

| Tourism



Pacific
Possible



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What is the opportunity?

- Increased tourism could be transformative for Pacific Island countries, their people and economies.
 - Pristine natural environments and diverse cultural backgrounds give Pacific Island countries a global comparative advantage.
- The *Pacific Possible: Tourism* report identifies key areas for growth, quantifying their potential and providing a range of recommendations to achieve them.

BACKGROUND

Pacific Island countries can be characterized by their small size, long distances to major markets and disperse populations. While these characteristics are often seen as challenges for economic growth and development, in the tourism sector they are seen as comparative advantages, with their pristine natural environments and rich and diverse cultural heritages distinguishing them from other countries and regions around the world.

Developing the tourism sector is an opportunity for transformative economic growth in the region and also presents a chance to preserve the environment and cultural heritage through sustainable development practices. The *Pacific Possible: Tourism* report outlines what tourism could mean for Pacific Island countries by the year 2040, providing a range of recommendations to further develop this sector.

PACIFIC ISLAND COUNTRIES COVERED IN THE REPORT:

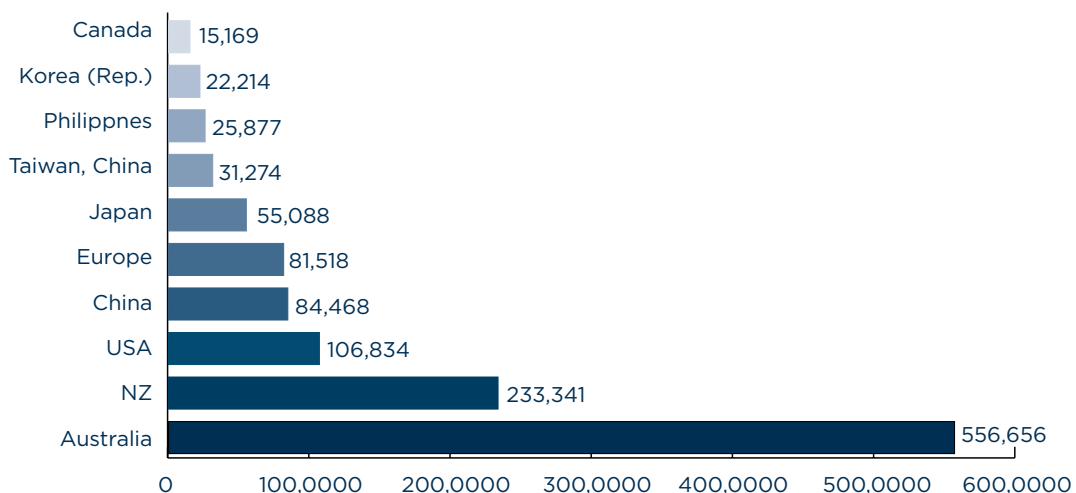
Fiji	Federated States of Micronesia	Papua New Guinea	Tonga
Kiribati	Palau	Samoa	Tuvalu
Marshall Islands		Solomon Islands	Vanuatu

CURRENT SITUATION

Tourism already plays an important role in Pacific Island economies and is one of the region's few economically viable sectors. Total tourism spending in Pacific Island countries for 2013 amounted to US\$1.4 billion, averaging out at just over US\$1,000 per visitor.

In 2014 there were a record 1.37 million overnight visitor arrivals across the eleven countries, with Fiji, Papua New Guinea (PNG), Palau, Samoa and Vanuatu making up the top five destinations. Two thirds of visitors traveling to Pacific Island countries are from Australia and New Zealand. While the United States, China, Japan and Europe are still relatively small markets, they represent significant growth potential.

More arrivals does not necessarily mean more spending, and due to the ecological sensitivity of Pacific Island countries, attracting low-volume, high-yielding tourists is crucial.



*Data for 2014, or latest available.

THE OUTLOOK

To realize long-term, balanced and manageable growth of the tourism sector, there are four areas of opportunity which Pacific Island governments can work on. The potential benefit from each by the year 2040 is quantified below:



How can this be realized?

The paper outlines a four part strategy to improve yields and develop markets.

Improving connectivity

While this is improving, having direct flights from long-haul markets such as Europe and the United States, without the need to connect in Australia, New Zealand, Fiji or Guam is a priority.

Attracting higher yield tourists

This will help overcome dependence on Australian and New Zealand markets but requires targeted and long-term development.

Public sector support

The effectiveness of public sector agencies to provide an environment attractive to tourism operators is important and includes minimizing legal and administrative requirements which affect the tourism sector and developing a labor force capable of meeting future demand.

Improving efficiency

Improving linkages between the tourism sector and the local economy such as food and service supplies to hotels, regional training facilities and destination management will increase efficiency in the tourism sector.

Additional recommendations specific to each area of growth are also outlined in the full report. Visit www.worldbank.org/pacificpossible to learn more.

**> 125,000
additional jobs could
be created by the year 2040.**

“Tourism plays an integral role in local island economies already and it holds potential to contribute even more to GDP and national growth.”
– Kevin McCarthy, BSP Fiji Country Manager



WHAT IS Pacific Possible?



Pacific Island countries face unique development challenges. They are far away from major markets, often with small populations spread across many islands and vast distances, and are at the forefront of climate change and its impacts. Because of this, much research has focused on the challenges and constraints faced by Pacific Island countries, and finding ways to respond to these.

This paper is one part of the Pacific Possible series, which takes a positive focus, looking at genuinely transformative opportunities

that exist for Pacific Island countries over the next 25 years and identifies the region's biggest challenges that require urgent action.

Realizing these opportunities will often require collaboration not only between Pacific Island governments, but also with neighbouring countries on the Pacific Rim. The findings presented in Pacific Possible will provide governments and policy-makers with specific insights into what each area could mean for the economy, for employment, for government income and spending.

LEARN MORE

To learn more, visit www.worldbank.org/PacificPossible, or join the conversation online with the hashtag #PacificPossible.