



## PACIFIC ISLANDS FORUM SECRETARIAT

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### FORUM ECONOMIC OFFICIALS MEETING

8 August 2023

### FORUM ECONOMIC MINISTERS MEETING

9-10 August 2023

Suva, Fiji

## INFORMATION PAPER 1: REGIONAL TOURISM INITIATIVES

### Purpose and Summary

#### Purpose

To highlight key regional tourism partnerships and initiatives that have been progressed by the Pacific Tourism Organisation (SPTO) since the last update provided to the 2022 Forum Economic Officials and Ministers Meetings. SPTO has continued to focus on regional recovery efforts to support sustainable, inclusive and resilient tourism reactivation in the region.

#### Summary

##### Partnerships

In pursuit of regional tourism recovery SPTO has maintained strong partnerships with the New Zealand Ministry of Foreign Affairs and Trade (NZMFAT) and the Asian Development Bank's Private Sector Development Initiative (PSDI) on the following regional tourism initiatives:

- NZMFAT

SPTO continues to implement the New Zealand government funded Pacific Digital Tourism Transformation Project (Phase 2). Now in year two, the project has the over-arching goal of accelerating tourism recovery in the Pacific, through support for enhanced sector resilience and long-term sustainability. Guided by the priorities identified in [SPTO's Strategic Plan 2020-2024](#), Phase 2 seeks to achieve the following:

##### Long Term

- A more resilient, sustainable tourism sector in the Pacific Islands

##### Medium Term

- Improved management of digital systems for marketing, sustainable development and research
- Increased positive impacts from marketing, sustainability and research

##### Short Term

- Improved digital skills for marketing, sustainable development and research
- Increased stakeholder collaboration at regional and national levels

- Improved digital systems at regional and national levels

- **PSDI Phase IV**

Now in phase IV (2020-2024), PSDI is a regional technical assistance facility. It provides technical, advisory, and capacity-building assistance to improve the business-enabling environment, in support of inclusive, private sector-led, economic growth.

Under phase IV support has been extended to include regional tourism recovery. This support is filtered through a dedicated tourism work plan which was developed in close collaboration with SPTO. Under the work plan the following country level assistance has been extended to date:

- Protocol development and recovery planning: Niue and the Republic of the Marshall Islands
- Impact Assessment Study: Tonga
- Strategic Planning: Fiji, Kiribati, Papua New Guinea, Republic of the Marshall Islands, Niue, Tonga and Vanuatu
- Coral Reef Insurance: Fiji and Solomon Islands
- Sustainability Indicators: Fiji and Kiribati
- Measuring Domestic Tourism: Papua New Guinea and Vanuatu

Other SPTO resilience building initiatives are detailed throughout the paper.

## **Overview:**

### **Situational Background: 2022 Annual Global Tourism Performance Overview**

The COVID-19 pandemic ended a decade of continuous growth for Travel and Tourism. The sector's total contribution to global GDP fell by almost US\$ 4.9 trillion in 2020 while 62 million jobs were lost. 2021 provided relief as the sector's global economic contribution rebounded by 21.7% and it recovered 18.2 million jobs.

2. In 2022, demand for international travel rebounded strongly, as governments around the world eased COVID-related travel restrictions. UNWTO scenarios suggest that in 2023, international tourist arrivals could reach 80% to 95% of pre-pandemic levels.

3. 2022 Visitor Arrivals to SPTO member countries stood at 1,359,759 (1,224,329 Air arrivals and 135,430 Cruise Ship arrivals). This marked a substantial 760% rise over 2021. By destination shares, Fiji accounted for 52.0% of the total air visitor arrivals to the region, with French Polynesia at 17.9%, Cook Islands at 9.3%, New Caledonia 6.4%, PNG 5.7%. The remaining 8.8% comprised of Samoa at 3.8%, Vanuatu at 2.4%, Tonga at 1.5%, Solomon Islands at 0.6%, FSM at 0.2% and Kiribati & RMI at 0.1%.

4. New Caledonia accounted for 45.7% of the total cruise visitor arrivals, followed by French Polynesia at 32.3% and Fiji at 12.0%. The remaining 10.0% comprised of Samoa at 5.0%, Tonga at 3.8% and Cook Islands at 1.2%. Further detailed insights are captured in the attached [SPTO 2022 Annual Visitor Arrivals Report](#).

5. The following key challenges currently face the industry:

- Limited and expensive airline connections (global and regional)
- Loss of critical staff, institutional knowledge and job skills (through labour mobility schemes and such)
- Natural disasters increase risk of national/regional capacity to recover from pandemic impacts
- Challenging economic environment including, high energy costs, high inflation and the spike in oil prices, aggravated by the war in Ukraine, continues to be the main factor weighing on the recovery of tourism, according to experts.
- Constrained Regional Tourism Statistics: challenges range from data quality to statistical capacity gaps in agencies and the inadequacy of resources allocated for tourism statistics in countries.
- Pacific Island countries recovery efforts is slower than anticipated

6. However, when considering solutions to the above, it is important to bear in mind the following opportunities:

- Fiji is among the 20 countries that China has selected to resume outbound group travel to
- Pacific Islands will appeal to the new travelers seeking off the beaten track destinations, environmentally responsible, giving back to communities etc
- Strong rebound to date from the Australian and New Zealand markets to travel to the Pacific

- Unique Selling Point's (USPs), in particular our diversified cultures of the 20 SPTO PICS remains a global competitive advantage
- Pacific tourism industry is resilient having previously rebounded from significant shocks

## **Discussion**

### **Key Initiatives**

#### **A. Pacific Sustainable Tourism Policy Framework (PSTPF)**

7. The [Pacific Leader's Statement of Commitment \(SOC\)](#) has mobilized SPTO's Council of Tourism Ministers, in support of [PSTPF](#) implementation. Through the SOC, SPTO seeks to elevate sustainable tourism as a regional priority encompassing environmental, socio-cultural and economic development to name a few. The Commitment draws from the PSTPF, which envisions that by 2030 – *"We are empowered by and benefitting from tourism that is resilient, prosperous and inclusive. It improves the wellbeing of our communities and protects, restores and promotes our cultures, islands and ocean eco- systems"*.

8. To date eighteen SPTO member countries have endorsed the Statement of Commitment (Federated States of Micronesia, New Caledonia, Samoa, Niue, Vanuatu, Timor Leste, Solomon Islands, Tokelau, Tonga, French Polynesia, Kiribati, Cook Islands, American Samoa, Fiji, Wallis & Futuna, Nauru, Tuvalu and the Republic of the Marshall Islands).

9. Further to the above, in an effort to ensure inclusive approaches to sustainable tourism development, SPTO has partnered with PSDI to conduct a gender audit exercise. This will assess how SPTO and its membership are considering and institutionalizing gender in policies, programs, projects, services and budgets. The gender audit will apply an approach based on the [United Nations World Tourism Organization's Gender Mainstreaming Guidelines for the Public Sector in Tourism](#), tailored to the Pacific context.

10. The organisational assessments will inform a regional report which will highlight aggregated data, examples of best practice and opportunities to strengthen gender mainstreaming by Pacific public sector tourism organizations. It will also provide capacity building recommendations to help mainstream economic empowerment of women.

11. In November 2022 in Rarotonga, Cook Islands, SPTO convened the inaugural **Pacific Sustainable Tourism Leadership Summit (PSTLS)**. As a platform for showcasing sustainable tourism efforts in the Pacific, the PSTLS seeks to:

- Create a shared vision for the Pacific to be a global leader in sustainable tourism
- Bring key decision makers and stakeholders together to develop strong partnerships with the Ministers of Tourism, international partners, regional and national tourism organisations, tourism industry partners and community leader
- Discuss and form pertinent sustainable tourism policies
- Showcase sustainable tourism experiences in various Pacific countries that will become the host

- Form a declaration by the host country that will direct the development of sustainable tourism in key specific areas and themes
12. The second PSTLS is being planned for 16-20<sup>th</sup> October 2023, alongside the SPTO Board and Council meetings and Cruise Summit, in French Polynesia. Commitments from the PSTLS 2022 are summarized in the [attached](#).
13. Goal 1 of the PSTPF seeks to ensure that tourism supports prosperous and resilient economies. In order to achieve this goal, three key priorities have been identified, one of which involves the need to ‘establish enabling legislation and policies’.
14. As such, the development of a **Pacific Sustainable Tourism Standard (PSTS)**, based on the Global Sustainable Tourism Council’s (GSTC) standard, was identified as a key priority. Amongst other things, the PSTS will:
- provide guidance to Pacific destinations seeking to manage and operate truly sustainable and responsible forms of tourism
  - ensure sustainable tourism programs in the Pacific are aligned to Global best practice established by the GSTC
  - provide assurance for visitors that sustainable tourism is a key component of destination development in the Pacific
  - apply to all destinations and the entire tourism sector across the Pacific
15. With the funding support of NZMFAT under Phase 2, PSTS was developed. In June 2023, SPTO received confirmation that the Pacific Sustainable Tourism Destination Standard (dated 15/05/2023) received full recognition from the GSTC Assurance Panel. This recognises the PSTS (Destination) as equivalent to the GSTC Destination Criteria. A copy of the Standard is [attached](#) for reference.

## **B. Tourism Statistics & Research Development through the Pacific Tourism Statistics Strategy**

16. In 2021, SPTO convened the inaugural Pacific Islands Tourism Research Symposium. The Symposium highlighted the need for a clearly defined Tourism Research Cooperation Framework, to direct forthcoming research in support of sustainable tourism development in the region.
17. SPTO’s Research and Statistics division secured a separate pool of funding from NZMFAT to develop the Framework. **The Pacific Tourism Research Cooperation Framework (PTRCF)** is aimed at strengthening collaboration between key players in the tourism sector, to enhance tourism research in the region.
18. Now completed, the framework will serve as a platform with which to coordinate and disseminate knowledge and learnings about Pacific tourism for Pacific peoples, all which could contribute towards achieving a green and blue Pacific with common prosperity for all Pacific Islands through timely and relevant research.
19. In 2021, SPTO developed a 10-year [Pacific Tourism Statistics Strategy \(PTSS\)](#) that

envisages an empowered Pacific, benefitting from sustainable tourism that is informed by regular, accessible and high-quality tourism statistics and intelligence. The PTSS, though an ingrained implementation plan, defines strategies and actions to achieve its goals.

20. To achieve the outputs of goal one of the PTSS, SPTO is developing the **Pacific Sustainable Tourism Indicators (PSTI) Framework**. This framework aims to develop a set of core indicators to measure the sustainability of tourism and to strengthen the statistical base of tourism information in the region

21. The PSTI project aims to provide a valuable tool for the Pacific region, enabling stakeholders to monitor and evaluate the sustainability of tourism over time. It will also allow for the identification of areas where further improvements can be made to enhance the sustainability of tourism in the region.

22. In recognition of SPTO's successful completion of the New Zealand government funded NZMFAT Organizational Development and Tourism Recovery Programme (Phase 1) and successful implementation to date of the Pacific Digital Tourism Transformation Project (Phase 2), SPTO was approached to assume management responsibility of the [Pacific Tourism Data Initiative \(PTDI\)](#).

23. Since its inception in 2016, PTDI has been supported by partner Pacific nations and NZMFAT. Its implementation has been led by the New Zealand Tourism Research Institute (NZTRI) based at the Auckland University of Technology (AUT) in New Zealand.

24. Covering ten Pacific Island nations (Cook Islands, Niue, PNG, Samoa, Solomon Islands, Vanuatu, Tonga, Kiribati, Timor Leste and FSM/Yap), the initiative seeks to support evidence-based planning and decision making through the production of:

- International visitor survey (IVS) for each destination as a core source of data, monitoring visitor satisfaction, expenditure and perceptions of recent travel experiences,
- Business Confidence Index (BCI) to measure business perspective on tourism performance through industry surveys, and
- Community Attitude Survey (CAS) for national surveys of community awareness of, and attitudes towards, tourism.

25. Current management transition planning with NZMFAT and AUT, envisages a hand-over to SPTO by September 30<sup>th</sup>, 2023. This assignment will span two years, aligning to NZMFAT Phase 2 timelines.

### **C. SPTO Digital Strategy**

26. To support advancement towards a more resilient, sustainable tourism sector in the Pacific Islands, SPTO has secured the services of Digital experts to deliver in-country training and on-going support to its membership (government and industry). These customized training sessions will seek to enhance digital skills across SPTO's membership groupings; digitally constrained, digitally ambitious and digitally proficient. The trainings will be packaged in e- learning modules, delivered via an online learning management system. In the longer term, NZMFAT phase 2 will address the

needs highlighted in a digital platforms review, conducted in March 2023. This will result in the procurement of a common ‘Technology Stack’, on a cost-share basis with NTOs. As such, in moving forward, most, if not all NTOs, can then be using the same core digital technology. Ideally, this will streamline reporting through the use of the same metrics across the region.

### **Next Steps**

27. Looking ahead to long term industry recovery and bearing in mind the ways in which the pandemic and other crises have impacted Pacific Tourism, SPTO has partnered with PSDI to reassess the organisation’s approaches to crises response and resilience. Through this strategic organisation review, SPTO seeks to ensure that our **core competencies and value proposition**:

- Are clearly articulated
- Reflect the needs of members and other stakeholders

28. Moreover, recognizing the importance of innovative partnerships, this work will also facilitate the development of a **Donor and Development Partner Framework**, aimed at strengthening the organisation’s financial resilience. It is also envisaged that the findings of the review will help shape the next **SPTO Strategic Plan in 2024**.

29. Additionally, in order to capture experiences and lessons learned from recent crises that have impacted the tourism sector, SPTO and PSDI are also embarking on an exercise to document crises and resilience case studies. The purpose of this assignment is to document lessons learned from the COVID-19 pandemic response and recovery as well as other major events, such as the Hunga Tonga, Hunga Ha’apai volcano eruption and resulting tsunami and severe Tropical Cyclones to name a few. These lessons will inform the development and promotion of best practice guidance.

30. Given the diversity of our region and the range of serious challenges facing Pacific Tourism, SPTO’s mandate as the regional body representing sustainable tourism development, should not be understated.

31. The organisation will continue to build on the above mentioned efforts, with guidance from the organisations key strategic documents (SPTO Strategic Plan 2021- 2024, PSTPF, PTSS and SPTO Digital Strategy), all of which align to the **2050 Strategy for the Blue Pacific Continent**.

32. The 2050 Strategy was approved by SPTO’s Council of Tourism Ministers at the 31<sup>st</sup> meeting of the Council on 3<sup>rd</sup> November, 2022. In doing so, the Council acknowledged the importance of collaborative efforts between SPTO, other CROP agencies and development partners, to implement the 2050 Strategy for the benefit of our Blue Pacific Continent. The Council also noted tourism’s multi- sectoral links which have resulted in strong links to the thematic areas of the 2050 Strategy.

33. With this in mind, SPTO continues to emphasize people and partnerships, acknowledging that although we are united under a Blue Pacific banner, we are also unique in the challenges we face, the needs we have and the ambitions to which we aspire.

34. As a smaller agency, partnerships are all the more important to SPTO, particularly as we seek to:

- Improve air connectivity
- Enhance and promote public-private partnerships which can support destinations to diversify tourism offerings, build innovation, gain competitive advantages and build world class sustainable tourism products
- Strengthen sustainability and resilience
- Support digital transformations
- Provide high quality tourism insights

35. Tourism has traditionally been a key economic driver in the region and current global forecasts have provided a promising outlook for the industry regaining this role in the region. With this in mind, alongside Pacific Tourism's multi-sectoral linkages, the industry has great potential to improve the lives, environments and eco-systems of Pacific peoples. However, in order to do so, high level recognition and commitment of the industry's importance, regional tourism challenges and SPTO's role is required from Pacific Leaders, industry stakeholders and donor and development partners.

Pacific Tourism Organisation  
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