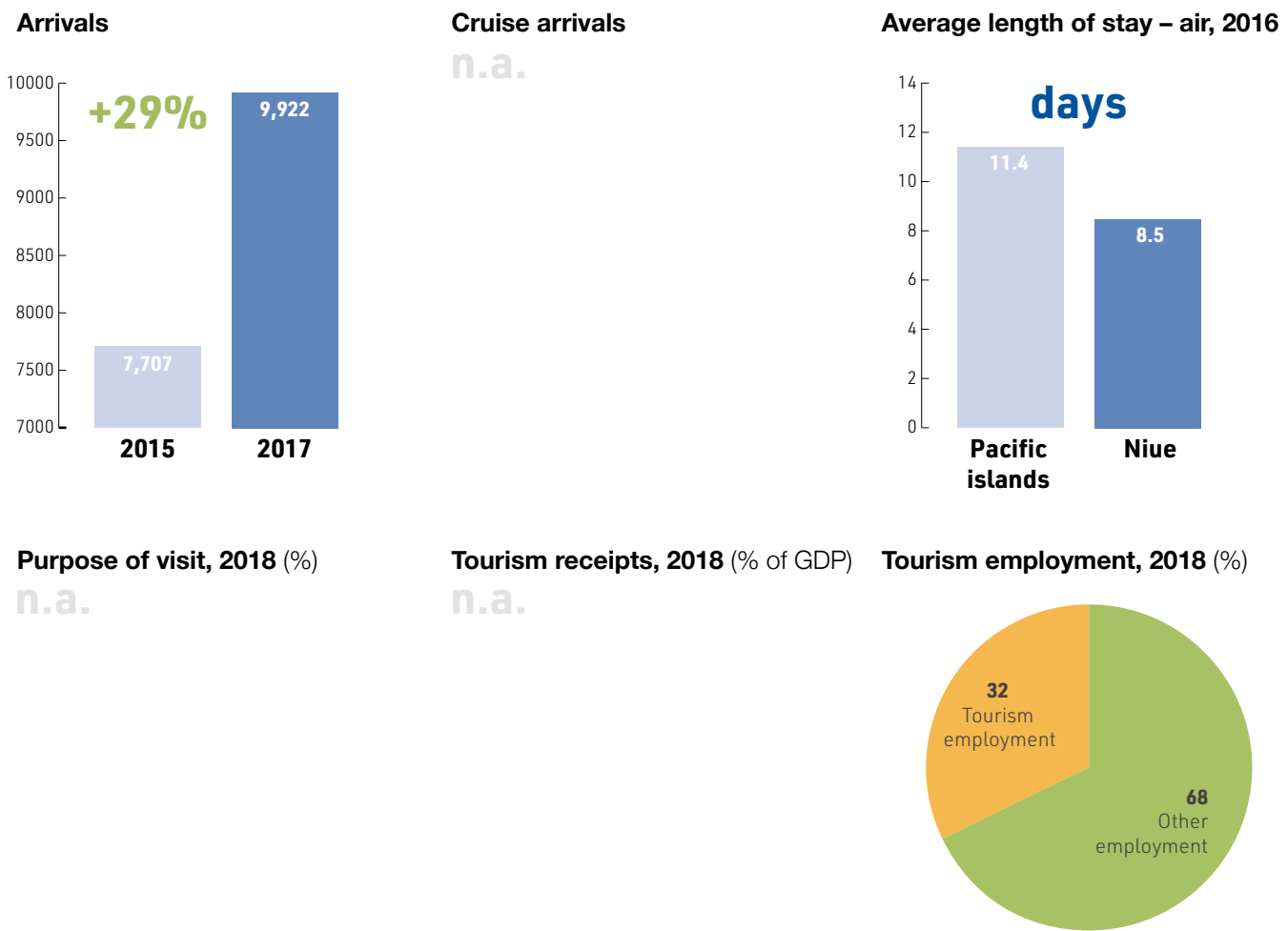
The Niue tourism dashboard (figure 5.1) shows the destination has enjoyed good growth, and tourism has become a vital part of the overall employment. Length of stay is below the Pacific average, which is possibly a feature of the limited flight schedules. Further activity development could help to encourage longer stays. As the world's fourth smallest country, Niue has had to learn to cope with a very limited labour force. Many Niuean's have multiple jobs. Succession for successful business owners can also be a challenge, which is discussed further in section 5.3.4.

¹²⁶ Tourism Resource Consultants (2015), *Niue Experience Development Strategy*, p. 6.

¹²⁷ Tourism Resource Consultants (2015), p. 3.

¹²⁸ Pacific Periscope (2017), 'Niue Tourism Gets Makeover'.

Figure 5.1: Niue tourism dashboard



Source: Pacific Tourism Organization (2018), *Annual Visitor Arrivals Report*. Intra-year detailed statistics also available at this source.

Figure 5.2: Tourism SWOT – Niue

STRENGTHS

- Remoteness and Dark Sky
- Unique geology (no continental shelf)
- Prosperous community (no poverty)
- Committed airline
- Commitment to sustainable tourism
- Strong relationship with New Zealand

OPPORTUNITIES

- Larger aircraft
- World first Dark Sky Nation
- Succession planning for operators
- Development markets: Australia and China

WEAKNESSES

- Tiny population (limited labour)
- Land tenure

THREATS

- Population decline
- Climate Change

Table 5.1: Niue activity ranking

Rank	Water-based	Arts and culture	Land-based	Shopping
1	Beach/sea track	Hikulagi Park	Bars and cafes	Produce
2	Swimming	Local market	Sightseeing	Crafts
3	Snorkeling	Cultural show	Walking	Arts
4	Reef walking	Tahiono Gallery	Caving	Music
5	Whale and dolphin	Village show	Mini golf	
6	Swimming with whales	Church service	Cycling	
7	Fishing	Niue Museum	Uga tours	
8	Diving	Dance	Sport events	
9	Kayaking	Carving	Other golf	
10	Spear fishing		Garden tours	

Source: New Zealand Tourism Research Institute (2018a), *Niue Visitor Survey October 2017 – September 2018*.

5.1.2 VISITOR PROFILES AND DESTINATION POSITIONING

New Zealand was by far Niue's largest market comprising 81% of total visitors in 2018. Australia followed at 10%. Long-haul markets such as Europe and North America comprised 2% each. China and Japan with each of 1% share in 2018, are new markets.¹²⁹

Traditionally Niue's product strengths have been diving and fishing, but more recently expansion of soft adventure activities including snorkeling and cycling have helped grow visitors.

Cycling is the main opportunity circumnavigating approximately 65 km of the island. Due to the island's road conditions, mountain bikes are used and. E-bike rentals are also established to further facilitate visitor access to the many scenic sea-tracks and other natural and cultural tourism resources.

Promotions have been partly successful in increasing visitation during low season with pure leisure visitors concentrated in the New Zealand winter months. MICE is a key strategy for improving seasonality, particularly targeting the February to April window. Events are also being promoted for tourism such as Dark Sky events.

There are several licensed whale encounter operators in Niue enjoying strong demand. Niue follows international whale watching guidelines and advocates for a sustainable approach with the Niue Ocean Wide (NOW) initiative. This initiative resulted in 40% of Niue's Economic Exclusion Zone becoming a Marine Protected Area.

¹²⁹ Pacific Tourism Organization (2019c), *Visitor Arrivals to Pacific Islands*, Suva, p. 4.

5.2

GOOD PRACTICE CASE LESSONS

5.2.1 TARGETED DIGITAL MARKETING, COOK ISLANDS

This good practice case is selected from neighbouring Cook Islands, for digital marketing lessons to build demand for its unique offerings. Cook Islands Tourism Corporation has heavily moved to a digital emphasis to build brand and increase visits from key New Zealand and Australian markets. Cook Islands Tourism Corporation notes that the journey to a digital National Tourism Organization requires the total commitment of the organization. Rather than having a specialized digital department, digital thinking is integrated into all work streams across the organization.

Evidence-based decision-making identified a new target segment for Cook Islands and enabled a targeted digital marketing campaign. The soft explorer audience targeted travellers who are experientially-led and like discovering the undiscovered. The soft explorer segment represents an opportunity to develop high-end tourism in some of the less discovered islands in the group.¹³⁰ This is aligned with a new intra-island jet air service and improved access. Niue can likewise analyse its increasing database for identifying visitor preferences and new tourism product opportunities.

Table 5.3: Cook Islands activity ranking

Rank	Water-based	Arts and culture	Land-based	Shopping
1	Visiting beach	Local market	Bars and cafes	Coffee/cocoa
2	Swimming	Night show	Sightseeing	Local crafts
3	Snorkeling	Events	Self-drive	Local arts
4	Lagoon cruise	Attend Church	Bus ride	Music
5	Kayaking	Cook Islands Home	Cultural events	Pearls
6	Paddle boarding	Dance	Treks and trails	
7	Fishing	Tumunu on Atiu	Cultural tour	
8	Diving		Cycling	
9	Whale watching		Sporting event	
10	Ocean cruise		4x4 adventure	

Source: New Zealand Tourism Research Institute (2018b), *The Cook Islands Visitor Survey Results July-September 2018*

130 Cameron N. (2017), *Cook Island to Build Out Digital Marketing Strategy after Programmatic Advertising Success*, 21-08-2017, online available at: www.cookislands.travel (20-01-2020).

5.2.2 QUEENSLAND TOURISM TALENT FINDER, AUSTRALIA

Maintaining adequate human resources for Niue's tourism industry is a challenge. As noted in *Best Job in the World*, Tourism and Events Queensland developed an innovative campaign in 2009.¹³¹ To raise awareness of their island destinations in key global markets, the tourism body developed a campaign which offered the chance to win a job as caretaker of Hamilton Island for a year. The low budget campaign was an early adopter of the YouTube environment and required applicants to submit their resumes via publicly shared videos, creating social media buzz. Given Niue's challenge in finding human resources to grow its tourism, a similar concept could be adapted to attract particularly diaspora living in New Zealand.

5.2.3 SUSTAINABLE TOURISM POLICY, VANUATU

Vanuatu's Government approach to tourism is rooted in sustainable development similar to Niue. Vanuatu is another destination in the region which has embarked on a whole of government approach to sustainable tourism development. Vanuatu initiated a *2016–2030 National Sustainable Development Plan* (NSDP), cascading to sectoral *2019–2030 Vanuatu Sustainable Tourism Policy* (VSTP), thereafter *Provincial Sustainable Tourism Plans*.

Vanuatu is the first Pacific nation to develop a national plan charting its SDGs implementation. The NSDP, the Governments' primary tool on SDGs, outlines its implementation of the 2030 Agenda for Sustainable Development. SDG8 is mentioned in the plan with its focus on the growth of tourism with a linkage to agrotourism. The plan further states an actionable priority in product development to improve and expand the range of sustainable tourism products and services through the country and in particular to strengthen local production.¹³²

The Vanuatu Department of Tourism signed a Memorandum of Understanding with the Global Sustainable Tourism Council (GSTC)¹³³ for the support in developing the VSTP, underlining Vanuatu's aim to gain GSTC recognition through the implementation of GSTC criteria in Vanuatu's Tourism Permits and Accreditation Programme. The move to a sustainable approach stems from the Government's tourism programme.¹³⁴ Vanuatu is also the first Pacific country to receive GSTC training infusing Vanuatu values and ensuring elements of social and cultural sustainability are incorporated.

Intentionally Vanuatu has initially developed local sustainability programmes, before externally seeking international partners for final stages of implementation. Vanuatu has generously shared their Sustainable Tourism Guidelines with Niue.

¹³¹ Tourism and Events Queensland (2009), 'Best Job in the World'.

¹³² Vanuatu Department of Strategic Policy, Planning and Aid Coordination (2016), *Vanuatu 2030 – The People's Plan - National Sustainable Development Plan 2016–2030*.

¹³³ An organization named "Partnership for Global Sustainable Tourism Criteria" was formed in 2007 as a coalition of 32 partners, initiated by the Rainforest Alliance, the United Nations Environment Programme (UNEP), the United Nations Foundation (UN Foundation), and the World Tourism Organization (UNWTO). The purpose was to foster increased understanding of sustainable tourism practices and the adoption of universal sustainable tourism principles. Through the development of a set of universal, globally accepted criteria the partnership took the first step toward standardizing a common language for sustainable tourism. In 2009 the Sustainable Tourism Stewardship Council (STSC) was created to give form to regional certification networks.

Later in 2010 the Global Sustainable Tourism Council was merged from both organizations, "considering the broad overlap of goals. For detailed information on GSTC, please consult: <https://www.gstccouncil.org>.

¹³⁴ Global Sustainable Tourism Council (2018) 'GSTC Visit to Vanuatu'.

5.3

TOURISM PRODUCT DEVELOPMENT OPPORTUNITIES IN NIUE



5.3.1 AIR CAPACITY

Tourism development needs to be undertaken in accordance with the three pillars of sustainability: social, economic and environmental. As noted in section 5.1.1 above, Niue estimates that its tourism carrying capacity allows for about 50% more growth in annual visitors. Niue is connected with Auckland by a twice-weekly air service, and there is an opportunity to increase air capacity to Niue during peak season to cater for growing demand. This increase might best be achieved through a larger aircraft on the route, which would also allow more freight, helpful in providing supplies to the accommodation sector. Greater freight capacity could also allow more bicycle lift for visitors, removing a constraint to cycling events on Niue, although admittedly these would best be held outside peak season. Allowing total visitor growth via a larger aircraft, rather than more flights, would lower carbon miles per visitor and maintain the current length of stay patterns around which the island's scarce tourism human resources are carefully organized.¹³⁵

5.3.2 EMERGING MARKETS

Niue's focus is on emerging markets, particularly China, as a low season opportunity through the Chinese New Year. In harmony with Niue's sustainable tourism strategy, only modest numbers of intrepid Chinese travellers are targeted via existing air links. Niue would benefit from specific research on how to target high value niche markets in China for a comparative advantage. Such research would incorporate first analysing specific visitor profiles to identify the one(s) fitting within Niue's sustainable tourism strategy, then increasing contacts to specialist travel agents, targeting travel fairs and specialized media. Another approach could be promoting Niue as a stopover destination for New Zealand's Chinese source market, targeting specifically the high value niche Chinese clientele.

¹³⁵ For further reading on CO₂ emissions, please consult:

World Tourism Organization and International Transport Forum (2019c), *Transport-related CO2 Emissions of the Tourism Sector – Modelling Results*, UNWTO, Madrid, DOI: <https://doi.org/10.18111/9789284416660>.



5.3.3 DARK SKY NATION

Niue is the world's first certified Dark Sky Nation and four Dark Sky tour operators are being established with training and other assistance from Tourism Niue. Niue's current low development ensures minimum light pollution for Dark Sky operations that could be additionally protected in the long-term by introducing a "lighting ordinance". This has been successful for example at Mountain John, Tekapo, New Zealand, maintaining a suitable Dark Sky environment.¹³⁶ Also, given that New Zealand is Niue's largest visitor market, there could be a medium-term opportunity to explore a 'Sister Dark Sky' relationship with the operation in Tekapo, possibly including cross-marketing.

Another medium-term enhancement could be attracting astrological research (and tourism) to Niue which could add valuable insights to interpretation provided to participants in Dark Sky tours, as well as facilities such as telescopes for science interested visitors (researchers, students and amateurs) who may travel outside traditional tourism peaks.

5.3.4 SUCCESSION AND INBOUND OPERATORS

Niue has one inbound tourism operator with limited capacity, thus Tourism Niue has to fill this gap. There is an opportunity to facilitate development of particularly emerging markets through developing the capacity of private sector inbound operators.

Niue has a small but informative museum, which could be added to existing island tours; the New Zealand market shows a growing interest in the Pacific islands contribution to World War I, as a foundation stone of their own heritage.

Misa's Nature Tour performed by the proprietors is a mainstay for visitors to Niue that shares the guides extensive knowledge of the local ecosystems and transmits peoples' relationship with nature through a guided hands-on forest walk experience for small groups. In additions, the tour teaches visitors traditional survival skills in Niue's forests, as well as the remote island's unique natural resources and their significance to traditional economy.¹³⁷ However, a succession strategy is needed so that the extensive knowledge can be retained.

¹³⁶ Austin, M. and Hearnshaw, J. (2010), 'Case Study 16.1: Lake Tekapo – Aoraki – Mt Cook Starlight Reserve, New Zealand', p. 248.

¹³⁷ Niue Chamber of Commerce (2020), 'Misa's Nature Tour'.

#06 PAPUA NEW GUINEA



Summary

Papua New Guinea has the largest population of the Pacific islands with tourism becoming an important contributor to its economy. This chapter examines how Papua New Guinea can grow a sustainable tourism industry, focussing on niche adventure tourism, significant investment opportunities, cultural heritage, visitor experiences, stakeholder partnerships and wide community benefits.

Key words

- Tourism hubs
- Domestic tourism
- Birdwatching
- Cultural tourism
- Soft adventure
- Meetings, congresses, conventions and incentives (MCCI) tourism
- Expedition cruising
- Trekking

Key messages

- Domestic tourism is the most accessible target market for local communities.
- Communities need assistance in developing cultural tourism packages for visitors.
- Training is required to strengthen human resources for new soft adventure tours.
- There is a surge in Pacific destinations developing soft adventure tourism, however differentiation through specializing in areas of soft adventure where there is destination comparative advantage will be helpful.

SDG TABLE – PAPUA NEW GUINEA



SDG 2: Zero hunger

Target 2.3: increasing agricultural productivity, opportunities for value add and incomes of small-scale food producers.



SDG 4: Quality education

Target 4.4: increasing number of youth and adults with relevant skills.
Target 4.7: ensuring learning on sustainable development.



SDG 8: Decent work and economic growth

Target 8.9: promoting policies on productive activities and sustainable tourism.



SDG 9: Industry, innovation and infrastructure

Target 9.1: developing regional infrastructure.

Target 9c: increasing access to Internet.



SDG 10: Reduced inequalities

Target 10.7: empowering and promoting inclusion



SDG 12: Responsible consumption and production

Target 12B: developing tools to monitor impacts for sustainable tourism.



SDG 14: Life below water

Target 14.7: increasing economic benefits from sustainable use of marine resources.



SDG 15: Life on land

Target 15.6: promoting fair and equitable sharing of benefits from utilization of resources from access.
Target 15a: mobilizing resources to finance forest management.



6.1 SITUATION ANALYSIS

6.1.1 TOURISM STATUS AND STRATEGY

The vision of Papua New Guinea tourism is to grow a sustainable industry, focussing on niche adventure tourism, significant investment opportunities, cultural heritage, visitor experiences, stakeholder partnerships and wide community benefits¹³⁸. Papua New Guinea has the most diverse visitor experience of any Pacific island nation with world class diving, surfing, rich cultural experiences, major walking tracks, nature and adventure products as well as World War II historical sites¹³⁹. Work has commenced on a new National Tourism Plan.

For Papua New Guinea, the close relationship, the short distance and the frequency of flights makes it a convenient destination for Australians. Papua New Guinea tourism is reliant on the neighbouring Australian market, which contributes the majority of total holidaymakers to the destination; market diversification would create a more balanced portfolio.¹⁴⁰ Therefore, new products are necessary to increase Papua New Guinea's appeal to high-yielding niche sectors, particularly in the large northern hemisphere markets.

Port Moresby's latest high-end accommodation addition is the Loloata Private Island Resort, a private-public-partnership between Lamana and National Superannuation Fund of Papua New Guinea (NASFUND).

Port Moresby, the capital, enjoyed a surge in international standard hotel room supply in recent years, from around 600 rooms a few years ago to 2,590 rooms by 2018.¹⁴¹ Events such as the co-hosting of the Rugby League World Cup in 2017 with Australia, and the Asia Pacific Economic Cooperation (APEC) cluster of meetings in 2018 were catalysts for this rapid expansion. With these events concluded, efforts are being made to generate demand, including Papua New Guinea Tourism Promotion Authority (PNGTPA) developing Terms of Reference for a prospectus to develop MCCI business for Port Moresby. Papua New Guinea has launched an effective marketing campaign and raised its profile on social media. PNGTPA has also improved data collection and analysis systems and established a national accommodation classification and accreditation system.¹⁴²

The provinces of East New Britain and Milne Bay have been nominated as tourism hubs of the country for priority tourism development. In 2017 the World Bank approved USD 20 million intended to pilot in the two provinces an integrated approach to tourism development, including the upgrading of local infrastructure, strengthening capacity of the tourism workforce, and improving the planning, product development and marketing with a focus on targeting support for community-led microenterprises to create jobs, especially for women.¹⁴³

¹³⁸ Papua New Guinea Tourism Promotion Authority (2007), *Papua New Guinea Tourism Sector Review and Master Plan 2007 – 2017*, p. 8.

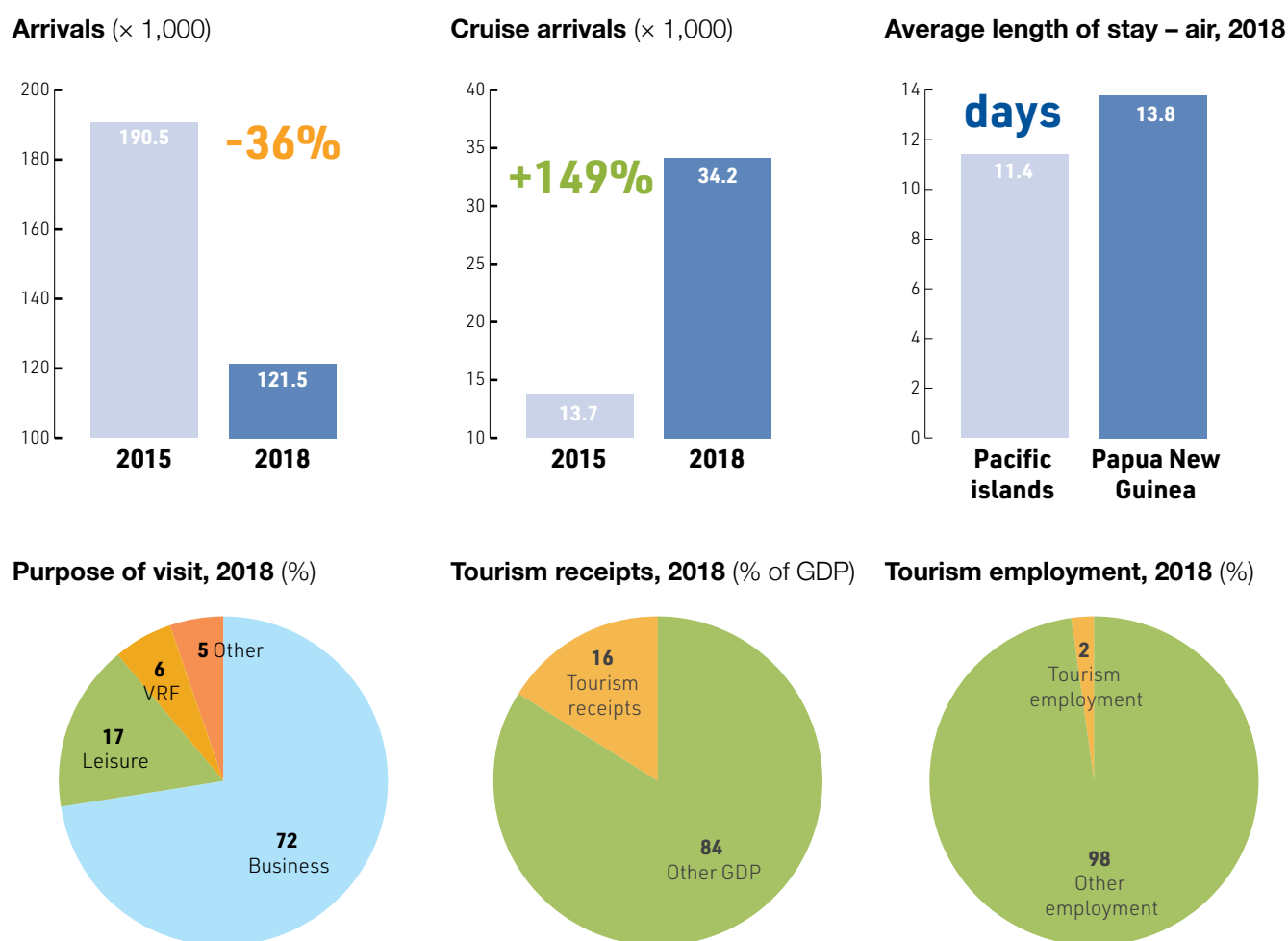
¹³⁹ Papua New Guinea Tourism Promotion Authority (2007), p. 26.

¹⁴⁰ International Finance Corporation (2017) *The Case for Change for Tourism in Papua New Guinea, Papua New Guinea Demand Assessment Highlights*, p. 1.

¹⁴¹ Business Advantage PNG (2016), 'Hotel investments transforming Port Moresby into regional conference venue'.

¹⁴² World Bank (2016), *Pacific Possible, Tourism Pacific Possible Background Paper No. 4*, p. 6.

¹⁴³ World Bank (2017a), '\$20 Million Boost for Sustainable Tourism in Papua New Guinea'.

Figure 6.1: Papua New Guinea tourism dashboard

Source: Pacific Tourism Organization (2018), *Annual Visitor Arrivals Report*.
 Intra-year detailed statistics also available at this source.

Figure 6.2: Tourism SWOT – Papua New Guinea

STRENGTHS

- Tourism resources including WW2 heritage (including iconic Kokoda Trail), unique culture, bird watching and diving
- Proximity to large, relatively untapped Australian visitor markets
- Proximity to huge Australian cruise market

OPPORTUNITIES

- Tourism operation and guiding capacity building
- Special interest markets beyond Australia
- Events to capitalize on Moresby infrastructure
- Developing soft adventure: trekking Mount Wilhelm and cycling
- Milne Bay cruises, access from Australia to New East Britain

WEAKNESSES

- Under-developed tourism industry and infrastructure
- Rugged, isolated interior
- Perceptions of security

THREATS

- Loss of air connectivity
- Environmental degradation

Despite its array of tourism resource, leisure tourism is a minor contributor to visitor arrivals. Papua New Guinea’s tourism dashboard (figure 5.1) shows that visitors have declined in recent times, possibly due to the conclusion of some major events such as Rugby League World Cup and APEC meetings, and also the 2017 elections. Papua New Guinea tourism receipts also lagged considerably compared to other countries. There may be differing data collection methods that undercount tourism receipts. Another factor was that large portion of arrivals are for employment purposes.¹⁴⁴ However, there is good growth in cruise visitors as the destination successfully attracts more vessels from the large, neighbouring Australian market. Business travellers dominate, explaining the longer than Pacific average length of stay. Tourism is

becoming a relatively important contributor to Papua New Guinea’s overall economy.

Papua New Guinea tourism is aware that it needs to address visitor concerns about security. A number of strategies are being deployed, including funding for tourism police. Development of the cruise sector from Australia to rural Papua New Guinea is helping build the overall destination brand and reassure visitors about security in the destination.

144 World Bank (2016), p. 2.

Table 6.1: Papua New Guinea activity ranking

Rank	Australia	New Zealand	North America	Europe	United Kingdom	Asia
1	Local markets	Swimming	Local markets	Local markets	Local markets	Local markets
2	Village visits	Local markets	Sightseeing	Beach	Beach	Beach
3	Beach	Beach	Village visits	Sightseeing	Village visits	Sightseeing
4	Swimming	Sightseeing	Hiking and walking	Swimming	Snorkeling	Nature Park
5	World War II tours	Village visits	Local dance	Village visits	Swimming	Diving
6	Sightseeing	Snorkeling	Diving	Snorkeling	Birdwatching	Village visits
7	Hiking and walking	Hiking and walking	Beach	Local dance	Local dance	Swimming
8	Kokoda Trail	Local events	Snorkeling	Hiking and walking	Hiking and walking	Parks and Nature
9	Local dance	Diving	Birdwatching	Museums	Sightseeing	Museums
10	Snorkeling	Cultural tours	Cultural tours	Cultural tours	Parks and Nature	World War II tours

Source: International Finance Corporation (2018b), *International Visitor Survey PNG January–June 2018*, p. 10–22

6.1.2 VISITOR PROFILES AND DESTINATION POSITIONING

Australia was Papua New Guinea's largest market comprising 46% of total visitors in 2018. Philippines and China followed at 9% and 8% respectively. Long haul markets like Europe and North America comprised 4% and 6% respectively, and Japan 2%.¹⁴⁵

*Papua New Guinea Demand Assessment Highlights*¹⁴⁶ identifies three special interest sectors, in addition to Papua New Guinea's current strength in diving, where the destination has comparative advantage and there is sufficient latent market demand to generate an additional

40,000 leisure visitors per year by 2028. These sectors are cultural tourism (including World War II heritage), soft adventure (kayaking, trekking, cycling, surfing) and birdwatching.

Tourism in Papua New Guinea has its origins in diving, the destination receiving about 5,000 divers annually mostly from Australia, Europe, Japan and the United States of America. However, table 8.1 below shows that diving does not make the top 10 list of activities undertaken in the destination by Australian and European visitors, but for New Zealanders it is number 9, for visitors from the United States of America number 6, and for Asian visitors, number 5.

¹⁴⁵ SPTO (2019c), *Visitor Arrivals to Pacific Islands*, Suva, p. 4.

¹⁴⁶ International Finance Corporation (2017), *Papua New Guinea Demand Assessment Highlights*, p. 2.

6.2

GOOD PRACTICE CASE LESSONS

6.2.1 OKINAWA DOMESTIC TOURISM, JAPAN

Papua New Guinea has the largest population of any Pacific island country with significant opportunities in domestic tourism. Okinawa, Japan, consists of more than 150 islands, of which 47 are inhabited. The Okinawa Government conducts sponsored island travel tours for Okinawa citizens, all of which are community-based programmes.¹⁴⁷ Tours to various islands are packaged by local tour operators, and the government subsidises 60% of tour fees for selected participants. Itineraries include activities and experiences of local island nature and culture combined with family lodge stays and dinner gatherings with local people. At the end of each tour, a meeting time for reviewing experiences is organized, and the participants are requested to contribute an evaluation of their experiences in a detailed ten-page questionnaire. These comments and product reviews contribute to the betterment of travel engagement between local communities and visitors.

6.2.2 SOUTH ISLAND HIGH END TOURS, NEW ZEALAND

Much of Papua New Guinea is inland, remote, rugged terrain. Limited access hinders tourism development in many areas that have stunning natural and cultural resources, as helicopters are required to access them. This could be an advantage. Helicopters are widely used in New Zealand's South Island tourism, for example, to overcome a similar challenge of lack of vehicular access to many natural beauty spots. A number of profitable tourism-focussed helicopter companies have emerged in this region to cater to this demand. Need to access by helicopter helps to keep the visitor mix in the low-volume, high-yielding segment. This helps to minimize environmental impact and maximize yield per customer.

147 Shima Achi (2020), 'About us'.

6.3

TOURISM PRODUCT DEVELOPMENT OPPORTUNITIES

6.3.1 DOMESTIC TOURISM

Domestic tourism is the most accessible target market for local communities. Products tested in domestic tourism could develop into authentic experiences for international visitors. In addition, increased domestic travel could lessen impacts of international market seasonality on local communities. Papua New Guinea could consider implementing a domestic travel incentive scheme similar to Okinawa's model discussed in section 6.2.1. The process of exploring diverse experiences and activities in one's own country generates countless opportunities for mutual understanding and appreciation. It also helps locals understand the international visitors' experience.

6.3.2 BOOKING CULTURAL FESTIVALS

Communities need assistance in developing cultural tourism packages for visitors.¹⁴⁸ Visitors from North American and European markets are inclined to participate in cultural tourism, visiting mid-year for the festivals in Papua New Guinea. To facilitate the further development of cultural tourism, a centralized booking system for the major cultural festivals promoted by Papua New Guinea Tourism Promotion Authority would be helpful to enable visitors to connect with the tours they would like to participate in. A prototype system for village tours was previously trialed, but at that time challenges

of technology and communicating with remote areas were too high to overcome. It would be worth revisiting this initiative with further advances in technology and communications. Some community-based tourism booking systems are already available and working with an existing system could be more cost-effective than trying to develop a new propriety system.

6.3.3 DIFFERENTIATING SOFT ADVENTURE

Papua New Guinea lacks sufficient soft adventure tourism products.¹⁴⁹ Training is required to strengthen human resources for new soft adventure tours. This can take the form of classroom training, which require collaboration with the private sector. Business needs are changing constantly, therefore industry needs to identify skills gaps and curriculum amended accordingly. A particular focus on guide training in relevant areas of diving and birdwatching would be beneficial.

Also, opportunities discussed in chapter 7 on Samoa for a formalized secondment programme allowing young Papua New Guineans to work temporarily, preferably in niche activity tourism businesses in Pacific rim destinations like Australia, Malaysia or New Zealand, could provide direct skills transfer and build the confidence of young participants to start tourism SMEs. Secondments to niche tourism business specializing

¹⁴⁸ Ford, A. et al (2018b) *Promoting Cultural Heritage for Sustainable Tourism Development: Madang, Papua New Guinea*, p. 34.

¹⁴⁹ International Finance Corporation (2017), *The Case for Change for Tourism in Papua New Guinea, Papua New Guinea Demand Assessment Highlights*, p. 2.



in relevant soft adventure areas would be particularly instructive.

Most destinations across the Pacific are developing soft adventure tourism, so Papua New Guinea (and all other Pacific island destinations) would do well to differentiate by specializing in areas of soft adventure where it has comparative advantage. The model of cycling tours in New Ireland province, combined with local accommodation on route could be expanded to other areas of the country. As noted in *Niche Tourism Profiles for the South Pacific*: “over the next 10 years, cycling tourism is expected to increase by 10% each year Leisure cyclists rather than the hardcore segment dominate the holiday sector.”¹⁵⁰ There is an opportunity to combine cultural heritage experiences into soft adventure tours.

6.3.4 BIRDWATCHING PRICING STRATEGIES

Research has shown that the average birder is 50 years old, has a higher-than-average income and education, and is more likely to be female.¹⁵¹ Most birdwatchers are likely to be members of their local membership organization, such as the Royal Society for the Protection of Birds or the American Birding Association. 40% of birders are willing to travel to discover new birdwatching opportunities. The United Kingdom is also a significant birdwatching opportunity.

Some of Papua New Guinea’s ecotourism operators operate a cost-plus pricing strategy, based on the types of facilities offered. There is an opportunity to present

demand-driven pricing strategies which is dependent on what the customer is prepared to pay. As noted, for example, in *Economic Opportunities for Women in the Pacific*,¹⁵² an ecolodge in Papua New Guinea is charging about USD 60 per night, per couple for unique birdwatching opportunities. Given that visitors have likely paid a substantial amount (often business class) on airfares from United States of America or United Kingdom to Papua New Guinea, it is likely they would be amiable to pay extra for the ecolodge experience, the prime purpose of their visit. Extra revenue generated through demand-based pricing strategies can boost viability of the local business operation. There also are possibilities to include funding for local village community projects such as schools and hospitals in leveraging such pricing strategies for community benefit. Structured pricing must occur with site management plans as this will aid in mitigating local community disputes and disparities around pricing.

6.3.5 MEGA EVENTS

Given the developing accommodation and infrastructure environment in Port Moresby discussed in section 6.1.1, a concept similar to chapter 7 on Samoa for joint Pacific bids to host future Mega events, in association with larger Pacific rim partners such as Australia, would provide welcomed additional business to existing infrastructure, including Port Moresby’s stadiums, International Convention Centre and APEC Haus. Lessons learnt from co-hosting the Rugby League World Cup and APEC 2018 include the importance of sufficient supporting

¹⁵⁰ Pacific Tourism Organization (2012), *Niche Tourism Profiles for the South Pacific*, p. 16.

¹⁵¹ Pacific Tourism Organization (2012), p. 3.

¹⁵² International Finance Corporation (2016), *Economic Opportunities for Women in the Pacific*, p. 48.



infrastructure such as roads to minimize congestion during mega events. There is sufficient lead time until a future Mega event bid might be successful for these issues to be considered.¹⁵³

There is an opportunity to develop a MICE Prospectus for the country. This prospectus could be done in consultation with the tourism industry and could include special incentives or concessions. It could target government departments and sporting bodies who attend regional and international meetings and events to equip them with relevant information material to bid for regional and international events.

6.3.6 CRUISE PRODUCT ITINERARIES

Due to its proximity to home ports of Brisbane and Sydney, the collaboration between PNGTPA and P&O Australia has elevated the country's reputation as a cruise destination in the Pacific. However, the country is more suited to expedition cruising due to limited infrastructure and remote communities. PNGTPA developed promotional material and completed audits on chosen expedition destinations and could consider programmes with communities to develop product itineraries, whilst simultaneously marketing to expedition ship itinerary planners, considering the long lead time a ship takes to sell itineraries. Additionally, these product itineraries can also be suitable for day tours with consideration similar to Vanuatu in section 11.3.4.

Outlining the link between product and market development, there is an additional opportunity to generate market demand through cruise passengers returning to book land holidays.

6.3.7 AGROTOURISM

Agriculture is one of Papua New Guinea's important economic sectors, contributing around 22% to GDP and providing livelihoods for around 85% of the rural population.¹⁵⁴ There is an opportunity for government to play a role in developing a policy on agrotourism. Linkages can potentially increase opportunities for domestic agriculture growth, and also offer opportunities to develop visitor attractions and distinctive tourist destination brands.

Relevant tourism and agriculture government agencies have initiated policy-setting discussions. There is a prospect for phased policy actions building on existing work to propose a series of agrotourism and gastronomy tourism, national awareness campaign activities. The drafting policy phase will then host regional meetings with tourism and agriculture suppliers as well as organize local industry buyer (tourism and hospitality organizations) and seller (agricultural producers) exchanges supported by the relevant Government departments. Outcomes from meetings and exchanges can further lead to the drafting of a policy framework. The finalization of an agrotourism policy would incorporate training initiatives and study tours collaboration to implement a practical roadmap for the policy.

¹⁵³ See for additional reading: World Tourism Organization (2017), *Maximizing the Benefits of Mega Events for Tourism Development – Cases from the Olympics, FIFA World Cup and Expo*, UNWTO, Madrid, DOI: <https://doi.org/10.18111/9789284418923>.

¹⁵⁴ International Monetary Fund (2018), 'Papua New Guinea', p. 70

#07 SAMOA



Summary:

Tourism is a very important part of Samoa's economy. This chapter examines Samoa's tourism sector, good practice cases and product development opportunities. There is opportunity for tourism activity development in Samoa, particularly for soft adventure, cultural tours, historical tours, and ecotourism.

Key words:

- Tourism satellite account (TSA)
- Visiting friends and relatives (VFR)
- Approved destination status
- Small island developing states (SIDS)
- Cultural tourism

Key messages:

- VFR makes up the highest proportion of total visitors, because of Samoa's large overseas diaspora, particularly in New Zealand.
- Opportunity to implement differential pricing strategies to improve tourism product financial sustainability.
- Events can be used to raise visitation, supporting tourism product development, and building destination profile.
- Historical tours may be developed to appeal to visiting diaspora looking to reconnect with their roots.
- Visitors to Samoa are looking for authentic connection with local people and culture.
- Successful new tourism businesses are those established by an entrepreneur with a passion for storytelling and/or a unique experience to deliver.

SDG TABLE – SAMOA**SDG 2: Zero hunger**

Target 2.3: increasing agricultural productivity, opportunities for value add and incomes of small-scale food producers.

**SDG 4: Quality education**

Target 4.4: increasing number of youth and adults with relevant skills.

Target 4.7: ensuring learning on sustainable development.

**SDG 8: Decent work and economic growth**

Target 8.2: achieving higher levels of productivity through diversification.

Target 8.3–8.9: promoting policies on productive activities and sustainable tourism.

**SDG 9: Industry, innovation and infrastructure**

Target 9.1: developing regional infrastructure.

Target 9a: facilitating sustainability in developing countries.

Target 9c: increasing access to Internet.

**SDG 10: Reduced inequalities**

Target 10.2: empowering and promoting inclusion.

**SDG 11: Sustainable cities and communities**

Target 11.4: strengthening safeguarding of cultural and natural heritage.

**SDG 12: Responsible consumption and production**

Target 12.2: efficient use of natural resources.

Target 12B: developing tools to monitor impacts for sustainable tourism.

**SDG 15: Life on land**

Target 15.5: reduce degradation of natural habitats and loss of biodiversity and threatened species.

7.1

SITUATION ANALYSIS

7.1.1 TOURISM STATUS AND STRATEGY

Samoa is currently establishing its first Tourism Satellite Account (TSA) which will provide a much needed official and standardized measurement of the importance of tourism to the country. Samoa has enjoyed a significant increase in hotel capacity in recent years, particularly in the 3-star category. Accommodation supply growth has outstripped demand growth.

There is need for development of new activities to broaden the appeal of Samoa in key markets¹⁵⁵, with research among the overseas trade and tourists visiting [indicating] that the destination has limited attractions and activities compared to some other Pacific countries.¹⁵⁶ Product development has to occur concurrently with development of markets and demand growth to commercially support those new products. As Samoa's tourism offering is underpinned by a relatively fragile natural environment and strong local culture, a sustainable approach needs to be taken to product development.

Whilst the development of a country-wide Site Access Card which includes pre-paid entry to attractions has previously been recommended,¹⁵⁷ the current challenge is to develop the sites.

The New Zealand supported programme Samoa Tourism Growth Partnership (STGP) provides significant assistance in improving the presentation and preservation of key natural and cultural sites to enable further development of soft adventure products and linking of individual attractions along thematic lines. The programme includes the development of hiking trails, signage improvements and minor infrastructure upgrades to sites on the two major islands of Savaii and Upolu.¹⁵⁸

Samoa's tourism dashboard (figure 8.1) shows the destination has been enjoying steady growth in overall visitors, making tourism a very important part of Samoa's economy. In Samoa holiday visitors' demand is primarily for beach and marine activities with a *fale*¹⁵⁹ – a product that provides a unique experience. The cultural assets of Samoa complement the beach product.¹⁶⁰ Therefore, Samoa is very interested in attracting cruise visitors from the large Australian market, but distance is a challenge. From Australia's east coast vessels need to pass a lot of other competitive Pacific island destinations.

Visiting friends and relatives makes up one of the highest proportions of total visitors in the Pacific because of Samoa's large overseas diaspora, particularly in New Zealand.

¹⁵⁵ Samoa Tourism Authority (2014), *Samoa Tourism Sector Plan 2014–2019*, p. iii.

¹⁵⁶ Samoa Tourism Authority (2014), p. 35.

¹⁵⁷ Samoa Tourism Authority (2014), p. 35.

¹⁵⁸ Samoa Tourism Authority (2014), p. 36.

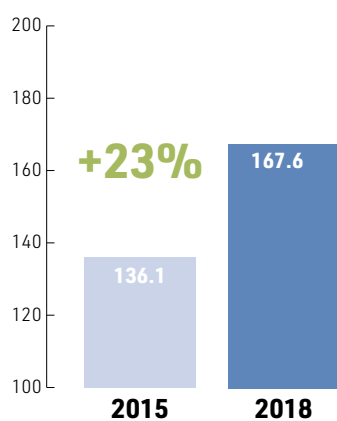
¹⁵⁹ Samoan traditional hut.

¹⁶⁰ World Bank (2016), *Pacific Possible, Tourism Pacific Possible Background Paper No. 4*, p. 12.

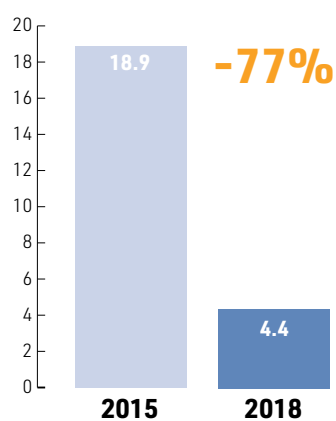


Figure 7.1: Samoa tourism dashboard

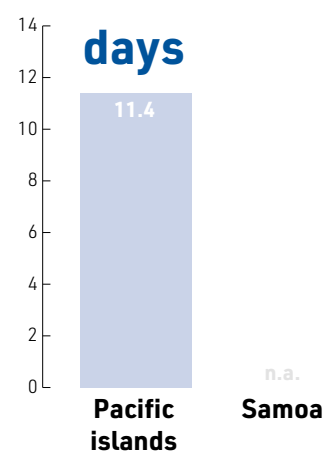
Arrivals (× 1,000)



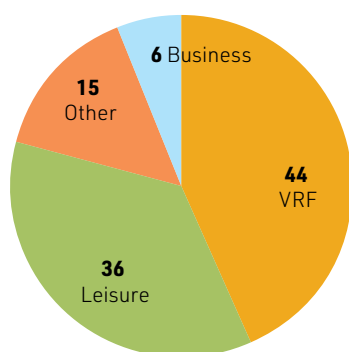
Cruise arrivals (× 1,000)



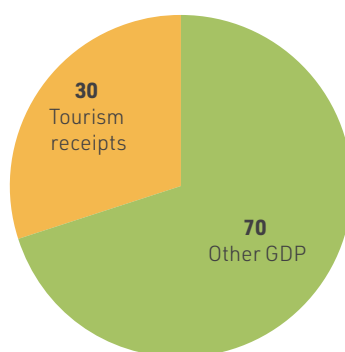
Average length of stay – air, 2018



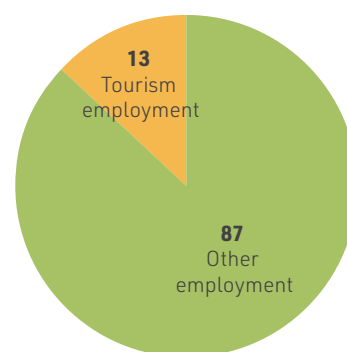
Purpose of visit, 2018 (%)



Tourism receipts, 2018 (% of GDP)



Tourism employment, 2018 (%)



Source: Pacific Tourism Organization (2018), *Annual Visitor Arrivals Report*. Intra-year detailed statistics also available at this source.

Figure 7.2: Tourism SWOT – Samoa

STRENGTHS

- Strong regional and internal cooperation
- Sector-wide approach to sustainable development indicator implementation
- Localization of SDGs so no-one is left behind
- Aligned with global dialogue on sustainable tourism development
- Samoa diaspora
- Disaster management and response strategies

OPPORTUNITIES

- Improve tourism business planning
- Strengthen indigenous knowledge and principles within local communities – maintain authenticity
- Improve robustness of data for decision making
- Make more use of participatory development, e.g., church leaders within communities
- Tourism product development: soft adventure, cultural tourism, ecotours

WEAKNESSES

- Limited sources of investment
- Difficulty in obtaining private sector data to guide policy making
- Distance from markets and small scale
- Labour turnover and emigration

THREATS

- Health challenges
- Climate change impacts on business input pricing
- Increasing profit leakage to foreign investors
- Low capacity for cyber security

7.1.2 VISITOR PROFILES AND DESTINATION POSITIONING

New Zealand was Samoa’s largest market comprising 48% of total visitors in 2018. New Zealand is home to Samoa’s extensive diaspora, so a significant number of these tourists visit friends and relatives. This diaspora could play a lead role in visitor recovery following Samoa’s challenges in late 2019.¹⁶¹ In 2018, Australia followed New Zealand at 22% of total visitors, and other Pacific islands at 13%. Long-haul markets such as Europe and North America comprise 3% and 8% respectively. China (1%) and Japan are new markets¹⁶² presenting growth opportunities from their small bases. Following the 2019 Rugby World Cup in Japan, rugby tourism has good growth prospects as discussed further in section 8.3.1 below.

161 Pacific Tourism Organization (2019b), ‘Travellers welcomed to holiday and visit as businesses continue to open in safe and beautiful Samoa’.

162 Pacific Tourism Organization (2019c), *Visitor Arrivals to Pacific Islands*, p. 4.

Table 7.1: Samoa target segments

Source market	Mainstream segment	Opportunity segments
New Zealand	Couples Honeymooners Families	Family and group travel Chill out crowd (<i>fales</i>) Soft adventure
Australia	Couples Honeymooners Families	Family and group travel Discover Samoa (touring) Barefoot luxury
American Samoa	Families	Hop on over (short breaks) Transit visitors
North America		Soft adventure Barefoot luxury
United Kingdom and Europe		Young adventurers Barefoot luxury
Asia		Fiji plus one (dual destination) Unique experiences

Source: Samoa Tourism Authority (2014), *Samoa Tourism Sector Plan 2014–2019*, p. 24.

Table 7.2: Samoa activity ranking

Rank	Water-based activities	Arts and culture	Land-based activities	Shopping
1	Visiting beach	Local market	Bars and cafes	Clothing
2	Swimming	Village visit	Sightseeing	Produce
3	Snorkeling	Night show	Cultural tours	Crafts
4	Kayaking	Events	Spa/beauty	Music
5	Swim with turtles	Dance	Hiking	Arts
6	Paddle boarding	Cultural festivals	Animal sanctuary	
7	Diving	Attend church	Birdwatching	
8	Fishing	Umu	Cycling	
9	Whale watching	Museum visits	Golf	
10	Water skiing			

Source: New Zealand Tourism Research Institute (2019), *Samoa International Visitor Survey January – December 2018*, p. 22

7.2 GOOD PRACTICE CASE LESSONS

7.2.1 QUEENSTOWN DIFFERENTIAL PRICING STRATEGIES, NEW ZEALAND

Samoa has an opportunity to implement differential pricing strategies to improve the financial sustainability of tourism product. Some local activities are currently very reasonably priced to enable Samoans to participate. In Queenstown, different length jet boat tours operate, priced to appeal respectively to different markets. Higher priced products provide extra value (but not necessarily at much extra cost). This can be positive for both the activity operator and visitors. In Samoa's case, higher activity prices for international visitors could be justified by simple value-adds such as a free coconut drink or a locally woven fan given to customers. Increasing activity revenues through more sophisticated market-based pricing strategies can improve an activity's commercial sustainability, and provide a valuable source of reinvestment into tourism infrastructure and local communities.

7.2.2 LEVUKA WORLD HERITAGE, FIJI

Samoa can benefit from classical colonial architecture preserved for tourism use. Levuka, on the island of Ovalau, was the first colonial capital of Fiji in the late 19th century. In 1987 the Fiji Government designated Levuka's historic buildings as a National Heritage Town and Fiji's First Historic Town.¹⁶³ Recognizing the lack in local financial resources to restore Levuka, the Fiji Museum subsequently liaised with the United Nations Educational

Scientific and Cultural Organization (UNESCO) on a successful application for World Heritage status.

Following this successful nomination into the UNESCO World Heritage Listing in 2013, Fiji built capacity to develop Management Plans and legislation at a local level. Another aspect of this good practice was the commitment of the central Government to Levuka through its annual budgetary provisions. Additionally, they established advisory committees to enable the management of Levuka at national level through to community level, providing a platform for the local people to be involved in the management of the World Heritage Site.

Notably, Fiji is drafting its legislation specific to the protection of the World Heritage Site and other places that have the potential to be nominated as World Heritage Site. Although the Fiji Heritage Decree still has to be passed by the Parliament, it has provided the legal mechanism for the protection of the outstanding universal values of the proposed sites. The draft decree also poses penalties on actions that may affect the value of the site. Fiji also reviewed the Levuka Town Planning Scheme in 2016 to incorporate heritage provisions from the Levuka Management Plan. This has paved the way for the town management to address development and conservation. Other towns in Fiji are now revising their town planning schemes to include heritage conservation.

There have been a number of learnings from Fiji's first World Heritage nomination that can be applicable to other Pacific islands who are seeking World Heritage Site

¹⁶³ Harrison, D. (2004): Levuka, Fiji: Contested Heritage, *Current Issues in Tourism*, volume 7(4-5), p. 353.



status, as well as providing improved frameworks for those with current listings.

7.2.3 SETOUCHI INTERNATIONAL ARTS FESTIVAL, JAPAN

Events can be used to raise visitor numbers, support tourism product development and build a destination profile. An example where this has been done successfully is the Setouchi International Arts Festival in Japan, that reflects each communities' local customs, arts, crafts and traditional occupations, folklore, festivals and architectural heritages that have been passed down for generations.¹⁶⁴ The triennial festival was first held in 2010 with the purpose to build on work of the Benesse Corporation to establish a reputation for art in the region. The Setouchi (Inland Sea) region consists of many small islands between the main Japan islands of Honshu to the north and Shikoku to the south. These islands had been suffering from declining and aging populations; hence, a key objective of the festival is to revitalize the area and reverse the negative demographic trends.¹⁶⁵ Many local people are actively involved in making the event a success by helping with the production of artwork, manning reception desks, offering food and hospitality that reflect local customs, and greeting and sending off visitors at the ports.¹⁶⁶

The Setouchi Arts Festival also plays an important role in brand building for the region, running across twelve islands including Naoshima which has established a global reputation as an 'Art Island'. Similarly, Samoa and the Pacific islands in general could work together to attract more events which help build their brand, as noted in section 8.3.4 below.

7.2.4 PRODUCT AND BRAND DIFFERENTIATION, HAWAII

Destinations can benefit from clearer product and brand differentiation, increasing reasons for more visits. Hawaii provides a good example of how to differentiate Pacific islands based on their characteristics and tourism strengths.¹⁶⁷ For example, Kauai is pitched as the 'Garden Isle', reflecting its geological age and weathering, allowing growth of lush rainforests. Oahu is positioned as 'The Heart of Hawaii', acknowledging its iconic surf beaches and largest population within the island group. Maui is positioned as 'The Most Famous Island', due to its reputation for soft adventure activities. While this campaign was applied within the single islands group of Hawaii, Samoa could consider product development that is aligned with its specific comparative advantages versus other Pacific island destinations, providing stronger motivation for visitors.

¹⁶⁴ Art Setouchi (2019), 'About Art Setouchi',

¹⁶⁵ Japan Guide (2019), 'Setouchi Triennale, Contemporary art festival spanning multiple Islands'

¹⁶⁶ Setouchi Triennale Executive Committee (2016), *Setouchi Triennale 2016 General Report*, p. 3.

¹⁶⁷ Ubay, J., (2015), 'Hawaii's 2015 Tourism Campaign to Leverage Visitors' Social Media Content', *Pacific Business News*

7.3 TOURISM PRODUCT DEVELOPMENT OPPORTUNITIES

7.3.1 HISTORICAL TOURS

Samoa's German heritage and the World War I history is a particular draw card for both German and New Zealand visitors with the Museum of Samoa as a visiting spot for this narrative. However, interpretation resources at historical sites around Samoa and guide training are necessary to develop the full potential of this activity. A Samoan history guide training module could be developed in partnership with Small Business Hub or Australia Pacific Training Coalition. Additionally, the development of augmented reality resources to assist on-site interpretation and guides could be considered.

The Museum of Samoa could be an interactive hub for self-guided tours of Samoa's historical sites providing a chronological overview of the country's history and identifying attraction sites while at the same time offering more direct experiences for visitors.¹⁶⁸ Samoa's ancient history is also a tour development opportunity. Historical tours could be developed to appeal to visiting diaspora looking to reconnect with their roots.

7.3.2 CENTRALIZED BOOKING OF COMMUNITY-BASED TOURISM

Visitors to Samoa are looking for authentic connection with local people and culture. Therefore, community-based tours, including village visits, are a product development opportunity. However, villages need to focus their scarce resources on delivering experiences, as

well as marketing and administering booking systems for tours. Therefore, establishing a countrywide centralized booking system could help coordinating potential visitors with village offerings. This is a business opportunity for private operators, that could be coordinated by one of the relevant Government agencies (DMOs and/or NTOs). Destinations like New Zealand¹⁶⁹ have already developed community-based tourism booking systems; a simple and cost-effective approach would be to replicate this existing system across the Pacific islands. Similarly, SPTO piloted an e-marketing capacity-building project in Fiji, Kiribati and Tonga where websites were developed for small and medium-sized enterprises (SME), inclusive of a booking management system. To ensure communities' ownership and management of the tourism products, the systems should stay within the communities.¹⁷⁰

7.3.3 FOSTERING PRODUCT CHAMPIONS

The most successful tourism businesses are those focussed on story telling offering unique experiences. Given Samoa's close relationship with New Zealand, staff secondments or internships with New Zealand tourism product companies could help transferring and exchanging skills and give Samoan entrepreneurs more confidence while considering setting up tourism SMEs. New Zealand tourism businesses, particularly those that already demonstrated how Polynesian values can be applied in tourism development, would be ideal secondment programme partners. However, local employer contribution to the design and development

¹⁶⁸ Ford, A. et al. (2018a), 'Promoting Cultural Heritage for Sustainable Tourism Development'. New Zealand Institute for Pacific Research, Samoa, pp. 23-26.

¹⁶⁹ Stay Native (2020), 'About Stay Native'

¹⁷⁰ Suggested further reading on community-based tourism: World Tourism Organization (2020a), *AIUla Framework for Inclusive Community Development through Tourism*, UNWTO, Madrid, DOI: <https://doi.org/10.18111/9789284422159>.

of any such secondment scheme would be vital, as employers would not want to see a permanent loss of human resources offshore.

7.3.4 EVENTS

Samoa hosted the 2019 Pacific Games and its event infrastructure continues to improve through such initiatives. The success of the 2019 Rugby World Cup¹⁷¹ in Japan has likely increased the chances of smaller Pacific nations being able to co-host such an event by cooperating and partnering with larger Pacific rim destinations such as Australia or New Zealand. Popularity of rugby in Fiji, Samoa, Tonga and other Pacific islands is an opportunity for consideration, building on these destination's branding. The build-up to the Japan event included for example a ten-minute segment on rugby in Samoa at prime time on Japan's national television broadcaster¹⁷². An estimated 60 million Japanese people watched their team's games on television.¹⁷³

Hosting the world's top rugby event has the benefit not only of boosting visitors over a six-week period (New Zealand welcomed 133,000 international visitors for its event in 2011,¹⁷⁴ Japan targeted 400,000 international rugby visitors in 2019¹⁷⁵), but also creating a legacy in terms of brand building resulting from exposure by visiting media. Kamaishi in northern Japan, for example,

was one of the twelve tournament venues in 2019, but the only one to receive a new stadium for the event. Kamaishi suffered significant damage and loss of life in the 2011 tsunami. Hosting the 2019 international rugby event gave a boost to local morale and helped promote the area's unique story to potential future visitors from around the world.¹⁷⁶ Samoa (as well as Fiji and Tonga) could also develop more rugby tourism from Japan, such as training camps, school team visits and games on the back of the 2019 boom in rugby interest.

7.3.5 ECOTOURISM AND AVIAN CONSERVATION

The Governments of Samoa and New Zealand have collaborated in a campaign to save the Manumea, a Samoan national icon on the red listed endangered species with less than 200 individuals surviving.¹⁷⁷ Given this heightened publicity to save the Manumea in Samoa's largest visitor market, there could be an opportunity to create an ecotour with a Manumea encounter, in unison with conservation efforts. The experience of New Zealand's Department of Conservation in linking its own work in avian conservation with ecotourism could be informative.^{8.3.3 Ecotourism to support world heritage | 105}

¹⁷¹ Ōtomo, N. (2019), 'Legacy of the 2019 Rugby World Cup: Inspiration from Kamaishi'

¹⁷² NHK, screened September 25 2019.

¹⁷³ Keith, F. (2019), 'Why the Legacy of Japan's tournament Will live on', City A.M.

¹⁷⁴ New Zealand Ministry of Business Innovation and Employment (2012), *The Stadium of Four Million, Rugby World Cup 2011, The New Zealand Experience*, p.1.

¹⁷⁵ World Rugby (2019), 'Rugby World Cup 2019 on Track to Deliver a Game-Changing Tournament'.

¹⁷⁶ Ōtomo, N. (2019), 'Legacy of the 2019 Rugby World Cup: Inspiration from Kamaishi'.

¹⁷⁷ Radio New Zealand (2019a), 'New Zealand Joins Samoa Campaign to Save Manumea National Bird'.



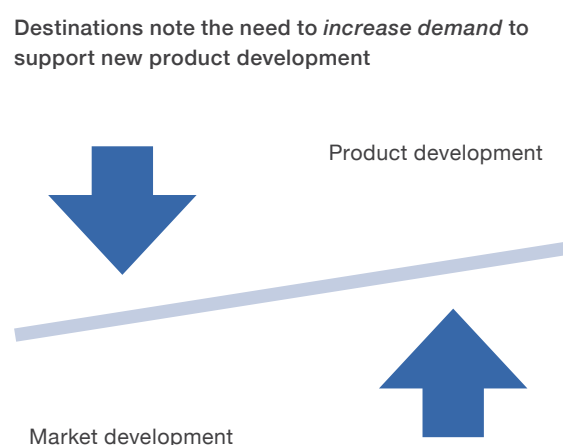
7.3.6 AGROTOURISM

Samoa Tourism Authority is working with private sector and civil communities such as Women in Business Development Inc. to encourage development of farm-to-table programmes. Work has been initiated on a Farm to Table Program while a government-initiated agrotourism project is currently underway in Atele. There is room to utilize existing gardens, farms and eateries to forge alliances with farmers and the hospitality sector for a buyer and seller exchange. The further building of relationships will allow for discussions on consistent product quality, strong ties with clients, keeping up with market trends and effective supply chain management. Additionally, agrotourism products could be extended by diversifying tourist offerings such as local food festivals, farm-based activities and community initiatives, such as village fairs focussed on local products. This will aide in increasing sales of locally produced goods to the tourist market and supply chain and thereby reducing food imports for the hospitality sector, fostering local communities and their well-being. Furthermore, it can increase small-scale production of value-added products such as gastronomy tourism and arts and crafts.

7.3.7 SUSTAINABLE MARKET DEVELOPMENT TO SUPPORT PRODUCT DEVELOPMENT

To support commercially sustainable development of new tourism products it will be helpful to concurrently increase demand. New markets are an opportunity to do so.

Figure 7.3:
Sustainable market development to support product development





Despite Samoa gaining Approved Destination Status¹⁷⁸ with China, the Chinese outbound market to Samoa has developed slowly. High yielding niche special interest markets in China have grown rapidly from a small base.¹⁷⁹ These include, for example, diving, fishing, surfing, sailing and birdwatching. In the first instance intelligence is required on Chinese special interest travel agents and how to contact them – special interest media, associations, travel shows and events. An SPTO research series compiled global special interest markets,¹⁸⁰ but it largely ignored the fledgling Chinese special interest markets that were not sufficiently developed at that time.

High yielding independently travelling Chinese tourists, accessing Samoa via existing hubs in Australia, Fiji and New Zealand, could provide a valuable supplement to the increased demand that needs to support new product development. This could help Samoa to expand its markets in accordance with the three pillars of sustainability: social, economic and environmental.

7.3.8 CULTURAL PRODUCT AND BRAND AWARENESS

Whether the concept of *Polynesia* is well understood by the Australian market is a question worthy of consideration. Australian's main contact and experience with the Pacific is via neighbouring Melanesian destinations. Polynesian destinations may want to consider a collective effort to increase the understanding of Polynesia itself in Australia from which to further build awareness of individual destinations within the sub-region. Hawaii's being a state in the United States of America has a more prominent promotional profile in Australia could be harnessed as a further opportunity to build awareness and understanding of Polynesia. Nearly half of Australian visitors to Hawaii repeat visits, making it an attractive market with potential for the North Pacific Polynesian destination.¹⁸¹ Cultural products could play a key role in further raising awareness of Polynesia in Australia. For example, inviting Australian tourism journalists and bloggers to participate in community-based tours and village visits (see section 8.3.2) can foster more engagement via these influencers with authentic Polynesian culture and stories.

¹⁷⁸ Saipan Tribune (2006) 'FSM, PNG, Samoa now on China's ADS list'

¹⁷⁹ Hurun (2018), *The Chinese Luxury Traveller* 2018.

¹⁸⁰ Pacific Tourism Organization (2013a), *Niche Tourism Profiles for the South Pacific*.

¹⁸¹ Travel Weekly (2018), 'Hawaii proves popular hotspot for Aussie tourists'.

#08 SOLOMON ISLANDS

Summary:

This chapter considers the efforts of sustainable tourism product development in Solomon Islands. The tourism industry and infrastructure are relatively underdeveloped as tourism is a moderately new and growing part of Solomon Islands' economy.

Key words:

- Solomon Islands National Tourism Development Strategy
- World War II history
- Diving

Key messages:

- Tourism product development needs to focus on high priority initiatives with good access and market appeal.
- Target more general soft-adventure seeking tourists from nearby Australia.
- Pension funds are a potential seed of investment funding, especially for new accommodation.
- Gradual, careful approach to business expansion should always prioritize conservation over profit.
- Tourism demand needs to be increased, in order to support any new and existing product development.

SDG TABLE – SOLOMON ISLANDS**SDG 8: Decent work and economic growth**

Target 8.2: achieving higher levels of productivity through diversification.

Target 8.3–8.9: promoting policies on productive activities and sustainable tourism.

**SDG 9: Industry, innovation and infrastructure**

Target 9a: facilitating sustainability in developing countries.

**SDG 10: Reduced inequalities**

Target 10.2: empowering and promoting inclusion.

**SDG 11: Sustainable cities and communities**

Target 11.4: strengthening safeguarding of cultural and natural heritage.

**SDG 12: Responsible consumption and production**

Target 12.2: efficient use of natural resources.

Target 12B: developing tools to monitor impacts for sustainable tourism.

**SDG 15: Life on land**

Target 15.2: promoting sustainable management of forests.

Target 15.8: introducing measures to reduce invasive species.

Target 15a: mobilizing resources to finance forest management.

**SDG 17: Partnership for the goals**

Target 18.5: implementing promotion regimes for least developed countries

8.1 SITUATION ANALYSIS



8.1.1 TOURISM STATUS AND STRATEGY

Solomon Islands' tourism is in its infancy, welcomed 27,866 international visitors in 2018,¹⁸² many of which are government, international agency, or business travellers. Solomon Islands' visitor industry receipts were estimated at USD 80,51 million in 2018¹⁸³ – only a small fraction of the revenue, with logging being the major foreign exchange earner. There is a need to diversify Solomon Islands' economic base to include a larger proportion of industries with sustainable development potential, such as tourism.

Solomon Islands' National Tourism Development Strategy 2015–2019¹⁸⁴ notes that any tourism product development needs to focus on high priority initiatives with good access and market appeal.

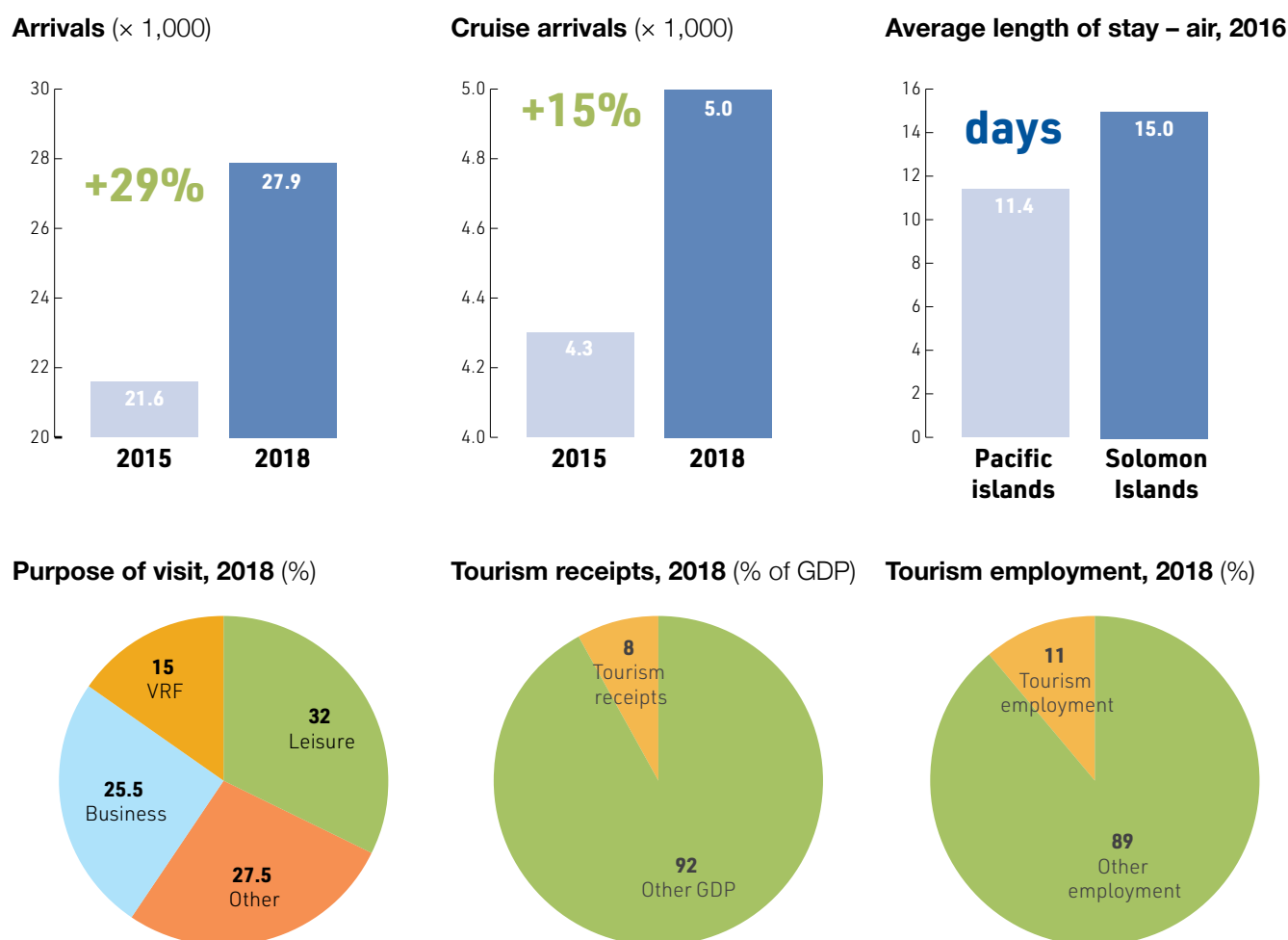
Solomon Islands' tourism dashboard (figure 9.1) shows the destination is enjoying steady growth in both total and cruise visitors. Average visitor stays in Solomon Islands' significantly exceed the Pacific islands' average because of the large proportion of business, governmental and development agency visitors. Tourism currently makes a smaller proportional contribution to Solomon Islands' overall economy than in many other Pacific islands, because of the country's dependence on logging.

Tourism is a relatively new and growing part of Solomon Islands' economy, so the tourism industry and infrastructure are still relatively undeveloped. Opportunities to promote tourism sector development are discussed in section 9.3 below.

¹⁸² Pacific Tourism Organization (2018), *Annual Visitor Arrivals Report*, Appendix p. 1.

¹⁸³ Pacific Tourism Organization (2018), p. 13.

¹⁸⁴ TRIP Consultants (2015), *Solomon Islands National Tourism Development Strategy 2015–2019*, SPTO Suva, pp. 6, 31.

Figure 8.1: Solomon Islands' tourism dashboard

Source: Pacific Tourism Organization (2018), *Annual Visitor Arrivals Report*. Intra-year detailed statistics also available at this source.

Figure 8.2: Tourism SWOT – Solomon Islands

STRENGTHS

- Tourism resources including WW2 heritage, unique culture, East Rennell World Heritage Area, diving
- Proximity to large, relatively untapped Queensland and northern NSW visitor markets
- Proximity to huge Australian cruise market

OPPORTUNITIES

- Accommodation development at Munda hub
- Tourism operation and guiding capacity building
- Iconic WW2 Maruyama Trail development
- Ecotourism development in East Rennell WHA
- Building special interest markets beyond Australia

WEAKNESSES

- Under-developed tourism industry and infrastructure

THREATS

- Loss of air connectivity
- Environmental degradation
- Climate change



8.1.2 VISITOR PROFILES AND DESTINATION POSITIONING

Australia dominated Solomon Islands' arrivals, comprising 37% of total visitors in 2018. Other Pacific islands followed at 23%, and other Asian countries at 11%. Long-haul markets such as Europe and North America comprise 4% and 7% respectively. China (5%) and Japan (3%) are development markets.¹⁸⁵

Solomon Islands' has been viewed as a specialist destination for adventurous travellers, particularly divers and World War II history seekers. As noted in the *South Pacific Dive Market Study*,¹⁸⁶ divers are generally aged above 29 years, predominantly male, single, travel regularly and have considerable disposable income. About 2,000 divers are estimated to visit Solomon Islands' each year, mainly from Australia and the United States of America.¹⁸⁷

Surfing, fishing and birdwatching are also niche opportunities. Asian visitors are often considered by destinations to be primarily interested in shopping. But table 9.1 shows that Asian visitors only rank interest in shopping in the 6th position (equal with New Zealand) amongst all of Solomon Islands' markets.

Solomon Islands is embarking on the next step in its tourism life cycle, graduating from a specialist destination focussing on divers and World War II history seekers, to

target general soft-adventure seeking leisure visitors from nearby Australia. Strategies include the new Munda hub in the Western Province, close to pristine natural marine tourism resources. Munda Airport has been upgraded to international standards with support from New Zealand, and in 2019 Solomon Airlines inaugurated a weekly direct flight to Munda from Brisbane. Tourism Solomons is hopeful this service will act as a catalyst for increased confidence in the Western Province's tourism future, attracting major investment in much needed infrastructure, particularly accommodation. Also, in 2019 Tourism Solomons and partners launched a new promotional campaign which included its first ever television advertising in the Australian market,¹⁸⁸ targeting adventure seekers from southern Queensland and northern New South Wales.

Solomon Islands' cruise market is gradually expanding, led by P&O Cruises from the neighbouring Australian market. Most cruises visit the capital of Honiara, although Gizo in the Western Province is also a cruise destination. Cruise visitors take shore excursions predominantly war tours.

¹⁸⁵ Pacific Tourism Organization (2019c), *Visitor Arrivals to Pacific Islands*, Suva, p. 4.

¹⁸⁶ Pacific Tourism Organization (2014), *South Pacific Dive Market Study*, SPTO Suva, p. 21.

¹⁸⁷ TRIP Consultants (2015), *Solomon Islands National Tourism Development Strategy 2015-2019*, p. 9.

¹⁸⁸ Pacific Tourism Organization (2019a), 'Tourism Solomons/Solomon Airlines launch first-ever AU TV campaign'.

Table 8.1: Solomon Islands activity ranking

Rank	Australia	New Zealand	North America	Europe	United Kingdom	Asia
1	Sightseeing / cultural tours	No activity	Sightseeing / cultural tours / shopping	Sightseeing / cultural tours	Swimming / snorkelling	Sightseeing / cultural tours
2	Swimming / snorkelling	Swimming / snorkelling	Historical / archaeological sites	Swimming / snorkelling	Sightseeing / cultural tours	Swimming / snorkelling
3	Shopping	Sightseeing / cultural tours / diving	Swimming / snorkelling / hiking/trekking / scuba diving / no activity	Nature /landscape touring	Shopping	Nature /landscape touring
4	No activity	Historical / archaeological sites	Nature /landscape touring	Hiking / trekking	Nature / landscape touring / scuba diving / no activity	Shopping / historical / archaeological sites /no activity
5	Historical / archaeological sites	Hiking / trekking / shopping	Diving	Shopping	Historical / archaeological / hiking/trekking / diving / fishing / sailing / kayaking / adventure pports / bird watching	Hiking / trekking / scuba diving / fishing
6	Hiking/trekking	Scuba diving	Birdwatching	Historical/ archaeological sites		Diving
7	Nature/landscape tours	Fishing		Scuba diving / fishing		Adventure sports / 4x4 trails / bird watching
8	Fishing	Other		Sailing/kayaking		
9	Scuba diving	Adventure sports / nature / landscape touring / bird watching		Diving / adventure sports		
10	Diving			Bird watching		

Source: Stollznaw Research (2017), *International Visitor Survey*, p. 62.

8.2

GOOD PRACTICE CASE LESSONS

8.2.1 PENSION FUND INVESTMENT, PAPUA NEW GUINEA AND FIJI

Solomon Islands is hopeful of seed investment funding for new accommodation in its developing Munda hub. The National Superannuation Fund of Papua New Guinea (NASFUND), in association with Lamana Development, is a private-public partnership (PPP) role model. This partnership has been a foundation investor in key accommodation developments in Fiji, Papua New Guinea, Samoa and Solomon Islands. Some National Provident Funds in the Pacific take a much more conservative view of hotel investment risk and have a low ceiling for its percentage investment in terms of total project value. This low ceiling can be prohibitive for investments in which pension funds might hopefully be anchor investors, such as the much-needed new boutique resort at Munda. These other National Provident Funds could look to more closely emulate counterpart in Fiji and Papua New Guinea, thereby providing vital development financing for Pacific tourism.

Fiji National Provident Fund (FNPF) has embarked on a programme to reclaim local ownership of most of the country's extensive stock of 5-star hotels and resorts. This includes the iconic Grand Pacific Hotel in Suva, restored with investments by FNPF and Papua New Guinea. Local ownership ensures that Fijians also receive an appropriate share of profits. Keeping investment local furthermore helps reducing tourism leakage from Pacific islands. The strategy of the investment by superannuation funds was implemented to increase the support to the value chain and contribute in the tourism and hospitality

industry in Fiji. The Fiji National Provident Fund is working to encourage higher take-up of local food and beverage products to reduce import dependence. FNPF management contracts with international hotel brands have a number of conditions to maximize benefits to local landowners, in addition to lease revenue, including contribution to tertiary education funds. Recently, some of the first local employees have reached management levels in some of the hotels.

There could be an opportunity to prepare guidelines for Pacific pension funds to invest in tourism. These guidelines could include good practice case studies noted above, and emphasize the long-term contribution to economic development and poverty alleviation of Pacific island countries that tourism can provide.

8.2.2 KOKODA TRAIL, PAPUA NEW GUINEA

In the Solomon Islands there is an opportunity to strengthen destination awareness by elevating World War II tourism products to iconic status,¹⁸⁹ similar to the achieved position of the Kokoda Trail in neighbouring Papua New Guinea for the Australian market. The Kokoda Trail is a product that dominates travel in Papua New Guinea, with a strong market penetration in Australia with 25% of tourists visiting the trail in 2018.¹⁹⁰

The Government of Papua New Guinea established a special Kokoda Track Authority (KTA) to work with tourism stakeholders to:

¹⁸⁹ TRIP Consultants (2015), *Solomon Islands National Tourism Development Strategy 2015-2019*, p. 9.

¹⁹⁰ International Finance Cooperation (2017), *Papua New Guinea Tourism Demand Assessment Highlights*, p. 1.

- Develop and maintain tourism along the trail;
- Assist communities along the trail;
- Collect and manage trekking fees and permits;
- Oversee the conduct of tour operators ensuring the trails sustainability and respectful treatment of local culture;
- Consult with landowners; and
- Work closely with relevant local, provincial, national and Australian Government officials.

The key function of the KTA is to bring benefit to the local communities from tourism. Under the KTA, communities receive tourism service payments, village trail maintenance contracts, and wages and allowance for volunteer programmes. At the same time KTA utilizes yearly permit fees as a source of revenue. It employs local guides, porters, purchases local food, equipment, transport and accommodation services with the total direct economic value (TDEV) of trekking on the Kokoda Trail of AUD 15,275, 374.¹⁹¹ Marketing funds are allocated for the track from the Papua New Guinea Tourism Promotion Authority. Also, the Australian Government supports numerous development and livelihood projects in the area. Annual stakeholder forums are held in Australia and Papua New Guinea to discuss issues pertaining to the management and marketing of the trail.

8.2.3 RIVERS FIJI, FIJI

Solomon Islands can demonstrate how tourism can be utilized as a tool for conservation. Rivers Fiji provides sustainable economic development through ecotourism as an alternative to extractive uses within the Upper Navua Area, located in the rural highlands of the island of Viti Levu.¹⁹² Founded in 1998, with its operations in Pacific Harbour, Rivers Fiji offers rafting and kayaking adventures for a range of abilities provided by local guides.¹⁹³ Rivers Fiji earned five of Fiji's 'Excellence in Tourism Awards' for Environmental Tourism, and for Best Adventure. In 2010, Rivers Fiji was awarded the 'Prime Minister's Exporter of the Year Award for Tourism Services'.¹⁹⁴ They were also one of the three finalists of the Environment Award from the World Travel & Tourism Council in 2015.

Rivers Fiji has worked with local communities to establish and replenish forests alongside the Navua River, while its team also educates local communities on the long-term health and well-being benefits of conserving the forest. These programmes enable the next generation of community members to appreciate a healthy forest ecosystem and the sustainable ecotourism opportunities it provides. Rivers Fiji's success is based on its conservation strategy to work closely with communities, taking a gradual, careful approach to business expansion, and prioritizing forest conservation over profit.¹⁹⁵

¹⁹¹ Carlsen, J. (2012), *The Economic Significance of Trekking on the Kokoda Track, PNG in 2012*, p. 10.

¹⁹² Oars (2019), 'A Model for Ecotourism: Rivers Fiji'.

¹⁹³ Rivers Fiji (2010b), 'Our Guides'.

¹⁹⁴ Rivers Fiji (2010a), 'About Us'.

¹⁹⁵ See for additional reference on Rivers Fiji: World Tourism Organization and Global Tourism Economy Research Centre (2020d), *UNWTO/GTERC Asia Tourism Trends – 2020 Edition*, UNWTO, Madrid, pp. 76 and 77, DOI: <https://doi.org/10.18111/9789284422258>.

8.3

TOURISM PRODUCT DEVELOPMENT OPPORTUNITIES

8.3.1 UTILIZING PENSION INVESTMENT FUNDS

In contrast to other Pacific island destinations, the tourism development priority in Solomon Islands is for more visitor accommodation of suitable quality. The need for a new boutique resort in the Munda hub is noted in section 9.2 above, and if Solomon Islands' pension fund was able to be an anchor investor, other investment and suitable loan finance may be forthcoming.

Honiara has enjoyed some expansion in top-end accommodation over the last decade, namely Heritage Park and Coral Sea Resort, but supply does not equate to demand. However, Honiara enjoys positive market dynamics including high occupancies leading to higher room rates, strong high-yielding government and business traveller demand, upgrading of nearby International Honiara Airport and approaches by Japanese International Cooperation Agency (JICA), as well as the 2023 Pacific Games. These positive market dynamics may mean Solomon Islands' capital being prioritized for expansion by private hotel investors looking for opportunities within the Pacific.

8.3.2 ICONIC WORLD WAR II HERITAGE

Whilst World War II history is current a drawcard for visitors,¹⁹⁶ there is an opportunity to develop the 'Maruyama Trail' – the route used by Japanese forces to recover Henderson Airfield (now Honiara International Airport) from the United States of America forces – into an iconic World War II experience. Its history is captured in the novel *The Thin Red Line* and a movie of the same title from 1998.¹⁹⁷

Starting and finishing point for Maruyama Trail is the Bloody Ridge which has been given National Park status. A concept and development plan, targeting the Australian and the United States of America markets, has been drawn up for Maruyama Trail including a two-to-three-night walk over part of the original trail. One basic lodge exists, the other nights outside the lodge could be camped, if toilet and rainwater facilities can be established. It is hoped that eventually other local lodges could be developed to cover each night's stay on the walk. However, before any commercial tour operations commence ordinance removal work needs to be completed and war memorials on the various sites along the trail need to be erected.

Another potential World War II icon is Kennedy Island in the Western Province, where the former President of the United States of America, John F. Kennedy, swam to after his torpedo boat was sunk. In recent years, a commemorative swim event has been organized, which has attracted a few international swimmers. Preservation of World War II heritage on Kennedy Island and upgrading of facilities for cruise ship visitors, such as a jetty for poor weather landings is necessary.

For the Japanese World War II market, development of the Bariana site – location of Japan's aircraft park during World War II – might be more appropriate, and discussions have commenced locally about this opportunity.

However, given its proximity to major infrastructure in terms of international airport and accommodation, Maruyama on Guadalcanal is the World War II iconic product development priority. Tourism Solomons is also aware that any strengthened World War II products should not overshadow the Solomon Islands' brand itself, as

¹⁹⁶ TRIP Consultants (2015), *Solomon Islands National Tourism Development Strategy 2015-2019*, p. 9.

¹⁹⁷ Novel by Jones, J. (1962), *The Thin Red Line*, Charles Scribner's Sons, New York. Adapted film (1998) by Terence Malick.

the destination attempts to expand to more mainstream visitors, particularly from neighbouring Australian states of Queensland and New South Wales for which Solomon Islands is still a new destination. Solomon Islands is in a good position to ensure that any strengthened World War II tours are owned and operated by local people, selling into the international tourism distribution system, rather than owned and dominated by international operators.

8.3.3 ECOTOURISM TO SUPPORT WORLD HERITAGE

There is an urgent need for support for Solomon Islands' World Heritage (Natural) Area on Rennell Island. Development and logging on the western side of the island is placing ecological pressure on the World Heritage Area in the east. Solomon Islands hope to succeed unsustainable logging in the area with ecotourism, for instance birdwatching, but this requires upgrading the infrastructure, including the airport and the road to the World Heritage Area. This would reduce journey from the airport from two hours to about 45 minutes.

There is demand for botanical tours in Solomon Islands but expert guide training is required. There is a plan to upgrade the existing Botanical Gardens in Honiara.

8.3.4 NORTH PACIFIC MARKET DEVELOPMENT TO SUPPORT PRODUCT DEVELOPMENT

The Solomon Islands National Tourism Development Strategy 2015–2019¹⁹⁸ notes that tourism demand needs to be increased to support any new product development,

as well as existing products. China and Japan are large outbound markets on the North-West Pacific rim which currently only contribute a small share of Solomon Islands' total arrivals (section 9.1.2). Accessing latent demand for diving from these markets could be considered by a possible collaborated Pacific representation at the annual Marine Fairs in Tokyo, Shanghai and Beijing. The Marine Fairs in Beijing and Shanghai in 2019 were visited by 45,000 people. Seminars run in conjunction with travel booths included topics such as how to reduce plastic waste in the Pacific Ocean.¹⁹⁹ Participants in these events are generally independent travelling, highly educated divers with concern for the Pacific's fragile environment. Such support could help Solomon Islands expand its markets in accordance with the three pillars of sustainability: social, economic and environmental.

In terms of connectivity, a direct air route to the North-West Pacific rim could be a future opportunity to support development through above marketing activities, as flying distance is within the capabilities of a narrow body A321LR aircraft. However, in the short term a code share via Australia would make Munda more accessible for New Zealand, Asian and North American markets. Code sharing is already in place from Australia, Fiji, Papua New Guinea and Vanuatu to the capital Honiara. Also, rolling out of through fares from northern hemisphere ports to points beyond Pacific hubs would assist the growth of special interest visitors from these large markets to multiple Pacific destinations. Any increases in air lift to Solomon Islands would need to take place concurrently with accommodation increases discussed above in section 9.3.1.

¹⁹⁸ TRIP Consultants (2015), *Solomon Islands National Tourism Development Strategy 2015–2019*, SPTO Suva, pp. 6, 31.

¹⁹⁹ Underwater 360 (2019), ADEX Post Show Report.

#09 TIMOR-LESTE

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Summary:

Timor-Leste is an emerging tourism destination aiming for balanced development. Tourism infrastructure is in its infancy, but natural and cultural tourism resources abound. This chapter examines Timor-Leste's tourism sector, provides comparative good practice cases lessons and product development opportunities.

Key words:

- Whale watching
- Destination management organization (DMO)
- Community based tourism
- Local community engagement
- Hiking

Key messages:

- Timor-Leste has significant potential as a whale watching destination.
- Where there is proximity and access to a key market, demand to support product development needs to be built.
- Tax incentives for tourism small and medium-sized enterprises (SMEs) and entrepreneurial development assist product development.

SDG TABLE - TIMOR LESTE



SDG 8: Decent work and economic growth

Target 8.9: promoting policies on productive activities and sustainable tourism.



SDG 10: Reduced inequalities

Target 10.2: empowering and promoting inclusion.

Target 10.4: adopting policies for greater equality.



SDG 12: Responsible consumption and production

Target 12.2: efficient use of natural resources.

Target 12B: developing tools to monitor impacts for sustainable tourism.



SDG 14: Life below water

Target 14.7: increasing economic benefits from sustainable use of marine resources.

9.1

SITUATION ANALYSIS

9.1.1 TOURISM STATUS AND STRATEGY

Timor-Leste is an emerging tourism destination with an ambitious plan to almost double annual visitors to 200,000 annually by 2030.²⁰⁰

Currently, leisure visitors are a relatively small proportion of total visitors. Aid workers have been a significant source of visitors and have provided a local market for the tourism industry to establish. As aid worker traffic gradually declines, development of inbound leisure markets, and products to entice these markets are vital. Timor-Leste's Tourism Masterplan will specify development plans for three regions: eastern, central and western. The aim will be for balanced development across the destination.

The Timor-Leste tourism dashboard (figure 10.1) shows the destination is enjoying strong growth in visitors, although the leisure component of the total is modest. Improved visitor perception of destination security is helping, as are increasing numbers of cruise visits (although data not available) and border crossings from Indonesia. A high proportion of business visitors explains a length of stay above the Pacific average. Timor-Leste's tourism could make a bigger contribution to the overall economy as it develops, while the country enjoys strong donor support in developing its fledgling tourism sector.

9.1.2 VISITOR PROFILES AND DESTINATION POSITIONING

Indonesia was Timor-Leste's largest market comprising 49% of total visitors in 2018. Australia and Portugal followed at 12% and 7% respectively. Other European countries comprised 6%, while China (6%) and Japan (2%) are new markets.²⁰¹

Timor-Leste is a destination that appeals to intrepid travellers. Tourism infrastructure is in its infancy but natural and cultural tourism resources abound. Painted caves dating back to migrations from Asia to Australia will be of interest to visitors from the island's neighbours. Timor-Leste's colonial history, initially Portuguese and much more recently Indonesian, is of interest to visitors from these markets and others. The destination enjoys a vast marine biodiversity and offers unique cultural experiences. Coffee is a significant crop and tourism experiences around this, such as the Festival Kafe Timor, are emerging opportunities.²⁰²

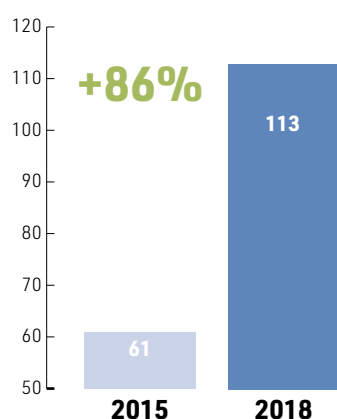
Blue Ventures, a United Kingdom-based non-profit ecotourism operator in Madagascar, Belize and Timor-Leste, hosts ecotourists on expeditions. The expedition provides financial support to four locally managed marine protected areas. A couple of large-scale resort hotel developments have been mooted or are under development in the greater capital area of Dili.

In May 2021, Timor-Leste implemented an International Visitor Survey that is expected to provide further valuable insights on tourism product development opportunities.

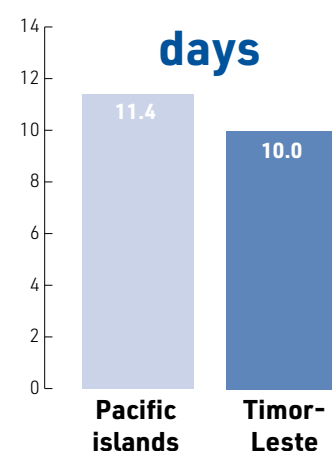
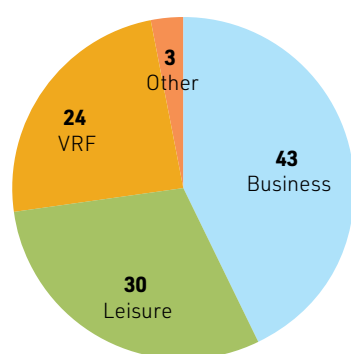
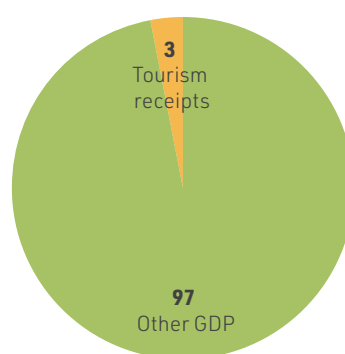
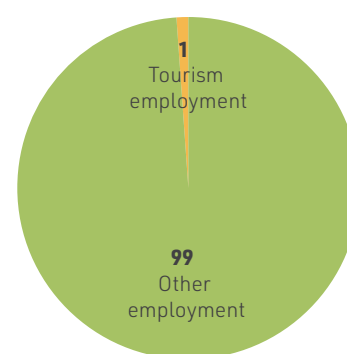
²⁰⁰ Government of Timor-Leste (2017), *Growing Tourism to 2030, Creating a Sense of National Identity, Timor Leste National Tourism Policy*, p. 8.

²⁰¹ Pacific Tourism Organization (2019c), *Visitor Arrivals to Pacific Islands*, Suva, p. 4.

²⁰² World Tourism Organization (2016b), *Community Based Ecotourism Marketing Strategy for Timor-Leste* p. 3.

Figure 9.1: Timor-Leste's tourism dashboard**Arrivals (× 1,000)****Cruise arrivals (× 1,000)**

n.a.

Average length of stay – air, 2017**Purpose of visit, 2018 (%)****Tourism receipts, 2018 (% of GDP)****Tourism employment, 2014 (%)**

Source: Pacific Tourism Organization (2018), Annual Visitor Arrivals Report. Intra-year detailed statistics also available at this source.

Figure 9.2: Tourism SWOT – Timor-Leste**STRENGTHS**

- Strong donor support
- Proximity to large tourism markets Australia and Asia
- Marine biodiversity
- Cultural and heritage tourism resources

OPPORTUNITIES

- Improved air access
- Human resource development
- Developing day tours for cruise market
- Beyond Bali tourism
- Add decompression chamber for dive market
- Set up whale watching business

WEAKNESSES

- Undeveloped tourism industry and infrastructure
- Complex land tenure

THREATS

- Environmental degradation
- Lack of coordination

9.2

GOOD PRACTICE CASE LESSONS



9.2.1 WHALE WATCH KAIKOURA, NEW ZEALAND

Timor-Leste has significant potential as a whale watching destination. Located at Kaikoura, New Zealand, Whale Watch Kaikoura is a good practice example of in the establishment of a professional whale watching business with minimal resources. Whale Watch Kaikoura is a nature-based tourism company owned and operated by the indigenous people of Kaikoura. It started with the vision of the local indigenous people who responded to a depressed employment market by mortgaging their houses to buy a single rubber boat to run tours.²⁰³ Whale Watch Kaikoura grew rapidly and sustainably due to the local people's inherent understanding of stewardship of their natural environment. The single rubber boat operation grew into five purpose-built catamarans operating from a dedicated facility. Whale Watch Kaikoura could be an inspiration to Timor-Leste product champions for starting very successful whale watching businesses.

9.2.2 SHIZOUKA DESTINATION MARKETING ORGANIZATION INITIATIVE, JAPAN

Tourism Shizuoka Japan is successfully implementing local community education through tourism product development.²⁰⁴ The provision of hands-on training for local communities and operators offers the necessary product development steps of creating awareness and identifying potential assets, matching these with market needs and expectations, and preparation to become export-ready. Training is delivered through a series of interactive workshops run annually at local towns across the prefecture. Tourism Shizuoka Japan's strategic planning is encouraging the development of flagship products. As a result, over sixty new tourism products have been developed at local level for international visitors. Translated to Timor-Leste, this approach could assist in developing high-yield local community-based products.

²⁰³ Whale Watch Kaikoura (2020), 'Who We Are'.

²⁰⁴ Tourism Shizuoka Japan (2017) *Destination Marketing Strategy 2017/18-2021/22*.



9.2.3 MALAYSIAN HOMESTAY PROGRAMME²⁰⁵

Timor-Leste intends to develop homestays and local lodges – and the Malaysian Homestay Programme²⁰⁶ could serve as a good example and starting point. The programme has won accolades for its innovation in public policy and governance. Hence it is a good practice case to learn from, particularly as the homestays focus on enabling families living in the outskirts of towns and in traditional villages. They participate and benefit from the economic activities of tourism, which is a trait Timor-Leste shares in wanting more local community participation in tourism.

The programme is carried out by the Malaysian Ministry of Tourism, Arts and Culture in collaboration with the

Ministry of Rural and Regional Development, respective state governments and the Association of Homestay Malaysia. Villages are required to comply with the strict guidelines set by the Ministry which also provides training on specified standards.²⁰⁷ For the villagers, the homestay programme provides an additional income source and to the tourists inexpensive alternative accommodation, as well as an authentic experience. In addition to hospitality services training, homestays are also groomed for entrepreneurial opportunities. For instance, some operators are trained with specific skills such as reflexology, while efforts to encourage entrepreneurship through the production and sale of local products and handicrafts serve to add value. Furthermore, each homestay programme offers different types of economic activities in the location related to culture and food.

²⁰⁵ Recommended additional reading for this section: World Tourism Organization and Korea Culture & Tourism Institute (2016a), *Case Studies of Traditional Cultural Accommodation in the Republic of Korea, Japan and China*, UNWTO, Madrid, DOI: <https://doi.org/10.18111/9789284417408>.

²⁰⁶ For more detailed information please consult: Ministry of Tourism, Arts and Culture Malaysia (n.d.), 'Malaysian Homestay Programme', online available at: <http://www.motac.gov.my/en/faqs/malaysian-homestay-programme> (13-09-2021).

²⁰⁷ Bachok, S. et al. (2018), 'Homestay Operation under the purview of the Ministry of Tourism and Culture of Malaysia: The case of Kelantan Homestay Operators', *Journal of the Malaysian Institute of Planners*, volume 16 (2), Kuala Lumpur, p.179

9.3 TOURISM PRODUCT DEVELOPMENT OPPORTUNITIES

9.3.1 MARKET DEVELOPMENT TO SUPPORT PRODUCT DEVELOPMENT

Timor-Leste needs to build demand to support product development. The proximity to and convenient access from Bali is a key market opportunity. Visitors may be looking for opportunities for short visits out of Bali, and Timor-Leste could satisfy this demand through increased linkages with Bali tour operators. Concurrently, the Timor-Leste tourism industry should continue to improve the destination's attractiveness by offering a variety of unique and appealing activities.

9.3.2 ATAURO ISLAND

Atauro Island is a small island about 25 km north of Dili, the capital, which boasts some of the world's most biodiverse reefs, rich marine life and crystal-clear turquoise waters. An International Labour Organization funded project has supported the development of locally managed visitor activities on Atauro. Efforts have resulted in the development of a strong network of professional local micro-tourism businesses on the island, which has been noted as a beacon for community-based ecotourism for the rest of Timor-Leste.²⁰⁸

There is potential to further develop Atauro Island for both day visits and overnight stays.²⁰⁹ The Government is providing tax incentives for tourism development on the island, including community-based ecolodges. Establishment of a marine park would recognize and protect the significant ecological and cultural values of Atauro Island and provide a planning and management framework for sustainable tourism development.²¹⁰

9.3.3 DIVE TOURISM

Timor-Leste has significant potential for coastal-marine ecotourism development as it is located within the Coral Triangle region and adjacent to a major migratory wildlife corridor (Wetar Strait-Savu Sea) and an 'oceanic hotspot' for pelagic and migratory wildlife.²¹¹ Together with accessible fringing coral reefs, this provides conducive conditions for dive tourism, particularly along the north and east coast of the country. However, Timor-Leste is not alone amongst Pacific diving destinations in needing improved diving facilities. Investment in a hyperbaric recompression chamber would enable growth in the lucrative diving sector.²¹²

²⁰⁸ World Tourism Organization (2016b), *Community Based Ecotourism Marketing Strategy for Timor-Leste*, p. 5.

²⁰⁹ The Asia Foundation (2018), *Timor Leste Tourism Barometer*, p. 18.

²¹⁰ World Tourism Organization (2016b), p. 11.

²¹¹ Edyvane et al (2009), *Coastal & Marine Ecotourism Values, Issues & Opportunities on the North Coast of Timor Leste – Final Report*, p. 4.

²¹² The Asia Foundation (2018), *Timor Leste Tourism Barometer* p. 18.

9.3.4 WHALE WATCHING

There is an oceanic superhighway that connects the Indian and Pacific Oceans 2 km off the coast of Dili. Blue and sperm whales, and up to 23 other species of cetacean, can be viewed with aerial surveys spotting around 2,000 cetaceans a day in the oceanic superhighway. Hence, priority could be given to the development, promotion and management of whale watching and turtle tourism in Timor-Leste,²¹³ and Timor-Leste could emulate Niue (section 5.1.2) in adopting international whale watching guidelines.

9.3.5 HIKING

There is potential to develop day-trip hiking tours from Dili to the highlands. At altitudes of over 1,000 m temperatures are conducive to outdoor activity despite Timor-Leste's tropical location close to the equator. Under a community-based ecotourism programme, the Government provided small grants in 2017 for local communities to run tourism businesses, although organized tours are still in infancy. Half-day walks and full-day hikes could be packaged to meet the needs of specific markets. There is also opportunity to develop longer hikes. Self-guided trails of various lengths (one to five days) could be developed offering stays in rural villages.²¹⁴

9.3.6 LOCAL LODGES AND HOMESTAYS

There is an opportunity to further develop local lodges and homestays following the principles of community-based tourism. Timor-Leste is looking to the Malaysian Homestay Programme.

Most visitors stay with family and friends, creating an opportunity to utilize existing local homes and provision of income directly to local homeowners. Sharing economy applications such as Airbnb can be looked at to minimize startup operational costs, with community-based tourism initiatives to be offered as guest activities. Current community-based government grants can be utilized to assist local owners to upgrade their homes to applicable standards. In Pousada Historical Area²¹⁵ the local administration is working on a scheme of renovating historic lodges with the private sector. Lodges may share income with the local administration for expanding this model.

²¹³ Radio New Zealand (2017), 'Whale Watching in Timor Leste'.

²¹⁴ World Tourism Organization (2016b), p. 16.

²¹⁵ Portuguese colonial history.

#10 TUVALU

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Summary:

Perhaps more than any other country in the Pacific, Tuvalu is feeling the effects of rising sea levels. This chapter discusses Tuvalu's fledgling tourism sector, provides a comparative good practice lesson and a few product development opportunities.

Key words:

- Climate change
- Ecolodge
- Private-public partnerships

Key messages:

- Tourism policy can embrace the fight against climate change.
- Fostering product champions can assist the development of new products.
- Tuvalu would benefit from specialist resources to specifically assist tourism product development in small island states

SDG TABLE – TUVALU



SDG 4: Quality education

Target 4.4: increasing number of youth and adults with relevant skills.

Target 4.7: ensuring learning on sustainable development.



SDG 8: Decent work and economic growth

Target 8.9: promoting policies on productive activities and sustainable tourism.



SDG 12: Responsible consumption and production

Target 12.2: efficient use of natural resources.

Target 12B: developing tools to monitor impacts for sustainable tourism.



SDG 13: Climate action

Target 13.2: integrating climate change measures.

10.1

SITUATION ANALYSIS



10.1.1 TOURISM STATUS AND STRATEGY

Culturally part of Polynesia, Tuvalu is an isolated group of low-lying atolls serviced by a twice weekly flight from Fiji. Perhaps more than any other country in the Pacific, Tuvalu is impacted by the effects of rising sea levels. Tuvalu is seeking assistance with developing a tourism policy that embraces the fight against climate change. The policy aims to incorporate a rebranding of the country's tourism sector in response to the climate crisis.²¹⁶

Formerly known as the Ellice Islands, the country is comprised of nine atolls that are situated at a maximum of 4 m above sea level. Six of the nine atolls have lagoons that are open to the ocean including Tuvalu's capital Funafuti; two atolls have landlocked lagoons while the one atoll does not have a lagoon. Tuvalu's main attraction is the Funafuti Conservation Area (FCA) on the western side of the Funafuti atoll. It has an abundance of reef, lagoon, channel, ocean and island habitats, and includes six uninhabited islets that are home to a variety of wildlife

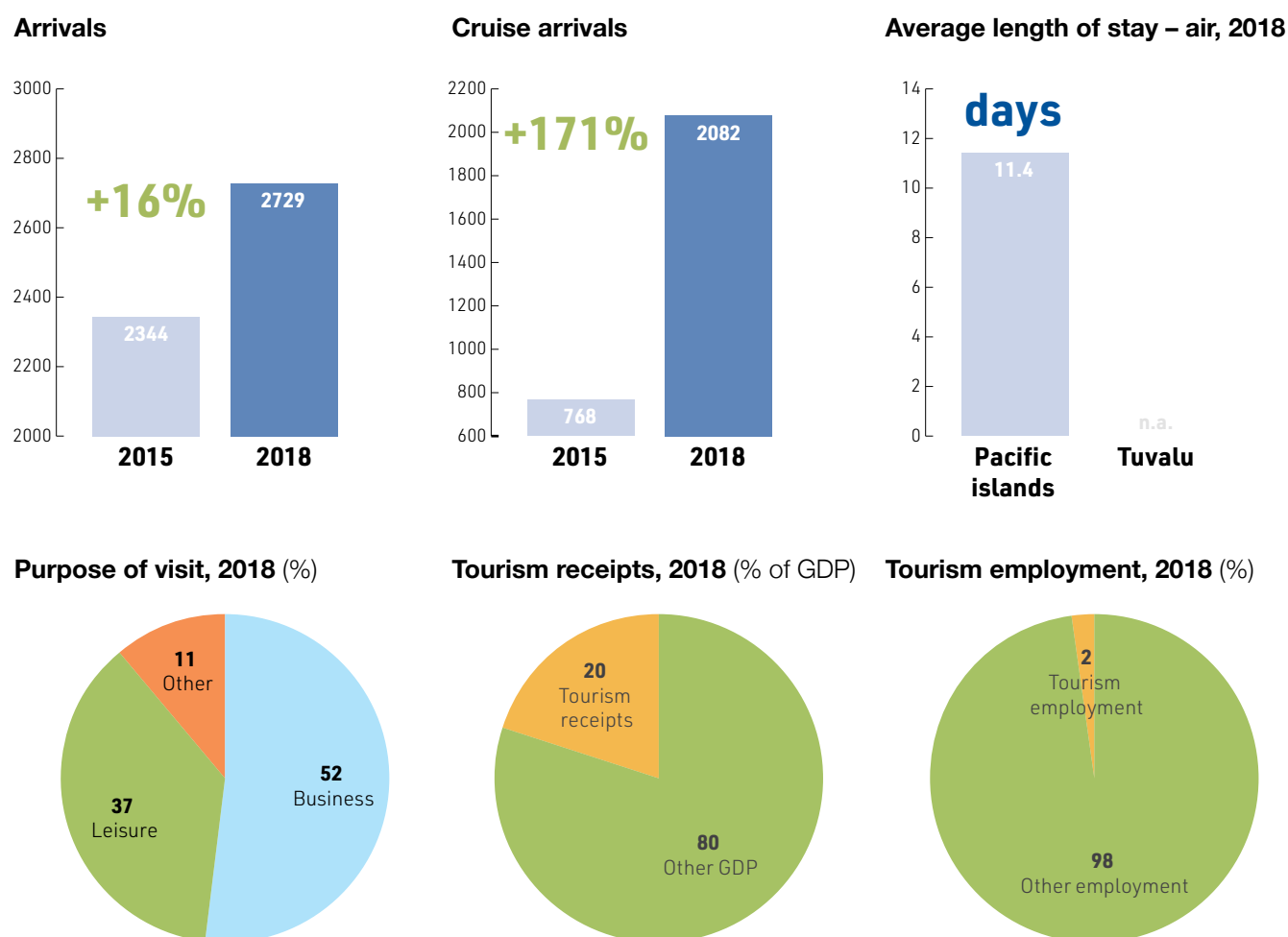
including coconut crabs, nesting seabirds and green turtles, as well as a wide array of colourful tropical fish. Tuvalu has good diving and snorkeling, as well as unique ocean side pits created during World War II which become filled with fish during low tide.²¹⁷

Tuvalu's Tourism Dashboard (figure 11.1) shows that visitors are growing steadily from a very small base; although within the total, business visitors dominate. Tourism makes a valuable contribution to Tuvalu's economy.

Tuvalu is not the only Pacific island destination to endure remoteness, see for instance the examples of Kiribati and Niue in chapters 4 and 5 above. Tuvalu also struggles with the issue of digital connectivity remoteness which can be a challenge for intrepid travellers who like to be able to immediately share their experiences on social media and otherwise keep in touch with home. Although digital disconnection may be an inconvenience for some tourists, it may be a good selling point for others eager for a digital detox.

²¹⁶ Radio New Zealand (2019b) 'Tuvalu wants tourism policy that fights climate change'.

²¹⁷ Acorn Tourism Consulting (2015), *Tuvalu Tourist Survey*, p.7

Figure 10.1: Tuvalu tourism dashboard

Source: Pacific Tourism Organization (2018), *Annual Visitor Arrivals Report*. Intra-year detailed statistics also available at this source.

Figure 10.2: Tourism SWOT – Tuvalu

STRENGTHS

- Remoteness
- Funafuti Conservation Area, marine biodiversity
- Peaceful, secure society
- Availability of human resources

OPPORTUNITIES

- HRD for Government agencies and tourism operation & guiding
- Ecolodge Funafuti Conservation Area

WEAKNESSES

- Remoteness
- Undeveloped tourism industry & infrastructure
- Digital connectivity
-

THREATS

- Loss of air connectivity
- Environmental degradation
- Climate change (rising sea levels)

https://www.e-unwto.org/doi/book/10.18111/9789284419852 - Wednesday, November 08, 2023 5:11:36 PM - IP Address:210.136.42.252

10.1.2 VISITOR PROFILES AND DESTINATION POSITIONING

Other Pacific islands are Tuvalu’s largest market comprising 28% of total visitors in 2018. Australia and New Zealand followed at 13% and 10% respectively. Long-haul markets such as Europe and North America comprised 7% and 9% respectively while China (3%) and Japan (6%) are emerging markets.²¹⁸



Table 10.1: Activity ranking – Tuvalu

Rank	Visitors from Fiji	Other visitors
1	Sightseeing/cultural tours	Sightseeing/cultural tours
2	Swimming/snorkeling	Swimming/snorkeling
3	Sailing/kayaking	Birdwatching
4	Birdwatching	None (no activity)*
5	Fishing	Shopping
6	Shopping	Fishing
7	None (no activity)*	Sailing/kayaking

Note: *) Note from the editor.

Source: Acorn Tourism Consulting (2015), *Tuvalu Tourist Survey*., p. 36

218 SPTO (2019c), *Visitor Arrivals to Pacific Islands*, Suva, p. 4.

10.2 GOOD PRACTICE CASE LESSONS

10.2.1 OKINAWA REGIONAL PARTNERSHIPS, JAPAN

Tuvalu could seek a private-public-partnership to support the long-mooted development of an ecolodge on Funafuti lagoon. Successful tourism product operators in Okinawa work in partnership with local governments/administrations, small businesses, commercial associations and communities. These leading local tourism product operators develop experience programmes jointly with local citizens, who support the operation of these programmes. This partnership enables development of various community-based experience products and sustains natural resources in the destination. For example, experience operator Niraikanai in Okinawa prepares and operates 82 programmes in seven different categories. It has become a regional platform to grow the education travel market to the destination.

Also, local tourism committees and operator associations established their own destination guidelines for maintaining service quality and standards, as well as protection of the natural environment and other assets in the region. In some cases, operators collect contributions from visitors and utilize these funds for tourism improvements. By soliciting input from local communities on product differentiation destructive price competition within the destination can be minimized.

10.3 TOURISM PRODUCT DEVELOPMENT OPPORTUNITIES

10.3.1 FUNAFUTI CONSERVATION AREA ECOLOGDE (FCA)

An opportunity exists to establish a small-scale ecolodge (six to twelve rooms) on one of the islets in the biodiverse FCA on the western side of the Funafuti lagoon. Such a lodge should be self-sufficient and utilize natural resources such as solar power and rainwater collection. The FCA is a short boat ride across the lagoon from the capital and provides extensive opportunities to enjoy marine fauna through snorkeling and birdwatching.

10.3.2 PRODUCT CHAMPIONS

Tuvalu needs to foster product champions to lead the development of new products. Afelita, a successful homestay near Funafuti, is a good example of a local industry champion – ecofriendly, solar powered and serving local food. A secondment scheme along the lines of that described in chapter 7 Samoa would be helpful to foster more product champions.

10.3.3 SUPPORTING PRODUCT DEVELOPMENT

As noted in section 4.3.4 for Kiribati, Tuvalu could benefit significantly from regional specialist resources to specifically assist tourism product development in small island states and to access high-yield niche markets in which Tuvalu has comparative advantage on the North-West Pacific rim.

#11 VANUATU



Summary:

Vanuatu's tourism product is of boutique nature that allows for intimate experiences and opportunities to connect with the local people – its' greatest tourism asset. This chapter discusses Vanuatu's relatively advanced tourism sector, lessons from good practices and its product development opportunities.

Key words

- Cruise tourism
- Air connectivity
- Destination branding
- Meetings, congresses, conventions and incentives (MCCI) tourism
- Adventure tourism
- Sustainable Development Goals (SDGs)

Key messages:

- To assist tourism destination recovery from natural disasters, continued marketing, investment and industry partnerships are necessary.
- Tourism products should reflect elements of a destination's brand.
- Tourism education is important among local businesses and community.
- People are one of the destination's tourism assets, in addition to environment and culture.

SDGSTABLE – VANUATU**SDG 4: Quality education**

Target 4.4: increasing number of youth and adults with relevant skills.

Target 4.7: ensuring learning on sustainable development.

**SDG 8: Decent work and economic growth**

Target 8.3–8.9: promoting policies on productive activities and sustainable tourism.

**SDG 12: Responsible consumption and production**

Target 12.2: efficient use of natural resources.

Target 12.7: promoting public sustainable procurement policies.

Target 12.8: ensuring dissemination of relevant information and awareness.

Target 12B: developing tools to monitor impacts for sustainable tourism.

**SDG 14: Life below water**

Target 14.7: increasing economic benefits from sustainable use of marine resources.

**SDG 17: Partnership for the goals**

Target 18.1: strengthening domestic resource mobilization through international support.

11.1

SITUATION ANALYSIS



Vanuatu, formerly known as New Hebrides, is located 1,600 km east of Australia. It is an archipelago of 83 islands divided into six provinces. Yasur volcano on Tanna Island is one of the world's most famous volcanoes and is easily accessible.²¹⁹

Continued marketing investment and industry partnerships are necessary to maintain the recovery from damage caused by Cyclone Pam in 2015.²²⁰ Vanuatu aims to reach 300,000 visitor arrivals in 2030 while achieving a balance of economic viability, social acceptability and environmental responsibility through sustainable tourism.

Vanuatu's tourism dashboard (figure 11.1) shows the destination is enjoying strong total visitor recovery following devastating Cyclone Pam and that cruise tourism is an important contributor of visitors. Vanuatu

is a relatively advanced Pacific island leisure destination and this may explain the lower average length of stay than the Pacific islands overall. Further expansion of Vanuatu's tourism product and experience offering could be helpful in encouraging visitors to stay longer. Vanuatu has strong soft adventure products, much of it remains underdeveloped for tourism and offers considerable potential both for cultural and environmental experiences, as well as beach and dive opportunities.²²¹ Tourism is a vital part of Vanuatu's economy.

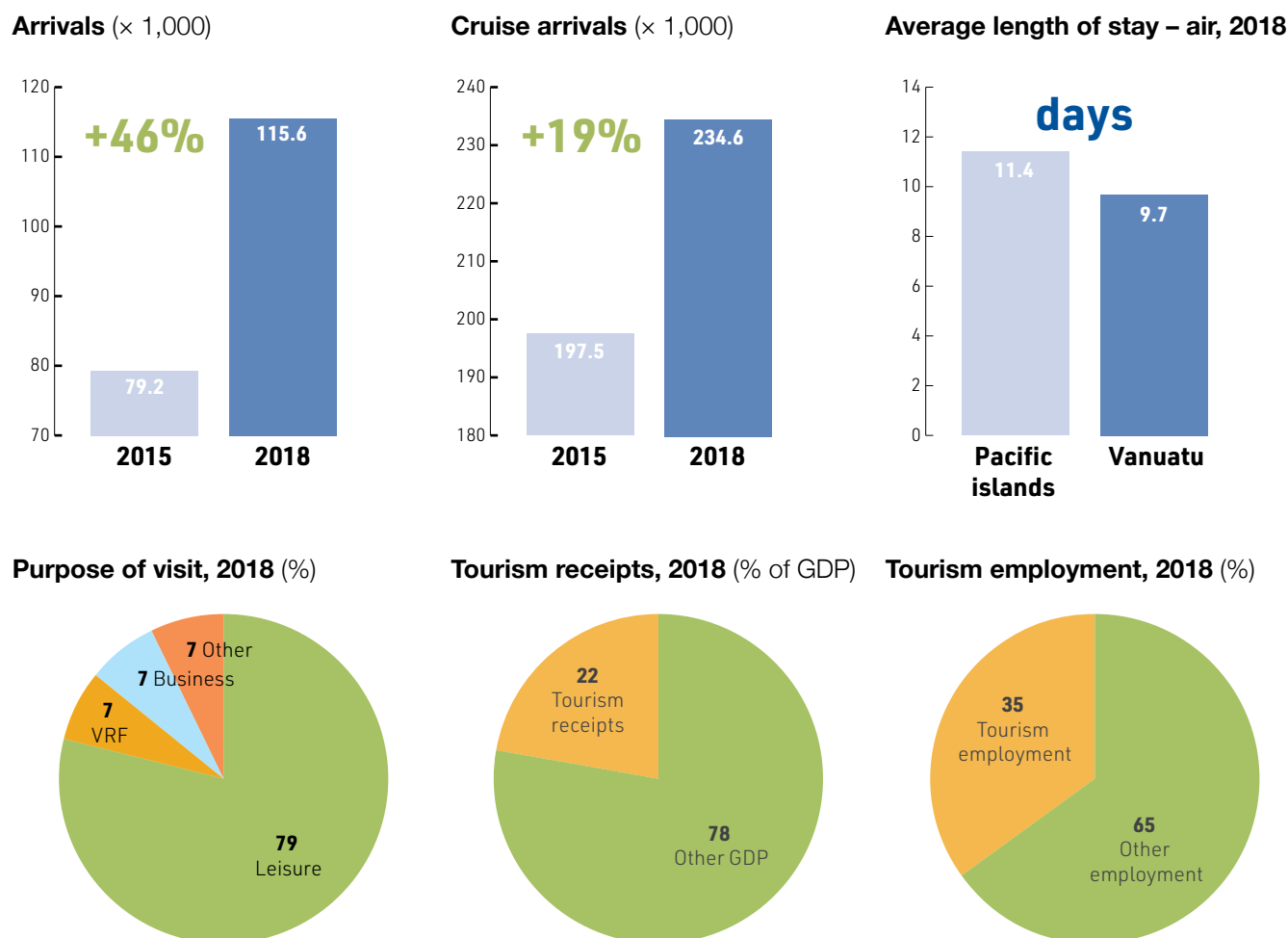
Vanuatu has been dealing with air capacity issues since Bauerfield Airport was damaged by Cyclone Pam. Reduced number of air travellers forced tour operators to focus stronger on cruise arrivals, leading in some cases to destructive competition. (Strategies to differentiate products to reduce destructive competition are discussed in section 11.3.).

²¹⁹ Pacific Tourism Organization (2013b), *South Pacific Specialist*.

²²⁰ Vanuatu Ministry of Tourism, Trade (2019), *Vanuatu Tourism Market Development Plan 2030*. p.15

²²¹ World Bank (2016), *Pacific Possible, Tourism Pacific Possible Background Paper No. 4.*, p12.

Figure 11.1: Vanuatu tourism dashboard



Source: Pacific Tourism Organization (2018), *Annual Visitor Arrivals Report*, p. 13. Intra-year detailed statistics also available at this source.

11.1.1 VISITOR PROFILES AND DESTINATION POSITIONING

Vanuatu's tourism product allows visitors intimate experiences and opportunities to connect with Vanuatu's greatest tourism asset: its people. This intimate nature of Vanuatu's accommodation, tours and experiences should be maintained and considered as part of the fabric of Vanuatu's tourism offering. Future development should seek to maintain this position with well-considered and small-scale developments that connect consumers with the environment and the culture of the country. This is one

of the values embedded in its Sustainable Tourism Policy. A parallel programme of work determining priorities for infrastructure development, in line with the destination's brand, needs to be undertaken.

Vanuatu shares the pattern of dependence on the Australian market comprising 52% of total visitors in 2018. Other Pacific islands followed at 19% and New Zealand at 12%. Long-haul markets such as Europe and North America comprised 6% and 3% respectively; China (3%) and Japan (1%) are new markets.²²² Three quarters of visitors to Vanuatu stay within the main island of Efate.

²²² Pacific Tourism Organization (2019c), *Visitor Arrivals to Pacific Islands*, Suva, p. 4.

Figure 11.2: Tourism SWOT – Vanuatu

STRENGTHS

- Vanuatu Tourism Market Development Plan
- Tourism resources, including rainforests, blue holes, world-class diving
- Tanna active volcano
- Friendly people and culture
- Proximity to large Australian cruise market

OPPORTUNITIES

- Product differentiation, niche development
- Human resource development
- Airport upgrades
- Repeat visitors from key markets
- Chinese ethnic market in Australia
- Shanghai/Guangzhou FIT
- Long-haul markets of the European Union and North America

WEAKNESSES

- Cost of intra-island travel
- Standard of accommodation and services in outer islands

THREATS

- Loss of air connectivity
- Vulnerability to natural disasters, e.g., tropical cyclones
- Seasonal work in Australia and New Zealand causing shortage of local hospitality workers

Vanuatu’s destination positioning ‘Vanuatu Offers a Real, Life Changing Adventure’ and destination brand platform ‘Answer the Call of Vanuatu’ incorporate the destination’s six brand attributes²²³ that authentically integrate the life of Vanuatu into tourism and that tourism products should reflect: 1) Kastom and Culture, 2) Vanuatu is its people, 3) A symphony of senses, 4) Real, 5) Raw, edgy and liberating, and 6) Vanuatu takes on an adventure. Vanuatu Tourism strives to position itself as a destination for experience collectors and adventure seekers, in addition to its traditional geographic market targets. These segments are applied to the new markets of China and Japan.

Cruise tourism is another key market for Vanuatu. It is important to pursue high-yield cruise business, such as expedition cruises, in addition to volume-driven casual-class vessels. For expedition cruises, guest experiences need upgrading with customized tour programmes to

encourage the expansion of port calls from the capital Port Vila to the islands of Santo and Tanna.

Also, meetings, congresses, conventions and incentives (MCCI) tourism business is targeted from neighbouring Pacific islands, as well as Australia and New Zealand. Increasing MCCI business will require expansion and increased reliability of infrastructure, growing MCCI expertise, expansion of appropriate catering services and further development of signature experiences.

223 Vanuatu Ministry of Tourism, Trade, Investment, Commerce and Ni-Vanuatu Business (2019), *Vanuatu Tourism Market Development Plan 2030*. pp.27–29.

11.2

GOOD PRACTICE CASE LESSONS



11.2.1 COMMUNITY AND BUSINESS TOURISM EDUCATION, JAPAN

One of Vanuatu tourism's assets is its people; therefore, there are two human resource issues for tourism in Vanuatu to consider: The first is the full appreciation of international hospitality and service standards and visitor satisfaction, among those already working in the industry. The second issue is preparing capable tourism leaders.

The Okinawa Convention and Visitors Bureau produces and distributes a tourism education textbook to all elementary schools and teachers in the prefecture. They teach students local history, culture, nature and other important knowledge for people aspiring to a career in the local tourism industry. This educational support contributes to building local identity and pride. This, in turn, encourages local youth to specialize in tourism for their higher education and consider tourism professions so that they can stay and work in the island prefecture.

Okinawa also produces awareness videos for visitors on appropriate local behaviour and broadcasts these at international cruise passenger terminals and major tourism sites to encourage visitors to be respectful towards local culture.²²⁴ In the case of Vanuatu, such educational tools could be produced and used to train local travel service providers, for instance, taxi drivers, on appropriate attitude and business etiquette with cruise passengers, while at the same time create awareness of local communities and their culture for tourists and visitors.

²²⁴ Japan Tourism Agency (2019), *Compilation of Case Studies Towards Realizing Sustainable Tourism*.



11.2.2 KIA ORANA VALUES PROJECT, COOK ISLANDS

Cook Islands in the Pacific has successfully developed a local project that aligns the tourism industry with core intrinsic local values. Cook Islands is a developed tourist destination similar to Vanuatu. Cook Islands needed to re-engage with its community as there were concerns around low customer service and engagement. Hence, this is a good practice initiative showcasing the opportunity for the Government and local communities to work together.

In the Cook Islands, local values were utilized as a platform in promoting sustainable tourism in the community, as well as to guide and inform a collective approach to future tourism development.²²⁵ There are three core traditional values, Kia Orana, Meitaki and Mana Tiaki. Mana Tiaki focussed on sustainability elements of preserving natural environment, respecting religion and education of people. The Cook Islands Tourism

Corporation revived the 'Kia Orana' values project, developed with strategic planning in consultations with community and cultural leaders. It also aimed to improve relationships with industry partners. The project provides tools and resources to improve standards within the tourism industry but also to communicate effectively to the public the work and role of the tourism corporation, especially regarding destination development.²²⁶

Kia Orana aims to be inclusive of tourism policies and marketing promotions, and has assisted with the creation of experiences. There have also been further tools and resources developed to the values in the tourism value chain furthermore the development of a newsletter, competitions, customer service programmes, a values information booklet and design guidelines and videos. Also, values will be taught in schools, and training programmes be encouraged through community and industry awards, as well as promoted through local media.

²²⁵ Cook Islands Tourism Corporation (2020), *Kia Orana Values*.

²²⁶ Cook Islands News (2015), 'Project revives "kia orana" values'.

11.3

TOURISM PRODUCT DEVELOPMENT OPPORTUNITIES

11.3.1 HUMAN RESOURCE DEVELOPMENT

Vanuatu people are one of the destination's tourism assets, together with environment and culture.²²⁷ To enhance all these assets, further capacity building and preparation of local tourism specialists for product development and marketing would be helpful. Existing and planned schemes include Vanuatu Skills Partnership programme and Ni-Vanuatu Leadership in Tourism programme. To supplement these, interactive, daily coaching and support from onsite specialists in the various regions would be beneficial.

Vanuatu needs tourism specialists who are familiar with overseas target markets so that aligned product/market matching can take place, which, in turn, will enable higher visitor satisfaction. Also, stronger international networks would further facilitate sustainable market development to support high-yielding product development, and expand business from long-haul and MCCI markets.

Vanuatu seeks to expand market segments such as *experience collectors* and *adventure seekers*; therefore, products require customizing and fine-tuning to match the expectations of these segments. Also, tour guides need to improve their language skills so they can share brand attributes with visitors, such as stories of Vanuatu traditions and culture. There is an additional marketing development opportunity through aligning the country's

new branding campaign with product champions as experience providers, thereby giving recognition to these entrepreneurs.

11.3.2 COMBINED BUNGALOW ACCOMMODATION

Bungalows are an important part of Vanuatu's product offering, and there has been an increase in bungalow businesses offering simple lodging services. However, there is a lack of product differentiation. Bungalows could be promoted as more than simply places to stay, by also including local experiences and family stories and creating unique packages. Some of these packages could become thematic product champions for specific local regions. Visitor information centres could connect visitors with these unique authentic experiences, especially in rural locations.

This concept could be further developed into offering multi-island itineraries for adventure seekers, combined with special transport fares. This could be trialed in one region and expanded after adjusting from lessons learnt. This concept has the potential to increase positive experiences for both visitors and local providers.

²²⁷ Vanuatu Ministry of Tourism, Trade, Investment, Commerce and Ni-Vanuatu Business (2019).



11.3.3 IMPLEMENTATION OF SUSTAINABLE DEVELOPMENT GOALS FOR TOURISM

Global awareness of sustainable tourism and the numbers of responsible travellers are increasing. Vanuatu Tourism Market Development Plan 2030²²⁸ incorporates the SDGs into their programme. Therefore, tourism products based on the 2030 Agenda for Sustainable Development would provide the best fit for the future of Vanuatu's industry, environment and culture, and provide a better return on tourism investment.

Vanuatu Skills Partnership programme has enabled communities, initially women but also men, to set up local handicraft businesses. Vanuatu-made products are appreciated by visitors contributing to local businesses and people. Coffee, chocolate and handicrafts are all value-added local products. There is potential to develop boutique experiences around these local elements. Implementation of the Vanuatu Agrotourism Action Plan focussing on the promotion of local sustainable green

procurement in the tourism and hospitality sector, would in turn encourage the supply and consumption chain of Vanuatu made products.

Vanuatu is working on sustainable and responsible commodity marketing. The next phase would be providing responsible travel packages. Such itineraries would attract to Vanuatu target market high-yield segments, which are inclined to appreciate a boutique experience with local communities and people.

11.3.4 CRUISE BOUTIQUE EXPERIENCES

Vanuatu's marketing focus includes cruise tourism development and MCCI. It could develop unique itineraries for half-day and full-day programmes with appropriate meet and greet services. Expedition-class vessels seek tailored and curated shore excursions, likewise incentive groups appreciate special plans only available in selected destinations.



Some things to consider in developing such itineraries are:²²⁹

- Authentic, local content that enables guests to feel they are having a custom experience;
- Specific and targeted programmes for different expectations and segments;
- Programmes for different times of the day;
- Gourmet local lunch especially curated with a couple of authentic experiences;
- Dining experiences in exceptional environment or setting;

- Authentic culinary experience with local people such as farm-to-table producers;
- Behind the scenes look at cultural experiences;
- Exclusive use of a cultural facility; and
- Chartered flight or vehicle to surprise destinations.

Tanna volcano is one of Vanuatu's signature experiences. Other soft-adventure itineraries and experiences could be added to the Tanna feature icon and assist dispersing visitors. Such hero plus one tours could also be marketed as high-yielding exclusive programmes for expedition cruise guests if all necessary travel arrangements can be made to fit vessel and schedule requirements.

²²⁹ For detailed reading, please consult the following publications:

World Tourism Organization (2021b), UNWTO Inclusive Recovery Guide – Sociocultural Impacts of Covid-19, Issue 4: Indigenous Communities, UNWTO, Madrid, DOI: <https://doi.org/10.18111/9789284422852>.

World Tourism Organization (2019d), Recommendations on Sustainable Development of Indigenous Tourism, UNWTO, Madrid, DOI: <https://doi.org/10.18111/9789284421299>.

RECOMMEN- DATIONS

Summary:

This chapter provides a summary of the country specific outcomes and regional opportunities for sustainable tourism product development.

Key words:

- Sustainable tourism development
- Regional resourcing
- Community-based tourism

Key messages:

- There is significant opportunity to provide more support at the regional level, developing standardized solutions that could then be localized for country specific needs.
- Adequate resourcing for the Pacific's regional tourism agency, Pacific Tourism Organization (SPTO), needs consideration.

SDG TABLE - RECOMMENDATIONS**SDG 4: Quality education**

Target 4.4: increasing number of youth and adults with relevant skills.

Target 4.7: ensuring learning on sustainable development.

**SDG 9: Industry, innovation and infrastructure**

Target 9.1: developing regional infrastructure.

Target 9c: increasing access to Internet.

**SDG 8: Decent work and economic growth**

Target 8.9: promoting policies on productive activities and sustainable tourism.

**SDG 10: Reduced inequalities**

Target 10.2: empowering and promoting inclusion.

Target 10.4: adopting policies for greater equality.

**SDG 12: Responsible consumption and production**

Target 12.2: efficient use of natural resources.

Target 12.7: promoting public sustainable procurement policies.

Target 12.8: ensuring dissemination of relevant information and awareness.

Target 12B: developing tools to monitor impacts for sustainable tourism.

**SDG 12: Responsible consumption and production**

Target 12.2: efficient use of natural resources.

Target 12B: developing tools to monitor impacts for sustainable tourism.

**SDG 17: Partnership for the goals**

Target 18.5: implementing promotion regimes for least developed countries.

As the study was carried out in 2019 prior to the COVID-19 pandemic, recovery of tourism will take priority for Pacific Island nations ahead of recommendations in the report. However, it is recognized that one of the key areas in COVID-19 tourism recovery is to rethink tourism and shape a more resilient, sustainable and inclusive sector; this echoes with the principles of the Global Code of Ethics for Tourism and its subsequent Tips for a Responsible Traveller created prior to the pandemic. Moreover, recent spearheading resources and initiatives developed under the COVID-19 context addressed further the need to transform the sector, such as the Global Guidelines to Restart Tourism, the ALUa Framework for Inclusive Community Development through Tourism, the United Nations Secretary-General Policy Brief COVID-19 and Transforming Tourism, the collection of UNWTO Inclusive Recovery Guides on Socio-cultural Impacts of COVID-19, and the One Planet Vision for the Responsible Recovery of the Tourism Sector, along with the comprehensive on-going work accomplished under the International Network of Sustainable Tourism Observatories (INSTO) and the One Planet Sustainable Tourism Programme (Global Tourism Plastics Initiative and the Glasgow Declaration for Climate Action in Tourism). These are all testimonies of the decisive shift the sector must operate to accelerate transformation and aim at increasing opportunities for resiliency, inclusivity and sustainability for all tourism stakeholders. Hence sustainable tourism product development opportunities are integral to growing back better for any destination management model with a concern for accelerating climate action in tourism to counter threats for small islands.

The previous chapters summarized country-specific findings and opportunities for sustainable tourism product development, noting that there is a significant opportunity to provide more support at regional Pacific island level, developing standardized solutions that could then be localized for specific country needs. Regional support for tourism development in the Pacific, in addition to bilateral support, has a number of benefits, including cost-effectiveness and cross-sharing of learnings.

Regional recommendations are:

1

Grow secondment schemes

Numerous studies recommend the need for training. However, successful tourism businesses are often established by individuals passionate about their place and driven to share their story – as a product champion. Additional opportunities could be created for promising young people from the region to work on secondment in successful tourism businesses that have been through the startup process in the larger Pacific rim countries. Skills transfer and motivation provided by such experiences may be more beneficial than in-destination classroom training. Some limited secondment programmes already exists but these could be expanded. Involvement of Pacific island business communities in designing such schemes would be important to ensure incentives are in place for participants to return to their home country on completion of secondments. Some participants may therefore be motivated by their experiences to establish their own businesses.

2

Differentiate soft adventure

A soft adventure boom is underway across the Pacific, as many destinations concurrently respond to the same market signals showing that consumers are looking for experiences beyond “fly and flop” holidays on a beach. Soft adventure includes kayaking and canoeing, snorkeling, trekking and walking, cycling, wildlife watching, horseback riding, rafting, archeological expeditions, visiting cultural sites, voluntourism, among others. Each destination however is inclined to have a particular comparative advantage within the broad soft adventure category. It would be helpful for destinations to specialize in soft adventure activities that play to their particular strengths, as opposed to offer all things to all people. In this way, visitors can extend visits to additional destinations in the Pacific.

3

Form partnerships to bid for events

The Rugby World Cup hosted by Japan in 2019 has proven the potential for tier 2 rugby nations to successfully host such events. Infrastructure in many Pacific island countries continue to improve with increasing accommodation and air access, and new or expanded sport stadiums and facilities. This creates an opportunity to bid for further events, including mega events in partnership with Pacific rim countries such as Australia and New Zealand. There are opportunities around the economic aspect of maximising hosting a regional mega event such as human resource development, mainstreaming tourism in the national agenda and spreading benefits beyond the host. Events that augment a destination's brand are of particular value.

For Pacific destinations lacking the necessary resources to host mega events, another approach could be starting on a smaller scale at the regional and country level. First, beginning by identifying event promoting tradition, community and cultural assets and available resources to capitalize on and maximize differentiation opportunities within the destination and the region, but also collaborative opportunities between Pacific destinations. In line with the existing Super Rugby Pacific league, Pacific islands could consider creating sports or cultural events celebrating traditional customs and shared heritage between Pacific nations to promote destination brands across the subregion. For example, this approach could support building the Polynesian brand to attract the Australian market.

Furthermore, destinations should be mindful to minimize the negative impacts of such mega and smaller scale events. This should be addressed from the planning stage through careful inclusion of relevant sustainable strategies and actions, including a carrying capacity analysis and tourism flow dispersal strategy. For instance, actions could include implementation of recycling waste collections systems, use of biodegradable material and comprehensive promotional campaigns for sustainable and responsible behaviour for all stakeholders and visitors involved in the event.

4

Develop China market guide for high value niche markets

Product development has to occur with market development. New tourism products are required to attract new visitors, but additional visitors are also required to enable new product businesses to be viable. China has been a key driver of tourism growth in Asia and the Pacific over the last decade, but many Pacific islands have yet to capture their share of higher-value Chinese visitors. To build demand, Pacific destinations could look for high-value, niche segments in China which play to their strengths, for example diving, fishing, surfing, sailing and birdwatching. With the relevant support, a new Market Guide could be developed for Pacific islands specifically covering these niche markets in China. The Guide should research and provide information on travel agents that specialize in these niche sectors. Also, information on customer profiles, specialist media, events and associations will be informative for stakeholders to make resource allocation decisions on how to attract these niche markets. SPTO produced a similarly formatted guide for Japan a decade ago²³⁰ which could be updated. This support could help Pacific islands expand markets in accordance with the three pillars of sustainability: social, economic and environmental.

²³⁰ Pacific Tourism Organization (2009), *Market Access Guide Japan*

5

Access to Pacific islands: use of existing air services and cruise tourism development

Across the Pacific, there is much focus to improve tourism sustainability within destinations. But one of the main sustainability challenges faced by Pacific destinations is the carbon emissions expended while visiting remote islands. Putting more visitors on existing flights will reduce carbon miles per visitor. There are a number of refinements that can be implemented that cumulatively could make a difference to flight loadings, particularly regarding access from North Pacific rim markets. These include:

- Code shares from customers' origin to destination;
- Through-pricing beyond hubs to final destination; and
- Maximizing promotion and use of air passes to facilitate island hopping and multi-destination holidays.

These are partially in place already, but with the ever-changing dynamic aviation environment – new routes, more services, new operators, new aircrafts with new capabilities, new destinations, new markets, new systems, and new people. Opportunities could be identified to maximise benefits.

On the other hand, the development of cruise tourism could bring significant opportunities for tourism growth. However, similar to all product development opportunities, cruise tourism comes with its challenges, especially risks associated with environmental and socio-economic impacts on local communities. Cruise tourism is characterized by bringing large numbers of people to concentrated areas of destinations for brief periods, thus multiplying and concentrating the impacts²³¹. Therefore, careful planning and monitoring procedures should be implemented ahead of the development of cruise tourism in order to elaborate an appropriate assessment taking into consideration the potential social, economic and environmental impacts, as well as the characteristics of the existent tourism value chain in the destination.

231 World Tourism Organization and Asia-Pacific Tourism Exchange Center (2016c), Sustainable Cruise Tourism Development Strategies – Tackling the Challenges in Itinerary Design in South-East Asia, UNWTO, Madrid, DOI: <https://doi.org/10.18111/9789284417292>



6

Provide guidance for community-based tourism pricing strategies

Many high-value community-based tourism experiences in the Pacific islands are being sold below international market rates for visitor experiences. Providers establish local-cost-plus terms when setting prices and are also conscious that their domestic market is often not able to pay international rates. Providers can use strategies to increase returns from their efforts whilst keeping customer satisfaction. Dual pricing for domestic and international markets is one such commonly used approach, where value is added for the higher priced international version experience. Offering guidance and training for community-based tourism providers on pricing strategies could improve their business and community sustainability.

Centralized booking systems also need to be put in place for community-based tourism products. Rather than developing new systems in isolation in each Pacific island destination, a more efficient and effective approach could be *one* standardized system for the region, with local customization. Customers of such booking systems, travellers and travel agents, would appreciate the standardized look and feel, and operating procedure of such systems across the region.

7

Build Polynesia cultural product awareness in Australia

Eastern Pacific destinations are looking to the Australian market as a significant growth opportunity. However, Australians' major experiences with the Pacific currently are in their neighbouring Melanesian destinations. There is an opportunity to use cultural products to enhance awareness and understanding of Polynesia in the Australian outbound market, and therefore inspire further visitation to the Pacific islands. Hawaii's recently more prominent promotional profile in Australia could be harnessed as a further opportunity to build awareness and understanding of Polynesia. Polynesian destinations may consider a collective marketing effort in Australia, and cultural products could play an important role. This may provide a helpful platform from which to further build awareness of individual destinations within the sub-region.



8

Develop Pacific pension funds guidelines for tourism

Over the last decade a couple of Pacific national pension funds have emerged as major investors in regional tourism infrastructure. This allows tourism to grow sustainably and keep ownership and profits at the local level. Other Pacific pension funds have yet to actively step into tourism investment. Guidelines could be developed to encourage these funds to become active tourism investors drawing on the successful experiences of the leading pension fund case studies featured in this report.

9

Provide specialist tourism product development resource for small island states

Product development is a marketing function, *product* being one of the four **Ps** of the classic definition of marketing: **p**romotion, **p**roduct, **p**lace and **p**rice. National tourism organizations (NTOs) ideally would have a dedicated product development unit with resources separate from their promotion function, as the required skill sets and operating styles are different. This is feasible for larger NTOs, however, small island states NTOs may struggle to allocate specialized resources beyond promotion. Therefore, a dedicated centralized regional product development resource could be provided to assist all Pacific small island states.

Additionally, the development of partner assistance could be used to implement Pacific islands Sustainable Tourism Guidelines which are under development. Climate change adaptation training for SME operators and tour guides has also been identified as a priority. An appropriate training module could be localized from UNWTO's climate change adaption guidelines for small island destinations, and implemented in the Pacific.

10

Prioritize actions

Some tourism strategies developed for smaller Pacific island nations with development agency support have a large number of product development recommendations. These can overwhelm the limited local resources available for implementation. Therefore, recommendations should be prioritized, with destinations focussing on trying to implement a small number of high-priority recommendations in any given timeframe.



RECOMMENDED READING FROM UNWTO:

World Tourism Organization (2020), *Tips for a Responsible Traveller*, UNWTO, Madrid, online available at: <https://www.unwto.org/responsible-tourist> [30-11-2022].

World Tourism Organization (2019b), *UNWTO Tourism Definitions*, UNWTO, Madrid, DOI: <https://doi.org/10.18111/9789284420858>.

World Tourism Organization (n.d.), 'The responsible tourist', UNWTO, Madrid, online available at: <https://www.unwto.org/responsible-tourist> [30-11-2022].

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ANNEX B

COMPARISON OF PACIFIC ISLANDS PRODUCT DEVELOPMENT OPPORTUNITIES

Country	Government policy	Private-public partnership	SME/ entrepreneurial development	local community engagement	Carrying capacity
Federated States of Micronesia	<ul style="list-style-type: none"> Prioritising product development opportunities 		<ul style="list-style-type: none"> Differentiating soft adventure Human resource development Supporting product development 		<ul style="list-style-type: none"> Air access
French Polynesia				<ul style="list-style-type: none"> Cultural experiences 	<ul style="list-style-type: none"> Sustainability and ecotourism North Asia market development to support product development
Kiribati	<ul style="list-style-type: none"> Increase air access 	<ul style="list-style-type: none"> Developing cultural products 	<ul style="list-style-type: none"> Developing birdwatching Cruising, yachting and diving Supporting tourism product development Training 		
Niue			<ul style="list-style-type: none"> Dark sky Succession and inbound operators 		<ul style="list-style-type: none"> Air capacity Emerging markets
Papua New Guinea	<ul style="list-style-type: none"> Mega events Agrotourism 	<ul style="list-style-type: none"> Domestic tourism 	<ul style="list-style-type: none"> Soft adventure differentiation Birdwatching and pricing strategies 	<ul style="list-style-type: none"> Booking cultural festivalsCruise product itineraries 	
Samoa	<ul style="list-style-type: none"> Events 	<ul style="list-style-type: none"> Historical tours Agrotourism 	<ul style="list-style-type: none"> Fostering product champions Cultural products and brand awareness 	<ul style="list-style-type: none"> Community based tourism 	<ul style="list-style-type: none"> Sustainable market development supporting product development Ecotourism and avian conservation

Country	Government policy	Private-public partnership	SME/ entrepreneurial development	local community engagement	Carrying capacity
Solomon Islands		<ul style="list-style-type: none"> Utilizing pension funds investment 	<ul style="list-style-type: none"> Iconic World War II heritage experience 		<ul style="list-style-type: none"> Ecotourism supporting world heritage North Pacific market development to support product development
Timor-Leste		<ul style="list-style-type: none"> Dive tourism Local lodges and homestays 	<ul style="list-style-type: none"> Whale encounters Hiking 	<ul style="list-style-type: none"> Atauro Island 	<ul style="list-style-type: none"> Sustainable market development supporting product development
Tuvalu		<ul style="list-style-type: none"> FCA ecolodge 	<ul style="list-style-type: none"> Product champions Supporting product development 		
Vanuatu	<ul style="list-style-type: none"> Tourism implementation of Sustainable Development Goals 		<ul style="list-style-type: none"> Human resource development Combined bungalow accommodation Cruise boutique experiences Hero plus one 		

ANNEX C

PRODUCT/MARKET MATRIXES

FOR SELECTED PACIFIC ISLAND DESTINATIONS

Table C.1: Target product/market matrix – Cook Islands

Product market	Beach	Cultural tours	Soft adventure	High-end, e.g., Pearl Odyssey
New Zealand/ Australia	●	◐	◐	◐
United States of America	●	◐	◐	◐
United Kingdom/ Europe	●	◐	◐	◐

Legend: ● = core ◐ = developing

Note: Table included based on information provided by the Cook Islands for the Good Practice Case Lessons 5.2.1. and 11.2.2.

Table C.2: Target product/market matrix – Federated States of Micronesia

Product market	Diving	Culture and heritage (incl. World War II)	Ecotourism
United States of America	●	●	◐
Germanic Europe	●		◐
Japan	◐	◐	
China	◐		
Asia	◐		

Legend: ● = core ◐ = developing

Table C.3: Target product/market matrix – Fiji

Product market	Culture-based activities	Land-based activities	Water-based activities	Weddings/honeymoons	Diving	MCCI	Cruise tourism
Australia	●	●	●	●	◐	◐	●
New Zealand	●	●	●	●	◐	◐	●
United States of America/ Canada	●	●	●		●		
China	◐	●	●	◐			◐
United Kingdom/ Europe	●	●	●		●		
Japan	●	●	●	◐	●		

Legend: ● = core ◐ = developing

Table C.4: Target product/market matrix – French Polynesia

Product market	Honeymoon	Cruise	Diving	Cultural tourism
United States of America	●	●	●	
France	●	●	●	●
Australia/New Zealand	●	●		
Other Europe	●	●	◐	●
Asia	●		◐	

Legend: ● = core ◐ = developing



Table C.5: Target product/market matrix – Kiribati

Product market	Fishing	Culture and heritage (incl. World War II)	Birdwatching	Diving	Surfing
United States of America	●	●	◐	◐	◐
Australia	●	◐			◐
United Kingdom/ Europe	●		◐		
Japan	◐	●		◐	
Asia	◐			◐	

Legend: ● = core ◐ = developing

Table C.6: Target product/market matrix – Niue

Product market	Diving	Fishing	Soft adventure, snorkeling, cycling	Dark sky	Eco-tours	MCCI
New Zealand	●	●	●	◐	●	●
Australia	◐	◐	◐	◐	◐	
China	◐		◐	◐	◐	

Legend: ● = core ◐ = developing



Table C.7: Target product/market matrix – Papua New Guinea

Product market	Diving	Culture and heritage (incl. World War II)	Soft adventure	Birdwatching
Australia	●	●	●	◐
United Kingdom/ Europe	◐	◐	◐	●
United States of America	●	◐	◐	◐
Japan	●		◐	
China	◐		◐	

Legend: ● = core ◐ = developing

Table C.8: Target product/market matrix – Samoa

Product market	Beach and soft adventure	Cultural tours	Historical tours	Agrotourism
New Zealand/ Australia	●	◐	◐	
United States of America	●	◐	◐	
United Kingdom/ Europe		◐	◐	◐
China/Japan	◐			

Legend: ● = core ◐ = developing



Table C.9: Target product/market matrix – Solomon Islands

Product market	Diving	Culture and heritage (incl. World War II)	Soft adventure, snorkeling	Birdwatching	Surfing
Australia/New Zealand	●	●	◐	◐	◐
United States of America	●	●		◐	◐
United Kingdom/ Europe				◐	
Japan	●	●			
Asia	◐				

Legend: ● = core ◐ = developing

Table C.10: Target product/market matrix – Timor-Leste

Product market	Marine	Hiking	Culture and heritage	Religious pilgrimage
Australia/New Zealand	●	◐	◐	
Indonesia	◐		◐	◐
China	◐			
Portugal		◐	◐	

Legend: ● = core ◐ = developing

**Table C.11: Target product/market matrix – Tuvalu**

Product market	Cultural tours	Birdwatching	Marine activities
Fiji	●	◐	●
Australia/New Zealand	●	◐	●
United States of America	●	◐	●
Asia			●

Legend: ● = core ◐ = developing

Table C.12: Target product/market matrix – Vanuatu

Product market	Family beach holiday	Cultural tours	Soft adventure	Wellness and culinary	Diving	Cruise	MCCI	Working holiday
Australia New Zealand	●	◐	◐	◐		●	◐	◐
New Caledonia	●	◐	◐	◐			◐	◐
North America/ Europe	◐	◐	◐	◐	◐	◐		◐
China/Japan	◐	◐	◐	◐	◐			

Legend: ● = core ◐ = developing

ANNEX D

TOURISM PRODUCT DEVELOPMENT CHECKLIST FOR PACIFIC ISLANDS

Activity	✓
1. Identify product/market gaps <ul style="list-style-type: none"> 1.1 Study available formal market research, from local and Pacific rim NTOs, from UNWTO, SPTO and other global and regional organizations. What are the visitor trends and opportunities? 1.1 Study products in other destinations, online and through visits. What is working well, could it be replicated/customized for your destination? What isn't working well, how could you do better? 1.2 Ask visitors to your destination. What they would like to do that isn't currently available? 1.3 Inventory your destination's tourism assets. Which are not yet being supplied (or fully supplied) to market? 	
2. Develop and prove product concept <ul style="list-style-type: none"> 2.1 Define how product experience is unique (at least in your destination). 2.2 Define visitor benefits and features. 2.3 Prepare prototype and test market; continual improvement based on feedback. 	
3. Regulatory, safety, and sustainability <ul style="list-style-type: none"> 3.1 Identify and obtain any licences and approvals required. 3.2 Develop OHS Plan. Identify threats, prevention and remediation. 3.3 Develop a Crisis Management Plan. Keep it simple. List of emergency contacts. 3.4 Develop a Sustainability Plan. Waste management, energy efficiency, biodiversity preservation (e.g., conservation plantings), cultural preservation (e.g., percentage of profit back to local community). Set targets in relation to SDGs. 3.5 Monitor and measure targets. Especially for natural resource and security focussed benchmarks. 	

Activity	✓
4. Marketing plan <ul style="list-style-type: none"> 4.1 Define target markets and visitor profiles/needs. 4.2 Research and set demand-based pricing (what do other destinations charge?). 4.3 Develop website and social networking service channels. 4.4 Work with tourism bodies to establish media and travel agent channels. 	
5. Assemble and prepare resources <ul style="list-style-type: none"> 5.1 Develop a Business Plan (includes 3. and 4. above), secure finance. 5.2 Recruit and train team. 5.3 Purchase or make any necessary equipment and narratives. 	
6. Launch (and continual improvement based on solicited feedback) <ul style="list-style-type: none"> 6.1 Monitor and measure performance against the Business Plan targets (including sustainability). Modify Plan as required. 	

LIST OF ACRONYMS AND ABBREVIATIONS

APEC	Asia Pacific Economic Cooperation
APTC	Australia Pacific Training Coalition
COP 23	23rd Conference of the Parties to the United Nations Framework Convention on Climate Change
FCA	Funafuti Conservation Area
FNPF	Fiji National Provident Fund
GSTC	Global Sustainable Tourism Council
HRP	Singapore Heritage and Identity Partnership
IVS	inbound visitor survey
KTA	Kokoda Track Authority
MCCI	Meetings, congresses, conventions and incentives
MST	Measuring the Sustainability of Tourism
NASFUND	National Superannuation Fund of Papua New Guinea
NSDP	Vanuatu National Sustainable Development Plan
NTO	national tourism organization
PIPA	Phoenix Islands Protected Area
PNGTPA	Papua New Guinea Tourism Promotion Authority
PPP	public-private partnership
SDGs	Sustainable Development Goals
SIDS	small island developing states
SPTO	Pacific Tourism Organization
STGP	Samoa Tourism Growth Partnership
UNESCO	United Nations Educational Scientific and Cultural Organization
UNWTO	World Tourism Organization
URA	Singapore Urban Redevelopment Authority
VFR	visiting friends and relatives
VSTP	Vanuatu Sustainable Tourism Policy

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